

Second Quarter 2024 Results

July 22, 2024

Information Regarding Forward-Looking Statements

This presentation and the statements made during our earnings call 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 presentation 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 presentation include but are not limited to the following items: 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; the loss of or significant change to any of our insurance company 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, 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 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 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; the significant control certain shareholders have over the Company; 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; 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; 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 presentation, 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.

Information Regarding Non-GAAP Measures

This presentation 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 it provides 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, the Company's consolidated income statements and balance sheets 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 presentation 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 three segments, because it allows 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.

Beginning January 1, 2024, we no longer exclude Foreign Currency Translation from the calculation of EBITDAC - Adjusted, EBITDAC Margin - Adjusted and Diluted Net Income Per Share - Adjusted. Prior periods are presented accordingly on the same basis so that the calculations of EBITDAC - Adjusted, EBITDAC Margin - Adjusted and Diluted Net Income Per Share - Adjusted are comparable for both periods. We no longer exclude Foreign Currency Translation from the calculation of these earnings measures because fluctuations in Foreign Currency Translation affect both our revenues and expenses, largely offsetting each other. Therefore, excluding Foreign Currency Translation from these earnings measures provides no meaningful incremental value in evaluating our financial performance.

Beginning January 1, 2024, amortization of intangible assets is excluded from the calculation of Diluted Net Income Per Share - Adjusted. Prior periods are presented accordingly on the same basis so that the calculation of Diluted Net Income Per Share - Adjusted is comparable for both periods. We exclude the impact of amortization of intangible assets from the calculation of Diluted Net Income Per Share - Adjusted because amortization of intangible assets is a non-cash expense that is not indicative of the performance of our business and provides no meaningful incremental value in evaluating our financial performance.

Information Regarding Non-GAAP Measures - Continued

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, (ii) for 2022 and 2023, Acquisition/Integration Costs (as defined below) and (iii) for 2023, the 1Q23 Nonrecurring Cost (as defined below).
- **EBITDAC Margin - Adjusted** is defined as EBITDAC - Adjusted divided by total revenues.
- **Income Before Income Taxes - Adjusted** is defined as income before income taxes, excluding the pre-tax (i) change in estimated acquisition earn-out payables, (ii) (gain)/loss on disposal (iii) for 2022 and 2023, Acquisition/Integration Costs (as defined below), (iv) for 2023, the 1Q23 Nonrecurring cost (as defined below) and (v) amortization.
- **Income Before Income Taxes Margin - Adjusted** is defined as Income Before Income Taxes - Adjusted divided by total revenues.
- **Net Income - Adjusted** is defined as net income, excluding the after-tax (i) change in estimated acquisition earn-out payables, (ii) (gain)/loss on disposal (iii) for 2022 and 2023, Acquisition/Integration Costs (as defined below), (iv) for 2023, the 1Q23 Nonrecurring cost (as defined below) and (v) amortization.
- **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, (iii) for 2022 and 2023, Acquisition/Integration Costs (as defined below), (iv) for 2023, the 1Q23 Nonrecurring Cost (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, legal/accounting services, due diligence and the costs of integrating our information technology systems) arising out of our acquisitions of GRP (Jersey) Holdco Limited and its business, Orchid Underwriters Agency and CrossCover Insurance Services, and BdB Limited companies, which are not considered to be normal, recurring or part of the 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.
- **“1Q23 Nonrecurring Cost”** means approximately \$11.0 million expensed and substantially paid in the first quarter of 2023 to resolve a business matter, which is not considered to be normal, recurring or part of the ongoing operations.
- **“(Gain)/loss on disposal,”** a caption on our consolidated statements of income which reflects net proceeds received as compared to net book value related to sales of books of business and other divestiture transactions, such as the disposal of a business through sale or closure.

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.

