



# Primerica, Inc. Investor Presentation

December 2024





# Committed to “Doing What’s Right”

## Sales & distribution company

- Financial products
- Capital-light through use of reinsurance
- Return on investment comparable to brokers

## Mission: Help middle-income families become financially independent

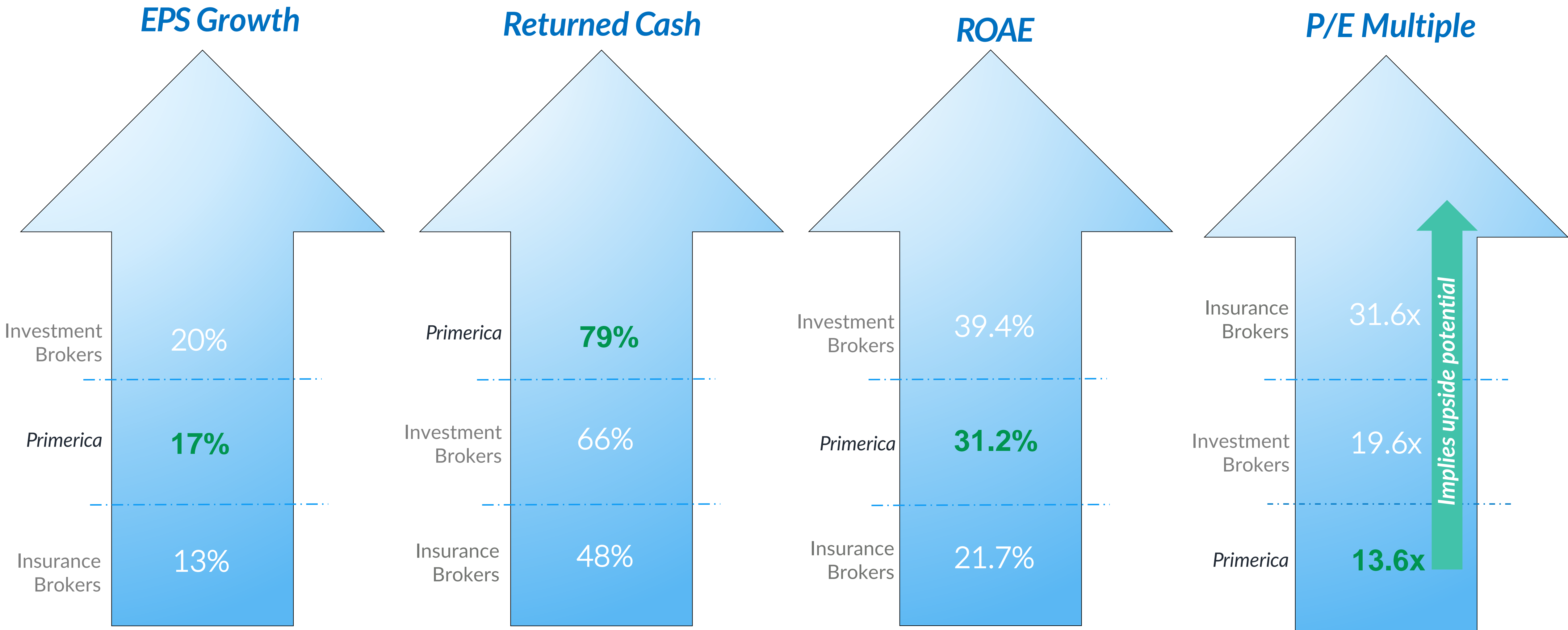
- Financial education
- Protect families
- Invest and save for the future
- Product offering for every life stage





# Investment Characteristics of a Distributor

## Valuation Upside Potential



Source: S&P Global. Reflects the mean financial metrics for insurance broker peers (AON, AJG, BRO, MMC, WTW) and investment broker peers (AMP, LPLA, RJF). A 3-year average (FY2022 to 2024) is utilized for EPS growth. Returned cash (dividends paid + repurchases) as a percentage of adjusted net operating income and return on adjusted equity (ROAE) is for FY2024. Forward P/E multiple is as of February 28, 2025.

# Compelling Investment Thesis

## Proven Track Record

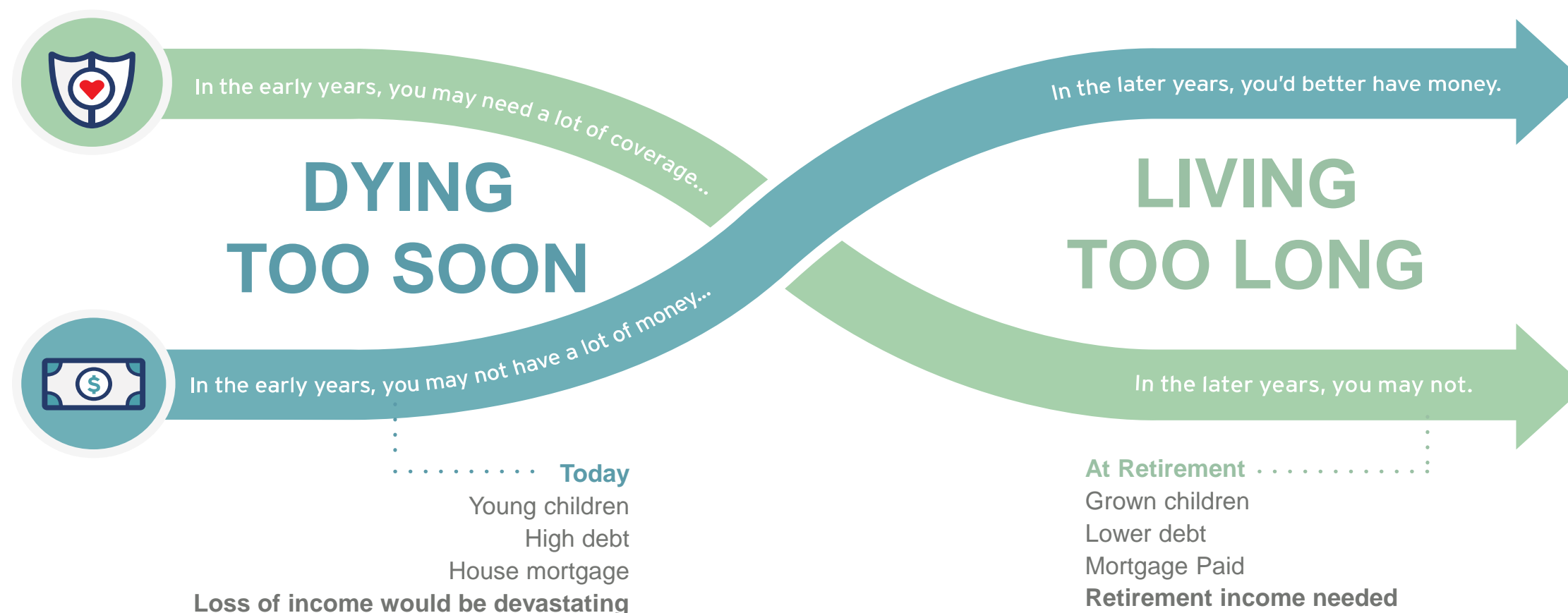
- Founded in 1977
- 3<sup>rd</sup> largest issuer of term life insurance (US & Canada)<sup>1</sup>
- \$954 billion of face amount in-force
- \$112 billion of client asset values

