

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

June 4, 2021

Date of Report (Date of earliest event reported)

**WHITE MOUNTAINS INSURANCE GROUP, LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**1-8993**  
(Commission file number)

**94-2708455**  
(I.R.S. Employer Identification No.)

**23 South Main Street, Suite 3B, Hanover, New Hampshire 03755**  
(Address of principal executive offices)

**(603) 640-2200**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, par value \$1.00 per share	WTM	New York Stock Exchange Bermuda Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**ITEM 7.01 Regulation FD Disclosure.**

The Registrant's executive officers intend to utilize the presentation furnished as Exhibit 99.1 to this Form 8-K, in whole or in part, at the Registrant's Annual Investor Information Meeting to be held on June 4, 2021. The presentation is incorporated by reference herein.

The information in this report (including Exhibit 99.1) is being furnished pursuant to Item 7.01 and shall not be deemed to be filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

**ITEM 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibit is furnished herewith:

**EXHIBIT INDEX**

99.1 Supplemental Regulation FD Disclosure.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

6/4/2021

WHITE MOUNTAINS INSURANCE GROUP, LTD.

By:

/s/ MICHAELA J. HILDRETH  
Michaela J. Hildreth  
Managing Director and  
Chief Accounting Officer

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**White Mountains Insurance Group, Ltd.**

Annual Investor Presentation



## Forward-Looking Statements

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### Forward-Looking Statements

This presentation may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this presentation which address activities, events or developments which White Mountains expects or anticipates will or may occur in the future are forward-looking statements. The words “could,” “will,” “believe,” “intend,” “expect,” “anticipate,” “project,” “estimate,” “predict” and similar expressions are also intended to identify forward-looking statements. These forward-looking statements include, among others, statements with respect to White Mountains’s: (i) change in book value or adjusted book value per share or return on equity; (ii) business strategy; (iii) financial and operating targets or plans; (iv) incurred loss and loss adjustment expenses and the adequacy of its loss and loss adjustment expense reserves and related reinsurance; (v) projections of revenues, income (or loss), earnings (or loss) per share, EBITDA, adjusted EBITDA, dividends, market share or other financial forecasts; (vi) expansion and growth of its business and operations; and (vii) future capital expenditures.

These statements are based on certain assumptions and analyses made by White Mountains in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform to its expectations and predictions is subject to risks and uncertainties that could cause actual results to differ materially from expectations, including: (i) the risk factors set forth in our Form 10-K for the year ended December 31, 2020; (ii) claims arising from catastrophic events, such as hurricanes, earthquakes, floods, fires, terrorist attacks or severe winter weather; (iii) the market value of White Mountains’s investment in MediaAlpha; (iv) the trends and uncertainties from the COVID-19 pandemic, including the judicial interpretations on the extent of insurance coverage provided by insurers for COVID-19 pandemic-related claims; (v) business opportunities (or lack thereof) that may be presented to it and pursued; (vi) actions taken by ratings agencies from time to time, such as financial strength or credit ratings downgrades or placing ratings on negative watch; (vii) the continued availability of capital and financing; (viii) deterioration of general economic, market or business conditions, including due to outbreaks of contagious disease (including the COVID-19 pandemic) and corresponding mitigation efforts; (ix) competitive forces, including the conduct of other insurers; (x) changes in domestic or foreign laws or regulations, or their interpretation, applicable to White Mountains, its competitors or its customers; and (xi) other factors, most of which are beyond White Mountains’s control.

Consequently, all of the forward-looking statements made in this presentation are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by White Mountains will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, White Mountains or its business or operations. White Mountains assumes no obligation to publicly update any such forward-looking statements, whether as a result of new information, future events or otherwise.



## Notes and Non-GAAP Financial Measures

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### Notes

Management has adjusted certain amounts within this presentation. Management believes the adjusted amounts to be useful to management and investors in depicting and evaluating White Mountains's financial condition and performance. The adjusted amounts are noted and described on p. 43 in the Appendices.

### Non-GAAP Financial Measures

Management believes the non-GAAP measures included in this presentation to be useful to management and investors in depicting and evaluating White Mountains's financial condition and performance. The non-GAAP financial measures included in this presentation, and the number of the page on which each measure is first shown, are listed below.

- Growth in ABVPS (p. 5)
- Owners' capital per share (p. 10)
- ABVPS (p. 10)
- BAM Total premiums (p. 13)
- Ark Adjusted combined ratio (p. 18)
- NSM Pro forma adjusted EBITDA (p. 20)
- Kudu Adjusted EBITDA and Annualized adjusted EBITDA (p. 23)
- Total portfolio (p. 34)
- Fixed income (p. 36)
- Equities (p. 36)
- Equity exposure (p. 36)
- Total return on investment portfolio (p. 37)
- Fixed income return (p. 37)
- Equity return (p. 37)

Please see p. 44-53 in the Appendices for a reconciliation of each non-GAAP measure to its most closely comparable GAAP financial measure.

