

**Globe Life Inc.  
Bank of America Insurance Conference  
February 12, 2020**

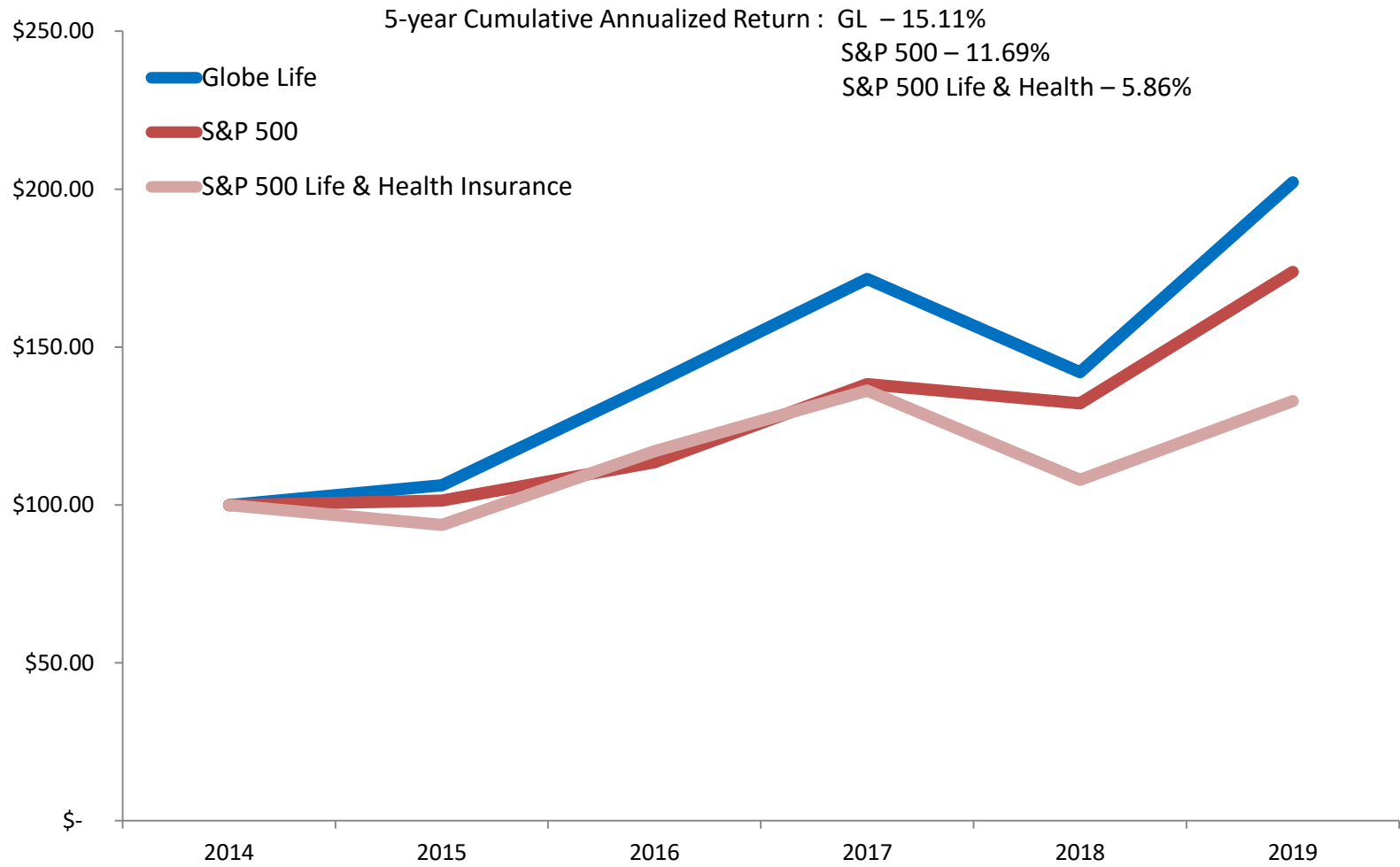
# Forward-Looking Statements & Non-GAAP Measures

This presentation may contain forward-looking statements within the meaning of the federal securities laws. These prospective statements reflect management's current expectations, but are not guarantees of future performance. Accordingly, please refer to Globe Life's cautionary statement regarding forward-looking statements, and the business environment in which the Company operates, contained in the Company's Form 10-K for the period ended December 31, 2018, and subsequent Forms 10-Q, on file with the Securities and Exchange Commission, and on the Company's website at [www.investors.globelifeinsurance.com](http://www.investors.globelifeinsurance.com). Globe Life specifically disclaims any obligation to update or revise any forward-looking statement because of new information, future developments or otherwise.

This presentation contains certain financial measures that differ from the comparable GAAP measures. The non-GAAP measures are not a substitute for GAAP, but rather a supplement to increase transparency by providing broader perspective. Globe Life's definitions of non-GAAP measures may differ from other companies' definitions. Reconciliations between the non-GAAP measures and the comparable GAAP measures may be found on the Company's website at [www.investors.globelifeinsurance.com](http://www.investors.globelifeinsurance.com) under SEC filings (form 10-K for 2018) and subsequent quarterly earnings press releases.

Some of the prior year data in this presentation include discontinued operations. Also, some tables and charts may not foot due to rounding.

# Cumulative Return



# Key Components of Globe Life Model

Underserved market –  
middle-income  
families

Controlled distribution –  
- exclusive agencies  
- direct to consumer

Consistent strong  
excess cash flow

Products - basic  
protection life and  
supplemental health  
insurance

Effective cost control  
and profitability

Return of excess  
capital to shareholders

# Components of 2019 Net Operating Income

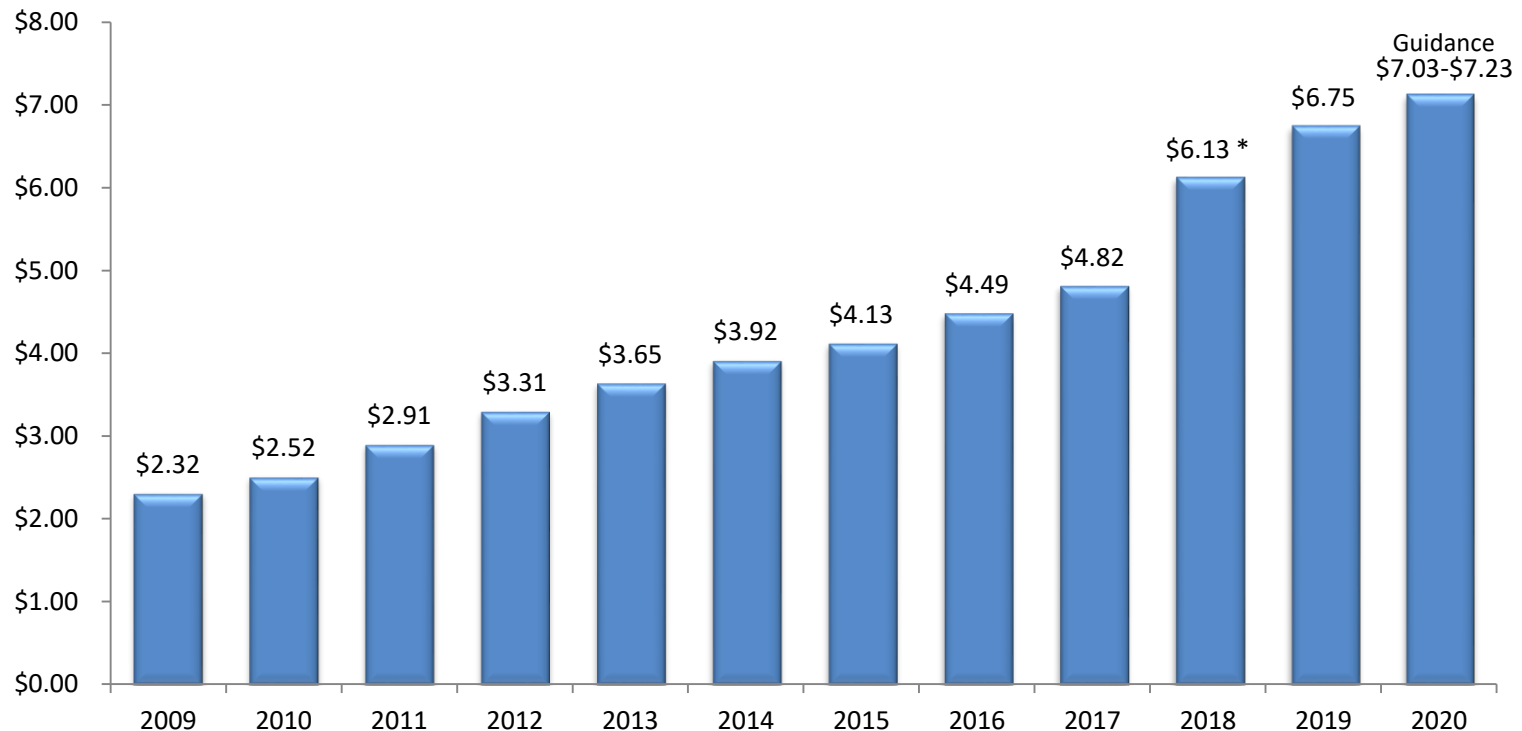
(\$ in millions, except per share data)

		Per Share
Underwriting Income	\$718	\$6.44
Excess Investment Income	258	2.31
Tax and Parent Expenses	(199)	(1.79)
Stock Compensation Expense, Net of Tax	(24)	(0.21)
<b>Net Operating Income*</b>	<b>\$752</b>	<b>\$6.75</b>

\* Net operating income is a non-GAAP measure. Please see appendix for reconciliation to net income.

