

**Exor**

# EXOR INVESTOR DAY

30 NOVEMBER 2023

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- changes in regulations and institutional framework (in each case, in Italy or abroad); and
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## EXOR INVESTOR DAY

### **AGENDA**

- **UPDATE**
- COMPANIES
- INVESTMENTS
- FINANCIALS
- ESG
- WHAT'S NEXT?

# IN 2023 WE CONTINUED TO EXECUTE ON OUR PRIORITIES

## COMPANIES

- Became a long-term investor in Philips, a global leader in health technology, and built a 15% stake
- Joined forces with Impala to develop TagEnergy, a fast-growing company in the renewal energy space
- Committed to participate in the Juventus capital increase
- Increased investment in Via Transportation

## INVESTMENTS

- Launched Lingotto as an independent alternative investment manager with \$4.5bn AuM contributed by Covéa and Exor
- Continued our investments in Exor Ventures

## FINANCE

- Announced a new €1bn share buyback program
- Managed our financial position efficiently, with rating upgraded to A- by S&P

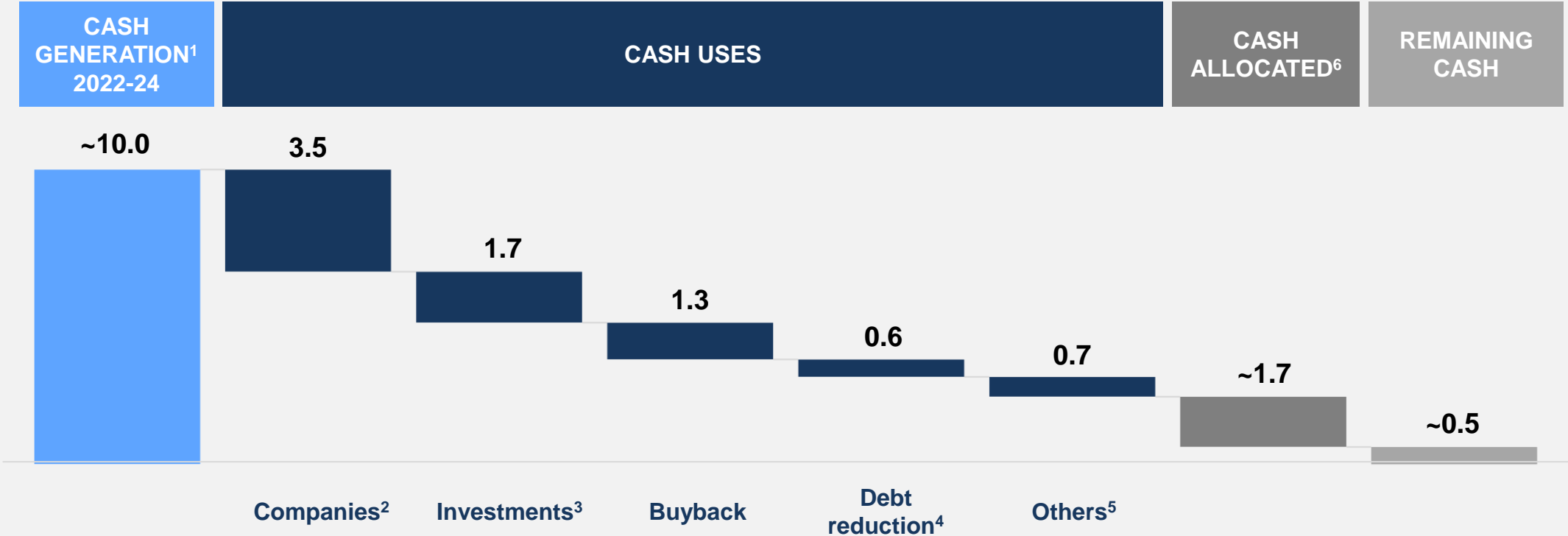
## ESG

- Published our first TCFD report
- Expanded our education initiatives

# WE HAVE REDEPLOYED THE PARTNER RE SALE PROCEEDS



in Euro billion



1) Including proceeds from the sale of Partner Re, cash and cash equivalents and listed securities at 2021YE and Net FCF in 2022-24.  
 2) Including amount invested in Philips, Institut Merieux, TagEnergy, Juventus, Lifenet, Via, Casavo, ShangXia and NUO.  
 3) Including amount invested in Lingotto Funds and Ventures.  
 4) Corresponding to €0.6bn maturing bond in December 2022, redeemed in October 2022 pursuant to the pre-maturity call option.  
 5) Including other assets of which €0.4bn reinsurance vehicles expected to mature after 2024.  
 6) Including amount allocated to Institut Merieux (€0.55bn), Lingotto Funds (€0.35bn), Ventures (€0.42bn) and the remaining amount allocated to Buyback not yet funded (€0.25bn), among others.  
 Note: Numbers may not add due to rounding.

