



Q1-2023 RESULTS

PRESENTATION TO FINANCIAL ANALYSTS

25 MAY 2023

Q1-2023 RESULTS: NET INCOME AT €61.2M – ROATE STANDS AT 13.6%

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PART 1

Q1-2023 HIGHLIGHTS

COFACE REPORTS Q1-2023 NET INCOME AT €61.2M, UP +17.0%

Coface applies IFRS 17 and IFRS 9 accounting standards since 1st January 2023. All comparisons are made with IFRS 17 pro forma 2022 numbers disclosed on 27th April 2023

Turnover reached €475m y-t-d, up +11.4% at constant FX and perimeter

- › Trade Credit Insurance premiums growing by +10.9% driven by past client activity
- › Client retention at record highs (95.7%); pricing down (-1.5%) but at a lesser pace
- › Business information momentum continues with double digit growth (+15.0% at constant FX); factoring up by +13.1%

Q1-2023 net loss ratio at 40.6%; Net combined ratio at 66.3%

- › Gross loss ratio at 40.7%, up by 9.2 ppts, as normalization of risk environment continues
- › Net cost ratio improved by 2.1 ppts at 25.7% reflecting continued operating leverage and high reinsurance commissions while we continue to invest

Net income (group share) at €61.2m, up by +17.0% vs Q1-2022. RoATE¹ stands at 13.6%

¹ RoATE = Average return on equity

FOCUSED ON DRIVING VALUE

CONTINUING TO EXPAND COFACE ECOSYSTEM FROM A SMALL BASE

- Historical Business information (60% of total) growing single digit
- New BI products (40%) showing strong growth with new business annual contract value and Q1-23 pipeline both up mid-high double digit
- Total BI crossing **13k** clients mark
- Q1-23 Specialties (bonding, single risk, debt collection, factoring) revenues up **+20%**
- Insurance and debt collection fees up **+17%**

CONTINUING TO DERISK REAL ESTATE PORTFOLIO

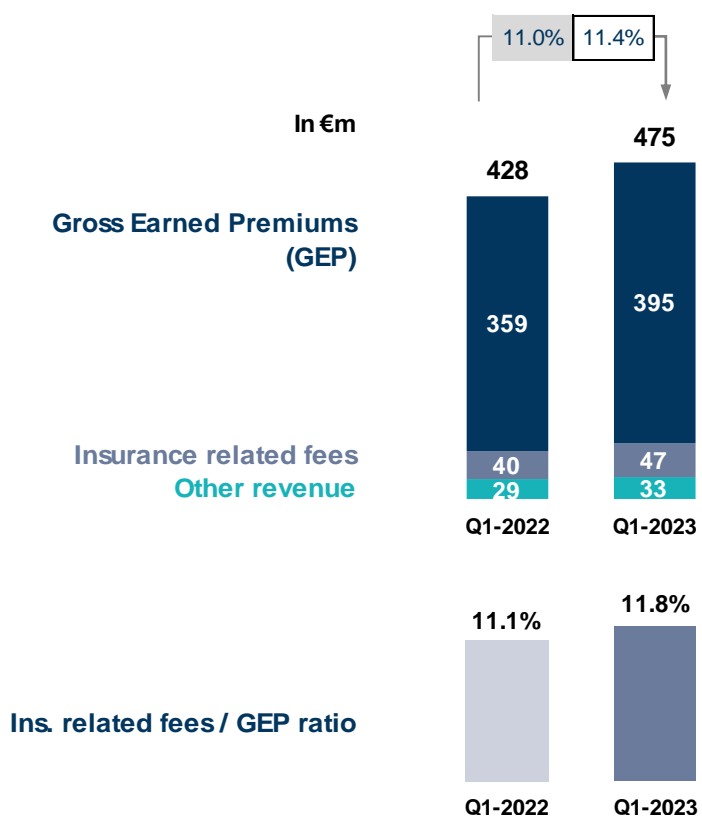
- Current exposure at €200m exclusively through investment funds (no physical)
- Fund selection focused on low/moderate leverage entities
- Exposure reduction started in Q2-21, targeting 5% of invested assets end of 2023 vs 9% in 2021 (€90m cumulated divestment)
- Within the portfolio, continuing to actively rotate away from offices and retail into housing and logistics



PART 2

Q1-2023 RESULTS

TURNOVER GROWTH AT 11.4% WITH FAVOURABLE BUSINESS MIX EVOLUTION



Total revenue up +11.4% vs Q1-22 pro forma at constant FX and perimeter

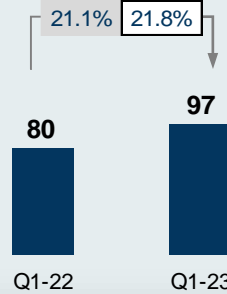
- › Trade credit insurance* premiums growing at +10.9% at constant FX due to past client activity and record high retention
- › Other revenue up +15.3% vs Q1-22 at constant FX and perimeter with:
 - › Business information sales up +15.0%
 - › Third party debt collection up by +44.1%
 - › Factoring up by +13.1%
- › Insurance fees turning around after several years of stagnation, up by +12.8% at constant FX

* Including Bonding and Single Risk

V% V% ex. FX

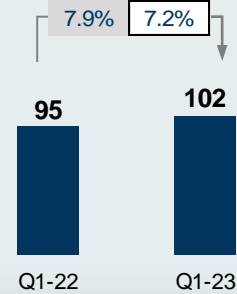
HIGH RETENTION ACROSS REGIONS WHILE ACTIVITIES REFLECT LOCAL ECONOMIES

Western Europe



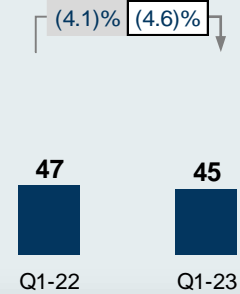
Retention and activity.
10 pts positive one-off on alignment of accounting methodology.

