UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to

Commission File Number: 001-40645

RYAN SPECIALTY HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**86-2526344**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
Two Prudential Plaza 180 N. Stetson Avenue, Suite 4600 Chicago, IL	**60601**
(Address of principal executive offices)	**(Zip Code)**

(312) 784-6001
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Class A Common Stock, $0.001 par value per share	**RYAN**	**The New York Stock Exchange (NYSE)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On May 1, 2023, the Registrant had 259,780,770 shares of common stock outstanding, consisting of 113,542,115 shares of Class A common stock, $0.001 par value, and 146,238,655 shares of Class B common stock, $0.001 par value.

Ryan Specialty Holdings, Inc.

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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. All statements, other than statements of historical fact included in this Quarterly Report on Form 10-Q, are forward-looking statements. Forward-looking statements give our current expectations relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated costs, expenditures, cash flows, growth rates and financial results, our plans, anticipated amount and timing of cost savings relating to the ACCELERATE 2025 program, and objectives for future operations, growth or initiatives, strategies or the expected outcome or impact of pending or threatened litigation, are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- our failure to successfully execute our succession plan for Patrick G. Ryan or other members of our senior management team or to recruit and retain revenue producers;
- the impact of breaches in security that cause significant system or network disruption or business interruption;
- the impact of improper disclosure of confidential, personal or proprietary data, misuse of information by employees or counterparties, or as a result of cyberattacks;
- the potential loss of our relationships with insurance carriers or our clients, failure to maintain good relationships with insurance carriers or clients, becoming dependent upon a limited number of insurance carriers or clients, or the failure to develop new insurance carrier and client relationships;
- errors in, or ineffectiveness of, our underwriting models and the risks presented to our reputation and relationships with insurance carriers, retail brokers, and agents;
- failure to maintain, protect, and enhance our brand or prevent damage to our reputation;
- failure to achieve the intended results of our restructuring program, ACCELERATE 2025;
- any failure to maintain the valuable aspects of our Company’s culture;
- our inability to successfully recover upon experiencing a disaster or other business continuity problem;
- the impact of third parties that perform key functions of our business operations acting in ways that harm our business;
- the cyclicality of, and the economic conditions in, the markets in which we operate and conditions that result in reduced insurer capacity or a migration of business away from the E&S market and into the Admitted market;
- a reduction in insurer capacity;
- significant competitive pressures in each of our businesses;
- decreases in premiums or commission rates set by insurers, or actions by insurers seeking repayment of commissions;
- decrease in the amount of supplemental or contingent commissions we receive;
- our inability to collect our receivables;
- disintermediation within the insurance industry and shifts away from traditional insurance markets;
- changes in the mode of compensation in the insurance industry;
- impairment of goodwill and intangibles;
- the impact on our operations and financial condition from the effects of a pandemic or the outbreak of a contagious disease and resulting governmental and societal responses;
- the inability to maintain rapid growth and generate sufficient revenue to maintain profitability;
- the loss of clients or business as a result of consolidation within the retail insurance brokerage industry;
- the impact if our MGA or MGU programs are terminated or changed;
- unsatisfactory evaluation of potential acquisitions and the integration of acquired businesses as well as introduction of new products, lines of business, and markets;

- significant investment in our growth strategy and whether expectation of internal efficiencies are realized;
- our ability to gain internal efficiencies through the application of technology or effectively apply technology in driving value for our clients or the failure of technology and automated systems to function or perform as expected;
- the unavailability or inaccuracy of our clients' and third parties' data for pricing and underwriting insurance policies;
- the competitiveness and cyclicality of the reinsurance industry;
- the occurrence of natural or man-made disasters;
- the economic and political conditions of the countries and regions in which we operate;
- the failure or take-over by the FDIC of one of the financial institutions that we use;
- our inability to respond quickly to operational or financial problems or promote the desired level of cooperation and interaction among our offices;
- the impact of infringement, misappropriation, or dilution of our intellectual property;
- the impact of the failure to protect our intellectual property rights, or allegations that we have infringed on the intellectual property rights of others;
- our international operations expose us to various international risks, including exchange rate fluctuations and risks resulting from geopolitical tensions;
- the impact of governmental regulations, legal proceedings, and governmental inquiries related to our business;
- being subject to E&O claims as well as other contingencies and legal proceedings;
- our handling of client funds and surplus lines taxes that exposes us to complex fiduciary regulations;
- changes in tax laws or regulations;
- decreased commission revenues due to proposed tort reform legislation;
- the impact of regulations affecting insurance carriers;
- our outstanding debt potentially adversely affecting our financial flexibility and subjecting us to restrictions and limitations that could significantly affect our ability to operate;
- not being able to generate sufficient cash flow to service all of our indebtedness and being forced to take other actions to satisfy our obligations under such indebtedness;
- being affected by further changes in the U.S. based credit markets;
- changes in our credit ratings;
- risks related to the payments required by our Tax Receivable Agreement;
- risks relating to our organizational structure that could result in conflicts of interest between the LLC Unitholders and the holders of our Class A common stock; and
- other factors disclosed in the section entitled "*Risk Factors*" in our Annual Report on Form 10-K and this Quarterly Report on Form 10-Q.

We derive many of our forward-looking statements from our operating budgets and forecasts that are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q and under the Section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our filings with the SEC and other public communications. You should evaluate all forward-looking statements made in this Quarterly Report on Form 10-Q in the context of these risks and uncertainties.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Commonly Used Defined Terms

As used in this Quarterly Report on Form 10-Q, unless the context indicates or otherwise requires, the following terms have the following meanings:

•"*we*," "*us*," "*our*," the "*Company*," "*Ryan Specialty,*" and similar references refer: (i) Following the consummation of the Organizational Transactions, including our IPO, to Ryan Specialty Holdings, Inc., and, unless otherwise stated, all of its subsidiaries, including the LLC, and (ii) prior to the completion of the Organizational Transactions, including our IPO, to the LLC and, unless otherwise stated, all of its subsidiaries.

•"*Adjusted Term SOFR*": Interest rate per annum based on the Secured Overnight Financing Rate ("SOFR") plus a Credit Spread Adjustment of 10 basis points, 15 basis points, or 25 basis points for the one-month, three-month, or six-month borrowing periods, respectively, subject to a 75 basis point floor.

•"*Admitted*": The insurance market comprising insurance carriers licensed to write business on an "admitted" basis by the insurance commissioner of the state in which the risk is located. Insurance rates and forms in this market are highly regulated by each state and coverages are largely uniform.

•"*All Risks*" or "*ARL*": All Risks Specialty, LLC (f/k/a All Risk, Ltd.), an insurance specialist providing services in wholesale brokerage and delegated underwriting authority.

•"*All Risks Acquisition*": In September 2020, Ryan Specialty acquired All Risks.

•"*Binding Authority*": Our Binding Authority receives submissions for insurance directly from retail brokers, evaluates price and makes underwriting decisions regarding these submissions based on narrowly prescribed guidelines provided by carriers, and binds and issues policies on behalf of insurance carriers who retain the insurance underwriting risk.

•"*Board*" or "*Board of Directors*": The board of directors of Ryan Specialty.

•"*Class C Incentive Units*": Class C common incentive units, initially of the LLC on and prior to September 30, 2021 and then subsequently of New LLC, that are subject to vesting and will be exchangeable into LLC Common Units.

•"*Credit Agreement*": The credit agreement, as amended, dated September 1, 2020, among Ryan Specialty, LLC and JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders party thereto.

•"Credit Facility": The Term Loan and the Revolving Credit Facility.

•"*E&O"*: Errors and omissions.

•"*E&S"*: Excess and surplus lines. In this insurance market, carriers are licensed on a "non-admitted" basis. The excess and surplus lines market often offers carriers more flexibility in terms, conditions, and rates than does the Admitted market.

•"*Family Group*": (i) In the case of a member of the LLC or a LLC Employee who is an individual, such individual's spouse, parents and descendants (whether natural or adopted) and any trust or estate planning vehicle or entity solely for the benefit of such individual and/or the individual's spouse, parents, descendants and/or other relatives, and (ii) in the case of a member of the LLC or a LLC Employee that is a trust, the beneficiary of such trust.

•"*Founder*": Patrick G. Ryan.

•"*Founder Group*": Founder, members of the Founder's Family Group, and Founder's affiliates.

•“*IPO*”: Initial public offering.

•“*LLC*”: Ryan Specialty, LLC, together with its parent New LLC, and their subsidiaries.

•“*LLC Common Units*”: Non-voting common interest units initially of the LLC on and prior to September 30, 2021 and then subsequently of New LLC.

•“*LLC Operating Agreement*”: The Seventh Amended and Restated Limited Liability Company Agreement of the LLC.

•“*LLC Units*”: Class A common units and Class B common units of the LLC prior to the Organizational Transactions.

•“*LLC Unitholders*”: Holders of the LLC Units or the LLC Common Units, as the context requires.

•“*MGA*”: Managing general agent.

•“*MGU*”: Managing general underwriter.

•“*New LLC*”: New Ryan Specialty, LLC is a Delaware limited liability company and a direct subsidiary of Ryan Specialty Holdings, Inc.

•“*New LLC Operating Agreement*”: The Amended and Restated Limited Liability Company Agreement of New LLC.

•“*Onex*”: Onex Corporation and its affiliates, a holder of LLC Units and Redeemable Preferred Units prior to the Organizational Transactions, and one of our shareholders following the Organizational Transactions.

•“*Organizational Transactions*”: The series of organizational transactions completed by the Company in connection with the IPO, as described in the Form 10-K filed with the SEC on March 16, 2022.

•“*Revolving Credit Facility*”: The $600 million senior secured revolving credit facility under our Credit Agreement.

•“*SEC*”: The Securities and Exchange Commission.

•“*Senior Secured Notes*”: The 4.375% senior secured notes due 2030 issued on February 3, 2022.

•“*Specialty*”: One of the three Ryan Specialty primary distribution channels, which includes Wholesale Brokerage, Binding Authority, and Underwriting Management.

•“*Stock Option*”: A non-qualified stock option award that gives the grantee the option to buy a specified number of shares of Class A common stock at the grant date price.

•“*Tax Receivable Agreement*” or “*TRA*”: The tax receivable agreement entered into in connection with the IPO.

•“*Term Loan*”: The senior secured Term Loan B for $1.65 billion in principal amount under our Credit Agreement.

•“*U.S. GAAP*”: Accounting principles generally accepted in the United States of America.

•“*Underwriting Management*”: Our Underwriting Management Specialty administers a number of MGUs, MGAs, and programs that offer commercial and personal insurance for specific product lines or industry classes. Underwriters act with delegated underwriting authority based on varying degrees of prescribed guidelines as provided by carriers, quoting, binding and issuing policies on behalf of Ryan Specialty’s carrier trading partners which retain the insurance underwriting risk.

•“*Wholesale Brokerage*”: Our Wholesale Brokerage Specialty distributes a wide range and diversified mix of specialty property, casualty, professional lines, personal lines and workers’ compensation insurance products, as a broker between the carriers and retail brokerage firms.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Ryan Specialty Holdings, Inc.
Consolidated Statements of Income (Unaudited)
(In thousands, except share and per share data)

	Three Months Ended March 31, 2023	2022
REVENUE		
Net commissions and fees	$ 447,513	$ 386,681
Fiduciary investment income	10,086	209
Total revenue	**$ 457,599**	**$ 386,890**
EXPENSES		
Compensation and benefits	307,722	274,274
General and administrative	51,699	42,361
Amortization	25,185	26,663
Depreciation	2,192	1,211
Change in contingent consideration	714	(1,008)
Total operating expenses	**$ 387,512**	**$ 343,501**
OPERATING INCOME	**$ 70,087**	**$ 43,389**
Interest expense, net	29,468	21,752
Loss (income) from equity method investment in related party	(1,995)	543
Other non-operating loss (income)	(138)	7,521
INCOME BEFORE INCOME TAXES	**$ 42,752**	**$ 13,573**
Income tax expense (benefit)	6,295	(4,503)
NET INCOME	**$ 36,457**	**$ 18,076**
Net income attributable to non-controlling interests, net of tax	23,297	11,165
NET INCOME ATTRIBUTABLE TO RYAN SPECIALTY HOLDINGS, INC.	**$ 13,160**	**$ 6,911**
NET INCOME PER SHARE OF CLASS A COMMON STOCK:		
Basic	$ 0.12	$ 0.07
Diluted	$ 0.11	$ 0.06
WEIGHTED-AVERAGE SHARES OF CLASS A COMMON STOCK OUTSTANDING:		
Basic	111,034,503	106,592,836
Diluted	266,978,224	264,121,066

See accompanying Notes to the Consolidated Financial Statements (Unaudited)

Ryan Specialty Holdings, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)
(In thousands)

	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022	
NET INCOME	**$**	**36,457**	**$**	**18,076**
Net income attributable to non-controlling interests, net of tax		23,297		11,165
NET INCOME ATTRIBUTABLE TO RYAN SPECIALTY HOLDINGS, INC.	**$**	**13,160**	**$**	**6,911**
Other comprehensive income (loss), net of tax:				
Loss on interest rate cap		(813)		—
(Gain) on interest rate cap reclassified to earnings		(1,438)		—
Foreign currency translation adjustments		285		(58)
Change in share of equity method investment in related party other comprehensive income (loss)		214		(1,302)
Total other comprehensive loss, net of tax	**$**	**(1,752)**	**$**	**(1,360)**
COMPREHENSIVE INCOME ATTRIBUTABLE TO RYAN SPECIALTY HOLDINGS, INC.	**$**	**11,408**	**$**	**5,551**

See accompanying Notes to the Consolidated Financial Statements (Unaudited)

Ryan Specialty Holdings, Inc.
Consolidated Balance Sheets (Unaudited)
(In thousands, except share and per share data)

	March 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 704,746	$ 992,723
Commissions and fees receivable – net	234,557	231,423
Fiduciary cash and receivables	2,475,185	2,611,647
Prepaid incentives – net	8,348	8,584
Other current assets	46,086	49,690
Total current assets	**$ 3,468,922**	**$ 3,894,067**
NON-CURRENT ASSETS		
Goodwill	1,379,202	1,314,984
Other intangible assets	514,568	486,444
Prepaid incentives – net	19,425	20,792
Equity method investment in related party	41,166	38,514
Property and equipment – net	31,832	31,271
Lease right-of-use assets	141,619	143,870
Deferred tax assets	402,476	396,814
Other non-current assets	47,750	56,987
Total non-current assets	**$ 2,578,038**	**$ 2,489,676**
TOTAL ASSETS	**$ 6,046,960**	**$ 6,383,743**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	73,976	119,022
Accrued compensation	158,017	350,369
Operating lease liabilities	20,447	22,744
Tax Receivable Agreement liabilities	16,516	—
Short-term debt and current portion of long-term debt	22,459	30,587
Fiduciary liabilities	2,475,185	2,611,647
Total current liabilities	**$ 2,766,600**	**$ 3,134,369**
NON-CURRENT LIABILITIES		
Accrued compensation	16,325	10,048
Operating lease liabilities	151,406	151,944
Long-term debt	1,950,329	1,951,900
Deferred tax liabilities	618	562
Tax Receivable Agreement liabilities	287,113	295,347
Other non-current liabilities	22,971	21,761
Total non-current liabilities	**$ 2,428,762**	**$ 2,431,562**
TOTAL LIABILITIES	**$ 5,195,362**	**$ 5,565,931**
STOCKHOLDERS' EQUITY		
Class A common stock ($0.001 par value; 1,000,000,000 shares authorized, 113,233,651 and 112,437,825 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively)	113	112
Class B common stock ($0.001 par value; 1,000,000,000 shares authorized, 146,421,917 and 147,214,275 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively)	146	147
Class X common stock ($0.001 par value; 10,000,000 shares authorized, 640,784 shares issued and 0 outstanding at March 31, 2023 and December 31, 2022)	—	—
Preferred stock ($0.001 par value; 500,000,000 shares authorized, 0 shares issued and outstanding at March 31, 2023 and December 31, 2022)	—	—
Additional paid-in capital	436,898	418,123
Retained earnings	67,148	53,988
Accumulated other comprehensive income	4,283	6,035
Total stockholders' equity attributable to Ryan Specialty Holdings, Inc.	**$ 508,588**	**$ 478,405**
Non-controlling interests	343,010	339,407
Total stockholders' equity	**$ 851,598**	**$ 817,812**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 6,046,960**	**$ 6,383,743**

See accompanying Notes to the Consolidated Financial Statements (Unaudited)

