

Earnings Presentation

4th Quarter 2025

February 19, 2026



AMERICAN COASTAL
INSURANCE CORPORATION

Company Overview

ACIC is a specialty underwriter of catastrophe exposed commercial property insurance.

American Coastal Insurance Corp. (Nasdaq: ACIC) is the insurance holding company for **American Coastal Insurance Company** (AmCoastal), a Florida domiciled P&C carrier, and **Skyway Underwriters** (SKU), a managing general agency, along with other operating affiliates.

AmCoastal is a balance sheet underwriter and has the **#1 market share of commercial residential** property insurance in **Florida** with roughly 4,300 policies and \$612 million of premium in-force. AmCoastal has earned an underwriting profit every year since its inception in 2007.

SKU is an MGA focused on producing & underwriting commercial property insurance on behalf of our risk bearing entities.

ACIC as of December 31, 2025

Total Assets:	\$1.07 billion
Total Equity:	\$317.6 million
Annualized Revenue:	\$335.4 million
Employees:	68
Headquarters:	St. Petersburg, FL
Credit Rating:	BBB-

Specialty Commercial Property



Managing General Agency



Executive Summary

- **4Q-25 Results**

- **Non-GAAP Core Income of \$25.8m (\$0.52)** increased \$19.8m (+330.0%) from \$6.0m (\$0.12) y/y due to decreased losses incurred y/y as Hurricane Milton made landfall in Q4 2024 resulting in a full \$20.5M retention.
- **Net premiums earned grew \$5.8m (+7.9%)** to \$79.3m y/y.
- Our **combined ratio of 58.6%** decreased from 91.9% last year due to Hurricane Milton driving 27.8 points of our 2024 ratio and our **Non-GAAP underlying combined** ratio (which excludes current catastrophe losses and PY development) **was 58.9%** which decreased from 65.9% in the prior year due to a lower current year expense ratio. **FY25 ended with a combined ratio of 60.1% and underlying combined ratio of 61.5%.**
- We experienced **\$1.1M catastrophe losses in the quarter** and had **\$1.2m of favorable prior year reserve development.**
- **Stockholders' equity** increased \$81.9 million from December 31, 2024, to **\$317.6m** or **\$6.51 per share** and **\$6.66 per share excluding unrealized losses** in accumulated other comprehensive income. Tangible book value per share increased to **\$5.37 per share. This was inclusive of a \$0.75 special dividend declared in the fourth quarter of 2025.**

- **Other Highlights**

- The Florida commercial property market continued to soften during the fourth quarter with **average premiums down -13%** in December.
- Successfully renewed our All Other Perils (AOP) Catastrophe Excess of Loss & Catastrophe Aggregate (AGG) reinsurance programs effective January 1, 2026 with a significant risk-adjusted rate decrease and expanded panel of reinsurers.
- ACES Specialty Insurance Company is pending regulatory approval and our expanded partnership with AmRisc to co-participate in their nationwide commercial property E&S portfolio begins March 1, 2026.

4Q-25 Financial Scorecard

The Company is proud to report another strong quarter.

Core Earnings per Share (CEPS)

4Q-25 = \$0.52
vs.
Analysts' Avg Est. = \$0.41

Combined Ratio (CR)

4Q-25 = 58.6%
vs.
Analysts' Avg Est. = 70.3%

Book Value per Share (BVPS)

4Q-25 = \$6.51
vs.
Analysts' Avg Est. = \$6.37*

Core Return on Equity (CROE)

4Q-25 = 35.0%
vs.
Analysts' Avg Est. = 24.0%

*Analyst Est. adjusted for special dividend

4Q-25 & FY25 Summary of Key Results

Our combined and underlying combined ratios improved y/y despite the softening market environment.

