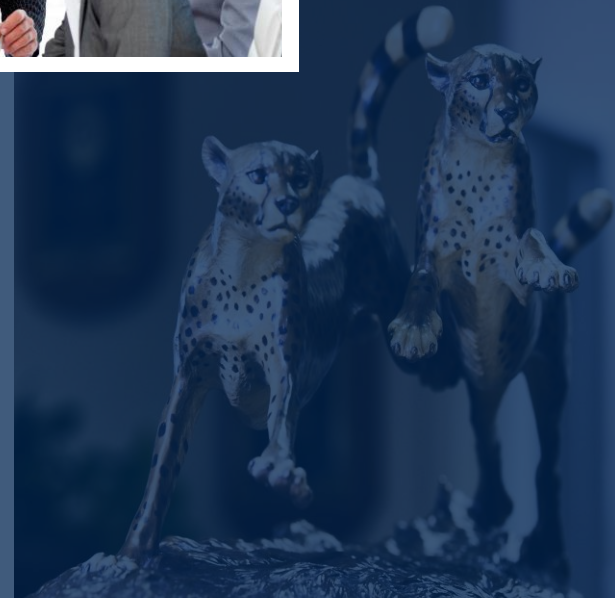




Company Overview

Third Quarter 2021 Results

October 25, 2021



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. These forward-looking statements include information about possible or assumed future results of our operations.

All statements, other than statements of historical facts, included in this document that address activities, events or developments that we expect or anticipate may occur in the future, including those relating to our anticipated financial results for the third quarter of 2021, the potential effects of the COVID-19 pandemic (“COVID-19”) on our business, operations, financial performance and prospects, the market performance of our business segments, quarterly interest expense, share repurchases, margin expansion, changes in exposure units, the pipeline of acquisition candidates, future capital expenditures, growth in commissions and fees including Organic Revenue growth, business strategies, competitive strengths, goals, the benefits of new initiatives, plans, and references to future successes are forward-looking statements. Further, statements about the effects of COVID-19 on our business, operations, financial performance and prospects may constitute forward-looking statements and are subject to the risk that the actual impacts may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control, including the scope and duration of COVID-19, (including through any new variant strains of the underlying virus), the effectiveness of and accessibility to vaccines, the pace and rate at which vaccines are administered, actions taken by governmental authorities in response to COVID-19, and the direct and indirect impact of COVID-19 on our customers, insurance carriers, third parties and us. Also, when we use words such as ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘plan’, ‘probably’ or similar expressions, we are making forward-looking statements.

There are important uncertainties, events and factors that could cause our actual results or performance to differ materially from those forward-looking statements contained in this document or made during our earnings call, including, but not limited to, the following: the scope and duration of COVID-19 (including through any new variant strains of the underlying virus), the effectiveness of and accessibility to vaccines, the pace and rate at which vaccines are administered, actions taken by governmental authorities in response to COVID-19, and the direct and indirect impact of COVID-19 on our customers, insurance carriers, third parties and us. These risks and uncertainties include, but are not limited to, COVID-19 and the resulting governmental and societal responses, the severity and duration of COVID-19 (including through any new variant strains of the underlying virus), the effectiveness of and accessibility to vaccines, the pace and rate at which vaccines are administered, and the resulting impact on the U.S. economy, the global economy, and the Company's business, liquidity, customers, insurance carriers and third parties; the Company's determination as it finalizes its financial results for the third quarter of 2021 that its financial results differ from the current preliminary unaudited numbers set forth herein; the inability to retain or hire qualified employees, as well as the loss of any of our executive officers or other key employees; 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, integrate acquired businesses into our operations and expand into new markets; a cybersecurity attack or any other interruption in information technology and/or data security and/or outsourcing relationships; 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 additional expense, loss of market share or material decrease in our profit-sharing contingent commissions, guaranteed supplemental commissions or incentive commissions; adverse economic conditions, natural disasters, or regulatory changes in states where we have a concentration of our business; the inability to maintain our culture or a change in management, management philosophy or our business strategy; risks facing us in our Services Segment, including our third-party claims administration operations, that are distinct from those we face in our insurance intermediary operations; 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 existing shareholders have over the Company; risks related to our international operations, which may require more time and expense than our domestic operations to achieve or maintain profitability; changes in data privacy and protection laws and regulations or any failure to comply with such laws and regulations; improper disclosure of confidential information; 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 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 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; a decrease in demand for liability insurance as a result of tort reform litigation; 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; risks associated with the current interest rate environment, and to the extent we use debt to finance our investments, changes in interest rates will affect our cost of capital and net investment income; 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; changes in current U.S. or global economic conditions; effects related to pandemics, epidemics, or outbreaks of infectious diseases; 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; other risks and uncertainties as may be detailed from time to time in our public announcements and Securities and Exchange Commission filings; and other factors that the Company may not have currently identified or quantified. 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 Financial Measures

