



Top 10 department annual awards

Admiral Group plc 2021 Full Year Results

3rd March 2022

Overview & Strategic Outlook

Milena Mondini de Focatiis, Group CEO

Group Financials

Geraint Jones, Group CFO

UK Insurance

Cristina Nestares, UK Insurance CEO
Adam Gavin, Deputy UK Claims Director

International Insurance

Costantino Moretti, Head of International Insurance

Loans

Scott Cargill, Admiral Money CEO

Looking after the Future

Milena Mondini de Focatiis, Group CEO

Q&A

All



Admiral Leadership engage at our off-site conference

Overview & Strategic Outlook

Milena Mondini de Focatiis, Group CEO

Group highlights: Another year of strong performance

- Sustained growth and strong customer outcomes



 +9%
Customer growth

 +1.2pp
Retention rate increase

- Record profit driven by UK Motor Insurance, very strong H1 result with lower Covid impact in H2



 £769m
Profit before tax^{1,2}

 187p
Dividend per share³

- Strong progress on our strategy
 - Cloud migration and enhanced analytics
 - Scaled up other businesses



 Increased cloud usage

 More analytics driven

 500k+
Additional customers
beyond UK Car

- Admiral well prepared for future uncertainty and market changes

Delivered strong business value while building on our core competencies

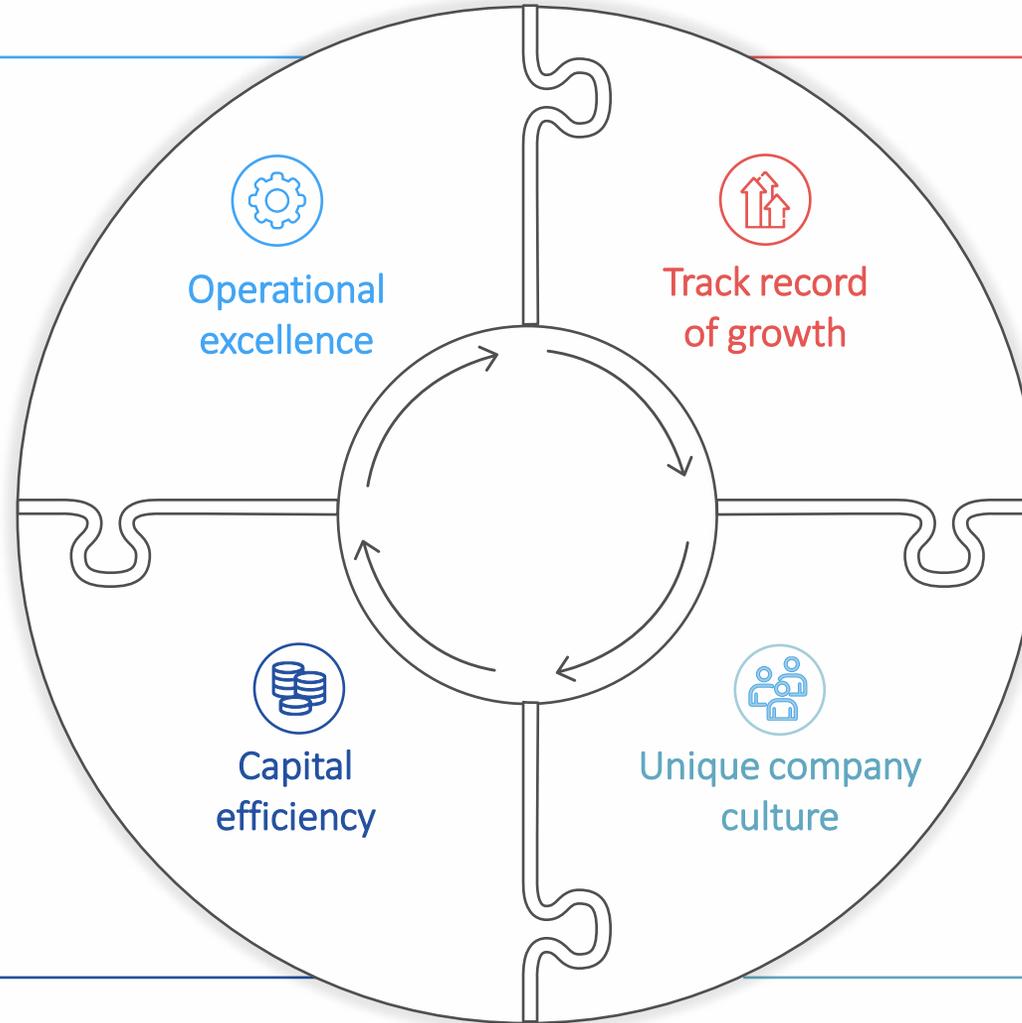
86%¹

Avg. Group CoR last 5 yrs

- Superior risk selection and pricing
- Efficient claims management
- Effective use of data analytics
- Cost-conscious culture

55%²

Avg. Group ROE last 5 yrs



x1.6

Total Group customers in last 5 yrs

x2.5

Non-UK Motor customers in last 5 yrs

+0.9m

Int'l customer growth in last 5 yrs

+1.1m

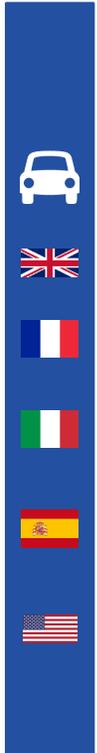
UK customer growth (excluding UK Motor) in last 5 yrs



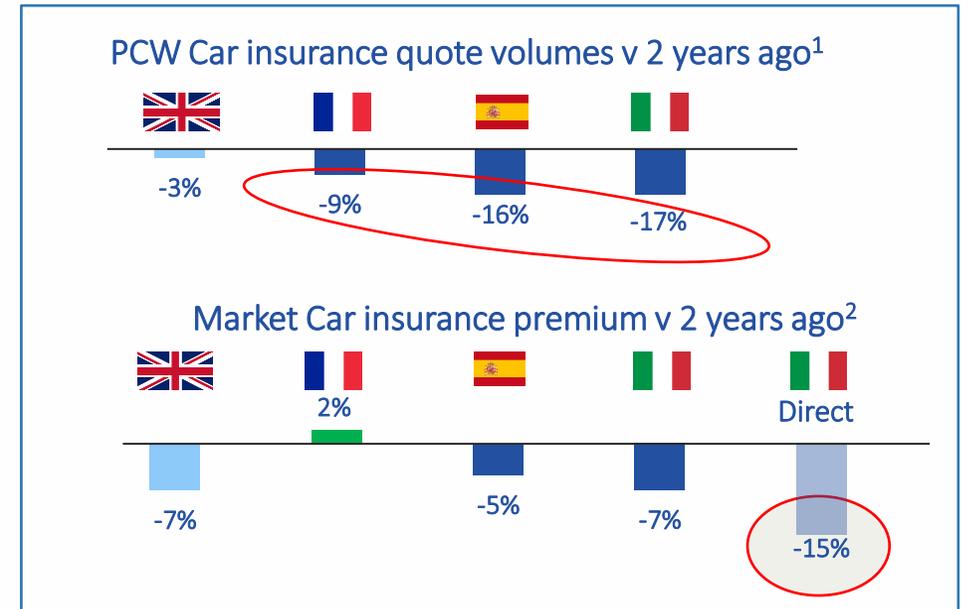
Award-Winning Workplace

- Highly engaged staff
- Consistently among top companies awarded for inclusion, diversity, and wellbeing

Covid impact differs across geographies and business lines



- **Driving habits returning** to normal in 2021, but price increases delayed possibly due to record low CoR in 2020, frequency lagging miles driven, and lower proportion of BI in claims frequency mix for UK
- Above factors expected to partially normalise in 2022 with pressure on underwriting results while premiums may gradually start to recover
- Lower premium created **challenging market conditions overseas**
 - Less people shopping around, especially in Spain and Italy
 - Reduction of average premiums more pronounced for direct channel
 - Lower frequency benefits from Covid in US with earlier and more rapid increase in miles driven
- **France only exception with modest increase** in premiums



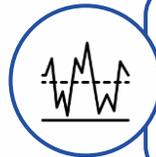
- **Household** less impacted overall, with a shift in claims mix



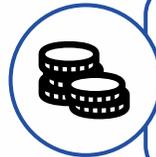
- **Loans and Travel insurance market sales** partially recovered after material contraction in 2020

Admiral well placed for continuing uncertainties ahead

Key factors



Covid-19 knock-on



Rising claims inflation



FCA remedy & market response



Hybrid working

Sources of uncertainties

- Unclear long-lasting effect on frequency
- Potential changes in government restrictions and unpredictable evolution of virus

- Uncertain evolution of used car prices, Brexit impact on repairs and more general supply chain issues; more accentuated in UK

- Impact to date as expected, but early to assess
- Potential further iterations of pricing, channel and product strategies across market

- Need to manage carefully to ensure inclusion, engagement and maintain positive culture
- Significant shift in ways to acquire & retain talent
- Changes in technology and infrastructure required

Why Admiral is well placed



Pricing sophistication and agility



Strong customer-centric culture



Highly engaged workforce



Efficient claims management

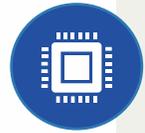
Continued strong progress across all three strategy pillars

	1 Accelerate evolution towards “Admiral 2.0” 	2 Product Diversification 	3 Evolution of Motor 
Why	Strengthen core competencies and increase speed of delivery on customer expectations	Increase customer engagement and business resilience	Evolve our proposition for changes in mobility
Key Pillars	<ul style="list-style-type: none"> • Data, tech and digital first • Scaled Agile • Customer centric innovation • Smart working • Attractive for talent of tomorrow 	<ul style="list-style-type: none"> • Scale up fast promising products beyond motor • Transfer core strengths into new business • Effortless Multi-product journey • “Admiral Pioneer” for the business future 	<ul style="list-style-type: none"> • Best in class in Autonomous, Connected & Electric mobility • Testing B2B • Test and learn emerging propositions
Examples of progress	<ul style="list-style-type: none"> • New Household claims management system strongly enhances customer journey • 1m+ Admiral Mobile App users 	<ul style="list-style-type: none"> • £1bn+ Loans disbursed since launch • 1m+ Multi-product¹ customers in UK • SME insurance 	<ul style="list-style-type: none"> • Fleet insurance (France) • 2.5x New electric vehicles insured across Group (2021 vs. 2020)

Solid execution of Admiral 2.0 strategy further enhances business agility



Digital journey primarily for sales



Mainly fragmented data and on-premise systems



Mainly waterfall approach



Analytics used primarily for pricing/risk selection



Office-based organisation supported by strong culture

Strengthening core competencies

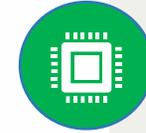


2018

2021



Digital journeys across all processes including sales, servicing, claims and renewals



Coherent Cloud-based architecture for digital, data and analytics systems



Fully agile change capability across the Group

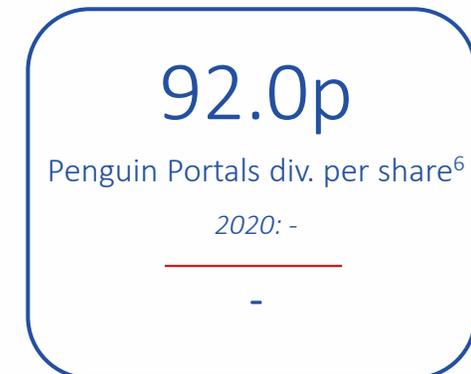
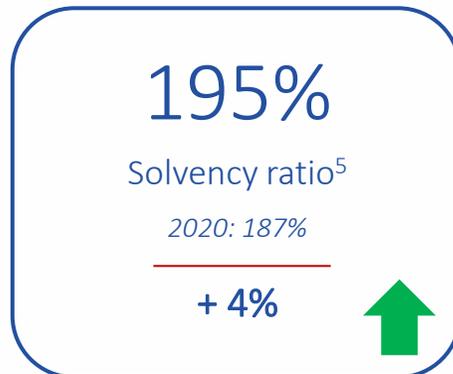


