

# Admiral Group plc 2024 Full Year Results

6<sup>th</sup> March 2025

## Overview

Milena Mondini de Focatiis, Group CEO

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## Group Financials

Geraint Jones, Group CFO

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## UK Insurance

Alistair Hargreaves, UK Insurance CEO

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## International Insurance

Costantino Moretti, Head of International Insurance

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## Admiral Money

Scott Cargill, Admiral Money CEO

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## Wrap-up

Milena Mondini de Focatiis, Group CEO

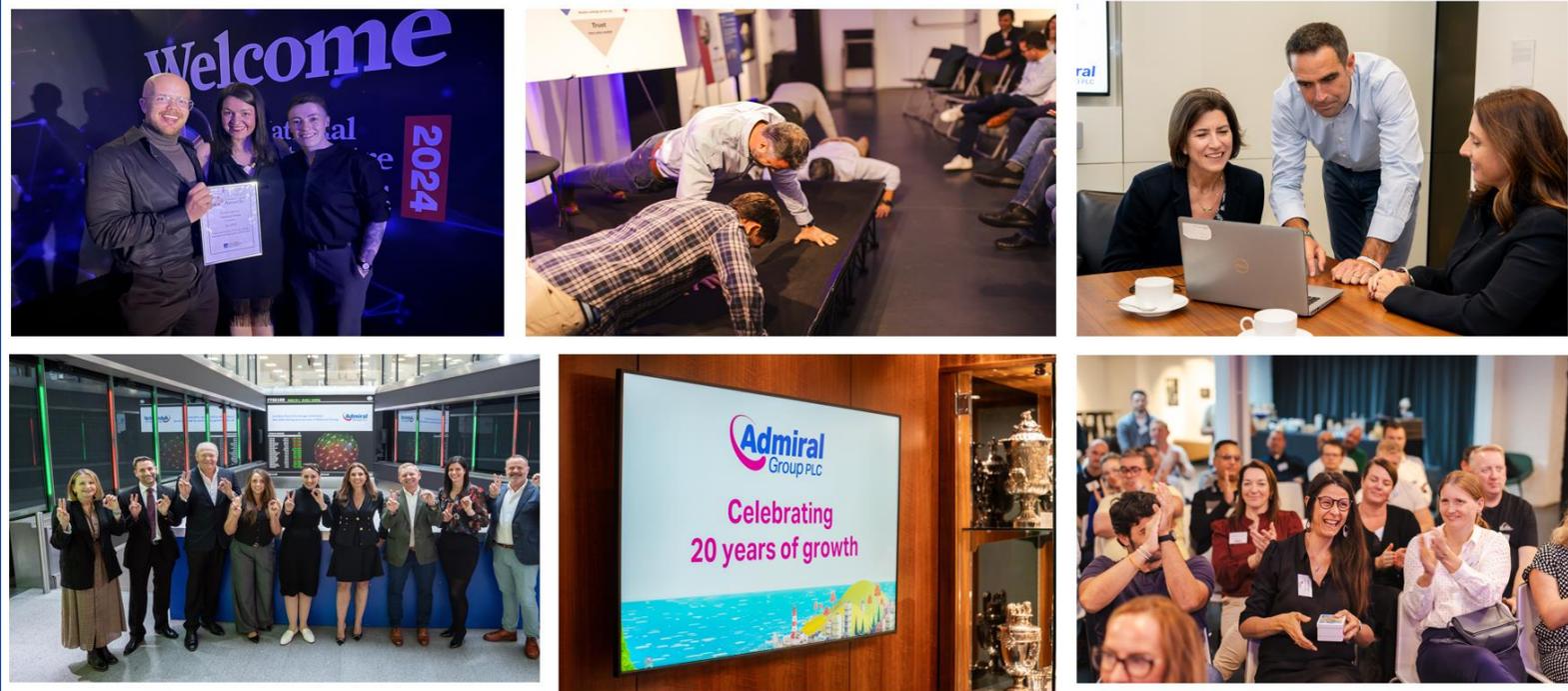
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## Q&A

All

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*Admiral is now a larger and more diversified business serving over 11 million customers and their evolving needs*

# Overview

Milena Mondini de Focatiis, Group CEO

# Excellent results; strong growth in customers, revenues and profits

- Significant growth momentum in 2024 with record group turnover and customer numbers
- All-time high group profitability<sup>1</sup> mainly driven by UK Motor
- Good progress in other lines of business with UK Household, Admiral Money, US and France Motor delivering double-digit profit; in exclusive talks to sell our US business
- Continuing to strengthen data and tech capabilities to enable better pricing and support for customers
- Softer market conditions in H2 continuing early 2025; Admiral well-positioned and will remain disciplined

