

# A growing, simpler, better-connected L&G

## Sale of US protection and creation of strategic partnership with Meiji Yasuda

7 February 2025



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# Agenda for today



**António Simões**  
Group CEO



**Jeff Davies**  
Group CFO

## 1. Strategic Transaction

António Simões, Group CEO

## 2. Financials

Jeff Davies, Group CFO

## 3. Q&A

# Strategic Transaction

António Simões | Group CEO





# Accretive transaction aligned with our strategy



**Sale of US protection unlocks substantial value and increases our focus on strategic growth areas**

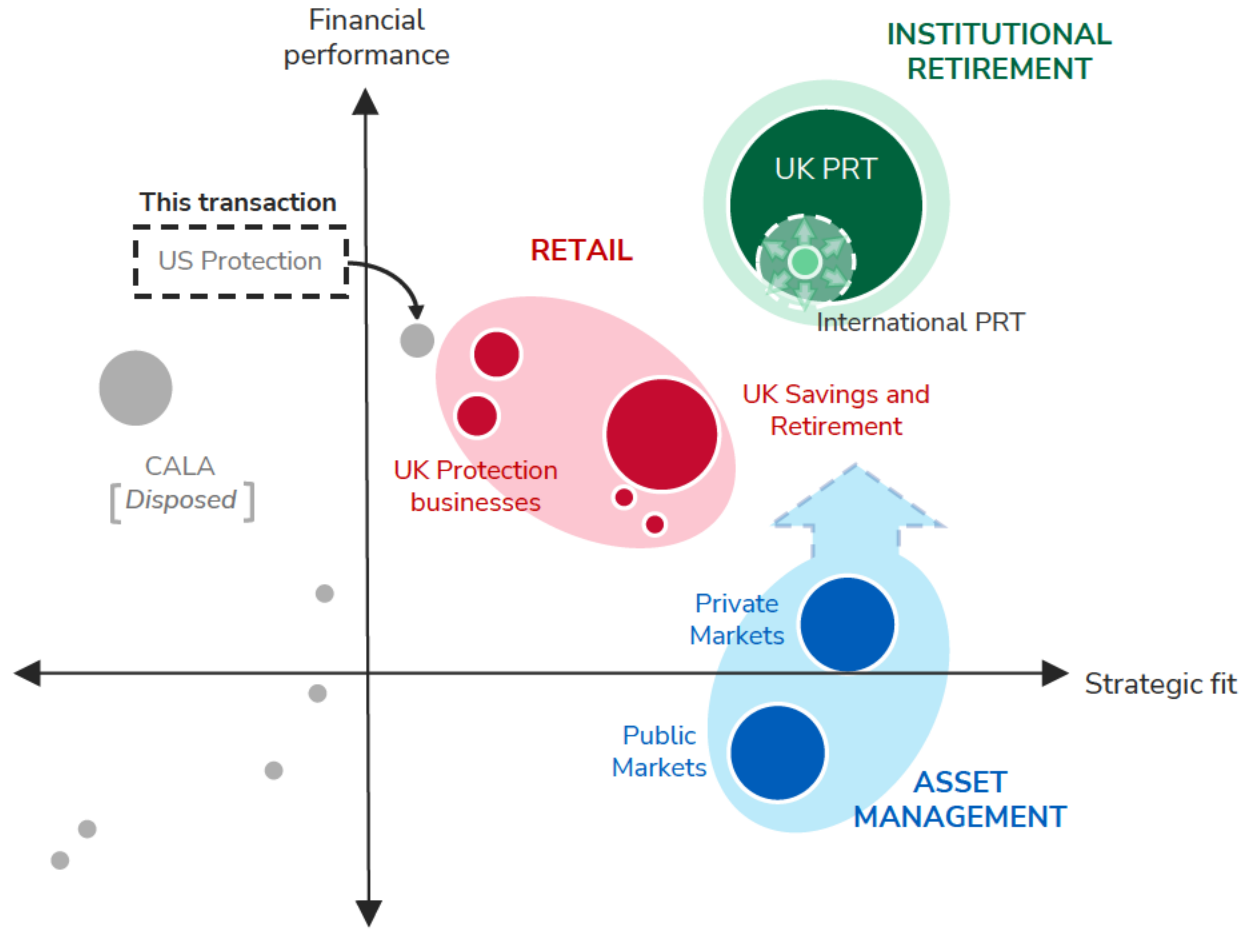


**Our strategic partnership with Meiji Yasuda strengthens our growth ambitions in US PRT and Asset Management**



**We anticipate an incremental £1bn buyback post-completion and expect to return c.40% of our market cap within 3 years**

