



Admiral Group plc announces a record Group profit before tax of £479.3 million for the year ended 31 December 2018

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2018 Results Highlights

	2018	2017 ^{*2}	% change ^{*2}
Group's share of profit before tax (Ogden 0%) ^{*1}	£479.3 million	£405.4 million	+18%
Group's share of profit before tax (Ogden -0.75%) ^{*1}	£413.3 million	£405.4 million	+2%
Group statutory profit before tax (Ogden 0%)	£476.2 million	£403.5 million	+18%
Group statutory profit before tax (Ogden -0.75%) ^{*1}	£410.2 million	£403.5 million	+2%
Earnings per share (Ogden 0%)	137.1 pence	117.2 pence	+17%
Earnings per share (Ogden -0.75%)	118.2 pence	117.2 pence	+1%
Full year dividend ^{*3}	126.0 pence	114.0 pence	+11%
Return on equity ^{*1}	56%	55%	+2%
Group turnover ^{*1}	£3.28 billion	£2.96 billion	+11%
Group net revenue	£1.26 billion	£1.13 billion	+12%
Group customers ^{*1}	6.51 million	5.73 million	+14%
UK insurance customers ^{*1}	5.24 million	4.62 million	+13%
International car insurance customers ^{*1}	1.22 million	1.03 million	+18%
Group's share of price comparison profit ^{*1}	£8.8 million	£7.1 million	+24%
Statutory price comparison profit	£6.6 million	£5.4 million	+22%
Solvency ratio (post dividend) ^{*2}	194%	205%	

Around 10,000 staff each receive free shares worth a total of £3,600 under the employee share scheme based on the full year 2018 results.

^{*1} Alternative Performance Measures

^{*2} The Group's 2017 financial results were reported on an Ogden discount rate -0.75% basis. 2018 reported results reflect the impact of a change in assumption for the Ogden rate to 0%, with the equivalent results on a -0.75% basis also included above.

^{*3} 2018 dividend includes an additional dividend of 11 pence per share relating to the increase in post-tax profits from the change in Ogden discount rate assumption

Comment from David Stevens, Group Chief Executive Officer

2018 was another pleasing result with rapid growth and record profit for the Group. It was, however, characterised by some "yes, but's"... , as well as some unequivocal YES's !

Yes, we delivered record profits and dividends, *but* we were helped by the UK government's decision to unwind partially the change in the Ogden discount rate from a couple of years ago.

Yes, we grew rapidly pretty much across the board, *but* growth in the core UK Motor business slowed in the second half as we reduced our competitiveness in the face of rising claims costs.

Yes, our biggest price comparison site, *Confused.com*, grew both market share and profits, *but Compare.com*, our US site, struggled as other advertisers upped their spends.

There were, however, two unequivocal *ye*s. The rapid growth and improved ratios from our international insurers and our first ever 'First' in the *Sunday Times* Best Company to Work For competition.

Mostly happy staff, mostly happy customers, and increased dividends. Something for everyone.

Dividend

The Directors have proposed a final dividend of 66.0 pence per share (2017: 58.0p) representing a normal dividend (65% of post-tax profits) of 49.6 pence per share and a special dividend of 16.4 pence per share. 11 pence per share of the final dividend is related to the Ogden profit benefit. The dividend will be paid on 31 May 2019. The ex-dividend date is 9 May 2019 and the record date is 10 May 2019.

Management presentation

Analysts and investors will be able to access the Admiral Group management presentation which commences at 10.30am GMT on Thursday 7 March 2019 by registering at the following link https://pres.admiralgroup.co.uk/admiral035/vip_connect. A copy of the presentation slides will be available at www.admiralgroup.co.uk

2018 Group Overview

The Group maintained strong growth with turnover up 11% to £3.28 billion (2017: £2.96 billion) and net revenue 12% higher at £1.26 billion (2017: £1.13 billion). Customer numbers increased by 14% to 6.51 million (2017: 5.73 million).

The Group's share of pre-tax profit was up 18% to £479.3 million (2017: £405.4 million) and statutory profit before tax also up 18% to £476.2 million (2017: £403.5 million). Both saw significant growth, primarily due to the impact of the change in Ogden discount rate assumption (Admiral has made a best estimate assumption for the 2018 results with an Ogden rate of 0%) that leads to an increase in both underwriting profit and profit commission shown above.

Excluding the Ogden impact, the Group's share of profit before tax increased by 2% to £413.3 million, with improved results from the UK Insurance, International Insurance and Price Comparison segments, offset by increased investment (due to growth) in Admiral Loans and higher central costs.

UK Insurance turnover and customers both increased by 9% and 13% respectively to £2.6 billion and 5.2 million (2017: £2.4 billion and 4.6 million). Excluding Ogden, there was a significant increase in instalment income driven by Admiral retaining the instalment income since 2017, previously proportionately shared with Munich Re as well as a general increase in instalment income revenue.

UK Household saw strong growth in turnover and customer numbers, though its result was impacted by weather and subsidence events leading to a loss of £3.0 million (2017: £4.1 million profit).

There was an improvement in the international insurance result, with a reduced loss of £1.1 million (2017: £14.3 million loss). European insurance businesses recorded an aggregate profit of £6.4 million (2017: £1.9 million loss).

Price comparison recorded aggregate profit (excluding minority interests' share) of £8.8 million (2017: £7.1 million), mainly driven by the increased profit of Confused.com of £14.3 million (2017: 10.1 million).

Annette Court, Admiral Group Chairman, commented:

I'm delighted that the Group has reported another year of record profit, and just as delighted that Admiral has been voted as Best Large Company to Work for in the UK by the *Sunday Times*. This is an endorsement of our distinctive culture, where the dedication and passion of our people are key to ensuring the best possible service for our customers and delivering another year of strong results.

I'd also like to take this opportunity to congratulate David Stevens on being awarded 'Best Leader' by the *Sunday Times* for the third year running.

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