

HOWDEN

M&A

What's the point?!



Pace of growth

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Multiple arbitrage



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Revenue synergies

Cost savings



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M&A – what are we trying to buy and where?

Bolt-ons everywhere
Platforms where required

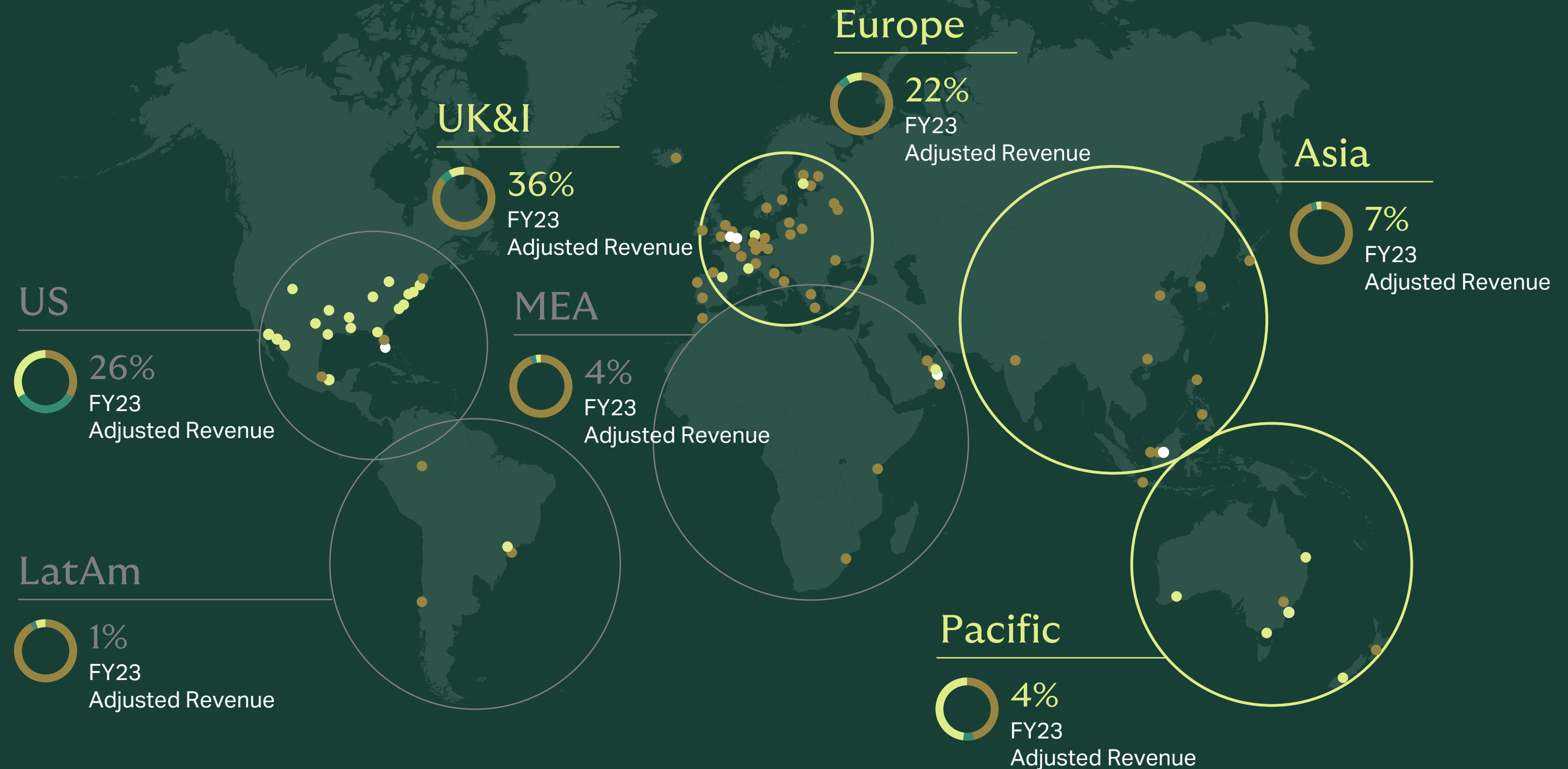
○ International offices

Howden Group
office location

- Howden
- DUAL
- Speciality hub

Howden Group
portfolio breakdown

- Reinsurance
- Insurance broking
- Underwriting



What does a
typical deal
look like?



