

**Exor**

**INVESTOR AND ANALYST  
CONFERENCE CALL**

MAY 29, 2018

Certain statements and information contained in this presentation that are not statements or information of historical fact constitute forward-looking statements, notwithstanding that such statements are not specifically identified. These forward-looking statements may include statements regarding our (or our portfolio companies') plans, objectives, goals, strategies, future events, future revenue or performance, financing needs, plans or intentions relating to acquisitions, investments or capital expenditures, business trends or other information that is not historical information. These statements may include terminology such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "remain", "on track", "design", "target", "objective", "goal", "forecast", "projection", "outlook", "prospects", "plan", "intend", or similar terminology. Forward-looking statements are related to future, not past, events and are not guarantees of future performance. These statements are based on current expectations and projections about future events and, by their nature, address matters that are, to different degrees, uncertain and are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including among others:

- changes in general economic, financial and market conditions and other changes in business conditions;
- changes in commodity prices, the level of demand and financial performance of the major industries our portfolio companies serve; and
- changes in regulations and institutional framework (in each case, in Italy or abroad); and

- many other factors, most of which are outside of the control of EXOR.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements included in EXOR's Annual Report 2017, including those set forth under the heading "Risk Factors". These risks and uncertainties, as well as other risks of which we are not aware or which we currently do not believe to be material, may cause our actual future results to be materially different than those expressed in our forward-looking statements.

Investors and shareholders are cautioned not to place undue reliance on the forward-looking statements. Forward-looking statements speak only as of the date they are made. All forward looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. EXOR undertakes no obligation to update or revise its outlook or forward-looking statements, whether as a result of new developments or otherwise. EXOR expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these forward-looking statements or in connection with any use by any party of such forward-looking statements.

Names, organizations and company names referred to may be the trademarks of their respective owners.

This presentation does not represent investment advice neither a solicitation, nor a recommendation nor an invitation, nor an offer for the purchase or sale of financial products and/or of any kind of financial services as contemplated by the laws in any country or state.

# INVESTOR AND ANALYST CONFERENCE CALL

## **AGENDA**

- OVERVIEW
- BUSINESSES
- GROSS DEBT
- BOARD OF DIRECTORS
- PARTNERS COUNCIL
- FAMILY BUSINESSES
- CLOSING REMARKS

INVESTOR AND  
ANALYST  
CONFERENCE  
CALL

**OVERVIEW**

# EXOR FIGURES

**\$29.4bn**  
**GROSS ASSET VALUE**

**\$25.6bn**  
**NET ASSET VALUE**

**\$17.9bn**  
**MARKET CAPITALIZATION**

**~30%**  
**DISCOUNT**

**~13%**  
**LOAN-TO-VALUE RATIO**

**<10 bps**  
**HOLDING COSTS**

**\$162bn**  
**GROUP NET REVENUES<sup>1</sup>**  
**2017**

**350,000+**  
**GROUP EMPLOYEES**

**180+**  
**COUNTRIES<sup>2</sup>**

EXOR is ranked 20th on the Fortune Global 500 list

*Note: Figures as of December 31, 2017 (with listed prices updated as of May 24, 2018)*

*1) Group Net Revenues converted to an average EURUSD = 1.130 for the year 2017*

*2) Number of countries in which EXOR's businesses have commercial relationships with customers*

## PERFORMANCE

Best performing year since 2009 with a +57% NAV per share increase, beating our benchmark by 37%

## BUSINESSES

All businesses achieved or exceeded their financial targets

## DEBT

25% Gross debt reduction<sup>1</sup>. Rating outlook upgraded by S&P

*1) Since closing the PartnerRe acquisition in March 2016*

## NAV BREAKDOWN

\$mn	Value	% GAV
<b>EXOR Businesses</b>	29,102	98.8%
<b>Others<sup>1</sup></b>	348	1.2%
<b>Gross Asset Value (GAV)</b>	<b>29,450</b>	
<b>Gross Debt</b>	(3,834)	
<b>Net Asset Value (NAV)</b>	<b>25,616</b>	

Note: Figures as of December 31, 2017 (with listed prices updated as of May 24, 2018)

1) Financial investments, Cash and equivalents and Treasury stock

## NAV PER SHARE PERFORMANCE

### Annual percentage change

Year	NAV/Share (\$)	MSCI World Index (\$)	Delta
<b>2009</b>	113.2	55.6	57.6
<b>2010</b>	33.7	9.6	24.1
<b>2011</b>	(26.2)	(7.6)	(18.6)
<b>2012</b>	21.6	13.2	8.4
<b>2013</b>	21.0	24.1	(3.1)
<b>2014</b>	0.8	2.9	(2.1)
<b>2015</b>	8.4	(2.7)	11.1
<b>2016</b>	9.6	5.3	4.3
<b>2017</b>	56.9	20.1	36.8
<b>2018YTD<sup>1</sup></b>	11.5	0.7	10.8
<b>Compounded Annual Rate</b>	<b>22.4</b>	<b>11.9</b>	<b>10.5</b>

