GREENHAVEN ROAD CAPITAL

# Hagerty Inc. (NYSE: HGTY)
# Sept. 2025

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# In Car Collecting –The Holy Grail Is A Barn Find

# In Capital Markets A Barn Find Is…..

## UPSIDE

A company that will 5X earnings without heroic assumptions that can be bought today for a below market multiple.

## NON-CONSENSUS

The analysts models/mismodels only go out for 1 year.  There are no consensus numbers for the period of transformation.

# Not Interesting at First Glance


| Screening Statistics (as of 9/2/2025) | | |
|---|---|---|
| | 2024 | 2025E |
| Price to Earnings Ratio (P/E) | 40.2x | 34.5x |
| Price to Book Ratio (P/B) | 5.8x | 6.2x |

Source: CapitalIQ and Factset Data

HAGERTY®


## 5X Earnings from 2024 - 2029

## Operating Leverage – Revenues Grow 20% Faster than Expenses

## Not Reliant on The World Changing

- Non-discretionary product - required by law
- Large contractual event that has not flowed through the financial statements (when not If) – State Farm
- Completion of a successful transition to an industry standard platform to reach industry level margins

Source: Company filings and GHR analysis

# Why We Are Here

**48%**
Insider Ownership

Owner / operator with other large, sophisticated insurance companies as top shareholders.

**5x**
EPS

High-quality business with a long growth runway where earnings are expected to 5x over the next 5 years.

**27%**
CAGR

Expected investment CAGR over the next 3 years.

# While there is Sell-Side Coverage…

ThinkEquity

J.P.Morgan

KEEFE, BRUYETTE & WOODS
*A Stifel Company*

RAYMOND JAMES

TRUIST

# …One Models to 2027, Zero to 2028.

TRUIST

**Rating** - **Hold**
**Price Target** - $11
**Model Ends** - 2026

RAYMOND JAMES

**Rating** - Underperform
**Price Target** – No Target
**Model Ends** - 2026

ThinkEquity

**Rating** - **Buy**
**Price Target** - $11
**Model Ends** - 2024

J.P.Morgan

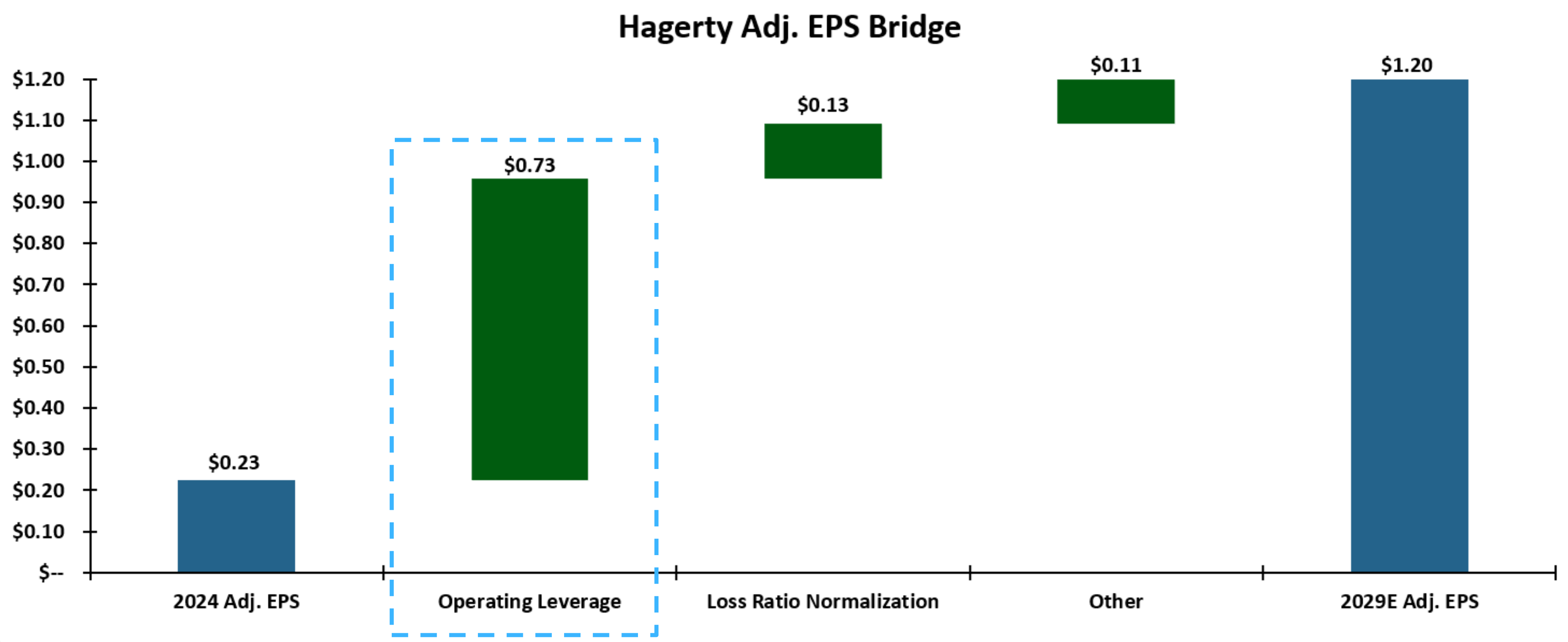
**Rating** - Neutral
**Price Target** - $11
**Model Ends** - 2026

KBW KEEFE, BRUYETTE & WOODS
*A Stifel Company*

**Rating** - **Outperform**
**Price Target** - $14
**Model Ends** - 2027

Source: Truist, ThinkEquity, Raymond James, JPMorgan, and KBW Research Reports

# This is an “Underearning to Normalization” Story




Source: Company filings and GHR analysis

# Potential Returns

| 2029 Estimates – Core Cases | | | |
|---|---|---|---|
| | **Downside** | **Base** | **Upside** |
| Revenue | $2,164,811 | $2,409,099 | $2,721,755 |
| Adj. EBIT | 284,960 | 452,603 | 603,991 |
| *% Margin* | *13.2%* | *18.8%* | *22.2%* |
| | | | |
| EPS | $0.73 | $1.20 | $1.51 |
| P/E Multiple | 16.5x | 19.5x | 23.5x |
| TEV / EBIT | 13.7x | 17.1x | 19.7x |
| Tgt Px | $12 | $23 | $35 |
| Cum. Divs. | $-- | $-- | $-- |
| *% Return* | *7%* | *108%* | *215%* |
| *% IRR* | *1.9%* | *24.6%* | *41.1%* |
| | | | |
| Probability | *15.0%* | *55.0%* | *30.0%* |

Assumes $11.25 share price (as of 9/2/2025).


Source: GHR analysis

# History


BOATS


Classic Cars


Hagerty Reinsurance Established

2019

Markel Invests $212.5M

2021

State Farm invests$500M/ Partnership signed

2022

Purchased Broad Arrow to enter Marketplace

Source: Company filings and GHR analysis

# Company Overview

| | |
|---|---|
| Share Price (09/02/2025) | $11.25 |
| Fully Diluted Shares | 353,990 |
| **Market Cap** | **$3,982,391** |
| Plus: Total Debt | **194,286** |
| Plus: Preferred Equity | **82,813** |
| Less: Cash | **(140,300)** |
| Plus: Minority Interests | **--** |
| **Enterprise Value** | **$4,119,190** |
| *Net Leverage* | *0.9x* |
| 52 Week Range | $8.03 - $12.16 |
| *% of 52-Wk High* | *94%* |
| 30-Day Avg. $ Volume (USD mm) | $2.6 |

**Top 5 Shareholders (% of S/O)**

| | |
|---|---|
| Hagerty Family | 48.2% |
| Markel Group (NYSE: MKL) | 22.6% |
| State Farm | 15.0% |
| Neuberger Berman | 1.6% |
| Polar Capital Holdings | 1.5% |
| **Top 5 Shareholders % of S/O** | **88.9%** |

Source: Company filings and GHR analysis

Knowledgeable and Sophisticated Shareholder Base

# Owner / Operator

**Largest Insurer of Classic & Collector Case**

**20-year Revenue CAGR of 20%+**

**Established Partnerships with 9/10 top insurance companies**

**Family Owns 48% worth $1.8B+**

"Everything we do at Hagerty is to help people get the most out of the passion they have for cars and driving.

-McKeel Hagerty, CEO

Source: Company filings and GHR analysis

# Why Partner with Hagerty?

“

The classic car policy is $300 a year in premium, it’s more now, but it’s $300 a year or $350 a year. And the household premium is $3,500.  So, there’s a 10x factor. And that’s what you’re looking at, is the reason you would do that (partner). So then when you go through a build, buy, partner, you look at build, like it’s expensive. It wouldn’t be as good as what Hagerty offers. And I don’t actually care about the policy, I care about the household.

–Former VP, Emerging Partnerships at Nationwide

Source: Company filings and GHR analysis

## Partnered with 9 of the top 10 auto insurers

PROGRESSIVE
TRAVELERS
Allstate
Nationwide
StateFarm
USAA
AMERICAN FAMILY INSURANCE
Liberty Mutual INSURANCE
FARMERS INSURANCE

# Why Customers Buy

01

**BETTER INSURANCE**

Guaranteed value

02

**SUPPORT**

Sourcing parts / Network of repair shops

03

**EASIER TO PURCHASE**

No need for separate appraisal

Source: Company filings and GHR analysis

# Satisfaction In the Numbers

## Net Promoter Score®

**82**
Hagerty NPS

**39**
Industry Avg

Net Promoter Score (NPS) is a loyalty metric. NPS represents how we are doing in the minds of our clients

## Adjusted Retention Number

**92%**
Hagerty Adj. Retention

**87%**
Industry Avg

~30% of Hagerty's churn is due to policies lost when a vehicle is sold.

Source: Company filings and GHR analysis

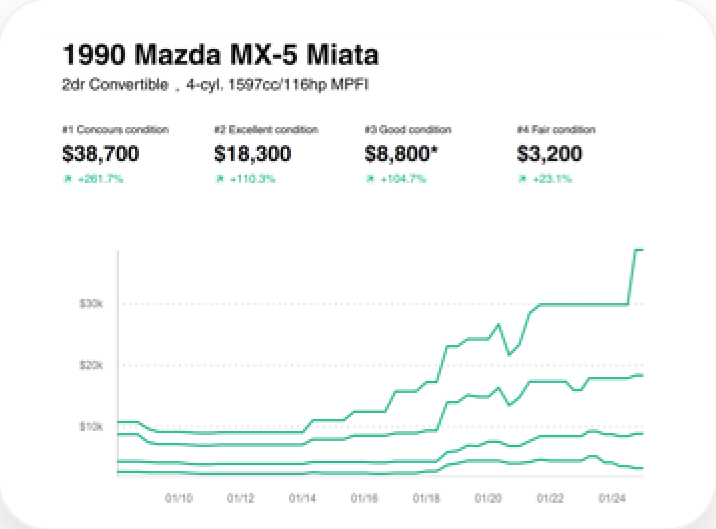
# Secular Tailwinds- Appreciating Assets in a Growing Category

## APPRECIATING ASSET

Vehicles insured by Hagerty generally appreciate in value vs. a traditional everyday driver, creating natural organic uplift in avg. annual premium each year.

## EARLY IN TAM PENETRATION

With ~1.5M policies in force today covering 2.55M (2.26M in U.S.) vehicles and an estimated TAM of 43M registered classic/collector/enthusiast vehicles in U.S., Hagerty has only 5.3% penetration.

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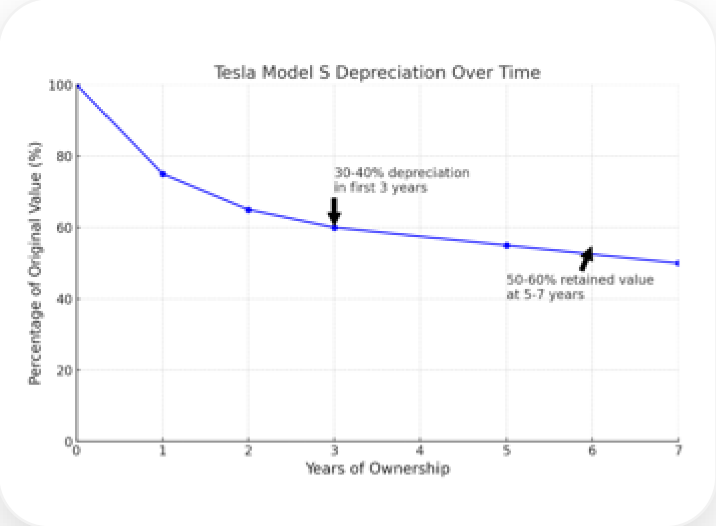
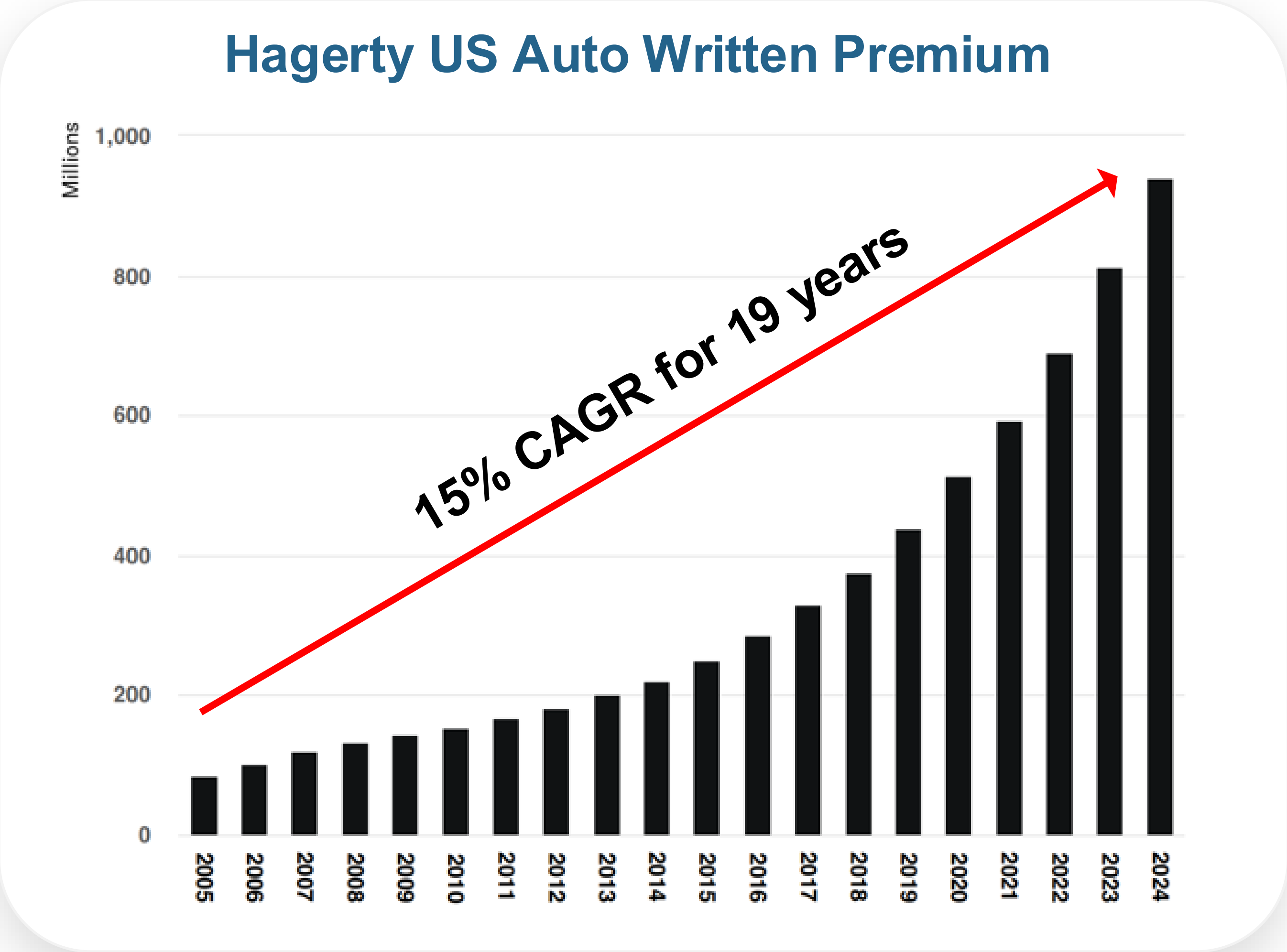


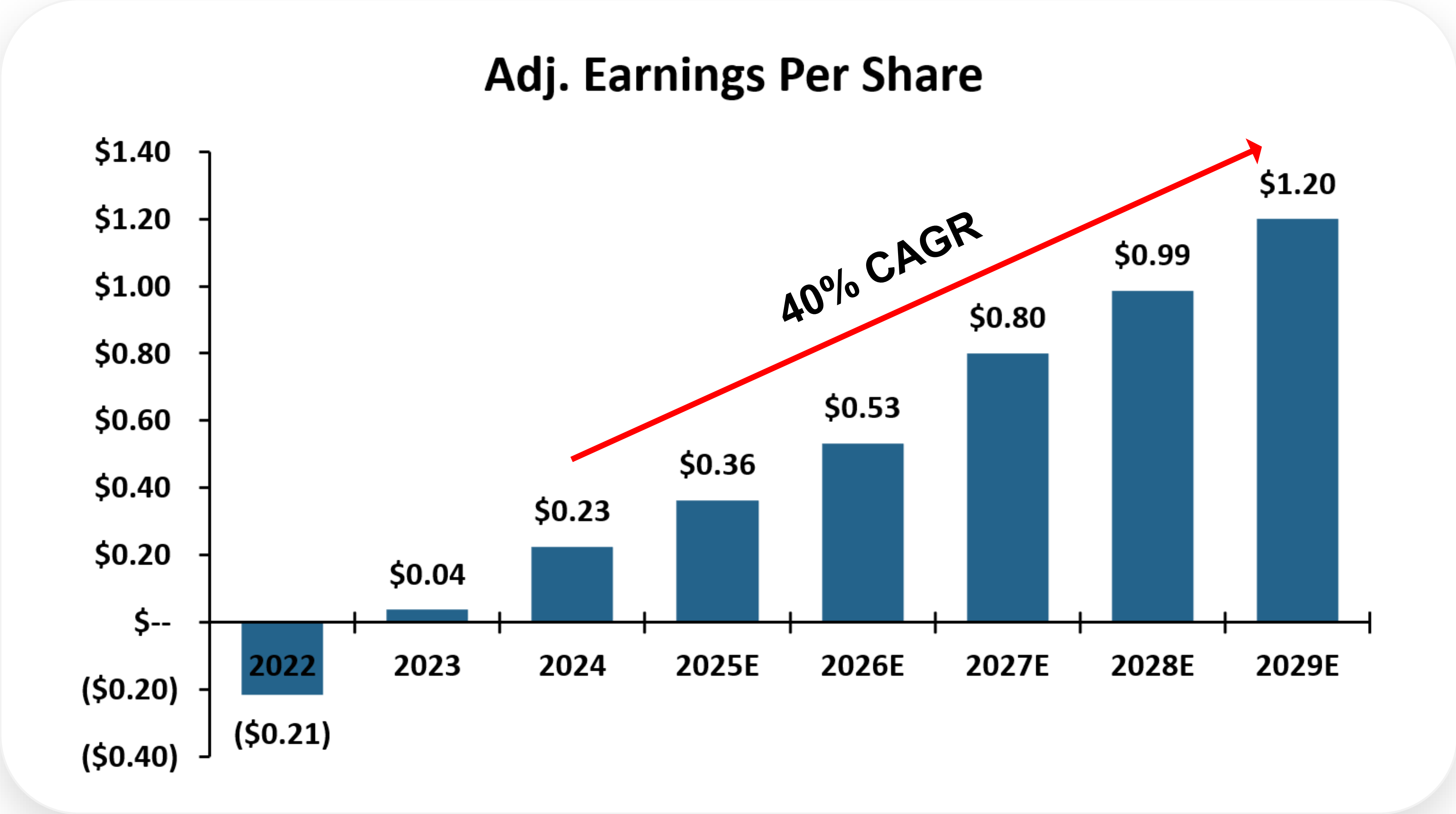

Source: Company filings and GHR analysis

# The Past - Core Insurance Organic Growth




Source: Company filings and GHR analysis

# The Future - EPS 5x in 5 Years




Source: Company filings and GHR analysis

# State Farm Partnership Investment Distorts Historical Financials

StateFarm®

| Estimated Upfront State Farm Investment ($ Thousands) | | | | | |
|---|---|---|---|---|---|
| | **2020** | **2021** | **2022** | **2023** | **2024** |
| State Farm Revenues | $0 | $0 | $0 | $0 | $1,200 |
| State Farm Costs | ($13,350) | ($23,250) | ($22,350) | ($15,000) | ($600) |

# Track Record of Op. Leverage Despite Large Upfront Investments

HAGERTY®

StateFarm®

| Income Statement Account | CAGR 2020 – 2024 |
|---|---|
| Total Revenue | 24.5% |
| Salaries & Benefits | 12.7% |
| Sales Expense | 21.9% |
| General & Administrative | 12.7% |

| Estimated Upfront State Farm Investment ($ Thousands) | | | | | |
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| | **2020** | **2021** | **2022** | **2023** | **2024** |
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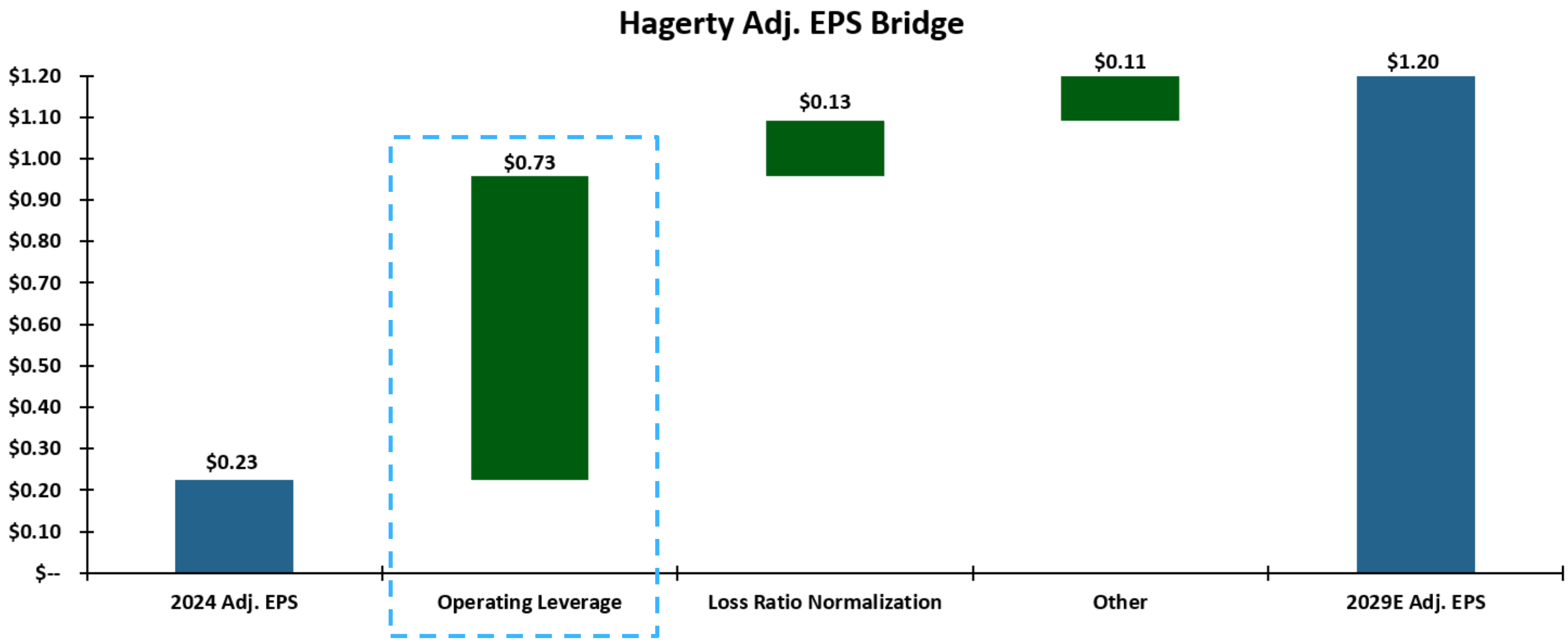



Source: Company filings and GHR analysis

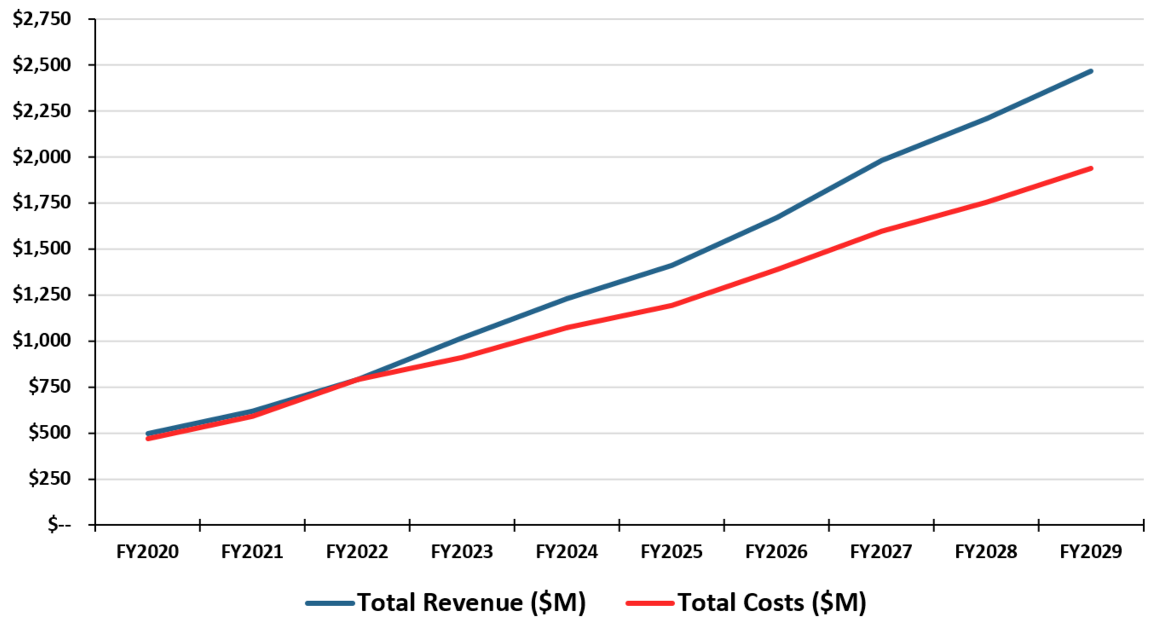
# Op. Leverage – Revenues Grow Faster Than Expenses

