Transcript: Exor Half-Year 2026 Results Conference Call

Speaker

- Guido de Boer, **Exor Chief Financial Officer**

Analysts

- Alberto Villa, **Intermonte**
- Jon Perez, **Kepler Cheuvreux**
- Filippe Goossens, **Degroof Petercam**
- Martino De Ambroggi, **Equita SIM**

Presentation

Operator:

Welcome and thank you for joining Exor's Half-Year 2026 Results Conference Call. Please note that the presentation materials and the related press release are available for download on Exor's website www.exor.com under the Investors and Media/Financial Results section. Any forward-looking statements made during this call are covered by the Safe Harbor statement included in the presentation material.

As a reminder, all participants are in listen-only mode. Later there will be a brief question-and-answer session. Please note that this conference is being recorded.

At this time, I would like to turn the conference over to Exor's Chief Financial Officer, Guido de Boer. Sir, you may now begin.

Guido de Boer:

Thank you and welcome everyone to Exor's Half-Year 2026 Results.

Main Highlights

There are two main highlights that we would like to present to you today. Last year, we announced that we would progress with the simplification of our portfolio, and we have moved at speed in doing so. The most sizeable transaction is Iveco: earlier in the half year, the sale of its defence business to Leonardo was completed and, a few weeks ago, Tata formally launched its tender offer for Iveco, with closing expected in approximately two months.

During the period, we also completed the divestments of GEDI and Nuo and, shortly after the period end, of Lifenet. In addition, I am pleased to say that we signed an agreement to sell our stake in Welltec. We owned the company through a full business cycle and managed the business very well, and the price is substantially in line with the fair value in our balance sheet, representing a MOIC of 2.4x. We expect this transaction to close in the first half of 2027.

This leaves us in an extremely strong position in turbulent times, and well placed to benefit from them, with a very solid balance sheet and approximately €4 billion of deployable cash.

Deployable Cash

To give you the bridge: we started the year with €1.4 billion of cash. The proceeds from these divestments, together with other disposals such as the Reinsurance vehicles and distributions from our venture arm, amount to around €2.7 billion. Adding net cash inflows from dividends, less the capital calls we make for Lingotto, we end up with approximately €4 billion of cash, of which we will use €0.5 billion for the share buyback, to be executed over the next six months. I will come back to this later.

Key Figures

Moving on to the key figures, during the period our NAV declined by €1.2 billion. We will go into the details of the sources of this change shortly. Our Loan-to-Value strengthened considerably, driven by the increase in our cash position.

NAV per share moved in line with our NAV, as we did not carry out share buybacks in the period. Our total shareholder return was below that, due to a widening of the discount to NAV.

The composition of our portfolio changed on a few important items. The weight of Ferrari increased slightly from 32% to 34%. CNH was also an important mover, with a very strong performance in the period, increasing from 8% to 10%, and cash also rose to 6% of our portfolio.

Drivers of Change in GAV

Moving to the breakdown of the change in GAV, there are a lot of numbers on this slide, as we want to be extremely transparent and show you all the drivers of performance. The key item explaining the performance in the period is the change in value of our Listed Companies, and we will go through each of the other components in detail.

Cash and cash equivalents increased from €1.4 billion to €2.2 billion, reflecting around €300 million of investments, largely related to our commitments to Lingotto, around €0.5 billion of disposals, the dividend we paid to our shareholders and other changes of €676 million, which represent dividend inflows net of expenses.

Performance of Listed Companies

Moving to the core component of our portfolio, our Listed Companies, the key driver of performance in the period was the strong decline in the share price of Stellantis. The other three large companies all performed well, with a notable mention for CNH.

Iveco may appear to be a weak performer here, but I would like to note that it distributed a special dividend of €427 million following the sale of its defence business to Leonardo, so on a total shareholder return basis it delivered a strong performance. Juventus and Clarivate were weak during the period, as was Via Transportation, which recently completed its IPO and showed a trend similar to many US technology companies that went public, weakened, and have since rebounded.

