Arthur J. Gallagher & Co.

CFO Commentary

July 31, 2025

Arthur J. Gallagher & Co.
Forward-Looking Statements and Non-GAAP Measures

Information Concerning Forward-Looking Statements

This CFO Commentary contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this CFO Commentary, the words “anticipates,” “believes,” “contemplates,” “see,” “should,” “could,” “will,” “estimates,” “expects,” “intends,” “plans” and variations thereof and similar expressions, are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, anticipated future results or performance of any segment or Arthur J. Gallagher & Co. ("Gallagher") as a whole, including for our brokerage and risk management segments; 2025 estimates, as applicable, of the impact of foreign currency on EPS and revenues; integration costs; workforce and lease termination costs; EBITDAC Margin, as adjusted; amortization of intangibles; depreciation; change in estimated earnout payables; interest income, premium finance revenue and other income; acquisition rollover revenues, including estimated rollover revenues particularly of our acquisitions larger than our usual tuck-in acquisitions, such as our acquisition of BCHR Holdings, L.P. ("Buck"), Cadence Insurance, Inc. ("Cadence"), Eastern Insurance Group, LLC ("Eastern"), My Plan Manager Group Pty Ltd ("My Plan Manager"), Woodruff-Sawyer & Co. ("Woodruff Sawyer') and the pending acquisition of all the issued and outstanding stock of Dolphin TopCo, Inc., the holding company of AssuredPartners, Inc. ("AssuredPartners") for which we raised $8.5 billion of cash in our December 11, 2024 follow-on common stock offering and borrowed $5.0 billion of cash in our December 19, 2024 senior notes issuance (collectively, the "AssuredPartners Financing") to fund the transaction; the adjusted effective tax rate; earnings from continuing operations attributable to noncontrolling interests and the weighted average multiple paid for tuck-in acquisitions. These forward-looking statements may also include, for our corporate segment, 2025 estimates, as applicable, of the net earnings attributable to controlling interests impact of various items, including interest and banking costs, clean energy investments, acquisition costs, loss on extinguishment of debt, transaction-related costs, legal and income tax related expense, and corporate expenses. We also make forward-looking statements relating to our clean energy investments, including the low and high ranges of expenses, net of noncontrolling interests, and net after-tax cash flows from our clean energy investments, including the low and high ranges for 2025 and annual ranges for 2026 and beyond.

Actual results may differ materially from the estimates set forth herein, both as described in footnotes throughout this document as well as set forth generally below. Readers are cautioned against relying on any of the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. The forward-looking statements referred herein could be materially impacted by various risks and uncertainties including global economic and geopolitical events, including, among others, fluctuations in interest and inflation rates; geo-economic fragmentation and protectionism such as tariffs, trade wars or similar governmental actions affecting the flows of goods, services or currency; potential U.S. government shutdowns or gridlock; political violence and instability, such as the armed conflicts in Ukraine and the Middle East; our actual acquisition opportunities, including closing risks related to pending acquisitions, particularly those related to the acquisition of AssuredPartners, such as those related to the request for additional information as part of the Hart-Scott-Rodino filing; risks with respect to acquisitions larger than our usual tuck-in acquisitions, such as the acquisition of Buck, Cadence, Eastern, My Plan Manager, Woodruff Sawyer and the pending acquisition of AssuredPartners, including risks related to our ability to successfully integrate operations, the possibility that our assumptions may be inaccurate resulting in unforeseen obligations or liabilities and failure to realize the expected benefits of these acquisitions; damage to our reputation due to our failure to uphold our culture or negative perceptions or publicity, including as a result of amplifying effects that the Internet and social media may have on such perceptions; reputational issues related to our sustainability-related activities and inclusion and diversity initiatives, including potential backlash against such activities and initiatives, and compliance with increasingly complex sustainability-related regulations, such as risks related to “greenwashing” and “greenhushing”; cybersecurity-related risks; our ability to apply technology, data analytics and artificial intelligence effectively and potential increased costs resulting from such activities; risks associated with the use of artificial intelligence in our business operations, including regulatory, data privacy, cybersecurity, E&O, IP and competition risks; heightened competition for talent and increased compensation costs; disasters or other business interruptions, including with respect to our operations in India; risks related to our international operations, such as those related to regulatory, tax, sustainability, sanctions and anti-corruption compliance; changes to data privacy and protection laws and regulations; foreign exchange rates; changes in accounting standards; changes in premium rates and in insurance markets generally, including the impact of large natural events; tax, environmental or other compliance risks related to its legacy clean energy investments; its inability to receive dividends or other distributions from subsidiaries, and changes in the insurance brokerage industry’s competitive landscape. Statements regarding our net after-tax cash flows from our clean energy investments could be materially impacted by various risks and uncertainties, including uncertainties related to political, regulatory and taxation developments, such as the ongoing implementation of Pillar 2 around the world, and challenges by the IRS eliminating or reducing the availability of tax credits under IRC Section 45 retroactively; sustainability concerns of shareholders or other stakeholder groups; and environmental risks. The after-tax cash flows from our clean energy investments also depend upon us generating sufficient taxable income in the U.S., which could be materially affected by the factors described above for our other forward looking statements.

