

Hyperion Insurance Group

2014 Full Year Results

19 January 2015

Hyperion Insurance Group Limited, a leading international insurance intermediary group, announces today its financial results for the year ended 30 September 2014.

Financial Highlights

- Revenue increased by 19% to £199.0m from £166.6m
- EBITDA of £43.2m, up 20% from 2013 (£35.9m)
- EBITDA margin stable at 22.0%
- Underlying organic revenue growth of 7.0%
- The Board has agreed to pay an interim dividend of 4.0 pence per share (2013 comparative: 4.0 pence per share) in December 2014 to shareholders on the Register at 5 December 2014

Operational Highlights

- In line with our strategic objective to build scale in the world's high growth insurance markets, the Group announced four acquisitions during the year ending 30 September 2014, including PGI in the US, Bar-Ziv Ravid in Israel, Colemont in Finland and Donoria in Poland.
- Howden Broking Group restructured into Retail Broking regions, a unified Wholesale division, and two Specialty divisions of Marine and Financial and Professional Lines
- DUAL also restructured, with regional hubs in the Americas, Europe and Asia Pacific, bringing increased local governance in order to deliver further profitable expansion
- Strengthening of Group infrastructure and central functions, including appointments of Adrian Colosso as CEO of Howden Broking Group, David Jack as Chief Information Officer and Mo Kang as Group HR & Communications Director
- First Employee share offer launched in January, with over 300 employees now Group shareholders. The Group further diversified its sources of funding by raising \$250m of USD Term Loan B financing in October 2013
- Post year-end, the Group announced advanced merger discussions with RK Harrison Holdings Ltd ("RKH"), as well as the acquisitions of Wacolda S.A., Proseguros Corredores de Seguros S.A. and NMB in Colombia (strengthening its Iberoamerican platform), UBK in Spain, Powell Bateson in the UK, SSI in Germany, Harmonia in Brazil and CIMB in Malaysia. These build on our international footprint while at the same time further diversifying our product specialism

- The acquisition of RK Harrison would create the largest independent, employee-owned insurance intermediary in the world with 3,000 employees in 40 countries and projected annual revenues of £400m

Commenting on the Group's results, David Howden, Chief Executive, said:

"This November marked the 20th Anniversary of Hyperion; it has been a remarkable journey with the Group now employing over 1,800 people in 90 operations in close to 40 countries around the world. With revenues of £200 million, these results are a testament to how far we have come. Our focus on organic growth and selective acquisitions has built a powerful and balanced business across both retail and wholesale broking and underwriting through our MGA."

"2014 was another year of continued growth, and it was particularly pleasing that we achieved this against a volatile and challenging global insurance market. Our ability to generate strong organic returns is testament to the quality, breadth and specialism of our offering while our skill in integrating high quality acquisitions has helped us build a truly global business. We are building a company ready for the next 20 years, and in 2015 we will continue to strengthen our platform, investing in our operational infrastructure to allow us to take advantage of our increasing scale and the opportunities that being a larger group presents."

"Consolidation continues to change the face of our competition and highlights just how critical it is to have scale and reach in the new world of a market swamped with capital seeking product and distribution where data is the differential. As the insurance value chain shortens and the race for expertise intensifies, the question for the market's entrepreneurial talent is: where do they want to call home?"

Hyperion is very well placed to achieve a unique position in the marketplace as the only viable, independent alternative for both clients and industry specialists. With our strong, enterprising culture, ethos of innovation and balanced business model we offer something very different, and we look forward to the future with excitement and confidence."

Divisional Highlights

- ***Underwriting: continued diversification and solid core portfolio performance driving strong growth in revenue and profitability***
 - GWP growth of 49% with revenues up 36% on 2013
 - Launched a simplified worldwide binder structure bringing together US\$425 million of non-US international capacity in a quota share vehicle
 - PGI Commercial rebranded as DUAL Commercial in March 2014, following its acquisition in 2013
 - Continued diversification of product capability, with Financial Lines now accounting for under 50% of portfolio
- ***Broking: solid performance despite market volatility, with focus on investment in infrastructure following 20 years of rapid growth and significant acquisitions***
 - Revenues of £143.5m, 14% growth on 2013
 - Product and service capability further strengthened through recruitment of specialist Aviation, Fine Art and Specie, Construction and Political Risk teams
 - Global Marine practice launched through the combination of FP Group with the Howden marine division
 - Transactional Liability team launched in Germany

- Expansion of Eastern European offering through expansion of Donoria, and continued expansion in Colombia following acquisition of Wacolda S.A., Proseguros Corredores de Seguros S.A. and NMB Colombia

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About Hyperion Insurance Group

Founded in 1994, Hyperion is a leading independent and employee-owned international insurance and reinsurance intermediary group. Hyperion is comprised of The DUAL Group and Howden Broking Group. Hyperion's businesses operate across Europe, Asia, the Middle East, Latin America, Australia and New Zealand and in the USA, and employ over 1,800 people in 90+ offices in close to 40 countries. For more information, please visit www.hyperiongrp.com

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