

March 13, 2025

## **Phoenix Financial Publishes Results for 2024**

Phoenix Financial Ltd., a leading Israel-based asset management, insurance, and financial group (TLV:PHOE) (“Phoenix,” the “Group,” or the “Company”), today reported its results for the fourth quarter of 2024 and calendar year 2024.

### **Highlights**

**Comprehensive income of NIS 2.087 billion (NIS 8.32 per share) and ROE of 18.6% for 2024;**

**Comprehensive income of NIS 803 million (NIS 3.20 per share) and 30.9% ROE for the fourth quarter of 2024;**

**Core income increased by 33% to NIS 1.76 billion compared to 2023, with a core ROE of 15.9%, in line with the strategic roadmap;**

**Strong performance from growth engines Asset Management, Credit, and Distribution with NIS 585 million in core income;**

**Dividend distribution of NIS 565 million announced, reflecting NIS 1.017 billion in annual dividends and share buybacks from 2024 income, including NIS 270 million dividend distributed in September 2024 and NIS 182 million in share buybacks during 2024;**

**Expected update to 2027 strategic targets during 2025, with NIS 400-600 million additional income potential above NIS 2 billion comprehensive income target for 2027, driven by IFRS 17 implementation in 2025 overperformance in growth engines.**

### **Total profitability and return on equity**

- Phoenix Financial reports NIS 2,087 million in comprehensive income for 2024, NIS 8.32 per share, and 18.6% in return on equity; core comprehensive income (net of non-operating effects of the capital markets above and below a real return of 3%, interest rate impact and special items) totaled NIS 1,760 million, resulting in 15.9% core ROE;
- In the fourth quarter of 2024, comprehensive income totaled NIS 803 million, primarily due to investment income exceeding a real 3%, resulting in earnings per share of NIS 3.20 and 30.9% ROE; core comprehensive income in the fourth quarter of 2024 totaled NIS 418 million, resulting core ROE of 15.6%.

### Continued growth in activities and profitability

- **Growth in Asset Management, Credit, and Distribution:** Core income from asset management activities (including Phoenix Investment House, Wealth, and Retirement (Pension and Provident), Distribution (Agencies) and Credit (Phoenix-Gama) totaled NIS 585 million in 2024 and NIS 152 million in the fourth quarter, compared to NIS 450 million and NIS 111 million in 2023 and the fourth quarter of 2023, respectively; adjusted EBITDA totaled NIS 1,145 million in 2024 and NIS 289 million in the fourth quarter of 2024 on a consolidated basis, including minority interests; profitability across growth engines was the result of accelerated growth and synergies arising from acquisitions completed over the last two years;
- **Growth in the Insurance Activity:** Core income from insurance activities totaled NIS 1,175 million in 2024 and NIS 266 million in the fourth quarter, compared to NIS 872 million and NIS 255 in 2023 and the fourth quarter of 2023, respectively, due to the ongoing realization of competitive advantages in P&C insurance and broad digitization and optimization across the business.
- **Positive non-operating effects:** Contributed NIS 327 million in 2024 and NIS 385 million in the fourth quarter, due to investment performance with real returns above 3% and the collection of variable management fees;
- **Expansion of assets under management and credit portfolio:** Assets under management continued to grow, reaching NIS 525 billion at the end of 2024;

In addition, the credit portfolio of Phoenix Gama grew to NIS 3.4 billion, including Construction Financing, which was transferred from Phoenix Insurance to Phoenix Gama in early 2024, and the digital consumer credit platform launched during the year;

- **Strategic targets and roadmap:** Phoenix continues to grow towards a target of NIS 2 billion in comprehensive income in 2027, compared to NIS 1.760 billion in core income in 2024;

Phoenix estimates the potential to generated additional income of NIS 400-600 million in excess of the target, due to IFRS 17 implementation in 2025 as well as the Company's performance, and expects to revise its 2027 strategic targets during 2025.

### Financial strength and resilience

- Phoenix maintains financial resilience, liquid balances, and low net debt, enabling consistent dividend, and announces a dividend distribution of NIS 565 million in line with company policy; together with NIS 270 million distributed in September 2024 and NIS 182 million in share buybacks during 2024, Phoenix paid out over NIS 1 billion to shareholders from 2024 income, representing a 49% payout. Since 2020, Phoenix has returned NIS 2.9 billion to shareholders through dividends and share buybacks;
- The insurance subsidiary reported a solvency ratio of 189% as of September 30, 2024 (including transitional measures and a subsequent dividend in kind), above the long-term target of 150-170%;

- Phoenix continued build capabilities and infrastructure across its businesses in 2024, including investments in data and analytic capabilities, extension of agreements with partners in the Investment House from 2028 to 2031, increase of stake in Oren Mizrach Agency from 68% to 84%, and growth in the wealth and alternative investment business through the acquisition of holding stakes from several partners.