### Total percentage change

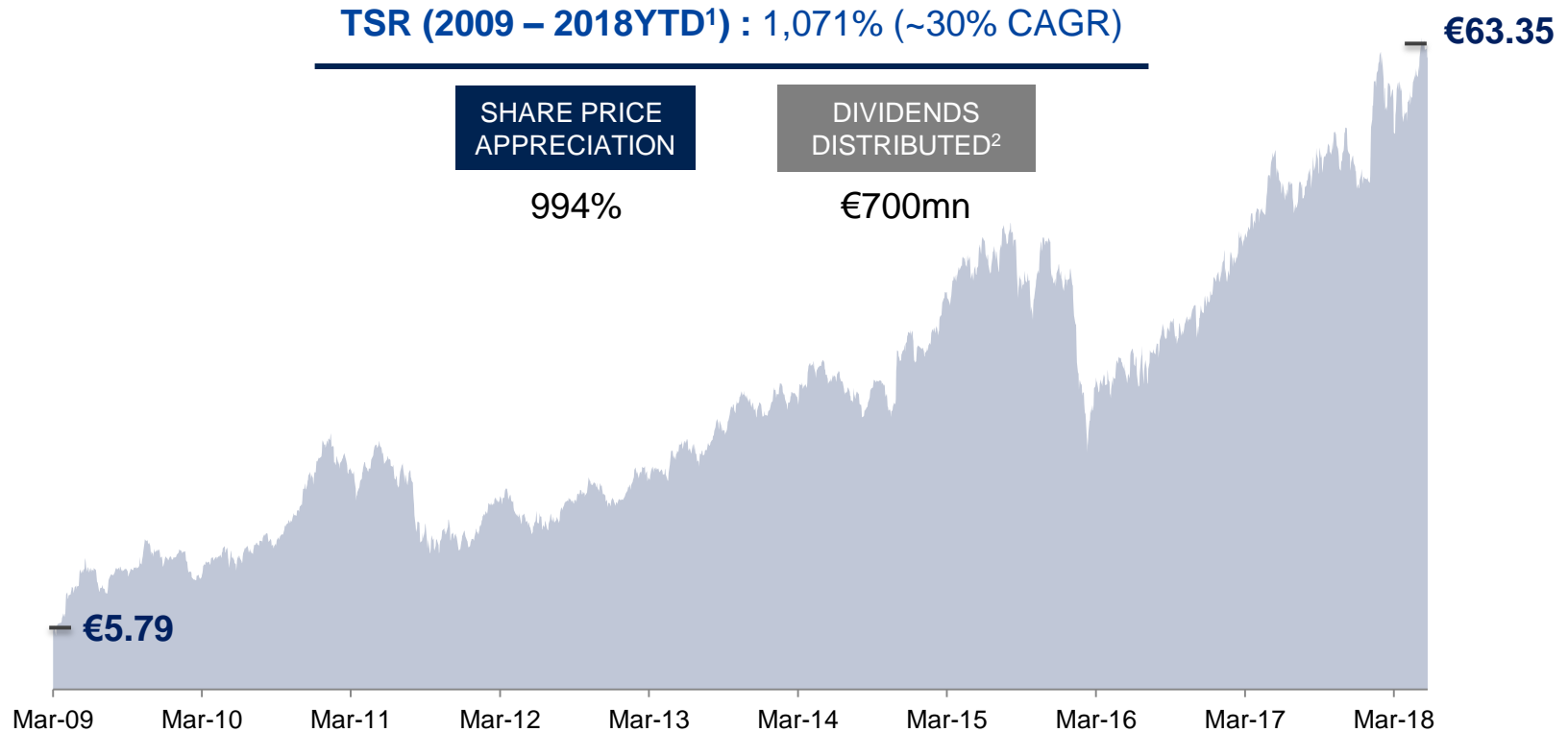
<b>2009 - 2018YTD<sup>1</sup></b>	<b>548.9</b>	<b>182.0</b>	<b>366.9</b>
-----------------------------------	--------------	--------------	--------------

Note: Data in 2009 starts from March 1st, the date before EXOR's listing on Borsa Italiana.