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# OUR THREE LARGEST COMPANIES CONTINUE TO PROGRESS ON THEIR STRATEGIC PLANS



## PUSHING THE BOUNDARIES

**Net revenues of €4.4bn YTD  
(+19% vs LY)<sup>1</sup>**

**Net profit of €1.0bn YTD  
(+34% vs LY)**

**>€0.9bn of Industrial FCF  
in 2023E**

**2023 guidance raised**

## DARE FORWARD

**Net revenues of €143.5bn YTD  
(+10% vs LY)<sup>1</sup>**

**Global BEV sales +37%  
(vs Q3 2022)**

**Strong Industrial FCF  
in 2023E**

**2023 guidance confirmed**

## BREAKING NEW GROUND

**Revenues<sup>2</sup> of \$17.9bn YTD  
(+8% vs LY)<sup>1</sup>**

**Net profit of \$1.8bn YTD  
(+22% vs LY)**

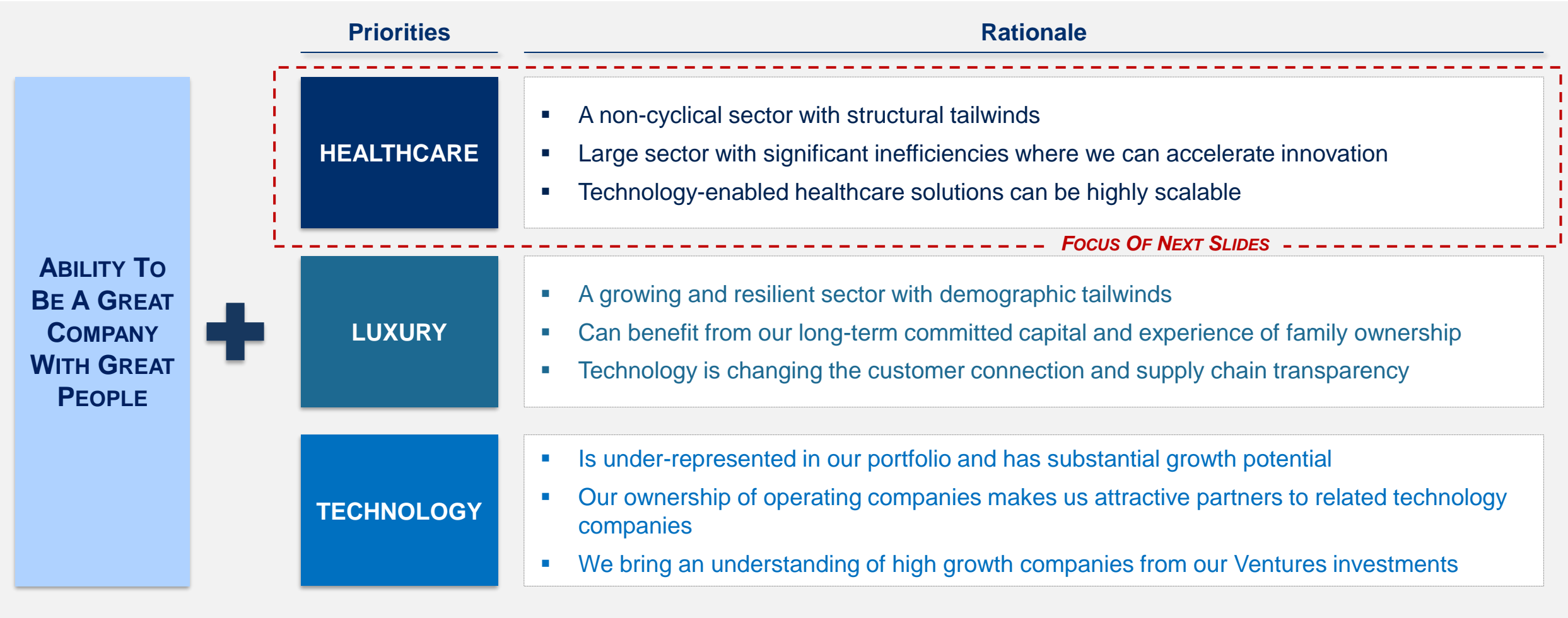
**\$1.0-\$1.2bn of Industrial FCF  
in 2023E**

**2023 guidance lowered**

**We will continue to support our Companies as they pursue their paths to greatness**

1) YTD refers to the nine months ending on 30 September 2023; LY refers to the equivalent period for 2021. 2) Refers to consolidated revenues that include financial services.

