

Market Reports 2021 Second Quarter And Six-Months Results

8/3/2021

RICHMOND, Va., Aug. 3, 2021 /PRNewswire/ -- Markel Corporation (NYSE:MKL) today reported its financial results for the second quarter of 2021. The Company also announced today it has filed its Form 10-Q for the quarter ended June 30, 2021 with the Securities and Exchange Commission.

The following tables present summary financial data for the quarters and six months ended June 30, 2021 and 2020.

| | Quarter Ended June 30, | | Six Months Ended June 30, | |
|---|------------------------|-------------------|---------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| <u>(dollars in thousands, except per share amounts)</u> | | | | |
| Earned premiums | \$ 1,568,037 | \$ 1,360,174 | \$ 3,065,732 | \$ 2,690,883 |
| Markel Ventures operating revenues | \$ 1,075,506 | \$ 678,139 | \$ 1,782,108 | \$ 1,189,360 |
| Net investment gains (losses) | \$ 674,753 | \$ 911,243 | \$ 1,201,624 | \$ (770,198) |
| Comprehensive income (loss) to shareholders | \$ 849,654 | \$ 1,092,393 | \$ 1,208,651 | \$ (260,416) |
| Diluted net income (loss) per common share | \$ 57.02 | \$ 65.75 | \$ 99.03 | \$ (34.83) |
| Combined ratio | 87 % | 88 % | 90 % | 103 % |
| <u>(in thousands, except per share amounts)</u> | | | | |
| | June 30, 2021 | December 31, 2020 | | |
| Book value per common share outstanding | \$ 974.45 | \$ 885.72 | | |
| Common shares outstanding | 13,734 | 13,783 | | |

Highlights of results from the quarter and six months include:

- Earned premiums grew 15% and 14% for the quarter and six months ended June 30, 2021, respectively, reflecting continued growth in gross premium volume from new business and more favorable rates.
- The lower combined ratio for both the quarter and six months ended June 30, 2021 compared to the same periods of 2020 reflected a lower current accident year loss ratio given the benefit of more favorable premium rates.
- The combined ratio for the six months ended June 30, 2021 included \$67.9 million, or two points, of net losses and loss adjustment expenses from Winter Storm Uri. The combined ratio for the first half of 2020 included \$325.0 million, or 12 points, of net losses and loss adjustment expenses attributed to COVID-19.
- Net investment gains in 2021 reflected a substantial increase in the fair value of our equity portfolio driven by favorable market value movements. Net investment gains (losses) for the quarter and six months ended June 30, 2020 reflected the impact of significant volatility in the equity markets following the onset of the COVID-19 pandemic.
- Operating revenues from our Markel Ventures operations surpassed \$1 billion for the quarter, reflecting significant contributions from Lansing Building Products, which was acquired in the second quarter of 2020, as well as improved performance and growth across our products businesses.
- Comprehensive income to shareholders in 2021 for both the quarter and six months was driven by net investment gains, as well as meaningful contributions from both our underwriting and Markel Ventures operations.

"Our results for the second quarter of 2021 reflect outstanding performance across our three engines. We continued to achieve double-digit premium growth in our underwriting operations through both organic growth in new business and more favorable rates, and we delivered an 87% combined ratio for the quarter demonstrating our strong underwriting discipline and expense management amidst this favorable rate environment. Markel Ventures revenues surpassed \$1 billion for the quarter, which translated to an equally impressive contribution to our bottom line. Within our investment portfolio, significant gains on our equity portfolio demonstrate the quality of the portfolio as well as the value of our long-term focus, particularly in a volatile market," said Thomas S. Gayner and Richard R. Whitt, Co-Chief Executive Officers. "As we pass the halfway mark of 2021, we remain excited about our position in the markets we serve and look forward to building upon our first-half performance with the continued hard work and dedication of our employees and the support of our trading partners."

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 longer-term perspective we apply to operating our businesses. We generally use five-year periods to measure our performance. Over the five-year period ended June 30, 2021, the compound annual growth in book value per common share outstanding was 10%. Over the five-year period ended June 30, 2021, our share price increased at a compound annual rate of 4%.

A copy of the Company's Form 10-Q is available on our website at www.markel.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 the Company's financial performance. The Company's quarterly conference call, which will involve discussion of the Company's financial results and business developments and may include forward-looking information, will be held Wednesday, August 4, 2021, beginning at 9:30 a.m. (Eastern Time). Investors, analysts and the general public may listen to the call free over the Internet through the Company's website, www.markel.com/investor-relations. Any person needing additional information can contact Markel's Investor Relations Department at IR@markel.com. A replay of the call also will be available from approximately one hour after the conclusion of the call until Monday, August 16, 2021.

About Markel Corporation

Markel Corporation is a diverse financial holding company serving a variety of niche markets. The Company's principal business markets and underwrites specialty insurance products. In each of the Company's businesses, it seeks to provide quality products and excellent customer service so that it can be a market leader. The financial goals of the Company are to earn consistent underwriting and operating profits and superior investment returns to build shareholder value. Visit Markel Corporation on the web at www.markel.com.

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