

First Quarter 2025 Earnings

PRINCIPAL FINANCIAL GROUP

April 24, 2025

Key takeaways

Delivering on long-term guidance

10%
EPS growth¹
(9-12% target)

14.0%
ROE²
(14-16% target)

84%
TTM FCF %³
(75-85% target)

Highlights

- RIS recurring deposit growth of 9%, with SMB recurring deposit growth at 12%
- Principal Asset Management non-affiliated private real estate NCF of +\$1.1B; NCF of +\$0.7B in Mexico and SE Asia locally managed strategies
- Specialty Benefits incurred loss ratio improved 40 bps from 1Q24 due to more favorable underwriting experience in group disability and group life
- Life Insurance business market premium and fee growth +20%

Capital

- Returned \$370M excess capital to shareholders during 1Q25: \$200M share repurchases; \$170M common stock dividends
- Raised 2Q25 common stock dividend to \$0.76, a 1-cent increase from 1Q25 and +7% from 2Q24; +9% on a TTM basis
- Excess and available capital position of \$1.75B, includes \$400M pre-funding of 2Q25 maturity
- Debt to capital ratio of 22.3%, pro forma 2Q25 debt maturity

1 This is a non-GAAP measure, see reconciliation in appendix. Excludes significant variances, see slide 12 for more details. 2 Non-GAAP return on equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment. Excludes impacts from 2024 actuarial assumption review. 3 Based on non-GAAP net income attributable to PFG, excluding income or loss from exited business. Excludes impacts from 2024 actuarial assumption review.

1Q 2025 financial highlights

1Q 2025 operating results

Reported non-GAAP
operating earnings¹

\$415M

+5% vs. 1Q 2024

Reported non-GAAP
operating earnings per
diluted share (EPS)¹

\$1.81

+10% vs. 1Q 2024

Non-GAAP operating earnings,
excluding significant variances
(xSV)²

\$439M

+5% vs. 1Q 2024

Non-GAAP EPS, xSV²

\$1.92

+10% vs. 1Q 2024

Capital & liquidity

Excess and available capital³

\$1.75B

\$1.2B at Hold Co

\$250M excess subsidiary capital

\$300M in excess of 375% RBC

Debt to capital ratio^{3,4}

24.0%

22.3% pro forma 2Q25 debt maturity

Estimated PLIC RBC ratio

395%

Capital deployments

\$370M returned to shareholders:

\$200M of share repurchases

\$170M of common stock dividends

Announced 2Q 2025 common
stock dividend

\$0.76

+7% from 2Q 2024 dividend

+9% on a TTM basis

AUM & NCF

Total company AUM

\$718B

+1% vs. 4Q24

Total company AUM NCF

\$(4.4)B

¹ This is a non-GAAP measure, see reconciliation in appendix. ² Excludes significant variances, see slide 12 for more details. ³ Includes \$400M of proceeds from debt issuance earmarked for 2Q25 debt maturity. 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.

Priorities to drive sustained growth

Leverage leadership in recordkeeping to grow **Retirement Ecosystem**

HIGHLIGHTS

1Q25

WSRS recurring deposits	+9% y/y
WSRS deferring participants	+4% y/y
Plan sponsor benefit event advisory service adoption ¹	90%
Retail customers (IRA + Managed Account customers)	1.1M
PRT from DB clients	27% of premiums

Serve **SMBs** holistically

HIGHLIGHTS

1Q25

WSRS recurring deposits	+12% y/y
WSRS transfer deposits	+27% y/y
WSRS NCF	+\$1.3B
Group Benefits employment growth	+2% TTM
Group Benefits products per customer	3.08

