

Earnings Presentation

2nd Quarter 2025

August 6th, 2025



AMERICAN COASTAL
INSURANCE CORPORATION

Company Overview

ACIC is a specialty underwriter of catastrophe exposed commercial property insurance.

American Coastal Insurance Corp. (Nasdaq: ACIC) is the insurance holding company for **American Coastal Insurance Company** (AmCoastal), a Florida domiciled P&C carrier, and **Skyway Underwriters** (SKU), a managing general agency, along with other operating affiliates.

AmCoastal is a balance sheet underwriter and has the **#1 market share of commercial residential** property insurance in **Florida** with roughly 4,400 policies and \$657 million of premium in-force. AmCoastal has earned an underwriting profit every year since its inception in 2007.

SKU is a fee-based MGA focused on producing and underwriting commercial property insurance without taking any underwriting risk.

ACIC as of June 30, 2025

Total Assets:	\$1.35 billion
Total Equity:	\$292.3 million
Annualized Revenue:	\$317.3 million
Employees:	66
Headquarters:	St. Petersburg, FL
Credit Rating:	BBB- (KBRA as of 7/21/25)

Specialty Commercial Property



Managing General Agency



Executive Summary

- **2Q-25 Results**

- **Non-GAAP Core Income of \$26.8m (\$0.54)** increased \$7.2m (+36.4%) from \$19.6m (\$0.40) y/y due to quota share reduction from 40% to 20% as of June 1, 2024 and further to 15% as of June 1, 2025 and two employer retention tax credits received in 2025 related to 2021 totaling \$3.7m.
- **Net premiums earned grew \$15.0m (+23.8%)** to \$78.4m y/y.
- Our **combined ratio of 60.6%** decreased from 64.9% last year due to higher net premiums earned and our **Non-GAAP underlying combined** ratio (which excludes current catastrophe losses and PY development) **was 62.2%** which decreased from 66.4% in the prior year also due to higher net premiums earned. Both were below our stated target of 65.0%.
- We experienced **no catastrophe losses in the quarter and had \$1.3m of favorable prior year reserve development.**
- **Stockholders' equity** increased \$56.6 million from December 31, 2024, to **\$292.3m** or **\$6.00 per share** and **\$6.20 per share excluding unrealized losses** in accumulated other comprehensive income. Tangible book value per share increased to **\$4.68 per share.**

- **Other Highlights**

- The Florida commercial property market continued to soften during the second quarter with average premiums down ~7% since year-end.
- The Company completed its Core CAT reinsurance program effective June 1, 2025 with increased protection and a risk-adjusted decrease of -12.4%.
- ACIC was upgraded to investment grade status (BBB-) by KBRA on 7.21.25, saving approximately \$1.5m per year in interest expense.
- Skyway Underwriters is tracking with its 2025 underwriting goals and production target related to its new Apartment product.

2Q-25 Financial Scorecard

The Company is proud to report strong results for the second quarter.

Core Earnings per Share (CEPS)

2Q-25 = \$0.54
vs.
Analyst's Est. = \$0.38

Combined Ratio (CR)

2Q-25 = 60.6%
vs.
Analyst's Est. = 71.1%

Book Value per Share (BVPS)

2Q-25 = \$6.00
vs.
Analyst's Est. = \$5.78

Core Return on Equity (CROE)

2Q-25 = 41.6%
vs.
Analyst's Est. = 28.2%

2Q-25 & 1H-25 Summary of Key Results

Net & Core Income improved y/y driven by lower reinsurance costs. Combined Ratio was below 65.0% target.