# Net Operating Income Per Share From Continuing Operations

Compound Annual Growth Rate Through 2019: 10 year- 11.3%  
5 year- 11.5%

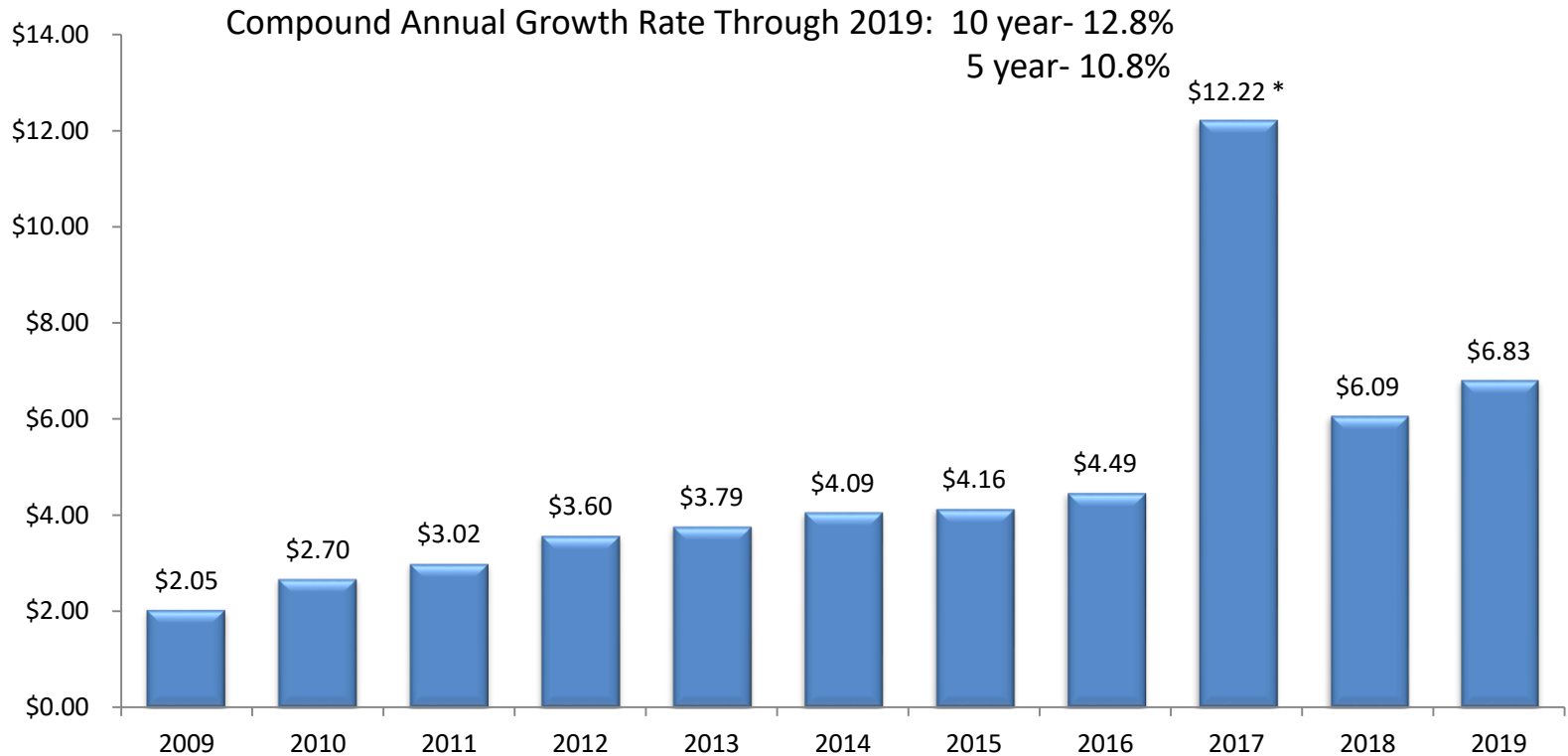


Note: Net operating income from continuing operations for 2016 and after reflects the impact of new accounting guidance implemented on a prospective basis at the beginning of 2016.

Note: Net operating income per share is a non-GAAP measure. See net income per share on following page.

\* On December 22, 2017, tax legislation was signed into law which revised the corporate income tax rate from 35% to 21% effective January 1, 2018, among other modifications.

# Net Income Per Share

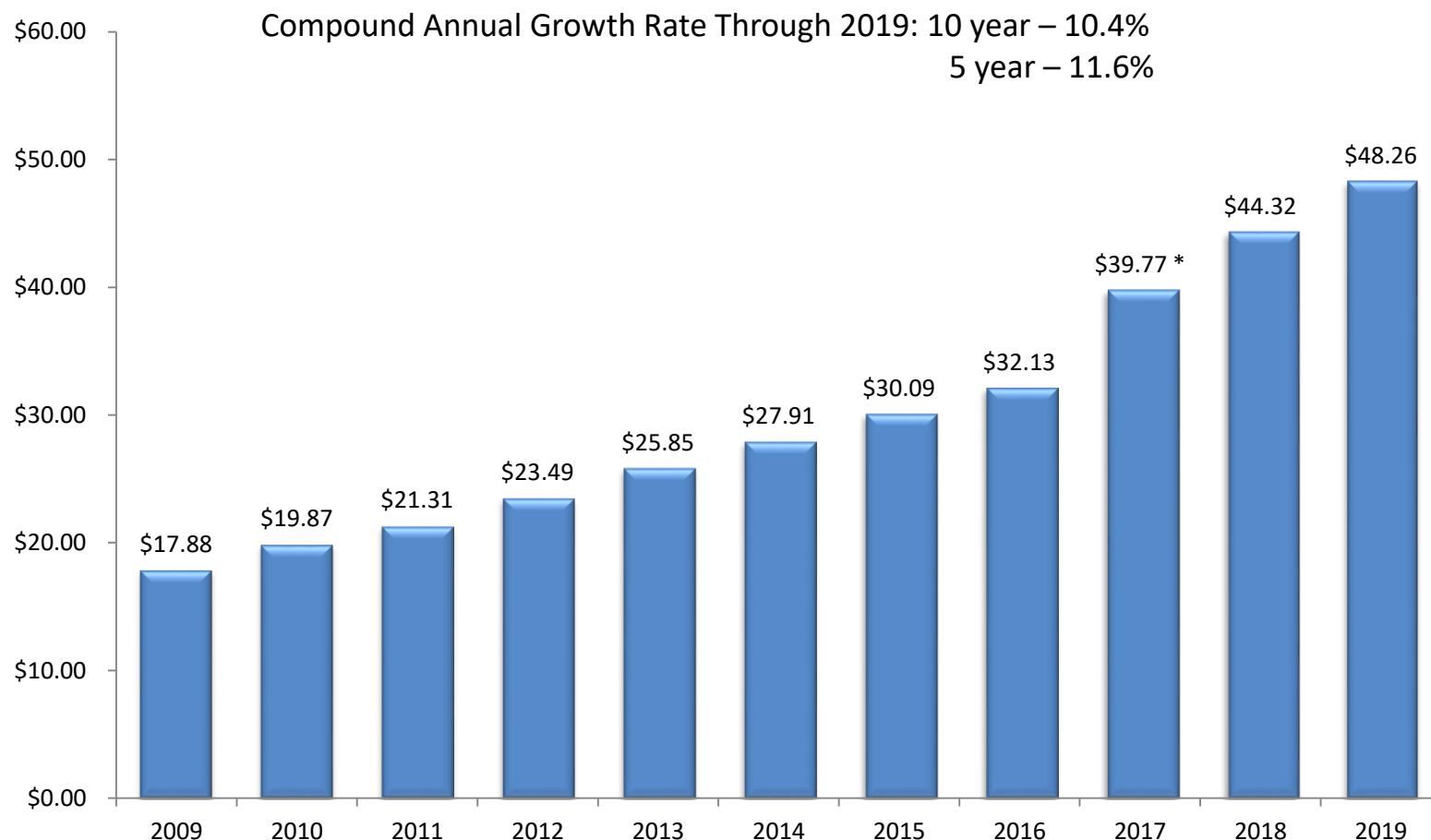


Note: Net income for 2016 and after reflects the impact of new accounting guidance implemented on a prospective basis at the beginning of 2016 relating to excess tax benefits on equity compensation.

