



# INTERIM RESULTS 2017

FOR SIX MONTHS ENDED 30 JUNE 2017

27 July 2017

# 2017 INTERIM HIGHLIGHTS

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- **Group underlying profit before tax increased by 12%**
- **Organic revenue growth of 3%, reflecting strong business retention and new client wins**
- **UK Employee Benefits revenues increase 9% all of which was organic, following restructure**
- **JLT Specialty USA revenues more than double, with strong organic revenue growth and the contribution from Construction Risk Partners acquired in January**
- **Increased interim dividend by 5.2% to 12.2p**
- **Entered the second half of 2017 with many businesses showing good momentum.**

# 2017 INTERIM FINANCIAL RESULTS



£m	2017	2016	Growth		
			Actual	CRE	Organic
Total revenue	689.9	619.4	11%	3%	3%
Underlying trading profit*	110.0	98.4	12%	3%	
Underlying profit margin	15.9%	15.9%			
<i>Excl. US investment</i>	<i>18.9%</i>	<i>19.2%</i>			
Underlying PBT	100.1	89.2	12%		
<i>Excl. US investment</i>	<i>113.5</i>	<i>106.4</i>	<i>7%</i>		
Reported PBT	99.2	55.2	80%		
Reported EPS (diluted)	31.8p	15.6p**	104%		
Underlying EPS (diluted)	31.9p	28.4p**	12%		
Interim dividend per share	12.2p	11.6p	5%		

**Notes:**

Underlying results exclude exceptional items.

CRE = constant rates of exchange are calculated by translating 2017 results at 2016 exchange rates.

Organic revenue growth is based on total revenue excluding the effect of currency, acquisitions, disposals and investment income.

Net investment in US Specialty in 2017 was £13.4m (2016: £17.2m).

\* Trading profit figures include central costs.

\*\* Restated following revision to the calculation.



# REVENUE AND TRADING PROFIT BY SECTOR



£m	Total Revenue					Trading Profit			Trading Margin		
	2017	Growth	CRE	Organic	2016	2017	CRE	2016	2017	CRE	2016
<b>Risk &amp; Insurance</b>	<b>540.8</b>	<b>12%</b>	<b>3%</b>	<b>3%</b>	<b>481.8</b>	<b>108.7</b>	<b>101.1</b>	<b>93.7</b>	<b>20%</b>	<b>20%</b>	<b>19%</b>
<b>Employee Benefits</b>	<b>149.1</b>	<b>8%</b>	<b>2%</b>	<b>2%</b>	<b>137.6</b>	<b>17.9</b>	<b>16.2</b>	<b>17.4</b>	<b>12%</b>	<b>12%</b>	<b>13%</b>
<b>Group*</b>	<b>689.9</b>	<b>11%</b>	<b>3%</b>	<b>3%</b>	<b>619.4</b>	<b>110.0</b>	<b>100.9</b>	<b>98.4</b>	<b>15.9%</b>	<b>15.8%</b>	<b>15.9%</b>

**Notes:**

CRE = constant rates of exchange are calculated by translating 2017 results at 2016 exchange rates.

Organic revenue growth is based on total revenue excluding the effect of currency, acquisitions, disposals and investment income.

\* Trading profit figures include central costs.

# JLT EUROPE



£m	Total Revenue					Trading Profit			Trading Margin		
	2017	Growth	CRE	Organic	2016	2017	CRE	2016	2017	CRE	2016
JLT Europe	177.6	0%	(3%)	3%	178.5	31.6	30.2	27.0	18%	17%	15%
Thistle	-	-	-	-	10.0	-	-	(3.0)	-	-	(30%)
<b>JLT Europe (excl. Thistle)</b>	<b>177.6</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>	<b>168.5</b>	<b>31.6</b>	<b>30.2</b>	<b>30.0</b>	<b>18%</b>	<b>17%</b>	<b>18%</b>

JLT Europe comprises JLT Specialty and the Group's Specialty businesses in Northern Europe.

