December 21, 2023

Ryan Specialty Signs Definitive Agreement To Acquire Castel Underwriting Agencies

CHICAGO--(BUSINESS WIRE)-- Ryan Specialty (NYSE: RYAN), a leading international specialty insurance firm, is pleased to announce it has signed a definitive agreement to acquire Castel Underwriting Agencies Limited ("Castel"), a Managing General Underwriting (MGU) platform, from Arch Financial Holdings (UK) Limited and minority shareholders. Castel is headquartered in London, England with additional offices in the Netherlands and Belgium and was founded in 2014.

Castel consists of thirteen unique MGUs, each of which has expertise in a specific product niche. Together, the MGUs represent a distinctive and diverse portfolio of underwriting expertise including Transactional Liability, Renewable Energy, Construction, and Marine, among other specialty lines of business. The breadth of Castel's offerings and its geographic concentration in the UK and Europe add significant capabilities to Ryan Specialty's robust managing general underwriter portfolio.

Commenting on this acquisition, Patrick G. Ryan, Founder, Chairman & CEO of Ryan Specialty, said, "Castel is a first-class organization with a history of exceptional performance on all metrics, including underwriting profit and growth. Bringing Castel into Ryan Specialty expands our UK and European footprint in delegated authority, and the lines of business underwritten by these MGUs are both complementary and accretive to our firm. We are very much looking forward to further expanding with this very talented team."

Miles Wuller, President and CEO of Ryan Specialty Underwriting Managers, remarked, "Mark and the Castel team have built a remarkable business. Many of Castel's MGUs are recognized as market leaders in their distinctive niches, attracting support from some of the highest-quality capital in the industry. Furthermore, the Castel team has a proven approach to attracting top talent to support de novo MGU formation, which will be invaluable as we seek further international expansion. We are thrilled to welcome the Castel team to Ryan Specialty and are excited by the prospect of what we can achieve together."

Mark Birrell, CEO of Castel, added, "We have built Castel around attracting and retaining the industry's best underwriters, and providing those underwriters with tools and resources to reach extraordinary levels of performance. Ryan Specialty shares the same philosophy, and we could not be more excited to be joining forces with this great firm. I am confident that as part of Ryan Specialty we are positioning our MGUs for continued success and our underwriters to further accelerate their careers."

Hugh Sturgess, President and CEO of Arch Insurance International, said, "Under Mark's leadership, Castel has excelled in a competitive and dynamic market. Ryan Specialty is an ideal fit for Castel as they build into the future. We look forward to continuing our successful

relationship with Castel and Ryan Specialty."

In discussing Ryan Specialty's acquisition strategy, Patrick G. Ryan said, "Expanding our total addressable market both organically and inorganically remains a top priority for Ryan Specialty. In 2023, we added capabilities to each of our specialties and acquired companies with revenue in excess of $140 million, inclusive of Castel."

Castel generated approximately £35 million of operating revenue for the 12 months ended November 30, 2023.[1]

Terms of the transaction were not disclosed. The acquisition is expected to close during the first half of 2024, subject to regulatory approvals and customary closing conditions.

BofA Securities served as exclusive financial advisor to Arch.

About Ryan Specialty

Founded in 2010, Ryan Specialty is a service provider of specialty products and solutions for insurance brokers, agents and carriers. Ryan Specialty provides distribution, underwriting, product development, administration and risk management services by acting as a wholesale broker and a managing underwriter with delegated authority from insurance carriers. Ryan Specialty's mission is to provide industry-leading innovative specialty insurance solutions for insurance brokers, agents and carriers. ryanspecialty.com

[1] Revenue attributable to the acquired business for the trailing twelve-month period ending November 30, 2023. This figure has not been audited. Using current exchange rates, £35 million of operating revenue equates to $44 million in operating revenue.

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