



Investor Presentation

28th – 29th – 30th June 2022

Mid & Small (Virtual) 2022

Agenda

1. Who we are
2. Net's positioning and the competitive environment
3. Strategic Guidelines in Business Plan 2022-2025
4. Financials
5. Conclusions

- We are an insurance Group composed by a **P&C Company** and a **Life Company**
- We offer insurance Protection solutions dedicated to Person, Households and SMEs, with a multi-specialist approach



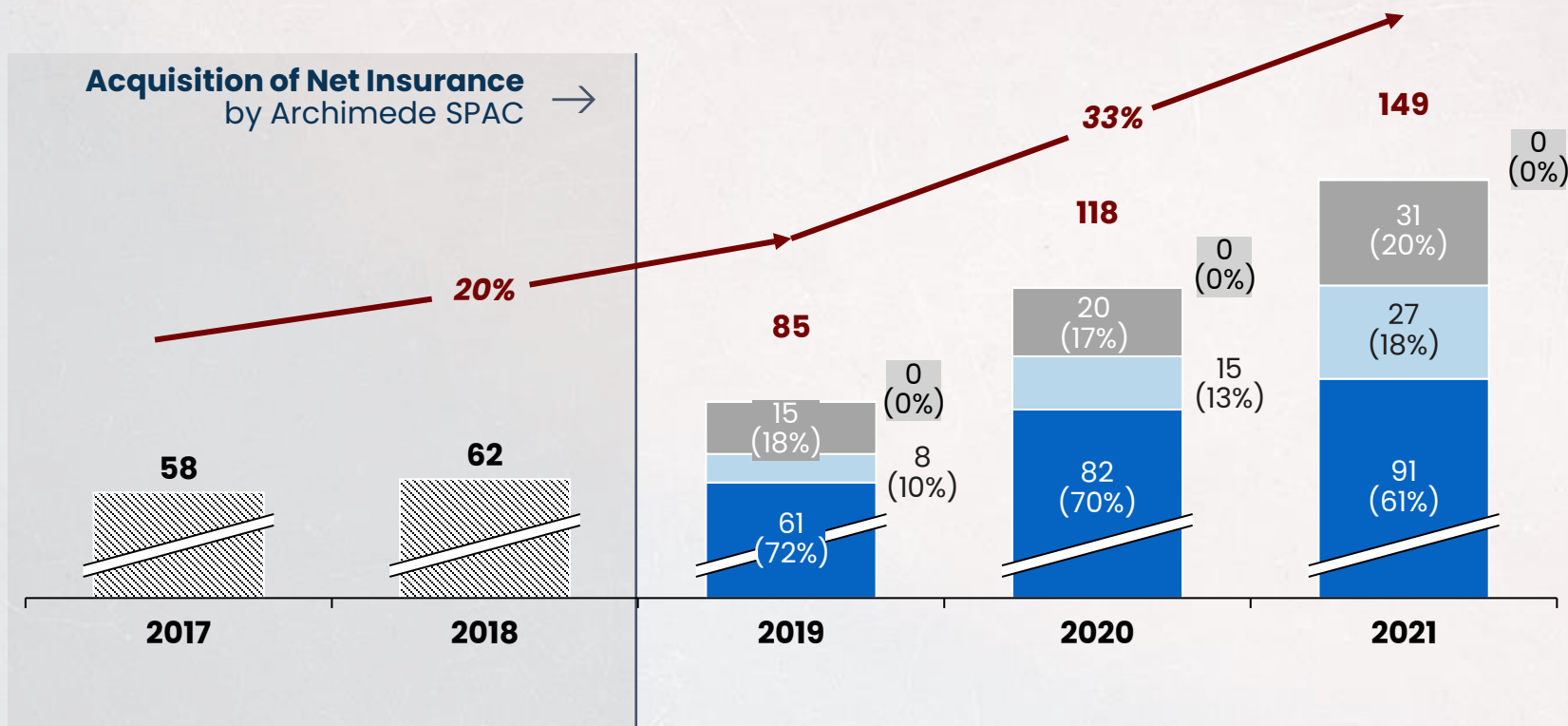
Demonstrate resilience and credibility

During 2019-2021

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Evolution of Main Indicators



Combined Ratio
(gross reinsurance)

86%

91%

91%

Net Profit
(Mln €)

7.0

7.6

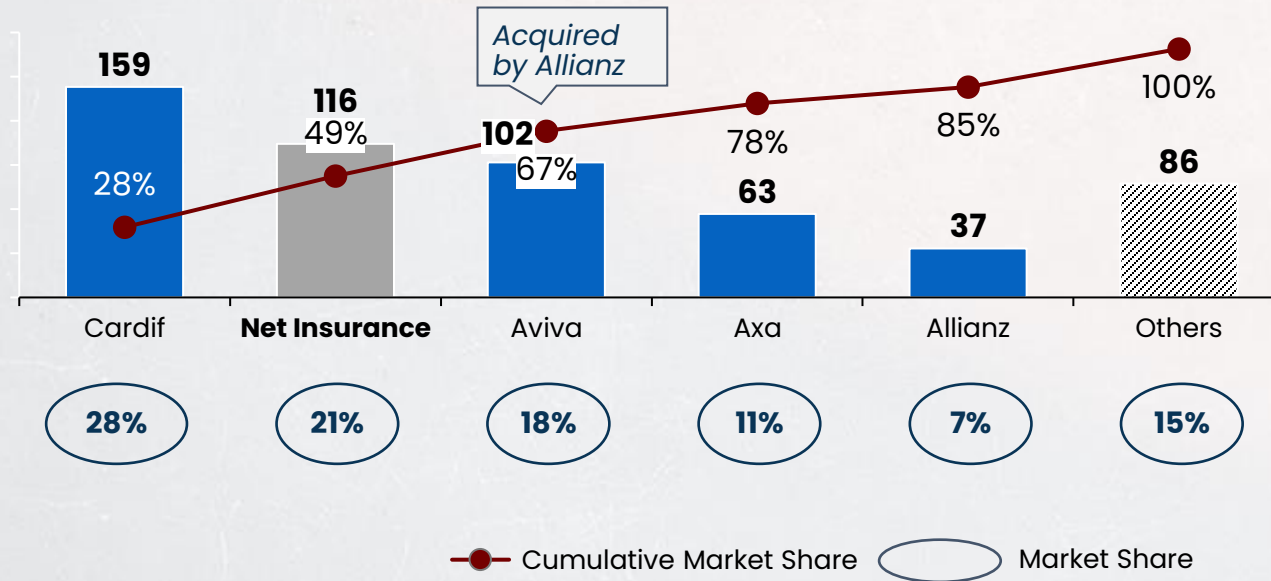
11.5

■ SBL ■ Bancassurance ■ Brokers ■ Digital

- Focusing on **SBL business** regaining market leadership
- Constructing an **open, independent and specialised B2B2C platform** in the Protection business to serve the Bancassurance channel
- Expanding the **broker** business and launch of **Digital business** through targeted partnerships