# WE HAVE CONTINUED TO LOOK FOR NEW COMPANIES IN OUR THREE PRIORITY SECTORS



**We also remain open to new sectors and geographies where we can build great companies with great people**



# WE HAVE DEEPEDED OUR KNOWLEDGE OF HEALTHCARE



## LONG-TERM SUPPORTING TRENDS

Healthcare expenditure has nearly tripled in value since 2000 to +\$9tn and represents ~10% of global GDP



Pro capita healthcare expenditure doubled in the last 20 years and is expected to continue rising



Growth in healthcare expenditure is expected to continue benefitting from the global ageing population



Long-term shareholders are rewarded as all healthcare subsectors outperformed the MSCI World over a multi-decade timeframe

## AREAS WE ARE EXPLORING:

### COMPANIES



Healthcare Services



Imaging & Instruments



Diagnostics



Life Sciences Tools



Life Science Ingredients, e.g. genomics and proteomics



### VENTURES



Precision Medicine



Robotics & Automation



AI-enabled Medicine



Biomanufacturing



Pharma services

# OUR INVESTMENT IN PHILIPS IS OUR LARGEST HEALTHCARE INVESTMENT

Exor



€2.8bn investment

15% ownership

Right to nominate 1 Director

Closed on 14 August 2023

## STRONG ALIGNMENT WITH PHILIPS MANAGEMENT TEAM



*“Exor’s investment in Philips, their long-term outlook and increased focus on healthcare and technology, fit well with our strategy and substantial value creation potential. With our market leadership positions and people-centric innovation capabilities, Philips is well positioned to deliver on our purpose to improve the health and well-being of people, creating value for all stakeholders.” – Roy Jakobs (Philips CEO)*



*“We welcome Exor as a long-term investor in Philips. They have a successful track record and clear strategy to grow and develop in healthcare and technology. Exor’s substantial investment underlines their confidence in Philips’ transformation into a healthcare technology company and its growth and value potential.” – Feike Sijbesma (Philips Chair)*

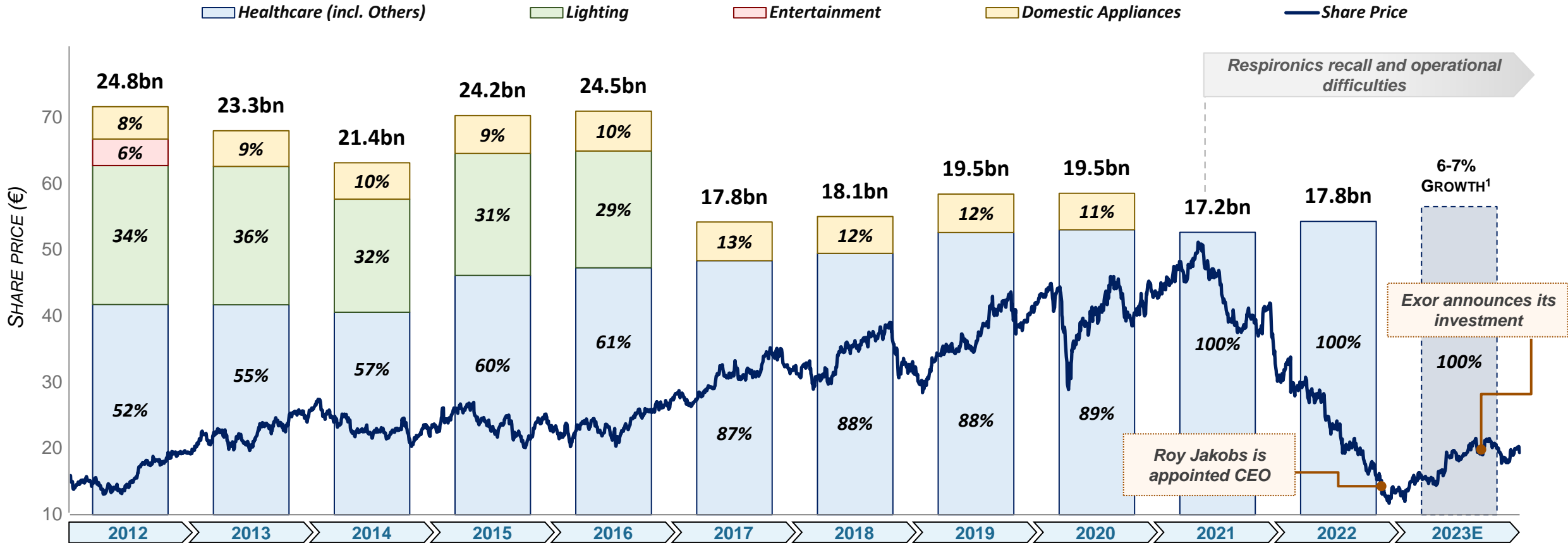
*“The path of change taken by Philips in recent years has created a company that combines two areas – healthcare and technology – to which we are committed. Our discussions have confirmed the strong and positive alignment between our long-term, supportive approach to our companies and Philips’ ambitious plans under the chairmanship of Feike Sijbesma and the executive team led by Roy Jakobs.” – John Elkann (Exor CEO)*



# PHILIPS HAS SUCCESSFULLY REPOSITIONED ITSELF IN THE HEALTHCARE DOMAIN, AND IS CURRENTLY MANAGING A SET OF CHALLENGES



SALES (€BN) AND SHARE PRICE EVOLUTION (€)



**HEALTHCARE EXPANSION**

Sources: CIQ as of 29 November. Notes: 1) Comparable Sales Growth (CSG) guidance as provided by the company in their 3Q '23 Earnings Call presentation.

