

28-Jan-2025

# Everest Group Ltd. (EG)

Business Update Call

## CORPORATE PARTICIPANTS

**Matt Rohrmann**

*Senior Vice President-Finance & Investor Relations, Everest Group Ltd.*

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

---

## OTHER PARTICIPANTS

**Michael Zaremski**

*Analyst, BMO Capital Markets Corp.*

**C. Gregory Peters**

*Analyst, Raymond James & Associates, Inc.*

**Joshua Shanker**

*Analyst, BofA Securities, Inc.*

**Meyer Shields**

*Analyst, Keefe, Bruyette & Woods, Inc.*

**Alex Scott**

*Analyst, Barclays Capital, Inc.*

**David Motemaden**

*Analyst, Evercore ISI*

**Yaron Kinar**

*Analyst, Jefferies LLC*

**Brian Meredith**

*Analyst, UBS Securities LLC*

**Elyse Greenspan**

*Analyst, Wells Fargo Securities LLC*

**Wes Carmichael**

*Analyst, Autonomous Research US LP*

---

## MANAGEMENT DISCUSSION SECTION

**Operator:** Good morning, everyone, and welcome to the Everest Group, Limited Conference Call to discuss our 2024 Preliminary Financial Results in advance of our Full Year and Quarterly Earnings will be released on February 3. The Everest executives leading today's call are Jim Williamson, President and CEO; Mark Kociancic, Executive Vice President and CFO. We're also joined by other members of the Everest management team.

Before we begin, I will preface the comments by noting that today's call will include forward-looking statements. Actual results may differ materially and we will undertake no obligation to publicly update forward-looking statements. Management comments regarding estimates, projections and similar are subject to the risks, uncertainties and assumptions as noted in Everest's SEC filings.

Management may also refer to certain non-GAAP financial measures. Explanations and available reconciliations of non-GAAP financial measures are included in the associated press release filed with the SEC on Form 8-K on January 27, 2025, available on our Investor Relations website. Today's conference call is being recorded.

With that, I'd like to turn the floor over to Matt Rohrmann. Sir, you may begin.

---

**Matt Rohrmann**

*Senior Vice President-Finance & Investor Relations, Everest Group Ltd.*

Thank you, Jamie. Good morning, everyone. Today's call will cover our preliminary results for 4Q and 2024. And with that, I'll hand the call over to Jim Williamson. Jim?

---

## Jim Williamson

*President, Chief Executive Officer & Director, Everest Group Ltd.*

Thanks, Matt, and good morning, everyone. Everest has taken decisive action to strengthen our casualty reserve position across both divisions. This totals \$1.7 billion of net reserve development, including over \$200 million of additions to our 2024 loss mix. Our approach to determining the level of strengthening required was comprehensive. We conducted an extensive in-depth analysis of all our reserve portfolios.

We reviewed key indicators of our underwriting performance and we assessed open claim volumes. This resulted in a prudent actuarial indication. Management then added a robust risk margin above and beyond the actuarial indications to arrive at a conservative and sustainable management best estimate. Our goal for this process was to firmly put this issue behind us. We will maintain this posture for setting loss mix and will not take credit for our underwriting actions until we see proof that these actions are improving results.

Social inflation and legal system abuse is a widespread problem in the United States. Average loss severities are rising. Attorney involvement in claims, even at first noticeable loss, is increasing. And the plaintiffs' bar is using tactics that manipulate your emotions to achieve outsized awards or to force large settlements. These are major problems for the insurance industry and the US economy. This phenomenon is a tax on every American and a growing barrier to a vibrant economy. Many insurance and reinsurance carriers have been affected by this trend and Everest is no exception.

However, it's important to acknowledge clearly that our underwriting choices contributed significantly to these results. A high concentration in casualty, which reached 45% of our North American insurance GWP in 2022, coupled with the willingness to write classes like real estate, habitational and sports and entertainment, magnified the impact of social inflation.

My personal view on these results can be summed up in a single word, unacceptable. We can and we will do better for our shareholders, for our customers and for our colleagues. We are taking aggressive action to transform our North American insurance business. This work did not start with a reserve charge we are taking now. It began with the onboarding of a new Chief Pricing Actuary and Chief Underwriting Officer in 2023 and accelerated aggressively in March of 2024 when I took over the Insurance division.

We have made changes to our leadership team across our North American business. Starting at the top, we now have, in Bill Hazelton, a world-class leader at the top of the House in North America insurance. We hired new leaders for our casualty business, for financial lines, for wholesale and in our field operations. We have a new leader for North American insurance claims and we've added superb talent to our actuarial, analytics and CoE teams.

Our portfolio is undergoing rapid and positive change. In casualty, we have an account-level plan to remediate the book using what I call a one renewal standard. That means we will return every casualty account to target profitability in one renewal or we will get off the account, period. We are not afraid to lose unprofitable business as evidenced by third quarter results, where 37% of our casualty premiums were not renewed and those accounts that were renewed went through substantial structural and rate changes. We are prudently growing in areas where we've consistently earned solid returns, which is bringing balance to our book. That's why you saw our first party book grow by over 20% in the third quarter.

Finally, we strengthened our value proposition to our brokers and clients. Our underwriters are closer to our distribution. Service levels have been enhanced and expertise has been deepened. Our teams in our regional offices around the country are now focused on running clients instead of just lines, which is better for our customers and results in a more balanced portfolio. This transformation is our immediate priority. I expect the account-by-account remediation of our casualty book to be completed before the end of 2025.

Before I turn it over to Mark, I want to update you about an important decision we've made on Everest's forward guidance policy. I absolutely commit to speaking plainly about our results as we move forward and the steps we are taking to improve and advance the business, prioritizing shareholder returns. Our target objective is to deliver a mid-teens total shareholder return over the cycle. We will no longer be providing detailed forward guidance, but instead we'll let the results toward this target do the talking.