Performance of Unlisted Companies

Moving on to our Unlisted Companies, during the period we disposed of GEDI and Nuo and, after the period end, we also sold Lifenet and agreed the sale of Welltec, as I just mentioned. In total, this represents a reduction of around €900 million in our Unlisted Companies and a further shift towards a listed portfolio.

We will come back later to our direct holding in bioMérieux, as its change in value of €180 million is largely driven by the share price of the listed bioMérieux.

Performance of Lingotto

Moving to Lingotto, the Intersection fund declined by approximately €370 million. You may recall that last year it increased by €1.2 billion. This is the natural volatility of the market in which the strategy operates, and we remain very confident in it.

Lingotto Horizon was a positive surprise: one of its portfolio investments completed a funding round at a valuation above one billion dollars and, as Horizon was one of the early investors, this resulted in a very nice uplift. The value, debt and other portfolios performed steadily during the period.

The investments we made related to existing commitments to Horizon, Innovation and Mosaic. We also invested €200 million, deployed in this period, in a very promising new hedge fund talent who is launching a new fund.

Performance of Other Assets

We then have the Other Assets category, which amounted to €2.3 billion at the start of the period. We have been disposing of quite a number of the assets in this category, and this is an ongoing process. The key proceeds from funds managed by third parties were €55 million from the Reinsurance vehicles remaining from the PartnerRe disposal and €38 million of distributions from Ora Global, formerly Exor Ventures. Other assets also included loans extended to GEDI, which were settled as part of the GEDI sale.

On the changes in value, our venture capital arm has invested in some early-stage AI companies, both in AI businesses themselves and in AI infrastructure, and these investments, including co-investments, are driving a strong upward revision of the valuation of Ora Global.

Listed securities decreased by €237 million, of which €180 million is related to bioMérieux. Forvia was also down by €50 million, on the back of the weakness in the automotive sector that I mentioned for Stellantis.

That concludes the overview of the performance of our portfolio, and I will be glad to answer your questions on it.

Change in Cash and Cash Equivalents

As mentioned, looking at the change in cash and cash equivalents, which I showed you at a high level earlier, we received €861 million of dividends. Total dividends were slightly higher, as we chose to receive half of the Philips dividend in shares, which is not reflected in cash and cash equivalents and explains the difference between dividends declared and the cash dividends received by Exor.

The other items are the disposals and investments I just mentioned and the distributions to our shareholders in the form of dividends. Given our sizeable cash position, we also repaid one of our private placements to manage our interest costs as efficiently as possible, since this borrowing carried a higher interest rate than the return on our cash. This used around €200 million of cash.

Gross Debt and Maturity Profile

On the debt side, there is not much to report, as we like to remain prudent. Our gross debt stands at €3.7 billion, in line with last year. You may notice a movement of €140 million in other financial liabilities, which relates to the timing of an FX transaction that started at the end of the period and was completed on 1 July. This is an accounting entry, and the bottom-line figure remains €3.7 billion.

We have no further redemptions in 2026 or 2027, so in these turbulent times for debt capital markets we are fully funded, with the first redemption in 2028 and a well spread-out maturity profile over the next 12 years.

Capital Allocation: Share Buyback

Let me now turn to the capital allocation decision taken by our Board yesterday to launch a €500 million on-market share buyback, which we will execute over the next six months. As you will see in the announcement, we are very explicit that we have taken this decision because our shares trade at a substantial discount to NAV and do not reflect our assessment of the intrinsic value of our portfolio.

We believe this is a good allocation of resources: investing in a portfolio that we like at half of its value makes a lot of sense. We also chose to make the statement somewhat stronger because we are in a triple whammy situation: the discount is at a very high level, at 56%, which we have not seen for a long time; our companies are trading at depressed levels; and we have a strong cash position.

Buybacks are part of our toolbox, which we continuously evaluate, and this is not an opportunistic transaction. We chose to execute it as an on-market programme rather than through a tender offer; it started today and will continue until our full-year results in six months. This is important to us, as we are committed to driving NAV per share growth, as we have done so far, outperforming on both an absolute and a relative basis. As I mentioned, buybacks are and will remain a critical part of our capital allocation.

With those remarks, I would be pleased to open the call for Q&A.