# Substantial value unlocked for strategic growth



## The Transaction

**\$2.3bn / £1.8bn**

Proceeds<sup>1</sup>

**c. 30x**

Post-tax earnings<sup>2</sup>

**c. 2.7x**

Net Assets<sup>3</sup>

# Growing US PRT in partnership with Meiji Yasuda



## Attractive US PRT market

**\$3trn**

World's largest DB market

**c.11%**

Assets insured to-date

**\$0.5trn**

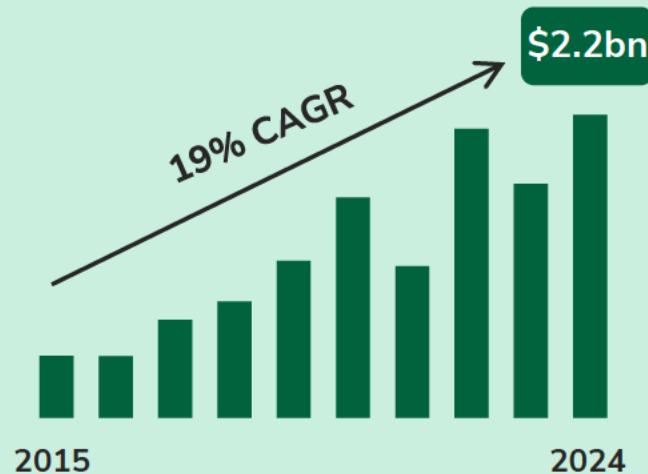
New business expected in next decade

## Impressive L&G track record

**\$12bn+ US PRT since 2015**

Deep expertise

Strong growth momentum



## Growth potential

Meiji Yasuda, present in US since 1976

Combined US insurance assets of c. \$80bn<sup>1</sup> post completion

L&G to retain 80% economic interest in US PRT post-deal



# Strategic partnership strengthens growth ambitions



+

明治安田  
MEIJI YASUDA

With acceleration of growth in US PRT –  
Asset Management fees grow in tandem

Significant co-investment commitment into  
L&G private assets

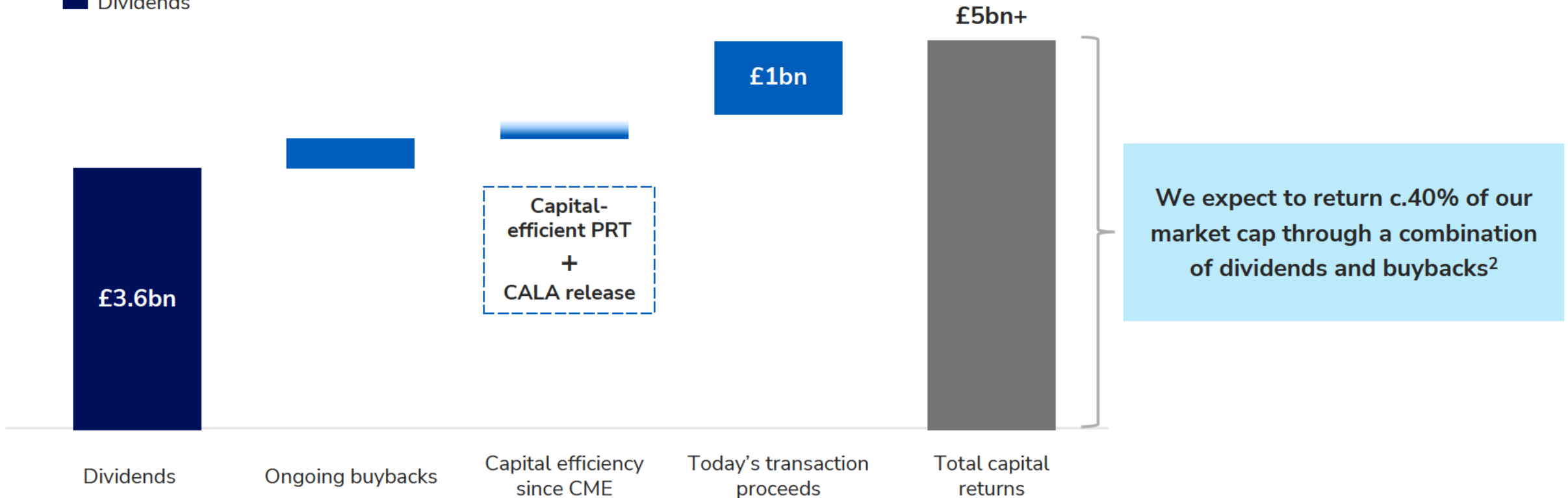
Intention to acquire a  
5% shareholding in L&G

