Assurant Q3 2026 Earnings Transcript

PARTICIPANTS

Corporate Participants

Keith Demmings - President & Chief Executive Officer, Assurant, Inc.

Keith Meier - Executive Vice President, Chief Financial Officer, Assurant, Inc.

Sean Moshier - Vice President, Investor Relations, Assurant, Inc.

Other Participants

Mark Hughes - Analyst, Truist

Charlie Lederer - Analyst, BMO

Jeff Schmitt - Analyst, William Blair

Bob Huang - Analyst, Morgan Stanley

Tommy McJoynt - Analyst, KBW

Management Discussion Session

Operator: Welcome to Assurant's Third Quarter 2026 Conference Call and Webcast. At this time, all participants have been placed in a listen-only mode, and the floor will be open for your questions following management's prepared remarks. We ask that you please hold all questions until the completion of the formal remarks, at which time you'll be given instructions for the question-and-answer session.
It is now my pleasure to turn the floor over to Sean Moshier, Head of Investor Relations. You may begin.

Sean Moshier, Vice President, Investor Relations, Assurant, Inc.

Thank you, operator, and good morning, everyone. We look forward to discussing our third quarter results with you today. Joining me for Assurant's conference call are Keith Demmings, our President and Chief Executive Officer; and Keith Meier, our Chief Financial Officer.

Yesterday, after the market closed, we issued an earnings release announcing our results for the third quarter 2026. The release and corresponding financial supplement are available on assurant.com. Also on our website is a slide presentation for our webcast participants.

Some of the statements made today are forward-looking. Forward-looking statements are based upon historical and current expectations, and subject to risks, uncertainties, and other factors that may cause actual results to differ materially from those contemplated by these statements. Additional information

regarding these factors can be found in the earnings release, presentation, and financial supplement on our website, as well as in our SEC reports.

During today's call, we will refer to non-GAAP financial measures, which we believe are important in analyzing the company's performance. For more details on these measures, the most comparable GAAP measures, and a reconciliation of the two, please refer to the earnings release, presentation, and financial supplement on our website.

We'll start today's call with remarks before moving into Q&A. I will now turn the call over to Keith Demmings.

Keith Demmings, President & Chief Executive Officer, Assurant, Inc.

Good morning, and thank you for joining us. Our third quarter results reflect broad-based earnings growth across Assurant, supporting a record year and demonstrating the financial and operational momentum behind our strategy.

Global Lifestyle and Global Housing both delivered double-digit earnings growth, driving a 12% increase in adjusted EBITDA and EPS, all excluding reportable catastrophes. These results reinforce the durability of our business model and our right to win in the lifestyle and housing markets we serve.

2026 has been an exceptional year of outperformance for Assurant. Through the first nine months of the year, adjusted EBITDA increased 12% and adjusted EPS grew 13%, both excluding reportable cats. These results extend our track record of profitable growth. Our performance reflects operational discipline, technology-driven efficiency, and a diversified business mix that continues to generate earnings growth.

Importantly, we've delivered these results while investing in future growth and returning capital to shareholders. I want to thank our global teams. Their execution turns our strategy into results for our clients, customers, and shareholders.

As we approach the end of 2026, we are well positioned to deliver our 10th consecutive year of profitable earnings growth.

Let's move on to our segment highlights. Global Lifestyle's performance this year reinforces this business as a major engine of innovation and growth, anchored by a large subscriber base and recurring fee-based

revenue streams. Year-to-date, earnings increased 18%, driven by growth in both Connected Living and Global Automotive.

Within Connected Living, earnings grew 23% year-to-date, reflecting expansion with existing clients and continued optimization of recently added programs. Our growth is built on deep embedded partnerships with the world's leading mobile carriers, retailers, cable operators, and financial institutions.

In mobile, we now protect over 69 million devices globally, and our subscriber base continues to generate strong year-over-year growth. We continue to benefit from our alignment with the market leaders who are winning share as well as from new scaling postpaid and prepaid programs that are continuing to mature. Our supply chain capability also operates with significant scale.

Through the first nine months of the year, we processed more than 22 million devices through our reverse logistics and trade-in programs, leveraging powerful technology, advanced automation, and operational expertise to support our partners.

Across the device lifecycle, our end-to-end capabilities continue to be a key differentiator. We innovate alongside our global mobile partners while delivering exceptional customer experiences across their growing subscriber bases. In extended service contracts and financial services, expanding partnerships with some of the largest appliance and consumer electronics retailers and financial institutions position these businesses for continued growth.