### Electronic Copy of Presentation

An electronic copy of this presentation can be found at our website: [www.whitemountains.com](http://www.whitemountains.com)



## Introductions

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- WTM Board of Directors
- WTM senior team
- Senior teams of:
  - HG Global / BAM
  - Ark
  - NSM
  - Kudu
  - MediaAlpha
  - PassportCard / DavidShield
  - Elementum

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Year in Review

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## Performance Recap

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(\$ in millions)	Years ended			1Q21
	2018	2019	2020	
Growth in ABVPS	-2.8%	14.8%	24.2%	-1.7%
Growth in MVPS	0.9%	30.2%	-10.2%	11.5%

## 2020 Returns in Context

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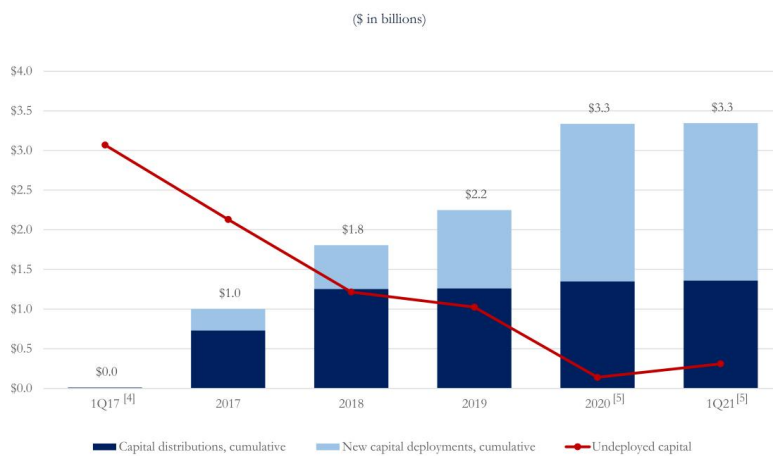
Book value returns		Market value returns	
WTM ABVPS	24.2%	WTM	-10.2%
Dowling & Partners Composite TVC <sup>[1]</sup>	13.9%	Dowling & Partners Composite <sup>[2]</sup>	-0.3%
		S&P 500	18.4%
		Business Insurance Index <sup>[3]</sup>	-11.0%
		S&P Financials	-2.1%

## Key Milestones

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- Ark: closed significant “scale-up” transaction
  - Back in the balance sheet business in a hard market
  - Control position; strong alignment with founders / management
- MediaAlpha: executed IPO and secondary sale
  - MOIC of 22x and IRR of 75% (at the end of 1Q21)
  - Remaining 26% stake valued at \$600 million (at the end of 1Q21)
- Capital deployment: completed the post-OneBeacon agenda
  - Deployed and distributed \$3.3 billion between 2017 and 1Q21
- COVID-19: responded to challenges with employee well-being as our top priority

## Distributions and Deployments



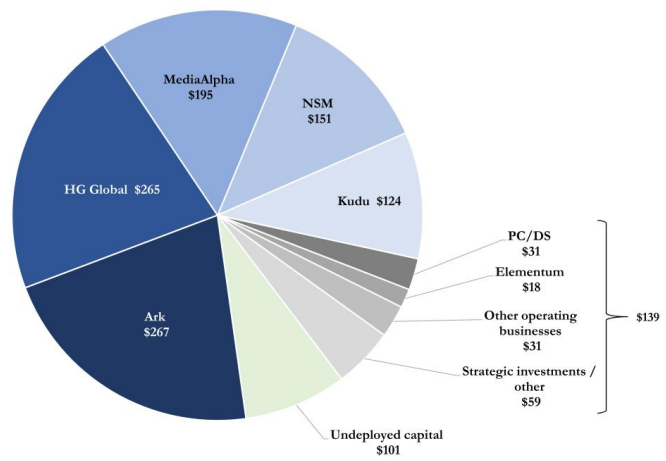
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Operating Businesses

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Owners' Capital Per Share at the End of 1Q21 <sup>[6]</sup>







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Total: \$1,242 ABVPS



## Key Businesses Today

Company	Initial investment year	WTM ownership <sup>[7]</sup>	Management ownership <sup>[7]</sup>	ABV <sup>[6]</sup> (\$ in millions)	Per share <sup>[6]</sup> (\$)
H G Global Ltd.	2012	97%	3%	\$818	\$265
	2021	63%	37%	623 / 823	202 / 267
	2018	90%	10%	467	151
	2018	85%	15%	382	124
	2014	26%	27%	600	195
	2015	54%	46%	95	31
Elementum 	2019	30%	70%	57	18

## HG Global / BAM: Overview

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- Financial guarantor, insuring only essential public purpose municipal bonds
- BAM is a mutual company owned by its municipality policyholders
- HG Re is a stock company owned by WTM; provides first-loss reinsurance to BAM
- WTM economics come in two forms:
  - Surplus note interest
  - HG Re reinsurance profits



## HG Global / BAM: Recent Results

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- Total premiums <sup>[8]</sup> of \$131 million in 2020, up 23% YOY
  - Par insured hit all-time high of \$17.3 billion (up 35% YOY)
    - Credit volatility drove robust demand for insurance
    - Market share grew, reflecting “COVID-hustle”
  - Absolute pricing down slightly; risk-adjusted pricing up
- \$30 million regular cash payment of surplus note P&I (up 36% YOY)
- Total premiums <sup>[8]</sup> of \$26 million in 1Q21; BAM’s best 1Q ever
  