Q&A

Operator:

Thank you. We will now begin the question-and-answer session. The first question is from Alberto Villa of Intermonte. Please go ahead.

Alberto Villa – Intermonte:

Hi, thanks for taking my questions. I actually have two. The first relates to the situation at Stellantis. There is a plan, with a recovery expected in the coming years, but the company's cash position has deteriorated. Is there a scenario in which Stellantis might need to raise cash, and what would Exor's position be as a shareholder? I have read in the report about commitments to some investments, such as Ferrari, and I was wondering what the commitment is to Stellantis.

The second question is on Lingotto, whose performance was very positive last year but less so this year. Is there any specific reason behind that? Thank you very much.

Guido de Boer:

Thank you, Alberto, for these good questions. On Stellantis, we fully endorse the plan announced by management and we are very confident in their ability to execute it. It is an uncertain market. As for their cash position or any capital increase, I am not aware of any such plans, and it is not really a question I can answer. These topics are better raised with Stellantis management, so we have no view on them.

On Lingotto, there is no particular reason. Performance last year was very strong on the back of the hedge fund. Hedge funds have volatility, and as a long-term investor we are very happy to embrace volatility when long-term performance is excellent. This fund has delivered an IRR of around 24% since inception in 2018, which is a stellar performance.

So, a blip over a short period is no concern at all; it is the volatility inherent in such a strategy, and for Intersection it is par for the course. I was very encouraged to see the strong performance of Horizon, which invests in private companies. It is now fully invested and in its monetisation period, which is usually when you start seeing large value step-ups and the Lingotto investment teams delivering on their investments. This is very encouraging. I hope this answers your questions.

Alberto Villa – Intermonte:

Thank you. If I may, an additional question. You completed various divestments in the first half of 2026 and afterwards. Is there any opportunity for further divestments among your listed and unlisted companies? Thank you.

Guido de Boer:

We are always evaluating our portfolio, as I have mentioned in previous calls, and we always look at all of our investments. We are a long-term investor, so we do not invest with a view to divesting. But we always ask ourselves whether we are the best long-term owner of these businesses, or whether there is a good opportunity. That is always the case, and I hope you understand that I give a generic rather than a specific answer. But you have seen that we have been very action-oriented.

Alberto Villa – Intermonte:

Thank you.

Guido de Boer:

Thank you.

Operator:

Thank you. The next question is from Jon Perez of Kepler Cheuvreux. Please go ahead.

Jon Perez – Kepler Cheuvreux:

Hi, thank you for the presentation. Just one question from me, on portfolio construction in the context of the next investment. The press release mentioned about €4 billion of cash ready to be deployed. In the past, I recall the sectors mentioned were healthcare, luxury and technology. I would be keen to hear how you think about portfolio construction given the rest of the current portfolio, whether there are specific themes you would be happy to gain exposure to with your next investment, how you think about long-term MOIC in the current environment, whether there are specific risk factors you would like to avoid, and any indication on timing would be welcome as well. Thank you.

Guido de Boer:

Thank you, Jon, for these thoughtful questions. Portfolio construction is obviously a critical part of what we do. At the time of the PartnerRe disposal, we said that these are the three sectors we like a lot, where we have significant domain expertise and where we know where the hidden gems are. But that does not mean we will only invest in these sectors.

What we are primarily looking at are large listed companies in which we can acquire a shareholding of 15% to 20%, for an investment of at least €2 billion, which is approximately 5% of our Gross Asset Value. The rationale is that we want the right level of diversification in our portfolio, and at 5% an investment makes an impact; that is why we have a lower threshold of €2 billion. It is largely focused on listed companies, where we would have an influence similar to that in our other listed companies, and on what we can contribute as a shareholder.

We want to be an active shareholder that can add value, either by offering long-term stability to a company in turbulent times, or in a company that is doing very well but needs shareholders who keep management sharp and focused on long-term performance. That is our overall approach. We then look at individual sectors with structural tailwinds and, within those sectors, at companies that have the right to win and that fit with our ownership model and the way we drive value creation. That is, in general, our philosophy in searching for the next large investment.

