



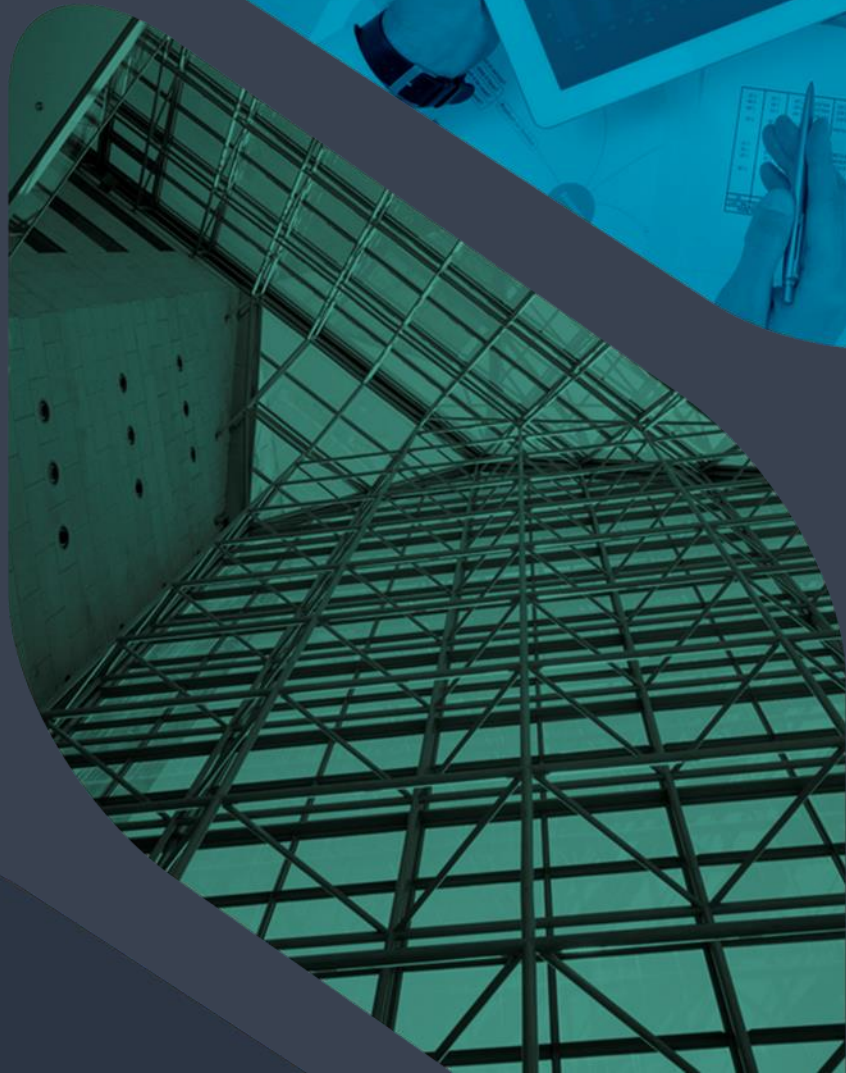
2023

FINANCIAL YEAR RESULTS

Tony Robinson (Managing Director)

John Dwyer (Executive Director)

Joshua Reid (Chief Financial Officer)





SUMMARY INFORMATION

This document has been prepared by PSC Insurance Group Limited (ACN 147 812 164) (PSC). It is a presentation of general financial and commercial information about PSC's activities current as at 23 August 2023. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with PSC's other announcements released to ASX (available at www.asx.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate.



TERMINOLOGY

This presentation uses Underlying NPATA and Underlying EBITDA and other related measures to present a clear view of the underlying profit from operations. Underlying NPATA comprises consolidated profit after tax and before amortisation expense adjusted for value adjustments for the carrying value of assets or associates, contingent consideration adjustments, and other revenue and costs considered non-operating in nature or related to acquisition activities. It is used consistently and without bias year on year for comparability. These measures are not audited by the Group's auditors. A reconciliation to statutory profit is provided in this Presentation.



FORWARD LOOKING STATEMENTS

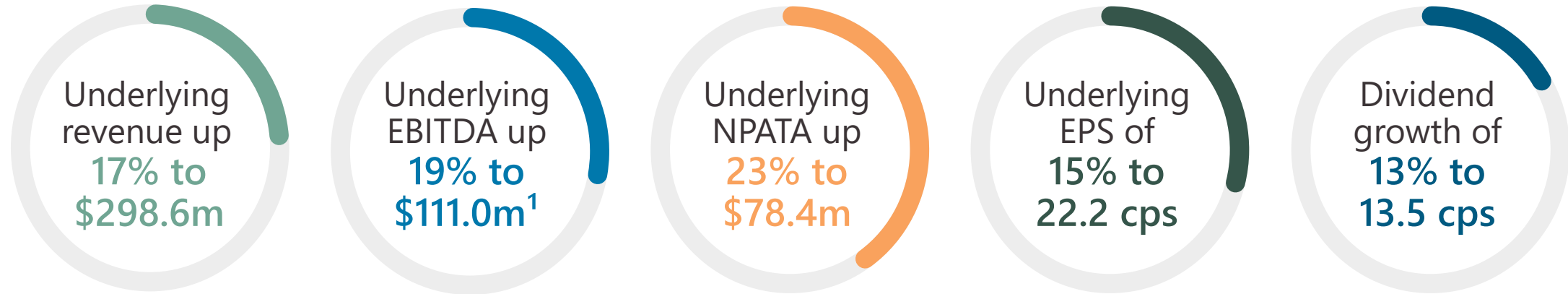
This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of PSC, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that the actual outcomes will not differ materially from these statements. Neither PSC nor any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Except as required by applicable law or the ASX Listing Rules, PSC disclaims any obligation or undertaking to publicly update any forward looking statements, whether as a result of new information or future events. Statements about past performance are not necessarily indicative of future performance.



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FINANCIAL YEAR HIGHLIGHTS



Good momentum across the Group, pro-forma FY23 EBITDA of approximately \$114m as base for FY24².



Acquisitions in FY23 expand Australian broking business franchise, Hong Kong and UK retail and UK agency. Lower contribution as we navigate industry multiples.



Good organic EBITDA growth of 11%, assisted by favourable macro conditions.



More activity looking at early stage and start up businesses – incubators for future organic growth.

EXECUTIVE SUMMARY



STRONG FINANCIAL PERFORMANCE

Results ahead of the guidance of underlying EBITDA of \$104-108m and underlying NPATA of \$72-75m.

- \$298.6m Underlying Revenue
- \$111.0m Underlying EBITDA
- \$78.4m Underlying NPATA
- Underlying EPS of 22.2 cps



ORGANIC GROWTH GOOD; GROUP WELL PLACED

All areas contributing well, with macro uncertainties assisting Group performance overall.

- \$10.6m in organic EBITDA growth (11%)
- Market conditions continue to be broadly supportive, with signs of softening in some lines



ACQUISITIONS PERFORMING WELL

13 acquisitions completed in FY23, the most material were Ensurance UK, Turner Rawlinson and Charter-Union.

- Incremental EBITDA growth \$7.0m
- Lower contribution than prior periods as highly competitive market is navigated



SEEDING START-UP & HIGH GROWTH OPPORTUNITIES

Pro-actively assessing and investing in a higher number of start-up and higher growth opportunities, across UK wholesale, Australian agency and close adjacencies.

- This involves bringing in talented and entrepreneurial industry operators and adding to the leadership of the Group

TRACK RECORD OF GROWTH

Continuation of a long track record of growth, with ~ 20%+ CAGR across all earnings metrics a testament to PSC's diversified business model.

