

**talanx.**

Insurance. Investments.

# Annual results media conference

Jan Wicke, CFO

Hannover, 19 March 2025





# Agenda

- 1** CEO highlights
- 2 CFO highlights
- 3 Capital management
- 4 Segments
- 5 Group outlook

# An excellent year 2024...

1

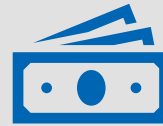
## Strong top line growth



**+11%<sup>1</sup>**  
Insurance revenue

2

## Superior earnings growth



**+25%**  
Group net income

3

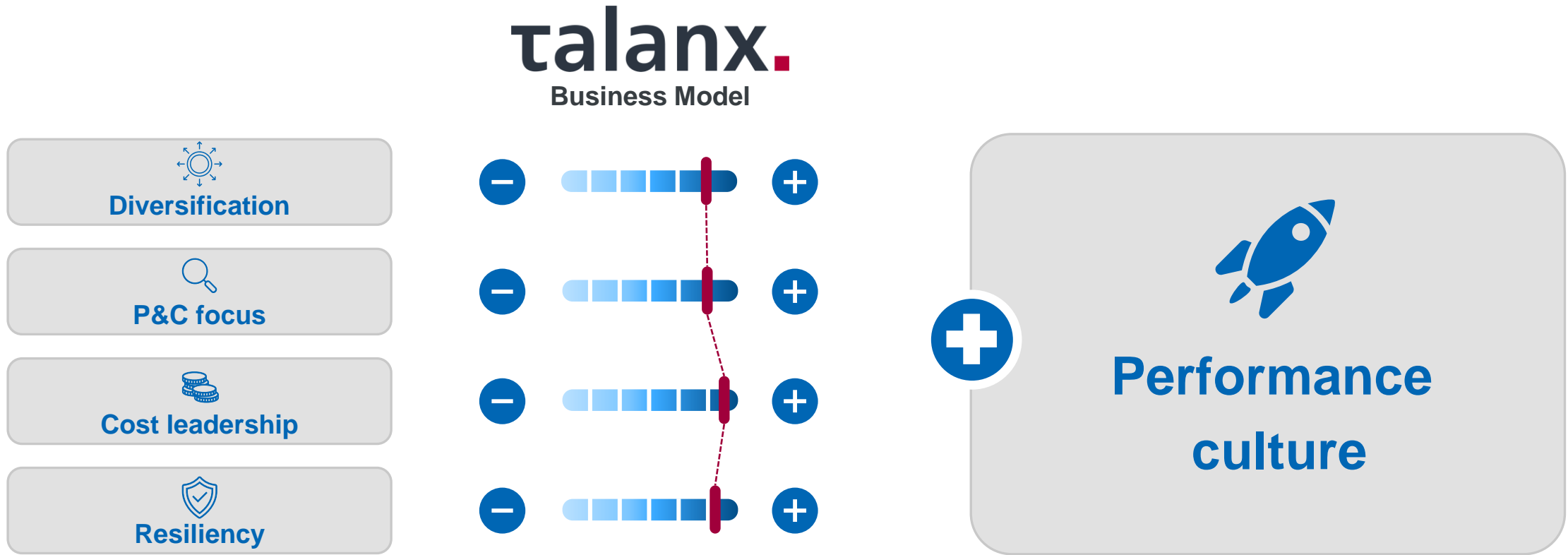
## High profitability



**~18%**  
Return on equity

<sup>1</sup> Currency-adjusted: +13%

# ... based on a well running business model



# Strong performance across all Primary Insurance segments

## Corporate & Specialty

## Retail



Global player

### International



Growth player

### Germany



Stable player

Insurance revenue

EUR 10bn

EUR 9.3bn

EUR 3.6bn

Net income<sup>1</sup>

EUR 501m

EUR 449m

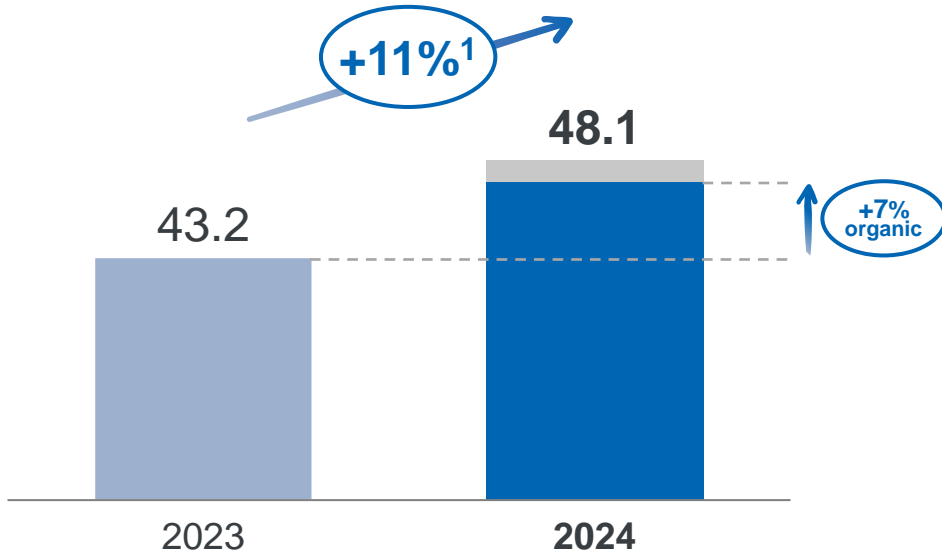
EUR 163m

<sup>1</sup> After minorities

# Double-digit top line growth – Bottom line growing twice as fast ...

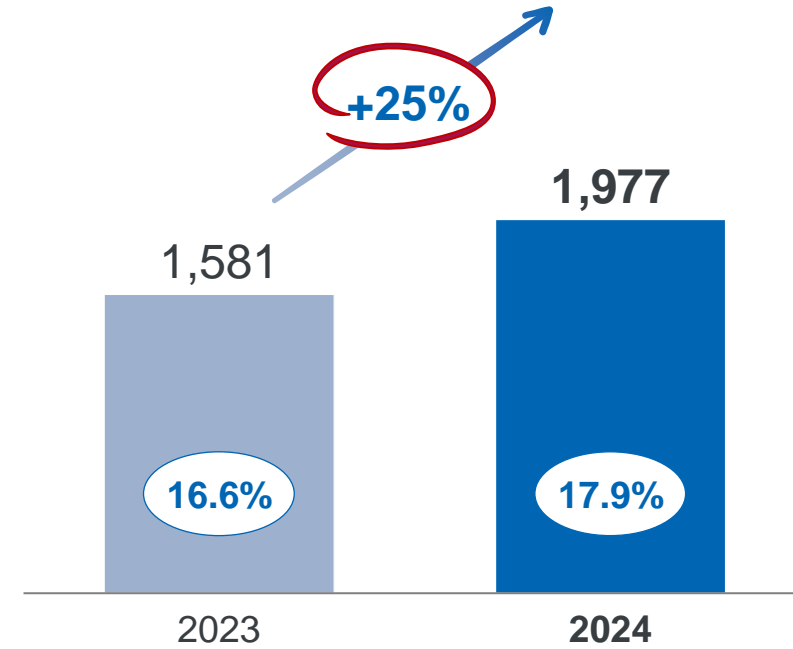
## Top line

Insurance revenue, in EURbn



## Bottom line

Group net income, in EURm



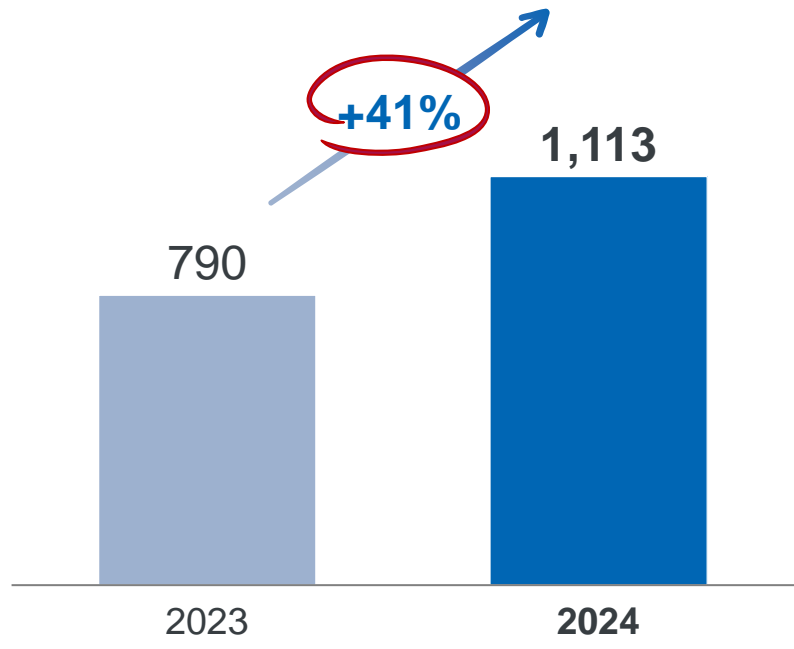
○ = Return on equity

1 Currency-adjusted: +13%

# ... driven by Primary Insurance

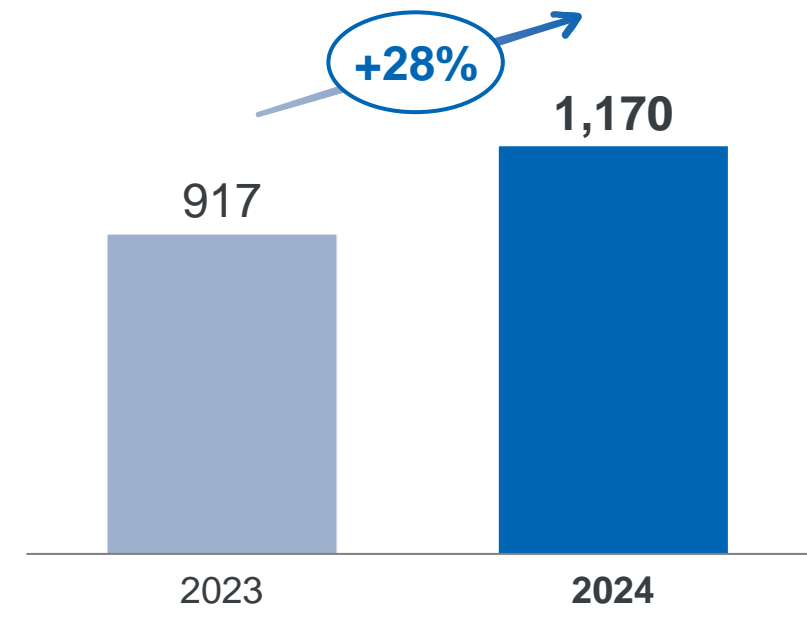
## Primary Insurance net income contribution

