REVO Insurance SpA

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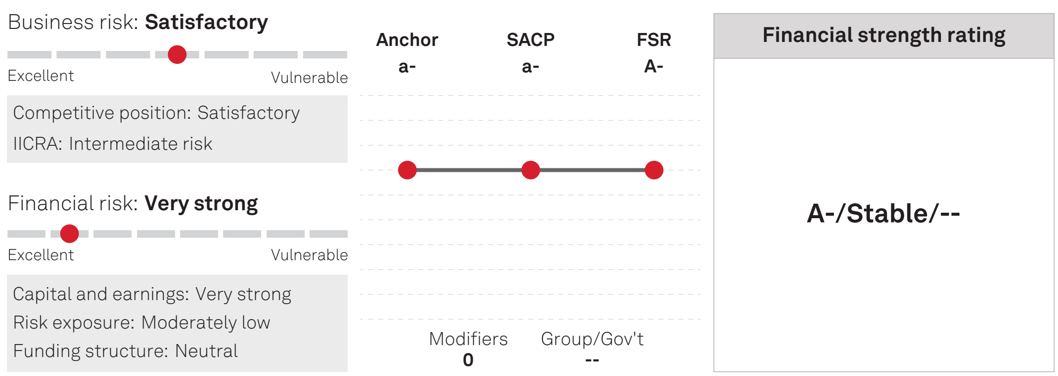
This report does not constitute a rating action.



FSR--Financial strength rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Leading position in the Italian surety market for small and midsize enterprises (SMEs).	Relatively small absolute size in terms of capital.
Profitable diversification in specialty lines of business.	Limited scale and geographic concentration.
Very strong capital and earnings backed by comprehensive reinsurance programs.	

REVO is well positioned to execute its new strategic plan “TECHUMAN ERA” (2026-2028) to scale its diversified activities in surety and specialty lines, in our view. We expect the company to leverage its technology and expansion in Spain to achieve 15% compounded annual growth of gross premiums written (GPW) and improved profitability.

The company maintains its leading position in the Italian surety market, with an 11.7% market share. REVO’s focus on small-to-midsize risks, and its agile IT-driven business model support its technical performance. The company demonstrates solid profitability, with a combined ratio of 86.3% in 2025, followed by a gross loss ratio of 26.7% and a combined ratio of 85.0% in first-quarter 2026.

We believe REVO's small premium base makes it more sensitive to competitive pressures and an adverse market environment than larger, more diversified insurers. While insurance revenue increased by 31% to €288 million, the company's small size and lack of geographical diversification compared to 'A' rated peers continue to support our choice of the lower anchor of 'a-'.

We expect REVO will maintain capitalization at the 99.99% capital adequacy as per our risk-based capital model. That said, growth in capital requirements spurred by business expansion will likely weigh on capital adequacy. The small absolute size of REVO's capital makes it less resilient in case of extreme stress.

REVO passes our sovereign stress test for Italy (BBB+/Positive/A-2). We view REVO's business as moderately sensitive to country risk, since the company has diversified away from its surety business. REVO can be rated up to four notches above the ratings on Italy (BBB+/Positive), and therefore up to AA-.

Outlook

The stable outlook reflects our view that REVO will continue to expand profitably by diversifying away from surety insurance in Italy (its core business) over the next two years, while maintaining very strong capitalization and prudent risk management.

Downside scenario

We could lower our rating on REVO in the next two years if:

- The growth strategy increases the volatility of REVO's underwriting results and weakens its capital and earnings; or
- An unexpected reduction in the capital base calls into question REVO's capacity to pass our sovereign stress test.

Upside scenario

Ratings upside is unlikely in the next two years as it would require significant additional improvement in REVO's competitive strength and diversification, or its capital base.