Ryan Specialty Holdings, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Three Months Ended March 31, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 36,457	$ 18,076
Adjustments to reconcile net income to cash flows used for operating activities:		
Loss (gain) from equity method investment in related party	(1,995)	543
Amortization	25,185	26,663
Depreciation	2,192	1,211
Prepaid and deferred compensation expense	2,212	9,684
Non-cash equity-based compensation	17,879	23,248
Amortization of deferred debt issuance costs	3,039	2,811
Amortization of interest rate cap premium	1,739	—
Deferred income tax expense (benefit)	2,875	(8,251)
Loss on Tax Receivable Agreement	—	7,718
Change (net of acquisitions) in:		
Commissions and fees receivable – net	(1,212)	20,543
Accrued interest liability	(4,743)	2,877
Other current assets and accrued liabilities	(250,299)	(164,924)
Other non-current assets and accrued liabilities	7,460	(5,669)
Total cash flows used for operating activities	**$ (159,211)**	**$ (65,470)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(2,793)	(2,224)
Business combinations – net of cash acquired and cash held in a fiduciary capacity	(102,059)	—
Prepaid incentives issued – net of repayments	—	(497)
Total cash flows used for investing activities	**$ (104,852)**	**$ (2,721)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from senior secured notes	—	394,000
Repayment of term debt	(4,125)	(4,125)
Debt issuance costs paid	—	(1,803)
Finance lease and other costs paid	—	(6)
Payment of contingent consideration	(4,477)	—
Tax distributions to LLC Unitholders	(264)	(187)
Receipt of taxes related to net share settlement of equity awards	404	105
Taxes paid related to net share settlement of equity awards	(404)	(105)
Net change in fiduciary liabilities	(20,754)	(79,148)
Total cash flows (used for) provided by financing activities	**$ (29,620)**	**$ 308,731**
Effect of changes in foreign exchange rates on cash, cash equivalents, and cash held in a fiduciary capacity	**85**	**816**
NET CHANGE IN CASH, CASH EQUIVALENTS, AND CASH HELD IN A FIDUCIARY CAPACITY	**$ (293,598)**	**$ 241,356**
CASH, CASH EQUIVALENTS, AND CASH HELD IN A FIDUCIARY CAPACITY—Beginning balance	**1,767,385**	**1,139,661**
CASH, CASH EQUIVALENTS, AND CASH HELD IN A FIDUCIARY CAPACITY—Ending balance	**$ 1,473,787**	**$ 1,381,017**
Reconciliation of cash, cash equivalents, and cash held in a fiduciary capacity		
Cash and cash equivalents	704,746	706,370
Cash held in a fiduciary capacity	769,041	674,647
Total cash, cash equivalents, and cash held in a fiduciary capacity	**$ 1,473,787**	**$ 1,381,017**

See accompanying Notes to the Consolidated Financial Statements (Unaudited)

Ryan Specialty Holdings, Inc.
Consolidated Statements of Stockholders' Equity (Unaudited)
(In thousands, except share data)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance at December 31, 2022	**112,437,825**	**$ 112**	**147,214,275**	**$ 147**	**$ 418,123**	**$ 53,988**	**$ 6,035**	**$ 339,407**	**$ 817,812**
Net income	—	—	—	—	—	13,160	—	23,297	36,457
Issuance of common stock	3,468	—	—	—	—	—	—	—	—
Exchange of LLC equity for common stock	792,358	1	(792,358)	(1)	1,430	—	—	(1,430)	—
Tax Receivable Agreement liability and deferred taxes arising from LLC interest ownership changes	—	—	—	—	(395)	—	—	—	(395)
Distributions declared – members' tax	—	—	—	—	—	—	—	(15,382)	(15,382)
Change in share of equity method investment in related party other comprehensive income	—	—	—	—	—	—	214	370	584
Loss on interest rate cap, net	—	—	—	—	—	—	(2,251)	(3,889)	(6,140)
Foreign currency translation adjustments	—	—	—	—	—	—	285	498	783
Equity-based compensation	—	—	—	—	17,740	—	—	139	17,879
Balance at March 31, 2023	**113,233,651**	**$ 113**	**146,421,917**	**$ 146**	**$ 436,898**	**$ 67,148**	**$ 4,283**	**$ 343,010**	**$ 851,598**

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance at December 31, 2021	**109,894,548**	**$ 110**	**149,162,107**	**$ 149**	**$ 348,865**	**$ (7,064)**	**$ 1,714**	**$ 251,003**	**$ 594,777**
Net income	—	—	—	—	—	6,911	—	11,165	18,076
Issuance of common stock	91,743	—	—	—	—	—	—	—	—
Exchange of LLC equity for common stock	77,261	—	(77,261)	—	47	—	—	(47)	—
Tax Receivable Agreement liability and deferred taxes arising from LLC interest ownership changes	—	—	—	—	(704)	—	—	—	(704)
Distributions declared – members' tax	—	—	—	—	—	—	—	(7,543)	(7,543)
Change in share of equity method investment in related party other comprehensive loss	—	—	—	—	—	—	(1,302)	(1,748)	(3,050)
Foreign currency translation adjustments	—	—	—	—	—	—	(58)	(707)	(765)
Equity-based compensation	—	—	—	—	23,225	—	—	23	23,248
Balance at March 31, 2022	**110,063,552**	**$ 110**	**149,084,846**	**$ 149**	**$ 371,433**	**$ (153)**	**$ 354**	**$ 252,146**	**$ 624,039**

See accompanying Notes to the Consolidated Financial Statements (Unaudited)

1.Basis of Presentation

Nature of Operations

Ryan Specialty Holdings, Inc., (the "Company") is a service provider of specialty products and solutions for insurance brokers, agents, and carriers. These services encompass distribution, underwriting, product development, administration, and risk management by acting as a wholesale broker and a managing underwriter or a program administrator with delegated authority from insurance carriers. The Company's offerings cover a wide variety of sectors including commercial, industrial, institutional, governmental, and personal through one operating segment, Ryan Specialty. With the exception of the Company's equity method investment, the Company does not take on any underwriting risk.

The Company is headquartered in Chicago, Illinois, and has operations in the United States, Canada, the United Kingdom, and Europe. The Company's Class A common stock is traded on the New York Stock Exchange under the ticker symbol "RYAN".

Organization

Ryan Specialty Holdings, Inc., was formed as a Delaware corporation on March 5, 2021, for the purpose of completing an IPO and to carry on the business of the LLC. New Ryan Specialty, LLC, or New LLC, was formed as a Delaware limited liability company on April 20, 2021, for the purpose of becoming, subsequent to our IPO, an intermediate holding company between Ryan Specialty Holdings, Inc., and the LLC. The Company is the sole managing member of New LLC. New LLC is a holding company with its sole material asset being a controlling equity interest in the LLC. The Company operates and controls the business and affairs of the LLC through New LLC and, through the LLC, conducts its business. Accordingly, the Company consolidates the financial results of New LLC, and therefore the LLC, and reports the non-controlling interests of New LLC's Common Units on its consolidated financial statements. As of March 31, 2023, the Company owned 43.6% of the outstanding LLC Common Units of New LLC, and New LLC owned 99.9% of the outstanding LLC Common Units of the LLC. The remaining 0.1% of the outstanding LLC Common Units of the LLC were owned by a subsidiary of the Company. As the LLC is substantively the same as New LLC, for the purpose of this document, we will refer to both New LLC and the LLC as the "LLC".

Basis of Presentation

The accompanying unaudited consolidated interim financial statements and notes thereto have been prepared in accordance with U.S. GAAP. The unaudited consolidated financial statements include the Company's accounts and those of all controlled subsidiaries. Certain information and disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to the rules and regulations of the SEC for interim financial information. These consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K filed with the SEC on March 1, 2023. Interim results are not necessarily indicative of results for the full fiscal year due to seasonality and other factors.

In the opinion of management, the consolidated interim financial statements include all normal recurring adjustments necessary to present fairly the Company's consolidated financial position, results of operations, and cash flows for all periods presented.

Principles of Consolidation

The unaudited consolidated interim financial statements include the accounts of the Company and its subsidiaries that it controls due to ownership of a majority voting interest or pursuant to variable interest entity ("VIE") accounting guidance. All intercompany transactions and balances have been eliminated in consolidation.

The Company, through its intermediate holding company New LLC, owns a minority economic interest in, and operates and controls the businesses and affairs of, the LLC. The LLC is a VIE of the Company and the Company is the primary beneficiary of the LLC as the Company has both the power to direct the activities that most significantly impact the LLC's economic performance and has the obligation to absorb losses of, and receive benefits from, the LLC, which could be significant to the Company. Accordingly, the Company has prepared these consolidated financial statements in accordance with Accounting Standards Codification ("ASC") 810, *Consolidation* ("ASC 810"). ASC 810 requires that if an entity is the primary beneficiary of a VIE, the assets, liabilities, and results of operations of the VIE should be included in the consolidated financial statements of such entity. The Company's relationship with the LLC results in no recourse to the general credit of the Company and the Company has no contractual requirement to provide financial support to the LLC. The Company shares in the income and losses of the LLC in direct proportion to the Company's ownership percentage.

Use of Estimates

The preparation of the unaudited consolidated interim financial statements and notes thereto requires management to make estimates, judgments, and assumptions that affect the amounts reported in the consolidated interim financial statements and in the notes thereto. Such estimates and assumptions could change in the future as circumstances change or more information becomes available, which could affect the amounts reported and disclosed herein.

Significant Accounting Policies

There have been no material changes in the Company’s significant accounting policies from those that were disclosed for the year ended December 31, 2022 in the Company’s Annual Report on Form 10-K filed with the SEC on March 1, 2023.

2.Revenue from Contracts with Customers

Disaggregation of Revenue

The following table summarizes revenue from contracts with customers by Specialty:

	Three Months Ended March 31, 2023	2022
Wholesale Brokerage	$ 285,850	$ 244,827
Binding Authority	69,526	62,993
Underwriting Management	92,137	78,861
Total Net commissions and fees	**$ 447,513**	**$ 386,681**

Contract Balances

Contract assets, which arise primarily from the Company’s volume-based commissions, are included within Commissions and fees receivable – net in the Consolidated Balance Sheets. The contract assets balance was $9.6 million and $13.0 million as of March 31, 2023 and December 31, 2022, respectively. For contract assets, payment is typically due within one year of the completed performance obligation. The contract liability balance related to deferred revenue, which is included in Accounts payable and accrued liabilities on the Consolidated Balance Sheets, was $1.3 million and $1.4 million as of March 31, 2023 and December 31, 2022, respectively.

3.Mergers and Acquisitions

2023 Acquisition

On January 3, 2023, the Company completed the acquisition of certain assets of Griffin Underwriting Services, a binding authority specialist and wholesale insurance broker headquartered in Bellevue, WA, for total consideration of $115.5 million. This transaction was accounted for as a business combination and the Company recognized $51.4 million of customer relationships in Other intangible assets, $64.0 million of Goodwill, and $0.1 million, net, of other miscellaneous assets and liabilities. Estimates and assumptions used in these valuations are subject to change within the measurement period up to one year from the acquisition date.

Contingent Consideration

Total consideration for certain acquisitions includes contingent consideration, which is generally based on the EBITDA of the acquired business following a defined period after purchase. Further information regarding fair value measurements is detailed in Note 13, *Fair Value Measurements*.

The Company recognizes income or loss for the changes in fair value of estimated contingent consideration within Change in contingent consideration, and recognizes interest expense for accretion of the discount on these liabilities within Interest expense, net on the Consolidated Statements of Income. The table below summarizes the changes recognized:

	Three Months Ended March 31,	
	2023	2022
Change in contingent consideration	$ 714	$ (1,008)
Interest expense	871	372
Total	**$ 1,585**	**$ (636)**

The non-current portion of the fair value of contingent consideration was $22.9 million and $21.8 million as of March 31, 2023 and December 31, 2022, respectively, and was recorded in Other non-current liabilities on the Consolidated Balance Sheets. The current portion of the fair value of contingent consideration was $7.5 million as of December 31, 2022 and was recorded in Accounts payable and accrued liabilities on the Consolidated Balance Sheets. The aggregate amount of maximum contingent consideration obligation related to acquisitions was $40.0 million as of March 31, 2023.

4.Restructuring

In February 2023, the Company initiated the ACCELERATE 2025 program that will enable continued growth, drive innovation, and deliver sustainable productivity improvements over the long term. The restructuring plan aims to reduce costs and increase efficiencies through a focus on optimizing the Company's operations and technology. The restructuring plan is expected to incur total restructuring costs of approximately $65.0 million through December 31, 2024 and to generate annual savings of $35.0 million in 2025. The total expected costs of the plan include $45.0 million related to operations and technology optimization, $15.0 million related to employee compensation and benefits, and $5.0 million related to asset impairment and other termination costs.

The table below presents the restructuring expense incurred in the period:

	Three Months Ended March 31, 2023
Operations and technology optimization	$ 1,434
Compensation and benefits	659
Asset impairment and other termination costs	586
Total	**$ 2,679**

For the three months ended March 31, 2023, the Company recognized restructuring expenses of $0.7 million, including contractor costs, in Compensation and benefits, and $2.0 million in General and administrative expense on the Consolidated Statements of Income.

The table below presents a summary of changes in the restructuring liability:

	Operations and Technology Optimization	Compensation and Benefits	Asset Impairment and Other Termination Costs	Total
Balance at January 1, 2023	$ —	$ —	$ —	**$ —**
Accrued costs	1,434	659	586	**2,679**
Payments	(10)	(75)	—	**(85)**
Non-cash adjustments	—	—	(437)	**(437)**
Balance at March 31, 2023	**$ 1,424**	**$ 584**	**$ 149**	**$ 2,157**

5.Receivables and Other Current Assets

Receivables

The Company had receivables of $234.6 million and $231.4 million outstanding as of March 31, 2023 and December 31, 2022, respectively, which were recognized within Commissions and fees receivable – net in the Consolidated Balance Sheets. Commission and fees receivable is net of an allowance for credit losses. The Company's allowance for credit losses is based on a combination of factors, including evaluation of historical write-offs, current economic conditions, aging of balances, and other qualitative and quantitative analyses.

The following table provides a roll forward of the Company's allowance for expected credit losses:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Beginning of period	**$ 1,980**	**$ 2,508**
Write-offs	(425)	(54)
Increase in provision	531	49
End of period	**$ 2,086**	**$ 2,503**

Other Current Assets

Major classes of other current assets consist of the following:

	March 31, 2023	December 31, 2022
Prepaid expenses	$ 14,607	$ 21,062
Service receivables	275	414
Other current receivables	31,204	28,214
Total Other current assets	**$ 46,086**	**$ 49,690**

Service receivables contain receivables from Geneva Re, Ltd. Further information regarding related parties is detailed in Note 15, *Related Parties*. Other current receivables include insurance recoveries as described in Note 14, *Commitments and Contingencies*.

6.Leases

The Company has various non-cancelable operating leases with various terms through September 2038 primarily for office space and office equipment.

The following table provides additional information about the Company's leases:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Lease costs:		
Operating lease costs	$ 8,406	$ 6,327
Finance lease costs	—	9
Short-term lease costs:		
Operating lease costs	238	196
Finance lease costs	—	2
Sublease income	(172)	(91)
Lease costs – net	**$ 8,472**	**$ 6,443**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 7,158	$ 6,385
Non-cash related activities		
Right-of-use assets obtained in exchange for new operating lease liabilities	3,401	15,920
Weighted average discount rate (percent)		
Operating leases	4.83 %	3.99 %
Finance leases	—	3.18 %
Weighted average remaining lease term (years)		
Operating leases	8.4	6.5
Finance leases	—	2.6

7.Debt

Substantially all of the Company’s debt is carried at outstanding principal balance, less debt issuance costs and any unamortized discount. The following table is a summary of the Company’s outstanding debt:

	March 31, 2023	December 31, 2022
Term debt		
7-year term loan facility, periodic interest and quarterly principal payments, Adjusted Term SOFR + 3.00%, matures September 1, 2027	$ 1,569,617	$ 1,571,818
Senior secured notes		
8-year senior secured notes, semi-annual interest payments, 4.38%, matures February 1, 2030	395,592	399,791
Revolving debt		
5-year revolving loan facility, periodic interest payments, Adjusted Term SOFR + up to 3.00%, plus commitment fees up to 0.50%, matures July 26, 2026	384	392
Premium financing notes		
Commercial notes, periodic interest and principal payments, 1.88-2.49%, expire May 1, 2023	423	1,685
Commercial notes, periodic interest and principal payments, 2.49%, expire June 1, 2023	307	767
Commercial notes, periodic interest and principal payments, 2.74%, expire June 21, 2023	1,639	3,266
Finance lease obligation	—	57
Units subject to mandatory redemption	4,826	4,711
Total debt	**$ 1,972,788**	**$ 1,982,487**
Less: Short-term debt and current portion of long-term debt	(22,459)	(30,587)
Long-term debt	**$ 1,950,329**	**$ 1,951,900**

Term Loan

The original principal of the Term Loan was $1,650.0 million. As of March 31, 2023, $1,608.8 million of the principal was outstanding, $0.4 million of interest was accrued, and the related unamortized deferred issuance costs were $39.5 million. As of December 31, 2022, $1,612.9 million of the principal was outstanding, $0.7 million of interest was accrued, and the related unamortized deferred issuance costs were $41.7 million.

