

ASX Announcement

12 December 2022

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

AUB Group FY23 Underlying Net Profit After Tax Guidance; H1 and H2 Split

AUB Group Limited (**AUB**) announced an upgrade to FY23 guidance at the AGM on 3 November 2022. Following this announcement, we note there has been a wide disparity in analysts' views regarding the split between Underlying Net Profit After Tax (**UNPAT**) in 1H23 and 2H23.

To reduce this disparity, AUB Group wishes to notify the market of the following expectations for performance in 1H23 and 2H23. Note that the FY23 full-year UNPAT Guidance announced in November is unchanged.

1H23 Performance

AUB Group expects UNPAT in the range of AUD41.5mn to AUD44.5mn for 1H23, representing 35.5% to 45.3% growth over 1H22.

- AUB Group 1H23 UNPAT (excl Tysers and cost of debt) is expected to be in the range of AUD39.0mn to AUD41.0mn, representing 27.4% to 33.9% growth over 1H22.
- Tysers 1H23 UNPAT is expected to be in the range of AUD11.0mn to AUD12.0mn for the three months, since acquisition, to 31 December 2022.
- Impact of Corporate Interest expense (interest on group debt including debt for the Tysers Acquisition) is expected to be AUD8.5mn for the three months to 31 December 2022 (this includes facility arrangement fees and undrawn facility fees).

AUB Group expects Underlying EPS for 1H23 in the range of 42.9 cps to 46.0 cps representing 4.1% to 11.7% growth over 1H22.

2H23 Performance

AUB Group expects UNPAT in the range of AUD66.0mn to AUD70.5mn for 2H23.

- Growth in AUB Group 2H23 UNPAT (excl Tysers and cost of debt) is expected to be in the range of AUD6.0mn to AUD8.0mn, representing 13.8% to 18.4% growth over 2H22.
- Tysers 2H23 UNPAT is expected to be in the range of AUD34.0mn to AUD40.5mn.

- Impact of Corporate Interest expense (interest on group debt including debt for the Tysers Acquisition) is expected to be AUD19.0mn for the 6 months to 30 June 2023 (this includes facility arrangement fees and undrawn facility fees).

AUB Group expects Underlying EPS for 2H23 in the range of 65.0 cps – 69.4 cps representing 17.9% to 26.0% growth over 2H22.

This update is based on preliminary, unaudited 1H23 financial performance and is subject to the assumptions made in AUB Group's FY22 results presentation and FY22 AGM presentation, as well as expectations of trading for the remainder of the financial year.

AUB Group expects to release full details of its 1H23 results on 22 February 2023.

The release of this announcement was authorised by the AUB Board.

For further information, contact Richard Bell, Chief Legal and Risk Officer, on +61 2 9935 2222 or richardb@aubgroup.com.au.

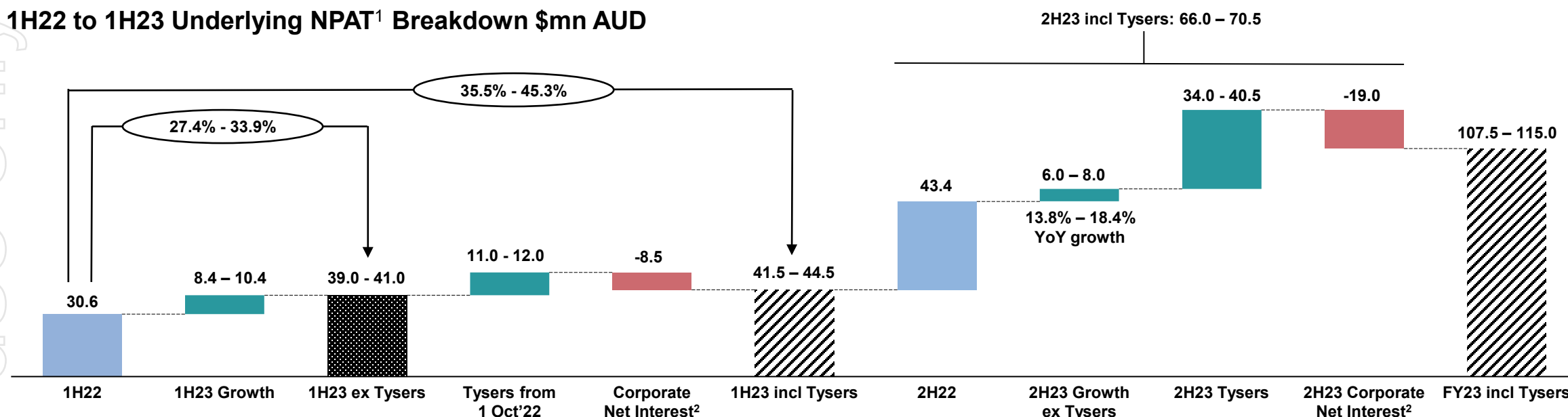
About AUB Group

AUB Group Limited (ASX: AUB) is an ASX200 listed group of retail & wholesale insurance brokers and underwriting agencies operating in ~540 locations globally. Over 4,000 team members work with ~950,000 clients to place more than AUD 8bn in insurance premiums with local and foreign insurers.

1H23 OUTLOOK



1H22 to 1H23 Underlying NPAT¹ Breakdown \$mn AUD



Key Points

- FY23 UNPAT guidance affirmed:** AUB UNPAT growth 45.2% – 55.4%.
- Strong growth continuing:** AUB ex Tysers 1H23 UNPAT growth 27.4% – 33.9%.
- Tysers performing well:** AUB 1H23 UNPAT growth incl Tysers 35.5% - 45.3%. Strong Tysers' 2H23 profit run rate.
- Earnings acceleration:** 2H23 UNPAT AUD 66.0 - 70.5mn. 2H23 includes full six months contribution from Tysers. Assumes 13.8% - 18.4% growth ex Tysers.
- Seasonality:** AUB ex Tysers profit split represents usual seasonality / renewal cycle (44% / 56% 1H/2H) (at mid-point of range). Tysers less seasonal.

Assumptions

- Guidance for AUB (excl Tysers and cost of debt) includes 1Q23 results and assumes continued strong premium rate rises for Australia and moderate but accelerating rate rises in New Zealand.
- Tysers' profit contribution and AUB Group debt cost are included from 1 October 2022.
- FX Rates for the 9 months to 30 June 2023: GBP:AUD 1.76, GBP:USD 1.1355.
- Tax in the UK increases from 19% to 25% on 1 April 2023, 19% used for the 3 months to 31 December 2022.

1. Underlying NPAT is used by management and the board to assess operational performance and excludes non-operational items, such as profits and losses on sale of equity interests, fair value adjustments to carrying values on ownership changes, changes to estimates or payments of deferred contingent consideration amounts, impairment adjustments and amortisation of intangible assets

2. Includes the draw-down of Tysers and non-Tysers debt on 30 September 2022, attracting an average interest rate of 7.49% (BBSY + 4.5%) for the 3 months to 31 Dec'22 and 7.87% for the 6 months to 30 Jun'23. Includes arrangement and unused facility fees