after minorities, in EURm



## Reinsurance net income contribution

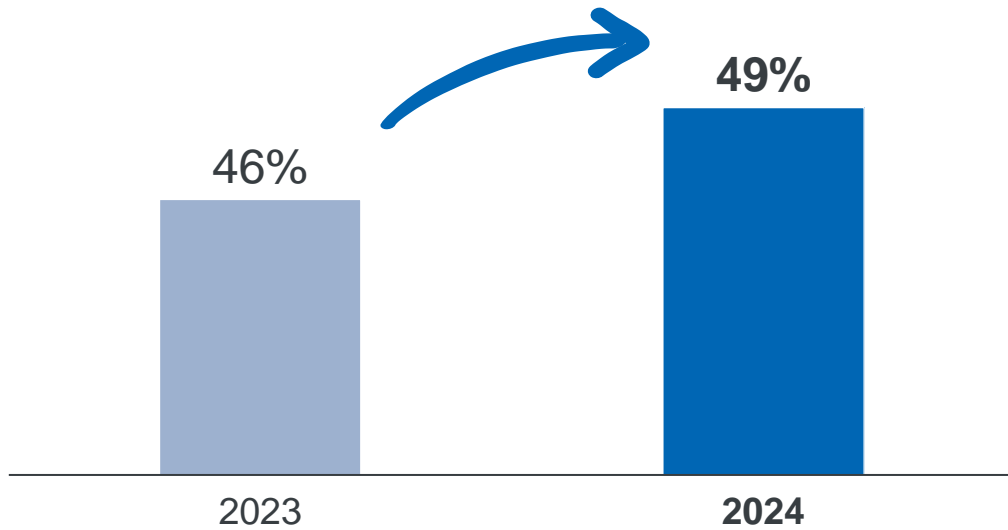
after minorities, in EURm



# Profit contribution of Primary Insurance almost at target level of ~ 50% ...

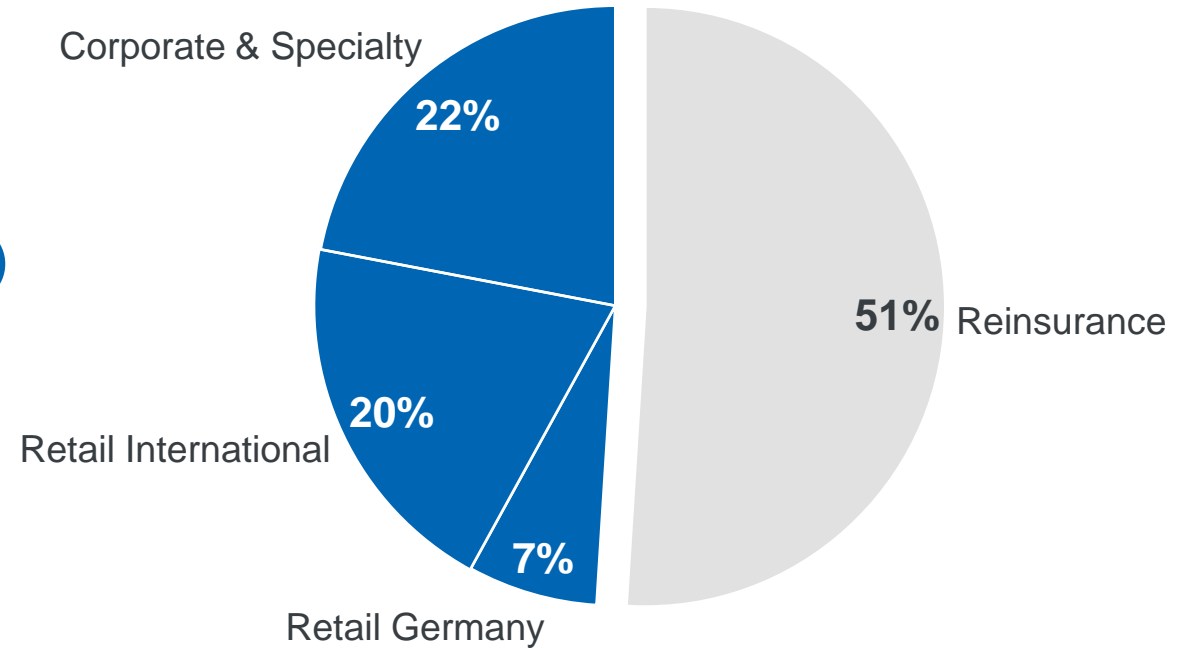
## Primary Insurance contribution to group

net income after minorities



## Net income split well diversified

net income after minorities, 2024



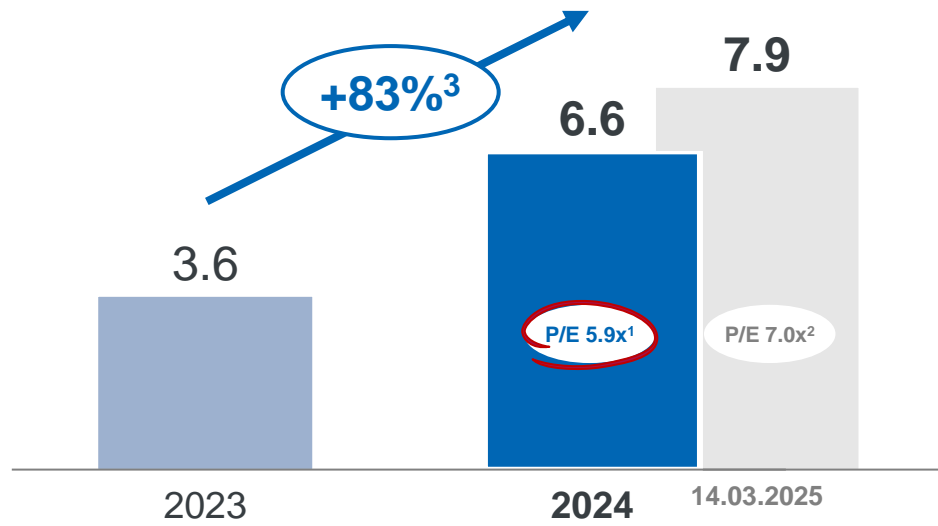
Note: Primary Insurance is the sum of Corporate & Specialty, Retail International and Retail Germany; percentages are calculated in percent of Group net income adjusted for Group Operations and Consolidation



# ... is reflected in rising shareholder value

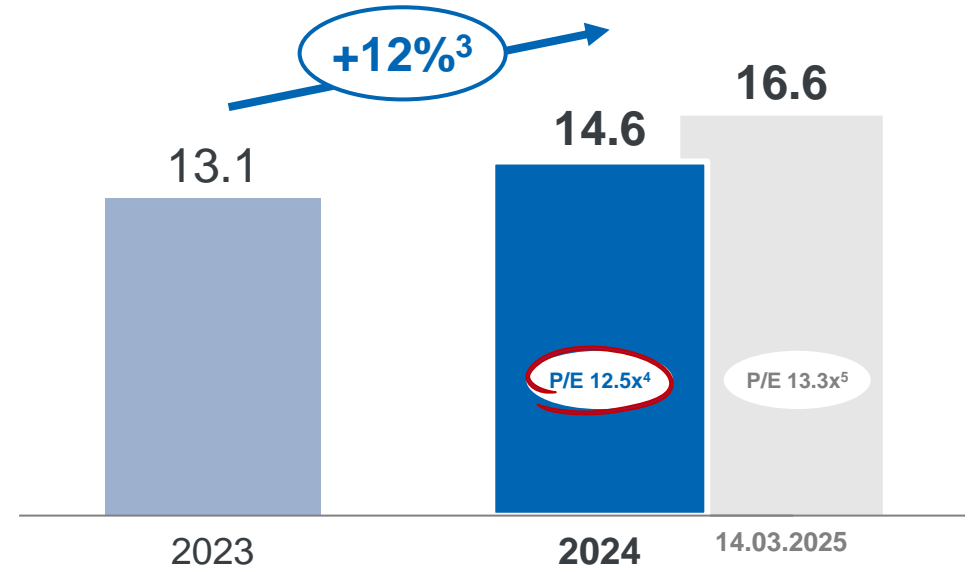
## Primary Insurance

Market capitalisation at year-end, in EURbn



## Reinsurance

Market capitalisation at year-end, in EURbn



Source: FactSet

Note: Primary Insurance is defined as Talanx AG market capitalization minus 50.2 percent of Hannover Re market capitalization, which is shown as Reinsurance. Both together represent the Talanx AG market capitalisation

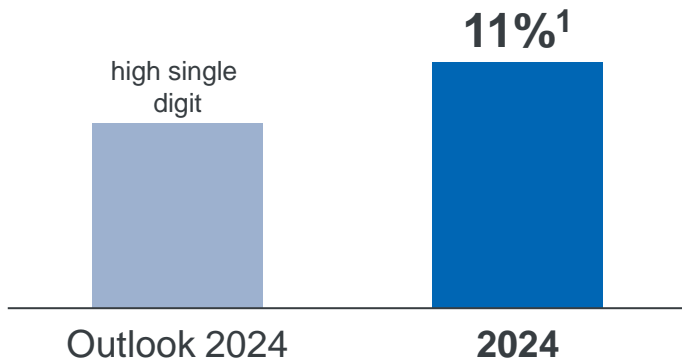
1 P/E 2024 based on EUR 1,113m net income | 2 P/E 2025e based on EUR 1,129m consensus expectation for net income (Corporate & Specialty, Retail International and Retail Germany) | 3 Growth 31.12.2023 vs 31.12.2024

4 P/E 2024 based on EUR 1,170m net income | 5 PE 2025e based on EUR 2,486m consensus expectation for Hannover Rueck SE according to Bloomberg data

# Net income target 2025 delivered one year early and higher !

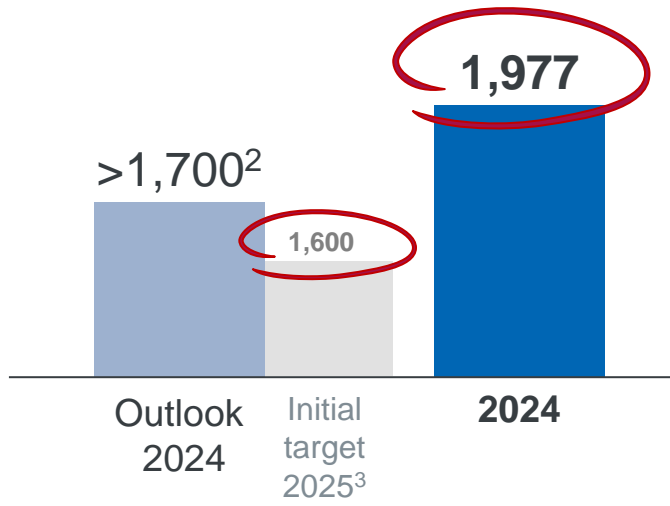
## Insurance revenue growth

YoY, in %



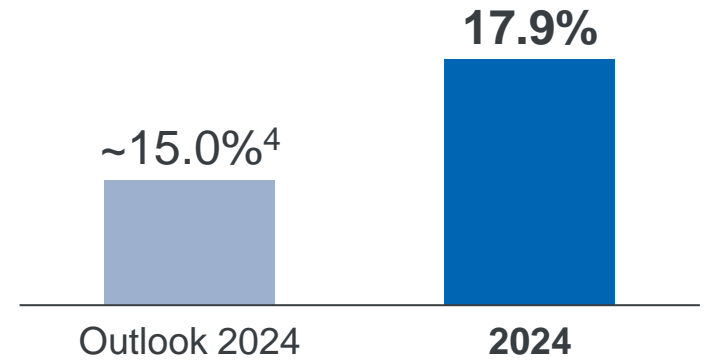
## Group net income

in EURm



## Return on equity

~15.0%<sup>4</sup>



1 Currency-adjusted: +13% | 2 Initial guidance as communicated with 2023 results; was lifted to >>1,700 with 6M 2024 results and lifted to >1,900 with 9M 2024 results | 3 Target according to prior strategic cycle was EUR 1,600m for 2025  
 4 Initial guidance as communicated with 2023 results