- State and local government financial stress could pressure certain BAM-insured bonds
- No missed payments in portfolio; no credits currently on watch list

(\$ in billions)	Years ended			
	2018	2019	2020	1Q21
Total new municipal bond issuance	\$ 324	\$ 407	\$ 459	\$ 105
Insured penetration, overall	6%	6%	8%	8%
Insured penetration, target market	19%	18%	27%	26%
BAM market share (transactions)	54%	53%	56%	53%
10YT (period end)	2.69%	1.92%	0.93%	1.74%
AA-A credit spread (average)	13 bps	7 bps	14 bps	12 bps

## HG Global / BAM: Financial Highlights

(\$ in millions, except where stated)	Years ended			1Q21
	2018	2019	2020	
Par insured (\$ in billions)	\$ 12.0	\$ 12.8	\$ 17.3	\$ 3.5
Total pricing <sup>[8]</sup>	93 bps	83 bps	76 bps	74 bps
Primary + surety	71 bps	53 bps	61 bps	60 bps
Secondary and assumed reinsurance	150 bps	219 bps	197 bps	118 bps
Total premiums <sup>[8]</sup>	\$ 111	\$ 107	\$ 131	\$ 26
Primary + surety	63	54	91	15
Secondary and assumed reinsurance	48	53	40	11
S&P RAP	4.44%	4.07%	4.25%	5.13%
Claims paying resources	\$ 871	\$ 938	\$ 987	\$ 1,144
97% of HG Global's UPR, net of DAC	\$ 102	\$ 115	\$ 138	\$ 141

## Ark: Overview

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- Global P&C (re)insurance business
- Founded in 2007 by Ian Beaton and Nick Bonnar
- Covers property and specialty lines (A&H, energy, marine, political)
- Writes business via:
  - Lloyd's Syndicates 4020 and 3902
  - Bermuda-based reinsurer Group Ark Insurance Ltd.
- Consistently top-quartile underwriter at Lloyd's
  - High profitability; managed volatility

## Ark: Transaction

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- First broad-based hard market in a decade
- Rekindled conversations with Ian and Nick, two of the best in the business
  - Valued management’s proven track record and “underwriting comes first” mindset
  - Believed Ark’s scale-up strategy would improve speed to market and reduce execution risk
- Acquired a controlling interest in Ark
  - Purchased additional \$41 million of shares from existing owners
  - Contributed \$605 million of equity capital at a pre-money valuation of \$300 million
  - Committed up to \$200 million of additional equity capital in 1H21

## Ark: Recent Results

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- Strong 2020 results → 98% COR, outperforming the Lloyd's market by 12 points
- Strong operational execution to date
  - AM Best rating of “A/stable,” highest in the Class of 2020
  - All underwriting platforms up and running for 1/1 renewals
  - Key hires in place
- Off to a good start in 1Q21
  - Gross premiums of \$405 million (up 2.1x YOY)
  - Blended renewal pricing up over 10%
  - Adjusted combined ratio of 108%, driven by elevated cats (Winter Storm Uri)

## NSM: Overview

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- Full-service specialty MGU and program administrator (US and UK)
- Lines include specialty transportation, real estate, social services and pet
- Economic model is commission-based (90% base and 10% profit)
- Platform business with high capacity and appetite for follow-on investments

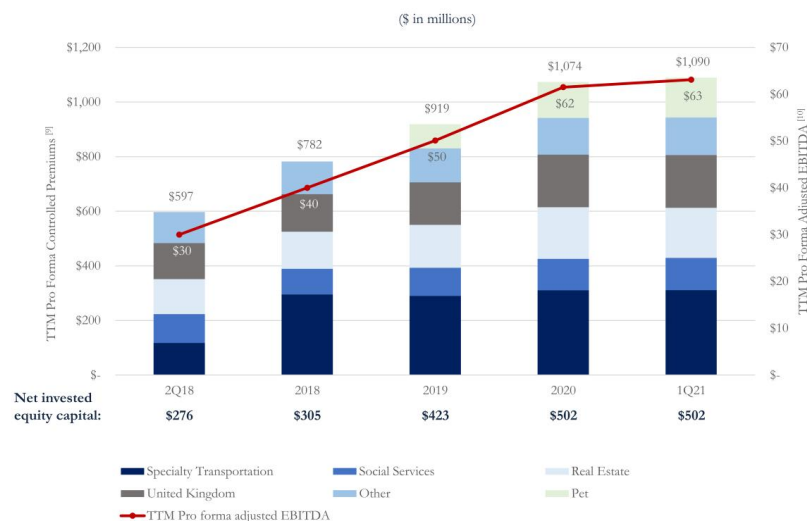
## NSM: Recent Results

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- Good results in 2020
  - Pro forma Controlled Premiums <sup>[9]</sup> crossed \$1 billion threshold (up 12% YOY organically)
  - TTM Pro forma adjusted EBITDA <sup>[10]</sup> of \$62 million (up 5% YOY organically)
  - US business had an outstanding year; UK business had a tough year
  - Closed Kingsbridge acquisition in April 2020
- Off to a good start in 1Q21
  - TTM Pro forma adjusted EBITDA <sup>[10]</sup> of \$63 million (up 2% QOQ)
  - US business lines generally performing well
  - UK results improving; exited underperforming Fresh motor business in April 2021