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**Eyal Ben Simon, CEO of Phoenix Financial:**

“In 2024, we experienced our personal and business lives as part of a year of war. Phoenix’s management and employees hope for the quick and safe return of all the hostages, wish the wounded a full recovery, and remember the fallen. Phoenix employees took part in significant volunteer activities during the year, with Phoenix directly supporting several important ventures, and we will continue to do so out of respect and commitment to Israeli society.

The Israeli economy has demonstrated resilience and strength throughout 2024, as reflected in macroeconomic performance, capital markets, declining country risk premiums, and the rebounding of interest from international investors in the Israeli economy. In this context, Phoenix delivered 2024 results reflecting continued strategic growth focused on high margin, high ROE activities and a strong position as a leading financial group in Israel.

In recent years, and even more so during 2024, Phoenix has taken measures to focus on profitability and growing diverse cash flows, as reflected in the Company's profitability, return on equity, and meeting the strategic targets we have set for ourselves.

Phoenix has created substantial capital-efficient growth engines. The group's Asset Management activities including the Investment House, Agencies, and Credit businesses constitutes a significant share of the Phoenix activities, with a growing impact on overall profitability and cash flows. We have been able to successfully identify significant growth opportunities in these activities due to our competitive position in the market, our wide range of services and solutions, and the early adoption of technology and innovation, as well as market growth and positive long-term trends.

At the same time, we continue to invest in enhancing our competitive advantages in insurance, including digitization and machine learning, in order to continuously improve underwriting and pricing, boost automation, streamline claims management, and optimize operations. This investment in technology allows us to continue to improve service to clients and agents, leveraging the group’s capabilities.

Our ability to strengthen our position in the high growth wealth segment is based on distinctive products, including alternative investments, and excellent service, as well as collaboration with leading global investment managers.

As part of the long-term value creation processes, this year we launched an app that transforms the client experience, creating full access to the group’s broad solutions and value propositions,

powering the management of all family assets and risks through a convenient and advanced user interface, and facilitating personalized digital service and client journeys.

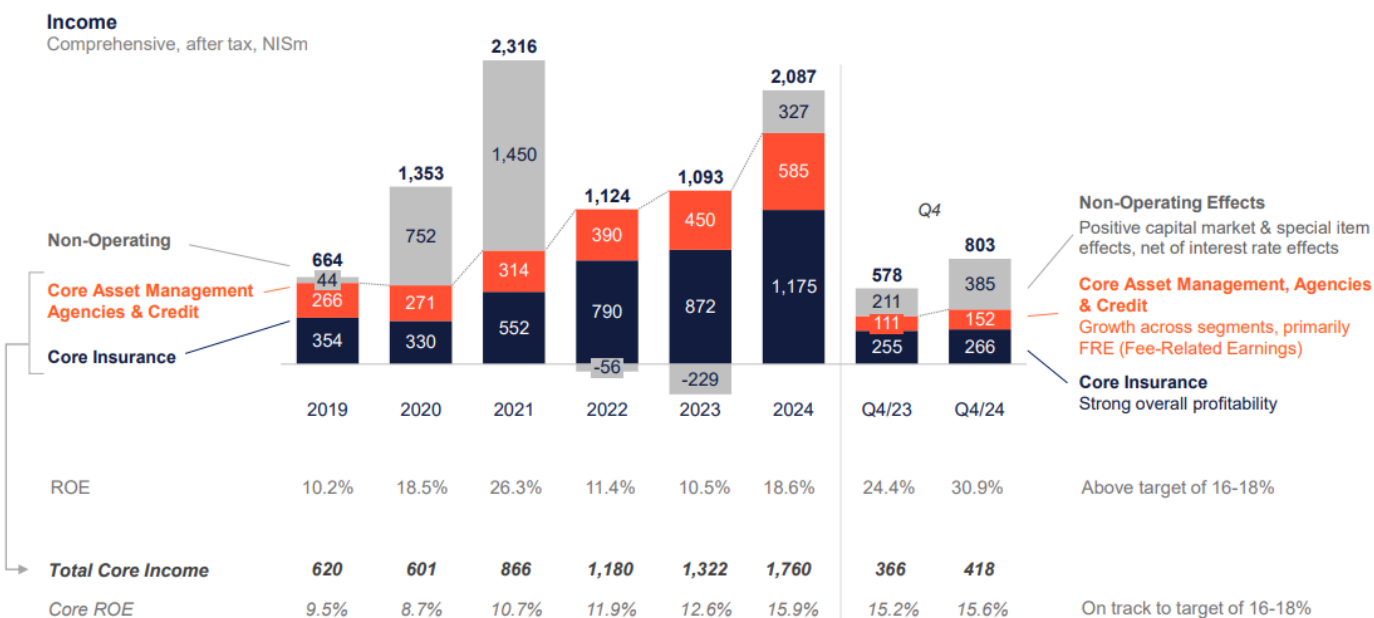
In 2024, leading global funds acquired Phoenix shares from former controlling shareholders Centerbridge and Gallatin Point, as Phoenix transitioned to governance without a controlling shareholder. We are pleased that the group's results, leading position, and the business opportunity it represents support continued investment by prominent international investors. Roughly one third of Phoenix shares are held by global investors - a significant vote of confidence in Phoenix and the Israeli economy.