And with that, I'll turn it over to Mark.

---

## Mark Kociancic

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

Thank you, Jim, and good morning, everyone. Following a comprehensive review of our reserves, we took decisive actions to strengthen our net reserves by \$1.7 billion this quarter. Everest and the industry, in general, faced higher-than-expected loss development during 2024. And as Jim described earlier, Everest concentration in certain US casualty classes exacerbated our loss experience. A contributing factor to the heightened claims activity observed in 2024 is the backlogs of claims that accumulated during the COVID pandemic, which is continuing to work its way through the court system. This has affected our projected loss development factors, as the pandemic helped mask the impact of social inflation on our claims experience.

Let me turn to our reserve adjustments, beginning with our Reinsurance division. In Reinsurance, we strengthened our US casualty reserves across all accident years since 2015 to reflect our view of the heightened risk environment resulting from social inflation. This includes \$504 million related to the actuarial central estimated efficiency for US reinsurance casualty, plus an additional \$180 million of risk margin to arrive at the total strengthening of \$684 million. We also recognized approximately \$684 million of net favorable reserve development primarily from well-seasoned property and mortgage reserve split approximately 70/30, respectively.

Our reinsurance reserves are well-diversified, and we continue to believe we have embedded margin in our property and mortgage lines that will emerge over time. Beginning in 2020, we significantly enhanced cedent selection, which resulted in exiting and avoiding certain underperforming large account business. We also limited our exposure to certain lines of business we viewed less favorably, such as commercial auto. Overall, we believe the cedent quality in our reinsurance portfolio is quite high.

Now moving on to insurance, we materially strengthened US casualty reserves in our redefined Insurance segment by approximately \$1.3 billion on a net basis. This figure includes a total strengthening of \$206 million in the current accident year. Our prudent actions include a risk margin of approximately \$182 million, above the actuarial central estimates for our US insurance casualty lines.

The insurance strengthening was primarily in accident years 2020 to 2024, as our US casualty portfolio, consisting of excess casualty, general liability and commercial auto liability, clearly underperformed. This reserve strengthening is a response to the increased loss experience and higher risk environment for US casualty, in addition to bridging the data forward to more recent accident years.

We observed upwards pressure on loss ratios for older years, 2021 and prior, and we, therefore, reassessed our ultimate loss views for more recent years, 2022 to 2024. We applied a bridging procedure that trends the experience of older years and brings them to current rate and loss trend levels. This now forms the foundation of our ultimate loss ratio selections for 2022 to 2024. And as I stated before, we layered an additional risk margin on top of this. Outside of the US casualty lines I just referenced, the remainder of our insurance portfolio continues to perform within our expectations.

Our recently formed Other segment primarily consists of non-core lines of business. It comprises several lines of business, representing approximately \$1.1 billion of net loss reserves at year-end 2024. The vast majority of those reserves are associated with our policies written in our sports and leisure business prior to its sale in October 2024, as well as asbestos and environmental exposures and other non-core casualty exposures.

Reserve strengthening of \$425 million is largely comprised of \$315 million from the sports and leisure business, primarily a general liability and umbrella lines of business, \$54 million from asbestos and environmental, \$35 million from other casualty lines, and an increase of \$22 million to the current accident year losses. Consistent with our approach to reserving in the Insurance and Reinsurance segments, we have booked a risk margin of approximately \$119 million above the actuarial central estimate in our Other segment.

As Jim mentioned, industry loss costs remain elevated. And our view is loss trend will average approximately 12% for general liability, excess umbrella and commercial auto combined. Going forward and given the risk environment for US casualty, we are being prudent to account for any potential volatility in increasing the uncertainty margin or loss picks above and beyond our estimates for US casualty loss trends I just mentioned to take into account our view of ultimate losses.

And while we are disappointed with our results, our decisive actions to fortify US casualty reserves and the underwriting actions Jim described earlier have us on a path forwards, towards sustained profitability, as we navigate this high-risk environment.

And with that, I'll turn the call back over to Jim.

---

## Jim Williamson

*President, Chief Executive Officer & Director, Everest Group Ltd.*

Thanks, Mark. Let me conclude by taking a step back for a moment. Our decisive reserve action turns the page on issues surrounding our US casualty portfolios. They also clearly demonstrate the commitment of this management team to doing what is necessary, to ensure the strength and sustainability of our reserves. This is critical, but it does not define the whole of Everest.

Zooming out from these necessary actions, it's impossible not to be bullish about the prospects of our company. The upside is huge. In reinsurance, Everest is setting the global standard. Clients and brokers actively work to make Everest a more prominent part of their reinsurance programs. Our team is, in my humble opinion, the best in the business.

I'll save my commentary regarding the January 1 renewal for our Q4 earnings call next week. But let me just say, I could not be more proud of our reinsurance team under the leadership of Jill Beggs and Chris Downey, as they again demonstrated the highest level of execution, cycle management and underwriting discipline.

Looking abroad, our international insurance business is performing at an exceptional level. We have built, organically, a world-class international insurance franchise, spanning Europe, Latin America and Asia-Pacific.

Clients and brokers are excited by the superior value proposition offered by a nimble service-centric company like Everest.

Technical margins in that business are excellent and growing scale is bringing down expense ratios and expanding bottom line results. Our leadership team in that business from our division co-Presidents, Jason Keen and Adam Clifford, to our regional leaders, country Presidents and line of business heads are outstanding.

And as I already said, in North America insurance, we are making rapid progress towards transforming our business. We have built a high-performing leadership team that is constructing a quality portfolio and increasing our presence in the market. Our regional underwriting teams are playing offense, attracting high-quality rounded accounts at or above our target margins. Our infrastructure continues to improve, gaining us underwriting efficiencies and allowing for ever improving levels of analytics. Everest has so much to be excited about and I am extremely optimistic about our opportunity ahead.

