



21st November 2017

Market Announcements office
Australian Securities Exchange Ltd
Exchange Centre
20 Bridge Street
Sydney NSW 2000

FOR RELEASE TO THE MARKET

Dear Sir / Madam,

Re: 2017 AGM Addresses and Presentation to Shareholders

Please find attached on behalf of AUB Group Limited (ASX: AUB) the Chairman's address and the Managing Director & CEO's address and presentation to be delivered today to the shareholders at the Company's Annual General Meeting to be held at 10:00 am at the Auditorium, Level 15, 1 Farrar Place, Sydney NSW 2000.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'J Coss'.

Justin Coss
Company Secretary

For further information, contact Justin Coss

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Annual General Meeting

AUB Group Limited

10:00am, Tuesday 21st November 2017

The Auditorium, Level 15, 1 Farrar Place, Sydney

Chairman's Address

Good morning ladies and gentlemen.

At our meeting today Mark and I will report to you on AUB Group's performance and the outlook for the year ahead. This is my second year as Chairman of this company and it has been another positive year for AUB Group, with the company making good progress on its strategy, and delivering sound results towards the upper end of our guidance.

The Group's portfolio showed its value in a complex market, with all business areas achieving growth. With the focus on optimising profitability and performance across the entire portfolio of businesses, the achievement of 7.5% growth of underlying Net Profit After Tax, and a 6.2% increase in Earnings Per Share, was encouraging.

The soft premium cycle in Australasia stabilised in the financial year, with premium rates in commercial lines insurance evidencing growth in the last quarter. An increasing premium rate environment positively impacts income for our Broking and Underwriting Agencies' business areas and provides confidence as we look to financial year 2018.

There have been structural changes in the NSW Workers Compensation system. Our Risk Services partners are active with icare and its' appointed agents, supporting the extensive change currently underway in this area. We believe we are well positioned to continue providing our services in NSW.

The industry landscape and competitive pressure continued to change, with greater emphasis on technology seeing InsurTech offerings start to emerge. Many of these looks to increase the operational efficiency of various parts of the insurance value chain. The pace of innovation in this arena is continuing to accelerate. Recognising this, we have completed a review of our core network and infrastructure capability and how we deliver that to our partners. This will mean some change and we are confident it will place a better solution in the hands of our business partners. As an example we have initiated a technology outsourcing project, where we are moving the Group's Data Centre and business support capabilities to a specialist provider to deliver improved performance, security and lower costs. The added benefit is that our outsourcing Partner maintains up to date applications and processes, which ensure that our businesses have the best business tools available.

The Board introduced an additional measure to its Governance process this year by appointing a main Board Director to the Boards of our business divisions. This initiative was brought about by the growth of New Zealand, SURA and Risk Services and the Board's belief that it would enhance decision making and risk management at the Group level. We have also begun the process of searching for a further Non-Executive Director to join your board. We feel the business has grown and diversified to an extent that having another appropriately skilled Non-Executive Director will add to the Board's capability.

We have continued to invest in our people through the AUB Group Academy, where 20 participants have completed the Diploma of Leadership and Management. Our next group is scheduled to commence early 2018. In addition to the Diploma, the Executive Team continues to be involved in the Executive Development Program focused on building transformational leadership skills. The Academy has also facilitated business training including; Anti-Bullying and Harassment, and Influencing and Negotiation skills over the last 12 months. The business has continued to build on the balanced scorecard approach for measuring individual and business performance, with all leadership roles now required to complete a 360-feedback survey as part of their ongoing development.

Many of the Group's partners received accolades during the year including Austbrokers Coast to Coast being named Small Broking Company of the year and its MD, Dale Hansen, being named Insurance Broker of the Year. Adroit was a finalist for Medium sized Broking Company of the year and Insurance Advisernet a finalist for large Insurance Broking Company of the Year. Altius Group were named winners of the 'Health & Life Science Growth Company of the Year' in the Australian Growth Company Awards. These awards give you some insight into the quality of the businesses which are part of the AUB Group network.

The Group's efforts in the coming financial year will be focused on continuing to execute its strategy and grow shareholder value. Mark will elaborate more on this shortly. In doing so, we will have an increased focus on driving client outcomes, further strengthening our partners performance, and championing growth across all business areas.

