



Brown & Brown, Inc. announces third quarter 2025 results, including total revenues of \$1.6 billion, an increase of 35.4%; Organic Revenue growth of 3.5%; diluted net income per share of \$0.68; and Diluted Net Income Per Share - Adjusted of \$1.05

October 27, 2025

DAYTONA BEACH, Fla., Oct. 27, 2025 (GLOBE NEWSWIRE) -- Brown & Brown, Inc. (NYSE:BRO) (the "Company") announced its unaudited financial results for the third quarter of 2025.

Revenues for the third quarter of 2025 under U.S. generally accepted accounting principles ("GAAP") were \$1.6 billion, increasing \$420 million, or 35.4%, compared to the third quarter of the prior year, with commissions and fees increasing by 34.2% and Organic Revenue increasing by 3.5%. Income before income taxes was \$311 million, decreasing 1.9% from the third quarter of the prior year with Income Before Income Taxes Margin decreasing to 19.4% from 26.7%. EBITDAC - Adjusted was \$587 million, increasing 41.8% from the third quarter of the prior year with EBITDAC Margin - Adjusted increasing to 36.6% from 34.9%. Net income attributable to the Company was \$227 million, decreasing \$7 million, or 3.0%, and diluted net income per share decreased to \$0.68, or 16.0%, with Diluted Net Income Per Share - Adjusted increasing to \$1.05, or 15.4%, each as compared to the third quarter of the prior year.

Revenues for the nine months ended September 30, 2025 under GAAP were \$4.3 billion, increasing \$673 million, or 18.6%, as compared to the same period in 2024, with commissions and fees increasing by 18.0%, and Organic Revenue increasing by 4.6%. Income before income taxes was \$1.0 billion, increasing 2.1% with Income Before Income Taxes Margin decreasing to 24.4% from 28.4% as compared to the same period in 2024. EBITDAC - Adjusted was \$1.6 billion, which was an increase of 22.6% and EBITDAC Margin - Adjusted increased to 37.1% from 35.9% as compared to the same period in 2024. Net income attributable to the Company was \$790 million, increasing \$7 million, or 0.9%, with diluted net income per share decreasing to \$2.57, or 5.9%, and Diluted Net Income Per Share - Adjusted increasing to \$3.33, or 11.7%, each as compared to the same period in 2024.

J. Powell Brown, president and chief executive officer of the Company, noted, "We are very excited to welcome over 5,000 new teammates to our organization in the third quarter. We continue to deliver our solutions for our customers locally, but draw upon enhanced global capabilities. We are pleased with our overall growth, profitability and cash flow conversion."

**Reconciliation of Commissions and Fees
to Organic Revenue
(in millions, unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Commissions and fees	\$ 1,550	\$ 1,155	\$ 4,183	\$ 3,545
Profit-sharing contingent commissions	(73)	(27)	(161)	(110)
Core commissions and fees	\$ 1,477	\$ 1,128	\$ 4,022	\$ 3,435
Acquisitions	(307)		(429)	
Dispositions		(3)		(10)
Foreign Currency Translation		5		11
Organic Revenue	\$ 1,170	\$ 1,130	\$ 3,593	\$ 3,436
Organic Revenue growth	\$ 40		\$ 157	
Organic Revenue growth %	3.5%		4.6%	

See information regarding non-GAAP measures presented later in this press release.

**Reconciliation of Diluted Net Income Per Share to
Diluted Net Income Per Share - Adjusted
(unaudited)**

Three Months Ended	Change	Nine Months Ended	Change
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	September 30,		\$	%	September 30,		\$	%
	2025	2024			2025	2024		
Diluted net income per share	\$ 0.68	\$ 0.81	\$ (0.13)	(16.0 %)	\$ 2.57	\$ 2.73	\$ (0.16)	(5.9 %)
Change in estimated acquisition earn-out payables	0.02	(0.02)	0.04		0.04	(0.02)	0.06	
(Gain)/loss on disposal	—	—	—		—	(0.08)	0.08	
Acquisition/Integration Costs	0.13	—	0.13		0.22	—	0.22	
Amortization	0.20	0.12	0.08		0.48	0.35	0.13	
Mark-to-market of escrow liability	0.02	—	0.02		0.02	—	0.02	
Diluted Net Income Per Share - Adjusted	\$ 1.05	\$ 0.91	\$ 0.14	15.4 %	\$ 3.33	\$ 2.98	\$ 0.35	11.7 %

See information regarding non-GAAP measures presented later in this press release.

