



3 May 2021

The Manager
Market Announcements Office
Australian Securities Exchange Ltd
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Sydney NSW 2000

FOR RELEASE TO THE MARKET

Presentation to Macquarie Australia Conference

Attached for immediate release in relation to AUB Group Limited (**ASX: AUB**) is the presentation to the Macquarie Australia Conference on Tuesday 4 May 2021.

ENDS

This release has been authorised by Mike Emmett, CEO and Managing Director.

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About AUB Group

AUB Group Limited is Australasia's largest equity-based insurance broker network driving approximately A\$3.6 billion GWP, servicing 700,000 clients and over one million policies across more than 450 locations.

Macquarie Conference Presentation

4 May 2021



Mike Emmett

CEO and Managing Director



Mark Shanahan

CFO



ROBUST Q3 PERFORMANCE WITH BOTH REVENUE GROWTH AND MARGIN IMPROVEMENT



Austbrokers continues to perform very strongly aided by:

1

- Premium rate increases in Q3 of 5.9%, at the top end of our 5%-6% estimate
- Generally pleasing performance across the Austbrokers network
- Continued take up of ExpressCover
- Impressive premium growth in BizCover
- Margin improvements flowing through from the network consolidation strategy
- Acquisitions during FY20 performing at or above acquisition cases

2

Austagencies financial performance is improving with growth in revenue and margin as compared with the prior period

3

Head Office Cost reductions at the end of Q3 are ahead of plan, delivering savings of \$2.3m against a full year target of \$2.4m

4

Whilst still in the early stages, there is no evidence to indicate that the removal of JobKeeper benefits is impacting the placement of insurance by clients

5

As foreshadowed, AUB Group's own insurances renewing in Q3 and Q4 are ~20% more expensive than the prior year

AN OVERVIEW OF AUB GROUP – LARGEST EQUITY-BASED INSURANCE BROKING GROUP IN AUSTRALASIA



AUSTRALIAN BROKING

- Full complement of services and technology supporting the Austbrokers network of 64 brokerages
 - ✓ Ongoing consolidation of businesses to create scale, improve efficiency and align and enhance expertise and specialist focus
 - ✓ Establishment of Austplacements to support complex placements for member brokers in local and international markets
 - ✓ Recent launch of The Insurance Alliance, a non-equity membership network for independent brokers seeking to take advantage of the AUB Group capabilities and offerings

AUSTAGENCIES²

- Design, distribute and manage insurance products and portfolios via 30 agencies on behalf of locally licensed insurers and Lloyd's syndicates
- Austagencies includes the 360 Underwriting and SURA Specialty portfolios
 - ✓ Major restructure of the division to create General Commercial, Specialty and Strata
 - ✓ Acquisition of 360 Underwriting to acquire leading expertise and create scale (General Commercial)

NEW ZEALAND

- AUB operates NZbrokers, the largest broker management group in NZ with 49 members (including 42 non-equity members)
- In addition, AUB has equity investments in 7 major broker partners and 1 underwriting agency

BIZCOVER & PLATFORMS

- BizCover is Australia's leading digital SME insurance platform with multi-channel presence and a comprehensive insurance offering
- ExpressCover is Australia's newest and most advanced SME insurance platform utilising the BizCover quote and bind engine
- Investments underway in AU&NZ Insurtech platforms to assist brokers and agencies

\$3.6BN+ GWP²

INSURANCE BROKING OF \$3.0BN VIA EQUITY AND NETWORK PARTNERS | SPECIALIST AGENCIES \$545MN

~700K
CLIENTS

~1.4MN
POLICIES

>450
LOCATIONS

73
EQUITY-PARTNER BROKING BUSINESSES

31
SPECIALIST AGENCIES

34YRS
OF ACTIVE PARTNERSHIP EXPERIENCE

17
STRATEGIC INSURANCE PARTNERSHIPS AND ACCESS TO INTERNATIONAL PLACEMENTS VIA AUSTPLACEMENTS

>3,000
STAFF

Helping our clients to safeguard a stronger, protected future...

