



Analyst Conference Full Year 2022

DFV Deutsche Familienversicherung AG

30th March 2023

Welcome

Welcome

Dr Stefan Knoll

Group result 2022

Karsten Paetzmann

Review 2022 &
Outlook 2023

Dr Stefan Knoll





Group result 2022

Karsten Paetzmann
CFO

Group result 2022

+34 %

Revenue growth
net

-12 %

Opex (Cost cutting)
net

€1.7M

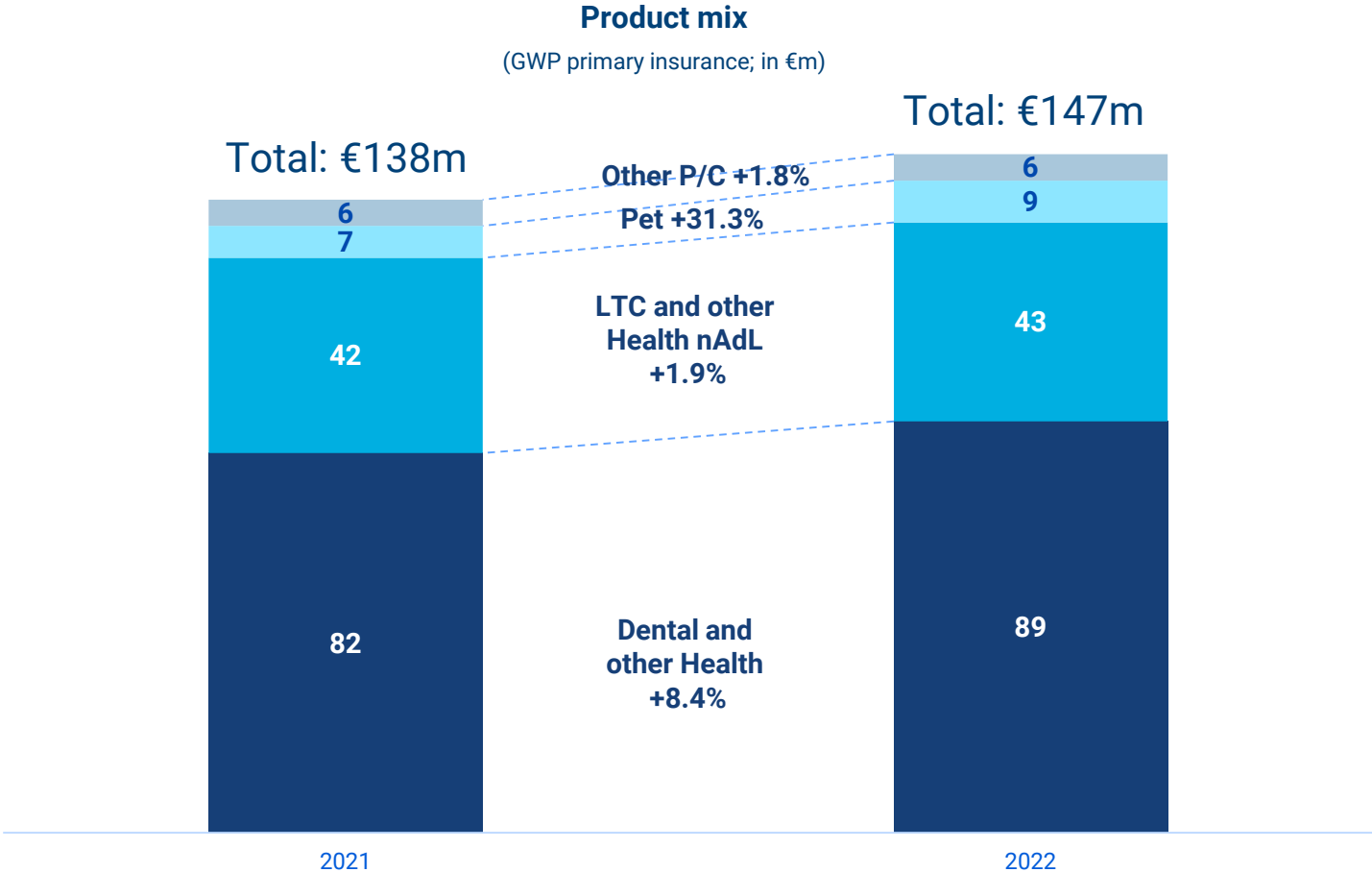
Over-delivered on
profitability target



Revenue (net earned premiums) and Opex: change year-over-year
Opex: IFRS expenses from insurance operations

Group result 2022

Growth trajectory in primary insurance



- Continued organic growth across all lines of business in primary insurance
- Highest absolute growth in Dental (+€7.2m), followed by Pet (+€2.2m)
- Dental remains the core of the business model – for both the back book and the new business stream
- New inwards reinsurance business (since 2021) contributes to the overall growth

nAdL: calculated as life insurance (nach Art der Lebensversicherung)
 nAdS: calculated as P/C insurance (nach Art der Schadenversicherung)

Group result 2022

First financial period with positive operating profit since IPO

Statement of comprehensive income

€m	2021	2022	Delta
Gross written premiums (GWP)	155.2	183.5	+28.3
Net earned premiums (NEP)	87.4	117.0	+29.6
Income from capital investments	10.8	2.1	-8.7
Other revenue	1.0	0.6	-0.4
Insurance benefits	-58.3	-81.7	-23.4
Expenses from insurance operations	-37.6	-33.0	+4.6
Other expenses	-4.1	-3.5	+0.7
Operating income	-0.8	1.7	+2.5
Financing expenses for leases	0.0	0.0	+0.0
Profit before tax	-0.8	1.7	+2.5
Income taxes	-0.9	-0.7	+0.2
Profit after tax	-1.7	1.0	+2.7
Unrealised gains and losses from capital investments	-4.1	-19.0	-14.9
Total comprehensive income	-5.8	-18.0	-12.2
GWP per policy in € - annualised (primary insurance only)	240	254	
Average # of staff	178	184	

①

①

②

③

Gross written premiums increased by 18 % in 2022, compared to a **premium increase of 34 %** on a net basis.

Insurance benefits increased by 40 % in 2022, slightly more than net earned premiums (NEP).

The **net claims ratio** including additions to the actuarial reserve and additions to the reserve for policyholder participations (*RfB*) was 69.8 % in 2022 (2021: 66.7 %).

Earnings per share (IAS 33)

€-0.12
[2021]



€0.07
[2022]

Group result 2022

Also positive operating profitability based on HGB

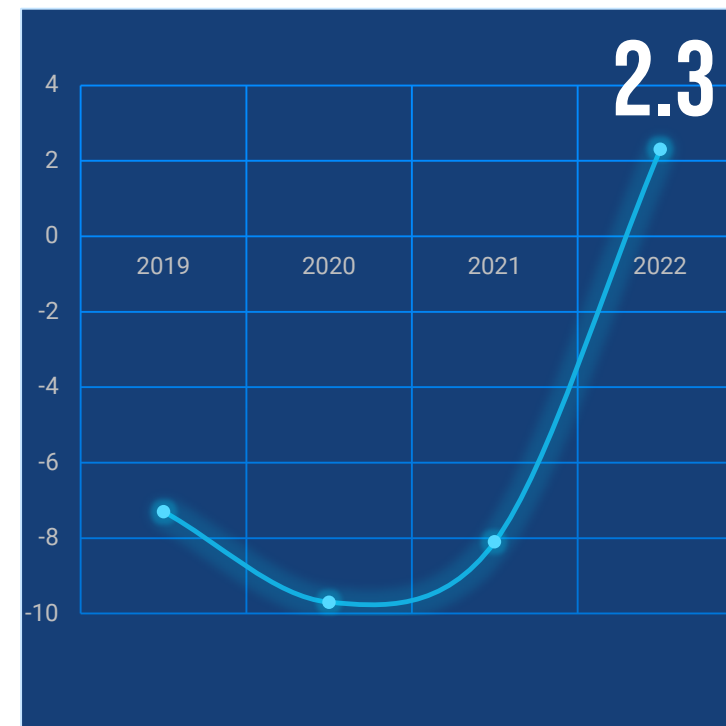
Bridge IFRS (Group) to HGB (AG)