**Reconciliation of Income Before Income Taxes to EBITDAC and
EBITDAC - Adjusted and Income Before Income Taxes Margin⁽¹⁾ to
EBITDAC Margin and EBITDAC Margin - Adjusted
(in millions, unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Total revenues	\$ 1,606	\$ 1,186	\$ 4,295	\$ 3,622
Income before income taxes	\$ 311	\$ 317	\$ 1,050	\$ 1,028
Income Before Income Taxes Margin⁽¹⁾	19.4 %	26.7 %	24.4 %	28.4 %
Amortization	93	45	196	131
Depreciation	14	11	37	33
Interest	100	50	197	147
Change in estimated acquisition earn-out payables	11	(8)	18	(9)
EBITDAC	\$ 529	\$ 415	\$ 1,498	\$ 1,330
EBITDAC Margin	32.9 %	35.0 %	34.9 %	36.7 %
(Gain)/loss on disposal	—	(1)	1	(30)
Acquisition/Integration Costs	50	—	87	—
Mark-to-market of escrow liability	8	—	8	—
EBITDAC - Adjusted	\$ 587	\$ 414	\$ 1,594	\$ 1,300
EBITDAC Margin - Adjusted⁽²⁾	36.6 %	34.9 %	37.1 %	35.9 %

(1) "Income Before Income Taxes Margin" is defined as income before income taxes divided by total revenues.

(2) 2025 amounts reflect the positive impact of approximately \$29 million and \$42 million for the three and nine months ended September 30, 2025, respectively, of interest income earned from the proceeds of the Company's follow-on common stock offering and senior notes issuance in June 2025, held in preparation for the closing of the Company's acquisition of RSC Topco, Inc. ("RSC" or "Accession").

See information regarding non-GAAP measures presented later in this press release.

**Brown & Brown, Inc.
Consolidated Statements of Income
(in millions, except per share data; unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
REVENUES				
Commissions and fees	\$ 1,550	\$ 1,155	\$ 4,183	\$ 3,545
Investment and other income	56	31	112	77
Total revenues	1,606	1,186	4,295	3,622
EXPENSES				

Employee compensation and benefits	793	607	2,116	1,823
Other operating expenses	276	165	672	499
(Gain)/loss on disposal	—	(1)	1	(30)
Amortization	93	45	196	131
Depreciation	14	11	37	33
Interest	100	50	197	147
Change in estimated acquisition earn-out payables	11	(8)	18	(9)
Mark-to-market of escrow liability	8	—	8	—
Total expenses	<u>1,295</u>	<u>869</u>	<u>3,245</u>	<u>2,594</u>
Income before income taxes	311	317	1,050	1,028
Income taxes	<u>82</u>	<u>78</u>	<u>251</u>	<u>237</u>
Net income before non-controlling interests	229	239	799	791
Less: Net income attributable to non-controlling interests	2	5	9	8
Net income attributable to the Company	<u>\$ 227</u>	<u>\$ 234</u>	<u>\$ 790</u>	<u>\$ 783</u>
Net income per share:				
Basic	<u>\$ 0.68</u>	<u>\$ 0.82</u>	<u>\$ 2.59</u>	<u>\$ 2.75</u>
Diluted	<u>\$ 0.68</u>	<u>\$ 0.81</u>	<u>\$ 2.57</u>	<u>\$ 2.73</u>
Weighted average number of shares outstanding:				
Basic	<u>331</u>	<u>282</u>	<u>302</u>	<u>282</u>
Diluted	<u>332</u>	<u>284</u>	<u>304</u>	<u>283</u>