## REVENUES GROW:

- State Farm
- Partnership Organic Growth
- Price

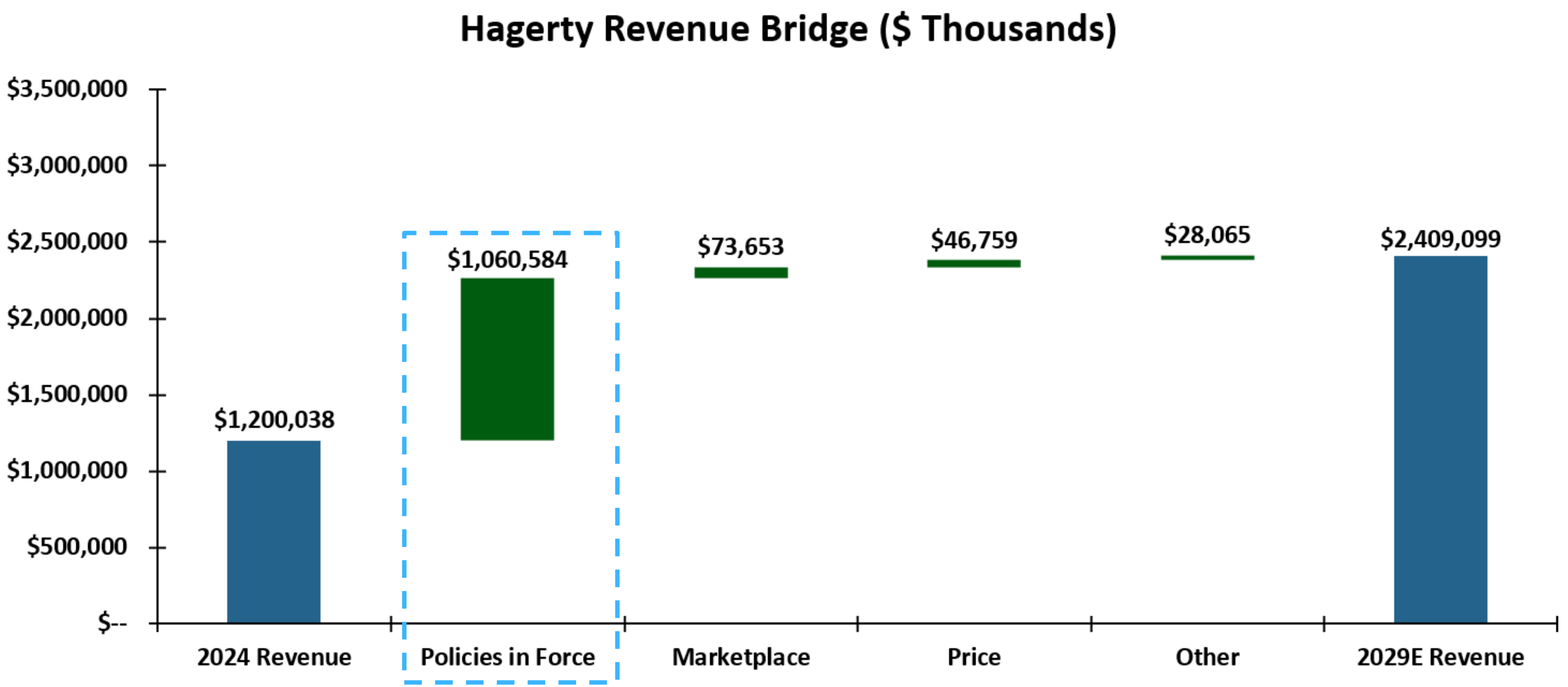
## EXPENSES MODERATE:

- State Farm implementation spend goes to zero
- Benefits of New Technology Platform
- SG&A Spread Over Larger Base



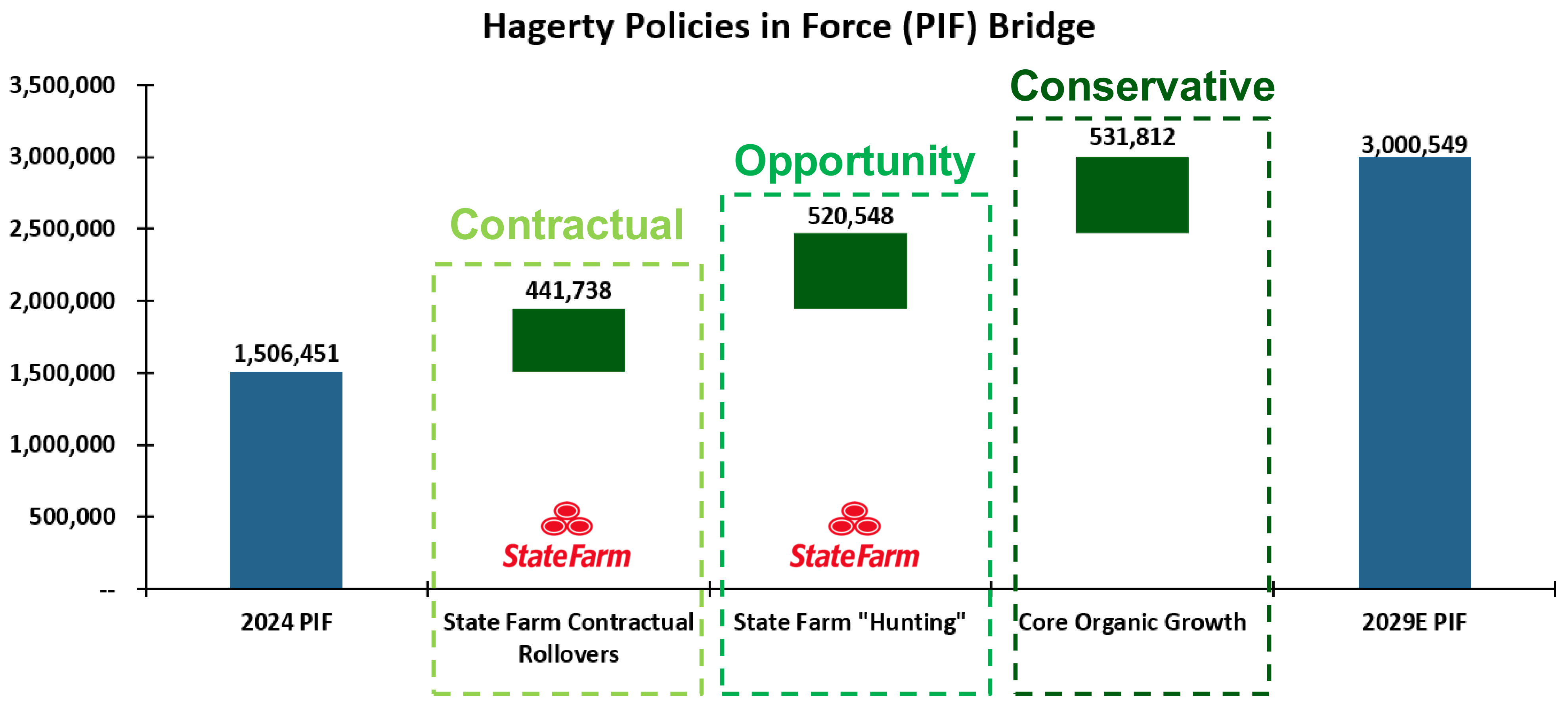

Source: Company filings and GHR analysis

# PIF Growth Drives ~88% of Revenue Growth…




Source: Company filings and GHR analysis

# …and the Road to Success isn't Challenging.




Source: Company filings and GHR analysis

# ~64% is Related to State Farm Partnership…

"We're actually very pleased with the progress all around State Farm… ***<u>this is not an if, it's a when</u>***, and they're a large investor in Hagerty."

— McKeel Hagerty, CEO

**440k+***

Contractual rollover policies

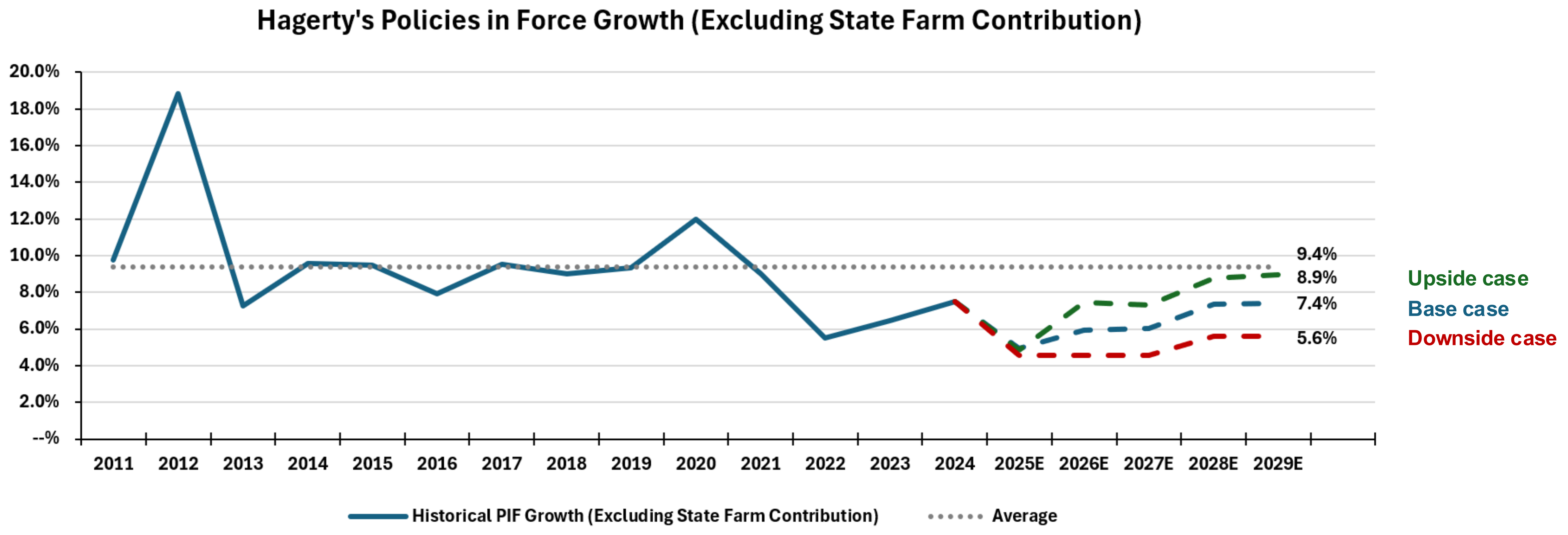
**~520k***

Incremental policies Hagerty can "hunt"

Source: Company filings and GHR analysis

* Figures are after accounting for churn and penetration timelines at historical rates. Gross contractual rollover policies and incremental "hunting" policies are estimated to be 550k and 1.5M, respectively.

# …and the remaining growth rates are conservative.



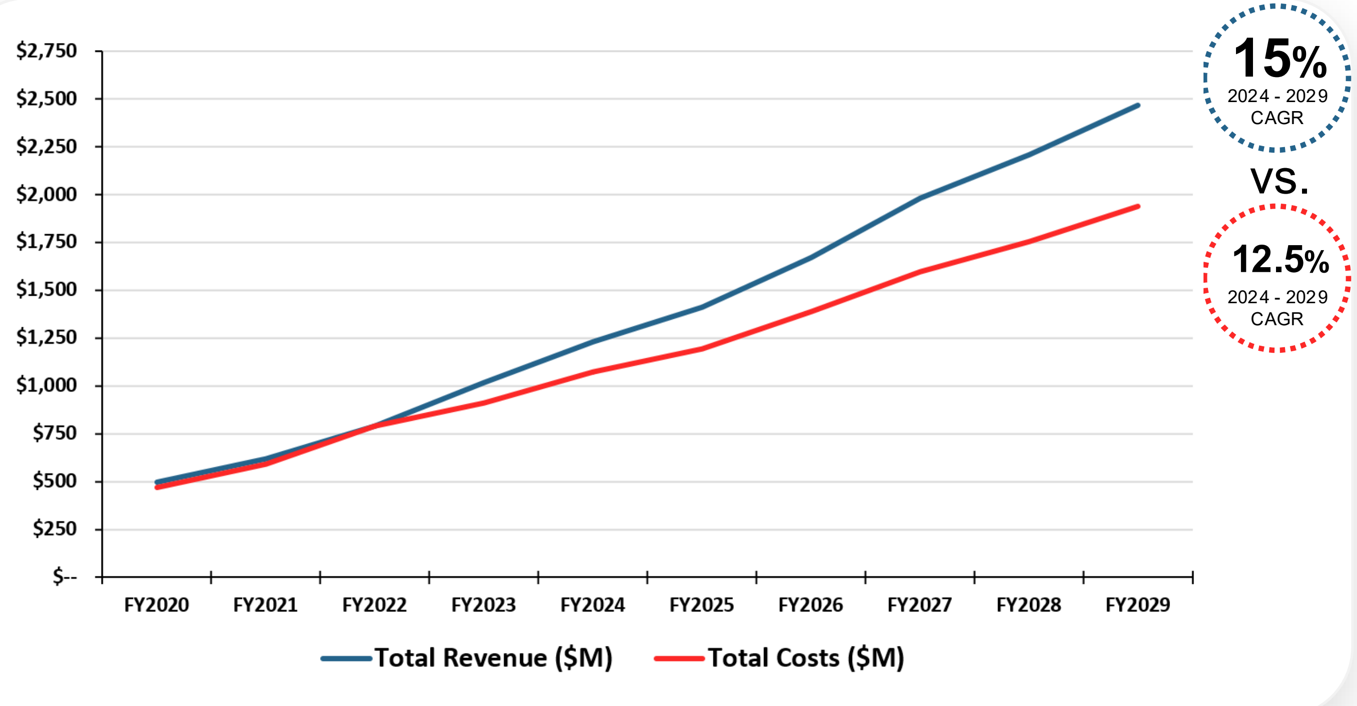

Source: Company filings and GHR analysis

# Expense Moderation

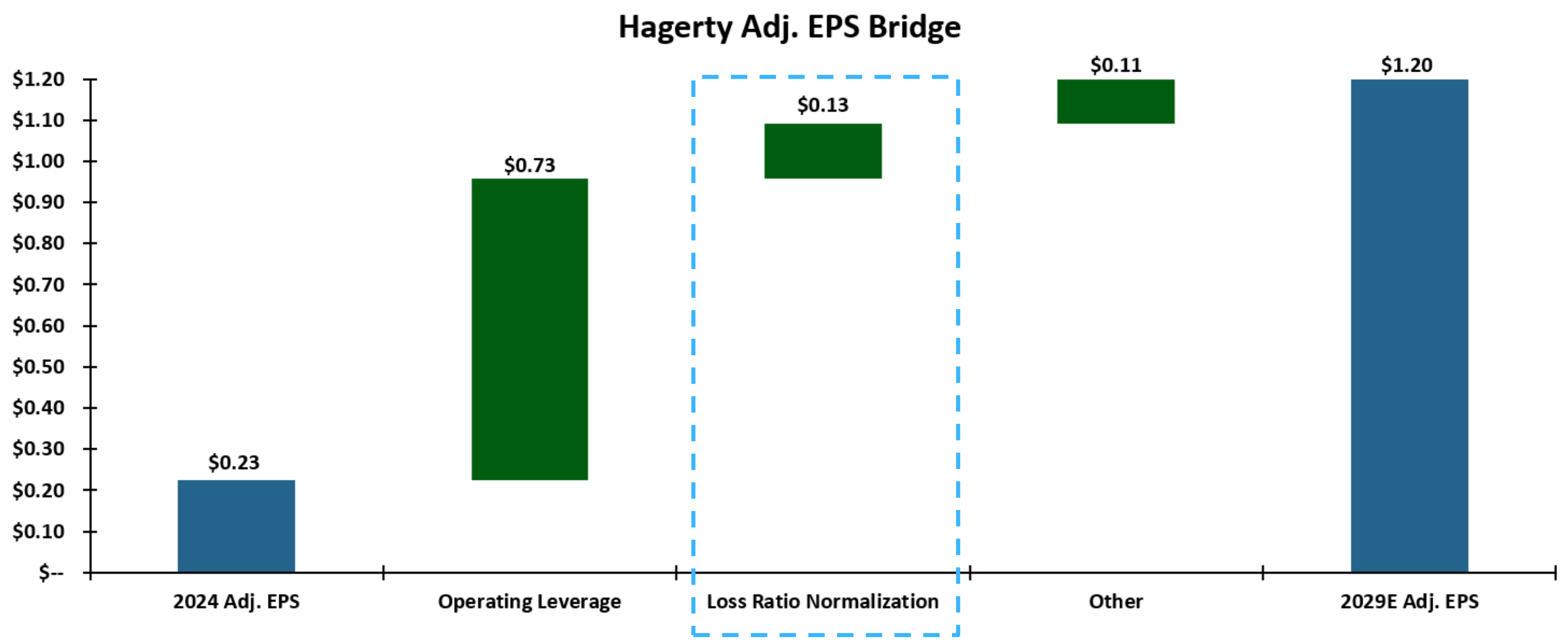
**01** Completion of IT system migration — 2 systems to 1.

**02** SG&A spread over larger base. A doubling of policies in force does not require doubling of many functions.

**03** Cost per incremental employee needed to support growth is lower than the current rate.

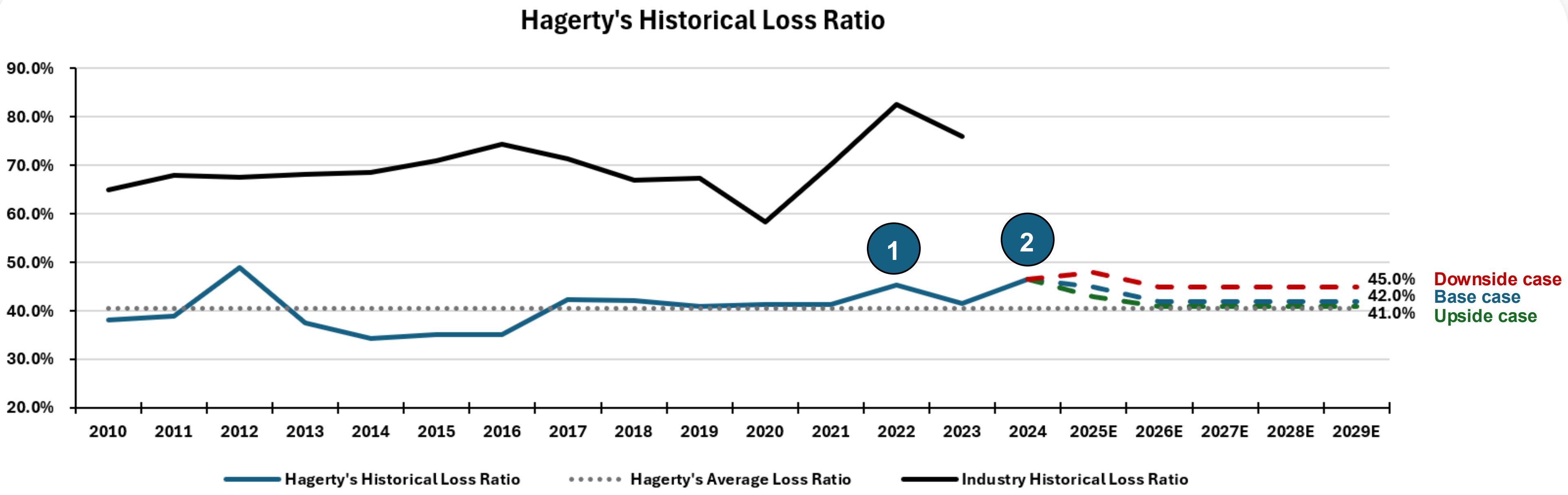


# Loss Ratio Normalization Drives 13% of Total Uplift




Source: Company filings and GHR analysis

# Normalization Well Within Historical Norms…

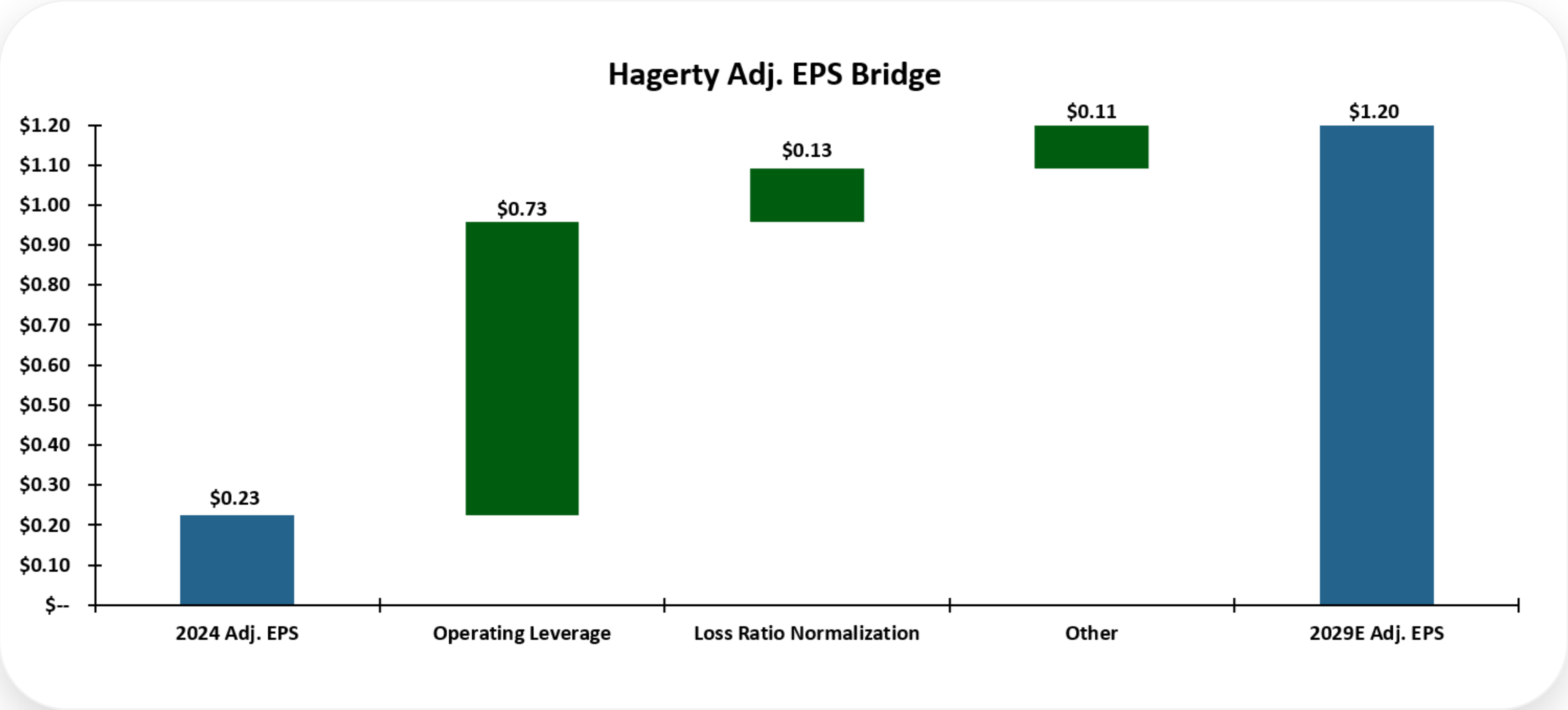

1 Hurricane Ian adds 2.5% to loss ratio.

2 Hurricanes Helene & Milton add 2.3% to loss ratio.

Source: Company filings and GHR analysis

**Post-CAT rate increases lead to normalized loss ratio**

# Heroic Outcome Without Heroic Assumptions




Source: Company filings and GHR analysis

> "We are willing to make these short-term trade-offs because we are looking to maximize shareholder value over periods of time measured in years and decades, not quarters."