Please refer to Gallagher’s filings with the Securities and Exchange Commission, including Item 1A, “Risk Factors,” of its most recently filed Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, for a detailed discussion of these and other factors that could impact its forward-looking statements. Any forward-looking statement made by Gallagher in this presentation speaks only as of the date on which it is made. Except as required by applicable law, Gallagher does not undertake to update the information included herein.

Information Regarding Non-GAAP Measures

In this CFO Commentary, we have provided information regarding EBITDAC Margin, as adjusted (for the brokerage and risk management segments) and Adjusted Net Earnings Attributable to Controlling Interests (for the corporate segment) presented on a forward-looking and historical basis. EBITDAC Margin, as adjusted, is EBITDAC, as adjusted divided by Adjusted Revenue (EBITDAC, Revenue (for the brokerage segment), and Revenue before Reimbursements (for the risk management segment), respectively, adjusted to exclude the impact of net gains realized on divestitures and costs relating to exiting businesses, acquisition integration costs, workforce related charges, lease termination related charges, acquisition related adjustments, the period-over-period impact of foreign currency translation, and, for the corporate segment, transaction-related costs are related to certain of our larger acquisitions outside the scope of our usual tuck-in strategy (including the Willis Towers Watson plc ("WTW') treaty reinsurance brokerage operations, Buck, Cadence, Eastern, Woodruff Sawyer, which closed on April 10, 2025 and the pending acquisition of AssuredPartners), and legal and tax related adjustments, as defined on page 4, note 4). EBITDAC is net earnings before interest, income taxes, depreciation, amortization and the change in estimated acquisition earnout payables. Adjusted Net Earnings Attributable to Controlling Interests is net earnings attributable to controlling interests adjusted to exclude transaction-related costs, and legal and tax related adjustments, as defined on page 4, note 4. Management believes that both EBITDAC Margin, as adjusted and Adjusted Net Earnings Attributable to Controlling Interests are meaningful indicators of our operating performance. The adjustments made to each measure are intended to improve the comparability of our results between periods by eliminating the impact of items that have a high degree of variability.

We have not reconciled the forward-looking EBITDAC Margin, as adjusted, information to the most directly comparable GAAP measure because certain material items that impact this measure, including the timing and exact amount of highly variable elements of revenue (such as acquired revenue), gains from the sales of books of business and divestitures and acquisition related adjustments, have not yet occurred or are out of management’s control or cannot be reasonably predicted. Accordingly, a reconciliation of forward-looking EBITDAC Margin, as adjusted to the corresponding GAAP measure is not available without unreasonable effort. Please see pages 7 and 8 of this CFO Commentary for reconciliations of historical non-GAAP information to the closest GAAP information for our brokerage and risk management segments and please see page 4 of this CFO Commentary for reconciliations of historical non-GAAP information to the closest GAAP information for our corporate segment. The non-GAAP information provided in this CFO Commentary should be used in addition to, but not as a substitute for, GAAP information.

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All estimates, unless specifically stated otherwise, do not include the pending acquisition of AssuredPartners.

