



Positive claims experience drives strong Admiral Group results for H1 2021

11 August 2021 6:00 AM BST

2021 Interim Results Highlights

	30 June 2021	30 June 2020	% change
Group profit before tax, continuing operations ¹	£482.2 million	£274.4 million	+76%
Earnings per share, continuing operations ¹	132.9 pence	79.7 pence	+67%
Group profit before tax, including discontinued operations and gain on disposal ²	£897.9 million	£286.1 million	+214%
Interim dividend per share ³	115.0 pence	70.5 pence	+63%
First special dividend per share from sale of Penguin Portals comparison businesses	46.0 pence	--	--
Return on equity ^{1 2}	68%	50%	+36%
Group turnover ^{1 2 4}	£1.75 billion	£1.60 billion	+9%
Net revenue ¹	£0.79 billion	£0.61 billion	+30%
Group customers ²	8.02 million	7.17 million	+12%
UK Insurance customers ²	6.22 million	5.58 million	+12%
International Insurance customers ²	1.71 million	1.49 million	+14%
Loans and advances to customers, net of provision	£425.7 million	£455.3 million	-7%
Solvency ratio (post dividend) ^{2 5}	209%	186%	+12%

¹ Group profit before tax, Earnings per share, Group turnover, Net revenue and Return on equity presented on a continuing operations basis

² Alternative Performance Measures - refer to the end of the report for definition and explanation

³ Prior period interim dividend excludes the 20.7 pence special dividend, deferred from 2019

⁴ Group Turnover in H1 2020 includes the impact of the 'Stay at Home' premium refund issued to UK motor insurance customers of £97 million. Refer to the Alternative Performance Measures section at the end of this report for further explanation

⁵ Solvency ratio excludes positive impact of capital held from Penguin Portals disposal to be returned to shareholders

Around 10,000 staff each receive an award worth up to £1,800 under the employee share scheme based on the interim 2021 results.

Comment from Milena Mondini de Focatiis, Group Chief Executive Officer

"A good strategy is a plus; good execution is a must, especially in times of disruption. It's been a half year of good execution for Admiral. By and large, we've done the right things more often and a bit earlier than most.

"This included adjusting pricing ahead of the market in the UK to reflect shifting pandemic-related claims trends and providing more self-service and digital options to our customers. These actions have rewarded us with double digit growth in policy numbers in the UK and in international insurance, whilst operating in very competitive markets.

"Another highlight of this half year is a notably higher level of profit - driven by positive development of prior years in our UK Motor book resulting in increased reserve releases and higher than usual profit commission, as well as lower levels of claims frequency. We also made progress against our long-term strategy, increasing adoption of advanced analytics models and planting new seeds for product diversification.

"I am delighted that we can once again pay a record dividend (which includes a part of the proceeds from the sale our comparison businesses) to our shareholders, including our staff who continued to work hard to provide great service to our customers. I would also like to thank all of our customers for their continued trust in us."

Dividend

The Board has declared an interim dividend of 115.0 pence, made up of a normal dividend of 87.9 pence per share and a special dividend of 27.1 pence per share, 63% higher than the 2020 interim dividend of 70.5 pence per share (excluding the deferred special dividend of 20.7 pence from 2019 which was paid alongside the 2020 interim dividend). The payment represents 87% of first half earnings per share from continuing operations.

The Board has also declared a further special dividend of 46.0 pence per share reflecting the first payment of the phased return to shareholders of the proceeds from the sale of the Penguin Portals comparison businesses. This brings the total interim dividend to 161.0 pence, made up of a normal dividend of 87.9 pence per share and a total special dividend of 73.1 pence per share.

Payment will be on 1 October 2021. The ex-dividend date is 2 September 2021 and the record date is 3 September 2021.

Management presentation

Analysts and investors will be able to access the Admiral Group management presentation which commences at 9.00 BST on Wednesday 11 August 2021 by registering at the following link on webcast at <https://pres.admiralgroup.co.uk/admiral040> or via conference call at https://pres.admiralgroup.co.uk/admiral040/vip_connect. A copy of the presentation slides will be available at www.admiralgroup.co.uk

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