Leverage privileged partnerships to scale **Global Asset Management**

HIGHLIGHTS

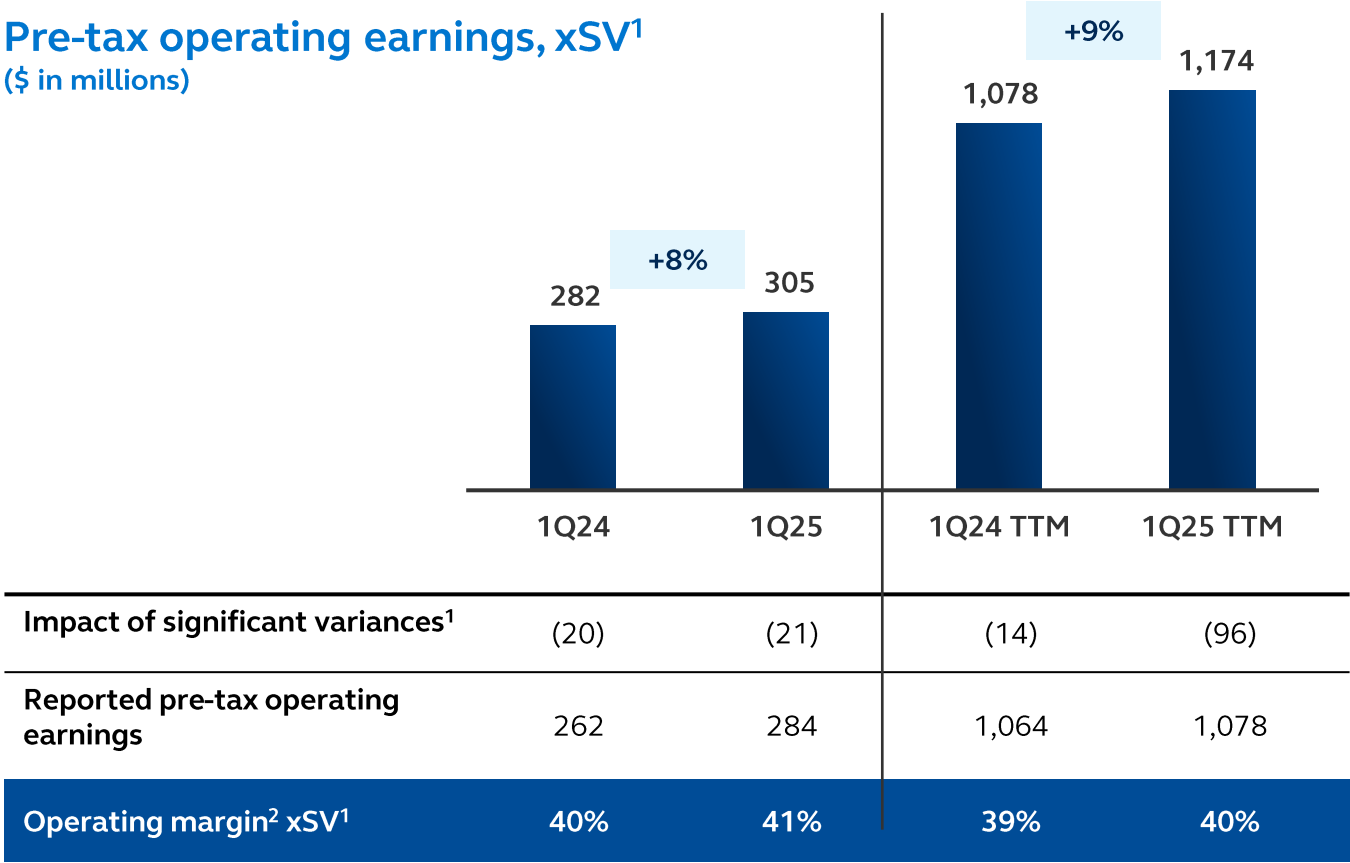
1Q25

Privates non-affiliated NCF	+\$1.1B
Mexico + SE Asia NCF locally managed	+\$0.7B
Active ETF NCF	+\$0.4B

Retirement and Income Solutions

Delivered strong earnings, net revenue growth, and expanded operating margin

Pre-tax operating earnings, xSV¹ (\$ in millions)



1Q25 highlights¹

- Pre-tax operating earnings increased 8% primarily due to growth in the business, higher net investment income, and favorable market performance
- Margin expanded to 41%
- Recurring deposits +9% vs 1Q24; SMB recurring deposits +12% vs 1Q24

