



## Hastings Group Holdings plc

### Trading update for the three months ended 31 March 2017

28 April 2017

Hastings Group Holdings plc ('the Group', or 'Hastings') today provides an update on its trading performance for the three months ended 31 March 2017.

Hastings has delivered another quarter of profitable growth, with a further increase in live customer policies, higher average premiums and growing retail income. The Group has grown its market share whilst continuing to make targeted rate increases in response to the reduction in the Ogden discount rate.

#### Business highlights

- **Live customer policies** increased to 2.42 million as at 31 March 2017, a 14% year on year increase (2.12 million as at 31 March 2016).
- **Gross written premiums** up 26% to £214.7m for the three months ended 31 March 2017 (three months ended 31 March 2016: £171.0m).
- **Market share** of UK private car insurance<sup>(1)</sup> up to 6.7% as at 31 March 2017 (6.0% as at 31 March 2016).
- **Net revenue** increased by 24% to £164.5m for the three months ended 31 March 2017 (three months ended 31 March 2016: £132.7m).

#### Gary Hoffman, Chief Executive Officer of Hastings Group Holdings plc, commented:

*"Hastings has once again delivered another quarter of profitable growth. Our agile, data driven business model continues to generate double digit growth with live customer policies growing by 14% to 2.4 million and gross written premiums increasing by 26% in the period. Our focus on providing customers with refreshingly straightforward service has helped us achieve a strong retention rate, whilst we've continued to gain share of the overall private car insurance market as a result of the growth of the price comparison websites.*

*"The recent Ogden rate change has increased premiums across the market. Our digitally focused business model will allow us to benefit from increased price comparison website usage as our agile, data driven pricing enables us to provide the most competitive deal to more customers searching online.*

*"Supported by all of our 2,700 Colleagues, we look forward with confidence in our ability to deliver against our targets."*

## Group performance update

	Three months ended 31 March 2017	Three months ended 31 March 2016	Year on Year Growth
Live customer policies ( <i>as at 31 March, million</i> )	2.42	2.12	14%
UK Private car market share ( <i>as at 31 March, %</i> )	6.7%	6.0%	70 bps
Gross written premiums (£m)	214.7	171.0	26%
Net revenue (£m)	164.5	132.7	24%

### Revenue growth

Gross written premiums increased by 26% year on year to £214.7m, driven by growth in live customer policies ('LCP') to 2.42 million and continuing targeted rate increases.

Through strong customer retention rates and increasing penetration of price comparison websites ('PCW'), the Group has grown LCP by 14%, marking the sixth consecutive quarter since listing that Hastings has achieved year on year double digit growth. On 27 February 2017, the Lord Chancellor announced a reduction in the personal injury discount rate ('the Ogden rate') from 2.5% to minus 0.75%. Hastings' agile pricing and digitally focused business model positions the Group to benefit from higher PCW usage in the face of the industry wide premium increases that have been seen following the decrease in the Ogden rate.

Net revenue has grown by 24% to £164.5m for the three months ended 31 March 2017 due to the earn through of higher average premiums and growing retail income driven by increases in policy numbers.

### Outlook

The Board is pleased with the strong trading performance delivered by the Group in the first three months of the year and confirms that Hastings is well positioned to continue its profitable growth, and deliver against the targets set.

For more information, please contact:

**Hastings Group**

**Richard Hoskins**

**Chief Financial Officer**

T: +44 (0)1424 738244 [ir@hastingsplc.com](mailto:ir@hastingsplc.com)

**Louise Underwood**

**Director of Investor Relations**

T: +44 (0)1424 738244 [ir@hastingsplc.com](mailto:ir@hastingsplc.com)

**Instinctif Partners**

**Giles Stewart**

T: +44 (0)207 457 2020 [hastings@instinctif.com](mailto:hastings@instinctif.com)

## **About Hastings**

Founded in 1996 in Bexhill-on-Sea on the Sussex coast, the Hastings Group is now one of the fastest growing general insurance providers to the UK market, with over 2.4 million live customer policies and employing 2,700 colleagues at sites in Bexhill, Newmarket, Leicester and Gibraltar.

Hastings provides refreshingly straightforward products and services to UK car, bike, van and home insurance customers with around 90% of policies directly underwritten by its Gibraltar based insurer, Advantage Insurance Company Limited.

Hastings Direct is a trading name of Hastings Insurance Services Limited, the Group's UK broker, which also trades via 'Hastings Premier', 'Hastings Essential', 'Hastings Direct SmartMiles', 'People's Choice' and 'insurePink'.

The Group operates as an integrated insurance provider with two businesses. The Group's Retail business, Hastings Insurance Services Limited, is responsible for the end customer pricing, fraud management product design, distribution and management of the underlying customer relationships. The Group's Underwriting business, Advantage Insurance Company Limited, engages in risk selection, underlying technical pricing, reserving and claims handling.

Retail is supported by, and benefits from, Underwriting's prudent approach to risk and reserving and also benefits from a panel of insurance partners who provide additional underwriting capacity. The Group's integrated model deliberately separates underlying product manufacturing from its distribution.

## **Forward-looking statements**

This results announcement, and associated presentation and conference calls, may contain forward-looking statements, including statements about market trends and our strategy, investments, future operations, industry forecasts, regulatory framework and levels of leverage and indebtedness. Forward-looking statements provide our current expectations, intentions or forecasts of future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as "anticipate", "believe", "continue", "ongoing", "estimate", "expect", "intend", "may", "plan", "potential", "predict", "project", "target", "seek" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements for many reasons, including the factors described in the section entitled "Managing our risks" in our 2016 Annual Report. In addition, even if our actual results are consistent with the forward-looking statements, those results or developments may not be indicative of results or developments in subsequent periods.

## **Notes**

- 1) UK private car market share is calculated using Hastings' internal data for UK motor policies and information published by the Department for Transport on the size of the UK private car insurance market.