

Dual listing on Nasdaq Stockholm Investor presentation

Sampo Group

November 2022

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Executive summary

Sampo overview

- Sampo is the leading insurance Group in the Nordics with a c. 20% market share in P&C with operations in Sweden, Finland, Denmark and Norway through its Group companies If and Topdanmark
- Sampo reported EUR 7.6bn of P&C insurance gross written premiums in 2021 with a combined ratio of 81.4% for the year
- After the revised strategy and focus on non-life insurance, Sampo has fully exited Nordea (Apr 2022) and is now a pure insurance group
- Sampo's subsidiary, Hastings, is one of the leading digital motor and home insurance providers in the UK with over 3 million car, van, bike and home insurance customers

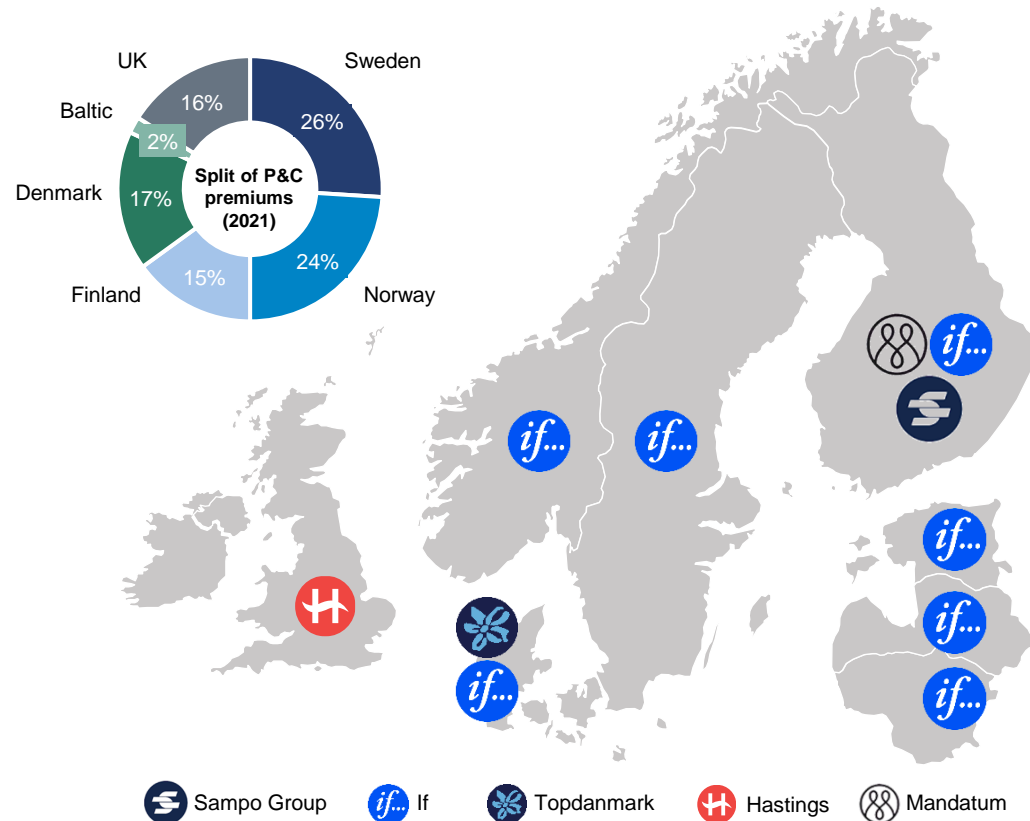
Dual listing rationale

- Sampo is currently listed on Nasdaq Helsinki and is proceeding with a dual listing on Nasdaq Stockholm to increase its shareholder base, particularly among Swedish domestic and index funds
- Sampo has a strong operational presence in Sweden with c. 26% of the Groups gross written premiums deriving from Sweden, but limited local share ownership with only c. 5% of Sampo shares owned by Swedish investors
- As a large cap P&C insurer, Sampo would be a unique asset on the Nasdaq Stockholm
- Nasdaq Stockholm is c. 3.5x larger than Nasdaq Helsinki measured by market cap and the average Nasdaq Stockholm company is 26% more liquid than the average Nasdaq Helsinki company (based on last six months)





Sampo Group - Overview

Sampo Group at a glance

Geographical presence



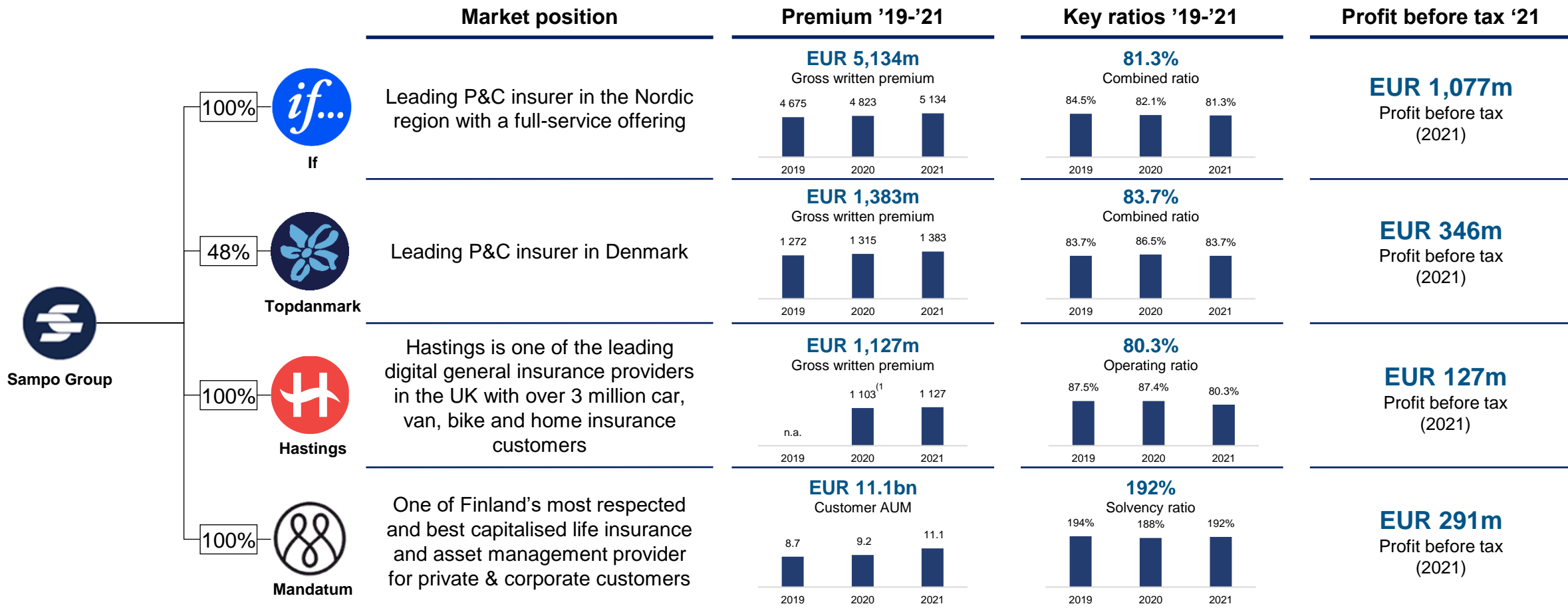
Executive team with extensive P&C experience

