

U.S. Dealer Services

# Ready for more

## A clear path to ROE expansion

2025 INVESTOR EVENT





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# Key takeaways

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**Preferred partner offering one-stop shop** and value-driven solutions for U.S. dealerships

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**Robust and diversified business model** with strong risk management

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**Positioned to grow and scale the business,** leading to ROE<sup>1</sup> expansion



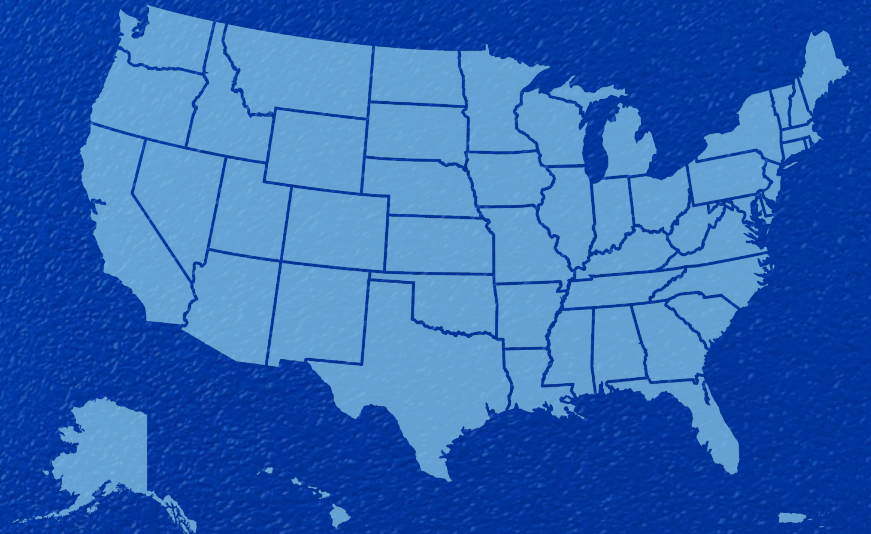
# A well-established position in the U.S. vehicle warranty market

## Strategically positioned with strong market presence and national reach

- Servicing automotive dealers across the United States
- Estimated market share of ~5%
- Top 8 in fragmented industry, with over 100 U.S. players
- 13% of U.S. new car dealers and 4% of used car dealers

## Superior services recognized by the industry

- Winner of several Dealers' Choice Awards<sup>1</sup>
- Highlighting the excellence of our services and dealer experience



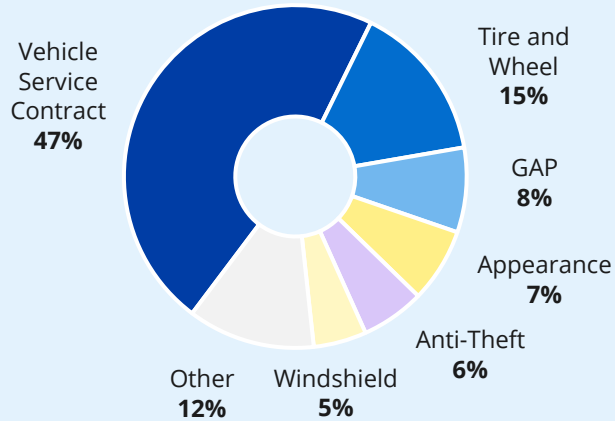
# Diversified business model

Multi-faceted diversification brings resiliency

## Diversification by product type

Addressing consumers' needs with a comprehensive suite of products

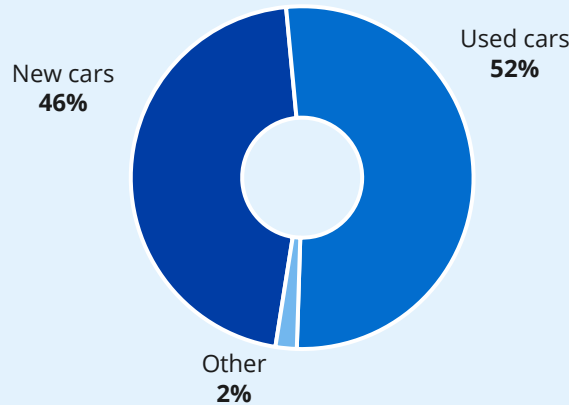
(% of 2024 revenue)



