



INTERIM RESULTS 2018

FOR SIX MONTHS ENDED 30 JUNE 2018

26 July 2018

DISCLAIMER

Certain statements in this presentation are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

2018 INTERIM HIGHLIGHTS

A ROBUST TRADING PERFORMANCE



- **Underlying PBT growth of 10%**
- **Organic revenue growth of 4%**
- **Trading Margin increased from 15.8% to 16.6%**
- **Global Transformation Programme delivered benefit of £6.1m**
- **New Specialty management structure promoting coordinated global development**
- **Reinsurance delivered strong organic revenue growth of 6%**
- **Increased interim dividend by 4.1% to 12.7 pence per share**

2018 INTERIM FINANCIAL RESULTS



£m	2018	2017	Growth		
			Reported	CRE	Organic
Total revenue	713.5	691.8	3%	6%	4%
Underlying trading profit	118.4	109.1	9%	11%	
Underlying profit margin	16.6%	15.8%			
Underlying PBT	108.8	99.2	10%		
Reported PBT	89.4	98.3	(9%)		
Reported EPS (diluted)	27.5p	31.2p	(12%)		
Underlying EPS (diluted)	34.7p	31.4p	11%		
Interim dividend per share	12.7p	12.2p	4%		

Notes: Underlying results exclude exceptional items.

CRE = constant rates of exchange are calculated by translating 2018 results at 2017 exchange rates.

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

2017 figures restated for IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15").

REVENUE AND TRADING PROFIT BY BUSINESS



Global	Total Revenue					Trading Profit			Trading Margin		
	£m	2018	2017	Growth	CRE	Organic	2018	CRE	2017	2018	CRE
Specialty	408.3	392.9	4%	7%	4%	68.3	68.0	60.2	17%	16%	15%
Reinsurance	152.8	146.9	4%	6%	6%	49.1	48.5	43.8	32%	31%	30%
Employee Benefits	152.4	152.0	0%	4%	4%	18.6	20.7	21.7	12%	13%	14%
Head Office	-	-	-	-	-	(17.6)	(15.8)	(16.6)	-	-	-
Group	713.5	691.8	3%	6%	4%	118.4	121.4	109.1	16.6%	16.5%	15.8%

Notes: Results exclude exceptional items

CRE = constant rates of exchange are calculated by translating 2018 results at 2017 exchange rates.

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

2017 figures restated for IFRS 15 and the new segment structure.

Highlights

- Strong and consistent organic revenue growth across our businesses
- Negative FX movement, primarily translational, reduced headline growth by 300 bps

SPECIALTY

GOOD PROGRESS UNDER NEW MANAGEMENT STRUCTURE

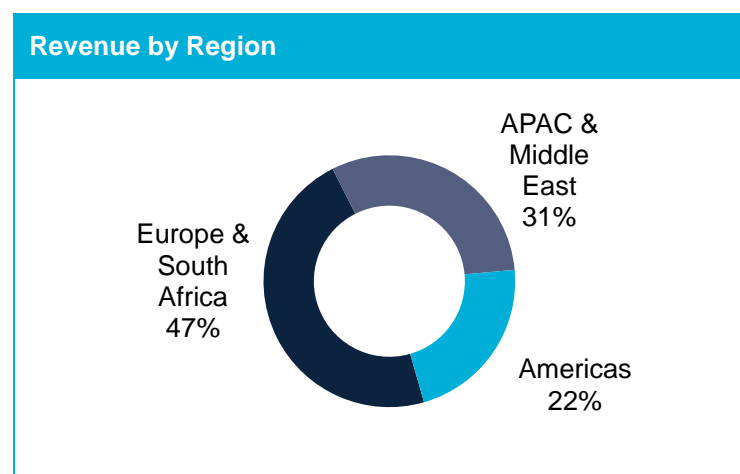


£m	2018	2017**	Growth		
			Reported	CRE***	Organic
Revenue	408.3	392.9	4%	7%	4%
Cost*	(340.0)	(332.7)	2%	6%	
Trading Profit*	68.3	60.2	13%	13%	
Trading Margin*	17%	15%			
CRE	16%				

* Underlying results exclude exceptional items. ** Restated for IFRS 15 and the new segment structure. *** CRE = constant rates of exchange are calculated by translating 2018 results at 2017 exchange rates.

