



The Ardonagh Group nine month results 2019

- **Income up 25.3% to £505.4 million Q3 YTD**
- **Underlying profits rise 61.4% Q3 YTD with strong organic growth**

20 November 2019

The Ardonagh Group ('Ardonagh' or 'Group') today announces its results for the nine months ended 30 September 2019.

Group income increased by 25.3% to £505.4 million in the first nine months of the year, underpinned by strong organic growth.

Adjusted EBITDA increased by 61.4% to £144.4 million, with margins increasing to 29% (up +640 bps vs 2018) as the business continued to deliver significant savings from the integration of acquisitions and cost reductions from leveraging combined scale and best practices across the Group.

Client retention rates have continued to improve to 92% for the Group's Advisory platform and 75% in Retail for the third quarter. New hires made in 2017 and 2018 in Specialty have driven substantial growth as they mature, whilst hires made in 2019 are already gathering real momentum.

Organic growth for the third quarter was 4.6% – the highest single quarter of organic growth since the Group was formed in May 2017, and operating cash conversion was 106%.

Ardonagh Group CEO David Ross said: "2019 is a year of execution and delivery for the Group. We've had a real focus finishing off our significant infrastructure projects, integrating Swinton and delivering organic growth and high quality earnings.

"Insurance is a people business, and our best ever quarter of organic growth is a testament to a culture which attracts and retains the best people from all parts of the industry. We face the future as a business without parallel for diversity of products, customers and distribution channels at global scale."

Group Financial Highlights £m	Reported Result YTD Q3			
	2019	2018	Variance	
			£m	%
Income	505.4	403.5	101.9	25.3%
Operating Costs	(361.0)	(314.0)	(47.0)	(15.0%)
Adj. EBITDA	144.4	89.5	55.0	61.4%
<i>Margin %</i>	<i>28.6%</i>	<i>22.2%</i>	<i>640 bps</i>	

THE ARDONAGH GROUP

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The Ardonagh Group is a trading name of The Ardonagh Group Limited. Registered in Jersey No.117710.
3rd Floor, 44 Esplanade, St Helier, Jersey, JE49WG

-ENDS-

1) Reported result includes acquisitions and disposals from the completion date 2) 2019 results are set out post IFRS 16 implementation and 2018 results have not been restated to reflect this revised accounting standard in line with IFRS guidance. See investor presentation for a more detailed explanation on the impact of IFRS 16 implementation. 3) "Adjusted EBITDA" or "Adj. EBITDA" is defined as the earnings after adding back finance costs, tax, depreciation, amortisation, impairment of goodwill, foreign exchange movements, dividends received, discontinued operations, restructuring costs, Transformational Hires, Business Transformation Costs, Legacy Costs and Other Costs, regulatory costs, acquisition and financing costs, profit/loss on disposal of businesses, investments or assets, share of operating profit/loss from associate, reduction/increase in the value of contingent consideration, as applicable. Adjusted EBITDA is stated before exceptional costs and one-off items as determined by management. 4) Free Cash Flow defined as cash flow after proceeds from disposals, investments and interest, but before ETV costs, M&A and other financing cash flows.

Notes to Editors

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 nearly 7,000 people. Formed in 2017 and following a series of acquisitions in 2018, Ardonagh today brings together best-in-class brands including Autonet, Bishopsgate, Carole Nash, Geo Underwriting, Price Forbes, Swinton, Towergate and URIS. 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 email: Communications@ardonagh.com

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