Northern Europe



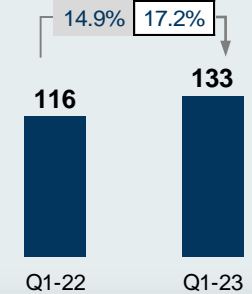
High retention and positive activity,
Factoring growing +15%,
Services +45%.

Central Europe



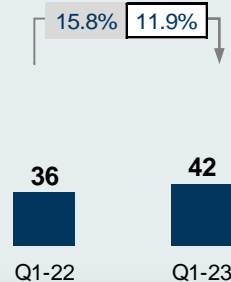
Impact of Russian business reduction.
Excluding Russia growth at 1%.

Mediterranean & Africa



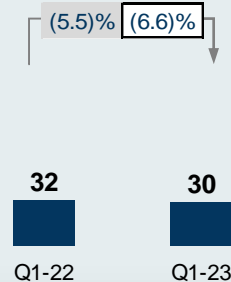
Good retention, new business and activity.
Fees growing +21%.

North America



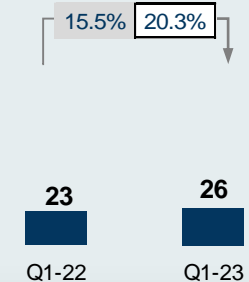
Higher retention and positive activity.

Asia Pacific



Slowing activity (ICT, commodities)
Flat excluding 2022 positive one off
(inward commissions).

Latin America

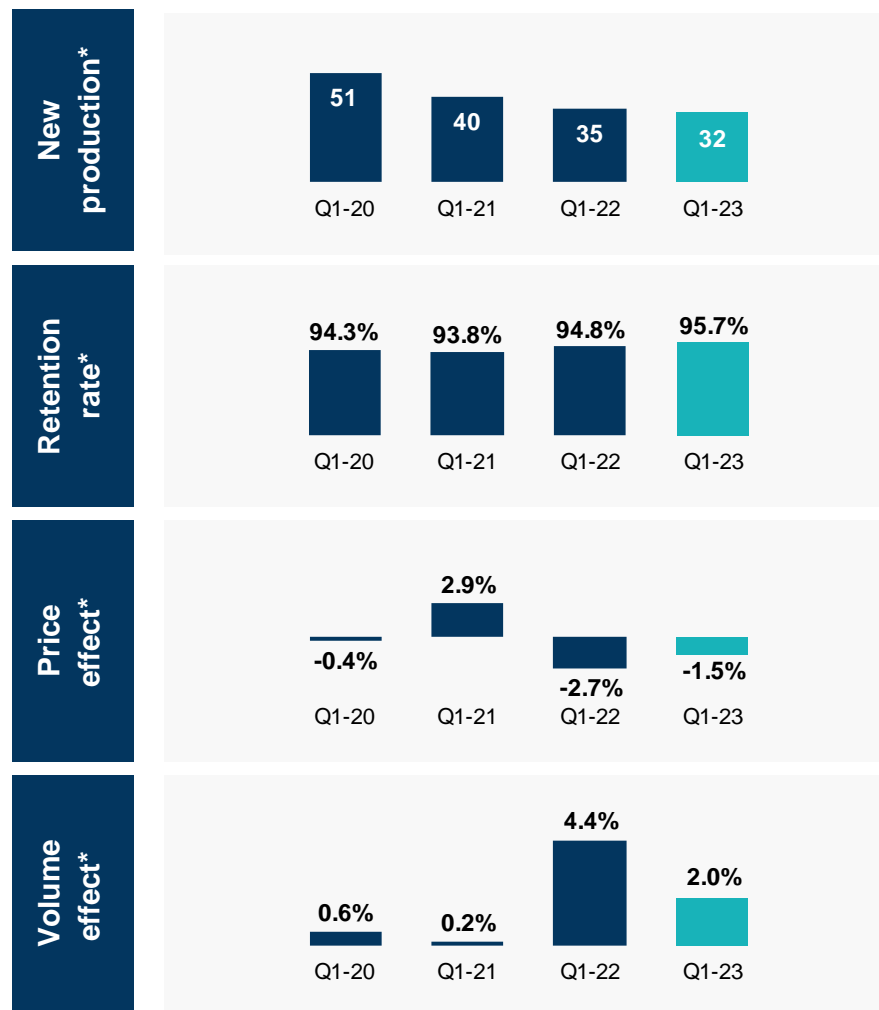


High retention and activity.

V% V% ex. FX

Total revenue by region, in € m

POSITIVE CLIENT ACTIVITY AND RECORD HIGH RETENTION



New production at €32m, close to pre-covid levels.

Retention rate at record level in a competitive market.