Brown & Brown, Inc.
Consolidated Balance Sheets
(in millions, except per share data, unaudited)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,190	\$ 675
Fiduciary cash	2,271	1,827
Commission, fees, and other receivables	1,457	895
Fiduciary receivables	1,348	1,116
Reinsurance recoverable	603	1,527
Prepaid reinsurance premiums	790	520
Other current assets	484	364
Total current assets	8,143	6,924
Fixed assets, net	366	319
Operating lease assets	269	200
Goodwill	14,891	7,970
Amortizable intangible assets, net	4,952	1,814
Other assets	733	385
Total assets	<u>\$ 29,354</u>	<u>\$ 17,612</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Fiduciary liabilities	\$ 3,619	\$ 2,943
Losses and loss adjustment reserve	620	1,543
Unearned premiums	887	577
Accounts payable	849	373
Accrued expenses and other liabilities	840	653
Current portion of long-term debt	75	225
Total current liabilities	6,890	6,314
Long-term debt less unamortized discount and debt issuance costs	7,653	3,599
Operating lease liabilities	243	189
Deferred income taxes, net	857	711

Other liabilities	1,304	362
Equity:		
Common stock, par value \$0.10 per share; authorized 560 shares; issued 357 shares and outstanding 337 shares at 2025, issued 306 shares and outstanding 286 shares at 2024, respectively	36	31
Additional paid-in capital	6,117	1,118
Treasury stock, at cost 20 shares at 2025 and 2024	(748)	(748)
Accumulated other comprehensive income/(loss)	200	(109)
Non-controlling interests	21	17
Retained earnings	6,781	6,128
Total equity	12,407	6,437
Total liabilities and equity	<u>\$ 29,354</u>	<u>\$ 17,612</u>

Brown & Brown, Inc.
Consolidated Statements of Cash Flows
(in millions, unaudited)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net income before non-controlling interests	\$ 799	\$ 791
Adjustments to reconcile net income before non-controlling interests to net cash provided by operating activities:		
Amortization	196	131
Depreciation	37	33
Non-cash stock-based compensation	76	77
Change in estimated acquisition earn-out payables	18	(9)
Mark-to-market of escrow liability	8	—
Deferred income taxes	18	(11)
Net loss/(gain) on sales/disposals of investments, businesses, fixed assets and customer accounts	2	(29)
Payments on acquisition earn-outs in excess of original estimated payables	(1)	(35)
Other	5	3
Changes in operating assets and liabilities, net of effect from acquisitions and divestitures:		
Commissions, fees and other receivables (increase)/decrease	(59)	(119)
Reinsurance recoverable (increase)/decrease	1,190	(1,911)
Prepaid reinsurance premiums (increase)/decrease	8	(77)
Other assets (increase)/decrease	(23)	(81)
Losses and loss adjustment reserve increase/(decrease)	(1,188)	1,913
Unearned premiums increase/(decrease)	15	163
Accounts payable increase/(decrease)	(95)	(9)
Accrued expenses and other liabilities increase/(decrease)	(41)	(17)
Other liabilities increase/(decrease)	41	—
Net cash provided by operating activities	<u>1,006</u>	<u>813</u>
Cash flows from investing activities:		
Additions to fixed assets	(48)	(62)
Payments for businesses acquired, net of cash acquired	(7,659)	(118)
Proceeds from sales of businesses, fixed assets and customer accounts	10	60
Other investing activities	(4)	1
Net cash used in investing activities	<u>(7,701)</u>	<u>(119)</u>
Cash flows from financing activities:		
Fiduciary receivables and liabilities, net	(145)	83
Payments on acquisition earn-outs	(77)	(100)
Proceeds from long-term debt	4,192	599
Payments on long-term debt	(206)	(700)

Deferred debt issuance costs	(37)	(5)
Borrowings on revolving credit facility	450	150
Payments on revolving credit facility	(500)	(250)
Proceeds from issuance of common stock, net of expenses	4,315	—
Issuances of common stock for employee stock benefit plans	43	44
Repurchase shares to fund tax withholdings for non-cash stock-based compensation	(42)	(54)
Cash dividends paid	(137)	(111)
Other financing activities	(5)	3
Net cash provided by (used in) financing activities	7,851	(341)
Effect of foreign exchange rate changes on cash and cash equivalents inclusive of fiduciary cash	66	45
Net increase in cash, cash equivalents and restricted cash inclusive of fiduciary cash	1,222	398
Cash, cash equivalents and restricted cash inclusive of fiduciary cash at beginning of period	2,502	2,303
Cash, cash equivalents and restricted cash inclusive of fiduciary cash at end of period	\$ 3,724	\$ 2,701