This presentation contains references to "non-GAAP financial measures" as defined in SEC Regulation G, including Net Income – Adjusted, EBITDAC, EBITDAC Margin, Income Before Income Taxes – Adjusted, Income Before Income Taxes Margin – Adjusted, Diluted Net Income Per Share – Adjusted, and Organic Revenue. 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 of evaluating certain aspects of the Company's operating performance from period to period on a basis that may not be otherwise apparent on a generally accepted accounting principles ("GAAP") basis. 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 at the end of this presentation, as well as in our periodic filings with the SEC. Our method of calculating these non-GAAP financial measures may differ from the methods used by industry peers and, therefore, comparability may be limited.

Revenue & Earnings Measures – We believe these non-GAAP measures, as defined below, provide a meaningful representation of the Company's operating performance and improve the comparability of results between periods by excluding the impact of certain items that have a high degree of variability and that we believe are not indicative of the Company's ongoing performance.

- **Organic Revenue**, a non-GAAP measure, is defined as commissions and fees less (i) the core commissions and fees earned for the first twelve months by newly-acquired operations, less (ii) profit-sharing contingent commissions (revenues from insurance companies based upon the volume and the growth and/or profitability of the business placed with such companies during the prior year - "contingents"), less (iii) guaranteed supplemental commissions (commissions from insurance companies based solely upon the volume of the business placed with such companies during the current year - "GSCs"), less (iv) divested business (core commissions and fees generated from offices, books of business or niches sold or terminated during the comparable period) with the associated revenue removed from the corresponding period of the prior year, and excluding (v) the period-over-period impact of foreign currency translation, as applicable, which is calculated by applying current-year foreign exchange rates to the same period in the prior year. Organic Revenue can be expressed as a dollar amount or a percentage rate when describing Organic Revenue growth. We have historically viewed Organic Revenue and Organic Revenue growth as important indicators when assessing and evaluating our performance on a consolidated basis and for each of our four 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.
- **Net Income – Adjusted** is defined as net income, excluding the after-tax change in estimated acquisition earn-out payables.
- **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.
- **Income Before Income Taxes – Adjusted** is defined as income before income taxes, excluding the pre-tax change in estimated acquisition earn-out payables.
- **Income Before Income Taxes Margin – Adjusted** is defined as Income Before Income Taxes – Adjusted divided by total revenues.
- **Diluted Net Income Per Share – Adjusted** is defined as diluted net income per share, excluding the change in estimated acquisition earn-out payables.



