



Second Quarter 2024 Earnings Call Presentation

PRINCIPAL FINANCIAL GROUP

July 25, 2024

RETIREMENT

ASSET MANAGEMENT

BENEFITS & PROTECTION

Key takeaways

Earnings

- 2Q24 non-GAAP EPS¹ excluding significant variances² of \$1.76 increased 4% from 2Q23; includes \$0.09 of one-time operating expenses (PGI and Corporate) and tax items
- Remain well-positioned to deliver on 9-12% long-term enterprise non-GAAP EPS¹ growth in 2024

Growth

- Strong top-line growth of 6% across the enterprise
- Retirement: strong net revenue excluding significant variances² growth of 8% driven by growth in the business, higher net investment income, and favorable market performance; recurring deposits growth of over 7%
- Benefits and Protection: small to mid-sized customer segments continue to drive growth; Specialty Benefits premium and fees growth of 8%, and Business Market premium and fees growth of 15% in Life Insurance

Capital

- Strong capital deployment in 2Q24 and on track with 2024 capital deployment target of \$1.5B - \$1.8B
- To reflect our business mix and risk profile, lowered RBC target to 375%-400%; estimated 2Q24 RBC at 405%
- \$1.6B of excess and available capital

2Q 2024 financial highlights

2Q 2024 OPERATING EARNINGS AND EPS

Reported non-GAAP operating earnings¹

\$386M

(+3% vs. 2Q 2023)

Impact of significant variances to non-GAAP operating earnings²

\$29.4M after-tax

(\$38.3M pre-tax)

Non-GAAP operating earnings, excluding significant variances (xSV)

\$415M

(flat vs. 2Q 2023)

RETURN ON EQUITY³

13.1%

(13.7% xSV, +70 bps from 2Q23)

Reported non-GAAP operating earnings per diluted share¹ (EPS)

\$1.63

(+7% vs. 2Q 2023)

Impact of significant variances to non-GAAP EPS²

~\$0.13

Non-GAAP EPS, xSV

\$1.76

(+4% vs. 2Q 2023)

CAPITAL & LIQUIDITY

Excess and available capital

\$1.6B with approximately:

\$0.8B at Hold Co

\$0.5B excess above 375% RBC

\$0.3B excess subsidiary capital

Debt to capital ratio⁴

22.1%

Estimated PLIC RBC ratio

~405%

CAPITAL RETURNED

\$415M

\$165M of common stock dividends

\$250M of share repurchases

Announced 3Q 2024 common stock dividend

\$0.72

+11% from 3Q 2023

AUM & NCF

Total company AUM managed by PFG

\$699B

Total company net cash flow

-\$2.1B

1 This is a non-GAAP financial measure; see reconciliation in appendix. 2 See slide 12 for details. 3 Non-GAAP return on equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment. 4 This is a non-GAAP financial measure. Debt to capital ratio excludes cumulative change in fair value of funds withheld derivative and AOCI.

Investment performance

52% of fund-level AUM has 4 or 5 star rating from Morningstar^{1,2}

Equal Weighted	% of funds outperforming Morningstar median ³				% of composites outperforming benchmarks ⁴				
	As of 6/30/2024	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity		47%	36%	44%	80%	69%	63%	77%	84%
Fixed Income		44%	56%	67%	64%	70%	71%	92%	95%
Asset Allocation ⁵		60%	64%	67%	67%	N/A	N/A	N/A	N/A
Total		52%	52%	59%	70%	70%	64%	79%	84%

Asset Weighted	% of funds outperforming Morningstar median ³				% of composites outperforming benchmarks ⁴				
	As of 6/30/2024	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity		55%	46%	55%	97%	83%	72%	83%	86%
Fixed Income		33%	79%	72%	71%	80%	86%	98%	99%
Asset Allocation ⁵		74%	74%	83%	82%	N/A	N/A	N/A	N/A
Total		60%	63%	69%	87%	82%	74%	83%	85%

1 Asset weighted.

2 Includes only funds with ratings assigned by Morningstar; non-rated funds excluded (85 total, 80 are ranked).

3 Percentage of Principal actively managed mutual funds, exchange traded funds (ETFs), insurance separate accounts, and collective investment trusts (CITs) in the top two Morningstar quartiles. Excludes Money Market, Stable Value, Liability Driven Investment (Short, Intermediate and Extended Duration), Hedge Fund Separate Account, & U.S. Property Separate Account.

