



12 June 2019

The Manager
Market Announcements Office
Australian Securities Exchange Ltd
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

FOR RELEASE TO THE MARKET

Dear Sir / Madam,

Investor Presentation and Conference Call

AUB Group Ltd (ASX:AUB), Australasia's largest equity based broker network, will host a conference call and webinar on Wednesday, 12th June 2019 at 10:00am AEST to discuss the Investor Presentation and Trading Update released today to ASX.

Attached is a copy of the presentation.

CEO and Managing Director Mike Emmett and CFO Mark Shanahan will discuss AUB's strategic direction, execution priorities and updated guidance for FY19.

Conference call and webinar details:

Dial-in Details:

Australia:	1800 896 323
New Zealand:	0800 441 984
Hong Kong:	800 906 887
United States:	1 855 731 0983
United Kingdom:	0 808 178 0273
International:	+61 2 8088 0900

Conference ID: 42822650

Webinar: <https://login.redbackconferencing.com.au/landers/page/09af33>

A recording of the call will be made available in the 'Investor Centre' section of the Company's website at www.aubgroup.com.au.

AUB Group Limited

Level 10, 88 Phillip Street,
Sydney, NSW, 2000.

ABN 60 000 000 715
ACN 000 000 715

aubgroup.com.au



About AUB Group

AUB Group Ltd is Australasia's largest equity based broker network driving ~AU\$3.2 billion of fee generating GWP across its network of 93 businesses, servicing more than 550,000 clients, over 1 million policies across 600+ locations. In Australia, the Group has ~20% of the commercial insurance broking market share with investment in 61 broking businesses, supplemented with established complimentary capabilities in Life Insurance Broking, Premium Funding, Claims Management and Legal Services, and influences over 3.8 billion in GWP through its joint venture partnership with AIMS. In NZ, AUB holds equity stakes in 7 major broker partners and as well as equity in NZbrokers, the largest broking management group in NZ with presence in 140 locations. The Group also has a portfolio of 19 underwriting agencies within its SURA business with access to delegated global underwriting capacity for niche specialist insurance products. The Group's Risk Services division includes equity investments in 3 businesses with capabilities in loss adjustment, investigations, claims management, claims legal support and rehabilitation services.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'D. Franks', with a stylized flourish at the end.

David Franks
Company Secretary

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Investor Presentation and Trading Update

June 2019



Mike Emmett

CEO and Managing Director



Mark Shanahan

CFO



AUB GROUP OVERVIEW

High quality core business with excellent client and market reputation

OUR BUSINESSES

AUSTRALIAN BROKING

- 61 Partner businesses, with ~20% Commercial Insurance Market Share with primary SME focus
- Established complementary capabilities in Life Insurance Broking, Premium Funding, Claims Management and Legal Services

NEW ZEALAND BROKING

- 7 major broker partners and underwriting agencies as well as equity in NZbrokers, the largest broking management group in NZ with presence in 140 locations

UNDERWRITING AGENCIES

- Underwrite, distribute and manage specific niche insurance products and portfolios via 19 agencies on behalf of locally licensed insurers and Lloyd's

RISK SERVICES

- Adjacent market equity investments in 3 businesses with capabilities in loss adjustment, investigations, claims management, claims legal support and rehabilitation services

GROUP SERVICES

- AIMS JV to deliver partner product and capacity
- Provision of Partner Services through AUB's Business Services Centre

OUR PORTFOLIO

\$3.2B+ GWP

INSURANCE BROKING OF \$2.8B VIA EQUITY AND NETWORK PARTNERS | SPECIALIST AGENCIES \$350M

15

STRATEGIC INSURANCE PARTNERSHIPS

~550K
CLIENTS

>1M
POLICIES

600+
LOCATIONS

93
BUSINESSES

33YRS
OF ACTIVE PARTNERSHIP EXPERIENCE

AIMS JV

PARTNERSHIP OF 150+ MEMBER BROKERS TRANSACTING ~3.8B GWP IN AUSTRALIA



>3,000 STAFF

As at June 2019

MARKET LEADING CAPABILITY

Recognised capabilities and expertise across the network

SELECT INSURANCE INDUSTRY AWARDS FY19

**Authorised
Representative Group of
the Year**

ANZIIF – August 2018

**Best Community
Engagement Program –
Broker**

*Insurance Business Australia –
May 2019*



**Insurance Brokerage of
the Year (>20 Staff)**

*Insurance Business Australia –
May 2019*

**Insurance Business
Australian Brokerage of
the Year**

*Insurance Business Australia –
May 2019*



**Best Digital Strategy –
Brokerage**

*Insurance Business Australia –
May 2019*



Elite Brokers 2019

- Dale Hansen, Austbrokers Coast to Coast
 - Lara Morgan, Allinsure
 - Dave Stott, Adroit
- Insurance Business Australia –
May 2019*



allinsure



**Broker of the Year, John
Duncan**

NIBA – September 2018

JMD ROSS
INSURANCE BROKERS

**Young Professional
Broker of the Year,
Craig Anderson**

NIBA – September 2018



**Broker of the Year –
Authorised
Representative
Lisa Carter**

*Insurance Business Australia –
May 2019*



**Authorised Brokerage of
the Year (6-20 Staff)**

*Insurance Business Australia –
May 2019*



**Insurance Leader of the
Year, Tim Wedlock**

ANZIIF – August 2018



FY19 REVIEW

Continued growth and strong M&A activity to deliver a platform for the future

YTD FY19 BUSINESS OVERVIEW

AUB Group

- New CEO (March 2019) and restructure of the leadership team leading to reduced Senior Roles and Head Office expenses

