



The Baldwin Group Announces Preliminary Third Quarter 2026 Results

October 27, 2026 at 9:00 AM EDT

— Third Quarter Total Revenue Growth of 31% to \$480.3 Million —

— Third Quarter Net Loss of \$81.6 Million; Adjusted EBITDA⁽¹⁾ Growth of 47% to \$106.9 Million —

— Third Quarter Net Loss Margin of 17%; Adjusted EBITDA Margin⁽¹⁾ of 22% —

— Third Quarter Net Cash Provided by Operating Activities of \$54.2 Million; Adjusted Free Cash Flow⁽²⁾ Increased 33% to \$55.6 Million —

TAMPA, Fla.--(BUSINESS WIRE)--Oct. 27, 2026-- The Baldwin Group, the brand name for The Baldwin Insurance Group, Inc. ("Baldwin" or the "Company") (NASDAQ: BWIN), an independent insurance distribution firm delivering tailored insurance solutions to a wide range of personal and commercial clients, today announced its preliminary results for the third quarter ended September 30, 2026.

THIRD QUARTER 2026 HIGHLIGHTS

- Total revenue of \$480.3 million, a 31% increase from \$365.4 million in the prior-year period
- Organic revenue growth⁽³⁾ of 6% year-over-year
- GAAP net loss of \$81.6 million and net loss margin of 17%
- Adjusted EBITDA grew 47% to \$106.9 million
- Adjusted EBITDA margin of 22.2%, a 240 basis point expansion compared to 19.8% in the prior-year period
- Net cash provided by operating activities of \$54.2 million
- Adjusted free cash flow increased 33% year-over-year to \$55.6 million

The financial results for the third quarter ended September 30, 2026 included in this release are preliminary, have not been reviewed or audited, are based on Baldwin's estimates, and were prepared prior to the completion of the Company's financial statement close process. Accordingly, there can be no assurance that actual results will not differ from the preliminary financial information presented herein, and any such differences could be material. Our actual results for the third quarter ended September 30, 2026 will be subsequently released and also filed in connection with the Company's Form 10-Q for the quarter ended September 30, 2026 within the requisite time prescribed by the SEC.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2026, cash and cash equivalents were \$188.6 million and the Company had \$289.1 million of borrowing capacity under its revolving credit facility. Total debt was \$2.465 billion as of September 30, 2026.

PROPOSED MERGER

On September 14, 2026, the Company entered into a definitive merger agreement ("Merger Agreement") pursuant to which an investor group led by Sequence Holdings and DFO Management, LLC has agreed to acquire the Company in an all-cash take-private transaction. Under the terms of the Merger Agreement, the Company's stockholders will receive \$32.50 per share in cash, subject to the terms and conditions of the Merger Agreement. The transaction is expected to close during the first quarter of 2027, subject to shareholder approval, regulatory approvals and other customary closing conditions. Upon completion of the transaction, the Company's common stock will cease trading on Nasdaq and the Company will become privately held.

ABOUT THE BALDWIN GROUP

The Baldwin Group, the brand name for The Baldwin Insurance Group, Inc. ("Baldwin") (NASDAQ: BWIN) and its affiliates, is an independent insurance distribution firm providing indispensable expertise and insights that strive to give our clients the confidence to pursue their purpose, passion and dreams. As a team of dedicated entrepreneurs and insurance professionals, we have come together to help protect the possible for our clients. We do this by delivering bespoke client solutions, services, and innovation through our comprehensive and tailored approach to risk management, insurance, and employee benefits. We support our clients, colleagues, insurance company partners, and communities through the deployment of vanguard resources and capital to drive our organic and inorganic growth. The Baldwin Group proudly represents more than three million clients across the United States and internationally. For more information, please visit www.baldwin.com.

FOOTNOTES

- (1) *Adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. Reconciliation of adjusted EBITDA and adjusted EBITDA margin to net loss, the most directly comparable GAAP financial measure, is set forth in the reconciliation table accompanying this release.*
- (2) *Adjusted free cash flow is a non-GAAP measure. Reconciliation of adjusted free cash flow to net cash provided by (used in) operating activities, the most directly comparable GAAP financial measure, is set forth in the reconciliation table accompanying this release.*
- (3) *Organic revenue for the three and nine months ended September 30, 2025 used to calculate organic revenue growth for the three and nine months ended September 30, 2026 was \$362.3 million and \$1.149 billion, respectively, which is adjusted to exclude commissions and fees from divestitures that occurred during 2025 and 2026. Organic revenue is also adjusted to exclude the first 12 months of commissions and fees generated from new partners during the three and nine months ended September 30, 2026. Organic revenue and organic revenue growth are non-GAAP measures. Reconciliation of organic revenue and organic revenue growth to commissions and fees, the most directly comparable GAAP financial measure, is set forth in the reconciliation table accompanying this release.*