And with that, I'll turn the call back over to Matt to take your questions.

---

## Matt Rohrmann

*Senior Vice President-Finance & Investor Relations, Everest Group Ltd.*

Thanks, Jim. Operator, we are now ready to open the line for questions. [Operator Instructions] Jamie, over to you, please.

---

# QUESTION AND ANSWER SECTION

**Operator:** [Operator Instructions] Our first question today comes from Michael Zaremski from BMO. Please go ahead with your question.

---

## Michael Zaremski

*Analyst, BMO Capital Markets Corp.*

Hey. Good morning. And thanks for all the details in the deck and the prepared remarks. First question is a more high level on the accident year 2024 strengthening. Directionally, should we be thinking about that strengthening is kind of negatively impacted – impacting your run rate on the core loss ratio on a go-forward basis in predominantly the adverse Insurance segment?

---

## Jim Williamson

*President, Chief Executive Officer & Director, Everest Group Ltd.*

Yeah. Thanks for the question, Mike. It's Jim. So, the way I would think about that is if you subtract the prior-year development from our insurance results, you get to an accident-year view for the year of our insurance loss and combined ratio and let's call that combined ratio it's going to be somewhere around 100%, a little over 100% combined. To us, that's sort of our starting point.

---

Now, one of the things that you've, I think, took away clearly from our prepared comments is that it is our intention to sustain our casualty loss tax. At the level where they are at this moment, we're not going to take credit for all of the underwriting actions that we are enacting, which I am very confident in their effect, but we're not going to take credit for them until the results of those actions flow through our reserve indications. So, that's a set of facts to keep in mind.

But the other piece that's very important and I referred to this in my opening remarks, we are really experiencing terrific results outside of casualty in our North America insurance business. We're growing our short tail book very strongly. You'll see that repeated when we get into more details on our Q4 results. Our international insurance business, which is mostly a short tail book, both property and specialty, is performing extremely well. That outperforms as excellent loss ratios. And so, the growth of those businesses relative to the actions that we're taking in casualty will mechanically, over time obviously, result in a tailwind relative to our starting point, which is that roughly just over 100% combined I described.

The other thing I would say, and I do mean when I say we're not going to give forward guidance, I mean it, but I will provide some indications given this moment in time. We've indicated a mid-teens ROE over the cycle. As you can imagine, we complete an annual operating plan process that results in an expected return for the business. That expected return also gets translated into all of our compensation targets and other objectives for the company and we believe our 2025 operating plan is consistent with that goal. So, that should give you, I think, enough information to understand where we think this business is and where it's going.

---

**Michael Zaremski**

*Analyst, BMO Capital Markets Corp.*

Q

Yeah. That's helpful, Jim. And my follow-up is this thinking about – so you've created a kind of a run-off segment. You've talked about non-renewing a lot of – a material amount of business, especially in the casualty side. So, should we, in the near term, be thinking about the expense ratio being a bit higher, given growth is likely to be more muted forward basis? Thanks.

---

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

A

Yeah. Mike, it's Mark. I think you're spot on with that right now. We will see what I would call a stickier expense ratio in 2025, similar to the last time for 2024, largely because of this dynamic, where we're shutting material amounts of casualty and we are growing in other areas, but that will be offset by some of the premium reductions in US casualty.

Just one other point, I want to come back to your first question, I think Jim gave you a lot of good color. One other point that I'd like to add to it is the process of remediation on that US casualty book started in 2024. And so, the ultimate loss ratio for 2024 encompasses the entire book that we had in 2024. And I would expect that remediation to, as Jim mentioned, be completed in 2025. And a lot of that business is simply going to not renew during 2025. And obviously that business, that's whatever you want to call it, legacy or not being renewed, is coming with a much higher legacy loss ratio.

And so, mechanically, you're going to see a better composition of the go-forward US casualty book. And then, you have the prudence that we're booking in the loss picks on top of that. So, there is another component to that that I think you'll see develop over 2025.

---

**Michael Zaremski**

*Analyst, BMO Capital Markets Corp.*

Q

Okay. That's helpful. Thank you.

---

**Operator:** Our next question comes from C. Gregory Peters from Raymond James & Associates. Please go ahead with your question.

### C. Gregory Peters

*Analyst, Raymond James & Associates, Inc.*



Good morning, everyone. Thanks for the slide deck. I wanted to go back to your comment about this risk margin that you're building on top of the central estimate. Can you talk about how this risk margin compares with historical practices? Is this something new that you're building into your reserves or can you give us just some color about how you came in with -- came up with this risk margin number both inside the reinsurance and the insurance business?

### Mark Kociancic

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*



Yeah. Greg, it's Mark. So, first, we book our claims liabilities on management's best estimate. So, we start with the actuarial central estimate and the difference between management and the central estimate from the actuary on the US casualty lines this year, we've classified as a risk margin to give you some sense of the ultimate losses that management is expecting.

So, when you think about some of the drivers of the results here, the charge itself, you're seeing meaningful changes in loss emergence, loss development patterns. Obviously, our actuaries have taken that into account. Management comes in with its own view and it's taking into account our experience, our view of the market, the risk environment that we see and on a more granular basis, when you look at umbrella, GL and commercial auto, you start to stress those loss development factors based on our experience. And so, we're taking more prudent views from a management point of view and that's resulting in this additional margin, risk margin, that we're talking about.

But, ultimately, the two components add up to management's best estimate of the liabilities going forward. So, we've had a management best estimate for a few years now. I'd say it's more pronounced now, because we're seeing more definitive trends on the loss environment for US liabilities. So, clearly, these margins are larger now given the size of the charge. And we're going to be watching the portfolio develop over time and we'll make adjustments to the ultimate losses, as the data guides us over time and as we take into account market conditions and our view of the risk environment. So, in a nutshell, that's how you get to risk margin within management's best estimate.

