



1st May 2018

The Manager
Company Announcements
Australian Securities Exchange Limited
Level 6, Exchange Centre
20 Bridge Street
Sydney, NSW 2000

FOR RELEASE TO THE MARKET

Dear Sir / Madam,

Re: Presentation to Macquarie Australia Conference

Attached for immediate release is the AUB Group Limited presentation to the Macquarie Australia Conference today.

Yours faithfully,

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

Justin Coss
Company Secretary

For further information, contact Justin Coss

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Macquarie Australia Conference

May 2018

Mark Searles
CEO & Managing Director



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.

NOT AN OFFER

This document does not constitute an offer, invitation, solicitation, recommendation, advice or recommendation with respect to issue, purchase, or sale of any shares or other financial products in AUB. This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "US person" (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act) (US Person)). Securities may not be offered or sold in the United States or to US Persons absent registration or an exemption from registration. AUB shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States.

AUB GROUP TODAY

The largest equity-based risk management group for SME clients in Australasia

>1
MILLION
CLIENT
POLICIES

>3,800 STAFF

Directly represent \$2.6B
GWP via equity partners,
plus \$1.9B GWP through
cluster partners, for a
combined

\$4.5B
GWP



32YRS
ACTIVE
PARTNERSHIP
EXPERIENCE

TOP 3 UNDERWRITING
AGENCY IN CHOSEN
MARKETS

RISK SERVICES INCLUDE LOSS ADJUSTING;
LEGAL; CLAIMS MANAGEMENT

LEADING PEOPLE RISK
SOLUTIONS PROVIDER –
800 FTE ACROSS
AUSTRALIA

MANAGE THE LARGEST EQUITY BASED BROKING GROUPS IN AUS & NZ

PERFORMANCE HIGHLIGHTS – 1H18 RESULTS

Delivering strong profit and revenue growth

Adjusted NPAT growth to \$16.7m ²	+15.1%
Reported NPAT growth to \$23.8m ²	+91.5%
Underlying ¹ Revenue increase	+7.2%
Underlying ¹ EBITA increase	+9.5%
Underlying ¹ EBITA margin increase	+50 bps

Organic growth: the key driver across all business areas

(Increase in Organic EBIT over pcp)

Austbrokers	+7%
New Zealand	+18%
Underwriting Agencies	+4%
Risk Services	+23%

A track record of achieving positive shareholder returns

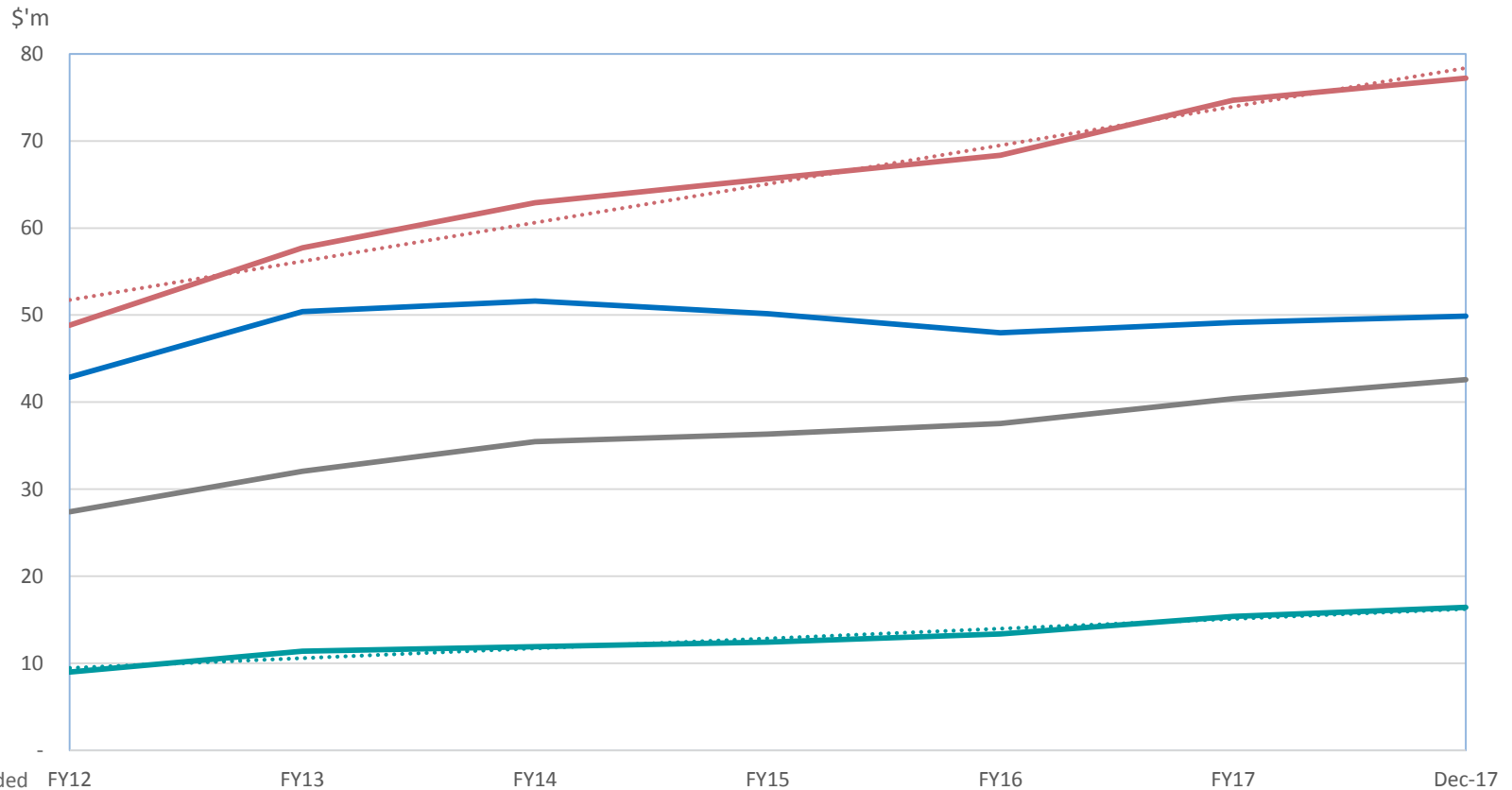
Adjusted EPS growth to 26.2 cents	+15.1%
Interim dividend per share increased by	+ 8.0%