Third Quarter 2021 Results

(Unaudited)

\$770.3M

Total revenue
growth of
14.3%

8.5%

Organic
Revenue
growth

35.6%

EBITDAC
Margin
increased
by 280 bps

\$0.52

Diluted net
income per
share increased
10.6%

\$0.58

Diluted Net
Income Per
Share - Adjusted
increased
11.5%

\$21M

Annual revenue
of seven
acquisitions
completed during
the quarter

Market & Business Overview – 3Q21



Economy continues to expand. Supply chain constraints and hiring for certain industries are challenges



Premium rate increases for most lines were similar to the last two quarters, but we continue to see some slight moderation for certain lines



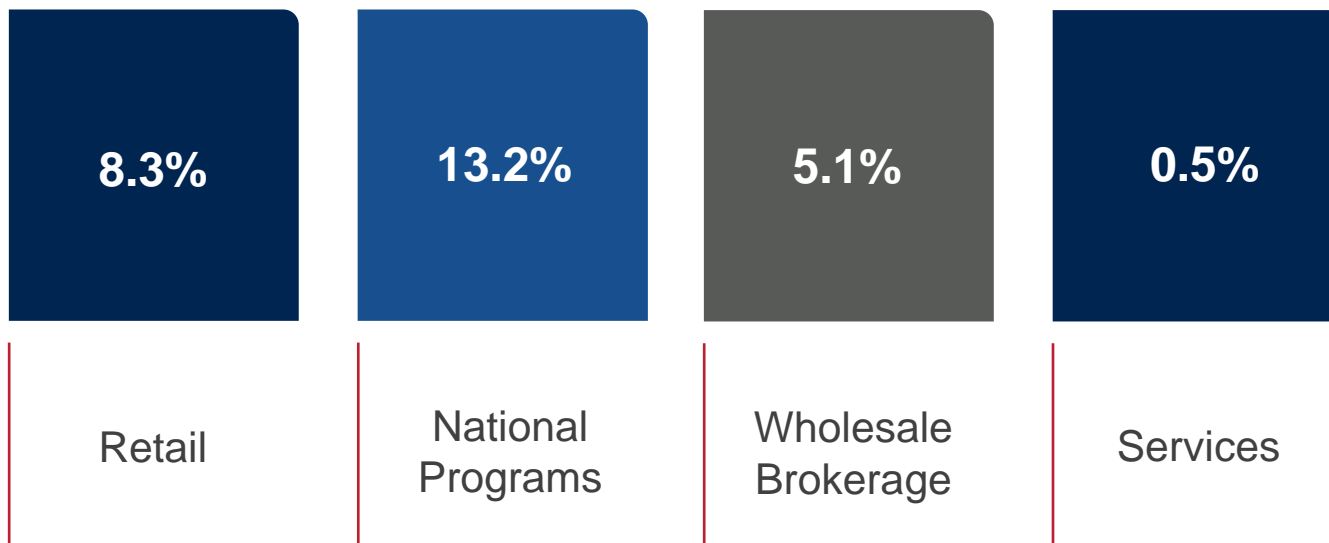
Placement of professional, cyber and excess liability lines remain challenging due to increased losses



Acquisition activity across the industry remained at an all time high

Segment Organic Revenue Growth – 3Q21

(Unaudited)



Consolidated Financial Highlights

(Unaudited)

(\$ Millions, Except Per Share Data)	Third Quarter			
	2021	2020	\$ Change	% Change
Total revenues	\$770.3	\$674.0	\$96.3	14.3%
<i>Organic Revenue</i>	\$708.2	\$652.6	\$55.6	8.5%
Income before income taxes	\$196.5	\$158.5	\$38.0	24.0%
<i>Income Before Income Taxes Margin*</i>	25.5%	23.5%		200bps
EBITDAC	\$274.5	\$220.8	\$53.7	24.3%
<i>EBITDAC Margin</i>	35.6%	32.8%		280bps
Net income	\$146.4	\$134.0	\$12.4	9.3%
Diluted net income per share	\$0.52	\$0.47	\$0.05	10.6%
Weighted average number of shares outstanding – diluted (in thousands)	277,553	276,933	620	0.2%
Dividends declared per share	\$0.093	\$0.085	\$0.008	9.4%

See important disclosures regarding Non-GAAP measures on page 2 and Non-GAAP reconciliations on pages 14-19.