## Highlights

- Organic revenue growth of 3%
- Good performances from Financial Lines, Credit, Political & Security, Aviation and Property & Casualty
- Recent investments in Northern Europe generating increased levels of revenue growth
- Entered second half of the year with high levels of business activity

# OTHER SPECIALTY BUSINESSES



£m	Total Revenue					Trading Profit			Trading Margin		
	2017	Growth	CRE	Organic	2016	2017	CRE	2016	2017	CRE	2016
JLT Australia & NZ	69.3	12%	(3%)	(4%)	61.9	23.8	20.7	21.6	34%	34%	35%
JLT Asia	51.7	16%	4%	4%	44.6	11.0	9.7	9.5	21%	21%	21%
JLT Latin America	34.5	25%	5%	3%	27.6	3.9	3.3	4.0	11%	11%	15%
JLT USA	35.2	116%	92%	43%	16.3	(13.4)	(11.9)	(17.2)	(38%)	(38%)	(106%)
Other *	28.1	11%	(3%)	(3%)	25.2	0.2	(0.3)	0.8	1%	(1%)	3%
	<b>218.8</b>	<b>25%</b>	<b>9%</b>	<b>4%</b>	<b>175.6</b>	<b>25.5</b>	<b>21.5</b>	<b>18.7</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>

\* Details of "Other" businesses shown in the supplementary slides.

## Highlights

- **JLT Australia & NZ: a significant new business win will contribute to second half**
- **JLT Asia: strong performances in Hong Kong, Singapore and Japan**
- **JLT Latin America: significant investments made to build-out Specialty capabilities**
- **JLT USA: revenues more than double and investment loss passed high-water mark**

£m	Total Revenue					Trading Profit			Trading Margin		
	2017	Growth	CRE	Organic	2016	2017	CRE	2016	2017	CRE	2016
JLT Re	144.4	13%	5%	2%	127.7	51.6	49.4	48.0	36%	37%	38%

## Highlights

- Organic revenue growth of 2% in challenging rating environment
- First contributions from two acquisitions made in late 2016
- UK & Europe and North American businesses saw strong new business wins
- Investments made in people, geographies and infrastructure will deliver increasing returns going forward

# EMPLOYEE BENEFITS – UK & IRELAND



£m	Total Revenue					Trading Profit			Trading Margin		
	2017	Growth	CRE	Organic	2016	2017	CRE	2016	2017	CRE	2016
UK & Ireland	81.8	9%	9%	9%	74.9	5.3	5.0	0.2	6%	6%	0%

## Highlights

- Revenue increased 9%, all of which was organic
- The business has returned to revenue and profit growth
- Momentum continuing into second half of the year with good new business opportunities
- Remaining confident of trading profit margin improvement in the balance of 2017 and into 2018, as previously guided



# EMPLOYEE BENEFITS – INTERNATIONAL



£m	Total Revenue					Trading Profit			Trading Margin		
	2017	Growth	CRE	Organic	2016	2017	CRE	2016	2017	CRE	2016
Asia	41.0	0%	(11%)	(9%)	41.2	11.8	10.3	15.0	29%	28%	36%
Australia & NZ	13.8	17%	2%	(1%)	11.7	1.6	1.4	1.4	12%	12%	12%
Latin America	10.1	21%	1%	0%	8.3	(1.0)	(0.7)	0.7	(10%)	(8%)	9%
Other *	2.4	64%	35%	31%	1.5	0.2	0.2	0.1	7%	8%	5%
	<b>67.3</b>	<b>7%</b>	<b>(6%)</b>	<b>(5%)</b>	<b>62.7</b>	<b>12.6</b>	<b>11.2</b>	<b>17.2</b>	<b>19%</b>	<b>19%</b>	<b>28%</b>

\* Details of "Other" businesses shown on supplementary slides.

## Highlights

- Cross border coordinated activities resulting in multi-country appointments for leading international clients
- Asia: flat headline revenues but strong revenue pipeline
- Australia & NZ: slow organic growth in first half, but expected to improve by the full year
- Latin America: impact of challenging economic and political environment in Brazil; the Colombian operation continues to perform well

