

## Arthur J. Gallagher & Co. Signs Agreement to Acquire AssuredPartners

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ROLLING MEADOWS, Ill., Dec. 9, 2024 /PRNewswire/ -- Arthur J. Gallagher & Co. today announced it has signed a definitive agreement to acquire AssuredPartners. The transaction is subject to customary regulatory approvals and is expected to close during the first quarter of 2025.

"We have held in high regard the fast-growing AssuredPartners franchise since its founding in 2011. AssuredPartners' entrepreneurial spirit, broad U.S. footprint and middle-market focus make them an ideal merger partner for Gallagher. By further leveraging our deep industry verticals, investments in data and analytics, access to specialty products, our common systems and standardized service model, together we can provide even more value to clients and further position Gallagher for future growth," said J. Patrick Gallagher, Jr., Chairman and CEO. "I look forward to welcoming the 10,900 AssuredPartners colleagues to our growing Gallagher family of professionals."

Randy Larsen, CEO of AssuredPartners added: "This marks a significant milestone in AssuredPartners' journey, showcasing the outstanding business we've built and strong growth we've experienced in just over a decade. With Gallagher, we bring together not only unparalleled global resources and expert insights but also a team of exceptional employees whose expertise and dedication have been the driving force behind our success. I am excited for our future together."

"When we started AssuredPartners, I could never have imagined how far we would come. What started as a small team with a big vision has grown into an extraordinary organization, built on a foundation dedicated to our clients, our culture, and our people," said Jim Henderson, Chairman of AssuredPartners. "I have watched the Gallagher culture thrive throughout my career. With Gallagher's mutual client first mindset and underlying entrepreneurial spirit, I believe our employees, our clients, and our trading partners will be well served by putting these two amazing companies together."

Benefits of the acquisition are expected to include:

- Further expanding Gallagher's retail middle-market property/casualty and employee benefits focus across the U.S.
- Building on new business opportunities by leveraging Gallagher's expertise, data and analytics and expansive product offerings
- Deepening Gallagher's capabilities across multiple niche practice groups, including Transportation, Energy, Healthcare, Government Contractors and Public Entity
- Expanding the reach of Gallagher's tuck-in M&A strategy

- Creating opportunities for Gallagher's wholesale, reinsurance and claims management businesses
- Adding scale, expertise and talent to Gallagher in the U.K. and Ireland
- Combining two highly compatible entrepreneurial, sales-based cultures, embedded in local communities and focused on growth and client service
- Adding highly seasoned, experienced and proven insurance industry leaders to the Gallagher team
- Financially attractive, with estimated double digit adjusted EPS accretion including the impact of synergies

### **Acquired Operations**

Founded in 2011 by GTCR, a leading private equity firm, in partnership with Jim Henderson, today AssuredPartners is a leading U.S. insurance broker with client capabilities across commercial property/casualty, specialty, employee benefits and personal lines. AssuredPartners' 10,900 colleagues serve a wide range of customers including commercial, public entity and individuals, through approximately 400 offices located across the U.S., the U.K. and Ireland. Pro forma revenues and EBITDAC for the trailing 12 months ended September 30, 2024 were approximately \$2.9 billion and \$938 million, respectively.

### **Key Transaction Terms**

Under the agreement, Gallagher will acquire the stock of AssuredPartners' parent company from GTCR and funds advised by Apax Partners LLP for gross consideration of \$13.45 billion, representing a pro forma EBITDAC multiple of 14.3x. After giving effect to an estimated \$1.0 billion deferred tax asset, net consideration is approximately \$12.45 billion. The net consideration EBITDAC multiple is 11.3x after giving effect to the deferred tax asset and estimated synergies.

Gallagher expects to finance the transaction using a combination of long-term debt, short-term borrowings, free cash and common equity. The final funding does not inhibit Gallagher from continuing its ongoing tuck-in M&A strategy and contemplates Gallagher maintaining its current solid investment grade debt rating.

Gallagher also expects to recognize synergies of approximately \$160 million and integration costs of approximately \$500 million, including \$200 million of non-cash retention awards, over the next 3 years.

After giving effect to these assumptions, the pro forma results discussed above and the impact of expected synergies, the acquired operations would have been approximately 10 to 12% accretive to Gallagher's trailing twelve month adjusted GAAP EPS as of September 30, 2024.

### **Other Acquisition Transaction Information**

The transaction is subject to customary regulatory approvals. More information, including a presentation outlining the transaction, can be found on the company's website at [www.ajg.com](http://www.ajg.com). The estimates provided in this release and the presentation on the

company's website, may be updated before the transaction closes as more information becomes available.

### **Conference Call Information**

In conjunction with this announcement, J. Patrick Gallagher, Jr., Chairman and CEO, will host a conference call on Monday, December 9, 2024 at 8:30 am ET/ 7:30 am CT.

The conference call will be broadcast live through Gallagher's website at [www.ajg.com](http://www.ajg.com) and a conference call replay will be available on the company's website approximately two hours after the broadcast. The replay can be accessed by going to Investor Relations and clicking on Events & Presentations.

### **About Arthur J. Gallagher & Co.**

Arthur J. Gallagher & Co. (NYSE:AJG), a global insurance brokerage, risk management and consulting services firm, is headquartered in Rolling Meadows, Illinois. Gallagher provides these services in approximately 130 countries around the world through its owned operations and a network of correspondent brokers and consultants.

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