Key metrics¹

	1Q25 QTD	1Q25 TTM
Net revenue	+5%	+7%
Operating margin ²	41%	40%

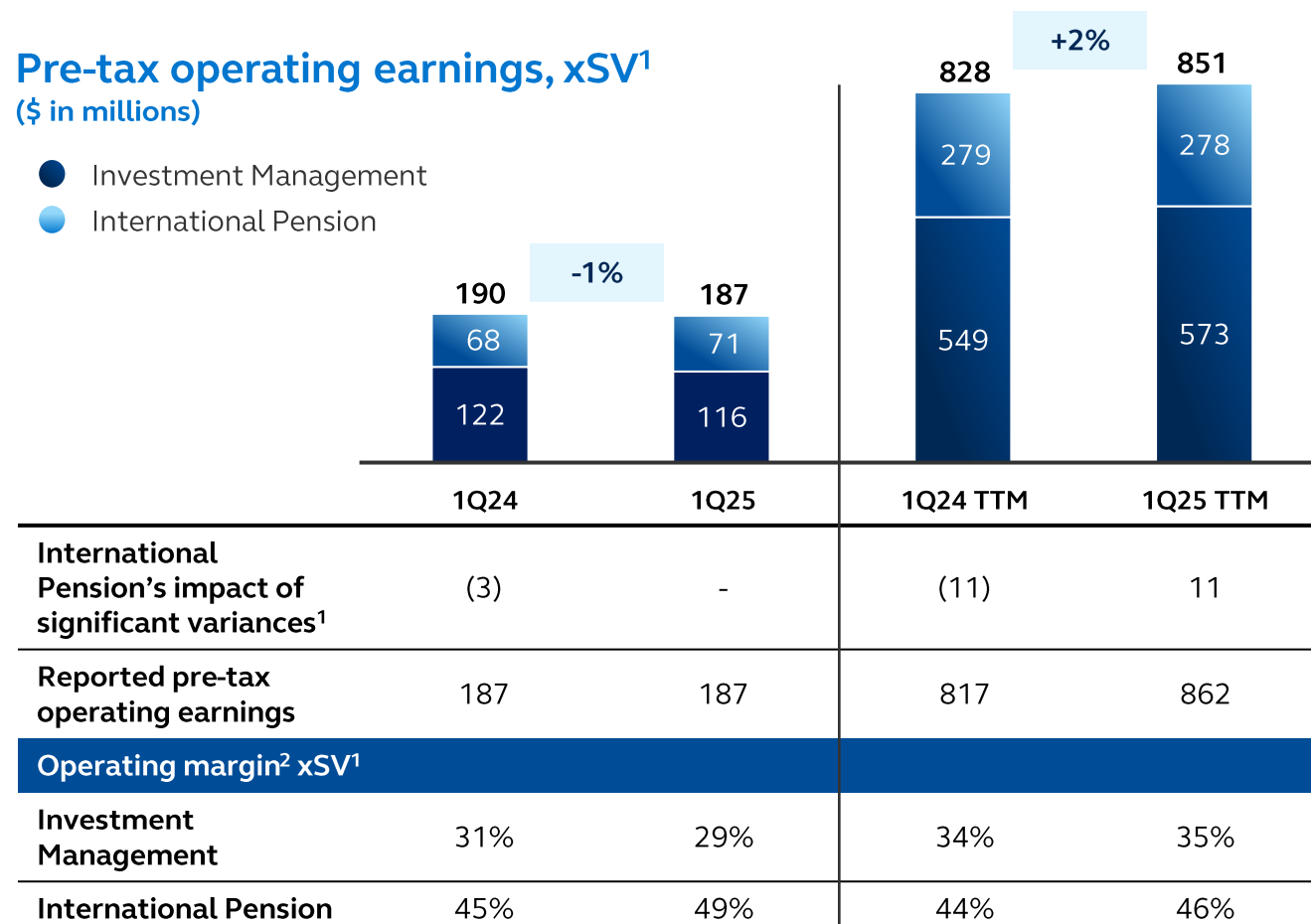
Principal Asset Management

Increased revenue offset by seasonally elevated expenses

Pre-tax operating earnings, xSV¹

(\$ in millions)

- Investment Management
- International Pension



1 Impact of VII and higher than expected encaje performance in 1Q24. Trailing twelve months excludes impacts of actuarial assumption reviews and other significant variances. 2 Investment Management's operating margin is pre-tax operating earnings, adjusted for noncontrolling interest, divided by operating revenues less pass-through expenses; International Pension's operating margin is pre-tax operating earnings divided by net revenue. 3 This is a non-GAAP financial measure, see reconciliation in appendix.