# PHILIPS IS WELL POSITIONED IN ATTRACTIVE SEGMENTS



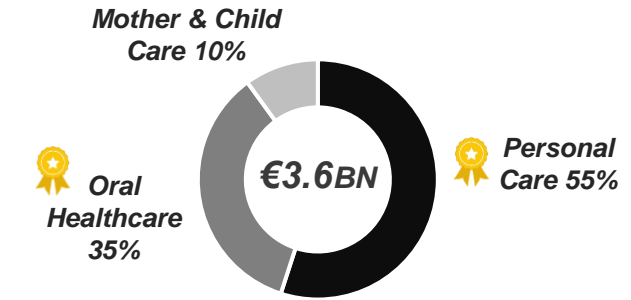
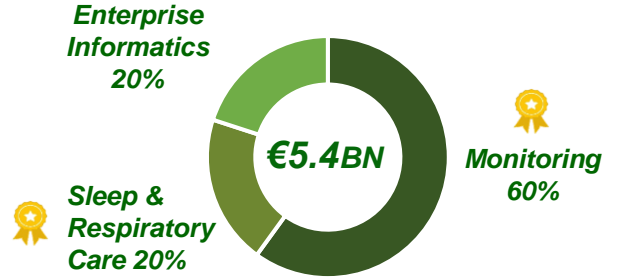
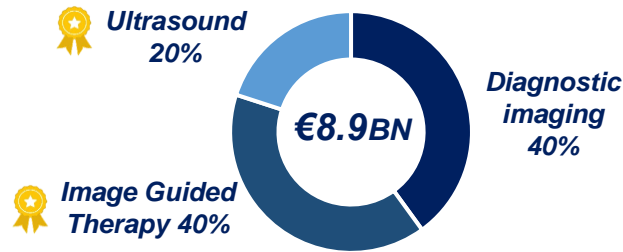
Market Leader

## DIAGNOSIS & TREATMENT

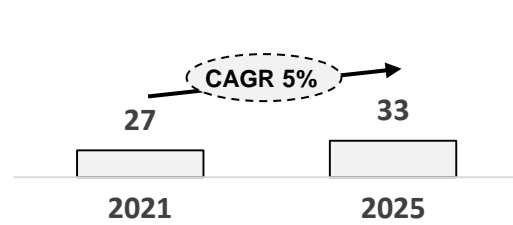
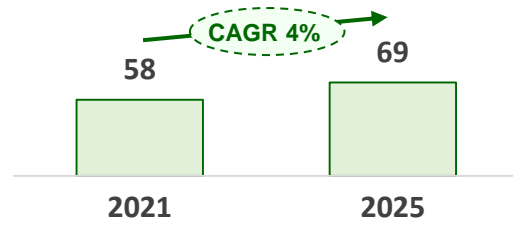
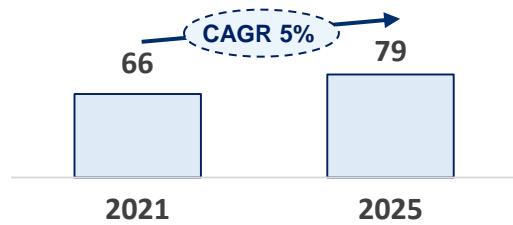
## CONNECTED CARE

## PERSONAL HEALTH

SALES SPLIT<sup>1</sup>



ADDRESSABLE MARKET (€BN)



MARKET POSITIONING<sup>1</sup>

- #1 Global in Image-Guided Therapy
- #1 Global in Cardiac Ultrasound
- Top 3 Global in Diagnostic Imaging

- #1 in Hospital monitoring
- #1 in Ambulatory monitoring
- Leader in Enterprise Informatics (#1 in Imaging, PACS & interoperability)
- #2 Global in Sleep & Respiratory Care

- #1 Global in Male Grooming
- #2 Global in Oral Healthcare
- #2 Global in Infant Feeding

Notes: 1) LTM sales and market positioning as provided by Philips in their Investor Presentation of October 2023.

# OUR INVESTMENT ENABLES US TO EXPAND OUR PRESENCE IN HEALTHCARE



**IN LINE WITH OUR STRATEGY**



- Largest shareholder in a large-scale public company exposed to both healthcare and technology



**OPERATES IN ATTRACTIVE MARKETS**



- Leadership position in attractive niche markets as well as growing exposure to informatics



**ATTRACTIVE VALUATION**



- Long-term potential at an attractive price



**STRONG PLAN**



- Targets a return to healthy top-line growth and profitability



**POTENTIAL TO BE GREAT**



- Management team committed to overcoming current difficulties and building a great company

# PHILIPS BECOMES THE FOURTH LARGE COMPANY IN OUR PORTFOLIO



*Note: Figures based on market prices as of 23 November.*  
 1) Including: Cash and equivalents (~€0.4bn), Listed securities (~€0.8bn), Reinsurance vehicles and other assets including treasury shares (~€1.4bn).

