



# The Allstate Corporation

---

Investor Call Presentation – Acquisition of SquareTrade  
November 29, 2016

**Allstate**<sup>®</sup>  
You're in good hands.



## Forward-Looking Statements

---

This presentation contains forward-looking statements and information. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the 2015 Form 10-K, in our most recent earnings release, and at the end of these slides. These materials are available on our website, [www.allstateinvestors.com](http://www.allstateinvestors.com).



# Allstate Expands Consumer Protection Offerings with Acquisition of Rapidly Growing SquareTrade

- **Allstate to acquire SquareTrade, a provider of consumer protection plans**
  - Consistent with Allstate's strategy of using innovative approaches to consumer protection
  - Acquisition price of \$1.4 billion to be funded with holding company cash and issuance of debt
- **SquareTrade's innovative consumer-centric approach has led to rapid growth**
  - Protection plans cover televisions, computers, personal electronics, smartphones and appliances
  - Branded products sold through major retailers
  - High customer satisfaction ratings
  - Revenues have risen four-fold in the last five years
- **SquareTrade further expands Allstate's consumer protection focused strategy**
  - Expands protection offering to consumer electronics, connected devices and appliances
  - Substantial increase in customer relationships
  - Excellent near-term growth potential and additional long-term growth opportunities
- **Acquisition has a minimal impact on near-term financial results**
  - Expect to issue \$1.0 billion in senior debt, subject to market conditions, which increases debt to capital ratio to 22-23%
  - Modestly dilutive to net income for three years, including amortization of purchased intangibles
  - No impact on share repurchase program



# SquareTrade Provides Consumer Protection Plans Through Retailers

Provides Protection Across a Wide Range of Consumer Products ...



Computers



Home Entertainment



Smartphones/  
Tablets



Portable Audio



Cameras/  
Smartwatches/  
Wearables/  
GPS



Appliances

...Through Deep Retail Relationships

## Point-of-Sale Retail

Costco

Sam's Club

Target

Office Depot/  
OfficeMax

Staples

Toys "R" Us

## Online Retail

Amazon

eBay



# SquareTrade's Retail Distribution Partners Benefit from Higher Customer Satisfaction and Additional Revenue

## SquareTrade Value Proposition to Retailers

**Fully-Integrated Solutions**

**One stop shop providing integrated programs and logistics across range of products and services**

**Integrated Programs**

**Customized programs for each retailer and major product category based on customer, store and retailer dynamics**

**Point-of-Sale Design**

**Store and product specific point-of-sale design and merchandising**

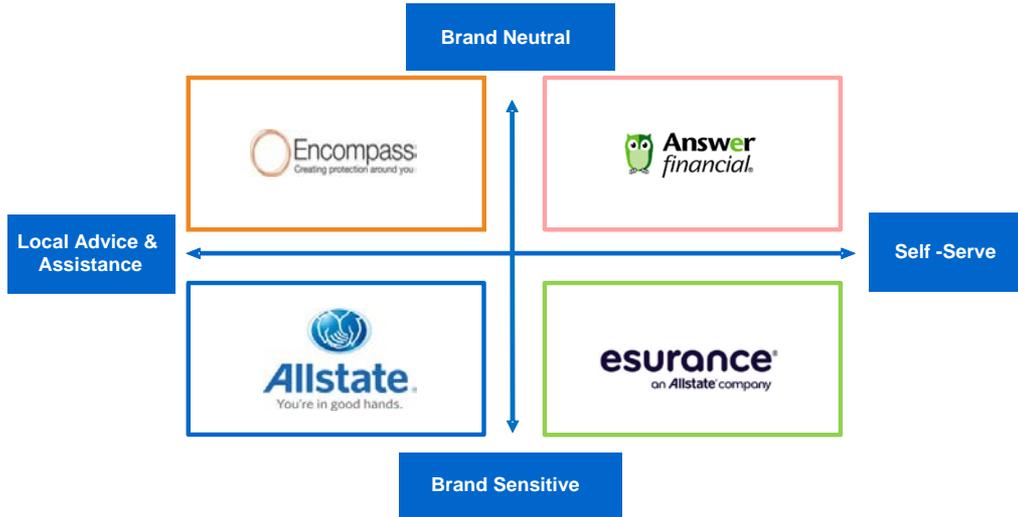
## Benefits

- SquareTrade protection and customer care reduces customer irritants in event of device malfunction after manufacturer warranty expires
  - Enhances retailer product value proposition
  - Additional revenues
- 
- Retail focus and approach has improved results of retailers switching to SquareTrade



