

**PRESS RELEASE**

**Coface records year-to-date net income of €207.7m,  
up 9.5%. Annualised ROATE at 14.8%**

Paris, 5 November 2024 – 17.35

- **Turnover: €1,376.6m, down -2.1% at constant FX and perimeter**
  - Insurance revenue decreased by -4.0% at constant FX with continued subdued client activity contribution
  - In Q3-24, total revenue stabilised at -0.1% with other services up +6.0%
  - Client retention is still high at 92.7% but down from 2023 records; pricing is down by -1.4%, in line with historical trends
  - Business Information once again recorded double-digit growth (+17.2% at constant FX); factoring down by -3.6% on the back of slow industrial activity in Germany
- **Net loss ratio at 35.5%, improved by 4.8 ppts; net combined ratio at 64.4%, improved by 1.6 ppt**
  - Gross loss ratio at 32.9%, improved by 5.9 ppts with high opening year reserving and high reserve releases
  - Net cost ratio increased by 3.2 ppts at 28.9%, reflecting lower revenues and continued investments
- **Net income (group share) at €207.7m, of which €65.4m in Q3-24 and annualised RoATE<sup>1</sup> at 14.8%**

*Unless otherwise indicated, change comparisons refer to the results as at 30 September 2023*

**Xavier Durand, Coface's Chief Executive Officer, commented:**

*“After several quarters of lower revenues due to lower inflation and a slow economy, especially in Europe, the third quarter turnover stabilized. Despite a moderate decline of -1.3%, credit insurance recorded a positive net production.*

*Information services sales recorded another quarter of double-digit growth and have increased +17.2% year-to-date. Debt collection services rose +18.9% from a still low base. These activities, which are structurally profitable, are strategic for Coface and benefit from our continued investments.*

*Our combined ratio remains excellent at 64.4% thanks to sound risk management, and despite a slow and steady rise in the number of losses recorded by Coface in a context of higher business failures. The period of high inflation has left its mark on the weakest companies, and a number of cyclical sectors – especially automotive – are continuing to suffer. This deteriorated risk environment is expected to continue, despite the recent rate cuts implemented by central banks.*

*Our financial income is improving and has not been affected by negative mark to market movements. Finally, our net income rose by 9% to €207.7m, which translates into a return on average tangible equity of 14.8%, well above our mid-cycle targets.”*

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<sup>1</sup> Return on average tangible equity

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### Key figures at 30 September 2024

The Board of Directors of COFACE SA examined the consolidated financial statements at 30 September 2024 at its meeting of 5 November 2024. The Audit Committee at its meeting on 4 November 2024 also previously reviewed them.

Income statement items in €m	9M-23	9M-24	Variation	% ex. FX*
Insurance revenue	1,187.8	1,130.2	(4.9)%	(4.0)%
Other revenues	230.0	246.4	+7.1%	+7.3%
<b>REVENUE</b>	<b>1,417.8</b>	<b>1,376.6</b>	<b>(2.9)%</b>	<b>(2.1)%</b>
<b>UNDERWRITING INCOME/LOSS AFTER REINSURANCE</b>	290.0	283.8	(2.1)%	(0.8)%
Investment income, net of management expenses, excluding finance costs	14.5	59.8	+313.3%	+273.2%
Insurance Finance Expenses	(30.1)	(25.4)	(15.6)%	(8.5)%
<b>CURRENT OPERATING INCOME</b>	<b>274.4</b>	<b>318.2</b>	<b>+16.0%</b>	<b>+14.5%</b>
Other operating income / expenses	(0.9)	(3.1)	+227.0%	+234.5%
<b>OPERATING INCOME</b>	<b>273.4</b>	<b>315.1</b>	<b>+15.2%</b>	<b>+13.7%</b>
<b>NET INCOME (GROUP SHARE)</b>	<b>189.7</b>	<b>207.7</b>	<b>+9.5%</b>	<b>+6.7%</b>
<b>Key ratios</b>	<b>9M-23</b>	<b>9M-24</b>	<b>Variation</b>	
Loss ratio net of reinsurance	40.2%	35.5%	(4.8)	ppts
Cost ratio net of reinsurance	25.7%	28.9%	+3.2	ppt
<b>COMBINED RATIO NET OF REINSURANCE</b>	<b>66.0%</b>	<b>64.4%</b>	<b>(1.6)</b>	<b>ppts</b>
<b>Balance sheet items in €m</b>	<b>FY-23</b>	<b>9M-24</b>	<b>Variation</b>	
Total Equity (group share)	2,050.8	2,106.0	+2.7%	

\* Also excludes scope impact

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### 1. Turnover

In the first nine months of the year, Coface recorded a consolidated turnover of €1,376.6m, down -2.1% at constant perimeter and FX compared to 9M-23. As reported (at current FX and perimeter), turnover was down -2.9%.

