

# First Quarter 2025 Investor Presentation

May 6, 2025



Information as of March 31, 2025, unless otherwise noted



# Safe Harbor Statement and Non-GAAP Measures

Certain statements included in this presentation, including those regarding our earnings outlook, expected catastrophe losses, our investment strategies, our plans to implement additional rate actions, our plans relating to share repurchases and dividends, our efforts to enhance customer experience and expand our products and solutions to more educators, our strategies to create sustainable long-term growth and double-digit ROEs, our strategy to achieve a larger share of the education market, and other business strategies, constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on management's current expectations and beliefs concerning future developments and their potential effects upon Horace Mann and its subsidiaries. Horace Mann cautions investors that such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond Horace Mann's control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements included in this document. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the "Risk Factors" and "Forward-Looking Information" sections included in Horace Mann's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission (SEC). The forward-looking statements herein are subject to the risk, among others, that we will be unable to execute our strategy because of market or competitive conditions or other factors. Horace Mann does not undertake to update any particular forward-looking statement included in this document if we later become aware that such statement is not likely to be achieved.

The historical and forward-looking financial information contained in this presentation includes measures marked with an asterisk (\*) the first time they are presented within this document that are not based on accounting principles generally accepted in the United States of America (non-GAAP) such as core earnings, core earnings per share, and adjusted book value per share. An explanation of these measures is contained in the Glossary of Selected Terms included as Exhibit 99.1 in our most recent Form 8-K filed with the SEC and are reconciled to the most directly comparable measures prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) in the Appendix of the most current Investor Supplement available on our website at [investors.horacemann.com](https://investors.horacemann.com).

# First-quarter 2025 business results



# FIRST-QUARTER 2025 RESULTS: RECORD FIRST-QUARTER CORE EPS<sup>(1)</sup>, STRONG GROWTH MOMENTUM



Results reflect strong P&C segment earnings, stable contributions from L&R and S&GB, and strong sales momentum

**\$1.07**

**Core earnings  
per share\*  
(EPS)**

*On track to  
deliver record  
full-year core  
earnings<sup>(1)</sup>*

**10.6%**

**Core return on  
equity\*  
(ROE)<sup>(2)</sup>**

*On track to  
deliver full-year  
double-digit core  
ROE*



**Stable earnings  
from L&R and  
S&GB**

*Life slightly  
below prior year  
due to higher  
mortality*

**89.4%**

**P&C combined  
ratio**

*Improved 10.5  
points over the  
prior year*

**Up  
8.4%**

**Net premium  
and contract  
charges earned**

*Strong sales  
momentum and  
benefit of rate  
actions*

1) Excluding 2021 which was favorably impacted by Covid

2) Last twelve months

# FIRST-QUARTER 2025 HIGHLIGHTS

*Diversified business delivered...*



## Profitability

- P&C combined ratio of 89.4% improved 10.5 pts over prior year
- Property combined ratio of 79.9%; Auto combined ratio of 95.0%
- Individual Supplemental benefits ratio of 28.4% reflected continued favorable utilization trends

## Growth

- Strong sales growth with Individual Supplemental up 61%, Auto up 8%, and Annuity net contract deposits up 6% over prior year
- Total revenues of \$416 million increased 8% over prior year; total net premiums and contract charges earned growth of 8% with P&C up 11% over prior year

## Capital management

- 3% annual dividend increase in March 2025, 17<sup>th</sup> consecutive annual increase
- Repurchased \$7 million of shares year-to-date<sup>(1)</sup>

## Risk-adjusted returns

- 10.6% core return on equity<sup>\*(2)</sup> improved 4.9 points over prior year

## High-quality investment portfolio

- Total net investment income on the managed portfolio increased 15% over prior year driven by higher limited partnership returns and continued strong core fixed income portfolio returns

1) Through May 2, 2025  
2) Last twelve months

# HORACE MANN FINANCIAL POSITION CONTINUES TO STRENGTHEN

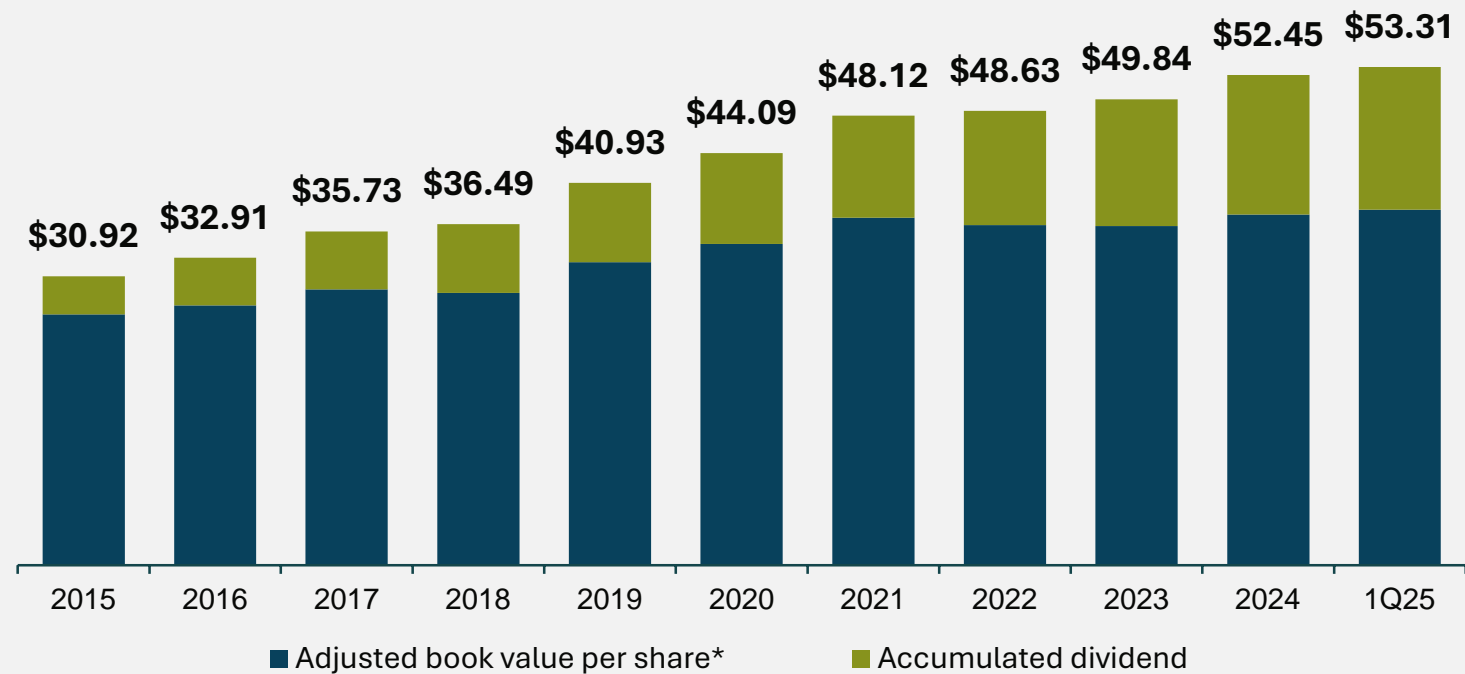


**17** consecutive years of dividend increases with current yield of 3.3%<sup>(1)</sup>

Year-to-date share repurchase  
**\$7.2** million

**\$130.9** million in share repurchases since initial authorization in 2011<sup>(1)</sup>

## 7.0% COMPOUND ANNUAL GROWTH IN ADJUSTED BOOK VALUE Plus accumulated dividends since 2010



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	1Q25
CORE EPS <sup>2</sup>	\$2.00	\$1.97	\$1.74	\$0.68	\$2.20	\$3.40	\$4.48	\$1.94	\$1.74	\$3.40	\$1.07
CORE ROE <sup>2</sup>	7.9%	7.4%	6.4%	2.3%	7.3%	10.5%	12.6%	5.4%	4.9%	9.4%	10.6%