+28%

Group turnover £6.1bn

+14%

Group customers 11.1m

+90%

Group pre-tax profit £839m

-11pts

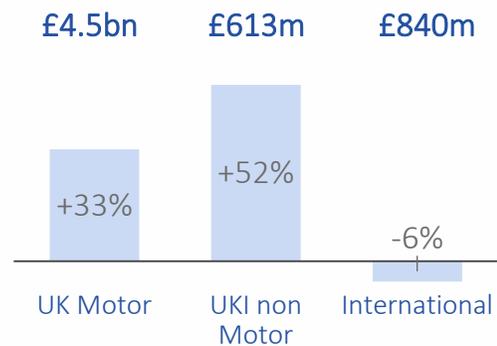
Improved group COR 77%

203%

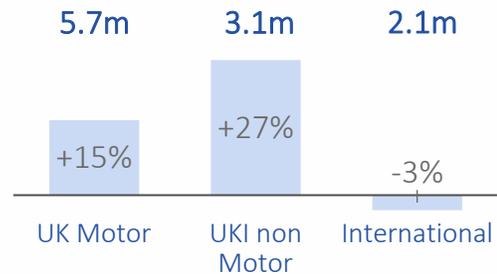
Group Solvency ratio

# A very strong 2024

**Turnover £6.1bn** +£1.3bn

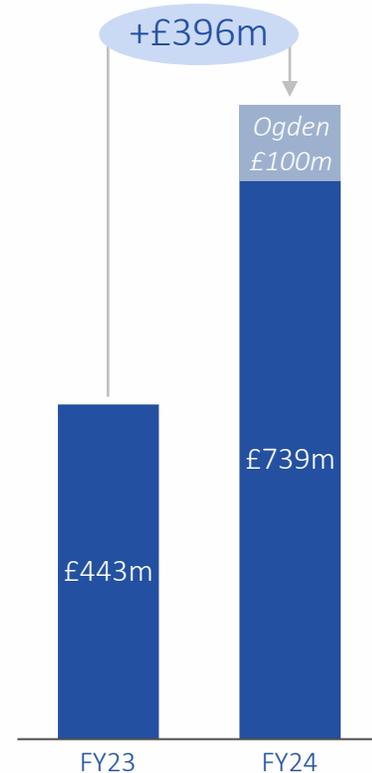


**Customers 11.1m** +1.4m



YoY movement

**Profit before tax £839m**

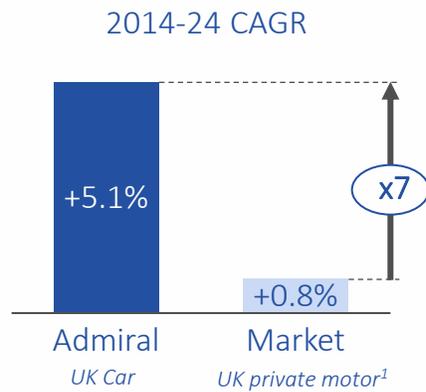


## Hot topics

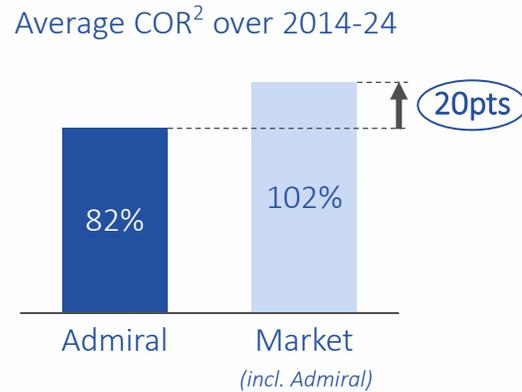
- UK Insurance: excellent performance with strong profit and topline growth while integrating More Than; customers: +19% FY; +7% H2
- Improved results in Admiral Money and International; challenging year for ConTe in difficult market with remediation in progress
- Regulations: Ogden, Insurance taskforce and FCA premium finance market review in the UK; BI rate change in Italy
- US strategic review: Admiral not the long-term owner of the business; in exclusive negotiations to sell