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release may contain various “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, which represent Baldwin’s expectations or beliefs concerning future events. Forward-looking statements are statements other than historical facts and may include statements that address Baldwin’s future operating, financial or business performance or Baldwin’s strategies or expectations, including, but not limited to, the preliminary financial results for the quarter ended September 30, 2026 and the proposed go-private transaction contemplated by the Merger Agreement. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “outlook” or “continue,” or the negative of these terms or other comparable terminology. Forward-looking statements are based on management’s current expectations and beliefs and involve significant risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by these statements.

Factors that could cause actual results or performance to differ from the expectations expressed or implied in such forward-looking statements include, but are not limited to, those described under the caption “Risk Factors” in Baldwin’s Annual Report on Form 10-K for the year ended December 31, 2025 and in Baldwin’s other filings with the SEC, which are available free of charge on the SEC’s website at: www.sec.gov, including those risks and other factors relevant to Baldwin’s business, financial condition and results of operations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All forward-looking statements and all subsequent written and oral forward-looking statements attributable to Baldwin or to persons acting on Baldwin’s behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and Baldwin does not undertake any obligation to update them in light of new information, future developments or otherwise, except as may be required under applicable law.

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA, adjusted EBITDA margin, organic revenue, organic revenue growth and adjusted net cash provided by operating activities (“adjusted free cash flow”) are not measures of financial performance under GAAP and should not be considered substitutes for GAAP measures, including commissions and fees (for organic revenue and organic revenue growth), net income (loss) (for adjusted EBITDA and adjusted EBITDA margin) or net cash provided by (used in) operating activities (for adjusted free cash flow), which we consider to be the most directly comparable GAAP measures. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these non-GAAP financial measures in isolation or as substitutes for commissions and fees, net income (loss), net cash provided by (used in) operating activities or other consolidated income statement data prepared in accordance with GAAP. Other companies in our industry may define or calculate these non-GAAP financial measures differently than we do, and accordingly, these measures may not be comparable to similarly titled measures used by other companies.

We define adjusted EBITDA as net income (loss) before interest, taxes, depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related partnership and integration expenses, transformation costs, severance, and certain non-recurring items, including those related to raising capital. We believe that adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor’s understanding of our financial performance.

Adjusted EBITDA margin is adjusted EBITDA divided by total revenues. Adjusted EBITDA margin is a key metric used by management and our board of directors to assess our financial performance. We believe that adjusted EBITDA margin is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor’s understanding of our financial performance. We believe that adjusted EBITDA margin is helpful in measuring profitability of operations on a consolidated level.

Adjusted EBITDA and adjusted EBITDA margin have important limitations as analytical tools. For example, adjusted EBITDA and adjusted EBITDA margin:

- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, our working capital needs;
- do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations;
- do not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- do not reflect share-based compensation expense and other non-cash charges; and
- exclude certain tax payments that may represent a reduction in cash available to us.

We calculate organic revenue based on commissions and fees for the relevant period by excluding (i) the first 12 months of commissions and fees generated from new partners and (ii) commissions and fees from divestitures. Organic revenue growth is the change in organic revenue period-to-period, with prior period results adjusted to (i) include commissions and fees that were excluded from organic revenue in the prior period because the relevant partners had not yet reached the 12-month owned mark, but which have reached the 12-month owned mark in the current period, and (ii) exclude commissions and fees related to divestitures from organic revenue. For example, commissions and fees from a partner acquired on June 1, 2025 are excluded from organic revenue for 2025. However, after June 1, 2026, results from June 1, 2025 to December 31, 2025 for such partners are compared to results from June 1, 2026 to December 31, 2026 for purposes of calculating organic revenue growth in 2026. Organic revenue growth is a key metric used by management and our board of directors to assess our financial performance. We believe that organic revenue and organic revenue growth are appropriate measures of operating performance as they allow investors to measure, analyze and compare growth in a meaningful and consistent manner.

We calculate adjusted free cash flow because we incur substantial earnout liabilities in conjunction with our partnership strategy. Adjusted free cash flow is calculated as net cash provided by (used in) operating activities excluding the impact of: (i) the payment of contingent earnout consideration in excess of purchase price accrual, and (ii) the payment of colleague earnout incentives. We believe that adjusted free cash flow is an important measure of our ability to generate cash from our business operations.

