

2018 ANNUAL RESULTS

7 MARCH 2019, PARIS



INTRODUCTION

Emmanuel Morandini





Group turnaround goal achieved



A shared vision across the management team



Major milestones crossed

- › Growth in both divisions
 - › Health & Personal Protection: gross margin up 6.0% in 2018
 - › Property & Casualty: gross margin up 4.4% in 2018
- › Acquisitions that strengthen our positions in key markets
- › Fewer loss-making operations
- › Targeted development of our international businesses
- › Transformation of the group is beginning

INTRODUCTION
CONSOLIDATION OF OUR FINANCIAL PERFORMANCE

2015

Sales
growth

2016

Gross margin
growth

2017

Current EBIT
growth



2018

Further current
EBIT growth

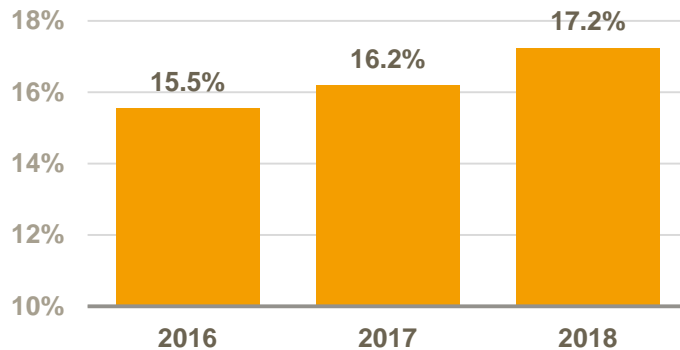
PART 1

OUR BUSINESS IN 2018

Emmanuel Morandini



Current EBIT / Gross margin



2018 Performance

+7.4%

Sales (€997.2m)

+5.4%

Gross margin (€451.5m)

+12.2%

Current EBIT (€77.8m)

- › **Increasing profits** in a growing business
- › **Gross margin** growth driven by the organic growth in H&PP and Property & Casualty brokerage and the significant contribution of acquisitions
- › **Current EBIT** boosted by the efficient transfer of gross margin growth, particularly in Health & Personal Protection brokerage.

OUR GOALS A GROUP UNDERGOING CHANGE



Refocusing

- › Focus on international health in the **United Kingdom**
- › 4 country withdrawals in 2018: **Lithuania, Turkey, Serbia and Romania**
- › **Italy**: improvement under way and refocusing on loan insurance



Acceleration

- › **Acquisitions**: successful integrations of Pont Grup in Spain and Benecaid in Canada
- › Strong development of **Health & Personal Protection in France** and the **IPMI business line**
- › **Property & Casualty niches**: strong portfolio growth



Transformation

- › **Loans offers** from La Centrale de Financement available for **insurance brokers**
- › **Open architecture**: A good start for the AXA Partners loan insurance offer, further insurer partnerships planned
- › Acceleration of **digitalisation** in both divisions (multi-brand platform and back offices)



FRANCE

Health & Personal Protection

- › **Individuals:** Growth in individual portfolios (+3.4%) and satisfactory launch of products to broaden our range
- › **Pro and SME:** Return to growth in health insurance (+4.6%), with the launch of a new product in September, and sustained growth momentum in Personal Protection (+6.2%)

Loan insurance

- › Excellent performance in a declining loan market
- › Promising partnership with Malakoff Médéric

OUTSIDE FRANCE

International health insurance (IPMI)

- › Robust portfolio growth (+10.0%)
- › Launch of Ma Santé Internationale, a customisable offer with simple digitised repayment formalities
- › Asia: good business performance and high renewal rate (96%)



Property & Casualty - France

- › Continued growth in niche businesses (+8.1%): **car, two-wheeled, sailing, property and professional liability insurance**
- › Strong development of Key Accounts partnerships

Property & Casualty outside France

- › **Canada:** the development of new markets has yet to offset this year's withdrawal from niche markets

Travel insurance

- › Portfolio growth in **France** (up 6.6%) and **Brazil** for the second year running
- › **United States:** annual performance strongly impacted by risk carrier changes
- › Call for tender won with Thomas Cook

APRIL Mon Assurance

- › Increase in commercial productivity (20% increase in new business per agency) and ramp-up of distance selling
- › Results in line with the turnaround plan