# UK Motor: well-positioned for continued disciplined growth

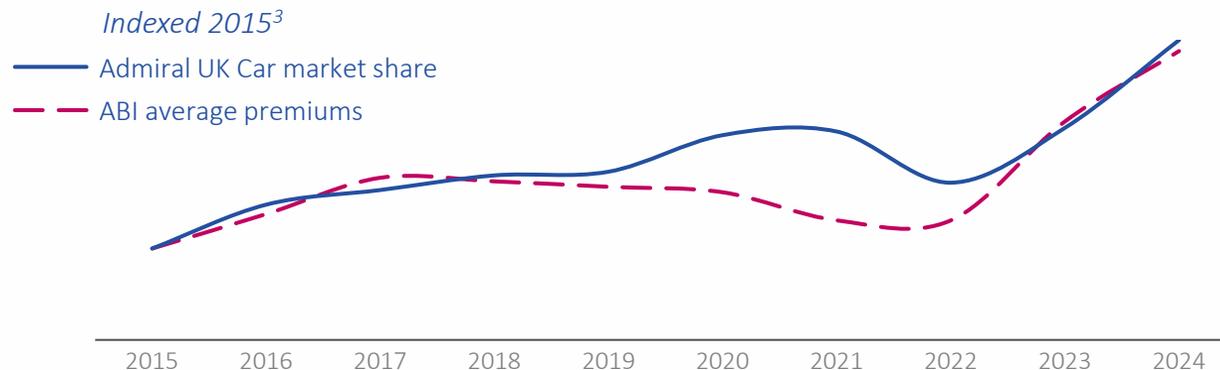
## Customer growth



## Discipline & operational excellence



## Growing market share through the cycle

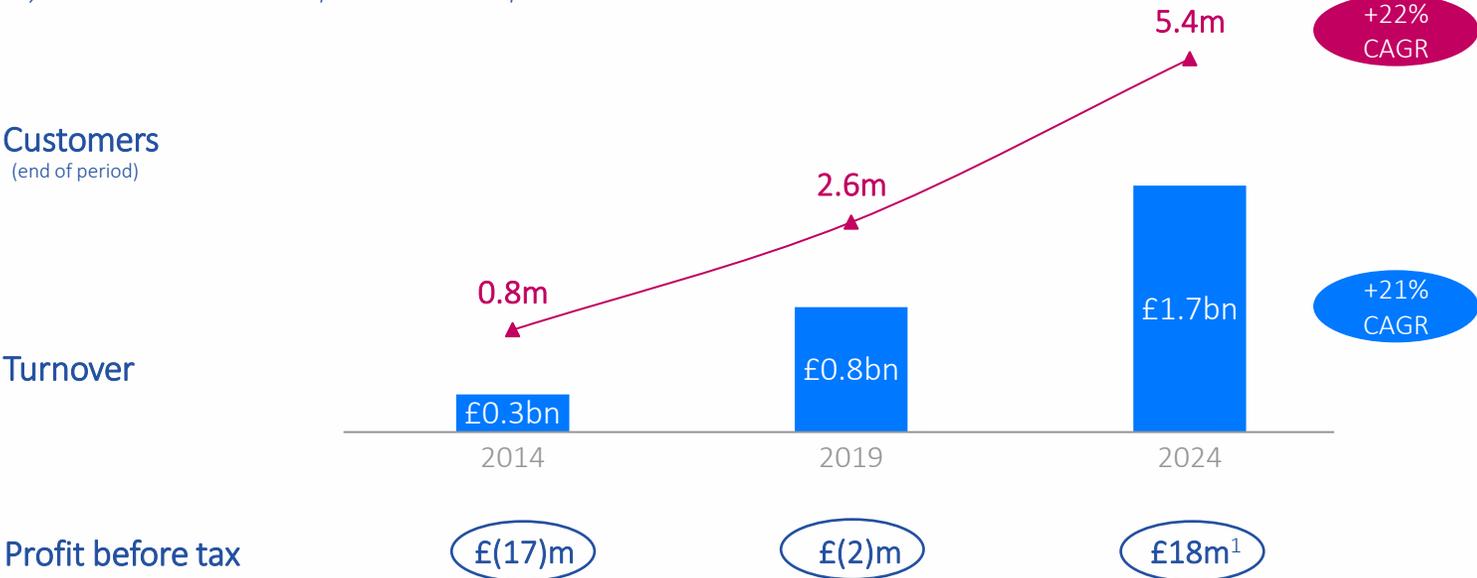


- Unique combination of sustainable growth and strong margins
- Pricing, claims and cost excellence, underpinned by innovation and culture
- Investing in data, tech and AI to strengthen competitive advantages
- Capital efficiency and prudent reserving policy
- Improved insights and lifetime value from multi-product propositions

# Beyond UK Motor: meaningful scale, growing profit contribution, and targeted investment in future growth

- 4 businesses delivered double-digit profit in 2024 and >£70m PBT cumulatively
- Meaningful scale achieved overall with further margin prioritisation going forward
- Synergies with UK Motor on capabilities, customer and brand, increasing retention and lifetime value
- Targeted investment in new propositions and future profit contributors

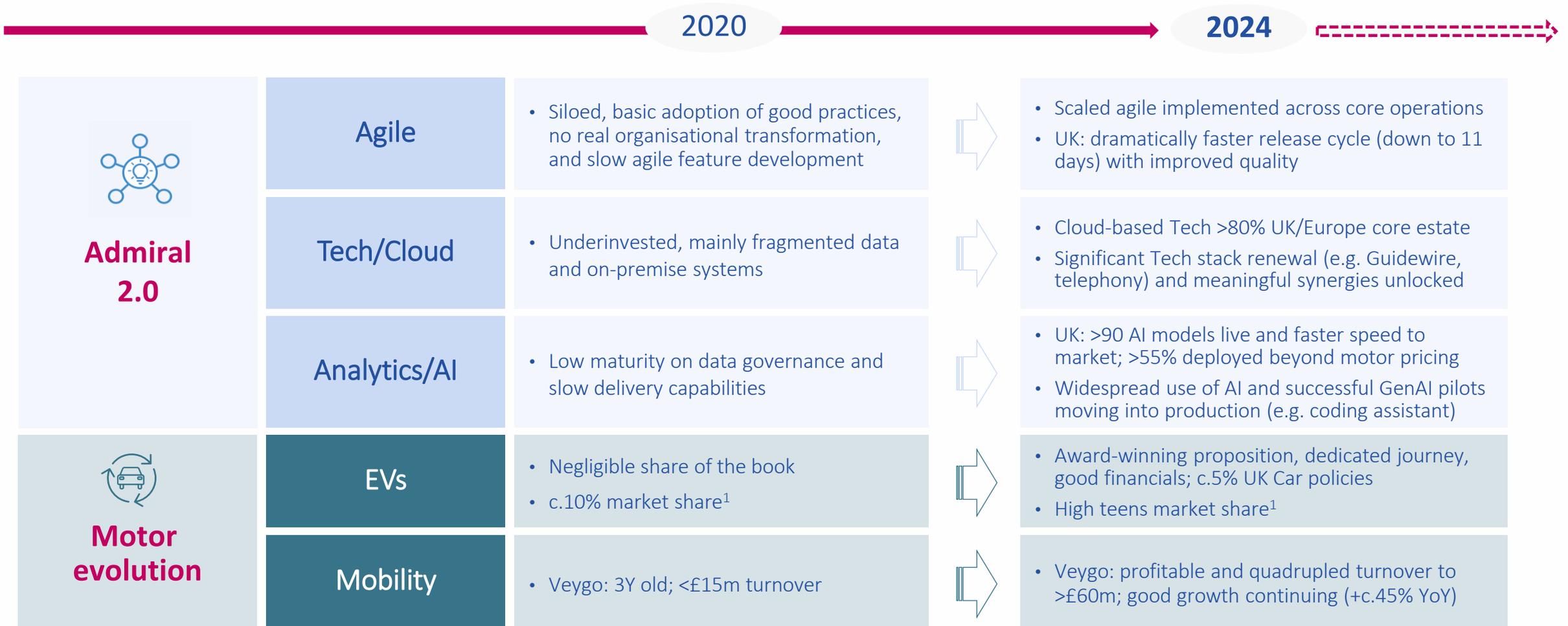
Beyond UK Motor includes all product lines except UK Motor



UK Household, Money, L'olivier Motor, Elephant	72
ConTe Motor	(23)
Net other investment	(31)

(1) Includes all product lines except UK Motor and excludes More Than one-off acquisition and integration costs in UK Pet in 2024; all numbers are as reported at the time and minor rounding differences might occur

# Focus on innovation and emerging trends to strengthen core competencies and customer propositions



# Focused on our Customers, our People, and our Society

## Our Customers

- **Top 2 Trustpilot** (or equivalent) for UK & Europe<sup>1</sup> for another year
- **>45** group average NPS<sup>2</sup>

