

Liberty Mutual Insurance Reports First Quarter Results

BOSTON, Mass., May 8, 2025 – Liberty Mutual Holding Company Inc. and its subsidiaries (collectively “LMHC” or the “Company”) reported net income attributable to LMHC of \$1.025 billion for the three months ended March 31, 2025, versus income of \$1.535 billion for the same periods in 2024.

“For the first quarter, we reported net income attributable to LMHC of \$1.0 billion, reflecting improvement in our underlying combined ratio and strong investment results,” said Tim Sweeney, Liberty Mutual Chairman & Chief Executive Officer. “Continued discipline in our underwriting resulted in a notable 6.5-point improvement in the underlying combined ratio, achieving an 81.9% for the first quarter. Despite elevated catastrophe losses, driven by the devastating California wildfires, our total combined ratio including these losses and prior year development was 96.6%. Furthermore, our investment results in the quarter were excellent, benefiting from higher reinvestment rates and favorable private equity valuations, contributing \$1.3 billion of investment income. Overall, we are very pleased with our performance this quarter as we continue to pursue profitable growth and progress toward our 95% combined ratio goal at the end of 2025.”

The tables below outline highlights of LMHC’s consolidated financial results for the three months ended March 31, 2025.

Net Written Premium (“NWP”) by Business:

Consolidated NWP by business was as follows:

| \$ in Millions | Three Months Ended March 31, | | |
|--|---------------------------------|----------|--------|
| | 2025 | 2024 | Change |
| US Retail Markets | \$6,061 | \$6,545 | (7.4%) |
| Global Risk Solutions | 4,705 | 4,376 | 7.5 |
| Corporate and Other | (7) | 37 | NM |
| Total NWP | \$10,759 | \$10,958 | (1.8%) |
| Foreign exchange effect on growth | | | (0.5) |
| NWP growth excluding foreign exchange ¹ | | | (1.3%) |

¹ Determined by assuming constant foreign exchange rates between periods.
NM = Not Meaningful

Consolidated Results of Operations:

| \$ in Millions | Three Months Ended | | |
|--|--------------------|--------------|----------------|
| | March 31, | | |
| | 2025 | 2024 | Change |
| Revenues | \$12,486 | \$12,475 | 0.1% |
| Underlying PTOI before limited partnerships income | 2,711 | 1,926 | 40.8 |
| Catastrophes | (1,821) | (824) | 121.0 |
| Net incurred losses attributable to prior years: | | | |
| - Asbestos and environmental ¹ | - | - | - |
| - All other ² | 196 | 6 | NM |
| Pre-tax operating income before limited partnerships income | 1,086 | 1,108 | (2.0) |
| Limited partnerships income ³ | 367 | 159 | 130.8 |
| Pre-tax operating income | 1,453 | 1,267 | 14.7 |
| Net realized losses | (70) | (92) | (23.9) |
| Acquisition & integration costs | (24) | (21) | 14.3 |
| Restructuring costs | (15) | (6) | 150.0 |
| Pre-tax income | 1,344 | 1,148 | 17.1 |
| Income tax expense | 315 | 270 | 16.7 |
| Consolidated net income from continuing operations | 1,029 | 878 | 17.2 |
| Discontinued operations, net of tax | - | 663 | (100.0) |
| Consolidated net income | 1,029 | 1,541 | (33.2) |
| Less: Net income attributable to non-controlling interest | 4 | 6 | (33.3) |
| Net income attributable to LMHC | 1,025 | 1,535 | (33.2) |
| Net income attributable to LMHC excluding unrealized impact ⁴ | 1,141 | 1,543 | (26.1) |
| Cash flow provided by continuing operations | \$439 | \$901 | (51.3%) |

1 Asbestos and environmental is gross of the related adverse development reinsurance (the "NICO Reinsurance Transaction", which is described further in Reinsurance).

2 Net of earned premium and reinstatement premium attributable to prior years of \$91 million for the three months ended March 31, 2025, and \$8 million for the same periods in 2024.