— McKeel Hagerty (3/04/2025, Q4 2024 earnings call)

Source: Company filings

GREENHAVEN ROAD CAPITAL

# Thank you!

investorrelations@greenhavenroad.com | www.greenhavenroad.com

# Appendix

# Appendix

- An Advantaged Business
- Hagerty Insurance Business Model
- State Farm History and Opportunity
- Marketplace Opportunity
- The Power of an Ecosystem
- The Model
- Management Overview

# Appendix



# Why Customers Buy

01

## BETTER INSURANCE

Guaranteed value

02

## SUPPORT

Sourcing parts / Network of repair shops

03

## EASIER TO PURCHASE

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Source: Company filings and GHR analysis

# Satisfaction In the Numbers

## Net Promoter Score®

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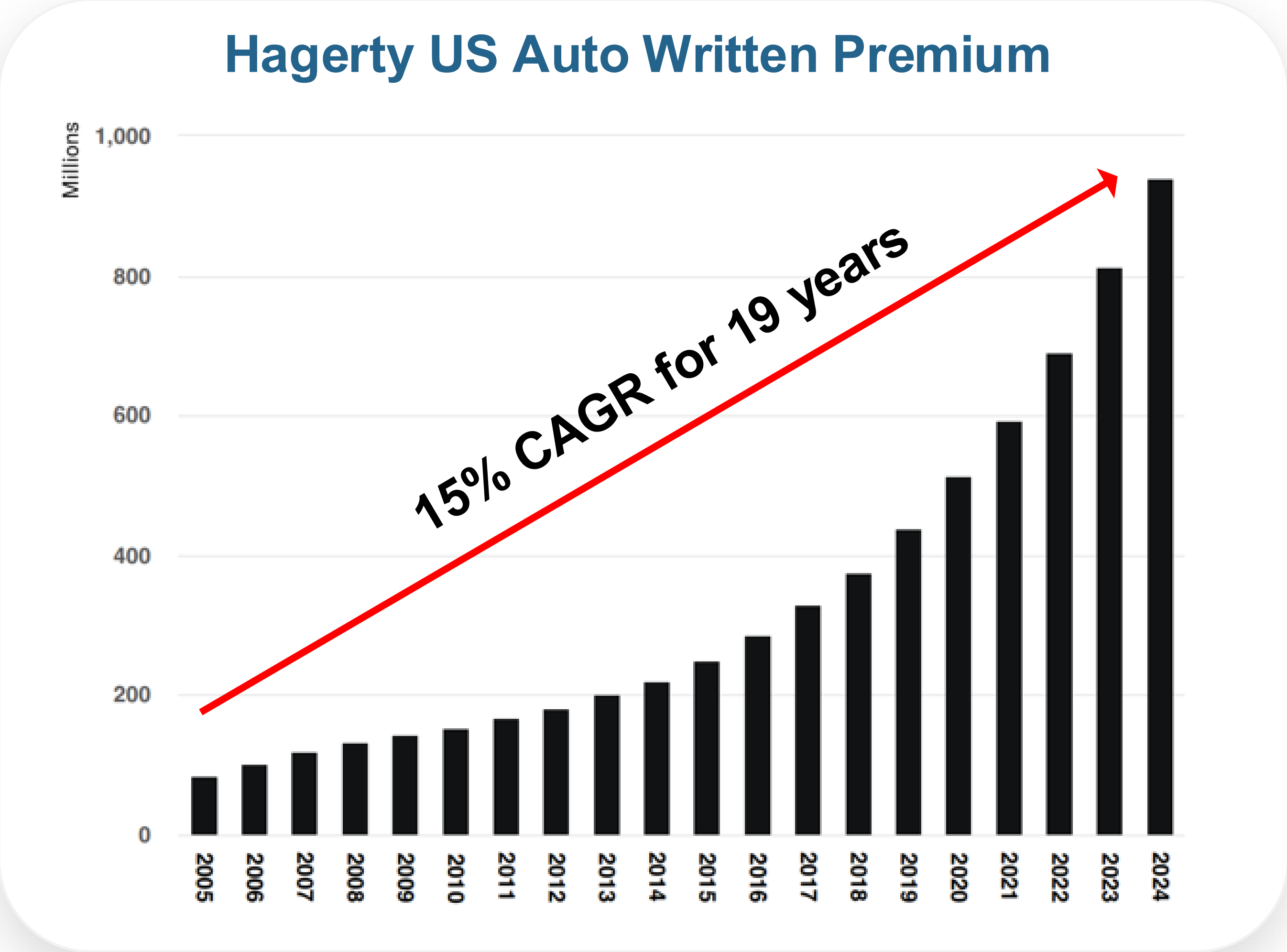
Industry Avg

~30% of Hagerty's churn is due to policies lost when a vehicle is sold.

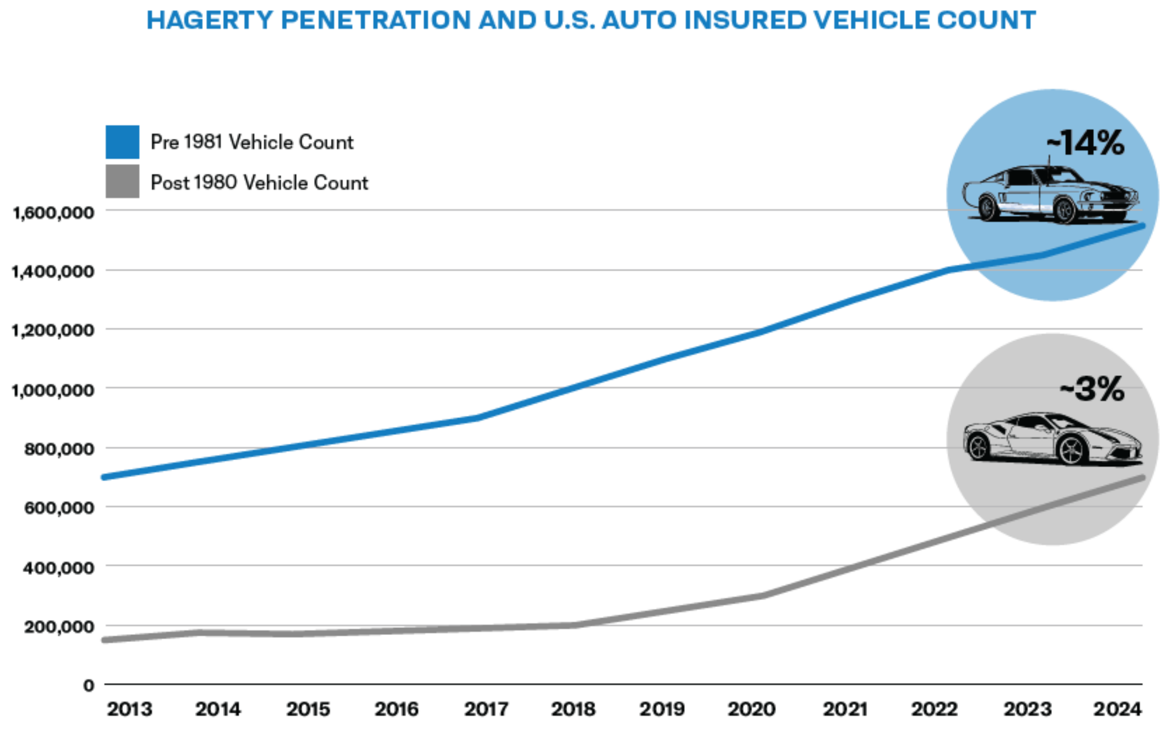
Source: Company filings and GHR analysis

# Core Insurance History of Organic Growth




Source: Company filings and GHR analysis

# Long Runway for Growth – 6.7% Penetrated




**COLLECTIBLE VEHICLES BY COHORT**

| TYPE | TOTAL ADDRESSABLE MARKET (M) | HAGERTY TARGET MARKET[1] (M) | HAGERTY TCM PENETRATION |
|---|---|---|---|
| Pre 1981 Vehicles | 11.1 | 11.1 | 14.4% |
| Post 1980 Vehicles | 35.4 | 24.0 | 3.1% |
| **Total** | **46.5** | **35.0** | **6.7%** |

Source: Company filings and GHR analysis

# Secular Tailwinds- Appreciating Assets in a Growing Category

## APPRECIATING ASSET

Vehicles insured by Hagerty generally appreciate in value vs. a traditional everyday driver, creating natural organic uplift in avg. annual premium each year.

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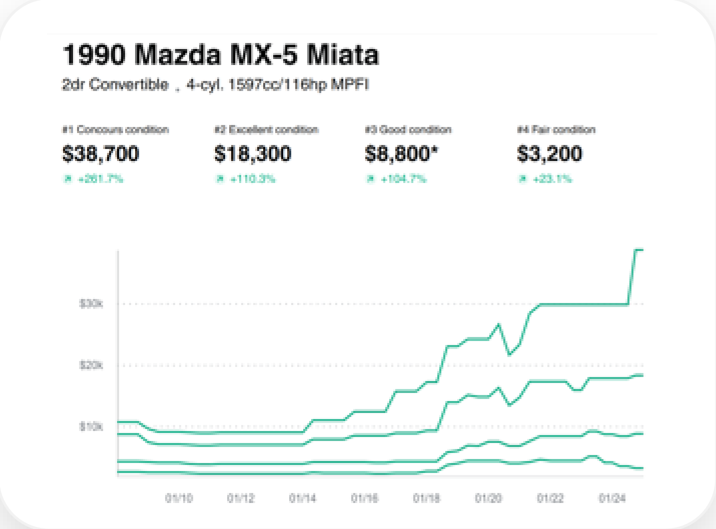


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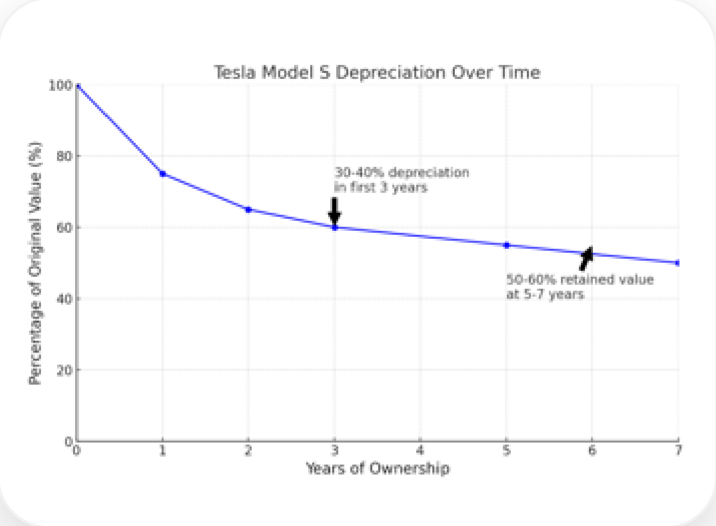



Source: Company filings and GHR analysis

# Putting it All Together

The largest insurer of classic cars with ancillary businesses that creates an ecosystem which allows them to:

01 **ACQUIRE** customers for less

02 **MONETIZE** customers better while having the highest NPS in the business

Source: GHR analysis

# How Does Hagerty Acquire Customers For Less?

"

The classic car policy is $300 a year in premium, it's more now, but it's $300 a year or $350 a year. And the household premium is $3,500.  So, there's a 10x factor. And that's what you're looking at, is the reason you would do that (partner). So then when you go through a build, buy, partner, you look at build, like it's expensive. It wouldn't be as good as what Hagerty offers. And I don't actually care about the policy, I care about the household.

–Former VP, Emerging Partnerships at Nationwide

## Partnered with 9 of the top 10 auto insurers

PROGRESSIVE

TRAVELERS

Allstate

Nationwide

StateFarm

USAA

AMERICAN FAMILY INSURANCE

Liberty Mutual INSURANCE

FARMERS INSURANCE

Source: Company filings and GHR analysis

# Break Even or Better Touchpoints with Customers

| MEDIA | EVENTS |
|---|---|

## Hagerty Media & Entertainment

Multiple, high touch contact points create more engaged customers than TV advertising alone

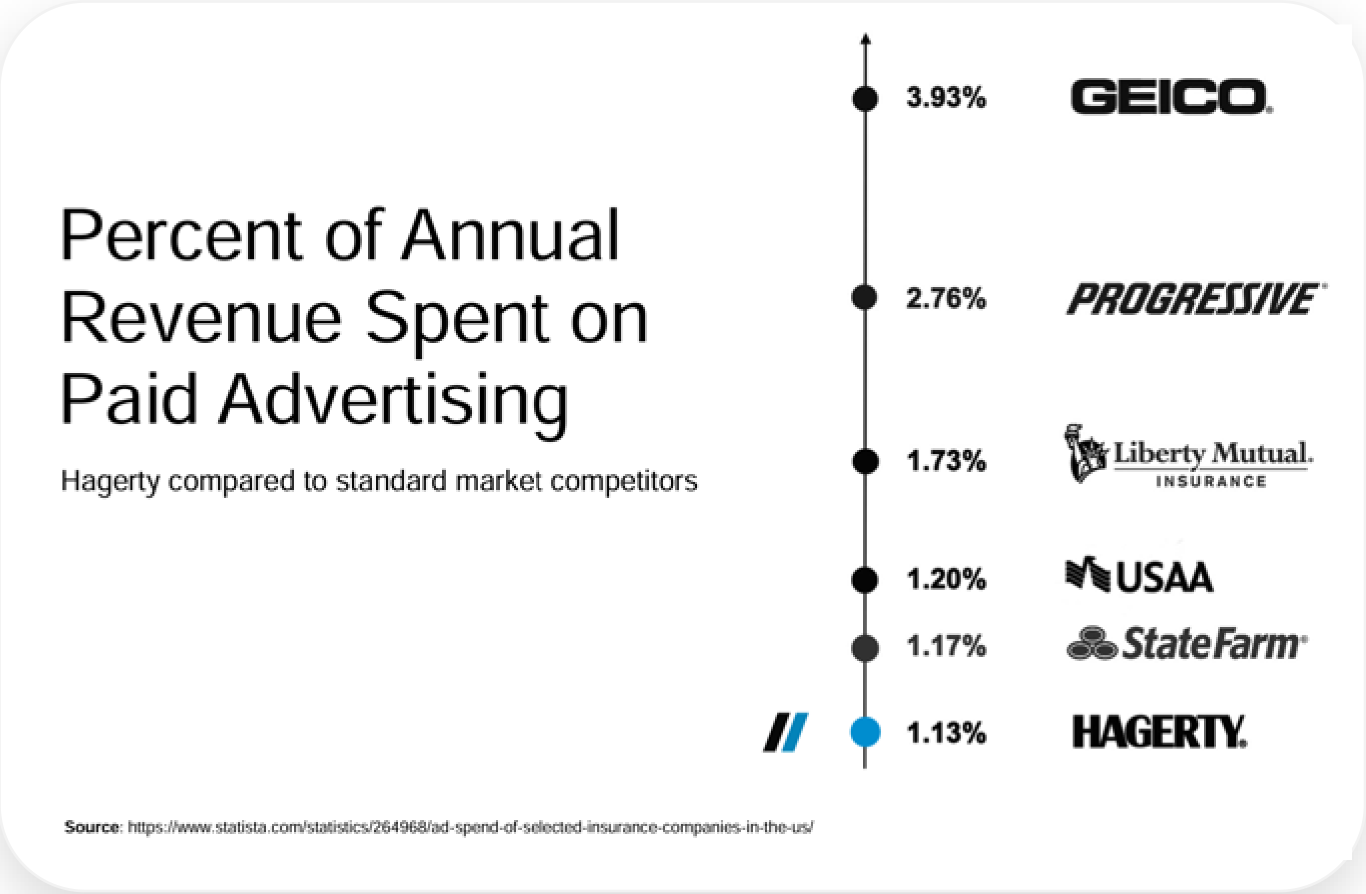
| | |
|---|---|
| Media<br>**479M**<br>lifetime views | Events<br>**2,500**<br>attended annually |
| Print<br>**Largest**<br>automotive magazine by audited circulation | Social Media<br>**4.7M**<br>followers on Hagerty channels |

Owner and operator of
**The Amelia and Greenwich Concours d'Elegance**


Source: Company filings and GHR analysis

# Lower Customer Acquisition Costs – In the Numbers

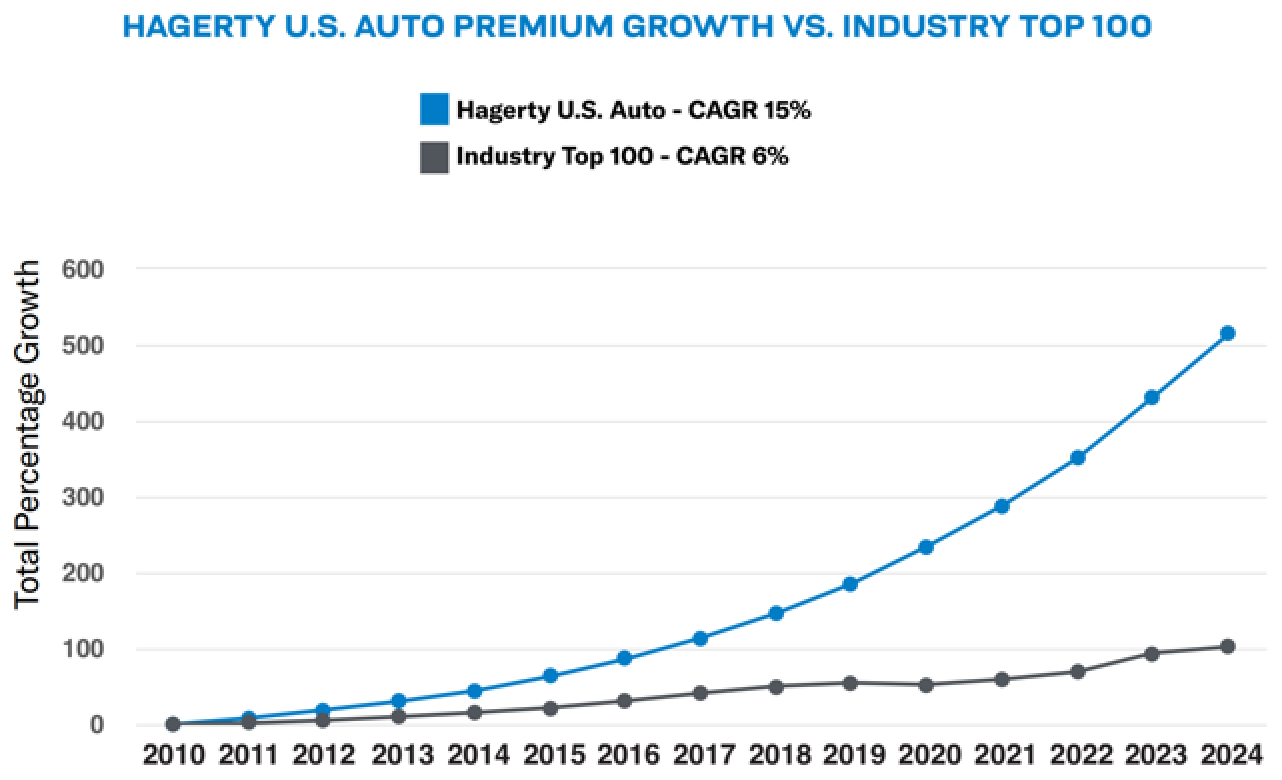
## SPEND LESS



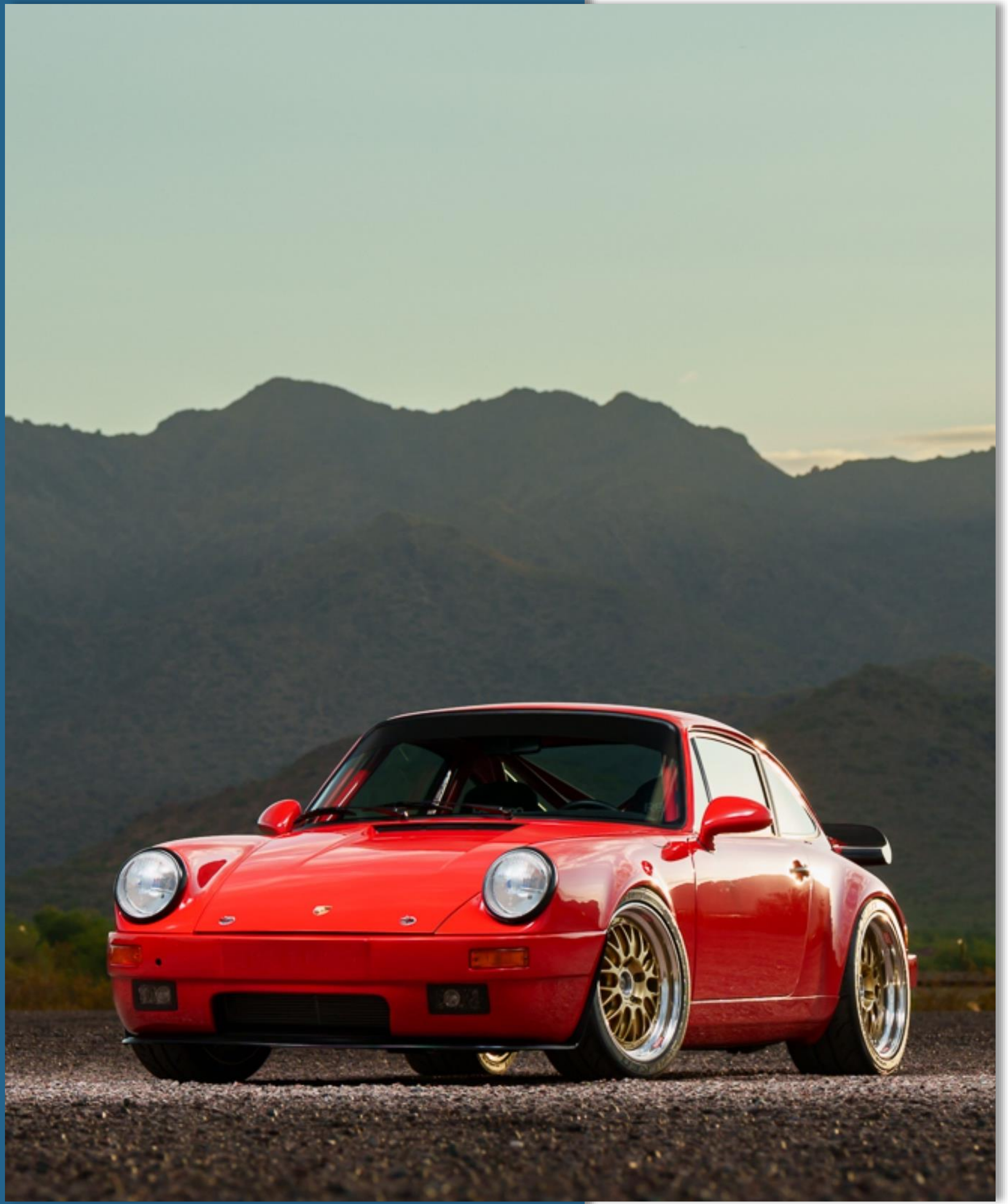

Source: Company filing

# Lower Customer Acquisition Costs – In the Numbers

## GROW FASTER




Source: Company filings



# How Does Hagerty Monetize Better?

01 **REINSURANCE**

Capitalize on lower Loss Ratios

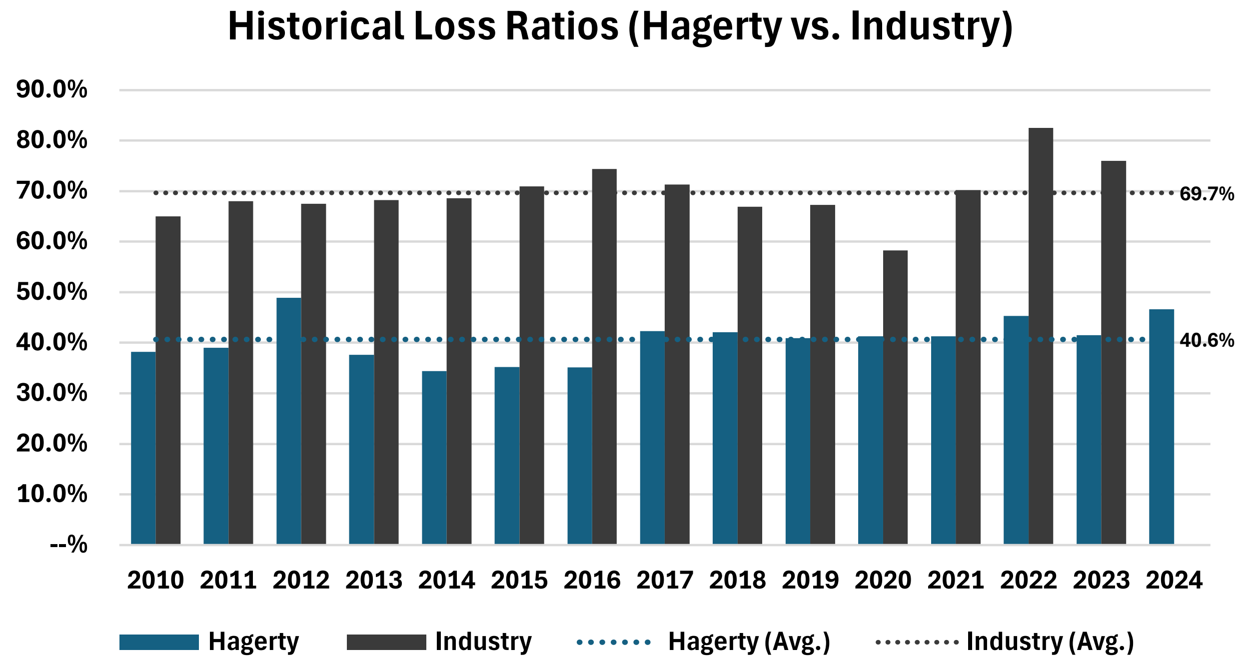
02 **MARKETPLACE**

Great economics / Lower Churn

# How Does Hagerty Monetize Better? Lower Loss Ratio

**01** People take care of their toys

**02** Less likely to claim as it impacts the provenance of the car




Source: Company filings and GHR analysis

# How Does Hagerty Monetize Better?
# Lower Loss Ratio in the Numbers

**Have REINSURANCE – take the risk.**
**Funded with:**

**$25M**
2017

+

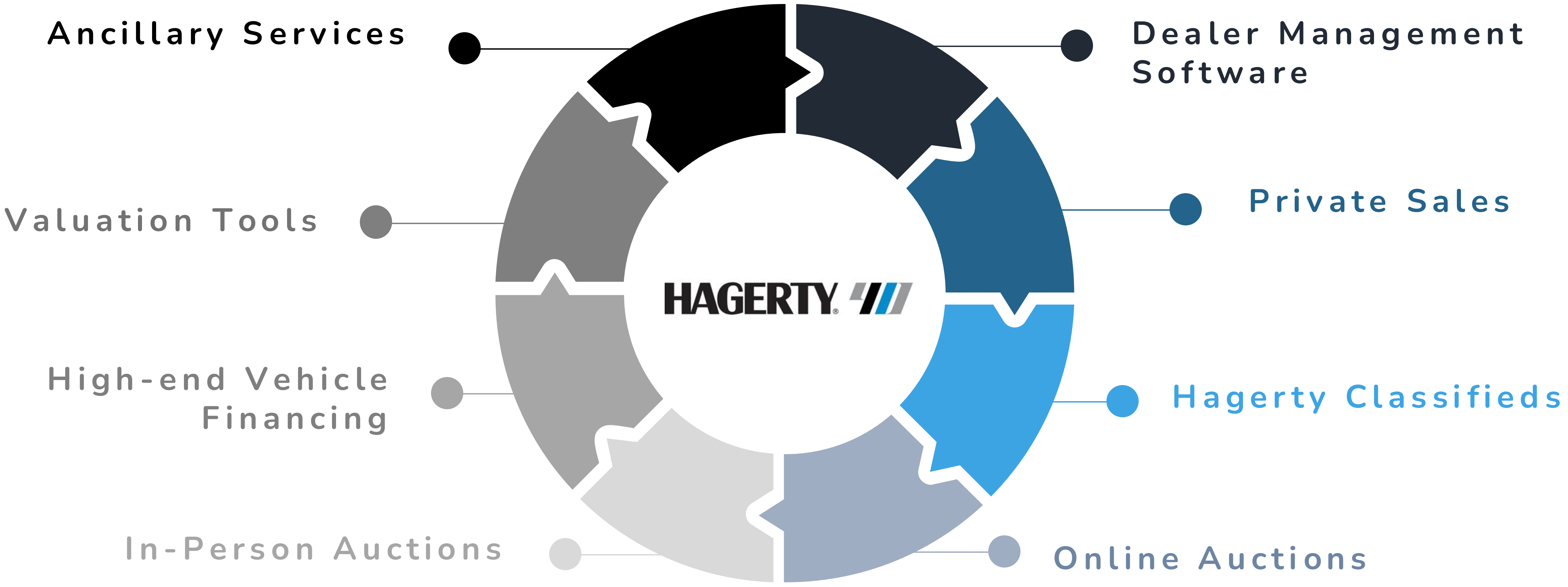
**$13M**
2018

=

**$204M**
Generated and retained
(after tax earnings)
2017 - 2024

Source: Company filings and GHR analysis

# How Does Hagerty Monetize Better? Marketplace




Source: Company filings and GHR analysis

# How Does Hagerty Monetize Better? Marketplace

## Large Market

In 2024, Hagerty's insurance book saw 300k+ cars transacting for ~$16B in value. Estimated global transaction value is $50B+ per year.