€m	2021	2022	Delta
Profit before tax IFRS (Group)	-0.8	1.7	+2.5
IFRS income from capital investments	-10.8	-2.1	+8.7
HGB income from capital investments	4.4	3.7	-0.6
HGB equalisation reserve movements	-0.2	-0.9	-0.7
Other items	-0.6	-0.1	+0.6
Profit before tax HGB (AG)	-8.1	2.3	+10.4

We strive for the ability to pay dividends so that shareholders can participate directly in the success of DFV

AG single entity level

(HGB profit before tax; in €m)

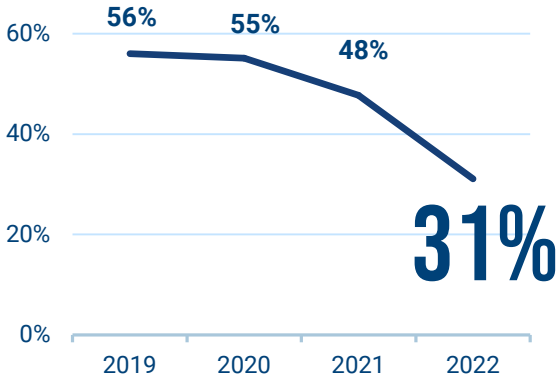


Group result 2022

Focus on cost management

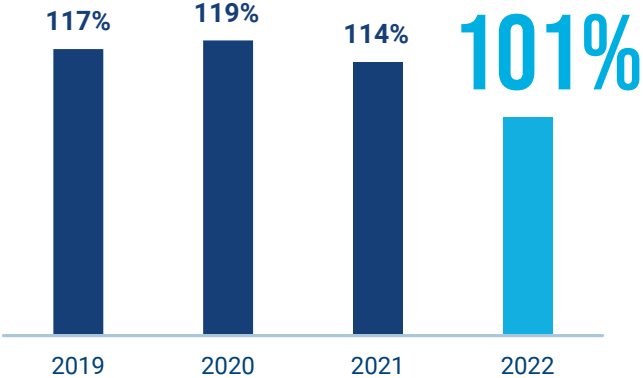
Cost ratio

(Opex and other expenses as % of net earned premiums)



Combined ratio

(net)



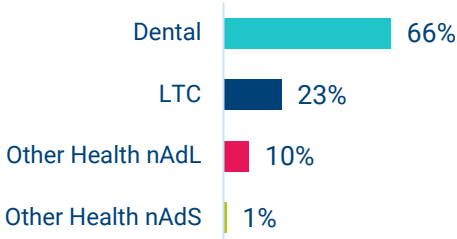
- A significant profitability driver: substantial cost reduction despite revenue increase
 - Opex decreased by 12 % despite a 34 % revenue growth (net).
 - Enhanced commitment to cost discipline.
 - Initiatives to further automate processes add further momentum.

Group result 2022

Health segment

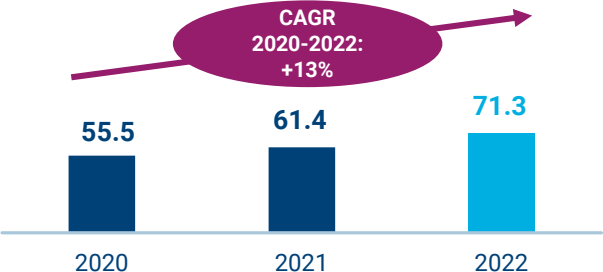
Portfolio structure

(% of segment's GWP; 2022)



Growth

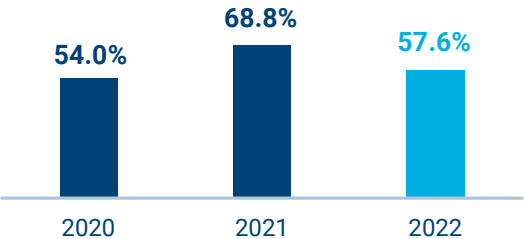
(NEP in €m)



- Growth and stable claims evolvement
 - Continued, sustainable new business stream (NEP 2022: +16 % y-o-y).
 - Following an extraordinary increase in 2021, the segment's loss ratio is again below 60 %.
- RfB ratio as a metric for resilience and customer-friendliness in the Health nAdL portfolio

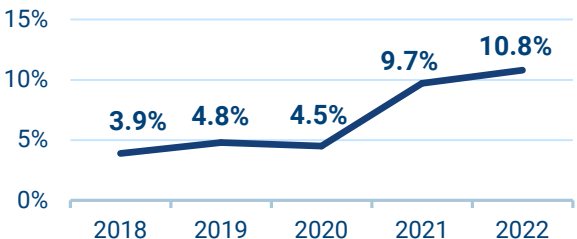
Loss ratio

(net before allocation to actuarial reserve)



RfB ratio

(RfB as % of gross earned premiums Health nAdL)



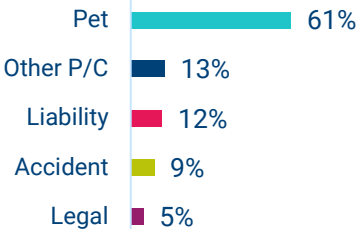
CAGR: Compound annual growth rate
 RfB: reserve for policyholder participation (Rückstellung für Beitragsrückerstattung)

Group result 2022

Property-Casualty segment

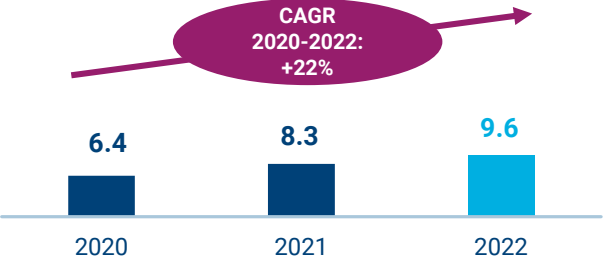
Portfolio structure

(% of segment's GWP; 2022)



Growth

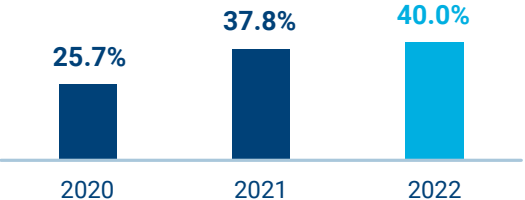
(NEP in €m)



- Continued growth path
 - NEP 2022: +16 % y-o-y.
 - P/C growth mainly driven by Pet, distributed via established online channels.
 - Loss ratios remain favourable.

Loss ratio

(net)



Growth Pet

(GWP; 2022 y-o-y)

+31%

Group result 2022

Inwards reinsurance segment

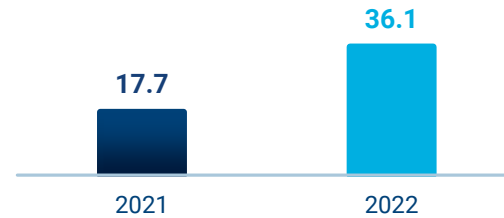
Portfolio structure

Quota share contract reinsuring one partner of a consortium covering a portfolio of approx. 0.5 million insureds

Insurance of all c. 450,000 non-managerial staff of the German chemical and pharmaceutical industry; in addition also managerial staff may be insured

Growth

(NEP in €m)



- Stable returns from reinsurance segment
 - Group long-term care (LTC) contracts agreed on by the social partners.
 - DFV assuming a primary insurer's share in the group LTC contract since 2021.
 - Conditions in line with actuarial calculation.