Assumptions

- Italy's real GDP growth to ease slightly to 0.4% in 2026 and 0.5% in 2027.
- Insurance revenue will continue to outperform the Italian property/casualty market in the long term, increasing by 14%-15% in 2026-2027.
- Technical profitability to remain strong and adjusted combined ratio to stay below 85% on average.
- Dividend payouts to remain around 30%.

REVO Insurance SpA--Key Metrics

	2028f	2027f	2026f	2025	2024	2023
Insurance revenue (Mil. €)	>400	>350	>300	288	220	149
EBITDA (Mil. €)	>50	>45	>40	33	25	12

REVO Insurance SpA--Key Metrics

	2028f	2027f	2026f	2025	2024	2023
Net income (attributable to all shareholders) (Mil. €)	>35	>30	>25	23	19	11
S&P Global Ratings capital adequacy	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
Capital Adequacy: Redundancy/Deficiency at defined confidence level*	0%-10%	>10%	>10%	>10%		
Return on shareholder's equity (%)	> 10	>10	>10	8.9	7.9	4.8
P&C net combined ratio (%)	<65	<65	<65	65.7	69.1	72.1
Adjusted P&C combined ratio* (%)	<86	<86	<86	86.7	86.4	87.2
Return on revenue (%)	>10	>10	>10	10.4	10.4	7.2

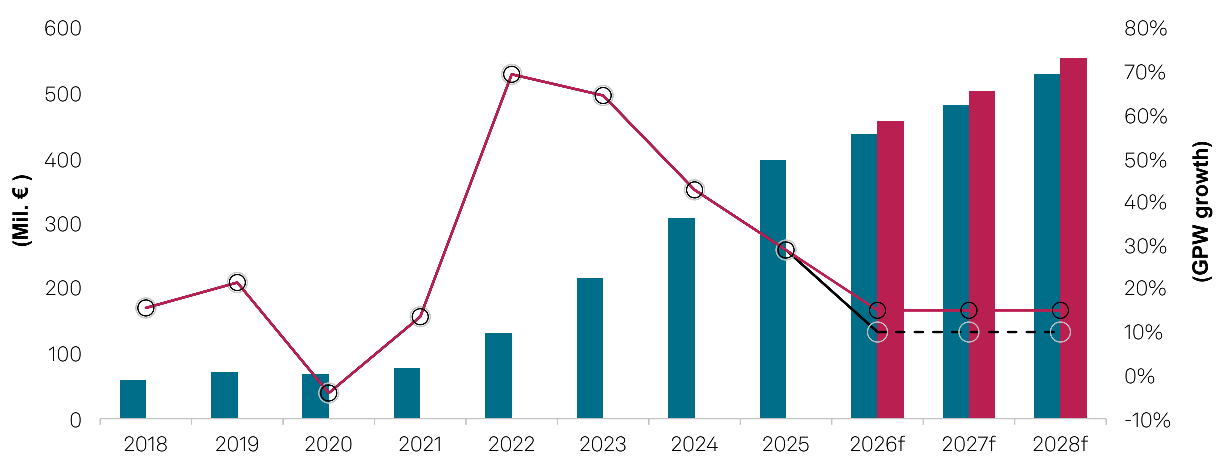
f--S&P Global Ratings forecast. * Shows total adjusted capital (TAC) compared to risk-based capital (RBC) at the relevant capital adequacy confidence level at the end of the projection period.

Business Risk Profile

REVO is a leading company in surety insurance for SMEs in Italy. In recent years, the company has diversified its operations in several specialty lines of business. Its new strategic plan includes expansion in Spain. REVO has built its market position by covering small short-term risks, supported by an agile information technology structure and timely responses to customers' requests.

The company is a fast-growing insurer: GPW recorded a compounded annual growth rate of 45% between 2022 and 2025 and expanded 29% to €398 million in 2025. We expect REVO to maintain the momentum with GPW growth of 10%-15% in 2026-2028.

