

SUMMARY OF INITIAL PUBLIC OFFERING

January 2023

Specialized investment bankers at the intersection of finance and technology

Skyward Specialty IPO – Executive Summary

Initial Public Offering Overview – January 2023

Description

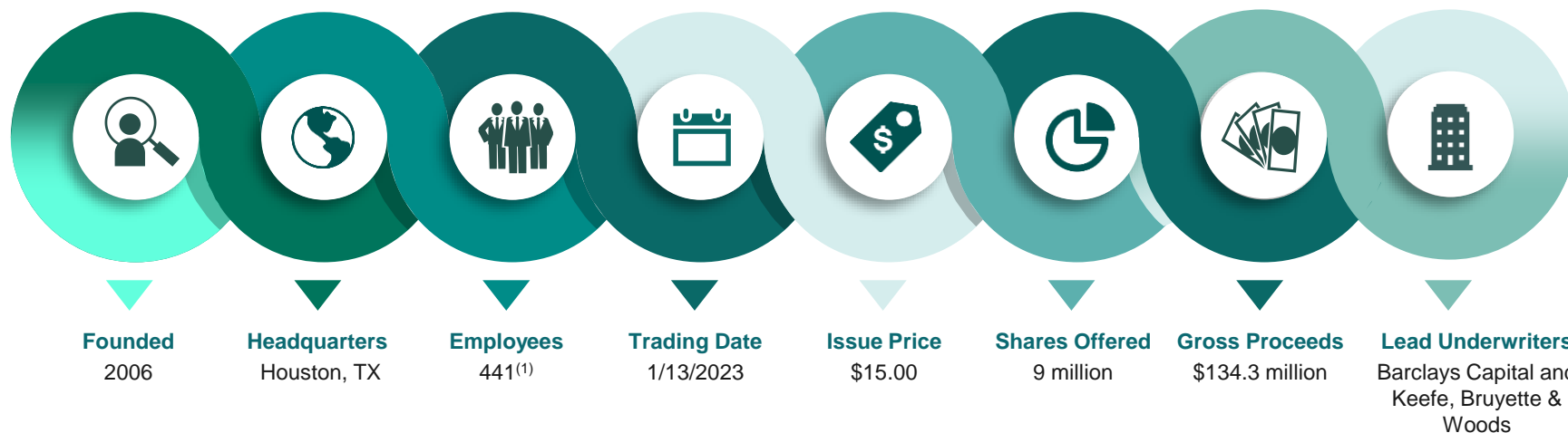


- Skyward Specialty Insurance Group (“Skyward Specialty”) operates as a specialty insurance company that delivers commercial P&C products and solutions on a non-admitted and admitted basis
- The Company offers multi-line solutions, including healthcare professional liability, management and professional liability, medical stop-loss, specialty property and liability, surety, among others
- A significant portion of the Company’s revenue is derived from premiums

Use of Proceeds

Ticker: NASDAQ: SKWD

- The Company intends to use a portion (~\$45 million) of the net proceeds from this offering to make capital contributions to its insurance company subsidiaries to support the growth of its business
- The remaining amount will be used for general corporate purposes



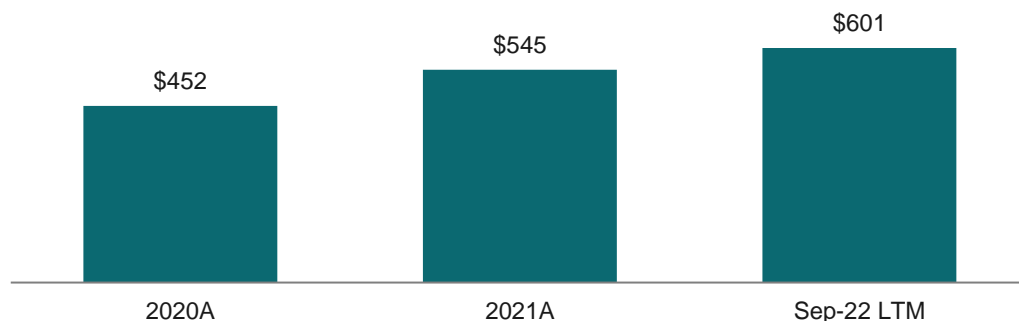
Skyward Specialty IPO – Executive Summary