Conference call, webcast and slide presentation

A conference call to discuss the results of the third quarter of 2025 will be held on Tuesday, October 28, 2025, at 8:00 AM (EDT). The Company may refer to a slide presentation during its conference call. You can access the webcast and the slides from the "Investor Relations" section of the Company's website at bbrown.com.

About Brown & Brown

Brown & Brown, Inc. (NYSE: BRO) is a leading insurance brokerage firm delivering comprehensive and customized insurance solutions and specialization since 1939. With a global presence spanning 700+ locations and a team of more than 23,000 professionals, we are dedicated to delivering scalable, innovative strategies for our customers at every step of their growth journey. Learn more at bbrown.com.

Forward-looking statements

This press release may contain certain statements relating to future results which are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. You can identify these statements by forward-looking words such as "may," "will," "should," "expect," "anticipate," "believe," "intend," "estimate," "plan" and "continue" or similar words. We have based these statements on our current expectations about potential future events. Although we believe the expectations expressed in the forward-looking statements included in this press release are based upon reasonable assumptions within the bounds of our knowledge of our business, a number of factors could cause actual results to differ materially from those expressed in any forward-looking statements, whether oral or written, made by us or on our behalf. Many of these factors have previously been identified in filings or statements made by us or on our behalf. Important factors which could cause our actual results to differ, possibly materially from the forward-looking statements in this press release include but are not limited to the following items: the Company's determination as it finalizes its financial results for the third quarter of 2025 that its financial results differ from the current preliminary unaudited numbers set forth herein; risks with respect to the acquisition of Accession (the "Transaction"); the possibility that the anticipated benefits, including any anticipated costs saving and strategies, of the Transaction are not realized when expected or at all; risks related to the financing of the Transaction, including that financing the Transaction resulted in an increase in the Company's indebtedness; risks relating to the financial information related to Accession; risks related to Accession's business, including underwriting risk in connection with certain captive insurance companies; the risk that certain assumptions the Company has made relating to the Transaction prove to be materially inaccurate; the inability to hire, retain and develop qualified employees, as well as the loss of any of our executive officers or other key employees; a cybersecurity attack or any other interruption in information technology and/or data security that may impact our operations or the operations of third parties that support us; acquisition-related risks that could negatively affect the success of our growth strategy, including the possibility that we may not be able to successfully identify suitable acquisition candidates, complete acquisitions, successfully integrate acquired businesses into our operations and expand into new markets; risks related to our international operations, which may result in additional risks or require more management time and expense than our domestic operations to achieve or maintain profitability; the requirement for additional resources and time to adequately respond to dynamics resulting from rapid technological change, including the increasing use of artificial intelligence and robotic processing automation; the loss of or significant change to any of our insurance company or intermediary relationships, which could result in loss of capacity to write business, additional expense, loss of market share or material decrease in our commissions; the effect of natural disasters on our profit-sharing contingent commissions, insurer capacity or claims expenses within our capitalized captive insurance facilities; adverse economic conditions, political conditions (including the current U.S. federal government shutdown), outbreaks of war, disasters, or regulatory changes in states or countries where we have a concentration of our business; the inability to maintain our