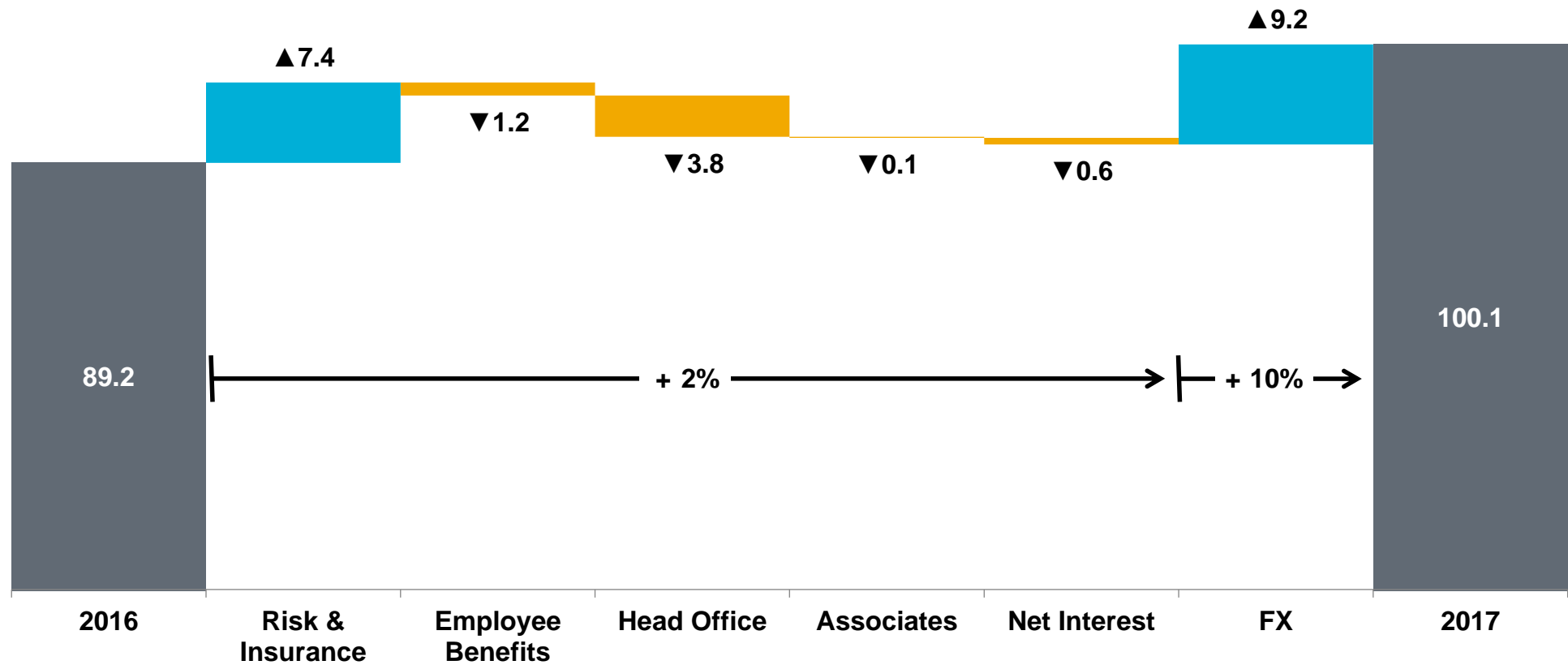


**CHARLES ROZES**  
GROUP FINANCE DIRECTOR

# 2016-2017: UNDERLYING PBT



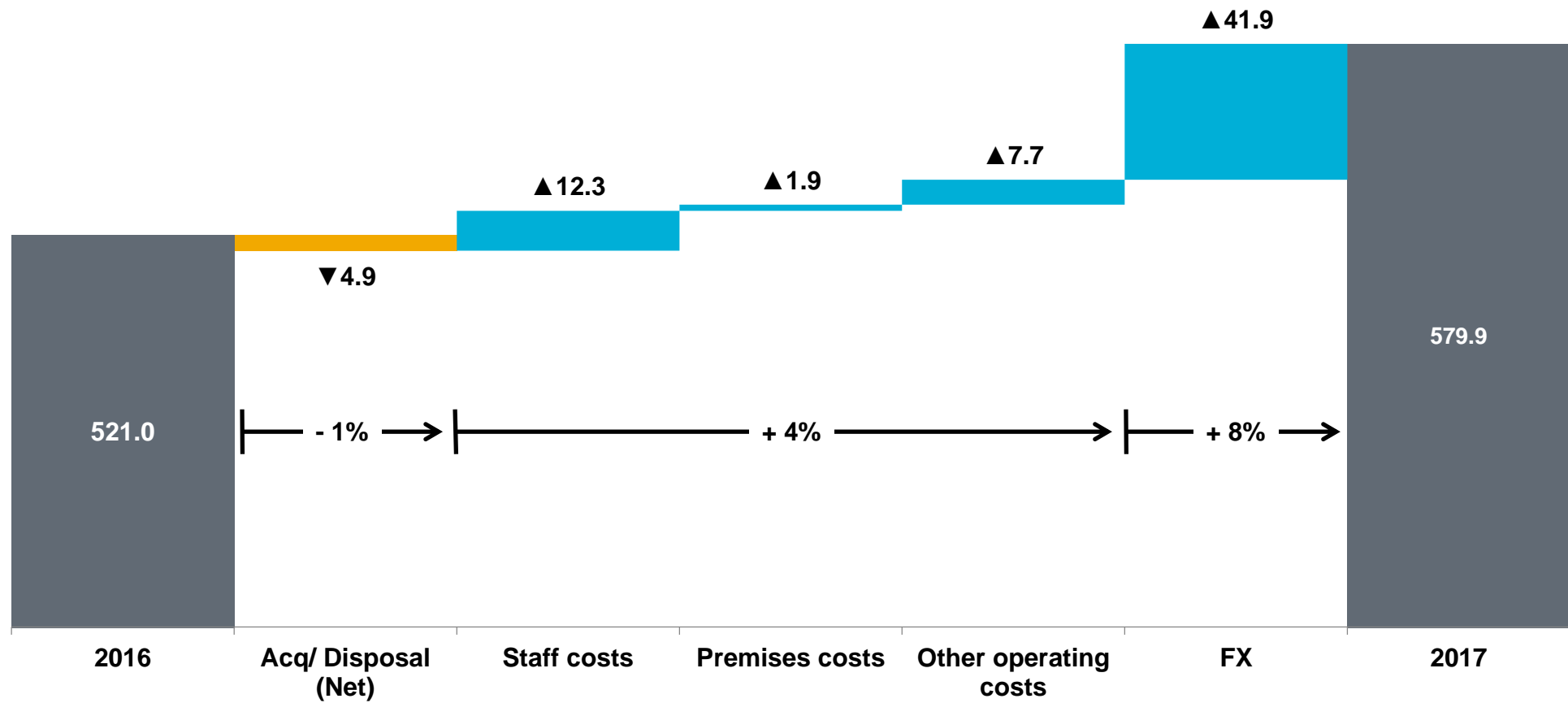
(£m)



# OPERATING COSTS



(£m)





# CASH FLOW (OPERATIONAL BASIS)



6 MONTHS TO 30 JUNE

£m	2017	2016	2015	2014	2013
EBITDA	148	115	128	138	116
Net interest	(7)	(8)	(8)	(7)	(3)
Working capital	(82)	(68)	(54)	(98)	(60)
Annual capex	(32)	(17)	(34)	(32)	(34)
<b>Operational free cash flow</b>	<b>27</b>	<b>22</b>	<b>32</b>	<b>1</b>	<b>19</b>
Dividends paid	(45)	(42)	(39)	(37)	(36)
Tax paid	(17)	(18)	(16)	(18)	(20)
Net shares acquired	(15)	(8)	(17)	(15)	(18)
Other	(3)	(18)	(9)	(7)	(11)
<b>Net cash outflow excl acq/disp</b>	<b>(53)</b>	<b>(64)</b>	<b>(49)</b>	<b>(76)</b>	<b>(66)</b>
Acquisitions / disposals	(40)	(4)	67	(12)	(11)
<b>Net cash (outflow) / inflow</b>	<b>(93)</b>	<b>(68)</b>	<b>18</b>	<b>(88)</b>	<b>(77)</b>

# NET DEBT AND LEVERAGE



6 MONTHS TO 30 JUNE

£m	2017	2016	2015	2014	2013
<b>Opening net debt</b>	<b>(496)</b>	<b>(440)</b>	<b>(474)</b>	<b>(345)</b>	<b>(142)</b>
Net cash (outflow) / inflow	(93)	(68)	18	(88)	(77)
Net debt excl. non-cash items	(589)	(508)	(456)	(433)	(219)
Other non-cash items	24	(36)	(8)	(3)	(9)
<b>Closing net debt</b>	<b>(565)</b>	<b>(544)</b>	<b>(464)</b>	<b>(436)</b>	<b>(228)</b>
Net debt / EBITDA ratio	2.1x	2.3x	2.0x	1.8x	1.1x
Net debt / EBITDA ratio (bank covenant basis)	1.8x	2.0x	2.0x	2.0x	1.1x