\$ in thousands, except per share amounts

	<u>Q4-25</u>	<u>Q4-24</u>	<u>Change</u>	<u>2025</u>	<u>2024</u>	<u>Change</u>
Net income (loss)	\$ 26,564	\$ 4,946	437.1%	\$ 106,837	\$ 75,718	41.1%
<i>per diluted share (EPS)</i>	\$ 0.53	\$ 0.10		\$ 2.15	\$ 1.53	
Reconciliation to core income (loss), net of tax:						
<i>Investment gains (losses)</i>	\$ 1,240	\$ 358		\$ 5,040	\$ 1,478	
<i>Amortization of intangible assets</i>	\$ (481)	\$ (481)		\$ (1,926)	\$ (2,085)	
<i>Gain (loss) from discontinued operations</i>	\$ (0)	\$ (922)		\$ 42	\$ (601)	
<i>Total adjustments</i>	\$ 758	\$ (1,045)		\$ 3,156	\$ (1,208)	
Core income (loss)	\$ 25,806	\$ 5,990	330.8%	\$ 103,680	\$ 76,925	34.8%
<i>per diluted share (CEPS)</i>	\$ 0.52	\$ 0.12		\$ 2.08	\$ 1.56	
Net loss & LAE ratio	12.5%	40.5%		15.0%	25.3%	
Net expense ratio	46.1%	51.4%		45.1%	42.2%	
Combined ratio	58.6%	91.9%	(33.3) pts	60.1%	67.5%	(7.4) pts
<i>Less: Net current year catastrophe loss & LAE</i>	1.3%	27.8%		0.5%	9.3%	
<i>Less: Net (favorable) unfavorable reserve development</i>	-1.6%	-1.8%		-1.9%	-1.4%	
Underlying combined ratio	58.9%	65.9%	(7.0) pts	61.5%	59.6%	1.9 pts

4Q-25 Operating Overview

Revenues grew year over year as the impact of quota share reductions continues to be earned.

<i>\$ in millions</i>	<u>Q4-25</u>	<u>Q4-24</u>	<u>Change</u>	<u>% Chg</u>
Gross Premiums Earned	\$ 157.9	\$ 162.7	(4.8)	-3.0%
Ceded Premiums Earned	(78.6)	(89.2)	10.6	-11.9%
Net Premiums Earned	79.3	73.5	5.8	7.9%
Investment & Other Income	5.5	5.3	0.2	3.8%
Unrealized G(L) on Equities	1.6	0.5	1.1	220.0%
Total Revenue	86.4	79.3	7.1	9.0%
Underlying Loss & LAE	10.0	10.7	(0.8)	-7.5%
Current year CAT Loss & LAE	1.1	20.4	(19.3)	-94.6%
Prior year development (F)/U	(1.2)	(1.4)	0.2	-14.3%
Net Loss & LAE	9.9	29.8	(19.9)	-66.8%
Operating Expense	36.5	37.8	(1.3)	-3.4%
Interest Expense	2.7	2.8	(0.1)	-3.6%
Total Expenses	49.1	70.4	(21.3)	-30.3%
Other income (expense)	(0.7)	(0.0)	(0.6)	0.0%
Earnings from continuing operations before tax	\$ 36.6	\$ 8.9	27.7	311.2%
Provision (benefit) for income tax	10.1	3.0	7.0	233.3%
Net income from continuing operations	\$ 26.6	\$ 5.9	\$ 20.7	350.8%

Lower reinsurance costs impacted our net earned premiums positively, and operating costs remain relatively flat, driving additional earnings y/y.

Underlying losses remain stable y/y, driven by our underwriting expertise.

FY 2025 Operating Overview

The Company is proud to report another strong year, with double digit revenue growth.