4 Composite returns are calculated on a gross basis. All composites compared to official Global Investment Performance Standards (GIPS) composite benchmark. Excludes passive composites and doesn't include certain strategies or mandates for which GIPS composites are not calculated (e.g., Lifetime/Target Date strategies). Lifetime/Target Date funds are covered under separate peer-relative calculations. "Total" percentages include equities, fixed income and other asset classes and mandates with GIPS composites (e.g., asset allocation).

5 Coverage of asset allocation strategies in benchmark-relative composites is minimal and non-informative. Please see Morningstar rankings above for informative asset allocation performance.

Retirement and Income Solutions

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ increased 10% driven by strong net revenue growth and a higher operating margin
- Total sales \$5.2B, including \$1.0B of PRT sales; recurring deposits up over 7%
- Excluding significant variances¹, strong 2Q24 net revenue growth of 8% and operating margin of 39%

OTHER CONSIDERATIONS

- Fee revenue 75-80% asset-based
- Asset exposure 40% large cap, 15% small and mid cap, 15% international, 25% fixed income, 5% real estate

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q24	\$267.8	+\$13.0	\$280.8
2Q23	\$232.3	+\$23.0	\$255.3
Change	+\$35.5 (+15%)		+\$25.5 (+10%)

¹ Impact of lower than expected VII in 2Q24 and 2Q23.

² Excludes impacts of actuarial assumption reviews and other significant variances.

³ Pre-tax operating earnings divided by net revenue.

KEY METRICS

Trailing twelve month basis²

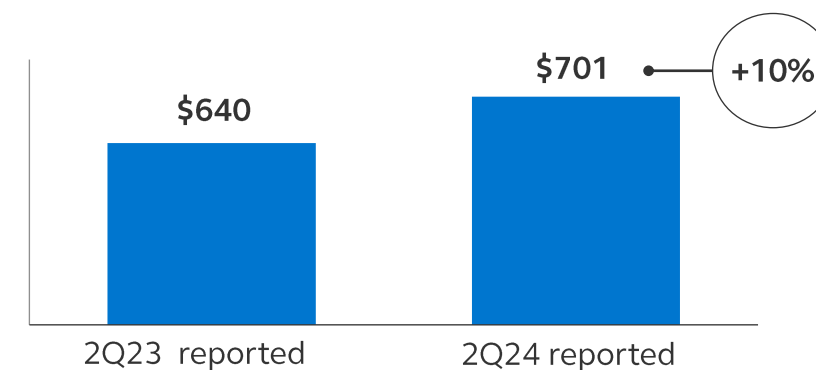
+7%

change in net revenue

39%

operating margin³

Net revenue (\$M) Quarterly basis



Principal Global Investors (PGI)

HIGHLIGHTS

- Pre-tax operating earnings increased 2% primarily due to higher management fees partially offset by higher operating expenses
- PGI Managed AUM of \$513B increased 6% over 2Q23

OTHER CONSIDERATIONS

- Equity AUM exposure: 40% large cap, 30% small and mid-cap, 20% international, and 10% REITs
- One-time expenses of \$6M, primarily related to severance

	Reported pre-tax operating earnings (\$M)
2Q24	\$126.9
2Q23	\$125.0
Change	+\$1.9 (+2%)

¹ This is a non-GAAP financial measure; see reconciliation in appendix.

² Pre-tax operating earnings, adjusted for noncontrolling interest, divided by operating revenues less pass-through expenses.

KEY METRICS

Trailing twelve month basis

3%

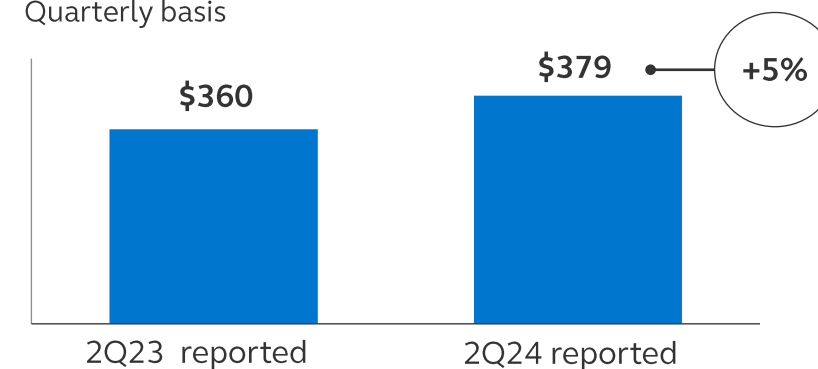
change in operating
revenues less
pass-through expenses¹

