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# EXOR INVESTOR DAY

OCTOBER 5, 2017

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# INVESTOR DAY 2017

## **AGENDA**

- EXOR: COMPANY UPDATE
- PARTNER RE
- CLOSING REMARKS
- Q&A SESSION

INVESTOR DAY  
2017

## **COMPANY UPDATE**

**JOHN ELKANN**

EXOR CHAIRMAN AND CEO

**ENRICO VELLANO**

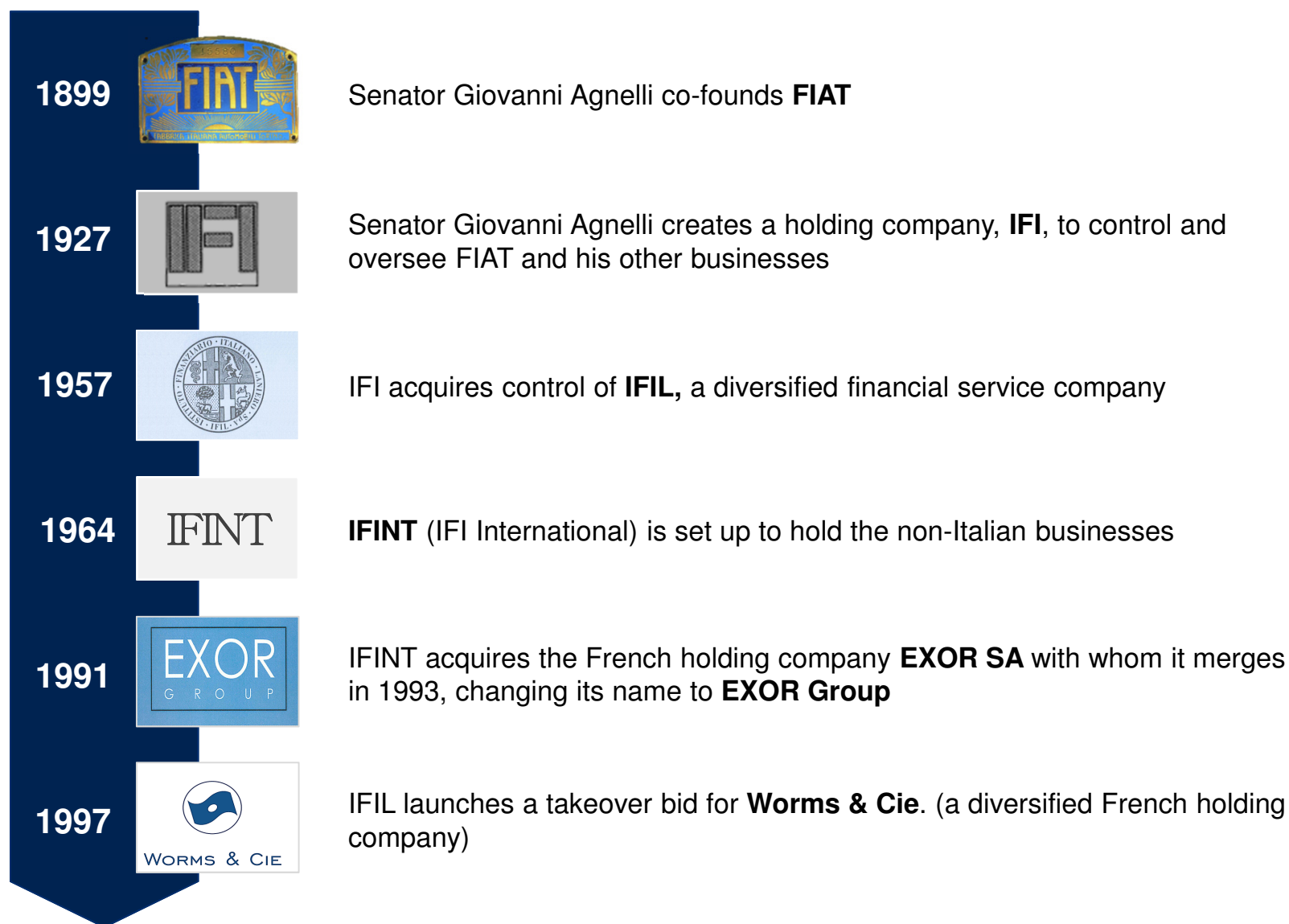
EXOR CFO



COMPANY UPDATE

## 1. HISTORY

# MORE THAN A CENTURY IN BUSINESS



*Note: FIAT (Fabbrica Italiana Automobili Torino); IFI (Istituto Finanziario Industriale); IFIL (Istituto Finanziario Industriale Laniero); IFINT (IFI International)*

# OVER A CENTURY OF OWNING BUSINESSES

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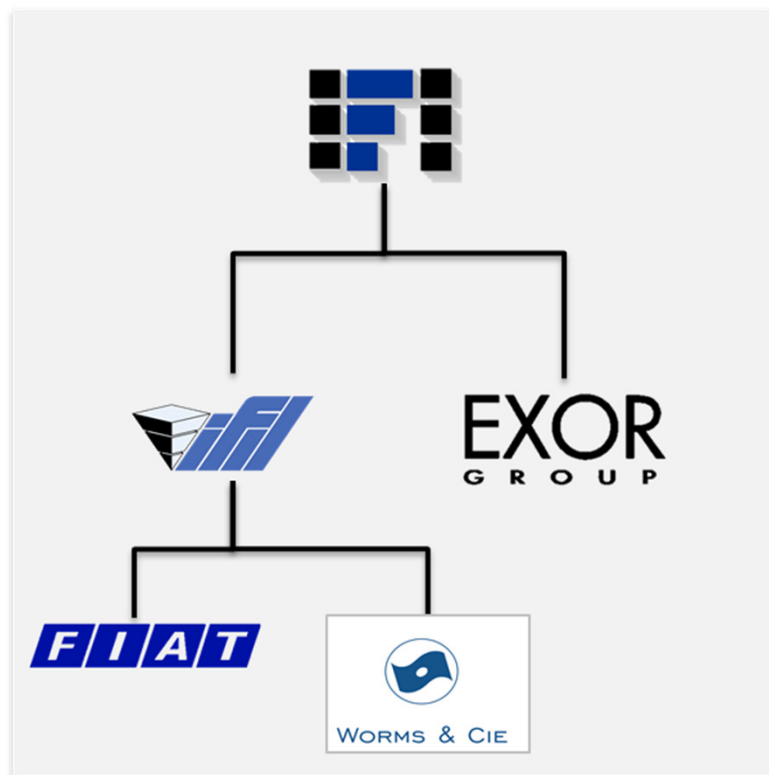
Li & Fung