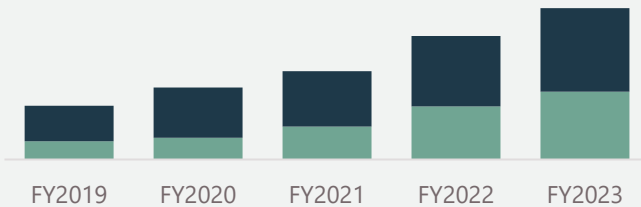
- 1H
- 2H
- Full year

X% Growth rate y.o.y

Underlying NPATA (\$m)

5-year CAGR: 26.6%

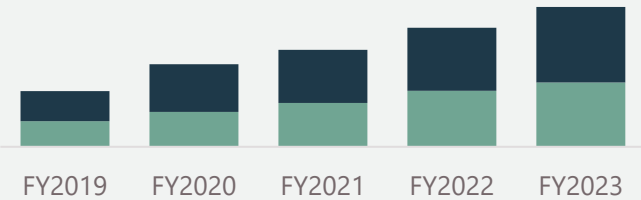
+15.1% +34.5% +22.3% +39.8% 22.6%



Underlying Revenue (\$m)

5-year CAGR: 24.2%

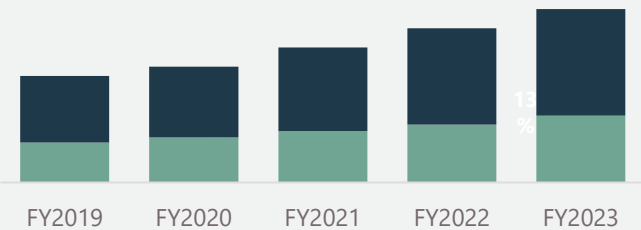
+17.7% +48.6% +17.2% +22.8% +17.4%



Dividends (CPS)

5-year CAGR: 13.4%

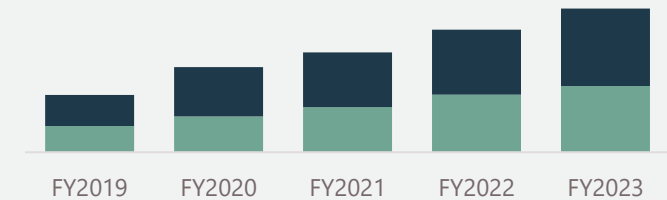
+15.3% +8.4% +16.7% +14.3% +12.5%



Underlying EBITDA (\$m)

5-year CAGR: 24.5%

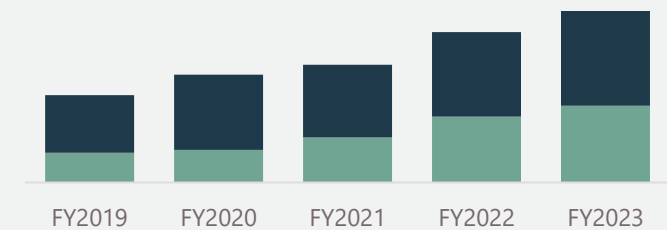
+16.9% +32.7% +24.5% +30.3% +18.8%



Earnings per share (CPS)

5-year CAGR: 16.8%

+11.1% +22.9% +8.1% +28.1% +15.2%



FINANCIAL RESULTS SUMMARY

Resilient business model, good momentum across Group

(\$m)	FY23	FY22	Growth
Underlying Revenue	298.6	254.3	17.4%
Underlying Costs	(187.5)	(160.8)	
Underlying EBITDA, ex AASB 16	111.0	93.5	18.7%
Net AASB16	(0.4)	(0.4)	
Underlying EBITDA	110.6	93.1	18.8%
Interest	(9.0)	(8.0)	
Depreciation	(2.1)	(2.1)	
Amortisation	(14.7)	(12.6)	
Non-Operating Items	(5.2)	(26.0)	
Net Profit Before Tax	79.7	44.4	79.6%
Tax	(23.3)	(17.0)	
NPAT	56.4	27.3	106.3%
Underlying NPATA	78.4	64.0	22.6%
Underlying EPS	\$0.222	\$0.193	15.2%



Operating revenue growth of 17%, underlying EBITDA growth of 19% and underlying NPATA growth of 23%



Strong organic growth of 11% (\$10.6m) + acquisition growth of \$7.0m



Statutory NPAT up materially with strong fair value increase in the BP Marsh investment and lower charge for deferred consideration increases than prior period



Strong underlying earnings performance driving underlying EPS growth up 15% to 22.2cps

BOARD UPDATE



Paul Dwyer

Deputy Chairman
to Non-Executive
Chairman*

Paul founded
the Group in 2006
and was Managing
Director until 2019.

Continuation of
stable and highly
aligned board.

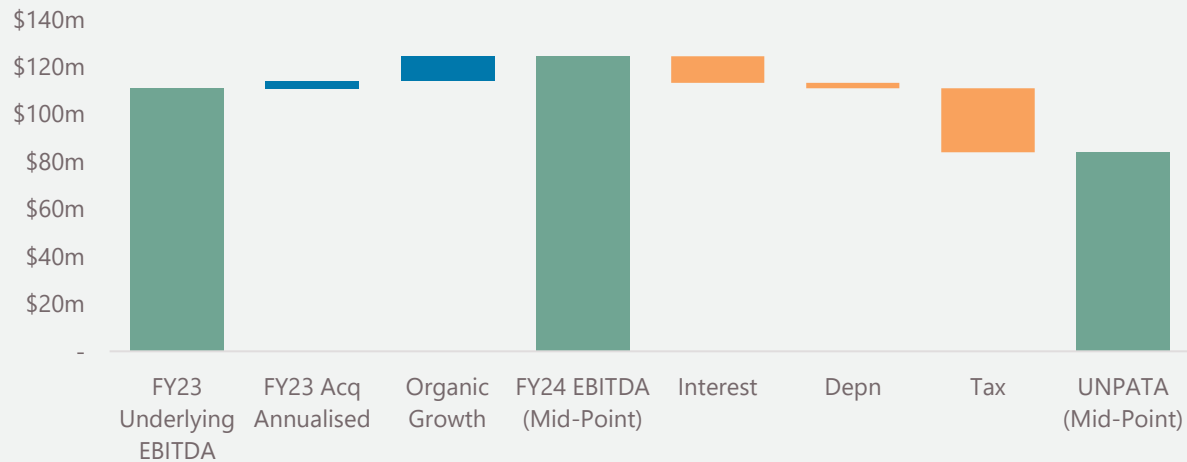


Brian Austin

Non-Executive
Chairman to Deputy
Chairman*

OUTLOOK

Underlying FY23 to FY24 Earnings Guidance



Underlying EBITDA
\$122-127m



Underlying NPATA
\$82-86m



EPS
\$0.23-\$0.24



The annualised impact of acquisitions completed in FY23 is ~ \$3.0m



We expect continued organic growth, with our guidance implying a range of +7%-12% growth, reflecting good momentum within the Group



EBITDA +10%-14%, NPATA +5%-10% (higher UK tax rate), EPS +4%-9%



Additional incremental FY24 acquisition activity is not included in this guidance range

01

FINANCIAL
YEAR

OVERVIEW



SEGMENT RESULTS

All parts of the Group are performing well



DISTRIBUTION (AUSTRALIA/NZ)

Insurance broking, including PSC Network Partners, life broking and workers comp consulting.

- ~\$1,150m GWP
- \$128m Revenue
- \$56m EBITDA



AGENCY/SPECIALTY (AUSTRALIA)

Underwriting agencies including Chase, Breeze, online travel and medical.

- ~\$140m GWP
- \$24m Revenue
- \$13m EBITDA



UNITED KINGDOM

Wholesale, retail (commercial broking) and agency businesses including Paragon, Carrolls, Breeze (UK), PSC UK Insurance Brokers UK, Chase UK, Ensurance UK and the Hong Kong operations.