2024 results reflect our continued progress to meet or exceed our targets. We are confident in our ability to meet our 2027 strategic targets of NIS 2 billion comprehensive income, 16-18% ROE, and at least 50% payouts through dividends and share buyback. In light of the adoption of IFRS 17, which is expected to increase insurance profitability and reduce accounting volatility, we are assessing our 2027 targets and expect to revise our strategic targets upwards this year.

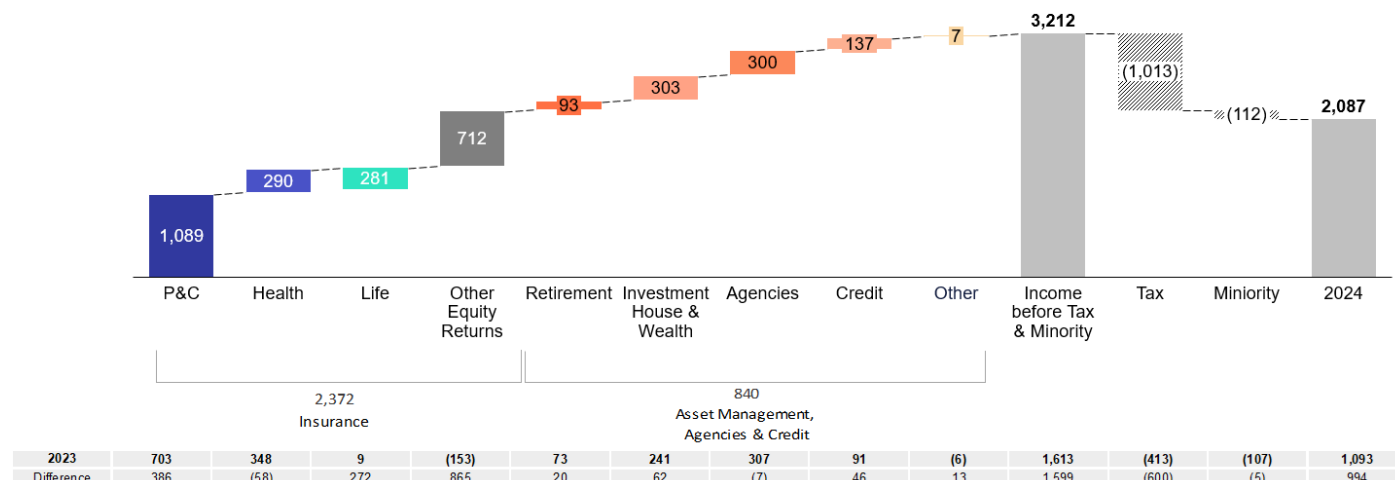
We are determined to continue to create value based on strategic vision and focused execution, as we continue to build a great organization. I wish to thank our Board members, the Company's management and employees, and our business partners for the Company's achievements and for continuing to create significant value for our clients and shareholders."

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### Breakdown of comprehensive income (post-tax, in NIS millions)