\* On December 22, 2017, tax legislation was signed into law which revised the corporate income tax rate from 35% to 21% effective January 1, 2018, among other modifications. As a result, the Company made an \$874 million adjustment in 2017 to estimate the impact related to the tax legislation. The 2017 adjustment was treated as a non-operating event and thus excluded from net operating income.

# Book Value Per Share

## (Excluding Net Unrealized Gains or Losses on Fixed Maturities)

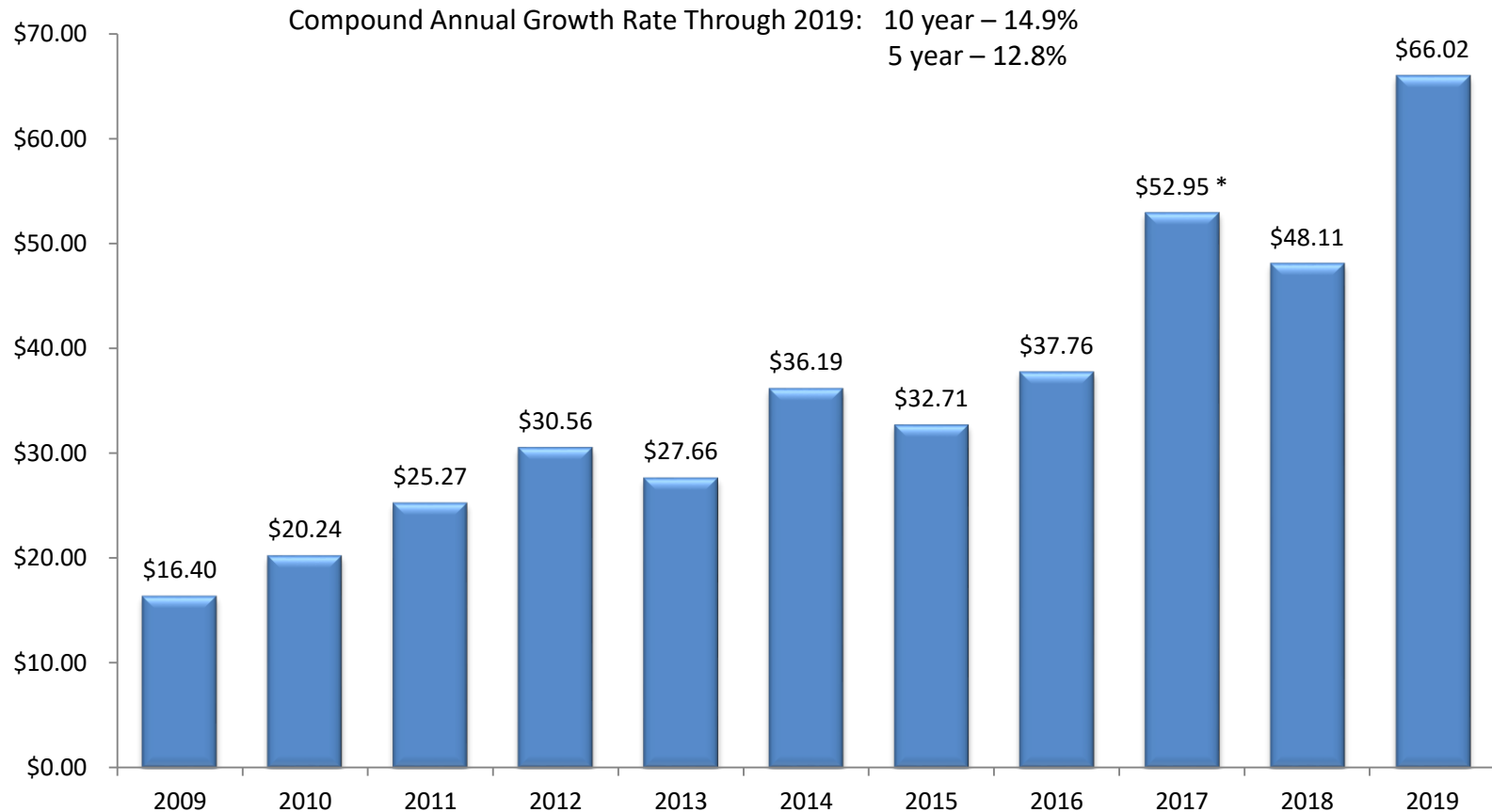


Note: Book value per share as presented above is a non-GAAP measure. Please see following page for GAAP.

\* On December 22, 2017, tax legislation was signed into law which revised the corporate income tax rate from 35% to 21% effective January 1, 2018, among other modifications.



# Book Value Per Share



\* On December 22, 2017, tax legislation was signed into law which revised the corporate income tax rate from 35% to 21% effective January 1, 2018, among other modifications.

# Insurance Operations

# Components of 2019 Net Operating Income

(\$ in millions, except per share data)

		Per Share
Underwriting Income	\$718	\$6.44
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<b>Net Operating Income*</b>	<b>\$752</b>	<b>\$6.75</b>

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# Components of 2019 Underwriting Income

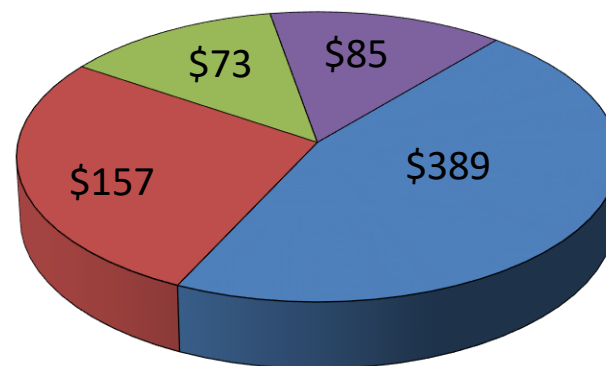
(\$ in millions)

Underwriting Margin		% of Premium
Life	\$703	27.9%
Health	244	22.6%
Other	9	
Total	\$957	26.6%
Administrative Expenses: Net of Other Income	(239)	6.6%
Underwriting Income*	\$718	20.0%

\* Underwriting income is a non-GAAP measure.

## Life Underwriting Margin by Distribution Channel

Total \$703 Million

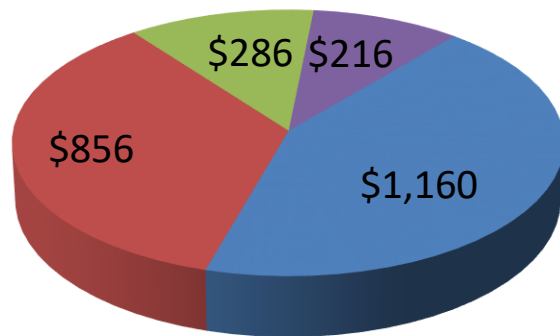


- American Income Life Division
- Direct to Consumer Division
- Liberty National Division
- Other

# 2019 Premium by Distribution Channel

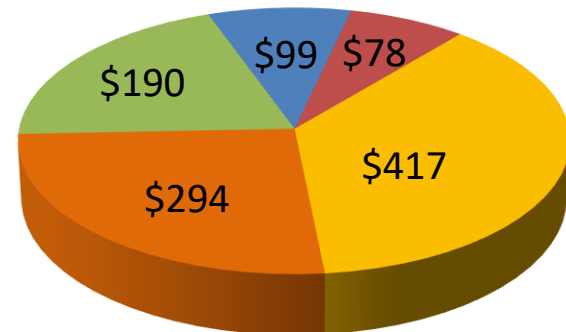
(\$ in millions)

## Life Premium by Distribution Channel



- American Income Life Division
- Direct to Consumer Division
- Liberty National Division
- Other