* "Income Before Income Taxes Margin" is defined as income before income taxes divided by total revenues



Consolidated Financial Highlights

(Adjusted & Unaudited)

(\$ Millions, Except Per Share Data)	Third Quarter			
	2021	2020	\$ Change	% Change
Total revenues	\$770.3	\$674.0	\$96.3	14.3%
<i>Organic Revenue</i>	\$708.2	\$652.6	\$55.6	8.5%
Income Before Income Taxes - Adjusted	\$219.6	\$173.8	\$45.8	26.4%
<i>Income Before Income Taxes Margin - Adjusted</i>	28.5%	25.8%		270bps
EBITDAC	\$274.5	\$220.8	\$53.7	24.3%
<i>EBITDAC Margin</i>	35.6%	32.8%		280bps
Net Income - Adjusted	\$163.6	\$146.9	\$16.7	11.4%
Diluted Net Income Per Share - Adjusted	\$0.58	\$0.52	\$0.06	11.5%



Revenue Analysis

(Unaudited)

(\$ Millions)	Third Quarter			
	2021	2020	\$ Change	% Change
Total revenues	\$770.3	\$674.0	\$96.3	14.3%
Investment income	(0.4)	(0.4)	0.0	
Other	(0.2)	(2.2)	2.0	
Commissions and fees	769.7	671.4	98.3	14.6%
Profit-sharing contingent commissions	(17.6)	(13.7)	(3.9)	
Guaranteed supplemental commissions	(5.4)	(4.4)	(1.0)	
Core commissions and fees	746.7	653.3	93.4	14.3%
Acquisitions	(38.5)	-	(38.5)	
Dispositions	-	(1.0)	1.0	
Foreign currency translation	-	0.3	(0.3)	
Organic Revenue	\$708.2	\$652.6	\$55.6	8.5%



Retail Segment

(Unaudited)

(\$ Millions)	Third Quarter			
	2021	2020	\$ Change	% Change
Total revenues	\$423.4	\$359.5	\$63.9	17.8%
Organic Revenue	\$376.9	\$348.0	\$28.9	8.3%
Income before income taxes	\$71.6	\$56.1	\$15.5	27.6%
Income Before Income Taxes Margin	16.9%	15.6%		130bps
EBITDAC	\$133.2	\$106.9	\$26.3	24.6%
EBITDAC Margin	31.5%	29.7%		180bps

Business & Market Commentary

Total revenues growth due to acquisition activity and strong Organic Revenue, with Organic Revenue driven by new business, good retention, and rate increases.

Rate increases for most lines remained relatively constant at 3%-8%, with higher increases in commercial property, professional liability and condo property. Workers' compensation rates declined at a slower rate during the quarter.

Income before income taxes grew faster than EBITDAC primarily due to intercompany interest and amortization growing slower than EBITDAC, which were partially offset by increased estimated acquisition earn-out payables.

EBITDAC grew faster than total revenues, driven by leveraging Organic Revenue growth, higher profit-sharing contingent commissions and increased GSCs, which were partially offset by higher variable operating expenses.



National Programs Segment

(Unaudited)

(\$ Millions)	Third Quarter			
	2021	2020	\$ Change	% Change
Total revenues	\$191.0	\$168.0	\$23.0	13.7%
<i>Organic Revenue</i>	<i>\$183.9</i>	<i>\$162.4</i>	<i>\$21.5</i>	<i>13.2%</i>
Income before income taxes	\$72.4	\$47.2	\$25.2	53.4%
<i>Income Before Income Taxes Margin</i>	<i>37.9%</i>	<i>28.1%</i>		<i>980bps</i>
EBITDAC	\$84.4	\$65.7	\$18.7	28.5%
<i>EBITDAC Margin</i>	<i>44.2%</i>	<i>39.1%</i>		<i>510bps</i>

Business & Market Commentary

Total revenues and Organic Revenue growth driven primarily by strong new business, good retention and rate increases across many programs.

Income before income taxes increased faster than EBITDAC primarily due to lower estimated acquisition earn-out payables and intercompany interest expense.