PART 2

2018 CONSOLIDATED RESULTS

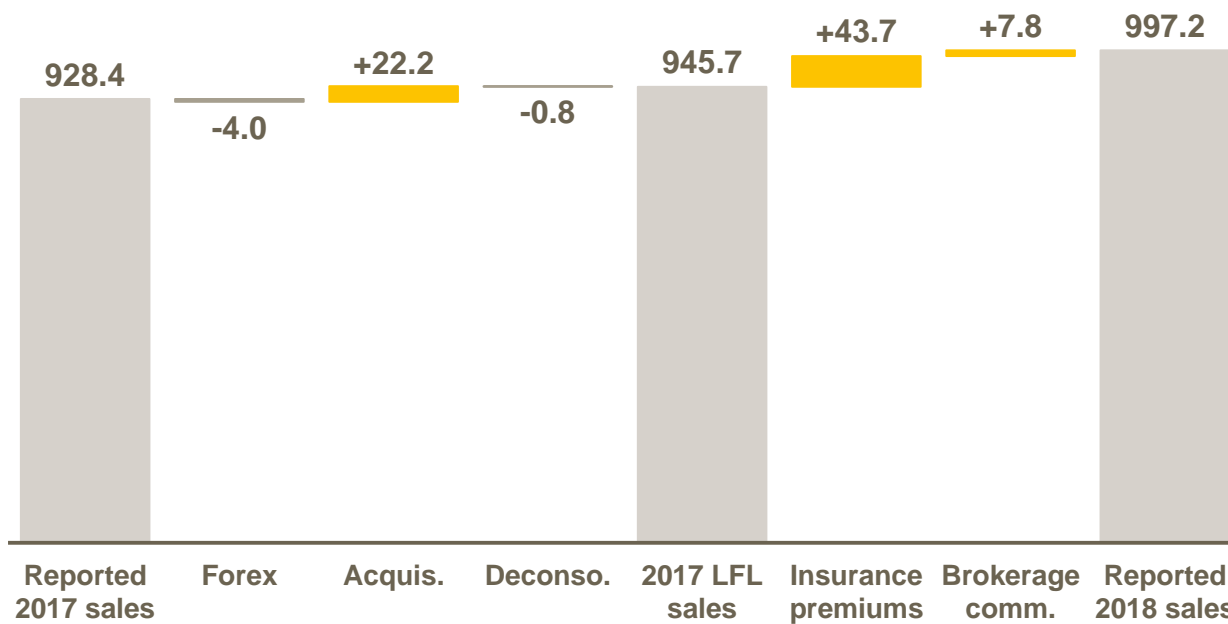
Emmanuel Maillet



CONSOLIDATED SALES SUSTAINED GROWTH

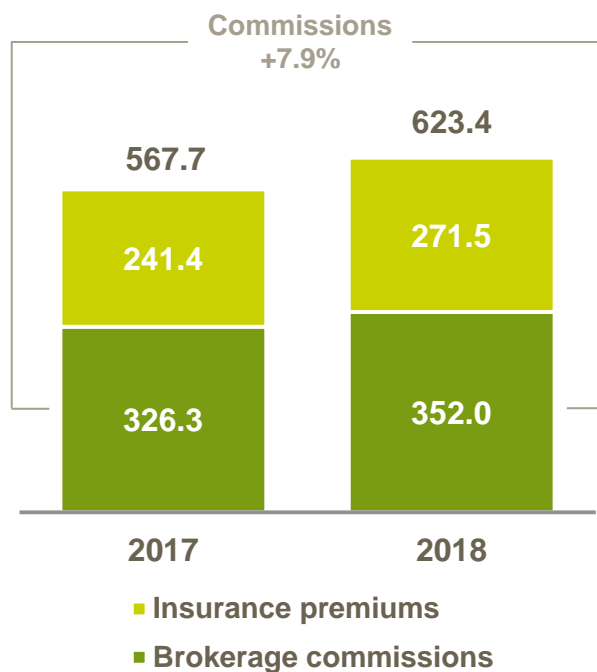
+7.4%

2018 sales (€m)



Change 2018 vs 2017 (like-for-like): +5.4%

2018 breakdown of sales (€m)



BROKERAGE PORTFOLIOS



Individual: +3.3%

- › Health: +3.3%
- › Personal Protection: +3.4%

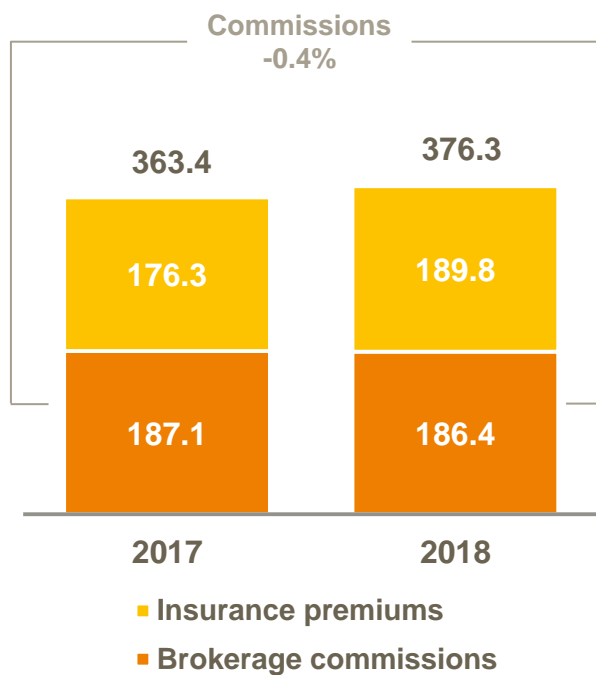


Pro and SME: +4.2%



Loan insurance: +1.0%

2018 breakdown of sales (€m)



BROKERAGE PORTFOLIOS



Wholesale brokerage France: +8.1%

- › Substandard car: +27.3%
- › Two-wheeled vehicle: +13.9%
- › Professionals: +26.4%