## NSM: Financial Highlights



## Kudu: Overview

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- Provides capital solutions and advisory services to boutique asset and wealth managers
  - Generational ownership transfers
  - Management buyouts
  - Acquisition and growth finance
  - Legacy partner liquidity
- Deals typically structured as revenue shares: healthy running cash yield plus an equity kicker
- Total committed capital base of \$650 million at the end of 1Q21:
  - \$350 million of WTM equity capital (\$312 million drawn; \$38 million undrawn)
  - \$300 million of rated third-party debt capital (\$102 million drawn; \$198 million undrawn)

## Kudu: Recent Results

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- Solid 2020 results
  - Deployed \$121 million into four new deals and one follow-on
  - Portfolio generated positive investment performance and grew AUM by 4%
  - Fair value of Kudu's participation contracts increased by 3%
  - Cash revenue yield on total capital of 10%
  - Adjusted EBITDA of \$22 million, up 2.3x YOY
  
- Strong results in 1Q21
  - TTM Adjusted EBITDA of \$23 million (up 3% QOQ)
  - TTM Annualized Adjusted EBITDA of \$29 million

## Kudu: Financial Highlights



## MediaAlpha: Overview

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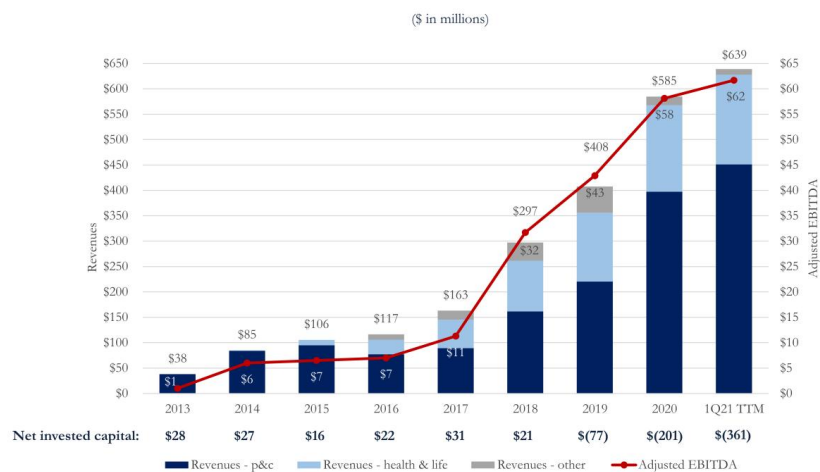
- Online customer acquisition technology platform
- Industry-leading marketplaces for real-time transactions across clicks, calls, and leads
- Multiple verticals, including P&C, health and life insurance
- Fee-based economic model with a percentage taken from all marketplace transactions
  
- Executed successful IPO (NYSE: MAX) in 2020
  - Sold 3.6 million shares for \$64 million (\$19 per share gross) in IPO
  - Sold 3.6 million shares for \$160 million (\$46 per share gross) in secondary offering
  - Continue to own 26% on a fd/fc basis; position valued at roughly \$700 million as of June 3

## MediaAlpha: Recent Results

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- Record operating results in 2020
  - Adjusted EBITDA grew to \$58 million, up 35% YOY
  - Record year in auto insurance, with revenues up 81%
- Good start in 1Q21
  - TTM Adjusted EBITDA grew to \$62 million, up 29% year-over-year
  - Continued strong momentum in P&C and H&L verticals
- Business is well positioned for continued growth
  - Large addressable market with favorable trends still in early innings
  - Marketers as a whole spend 65% of advertising budgets online; insurance category only at 21%
  - Insurance digital distribution market expected to grow from \$9 billion in 2020 to \$22 billion by 2025

## MediaAlpha: Financial Snapshot



## PassportCard / DavidShield: Overview

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- Offers travel and expat medical insurance
- Delivers coverage and services in 200+ territories around the world
- Real-time, paperless insurance solution, delivered via debit card technology
- Superior customer experience, premium pricing and high reactivation rates
- Originally launched in Israel; select international expansion
- Economic model is commission-based (base and profit); no net risk retention



## PassportCard / DavidShield: Recent Results

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- Record results in 2019 and early 2020, then significant COVID disruption
  - 2020 Core EBITDA of \$2 million (down from \$17 million in 2019)
  - 2020 core premiums of \$75 million (down 51% YOY)
    - Travel premiums of \$12 million (down 87% YOY)
    - Expat medical premiums of \$49 million (up 18% YOY)
- WTM injected \$15 million of equity capital, increasing our ownership to 54%
- We reprioritized international growth initiatives:
  - Australian travel operations hibernated
  - German expat medical buildout continues
- Strong results since TLV airport reopened in March; expect continued recovery

## Elementum: Overview

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- One of the largest independent managers of insurance-linked securities (ILS)
- Manages institutional investment portfolios exposed to natural catastrophe event risk
- Delivers range of risk/return and liquidity profiles through various instruments
  - Catastrophe bonds
  - Collateralized reinsurance investments
  - Primary insurance
- Fee-based business (management fees and performance fees)
  
- WTM owns 30% of the Elementum business
- Separately, WTM has invested \$50 million in four Elementum funds