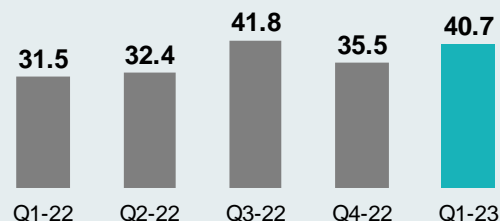
Pricing down by -1.5% in line with long term average.

Client activity confirms its deceleration as key commodities prices cycle back down.

* Portfolio as of 31 March 2023; and at constant FX and perimeter. New production: in € m

GROSS LOSS RATIO AT 40.7%, SLOW NORMALIZATION IS UNDER WAY

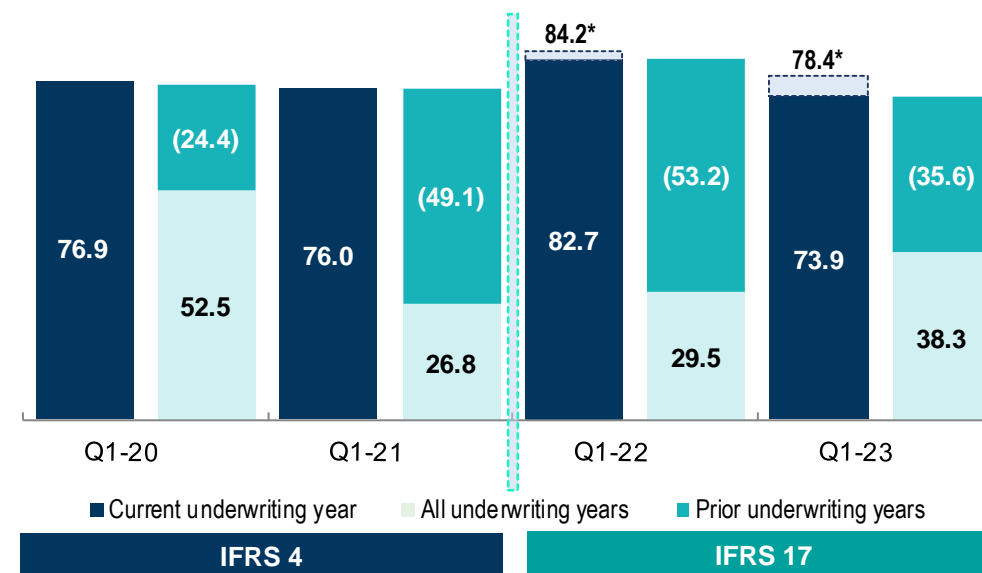
Loss ratio before reinsurance and including claims handling expenses, in %



- › Slow normalization is under way:
 - Number of claims increasing since mid-21, now nearing pre-crisis level
 - Large losses increasing but still below average
 - Reserve releases remain at high level even under IFRS17

- › No change in reserving policy
- › Opening year loss ratio is now discounted and remains in line with historical average
- › Prior year releases does not benefit anymore from the Covid related reserves

Loss ratio before reinsurance and excluding claims handling expenses, in %



* Undiscounted

LOSS RATIO REFLECTS DIFFERENT REGIONAL ECONOMICAL TRENDS

Loss ratio before reinsurance, including claims handling expenses – in %



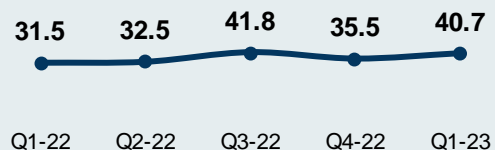
*% of Total revenue by region

--- IFRS 4 — IFRS 17

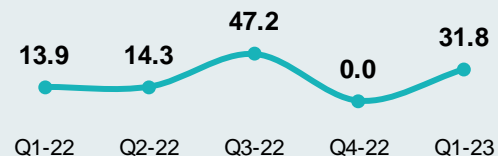
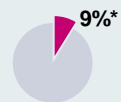
CONTINUATION OF LARGE CASES BOOKING

Loss ratio before reinsurance (by quarter), including claims handling expenses – in %

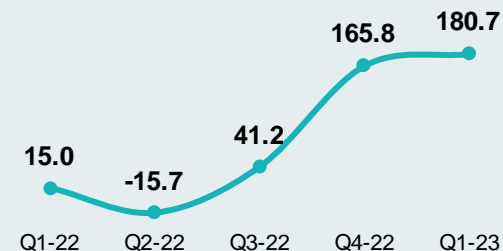
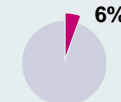
Group



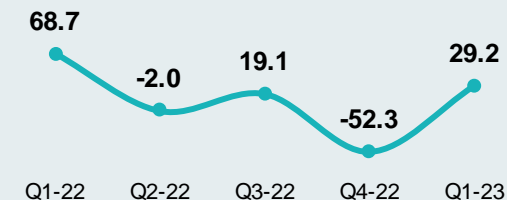
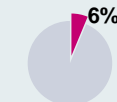
North America



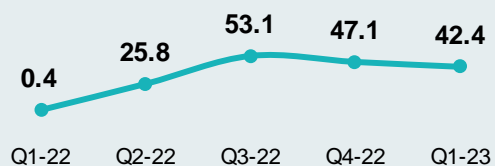
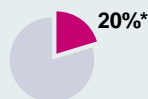
Latin America



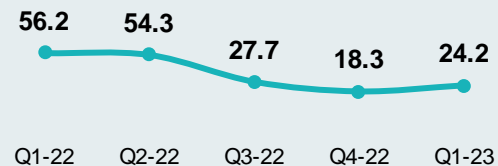
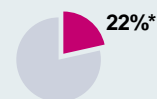
Asia Pacific