### C. Gregory Peters

*Analyst, Raymond James & Associates, Inc.*



Okay. The follow-up question will be on the reinsurance -- moving pieces inside reinsurance and recognize you did a substantial re-underwriting in 2020. But when we see a charge and then see the offset with some favorable development in the other two pockets, it just naturally raises some questions. So, maybe you can talk about the favorable development in the reinsurance business that offset the charge in the casualty.

### Mark Kociancic

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*



Yeah. Sure. It's Mark again. So, a few points here. First of all, our Reinsurance division performed well, very well last year. We had an actuarial net redundancy for the division with clear favorable developments in multiple lines outside of US casualty, led by property, mortgage, several other smaller pockets. The property in particular and mortgage as well are well-seasoned. And it was similar to last year, where we had material favorable development in both lines, property and mortgage. Really no different this year, a substantial amount of favorable development.

On the flip side, the actuaries indicated a \$504 million deficiency in US treaty casualty for reinsurance. And so, that was something we wanted to address decisively, as we put it. So, we looked at it and we also looked at the loss development factors that the actuaries were using. We wanted to take, again, decisive action. And so, we added a risk margin. In this case, it was \$180 million.

Now, the favorable development, obviously, we have net zero PYD for the quarter in reinsurance. And we took a – we had other puts and takes that would normally happen in the year-end reserving process. And so then, the favorable development is really something that is well-seasoned, clearly showed, and we took prudent actions elsewhere outside of US casualty as well, rather than showing any favorable [ph] NAP (00:27:48) development.

---

**C. Gregory Peters**

*Analyst, Raymond James & Associates, Inc.*

Got it. Thanks for the answers.

Q

---

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

Thanks, Craig.

A

---

**Operator:** Our next question comes from Joshua Shanker from Bank of America. Please go ahead with your question.

---

**Joshua Shanker**

*Analyst, BofA Securities, Inc.*

Yeah. Thank you for taking the question. If we go back to almost any time in history, the skeptics of Everest, we argue there was conspicuous growth in the company's Insurance segment in the mid-teens and that worried them that there was not a significant reserve chart. When you look at the reserve charts announced last night, the 2018 and prior years actually seem pretty adequate and it's really the more recent years that are creating the problem. I think enough time has passed that we can sort of put those teens years to bed in some ways. But is there a strategy change that was engaged in the 2020 and forward period in insurance that created a different underwriting appetite that seemed to concentrate the losses in that business in the more recent years?

Q

---

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

Yeah. Josh, it's Jim. Thanks for the question. Just a couple comments on your question before I get into the substantive answer. I do think you've seen us, in the past, ensure that the sort of 2015 and 2019 reserves were in a better spot. That's, I think, been a good story since then and feeling very good about that. And as you indicate, this action is much more about 2020 and forward.

A

Look, I don't think growth in the insurance business, per se, is a problem. As I indicated and in the interest of transparency and clarity, the challenges were related to choices that were being made in terms of the appetite and I talked about specific sub-segments. You'll also see in the presentation we talked about writing large guaranteed-cost programs for accounts that I think would have been better served by a loss-sensitive type of program and over exposure to large auto fleets in certain classes, in certain jurisdictions.

And so, look, our approach from the beginning of 2024, as I indicated, when I took over the division, was to focus our appetite, tighten our underwriting guidelines, write best quality accounts with the right teams, the right brokers in our regional markets, all that's coming to fruition. That's the change in the strategy. And it is a very different

approach than the one we were taking from 2022 to up until March of 2024. And I think it will yield significantly different outcomes, and we're quite confident in the actions we're taking.

The other thing I would indicate and you'll get a flavor of this in the presentation as well on slide 5, you see these things are well underway. This does not begin today. This began at the beginning of 2024 and even before that. And so, we're well down the path of the remediation of the casualty portfolio and getting excellent results in growing the parts of the book that have performed extremely well. And I think that's a key component of this action.

If you look outside of US casualty, our book performs at excellent levels, whether that's property or financial lines portfolio, credit, political risk business, our surety business, other specialty areas performing extremely well. So, lots to build on there, but that is the strategic pivot that I think is most relevant is what we are doing today.

---

**Joshua Shanker**

*Analyst, BofA Securities, Inc.*

Q

And then, I want to talk about the \$700 million of favorable development in reinsurance short-tail lines. That follows on \$400 million in favorable development in 4Q 2023. If trends persist in the short-tailed lines, should we expect significant reserve releases are a regular experience in the short-tailed lines? My concern here is that, yes, it's favorable, it's wonderful, it's good, but in this action, all of the good guys that offset the adverse things are being released now and the adequacy of that book goes from being generally over adequate to significantly adequate, I suppose, is the word and the potential for redundancy goes down.

---

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

A

Josh, it's Mark. Look, we feel pretty good about the embedded margin in the reserve portfolio for reinsurance. It's something that's been developing favorably for some time. Last year, we had a net release of just under \$400 million. The favorable development was probably closer to \$700 million last year. I think we strengthened casualty, a little over \$300 million in reinsurance. Last year, you're seeing something close to \$700 million. This year, a favorable development from predominantly property this year and a good chunk of mortgage. We feel good about the embedded margin we have in there, needs time to season.

So, that portfolio, I think, is on a very good trajectory. The main thing, this year, the highlight, while the seasoning is nice and great and we like it and we expect it, it's clearly there. We're not concerned about it. It's clearly developed. It was really about acting on the treated casualty risk environment that we have now.

So, we feel very good about those reserves. We've added this risk margin to take into account the elevated risk environment we see currently and we think we're in a very good spot for the future. The portfolio is running well. And as I mentioned, we're feeling good about the kind of margins we're building in overall in reinsurance, not just short tail.