## Elementum: Recent Results

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- Flattish results in 2020
  - AUM grew 4% to \$4.4 billion
  - Adjusted EBITDA shrank 4% to \$13 million
  - We received cash dividends of \$4 million, implying a cash yield of 7%
  - Our investments in four Elementum funds generated a blended return of +0.7%
- In 2019 and 2020, the ILS market has shrunk but Elementum has grown
- Steady start to 1Q21
  - TTM Adjusted EBITDA up 2% to \$13 million
  - Market conditions for ILS investing are attractive
  - Elementum is well-positioned

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**Financial Position & Investment Portfolio**

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## Current Financial Position

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- Total capital of \$4.5 billion, substantially all in common shareholders' equity
- Undeployed capital <sup>(6)</sup> of \$310 million, or 7% of total capital
- No parent company financial leverage
- Total debt to total capital of 10%

## Investments: Philosophy and Approach

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- Invest for total return
- \$2.4 billion Total portfolio <sup>[1]</sup> at 1Q21
  - \$0.9 billion of policyholder funds (Ark and HG Global)
  - \$1.5 billion of shareholder funds
- Investment decisions take into account broader capital position and corporate needs
- Low equity exposure currently given:
  - Limited undeployed capital at parent
  - Limited equity capacity at core balance sheet businesses, chiefly Ark and HG Global

## Investments: Mandates

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Mandate	Total portfolio <sup>[1]</sup>	Current position	Objectives
Parent	\$0.7 billion	<ul style="list-style-type: none"><li>▪ Fixed income</li><li>▪ Alternatives</li></ul>	<ul style="list-style-type: none"><li>▪ Safeguard known capital commitments</li><li>▪ Manage for total return</li></ul>
HG Re	\$0.4 billion	<ul style="list-style-type: none"><li>▪ Fixed income</li></ul>	<ul style="list-style-type: none"><li>▪ Preserve claims paying resources and liquidity</li></ul>
Ark	\$1.3 billion	<ul style="list-style-type: none"><li>▪ Fixed income</li><li>▪ Modest equity exposure</li></ul>	<ul style="list-style-type: none"><li>▪ Preserve capital and provide sufficient liquidity to meet insurance obligations</li><li>▪ Manage for total return</li></ul>

## Investments: Composition <sup>[1]</sup>

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(\$ in millions)	As of March 31, 2021			
	Parent	HG Re	Ark	Consolidated
Fixed income	\$ 627	\$ 428	\$ 1,110	\$ 2,165
Equities (incl. alternatives)	105	-	149	254
Total portfolio	\$ 732	\$ 428	\$ 1,260	\$ 2,419
Fixed income duration	2.2	3.5	0.8	1.8
Fixed income credit quality	AA-	AA-	A+	AA-
Equity exposure	n/a	0%	18%	32%



Investments: Performance <sup>[12]</sup>

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	Years ended		
	2019	2020	1Q21
<b>Total return on investment portfolio</b>	<b>16.3%</b>	<b>3.5%</b>	<b>0.1%</b>
ICE BofAML 10YT + 150 bps	10.4%	12.1%	-6.7%
Conventional Wisdom Benchmark <sup>[13]</sup>	12.0%	9.5%	-2.0%
<b>Fixed income return</b>	<b>6.2%</b>	<b>4.8%</b>	<b>-0.7%</b>
BBG Intermediate U.S. Aggregate Index	6.7%	5.6%	-1.6%
<b>Equity return</b>	<b>26.1%</b>	<b>2.7%</b>	<b>7.0%</b>
S&P 500 Index	31.5%	18.4%	6.2%

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What to Expect

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## What to Expect from Us

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- More of the same
- Focused on growing per share values over long periods of time
- Not focused on near-term GAAP results
- Adhering to our core operating principles:
  - Underwriting comes first
  - Maintain a disciplined balance sheet
  - Invest for total return
  - Think like owners
- Deploying/distributing capital patiently and intelligently

Wise Words...

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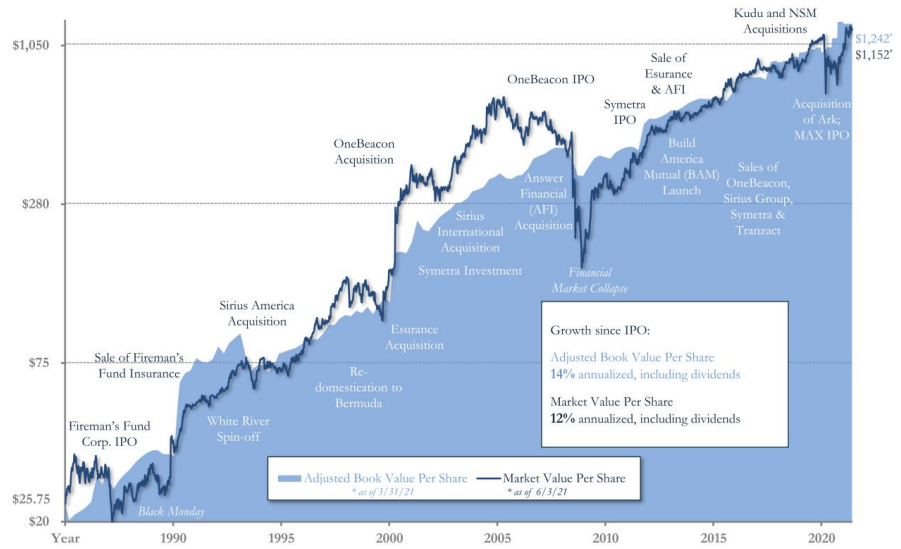
	Return periods ended December 31, 2020				Since WTM IPO (1985)
	1-year	5-year	10-year	20-year	
WTM - ABVPS	24.2%	12.8%	11.3%	10.6%	13.7%
WTM - MVPS	-10.2%	6.7%	11.7%	6.4%	11.7%
S&P 500	18.4%	15.2%	13.9%	7.5%	11.3%