35%

operating margin²

Operating revenues less pass-through expenses (\$M)

Quarterly basis



Principal International

HIGHLIGHTS

- Combined net revenue (at PFG share) and pre-tax operating earnings excluding significant variances¹ decreased as strong growth in LatAm was offset by macroeconomic headwinds in Asia and FX impacts
- Reported AUM of \$171B decreased 2% from 2Q23 as positive investment performance was more than offset by FX impacts

OTHER CONSIDERATIONS

- Favorable inflation in Brazil offset by lower VII in Chile

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q24	\$62.5	+\$14.3	\$76.8
2Q23	\$63.2	+\$19.6	\$82.8
Change	-\$0.7 (-1%)		-\$6.0 (-7%)

¹ Impact of lower than expected encaje performance 2Q24; Impact of lower than expected VII, impact of Latin American inflation and non-economic LDTI discount rate impacts in 2Q23.

² Excludes impacts of significant variances.

³ Combined basis includes all Principal International companies at 100%.

⁴ Pre-tax operating earnings divided by combined net revenue (at PFG share).

⁵ This is a non-GAAP financial measure; see reconciliation in appendix.

KEY METRICS

Trailing twelve month basis (at PFG share)²

+3%

change in combined³
net revenue

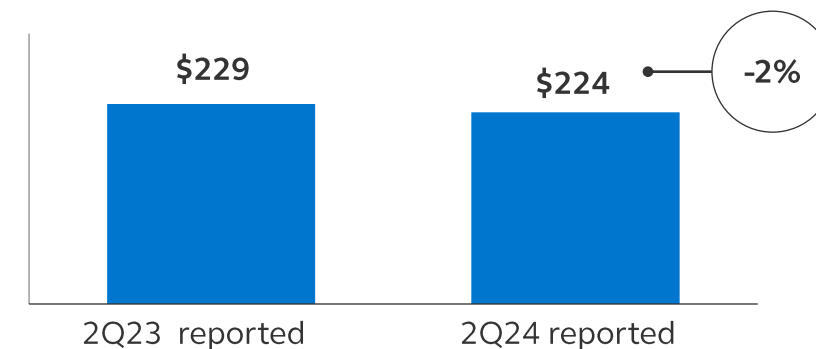
32%

operating margin⁴

Combined net revenue

(at PFG share)⁵ (\$M)

Quarterly basis



Specialty Benefits

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ increased due to growth in the business and improved underwriting experience
- Premium and fees increased 8% driven by record YTD sales, strong retention, along with employment and wage growth
- Underwriting experience improved 50 basis points from 2Q23 driven by group disability and group life

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q24	\$108.7	+\$5.0	\$113.7
2Q23	\$98.1	+\$4.5	\$102.6
Change	+\$10.6 (+11%)		+\$11.1 (+11%)

¹ Impact of lower than expected VII in 2Q24 and 2Q23.

² Excludes impacts of actuarial assumption reviews and other significant variances.

³ Pre-tax operating earnings divided by premium and fees.

KEY METRICS

Trailing twelve month basis

+9%

change in premium and fees

15%

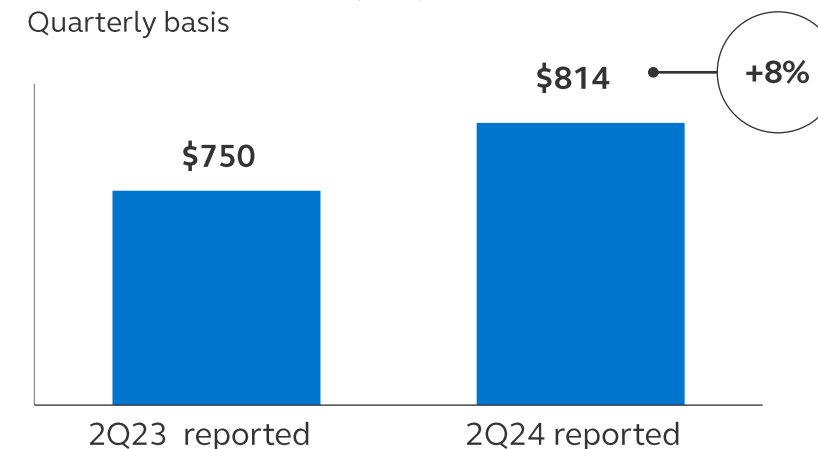
operating margin^{2,3}

61%

incurred loss ratio²

Premium and fees (\$M)