# LAST DECADE: SIMPLIFYING

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5 HOLDING COMPANIES



1 HOLDING COMPANY

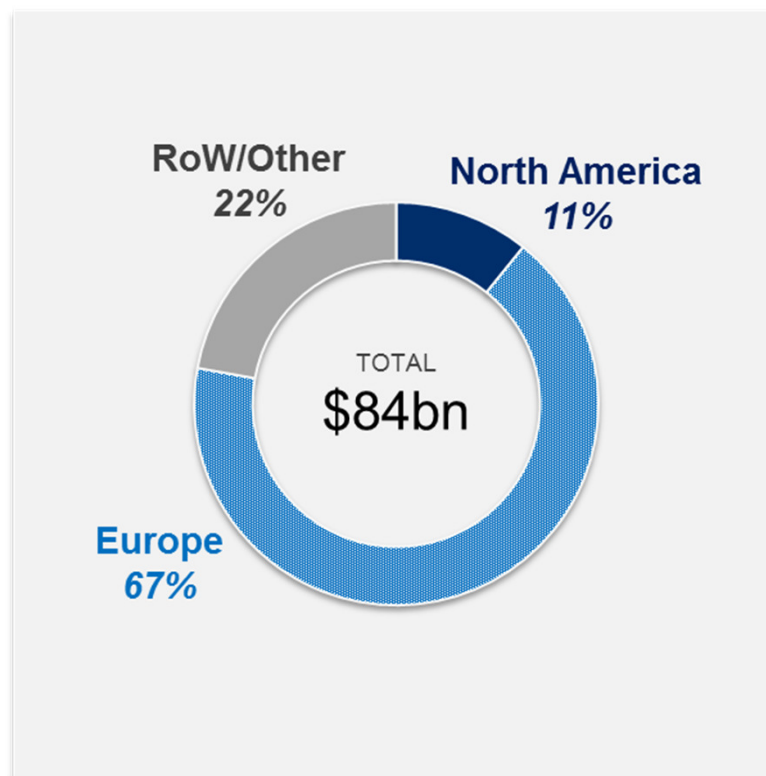




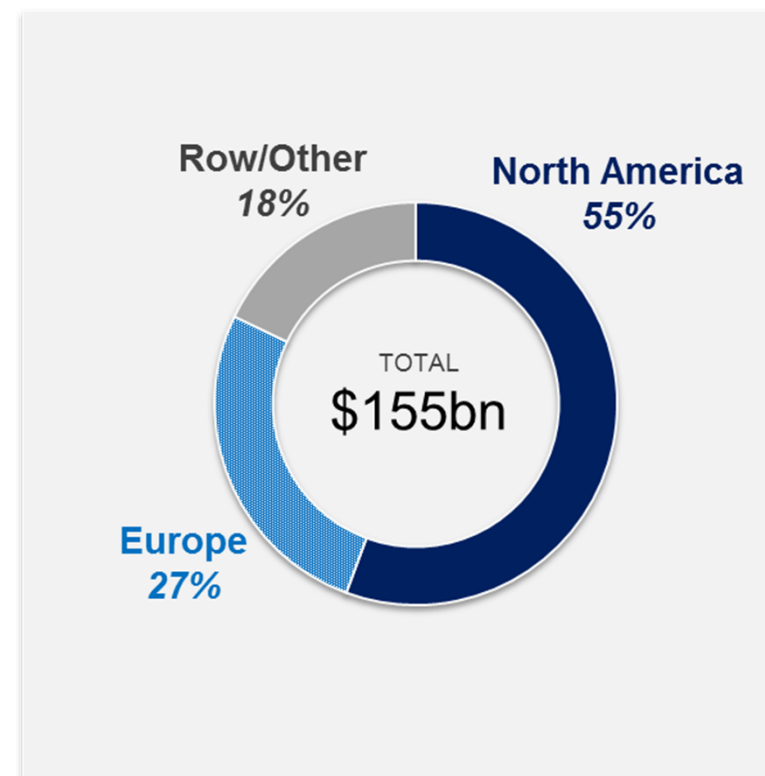
# LAST DECADE: GLOBALIZING

Exor

>2/3 REVENUES FROM EUROPE



<1/3 REVENUES FROM EUROPE

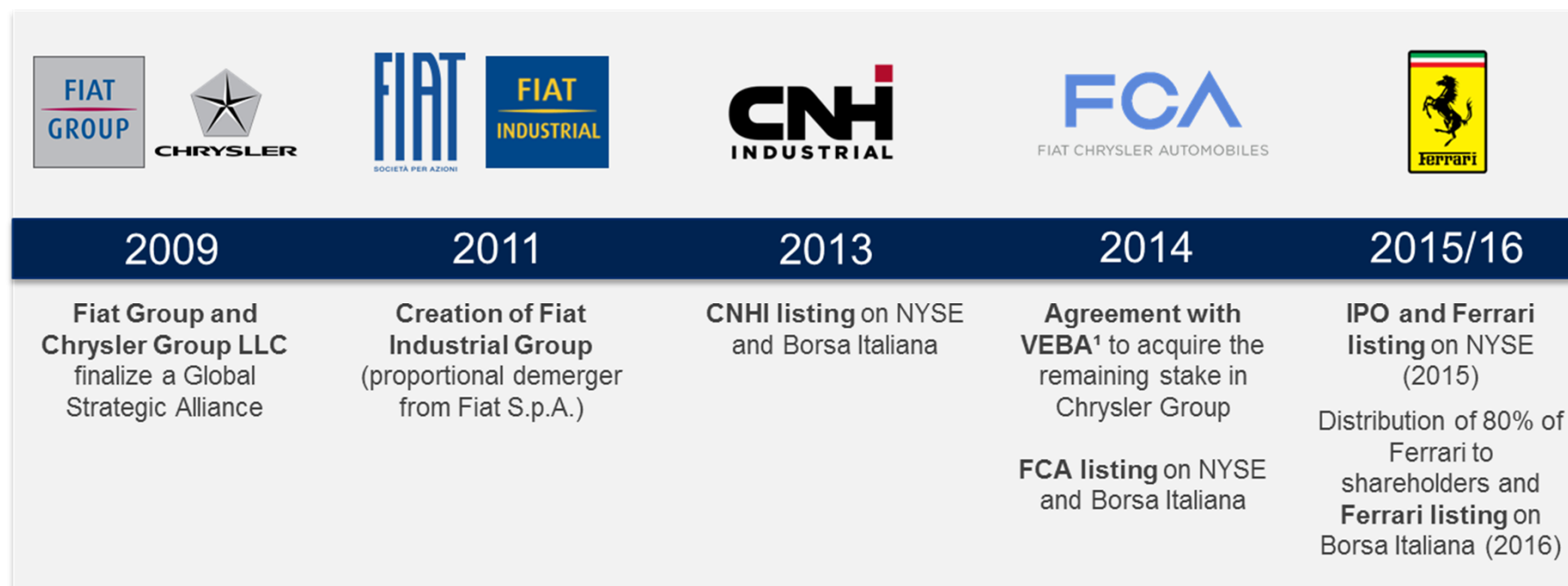


*Note: Geographical split of Exor consolidated revenues as reported in our 2007 and 2016 financial statements, with 2007 additionally including Fiat Group's revenues which were not consolidated within Exor at the time. Total Revenues in Euro converted to an average EURUSD=1.3705 for the year 2007 and an average EURUSD=1.1068 for the year 2016*

# LAST DECADE: TRANSFORMING FIAT

Exor

FROM AN ITALIAN INDUSTRIAL CONGLOMERATE...  
...TO THREE FOCUSED GLOBAL BUSINESSES



## FIAT<sup>2</sup> SHARE PRICE

2009

€3.6



2017

€34.4

1) The Voluntary Employee Beneficiary Association, a United Automobile Workers administered trust established to pay health care benefits for retirees from Chrysler

2) 2009: Official Closing of FIAT on March 2, 2009; 2016: Official closing of 1 share of FCA, 1 share of CNHI, 0.1 share of Ferrari on September 28, 2017



COMPANY UPDATE

## **2. TODAY**

# EXOR FIGURES



**\$25.7bn**  
**GROSS ASSET VALUE**

**\$21.8bn**  
**NET ASSET VALUE**

**\$15.3bn**  
**MARKET CAPITALIZATION**

---

**30%**  
**DISCOUNT**

**<15%**  
**LOAN-TO-VALUE RATIO**

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

---

**\$155bn**  
**GROUP NET REVENUES<sup>1</sup>**  
**2016**

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

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

EXOR is ranked 20<sup>th</sup> on the Fortune Global 500 list

*Note: Figures as of June 30, 2017 (with listed prices updated as of September 28, 2017), unless otherwise indicated*

*1) Group Net Revenues converted to an average EURUSD = 1.1068 for the year 2016*

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

# EXOR MAIN BUSINESSES

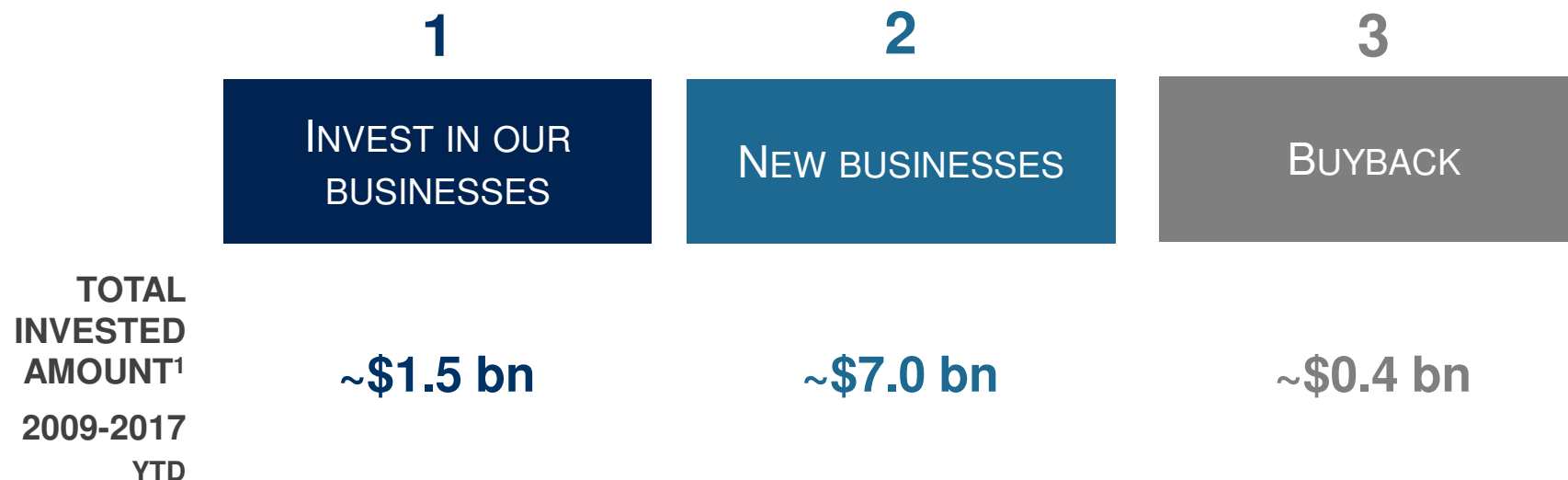


PartnerRe



# EXOR CAPITAL ALLOCATION

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PartnerRe

Welltec

Exor

- FCA mandatory convertible bond matured in 2016
- Increased investment in The Economist from 4.7% to 43.4% in 2015
- Other investments made in Juventus, Banca Leonardo, Fiat Industrial (today CNHI)
- Acquisition of 100% of PartnerRe's common shares in March 2016
- Acquisition of a 13% stake in Welltec in 2016
- Between 2009 and 2017 we bought back ~10% of EXOR's shares

1) Cumulative amount. Invested amounts in original currency converted at ECB official FX rates: EURUSD=1.1778; EURGBP=0.8764 as of September 28, 2017

OBJECTIVE	WHERE WE ARE
<b>1 NAV per share to outperform the MSCI World index in USD</b>	 NAV per share has delivered ~22% vs. ~12% of the MSCI World <sup>1</sup>
<b>2 Free cash flows<sup>2</sup>&gt; Dividends outflows</b>	 ~\$1,268 mn > \$882 mn <sup>3</sup>
<b>3 Investment Grade rating</b>	 Rating: BBB+, stable outlook

1) Compounded annual rates. Data in 2009 started as of March 1st, the date before EXOR's listing on Borsa Italiana. Data in 2017 as of September 28<sup>th</sup> (with Net Financial Position as of June 30<sup>th</sup>)

2) Free Cash Flows are calculated as: inflows minus net financial expenses minus recurring net general expenses

3) Cumulative cash flow figures (2009-2017YTD) in Euro converted at the average EURUSD ECB official exchange rate for each year

# EXOR TOTAL SHAREHOLDER RETURN



## TOTAL SHAREHOLDER RETURN

2009 - 2017 YTD<sup>1</sup>

**903%**

---

SHARE PRICE  
APPRECIATION

831%

DIVIDENDS  
DISTRIBUTED<sup>2</sup>

\$882 mn

*1) Corresponds to dividend adjusted share price (assumes reinvestment of distributed dividends in the stock) from March 2, 2009 up to September 28, 2017*

*2) Cumulative amount of dividends distributed since 2009. Includes 2017 dividend cash-out.. Dividends in Euro converted at the average EURUSD ECB official exchange rate for each corresponding year*