# Outlook 2025

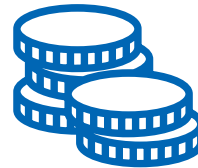
## Insurance revenue growth



**Mid  
Single-digit<sup>1</sup>**

## Group net income

in EURm



**>2,100<sup>2</sup>**

## Return on equity



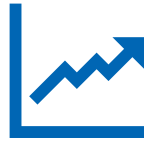
**~17%<sup>3</sup>**

Note: Targets are subject to large losses staying within their respective annual large-loss budgets (EUR 2.8bn in 2025) as well as no occurrence of major turmoil on currency and/or capital market

1 Currency-adjusted | 2 Original strategic target was EUR 1.6bn | 3 Provided that there are no fluctuations in equity for other reasons (e.g. credit spread changes). Strategic target is > 12%

# Strategic targets until 2027

## Group net income



Increase  
2024 – 2027

**+30%**

## Dividend



Increase  
2024 – 2027

**+50%**

Note: Targets are subject to large losses staying within their respective annual large-loss budgets as well as no occurrence of major turmoil on currency and/or capital market; net income growth target until 2027 with a net income 2024 baseline of EUR 1,977m; dividend growth target until 2027 with a dividend 2024 baseline of EUR 2.70; dividend per share for 2027 paid in 2028; subject to supervisory board and AGM approval; CAGR (2024-2027): Net income = ~10%, dividend = 14%



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- 2 **CFO highlights**
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# CFO highlights 2024

## Strong growth



Revenue growth

**+11%<sup>1</sup>**

## High profitability



ROE

**17.9%**

## Increased dividend



Dividend per share<sup>2</sup>  
in EUR

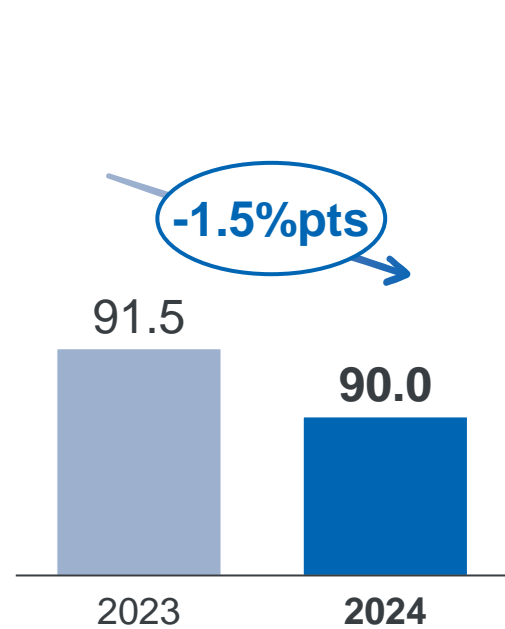
**2.70**  
(+15% versus 2023)

1 Currency-adjusted: +13% | 2 Dividend for 2023 paid in 2024 and for 2024 to be paid in 2025, subject to AGM approval

# Improved underwriting performance across the board

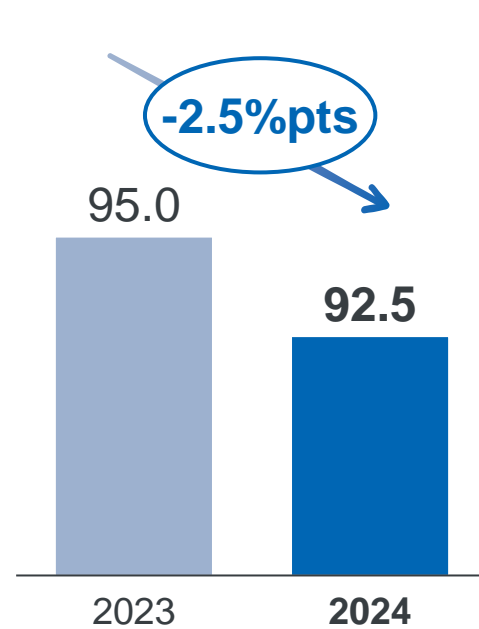
## Corporate & Specialty

Combined ratio (net / gross) Property / Casualty in %

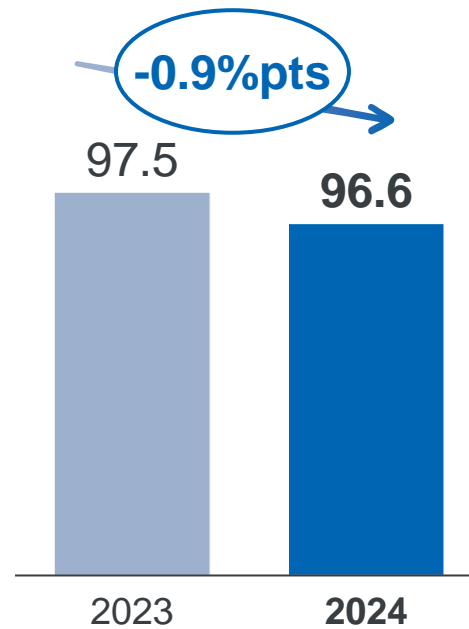


## Retail

International

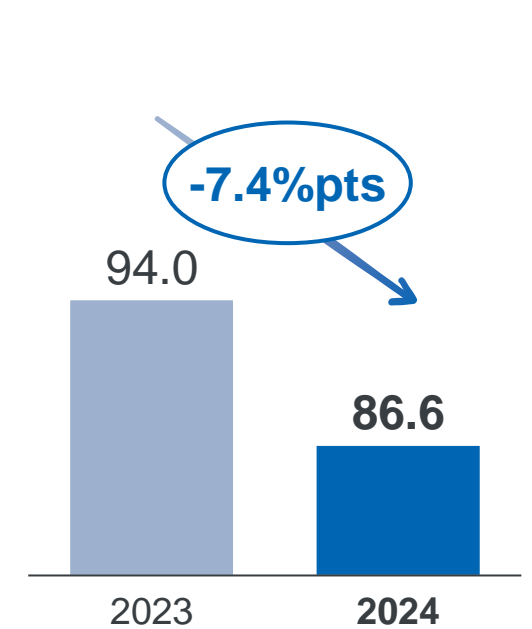


Germany



## Reinsurance

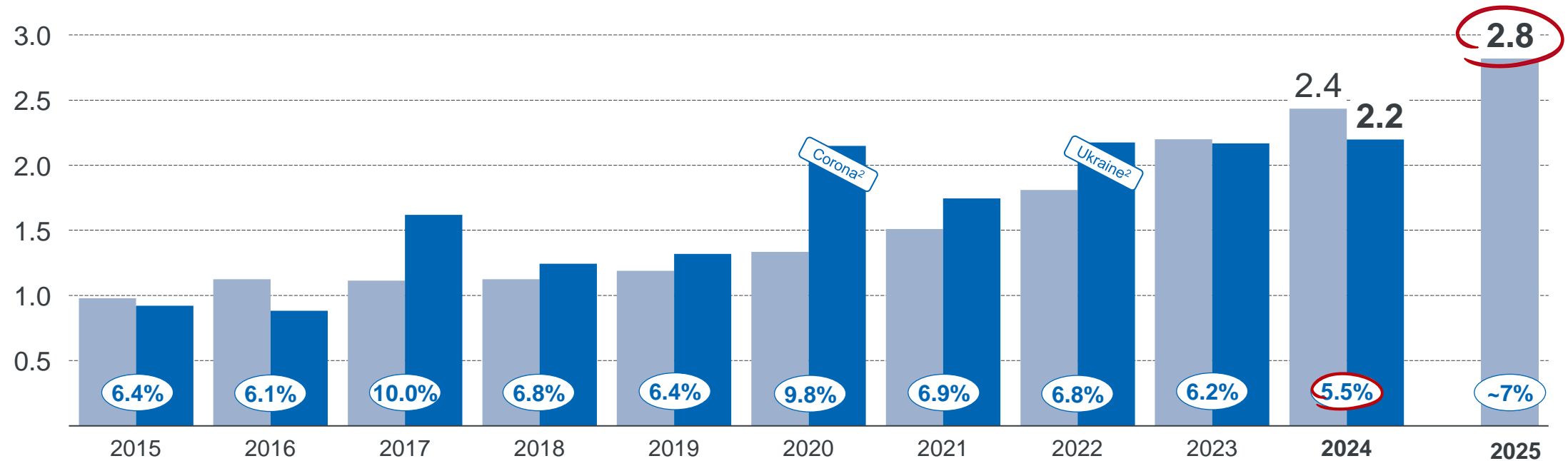
Combined ratio (net / net) Property / Casualty in %



# Large losses at prior-year level and below budget

## Large losses in absolute and relative terms

P/C business only, in EURbn



= Net large losses relative to premiums earned / insurance revenue<sup>1</sup>    Budget    Usage

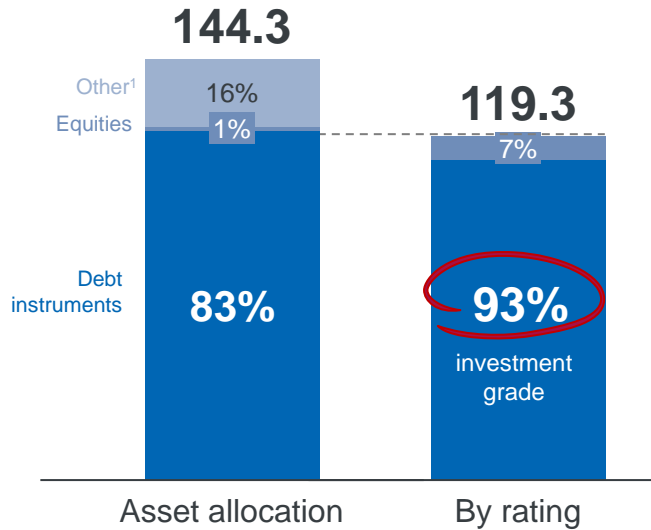
Note: Definition "large loss": In excess of EUR 10m gross in either Primary Insurance or Reinsurance.  
1 For 2015 – 2021 IFRS 4, in % of net premiums earned. From 2022 IFRS 17, in % of insurance revenues | 2 Details in appendix



# Benefits from past investment management actions materialising

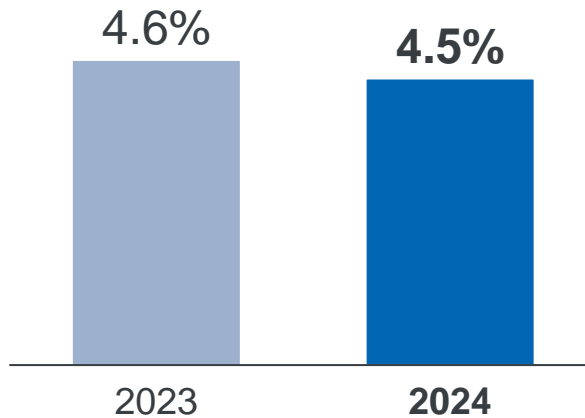
## High-quality investment portfolio

2024, in EURbn



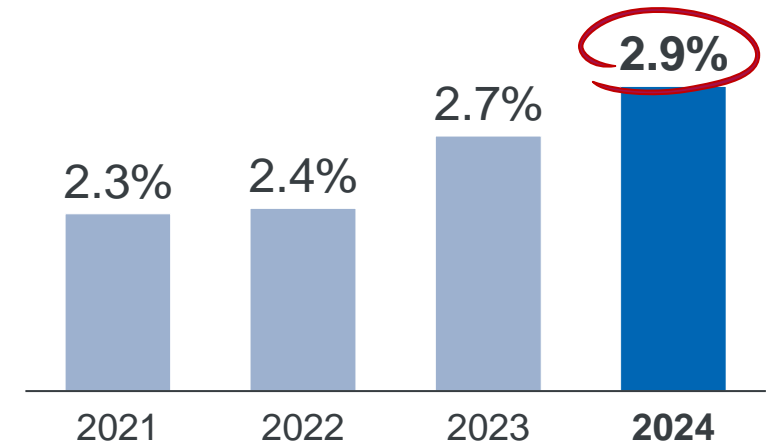
## Average reinvestment yield<sup>2</sup>

in % p.a.



