



Third Quarter 2024 Earnings Call Presentation

PRINCIPAL FINANCIAL GROUP

October 24, 2024

RETIREMENT

ASSET MANAGEMENT

BENEFITS & PROTECTION

Key takeaways

Earnings

- 3Q24 non-GAAP EPS¹ excluding significant variances² of \$2.05 increased 12% from 3Q23
- On track to deliver on 9-12% long-term enterprise non-GAAP EPS¹ growth in 2024

Growth

- Top-line growth excluding significant variances² of 5% across the enterprise
- Retirement: strong net revenue growth excluding significant variances² of 9% driven by growth in the business, favorable market performance and higher net investment income; recurring deposits growth of 10% across all segments
- Principal Asset Management: PGI management fees increased 6%; robust PI net cash flow of \$2.3B driven by \$2.1B of investment management mandates
- Benefits and Protection: focus on small to midsized customer segments contributing to above-market growth; Specialty Benefits premium and fees growth of over 6%, and Business Market premium and fees growth of 12% in Life Insurance

Capital

- Capital deployment to shareholders of \$416M in 3Q24 and \$1.2B YTD; on track to deliver on 2024 target of \$1.5B - \$1.8B
- ~\$1.6B of excess and available capital
- Raised fourth quarter 2024 common stock dividend to \$0.73 per share, a 1-cent increase over the third quarter 2024; full year dividend of \$2.85, a 10% increase over 2023

3Q 2024 financial highlights

3Q 2024 OPERATING EARNINGS AND EPS

Reported non-GAAP operating earnings¹

\$412M

(-2% vs. 3Q 2023)

Impact of significant variances to non-GAAP operating earnings²

\$68M after-tax

(\$81M pre-tax)

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

\$480M

(+7% vs. 3Q 2023)

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

\$1.76

(+2% vs. 3Q 2023)

Impact of significant variances to non-GAAP EPS²

\$0.29

Non-GAAP EPS, xSV

\$2.05

(+12% vs. 3Q 2023)

RETURN ON EQUITY³

12.9%

(13.5% xAAR, +90 bps from 3Q23)

CAPITAL & LIQUIDITY

Excess and available capital

\$1.6B with approximately:

\$900M at Hold Co

\$400M excess above 375% RBC

\$250M excess subsidiary capital

Debt to capital ratio⁴

22.0%

Estimated PLIC RBC ratio

~402%

CAPITAL RETURNED

\$416M

\$165M of common stock dividends

\$251M of share repurchases

Announced 4Q 2024 common stock dividend

\$0.73

+9% from 4Q 2023

AUM & NCF

Total company AUM managed by PFG

\$741B

Total company net cash flow

-\$1.1B

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 embedded derivative and AOCI.

Investment performance

54% of fund-level AUM has 4 or 5 star rating from Morningstar^{1,2}

Asset Weighted	% of AUM outperforming Morningstar median ³				% of composite AUM outperforming benchmarks ⁴			
As of 9/30/2024	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity	62%	42%	60%	96%	66%	61%	72%	87%
Fixed Income	52%	81%	66%	78%	68%	87%	97%	100%
Asset Allocation ⁵	77%	76%	76%	81%	N/A	N/A	N/A	N/A
Total	67%	62%	68%	87%	68%	66%	76%	86%

Equal Weighted	% of funds outperforming Morningstar median ³				% of composites outperforming benchmarks ⁴			
As of 9/30/2024	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity	43%	37%	46%	80%	43%	50%	67%	82%
Fixed Income	44%	56%	53%	64%	69%	71%	90%	97%
Asset Allocation ⁵	60%	64%	58%	67%	N/A	N/A	N/A	N/A
Total	51%	53%	53%	70%	57%	59%	75%	86%

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 12% due to higher net revenue and operating margin
- Net revenue excluding significant variances¹ increased 9% driven by growth in the business, favorable market performance, and higher net investment income
- Total sales \$6.7B, including \$0.5B in PRT; 10% recurring deposit growth

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)
3Q24	\$246.1	+\$46.2	\$292.3
3Q23	\$304.7	-\$44.4	\$260.3
Change	-\$58.6 (-19%)		+\$32.0 (+12%)

¹ Impact of actuarial assumption reviews and lower than expected VII in 3Q24 and 3Q23.