(1) Through May 2, 2025  
(2) 2021 and 2022 data adjusted for impact of LDTI ; 2021 – 2024 data adjusted for revised core earnings definition to exclude certain non-core items including intangible asset amortization and changes in market risk benefits

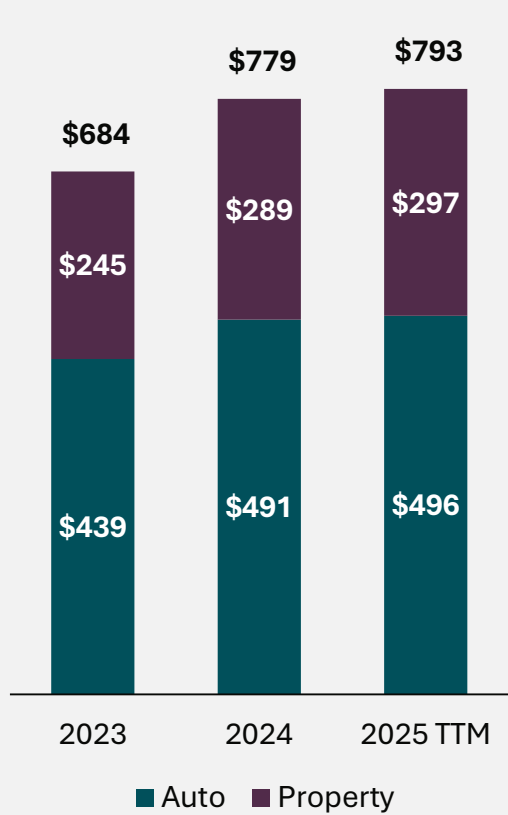


# P&C SEGMENT: STRONG FIRST-QUARTER RESULTS

First-quarter segment core earnings of \$26.8 million were more than double the prior year; reflect improved underlying results, lower property frequency, and favorable prior years' reserve development

## P&C Revenue

Net Premiums Written\* (\$M)



### Key Takeaways

- First-quarter net premiums written up 7.7% over prior year primarily on higher average premiums
- First-quarter average written premiums up 10.1% for Auto and 16.3% for Property
- Policyholder retention remains strong in Property at 89.4%, Auto declined to 84.2% in line with expectations

## P&C Profitability

Combined Ratio (%)



### Key Takeaways

- Total combined ratio of 89.4% improved 10.5 points over prior year
- Total underlying loss ratio of 55.7% improved 7.0 points over prior year reflecting higher average premiums and lower property frequency
- Prior years' reserve development contributed 2.8 points of improvement

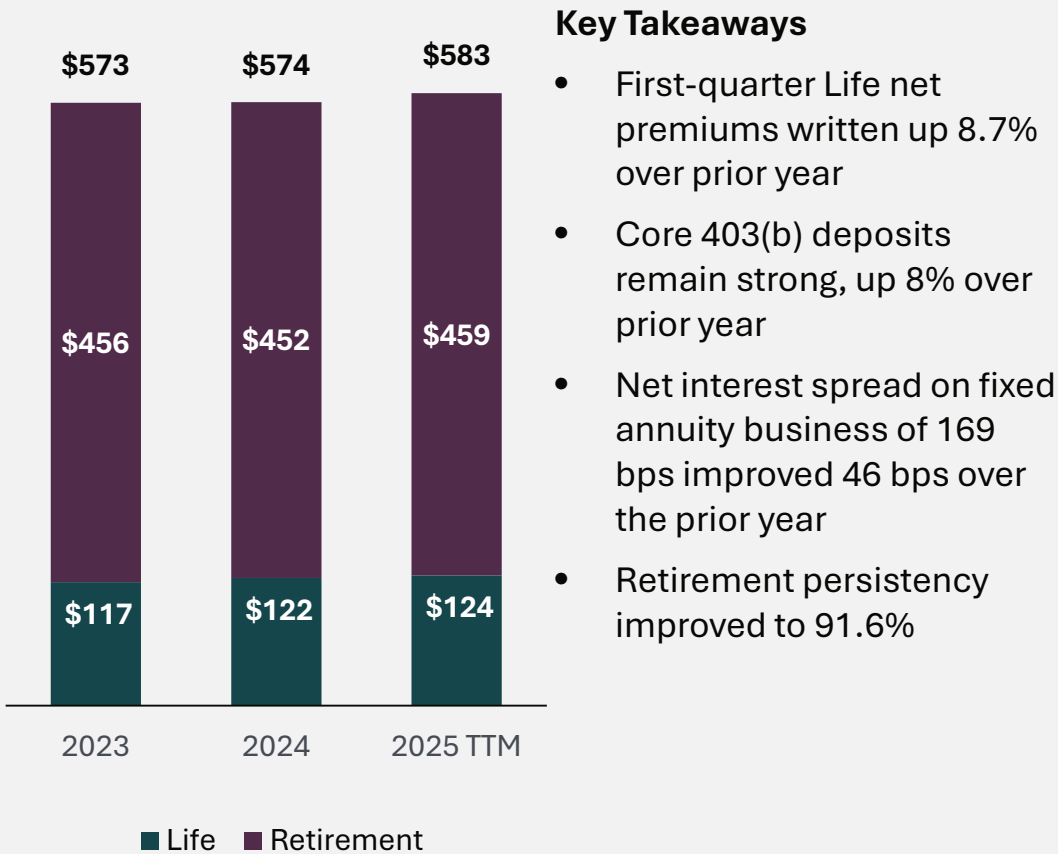


# LIFE & RETIREMENT: BELOW PRIOR YEAR DUE TO UNFAVORABLE BENEFITS

First-quarter segment core earnings of \$7.9 million below prior year primarily due to higher mortality

