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# Results for the year ended 31<sup>st</sup> December 2024

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4<sup>th</sup> March 2025





## **Adrian Cox**

Group Chief Executive Officer

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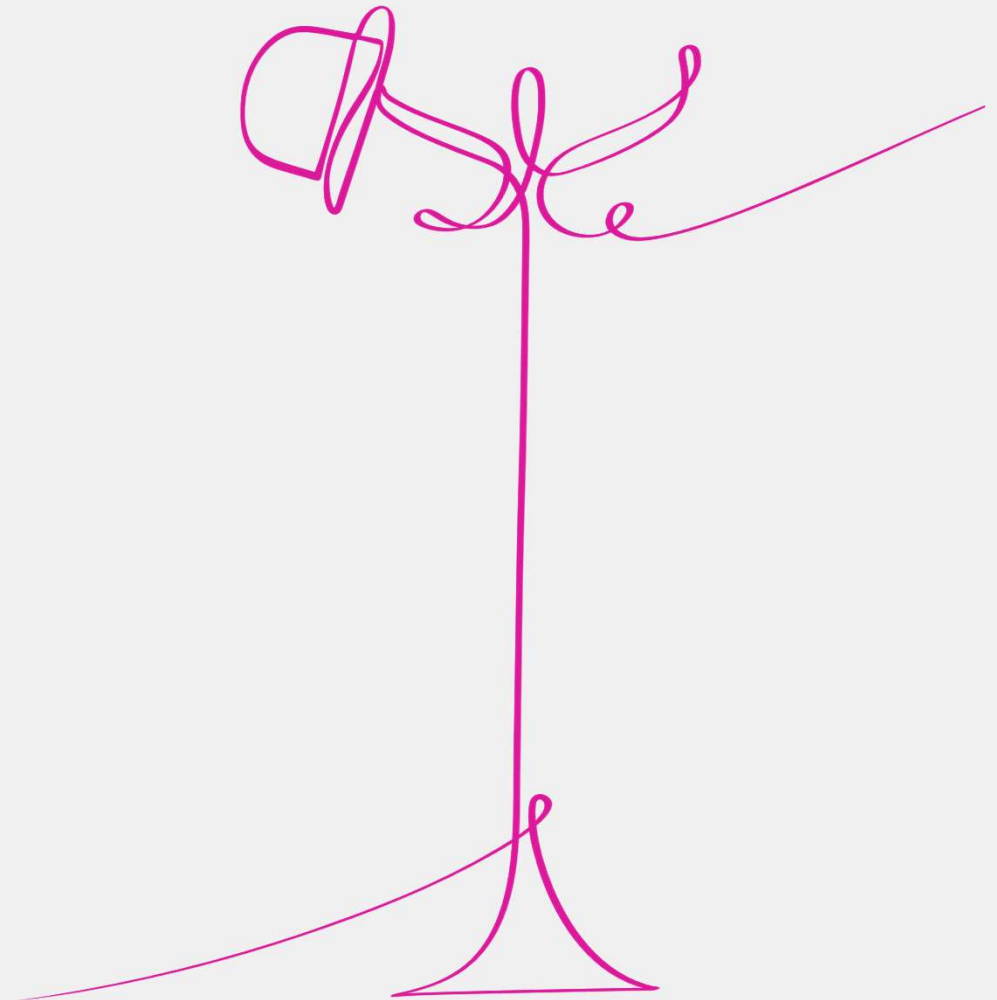
## **Barbara Plucnar Jensen**

Group Chief Financial Officer

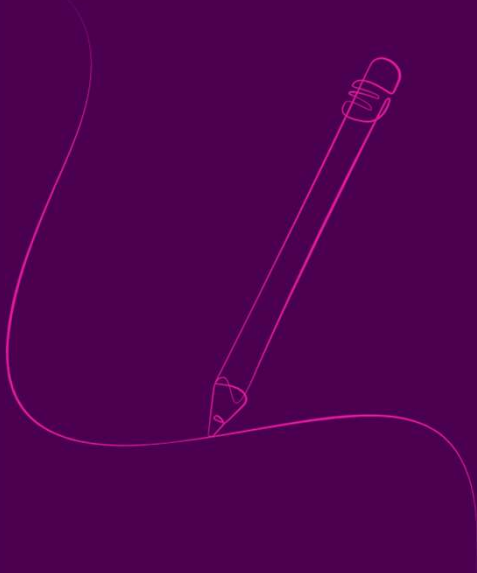
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## **Paul Bantick**

Group Chief Underwriting Officer



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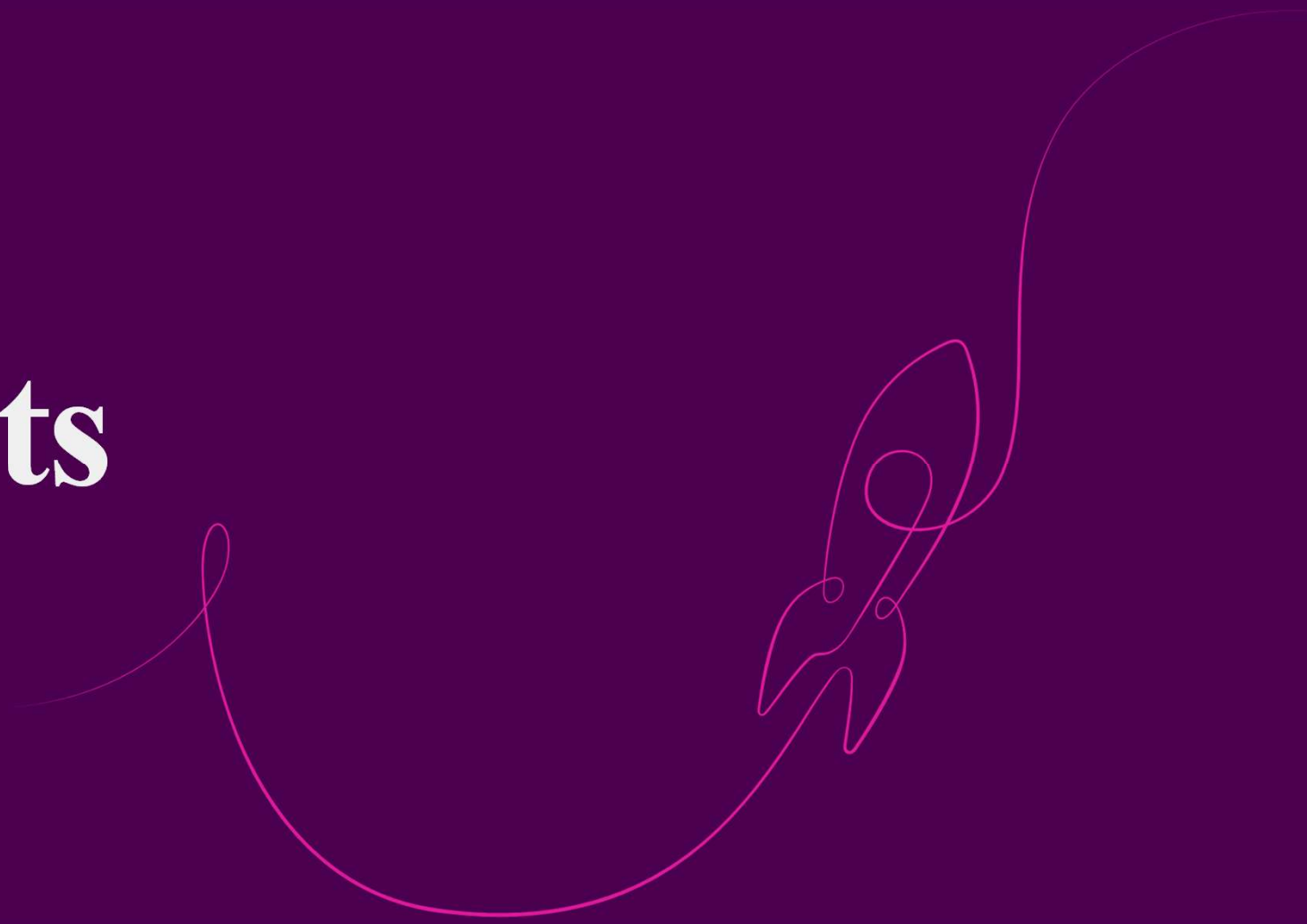
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# Highlights 2024

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## Highlights 2024 - Record profit second year in a row

