

28 September 2020

The Ardonagh Group Half Year 2020 Results

The Ardonagh Group ('Ardonagh' or 'Group') today announces its results for the six months ended 30 June 2020.

David Ross, CEO, said: "Amidst a pandemic and the hardest months of lockdown, Ardonagh has delivered a strong set of results with EBITDA growing by over 30% to £81m and Adjusted EBITDA growing by 2% to £100m.

"These financial results illustrate a very limited profit impact from Covid-19; a testament to our business resilience, diversification, scale and the highly successful investment in infrastructure over the last three years.

"Furthermore, trading in July and August 2020 is materially ahead of the prior year.

"Nothing about this period was business as usual, and yet 90% of our people were able to work from home within three weeks from beginning of lockdown in March, and we carried on dependably delivering for our customers.

"I'd like to take this moment to recognise the ingenuity and dedication shown by the 7,000 people throughout the business; from the managers personally delivering laptops to get contact centre teams set up at home, to our Advisory brokers guiding clients through their risks and insurance requirements as the world around them changed.

"With new ways of working bedded in, and growth already evident in the second half of the year, we look forward with confidence in the proven resilience of the Group."

Quarter 2 YTD (£m)	Reported Result YTD ⁽¹⁾⁽²⁾			
	2020	2019	Variance	
			£m	%
Income	324.8	337.4	(12.6)	(3.7%)
Operating Costs	(224.9)	(239.1)	14.2	5.9%
Adj. EBITDA	99.9	98.3	1.6	1.7%
<i>Margin %</i>	<i>30.8%</i>	<i>29.1%</i>	<i>160 bps</i>	

On 14 July 2020, Ardonagh issued new borrowings which were used to repay existing borrowings and fund acquisitions. The new borrowings include a £1,575m senior secured term loan facility, an £300m committed Capex, Acquisition and Re-organisation ("CAR") facility, \$500m senior PIK toggle notes and an £191.5m revolving credit facility. Ardonagh concurrently completed the acquisitions of Bravo and Arachas whilst the acquisition of Bennetts completed on 7 August 2020.



Operating cash conversion was maintained at 93% for the 12 months to 30 June 2020, with a 37% improvement in free cashflow for the quarter vs prior year.

Pro forma for the July 2020 transactions, senior net leverage reduced to 5.6x with available liquidity of £568m.

-ENDS-

- 1) Reported result which includes acquisitions and disposals from the completion date.
- 2) "Adjusted EBITDA" or "Adj. EBITDA" defined as EBITDA after adding back 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 or investments, 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.

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 locations across the UK and Ireland and a workforce of over 7,000 people. Formed in 2017 and following a series of acquisitions in 2018, Ardonagh today brings together best-in-class brands including Autonet, Arachas, Bishopsgate, Bravo Group, 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.

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