# Allstate's Strategy Enhanced with an Additional High Growth Market Facing Business

## Personal Property–Casualty Customer Segments



## Other Businesses

|                            |   |
|----------------------------|---|
| Allstate Benefits          | Voluntary Benefits Solutions            |
| Arity                      | Connected Car Services                  |
| Allstate Roadside Services | Roadside Rescue Services                |
| Ivantage                   | Allstate Agency Expanded Markets        |
| Allstate Dealer Services   | Auto Warranty & Financing GAP Coverage  |
| <b>SquareTrade</b>         | <b>Consumer Device Protection Plans</b> |

## Allstate Strategic Benefits of Acquiring SquareTrade

### Growth

- Innovative business model that is capturing market share
- Entry into growing personal device protection

### Brand

- SquareTrade is an emerging brand with high customer satisfaction ratings

### Offering Breadth

- Broader suite of offerings to meet Allstate customers' growing connected device needs

### Customers

- Potential to provide additional offerings and benefits to SquareTrade's customers in the future

### Distribution Channels

- Strong relationships with a growing number of retailers



# Acquisition Provides Another Long-term Growth Platform with Minimal Impact on Current Financial Results

- **Acquisition price of \$1.4 billion funded through corporate cash and issuance of long-term debt**
  - Transaction expected to close in early January 2017 and will be included in 2017 financial results
  - Issuing \$1.0 billion of senior secured debt in December, subject to market conditions, bringing debt to capital ratio to 22-23%
  - No impact on share repurchase program
  
- **Minimal operational impact on existing operations**
  - SquareTrade will remain an independent entity as part of Emerging Businesses similar to the approach used with Esurance
  - SquareTrade strategic focus will be to continue expanding retail relationships and product offerings
  - Existing management team will remain under the leadership of co-founder, Ahmed Khaishgi
  
- **Minimal near-term financial impact**
  - Higher revenue growth
  - Modestly dilutive to net income for three years, including amortization of purchased intangibles
  - Underwriting SquareTrade protection plans, currently outsourced, could result in additional underwriting income



# Forward-Looking Statements

## Forward-Looking Statements

This presentation contains “forward-looking statements” that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like “plans,” “seeks,” “expects,” “will,” “should,” “anticipates,” “estimates,” “intends,” “believes,” “likely,” “targets” and other words with similar meanings. We believe these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements include risks related to: (1) adverse changes in the nature and level of catastrophes and severe weather events; (2) impacts of catastrophe management strategy on premium growth; (3) unexpected increases in the frequency or severity of claims; (4) regulatory changes, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (5) market convergence and regulatory changes on our risk segmentation and pricing; (6) the cyclical nature of the property and casualty business; (7) reestimates of reserves for claims; (8) adverse legal determinations regarding discontinued product lines and other legal and regulatory actions; (9) changes in underwriting and actual experience; (10) changes in reserve estimates for life-contingent contract benefits payable; (11) the influence of changes in market interest rates on spread-based products; (12) changes in estimates of profitability on interest-sensitive life products; (13) reducing our concentration in spread-based business and exiting certain distribution channels; (14) changes in tax laws; (15) our ability to mitigate the capital impact associated with life insurance statutory reserving requirements; (16) operational issues relating to a decline in Lincoln Benefit Life Company’s financial strength ratings; (17) market risk and declines in credit quality relating to our investment portfolio; (18) our subjective determination of the fair value of our fixed income and equity securities and the amount of realized capital losses recorded for impairments of our investments; (19) competition in the insurance industry; (20) conditions in the global economy and capital markets; (21) losses from legal and regulatory actions; (22) restrictive regulation and regulatory reforms; (23) the availability of reinsurance at current levels and prices; (24) credit risk of our reinsurers; (25) a downgrade in our financial strength ratings; (26) the effect of adverse capital and credit market conditions; (27) failure in cyber or other information security; (28) the impact of a large scale pandemic, the threat or incurrence of terrorism or military action; (29) possible impairments in the value of goodwill; (30) changes in accounting standards; (31) the realization of deferred tax assets; (32) restrictions on our subsidiaries’ ability to pay dividends; (33) restrictions under the terms of certain of our securities on our ability to pay dividends or repurchase our stock; (34) changing climate and weather conditions; (35) loss of key vendor relationships or failure of a vendor to protect confidential and proprietary information; and (36) failure to protect intellectual property. Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the “Risk Factors” section in our most recent Annual Report on Form 10-K. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.