

Swiss Life (SLHN)²

Good operating performance, net profit slightly below expectations due to higher tax burden

Rating: Market Perform

Sector: Life & Health Insurance

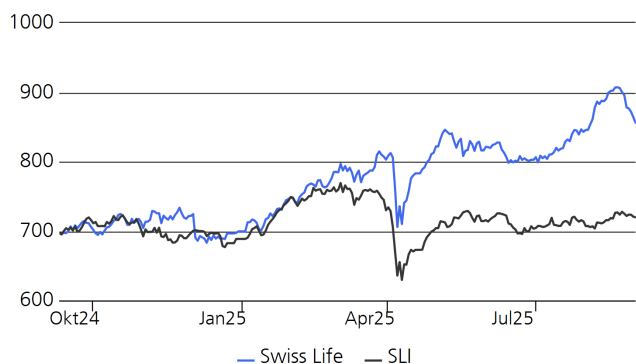
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In CHF	2024	2025E	2026E
EPS	42.74	46.70	50.31
P/E	20.0x	18.3x	17.0x
P/B	3.4x	3.4x	3.3x
Dividend	35.00	37.00	39.00

Source: Zürcher Kantonalbank

Sec. no.: R: 1 485 278

Price: CHF 856.00



Sources: Zürcher Kantonalbank, Refinitiv

(in CHF mn)	1H24	1H25	ZKB E	Consensus*	Comments (LC = local currency)
Group profit	632	602	623	603	Came in below the previous year (-5%), mainly due to higher tax expenses (CHF 36 mn, tax rate of 27% vs. 23% in the prior year). But is in line with the consensus. Investment income fared well, with the direct yield at 1.5% (PY: 1.5%) and the total yield coming in at 1.2% (PY: 1.3%)
– Change in %		-4.7%	-1.4%	-4.6%	
Operating profit	883	903	873	882	Slightly above the consensus forecast (+2%). Profit from the Switzerland insurance business amounted to CHF 458 mn (PY: CHF 439 mn), France CHF 197 mn (PY: CHF 185 mn), Germany CHF 114 mn (PY: CHF 108 mn), international CHF 60 mn (PY: CHF 61 mn). Asset Managers profit amounted to CHF 145 mn (PY: CHF 154 mn); the profit contribution from Other amounted to CHF -10 mn (PY: CHF -4 mn). The CSM profit allocation amounted to CHF 0.589 bn (PY: CHF 0.618 bn). The CSM stood at CHF 14.8 bn (1H24: CHF 15.3 bn; FY24: CHF 14.4 bn).
– Change in %		2.3%	-1.1%	n.a.	
Operating profit Insurance	793	829	n.a.	n.a.	Is 4.5% higher than in the same period of the previous year. Switzerland, France and Germany show a clearly higher profit contribution. The profit for International is slightly lower.
– Change in %		4.5%		n.a.	
Op. profit Asset Managers	154	145	n.a.	n.a.	Is lower compared to the pre-year period (-5.8%). The profit contribution from TPAM amounts to CHF 50 mn (PY: CHF 61 mn), which is primarily attributable to lower property project development. Own Asset Management (PAM) posted a profit of CHF 96 mn (prior year: CHF 93 mn). Net new money amounts to CHF 13.2 bn (1Q25: CHF 9.3 bn; 1H24: CHF 1.2 bn); strong inflow mainly from equities (index business), bonds and real estate. Total AuM for third parties stand at CHF 138 bn (1Q25: CHF 135 bn).
– Change in %		-5.8%		n.a.	
Op. profit Other Capital	-4 6,997	-10 6,979	n.a. n.a.	n.a. n.a.	Slightly negative profit contribution, which is not significant. Is at the previous year's level. The SST equity solvency ratio is favourable at around 205% (1Q25: around 200%). The book value per share is around CHF 245, the CSM per share (before tax) is around CHF 519.
– Change in %		n.a.	n.a.	n.a.	

Source: Zürcher Kantonalbank

Outlook: The objectives of the three-year “Swiss Life 2027” strategy period apply: CHF > 1.0 bn fee result (1H25: CHF 392 mn; consensus: CHF 400 mn), 17-19% ROE (1H25: 17.6%), >75% profit distribution, CHF 3.6-3.8 bn accumulated cash at the holding level (1H25: CHF 1.17 bn achieved, consensus: CHF 1.161 bn).

Conclusion: Overall, a solid set of operating indicators was reported for 1H25. Asset Management recorded good growth in net new money inflows, which, as in the first quarter, were higher than in the previous year. At Group level, the overall profit ratios were roughly in line with expectations - net profit is slightly below the previous year and in line with consensus estimates, partly due to the higher tax burden. Operating profit, on the other hand, was somewhat above consensus. The individual geographical business units in insurance activities showed higher profit contributions compared with the previous year. In a year-on-year comparison, the Asset Management division made a slightly lower profit contribution, partly due to weaker

real estate project development.

Cash development is good, slightly above the consensus expectation. The fee result is also good, but just below consensus. The equity base remains very solid (including a good SST ratio). Neutral, conf. call: 9.00 a.m., +41 58 310 50 00.

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– Credit research analysts: Bell Food Group (18.08.2015; CHF 250.5); Emmi (01.11.2007; CHF 169); Lindt & Sprüngli (22.08.2024; CHF 109600); Nestlé (22.08.2024, CHF 89.44)

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Recommendation	Company in the Swiss Research Universe	% distribution	Clients with IB services
Outperform	60	33.33%	73.33%
Market Perform	104	57.78%	70.19%
Underperform	16	8.89%	31.25%

The table is updated at the beginning of each quarter and reflects the data at that time: 30.06.2025

Recommendations made in the last twelve months

29.11.2024 From Outperform (721.6 CHF) to Market Perform

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