<p>Torbjörn Magnusson</p>  <p>CEO 31 years in the P&C industry</p>	<p>Knut Arne Alsaker</p>  <p>CFO 24 years in the P&C industry</p>	<p>Ricard Wennerklint</p>  <p>CSO 27 years in the P&C industry</p>	<p>Morten Thorsrud</p>  <p>CEO, If P&C 18 years in the P&C industry</p>
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Key facts

EUR 7.6bn P&C insurance gross written premium (2021)	EUR 1,282m Group underwriting profit (2021)	13,274 # of FTEs (2021)	Nasdaq Helsinki Current listing venue
81.4% P&C insurance combined ratio (2021)	EUR 4.10 DPS (2021)	7m+ # customers (2021)	EUR ~24bn Market capitalisation

Brief overview of Sampo's core operational segments



Source: Company information
1) Hastings pro-forma figures for 2020

Sampo has an outstanding track record of delivery in P&C insurance



President and CEO, Sampo Group

Torbjörn Magnusson

- Sampo CEO since 2019
- 31 years P&C insurance industry experience
- President and CEO of If P&C 2002-19



Chief Financial Officer, Sampo Group

Knut Arne Alsaker

- 24 years P&C insurance industry experience
- CFO of If P&C 2011-18
- Various senior roles in If 2002-11



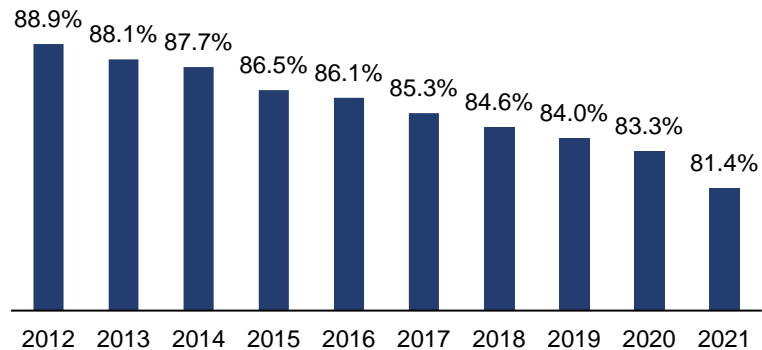
Chief of Strategy, Sampo Group

Ricard Wennerklint

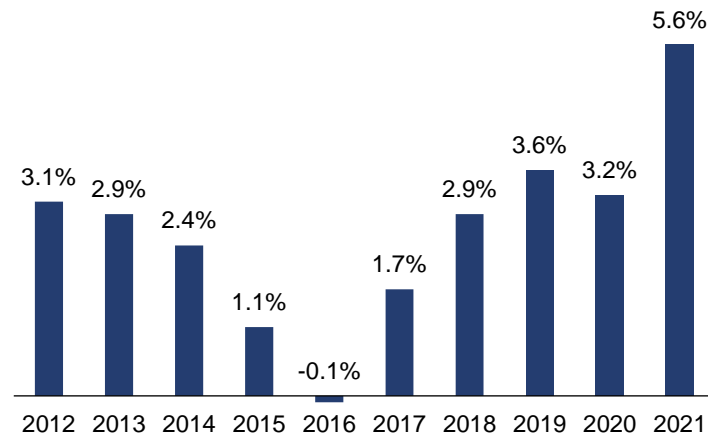
- 27 years P&C insurance industry experience
- Deputy CEO of If P&C 2008-19
- CFO of If P&C 2002-08



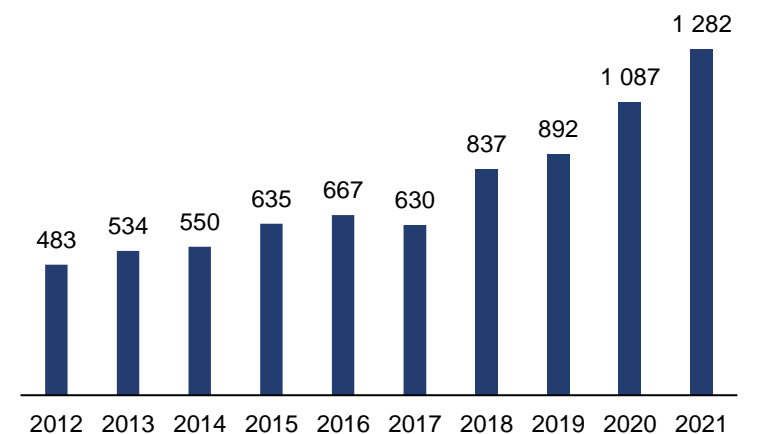
Sampo combined ratio, %



Sampo GWP growth, %



Sampo underwriting result, EURm



Source: Company information
 Note: 2015-2016 adjusted for non-recurring items

Revised focus – from opportunistic investments to P&C insurance

2008 and prior

“Sampo Group aims to create value for its shareholders. The Group utilizes flexibly opportunities arising in the market to create shareholder value **through transactions such as disposals and acquisitions.**”

Sampo annual report, 2008

- Notable acquisitions and investments:



- Strategic focus:

- Value creation through opportunistic acquisitions

2009-2018

“Sampo Group aims to create value for its shareholders. Value is created through efficient and highly profitable operating units **and by investing in situations offering significant upside potential with manageable downside risk.**”

Sampo annual report, 2009

- Notable acquisitions and investments:



- Strategic focus:

- Value creation through profitable operating units and opportunistic investments

2019-2022

“Sampo has a **strategic ambition to expand further into non-life insurance**, a segment where it has extensive experience and expertise. As part of this strategy...Sampo has been considering a geographic expansion beyond its current footprint.”