## Diversification by vehicle type

Good balance between new and used cars

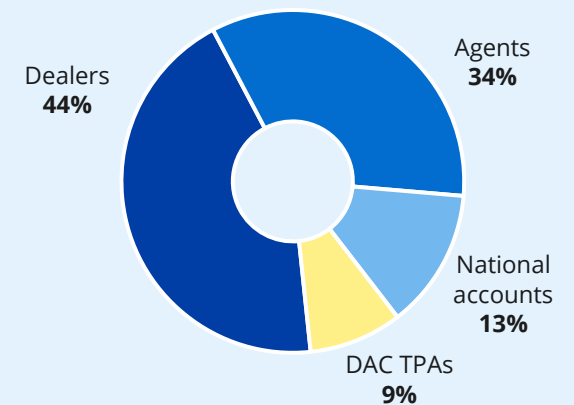
(% of 2024 revenue)



## Diversification by distribution channels

Less than 50% in any given channel

(% of 2024 revenue)





# One-stop partner for U.S. dealerships

Providing a full product suite to dealers and clients

- To meet the needs of vehicle buyers and dealerships
- To complement and enhance OEM-provided warranties
- To strengthen relationships with distributors

iA is one of a handful of full-suite providers in the U.S.



**Mechanical  
protections**



**Damage  
protections**



**Financial  
protections**



**Hazard  
protections**



# Much more than products

To increase dealer performance and enhance partnership alignment

**Fostering solid relationships to become dealers' preferred business partners**

Offering solutions tailored to dealers and administrators of all sizes and structures

Enhancing dealer agility and market speed through integrated, seamless processes

Delivering services to maximize profitability from the F&I and service departments

Value-driven solutions and services

Training, field support & income development

Reinsurance formation & management

Product development

"A"-rated insurance company

Data analytics & risk management

Administration & compliance

# Industry leader in F&I training and income development

- Market-leading in training, as evidenced by the 3 Dealers' Choice Awards won in 2024
- Enabling higher F&I performance and profitability
- Empowering dealerships of all sizes

## F&I Training



- Classroom style training for F&I, Sales and Sales Management
- Multiple training locations across the country, with on-site training also available

## Field Support



- In-store visits designed for:
- on-the-spot training
  - service drive support
  - collateral support
  - increasing share of wallet