## Our People

- **Top 25 World's Best Workplaces** by Great Place to Work<sup>®</sup>; good recognition across markets
- **£8m one-off bonus paid to all staff** in addition to share schemes

## Our Communities and Society

- **Published Net Zero Transition plan** outlining how we plan to achieve net zero by 2040
- **Science based targets<sup>3</sup> approved** by SBTi  SCIENCE BASED TARGETS  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
- Upgraded to **AAA by MSCI**
- >1k people supported into jobs through employability programmes; >32k volunteering hours in local communities

**BUSINESS AMBITION FOR 1.5°C** 



*Our pricing discipline and underwriting excellence position us well for future success*

# Group Financials

Geraint Jones, Group CFO

# Much improved UK Motor margins plus Ogden change drive significant increase in Group profit

**£839m**

+90%

Profit before tax<sup>1</sup>

2023: £443m

**216.6p**

+95%

EPS<sup>1</sup>

2023: 111.2p

**203%**

+3pts

Solvency ratio<sup>1</sup>

2023: 200%

**56%**

+20pts

ROE<sup>1</sup>

2023: 36%

**192p**

+86%

Full Year DPS<sup>1</sup>

2023: 103.0p

Turnover<sup>2</sup>

**£6.1bn**

+28%

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Loan balances

UK Motor	£4.5bn	+33%
UK Household	£475m	+40%
International	£840m	-6%
Admiral Money	£1.2bn	+23%

Customers

**11.1m**

+14%

UK Motor	5.69m	+15%
UK Household	1.97m	+12%
International	2.10m	-3%
Admiral Money	0.16m	+2%

(1) Including estimated Ogden benefits of: PBT: £100m; EPS: 26p; Solvency ratio: 9pts; ROE: 5pts; DPS: 23p (2) Turnover comprises total premiums written plus 'other insurance revenue', 'other revenue', and interest income from Admiral Money

# Significant profit increase led by UK Motor performance and Ogden discount rate change

Group profit before tax (£m)	2024	2023	Change
UK Insurance <sup>1</sup>	977	597	+380
<i>of which Ogden benefit</i>	100	-	+100
European Insurance	(20)	2	(22)
US Insurance	14	(20)	+34
Admiral Money	13	10	+3
Share scheme cost	(62)	(54)	(8)
Other Group items (incl. Pioneer)	(83)	(92)	+9
<b>Total</b>	<b>839</b>	<b>443</b>	<b>+396</b>
Reported loss ratio <sup>2</sup>	55.4%	63.9%	(8.5)pts
<i>of which Ogden benefit</i>	(2.3)%	-	(2.3)pts
Reported expense ratio <sup>2</sup>	22.0%	24.8%	(2.8)pts
<b>Reported combined ratio<sup>2</sup></b>	<b>77.4%</b>	<b>88.7%</b>	<b>(11.3)pts</b>

- **UK Insurance** profit +64%; +47% excl. Ogden
  - Ogden: Personal Injury Discount Rate improved to +0.5% during 2024 across the UK
  - Motor: £955m v £593m, up £362m (£100m from Ogden) primarily from higher revenue and much better COR
  - Home: record profit with £34m v £8m – good growth, better CY LR, significant releases and more benign weather
  - Travel and Pet: £(12)m v £(5)m, mainly due to planned More Than integration costs in Pet
- **EU Insurance** result at £(20)m v £2m:
  - Italy Motor: £(23)m v £7m, disappointing year for typically steady profit contributor from Milan Court BI tables update (~£16m) plus LR deterioration on recent years; remediating actions in progress
  - France Motor: £11m v £7m from higher revenue and improved underwriting result
  - Spain Motor: £(3)m v £(9)m with good result from direct and steady progress in new channels

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- **US Insurance:** significant improvement with £14m profit v £(20)m loss from strong and sustained focus on loss ratio and expenses
- **Admiral Money:** £13m; £1.2bn closing loan balance
  - Continued focus on high quality risk selection, controlled growth, cost discipline and prudent loss provision/positive credit performance
  - First UPL deal using 3<sup>rd</sup> party capital signed Feb '25
- Higher **share scheme cost** due to improved vesting assumptions plus higher dividend-linked bonuses
- **Other** items improved to £(83)m
  - Favourable parent co. investment income (higher rates)
  - Pioneer: £(11)m v £(16)m; high growth and small profit in Veygo alongside continued SME insurance investment
  - 2024 non-recurring items included £13m benefit from selling minority share in Insurify; £7m More Than acquisition costs; £8m one-off employee bonus

See further analysis in appendix

# UK Motor: exceptional competitiveness in H1, improved combined ratio and Ogden drive large increase in profit

UK Motor (£m)	2024	2023	Change
Turnover	4,496	3,372	1,124
Underwriting result	753	388	365
Investment income	150	112	38
Finance expenses	(83)	(58)	(25)
Co-insurer profit commission	53	76	(23)
Other net income	82	75	7
<b>Profit before tax</b>	<b>955</b>	<b>593</b>	<b>362</b>
Reported loss ratio <sup>1</sup>	52.1%	61.1%	(9.0)pts
Reported expense ratio <sup>1</sup>	17.9%	20.6%	(2.7)pts
Reported combined ratio <sup>1</sup>	70.0%	81.7%	(11.7)pts
Core loss ratio <sup>2</sup>	56.5%	66.8%	(10.3)pts
Core expense ratio <sup>2</sup>	18.2%	21.4%	(3.2)pts
Core combined ratio <sup>2</sup>	74.7%	88.2%	(13.6)pts