Sampo annual report, 2020

- Notable acquisitions and investments:



- Strategic focus:

- Value creation through profitable operating units and focus on non-life insurance

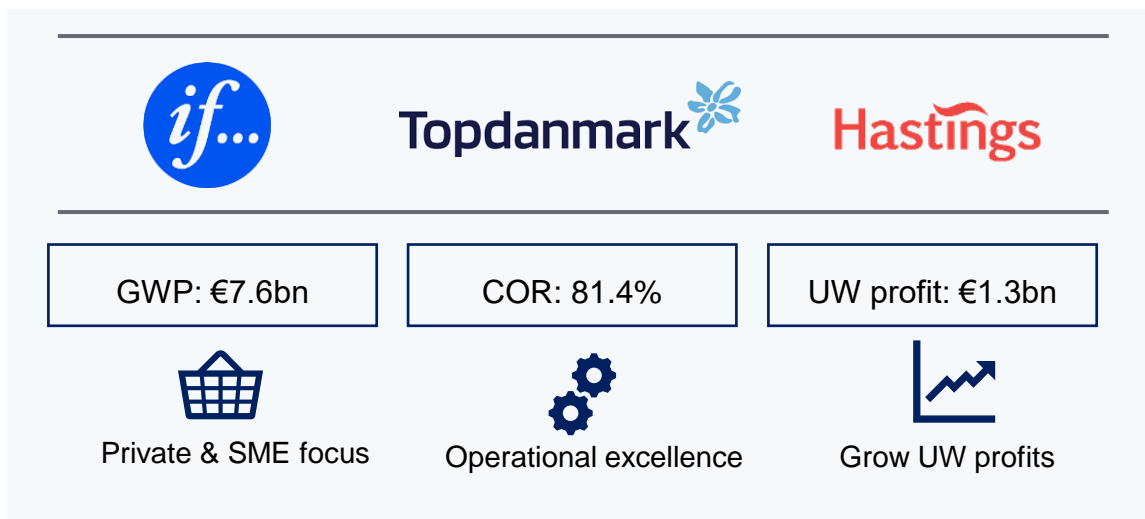
“On a Group-level Sampo has no stated strategy but its fully-owned businesses have well-defined strategies based on return on equity targets.”

“Strategic ambition to expand further into non-life insurance.”

Sampo is now a pure insurance group

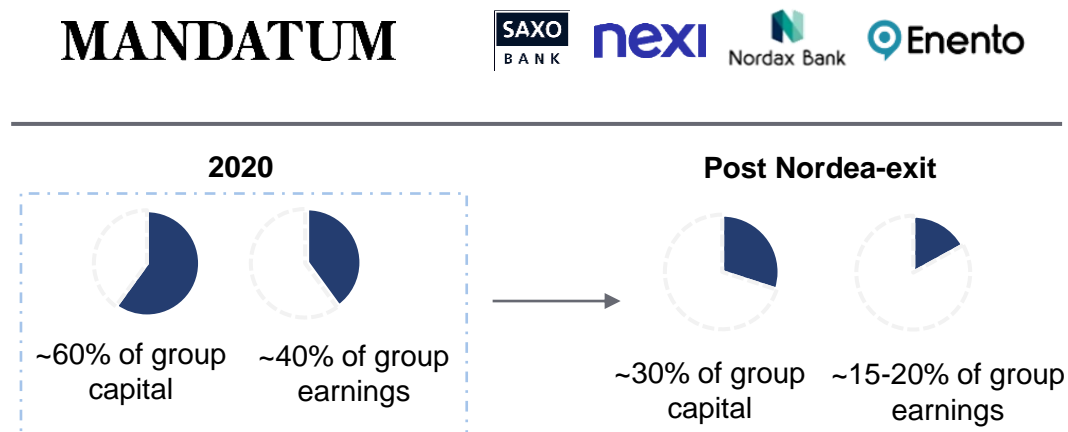
P&C insurance: Invest and develop

- c85% of the Group's profits generated by high quality P&C operations
- Robust development in the focus areas of Private and SME, and growth opportunities in all segments
- Collaboration and knowledge transfer between If P&C and Hastings progressing as planned, providing solid benefits



Life & investments: Manage for value

- Nordea-exit successfully completed in April 2022 – total gross proceeds of EUR 7.3 billion from shares sold in 2020-2022
- Other direct investments expected to be divested in the medium term
- Continued good cash generation from Mandatum's declining with-profits book, supported by higher interest rates



Source: Company information

Note: P&C insurance figures are Full-year 2021 figures. Capital allocation to non-P&C operations based on FY 2021 figures and non-P&C earnings based contribution to PBT excl. e.o items in 2021

Dual listing on Nasdaq Stockholm

Rationale and background

- ✓ Sampo has a strong operational presence in Sweden but limited local share ownership
- ✓ As a large cap P&C insurer, Sampo would be a unique asset on Nasdaq Stockholm
- ✓ Nasdaq Stockholm is c. 3.5x larger than Nasdaq Helsinki measured by market cap and the average Nasdaq Stockholm company is c. 26% more liquid than the average Nasdaq Helsinki company (measured over the last six months)
- ✓ The dual listing offers significant potential for increased demand for Sampo shares, particularly among Swedish domestic and index funds
- ✓ Multiple companies have a Nasdaq Helsinki main listing and a dual listing on Nasdaq Stockholm

Sampo Group's footprint in Sweden



- Sweden is Sampo's largest P&C market and represents 26% of the Groups gross written premiums in 2021



- If P&C – a Swedish domiciled company and well-known brand in Sweden – is the core of Sampo's P&C operations
- If P&C has 1.5 million Swedish private customers and ~2,400 employees in Sweden



- If P&C is one of Sweden's largest P&C insurance companies with 18% market share



- Despite close links to Sweden only ~5% of Sampo shares are held by Swedish investors

Key investment highlights

1 Market leader in Nordic P&C

- Superior scale and cost efficiency
- Well known brands (If & Topdanmark)
- Strong pricing power

2 Unique operational capabilities

- Leading digital offering in the Nordics
- Unified Nordic operation platform
- Best in class partnership network with car dealerships

3 UK growth potential

- Digital-only insurer operating through price comparison websites
- Ideally placed to benefit from consumers shifting to buy insurance online
- Leading motor writer, challenger in home

4 Stable and growing earnings

- Earnings underpinned by stable, high-quality underwriting profits
- Exceptional track record of delivering strong and stable combined ratios