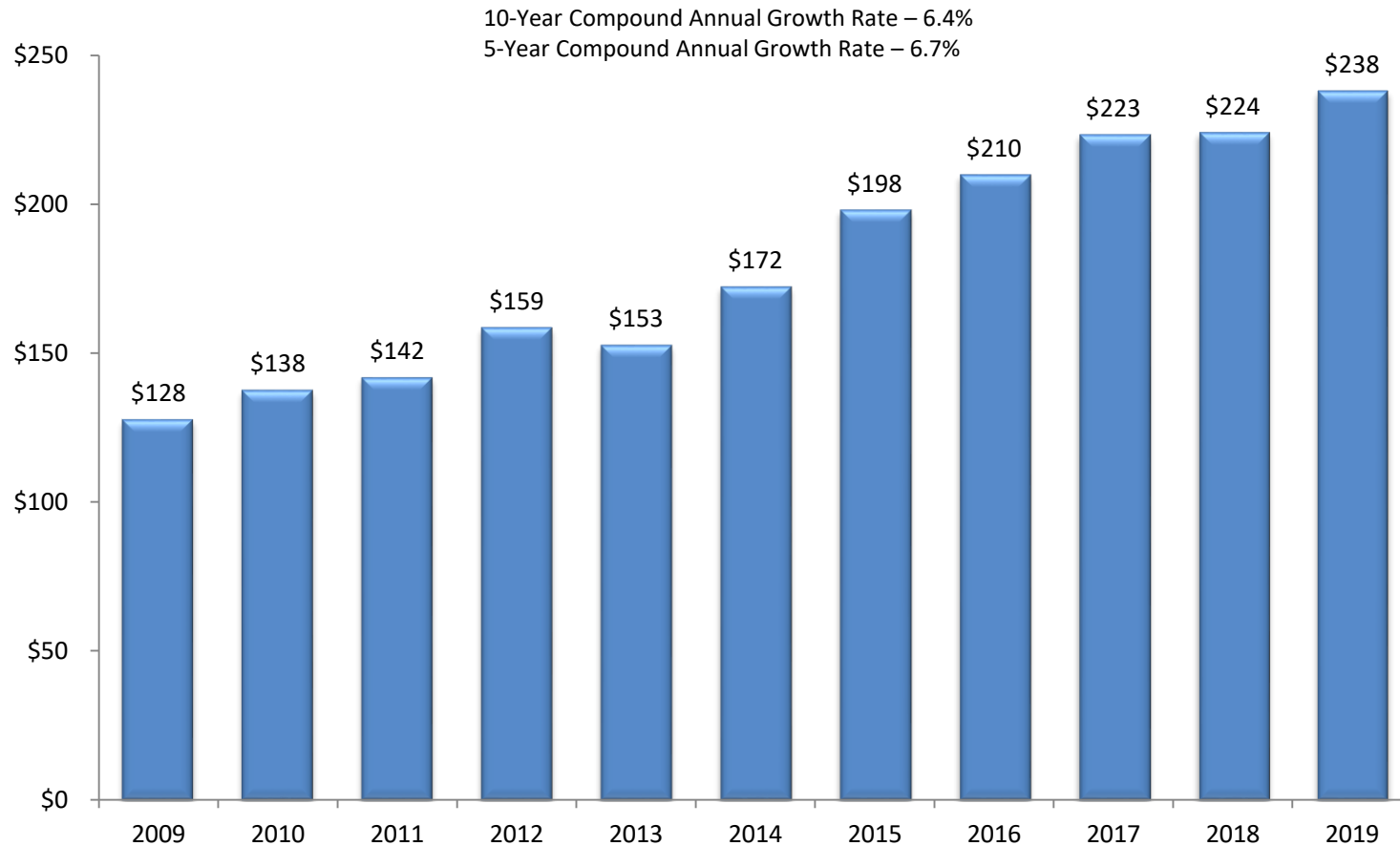
## Health Premium by Distribution Channel



- United American Division
- Family Heritage Division
- Liberty National Division
- American Income Life Division
- Direct to Consumer Division

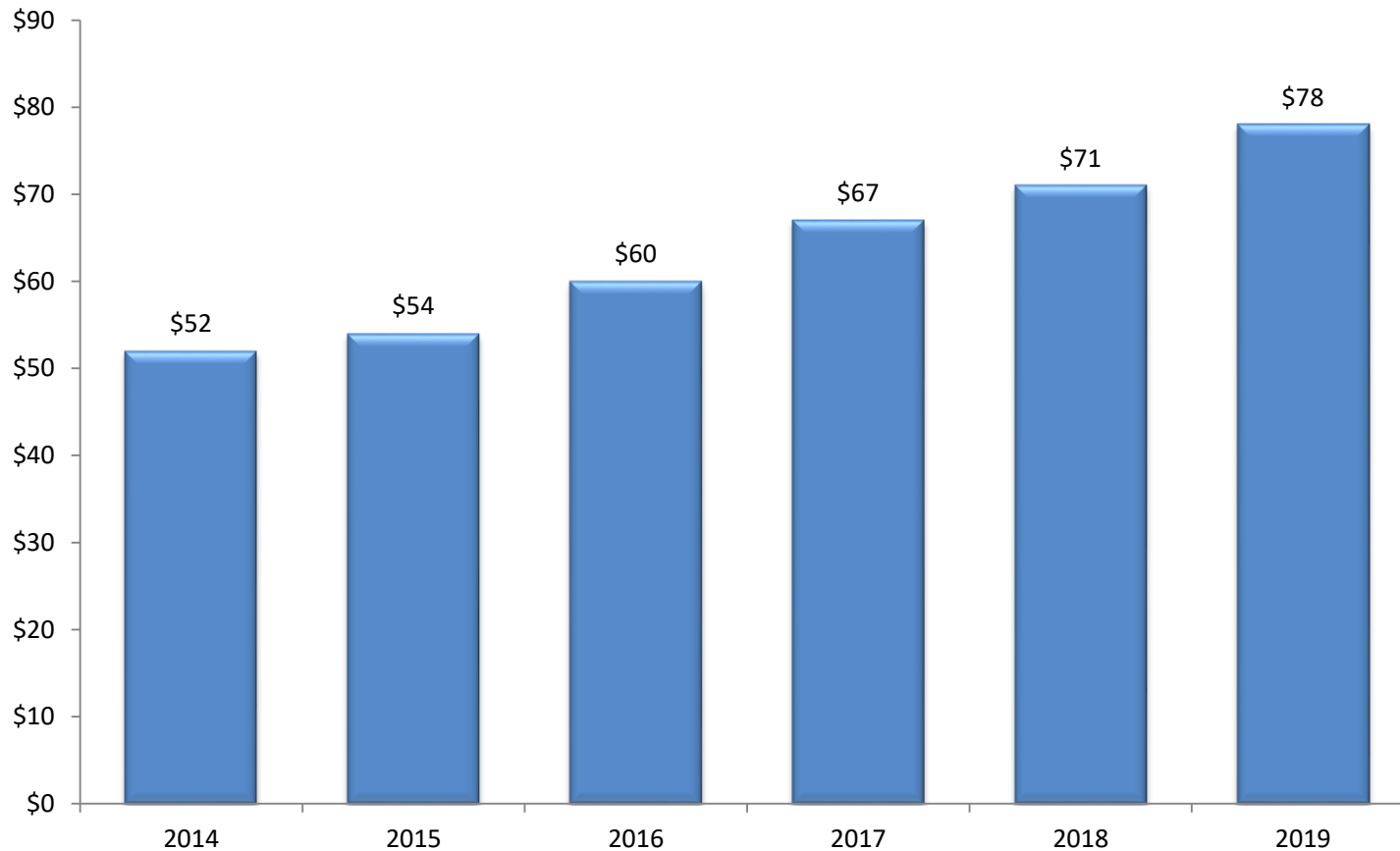
# American Income – Life Sales

(\$ in millions)



# Liberty National – Total Sales (\$ in millions)

5-Year Compound Annual Growth Rate – 8.4%



# Family Heritage – Health Sales

(\$ in millions)