Quarterly basis



Life Insurance

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ decreased driven by lower net investment income
- Premium and fees decreased driven by a one-time impact of a risk-reducing YRT reinsurance transaction⁵; excluding the one-time item, premiums & fees increased 4% driven by strong Business Market growth of 15%

OTHER CONSIDERATIONS

- Reinsurance activities⁵ in the quarter had an immaterial impact to pre-tax operating earnings

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q24	\$23.6	+\$6.0	\$29.6
2Q23	\$26.8	+\$6.1	\$32.9
Change	-\$3.2 (-12%)		-\$3.3 (-10%)

1 Impact of lower VII and GAAP-only regulatory closed block dividend adjustment in 2Q24; impact of lower VII in 2Q23.

2 Excludes impacts of actuarial assumption reviews.

3 Excludes impacts of actuarial assumption reviews and other significant variances.

4 Pre-tax operating earnings divided by premium and fees.

5 Renegotiated two YRT reinsurance contracts in the quarter, which had a negative impact on premium and fees, an immaterial impact on current quarter earnings and added guarantees to the YRT reinsurance premium rates we pay.

KEY METRICS

Trailing twelve month basis

+3%

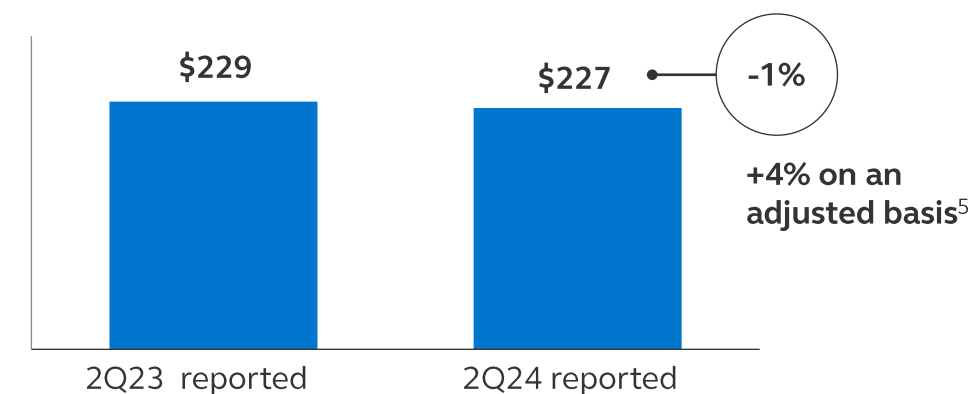
change in premium and fees²

12%

operating margin^{3,4}

Premium and fees (\$M)

Quarterly basis



Appendix

Outlook reiterated

Full Year 2024 Guidance

- Non-GAAP EPS growth +9-12% vs. PY
- Capital deployment of \$1.5B - \$1.8B
- Free capital flow of 75-85%
- Share repurchases of \$0.8 - \$1.1B

Long-Term Outlook

- Non-GAAP EPS growth of 9-12% annually
- Free capital flow conversion of 75-85%, including 40% dividend payout ratio
- Non-GAAP ROE¹ of 14-16%

Capital Allocation Strategy

- 15-25% of net income to organic growth
- 40% dividends
- 35-45% share repurchases
- Up to 10% of net income to strategic M&A

2Q 2024 significant variances

Business unit impacts of significant variances (in millions)

	Variable investment income	Encaje	Other	Total significant variances
Retirement and Income Solutions	\$(13.0)	-	-	\$(13.0)
Principal International	-	\$(14.3)	-	\$(14.3)
Specialty Benefits	\$(5.0)	-	-	\$(5.0)
Life Insurance	\$(3.5)	-	\$(2.5)	\$(6.0)
Total pre-tax impact	\$(21.5)	\$(14.3)	\$(2.5)	\$(38.3)
Total after-tax impact	\$(17.0)	\$(10.4)	\$(2.0)	\$(29.4)
EPS impact				~\$(0.13)