The financial year ahead is an interesting one. Premium rates in the insurance market appear to be improving, and our New Zealand expansion gains in momentum and reputation. Be assured we will focus on driving revenue, keeping costs under control and being careful with our capital management.

On behalf of the Board, I would like to thank you for your support. Thank you also to my Board colleagues, Mark and all AUB Group employees for their efforts to grow your business. Most importantly we have had strong support from a growing number of Partner businesses and their customers.

I would now like to hand over to Mark to give you an update on our business and the key results as well as an outlook for financial year 2018.

Chief Executive Officer's Address and Presentation

Thank you David and I'd like to add my welcome to everyone here today.

During the financial year, AUB Group made considerable progress. Our commitment to supporting our client's risk needs (principally SME and mid-market businesses) via our partners saw continued expansion and growth across all our business areas.

Today, I would like to provide an insight as to how we supported that progress, the results generated and our view as to the progress made to date and our expectations for the remainder of the year.

In previous presentations I have discussed the journey we have been on, transforming the Group from a focus around growing our Australian Insurance Broking presence to a broader position defined by our purpose: 'Safeguarding a stronger future'. In this regard, we apply this ethos to all stakeholders – clients (over 650 000 predominantly SME businesses across Australia and New Zealand); our operating business partners (over 135 different investments in risk related businesses); our strategic partners including our insurer partners; our shareholders and investors.

Our guiding principle is focussed around our Strategy: 'To be the leading provider of Risk Management advice and solutions to clients' which is embodied in our strategic Intent...'To help clients realise a stronger, more protected future through the provision of valued advice, solutions and services'. We have become a truly integrated risk management group, not simply an investor in insurance brokers.

Over the past few years we have been developing our 'eco system' – a network of partner businesses that we invest in and/or create strategic alliances, supported by the Groups capabilities and scale leverage which in turn helps ensure clients receive the relevant risk advice and solutions to satisfy their physical, people and financial risk needs. Over the last year we have continued to invest in this strategic approach and are seeing strong evidence that the execution of our strategy is bearing fruit with increasing levels of collaboration.

Over the last year we have continued to execute the Groups' strategy across four main areas: first continuing to maximise the Groups partnership model 'the owner-driver' model; secondly by continuing to leverage our scale and size to provide 'at cost' benefits to our operational business partners; thirdly, continuing to invest in new risk solution offerings e.g. national loss adjusting and new people risk capabilities; fourthly continuing to strengthen the foundations of our business by investing in our people and infrastructure.

Before I turn to address our financial performance in FY17, I want to acknowledge the contribution of our Chief Financial officer, Jodie Blackledge, who we announced yesterday would be leaving the Company to accept a new career opportunity that has been offered to her. Jodie will remain with the Group for her notice period of six months which will enable the orderly handover of responsibilities. An external search will be undertaken to find her replacement.

I want to thank Jodie for the support that she has provided to me and her considerable contribution to the Company during her time with us. On behalf of the management team, I sincerely wish her well in her future endeavours.

I would now like to provide an overview of our performance during FY17.

The 2017 financial year saw the Group delivering a good financial result with underlying Net Profit after Tax of \$40.4 million in the context of a flat premium rate environment. Central to this performance was the growth across all business areas, and our disciplined approach to managing costs during a soft insurance premium cycle. I am particularly pleased that our growth was primarily organic in nature.

A key feature of the results was the strong growth in both profit and revenue. We evidence 9.8% growth in underlying revenue; 9.9% increase in underlying EBITA; a very creditable 11.9% growth in underlying Net profit before tax which equated to a 7.5% growth in the Groups' NPAT versus the prior year.

The improvement in key drivers included a 5% increase in client numbers and improved profit margins of 60 basis points for our partner businesses. The result of this performance was to deliver improved shareholder returns with Adjusted EPS growing by 6.2% and the Full year Dividend increasing by 5%.

The 5% increase in Full Year Dividend continued the eleven year trend of constantly improving the Dividend to shareholders. As you will know, we decided to continue to suspend the DRP as a result of good balance sheet management.

An important consideration when analysing the Group results was the positive contribution made by each business area. Every division grew its profit contribution despite a flat premium environment. This provides a solid foundation for this financial year.

Turning to the respective business areas, our partner businesses continued to focus on levers relating to driving productivity, efficiency and growing client numbers.