## Unparalleled Distribution Model

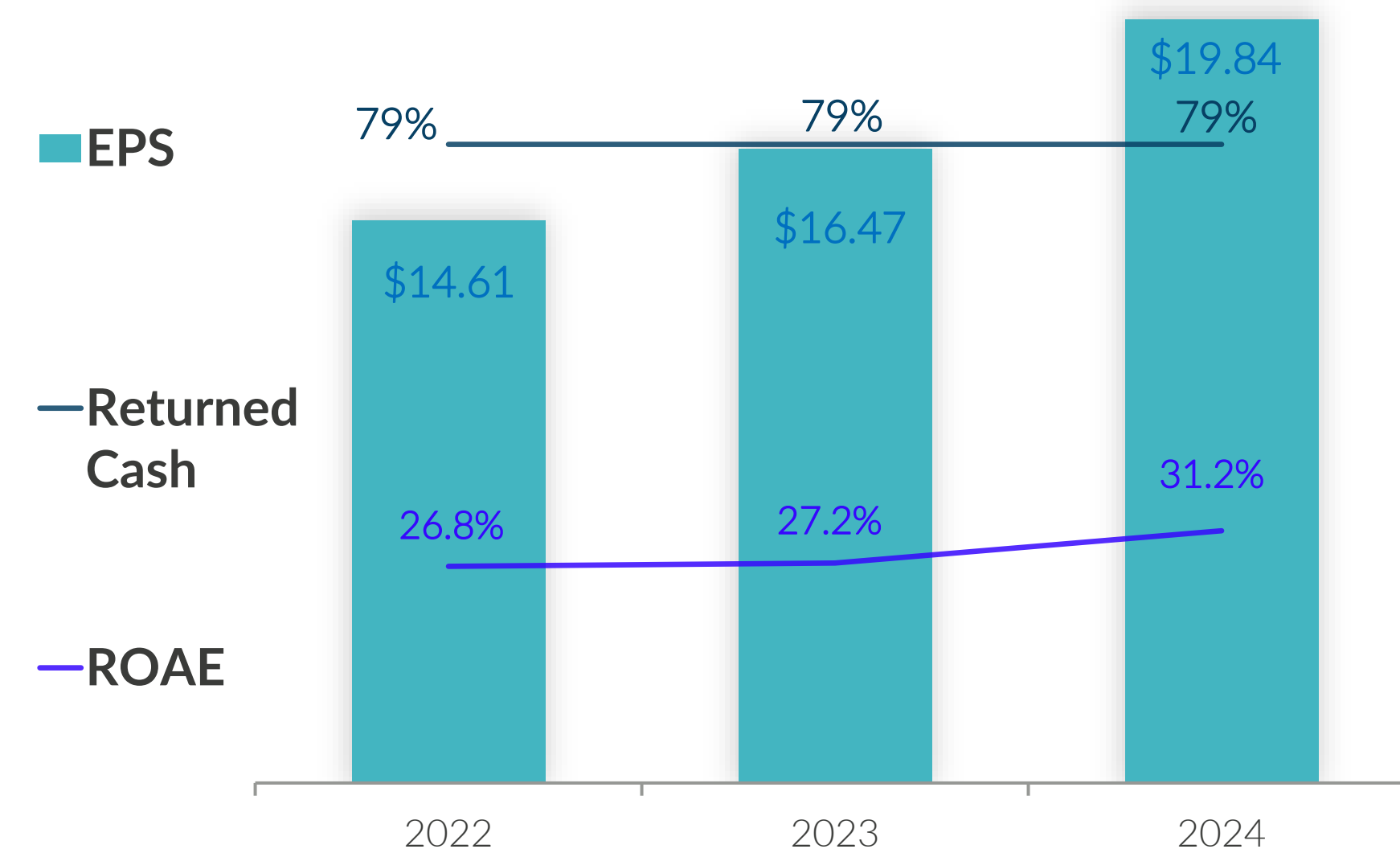
- 151,611 life-licensed sales force representatives
- \$14 trillion protection gap<sup>2</sup>
- Middle-income families comprise 54% of US households<sup>3</sup>

## Complementary Business Segments

Products for all stages of life for middle-income families



## Strong Financial Performance<sup>4</sup>



All data is as of or for the year ended December 31, 2024, unless otherwise indicated

1) SNL Financial and OFSI Data is as of December 31, 2024

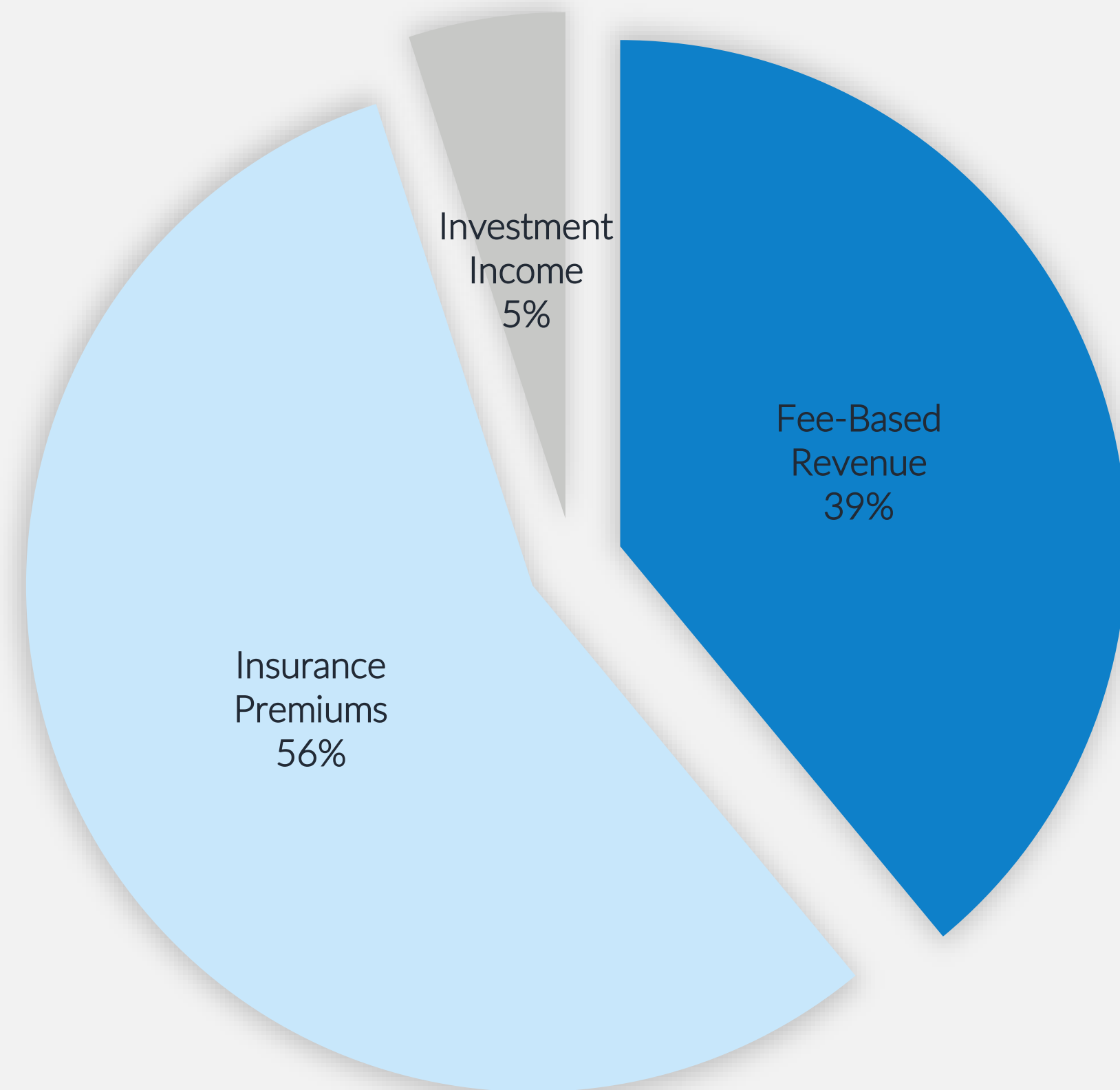
2) Conning Strategic Study Life Annuity Consumer Markets 2020. Middle-market household income between \$28k and \$142k

3) U.S. Census Bureau, Census Population Survey 2022 Annual Social and Economic Supplement. Based on 131.2 mm households. Canadian household data not available

4) Reconciliation of GAAP to non-GAAP financial measures can be found in the Appendix or in the Financial Supplement posted to <https://investors.primerica.com>. EPS is diluted adjusted operating income per share, Returned Cash is (dividends + share repurchases) divided by adjusted net operating income and ROAE is adjusted net operating income return on adjusted stockholders' equity

# Complementary Business Segments

## Revenue Sources



## Verticals countercyclical in nature

- Equity markets impact investments business more than insurance
- Less reliant on investment income<sup>1</sup>
- Interest rate movements create offsetting effect

## Balanced product revenue sources

- Solid insurance growth
- Faster growth & higher margin fee business

## Strong growth potential – demographics

- Diverse sales force reflects the communities in which they live and work



## Seasoned Executive Leadership Team



LEFT TO RIGHT: Robert H. Peterman Executive Vice President and Chief Operating Officer, Lisa A. Brown Executive Vice President and Chief People Officer, Glenn J. Williams Chief Executive Officer, Peter W. Schneider President, Tracy X. Tan Executive Vice President and Chief Financial Officer, Julie A. Seman Executive Vice President and Chief Marketing and Innovation Officer, Brett (Ben) A. Rogers Executive Vice President and General Counsel



# Business Model is Difficult to Replicate

## Financial Advantage

- Significant experience underwriting middle-income market
- Variable cost structure = profitable high volume of small transactions

## Sales and Marketing

- Independent sales force provides access to warm market leads
- Tailored communication, training and pre-licensing infrastructure
- Innovative sales tools and customized sales support

# Business Model Mitigates Risks

## Business Model



- Warm market lead generation
- Basic products are easy to understand
- Part-time nature reduces pressure on agents
- Sales force has exclusive relationship with Primerica