Highlights

- Organic revenue growth of 4%
- Australia returned to organic revenue growth
- US achieved 17% organic revenue growth and is successfully integrating IRC
- Reinforced representation in Continental Europe with OWL acquisition in Germany



REINSURANCE

A LEADING GLOBAL REINSURANCE BROKER

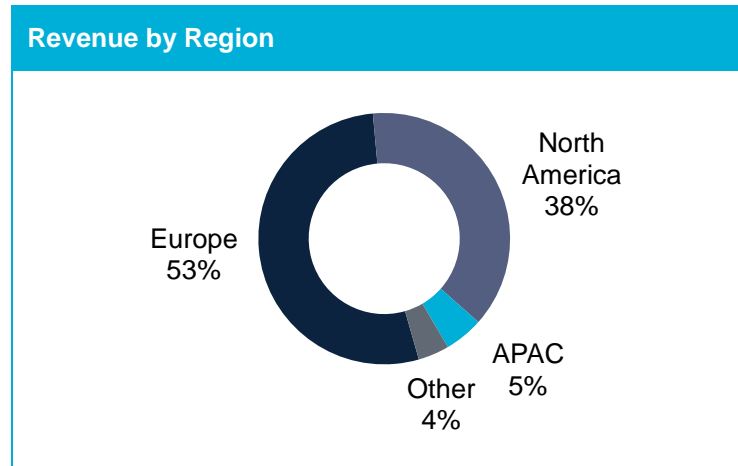


£m	2018	2017**	Growth		
			Reported	CRE***	Organic
Revenue	152.8	146.9	4%	6%	6%
Cost*	(103.7)	(103.1)	1%	4%	
Trading Profit*	49.1	43.8	12%	11%	
Trading Margin*	32%	30%			
CRE	31%				

* Underlying results exclude exceptional items. ** Restated for IFRS 15 and new segmentation. *** CRE = constant rates of exchange are calculated by translating 2018 results at 2017 exchange rates.

Highlights

- **6% organic revenue growth**
- **Added further headcount in Cyber, Trade Credit and Analytics**
- **New business successes across UK, Europe and US**
- **Launched next generation economic capital modelling software 'ANSER'**



EMPLOYEE BENEFITS

SIGNIFICANT ORGANIC REVENUE GROWTH IN INTERNATIONAL BUSINESSES

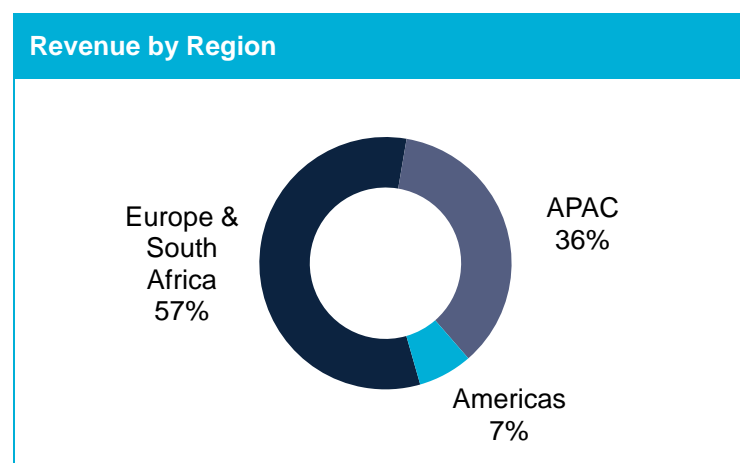


£m	2018	2017**	Growth		
			Reported	CRE***	Organic
Revenue	152.4	152.0	0%	4%	4%
Cost*	(133.8)	(130.3)	3%	5%	
Trading Profit*	18.6	21.7	(15%)	(5%)	
Trading Margin*	12%	14%			
CRE	13%				

* Underlying results exclude exceptional items. ** Restated for IFRS 15 and new segmentation. *** CRE = constant rates of exchange are calculated by translating 2018 results at 2017 exchange rates.