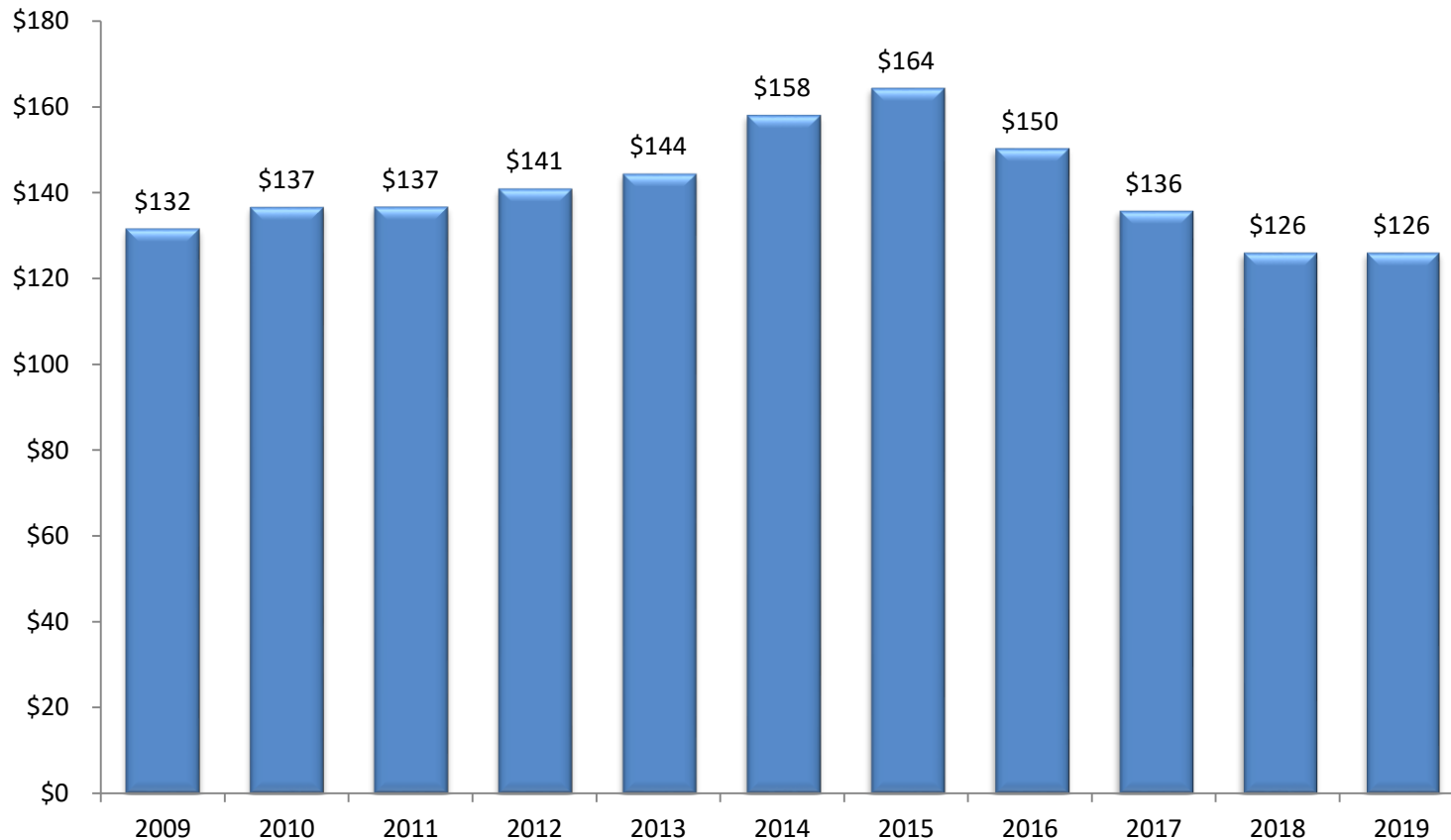




# Direct to Consumer – Life Sales (\$ in millions)

10-Year Compound Annual Growth Rate – (0.5%)

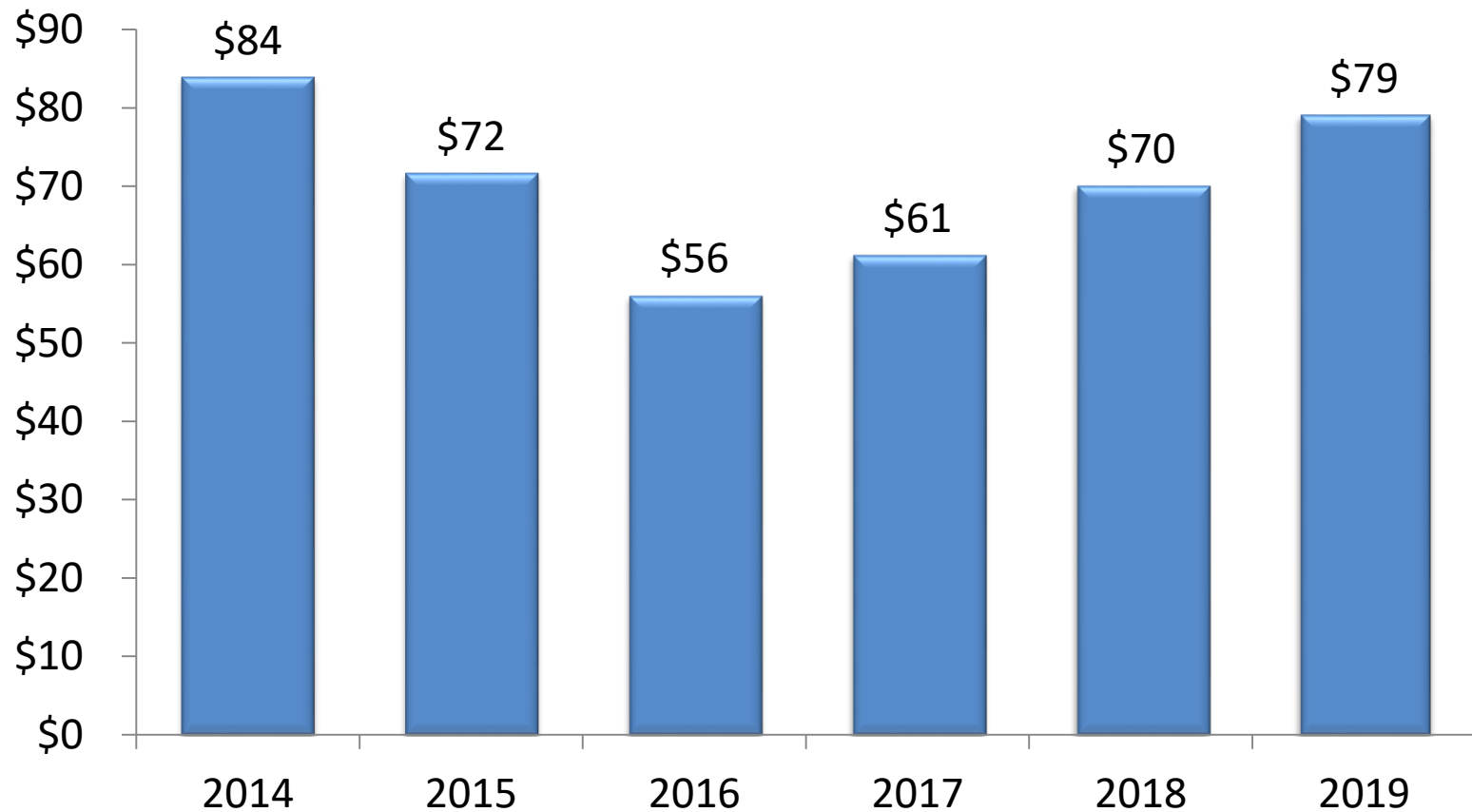
Since 2015 we have continued to refine and adjust our marketing programs in an effort to maximize the profitability of new business. However, over the last 5 years internet sales have increased at approximately a 2.4% compound annual growth rate.