1) Data in 2018 based on Net Financial Position as of December 31, 2017 with listed prices updated up to May 24th

# TOTAL SHAREHOLDER RETURN (TSR)

## EXOR Share price (€)



EXOR's share price performance has been driven both by NAV increase and a holding discount reduced by half from ~60% (March 2009) to ~30% (May 2018)

1) Corresponds to dividend adjusted share price (assumes reinvestment of distributed dividends in the stock) from March 2, 2009 up to May 24, 2018

2) Cumulative amount of dividends distributed since 2009. Includes up to dividend paid in 2017



INVESTOR AND  
ANALYST  
CONFERENCE  
CALL

**BUSINESSES**

# EXOR'S MAIN BUSINESSES (1/2)

## COMPANY

## 2017 HIGHLIGHTS

## FUTURE DEVELOPMENTS



FIAT CHRYSLER AUTOMOBILES



34% of GAV

- **DOUBLED MARKET CAP**
- **FROM CASH BURNER TO CASH PRODUCER**

- **2018-22 PLAN**
- **CEO SUCCESSION**
- **MAGNETI MARELLI**

## PartnerRe



26% of GAV

- **GOOD UNDERWRITING RESULTS EVEN IN THE THIRD HIGHEST INSURED LOSS YEAR ON RECORD**
- **TOP-QUARTILE INVESTMENT RETURNS (4.2%) VS. PEER AVERAGE (3.6%)**
- **OPERATING COSTS REDUCED BY MORE THAN 25%, WITH \$124M IN SAVINGS**

- **CONTINUE TO STRENGTHEN THE ORGANIZATION**
- **FOCUS ON RISK SELECTION: NO REVENUE GROWTH WITHOUT BOOK VALUE GROWTH**



20% of GAV

- **BEST PERFORMER AMONG LUXURY PEERS**
- **ACHIEVED €1BN+ EBITDA - TWO YEARS AHEAD OF IPO PLAN**

- **2018-22 PLAN**
- **F1 PERFORMANCE**

# EXOR'S MAIN BUSINESSES (2/2)

## COMPANY

## 2017 HIGHLIGHTS

## FUTURE DEVELOPMENTS



15% of GAV

- ALL BUSINESS LINES PROFITABLE (~20% INCREASE IN OPERATING PROFIT AND ~40% IN NET INCOME)
- 45% NET DEBT REDUCTION AND ACHIEVEMENT OF INVESTMENT GRADE RATING

- CEO SUCCESSION

JUVENTUS



2% of GAV

- 10TH LARGEST FOOTBALL CLUB GLOBALLY BY REVENUE
- ACHIEVED A RECORD OF 7 CONSECUTIVE LEAGUE TITLES AND 4<sup>TH</sup> CONSECUTIVE ITALIAN CUP TITLE