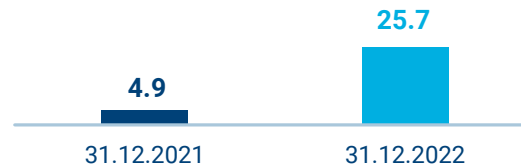
Loss ratio

(net before allocation to actuarial reserve)



Actuarial reserve

(in €m)

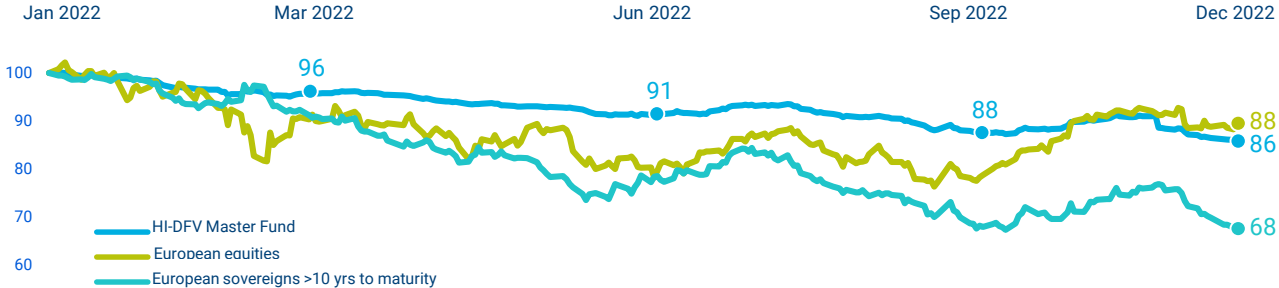


Group result 2022

Investments

Development of market value compared

(2022; Index 01.01.2022=100)



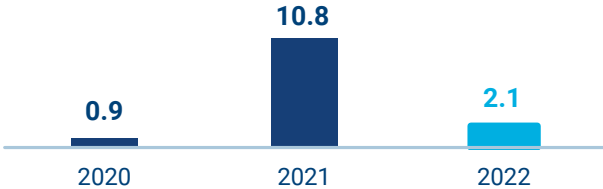
Current revenue from investments

(in €m)



Income from capital investments

(in €m)

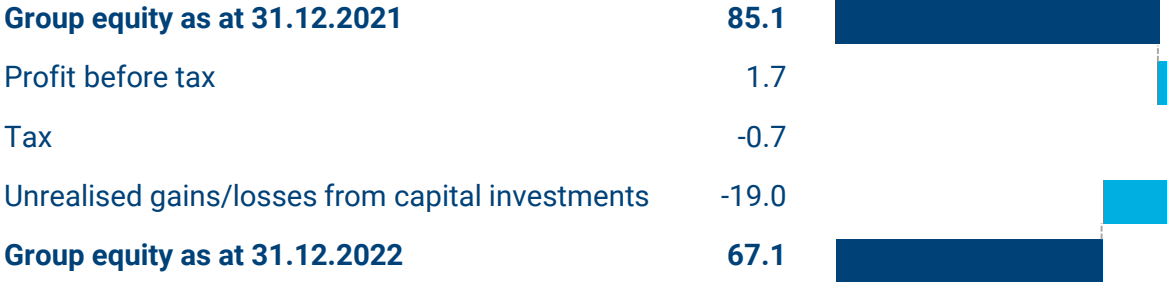


- Stabilised income from investments
 - DFV's investment portfolio is dominated by fixed income assets.
 - High volatility and interest rate increases in 2022, leading to unrealised fair value losses.
- The protection of customer funds remains a high priority
- Focus on current revenue
 - The asset allocations implemented in DFV's master funds focus on current revenue.
 - Real estate investments contribute to such stable current revenue.

Group result 2022

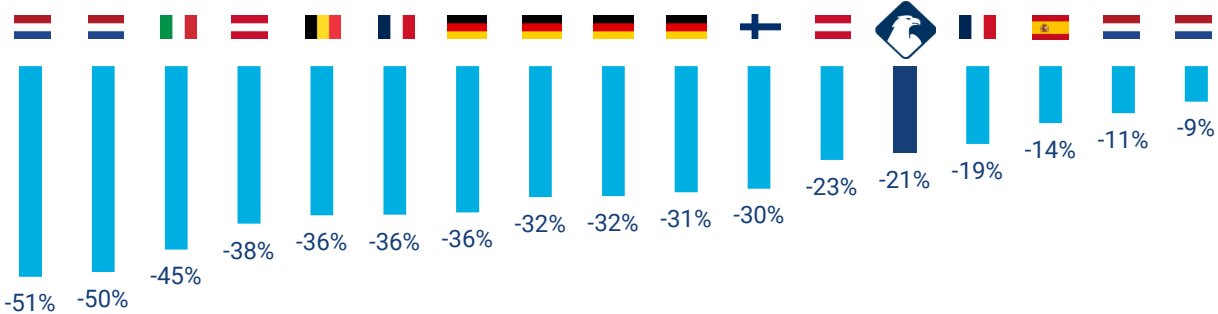
Equity

Group equity movement in 2022
(in €m)



- IFRS group equity decreased by 21 % in 2022 – a moderate reduction compared to DFV’s peers

Development of shareholders’ equity of EU insurers
(relative reduction 31.12.2022 vs 31.12.2021)



Shareholders’ equity: IFRS consolidated equity without non-controlling interests
Source: (Preliminary) financial reports of selected insurers listed in the euro area

Group result 2022

Share price



Source: Bloomberg; DFV analysis

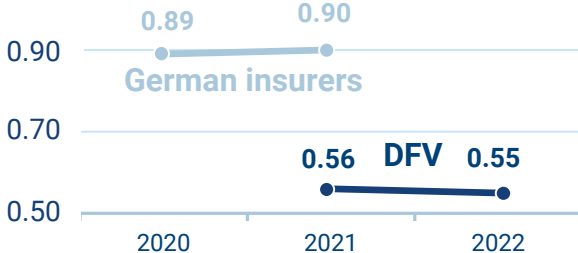
- Since mid-2021, DFV has successfully achieved to emancipate itself from the share price downturn of the Insurtech peer group
- While DFV's share price was stable recently, it is dissatisfying based on fundamentals

Group result 2022

Sustainable finance

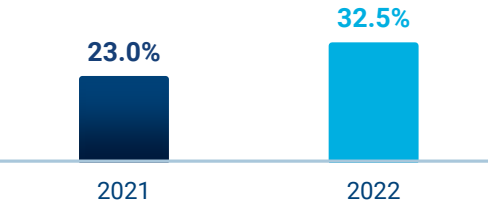
Scope 1-2: CO₂ emission per FTE

(market-based; t CO₂e per FTE)



Scope 3: taxonomy-eligible investments

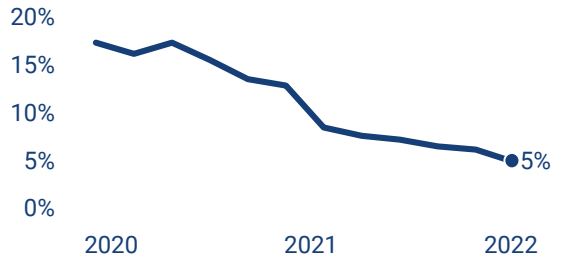
(% of total investments)



- DFV has published its second sustainability report
 - Scope 1 und 2 emissions were again neutralised, by use of a blockchain-based system (PEFC-certified forest located in Bavaria).
 - Scope 3 monitoring in accordance with the GHG protocol has been established.
 - Further increase in taxonomy-eligible investments.