## $1.6T Global

The value of collector cars around the world is estimated to be $1.6 Trillion, with ~$1T residing in the U.S.

## Lowers Churn

Of the 11% of policies that churn each year, roughly half do so because they sold the only vehicle that qualified for a Hagerty policy. Marketplace gives Hagerty a low-CAC platform to both monetize the transaction and re-capture the insurance policy with the new vehicle owner.

Source: Company filings and GHR analysis

# How Does Hagerty Monetize Better? Marketplace in Action

**Example:** Insurance client that has 160 cars paying $35,000 annually in insurance premiums. That is usually a customer that will be around for 15 years, so will generate ~$525,000 in premiums over the life of the relationship.

This client attended one of Hagerty’s live auctions put on by Broad Arrow group with no intention of purchasing a vehicle. He ended up buying $3M worth of cars at the auction, which generated ~$330,000 of buyer’s premiums. This is a 63% increase in the lifetime revenue from the client in a SINGLE day from a Hagerty marketplace event.

**63%**

Increase in lifetime revenue

Source: GHR analysis

# Appendix



# Business Segments

MGA+

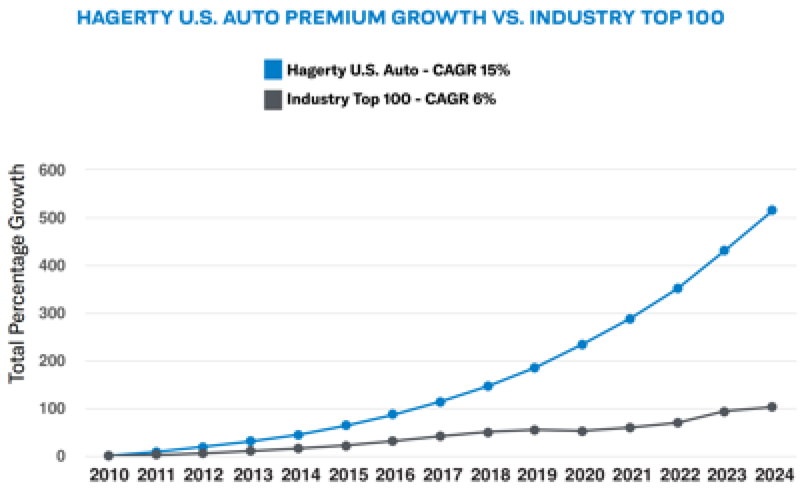
## MGA+
- Managing General Agency
- Membership (Hagerty Drivers Club)
- Events, Sponsorship, etc.

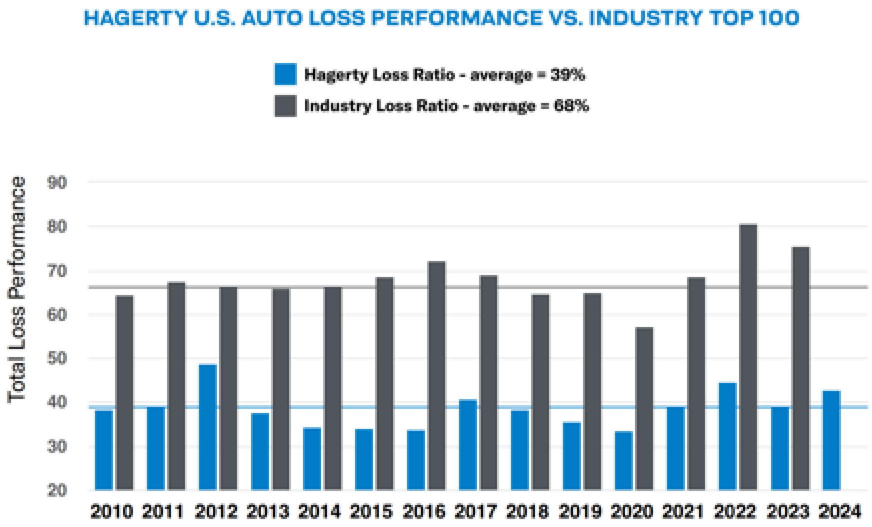
Reinsurance

## Reinsurance
- Risk-taking entity for Hagerty MGA

Marketplace

## Marketplace
- Live-auctions
- Online auctions
- Private sales




Source: Company filings and GHR analysis

# Hagerty's Insurance Revenue Model

**1** 37% base commission on written premium

$259 base commission

**+**

**2** -5% to +5% contingent underwriting commission

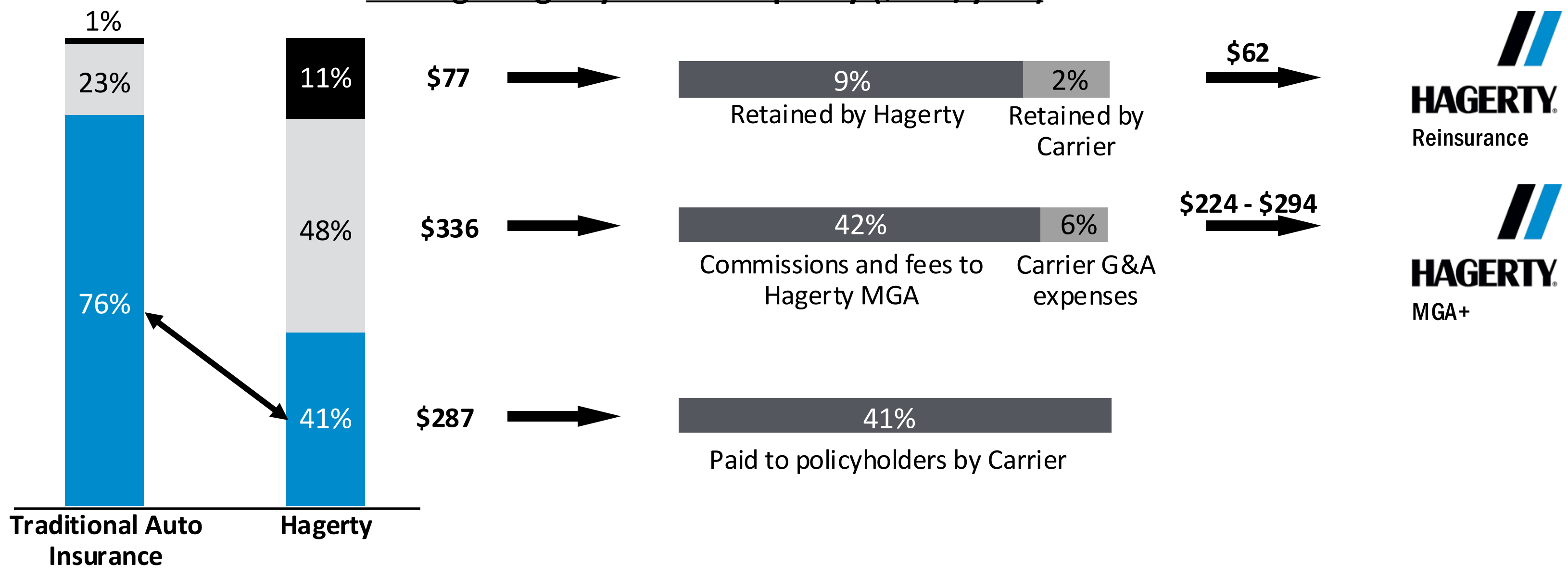
($35) to $35 contingent commission

**+**

**3** Hagerty Reinsurance captures 80% of underwriting profit/loss

$62 underwriting profit

**Average Hagerty insurance policy ($700/year)**




Source: Company filings and GHR analysis

# Hagerty MGA+

## Managing General Agency

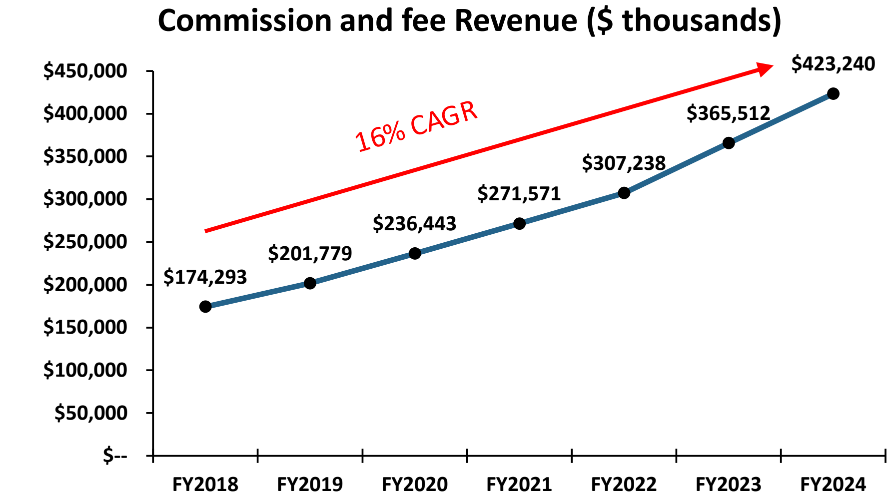
- Earns a commission on each policy written
- Handles admin and claims
- ~89% policyholder retention

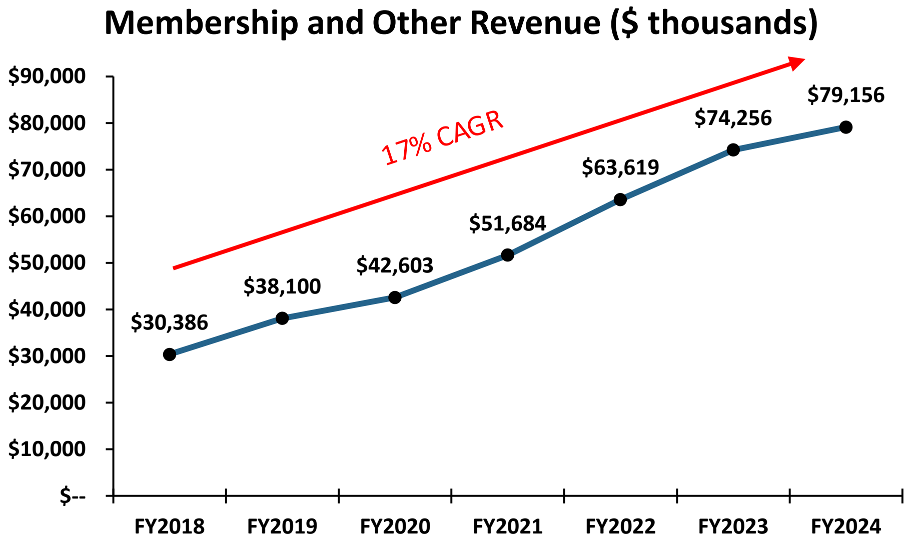
## Membership

- Hagerty Drivers Club (HDC)
- ~80% attach rate with each new policy
- $70 annually

## Other

- Events
- Sponsorship/Advertising
- Valuation




Source: Company filings and GHR analysis

# Distribution Channels

## Direct Distribution (45%)

- Drives new business flow for insurance and membership
- Sales agents in 25 states and 3 countries
- State of the art call centers plus digital distribution

## Agency and Broker Channel (32%)

- Over 50,000 agents and 10 of the top 10 brokers by revenue
- Enhances service and increases efficiency
- Deepens relevancy to client

## National Insurance Partners (23%)

- 9 of the top 10 auto insurers
- Top 5 partners each report double-digit growth and segment acceleration
- No channel conflict

**PARTNERED WITH 9 OF THE TOP 10 AUTO INSURERS**

Source: Company filings and GHR analysis

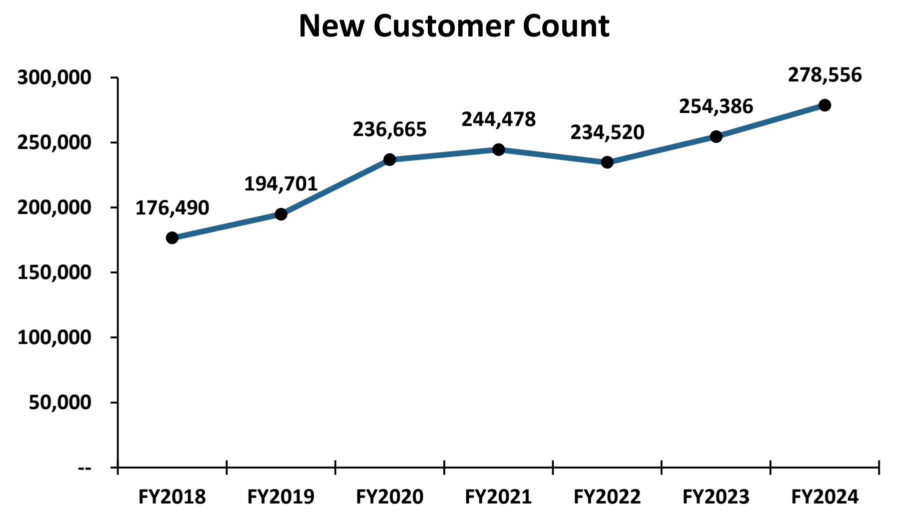
# Customer Acquisition

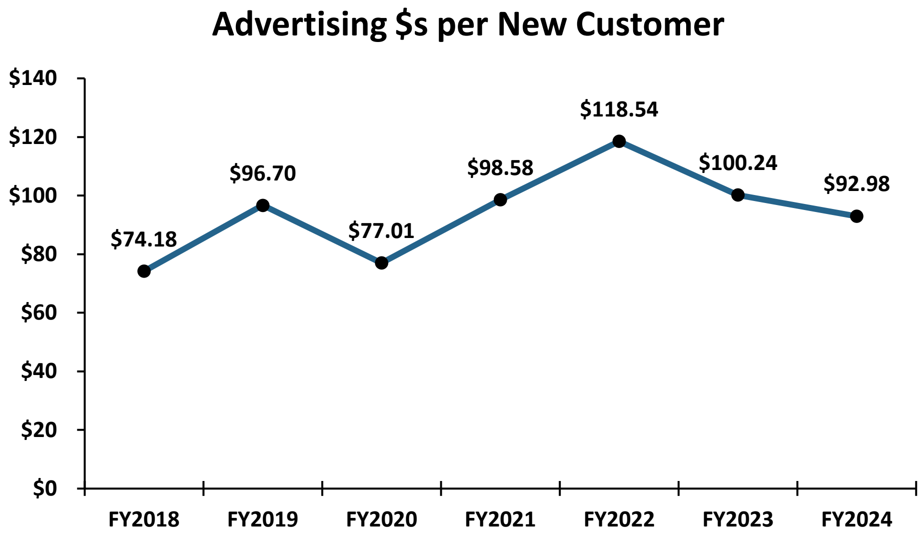
## Unique Acquisition Domains

- Traditional television and radio advertising doesn't work for target audience
- Acquisition domains include web/magazine ads, YouTube, car shows, and auction platforms
- Some insurance partner websites redirect to Hagerty website

## Controlling the Advertising Surfaces

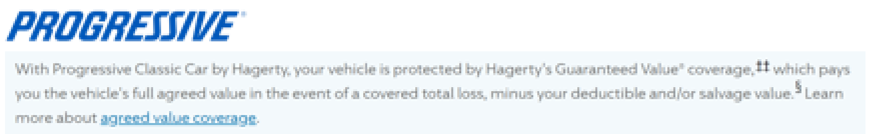
- Largest auto magazine by distribution
- Purchased several high-profile car shows
- In-person and online auctions enable low-cost acquisition of insurance policies
- Cuts off avenues for competition to acquire new customers

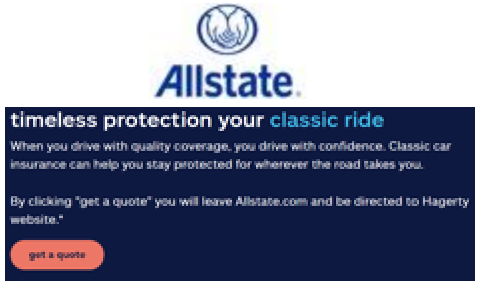


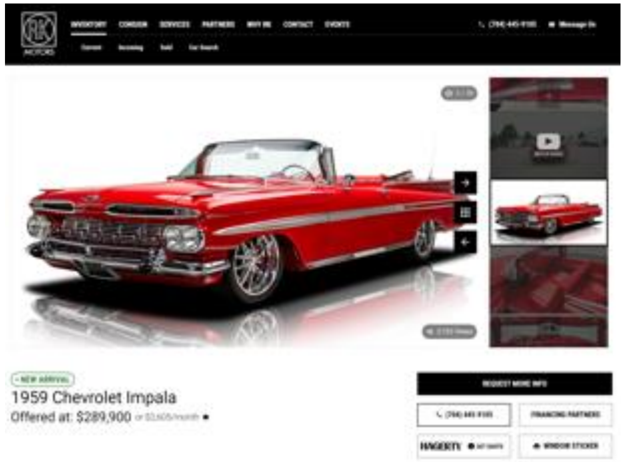




Source: Company filings and GHR analysis

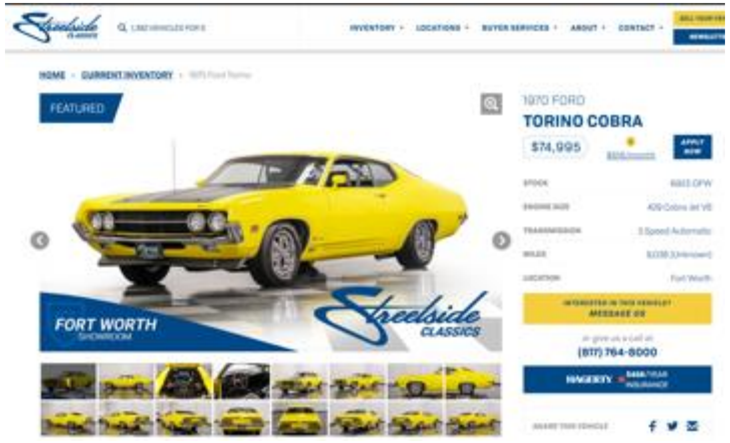
# Online Examples




Source: GHR analysis

# MGA+ Financials

| Fiscal Year: | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| Date: | 12/31/18 | 12/31/19 | 12/31/20 | 12/31/21 | 12/31/22 | 12/31/23 | 12/31/24 |
| Fiscal Quarter: | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
| Days in period: | 365 | 365 | 366 | 365 | 365 | 365 | 366 |
| **Income Statement** | | | | | | | |
| Commission and fee revenue | $174,293 | $201,779 | $236,443 | $271,571 | $307,238 | $365,512 | $423,240 |
| Earned premium | 97,020 | 157,394 | 220,502 | 295,824 | 403,061 | 531,866 | 643,324 |
| Membership, marketplace and other revenue | 30,386 | 38,100 | 42,603 | 51,684 | 77,289 | 102,835 | 133,474 |
| **Total Revenue** | **$301,699** | **$397,273** | **$499,548** | **$619,079** | **$787,588** | **$1,000,213** | **$1,200,038** |
| Salaries and benefits | 97,109 | 114,290 | 137,508 | 171,901 | 199,542 | 216,896 | 221,463 |
| Ceding commission | 46,553 | 75,567 | 105,974 | 140,983 | 191,150 | 251,805 | 301,719 |
| Losses and loss adjustment expenses | 40,859 | 64,400 | 91,025 | 122,080 | 182,402 | 220,658 | 298,593 |
| Sales expense | 70,015 | 84,189 | 86,207 | 107,483 | 140,781 | 156,378 | 190,523 |
| General and administrative services | 30,797 | 39,029 | 51,188 | 64,558 | 89,068 | 85,434 | 82,504 |
| Depreciation and amortization | 7,755 | 8,950 | 11,800 | 22,144 | 33,887 | 45,809 | 38,905 |
| Restructuring, impairment and related charges, net | -- | -- | -- | -- | 18,324 | 8,812 | -- |
| Losses and impairments related to divestitures | | | | | | 4,013 | (87) |
| **Total Operating Expenses** | **$293,087** | **$386,425** | **$483,702** | **$629,149** | **$855,154** | **$989,805** | **$1,133,620** |
| MGA, Subscription & Other | (997) | (6,579) | (7,657) | (42,831) | (95,040) | (50,589) | 17,027 |
| Marketplace | -- | -- | -- | -- | (2,035) | 1,594 | 6,379 |
| Reinsurance underw riting | 9,609 | 17,427 | 23,503 | 32,761 | 29,509 | 59,403 | 43,012 |
| **EBIT** | **$8,612** | **$10,848** | **$15,846** | **($10,070)** | **($67,566)** | **$10,408** | **$66,418** |
| Change in fair value of w arrant liabilities | | | -- | (42,540) | 41,899 | 11,543 | (8,544) |
| Revaluation gain on previously held equity method investment | | | -- | -- | 34,735 | -- | -- |
| Interest and other income (expenses) | (17) | 608 | (987) | (1,993) | 2,028 | 22,821 | 35,808 |
| **EBT** | **$8,595** | **$11,456** | **$14,859** | **($54,603)** | **$11,096** | **$44,772** | **$93,682** |
| Income tax (expense) / benefit | (122) | (7,250) | (4,820) | (6,751) | (7,017) | (16,593) | (15,379) |
| Income (loss) from equity method investment, net of tax | | | | | (1,676) | -- | -- |
| **Net Income (Loss)** | **$8,473** | **$4,206** | **$10,039** | **($61,354)** | **$2,403** | **$28,179** | **$78,303** |

## Losses Due To Foreign Operations And Upfront Partnership Investments

| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| | 12/31/18 | 12/31/19 | 12/31/20 | 12/31/21 | 12/31/22 | 12/31/23 | 12/31/24 |
| | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
| Commission and fee revenue (US) | 158,963 | 184,193 | 217,560 | 250,944 | 283,919 | 339,947 | 394,406 |
| Membership (US) | 24,768 | 29,520 | 33,938 | 37,688 | 41,893 | 48,902 | 53,798 |
| Other (US) | 2,845 | 5,413 | 4,976 | 9,448 | 29,978 | 46,936 | 71,557 |
| **Total U.S. MGA+ Revenues** | **$186,576** | **$219,127** | **$256,474** | **$298,080** | **$355,790** | **$435,785** | **$519,761** |
| Commission and fee revenue (Foreign) | 15,330 | 17,586 | 18,883 | 20,627 | 23,319 | 25,565 | 28,834 |
| Membership (Foreign) | 1,689 | 1,988 | 2,340 | 2,917 | 3,341 | 3,558 | 3,751 |
| Other (Foreign) | 1,084 | 1,179 | 1,349 | 1,631 | 2,134 | 3,439 | 4,368 |
| **Total Foreign MGA+ Revenues** | **$18,103** | **$20,753** | **$22,572** | **$25,175** | **$28,794** | **$32,562** | **$36,953** |
| **Total MGA+ Revenues** | **$204,679** | **$239,879** | **$279,047** | **$323,255** | **$384,584** | **$468,347** | **$556,714** |
| Less: Salaries and benefits | (97,109) | (114,290) | (137,508) | (171,901) | (199,542) | (216,896) | (221,463) |
| Less: Sales expense | (70,015) | (84,189) | (86,207) | (107,483) | (140,781) | (156,378) | (190,523) |
| Less: General and administrative services | (30,797) | (39,029) | (51,188) | (64,558) | (89,068) | (85,434) | (82,504) |
| Less: Depreciation and amortization | (7,755) | (8,950) | (11,800) | (22,144) | (33,887) | (45,809) | (38,905) |
| Less: Restructuring, impairment and related charge | -- | -- | -- | -- | (18,324) | (8,812) | -- |
| Less: Losses and impairments related to divestitur | -- | -- | -- | -- | -- | (4,013) | 87 |
| Plus: Costs related to marketplace | | | | | | | |
| **EBIT** | **($997)** | **($6,578)** | **($7,657)** | **($42,831)** | **($97,018)** | **($48,995)** | **$23,406** |
| **EBIT (U.S.)** | 3,421 | (5,236) | (1,199) | (32,662) | (83,336) | (31,737) | 38,313 |
| **EBIT (Foreign)** | (4,418) | (1,342) | (6,458) | (10,169) | (13,682) | (17,258) | (14,907) |
| Plus / (Less):Interest and other income (expense) | (1,818) | 3,680 | (614) | (1,131) | (1,774) | 3,277 | 5,095 |
| **EBT** | **($2,815)** | **($2,898)** | **($8,271)** | **($43,962)** | **($98,792)** | **($45,718)** | **$28,501** |
| **U.S. MGA+ EBIT Margin** | **1.8%** | **(2.4%)** | **(0.5%)** | **(11.0%)** | **(23.4%)** | **(7.3%)** | **7.4%** |
| **Foreign MGA+ EBIT Margin** | **(24.4%)** | **(6.5%)** | **(28.6%)** | **(40.4%)** | **(47.5%)** | **(53.0%)** | **(40.3%)** |

Source: Company filings and GHR analysis

MGA+ margins drastically improve as foreign operations are de-emphasized, upfront partnership investments begin to pay off, and cost control measures flow through. High-teens / low-twenties margins achievable.