EBITDAC grew faster than the growth of total revenues due to leveraging our expense base and the impact of a one-time receivable write-off recorded in the prior year.

Wholesale Brokerage Segment

(Unaudited)

(\$ Millions)	Third Quarter			
	2021	2020	\$ Change	% Change
Total revenues	\$112.5	\$101.2	\$11.3	11.2%
<i>Organic Revenue</i>	<i>\$103.7</i>	<i>\$98.7</i>	<i>\$5.0</i>	<i>5.1%</i>
Income before income taxes	\$29.4	\$35.0	(\$5.6)	(16.0%)
<i>Income Before Income Taxes Margin</i>	<i>26.1%</i>	<i>34.6%</i>		<i>(850bps)</i>
EBITDAC	\$42.1	\$40.2	\$1.9	4.7%
<i>EBITDAC Margin</i>	<i>37.4%</i>	<i>39.7%</i>		<i>(230bps)</i>

Business & Market Commentary

Total revenues growth driven by recent acquisitions and Organic Revenue growth. Good growth in brokerage and binding authority.

Rate increases at similar levels to previous two quarters. Coastal property rates remained up 10-30%, depending on loss experience. Professional lines rates generally up 10-15%+, with cyber rates up 10-20%+.

Income before income taxes declined due primarily to higher intercompany interest expense and estimated acquisition earn-out payables.

EBITDAC growth was driven by leveraging Organic Revenue, but was partially offset by higher broker compensation, slightly higher variable expenses, and non-recurring intercompany IT charges.

Services Segment

(Unaudited)

(\$ Millions)	Third Quarter			
	2021	2020	\$ Change	% Change
Total revenues	\$43.7	\$43.5	\$0.2	0.5%
<i>Organic Revenue</i>	\$43.7	\$43.5	\$0.2	0.5%
Income before income taxes	\$7.1	\$6.0	\$1.1	18.3%
<i>Income Before Income Taxes Margin</i>	16.2%	13.8%		240bps
EBITDAC	\$9.4	\$8.8	\$0.6	6.8%
<i>EBITDAC Margin</i>	21.5%	20.2%		130bps

Business Commentary

Total revenues and Organic Revenue growth were driven primarily by new business and weather-related claims, which were substantially offset by external factors continuing to impact our advocacy businesses.

Income before income taxes increased faster than EBITDAC due to lower intercompany interest expense and amortization.

EBITDAC increased due to continued expense management.

Closing Comments



Expect business confidence to improve during coming quarters. Key variables are labor availability, inflation, supply chain constraints and further containment of the pandemic



Expect the rate of premium increases to continue moderating downward slightly for many lines, with the exceptions of cyber, professional, excess liability and auto




Pipeline remains good and we are engaging with many M&A prospects



Innovation across the company continues to make good progress, through leveraging of data and technology



Best in class talent, broad range of capabilities and breadth of business diversification continue to drive our high-performance and customer-centric culture



Third Quarter 2021 Results Reconciliation of Non-GAAP Measures



GAAP to Adjusted Reconciliation

(Unaudited)

(\$ Millions, Except Per Share Data)	Third Quarter 2021		
	As Reported 2021	Change in Earn-Out Payables	Adjusted 2021
Total revenues	\$770.3	-	\$770.3
Income before income taxes	\$196.5	\$23.1	\$219.6
<i>Income Before Income Taxes Margin</i>	25.5%		28.5%
EBITDAC	\$274.5	-	\$274.5
<i>EBITDAC Margin</i>	35.6%		35.6%
Net income	\$146.4	\$17.2	\$163.6
Diluted net income per share	\$0.52	\$0.06	\$0.58

GAAP to Adjusted Reconciliation

(Unaudited)