## EXOR INVESTOR DAY

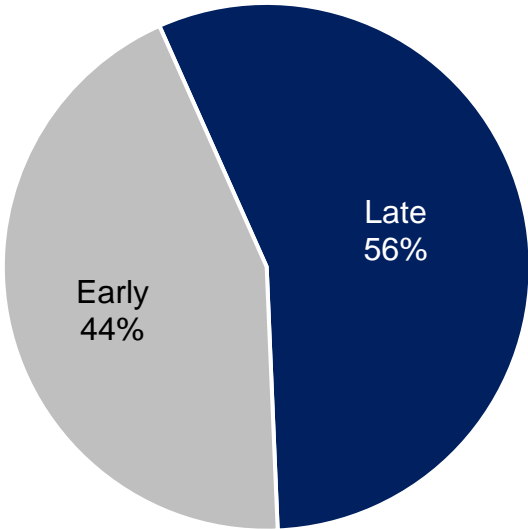
### **AGENDA**

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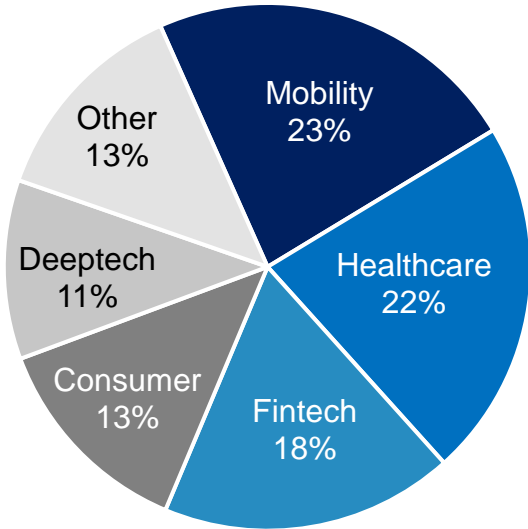
# WE HAVE INVESTED ~\$0.6BN ACROSS A BALANCED VENTURES PORTFOLIO



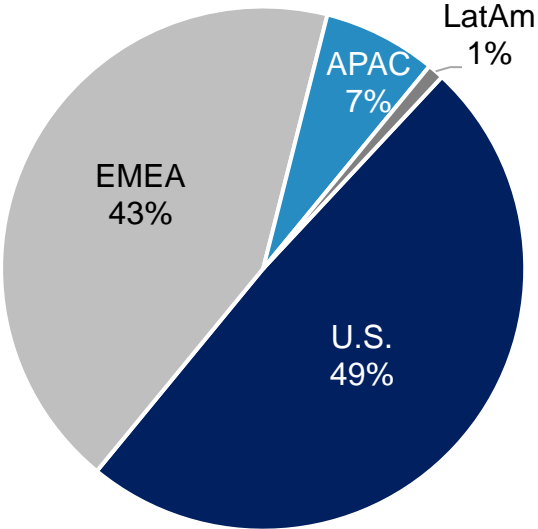
STAGE EXPOSURE



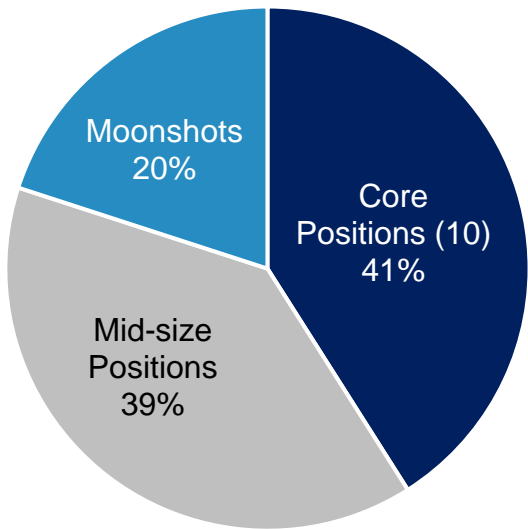
SECTOR EXPOSURE



GEOGRAPHIC EXPOSURE



PORTFOLIO COMPOSITION



Note: Based on fair market value. Stage exposure based on time of investment. Does not include Vento.