Key Metrics

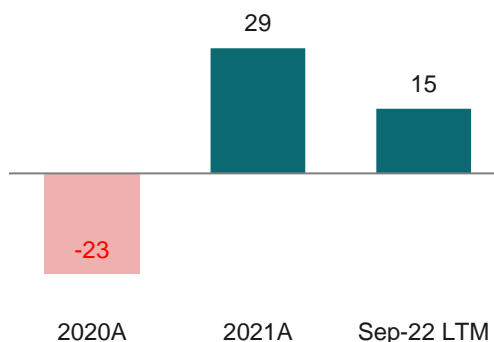
Key Metrics

Shares Offered through the IPO	9 million
Issue Price	\$15.00
Total O/S after the IPO	38 million
Market Value at Issue Price ⁽¹⁾	\$0.6 billion
EV at Issue Price ⁽²⁾	\$0.7 billion
MV / Revenue	0.9x
Trading Date	1/13/2023
Listing Price	\$18.90
Listing Premium	\$3.90

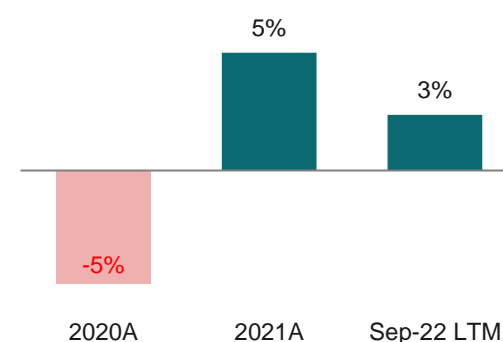
Total Revenue (FYE Dec; \$mm)



Net Income (FYE Dec; \$mm)



Net Income Margin (%)



Skyward Specialty IPO – Executive Summary

Company Overview

Business Overview

- Skyward Specialty operates as a specialty insurance company that delivers commercial P&C products and solutions on a non-admitted and admitted basis in the U.S.
- The Company offers general liability, excess liability, professional liability, commercial auto, group accident & health, property, surety, and workers' compensation insurance products
- Skyward Specialty provides insurance coverages to several market niches through the underwriting divisions, including:
 - **Accident & Health:** provides medical stop loss solutions for organizations with less than 2,500 employees
 - **Captives:** provides group captive solutions for companies seeking to self-insure
 - **Global Property:** provides property-only solutions to large multi-jurisdictional entities with complex property exposures
 - **Industry Solutions:** facilitates multi-line coverage solutions for companies serving in the construction, energy, and specialty trucking business
 - **Professional Lines:** includes three underwriting units - Management Liability, Professional Liability, and Allied Health
 - **Programs:** comprises program administrators' writing multi-line coverages
 - **Surety:** provides contract and commercial surety solutions to trade and services organizations requiring bonds
 - **Transactional E&S:** provides primary and excess non-catastrophe prone property and general liability solutions

Key Statistics



Operates through **1** segment and **8** distinct underwriting divisions



Conducts its operations primarily through **4 insurance subsidiaries** (Houston Specialty Insurance Company, Imperium Insurance Company, Great Midwest Insurance Company, and Oklahoma Specialty Insurance Company)



Added 115+ underwriters since 2020 and had **201 underwriters** as of **September 30, 2022**



Has written **\$879.1** million in gross premiums as of **September 30, 2022**



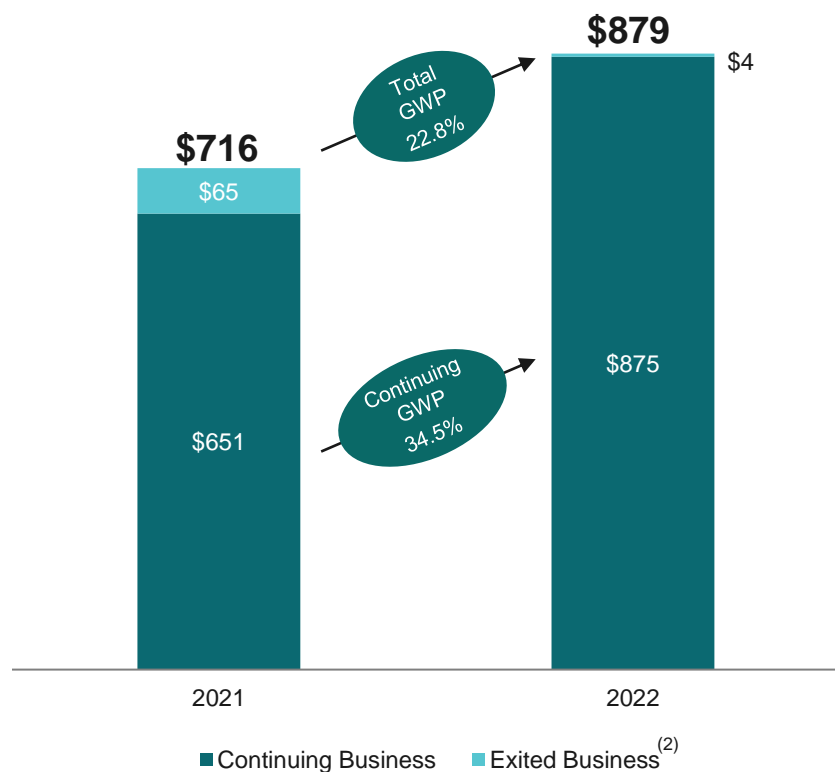
Skyward Specialty operates through **offices across the U.S.**, with **headquarters in Houston, TX**