Turning to Global Automotive, year-to-date adjusted EBITDA grew 10%, driven by continued improved loss experience and expansion of our global partnership base. We continue to strengthen relationships across our dealer, third-party administrator, and OEM or manufacturer channels while adding new partners both domestically and internationally. We recently renewed two important TPA relationships and signed new partnerships with a large OEM in Mexico and a major used vehicle retailer in the United Kingdom.

We continue to see strong momentum across our growing commercial equipment and leased and financed business, expanding distribution through new OEM, dealer, and lending partnerships. During the quarter, we added multiple new partnerships while expanding several existing programs, further strengthening the growth trajectory of these businesses.

Moving to Global Housing. Our differentiated business model continues to deliver with 8% growth in adjusted EBITDA, excluding cats, through the first nine months of 2026. These results reflect the strength of our business and the value of the capabilities that we've built.

At the center of housing is our lender-placed business. Lender-placed is more than an insurance product. It's a specialized coverage verification tracking business that helps ensure insurance continuity to protect lenders, servicers, and homeowners while playing a critical role in safeguarding the US housing market.

The business is built on proprietary technology with deep client integration at scale, enabling us to navigate the highly complex nature of the business and demonstrating why it's so hard to replicate.

Our decades of investment in data-centric operational capabilities have strengthened Assurant's competitive position and benefited partners and consumers through scale, expense efficiencies, and customer experience.

The durability of our client relationships reflects the value we provide. On average, our largest lender-placed clients have partnered with Assurant for almost 20 years, representing more than three-quarters of our tracked loans.

With the onboarding of approximately 2.6 million loans through our Freedom Mortgage partnership, we now ensure insurance continuity on 34 million loans. We continue to see a clear runway to expand that base further through new partnerships.

In renters, we're expanding Cover360 through close integration with our property management company channel partners. Cover360 remains an important growth platform for our renters business, driving improved penetration, a more favorable product mix, and stronger customer engagement, all of which support double-digit premium growth across the channel.

In housing, our scale and operating efficiency translate into differentiated financial performance across our product lines. Over the last five years, housing delivered an average combined ratio of 83% and an average return on equity of 28%. And our results in 2026 are extending our track record of attractive returns.

The takeaway is simple: Housing operates a specialized, advantaged business model that delivers attractive returns.

Across all of Assurant, 2026 has truly been a remarkable year. As we execute on our 10th consecutive year of profitable growth, I'm incredibly proud of our performance so far in 2026, which comes on the heels of three consecutive years of double-digit adjusted EBITDA and adjusted EPS growth excluding cats.

The broad-based success across our businesses this year is a direct reflection of our clear strategy and a business model built for durable growth. Our position as a trusted B2B2C provider across embedded

services and protection programs that are less dependent on traditional insurance market cycles resonates with many of the world's leading brands.

We leverage relationships built on transparency and shared outcomes, helping clients grow and strengthening customer loyalty. During the year, we've continued to build on that momentum.

In mobile, within Connected Living, we launched several new programs, increasing our presence with major US carriers, including longstanding partnerships and growing relationships that represent attractive long-term opportunities.

In Auto, we've deepened relationships with existing US partners while expanding our global footprint, increasing future opportunities for growth.

And within our lender-placed business, we've expanded our market position through our new partnership as we continue to leverage our scale and technology to execute on a robust new client pipeline.

As Keith Meier will discuss, a fundamental driver of our success is investments in technology and innovation. Integrated ecosystems of services, technology, data, and AI are critical to creating value across the client and customer journey. These capabilities are hard to replicate and increasingly important as clients look for partners who can solve complex challenges at scale.

Our disciplined execution this year has demonstrated our meaningful competitive advantages, positioning us well to extend our track record of delivering profitable growth and generating attractive returns for shareholders.

Now I'll turn it over to Keith Meier to discuss third quarter results and our increased outlook for 2026.

Keith Meier, Executive Vice President & Chief Financial Officer, Assurant, Inc.

Thanks, Keith, and good morning, everyone. We were very pleased with the strong performance in the quarter, driven by double-digit earnings growth in both Global Lifestyle and Global Housing, excluding cats. Third quarter growth was exceptional, with adjusted EBITDA and adjusted earnings per share growth of 12%, both excluding cats.