## Average bond portfolio yield<sup>3</sup>

in % p.a.

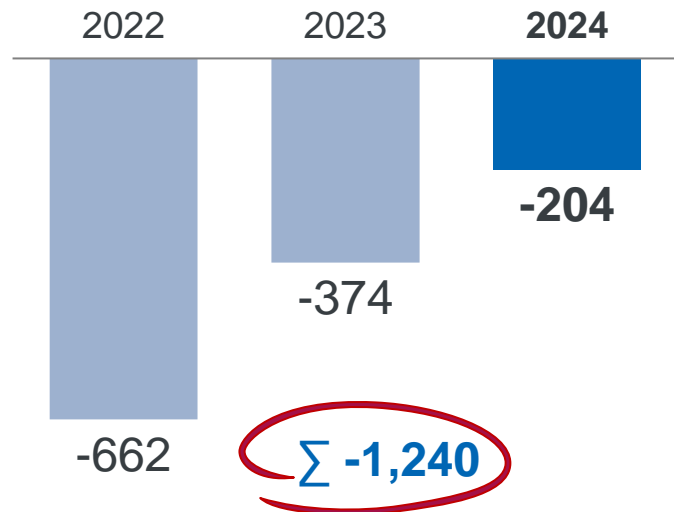


1 Includes mainly private equity, real estate and infrastructure investments | 2 On debt instruments securities calculated as FY average | 3 On debt instruments at year-end

# Resiliency further improved

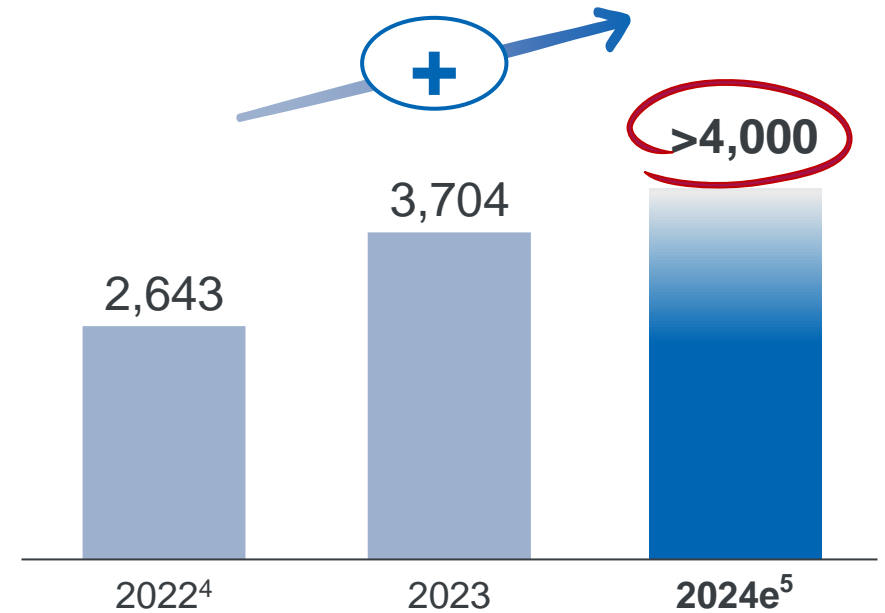
## Net realised bond gains/losses<sup>1</sup>

EBIT impact, in EURm



## Resiliency embedded in best estimate<sup>2</sup>

Talanx Group<sup>3</sup>, in EURm



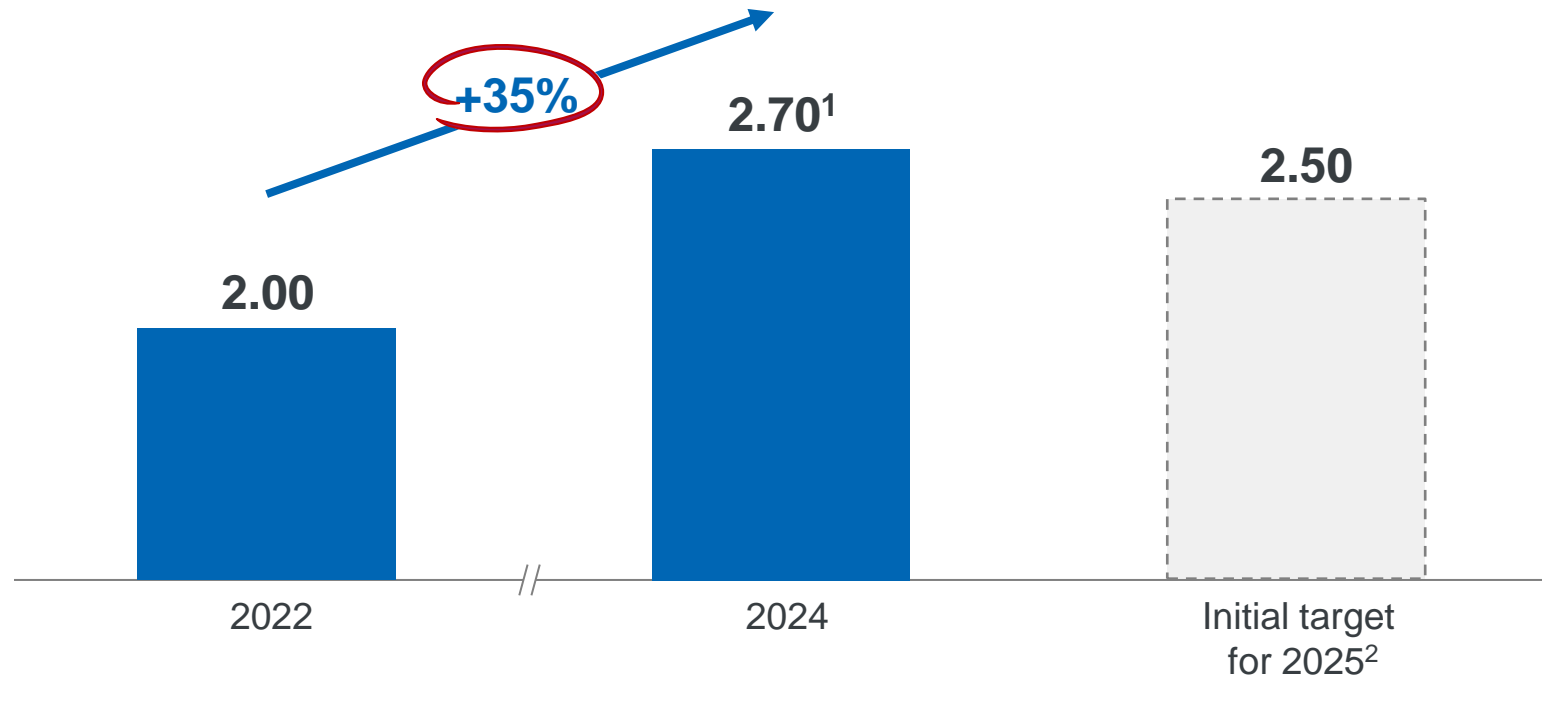
External expert assessment of 31 Dec 2024 figures to be published with Q1 2025 results on 15 May 2025

<sup>1</sup> Excluding losses allocated to policyholders in German Retail Life, according to IFRS 17 | <sup>2</sup> Resiliency embedded in best estimate for P/C net claims reserves (undiscounted), before taxes and minorities which is defined as the difference between booked reserves (based on Talanx' own best estimates) and WTW analysis. WTW calculation based on data provided by Talanx. | <sup>3</sup> Sum of Hannover Re, Talanx Primary Group, Talanx AG (not consolidated) | <sup>4</sup> Excludes EUR 5m related to Hungarian entity which was deconsolidated in 2023 | <sup>5</sup> Internal estimates (external expert calculation to be published with Q1 2025 results on 15 May 2025)

# Dividend target 2025 delivered one year early and higher !

## Dividend

in EUR per share



Note: Strategic dividend growth target of +25% until 2025 based on a dividend of EUR 2.00 per share for 2022 paid in 2023 | 1 Subject to supervisory board and AGM approval | 3 Target according to prior strategic cycle was EUR 2.50 dividend for 2025 to be paid in 2026

# Aiming for steadily rising profits and dividends with lower volatility

## Group net income



Increase  
2024 – 2027

**+30%**

## Dividend



Increase  
2024 – 2027

**+50%**

Note: Targets are relevant as of FY2024; targets are subject to large losses staying within their respective annual large-loss budgets as well as no occurrence of major turmoil on currency and/or capital market; net income growth target until 2027 with a net income 2024 baseline of > EUR 1,900m; dividend growth target until 2027 with a dividend 2024 baseline of EUR 2.70; dividend per share for 2027 paid in 2028; subject to supervisory board and AGM approval; CAGR (2024-2027): Net income = ~10%, dividend = 14%

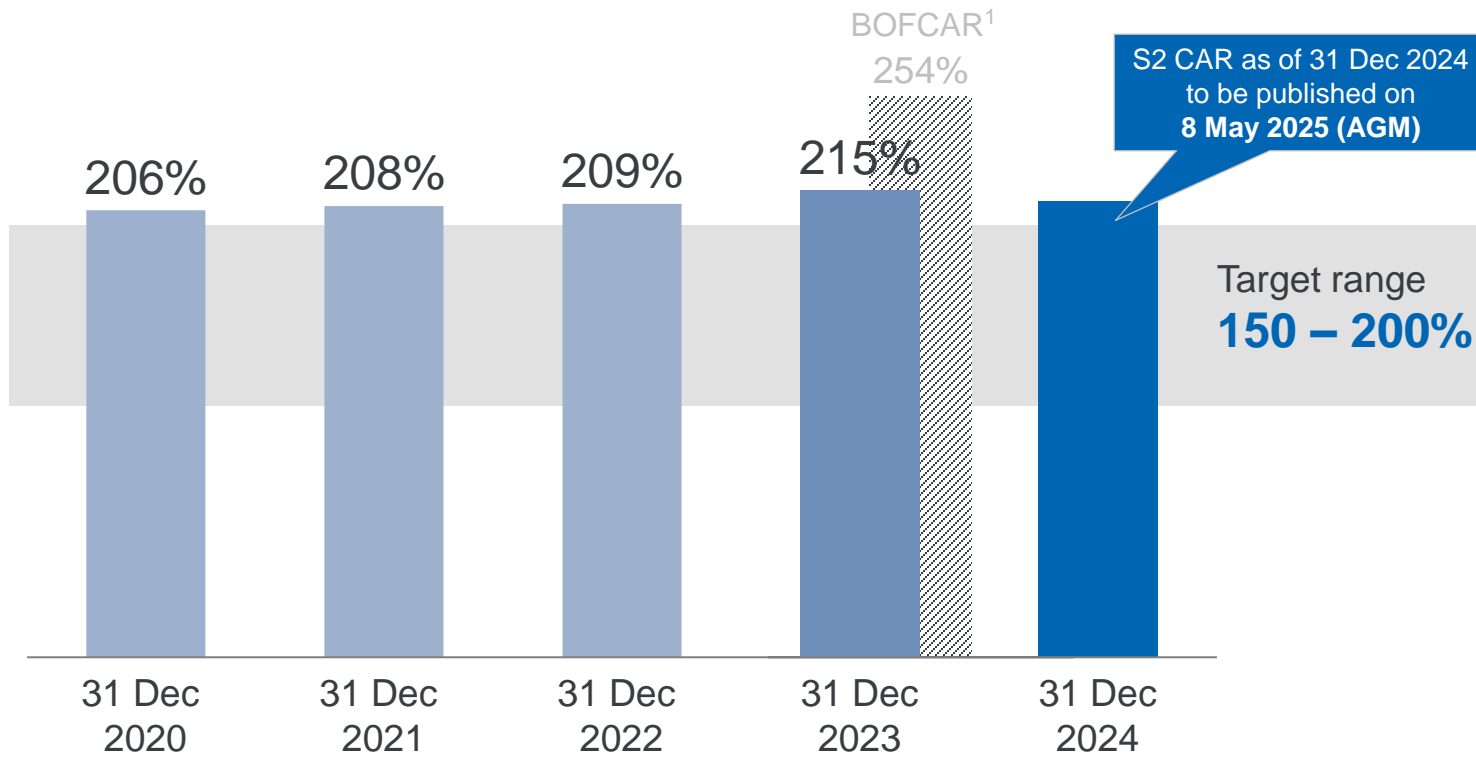


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# S&P rating upgrade to “AA-”...