## Income Development

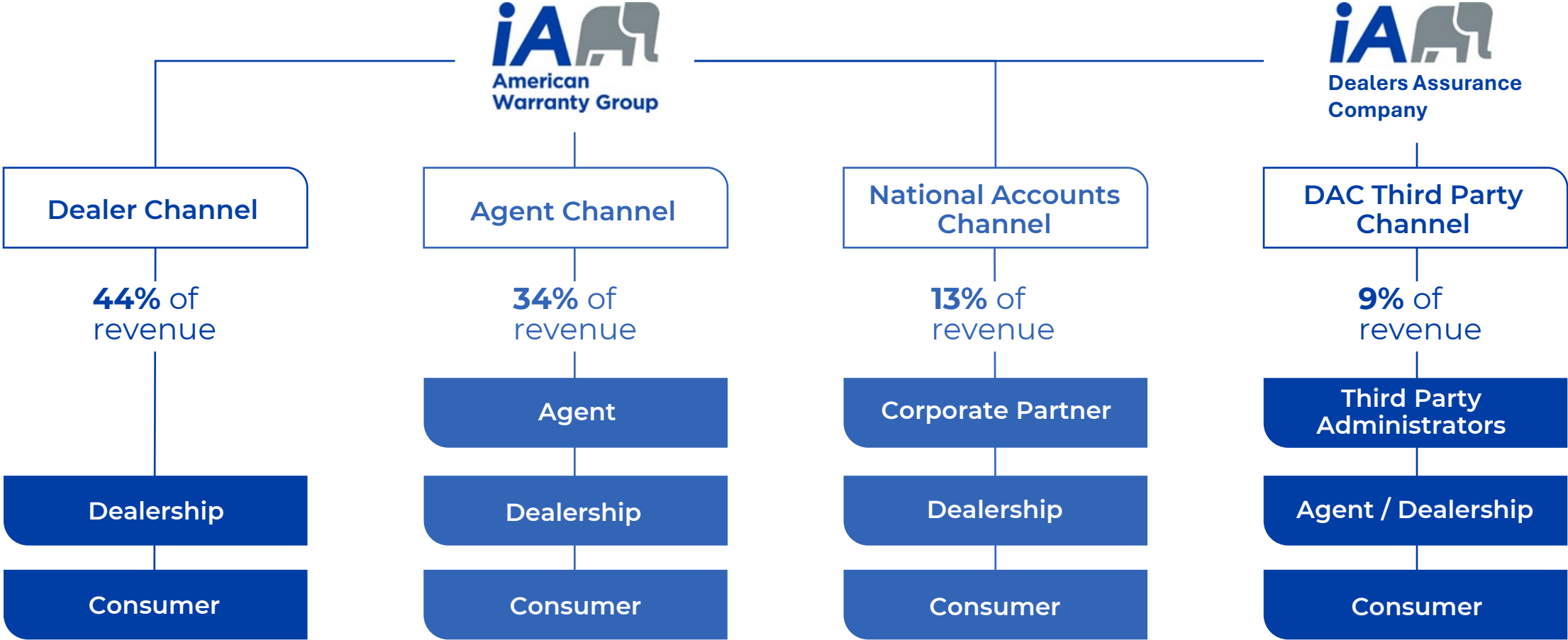


- Full-service F&I consulting for:
- process design
  - compensation structure
  - in-store training and accountability

Building relationships as dealers' trusted advisors and business partner of choice