Skyward Specialty IPO – Case Study

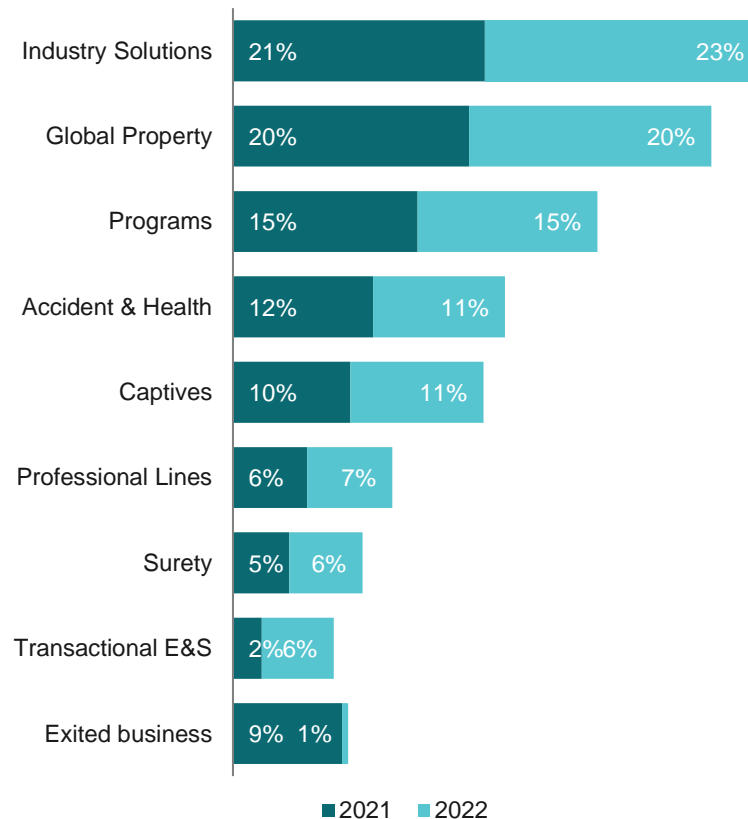
The Gross written premiums increased by 22.8% owing to the growth in continuing business, which increased by a total of \$224.2 million compared to the prior year

The Distribution & Growth of Gross Written Premiums⁽¹⁾

Figures in \$mm



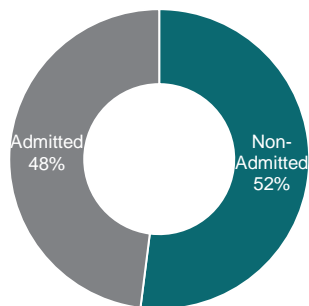
Total Gross Written Premium by Divisions⁽¹⁾



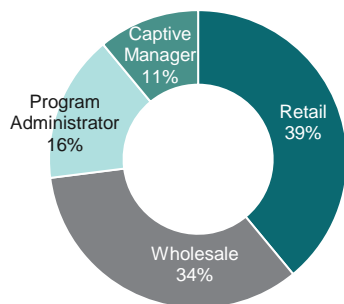
Skyward Specialty IPO – Case Study

The percentage of GWP for continuing business on an admitted and non-admitted basis, by duration of risk (Short Tail vs Medium Tail)⁽¹⁾, and by distribution source