Claims documents on paper

(input paper mail as % of all claims documents Pet)



FTE: Full-time equivalent
 GHG: Greenhouse Gas
 PEFC: Programme for the Endorsement of Forest Certification
 Source: DFV 2022 sustainability report; GDV 2022 sustainability report

Group result 2022

Sustainability reporting

Regulatory timeline for CSRD and ESRS

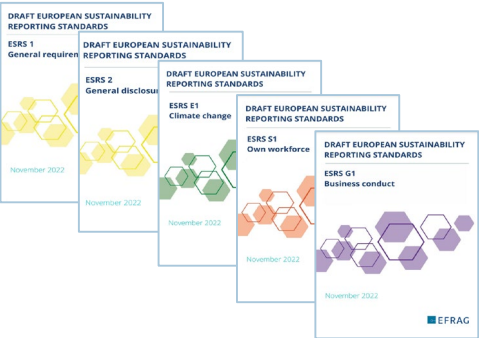
(simplified and preliminary as of March 2023)



- Sustainable finance regulation progresses
 - DFV will have to apply the CSRD including the ESRS from 2025.
 - Until then, two more voluntary sustainability reports will be published by DFV, each of them audited.
 - The new European Sustainability Reporting Standards (ESRS) will replace the standards of the Global Reporting Initiative (GRI) at DFV.

Upcoming ESRS-Reporting

(DFV prepares to adopt on time)



Group result 2022

IFRS 17/9 transition – preliminary takeaways

IFRS 17 models	– DFV applies all three measurement models under IFRS 17, including VFA.
Product profitability	– Improved visibility on profit emergence from long-term contracts and on contribution from new business.
CSM	– Substantial CSM embedded in VFA business, albeit also high CSM attached to reinsurance contract assets (GMM).
PAA portfolios	– No circumstances indicate that a group of contracts might be onerous.
New IACF asset	– Recognition of insurance acquisition cash flows (IACF) for customer acquisition cost paid.
Equity	– Shareholders' equity increases, especially if the CSM carrying future profits is also considered.
Economic capital	– Under an economic view, the equity including CSM/RA is significantly above DFV's current market capitalisation.
Investments	– No impact on equity from the IFRS 9 adoption.
Earnings volatility	– The adoption of IFRS 17/9 will lead to an increased volatility of earnings (interest rate fluctuations, FVTPL).
Solvency	– No impact on DFV's solvency position from the IFRS 17/9 transition.

Group result 2022

Key messages

- 1 2022 marks the first financial year since the IPO that DFV records a positive operating profit**
- 2 Strict cost management and continued revenue growth – focus on prudent product calculation**
- 3 Priorities for 2023: transition to IFRS 17/9 and preparation of the next strategic plan**