Revolving Credit Facility

The Revolving Credit Facility had a borrowing capacity of $600.0 million as of March 31, 2023 and December 31, 2022. As the Revolving Credit Facility had not been drawn on as of March 31, 2023 or December 31, 2022, the deferred issuance costs related to the facility of $5.8 million and $6.4 million, respectively, were included in Other non-current assets in the Consolidated Balance Sheets. The Company pays a commitment fee on undrawn amounts under the facility of 0.25% - 0.50%. As of March 31, 2023 and December 31, 2022, the Company accrued $0.4 million of unpaid commitment fees related to the Revolving Credit Facility in Short-term debt and current portion of long-term debt in the Consolidated Balance Sheets.

Transition from LIBOR to SOFR

In the second quarter of 2022, the Company entered into a fourth amendment to the Credit Agreement on its Term Loan and Revolving Credit Facility to transition from using the Eurocurrency Rate (LIBOR) to a benchmark replacement of Adjusted Term SOFR. Relatedly, the Company adopted ASU 2020-04 *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* in the second quarter of 2022. The Company elected the expedient that allows for the contract modification to be treated as not substantial and to account for any related changes on a prospective basis from the modification date.

Senior Secured Notes due 2030

On February 3, 2022, the LLC issued $400.0 million of Senior Secured Notes. The notes have a 4.38% interest rate and will mature on February 1, 2030. As of March 31, 2023 and December 31, 2022, unamortized deferred issuance costs and discount were $7.3 million and $7.5 million, respectively, and the Company accrued $2.9 million and $7.3 million, respectively, of interest related to these notes.

8.Stockholders' Equity

Ryan Specialty's amended and restated certificate of incorporation authorizes the issuance of up to 1,000,000,000 shares of Class A common stock, 1,000,000,000 shares of Class B common stock, 10,000,000 shares of Class X common stock, and 500,000,000 shares of preferred stock, each having a par value of $0.001 per share.

The New LLC Operating Agreement requires that the Company and the LLC at all times maintain a one-to-one ratio between the number of shares of Class A common stock issued by the Company and the number of LLC Common Units owned by the Company, except as otherwise determined by the Company.

Class A and Class B Common Stock

Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is initially entitled to 10 votes per share but, upon the occurrence of certain events as set forth in the Company's amended and restated certificate of incorporation, will be entitled to one vote per share in the future. All holders of Class A common stock and Class B common stock vote together as a single class except as otherwise required by applicable law or our amended and restated certificate of incorporation.

In accordance with the New LLC Operating Agreement, the LLC Unitholders are entitled to exchange LLC Common Units for shares of Class A common stock, in accordance with the LLC Operating Agreement, or, at the Company's election, for cash from a substantially concurrent public offering or private sale (based on the price of our Class A common stock in such public offering or private sale). The LLC Unitholders are also required to deliver to us an equivalent number of shares of Class B common stock to effectuate such an exchange. Any shares of Class B common stock so delivered will be canceled. Shares of Class B common stock are not issued for Class C Incentive Units that are exchanged for LLC Common Units as these LLC Common Units are immediately exchanged for Class A common stock as discussed in Note 9, *Equity-Based Compensation.*

Holders of Class B common stock do not have any right to receive dividends or distributions upon the liquidation or winding up of the Company.

Class X Common Stock

There were no shares of Class X common stock outstanding as of March 31, 2023 or December 31, 2022. The Company issued shares of Class X common stock to Onex as part of the Organizational Transactions, which were immediately repurchased and canceled, as a mechanism for Onex to participate in the TRA. Shares of Class X common stock have no economic or voting rights.

Preferred Stock

There were no shares of preferred stock outstanding as of March 31, 2023 or December 31, 2022. Under the terms of the amended and restated certificate of incorporation, the Board is authorized to direct the Company to issue shares of preferred stock in one or more series without stockholder approval. The Board has the discretion to determine the rights, preferences, privileges, and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

Dividends

No dividends were declared or payable as of March 31, 2023 or December 31, 2022.

Non-controlling Interests

The Company is the sole managing member of the LLC. As a result, the Company consolidates the LLC in its consolidated financial statements, resulting in non-controlling interests related to the LLC Common Units not held by the Company. As of March 31, 2023 and December 31, 2022, the Company owned 43.6% and 43.3%, respectively, of the economic interests in the LLC, while the non-controlling interest holders owned the remaining 56.4% and 56.7%, respectively, of the economic interests in the LLC.

Weighted average ownership percentages for the applicable reporting periods are used to attribute net income (loss) and other comprehensive income (loss) to the Company and the non-controlling interest holders. The non-controlling interest holders' weighted average ownership percentage was 57.0% and 57.6% for the three months ended March 31, 2023 and 2022, respectively.

9.Equity-Based Compensation

The Ryan Specialty Holdings, Inc., 2021 Omnibus Incentive Plan (the "Omnibus Plan") governs, among other things, the types of awards the Company can grant to employees as equity-based compensation awards. The Omnibus Plan provides for potential grants of the following awards: (i) stock options, (ii) stock appreciation rights, (iii) restricted stock awards, (iv) performance awards, (v) other stock-based awards, (vi) other cash-based awards, and (vii) analogous equity awards made in equity of the LLC.

IPO-Related Awards

As a result of the Organizational Transactions, pre-IPO holders of the LLC Units that were granted as incentive awards, which had historically been classified as equity and vested pro rata over five years, were required to exchange their LLC Units for either Restricted Stock or Restricted Common Units. Additionally, Reload Options or Reload Class Incentive Units were issued to employees in order to protect against the dilution of their existing awards upon exchange to the new awards.

Separately, certain employees were granted one or more of the following new awards: (i) Restricted Stock Units ("RSUs"), (ii) Staking Options, (iii) Restricted LLC Units ("RLUs"), or (iv) Staking Class C Incentive Units. The terms of these awards are described below. All awards granted as part of the Organizational Transactions and the IPO are subject to non-linear transfer restrictions for at least the five-year period following the IPO.

Incentive Awards

As part of the Company's annual compensation process, the Company issues certain employees and directors equity-based compensation awards ("Incentive Awards"). Additionally, the Company offers Incentive Awards to certain new hires. These Incentive Awards typically take the form of (i) RSUs, (ii) RLUs, (iii) Class C Incentive Units, or (iv) Stock Options. The terms of these awards are described below.

Restricted Stock and Restricted Common Units

As part of the Organizational Transactions, certain existing employee unitholders were granted Restricted Stock in the Company or Restricted Common Units in exchange for their LLC Units. The Restricted Stock and Restricted Common Units follow the vesting schedule of the LLC Units for which they were exchanged. LLC Units historically vested pro rata over 5 years.

	Three Months Ended March 31, 2023			
	Restricted Stock	**Weighted Average Grant Date Fair Value**	**Restricted Common Units**	**Weighted Average Grant Date Fair Value**
Unvested at beginning of period	**1,984,939**	**$ 21.15**	**3,238,597**	**$ 23.84**
Granted	—	—	—	—
Vested	(5,145)	21.15	(5,125)	23.84
Forfeited	—	—	—	—
Unvested at end of period	**1,979,794**	**$ 21.15**	**3,233,472**	**$ 23.84**

Restricted Stock Units (RSUs)

IPO RSUs

Related to the IPO, the Company granted RSUs to certain employees. The IPO RSUs vest either pro rata over 5 years from the grant date or over 10 years from the grant date, with 10% vesting in each of years 3 through 9 and 30% vesting in year 10.

Incentive RSUs

As part of the Company's annual compensation process, the Company issues Incentive RSUs to certain employees. The Incentive RSUs vest either 100% 3 or 5 years from the grant date, pro rata over 3 or 5 years from the grant date, over 5 years from the grant date, with one-third of the grant vesting in each of years 3, 4 and 5, or over 7 years from the grant date, with 20% vesting in each of years 3 through 7.

Upon vesting, RSUs automatically convert on a one-for-one basis into Class A common stock.

	Three Months Ended March 31, 2023			
	IPO RSUs		Incentive RSUs	
	Restricted Stock Units	Weighted Average Grant Date Fair Value	Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested at beginning of period	**3,771,624**	**$ 23.00**	**984,439**	**$ 34.64**
Granted	—	—	788,689	40.90
Vested	(7,074)	23.04	(1,156)	40.90
Forfeited	—	—	(2,180)	34.39
Unvested at end of period	**3,764,550**	**$ 23.00**	**1,769,792**	**$ 37.43**

Stock Options

Reload and Staking Options

As part of the Organizational Transactions and IPO, certain employees were granted Reload Options or Staking Options that entitle the award holder to future purchases of Class A common stock, on a one-for-one basis, at the IPO price of $23.50. The Reload Options vest either 100% 3 years from the grant date or over 5 years from the grant date, with one-third of the grant vesting in each of years 3, 4 and 5. In general, vested Reload Options are exercisable up to the tenth anniversary of the grant date. The Staking Options vest over 10 years from the grant date, with 10% vesting in each of years 3 through 9 and 30% vesting in year 10. In general, vested Staking Options are exercisable up to the eleventh anniversary of the grant date.

Incentive Options

As part of the Company's annual compensation process, the Company issues Incentive Options to certain employees that entitle the award holder to future purchases of Class A common stock, on a one-for-one basis, at the respective exercise prices. The Incentive Options vest over 5 years from the grant date, with one-third of the grant vesting in each of years 3, 4 and 5. In general, vested Incentive Options are exercisable up to the tenth anniversary of the grant date.

	Three Months Ended March 31, 2023			
	Reload Options[1]	Staking Options[1]	Incentive Options	Incentive Options Weighted Average Exercise Price
Outstanding at beginning of period	**4,554,749**	**66,667**	**170,392**	**$ 34.39**
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited	—	—	(2,110)	34.39
Outstanding at end of period	**4,554,749**	**66,667**	**168,282**	**$ 34.39**

[1] As the Reload and Staking Options were one-time grants at the IPO, the weighted average exercise price for any movements in these awards will perpetually be $23.50. As such, the values are not presented in the table above.

Restricted LLC Units (RLUs)

IPO RLUs

Related to the IPO, the Company granted RLUs to certain employees that vest either pro rata over 5 years from the grant date or over 10 years from the grant date, with 10% vesting in each of years 3 through 9 and 30% vesting in year 10.

Incentive RLUs

As part of the Company's annual compensation process, the Company issues Incentive RLUs to certain employees. The Incentive RLUs vest pro rata over 3 or 5 years from the grant date or over 7 years from the grant date, with 20% vesting in each of years 3 through 7.

Upon vesting, RLUs convert on a one-for-one basis into either LLC Common Units or Class A common stock at the election of the Company.

	Three Months Ended March 31, 2023			
	IPO RLUs		Incentive RLUs	
	Restricted LLC Units	Weighted Average Grant Date Fair Value	Restricted LLC Units	Weighted Average Grant Date Fair Value
Unvested at beginning of period	**1,515,858**	**$ 25.06**	**145,527**	**$ 34.86**
Granted	—	—	352,073	40.90
Vested	—	—	—	—
Forfeited	—	—	—	—
Unvested at end of period	**1,515,858**	**$ 25.06**	**497,600**	**$ 39.13**

Class C Incentive Units

Reload and Staking Class C Incentive Units

As part of the Organizational Transactions and IPO, certain employees were granted Reload Class C Incentive Units or Staking Class C Incentive Units, which are profits interests. When the value of Class A common stock exceeds the IPO price of $23.50, vested profits interests may be exchanged for LLC Common Units of equal value. On exchange, the LLC Common Units are immediately redeemed on a one-to-one basis for Class A common stock. The Reload Class C Incentive Units vest either 100% 3 years from the grant date or over 5 years from the grant date, with one-third of the grant vesting in each of years 3, 4 and 5. The Staking Class C Incentive Units vest either pro rata over 5 years from the grant date or over 10 years from the grant date, with 10% vesting in each of years 3 through 9 and 30% vesting in year 10.

Class C Incentive Units

As part of the Company's annual compensation process, the Company issues Class C Incentive Units to certain employees, which are profits interests. When the value of the Class A common stock exceeds the participation threshold, vested profits interests may be exchanged for LLC Common Units of equal value. On exchange, the LLC Common Units are immediately redeemed on a one-to-one basis for Class A common stock. The Class C Incentive Units vest over 8 years from the grant date, with 15% vesting in each of years 3 through 7 and 25% vesting in year 8, or over 7 years from the grant date, with 20% vesting in each of years 3 through 7.

	Three Months Ended March 31, 2023			
	Reload Class C Incentive Units[1]	Staking Class C Incentive Units[1]	Class C Incentive Units	Class C Incentive Units Weighted Average Participation Threshold
Unvested at beginning of period	**3,911,490**	**1,996,668**	**300,000**	**$ 34.39**
Granted	—	—	195,822	40.90
Vested	—	—	—	—
Forfeited	—	—	—	—
Unvested at end of period	**3,911,490**	**1,996,668**	**495,822**	**$ 36.96**

[1] As the Reload and Staking Class C Incentive Units were one-time grants at the IPO, the weighted average participation threshold for any movements in these awards will perpetually be $23.50. As such, the values are not presented in the table above.

Non-Employee Director Stock Grants

The Company grants RSUs ("Director Stock Grants") to non-employee directors serving as members of the Company's Board of Directors, with the exception of the one director appointed by Onex in accordance with Onex's nomination rights who has agreed to forgo any compensation for his service to the Board. The Director Stock Grants are fully vested upon grant. The Company recognized

$0.3 million and $1.4 million of expense related to the Director Stock Grants during the three months ended March 31, 2023 and 2022, respectively.

Equity-Based Compensation Expense

As of March 31, 2023, the unrecognized equity-based compensation costs related to each equity-based compensation award described above and the related weighted-average remaining expense period were as follows:

	Amount	Weighted Average Remaining Expense Period (years)
Restricted Stock	$ 7,282	1.1
IPO RSUs	52,094	4.3
Incentive RSUs	55,232	3.0
Reload Options	4,111	1.7
Staking Options	378	5.9
Incentive Options	1,416	2.8
Restricted Common Units	5,277	0.6
IPO RLUs	26,431	5.6
Incentive RLUs	16,370	2.6
Reload Class C Incentive Units	5,104	2.0
Staking Class C Incentive Units	15,964	5.0
Class C Incentive Units	8,989	5.0
Total unrecognized equity-based compensation expense	**$ 198,648**	

The following table includes the equity-based compensation the Company recognized by expense type from the view of expense related to pre-IPO and post-IPO awards. The table also presents the unrecognized equity-based compensation expense as of March 31, 2023 in the same view.