We're proud of our performance across Assurant as we continue to enable growth through our focus on leveraging technology, driving innovation, and product differentiation.

Given the outstanding performance so far this year, we are once again increasing our expectations for full-year growth.

Before reviewing our increased outlook, let me start by highlighting our third quarter results, beginning with Global Lifestyle. Third quarter adjusted EBITDA increased 15%, or $30 million, compared to last year. Within Connected Living, adjusted EBITDA grew 23%, also up $30 million.

Our mobile business continues to drive strong growth, building on our momentum with existing clients to expand products and capabilities through innovative programs. Across global supply chain and device protection programs, we continue to build scale and efficiencies as programs mature, improving underlying profitability as they've grown.

Within our fee-based global supply chain solutions, we serviced 7.6 million devices, an increase of approximately 2.8 million devices compared to last year, driven by our new reverse logistics programs. Within device protection, we added 3.7 million protected devices over the last 12 months, reflecting continued subscriber growth across our global partnerships.

Rising device costs and lengthening replacement cycles are increasing the need to protect existing devices for consumers and repurposing pre-owned devices, reinforcing the relevance of Assurant's offerings. These trends are increasing demand for high-quality refurbished devices that are serviced at our nine global device care centers.

Within Connected Living, we also continue to see growth from optimizing programs through our expanding card benefits business within Financial Services.

Turning to Global Automotive. Adjusted EBITDA was slightly above the prior year as results were impacted by a previously disclosed $6 million non-recurring benefit in the third quarter of 2025. Excluding that item, underlying earnings increased $7 million, or 9%. Auto results continue to reflect improving loss experience and global partnerships expansion. We see additional opportunities to grow the business both in the US and internationally as we deepen existing relationships and add new partners.

Moving to Global Housing. Third quarter adjusted EBITDA was $268 million, including $20 million of reportable catastrophes. Excluding cats, adjusted EBITDA was $288 million, an increase of $29 million, or

11%. Results benefited from a favorable non-cat loss ratio driven by lower claim frequencies during the quarter.

Lower cat reinsurance costs from favorable pricing following the April 1st placement of our 2026 program also contributed to growth. Third quarter results were partially offset by $8 million of lower favorable prior period reserve development.

Within lender-placed, our placement rate increased modestly in the quarter. Growth from our Freedom Mortgage partnership more than offset the impact of a client who transferred a portion of their loan portfolio to another loan servicer. Policy placement of Freedom Mortgage is expected to ramp up over the next few quarters. More broadly, we believe there continues to be a meaningful opportunity to grow our 34 million tracked loans over the next several years.

Turning to capital. Our liquidity position at quarter end was $954 million, providing flexibility to continue to invest in growth and return excess capital to shareholders. This quarter, we returned $119 million to our shareholders, including $75 million of share repurchases and $44 million in dividends. Through October 31st, we repurchased an additional $30 million, bringing our year-to-date total to $305 million.

Before moving to our 2026 outlook, I want to spend a moment on AI and how it fits within Assurant's long-term strategy. Our technology-first approach has been a differentiator for many years and positions us well to capitalize on AI.

We do not view AI as a standalone initiative or a one-time investment. We evaluate AI the same way we evaluate any strategic capability, investing where we see a clear path to improving customer experience, creating new sources of growth and strengthening profitability.

What makes Assurant's opportunity unique is the combination of our technology platforms, proprietary data, deep domain expertise, and longstanding client relationships. Together, these assets enable us to deploy AI at scale across our businesses and create differentiated solutions for both clients and consumers.

We are already seeing benefits across the enterprise. In Connected Living, AI is helping optimize device supply and demand, improve claims outcomes, and enhance customer engagement. In Auto, AI is supporting both revenue generation and claims decision-making, helping simplify increasingly complex vehicle repair processes. Across housing, AI is reducing friction through intelligent document processing, workflow automation, and digital customer interactions.

Importantly, these investments are producing value today while creating opportunities for future growth. As we capture benefits through improved operating performance and customer experiences, we reinvest a portion of those gains into additional innovation and capabilities, further strengthening our competitive position. And as we expand these capabilities, we're doing so responsibly with appropriate oversight and controls.

As these technologies continue to evolve, we believe our technology foundation and ability to scale solutions globally expand our right to win and support sustainable growth and shareholder value creation over the long term. So whenever there are new technologies, including AI, in the market, you can think of that as an advantage for Assurant with our strong technology-first DNA.