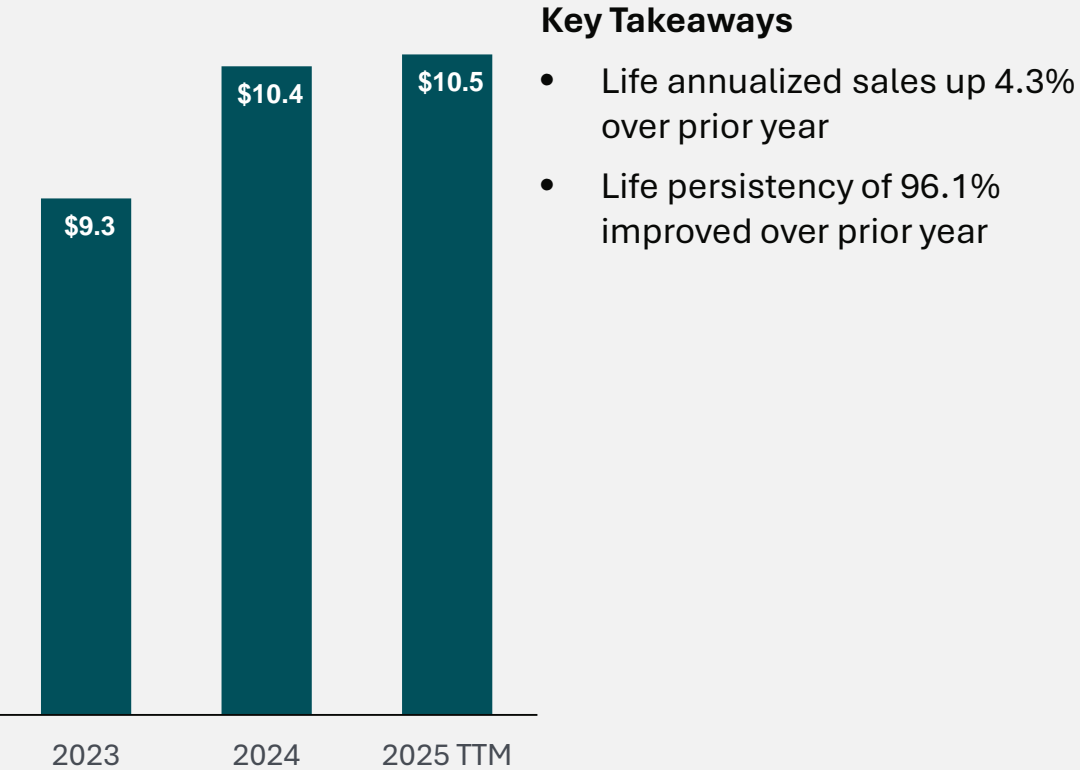
## L&R Revenue

Net Premiums Written and Contract Deposits\* (\$M)



## Life New Business

Life Annualized Sales (\$M)



# INDIVIDUAL SUPPLEMENTAL & GROUP BENEFITS: STABLE RESULTS, STRONG INDIVIDUAL SUPPLEMENTAL SALES



First-quarter segment core earnings of \$14.0 million reflect higher net investment income and continued Individual Supplemental sales momentum

## S&GB Revenue

Net Premiums and Contract Charges Earned(\$M)

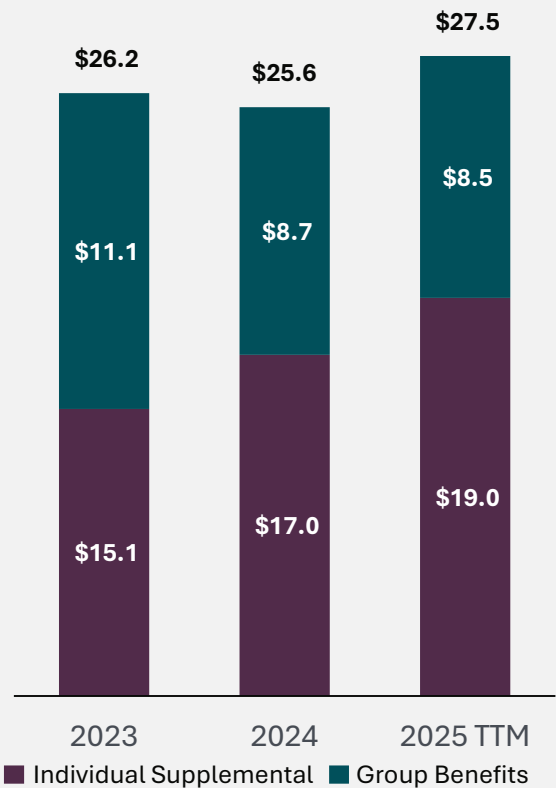


### Key Takeaways

- First-quarter segment net investment income of \$9.4 million, 20.5% above the prior year
- Individual Supplemental benefit ratio of 28.4%
- Group Benefits benefit ratio of 53.3%

## S&GB New Business

Sales\* (\$M)



### Key Takeaways

- First-quarter Individual Supplemental sales increased 60.6% over the prior year
- Individual Supplemental persistency strong at 90.0%
- Group Benefits covered lives marginally increased over the prior year

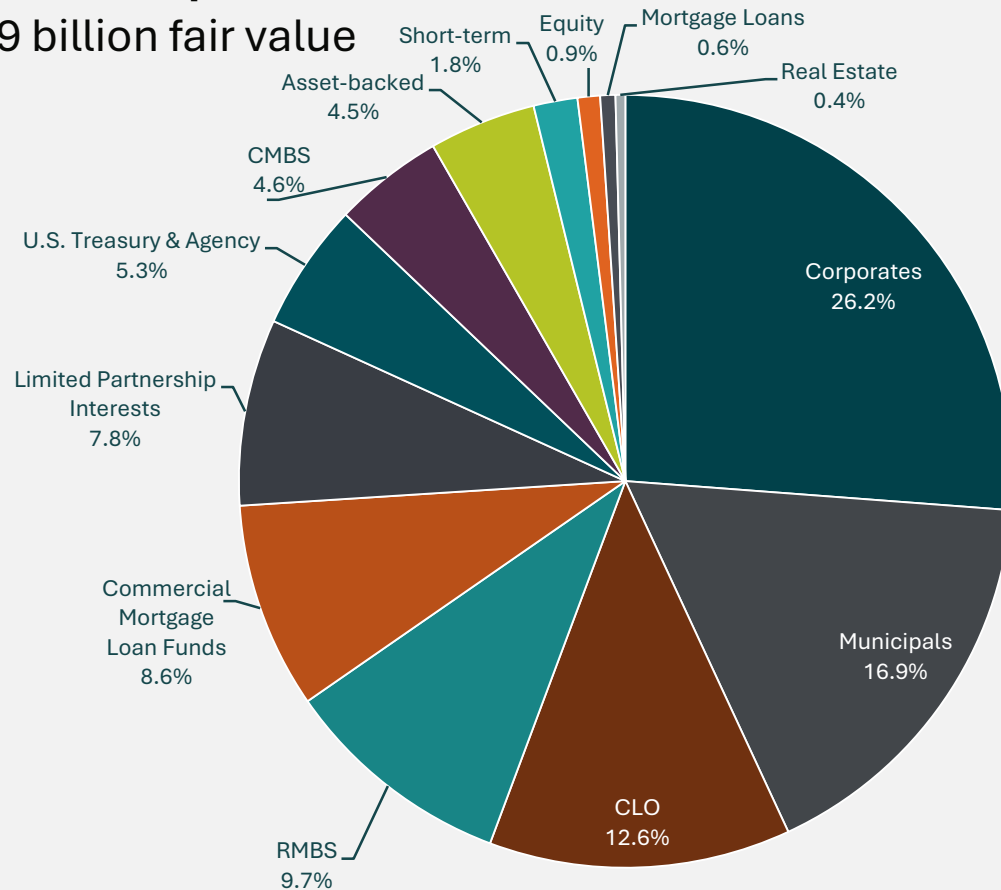
# HIGH-QUALITY, WELL-DIVERSIFIED INVESTMENT PORTFOLIO

*Constructed to support insurance liabilities through various market cycles*



## Portfolio Composition<sup>(1)</sup>

\$6.9 billion fair value



## \$5.5 billion fixed-maturity portfolio

- 74% A-rated or higher
- A+ weighted-average credit quality
- <3% below-investment grade exposure<sup>(2)</sup>
- 6.7 average duration<sup>(3)</sup>
- 4.32% Q1 core pre-tax yield<sup>(4)</sup>
- 5.51% Q1 core new money yield<sup>(4)</sup>