(\$ Millions, Except Per Share Data)		Third Quarter 2020	
	As Reported 2020	Change in Earn-Out Payables	Adjusted 2020
Total revenues	\$674.0	-	\$674.0
Income before income taxes	\$158.5	\$15.3	\$173.8
<i>Income Before Income Taxes Margin</i>	23.5%		25.8%
EBITDAC	\$220.8	-	\$220.8
<i>EBITDAC Margin</i>	32.8%		32.8%
Net income	\$134.0	\$12.9	\$146.9
Diluted net income per share	\$0.47	\$0.05	\$0.52

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

(Unaudited)

(\$ Millions)	Third Quarter	
	2021	2020
Income before income taxes	\$196.5	\$158.5
<i>Income Before Income Taxes Margin</i>	25.5%	23.5%
Amortization	29.5	27.1
Depreciation	9.2	6.7
Interest	16.2	13.2
Change in estimated acquisition earn-out payables	23.1	15.3
EBITDAC	\$274.5	\$220.8
<i>EBITDAC Margin</i>	35.6%	32.8%

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

(Unaudited)

(\$ Millions)		Third Quarter							
	Retail		National Programs		Wholesale Brokerage		Services		
	2021	2020	2021	2020	2021	2020	2021	2020	
Income before income taxes	\$71.6	\$56.1	\$72.4	\$47.2	\$29.4	\$35.0	\$7.1	\$6.0	
<i>Income Before Income Taxes Margin</i>	16.9%	15.6%	37.9%	28.1%	26.1%	34.6%	16.2%	13.8%	
Amortization	19.1	16.6	6.8	7.1	2.4	2.0	1.3	1.4	
Depreciation	2.8	2.3	3.0	2.3	0.6	0.6	0.3	0.4	
Interest	22.4	20.5	2.2	5.3	3.9	2.5	0.7	1.0	
Change in estimated acquisition earn-out payables	17.3	11.4	0.0	3.8	5.8	0.1	0.0	0.0	
EBITDAC	\$133.2	\$106.9	\$84.4	\$65.7	\$42.1	\$40.2	\$9.4	\$8.8	
<i>EBITDAC Margin</i>	31.5%	29.7%	44.2%	39.1%	37.4%	39.7%	21.5%	20.2%	

Reconciliation of Commissions and Fees to Organic Revenue

(Unaudited)

(\$ Millions)	Third Quarter									
	Retail ⁽¹⁾		National Programs		Wholesale Brokerage		Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Commissions and fees	\$422.8	\$359.0	\$190.9	\$167.8	\$112.3	\$101.1	\$43.7	\$43.5	\$769.7	\$671.4
Total change	63.8		23.1		11.2		0.2		98.3	
Total growth %	17.8%		13.8%		11.1%		0.5%		14.6%	
Contingent commissions	(8.7)	(6.4)	(6.5)	(5.5)	(2.4)	(1.8)	0.0	0.0	(17.6)	(13.7)
Guaranteed supplemental commissions	(4.5)	(3.6)	(0.5)	(0.2)	(0.4)	(0.6)	0.0	0.0	(5.4)	(4.4)
Core commissions and fees ⁽²⁾	\$409.6	\$349.0	\$183.9	\$162.1	\$109.5	\$98.7	\$43.7	\$43.5	\$746.7	\$653.3
Acquisitions	(32.7)		0.0		(5.8)		0.0		(38.5)	
Dispositions		(1.0)		0.0		0.0		0.0		(1.0)
Foreign currency translation				\$0.3						\$0.3
Organic Revenue	\$376.9	\$348.0	\$183.9	\$162.4	\$103.7	\$98.7	\$43.7	\$43.5	\$708.2	\$652.6
Organic Revenue growth	\$28.9		\$21.5		\$5.0		\$0.2		\$55.6	
Organic Revenue growth %	8.3%		13.2%		5.1%		0.5%		8.5%	

(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 (i) profit-sharing contingent commissions (revenues from insurance companies based upon the volume and the growth and/or profitability of the business placed with such companies during the prior year ("Contingents")) and less (ii) guaranteed supplemental commissions (commissions from insurance companies based solely upon the volume of the business placed with such companies during the current year ("GSCs")).



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 the 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.*