"In the short run, the market is a voting machine, but in the long run it is a weighing machine."

Benjamin Graham

**Track Record**



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## Appendices

1. Notes (p. 43)
  2. Non-GAAP Financial Measures (p. 44)
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## Notes

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1. Average total value creation (tangible book value plus dividends) for 47 publicly-traded underwriters reported by Dowling & Partners.
2. Average performance for 58 publicly traded underwriters and brokers reported by Dowling & Partners.
3. Average performance for 50 publicly traded underwriters and brokers reported by Business Insurance.
4. 1Q17 undeployed capital amount is adjusted to reflect the OneBeacon transaction as if it had closed on 3/31/17.
5. Deployments include unfunded commitments of \$298 million at 12/31/20 and \$284 million at 3/31/21, both including WTM's remaining equity commitment to Ark of \$200 million.
6. Amounts reflect all unfunded commitments as if they were fully funded at 3/31/21.
7. Ownership is presented on a fully-diluted, fully-converted basis with the exception of HG Global (preferred stock ownership is presented) and Ark (excludes the potential vesting of B-share issuances).
8. BAM Total premiums and BAM Total pricing include gross written premiums, member surplus contributions collected, the present value of future installment member surplus contributions not yet collected and gross written premium adjustments on existing installment policies.
9. NSM Pro forma controlled premiums includes the controlled premiums of acquired businesses for the period of time over the previous twelve months that the businesses were not owned by NSM. Organic growth rates reflect acquisitions as if they had occurred at the beginning of the earliest period.
10. NSM Pro forma adjusted EBITDA includes the earnings of acquired businesses for the period of time over the previous twelve months that the businesses were not owned by NSM. Organic growth rates reflect acquisitions as if they had occurred at the beginning of the earliest period.
11. Total portfolio is shown on a non-GAAP basis as reconciled on p. 51 and p. 52 in the Appendices. It excludes BAM's investment portfolio, Kudu's investment portfolio, MediaAlpha, PassportCard / DavidShield, Elementum and unconsolidated other operating businesses.
12. Investment performance is shown on a non-GAAP basis as reconciled on p. 53 in the Appendices.
13. The Conventional Wisdom Benchmark is comprised of 85% of the BBG U.S. Aggregate Index return and 15% of the S&P 500 return.

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP book value per share (BVPS) to adjusted book value per share (ABVPS) and growth in ABVPS

(\$ millions, except per share amounts; shares in thousands)

	2018	2019	2020	1Q21
<b>Numerator</b>				
GAAP common shareholders' equity (GAAP BVPS numerator)	\$ 2,843	\$ 3,262	\$ 3,906	\$ 3,826
Time value of money discount on BAM surplus notes [a]	(141)	(152)	(143)	(138)
HG Global's unearned premium reserve [a]	137	157	190	195
HG Global's net deferred acquisition costs [a]	(35)	(41)	(52)	(54)
Adjusted common shareholders' equity (ABVPS numerator)	\$ 2,804	\$ 3,225	\$ 3,901	\$ 3,829
<b>Denominator</b>				
Common shares outstanding (GAAP BVPS denominator)	3,173	3,185	3,102	3,107
Less: unearned restricted common shares	(15)	(18)	(15)	(23)
ABVPS denominator	3,158	3,167	3,087	3,084
GAAP book value per share	\$ 896	\$ 1,024	\$ 1,259	\$ 1,231
Adjusted book value per share	\$ 888	\$ 1,018	\$ 1,264	\$ 1,242
Growth in GAAP BVPS, including dividends [b]	-3.7%	14.4%	23.1%	-2.1%
Growth in ABVPS, including dividends [b]	-2.8%	14.8%	24.2%	-1.7%

[a] Amount reflects White Mountains's preferred share ownership of HG Global of 97%.

[b] White Mountains declared a \$1.00 per share dividend in the first quarter of each period shown.





## Non-GAAP Financial Measures

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### White Mountains Insurance Group, Ltd.

