

New targets for period to 2027: Talanx aims to accelerate earnings and dividend growth by 2027

- Targets for current strategy cycle to 2025 clearly exceeded a year ahead of schedule; medium-term targets for period to 2027 lifted
- Goal is to grow Group net income by 30 percent to more than EUR 2.5 billion by 2027
- 2024 dividend to be increased to EUR 2.70 per share – prospect of further rise by about 50 percent to EUR 4.00 per share by 2027
- Group return on equity target of permanently more than 12 percent
- Strong, profitable growth at Retail International Division – acquisition of former Liberty companies will add more than EUR 80 million to earnings in 2024

Hannover, 11 December 2024

The Talanx Group is setting itself new targets for the next three years now that it is set to clearly exceed its 2025 targets a year ahead of schedule. The Group is aiming to grow Group net income by 30 percent to more than EUR 2.5 billion in 2027; the planned return on equity should permanently exceed 12 percent. Shareholders should benefit from these plans: the aim is to increase the dividend to EUR 2.70 per share for the 2024 financial year that is now ending and by about 50 percent to EUR 4.00 per share by 2027. Talanx announced the move at its Capital Markets Day in Munich, which also focused on the Group's international retail business as well as the new targets. In 2024, the Group will clearly exceed the targets it set itself in 2022 for its return on equity, Group net income and dividend distributions in the period up to 2025. The key driver for this apart from profitable growth in its Primary Insurance operations is the acquisition of the former Liberty companies in Latin America in 2023 and 2024. These will contribute more than EUR 80 million after financing costs to Group net income in 2024 – a year ahead of schedule.

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“We are going to clearly exceed the targets set out in our current strategy cycle a year early, despite the geopolitical and macroeconomic challenges. Our strategy, which is built around decentralization, diversification and cost leadership, has paid off, and this makes us highly confident that we shall reach our ambitious targets by 2027”, said Torsten Leue, Talanx AG’s CEO, at the company’s Capital Markets Day in Munich. “We continued to expand our diversification strategy in recent years with our acquisition of the former Liberty companies in Latin America and with the particularly profitable growth of our Primary Insurance operations. We have put our words into deeds and taken Primary Insurance to a new level. At the same time, we have significantly enhanced the Group’s resilience while growing its net income. We aim to continue on this path and deliver continuous dividend growth for our shareholders.”

Ambitions for 2025 clearly exceeded a year early

The Talanx Group is going to clearly exceeded the targets it set itself in 2022 under its Strategy 25 initiative a year ahead of schedule. The average return on equity was clearly above the target of more than 10 percent and the figure for expected for 2024 is in excess of 15 percent. The Talanx Group’s original target for Group net income in 2025 was roughly EUR 1.6 billion, but it will clearly exceed this figure in 2024, with Group net income expected to top EUR 1.9 billion. This corresponds to a growth rate of more than 50 percent – well above the net income growth of 25 percent targeted for the period from 2022 to 2025. Equally, the Talanx Group had planned to lift the dividend payment for 2025 by 25 percent to EUR 2.50. Here, too, the Group will already exceed this target in 2024: the Board of Management is planning to propose a dividend of EUR 2.70 per share for financial year 2024 to the Supervisory Board and the 2025 General Meeting.

The Group's positive business performance is driven by strong, profitable growth in both Primary Insurance and Reinsurance. Primary Insurance saw particularly strong growth and is expected to lift its share of Group net income from 43 to 47 percent between 2022 and 2024. The acquisition and highly successful ongoing integration of the former Liberty companies in Latin America in the Retail International Division were another factor here. Since 2022, the Group has continued to diversify its business, pushed forward with its cost leadership strategy and strengthened its resilience.

"Being the cost leader and having a diversified business gives us important competitive advantages. But our business model also rests on other key pillars: our resilience and our balanced investment strategy. This ensures we can preserve our high level of stability and lays the foundations for continuing our extremely positive performance and steady dividend increases. This strategy is particularly valuable in challenging macroeconomic and geopolitical times", said Jan Wicke, Talanx AG's CFO. "Our strategic approach and our resilience mean we are highly confident, despite the volatile geopolitical situation."

Retail International: former Liberty companies boost profitable growth

The Retail International Division is one of the drivers for the Talanx Group's growth. It has continuously lifted its insurance revenue by double-digit amounts in the period since 2020, while its contribution to Group net income has grown by twice as much. The division's return on equity, which is clearly in double digits, reflects the steady growth in its profitability. This has accelerated even more with the acquisition of the former Liberty companies in Latin America in 2023 and 2024. The new acquisitions already contributed more than EUR 80 million after financing costs to Group net income in 2024, a year earlier than planned. "The timing of the acquisition was good because the Latin

American insurance market has recovered faster than expected. Not only is it already attractively sized, but it also offers substantial further potential for growth and profitability”, said Wilm Langenbach, the Talanx AG Board of Management member responsible for the Retail International Division and Chairman of the Board of Management at HDI International AG. “The acquisition, the successful ongoing integration and our operating strength mean we have met our targets for next year ahead of schedule and have as good as implemented our strategy for the period up to 2025: we have diversified our portfolio by achieving a healthy balance between Europe and Latin America, and have strengthened our technical excellence. Thanks to the purchase, we are now the overall number two on the Latin American property and casualty market for retail customers.”

Talanx Group confirms higher targets for 2024 and increases dividend to EUR 2.70 per share


In November, the Talanx Group lifted its earnings targets to more than EUR 1.9 billion for 2024 and more than EUR 2.1 billion for 2025 on the back of its positive business performance. The Group is confirming these targets. It is also confirming its forecast of a return on equity in excess of 15 percent in 2024. The Board of Management intends to ensure that shareholders benefit from this strong growth in earnings and is expected to propose to the Supervisory Board and the 2025 General Meeting that the 2024 dividend be raised from the original figure of EUR 2.50 to EUR 2.70.

About Talanx

Talanx is a major European insurance group with insurance revenue of around EUR 43.2 billion (2023) and roughly 28,000 employees worldwide. Based in Hannover, Germany, the Group is active in more than 175 countries. Talanx is a multi-brand

provider with a focus on B2B insurance. Its industrial insurance and retail business in Germany and abroad is operated under the HDI brand, which has a rich tradition stretching back more than 120 years. Other Group brands include Hannover Re, one of the world's leading reinsurers; the bancassurance specialists TARGO insurers, LifeStyle Protection and neue leben; and Polish insurer Warta. Ampega, one of Germany's largest asset management companies, manages the Talanx Group's assets and is also an experienced provider of asset management solutions for non-group institutional investors. Rating agencies have awarded the Talanx Primary Insurance Group financial strength ratings of A+ ("strong"/Standard & Poor's) and A+ ("superior"/AM Best). Hannover Re Group is rated AA- ("very strong"/S&P) and A+ ("superior"/AM Best). Talanx AG is listed on the Frankfurt Stock Exchange, where it is a member of the MDAX, and on the Hannover stock exchange (ISIN: DE000TLX1005, German Securities Code: TLX100).

Talanx – Together we take care of the unexpected and foster entrepreneurship

For further information, please see www.talanx.com. 

Podcast: https://www.talanx.com/en/talanx-group/group/talanx_corporate_podcast

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