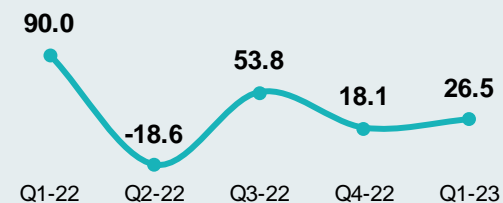
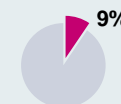
Western Europe



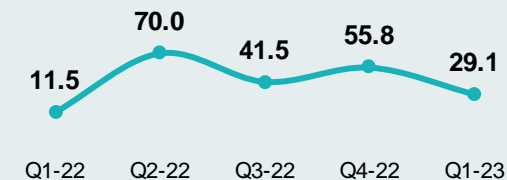
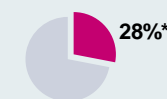
Northern Europe



Central Europe

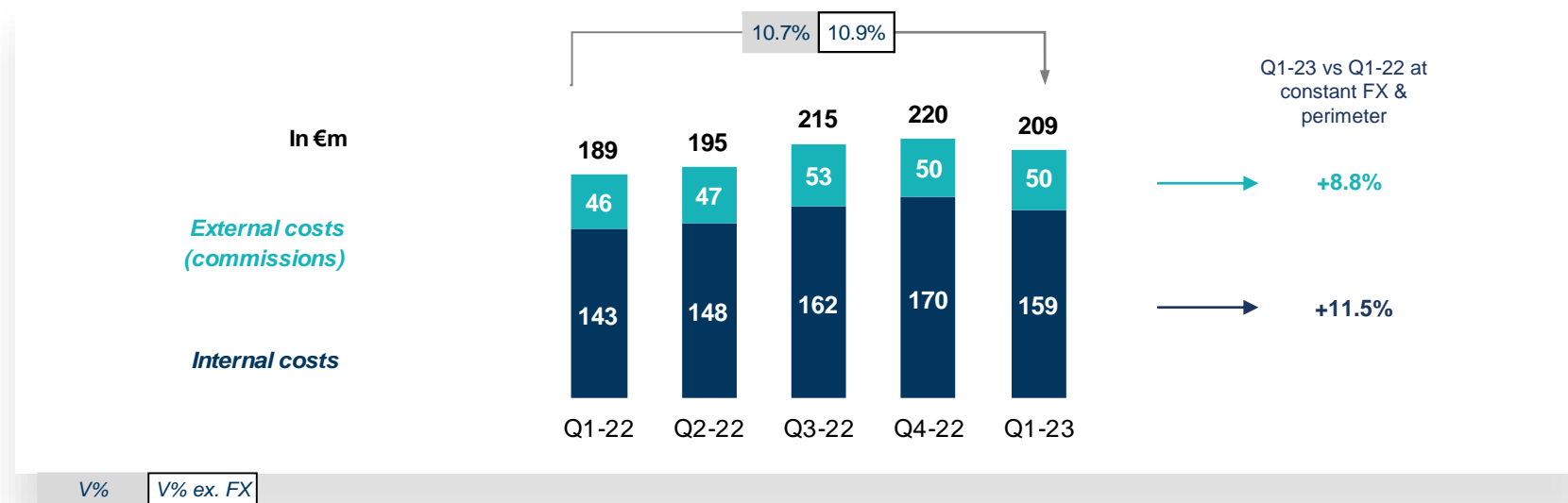


Mediterranean & Africa

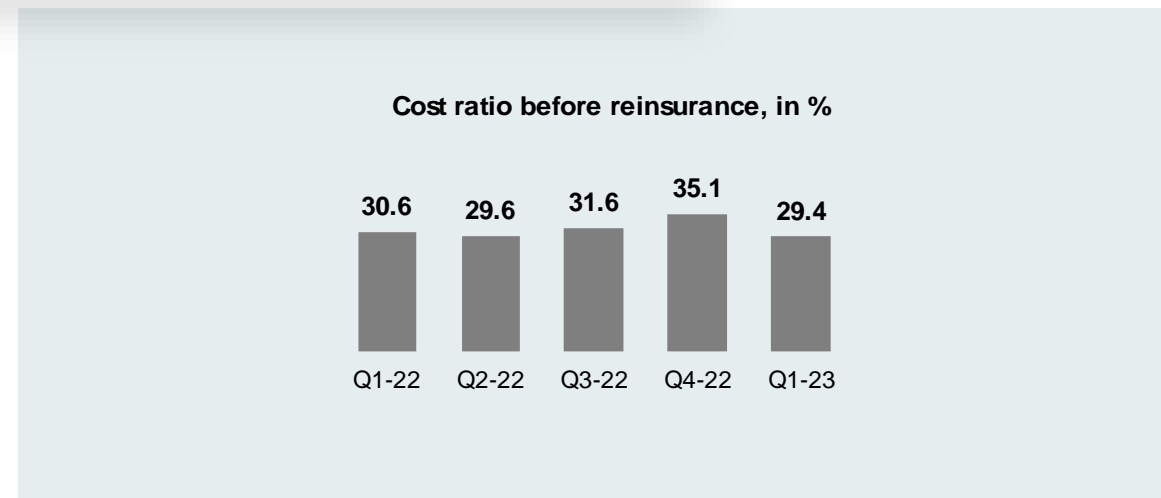


*% of Total revenue by region

OPERATING LEVERAGE AND CONTINUED INVESTMENTS



- › Insurance costs are growing 7.9%, a slower pace than premiums delivering further operating leverage
- › Continued Business Information investment increases costs by 2.2 pts, on top of increased €5m technology annual investment
- › Gross cost ratio improved by 1.2 ppt driven by increased fee revenues