## Extensive Controls



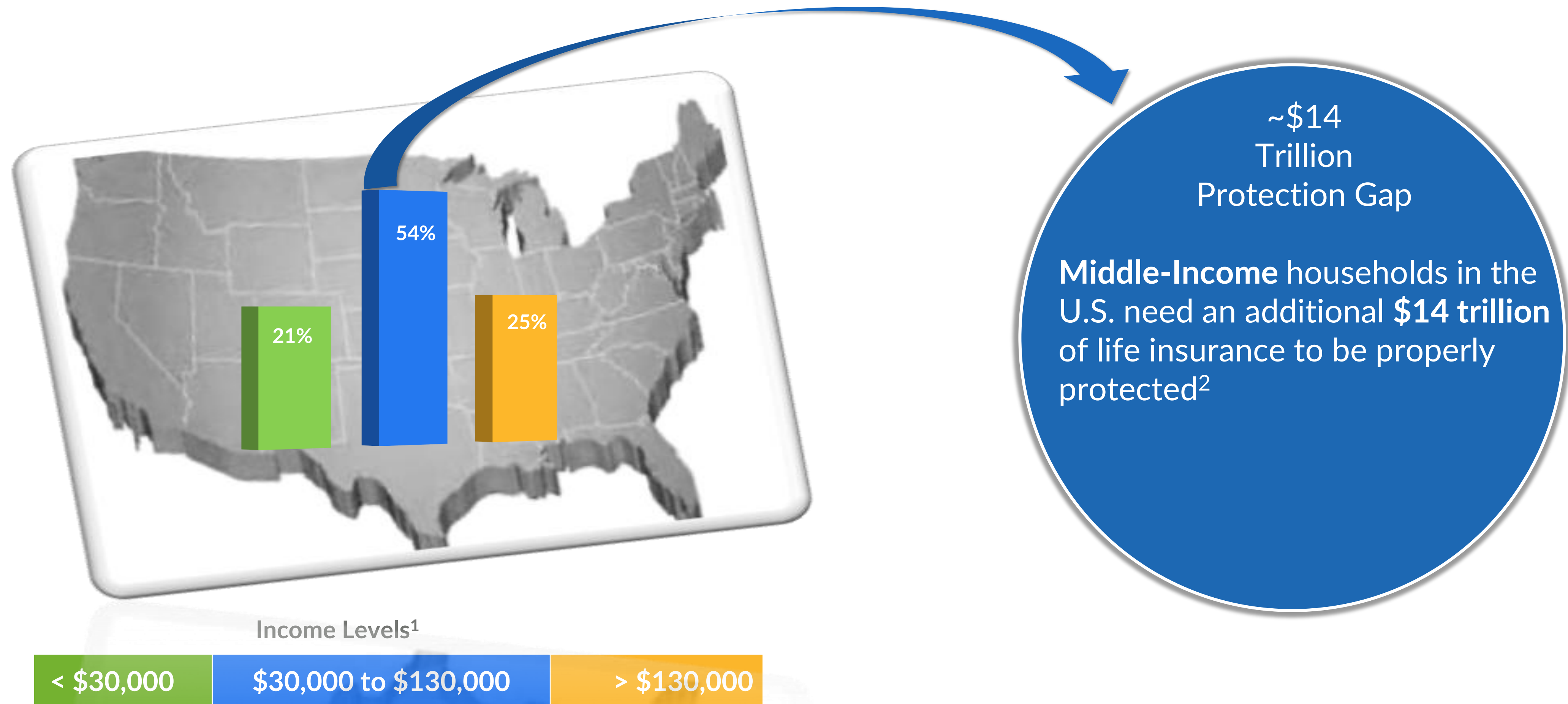
- Supervision system based on SEC, FINRA, State DOI and Mortgage regulatory requirements
- Branch managers supervised by home office regional securities principals
- Branch office examinations are conducted by field auditors
- ~165 compliance-related employees
- ~4,840 principal licensed or Canadian equivalent securities licensed branch managers

**Strong  
Sales Force  
Compliance  
Record**



# Significant, Unmet Need

*Primerica's unique distribution model is designed to effectively serve middle-income families*



1) U.S. Census Bureau, Census Population Survey 2022 Annual Social and Economic Supplement. Based on 131.2 mm households

2) Conning Strategic Study Life Annuity Consumer Markets 2020. Middle-market household income between \$28k and \$142k