Revenues from insurance activities (including bonding and Single Risk) were down by -4.0% at constant FX and perimeter due to a decline in inflation and the absence of a rebound in client activities, against a still fragile economic backdrop. Client retention remains high at 92.7% (but down from the record level of 9M-23), in a competitive market where Coface implemented risk mitigation plans. Buoyed by an increase in demand and the positive effects of investments for growth, new business rose to €96m, up €7m compared to 9M-23.

Client activities have edged up 0.1% year-to-date. The price effect remained negative at -1.4% in 9M-24, in line with long-term trends.

Turnover from non-insurance activities was up +7.3% compared to 9M-23. Factoring turnover fell -3.6% amid a weak manufacturing sector, especially in Germany. Information services turnover rose +17.2%. Fee and commission income (debt collection commissions) increased by +18.9%, from a low base, due to the increase in claims to be collected. Commissions were up +8.3%.

Total revenue - in €m (by country of invoicing)	9M-23	9M-24	Variation	% ex. FX*
Northern Europe	291.3	271.8	(6.7)%	(6.7)%
Western Europe	289.8	288.4	(0.5)%	(3.1)%
Central & Eastern Europe	132.1	130.0	(1.6)%	(3.5)%
Mediterranean & Africa	398.7	403.4	+1.2%	+4.9%
North America	128.4	132.5	+3.2%	(6.5)%
Latin America	76.5	58.1	(24.0)%	+2.3%
Asia Pacific	101.0	92.3	(8.6)%	(8.0)%
<b>Total Group</b>	<b>1,417.8</b>	<b>1,376.6</b>	<b>(2.9)%</b>	<b>(2.1)%</b>

In Northern Europe, turnover was down by -6.7% at constant and current FX. The region was hit by a slowdown in client activities and the selective non-renewal of some loss-making policies. This decline was partially offset by the growth in adjacent activities. Factoring turnover fell -3.6% amid a weak manufacturing sector.

In Western Europe, turnover was down by -3.1% at constant FX (-0.5% at current FX due to the integration of Maghreb, West and Central Africa). The slowdown in client activities was partially offset by the rise in information sales (services up +24.8%).

In Central and Eastern Europe, turnover fell -3.5% at constant FX (-1.6% at current FX) due to the decline in client activities, which weighed on credit insurance. Factoring was down -3.8% at constant exchange rates.

In the Mediterranean and Africa region, which is driven by Italy and Spain, turnover rose +4.9% at constant FX and +1.2% at current FX on the back of robust sales in credit insurance and services as well as a stronger economic environment.



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In North America, turnover was down -6.5% at constant FX but increased by +3.2% at current FX due to the integration of Mexico in this scope. The region saw a slowdown in client activities despite higher retention.

In Latin America, turnover rose +2.3% at constant FX but fell -24.0% at current FX. The region saw client activity stabilise after several quarters of decline, mainly in commodities and metals. However, the transfer of Mexico to the North America region had a negative impact.

In Asia-Pacific, turnover decreased by -8.0% at constant FX and -8.6% at current FX. This lower turnover was due to a slowdown in client activities that robust sales were unable to offset.

### 2. Result

#### - Combined ratio

The combined ratio net of reinsurance was 64.4% in 9M-24, an improvement of 1.6 ppt year on year.

##### (i) Loss ratio

The gross loss ratio stood at 32.9%, a 5.9 ppts improvement on the first half of the previous year. This improvement reflects the gradual normalisation of the loss experience, offset by high reserve releases. The number of mid-sized claims increased.

The Group's provisioning policy remained unchanged. The amount of provisions related to the current underwriting year, although discounted, remained in line with the historical average. Strict management of past claims enabled the Group to record 45.3 ppts of recoveries.

The net loss ratio improved by 4.8 ppts compared to 9M-23, to 35.5%.

##### (ii) Cost ratio

Coface is pursuing a strict cost management policy but is continuing to invest, in line with the Power the Core strategic plan. Over the first nine months of 2024, costs rose by +5.4% at constant FX and perimeter, and by +5.0% at current FX.

The cost ratio before reinsurance was 32.9%, up 2.4 ppts year on year. This rise was mainly due to the decline in revenues (1.6 ppt), embedded cost inflation (2.2 ppts) and ongoing investments (1.7 ppt). In contrast, the improved product mix (information services, debt collection and fee and commission income) had a positive effect. High reinsurance commissions explain the remainder of the variation.