<i>\$ in millions</i>	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Chg</u>
Gross Premiums Earned	\$ 648.3	\$ 638.6	9.7	1.5%
Ceded Premiums Earned	(341.4)	(364.6)	23.2	-6.4%
Net Premiums Earned	306.9	274.0	32.9	12.0%
Investment & Other Income	23.6	20.7	2.9	14.0%
Unrealized G(L) on Equities	5.0	2.0	3.0	150.0%
Total Revenue	335.4	296.7	38.8	13.1%
Underlying Loss & LAE	50.4	47.5	2.9	6.1%
Current year CAT Loss & LAE	1.5	25.6	(24.0)	-93.8%
Prior year development (F)/U	(5.8)	(3.7)	(2.1)	56.8%
Net Loss & LAE	46.0	69.3	(23.3)	-33.6%
Operating Expense	138.3	115.7	22.6	19.5%
Interest Expense	10.8	12.0	(1.2)	-10.0%
Total Expenses	195.2	197.1	(1.9)	-1.0%
Other income (expense)	2.5	2.1	0.4	19.0%
Earnings from continuing operations before tax	\$ 142.7	\$ 101.7	41.1	40.4%
Provision (benefit) for income tax	35.9	25.3	10.6	41.9%
Net income from continuing operations	\$ 106.8	\$ 76.3	\$ 30.5	40.0%

New business growth, combined with lower reinsurance costs and reduced quota share coverage, drove double digit revenue growth y/y. This was partially offset by operating expense, which increased in line with expectations mainly as the result of increased premiums.

Underlying losses remain stable, resulting in another year of strong earnings.

Balance Sheet Highlights

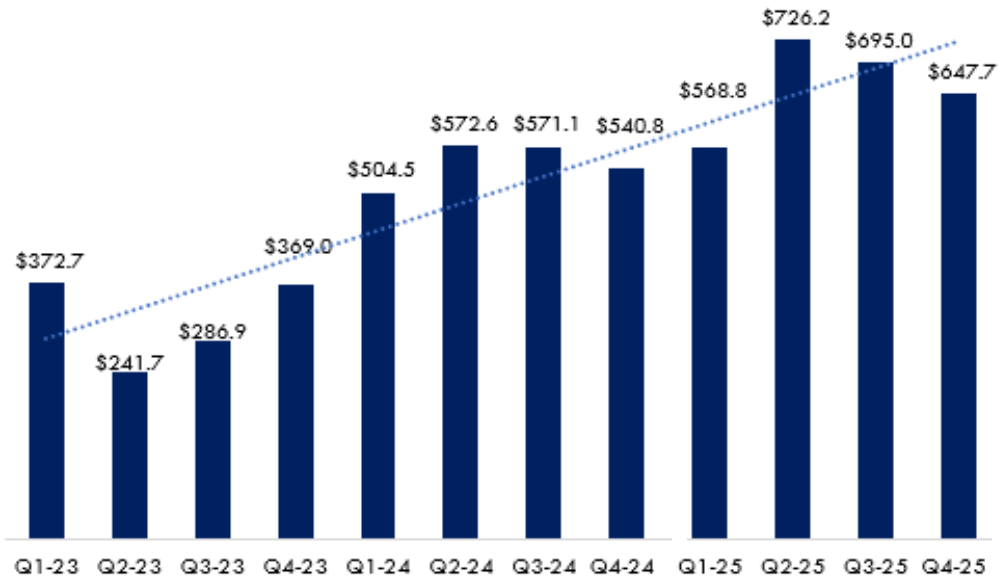
(\$ in thousands, except per share amounts)	Dec. 31 2025	Dec. 31 2024	% Change
Selected Balance Sheet Data			
Cash & investments	\$ 647,744	\$ 540,811	19.8%
Accumulated other comprehensive income (loss)	\$ (7,242)	\$ (15,665)	-53.8%
Unpaid loss & LAE reserves	\$ 165,701	\$ 322,087	-48.6%
Reinsurance recoverable	\$ 128,205	\$ 263,419	-51.3%
<i>Net Loss & LAE reserves</i>	\$ 37,496	\$ 58,668	-36.1%
Financial debt	\$ 149,353	\$ 149,020	0.2%
Stockholders' equity	\$ 317,565	\$ 235,661	34.8%
Total capital	\$ 466,918	\$ 384,682	21.4%
Leverage Ratios			
Debt-to-total capital	32.0%	38.7%	-17.4%
Net premiums earned-to-stockholders' equity (annualized)	96.6%	116.3%	-16.9%
Per Share Data			
Common shares outstanding	48,764,802	48,204,962	1.2%
Book value per common share	\$ 6.51	\$ 4.89	33.2%
Underlying book value per common share	\$ 6.66	\$ 5.21	27.8%
Tangible book value per common share	\$ 5.22	\$ 3.53	47.8%
Underlying tangible book value per common share	\$ 5.37	\$ 3.86	39.2%