# Well-Positioned to Serve Middle-Income Families

151,611

Life-licensed sales force representatives  
*Average tenure: 7 years*

25,493

Mutual fund licensed representatives  
*Average tenure: 17 years*

3,689

U.S. Investment advisor representatives  
*Average tenure: 20 years*



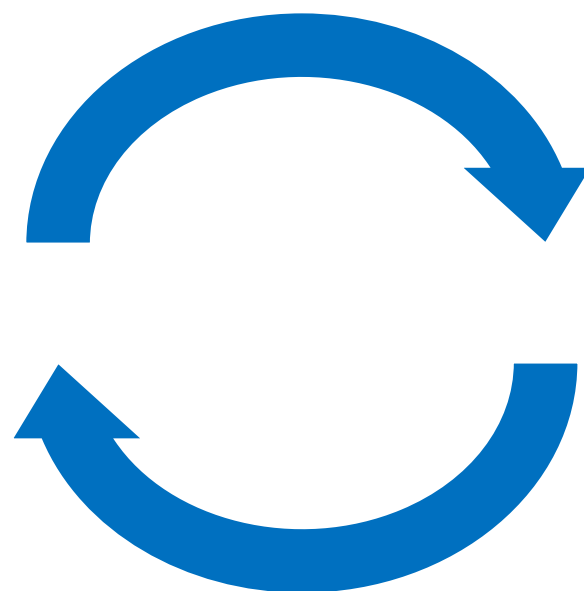


# Our Sales Process

## Warm Market Approach



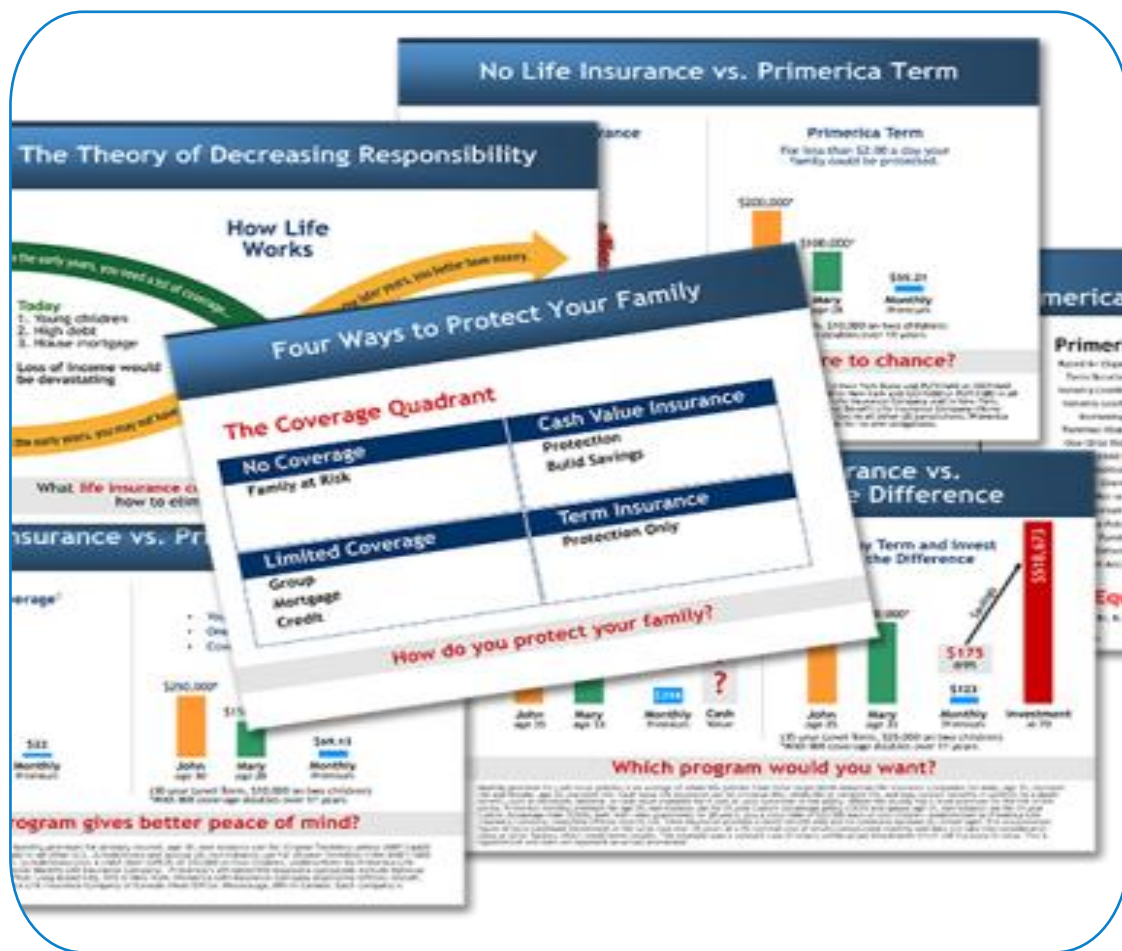
## Face-to-Face & Virtual Meetings



## Multiple Product Offerings



## Client-Centric Educational Process





# Supporting the Success of our Sales Force



## Licensing

- Pre-licensing education and test preparation
- Dedicated support team



## Marketing Support

- Proprietary digital sales tools
- Representative Marketing Center



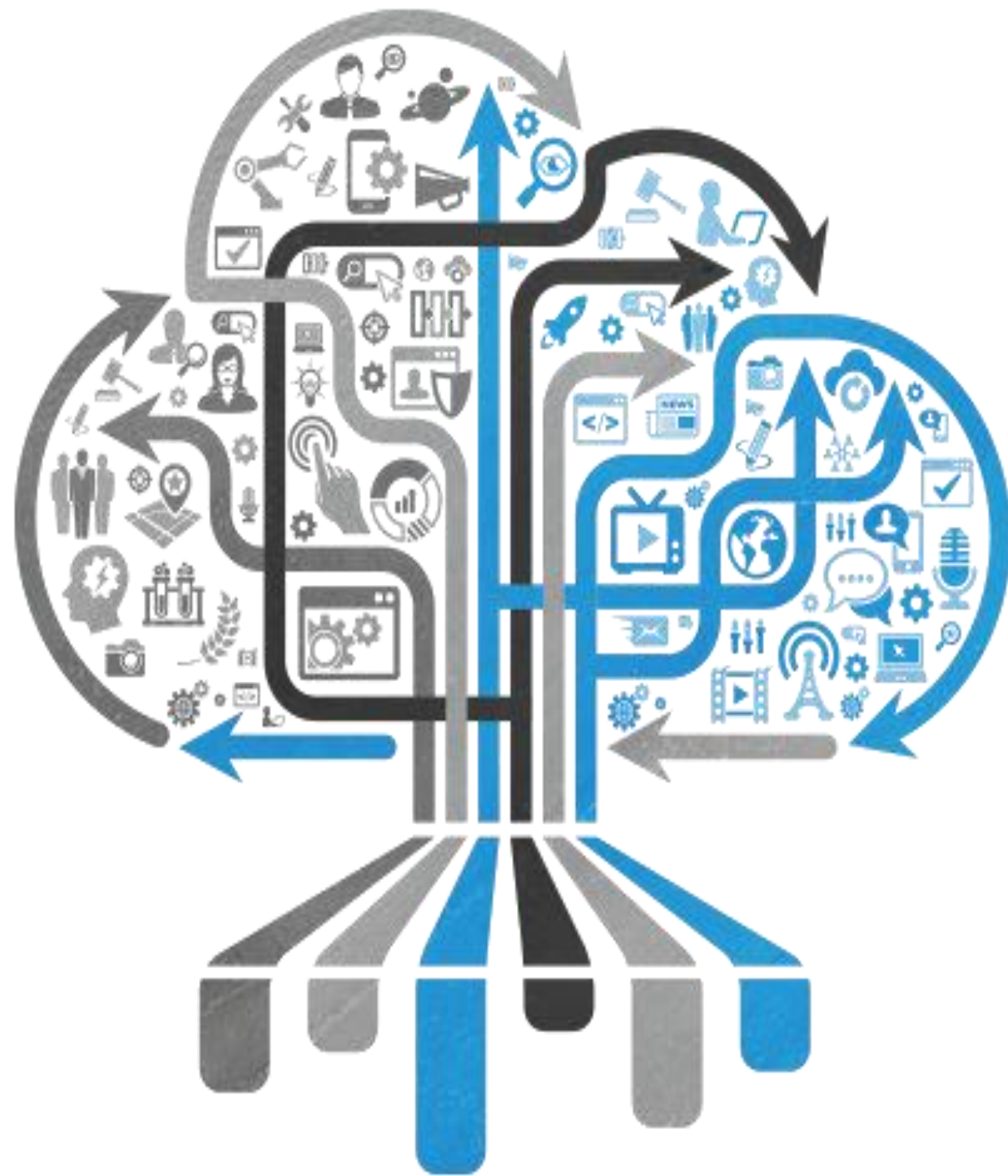
## Communication & Training

- Multiple weekly TV broadcasts
- Online digital library of training materials
- Virtual training





# Leveraging Technology



- High-tech, high-touch approach
- Personalized agent assistance
- Constant focus on technological improvements

# Key Performance Indicators

Helping Middle-Income Families Become Properly Protected, Debt Free and Financially Independent

Issued term life policies

370,396

Total face amount in-force

\$954 billion

## Sizable Licensed Sales Force

135,208

141,572

151,611

26,186

25,272

25,493

2022

2023

2024

■ Life-Licensed Sales Force

■ Mutual Fund Licensed Sales Force

Investment & savings products sales

\$12 billion

Ending client asset values

\$112 billion



# Client Profile

Average household  
income<sup>1</sup>  
\$82,800

Average face amount of  
term life policy<sup>1</sup>  
\$255,000

Average issue age of life  
insurance clients<sup>1</sup>  
36 years

Assets in qualified  
retirement plans<sup>2</sup>  
74%

Average initial mutual fund  
investment<sup>1</sup>  
\$11,900

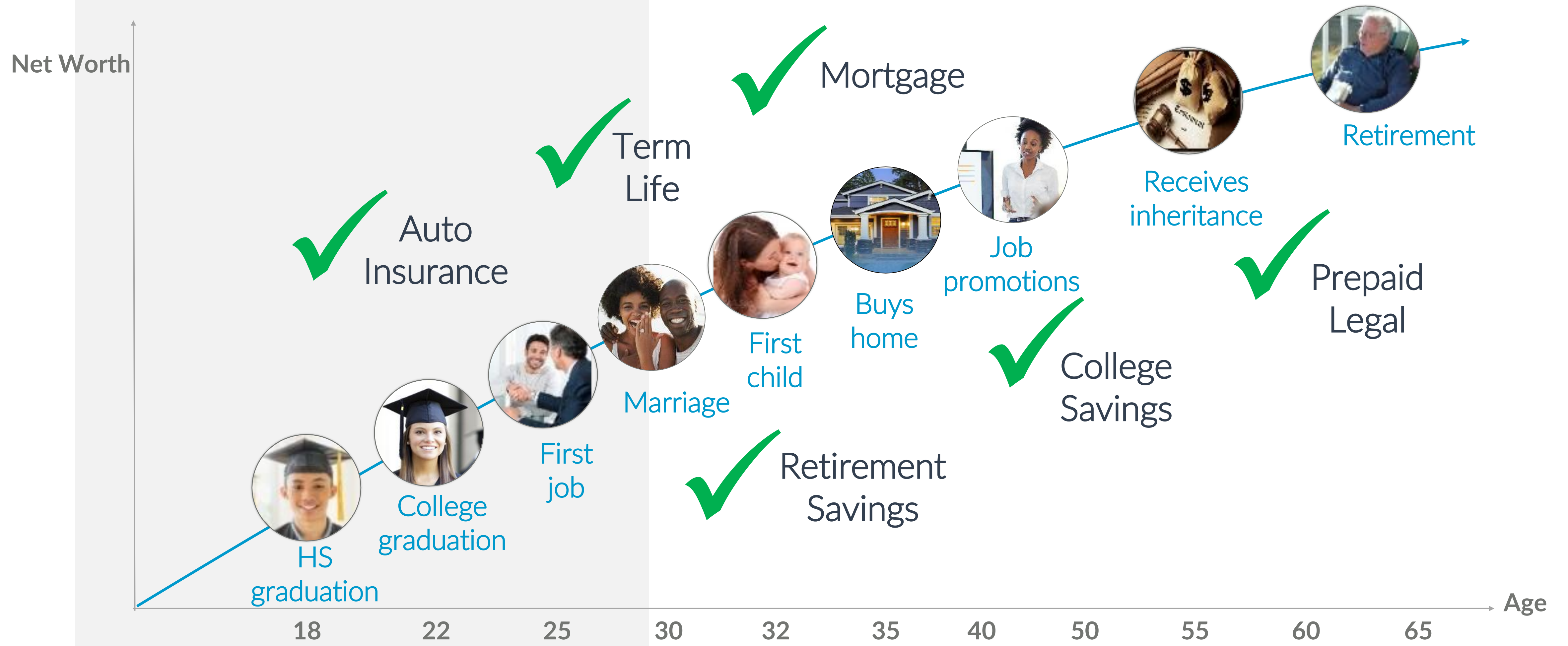


1) For the year ended December 31, 2024

2) Of total U.S. client asset values in the Investment & Savings Products segment as of December 31, 2024



# Primerica at Every Life Stage





# Simple Products for Financial Needs



## Term Life Insurance Products<sup>1</sup>

*underwritten by Primerica, Inc. companies*

PowerTerm (rapid issue product)  
PrecisionTerm (traditionally underwritten)

## Investment & Savings Products

*through third-party providers*

Mutual Funds  
Managed Accounts  
Annuities  
401(k) Plans

## Other Distributed Products

*through third-party providers*

Mortgage Loans  
Legal and ID Protection  
Auto and Home Solutions  
Health Benefits (Canada)

1) PowerTerm and PrecisionTerm not available in N.Y. Term Now and Custom Advantage products available to N.Y. customers only





Not all products and services are available in all states, territories, or the District of Columbia. A representative's ability to offer products from the companies listed is subject to state and federal licensing and certification requirements. Please refer to the Appendix for Important Endnotes that include additional details about the contractual arrangements and company affiliations detailed above