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

+9%

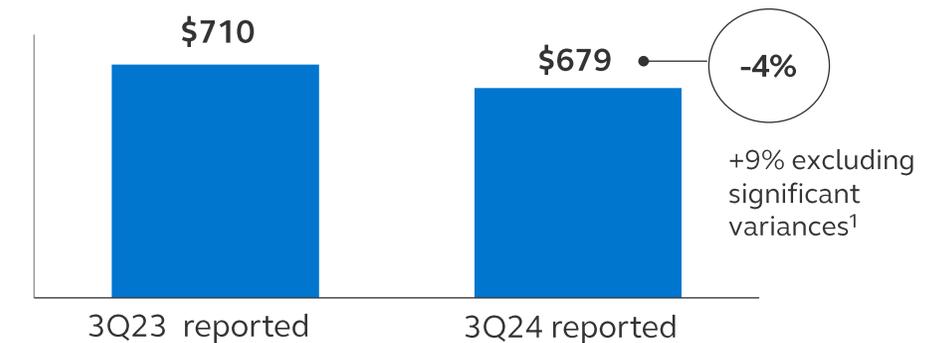
change in net revenue

40%

operating margin³

Net revenue (\$M)

Quarterly basis



Principal Global Investors (PGI)

HIGHLIGHTS

- Pre-tax operating earnings decreased 2% due to strong performance fees in the prior year quarter
- PGI Managed AUM increased to \$541B driven by market performance; higher AUM supported management fee growth of 6%

OTHER CONSIDERATIONS

- Equity AUM exposure: 40% large cap, 30% small and mid-cap, 20% international, and 10% REITs

	Reported pre-tax operating earnings (\$M)
3Q24	\$147.9
3Q23	\$151.6
Change	-\$3.7 (-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

+2%

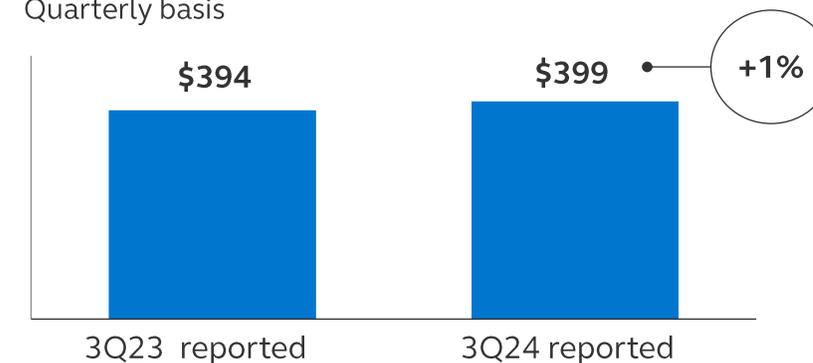
change in operating
revenues less
pass-through expenses¹

34%

operating margin²

Operating revenues less pass-through expenses¹ (\$M)

Quarterly basis



Principal International

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ increased 8% from 3Q23 primarily due to improved operating margin
- Stable combined net revenue (at PFG share) excluding significant variances¹ as growth in the business was offset by FX headwinds in Latin America
- Record level reported AUM of \$185B with \$2.3B in net cash flow including \$2.1B from investment management

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
3Q24	\$120.8	-\$39.0	\$81.8
3Q23	\$70.8	+\$5.1	\$75.9
Change	+\$50.0 (+71%)		+\$5.9 (+8%)

¹ Impact of actuarial assumption review, higher than expected encaje performance and Latin American inflation, and lower than expected VII in 3Q24; Impact of lower than expected encaje performance, Latin American inflation and other items in 3Q23.

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

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

⁴ This is a non-GAAP financial measure; see reconciliation in appendix.

⁵ Pre-tax operating earnings divided by combined net revenue (at PFG share).