We expect REVO's GPW to expand 10%-15% over 2026-2028



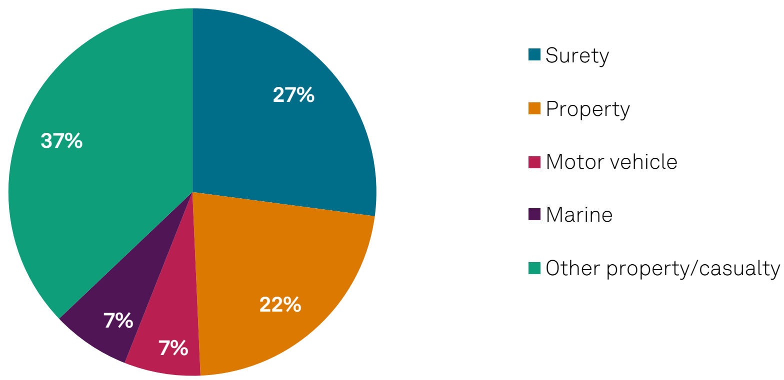
GPW--Gross premiums written. f--Forecast. Source: S&P Global Ratings.

REVO relies on intermediaries, essentially 123 multi-brand agents, 81 brokers, and 52 Revo Iber intermediaries, to distribute its products.

The company continues to innovate and expand in the Italian SME insurance market. Growth is driven by diversifying the product mix away from surety insurance toward P/C specialty lines of business. As of first-quarter 2026, the surety business accounted for 24.1% of REVO's GPW, down from 55.7% in 2022. Its portfolio is well diversified, with the top three lines of business--surety, property, and motor vehicles--accounting for over half of GPW, and many specialty lines of business representing the rest.

REVO has diversified away from its historical surety insurance business

Share of GPW by business line as of year-end 2025



GPW--Gross premiums written. Source: S&P Global Ratings.

The company has a track record of low loss ratios. In surety, REVO focuses on small-to-midsize risks with less competition from larger players and higher recovery; it currently recovers 30% of gross paid claims on average. Limited exposure to single clients and conservative underwriting standards have historically contributed to an average loss ratio consistently lower than 30%. We anticipate that the average will deteriorate slightly toward 35%-40%, as specialty lines have structurally higher loss ratios than surety. REVO has delivered solid and stable technical performance since its incorporation. It closed 2025 with a combined ratio of 86.3%, versus our calculation of 65.7%. We believe REVO's technical profitability has become more resilient due to increased diversification.

Financial Risk Profile

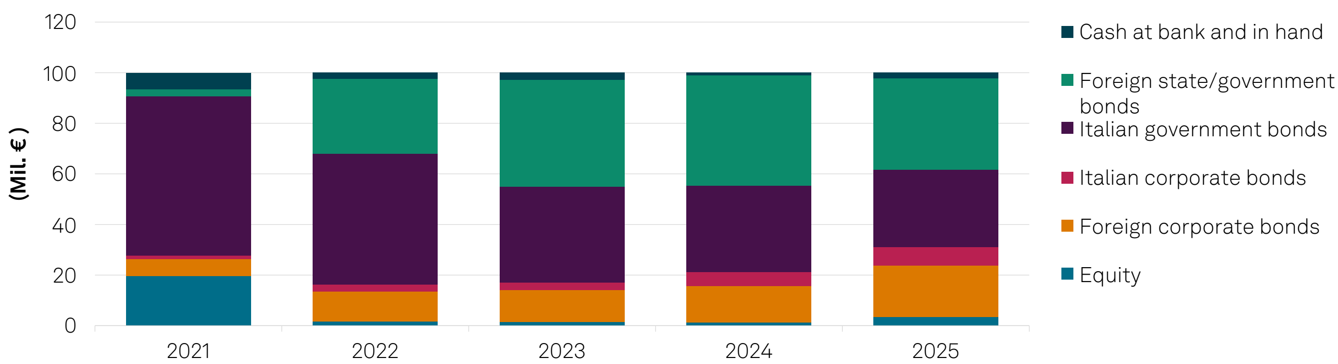
We believe REVO will maintain its capital adequacy above the 99.99% confidence-level under our risk-based capital model, as seen at year-end 2025, with an excess above 10%. Growth in capital requirements spurred by business expansion will likely weigh on capital adequacy: we project the excess to range between 0 and 10% through 2028 . We expect REVO's net income to increase to €27 million-€35 million over 2026-2028. In our view, retained earnings, after a dividend payout of around 30%, will sufficiently expand the capital base and help partly match the increase in capital requirements linked to business growth and expansion. REVO's Solvency II ratio stood at 223.2% at year-end 2025, compared to 236.7% a year earlier. The company intends to maintain this ratio between 180%-200%.