Our biggest division is Australian Broking (Austbrokers). Despite the headwinds of a soft premium rate environment and lower interest rates, we recorded a 3.6% organic profit growth. A key focus during the year was on partners where profitability was under pressure and this focus demonstrated an operating margin improvement of 7% for those partners. From an acquisition perspective, our model proved attractive with 1 stand alone and 4 bolt-on acquisitions undertaken in the year. Our portfolio management approach resulted in an improvement in margin for the division.

Our Underwriting Agencies (SURA) group delivered a very strong 13% growth in client policy numbers and profit contribution for this area increased 21% year on year. Our focus on start-ups has traditionally delivered high return on capital employed, and our cost to income ratio improved throughout the year. In total, we had 1 acquisition and launched 2 new segment offerings throughout the year.

Our newest area, Risk Services delivered a strong 33% revenue increase, and a 5% increase in profit contribution was supported by geographic expansion, the introduction of new specialist services and acquisitions. Client satisfaction metrics consistently outperformed industry average.

And in New Zealand, significant growth has been achieved since we entered the market less than three years ago. This financial year achieved 90% profit growth and 59% growth in revenue. New Zealand is performing ahead of our expectations. This is a major step for our international expansion, and underlines the strength of our model. As a Group, we now account

for over \$550m GWP making us the largest Broker Management Group and 3rd largest broking entity in that Country.

From a Group perspective, overall client policy growth was strong at 5% and, as already mentioned, the diversification of our profit contribution continued which has helped protect the Group's growth trajectory. Importantly, costs at a Group level were well managed with the Cost: income ratio held beneath target and yet we successfully introduced a number of new programmes including an expansion of our Leadership Academy which in turn will help develop our leaders of the future.

We have a clear purpose and strategy, focussed on our aspiration to drive long-term growth. We are excited about the opportunities to continue to enhance our solutions and services offered to partner and clients, and build AUB Group's position in the industry. What is good for partners and clients, will be good for our business and long-term shareholder value. Our discipline adherence to Business model; Operating Model and Strategy will continue for the rest of the year and into the future. I firmly believe that by having clear disciplines the results will speak for themselves. Over the rest of the year we will continue to invest in our people and our infrastructure.

We have successfully enacted our technology enablement strategy with the appointment of Interactive as our strategic network support partner – further evidence of our intent to leverage great technology without the long term cost of ownership issues. We will also continue to lead the market with respect to the growing area of “insurtech”. Recently I announced that the Group became a founding partner of Insurtech Australia alongside other leading entities such as QBE and IAG. We firmly believe that by embracing new technologies and approaches we can support our partners and clients by reducing the friction involved in the risk management and insurance process.

I am extremely grateful to the AUB Group team, and its partners, for their dedication and willingness to embrace change as we continue to grow and evolve. We are committed to making AUB Group not just a great company and a great place to work, but one that safeguards a stronger future for all.

Whilst FY17 evidenced, on average, a flat premium environment we are seeing low single digit premium increases flow which supports our thesis for FY 18 performance. As demonstrated in FY17, the group expects continued organic growth as a result of disciplined execution of our strategy supplemented by relevant acquisition and start-up investment opportunities in Australia and New Zealand.

In the context of a low, single digit premium rate increase environment, the Group continues to expect growth in Adjusted NPAT for FY18 over FY17 in the range of 5-10%.

Finally, I'd like to take this opportunity of thanking David and the Board, my Executive team, the management and staff of AUB Group and importantly all our partners for helping make my job so enjoyable and for all their support in helping deliver good returns for our Shareholders.

Thank You.

I will now hand back to David.

The background of the slide is a grayscale photograph of several hands of different skin tones stacked on top of each other in a circle, symbolizing unity and teamwork. A large, thin, gold-colored circle is positioned on the left side of the slide, framing the text.

AUB GROUP LTD

ANNUAL GENERAL
MEETING 2017



CHAIRMAN ADDRESS

DAVID CLARKE





CEO ADDRESS

MARK SEARLES
MANAGING DIRECTOR & CEO



OUR GUIDING PRINCIPLES

Our purpose:

Safeguarding a stronger future.

Our strategic intent:

Helping clients realise a stronger, more protected future through valued advice, solutions and services.