## \$591 million commercial mortgage loan fund portfolio

- 10% target portfolio allocation
- Majority of exposure is to open-ended funds comprised of senior loans

## \$535 million limited partnership portfolio

- 5% target portfolio allocation
- Approximately half of LPs are lower-volatility, fixed income-like strategies

(1) As of March 31, 2025; excludes \$139.5 million in policy loans and \$13.8 million in derivatives used to hedge fixed indexed annuity and life insurance products

(2) Does not include securities that are not rated

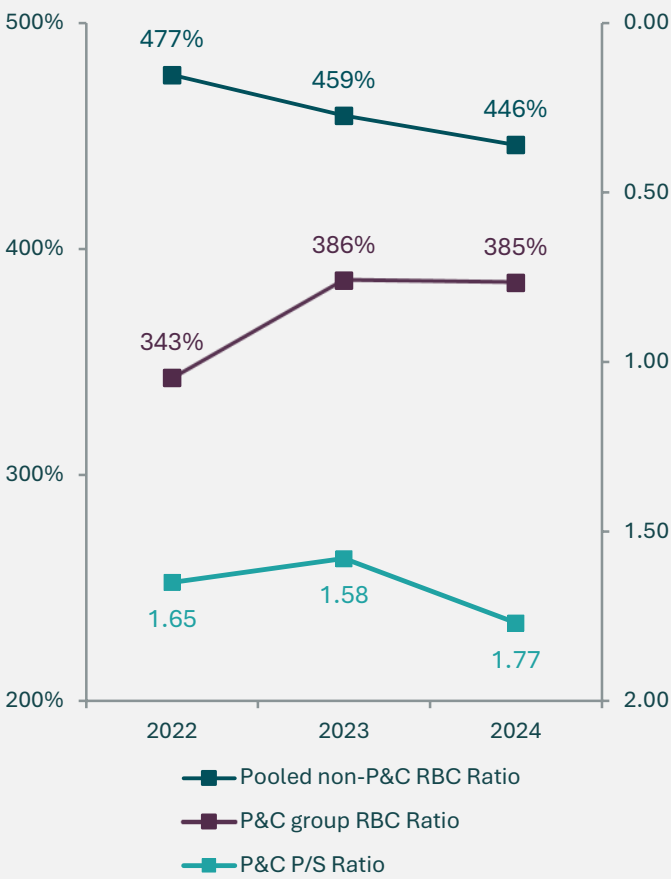
(3) Core fixed-maturity portfolios only

(4) Prospective investment yield

# FINANCIAL LEVERAGE AND OTHER CAPITAL METRICS ALIGN WITH LEVELS APPROPRIATE FOR CURRENT FINANCIAL STRENGTH RATINGS



RBC Ratios



Key Takeaways

- More than adequate capital to continue to grow business
- Conservative targets for year-end RBCs of 425% for pooled non-P&C subsidiaries and 400% for P&C subsidiaries
- Debt-to-capital ratio<sup>(1)</sup> of 26.0%

Agency	Rating (affirmed/reviewed)	Outlook
AM Best Company	A (8/22/24)	Stable
Fitch Ratings	A (8/29/24)	Stable
Moody’s Investor Services	A2 (3/26/25)	Stable
Standard & Poor’s Global Inc.	A (1/27/25)	Stable

(1) As of March 31, 2025, excluding net unrealized investment gains/losses on fixed maturity securities and net reserve remeasurements attributable to discount rates\*

# Forward guidance



# Full-year 2025 core EPS guidance of \$3.85 to \$4.15<sup>(1)</sup>

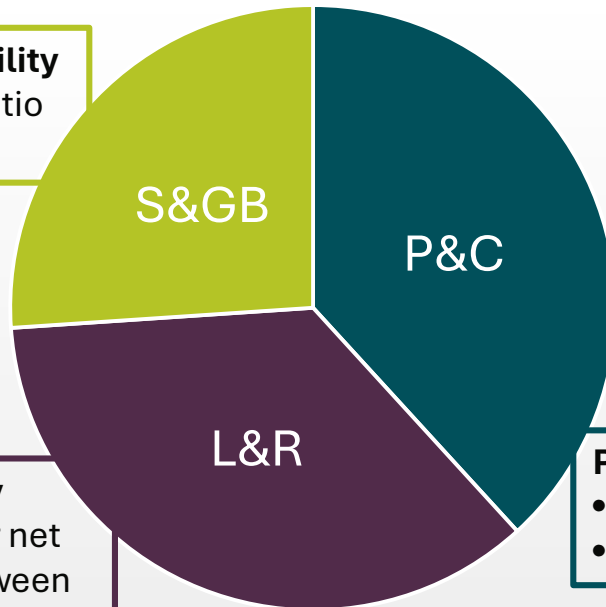
Core earnings of \$160 million to \$175 million<sup>(1,2)</sup>



## Long-term profitability targets

### S&GB target profitability

- Blended benefit ratio of 39%



### L&R target profitability

- Long-term target for net interest spread between 220 and 230 bps
- Mortality in line with actuarial assumptions

### P&C target profitability

- Auto: mid-90s CR
- Property: 90 or below CR

## 2025 core EPS guidance assumptions

- ~\$90M of catastrophe losses, in line with five-year historical average<sup>(3)</sup>
- Total net investment income of \$470-\$480M<sup>(4)</sup>, \$370-\$380M<sup>(4)</sup> on the managed portfolio
- Segment earnings offset by interest expense and other corporate items of \$35-\$40M

(1) Reflects revised core earnings definition to exclude certain non-core items including intangible asset amortization and changes in market risk benefits

(2) After-tax

(3) On an exposure-weighted basis

(4) Pre-tax

# ENTERPRISE FOCUS FOR SUSTAINED PROFITABLE GROWTH

*Deliver sustainable double-digit ROE and support growth while maintaining disciplined capital stewardship*



## ***Hyper-focused on plan outcomes***

**2024:** Restored P&C profitability

**2025:** Business positioned to deliver 10%+ ROE; focus on sustained profitable growth

**2026+:** Deliver sustainable double-digit ROE and support continued growth

## **ENTERPRISE STRATEGIC PRIORITIES**

- 1. Achieve and maintain profitability while reducing earnings volatility**
- 2. Position Horace Mann for sustained, profitable household growth**
- 3. Drive outsized growth in Individual Supplemental & Group Benefits**
- 4. Optimize enterprise spend to drive growth with distinctive service**