Business **resilience** in **challenging claims environment**



**Property** delivered continued growth of 26%



**Market leading** initiatives in **Cyber**



Strong growth from **niche areas** in Specialty Risk



**Record profit** of \$1,424m



Undiscounted **combined ratio** of **79.0%**



Gross Insurance Written Premium growth of **10%**



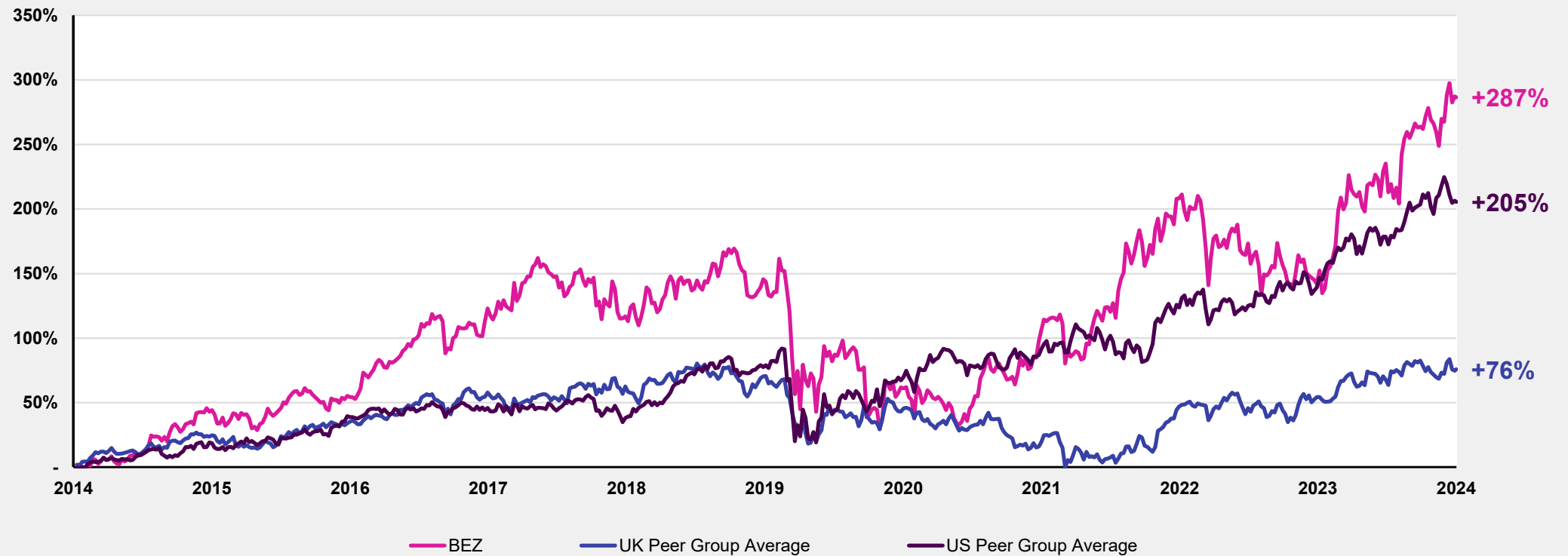
**\$500m** share buyback Ordinary dividend **rebased** by 76% to 25p



# Long-term sustainability of financial performance

4th March 2025

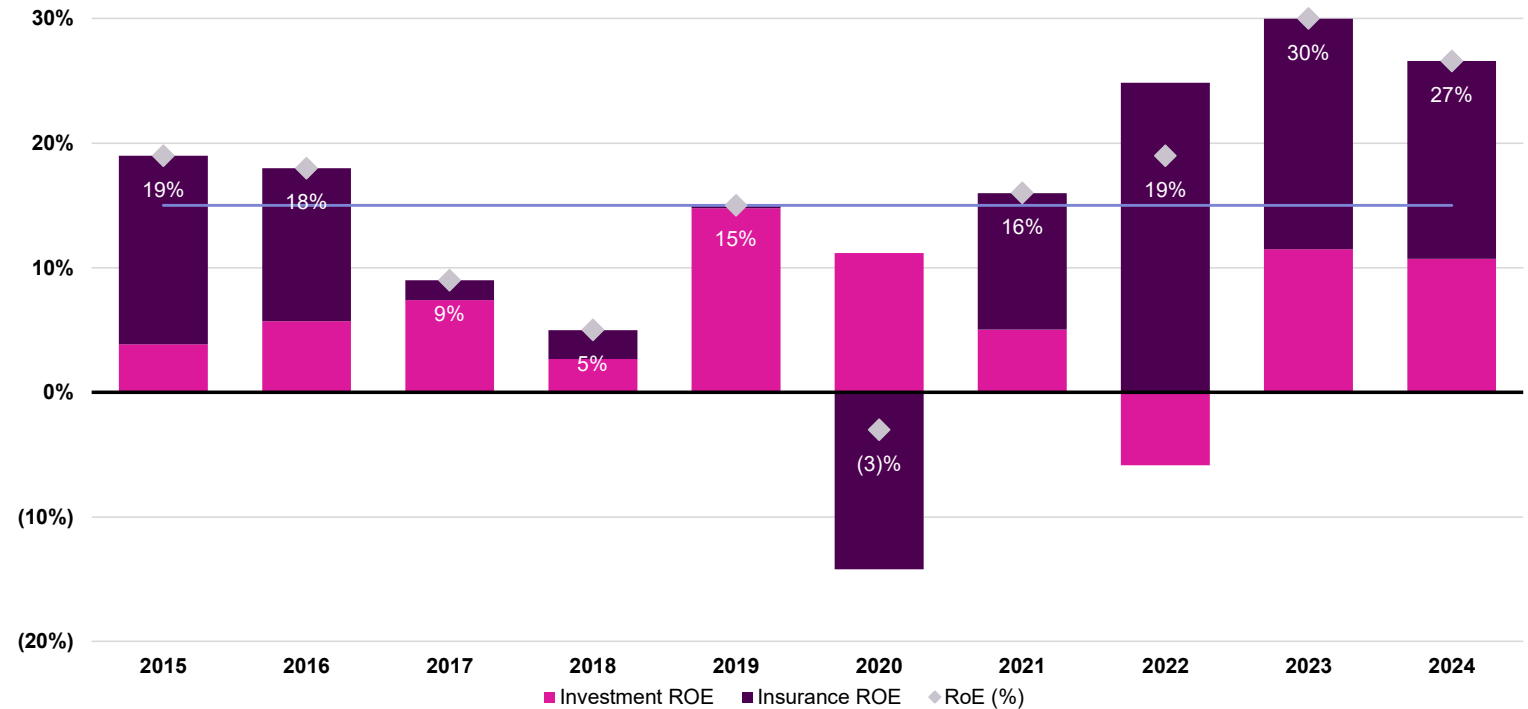
## Total shareholder returns v specialty peers





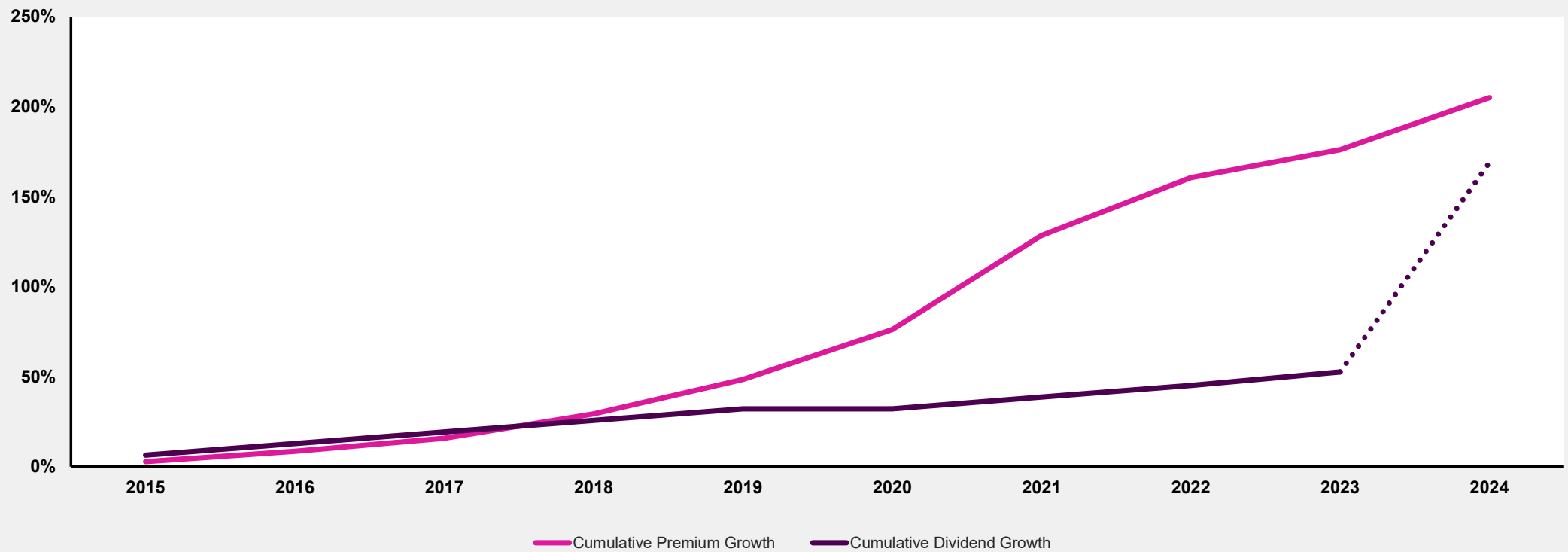
## Cross cycle ROE – achieving target over 5 and 10 years