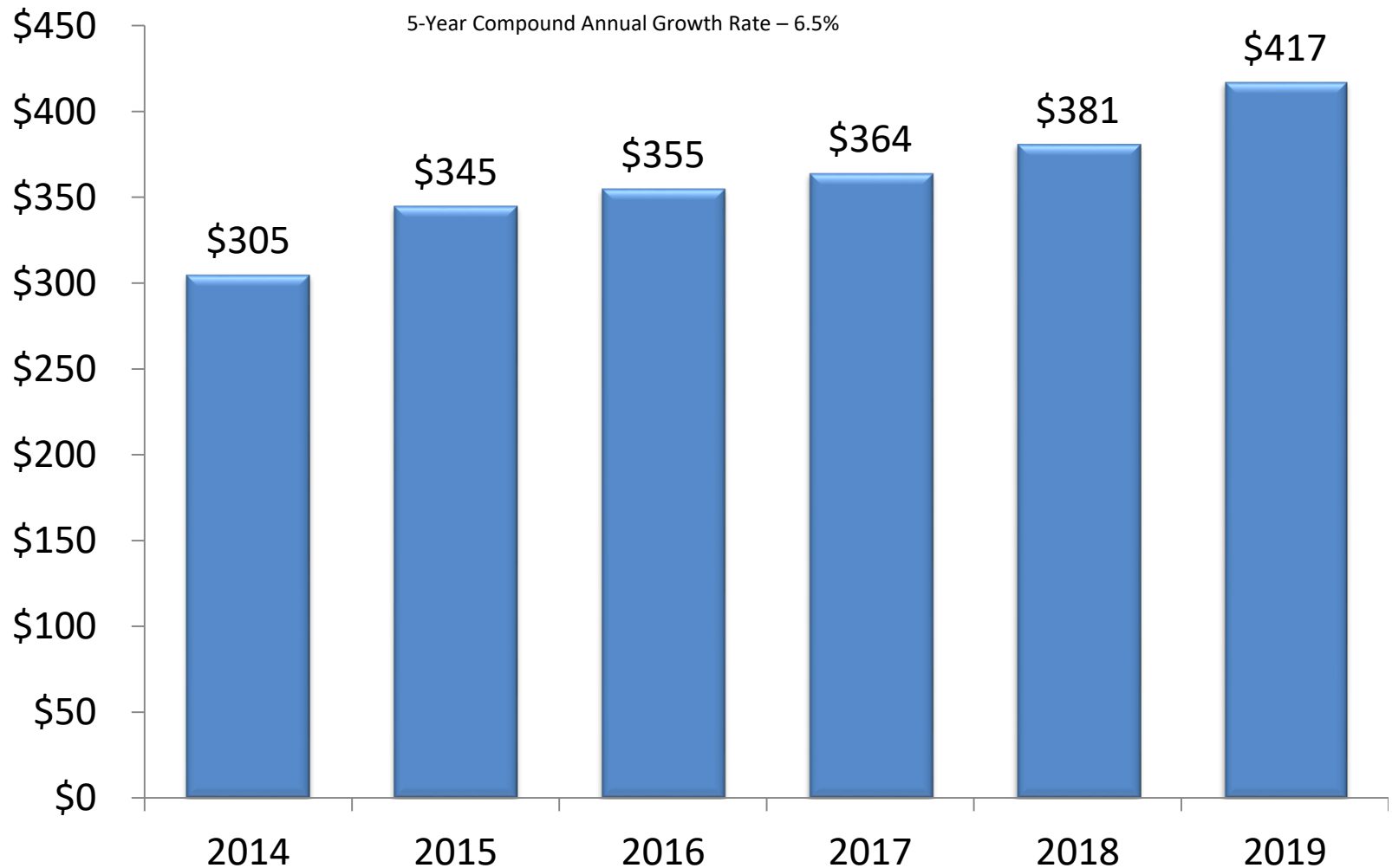
# United American – Health Sales

(\$ in millions)

5-Year Compound Annual Growth Rate – (1.2%)



# United American – Health Premium (\$ in millions)



# Investments

# Components of 2019 Net Operating Income

(\$ in millions, except per share data)

		Per Share
Underwriting Income	\$718	\$6.44
Excess Investment Income	258	2.31
Tax and Parent Expenses	(199)	(1.79)
Stock Compensation Expense, Net of Tax	(24)	(0.21)
<b>Net Operating Income*</b>	<b>\$752</b>	<b>\$6.75</b>

\* Net operating income is a non-GAAP measure. Please see appendix for reconciliation to net income

# 2019 Excess Investment Income

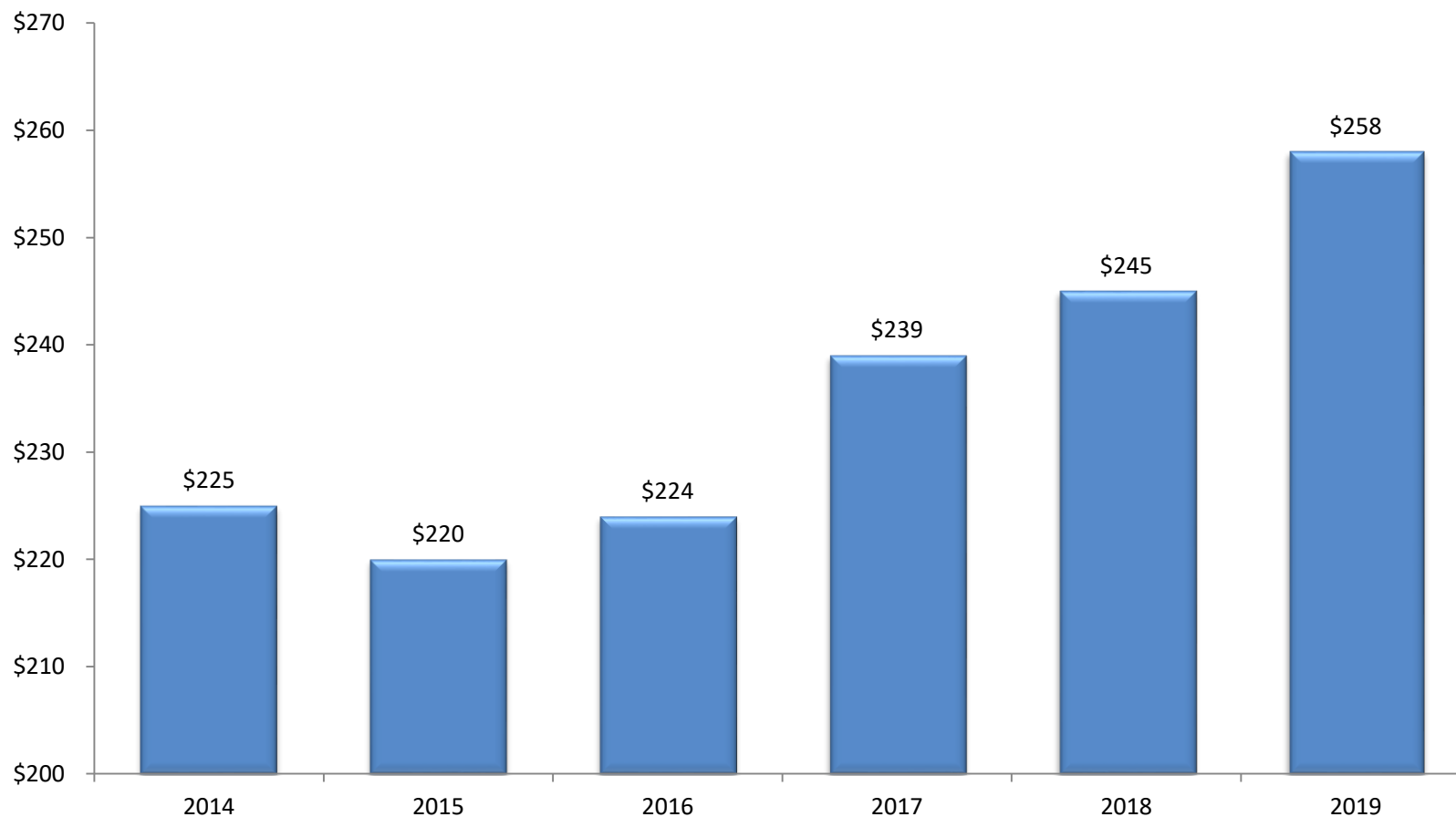
## (\$ in millions)

Net investment income	\$ 910
Required interest on net policy liabilities	(569)
Interest on debt	<u>(84)</u>
Excess investment income	\$ 258

