



## HALF YEAR REVIEW TO JUNE 2022

### Trading Update for PIB Group ('the Group')

Many of the trading patterns seen in 2021 and early 2022 have continued through to the early summer period. We operate in a dynamic and everchanging market with the Covid pandemic, the war in Ukraine and regulatory change in the UK highlighting some of the challenges which the insurance industry has had to face.

One of the many impacts of the pandemic has been Covid-19 driven inflation caused by supply bottlenecks due to factory closures, port restrictions, shipping congestion, container shortages and worker absences. The conflict in the Ukraine has exacerbated the situation particularly with respect to higher commodity costs, and we can now see inflation impacting prices. Rating increases are evident across most markets and we estimate that rates are up circa 4% across the Group as a whole.

Although such increases can make renewal of insurance programs challenging, we continue to work closely with our clients to ensure that they understand any potential risks and are actively engaged to ensure that their insurance programs are appropriately constructed.

The rating environment combined with the Group starting to see the benefits of a sustained investment in sales capabilities has enabled the Group to drive double digit organic revenue growth in the first half of 2022.

However, similar to other businesses in the financial services sector, we continue to experience tight labour markets. Employment cost pressures continue, albeit the absolute impact on costs in the short term has been limited due to higher than normal vacancy levels. Pricing increases from third party suppliers (particularly IT providers) and increasing energy prices continue to create operational challenges and cost pressures across the Group. In the face of these challenges the Group remains focused on high levels of client service and tight cost control.

Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. PIB is highly diversified and not materially exposed to a single carrier, customer, or market sector. For this reason we remain confident in delivering sustained long-term growth.

## Strategic Developments

### *Acquisitions*

In line with its growth strategy, the Group has continued its strong progress in making acquisitions in the first half of 2022. Given the higher levels of competition and pricing expectations in the UK, the majority of the activity has been in Continental Europe, which also supports the Group's strategy of increasing geographic diversity. During the first half of the year the Group has made the following acquisitions:

- > Oliver Murphy: commercial insurance broker based in Ireland
- > Champion Insurance: commercial insurance broker based in Ireland
- > Brokers Union: commercial insurance broker based in Poland
- > Cicor: commercial insurance broker based in Spain
- > Light Insurance: commercial insurance broker based in the Netherlands
- > Exito Consulting: commercial insurance broker based in Poland
- > Alan Tierney & Partners: commercial insurance broker based in Ireland
- > Baily Garner (Health & Safety) Ltd: risk management consultancy business in the UK
- > Fingal Insurance: commercial insurance broker based in Ireland
- > Tractio: commercial insurance broker based in Spain
- > German retail insurance broker (identity yet to be announced)
- > Guest Krieger: London Market international wholesale broker
- > New Sure Life Ltd - Mike Murphy: commercial insurance broker based in Ireland
- > Sullivan Insurances: commercial insurance broker based in Ireland
- > Sheridan Colohan: commercial insurance broker based in Ireland
- > Balens\*: commercial insurance broker based in the UK
- > Confide Insurance and Reinsurance Broker\*: commercial insurance broker based in Spain

*\* transactions remain subject to regulatory approval at the time of publishing this report*

### *Other Strategic Developments*

As a Group we remain laser focused on our ambition is to create one of Europe's leading independent diversified specialist insurance intermediaries which remains privately financed for many years to come. To this end we are constantly investing in our teams and capabilities, which is key to enabling us to deliver on this ambition. The first half of 2022 has seen a large amount of activity in this area of focus including:

- > Hiring teams and individuals: we continue to be able to attract high quality individuals, who are attracted by the opportunity to be empowered to build their careers and a business together. We have hired a significant number of Account Executives and Underwriters all of whom will help drive future revenue growth.
- > Investment in data and technology: we are committed to becoming an increasingly digital insurance intermediary through the investment in technology and data capabilities. Our investment in Data Science has started with the development of an algorithmic selection model allowing us to more accurately predict the performance of our renewal book and the likelihood of a client lapsing. This has been piloted in the first half of 2022 with very encouraging results and is now being rolled out more widely.
- > Executive Team: the Group is refreshing and strengthening its top team in preparation for Chapter Three in its evolution and to help accelerate its international reach. The Executive team has grown through the appointment of Onno Janssen in a newly created role as CEO for Europe, and Matthew Crane as CEO for Underwriting. People have also been secured for the roles of Chief Financial Officer and Group Chief People Officer and these will be announced in the second half of 2022.

**For information and updates on PIB Group, please regularly visit our website [pibgroup.co.uk](https://www.pibgroup.co.uk)**