- Cross cycle ROE target of 15%
- 10 year average ROE 15.5%
- 5 year average ROE 17.7%



Investment and Insurance (including other income) ROE has been calculated based on the contribution which each provided to profit before tax in the year  
 ROE on IFRS17 basis from 2022

## Dividend rebased – confidence in sustainability of performance



## Platform strength – ensuring access to risk

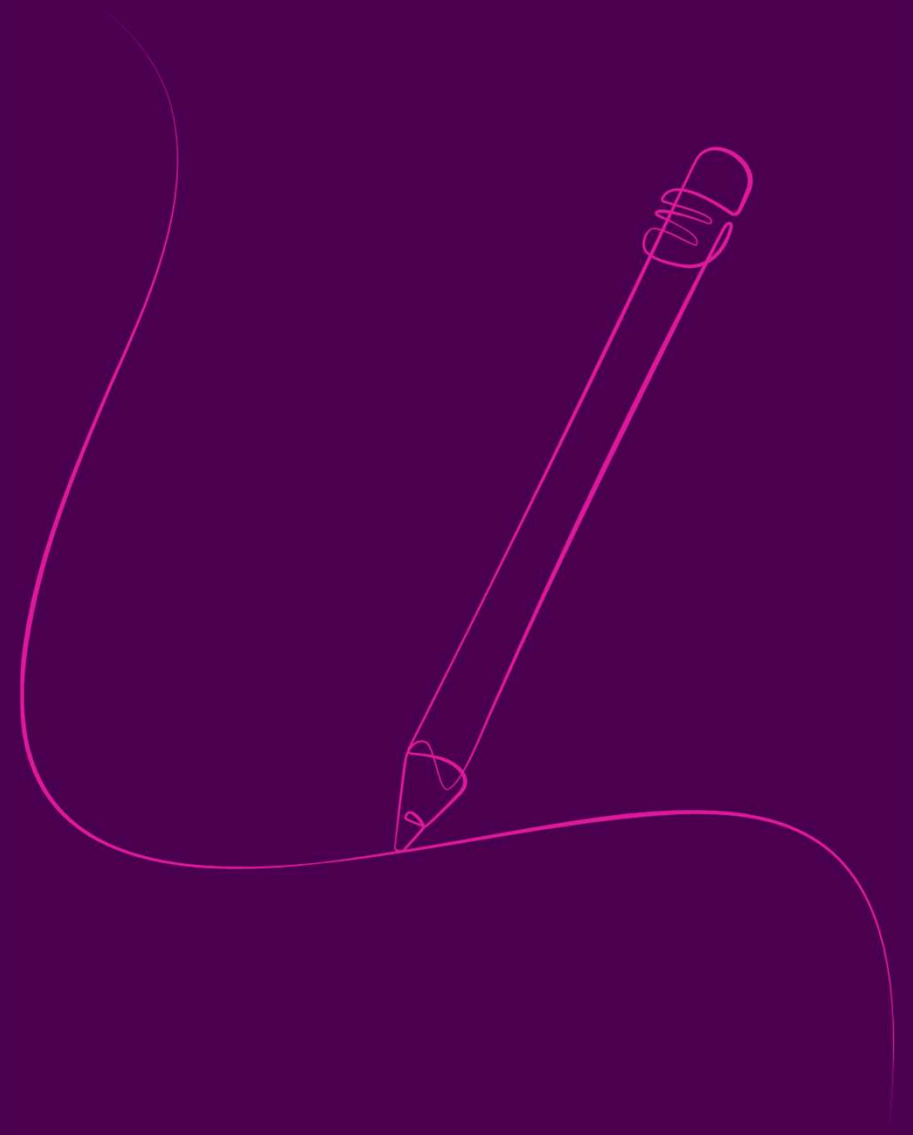
|                        | Europe                      | North America                                 | Global Wholesale<br>Via Lloyd's   |
|------------------------|-----------------------------|-----------------------------------------------|-----------------------------------|
| Long term trajectory > | Multi decade growth journey | Long-term growth typically above market trend | Growth at same rate as the market |
| % premium share >      | 8%                          | 43%                                           | 49%                               |
|                        |                             | 22% Admitted      78% Excess and surplus      |                                   |
| Growth YE24 v YE23 >   | 10%                         | 19%                                           | 4%                                |

# Our underwriting

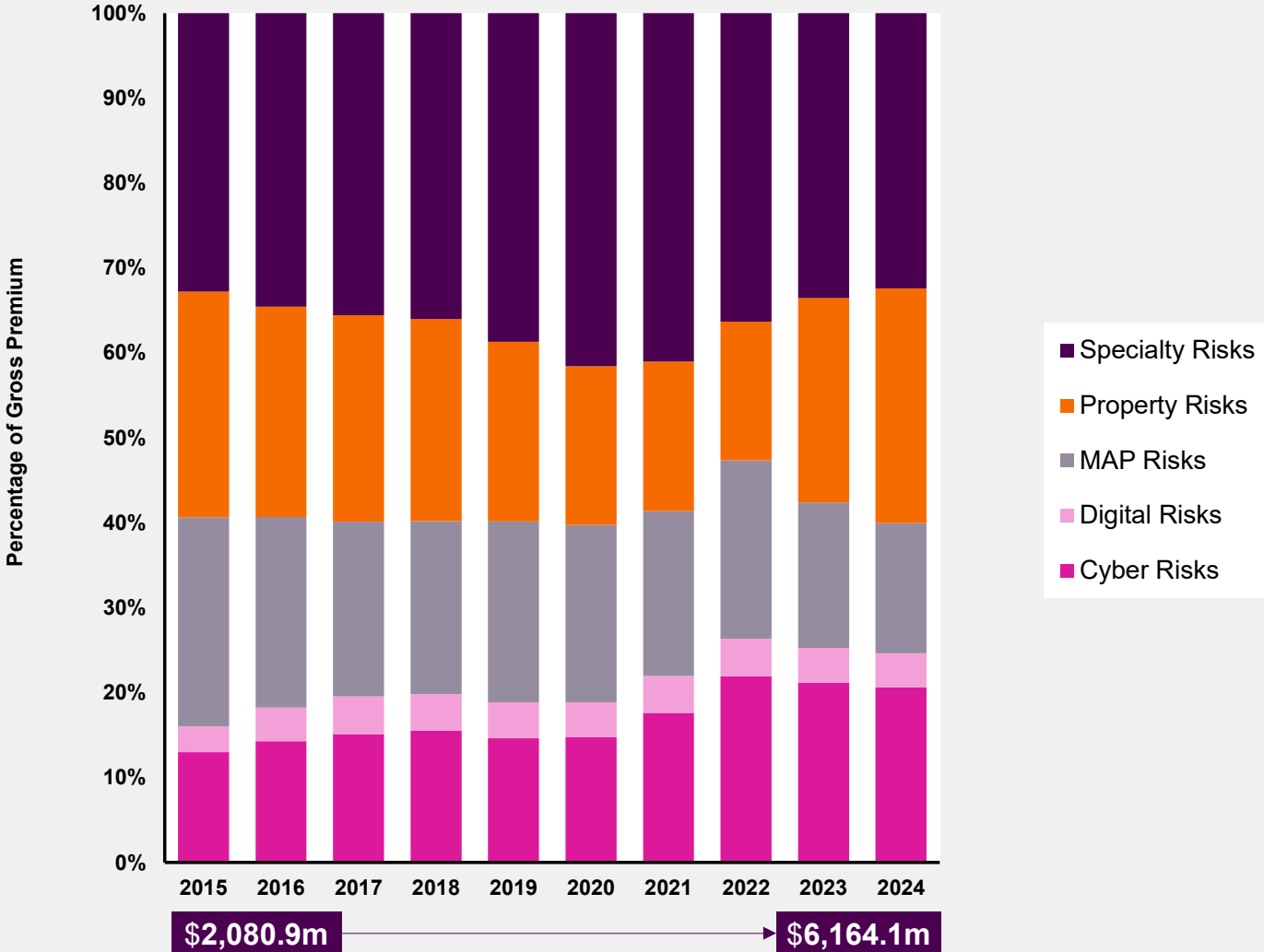
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Active cycle management – growth opportunities from diverse product suite