OUR ECOSYSTEM



OUR STRATEGIC INTENT

Helping clients realise a stronger, more protected future, through valued advice and solutions.



FINANCIAL
PERFORMANCE AND
BUSINESS HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

Delivering strong profit and revenue growth

Underlying ¹ Revenue increase	+9.8%
Underlying ¹ EBITA increase	+9.9%
Underlying ¹ NPBT (pre-amortisation)	+11.9%
Adjusted NPAT growth to \$40.4M ²	+7.5%

Organic growth the key driver across all business areas

Client policy growth	+5.0%
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Enhanced operating performance of partners

Improved profit margin ³	60 basis points
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A track record of achieving positive shareholder returns

Adjusted EPS growth to 63.2 cents	+6.2%
Twelve consecutive years of dividend increases	+5.0% in FY17

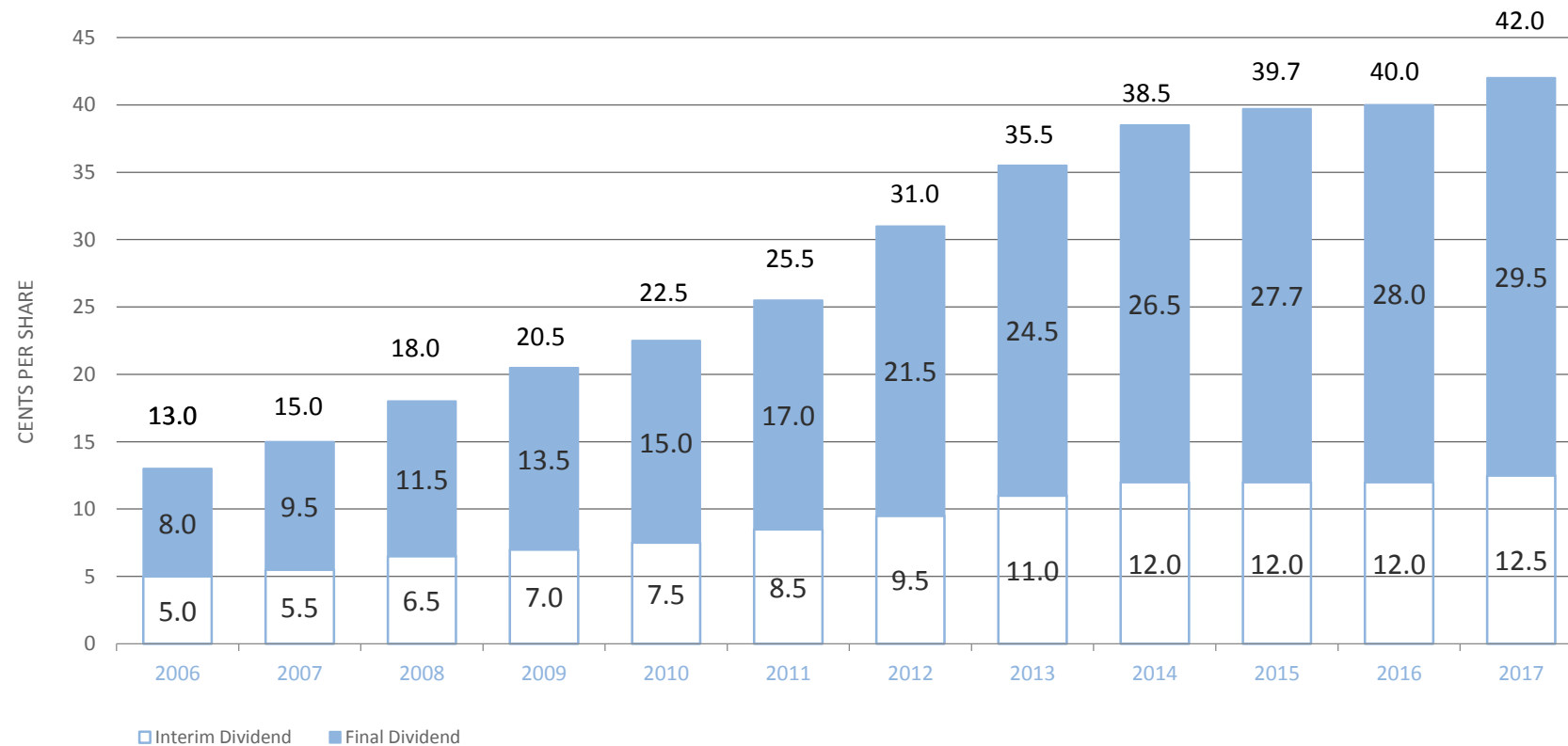
¹ Underlying Management Results: a number of the businesses in the AUB Group are associates and are not consolidated in the financial statements. In order to give a more comprehensive view of performance, these numbers aggregate 100% of all business revenues and expenses with those of the consolidated businesses before deducting outside shareholder interests. Excludes non-operational accounting adjustments relating to acquisitions. Refer Appendix 2 for further detail.