APRIL Mon Assurance (P&C): +2.0%



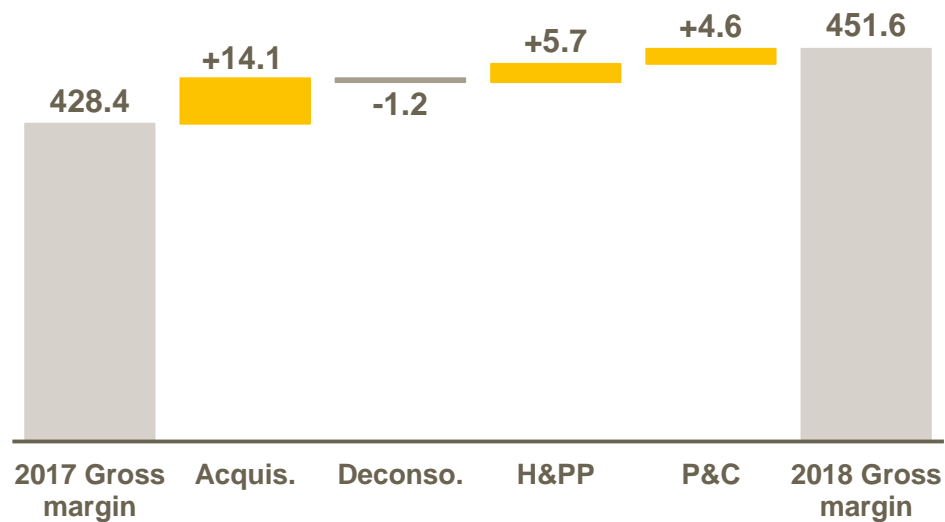
Travel insurance and assistance: -2.6%

PART
2

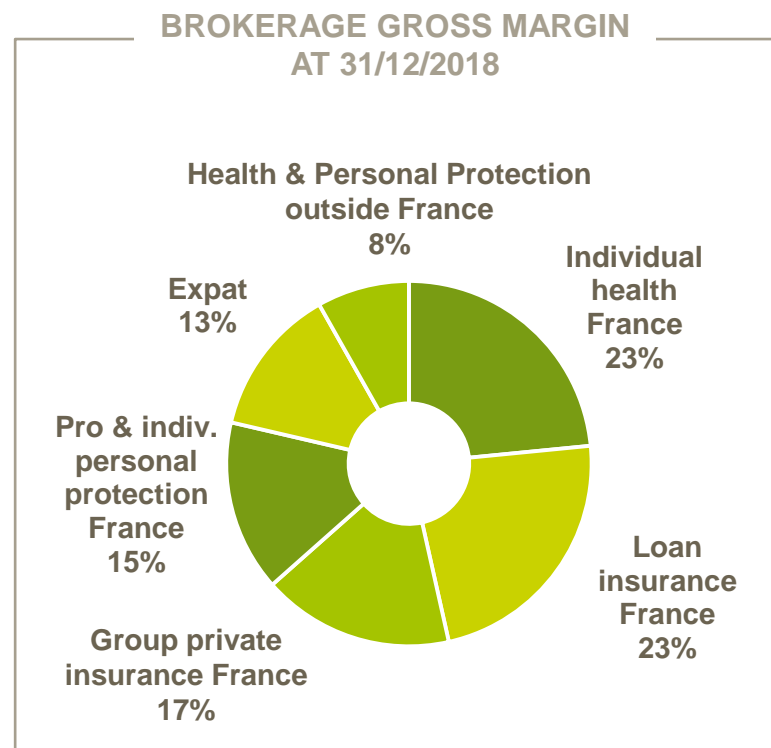
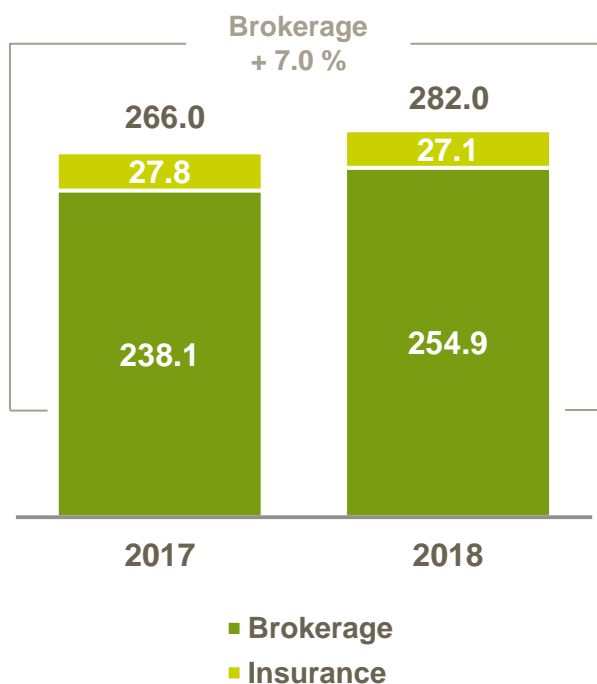
CONSOLIDATED GROSS MARGIN
GROWTH IN BOTH DIVISIONS