Leadership in Salary-Backed Loans

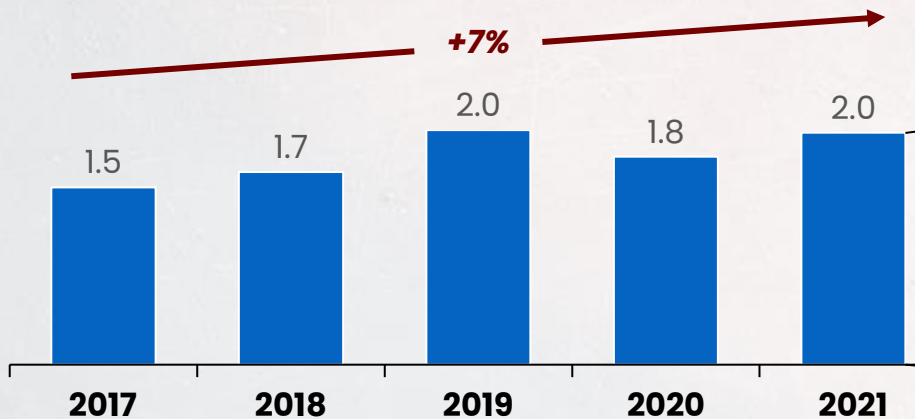
SBLI insurance premium income - Non-life Branch 14; Life Branch I
(2021, mln€)



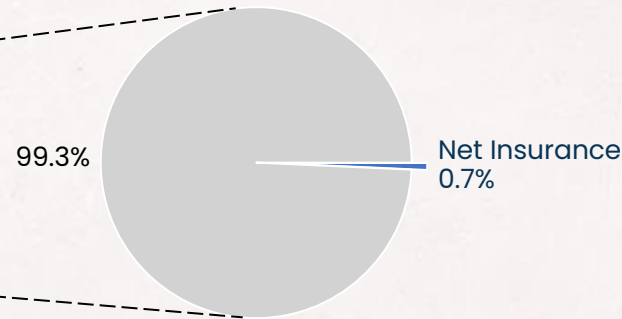
- **SBL market leadership** with high share of wallet (+25%) on top players, leveraging:
 - **Quality of service**
 - **Speed of response and flexibility** in customisation
- **High barriers to entry** – stable competitive market structure
- **Significant and recurring investments** to maintain and improve **digitisation of processes** (e.g. Teleunderwriting)
- **High quality of risks** taken with application of best practices in **pricing and underwriting**

Emerging player in Bancassurance

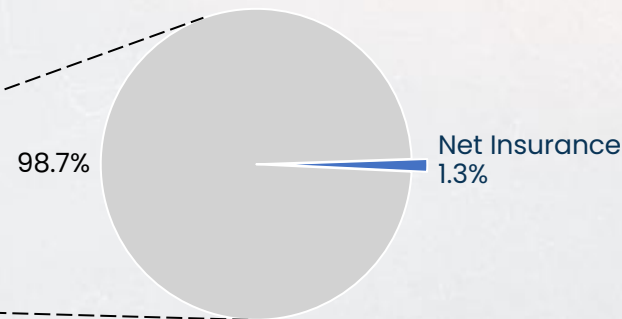
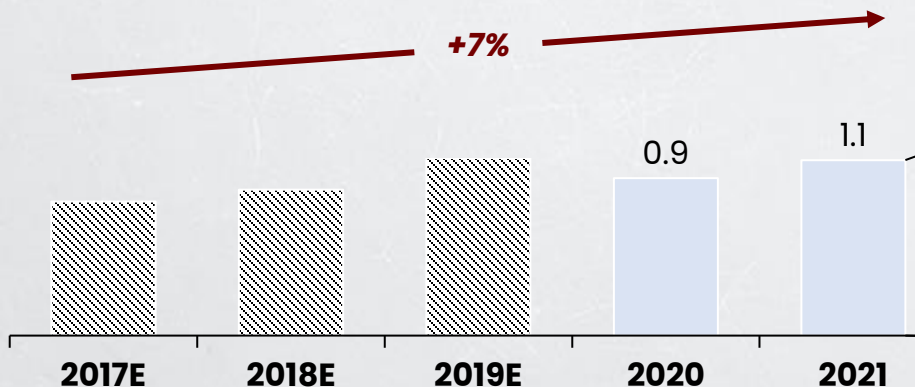
Non-Vehicle Premium Collection - Bancassurance (2017-21, Bn€, Italian Portfolio)



Net Insurance market share (% collected, 2021)



Premium income Life ProtectionI - Bancassurance (2017-21, Bn€, Italian Portfolio)



Net Insurance is the new player in bancassurance distribution and is well positioned for:

- 'Riding' the expected growth of **Non-life bancassurance** in medium and medium-small banks, which do not have an internal company and are estimated to be approx. 15-20% of the market
- Strengthening of **agreements with local bancassurance players**
- Leveraging the **distinctive service machine for Bancassurance partners** (liquidation through digital channels, Academy Net for training, technology to support sales, etc.)

- Agreements signed with **Specialist brokers** for the distribution of targeted products
- Business in **market niches** (Agro and Suretyship)
- Over 50 mandates outstanding

- Digital **business launched: 78k policies** issued in 2021
- **Extensive product catalogue** covering Home, Health, Leisure, Credit and Small and Medium Enterprises
- Products purchasable with **4 to 8 clicks**
- **Digitisation of after**-sales services especially in relation to claims settlement
- **Embedded Insurance** key international market trends over the medium and long term

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Pillar of the business plan



Dynamic balance between **growth, capital strength and shareholder remuneration**



Consolidation of Net Insurance's position as **Leader in Salary-Backed Loans**



From Start-up to Scale-up of the **Bancassurance** business to become **leader of the local banking market**



Ramp-up the **Broker channel** with a strong **digital** and **Speciality business-oriented approach**



Efficient and digital organisation at scale ensuring progressive innovation and high **customisation of service** to partners



Evolution of the operational business model towards **ESG 'Good practice'**



Dynamic balance between **growth, solidity and shareholder remuneration**

- **Self-financing** of the plan with **operating capital generated by growth with increasing profitability**
- Maintaining **high levels of capital strength** (SCR) and **rating levels**
- **Maintaining attractive dividend payout levels** (30%) for a 'growth company'
- Continuing drive to improve **brand awareness and positioning** in target markets
- Assessing any **external growth opportunities** consistent with the **business model**