- ~\$1,300m GWP
- \$142m Revenue
- \$46m EBITDA



GROUP

Group income and investments, including BP Marsh and the East Melbourne premises.

- -
- \$4m Revenue
- -\$4m EBITDA

DIVERSIFICATION OF CLIENT PREMIUMS



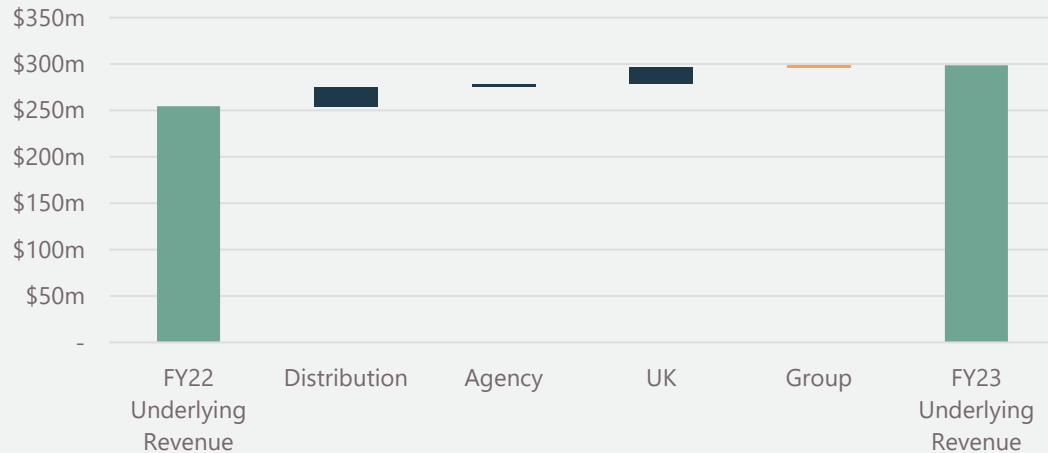
PSC's geographic diversity enhances client outcomes via access to a wide **variety of global underwriting capacity.**



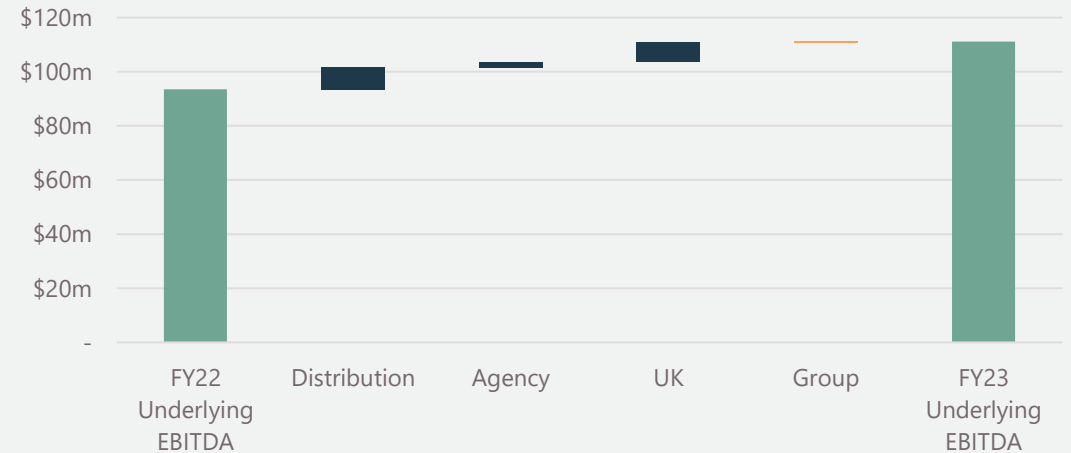
SEGMENT GROWTH

Strong performances from all Segments

Revenue growth by segment



EBITDA by segment



Distribution

19% revenue and 17% earnings growth, with 4% organic earnings growth¹.



Agency (Specialty)

14% revenue growth and 17% earnings growth (all organic), good performances from Chase and Travel.



UK

15% earnings growth and 18% earnings growth, with 14% organic earnings growth.



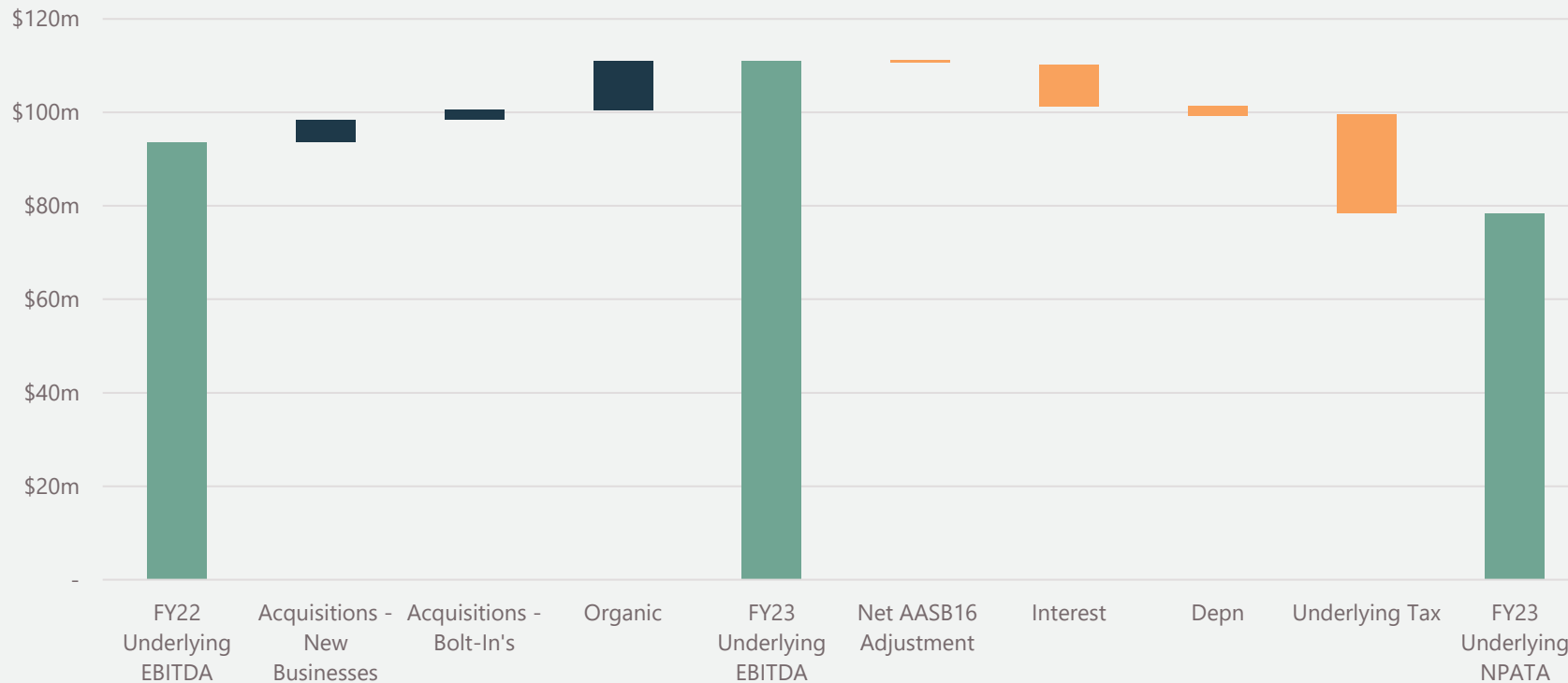
Group

Higher investment income and lower equity accounted profits.

