



Admiral Group plc announces another year of strong growth and profit before tax of £284 million for the year to 31 December 2016

8 March 2017 7:00 AM GMT

Today (8th March) Admiral Group announced its Full Year Results for 2016 which show how the Group performed across the year.

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2016 Preliminary Results Highlights

	2016	2015	% change
Group's share of profit before tax – pre Ogden	£389.7 million	£376.8 million	+3%
Group's share of profit before tax – post Ogden	£284.3 million	£376.8 million	-25%
Earnings per share – pre Ogden	109.6 pence	107.3 pence	+2%
Earnings per share – post Ogden	78.7 pence	107.3 pence	-27%
Full year dividend	114.4 pence	114.4 pence	0%
Return on equity	37%	49%	-24%
Group turnover	£2.58 billion	£2.12 billion	+22%
Group customers	5.15 million	4.43 million	+16%
UK insurance customers	4.12 million	3.61 million	+14%
International car insurance customers	864,200	673,000	+28%
Group's share of price comparison profit	£2.7 million profit	£7.2 million loss	
Solvency ratio (post dividend)	212%	206%	+3%

Almost 9,000 staff each receive free shares worth a total of £3,600 under the employee share scheme based on the full year 2016 results

Comment from David Stevens, Group Chief Executive Officer

"My first full year as CEO, and after 25 years of almost uninterrupted profit growth under my predecessor, profits are down a quarter! Not exactly a flying start!

On the other hand our ability to grow our businesses rapidly, both in the UK and overseas, and to absorb the shock of an eccentric government decision on discount rates while delivering a 37% return on equity and again paying a substantial dividend is a tribute to the health of the business and resilience of our model.

I am also delighted that for a record 17th year in a row, Admiral Group has continued its success in the Sunday Times Best Companies to Work For, placing 2nd, our joint highest position ever."

Dividend

The Directors have proposed a final dividend of 51.5 pence, representing a normal dividend of 15.0 pence per share and a special dividend of 36.5 pence per share. The dividend will be paid on 2 June 2017. The ex-dividend date is 11 May 2017 and the record date is 12 May 2017.

Management presentation

Analysts and investors will be able to access the Admiral Group management presentation which commences at 8.00 GMT on Wednesday 8 March 2017 by dialling + 44 (0)20 3059 8125. A copy of the presentation slides will be available at www.admiralgroup.co.uk

Group overview

The Group has seen strong growth in 2016 with turnover up 22% to £2.58 billion (2015: £2.12 billion). Customer numbers were 16% higher at 5.15 million (2015: 4.43 million).

The Group's share of pre-tax profits of £284.3 million (2015: £376.8 million) has been materially affected by the impact of the change by the UK Government to the UK discount rate (commonly referred to as the 'Ogden discount rate'), used to value personal injury claims, which has reduced UK Insurance profits. If the rate had remained unchanged, the Group's share of pre-tax profit would have been £390 million.

During 2016, the Group's UK Insurance business, consisting of UK Car and UK Household, enjoyed favourable market conditions and delivered strong growth in turnover to £2.06 billion (2015: £1.76 billion). Customer numbers reached 4.1 million (2015: 3.6 million). The UK Insurance business accounts for 80% of Group turnover and customers (2015: 83% and 81% respectively).

Outside the UK, Admiral's International Insurance businesses grew combined turnover by 57% to £365.9 million (2015: £232.4 million). Customer numbers grew by 28% to 864,000 (2015: 673,000). Encouraging progress was made in combined ratio terms, and in aggregate the segment recorded reduced losses of £19.4 million (down from £22.2 million) with the Group's Italian insurer ConTe recording a profit for the third consecutive year.

Finally, Admiral's Price Comparison businesses made a combined profit, again excluding minority interests' shares, of £2.7 million (2015: loss £7.2 million). Confused.com in the UK grew revenue and saw a 29% increase in profit to £16.1 million from £12.5 million. The international price comparison businesses reported a reduced aggregate loss of £13.4 million (2015: loss £19.7 million) with growing profit in the European operations (£2.8 million, up from £1.8 million) offset by the loss in compare.com of £16.2 million (2015: loss £21.5 million).

Notwithstanding the impact of the change in the Ogden discount rate resulting in lower second half profits, the strength of the Group's capital position has allowed the Board to propose a final dividend of 51.5 pence per share (£144 million), resulting in a total dividend for the financial year of 114.4 pence per share (2015: 114.4 pence).

Further detail on Ogden as well as business performance and financial position is included in the preliminary results announcement.