# Excess Investment Income

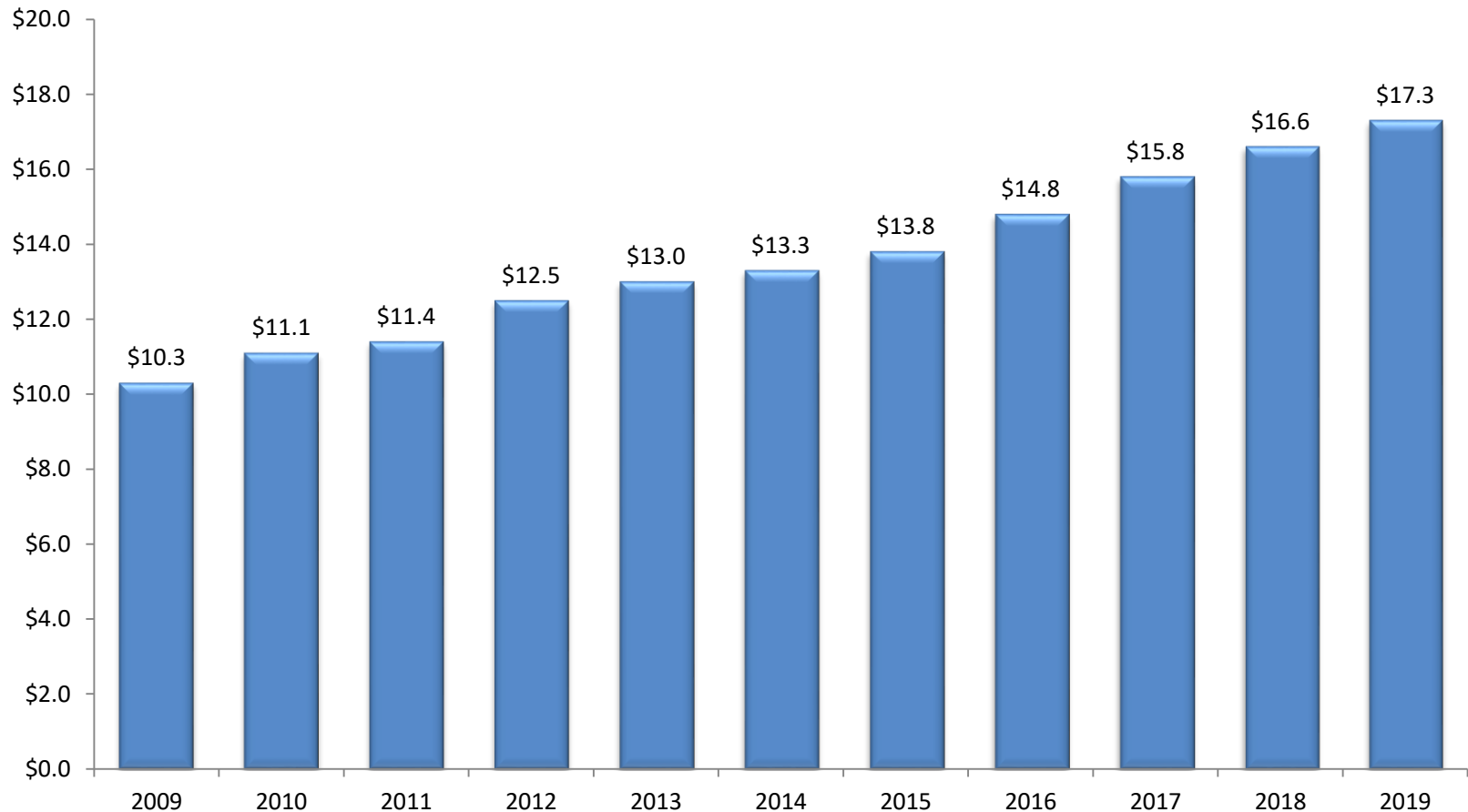
(\$ in millions)

5-Year Compound Annual Growth Rate – 2.8%



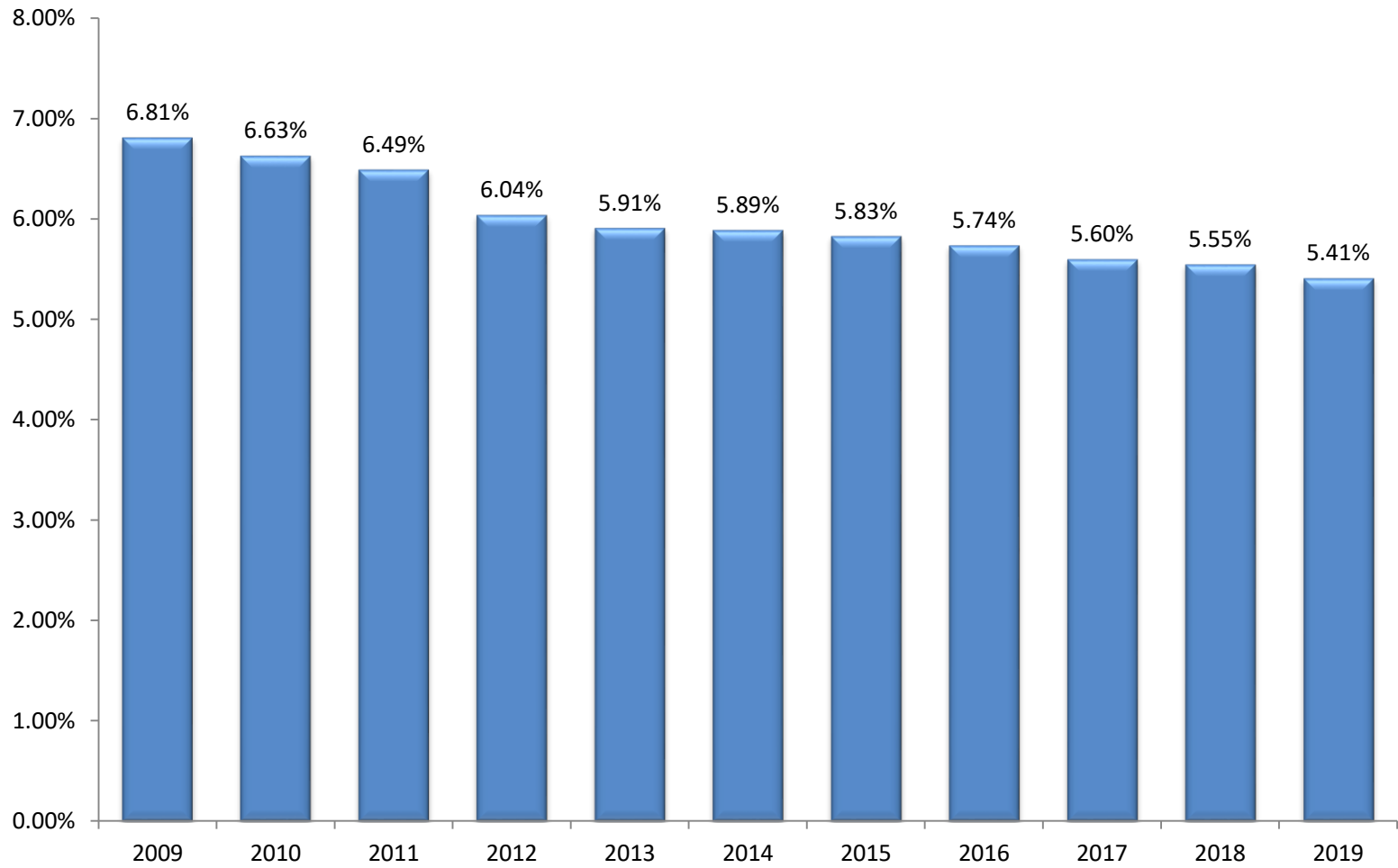
# Total Invested Assets at Amortized Cost (\$ in billions)

10-Year Compound Annual Growth Rate – 5.3%  
5-Year Compound Annual Growth Rate – 5.4%