GROWTH DRIVERS

Good organic growth; incremental acquisitions contributing in competitive market

FY22 to FY23 Underlying Earnings



- Acquisitions contributed +\$7.0m in incremental EBITDA
- Largest contributions from AU broking businesses – AWIB, PSC AMGI, Trade Credit. Charter-Union in HK (~ \$1m). UK completions later in FY23
- Good organic growth of +11% (+\$10.6m), assisted by favourable macro conditions
- Interest costs up moderately; lower average tax rate in the period

FUNDING CAPACITY

The Group is in a strong position to deploy capital for continued growth with below target leverage

	2023
Debt	213.7
Property Debt	(7.6)
Cash	(71.4)
Working Capital 'Float'	20.0
Vendor Obligations	21.9
Adjusted Net Debt	176.5
Underlying EBITDA	114.0
Leverage Ratio	1.55

→ Leverage ratio of 1.55x is below target range of 2.0-2.5x

→ Our net debt adjusts for cash balance net of a working capital 'float' and adds vendor obligations

→ ~ \$100m of acquisitions at ~ 10x multiple would see us at the middle of the leverage range



02

STRATEGY
AT WORK

**BUSINESS
IN FOCUS**



ENSURANCE LIMITED

Australian agency business with PI specialty

- Scheme Implementation Deed signed on 8 August 2023. PSC to acquire 100% of the shares in Ensurance Limited (ASX:ENA)
- Purchase Price of \$25.2m, settled by 5.0m PSC shares, with a cash top-up if applicable
- Implied business value of ~ \$18m and ~ \$7m cash value
- Year 1 EBITDA expected at > \$1.5m with a higher than average growth trajectory

Opportunities



Internal placement of more product: The Ensurance product will provide enhanced alternatives for our broking clients and will be added to our Apex platform in time



Opportunity to leverage distribution channel:

Our agency and specialty businesses have a large broker distribution network which we believe can help meaningfully grow the Ensurance book

People



Quality Team:

Joining PSC will be Ensurance CEO Tom Kent and a team of experienced underwriters



PSC APEX

Operational Efficiency & Productivity

WHAT IS PSC APEX?

- System for generating multiple quotes from insurers
- Brokers attain automated quotes for domestic and commercial classes
- 5 products : Private motor (4 insurers), Home (6), Landlords (6), Commercial motor (5), Business Pack (9)
- Interfaces with broking platform and insurer platforms (reducing data duplication and errors)

HOW DOES IT WORK?

- Uses RPA technology to remove human intervention for repetitive data entry tasks
- The 'bots' connect to PSC databases and retrieve policy data
- They then connect to insurer platforms via Sunrise Exchange or direct to attain quotes.
- Renewal and quote terms are emailed to the broker for review and auto bind

CURRENT STATUS

- Operational since 1 June - ~ 90% quoting success rate
- Of these successful response rate - > 50% bind quote, ~ 15% for referral, ~ 15% decline and ~ 15% error rate
- Working on mapping issues causing the error rate
- Working with insurers on the referral and decline rates

GOALS

Short Term:

- Dashboards for users
- Improve the optics of the quote templates
- Improvements in mapping and liaise with insurers to refine the platform

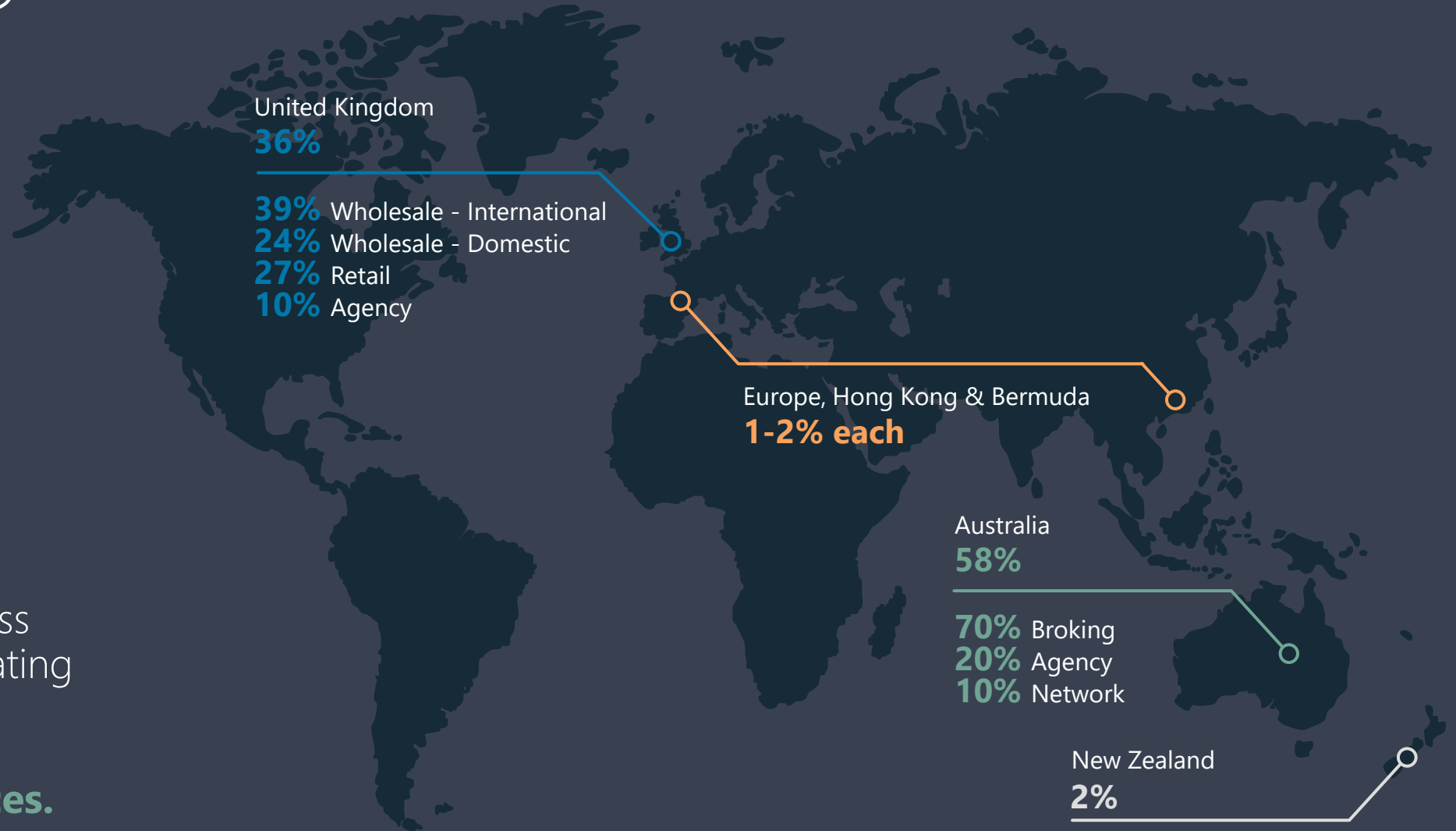
Long Term:

- Productivity - up to 20-30%
- Direct connections to insurers
- More products
- Revenue streams

DIVERSIFIED BUSINESS MODEL

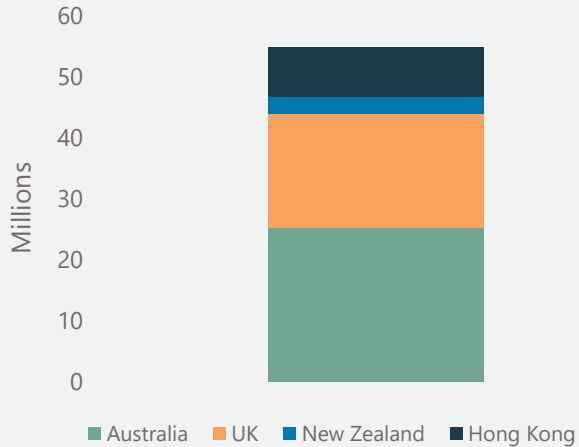


Earnings spread across 6 geographies, operating 50 separate business units, **supported by centralised resources.**