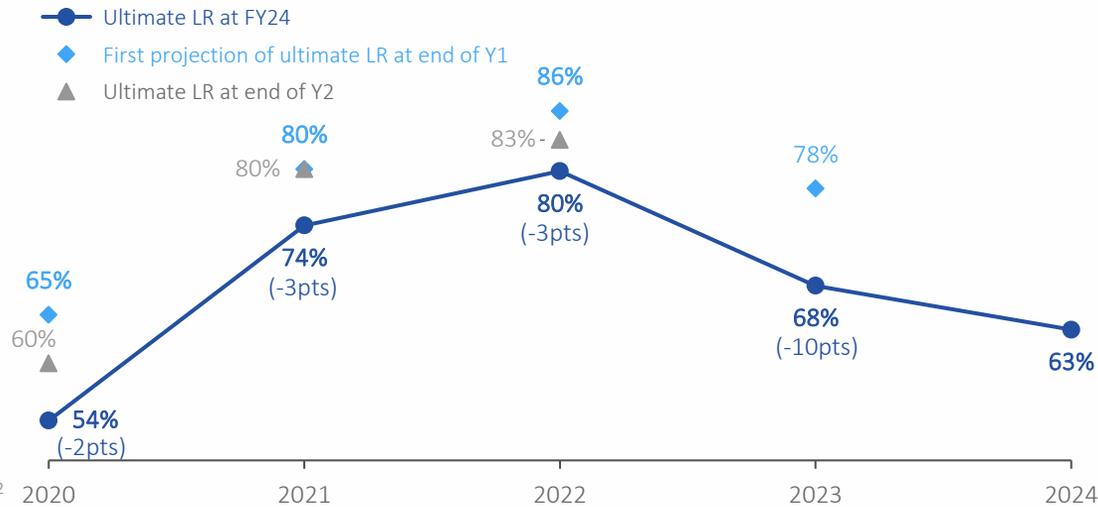
- 1 Turnover up 33% from higher average premiums and +15% growth in customer numbers (+4% vs. HY24)
- 2 Higher rates and balances driving higher investment returns (4.0% v 3.3% income statement yield); higher rates also lead to higher finance expenses (discount unwind)
- 3 Profit commission largely from 2020 UWY and prior; 2021-22 UWYs improved but booked CORs remain >100%. Small recognition on 2024 UWY
- 4 Core LR 10pts better as premium increases earning through and good claims experience resulted in an 18pt-improvement in CY LR; core ER 3pts favourable from higher average premiums; written ER of 17% (2023: 18%)
- 5 Lower PYD % contribution due to materially higher premiums; FY24 releases of £375m incl. Ogden v £393m in FY23. Risk adjustment percentile strengthened to 95<sup>th</sup> at YE24 (2023: 93<sup>rd</sup>)

	2024	2023	Change
CY core LR	69.2%	87.0%	(17.8)pts
PY releases	(12.7)%	(20.2)%	7.5pts
Core LR	56.5%	66.8%	(10.3)pts

# Positive loss ratio trends; strong margins on 2023 and 2024; risk adjustment increased to maximum

## UK Motor projected ultimate loss ratio (discounted)<sup>1</sup>

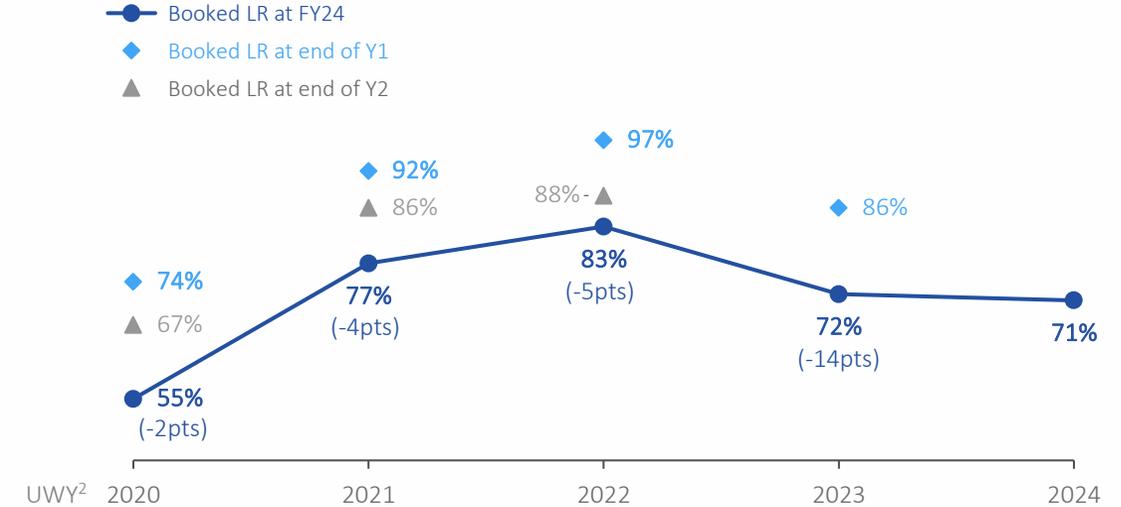
()pts movement since December 2023



- Best estimates reflect new Ogden PIDR (+0.5% from -0.25%); mainly impacting 2021-24 years (~1pt average impact)
- 2023 year sees significant improvement due to higher premiums earning through + good experience + Ogden
- 2024 first projection materially lower than 2023 equivalent: now expect '24 to be slightly better than '23, but will not develop as positively as '23 due to different premium patterns
- Earlier years also see decent improvements, partly due to Ogden
- Estimated 2024 severity inflation of mid-to-high single digits v PY (FY23: 10%); market claims inflation remains high but reducing; frequency positive in 2024; uncertainty remains