# Fixed Maturity Portfolio Yield (at end of year)



# Capital Management

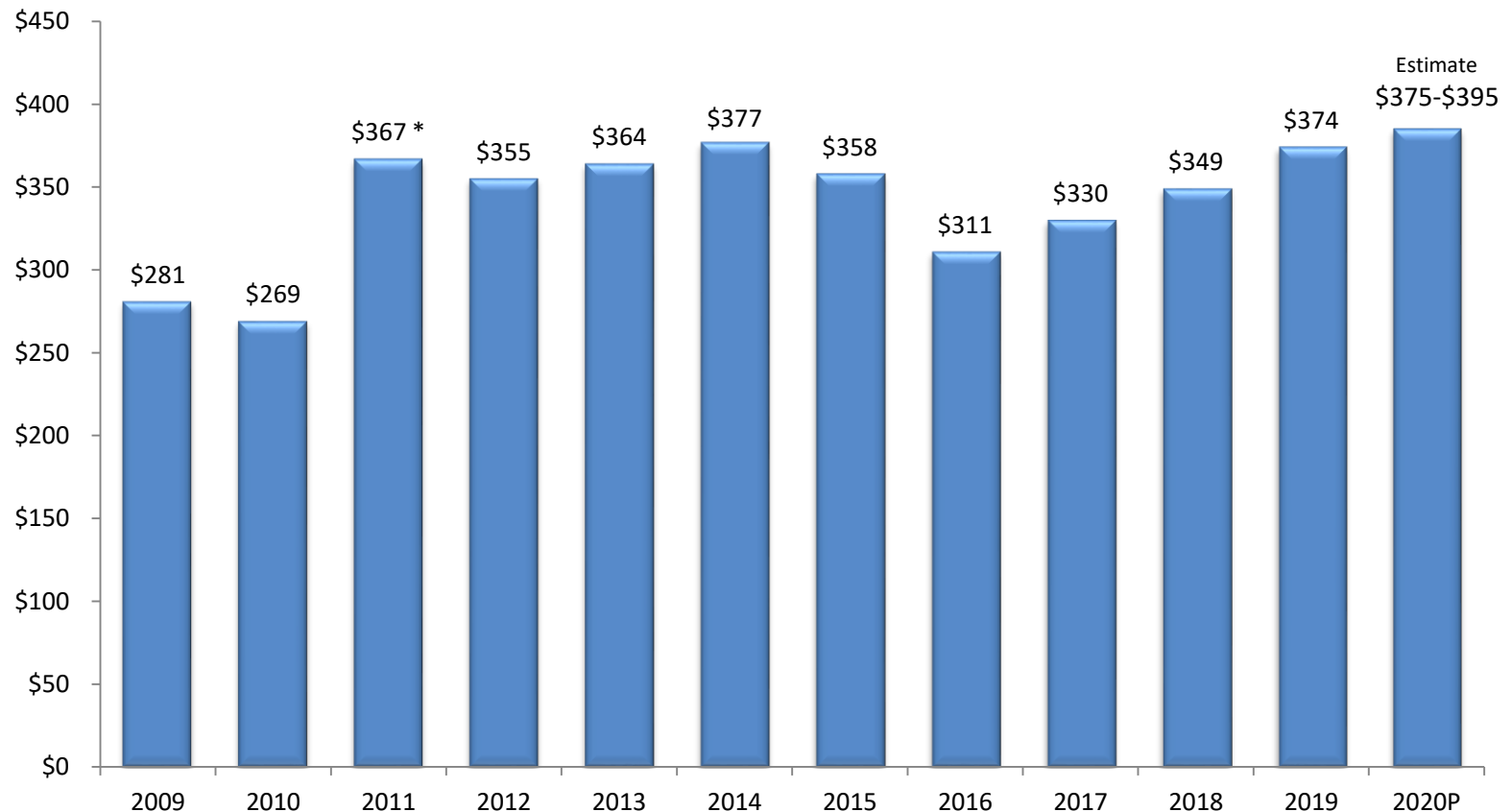
# 2019 Excess Cash Flow

## (\$ in millions)

Cash from insurance subsidiaries to parent	\$	500
Shareholder dividends		(74)
Interest expense		(87)
Other		<u>35</u>
Excess Cash Flow	\$	374

# Excess Cash Flow

(\$ in millions)



Note: Excess cash flow is the cash available to the Parent Company after meeting parent company's obligations and paying shareholder dividends.

\* Excludes \$305 from the sale of United Investors.

# Share Repurchases

Year	Total Spent (in millions)	No. of Shares (in 000's)	Average Price	Operating P/E Ratio*, **	Net Income P/E Ratio**
2019	\$350	3,932	\$89.04	13.2	13.0
2018	\$372	4,406	\$84.38	13.8	13.9
2017	\$325	4,126	\$78.67	16.3	6.4
2016	\$311	5,208	\$59.78	13.3	13.3
2015	\$359	6,292	\$56.99	13.8	13.7
2014	\$375	7,155	\$52.42	13.4	12.8
2013	\$360	8,280	\$43.48	11.9	11.5
2012	\$360	11,219	\$32.13	9.7	8.9
2011	\$788	28,347	\$27.78	9.5	9.2
2010	\$204	8,560	\$23.78	9.4	8.8
2009	\$47	4,613	\$10.12	4.4	4.9

\* Calculated using net operating income from continuing operations.

\*\* On December 22, 2017, tax legislation was signed into law which revised the corporate income tax rate from 35% to 21% effective January 1, 2018, among other modifications. As a result, the Company made an \$874 million adjustment in 2017 to estimate the impact related to the tax legislation. The 2017 adjustment was treated as a non-operating event and thus excluded from net operating income.

# Cash Returned to Shareholders 2010-2019

## (\$ in millions)

Year	Share Repurchases	Dividends Paid	(A) Total Cash Returned	(B) Net Income*	(A) / (B)
2019	\$350	\$74	\$424	\$761	56%
2018	372	71	443	701	63%
2017	325	69	394	581	68%
2016	311	67	378	550	69%
2015	359	67	426	527	81%
2014	375	65	440	543	81%
2013	360	61	421	528	80%
2012	360	56	416	529	79%
2011	788	49	837	497	168%
2010	204	50	254	499	51%
Total			\$4,433	\$5,716	78%

\* On December 22, 2017, tax legislation was signed into law which revised the corporate income tax rate from 35% to 21% effective January 1, 2018, among other modifications. The Company made a one-time adjustment to estimate the impact related to the Tax Legislation, which is included in 2017 net income, but is excluded from the net income shown in the chart for 2017 for comparative purposes .

# Appendix

## GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollar amounts in thousands, except per share data)

(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
<b>Revenue:</b>				
Life premium	\$ 631,470	\$ 600,171	\$ 2,517,784	\$ 2,406,555
Health premium	275,214	256,900	1,077,346	1,015,339
Other premium	—	—	4	12
Total premium	906,684	857,071	3,595,134	3,421,906
Net investment income	227,456	224,233	910,459	882,512
Realized gains (losses)	2,195	(16,600)	20,621	(1,804)
Other income	241	33	1,318	1,137
Total revenue	1,136,576	1,064,737	4,527,532	4,303,751
<b>Benefits and expenses:</b>				
Life policyholder benefits	410,437	395,174	1,638,053	1,591,790
Health policyholder benefits	176,361	165,534	687,764	649,188
Other policyholder benefits	7,740	8,412	31,532	34,264
Total policyholder benefits	594,538	569,120	2,357,349	2,275,242
Amortization of deferred acquisition costs	139,290	128,501	551,726	516,690
Commissions, premium taxes, and non-deferred acquisition costs	76,745	69,789	298,047	278,467
Other operating expense	78,413	70,082	304,825	279,585
Interest expense	20,502	23,610	84,306	90,076
Total benefits and expenses	909,488	861,102	3,506,253	3,440,080
Income before income taxes	227,088	203,635	931,279	863,671
Income tax benefit (expense)	(40,027)	(38,929)	(170,397)	(162,161)
Income from continuing operations	187,061	164,706	760,882	701,510
<b>Discontinued operations:</b>				
Income (loss) from discontinued operations, net of tax	—	11	(92)	(44)
<b>Net income</b>	<u>\$ 187,061</u>	<u>\$ 164,717</u>	<u>\$ 760,790</u>	<u>\$ 701,466</u>
<b>Total basic net income per common share</b>	<u>\$ 1.73</u>	<u>\$ 1.48</u>	<u>\$ 6.97</u>	<u>\$ 6.22</u>
<b>Total diluted net income per common share</b>	<u>\$ 1.69</u>	<u>\$ 1.45</u>	<u>\$ 6.83</u>	<u>\$ 6.09</u>

# Appendix

## OPERATING SUMMARY

(Dollar amounts in thousands, except per share data)  
(unaudited)

	Per Share					
	Twelve Months Ended December 31,		% Chg.	Twelve Months Ended December 31,		% Chg.
	2019	2018		2019	2018	
Insurance underwriting income	\$ 6.44	\$ 5.87	10	\$ 717,557	\$ 676,025	6
Excess investment income	2.31	2.13	8	257,605	245,094	5
Parent company expense	(0.09)	(0.09)		(10,260)	(10,684)	
Income tax	(1.70)	(1.55)	10	(189,155)	(178,475)	6
Stock compensation benefit (expense), net of tax	(0.21)	(0.22)		(23,645)	(24,986)	
<b>Net operating income</b>	<b>6.75</b>	<b>6.13</b>	<b>10</b>	<b>752,102</b>	<b>706,974</b>	<b>6</b>
<b>Reconciling items, net of tax:</b>						
Realized gain (loss)—investments	0.15	0.06		16,291	7,327	
Realized loss—redemption of debt	—	(0.08)		—	(8,752)	
Part D adjustments—discontinued operations	—	—		(92)	(44)	
Administrative settlements	—	(0.03)		(400)	(3,590)	
Non-operating fees	—	(0.01)		(508)	(1,247)	
Legal proceedings	(0.06)	—		(6,603)	—	
Tax reform adjustment	—	0.01		—	798	
<b>Net income</b>	<b>\$ 6.83</b>	<b>\$ 6.09</b>		<b>\$ 760,790</b>	<b>\$ 701,466</b>	
<b>Weighted average diluted shares outstanding</b>						
	111,381	115,249				



**Globe Life Inc.**