# About Horace Mann



# TODAY, AN 80-YR OLD COMPANY WITH A STRONG HISTORY OF PROFITABLE GROWTH



**80 YEARS**  
1945-2025

Excellent financial strength

**“A”** AM Best

**“A”** S&P

**“A”** Fitch

**“A2”** Moody’s

Longevity	Financial Strength	Niche Market	Multiline Model
<ul style="list-style-type: none"><li>• 1945: Founded by Educators for Educators to sell auto insurance</li><li>• 1961: Began offering 403(b) tax-qualified annuities</li><li>• 1991: Listed on NYSE (HMN)</li><li>• 2019: Acquired educator-centric NTA Life with 50-year history serving educators</li><li>• 2022: Acquired educator-centric Madison National Life with 60 years of experience</li></ul>	<ul style="list-style-type: none"><li>• \$14.4B in assets<sup>(1)</sup></li><li>• \$1.6B in net premium and contract deposits for 2024</li><li>• \$1.8B market capitalization<sup>(2)</sup></li><li>• Highly rated by all four major rating agencies</li></ul>	<ul style="list-style-type: none"><li>• Educators have preferred risk profile</li><li>• Homogeneous customer set</li><li>• Serving about half of school locations<sup>(3)</sup> in our market footprint</li></ul>	<ul style="list-style-type: none"><li>• Business mix balanced between segments</li><li>• Ability to provide total household solutions</li><li>• Provides earnings diversification</li></ul>

***Proud to be the largest multiline financial services company  
focused on America’s educators***

(1) As of March 31, 2025

(2) Based on stock price as of May 2, 2025

(3) Includes school buildings and administration locations

# DRIVEN BY A NOBLE MISSION



## Mission

We listen to and understand educators and those who serve our community. They are taking care of our children's future. We believe they deserve someone to look after theirs.

## Vision













We aspire to be the company of choice to provide financial solutions for all educators and others who serve our communities - to help them protect what they have today and prepare for a successful tomorrow.

## Value Proposition

We understand and solve the issues facing educators and others who serve the community, helping them achieve financial success to live better and retire happier.

# HORACE MANN OVERVIEW

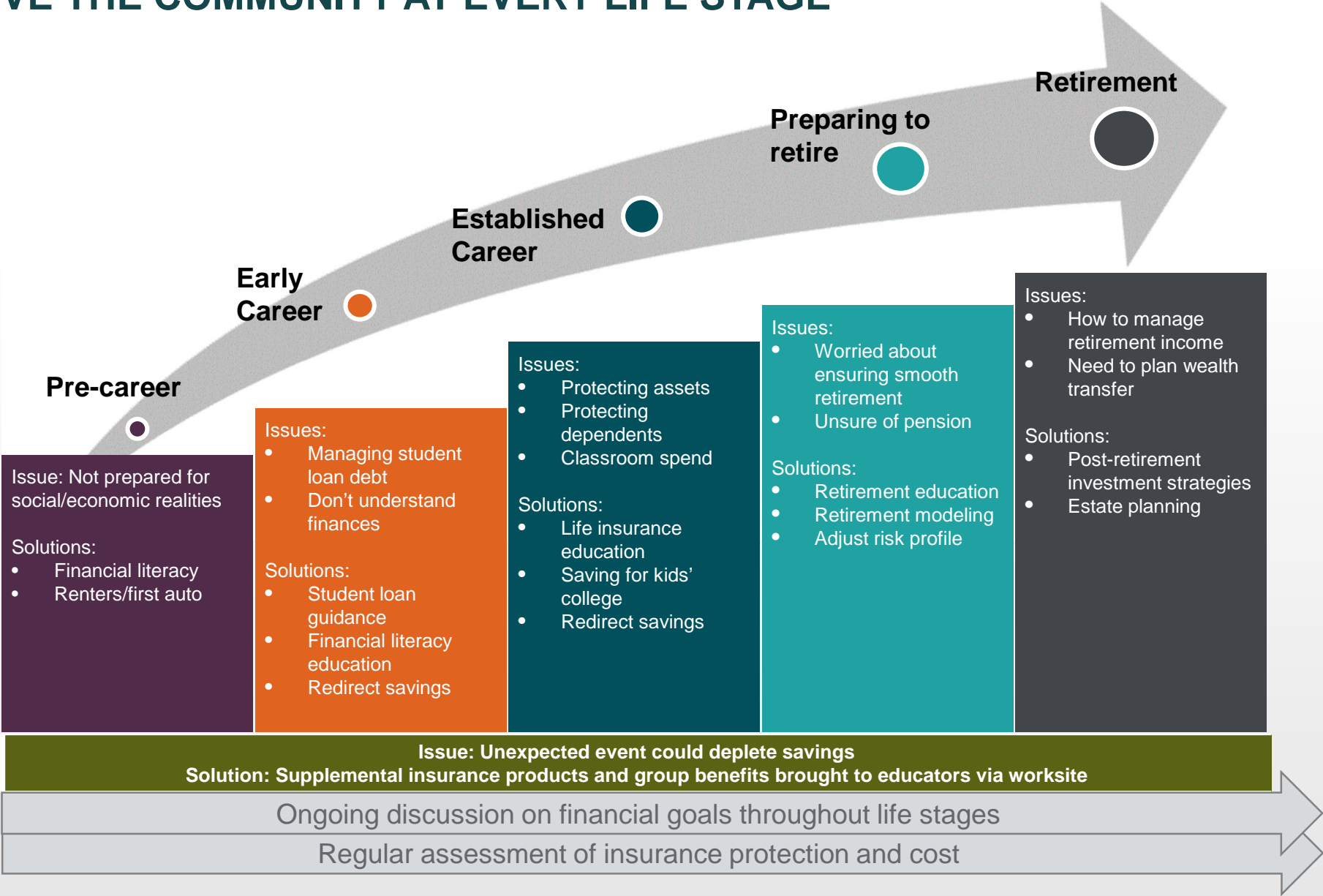


Products	 Auto	 Property	 Life	 Retirement	 Individual Supplemental	 Group Benefits
Distribution Channel						
Product Details	<ul style="list-style-type: none"><li>Auto</li></ul>	<ul style="list-style-type: none"><li>Home</li><li>Condo</li><li>Rental</li><li>Dwelling Fire</li></ul>	<ul style="list-style-type: none"><li>Term</li><li>Whole Life</li><li>IUL</li></ul>	<ul style="list-style-type: none"><li>Fixed &amp; Variable Annuities</li><li>Mutual Funds</li><li>Managed Accounts and Brokerage</li></ul>	<ul style="list-style-type: none"><li>Accident</li><li>Cancer</li><li>Critical Illness</li><li>Hospital</li><li>Short-term Disability</li></ul>	<ul style="list-style-type: none"><li>Group Disability</li><li>Group Life</li><li>Group Supplemental Health</li></ul>
Strategic Enablement	<div><div>Rate maintenance</div><div>Roof schedules</div><div>Add points of distribution Continued investment in technology</div><div>Launch new products</div></div>					
Market Conditions	Carriers pivoting from profit restoration to profit maintenance and growth	Carriers remain focused on profitability with limited growth appetite	Market continues technology advancements to improve experience and efficiency	Aging demographics and reliance on individual retirement savings will continue to drive demand for retirement solutions	Rising healthcare costs and reduced coverage continue to drive importance and value of supplemental products	Disciplined competition; Carriers assessing changes to work environment with legislative and technology changes
2024 Revenue <sup>(1)</sup>	49%		34%		18%	

