

# Simply Safe - Season 2

Carsten Stolz, CFO

Swiss Equities Conference, Bad Ragaz – 15 January 2021



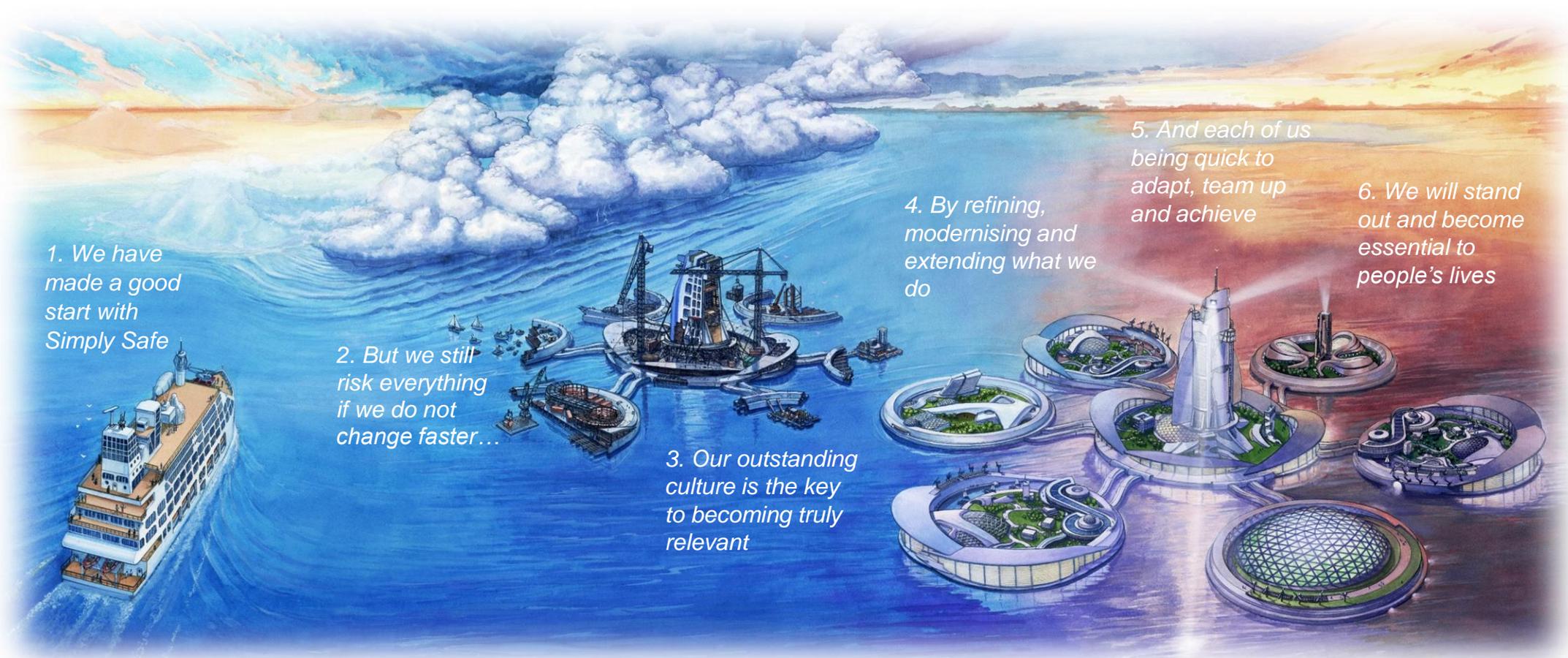
Click [here](#) to watch the recording of Baloise Investor Day 2020