Consolidation as **Leader in Salary-Backed Loans**

- Defending **competitive advantage and leadership position** (30% share) in the top SBL players
- **Increasing presence among the top players** with still limited share of wallet and **development of medium-sized players**
- **Maintaining a high quality of risk-taking** against moderately increasing volumes, thanks to **service quality** and **advanced analytics** applied to best practices in **pricing and underwriting**



From Start-up to
Scale-up of the
Bancassurance
business

- **Bring distribution potential** with primary Bancassurance partners (agreements with upfront investments) **on CPI, Non-life** (Family, Health and Home) and **Life Protection**
- Enhancement of the **service model** differential **to increase** share of wallet in **still underdeveloped partners**
- **Selective development of new distribution agreements** with local banks



**Ramp-up of the
Broker channel**
with digital and
Speciality
approach

- **Broker business development** with a **dedicated** digital platform (Digital Attacker) and focus on **business Affinity**
- **Development of Specialities** (Suretyship and Agro) with a **prudent underwriting and reinsurance policy**
- **Gradual growth of digital insurance partnerships** in place and **specific product proposition** for **digital channels**



Efficient and digital operating machine

- **Strengthening the organisation** to support growth and **increase attractiveness for talent and specialised profiles**
- **IT machine efficiency**, completing the transition to greater **digitisation and process automation**
- Maintaining current levels of **investment in cyber security** and a strong focus on **protecting the information assets** of companies and customers



Business and operating model evolution towards ESG 'Good Practice'

- Continued promotion of a **sustainable business model** by **reducing environmental impact** (target of a 15% reduction in CO2 emissions by 2025) and increasing **investment in sustainable assets**
- **Consolidation of the commitment** to **inclusion** and **well-being** of **employees** to maintain **Great Place to Work** status (Trust Index $\geq 60\%$)
- **Internal ESG** controls and alignment of **management targets** to **sustainability results**

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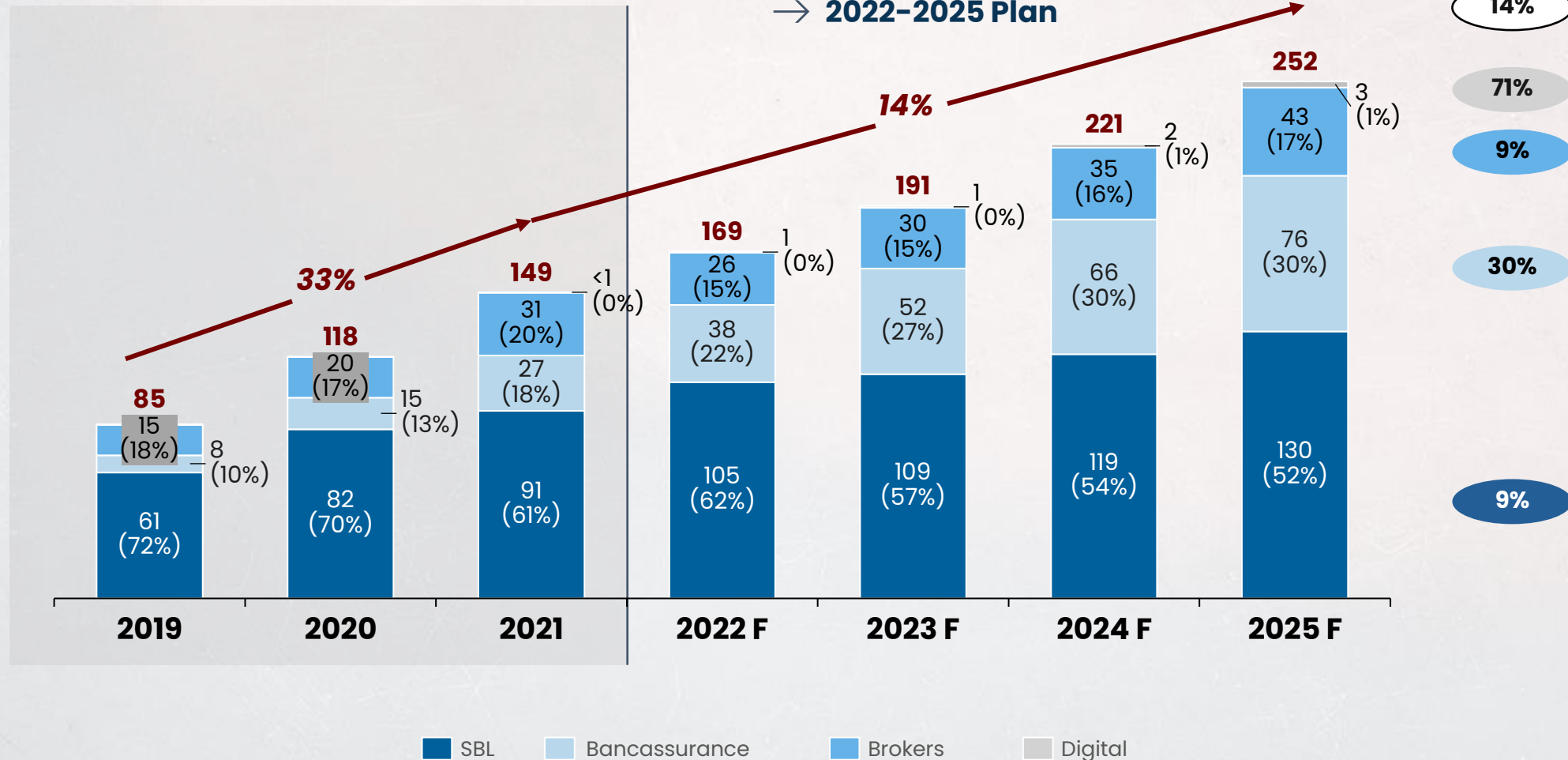
Targets 2022-2025

	2021	2022 F	2023 P	2024 P	2025 P
Gross premiums written <small>€ Min</small>	149.3	169.2	191.3	221.4	252.1
Ordinary Expenses <small>€ Min</small>	21.0	23.1	26.0	28.0	28.9
Net Tech. Result <small>€ Min</small>	10.6	17.0	19.0	23.2	31.7
Financial Result <small>€ Min</small>	3.3	2.5	3.7	4.5	5.2
Net Profit <small>€ Min</small>	11.3	14.9	20.2	19.3	25.9
Normalised Net Profit* <small>€ Min</small>	11.5	13.6	15.8	19.3	25.9
ROE	13.4%	16.2%	19%	15.7%	18.8%
CoR (lordo Riass.)	91%	87%	86%	84%	82%
SCR Ratio	181%	175-187%	181-192%	179-184%	170-175%