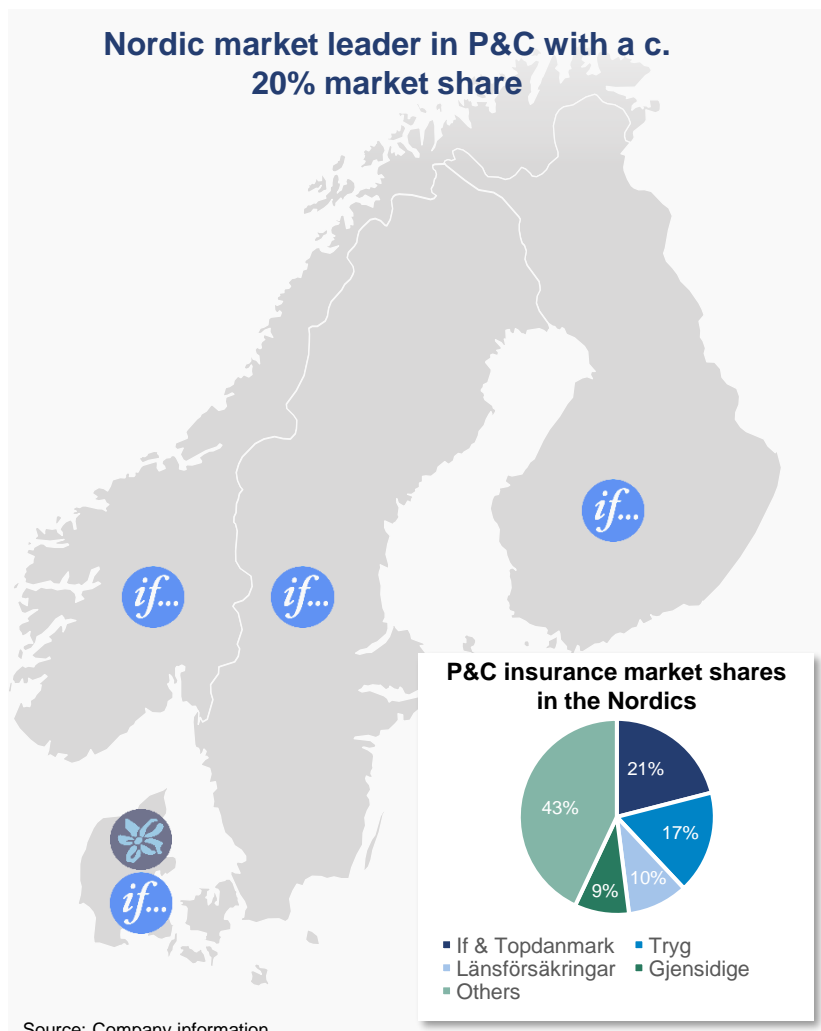
5 Solid capital position

- Excess capital position following sell-down of Nordea holding
- Potential to further reduce market risk and improve capital efficiency

6 Attractive capital returns


- Cash generative business model
- Attractive and highly reliable annual dividend growing with underwriting profits
- Dividend complemented with additional returns of excess capital and potential portfolio exits


Market leader in Nordic P&C with an attractive partnership network



Strong market position in each country


19%
 Market share per Q2/2022


21%
 Market share per 2021


22%
 Market share per Q4/2021


22%
 Market share per Q2/2022

- EUR 27 bn in total P&C premiums in the Nordics in 2020 of which Sampo controls c. 21%
- Market leading position in each individual Nordic market
- Consolidated and efficient Nordic operating platform providing synergies
- Strong pricing power in the Nordic P&C segment with rate increases ahead of claims inflation
- Leading digital sales franchise and car insurance partner network with high customer satisfaction scores

Customer satisfaction is key for long-term success

 **Trustpilot**

If Skadeförsäkring
 Reviews 3,956 • Excellent
 4.7

- High customer satisfaction
- Comprehensive product offering
- Leading online services

 **90% retention in If Private**

- Strong NPS scores in all P&C subsidiaries
- High retention levels in key areas
- Well-known and reputable brands

Best-in-class partnership networks in the Nordics

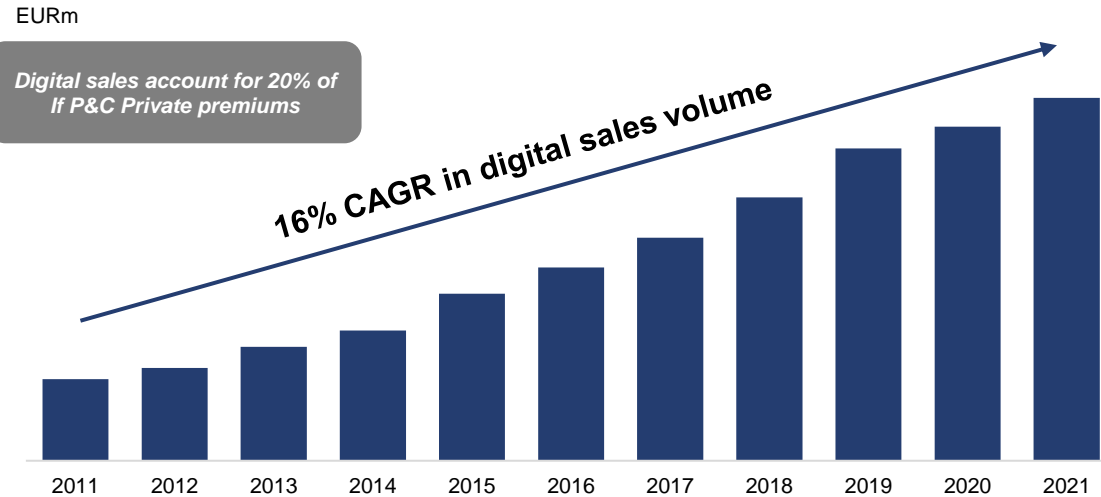
Selected partnerships

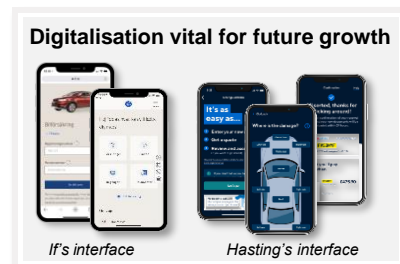
- Largest car partnership portfolio in Nordic's with P&C partnership agreements with c. 70% of the rental car market in Sweden

Unique operational capabilities with a leading digital offering

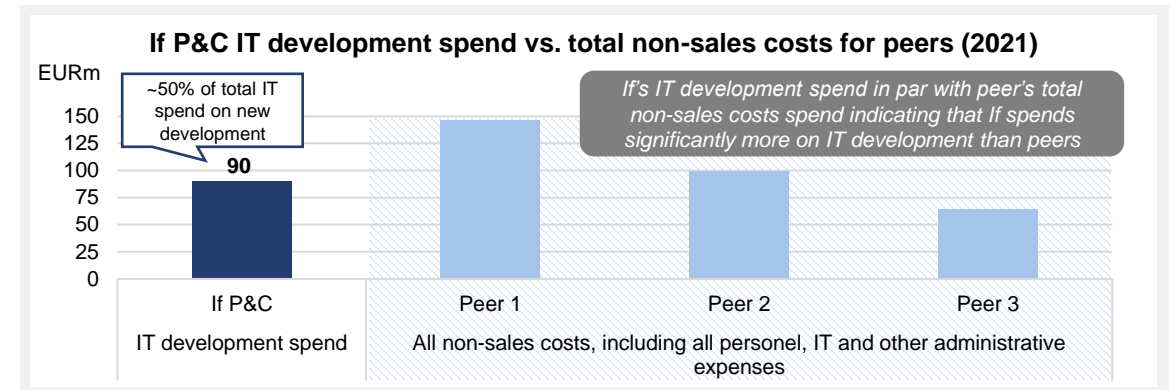
Digital sales have grown substantially since 2011