Now let's move on to our increased outlook for 2026. We now expect full-year adjusted EBITDA to grow approximately 10% and adjusted earnings per share to grow low-double digits, with both metrics excluding cats.

Our expectation is to deliver strong growth while overcoming $52 million of lower favorable prior-year reserve development in Global Housing. Excluding the impact of prior-year reserve development, we expect low to mid-teens adjusted EBITDA growth and mid-teens adjusted earnings per share growth, excluding cats.

Global Lifestyle is expected to lead the growth for Assurant. We're increasing our outlook for Lifestyle and now expect mid- to high-teens growth, reflecting our strong year-to-date results in both Connected Living and Global Auto.

Turning to Global Housing, we also increased our outlook and now expect earnings to grow mid-single digits, excluding cats. Absent impacts from lower prior-year reserve development, we expect low-double-digit underlying growth for the full year. Consistent with our past approach, our 2026 outlook does not contemplate incremental prior-year reserve development in the fourth quarter.

From a capital perspective, our strong cash generation creates flexibility, enabling us to reinvest for growth, including M&A, and return excess capital to shareholders. For 2026, we are increasing our expectations for share repurchases to $350 million, at the top of our $250 million to $350 million initial repurchase range.

Our third quarter and year-to-date results underscore the momentum across Assurant. We're on track to deliver record performance in 2026, a milestone that reflects the strength of Global Lifestyle and Global Housing.

As we close out the year, we will continue investing in the opportunities ahead and putting our strong capital position to work to create value for our shareholders.

With that, operator, please open the call for questions.

Question & Answer Section

Operator: Thank you. The floor is now open for questions. [Operator Instructions] Our first question comes from Mark Hughes with Truist Securities. Please unmute your line and ask your question.

Mark Hughes - Truist: Yeah, thank you. Good morning.

Keith Demmings, President & Chief Executive Officer: Mark, good morning.

Mark Hughes - Truist: Good morning, Keith. In Global Auto, the net written premium of 25%, you talked about some new partnerships, et cetera. What are you seeing on an underlying basis just in terms of sales? And is this 25%, is that kind of growth sustainable in the next few quarters as these partnerships continue to make contribution?

Keith Demmings, President & Chief Executive Officer: Yeah, so let me start just at the highest level, and then I'll have Keith provide comments directly. But I just want to reinforce how excited we are with the results we delivered. I mean, you obviously saw strong double-digit growth across all of our businesses in the third quarter, and then really, really strong year-to-date performance. I think what's most encouraging is the strength across the board. So having lifestyle lead the growth, but delivering double-digit in both Connected Living and Auto and then Housing maintaining such strong momentum overcoming PYD, I think we feel incredibly good about how that sets us up. And then internationals continue to perform well. Happy to have Keith provide some specific comments on the business itself.

Keith Meier, Chief Financial Officer: Yeah, and so Mark, you asked about the increase in the written premium for Auto. I would say that you can look at that and split it into two halves. So one half of it is really just timing with a particular client from this year versus last year. And then the other is more of the recurring growth that you can think of. And that relates to some expansion with two of our clients in the US and also our global partnerships that continue to grow as well. So we are really pleased to see the results there in the quarter in terms of written premium for Auto.

Mark Hughes - Truist: Yeah, I appreciate that. And then it seems like there's been some news, Elon Musk talking about getting into the wireless space. What does that potentially mean for you? And then the other risk that's come up is the news and the potential search or comparison shopping that might lead consumers to be a little more sensitive to pricing on the service contracts. I wonder if you could just address those two issues?

Keith Demmings President, Chief Executive Officer: Those are two big questions. Yeah, maybe first I'll start with Starlink. Obviously, the wireless market is very competitive to begin with, right? And there's a couple of major cable players in the space. There's the three big network operators. We saw a lot of balanced growth across the board, lots of competition. I think generally that backdrop sets up well for us as clients are looking to innovate and then leverage the full scale of our capabilities. The second thing I'd say is we've had a long track record of helping clients drive change, disrupt the status quo, whether that's cable, Rakuten, T-Mobile, when they kind of launch the un-carrier. So I think we're well positioned as the market evolves. And I think it sets up well for our capability set. And I do think we have the broadest and deepest set of capabilities in the marketplace.