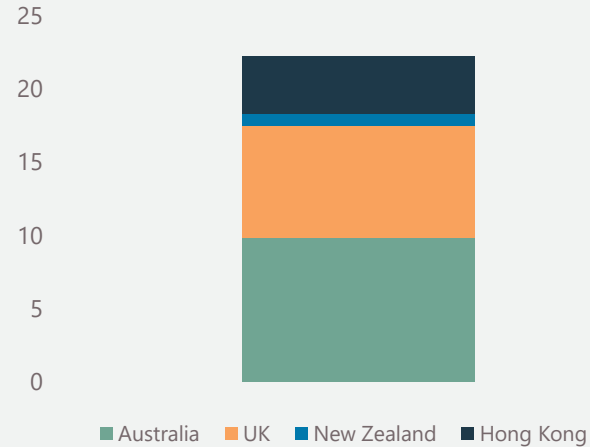


ACQUISITION & CORPORATE ACTIVITY IN FY23

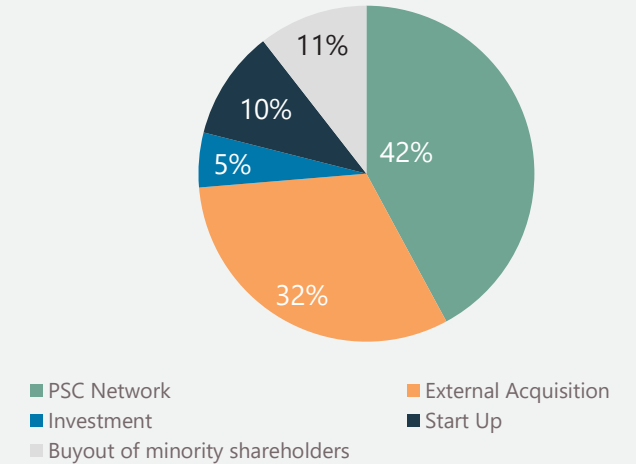
FY23 Acquisitions
Spend by Geographic Location



FY23 Acquisitions
Pro Forma Revenue



FY23 - PSC M&A
Activity by source (# deals)



\$55m of completed acquisitions => \$41m of business combinations across 6 transactions and \$14m in other bolt-in or minority buy-outs (10 transactions).



Start-up's: 2 new Australian broking businesses, 2 new Australian agency businesses (products) under review.



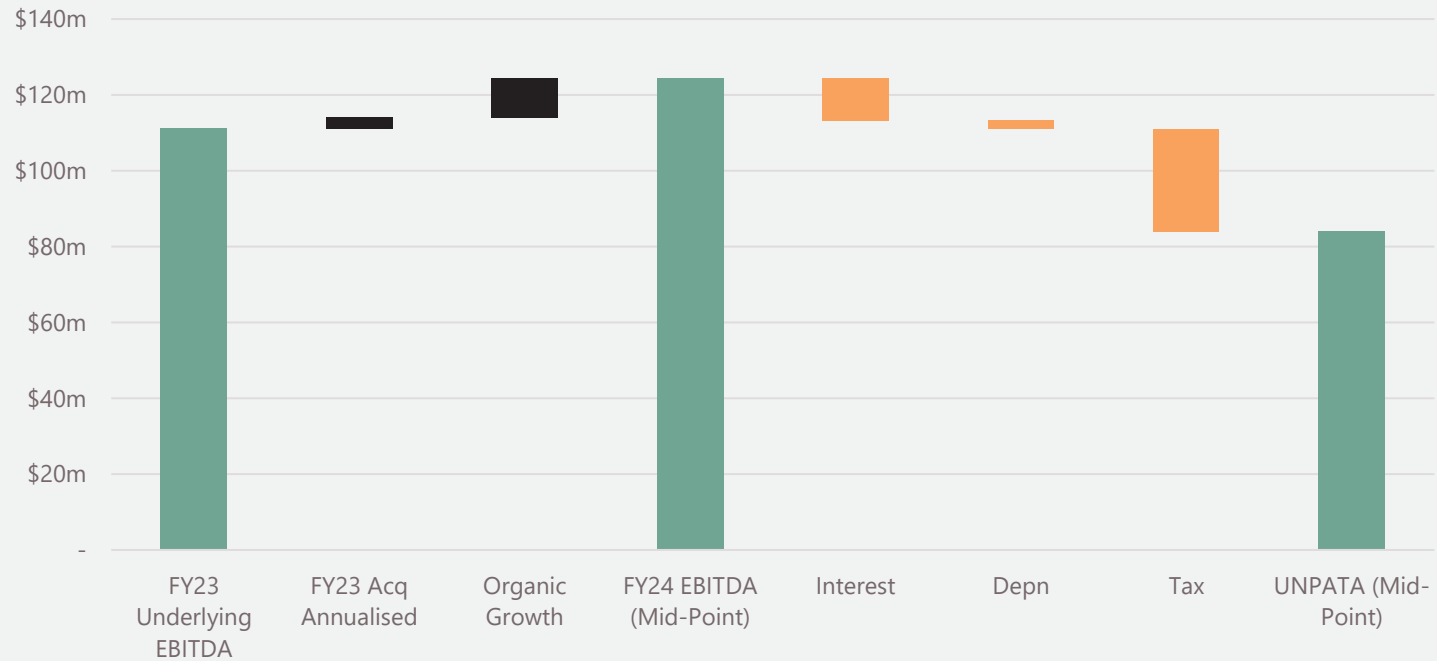
Investment (40%) in Bay Building Group, a specialist insurance builder.



Investment (40%) in Eldin Risk Partners, a specialist insurance services platform to private equity and investment firms.

SUMMARY

Underlying FY23 to FY24 Guidance



Another good year – with strong operating performance and acquisitions performing well



Good momentum and activity across all businesses – resilient business model, good pipeline of corporate activity



Confidence in outlook for FY24 and beyond, guidance excludes incremental acquisitions



Underlying earnings guidance: EBITDA \$122-127m (+10%-14%), NPATA \$82-86m (+5%-10%), EPS \$0.23-\$0.24 cps (+4%-9%)

03

APPENDICES



BALANCE SHEET

Good liquidity position; undrawn debt capacity; low leverage

(\$m)	FY23	FY22
Cash	71.4	106.1
Working Capital	36.1	32.8
Total Liquidity	107.4	138.9
Intangible Assets	519.9	457.3
Investments	85.1	55.0
Fixed Assets, Net	35.4	37.2
Vendor Obligations	(21.9)	(41.2)
Deferred Tax, Net	(40.7)	(32.1)
Debt	(213.7)	(187.0)
Other	(15.9)	(19.4)
Net Assets	455.7	408.8
Equity:		
Share Capital	426.0	411.7
Retained Profits	53.1	42.2
Reserves	(23.3)	(45.1)
Total Equity	455.7	408.8



Strong liquidity and cashflow position following growth in operating cashflows



Debt providers: CBA, Macquarie, HSBC, Citi (Bank Syndicate) and PGIM (Note Facility)



Undrawn debt limits ~ \$68m in the bank syndicate (maturity being November 2026) and strong ability to increase funding through the Note Facility