Advanced Machine Learning models beyond risk selection e.g. operations, claims, customer service



Transitioned 'Admiral' culture to SMART working environment through upskilling and optimising tech and building design

Continued growth and large increase in profit; performance particularly driven by strong H1 results



Good year-on-year growth across the Group; UK Motor stable in H2

UK Motor Insurance¹



£2,523m

Turnover²

2020: £2,474m

+ 2%



4.97m

Customers

2020: 4.75m

+ 5%



UK Household Insurance



£219m

Turnover

2020: £194m

+ 13%



1.32m

Customers

2020: 1.16m

+ 14%



International Insurance



£690m

Turnover

2020: £649m

+ 6%



1.81m

Customers

2020: 1.60

+ 13%



Admiral Loans



£607m

Balances

2020: £402m

+ 51%



0.11m

Customers

2020: 0.08m

+ 33%



Significant profit increase primarily due to higher reserve releases and profit commission in UK Motor

Group Profit Before Tax ¹	2021 (£m)	2020 (£m)	Change (£m)
UK Insurance	894.0	698.3	+195.7
International Insurance	(11.6)	8.8	(20.4)
Admiral Loans	(5.5)	(13.8)	+8.3
Share Scheme Cost	(63.3)	(50.9)	(12.4)
Other Group Items	(44.6)	(34.2)	(10.4)
Total	769.0	608.2	+160.8
Restructure Cost ²	(55.5)	0.0	(55.5)
Continuing Operations PBT	713.5	608.2	+105.3

- UK Insurance profit up by £196m, +28% v 2020
 - UK Motor profit £872m (v £684m) – higher releases and much higher profit commission partly offset by higher current year claims
 - UK Household profit £21m (v £15m) – higher premium revenue and profit commission
- International Insurance result ~£20m lower mainly due to higher current period loss ratio as positive Covid impact not repeated in 2021
- Admiral Loans result improved due to materially lower credit loss provision charge, partly offset by higher acquisition costs due to growth
- Share scheme charge higher due to higher share price, improved vesting projected due to positive results and higher dividend bonus
- Other items £10m higher mainly due to higher business development cost (mainly Admiral Pioneer) and some one-offs
- Expect 2022 Group profit to be lower than 2020 and 2021

Higher releases and profit commission continue to drive higher UK profit (1)

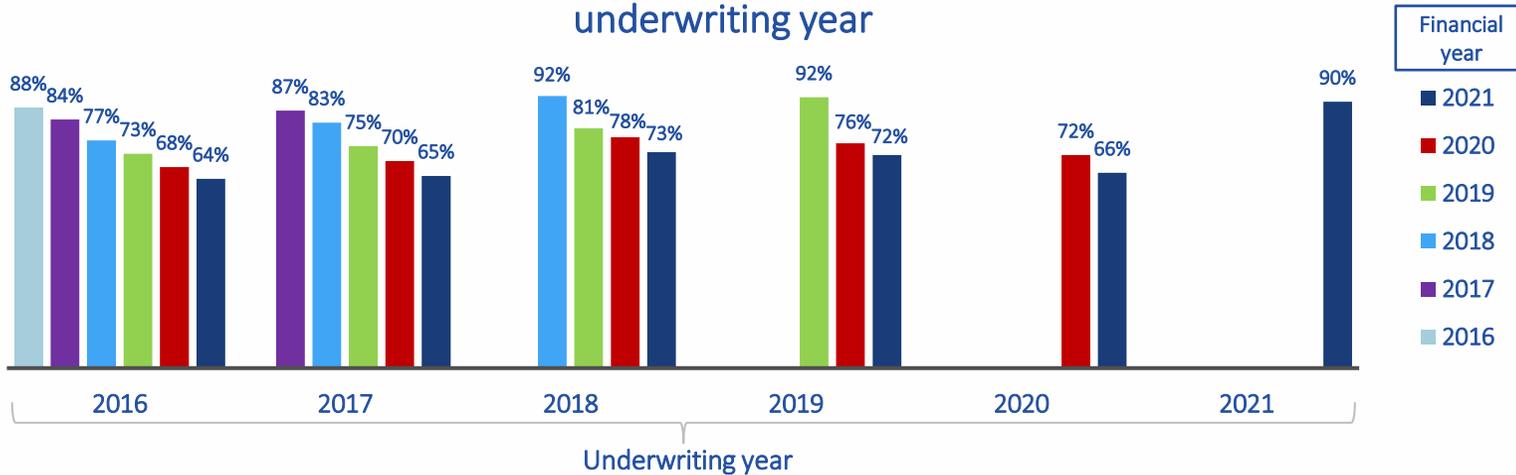
UK Motor Income Statement ¹	2021 (£m)	2020 (£m)	Change (£m)
Net premium revenue	496.5	451.4	+45.1
Investment return	40.8	50.8	(10.0)
Current year claims	(403.4)	(338.7)	(64.7)
Releases – original net share	128.1	104.3	+23.8
Releases – on commuted RI share	189.2	137.3	+51.9
Insurance expenses	(95.6)	(77.2)	(18.4)
Underwriting result	355.6	327.9	+27.7
Profit commission	290.6	124.7	+165.9
Other revenue	225.5	231.0	(5.5)
UK Motor profit	871.7	683.6	+188.1
Current year loss ratio	53%	49%	+4%
Expense ratio	20%	20%	-%
Current year combined ratio	73%	69%	+4%

Drivers of profit change

- 1 Higher premium due to growth at lower average premium more than offsetting impact of rebate in 2020
- 2 Higher current year claims and loss ratio: Combination of frequency reversion, inflation and discounted premiums earning through
- 3 More positive back year releases, especially in H1 and especially on commuted part of business
- 4 Materially higher profit commission (also most pronounced in H1) due to higher releases and more profitable UW years

Higher releases and profit commission continue to drive higher UK profit (2)

Admiral booked loss ratio development by underwriting year



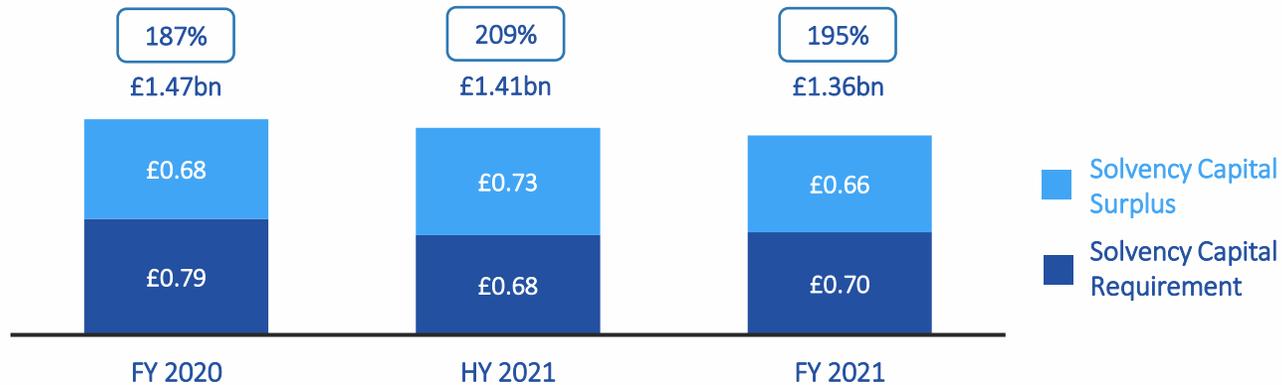
Reserve releases and profit commission (£m)¹



- Total releases in 2021 of £317m, £76m higher than 2020 due to modestly bigger booked loss ratio movements across years
- H1 releases (£199m) especially high but H2 also strong (£118m)
- Materially higher profit commission recognised in 2021 (£291m v £125m)
- More positive booked loss ratio moves contribute, but highly profitable recent underwriting years key driver (see 2020)
- Relative margin in booked reserves reduced slightly as uncertainty reduces slightly

Very healthy full year solvency position and higher full year dividend

Capital position (£bn)^{1,2}



Proposed 2021 final dividend



Full year dividend



- Very strong capital position maintained
- Broadly flat surplus v 2020, reduced capital requirement leads to 8ppt improvement in ratio

- Final dividend in two parts – 72p re H2 results + 46p re Penguin Portal disposal
- 72p equates to 91% of H2 earnings (ex restructure cost)
- Full year dividend 187p (88% of earnings, stable year-on-year) + 92p = 279p total
- No change in dividend policy or guidance

Other developments

Restructuring costs

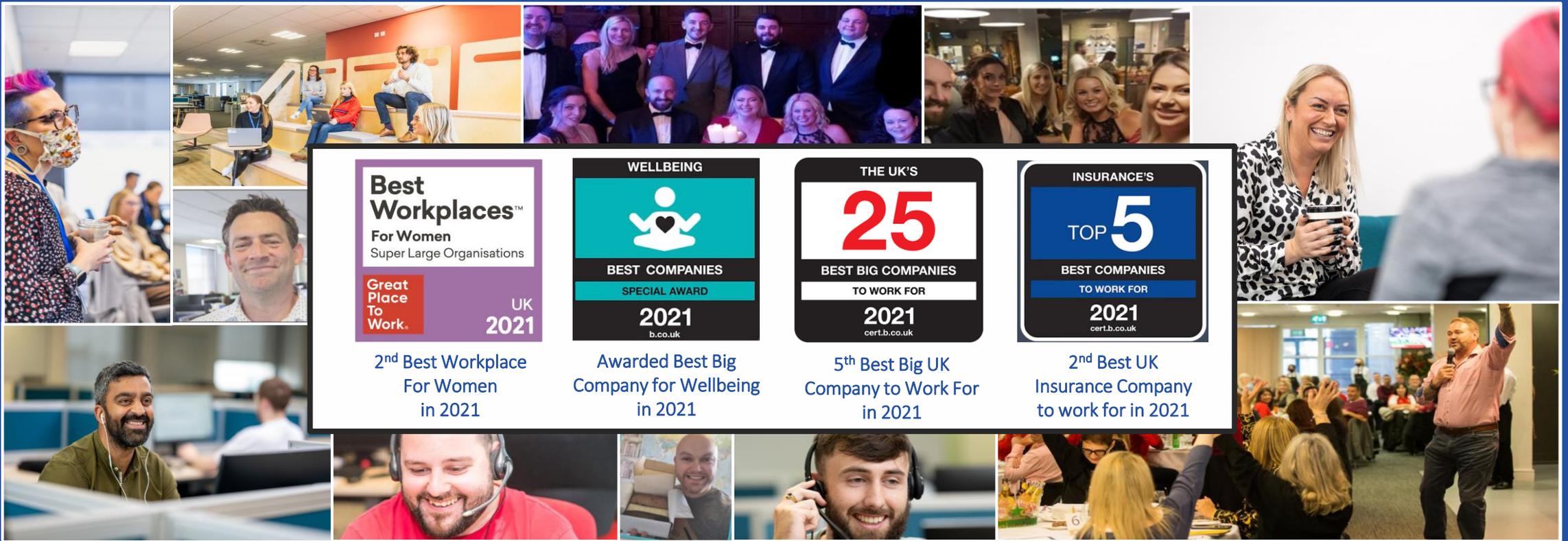
- One-off restructure cost of £56m in 2021, consisting of:
 - Technology impairment
 - Property portfolio review
 - Voluntary redundancy program

Reinsurance renewals

- Renewal of reinsurance agreements with Munich Re on improved terms
 - Current 10% quota share in place until at least end of 2023
 - Expiring 30% renewed to:
 - 10% quota share until at least end of 2026
 - 20% co-insurance until 2029

Summary: Group Financials

- Continued growth across all businesses, more muted in UK Motor in H2; average premiums lower in some markets
- Very strong UK/Group profit, driven by higher reserve releases and profit commission, particularly in H1
- Strong capital position maintained after 19% increase in full year dividend