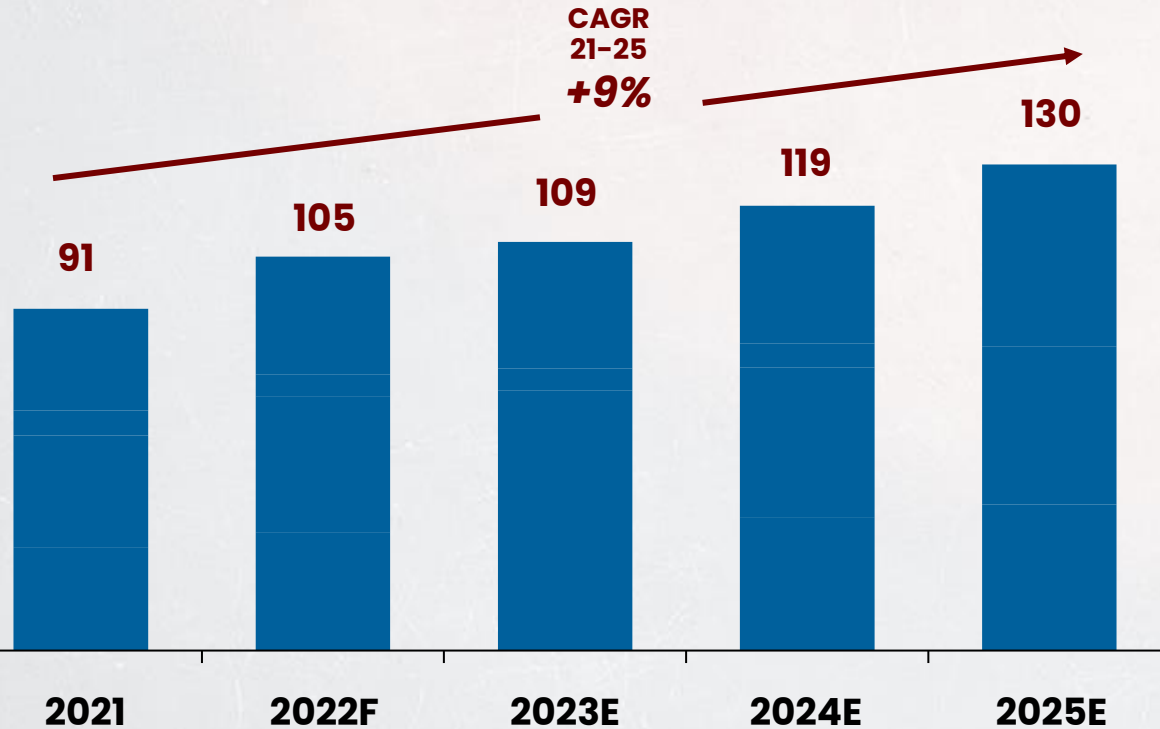
* Normalised net profit includes non-recurring expenses and income linked to extraordinary events

Premium income

Gross premiums written (Mln€)



Gross premiums written – SBL Business (Mln€)

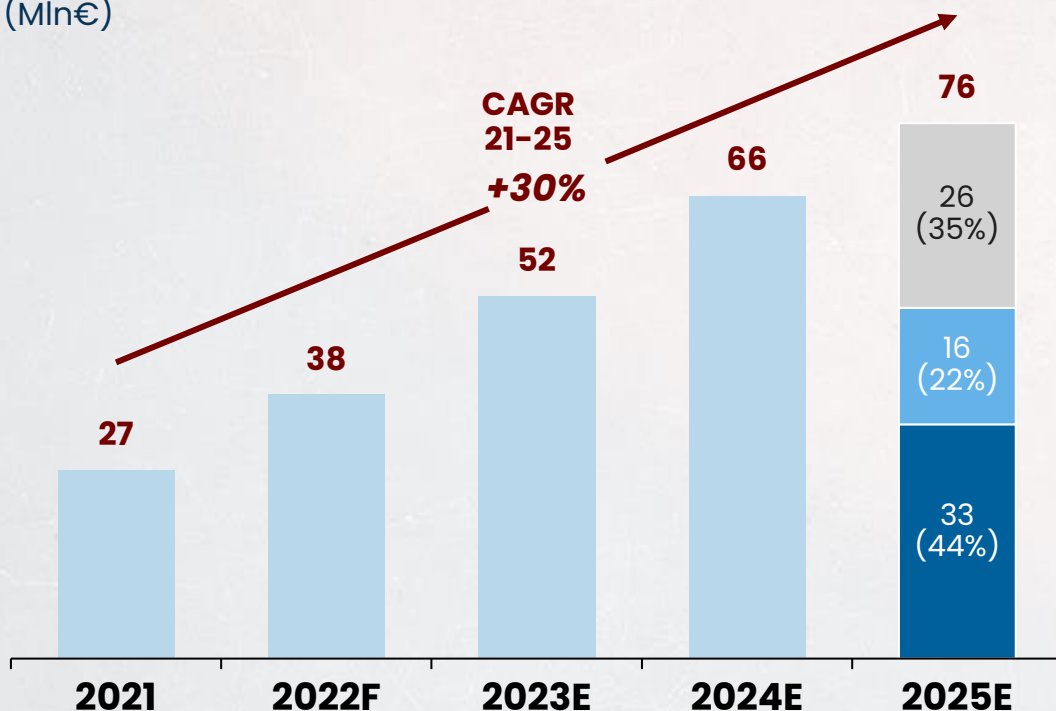


Guidelines and main assumptions

- Maintaining the **leadership position in a market that** aligns with the lending market and **expects growth** in line with the general consensus among operators
- Growth in the market for **credit disbursed** (CAGR 2021-2025 ~8%) and the underlying SBL insurance market (CAGR 2021-2025 ~7%) driven by:
 - **Maintaining** Net Insurance's **share of wallet** on major players, **increasing it** on some **high-potential (private) partners and segments**
 - **Investments** to improve the level of **digitisation of processes**
 - **Focusing on business partners** by offering **distinctive business services and support** (e.g. training, call centres)

Bancassurance: from Start-up to Scale-up

Gross premiums written – Bancassurance Business (Mln€)



Agreements in place – Average output per window (K€)

	2021	2022F	2023E	2024E	2025E
CPI	25.8	30.6	29.9	32.7	35.7
RE and Life Protection	10.2	12.4	17.5	21.9	26.2