	Recognized Three Months Ended March 31, 2023	2022	Unrecognized As of March 31, 2023
IPO awards			
IPO RSUs and Staking Options	$ 4,684	$ 6,892	$ 52,472
IPO RLUs and Staking Class C Incentive Units	3,150	3,323	42,395
Incremental Restricted Stock and Reload Options	1,254	2,085	7,752
Incremental Restricted Common Units and Reload Class C Incentive Units	2,094	4,145	8,798
Pre-IPO incentive awards			
Restricted Stock	751	1,419	3,641
Restricted Common Units	551	877	1,583
Post-IPO incentive awards			
Incentive RSUs	3,636	339	55,232
Incentive RLUs	956	104	16,370
Incentive Options	118	20	1,416
Class C Incentive Units	349	42	8,989
Other expense			
Director Stock Grants	336	1,422	N/A
Profit Sharing Contribution	—	2,580	N/A
Total equity-based compensation expense	**$ 17,879**	**$ 23,248**	**$ 198,648**

10.Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to Ryan Specialty Holdings, Inc., by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted earnings per share is computed giving effect to all potentially dilutive shares, including LLC equity awards and the non-controlling interests' LLC Common Units that are exchangeable into Class A common stock. As shares of Class B common stock do not share in earnings and are not participating securities they are not included in the Company's calculation. A reconciliation of the numerator and denominator used in the calculation of basic and diluted earnings per share of Class A common stock is as follows:

	Three Months Ended March 31,	
	2023	2022
Net income	$ 36,457	$ 18,076
Less: Net income attributable to non-controlling interests	23,297	11,165
Net income attributable to Ryan Specialty Holdings, Inc.	**$ 13,160**	**$ 6,911**
Numerator:		
Net income attributable to Class A common shareholders	$ 13,160	$ 6,911
Add: Income attributed to substantively vested RSUs	225	29
Net income attributable to Class A common shareholders – basic	**$ 13,385**	**$ 6,940**
Add: Income attributed to dilutive shares	17,180	8,275
Net income attributable to Class A common shareholders – diluted	**$ 30,565**	**$ 15,215**
Denominator:		
Weighted-average shares of Class A common stock outstanding – basic	111,034,503	106,592,836
Add: Dilutive shares	155,943,721	157,528,230
Weighted-average shares of Class A common stock outstanding – diluted	**266,978,224**	**264,121,066**
Earnings per Share:		
Earnings per share of Class A common stock – basic	$ 0.12	$ 0.07
Earnings per share of Class A common stock – diluted	$ 0.11	$ 0.06

The following number of shares were excluded from the calculation of diluted earnings per share because the effect of including such potentially dilutive shares would have been antidilutive:

	Three Months Ended March 31,	
	2023	2022
Incentive RSUs	5,405	—
Class C Incentive Units	495,822	300,000
Incentive Options	168,282	175,222

11.Derivatives

Interest Rate Cap

On April 7, 2022, the Company entered into an interest rate cap agreement to manage its exposure to interest rate fluctuations related to the Company's Term Loan in the amount of $25.5 million. The interest rate cap has a $1,000.0 million notional amount, 2.75% strike, and terminates on December 31, 2025. The fair value of the interest rate cap was $37.2 million and $45.9 million as of March 31, 2023 and December 31, 2022, respectively, and was included in Other non-current assets on the Consolidated Balance Sheets. At inception, the Company formally designated the interest rate cap as a cash flow hedge. As of March 31, 2023, the interest rate cap continued to be an effective hedge. The Company elected to exclude the change in the time value of the interest rate cap from the assessment of hedge effectiveness and will amortize the initial value of the premium over the life of the instrument. The premium amortization is recognized in Interest expense, net on the Consolidated Statements of Income.

As of March 31, 2023 and December 31, 2022, the balance of Accumulated other comprehensive income related to the interest rate cap was $16.1 million and $22.2 million, respectively. For the three months ended March 31, 2023, the $8.7 million decrease in the fair value of the interest rate cap and $1.7 million of premium amortization were recognized in Other comprehensive income (loss). During the three months ended March 31, 2023, $4.4 million related to payments received was reclassified out of Other comprehensive income (loss) into earnings as an offset to interest expense in Interest expense, net on the Consolidated Statements of Income. As of March 31, 2023, the Company expects $19.0 million of unrealized gains from the interest rate cap to be reclassified into earnings over the next twelve months.

12.Variable Interest Entities

As discussed in Note 1, *Basis of Presentation*, the Company consolidates the LLC as a VIE under ASC 810. The Company's financial position, financial performance, and cash flows effectively represent those of the LLC as of and for the three months ended March 31, 2023, with the exception of Cash and cash equivalents of $24.8 million, Accounts payable and accrued liabilities of $1.3 million, the entire balance of the Tax Receivable Agreement liabilities of $303.6 million, and Deferred tax assets of $402.5 million on the Consolidated Balance Sheets, which are attributable solely to Ryan Specialty Holdings, Inc. As of December 31, 2022, Cash and cash equivalents of $25.0 million, the entire balance of the Tax Receivable Agreement liabilities of $295.3 million, and Deferred tax assets of $396.8 million on the Consolidated Balance Sheet were attributable solely to Ryan Specialty Holdings, Inc.

13.Fair Value Measurements

Accounting standards establish a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair values as follows:

Level 1: Observable inputs such as quoted prices for identical assets in active markets;
Level 2: Inputs other than quoted prices for identical assets in active markets, that are observable either directly or indirectly; and
Level 3: Unobservable inputs in which there is little or no market data which requires the use of valuation techniques and the development of assumptions.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level of input that is significant to the fair value measure in its entirety.

The carrying amount of financial assets and liabilities reported in the Consolidated Balance Sheets for cash and cash equivalents, commissions and fees receivable—net, other current assets, accounts payable, short-term debt, and other accrued liabilities as of March 31, 2023 and December 31, 2022 approximate fair value because of the short-term duration of these instruments. The fair value of our long-term debt, including the Term Loan, Senior Secured Notes, the units subject to mandatory redemption, and any current portion of such debt, was $1,966.5 million and $1,960.6 million as of March 31, 2023 and December 31, 2022, respectively. The fair value of the Term Loan and Senior Secured Notes would be classified as Level 1 in the fair value hierarchy and the units subject to mandatory redemption would be classified as Level 3. See Note 7, *Debt* for the carrying values of the Company's debt.

Derivative Instruments

Interest Rate Cap

The Company uses an interest rate cap to manage its exposure to interest rate fluctuations related to the Company's Term Loan. The fair value of the interest rate cap is determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the cap. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. The inputs used in determining the fair value of the interest rate cap are considered Level 2 inputs.

Contingent Consideration

The fair value of contingent consideration obligations is based on the present value of the future expected payments to be made to the sellers of certain acquired businesses in accordance with the provisions outlined in the respective purchase agreements, which is a Level 3 fair value measurement. In determining fair value, the Company estimates cash payments based on management's financial projections of the performance of each acquired business relative to the formula specified by each purchase agreement. The Company utilizes Monte Carlo simulations to evaluate financial projections of each acquired business. The Monte Carlo models consider forecasted revenue and EBITDA and market risk-adjusted revenue and EBITDA, which are run through a series of simulations. As of March 31, 2023, the models used risk-free rates, expected volatility, and a credit spread of 4.97%, 23.00%, and 4.90%, respectively. As of December 31, 2022, the models used risk-free rates, expected volatility, and a credit spread of 4.57%, 22.50%, and 4.50%, respectively. The Company then discounts the expected payments created by the Monte Carlo model to present value using a risk-adjusted rate that takes into consideration the market-based rates of return that reflect the ability of the acquired entity to achieve its targets. The discount rates used to present value the cash payments as of March 31, 2023 and December 31, 2022 were 9.87% and 9.07%, respectively.

Each period, the Company revalues the contingent consideration obligations associated with certain prior acquisitions to their fair value and records the changes of the fair value of these estimated obligations in Change in contingent consideration in the Consolidated Statements of Income. Changes in contingent consideration result from changes in the assumptions regarding probabilities of successful achievement of related EBITDA and percentage milestones, the estimated timing in which milestones are achieved, and the discount rate used to estimate the fair value of the liability. Contingent consideration may change significantly as the Company's revenue growth rate and EBITDA estimates evolve and additional data is obtained, impacting the Company's assumptions. The use of different assumptions and judgments could result in a materially different estimate of fair value which may have a material impact on the results from operations and financial position. See Note 3, *Mergers and Acquisitions*, for further information on contingent consideration.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents information about the Company's assets and liabilities measured at fair value on a recurring basis by fair value hierarchy input level:

	As of March 31, 2023			As of December 31, 2022		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets:						
Interest rate cap	$ —	$ 37,209	$ —	$ —	$ 45,860	$ —
Liabilities:						
Contingent consideration	—	—	22,924	—	—	29,251
Total assets and liabilities measured at fair value	**$ —**	**$ 37,209**	**$ 22,924**	**$ —**	**$ 45,860**	**$ 29,251**

Level 3 Liabilities Measured at Fair Value

The following is a reconciliation of the beginning and ending balances for the Level 3 liabilities measured at fair value, which consist of contingent consideration for both periods:

	Three Months Ended March 31,	
	2023	**2022**
Balance at beginning of period	**$ 29,251**	**$ 42,053**
Total losses (gains) included in earnings	1,585	(636)
Settlements	(7,912)	—
Balance at end of period	**$ 22,924**	**$ 41,417**

Of the $7.9 million settlement of contingent consideration during the three months ended March 31, 2023, $4.5 million is presented in the financing section and $3.4 million is presenting in the operating section of the Consolidated Statements of Cash Flows.

14.Commitments and Contingencies

Legal – E&O and Other Considerations

As an E&S and Admitted markets intermediary, the Company faces ordinary course of business E&O exposure. The Company also has potential E&O risk if an insurance carrier with which Ryan Specialty placed coverage denies coverage for a claim or pays less than the insured believes is the full amount owed. The Company seeks to resolve, through commercial accommodations, certain matters to limit the economic exposure and reputational risk, including potential legal fees, created by a disagreement between a carrier and the insured as well as other E&O matters.

The Company utilizes insurance to provide protection from E&O liabilities that may arise during the ordinary course of business. Ryan Specialty's E&O insurance provides aggregate coverage for E&O losses up to $100.0 million in excess of a per claim retention amount of $2.5 million. The Company periodically determines a range of possible outcomes using the best available information that relies, in part, on projecting historical claim data into the future. Loss contingencies of $13.0 million and $26.1 million were recorded for outstanding matters as of March 31, 2023 and December 31, 2022, respectively. Loss contingencies exclude the impact of any loss recoveries. The Company recognized the net impact of the loss contingencies and any loss recoveries of $0.6 million and $0.4 million in E&O expense for the three months ended March 31, 2023 and 2022, respectively, in General and administrative expense on the Consolidated Statements of Income. The historical claim and commercial accommodation data used to project the current estimates may not be indicative of future claim activity. Thus, the estimates could change in the future as more information becomes known, which could materially impact the amounts reported and disclosed herein.

During 2022, the Company placed certain insurance policies through a trading partner with the understanding that the policies were underwritten by highly rated insurance capital. The policies were instead underwritten by an insurance carrier that was not considered satisfactory by the Company or the insureds. The Company committed to securing replacement coverage, to the extent commercially available, from highly rated insurance companies on terms substantially similar to the insurance coverage originally agreed upon. As a result of this unusual circumstance, the Company has and may continue to incur losses, including the cost of the replacement coverage ("Replacement Costs"), arising from the original placements. The Company has determined that it is probable that it will be exposed to the Replacement Costs on policies placed with this trading partner. The Company recorded an estimated loss contingency of $9.7 million and $23.1 million as of March 31, 2023 and December 31, 2022, respectively, within Accounts payable and accrued liabilities in the Consolidated Balance Sheets. Relatedly, the Company has obtained sufficient evidence from its E&O insurance carriers to conclude that a recovery of the claim for the Replacement Costs, in excess of the $2.5 million retention, is probable. A loss recovery of $22.6 million and $20.6 million was recorded as of March 31, 2023 and December 31, 2022, respectively, in Other current assets in the Consolidated Balance Sheets. In the aggregate, the loss contingency and related loss recovery resulted in a $2.5 million expense recognized in 2022. No further expense was recognized during the three months ended March 31, 2023.

It is at least reasonably possible that the estimate of Replacement Costs will change in the near term as policies are adjusted and unearned premiums are recovered from the trading partner. Further, exposure to additional losses may arise due to the need to secure coverage for differences in conditions, policies that had expired prior to, or shortly after, the discovery of this unusual circumstance, adjustable premiums arising from the addition or deletion of properties over the policy term, unpaid covered claims, or other damages for losses incurred by our customers. An estimate of these potential losses cannot be made at this time but could change in the future as more information becomes known.

15.Related Parties

Ryan Investment Holdings

Ryan Investment Holdings, LLC (“RIH”) was formed as an investment holding company designed to aggregate the funds of Ryan Specialty and Geneva Ryan Holdings, LLC (“GRH”) for investment in Geneva Re Partners, LLC (“GRP”). GRH was formed as an investment holding company designed to aggregate investment funds of Patrick G. Ryan and other affiliated investors. One affiliated investor is an LLC Unitholder and a director of the Company, and another is an LLC Unitholder and employee of the Company. Ryan Specialty does not consolidate GRH as the Company does not have a direct investment in or variable interest in this entity.

The Company holds a 47% interest in RIH and GRH holds a 53% interest in RIH. RIH has a 50% non-controlling interest in GRP, and the other 50% is owned by Nationwide Mutual Insurance Company (“Nationwide”). GRP wholly owns Geneva Re, Ltd (“Geneva Re”), a Bermuda-regulated reinsurance company. RIH is considered a related party variable interest entity under common control with the Company. The Company is not most closely associated with the variable interest entity and therefore does not consolidate RIH. The assets of RIH are restricted to settling obligations of RIH, pursuant to Delaware limited liability company statutes.

The Company is not required to contribute any additional capital to RIH, and its maximum exposure to loss on the equity method investment is the total invested capital of $47.0 million. The Company may be exposed to losses arising from the equity method investment, as a result of underwriting losses recognized at Geneva Re or losses on Geneva Re’s investment portfolio. RIH has committed to contribute additional capital to GRP over the next four years. Patrick G. Ryan, through a trust of which he is the beneficiary and co-trustee, has committed to personally fund any such additional capital contributions. Any such additional capital contributions under this commitment will not affect the relative ownership of RIH’s common equity.

Geneva Re

The Company has a service agreement with Geneva Re to provide both administrative services to, as well as disburse payments for costs directly incurred by, Geneva Re. These direct costs include compensation expenses incurred by employees of Geneva Re. The Company had $0.1 million and $0.2 million due from Geneva Re under this agreement as of March 31, 2023 and December 31, 2022, respectively.

Ryan Re Services Agreement with Geneva Re and Nationwide

Ryan Re, a wholly owned subsidiary of the Company, is party to a services agreement with Geneva Re to provide, among other services, certain underwriting and administrative services to Geneva Re. Ryan Re receives a service fee equal to 115% of the administrative costs incurred by Ryan Re in performing these services to Geneva Re. Revenue earned from Geneva Re, net of applicable constraints, was $0.4 million for the three months ended March 31, 2023 and 2022. Receivables due from Geneva Re under this agreement, net of applicable constraints, were $0.3 million and $2.0 million as of March 31, 2023 and December 31, 2022, respectively.

Company Leasing of Corporate Jets

In the ordinary course of its business, the Company charters executive jets for business purposes from Executive Jet Management (“EJM”), a third-party service provider. Mr. Ryan indirectly owns aircraft that he leases to EJM for EJM’s charter operations for which he receives remuneration from EJM. The Company pays market rates for chartering aircraft through EJM, unless the particular aircraft chartered is Mr. Ryan’s, in which case the Company receives a discount below market rates. Historically, the Company has been able to charter Mr. Ryan’s aircraft and make use of this discount. The Company recognized expense related to business usage of aircraft of $0.5 million and $0.2 million for the three months ended March 31, 2023 and 2022, respectively.

16.Income Taxes

The Company is taxed as a corporation for income tax purposes and is subject to federal, state, and local taxes with respect to its allocable share of any net taxable income from the LLC. The LLC is a limited liability company taxed as a partnership for income tax purposes, and its taxable income or loss is passed through to its members, including the Company. The LLC is subject to income taxes on its taxable income in certain foreign countries, in certain state and local jurisdictions that impose income taxes on partnerships, and on the taxable income of its U.S. corporate subsidiaries.

The Company’s effective tax rate from continuing operations was 14.7% and (33.2)% for the three months ended March 31, 2023 and 2022, respectively. The effective tax rate for the three months ended March 31, 2023 is different from the 21% statutory rate primarily as a result of the income attributable to the non-controlling interests. The effective tax rate for the three months ended March 31, 2022 is significantly different from the 21% statutory rate primarily as a result of the change in the state tax rates and nondeductible expenses.

The Company does not believe it has any significant uncertain tax positions and therefore has no unrecognized tax benefits as of March 31, 2023, that, if recognized, would affect the annual effective tax rate. The Company does not anticipate material changes in unrecognized tax benefits within the next twelve-month period. The Company’s 2021 tax year filings are open to examination by taxing authorities for U.S. federal and state income tax purposes.

Deferred Taxes

The Company reported Deferred tax assets of $402.5 million and $396.8 million as of March 31, 2023 and December 31, 2022, respectively, and Deferred tax liabilities of $0.6 million as of March 31, 2023 and December 31, 2022 on the Consolidated Balance Sheets. The increase in the Deferred tax assets during the three months ended March 31, 2023 was primarily related to exchanges of LLC Common Units, which resulted in an increase to Additional paid-in capital on the Consolidated Statements of Stockholders’ Equity.