<i>\$ in thousands, except per share amounts</i>	Q2-25	Q2-24	Change	1H-2025	1H-2024	Change
Net income (loss)	\$ 26,442	\$ 19,054	38.8%	\$ 47,790	\$ 42,653	12.0%
<i>per diluted share (EPS)</i>	<i>\$ 0.53</i>	<i>\$ 0.39</i>		<i>\$ 0.96</i>	<i>\$ 0.87</i>	
Reconciliation to core income (loss), net of tax:						
<i>Investment gains (losses)</i>	<i>\$ 1,763</i>	<i>\$ (57)</i>		<i>\$ 1,303</i>	<i>\$ (97)</i>	
<i>Amortization of intangible assets</i>	<i>\$ (481)</i>	<i>\$ (481)</i>		<i>\$ (963)</i>	<i>\$ (1,122)</i>	
<i>Gain (loss) from discontinued operations</i>	<i>\$ (1,595)</i>	<i>\$ (19)</i>		<i>\$ 42</i>	<i>\$ (129)</i>	
<i>Total adjustments</i>	<i>\$ (314)</i>	<i>\$ (557)</i>		<i>\$ 382</i>	<i>\$ (1,348)</i>	
Core income (loss)	\$ 26,756	\$ 19,611	36.4%	\$ 47,408	\$ 44,001	7.7%
<i>per diluted share (CEPS)</i>	<i>\$ 0.54</i>	<i>\$ 0.40</i>		<i>\$ 0.96</i>	<i>\$ 0.90</i>	
Net loss & LAE ratio	19.8%	24.1%		18.4%	22.0%	
Net expense ratio	40.8%	40.8%		44.3%	37.1%	
Combined ratio	60.6%	64.9%	(4.3) pts	62.7%	59.1%	3.6 pts
<i>Less: Net current year catastrophe loss & LAE</i>	<i>0.0%</i>	<i>0.0%</i>		<i>0.0%</i>	<i>0.2%</i>	
<i>Less: Net (favorable) unfavorable reserve development</i>	<i>-1.6%</i>	<i>-1.5%</i>		<i>-2.4%</i>	<i>-0.8%</i>	
Underlying combined ratio	62.2%	66.4%	(4.2) pts	65.0%	59.7%	5.3 pts

2Q-25 Operating Overview

Net Income increased y/y as the impacts of quota share reductions & new business premiums are earned.

\$ in millions

	<u>Q2-25</u>	<u>Q2-24</u>	<u>Change</u>	<u>% Chg</u>
Gross Premiums Earned	\$ 165.5	\$ 155.5	10.0	6.4%
Ceded Premiums Earned	(87.0)	(92.1)	5.1	-5.5%
Net Premiums Earned	78.5	63.4	15.1	23.8%
Investment & Other Income	5.8	5.2	0.6	11.5%
Unrealized G(L) on Equities	2.2	0.0	2.2	100.0%
Total Revenue	86.5	68.7	17.8	25.9%
Underlying Loss & LAE	16.8	16.3	0.5	3.1%
Current year CAT Loss & LAE	(0.0)	(0.0)	0.0	0.0%
Prior year development (F)/U	(1.3)	(1.0)	(0.3)	30.0%
Net Loss & LAE	15.5	15.3	0.2	1.3%
Operating Expense	32.1	25.9	6.2	23.9%
Interest Expense	2.7	3.4	(0.7)	-20.6%
Total Expenses	50.3	44.6	5.7	12.8%
Other income (expense)	1.3	0.8	0.5	62.5%
Earnings from continuing operations before tax	\$ 37.5	\$ 24.9	\$ 12.6	50.6%
Provision (benefit) for income tax	9.5	5.8	3.7	63.8%
Net income from continuing operations	\$ 28.0	\$ 19.1	\$ 8.9	46.6%

Our 2024 and 2025 quota share step-downs, combined with new business writings, impacted our net earned premiums positively. This was partially offset by increased operating expense, but created net additional earnings y/y.

Balance Sheet Highlights

	Jun. 30	Dec. 31	
(\$ in thousands, except per share amounts)	2025	2024	% Change
Selected Balance Sheet Data			
Cash & investments	\$ 726,243	\$ 540,811	34.3%
Accumulated other comprehensive income (loss)	\$ (9,794)	\$ (15,666)	-37.5%
Unpaid loss & LAE reserves	\$ 219,242	\$ 322,087	-31.9%
Reinsurance recoverable	\$ 169,622	\$ 263,419	-35.6%
<i>Net Loss & LAE reserves</i>	\$ 49,620	\$ 58,668	-15.4%
Financial debt	\$ 149,187	\$ 149,020	0.1%
Stockholders' equity	\$ 292,300	\$ 235,660	24.0%
Total capital	\$ 441,487	\$ 384,680	14.8%
Leverage Ratios			
Debt-to-total capital	33.8%	38.7%	-12.8%
Net premiums earned-to-stockholders' equity (annualized)	100.4%	116.3%	-13.7%
Per Share Data			
Common shares outstanding	48,746,722	48,204,962	1.1%
Book value per common share	\$ 6.00	\$ 4.89	22.7%
Underlying book value per common share	\$ 6.20	\$ 5.21	18.9%
Tangible book value per common share	\$ 4.68	\$ 3.53	32.5%
Underlying tangible book value per common share	\$ 4.88	\$ 3.86	26.5%

Liquidity and Book Value surged in 1H-2025 due to strong underwriting results.