Second Quarter 2024 Results

(Unaudited)

\$1.2B

Total revenue growth of 12.5%



10.0%

Organic
Revenue
growth



35.7%

EBITDAC Margin -
Adjusted up 150bps
from the same
quarter in the prior
year



\$0.90

Diluted Net Income
Per Share
increased 34.3%



\$0.93

Diluted Net Income
Per Share - Adjusted
increased 17.7%



\$13M

Annual Revenue of
10 acquisitions during
the quarter

See important disclosures regarding non-GAAP measures on pages 2-3 and non-GAAP reconciliations on pages 12-16.

© 2024 Brown & Brown, Inc. All rights reserved.

Market & Business Overview – 2Q24



Overall, the economy has not materially changed vs first quarter of 2024. Consumer spending remained robust, and companies continued to hire new employees and invest



Changes in rates for the admitted markets remained relatively consistent with prior quarters for most lines



E&S property rate increases moderated as compared to 2023 and the first quarter of 2024. Excess casualty rates are increasing similar to the first quarter



We continued to be an active buyer of businesses. Pricing and competition for quality businesses has not materially changed

Segment Organic Revenue Growth 2Q24

(Unaudited)



7.3%
Retail



15.4%
Programs



11.0%
**Wholesale
Brokerage**

Consolidated Financial Highlights - Adjusted

(\$ Millions, Except Per Share Data; Adjusted & Unaudited)	Second Quarter			
	2024	2023	\$ Change	% Change
Total revenues	\$1,178	\$1,047	\$131	12.5%
<i>Organic Revenue</i>	<i>\$1,074</i>	<i>\$976</i>	<i>\$98</i>	<i>10.0%</i>
Income Before Income Taxes - Adjusted	\$360	\$300	\$60	20.0%
<i>Income Before Income Taxes Margin - Adjusted</i>	<i>30.6%</i>	<i>28.7%</i>		<i>190bps</i>
EBITDAC - Adjusted	\$420	\$358	\$62	17.3%
<i>EBITDAC Margin - Adjusted</i>	<i>35.7%</i>	<i>34.2%</i>		<i>150bps</i>
Net Income - Adjusted	\$267	\$225	\$42	18.7%
Diluted Net Income Per Share - Adjusted	\$0.93	\$0.79	\$0.14	17.7%
Weighted average number of shares outstanding – diluted	283	281	2	0.7%
Dividends declared per share	\$0.130	\$0.115	\$0.015	13.0%

See important disclosures regarding non-GAAP measures on pages 2-3 and non-GAAP reconciliations on pages 12-16.

© 2024 Brown & Brown, Inc. All rights reserved.



Retail Segment

(\$ Millions; Unaudited)	Second Quarter			
	2024	2023	\$ Change	% Change
Total revenues	\$646	\$591	\$55	9.3%
<i>Organic Revenue</i>	\$615	\$573	\$42	7.3%
EBITDAC - Adjusted	\$181	\$166	\$15	9.0%
<i>EBITDAC Margin - Adjusted</i>	28.0%	28.1%		(10bps)

Business & Market Commentary

Total revenues grew due to acquisition activity and Organic Revenue growth, partially offset by lower profit-sharing contingent commissions. Organic Revenue growth was driven by strong new business, good retention and modest rate increases.

Employee benefit rates continued to increase 7%-9%. Rates for commercial lines increased 4%-8% with continued moderation for CAT property and professional liability.

EBITDAC - Adjusted grew slower than total revenues due to lower profit-sharing contingent commissions.

| Programs Segment

(\$ Millions; Unaudited)	Second Quarter			
	2024	2023	\$ Change	% Change
Total revenues	\$359	\$310	\$49	15.8%
<i>Organic Revenue</i>	\$308	\$267	\$41	15.4%
EBITDAC - Adjusted	\$178	\$147	\$31	21.1%
<i>EBITDAC Margin - Adjusted</i>	49.6%	47.4%		220bps

Business & Market Commentary

Total revenues increased primarily due to strong Organic Revenue growth across many programs, as well as higher profit-sharing contingent commissions.

Organic Revenue growth was driven by strong new business and good retention.