We are patient shareholders, and we are also patient investors. As I mentioned in my opening remarks, these are quite turbulent times, and turbulent times bring opportunities for returns. So, we are not in a rush to deploy. It is about finding the right company, at the right price, at the right time.

I will therefore not give any timing on the next investment. We obviously want to deploy capital, sooner rather than later, but we are patient enough to wait for the right opportunity. I hope that answers your questions, Jon.

Jon Perez – Kepler Cheuvreux:

Yes. Thank you very much.

Guido de Boer:

Thank you.

Operator:

Thank you. The next question is from Filippe Goossens of Degroof Petercam. Please go ahead.

Filippe Goossens – Degroof Petercam:

Good afternoon, Guido, and thanks for taking my questions. I have two today, if I may. The first builds on the previous question on portfolio composition, specifically with regard to concentration risk. Today, Ferrari represents about 38–39% of your GAV and is your largest position. You have always positioned Ferrari as a luxury brand rather than a car manufacturer, and I fully concur with that, which is positive given the challenges the car industry is facing. It is a luxury brand that has performed very well for you. But if you look at other players in the luxury segment, such as LVMH and Hermès, had we said at the beginning of the year that these companies could be down almost 40% in market capitalisation year-to-date, we would never have believed it. So, it is a great brand, but it represents 38% of your portfolio. How do you think about that, and could you walk us through how you evaluate it at Board meetings?

Guido de Boer:

With pleasure. Did you have another question?

Filippe Goossens – Degroof Petercam:

Yes, the second question, Guido. In the letter from your Chairman and CEO, John Elkann, reference was made to an agreement reached with Philips which would open the way to a potential increase in your shareholding. Could you elaborate a little on that? I would imagine that this would be within the parameters you just described, meaning large listed companies with a stake of between 15% and 20%. Is that the context in which we should view a potential increase in the Philips stake?

Guido de Boer:

Let me take that one first. The renewal of our partnership with Philips is a testament to our investment working well and to our partnership with the company working well, adding value to the governance of Philips. This is also evidenced by the company being open to an increase in our stake: previously, we had a limit of 20%, which has now been increased to 22%. That does not mean that any action has been taken to increase our stake, or that one is imminent. But we have the opportunity, and we see it as a vote of confidence from Philips that they value our ownership. That is the key takeaway.

Filippe Goossens – Degroof Petercam:

And, Guido, if you were to decide to increase the stake, would that happen through open market purchases, or would you consider a block trade?

Guido de Boer:

We have not decided anything, first as to whether, and then as to when, that would happen. If and when we do, we will use whatever means are most appropriate.

Filippe Goossens – Degroof Petercam:

Okay, fair enough. Thank you.

Guido de Boer:

On Ferrari, it is a very good question. Let me repeat what I said following the €3 billion block trade we did on Ferrari, now a year and a half ago. At that time, Ferrari's weight in our portfolio was reaching 50%, and, given also the multiples at which the company was trading, that represented a sizeable risk, exactly as you said: if half of our portfolio trades at such a valuation and there is potential for the share price to decline, it is prudent to reduce the position. That is what we did at the time.

Those were the considerations then. Today, the multiple at which Ferrari trades is significantly below the multiple at the time of that transaction, and the 37% to 39% of GAV that it currently represents is still well below 50%. So, it is not the same situation. But we always look at our portfolio for what it is, considering the upside and obviously also the downside.

Filippe Goossens – Degroof Petercam:

Very good, thanks for that clarification, Guido. Just a quick follow-up, if I may. In your search for attractive additional investment opportunities, if the right transaction were to present itself and you did not have sufficient liquidity, would you be willing to consider monetising part of your Ferrari investment, killing two birds with one stone: raising the funds needed for a very accretive transaction, and reducing the concentration risk in the portfolio?

Guido de Boer:

We are an investor, so we do what every investor does. If we see an attractive opportunity, we will invest in it, and we will then review our sources of funding. First, obviously, we would use our cash or headroom on the debt side; if that were not sufficient, and we really liked the new opportunity more than the least attractive one in our portfolio at that time, we would look to monetise something in our portfolio. That approach is exactly the same as any investor's, so we are no different there.