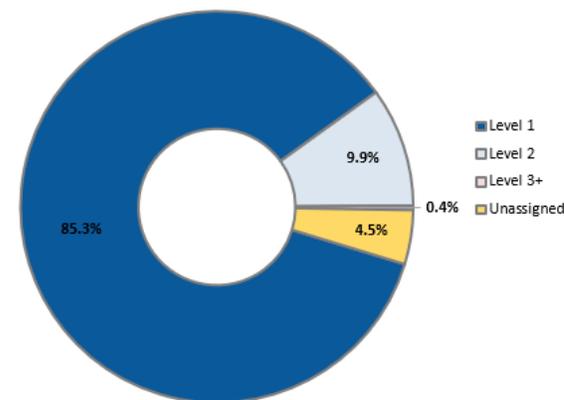
Investment Portfolio Overview

- The Company's cash position increased as we continue to take advantage of high cash yields and keep a conservative portfolio.

(\$ in thousands)	Jun. 30, 2025	Mar. 31, 2025	Q/Q % Change
Investments, at fair value:			
Fixed Income	\$269,307	\$303,367	-11.2%
Equities	\$40,502	\$29,210	38.7%
Alternatives	\$9,222	\$3,210	187.3%
Total Investments	\$319,031	\$335,787	-5.0%
Total Cash	\$407,212	\$233,040	74.7%
Total Cash & Investments	\$726,243	\$568,827	27.7%

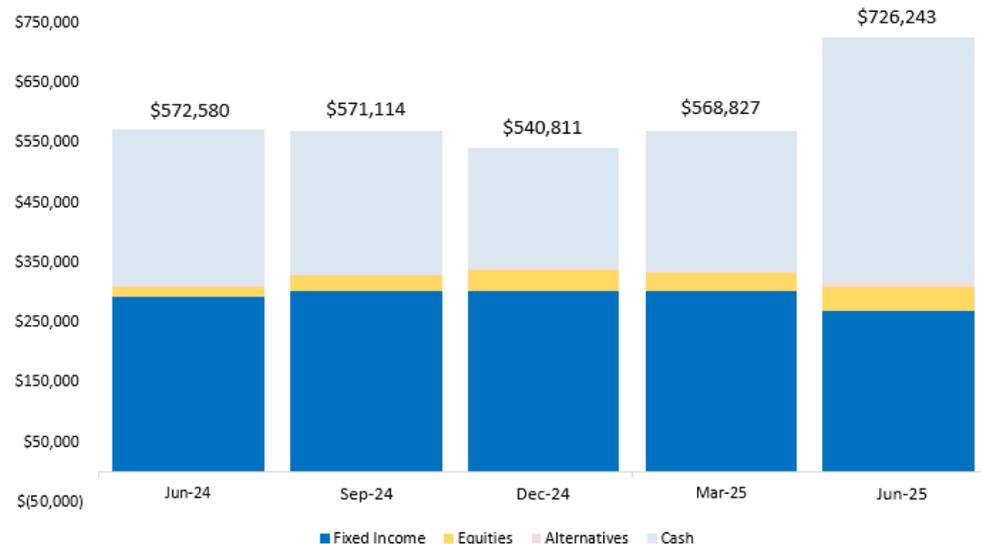
- The Company's high quality fixed income investments have mitigated the impacts of Q2 market volatility.