² Removes the impact of one-off non-cash adjustments, profit on sales and amortisation

³ Profit before tax margin based on Underlying Management Results for all partner businesses.

DELIVERING TO SHAREHOLDERS - DIVIDEND

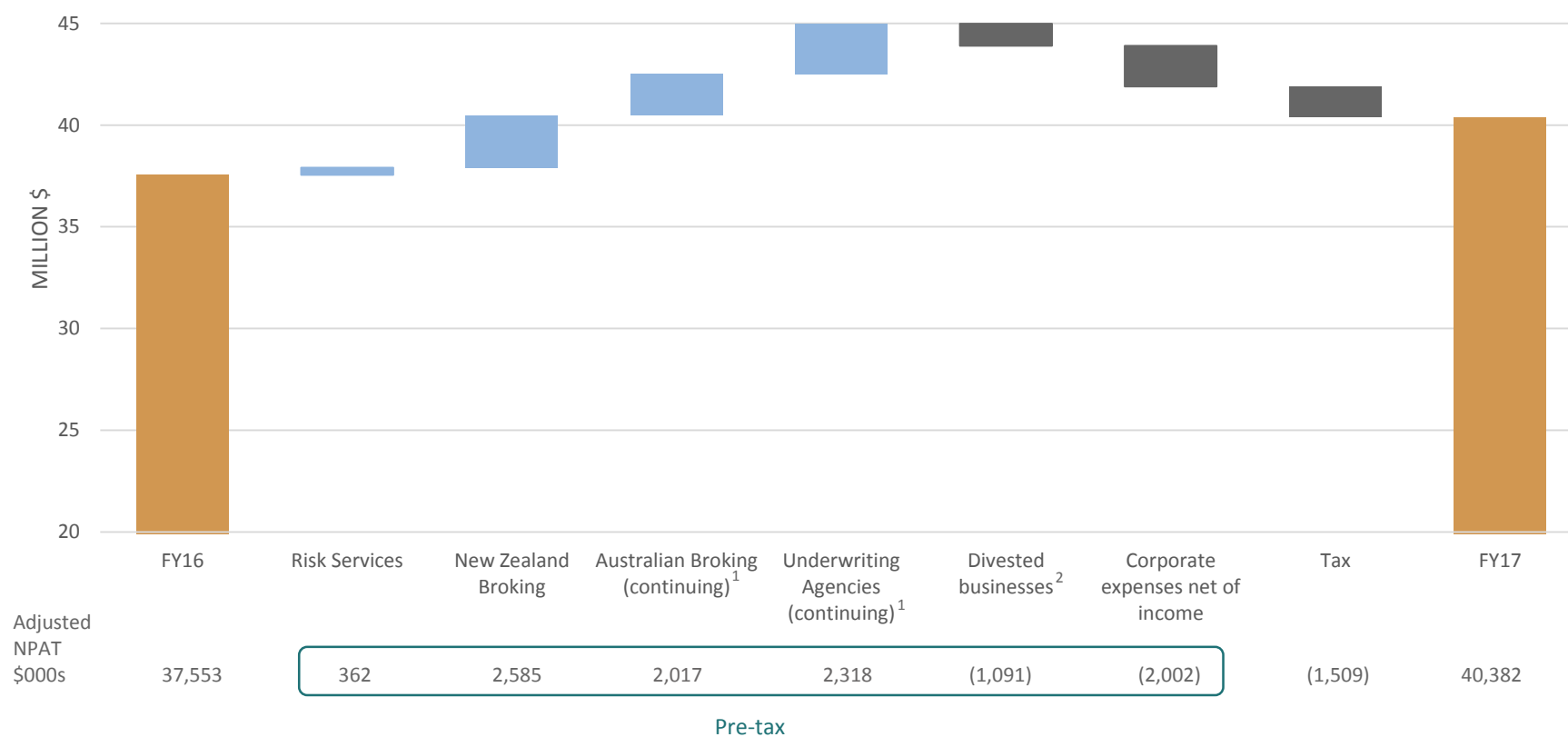
- Growth trend of Dividend payments continued (Full Year up 5%)
- Final dividend per share of 29.5 cents brings full year dividend to 42.0 cents
- DRP remains suspended for the final dividend.