# Expect to return c. 40% of market cap within 3 years



## 2025-2027 SHAREHOLDER RETURNS<sup>1</sup>

- Share buybacks
- Dividends



# Financials

Jeff Davies | Group CFO





# Key Financial Impacts



Compelling commercials that are accretive for key metrics



Disciplined allocation of proceeds to buybacks and reinvestment



Increased confidence in meeting Group financial targets

# Compelling commercials

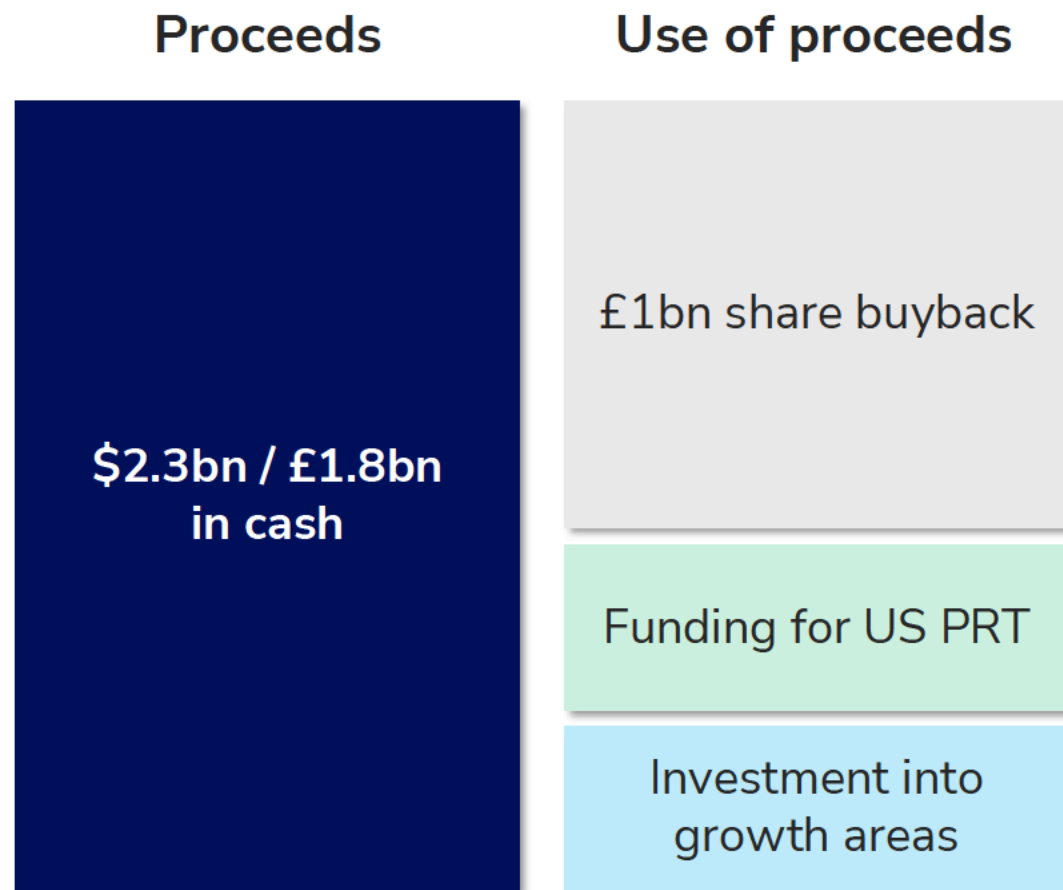
## Positive earnings impact

<b>Valuation multiple</b> Post-tax earnings	<b>Attractive</b>
<b>IFRS profits</b> on completion	<b>£1bn+</b>
<b>Core Operating EPS growth</b> Post £1bn buyback	<b>Accretive</b>

## Accelerated capital generation

<b>Capital generation</b>	<b>+£1.2bn</b>
<b>Capital generation multiple</b> of Net surplus generation	<b>c. 5x</b>
<b>SII Coverage Ratio</b> Post £1bn buyback	<b>+7%</b>

# Disciplined capital allocation of proceeds



## Disciplined capital allocation

- ✓ > 50% of proceeds returned to shareholders
- ✓ £400m to fund the US PRT reinsurance arrangement
- ✓ Redeploy remaining proceeds to investment in Asset Management and other growth areas



# Increased confidence in meeting Group financial targets

	Target	Post-transaction impact
Core Operating EPS	6-9% CAGR (FY24-FY27)	✓ EPS accretive
Operating RoE	At least 20% (2025, 2026, 2027)	✓ On track
Cumulative capital generation	£5-6bn (2025, 2026, 2027)	✓ £1.2bn upfront realisation

# Closing Remarks

António Simões | Group CEO



# Accretive transaction aligned with our strategy



**Sale of US protection unlocks substantial value and increases our focus on strategic growth areas**



**Our strategic partnership with Meiji Yasuda strengthens our growth ambitions in US PRT and Asset Management**



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# Q&A