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.

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

GROUP'S APPROACH DELIVERING

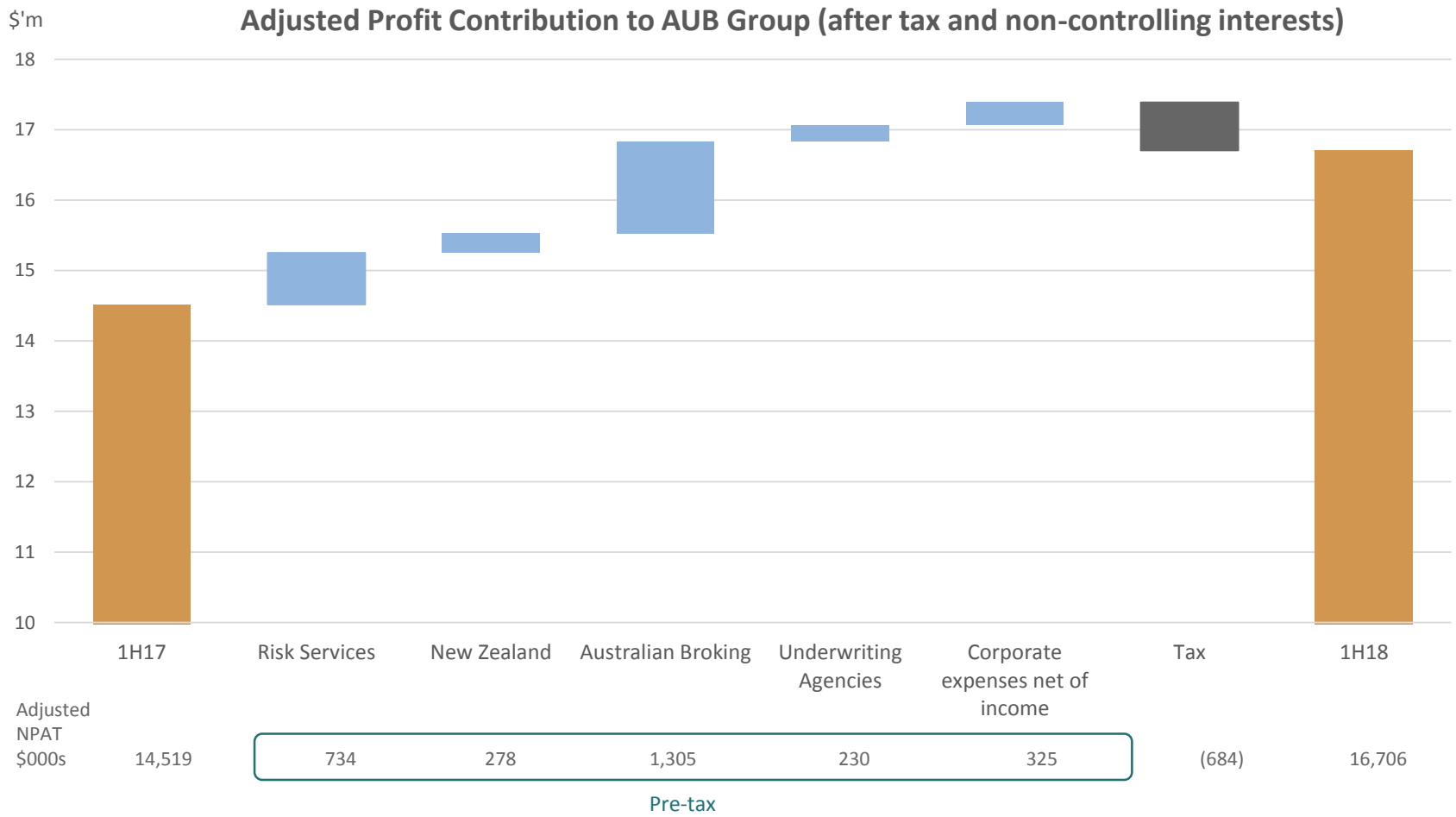
Disciplined execution of our strategy supporting continuous growth.