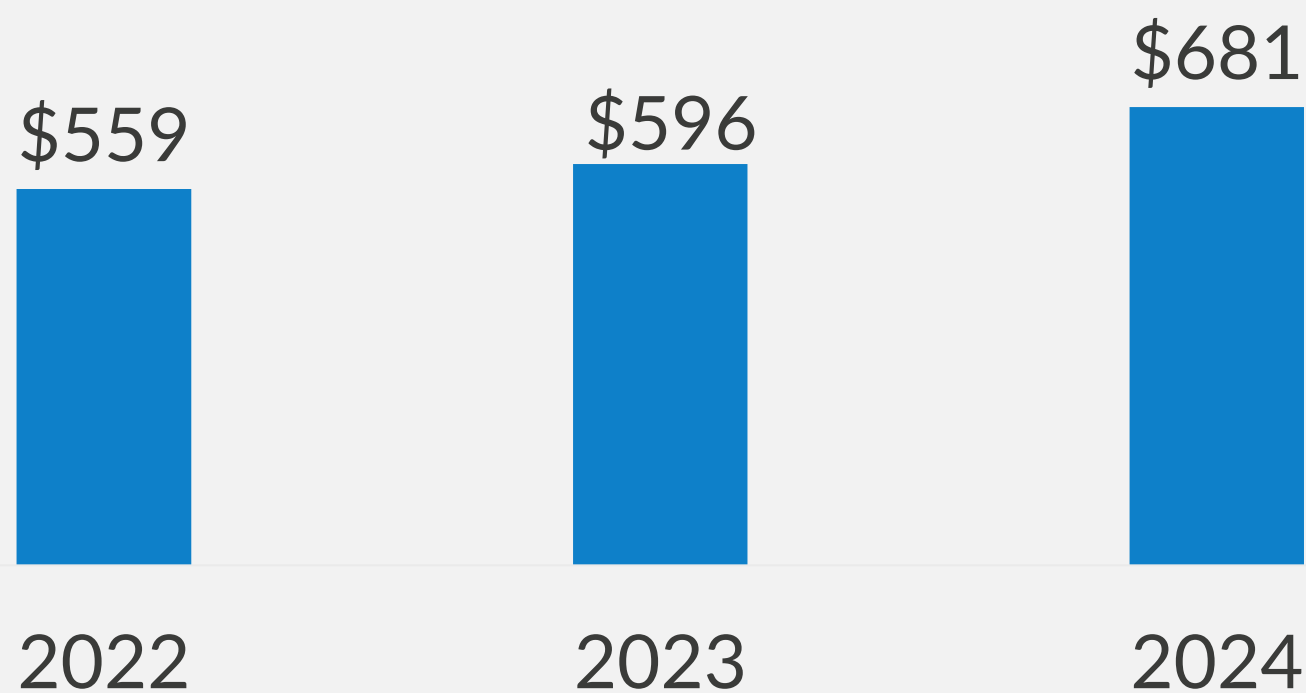
# FINANCIALS



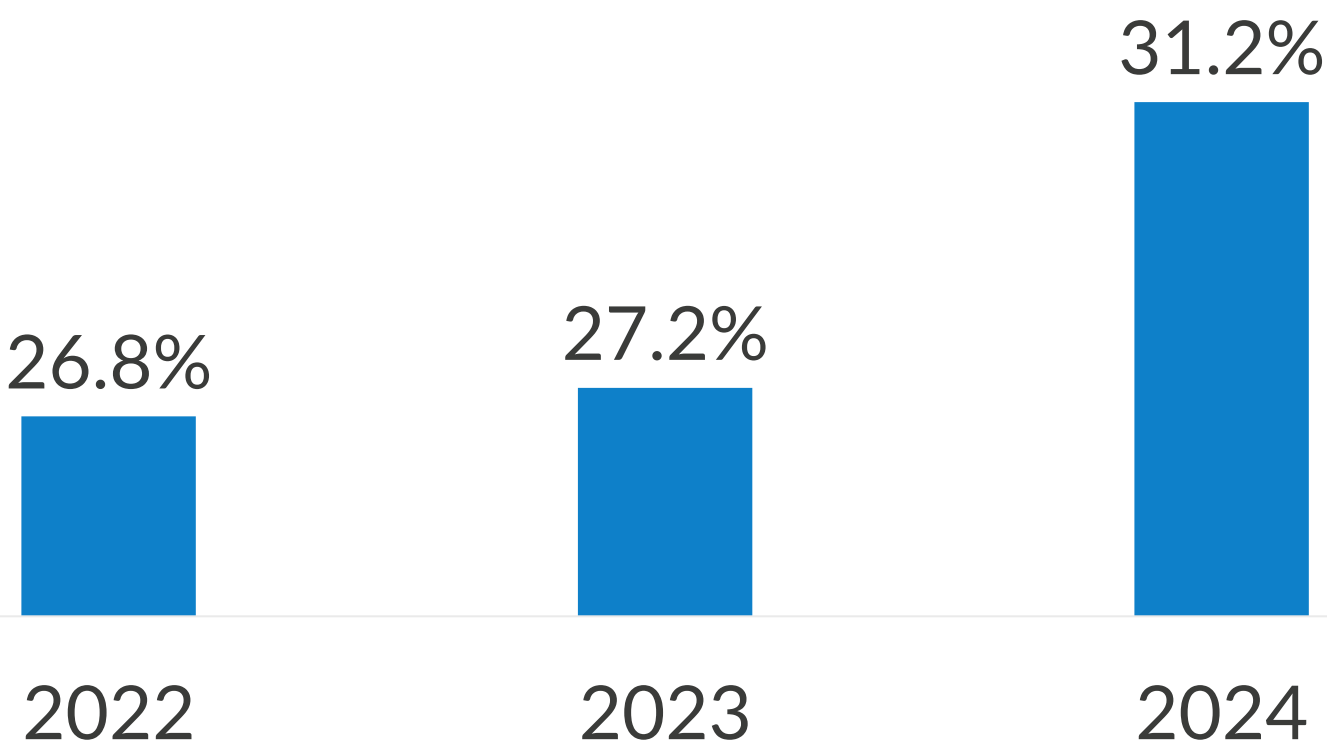


# Superior Financial Results<sup>1, 2</sup>

Adjusted Net Operating Income  
(\$ millions)

