

20 November 2017

September 2017 YTD Results

- *A strong operating performance with Adjusted EBITDA¹ up almost 20% year on year*
 - *Strong Organic growth complemented by strategic acquisitions and key hires*
 - *Transformation plan on schedule*

The Ardonagh Group (“Ardonagh” or the “Group”), the UK’s leading diversified independent insurance intermediary, today announces its financial results for the nine months ended 30 September 2017.

The Group, formed in June 2017, brought together Autonet, Chase Templeton, Direct Group, Price Forbes and Towergate and is comprised of a workforce of more than 5,500 people, 100 office locations and more than 20 leading consumer brands. Three high quality businesses have been added to the Ardonagh stable since its formation: Healthy Pets, Carole Nash* and Mastercover*. Pro forma for these acquisitions, the Group delivered income of £528 million and Pro Forma Adjusted EBITDA of £148 million for the twelve months ended 30 September 2017.

David Ross, Chief Executive of The Ardonagh Group, commented: “*This has been another strong quarter where we have achieved positive income and Adjusted EBITDA¹ growth. With three high quality, complementary acquisitions, a number of game-changing strategic hires and the delivery of robust organic² growth, we continue to capitalise on the significant market opportunities ahead.*”

GROUP FINANCIAL HIGHLIGHTS

<i>£millions (£m)</i>	Nine Months Ending 30 September			
	2017	2016	Variance	
			£m	%
Income	373.4	360.0	13.4	3.7%
Expenses	(294.2)	(293.9)	(0.3)	(0.1%)
Adjusted EBITDA²	79.1	66.1	13.0	19.7%
<i>Margin %</i>	<i>21.2%</i>	<i>18.4%</i>	<i>280 bps</i>	
Pro Forma Adjustments	24.5	30.5	(5.9)	(19.4%)
Pro Forma Adjusted EBITDA³	103.7	96.6	7.1	7.4%
<i>Margin %</i>	<i>27.8%</i>	<i>26.8%</i>	<i>90 bps</i>	

GROUP OPERATIONAL HIGHLIGHTS

- **Strong operational performance across the business:** +3.7% growth in income to £373.4m for the first three quarters of the year, with Adjusted EBITDA¹ up +19.7% to £79.1m.
- **Mid-single digit underlying organic growth:** +3.5% in Q3, underpinned by market growth and investments made in income producers.
- **Robust pipeline of high quality acquisitions:** one deal completed (Healthy Pets) and two deals* agreed

(Carole Nash and Mastercover) each with clear strategic fit and strong synergies.

- **Transformation plan on schedule:** Significant progress made with 73% actioned. £41m annualised savings delivered to date and four out of six key programs almost complete.
- **Hiring momentum continued** to support future ambitions, including reshaped leadership in Distribution and strategic new hires in Wholesale.
- **Pro forma Net Secured Leverage broadly unchanged** at 5.56x as at 30 September 2017 including the acquisitions of Carole Nash and Mastercover.

-ENDS-

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Notes to Editors

About The Ardonagh Group

The Ardonagh Group is the UK's largest independent insurance broker with global reach. We are a network of over 100 office locations and a workforce of 5,500 people.

The Ardonagh Group was created in June 2017, bringing together Autonet, Chase Templeton, Direct Group, Price Forbes and Towergate, with the additional acquisitions of Healthy Pets in August 2017, and the intention to purchase Carole Nash* and Mastercover* announced in October 2017.

Our understanding of the communities we serve, together with our scale and breadth, allows us to work with our insurer partners to deliver solutions that meet our customer needs.

For more information, please visit www.ardonagh.com

¹ We define "**Adjusted EBITDA**" as the profit or (loss) on ordinary activities before finance costs, income tax, depreciation and amortisation charges, share of loss from an associate and impairment of goodwill, adjusted for loss or (profit) on the disposal of businesses, related party bad debt provision, reduction in value on contingent consideration, group reorganisation costs, regulatory costs, asset write-downs in connection with business restructuring, business investment costs, consultancy on regulatory matters, levy costs and finance legacy review costs, as applicable. Adjusted EBITDA is stated before exceptional costs and one-off items as determined by management. This includes Towergate, Price Forbes, Autonet, Direct Group and Chase Templeton financial results as if owned for the full period shown in the current and prior financial year.

² We define "**Organic**" as excluding the impact of acquired or exited businesses and other non-recurring items and is set out at actual foreign exchange rates.

³ We define "**Pro Forma Adjusted EBITDA**" as the Adjusted EBITDA of each of Towergate, Price Forbes, Autonet, Direct Group and Chase Templeton, each as adjusted for certain cost saving initiatives and cost synergies and a USD/GBP FX adjustment related to Price Forbes.

*Completion subject to regulatory approval

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