

MARKEL GROUP

NEWS RELEASE

Markel Group reports 2024 first quarter results

5/1/2024

RICHMOND, Va., May 1, 2024 /PRNewswire/ -- Markel Group Inc. (NYSE:MKL) today reported its financial results for the first quarter of 2024. The Company also announced today it filed its Form 10-Q for the quarter ended March 31, 2024 with the Securities and Exchange Commission. Markel Group aspires to build one of the world's great companies and deploys three financial engines in pursuit of this goal: Insurance, Investments and Markel Ventures.

"We are pleased with the overall performance of our businesses as we start the year," said Tom Gayner, Chief Executive Officer. "Our insurance team grew the top line year over year, and both operating income and the combined ratio improved significantly from the close of last year as we work towards our long-term profitability objectives. Net investment income increased amid higher interest rates, and our public investments were up meaningfully. Lastly, our Markel Ventures businesses had another terrific quarter, and we couldn't be more pleased with the results of their efforts. Our promise to shareholders is to drive strong performance over the long-term, and with quarters like these, we continue to make progress towards that goal."

The following table presents summary financial data, by engine, for the three months ended March 31, 2024 and 2023.

	Three Months Ended March 31,	
	2024	2023
<u>(dollars in thousands, except per share amounts)</u>		
Operating revenues:		
Insurance	\$ 2,185,718	\$ 2,009,932
Investments	1,140,331	528,777
Markel Ventures	1,140,606	1,104,680
Total operating revenues	\$ 4,466,655	\$ 3,643,389
Operating income:		
Insurance ⁽¹⁾	\$ 135,825	\$ 177,340
Investments	1,140,331	528,777
Markel Ventures	103,915	92,178

Consolidated segment operating income ⁽²⁾		1,380,071		798,295
Amortization of acquired intangible assets		(44,285)		(44,399)
Total operating income	\$	1,335,786	\$	753,896
Comprehensive income to shareholders	\$	908,385	\$	646,365
Diluted net income per common share	\$	75.43	\$	37.26
Combined ratio		95.2 %		94.0 %

(1) See "Supplemental Financial Information" for the components of our Insurance engine operating income.

(2) See "Non-GAAP Financial Measures" for additional information on this non-GAAP measure.

Highlights of results from the quarter:

- Operating revenue and operating income growth of 23% and 77%, respectively, was primarily driven by our Investments engine.
- Our Investments engine benefited from the impact of more favorable market value movements within our equity portfolio in 2024 compared to 2023, as well as a 37% increase in net investment income reflecting higher interest rates in 2024 compared to 2023. Generally accepted accounting principles (GAAP) require that we include unrealized gains and losses on equity securities in net income. This may lead to short-term volatility in revenues and operating income that temporarily obscures our underlying operating performance.
- Our Markel Ventures engine grew segment operating income by 13% in 2024 as a result of revenue growth and improved operating margins across a number of our businesses.
- Growth in our Insurance engine revenues of 9% was primarily attributable to an increase in earned premiums driven by new business growth and more favorable rates on select lines of business.
- The higher combined ratio in 2024 compared to 2023 was primarily driven by a higher attritional loss ratio on our U.S. general liability and professional liability product lines.

We believe our financial performance is most meaningfully measured over longer periods of time, which tends to mitigate the effects of short-term volatility and also aligns with the long-term perspective we apply to operating our businesses and making investment decisions. The following table presents a long-term view of our performance.

(dollars in thousands)	Three Months Ended March 31,		Years Ended December 31,		
	2024	2023	2022	2021	2020
Operating income:					
Insurance ⁽¹⁾	\$ 135,825	\$ 348,145	\$ 928,709	\$ 718,800	\$ 136,985
Investments ⁽²⁾	1,140,331	2,241,419	(1,167,548)	2,353,124	989,564
Markel Ventures	103,915	519,878	404,281	330,120	306,650
Consolidated segment operating income ⁽³⁾	1,380,071	3,109,442	165,442	3,402,044	1,433,199
Amortization and impairment	(44,285)	(180,614)	(258,778)	(160,539)	(159,315)

Total operating income (loss)	\$	1,335,786	\$	2,928,828	\$	(93,336)	\$	3,241,505	\$	1,273,884
Net investment gains (losses) ⁽²⁾	\$	902,281	\$	1,524,054	\$	(1,595,733)	\$	1,978,534	\$	617,979
CAGR in closing stock price per share ⁽⁴⁾ December 31, 2019 to March 31, 2024				7 %						

(1) See "Supplemental Financial Information" for the components of our Insurance engine operating income.