+5.4%

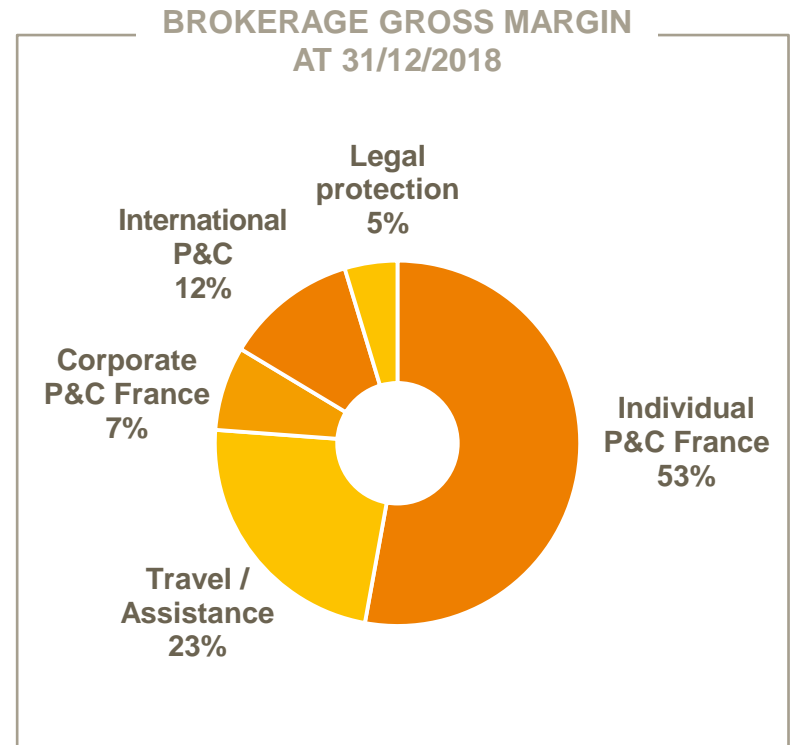
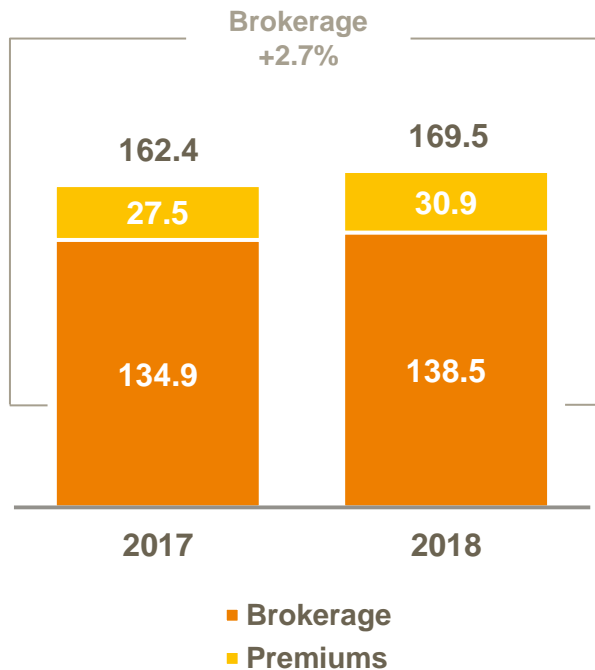
2018 gross margin (€m)



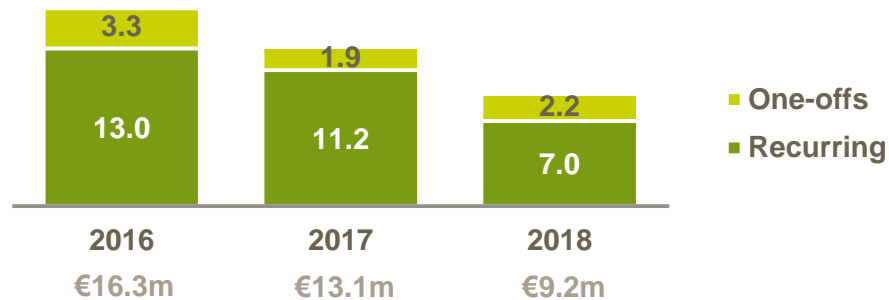
2018 breakdown of gross margin (€m)



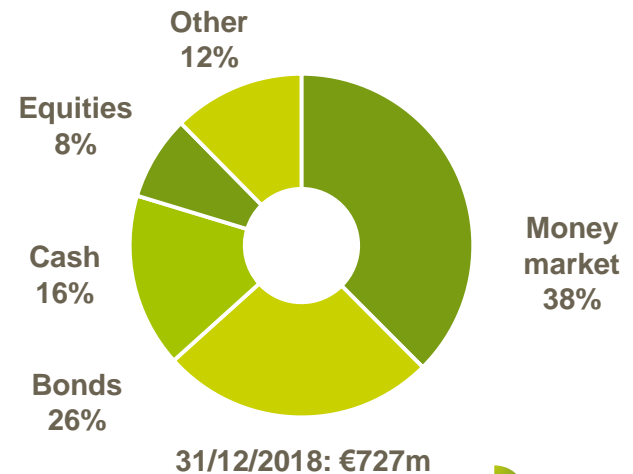
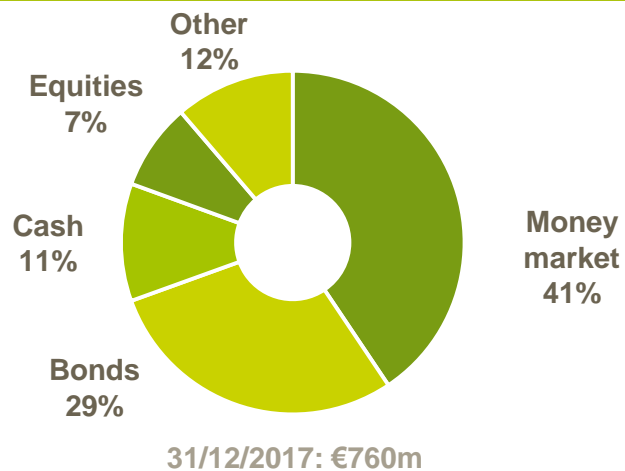
2018 breakdown of gross margin (€m)



Financial income excluding forex (€m)



