



Howden announces 2023 full year results

~ Double-digit organic growth and leading positions in key markets through strategic M&A reflects consistent delivery of Howden's long-term, sustainable strategy ~

London, 6 February 2024 - Howden Group Holdings ("Howden"), the global insurance intermediary group, today announces its financial results for the year ended 30 September 2023.

DAVID HOWDEN, CEO, HOWDEN, COMMENTED:

"We celebrate our 30th anniversary in 2024 as the largest privately held global insurance intermediary group outside North America with 16,000 employees in 50 countries looking after clients in retail, specialty and reinsurance broking, capital markets and underwriting. On a foundation of employee ownership, supported by long-term external investors, we have built a business with a difference. And we've grown by consistently and relentlessly executing on a strategy to attract and empower the best talent – both individuals and through high-quality, aligned acquisitions - to deliver standout organic growth over the long term.

If we look back just three years, when we had just broken through the £1bn revenue mark, we set out our intentions to be a leader in our home market, the UK, to be strong in reinsurance, to strengthen our European platform, and to accelerate our global specialty business.

Three years later and we are the second largest insurance broker in the UK – the biggest in reach; we have moved to become one of the four top tier reinsurance brokers; and we're the largest independent global player in Europe; and in global specialty we have hired hundreds of people across the world creating a team of 2,000.

Our three-year revenue CAGR is 46%, our EBITDA CAGR 47% and our three year average organic growth number is 17%. I am incredibly proud of what we are building.

We look ahead, from a position of scale and strength and united under our new brand, with the same consistent and relentless focus on empowering great people to deliver all the capabilities of the Group to our clients as we did right at the beginning."

FINANCIAL HIGHLIGHTS

- **Exceptional financial performance:** a 33% increase in revenue to £2,443m (FY22: £1,841m), and a 30% increase in adjusted consolidated EBITDA to £780m (FY22: £599m), with EBITDA margin of 31.9%, driven by a combination of organic growth of 13% (FY22: 19%) and selective acquisitions. The Group's employee ownership model consistently delivers excellent service that helps retain and win new clients.
- **Successful and sustainable capital management strategy:** the Group has supportive shareholders who have contributed over £1bn of equity in FY23 to support investment for growth. The Group also has good access to the capital markets to raise financing for M&A; it raised \$1.375bn (£1.1bn) of incremental debt to support its investment programme in FY23 while maintaining its rating.

- **56 completed acquisitions**, including five transactions over £25m EV in FY23, building out Howden's leading position in key markets: TigerRisk in the US, March RS in Spain, Apex in New Zealand, Théorème in France and Reich Insurance in the UK.
- Howden welcomed **1,000 new employee shareholders in 2023**, taking the total number to 4,500 from 35 out of the 50 countries in the Group.
- Total headcount, pro forma for acquisitions post year end, stands at 16,000, with 800 people joining the Group in FY23 from lateral hiring as part of new initiatives.

OPERATIONAL HIGHLIGHTS

- **Announced new management structure to unify operations:** single global executive with insurance broking, reinsurance broking and underwriting reporting directly to David Howden, CEO, and announced the appointment of David Shalders, Group COO, post year end.
- **Adopted a single brand name and visual identity** for Howden's broking operations (post year end) to improve brand recognition globally. This included the rebranding of UK branches, offices around the world and websites. The brand is reflected in Howden's sponsorship investments, such as the British and Irish Lions and horse racing courses including Ascot, The Turf Club, Bahrain and Victoria Racing Club, Australia.

CORPORATE ACTIVITY

Howden's corporate activity across its three operating divisions executed on the strategy to expand its geographical footprint and strengthen and diversify its specialty proposition through M&A, attracting talent and new initiatives

Insurance

- Howden completed acquisitions in the UK, France, Austria, Italy, Greece, Germany, Spain, Switzerland, Finland, Cyprus, Australia, New Zealand, the US, and post year end in the Netherlands. Howden entered new markets in Liechtenstein and, post year end, in Peru and Denmark
- Howden's position as a leading equestrian insurance intermediary is strengthened through the acquisitions of Tyser's UK bloodstock business and, post year end, Silks Insurance and HQ in Australia. Expansion of Howden's Sport and Entertainment practice group to take a leading position in the film brokerage business with the acquisition of Media Insurance Brokers in the UK, Franz Gossler in Germany and Assimovie in Italy
- Continued investment in specialist expertise across Howden's international platform including the launch of Marine and Energy capability in Norway, the acquisition of leading Italian Employee Benefits service provider Wide Care Services, French marine broker Seasecure and Swiss aviation broker Hudson Sky