## Solvency 2 ratios



Note: Solvency 2 ratio of HDI Group as the regulated entity, as of period end excluding transitional measures.  
 1 Economic funds excl. regulatory haircut for Hannover Re minorities

## Ratings

**S&P Global Ratings**  
**AA-**  
 (stable)  
 Upgrade

**AM BEST**  
 SINCE 1899

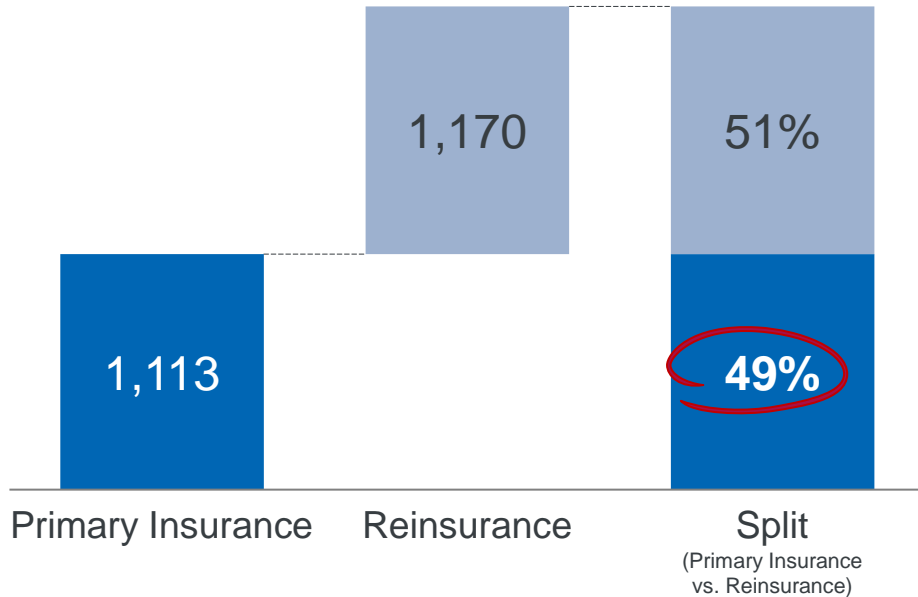
**A+**  
 (stable)

Note: Insurer Financial Strength Rating

# ...reflects strong earnings and cash generation of Primary Insurance

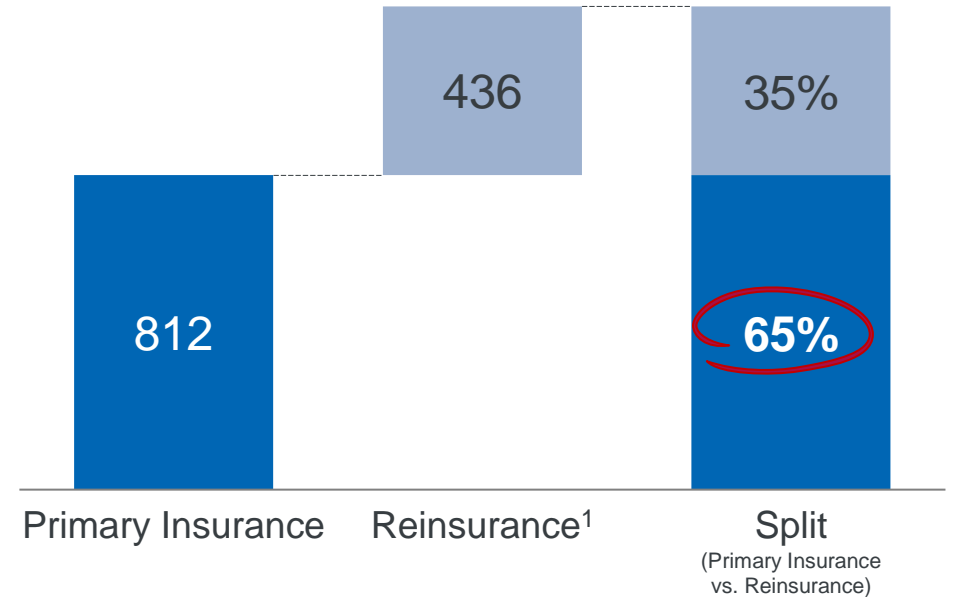
## Group net income

2024, in EURm



## Cash contribution from subsidiaries

Local GAAP, as affecting income statement of Talanx AG in 2024, in EURm

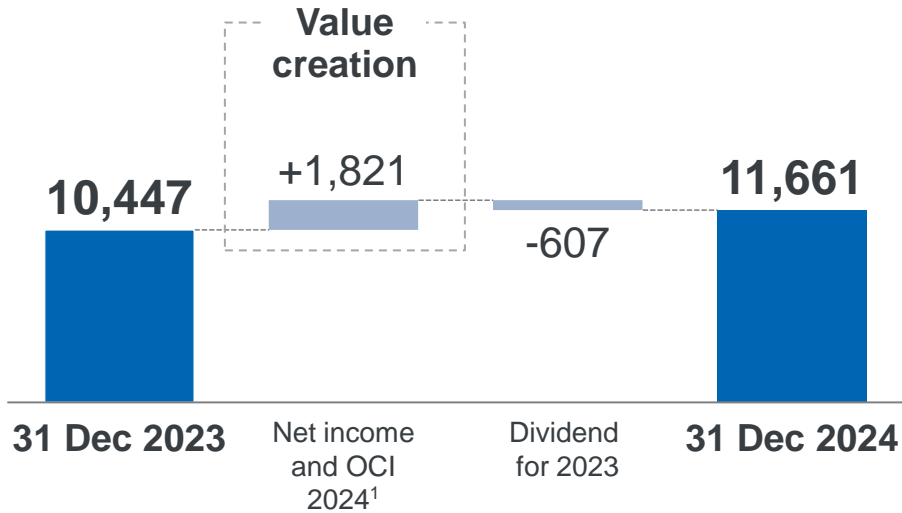


Note: Primary Insurance is the sum of Corporate & Specialty, Retail International and Retail Germany  
1 Dividend from Hannover Re received by Talanx AG in 2024 for 2023

# 90% of market value backed by existing book

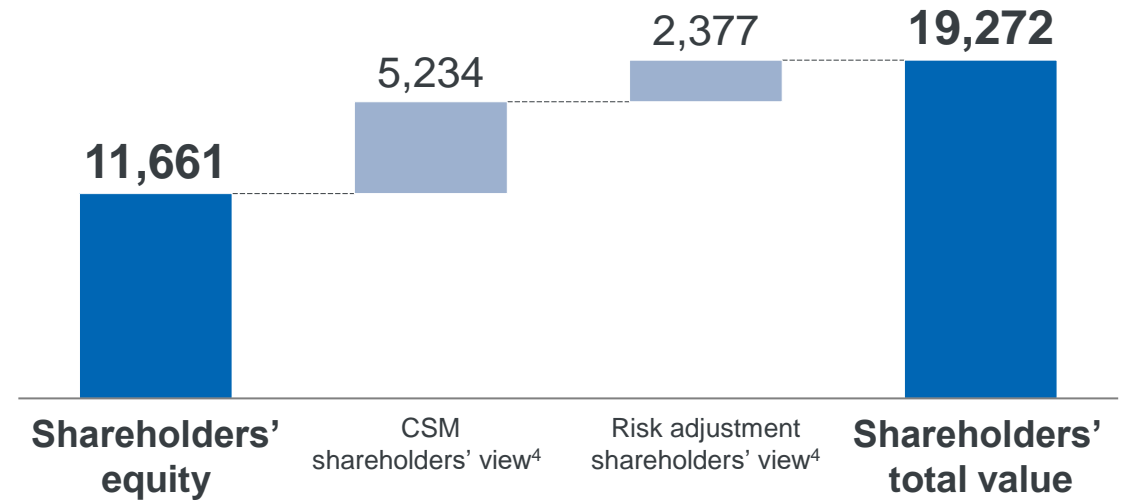
## Shareholders' equity development

After taxes and minorities, in EURm



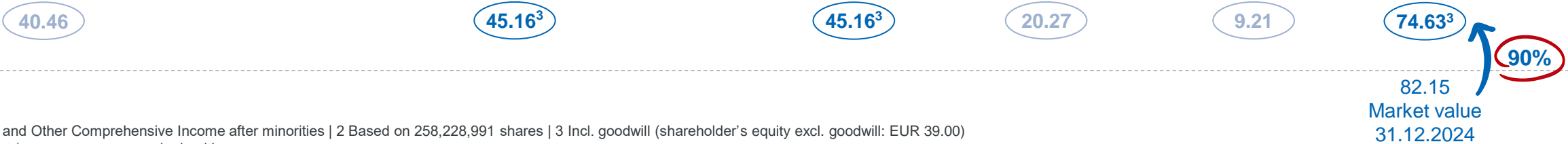
## Shareholders' capital components

After taxes and minorities, as of 31 Dec 2024, in EURm



## Book value per share<sup>2</sup>

in EUR



<sup>1</sup> Net income and Other Comprehensive Income after minorities | <sup>2</sup> Based on 258,228,991 shares | <sup>3</sup> Incl. goodwill (shareholder's equity excl. goodwill: EUR 39.00)