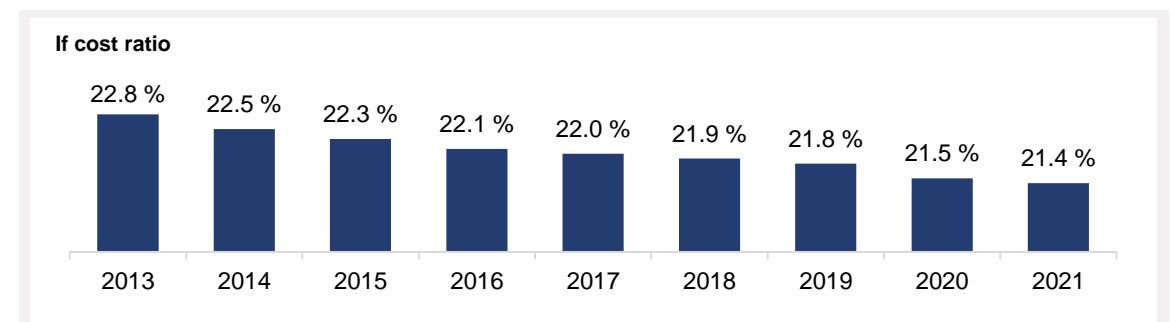
	Distribution Private	Distribution Commercial	Claims
Share of digital sales / online reporting			
Degree of automation			



Nordic scale allows Sampo to outinvest peers



Cost ratio development driven by efficiency measures



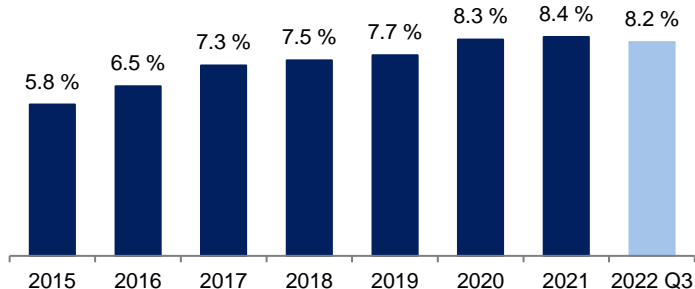
UK growth potential driven by digital transformation

Hastings in brief

- Hastings is a digital-only insurer operating through price comparison websites with a focus on motor and home insurance
- Hastings has +3,300 employees and 3.2 million live customer policies
- Strongly positioned in the motor writing segment in the UK with a 8%+ market share and an increased focus on the home insurance segment
- Nordic digitalisation experience allows Sampo to leverage know-how and experience and pursue long-term growth opportunities in the UK
- Hastings is ideally positioned in the digital transformation where consumers shift to purchase insurance online

...with a strong market share in UK motor...

Market share development, UK motor insurance

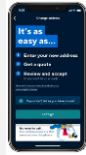


- ✓ Leading motor writer with a 8%+ market share
- ✓ Over EUR 1bn gross written premiums in motor insurance
- ✓ Ideally positioned to benefit from consumers shifting to online insurance purchases


Source: Company information
1) Price comparison websites

A digital-only insurer...


Recognising digital advantages



Pricing & PWC¹ distribution




Digital servicing




Digital claims handling

Distribution through comparison sites



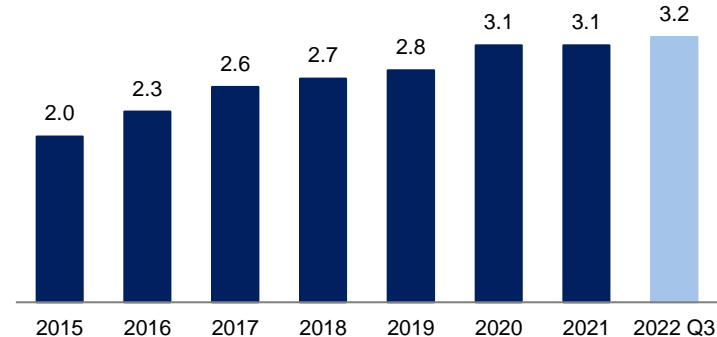
GoCompare



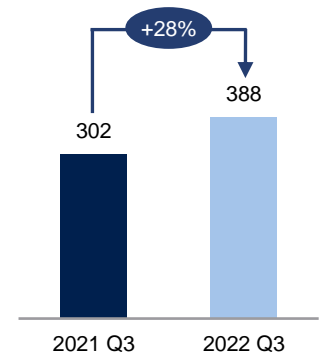
Confused.com

...and a growing customer base supporting cross-selling

Number of live policies (million)

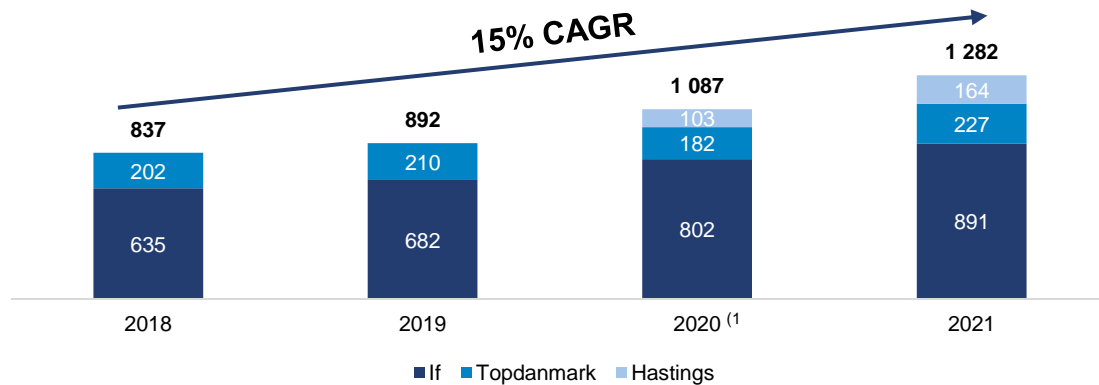


Home policies (thousand)