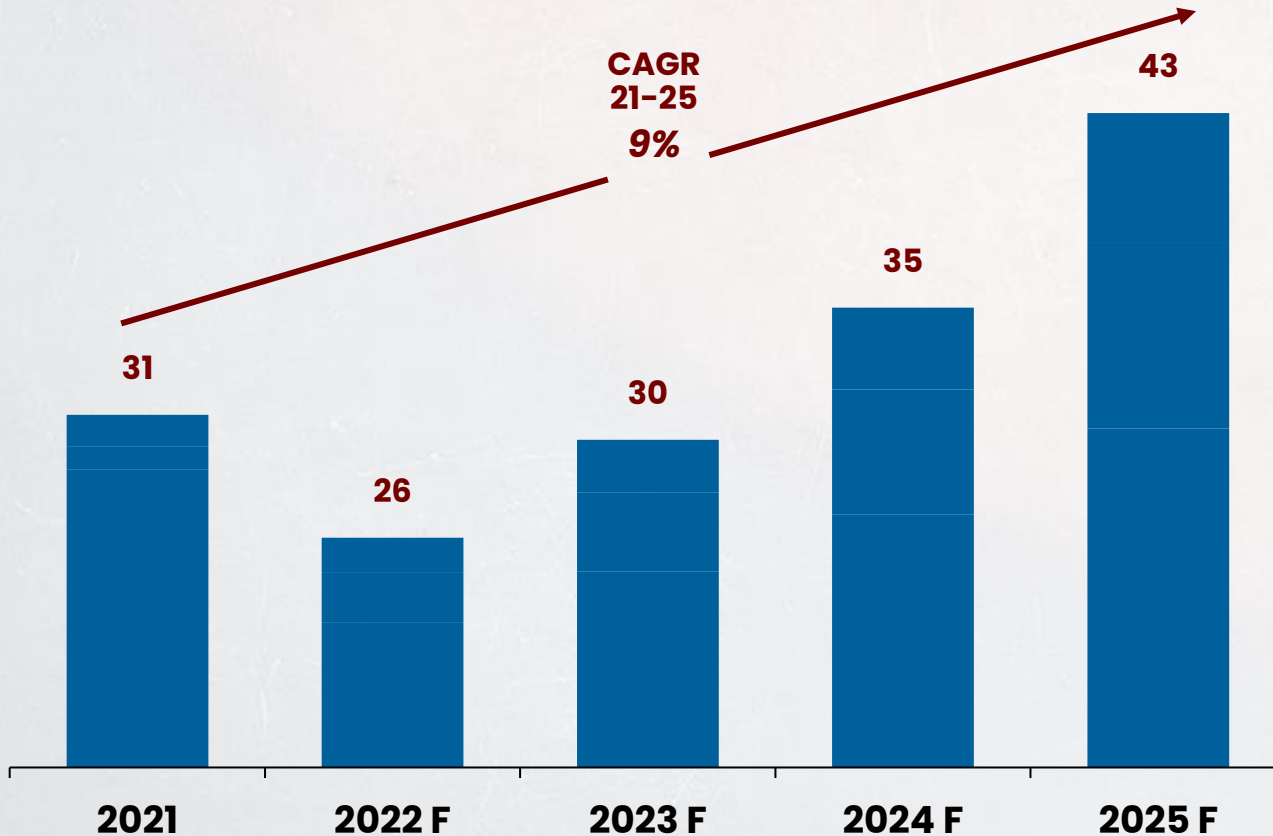
■ Agreements in place – CPI ■ New Bancassurance – CPI Agreements ■ Agreements in place – RE and Life Protection

Guidelines and main assumptions

- For existing **Bancassurance partnerships** assumed collection target based on **contracted targets** for upfront agreements
- **Internal distribution best practices** for agreements without upfront
- **Commercial support** (e.g.. Next to you in the pre-sales phase) and sales network animation initiatives
- **Technical and commercial training plans** and enhancement of NIBA
- **Co-marketing** initiatives with partners
- Continuous evolution of **technological tools** for partners

Broker area expected to grow

Gross premiums written – SBL Business
(Mln€)



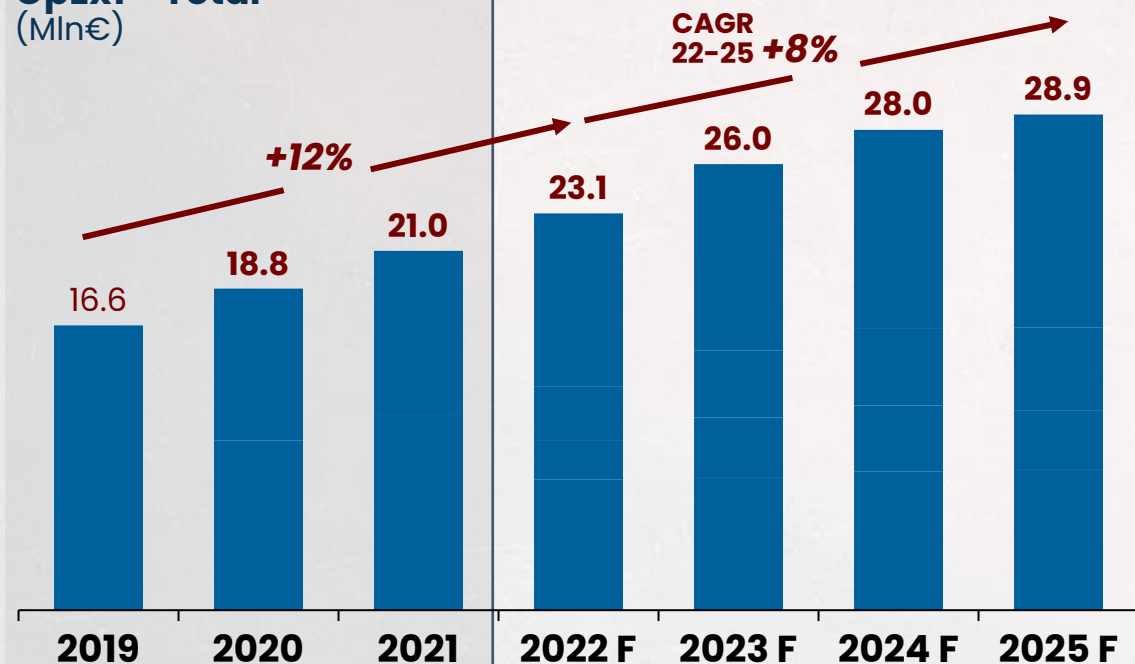
Guidelines and main assumptions

- Consolidating the **Agro business**, aiming to **exceed 2021** plan target levels
- **Developing Securities business** while maintaining use the use of reinsurance
- **Ramp up** of business **Other non-life classes**, focus **retail products**:
 - Evolving the **technology platform** made available to brokers from a **Digital Attacker** perspective with a set of business management tools (e.g. recruitment process, remote contact, ...).
 - Strengthening the **commercial** channel structure
 - Completing the **product range**
 - Exploring the **Affinity** market to leverage brokers' **corporate** customer portfolio