Portfolio Composition by NAIC Level

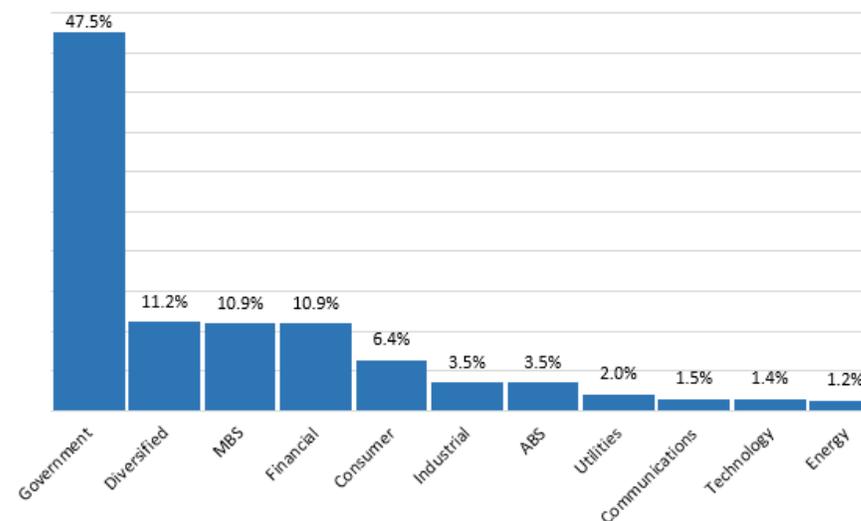


Fixed Income Metrics: Q2-25	
Portfolio duration	2.2 years
Weighted Avg Coupon	3.78%
Book Yield	3.61%
% A-or Higher	86.8%
Composite Rating	A+

Cash & Investments



Portfolio Composition by Industry Sector



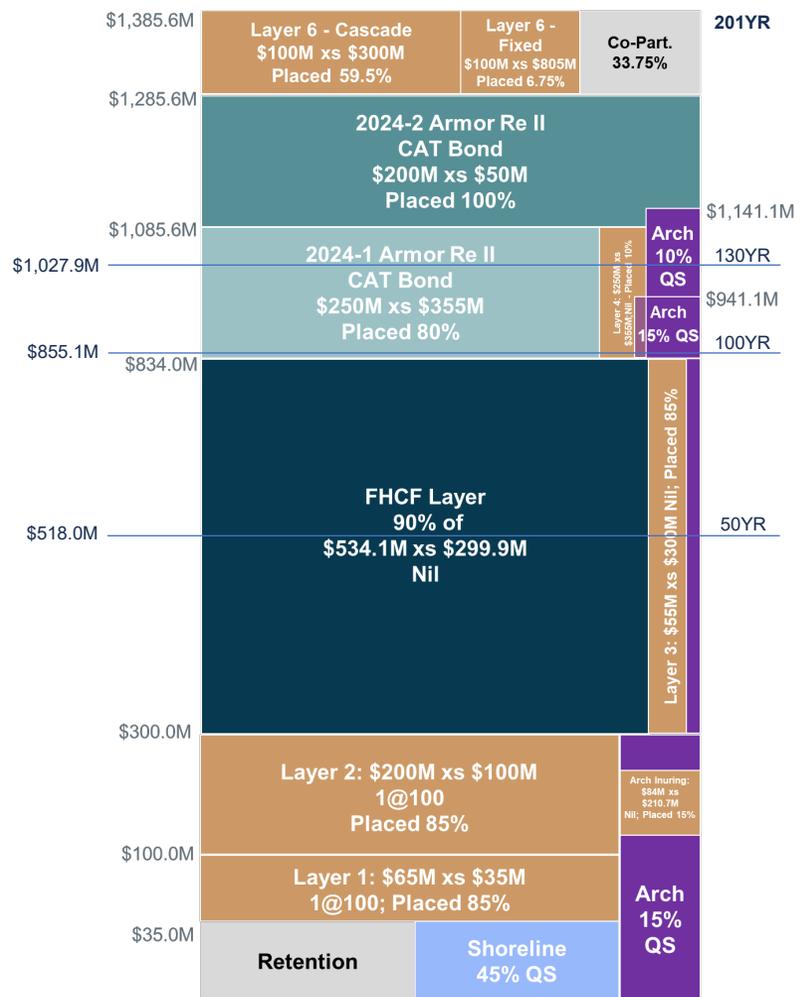
Skyway Underwriters Production Summary 1H-25

Apartments are diversifying our exposure in Florida, but we remain disciplined & selective.