Our culture is guided by principles such as 'leave your ego at the door' and 'people who like what they do, do it better'

UK Insurance

Cristina Nestares, UK Insurance CEO and Adam Gavin, Deputy UK Claims Director

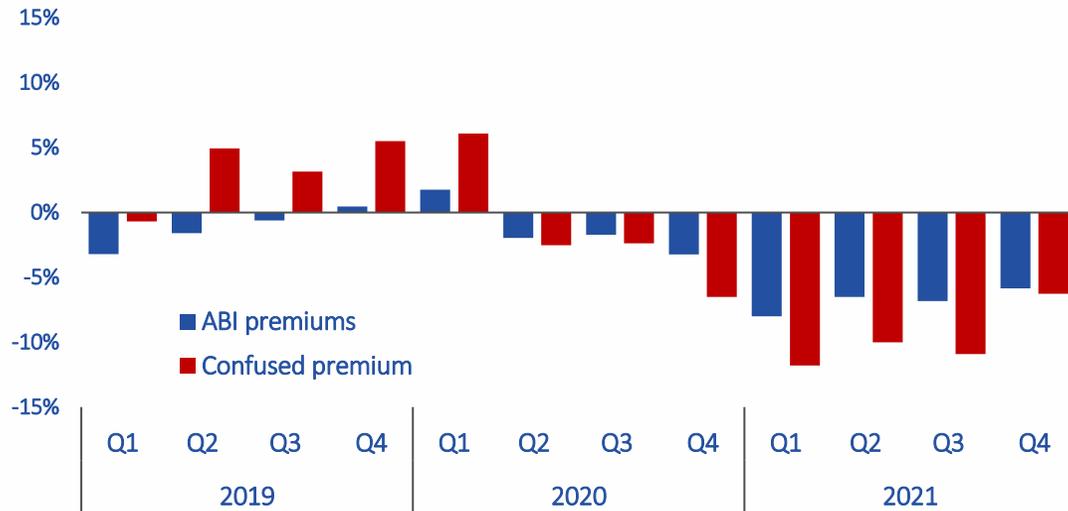


- Strong UK Motor profit, H2 result lower than H1
- Motor customer growth 5%, primarily driven by H1
- FCA reform – initial impact on new business prices in line with expectation
- Claims frequency still below pre-Covid levels; damage claims inflation increasing
- Higher IT investment and lower average premium impact UK Motor expense ratio
- Continued strong growth in Household

Motor customer growth 5%, primarily driven by H1

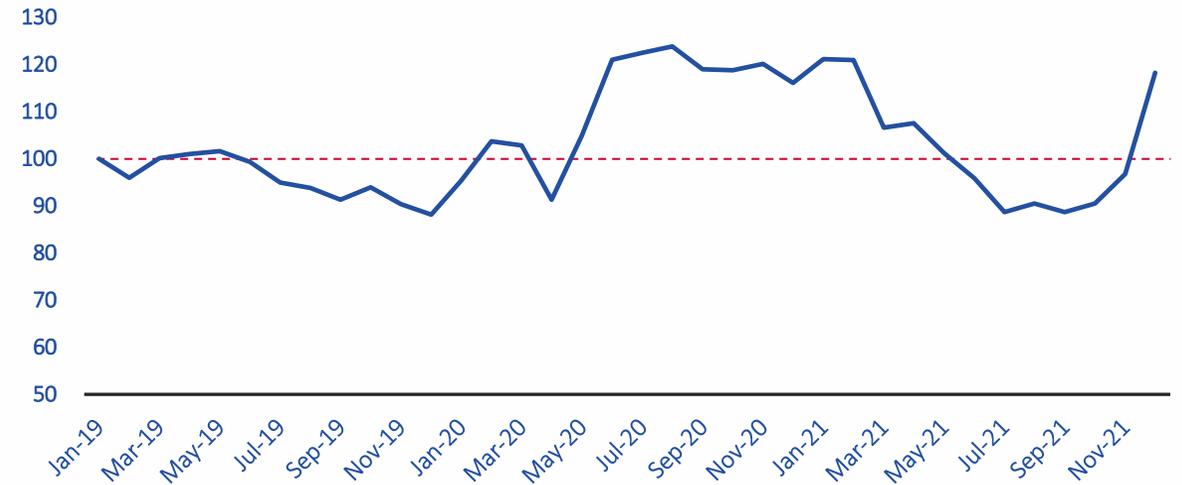


Market average premium
(YoY change)



- Market prices remained under pressure in 2021
 - ABI Motor premium³ £440, down 5.8% YoY in Q4 2021 but up 2.7% QoQ
 - Confused premium⁴ £539, down 6.3% YoY in Q4 2021 but up 4.9% QoQ

Admiral 'Times Top'^{1,2}
(Indexed to 100 Jan 2019)



- Admiral maintained pricing discipline to reflect claims inflation
- Times Top impacted by market volatility in Dec-21 ahead of FCA pricing changes

FCA reform - initial impact on New Business prices in line with expectation



FCA Reform – Initial impact

- Estimated high-single digit price increases in Motor market, higher increases in Home
- Admiral's strategy:
 - Increased NB prices in line with the market
 - Launched Motor tiers to adapt to different customer needs
- Remains too early to quantify the impact on retention and comparison sales
- Underwriting agility, good customer service and strong brand – key factors for success

Admiral's Motor Tiers proposition

The screenshot displays Admiral's Motor Tiers proposition interface. It shows three tiers: Essential, Gold, and Platinum. Each tier includes a price, compulsory and voluntary excesses, and a breakdown of cover options. A detailed view of the Essential tier is shown on the right, highlighting its cover options and optional upgrades.

Provider	Annual	Monthly	Excesses	Personal accident	Courtesy car	Breakdown cover	Motor legal protection	Features Explained
Admiral	£374.08		Compulsory £100 Voluntary £0 Total £100	Included				
Admiral Breakdown delivered by the AA, when selected on your policy								
Admiral Gold	£397.03		Compulsory £100 Voluntary £0 Total £100	Included				
Admiral Breakdown delivered by the AA, when selected on your policy								
Admiral Platinum	£428.03		Compulsory £100 Voluntary £0 Total £100	Included				
Admiral Breakdown delivered by the AA								

Cover Options: We have 4 levels of cover

Show price per: Year Month

Current level of cover
This is the current level of cover for your car insurance.

Essential

- ✓ Windscreen Cover
- X No cover for personal belongings
- ✓ Courtesy Car

Optional upgrades:
4 optional upgrades available

£344.94 total

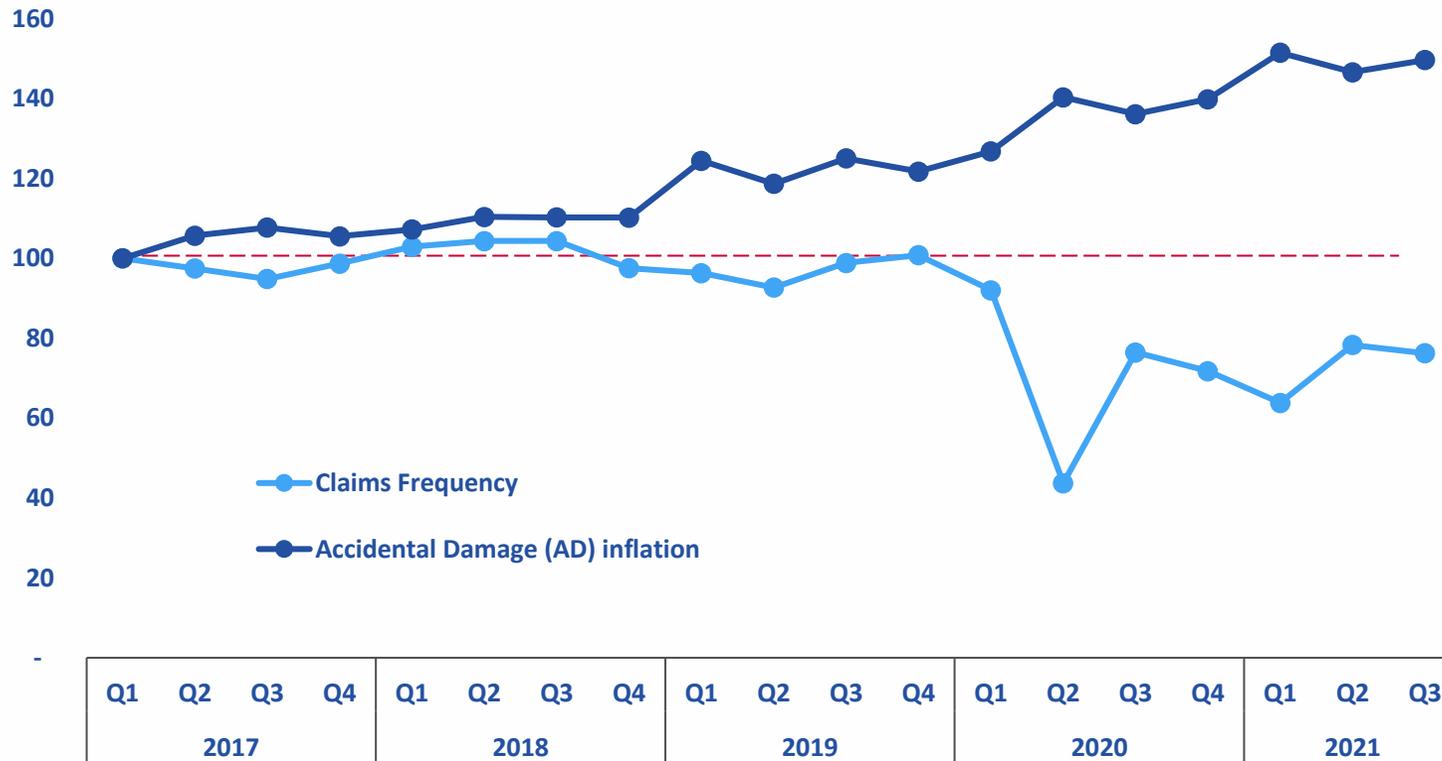
We have 3 other options
Consider these options if you need a different level of cover.

