

STOREBRAND ASA: Results For The Third Quarter Of 2024

Record strong operating profit as double-digit growth continues

23.10.2024

- Group profit [1] of NOK 1,507m in the 3rd quarter and NOK 4,838m year-to-date
- Operating profit up 36 per cent since Q3 last year driven by strong growth, cost control and improved insurance results
- Financial result up 49 per cent since Q3 last year driven by a strong profit-sharing result and supportive financial markets
- Storebrand maintains its position as Norway's largest private asset manager with NOK 1,347bn in assets under management
- Solvency II ratio of 190 per cent, a stable development from the previous quarter

"We deliver a record strong operating result and continue to grow double-digit while maintaining cost control. I am pleased to see that we are executing on our strategy and making progress towards our financial targets for 2025", says CEO Odd Arild Grefstad.

"Insurance results are gradually improving as measures to increase profitability are taking effect. We deliver a combined ratio of 94 per cent in the quarter, another step towards achieving the 90-92 per cent target for 2025. We also report a strong financial result, driven by profit sharing in Sweden and Norway, and generally supportive financial markets", says Grefstad.

"During the quarter, our Swedish pension business SPP was selected as best in class within sustainability by life insurance brokers [3]. Meanwhile, Storebrand Asset Management maintained its leadership position within sustainable investments according to a Prospera survey, and the savings platform Kron continued its robust growth trajectory with the highest customer satisfaction in the market [4]", says Grefstad.

Group Profit [1] Up by 41 Per Cent Compared to Q3 2023

Group profit was NOK 1,507 million in the 3rd quarter, up by 41 per cent compared to the same period last year. In addition to a solid operating result, a strong financial result was supportive.

Operating profit amounted to NOK 944m in the 3rd quarter, up by 36 per cent year-on-year. The strong result reflects continued double-digit growth across unit linked pensions, asset management, insurance and the bank. Cost control and improving insurance results also contributed positively.

Supported by strong asset return, positive net flows and currency developments, total assets under management increased to NOK 1,347bn in the 3rd quarter, another record level and up by 19 per cent so far this year.

Gradually Improving Insurance Result

The insurance result is gradually improving, with NOK 483m for the quarter and NOK 1,246m year-to-date. The total combined ratio stood at 94 per cent in the quarter, and 96 per cent in the year to date. There is more progress to be made towards the 90-92 per cent combined ratio target for 2025, and measures will continue to be implemented until targeted levels are achieved.

Strong Financial Result

The financial result stood at NOK 563m in the quarter and increased by 49 per cent compared to the same period last year. The strong result includes a one-off gain from the AIP investment of NOK 67m, profit sharing in Sweden and Norway, and solid returns in the company portfolios.

Capital Position and Share Buybacks

Storebrand has a strong capital position with a solvency ratio of 190 per cent, a stable development from the previous quarter. Strong cash earnings had positive effect on the solvency in quarter. Decreased interest rates, changes in asset allocation, and growth in the business had a negative effect. The solvency ratio remains well above the threshold for overcapitalisation of 175 per cent.

Storebrand initiated a NOK 1.1bn share buyback tranche in the 2nd quarter that will end no later than 20 December 2024 and bring the total buybacks for 2024 to NOK 1.5bn. Buybacks amounting to NOK 413m were completed during the 3rd quarter. NOK 278m of buybacks remains to be purchased in the 4th quarter.

Key Figures in the Quarter: (Q3-2023 in brackets)

- Solvency ratio: 190 per cent (204 per cent)
- Earnings per share, adjusted for amortisation NOK 3.12 (NOK 1.73 [2])
- Equity NOK 30,672m (NOK 28,940m)
- Assets under management NOK 1,347bn (NOK 1,131bn)

Activities Related to the 3rd Quarter 2024

07:30: Release of stock exchange notification. Press release, quarterly report and analyst presentation will be available on www.storebrand.no/ir.

10:00: Live investor and analyst conference in English. A webcast will be available at www.storebrand.no/ir. The presentation will be available on demand afterwards. Analysts who would like to ask questions at the end of the presentation must register for and participate in the MS Teams Webinar. Link: <https://www.storebrand.no/en/investor-relations/quarterly-reporting/programme>.

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About Storebrand

Storebrand is a Nordic financial group, delivering increased security and financial wellness for people and companies. We offer sustainable solutions and encourage our customers to take good economic decisions for the future. Our purpose is clear: we create a brighter future.

Storebrand has about 55,000 corporate customers, 2.2 million individual customers and manages NOK 1,347 billion. The Group is headquartered at Lysaker outside of Oslo, Norway. Storebrand (STB) is listed on Oslo Stock Exchange. Visit us on www.storebrand.no.

This information is pursuant to the EU Market Abuse Regulation and subject to the disclosure requirements in Section 5-12 the Norwegian Securities Trading Act.

This information is based on the Storebrand Group's alternative income statement and contains Alternative Performance Measures (APM) as defined by the European Securities and Market Authority (ESMA). The alternative income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout. An overview of APMs used in financial reporting is available on storebrand.com/ir.

[1] Cash equivalent earnings before amortisation and tax. <http://www.storebrand.no/ir> provides an overview of APMs used in financial reporting.

[2] EPS for 2023 not adjusted for changed periodisation of performance-related income from the first quarter 2024.

[3] During the quarter, our Swedish pension business SPP was selected as best in class within sustainability by life insurance brokers according to surveys performed by Origo Group.

[4] Ranking by EPSI Rating Group as of December 2023.