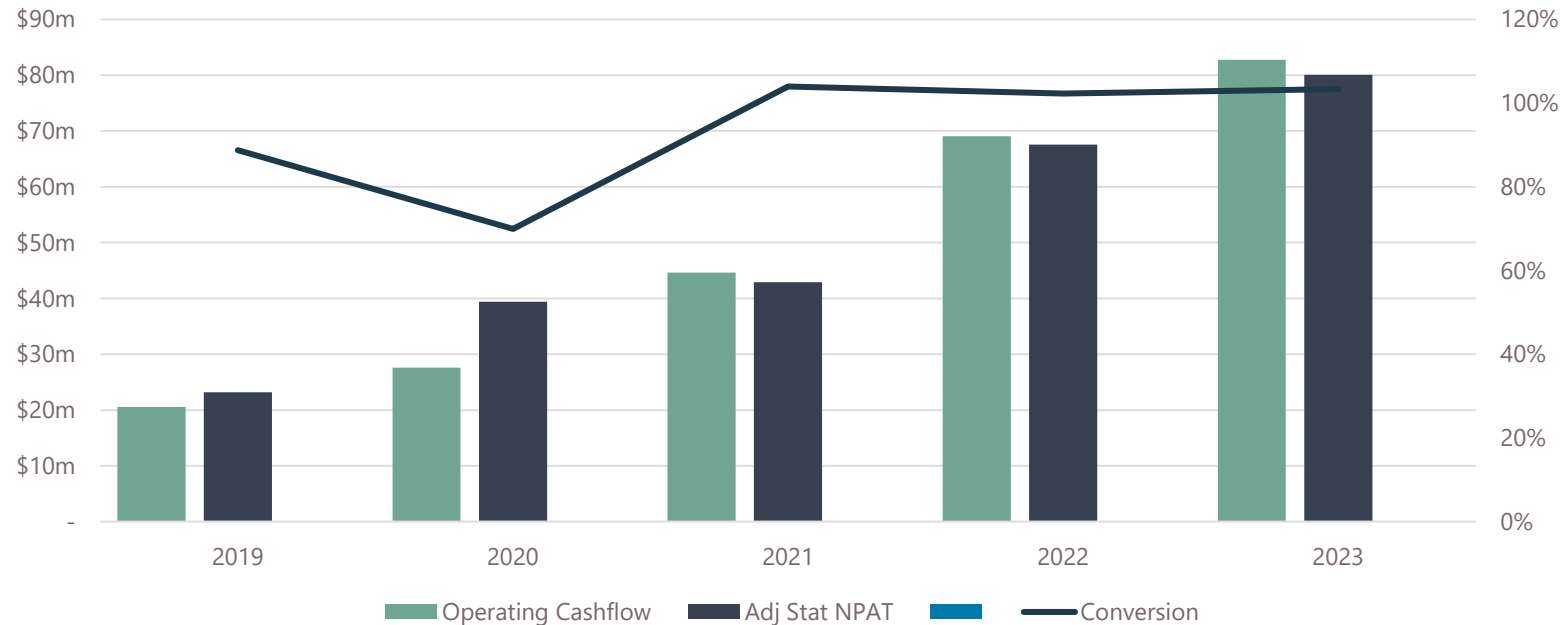


Proforma net leverage ratio of ~1.6 times, below target range of 2.0-2.5 times

CASH CONVERSION PROFILE

Good cash conversion profile

Statutory operating cashflow and cash conversion (\$m, %)



Operating cashflow up to \$75m (adjusted for leases and capex)



Cash conversion¹ > 100%

STATUTORY NPAT RECONCILIATION

Fair value gain in BP Marsh investment and increase in expected deferred acquisition consideration



Fair value of investments resulted in a gain of \$15.1m, due to material increase in BP Marsh (share price movement from £3.01 to £3.85).



Fair value of deferred acquisition consideration resulted in a charge of \$8.9m.



Other non-operating charges relate to ~ \$3.1m in acquisition and advisor costs and a ~ \$2.8m charge relating to the Group's LTI program.



Other items excluded from underlying results include the unrealised FX position, largely the result of the revaluation of sterling debt.

(\$m)	FY23	FY22	%	Change
Statutory NPAT	56.4	27.3	106%	+29.1
Amortisation	14.7	12.6		
Non-Recurring Revenue and Costs - Tax Adjusted	7.3	24.1		
Underlying NPATA	78.4	64.0	23%	+14.4

TAX RECONCILIATION

Underlying average tax rate reduced to 25% with increased UK contribution

	2023	2022
Net Profit Before Tax	79.7	44.4
Items Excluded from Operating	5.2	26.0
Net Profit Before Tax (Operating)	84.9	70.4
Tax Expense	23.3	17.0
Items Excluded from Operating (Tax Effect)	(2.1)	2.0
Adjusted Operating Tax Expense	21.2	19.0
Average Tax Rate	24.9%	27.0%
NPATA Rec:		
Net Profit Before Tax (Operating)	84.9	70.4
Adjusted Operating Tax Expense	(21.2)	(19.0)
Amortisation	14.7	12.6
Underlying NPATA	78.4	64.0



Underlying tax rate reduced to 25%



The UK corporate tax rate increased from 19% to 25% from April 1, 2023. This will impact average tax rate from FY24



The increase in amortisation is due to the Group's acquisition activity

DETAILED SEGMENT RESULTS

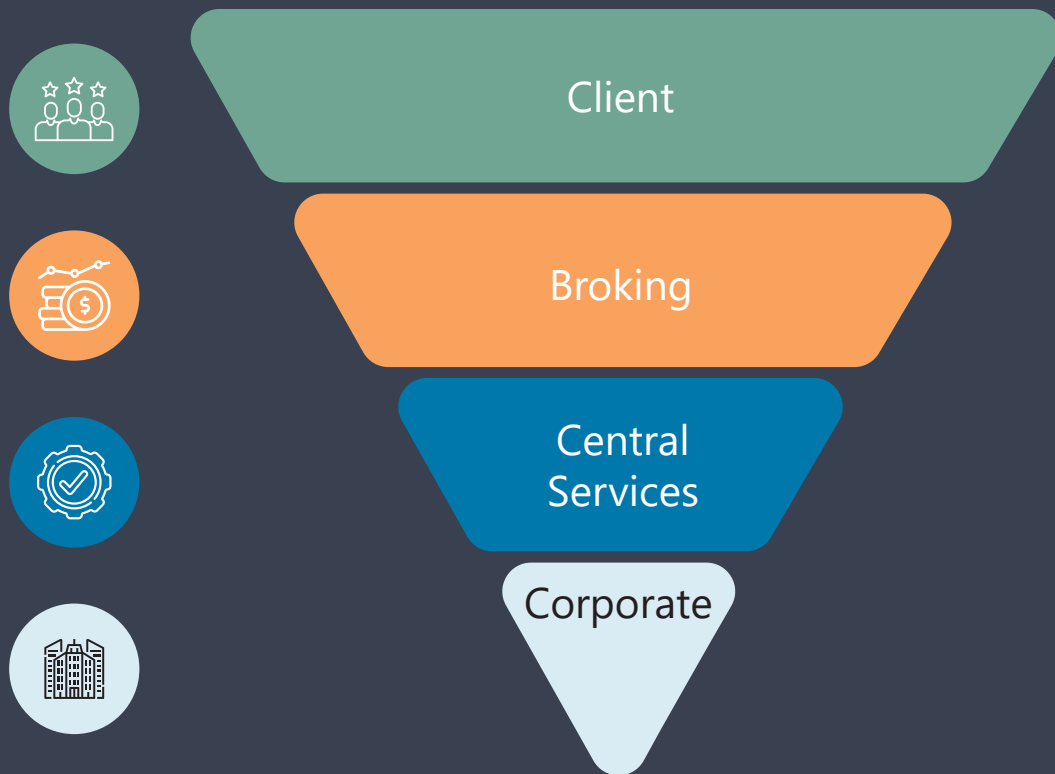
Strong performance across all segments

FY23 (\$m) →	Distribution	Agency	UK	Group	Total
Underlying Revenue	128.2	23.7	142.3	4.4	298.6
% of Group Revenue	43%	8%	48%	1%	
Underlying EBITDA	56.4	13.0	46.2	(4.6)	111.0
% of Group Underlying EBITDA	51%	12%	42%	(4%)	