- STRENGTHEN AND DIVERSIFY REVENUE MIX
- MAINTAIN WINNING SPIRIT

The Economist



2% of GAV

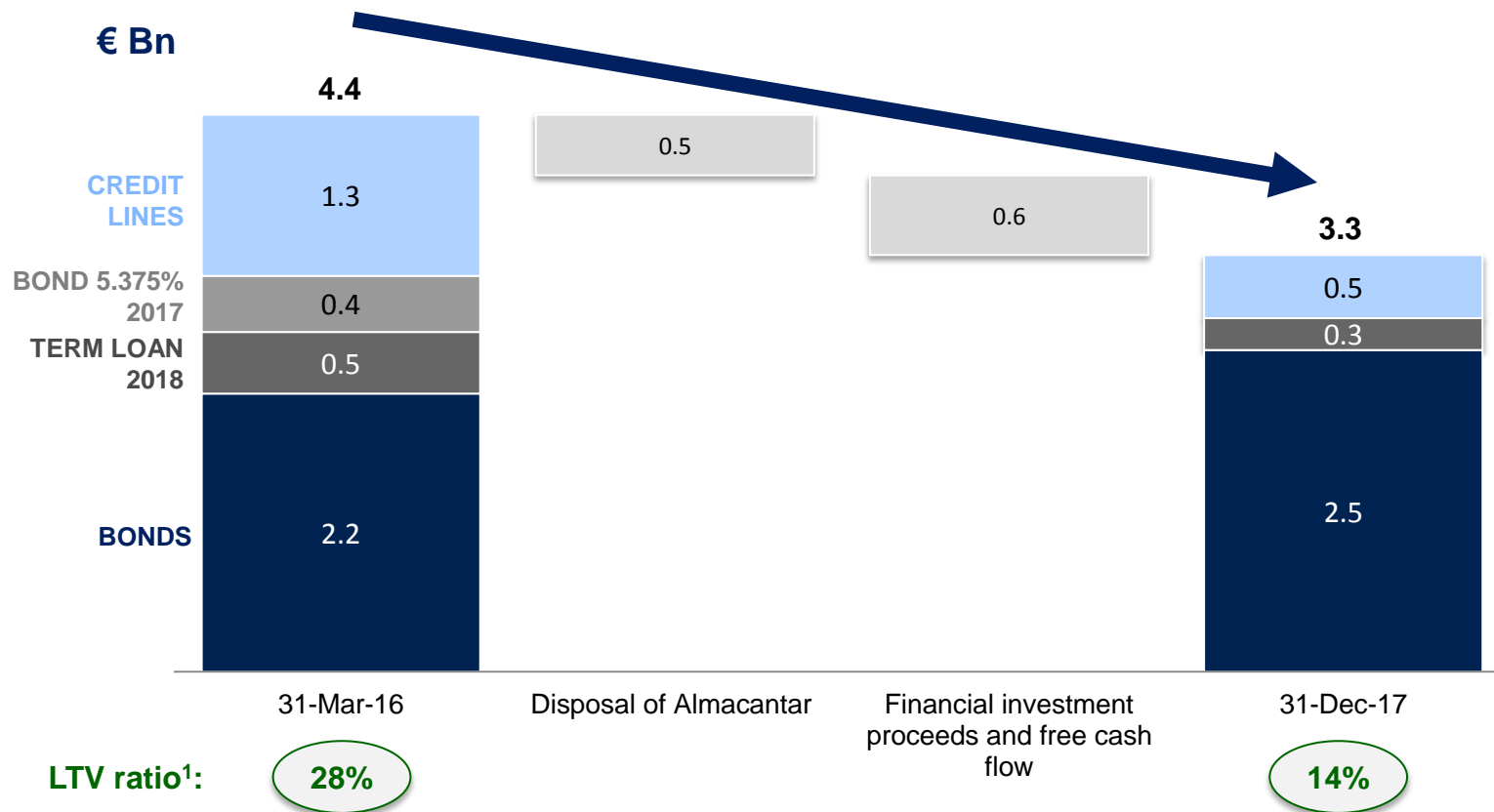
- MOST TRUSTED NEWS SOURCE AMONG US READERS (MOST IMPORTANT MARKET)
- INCREASED SUBSCRIBERS AND PRICING

- PAUL DEIGHTON NEW CHAIRMAN
- FROM ADVERTISING TO A SUBSCRIPTION-BASED BUSINESS

INVESTOR AND  
ANALYST  
CONFERENCE  
CALL

## **GROSS DEBT**

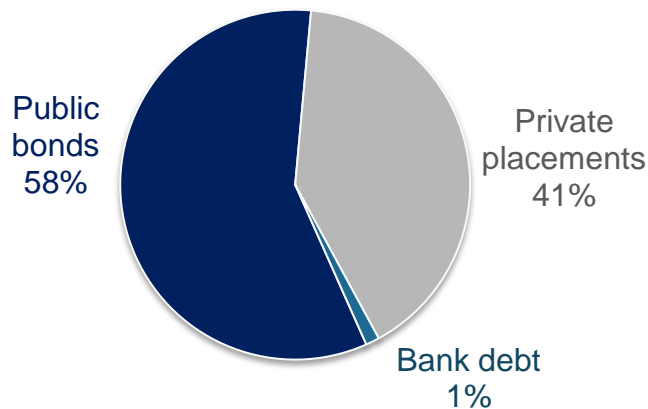
# GROSS DEBT EVOLUTION



- In 2017 we continued to focus on deleveraging, **reducing total debt by ~25%** since the closing of PRE in March 2016
- Managing our liabilities in a disciplined way combined with the performance of our assets allowed us to reduce our Loan-To-Value (LTV) ratio to ~14% by the end of 2017

1) LTV ratio calculated according to S&P's rating methodology: Gross debt adjusted for cash & equivalents and commitments divided by Gross Asset Value adjusted for cash & equivalents and commitments