Highlights

- Recent wins secured from multi-national clients
- UK Employee Benefits expected to make good financial progress for the year
- 2018 Employee Benefits consultancy of the year (Pensions Age awards)



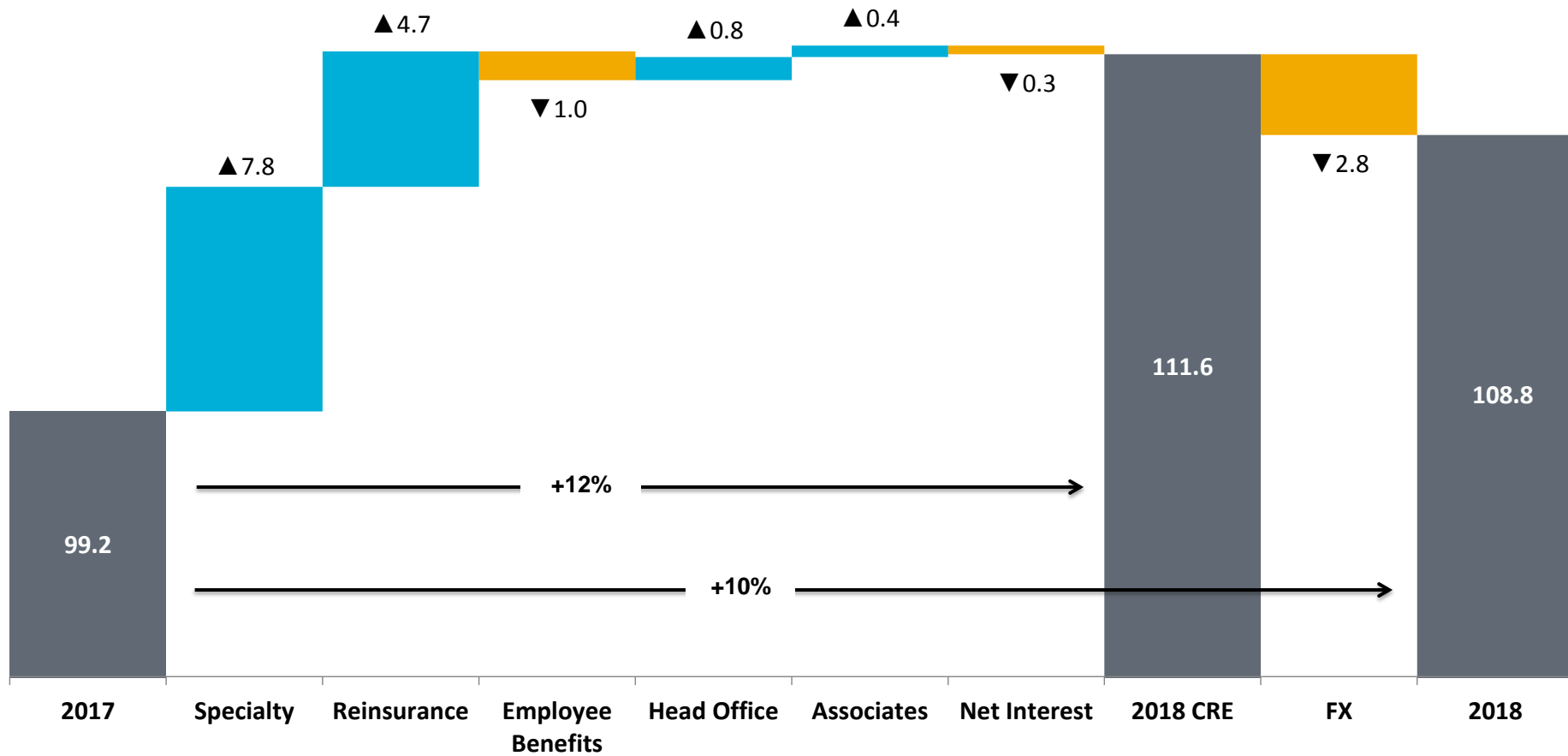


CHARLES ROZES
GROUP FINANCE DIRECTOR

2017-2018: UNDERLYING PBT



(£m)



2017 restated for IFRS 15.