70%

**Paid upfront
in cash**

20%

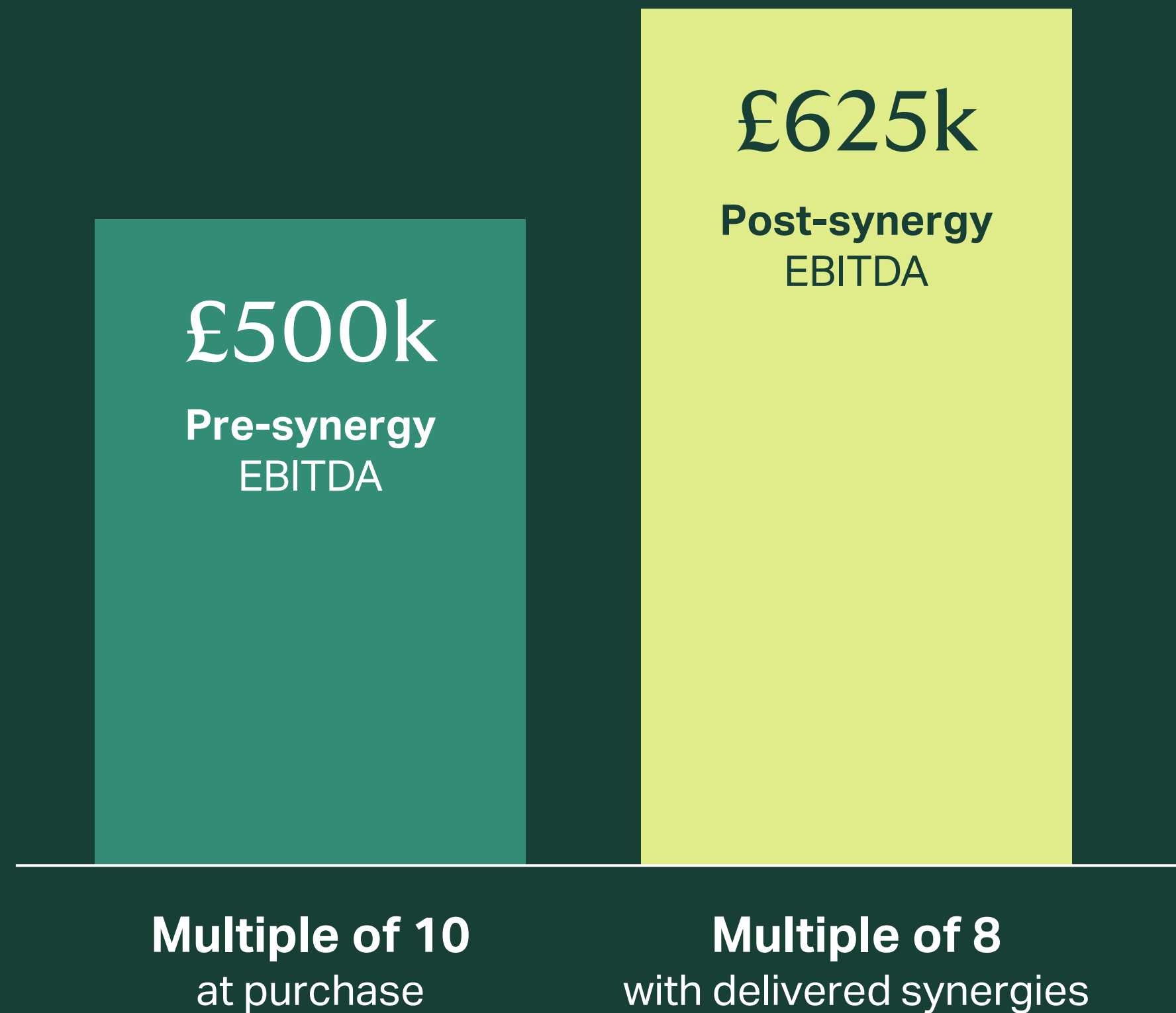
**Deferred
consideration**

10%

**Rolled into
Howden equity**

**10 x
EBITDA**

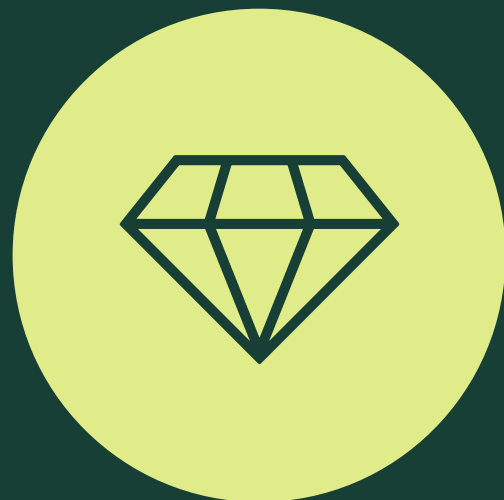
What does a
typical deal
look like?