We believe the small absolute size of REVO's capital limits the resilience of its financial risk profile, increasing its exposure to extreme stress.

REVO's investment portfolio primarily comprises fixed-income securities, supplemented by cash and cash equivalents. As of Dec. 31, 2025, the allocation to Italian government bonds decreased to 30.4% of the group's total portfolio (from 34.0% at year-end 2024), while exposure to non-Italian government bonds stood at 36.2%. Corporate bond exposure, comprising both foreign and

Italian issuers, represents 23.8% of the investment portfolio. The average credit quality of the portfolio remains high, with the weighted average credit quality rated at 'A'.

REVO decreased its exposure to Italian stress by reducing government bonds in its asset allocation



Source: S&P Global Ratings.

REVO reinsures a significant portion of its technical risk. Reinsurance utilization increased to 61% in 2025, up from around 50% in 2022. The company continues to rely extensively on reinsurance to protect its balance sheet while rapidly expanding various specialty lines of business.

Other Credit Considerations

Governance

Our view of REVO's risk management benefits from the issuer's generally prudent approach and adequate risk controls for underwriting and reserving, and its comprehensive reinsurance program. The company is listed on the Euronext Milan stock exchange, specifically within the STAR segment of Borsa Italiana, increasing the transparency and frequency of its reporting.

Liquidity

We regard REVO's liquidity as exceptional, mostly because of its liquid investment portfolio, which comprises short- and medium-term bonds, of which sovereign bonds represented nearly 50% of investments at year-end 2025.

Ratings above the sovereign

Considering REVO's diversification of assets outside Italy and its excellent capital base, we believe that the company would be resilient to a default of Italy (unsolicited BBB+/Positive/A-2). This is based on our Italian sovereign stress test, which REVO passes as the test does not entirely deplete its regulatory capital base. At year-end 2025, REVO’s investments in Italian government bonds reduced to 29% of its portfolio. Given the diversification in terms of premiums and reserves by lines of business, we view REVO as moderately sensitive to country risk. That means we can rate REVO up to four notches above our ratings on Italy.

Environmental, social, and governance

We consider REVO's exposure to environmental and social risks to be in line with that of the insurance sector in the European region.

Rating Component Scores

Business Risk Profile	**Satisfactory**
Competitive position	Satisfactory
IICRA	Intermediate risk
Financial Risk Profile	**Very Strong**
Capital and earnings	Very strong
Risk exposure	Moderately low
Funding structure	Neutral
Anchor	**a-**
Modifiers	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	A-/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	--
Foreign currency issuer credit rating	--

Related Criteria

- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Italy, May 18,2026
- REVO Insurance SpA, April 25,2025
- Bulletin: REVO Insurance SpA Gains Room For Growth Following Regulatory Capital Relief, Feb. 6, 2025
- Research Update: REVO Insurance SpA Upgraded To ‘A-‘ On Sustained Profitable Diversification Into Specialty Insurance; Outlook Stable, June 20, 2024

Ratings Detail (as of July 16, 2026)*	
REVO Insurance SpA	
Financial Strength Rating	
Local Currency	A-/Stable/--
Domicile	Italy

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.