Financial assets

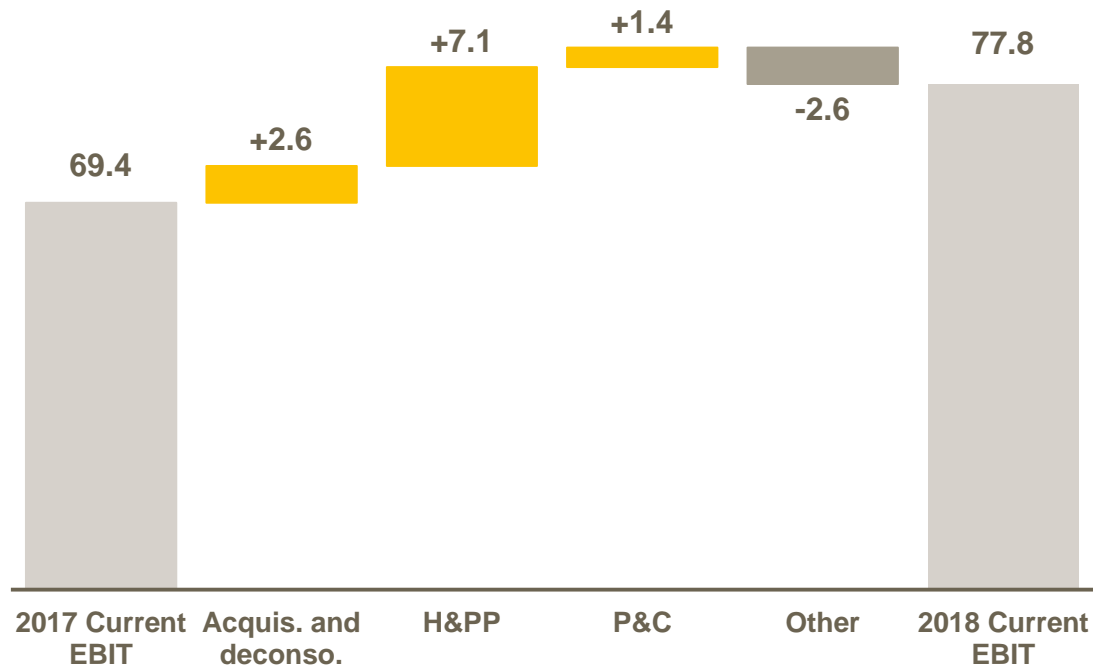


PART
2

CURRENT EBIT
A FURTHER YEAR OF GROWTH

+12.2%

2018 current EBIT (€m)





HEALTH & PERSONAL
PROTECTION



PROPERTY & CASUALTY

OTHER

| €m | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
|----------------------|-------|-------|-------|-------|--------|--------|
| Sales ¹ | 623.4 | 567.7 | 376.3 | 363.4 | - | - |
| Gross margin | 282.0 | 266.0 | 169.5 | 162.4 | - | - |
| Net financial income | 9.1 | 7.0 | 1.3 | 3.3 | (1.2) | 0.7 |
| Current EBIT | 82.8 | 75.0 | 9.1 | 5.9 | (14.1) | (11.5) |

¹ Excluding inter-division eliminations (-€2.5m for 2018, -€2.7m for 2017)

INCOME STATEMENT NON-CURRENT ITEMS AND TAX

| €m | 2018 | 2017 |
|---------------------------------|---------------|--------|
| Current EBIT | 77.8 | 69.4 |
| Research tax credit | - | 2.7 |
| Disposals and restructuring | (3.1) | (2.4) |
| Goodwill write-offs | - | (4.8) |
| Other non-current items | (0.8) | (0.1) |
| EBIT | 73.9 | 64.9 |
| Income tax | (28.8) | (24.3) |
| Provision for tax contingency | (15.0) | - |
| Minority interests | (1.5) | (0.7) |
| Net income (Group share) | 28.2 | 39.6 |

| €m | 2018 | 2017 | Change (%) | Change (€m) |
|---------------------------|--------------|-------|------------|-------------|
| Sales | 997.2 | 928.4 | +7.4% | +68.8 |
| Gross margin ¹ | 451.5 | 428.4 | +5.4% | +23.2 |
| Net financial income | 9.2 | 11.0 | -16.5% | -1.8 |
| Current EBIT | 77.8 | 69.4 | +12.2% | +8.5 |
| EBIT | 73.9 | 64.9 | +13.9% | +9.0 |
| Net income (Group share) | 28.2 | 39.6 | -28.8% | -11.4 |

¹ The gross margin calculation is described in the notes to the consolidated financial statements published on www.april.com (in French only).