Review 2022 & Outlook 2023

Dr Stefan Knoll
CEO



Review 2022

What we promised and achieved in 2022

Mission accomplished

Strong growth

+18.2 %

Growth in gross written premiums incl. reinsurance

Best customer reviews

 **Trustpilot**



Fulfillment profitability

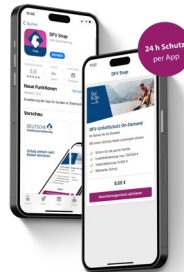
+1.7€m

Group result before taxes

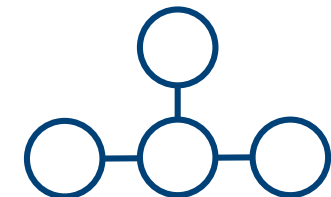
Highest degree of automation



On-Demand Insurance

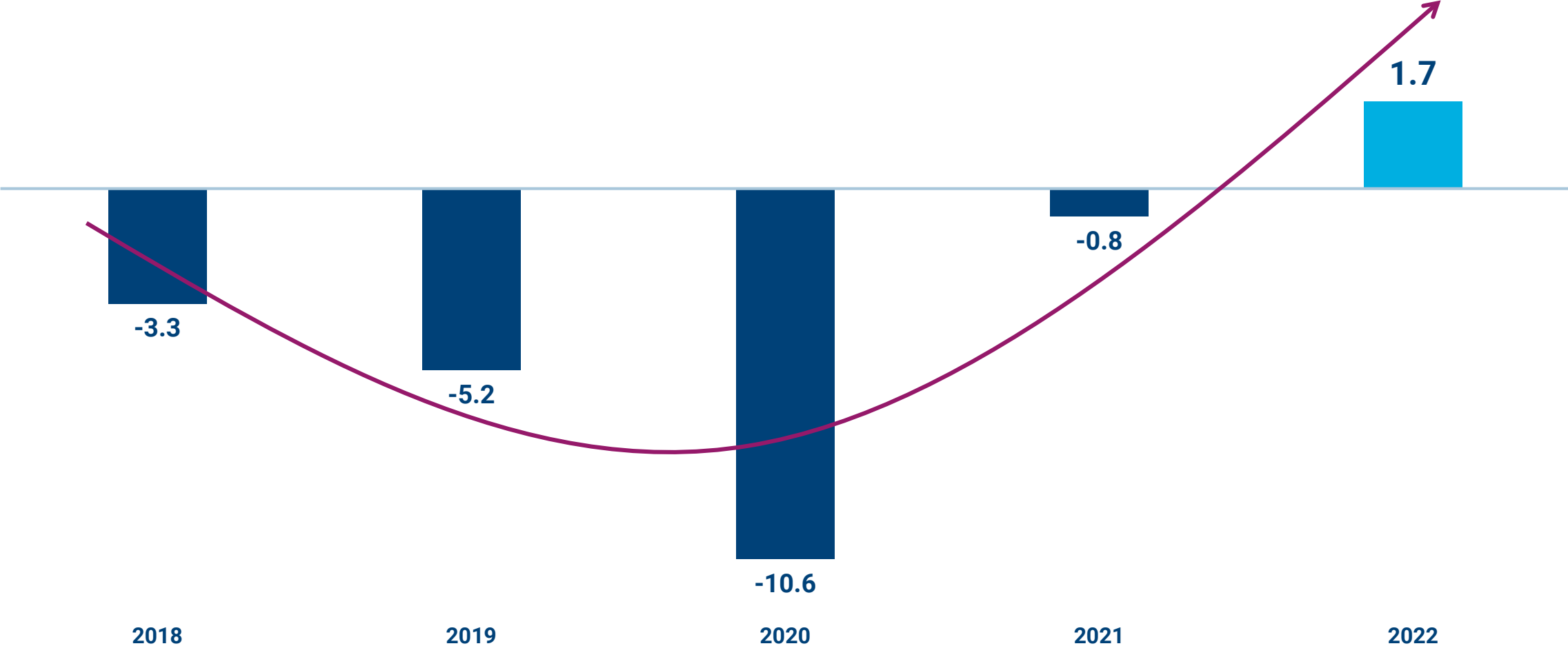


Realignment Sales



Fulfillment profitability

On the way to dividends



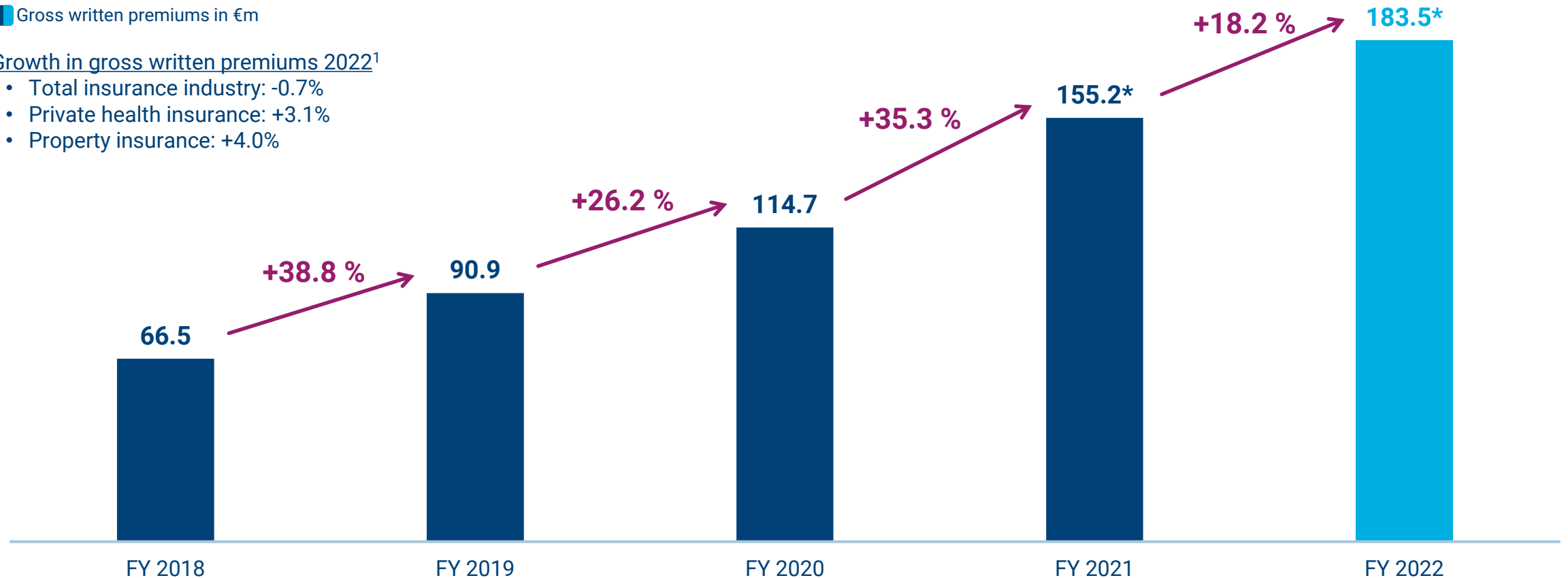
Strong growth

Development of gross written premiums in €m, incl. reinsurance*

■ Gross written premiums in €m

Growth in gross written premiums 2022¹

- Total insurance industry: -0.7%
- Private health insurance: +3.1%
- Property insurance: +4.0%



¹Source Gesamtverbände der Deutschen Versicherer: <https://www.gdv.de/gdv/events/jahresmedienkonferenz2023>

Best customer rating in the industry

Significant increase in customer satisfaction in 2022

Benchmark:
Ø 3.2



2021 3.8

2022 4.4

Increase +0.6

Benchmark:
Ø 3.0



2021 3.8

2022 4.5

Increase +0.7

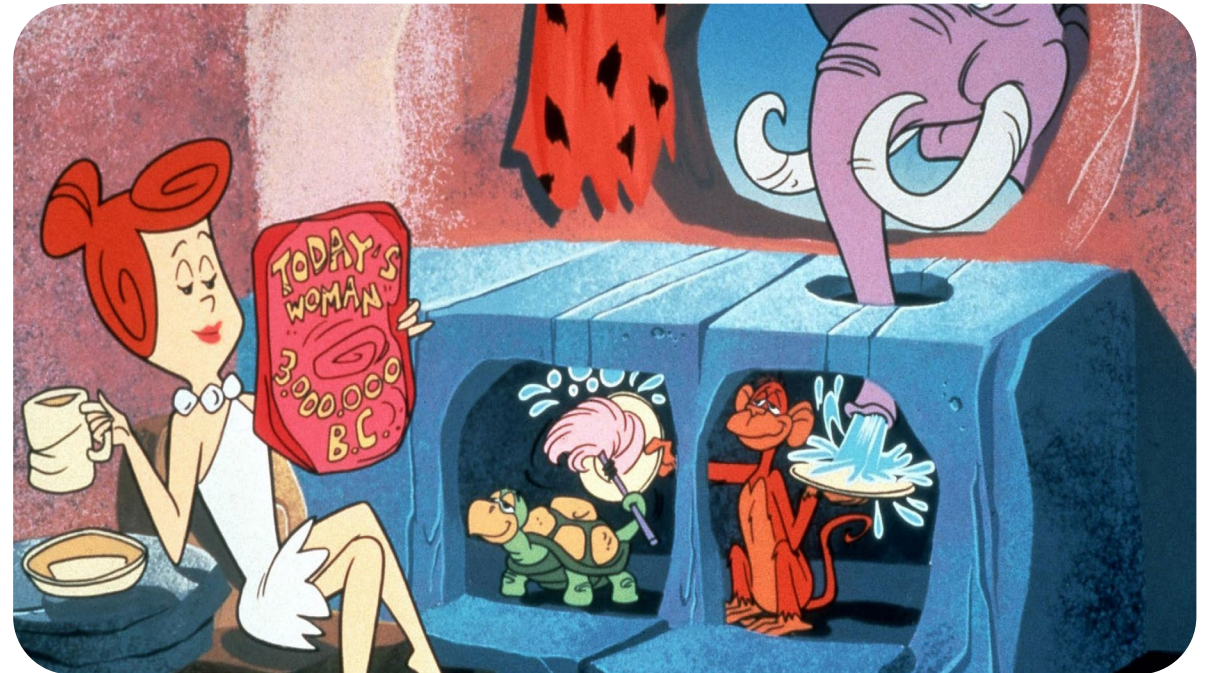


In Focus Money, DFV achieves
"Highest and High Customer
Satisfaction"*

*Among others, in private supplementary health insurance, supplementary long-term care insurance and supplementary dental insurance. The evaluation was conducted by ServiceValue on behalf of Focus Money. See for example: <https://servicevalue.de/rankings/zahnezusatzversicherung-7/>

Automation is not only a product topic, but also a process topic

- More automation is not only in the interest of the company, but also in the interest of the customer.
- More automation has primarily to do with speed.