## Property Risks – underwriting excellence continues to deliver

|                         |                               |
|-------------------------|-------------------------------|
| <b>IWP</b>              | \$1,703.2m (2023: \$1,351.9m) |
| <b>Growth</b>           | 26.0% (2023: 64.2%)           |
| <b>Undiscounted COR</b> | 74.6% (2023: 66.7%)           |
| <b>Rate change</b>      | 1.3% (2023: 22.4%)            |

- Risk selection and robust underwriting approach proven under the test of a challenging loss year
- Long-term opportunity as changing conditions lead to more complexity in US property risks
- Rate adequacy remains very strong

# Property Risks – platform split

## Europe

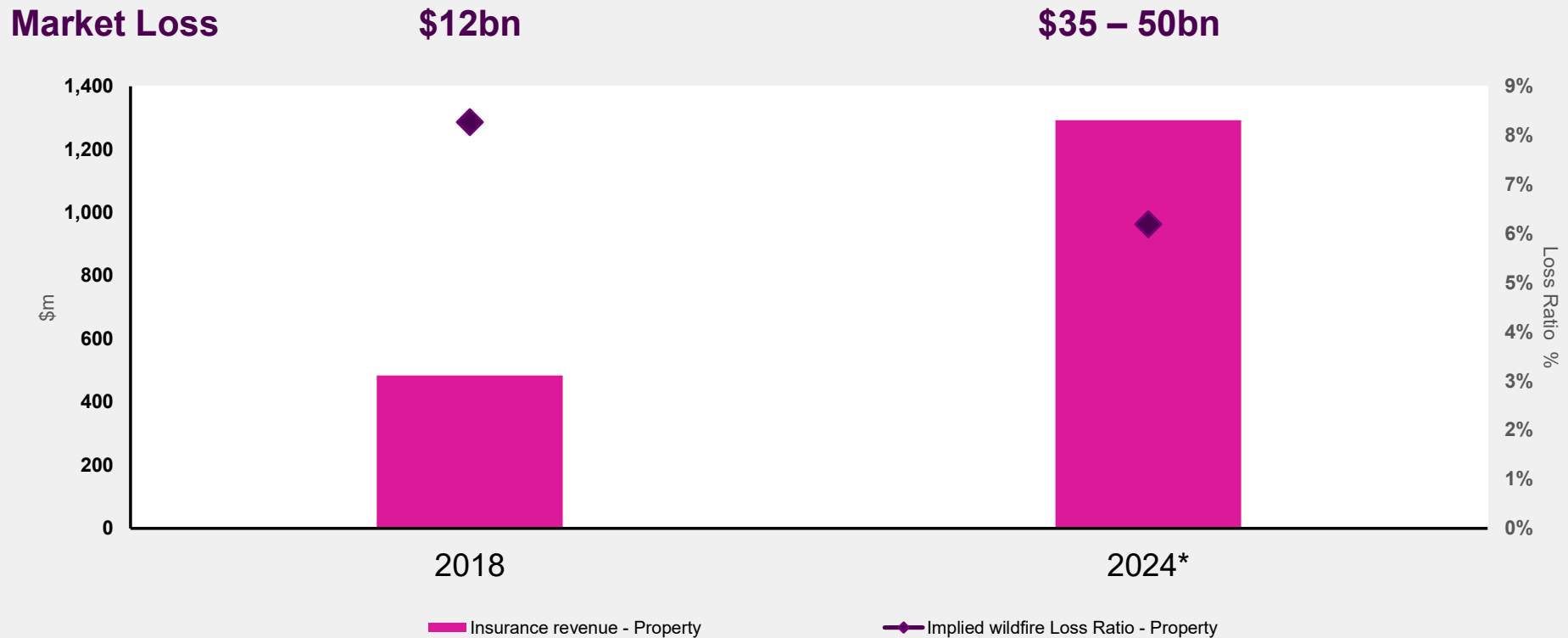
## North America

## Global Wholesale

Via Lloyd's

|                                |              |                                                 |            |
|--------------------------------|--------------|-------------------------------------------------|------------|
| <p>% premium share &gt;</p>    | <p>2%</p>    | <p>42%</p>                                      | <p>56%</p> |
| <p>Growth YE24 v YE23 &gt;</p> | <p>(13)%</p> | <p>0% Admitted      100% Excess and surplus</p> | <p>20%</p> |
| <p>38%</p>                     |              |                                                 |            |

## Growing property revenue – reducing secondary peril exposure



Market loss sources:  
[munichre-natural-catastrophes-in-2018](#)  
[LA wildfire insured loss estimates creep to \\$40bn+ | Insurance Insider](#)

\*2024 Property Risks revenue with implied loss ratio for 2025 Wildfire event



## Cyber Risks – market leader, continued innovation, sustainable performance

|                         |                               |
|-------------------------|-------------------------------|
| <b>IWP</b>              | \$1,275.9m (2023: \$1,184.3m) |
| <b>Growth</b>           | 7.7% (2023: 2.3%)             |
| <b>Undiscounted COR</b> | 68.1% (2023: 72.3%)           |
| <b>Rate change</b>      | (5.5)% (2023: (5.1)%)         |

- Global systemic events during 2024 providing a reminder of the value of cyber insurance
- Alternative reinsurance products manage our tail risk plus creation of hedging tools to support structural market growth
- Beazley Quantum launched – backed by a consortium of traditional reinsurers allowing us to write primary line of up to \$100m
- Continued rate adequacy in 2024

# Cyber Risks – platform split

|                      | Europe | North America                            | Global Wholesale<br>Via Lloyd's |
|----------------------|--------|------------------------------------------|---------------------------------|
| % premium share >    | 16%    | 54%                                      | 30%                             |
| Growth YE24 v YE23 > | 24%    | 20% Admitted      80% Excess and surplus | (3)%                            |
|                      |        | 10%                                      |                                 |

## Specialty Risks – niche classes deliver growth

|                         |                               |
|-------------------------|-------------------------------|
| <b>IWP</b>              | \$1,988.1m (2023: \$1,873.4m) |
| <b>Growth</b>           | 6.1% (2023: (2.3)%)           |
| <b>Undiscounted COR</b> | 87.1% (2023: 78.4%)           |
| <b>Rate change</b>      | 1.4% (2023: (0.9)%)           |

- Niche and new liability areas delivering strong growth – Safeguard, environmental liability, programmes business
- Financial markets showing signs of improving – this will increase demand across several of our liability products including D&O and M&A

## Specialty Risks – platform split

### Europe

|                      |             |
|----------------------|-------------|
| % premium share >    | <b>6%</b>   |
| Growth YE24 v YE23 > | <b>(7)%</b> |

### North America

|                        |                                  |
|------------------------|----------------------------------|
| <b>47%</b>             |                                  |
| <b>35%</b><br>Admitted | <b>65%</b><br>Excess and surplus |
| <b>16%</b>             |                                  |

### Global Wholesale

Via Lloyd's

|            |
|------------|
| <b>47%</b> |
| <b>0%</b>  |

## MAP Risks – specialism delivers as demand-led growth continues

|                         |                           |
|-------------------------|---------------------------|
| <b>IWP</b>              | \$950.3m (2023: \$964.3m) |
| <b>Growth</b>           | (1.5)%* (2023: (13.5)%)   |
| <b>Undiscounted COR</b> | 83.2% (2023: 79.3%)       |
| <b>Rate change</b>      | 1.3% (2023: 5.6%)         |