FY21 PRIORITIES: EXPLOITING THE PORTFOLIO'S POTENTIAL FOR ORGANIC GROWTH COMPLEMENTED WITH STRATEGIC M&A



Strategic Themes

Leverage the scale of our portfolio



- Optimise portfolio to create additional scale, increase market share and drive cost efficiency
- Align specialty expertise to deliver market-leading client offerings
- Leverage our scale to drive improved product offering and outcomes for our clients
- Create partner alignment to deliver enhanced commercial outcomes with insurers

Uplift our agency proposition



- Enhanced support for AUB network partners
- Expand and supplement our Specialty capabilities
- Better leverage our position in the Strata industry

Continue to make technology a priority



- Continued investment in technology to drive enhanced client and partner experience
- Leverage technology to support the cost-agenda

Disciplined capital allocation



- Continued focus on M&A opportunities that accretively supplement our strategic growth agenda (new acquisitions as well as bolt-ons)

FY21 Strategic Priorities

1

EXECUTE ON STRATEGICALLY ALIGNED ACQUISITIONS

Includes increased investments in current network businesses, new complementary bolt-ons as well as the potential for material strategic investments

2

DELIVER MARKET LEADING TECHNOLOGY CAPABILITIES

Drive adoption of ExpressCover and Sentinel in Australia as well as commencing implementation of technology solution for New Zealand

3

REDUCE COSTS AND STREAMLINE HEAD-OFFICE

Increase focus on business improvement initiatives at network businesses to drive stronger organic growth and efficiency

4

OPTIMISE OUR PORTFOLIO

Execute on consolidation plans currently underway

5

REINVIGORATE INSURANCE AGENCIES

Restructure the Insurance Agencies Division to enhance value proposition for customers and improve profitability

6

ENHANCE PARTNER PROPOSITION

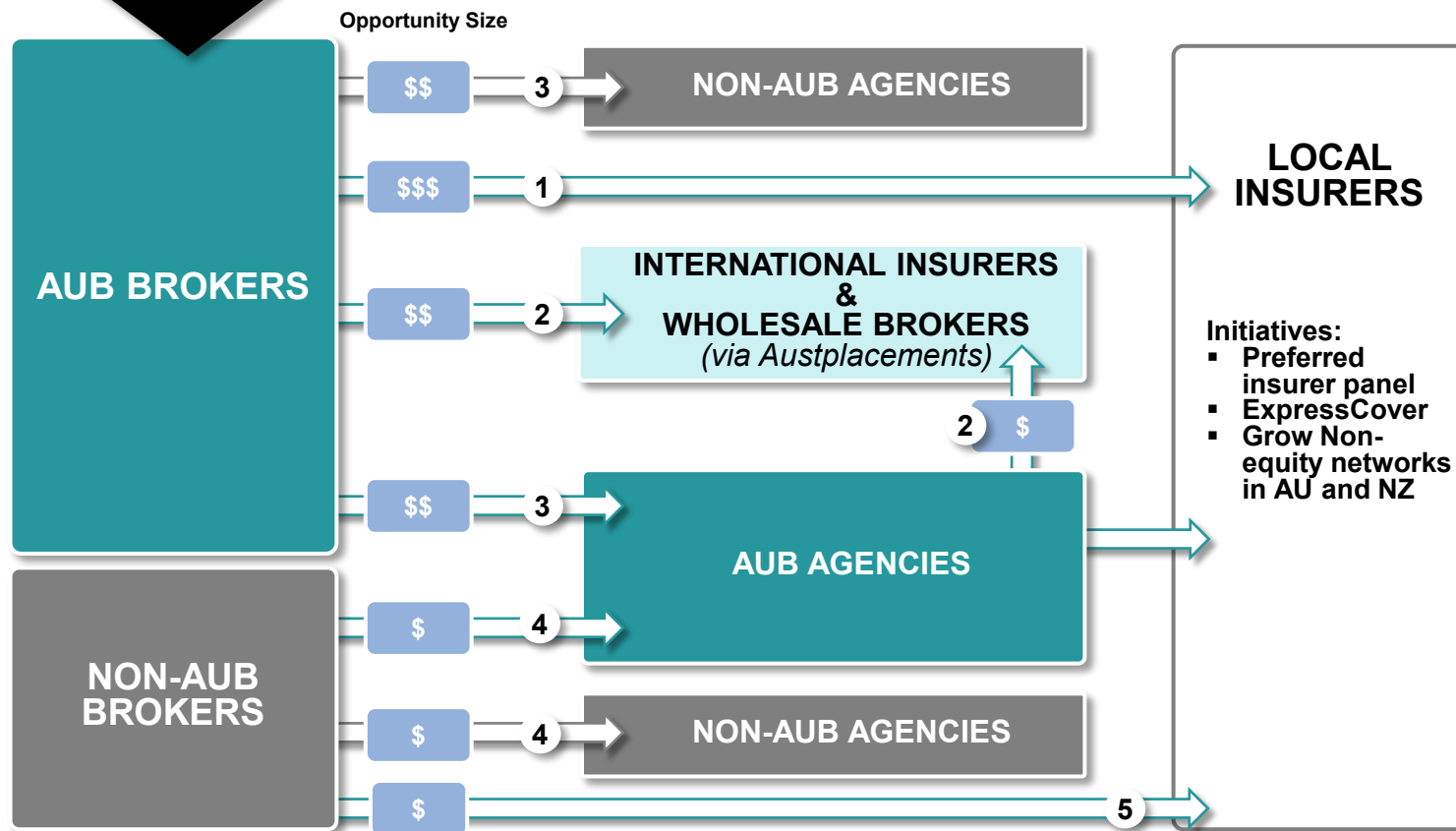
Continue to enhance our partner and client value proposition working with Insurer Partners, insource and outsource providers and our network partners