# HagertyRe

## Risk-taking entity for Hagerty MGA

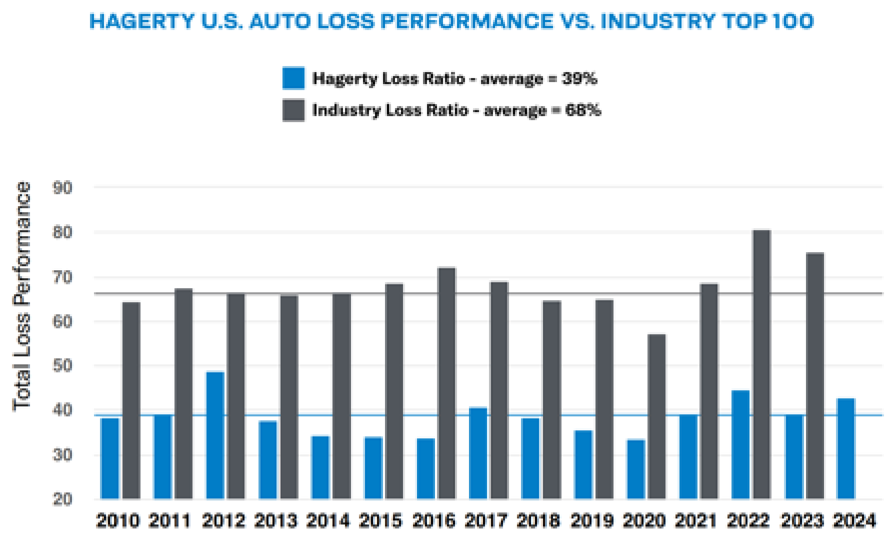
Capture additional economics from the lowest loss ratio policies in the auto insurance industry.

## Consistency

Consistently low losses stem from a key differentiation—people view their classic cars as their “babies.”

## Tricky business for traditional auto insurers

- Claims processing 3x longer
- Highly emotional for car owner (it’s their baby)
- Mess up the claim handling and lose 10x premiums from policyholders’ unrelated insurance policies




The classic car policy is $300 a year and premium, it's more now, but it's $300 a year or $350 a year. And the household premium is $3,500. So, there's a 10x factor. And that's what you’re looking at, is the reason you would do that (partner). So then when you go through a build, buy, partner, you look at build, like it's expensive. t wouldn't be as good as what Hagerty offers. And I don't actually care about the policy, I care about the household.”

-Former VP, Emerging Partnerships at Nationwide

Source: Company filings and GHR analysis

Better product, better service, better price. You might “save 15% or more with GEICO”, but good luck getting them to track down a 100-year-old windshield to bring your baby back to its original glory.

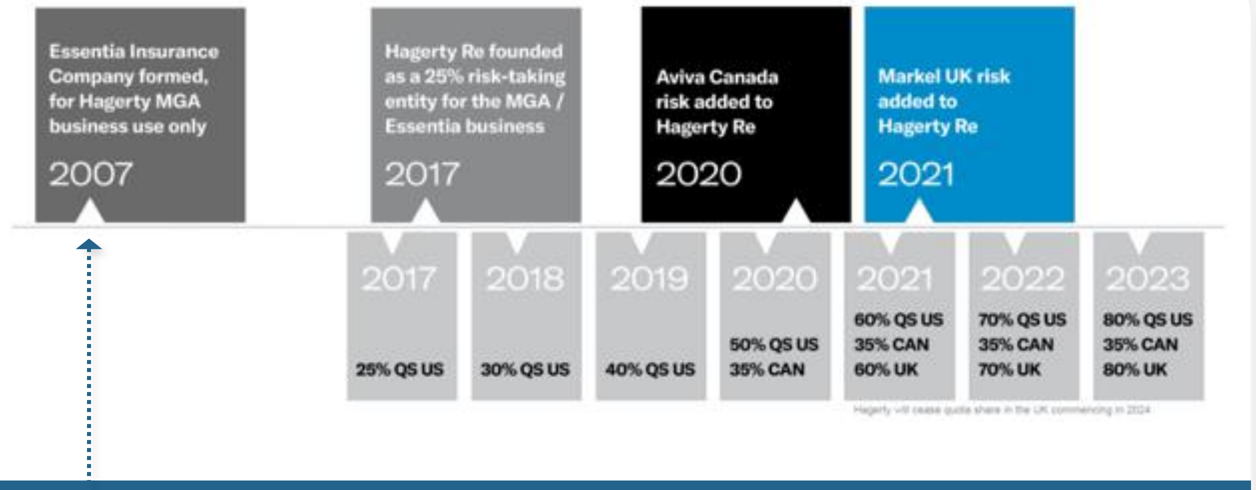
# HagertyRe Evolution

- Funded with $25M in 2017 and an additional $13M in 2018. Has since generated and retained ~$204M after tax earnings

- Crawl, walk, run set up allowed HagertyRe to build a strong balance sheet

- Assigned A- (Excellent) rating by AM Best in October 2023

- Clear path to 100% quota share over the next 5-6 years




**Markel acquired Essentia in 2012 to exclusively underwrite Hagerty's U.S. business**

Source: Company filings and GHR analysis

# HagertyRe Financials

| Fiscal Year: | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| Date: | 12/31/18 | 12/31/19 | 12/31/20 | 12/31/21 | 12/31/22 | 12/31/23 | 12/31/24 |
| Fiscal Quarter: | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
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| **Income Statement** | | | | | | | |
| Commission and fee revenue | $174,293 | $201,779 | $236,443 | $271,571 | $307,238 | $365,512 | $423,240 |
| Earned premium | 97,020 | 157,394 | 220,502 | 295,824 | 403,061 | 531,866 | 643,324 |
| Membership, marketplace and other revenue | 30,386 | 38,100 | 42,603 | 51,684 | 77,289 | 102,835 | 133,474 |
| **Total Revenue** | $301,699 | $397,273 | $499,548 | $619,079 | $787,588 | $1,000,213 | $1,200,038 |
| Salaries and benefits | 97,109 | 114,290 | 137,508 | 171,901 | 199,542 | 216,896 | 221,463 |
| Ceding commission | 46,553 | 75,567 | 105,974 | 140,983 | 191,150 | 251,805 | 301,719 |
| Losses and loss adjustment expenses | 40,859 | 64,400 | 91,025 | 122,080 | 182,402 | 220,658 | 298,593 |
| Sales expense | 70,015 | 84,189 | 86,207 | 107,483 | 140,781 | 156,378 | 190,523 |
| General and administrative services | 30,797 | 39,029 | 51,188 | 64,558 | 89,068 | 85,434 | 82,504 |
| Depreciation and amortization | 7,755 | 8,950 | 11,800 | 22,144 | 33,887 | 45,809 | 38,905 |
| Restructuring, impairment and related charges, net | -- | -- | -- | -- | 18,324 | 8,812 | -- |
| Losses and impairments related to divestitures | | | | | | 4,013 | (87) |
| **Total Operating Expenses** | $293,087 | $386,425 | $483,702 | $629,149 | $855,154 | $989,805 | $1,133,620 |
| MGA, Subscription & Other | (997) | (6,579) | (7,657) | (42,831) | (95,040) | (50,589) | 17,027 |
| Marketplace | -- | | -- | -- | (2,035) | 1,594 | 6,379 |
| Reinsurance underwriting | 9,609 | 17,427 | 23,503 | 32,761 | 29,509 | 59,403 | 43,012 |
| **EBIT** | $8,612 | $10,848 | $15,846 | ($10,070) | ($67,566) | $10,408 | $66,418 |
| Change in fair value of warrant liabilities | | | -- | (42,540) | 41,899 | 11,543 | (8,544) |
| Revaluation gain on previously held equity method investment | | | -- | -- | 34,735 | -- | -- |
| Interest and other income (expenses) | (17) | 608 | (987) | (1,993) | 2,028 | 22,821 | 35,808 |
| **EBT** | $8,595 | $11,456 | $14,859 | ($54,603) | $11,096 | $44,772 | $93,682 |
| Income tax (expense) / benefit | (122) | (7,250) | (4,820) | (6,751) | (7,017) | (16,593) | (15,379) |
| Income (loss) from equity method investment, net of tax | | | | | (1,676) | -- | -- |
| **Net Income (Loss)** | $8,473 | $4,206 | $10,039 | ($61,354) | $2,403 | $28,179 | $78,303 |

## Highly profitable reinsurance business hiding in plain sight

| | FY2018<br>12/31/18<br>FY18 | FY2019<br>12/31/19<br>FY19 | FY2020<br>12/31/20<br>FY20 | FY2021<br>12/31/21<br>FY21 | FY2022<br>12/31/22<br>FY22 | FY2023<br>12/31/23<br>FY23 | FY2024<br>12/31/24<br>FY24 |
|---|---|---|---|---|---|---|---|
| Earned Premium | $97,020 | $157,394 | $220,502 | $295,824 | $403,061 | $531,866 | $643,324 |
| Less: Ceding commission | (46,553) | (75,567) | (105,974) | (140,983) | (191,150) | (251,805) | (301,719) |
| Less: Losses and loss adjustment expense: | (40,859) | (64,400) | (91,025) | (122,080) | (182,402) | (220,658) | (298,593) |
| **EBIT** | **9,609** | **17,427** | **23,503** | **32,761** | **29,509** | **59,403** | **43,012** |
| Plus / (Less):Interest and other income (exper | 1,801 | (3,072) | (373) | (862) | 3,653 | 19,097 | 13,220 |
| Plus / (Less):Interest and dividend income fror | -- | -- | -- | -- | 149 | 447 | 17,493 |
| **EBT** | **11,410** | **14,354** | **23,130** | **31,899** | **33,311** | **78,947** | **73,725** |
| Less: Income tax (expense) / benefit | (2,396) | (3,014) | (4,857) | (6,699) | (8,911) | (16,647) | (20,625) |
| **Net Income (Loss)** | **$9,014** | **$11,340** | **$18,273** | **$25,200** | **$24,400** | **$62,300** | **$53,100** |
| **Equity** | **$17,061** | **$63,386** | **$82,025** | **$107,300** | **$131,700** | **$218,900** | **$272,000** |
| **Return on Avg. Equity** | | **28.2%** | **25.1%** | **26.6%** | **20.4%** | **35.5%** | **21.6%** |
| **EBIT Margin** | **9.9%** | **11.1%** | **10.7%** | **11.1%** | **7.3%** | **11.2%** | **6.7%** |
| **Earned Premium / Avg. Equity** | **5.7x** | **3.9x** | **3.0x** | **3.1x** | **3.4x** | **3.0x** | **2.6x** |
| **Loss Ratio** | **42.1%** | **40.9%** | **41.3%** | **41.3%** | **45.3%** | **41.5%** | **46.4%** |

Source: Company filings and GHR analysis

Each dollar reinvested in HagertyRe earns 25% - 40% after tax.

# Appendix



# State Farm History

State Farm

## LARGEST AUTO INSURER IN US

- Invested $500M in 2021 through PIPE and announced strategic partnership that should contribute an incremental 1 – 1.5M new policies to Hagerty over time, in addition to the 500k contractual policies that will begin rolling over this year
- Invested additional $75M in June 2023 in the form of convertible preferred equity ($50M) and 10-year fixed-rate debt ($25M)
- Owns ~15% of the shares outstanding, not including potential shares from convertible preferred

Source: Company filings and GHR analysis

# Costs to Revenue

## 2020 – 2024: COSTS COSTS COSTS

Estimated $60M - $80M spent between 2020 and 2024 in preparation for policy rollovers.

## Writing new business in 25 States in 2025

(estimated 60k+ policies per year) and begin rolling over 150k contractual policies in 2026 and an additional 345k contractual policies in 2027.

## At Maturity

up to 2M policies paying 30% commission with ZERO exposure to underlying losses (State Farm retains insurance exposure).

StateFarm®

**State Farm Classic+® fueled by Hagerty®**

You love classic cars. We love helping protect them. It's why State Farm® and Hagerty have teamed up to offer State Farm Classic+.

Currently available in AL, AR, AZ, CT, DE, IL, IN, MO, MS, MT, NE, OH, OK, SC, TN, VT and WI. For other states, see our classic car coverage.

ZIP Code

Find an agent

Source: Company filings and GHR analysis

# Outcome is Contractual – It's a When, not an If

**520k**

Contractual rollover policies

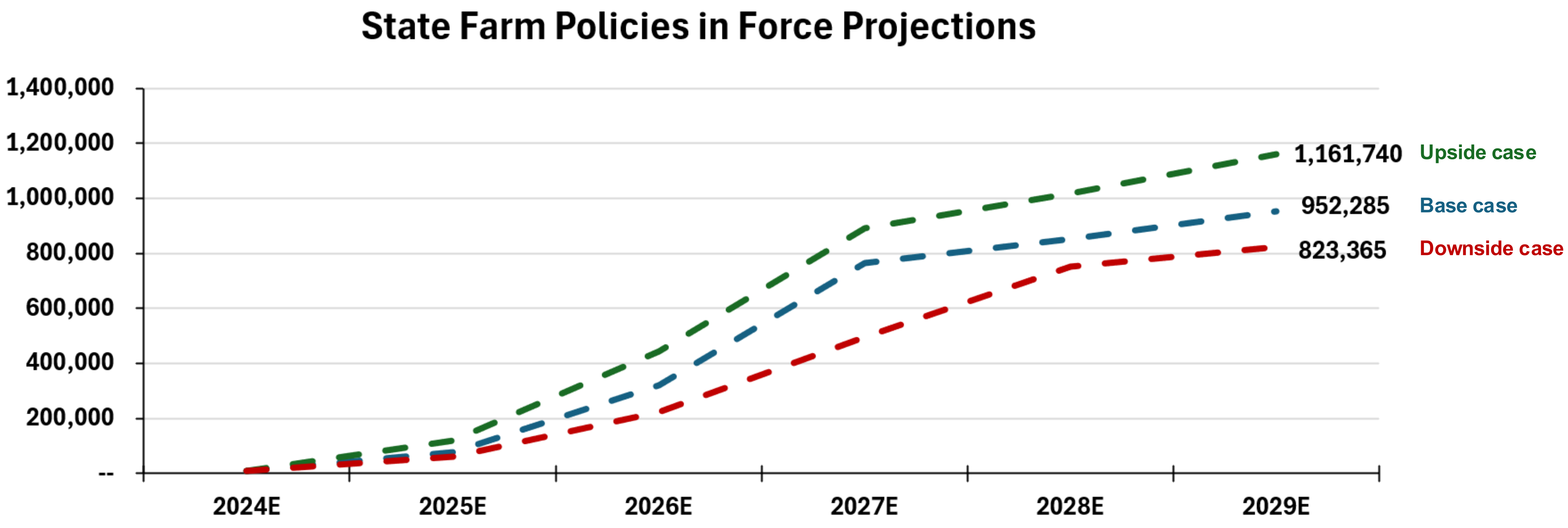
**1.5M**

Incremental policies Hagerty can "hunt"

| State Farm Estimated EBIT Contribution by Year | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E |
| State Farm EBIT Contribution | ($13,350) | ($23,250) | ($22,350) | ($15,000) | $600 | $3,738 | $11,747 | $24,958 | $32,264 | $40,441 |

Source: Company filings and GHR analysis

# Size of the Opportunity




Source: Company filings and GHR analysis

# Appendix

An advantaged business

Hagerty Insurance Business Model

State Farm History and Opportunity

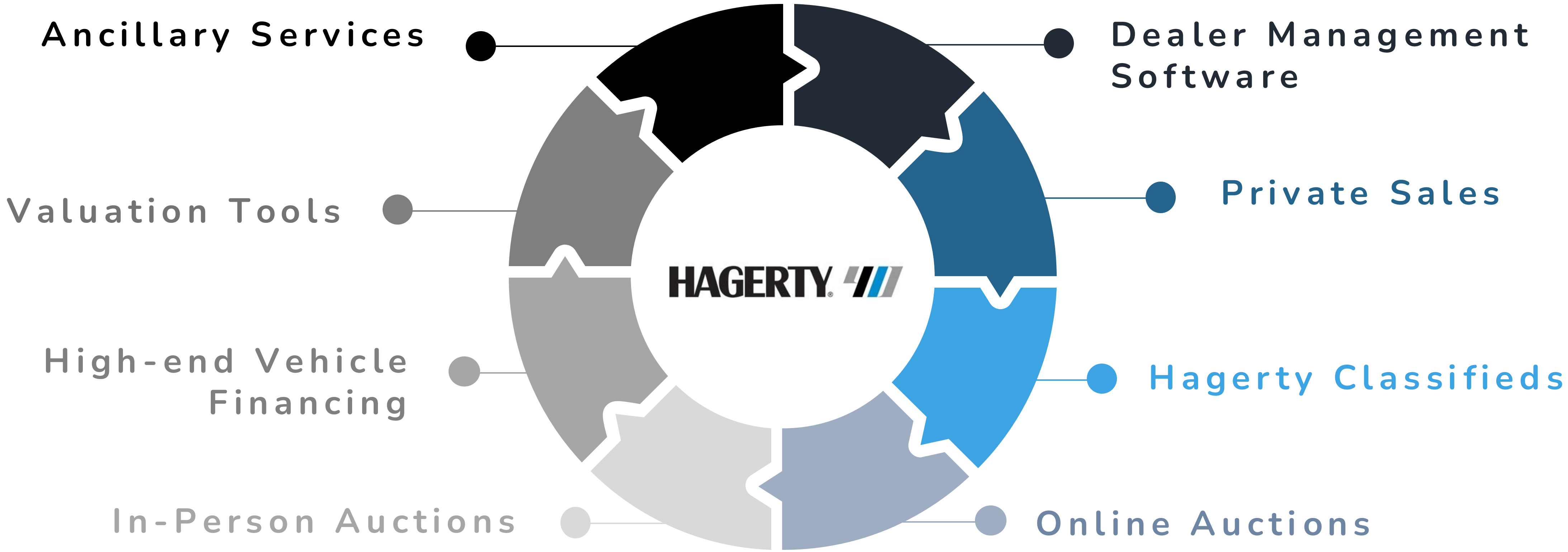
**Marketplace Opportunity**

The Power of an Ecosystem

The Model

Management Overview

# Marketplace Ecosystem




Source: Company filings and GHR analysis

"Our vision is to bring a new level of trust, simplicity, and accountability to an industry with a track record of asymmetric information benefiting the sellers." –McKeel Hagerty

# Marketplace – Large & Synergistic

**$16B**
2024

Large Market: In 2024, Hagerty's insurance book saw 300k+ cars transacting for ~$16B in value. Estimated global transaction value is $50B+ per year.

**$1T**
US

The value of collector cars around the world is estimated to be $1.6 Trillion, with ~$1T residing in the U.S.

**11%**
Churn

Lowers Churn: Of the 11% of policies that churn each year, roughly half do so because they sold the only vehicle that qualified for a Hagerty policy. Marketplace gives Hagerty a low-CAC platform to both monetize the transaction and re-capture the insurance policy with the new vehicle owner.

Source: Company filings and GHR analysis

# Current Players (Live Auction)

Source: GHR analysis

# Live Auction Business Model

**Revenue generated from buyer & seller premiums:**

- 10% - 12% of hammer price typical for buyer premium. Not generally negotiable
- 10% seller premium is standard, but very negotiable. High-end vehicles and clients closer to 4-6% premium
- Some revenue from venue ticket sales and concessions

**At scale, EBIT margins of 30% - 40%:**

- Expenses typically consist of auction venue, employee commissions, and general overhead expenses
- The physical auction space is generally the largest expense
- Some revenue from venue ticket sales and concessions

**2024 auction values by company:**

- RM Sotheby's - ~$887M
- Gooding - ~$205M
- Mecum - ~$500M
- Broad Arrow - ~$164M

Source: Company filings and GHR analysis

**"Getting the consignment is 80% of the battle…relationships matter"**

# Current Players (Online Auction)

Source: GHR analysis

**Bring A Trailer is the 600-lb gorilla today, with $1.5B in GMV for 2024**

# Online Auction Business Model

**Revenue generated from buyer premiums & seller fees:**

- Bring a Trailer seems to have set the standard on buyer premiums, charging the lower of 5% or $7.5k
- Sellers typically pay a listing fee and can also pay for additional services

**At scale, EBIT margins of 40% - 60%:**

- Expenses are more fixed and related to initial build-out and ongoing support of online platform

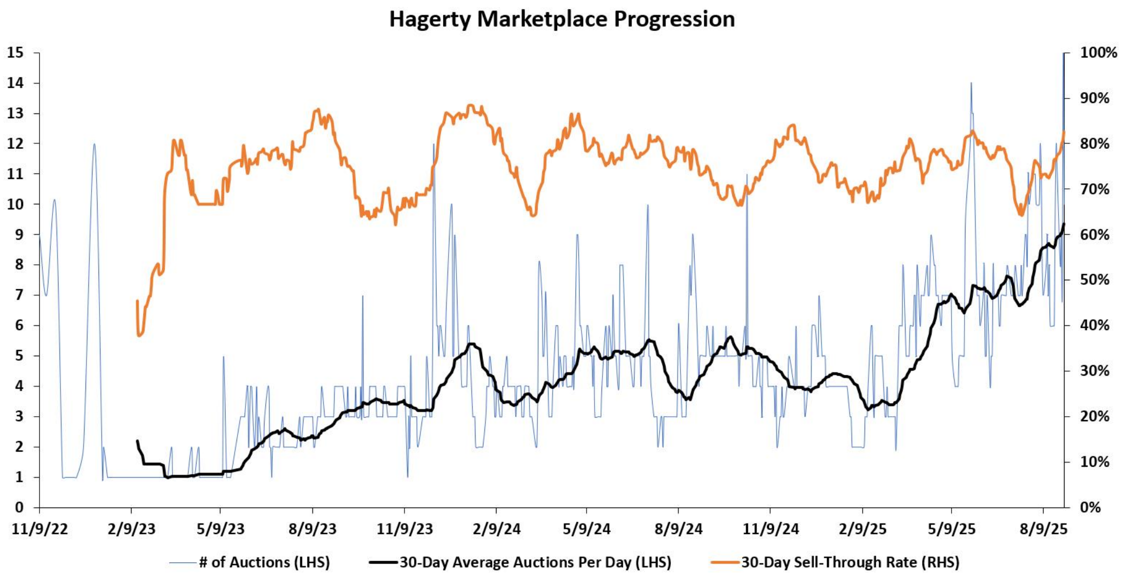
**Bring a Trailer online auction values:**

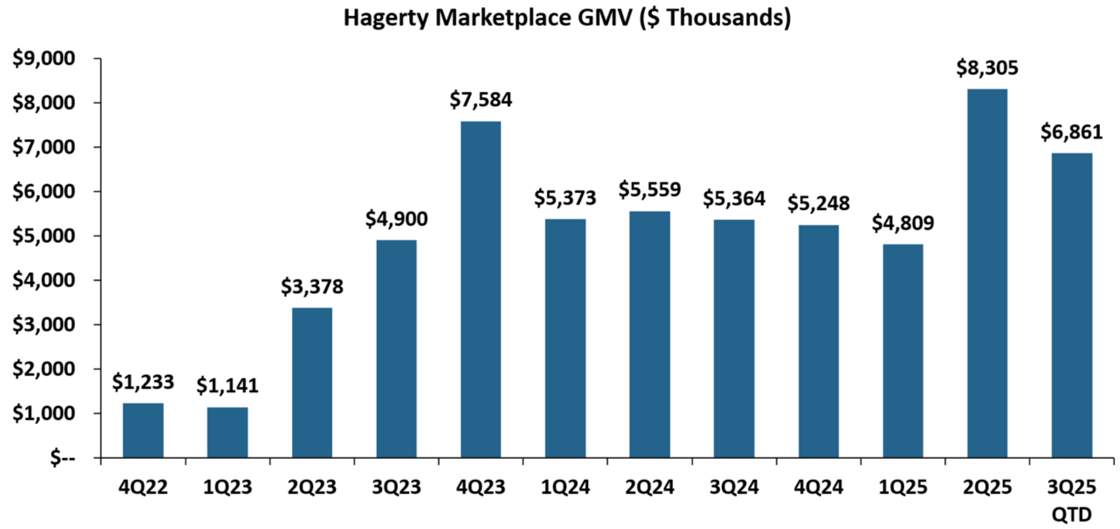
- 2020 - ~$400M
- 2021 - ~$870M
- 2022 - ~$1.4B
- 2023 - ~$1.4B
- 2024 - ~$1.5B

Source: GHR analysis

**Hagerty can better monetize through insurance and membership cross-selling, while layering in a superior, trust-based platform to rival Bring a Trailer.**