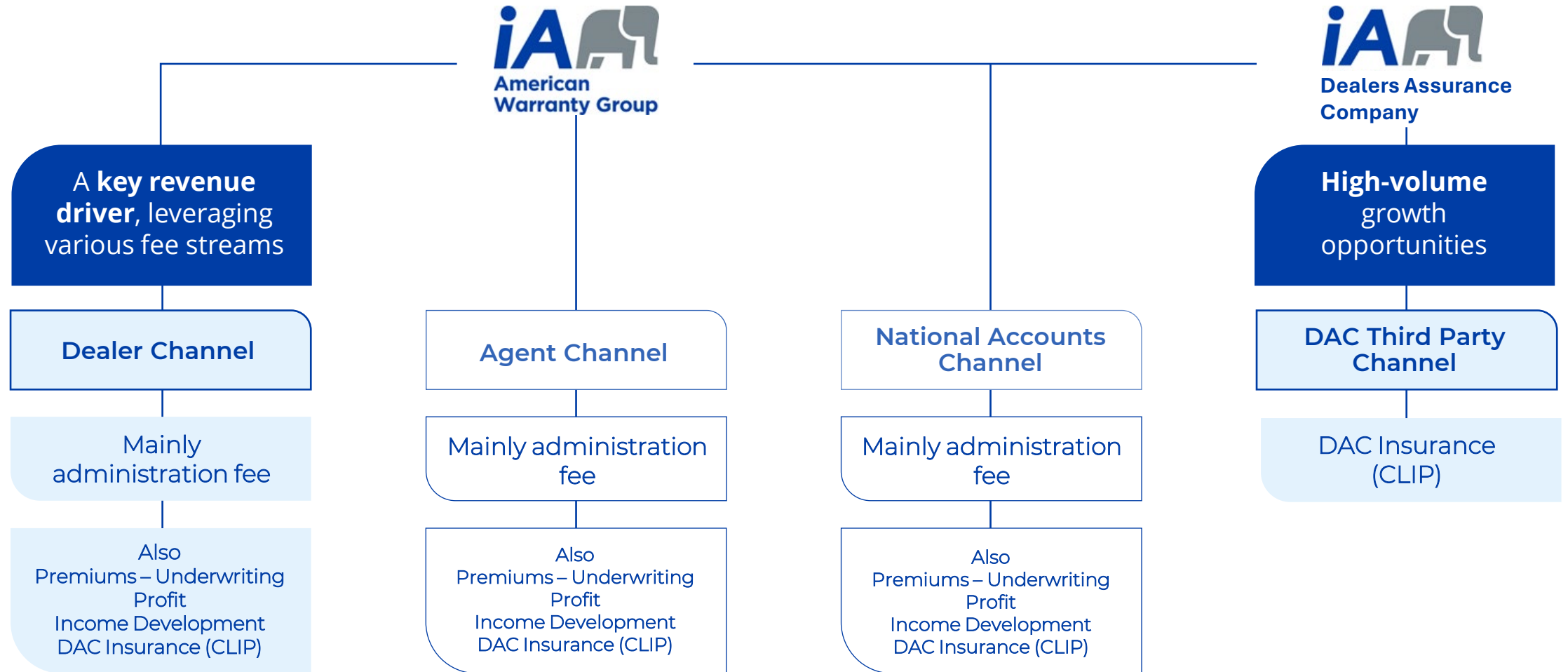


# Diversified distribution channels for more growth opportunities





# Varied distribution channels and fee models





# Building success from a solid base, with key strengths

## Vision and culture

- Experienced leadership team with specific knowledge of U.S. market dynamics
- Focus on disciplined execution of the growth strategy and operational efficiency

## Proactive and agile risk management

### **Proactively adapting to changing market conditions**

- ~5-year contracts allowing for ongoing repricing agility

### **Building on a strong risk management model**

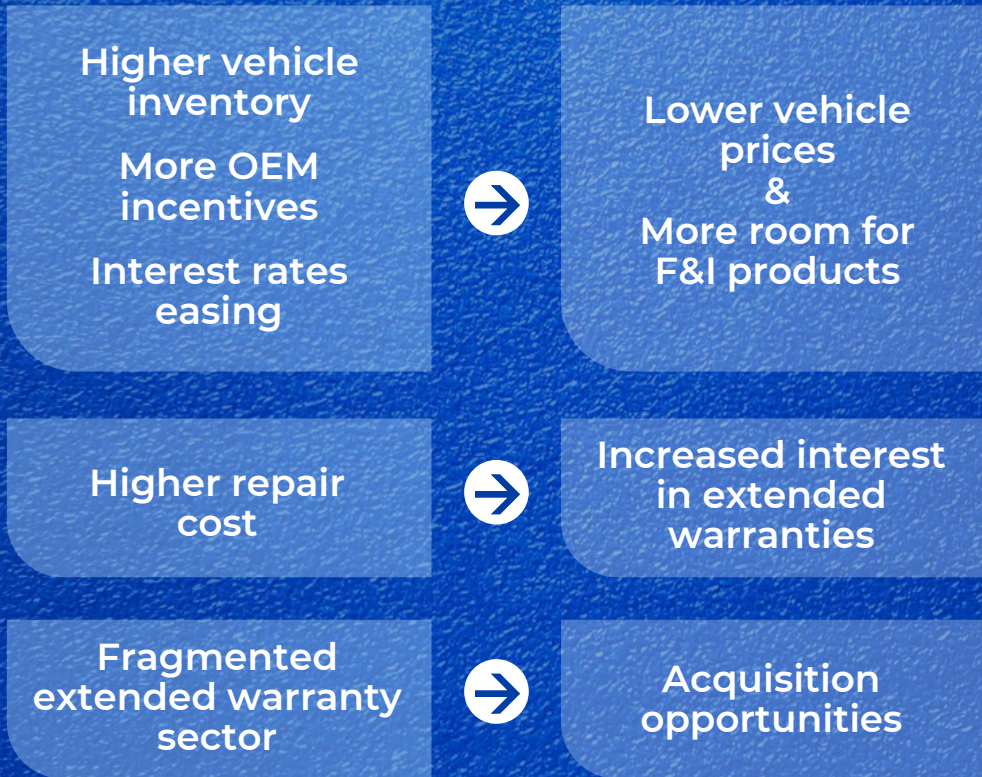
- ~75% of contract risks are fully reinsured
- Trust administered by iA for the payment of claims

### **Proven expertise in managing risks**

- Leveraging 25+ years of Canadian experience in dealer services



# Improving the F&I environment opens up favourable opportunities

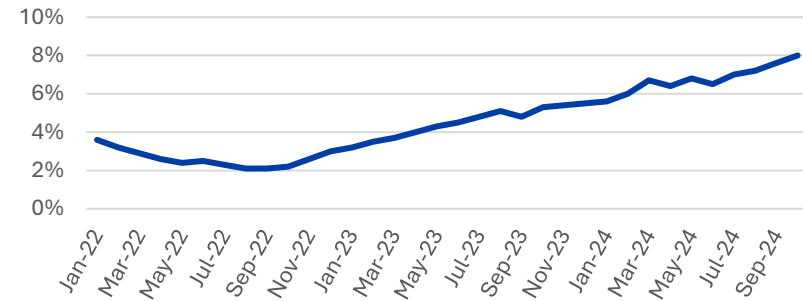


**New vehicle inventory<sup>1</sup>**

(M)