	ACTUAL		ESTIMATES ON JUNE 4, 2025		ESTIMATES ON JULY 31, 2025	
BROKERAGE SEGMENT	Q1 2025	Q2 2025	2025 Quarterly	Full Year 2025	2025 Quarterly	Full Year 2025
Foreign Currency Impact on Earnings Per Share *(shown as an adjustment to prior year numbers)*	($0.03)	$0.03	Q2: $0.02 Q3: ($0.01) Q4: $0.02	very little impact	Q3: ($0.01) Q4: $0.02	Approx. $0.01
Foreign Currency Impact on Revenues *(shown as an adjustment to prior year numbers)*	($17.8 million)	$30.4 million	Q2: $25 million Q3: $10 million Q4: $35 million	Approx. $52 million	Q3: very little impact Q4: $25 million	Approx. $38 million
Integration Costs Per Share	$0.13	$0.12	*nep*	*nep*	*nep*	*nep*
Workforce & Lease Termination Costs Per Share	$0.05	$0.11	*nep*	*nep*	*nep*	*nep*
EBITDAC Margin, as adjusted	43.4% (1)	36.4% (1)	Full year organic > 4%, possible to expand full year margin		Full year organic > 4%, possible to expand full year margin	
Amortization of intangibles	$163 million pretax (2)	$174 million pretax (3)	$180 million pretax (4)	$703 million pretax (2),(4)	$177 million pretax (4)	$691 million pretax (2),(3),(4)
Depreciation - Recurring	$33 million pretax	$38 million pretax (3)	$35 million pretax	$138 million pretax	$35 million pretax	$141 million pretax (3)
Change in Estimated Earnout Payable - Recurring	$13 million pretax	$11 million pretax	$11 million pretax	$46 million pretax	$10 million pretax	$44 million pretax
Rollover Revenues from Acquisitions			-------------------------------------- See table on page 6 --------------------------------------			
Adjusted Effective Tax Rate	25.6%	25.6%	---------------------- 24.5% to 26.5% ----------------------		---------------------- 24.5% to 26.5% ----------------------	
Earnings from continuing operations attributable to noncontrolling interests	$4.5 million	$0.4 million	Q2 to Q4 :$1 million	Approx. $8 million	Q3: $2 million Q4: $1 million	Approx. $8 million
RISK MANAGEMENT SEGMENT						
Foreign Currency Impact on Earnings Per Share *(shown as an adjustment to prior year numbers)*	$0.00	$0.00	very little impact	very little impact	very little impact	very little impact
Foreign Currency Impact on Revenues *(shown as an adjustment to prior year numbers)*	($1.5 million)	($0.6 million)	Q2: very little impact Q3: ($2 million) Q4: $3 million	Approx. ($1 million)	Q3: ($2 million) Q4: $2 million	Approx. ($2 million)
Workforce & Lease Termination Costs Per Share	$0.01	$0.01	*nep*	*nep*	*nep*	*nep*
EBITDAC Margin (before reimbursements), as adjusted	20.5%	21.0%	Approx. 20.5%	Approx. 20.5%	Approx. 20.5%	Approx. 20.5%
Amortization of intangibles	$6 million pretax	$7 million pretax	$7 million pretax	$27 million pretax	$7 million pretax	$27 million pretax
Depreciation - Recurring	$10 million pretax	$10 million pretax	$10 million pretax	$40 million pretax	$9 million pretax	$38 million pretax
Rollover Revenues from Acquisitions			-- See page 6 --			
Adjusted Effective Tax Rate	26.6%	26.7%	----------------------- 25% to 27% -----------------------		----------------------- 25% to 27% -----------------------	
OTHER						
Weighted Average Multiple of EBITDAC for Tuck-in Acquisition Pricing	11.5x	10.4x	----------------------- 10.0x to 11.0x -----------------------		----------------------- 10.0x to 11.0x -----------------------	

Notes

Yellow highlighted rows will be presented as adjustments to GAAP earnings.

All estimates related to foreign currency are based on July 30, 2025 exchange rates.

(1) First and second quarter 2025 adjusted EBITDAC margins include approximately $143 million and $144 million of interest income, respectively, earned on the proceeds received from the December 2024 AssuredPartners Financing.

(2) First quarter 2025 Brokerage Segment amortization expense of $163 million excludes approximately $41 million of expense related to the decision to exit a couple small, non-core operations.

(3) Second quarter 2025 Brokerage Segment amortization and depreciation expense reflects revised balance sheet allocations related to an external M&A valuation, which resulted in approximately a $5 million reduction to amortization expense and a $3 million increase to depreciation expense.

(4) As we complete more acquisitions, for every dollar we spend, increase amortization by about 1% of the purchase price per quarter. In addition, interest expense will increase if the acquisition was financed, in whole or part, with debt.

nep = no estimate provided

This communication is subject to, and you are urged to carefully read, the cautions set forth at the beginning of this communication.

All estimates, unless specifically stated otherwise, do not include the pending acquisition of AssuredPartners.