As of March 31, 2023, the Company concluded that, based on the weight of all available positive and negative evidence, the Deferred tax assets with respect to the Company’s basis difference in its investment in the LLC are more likely than not to be realized. As such, no valuation allowance has been recognized against that basis difference.

Tax Receivable Agreement (TRA)

The Company is party to a TRA with current and certain former LLC Unitholders. The TRA provides for the payment by the Company to the current and certain former LLC Unitholders of 85% of the net cash savings, if any, in U.S. federal, state, and local income taxes that the Company realizes (or is deemed to realize in certain circumstances) as a result of (i) certain increases in the tax basis of the assets of the LLC resulting from purchases or exchanges of LLC Common Units (“Exchange Tax Attributes”), (ii) certain tax attributes of the LLC that existed prior to the IPO (“Pre-IPO M&A Tax Attributes”), (iii) certain favorable “remedial” partnership tax allocations to which the Company becomes entitled (if any), and (iv) certain other tax benefits related to the Company entering into the TRA, including certain tax benefits attributable to payments that the Company makes under the TRA (“TRA Payment Tax Attributes”). The Company recognizes a liability on the Consolidated Balance Sheets based on the undiscounted estimated future payments under the TRA. The amounts payable under the TRA will vary depending upon a number of factors, including the amount, character, and timing of the taxable income of the Company in the future.

Based on current projections, the Company anticipates having sufficient taxable income to be able to realize the benefits and has recorded Tax Receivable Agreement liabilities of $303.6 million related to these benefits on the Consolidated Balance Sheets as of March 31, 2023. The following summarizes activity related to the Tax Receivable Agreement liabilities:

	Exchange Tax Attributes	Pre-IPO M&A Tax Attributes	TRA Payment Tax Attributes	TRA Liabilities
Balance at December 31, 2022	**$ 150,311**	**$ 85,016**	**$ 60,020**	**$ 295,347**
Exchange of LLC Common Units	5,575	920	1,787	8,282
Balance at March 31, 2023	**$ 155,886**	**$ 85,936**	**$ 61,807**	**$ 303,629**

During the three months ended March 31, 2023, the TRA liabilities increased $8.3 million due to an exchange of LLC Common Units for Class A common stock, which was recognized in Additional paid-in capital on the Consolidated Statements of Stockholders’ Equity. During the three months ended March 31, 2022, the TRA liabilities increased $0.9 million due to an exchange of LLC

Common Units for Class A common stock, which was recognized in Additional paid-in capital on the Consolidated Statements of Stockholders' Equity. Additionally, the Company remeasured the TRA liabilities due to changes in state tax rates resulting in a $7.7 million expense as the Company increased its estimated cash tax savings rate from 25.12% to 25.69%, which was recognized in Other non-operating loss (income) on the Consolidated Statements of Income.

Other Comprehensive Income (Loss)

The tax expense (benefit) on the components of Other comprehensive income (loss) for the three months ended March 31, 2023 were $0.1 million for Foreign currency translation adjustments, $0.1 million for Change in share of equity method investment in related party other comprehensive income (loss), $(0.3) million for Loss on interest rate cap, and $(0.5) million for the (Gain) on interest rate cap reclassified to earnings. The tax effects on the components of Other comprehensive income (loss) were de minimis for the three months ended March 31, 2022.

17.Supplemental Cash Flow Information

The following represents the supplemental cash flow information of the Company:

	Three Months Ended March 31,	
	2023	**2022**
Cash paid for:		
Interest	$ 40,136	$ 15,668
Income taxes	1,244	2,206
Non-cash investing and financing activities:		
Members' tax distributions declared but unpaid	$ 12,272	$ 7,356
Tax Receivable Agreement liabilities	8,282	880

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity, and cash flows of the Company as of and for the periods presented below. The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and in the Annual Report on Form 10-K for the year ended December 31, 2022 which was filed with the SEC on March 1, 2023. The discussion contains forward-looking statements that are based on the beliefs of management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed below and in our Annual Report on Form 10-K, particularly in the sections entitled "Risk Factors" and "Information Concerning Forward-Looking Statements."

The following discussion provides commentary on the financial results derived from our unaudited financial statements for the three months ended March 31, 2023 and 2022 prepared in accordance with U.S. GAAP. In addition, we regularly review the following Non-GAAP measures when assessing performance: Organic revenue growth rate, Adjusted compensation and benefits expense, Adjusted compensation and benefits expense ratio, Adjusted general and administrative expense, Adjusted general and administrative expense ratio, Adjusted EBITDAC, Adjusted EBITDAC margin, Adjusted net income, Adjusted net income margin and Adjusted diluted earnings per share. See "Non-GAAP Financial Measures and Key Performance Indicators" for further information.

Overview

Founded by Patrick G. Ryan in 2010, we are a service provider of specialty products and solutions for insurance brokers, agents, and carriers. We provide distribution, underwriting, product development, administration, and risk management services by acting as a wholesale broker and a managing underwriter or a program administrator with delegated authority from insurance carriers. Our mission is to provide industry-leading innovative specialty insurance solutions for insurance brokers, agents, and carriers.

For retail insurance agents and brokers, we assist in the placement of complex or otherwise hard-to-place risks. For insurance carriers, we work with retail and wholesale insurance brokers to source, onboard, underwrite, and service these same types of risks. A significant majority of the premiums we place are bound in the E&S market, which includes Lloyd's of London. There is often significantly more flexibility in terms, conditions, and rates in the E&S market relative to the Admitted or "standard" insurance market. We believe that the additional freedom to craft bespoke terms and conditions in the E&S market allows us to best meet the needs of our trading partners, provide unique solutions, and drive innovation. We believe our success has been achieved by providing best-in-class intellectual capital, leveraging our trusted and long-standing relationships, and developing differentiated solutions at a scale unmatched by many of our competitors.

Significant Events and Transactions

Corporate Structure

We are a holding company and our sole material asset is a controlling equity interest in New LLC, which is also a holding company and its sole material asset is a controlling equity interest in the LLC. The Company operates and controls the business and affairs of, and consolidates the financial results of, the LLC through New LLC. We conduct our business through the LLC. As the LLC is substantively the same as New LLC, for the purpose of this discussion, we will refer to both New LLC and the LLC as the "LLC."

The LLC is a limited liability company taxed as a partnership for income tax purposes, and its taxable income or loss is passed through to its members, including the Company. The LLC is subject to income taxes on its taxable income in certain foreign countries, in certain state and local jurisdictions that impose income taxes on partnerships, and on the taxable income of its U.S. corporate subsidiaries. As a result of our ownership of LLC Common Units, we are subject to U.S. federal, state, and local income taxes with respect to our allocable share of any taxable income of the LLC and are taxed at the prevailing corporate tax rates. We intend to cause the LLC to make distributions in an amount sufficient to allow us to pay our tax obligations and operating expenses, including distributions to fund any ordinary course payments due under the Tax Receivable Agreement. See "Liquidity and Capital Resources - Tax Receivable Agreement" for additional information about the TRA.

ACCELERATE 2025 Program

During the first quarter of 2023 we initiated the ACCELERATE 2025 program that will enable continued growth, drive innovation, and deliver sustainable productivity improvements over the long term. The program will result in approximately $65.0 million of cumulative one-time charges through 2024, funded through operating cash flow. Restructuring costs will primarily be included in General and administrative expense, relating to third-party professional services, lease terminations costs, and other expenses. The remaining costs will be incurred through Compensation and benefits expense, predominately relating to third-party contractor and other workforce-related costs. We expect the program to generate annual savings of approximately $35.0 million in 2025. See "Note 4, *Restructuring*" of the unaudited quarterly consolidated financial statements for further discussion.

We began recognizing costs associated with the restructuring plan in the first quarter of 2023. For the three months ended March 31, 2023, we incurred restructuring costs of $2.7 million, which represent cumulative costs since the inception of the plan. Of the cumulative $2.7 million in costs, $0.7 million was workforce-related with the remaining being general and administrative costs. While the current results of the ACCELERATE 2025 program are in line with expectations, changes to the total savings estimate and timing of the ACCELERATE 2025 program may evolve as we continue to progress through the plan and evaluate other potential opportunities. The actual amounts and timing may vary significantly based on various factors.

Acquisitions

On January 3, 2023, we completed the acquisition of Griffin Underwriting Services, a binding authority specialist and wholesale insurance broker headquartered in Bellevue, WA.

Key Factors Affecting Our Performance

Our historical financial performance has been, and we expect our financial performance in the future to be, driven by our ability to:

Pursue Strategic Acquisitions

We have successfully integrated businesses complementary to our own to increase both our distribution reach and our product and service capabilities. We continuously evaluate acquisitions and intend to further pursue targeted acquisitions that complement our product and service capabilities or provide us access to new markets. We have previously made, and intend to continue to make, acquisitions with the objective of enhancing our human capital and product and service capabilities, entering natural adjacencies, and expanding our geographic presence. Our ability to successfully pursue strategic acquisitions is dependent upon a number of factors, including sustained execution of a disciplined and selective acquisition strategy which requires acquisition targets to have a cultural and strategic fit, competition for these assets, purchase price multiples that we deem appropriate, and our ability to effectively integrate targeted companies or assets and grow our business. We do not have agreements or commitments for any material acquisitions at this time.

Deepen and Broaden our Relationships with Retail Broker Trading Partners

We have deep engagement with our retail broker trading partners, and we believe we have the ability to transact in even greater volume with nearly all of them. For example, in 2022, our revenue derived from the Top 100 firms (as ranked by Business Insurance) expanded faster than our Organic revenue growth rate of 16.4%. Our ability to deepen and broaden relationships with our retail broker trading partners and increase sales is dependent upon a number of factors, including client satisfaction with our distribution reach and our product capabilities, retail brokers continuing to require or desire our services, competition, pricing, economic conditions, and spending on our product offerings.

Build Our National Binding Authority Specialty

We believe there is substantial opportunity to continue to grow our Binding Authority Specialty, as we believe that both M&A consolidation and panel consolidation are in nascent stages in the binding authority market. Our ability to grow our Binding Authority Specialty is dependent upon a number of factors, including a continuing ability to secure sufficient capital support from insurers, the quality of our services and product offerings, marketing and sales efforts to drive new business prospects and execution, new product offerings, the pricing and quality of our competitors' offerings, and the growth in demand for the insurance products.

Invest in Operation and Growth

We have invested heavily in building a durable business that is able to adapt to the continuously evolving E&S market and intend to continue to do so. We are focused on enhancing the breadth of our product and service offerings as well as developing and launching new solutions to address the evolving needs of the specialty insurance industry and markets. Our future success is dependent upon a number of factors, including our ability to successfully develop, market, and sell existing and new products and services to both new and existing trading partners.

Generate Commission Regardless of the State of the E&S Market

We earn commissions, which are calculated as a percentage of the total insurance policy premium, and fees. Changes in the insurance market or specialty lines that are our focus, characterized by a period of increasing (or declining) premium rates, could positively (or negatively) impact our profitability.

Managing Changing Macroeconomic Conditions

Growth in certain lines of business, such as project-based construction and M&A transactional liability insurance, is partially dependent on a variety of macroeconomic factors inasmuch as binding the underlying insurance coverage is subject to the underlying activity occurring. In periods of economic growth and liquid credit markets, this underlying activity can accelerate and provide tailwinds to our growth. In periods of economic decline and tight credit markets, this underlying activity can slow or be delayed and provide headwinds to our growth. As interest rates have rapidly risen, leading to friction in debt markets, we have observed some delays to both construction projects and M&A activity which, in turn, pauses the binding of construction and M&A transactional liability insurance policies. We believe over time these lines of business will continue to grow as the economy steadies and again grows.

Leverage the Growth of the E&S Market

The growing relevance of the E&S market has been driven by the rapid emergence of large, complex, high-hazard, and otherwise hard-to-place risks across many lines of insurance. This trend continued in 2022, with 14 named storms – including Hurricane Ian with estimated losses of $50 to $65 billion during the 2022 Atlantic hurricane season – following 21 named storms totaling over $70 billion in estimated losses during the 2021 Atlantic hurricane season, escalating jury verdicts and social inflation, a proliferation of cyber threats, novel health risks, and the transformation of the economy to a “digital first” mode of doing business. We believe that as the complexity of the E&S market continues to escalate, wholesale brokers and managing underwriters that do not have sufficient scale, or the financial and intellectual capital to invest in the required specialty capabilities, will struggle to compete effectively. This will further the trend of market share consolidation among the wholesale firms that do have these capabilities. We will continue to invest in our intellectual capital to innovate and offer custom solutions and products to better address these evolving market fundamentals.

Although we believe this growth will continue, we recognize that the growth of the E&S market might not be linear as risks can and do shift between the E&S and non-E&S markets as market factors change and evolve. For example, we benefited from a rapid increase in both the rate and flow of public company D&O policies into the wholesale channel in 2020 and 2021. Throughout 2022 and 2023 as the public company D&O insurance markets stabilized, IPO markets have slowed, and new insurance capital that previously entered the market has impacted the public company D&O space, public company D&O rate decreases have accelerated. We believe these factors have also created opportunities for retailers to place some of that coverage directly.

Components of Results of Operations

Revenue

Net Commissions and Fees

Net commissions and fees are derived primarily from our three Specialties and are paid for our role as an intermediary in facilitating the placement of coverage in the insurance distribution chain. Net commissions and policy fees are generally calculated as a percentage of the total insurance policy premium placed, although fees can often be a fixed amount irrespective of the premium, but we also receive supplemental commissions based on the volume placed or profitability of a book of business. We share a portion of these net commissions and policy fees with the retail insurance broker and recognize revenue on a net basis. Additionally, carriers may also pay us a contingent commission or volume-based commission, both of which represent forms of contingent or supplemental consideration associated with the placement of coverage and are based primarily on underwriting results, but may also contain considerations for only volume, growth, and/or retention. Although we have compensation arrangements called contingent commissions in all three Specialties that are based in whole or in part on the underwriting performance, we do not take any direct insurance risk other than through our equity method investment in Geneva Re through Ryan Investment Holdings, LLC. We also receive loss mitigation and other fees, some of which are not dependent on the placement of a risk.

In our Wholesale Brokerage and Binding Authority Specialties, we generally work with retail insurance brokers to secure insurance coverage for their clients, who are the ultimate insured party. Our Wholesale Brokerage and Binding Authority Specialties generate revenues through commissions and fees from clients, as well as through supplemental commissions, which may be contingent commissions or volume-based commissions from carriers. Commission rates and fees vary depending upon several factors, which may include the amount of premium, the type of insurance coverage provided, the particular services provided to a client or carrier, and the capacity in which we act. Payment terms are consistent with current industry practice.

In our Underwriting Management Specialty, we generally work with retail insurance brokers and often other wholesale brokers to secure insurance coverage for the ultimate insured party. Our Underwriting Management Specialty generates revenues through commissions and fees from clients and through contingent commissions from carriers. Commission rates and fees vary depending upon several factors including the premium, the type of coverage, and additional services provided to the client. Payment terms are consistent with current industry practice.

Fiduciary Investment Income

Fiduciary investment income consists of interest earned on insurance premiums and surplus lines taxes that are held in a fiduciary capacity, in cash and cash equivalents, until disbursed.

Expenses

Compensation and Benefits

Compensation and benefits is our largest expense. It consists of (i) salary, incentives, and benefits paid and payable to employees, and commissions paid and payable to our producers and (ii) equity-based compensation associated with the grants of awards to employees, executive officers, and directors. We operate in competitive markets for human capital and we need to maintain competitive compensation levels in order to maintain and grow our talent base.

General and Administrative

General and administrative expense includes travel and entertainment expenses, office expenses, accounting, legal, insurance and other professional fees, and other costs associated with our operations. Our occupancy-related costs and professional services expenses, in particular, generally increase or decrease in relative proportion to the number of our employees and the overall size and scale of our business operations.

Amortization

Amortization expense consists primarily of amortization related to intangible assets we acquired in connection with our acquisitions. Intangible assets consist of customer relationships, trade names, and internally developed software.

Interest Expense, Net

Interest expense, net consists of interest payable on indebtedness, amortization of the Company's interest rate cap, imputed interest on contingent consideration, and amortization of deferred debt issuance costs, offset by interest income on the Company's Cash and cash equivalents balances and payments received in relation to the interest rate cap.