-  EA
-  Benefits Specialist
-  Call Ctr
-  Digital
-  Brokers

(1) 2024 revenues include -1% in Corporate & Other segment

# STRATEGIC EMPHASIS ON SOLUTIONS TAILORED FOR EDUCATORS AND OTHERS WHO SERVE THE COMMUNITY AT EVERY LIFE STAGE





# PDI STRATEGY TO DRIVE STRONG SHAREHOLDER VALUE CREATION

*Focused on initiatives to drive market share expansion*

## Product:

- We have built a robust set of products, relevant to our market niche
- Expanded product portfolio to meet customer needs, whether they engage with Horace Mann directly or through their district

## Infrastructure:

- We have a clear roadmap to systems modernization and a distinctive service mandate to secure “ease of doing business” and scalable infrastructure
- We continue to advance our digital roadmap to support our strategic initiatives

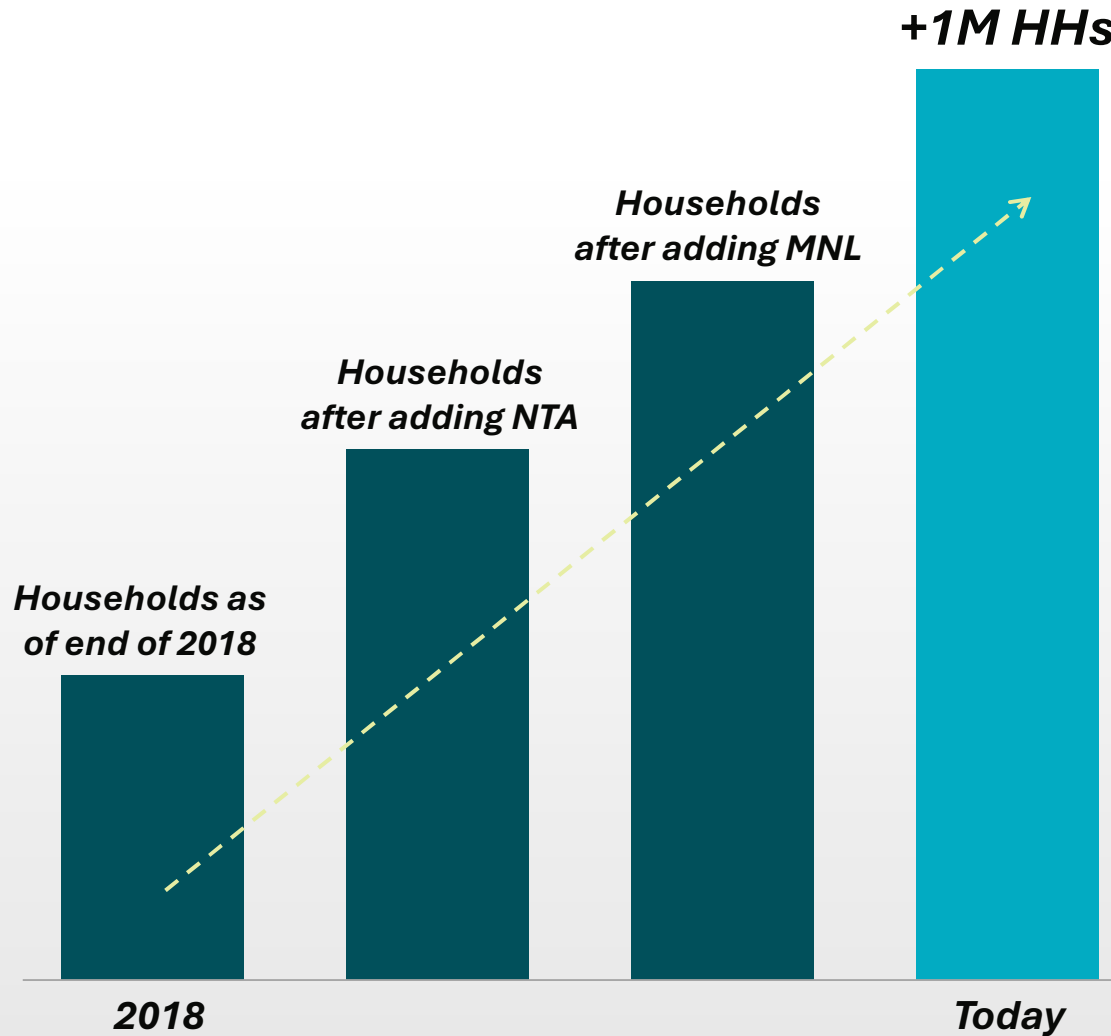
## Distribution:

- We have advanced our distribution model and will need to continue to evolve to remain unique and relevant
- Integrated omni-channel distribution allows customers to engage when, where, and how they choose

# SIGNIFICANT TRANSFORMATION & GROWTH OVER THE PAST DECADE



*Market share has climbed to approximately 13% of K-12 educators in our current footprint with additional opportunities in adjacent markets of others who serve the community*



- Business diversification expands customer reach through retail and worksite channels
- Positive growth trend with more than one million total households across market footprint
- Homogeneous customer set with preferred risk profile and strong policyholder retention