PROFIT CONTRIBUTION ANALYSIS

Execution of strategy delivers growth and diversification

Adjusted Profit Contribution to AUB Group (after tax and non-controlling interests)



¹ All continuing businesses including acquisitions in the current period.

² Strathern and Newsurety businesses divested before 1 July 2016.

BUSINESS AREA HIGHLIGHTS

Group

- Client policy growth (+5%)
- Employee engagement increased across the Group
- Diversification of profit contribution continued

Australian Broking

- Solid organic results in a flat market
- Portfolio of businesses delivering improved margins
- Diversified solutions through expansion of life and premium funding books
- One stand alone acquisition, Lea Insurance Brokers in May 2017, and four acquisitions by equity partners.

New Zealand

- Organic growth in new clients, life income and premium funding income
- Investment in New Zealand management and infrastructure (including technology) continues as the business expands
- Profitability of portfolio continues to grow with strong broker margins and book growth (>\$550m GWP)

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- New structure to facilitate divisional growth
 - Growth in Leadership Academy graduates and new programs developed

Underwriting Agencies

- Strong performance from organic policy growth and margin improvements
- Portfolio rationalisation continues to strengthen margins and reduce volatility
- Growth of portfolio with new partners and start-ups
- Commenced implementation of a new underwriting system that will underpin future business efficiency

Risk Services

- Double digit revenue growth
- National footprint achieved and performing strongly
- Successful evolution of ancillary services continues to build position
- Changes announced by icare impacting NSW workers compensation are seen to be positive for the longer term outlook for our businesses



FY18 PRIORITIES AND OUTLOOK



FY18 PRIORITIES

The Group will continue its disciplined focus, building on the strength of our Business Model; Operating Model and Group Strategy

- Business Model: we will continue to maximize partnerships and our 'skin in the game' model to continue to drive both organic growth and via selected acquisitions.
- Operating model: we will leverage Group scale to deliver leading products and services to partner businesses. Continue to build collaboration between partner businesses across the different areas. We will focus on delivering increased efficiencies, opportunities and margins for our Partners and the Group.
- Strategy: we will stay focused on delivering client-centric organic growth utilising Group's 'total risk solutions for clients' approach via the Group's 'eco-system' and ensuring we stay true to our purpose – 'to safeguard a stronger future' for our stakeholders.

The Group will continue to invest in 'people-centric' capabilities including further development of leadership and training programmes.

The Group will continue to take a leading position in 'insurtech' adoption as a Founding Partner of insurtechAustralia.

FY18 OUTLOOK

- There was evidence of single digit percentage premium rate increases in Australia in the last quarter of FY17 and an expectation that insurers will continue to execute premium rate increases at similar level into FY18. New Zealand remains competitive, with early signs of stabilisation. Any sustained increases in the premium rate environment in Australia and New Zealand in FY18 are dependent on actions by insurers and indications are that insurers will be executing premium rate increase strategies that will have a positive effect on income.
 - Drivers of revenue in Risk Services remain positive outside of the NSW market. The industry changes caused by iCare's rationalisation of Managing Agents is seen to be positive for the longer term, however there is significant industry change to occur in NSW over the next 12 months and our expectations for FY18 are moderated to focus on business retention, rather than growth in NSW. Opportunities outside NSW and in ancillary risk services continue, unaffected by these changes.
 - As demonstrated in FY17, the Group expects continued organic growth as a result of ongoing disciplined execution of our strategy, supplemented by relevant acquisition and start-up investment opportunities in Australia and New Zealand.
 - In the context of low single digit premium rate increases in Australia, and to a lesser extent in New Zealand, the Group re-iterates that it expects Adjusted NPAT in FY18 in the range of 5 to 10% growth over FY17.
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QUESTIONS

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