Filippe Goossens – Degroof Petercam:

Okay, fair enough. Thank you so much, Guido. Very helpful.

Guido de Boer:

But that does not mean that Ferrari is at the top of that list. We think Ferrari is an amazing company, and we are very happy with it.

Filippe Goossens – Degroof Petercam:

I see that, and I agree with you. Thank you so much, Guido.

Guido de Boer:

Thank you.

Operator:

Thank you. The next question is from Martino De Ambroggi of Equita. Please go ahead.

Martino De Ambroggi – Equita SIM:

Thank you, and good afternoon, Guido. The first is just a very quick clarification: the firepower of €4 billion does not include the buyback, which comes on top?

Guido de Boer:

The firepower is €4 billion, from which you should deduct €500 million for the buyback. So, after the buyback, there is €3.5 billion.

Martino De Ambroggi – Equita SIM:

Okay, so it is €3.5 billion.

Guido de Boer:

By the time the buyback is completed, we will be at the start of the new year, when dividend inflows begin again. But that is basically the picture: €1.4 billion of cash at the start of the year, €2.7 billion of expected cash inflows from disposals, around €300 million of net free cash flow, and €300 million of commitments, gets you to around €4 billion, less €500 million, which is €3.5 billion.

Martino De Ambroggi – Equita SIM:

Okay. The second is a follow-up on what you commented on in the past. You are looking primarily, but not only, at healthcare, luxury and technology. In luxury, you mentioned in previous calls that it is difficult to find something interesting. Are these three sectors still your main priority, or are you open to other opportunities as a secondary option?

Guido de Boer:

We are very open to other sectors, and we are also actively considering other sectors with the same structural tailwinds, less correlated to our current portfolio, to ensure diversification by sector, and then finding companies within those sectors that offer opportunities for great returns. So, we are not bound to those sectors at all. We do have a great network and understanding of them, but we are definitely not limiting ourselves.

Martino De Ambroggi – Equita SIM:

Okay. Looking back over the last 18 months, you already had very good firepower, but nothing happened. I remember you mentioned a prudent and patient approach. Is that because of a lack of interesting opportunities, because prices are too high, or because you need better visibility on some of your assets, for instance, as mentioned in the previous question, whether Stellantis might need a cash injection? I would just like to understand what happened in the last 18 months, whether you bid for something that did not materialise, or whether there was a lack of serious opportunities.

Guido de Boer:

We did not miss any transactions. If you look at Berkshire Hathaway and its cash position, our firepower as a percentage is much smaller, and they are also very patient. I think this is a time when there will be many opportunities, so it is an active choice on our part not to deploy yet. We obviously have potential targets and continue to look for others, but we will remain very disciplined in putting our money to work, because we invest for the long term. We are looking for a good opportunity at a good price. I hope this is clear, Martino.

Martino De Ambroggi – Equita SIM:

Yes. And the last one on Lingotto: is there any update on the strategy in terms of assets under management, third-party contributions and similar matters?

Guido de Boer:

No, there is no update in the half year. As I mentioned, we are very happy with the performance, and in principle it is great that Lingotto grows its assets under management, because it gives it scale. But as you may remember, since you have followed Exor for a long time, when we announced the launch of Lingotto we said that we invest for returns. This is not about assets under management, third parties or generating management fee income; we want to generate investment returns, and Lingotto has been a very strong contributor to our overall returns. As always, you will see more information on Lingotto at the full year.

Martino De Ambroggi – Equita SIM:

Okay, thank you, Guido.

Guido de Boer:

Thank you, Martino.

Operator:

Thank you. There are no further questions at this time, so I will now hand the conference back to Guido de Boer for any closing comments.

Guido de Boer:

Nothing further from my side, except to thank you for joining this call, and I look forward to reading your views and to speaking with you again at our full-year results. If you have any questions, please feel free to reach out to me or to our Investor Relations team. Thank you very much, and have a nice day.

Operator:

Ladies and gentlemen, this concludes today's conference. Thank you for participating. You may now disconnect.