3 Limited partnerships income includes LP, LLC and other equity method income within net investment income in the accompanying Consolidated Statements of Operations and revenue and expenses from direct investments in natural resources.

4 Excludes unrealized gains on equity securities and the corresponding tax impact.

NM = Not Meaningful

Combined Ratio:

| CONSOLIDATED | Three Months Ended March 31, | | |
|--|---------------------------------|-------|--------------------|
| | 2025 | 2024 | Change (Points) |
| Combined ratio | | | |
| Claims and claim adjustment expense ratio | 54.0% | 62.1% | (8.1) |
| Underwriting expense ratio | 27.9 | 26.3 | 1.6 |
| Underlying combined ratio | 81.9 | 88.4 | (6.5) |
| Catastrophes | 16.7 | 7.2 | 9.5 |
| Net incurred losses attributable to prior years: | | | |
| - Asbestos and environmental | - | - | - |
| - All other ¹ | (2.0) | 0.2 | (2.2) |
| Total combined ratio ² | 96.6% | 95.8% | 0.8 |

1 Net of earned premium and reinstatement premium attributable to prior years.

2 The combined ratio, expressed as a percentage, is a measure of underwriting profitability. This measure should only be used in conjunction with, and not in lieu of, underwriting income and may not be comparable to other performance measures used by the Company's competitors. The combined ratio is computed as the sum of the following property and casualty ratios: the ratio of claims and claim adjustment expense less managed care income to earned premium; the ratio of insurance operating costs plus amortization of deferred policy acquisition costs less third-party administration income and fee income (primarily related to the Company's involuntary market servicing carrier operations) and installment charges to earned premium; and the ratio of policyholder dividends to earned premium. Provisions for uncollectible premium and reinsurance are not included in the combined ratio unless related to an asbestos and environmental commutation and certain other run off. Restructuring and acquisition and integration costs are not included in the combined ratio.

Equity:

| \$ in Millions | As of March 31, | As of December 31, | Change |
|--------------------------------------|--------------------|-----------------------|--------|
| | 2025 | 2024 | |
| Unassigned equity | \$35,399 | \$34,374 | 3.0% |
| Accumulated other comprehensive loss | (3,256) | (3,928) | (17.1) |
| Non-controlling interest | 212 | 206 | 2.9 |
| Total equity | \$32,355 | \$30,652 | 5.6% |

Subsequent Events

On April 11, 2025 the Company completed the acquisition of JMalucelli Travelers Seguros in Colombia.

Management has assessed material subsequent events through May 8, 2025, the date the financial statements were available to be issued.

Financial Information

The Company's financial results, management's discussion and analysis of operating results and financial condition, accompanying financial statements and other supplemental financial information for the three months ended March 31, 2025 are available on the Company's Investor Relations website at www.libertymutualgroup.com/investors.

About Liberty Mutual Insurance

At Liberty Mutual, we believe progress happens when people feel secure. By providing protection for the unexpected and delivering it with care, we help people embrace today and confidently pursue tomorrow.

In business since 1912, and headquartered in Boston, today we are the ninth largest global property and casualty insurer based on 2024 gross written premium. We also rank 87th on the Fortune 100 list of largest corporations in the US based on 2023 revenue. As of December 31, 2024, we had \$50.2 billion in annual consolidated revenue.

We employ over 40,000 people in 28 countries and economies around the world. We offer a wide range of insurance products and services, including personal automobile, homeowners, specialty lines, reinsurance, commercial multiple-peril, workers compensation, commercial automobile, general liability, surety, and commercial property.

For more information, visit www.libertymutualinsurance.com.

Cautionary Statement Regarding Forward Looking Statements

This report contains forward looking statements that are intended to enhance the reader's ability to assess the future financial and business performance of the Company. Forward looking statements include, but are not limited to, statements that represent the Company's beliefs concerning future operations, strategies, financial results, investment market fluctuations, or other developments, and contain words and phrases such as "may," "expects," "should," "believes," "anticipates," "estimates," "intends" or similar expressions. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond the Company's control or are subject to change, actual results could be materially different.

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