In terms of the question more broadly on AI and Muse, I think maybe I'll talk a little bit about AI disruption broadly, and then I'll speak about Muse agents. But I think the interesting thing for Assurant is our business model is incredibly unique. And I think that creates fundamental advantages. As you know, we're B2B provider. We're naturally embedded in the transaction flows with our clients. We don't generally offer products direct to consumer. And I think as we work with clients, they want to control how the product is offered, but also influence the design of the product, the value prop, the service experience.

My expectation is AI causes us and clients to continue to innovate, to enhance coverages, evolve the experience for customers, and then even more proactively communicate with customers and provide personalization. So I do think there are some really good advantages that come through our model.

In terms of Muse and AI agent adoption more broadly, I'd say a couple of things. First, really early in the development and the adoption cycle, it will evolve, no doubt, significantly over time. I think from an Assurant perspective, we've always tried to embrace technology, particularly when it improves the customer experience, and I think giving customers choice, different options to interact with us. We've done that over time, phone, web, mobile device, chat. This will continue to evolve, and we'll explore how best to support their desire to use an AI agent, but we also have to have the appropriate governance and risk management, and balance, security and decision-making control.

So how do we make it easier for customers, but prevent fraud, protect policyholders, and leverage technology? And I think, as we think about customers shopping and looking at our products versus other

options in the marketplace, first, our advantage that we're embedded with clients in their direct sales process, I think, is really important. And two, it'll cause us all to raise the bar on delivering the utmost customer value proposition.

Keith Meier, Chief Financial Officer: Yeah, and I think on top of that, our philosophy is to be very transparent in how we operate. And I think to the extent that this benefits companies that are transparent. I think that certainly is a positive for us. And like I mentioned earlier, we're leaning in heavily on a lot of our AI initiatives, and we're making a lot of progress, whether it be efficiencies or new capabilities. But overall, I think when you think about AI coming into our markets we like how we're positioned to address it.

Mark Hughes - Truist: Appreciate that. Thank you.

Keith Demmings, President, Chief Executive Officer: Thanks, Mark.

Keith Meier, Chief Financial Officer: Thank you.

Operator: Thank you. Our next question comes from Charlie Lederer with BMO. Please unmute your line and ask your question.

Charlie Lederer - BMO: Hey, guys, good morning.

Keith Demmings, President, Chief Executive Officer: Good morning, Charlie.

Keith Meier, Chief Financial Officer: Hey, Charlie.

Charlie Lederer - BMO: Hey, guys, good morning. You mentioned the new partnerships in Auto. Wondering if you could talk about the pipeline for new partnerships in Connected Living and maybe Home, too. And then just dovetailing to that on the Connected Living side, can you give us a sense of maybe what inning you feel like you're in, in terms of the ramp of the various mobile programs you've added in the last 12 to 18 months? Thanks.

Keith Demmings, President, Chief Executive Officer: Sure. And obviously, we've had a fantastic year in Connected Living with 23% growth year-to-date. So we're incredibly proud of that. I definitely think we've seen significant ramping this year. We talked about a number of things that we were investing in certainly last year that fed into this year's performance. Clients like – onboarding UScellular. We've obviously scaled really significantly around reverse logistics. We've launched and expanded Best Buy. We've grown and

matured our Chase relationship. So I do think 2026 is benefiting from a lot of those big programs moving towards scale. There's still opportunity to further scale and optimize as we go forward. But that's why you see such a big step up in year-over-year performance.

In terms of what inning we're in, it's an interesting question. We've got really lofty ambitions for how we think about Connected Living broadly. Certainly, mobile is the biggest driver, but we've got great momentum and extended service contracts with the retail space. We're doing a lot of good work in financial services as well. And then mobile, I think our broad set of capabilities is really resonating and you see that showing up in our protected subs and our devices serviced. And I think there's a lot of long-term opportunity to grow the business.

Keith Meier, Chief Financial Officer: Yeah, when I think about Housing as well, we recently mentioned the new win with Freedom, and we feel really good about our pipeline as well that we'll be able to talk about over the coming quarters. So overall, we like the position we're in in terms of new opportunities coming over the next year.

Charlie Lederer, BMO: Thanks. And then, as my follow-up, just looking at the strong results in Housing, there's a few moving pieces. Maybe you can help unpack – gross written premium growth bounced back nicely, but it sounds like you still have more premium to onboard from that Freedom Mortgage relationship being onboarded. I'm wondering if you can expand on the underlying volume and pricing trends in lender-placed. And then, on the frequency benefit you're seeing would be great if you can – if you help quantify how much that impacted the ex cat loss ratio, ex PPD in the quarter, too. Thanks.