- Ongoing sustainable growth in specialist areas of expertise: marine, aviation and political risk
- Innovation to meet growing demand for energy – renewables, fusion, carbon capture
- Strengthened reserves as geopolitical uncertainty increases

\*Business mix within the group has changed following the launch of our US E&S platform. The group now retains less MAP risks premium as a higher proportion is ceded to third party capital providers. MAP risks grew 9% on a total basis

# MAP Risks – platform split

|                      | Europe | North America                                | Global Wholesale<br>Via Lloyd's |
|----------------------|--------|----------------------------------------------|---------------------------------|
| % premium share >    | 5%     | 12%                                          | 83%                             |
| Growth YE24 v YE23 > | 20%    | 66% Admitted / 34% Excess and surplus<br>13% | (4)%                            |

# Financial performance

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## Exceptionally strong result – record profit second year running

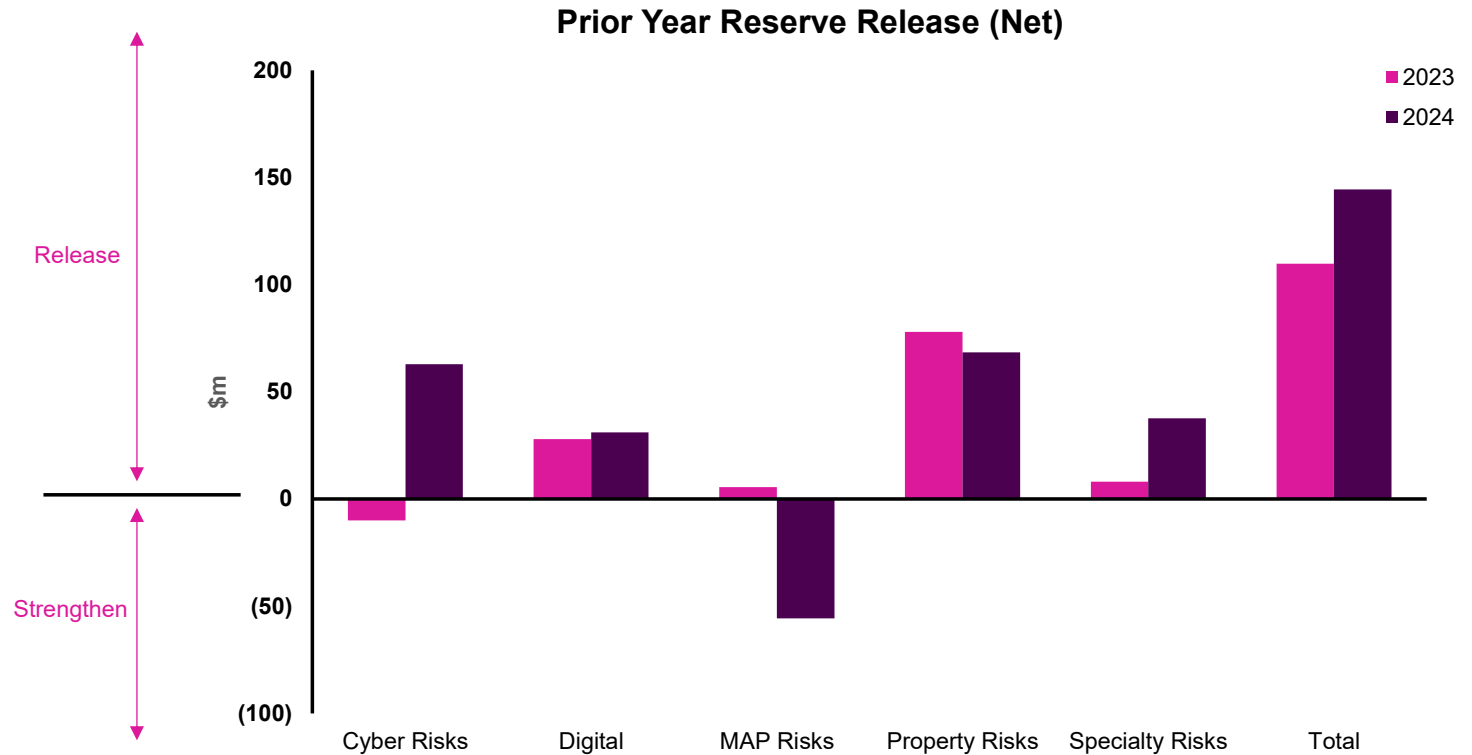
|                                            | YE 2024        | YE 2023        | % movement    |
|--------------------------------------------|----------------|----------------|---------------|
| <b>Insurance written premium (\$m)</b>     | <b>6,164.1</b> | <b>5,601.4</b> | <b>10.0%</b>  |
| <b>Net insurance written premium (\$m)</b> | <b>5,152.3</b> | <b>4,696.2</b> | <b>9.7%</b>   |
| Net insurance revenue (\$m)                | 4,913.2        | 4,315.1        |               |
| Net insurance service expense (\$m)        | (3,677.2)      | (3,064.1)      |               |
| <b>Insurance service result (\$m)</b>      | <b>1,236.0</b> | <b>1,251.0</b> | <b>(1.2)%</b> |
| Net investment income (\$m)                | 574.4          | 480.2          |               |
| Net insurance finance expense (\$m)        | (55.9)         | (153.4)        |               |
| <b>Profit before income tax (\$m)</b>      | <b>1,423.5</b> | <b>1,254.4</b> | <b>13.5%</b>  |
| Claims ratio                               | 43.1%          | 39.4%          |               |
| Expense ratio                              | 31.7%          | 31.6%          |               |
| Total expense ratio*                       | 39.6%          | 40.1%          |               |
| Combined ratio (discounted)                | 74.8%          | 71.0%          |               |
| Combined ratio (undiscounted)              | 79.0%          | 74.0%          |               |

\*including operating expenses



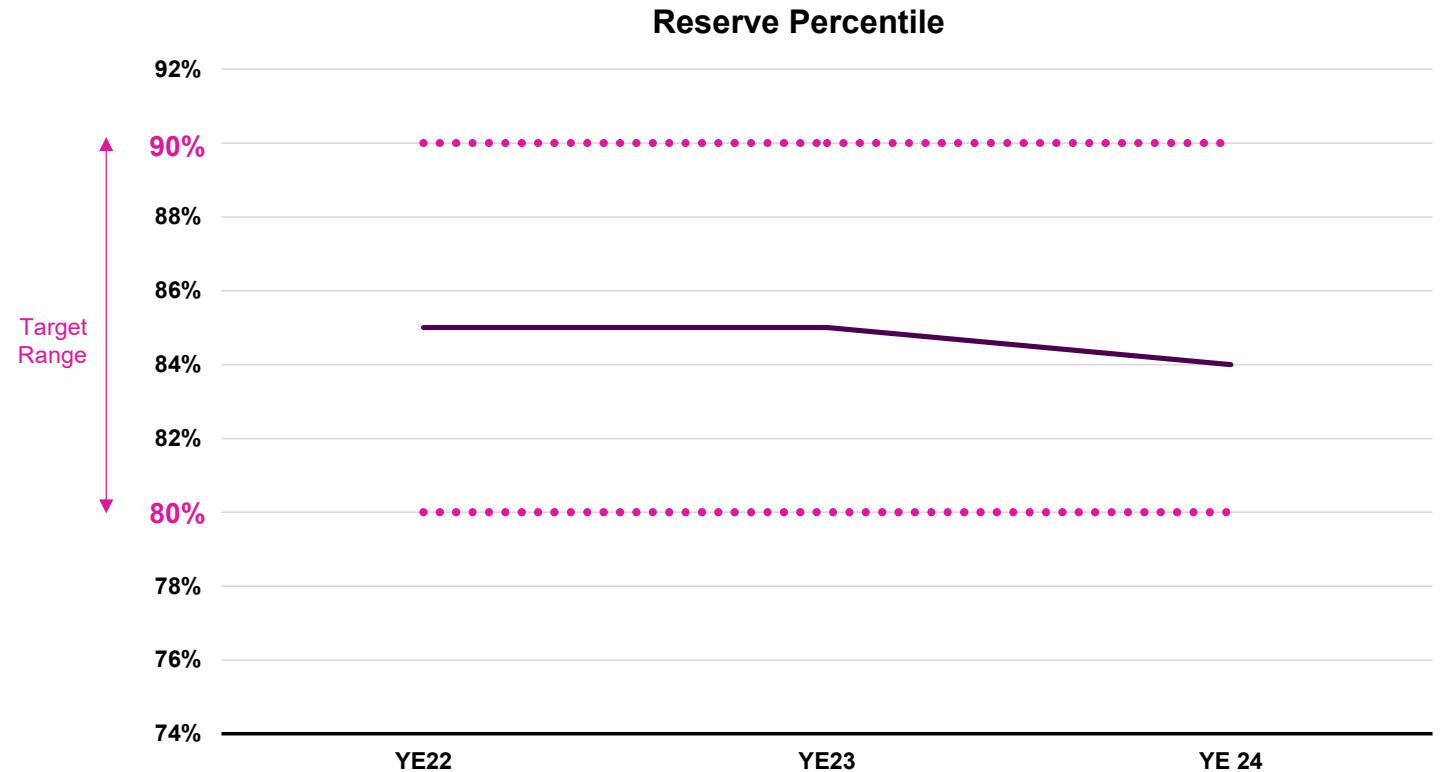
## Prudency in reserves – continued reserve releases

