

**22 August 2018**

**The Ardonagh Group 2018 Half Year Results**

**A strong first half operating performance with Adjusted EBITDA up 17.6% year on year**

The Ardonagh Group (“Ardonagh” or the “Group”) today announces its financial results for the six months ended 30 June 2018.

Income grew by 9.1% to £275 million and Adjusted EBITDA<sup>1</sup> increased by 17.6% to £66.5 million in the first half of the year.

Chairman John Tiner said: “One year on from the formation of Ardonagh, these results reflect the Group’s successful strategy to combine accretive acquisitions with organic growth and effective cost management.”

**GROUP FINANCIAL HIGHLIGHTS**

<i>Emillions (£m)</i>	Six Months Ending 30 June			
			Variance	
	2018	2017	£m	%
Income	275.0	252.0	23.0	9.1%
Operating Costs	(208.5)	(195.4)	(13.0)	(6.7%)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>66.5</b>	<b>56.6</b>	<b>9.9</b>	<b>17.6%</b>
<i>Margin %</i>	<i>24.2%</i>	<i>22.5%</i>	<i>170 bps</i>	

**OPERATIONAL HIGHLIGHTS**

- Continued strong performance in Q2 2018 with income growth of 11.4% vs. Q1 growth of 6.8%
- Organic growth in all segments apart from MGA, where remediation actions are now showing through in improved loss ratios.
- Investment of £5.5m on new producer hires in Specialty & International, MGA and Insurance Broking, which will drive further organic growth
- Integration on track; Carole Nash is benefitting from Autonet’s digital capabilities and Towergate Retail from the operating platform of Direct Group.
- International expansion driven by new US Binders team and success in Latin American Aviation.
- Successful private tap for £98.3m to increase fire power for further investments. Leverage neutral transaction, with total Net Leverage now at 5.6x, below average of relevant peers of 6.0x-7.0x

Ardonagh CEO David Ross added:

“Our focus for the first half of this year has been on embedding the operational structure of a Group that is unrecognisable from what it was 12 months ago. That said, we remained agile and moved quickly to make strategic book buys and continued to attract a flight of talent throughout the company.

“The teams across Ardonagh can be rightfully proud of what we have achieved. With customers from motorbike riders through to renewable energy providers, no part of the insurance distribution chain works in isolation, and we’re pleased to see real value creation from collaboration within the Group.

“We were delighted to be recognised as a Top 20 insurance broker by AM Best’s Global Insurance Broker Survey, the only new entrant in a competitive field, and a reflection of our trajectory and ambition.

“We now look towards the second half of the year as the largest diversified intermediary in the UK, a platform from which we will continue to flourish.”

-ENDS-

- 1) We define “**Adjusted EBITDA**” or “**Adj. 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.

## Notes to Editors

### ABOUT THE ARDONAGH GROUP

The Ardonagh Group is the UK’s leading diversified intermediary. 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 Carole Nash and Mastercover announced in December 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.

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