CORPORATE SEGMENT

	2024 RECONCILIATION OF REPORTED TO ADJUSTED			2025 RECONCILIATION OF REPORTED TO ADJUSTED			2025 ESTIMATES ON JUNE 4, 2025 (5)		2025 ESTIMATES ON JULY 31, 2025 (5)	
	Pretax Earnings (Loss)	Income Tax Benefit (Expense)	Net Earnings (Loss) Attributable to Controlling Interests	Pretax Earnings (Loss)	Income Tax Benefit (Expense)	Net Earnings (Loss) Attributable to Controlling Interests	Net Earnings (Loss) Attributable to Controlling Interests Range Low to High		Net Earnings (Loss) Attributable to Controlling Interests Range Low to High	
1st Quarter										
Interest and banking costs	$ (93.1)	$ 24.2	$ (68.9)	$ (159.5)	$ 41.5	$ (118.0)				
Clean-energy related (1)	(1.9)	0.5	(1.4)	(1.8)	0.5	(1.3)				
Acquisition costs	(4.7)	0.8	(3.9)	(26.4)	3.4	(23.0)				
Corporate (2)	(56.9)	51.9	(5.0)	(94.6)	88.6	(6.0)				
Reported 1st quarter	**(156.6)**	**77.4**	**(79.2)**	**(282.3)**	**134.0**	**(148.3)**				
Transaction-related costs (3)	3.2	(0.5)	2.7	23.1	(3.1)	20.0				
Total Adjustments	**3.2**	**(0.5)**	**2.7**	**23.1**	**(3.1)**	**20.0**				
Interest and banking costs	(93.1)	24.2	(68.9)	(159.5)	41.5	(118.0)				
Clean-energy related (1)	(1.9)	0.5	(1.4)	(1.8)	0.5	(1.3)				
Acquisition costs	(1.5)	0.3	(1.2)	(3.3)	0.3	(3.0)				
Corporate (2)	(56.9)	51.9	(5.0)	(94.6)	88.6	(6.0)				
Adjusted 1st quarter	**$ (153.4)**	**$ 76.9**	**$ (76.5)**	**$ (259.2)**	**$ 130.9**	**$ (128.3)**				
2nd Quarter										
Interest and banking costs	$ (95.0)	$ 24.7	$ (70.3)	$ (159.5)	$ 41.5	$ (118.0)	$ (121.0)	$ (116.0)		
Clean-energy related (1)	(2.2)	0.4	(1.8)	(1.8)	0.5	(1.3)	(2.0)	(1.5)		
Acquisition costs	(7.3)	1.2	(6.1)	(34.1)	5.5	(28.6)	(7.0)	(6.0)		
Corporate (2)	(41.6)	24.6	(17.0)	(75.6)	38.7	(36.9)	(30.0)	(26.0)		
Reported 2nd quarter	**(146.1)**	**50.9**	**(95.2)**	**(271.0)**	**86.2**	**(184.8)**	**(160.0)**	**(149.5)**		
Transaction-related costs (3)	2.8	(0.5)	2.3	29.0	(4.7)	24.3				
Total Adjustments	**2.8**	**(0.5)**	**2.3**	**29.0**	**(4.7)**	**24.3**				
Interest and banking costs	(95.0)	24.7	(70.3)	(159.5)	41.5	(118.0)	(121.0)	(116.0)		
Clean-energy related (1)	(2.2)	0.4	(1.8)	(1.8)	0.5	(1.3)	(2.0)	(1.5)		
Acquisition costs	(4.5)	0.7	(3.8)	(5.1)	0.8	(4.3)	(7.0)	(6.0)		
Corporate (2)	(41.6)	24.6	(17.0)	(75.6)	38.7	(36.9)	(30.0)	(26.0)		
Adjusted 2nd quarter	**$ (143.3)**	**$ 50.4**	**$ (92.9)**	**$ (242.0)**	**$ 81.5**	**$ (160.5)**	**$ (160.0)**	**$ (149.5)**		
3rd Quarter										
Interest and banking costs	$ (93.7)	$ 24.4	$ (69.3)				$ (125.0)	$ (120.0)	$ (125.0)	$ (120.0)
Clean-energy related (1)	(1.9)	0.5	(1.4)				(2.0)	(1.5)	(2.0)	(1.5)
Acquisition costs	(15.2)	2.6	(12.6)				(5.0)	(4.0)	(5.0)	(4.0)
Corporate (2)	(58.5)	28.3	(30.2)				(21.0)	(17.0)	(21.0)	(17.0)