# Baloise Strategy: Simply Safe – Season 2 (2022-2025)



Becoming essential to people's lives



1. We have made a good start with Simply Safe

2. But we still risk everything if we do not change faster...

3. Our outstanding culture is the key to becoming truly relevant

4. By refining, modernising and extending what we do

5. And each of us being quick to adapt, team up and achieve

6. We will stand out and become essential to people's lives

# Agenda

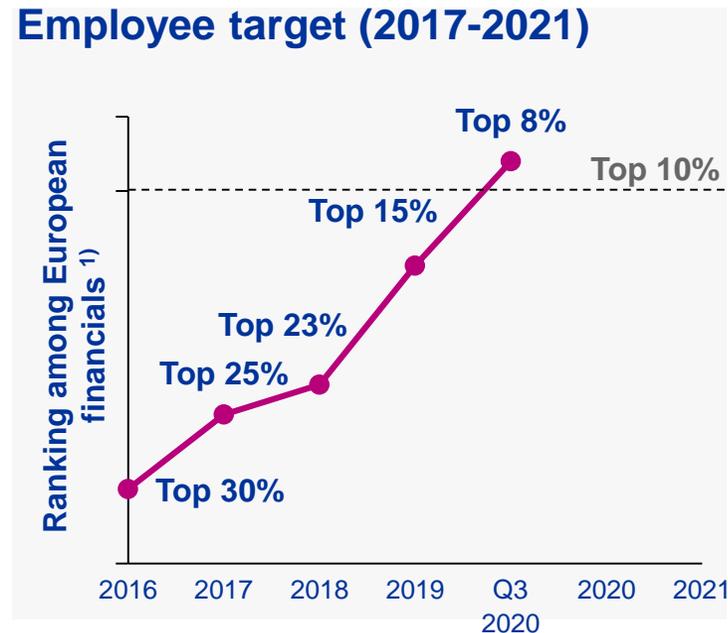
1. Taking Pride in the Success of Season 1
2. Our New Targets and Ambitions in Season 2
3. Outlook on our FY 2020 Results

# 1. Taking Pride in the Success of Season 1

# Taking Pride in the Success of Season 1

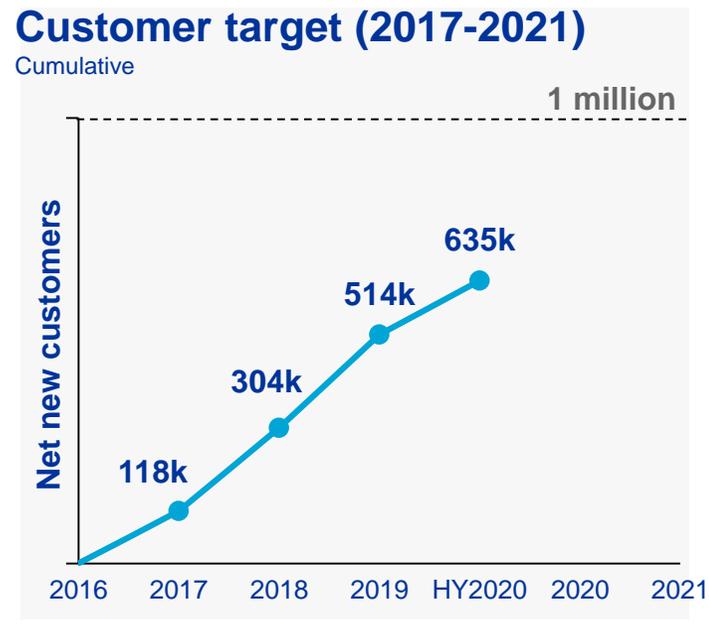
Well on track to achieve our strategic targets

## Employee target (2017-2021)



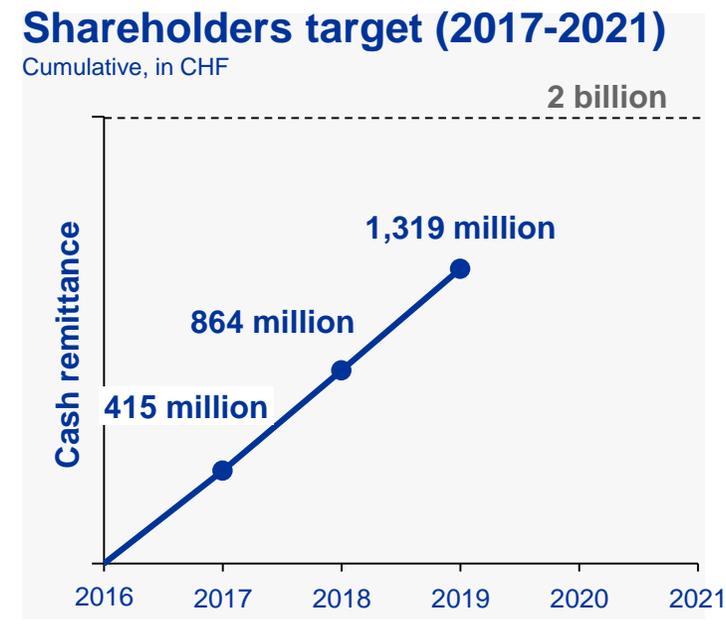
- › Status: **already achieved in 2020**
- › Significant **positive cultural change**
- › Recognised as a **great place to work** with people speaking out, teaming up and with high levels of engagement