# EXCEPTIONAL ITEMS



£m	2017	2016
<b>Net exceptional items</b>		
Acquisition and integration costs	(1.0)	(0.4)
Restructuring costs	-	(10.2)
Net litigation costs	-	(22.0)
Others	0.1	(1.4)
	<b>(0.9)</b>	<b>(34.0)</b>

# INTERIM RESULTS 2017

## SUMMARY POINTS

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- **Good earnings progress**
- **Continued investment in the business, while maintaining strong focus on costs**
- **Strong and consistent cash generation**



**DOMINIC BURKE**  
GROUP CEO

# A BUSINESS WITH MOMENTUM

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Re-examination of strategy has confirmed our ambition to become

## **The Leading Global Specialty Risk Adviser and Broker**

- Continuing focus on organic revenue growth
- Supplemented by accretive acquisitions
- Collaborating and sharing our specialty skills for the benefit of our clients
- Our Client-First culture will always remain the foundation of our success

The Group has entered the second half with many of its businesses showing increasing momentum and it remains confident that it will deliver full year organic revenue growth more in line with historical rates, generating sustained year-on-year financial progress.





**QUESTIONS**



**SUPPLEMENTARY SLIDES**

# PROFIT & LOSS



£m	2017	2016	Change
Revenue	689.9	619.4	70.5
Operating costs	(579.9)	(521.0)	(58.9)
Underlying trading profit	110.0	98.4	11.6
Underlying share of associates	2.1	1.9	0.2
Net finance costs	(12.0)	(11.1)	(0.9)
Underlying PBT	100.1	89.2	10.9
Exceptional items	(0.9)	(34.0)	33.1
PBT	99.2	55.2	44.0
Underlying tax expense	(29.0)	(25.6)	(3.4)
Tax on exceptional items	0.3	6.6	(6.3)
Non-controlling interests	(2.2)	(2.9)	0.7
PAT (after non-controlling interests)	68.3	33.3	35.0
Underlying PAT (after non-controlling interests)	68.6	60.7	7.9
Diluted EPS	31.8p	15.6p*	16.2p
Underlying diluted EPS	31.9p	28.4p*	3.5p
<b>Interim dividend per share</b>	<b>12.2p</b>	<b>11.6p</b>	<b>0.6p</b>

\*Restated following revision to the calculation

# TOTAL REVENUE & TRADING PROFIT

## BY BUSINESS SEGMENT



£m	Total Revenue					Trading Profit			Trading Margin		
	2017	Growth	CRE	Organic	2016	2017	CRE	2016	2017	CRE	2016
<b>Risk &amp; Insurance</b>											
JLT Europe	177.6	0%	(3%)	3%	178.5	31.6	30.2	27.0	18%	17%	15%
JLT Re	144.4	13%	5%	2%	127.7	51.6	49.4	48.0	36%	37%	38%
JLT Australia & NZ	69.3	12%	(3%)	(4%)	61.9	23.8	20.7	21.6	34%	34%	35%
JLT Asia	51.7	16%	4%	4%	44.6	11.0	9.7	9.5	21%	21%	21%
JLT Latin America	34.5	25%	5%	3%	27.6	3.9	3.3	4.0	11%	11%	15%
JLT Middle East and Africa	12.5	15%	(2%)	(2%)	10.9	1.8	1.2	1.3	14%	11%	12%
JLT USA	35.2	116%	92%	43%	16.3	(13.4)	(11.9)	(17.2)	(38%)	(38%)	(106%)
JLT Canada	10.5	10%	(3%)	(3%)	9.5	(1.1)	(1.0)	(0.5)	(10%)	(11%)	(5%)
JLT Insurance Management	5.1	6%	(5%)	(5%)	4.8	(0.5)	(0.5)	0.0	(9%)	(9%)	(1%)
	<b>540.8</b>	<b>12%</b>	<b>3%</b>	<b>3%</b>	<b>481.8</b>	<b>108.7</b>	<b>101.1</b>	<b>93.7</b>	<b>20%</b>	<b>20%</b>	<b>19%</b>
<b>Employee Benefits</b>											
UK & Ireland	81.8	9%	9%	9%	74.9	5.3	5.0	0.2	6%	6%	0%
Asia	41.0	0%	(11%)	(9%)	41.2	11.8	10.3	15.0	29%	28%	36%
Australia & NZ	13.8	17%	2%	(1%)	11.7	1.6	1.4	1.4	12%	12%	12%
Latin America	10.1	21%	1%	0%	8.3	(1.0)	(0.7)	0.7	(10%)	(8%)	9%
Middle East and Africa	1.3	75%	34%	34%	0.8	0.0	0.0	0.0	(1%)	(1%)	1%
Canada	1.1	52%	35%	28%	0.7	0.2	0.2	0.1	17%	17%	11%
	<b>149.1</b>	<b>8%</b>	<b>2%</b>	<b>2%</b>	<b>137.6</b>	<b>17.9</b>	<b>16.2</b>	<b>17.4</b>	<b>12%</b>	<b>12%</b>	<b>13%</b>
<b>Central Costs</b>	-	-	-	-	-	<b>(16.6)</b>	<b>(16.4)</b>	<b>(12.7)</b>	-	-	-
<b>Total</b>	<b>689.9</b>	<b>11%</b>	<b>3%</b>	<b>3%</b>	<b>619.4</b>	<b>110.0</b>	<b>100.9</b>	<b>98.4</b>	<b>15.9%</b>	<b>15.8%</b>	<b>15.9%</b>