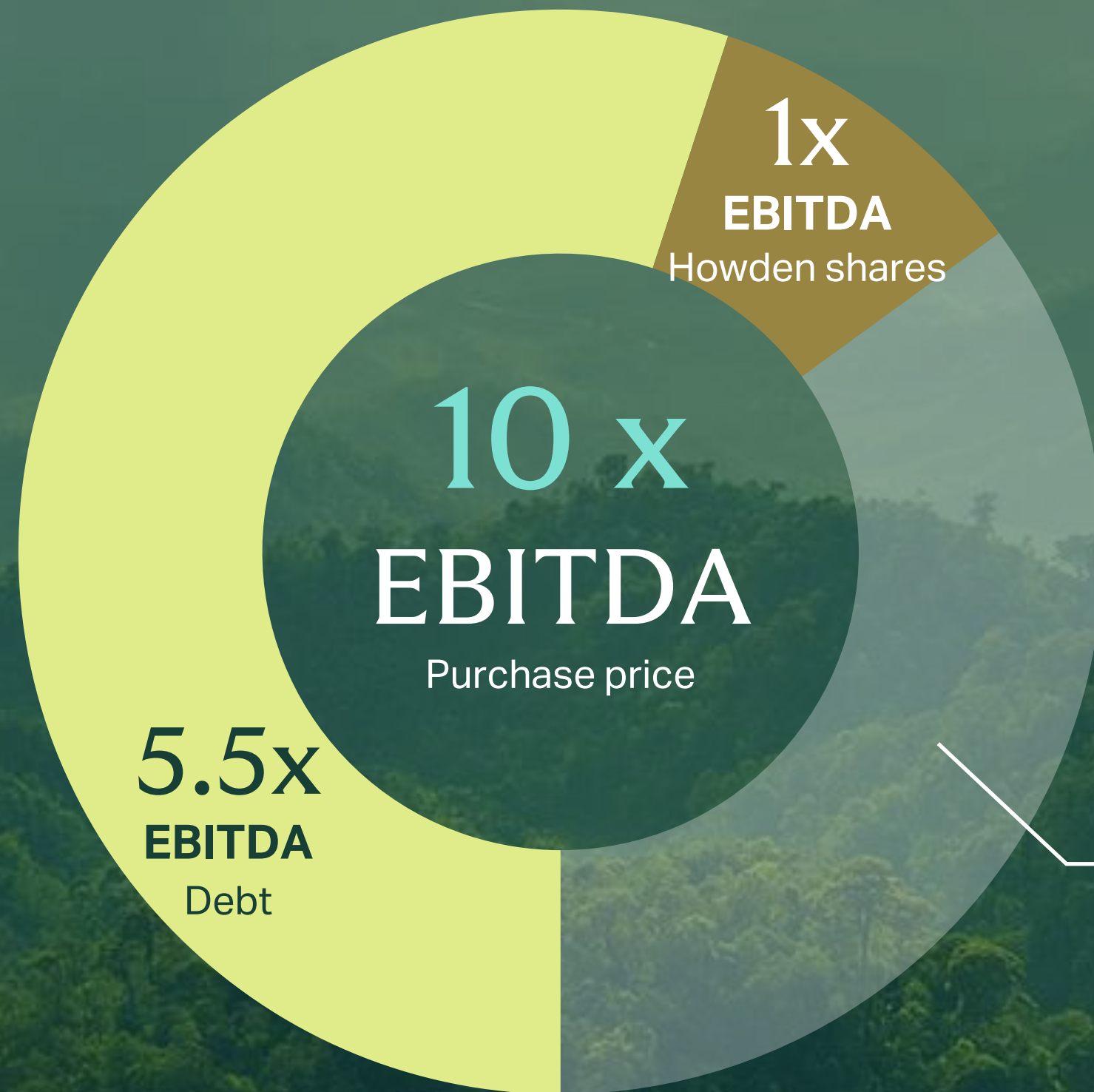
Value Creation versus Integration

Value
Creation

Integration
Workload



What can stop us from growing?



Balance needs to be
funded with cash or
deferred consideration

Failure to integrate

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The background image shows a large cantilever bridge, likely the Forth Road Bridge, spanning a body of water at dusk. The bridge's steel structure is illuminated with warm lights, and its reflection is visible in the calm water. The sky is a deep blue. Overlaid on this image are several large, semi-transparent geometric shapes: a large triangle on the left, a smaller one in the center, and another on the right, all pointing towards the center. The text 'M&A – So what does good look like?' is written in a large, white, serif font across the middle of the image.

M&A – So what does
good look like?