**Comprehensive income by segment (in NIS millions)**



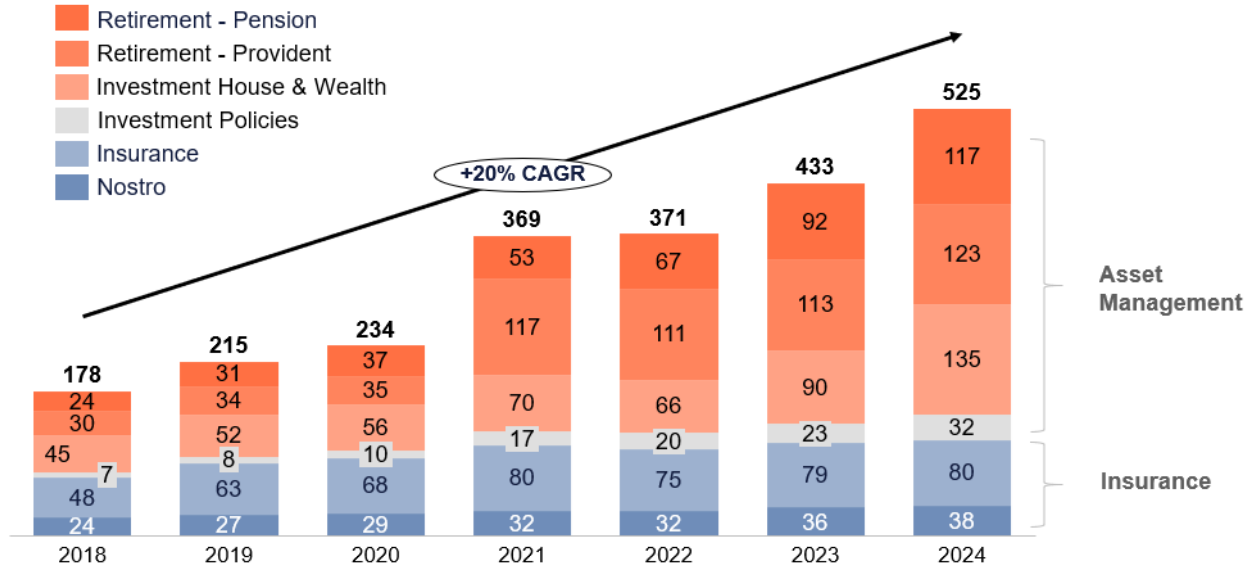
**Financial statement highlights:**

**Comprehensive income** attributable to shareholders amounted to NIS 2,087 million in 2024, resulting in an ROE of 18.6%, compared to an ROE of 10.5% in 2023. Comprehensive income in 2024 was achieved despite the economic challenges and with a positive non-operating effect (investment returns above 3% real yields, interest rate impact, and Special Items) of NIS 327 million.

**Core income** (net of non-operating effects including investment returns above 3% real yields, interest rate impact, and Special Items) increased to NIS 1,760 million in 2024 (resulting in a 15.9% core ROE), compared to NIS 1.322 million (resulting in 12.6% core ROE) in 2023. Core income from Insurance totaled NIS 1.175 million in 2024 compared to NIS 872 million in 2023, and core income from Asset Management, Distribution, and Credit totaled NIS 585 million in 2024 compared to NIS 450 million in 2023.

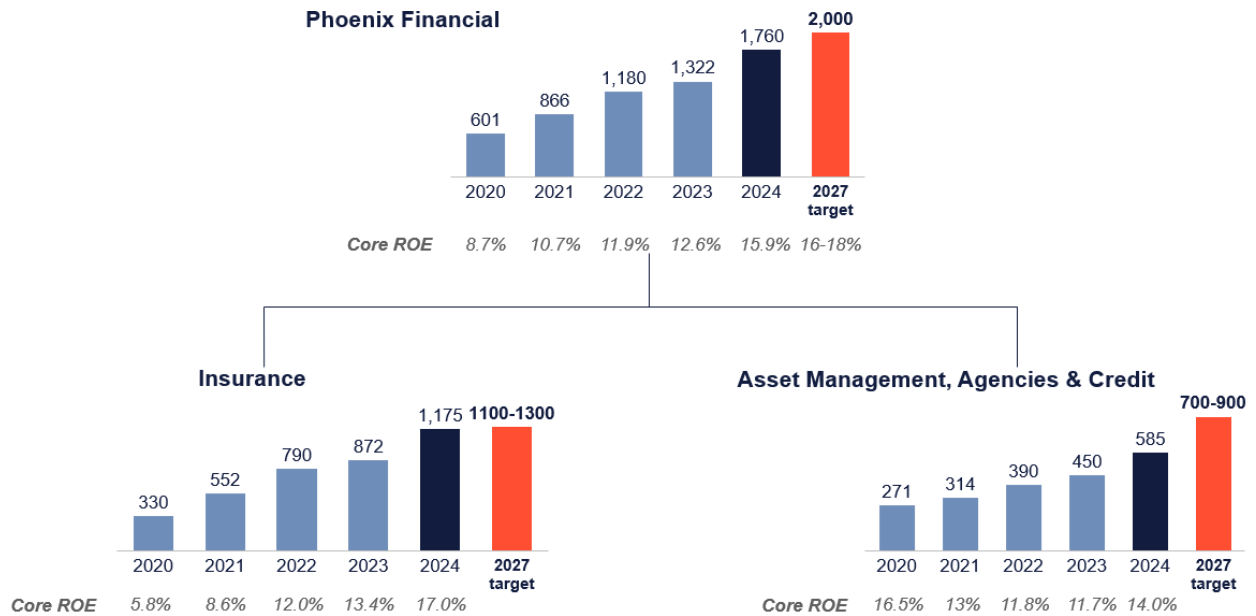
**Shareholders' equity** totaled NIS 11.9 billion as of September 30, 2024.