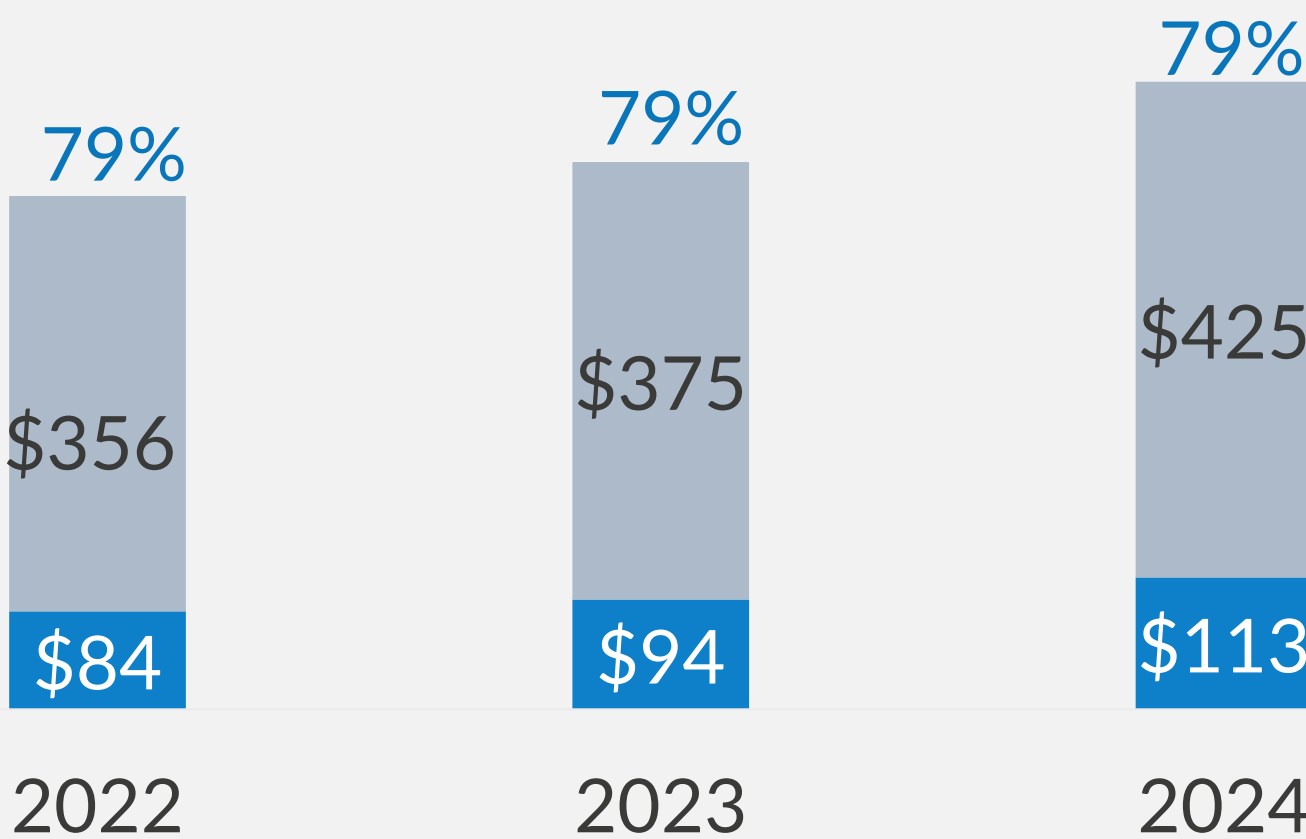


Net Operating Return on  
Adjusted Stockholders' Equity

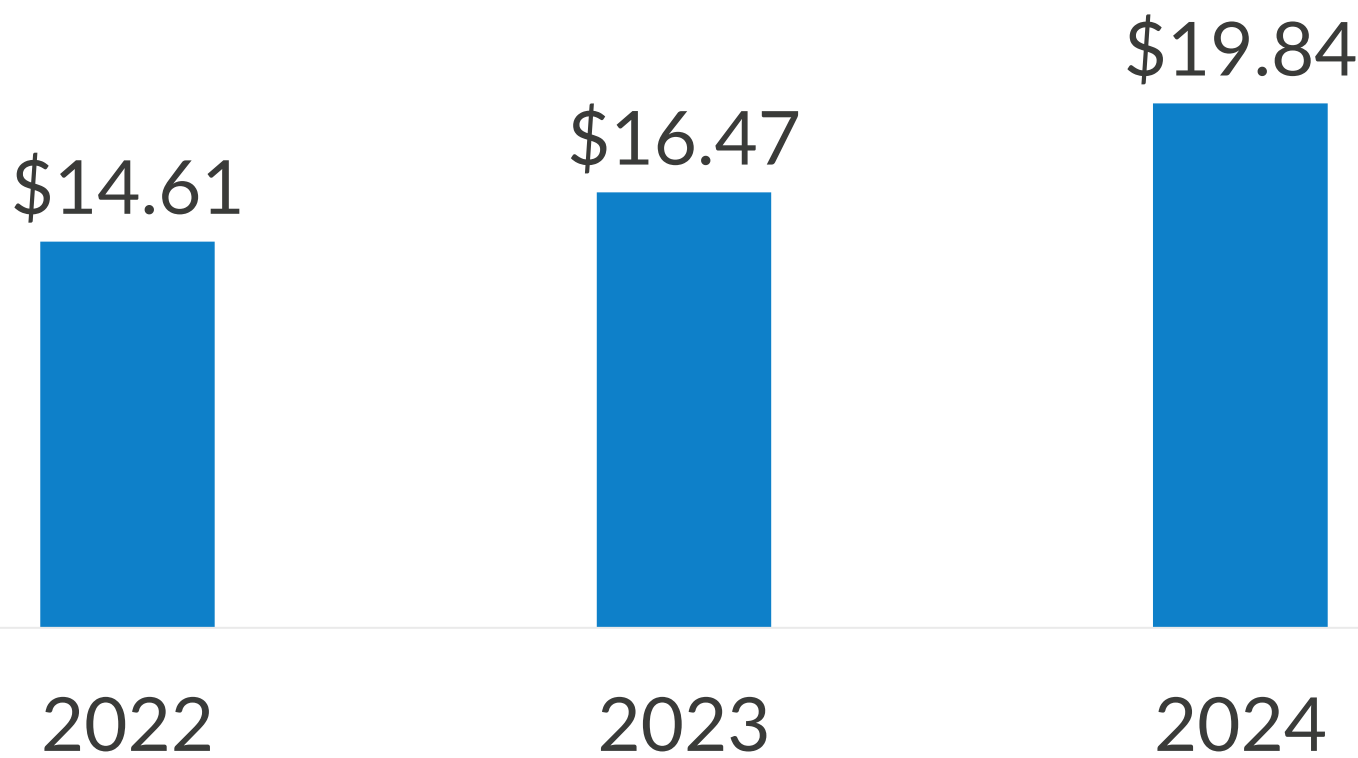


% of Cash Return to Stockholders from  
Adjusted Net Operating Income  
(\$ millions)

■ Dividends ■ Share Repurchase



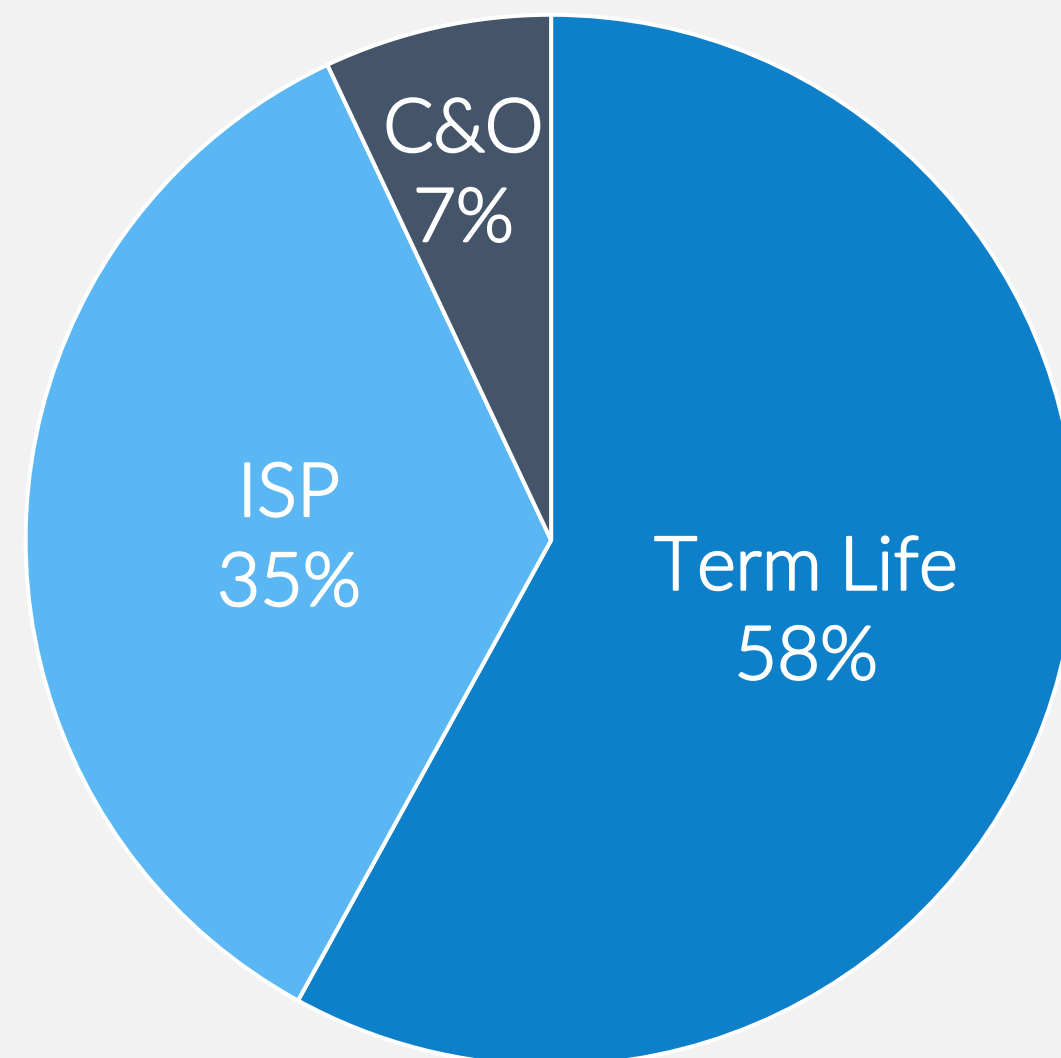
Adjusted Operating EPS



1) Financial results reflect LDTI adjustments  
2) Reconciliation of GAAP to non-GAAP financial measures can be found in the Appendix or in the Financial Supplement posted to <https://investors.primerica.com>

# Segment Revenues & Earnings Drivers

## Adjusted Operating Revenues \$3.0 billion



### Term Life Insurance

- Issued policies, additions to existing policies and retention of in-force business
- Mortality and persistency assumptions and experience variances
- Reinsure 80%-90% of mortality risk
- Acquisition costs and operating expenses

### Investment & Savings Products

- Product sales, client asset values and number of client accounts
- Operating expenses

### Corporate & Other Distributed Products

- Net investment income
- Other product sales
- Operating expenses



# Capital-Light

## Financial Leverage

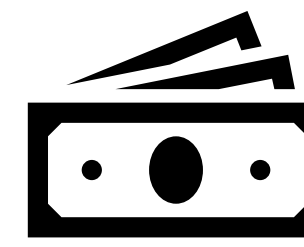
Debt-to-Capital Ratio<sup>1</sup>  
21.0%



Interest coverage satisfied from non-insurance cash flows

## Capital Management

Returned Cash  
79%



Approved \$450M common stock repurchase program for 2025 and annual dividend increases since IPO (2010-2024)

## Asset Leverage

Cash & Invested Assets to  
Adj. Stockholders' Equity  
~2.3x



Conservative, high quality fixed income portfolio

# Primerica's Strong Ratings

*RBC Ratio ~430%<sup>1</sup>*

Moody's

Standard  
& Poor's

A.M. Best  
Company

## Senior Notes

Baa1, stable outlook

A-, stable outlook

a-, stable outlook

## Financial Strength<sup>2</sup>

A1, stable outlook

AA-, stable outlook

A+, stable outlook

1) Data is as of December 31, 2024  
2) Primerica Life Insurance Company's insurer financial strength rating