Australian Broking

- Good growth in broking businesses resulting from strong insurer appetite & capacity across general lines of business
- Premium rate increases are slowing and there has been contraction of capacity in high risk areas

NZ Broking

- Good organic client growth supplemented by new acquisitions
- Premium rate increases have slowed

Underwriting Agencies

- Very strong performance across all agencies counter-balanced by disappointing performance in Strata portfolio and a cost over-run from an IT program

Risk Services

- Significant deterioration in revenue from Rehabilitation Services across all Risk Services businesses directly impacting bottom line due to delayed cost remediation

YTD FY19 M&A OVERVIEW

- Strong inorganic investment activity of ~\$98m in transactions
 - Two Strategic Acquisitions (Additional 44% in Adroit and 50% in BWRS)
 - 16 Equity 'Step-up' investments
 - 10 'Bolt-on' investments for capability and portfolio expansion
 - Two internal mergers, consolidating for scale and capability
- Well executed capital raising of \$116m in November 2018 and disciplined capital deployment to fund ongoing M&A activity, debt pay-down and drive future growth
- Strong pipeline of new acquisition opportunities
- Increased alignment of the M&A Strategy and Framework to the emerging Group Strategy, leveraging our network, market relationships and M&A experience to support our growth ambitions

Total M&A
transaction
volume

~\$98m

Capital
Raising
(Nov 18)

~\$116m

Available
investment
capital

~\$102 m

FY19 PERFORMANCE UPDATE

FY19 RESULTS GUIDANCE

- On the 25th February AUB announced that it expected Adjusted NPAT growth for FY19 to be in the lower end of the previously announced range of 7 to 12% growth over FY18
- Disappointingly the Group now expects Adjusted NPAT in the range of 3 to 5% growth over FY18 mainly due to:
 - Continued underperformance in Risk Services in the second half of FY19, arising from substantially lower than expected case volumes from the NSW workers compensation scheme which is expected to have an after tax impact of \$2m
 - Expensed IT project costs relating to the over-run of a new underwriting agency system with an after tax impact of \$0.5m
- This guidance is subject to the seasonally important Australian Broking June renewal cycle being in line with expectations
- As previously reported, the former Managing Director of Austbrokers Canberra engaged in serious financial misconduct. Recovery and remedial actions are ongoing. The net financial impact of any resulting one off items that may be recognised in the second half of FY19 will be excluded from Adjusted NPAT



NEW CEO OBSERVATIONS

Highly regarded expertise and reputation across the network with opportunity to better leverage scale & capability, and upgrade growth ambitions



Highly regarded franchise with deep insurance expertise



Significant scale, footprint and excellent market reputation



Scope to leverage scale across selected sectors, risks, products and geographies



Opportunity to empower brokers with improved product design, claims services and technology



Disciplined M&A strategy and focus to drive outperformance



Opportunity to reposition and upgrade earnings growth ambitions

STRATEGIC DIRECTION

Focus on unlocking new value from the existing portfolio and continue to invest strategically to drive accelerated growth

AUB GROUP GROWTH PILLARS



INCREASE FOCUS ON PRODUCT DESIGN AND CAPACITY SOURCING

- Leverage AIMS and SURA to better design, build and source market leading capacity, products and solutions for network partners



OPTIMISE PORTFOLIO STRUCTURE FOR CAPABILITY UPLIFT AND SCALE

- Utilise scale, capability and expertise to build specialty offerings
- Optimise business structure to realise benefits of scale



CONTINUED FOCUS ON INORGANIC GROWTH AND M&A

- Refine investment framework and M&A strategy
- Focused acquisitions to build geographic scale and specialist capability



ENHANCE PARTNER VALUE PROPOSITION

- Invest to uplift technology suite for partner network
- Enhance and expand partner services capability and offerings

FY20 EXECUTION PRIORITIES

Deliver on upgraded growth ambitions through market leading partner propositions, investment in capability and better leverage of our network's scale

- 1 Enhance partner proposition with improved product and capacity offerings**
- 2 Consolidate sector specialisations to build scale and market leadership**
- 3 Execute on strategically aligned acquisitions that drive outperformance**
- 4 Implement best-in-house technology features across the Group**
- 5 Redefine Risk Services strategy**

A black and white photograph of a business meeting in a modern office. Five people are seated around a round table, engaged in discussion. Large windows in the background offer a view of a city skyline. A large, semi-transparent teal circle is overlaid on the left side of the image, containing the word 'QUESTIONS' in white, bold, sans-serif capital letters.

QUESTIONS

NOTICE

SUMMARY INFORMATION

This document has been prepared by AUB Group Limited (ABN 60 000 000 715) (AUB). It is a presentation of general background information about AUB's activities current at the date of the presentation. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with AUB's other announcements released to ASX (available at www.asx.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate.

TERMINOLOGY

This presentation uses Adjusted NPAT to present a clear view of the underlying profit from operations. Adjusted NPAT comprises consolidated profit after tax adjusted for value adjustments for the carrying value of associates, after tax profits on the sale of portfolios, interests in associates and controlled entities, contingent consideration adjustments, and income tax credits arising from the recognition of deferred tax assets. It is used consistently and without bias year on year for comparability. A reconciliation to statutory profit is provided in the appendix to this Presentation.

FORWARD LOOKING STATEMENTS

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of AUB, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that the actual outcomes will not differ materially from these statements. Neither AUB nor any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Except as required by applicable law or the ASX Listing Rules, AUB disclaims any obligation or undertaking to publicly update any forward looking statements, whether as a result of new information or future events.

Statements about past performance are not necessarily indicative of future performance.

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