# WE HAVE LAUNCHED VENTO: THE ITALIAN CHAPTER OF EXOR VENTURES

	EARLY-STAGE INVESTING	VENTURE BUILDING
VISION	<ul style="list-style-type: none"> <li>✓ The most recognized program for early-stage (pre-seed &amp; seed) Italian entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>✓ Back the brightest minds to launch ventures</li> </ul>
GOAL	<ul style="list-style-type: none"> <li>✓ Invest in 50%+ of the best new companies over the next 10 years</li> <li>✓ Close 100 deals/year (€15mn/year)</li> </ul>	<ul style="list-style-type: none"> <li>✓ At least five new Vento companies enter the portfolio each year</li> </ul>
ECONOMICS	<ul style="list-style-type: none"> <li>✓ €150k investment for mid single-digit ownership</li> </ul>	<ul style="list-style-type: none"> <li>✓ €80k convertible note with €800k post-money cap</li> </ul>
OUR VALUE PROPOSITION	<ul style="list-style-type: none"> <li>✓ <i>Speed:</i> Efficient process</li> <li>✓ <i>Brand:</i> High quality investor</li> <li>✓ <i>Community:</i> Strong network of founders, top-tier investors, and corporates</li> <li>✓ <i>Global reach:</i> Help founders think globally</li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>Network:</i> Strong network of mentors, entrepreneurs and top-tier investors</li> <li>✓ <i>Grant:</i> Support Founders to participate full time</li> <li>✓ <i>Potential investment:</i> Opportunity to receive a pre-seed check</li> </ul>
RESULTS	<ul style="list-style-type: none"> <li>✓ 2,158 applications since April 2022</li> <li>✓ 55 companies backed</li> </ul>	<ul style="list-style-type: none"> <li>✓ 1,000+ applications received in the last 2 cohorts</li> <li>✓ 20 new companies incorporated, 10 backed by Vento</li> </ul>



# Lingotto Overview

November 2023

# Introduction to Lingotto

## Who We Are

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**Lingotto is an independent alternative investment manager, that was launched in May 2023, and is wholly owned by Exor**

**Two Founding investors: Exor and Covéa**

**~\$4.5bn<sup>1</sup> AUM**

**3 core strategies**

**~40 investment and business professionals**

**Offices in London and New York**

## Our Objective

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*“We are committed to delivering attractive long-term returns to our limited partners, protecting their capital from permanent losses while accepting concentration, illiquidity and volatility”.*

*John Elkann  
(Founder)*

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**We think and act as principals rather than agents; investing alongside those who entrust their money to us**

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<sup>1</sup>. AUM as of 30<sup>th</sup> September 2023, including commitments. Includes strategies that are not currently open to external investors.

# Our Differentiated Approach



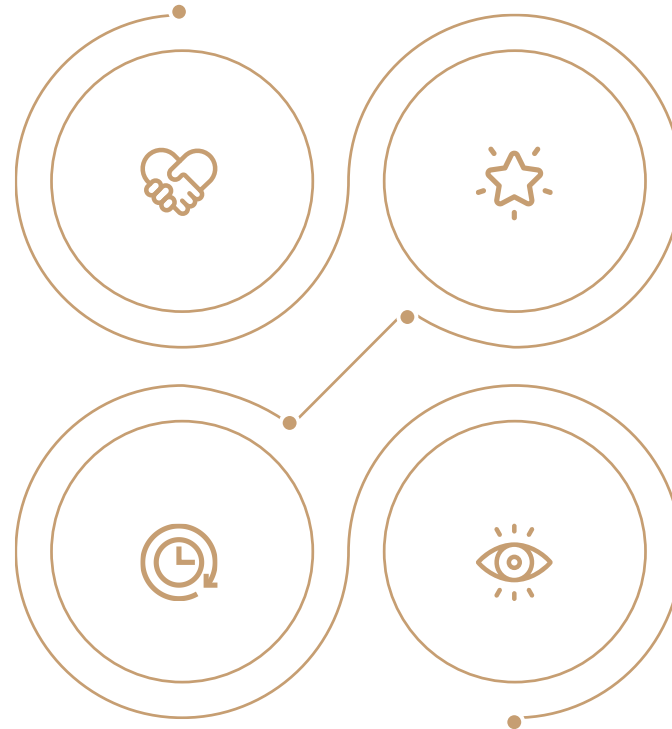
# Lingotto Values

## Courage & Responsibility

Having conviction in our differentiated analysis whilst embracing concentration and maintaining full accountability

## Curiosity & Focus

Appreciating the unexplored and the unconventional, while avoiding short-termism



## Ambition & Humility

Encouraging diversity of opinion and rigorous thinking, we aim to deliver uncorrelated results

## Patience & Drive

Accepting volatility as an opportunity and not a risk, firmly believing in the benefits of long-term investing

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Culture rooted in transparency, autonomy and cooperation

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# Strategies and Managing Partners/CIOs

~\$4.5bn<sup>1</sup> Assets Under Management Today


## LONG/SHORT EQUITY




### Matteo Scolari

- 20 years investment experience
- Former Eton Park Portfolio Manager
- Goldman Sachs and McKinsey
- Wharton MBA, Palmer Scholar

**NAV** ~2,400m<sup>1</sup>

 **Strategy:** Public equity, on concentrated long only and long/short basis

 **Investment approach:** Fundamental bottom-up approach, long-term analysis, concentrated portfolio

 **Geography:** Predominantly developed markets


## OPPORTUNITY



### Nikhil Srinivasan

- 20 years investment experience
- Former CIO: Allianz, Generali, PartnerRe
- Twice supervised ~\$500bn in assets