Ordinary Expenses

OpEx1 - Total
(Mln€)

→ 2022-2025 Plan



20.0% 15.9% 14.0% 13.7% 13.6% 12.6% 11.5%

Percentage
of premiums
written

6.1% 6.0% 5.7% 5.2% 4.9%

Staff

8.0% 7.7% 7.9% 7.4% 6.5%

Other operating
expenses

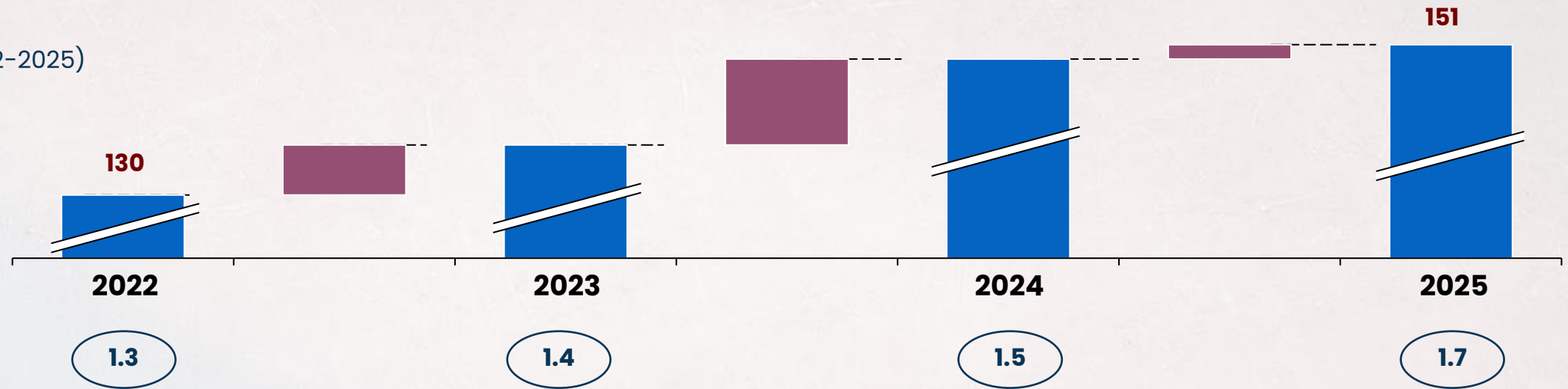
Guidelines and main assumptions

- **Rising personnel expenses** (+2.3 Mln€ 2022B vs 2025)
- **Costs directly allocable to growing business lines** (+1.7 Mln€ 2022 vs. 2025), in particular:
 - **New credit assessment services (SBL)**
 - Increased services related to **training and support** to partner banks (Bancass)
 - **Growth Depreciation and Amortisation** (+1.2 Mln€ 2022 vs 2025) for higher investments also in 2023

Strengthening the operational structure

Total resources

(# Resources; 2022-2025)



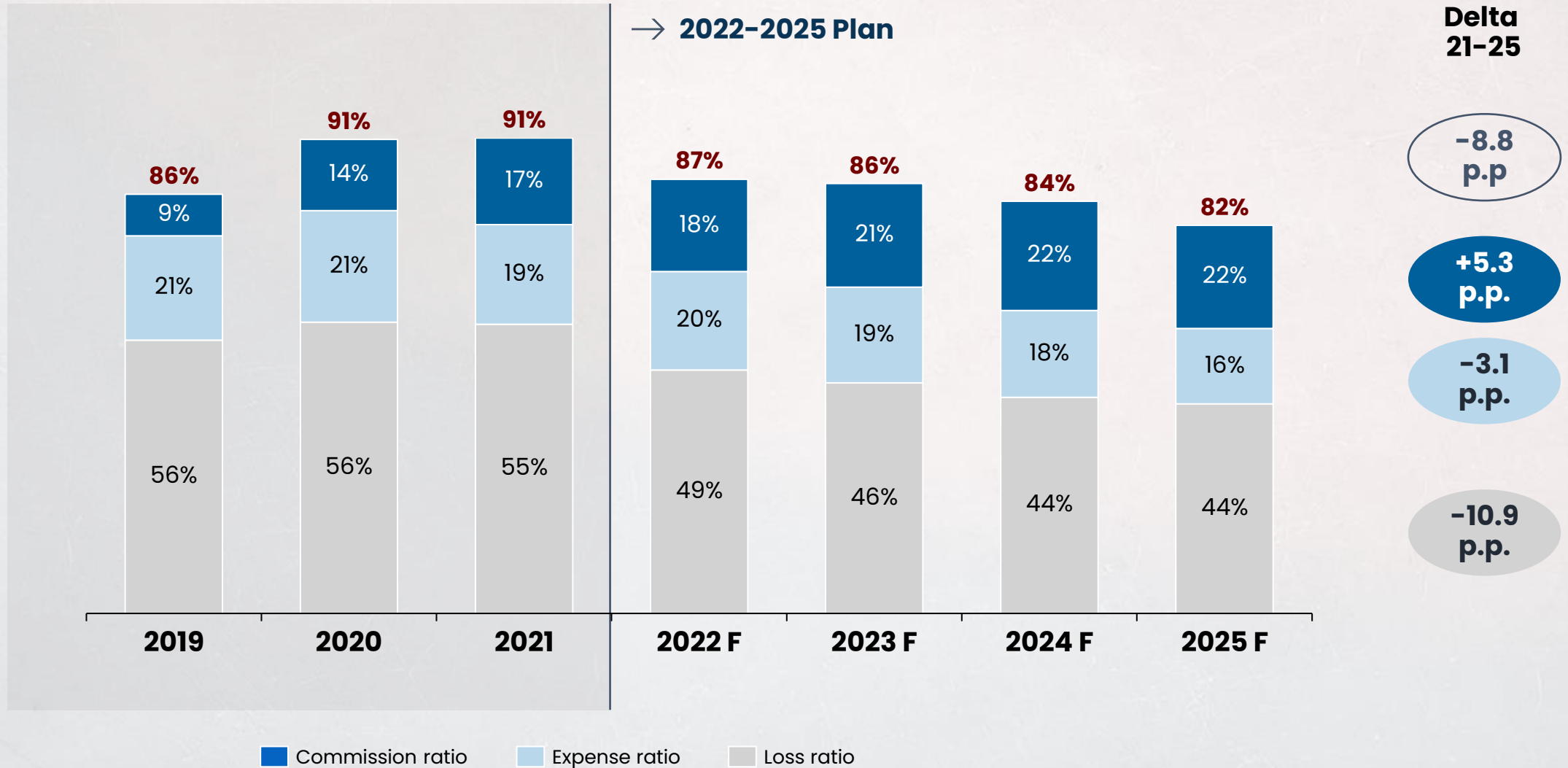
Premiums per resource (Mln €)