Admiral	Gold	Platinum
<ul style="list-style-type: none"> ✓ Windscreen Cover ✓ Courtesy Car ✓ Up to £150 for personal belongings 	<ul style="list-style-type: none"> ✓ Windscreen Cover ✓ Courtesy Car ✓ Up to £300 for personal belongings ✓ Onward travel costs Motor Legal Protection 	<ul style="list-style-type: none"> ✓ Windscreen Cover ✓ Courtesy Car ✓ Up to £300 for personal belongings ✓ Onward travel costs Motor Legal Protection Roadside Assistance Breakdown Cover
Optional upgrades: 4 optional upgrades available	Optional upgrades: 3 optional upgrades available	Optional upgrades: 2 optional upgrades available
£367.79 total	£387.74 total	£418.74 total
<input type="button" value="SELECT COVER"/>	<input type="button" value="SELECT COVER"/>	<input type="button" value="SELECT COVER"/>

Claims frequency still below pre-Covid levels; damage claims inflation increasing

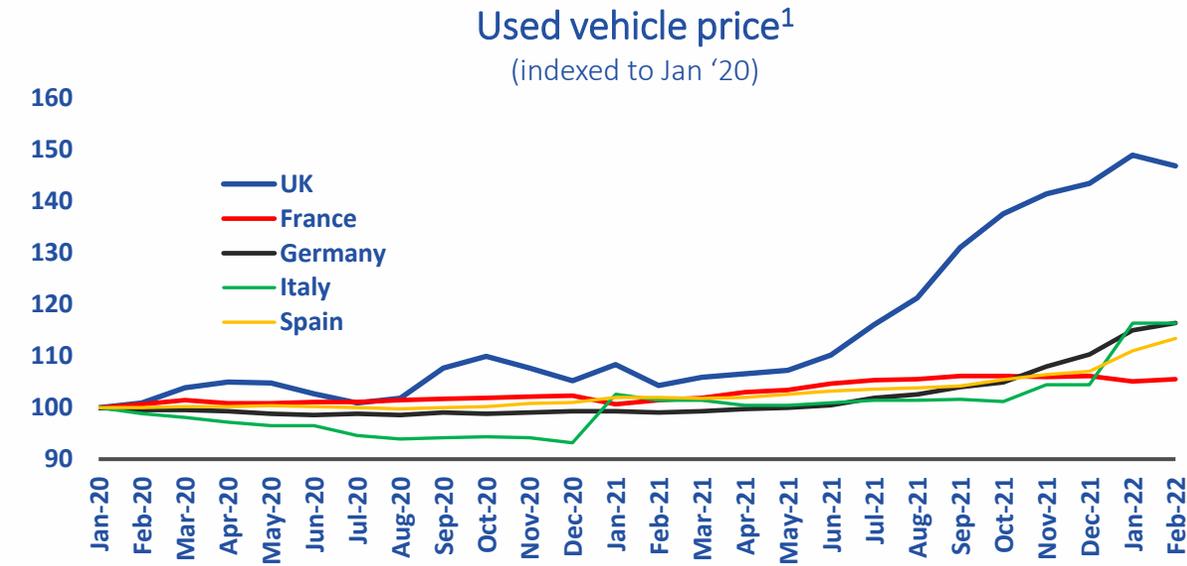


ABI – quarterly claims trends^{1,2}

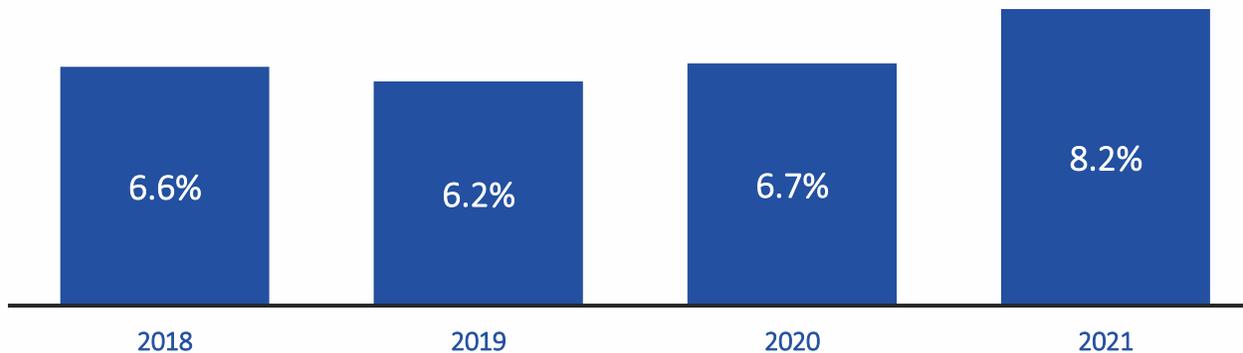


- Claims frequency increasing but still below pre-Covid levels
 - Long term outlook uncertain as driving habits change
 - Some shifts in accident profile e.g. fewer accidents at peak traffic hours
- Whiplash reform impacts will take time to reflect
 - Volume of new small BI claims reduced
 - Still too early to understand full impact on cost of claims

Damage inflation driven by very high used car values



Market YoY repair inflation²



- Sharp inflation in total loss claims
 - Chip shortages reducing supply of new cars into the market
 - Reductions in supply causing increases in second-hand vehicle values
- Inflation on repairs persists
 - Underlying trend of advancing vehicle technology still present
 - Rising labour and energy costs, as well as vehicle shortages

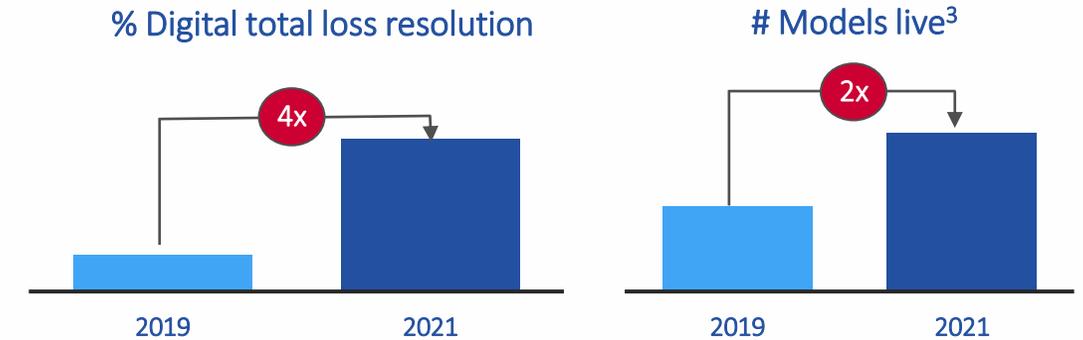
Admiral strategy focuses on people and technology to achieve strong outcomes



Admiral average claims cost lower than market



Increased digital contacts and growth in analytics



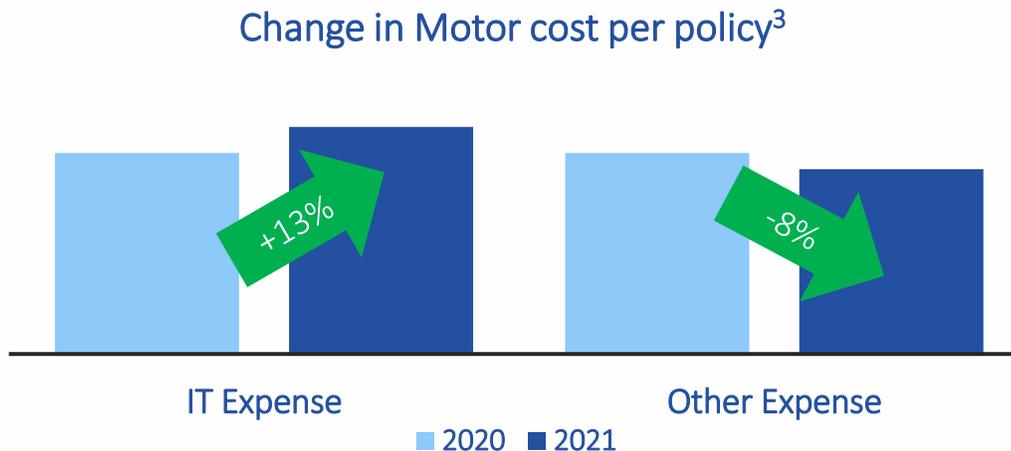
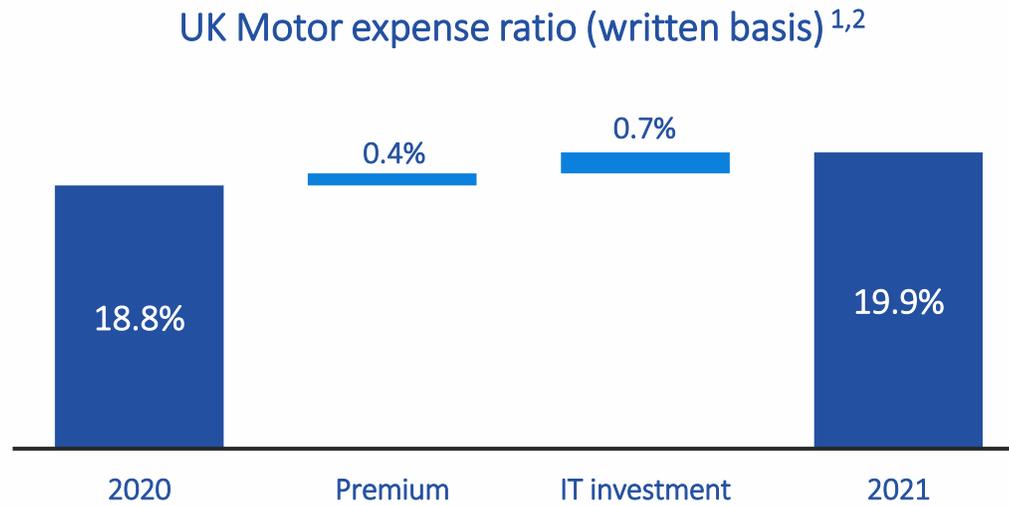
Advantage in bodily injury

- Experienced team
- Fast speed of claims settlement
- Thorough investigation for every claim

Happy, engaged people = Happy customers

- >90% Customers say they're likely to renew after a claim²
- >9/10 Feedback score from customers based on Claims service²

Higher IT investment and lower average premium impact UK Motor written expense ratio



- Written ER increased by 1pt
 - Market premium remained considerably lower
 - Increased IT investment as business continues transition to more agile cloud-based architecture
- Continued improvement in operational efficiencies
- Main focus remains on optimising combined ratio in the long term

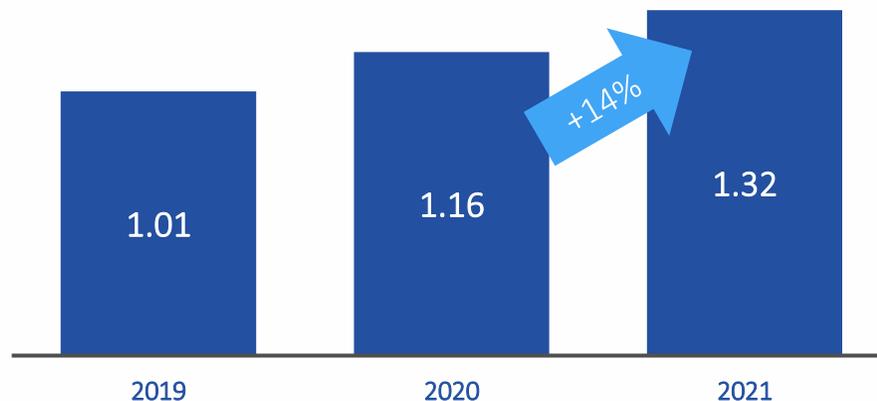
Continued strong growth in Household



Household profit (£m)



Household customers (m)



- Profit driven by higher premium revenue and profit commission
- Strong top-line growth
 - Continued improvement in MultiCover proposition
 - Strong retention
- Strong investment in technical capabilities
 - Improved digital capabilities
 - New claims system delivering faster claims outcomes and improved customer experience
- 2022 uncertainty due to:
 - High claims inflation
 - Market profitability impacted by FCA change



Colleagues across our international operations once again in the office as Covid restrictions eased across geographies

International Insurance

Costantino Moretti, Head of International Insurance

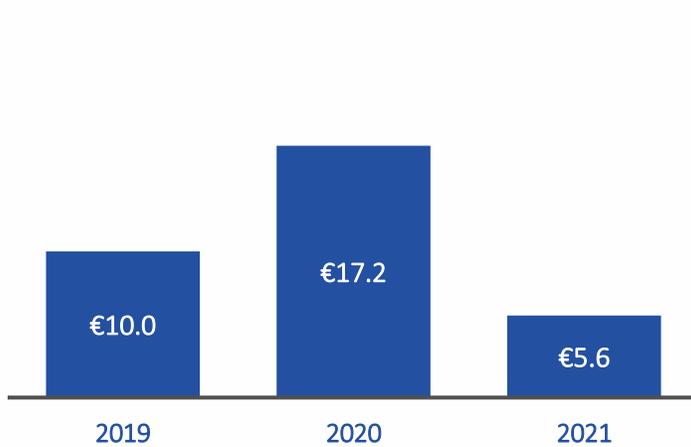
Highlights: International Insurance

- Prioritised higher long-term value creation ahead of short-term profit
- Good growth across all operations
- Higher losses in challenging markets
 - Average premiums under pressure in Italy and Spain
 - Underlying improvements in the US not sufficient to offset higher claims and acquisition costs
 - Reduced Covid related frequency benefit
- Sustained investments to strengthen and evolve our core tech, data and analytics capabilities