- Total Group pre-tax Profit before Corporate Expenses
- Total Australian Broking profit
- Adjusted NPAT
- Corporate Expenses (after recoveries)
- ⋯ Linear (Total Group pre-tax Profit before Corporate Expenses)
- ⋯ Linear (Corporate Expenses (after recoveries))

AUB GROUP PROFIT CONTRIBUTION ANALYSIS

Execution of strategy delivers growth and diversification.



BUSINESS AREA HIGHLIGHTS

Group

- Group 'ecosystem' gaining increased traction
- Outsourcing technology services to improve performance and reduce ongoing cost
- Founding partner of Insurtech Australia
- New COO appointment to drive value of service offering
- Growth in Leadership Academy graduates and new programs being developed

Australian Broking

- Underlying commission & fee income up 9.6%
- Premium rate increase evident although variable across geographies; class and new/renewal business (average low to mid single digit)

New Zealand

- Organic growth in new clients, and expanding risk advice offering
- Strength and size of NZbrokers further enhanced
- Profitability of portfolio continues to grow with strong broker margins

Underwriting Agencies

- Growth in commission and fee income from policy growth, hardening rates and increased non-commission income
- Commenced implementation of a new underwriting system that will underpin future business efficiency
- Investment in people capabilities continued in H1

Risk Services

- Profit, revenue and margin growth shows discipline and strength despite market structural change
- National footprint achieved and performing strongly
- Successful evolution of ancillary services continues to build position

OUR STRATEGIC GOAL

To be the leading provider of risk management, advice and solutions for our clients.



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 drive both organic growth and through attracting new equity partners.
 - 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 utilizing the Group's focus on risk solutions for clients and building out our 'ecosystem' and ensuring we stay true to our purpose – 'to safeguard a stronger future' for our stakeholders.
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FY18 PRIORITIES

Continuing to drive execution of the Group's 'ecosystem'



FY18 OUTLOOK

- We expect the benefits of the Group's focus on risk solutions for clients will continue to support organic growth as clients continue to engage across a broader range of risk solutions and services.
- Organic growth will continue to be supplemented by relevant acquisitions and startup opportunities in Australia and New Zealand across Insurance Broking, Underwriting Agencies and Risk Services.
- The hardening premium rate environment is expected to continue with more consistent pricing being enacted by Insurers and average rate increases expected to move to mid-single digits for the foreseeable future.
- Risk Services businesses will be impacted by changes in NSW which could result in short term revenue impacts. We remain confident of the growth potential, especially as the diversification of both geography and income source increases.
- The Group will continue to invest in its core capabilities, investments in strengthening the management team and building key competencies support the evolution of the operating model with the objective of underpinning growth. We will continue to invest appropriately to ensure the development of our value proposition ensuring we are highly relevant and attractive to partners, staff and clients, while maintaining a focus on margins.
- The technology outsourcing initiative being rolled-out in 2H18 will provide financial, cyber security and business efficiency benefits into FY19 and beyond with run rate savings expected to exceed \$1m (pre-tax) p.a.
- The 1H18 results are ahead of our expectations driven by strong organic growth. Our performance expectations for 2H18 are tempered by our caution regarding the short term impact of the NSW workers compensation changes on our Risk Services business and the one-off corporate costs relating to technology outsourcing (with benefits delivered in future periods). Notwithstanding, we are confident that performance will be at the top end of our current guidance range of 5-10% growth in Adjusted NPAT over FY17.



QUESTIONS