# Hagerty Marketplace Progression




Source: Hagerty Marketplace website and GHR analysis

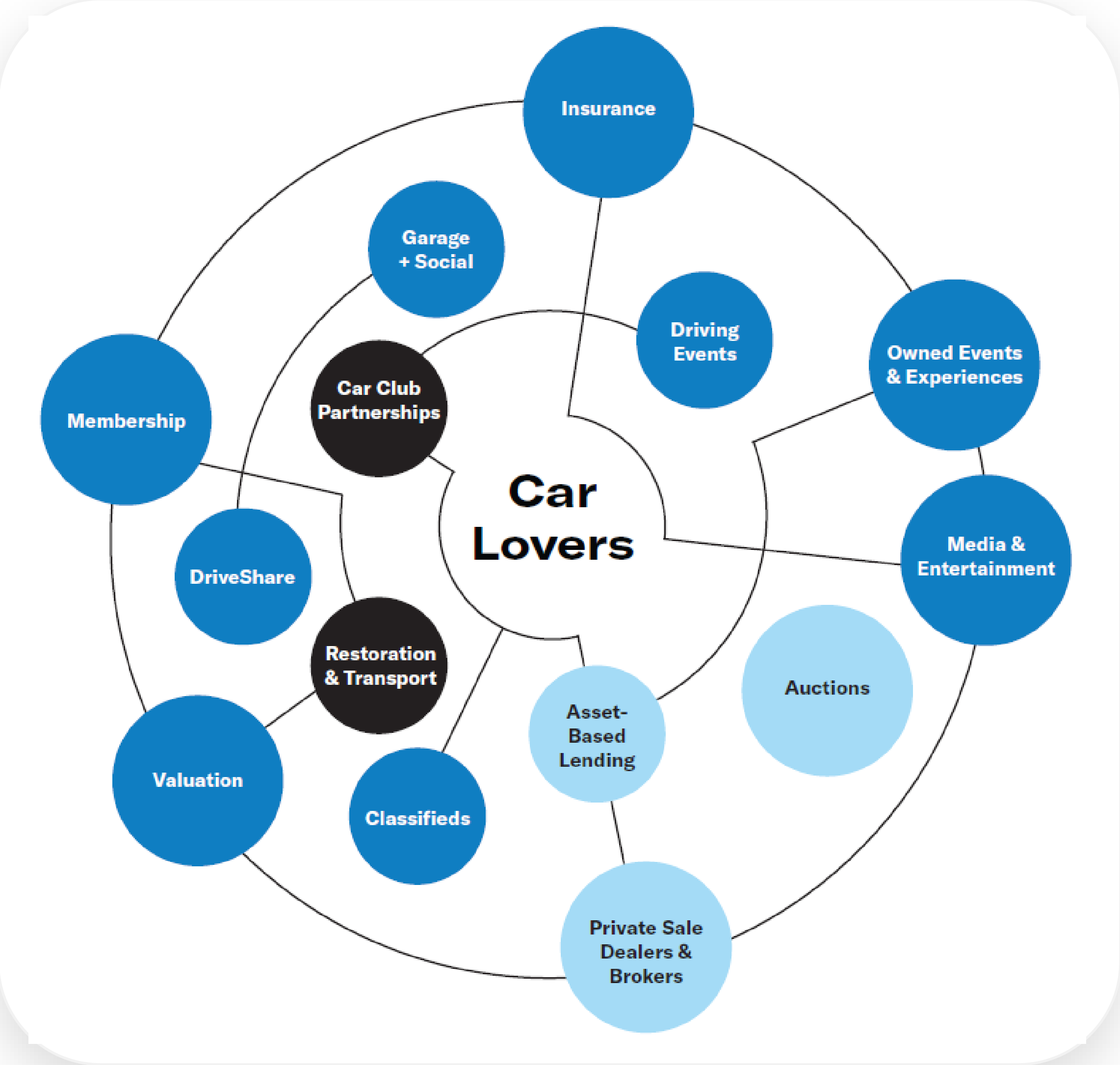
**From a standing start in November 2022, Hagerty Marketplace transacted $21.5M in GMV sales during 2024 and will show attractive growth in 2025.**

# Appendix



# The Power of an Ecosystem…

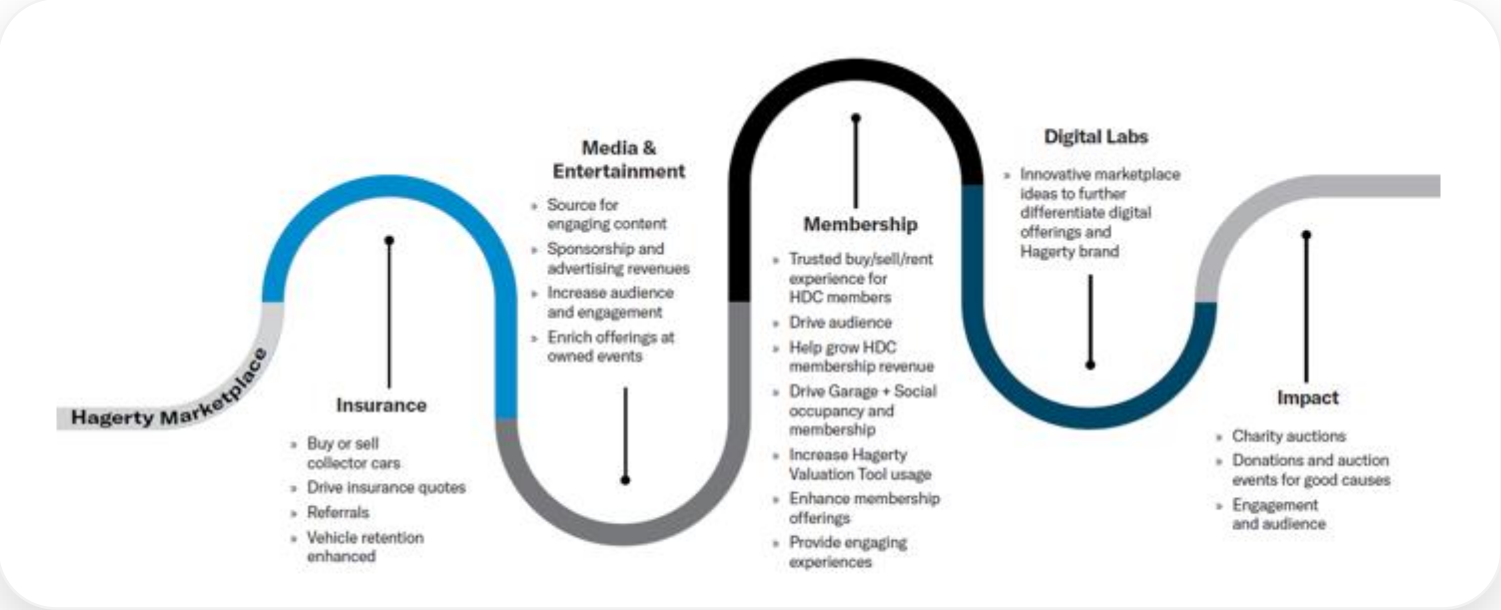
- Speed Digital acquisition brings direct access to inventories held by 200+ dealers. In 2021, Speed Digital's software processed ~$1.5B in collector car sales
  - Dealers are a crucial component of the buy/sell ecosystem. We are told that ~80% of sale transactions on Bring a Trailer were by dealers
- Car events are one of the most effective advertising venues for classic/collector car insurance…and Hagerty now owns some of the largest
- #1 magazine by distribution, expanding storage capabilities and membership offerings




Source: Company filings and GHR analysis

# …Creates Attractive Monetization Paths…

- **<u>Insurance retention:</u>** ~170k vehicles dropped from Hagerty insurance in 2024 primarily because owner sold the car
- **<u>Financing:</u>** high-end vehicle financing has attractive economics and helps to keep client transactions within Hagerty ecosystem
- **<u>Ancillary services:</u>** pre-purchase inspections, quality ratings, storage, valuation, transport, etc.

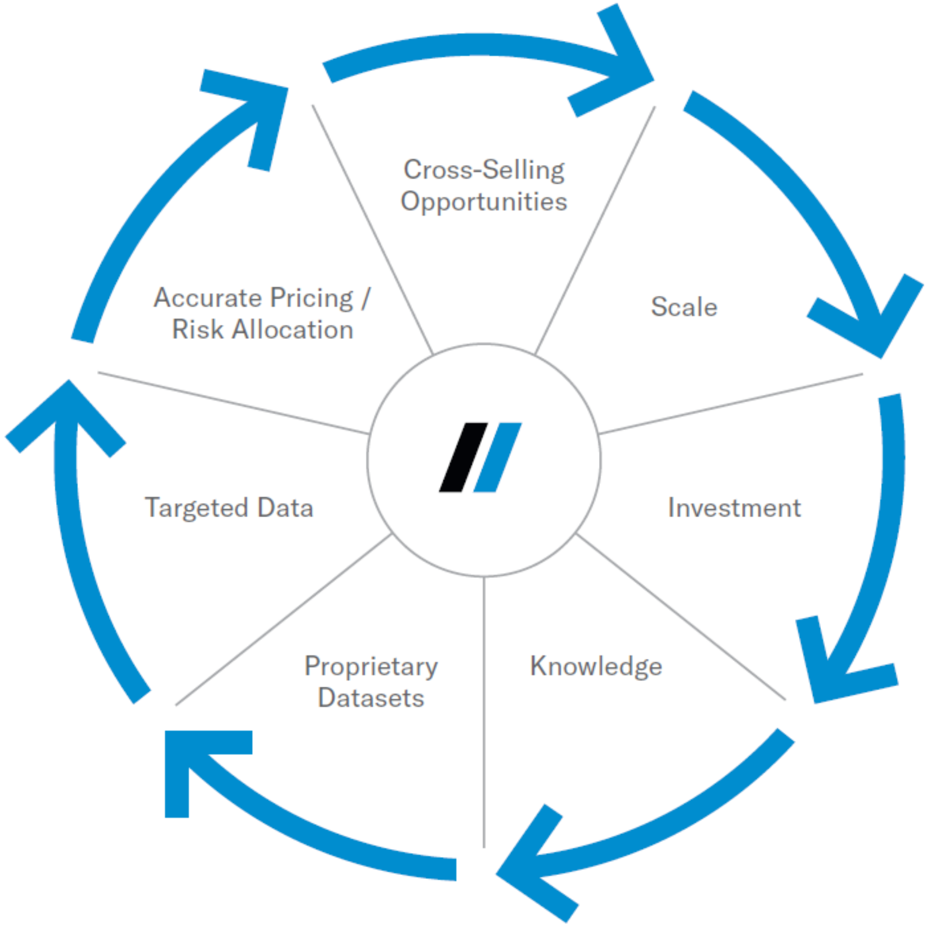



Source: Company filings and GHR analysis

# …And Reinforces Data Advantages

**Rich source of first-party data**
(Insurance + Membership)

- Valuation data
- Claims data
- Live events & auctions
- Driver usage behavior
- Engagement patterns
- Media buying habits



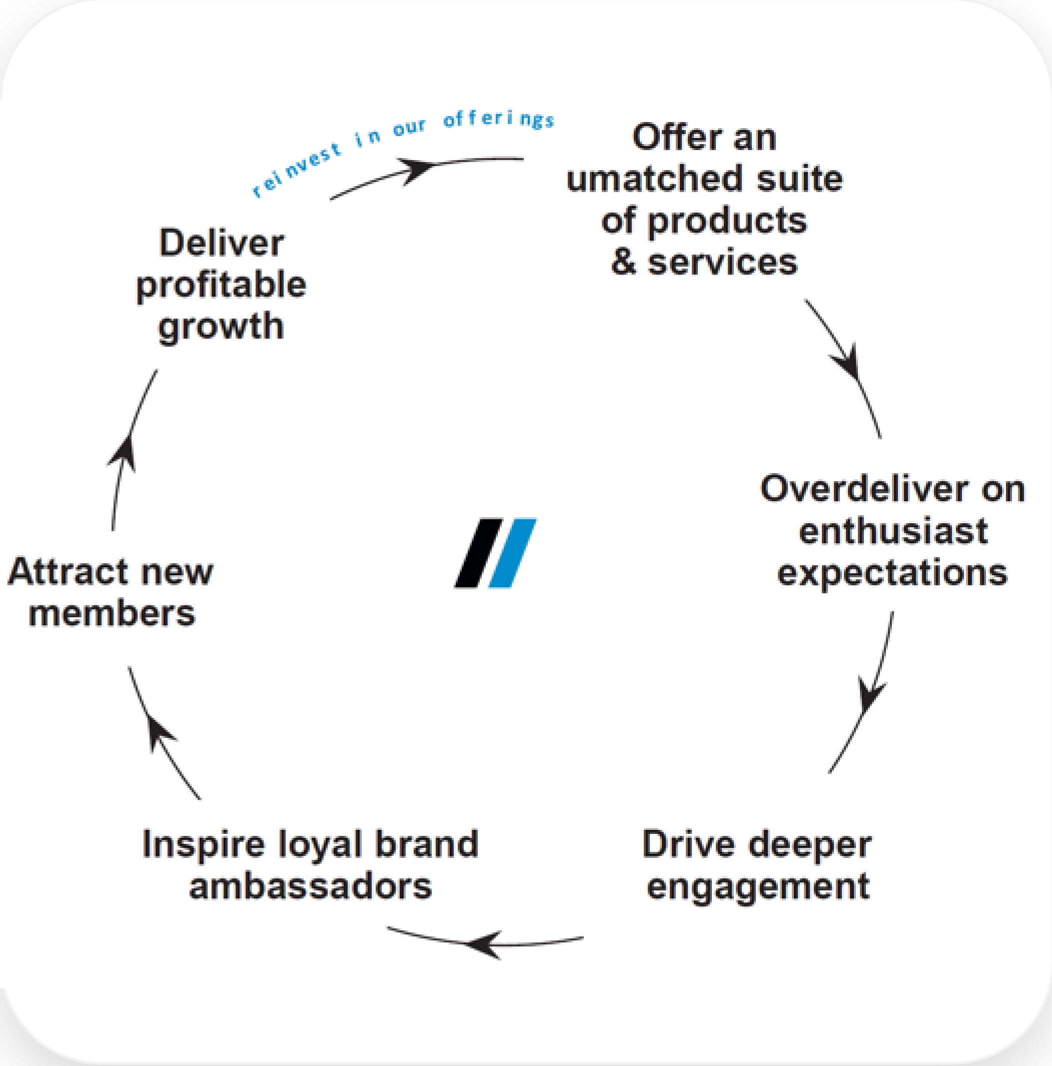

**Multi-dimensional data advantage**

- Engaging, seamless member experience
- Effective pricing of risk to maintain low loss ratios
- Well-positioned to mine the full TAM

Source: Company filings and GHR analysis

# The Hagerty Flywheel

1. **Offer an unmatched suite of products and services** to enable, validate, and fuel the love of cars
2. **Overdeliver on enthusiast expectations** with world class experiences & H-factor hospitality
3. **Driver deeper engagement** and adoption of revenue generating products
4. **Inspire loyal brand ambassadors** who can't live without us
5. **Attract new members** into our ecosystem with enticing content & experience
6. **Deliver profitable growth** to reinvest in new products and services




Source: Company filings and GHR analysis

# Appendix



# Potential Returns

| 2029 Estimates – Core Cases | | | |
|---|---|---|---|
| | **Downside** | **Base** | **Upside** |
| Revenue | $2,164,811 | $2,409,099 | $2,721,755 |
| Adj. EBIT | 284,960 | 452,603 | 603,991 |
| *% Margin* | *13.2%* | *18.8%* | *22.2%* |
| | | | |
| EPS | $0.73 | $1.20 | $1.51 |
| P/E Multiple | 16.5x | 19.5x | 23.5x |
| TEV / EBIT | 13.7x | 17.1x | 19.7x |
| Tgt Px | $12 | $23 | $35 |
| Cum. Divs. | $-- | $-- | $-- |
| *% Return* | *7%* | *108%* | *215%* |
| *% IRR* | *1.9%* | *24.6%* | *41.1%* |
| | | | |
| Probability | *15.0%* | *55.0%* | *30.0%* |

Assumes $11.25 share price (as of 9/2/2025).


Source: GHR analysis

# Model Overview

| 2029 Estimates - Core Cases | | | |
|---|---|---|---|
| | Downside | Base | Upside |
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| Probability | *15.0%* | *55.0%* | *30.0%* |

| Prob-Weighted Returns | | Total Return Parameters | |
|---|---|---|---|
| **Expected Value** | **$25.28** | Target Year: | 2029 |
| **Expected IRR** | **26.8%** | Target Date: | 12/31/28 |
| Gross Return | 120.8% | Yrs Until Tgt: | 3.33 |

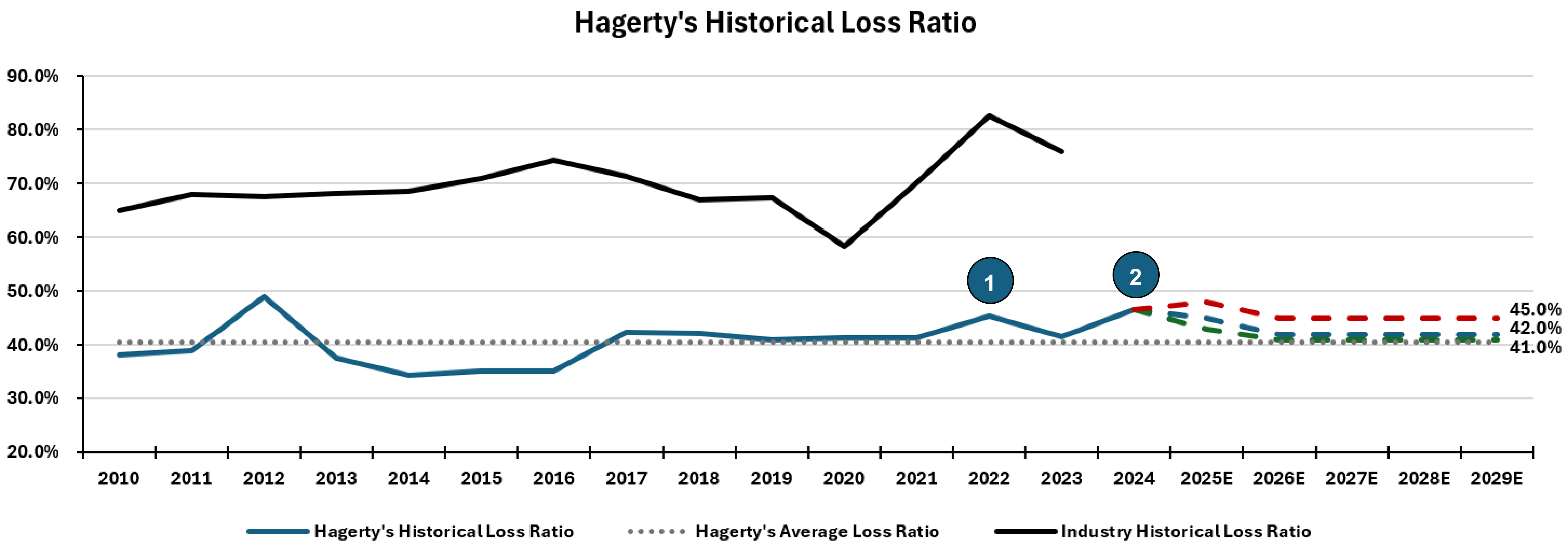
Assumes a 3.3-year holding period and $11.25 purchase price, as of 9/2/2025.

# Key Assumptions

| Metric | Impact |
|---|---|
| **Loss Ratio** | Primary driver of reinsurance operating profit. |
| **Policies in Force Growth** | Primary driver of topline growth for both the core MGA and reinsurance business. |
| **Salaries & Benefits** | Primary driver of operating leverage. |

Source: GHR analysis

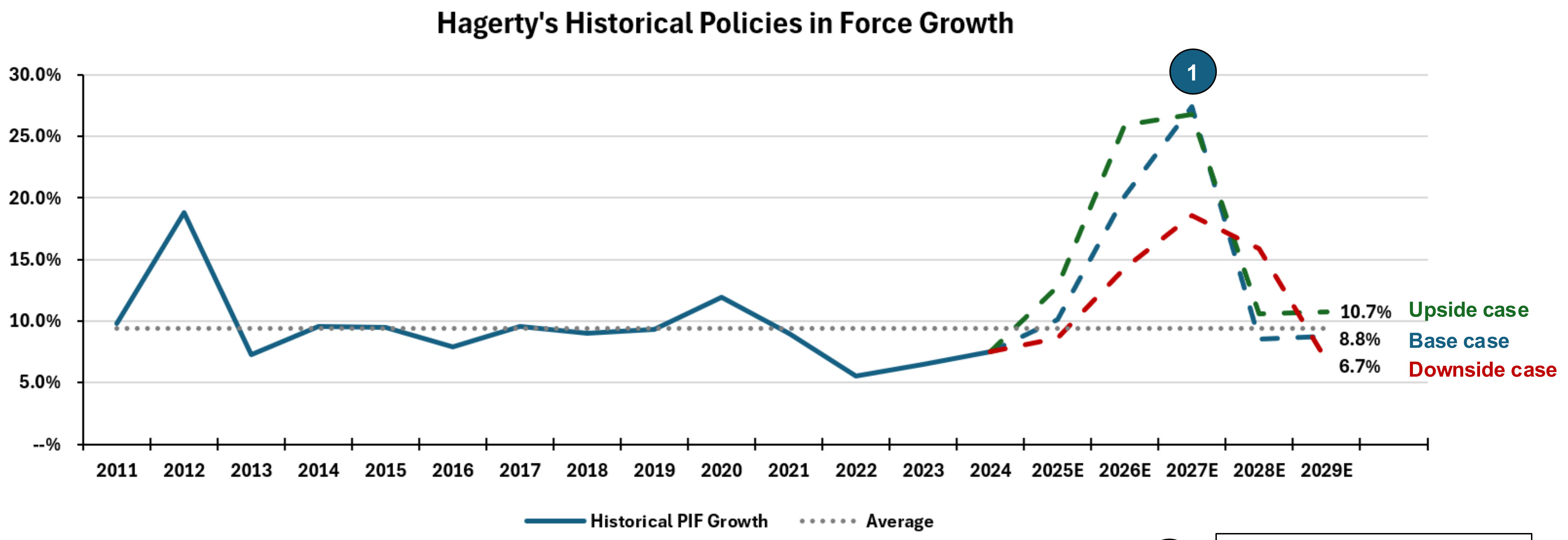
# Loss Ratios




1 Hurricane Ian adds 2.5% to loss ratio.

2 Hurricanes Helene & Milton add 2.3% to loss ratio.

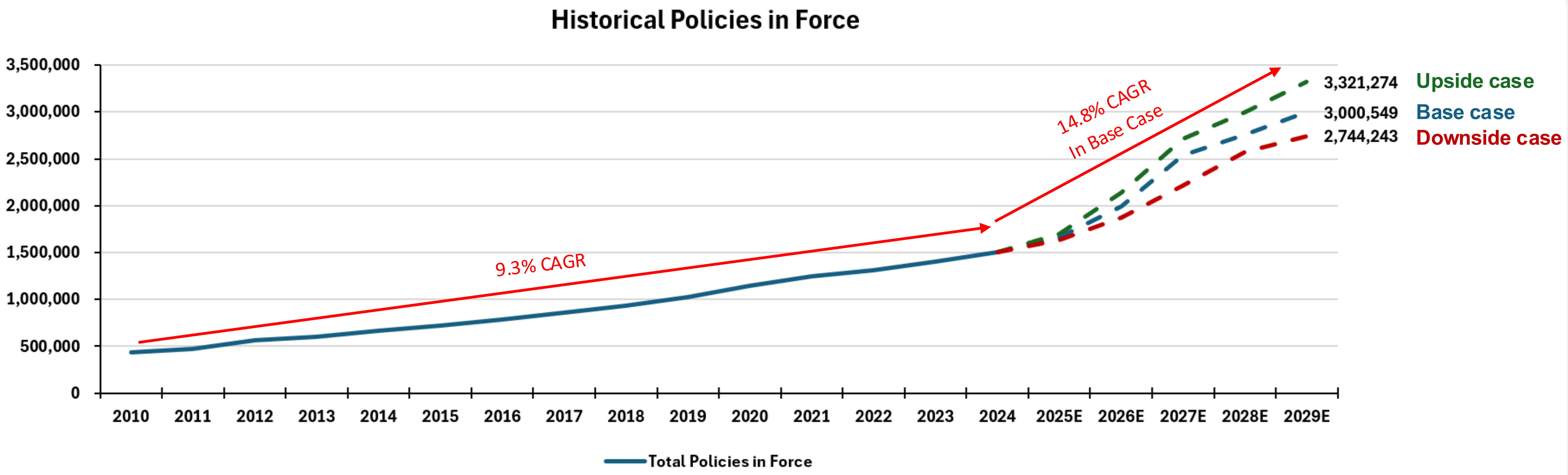
# PIF Growth vs Historical




1 Driven by timing and magnitude of State Farm partnership.

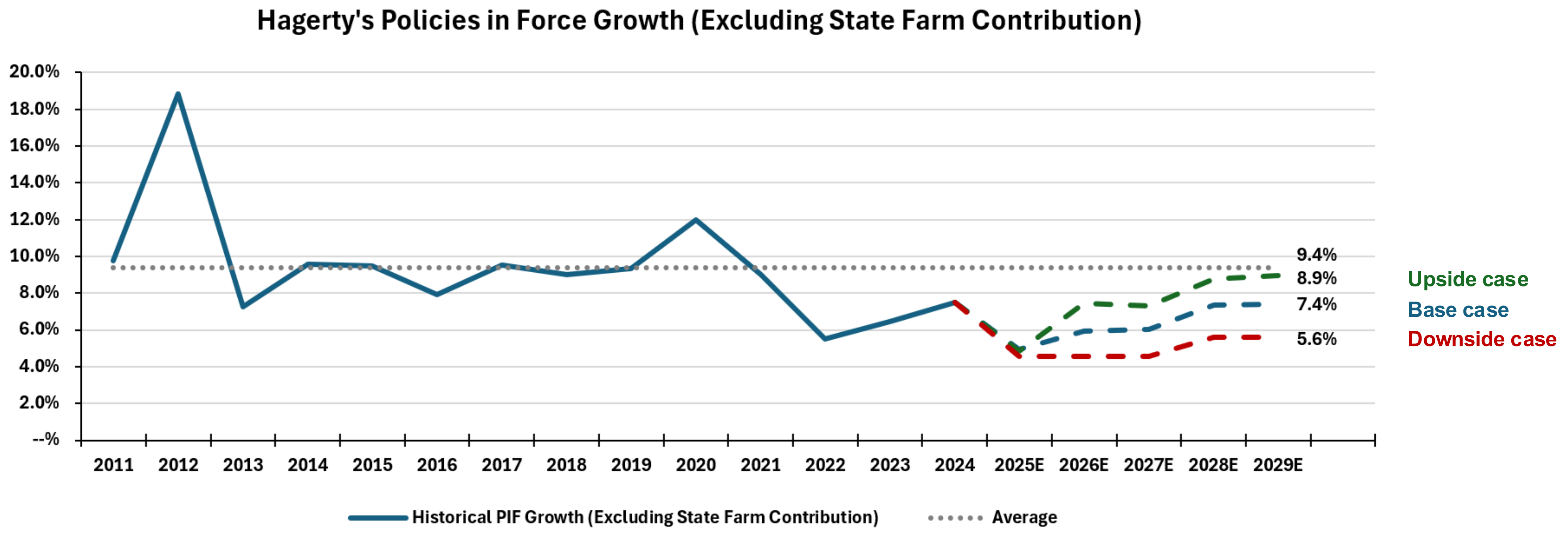
Source: Company filings and GHR analysis