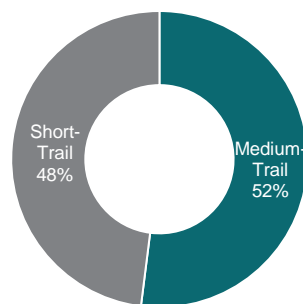
Percentage of Gross Written Premiums⁽²⁾



Admitted and Non-Admitted Basis

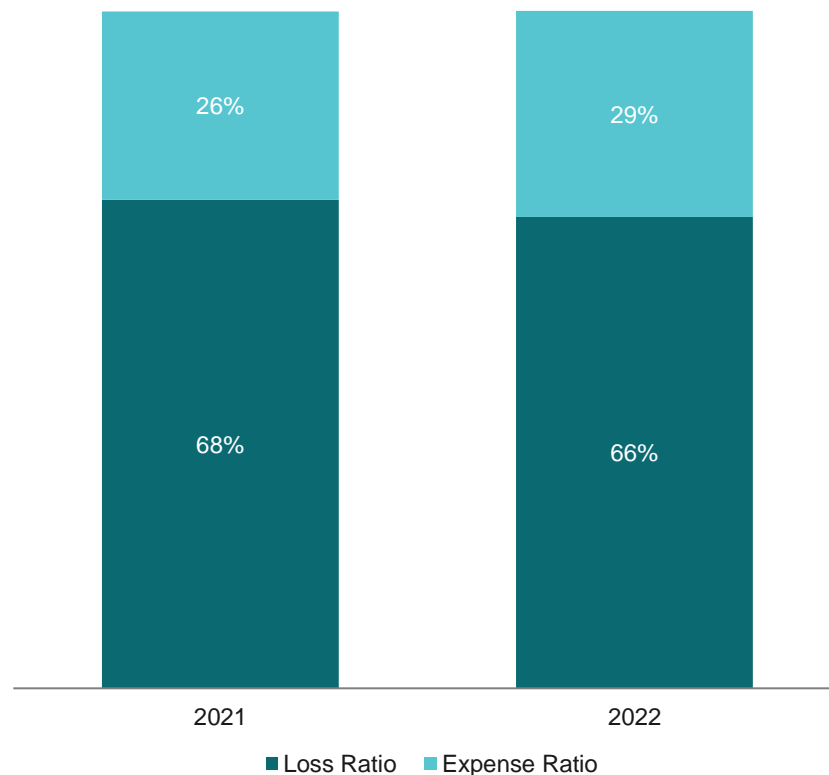


Distribution of Source



Duration of Risk

Loss and Expense Ratios



Skyward Specialty IPO – Executive Summary

Management Team



Andrew Robinson
Chief Executive Officer

- Andrew has been serving as the Chief Executive Officer since May 2020
- Prior to Skyward Specialty, he served as Senior Advisor at Oak HC/FT and as Co-Chief Executive Office at Groundspeed Analytics
- He previously held several managerial positions, most recently as Global Chief Operating Officer at Crawford & Company and President Specialty Insurance, EVP Corporate Development, and Chief Risk Officer at Hanover Insurance Group
- Andrew holds a Bachelor's Degree in Computer Science and Mathematics from Clarkson University



Dan Bodnar
Chief Information and Technology Officer

- Dan has been serving as the Chief Information and Technology Officer since May 2018
- Prior to Skyward Specialty, he served as the Senior Vice President and Chief Information Officer at Houston International Insurance Group (HIIG)
- He previously served as a Consultant at insureCIO, Vice President for Argo Group and HCC Insurance Holdings
- Dan holds a Bachelor's Degree in Computer Science from Trinity University







Mark Haushill
EVP and Chief Financial Officer

- Mark has been serving as the Executive Vice President and Chief Financial Officer since October 2015
- Prior to Skyward Specialty, he served as Vice President, Chief Financial Officer, and Treasurer at American Safety Holdings
- He previously served as Vice President, Chief Financial Officer, and Treasurer at Argo Group
- Mark holds a Bachelor of Business Administration Degree in Accounting from Baylor University, Hankamer School of Business

Skyward Specialty IPO – Executive Summary

Transaction History

Date	Transaction Type	Amount (\$mm)	Key Investors
4/29/2020	Series A	\$100	
5/24/2019	Debt - General	\$20	Undisclosed Investors
1/27/2015	Venture	\$70	Undisclosed Investors
NA	PE Growth / Expansion	NA	  

Source(s): PitchBook and Capital IQ

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