Guidelines and main assumptions

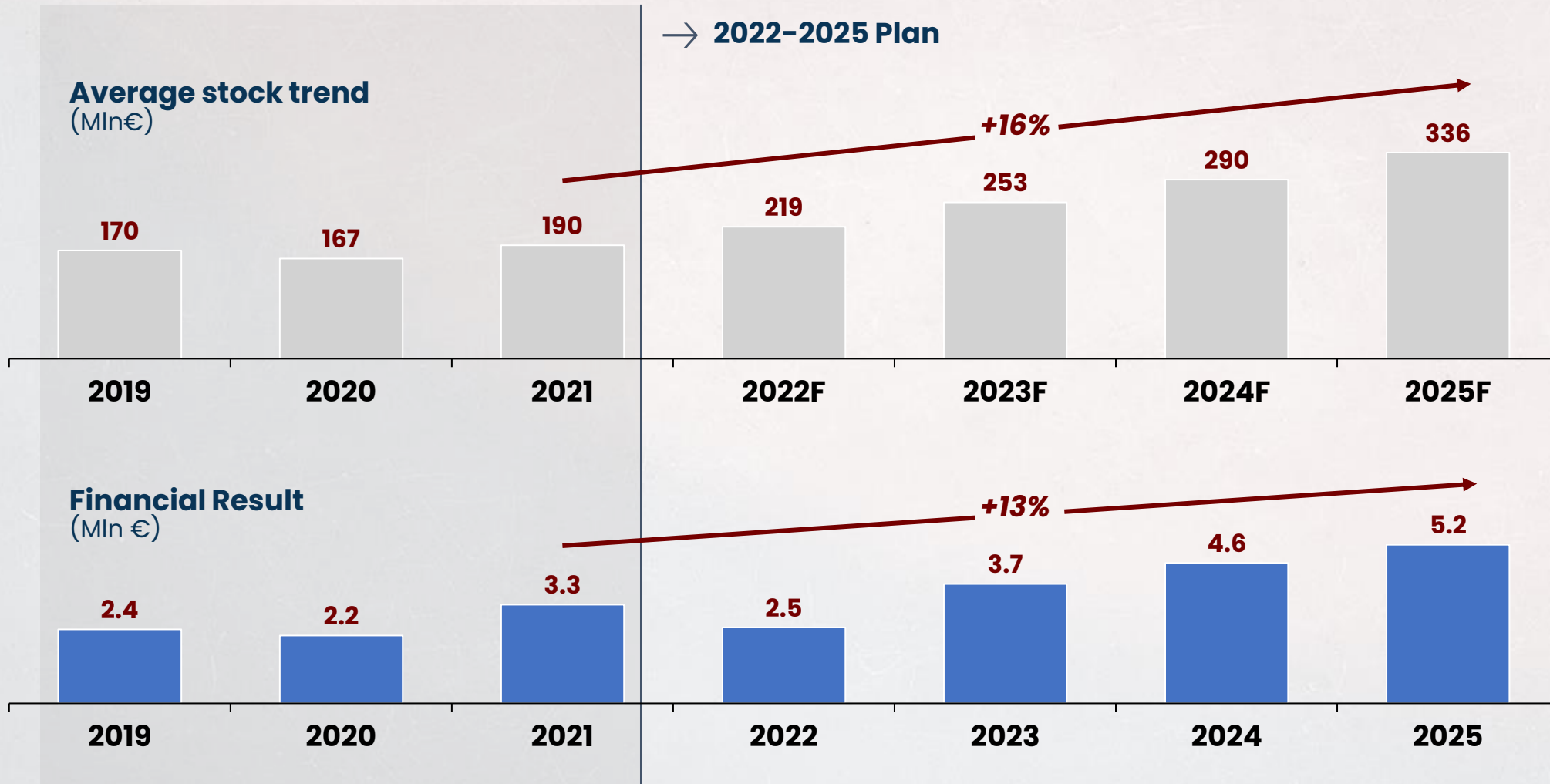
- Inflow of **new resources to strengthen the organisation** (+21 FTE in the plan period)
- **Value pool** dedicated to incentivising virtuous resources and talent retention
- New **stock option plan 'extended'**

Combined ratio

Combined Ratio (gross summary) (%)



Result of financial management

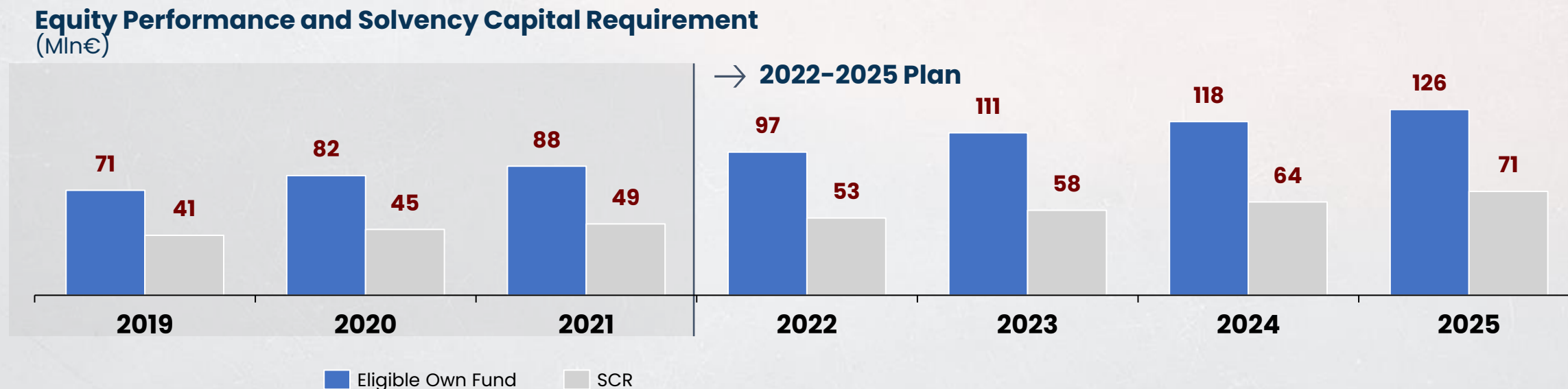
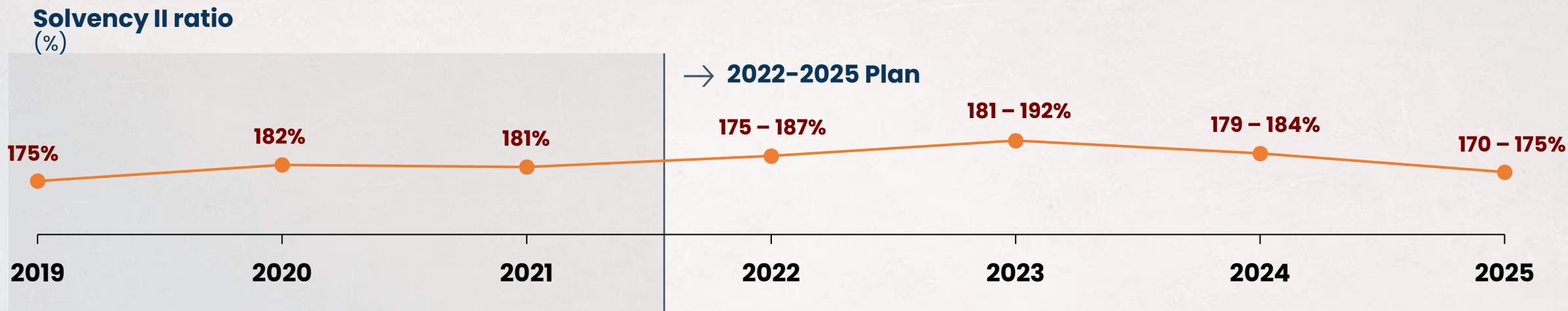