Adjusted EBITDA and Adjusted EBITDA Margin

The following table reconciles adjusted EBITDA and adjusted EBITDA margin to net loss, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues	\$ 480,264	\$ 365,389	\$ 1,505,438	\$ 1,157,605
Net loss	\$ (81,642)	\$ (30,237)	\$ (139,519)	\$ (10,480)
Adjustments to net loss:				
Amortization expense	56,420	30,394	167,494	82,286
Interest expense, net ⁽¹⁾	43,638	31,971	128,985	93,267
Share-based compensation	21,549	22,017	55,068	51,772
Change in fair value of contingent consideration	17,598	1,980	31,870	8,084
Transaction-related partnership and integration expenses	8,708	2,376	31,576	7,894
Go-Private costs	21,003	—	21,003	—
Transaction closing costs	—	—	17,668	—
Income and other taxes ⁽²⁾	(1,158)	470	(14,222)	3,289
Transformation costs ⁽³⁾	2,921	3,638	12,421	4,410
Loss (gain) on extinguishment and modification of debt	(151)	3,290	7,387	5,684
Depreciation expense	2,450	1,649	7,254	4,874
Severance	1,524	1,620	7,213	4,445
Gain on divestitures	(921)	—	(921)	(290)
Impairment of right-of-use assets	546	66	546	1,254

Colleague earnout incentives	—	—	—	(1,779)
Other ⁽⁴⁾	14,372	3,286	27,022	17,117
Adjusted EBITDA	<u>\$ 106,857</u>	<u>\$ 72,520</u>	<u>\$ 360,845</u>	<u>\$ 271,827</u>
Net loss margin	(17)%	(8)%	(9)%	(1)%
Adjusted EBITDA margin	22.2%	19.8%	24.0%	23.5%

(1) Interest expense, net does not include interest income on surplus notes.

(2) Income and other taxes include income tax expense/benefit, Tax Receivable Agreement expense and other operating tax expense, such as state taxes, under GAAP.

(3) Transformation costs represent certain non-recurring colleague compensation and technology-related expenses related to our \$3B/30 Catalyst Program, which is designed to accelerate the infusion of automation, business process optimization and artificial intelligence to transform and elevate our workforce and unlock new avenues for growth.

(4) Other addbacks to adjusted EBITDA include certain income and expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses.

Organic Revenue and Organic Revenue Growth

The following table reconciles organic revenue and organic revenue growth to commissions and fees, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Commissions and fees	\$ 475,525	\$ 362,317	\$ 1,493,175	\$ 1,149,097
Partnership commissions and fees ⁽¹⁾	(91,690)	(12,222)	(309,930)	(14,202)
Organic revenue	<u>\$ 383,835</u>	<u>\$ 350,095</u>	<u>\$ 1,183,245</u>	<u>\$ 1,134,895</u>
Organic revenue growth ⁽²⁾	\$ 21,519	\$ 15,177	\$ 34,149	\$ 91,369
Organic revenue growth % ⁽²⁾	6%	5%	3%	9%

(1) Includes the first 12 months of such commissions and fees generated from newly acquired partners.

(2) Organic revenue for the three and nine months ended September 30, 2025 used to calculate organic revenue growth for the three and nine months ended September 30, 2026 was \$362.3 million and \$1.149 billion, respectively, which is adjusted to exclude commissions and fees from divestitures that occurred during 2025 and 2026.

Adjusted Net Cash Provided by Operating Activities ("Adjusted Free Cash Flow")

The following table reconciles adjusted free cash flow to net cash provided by (used in) operating activities, which we consider to be the most directly comparable GAAP financial measure:

(in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Net cash provided by (used in) operating activities	\$ 54,194	\$ 41,017	\$ 93,680	\$ (39,687)
Adjustments to net cash provided by (used in) operating activities:				
Payment of contingent earnout consideration in excess of purchase price accrual	1,359	—	8,098	85,090
Payment of colleague earnout incentives	—	793	—	30,854
Adjusted free cash flow	<u>\$ 55,553</u>	<u>\$ 41,810</u>	<u>\$ 101,778</u>	<u>\$ 76,257</u>

COMMONLY USED DEFINED TERMS

The following terms have the following meanings throughout this press release unless the context indicates or requires otherwise:

clients	Our insureds
colleagues	Our employees
GAAP	Accounting principles generally accepted in the United States of America
insurance company partners	Insurance companies with which we have a contractual relationship

partners
partnerships
SEC

Companies that we have acquired, or in the case of asset acquisitions, the producers
Strategic acquisitions made by the Company
U.S. Securities and Exchange Commission

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