1Q25 highlights¹

- Pre-tax operating earnings decreased slightly as higher management fees on higher average AUM was more than offset by seasonally elevated expenses and FX headwinds
- Principal Asset Management: NCF of \$(4.6)B primarily driven by \$(3.0)B of low-fee, institutional outflows
- Investment Management: management fees increased 5%; fee rate stable at 29-30 bps
- International Pension: pre-tax operating earnings increased 5% despite \$6 million of FX headwinds; margin at high-end of targeted range

Key metrics¹

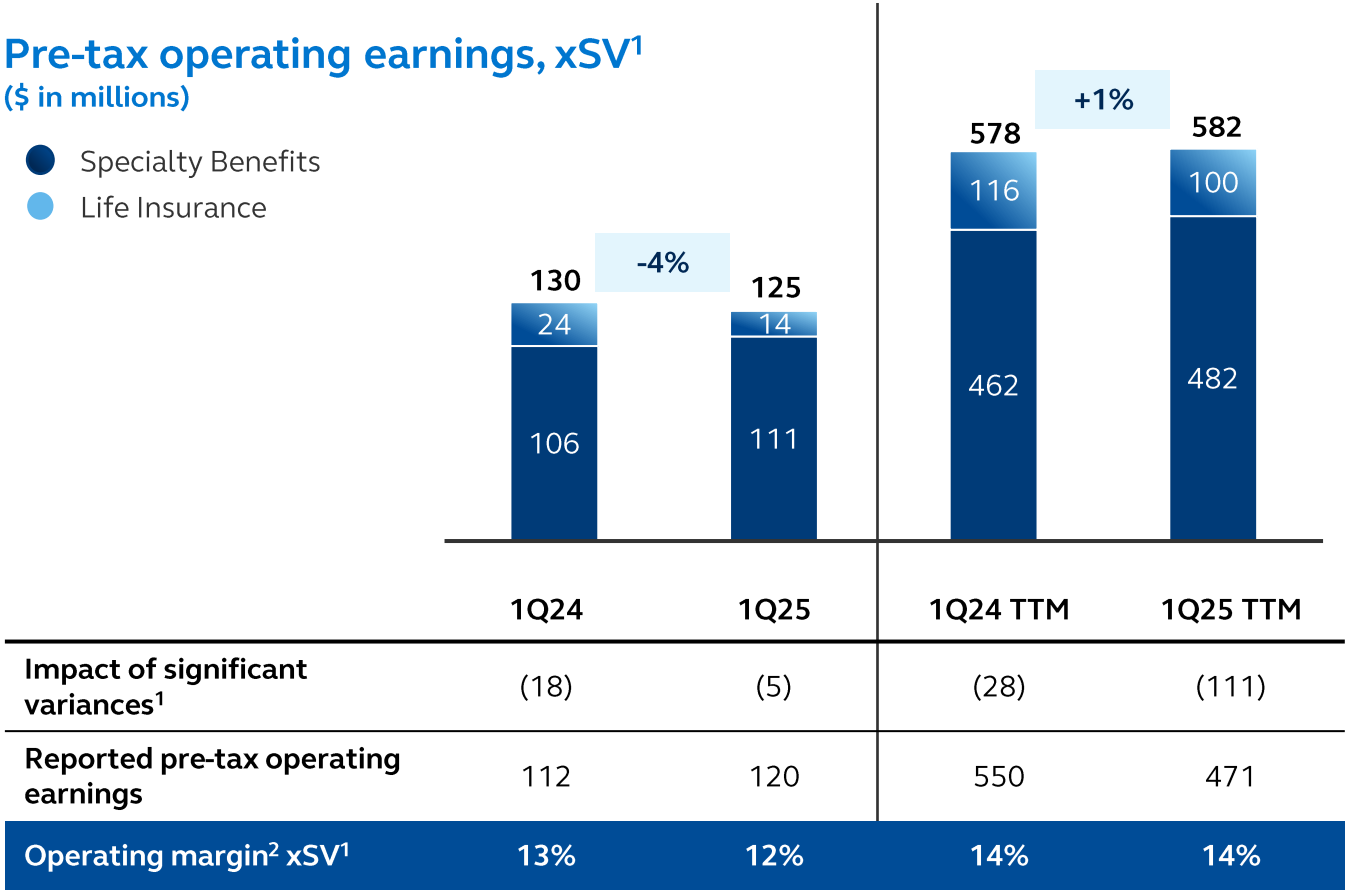
Investment Management	1Q25 QTD	1Q25 TTM
Operating revenues less pass-through expenses ³	+4%	+5%
Operating margin ²	29%	35%
International Pension	1Q25 QTD	1Q25 TTM
Net revenue x-FX	+4%	+4%
Operating margin ²	49%	46%

Benefits and Protection

Specialty Benefits earnings increased 5%; Life Insurance results impacted by higher mortality

Pre-tax operating earnings, xSV¹ (\$ in millions)