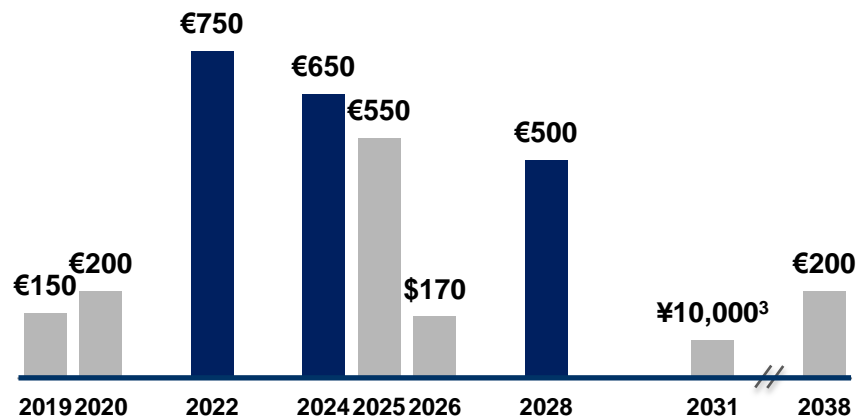
## DEBT COMPOSITION<sup>1</sup>



**Gross debt = €3,269mn**

■ Bank debt      ■ Public bonds      ■ Private placements

## DEBT MATURITY PROFILE<sup>2</sup>



All figures are expressed in millions and in the original currency of issuance

- New 10yr and 20yr bond issuances completed in 1Q18: €500mn 1.75% and €200mn 3.125%
- Most of debt currently made up of bonds, with avg. maturity >7yrs and avg. cost ~2.8%
- No material refinancing needs, with 2019 and 2020 maturities covered by Net Free Cash Flow<sup>4</sup>

1) Gross debt as of December 31, 2017. Debt composition post-issuance of €500mn 10-yr public bond in January 18, 2018 (for the repayment of term loan facilities) and €200mn 20-yr private placement in February 15, 2018 (to refinance short-term debt), as announced, with no impact on the Gross debt amount

2) Excluding short-term bank debt

3) EXOR put in place a cross-currency swap on the bond issue

4) Net Free Cash Flow calculated as: Free Cash Flow (Dividend inflows – Net financial expenses – Recurring net general expenses) minus Dividend outflow

## KEY METRICS

---

LOAN-TO-VALUE (LTV)  
RATIO

AMOUNT OF DEBT

## APPROACH

---

- Keep LTV below 20%
- Demonstrated ability to restore the ratio when it went above 20% after acquiring PartnerRe through an all-cash deal
  
- Monitor our debt levels relative to the value of our assets, but also in absolute terms

INVESTOR AND  
ANALYST  
CONFERENCE  
CALL

## **BOARD OF DIRECTORS**



2009

- **17** Members
- **23%** Independent
- **0%** Female
- **60** Years old on average
- **2** Nationalities

2018

- **11** Members
- **54%** Independent
- **36%** Female
- **50** Years old on average
- **7** Nationalities

## INDEPENDENT DIRECTORS



**JOSEPH Y. BAE**

CO-PRESIDENT &  
CO-COO  
KKR



**MELISSA BETHELL**

SENIOR ADVISOR AT  
BAIN CAPITAL



**MARC BOLLAND**

FORMER MARKS&SPENCER  
CEO AND MORRISONS CEO;  
NOW AT BLACKSTONE  
GROUP



**LAURENCE DEBROUX**

CFO  
HEINEKEN N.V.