## Customer target (2017-2021)



- › Status: **on track**
- › More than **600k net new customers** from organic growth
- › More than **500k new customers** from acquisitions

## Shareholders target (2017-2021)



- › Status: **on track**
- › **Total Shareholder Return of +34%** in the last 4 years (European Insurer Index, SXIP: +21%)<sup>1)</sup>
- › **Dividend increased by 23%** since 2016<sup>2)</sup>

1) Based on Korn Ferry Hay database

1) Time period: 30.09.2016 – 30.09.2020; in CHF

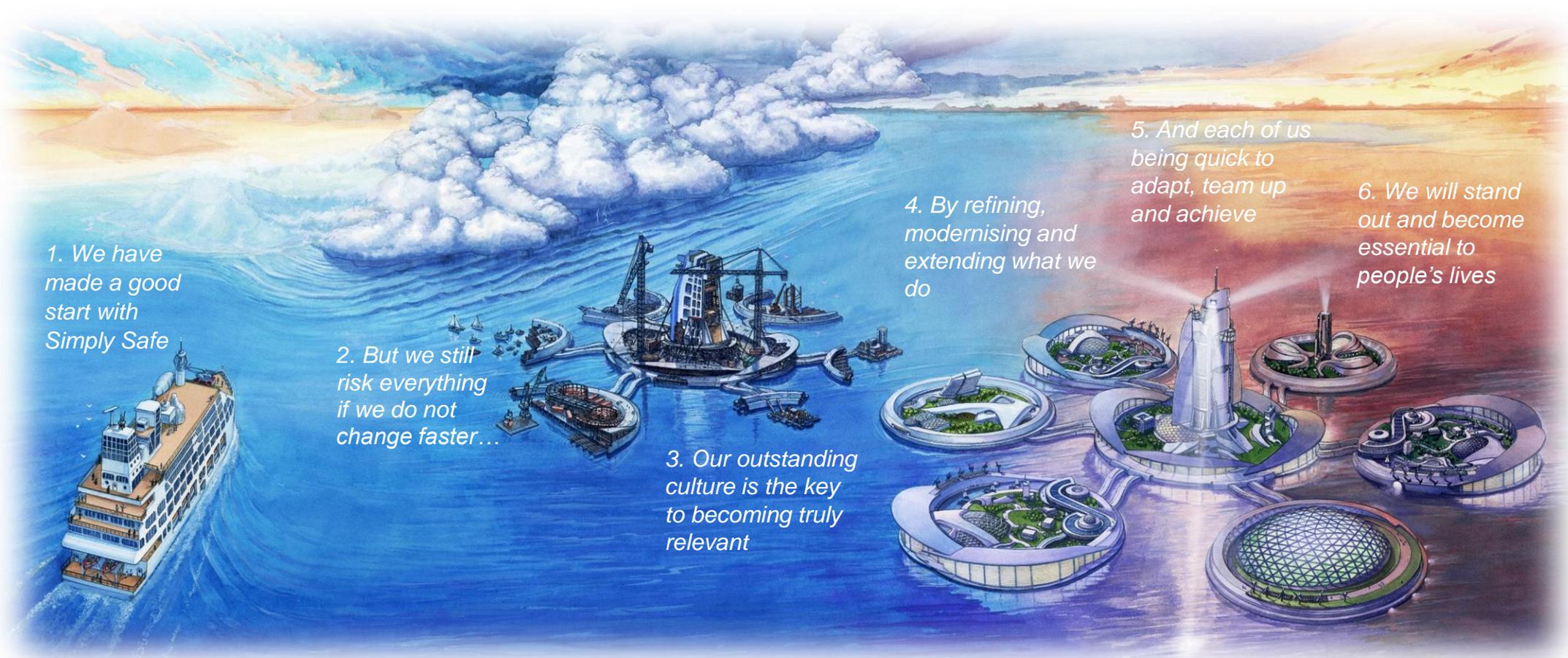
2) Dividend per share of CHF 5.20 for 2016 and CHF 6.40 for 2019