culture or a significant change in management, management philosophy or our business strategy; fluctuations in our commission revenue as a result of factors outside of our control; the effects of significant or sustained inflation or higher interest rates; claims expense resulting from the limited underwriting risk associated with our participation in capitalized captive insurance facilities; risks associated with our automobile and recreational finance and incentives vehicle dealer services ("F&I") businesses; changes in, or the termination of, certain programs administered by the U.S. federal government from which we derive revenues; the limitations of our system of disclosure and internal controls and procedures in preventing errors or fraud, or in informing management of all material information in a timely manner; our reliance on vendors and other third parties to perform key functions of our business operations and provide services to our customers; the significant control certain shareholders have; changes in data privacy and protection laws and regulations or any failure to comply with such laws and regulations; improper disclosure of confidential information; our ability to comply with non-U.S. laws, regulations and policies; the potential adverse effect of certain actual or potential claims, regulatory actions or proceedings on our businesses, results of operations, financial condition or liquidity; uncertainty in our business practices and compensation arrangements with insurance carriers due to potential changes in regulations; regulatory changes that could reduce our profitability or growth by increasing compliance costs, technology compliance, restricting the products or services we may sell, the markets we may enter, the methods by which we may sell our products and services, or the prices we may charge for our services and the form of compensation we may accept from our customers, carriers and third-parties; increasing scrutiny and changing laws and expectations from regulators, investors and customers with respect to our environmental, social and governance practices and disclosure; a decrease in demand for liability insurance as a result of tort reform legislation; our failure to comply with any covenants contained in our debt agreements; the possibility that covenants in our debt agreements could prevent us from engaging in certain potentially beneficial activities; fluctuations in foreign currency exchange rates; a downgrade to our corporate credit rating, the credit ratings of our outstanding debt or other market speculation; changes in the U.S.-based credit markets that might adversely affect our business, results of operations and financial condition; changes in current U.S. or global economic conditions, including an extended slowdown in the markets in which we operate; disintermediation within the insurance industry, including increased competition from insurance companies, technology companies and the financial services industry, as well as the shift away from traditional insurance markets; conditions that result in reduced insurer capacity; quarterly and annual variations in our commissions that result from the timing of policy renewals and the net effect of new and lost business production; intangible asset risk, including the possibility that our goodwill may become impaired in the future; changes in our accounting estimates and assumptions; future pandemics, epidemics or outbreaks of infectious diseases, and the resulting governmental and societal responses; other risks and uncertainties as may be detailed from time to time in our public announcements and Securities and Exchange Commission ("SEC") filings; and other factors that the Company may not have currently identified or quantified. Assumptions as to any of the foregoing, and all statements, are not based upon historical fact, but rather reflect our current expectations concerning future results and events. Forward-looking statements that we make or that are made by others on our behalf are based upon a knowledge of our business and the environment in which we operate, but because of the factors listed above, among others, actual results may differ from those in the forward-looking statements. Consequently, these cautionary statements qualify all of the forward-looking statements we make herein. We cannot assure you that the results or developments anticipated by us will be realized, or even if substantially realized, that those results or developments will result in the expected consequences for us or affect us, our business or our operations in the way we expect. We caution readers not to place undue reliance on these forward-looking statements. All forward-looking statements made herein are made only as of the date of this press release, and the Company does not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which the Company hereafter becomes aware.

Non-GAAP supplemental financial information

This press release contains references to "non-GAAP financial measures" as defined in SEC Regulation G, consisting of Organic Revenue, EBITDAC, EBITDAC Margin, EBITDAC - Adjusted, EBITDAC Margin - Adjusted and Diluted Net Income Per Share - Adjusted. We present these measures because we believe such information is of interest to the investment community and because we believe they provide additional meaningful methods to evaluate the Company's operating performance from period to period on a basis that may not be otherwise apparent on a GAAP basis due to the impact of certain items that have a high degree of variability, that we believe are not indicative of ongoing performance and that are not easily comparable from period to period. This non-GAAP financial information should be considered in addition to, not in lieu of, GAAP information as of the relevant date. Consistent with Regulation G, a description of such information is provided below and a reconciliation of such items to GAAP information can be found within this press release as well as in our periodic filings with the SEC.