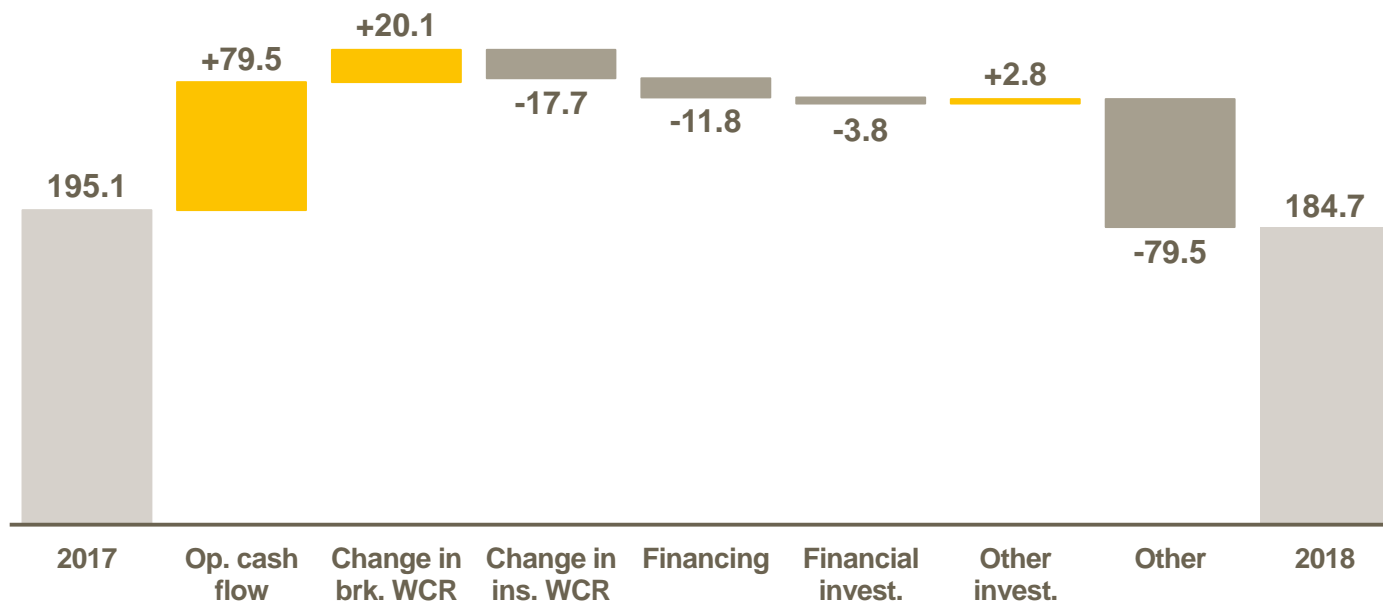
CONSOLIDATED BALANCE SHEET SOUND BALANCE SHEET MAINTAINED

| | 31/12/2018 | 31/12/2017 | Change |
|--|--------------|------------|---------|
| Shareholders' equity, Group share (€m) | 617.7 | 632.3 | -14.6 |
| Debt-to-equity ratio (%) | 8.4% | 5.9% | +2.5 pp |
| Net cash (€m) | 119.9 | 93.1 | +26.8 |
| <i>Adjusted net cash¹ (€m)</i> | 184.7 | 195.1 | -10.4 |
| <i>of which cash from brokerage activities</i> | 161.9 | 171.9 | -10.0 |
| <i>of which cash from insurance activities</i> | 22.8 | 23.2 | -0.4 |
| ROE (%) | 4.5% | 6.3% | +1.8 pp |
| ROCE after tax (%) | 4.2% | 6.1% | -1.9 pp |
| Goodwill (€m) | 269.5 | 224.8 | +44.7 |
| <i>% of equity</i> | 43.6% | 35.6% | +8.0 pp |

¹ Net cash, adjusted for deposit accounts held as part of our cash management policy

PART 2

ADJUSTED NET CASH CHANGE FOR THE PERIOD



- › Net cash: +€26.8m
- › Adjustment for deposit accounts (recorded under financial investments): - €37.2m
- › Adjusted net cash: -€10.4m

| | 2018 (proposed) | 2017 |
|------------------------|-----------------|------|
| Payout ratio | 25% | 28% |
| Dividend per share (€) | 0.17 | 0.27 |
| Earnings per share (€) | 0.70 | 0.98 |

DIVIDEND POLICY FOR 2018

- › For 2018, the Board of Directors, meeting on 6 March 2019, will propose to the General Meeting a dividend of €0.17 per share, or €7.0 million, corresponding to a distribution rate of 25% of net income (group share), in line with group dividend policy.

PART 3

CHALLENGES AND OUTLOOK

Emmanuel Morandini





A new cycle for APRIL

APRIL's growth is now based on solid foundations. With all key financial indicators improving, the group will now optimise its model and refocus its development on five markets, with the 2019 outlook as follows:

Individual health and personal protection

- › Consolidation of growth, particularly in the seniors segment

Pro and SME

- › Streamlining the customer experience and developing distribution channels tailored to start-ups

Loan insurance

- › Accelerated expansion of our distribution model in France
- › Development of loan insurance in Belgium, Portugal and Italy

International health insurance (IPMI)

- › Continue growth to reach critical mass in key markets over the medium term
- › Develop our expertise in managing healthcare networks

Property & Casualty niches

- › Develop niche markets, particularly two-wheeled and sailing insurance
- › Continued globalisation of our expertise
- › Intensification of omnichannel distribution



Marketplace

- › An **open and multi-brand platform, unique on the market**, which crystallises the transformation of our distribution model into an open architecture
- › **Beneficial to all our partners:**
 - › **Brokers** can easily compare the best offers on the market and fulfil their duty to provide advice,
 - › **Third-party insurers** can broaden their sales channels without having to invest in a broker network,
 - › **APRIL** becomes a key interface between institutional customers and their brokers, thus enhancing our capacity to manage the largest broker network in France
- › **Extension to loan insurance**, with further possible extension to other markets



Staff

- › Boost the agility of our teams and our organisations
- › Develop and support in-house talent

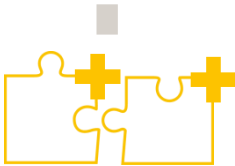
2019 OUTLOOK OUR TARGETS FOR 2019



Pursue the organic growth of activities



Continue to turn around loss-making operations



Develop and consolidate our positions in key markets through targeted acquisitions



2019 TARGET: Current EBIT growth
between **4% and 7%** versus 2018

QUESTIONS



APPENDICES



DEFINITIONS OF SPECIFIC INDICATORS

SALES

Sales consist of insurance premiums and brokerage commissions. Insurance premiums comprise the specific remuneration generated from risk-carrying activities. Brokerage activities are remunerated in the form of commissions.

Where the risk carrier and broker belong to the same group, intra-group transactions are eliminated by reducing insurance premiums in favour of brokerage commissions, which remain the sole item under consolidated sales.