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### - Financial result

Net financial income was +€59.8m over the first nine months of the year. This figure includes capital gains of +€11.7m, which more than offset negative market value adjustments on investments of -€3.4m. The FX effect remained negative at -€10.0m and was primarily due to the euro's rise against most of the group's other operating currencies.

The portfolio's current yield (i.e. excluding capital gains, depreciation and FX) was €70.9m. The accounting yield<sup>1</sup>, excluding capital gains and fair value effect, was 2.2% for 9M-24. The yield on new investments made year-to-date was 4.3%.

Insurance Finance Expenses (IFE) stood at €25.4m (€30.1m for 9M-23) due to lower discount rates and higher loss reserves.

### - Operating income and net income

Operating income amounted to €315.1m in 9M-24, up +15.2%.

The effective tax rate was 27% over the first nine months of the year (vs. 24% for 9M-23). Coface does not currently expect France's draft budget to have a major impact.

In total, net income (group share) was €207.7m, up +9.5% compared to 9M-23.

### **3. Shareholders' equity**

At 30 September 2024, Group shareholders' equity stood at €2,106.0m, up €52.2m or +2.7% (€2,050.8m at 31 December 2023).

These changes are mainly due to the positive net income of €207.7m and the dividend payment of -€194.3m. Other items such as changes in unrealised capital gains had only a minor impact.

The annualised return on average tangible equity (RoATE) was 14.8% at 30 September 2024, mainly due to the improvement in financial income.

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<sup>1</sup> Book yield calculated on the average of the investment portfolio excluding non-consolidated subsidiaries.



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### 4. Outlook

The global economic recovery is a mixed picture. Economic strength in the United States continues to surprise to the upside and appears conducive to a soft landing. Meanwhile, Europe is contending with much uncertainty, especially in the manufacturing sector. Major investment efforts in the transition to electric vehicles are coming up against modest demand and competition from Chinese vehicles.

The Chinese authorities finally announced stimulus measures, which efficiency remains to be proven. Other emerging markets, led by the Gulf states and South America, are expected to drive growth in 2025.

Central banks believe that inflation is now under control and have started a cycle of rate cuts, albeit somewhat belatedly for certain sectors that were hit hard by the previous cycle of hikes. This more accommodative monetary policy will run concurrently with fiscal policies that may have to be more restrictive in certain cases.

Political risk remains higher than ever with several armed conflicts that have potential to take a turn for the worse. In France, the fragile balance of power and the need to shore up public finances is creating an uncertain climate that is hampering growth.

Finally, voting day in the US presidential election (and the other ballots) is upon us.

Amid a tighter credit cycle, Coface remains committed to its strategy of excellence in credit insurance, drawing on its unique risk infrastructure, and growth in information and debt collection. These services activities are especially relevant for corporate clients amid such an unstable economy. They are also structurally profitable (information gross margin over 60%) and make up an increasing portion of Coface's portfolio of activities.

### Conference call for financial analysts

Coface's results for the first nine months of 2024 will be discussed with financial analysts during the conference call on Tuesday 5 November at 18.00 (Paris time). Dial one of the following numbers:

- By webcast: [Coface 9M-2024 results - Webcast](#)
- By telephone (for sell-side analysts): [Coface 9M-2024 - conference call](#)

The presentation will be available (in English only) at the following address:  
<http://www.coface.com/Investors/financial-results-and-reports>