EBITDAC - Adjusted grew due to increased profit-sharing contingent commissions, leveraging of the expense base and the sale of certain claims processing businesses in the fourth quarter of 2023.

| Wholesale Brokerage Segment

(\$ Millions; Unaudited)	Second Quarter			
	2024	2023	\$ Change	% Change
Total revenues	\$159	\$139	\$20	14.4%
<i>Organic Revenue</i>	<i>\$151</i>	<i>\$136</i>	<i>\$15</i>	<i>11.0%</i>
EBITDAC - Adjusted	\$53	\$43	\$10	23.3%
<i>EBITDAC Margin - Adjusted</i>	<i>33.3%</i>	<i>30.9%</i>		<i>240bps</i>

Business & Market Commentary

Total revenues increased due to recent acquisitions and Organic Revenue growth driven by strong new business, good retention and a combination of rate and exposure unit increases.

Rates remained consistent with the previous quarter. Loss-free CAT properties saw accelerating downward pressure in Q2. Professional lines rates were flat to down 10%. Casualty lines rates were flat to up 10%.

EBITDAC - Adjusted grew faster than total revenues due primarily to certain nonrecurring costs in the prior year, as well as the leveraging of the expense base.

Closing Comments



We expect economic growth in the second half of the year to be similar to the first half



Casualty pricing should continue to increase due to severity and frequency of claims. We expect the rate of change for all other lines to be relatively consistent



Outlook for CAT property rates will depend on outcome of storm season this year



Our strong balance sheet and cash generation position us to continue to invest for the long term and acquire high-quality businesses



We have great momentum and are leveraging our collective capabilities, which will enable us to win more net new business



SECOND QUARTER 2024 RESULTS

Reconciliation of Non-GAAP Measures



| GAAP to Adjusted Reconciliation

	Second Quarter 2024				
	(\$ Millions, Except Per Share Data; Unaudited)	As Reported	Change in Estimated Acquisition Earn-Out Payables	(Gain)/ Loss on Disposal	Amortization
Total revenues	\$1,178	-	-	-	\$1,178
Income before income taxes	\$346	\$1	(\$31)	\$44	\$360
<i>Income Before Income Taxes Margin</i> ¹	29.4%				30.6%
EBITDAC	\$451	-	(\$31)	-	\$420
<i>EBITDAC Margin</i>	38.3%				35.7%
Net income attributable to the Company	\$257	-	(\$23)	\$33	\$267
Diluted net income per share	\$0.90	\$0.00	(\$0.08)	\$0.11	\$0.93

See important disclosures regarding non-GAAP measures on pages 2-3.

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



GAAP to Adjusted Reconciliation

(\$ Millions, Except Per Share Data; Unaudited)

Second Quarter 2023

	As Reported	Change in Estimated Acquisition Earn-Out Payables	(Gain)/ Loss on Disposal	Acquisition /Integration Costs	Amortization	1Q23 Nonrecurring Cost	Adjusted
Total revenues	\$1,047	-	-	-	-	-	\$1,047
Income before income taxes	\$254	\$2	-	\$3	\$41	-	\$300
<i>Income Before Income Taxes Margin</i>	24.3%						28.7%
EBITDAC	\$355	-	-	\$3	-	-	\$358
<i>EBITDAC Margin</i>	33.9%						34.2%
Net income attributable to the Company	\$190	\$1	-	\$3	\$31	-	\$225
Diluted net income per share	\$0.67	\$0.00	\$0.00	\$0.01	\$0.11	\$0.00	\$0.79

Reconciliation of Income Before Income Taxes to EBITDAC and EBITDAC - Adjusted and Income Before Income Taxes Margin to EBITDAC Margin and EBITDAC Margin - Adjusted

(\$ Millions; Unaudited)