[Investments](#)
[Portfolio](#)
[Management](#)

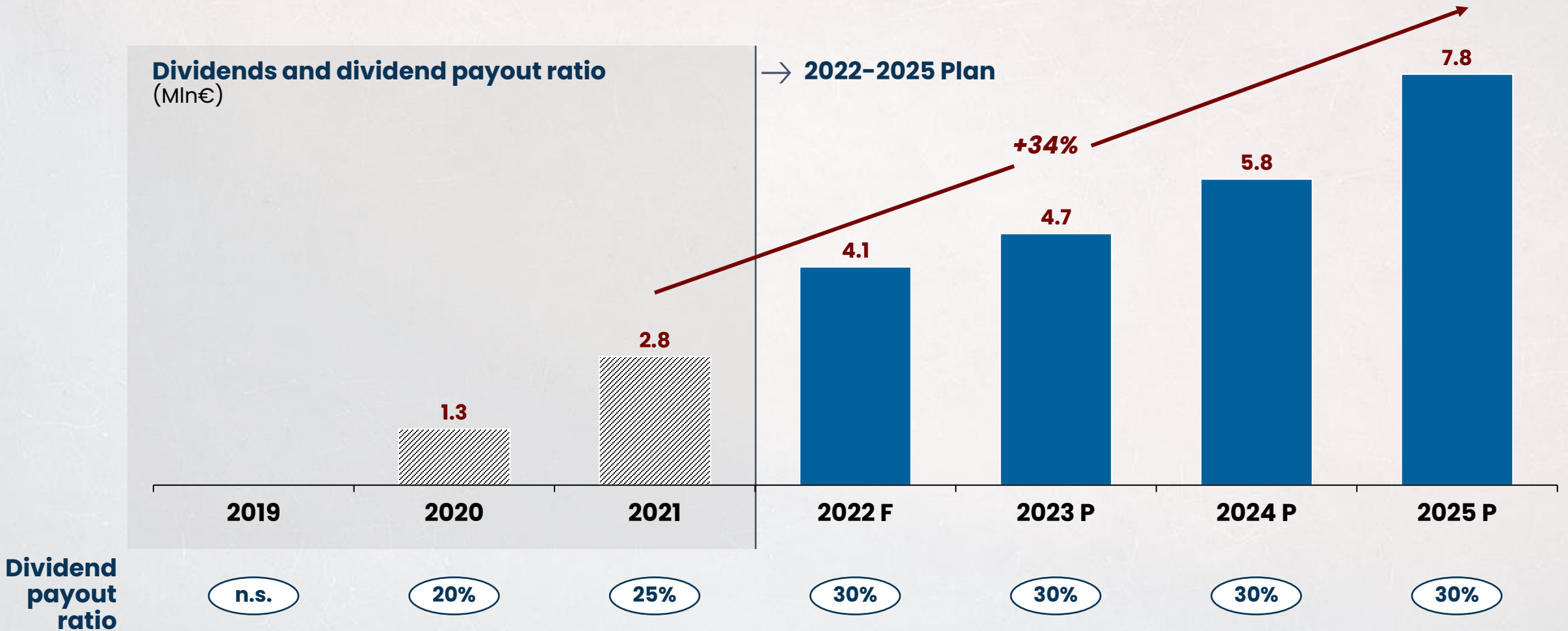
Net return on expenses



Solvency Ratio



Dividend payout



Consolidation of ESG policies

Environment

Initiatives started/ in progress

- **Responsible use of natural resources** at company sites (e.g. recycled paper, waste separation, plastic reduction)
- Producing **renewable energy** by installing a **photovoltaic system**
- **Digitising** paper (e.g. insurance records)

Plan Guidelines

Reduction of environmental impact and responsible use of natural resources

Social

Initiatives started/ in progress

- Focus on **employees** and **work-life balance**
- Continued **investment** in employee **training** also through partnerships with external business schools
- Developing initiatives to **support the local community** and vulnerable groups (e.g. donation of unused holidays, Miguel's race)
- Achieving **gender parity** at all levels (in area 40% of the least represented gender)

Plan Guidelines

Commitment to inclusion, employee welfare and communities

Governance

Initiatives started/ in progress

- Creating a **an ESG committee**
- **Gender equality** on the Board of Directors

Plan Guidelines

Consolidating internal ESG safeguards and alignment of business objectives with ESG Good Practices



ESG Plan Macro Targets

Environment

- **Increasing** focus in selecting **investments** that meet **ESG criteria** and/or in **asset companies** that operate in **non-critical sectors**
- **Reducing CO2** emissions from offices and data centres by **15% in the plan period** and **increasing the share of renewable energy used**

Social

- Continuous improvement of working environment and **maintenance of Great Place to Work status** (score >60%)
- Commitment to **maintain** levels of gender representation (around 40% for the least represented gender) and substantial **absence of Gender Pay Gap** fully in line with meritocratic principles

Governance

- **Strengthening the internal ESG committee** in terms of **developing initiatives** for **disseminating the culture of sustainability** within the organisation
- Integration of **sustainability targets into management's variable remuneration** in the Plan period



BACK

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The business model's **credibility and resilience are proven**

Profitability is expected to reach **double digits** throughout the entire Plan period

No capital increases will be required to support the Plan's development

Moderate execution risk. We do what we know how to do, reinsurance protection, diversification and a proven management team

Crucial steps will be taken towards **full digitisation** of the value chain

The overall picture is positive to seize any **external growth opportunities**



Euronext Milan

–

STAR
segment



Thank you

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