**ANNEMIEK  
FENTENER VAN  
VLISSINGEN**

CHAIRMAN  
SHV HOLDINGS



**ANTONIO  
HORTA-OSORIO**

GROUP CEO  
LLOYDS BANKING  
GROUP

INVESTOR AND  
ANALYST  
CONFERENCE  
CALL

**PARTNERS COUNCIL**



**GEORGE  
OSBORNE  
(CHAIR)**

Former British Chancellor of  
the Exchequer.  
Editor London Evening  
Standard



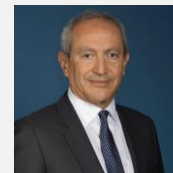
**MICHAEL  
LARSON**

Chief Investment Officer  
BMGI  
USA



**JORGE PAULO  
LEMMAN**

Co-Founder  
3G Capital  
BR



**NASSEF  
SAWIRIS**

CEO  
OCI  
EGY



**ROB  
SPEYER**

President & CEO  
Tishman Speyer  
USA



**JOSEPH  
C. TSAI**

Executive Vice Chairman  
Alibaba Group  
CHN



**MIKE  
VOLPI**

Co-Founder  
Index Ventures  
ITA



**RUTHI  
WERTHEIMER**

Founder, Owner &  
Chairwoman  
7-Main  
ISR

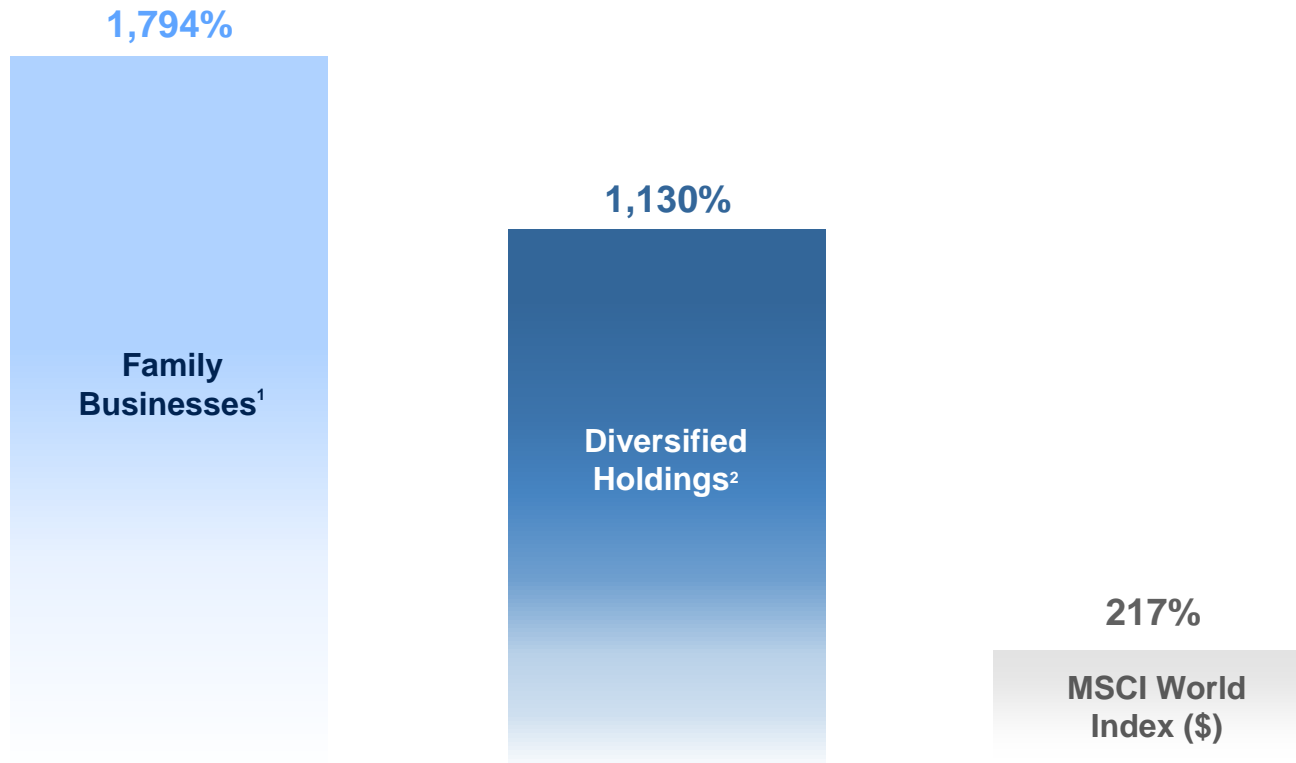
A group of highly successful business leaders that will bring additional experience and opportunities to EXOR and its companies