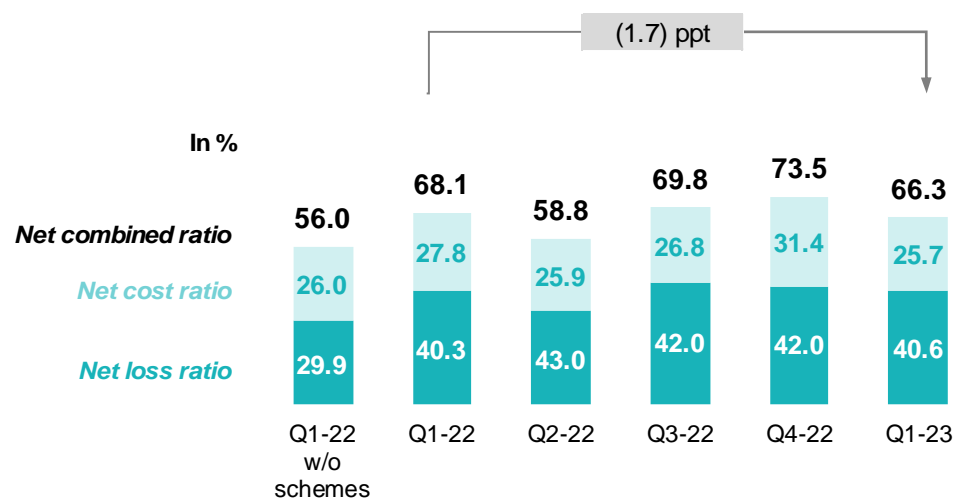
REINSURANCE RESULTS BENEFIT FROM PAST VERY LOW LOSS ACTIVITY

- › Premium cession rate stable at 27.3%
- › Claims cession rate at 27.4% in line with premium cession rates as public schemes have no additional impact
- › Commissions received from reinsurers remain high reflecting past low loss activity

<i>(in €m)</i>	Q1-22	Q1-23
Gross earned premiums	359.2	395.3
Net earned premiums	261.2	287.6
Premium cession rate	27.3%	27.3%
Gross claims expenses	(113.3)	(161.1)
Net claims expenses	(105.2)	(116.9)
Claims cession rate	7.1%	27.4%

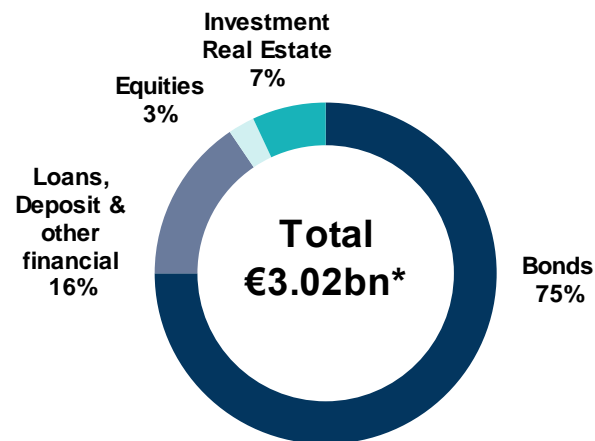
<i>(in €m)</i>	Q1-22	Q1-23	V%
Insurance result before reinsurance	124.7	98.2	(21)%
<i>Reinsurance result</i>	<i>(52.5)</i>	<i>(21.3)</i>	<i>(59)%</i>
Insurance result after reinsurance	72.1	76.9	+7%

SLIGHTLY IMPROVED NET COMBINED RATIO AT 66.3%



- › Net combined ratio improved to 66.3% (vs 68.1% in Q1-22) but increases from combined ratio excluding public schemes (56.0% in Q1-22) reflecting risk normalization and some large cases.
- › Cost ratio down 2.1 ppts vs Q1-22 with good cost discipline in inflationary environment and higher reinsurance commissions
- › Q1-23 net loss ratio up by 0.3 ppt vs Q1-22 (and up 10.7 ppts excluding government schemes in Q1-22)
- › Q1-23 net combined ratio decreased by 7.2 ppts compared to previous quarter

FINANCIAL PORTFOLIO: INCREASED UNDERLYING INCOME WITH HIGHER RATES



Keeping a diversified strategy

€m	Q1-23
Income from investment portfolio without gains on sales**	14.6
FVPL and gains on sales and impairment, net of hedging***	(8.6)
FX effect	(6.3)
Other	(2.3)
Net investment income	-2.6
Insurance Finance Expenses	-2.4
Accounting yield on average investment portfolio	0.2%
Accounting yield on average investment portfolio without gains and mark-to-market	0.5%

* Excludes investments in non-consolidated subsidiaries

** Excludes investments in non-consolidated subsidiaries, FX and investment management charges

*** This represents the cumulative impact of realized gains and losses, impairments and impairments release, as well as equities & interest rate derivatives