Keith Meier, Chief Financial Officer: All right. A lot to unpack there, Charlie. Let me start with your first point on Freedom. So we had one client that transferred some loans to another service there last quarter, and then Freedom came on in terms of gross written premium this quarter. So that was what was contributing to us this quarter. And then you should see Freedom being able to ramp up over the next few quarters. So that's how I would characterize the trends in gross written premium.

And then in general, I think our position for the Housing business is this year we had favorable loss ratios, I'd say, from a year-to-date perspective, you can think about it as a couple of percentage points. But overall, I think we're in a pretty stable position. If you think about our long-term views, we typically have talked about combined ratios in the low to mid 80s. And this year, we're seeing those loss ratios be a little bit better. So I think that's helping us a little bit this year. But overall, we're really pleased with the performance of Housing. And then we have lots of growth levers as we think about going into next year as well with new clients, our AIVs. And we also think there'll be favorable trends for our reinsurance. But we'll see how that plays out when we renew that reinsurance treaties in April of next year.

Charlie Lederer - BMO: Thanks, guys.

Operator: Thank you.

Keith Demmings, President, Chief Executive Officer: Thank you.

Keith Meier, Chief Financial Officer: A pleasure.

Operator: Thank you. Our next question comes from Jeff Schmitt with William Blair. Please unmute your line and ask your question.

Jeff Schmitt - William Blair: Good morning, everyone.

Keith Meier, Chief Financial Officer: Hey, Jeff.

Jeff Schmitt - William Blair: On AI, where are you seeing the clearest financial benefits today, whether it's in claims, fraud, or customer service? And could those benefits become kind of meaningful enough to impact margins over time?

Keith Meier, Chief Financial Officer: Yeah, I think we're certainly seeing good efficiencies, Jeff, in terms of our operations, our call centers and our device care centers. A great example is we – many of you were able to see our AI adoption in action at our investor event earlier this year in Nashville. So there's a lot of talk about it, but it was nice to be able to show that actually operating in our facility at scale. So I think there's good efficiencies. We also see technology opportunities where we can really accelerate our tech initiatives. So we feel good there.

So I think we are getting some efficiencies, but we also want to reinvest a portion of that into additional growth opportunities. We're always trying to drive innovation and new capabilities. So I think that's where we're really indexed pretty heavily. So if you think about our priorities, it's really improving the customer experience, driving new revenue streams, and then certainly strengthening profitability as well.

Jeff Schmitt - William Blair: Thank you. And then a question on the smartphone upgrade cycle. I think that's extended to roughly four years now. And is that creating a larger opportunity for refurbishment services or does that – does the slower replacement cycle kind of offset any benefits by lowering device volumes?

Keith Demmings, President, Chief Executive Officer: Yeah, certainly, it's an interesting dynamic and one that we've seen play out, as you say, over a few years. And the ownership cycle certainly lengthened. And I think from our perspective, we're protecting 69-plus million subscribers today. That's very sticky. Obviously, they want to protect those devices, regardless of the age. So I think we feel really good in terms of the base of the portfolio. I do think it creates opportunity with respect to certified pre-owned devices. Customers are more interested in upgrading to a CPO device than they've been historically in the past. I think that creates interesting dynamics and opportunities.

You've got broad affordability challenges with the cost of devices, certainly from memory and component costs. And I think, therefore, trade-in is really important to help the customer be able to afford the new device. So there's lots of different ways that we play across the ecosystem. And I think we're set up really well because we do play in the full ecosystem.

Jeff Schmitt - William Blair: Great. Thank you.

Keith Demmings, President, Chief Executive Officer: You bet. Thanks, Jeff.

Keith Meier, Chief Financial Officer: Thanks, Jeff.

Operator: Thank you. Our next question comes from Bob Huang with Morgan Stanley. Please unmute your line and ask your question.

Bob Huang - Morgan Stanley: Hi, good morning, folks.

Keith Demmings, President, Chief Executive Officer: Morning, Bob.

Keith Meier, Chief Financial: Hey, Bob.

Bob Huang - Morgan Stanley: Morning. So just given the strong commentaries you've had so far, right, and as we think about, maybe not even rest of 2026, as we think about 2027, can you maybe help us think about where is the momentum within your various segment going forward? Is Global Lifestyle or Connected Living really the one that's going to be driving 2027? Can you maybe give us a little bit additional color on how you're thinking about next year?