Liquidity and Book Value surged in 2025 due to strong underwriting results and inclusive of a \$0.75 special dividend.

Liquidity and Book Value Trends

The Company continues to build its liquidity position and book value through earnings.

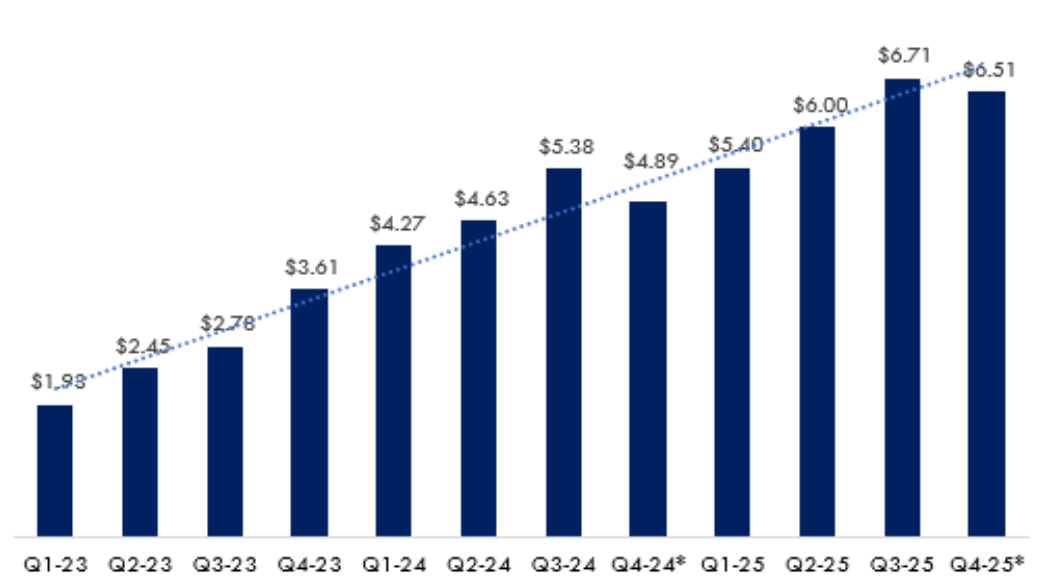
Cash & Invested Assets



3-YR CAGR – 20.2%

*2024 - \$0.50 special dividend declared

Book Value Per Share



3-YR CAGR – 50.0%

*2025 - \$0.75 special dividend declared

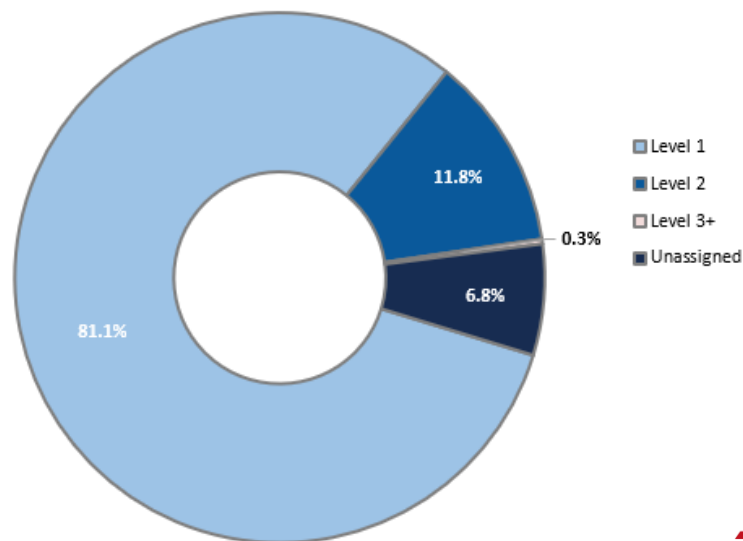
Investment Portfolio Overview

- The Company continues to keep significant cash on hand as yields remain strong and invest funds as the Company's risk appetite dictates.
- The Company's high quality fixed income investments provide steady investment income with minimal risk.