- › Recurring income from portfolio at €14.6m reflects higher yields environment. New money invested at slightly more than 2.0%
- › Negative revaluation of real estate investments is the main driver of FVPL negative contribution (€-12m)
- › FX accounting impact mostly comes from IAS 29 (hyperinflation) for €-5.0m

Q1-2023 NET INCOME AT €61.2M UP 17%

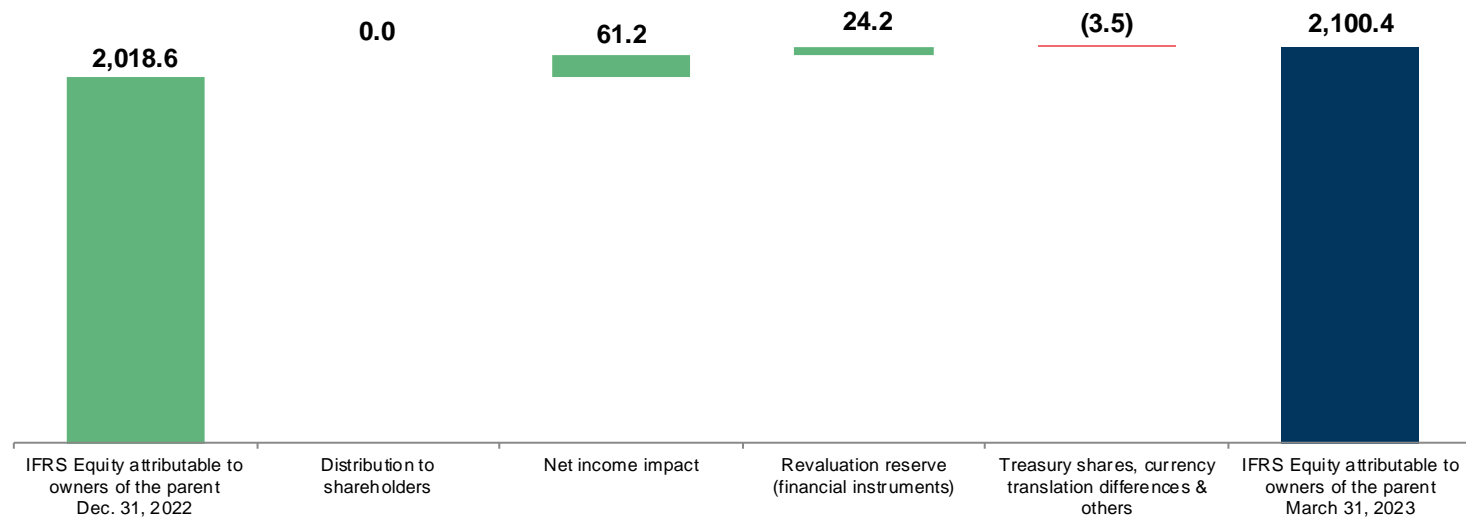
<i>Income statement items - in €m</i>	Q1-22	Q1-23
Current operating income	82.0	90.4
Other operating income and expenses	(1.2)	(0.3)
Operating income	80.8	90.0
Finance costs	(5.1)	(7.9)
Share in net income of associates	0.0	0.0
Badwill/Goodwill	0.0	0.0
Income tax	(23.5)	(20.9)
<i>Tax rate</i>	<i>31%</i>	<i>25%</i>
Non-controlling interests	0.0	(0.0)
Net income (group share)	52.3	61.2

- › Net earned premiums up by +10.1% at €288m on growing revenues
- › Operating income up +11.4%
- › Tax rate at 25%
- › Net profit up 17.0% at €61.2m

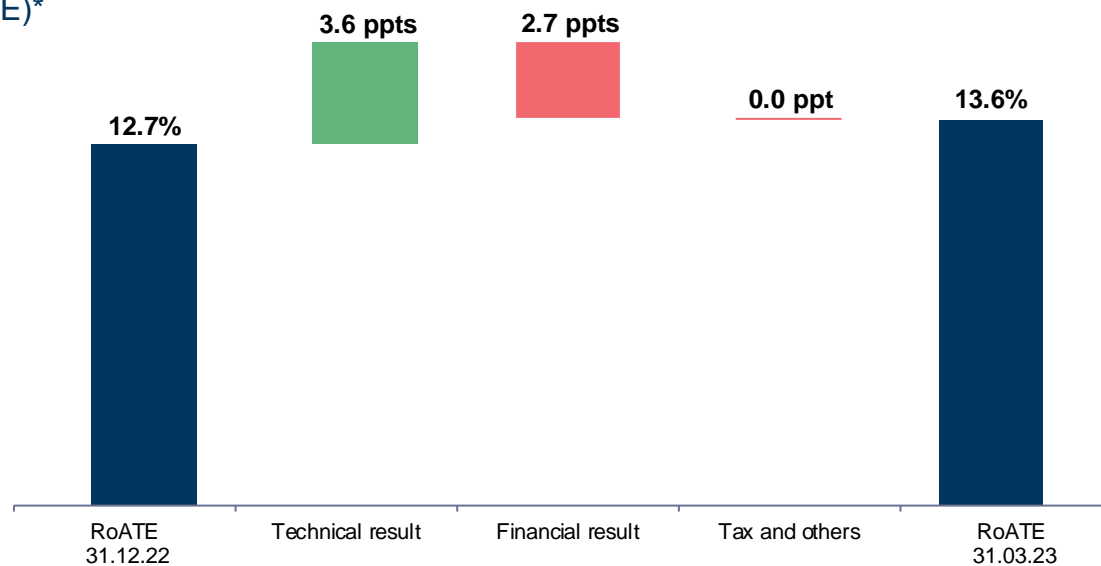
ROATE STANDS AT 13.6%, UP 0.9 PPT



Change in equity
In €m



Return on average tangible equity (RoATE)*



* Annualised RoATE



PART 3

KEY TAKE-AWAYS & OUTLOOK



KEY TAKE-AWAYS & OUTLOOK

As expected, the economic cycle has confirmed its slowdown but at a slower pace than expected