Reported 3rd quarter	**(169.3)**	**55.8**	**(113.5)**				**(153.0)**	**(142.5)**	**(153.0)**	**(142.5)**
Transaction-related costs (3)	8.9	(2.3)	6.6							
Legal and tax related (4)	-	3.5	3.5							
Total Adjustments	**8.9**	**1.2**	**10.1**							
Interest and banking costs	(93.7)	24.4	(69.3)				(125.0)	(120.0)	(125.0)	(120.0)
Clean-energy related (1)	(1.9)	0.5	(1.4)				(2.0)	(1.5)	(2.0)	(1.5)
Acquisition costs	(6.3)	0.3	(6.0)				(5.0)	(4.0)	(5.0)	(4.0)
Corporate (2)	(58.5)	31.8	(26.7)				(21.0)	(17.0)	(21.0)	(17.0)
Adjusted 3rd quarter	**$ (160.4)**	**$ 57.0**	**$ (103.4)**				**$ (153.0)**	**$ (142.5)**	**$ (153.0)**	**$ (142.5)**
4th Quarter										
Interest and banking costs	$ (93.7)	$ 24.4	$ (69.3)				$ (125.0)	$ (120.0)	$ (125.0)	$ (120.0)
Clean-energy related (1)	0.3	(0.1)	0.2				(2.0)	(1.5)	(2.0)	(1.5)
Acquisition costs	(24.8)	5.1	(19.7)				(5.0)	(4.0)	(5.0)	(4.0)
Corporate (2)	(31.9)	18.8	(13.1)				(21.0)	(17.0)	(21.0)	(17.0)
Reported 4th quarter	**(150.1)**	**48.2**	**(101.9)**				**(153.0)**	**(142.5)**	**(153.0)**	**(142.5)**
Clean-energy related (1)	(2.3)	0.6	(1.7)							
Transaction-related costs (3)	17.3	(2.6)	14.7							
Total Adjustments	**15.0**	**(2.0)**	**13.0**							
Interest and banking costs	(93.7)	24.4	(69.3)				(125.0)	(120.0)	(125.0)	(120.0)
Clean-energy related (1)	(2.0)	0.5	(1.5)				(2.0)	(1.5)	(2.0)	(1.5)
Acquisition costs	(7.5)	2.5	(5.0)				(5.0)	(4.0)	(5.0)	(4.0)
Corporate (2)	(31.9)	18.8	(13.1)				(21.0)	(17.0)	(21.0)	(17.0)
Adjusted 4th quarter	**$ (135.1)**	**$ 46.2**	**$ (88.9)**				**$ (153.0)**	**$ (142.5)**	**$ (153.0)**	**$ (142.5)**
Full Year										
Interest and banking costs	$ (375.5)	$ 97.7	$ (277.8)				$ (489.0)	$ (474.0)	$ (486.0)	$ (476.0)
Clean-energy related (1)	(5.7)	1.3	(4.4)				(7.3)	(5.8)	(6.6)	(5.6)
Acquisition costs	(52.0)	9.7	(42.3)				(40.0)	(37.0)	(61.6)	(59.6)
Corporate (2)	(188.9)	123.6	(65.3)				(78.0)	(66.0)	(84.9)	(76.9)
Reported Full Year	**(622.1)**	**232.3**	**(389.8)**				**(614.3)**	**(582.8)**	**(639.1)**	**(618.1)**
Clean-energy related (1)	(2.3)	0.6	(1.7)							
Transaction-related costs (3)	32.2	(5.9)	26.3				20.0	20.0	44.3	44.3
Legal and tax related (4)	-	3.5	3.5							
Total Adjustments	**29.9**	**(1.8)**	**28.1**				**20.0**	**20.0**	**44.3**	**44.3**
Interest and banking costs	(375.5)	97.7	(277.8)				(489.0)	(474.0)	(486.0)	(476.0)
Clean-energy related (1)	(8.0)	1.9	(6.1)				(7.3)	(5.8)	(6.6)	(5.6)
Acquisition costs	(19.8)	3.8	(16.0)				(20.0)	(17.0)	(17.3)	(15.3)
Corporate (2)	(188.9)	127.1	(61.8)				(78.0)	(66.0)	(84.9)	(76.9)
Adjusted Full Year	**$ (592.2)**	**$ 230.5**	**$ (361.7)**				**$ (594.3)**	**$ (562.8)**	**$ (594.8)**	**$ (573.8)**