---

**Joshua Shanker**

*Analyst, BofA Securities, Inc.*

Q

Thank you for indulging my questions. I appreciate it.

---

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

A

Thanks, Josh.

**Operator:** Our next question comes from Meyer Shields from Keefe, Bruyette & Woods. Please go ahead with your question.

**Meyer Shields**

*Analyst, Keefe, Bruyette & Woods, Inc.*

Q

Great. Thanks so much. I guess to begin, I was hoping you give us some sense as to the pricing for the various US insurance casualty lines and I'll guess to the 12% loss trend that you're looking?

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Sure. Meyer, it's Jim. We have really been focused, particularly with respect to the remediation of this portfolio and ensuring that we are driving rate change well in excess of those trends. And so, if you were to look back in our Q3 results, we had a commercial auto rate change that was in the low-20s. We were in the mid-teens for general liability and excess liability. I think when we talk about Q4 results, you'll be pleased relative to how those numbers compare. And we're not letting our foot off the gas.

As I indicated, through this remediation process, we are using a one renewal approach to remediation, which means, in one renewal cycle, you get to the account to target profit. That's not typical. I mean, I've seen a number of remediations. I think usually companies try to stair-step these changes over multiple renewal cycles in the interest of preserving top line. Our fortitude is much greater than that. We're doing it in one renewal. And that's why you're seeing such great, great achievement. And we're not afraid to walk away from those accounts that won't accept these needed changes. And our intent is to continue to drive rate in excess of those trends in the future. And it's just the bottom line of what we need to do for the business.

**Meyer Shields**

*Analyst, Keefe, Bruyette & Woods, Inc.*

Q

Okay. No. That's very helpful. Second question, I guess maybe the silver lining to the expense ratio pressure is less required capital, as it's going to be less premium overall. And I was hoping you talk a little bit about how you're looking at year-end 2024 capital adequacy and maybe plans to take advantage of the valuation pressure.

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

A

Well, the capital position is strong – remains strong, Meyer. Obviously, we're taking a hit here, but there was a very strong position to begin with. I feel good about the capital base. I think we have a strong earnings engine. For 2025, the target that Jim mentioned, we feel very confident about. No issue in supporting our operating plan for 2025 and its ambitions and I also foresee normal capital management options on the table. I would expect us to be in the market in 2025 and continue to strengthen the capital base of the company through normal retained earnings accretion and we're feeling good with where we are in that regard.

**Meyer Shields**

*Analyst, Keefe, Bruyette & Woods, Inc.*

Q

Okay. Thank you very much.

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

A

Thanks, Meyer.

**Operator:** Our next question comes from Alex Scott from Barclays. Please go ahead with your question.

**Alex Scott**

*Analyst, Barclays Capital, Inc.*

Q

Hey. Good morning. First one I had for you is just on top line and I know you don't want to give any guidance, but I was hoping maybe you could help with just when did the heavy remediation begin? Like are we already seeing the impact of that in the premium growth numbers as of last quarter or does it escalate from here a bit more? Like I'm just trying to understand how that will flow through in the context of – I agree, it does sound like you're taking pretty decisive actions, trying to do it in one renewal, but the flipside of that is we're hearing – it sounds like the market is generally more competitive than, I think, people already guessed even a month or two ago. Even for casualty, it doesn't sound like rate is going up quite as much as we were thinking or hoping. So, just want to understand where we are in that process and if there's any kind of indication around how much top line you'd expect to lose through that?

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Hello, Alex. It's Jim. I mean, let me make a couple comments before I answer your question. Really two things. One, just so you and everyone else is clear on my view of top line, the way we arrive at the top line number is we write all the good deals available to us in the market, we work really hard to pipeline those deals, offer a compelling value proposition, negotiate favorable terms. And after we've done that, we add up all the accounts and that's our top line.

So, we're not driving to get to a top line outcome. We're focused on the bottom line and the top line falls out of that process. I also would just – I would – I don't see the world necessarily in alignment with your last comment about casualty rates. I think there's no sign that I've seen that anyone's giving up on the need to drive higher casualty rates. We're seeing acceleration across a number of fronts that way. And so, I just – I think that's a little bit different than maybe the way you're describing it.

In terms of where we are in the remediation, as I indicated, some of this work began with some new adds to the staffing at the end of 2023 and then I took over the business in March. And I can tell you and I mean, it's literally the day that I took over the business, I was giving direction to some of the teams to start shedding their portfolios, in some cases decisively meaning a near exit or an exit of the businesses that they were participating in.

Obviously, it then takes a little bit of time to identify all of the sources of the challenges we've had. We did that work and then you get to the process of remediation and, as I said, I expect that that remediation effort to finish this year. I think it's fair to say we're kind of like in the middle. And if you look at the slides that we've provided, we talked about balancing the portfolio and aggressive underwriting action. We're about halfway done. So, we're kind of in the middle of that bell curve, if you will, where it's like maximum remediation and so the effect of that remediation is absolutely built into our -- to very much in our Q3 numbers and our Q4 numbers, it will be in our Q1 numbers and then it should start to subside after that. But again, it's about writing the right deals, not worrying about some top line target or anything of that nature.

**Alex Scott**

*Analyst, Barclays Capital, Inc.*

Q

That's really helpful. Thank you. Second one I had, it was on, I guess, just this strategy, as we emerge out of the remediation period here for the insurance business in particular, do you expect it to continue to be focused on the international build-out? Is there any other plans you have for this business as we look out further beyond the remediation?

---

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah, Alex. Thanks for the question. I can share with you our insurance strategy and this is a global comment, it's pretty straightforward. We want to be the first call any broker makes to place their best clients when they need a large account specialty, property, casualty solution. That's true in North America. That's true in international. It's true in all of our international markets. That strategy is a robust strategy. We have a lot of value proposition backing it in terms of the expertise of our underwriters, the quality of our products, the precision and excellence of our claims handling of our data and analytics and our actuarial practices. All those things support that strategy.