INVESTOR AND  
ANALYST  
CONFERENCE  
CALL

## **FAMILY BUSINESSES**

# FAMILY BUSINESSES (FB) HAVE OUT-PERFORMED THE MARKET OVER THE LONG TERM

## Last 20Y Total Shareholder Return



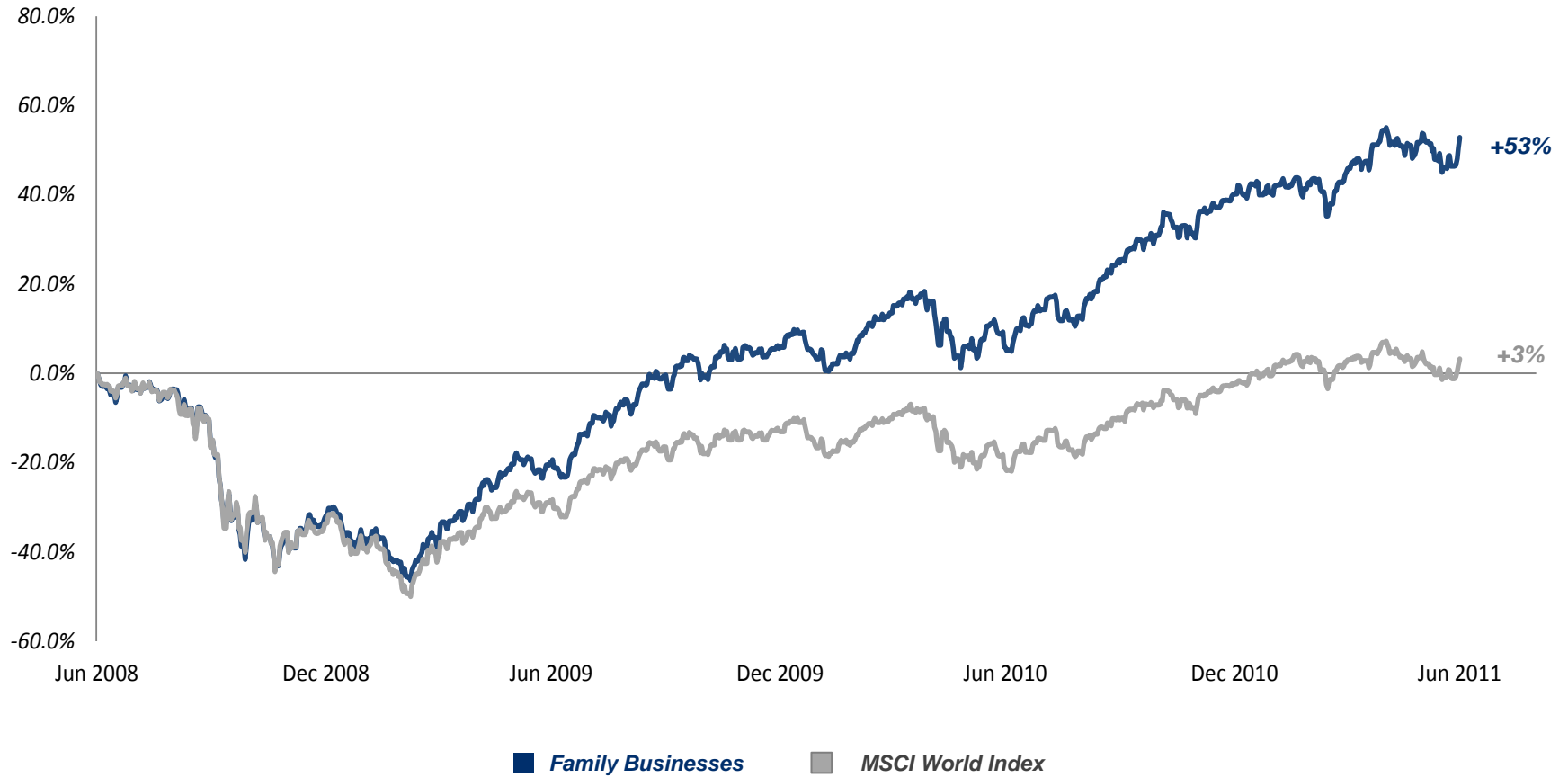
1) Family business defined as a company where (i) a family has a relevant voting power (20%+) or (ii) the CEO or Chairman holds relevant economic interest (5%+). The subset of Family Businesses was obtained from an analysis of the shareholding structure of the constituents of the broader MSCI Index (1600+ companies as of Dec 2017). It includes 300+ companies and it remains broadly diversified in terms of geography and industry, thus limiting sector or geography bias. Equally weighted index

2) A global group of diversified holdings equally weighted index including: Bolloré, CK Hutchinson, GBL, HAL, Investor AB, Industrivarden, Jardine Matheson, JG Summit, Koç Holding, Loews, Mahindra, Power Corp, SM Investments, Swire

