



Phoenix Financial Publishes 2027 Strategic Targets and Roadmaps

Comprehensive income expected to increase to 2 billion NIS

Targeting 16-18% return on equity

Committed to returning over 50% of profit to shareholders through dividends and share buybacks

September 9, 2024, Tel Aviv, Israel - Phoenix Financial Ltd. (formerly Phoenix Holdings), Israel's leading insurance, investment, and financial company (TLV:PHOE) ("Phoenix" or the "Company") announced its strategic and financial targets for 2027.

Phoenix first announced its strategy and financial targets in 2020, revised them upward in 2022, and has met them ahead of schedule.

In today's update, Phoenix increased its comprehensive income target to 2 billion NIS, or approximately 8 NIS per share, announced its intention to return over 50% of its annual income to shareholders through dividends and share repurchases, and set a target range for return on equity of 16-18%. Total assets under management are expected to reach 600-650 billion NIS by 2027.

The updated targets mark an acceleration of Phoenix's proven strategy, which has resulted in capital-efficient and systematic growth of profitable activities generating strong recurring cash flow. This strategy is allowing Phoenix to grow rapidly while distributing dividends to shareholders.

The targets for 2027 reflect the continued execution of the group's value-creation strategy that has transformed Phoenix from an insurance company into a leading financial services firm. The strategy includes four levers for value creation:

1. accelerated growth in high margin, capital-efficient activities;
2. innovation for competitive advantage and efficiency;
3. active management across all business areas; and
4. effective management of capital and investments.

Phoenix is targeting continued significant growth in its two main activities of insurance and asset management, distribution, and credit. The Group has targeted total insurance profit of 1.1-1.3 billion NIS and total profit from asset management, distribution, and credit activities of 700-900 million NIS by 2027.

First, the group will continue to focus on its growth engines of asset management (Phoenix Investment House, formerly Excellence; qualified clients and alternative investments; retirement solutions including pensions and provident funds), insurance agencies managed independently to create and unlock value; and business and

consumer credit through its subsidiary Phoenix-Gama. Each of these platforms is a leader in its field with strong and committed management teams.

Second, in its insurance business, Phoenix will continue to leverage and deepen its competitive advantages including technology for underwriting and claims, hybrid distribution via direct channels and agents, distinctive products, and capital and investment management that creates financial strength, a high solvency ratio, liquidity, and ratings. At the same time, Phoenix will continue optimizing insurance activities including shifting the product mix to more capital-efficient products, increasing operational efficiency, focusing on continuous improvement in service, and reducing volatility and non-operational effects on performance.

The Company is focused creating value for shareholders and has built a track record of consistent and regular dividend distributions while conducting share buybacks. Since 2020, the company returned 2 billion NIS to shareholders through dividends with an average 5% yield over this period, as well as share buybacks totaling 300 million NIS.

Eyal Ben Simon, Phoenix CEO, explained: “The group’s targets for 2027 are centered around profitable growth that generates a strong return on equity and sufficient cash flows to continue to grow our businesses while returning significant value to shareholders through dividends. Achieving these targets is based on continued execution of our proven strategy for value creation and builds on the infrastructure we have established and our organizational capabilities. We believe in the potential of the Israeli economy and are focused on continuing to expand both our insurance activities and our asset management, distribution, and credit operations. We will continue to take actions to increase the group’s profitability while investing in technologies that further our competitive advantages and enhance the experience of our clients. Phoenix is Israel’s largest financial group offering a broad range of services and capabilities under a strong brand and leading in business and competitive positioning as well as financial strength. We will continue to leverage these assets while delivering compelling value propositions for our clients.”

About Phoenix Financial

Phoenix Financial Ltd. is a leading Israel-based financial and investment group traded on the Tel Aviv Stock Exchange (TASE: PHOE). Group activities include multi-line insurance, asset management, credit, and brokerage services, and have demonstrated strong growth and performance across the cycle. Phoenix serves a significant portion of Israeli households with a broad set of activities and solutions across businesses and client segments. Managing roughly \$130 billion in assets, Phoenix accesses Israel’s vibrant and innovative economic activity through a robust investment portfolio, creating value for clients and shareholders.