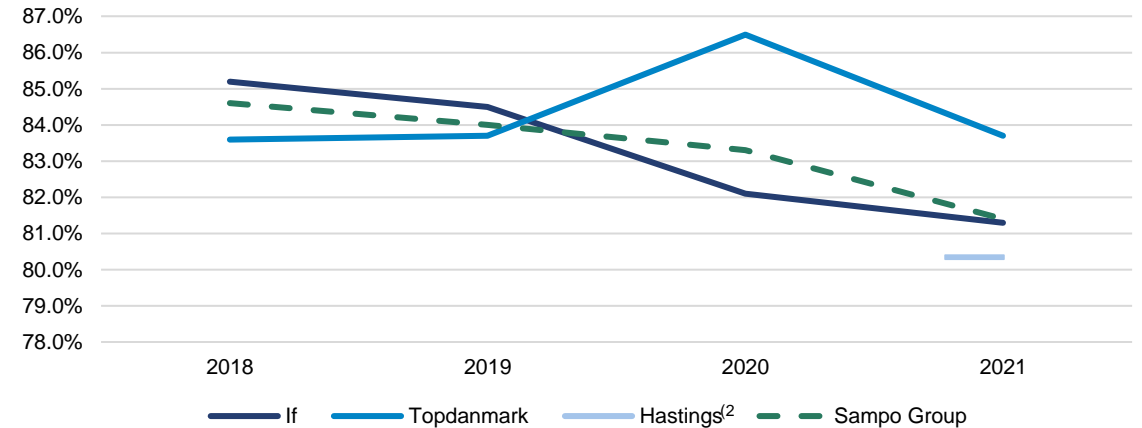
Stable and growing earnings driven by high-quality underwriting profits

Underwriting profits per P&C insurer



- Underwriting profits remain Sampo’s number one priority
- Historical track record of growing underwriting profits demonstrated by an exceptional track record:
 - Nordic P&C market leader
 - Strong pricing power with scale and cost efficiency
 - UK P&C growth opportunity

Combined ratio per P&C insurer



- Exceptional track record of delivering strong and stable combined ratios
- The Group combined ratio improved by 2.0% year-on-year to 81.4% in 2021
- Sampo has set clear targets for each P&C insurer regarding combined ratio and has a Group combined ratio target of below 86%

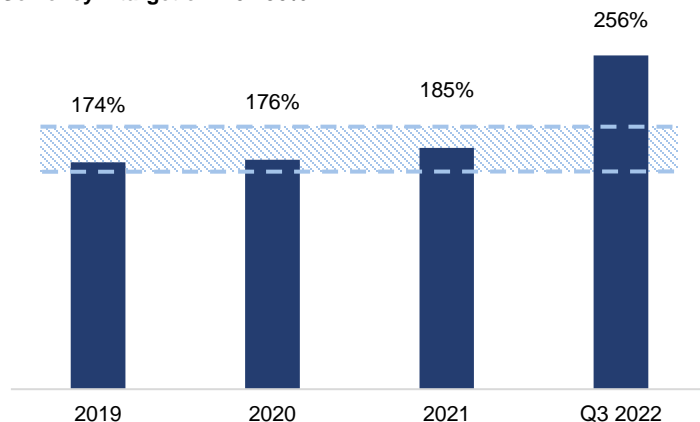
Source: Company information

1) Hastings pro-forma figures for 2020; 2) Hastings figure represents operating ratio

Solid capital position with lower market risk enables further returns

Group solvency II ratio vs target

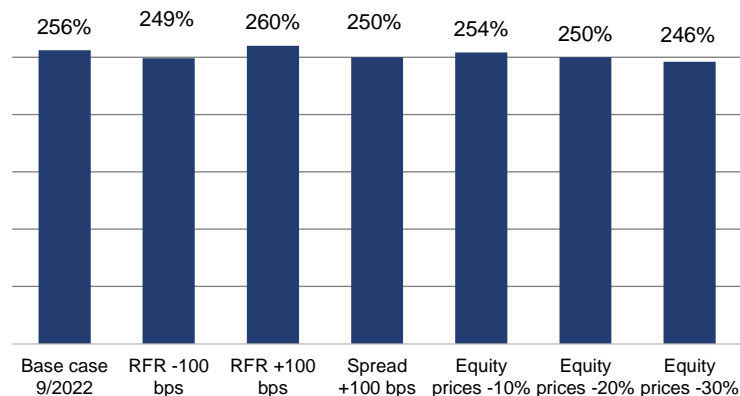
Solvency II target of 170-190%



- Solvency improvement driven by strong underwriting profit, higher interest rates and Nordea-exit
- Increase in solvency in Q3 2022 driven by strong underwriting profit, higher interest rates and lower symmetric adjustment
- Solvency ratio including dividend accrual 238% well above target range

Group solvency II ratio sensitivities

Estimated sensitivities on market risk factors

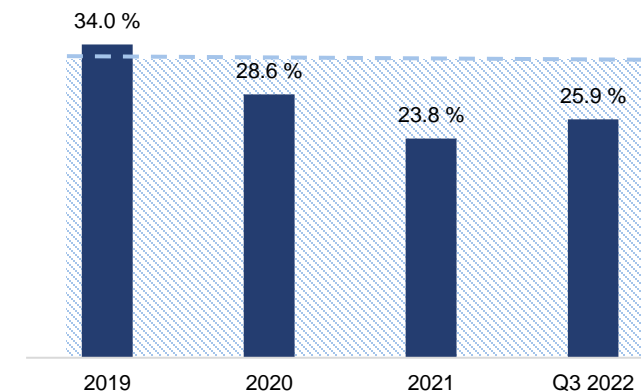


- The Solvency II symmetric adjustment of the equity capital charge was -8.10% at the end of September 2022 (-5.34% at the end of Q2/22). It is assumed to have the following values in the equity market scenarios:

Scenario	Symmetric adjustment
Equity prices -10%	-10.00%
Equity prices -20%	-10.00%
Equity prices -30%	-10.00%

Group financial leverage vs target

Financial leverage target below 30%

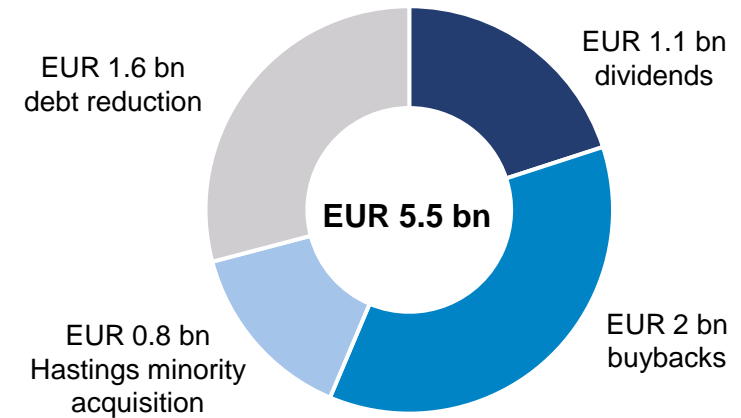


- Decrease in financial leverage in Q3 2022 driven by EUR 0.8 billion debt gross debt reduction
- EUR 501 million of Sampo plc senior debt was repurchased through a tender offer
- Hastings redeemed its GBP 250 million senior bond