CRE = Constant Rate of Exchange

# TOTAL REVENUE GROWTH COMPONENTS



%	Organic Growth	Acquisition Disposal Impact	Investment Income & Other	CRE Growth	Currency Impact	Total Growth
<b>Risk &amp; Insurance</b>						
JLT Europe	2.6%	(5.6%)	0.3%	(2.7%)	2.2%	(0.5%)
JLT Re	1.5%	2.8%	0.3%	4.6%	8.5%	13.1%
JLT Australia & NZ	(4.0%)	1.0%	(0.1%)	(3.1%)	15.0%	11.9%
JLT Asia	3.9%	0.0%	0.0%	3.9%	12.1%	16.0%
JLT Latin America	3.5%	1.4%	(0.1%)	4.8%	20.0%	24.8%
JLT Middle East and Africa	(1.8%)	0.0%	0.2%	(1.6%)	16.2%	14.6%
JLT US Specialty	42.6%	49.6%	0.0%	92.2%	24.0%	116.2%
JLT Canada	(2.7%)	0.0%	(0.2%)	(2.9%)	13.2%	10.3%
JLT Insurance Management	(4.5%)	0.0%	0.0%	(4.5%)	10.2%	5.7%
	<b>2.7%</b>	<b>0.5%</b>	<b>0.2%</b>	<b>3.4%</b>	<b>8.8%</b>	<b>12.2%</b>
<b>Employee Benefits</b>						
UK & Ireland	9.2%	(0.2%)	0.0%	9.0%	0.3%	9.3%
Asia	(9.1%)	(1.8%)	0.0%	(10.9%)	10.6%	(0.3%)
Australia & NZ	(1.2%)	2.7%	0.0%	1.5%	15.7%	17.2%
Latin America	0.2%	0.6%	0.0%	0.8%	20.6%	21.4%
Middle East and Africa	33.8%	0.0%	0.7%	34.5%	40.9%	75.4%
Canada	28.0%	6.8%	0.1%	34.9%	16.8%	51.7%
	<b>2.5%</b>	<b>(0.3%)</b>	<b>0.0%</b>	<b>2.2%</b>	<b>6.2%</b>	<b>8.4%</b>
<b>Total</b>	<b>2.6%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>3.1%</b>	<b>8.3%</b>	<b>11.4%</b>

# ASSOCIATES



£m	2017	CRE	2016	Growth
Total underlying contribution to JLT after tax	2.1	1.8	1.9	5%

## Principal Associate Holdings as at 30 June 2017

March-JLT	Spain	25%
GrECo	Austria	20%
MAG-JLT	Italy	25%
JLT Sterling	Mexico	36%
JLT Independent	India	49%