Other Non-Operating Loss (Income)

For the three months ended March 31, 2023 Other non-operating loss (income) included a $0.1 million of sublease income. For the three months ended March 31, 2022 Other non-operating loss (income) included a $7.7 million charge related to the change in the TRA liability caused by a change in our blended state tax rates.

Income Tax Expense (Benefit)

Income tax expense includes tax on the Company's allocable share of any net taxable income from the LLC, from certain state and local jurisdictions that impose taxes on partnerships, as well as earnings from our foreign subsidiaries and C-Corporations subject to entity level taxation.

Non-Controlling Interests

Net income and Other comprehensive income (loss) are attributed to the non-controlling interests based on the weighted average LLC Common Units outstanding during the period and is presented on the Consolidated Statements of Income. Refer to "Note 8*, Stockholders' Equity"* of the unaudited quarterly consolidated financial statements for more information.

Results of Operations

Below is a summary table of the financial results and Non-GAAP measures that we find relevant to our business operations:

(in thousands, except percentages and per share data)	Three Months Ended March 31, 2023	2022	Change $	%
Revenue				
Net commissions and fees	$ 447,513	$ 386,681	$ 60,832	15.7 %
Fiduciary investment income	10,086	209	9,877	4,725.8
Total revenue	**$ 457,599**	**$ 386,890**	**$ 70,709**	**18.3 %**
Expenses				
Compensation and benefits	307,722	274,274	33,448	12.2
General and administrative	51,699	42,361	9,338	22.0
Amortization	25,185	26,663	(1,478)	(5.5)
Depreciation	2,192	1,211	981	81.0
Change in contingent consideration	714	(1,008)	1,722	(170.8)
Total operating expenses	**$ 387,512**	**$ 343,501**	**$ 44,011**	**12.8 %**
Operating income	**$ 70,087**	**$ 43,389**	**$ 26,698**	**61.5 %**
Interest expense, net	29,468	21,752	7,716	35.5
Loss (income) from equity method investment in related party	(1,995)	543	(2,538)	(467.4)
Other non-operating loss (income)	(138)	7,521	(7,659)	(101.8)
Income before income taxes	**$ 42,752**	**$ 13,573**	**$ 29,179**	**215.0 %**
Income tax expense (benefit)	6,295	(4,503)	10,798	(239.8)
Net income	**$ 36,457**	**$ 18,076**	**$ 18,381**	**101.7 %**
GAAP financial measures				
Revenue	$ 457,599	$ 386,890	$ 70,709	18.3 %
Compensation and benefits	307,722	274,274	33,448	12.2
General and administrative	51,699	42,361	9,338	22.0
Net income	$ 36,457	$ 18,076	$ 18,381	101.7 %
Compensation and benefits expense ratio (1)	67.2 %	70.9 %		
General and administrative expense ratio (2)	11.3 %	10.9 %		
Net income margin (3)	8.0 %	4.7 %		
Earnings per share (4)	$ 0.12	$ 0.07		
Diluted earnings per share (4)	$ 0.11	$ 0.06		
Non-GAAP financial measures*				
Organic revenue growth rate	12.9 %	20.1 %		
Adjusted compensation and benefits expense	$ 285,885	$ 241,331	$ 44,554	18.5 %
Adjusted compensation and benefits expense ratio	62.5 %	62.4 %		
Adjusted general and administrative expense	$ 46,699	$ 38,296	$ 8,403	21.9 %
Adjusted general and administrative expense ratio	10.2 %	9.9 %		
Adjusted EBITDAC	$ 125,015	$ 107,263	$ 17,752	16.5 %
Adjusted EBITDAC margin	27.3 %	27.7 %		
Adjusted net income	$ 71,785	$ 64,732	$ 7,053	10.9 %
Adjusted net income margin	15.7 %	16.7 %		
Adjusted diluted earnings per share	$ 0.26	$ 0.24		

(1) Compensation and benefits expense ratio is defined as Compensation and benefits expense divided by Total revenue.

(2) General and administrative expense ratio is defined as General and administrative expense divided by Total revenue.

(3) Net income margin is defined as Net income divided by Total revenue.

(4) See "Note 10, *Earnings Per Share*" of the unaudited quarterly consolidated financial statements for further discussion of how these metrics are calculated.

* These measures are Non-GAAP. Please refer to the section entitled *"Non-GAAP Financial Measures and Key Performance Indicators"* below for definitions and reconciliations to the most directly comparable GAAP measure.

Comparison of the Three Months Ended March 31, 2023 and 2022

Revenue

Net Commissions and Fees

Net commissions and fees increased by $60.8 million, or 15.7%, from $386.7 million to $447.5 million for the three months ended March 31, 2023 as compared to the same period in the prior year. The two main drivers of the revenue increase were 12.9% of organic revenue growth and 1.6% growth from the Griffin and Centurion acquisitions.

	Three Months Ended March 31,					
(in thousands, except percentages)	**2023**	**% of total**	**2022**	**% of total**	**Change**	
Wholesale Brokerage	$ 285,850	63.9 %	$ 244,827	63.3 %	$ 41,023	16.8 %
Binding Authorities	69,526	15.5	62,993	16.3	6,533	10.4
Underwriting Management	92,137	20.6	78,861	20.4	13,276	16.8
Total net commissions and fees	**$ 447,513**		**$ 386,681**		**$ 60,832**	**15.7 %**

Wholesale Brokerage net commissions and fees increased by $41.0 million, or 16.8%, period-over-period, primarily due to strong organic growth within the Specialty for the quarter as well as contributions from the Griffin and Centurion acquisitions.

Binding Authority net commissions and fees increased by $6.5 million, or 10.4%, period-over-period, primarily due to strong organic growth within the Specialty for the quarter as well as contributions from the Griffin acquisition.

Underwriting Management net commissions and fees increased by $13.3 million, or 16.8%, period-over-period, primarily due to strong organic growth within the Specialty for the quarter.

The following table sets forth our revenue by type of commission and fees:

	Three Months Ended March 31,					
(in thousands, except percentages)	**2023**	**% of total**	**2022**	**% of total**	**Change**	
Net commissions and policy fees	$ 413,571	92.4 %	$ 359,602	93.0 %	$ 53,969	15.0 %
Supplemental and contingent commissions	26,331	5.9	20,098	5.2	6,233	31.0
Loss mitigation and other fees	7,611	1.7	6,981	1.8	630	9.0
Total net commissions and fees	**$ 447,513**		**$ 386,681**		**$ 60,832**	**15.7 %**

Net commissions and policy fees grew 15.0%, slightly lower than the overall net commissions and fee revenue growth of 15.7%, for the three months ended March 31, 2023 as compared to the same period in the prior year. The main drivers of this growth continue to be the acquisition of new business and expansion of ongoing client relationships in response to the increasing demand for new, complex E&S products as well as the inflow of risks from the Admitted market into the E&S market. In aggregate, we experienced stable commission rates period-over-period.

Supplemental and contingent commissions increased 31.0% period-over-period driven by the performance of risks placed on eligible business earning profit-based or volume-based commissions.

Loss mitigation and other fees grew 9.0% period-over-period primarily due to captive management and other risk management service fees from the placement of alternative risk insurance solutions in 2023.

Expenses

Compensation and Benefits

Compensation and benefits expense increased by $33.4 million, or 12.2%, from $274.3 million to $307.7 million for the three months ended March 31, 2023 compared to the same period in 2022. The following were the principal drivers of this increase:

- Commissions increased $19.0 million, or 16.4%, period-over-period, driven by the 15.7% increase in *Net Commissions and Fees* discussed above;

- An increase of $26.7 million was driven by (i) the addition of 419 employees compared to the same period prior year, and (ii) growth in the business. Overall headcount increased to 4,051 full-time employees as of March 31, 2023 from 3,632 as of March 31, 2022;

- This $45.7 million increase was offset by a $7.1 million decrease compared to the prior year in Acquisition related long-term incentive compensation related to the payoff of the All Risks LTIP plan in 2022 and a $5.2 million decrease compared to the prior year in IPO related compensation expense, which reflects charges associated with both the revaluation of existing equity grants at the time of our IPO as well as expense related to the new awards issued in connection with the IPO. The expense associated with both the revaluation of existing awards as well as the issuance of new equity awards both directly relate to the Organizational Transactions and IPO, however, amounts related to each will continue to be expensed over future periods as the underlying awards vest.

The net impact of revenue growth and the factors above resulted in a Compensation and benefits expense ratio decrease of 3.7% from 70.9% to 67.2% period-over-period.

In general, we expect to continue experiencing a rise in commissions, salaries, incentives, and benefits expense commensurate with our expected growth in business volume, revenue, and headcount.

General and Administrative

General and administrative expense increased by $9.3 million, or 22.0%, from $42.4 million to $51.7 million for the three months ended March 31, 2023 as compared to the same period in the prior year. A main driver of this increase was $4.6 million of increased travel and entertainment expense compared to the same period in 2022 which was the result of business travel returning to a normalized level. The remaining increase of $4.7 million was driven by growth in the business. Such expenses incurred to accommodate both organic and inorganic revenue growth include IT, occupancy, insurance, and professional services. The net impact of revenue growth and the factors listed above resulted in a General and administrative expense ratio increase of 0.4% from 10.9% to 11.3% period-over-period.

Amortization

Amortization expense decreased by $1.5 million or 5.5% from $26.7 million to $25.2 million for the three months ended March 31, 2023 compared to the same period in the prior year. The main driver for the decrease was the full amortization of certain previously acquired intangible assets. Our intangible assets decreased by $34.6 million when comparing the balance as of March 31, 2023 to the balance as of March 31, 2022.

Interest Expense, Net

Interest expense, net increased $7.7 million, or 35.5%, from $21.8 million to $29.5 million for the three months ended March 31, 2023 compared to the same period in the prior year. The main drivers of the change in Interest expense, net for the three months ended March 31, 2023 were the issuance of $400.0 million of Senior Secured Notes on February 3, 2022 and an increase in the floating rate applied to our Term Loan on account of the rising interest rate environment. On April 7, 2022, the Company entered into an interest rate cap agreement to manage its exposure to interest rate fluctuations related to the Company's Term Loan for an upfront cost of $25.5 million. The interest rate cap has a $1,000.0 million notional amount, 2.75% strike, and terminates on December 31, 2025. For the twelve months ended December 31, 2023 we expect to incur approximately $7.0 million of interest expense related to the cap.

Other Non-Operating Loss (Income)

Other non-operating loss (income) decreased by $7.6 million to income of $0.1 million for the three months ended March 31, 2023 as compared to a loss of $7.5 million in the same period in the prior year. For the three months ended March 31, 2023, Other non-operating loss (income) consisted of $0.1 million of sublease income. For the three months ended March 31, 2022, Other non-operating loss (income) included a $7.7 million charge related to the change in the TRA liability caused by a change in our blended state tax rates.

Income Before Income Taxes

Due to the factors above, Income before income taxes increased $29.2 million from $13.6 million to $42.8 million for the three months ended March 31, 2023 compared to the same period in the prior year.

Income Tax Expense (Benefit)

Income tax expense (benefit) increased $10.8 million from a benefit of $4.5 million to an expense of $6.3 million for the three months ended March 31, 2023 as compared to the same period in the prior year as a result of the tax benefit recognized by the Company in the prior period as a result of an increase in the Company's state tax rate.

Net Income

Net income increased $18.4 million from $18.1 million to $36.5 million for the three months ended March 31, 2023 compared to the same period in the prior year as a result of the factors described above.

Non-GAAP Financial Measures and Key Performance Indicators

In assessing the performance of our business, we use non-GAAP financial measures that are derived from our consolidated financial information, but which are not presented in our consolidated financial statements prepared in accordance with GAAP. We consider these non-GAAP financial measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period by excluding potential differences caused by variations in capital structures, tax positions, depreciation, amortization, and certain other items that we believe are not representative of our core business. We use the following non-GAAP measures for business planning purposes, in measuring our performance relative to that of our competitors, to help investors to understand the nature of our growth, and to enable investors to evaluate the run-rate performance of the Company. Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the consolidated financial statements prepared and presented in accordance with GAAP. The footnotes to the reconciliation tables below should be read in conjunction with the unaudited consolidated quarterly financial statements. Industry peers may provide similar supplemental information but may not define similarly-named metrics in the same way we do and may not make identical adjustments.

Organic Revenue Growth Rate

Organic revenue growth rate represents the percentage change in Total revenue, as compared to the same period for the year prior, adjusted for revenue attributable to recent acquisitions during the first 12 months of Ryan Specialty's ownership, and other adjustments such as contingent commissions, fiduciary investment income, and the impact of changes in foreign exchange rates.

A reconciliation of Organic revenue growth rate to Total revenue growth rate, the most directly comparable GAAP measure, for each of the periods indicated is as follows (in percentages):

	Three Months Ended March 31,	
	2023	2022
Total revenue growth rate (GAAP) (1)	**18.3 %**	**24.2 %**
Less: Mergers and acquisitions (2)	(1.6)	(3.4)
Change in other (3)	(3.8)	(0.7)
Organic revenue growth rate (Non-GAAP)	**12.9 %**	**20.1 %**

(1) March 31, 2023 revenue of $457.6 million less March 31, 2022 revenue of $386.9 million is a $70.7 million period-over-period change. The change, $70.7 million, divided by the March 31, 2022 revenue of $386.9 million, is a total revenue change of 18.3%. March 31, 2022 revenue of $386.9 million less March 31, 2021 revenue of $311.5 million is a $75.4 million period-over-period change. The change, $75.4 million, divided by the March 31, 2021 revenue of $311.5 million, is a total revenue change of 24.2%. See "*Comparison of the Three Months Ended March 31, 2023 and 2022"* for further details.

(2) The acquisitions adjustment excludes net commission and fees revenue generated during the first 12 months following an acquisition. The total adjustment for the three months ended March 31, 2023 and three months ended March 31, 2022 was $6.1 million and $10.6 million, respectively.

(3) The other adjustments exclude the period-over-period change in contingent commissions, fiduciary investment income, and foreign exchange rates. The total adjustment for the three months ended March 31, 2023 and three months ended March 31, 2022 was $14.8 million and $2.2 million, respectively.

Adjusted Compensation and Benefits Expense and Adjusted Compensation and Benefits Expense Ratio

We define Adjusted compensation and benefits expense as Compensation and benefits expense adjusted to reflect items such as (i) equity-based compensation, (ii) acquisition and restructuring related compensation expense, and (iii) other exceptional or non-recurring items, as applicable. The most comparable GAAP financial metric is Compensation and benefits expense. Adjusted compensation and benefits expense ratio is defined as Adjusted compensation and benefits expense as a percentage of Total revenue. The most comparable GAAP financial metric is Compensation and benefits expense ratio.

A reconciliation of Adjusted compensation and benefits expense and Adjusted compensation and benefits expense ratio to Compensation and benefits expense and Compensation and benefits expense ratio, the most directly comparable GAAP measures, for each of the periods indicated, is as follows:

	Three Months Ended March 31,	
(in thousands, except percentages)	2023	2022
Total revenue	**$ 457,599**	**$ 386,890**
Compensation and benefits expense	**$ 307,722**	**$ 274,274**
Acquisition-related expense	(1,016)	(58)
Acquisition related long-term incentive compensation	(578)	(7,697)
Restructuring and related expense	(730)	(158)
Amortization and expense related to discontinued prepaid incentives	(1,634)	(1,782)
Equity-based compensation	(6,635)	(6,804)
Initial public offering related expense	(11,244)	(16,444)
Adjusted compensation and benefits expense (1)	**$ 285,885**	**$ 241,331**
Compensation and benefits expense ratio	**67.2 %**	**70.9 %**
Adjusted compensation and benefits expense ratio	**62.5 %**	**62.4 %**

(1) Adjustments to Compensation and benefits expense are described in the definition of Adjusted EBITDAC to Net income in *"Adjusted EBITDAC and Adjusted EBITDAC Margin"*.

Adjusted General and Administrative Expense and Adjusted General and Administrative Expense Ratio

We define Adjusted general and administrative expense as General and administrative expense adjusted to reflect items such as (i) acquisition and restructuring general and administrative related expense, and (ii) other exceptional or non-recurring items, as applicable. The most comparable GAAP financial metric is General and administrative expense. Adjusted general and administrative expense ratio is defined as Adjusted general and administrative expense as a percentage of Total revenue. The most comparable GAAP financial metric is General and administrative expense ratio.