NET FINANCIAL INCOME

Financial income is an integral part of the risk-carrying cycle. It consists of interest received and accrued as well as net capital gains on sale of financial assets.

GROSS MARGIN

With regard to our risk-carrying operations, gross margin is the sum of the underwriting result and the financial result. It covers the other items of current EBIT: other purchases and external expenses, personnel costs, tax, amortisation and provisions.

With regard to our brokerage activities, gross margin is the difference between commissions recognised under sales and commissions paid to intermediaries, which are recognised under purchases and external expenses. Gross margin also covers the other items of current EBIT: other purchases and external expenses, personnel costs, tax, amortisation and provisions.

ADJUSTED NET CASH

Adjusted net cash = Cash and cash equivalents - current bank loans and overdrafts + deposit accounts registered in the name of APRIL (classified under “Financial investments” on the balance sheet)

BREAKDOWN OF SALES AND GROSS MARGIN BY DIVISION AND TYPE OF EARNINGS

Sales

BY DIVISION

62.4%

Health & Personal
Protection
+1.4 pp

37.6%

P&C
-1.4 pp

BY TYPE

53.8%

Brokerage
-1.3 pp

46.2%

Insurance
+1.3 pp

Gross margin

BY DIVISION

62.5%

Health & Personal
Protection
+0.4 pp

37.5%

P&C
-0.4 pp

BY TYPE

87.1%

Brokerage
=

12.9%

Insurance
=

THE APRIL GROUP



OUR AMBITION:

MAKE INSURANCE EASIER AND MORE ACCESSIBLE

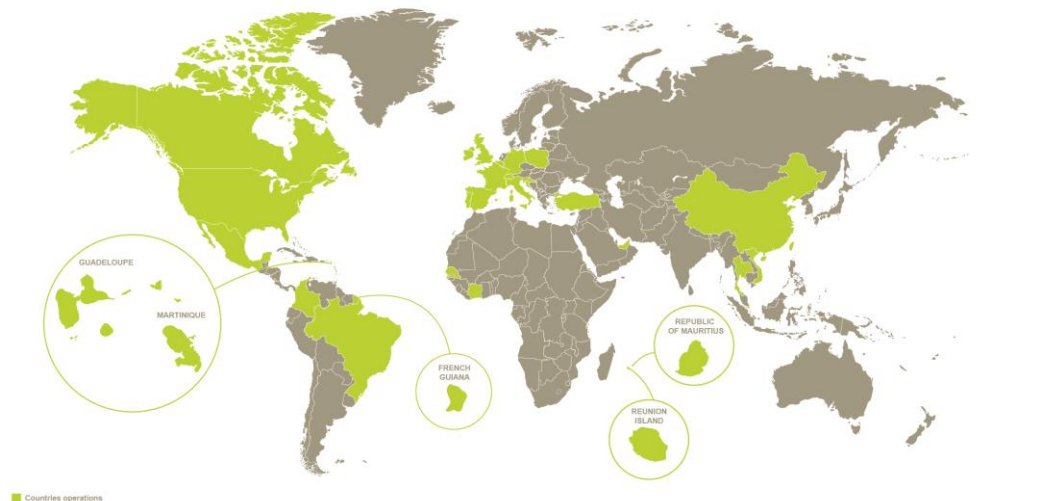
Founded in 1988, listed in 1997

2018 figures:

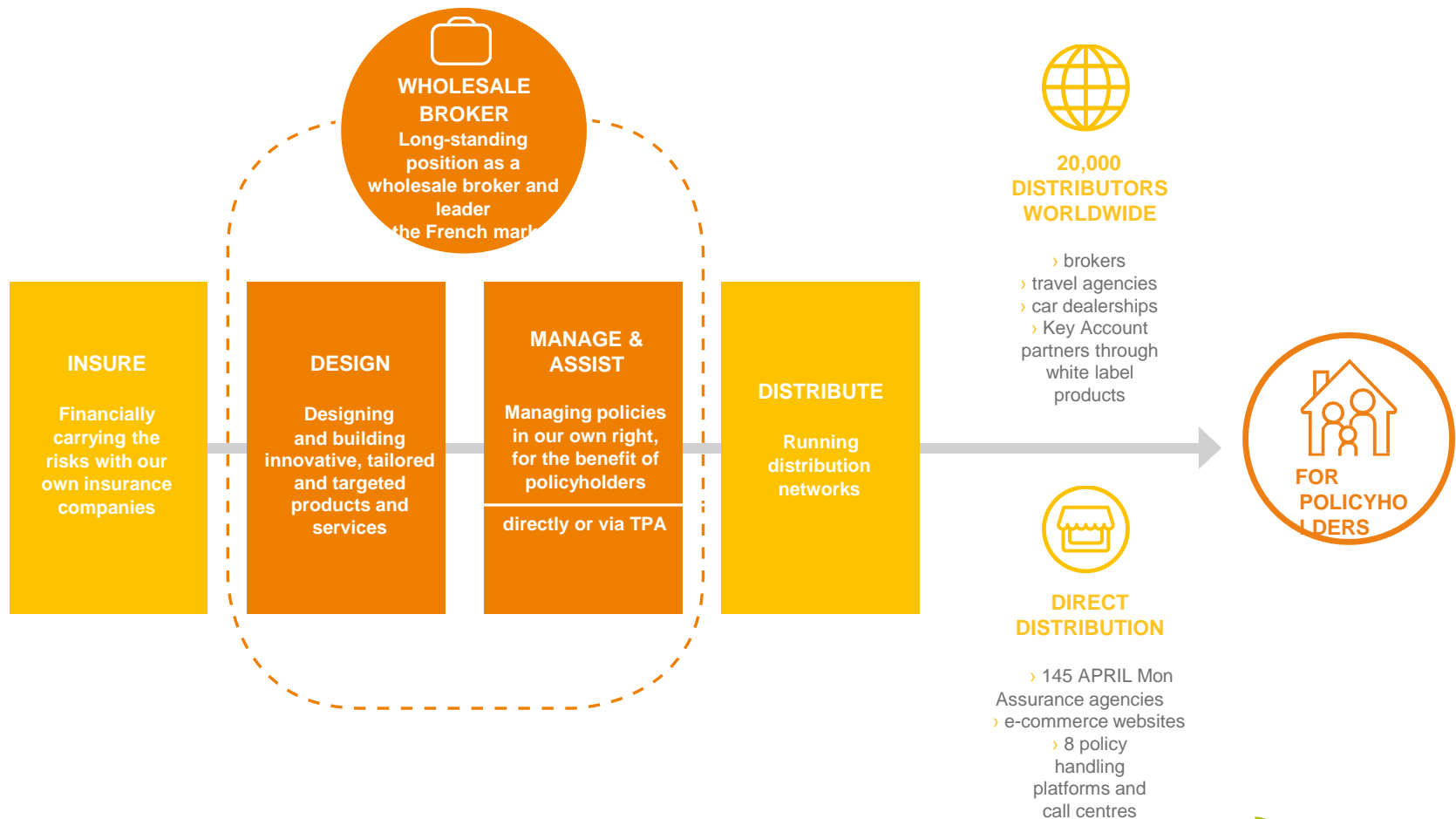
- › Sales €997.2m
- › EBIT €73.9m
- › Net assets (Group share) €617.7m
- › Operations based in 28 countries
- › 25% of gross margin generated outside France
- › 3,907 employees
- › 2 divisions:
 - › Health & Personal Protection
€623.4m sales
 - › Property & Casualty
€376.3m sales
- › 20,000 distributors
incl. 11,500 active brokers
- › 145 agencies in France