Effective Month	Submissions	Quotes	Issued Policies	Submission to Bind Ratio	Quote to Bind Ratio	Avg Issued Premium	Issued Premium	Issued TIV
January	56	32	9	16%	28%	\$ 124,842	\$ 1,123,578	\$ 176,122,774
February	55	42	10	18%	24%	\$ 116,948	\$ 1,169,478	\$ 288,267,524
March	110	84	27	25%	32%	\$ 81,689	\$ 2,205,598	\$ 410,684,107
April	123	58	11	9%	19%	\$ 124,606	\$ 1,370,671	\$ 264,187,601
May	221	103	28	13%	27%	\$ 116,138	\$ 3,251,862	\$ 647,747,715
June	89	38	17	19%	45%	\$ 165,957	\$ 2,821,269	\$ 469,992,952
2025 1st Half	654	357	102	16%	29%	\$ 117,083	\$ 11,942,456	\$ 2,257,002,673

Core CAT Reinsurance Program effective 6.1.25

Structure Illustration



Note: Return times projected as of 9.30.25 and calculated by blending AIRv10, AIRv11.5, RMSv22, &. RMSv23 LT+DS equally.

Core Catastrophe Program Highlights

- Occurrence and aggregate limit increased y/y, but **exhaustion point 201-year return time** decreased slightly due to model changes in both AIR & RMS that increased probable maximum loss (PML) estimates incorporated into our view of risk.
- Consolidated group retention:
 - 1st event** - \$29.75m (12.6% of equity at 12/31/24) vs. expiring \$20.5m (12.2% of equity at 12/31/23)
 - 2nd event** - \$18.5m (7.9% of equity at 12/31/24) vs. expiring \$13.0m (7.7% of equity at 12/31/23)
 - 3rd Event** - \$3.75m (1.6% of equity at 12/31/24) vs. expiring \$13.0m (7.7% of equity at 12/31/23)
- Non-loss impacted layers down -10% to -22%, resulting in an **overall risk-adjusted cost decrease of approximately -12.4% y/y.**
- External gross CAT quota share reduced from 20% to 15% and **internal quota share with our captive (Shoreline Re) increased from 30% to 45%.**
- All incumbent markets renewed in 2025, and we **added 7 new markets.**
- Armor Re II bond issuances totaling \$400m
 - 2024-2 Bond has full cascading coverage excess of \$50m

Cautionary Statements

This presentation and the accompanying remarks contain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward looking statements include expectations regarding our diversification, growth opportunities, retention rates, liquidity, investment returns and ability to meet our investment objectives and to manage and mitigate market risk with respect to our investments. These statements are based on current expectations, estimates and projections about the industry and market in which we operate, and management's current beliefs and assumptions. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "endeavor," "project," "believe," "anticipate," "intend," "could," "would," "estimate" or "continue" or the negative variations thereof, or comparable terminology, are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The risks and uncertainties include, without limitation: the regulatory, economic and weather conditions in the states in which we operate; the impact of new federal or state regulations that affect the property and casualty insurance market; the cost, variability and availability of reinsurance; assessments charged by various governmental agencies; pricing competition and other initiatives by competitors; our ability to attract and retain the services of senior management; the outcome of litigation pending against us, including the terms of any settlements; dependence on investment income and the composition of our investment portfolio and related market risks; our exposure to catastrophic events and severe weather conditions; downgrades in our financial strength ratings; risks and uncertainties relating to our acquisitions, including our ability to successfully integrate the acquired companies; and other risks and uncertainties described in the section entitled "Risk Factors" and elsewhere in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report in Form 10-K for the year ended December 31, 2024 and 2023. We caution you not to place undue reliance on these forward looking statements, which are valid only as of the date they were made. Except as may be required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect new information, the occurrence of unanticipated events, or otherwise.

This presentation contains certain non-GAAP financial measures. These measures should be considered supplementary to our results of operations and financial condition that are presented in accordance with GAAP and should not be viewed as a substitute for GAAP measures. See our earnings release, Form 10-K , Form 10-Q and Form 10-Q/A for further information regarding these non-GAAP financial measures.