We're investing in the strategy and it's not going to change. And that's really the focus that we have of this business. And what we know, what I know and our team knows is when done well, that can generate excellent returns for our shareholders. And with the exception of US casualty and we've talked about all the ways that we got here we're then clear about that, with the exception of that, that strategy is performing at an excellent level. And we'll continue to drive that strategy as we look forward.

---

**Alex Scott**

*Analyst, Barclays Capital, Inc.*

Q

Thank you.

---

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Thanks, Alex.

---

**Operator:** Our next question comes from David Motemaden from Evercore ISI. Please go ahead with your question.

---

**David Motemaden**

*Analyst, Evercore ISI*

Q

Hey. Good morning. My question is, I'm looking at the casualty reinsurance reserves on slide 7 and just the loss ratios by year and I see that there's a decent amount of improvement in accident 2018 versus 2017 and then again in accident year 2019 versus 2018 and I guess that was a little surprising to me given the environment back then. So, could you help me think through how you get confident in those picks on accident year 2018 and 2019?

---

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah. David, it's Jim. So a couple comments. One, I mean, you did start to see the industry in 2018 really gaining steam in 2019. I think it did very broadly wake up to the fact that limits had been escalated much too great an extent. Terms and conditions had been loosened. Pricing was not good, right. So, the industry was reacting to that.

And I think, very broadly, you're going to see an improvement in loss ratios, all other things being equal as a result of that. And that's an industry comment and I think it plays through to our own results. My own view is that 2016 and 2017 were sort of the peak of the soft market and the bad behavior. People started waking up in 2018, 2019.

Our reserving actuaries have done an incredibly thorough job of assessing this portfolio. We're in constant communications with our cedents and we have been very rigorous in assessing open claim volumes and have all of our reported data, which is what gives us confidence that we have arrived at the right picks. And then, as market indicated, as a general comment relative to reinsurance, we also added a risk margin on top of that. So, those years are starting to get to maturity. We feel good about where we are. And it helps to just inform where we go from here.

---

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

A

David, it's Mark. Let me just add one point to 2017, because it's clearly an outlier on the ULR bar graph. So, we did have a couple of stop loss treaties from smaller cedents that maxed out really performed poorly. They're not renewed. There's nothing go forward. So, I would classify 2017 as more of an outlier year, just to give you some perspective on that one.

---

**David Motemaden**

*Analyst, Evercore ISI*

Q

Got it. Thanks. That's helpful. And then, my follow-up. So, just on the risk margin, so I think that's 2% of the casualty reinsurance reserves or at least where they were at the end of last year or end of 2023. I think it's about 7% on the insurance side. I guess I'm wondering what percentile that puts you guys on the best estimate actuarial range for both in casualty re and casualty insurance.

---

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

A

Yeah. Look, for insurance, it really puts us above – at the high end of the actuarial spectrum of the best estimate range. And for reinsurance, puts us in the upper part. So, that's as specific as I'll get.

---

**David Motemaden**

*Analyst, Evercore ISI*

Q

Understood. Thank you.

---

**Operator:** Our next question comes from Yaron Kinar from Jefferies. Please go ahead with your question.

---

**Yaron Kinar**

*Analyst, Jefferies LLC*

Q

Thank you. Good morning. I have a couple of questions here. So, Jim, maybe we start with – you talked about the remediation actions and pulling back from certain accounts, large accounts, guaranteed rates and so on. But, prospectively, can you share some of the pieces that give you the confidence that business written, starting today and beyond, will indeed be attractive, that doesn't end up being challenging even in elevated loss trend. Maybe you could provide some tangible examples of change in the risk selection and underwriting parameters of the business you're still interested in?

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah. Yaron, thanks for the question. Look, it's really hard to overstate the intensity of the pivot we're making. And so, for example, one of the things I indicated that created challenges for us was not only writing real estate, for example, but writing large real estate accounts on a guaranteed-cost basis, which is a recipe for experiencing the full effect of social inflation and then magnifying it.

What are we doing instead? Well, today, we're writing marquee law-sensitive accounts. So, these are large accounts in industries other than real estate. So, whether it's manufacturing, it's tech and life sciences, highly engineered construction, food services, just to name a few examples, we have very successfully pipelined and written again what I call marquee accounts. These are best-in-class accounts with major brokers. We're writing loss-sensitive general liability programs.

We may be offering up to \$10 million of excess, but we're not necessarily doing it as a lead umbrella. We're participating a little higher up in the tower. We're outside of the attritional loss. Most importantly, we're now also consistently writing a chunk of the property program, which would not have been happening in the past. We're much more attached across lines of business in our regional offices than we ever have been. So, we'll write some property as a part of that solution. We'll write a cyber line of business. We might write surety. We'll write credit and political risk, financial lines, et cetera. So, we're getting a rounded account, not just writing the casualty.

The other thing that's very important and this is – it's cultural, it's about business, just focus of the business and how we provide direction to the teams. But the entire casualty team understands with crystal clarity that I have zero interest in writing any business that does not meet our target return profile. And for these larger loss-sensitive accounts, you're loss rating each and every account. You have actuarial involvement in that process. If it doesn't meet our return profile, we don't write it, period. No interest in doing otherwise.

We have very robust price targets for all of our lines of business. We, as you can imagine, segment our accounts both on a new business and renewal basis. And we're very focused on writing the best segments of each and every one of those lines of business at or above our target pricing. And that's why I have so much confidence in the speed with which we're able to effect this change.

The last thing I would say and maybe I should have started here and I mentioned it during my prepared remarks, but the people that are making these decisions, in particular in casualty, are world-class individuals. I have recruited many of these people myself. I've worked with some of them for well over a decade. They know what good looks like, and that's the only thing we're willing to put on our book. We are not fooling around here in terms of getting this portfolio to world-class results, and we're not taking our time when we get after it. And hopefully, that gives you the perspective you're looking for.

