

MARKEL GROUP

NEWS RELEASE

Markel Group reports 2025 first quarter results

2025-04-30

RICHMOND, Va., April 30, 2025 /PRNewswire/ -- Markel Group Inc. (NYSE:MKL) today reported its financial results for the first quarter of 2025. The Company also announced today it filed its Form 10-Q for the quarter ended March 31, 2025 with the Securities and Exchange Commission.

"The first quarter was a productive one at Markel Group. Our cornerstone insurance business moved along its path to better. We experienced a lower than initially anticipated impact from the California wildfires. Excluding that impact, our combined ratio returned to the low nineties. We also elevated Simon Wilson as the new leader of our Markel Insurance business. Simon is a proven leader and winner – and he has a clear vision for how to profitably grow that business. Finally, while the strong tailwinds of the past few years have eased, results within our Ventures businesses continued to hold up well," said Tom Gayner, Chief Executive Officer of Markel Group.

The following table presents the Company's summary financial data, by engine, for the three months ended March 31, 2025 and 2024.

	Three Months Ended March 31,	
	2025	2024
(dollars in thousands, except per share amounts)		
Operating revenues:		
Insurance	\$ 2,187,813	\$ 2,185,718
Investments:		
Net investment income	235,601	217,204
Net investment gains (losses)	(149,071)	902,281
Other	(4,610)	20,846
Total Investments	81,920	1,140,331
Markel Ventures	1,129,372	1,140,606
Total operating revenues	\$ 3,399,105	\$ 4,466,655
Operating income:		
Insurance ⁽¹⁾	\$ 145,036	\$ 135,825
Investments:		
Net investment income	235,601	217,204

Net investment gains (losses)	(149,071)	902,281
Other	(4,610)	20,846
Total Investments	81,920	1,140,331
Markel Ventures	102,510	103,915
Consolidated segment operating income ⁽²⁾	329,466	1,380,071
Amortization of acquired intangible assets	(46,942)	(44,285)
Total operating income	\$ 282,524	\$ 1,335,786
Comprehensive income to shareholders	\$ 347,670	\$ 908,385
Diluted net income per common share	\$ 12.08	\$ 75.43
Combined ratio	95.8 %	95.2 %

(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 revenues and operating income for the three months ended March 31, 2025 decreased compared to the same period of 2024, largely driven by unfavorable market value movements within our equity portfolio in 2025 compared to significant favorable movements in 2024. 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.
- Net investment income increased 8%, reflecting a higher yield and higher average holdings of fixed maturity securities in 2025 compared to 2024.
- Underwriting results for the first quarter of 2025 included \$80.6 million of underwriting losses, or four points on the consolidated combined ratio, attributed to the January wildfires in southern California (California Wildfires) compared to no catastrophe losses in the first quarter of 2024.
- Excluding the impact from the California Wildfires, our consolidated combined ratio for the three months ended March 31, 2025 decreased compared to the same period of 2024, primarily due to more favorable development on prior accident years loss reserves in 2025 compared to 2024.
- Markel Ventures operating revenues declined 1% compared to the first quarter of 2024. The impact of decreased demand at certain of our businesses was largely offset by the contribution of revenues from our acquisitions of Valor and EPI, which totaled \$28.1 million during the first quarter of 2025.

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.

	Three Months Ended March 31,	Years Ended December 31,			
(dollars in thousands)	2025	2024	2023	2022	2021
Operating income (loss):					
Insurance ⁽¹⁾	\$ 145,036	\$ 601,002	\$ 348,145	\$ 928,709	\$ 718,800
Investments ⁽²⁾	81,920	2,772,950	2,241,419	(1,167,548)	2,353,124
Markel Ventures	102,510	520,082	519,878	404,281	330,120
Consolidated segment operating income ⁽³⁾	329,466	3,894,034	3,109,442	165,442	3,402,044
Amortization and impairment	(46,942)	(181,472)	(180,614)	(258,778)	(160,539)
Total operating income (loss)	\$ 282,524	\$ 3,712,562	\$ 2,928,828	\$ (93,336)	\$ 3,241,505
Net investment gains (losses) ⁽²⁾	\$ (149,071)	\$ 1,807,219	\$ 1,524,054	\$ (1,595,733)	\$ 1,978,534
Compound annual growth rate in closing stock price per share from December 31, 2020 to March 31, 2025	15 %				

(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.

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A copy of our Form 10-Q is available on our website at mklgroup.com, under Investor Relations-Financials, 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 1, 2025, 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, we will be discussing financial results and related business and investments updates at our shareholders meeting on May 21, 2025 at the University of Richmond's Robins Center at 2:00 p.m. (Eastern Time). The shareholders meeting will be part of a two-day event we call the Reunion, which is open to shareholders, employees, and friends of Markel Group. More information on the agenda and registration for the 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,			
	2025	2024	2024	2023	2022	2021
Insurance operating income (loss):						
Insurance segment	\$ 53,216	\$ 107,310	\$ 421,885	\$ 162,176	\$ 549,871	\$ 696,413
Reinsurance segment	25,033	12,010	(5,363)	(19,265)	83,859	(55,129)
Other insurance operations	66,787	16,505	184,480	205,234	294,979	77,516
Insurance	\$ 145,036	\$ 135,825	\$ 601,002	\$ 348,145	\$ 928,709	\$ 718,800

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,			
	2025	2024	2024	2023	2022	2021
Operating income (loss)	\$ 282,524	\$ 1,335,786	\$ 3,712,562	\$ 2,928,828	\$ (93,336)	\$ 3,241,505
Amortization of acquired intangible assets	46,942	44,285	181,472	180,614	178,778	160,539
Impairment of goodwill	—	—	—	—	80,000	—
Consolidated segment operating income	\$ 329,466	\$ 1,380,071	\$ 3,894,034	\$ 3,109,442	\$ 165,442	\$ 3,402,044

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, 2024, 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, 2025, including under "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Safe Harbor and Cautionary Statement," "Quantitative and Qualitative Disclosures About Market Risk," and "Risk Factors". 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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