A reconciliation of Adjusted general and administrative expense and Adjusted general and administrative expense ratio to General and administrative expense and General and administrative expense ratio, the most directly comparable GAAP measures, for each of the periods indicated is as follows:

	Three Months Ended March 31,	
(in thousands, except percentages)	2023	2022
Total revenue	**$ 457,599**	**$ 386,890**
General and administrative expense	**$ 51,699**	**$ 42,361**
Acquisition-related expense	(2,174)	(451)
Restructuring and related expense	(2,826)	(2,966)
Initial public offering related expense	—	(648)
Adjusted general and administrative expense (1)	**$ 46,699**	**$ 38,296**
General and administrative expense ratio	**11.3 %**	**10.9 %**
Adjusted general and administrative expense ratio	**10.2 %**	**9.9 %**

(1) Adjustments to General and administrative expense are described in the definition of Adjusted EBITDAC to Net income in *"Adjusted EBITDAC and Adjusted EBITDAC Margin"*.

Adjusted EBITDAC and Adjusted EBITDAC Margin

We define Adjusted EBITDAC as Net income before Interest expense, net, Income tax expense (benefit), Depreciation, Amortization, and Change in contingent consideration, adjusted to reflect items such as (i) equity-based compensation, (ii) acquisition and restructuring related expenses, and (iii) other exceptional or non-recurring items, as applicable.

Acquisition-related expense includes one-time diligence, transaction-related, and integration costs. Acquisition-related long-term incentive compensation arises from long-term incentive plans associated with acquisitions. In 2023, Restructuring and related expense consists of compensation and benefits, occupancy, contractors, professional services, and license fees related to the ACCELERATE 2025 program. The compensation and benefits expense included severance as well as employment costs related to services rendered between the notification and termination dates. See "Note 4*, Restructuring"* of the unaudited quarterly consolidated financial statements for further discussion of ACCELERATE 2025. The remaining costs that preceded the restructuring plan were associated with professional services costs related to program design and licensing costs. In 2022, Restructuring and related expense represented costs associated with the 2020 restructuring plan. Amortization and expense consists of charges related to discontinued prepaid incentive programs. For the three months ended March 31, 2023, Other non-operating loss (income) includes sublease income. For the three months ended March 31, 2022, Other non-operating loss (income) includes a charge related to the change in the TRA liability caused by a change in our blended state tax rates. Equity-based compensation reflects non-cash equity-based expense. IPO related expenses include general and administrative expense associated with the preparations for Sarbanes-Oxley compliance, tax, and accounting advisory services and compensation-related expense primarily related to the revaluation of existing equity awards at IPO as well as expense for new awards issued at IPO.

Total revenue less Adjusted compensation and benefits expense and Adjusted general and administrative expense is equivalent to Adjusted EBITDAC. For a breakout of compensation and general and administrative costs for each addback, refer to the Adjusted compensation and benefits expense and Adjusted general and administrative expense tables above. The most directly comparable GAAP financial metric to Adjusted EBITDAC is Net income. Adjusted EBITDAC margin is defined as Adjusted EBITDAC as a percentage of Total revenue. The most comparable GAAP financial metric is Net income margin.

A reconciliation of Adjusted EBITDAC and Adjusted EBITDAC margin to Net income and Net income margin, the most directly comparable GAAP measures, for each of the periods indicated is as follows:

	Three Months Ended March 31,	
(in thousands, except percentages)	**2023**	**2022**
Total revenue	**$ 457,599**	**$ 386,890**
Net income	**$ 36,457**	**$ 18,076**
Interest expense, net	29,468	21,752
Income tax expense (benefit)	6,295	(4,503)
Depreciation	2,192	1,211
Amortization	25,185	26,663
Change in contingent consideration	714	(1,008)
EBITDAC	**$ 100,311**	**$ 62,191**
Acquisition-related expense	3,190	509
Acquisition related long-term incentive compensation	578	7,697
Restructuring and related expense	3,556	3,124
Amortization and expense related to discontinued prepaid incentives	1,634	1,782
Other non-operating loss (income)	(138)	7,521
Equity-based compensation	6,635	6,804
IPO related expenses	11,244	17,092
(Income) / loss from equity method investments in related party	(1,995)	543
Adjusted EBITDAC	**$ 125,015**	**$ 107,263**
Net income margin	**8.0 %**	**4.7 %**
Adjusted EBITDAC margin	**27.3 %**	**27.7 %**

Adjusted Net Income and Adjusted Net Income Margin

We define Adjusted net income as tax-effected earnings before amortization and certain items of income and expense, gains and losses, equity-based compensation, acquisition related long-term incentive compensation, acquisition-related expenses, costs associated with the IPO, and certain exceptional or non-recurring items. The most comparable GAAP financial metric is Net income. Adjusted net income margin is calculated as Adjusted net income as a percentage of Total revenue. The most comparable GAAP financial metric is Net income margin.

Following the IPO, the Company is subject to United States federal income taxes, in addition to state, local, and foreign taxes, with respect to our allocable share of any net taxable income of the LLC. For comparability purposes, this calculation incorporates the impact of federal and state statutory tax rates on 100% of our adjusted pre-tax income as if the Company owned 100% of the LLC.

A reconciliation of Adjusted net income and Adjusted net income margin to Net income and Net income margin, the most directly comparable GAAP measures, for each of the periods indicated is as follows:

	Three Months Ended March 31,	
(in thousands, except percentages)	**2023**	**2022**
Total revenue	**$ 457,599**	**$ 386,890**
Net income	**$ 36,457**	**$ 18,076**
Income tax expense (benefit)	6,295	(4,503)
Amortization	25,185	26,663
Amortization of deferred debt issuance costs (1)	3,039	2,811
Change in contingent consideration	714	(1,008)
Acquisition-related expense	3,190	509
Acquisition related long-term incentive compensation	578	7,697
Restructuring and related expense	3,556	3,124
Amortization and expense related to discontinued prepaid incentives	1,634	1,782
Other non-operating loss (income)	(138)	7,521
Equity-based compensation	6,635	6,804
IPO related expenses	11,244	17,092
(Income) / loss from equity method investments in related party	(1,995)	543
Adjusted income before income taxes (2)	**$ 96,394**	**$ 87,111**
Adjusted tax expense (3)	(24,609)	(22,379)
Adjusted net income	**$ 71,785**	**$ 64,732**
Net income margin	**8.0 %**	**4.7 %**
Adjusted net income margin	**15.7 %**	**16.7 %**

(1) Interest expense, net includes amortization of deferred debt issuance costs.

(2) Adjustments to Net income are described in the definition of Adjusted EBITDAC to Net income in *"Adjusted EBITDAC and Adjusted EBITDAC Margin"*.

(3) The Company is subject to United States federal income taxes, in addition to state, local, and foreign taxes, with respect to our allocable share of any net taxable income of the LLC. For the three months ended March 31, 2023, this calculation of adjusted tax expense is based on a federal statutory rate of 21% and a combined state income tax rate net of federal benefits of 4.53% on 100% of our adjusted income before income taxes as if the Company owned 100% of the LLC. For the three months ended March 31, 2022, this calculation of adjusted tax expense is based on a federal statutory rate of 21% and a combined state income tax rate net of federal benefits of 4.69% on 100% of our adjusted income before income taxes as if the Company owned 100% of the LLC.

Adjusted Diluted Earnings Per Share

We define Adjusted diluted earnings per share as Adjusted net income divided by diluted shares outstanding after adjusting for the effect if 100% of the outstanding LLC Common Units (together with the shares of Class B common stock) were exchanged into shares of Class A common stock and the effect of unvested equity awards. The most directly comparable GAAP financial metric is Diluted earnings per share.

A reconciliation of Adjusted diluted earnings per share to Diluted earnings per share, the most directly comparable GAAP measure, for each of the periods indicated is as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Earnings per share of Class A common stock – diluted	**$ 0.11**	**$ 0.06**
Less: Net income attributed to dilutive shares and substantively vested RSUs (1)	(0.06)	(0.03)
Plus: Net income attributed to non-controlling interests (2)	0.09	0.04
Plus: Adjustments to Adjusted net income (3)	0.13	0.18
Plus: Dilutive impact of unvested equity awards (4)	(0.01)	(0.01)
Adjusted diluted earnings per share	**$ 0.26**	**$ 0.24**
(Share count in '000)		
Weighted-average shares of Class A common stock outstanding – diluted	266,978	264,121
Plus: Dilutive impact of unvested equity awards (4)	4,670	5,632
Adjusted diluted earnings per share diluted share count	**271,648**	**269,753**

(1) Adjustment removes the impact of Net income attributed to dilutive awards and substantively vested RSUs to arrive at Net income attributable to Ryan Specialty Holdings, Inc. For the three months ended March 31, 2023 and 2022, this removes $17.4 million and $8.3 million of Net income, respectively, on 267.0 million and 264.1 million weighted-average shares of Class A common stock outstanding - diluted, respectively. See "Note 10*, Earnings Per Share"* of the unaudited quarterly consolidated financial statements.

(2) For comparability purposes, this calculation incorporates the Net income that would be outstanding if all LLC Common Units (together with shares of Class B common stock) were exchanged for shares of Class A common stock. For the three months ended March 31, 2023 and 2022, this includes $23.3 million and $11.2 million of Net income, respectively, on 267.0 million and 264.1 million weighted-average shares of Class A common stock outstanding - diluted, respectively. For the three months ended March 31, 2023, 143.4 million weighted average outstanding LLC Common Units were considered dilutive and included in the 267.0 million Weighted-average shares outstanding within Diluted EPS. For the three months ended March 31, 2022, 143.4 million weighted average outstanding LLC Common Units were considered dilutive and included in the 264.1 million Weighted-average shares outstanding within Diluted EPS. See "Note 10*, Earnings Per Share"* of the unaudited quarterly consolidated financial statements.

(3) Adjustments to Adjusted net income are described in the footnotes of the reconciliation of Adjusted net income to Net income (loss) in *"Adjusted Net Income and Adjusted Net Income Margin"* on 267.0 million and 264.1 million weighted-average shares of Class A common stock outstanding - diluted for the three months ended March 31, 2023 and 2022, respectively.

(4) For comparability purposes and to be consistent with the treatment of the adjustments to arrive at Adjusted net income, the dilutive effect of unvested equity awards is calculated using the treasury stock method as if the weighted average unrecognized cost associated with the awards was $0 over the period, less any unvested equity awards determined to be dilutive within the Diluted EPS calculation disclosed in "Note 10*, Earnings Per Share"* of the unaudited quarterly consolidated financial statements. For the three months ended March 31, 2023 and 2022, 4.7 million and 5.6 million shares were added to the calculation, respectively.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations. We believe that the balance sheet and strong cash flow profile of our business provides adequate liquidity. The primary sources of liquidity are Cash and cash equivalents on the Consolidated Balance Sheets, cash flows provided by operations, and debt capacity available under our Revolving Credit Facility, Term Loan, and Senior Secured Notes. The primary uses of liquidity are operating expenses, seasonal working capital needs, business combinations, capital expenditures, obligations under the TRA, taxes, and distributions to LLC Unitholders. We believe that Cash and cash equivalents, cash flows from operations, and amounts available under our Revolving Credit Facility will be sufficient to meet liquidity needs, including principal and interest payments on debt obligations, capital expenditures, and anticipated working capital requirements, for the next 12 months and beyond. Our future capital requirements will depend on many factors including continuance of historical working capital levels and capital expenditure needs, investment in de novo offerings, and the flow of deals in our merger and acquisition program.

We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations, this could reduce our ability to compete successfully and harm the results of our operations.

Cash and cash equivalents on the Consolidated Balance Sheets include funds available for general corporate purposes. Fiduciary cash and receivables cannot be used for general corporate purposes. Insurance premiums, claims funds, and surplus lines taxes are held in a fiduciary capacity and the obligation to remit these funds are recorded as Fiduciary liabilities in the Consolidated Balance Sheets. We recognize fiduciary amounts due to others as Fiduciary liabilities and fiduciary amounts collectible and held on behalf of others, including insurance carriers, other insurance intermediaries, surplus lines taxing authorities, clients, and insurance policy holders, as Fiduciary cash and receivables in the Consolidated Balance Sheets.

In our capacity as an insurance broker or agent, we collect premiums from insureds and, after deducting our commission, remit the premiums to the respective insurance markets and carriers. We also collect claims prefunding or refunds from carriers on behalf of insureds, which are then returned to the insureds, and surplus lines taxes, which are then remitted to surplus lines taxing authorities. Insurance premiums, claim funds, and surplus lines taxes are held in a fiduciary capacity. The levels of Fiduciary cash and receivables and Fiduciary liabilities can fluctuate significantly depending on when we collect the premiums, claims prefunding, and refunds, make payments to markets, carriers, surplus lines taxing authorities, and insureds, and collect funds from clients and make payments on their behalf, and upon the impact of foreign currency movements. Fiduciary cash, because of its nature, is generally invested in very liquid securities with a focus on preservation of principal. To minimize investment risk, we maintain cash holdings pursuant to an investment policy which contemplates all relevant rules established by states with regard to fiduciary cash and is approved by our Board of Directors. The policy requires broad diversification of holdings across a variety of counterparties utilizing limits set by our Board of Directors, primarily based on credit rating and type of investment. Fiduciary cash and receivables included cash of $769.0 million and $674.6 million as of March 31, 2023 and 2022, respectively, and fiduciary receivables of $1,706.1 million and $1,449.1 million as of March 31, 2023 and 2022, respectively. While we may earn interest income on fiduciary cash held in cash and investments, the fiduciary cash may not be used for general corporate purposes. Of the $704.6 million of Cash and cash equivalents on the Consolidated Balance Sheet as of March 31, 2023, $71.5 million was held in fiduciary accounts representing collected revenue and was available to be transferred to operating accounts and used for general corporate purposes.

Credit Facilities

We expect to have sufficient financial resources to meet our business requirements for the next 12 months. Although cash from operations is expected to be sufficient to service our activities, including servicing our debt and contractual obligations, and financing capital expenditures, we have the ability to borrow under our Revolving Credit Facility to accommodate any timing differences in cash flows. Additionally, under current market conditions, we believe that we could access capital markets to obtain debt financing for longer-term funding, if needed.

On September 1, 2020, we entered into the Credit Agreement with leading institutions, including JPMorgan Chase Bank, N.A., the Administrative Agent, for Term Loan borrowings totaling $1,650.0 million and a Revolving Credit Facility totaling $300.0 million, in connection with financing the All Risks Acquisition. Borrowings under our Revolving Credit Facility are permitted to be drawn for our working capital and other general corporate financing purposes and those of certain of our subsidiaries. Borrowings under our Credit Agreement are unconditionally guaranteed by various subsidiaries and are secured by a lien and security interest in substantially all of our assets.

On July 26, 2021, we entered into an amendment to our Credit Agreement, which provided for an increase in the size of our Revolving Credit Facility from $300.0 million to $600.0 million. Interest on the upsized Revolving Credit Facility bore interest at the Eurocurrency Rate (LIBOR) plus a margin that ranged from 2.50% to 3.00%, based on the first lien net leverage ratio defined in our Credit Agreement. No other significant terms under our agreement governing the Revolving Credit Facility were changed in connection with such amendment.

On February 3, 2022, the LLC issued $400.0 million of Senior Secured Notes. The notes have a 4.375% interest rate and will mature on February 1, 2030.

On April 29, 2022, the Company entered into the Fourth Amendment to the Credit Agreement on its Term Loan and Revolving Credit Facility to transition its LIBOR rate to a Benchmark Replacement of Adjusted Term SOFR plus a Credit Spread Adjustment of 10 basis points, 15 basis points, or 25 basis points for the one-month, three-month, or six-month borrowing periods, respectively.

As of March 31, 2023, the interest rate on the Term Loan was 3.00% plus Adjusted Term SOFR, subject to a 75 basis point floor.

As of March 31, 2023, we were in compliance with all of the covenants under our Credit Agreement and there were no events of default for the three months ended March 31, 2023.

Tax Receivable Agreement

The Company is party to a TRA with current and certain former LLC Unitholders. The TRA provides for the payment by the Company, to current and certain former LLC Unitholders, of 85% of the net cash savings, if any, in U.S. federal, state, and local income taxes that the Company realizes (or is deemed to realize in certain circumstances) as a result of (i) certain increases in the tax basis of the assets of the LLC resulting from purchases or exchanges of LLC Common Units ("Exchange Tax Attributes"), (ii) certain tax attributes of the LLC that existed prior to the IPO ("Pre-IPO M&A Tax Attributes"), (iii) certain favorable "remedial" partnership tax allocations to which the Company becomes entitled to (if any), and (iv) certain other tax benefits related to the Company entering into the TRA, including tax benefits attributable to payments that the Company makes under the TRA ("TRA Payment Tax Attributes"). The Company recognizes a liability on the Consolidated Balance Sheets based on the undiscounted estimated future payments under the TRA.