High automation in operation

Increasing the automation rates in the company

96 %

Insurance
certificates

88 %

Change of
payment data

84 %

Application
processing

82 %

Health
protocol



High automation in claims/performance

Example: Dental claim settlement

85 %

Professional
dental cleaning

64 %

Plastic filling

50 %

Dental crown

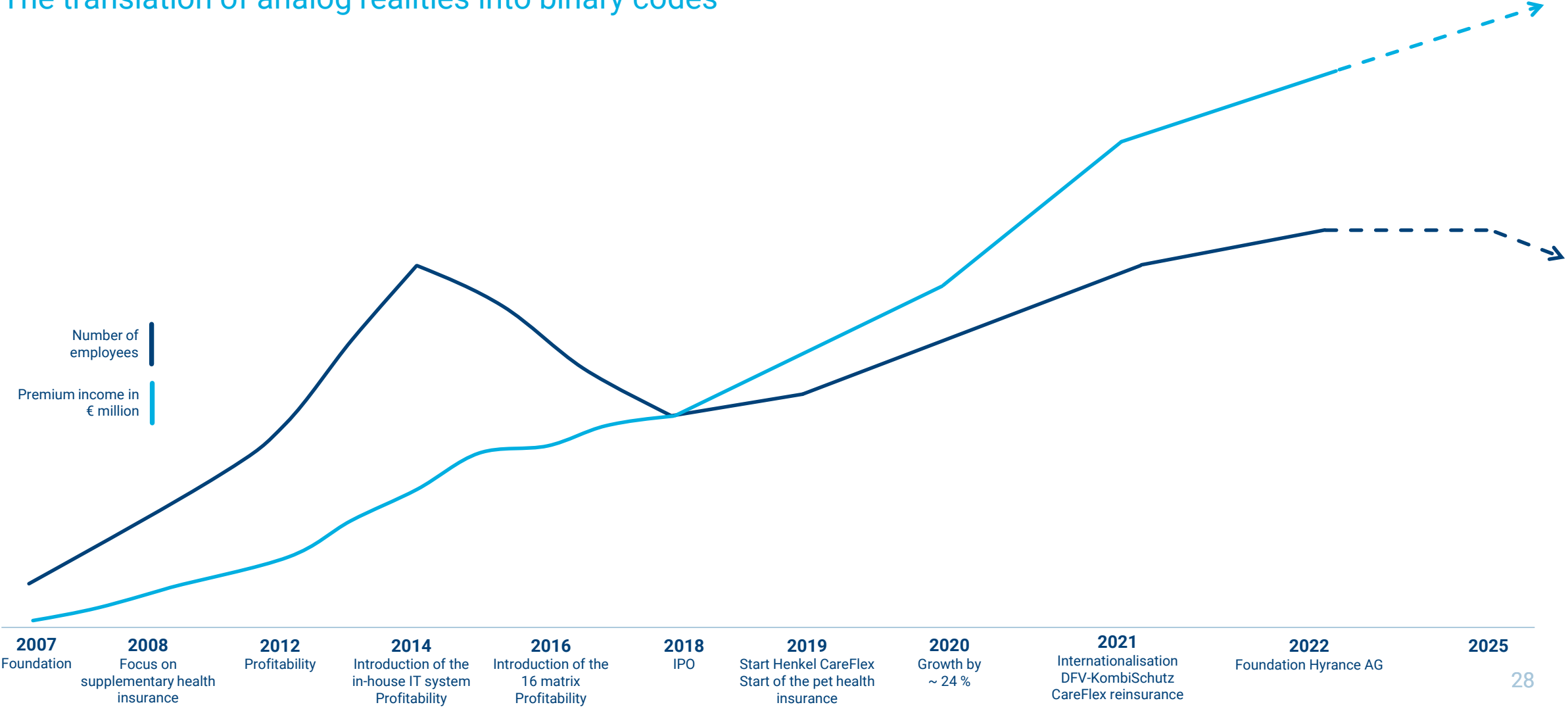
44 %

Root canal
treatment



Degressive hiring policy with progressive automation

The translation of analog realities into binary codes



On-Demand Insurance

DFV Snap

Introducing DFV Snap as 24-hour accident insurance for 5 euros:

- ✓ No paperwork
- ✓ No waiting time
- ✓ No contract commitment
- ✓ Worldwide protection



Scan now



Realignment sales



- Reduction of acquisition costs from 18 MP to 12 MP (monthly premiums)
- Change from DRTV to own-brand TV advertising
- Switch from external marketing to in-house marketing

2023

What are we up to in 2023?

01

**More
leadership**

02

New sales

03

**More
automation**

04

New products

05

**More
profitability**

More leadership

We give the management team a new structure

Long-term restructuring for more efficient completion of tasks

- So that operational work and day-to-day business can function without a CEO.
- This will enable the CEO to focus on investors and share price development in the future.

Management Board



Dr. Stefan Knoll
CEO



Dr. Karsten Paetzmann
CFO



Marcus Wollny
CCO

Executive Management Team



Ansgar Kaschel
CSO



Dr. Maximilian Knoll
COO



Dr. Bettina Hornung
CIO

New sales

New sales with the following focus

Direct marketing
on TV

Targeted use
of digital media



Eintracht Frankfurt as
a sales channel

Structure of the
CRM Factory

Focus 1: Direct marketing on TV

**Direct marketing
on TV**



Targeted use
of digital media

Eintracht Frankfurt as
a sales channel

Implementation of a
CRM Factory

Direct marketing on TV

Increase brand awareness through own television advertising

- Further development of the successful cooperation with ProSiebenSat.1
- TV advertising with own spots and constantly changing content
- Since 1.1.2023 DFV-KombiSchutz, since 1.3. DFV Snap and from 1.4. DFV-ZahnSchutz





DFV-KombiSchutz

All-inclusive for the whole family

- Accident, household, glass, bicycle theft, liability and traffic legal protection in one policy
- These six important insurances for 39.90 € per month
- Standard price for singles and families

DFV-KombiSchutz

Das Alles-Drin-Paket



DFV Snap

Our most innovative product as a lever for brand communication

- Marketing campaign in Austrian ski resorts
- Integration into high-reach podcasts
- National social media campaigns
- Broadcast on TV in addition to DFV-KombiSchutz



DFV is the most innovative insurer in the industry

For insurance companies with up to 250 employees¹



¹https://www.capital.de/wirtschaft-politik/das-sind-deutschlands-innovativste-unternehmen-2023-33199726.html?utm_medium=standard&utm_source=rss

Capital

EXKLUSIVE STUDIE

Das sind Deutschlands innovativste Unternehmen 2023

Focus 2: Targeted use of digital media

Direct marketing
on TV

**Targeted use
of digital media**



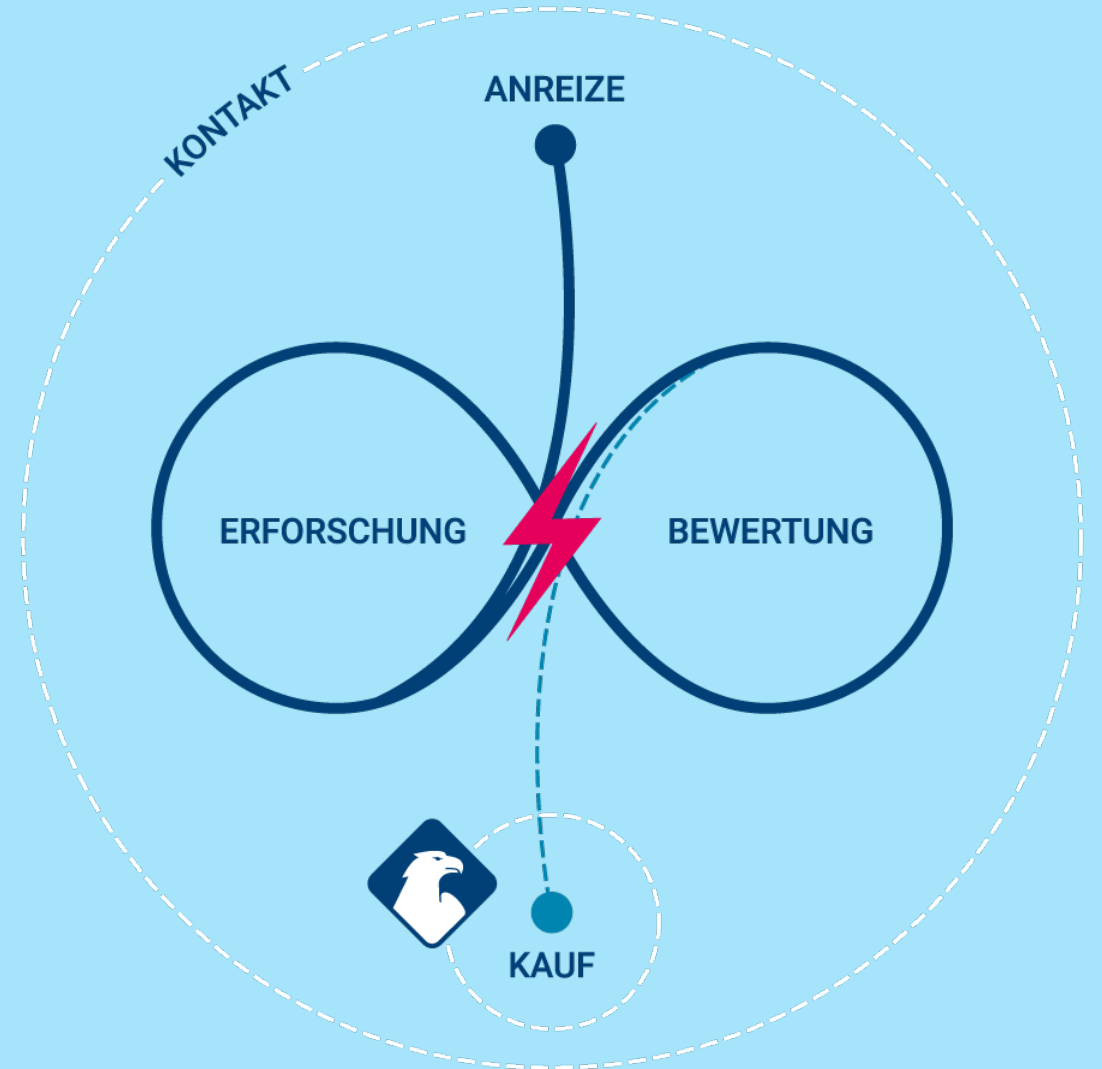
Eintracht Frankfurt as
a sales channel

Implementation of a
CRM Factory

Targeted use of digital media

We are where the customers are

- 360° communication in the digital space
- Permanent presence within the customer journey
- Cross-platform digital-first campaigns



