

Review of First Quarter 2025

May 7, 2025



Forward Looking Statements

Certain statements made during this call, as well as included in this document, are not historical facts and may be considered “forward-looking statements” and are based on estimates, assumptions and projections which management believes are reasonable, but by their nature subject to risks and uncertainties. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements.

The reasons which could cause actual results and/or financial condition to differ materially from those suggested by such forward-looking statements include, but are not limited to, those discussed or identified from time-to-time in AFG’s filings with the Securities and Exchange Commission, including the annual report on Form 10-K and the quarterly reports on Form 10-Q. We do not promise to update such forward-looking statements to reflect actual results or changes in assumptions or other factors that could affect these statements.

Core net operating earnings is a non-GAAP financial measure which sets aside items that are generally not considered to be part of ongoing operations, such as net realized gains and losses and certain nonrecurring items. AFG believes that this non-GAAP measure is a useful tool for investors and analysts in analyzing ongoing operating trends of AFG.

2025 First Quarter Consolidated Results

Dollars in millions, except per share data

	Three Months Ended March 31,	
	<u>2025</u>	<u>2024</u>
P&C Insurance Segment	\$ 246	\$ 340
Interest & other corporate expenses	<u>(52)</u>	<u>(50)</u>
Pretax Core Operating Earnings	194	290
Related income taxes	<u>42</u>	<u>59</u>
Core Net Operating Earnings	<u>\$ 152</u>	<u>\$ 231</u>
Average number of diluted shares	83.8	83.8
Core Net Operating Earnings per Share	\$ 1.81	\$ 2.76
Annualized Core Operating Return on Equity	13.1%	20.2%

2025 First Quarter Consolidated Results *(continued)*

Dollars in millions, except per share data

	Three Months Ended March 31, 2025	
		(Per Share)
Core Net Operating Earnings	\$ 152	\$ 1.81
<u>Non-core Items</u>		
After-tax net realized gains ¹	<u>2</u>	<u>0.03</u>
Net Earnings	<u>\$ 154</u>	<u>\$ 1.84</u>

¹ Included in this amount is \$5 million (\$0.06 per share) in after-tax net gains to adjust equity securities that the Company continued to own at March 31, 2025, to fair value.