## 2. Our New Targets and Ambitions in Season 2

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# Our Strategic Targets for 2022-2025

More ambitious in all dimensions

## Employees

*A leading employer*

**Top 5% of best employers in Europe**

Annual reporting to begin from 2022

## Customers

*The trusted choice for our clients*

**1.5 million more customers**

Net new customers in 2022-2025

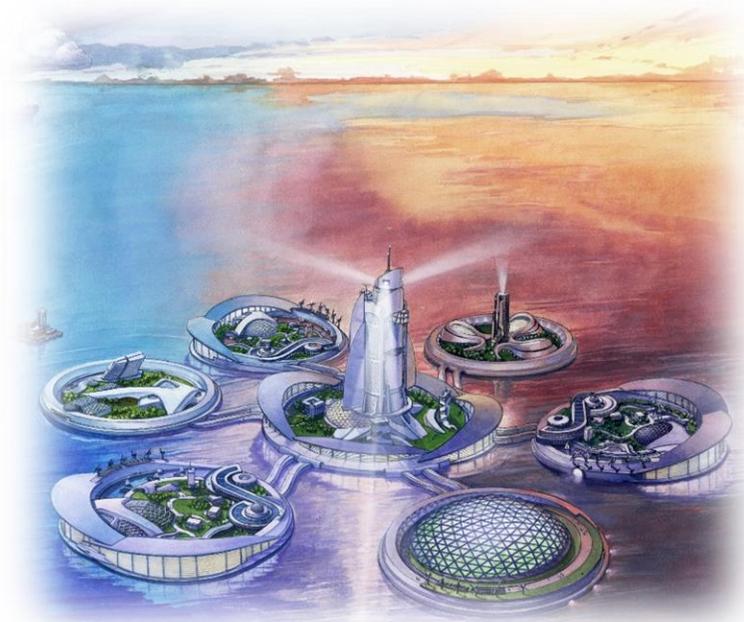
## Investors

*Attractive, reliable and responsible investment*

**25% more cash**

Cash remittance of CHF 2.0 billion in 2022-2025

*We set ourselves 3 simple, yet ambitious targets which are based on our basis philosophy “engaged and happy employees lead to satisfied and loyal customers and partners, and this in turn leads to profitable growth and success for all our stakeholders”*



# Our Financial Messages for 2022-2025

Potential for growth while further enhancing profitability

## Focus

### Non-Life

Combined ratio (net) of about 90%

### Life

EBIT of more than CHF 200 million and resilient interest rate margin

### Asset Management & Banking

At least CHF 10 billion of new net third-party assets in the period 2022–2025

### Cost Synergies

Leverage cost efficiencies of about CHF 200 mn in the Group by 2025

### Cash Deployment

'Up-only' dividend policy with cash payout ratio of 60-80% starting from 2020. About 10-30% for innovation in the core business and beyond