- Reserve releases are 2.9% of Net Insurance Revenue
- Reserve releases predominantly driven by the release of the risk adjustment and favourable attritional claims experience

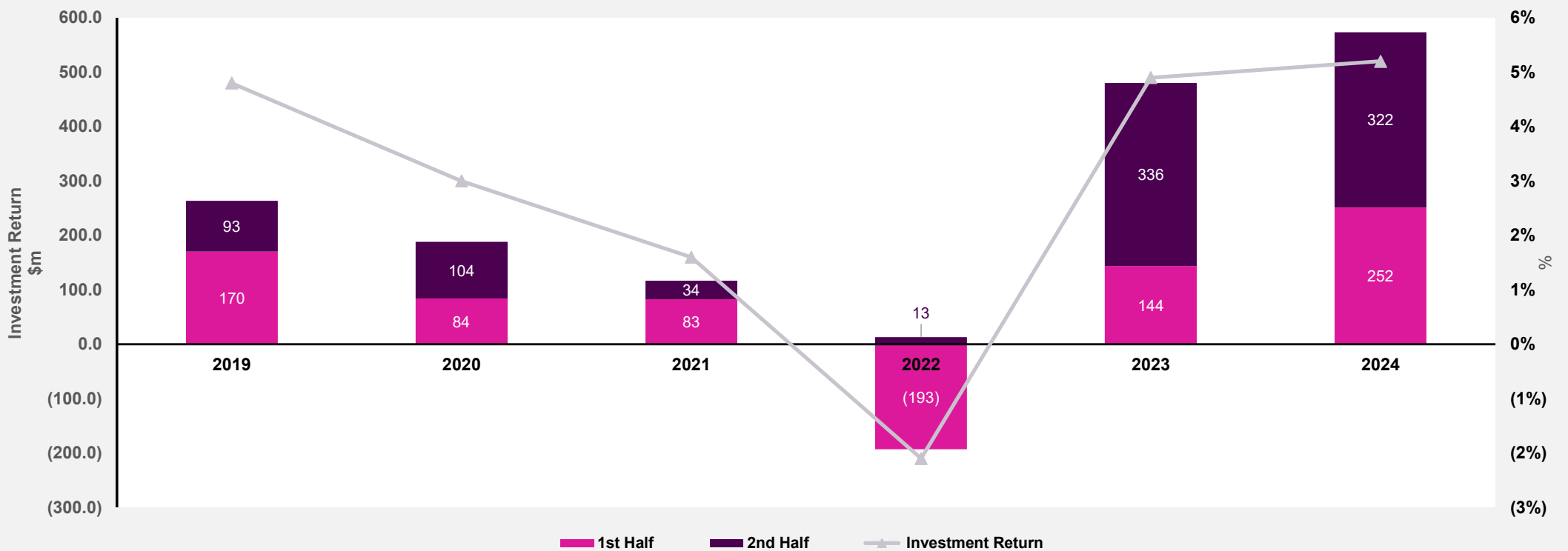


## Consistent reserve strength— reserves remain within preferred range

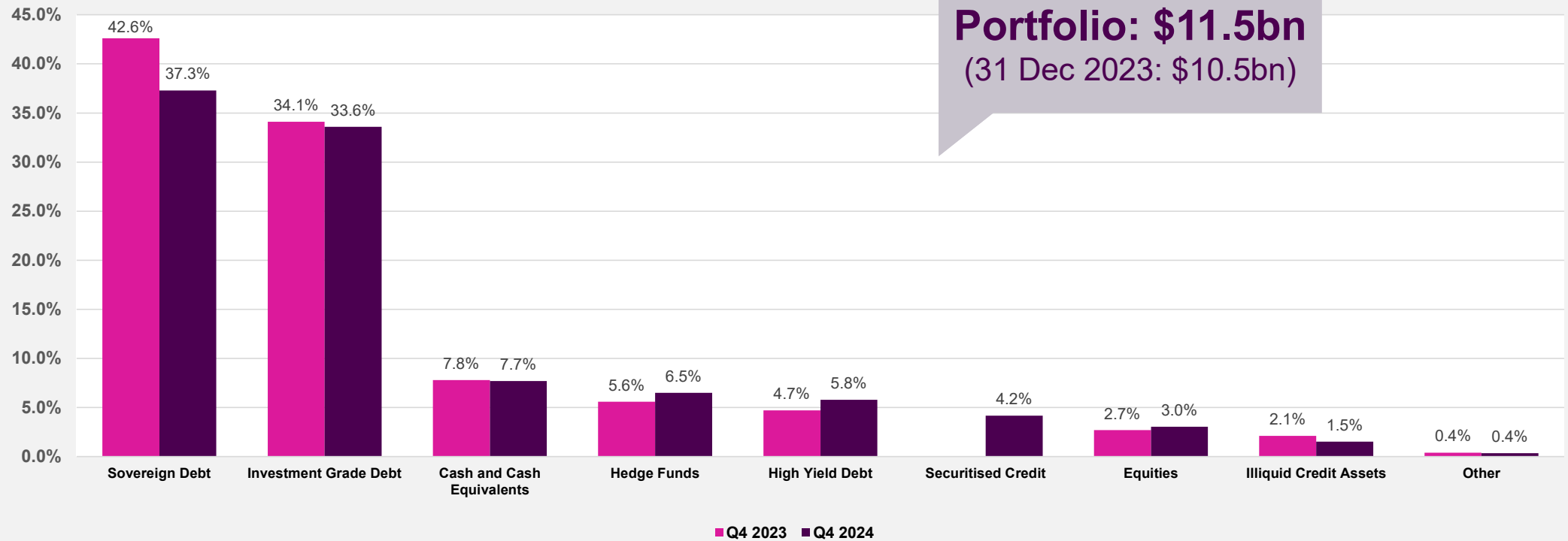
- Reserves at year-end 2024 are at the 84<sup>th</sup> percentile
- Consistent maintenance of reserves within our preferred reserve confidence range of the 80<sup>th</sup> to 90<sup>th</sup> percentile