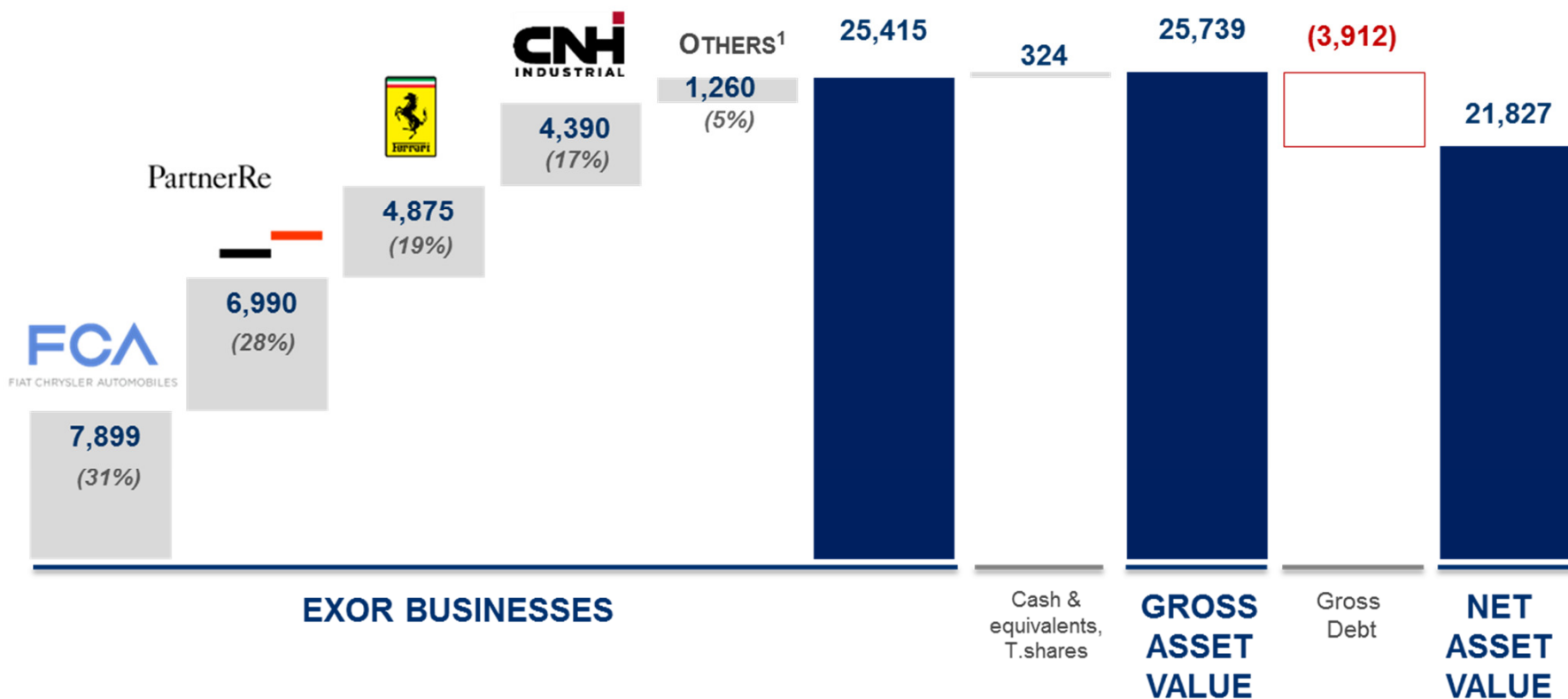
COMPANY UPDATE

### **3. FINANCIAL METRICS**

# NET ASSET VALUE

Exor

US\$ mn



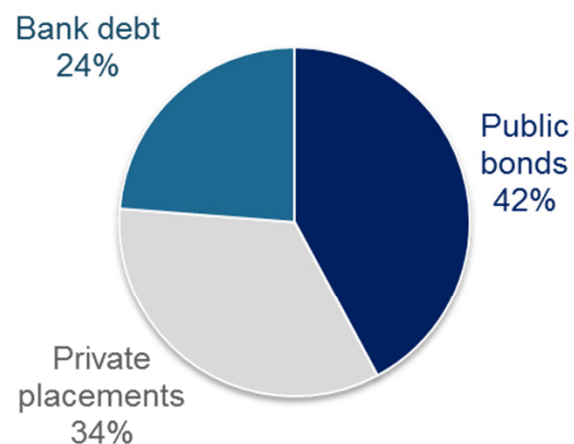
Note: Figures as of June 30, 2017 (with listed prices updated as of September 28, 2017)

1) Includes Juventus, The Economist, Welltec and other small investments

# GROSS DEBT COMPOSITION

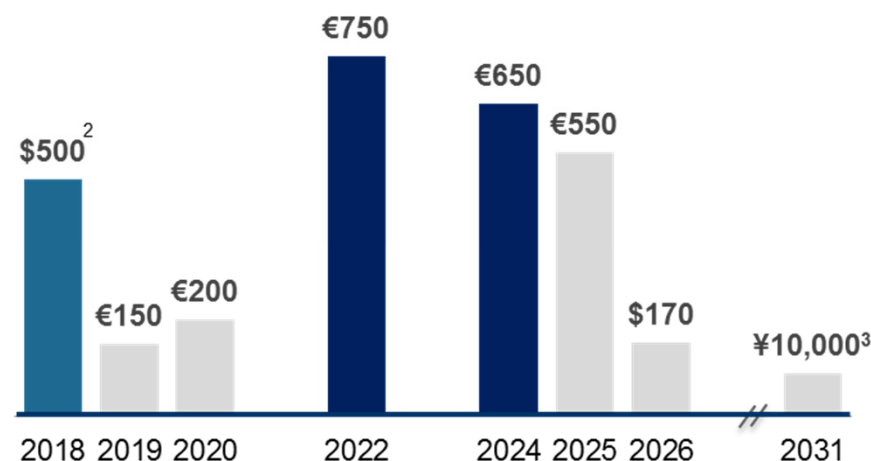
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## DEBT COMPOSITION



Gross debt = \$3,912mn<sup>1</sup>

## LONG TERM DEBT MATURITY PROFILE



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

■ Bank debt ■ Public bonds ■ Private placements

- Average interest cost of bonds debt equal to 3.0% and maturity February 2024
- Constant efforts to balance financing across different sources, maturity profile and amounts
- Mix of debt denominated in Euro (82%) and USD (18%)

1) Gross debt as of June 30, 2017 (€3,321mn) at the EURUSD ECB official exchange rate as of September 28, 2017

2) \$500mn outstanding of \$550mn term loan syndicated in the context of the PartnerRe acquisition

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

# S&P RATING, STABLE OUTLOOK CONFIRMED IN 2017

Exor

## CORPORATE CREDIT RATING

**S&P Global**  
Ratings

**LONG-TERM: BBB+**

**SHORT-TERM: A-2**

**OUTLOOK: STABLE**

CURRENT  
POSITIONING  
IN THE RATING  
MATRIX

### FINANCIAL RISK SCORE

BUSINESS RISK SCORE	FINANCIAL RISK SCORE					
	Minimal (1)	Modest (2)	Intermediate (3)	Significant (4)	Aggressive (5)	Highly leveraged (6)
Excellent (1)	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong (2)	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory (3)	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair (4)	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak (5)	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable (6)	bb-	bb-	bb-/b+	b+	b	b-

LOAN-TO-  
VALUE  
("LTV")  
RATIO

**Current LTV ratio <15%<sup>1</sup>**  
VS  
**S&P threshold = 20%**

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. Figures as of June 30, 2017 with listed prices updated as of September 28, 2017



# INVESTOR DAY 2017

## **PARTNER RE**

**EMMANUEL CLARKE**

PARTNER RE PRESIDENT AND CEO

**MARIO BONACCORSO**

PARTNER RE EVP AND CFO

# PartnerRe

**EXOR Investor day**

October 5, 2017





## Safe Harbor

This presentation may contain, and PartnerRe may from time to time make statements, whether written or oral, that may be considered forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue,” the negative of these terms and other comparable terminology. Forward-looking statements contained in this presentation are based on the Company’s assumptions and expectations concerning future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are subject to significant business, economic and competitive risks and uncertainties that could cause actual results, to differ materially from those reflected in the forward-looking statements. PartnerRe’s forward-looking statements could be affected by numerous foreseeable and unforeseeable events and developments, such as exposure to catastrophe or other large property and casualty losses, adequacy of reserves, credit, interest, currency and other risks associated with the Company’s investment portfolio, risks associated with implementing business strategies, levels and pricing of new and renewal business achieved, changes in accounting policies and other factors identified in the Company’s filings with the Securities and Exchange Commission. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. We are under no duty to update any of these forward-looking statements after the date on which they are made.

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PartnerRe





# Agenda

## Industry overview and PartnerRe positioning

Achievements of the past 12 months

2017 Financial outlook

PartnerRe







# PartnerRe is strategically well positioned to benefit from current market characteristics and trends

1

## Market characteristics and trends

- **Continued demand for global and relevant reinsurers**
  - We expect to see a continued demand for reinsurance due to an increasingly complex world, high protection gap and clients aversion for volatility
  - Reinsurance clients increasingly look for relevant reinsurers as partners for capital / solutions
- **High supply, especially for Non-Life**
  - Alternative capital in reinsurance space expected to stay (mainly confined to Property Cat)
  - Many active market participants in Non-Life, while Life & Health market more concentrated
- **Continued, but shorter cycles, driven by supply-demand imbalances:** heavy 2017 cat season expected to lead to price increases; availability of capital may reduce amplitude of cycles vs. the past

2

## PartnerRe strategic positioning

- PartnerRe is a **global, diversified, relevant and agile reinsurer**
- **Pure-play reinsurance model does not compete with clients**
- **Specialty edge:** 46% of Non-Life net premium written in FY 2016 – higher expertise needed
- **Unique positioning in Life & Health**, which allows for growth opportunities and further diversification
- Long term **private ownership** a plus

3

## Strategic priorities

- **Grow non-life footprint with selected clients and brokers, using retrocession** to enhance balance sheet and relevance
- **Grow Life & Health book in targeted product segments and geographies**
- **Focus on agility** to enhance speed to market and manage cycle
- **Continue to develop key talent** and foster best-in-class execution culture
- **Right size expense level** to gain efficiencies

4

## PartnerRe Objective

- PartnerRe targets a **ROE of 8-10%** over the next 3-5 years period, taking into account current market conditions



# 1 There will continue to be a need for well-diversified, relevant reinsurers

- **More complex environment:** Traditional forms of risk increasingly exposed to globalization and urbanization, and new forms of risk develop (e.g., cyber risk, supply chain risk)
- **High protection gap** in Non-Life (e.g. Harvey low percentage of insured losses), in Life reinsurance markets (eg. mortality, longevity) and in emerging markets
- **Distaste for volatility with primary insurers:** Shareholders pay premium for stable earnings and predictable dividends, while primary insurers focus on distribution, risk selection and product development
- **Alternative capital** has been growing, but **cannot replace** traditional reinsurer balance sheet, especially in medium and long tail lines of business

## Distinctive Reinsurance offering

- Access to a balance sheet that can absorb risk efficiently as a result of broader underwriting diversification and contribution from investment income
- Specialist expertise in risk evaluation and risk management
- Greater shareholder tolerance for volatility if appropriately priced





# 1 Reinsurance will broadly remain an inefficient market with cycles, albeit of less amplitude

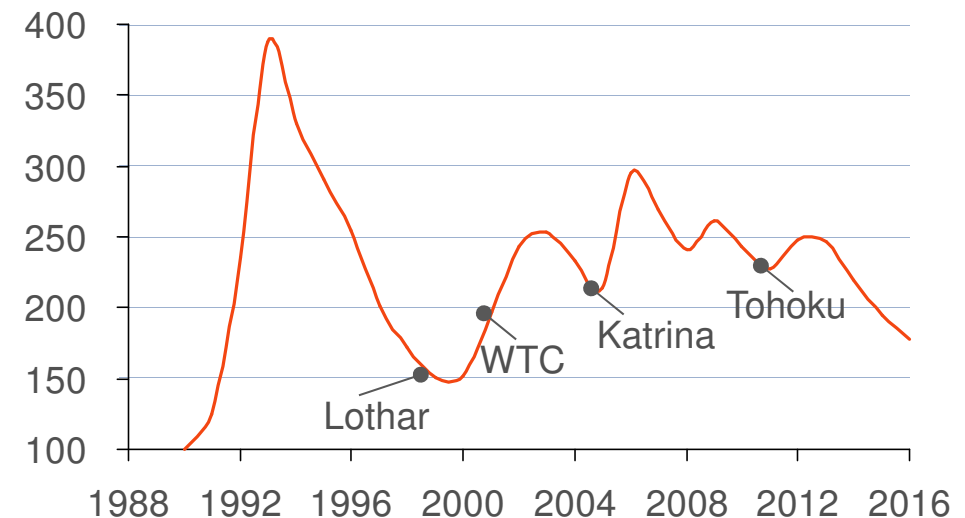
## Inefficient market

- Many classes have **substantial efficiency** within a segment – even for these, **negative risk selection** remains an important factor (avoiding large mistakes)
- **Significant inefficiencies between segments** – different loss trends
- **Specialty and Life & Health reinsurance** are not commodity markets. They are comparably **high entry barriers** and offer remuneration for **value added propositions**