## Reimagine

## Transform



## Diversify

### Ecosystem Mobility

Revenue of CHF 100 million by 2025

### Ecosystem Home

Revenue of CHF 100 million by 2025

### FRIDAY

Revenue of CHF 150 million and profitable in Germany by 2025

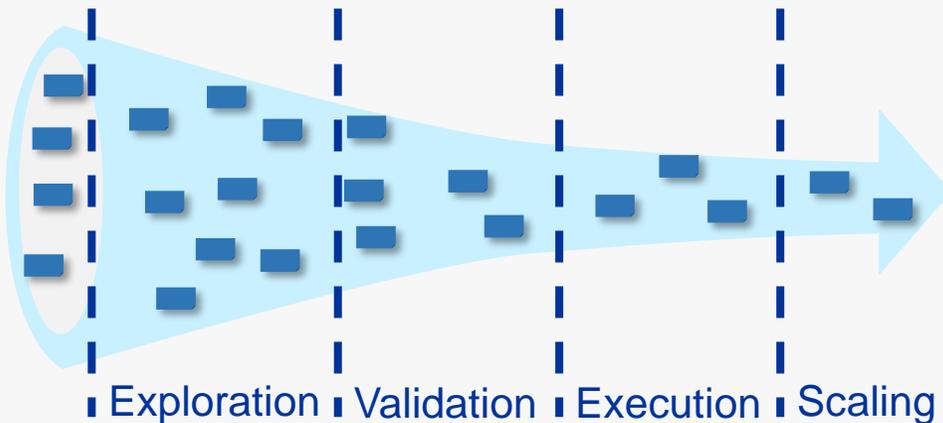
### Innovation Funnel

CHF 1.0 billion valuation by 2025

# Baloise Open Innovation Funnel

Ambition of CHF 1.0 bn valuation in 2025

## Baloise Open Innovation Funnel



### Key Figures:

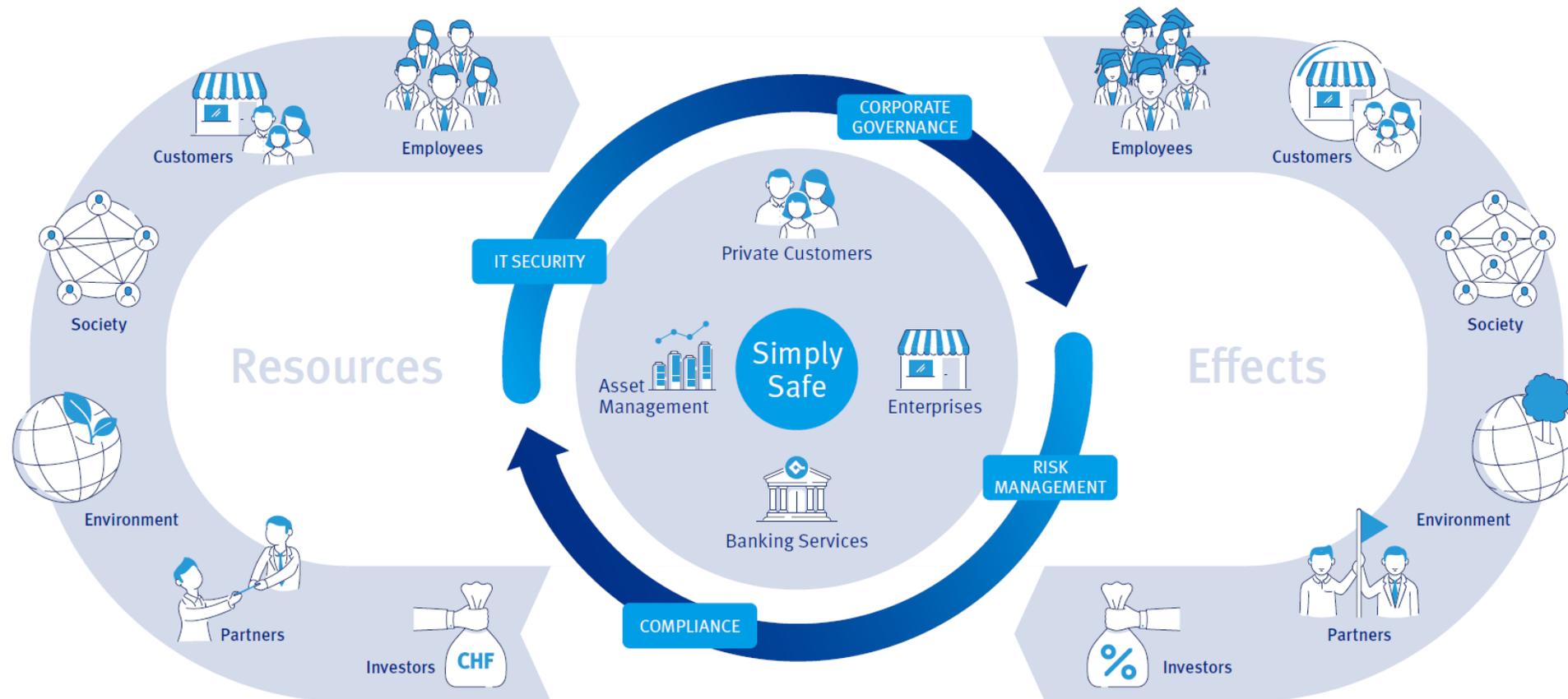
- Investments of **almost CHF 200 million**
- **More than 70 initiatives** in the funnel
- Expected revenue of **CHF 50 million** in 2020