Second Quarter

	Retail		Programs		Wholesale Brokerage		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total revenues	\$646	\$591	\$359	\$310	\$159	\$139	\$14	\$7	\$1,178	\$1,047
Income before income taxes	\$129	\$106	\$183	\$124	\$47	\$38	(\$13)	(\$14)	\$346	\$254
<i>Income Before Income Taxes Margin</i>	<i>20.0%</i>	<i>17.9%</i>	<i>51.0%</i>	<i>40.0%</i>	<i>29.6%</i>	<i>27.3%</i>	<i>NMF</i>	<i>NMF</i>	<i>29.4%</i>	<i>24.3%</i>
Amortization	29	28	12	11	3	3	-	(1)	44	41
Depreciation	5	5	4	3	1	1	1	1	11	10
Interest	19	22	7	9	3	3	20	14	49	48
Change in estimated acquisition earn-out payables	1	2	1	-	(1)	(2)	-	2	1	2
EBITDAC	\$183	\$163	\$207	\$147	\$53	\$43	\$8	\$2	\$451	\$355
<i>EBITDAC Margin</i>	<i>28.3%</i>	<i>27.6%</i>	<i>57.7%</i>	<i>47.4%</i>	<i>33.3%</i>	<i>30.9%</i>	<i>NMF</i>	<i>NMF</i>	<i>38.3%</i>	<i>33.9%</i>
(Gain)/loss on disposal	(2)	-	(29)	-	-	-	-	-	(31)	-
Acquisition/Integration Costs	-	3	-	-	-	-	-	-	-	3
1Q23 Nonrecurring Cost	-	-	-	-	-	-	-	-	-	-
EBITDAC - Adjusted	\$181	\$166	\$178	\$147	\$53	\$43	\$8	\$2	\$420	\$358
<i>EBITDAC Margin - Adjusted</i>	<i>28.0%</i>	<i>28.1%</i>	<i>49.6%</i>	<i>47.4%</i>	<i>33.3%</i>	<i>30.9%</i>	<i>NMF</i>	<i>NMF</i>	<i>35.7%</i>	<i>34.2%</i>

See important disclosures regarding non-GAAP measures on pages 2-3.
NMF = Not a meaningful figure

© 2024 Brown & Brown, Inc. All rights reserved.

Reconciliation of Commissions and Fees to Organic Revenue

(\$ Millions; Unaudited)

Second Quarter

	Retail ⁽¹⁾		Programs		Wholesale Brokerage		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Commissions and fees	\$643	\$589	\$353	\$308	\$158	\$139	\$1,154	\$1,036
<i>Total change</i>	<i>54</i>		<i>45</i>		<i>19</i>		<i>118</i>	
<i>Total growth %</i>	<i>9.2%</i>		<i>14.6%</i>		<i>13.7%</i>		<i>11.4%</i>	
Profit-sharing contingent commissions	(7)	(15)	(25)	(15)	(4)	(3)	(36)	(33)
Core commissions and fees ⁽²⁾	\$636	\$574	\$328	\$293	\$154	\$136	\$1,118	\$1,003
Acquisitions	(21)		(20)		(3)		(44)	
Dispositions		(2)		(26)				(28)
Foreign Currency Translation		1						1
Organic Revenue	\$615	\$573	\$308	\$267	\$151	\$136	\$1,074	\$976
<i>Organic Revenue growth</i>	<i>\$42</i>		<i>\$41</i>		<i>\$15</i>		<i>\$98</i>	
<i>Organic Revenue growth %</i>	<i>7.3%</i>		<i>15.4%</i>		<i>11.0%</i>		<i>10.0%</i>	