Non-GAAP financial measure reconciliations

	Three months ended (in millions)	
	6/30/24	6/30/23
Principal Global Investors operating revenues less pass-through expenses		
Principal Global Investors operating revenues	\$410.3	\$390.1
Principal Global Investors commissions and other expenses	(31.1)	(30.5)
Principal Global Investors operating revenues less pass-through expenses	\$379.2	\$359.6

	Three months ended (in millions)	
	6/30/24	6/30/23
Principal International combined net revenue (at PFG Share)		
Principal International pre-tax operating earnings	\$62.5	\$63.2
Principal International combined operating expenses other than pass-through commissions (at PFG share)	161.5	166.2
Principal International combined net revenue (at PFG share)	\$224.0	\$229.4

	Three months ended (in millions)	
	6/30/24	6/30/23
Non-GAAP operating earnings (losses)		
Net income attributable to PFG	\$353.1	\$388.8
Net realized capital (gains) losses, as adjusted	29.9	51.3
(Income) loss from exited business	3.1	(64.3)
Non-GAAP operating earnings	\$386.1	\$375.8

	Three months ended	
	6/30/24	6/30/23
Diluted earnings per common share		
Net income	\$1.49	\$1.58
Net realized capital (gains) losses, as adjusted	0.13	0.21
(Income) loss from exited business	0.01	(0.26)
Non-GAAP operating earnings	\$1.63	\$1.53
Weighted-average diluted common shares outstanding (in millions)	236.6	245.5

	Three months ended (in millions)	
	6/30/24	6/30/23
Income taxes		
Total GAAP income taxes	\$87.1	\$59.9
Net realized capital gains (losses) tax adjustments	(6.3)	12.7
Income taxes attributable to noncontrolling interest	(0.1)	(0.1)
Income taxes related to equity method investments	18.5	16.8
Income taxes related to exited business	0.8	(17.1)
Income taxes	\$100.0	\$72.2

Non-GAAP financial measure reconciliations

	Period ended (in millions)
Stockholders' equity x- cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment, available to common stockholders	6/30/24
Stockholders' equity	\$11,059.0
AOCI, other than foreign currency translation adjustment	3,739.3
Cumulative change in fair value of funds withheld embedded derivative	(2,367.5)
Noncontrolling interest	(45.6)
Stockholders' equity x- cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment, available to common stockholders	\$12,385.2

	Period ended
Non-GAAP operating earnings ROE (x- cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment) available to common stockholders	6/30/24
Net Income ROE available to common stockholders (including AOCI)	11.8%
Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	(1.8)%
Net realized capital (gains) losses	0.5%
(Income) loss from exited business	2.6%
Non-GAAP operating earnings ROE (x- cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment) available to common stockholders	13.1%

Additional Disclosures

Use of non-GAAP financial measures

A non-GAAP financial measure is a numerical measure of performance, financial position, or cash flow that includes adjustments from a comparable financial measure presented in accordance with U.S. GAAP.

The company uses a number of non-GAAP financial measures management believes are useful to investors because they illustrate the performance of the company's normal, ongoing operations which is important in understanding and evaluating the company's financial condition and results of operations. While such measures are also consistent with measures utilized by investors to evaluate performance, they are not, however, a substitute for U.S. GAAP financial measures. Therefore, the company has provided reconciliations of the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure within the slides. The company adjusts U.S. GAAP financial measures for items not directly related to ongoing operations. However, it is possible these adjusting items have occurred in the past and could recur in future reporting periods. Management also uses non-GAAP financial measures for goal setting, as a basis for determining employee and senior management awards and compensation and evaluating performance on a basis comparable to that used by investors and securities analysts.

The company also uses a variety of other operational measures that do not have U.S. GAAP counterparts, and therefore do not fit the definition of non-GAAP financial measures. Assets under management is an example of an operational measure that is not considered a non-GAAP financial measure.

Forward looking statements

This presentation contains statements that constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to share repurchases and planned dividends, the realization of our growth and business strategies and results from ongoing operations. Forward looking statements are made based upon our current expectations and beliefs concerning future developments and their potential effects on us. Such forward looking statements are not guarantees of future performance and actual results may differ materially from the results anticipated in the forward-looking statements. We describe risks, uncertainties and factors that could cause or contribute to such material differences in our filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Note Concerning Forward-Looking Statements" sections in our annual report on Form 10-K for the year ended Dec. 31, 2023, as updated or supplemented from time to time in subsequent filings. We assume no obligation to update any forward-looking statement for any reason, which speaks as of its date.