FY22 (\$m) →	Distribution	Agency	UK	Group	Total
Underlying Revenue	108.3	20.8	124.2	1.0	254.3
% of Group Revenue	42%	9%	49%	0%	
Underlying EBITDA	48.3	11.1	39.1	(5.0)	93.5
% of Group Underlying EBITDA	52%	12%	42%	(5%)	

EMPOWERING BUSINESS UNITS

Broker autonomy is key to PSC's success – senior management and group functions act to support brokers



Hierarchy reflects client-broker relationship is key:



Business unit structure allows brokers autonomy within manageable units



Fixed pay structure of brokers eliminates remuneration conflicts



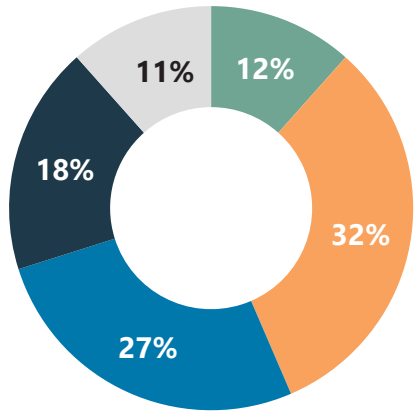
Centralised administration and finance supports service delivery and accountability



Corporate provides leadership in strategy and financing to enable and drive growth

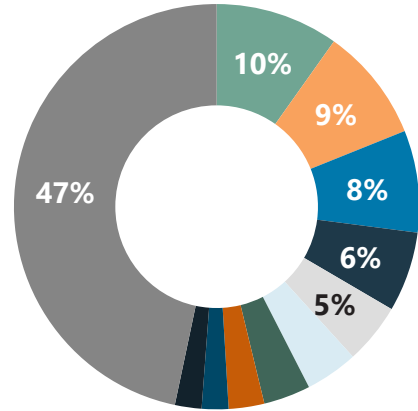
BROKING & NETWORK BUSINESSES (AU)

Relationship Type Mix
% of GWP



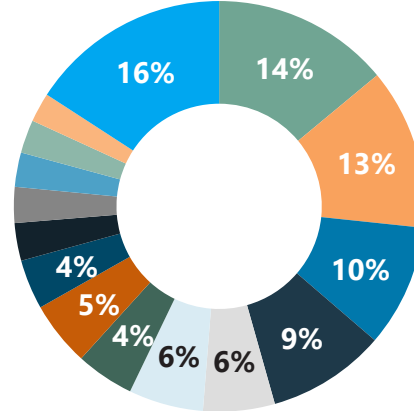
- Small Relationship (\$1,001 - \$5,000)
- Medium Relationship (\$5,001 - \$50,000)
- Large Relationship (\$50,001 - \$250,000)
- Corporate Relationship (\$250,000 - \$1.0m)
- Large Corporate Relationship (>\$1.0m)

Insurer Mix
% of GWP



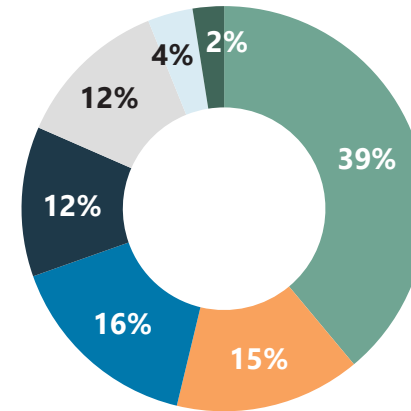
- QBE
- Allianz
- CGU
- CHUBB
- NTI
- ZURICH
- VERO
- GIO
- AIG
- CHASE
- Other

Product Mix
% of GWP



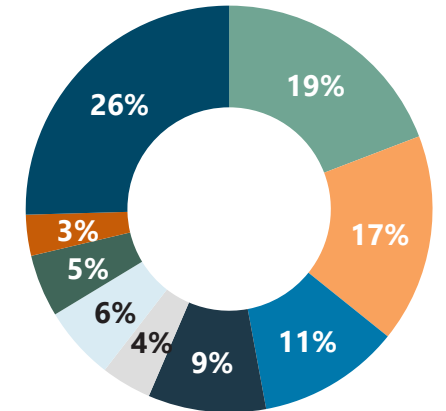
- Business
- WC
- PI
- Home
- Private Motor
- Strata
- Heavy Motor
- Other
- ISR
- Liability
- Commercial Motor
- Motor Fleet
- Farm
- CPM
- Contractors

Geographic Mix
% of GWP



- VIC
- WA
- NSW
- ACT
- QLD
- SA
- NT

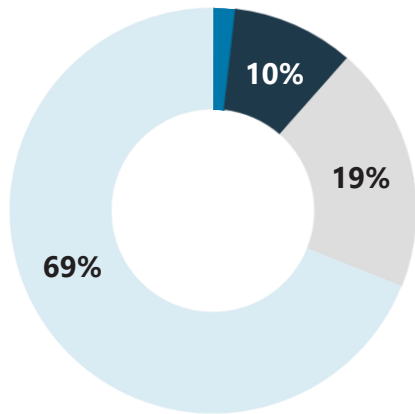
Top 300 Clients by Sector
% of GWP



- Construction & Trades
- Manufacturing
- Transport, Postal and Warehousing
- Agriculture, Forestry and Fishing
- Accommodation & Food
- Rental, Hiring and Real Estate Services
- Administrative and Support Services
- Financial and Insurance Services
- Other

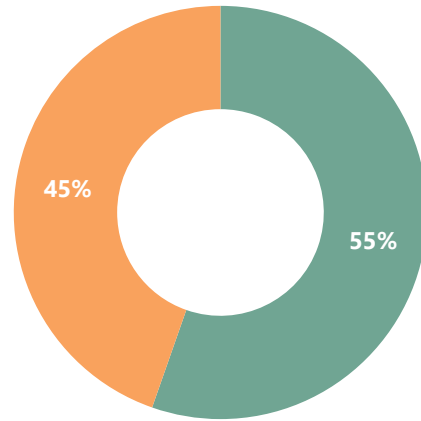
PARAGON – WHOLESALE (UK)

Relationship Type Mix
% of GWP



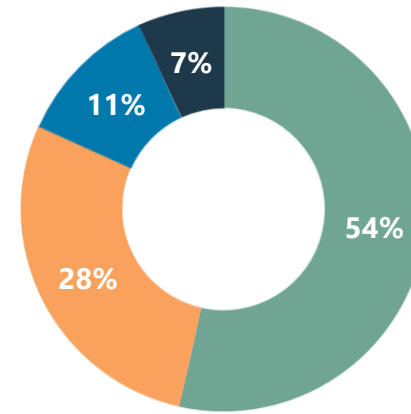
- Micro Relationship (£0 - £1,000)
- Small Relationship (£1,001 - £5,000)
- Medium Relationship (£5,001 - £50,000)
- Large Relationship (£50,001 - £250,000)
- Corporate Relationship (>£250,001 - £1.0m)
- Large Corporate Relationship (>£1.0m)