**Yaron Kinar**

*Analyst, Jefferies LLC*

Q

It does. Thank you. And then, my second question, just looking at the one renewal strategy, as you pointed out, it is unusual and certainly very decisive, but ultimately is there risk that you alienate the broker through this strategy? Is there a risk that that broker is not making the first call to you for business that you do want?

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah. Yaron, thanks for that question, because I do think it's important. I mean, first of all, my appetite to lose money is zero. And as we approach this process, we're just not willing to continue to write business that's underpriced.

The other thing to keep in mind is our brokers are sophisticated. We do the vast majority of our business with the leading global brokers. They know that our portfolio has underperformed in the past. I'm not getting an argument from them that we can't continue to do what we've been doing or that on the accounts that we are willing to retain that need 50 points of rate, the fact that I'm demanding that rate, I'm not getting an argument.

I would also point to the fact that we've had a very successful new business pipeline writing the type of quality business that I've been talking about, and it's with the same brokers. And so, they're clearly willing to continue to support Everest. We are a very meaningful part of their overall business. When you add our insurance and our reinsurance business with the top three brokers, we are a major, major market for them. I've gotten support from all of their leadership teams as we've gone through this process.

And so, is there going to be an individual broker at one of those companies that's upset that we walked away from an account because they wouldn't take a 50% rate increase? I'm sure that's happening, but it's not slowing us down and it's not changing our fortitude and our commitment to turning this portfolio around before the end of 2025.

---

**Yaron Kinar**

*Analyst, Jefferies LLC*

Q

Got it. Thanks so much.

---

**Operator:** And our next question comes from Brian Meredith from UBS. Please go ahead with your question.

---

**Brian Meredith**

*Analyst, UBS Securities LLC*

Q

Hey. Thanks. Couple here for you. First one, I'm just curious, when you went through this process and maybe now, are you looking at any type of an LPT or something to really kind of put this to bed and the history to bed for good here and maybe free up capital?

---

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah. Brian, it's Jim. Thanks for the question. I mean, look, we, obviously, and then I think any company that's been writing US casualty over the last decade is always looking at all options. And, certainly, we're very comprehensive in how we thought about how we wanted to deal with this process. But the simple fact is, as Mark indicated, we have very robust capital position. And so, the best solution in our mind to create the greatest clarity for our shareholders and to sort of clear the decks so that we can move forward with confidence was just to deal with this in terms of the decisive reserve action that you saw in the quarter. So, no other approach was necessary.

---

**Brian Meredith**

*Analyst, UBS Securities LLC*

Q

Great. Thanks. And then, Jim, second question is, I appreciate the management changes that you've made, but are there any other operational changes that are being or need to be made, i.e. systems, data analytics? I mean, quite often that can be one of the core problems here. You can have great underwriters, but if your systems aren't

good enough, you're not getting a good enough data and analytics, it just doesn't work. So, anything like that going on and changes in maybe perhaps reserving and practices going on.

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah. So, look, my perspective on this is we have and we have had all the analytics and data we need to write the right portfolio. I think the ingredient that got added was the fortitude to actually make the changes that were needed to get this portfolio in the right spot. So, can we enhance our systems and our data? Of course. We are, absolutely, investing in our core systems. We have been very consistently for a while now. We are, I think, on a much stronger path to delivering high-quality automation for the underwriters. We have a very robust program of advanced analytics in our insurance and in our reinsurance business across all lines of business. We continue to work to accelerate those investments.

But, I mean to be just completely transparent, that's not a part of the process or a part of the business that I feel like I need to remediate. It's more about building on what was already strong.

And then, lastly, I think we've had a very strong and robust and appropriate reserve process. We have a terrific Chief Reserving Actuary. He's doing good work. He's responding to the facts as they emerge and as you've heard, obviously today, our approach has been incredibly prudent. So, we continue to build that and enhance that as one does, but feeling very good.

**Brian Meredith**

*Analyst, UBS Securities LLC*

Q

Thank you.

**Operator:** Our next question comes from Elyse Greenspan from Wells Fargo. Please go ahead with your question.

**Elyse Greenspan**

*Analyst, Wells Fargo Securities LLC*

Q

Hi. Thanks. My first question is on the insurance. I guess kind of thinking through the go-forward margin, I mean I understand the lack of guidance, right. But earlier, you said, right, this is a big, big step for 2024, right? It's going to be running at around 100% current accident year combined ratio. Now, you, obviously, are focusing on the remediation rate of the casualty book. How do you think – as you think about remediating that book over the next year, how should we think about that 100% going down just improving from there and any kind of goals around that?

**Mark Kociancic**

*Chief Financial Officer & Executive Vice President, Everest Group Ltd.*

A

Elyse, it's Mark. Look, there are a couple points to add to those. We've talked about a few of them already. But let me just reinforce them. I think you're seeing a natural mix shift anyways in our Insurance division to less concentration in US casualty and more growth in shorter tail lines, internationally fin lines, et cetera, that's going to continue. So, you're going to have a natural mix of business, a favorable development, I think, in the combined ratio.

Second point is the remediation started in 2024, as Jim mentioned, with the goal of completing it in 2025, which means some of the underwritten premium on accounts that we don't or will not likely renew is going to run off this

year and that will attach, obviously, to a higher ultimate loss ratio. And so, the go-forward book will naturally come down to a better loss ratio. Granted, there will be a level of prudence in there to get us to our ultimate view, but it should improve as that book gets remediated.