**Assets under management** grew to NIS 525 billion as of September 30, 2024, including the impact of the acquisition of the traditional funds activity from Psagot, which was completed in March 2024 and represented NIS 22 billion AUM.



**Targets (vs. 2027 target, in NIS millions)**

Phoenix continues to grow toward its target of 2 NIS billion comprehensive income in 2027, compared to 1.76 NIS billion core income in 2024; management estimates 400-600 NIS million in potential additional 2027 income above the target due to IFRS-17 implementation starting 2025 and group performance; Phoenix expects to update the strategic targets during 2025.



## Segment results

### Insurance

#### P&C

Comprehensive income before tax amounted to NIS **1,089** million in 2024, compared to NIS 703 million 2023. Operating income totaled approximately NIS 884 million in 2024 compared with approximately NIS 638 million in 2023. The majority of the increase came from an increase in underwriting income in the Motor Property, Other Property, and Other Liability sub-segments, which was partially offset by a decrease in profitability in the Compulsory Motor Sub-segment.

#### Health

Comprehensive income before tax amounted to NIS **290** million in 2024, compared to NIS 348 million in 2023. The majority of the decrease was to the changing interest rate curve in 2024 compared to 2023 that was partially offset by actuarial research, despite an increase in underwriting income.

#### Life and Savings

Comprehensive income before tax amounted to NIS **281** million in 2024, compared to NIS 9 million in 2023. The increase was primarily due to the positive impact of the change in the interest rate curve (including the change in the K factor) and effects of the TUR Study, which was partially offset by the implementation of new mortality tables and other revisions. In 2024, the Company charged variable management fees of approximately NIS 105 million.

#### Other Equity Returns

Comprehensive income before tax for the first nine months of 2024 amounted to NIS **712** million, compared to a comprehensive loss before tax of NIS 153 million in the corresponding period last year. The increase was primarily due to the positive impact of improvements in financial markets in Israel and globally compared with the corresponding period last year.

### Asset Management, Distribution, and Credit

#### Investment House and Wealth (Financial Services)

Comprehensive income before tax amounted to NIS **303** million in 2024, compared to NIS 241 million in 2023. The increase in profitability was primarily due to an increase in the income in the Funds & Portfolios sub-segment including the acquisition of Psagot activities.



**Retirement (Pension and Provident)**

Comprehensive income before tax amounted to NIS **93** million in 2024, compared to NIS 73 million in 2023. The increase was mainly due to an improvement in operating income, which was partially offset by a capital market loss.

**Distribution (Agencies)**

Comprehensive income before tax amounted to NIS **300** million in 2024, compared to NIS 307 million in 2023. Operating income totaled NIS 331 million in 2024, compared to NIS 283 million in 2023. The increase in operating income was partially offset by higher finance expenses following recapitalization.

**Credit (Phoenix Gama)**

Comprehensive income before tax amounted to NIS **137** million in 2024, compared to NIS 91 million in 2023. The increase was primarily due to the consolidation of the results of Phoenix Construction Financing with Gama as of January 1, 2024 and from an increase in credit spreads in 2024 compared with 2023.

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**Conference Call Information**

Phoenix Financial will hold a conference call on Thursday, March 13, 2025 at 1pm Israel time in Hebrew and at 4pm Israel time / 2pm UK / 10am ET in English, and has published dial-in details and the presentation through the Tel Aviv Stock Exchange website and the Phoenix investor relations site.

**About Phoenix Financial**

Phoenix Financial is a leading Israel-based asset management, insurance, and financials group traded on the Tel Aviv Stock Exchange (TASE: PHOE). Group activities include multi-line insurance, asset management, credit, and financial product distribution, and have demonstrated strong growth and performance across the cycle. The Phoenix serves a significant portion of Israeli households with a broad set of activities and solutions across businesses and client segments. Managing over \$140 billion in assets, the Phoenix accesses Israel's vibrant and innovative economic activity through a robust investment portfolio, creating value for both clients and shareholders.

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