CASH FLOW (OPERATIONAL BASIS)



6 MONTHS TO 30 JUNE*

£m	2018	2017	2016	2015	2014
EBITDA	145**	147	115	128	138
Net interest	(6)	(6)	(8)	(8)	(7)
Working capital	(82)	(82)	(68)	(54)	(98)
Annual capex	(24)	(32)	(17)	(34)	(32)
Operational free cash flow	33	27	22	32	1
Dividends paid	(48)	(45)	(42)	(39)	(37)
Tax paid	(21)	(17)	(18)	(16)	(18)
Net shares acquired	(19)	(15)	(8)	(17)	(15)
Other	(1)	(2)	(18)	(9)	(7)
Net cash inflow / (outflow) excl acq / disp	(56)	(52)	(64)	(49)	(76)
Acquisitions / disposals	(29)	(40)	(4)	67	(12)
Net cash (outflow) / inflow	(85)	(92)	(68)	18	(88)

*2017 restated for IFRS 15, prior years not restated.

**Includes £15m Global Transformation Programme cash charges.

NET DEBT AND LEVERAGE



6 MONTHS TO 30 JUNE

£m	2018	2017	2016	2015	2014
Opening net debt	(506)	(496)	(440)	(474)	(345)
Net cash (outflow) / inflow	(85)	(92)	(68)	18	(88)
Net debt excl. non-cash items	(591)	(588)	(508)	(456)	(433)
Other non-cash items	(2)	23	(36)	(8)	(3)
Closing net debt	(593)	(565)	(544)	(464)	(436)
Net debt / EBITDA ratio	2.2x	2.1x	2.3x	2.0x	1.8x
Net debt / EBITDA ratio (bank covenant basis)	1.9x	1.8x	2.0x	2.0x	2.0x

Note: 2017 EBITDA restated for IFRS 15, prior years not restated.

EXCEPTIONAL ITEMS



£m	2018	2017
Net exceptional items		
Global Transformation Programme	(17.0)	-
Acquisition and integration	(0.8)	(1.0)
Net litigation	(1.6)	-
Others	-	0.1
	(19.4)	(0.9)

GLOBAL TRANSFORMATION PROGRAMME

GENERATING SUSTAINABLE ANNUALISED SAVING OF £40M BY 2020



£m	Cost to achieve*	Incremental Benefit	Annualised Benefit
2018	33	16	16
2019	12	19	35
2020	-	5	40

*Treated as exceptional items.

Segment level benefit:

	Benefit in H1 2018 £m	Programme split by 2020 (approx.)
Specialty	3.7	55%
Reinsurance	1.7	20%
Employee Benefits	0.7	25%
Total	6.1	100%



DOMINIC BURKE
GROUP CEO

GLOBALY COORDINATED

INCREASING WORLDWIDE BUSINESS OPPORTUNITIES



- **Integrated global teams enhancing the Group's proven specialist expertise**
- **Six global Specialty practice leaders appointed, three are US based**
- **New structure attracting the best talent to broaden our global Specialty capabilities**
- **US Specialty on track, with M&A complementing organic revenue growth**
- **Increasing global collaboration across Specialty and Employee Benefits generating new business opportunities worldwide**

DEVELOPING TECHNOLOGY

ENHANCING OUR CLIENT PROPOSITION AND DELIVERY



Reinsurance

Progressing well towards operating globally on a single broking system enabling greater data capture and analytical capabilities

Employee Benefits

Globally working towards a single digital platform providing employees with integrated access to a full suite of benefits

Specialty

Adopting consistent processes on a single software platform deployed worldwide

Delivering and generating benefits for our clients and for the Group

We are trading with real momentum as we move into the second half and we expect to report continued strong organic revenue growth and further financial progress for the full year.