Since its inception in 1988, APRIL, an **international insurance services group** and leading wholesale broker in France, has centred its development around customers and innovation, setting a single ambition: to make insurance easier and more accessible to everyone.

APRIL designs, manages and distributes **specialist insurance solutions**, covering health and personal protection, property and casualty, mobility and legal protection, as well as assistance services, for private individuals, professionals and businesses.



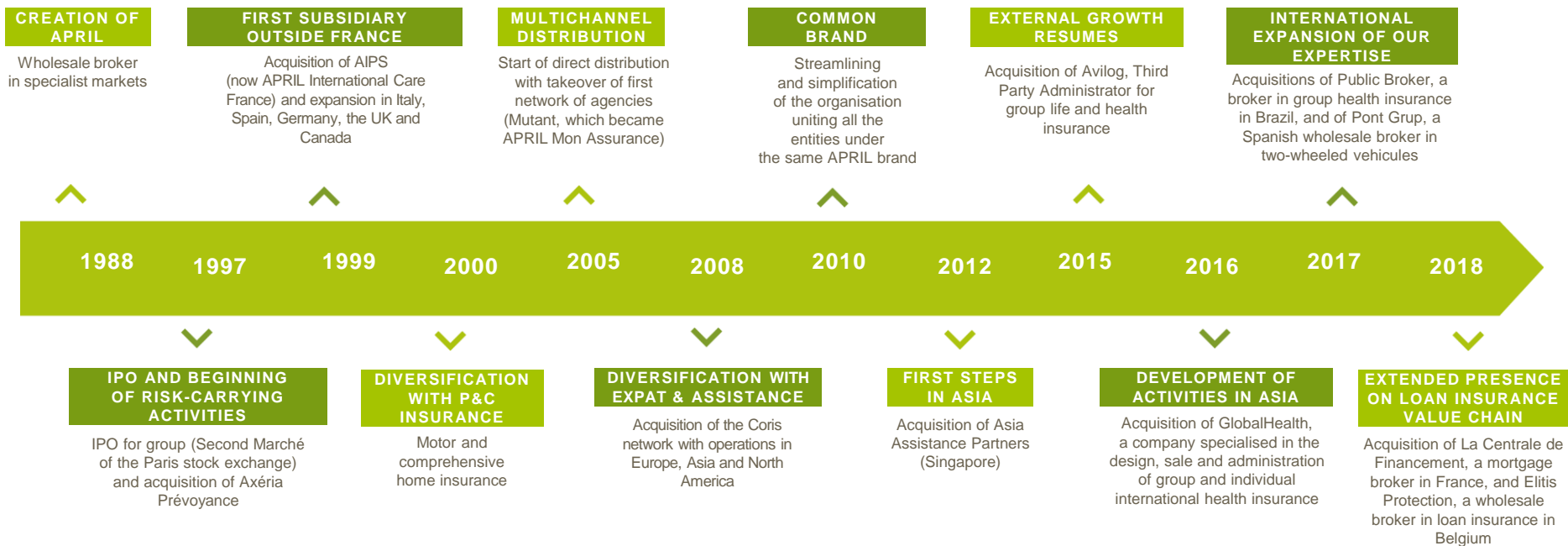
A PRESENCE THROUGHOUT THE INSURANCE VALUE CHAIN TO ADDRESS THE NEEDS OF ALL OUR CUSTOMERS



HISTORY

THE HISTORY OF OUR DEVELOPMENT

A STORY COMBINING ORGANIC GROWTH AND GROWTH THROUGH ACQUISITIONS



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