# High Quality, Conservative Investment Portfolio

## Key Portfolio Metrics

Approximate Effective Duration

5.1 years

Approximate Book Yield

4.1%

Average Rating

A

Fixed Income

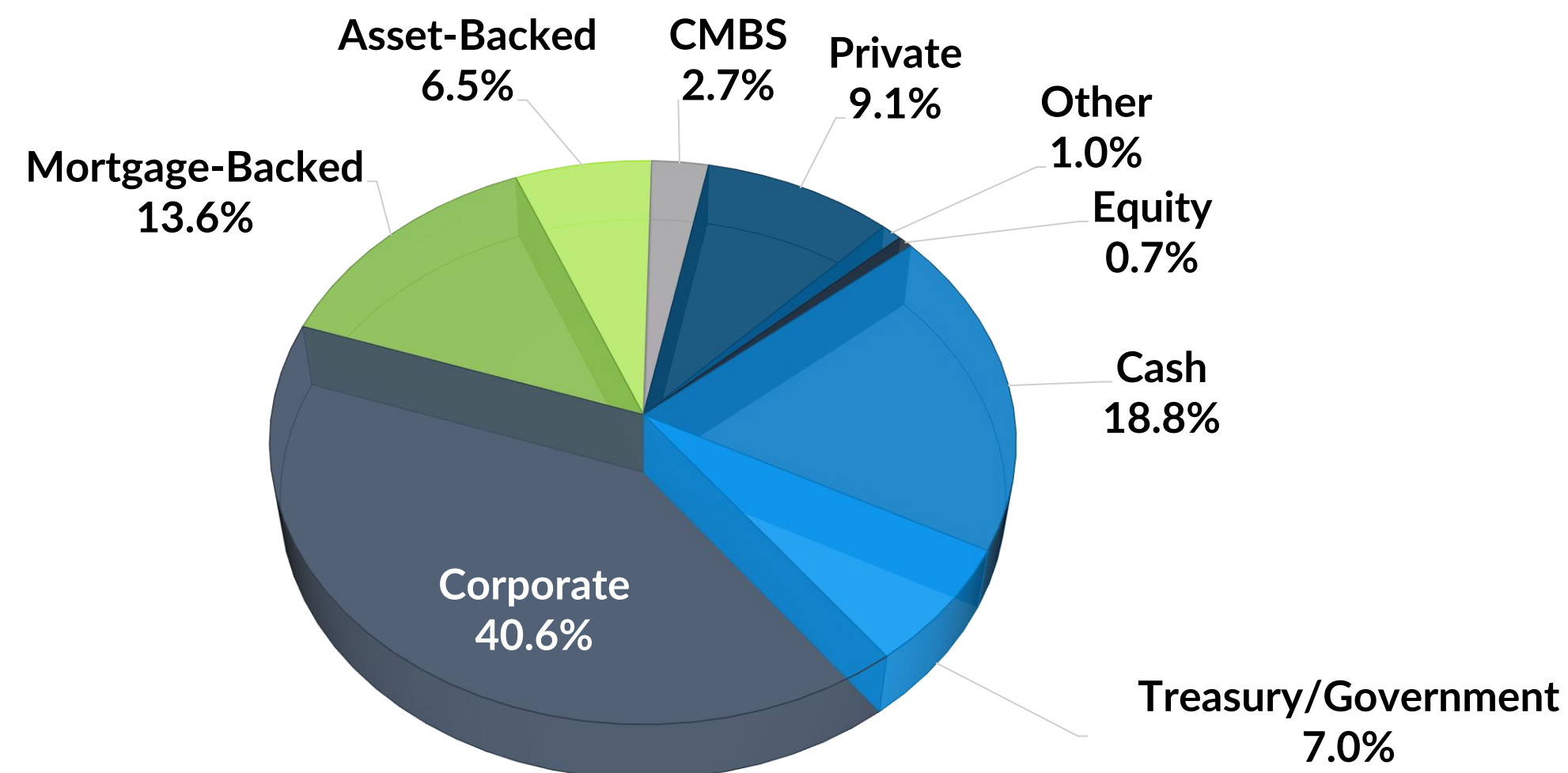
~99%

Inv. Grade / Below Inv. Grade Mix

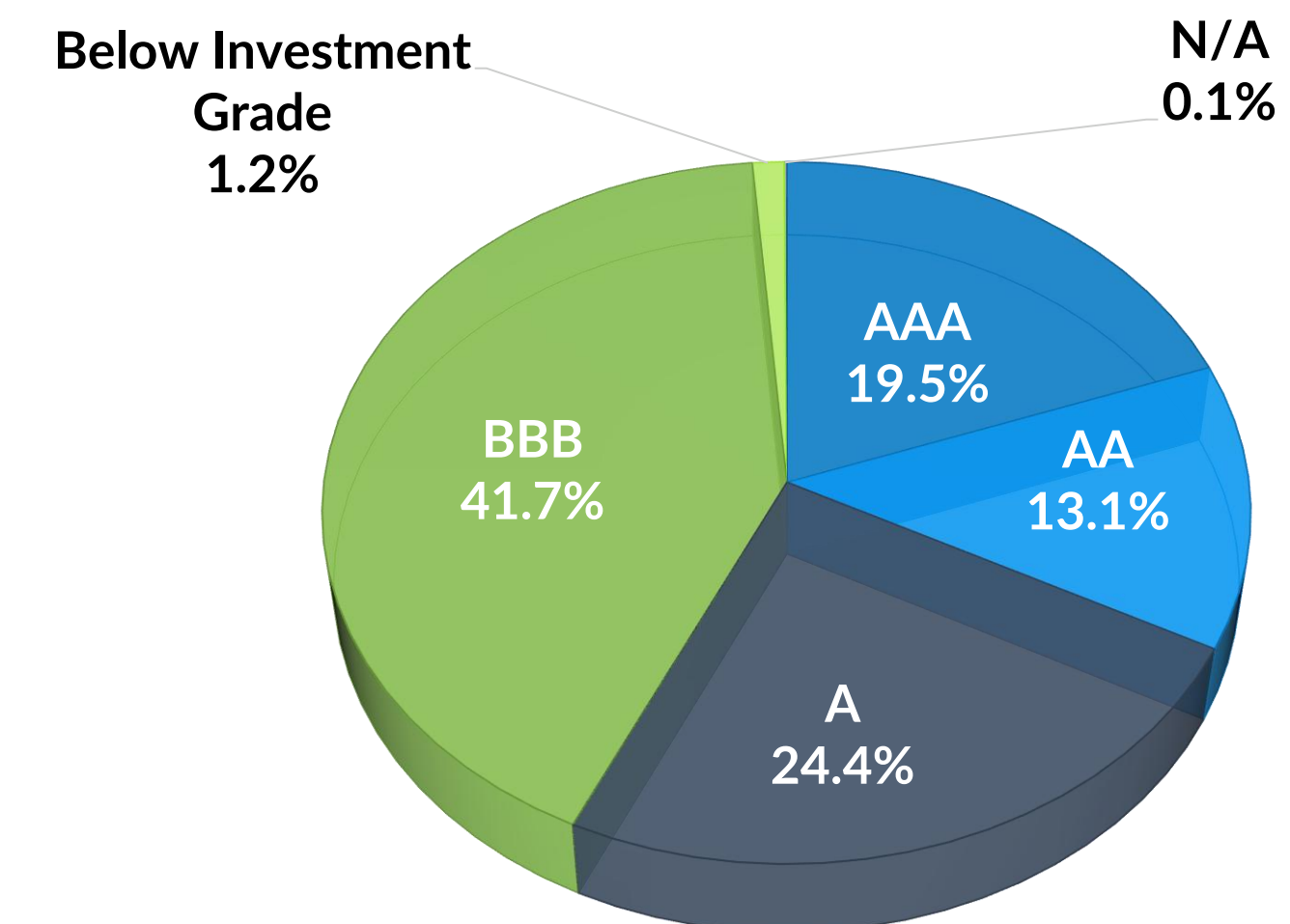
99% / 1%

- High quality, well diversified portfolio
- Term Life has no cash value and little asset liability matching versus cash value life insurance products

Composition of Primerica's \$3.7 Billion Investment Portfolio by Asset Class at the end of 2024<sup>1</sup>



Composition of Primerica's \$3.2 Billion Fixed Income Investment Portfolio by Rating at the end of 2024<sup>1</sup>



All data is as of December 31, 2024

1) Ratings based on amortized cost of the portfolio



# APPENDIX





# Primerica's Use of Reinsurance

## Yearly Renewal Term (YRT) Reinsurance

- Reinsure 80%-90% of the mortality risk on new issued policies on a quota share basis
- YRT cedes the mortality risk only
- YRT premiums start low and increase as the underlying policies age
- Risk management tool to lower claim volatility
- High quality pool of reinsurers

## IPO Coinsurance

- At the IPO, coinsured 80% of in-force business
- Similar to sharing a portion of the business
- Coinsurers receive their portion of all premiums and pay their portion of all claims
- Receives allowances from coinsurers to cover their portion of the company's expenses and commissions
- Decreases with the run-off of this closed block
- When policies reach the end of their initial level premium period in 2017 or thereafter, we no longer cede the policy under the IPO coinsurance

# Commitment to Sustainability

## Environment



- Investment product offerings include opportunities to invest in products and services that address environmental risk and responsibility
- Low greenhouse gas (GHG) emissions

## Social



- Focused on enabling access to financial information, products and services for traditionally underserved markets throughout North America
- Committed to giving back to and improving the communities in which we live and work
- Strong corporate culture
- “The Primerica Way” was introduced in 2025 to solidify our commitment to preserving and strengthening our culture

## Governance



- Engaged and diverse Board of Directors
- Robust risk management program with strong controls environment
- Strong compliance practices



# Consolidated Adjusted Income Statement

(\$ in millions, except EPS)