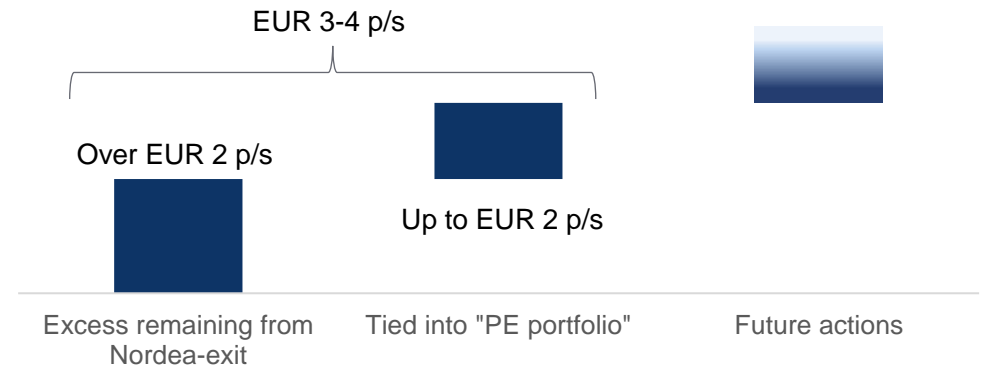
Sampo is firmly committed to returning excess capital

- Nordea proceeds deployed in disciplined manner, with focus on capital returns and debt reduction
- Over Q3, Sampo's balance sheet has benefitted from higher solvency and a further EUR 0.8bn of gross debt reduction
- The group estimates EUR 3-4 per share of excess capital, over and above the needs of the insurance operations
- Over EUR 2 p/s of excess capital remaining from the Nordea-exit; desirable to continue gradual returns given uncertain capital markets
- Further excess capital of up to EUR 2 p/s could be freed up with the sale of Sampo plc PE assets
- Sampo remains committed to enhancing capital efficiency beyond the actions outline above

Nordea proceeds deployed to date



Excess capital remaining

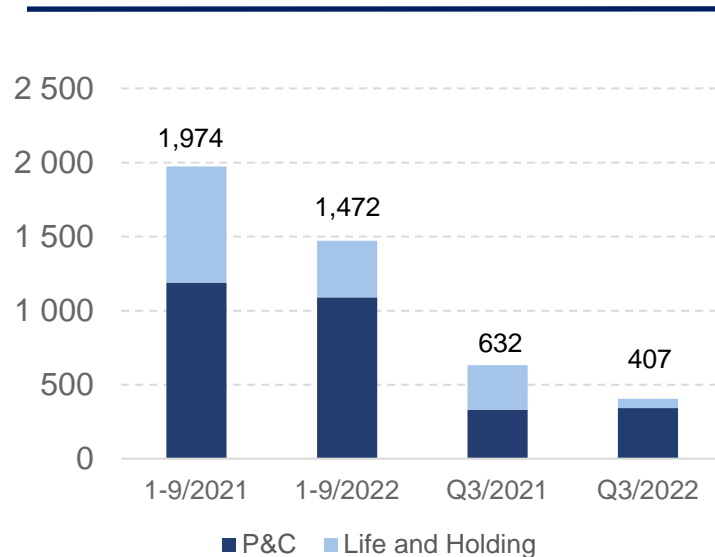


Funds used for the regular annual dividend are not considered to be part of excess capital

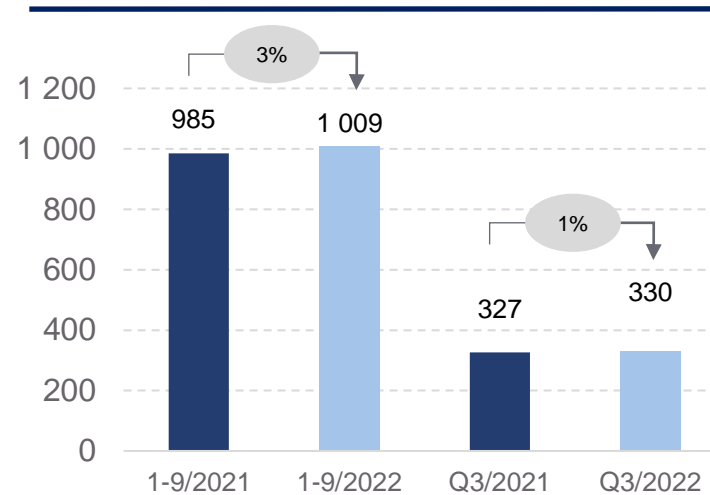
Strong financial performance

Solid results driven by strong underwriting

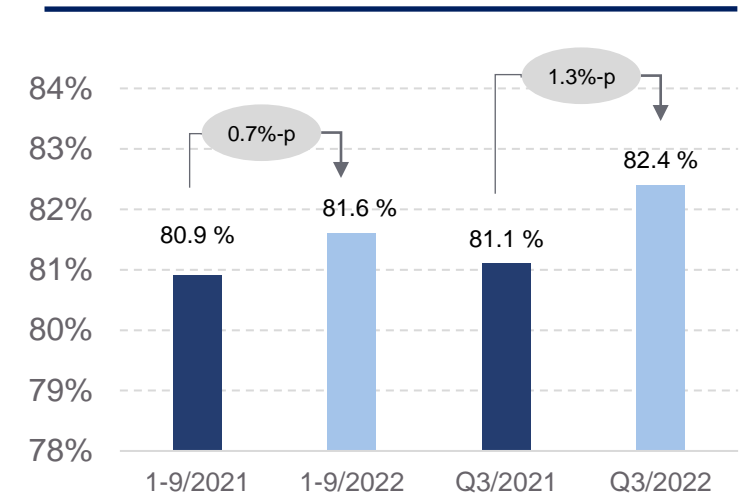
Profit before taxes, EURm



P&C underwriting profit, EURm



Combined ratio, %



- Resilient profit supported by solid underwriting development
- Adverse market environment continued to affect investment results
- Buyback programme continued at a good pace with 8.7 million shares in Q3

- Excluding prior-year COVID-19 effects, UW profit growth was 13% in Q1-Q3 and 5% in Q3
- Strong GWP growth of 7% in Q1-Q3 and Q3, supported by rate actions and high retention
- Operating environment stable in the Nordics, challenging in the UK with high claims inflation