<sup>4</sup> Based on flat / average tax rates and minorities



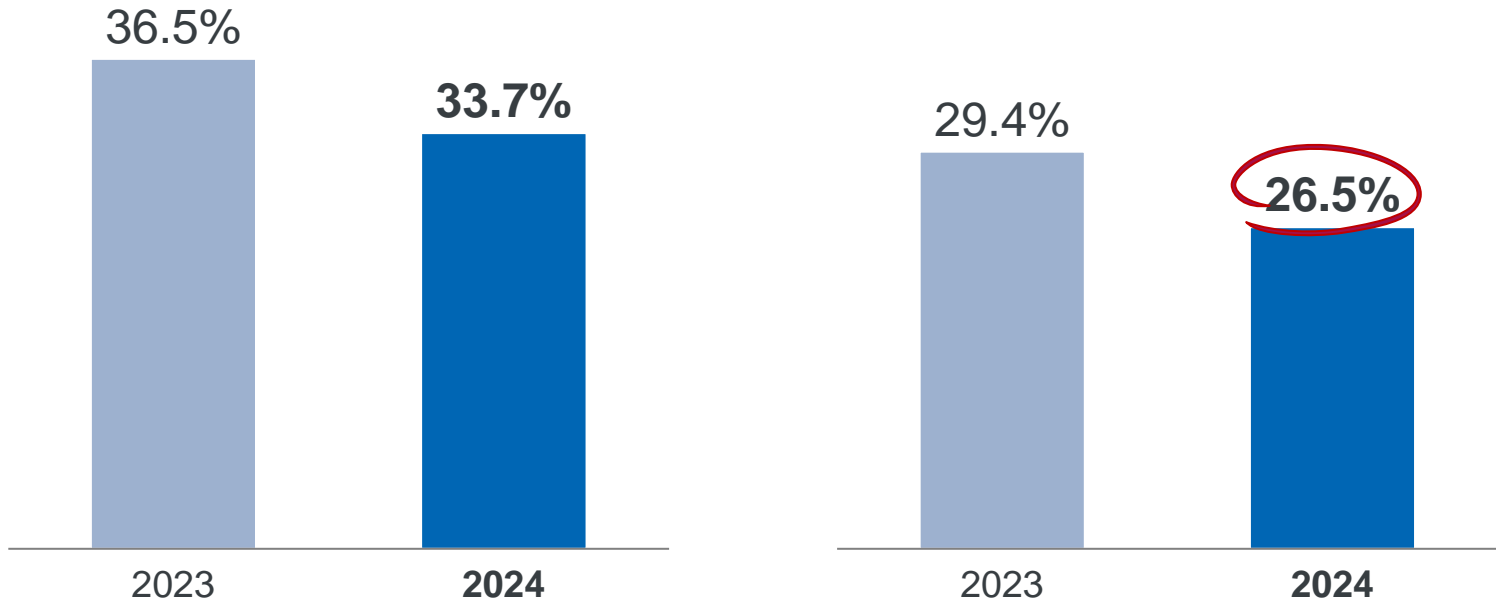
# Efficient capital structure with reduced leverage

## Debt leverage ratio

as of year-end, including pension liabilities in line with S&P methodology<sup>1</sup>

### Talanx Group

### HDI Group



### Main differences 2024 HDI Group vs. Talanx Group

Internal HDI V.a.G. funding:  
-3.7%pts

Higher equity of HDI Group:  
-3.6%pts

<sup>1</sup> Pension liabilities represent ~3%pts of debt leverage



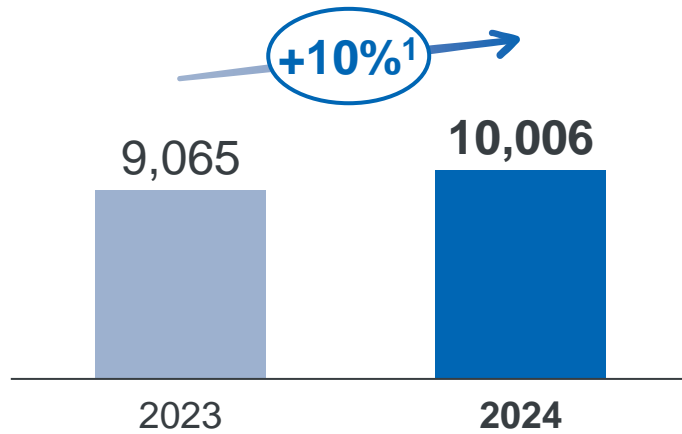
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# Continue to leverage hard market cycle

## Insurance revenue

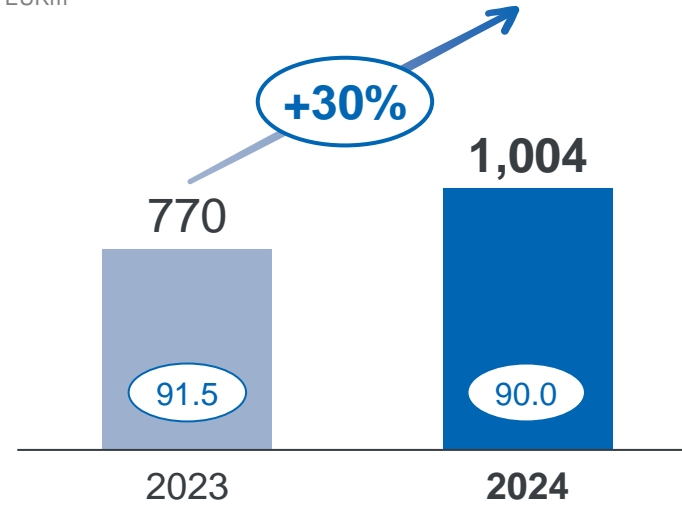
in EURm



Continued growth driven by new business and rate changes above claims inflation

## Insurance service result

in EURm

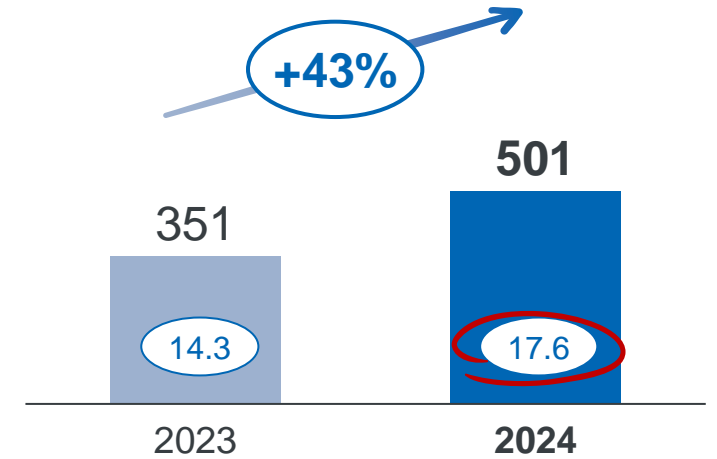


○ = Combined ratio (net / gross) Property / Casualty in %<sup>2</sup>

Improved technical performance and additional reserve strengthening

## Net income

after minorities, in EURm



○ = RoE in %

Profitability up despite higher tax ratio

<sup>1</sup> Currency-adjusted: +11% | <sup>2</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance

# Continued growth driven by good new business across markets ...

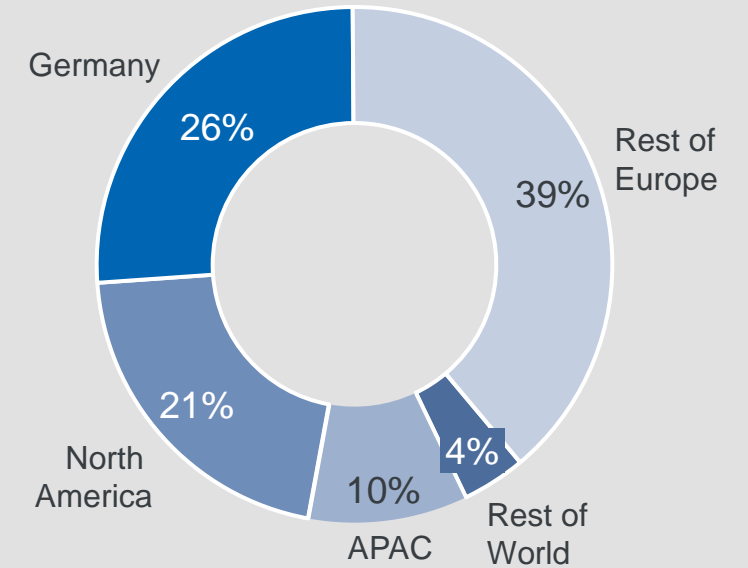
## Insurance revenue growth by market<sup>1</sup>

2024 vs. 2023 in %



## Insurance revenue 2024 by region<sup>2</sup>

2024

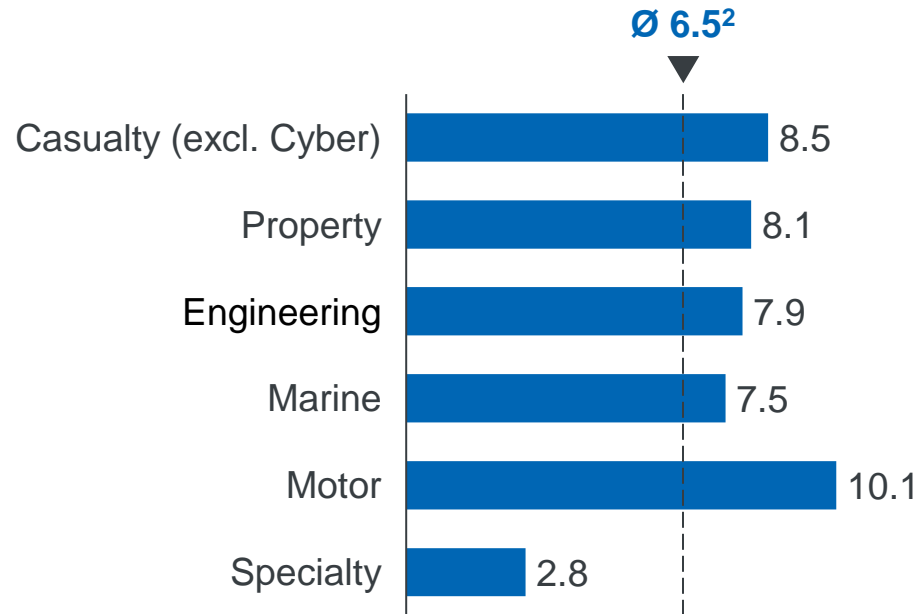


<sup>1</sup> On unconsolidated basis | <sup>2</sup> Breakdown based on (booking) entity location for commercial business, on (insured) country risk for specialty business

# ... and rate changes on adequate levels in most important lines of business

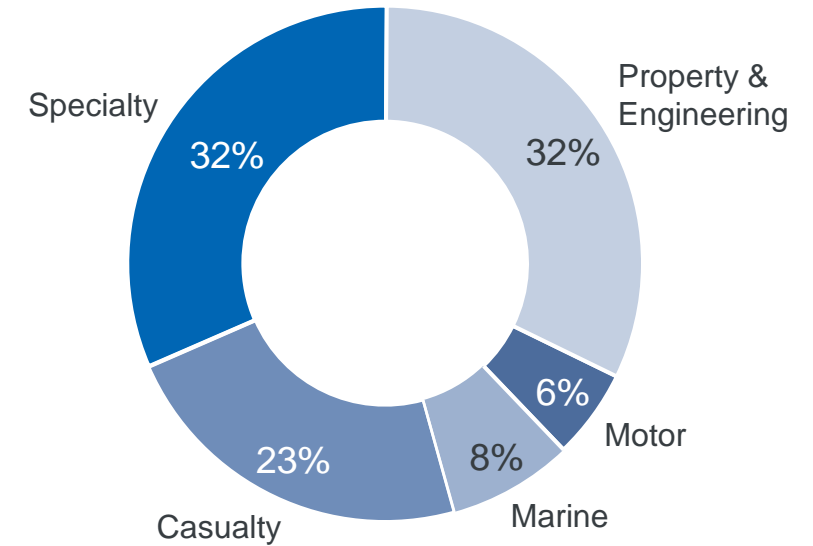
## Rate changes<sup>1</sup>

in %



## Insurance revenue 2024 by line of business

2024

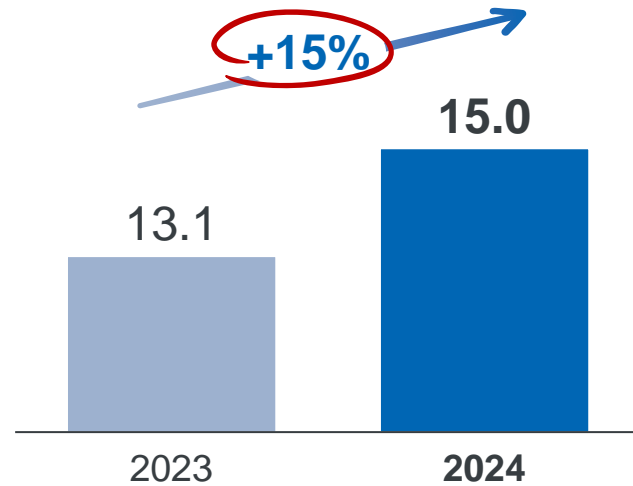


<sup>1</sup> after cancellations, change of share and considering effects of premium, fees (exception Liability) and equivalents. Engineering for annuals only & excl. project business | <sup>2</sup> Premium-weighted average