KEY METRICS

Trailing twelve month basis (at PFG share)²

+2%

change in combined^{3,4}
net revenue

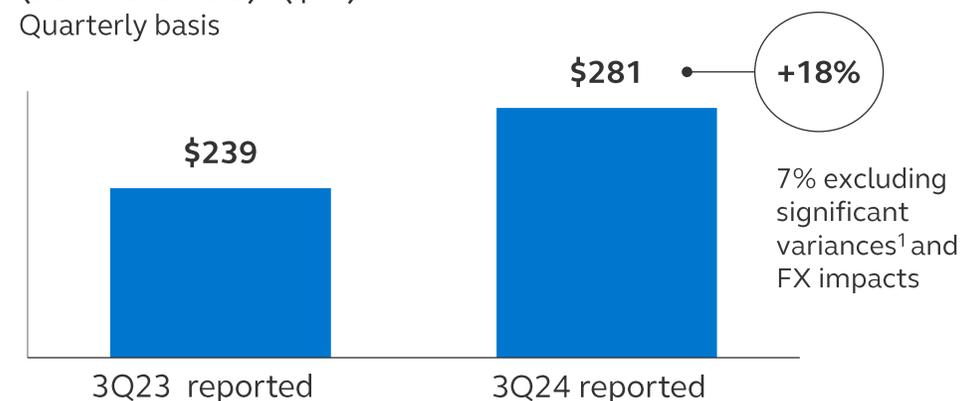
32%

operating margin⁵

Combined net revenue

(at PFG share)⁴ (\$M)

Quarterly basis



Specialty Benefits

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ decreased primarily due to favorable underwriting results in 3Q23, partially offset by growth in the business
- Premium and fees increased 6% driven by growth in the business
- Incurred loss ratio excluding significant variances¹ of 61.5%, compared to target of 60-65%

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
3Q24	\$101.7	+\$13.6	\$115.3
3Q23	\$147.8	-\$16.2	\$131.6
Change	-\$46.1 (-31%)		-\$16.3 (-12%)

¹ Impact of actuarial assumption review and lower than expected VII in 3Q24; Impact of actuarial assumption review in 3Q23.
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

+8%

change in premium and fees

14%

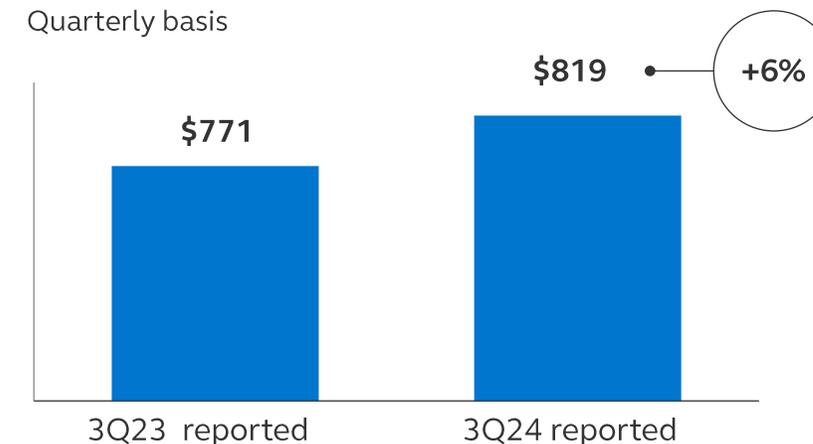
operating margin^{2,3}

62%

incurred loss ratio²

Premium and fees (\$M)

Quarterly basis



Life Insurance

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ increased 11% driven by improved mortality experience
- Excluding significant variances², premiums & fees increased slightly as strong business market growth of 12% more than offset the legacy life runoff
- 3Q24 adjusted margin^{3,4} increased 135 bps over 3Q23

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
3Q24	-\$37.3	+\$70.3	\$33.0
3Q23	\$21.2	+\$8.4	\$29.6
Change	-\$58.5 (N/M)		+\$3.4 (+11%)

1 Impact of actuarial assumption review and lower than expected VII in 3Q24 and in 3Q23; Impact of higher other significant variances in 3Q24.

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.

KEY METRICS

Trailing twelve month basis

+2%

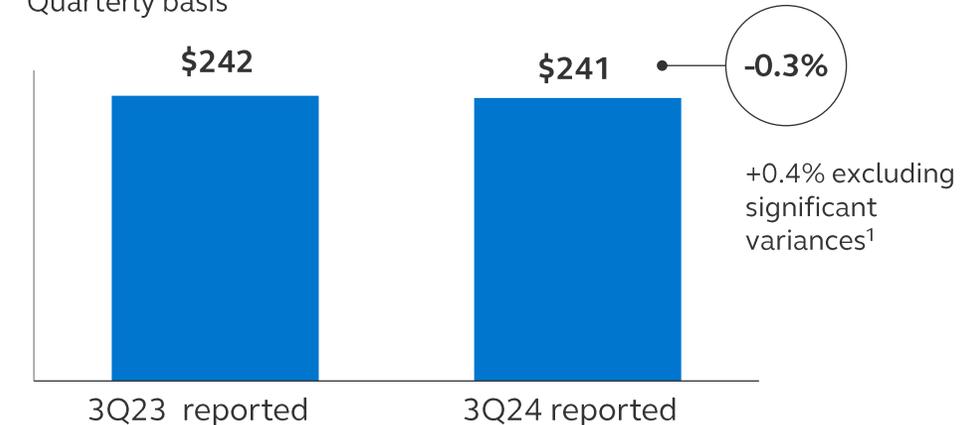
change in premium and fees²

13%

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 \$0.8B - \$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

