Admiral Group plc announces a record Group profit before tax of £526.1 million for the year ended 31 December 2019

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2019 Results Highlights

	2019	2018	% change
Group's share of profit before tax* [1]	£526.1 million	£479.3 million	+10%
Group statutory profit before tax	£522.6 million	£476.2 million	+10%
Earnings per share	148.3 pence	137.1 pence	+8%
Full year dividend	140.0 pence	126.0 pence	+11%
Return on equity*[1]	52%	56%	-7%
Group turnover*[1]	£3.46 billion	£3.28 billion	+5%
Group net revenue	£1.35 billion	£1.26 billion	+7%
Group customers*[1]	6.98 million	6.51 million	+7%
UK insurance customers*[1]	5.48 million	5.24 million	+4%
International car insurance customers*[1]	1.42 million	1.22 million	+16%
Group's share of price comparison profit*[1]	£18.0 million	£8.8 million	+105%
Statutory price comparison result	£14.7 million	£6.6 million	+123%
Solvency ratio (post dividend)	190%	194%	-2%

*[1]Alternative Performance Measures

Around 10,000 staff each receive free shares worth up to £3,600 under the employee share scheme based on the full year 2019 results. All staff will also receive a one-off £500 bonus to reflect the Group's strong performance in 2019.

Comment from David Stevens, Group Chief Executive Officer:

"Admiral tends, year after year, to exhibit a relentless forward momentum, which my predecessor described as "going like a freight train".

"Was 2019 another "freight train" year?

"Very much so. In so many ways.

"It was a year which saw profits exceed £500 million for the first time, on the back of substantial reserve releases. We crossed the million mark in household policyholders, and added 200,000 new car insurance customers overseas.

"Alongside this rapid progress on many fronts, some data points were stubbornly stable. The number of consecutive years amongst the top performers in the "Best Companies" list only nudged up from 19 years to 20. The percentage of staff saying they are proud to work for Admiral was stuck in a narrow band in the mid-90's. As was the percentage of customers who said they wanted to renew with Admiral following a claim.

"Consistently happy staff, consistently happy customers. Hopefully happy shareholders.

"I announced this morning that I am going to be stepping down as CEO in 12 months' time. I fully expect that Admiral's talented senior management, led by our very talented CEO designate, Milena Mondini, will be more than ready to maintain, or even stoke up, Admiral's relentless momentum."

Annette Court, Admiral Group Chair, commented:

"I am delighted to report another year of record profit in 2019 and a strong set of results. It was also pleasing to receive a recent award as the only company to appear in the *Sunday Times Best Large Company to Work For* shortlist every year since the inception of the awards 20 years ago. These results are testament to our people, who continue to be at the core of our success and highlight every day the real difference that they make through their focus on great customer service.

"Following from the announcement today of Admiral's CEO David Stevens informing the Board of his intention to retire in twelve months' time, I'd like to thank him for his amazing contribution over the past 27 years to Admiral's success. Since he's not leaving for another 12 months, I'll reserve my fuller accolades until that time.

"Having been through a comprehensive and robust succession process, the Board is confident that in Milena Mondini we have a natural successor

and a leader for the next generation, supported by a very strong management team. Milena brings a deep appreciation of the special Admiral culture, entrepreneurial spirit, commercial track record and people development skills."

Dividend

The Board has proposed a final dividend of 77.0 pence per share (2018: 66.0p) representing a normal dividend (65% of post-tax profits) of 56.3 pence and a special dividend of 20.7 pence per share. The dividend will be paid on 1 June 2020. The ex-dividend date is 7 May 2020 and the record date is 11 May 2020.

Management presentation

Analysts and investors will be able to access the Admiral Group management presentation which commences at 11am GMT on Thursday 5 March 2020 by registering at the following link https://pres.admiralgroup.co.uk/admiral037/vip_connect. A copy of the presentation slides will be available at www.admiralgroup.co.uk

2019 Group Overview

The Group maintained strong growth with turnover up 5% to £3.46 billion (2018: £3.28 billion) and net revenue 7% higher at £1.35 billion (2018: £1.26 billion). Customer numbers increased by 7% to 6.98 million (2018: 6.51 million).

The Group's share of pre-tax profit was up 10% to £526.1 million (2018: £479.3 million) and statutory profit before tax also up 10% to £522.6 million (2018: £476.2 million). The main driver of the strong growth in Group profit was a higher UK Insurance result, which benefitted from very positive development in prior years claims costs and elevated reserve releases and profit commission, partially offset by higher central costs

UK Insurance turnover and customers both increased by 2% and 4% respectively to £2.63 billion and 5.5 million (2018: £2.58 billion and 5.2 million), as the business continued to prioritise margin over volume by increasing rates ahead of the market.

UK Household saw strong growth in turnover and customer numbers, with an improved result of £7.5 million (2018: £3.0 million loss) after more benign weather experience in 2019 in comparison to 2018.

The European insurance businesses delivered a higher profit of £8.7 million (2018: £6.4 million), offset by an increased loss in the US insurance business (£9.6m in 2019 v £7.5m in 2018). The overall international insurance loss was £0.9 million (2018: £1.1 million loss).

The Comparison businesses recorded aggregate profits (excluding minority interests' share) of £18.0 million (2018: £8.8 million), with the increase mainly driven by a very strong profit from Confused.com of £20.4 million (2018: £14.3 million)