- › In accordance with our core objectives to **invest, acquire, incubate, develop and partner**, we are constantly filling our innovation funnel
- › We have prioritized the **Mobility and Home ecosystems**, as well as core insurance infrastructure
- › We follow a value-driven innovation approach with the **ambition of creating CHF 1 billion of value by 2025**
- › In Season 2 we will be reporting regularly on our progress toward that CHF 1 billion target<sup>1)</sup>

1) Based on market prices and transactional valuations if available or otherwise on multiple or DCF valuation approaches

# Baloise's Value Creation Model

Strong focus on value creation



<p><b>1 NO POVERTY</b></p>	<p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<p><b>4 QUALITY EDUCATION</b></p>	<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p>	<p><b>10 REDUCED INEQUALITIES</b></p>	<p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>	<p><b>13 CLIMATE ACTION</b></p>	<p><b>17 PARTNERSHIPS FOR THE GOALS</b></p>
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Most relevant SDGs for Baloise Group

# Our Commitments to our Stakeholders

Creating sustainable value for all our stakeholders

## Employees

### Increasing Happiness

We are committed to providing our employees with an inspiring and collaborative work environment that they experience as engaging and which fosters their productivity and continuous development.

## Customers

### Higher Customer Satisfaction

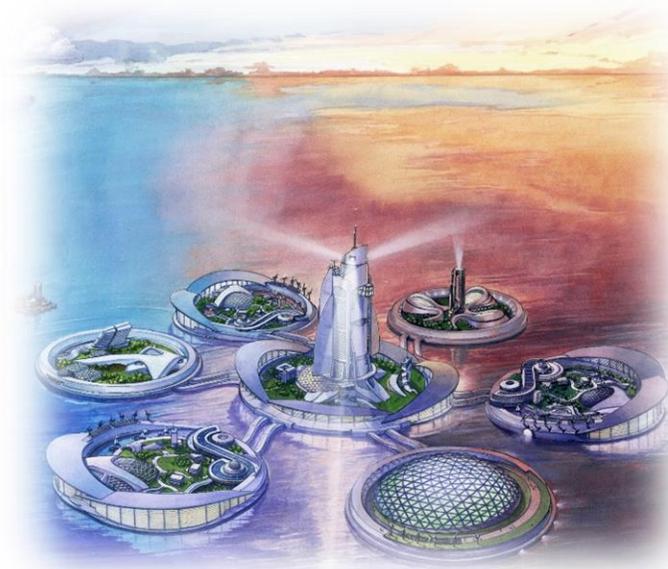
We are committed to making the lives of our customers safer and more simple. This will allow us to increase customer satisfaction and support our customers in their private and professional development.

## Investors

### Attractive, reliable and responsible investment

We are committed to Baloise remaining an attractive, reliable, and responsible investment. As such, we aim to increase our operating cash generation and deploy cash transparently and in a well-balanced and value-creating way.

*We aim to enhance our reputation as a technology-driven, customer-centric financial service provider and key player in the ecosystems Home and Mobility, which will successfully create sustainable value for all stakeholders*



## Partners

### Responsible and successful cooperation

We are committed to being the preferred partner for brokers, agents, suppliers, and outsourcing and innovation partners who share our values and with whom we can turn synergies into mutual, measurable success.

## Society

### Valued member of society

We are committed to social responsibility as a good corporate citizen. In particular, we aim to increase the amount of employees participating in voluntary work

## Environment

### Climate Protection

We are committed to further reducing our CO2 emissions and will join the RE100 initiative (100% renewable energies) in 2021. In addition, we will extend and deepen our responsible investment approach.

# 3. Outlook on our FY 2020 Results

## Outlook on our FY 2020 Results

Well on track to achieve our targets

- › Confident that we will again have a **robust cash generation** in 2020 to maintain our attractive dividend policy
- › Despite the claims resulting from the coronavirus pandemic, we expect the combined ratio of our **non-life business** to be at the lower end of our target range of 90-95%
- › Profit contribution before taxes (EBIT) from the **life business** will be at least CHF 200 mn in 2020