3Q 2024 significant variances

Business unit impacts of significant variances (in millions)

	Actuarial assumption review	Variable investment income	Encaje, Inflation & Other	Total significant variances
Retirement and Income Solutions	\$(16.7)	\$(29.5)	-	\$(46.2)
Principal International	\$21.1	\$(2.3)	20.2	\$39.0
Specialty Benefits	\$(11.6)	\$(2.0)	-	\$(13.6)
Life Insurance	\$(74.8)	\$(6.0)	\$10.5	\$(70.3)
Corporate	-	\$10.4	-	\$10.4
Total pre-tax impact	\$(82.0)	\$(29.4)	\$30.7	\$(80.7)
Total after-tax impact	\$(68.8)	\$(22.1)	\$23.1	\$(67.8)
EPS impact				~\$(0.29)

Impacts of 3Q 2024 actuarial assumption review

Income statement line item impacts of the annual actuarial assumption review (in millions)

- Minimal impact to free capital flow and run rate earnings
- \$82M impact, or approximately 20 basis points of \$35B actuarial balances
- 65% of impact driven by experience updates, primarily lapse assumptions
- 35% of impact driven by modeling refinements

Line Item	RIS	Principal International	Specialty Benefits	Life Insurance	Total
Premiums and other considerations	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and other revenues	-	-	-	(1.5)	(1.5)
Net investment income	-	21.1	-	-	21.1
Total operating revenues	-	21.1	-	(1.5)	19.6
Benefits, claims and settlement expenses	-	-	(14.2)	1.0	(13.2)
Liability for future policy benefits remeasurement (gain) loss	(3.5)	-	24.7	67.0	88.2
Market risk benefit remeasurement (gain) loss	20.2	-	-	-	20.2
Dividends to policyholders	-	-	-	5.3	5.3
Commissions	-	-	-	-	-
Capitalization of DAC and contract costs	-	-	-	-	-
Amortization of DAC and contract costs	-	-	1.1	-	1.1
Depreciation and amortization	-	-	-	-	-
Interest expense on corporate debt	-	-	-	-	-
Compensation and other	-	-	-	-	-
Total expenses	16.7	-	11.6	73.3	101.6
Non-GAAP pre-tax operating earnings (losses)	\$ (16.7)	\$ 21.1	\$ (11.6)	\$ (74.8)	\$ (82.0)

Non-GAAP operating earnings

Excluding impacts from actuarial assumption review and other significant variances

3Q24 vs 3Q23 (in millions, except per share data)

	3Q24 as reported	Significant variances		3Q24 excluding significant variances	3Q23 as reported	Significant variances		3Q23 excluding significant variances	3Q24 vs 3Q23 excluding significant variances	
		Actuarial assumption review	Other significant variances ¹			Actuarial assumption review	Other significant variances ²			
Retirement and Income Solutions	\$ 246.1	\$ (16.7)	\$ (29.5)	\$ 292.3	\$ 304.7	\$ 53.4	\$ (9.0)	\$ 260.3	\$ 32.0	12%
Principal Asset Management										
Principal Global Investors	147.9	-	-	147.9	151.6	-	-	151.6	(3.7)	-2%
Principal International	120.8	21.1	17.9	81.8	70.8	-	(5.1)	75.9	5.9	8%
Total	268.7	21.1	17.9	229.7	222.4	-	(5.1)	227.5	2.2	1%
Benefits and Protection										
Specialty Benefits	101.7	(11.6)	(2.0)	115.3	147.8	16.2	-	131.6	(16.3)	-12%
Life Insurance	(37.3)	(74.8)	4.5	33.0	21.2	(6.4)	(2.0)	29.6	3.4	11%
Total	64.4	(86.4)	2.5	148.3	169.0	9.8	(2.0)	161.2	(12.9)	-8%
Corporate	(79.4)	-	10.4	(89.8)	(114.8)	-	(7.6)	(107.2)	17.4	16%
Non-GAAP pre-tax operating earnings (losses)	\$ 499.8	\$ (82.0)	\$ 1.3	\$ 580.5	\$ 581.3	\$ 63.2	\$ (23.7)	\$ 541.8	\$ 38.7	7%
Income taxes	87.8	(13.2)	0.3	100.7	161.6	68.8	(2.6)	95.4	5.3	6%
Non-GAAP operating earnings (losses)	\$ 412.0	\$ (68.8)	\$ 1.0	\$ 479.8	\$ 419.7	\$ (5.6)	\$ (21.1)	\$ 446.4	\$ 33.4	7%
Net realized capital gains (losses)	7.1	3.7	-	3.4	124.7	(4.2)	-	128.9	(125.5)	N/M
Income (loss) from exited business	(639.1)	(20.6)	-	(618.5)	701.8	0.1	-	701.7	(1,320.2)	N/M
Net income (loss) attributable to Principal Financial Group, Inc.	\$ (220.0)	\$ (85.7)	\$ 1.0	\$ (135.3)	\$ 1,246.2	\$ (9.7)	\$ (21.1)	\$ 1,277.0	\$ (1,412.3)	N/M
Non-GAAP operating earnings per share (EPS)	\$ 1.76	\$ (0.30)	\$ 0.01	\$ 2.05	\$ 1.72	\$ (0.02)	\$ (0.09)	\$ 1.83	\$ 0.22	12%