QUESTIONS

SUPPLEMENTARY SLIDES

FOR SIX MONTHS ENDED 30 JUNE 2018

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PROFIT & LOSS



£m	2018	2017*	Change
Revenue	713.5	691.8	21.7
Operating costs	(595.1)	(582.7)	(12.4)
Underlying trading profit	118.4	109.1	9.3
Underlying share of associates	2.5	2.1	0.4
Net finance costs	(12.1)	(12.0)	(0.1)
Underlying PBT	108.8	99.2	9.6
Exceptional items	(19.4)	(0.9)	(18.5)
PBT	89.4	98.3	(8.9)
Underlying tax expense	(29.5)	(29.3)	(0.2)
Tax on exceptional items	3.6	0.3	3.3
Underlying non-controlling interests	(4.3)	(2.4)	(1.9)
Non-controlling interest on exceptional items	0.3	0.3	-
PAT (after non-controlling interests)	59.5	67.2	(7.7)
Underlying PAT (after non-controlling interests)	75.0	67.5	7.5
Diluted EPS	27.5p	31.2p	(3.7p)
Underlying diluted EPS	34.7p	31.4p	3.3p
Interim dividend per share	12.7p	12.2p	0.5p

*2017 restated for IFRS 15, prior years not restated.

TOTAL REVENUE GROWTH COMPONENTS



%	Organic Growth	Acquisition Disposal Impact	Investment Income	CRE Growth	Currency Impact	Total Growth
Specialty	4%	3%	-	7%	(3%)	4%
Reinsurance	6%	-	-	6%	(2%)	4%
Employee Benefits	4%	-	-	4%	(4%)	-
Total	4%	2%	-	6%	(3%)	3%

ASSOCIATES



£m	2018	CRE	2017	Growth
Total underlying contribution to JLT after tax	2.5	2.5	2.1	24%

Principal Associate Holdings as at 30 June 2018

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

% = JLT equity interest

BALANCE SHEET



AS AT 30 JUNE

£m	2018	2017*	Change
Goodwill and intangibles	717	678	39
Fixed assets	67	66	1
Associates and investments	67	65	2
Net working capital and other	230	214	16
Derivatives after deferred tax	(26)	15	(41)
Net pension deficit after deferred tax	(150)	(147)	(3)
Other deferred net tax assets	29	(10)	39
Net debt	(593)	(565)	(28)
Net assets	341	316	25

**2017 restated for IFRS 15, prior years not restated.*

EBITDA CALCULATION



6 MONTHS TO JUNE 30

£m	2018	2017*
Underlying trading profit	118.4	109.1
Add-back:		
Amortisation of staff share options	15.1	13.0
Depreciation and other amortisation	25.0	24.2
Profit from associates	2.5	2.1
Other non-recurring items	(15.9)	(1.3)
EBITDA	145.1	147.1

**2017 restated for IFRS 15, prior years not restated.*

NET DEBT



AS AT 30 JUNE

£m	2018	2017*
Cash and investments:		
Cash and cash equivalents	1,043.4	965.8
Cash deposits:		
Current	138.4	124.1
Non-current	11.5	6.0
	1,193.3	1,095.9
Less: fiduciary cash (insurance payables)	(1,020.6)	(913.8)
Own funds	172.7	182.1
Borrowings:		
Committed borrowings	(742.6)	(729.8)
Uncommitted/other borrowings	(23.1)	(17.4)
	(765.7)	(747.2)
Net debt	(593.0)	(565.1)

*2017 restated for IFRS 15, prior years not restated.

CURRENCY IMPACT ON UNDERLYING PBT



6 MONTHS TO JUNE 30

£m	2018	2017*
A) Transactional impact:		
UK subsidiaries	0.9	1.5
Overseas subsidiaries	1.8	1.0
	2.7	2.5
B) Translational impact	(5.5)	6.4
Total exchange effect	(2.8)	8.9

*2017 restated for IFRS 15, prior years not restated.

Notes on USD Revenue

- In 2017 the Group earned some 350 million US dollars of revenues from operations which have a sterling cost base. The achieved blended rate for 2017 was 1.45.
- Based on current hedging levels in 2018, it would take a movement of around 10 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 £2.1 million in revenue, with an impact on trading profit equal to approximately 70% of that.
- At the 17th July 2018, some 91% of anticipated US dollar earnings for 2018 are hedged at an average rate of 1.38, for 2019 some 75% is hedged at an average of 1.34, for 2020 75% hedged at 1.35, for 2021 45% hedged at 1.43 and for 2022 10% hedged at 1.41.