CUSTOMER CENTRICITY *SEO* **META**

REMARKETING *CROSS-/UP-SELLING*

FULL-FUNNEL-KOMMUNIKATION

AUDIENCE SEGMENTATION **PAID SOCIAL**

TIKTOK *SEA* *PROGRAMMATIC DISPLAY*

INTERESSEN-/GEOTARGETING *YOUTUBE*

PERFORMANCE MARKETING

Focus 3: Eintracht Frankfurt as a sales channel

Direct marketing
on TV

Targeted use
of digital media



**Eintracht Frankfurt as
a sales channel**

Implementation of a
CRM Factory

Eintracht Frankfurt as a sales channel

120.000 members are 120.000 potential DFV customers

Since going-live 60+ new customers

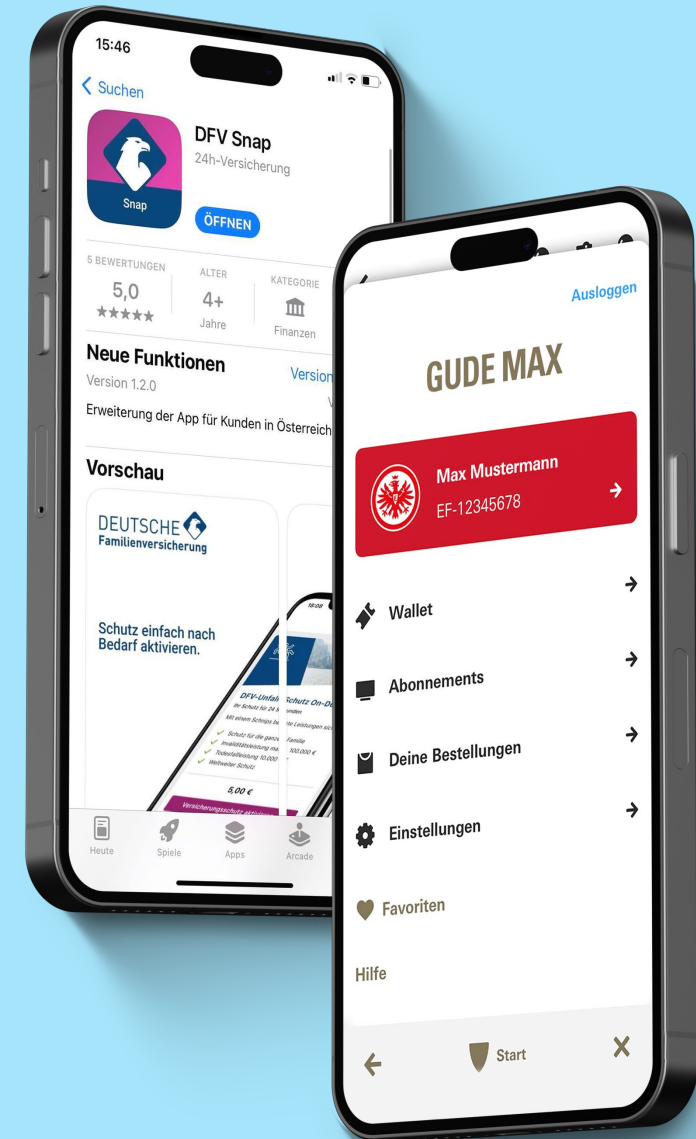


- Exclusive insurance store for Eintracht members only
- Up to 25% discount on DFV insurance products with test-winning benefits
- Merging of DFV products with the Eintracht world

Integration of DFV Snap in mainaqila

Coming soon

- Integration of DFV Snap into the digital platform of Eintracht Frankfurt
- Expansion of the presence within the Eintracht ecosystem in addition to the Eintracht insurance shop
- Exclusive member benefit of 48h insurance coverage with DFV Snap



Focus 4: Setting up the CRM Factory

Direct marketing
on TV

Targeted use
of digital media



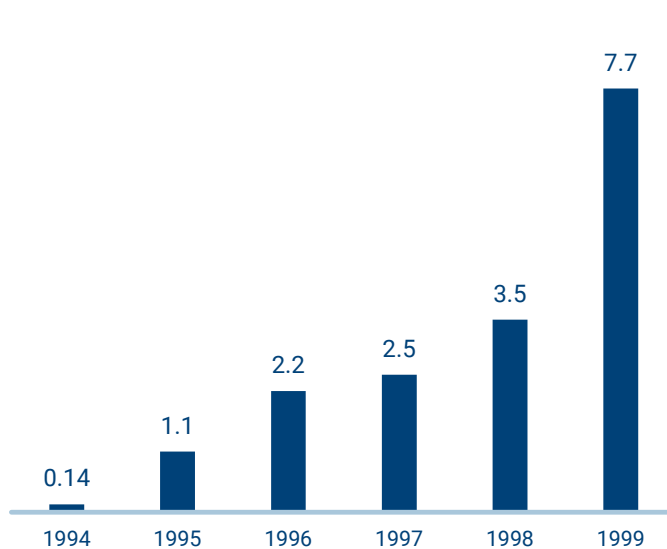
Eintracht Frankfurt as
a sales channel

**Implementation
of a CRM Factory**

Direct Marketing forever

1994 – 1999

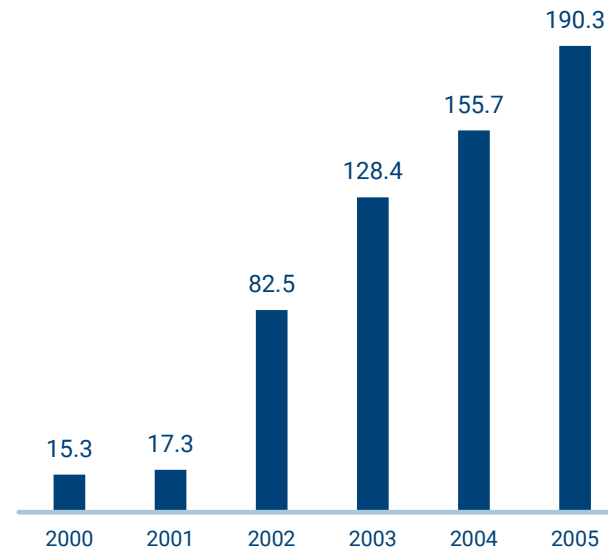
Revenue in €m



With €0.2m seed capital to €7.7m revenue in five years.

2000 – 2005

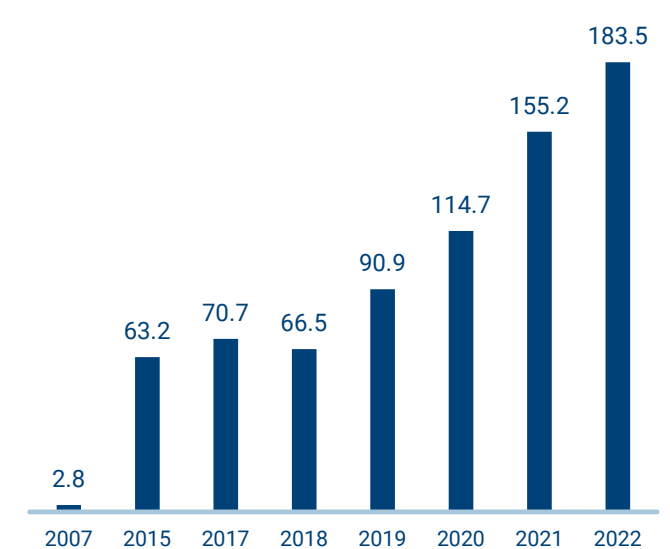
Revenue in €m



Pan-European M&A and further development into a group with 3,500 employees and revenues of €200m.