# Volume growth and portfolio management actions drive investment return

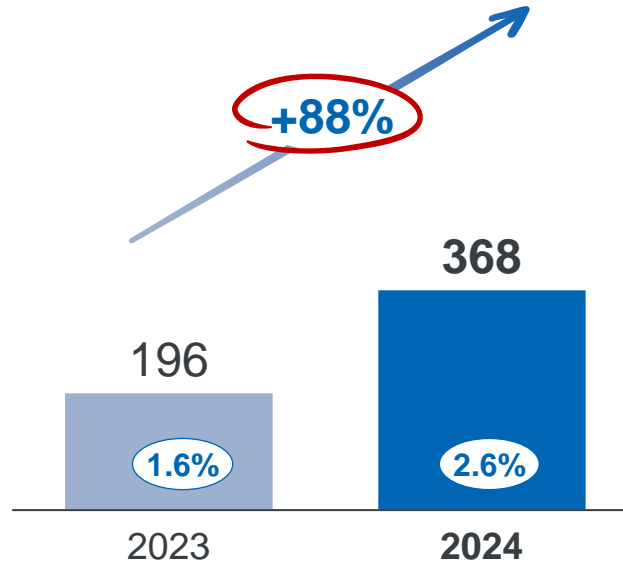
## Investments for own risk

in EURbn



## Net investment income<sup>1</sup>

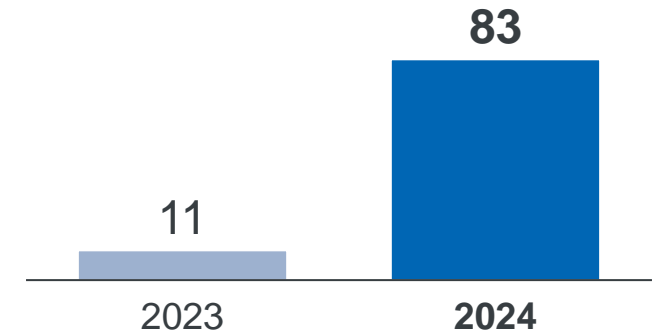
in EURm



○ = Return on investment

## Finance & investment result<sup>2</sup>

in EURm



1 Net investment income for own risk | 2 Net insurance finance and investment result before currency effects. Includes accrual (unwinding) of discount benefit invested risk-free and thus represents net spread from investment management

# Outlook 2025

## Insurance revenue growth<sup>1</sup>

in %



**High single-digit**

## Combined ratio<sup>2</sup>



**<92%**

## Return on equity



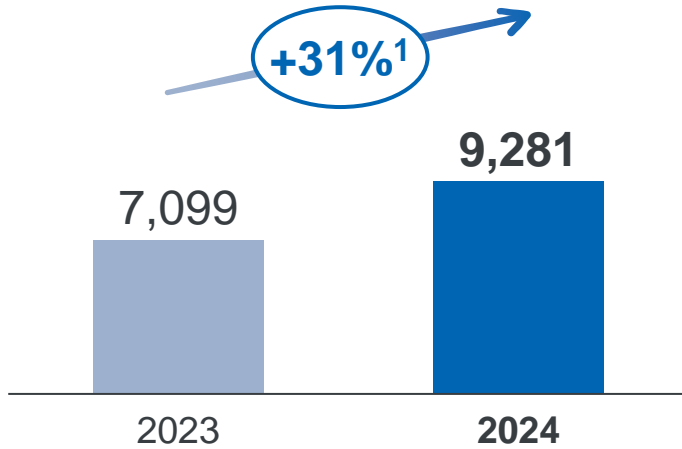
**>15%**

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 550m in 2025), no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio. 1 Currency-adjusted | 2 Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance

# Strong underwriting performance and LatAm acquisition boost profitability

## Insurance revenue

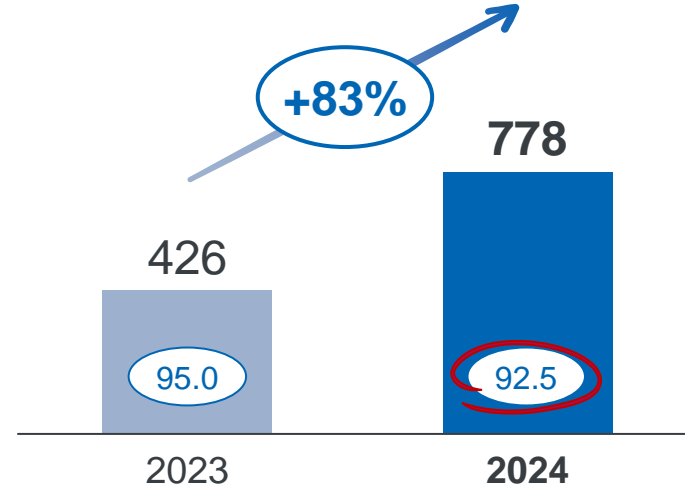
in EURm



Accelerated inorganic and organic<sup>2</sup> growth

## Insurance service result

in EURm

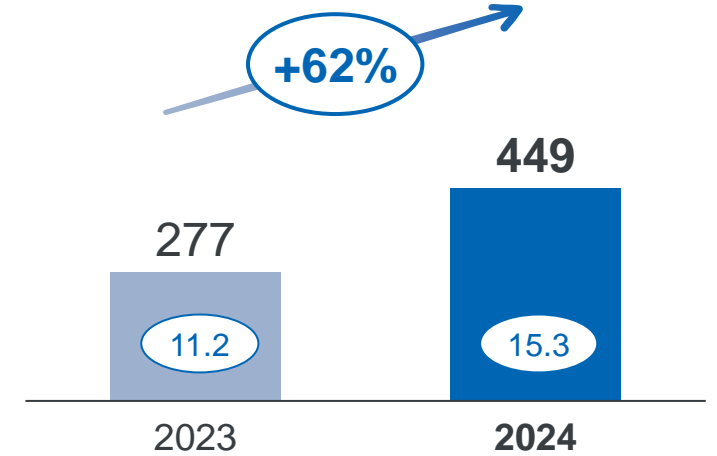


○ = Combined ratio (net / gross) Property / Casualty in %<sup>3</sup>

Strong underwriting performance driven by technical excellence

## Net income

after minorities, in EURm



○ = RoE in %

Rising profitability despite LatAm integration costs

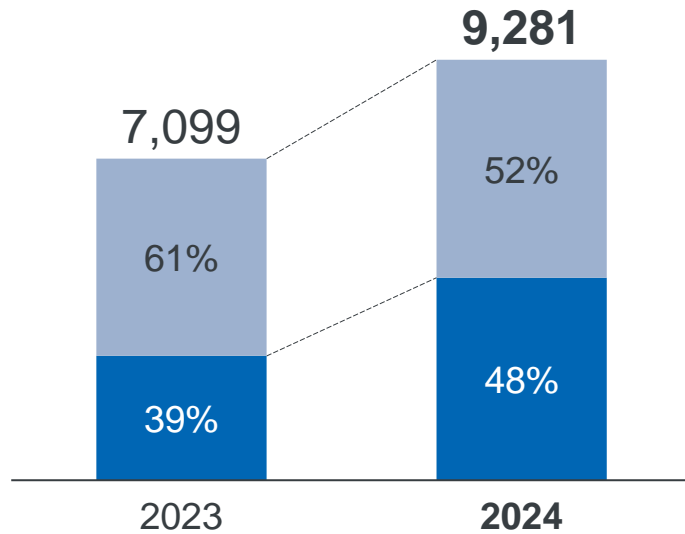
<sup>1</sup> Currency-adjusted: +40% | <sup>2</sup> currency-adjusted: 15% | <sup>3</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance.



# Moving towards 50/50 balance Europe vs LatAm

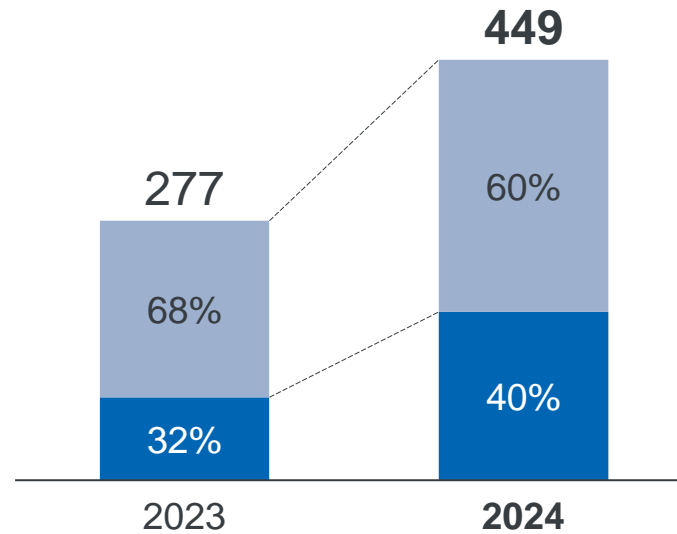
## Insurance revenue split

in EURm



## Net income split<sup>1</sup>

in EURm



Europe LatAm

- No. 2 P&C insurer in LatAm
- Net income contribution from Liberty acquisition >80m EUR<sup>2</sup>
- ~70m EUR<sup>3</sup> integration costs booked by end of 2024

Note: Data relate to the total of Europe and Latin America

1 Split of net income of operating entities after minorities, before holding and financing costs and adjusted for intragroup dividend payments | 2 After financing costs | 3 Represent ~ 75% of total integration costs

# Outlook 2025

## Insurance revenue growth<sup>1</sup>

in %



**Mid to high  
single-digit**

## Combined ratio



**~93%**

## Return on equity



**>13%**

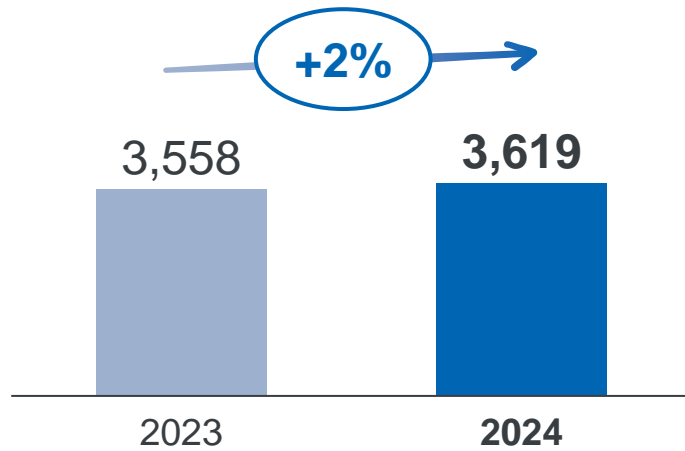
Note: All targets are subject to large losses not exceeding the large loss budget (EUR 50m in 2025), no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio