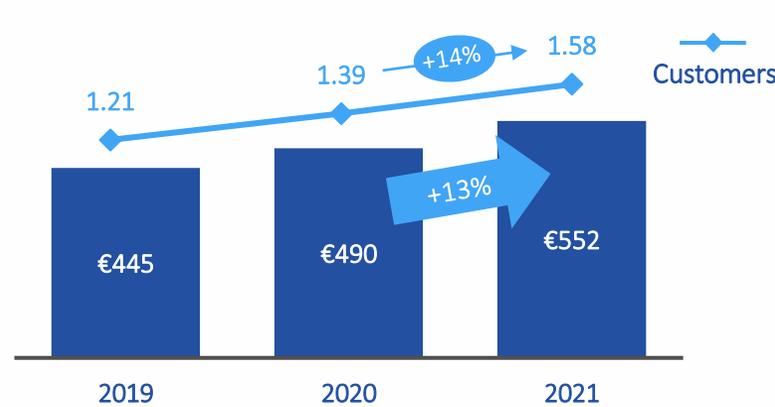
European Motor business continues to grow



EU Motor combined result^{1,2} (€m)



EU Motor turnover³ (€m) and customers



Cumulative whole account profit⁴ (€m)



Establishing excellence in our operations

- #1 L'olivier - best customer service in Motor insurance⁵
- #1 ConTe market rating⁶
- #1 Admiral Seguros - Spain's 2021 GPTW survey; Conte and L'olivier Top 10 in their respective countries

Happy people + Happy customers = More value

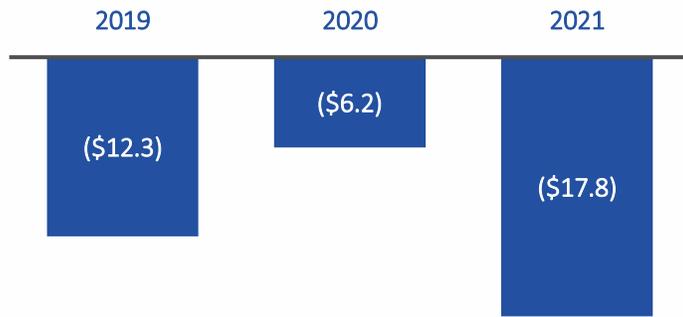


- Growth in challenging markets impacted short term profits
 - Positive Covid impact reduced: Normalising claims frequency, lower average premium, and less demand impacted performance
 - Building long term sustainable businesses at scale remains the priority
- Markets impacted differently by Covid, requiring different strategies
 - Italy and Spain: More cyclical, strong pressure on margins
 - Outperformed the market on growth and average premium
 - Higher cost of growth
 - France: Less severe premium cycle
 - L'olivier accelerated direct acquisition
 - Higher than market average premium
- Businesses creating value despite operating in challenging markets

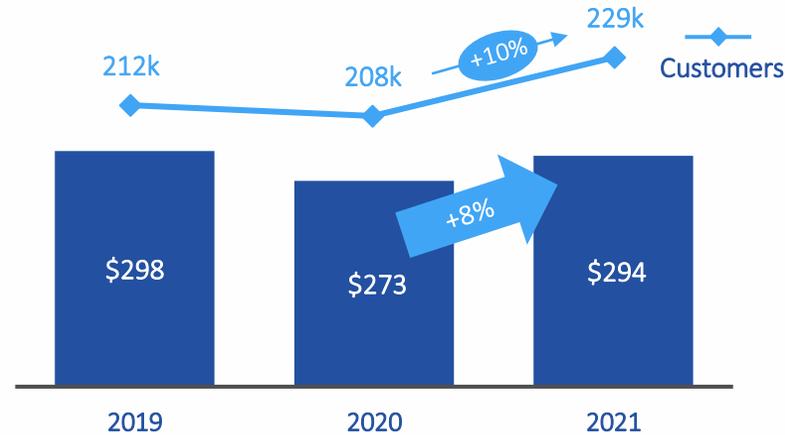
Good growth with easing of Covid benefits driving higher losses



Elephant profit/(loss) (\$m)¹

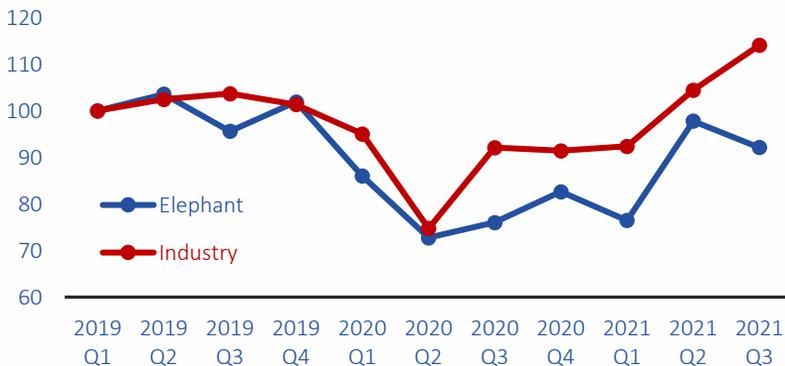


Elephant turnover (\$m) and customers



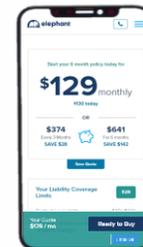
- Challenging market conditions impacted results
 - Higher claims inflation
 - Increased acquisition costs – estimated market cost per click up 12%³
- Solid internal improvements
 - Loss ratio increased less than the market
 - Expense ratio relatively flat despite inflation
 - Effective transition towards more efficient acquisition channels
 - c.50% traffic from agent and comparison channels
- Strong technology capabilities and operational foundations

US loss ratio: Elephant vs Market²
(Indexed to Q1 2019)



Seamless digital experiences from quote all the way to claims

- Solid digital capabilities with **full online journey** for the entire policy lifecycle
- **30% claims filed digitally** vs ~15% industry average³
- **58+ digital NPS** vs ~30-50 industry average³





Admiral's Loans business has a strong people driven culture

Loans

Scott Cargill, Admiral Money CEO



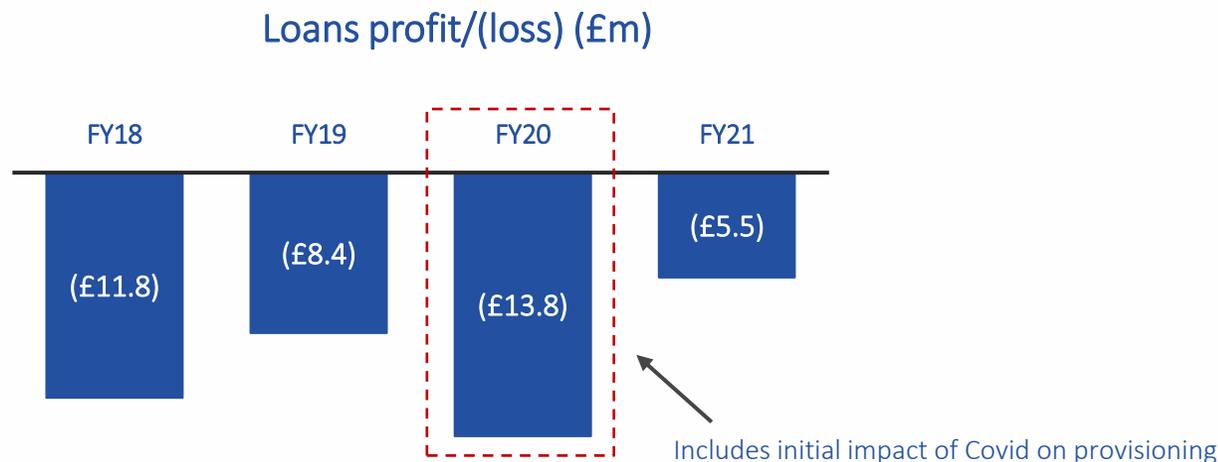
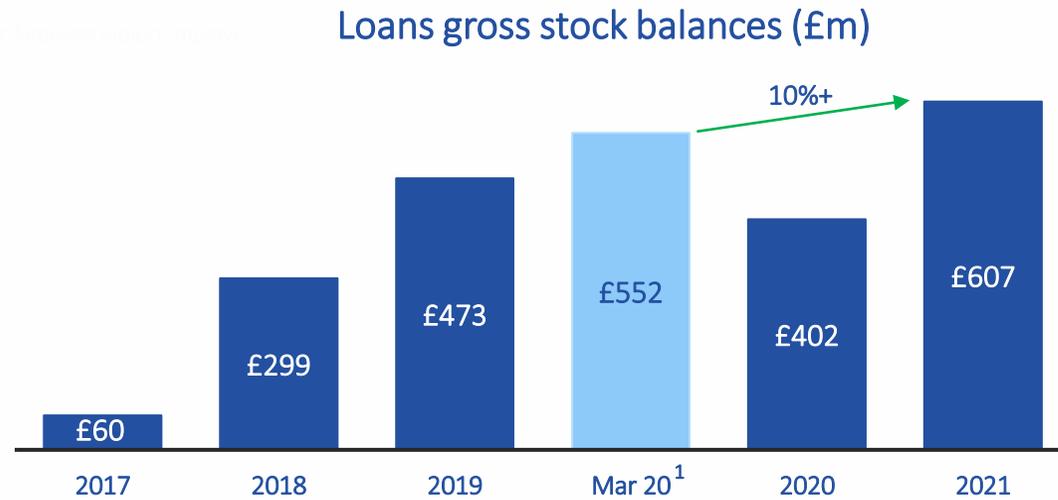
Personal Loans Provider of the Year

Car Finance Provider of the Year

Highlights: Loans

- Loan book growth to £607m gross balances in 2021, now 10% larger than pre-Covid peak and 50% up from last year
- UK Loans market trends are positive for Admiral, with comparison market size returning to 2019 levels and overall share of market increasing
- 2021 saw encouraging progress on capability improvements whilst maintaining appropriately conservative provision (£50m)

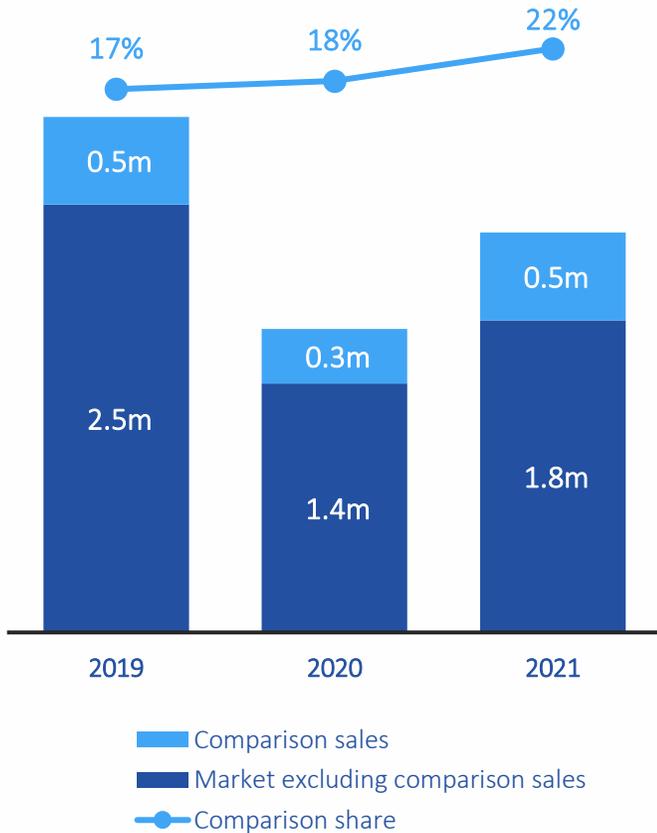
Strong growth in 2021 whilst maintaining a cautious provision