**Incentives as % of average new vehicle price<sup>1</sup>**





# Scaling distribution with increased focus on high-potential channels

**Targeting small to midsize dealership** groups and midsize Third Party Administrators (TPAs)

**Scaling the business**  
Providing market leading services with strong foundations and agile platform



Cutting-edge technology focused on simplicity and client experience

Focus on **distribution** channels with most potential

- Primary focus on Dealer and DAC Third Party Channels
- Deepen connections with distributors

Create **value-added proposition** performance

- Superior service
- High engagement
- Agility
- Provide financial structures



# Earnings growth drivers

Clear path to profitable growth

## Sales<sup>1</sup>

- Keep 2024 sales growth momentum
- Targeting<sup>2</sup> 10%+ annual growth

## Distribution

- Increase and strengthen relationships
- Focus on high-potential, profitable channels

## F&I Environment

- Significantly and rapidly improving
- Increasing opportunities

## Efficiency

- Scale and automation
- Leveraging Canadian synergies and expertise

## Pricing

- Keep disciplined approach
- Be agile on strategic price increase

## Expansion

- Significant potential for growth in huge market
- Potential acquisition in a fragmented market

Financial target<sup>2</sup>



**10%+**  
Annual sales growth



# Appendix

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# Full product line

## **Vehicle Service Contract (VSC)**

Coverage for mechanical and electrical breakdowns after factory warranty expires

## **Tire and Wheel**

Coverage for damage inflicted to tires and wheels due to road hazards

## **Guaranteed Asset Protection (GAP)**

Coverage for the difference between the outstanding loan balance and the value of the vehicle in the event of a total loss

## **Windshield**

Coverage for chips and cracks caused by road debris

## **Anti-Theft**

Monetary benefit (~\$5,000) received by customer if vehicle is stolen and not recovered

## **Key Replacement**

Repair or replacement of key fobs due to loss or malfunction

## **Appearance**

Coverage for exterior paint imperfections over time due to environment and/or interior fabric stains/tears

# Footnotes

## Slide 3

(1) ROE means Return on common shareholder's equity and is equal to the consolidated net income attributed to common shareholders divided by the average common shareholders' equity for the period. ROE represents a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document and the 2024 annual Management's Discussion and Analysis for more information.

## Slide 4

(1) Awarded by Auto Dealer Today Magazine

## Slide 12

(1) Sources: Cox Automotive, Monthly Reports on New Vehicle Inventory, Auto Live Market View, February 2025 and Kelley Blue Book, Monthly Reports on Average New-Vehicle Prices, January 2025.

## Slide 14

- (1) Sales represents a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document and the 2024 annual Management's Discussion and Analysis for more information.
- (2) See "Forward-Looking Statements". Market guidance has been made available by iA Financial Group on the date of this presentation. The purpose of this financial guidance is to provide a description of management's expectations regarding iA Financial Group's annual and medium-term financial performance and may not be appropriate for other purposes. Actual results could vary materially as a result of numerous factors, including the risk factors referenced herein. Certain material assumptions relating to market guidance and other related financial and operating targets are described in this presentation and presentation material made available concurrently herewith.



# Non-IFRS and Additional Financial Measures

iA Financial Corporation (hereinafter referred to as the “Company”) reports its financial results and statements in accordance with IFRS® Accounting Standards (referred to as “IFRS” in this document). The Company also publishes certain financial measures or ratios that are not presented in accordance with IFRS. The Company uses non-IFRS and other financial measures when evaluating its results and measuring its performance. The Company believes that such measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full year results of the Company’s ongoing operations. Since such non-IFRS and other financial measures do not have standardized definitions and meaning, they may differ from similar measures used by other institutions and should not be viewed as an alternative to measures of financial performance, financial position or cash flow determined in accordance with IFRS. The Company strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not to rely on any single financial measure.

**Non-IFRS financial measures** include core earnings (losses).

**Non-IFRS ratios** include core earnings per common share (core EPS); core return on common shareholders’ equity (core ROE); dividend payout ratio, core; and financial leverage ratio.