Keith Demmings, President, Chief Executive Officer: Sure. And I'll try to drop a few breadcrumbs for you as best we can. I would say the first thing is certainly we're going to close out 2026, ultimately see where the performance lands and understand the latest trends. Having said that, I do think 2026 is going to be an incredible year of record performance. So we're starting from a really strong position as we think about growth into 2027. As we look at 2027, I would say we're certainly going to maintain momentum across the businesses, and that's from a really high watermark in terms of results.

I think Lifestyle will continue to lead growth for the enterprise. We're going to expand services. We're going to continue to optimize performance, great opportunities to continue to drive underlying organic growth. And I expect that growth to be both in Connected Living and Automotive. And then in Housing, I would say we're focused on sustaining the really high level of earnings we've achieved. And then a lot of focus, as Keith Meier mentioned, on continuing to convert our new business pipeline, which we're excited about. So those are probably a few messages I'd leave you with 2027.

Bob Huang - Morgan Stanley: Okay, really appreciate that. Thank you. We're all about breadcrumbs here. So, in terms of...

Keith Demmings, President, Chief Executive Officer: Totally get it.

Bob Huang - Morgan Stanley: Yeah. In terms of connect - actually, maybe if we think about one piece of that, right? So can you - on the corporate side and the other costs side, can you maybe help us think about, okay, if this is the case, then the full year corporate and other expenses now expected to be about $150 million. But if we were to think about going forward, is that $150 million, give or take, for full year, the right run rate way of thinking about corporate and other costs going forward as well or are there any other strategic investments or payoffs that we should be incorporating, as we think about just the overall corporate expense?

Keith Meier, Chief Financial Officer: Yeah, I think as we look forward, this is the year that we really leaned in on the investments for Home Warranty in corporate. And that basically is playing out about what we expected. And I think as we go into next year, we'll see how that continues. But overall, I wouldn't say that we expect any big increases or anything like that in our corporate. So I think you could see that as pretty stable at this stage. And we'll provide more specifics on that, certainly, on our call in February as well.

Bob Huang - Morgan Stanley: Thank you. Really appreciate it.

Keith Demmings, President, Chief Executive Officer: Great. Thanks, Bob.

Keith Meier, Chief Financial Officer: Thanks, Bob.

Operator: Thank you. [Operator Instructions] Our next question comes from Tommy McJoynt with KBW. Please unmute your line and ask your question.

Tommy McJoynt - KBW: Hey, good morning.

Keith Demmings, President, Chief Executive Officer: Good morning, Tommy.

Keith Meier, Chief Financial Officer: Hey, Tommy.

Tommy McJoynt - KBW: When we look at the Connected Living segment through the first nine months of the year, the growth has been really strong in adjusted EBITDA growing 22% or 23%. Would you be able to roughly quantify the growth split between what we think of as the core device protection in-force growth versus the more volume-driven devices protected that's come from your reverse logistics new partners?

Keith Demmings, President, Chief Executive Officer: Yeah, it's a great question. There's probably a couple things to think about when you look at 2026. First thing I just say is we did call out a couple of one-timers earlier in the year, just to level set, because obviously 23% growth is incredible. When you look at that, we had a $3 million benefit in the first quarter in Connected Living from a real estate joint venture gain. We had $10 million in the second quarter. We called those out. So that's one thing I would say.
The other thing is, we've seen growth across all of the businesses. So our financial services business, our service contract business, as well as mobile. And then when you look at mobile, a really strong balance between growing device protection, profitability and subs, but also growing around the supply chain and related services. So a nice blend across both in terms of the growth within mobile, which is exactly what we want to see.

Keith Meier, Chief Financial Officer: Yeah, and the only thing I would add is just always keep in mind that our device protection is the bigger driver of our economics, and the supply chain side is a key capability that enables us to drive that growth in our mobile business as well.

Tommy McJoynt - KBW: Okay, got it. And when we see the metric that you report for devices serviced up about 40% year-to-date through the first nine months, is that margin accretive or margin dilutive? What's the margin profile like on the more supply chain reverse logistics side versus your core protection program?

Keith Meier, Chief Financial Officer: Yeah. Like I say, the protection program is the one that drives our economics, but certainly on a standalone basis, we're certainly very pleased with the supply chain side of the business as well. And then when you combine them, I think that's when the combination of those two of our protection program services and our supply chain services, I think that's where we get the best economics when you combine those two.