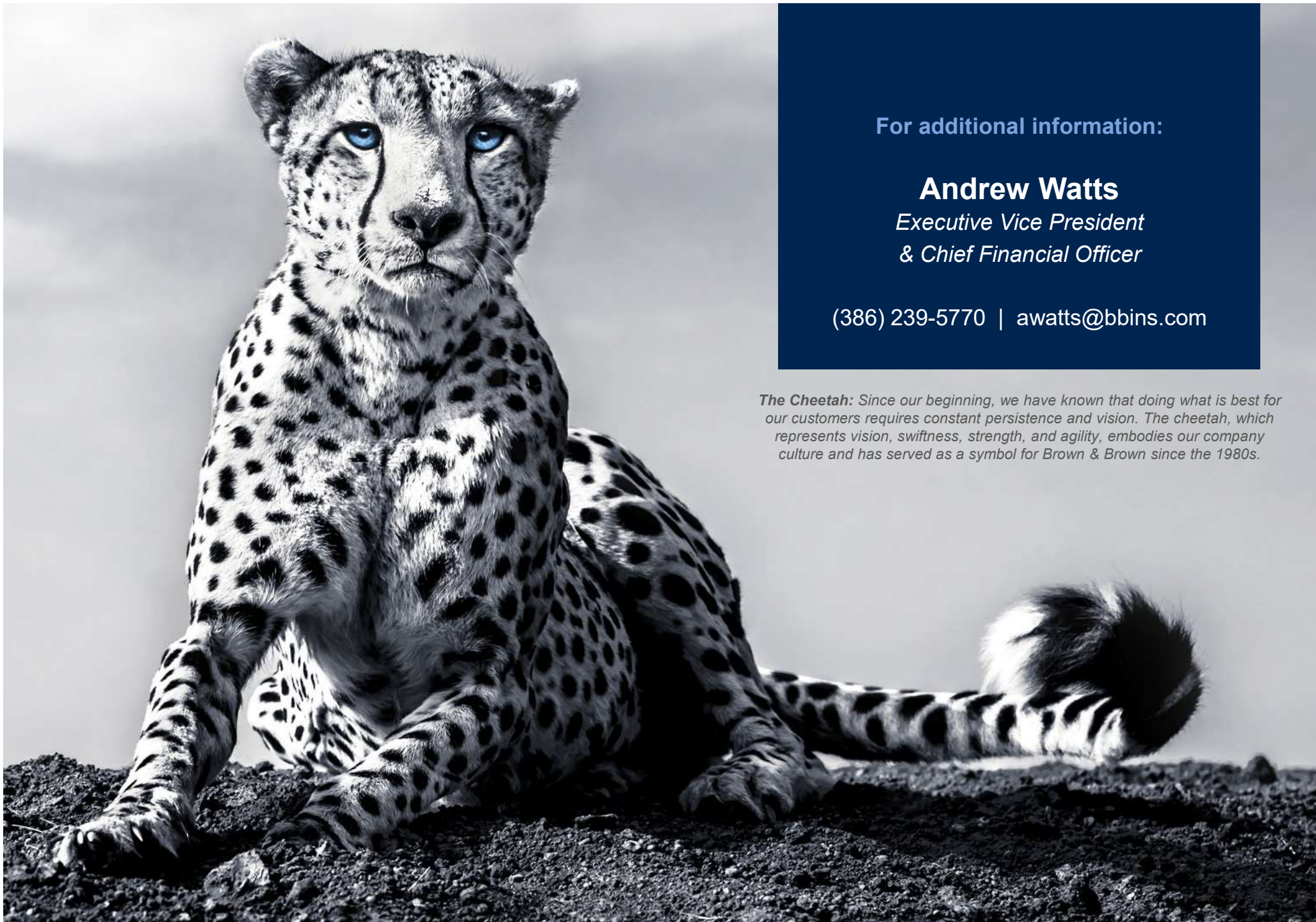
(1) The Retail Segment includes commissions and fees that are reported in the "Other" column of the Segment Information in the Notes to the Consolidated Financial Statements in our SEC filings, which includes corporate and consolidation items.

(2) Core commissions and fees is defined as commissions and fees less profit-sharing contingent commissions (revenues from insurance companies based upon the profitability of the business placed with such companies during the prior year).

See important disclosures regarding non-GAAP measures on pages 2-3.

© 2024 Brown & Brown, Inc. All rights reserved.





For additional information:

Andrew Watts

*Executive Vice President
& Chief Financial Officer*

(386) 239-5770 | awatts@bbins.com

The Cheetah: Since our beginning, we have known that doing what is best for our customers requires constant persistence and vision. The cheetah, which represents vision, swiftness, strength, and agility, embodies our company culture and has served as a symbol for Brown & Brown since the 1980s.