- Specialty Benefits
- Life Insurance



1Q25 highlights¹

- Pre-tax operating earnings decreased as business growth and more favorable Specialty Benefits underwriting was more than offset by higher Life Insurance mortality
- Specialty Benefits: operating margin of 13.4%, expanded nearly 15 bps vs 1Q24
- Specialty Benefits: premium and fees growth of 4% reflects absence of new PFML markets and lower dental sales from pricing discipline; loss ratio at low-end of targeted range and improved from 1Q24
- Life Insurance: business market premium and fees growth of 20%

Key metrics¹

Specialty Benefits	1Q25 QTD	1Q25 TTM
Premium and fees	+4%	+6%
Operating margin ²	13%	15%
Loss ratio	61%	60%
Life Insurance	1Q25 QTD	1Q25 TTM
Premium and fees	<1%	0%
Operating margin ²	6%	11%

¹ Impact of VII, model refinements, and GAAP-only regulatory closed block dividend adjustment in 1Q25; impact of VII in 1Q24. Trailing twelve months excludes impacts of actuarial assumption reviews and other significant variances. ² Pre-tax operating earnings divided by premium and fees.

Appendix

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 3/31/2025	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity	70%	68%	57%	89%	60%	77%	69%	98%
Fixed Income	26%	81%	56%	82%	73%	82%	94%	100%
Asset Allocation ⁵	12%	47%	59%	80%	N/A	N/A	N/A	N/A
Total	38%	60%	58%	84%	67%	76%	78%	90%

Equal Weighted	% of funds outperforming Morningstar median ³				% of composites outperforming benchmarks ⁴			
As of 3/31/2025	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity	50%	48%	48%	75%	46%	59%	59%	85%
Fixed Income	33%	53%	57%	70%	75%	73%	85%	98%
Asset Allocation ⁵	17%	48%	61%	63%	N/A	N/A	N/A	N/A
Total	32%	49%	56%	68%	58%	62%	70%	87%

1 Asset weighted.

2 Includes only funds with ratings assigned by Morningstar; non-rated funds excluded (84 total, 77 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).

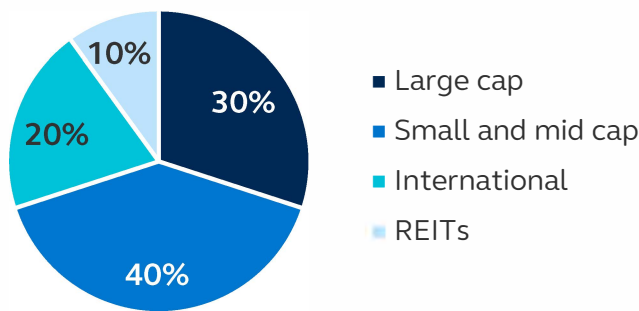
5 Coverage of asset allocation strategies in benchmark-relative composites is minimal and non-informative. Please see Morningstar rankings above for informative asset allocation performance.

Market sensitivities

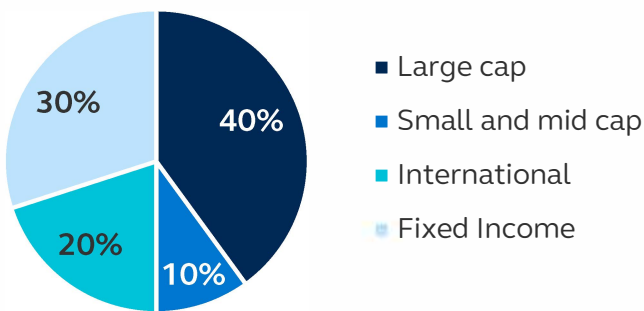
Estimated impacts of changes in key macroeconomic conditions on annual non-GAAP pre-tax operating earnings relative to the next 12 months, prior to management expense actions:

If macroeconomics change by...	Equity market return ¹ +/- 10%	Interest rates +/-100 bps	FX: U.S. Dollar ² +/- 10%	Certain alternative investment valuation ³ +/- 10%
Then Principal’s annual non-GAAP pre-tax operating earnings will change by...	+/- 5-8%	+/- (1)-1%	+/- < 1%	+/- <8%
And the primary businesses impacted are...	RIS Investment Management	All	International Pension	RIS Life Insurance Specialty Benefits