2007 – today

Revenues in €m



Consistent digitalisation of the insurance business and first IPO of an InsurTech in Europe.

Implementation of a CRM Factory

- Cross-selling, up-selling and cancellation recovery takes place selectively
- CRM is quite successful, but not "factory-made"
- Establishment of a CRM Factory with up to 30 employees
- Systematic campaigning already starts in 2023



More automation

Automation rates in operation and performance are already exceptionally high today

Operation

96 %

Insurance certificates

88 %

Change of payment data

84 %

Application processing

82 %

Health protocol

Claim settlement

85 %

Professional dental cleaning

64 %

Plastic filling



50 %

Dental crown

44 %

Root canal treatment

Rethinking automation

Project Warthog

- We want to rethink digitisation!
- It is not the technology that determines the processes, but only the products.
- Just as the Americans once built an airplane around a cannon, we are building the products and processes around the technology.
- That is our Warthog project.



Forget Alexa, ChatBot 2.0 is the future

We test the application fields of new technologies

- We were the first direct insurance company to demonstrate insurance underwriting via Alexa.
- Voice assistants have not penetrated the market, but the focus is on text-based applications like ChatGPT.
- We are testing and reviewing the applications of ChatGPT for insurance sales.



Claims payment 2.0

PayPal as a real-time payout platform

- Consequent continuation of automation
- Settlement of 70% of all dental claims in 10 minutes
- Processing at the bank takes 5 days - therefore we want to pay out in real time



AUSZAHLUNG 2.0
SCHADEN
AUSZAHLUNG 2.0

More profitability

Planning and Guidance 2023

Planning 2023 onwards

1. **Linear new business of €15 million per year**
2. **Expected portfolio volume in primary insurance of €200 million by 2027**
3. **Permanent profitability**

Benefits

- Linear marketing expenses
- Growth +4.1% CAGR
- Recoverable losses carried forward until 2026
- Ability to pay dividends from 2027
- No additional capitalization

Measures

- Organic growth
- Innovation leader in the relevant market
- Automated processes
- Compliance with the 12 MB rule
- More direct sales

Guidance 2023

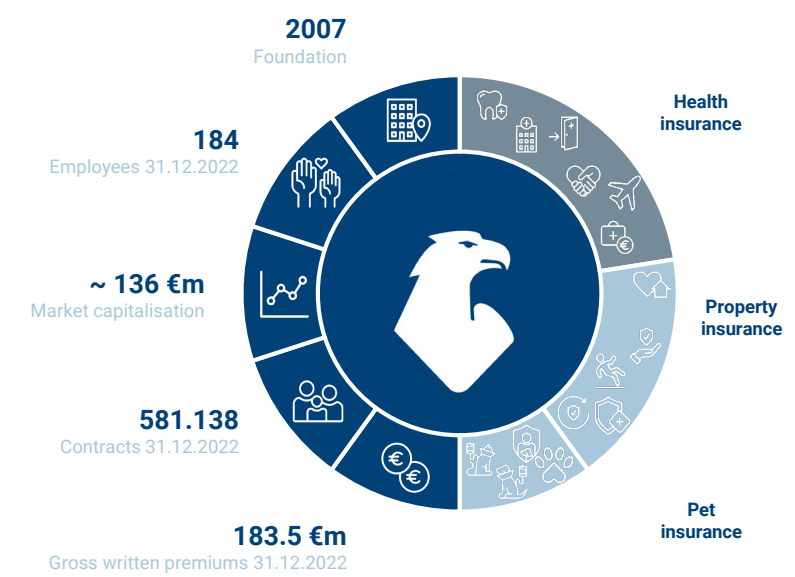
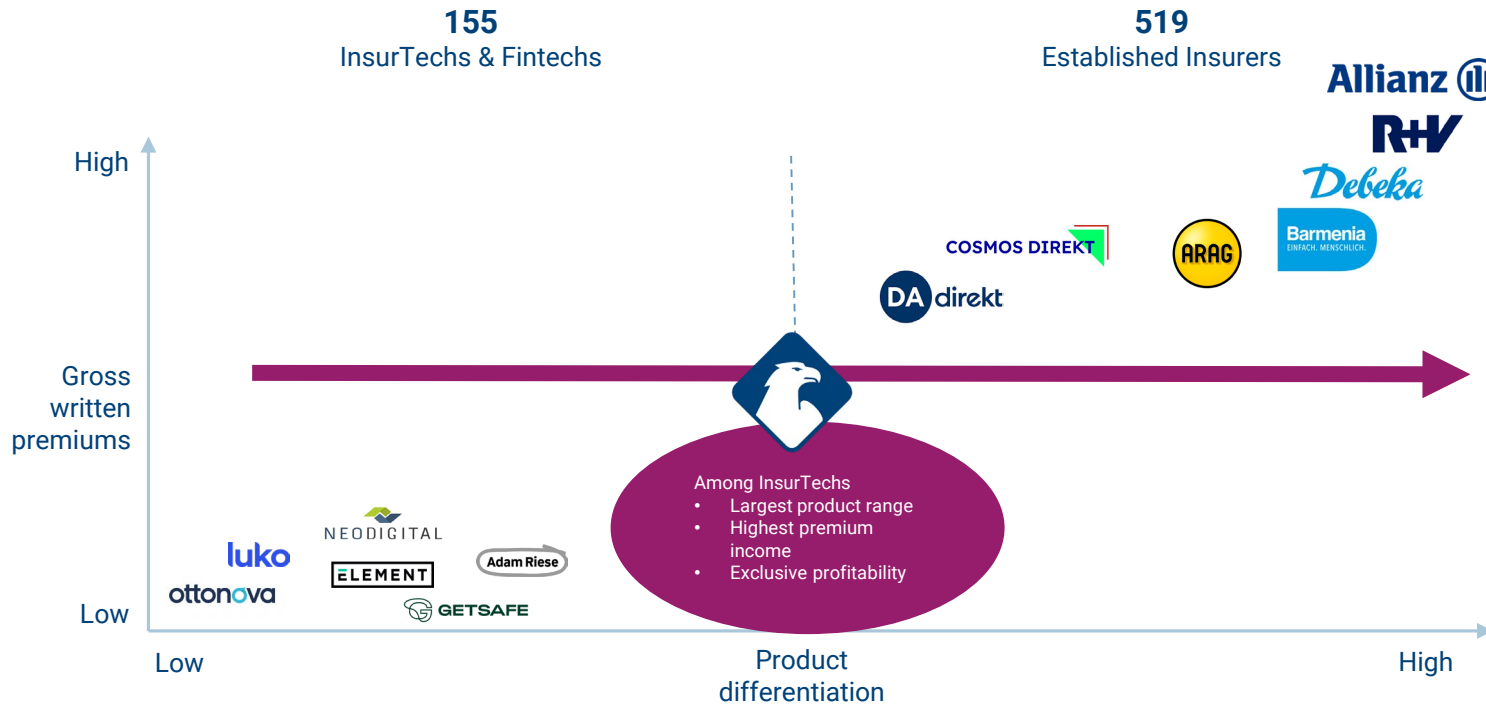
Contribution volume total **€194M**

Combined Ratio primary insurance **99%**

Group result before taxes **€3-5M**

What are we?

Deutsche Familienversicherung is an independent, listed digital direct insurer



The year 2023

- Solid **growth**
- Continuation of **profitability**





Thank you
for your attention

Q&A session

DFV remains exciting

Our next IR appointments

March 30

Publication of Annual Financial Report 2022

May 12

Stifel German Corporate Conference

May 15-17

Equity Forum Frühjahrskonferenz

May 17

Publication Quarterly financial report (reporting date Q1)

May 24

Annual General Meeting