Comparison of GAAP book value per share (BVPS) return to adjusted book value per share (ABVPS) returns

	Return periods ended December 31, 2020					Return period ended	
	1-year	5-year	10-year	20-year	Since WTM IPO (1985)	March 31, 2021 Since WTM IPO (1985)	
WTM - BVPS	23.1%	12.8%	11.1%	10.9%	13.7%	13.6%	
WTM - ABVPS	24.2%	12.8%	11.3%	10.6%	13.7%	13.6%	



## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP book value and GAAP book value per share allocation of capital to adjusted book value and adjusted book value per share allocation of capital

(\$ millions, except per share amounts)

	1Q21 Value					1Q21 Value Per Share	
	GAAP Book Value	Adjustments	Adjusted Book Value	Allocation of Commitments	Allocated Adjusted Book Value	GAAP Book Value	Allocated Adjusted Book Value
	HG Global	\$ 814	\$ 3 [a]	\$ 818	\$ -	\$ 818	\$ 262
Ark	623	-	623	200	823	200	267
NSM	467	-	467	-	467	150	151
Kudu	344	-	344	38 [b]	382	111	124
Media/Alpha	600	-	600	-	600	193	195
PassportCard / DavidShield	95	-	95	-	95	31	31
Elementum	57	-	57	-	57	18	18
Strategic investments / other	425	-	425	(242) [b]	183	137	59
Other operating businesses	90	-	90	4 [b]	94	29	31
Undeployed capital	310	-	310	-	310	100	101
<b>Total</b>	<b>\$ 3,826</b>	<b>\$ 3</b>	<b>\$ 3,829</b>	<b>\$ -</b>	<b>\$ 3,829</b>	<b>\$ 1,231</b>	<b>\$ 1,242</b>

[a] Adjusted book value is adjusted for (i) time value of money discount on BAM surplus notes and (ii) HG Global's unearned premium reserve and deferred acquisition costs.

[b] Allocated adjusted book value includes unfunded commitments.



## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of BAM GAAP gross written premiums and member surplus contributions (MSC) collected to gross written premiums and MSC from new business (total premiums)

	2018	2019	2020	1Q21
GAAP gross written premiums and member surplus contributions (MSC) collected	\$ 107	\$ 107	\$ 131	\$ 26
Present value of future installment MSC collections	3	0	-	-
Gross written premium adjustments on existing installment policies	1	(0)	-	-
Gross written premiums and MSC from new business (Total premiums)	<b>\$ 111</b>	<b>\$ 107</b>	<b>\$ 131</b>	<b>\$ 26</b>
Memo: Total gross par value of market policies issued (\$ billions)	\$ 12.0	\$ 12.8	\$ 17.3	\$ 3.5
Memo: Total pricing	93 bps	83 bps	76 bps	74 bps



## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of Ark's GAAP loss and loss adjustment expense ratio, insurance acquisition expense ratio, other underwriting expense ratio and combined ratio to their adjusted ratios

(\$ millions)	Quarter ended March 31, 2021		
	GAAP	TPC Share	Adjusted
<i>Insurance premiums:</i>			
Gross written premiums	\$ 405	\$ -	\$ 405
Net written premiums	\$ 342	\$ (5)	\$ 337
Net earned premiums	\$ 105	\$ 31	\$ 136
<i>Insurance expense:</i>			
Loss and loss adjustment expenses	\$ 66	\$ 32	\$ 98
Insurance acquisition expenses	37	-	37
Other underwriting expenses	11	1	13
Total insurance expenses	\$ 114	\$ 33	\$ 147
<i>Ratios:</i>			
Loss and loss adjustment expense	63.1%		71.9%
Insurance acquisition expense	35.1%		27.0%
Other underwriting expense	10.7%		9.2%
Combined ratio	108.9%		108.1%

Note: adjusted combined ratios add back the impact of whole-account quota-share reinsurance arrangements related to third party capital (TPC) providers for Ark's Lloyd's syndicates.

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of NSM TTM GAAP net income (loss) to NSM TTM EBITDA, TTM Adjusted EBITDA and TTM Pro Forma Adjusted EBITDA

(\$ millions)	2Q18	2018	2019	2020	1Q21
TTM GAAP net income (loss)	\$ (12)	\$ (18)	\$ (2)	\$ (7)	\$ (32)
Add back:					
Interest expense	11	14	17	22	24
Income tax (benefit) expense	-	1	(1)	(6)	(13)
General and administrative expenses - depreciation	-	-	4	5	5
Amortization of other intangible assets	14	14	19	27	31
TTM EBITDA	13	11	37	41	14
Add back:					
Change in fair value of contingent consideration earnout liabilities	(1)	4	2	(3)	(3)
Non-cash equity-based compensation expense	-	-	-	2	-
Impairments of intangible assets	-	-	-	6	6
Loss on assets held for sale	-	-	-	-	29
Acquisition-related transaction expenses	12	12	6	7	6
Fair value purchase accounting adjustment for deferred revenue	-	-	1	-	-
Investments made in the development of new business lines	1	2	-	1	-
Restructuring expenses	-	-	2	5	11
TTM Adjusted EBITDA	25	29	48	59	63
Add:					
Impact of Fresh	5	2	-	-	-
Impact of KBK	-	8	-	-	-
Impact of Embrace	-	-	2	-	-
Impact of Kingsbridge	-	-	-	3	-
TTM Pro forma adjusted EBITDA	\$ 30	\$ 40	\$ 50	\$ 62	\$ 63

Note: Pro forma adjusted EBITDA includes the earnings of acquired businesses for the period of time over the previous 12 months that the businesses were not owned by White Mountains.