***Poised for sustained profitable growth***

# Appendix

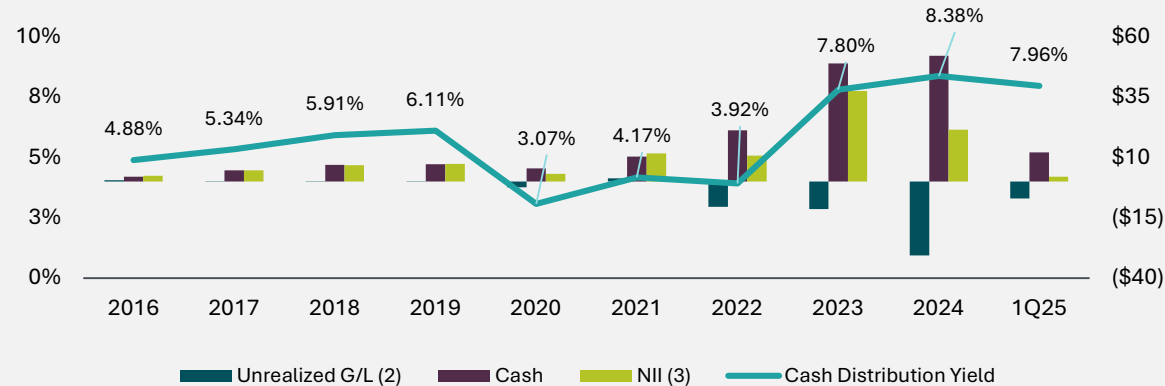




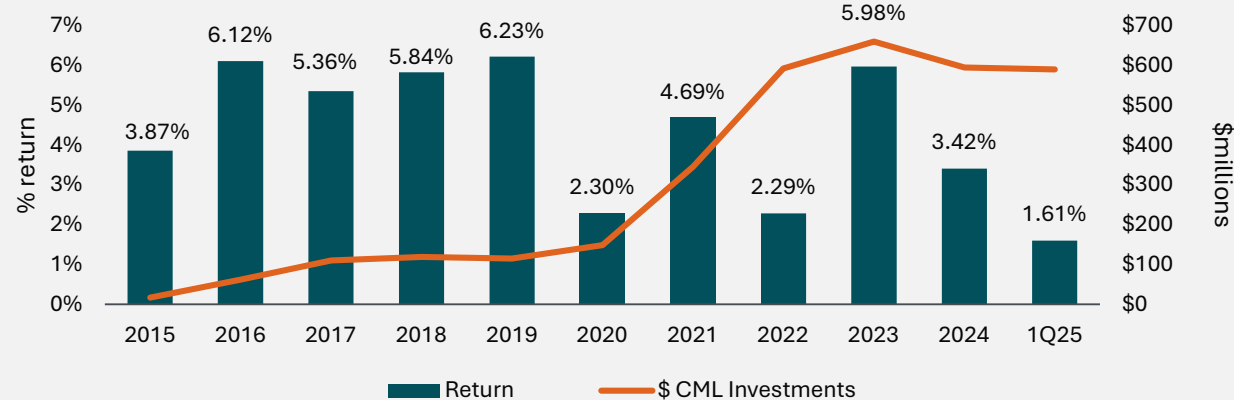
# \$591M COMMERCIAL MORTGAGE LOAN FUNDS

Portfolio continues to produce strong cash returns; equity method of accounting requires changes in fair value to be reported in net investment income

## CML NII vs. Distribution Yield <sup>(1)</sup> Analysis



## Inception-to-date Average Annual Return: 4.6%



## Key Takeaways

- CML funds are held in L&R and S&GB segments; no allocation in P&C, 10% target portfolio allocation
- Majority of exposure is to open-ended funds comprised of senior loans
- Fund structure and diversification of managers provide access to broader markets – geography, property types, borrowers and loan type versus direct origination
- CML funds remain consistent source of cash generation
  - YTD annualized cash return of 7.96%
  - YTD negative unrealized mark to market adjustments have reduced net investment income by ~\$7M
  - Expect recovery for majority of unrealized loss adjustments in future periods

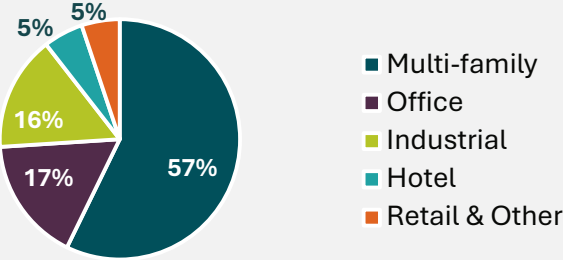
(1) Annualized  
(2) Included in income but not in cash distributions  
(3) Represents cash yield less change in unrealized, excludes management fees, expenses and realized losses

# COMMERCIAL MORTGAGE LOAN FUND PORTFOLIO CHARACTERISTICS<sup>(1)</sup>

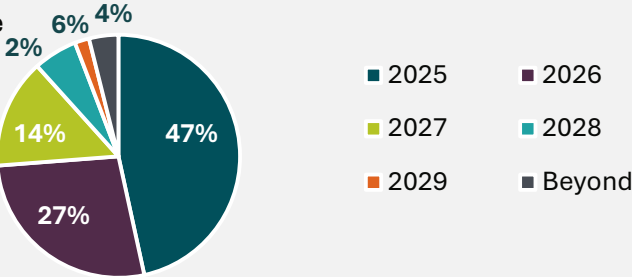


Well diversified by underlying property type, geography and maturity profile

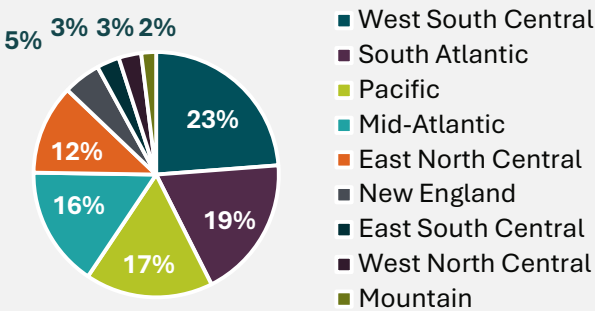
By Property Type



By Maturity Schedule



By Geography



## Key Takeaways

- Underlying loan characteristics
  - 252 loans, average size of ~\$46M
  - Average loan-to-value of 80%
  - Average debt service coverage ratio of 1.1x
  - 83% of loans are floating-rate
- Loan-to-value (LTV) ratios for the funds are updated quarterly and reflect best estimate of current valuation of property collateral
- Quarterly valuation adjustments have impacted LTVs but do not reflect stabilized and expected long-term valuations

By Property Type	LTV <sup>(2)</sup>
Multi-family	81%
Hotel	50%
Industrial	67%
Retail & Other	81%
Office	86%

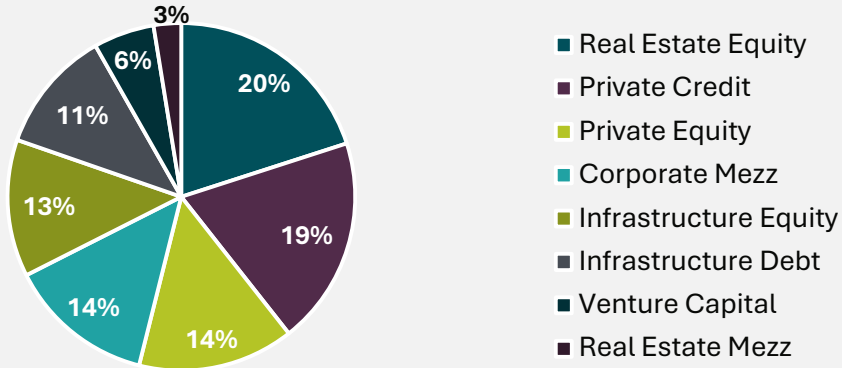
(1) As of 12/31/2024, reporting is on a one-quarter lag  
(2) One non-performing loan has been removed from the analysis

# \$535M LIMITED PARTNERSHIP FUND PORTFOLIO

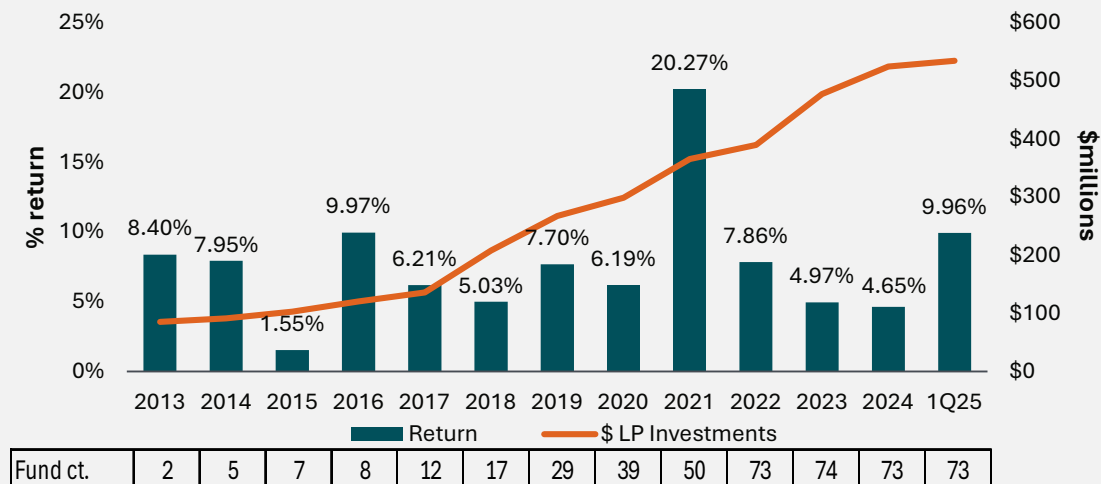
Well diversified by strategy<sup>(1)</sup>, vintage year and potential volatility of returns