Due to the uncertainty of various factors, we cannot precisely quantify the likely tax benefits we will realize as a result of the LLC Common Unit exchanges and the resulting amounts we are likely to pay out to current and certain former LLC Unitholders pursuant to the TRA; however, we estimate that such tax benefits and the related TRA payments may be substantial. As set forth in the table below, and assuming no changes in the relevant tax law and that we earn sufficient taxable income to realize all cash tax savings that are subject to the TRA, we expect future payments under the TRA as a result of transactions as of March 31, 2023 will be $303.6 million in aggregate. Future payments in respect to subsequent exchanges would be in addition to these amounts and are expected to be substantial. The foregoing amounts are merely estimates and the actual payments could differ materially. In the highly unlikely event of an early termination of the TRA (e.g., a default by the Company or a Change of Control) the Company is required to pay to each holder of the TRA an early termination payment equal to the discounted present value of all unpaid TRA payments. The Company has not made, and is not likely to make, an election for an early termination. We expect to fund future TRA payments with tax distributions from the LLC that come from cash on hand and cash generated from operations.

(in thousands)	Exchange Tax Attributes	Pre-IPO M&A Tax Attributes	TRA Payment Tax Attributes	TRA Liabilities
Balance at December 31, 2022	**$ 150,311**	**$ 85,016**	**$ 60,020**	**$ 295,347**
Exchange of LLC Common Units	5,575	920	1,787	8,282
Balance at March 31, 2023	**$ 155,886**	**$ 85,936**	**$ 61,807**	**$ 303,629**

Total expected estimated tax savings from each of the tax attributes associated with the TRA as of March 31, 2023 are (i) Exchange Tax Attributes of $183.4 million, (ii) Pre-IPO M&A Tax Attributes of $101.1 million, and (iii) TRA Payment Tax Attributes of $72.7 million. The Company will retain the benefit of 15% of these cash savings.

Comparison of Cash Flows for the Three Months Ended March 31, 2023 and 2022

Cash and cash equivalents decreased $1.7 million from $706.4 million at March 31, 2022 to $704.7 million at March 31, 2023. A summary of our cash flows provided by and used for continuing operations from operating, investing, and financing activities is as follows:

Cash Flows From Operating Activities

Net cash used for operating activities during the three months ended March 31, 2023 decreased $93.7 million from the three months ended March 31, 2022 to $159.2 million. Net income increased $18.4 million, Deferred income tax expense (benefit) increased $11.1 million, both increasing cash flows from operating activities during the three months ended March 31, 2023 compared with the same period in the prior year. This was offset by a $85.4 million decrease in the change in Other current and non-current assets and accrued liabilities associated with the payment of accrued commissions & bonuses in the first quarter of 2023 and a $21.8 million decrease in the change in Commissions and fees receivable, net compared with the same period in the prior year.

Cash Flows From Investing Activities

Cash flows used for investing activities during the three months ended March 31, 2023 were $104.9 million, an increase of $102.2 million compared to the $2.7 million of cash flows used for investing activities during the three months ended March 31, 2022. The main driver of the cash flows used for investing activities in the three months ended March 31, 2023 was $102.1 million for Business combinations - net of cash acquired and cash held in a fiduciary capacity related to the Griffin acquisition and $2.8 million of capital expenditures, compared to $2.2 million of capital expenditures and a $0.5 million of prepaid incentives for the three months ended March 31, 2022.

Cash Flows From Financing Activities

Cash flows used for financing activities during the three months ended March 31, 2023 were $29.6 million, an increase of $338.3 million compared to cash flows provided by financing activities of $308.7 million during the three months ended March 31, 2022. The main drivers of cash flows used for financing activities during the three months ended March 31, 2023 were the net change in fiduciary liabilities of $20.8 million, payment of contingent consideration of $4.5 million, and repayment of term debt of $4.1 million.

The main drivers of cash flows provided by financing activities during the three months ended March 31, 2022 was the Bond issuance of $394.0 million, offset by the net change in fiduciary liabilities of $79.2 million, the repayment of term debt of $4.1 million, and debt issuance costs of $1.8 million.

Contractual Obligations and Commitments

Our principal commitments consist of contractual obligations in connection with investing and operating activities. These obligations are described within "Note 7*, Debt"* in the notes to our unaudited consolidated financial statements and provide further description on provisions that create, increase, or accelerate obligations, or other pertinent data to the extent necessary for an understanding of the timing and amount of the specified contractual obligations.

Within Current accrued compensation and Non-current accrued compensation we have various long-term incentive compensation agreements accrued for. These agreements are typically associated with an acquisition. Below we have outlined the liabilities accrued as of March 31, 2023, the projected future expense, and the projected timing of future cash outflows associated with these arrangements.

Long-term Incentive Compensation Agreements

(in thousands)		**March 31, 2023**
Current accrued compensation	$	—
Non-current accrued compensation		661
Total liability	**$**	**661**
Projected future expense		6,270
Total projected future cash outflows	**$**	**6,931**

Projected Future Cash Outflows

(in thousands)		
2023	$	—
2024		—
2025		—
2026		6,666
Thereafter	$	265

Within "Note 3*, Mergers and Acquisitions"* in the notes to our unaudited consolidated financial statements we discuss various contingent consideration arrangements and their impact. Below we have outlined the liabilities accrued as of March 31, 2023, the projected future expense, and the projected timing of future cash outflows associated with these contingent consideration agreements.

Contingent Consideration

(in thousands)		**March 31, 2023**
Current accounts payable and accrued liabilities	$	—
Other non-current liabilities		22,924
Total liability	**$**	**22,924**
Projected future expense		4,925
Total projected future cash outflows	**$**	**27,849**

Projected Future Cash Outflows

(in thousands)		
2023	$	—
2024		—
2025		27,849
2026		—
Thereafter	$	—

For further discussion, see "Note 3, *Mergers and Acquisitions," and "*Note 7*, Debt"* of the notes to our unaudited consolidated financial statements.

Critical Accounting Policies and Estimates

The methods, assumptions, and estimates that we use in applying the accounting policies may require us to apply judgments regarding matters that are inherently uncertain. We consider an accounting policy to be a critical estimate if (i) the Company must make assumptions that were uncertain when the judgment was made, and (ii) changes in the estimate assumptions, or selection of a different estimate methodology, could have a significant impact on our financial position and the results that we will report in the consolidated financial statements. While we believe that the estimates, assumptions, and judgments are reasonable, they are based on information available when the estimate was made. The accounting policies that we believe reflect our more significant estimates, judgments, and assumptions that are most critical to understanding and evaluating our reported financial results are: revenue recognition, business combinations, goodwill and intangibles, income taxes, and tax receivable agreement liabilities.

Our critical accounting policies are described under the heading *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies"* in the Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 1, 2023. Additionally, the changes, if any, to our critical accounting policies and estimates disclosed in the Annual Report on Form 10-K for the year ended December 31, 2022 are included in "Note 1*, Basis of Presentation,"* to our unaudited consolidated financial statements.

Recent Accounting Pronouncements

For a description of recently adopted accounting pronouncements and recently issued accounting standards not yet adopted (if any), see "Note 1, *Basis of Presentation"* in the notes to our unaudited consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to various market risks in the day-to-day operations. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest and foreign currency exchange rates.

Foreign Currency Risk

For the three months ended March 31, 2023, approximately 3% of revenues were generated from activities in the United Kingdom, Europe, and Canada. We are exposed to currency risk from the potential changes between the exchange rates of the US Dollar, Canadian Dollar, British Pound, Euro, Swedish Krona, Danish Krone, and other European currencies. The exposure to foreign currency risk from the potential changes between the exchange rates between the USD and other currencies is immaterial.

Interest Rate Risk

Fiduciary investment income is affected by changes in international and domestic short-term interest rates.

As of March 31, 2023, we had $1,608.8 million of outstanding principal on our Term Loan borrowings, which bears interest on a floating rate, subject to a 0.75% floor. We are subject to Adjusted Term SOFR interest rate changes, and exposure in excess of the floor. The fair value of the Term Loan approximates the carrying amount as of March 31, 2023 and December 31, 2022, as determined based upon information available.

On April 7, 2022, the Company entered into an interest rate cap agreement to manage its exposure to interest rate fluctuations related to the Company's Term Loan for an upfront cost of $25.5 million. The interest rate cap has a $1,000.0 million notional amount, 2.75% strike, and terminates on December 31, 2025.

Other financial instruments consist of Cash and cash equivalents, Commissions and fees receivable – net, Other current assets, and Accounts payable and accrued liabilities. The carrying amounts of Cash and cash equivalents, Commissions and fees receivable – net, and Accounts payable and accrued liabilities approximate fair value because of the short-term nature of the instruments.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rule 13a–15(e) and Rule 15d–15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the

Company in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of March 31, 2023, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control

There have been no changes in internal control over financial reporting during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Control Over Financial Reporting

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures will prevent or detect all errors and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in various legal proceedings and subject to claims that arise in the ordinary course of business. Although the results of litigation and claims are inherently unpredictable and uncertain, we are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in item 1A. “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2022, as amended and supplemented by the risk factor set forth below, which could materially affect our business, financial condition or future results.

Our inability to achieve the intended results of our previously announced restructuring program, ACCELERATE 2025, could impact our businesses, financial condition, and results of operations.

As part of our restructuring plans, we expect to incur one-time write-offs and other restructuring charges and generate annual cost savings in the future. There can be no assurance that any restructuring activities that we undertake will achieve the cost savings, operating efficiencies, or other expected benefits. Our ability to successfully manage and execute the ACCELERATE 2025 program and realize the expected savings and benefits in the amounts and at the times anticipated is important to our business success. Failure to achieve the goals of our plans, which could result from our inability to successfully execute organizational change and business transformation plans, changes in global or regional economic conditions, changes in the insurance markets in which we compete, unanticipated costs or charges, and loss of key or other personnel, could have a material adverse effect on our businesses, financial condition, and results of operations. Internal restructurings come with an inherent amount of transition risk and can require a significant amount of time and focus from management and other employees, which may divert attention from our normal operations and could have a material adverse effect on our business, results of operations and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

Item 6. Exhibits

The following is a list of all exhibits filed or furnished as part of this report:

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Ryan Specialty Holdings, Inc., dated July 21, 2021 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed on July 27, 2021).
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Ryan Specialty Holdings, Inc., dated June 3, 2022 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed on June 8, 2022).
3.3	Amended and Restated Bylaws of Ryan Specialty Holdings, Inc., dated July 21, 2021 (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed on June 8, 2022).
4.1	Registration Rights Agreement, dated July 26, 2021, by and among Ryan Specialty Holdings, Inc., and the other signatories party thereto (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on July 27, 2021).
4.2	Indenture, dated as of February 3, 2022, by and among Ryan Specialty, LLC, the guarantors party thereto and U.S. Bank National Association as trustee and as notes collateral agent (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on February 7, 2022).
4.3	Form of 4.375% Senior Secured Notes due 2030 (incorporated by reference to Exhibit A to Exhibit 4.1 to the Registrant's Form 8-K filed on February 7, 2022)
10.1	Amended and Restated Tax Receivable Agreement, dated as of August 9, 2022, by and among Ryan Specialty Holdings, Inc., and the other signatories party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 12, 2022).
10.2	Seventh Amended and Restated Limited Liability Company Agreement of Ryan Specialty, LLC, dated as of September 30, 2021, by and among Ryan Specialty, LLC, and the other signatories party thereto, (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 12, 2021).
10.3	First Amendment to the Seventh Amended and Restated Limited Liability Company Agreement of Ryan Specialty, LLC, dated as of February 17, 2022, by and among Ryan Specialty, LLC, and the other signatories party thereto (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on May 13, 2022).
10.4	Form of Director and Officer Indemnification Agreement, by and among Ryan Specialty Holdings, Inc., and the other signatories party thereto (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on June 21, 2021).
10.5	Indemnification Agreement, by and among Ryan Specialty Holdings, Inc., and Patrick G. Ryan, dated as of July 26, 2021 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K filed on July 27, 2021).
10.6	Director Nomination Agreement, dated as of July 26, 2021, by and among Ryan Specialty Holdings, Inc., and the other signatories party thereto (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K filed on July 27, 2021).
10.7	Ryan Specialty Holdings, Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q filed on August 12, 2022).
10.8	First Amendment to the Ryan Specialty Holdings, Inc. 2021 Omnibus Incentive Plan, (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-K filed on March 1, 2023).
10.9	Ryan Specialty Holdings, Inc., Form of Nonqualified Stock Option Agreement (Stacking Option) (incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-8 filed on July 23, 2021).
10.10	Ryan Specialty Holdings, Inc., Form of Nonqualified Stock Option Agreement (Reload Option) (incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-8 filed on July 23, 2021).
10.11	Ryan Specialty Holdings, Inc., Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-8 filed on July 23, 2021).
10.12	Ryan Specialty Holdings, Inc., Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-8 filed on July 23, 2021).
10.13	Ryan Specialty Holdings, Inc., Form of Class C Common Incentive Unit Grant Agreement (Staking Unit) (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-8 filed on July 23, 2021).
10.14	Ryan Specialty Holdings, Inc., Form of Class C Common Incentive Unit Grant Agreement (Reload Unit) (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-8 filed on July 23, 2021).

10.15	Ryan Specialty Holdings, Inc., Form of Common Unit Grant Agreement (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-8 filed on July 23, 2021).
10.16	Ryan Specialty Holdings, Inc., Form of Restricted LLC Unit Agreement (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-8 filed on July 23, 2021).
10.17	Ryan Specialty Holdings, Inc., Form of Restricted Stock Unit Agreement (Non-Employee Directors) (incorporated by reference to Exhibit 10.15 to the Registrant's Form 10-K filed on March 16, 2022).
10.18	Ryan Specialty Holdings, Inc., Form of Restricted LLC Unit Agreement (2022) (incorporated by reference to Exhibit 10.17 to the Registrant's Quarterly Report on Form 10-Q filed on May 13, 2022).
10.19	Fourth Amendment to the Credit Agreement, dated April 29, 2022, including Exhibit A, a conformed copy of the Credit Agreement, dated as of September 1, 2020, among Ryan Specialty, LLC, and JPMorgan Chase Bank, N.A., as administrative agent and the other lenders party thereto, as amended March 30, 2021, July 26, 2021, August 13, 2021 and April 29, 2022 (incorporated by reference to Exhibit 10.18 to the Registrant's Quarterly Report on Form 10-Q filed on May 13, 2022).
10.20	Second Amended and Restated Limited Liability Company Operating Agreement of New Ryan Specialty, LLC, dated as of November 8, 2022, by and among New Ryan Specialty, LLC, and the other signatories party thereto (incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-K filed on March 1, 2023).
31.1	Certification of the Chief Executive Officer pursuant to Exchange Act Rules Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of the Chief Financial Officer pursuant to Exchange Act Rules Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, filed herewith.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, filed herewith.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RYAN SPECIALTY HOLDINGS, INC. (Registrant)

Date: May 4, 2023

By: /s/ Jeremiah R. Bickham

Jeremiah R. Bickham
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Patrick G. Ryan, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Ryan Specialty Holdings, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ Patrick G. Ryan

Patrick G. Ryan
Chief Executive Officer and Chairman

Exhibit 31.2

Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Jeremiah R. Bickham, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Ryan Specialty Holdings, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ Jeremiah R. Bickham

Jeremiah R. Bickham
Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer

Pursuant to Rule 18 U.S.C. Section 1350

In connection with the Quarterly Report on Form 10-Q of Ryan Specialty Holdings, Inc. (the “Company”) for the period ended March 31, 2023, as filed with the U.S. Securities and Exchange Commission (the “Report”), I, Patrick G. Ryan, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2023

/s/ Patrick G. Ryan

Patrick G. Ryan
Chief Executive Officer and Chairman

Exhibit 32.2

Certification of the Chief Financial Officer

Pursuant to Rule 18 U.S.C. Section 1350

In connection with the Quarterly Report on Form 10-Q of Ryan Specialty Holdings, Inc. (the "Company") for the period ended March 31, 2023, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Jeremiah R. Bickham, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2023

/s/ Jeremiah R. Bickham

Jeremiah R. Bickham
Executive Vice President and Chief Financial Officer