



Hastings Group Holdings plc

Trading update for the quarter ended 31 March 2018

26 April 2018

Hastings Group Holdings plc ('the Group', or 'Hastings'), the technology driven insurance provider, today provides an update on its trading performance for the quarter ended 31 March 2018.

The Group's focus on digital distribution and underwriting discipline continued to deliver profitable growth during a quarter that featured continued price competition and adverse weather conditions.

Financial highlights

- **Live customer policies** increased to 2.67 million as at 31 March 2018, a 10% year on year increase (2.42 million as at 31 March 2017).
- **Market share** of UK private car insurance up to 7.4% as at 31 March 2018 (6.7% as at 31 March 2017).
- **Gross written premiums** up 16% to £942.2m for the 12 months ended 31 March 2018 (31 March 2017: £812.7m) and up 5% to £226.0m for the 3 months ended 31 March 2018 (31 March 2017: £214.7m).
- **Net revenue** increased by 18% to £735.6m for the 12 months ended 31 March 2018 (31 March 2017: £622.0m) and increased by 12% to £184.5m for the 3 months ended 31 March 2018 (31 March 2017: £164.5m).
- **The snow and icy weather conditions** in the quarter resulted in higher claims costs than expected, however the Group remains confident of delivering a calendar year loss ratio just below or within the target range of 75-79%.

Operational highlights

- **Continued the successful phased rollout of Guidewire**, our next generation claims and broking platform, which now handles over 500,000 policies and 95% of claims.
- **Launched new digital functionality for customers** including the ability to make changes to policies online.
- **Successful digital total loss pilot completed** to provide customers a quick and easy online claims settlement journey with reduced settlement times, whilst also delivering internal efficiencies in claims handling processes.
- **Implemented a new digital customer feedback platform** and launched new software to test and optimise different mobile and web customer journeys.
- **In support of ongoing growth**, recruited over 200 colleagues in Bexhill and Leicester.
- **Launched female, ethnic and age diversity task forces** to further harness the power of a diverse workforce.

Toby van der Meer, Chief Executive Officer of Hastings Group Holdings plc, commented:

"I'm pleased to announce another consecutive quarter of profitable growth. We have again grown our market share, to 7.4%, and now serve 2.7 million customers, up 10% on last year. We remain on track to deliver on our targets, including achieving 3 million customers during 2019 whilst maintaining our underwriting discipline and strong capital position."

"During the quarter we further enhanced our digital capabilities and continued the successful rollout of our new operational platform. We effectively traded through another competitive period for UK motor insurance, seeing good growth, in particular, in March and April. Our digital, data driven and agile business model leaves us well positioned to take advantage of continued consumer switching and growth of digital channels."

"Our continued success is primarily a testament to our people. My thanks go to all my 3,400 colleagues for what they do every day for our customers, and for each other."

Group performance update

	3 months ended			12 months ended		
	31 March 2018	31 March 2017	Growth	31 March 2018	31 March 2017	Growth
Gross written premiums (£m)	226.0	214.7	5%	942.2	812.7	16%
Net revenue (£m)	184.5	164.5	12%	735.6	622.0	18%

	As at		
	31 March 2018	31 March 2017	Growth
Live customer policies (million)	2.67	2.42	10%
UK Private car market share (%)	7.4%	6.7%	70 bps

Trading environment and revenue growth

Average written premium increases, along with increases in customer numbers, have driven the 16% growth in gross written premiums for the 12 months ended 31 March 2018 to £942.2m. Net revenue has grown by 18% over the same period to £735.6m.

As communicated in the Hastings 2017 year end results announcement, the market pricing environment was challenging in the first two months of 2018. The Group has seen an improvement in trading since then, including policy count growth, and remains confident of meeting the target of 3 million customers during 2019.

The snow and icy weather conditions experienced in February and March 2018 have driven a higher increase in claims frequency than would have been expected for the quarter. This is not anticipated to significantly impact the Group's calendar year loss ratio which is expected to be just below or within our target range of 75-79%.

Outlook

The Group has continued to deliver profitable trading performance in the first quarter and the Board is pleased to confirm that Hastings is well positioned to continue its profitable growth, and we remain on track to deliver in line with all of our targets during 2019.

For more information, please contact:

Hastings Group

Richard Hoskins

Chief Financial Officer

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

Louise Underwood

Director of Investor Relations

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

Instinctif Partners

Giles Stewart

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

About Hastings

Founded in 1996 in Bexhill-on-Sea on the Sussex coast, the Hastings Group is one of the fastest growing general insurance providers to the UK market, with 2.7 million live customer policies and employing over 3,400 colleagues at sites in Bexhill, Leicester, Gibraltar and London.

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 trading update may contain forward-looking statements about current expectations, intentions or forecasts of future events, including statements about market trends and our strategy, investments, future operations, industry forecasts and regulatory framework. 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 2017 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.