Notes:

(1) 2024 and 2025 consist of operating results related to Gallagher's investments in new clean energy projects and includes costs related to the resolution of various partnership matters related to our clean energy investments. Pretax earnings are presented net of amounts attributable to noncontrolling interests.

(2) Corporate pretax loss includes a net unrealized foreign exchange remeasurement loss of approximately $25.2 million. The quarterly impact related to unrealized foreign exchange remeasurement gains (loss) are listed below:

Unrealized FX		
Period	2024	2025
1Q	$ 0.6	$ (23.0)
2Q	(2.2)	(25.2)
3Q	(14.9)	
4Q	16.4	
Total	$ (0.1)	

(3) Gallagher incurred transaction-related costs, which include legal, consulting, employee compensation and other professional fees associated with completed, future and terminated acquisitions. Adjustments primarily relate to the acquisition of the WTW treaty reinsurance brokerage operations, the acquisitions of Buck, Cadence, and Eastern, all of which closed in 2023, Woodruff Sawyer, which closed on April 10, 2025, and the pending acquisition of AssuredPartners.

(4) Adjustments in third quarter 2024 include additional U.K. income tax expense related to the non-deductibility of acquisition-related adjustments made in the quarter and costs associated with legal and tax matters.

(5) Estimated 2025 interest and banking costs include the impact of the AssuredPartners Financing of approximately $48 million after-tax per quarter.

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Clean Energy Investments

The following provides certain information related to Gallagher's investments in limited liability companies that own or owned 35 clean coal production plants, which produced refined coal using proprietary technologies owned by Chem-Mod. We believe that the production and sale of refined coal at these plants qualified to receive refined coal tax credits under IRC Section 45 through 2019 for the fourteen 2009 Era Plants and through 2021 for the twenty-one 2011 Era Plants. The underlying operations of those investments where Gallagher has a controlling ownership interest are consolidated. Gallagher plans to utilize tax credit carryforwards that should favorably impact operating cash flows.

($ in millions)	Actual 2024	2025 Estimates	2026 & Beyond Estimates
Investments that own 2009 Era Plants - 2019 Sunset			
12 2009 Under long-term production contracts during 2019 and prior periods	Sunset in 2019	Sunset in 2019	Sunset in 2019
2 2009 Not in active negotiations for long-term production contracts during 2019	Sunset in 2019	Sunset in 2019	Sunset in 2019
Investments that own 2011 Era Plants - 2021 Sunset			
21 2011 Under long-term production contracts during 2021 and prior periods	Sunset in 2021	Sunset in 2021	Sunset in 2021
Total as adjusted after-tax earnings*	$ (6.1)	*minimal*	*minimal*
	Actual 2024	**Estimated Annual**	**Estimated Annual**
Net after-tax cash flow from clean energy investments**	$ 91.4	Greater than $180m	Greater than $200m
	June 30, 2025		
Tax credit carryforward balance at	$ 684.5		

* 2025 and 2026 & beyond estimates include the operating results of new clean energy investments.

** Future estimated net after-tax cash flows, including 2025, and 2026 & beyond are dependent upon the magnitude of U.S. taxable income generated in the future and may vary materially, higher or lower, from the estimates provided. Potential future changes in domestic and international tax policy have not been contemplated in these estimates.

All estimates set forth above regarding the potential future earnings and after-tax cash flow impact of our clean energy investments are subject to significant risks. Please refer to the cautionary statement on page 2 of this communication and Gallagher's filings with the SEC, including Item 1A, "Risk Factors" in its most recently filed Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10-Q for a more detailed discussion of these and other factors that could impact the information above.

All estimates, unless specifically stated otherwise, do not include the pending acquisition of AssuredPartners.

Interest Income, Premium Finance Revenues, and Other Income

The following table provides the components of brokerage segment interest income, premium finance revenue, and other income, as reported in our quarterly and full year GAAP financial statements.

Brokerage Segment (in millions)	Actual 1st Quarter 2024	Actual 2nd Quarter 2024	Actual 3rd Quarter 2024	Actual 4th Quarter 2024	Actual 1st Quarter 2025	Actual 2nd Quarter 2025	Estimates**** 3rd Quarter 2025	Estimates**** 4th Quarter 2025	Estimates**** Full Year 2025
Interest income from cash, cash equivalents, and fiduciary cash*	$ 62.7	$ 62.3	$ 74.5	$ 68.1	$ 66.1	$ 49.7	$ 50.0	$ 54.0	$ 219.8
Interest income related to AssuredPartners Financing**	-	-	-	20.0	142.6	144.2	144.0	-	*nep*
Net gains (losses) on divestitures	0.5	2.0	22.5	(0.8)	6.4	6.1	*nep*	*nep*	*nep*
Premium financing revenues & net earnings from equity interests***	21.5	24.1	28.0	35.0	23.3	23.5	$ 28.0	$ 30.0	$ 104.8
Interest income, premium finance revenues, and other income	$ 84.7	$ 88.4	$ 125.0	$ 122.3	$ 238.4	$ 223.5			

*Excludes interest income related to the AssuredPartners Financing.
**The table above assumes an October 1, 2025 close of the AssuredPartners acquisition solely for modeling purposes. We expect the acquisition to close in the third quarter of 2025 but cannot predict the timing with certainty. Please refer to the cautionary statement on page 2 of this communication and Gallagher's filings with the SEC, including Item 1A, "Risk Factors" in its most recently filed Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10Q for a more detailed discussion of factors that could impact closing timing and these estimates.
***Gross premium finance revenues have associated compensation and operating expenses reported in the expense section of our GAAP financial statements. These operations generate EBITDAC margins similar to our overall brokerage segment.
****Estimates for 2025 represent the mid-point of our forecasted range for interest income from cash, cash equivalents, and fiduciary cash and premium financing revenues & net earnings from equity interests assuming two 25 basis point rate cuts in 2025. Additionally, forecasted interest income, premium finance revenue and net earnings from equity interests is presented in U.S. dollars at foreign exchange rates as of July 30, 2025. Any future strengthening or weakening of the U.S. dollar will impact the amounts forecasted above.