Source: CIQ as of May 24, 2018. Data in USD

# FB HAVE RECOVERED FASTER AFTER 2008 MARKET DOWNTURN...

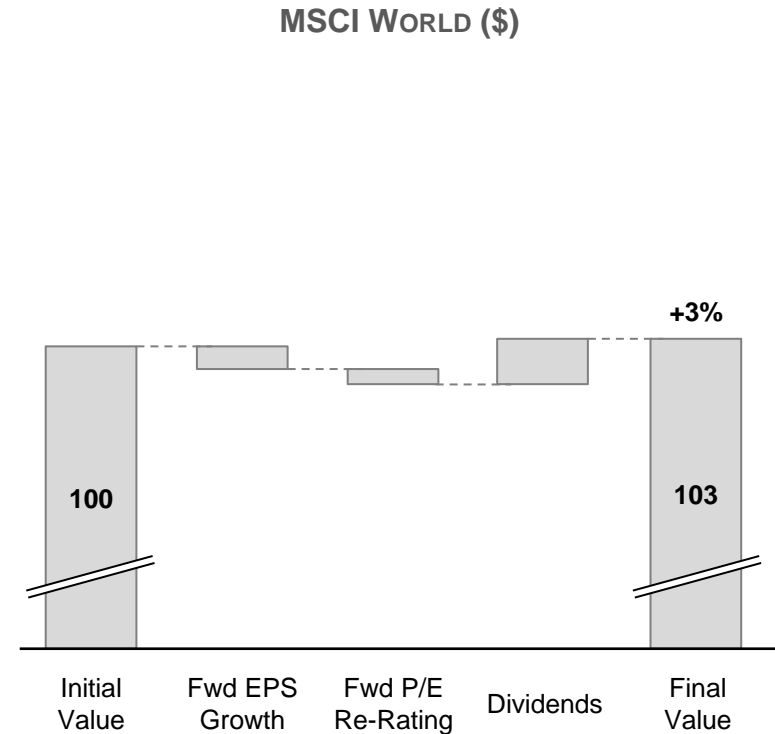
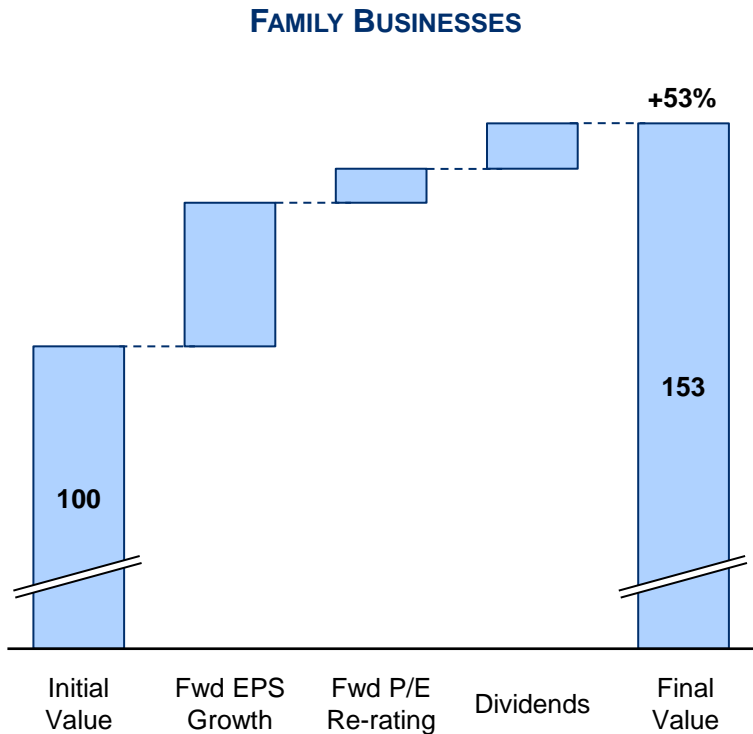
TSR Performance through 2008 market downturn (in \$)



Source: CIQ

# ...SUPPORTED BY STRONG GROWTH IN THEIR UNDERLYING EARNINGS

## TSR components break-down (2008–2011)



Earnings capability and a more conservative capital structure (~30% lower Net Debt/EBITDA<sup>1</sup>) have allowed FB to deliver superior returns during the crisis

*Note: The representation of the TSR components is illustrative given their non-linear relationship;*

*1) Based on historical comparison between FB and other businesses within the current constituents of the MSCI World Index*

*Source: CIQ, Bloomberg and EXOR estimates; data in USD referring to the period from June 2008 to June 2011*

1

## A WINNING INVESTMENT STRATEGY

- The evidence suggests FB deliver strong results over the long term and are well positioned to withstand market downturns
- We are studying ways of creating a liquid financial instrument of high quality FB where EXOR and PartnerRe could invest in the event of a market correction

2

## A STRONG CULTURE LEADS TO STRONG PERFORMANCE

- EXOR will continue to learn from and apply to its activity and businesses the strong culture and the competitive advantage that characterize FB



INVESTOR AND  
ANALYST  
CONFERENCE  
CALL

## **CLOSING REMARKS**

## QUANTITATIVE

- NAV per share in USD to outperform the MSCI World index in USD
- Free Cash Flow<sup>1</sup> > Dividend outflow
- Loan-To-Value ratio below 20%

## QUALITATIVE

- Reassess our corporate culture as we reach EXOR's first decade
- Strengthen the governance framework for EXOR companies
- Continue to study family businesses

1) Free Cash Flow calculated as (Dividend inflows – Net financial expenses – Recurring net general expenses)

INVESTOR AND  
ANALYST  
CONFERENCE  
CALL

## **Q&A SESSION**

Exor