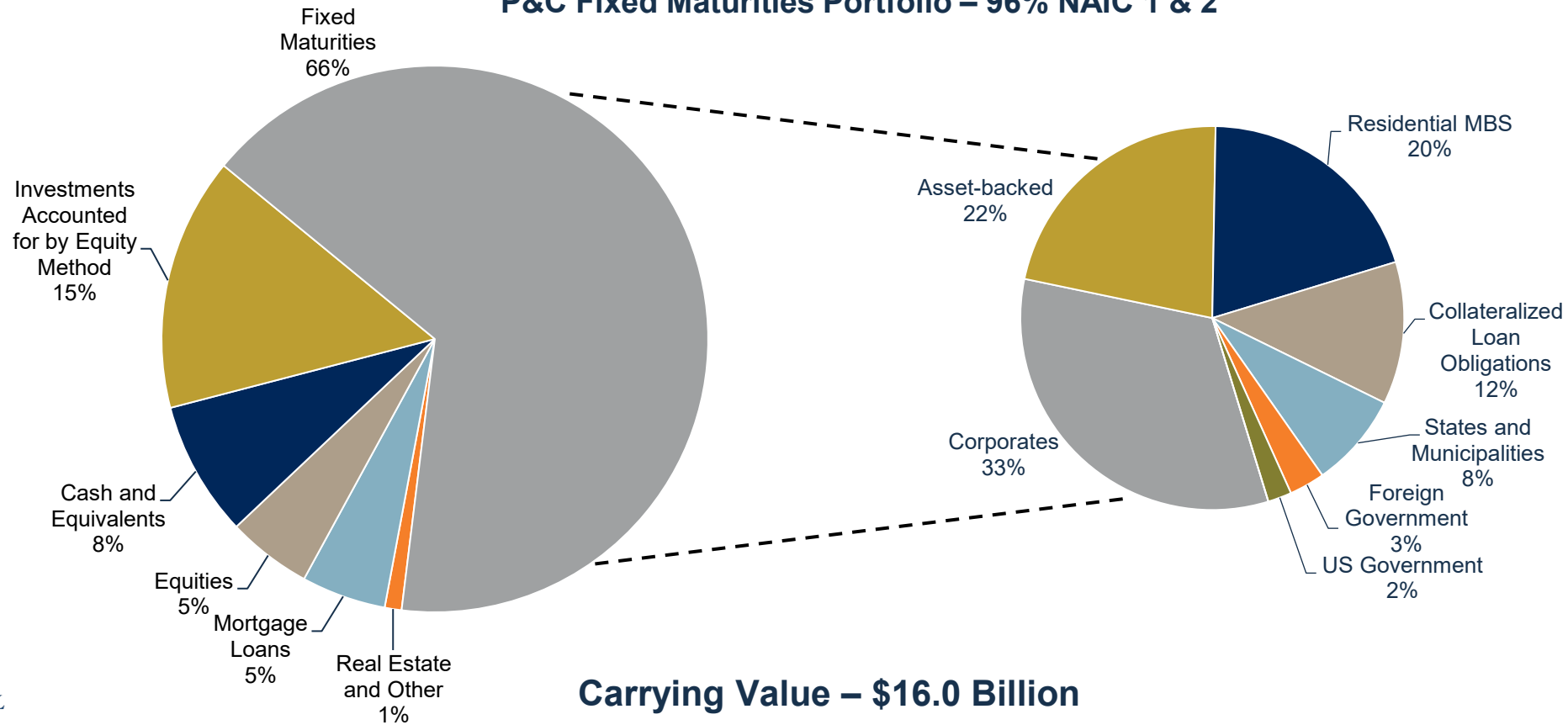
Investments

- Total carrying value of AFG's investment portfolio at March 31, 2025 = \$16.0 billion
- P&C net investment income up 6% YOY excluding alternative investments, down 17% overall
 - First quarter 2025 annualized return of 1.8% on AFG's \$2.7 billion of alternative investments
- First quarter after-tax net realized gains on securities of \$2 million
 - includes \$5 million in after-tax net realized gains to adjust equity securities that the company continued to own at March 31, 2025, to fair value through earnings

Investments

As of March 31, 2025

Fixed Maturities Portfolio – 95% investment grade
P&C Fixed Maturities Portfolio – 96% NAIC 1 & 2



Strong Financial Position

Dollars in millions, except per share data

Capital Management

- Above target levels for all rating agencies
- First quarter regular dividends = \$67 million
- Paid special dividend of \$2.00 per share (\$167 million) in March 2025
- Repurchased 462,398 shares for approximately \$58 million during the first quarter

Long-Term Debt

- No debt maturities until 2030
- No borrowings under \$450 million credit line

Financial Strength Ratings - U.S. Based P&C Insurers (where rated)

- A.M. Best: All companies = A+
- Standard & Poor's: All companies = A+
- Moody's: All companies = A1

	<u>Mar 31, 2025</u>	<u>Dec 31, 2024</u>
Principal amount of long-term debt	\$ 1,498	\$ 1,498
Shareholders' equity, excluding AOCI	4,571	4,706
Total capital, excluding AOCI	\$ 6,069	\$ 6,204
Ratio of debt to total capital, excluding AOCI¹		
Including subordinated debt	24.7%	24.1%
Excluding subordinated debt	13.6%	13.3%
Common shares outstanding (millions)	83.668	83.978
<u>Book value per share:</u>		
Book value per share	\$ 52.50	\$ 53.18
Book value per share, excluding AOCI	54.63	56.03
Tangible, excluding AOCI ²	48.62	49.98

1 The ratio is calculated by dividing the principal amount of AFG's long-term debt by its total capital, which includes long-term debt and shareholders' equity, excluding AOCI.

2 Excludes AOCI, goodwill and intangibles.

Property & Casualty Results

Dollars in millions

	Three Months Ended March 31,		Change ¹
	2025	2024	
Specialty Gross Written Premiums	\$ 2,291	\$ 2,336	(2%)
Specialty Net Written Premiums	\$ 1,611	\$ 1,634	(1%)
P&C Insurance Operating Earnings	\$ 246	\$ 340	(28%)
Specialty P&C Underwriting Profit	\$ 94	\$ 154	(39%)
Specialty P&C Combined Ratio	94.0%	90.1%	3.9%
Adverse (Favorable) Impact of:			
Catastrophe Losses	4.5%	2.3%	2.2%
Prior Year Development	(1.3%)	(3.3%)	2.0%

¹ Calculated as a percentage change for dollars and an arithmetic difference for percentages.

Specialty P&C Group

Dollars in millions

	Net Written Premiums Three Months Ended March 31,			Combined Ratio Three Months Ended March 31,	
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2025</u>	<u>2024</u>
Property & Transportation	\$ 563	\$ 597	(6%)	92.5%	88.5%
Specialty Casualty	\$ 772	\$ 803	(4%)	97.6%	92.2%
Specialty Casualty Excluding Workers' Compensation	\$ 489	\$ 513	(5%)		
Specialty Financial	\$ 276	\$ 234	18%	87.0%	86.6%