We view Organic Revenue and Organic Revenue growth as important indicators when assessing and evaluating our performance on a consolidated basis and for each of our two segments, because they allow us to determine a comparable, but non-GAAP, measurement of revenue growth that is associated with the revenue sources that were a part of our business in both the current and prior year and that are expected to continue in the future. In addition, we believe Diluted Net Income Per Share - Adjusted provides a meaningful representation of our operating performance and improves the comparability of our results between periods by excluding the impact of the change in estimated acquisition earn-out payables, the impact of amortization of intangible assets and certain other non-recurring or infrequently occurring items. We also view EBITDAC, EBITDAC - Adjusted, EBITDAC Margin and EBITDAC Margin - Adjusted as important indicators when assessing and evaluating our performance, as they present more comparable measurements of our operating margins in a meaningful and consistent manner. As disclosed in our most recent proxy statement, we use Organic Revenue growth, Diluted Net Income Per Share - Adjusted and EBITDAC Margin - Adjusted as key performance metrics for our short-term and long-term incentive compensation plans for executive officers and other key employees.

Non-GAAP Revenue Measures

- **Organic Revenue** is our core commissions and fees less: (i) the core commissions and fees earned for the first 12 months by newly acquired operations; (ii) divested business (core commissions and fees generated from offices, books of business or niches sold or terminated during the comparable period); and (iii) Foreign Currency Translation (as defined below). The term “core commissions and fees” excludes profit-sharing contingent commissions and therefore represents the revenues earned directly from specific insurance policies sold and specific fee-based services rendered. Organic Revenue can be expressed as a dollar amount or a percentage rate when describing Organic Revenue growth.

Non-GAAP Earnings Measures

- **EBITDAC** is defined as income before interest, income taxes, depreciation, amortization and the change in estimated acquisition earn-out payables.
- **EBITDAC Margin** is defined as EBITDAC divided by total revenues.
- **EBITDAC - Adjusted** is defined as EBITDAC, excluding (i) (gain)/loss on disposal (as defined below), (ii) Acquisition/Integration Costs (as defined below) and (iii) mark-to-market of escrow liability (as defined below).
- **EBITDAC Margin - Adjusted** is defined as EBITDAC - Adjusted divided by total revenues.
- **Diluted Net Income Per Share - Adjusted** is defined as diluted net income per share, excluding the after-tax impact of (i) the change in estimated acquisition earn-out payables, (ii) (gain)/loss on disposal, (as defined below), (iii) Acquisition/Integration Costs (as defined below), (iv) mark-to-market of escrow liability (as defined below) and (v) amortization.

Definitions Related to Certain Components of Non-GAAP Measures

- **“Acquisition/Integration Costs”** means the acquisition and integration costs (e.g., costs associated with regulatory filings; costs for third-party professional services, including legal, accounting, consulting, financial advisory and due diligence; costs and fees associated with entry into the bridge financing commitment; costs of integrating or streamlining processes and information technology systems, including data migration and system integration; costs associated with optimizing vendor agreements and leased office space, including exit costs related to location combinations; and employment-related costs, including severance payments, costs associated with the transition of certain legacy compensation programs, retention-related compensation expenses, and incentive payments) arising out of our acquisition of Accession and acquisitions previously completed by Accession, which are not considered to be normal, recurring or part of ongoing operations.
- **“Foreign Currency Translation”** means the period-over-period impact of foreign currency translation, which is calculated by applying current-year foreign exchange rates to the various functional currencies in our business to our reporting currency of US dollars for the same period in the prior year.
- **“(Gain)/loss on disposal”** is a caption on our consolidated statements of income which reflects net proceeds received as compared to the net book value related to sales of books of business and other divestiture transactions.
- **“Mark-to-market of escrow liability”** is a caption on our consolidated statements of income which reflects the non-cash change in the fair value associated with certain shares of the Company’s common stock held in escrow. The change is driven by fluctuations in our stock price between the beginning of the quarter and the end of the quarter. These escrowed shares represent a portion of the merger consideration payable in connection with our acquisition of Accession. The escrowed shares secure certain indemnification obligations of the Accession equity holders related to businesses that are in run-off or discontinued.

Our industry peers may provide similar supplemental non-GAAP information with respect to one or more of these measures, although they may not use the same or comparable terminology and may not make identical adjustments and, therefore comparability may be limited. This supplemental non-GAAP financial information should be considered in addition to, and not in lieu of, the Company’s condensed consolidated financial statements.

For more information:

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