Tommy McJoynt - KBW: Got it. Thanks, Keith.

Keith Demmings, President, Chief Executive Officer: But to be clear, it's accretive to performance.

Tommy McJoynt - KBW: Understood. Thank you.

Operator: Thank you. Our next question comes from Mark Hughes with Truist Securities. Please unmute your line and ask your question.

Mark Hughes – Truist: Yeah, just following up on...

Keith Demmings, President, Chief Executive Officer: Hey, Mark.

Mark Hughes – Truist: Hello, Keith. Just following up on that point, the T-Mobile, the co-located facility, the device of service accelerated really strong in the third quarter. Is that still ramping? What's the kind of the cycle? When do you lap some of that, run into tougher comps? What's the – as we think about the next few quarters with that T-Mobile, what's the growth profile look like?

Keith Demmings, President, Chief Executive Officer: Yeah, I think in terms of volume, most of the integration in volume was sort of at a reasonable run rate in the second quarter. It's probably a good way to think about it. So there's a few quarters where we're lapping times where that wasn't the case. I would say there's still opportunity to continue to optimize, to add additional services, but we're pretty scaled in what we're doing with T-Mobile. We're certainly excited about the overall performance and the strength of the relationship. And like you said, I mean, us providing services across the spectrum is really important to helping partners drive value, optimize devices, put devices back into their ecosystem. And that's more important today than it's ever been. I'm so glad we invested so aggressively in this space the last few years because it's a more important factor for us going forward than it's been in the past.

Mark Hughes - Truist: On the Global Auto benefit costs, loss costs, repair costs, are you at an equilibrium at this point? Have you made the progress you're going to make? And it should be more stable or is there still some more margin to be extracted there?

Keith Meier, Chief Financial Officer: Yeah. So I think we had that inflection point in 2025 last year. And we continue to see that play out this year. In the quarter, we have seen improved loss performance both on our vehicle service contract and our GAP side. And then as we look forward, there is still runway to continue to improve and grow into 2027 and beyond. So I think we're still working through that journey, but really pleased with how that's coming along.

Mark Hughes - Truist: Thank you very much.

Keith Demmings, President, Chief Executive Officer: You're welcome.

Keith Meier, Chief Financial Officer: Thank you.

Operator: Thank you. Our last question comes from Charlie Lederer with BMO. Please unmute your line and ask your question.

Charlie Lederer - BMO: Hey, thanks for taking my follow-up. Just wanted to touch on the iPhone Duo and maybe some nuances with that rollout. Does that affect any of – from a seasonality perspective? Can you just talk about how things might be a little bit different, if at all, with that product? And then also from a lost cost product, there's been some commentary online that we've seen just on the dynamics being a little bit different, wondering if that impacts the economic arrangements you have with your partners or how to think about that. Thanks.

Keith Meier, Chief Financial Officer: Yeah, sure. So the first part was on the seasonality. Right now, Charlie, the Duo is pretty immaterial to our volumes. So I wouldn't say there's going to be much impact in terms of seasonality there. I think it's going to have to grow a lot more for us to see any of that.
In terms of lost costs, we do have a lot of experience on foldables from the other manufacturers that have had them out for the last few years. And we don't expect iPhone to be any different, and that is that it'll certainly have more claims frequencies, so there'll be more failures typically with these foldables. And then in terms of how it impacts us, not very much. In fact, I would say it's probably a net positive for us because people are going to be wanting to have coverage on their higher end phones like the Duo. And then also, a lot of our arrangements with our clients is risk sharing. And so, an example would be we would have reinsurance with our clients. And so, it really doesn't affect the losses for us. But I think overall it's a

positive because I think people are going to want to protect those devices even more in the future. So that's why I say overall it's a net positive, Charlie.

Charlie Lederer - BMO: It's helpful. Thank you, guys.

Keith Demmings, President, Chief Executive Officer: Thank you.

Keith Meier, Chief Financial Officer: Welcome.

Keith Demmings, President, Chief Executive Officer: All right. Well, I think that was the last question. So thanks again for joining us. As we've said, super encouraged by our year-to-date performance. Pleased to raise the guide for the full year and look forward to updating everybody in February and we'll get into more details on the 2027 outlook. So thanks a lot. Have a great day.

Operator: Thank you. This does conclude today's teleconference. Please disconnect your lines at this time and have a wonderful day.