- Excluding prior-year COVID-19 effects, CoR improved by 1.0%-p in Q1-Q3 and deteriorated 0.6%-p in Q3
- If reported a CoR of 79.8%, supported by solid underlying performance and higher interest rates
- Hastings reported an operating ratio of 88.0%

Key developments in Sampo's P&C operations

Premium growth and pricing

- ✓ Rate increases of somewhat above 5% in the Nordics in Q3, with continued high retention and good new business flows
- ✓ The Nordic P&C market remains disciplined
- ✓ Strong growth in If P&C Commercial, driven by large customer agreements and high retention
- ≈ UK GWP growth of 11%, supported by rate increases in motor and growth in non-car products (car policy count stable)
- ✗ UK motor market still lagging behind claims inflation
- ✓ UK home policies up 28% yoy to over 388k

Claims cost development

- ≈ The rate of Nordic claims inflation at 4-5%, broadly unchanged from Q2; further modest rise expected in Q4
- ≈ Uptick driven by general inflation in key input costs, such as motor spare parts
- ✓ Sampo has prudently reflected uncertainty around the trajectory of Nordic claims inflation in pricing and reserving
- ✗ Large Industrial and Commercial claims above budget in Q3
- ✗ UK market wide motor claims inflation at 12% (10-12% in Q2)

7%

Group premium growth

5%+

Rate increases in Nordic P&C

4-5%

Claims inflation in Nordic P&C

90%

Retention rate in If P&C BA private

11%

Growth in UK GWP (FX-adjusted)

28%

Customer growth in Hastings home book

Higher rates continue to add earnings on top of strong underwriting

Higher rates have benefitted Sampo in 1-9/2022

Sampo continued to benefit from higher interest rates as fixed income portfolios are gradually being reinvested at higher rates

120bps increase in the If P&C running yield to 2.7% from year-end, equivalent to approximately EUR 120 million rise in run-rate pre-tax earnings

If P&C's UW profit benefitted by EUR 163 million from higher discount rates in January-September and EUR 43 million in Q3

Record high Solvency II ratio of 282% for Mandatum Life as benefits from higher rates more than offset the effects from asset-side losses

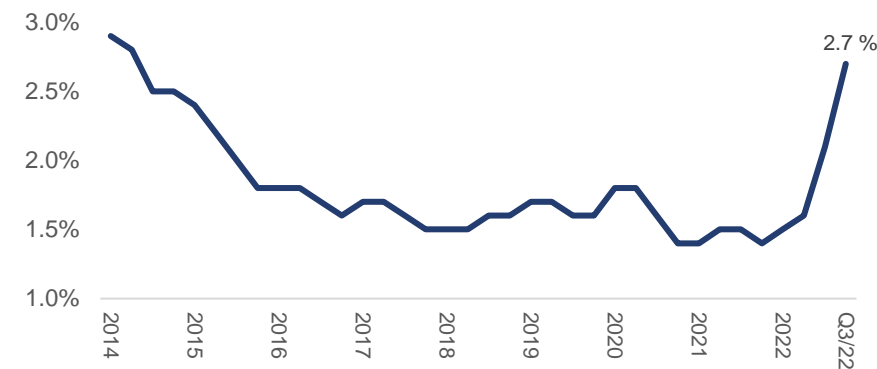
If P&C Q3 fixed income investments

Total: EUR 680mn o/w 69% at least A rated
Average deal rate: 4.2%
Average maturity: 4.2 years

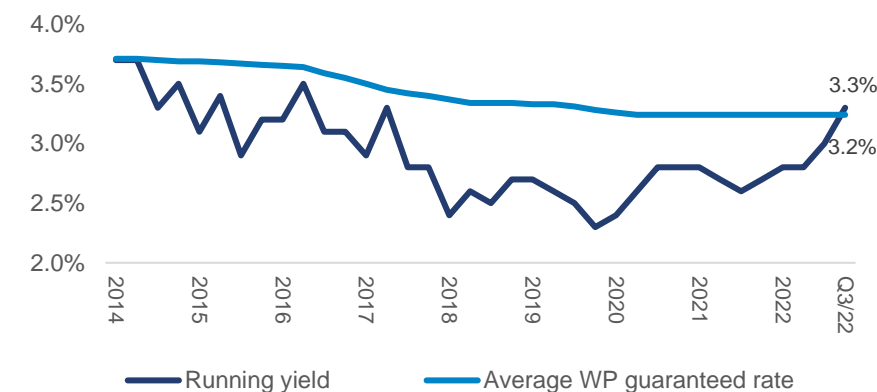
Mandatum Life Q3 fixed income investments

Total: EUR 173mn o/w 86% at least BBB rated
Average deal rate: 4.6%
Average maturity: 4.9 years

If P&C fixed income running yield



Mandatum Life fixed income running yield






Strong performance against financial targets

Key performance drivers

- Sampo's P&C operations have delivered excellent financial results over 2021 and 1-9/2022
- Nordic P&C key driver of profit growth, with outstanding margins and strong premium growth
- Robust UK performance in challenging market conditions, reflects underwriting discipline and agile business model
- Rise in claims inflation absorbed through rate increases and other operational measures
- Higher interest rates have added to underwriting profits through higher discount rates

Performance against key financial targets for 2021-23

	Target	FY 2021	1-9/2022
	Mid-single digit growth in group underwriting profit ex COVID effects	19%	13%
	Group combined ratio < 86%	81.4%	81.6%
	Mid-single digit growth in If P&C underwriting profit ex COVID effects	15%	27%
	If P&C combined ratio < 85%	81.3%	79.8%
	Hastings operating ratio < 88%	80.3%	88.0%

Sampo Group investment mix, 30 September 2022

	If	Topdanmark P&C	Hastings	Mandatum*	Sampo plc	Sampo Group
Money market	4%	28%	21%	11%	71%	18%
Fixed income	62%	4%	77%	51%	5%	48%
Covered bonds	24%	56%	0%	0%	0%	18%
Equities	10%	5%	0%	20%	16%	11%
Private equity	0%	1%	0%	7%	7%	2%
Real estate	0%	5%	0%	4%	0%	1%
Other	0%	2%	3%	7%	0%	2%
Total	EUR 11.0 billion	EUR 2.3 billion	EUR 1.3 billion	EUR 3.8 billion	EUR 2.9 billion	EUR 21.9 billion
Fixed income duration	1.8 years	-	2.2 years	1.8 years	0.1 years	-
Fixed income average maturity	2.9 years	-	2.4 years	2.4 years	1.3 years	-
Fixed income running yield	2.7%	-	5.4%	3.3%	0.5%	-

*) Excluding Mandatum's segregated assets of EUR 0.7 billion

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