## Continuous Cycles

- Not or **not well modeled events more likely** in an increasingly complex and interconnected world
- **Alternative capital** will **increase capital elasticity** and likely reduce peak hard market returns for affected classes
- **Cycles** will be **more specific and local** with less global amplitude

Global Property Catastrophe ROL Index





## 2 PartnerRe is a global, diversified, relevant and agile reinsurer

**Global:** Global reach to access risks where they are. Broad access to business enabled by its own expertise and strong client & broker relationships

**Diversified:** Highly diversified book of Life and Non-Life risks

**Relevant:** Impactful capacity (line size) coupled with insightful solutions (focused specifically on what matters to the client)

**Agile:** Speed of action (outperforming scale players); dynamic portfolio, leveraging our size; financial flexibility

**Reinsurer:** Focused on “reinsurance-like” business (risk driven, not distribution / process driven, not competing with our clients)

PartnerRe





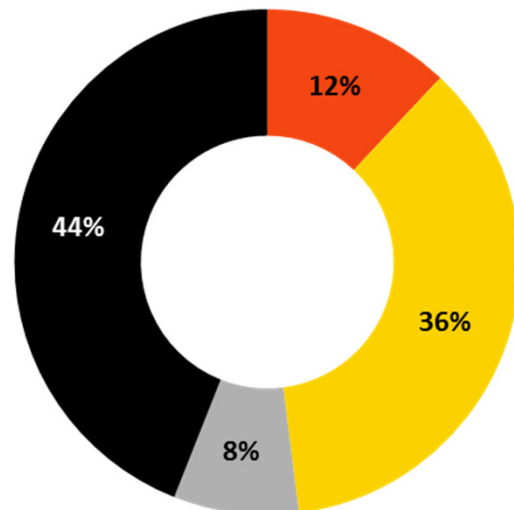
## 2 PartnerRe is well positioned to achieve its strategic goals and differentiate from its peers

- Positioned to be **core reinsurance partner to clients and brokers**:
  - **Strength**: \$8B total capital and commitment to “AAA” level of capitalization – can provide meaningful capacity
  - **Pure** reinsurer – will not compete with clients
  - **Global** reach and presence: 2000 clients with long-standing relationships in 150 countries
  - Experienced underwriters with above average industry track record and that can **add value** to clients’ underwriting decisions
  - **Market leader** in several Specialty segments with high entry barriers
- One of the most **diversified underwriting portfolios** (by geography and line of business) in the industry
  - **Focus on Specialty lines** (46% of Non-Life NPW in 2016), a segment with higher long term profitability
  - **Life & Health strategy** providing sizeable and profitable diversification with opportunities for growth
  - **Low reliance on Property Cat** – only ~4% of total net premium written in 2016
- **Private ownership** – underwriting and investment discipline; focus and invest for the long term (no quarterly earnings distraction), ability to attract and retain talent



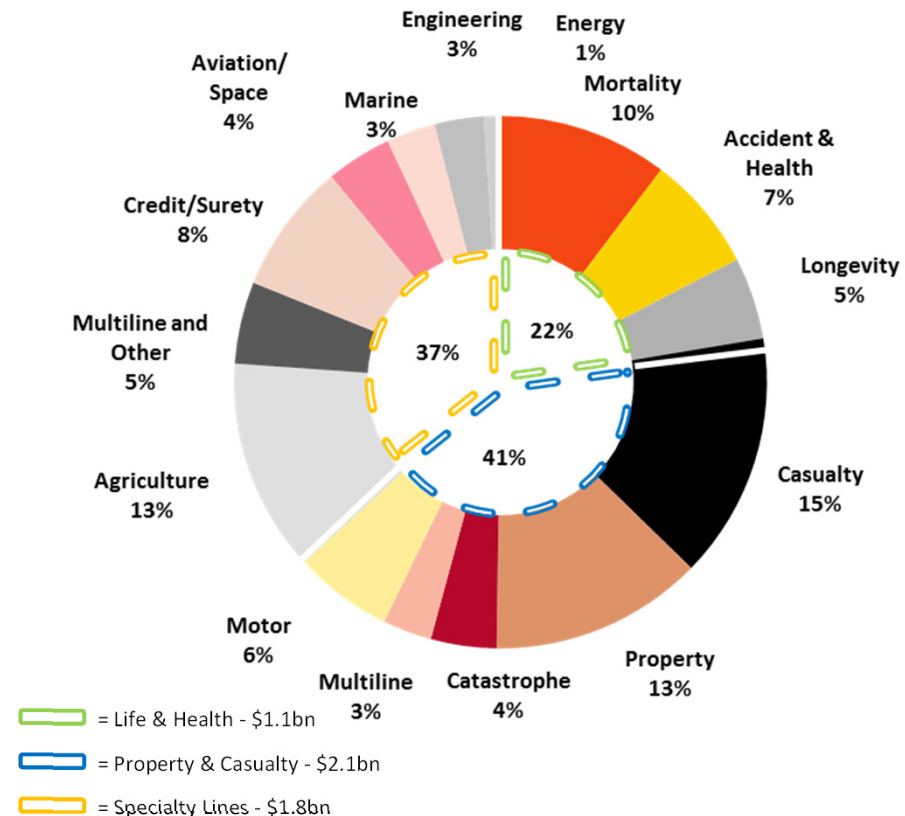
## 2 PartnerRe has a global footprint and a broad underwriting diversification

Geographic Distribution of Gross Premiums Written (FY16)



■ Asia, Australia and New Zealand  
■ Europe  
■ Latin America, Caribbean and Africa  
■ North America

Net Premiums Written by Line of Business (FY16)



- PartnerRe differentiates from its Bermudian and US peers because of (i) its more global footprint, with strong presence outside US (ii) its multiline underwriting capabilities (iii) its presence in Life & Health reinsurance (iv) lower reliance on property Cat for profits.
- PartnerRe differentiates from its European peers because of (i) largest proportion of premium in Specialty lines (ii) leadership in Specialty Casualty and A&H in US (iii) Different Life & Health reinsurance positioning





## 2 Life & Health provides sizeable and profitable diversification and growth opportunities

### Strategic rationale for Life & Health reinsurance within PartnerRe reinsurance portfolio

### Life & Health Position

### Diversification

- **Diversification: Different reinsurance cycle** and low correlation of losses vs. Property & Casualty reinsurance
- **Profitability: Double digit ROE** business, with high barriers to entry
- **Growth potential: Enhanced opportunities for growth.** Private ownership (long term horizon, focus on economics over accounting) and emphasis on significant areas of underweight positioning
- **Focused player** in a concentrated Life Reinsurance market. Allows us to be nimble (exploiting market dislocations), target profitable segments, avoid challenged markets
- **Patient growth:** Mainly organic, no need to chase volume, selective strategic acquisitions. 22% of PartnerRe net premiums written in FY16 with growth opportunities
- Offer **value-added services** beyond capital in order to sustainably generate attractive risk-adjusted return
- **Active customer base** of over 290 clients - Clients primarily regional and local insurers, not large global customers
- **Diversification vs. Non-Life** reinsurance leads to capital advantage
- **Diversification within Life & Health** unit balanced across risk classes with very limited correlation of losses. Geographic leadership: selected European Life markets (eg. France), US Health. Product leadership: Longevity, GMDB, Critical Illness, and Group Life



### 3 PartnerRe strategic priorities

#### Business Access

- **Increase footprint with key clients and brokers** for sustained access to better business and readiness to participate with potential market opportunities
- **Grow** selectively **Life & Health book**

#### Risk selection

- Strike the right **balance** between **top down and bottom up risk selection** by broadening scope and client penetration for well-understood, efficient risk classes and keeping selective approach for less predictable risk patterns
- Use of **data analytics** for better risk assessment

#### Portfolio Optimization

- Leverage **Portfolio Construction Framework** to optimize underwriting risk-adjusted return
- Identify **selective pockets of growth** in current market
- **Grow selectively in Asia Pacific and Latin America**
- Pro-actively **manage** reinsurance **cycle**

#### Talent and culture

- Build up the right **talent base for the future** (including replacements for two Executive Team members)
- Evolve **agility, collaboration, empowerment and high performance**

#### Operations

- Continual emphasis on a **lean and cost effective operations infrastructure**





## 4 PartnerRe Group objectives

**ROE of 8-10%** over the next 3-5 years period, taking into account current market conditions, by leveraging all the components of reinsurance balance sheet

- Return from underwriting capital (ROC) >8%
- Return of Financial Investments and Real Estate of >8%
- Optimized capital structure: financial leverage 20-25%; cost of senior debt of 2.0% (post tax), cost of preferred equity of 6.6%
- Tax rate in the range of 10-15%



# Agenda

Industry overview and PartnerRe positioning

**Achievements of the past 12 months**

2017 Financial outlook

PartnerRe





## Key accomplishments of the past 12 months

### A Underwriting Operations

- **New worldwide organizational structure**, aligned with how our clients buy reinsurance; strengthened Global Accounts function
- Added and promoted **new talent in Underwriting areas** (e.g., new heads for Life & Health, APAC and LatAm)
- **Disposed non-strategic businesses** (Wholesale, E&S)
- Accelerated our development in Life & Health through **acquisition of Aurigen**
- **Optimized underwriting portfolio** to provide the most attractive risk-adjusted return over a 3-5y period
- **Dynamically managed capital** deployed to property Cat through **use of retrocession**

### B Operations and Capital Structure

- **Achieved > \$60m of operational cost savings**
- **Reinvested > \$10m in growth initiatives** (e.g., for Life & Health and Global Accounts)
- **Issued a 1.34% yield 10-year Eurobond** (first time ever for a Bermuda (re)-insurer to access EUR bond market), which resulted in a **capital structure optimization** and **reduction of financing costs**

### C Investments

- **Re-allocated portfolio** to improve its risk-adjusted returns (e.g., added real estate as new asset class)
- Defined new operating model, **managing in-house Standard Fixed Income** and **leveraging external managers** (incl. EXOR) for **financial investments** and **real estate**
- **Simplified organization** and right-sized support teams to reflect a **leaner operating model**