% = JLT equity interest

# BALANCE SHEET

## AS AT 30 JUNE



£m	2017	2016	Change
Goodwill and intangibles	678	631	47
Fixed assets	66	64	2
Associates and investments	65	54	11
Net working capital and other	261	233	28
Derivatives after deferred tax	(10)	35	(45)
Net pension deficit after deferred tax	(147)	(168)	21
Other deferred net tax assets	7	8	(1)
Net debt	(565)	(544)	(21)
<b>Net assets</b>	<b>355</b>	<b>313</b>	<b>42</b>



# EBITDA CALCULATION



£m	2017	2016
Underlying trading profit	110.0	98.4
Add-back:		
Amortisation of staff share options	13.0	13.5
Depreciation and other amortisation	24.0	24.1
Profit from associates	2.1	1.9
Other non-recurring items	(1.3)	(23.4)
<b>EBITDA</b>	<b>147.8</b>	<b>114.5</b>

# NET DEBT



£m	2017	2016
<b>Cash and investments:</b>		
Cash and cash equivalents	965.8	929.2
<b>Available-for-sale cash deposits:</b>		
Current	129.8	99.6
Non current	0.3	10.3
	1,095.9	1,039.1
Less: fiduciary cash (insurance payables)	(913.8)	(829.0)
Own funds	182.1	210.1
<b>Borrowings:</b>		
Committed borrowings	(729.8)	(731.4)
Uncommitted/other borrowings	(17.4)	(22.7)
	(747.2)	(754.1)
<b>Net debt</b>	<b>(565.1)</b>	<b>(544.0)</b>

# CURRENCY IMPACT ON UNDERLYING PBT



£m	2017	2016
A) Transactional impact:		
UK subsidiaries	1.5	6.0
Overseas subsidiaries	0.9	2.2
	<b>2.4</b>	<b>8.2</b>
B) Translational impact	6.8	0.5
<b>Total exchange effect</b>	<b>9.2</b>	<b>8.7</b>

## Notes on USD Revenue

- In 2016 the Group earned some 357 million US dollars of revenues from operations which have a sterling cost base. The achieved blended rate for 2016 was 1.47.
- At the 20<sup>th</sup> July 2017, some 83% of anticipated US dollar earnings for 2017 are hedged at an average rate of 1.46, for 2018 some 72% is hedged at an average of 1.38, for 2019 58% hedged at 1.32 and for 2020 48% has been hedged at 1.32.
- Based on current hedging levels in 2017, it would take a movement of around 5 cents in the spot rate to generate a 1 cent movement in the achieved blended rate. As a guide, each one cent movement in our achieved rate translates into a change of approximately £1.8 million in revenue, with an impact on trading profit equal to approximately 70% of that.

# RISK & INSURANCE

## 2016 RESTATED BASED ON 2017 REPORTING STRUCTURE



£m	Revenue				Trading Profit			
	2016 structure	JLT Insurance Services	EMEA to MEA	Current structure	2016 structure	JLT Insurance Services	EMEA to MEA	Current structure
<b>Risk &amp; Insurance</b>								
JLT Europe	145.3	23.8	9.4	178.5	24.3	0.3	2.4	27.0
JLT Insurance Services	24.3	(24.3)	-	-	0.1	(0.1)	-	-
JLT Middle East and Africa	20.3	-	(9.4)	10.9	3.7	-	(2.4)	1.3
JLT Insurance Management	4.3	0.5	-	4.8	0.2	(0.2)	-	-
Others	287.6	-	-	287.6	65.4	-	-	65.4
	<b>481.8</b>	<b>-</b>	<b>-</b>	<b>481.8</b>	<b>93.7</b>	<b>-</b>	<b>-</b>	<b>93.7</b>

1. JLT Europe comprises JLT Specialty and the Group's Specialty businesses in Northern Europe and following the disposal of Thistle, the majority of the balance of JLT Insurance Services transferred into JLT Europe. In our 2017 reporting, Thistle is included in JLT Europe for 2016 comparative purposes.

2. JLT Europe, Middle East and Africa has become JLT Middle East and Africa.

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This presentation contains forward looking statements with respect to the operations, performance and financial condition of Jardine Lloyd Thompson Group plc. By their nature, these statements are subject to risks, assumption and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events.

Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake to publicly update any forward looking statements, whether as a result of new information, future developments or otherwise. Nothing in this presentation should be construed as a profit forecast.