**NAV** ~1,600m<sup>2</sup>

 **Strategy:** Investments across the full capital structure, mostly in private companies

 **Investment approach:** Special situation opportunities in idiosyncratic niches

 **Geography:** Global with a bias to Europe & Asia


## INNOVATION



### James Anderson

- 40 years investment experience
- Partner Baillie Gifford (1987 - 2022)
- Former co-manager Vanguard Intl Growth Fund & Scottish Mortgage Investment Trust.
- Chair of Kinnevik AB

**NAV** ~500m<sup>1</sup>

 **Strategy:** Primarily public equity with some private equity, on a long-only basis

 **Investment approach:** Identifying rare structural winners, concentrated, long-term commitment

 **Geography:** Global

1. As of 30<sup>th</sup> September 2023, including commitments.

2. As of 30<sup>th</sup> June 2023. Includes strategies that are not currently open to external investors.

# Strategic and Operational Progress

Progress in 2023...

...Future Priorities

## STRATEGIES

**'Opportunity'** launched in Q1 2023

**'Innovation'** launched in Q2 2023

Launch new strategies selectively

## PEOPLE

### **New joiners - Investment Teams**

Managing Partner and CIO, Partners and Analysts

### **New joiners - Business**

COO, Investor Relations, Trading and Operations

**Board of Directors** - George Osborne appointed as Chair

**Offices** - New locations in London and New York

Continue to recruit high quality talent

Enhance the organization while minimising bureaucracy

Expand global presence of our investment teams

## INVESTORS

**Engaged prospective investors**

Build long-term partnerships with selected investors

## EXOR INVESTOR DAY

### **AGENDA**

- UPDATE
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- WHAT'S NEXT?



# WE HAVE CONTINUED TO DELIVER ON OUR TARGETS

		<i>Our Targets</i>	<i>2023YTD<sup>1</sup></i>	<i>Last 5 years<sup>2</sup></i>
<b>OBJECTIVES</b>	NAV/Share growth %	<i>Outperform MSCI World Index</i>	<i>~28% vs. MSCI: ~13%</i>	<i>~63% vs. MSCI: ~51%</i>
	TSR CAGR %	<i>8%</i>	<i>~32%</i>	<i>~8%</i>
<b>EXOR KPIs</b>	FCF <sup>3</sup> / Dividend paid	<i>Above 1.0x</i>	<i>~7.0x</i>	<i>~3.0x</i>
	Holding cost <sup>4</sup> / GAV	<i>Below 10bps</i>	<i>~7bps</i>	<i>~6bps</i>
	Loan To Value ratio %	<i>Below 20%</i>	<i>~10%</i>	<i>~8%</i>

1) As of 23 November. KPI figures related to FCF and holding cost are annualized.  
 2) Last 5 years as presented in the November 2022 presentation.  
 3) FCF defined as dividend inflow – net general expenses – net financial income (expenses).  
 4) Cash based holding cost.

# WE ARE DISCIPLINED IN HOW WE ALLOCATE CAPITAL WHILE ENSURING A STRONG BALANCE SHEET AND A STABLE DIVIDEND



## Companies

- Invest in existing companies
- Acquire new companies that have the potential to become great
- Consider company exits if we are no longer the best owner

## Investments

- Invest in Ventures, with exposure to early and late-stage opportunities
- Invest in Lingotto Funds, with exposure to public and private market strategies
- Assess allocation to Investments

## Buyback

- Invest in our own shares when terms are attractive

**We use a Portfolio Review Process to monitor and assess our portfolio and drive capital allocation decisions**

# WE HAVE TAKEN ADVANTAGE OF OUR DISCOUNT TO NAV TO INVEST IN OUR PORTFOLIO

- **New share buyback program of €1bn announced in September, bringing total share buyback to €1.5bn between 2022 and 2024**
- **Tender offer for an amount of €750mn launched on 14 September**
  - Oversubscribed and priced at zero premium to reference price
  - Acquired shares represented 3.8% of share capital
- **Share cancellation process of 5.6% of share capital<sup>1</sup> has started, with effective cancellation in H1 2024**
- **Regular on-market buyback for the remaining €250mn to continue in 2024**

**Buybacks are an integral part of our capital allocation framework**

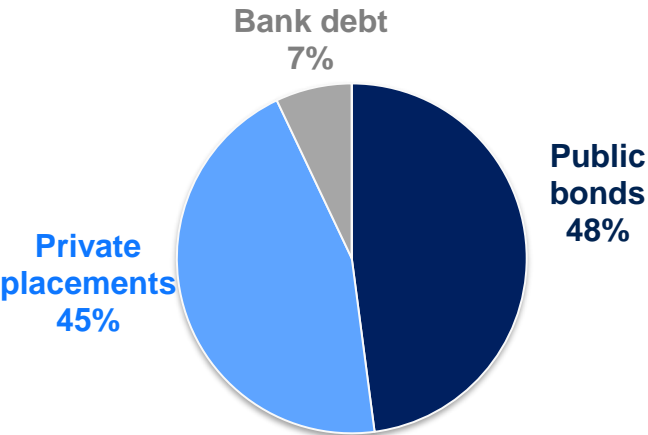
1) Including 8.87mn shares acquired in the tender offer and other 4.1mn ordinary shares held in treasury.