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### Appendices

#### Quarterly results

Income statement items in €m - Quarterly figures	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	%	% ex. FX*
Insurance revenue	395.3	407.8	384.7	371.3	378.6	375.6	375.9	(2.3)%	(1.3)%
Other revenue	79.8	76.8	73.4	79.2	85.0	83.4	78.0	+6.2%	+6.0%
<b>REVENUE</b>	<b>475.1</b>	<b>484.5</b>	<b>458.1</b>	<b>450.4</b>	<b>463.7</b>	<b>459.1</b>	<b>453.8</b>	<b>(0.9)%</b>	<b>(0.1)%</b>
<b>UNDERWRITING INCOME (LOSS) AFTER REINSURANCE</b>	<b>95.3</b>	<b>103.5</b>	<b>91.2</b>	<b>105.4</b>	<b>100.3</b>	<b>94.7</b>	<b>88.8</b>	<b>(2.6)%</b>	<b>(1.5)%</b>
Investment income, net of management expenses	(2.6)	4.0	13.0	(2.0)	17.9	22.8	19.0	+45.7%	+40.2%
Insurance Finance Expenses	(2.4)	(12.3)	(15.4)	(9.9)	(11.4)	(6.7)	(7.3)	(52.2)%	(48.2)%
<b>CURRENT OPERATING INCOME</b>	<b>90.4</b>	<b>95.2</b>	<b>88.9</b>	<b>93.5</b>	<b>106.8</b>	<b>110.9</b>	<b>100.5</b>	<b>+13.0%</b>	<b>+12.6%</b>
Other operating income / expenses	(0.3)	(0.4)	(0.2)	(4.0)	(0.1)	(0.5)	(2.6)	+1002.6%	+1024.3%
<b>OPERATING INCOME</b>	<b>90.0</b>	<b>94.8</b>	<b>88.6</b>	<b>89.5</b>	<b>106.8</b>	<b>110.4</b>	<b>97.9</b>	<b>+10.4%</b>	<b>+10.0%</b>
<b>NET INCOME (GROUP SHARE)</b>	<b>61.2</b>	<b>67.7</b>	<b>60.9</b>	<b>50.8</b>	<b>68.4</b>	<b>73.8</b>	<b>65.4</b>	<b>+7.5%</b>	<b>+5.2%</b>
Income tax rate	25.5%	21.9%	24.2%	36.0%	27.2%	26.8%	25.5%	+1,3 ppt	

#### Cumulated results\*

Income statement items in €m - Cumulated figures	Q1-23	H1-23	9M-23	FY-23	Q1-24	H1-24	9M-24	%	% ex. FX*
Insurance revenue	395.3	803.1	1,187.8	1,559.1	378.6	754.3	1,130.2	(4.9)%	(4.0)%
Other revenue	79.8	156.6	230.0	309.2	85.0	168.5	246.4	+7.1%	+7.3%
<b>REVENUE</b>	<b>475.1</b>	<b>959.7</b>	<b>1,417.8</b>	<b>1,868.2</b>	<b>463.7</b>	<b>922.7</b>	<b>1,376.6</b>	<b>(2.9)%</b>	<b>(2.1)%</b>
<b>UNDERWRITING INCOME (LOSS) AFTER REINSURANCE</b>	<b>95.3</b>	<b>198.8</b>	<b>290.0</b>	<b>395.4</b>	<b>100.3</b>	<b>195.0</b>	<b>283.8</b>	<b>(2.1)%</b>	<b>(0.8)%</b>
Investment income, net of management expenses	(2.6)	1.4	14.5	12.4	17.9	40.8	59.8	+313.3%	+273.2%
Insurance Finance Expenses	(2.4)	(14.7)	(30.1)	(40.0)	(11.4)	(18.1)	(25.4)	(15.6)%	(8.5)%
<b>CURRENT OPERATING INCOME</b>	<b>90.4</b>	<b>185.5</b>	<b>274.4</b>	<b>367.9</b>	<b>106.8</b>	<b>217.7</b>	<b>318.2</b>	<b>+16.0%</b>	<b>+14.5%</b>
Other operating income / expenses	(0.3)	(0.7)	(0.9)	(5.0)	(0.1)	(0.5)	(3.1)	+227.0%	+234.5%
<b>OPERATING INCOME</b>	<b>90.0</b>	<b>184.8</b>	<b>273.4</b>	<b>362.9</b>	<b>106.8</b>	<b>217.2</b>	<b>315.1</b>	<b>+15.2%</b>	<b>+13.7%</b>
<b>NET INCOME (GROUP SHARE)</b>	<b>61.2</b>	<b>128.8</b>	<b>189.7</b>	<b>240.5</b>	<b>68.4</b>	<b>142.3</b>	<b>207.7</b>	<b>+9.5%</b>	<b>+6.7%</b>
Income tax rate	25.5%	23.7%	23.8%	26.8%	27.2%	27.0%	26.5%	+2,7 ppts	

\*Also excludes scope impact



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### FINANCIAL CALENDAR 2025 (subject to change)

FY-2024 results: 20 February 2025 (after market close)

Q1-2025 results: 5 May 2025 (after market close)

Annual General Shareholders' Meeting: 14 May 2025

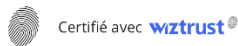
H1-2025 results: 31 July 2025 (after market close)

9M-2025 results: 3 November 2025 (after market close)

### FINANCIAL INFORMATION

This press release, as well as COFACE SA's integral regulatory information, can be found on the Group's website: <http://www.coface.com/Investors>

For regulated information on Alternative Performance Measures (APM), please refer to our Interim Financial Report for H1-2024 and our [2023 Universal Registration Document](#) (see part 3.7 "Key financial performance indicators").



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[www.coface.com](http://www.coface.com)

COFACE SA is listed in Compartment A of Euronext Paris

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