1 Other significant variances in 3Q24 QTD include 1) lower than expected VII in RIS, Principal International, Specialty Benefits, and Life Insurance; (2) higher than expected VII in Corporate; 3) impact of higher than expected encaje performance and Latin American inflation in Principal International; (4) impact of GAAP-only regulatory closed block adjustment in Life Insurance.

2 Other significant variances in 3Q23 QTD include 1) lower than expected VII in RIS, Life Insurance, and Corporate; 2) impact of lower than expected encaje performance, Latin American inflation and other items in Principal International.

Non-GAAP financial measure reconciliations

	Three months ended (in millions)	
	9/30/24	9/30/23
Principal Global Investors operating revenues less pass-through expenses		
Principal Global Investors operating revenues	\$431.0	\$424.6
Principal Global Investors commissions and other expenses	(32.2)	(30.7)
Principal Global Investors operating revenues less pass-through expenses	\$398.8	\$393.9

	Three months ended (in millions)	
	9/30/24	9/30/23
Principal International combined net revenue (at PFG Share)		
Principal International pre-tax operating earnings	\$120.8	\$70.8
Principal International combined operating expenses other than pass-through commissions (at PFG share)	160.4	168.3
Principal International combined net revenue (at PFG share)	\$281.2	\$239.1

	Three months ended (in millions)	
	9/30/24	9/30/23
Non-GAAP operating earnings (losses)		
Net income attributable to PFG	\$(220.0)	\$1,246.2
Net realized capital (gains) losses, as adjusted	(7.1)	(124.7)
(Income) loss from exited business	639.1	(701.8)
Non-GAAP operating earnings	\$412.0	\$419.7

	Three months ended	
	9/30/24	9/30/23
Diluted earnings per common share		
Net income	\$(0.95)	\$5.10
Net realized capital (gains) losses, as adjusted	(0.03)	(0.51)
(Income) loss from exited business	2.73	(2.87)
Impact of dilutive shares	0.01	-
Non-GAAP operating earnings	\$1.76	\$1.72
Weighted-average diluted common shares outstanding (in millions)	233.8	244.3

	Three months ended (in millions)	
	9/30/24	9/30/23
Income taxes		
Total GAAP income taxes	\$(100.4)	\$354.8
Net realized capital gains (losses) tax adjustments	(7.6)	(34.2)
Income taxes attributable to noncontrolling interest	(0.2)	(0.1)
Income taxes related to equity method investments	26.0	18.5
Income taxes related to exited business	170.0	(177.4)
Income taxes	\$87.8	\$161.6

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	9/30/24
Stockholders' equity	\$11,281.4
AOCI, other than foreign currency translation adjustment	2,981.4
Cumulative change in fair value of funds withheld embedded derivative	(1,753.9)
Noncontrolling interest	(44.0)
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	\$12,464.9

	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	9/30/24
Net Income ROE available to common stockholders (including AOCI)	-1.9%
Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	0.3%
Net realized capital (gains) losses	1.4%
(Income) loss from exited business	13.1%
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	12.9%

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.