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The podium

IMAS chooses the brokers it believes deserve special recognition for their performance

KEY CRITERIA

We have kept our key criteria as consistent as possible with prior years but need to recognise the new entrants.

Growth

This is clearly a key factor. It is, however, not purely a drag race but one where overall increases in shareholder value are reflected so that we focus on organic and sustainable acquisition-led growth.

Peer performance

Where a sector has turned in excellent results, we have to look at the impact of a potential cycle and discount this influence, as is regularly seen in the stock markets. It is individual excellent performance against peers that counts.

Margin

Sustainable margin is just as important as sustainable growth. Recovery to acceptable levels of profit following a poor year, while commendable, is unlikely to win an award.

Past success

We are unlikely to pick the same company as a winner two years in a row. What we are looking for is the company that has significantly added to shareholder value in the current year.

Top three performers by year

	First	Second	Third
2011	JLT	Brightside	Oamps
2010	RK Harrison	Abbey Protection	Cooper Gay
2009	Kwik-Fit	Windsor	JLT
2008	Aon	Swinton	Windsor
2007	BGL	RK Harrison	Towergate
2006	Jelf	Towergate*	AA*

* Equal second

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IMAS's winners

We've highlighted the best-performing brokers from this year's Top 50 for special consideration. Whether it's top-line growth or improvements in profitability, it's not just size that counts when it comes to making an impact. Take a bow JLT, Brightside and Oamps.

1st JLT Group

Turnover £608m EBITDA £122m

Third in 2009, Jardine Lloyd Thompson is a worthy winner. Growth of 17% in a tough year is a great achievement. To achieve this, JLT has combined strong organic growth with selected acquisitions. It has focused on what it can do well but is no one-trick pony. The broker has long been building up its employee benefits operation, successfully fostered Thistle and has invested selectively on the internet.

Twenty years ago there were numerous UK quoted brokers, now JLT is the only one of size left. Its strong performance has resulted in the share price (at the time of going to press) increasing by nearly 50% over the past two years.

2nd Brightside

Turnover £66m EBITDA £10m

With a 48% leap in turnover achieved through organic growth and acquisition, Brightside presented a strong claim to be on the podium this year. Very much an e-trading business, it is real evidence of the growing penetration of the commercial sector for this medium.

Margins remain low at 15% but this reflects the current cost structures of the sector the firm is in and the rate at which it has grown. Stability of income and improvement in the margin could take it higher.

3rd Oamps

Turnover £17m EBITDA £5.5m

Being at the bottom of a league (table) is always tough: you're in, then somebody merges and you drop out again.

Oamps, owned by Australian Wesfarmers, was ranked at number 50 in 2009 but in 2010 got squeezed out by an outstanding performance by Berry Palmer & Lyle.

But you can't keep a good man down and Oamps, back again at number 50, has come third in our rankings by growing its turnover by 25% and still posting 31% margins.

In March 2008 its turnover was £7.9m, so clearly it has come a long way.

The rest of the best

We believe seven other firms have turned in outstanding results. We've not sought to rank them, but have listed them from largest to smallest in turnover, highlighting what sets each one apart.

Aon

Growing a business is much more fun than making it work harder, but Aon's hard work shows through. Although its turnover has fallen 5%, it has doubled its EBITDA to £125m. With an EBITDA margin of 20%, it is now on a par with this year's winner and ahead of its other two main rivals. Aon's sponsorship of Manchester United is a statement of its intent to be a major player at all levels of the UK market.

Towergate

When the party stops, those who've been having the best time can also end up with the biggest headache. At the beginning of 2011 Towergate lost its chief executive designate – right in the middle of a refinancing to stabilise its balance sheet. Despite this setback, it acquired investment from private equity firm Advent, got its bond issue away and has rebuilt the top management team. The company only managed to grow 2% but has taken its medicine and is now well on the way to becoming a conventional company rather than hogging the punch bowl.

Arthur J Gallagher

It would be nice to see this firm on the podium in 12 months' time. What a year it's been for the team, buying the broking business of FirstCity (but not its legacies) and then becoming the one that finally hitched up with Heath Lambert. We'll be looking to see whether the dramatic increase in size – Arthur J Gallagher has leapt up the table from number 19 to nine this year – is accompanied by a strong bottom line. If so, it will be looking to win in 2012.

> It would be nice to see Gallagher on the podium next year

Hyperion

Always in the top 10, never in the top three. If the Top 50 were based on three years' performance, Hyperion would probably be on the podium. Consistently a top performer, this year we have seen strong growth of 21% and a sharp rise in margins, no doubt in some part due to the presence of private equity backer 3i. This is a tremendous story of what can be achieved through focus, hard work and an underwriting agency that delivers excellent profits.

Hastings

A 40% growth in turnover, a dramatic increase in margins – how does chairman Neil Utley do it? Always at the right place at the right time, last year he took a 25% stake in stockbroker Peel Hunt – small cap stockbrokers are going through a torrid time at the moment. It will be interesting to see if Utley's Midas touch extends beyond the insurance industry.

Towers Watson Reinsurance

Not a name to set a traditionalist's heart pumping, but what was once Denis Clayton has been doing pretty well. Growth of 28% and increased profitability has resulted in a very healthy 29% margin. As is the case with any firm owned by a much larger company, it is often not clear why the improvement has come about – one has to assume it's been achieved by good local management.

Abbey Protection

Abbey's turnover only grew 6%, yet its EBITDA soared by 27%. That's not hard if your margins are low, but this has been achieved by taking margins from 50% to 60%. But there's only so much you can squeeze out of an orange. It also makes it tempting for somebody else to gatecrash the party.