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of Kudu TTM GAAP net income (loss) to Kudu TTM Adjusted EBITDA and TTM Annualized adjusted EBITDA

(\$ millions)	1Q20	2Q20	3Q20	4Q20	1Q21
TTM GAAP net income	\$ (6)	\$ 5	\$ 12	\$ 21	\$ 45
Add back:					
Interest expense	1	3	4	6	10
Income tax expense (benefit)	(5)	(1)	2	7	20
Amortization of other intangible assets	0	0	0	0	0
TTM EBITDA	(10)	7	18	34	75
Add back:					
Acquisition-related transaction expenses	6	7	5	4	3
Non-cash equity-based compensation expense	1	1	1	0	1
Net unrealized (gains) losses	18	1	(6)	(16)	(57)
TTM Adjusted EBITDA	\$ 15	\$ 16	\$ 17	\$ 22	\$ 23
Adjust to annualize partial year revenues					7
TTM Annualized adjusted EBITDA					\$ 29

Note: TTM periods shown on page 27 of the presentation that precede 1Q20 cannot be reconciled to GAAP as Kudu was not consolidated in White Mountains's results until 2Q19.

## Non-GAAP Financial Measures

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### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP fixed maturity and short-term investments to fixed income and GAAP common equity securities, investment in MediaAlpha and other long-term investments to equities (Total portfolio equals the sum of fixed income and equities)

(\$ millions)	1Q21
GAAP fixed maturity and short-term investments	\$ 2,107
Remove: BAM invested assets	(477)
Add: subadvisor cash, accrued income & net open payables/receivables	227
Add: certain GAAP other assets	53
Reclass: certain GAAP other long-term investments	201
Reclass: Insurance linked securities	54
Fixed income	<u>\$ 2,165</u>
GAAP common equity securities, investment in MediaAlpha and other long-term investments	\$ 1,751
Remove: Kudu participation contracts	(427)
Remove: MediaAlpha	(600)
Remove: PassportCard/DavidShield	(95)
Remove: Elementum	(57)
Remove: Unconsolidated other operating businesses	(63)
Reclass: certain GAAP other long-term investments	(201)
Reclass: Insurance linked securities	(54)
Equities	<u>\$ 254</u>
Total portfolio	<u>\$ 2,419</u>

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP common equity securities, investment in MediaAlpha and other long-term investments to equities and equity exposure

(\$ millions)	1Q21
<b>Numerator</b>	
GAAP common equity securities, investment in MediaAlpha and other long-term investments	\$ 1,751
Remove: Kudu participation contracts	(427)
Remove: MediaAlpha	(600)
Remove: PassportCard/DavidShield	(95)
Remove: Elementum	(57)
Remove: Unconsolidated other operating businesses	(63)
Reclass: Certain GAAP other long-term investments	(201)
Reclass: Insurance linked securities	(54)
Equities	<b>254</b>
Add: Kudu participation contracts	427
Add: MediaAlpha	600
Equity exposure numerator	<b>\$ 1,282</b>
<b>Denominator</b>	
Common shareholders' equity	\$ 3,826
Non-controlling interest in Ark	211
Time value of money discount on B&AM surplus notes [a]	(138)
HG Global's unearned premium reserve [a]	195
HG Global's net deferred acquisition costs [a]	(54)
Adjusted shareholders' equity	<b>\$ 4,040</b>
GAAP common equity securities, investment in MediaAlpha and other long term investments exposure	46%
Equity exposure	<b>32%</b>

[a] Amount reflects White Mountains's preferred share ownership of HG Global of 97%.





## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP investment returns to total return on investment portfolio, fixed income return and equity return

(returns in USD)	2019	2020	1Q21
GAAP total return on investment portfolio	20.4%	31.9%	-0.3%
Remove: BAM invested assets	2.3%	-0.2%	0.2%
Remove: Kudu participation contracts	-0.2%	-1.6%	-0.7%
Remove: MediaAlpha	-7.8%	-29.4%	1.2%
Remove: PassportCard/DavidShield, Elementum and unconsolidated other operating businesses	1.5%	2.6%	0.0%
All other	0.1%	0.2%	-0.3%
Total return on investment portfolio	<b>16.3%</b>	<b>3.5%</b>	<b>0.1%</b>
GAAP fixed maturity and short-term investment return	6.1%	4.9%	-1.0%
Remove: BAM invested assets	0.1%	0.0%	0.1%
Reclass: certain GAAP other long-term investments & insurance linked securities	0.0%	-0.1%	0.1%
All other	0.0%	0.0%	0.1%
Fixed income return	<b>6.2%</b>	<b>4.8%</b>	<b>-0.7%</b>
GAAP common equity securities, investment in MediaAlpha and other long-term investments return	36.9%	80.0%	0.8%
Remove Kudu participation contracts	1.2%	-5.3%	0.9%
Remove: MediaAlpha	-18.9%	-99.5%	6.3%
Remove: PassportCard/DavidShield, Elementum and unconsolidated other operating businesses	6.1%	21.7%	-0.2%
Reclass: certain GAAP other long-term investments & insurance linked securities	0.5%	4.9%	-0.8%
All other	0.3%	0.9%	0.0%
Equity return	<b>26.1%</b>	<b>2.7%</b>	<b>7.0%</b>