(2) Investments engine operating income includes net investment gains (losses), which are primarily comprised of unrealized gains and losses on equity securities.

(3) See "Non-GAAP Financial Measures" for additional information on this non-GAAP measure.

(4) CAGR - compound annual growth rate.

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A copy of our Form 10-Q is available on our website at mklgroup.com or on the SEC website at www.sec.gov. Readers are urged to review the Form 10-Q for a more complete discussion of our financial performance. Our quarterly conference call, which will involve discussion of our financial results and business developments and may include forward-looking information, will be held Thursday, May 2, 2024, beginning at 9:30 a.m. (Eastern Time). Investors, analysts and the general public may listen to the call via live webcast at ir.mklgroup.com. The call may be accessed telephonically by dialing (888) 660-9916 in the U.S., or (646) 960-0452 internationally, and providing Conference ID: 4614568. A replay of the call will be available on our website approximately one hour after the conclusion of the call. Any person needing additional information can contact Markel Group's Investor Relations Department at IR@markel.com.

Additionally, our shareholders meeting will be held on May 22, 2024 at the University of Richmond Robins Center at 2:00 p.m. (Eastern Time). The shareholders meeting will be part of a two-day event we are calling the 2024 Reunion, which is open to shareholders, employees, and friends of Markel Group. More information on the agenda and registration for the 2024 Reunion is available at mklreunion.com.

Supplemental Financial Information

The following table presents the components of our Insurance engine operating income.

(dollars in thousands)	Three Months Ended March 31,		Years Ended December 31,			
	2024	2023	2023	2022	2021	2020
Insurance operating income (loss):						
Insurance segment	\$ 107,310	\$ 96,504	\$ 162,176	\$ 549,871	\$ 696,413	\$ 169,001
Reinsurance segment	12,010	24,234	(19,265)	83,859	(55,129)	(75,470)
Other insurance operations	16,505	56,602	205,234	294,979	77,516	43,454
Insurance	\$ 135,825	\$ 177,340	\$ 348,145	\$ 928,709	\$ 718,800	\$ 136,985

Non-GAAP Financial Measures

Consolidated segment operating income is a non-GAAP financial measure as it represents the total of the segment operating income from each of our operating segments and excludes items included in operating income. Consolidated segment operating income excludes amortization of acquired intangible assets and goodwill impairments arising from purchase accounting as they do not represent costs of operating the underlying businesses. The following table reconciles operating income to consolidated segment operating income.

(dollars in thousands)	Three Months Ended March 31,		Years Ended December 31,			
	2024	2023	2023	2022	2021	2020
Operating income (loss)	\$ 1,335,786	\$ 753,896	\$ 2,928,828	\$ (93,336)	\$ 3,241,505	\$ 1,273,884
Amortization of acquired intangible assets	44,285	44,399	180,614	178,778	160,539	159,315
Impairment of goodwill	—	—	—	80,000	—	—
Consolidated segment operating income	\$ 1,380,071	\$ 798,295	\$ 3,109,442	\$ 165,442	\$ 3,402,044	\$ 1,433,199

About Markel Group

Markel Group Inc. is a diverse family of companies that includes everything from insurance to bakery equipment, building supplies, houseplants, and more. The leadership teams of these businesses operate with a high degree of independence, while at the same time living the values that we call the Markel Style. Our specialty insurance business sits at the core of our company. Through decades of sound underwriting, the insurance team has provided the capital base from which we built a system of businesses and investments that collectively increase Markel Group's durability and adaptability. It's a system that provides diverse income streams, access to a wide range of investment opportunities, and the ability to efficiently move capital to the best ideas across the company. Most importantly though, this system enables each of our businesses to advance our shared goal of helping our customers, associates, and shareholders win over the long term. Visit [mklgroup.com](https://www.mklgroup.com) to learn more.

Cautionary Statement

Certain of the statements in this release may be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Statements that are not historical facts, including statements about our beliefs, plans or expectations, are forward-looking statements. These statements are based on our current plans, estimates and expectations. There are risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by such statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Additional factors that could cause actual results to differ from those predicted are set forth in our Annual Report on Form 10-K for the year ended December 31, 2023, including under "Business Overview," "Risk Factors," "Management's Discussion and Analysis of

Financial Condition and Results of Operations," "Safe Harbor and Cautionary Statement," and "Quantitative and Qualitative Disclosures About Market Risk," and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, including under "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Safe Harbor and Cautionary Statement," and "Quantitative and Qualitative Disclosures About Market Risk". We assume no obligation to update this release (including any forward-looking statements) as a result of new information, developments, or otherwise. This release speaks only as of the date issued.

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