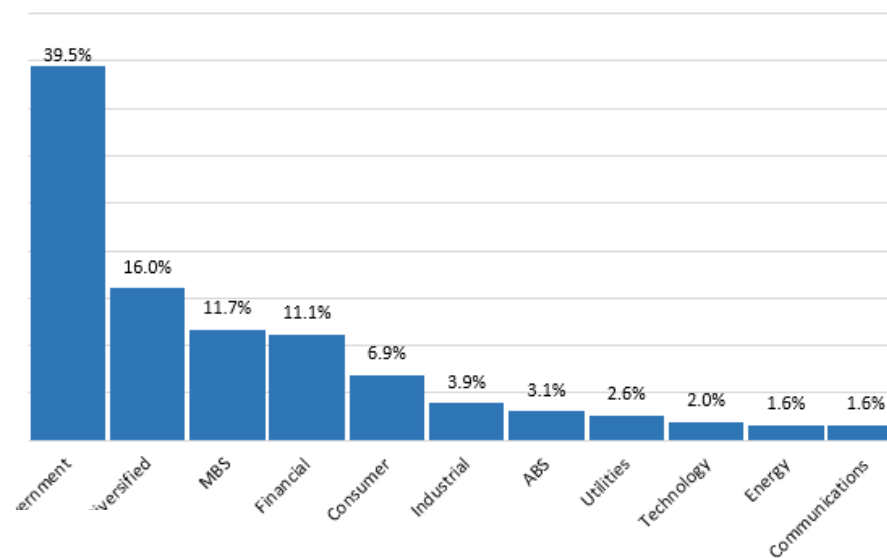
(\$ in thousands)	Dec. 31, 2025	Sep. 30, 2025	Q/Q % Change
Investments, at fair value:			
Fixed Income	\$274,249	\$267,069	2.7%
Equities	\$61,685	\$52,585	17.3%
Alternatives	\$18,957	\$16,257	16.6%
Total Investments	\$354,890	\$335,912	5.6%
Total Cash	\$292,854	\$359,136	-18.5%
Total Cash & Investments	\$647,745	\$695,048	-6.8%

Fixed Income Metrics: Q4-2025	
Portfolio duration	2.5 years
Weighted Avg Coupon	3.67%
Book Yield	3.32%
% A-or Higher	82.6%
Composite Rating	A+