<sup>1</sup> Currency-adjusted

# Stable results in challenging market environment

## Insurance revenue

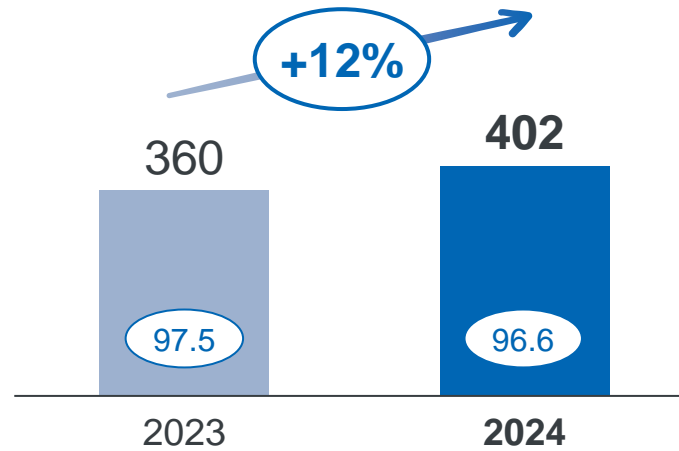
in EURm



Focus on profitable product portfolio

## Insurance service result

in EURm

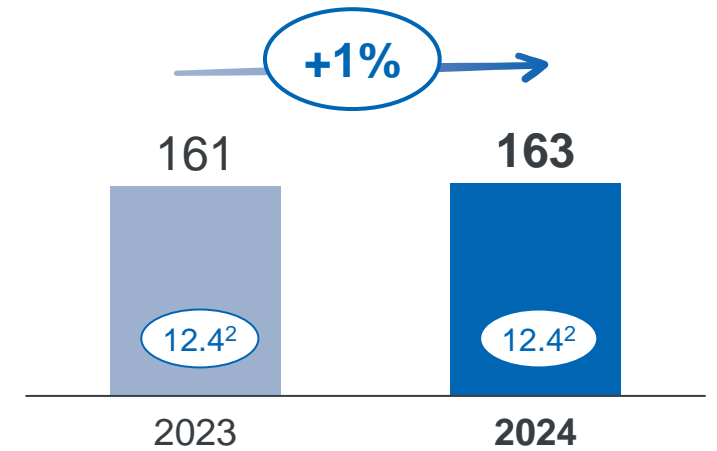


= Combined ratio (net / gross) Property / Casualty in %<sup>1</sup>

Benefits from repricing and other portfolio actions starting to materialise

## Net income

after minorities, in EURm



= RoE in %

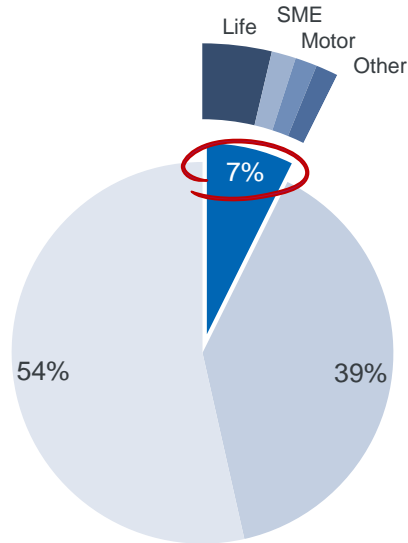
Stable profit contribution from both life and non-life

<sup>1</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance | <sup>2</sup> RoE is including Asset Management contribution; RoE without Asset Management contribution was 11.0% for 2023 and 10.8% for 2024

# Solid profitability with significant cash contribution to the group

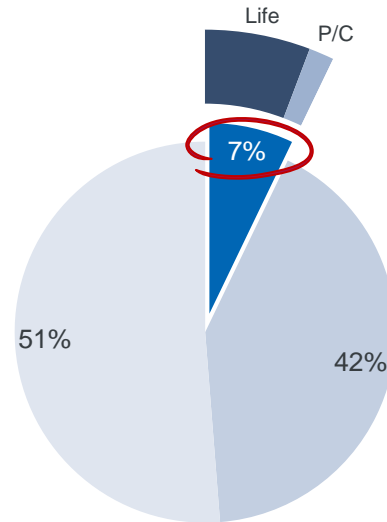
## Group insurance revenue<sup>1</sup>

2024



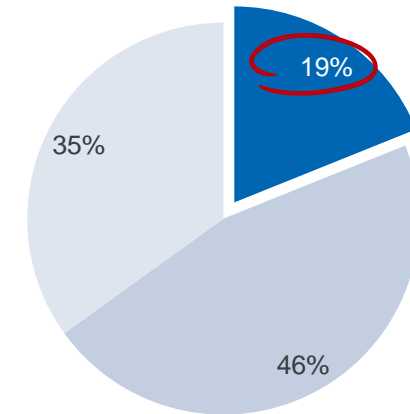
## Group net income<sup>2</sup>

2024



## Group cash contribution<sup>3</sup>

Local GAAP, 2024



■ Retail Germany ■ Other Primary ■ Reinsurance

Note: Numbers may not add up due to rounding differences

1 Percentages are calculated in percent of Group insurance revenue adjusted for Group Operations and Consolidation | 2 Percentages are calculated in percent of Group net income adjusted for Group Operations and Consolidation

3 Percentages are calculated in percent of cash contributions to Talanx AG adjusted for contribution from Group Operations (mainly Ampega)

# Outlook 2025

## P/C combined ratio<sup>1</sup>

in %



<96%

## Life new business value<sup>2</sup>

in EURm



>170

## Return on equity



>10%

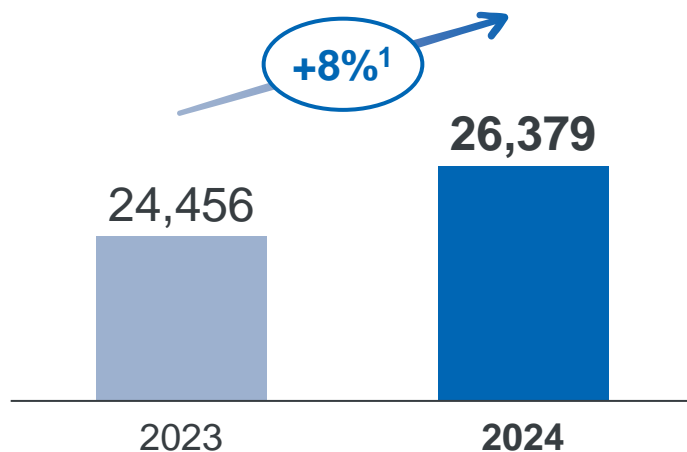
Note: All targets are subject to large losses not exceeding the large loss budget (EUR 50m in 2025), no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio.

1 Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance | 2 Contractual service margin from new business minus loss component from new business, after reinsurance

# Strong and reliable profitability

## Insurance revenue

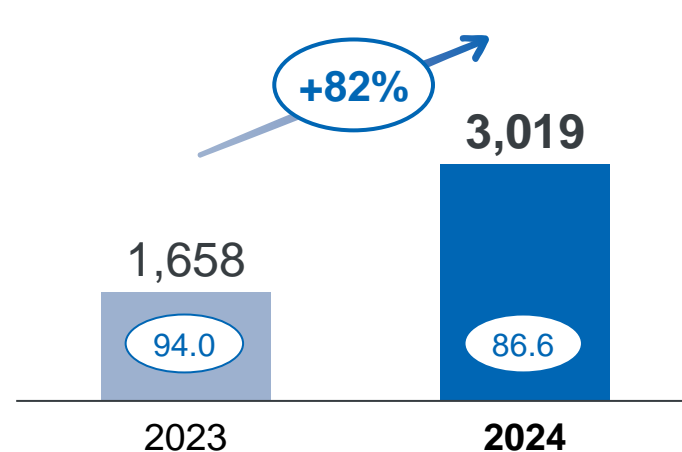
in EURm



Attractive growth in a favourable market environment, mainly driven by P/C business

## Insurance service result

in EURm

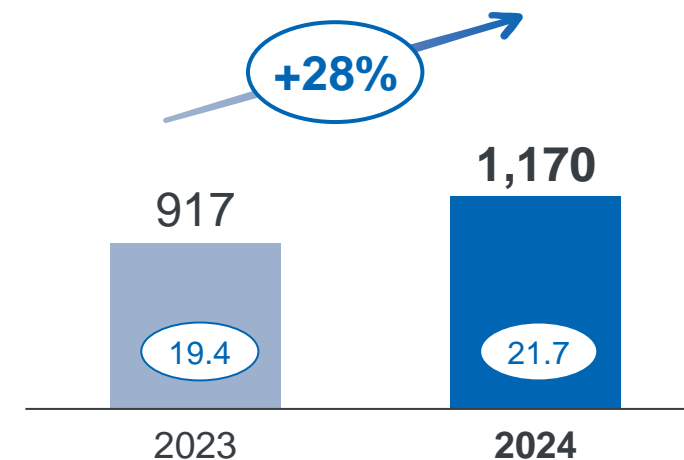


○ = Combined ratio (net / net) Property / Casualty in %

Significant increase reflects strong underlying profitability & balance-sheet strengthening in 2023

## Net income

after minorities, in EURm



○ = RoE in %

Strong earnings contribution from P&C, L&H and investments

<sup>1</sup> Currency-adjusted: +7.8%

# Outlook 2025

## P/C Reinsurance

Insurance  
revenue growth<sup>1</sup>

Combined  
ratio<sup>2</sup>



%

>7%

<88%

## L/H Reinsurance

CSM  
growth

Insurance  
service result



~2%

>875m EUR

## Reinsurance

Group  
net income



~1.2bn EUR

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 2.1bn for 2025), no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio.

<sup>1</sup> Currency-adjusted | <sup>2</sup> Combined ratio (net / net): Insurance service expenses after reinsurance divided by insurance revenue after reinsurance



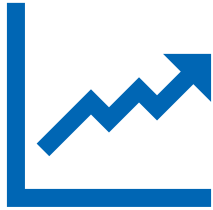
# Agenda

- 1 CEO highlights
- 2 CFO highlights
- 3 Capital management
- 4 Segments
- 5 **Group outlook**



# Outlook 2025

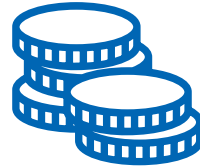
## Insurance revenue growth<sup>1</sup>



**Mid  
single-digit**

## Group net income

in EURm



**>2,100<sup>2</sup>**

## Return on equity



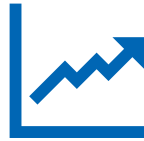
**~17%<sup>3</sup>**

Note: Targets are relevant as of FY2024; targets are subject to large losses staying within their respective annual large-loss budgets (EUR 2.8bn in 2025) as well as no occurrence of major turmoil on currency and/or capital market

1 Currency-adjusted | 2 Original strategic target was EUR 1.6bn | 3 Provided that there are no fluctuations in equity for other reasons (e.g. credit spread changes). Strategic target is > 12%

# Strategic targets until 2027

## Group net income



Increase  
2024 – 2027

**+30%**

## Dividend



Increase  
2024 – 2027

**+50%**

Note: Targets are subject to large losses staying within their respective annual large-loss budgets as well as no occurrence of major turmoil on currency and/or capital market; net income growth target until 2027 with a net income 2024 baseline of EUR 1,977m; dividend growth target until 2027 with a dividend 2024 baseline of EUR 2.70; dividend per share for 2027 paid in 2028; subject to supervisory board and AGM approval; CAGR (2024-2027): Net income = ~10%, dividend = 14%

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