## Strong investment return of 5.2% - highest ever absolute contribution

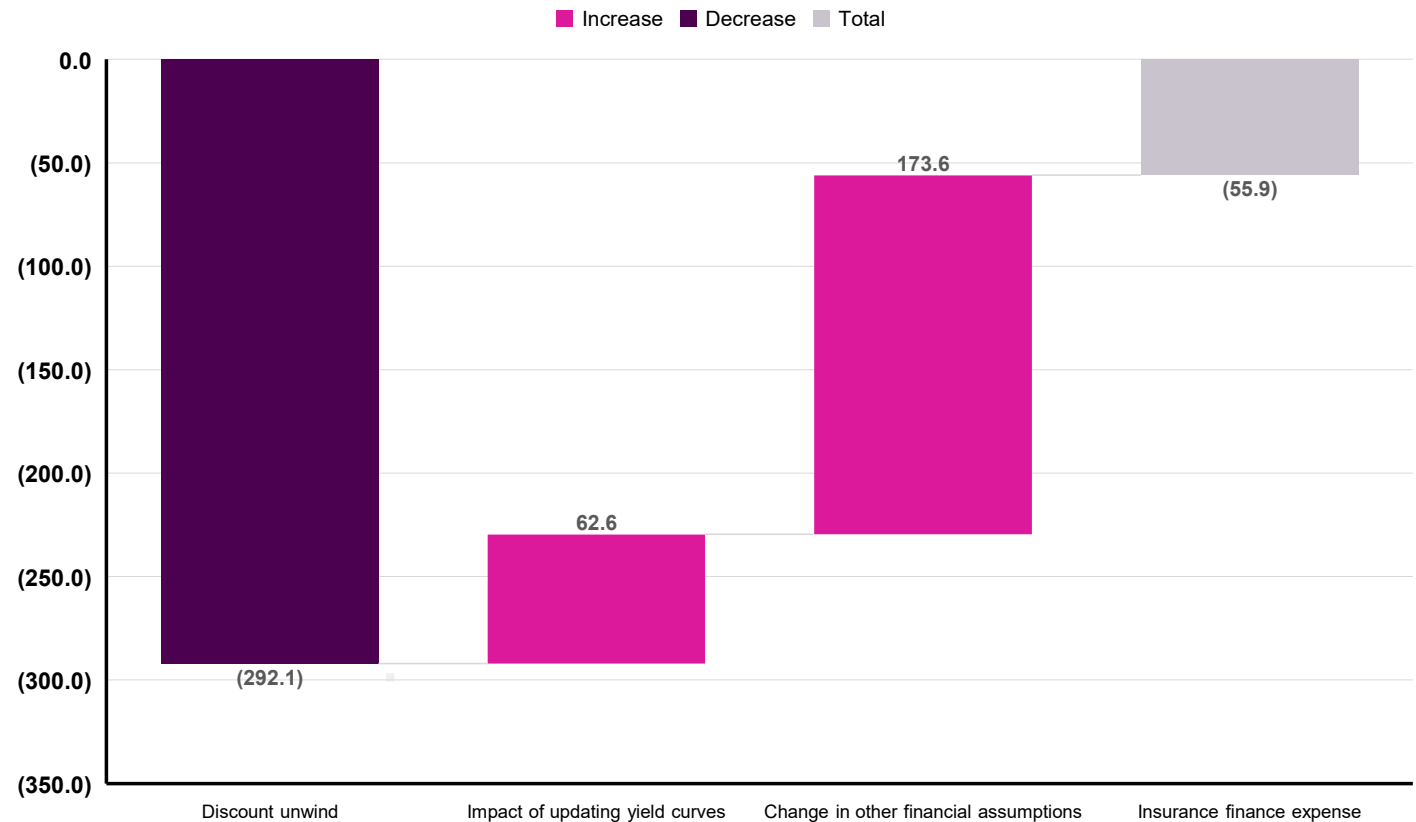


## Diversified and growing portfolio drives delivery



# Insurance finance expense

- \$55.9m insurance finance expense is split between:
  - \$292.1m Discount unwind (Expense)
  - Offset by
    - \$62.6m impact of updating yield curves (Income)
    - \$173.6m change in other financial assumptions (Income)
- The \$173.6m change in other financial assumptions is made up of:
  - Change in payment pattern assumptions
  - Differences in actual and expected payments



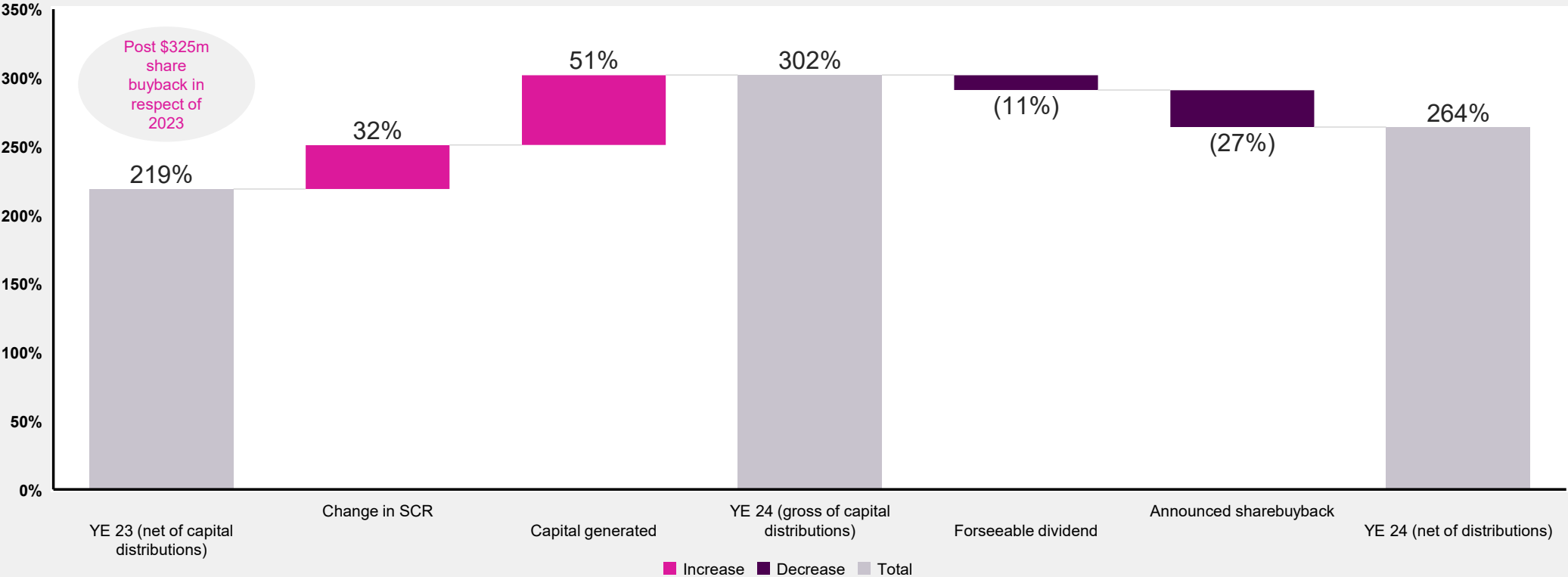
## Beazley's approach to capital

### Capital strategy

- Our ambition is to remain above SCR ratio of 170%
- Our priority is to invest in sustainable, profitable growth in a balanced, well diversified business
- We factor in growth for the year ahead and opportunities which may emerge in subsequent 1-2 years
- We are focused on managing peak tail risk and absorbing volatility
- Where surplus capital cannot be profitably deployed, we will return to shareholders

# Active capital utilisation - special returns, growth and flexibility

SCR Coverage ratio movements between 2023 Year End and 2024 Year End <sup>\*</sup>