## **A Designed an effective organizational structure, aligned with client needs**

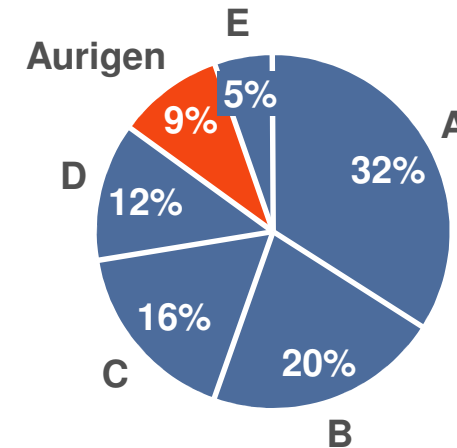
- **Reorganized business operations with new worldwide organizational structure designed by products and client segments (P&C, Specialty, Life and Health)** – better leveraging our worldwide expertise and better positioned to respond to evolving clients' needs
- **Strengthened Global Account unit** serving key global clients and brokers
- **Created the Global CUO position** reporting to CEO to complement bottom-up underwriting in the Business Units with top-down view of the underwriting to optimize portfolio construction and provide a more comprehensive view of underwriting risks
- **Strengthened Risk and Actuarial unit** by adding new Chief Risk & Actuarial Officer position within Executive Committee, reporting directly to CEO
- **Exited SME Insurance business** not aligned to our Pure Reinsurer model
- **Hired new CEO of Life & Health** to help manage and grow segment
- **Merged CFO and COO functions** to improve efficiency



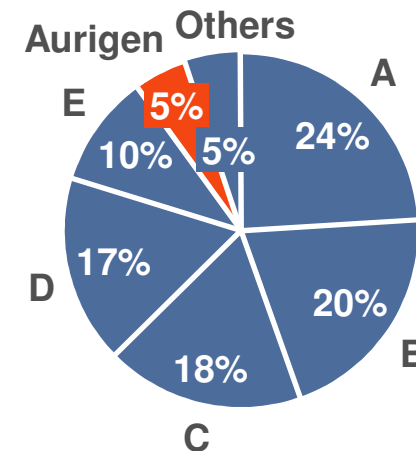
## A Strengthened Life & Health platform through Aurigen acquisition

- **Acquisition of a life reinsurer serving Canada** (9% market share) **and the US** (5% market share), the largest regional market in the world **where PartnerRe had virtually no presence**
- Increased exposure to yearly renewable **term life product** where mortality risk is actuarially predictable and provides attractive risk/reward proposition
- **PartnerRe was uniquely well-positioned** given our long time horizon, complementary footprint, and economic, rather than accounting, view on the business
- **Attractive purchase price** of CAD \$375m, below embedded value
- **Integration of the business** and 50 new colleagues is **underway** with expected completion by end of first quarter of 2018
- **Significant opportunity** to leverage PartnerRe's financial strength to grow

Canada Life Reinsurance market share (2015)



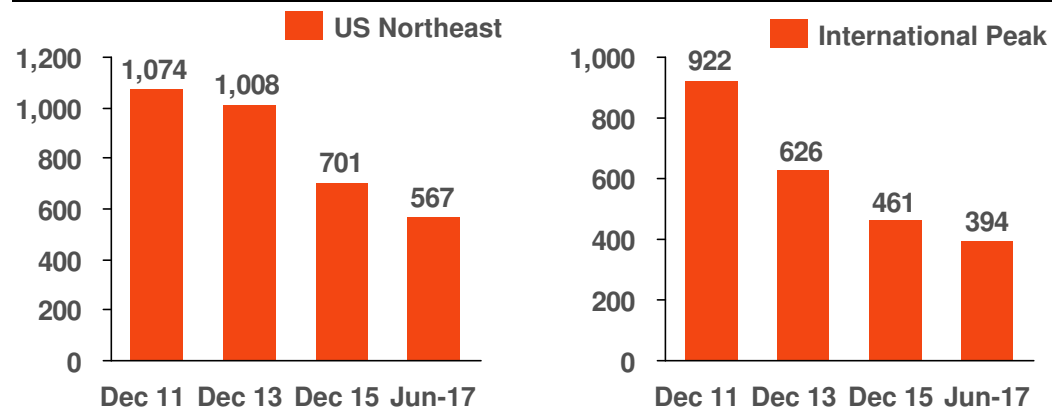
U.S. Life Reinsurance market share (2015)



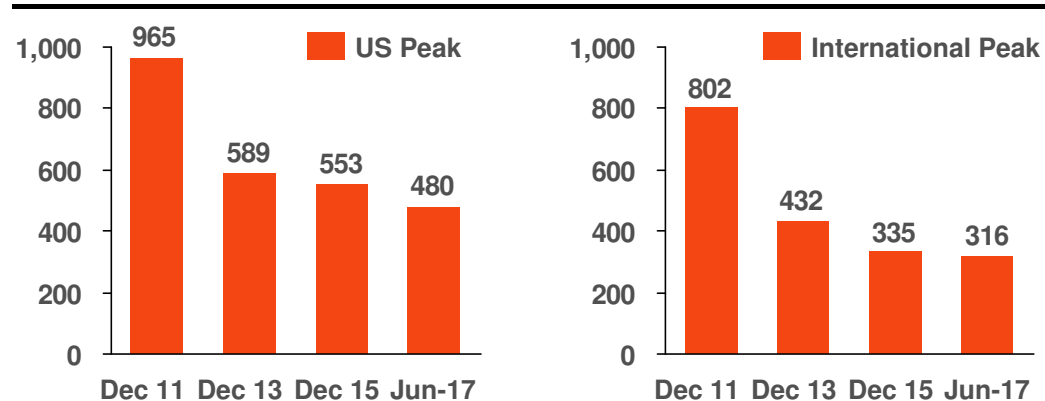


# A Dynamically managed capital deployment to Cat through use of retro, given decreasing expected profitability

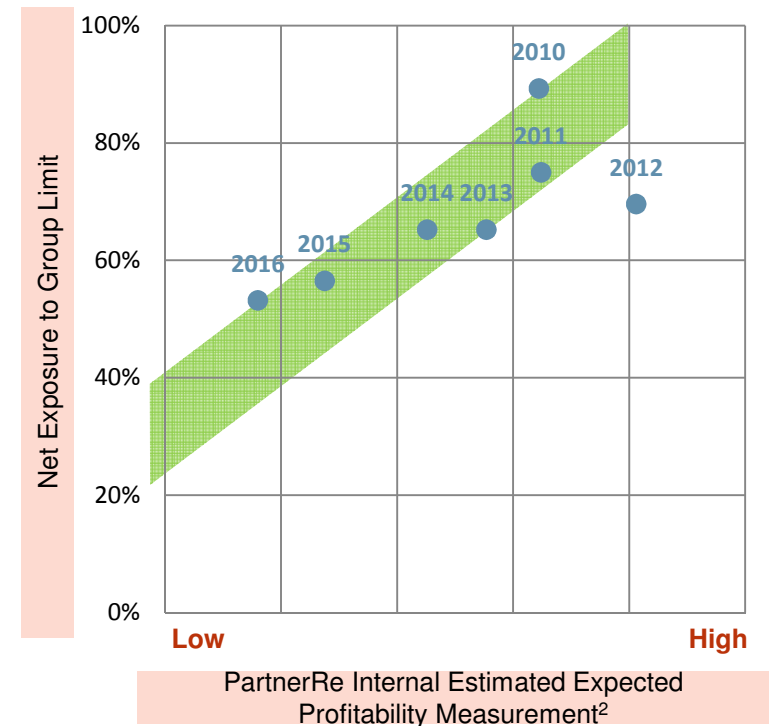
Probable Maximum Loss (Net PML in m \$) Wind (1-in-250 years)<sup>3</sup>



Probable Maximum Loss (Net PML in m \$) Earthquake (1-in-250 years)<sup>3</sup>



Illustrative Schematic<sup>1</sup>



PartnerRe

<sup>1</sup> Illustrative schematic to show management approach to risk

<sup>2</sup> The expected profitability is an internal measure to PartnerRe for profitability measurement of risk

<sup>3</sup> Minor regions are excluded



## **B Undertook actions to reduce operating costs and improve cost of capital**

### **Reduced operating costs**

- **Achieved > \$60m of savings** compared to the 2015 cost baseline
- **H1 2017 operating costs 4% below budget**
- **Implementing additional cost actions** during the course of 2017
- **Reinvested > \$10m** of savings in **growth initiatives**

### **Reduced financing costs and optimized capital structure**

- **Issued a 10-years EUR 750 million senior bond** (Eurobond) with maturity September 2026 at 1.34% yield – First Eurobond ever issued by a Bermuda insurer and reinsurer
- Used proceeds to redeem \$150m of preferred shares and \$250m of 2018 senior bond
- Dual objective: **strengthening company capital while decreasing company financing cost** (\$19m pre-tax) **and cost of capital**