Portfolio Composition by NAIC Level

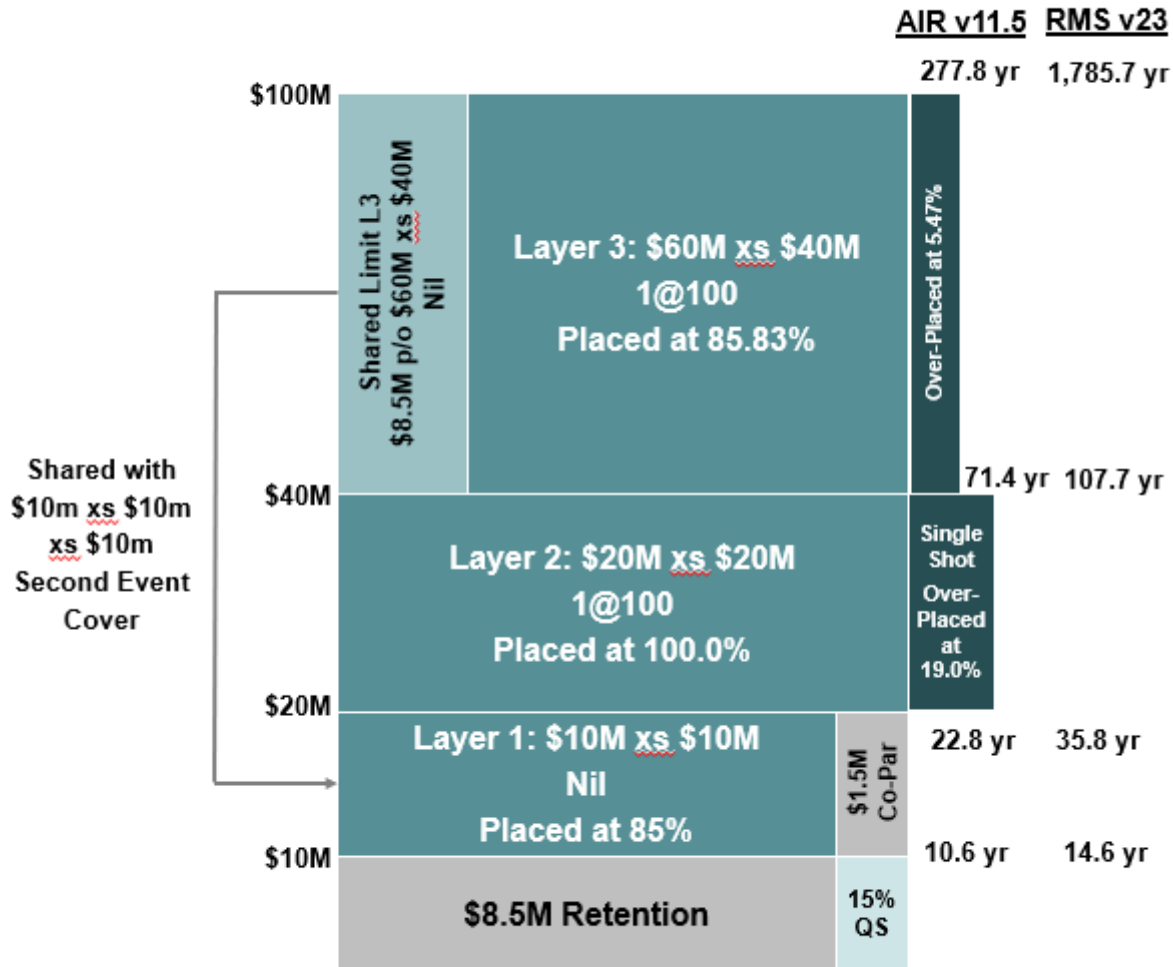


Portfolio Composition by Industry Sector



1/1/26 AOP CAT Renewal Structure & Highlights

GAAP Structure Illustration

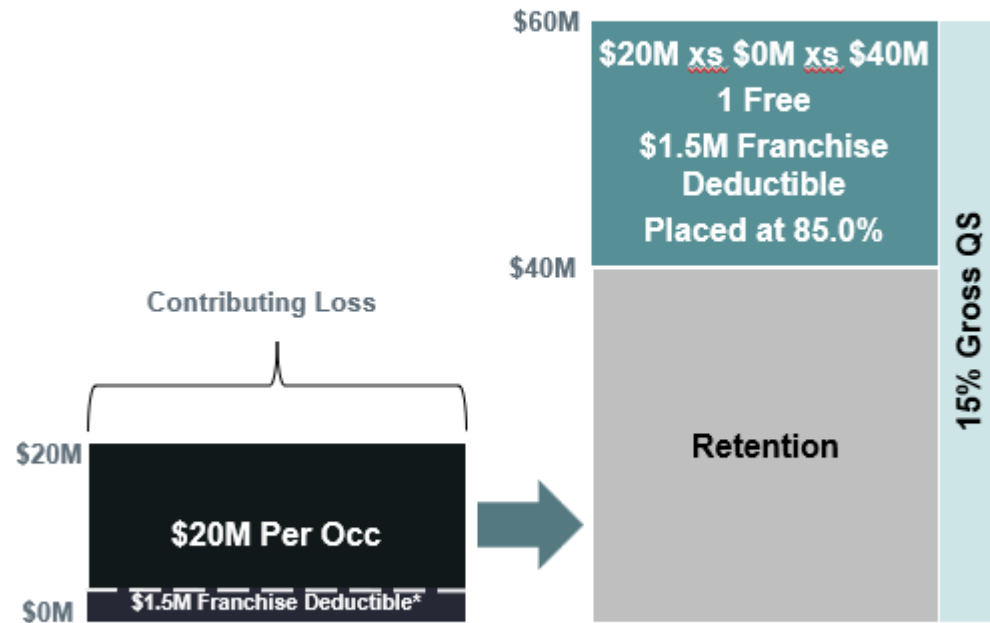


Highlights

- **Ground-Up All Other Perils Coverage of \$100M**
 - \$10M net GAAP retention (inclusive of reinstatement premium)
 - Reduced 25% from prior year net GAAP retention of \$13.3M
 - Program exhausts at the 278 YR RT based on AIR v11.5
 - Eliminated reinstatement premium exposure
- **Gross Program Cost of \$11.4M**
 - Added 11 new reinsurers to the program – a significant increase YoY
 - All incumbents remain on the panel

1/1/26 CAT Aggregate: Structure & Highlights

Structure Illustration



*Each and every occurrence that exceeds \$1.5M is eligible on a ground-up basis to contribute to the \$40M deductible, triggering \$40M of coverage

Highlights

- **\$40M of coverage, triggered after \$40M of Aggregate Loss**
 - Contributing Perils: Named natural perils (HU, SCS, WT, WF, EQ)
 - \$20M Per Occurrence Cap
 - \$1.5M Franchise Deductible
 - Placed 85.0% in total to account for 15% QS
- **New coverage purchased in 2025 & renewed at 1/1/26**
- **Provides additional sideways cover on a calendar year basis**
- **Depending on the size of contributing loss, the coverage could be utilized on a 3rd or subsequent named storm event**

Cautionary Statements

This presentation and the accompanying remarks contain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward looking statements include expectations regarding our diversification, growth opportunities, retention rates, liquidity, investment returns and ability to meet our investment objectives and to manage and mitigate market risk with respect to our investments. These statements are based on current expectations, estimates and projections about the industry and market in which we operate, and management's current beliefs and assumptions. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "endeavor," "project," "believe," "anticipate," "intend," "could," "would," "estimate" or "continue" or the negative variations thereof, or comparable terminology, are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The risks and uncertainties include, without limitation: the regulatory, economic and weather conditions in the states in which we operate; the impact of new federal or state regulations that affect the property and casualty insurance market; the cost, variability and availability of reinsurance; assessments charged by various governmental agencies; pricing competition and other initiatives by competitors; our ability to attract and retain the services of senior management; the outcome of litigation pending against us, including the terms of any settlements; dependence on investment income and the composition of our investment portfolio and related market risks; our exposure to catastrophic events and severe weather conditions; downgrades in our financial strength ratings; risks and uncertainties relating to our acquisitions, including our ability to successfully integrate the acquired companies; and other risks and uncertainties described in the section entitled "Risk Factors" and elsewhere in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report in Form 10-K for the year ended December 31, 2024 and 2023. We caution you not to place undue reliance on these forward looking statements, which are valid only as of the date they were made. Except as may be required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect new information, the occurrence of unanticipated events, or otherwise.

This presentation contains certain non-GAAP financial measures. These measures should be considered supplementary to our results of operations and financial condition that are presented in accordance with GAAP and should not be viewed as a substitute for GAAP measures. See our earnings release, Form 10-K, Form 10-Q and Form 10-Q/A for further information regarding these non-GAAP financial measures.