## UK Motor booked loss ratio (discounted)<sup>1</sup>

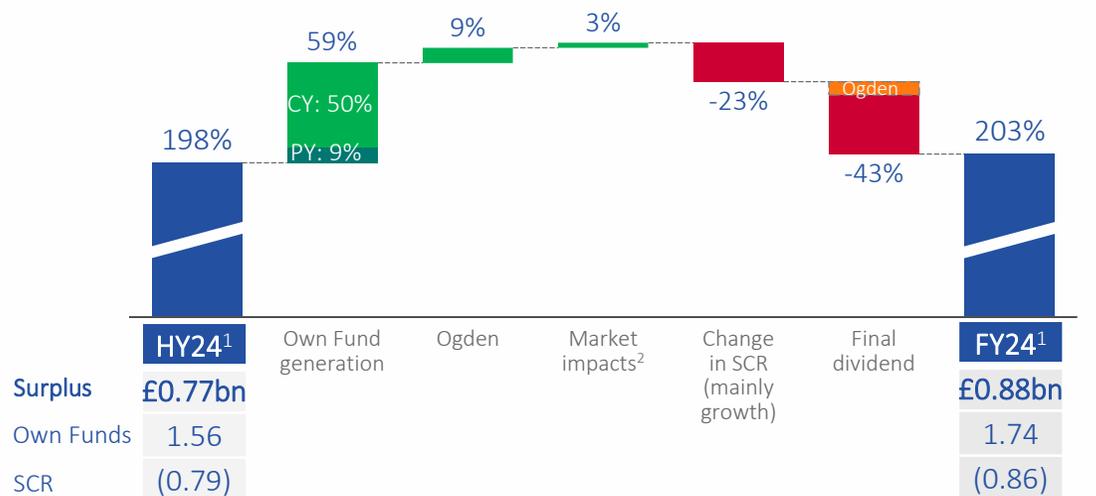
()pts movement since December 2023



- 2024 first booking also significantly lower than '23 equivalent: reflects higher premium earning pattern and will not improve as materially as '23
- Motor reserves risk adjustment strengthened to 95<sup>th</sup> percentile (YE23/HY24: 93<sup>rd</sup>) at the maximum of accounting policy range (85<sup>th</sup> to 95<sup>th</sup> percentile)
- Reserve releases:
  - £375m v £393m in 2023 – higher best estimate improvements offset by lower net risk adjustment release
  - Lower percentage of premiums (13pts v 20pts) mainly due to significant revenue growth in 2024 but also higher closing risk adjustment

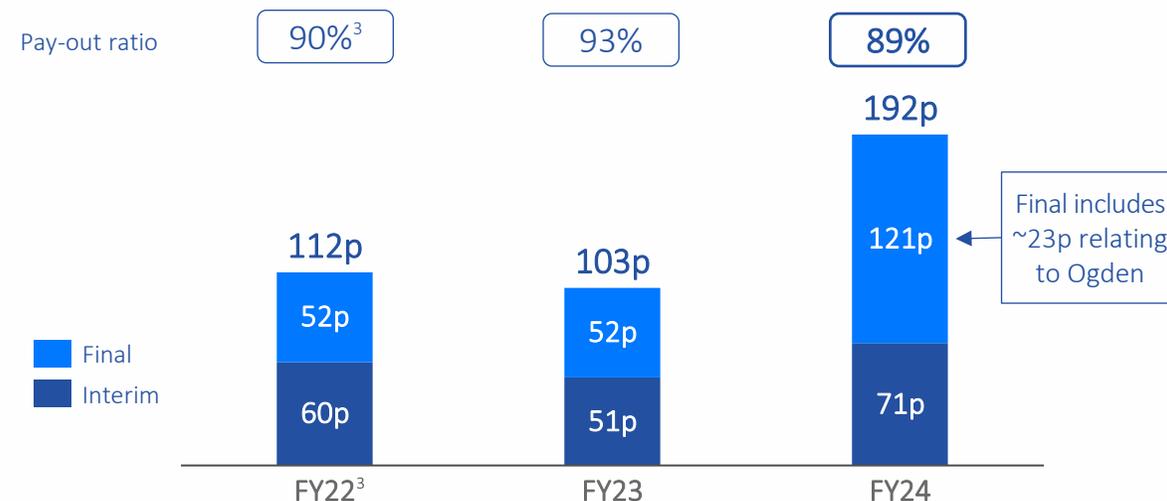
# Significantly higher profit leads to big increase in dividend. Very strong capital position maintained

## Capital position



- Significant increase in surplus above SCR during 2024 plus strong ratio mainly driven by very positive UK motor capital generation
- Efficient business model: SCR ~£150m higher YoY despite £1.34bn increase in turnover (equivalent to ~11% strain)
- Expect to continue to run with significant headroom above 150% risk appetite until internal model certainty
- Internal model: entered regulatory pre-application in H1; work continues in preparation for full application
- Stable regulatory fixed capital add-on at £24m (no change expected near-term)

## Total dividend per share



- Total DPS up 86% with final of 121p (2.3x final 2023) reflecting excellent results; final DPS split 91p normal, 30p special
- No change to dividend policy:
  - Pay 65% of post-tax profits as normal dividend
  - Further distribute earnings not required to be retained for solvency/buffers/growth/share purchases for share schemes
- Continue to use existing shares within trusts for employee schemes (no longer any EPS dilution); shares unlikely to be needed before 2026

# Key takeaways and outlook

- Very pleasing 2024 results with several records and milestones. Led by UK Motor but positive results in other businesses
- Very strong solvency position and highest dividend<sup>1</sup>
- Well-positioned with strong UK margins on recent underwriting years plus high reserve prudence; remain focused on maximising medium-term profitability
- Claims inflation continuing to reduce gradually alongside improved frequency; more uncertain market pricing dynamics

## *Looking ahead to 2025*

- ≈ Topline: more modest revenue growth expected after record 2024; ConTe focussed on restoring profitability
- + UK Motor profit drivers: positive margin 2023/24 UWYs continue to earn through; reserve prudence at max at YE24; 10-15pts PYD guidance; only meaningful QS reinsurance asset relates to 2022 UWY
- + Better results expected from ConTe as loss ratio actions take effect
- Smaller positive Ogden impact (~£30m)
- ? Weather impact, inflation and regulatory environment