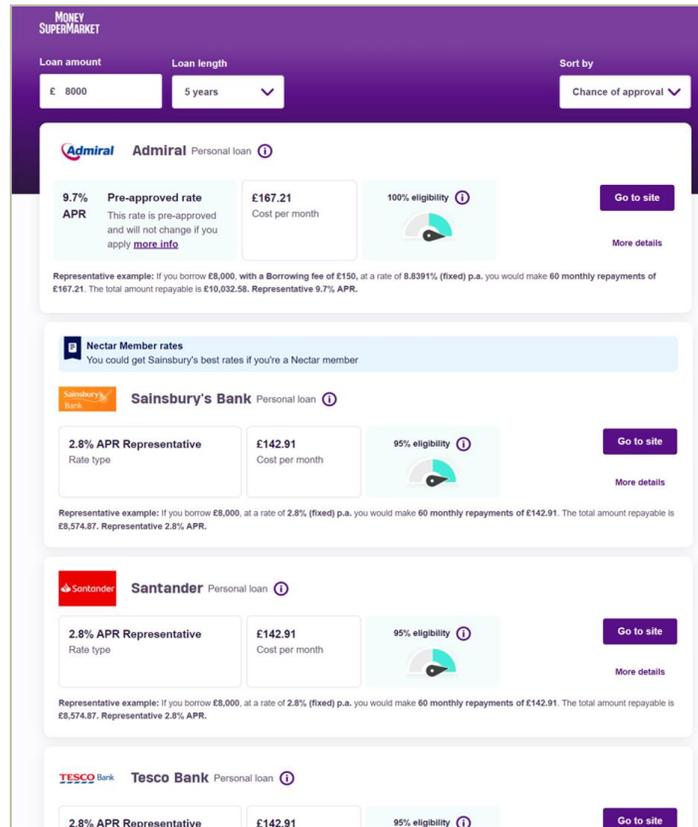
- 2021 was a year of two halves
 - Cautious growth in H1
 - Accelerated growth in H2 as outlook improved
 - Book at £607m, 10% higher than pre-Covid peak
- £50m total loan loss provision; Coverage remains appropriately conservative at 8.2%
- To account for uncertain economic forecasts: £9m (18%) of provisions are model overlays
- Second warehouse funding agreed on improved terms – supports further growth through 2022
- Balance guidance for 2022 in range of £800m-£950m
- Expect bottom line to improve (assuming no macroeconomic shocks)

Market: Customer demand for acceptance certainty and guaranteed rates driving an increase in the share of digital channels

Loan sales through comparison channels & credit score marketplaces



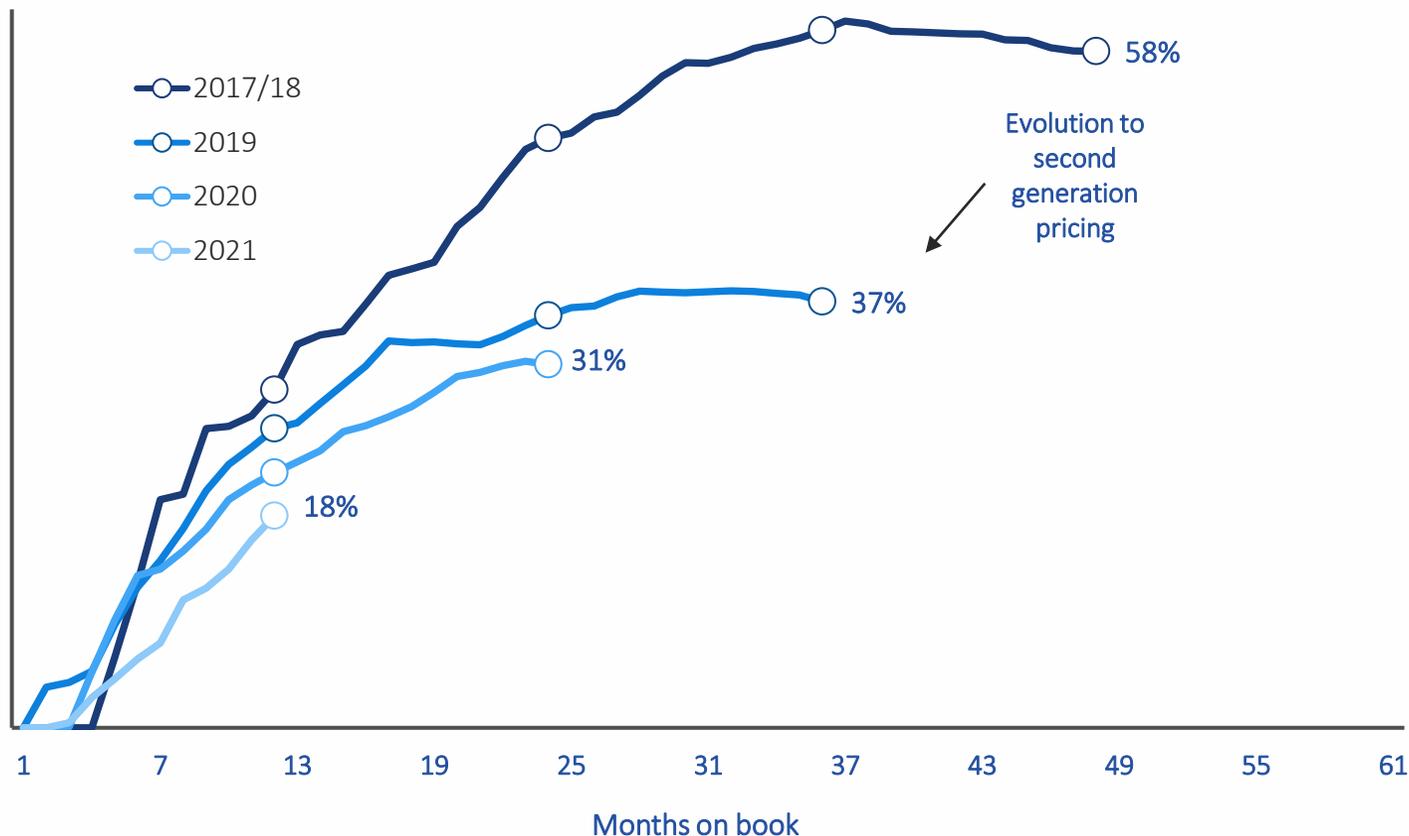
Distribution channels increasingly ranking on acceptance certainty and pricing accuracy



- Loans Profile
 - Prime focus, distribute mostly through price comparison and fixed cost channels
 - Average loan size: ~£8,500
 - Average APR: ~8%
 - Net interest margin ~6%
- Market predicts total loan sales volume to remain below pre-Covid levels until 2023¹
- Comparison loans market already recovered to pre-Covid levels; market share increasing
- Guaranteed rates and acceptance certainty becoming more prominent

Admiral-like capabilities: Striving to do the common, uncommonly well

Loss ratio¹: Actual loss outcomes (£s) / Net interest income (£s)



- Refined risk selection
 - Improving competence in risk selection shows attractive loss ratios
 - Admiral customers outperforming
- Tight expense control
 - Investment for growth in 2021
 - 70%+ of customers now serviced digitally
 - Set up to deliver meaningful economies of scale in 2022
 - Expect to operate at materially lower expense ratio than legacy competitors



Everyday we strive to have a positive impact on society - a core pillar of our sustainability approach

Looking after the future

Milena Mondini de Focatiis, Group CEO

Focus on long term and positive outcomes for all stakeholders is embedded in Admiral DNA

A great place for our people to work



- >95% staff feel treated fairly regardless of race, gender, or sexual orientation¹
- 88% said Admiral is a Great Place to Work¹
- 26th (of 850) in the FT Diversity rankings²

A positive impact on society

- £6m of Covid support funds donated³
- Over 350 organisations supported
- New ambition of Net Zero by 2040
 - 50% reduction by 2030



A great experience for our customers

- >90% Customers would renew following a claim⁴
- 1.2pt Group retention rate increase
- £5m excess fees waived for key workers

A successful business for the future

- + 4% Turnover (£3.51bn)
- + 26% Profit (£769m)
- Supported by long-standing reinsurance partnerships

Some of our partners and commitments



Wrap-up: Strong results and continued progress on strategy

- Continued growth and strong customer outcomes
- Record profit driven by UK Motor insurance, very strong H1 result with lower Covid impact in H2
- Core competencies combined with innovation in digital & data capabilities position Admiral well for future changes
- Focus on long term and sustainability strongly embedded in the business



Thank you

Contractors across our operations play a vital role in creating a safe and secure working environment – we recognised their hard work at an awards ceremony

Appendix

Group Key Performance Indicators

KPI	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Group Financial											
Turnover £m	2,190	2,215	2,030	1,971	2,119	2,576	2,958	3,283	3,463	3,550 ²	3,575
Turnover (continuing ops) £m									3,299	3,366	3,508
Customers m	3.4	3.6	3.7	4.1	4.4	5.2	5.7	6.5	7.0	7.7	8.4
Group pre-tax profit £m	299.1	344.6	370.2	350.7	368.7	278.4	403.5	476.2	522.6	637.6	1,129.2
Group pre-tax profit (continuing ops) £m									505.1	608.2	713.5 ³
Earnings per share	81.9p	95.1p	104.6p	103.0p	107.3p	78.7p	117.2p	137.1p	148.3p	179.5p	335.5p
Earnings per share (continuing ops)									143.7p	170.7p	196.7p
Dividend per share	75.6p	90.6p	99.5p	98.4p	114.4p	114.4p	114.0p	126.0p	140.0p	156.5p	187.0p
UK Insurance											
Customers (000s)	2,966	3,019	3,065	3,316	3,612	4,116	4,616	5,238	5,473	5,977	6,550
Total premiums £m	1,729	1,749	1,562	1,482	1,590	1,863	2,098	2,270	2,322	2,373	2,453
Reported combined ratio	91.9%	90.0%	81.0%	80.0%	79.0%	88.4%	79.7%	83.6%	80.3%	70.7%	79.0%
UK insurance pre-tax profit £m	313.6	372.8	393.9	398.0	443.0	337.5	466.5	556.7	597.9	698.3	840.0 ³
Other revenue per vehicle £	84	79	67	67	63	62	64	67	66	61	59
International Insurance											
Customers (000s)	306	436	515	593	673	864	1,035	1,221	1,421	1,603	1,814
Total premiums £m	112.5	148.5	168.3	185.4	213.3	331.3	401.4	484.3	562.6	584.0	623.8
Reported ¹ combined ratio	164%	177%	140%	127%	126%	125%	121%	116%	114%	108%	119%
International insurance result £m	(9.5)	(24.5)	(22.1)	(19.9)	(22.2)	(19.4)	(14.3)	(1.1)	(0.9)	8.8	(11.6)