Reinsurance

- Completion of the acquisition of TigerRisk added a large treaty reinsurance and capital markets business
- Appointments to its entrepreneurial leadership team of Tim Ronda as CEO, Rob Bredahl as Co-Vice Chair of Howden Tiger & Executive Chair of Howden Tiger Capital Markets, and Massimo Reina, as CEO of Howden Tiger International
- Continued attraction of top talent as Howden Tiger builds its international footprint and global team with over 200 new reinsurance practitioners excluding M&A
- Acquisition of Swiss-headquartered specialist reinsurance broker Haakon, post year end
- Further investment in specialty lines including Cyber, Marine, Construction and International Property add to Howden Tiger's extensive capabilities

Underwriting

- Opened offices in three new territories including Benelux, the Nordics, and, post year end, France
- Acquisition of two London-based bloodstock operations - Galileo and David Ashby Underwriting – which combined create a £100m portfolio, positioning DUAL as one of the leading bloodstock underwriters
- Launch of Howden Ventures that has made two investments (post year-end) into insurtechs to fund their journey to becoming fully-fledged MGAs

CHANGES TO THE BOARD AND GLOBAL LEADERSHIP TEAM

- David Shalders announced as new Group COO, post year end, who will take up his position once the contractual obligations to his current employer have been discharged

CAPITAL MANAGEMENT

- Post year end, Howden took advantage of strong financial market conditions to raise additional debt capital, refinance existing debt in the term loan market and diversify funding sources via an inaugural high yield bond, thereby achieving extended maturities and reduced weighted average cost of borrowing
- 1,000 employees joined as new shareholders in 2023 giving a total of 4,500 with a total stake of 32% in the business. Howden is one of the largest employee-owned business in the UK
- Maintained a conservative leverage level with net leverage as at FY23 of 5.3x cash pay leverage at constant FX rates for debt within the Group's finance subsidiaries¹
- Group's ratings were reaffirmed at B2 Stable (Moody) and B Stable (S&P), maintaining one of the best Moody's and S&P's ratings among all levered brokers

¹ Refers to figures reported to lenders and investors by HGH Finance, an indirect subsidiary of Howden Group Holdings and the top entity in the Group's finance perimeter

SUSTAINABILITY

Accelerated the growth of the Group's climate and resilience capabilities with the appointment of Rowan Douglas CBE as CEO, Howden Climate Risk and Resilience, who continues to build an expert, full spectrum function to support the group worldwide, embedding the offering across its specialties and regions.

Howden continues to promote the critical role of insurance in the world's response to the climate emergency, through the:

- Launch of first-of-its-kind Carbon Capture and Storage leakage facility to support the growth of the global carbon market, post year end
- Publication of ground-breaking research with Cambridge University to outline a model for Loss & Damage implementation that supports Small Island Developing States (SIDS) launched at COP 28, post year end
- Partnership with the UNCDF and the Danish Red Cross to help enable those most exposed to climate disasters to access pre-financing
- Binding of insurance coverage to enable the UN to proceed with FSO Safer Ship-to-Ship (STS) transfer, a mission to avert one of the world's largest oil spills and man-made environmental disasters
- Completion of the first year of the Global Risk and Resilience Fellowship, in partnership with the Sustainable Markets Initiative and Resilient Cities Network, which contributes to building city resilience

The Howden Foundation has donated over £5.6m to global charitable partners since its inception in 2014, and awarded £182k in employee matched funding in FY23.

OUTLOOK

- Howden's differentiated capital model, blending employee ownership with long-term institutional shareholders continues to provide the business with flexibility, strength and sustainability when it comes to deploying capital
- As we enter 2024, the macroeconomic and geopolitical challenges our clients and markets face are plentiful and are laid out in our recent report '[A New World](#)', but in conditions such as these we believe insurance can deliver the greatest value and act as a force for good for our planet and the people on it

ENDS

NOTES TO EDITORS

About Howden

Howden is a leading global insurance intermediary group with employee ownership at its heart. Founded in 1994, it operates in 50 countries across Europe, Africa, Asia, the Middle East, Latin America, the USA, Australia and New Zealand, employing 16,000 people and handling \$38bn of premium on behalf of clients.

For more information, please visit www.howdengroupholdings.com

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