- › Inflation peak seems now behind us and unemployment remains low
- › Number of insolvencies continues to rise in most economies
- › US-centred banking crisis adds additional uncertainty to the economy

In this uncertain environment, Coface continues to stay true to its values and deploys its value creating strategy:

- › Continuing to invest in core TCI and specialty businesses while maintaining cost discipline
- › Further improving service quality with NPS remaining above 40
- › Actively managing risk portfolio and new risks when they appear (e.g. real estate portfolio)

An aerial view of a city skyline at sunset. The sky is a mix of light blue and orange. The city is filled with various skyscrapers and buildings, with some reflecting the golden light of the setting sun. The overall scene is a dense urban landscape.

coface
FOR TRADE

PART 4

APPENDICES

KEY FIGURES (1/2)

QUARTERLY AND CUMULATED FIGURES

Income statements items in €m - quarterly figures	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	%	% ex. FX*
Gross earned premiums	359.2	374.0	403.5	379.0	395.3	+10.1%	+10.9%
Other revenues	68.8	71.6	70.1	73.0	79.8	+16.0%	+13.9%
REVENUE	428.0	445.6	473.5	452.0	475.1	+11.0%	+11.4%
UNDERWRITING INCOME (LOSS) AFTER REINSURANCE	82.3	109.5	84.9	72.0	95.3	+15.9%	+12.5%
Investment income, net of management expenses	11.3	11.5	13.5	(0.6)	(2.6)	(123.2)%	(122.0)%
Insurance Finance Expenses	(11.5)	(10.4)	(10.5)	14.9	(2.4)	(79.5)%	(70.3)%
CURRENT OPERATING INCOME	82.0	110.6	87.9	86.2	90.4	+10.2%	+5.8%
Other operating income / expenses	(1.2)	(3.2)	(0.7)	(4.1)	(0.3)	(70.1)%	(78.6)%
OPERATING INCOME	80.8	107.4	87.3	82.1	90.0	+11.4%	+7.0%
NET INCOME	52.3	82.5	51.0	54.6	61.2	+17.0%	+7.8%
<i>Income tax rate</i>	31.0%	19.3%	32.8%	25.5%	25.5%		

Income statements items in €m - cumulated figures	Q1-22	H1-22	9M-22	FY-22	Q1-23	%	% ex. FX*
Gross earned premiums	359.2	733.2	1,136.6	1,515.7	395.3	+10.1%	+10.9%
Other revenues	68.8	140.4	210.4	283.4	79.8	+16.0%	+13.9%
REVENUE	428.0	873.5	1,347.0	1,799.0	475.1	+11.0%	+11.4%
UNDERWRITING INCOME (LOSS) AFTER REINSURANCE	82.3	191.8	276.7	348.6	95.3	+15.9%	+12.5%
Investment income, net of management expenses	11.3	22.8	36.3	35.7	(2.6)	(123.2)%	(122.0)%
Insurance Finance Expenses	(11.5)	(21.9)	(32.4)	(17.6)	(2.4)	(79.5)%	(70.3)%
CURRENT OPERATING INCOME	82.0	192.6	280.5	366.8	90.4	+10.2%	+5.8%
Other operating income / expenses	(1.2)	(4.3)	(5.0)	(9.1)	(0.3)	(70.1)%	(78.6)%
OPERATING INCOME	80.8	188.3	275.5	357.7	90.0	+11.4%	+7.0%
NET INCOME	52.3	134.8	185.8	240.4	61.2	+17.0%	+7.8%
<i>Income tax rate</i>	31.0%	24.3%	26.8%	26.5%	25.5%		

* Also excludes scope impact

KEY FIGURES (2/2)

REVENUE BY REGION: QUARTERLY AND CUMULATED FIGURES

Total revenue - by quarter - in €m	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	V% ex. FX*
Northern Europe	94.7	92.8	92.7	92.9	102.2	+7.2%
Western Europe	79.8	87.0	103.9	88.9	96.6	+21.8%
Central Europe	46.9	42.6	48.5	43.9	45.0	(4.6)%
Mediterranean & Africa	115.9	120.9	122.9	125.0	133.2	+17.2%
North America	36.2	43.5	43.7	45.0	41.9	+11.9%
Latin America	22.9	25.3	28.5	24.1	26.4	+20.3%
Asia Pacific	31.5	33.5	33.4	32.1	29.8	(6.6)%
Total revenue	428.0	445.6	473.5	452.0	475.1	+11.4%