# Policies in Force



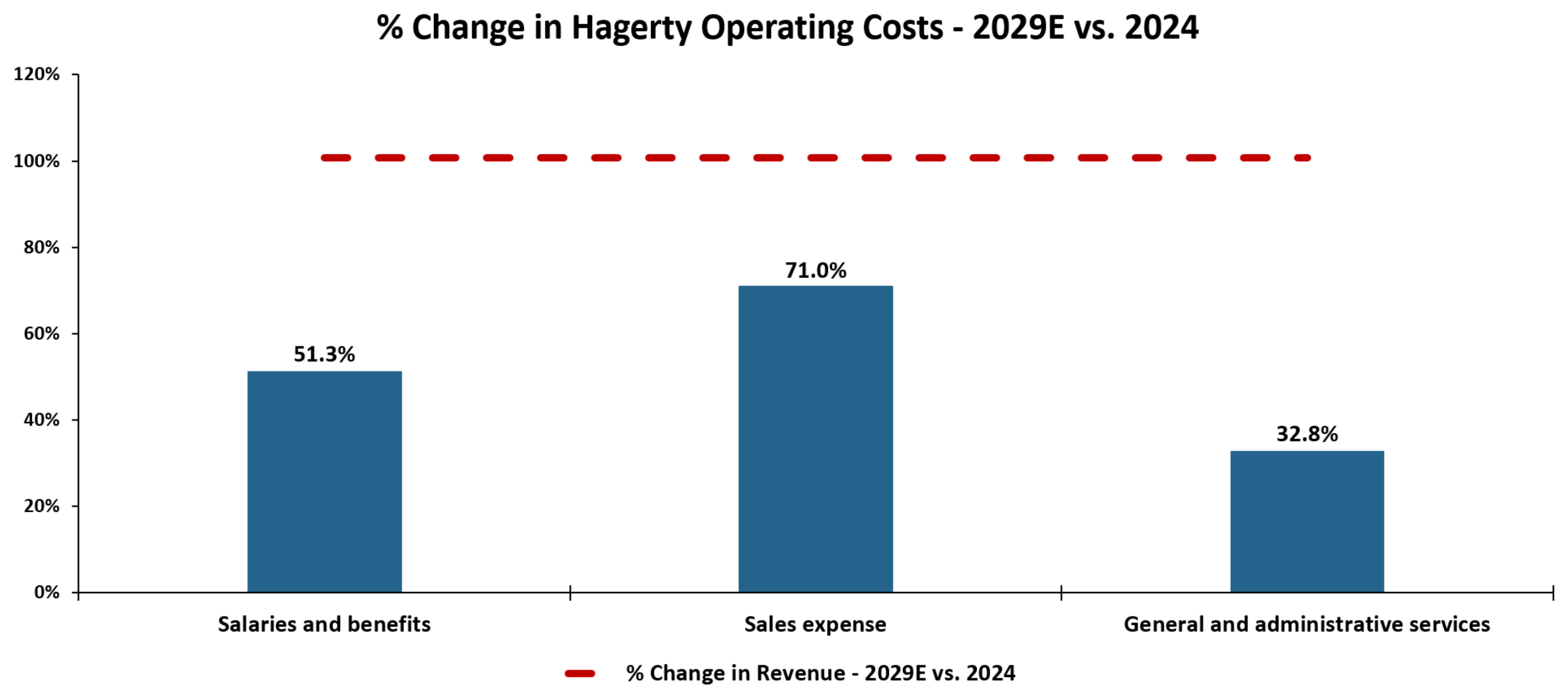

Source: Company filings and GHR analysis

# PIF Growth vs Historical (Ex-State Farm)



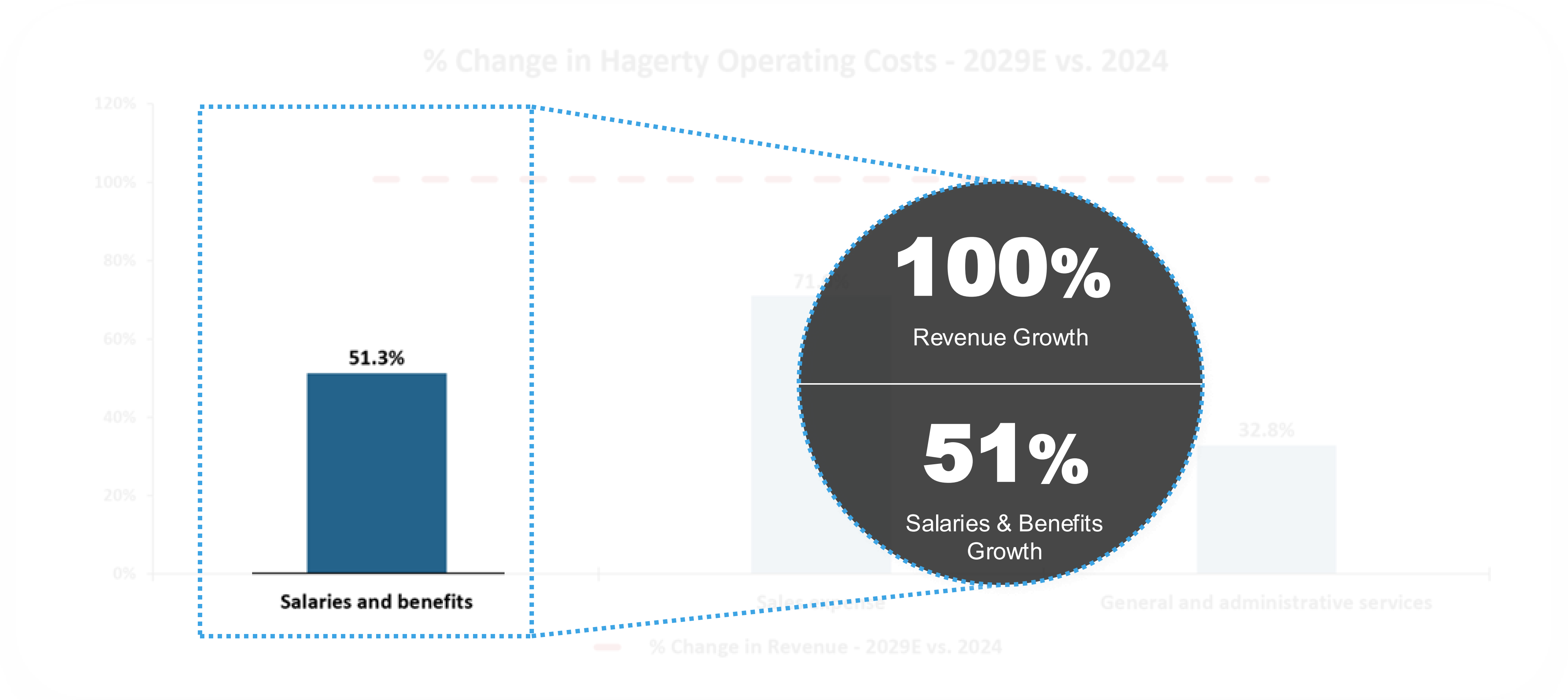

Source: Company filings and GHR analysis

# SG&A Should Not Grow as Fast as Revenue




Source: Company filings and GHR analysis

# SG&A Should Not Grow as Fast as Revenue



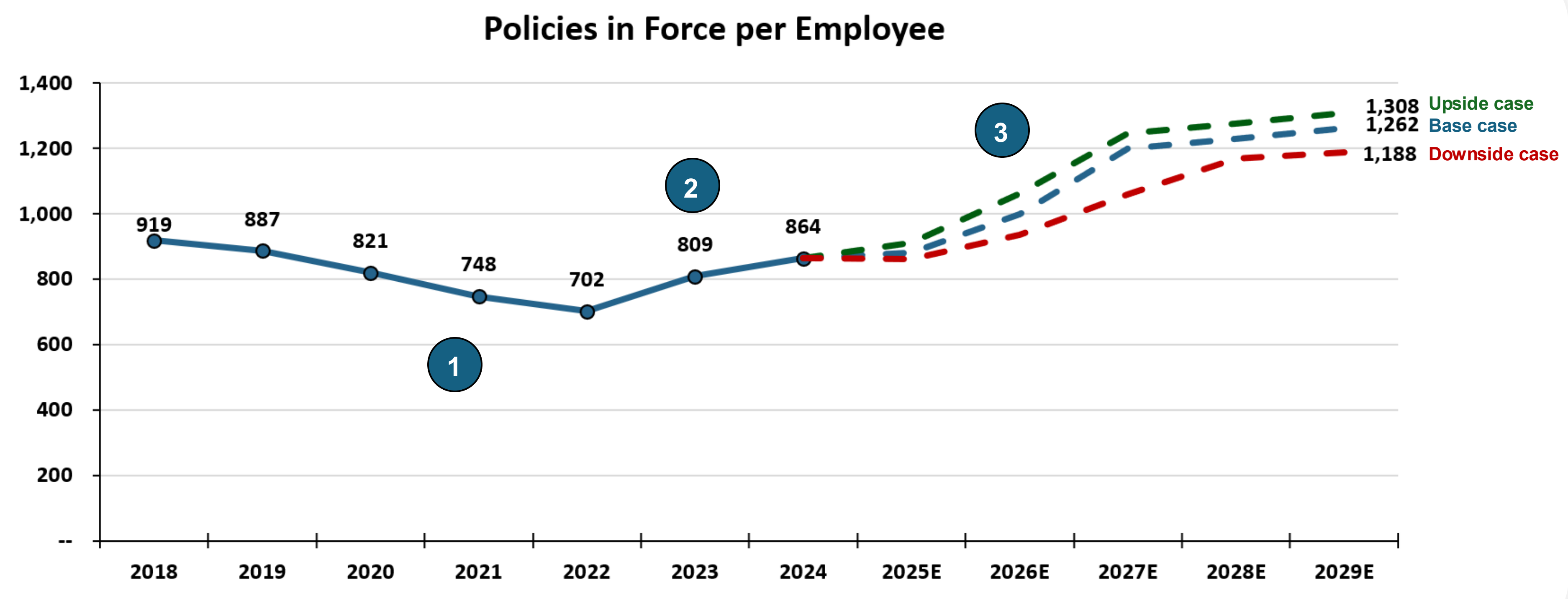
# Salaries & Benefits Leverage – Growth & Efficiency

**967**

1998
PIF/Employee

**1,179**

2008
PIF/Employee




1 Headcount growth ahead of State Farm partnership and go-public process.

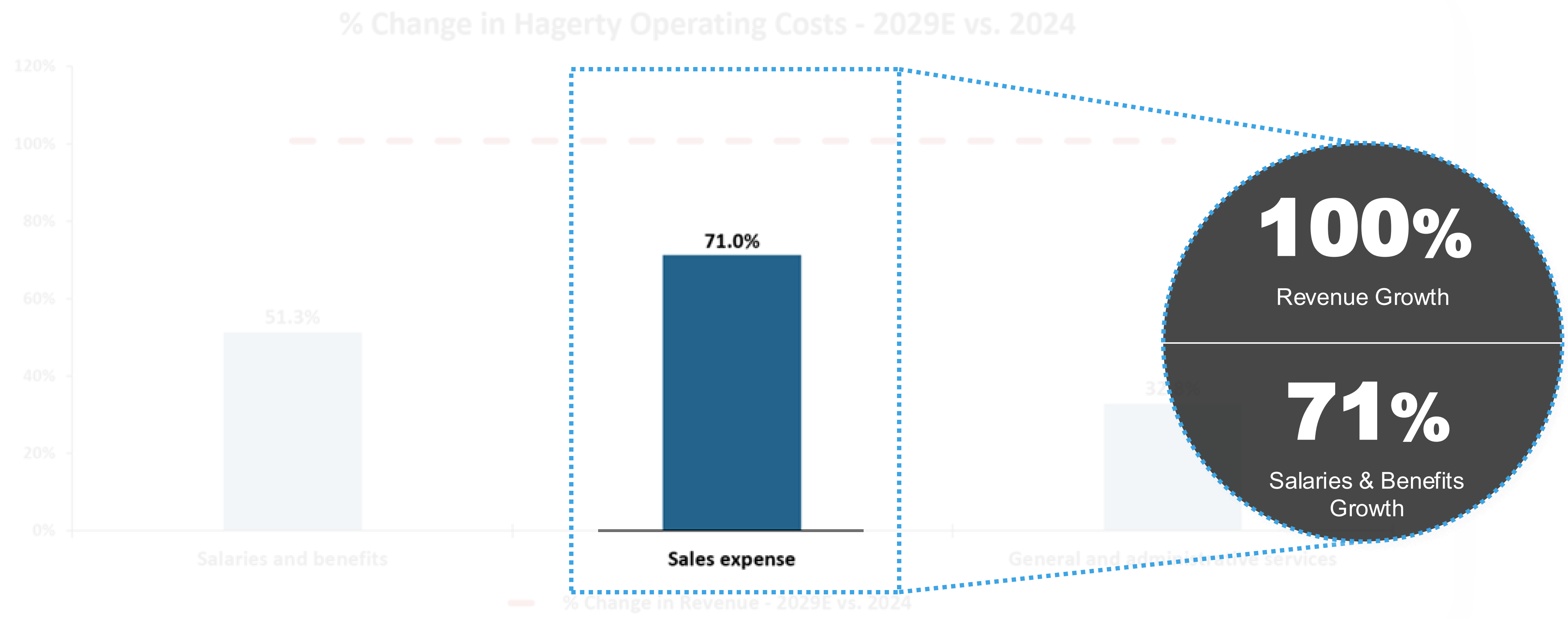
2 Organic growth begins to absorb ramped headcount.

3 State Farm policies and Duck Creek implementation drives further leverage.

Source: Company filings and GHR analysis

**Duck Creek Implementation Drives Efficiency Gains Alongside PIF Growth.**

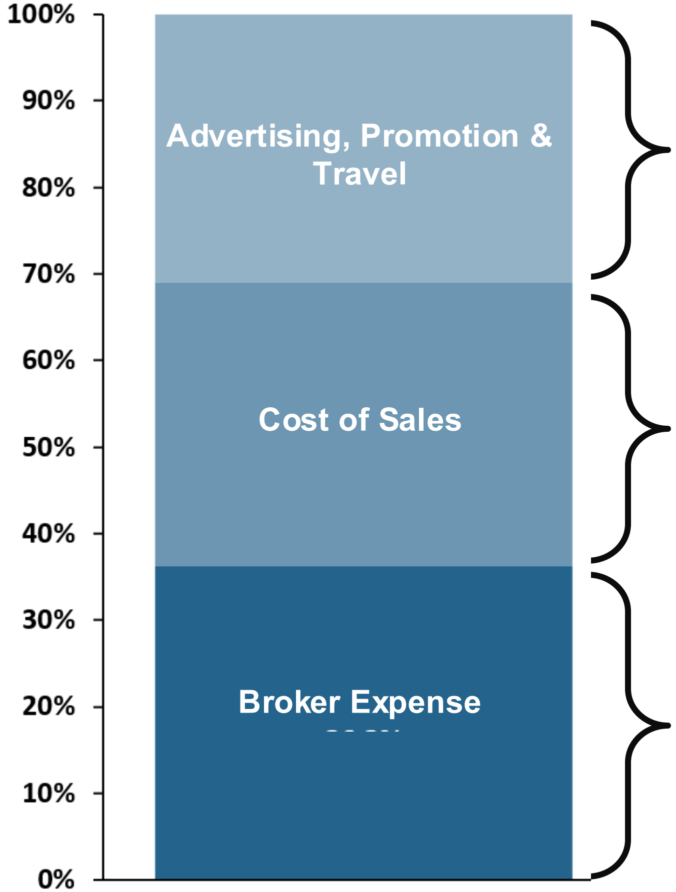
# SG&A Should Not Grow as Fast as Revenue




Source: Company filings and GHR analysis

# History of Revenues Growing Faster than Sales Exp.

**Sales Expense Breakdown**




Promotion & Travel are primarily related to Hagerty events and should increase primarily with inflation. Advertising expense has a high degree of operating leverage.

**16%**
2018 - 2024
CAGR

Almost purely a variable cost and will grow alongside revenues.

**24%**
2018 - 2024
CAGR

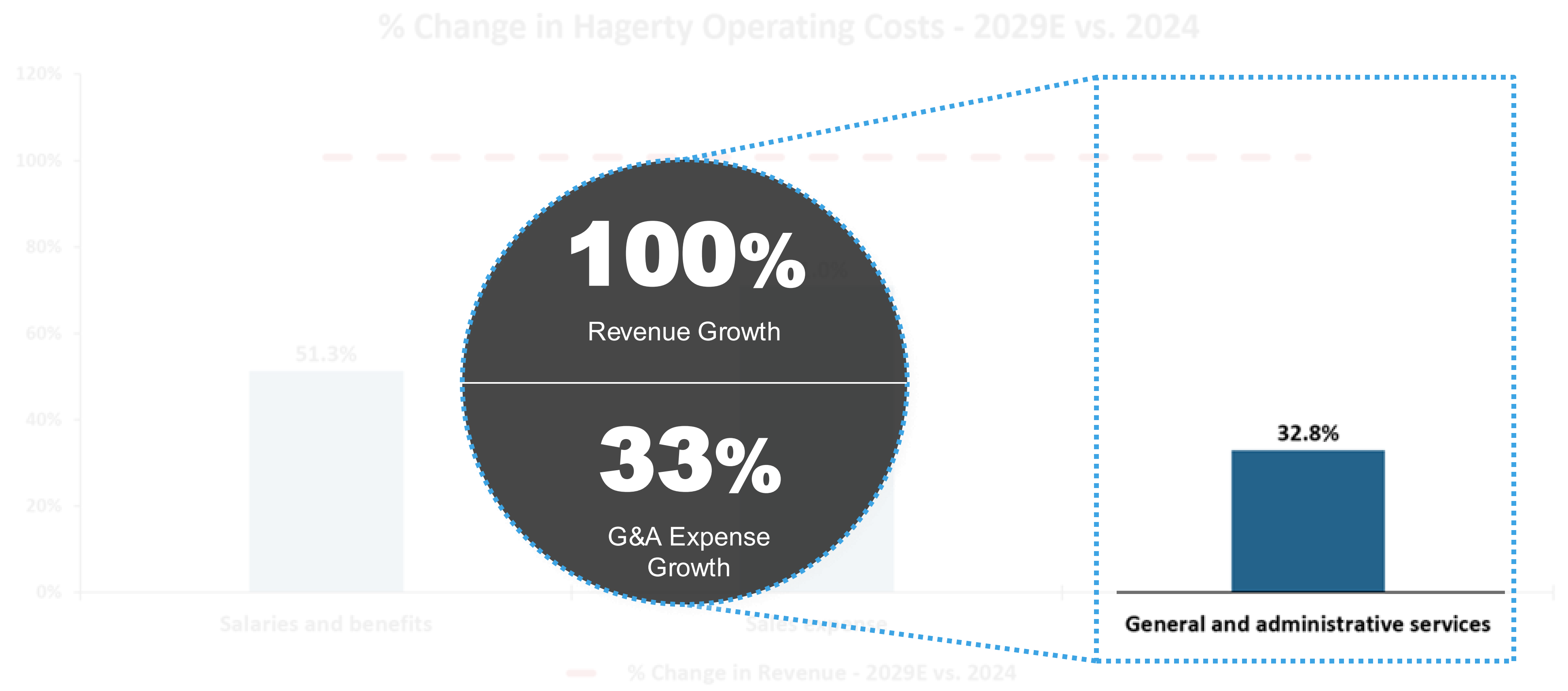
Fixed commissions paid to brokers that issued a policy. These costs are semi-variable as ~55% of policies are issued through broker channels.

**16%**
2018 - 2024
CAGR

Revenue CAGR
**26%**
2018 - 2024

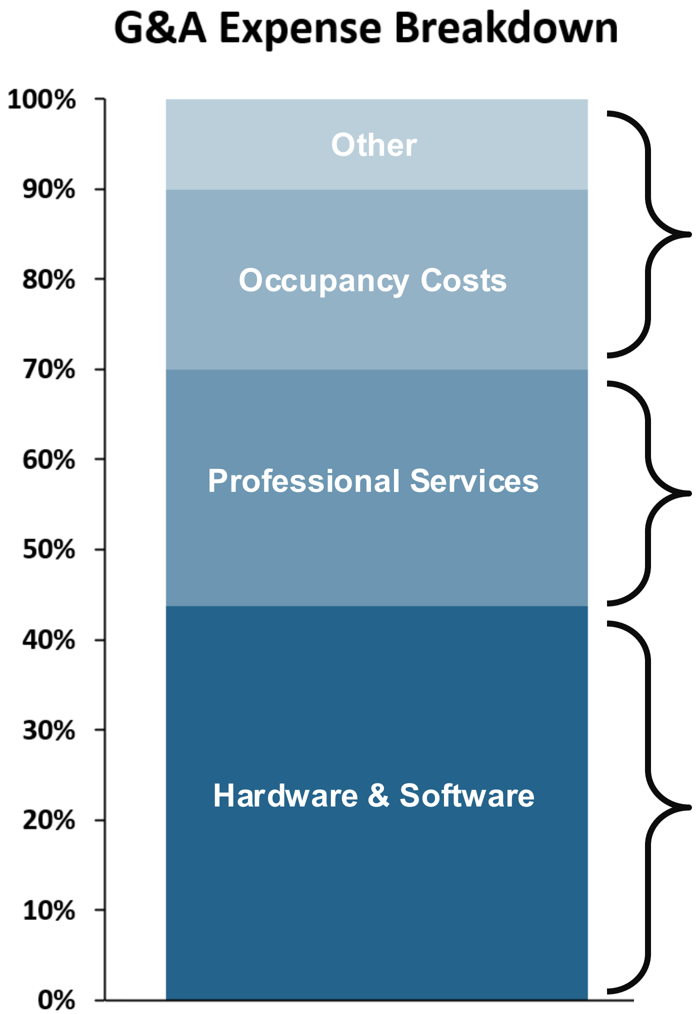
Source: Company filings and GHR analysis

# SG&A Should Not Grow as Fast as Revenue




Source: Company filings and GHR analysis

# History of Revenues Growing Faster than G&A Exp.




Hagerty is a remote-first company and has adequate facilities to support anticipated growth over the next 5 years. These costs should remain mostly flat over the investment period.

Public company costs as well as costs related to various corporate initiatives requiring external consulting. These costs are semi-variable and partially contribute to G&A expense leverage.

Public company costs as well as costs related to various corporate initiatives requiring external consulting. These costs are semi-variable and partially contribute to G&A expense leverage.