Summary Income Statement¹

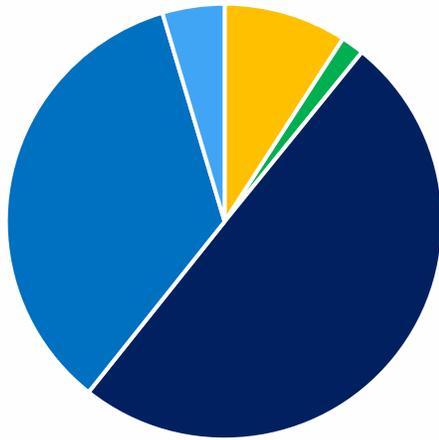
	UK Insurance			International Insurance			Loans			Other			Admiral Group		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Turnover	2,634.9	2,672.0³	2,751.7	623.6	648.8	690.3	32.6	38.4	37.6	7.9	6.8	27.9	3,299.0	3,366.0	3,507.5
Total premiums written	2,321.7	2,373.3	2,453.2	562.6	584.0	623.8	0.0	0.0	0.0	0.0	0.0	21.7	2,884.3	2,957.3	3,098.7
Gross premiums written	1,688.1	1,729.5	1,804.8	535.7	561.2	600.0	0.0	0.0	0.0	0.0	0.0	0.0	2,223.8	2,290.7	2,404.8
Net premiums written	511.3	518.9	548.0	175.8	218.8	225.7	0.0	0.0	0.0	0.0	0.0	0.0	687.1	737.7	773.7
Net earned premium	496.5	500.2	551.3	168.6	204.2	221.0	0.0	0.0	0.0	0.0	0.0	0.0	665.1	704.4	772.3
Investment income	30.4	50.8	40.8	1.5	0.0	0.5	0.0	0.0	0.0	5.3	4.5	4.0	37.2	55.3	45.3
Net insurance claims	(196.0)	(129.1)	(119.0)	(137.2)	(139.3)	(170.8)	0.0	0.0	0.0	0.0	0.1	0.0	(333.2)	(268.3)	(289.8)
Insurance related expenses	(88.2)	(92.2)	(112.6)	(53.0)	(78.8)	(91.7)	0.0	0.0	0.0	0.0	(0.1)	0.0	(141.2)	(171.1)	(204.3)
Underwriting result	242.7	329.7	360.5	(20.1)	(13.9)	(41.0)	0.0	0.0	0.0	5.3	4.5	4.0	227.9	320.3	323.5
Profit commission	114.0	132.4	301.8	0.9	1.6	2.6	0.0	0.0	0.0	0.0	0.0	0.0	114.9	134.0	304.4
Gross ancillary revenue ²	208.2	193.1	174.3	18.7	21.8	28.3	0.0	0.0	0.0	0.0	0.0	0.0	226.9	214.9	202.6
Ancillary costs	(52.3)	(59.3)	(44.3)	(3.3)	(4.6)	(5.1)	0.0	0.0	0.0	0.0	0.0	0.0	(55.6)	(63.9)	(49.4)
Instalment income	85.3	102.4	101.7	2.9	3.9	3.6	0.0	0.0	0.0	0.0	0.0	0.0	88.2	106.3	105.3
Gladiator/Pioneer contribution							0.0	0.0	0.0	1.1	(0.8)	(10.2)	1.1	(0.8)	(10.2)
Comparison revenue							0.0	0.0	0.0	7.3	6.1	5.5	7.3	6.1	5.5
Comparison expenses							0.0	0.0	0.0	(14.5)	(8.4)	(9.0)	(14.5)	(8.4)	(9.0)
Loans contribution							(8.4)	(13.8)	(5.5)	0.0	0.0	0.0	(8.4)	(13.8)	(5.5)
Interest income							0.0	0.0	0.0	0.8	0.4	0.0	0.8	0.4	0.0
Other (mainly share scheme)							0.0	0.0	0.0	(72.2)	(74.8)	(86.8)	(72.2)	(74.8)	(86.8)
Interest payable							0.0	0.0	0.0	(11.3)	(12.1)	(11.4)	(11.3)	(12.1)	(11.4)
Profit/(loss) before tax	597.9	698.3	894.0	(0.9)	8.8	(11.6)	(8.4)	(13.8)	(5.5)	(83.5)	(85.1)	(107.9)	505.1	608.2	769.0
Restructuring costs			(54.0)			0.0			0.0			(1.5)			(55.5)
Profit/(loss) before tax - including restructuring costs			840.0			(11.6)			(5.5)			(109.4)			713.5

Balance Sheet

	Dec-19 £m	Dec-20 £m	Dec-21 £m
ASSETS			
Property, plant and equipment	154.4	140.4	103.2
Intangible assets	160.3	166.7	179.9
Corporation tax asset	-	22.9	10.6
Reinsurance assets	2,071.7	2,083.2	2,176.1
Financial investments	3,234.5	3,506.0	3,742.6
Deferred income tax	-	-	9.3
Insurance and other receivables	1,227.7	1,182.0	1,208.5
Loans and advances to customers	455.1	359.8	556.8
Cash and cash equivalents	281.7	298.2	372.7
Assets associated with disposal group held for sale	-	83.0	-
Total assets	7,585.4	7,842.2	8,359.7
EQUITY			
Share capital	0.3	0.3	0.3
Share premium	13.1	13.1	13.1
Retained earnings	840.9	1,004.4	1,348.8
Other reserves	55.1	94.9	44.0
Total equity (shareholders)	909.4	1,112.7	1,406.2
Non-controlling interests	9.2	10.7	2.3
Total equity	918.6	1,123.4	1,408.5
LIABILITIES			
Insurance contracts	3,975.0	4,081.3	4,215.0
Financial liabilities	530.1	488.6	670.9
Trade and other payables	1,975.9	1,991.2	1,960.0
Deferred income tax	0.4	0.9	0.0
Lease liabilities	137.1	122.8	105.3
Corporation tax liabilities	48.3	-	-
Liabilities associated with disposal group held for sale	-	34.0	-
Total liabilities	6,666.8	6,718.8	6,951.2
Total liabilities and equity	7,585.34	7,842.2	8,359.7

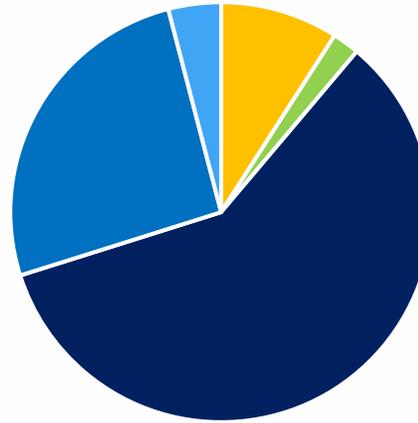
Investment update

Dec '20: £3,858m

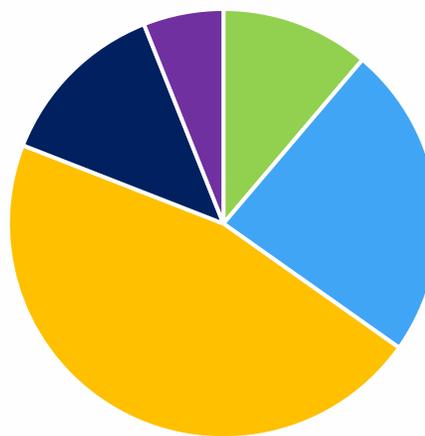
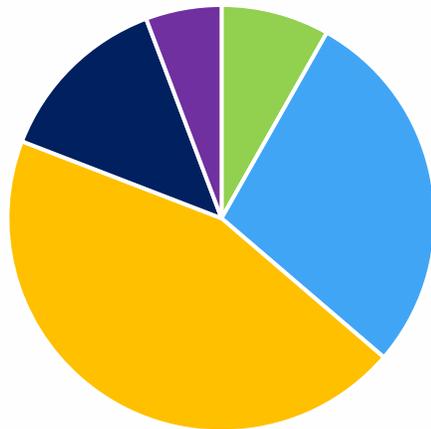


- Cash
- Deposit
- Fixed Income Investments
- Money Market and other funds
- GILTS

Dec '21: £4,115m



- AAA
- AA
- A
- BBB
- Other¹



- Admiral continues to invest in fixed income and has reduced the money market fund exposure over the year, reducing surplus liquidity
- Fixed income includes government and global bond allocations, as well as some private debt

Analysis of Other Group items

	2021 (£m)	2020 (£m)
Share scheme charges	(63.3)	(50.9)
Other interest & investment income	4.0	4.9
Admiral Pioneer	(10.2)	(0.8)
Compare.com loss before tax	(3.5)	(2.3)
Other business development costs	(3.7)	(1.0)
Finance charges	(11.4)	(12.1)
Other central overheads	(19.8)	(22.9)
Total	(107.9)	(85.1)

- Share scheme charges increased by £12.4 million, driven by a combination of the expected increase of the proportion of shares that will eventually vest following strong Group results, as well as a higher share price and higher bonuses linked to the Group's dividend
- The Admiral Pioneer business, focusing on diversification and new products, made a loss of £10.2m
- Compare.com reported a higher loss of £3.5 million, as a result of increased investment in marketing and acquisition in a challenging market environment in the US
- Other central overheads of £19.8 million relate mainly to the costs of a number of major Group projects, such as preparation for the new insurance accounting standard, IFRS 17 and the development of the internal model
- Finance charges of £11.4 million primarily relate to interest on the £200 million subordinated notes issued in July 2014

UK Motor profit recognition: 2021

	Prior	2014	2015	2016	2017	2018	2019	2020	2021	Total
Total earned premium, net of XoL cost (£m)		1,424	1,488	1,759	1,951	2,077	2,026	2,165	1,105	
Total net premium, original share (£m)		356	372	441	435	462	448	481	246	
Combined Ratio, booked basis		85%	82%	80%	80%	90%	92%	87%	132% ¹	
Underwriting profit, net original share (£m)		53	67	88	88	44	36	61	-80	
Profit commission - Coinsurance		37	65	99	67	20	20	49	0	
Profit commission/ releases on commuted QS RI (£m)		35	64	100	160	73	60	113	0	
Net other revenue, excl. Instalments (£m)		159	147	155	148	162	152	130	125	
Instalment income (£m)		25	29	38	72	86	92	106	46	
Investment income, financial year (£m)		12	26	39	33	32	30	51	41	
Cumulative profit by UWY recognised to date (£m)		320	399	520	568	417	390	509	132³	
Profit recognised in current period (£m)	47	23	44	70	110	81	81	285	132	872
Loss Ratio, ultimate ²		70%	65%	63%	63%	69%	67%	62%	85%	
Cumulative profit by UWY, ultimate (£m)		325	406	541	584	469	463	572	149	
Pre-tax profit loss ratio sensitivities (to Booked)²										
1 point improvement (£m)					18	18	18	19	2	
1 point deterioration (£m)					-18	-18	-18	-19	-2	
3 point improvement (£m)					54	55	53	58	7	
3 point deterioration (£m)					-54	-55	-53	-58	-7	
5 point improvement (£m)					90	93	90	96	11	
5 point deterioration (£m)					-90	-89	-82	-95	-11	

UK Motor Insurance: Ultimate loss ratio and expense ratio

Admiral projected ultimate loss ratio^{1,2}



() % movements since June 2021

2017 2018 2019 2020 2021

Admiral Motor expense ratio (written basis)³

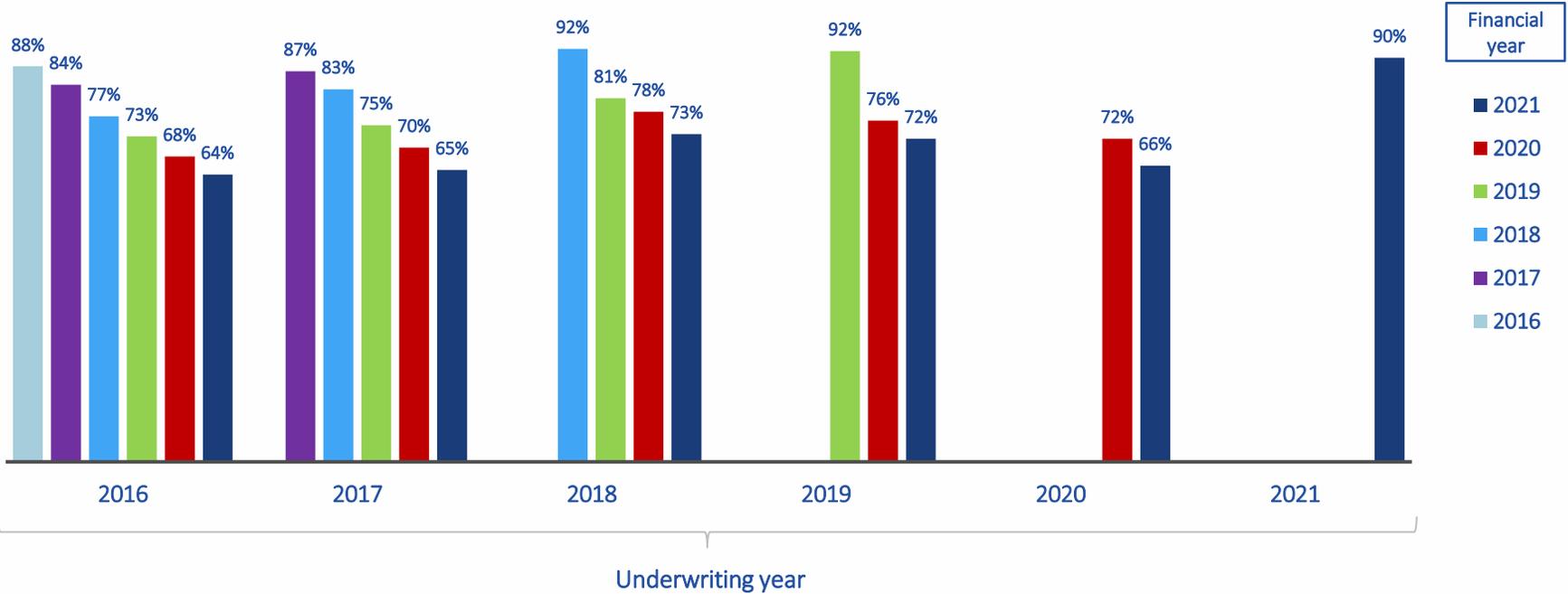


2017 2018 2019 2020 2021

- Recent accident year projections tend to be prudent, particularly when adversely influenced by large bodily injury