Insurer Mix
% of GWP



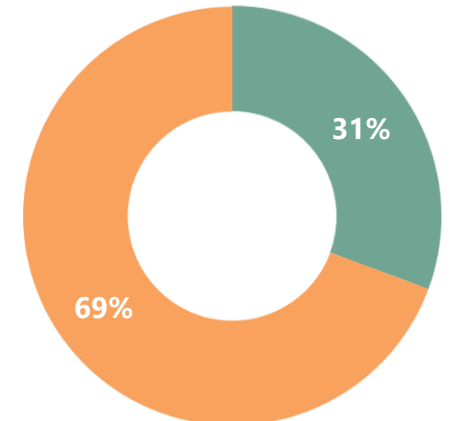
- Lloyd's
- Others

Geographic Mix
% of GWP



- USA
- United Kingdom
- Europe
- Other

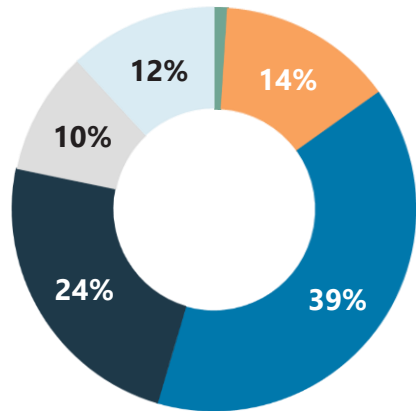
Source of Business
% of GWP



- Direct
- Wholesale

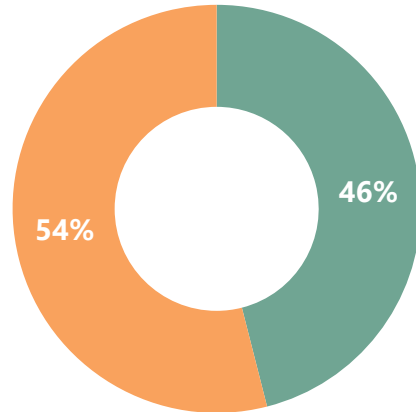
CARROLLS, BREEZE, CHASE – WHOLESALE & MGA (UK)

Relationship Type Mix
% of GWP



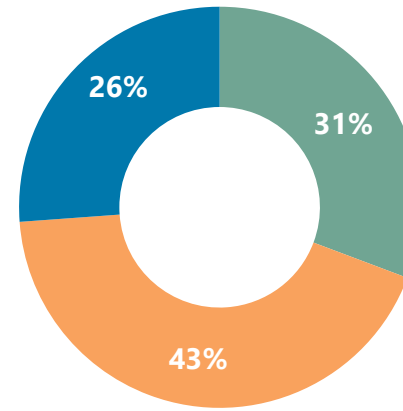
- Micro Relationship (£0 - £1,000)
- Small Relationship (£1,001 - £5,000)
- Medium Relationship (£5,001 - £50,000)
- Large Relationship (£50,001 - £250,000)
- Corporate Relationship (>£250,001 - £1.0m)
- Large Corporate Relationship (>£1.0m)

Insurer Mix
% of GWP



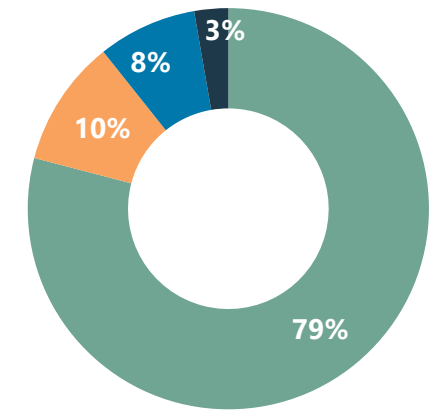
- Lloyds
- All other insurers

Product Mix
% of GWP



- Commercial Liability
- Property (commercial)
- Other

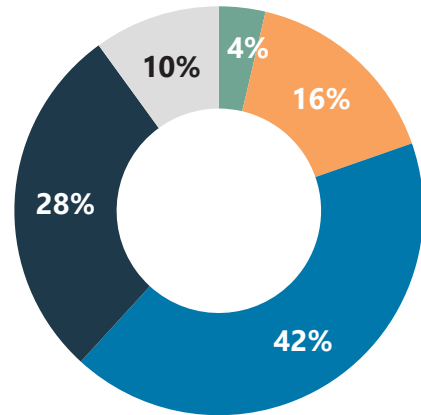
Geographic Mix
% of GWP



- UK
- USA
- Australia
- Europe

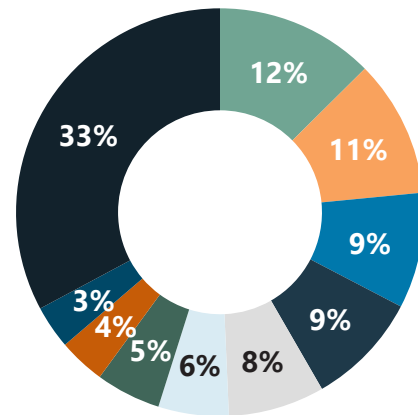
PSC UK INSURANCE BROKERS

Relationship Type Mix % of GWP



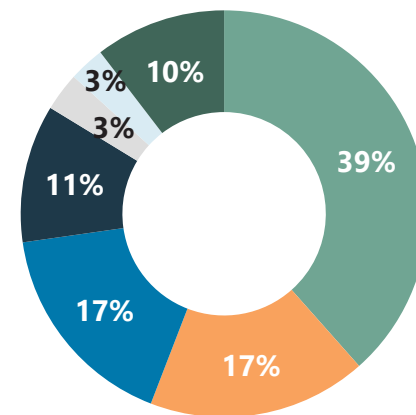
- Micro Relationship (£0 - £1,000)
- Small Relationship (£1,001 - £5,000)
- Medium Relationship (£5,001 - £50,000)
- Large Relationship (£50,001 - £250,000)
- Corporate Relationship (>£250,001 - £1.0m)
- Large Corporate Relationship (>£1.0m)

Insurer Mix % of GWP



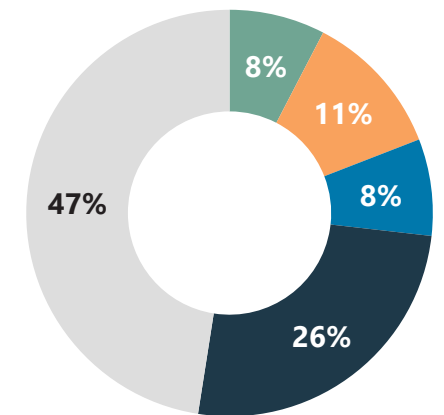
- Convex
- Aviva
- Howden
- Carrolls
- AXA
- Allianz
- Zurich
- Royal & Sun Alliance
- NIG
- All other

Product Mix % of GWP



- Property Combined
- Motor (Commercial)
- Liability Combined
- Commercial Combined
- Liability Single Class
- Household
- All other Products

Client Concentration % of GWP



- Top 10 Clients
- Top 50 Clients
- Top 100 Clients
- Top 500 Clients
- Outside top 500

DISTRIBUTION

MID-MARKET/CORPORATE BROKING



BROKING NETWORKS



ADJACENT SERVICES



~ **\$1.15b**
GWP



\$128.2m
FY23 revenue



\$56.4m
FY23 EBITDA

AGENCY (AUSTRALIA)

CHASE UNDERWRITING



Services exclusively to the construction sector in Australia & UK

MEDISURE



Specialist insurance products for the healthcare and allied health sector

BREEZE UNDERWRITING



Specialist insurance products for niche industries in accommodation, hospitality, professional risks and hire and rental

TRAVEL



Specialist insurance products for niche industries in accommodation, hospitality, professional risks and hire and rental



~\$140m
GWP



\$23.7m
FY23 revenue



\$13.0m
FY23 EBITDA

UNITED KINGDOM (incl. Hong Kong)

WHOLESALE



Independent Lloyd's and London market broker, specialising in Professional and Financial Lines across the USA and UK



Independent Lloyd's and London market wholesale broker with a focus on UK and Australian business. Core classes are Property, Casualty, Household, Motor and PI

UNDERWRITING AGENCIES



Services exclusively to the construction sector in Australia & UK



Property & Liability underwriting agency writing UK based risks. Breeze highly service driven giving UK retail broker a consistently high service with competitive products

PSC UK INSURANCE BROKERS ("Retail")



UK retail (direct) broker for commercial businesses as well as life and pensions for connected clients

HONG KONG



Direct broker of general insurances for commercial businesses in Hong Kong and the surrounding Bay Area.



~ \$1.3b
GWP



\$142.3m
FY23 revenue



\$46.2m
FY23 EBITDA