## C Re-designed Investments operating model and optimized portfolio

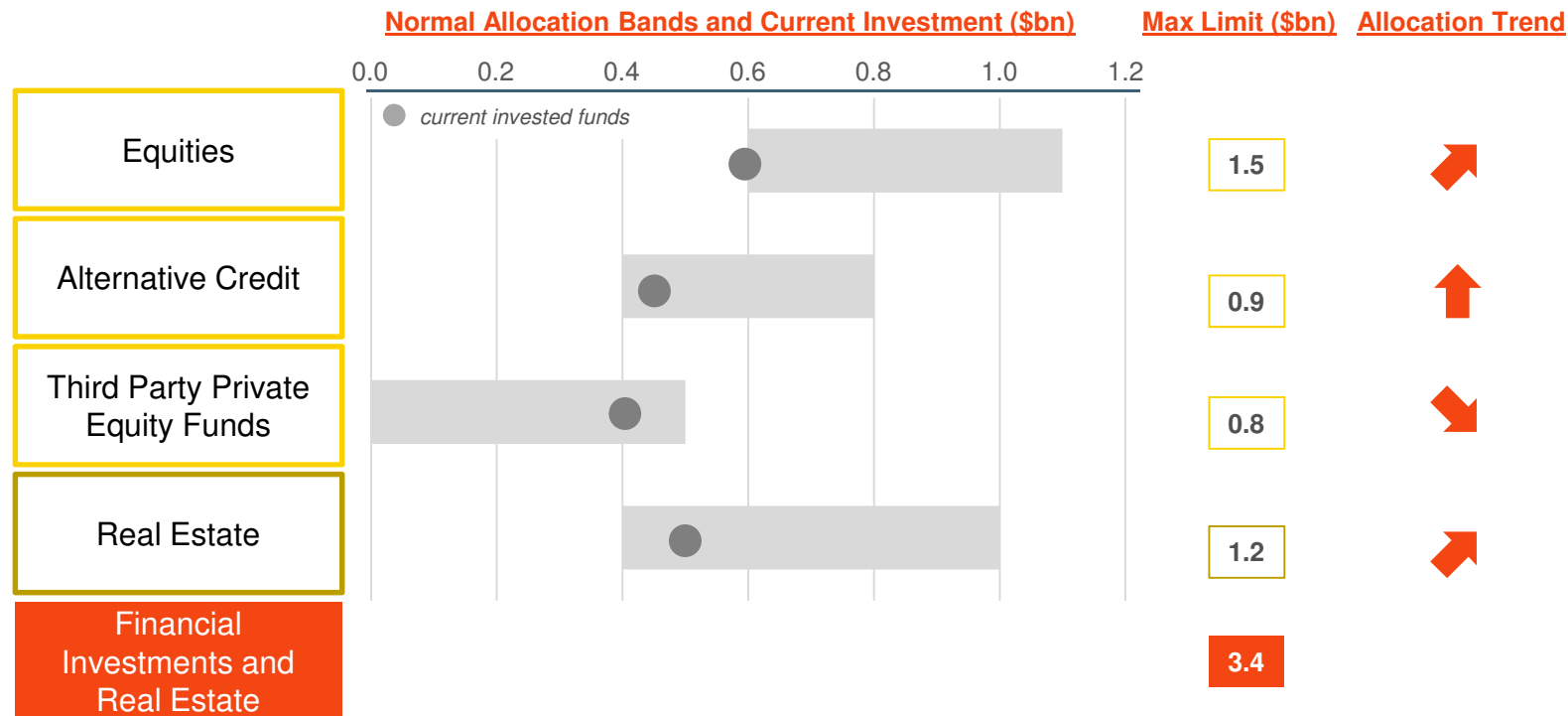
\$bn	30-Sep-15		30-Jun-17	
	\$bn	%	\$bn	%
<b>Standard Fixed Income</b>	<b>13.2</b>	<b>82.3%</b>	<b>14.8</b>	<b>86.6%</b>
- Cash & Cash Equivalents	0.7	4.4%	0.8	4.7%
- Government Subtotal	3.4	21.2%	4.5	26.4%
- Corporate Subtotal	5.0	31.2%	6.3	36.8%
- MBS Subtotal	3.5	21.7%	2.6	15.4%
- US Munis	0.6	3.8%	0.6	3.3%
<b>Real Estate</b>	<b>-</b>	<b>0.0%</b>	<b>0.5</b>	<b>2.9%</b>
<b>Financial Investments</b>	<b>2.8</b>	<b>17.7%</b>	<b>1.8</b>	<b>10.5%</b>
- Public Equity	0.9	5.5%	0.6	3.5%
- Alternative Credit	0.8	5.2%	0.4	2.5%
- Private Equity	0.2	1.4%	0.4	2.4%
- ILS	0.4	2.2%	0.3	1.9%
- Strategic Ventures	0.1	0.6%	0.0	0.2%
- HY / EM Debt / Other	0.4	2.6%		
<b>Total</b>	<b>16.0</b>	<b>100.0%</b>	<b>17.1</b>	<b>100.0%</b>

- Standard Fixed Income managed in-house, Financial Investments and Real Estate through Third Party managers (including EXOR)
- Reduced number of strategies; added Real Estate as asset class to optimize risk-adjusted return
- Simplified portfolio and lower complexity led to \$22.5m expense savings
- Current portfolio expected to generate yearly net total return of ~\$500m (ca. 2.9% on average plan assets) under current market conditions:
  - ~\$390-\$400m as net investment income, mostly from Standard Fixed Income portfolio
  - ~\$100-\$110m as mark-to-market gains, mostly from Financial Investments and Real Estate





## C Prepared to deploy capital in selected investment strategies



- Current total allocation to Financial Assets and Real Estate at \$2.0bn, including existing commitments<sup>1</sup>
- Allocation to Equities near target minimum of \$0.6bn
- Prudent exposure to Real Estate and Alternative Credit, targeting growth in selected areas
- Third Party Private Equity Funds at higher end of allocation band, no significant additions planned

1. ca. \$ 0.1bn in Real Estate



# Agenda

Industry overview and PartnerRe positioning

Achievements of the past 12 months

**2017 Financial outlook**

PartnerRe





## Outlook for Financial Year 2017

- H1 2017 Net Income ROE of 8.0%<sup>1</sup> (\$243m net profits) driven by
  - Non-life combined ratio of 91.7%
  - Investments net total return of \$363m (2.1% on average assets)
- Expected Q3 pre-tax loss in the \$60-90m range (ca. 1-1.5% of common equity) driven by:
  - Hurricanes Harvey, Irma and Maria combined reinsurance losses at a midpoint of ca. \$475m pre-tax, net of retrocession and reinstatement premiums<sup>2</sup>. Range of expected losses still very wide given the uncertainty, complexity and timing of the events
  - Favorable actual vs. expected losses in Non-Life in Q3 2017 resulting in continued favorable prior year reserve development in the quarter
  - Health line of business affected by a mid-size loss and a priori loss adjustments impacting negatively the quarter profitability
  - Net total investment return in Q3 2017 of ca. \$152m, bringing Q3 YTD net total return to ca. \$515m
- Assuming (i) absence of material Cat and other large losses in Q4 and (ii) nil mark-to-market within the Standard Fixed income portfolio in Q4, PartnerRe currently expects to report a Full Year 2017 Net Income<sup>1</sup> of ca. \$220-300m ( Net Income ROE<sup>1</sup> of ca. 4-5%). This also assumes no changes to the currently estimated combined net reinsurance losses of the Hurricanes Harvey, Irma and Maria, whose final outcome is currently materially uncertain and may be subject to significant variation<sup>2</sup>
- Capitalization at year-end 2017 expected to remain in excess of S&P AAA capitalization level

<sup>1</sup> Adjusted for severance and transaction related costs

<sup>2</sup> Estimate of losses for these events is based on a preliminary analysis of the Company's exposures, preliminary information received to date from the Company's cedants, and assumptions of total industry insured losses. There is considerable material uncertainty associated with these loss estimates given the nature, magnitude and recency of the loss events, and the limited claims information received to date. The ultimate loss, therefore, may differ materially from the current estimate.

INVESTOR DAY  
2017

## **CLOSING REMARKS**

**JOHN ELKANN**

EXOR CHAIRMAN AND CEO

# DIVERSIFIED HOLDINGS OVER PERFORM THE BUSINESSES THEY OWN AND THE MARKET



## 20Y Total Shareholder Return



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

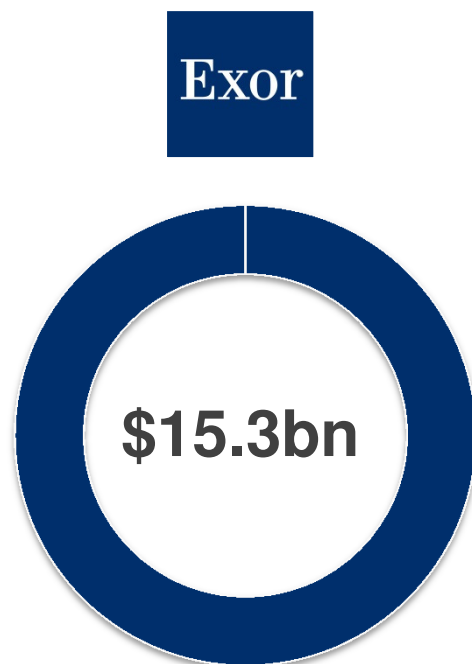
2) Holdings historical businesses index including companies that have been in portfolio over the last 10 years or more, with a market cap higher than \$0.5bn and where the holding has at least a 5% ownership

Source: CapitalIQ as of September 28, 2017 (USD)

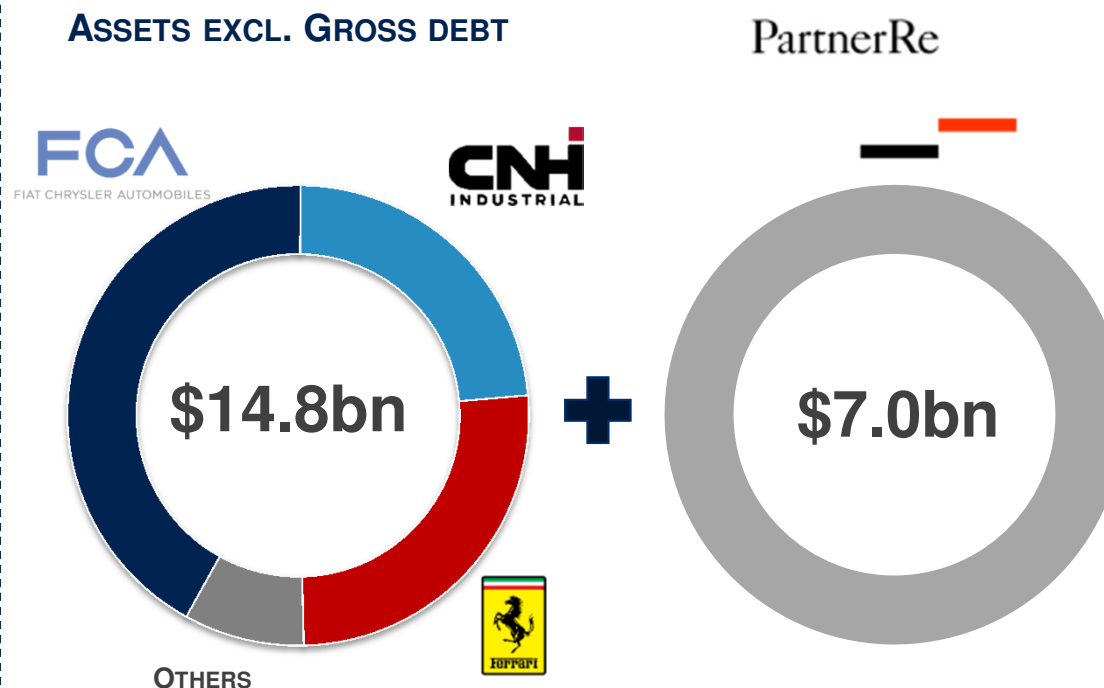
# BUY EXOR AND GET PARTNER RE FOR FREE

Exor

## EXOR MARKET CAP



## EXOR NET ASSET VALUE



EXOR trades at a discount of ~30% compared to  
a ~12% average discount of a selected group of investment holdings<sup>1</sup>

*Note: Figures as of June,30 2017 with listed prices updated as of September, 28 2017*

*1) Based on the selected global diversified holdings group. Trading discount used for companies reporting NAV, average brokers' target discounts used otherwise. Source: Company filings, analysts' research, Bloomberg and CIQ as of September, 28 2017*

*Above all we must always  
look to the future,  
foresee the future of new inventions,  
be unafraid of “the new”,  
delete from our vocabulary the word  
“impossible”*