**Supplementary financial measures** include return on common shareholder’s equity (ROE); Assets under Administration; Assets under Management; capital available for deployment; organic capital generation; Net premiums; Premium equivalents and deposits and sales.

For relevant information about non-IFRS and other financial measures, including a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure used in this document, see the “Non-IFRS and Additional Financial Measures” section in the Management’s Discussion and Analysis (MD&A) for the period ending December 31, 2024, which is hereby incorporated by reference and is available for review on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca) or on iA Financial Group’s website at [ia.ca](https://ia.ca).

**In this presentation, items marked with the † symbol are non-IFRS financial measures and items marked with the †† symbol are non-IFRS ratios.**

# Forward-looking statements

This document may contain statements relating to strategies used by iA Financial Group or statements that are predictive or otherwise forward-looking in nature, that depend upon or refer to future events or conditions, or that include words such as “may”, “will”, “could”, “should”, “would”, “suspect”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate”, and “continue” (or the negative thereof), as well as words such as “objective”, “goal”, “guidance”, “outlook” and “forecast”, or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this document, forward-looking statements include, but are not limited to, statements relating to financial guidance, strategies and outlook. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change.

Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. In addition, certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. The dividend and distribution policy is subject to change and dividends and distributions are declared or made at the discretion of the Board of Directors.

- Material factors and risks that could cause actual results to differ materially from expectations include, but are not limited to: general business and economic conditions; level of competition and consolidation and ability to adapt products and services to market or customer changes; information technology, data protection, governance and management, including privacy breach, and information security risks, including cyber risks; level of inflation; performance and volatility of equity markets; interest rate fluctuations; hedging strategy risks; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; unexpected changes in pricing or reserving assumptions; iA Financial Group liquidity risk, including the availability of funding to meet financial liabilities at expected maturity dates; mismanagement or dependence on third-party relationships in a supply chain context; ability to attract, develop and retain key employees; risk of inappropriate design, implementation or use of complex models; fraud risk; changes in laws and regulations, including tax laws; contractual and legal disputes; actions by regulatory authorities that may affect the business or operations of iA Financial Group or its business partners; changes made to capital and liquidity guidelines; risks associated with the regional or global political and social environment; geopolitical and trade uncertainty; climate-related risks including extreme weather events or longer-term climate changes and the transition to a low-carbon economy; iA Financial Group’s ability to meet stakeholder expectations on environmental, social and governance matters; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the COVID-19 pandemic) and acts of terrorism; and downgrades in the financial strength or credit ratings of iA Financial Group or its subsidiaries.
- Material factors and assumptions used in the preparation of financial outlook include, but are not limited to: accuracy of estimates, assumptions and judgments under applicable accounting policies, and no material change in accounting standards and policies applicable to the Company; no material variation in interest rates; no significant changes to the Company’s effective tax rate; no material changes in the level of the Company’s regulatory capital requirements; availability of options for deployment of excess capital; credit experience, mortality, morbidity, longevity and policyholder behaviour being in line with actuarial experience studies; investment returns being in line with the Company’s expectations and consistent with historical trends; different business growth rates per business unit; no unexpected changes in the economic, competitive, insurance, legal or regulatory environment or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; no unexpected change in the number of shares outstanding; and the non-materialization of risks or other factors mentioned or discussed elsewhere in this document or found in the “Risk Management” section of the Company’s Management’s Discussion and Analysis for 2024 that could influence the Company’s performance or results.

Economic and financial instability, driven by geopolitical tensions such as the Ukraine war, Middle East conflicts and other global conflicts, as well as tensions related to China, could cause global market volatility. In addition, trade barriers, such as potential and actual tariffs by the U.S., could shift global growth and trade patterns and have a ripple effect on supply chains, potentially further disrupting markets. These events, among others, could lead to reduced consumer and investor confidence, significant financial volatility, or limited growth opportunities. Political instability in Canada and potential early elections add to the uncertainty.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the “Risk Management” section of the Management’s Discussion and Analysis for 2024, the “Management of Financial Risks Associated with Financial Instruments and Insurance Contracts” note to the audited consolidated financial statements for the year ended December 31, 2024 and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at [sedarplus.ca](http://sedarplus.ca).

The forward-looking statements in this document reflect iA Financial Group’s expectations as of the date of this document. iA Financial Group does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.



FEBRUARY 24, 2025