# WE FOCUS ON EFFICIENT DEBT MANAGEMENT, SUPPORTED BY A RATING UPGRADE TO A-

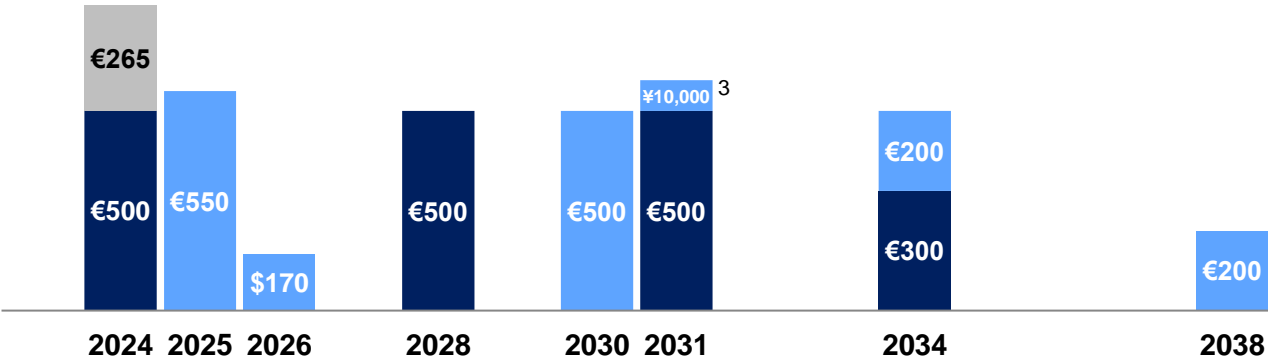


Current Gross Debt<sup>1,2</sup> ~€3.7bn

## BREAKDOWN



## WELL BALANCED MATURITY PROFILE



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

- Solid capital structure, with Exor’s rating recently upgraded by S&P
- Majority in Euro (~95%) and made up of bonds with average maturity ~6 years and average fixed cost ~2.5%
- Constant efforts to balance financing across different sources, maturity profiles and amounts

1) Including bond debt and bank debt, excluding other financial liabilities (€0.6bn).  
 2) Excluding accrued interest and amortized cost.  
 3) Exor put in place a cross-currency swap on the bond issue.

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# WE ARE CONTINUING TO MAKE SIGNIFICANT PROGRESS AROUND OUR ESG PASSIONS



## OUR PASSIONS

## COMMITMENTS AT HOLDING LEVEL

## OUR PROGRESS



- Achieve carbon neutrality by 2022 and net zero emissions by 2025

- ✓ Published our first TCFD Report
- ✓ Carbon neutral since FY2021



- Reduce the gender gap in STEM subjects
- Help high potential young entrepreneurs

- ✓ National launch of Matabì initiative with 130 classes involved across 6 regions in Italy *FOCUS OF NEXT SLIDE*
- ✓ Working with Innovation 4 Change to support the entrepreneurs of the future



- Maintain 40/60 gender balance and consider diverse candidates for all new appointments

- ✓ 41/59 gender balance
- ✓ Carried out first unconscious bias training workshop for all employees

**We have continued to expand our networks of excellence and knowledge-sharing across our Companies**

# IN 2023, WE SCALED UP OUR MATABÌ INITIATIVE THAT AIMS TO REDUCE THE GENDER GAP IN STEM SUBJECTS

## UNDERSTANDING MATABÌ

**Aim:** Reduce the gender gap in STEM subjects



**Audience:** Primary school pupils & teachers



**Activities:** Classroom activities using Lego-Duplo kits & teacher training



## WHAT HAVE WE BEEN BUILDING IN 2023/24?

### NATIONAL ROLLOUT



- Publicly launched in Naples
- 130 classes from 25 schools in 6 Italian regions
- Special impact assessment framework
- Roadshow on the role of women in STEM



*Matabi is carried out by Fondazione Agnelli*

*Other partners:*



The LEGO Foundation

## EXOR INVESTOR DAY

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# WE WILL CONTINUE TO FOCUS ON OUR PRIORITIES

- 
- ✓ **Remain a long-term and active shareholder, aligning ownership, governance and leadership**
  - ✓ **Strengthen our investment capabilities through Exor Ventures and Lingotto**
  - ✓ **Continue to explore new opportunities**
  - ✓ **Maintain discipline in capital allocation, while ensuring a strong balance sheet**

**Mediocrity is not  
worth the trip.**

Sergio Marchionne



EXOR INVESTOR  
DAY

## Q&A SESSION