Acquisition Rollover Revenues

Brokerage Segment (in millions)	Actual 1st Quarter 2024	Actual 2nd Quarter 2024	Actual 3rd Quarter 2024	Actual 4th Quarter 2024	Actual 1st Quarter 2025	Actual 2nd Quarter 2025	Estimates (1) 3rd Quarter 2025	Estimates (1) 4th Quarter 2025
2nd Quarter 2023 Acquisition Activity	98.7	4.4	NA	NA	NA	NA	NA	NA
3rd Quarter 2023 Acquisition Activity	16.7	16.4	9.2	NA	NA	NA	NA	NA
4th Quarter 2023 Acquisition Activity	95.0	91.3	92.6	35.5	NA	NA	NA	NA
1st Quarter 2024 Acquisition Activity	12.1	21.9	18.8	21.6	0.5	NA	NA	NA
2nd Quarter 2024 Acquisition Activity	NA	8.0	16.5	16.8	21.7	7.8	NA	NA
3rd Quarter 2024 Acquisition Activity	NA	NA	3.9	7.9	12.6	6.4	3.0	NA
4th Quarter 2024 Acquisition Activity	NA	NA	NA	34.3	49.0	46.7	48.0	17.0
1st Quarter 2025 Acquisition Activity	NA	NA	NA	NA	8.2	15.7	16.0	15.0
2nd Quarter 2025 Acquisition Activity	NA	NA	NA	NA	NA	56.3	68.0	74.0
3rd Quarter 2025 Acquisition Activity	NA	NA	NA	NA	NA	NA	2.0	2.0
Less: Divestitures	-	(13.2)	(30.3)	(17.4)	(11.5)	(9.6)	(5.0)	(3.0)
	$ 222.5	$ 128.8	$ 110.7	$ 98.7	$ 80.5	$ 123.3	$ 132.0	$ 105.0
Acquisition related adjustments (2)	26.0	-	-	-	-	-	*nep*	*nep*
Total - Acquisitions	$ 248.5	$ 128.8	$ 110.7	$ 98.7	$ 80.5	$ 123.3	$ 132.0	$ 105.0

	Estimates (3) 3rd Quarter 2025	Estimates (3) 4th Quarter 2025
AssuredPartners pro-forma monthly revenue	Approx. $230 to $250 million per month	

Risk Management Segment (1)

Within the Risk Management Segment, acquisition rollover revenue (before reimbursements) during the first and second quarter of 2025 was $10.3 million and $15.2 million, respectively. We expect approximately $12 million of rollover revenue (before reimbursements) per quarter during the third and fourth quarter 2025.

Notes

Yellow highlighted rows will be presented as adjustments to GAAP earnings.
(1) Values for 2025 represent forecasted revenue for acquisitions completed by July 30, 2025. No other future acquisitions, including AssuredPartners, are reflected in these forecasts. Actual revenues may be different than forecasted and could potentially vary materially. Also, forecasted acquisition rollover revenues are shown in U.S. dollars at foreign exchange rates as of July 30, 2025. Any future strengthening or weakening of the U.S. dollar will impact the amounts forecasted above.
(2) Acquisition related adjustments represent changes in balance sheet estimates arising primarily from conforming accounting principles, purchase-related true-ups, other balance sheet adjustments made after the closing date; the net impact of these on first quarter 2024 results was approximately $26 million of revenues and approximately $28 million of compensation expense, and have been removed from adjusted, Non-GAAP earnings.
(3) Values for 2025 AssuredPartners monthly pro-forma revenue reflects $2.9 billion of annual pro-forma revenue assuming no significant monthly seasonality.
nep = no estimate provided

ARTHUR J. GALLAGHER & CO. - CFO COMMENTARY - JULY 31, 2025

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Reported GAAP to Adjusted Non-GAAP Reconciliations (dollars in millions):