UK Car Insurance: Booked loss ratio development by underwriting year

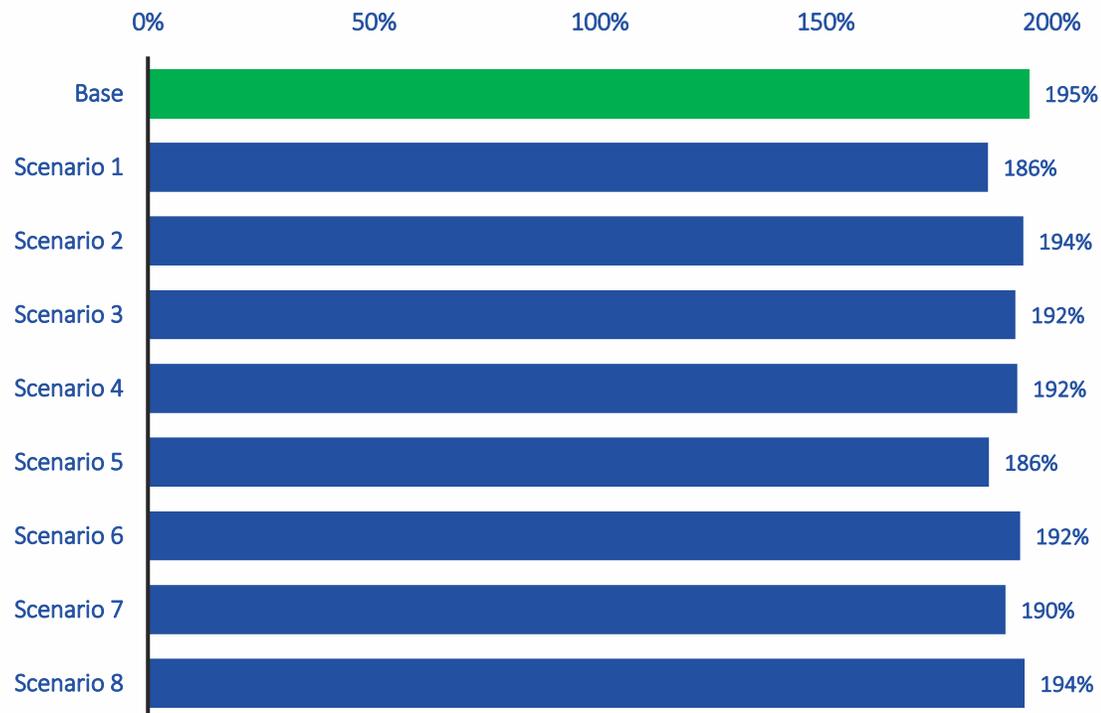
UK car insurance booked loss ratio (%)
 Development by financial year (colour-coded)
 Split by underwriting year (x axis)



Ultimate loss ratio by underwriting year	
2021	85%
2020	62%
2019	67%
2018	69%
2017	63%
2016	63%

Solvency Ratio sensitivities

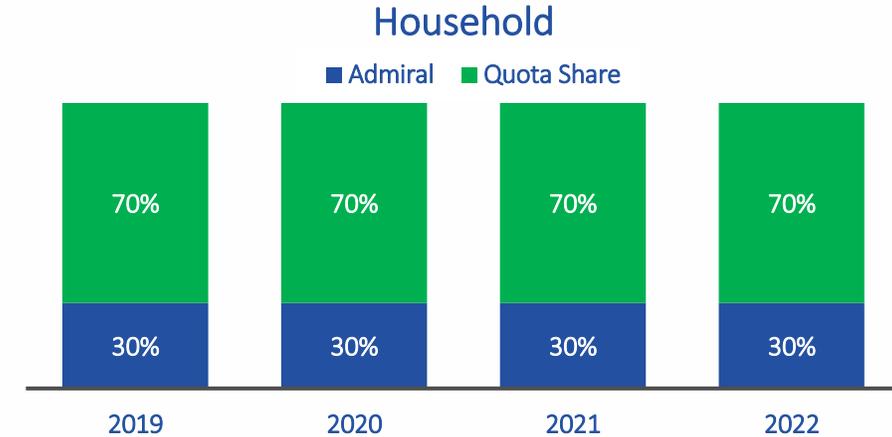
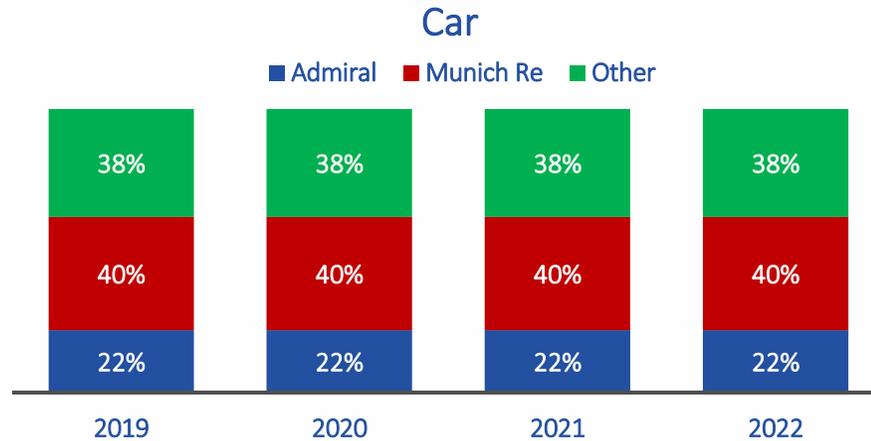
The sensitivities below have been selected to show a range of impacts on the reported base case solvency ratio. They cover the two main material risk types - insurance risk and market risk. Within each risk type the sensitivities performed cover the underlying drivers of the risk profile. The sensitivities have not been calibrated, unless stated, to individual return periods.



Scenarios

1. UK Motor – incurred loss ratio +5%
2. UK Motor – 1 in 200 catastrophe event
3. UK Household – 1 in 200 catastrophe event
4. Interest rate – yield curve down 50 bps
5. Credit spreads widen 100 bps
6. Currency – 25% movement in euro and US dollar
7. ASHE – long term inflation assumption up 0.5%
8. Loans – severe peak unemployment scenario

UK co- and reinsurance arrangements



- 38% 'Other' quota share in place until at least 2023
- Munich Re continues to underwrite 40% of the UK business
 - Current 10% quota share in place to at least 2023
 - Remaining 30% updated as:
 - 10% Quota share until 2026
 - 20% Coinsurance until 2029
 - Improvement in net cost to Admiral from 2022 underwriting year (see next slide)

- Quota share contracts where Admiral retains 30%
- End of initial contract terms approaching; analysis ongoing regarding future contracts

UK Car co- and reinsurance arrangements^{1, 2}

Type	Munich Re Proportional co-insurance – 30% current and 20% from 2022 underwriting year onwards	Proportional reinsurance (quota share) – 48% current (10% Munich Re, 38% other reinsurers) and 58% from 2022 (20% Munich Re, 38% other reinsurers)
Cost to Admiral	Variable, depending on combined ratio	Fixed – c2% of premium
Risk protection	Co-insurance	Starts at 100% combined ratio + Investment Income
Profit commission	<p>Key items in profit commission calculation include premium, claims, expenses, share scheme costs</p> <p>Profit share % variable based on combined ratio and calculated in tranches. Admiral's share of profit is c.65% at typical combined ratios under the current contract and c75% from 2022 underwriting year onwards</p>	<p>Fixed fee to reinsurer, then 100% profit rebate to Admiral thereafter</p> <p>Below ~98% combined ratio = 100%</p>
Funds withheld	No	Vast majority
Investment income	Munich Re	Admiral (provided combined ratio <100%)
Instalment income	Admiral	Admiral
Commutation	Not applicable	Admiral has option to commute contracts and typically does this 2-3 years after the start of the underwriting year

Dividend policy overview and dates

Dividend policy and guidance

- Admiral will pay 65% of post-tax profits as a normal dividend each half-year
- Admiral expects to continue to distribute all earnings not required to be retained for solvency and buffers
- Therefore expect normal plus special dividend to be in the order of 90-95% of earnings for foreseeable future

Dividend dates

Ex-dividend date: 05 May 2022

Record date: 06 May 2022

Payment date: 06 June 2022

Key definitions

Term	Definition
Accident year	The year in which an accident occurs, also referred to as the earned basis.
Co-insurance	An arrangement in which two or more insurance companies agree to underwrite insurance business on a specified portfolio in specified proportions. Each co-insurer is directly liable to the policyholder for their proportional share.
Combined ratio	The sum of the loss ratio and expense ratio.
Commutation	An agreement between a ceding insurer and the reinsurer that provides for the valuation, payment, and complete discharge of all obligations between the parties under a particular reinsurance contract.
Expense ratio	Reported expense ratios are expressed as a percentage of net operating expenses divided by net earned premiums.
Ogden discount rate	The discount rate used in calculation of personal injury claims settlements. The rate is set by the Lord Chancellor, the most recent rate of minus 0.25% in England and Wales and minus 0.75% in Scotland implemented on 05 August 2019.
Loss ratio	Reported loss ratios are expressed as a percentage of claims incurred divided by net earned premiums.
Periodic Payment Order (PPO)	A compensation award as part of a claims settlement that involves making a series of annual payments to a claimant over their remaining life to cover the costs of the care they will require.
Total / Gross / Net Premium	Total = total premiums written including coinsurance Gross = total premiums written including reinsurance but excluding coinsurance Net = total premiums written excluding reinsurance and coinsurance
Reinsurance	Contractual arrangements whereby the Group transfers part or all of the insurance risk accepted to another insurer. This can be on a quota share basis (a percentage share of premiums, claims and expenses) or an excess of loss basis (full reinsurance for claims over an agreed value).
Ultimate loss ratio	The projected ratio for a particular accident year or underwriting year, often used in the calculation of underwriting profit and profit commission.
Underwriting year	The year in which the latest policy term was inception.
Underwriting year basis	Also referred to as the written basis. Claims incurred are allocated to the calendar year in which the policy was underwritten. Underwriting year basis results are calculated on the whole account (including co-insurance and reinsurance shares) and include all premiums, claims, expenses incurred and other revenue (for example instalment income and commission income relating to the sale of products that are ancillary to the main insurance policy) relating to policies incepting in the relevant underwriting year.
Written/Earned basis	A policy can be written in one calendar year but earned over a subsequent calendar year.

Admiral brands



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