



Admiral Group plc announces a record Group profit before tax of £193 million for the 6 months to 30 June 2016

17 Aug 2016

H1 2016 Group Results

2015	% change	H1 2016	H1	
Group profit before tax		£193 million	£186 million	
+4%				
Earnings per share		55.9 pence	54.8 pence	
+2%				
Interim dividend		62.9 p/share	51.0 p/share	
+23%				
Return on equity		49%	50%	
Group turnover		£1.26 billion	£1.06 billion	
+19%				
Group customers		4.82 million	4.19 million	
+15%				
UK Car Insurance				
Turnover		£993 million	£858 million	+16%
Customers		3.52 million	3.18 million	+11%
International Car Insurance				
Turnover		£159 million	£110 million	+44%
Customers		757,900	631,700	+20%

Solvency ratio (post dividend) 180% 206% (FY 2015)

Comment from David Stevens, Group Chief Executive Officer

“What a great time to take on the stewardship of Admiral. The last six months have shown the enduring, and indeed increasing, strength of the UK business and has seen a step change upwards in growth from our developing international businesses.

I'm very happy to be able to report yet another Admiral record for both turnover and profits.”

Dividend

The Directors have declared an interim dividend of 62.9 pence, representing a normal dividend of 36.8 pence per share and a special dividend of 26.1 pence per share. The special dividend of 26.1 pence per share includes 11.9 pence per share, reflecting the second element of a phased return of surplus capital given the Group's Solvency II capital position. The interim dividend will be paid on 7 October 2016. The ex-dividend date is 8 September 2016 and the record date is 9 September 2016.

Management presentation

Analysts and investors will be able to access the Admiral Group management presentation which commences at 9.00 GMT on Wednesday 17th August by dialling + 44 (0)20 3059 8125. A copy of the presentation slides will be available at www.admiralgroup.co.uk

Group overview

The first half of 2016 has been a positive period for the Group with strong growth in turnover and customer numbers, both to record levels. Pre-tax profit also increased to a new record for a first half.

The Group's main UK Car Insurance business enjoyed favourable market conditions and delivered particularly positive results, seeing a 16% increase in turnover, a 217,000 increase in customer numbers and a record H1 result of

£222.8 million. UK Household Insurance also recorded continued strong growth (reaching 382,000 customers), improved key metrics (including expense ratio) and another profitable half year.

Outside the UK, Admiral's International Insurance businesses grew turnover (44%) and customer numbers (13%) strongly and at faster rates than in recent periods. Encouraging progress was made in combined ratio terms, and although in aggregate the segment recorded losses of £12.9 million (up from £11.2 million) mainly as a result of the growth in the US and France, ConTe recorded another profitable six month period.

And finally in Price Comparison, results were also encouraging: Confused.com in the UK grew revenue and saw a significant increase in profit to £8.3 million from £4.8 million; the Group's European operations retained leadership positions in their respective markets; and continued encouraging progress in developing the panel of insurers and key metrics was made in the US at compare.com.

As a result of the positive performance and first half profit along with a strong solvency position, Admiral has also declared a record interim dividend of £174.7 million (62.9 pence per share), up from £140.2 million (51.0 pence per share) for H1 2015. The interim dividend includes £33 million (11.9 pence per share) of additional return of capital as a result of the strong solvency ratio.

As noted in the interim report, the UK's decision to leave the EU (Brexit) resulted in market volatility which impacted the solvency ratio (which nonetheless remains strong at 180%, or 196% on a volatility adjusted basis). Brexit brings some additional risks to the Group which are discussed in the interim report.

Business performance, along with further detail on Brexit and dividends is set out in the interim report.