

Aon to Acquire NFP as Independent, Connected Platform

NFP to operate independently under its existing brand

Aon to acquire NFP, a leading middle-market provider of risk, benefits, wealth and retirement plan advisory solutions

- Expands Aon's presence in large and fast-growing middle-market segment, with opportunity to enhance distribution through the firm's Aon Business Services platform to deliver more value to clients
- Brings together two cultures with a shared commitment to client excellence, colleague opportunity and a one-firm mindset
- NFP will operate as an independent but connected platform, going to market as "NFP, an Aon company"
- Purchase price estimated to be \$13.4B at the time of close, representing a ~15x multiple on seller-adjusted estimated EBITDA at closing
- Drives EPS accretion over the long-term and contributes to strong combined free cash flow profile from ongoing strong revenue growth

DUBLIN, 20 December 2023 – [Aon plc](#) (NYSE: AON), a leading global professional services firm, today announced the signing of a definitive agreement to acquire [NFP](#), a leading middle market property and casualty broker, benefits consultant, wealth manager and retirement plan advisor, from funds affiliated with NFP's main capital sponsor, Madison Dearborn Partners (MDP), and funds affiliated with HPS Investment Partners. Under the terms of the transaction, Aon will acquire NFP for a total consideration estimated to be \$13.4B at the time of close, which will be funded by \$7B of cash and \$6.4B of Aon stock.

The acquisition of NFP expands Aon's presence in the large and fast-growing middle-market segment, with capabilities across risk, benefits, wealth and retirement plan advisory. The firm's Aon United strategy, Aon Business Services operating platform and investments in advanced analytics have driven a long-term track record of results and the acquisition will enable the combined firms to efficiently deliver content and capabilities to the middle-market segment. Doug Hammond, chairman and CEO of NFP, will continue to lead the business as an independent but connected platform within Aon, reporting to Eric Andersen, president of Aon.

"We have continually evolved our leading capabilities to better serve our clients' growing needs amidst increasing volatility across the marketplace," said Greg Case, CEO of Aon. "The acquisition will advance our relevance to clients, create opportunities for our colleagues and further strengthen our shared cultural values. Doug and NFP have built an exceptional team, with a complementary one-firm mindset, and we expect to both learn from their entrepreneurial culture and share with them the depth and breadth of our capabilities to create more value for clients, colleagues and shareholders."

NFP is a leader in property and casualty brokerage, benefits consulting, wealth management and retirement plan consulting for middle-market clients with more than 7,700 colleagues. Through strong local relationships and a people-first approach focused on well-being, belonging and impact, NFP helps companies and individuals address their most significant risk, workforce, wealth management and retirement challenges. NFP, which was founded in 1999 and is privately held, sees Aon as an ideal partner for growth and serving the dynamic needs of clients.

“This is an exciting milestone in NFP’s evolution that reflects the tremendous quality of the business we’ve built and the exceptional people who drive our success,” said Hammond. “Aon is an industry leader in delivering Risk Capital and Human Capital capabilities and this acquisition is compelling for many reasons. Our clients will benefit from Aon’s global resources and distribution, while our people will have more opportunities to accelerate the growth of NFP. With aligned values and capabilities across different-sized market segments, we look forward to working with the Aon team to elevate performance and make the transaction successful for everyone involved.”

“NFP has one of the most high-performing leadership teams and cultures that I’ve come across in the marketplace in my 30-plus years in the business,” said Andersen. “NFP’s team shares our one-firm mindset and commitments to client excellence and growth, and I’m looking forward to working with Doug and all the colleagues at NFP when they join our firm as an Aon company.”

“NFP has exceeded our expectations in every way over the past decade and is well positioned for more growth and impact as part of Aon,” said Vahe A. Dombalagian, a member of the NFP board and managing director and financial services team co-head for MDP. “NFP’s diversified business, exceptional culture, and consultative approach to helping clients will be an outstanding addition to Aon. MDP is grateful to Scot French and HPS for their partnership as well as Doug, NFP’s management team and colleagues for the value they’ve created and we believe will create in the future as an Aon company.”

“NFP has done an outstanding job of scaling the platform while maintaining a steadfast focus on serving its clients,” said Scot French, a member of the NFP board and governing partner at HPS Investment Partners. “We believe NFP’s differentiated business model and commitment to clients will be highly complementary with Aon’s platform. We thank Doug and the NFP team, as well as Vahe and MDP, for the extraordinary partnership over the past seven years.”

Closing of the transaction is subject to customary conditions, including regulatory approvals, and is expected to occur in mid-2024. However, financial metrics are calculated conservatively based on a June 30, 2025, closing date. Aon and NFP will continue to operate independently until the closing date.

Shareholder Value Creation and Financial Terms

The transaction is expected to generate more than \$2.8 billion in value creation from the capitalized value of expected pre-tax synergies and capital structure, net of ~\$400 million in expected one-time transaction and integration costs. The transaction is expected to be dilutive to

adjusted EPS in 2025, breakeven in 2026, and accretive in 2027 and beyond, with positive impacts to free cash flow beginning in 2026.

The transaction is another step in Aon's ongoing Aon United strategy and follows the recently announced restructuring charge of ~\$900 million, which is expected to drive ~\$350 million in annual, run-rate savings by the end of 2026. Aon maintains an ongoing commitment to long-term financial goals of mid-single or greater organic revenue growth, adjusted operating margin expansion and double-digit free cash flow.

Conference Call, Presentation Slides and Webcast Details

The Company will host a conference call on Wednesday, December 20, 2023, at 7:30 a.m., central time. Interested parties can listen to the conference call via a live audio webcast and view the presentation slides at www.aon.com.

Advisors

UBS Investment Bank served as the exclusive financial advisor to Aon on the transaction. Citi served as a financial advisor and is advising Aon on the transaction financing. Cravath, Swaine & Moore LLP and McDermott Will & Emery LLP acted as external legal counsel to Aon. Evercore acted as lead financial advisor with support from BofA Securities, Inc., Deutsche Bank Securities Inc., Jefferies LLC and TD Securities to NFP, Skadden, Arps, Slate, Meagher & Flom LLP and Ropes & Gray LLP acted as external legal counsel to NFP, and Paul, Weiss, Rifkind, Wharton & Garrison LLP acted as external legal counsel to NFP's capital sponsors.