***Senator Giovanni Agnelli***



INVESTOR DAY  
2017

**Q&A SESSION**



INVESTOR DAY  
2017

## **APPENDIX**

# FIAT CHRYSLER AUTOMOBILES

Exor



Economic rights: 29.23%  
Voting rights: 42.4%

## Major Global OEM and a portfolio of iconic brands



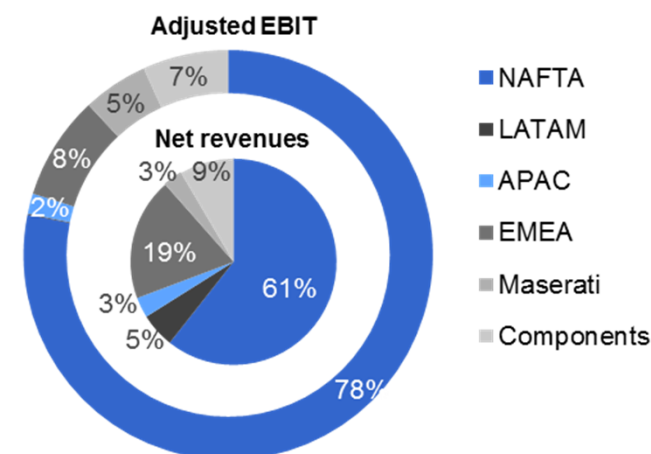
## KEY HIGHLIGHTS

- **Record financial performance and Group margin in 1H17**, with all segments profitable
- **Generation of positive operating cash flows**, net of capex in 1H17
- **Group positioned to remain on forefront of new technologies** (BMW/Intel/Mobileye Autonomous driving platform partnership, Google collaboration)
- **S&P and Moody's raised outlook** to positive in 2017
- **2017 guidance confirms conviction in achievement of 2018 targets**, with all key targets achieved or exceeded in the first 3 years of the plan

## FINANCIAL SNAPSHOT <sup>1</sup>

IFRS	2014	2015	2016	H1 2017
Shipments <sup>2</sup> (000s units)	4,601	4,602	4,482	2,216
Net Revenues (€bn)	94	111	111	55.6
Adjusted EBIT (€bn)	3.4	4.8	6.1	3.4
Adjusted EBIT margin	3.6%	4.3%	5.5%	6.1%
Adjusted Net Profit (€bn)	0.8	1.7	2.5	1.8
Net Industrial (Debt) Cash (€bn)	(7.7)	(5.0)	(4.6)	(4.2)

## SEGMENT REPORTING BY REGION (FY16)



1) Figures for 2014 and 2015 have been re-presented to exclude Ferrari following the classification of Ferrari as a discontinued operation for the year ended December, 31 2015

2) Consolidated shipments include only shipments by the Group's consolidated subsidiaries

PartnerRe



Economic rights<sup>1</sup>: 100%  
Voting rights<sup>1</sup>: 100%

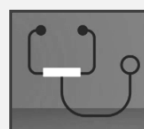
**A leading global, diversified and pure-play reinsurer operating in over 100 markets**



**SPECIALTY  
LINES**



**PROPERTY &  
CASUALTY**



**LIFE &  
HEALTH**

## KEY HIGHLIGHTS

- **Highly diversified book of businesses in terms of geographies and product lines**
- **Conservative underwriting culture** and disciplined investment decisions
- **Improved efficiency and reduced operating expenses**
- **Solid Financial Strength ratings:** A+ (stable) by S&P; A1 (stable) by Moody's; A (stable) by A.M. Best

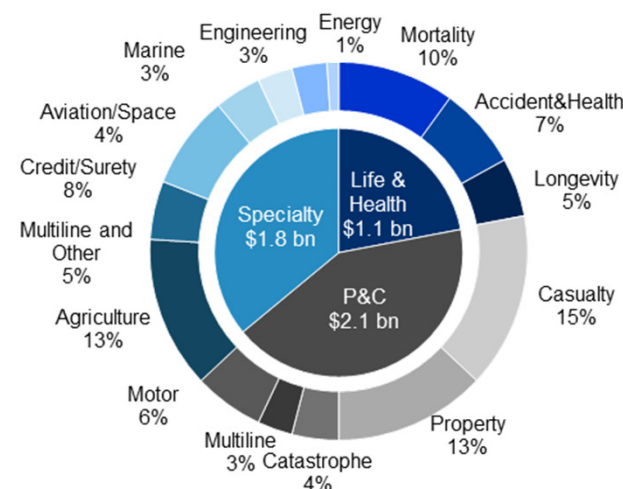
1) On ordinary capital

2) Adjusted for transaction and severance fees

## FINANCIAL SNAPSHOT <sup>2</sup>

US GAAP	2014	2015	2016	H1 2017
Net Premiums written (\$m)	5,720	5,230	4,954	2,650
Operating Earnings (\$m)	755	749	413	154
Adj Net income (\$m)	998	453	517	243
Adj Net income ROE	16.6%	7.4%	8.6%	8.0%
Common Shareholder's Equity (\$m)	6,195	6,047	5,984	6,160

## NET PREMIUMS WRITTEN BY SEGMENT (FY16)





Economic rights: 22.91%  
Voting rights: 32.75%

The world's most recognizable and powerful  
luxury sports car brand



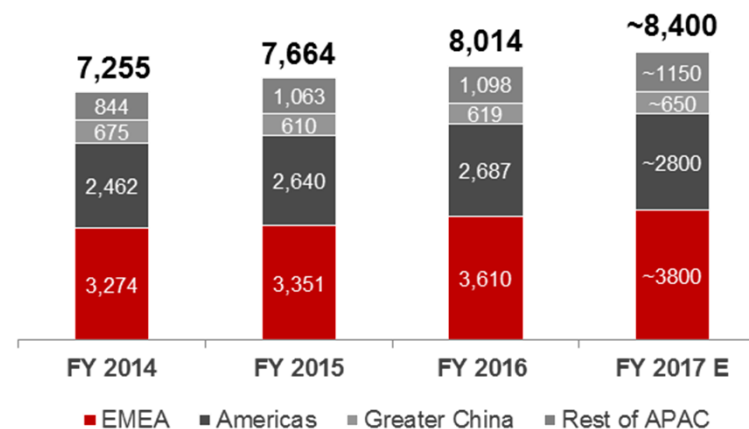
## KEY HIGHLIGHTS

- **Strong track record in new models introduction**, at least a new model launched every year
- **Strong and consistent financial performance** over the past decade, with an exceptional brand and pricing power
- **Solid revenues in 1H17** with car and spare parts leading the way with volume and mix
- **Net industrial debt further reduced** thanks to positive industrial free cash flow
- **2017 outlook confirmed**

## FINANCIAL SNAPSHOT

IFRS	2014	2015	2016	H1 2017
Shipments (units)	7,255	7,664	8,014	4,335
Net Revenues (€m)	2,762	2,854	3,105	1,741
Adjusted EBITDA (€m)	693	748	880	512
Adjusted EBIT (€m)	404	473	632	379
Adjusted EBIT Margin	14.6%	16.6%	20.4%	21.8%
Net profit (€m)	265	290	400	260
Industrial Free Cash Flow (€m)	245	429 <sup>1</sup>	280	163
Net Industrial cash (debt) (€m)	1,627	(797)	(653)	(627)

## GROUP SHIPMENTS (UNITS)

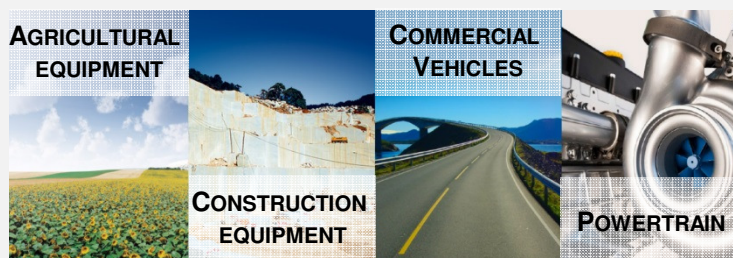


1) FY2015 included one-time of €160mn related to the reimbursement by Maserati of its inventory in China and €37mn one-time cash inflow from the sale of investment properties to Maserati



Economic rights: 26.90%  
Voting rights: 39.91%

**Global leader in the capital goods sector with a global presence and broad reach through 12 brands**



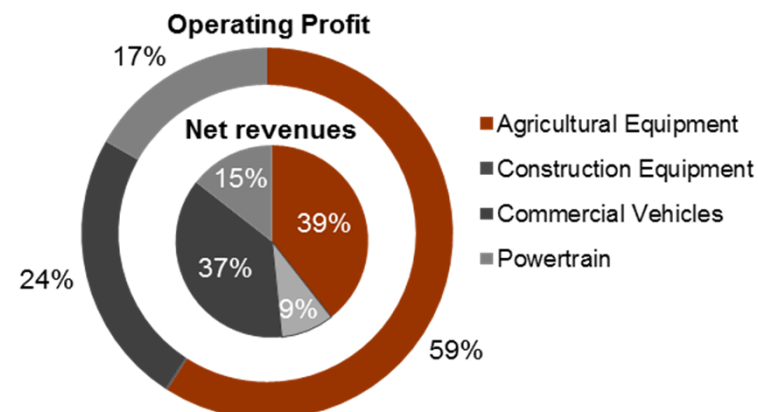
## KEY HIGHLIGHTS

- **Strong leadership and market positioning** with presence in all key markets and segments
- **Continuing to deliver** operational cost savings, productivity gains and opportunistic pricing strategies across geographies
- **Investment Grade upgrade** by S&P in 2017
- **2017 guidance** leading to the high end of sales

## FINANCIAL SNAPSHOT

US GAAP	2014	2015	2016	H1 2017
Net sales of Industrial Activities (\$bn)	31.2	24.7	23.7	12.0
Operating Profit of Industrial Activities (\$m)	1,988	1,432	1,291	700
Operating Profit margin of Industrial Activities	6.4%	5.8%	5.5%	5.8%
Net income adjusted (\$m)	940	474	482	324
Net Industrial (Debt) Cash (\$bn)	(2.7)	(1.6)	(1.6)	(2.1)

## SEGMENT REPORTING BY BUSINESS (FY16)<sup>1</sup>



<sup>1)</sup> Pie charts exclude other unallocated items and adjustments and negative contributions



Economic rights: 63.77%  
Voting rights: 63.77%

Professional Football Club and one of the most famous and revered teams both in Italy and internationally