	Brokerage Segment	
Net Earnings to EBITDAC as Adjusted (Non-GAAP)	**1st Q 2025**	**2nd Q 2025**
Net earnings, as reported	$ 816.1	$ 508.4
Provision for income taxes	283.0	176.0
Depreciation	32.9	38.1
Amortization	203.6	174.3
Change in estimated acquisition earnout payables	15.4	(6.3)
EBITDAC	1,351.0	890.5
Net (gains) losses on divestitures	(6.4)	(6.1)
Acquisition integration	44.0	40.7
Workforce and lease termination related charges	17.9	37.8
Acquisition related adjustments	30.1	50.0
EBITDAC, as adjusted	$ 1,436.6	$ 1,012.9
Revenue to Adjusted Revenue (Non-GAAP)		
Revenues, as reported	$ 3,314.6	$ 2,785.6
Net (gains) losses on divestitures	(6.4)	(6.1)
Revenues, as adjusted	$ 3,308.2	$ 2,779.5
Reported & Adjusted Margins		
Net earnings margin, as reported	24.6%	18.3%
EBITDAC margin, as adjusted	43.4%	36.4%

	Risk Management Segment	
Net Earnings to EBITDAC as Adjusted (Non-GAAP)	**1st Q 2025**	**2nd Q 2025**
Net earnings, as reported	$ 41.1	$ 42.6
Provision for income taxes	14.8	15.4
Depreciation	9.5	9.9
Amortization	5.7	6.8
Change in estimated acquisition earnout payables	0.4	0.7
EBITDAC	71.5	75.4
Net (gains) losses on divestitures	(0.2)	(0.1)
Acquisition integration	1.6	1.5
Workforce and lease termination related charges	3.2	4.0
Acquisition related adjustments	0.4	1.3
EBITDAC, as adjusted	$ 76.5	$ 82.1
Revenue to Adjusted Revenue (Non-GAAP)		
Revenues (before reimbursements), as reported	$ 373.4	$ 391.9
Net (gains) losses on divestitures	(0.2)	(0.1)
Revenues (before reimbursements), as adjusted	$ 373.2	$ 391.8
Reported & Adjusted Margins		
Net earnings margin, as reported	11.0%	10.9%
EBITDAC margin, as adjusted	20.5%	21.0%

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Reported GAAP to Adjusted Non-GAAP Reconciliations (dollars in millions):

1st Q Ended March 31, 2025	Earnings (Loss) Before Income Taxes	Provision (Benefit) for Income Taxes	Net Earnings (Loss)	Tax Rate
Brokerage, as reported	**$ 1,099.1**	**$ 283.0**	**$ 816.1**	**25.7%**
Net (gains) losses on divestitures	(6.4)	(1.6)	(4.8)	
Acquisition integration	44.0	11.1	32.9	
Workforce and lease termination	17.9	4.5	13.4	
Acquisition related adjustments	32.9	8.3	24.6	
Amortization of intangible assets	203.6	51.4	152.2	
Brokerage, as adjusted	$ 1,391.1	$ 356.7	$ 1,034.4	25.6%
Risk Management, as reported	**$ 55.9**	**$ 14.8**	**$ 41.1**	**26.5%**
Net (gains) losses on divestitures	(0.2)	(0.1)	(0.1)	
Acquisition integration	1.6	0.5	1.1	
Workforce and lease termination	3.2	0.9	2.3	
Acquisition related adjustments	0.4	0.1	0.3	
Amortization of intangible assets	5.7	1.5	4.2	
Risk Management, as adjusted	$ 66.6	$ 17.7	$ 48.9	26.6%

2nd Q Ended June 30, 2025	Earnings (Loss) Before Income Taxes	Provision (Benefit) for Income Taxes	Net Earnings (Loss)	Tax Rate
Brokerage, as reported	**$ 684.4**	**$ 176.0**	**$ 508.4**	**25.7%**
Net (gains) losses on divestitures	(6.1)	(1.6)	(4.5)	
Acquisition integration	40.7	10.3	30.4	
Workforce and lease termination	37.8	9.7	28.1	
Acquisition related adjustments	33.2	8.4	24.8	
Amortization of intangible assets	174.3	44.4	129.9	
Brokerage, as adjusted	$ 964.3	$ 247.2	$ 717.1	25.6%
Risk Management, as reported	**$ 58.0**	**$ 15.4**	**$ 42.6**	**26.6%**
Net (gains) losses on divestitures	(0.1)	-	(0.1)	
Acquisition integration	1.5	0.4	1.1	
Workforce and lease termination	4.0	1.1	2.9	
Acquisition related adjustments	1.4	0.4	1.0	
Amortization of intangible assets	6.8	1.8	5.0	
Risk Management, as adjusted	$ 71.6	$ 19.1	$ 52.5	26.7%