## LP Exposure by Strategy



## Inception-to-date Average Annual Return: 8.7%



## Key Takeaways

- Inception-to-date performance strong
  - Average annual return of 8.7%
  - Resilient portfolio benefits from diligent manager selection, prudent diversification
  - 1Q25 returns reflect solid contributions from equity-related strategies
- Lower-volatility, fixed income-like strategies comprise approximately half<sup>1</sup> of LP exposure
  - Largest allocations to Private Credit, Corporate Mezzanine and Infrastructure Debt strategies
  - Majority of these funds are held in L&R and S&GB segments
- Prudent allocation to more equity-sensitive strategies
  - Largest allocation to Private Equity, Real Estate and Infrastructure Equity
  - No public equity exposure at this time

(1) Reflects exposure on a risk-weighted basis

# COMMITMENT TO MAKING A POSITIVE IMPACT EXTENDS TO ALL STAKEHOLDERS

*Our CSR commitment is ingrained in long-term strategy and day-to-day operations*



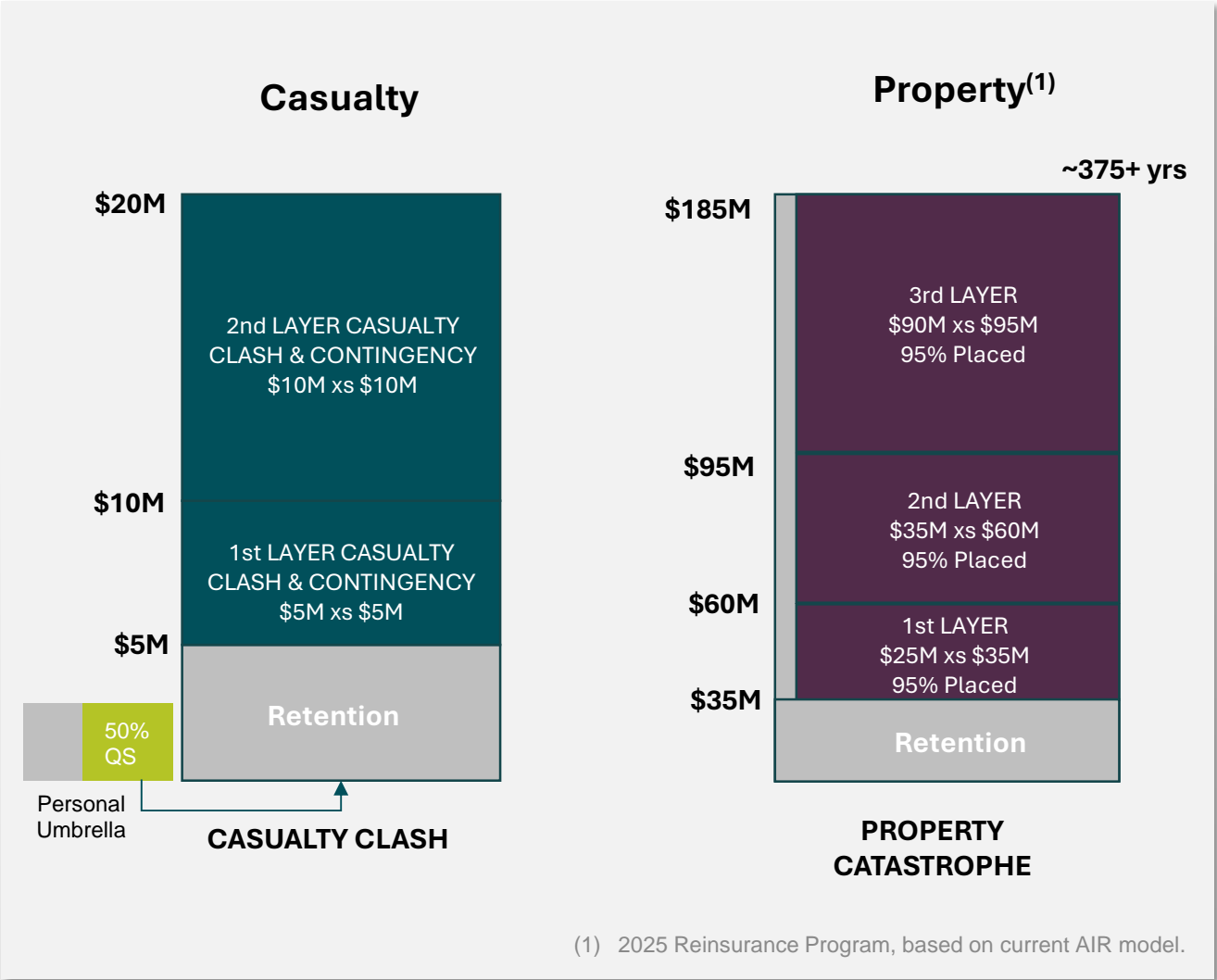
We are committed to doing our part to protect the environment, including a **pledge to reach net-zero carbon emissions.**

We strive to have a **significant positive social impact on America's educational community**, our employees and the communities in which we live and work.

We are committed to following corporate governance best practices to ensure a **financially strong company that operates ethically.**

For more information, please visit our Corporate Social Responsibility (CSR) site at [csr.horacemann.com](https://csr.horacemann.com)

# 2025 SINGLE-EVENT CATASTROPHE REINSURANCE PROVIDES PML COVERAGE OF APPROXIMATELY 375+ YEARS



# HORACE MANN AT A GLANCE



Exchange ticker symbol	NYSE: HMN
Share Price	\$42.25 <sup>(1)</sup>
Weighted Average Diluted Shares (for 1Q25)	41.6 million
Market Capitalization	\$1.8 billion <sup>(1)</sup>
Annualized Dividend Per Share	\$1.40
Dividend Yield Per Share	3.3% <sup>(1)</sup>
Adjusted Book Value Per Share (at March 31, 2025)	\$38.05
Analyst Coverage	Dowling & Partners: Julia Ferguson JMP Securities: Matt Carletti Piper Sandler: John Barnidge Raymond James: Wilma Burdis
Contact	Brendan Dawal, Vice President, Investor Relations 217-670-8766 Rachael Luber, Assistant Vice President, Investor Relations 217-788-5163 <a href="mailto:investorrelations@horacemann.com">investorrelations@horacemann.com</a> <a href="http://investors.horacemann.com">investors.horacemann.com</a>

(1) Based on stock price as of May 2, 2025