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A large cantilever bridge, likely the Forth Road Bridge, is shown at dusk. The bridge's steel structure is illuminated with warm lights, and its reflection is visible in the calm water below. The sky is a deep blue, and the overall scene is framed by several large, semi-transparent geometric shapes (triangles and polygons) in shades of blue and grey, creating a modern, architectural feel.

This is a journey,
not a destination

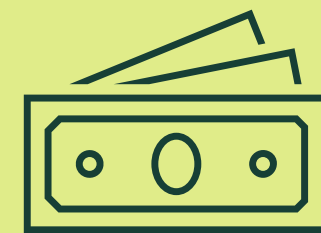
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M&A – what about the numbers?

FY21	FY22	FY23	FY24
19 deals	44 deals	57 deals	37 deals
£64.5m EBITDA	£142m EBITDA 13 UK asset deals	£117m EBITDA 17 smaller UK asset deals	£62m EBITDA 9 UK asset deals and 4 deals signed / not completed YTD 22 Feb 2024. Plus, expecting to acquire c.30 further of deals with £25m of EBITDA

So, how
do Central
Functions fit in?

Quality



Cost

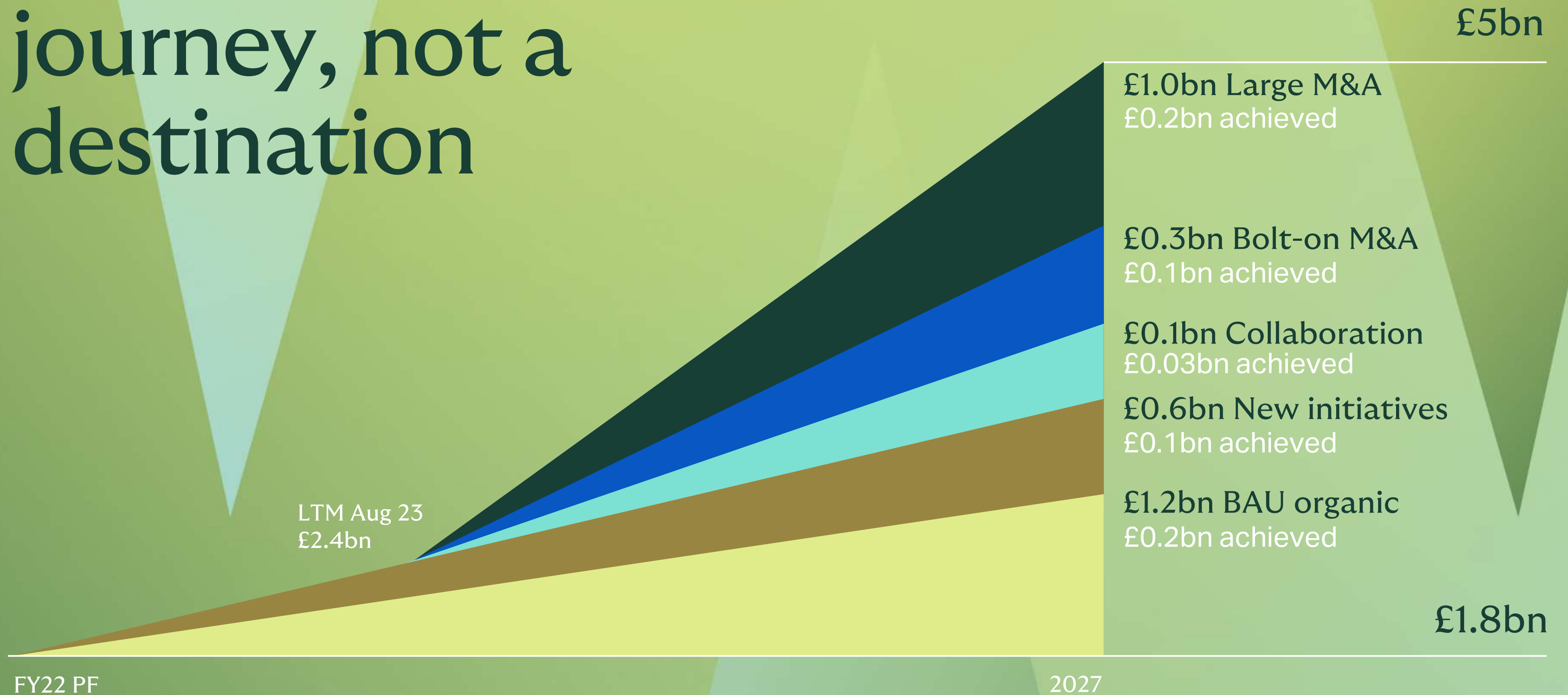


I never said
it would be easy...

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M&A – This is a
journey, not a
destination

M&A – This is a journey, not a destination



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