You've also got significant growth in the international space, which is performing very well on the technical margin and it's really just a function of scaling to get the expense ratio a little bit lower over time. So, I see a clear trajectory downwards over time and in combination with the other things we have going on, so let's not forget, we think our reinsurance operation is an elite one. Strong investment results, the balance sheets in a good spot. That mid-teens TSR target looks pretty good to us. It's definitely the 2025 ambition and we're confident in it.

---

**Elyse Greenspan**

*Analyst, Wells Fargo Securities LLC*

Q

Thanks. And then, my second question goes back to the account, remediation and casualty. Jim, I think in the prepared remarks, right, you mentioned, in the third quarter where some of the accounts you were remediating, right, 37% of the casualty premiums were not renewed, right? But that was before this reserve review, right, that led – it seems like even more of a focus on remediating the book. So, the way I would think about it that as you do this, right, you could see, I mean 37% is a big number and, obviously, the number could be even larger. The casualty premiums that just end up not renewed over the next year?

---

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah. Elyse, look, we responded. As I mentioned, we brought in some new people at the end of 2023 and I took over insurance in March of 2024. And the reason that was leadership changes happened was because we were not satisfied with the development of our insurance business. And I wasn't satisfied personally with the portfolio that was being constructed. And that was without the, I guess, benefit, you would say, of updated reserve indications. That was just based on underwriting expertise and experience.

We felt that we needed to make a meaningful change. And so, we began executing pretty aggressively. Now, you get through the reserving process, you get some more data in a lot of ways that merely validates, unfortunately, what we believed in terms of the need to adjust the portfolio, in some cases, it gives you new things to go and focus on.

But the fact is our fortitude isn't going to change and if that means that I need to give up more than 37% in a particular quarter, then we're certainly willing to do that. I would tell you that there is enough high-quality profitable business for us to go and write and that's true in property, it's true in Marine, it's true in our specialty lines, in financial lines, in cyber. It's also true in casualty, by the way, that we don't need to worry about the fact that we may need to let go of some of these legacy accounts at a higher rate does not concern me at all.

---

**Elyse Greenspan**

*Analyst, Wells Fargo Securities LLC*

Q

Thank you.

---

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Thank you for the question.

**Operator:** Our next question comes from Wes Carmichael from Autonomous Research. Please go ahead with your question.

**Wes Carmichael**

*Analyst, Autonomous Research US LP*

Q

Hey. Good morning. And thank you. And it's a little bit of a follow-up to the last question, but higher level on social inflation and you gave some helpful color, but reading the deck, I mean the language was pretty aggressive in terms of legal views and certain casualty lines. So, are you seeing that component, the social inflation component of this, I assume, 12% loss trend still accelerating? And was that kind of fully factored into your remediate mediation efforts that began last year?

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah. Wes, thanks for the question. It's Jim. Look, social inflation isn't going to abate. I wouldn't say it's accelerating. It definitely accelerated after the pandemic. We built it in explicitly to what is, I think, a very conservative loss trend assumption for the portfolio. I'm not assuming that there's going to be some dramatic improvement or tort reform or change to the culture that deals with this problem. Obviously, I think it's urgent from a policymaking perspective that this get dealt with. We'll see if that actually happens. But we're building a portfolio and we're building our actuarial indications that are [indiscernible] (01:01:17) to do well, to thrive in a social inflation environment. That's what we've committed to doing. That's what we've been talking about today and we've got the fortitude to go and get that done.

**Wes Carmichael**

*Analyst, Autonomous Research US LP*

Q

Got it. Thank you. And follow-up, just on the guide and I know you're targeting this mid-teens TSR over the cycle and that's consistent with your planning cycle and your comp metrics, but maybe just a little bit more color on your decision to move away from the guide. I understand it's a little bit cloudy in the near term, but longer term would be helpful.

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

A

Yeah. Wes, look, I mean, it's pretty straightforward. I mean, what we're here to do and what we're focused on is driving shareholder value creation and in my view, all the time that has been spent providing very detailed – in some cases, very detailed forward guidance, answering questions about that guidance, comparing our results to the guidance hasn't contributed to shareholder value creation.

I will reiterate something I said in my prepared remarks. I will be very candid with you about our business. So, when we talk about fourth quarter results, I'm going to talk to you about what's going really well and I think there's a lot of that. And if there's something that's not going well, I'll be really transparent about it and speak plainly about it. I think that is a much more constructive and useful thing to do than to provide all sorts of detailed forward guidance.

**Wes Carmichael**

*Analyst, Autonomous Research US LP*

Q

Understood. Thank you.

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

Thank you, Wes.

A

**Operator:** And our next question is a follow-up question from Michael Zaremski from BMO. Please go with your follow-up.

**Michael Zaremski**

*Analyst, BMO Capital Markets Corp.*

Great. Okay, I'll be quick, I guess, Jim, first of all, congrats on your new role. I'm curious if you're willing to offer any perspective on, over the last three weeks, as you've been appointed, acting and now permanent CEO, did the decisions on reserves change like upside things, downsize things maturely or was this kind of a plan that you have been in part of since the last earnings call? It was, is already kind of baked. Just curious, if you put a stamp on this plan or was it part of it, already have? Thanks.

Q

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

Well, Mike, first of all, thank you for the kind words. Look, I'm not going to get into an internal blow by blow. What I will tell you unequivocally is that we're not messing around. I own this this action. Mark owns this action. It was decisive. It reflects our approach to the business, to putting this issue behind us. And I think it's consistent with how you should expect us to approach the business as we move forward. And that's all I'm going to say about that.

A

**Michael Zaremski**

*Analyst, BMO Capital Markets Corp.*

Thank you.

Q

**Jim Williamson**

*President, Chief Executive Officer & Director, Everest Group Ltd.*

Thank you.

A

**Operator:** And ladies and gentlemen, with that, we'll be ending today's question-and-answer session, as well as today's presentation. We do thank everyone for joining. You may now disconnect your lines.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2025 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.