Total revenue - cumulated - in €m	Q1-22	H1-22	9M-22	FY-22	Q1-23	V% ex. FX*
Northern Europe	94.7	187.5	280.1	373.1	102.2	+7.2%
Western Europe	79.8	166.8	270.7	359.6	96.6	+21.8%
Central Europe	46.9	89.5	138.0	182.0	45.0	(4.6)%
Mediterranean & Africa	115.9	236.8	359.7	484.7	133.2	+17.2%
North America	36.2	79.7	123.4	168.4	41.9	+11.9%
Latin America	22.9	48.2	76.7	100.8	26.4	+20.3%
Asia Pacific	31.5	65.0	98.4	130.5	29.8	(6.6)%
Total Group	428.0	873.5	1,347.0	1,799.0	475.1	+11.4%

* Also excludes scope impact

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COMBINED RATIO CALCULATION

> Combined ratio before reinsurance

$$\text{loss ratio before reinsurance } \frac{(B)}{(A)} + \text{cost ratio before reinsurance } \frac{(C)}{(A)}$$

> Combined ratio after reinsurance

$$\text{loss ratio after reinsurance } \frac{(E)}{(D)} + \text{cost ratio after reinsurance } \frac{(F)}{(D)}$$

Ratios	Q1-2022	Q1-2023
Loss ratio before reinsurance	31.6%	40.7%
Loss ratio after reinsurance	40.3%	40.6%
Cost ratio before reinsurance	30.6%	29.4%
Cost ratio after reinsurance	27.8%	25.7%
Combined ratio before reinsurance	62.2%	70.1%
Combined ratio after reinsurance	68.1%	66.3%

In €k	Q1-2022	Q1-2023
Earned Premiums		
Gross earned premiums [A]	359,167	395,345
Ceded premiums	(97,919)	(107,789)
Net earned premiums [D]	261,248	287,556
Claims expenses		
Claims expenses (incl. Loss component) [B]	(113,257)	(161,079)
<i>Loss component</i>	(253)	786
Ceded claims	7,934	44,420
Ceded loss component	83	(219)
Net claims expenses [E]	(105,240)	(116,878)
Technical expenses		
Operating expenses	(180,151)	(197,368)
Employee profit sharing and incentive plans	1,412	1,411
Other revenue	68,793	79,789
Operating expenses, net of revenues from other services before reinsurance [C]	(109,946)	(116,168)
Commissions received from reinsurers	37,391	42,297
Operating expenses, net of revenues from other services after reinsurance [F]	(72,555)	(73,871)

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Q1-23 RESULTS VS CONSENSUS

in M€	# of replies	Consensus	Q1-2023	Spread	Comment
Total revenue	6	462	475	+13.4	
Gross Earned Premiums	6	388	395	+7.3	TCI premiums grow with retention and client activity Good performance from specialties
Net Earned Premiums	6	283	288	+5.0	
NEP/GEP	6	72.8%	72.7%	(0.1) ppt	No special impact
Net underwriting income	6	81	95	14.8	Better combined ratio
Net Investment Income	5	9	-3	(11.7)	Negative real estate (-€12M) and hyperinflation (-€5M) Underlying income almost doubled
Insurance Financial Expense	4	-6	-2	+3.5	
Current operating income	6	85	90	5.0	Better underwriting profit
Other operating income and expense	6	(2)	(0)	+1.7	-
Operating Income	6	83	90	6.7	-
Net income	6	53	61	7.8	Better underwriting
Net Loss Ratio (%)	6	42.3%	40.6%	(1.6) ppt	Slow normalization and remaining LatAm claim
Net Cost Ratio (%)	6	28.7%	25.7%	(3.1) pts	Operating leverage & better product mix
Net Combined Ratio (%)	6	71.0%	66.3%	(4.7) pts	Slow normalization and discipline

FINANCIAL CALENDAR & INVESTOR RELATIONS CONTACTS

Calendar

Next Event	Date
H1-2023 Results	10 August 2023
9M-2023 Results	14 November 2023

Own shares transactions

Date	Liquidity Agreement	LTIP	Buy-back (cancellation)	Own shares transactions		
				TOTAL (in shares)	% Total of # Shares	Voting rights
31/03/2023	136,177	709,690	0	845,867	0.56%	149,333,925

Coface is scheduled to attend the following investor conferences

Next Event	Date
Goldman Sachs European Financials conference	13 June 2023 – Paris
Conference Portzamparc BNP Paribas	20 June 2023 – Paris
Natixis FIG Conference	28 September 2023 – Paris
BNP Paribas Exane 6 th Mid Cap CEO Conference	15 November 2023 – Paris

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IMPORTANT LEGAL INFORMATION

IMPORTANT NOTICE:

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Participants should read the interim financial report for the period ending 30 June 2022 and complete this information with the Universal Registration Document for the year 2022. The Universal Registration Document for 2022 was registered by the *Autorité des marchés financiers* ("AMF") on 6 April 2023 under the number D.23-0244. These documents all together present a detailed description of the Coface Group, its business, strategy, financial condition, results of operations and risk factors.

This presentation contains certain forward-looking statements. Such forward looking statements in this presentation are for illustrative purposes only. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements are based on

Coface Group's current beliefs, assumptions and expectations of its future performance, taking into account all information currently available. The Coface Group is under no obligation and does not undertake to provide updates of these forward-looking statements and information to reflect events that occur or circumstances that arise after the date of this document.

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This presentation contains certain information that has not been prepared in accordance with International Financial Reporting Standards ("IFRS"). This information has important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under IFRS.

More comprehensive information about the Coface Group may be obtained on its Internet website (<http://www.coface.com/Investors>).

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