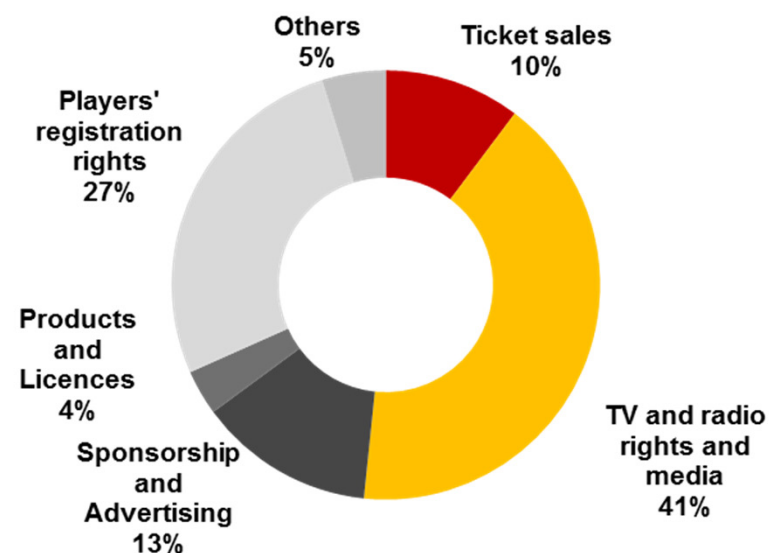
## KEY HIGHLIGHTS

- **Main sources of income** come from the economic exploitation of sports events, the Juventus brand and the first team image
- **The year 2016/17 confirms the improvement reported in previous years;** for the third year the business closed with a profit
- On May 2017, Juventus won the Italian Cup for the 12<sup>th</sup> time and the Serie A Championship for the 6<sup>th</sup> year in a row (35<sup>th</sup> league title in the team's history)

## FINANCIAL SNAPSHOT

IFRS	2014/15	2015/16	2016/17
Total Revenues (€m)	384.2	387.9	562.7
Operating profit (€m)	19.3	20.2	67.4
Operating margin	5.5%	5.2%	12.0%
Net income (€m)	2.3	4.1	42.6

## REVENUES BY SEGMENT (FINANCIAL YEAR 2016/17)





Economic rights: 43.40%  
Voting rights: 20.00%

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THE ECONOMIST  
BUSINESSES



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CQ ROLL CALL

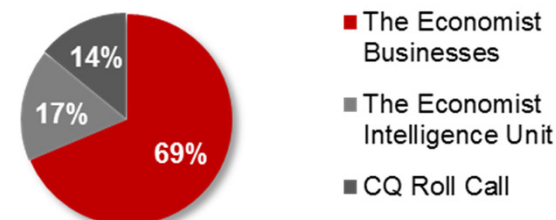
## KEY HIGHLIGHTS

- **A highly respected weekly newspaper** covering world events, politics and business (as well as science, technology, books and the arts). Founded in 1843 with a specific focus on “economic liberalism” which includes free trade and human rights
- **Circulation business single largest contributor to the Group profits, growing significantly in 2017** as a result of price increases, effective marketing and the news agenda, driving unprecedented demand for its high-quality journalism

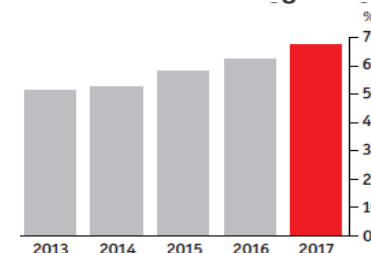
## FINANCIAL SNAPSHOT

	2014 UK GAAP	2015 IFRS	2016 IFRS	2017 IFRS
Revenues (£m)	328	324	331	353
Operating profit (£m)	55	59	61	54
Group operating profit margin	16.8%	18.3%	18.3%	15.3%
Profit after taxation (£m)	44	45	151 <sup>1</sup>	41

## GROUP REVENUES BY BUSINESS (2017)



## The Economist circulation gross margin<sup>2</sup>



1) Includes profit on sale of the Economist Complex for £110m

2) Source: The Economist Annual Report 2017



# APPENDIX







## PartnerRe Business Profile

### Company History

- Founded in 1993
- Strong, diversified franchise built on successful organic growth and 3 strategic acquisitions:
  - SAFR in 1997
  - WinterthurRe in 1998
  - Paris Re in 2009
- Approximately 1,000 employees

### Financial Metrics

- \$6.9bn total shareholder's equity (June 30, 2016)
- \$5.4bn in Gross Written Premium ("GWP", 2016)
- 9<sup>th</sup> largest reinsurer worldwide<sup>1</sup>
- Solid financial strength ratings<sup>2</sup>:
  - A+ (stable) by S&P
  - A1 (stable) by Moody's
  - A (stable) by A.M. Best

### Business Units<sup>3</sup>

- Three business units (2016 figures)
  - Specialty Lines (\$1.8bn in NWP)
  - Property & Casualty (\$2.1bn in NWP) – including catastrophe
  - Life & Health (\$1.1bn in NWP)

### Global Reach

- Headquarter in Bermuda
- Principal offices in the US (Stamford, Minneapolis, Kansas City, San Francisco, Miami), Switzerland, France, Bermuda, Ireland, Canada, Hong Kong and Singapore, with key representative offices worldwide
- 2000 clients with long lasting relationships (77% 3 years or longer) in 150 countries

<sup>1</sup> Source: AM Best's 2015 Ranking

<sup>2</sup> As of June 2017

<sup>3</sup> The Business Units are based on current internal product split



## PartnerRe Business Mix: Edge in Specialty Lines, Low Exposure to Property Catastrophe

### Specialty Lines

- Our clients are global insurers, Lloyds syndicates, or monoliners
- Requires dedicated underwriting expertise (low modelling capabilities). PartnerRe is a recognized leader
- High barriers to entry

### Property & Casualty

- Our clients are global and regional/local multiline insurers
- Property business provides reinsurance coverage to insurers for property damage or business interruption losses, including catastrophe exposure
- Casualty business includes third party liability, employer's liability, workers' compensation and personal accident coverage

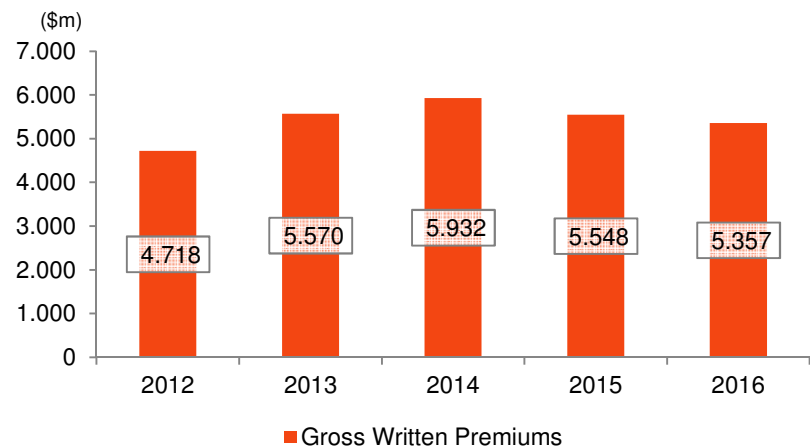
### Life & Health

- Our clients are life insurers and self-funded employers, hospitals, health insurers in the US
- Covers mainly mortality, longevity and medical expense risk; avoids investment risk
- Diversification to Property & Casualty as limited correlation

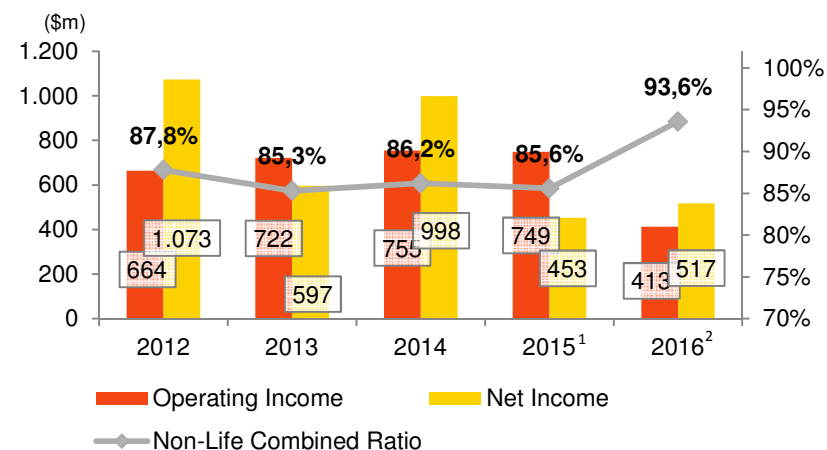


# Historical Financial Performance

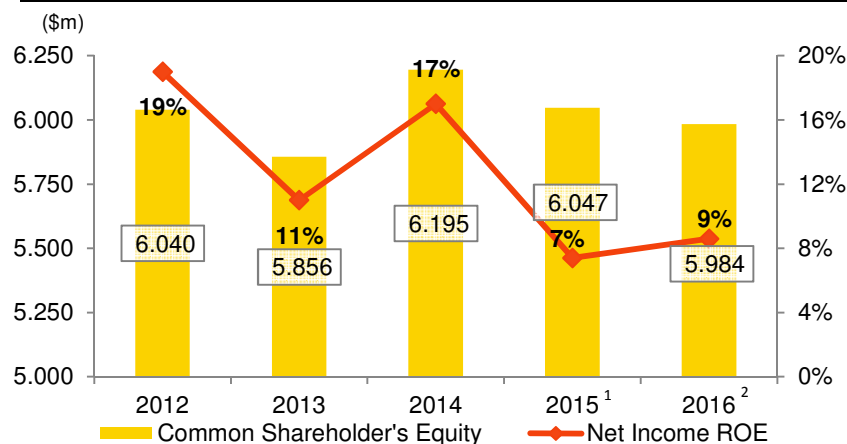
Top Line Premium Evolution



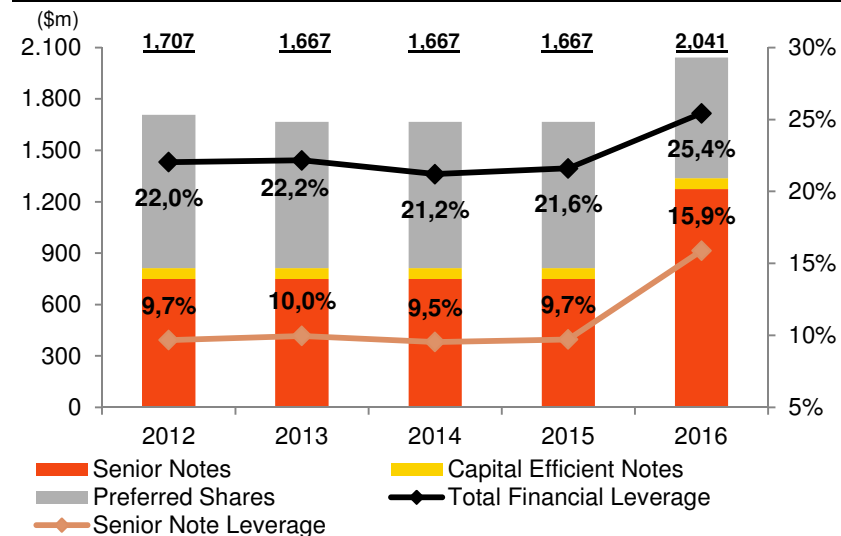
Profitability



Common Shareholders Equity and ROE



Liability Structure



1 AXIS termination fee and transaction costs incurred are excluded  
2 Transaction costs and severance costs are excluded



Exor