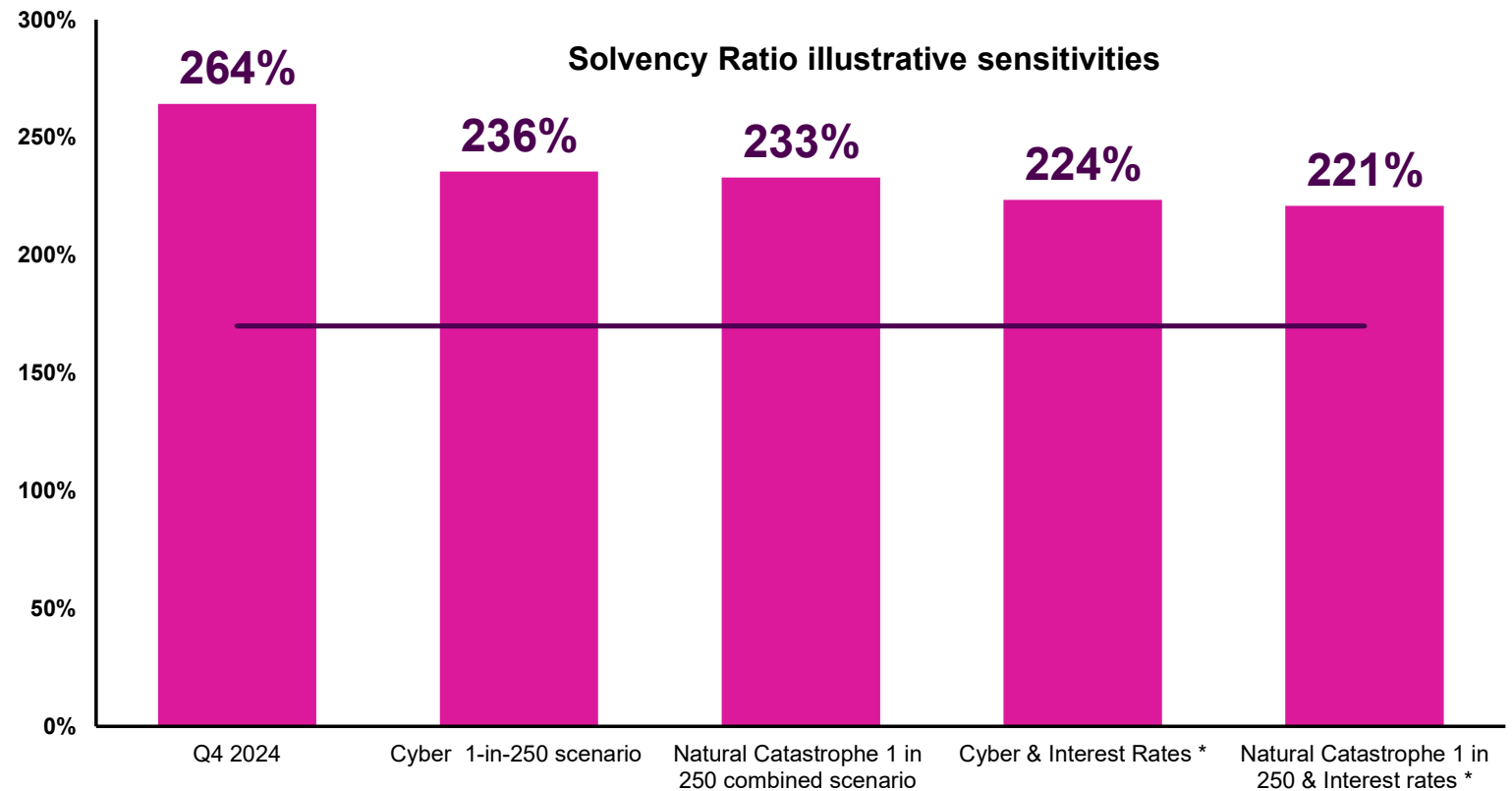


<sup>\*</sup>The final 2024 ratio is subject to review and audit and will be published in Group 2024 Solvency and Financial Condition Report (SFCR)

## Resilient capital position - able to withstand external shocks

- Coverage remains strong even with a simultaneous 1 in 250 event and a 50bps decrease in interest rates

(based on estimated Solvency Capital Ratio as at 31 December 2024)





# Outlook

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4th March 2025

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## Outlook - opportunity in 2025 and beyond

Continuing era of **accelerating risk** calls for underwriting and claims expertise



We have a diversified portfolio with the right people in the right places to gain best **access to business**



Property business will see **long-term growth** – focus is on US E&S market



Cyber will continue to see **demand-led growth**, particularly internationally



Potential for market landscape to **evolve quickly**



Expect **mid-80s** undiscounted combined ratio



Anticipate YE 2025 gross growth of **mid-single digits**



Fixed income yield at year end **4.6%**



# Questions

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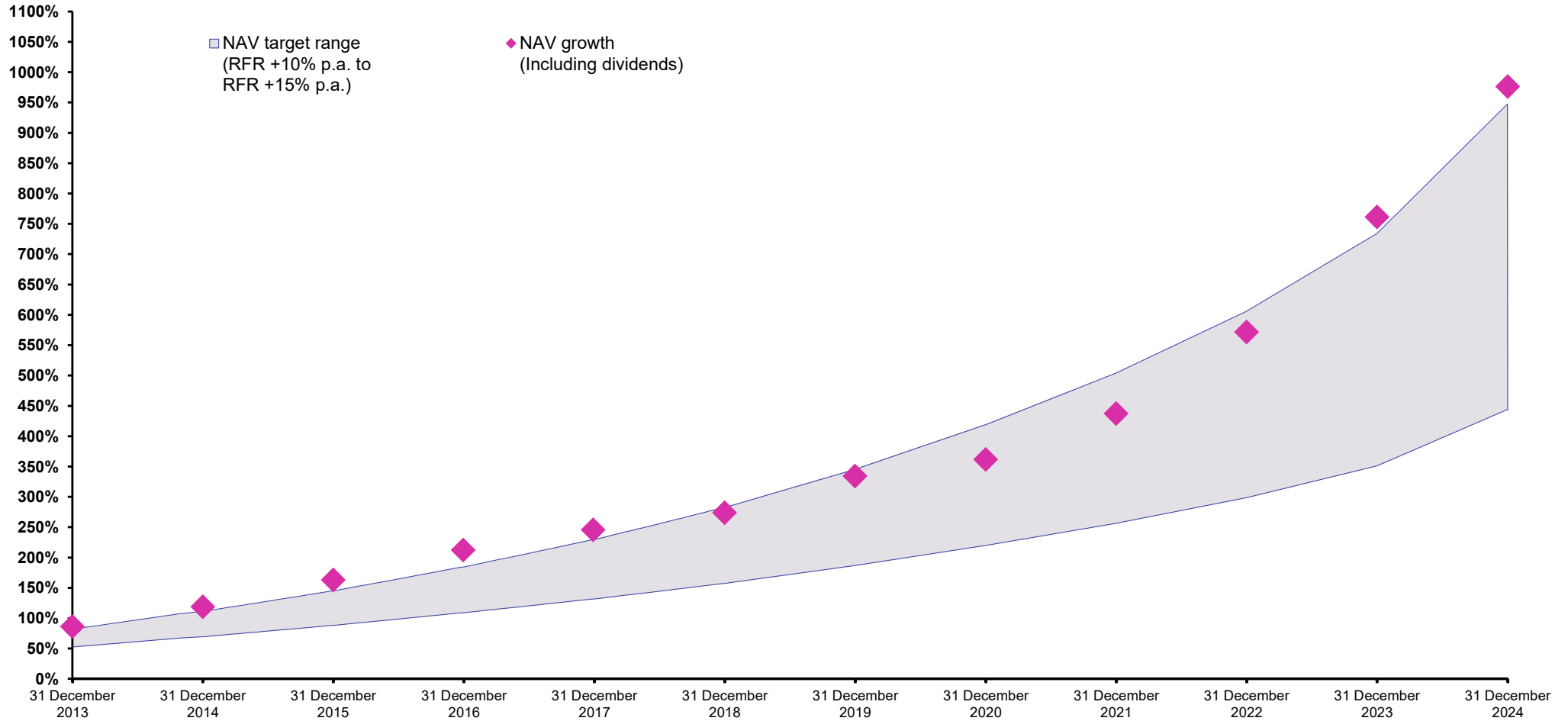
# Appendices

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4th March 2025



# Beazley is successfully compounding value over time



## Other key information

### Discount rates & liability mean terms

- Under IFRS 17 the assets and liabilities are discounted. A bottom-up approach is used to calculate the discount rates used, using a risk-free rate plus an illiquidity premium
- Risk Free Rates derived using Moody's government bond yields by currency (USD/CAD/GBP/EUR/CHF)
- Illiquidity premium also sourced from Moody's and adjusted to reflect the Group's own asset portfolio
- Discount rates as at YE24 and YE23 are shown below – these are the discount rates at the stated duration
- The illiquidity premium is a flat percentage and varies by currency. For USD at 31 December 2024 this is 0.3% (2023: 0.4%)

| YE24 | 1 year | 3 year | 5 year |
|------|--------|--------|--------|
| USD  | 4.5%   | 4.6%   | 4.7%   |
| CAD  | 3.4%   | 3.3%   | 3.4%   |
| GBP  | 4.6%   | 4.6%   | 4.6%   |
| EUR  | 2.4%   | 2.3%   | 2.5%   |

| YE23 | 1 year | 3 year | 5 year |
|------|--------|--------|--------|
| USD  | 5.1%   | 4.5%   | 4.3%   |
| CAD  | 5.3%   | 4.4%   | 4.1%   |
| GBP  | 4.9%   | 4.0%   | 3.8%   |
| EUR  | 3.5%   | 2.7%   | 2.6%   |

- Undiscounted mean terms in years as at YE24 are shown below. These are on an ultimate basis and include all claim-dependent cashflows but exclude Risk Adjustment and premium-related cash flows

| Division        | Insurance Contract Liabilities | Reinsurance Contract Assets |
|-----------------|--------------------------------|-----------------------------|
| Cyber Risks     | 1.7                            | 1.6                         |
| Digital         | 1.7                            | 1.4                         |
| MAP Risks       | 1.7                            | 1.7                         |
| Property Risks  | 1.2                            | 1.2                         |
| Specialty Risks | 2.8                            | 2.7                         |