OUR FOCUS IS TO OPTIMISE THE BENEFIT TO AUB GROUP OF ALL BUSINESS PLACED ACROSS OUR NETWORKS



\$3.6BN+ PREMIUM

PLACED ACROSS OUR BROKER AND AGENCY NETWORKS



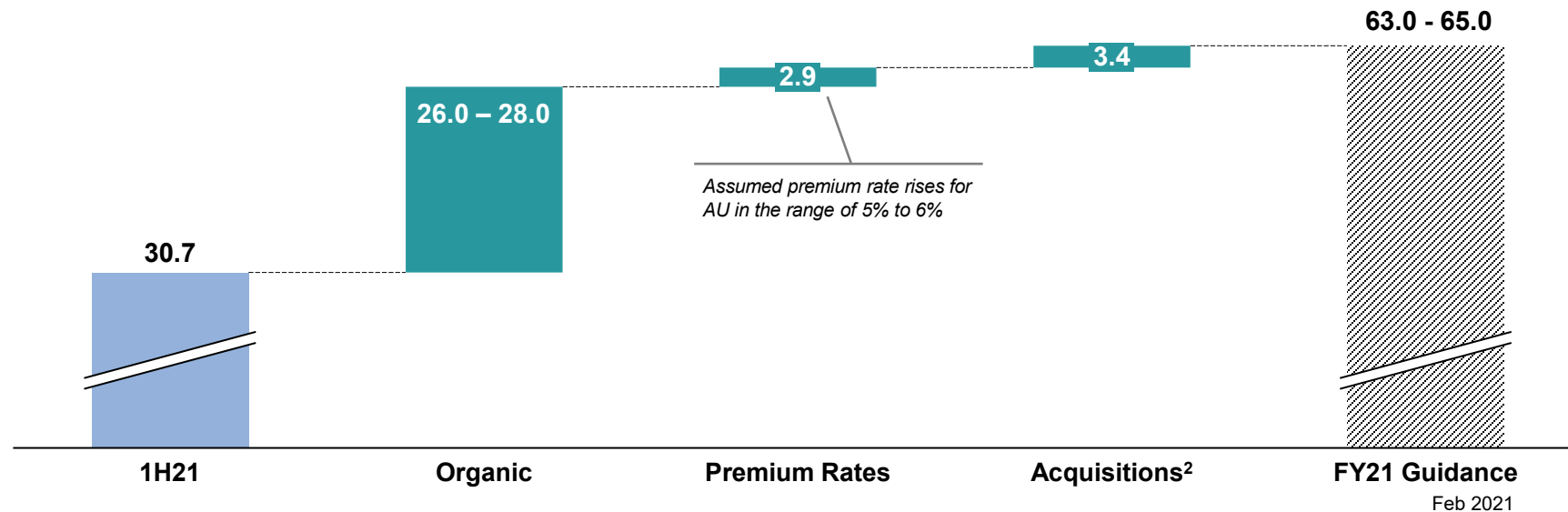
Our strategic initiatives are designed to maximise benefits from business placed through AUB Networks.

These include:

1. Increase AUB Broker placements utilising preferred Insurer arrangements, particularly on ExpressCover.
2. Utilise Austplacements to coordinate international and complex placements from AUB Brokers and Agencies, leveraging improved commercial arrangements
3. Grow share of AUB Broker premium placed with AUB Agencies by moving business currently placed with non-AUB Agencies.
4. Target non-AUB Brokers who currently place business with AUB Agencies in order to increase share of placements with AUB
5. Target non-AUB Brokers to join AUB non-equity networks with commercial benefits from improved placements.

FY21 GUIDANCE AFFIRMED

FY21 Underlying NPAT¹ by Half (\$mns)



- AUB Group performed strongly in Q3. Given the historical significance of June as well as the current, unknown impact on the broader economy arising from the removal of JobKeeper allowances, we remain comfortable with our UNPAT outlook issued in February, representing UNPAT growth on FY20 of 17.9% to 21.7%



Thank You

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 Underlying NPAT to present a clear view of the underlying profit from operations. Underlying 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.

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