Revenue CAGR

**26%**

2018 – 2024

**vs.**

G&A CAGR

**18%**

2018 - 2024

Source: Company filings and GHR analysis

# Important Assumptions Summary

| Key Assumption | Historical (5-yr avg.) | Bear | Base | Bull |
|---|---|---|---|---|
| Loss Ratio | 44.4% | 44.3% | 41.9% | 41.1% |
| Policies in Force Growth (CAGR for proj.) | 8.1% | 12.7% | 14.8% | 17.1% |
| Policies in Force Growth Ex-SF (CAGR for proj.) | 7.9% | 5.0% | 6.3% | 7.5% |
| Non-reinsurance Revenue Growth (CAGR) | 18.3% | 10.9% | 13.7% | 17.5% |
| Salaries & Benefits Expense Growth (CAGR) | 14.1% | 8.0% | 8.6% | 12.4% |

| Key Drivers | Current | Bear | Base | Bull | Comps |
|---|---|---|---|---|---|
| Estimated IRR | | 1.9% | 24.6% | 41.1% | |
| Estimated Share Price | $11 | $12 | $23 | $35 | |
| Exit Multiple (Forward P/E) | 31.1x | 16.5x | 19.5x | 23.5x | 17.6x – 27.1x |
| Exit Multiple (Forward EV / EBIT) | 25.8x | 13.7x | 17.1x | 19.7x | 14.7x – 20.4x |

Source: Company filings and GHR analysis

# Model Overview

**Hagerty Inc. Financial Summary, Valuation & Potential Return Profile ($ in Thousands)**

| Capitalization Table | |
|---|---|
| Share Price (09/02/2025) | $11.25 |
| Fully Diluted Shares | 353,990 |
| **Market Cap** | **$3,982,391** |
| Plus: Total Debt | 194,286 |
| Plus: Preferred Equity | 82,813 |
| Less: Cash | (140,300) |
| Plus: Minority Interests | -- |
| **Enterprise Value** | **$4,119,190** |
| *Net Leverage* | *0.9x* |

| Trading Stats | |
|---|---|
| 52 Week Range | $8.03 - $12.16 |
| *% of 52-Wk High* | *94%* |
| 30-Day Avg. $ Volume (USD mm) | $2.6 |

| Historical Business Quality | 2023 | 2025E | 2027E |
|---|---|---|---|
| ROIC | 1.4% | 11.7% | 19.4% |
| ROE | 3.3% | 24.2% | 32.3% |
| CapEx/Sales | 2.6% | 1.5% | 1.1% |
| Div Yield | --% | --% | --% |

**Financial Summary**

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | CAGR '18A - '24A | CAGR '24A - '26E | CAGR '26E - '28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Commission & Fees | $174,293 | $201,779 | $236,443 | $271,571 | $307,238 | $365,512 | $420,247 | $487,296 | $577,062 | $694,507 | $805,130 | $932,914 | $1,079,321 | 15.8% | 17.2% | 18.1% |
| Membership | 26,457 | 31,508 | 36,278 | 40,605 | 45,234 | 52,460 | 57,549 | 63,581 | 71,320 | 83,045 | 91,590 | 101,126 | 111,654 | 13.8% | 11.3% | 13.3% |
| Other | 3,929 | 6,592 | 6,325 | 11,079 | 18,385 | 21,796 | 21,607 | 19,129 | 19,607 | 20,098 | 20,600 | 21,115 | 21,643 | 32.9% | (4.7%) | 2.5% |
| Marketplace Revenue | -- | -- | -- | -- | 13,670 | 28,579 | 54,318 | 98,427 | 114,478 | 138,750 | 164,456 | 191,445 | 220,288 | NM | 45.2% | 19.9% |
| Insurance (HagertyRe) | 97,020 | 157,394 | 220,502 | 295,824 | 403,061 | 531,866 | 643,324 | 729,582 | 918,603 | 1,133,448 | 1,287,855 | 1,475,155 | 1,689,738 | 37.1% | 19.5% | 18.4% |
| **Total Revs** | **$301,699** | **$397,273** | **$499,548** | **$619,079** | **$787,588** | **$1,000,213** | **$1,197,045** | **$1,398,015** | **$1,701,070** | **$2,069,847** | **$2,369,631** | **$2,721,755** | **$3,122,644** | **25.8%** | **19.2%** | **18.0%** |
| *Y/Y Growth* | - | *31.7%* | *25.7%* | *23.9%* | *27.2%* | *27.0%* | *19.7%* | *16.8%* | *21.7%* | *21.7%* | *14.5%* | *14.9%* | *14.7%* | | | |
| MGA, Subscription & Other | (997) | (6,579) | (7,657) | (42,831) | (95,280) | (49,809) | 18,157 | 29,195 | 77,888 | 153,041 | 210,559 | 280,279 | 365,156 | NM | 107.1% | 64.4% |
| Marketplace | -- | -- | -- | -- | (1,795) | 814 | 5,249 | 27,220 | 35,784 | 48,285 | 61,323 | 74,741 | 88,840 | NM | 161.1% | 30.9% |
| Reinsurance underwriting | 9,609 | 17,427 | 23,503 | 32,761 | 29,509 | 59,403 | 43,012 | 86,049 | 113,398 | 139,920 | 158,981 | 182,103 | 208,592 | 28.4% | 62.4% | 18.4% |
| Reinsurance float | -- | -- | -- | -- | 3,802 | 19,544 | 30,713 | 31,910 | 40,362 | 50,183 | 58,014 | 66,868 | 76,880 | NM | 14.6% | 19.9% |
| **Total Adj. EBIT** | **$8,612** | **$10,848** | **$15,846** | **($10,070)** | **($63,764)** | **$29,952** | **$97,131** | **$174,374** | **$267,432** | **$391,429** | **$488,877** | **$603,991** | **$739,468** | **49.8%** | **65.9%** | **35.2%** |
| *% EBIT Margin* | *2.9%* | *2.7%* | *3.2%* | *(1.6%)* | *(8.1%)* | *3.0%* | *8.1%* | *12.5%* | *15.7%* | *18.9%* | *20.6%* | *22.2%* | *23.7%* | | | |
| *% Margin (MGA)* | *(0.5%)* | *(2.7%)* | *(2.7%)* | *(13.2%)* | *(25.7%)* | *(11.3%)* | *3.6%* | *5.1%* | *11.7%* | *19.2%* | *23.0%* | *26.6%* | *30.1%* | | | |
| *% Margin (Marketplace)* | - | - | - | - | *(13.1%)* | *2.8%* | *9.7%* | *27.7%* | *31.3%* | *34.8%* | *37.3%* | *39.0%* | *40.3%* | | | |
| *% Margin (Re-Insurance)* | *9.9%* | *11.1%* | *10.7%* | *11.1%* | *7.3%* | *11.2%* | *6.7%* | *11.8%* | *12.3%* | *12.3%* | *12.3%* | *12.3%* | *12.3%* | | | |
| **Adj. Diluted EPS** | **$--** | **$--** | **$--** | **($0.06)** | **($0.21)** | **$0.04** | **$0.23** | **$0.40** | **$0.65** | **$1.00** | **$1.29** | **$1.51** | **$1.73** | NM | 70.4% | 40.3% |
| *Y/Y Growth* | | | | | *280.3%* | *(117.3%)* | *505.2%* | *79.6%* | *61.7%* | *52.3%* | *29.2%* | *17.1%* | *15.0%* | | | |
| **LFCF / Share** | **$--** | **$--** | **$--** | **($0.28)** | **($0.33)** | **($0.02)** | **($0.06)** | **$0.07** | **$0.10** | **$0.77** | **$1.12** | **$1.28** | **$1.47** | NM | NM | 236.8% |
| *Y/Y Growth* | | | | | *17.0%* | *(92.6%)* | *156.6%* | *(204.2%)* | *50.7%* | *681.0%* | *45.2%* | *14.6%* | *14.2%* | | | |
| **ULFCF / Share** | **$--** | **$--** | **$--** | **($0.25)** | **($0.48)** | **($0.41)** | **($0.04)** | **$0.13** | **($0.05)** | **$0.58** | **$0.86** | **$0.95** | **$1.04** | NM | 5.4% | NM |
| *Y/Y Growth* | | | | | *90.3%* | *(13.8%)* | *(90.0%)* | *(403.0%)* | *(136.7%)* | *(1,351.9%)* | *49.3%* | *10.0%* | *10.0%* | | | |
| **BV / Share** | **$--** | **$--** | **$--** | **$0.81** | **$1.06** | **$1.42** | **$1.72** | **$2.11** | **$2.81** | **$3.85** | **$5.19** | **$6.76** | **$8.54** | NM | 27.7% | 36.0% |
| *Y/Y Growth* | | | | | *30.8%* | *33.3%* | *21.7%* | *22.2%* | *33.3%* | *37.3%* | *34.7%* | *30.1%* | *26.5%* | | | |

**Valuation Summary (Based on entry share price)**

| | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|---|---|---|---|---|---|---|---|---|---|
| EV / Revenue | 5.2x | 4.1x | 3.4x | 2.9x | 2.4x | 2.0x | 1.7x | 1.5x | 1.3x |
| EV / EBIT | (64.6x) | 137.5x | 42.4x | 23.6x | 15.4x | 10.5x | 8.4x | 6.8x | 5.6x |
| EV / FCFF | (24.3x) | (28.1x) | (280.2x) | 92.5x | (252.2x) | 20.1x | 13.5x | 12.3x | 11.2x |
| P / E | (52.4x) | 302.5x | 50.0x | 27.8x | 17.2x | 11.3x | 8.7x | 7.5x | 6.5x |
| P / LFCF | (33.9x) | (458.8x) | (178.8x) | 171.6x | 113.9x | 14.6x | 10.0x | 8.8x | 7.7x |
| P / BV | 10.6x | 7.9x | 6.5x | 5.3x | 4.0x | 2.9x | 2.2x | 1.7x | 1.3x |

Source: Company filings and GHR analysis

# Appendix



# Management Team

**McKeel Hagerty, Chief Executive Officer**
McKeel Hagerty is the Hagerty family's second-generation CEO. He began selling insurance policies for Hagerty at 18 years old and has scaled the business from ~100 employees and 58,000 members in 2000 to ~1,700 employees and 1.5M members today. He was also the Chairman of the Board for the global leadership community, YPO, from 2016 – 2017, and has constructed an exceptional management team and board of directors at Hagerty.

**Patrick McClymont, Chief Financial Officer**
Patrick McClymont was appointed as Chief Financial Officer in August 2012. Prior to joining Hagerty, he was most recently the CFO of Orchard Technologies. He has held various senior leadership roles beyond finance where he developed and executed global strategies for corporate growth across multiple sectors including entertainment, business services and industrials. This is in addition to his experience as CFO for IMAX Corporation, an entertainment technology company, and Sotheby's, a leader in auctions, private art sales and lending.

> "Hagerty may be a leading provider of insurance for collectible vehicles in North America, but insurance does not define us. The love of cars does, and that is the key competitive advantage we have utilized to differentiate our approach and to position us to deliver high rates of compounding profitable growth in the years to come. So let me start by thanking our 1,700 Hagerty employees. This team of highly engaged car people has never been better aligned around our strategic growth ambitions and is well positioned to deliver great results for stockholders."
>
> -McKeel Hagerty, CEO, May 2024

Source: Company filings

# Ownership Overview

| Top 10 Holders | # of Shares | % Ownership |
|---|---|---|
| Hagerty Family | 166,552,156 | 48.2% |
| Markel Group Inc. (NYSE: MKL) | 78,108,000 | 22.6% |
| State Farm | 51,800,000 | 15.0% |
| Neuberger Berman | 5,557,427 | 1.6% |
| Polar Capital Holdings | 5,319,027 | 1.5% |
| Vanguard Group | 2,612,741 | 0.8% |
| Greenhaven Road Capital | 1,811,539 | 0.5% |
| Rob Kauffman | 1,511,061 | 0.4% |
| Pembroke Management | 993,449 | 0.3% |
| Lincoln Capital | 607,309 | 0.2% |
| **Total:** | **314,872,709** | **91.1%** |

Source: Public filings and GHR analysis

GREENHAVEN ROAD CAPITAL

# Q&A Supporting Slides

# Update: New Fronting Arrangement w/ Markel

**01** Hagerty will now take 100% of insurance risk on majority of policies written in the United States.

**02** P&L presentation will change starting in 2026 to eliminate inter-company transactions. Investment income earned on float will now show up in the Revenue line instead of interest income line.

**03** 2029E Adj. EPS increases from $1.12 to $1.20, reflecting higher underwriting income from Hagerty Reinsurance and investment income on the larger amount of float.

Source: Company filings and GHR analysis

Increases Exit Value by ~7% & Positions Hagerty for Value Unlock

# Comparable Multiples – Insurance Brokers

| Insurance Brokers | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Projected Revenue Growth | | Projected Net Income Growth | | 2025E Valuation Multiples | |
| Company | Ticker | Market Value ($M) | Enterprise Value ($M) | 2025E | 2026E | 2025E | 2026E | EV / EBIT | Price / Earnings |
| Arthur J. Gallagher & Co. | AJG | $73,204 | $69,949 | 22.0% | 22.6% | 25.9% | 25.8% | 17.6x | 25.9x |
| Aon Plc | AON | $76,621 | $93,658 | 10.2% | 6.4% | 10.6% | 12.6% | 16.8x | 21.1x |
| Brown & Brown, Inc. | BRO | $30,656 | $29,563 | 21.2% | 26.1% | 2.9% | 30.7% | 16.9x | 22.3x |
| Marsh & McLennan Companies, Inc. | MMC | $98,600 | $118,742 | 10.4% | 5.7% | 8.1% | 7.6% | 16.3x | 21.0x |
| Ryan Specialty Holdings, Inc. | RYAN | $15,788 | $11,797 | 21.6% | 16.2% | 17.7% | 23.8% | 19.6x | 29.0x |
| Willis Towers Watson Public Limited Compar | WTW | $29,926 | $33,587 | (3.7%) | 5.9% | (4.2%) | 10.1% | 14.0x | 18.1x |
| Baldwin Insurance Group, Inc. | BWIN | $4,360 | $4,319 | 10.6% | 15.0% | 100,000.0% | 616.4% | 32.3x | 20.5x |
| EverQuote, Inc. | EVER | $878 | $757 | 28.7% | 10.3% | 43.1% | 26.9% | 15.9x | 20.1x |
| Goosehead Insurance, Inc. | GSHD | $3,435 | $2,522 | 15.6% | 23.4% | (9.6%) | 52.4% | 40.5x | 52.0x |
| Peer Average | | | | 15.2% | 14.6% | 11.8% | 23.7% | 21.1x | 25.5x |
| Peer Median | | | | 15.6% | 15.0% | 10.6% | 25.8% | 16.9x | 21.1x |
| **Hagerty** | | | | **14.6%** | **18.5%** | **18.5%** | **18.5%** | **22.4x** | **22.0x** |

| | EV / EBIT | Price / Earnings |
|---|---|---|
| 2025 Peer Average | 21.1x | 25.5x |
| 2025 Peer Median | 16.9x | 21.1x |
| **Hagerty Exit Multiple** | **17.0x** | **19.5x** |

Source: Factset and GHR analysis

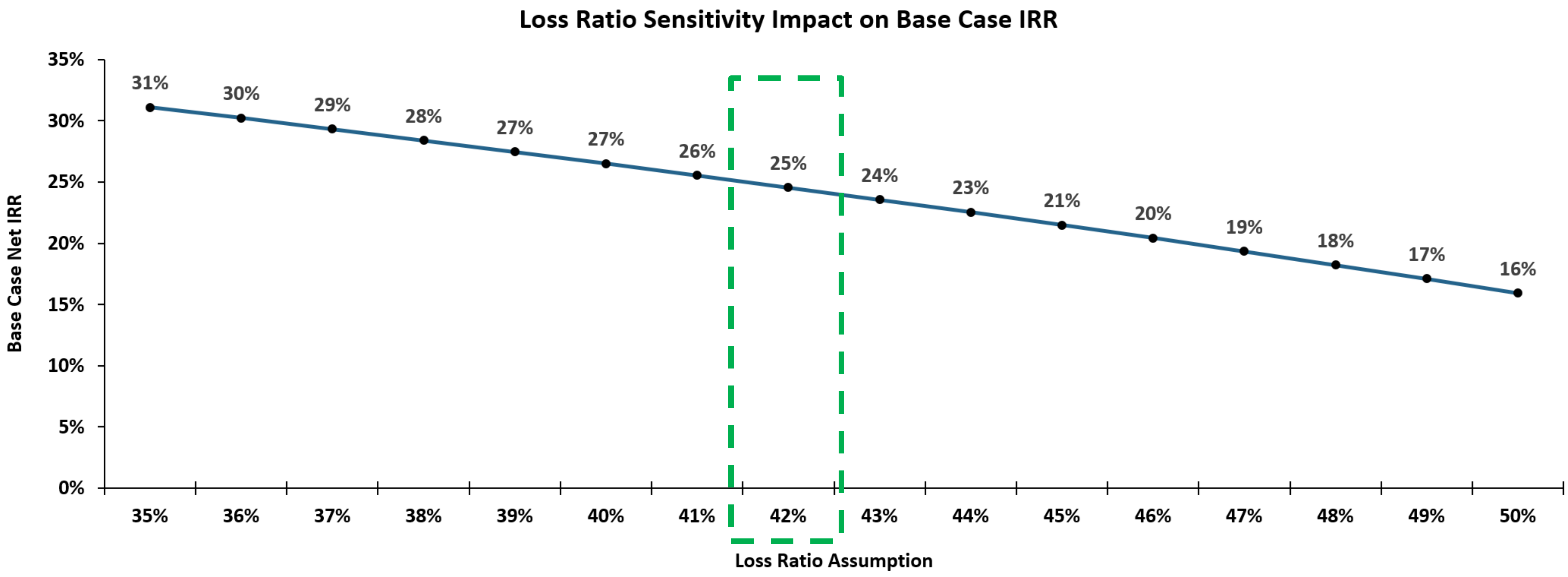
# Comparable Multiples – P&C Insurers

| P&C Insurers | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Projected Revenue Growth | | Projected Net Income Growth | | 2025E Valuation Multiples | |
| Company | Ticker | Market Value ($M) | Enterprise Value ($M) | 2025E | 2026E | 2025E | 2026E | EV / EBIT | Price / Earnings |
| Progressive | PGR | $141,696 | $148,383 | 14.0% | 10.8% | 22.2% | (4.9%) | 14.0x | 13.9x |
| Kemper | KMPR | $3,871 | $4,746 | 8.3% | 11.5% | 4.2% | 6.5% | -- | 9.6x |
| Allstate | ALL | $50,919 | $59,841 | (0.7%) | 8.3% | 6.1% | 21.4% | 12.3x | 10.6x |
| W. R. Berkley | WRB | $26,141 | $26,909 | 8.1% | 7.9% | (1.8%) | 13.1% | 11.4x | 16.2x |
| RLI | RLI | $6,067 | $6,160 | 2.8% | 3.2% | (7.8%) | (10.0%) | 21.5x | 21.5x |
| Kinsale Capital Group | KNSL | $10,359 | $10,405 | 7.6% | 12.0% | 8.1% | 8.9% | 24.8x | 24.3x |
| Mean | | | | 6.7% | 9.0% | 5.2% | 5.9% | 16.8x | 16.0x |
| Median | | | | 7.9% | 9.6% | 5.1% | 7.7% | 14.0x | 15.0x |
| **Hagerty** | | | | **14.6%** | **18.5%** | **18.5%** | **18.5%** | **22.4x** | **22.0x** |

| | EV / EBIT | Price / Earnings |
|---|---|---|
| 2025 Peer Average | 16.8x | 16.0x |
| 2025 Peer Median | 14.0x | 15.0x |
| **Hagerty Exit Multiple** | **17.0x** | **19.5x** |

Source: Factset and GHR analysis

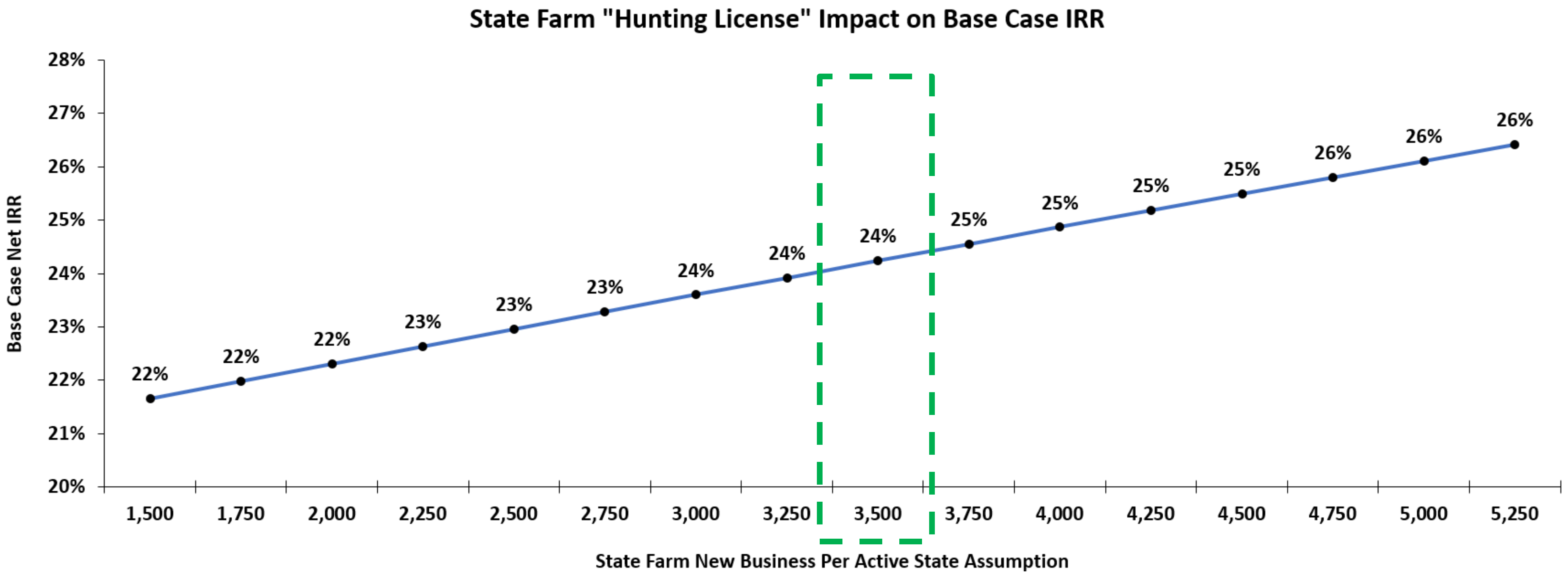
# Sensitivity Analysis – Loss Ratio




Source: GHR analysis

Each 1-Point Increase in Loss Ratio Reduces CAGR by ~1-Point.

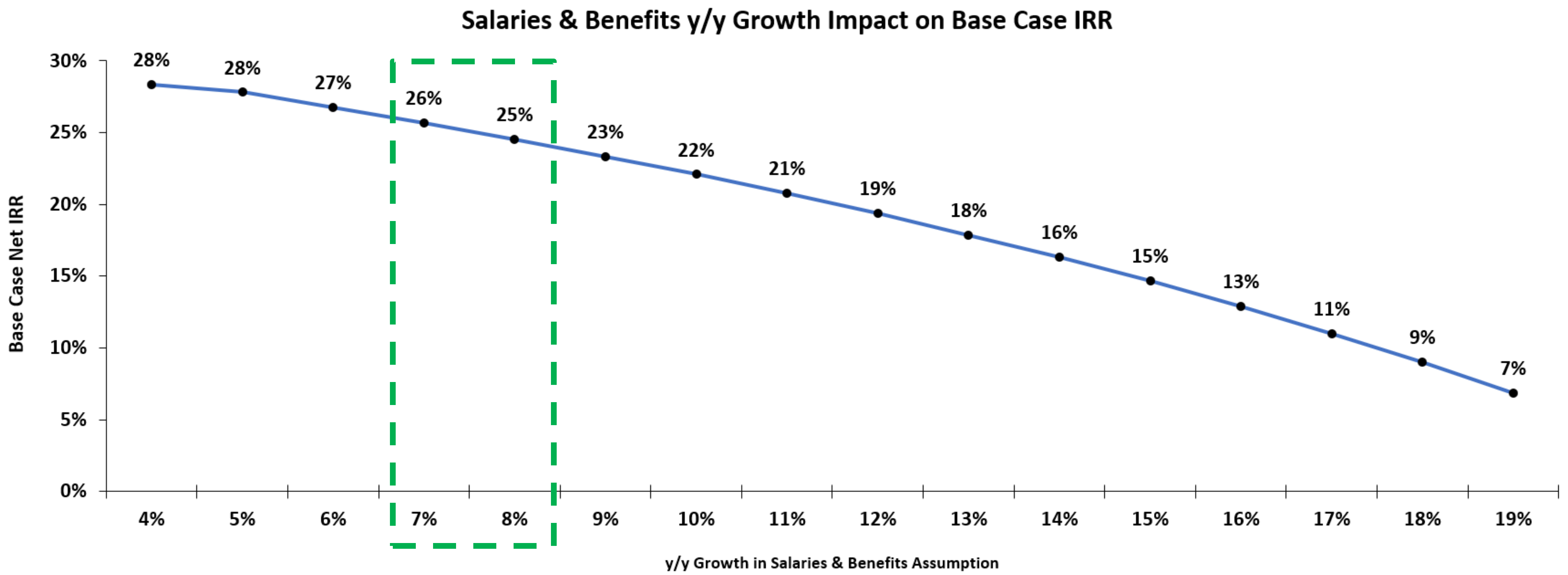
# Sensitivity Analysis – State Farm "Hunting"




Source: GHR analysis

Each 250-Policy Increase per Active State Increases CAGR by ~30bps.

# Sensitivity Analysis – Salaries & Benefits




Source: GHR analysis

**Each 1-Point Increase in y/y S&B Decreases CAGR by ~1-Point.**

# Partners Generate 23% of Policies…

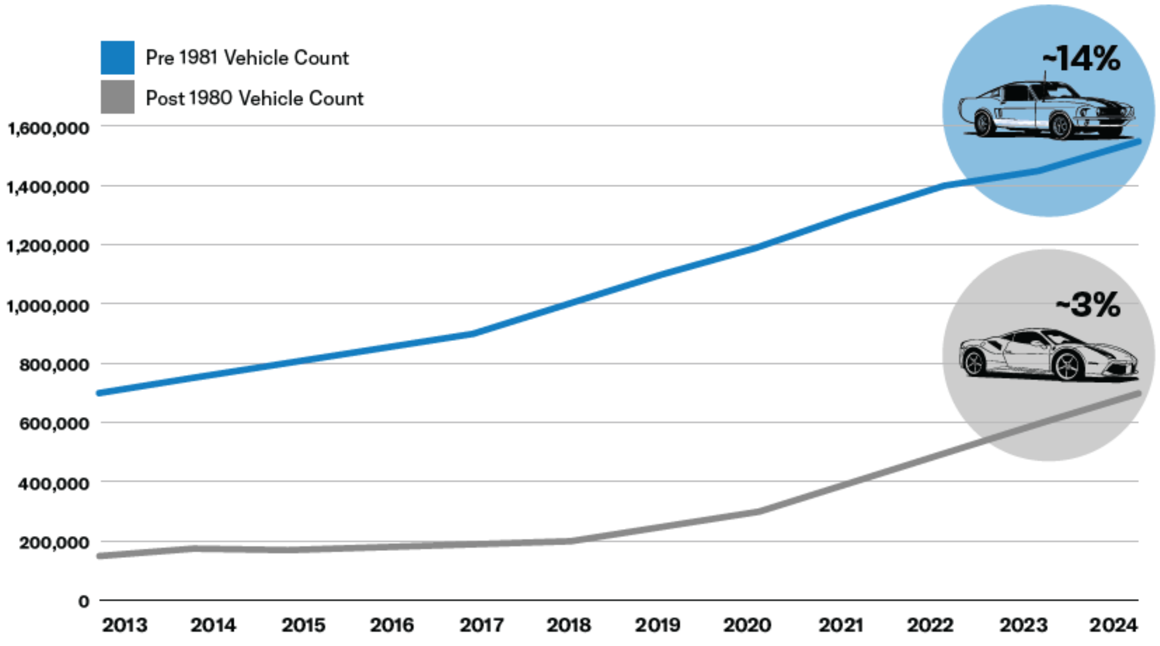
| Top 10 U.S. Auto Insurers | Est. % of Policies | Start Date | Status | Est. Renewal Date |
|---|---|---|---|---|
| State Farm | <1% | 2021 | Ongoing | 2031 |
| Progressive | ~8% | 2015 | Ongoing | 2030 |
| GEICO | N/A | N/A | N/A | N/A |
| Allstate | ~4% | 2013 | Ongoing | |
| USAA | 1% | 2016 | Ongoing | |
| Liberty Mutual | 1% | 2012 | Ongoing | |
| Farmers Insurance | 1% | 2017 | Ongoing | |
| Travelers | 1% | Undisclosed | Ongoing | |
| American Family | 1% | Undisclosed | Ongoing | |
| Nationwide | ~2% | 2014 | Ongoing | 2029 |

Source: Company filings and GHR analysis

…But No Individual Partner is Critical.

# Addressable Market

HAGERTY PENETRATION AND U.S. AUTO INSURED VEHICLE COUNT




COLLECTIBLE VEHICLES BY COHORT

| TYPE | TOTAL ADDRESSABLE MARKET (M) | HAGERTY TARGET MARKET[1] (M) | HAGERTY TCM PENETRATION |
|---|---|---|---|
| **Pre 1981 Vehicles** | 11.1 | 11.1 | 14.4% |
| **Post 1980 Vehicles** | 35.4 | 24.0 | 3.1% |
| **Total** | **46.5** | **35.0** | **6.7%** |

Source: Company filings