

Tryg A/S – Q1 2025 pre-silent newsletter

Tryg will conduct pre-close analyst calls and meetings during the week commencing on March 24, ahead of the Q1 2025 results, which will be released on April 11. This newsletter aims to inform capital market participants of the key factors influencing the company's recent financial performance.

Insurance revenue growth

Tryg maintains a balanced distribution of insurance revenue across the Scandinavian countries, with approximately 50% of revenue generated in Denmark, 30% in Sweden, and 20% in Norway. In Q1 2024, Tryg reported insurance revenue of DKK 9,531m.

From 2025 Q1 and onwards the commercial and corporate segments will be reported together in the segment named 'Commercial'. The commercial segment will experience a smaller spillover effect into 2025 of the derisking of the corporate portfolio carried out in 2024. In general, the group revenue development remains in line with recent development.

When converting earnings from local currencies to DKK, Tryg's reporting currency, the expected average value of SEK 100 is DKK 65.6 (66.6 Q1 2024), and NOK 100 is DKK 63.4 (65.6 Q1 2024).

Claims environment

Underlying claims development

Tryg operates a stable business and recent trends in underlying performance should thus be considered reliable indicators for short-term trends. The Group's underlying claims ratio was 72.3% in Q1 2024. At the capital markets day (CMD) on 4 December 2024, Tryg mentioned that it expects a broadly stable to slightly improving underlying performance in the new strategy period towards 2027.

Weather claims

For Q1, normalised weather claims amount to 40% of the annual DKK 800m guidance, equating to DKK 320m. As a reminder, the annual expectation for weather claims is split as follows (in percentages terms): 40% in Q1, 10% in Q2, 20% in Q3 and 30% in Q4.

In general, a milder than average winter with warmer temperatures has been recorded in Scandinavia. A couple of smaller storms have hit the region (Floriane and Éowyn). It is

important to remember that freezing temperatures always cause bursting pipe claims and more car accidents are reported during the winter due to more difficult weather conditions.

Large claims

On an annual basis, Tryg provides guidance for large claims amounting to DKK 800m, evenly distributed across quarters. Occasionally, information about large claims may be available in mass media or local press.

Interest rates development

For Q1, we expect an approximate discount rate of 2.3% at the time of writing. The discounting percentage was reported at 2.1% in Q4 2024.

Run-off expectations towards 2027

At the 2024 CMD, Tryg stated a long-term run-off expectation of ~2% towards 2027.

Investment activities

Tryg has divided its investment activities into a match portfolio (approx. DKK 44bn at Q4 2024) and a free portfolio (approx. DKK 17bn as per Q4 2024). As announced at the 2024 CMD, the free portfolio was derisked during Q4 2024 and is now mainly made up by Scandinavian covered bonds and government bonds (approx. DKK 13bn) and the real estate portfolio (approx. DKK 3bn). As a rule of thumb, the return on bonds can be modelled as 50% NYKRCMB2 and 50% NYKRCMG2 (Bloomberg tickers). For the real estate portfolio, a normalised annual return of 6.5% is assumed. The current buyback program of DKK 2bn started in December will impact the size of the free portfolio accordingly.

The return of the match portfolio mainly consists of the return on premium provisions, which is expected at DKK 75m per quarter with the current level of interest rates.

Additionally, the line 'Other financial income and expenses' is guided at DKK -90m per quarter and mainly consists of costs related to currency hedges, general balance sheet items and costs related to running the investment operation. As described in the newsletter on inflation hedging dated 17 March 2025, this line now also includes the net result of the inflation hedge. In the medium term, this is expected to average zero, but mismatches may occur in the short term.

Other income and cost

Other income and cost are expected between DKK -350m and DKK -370m on a quarterly basis. This is primarily driven by amortisation of intangibles related to the RSA Scandinavia acquisition.

Number of shares

At year-end 2024, Tryg reported 613,165k outstanding shares. Tryg announced a DKK 2bn share buyback at the CMD in December 2024, and as at 14 March 2025, 6,010,787 shares have been acquired in the quarter to date. The status of the buyback is announced each Monday at noon CET.

Outlook statement from annual report 2024

Tryg reported an insurance service result, adjusted for the more favorable-than-normal large and weather claims outcome, of around DKK 7.2bn in 2024 and it is now targeting its highest ever insurance service result of between DKK 8.0-8.4bn in 2027. The insurance service result is expected to increase gradually throughout the strategy period.

Tryg will publish the Group's Q1 results for 2025 on 11 April 2025 at around 7:30 CET.

Conference call

Tryg will host a conference call on the day of the release at 10:00 CET. CEO Johan Kirstein Brammer, CFO Allan Kragh Thaysen, CTO Mikael Kärrsten and SVP Gianandrea Roberti will present the results in brief, followed by a Q&A session.



The conference call will be held in English.

Date	11 April 2025
Time	10:00 CET
	+45 (DK) 78 76 84 90
Dial-in numbers	+44 (UK) 203 769 6819
	+1 (US) 646 787 0157
Pin code	560768

You can sign up for an e-mail reminder on tryg.com. The conference call will also be broadcast on this site. An on-demand version will be available shortly after the conference call has ended.

All Q1 2025 material can be downloaded on tryg.com shortly after the time of release.