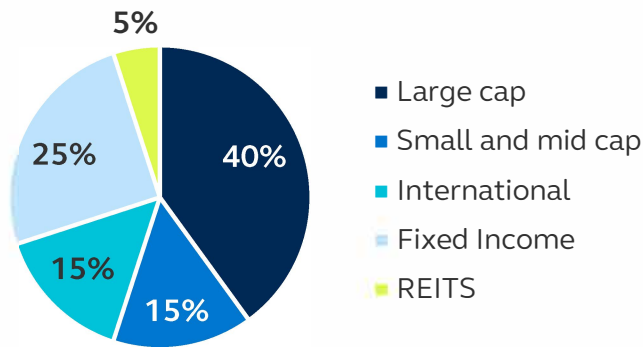
Investment Management
Equity AUM Exposure



Investment Management
Asset allocation AUM Exposure



RIS
Asset-based fee revenue



1 Assumes an immediate 10% change in the S&P 500 followed by 2% growth per quarter thereafter. 2 Principal is primarily impacted by changes in Latin American and Asian currencies. Inverse relationship between movement of the U.S. dollar and impact to non-GAAP pre-tax operating earnings. 3 Includes hedge funds, private equity, infrastructure, and direct lending assets. Separate and distinct from our equity risk associated with a decline in the S&P 500 index, assumes an immediate 10% decline in the value of these assets, followed by a 2% per quarter increase. Note: The impact to income before income taxes is materially consistent with the impact to non-GAAP pre-tax operating earnings.

Disciplined capital management strategy

With emphasis on actively returning excess capital to shareholders

	Targeted range as a percentage of net income ¹ :	
Organic capital deployment	15-25%	Capital efficient business mix
Consistent dividend payout ratio	40%	Growth of dividend will track growth in net income ¹
Share repurchases	35-45%	Active return of excess capital to shareholders through share repurchases
M&A	0-10%	Enhancement of capabilities and support of organic growth through strategic M&A

¹ Based on net income attributable to PFG excluding income or loss from exited business.

1Q 2025 significant variances

Business unit impacts of significant variances (in millions)

	Variable investment income	Other ¹	Total significant variances
Retirement and Income Solutions	\$(21.0)	-	\$(21.0)
Specialty Benefits	\$(5.0)	-	\$(5.0)
Life Insurance	\$(5.3)	\$4.7	\$(0.6)
Corporate	\$(3.7)	-	\$(3.7)
Total pre-tax impact	\$(35.0)	\$4.7	\$(30.3)
Total after-tax impact	\$(28.4)	\$3.7	\$(24.7)
EPS impact			\$(0.11)

¹ Other significant variances in 1Q25 includes impact of GAAP-only regulatory closed block dividend adjustment in Life Insurance.

Non-GAAP financial measure reconciliations

	Three months ended (in millions)	
Investment Management operating revenues less pass-through expenses	3/31/25	3/31/24
Operating revenues	\$453.7	\$435.5
Commissions and other expenses	(37.7)	(36.9)
Operating revenues less pass-through expenses	\$416.0	\$398.6

	Three months ended (in millions)	
Non-GAAP operating earnings (losses)	3/31/25	3/31/24
Net income attributable to PFG	\$48.1	\$532.5
Net realized capital (gains) losses, as adjusted	115.1	17.9
(Income) loss from exited business	251.3	(156.1)
Non-GAAP operating earnings	\$414.5	\$394.3

	Three months ended	
Diluted earnings per common share	3/31/25	3/31/24
Net income	\$0.21	\$2.22
Net realized capital (gains) losses, as adjusted	0.50	0.07
(Income) loss from exited business	1.10	(0.64)
Non-GAAP operating earnings	\$1.81	\$1.65
Weighted-average diluted common shares outstanding (in millions)	228.8	239.4

	Three months ended (in millions)	
Income taxes	3/31/25	3/31/24
Total GAAP income taxes	\$(34.0)	\$95.1
Net realized capital gains (losses) tax adjustments	25.2	11.1
Income taxes attributable to noncontrolling interest and equity method investments	16.4	13.2
Income taxes related to exited business	63.0	(41.5)
Income taxes	\$70.6	\$77.9

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	3/31/25
Stockholders' equity	\$11,268.3
AOCI, other than foreign currency translation adjustment	3,080.2
Cumulative change in fair value of funds withheld embedded derivative	(2,215.6)
Noncontrolling interest	(51.5)
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	\$12,081.4

	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	3/31/25
Net Income ROE available to common stockholders (including AOCI)	9.7%
Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	(0.9)%
Net realized capital (gains) losses	1.9%
(Income) loss from exited business	2.7%
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	13.4%

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, 2024, 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.