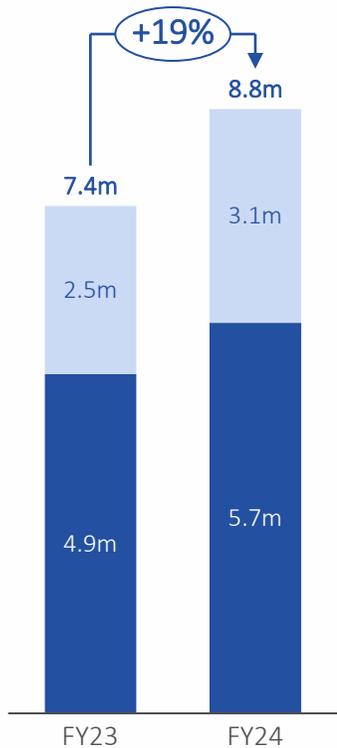
*Our disciplined approach and customer focus have helped us welcome over 1.4 million new customers in 2024*

# UK Insurance

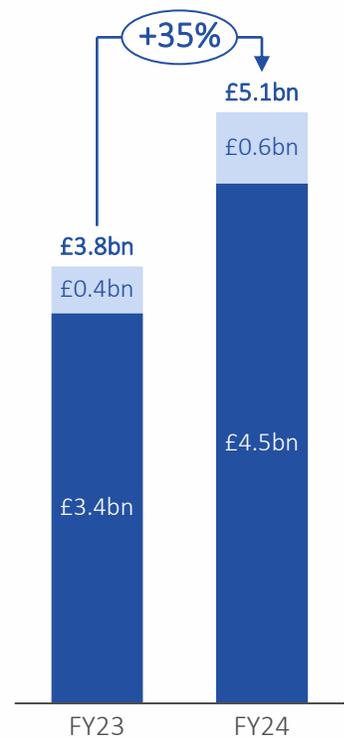
Alistair Hargreaves, UK Insurance CEO

# UK Insurance: strong momentum from high competitiveness and margins in Motor while Beyond Motor gathers speed

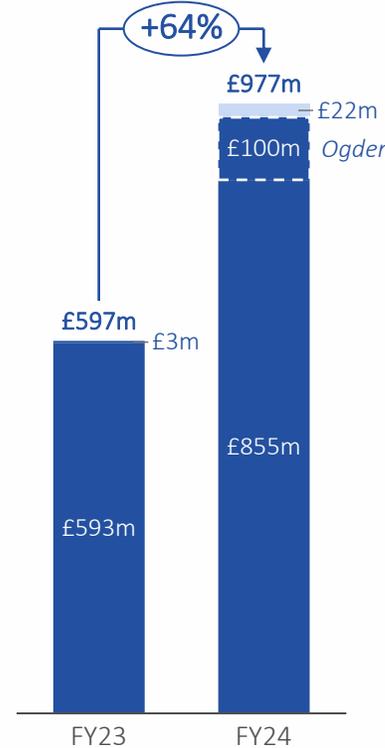
Customers: 8.8m



Turnover: £5.1bn



PBT: £977m

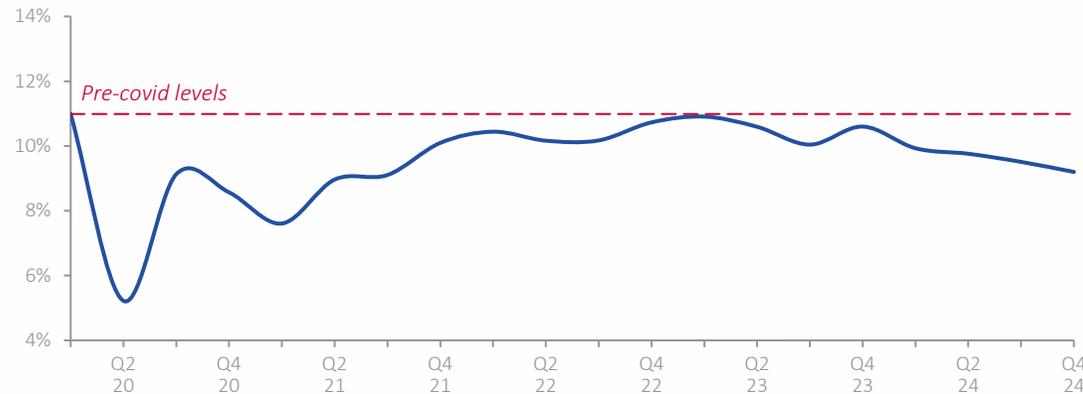


Motor Beyond Motor

- 1.4m new customers in 2024; +0.6m in H2 (7%)
  - Motor +15%
  - Beyond Motor +27%: Household >1.9m; Travel >900k; Pet nearly trebled to >200k
  - MultiCover customers +13% YoY
  - >50 NPS; #1 on Trustpilot
- Integration of More Than Household and Pet renewal rights acquisition progressing well:
  - Renewal process started over the summer with retention trends in line with expectations
  - Pet to become Top 5 player by end 2025
  - Expected to be EPS accretive from 2026 onwards
- Total PBT of £977m primarily driven by Motor
  - Acceleration in Household
  - 2<sup>nd</sup> profitable year for Travel
  - More Than one-off integration costs in Pet