	FY 2024	FY 2023	Variance to Prior Year	
			\$	%
Direct premiums	\$ 3,394	\$ 3,312	\$ 81	2%
Ceded premiums	(1,664)	(1,652)	(13)	1%
Net premiums	1,729	1,660	69	4%
Adjusted net investment income	154	136	18	13%
Commissions and fees	1,083	893	190	21%
Other, net	69	65	4	6%
<b>Adjusted operating revenues</b>	<b>3,036</b>	<b>2,755</b>	281	10%
Benefits and claims	648	643	5	1%
Future policy benefits remeasurment (gain)/loss	(26)	(0)	(26)	nm
Amortization of DAC	298	276	22	8%
Insurance commissions	32	34	(2)	-6%
Sales commission expense	573	457	116	25%
Interest expense	25	27	(2)	-6%
Insurance expenses	256	235	20	9%
Other operating expenses	341	305	36	12%
Adjusted benefits and expenses	2,147	1,977	170	9%
<b>Adjusted operating income before income taxes</b>	<b>889</b>	<b>778</b>	111	14%
Adjusted income taxes	208	182	26	14%
<b>Adjusted net operating income</b>	<b>\$ 681</b>	<b>\$ 596</b>	<b>\$ 85</b>	<b>14%</b>
<b>Diluted adjusted operating EPS</b>	<b>\$ 19.84</b>	<b>\$ 16.47</b>	<b>\$ 3.37</b>	<b>20%</b>
<b>Adjusted operating ROAE</b>	<b>31.2%</b>	<b>27.2%</b>		

10%

# Reconciliation of GAAP to Non-GAAP

## Financial Measures

(\$ in thousands, except EPS)

Net income from continuing operations
Less: Investment (losses) gains
Less: MTM investment adjustments
Less: Insurance claim proceeds
Less: Restructuring costs
Less: e-TeleQuote transaction-related costs
Less: Equity comp for awards exchanged during acquisition
Less: Tax impact of preceding items
Less: Valuation allowance on Senior Health NOLs

### Adjusted net operating income

Diluted earnings per share from continuing operations
Less: Net after-tax impact of operating adjustments

### Diluted adjusted operating earnings per share

2024	2023	2022
\$ 720,129	\$591,182	\$554,714
2,236	(5,896)	(995)
1,037	(446)	(3,830)
50,000	-	-
(2,837)	-	-
-	-	2,458
-	-	(3,584)
(123)	1,494	1,435
(11,080)	-	-
<u>\$ 680,896</u>	<u>\$596,030</u>	<u>\$559,231</u>
20.99	16.34	14.49
1.15	(0.13)	(0.12)
<u>\$ 19.84</u>	<u>\$ 16.47</u>	<u>\$ 14.61</u>



# Consolidated Balance Sheet

(\$ in millions)

	Dec 2024	Dec 2023	Variance	
			\$	%
<b>Assets:</b>				
Invested Assets and Cash (1)	\$ 3,715	\$ 3,413	\$ 302	9%
Securities Held to Maturity	1,304	1,387	(83)	-6%
Reinsurance recoverables	2,744	3,016	(272)	-9%
Deferred Policy Acq Costs	3,680	3,447	233	7%
Assets from discontinued operations entities	-	419	(419)	
Other Assets	929	950	(21)	-2%
Separate Account Assets	2,209	2,396	(187)	-8%
Total Assets	<u>\$ 14,582</u>	<u>\$ 15,028</u>	<u>\$ (446)</u>	<u>-3%</u>
<b>Liabilities:</b>				
Future Policy Benefits	\$ 6,503	\$ 6,742	\$ (239)	-4%
Other Policy Liabilities	906	964	(57)	-6%
Other Liabilities	720	714	6	1%
Debt Obligations	595	594	1	0%
Surplus Note	1,304	1,387	(83)	-6%
Payable Under Securities Lending	86	100	(14)	-14%
Liabilities from discontinued operations entities	-	66	(66)	
Separate Account Liabilities	2,209	2,396	(187)	-8%
Total Liabilities	<u>\$ 12,323</u>	<u>\$ 12,962</u>	<u>\$ (639)</u>	<u>-5%</u>
<b>Stockholders' Equity:</b>				
Common Stock	0	0	(0)	-5%
Additional Paid in Capital	-	-	-	
Retained Earnings	2,231	2,277	(45)	-2%
Cummulative Translation Adj	(35)	(2)	(33)	nm
Adjusted Stockholders' Equity	<u>2,197</u>	<u>2,275</u>	<u>(78)</u>	<u>-3%</u>
Net Unrealized Gains/Losses	(163)	(170)	7	nm
Effect of Change in Discount Rate Assumptions	225	(39)	264	nm
Total Stockholders' Equity	<u>2,259</u>	<u>2,066</u>	<u>193</u>	<u>9%</u>
Total Liabilities & Stockholders' Equity	<u>\$ 14,582</u>	<u>\$ 15,028</u>	<u>\$ (446)</u>	<u>-3%</u>
<b>Debt-to-Capital</b>	20.8%	22.3%		
<b>Debt-to-Capital, excl AOCI</b>	21.0%	20.7%		
<b>Invested Assets to Adj Stockholders' Equity</b>	2.3x	2.1x		

# Important Endnotes

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**IMPORTANT ENDNOTES: Auto and Home Solutions:** In the United States, insurance referrals are offered through Primerica Secure™, an insurance referral program in which representatives may refer individuals to Answer Financial Inc., which offers insurance products and services through its licensed affiliates. Primerica, its representatives and the Primerica Secure™ program do not represent any of the insurers in the program. In Canada, Auto & Home Insurance is offered through a referral arrangement by contractual agreement between SurexDirect.com Ltd., SurexDirect.com (Ontario) Ltd., Primerica Life Insurance Company of Canada and PFS Investments Canada Ltd. Auto & Home Insurance is not directly offered by Primerica. In the U.S., home automation services (including home security) are offered through a referral arrangement by contractual agreement between Primerica Client Services, Inc. and Vivint, Inc. **Health Benefits:** In Canada, Primerica's representatives promote and market accident and sickness insurance products that are administered by The Edge Benefits Inc. and that are underwritten by various Canadian insurers unaffiliated with Primerica. **Legal and Identity Protection:** In the U.S., IDTheftDefense® ("IDTD") identity theft protection and restoration services are offered by contractual agreement between Primerica Client Services, Inc. and Pre-Paid Legal Services, Inc. ("PPLSI"). In the U.S., Primerica Legal Protection Program legal protection services are offered by PPLSI or applicable subsidiary, through contractual agreement between Primerica Client Services, Inc. and PPLSI. PPLSI provides access to legal services offered by a network of provider law firms to PPLSI members through membership-based participation. In Canada, Pre-Paid Legal Services and IDTheftDefense™ identity theft protection and restoration services are each offered by Pre-Paid Legal Services, Inc., through contractual agreement between Primerica Client Services Inc., PFS Investments Canada Ltd., and PPL Legal Care of Canada Corporation dba PPLSI, a subsidiary of Pre-Paid Legal Services, Inc. Primerica representatives refer clients to PPLSI. **Life Insurance & Segregated Funds:** Primerica representatives market term life insurance underwritten by National Benefit Life Insurance Company (Home Office: Long Island City, NY) in New York and Primerica Life Insurance Company (Executive Offices: Duluth, GA) in all other U.S. jurisdictions; In Canada, life insurance and segregated funds are offered through Primerica Life Insurance Company of Canada, Head Office: 6985 Financial Drive, Suite 400, Mississauga, ON L5N 0G3 | Phone: 905-812-2900. **Managed Accounts:** PFS Investments Inc. is an SEC Registered Investment Adviser doing business as Primerica Advisors. For additional information about managed accounts, please ask your Primerica representative for a copy of the Form ADV Part 2A wrap fee program brochure for the Lifetime Investment Program. **U.S. Mortgage & Home Equity Loans:** Primerica Mortgage, LLC, NMLS ID # 1723477 (<https://nmlsconsumeraccess.org>). EQUAL HOUSING OPPORTUNITY. Primerica Mortgage, LLC is a state licensed Mortgage Broker, with its headquarters office located at 1 Primerica Parkway, Duluth, GA 30099-0001. Phone Number: 1-855-357-1054. Mortgage products are offered through a contractual agreement between Primerica Mortgage, LLC and Rocket Mortgage, LLC, NMLS ID # 3030. Home Equity Mortgage Loans are offered through a contractual agreement between Primerica Mortgage, LLC and Spring EQ, LLC, NMLS ID # 1464945. For additional disclosures and a complete list of states where residential mortgage loans are offered, please visit <https://bit.ly/PriMortgage>. **Mortgage Loans (Canada):** Primerica does not deal in mortgages or debt consolidation lending. Primerica representatives make simple referrals to 8Twelve Mortgage Corp. and Rocket Mortgage Canada ULC for mortgages and debt consolidation loans secured by residential real estate. **Mutual Fund, Annuities and Business Retirement Plans:** In the U.S., securities are offered by PFS Investments Inc., 1 Primerica Parkway, Duluth, Georgia 30099-0001. Fixed index annuities are offered by Primerica Financial Services, LLC, an affiliate of PFS Investments Inc. Primerica Financial Services, LLC and PFS Investments Inc. are both subsidiaries of Primerica, Inc. In Canada, mutual funds are offered by PFS Investments Canada Ltd., mutual fund dealer, Head Office: Mississauga, Ontario.

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