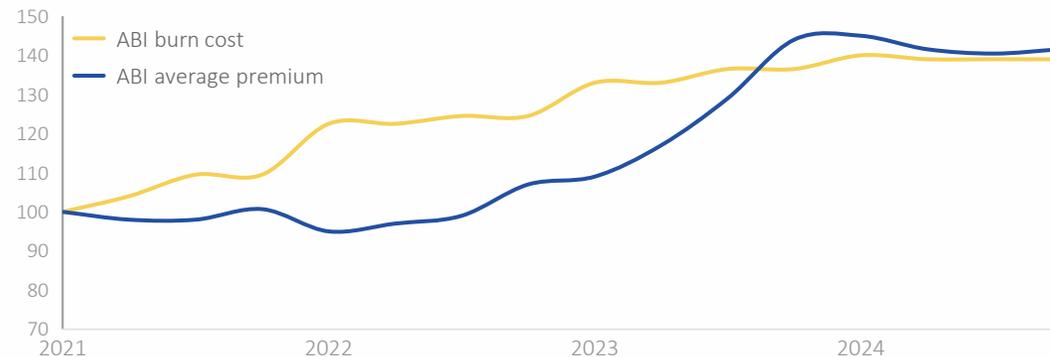
# UK Motor: 2024 benefitted from improved claims burn cost trends from lower frequency despite persistent severity

## Market total claims frequency<sup>1</sup>



## Market total burn cost<sup>2</sup> vs. average premium<sup>3</sup>

Indexed 100 Q1 2021 – Burn cost represents claims frequency x average claim cost



- Market total frequency showed marked decrease in H2 partly reflecting favourable weather in Q4, improved vehicle tech and road safety measures
- Market total claims inflation remained higher than historical levels but continued to moderate

### Damage

- Market repair cost inflation<sup>4</sup> slowing down (7% vs. 19% PY) and second-hand car prices reducing<sup>5</sup>
- Total Loss: review of settlements and related processes following FCA multi-firm review nearly complete; impact not expected to be significant, but uncertainty remains

### Bodily Injury

- Large BI in line with expectation: primary drivers remain commercial care costs and general damages; favourable impact from Ogden rate change in 2024
- Small BI: minor increase in frequency; no notable change in severity post Whiplash Supreme Court case

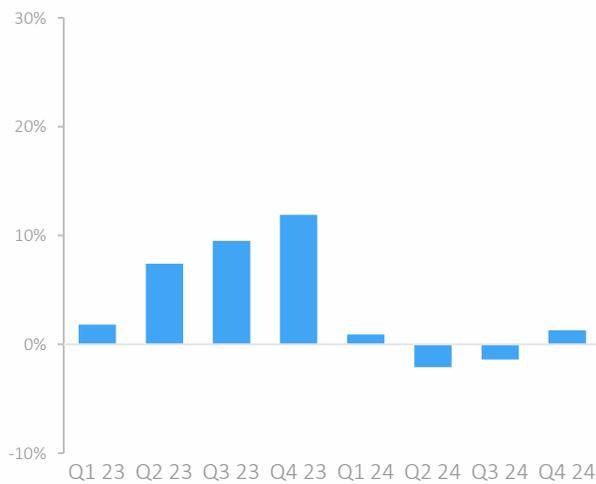
### Admiral

- More favourable claims experience than the market thanks to expertise, experience, and strong supply chain management; resulting in both good customer outcomes and cost control

# UK Motor: Admiral remained competitive with good margins in H2 after record H1

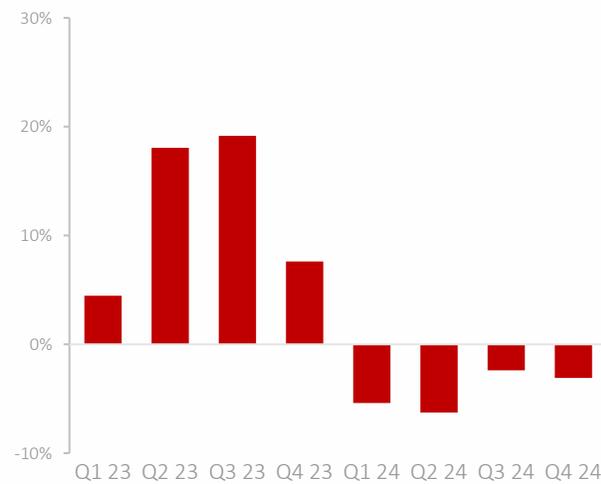
ABI NB/RN average price<sup>1</sup>

QoQ change



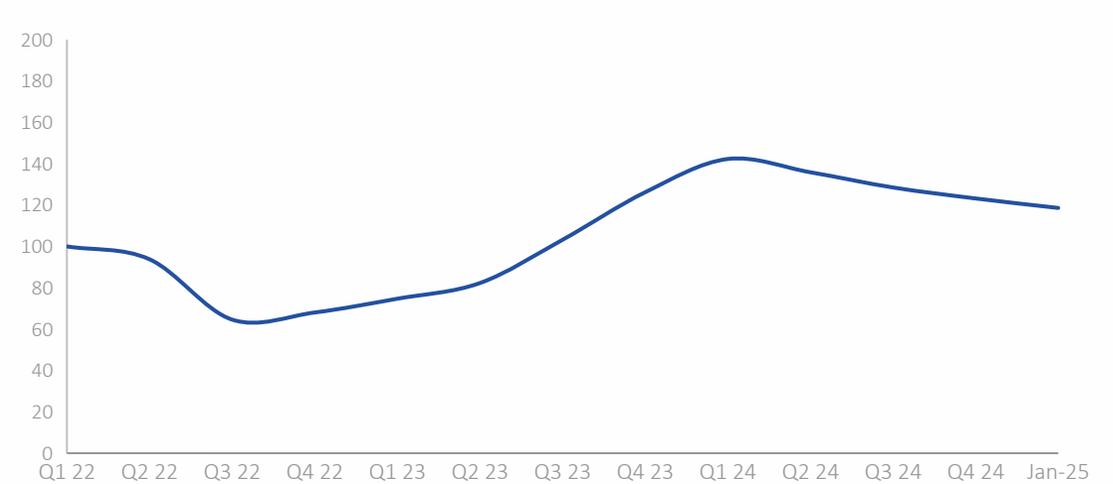
Confused NB average quote<sup>2</sup>

QoQ change



Admiral Times Top<sup>3</sup>

Indexed 100, Q1 22



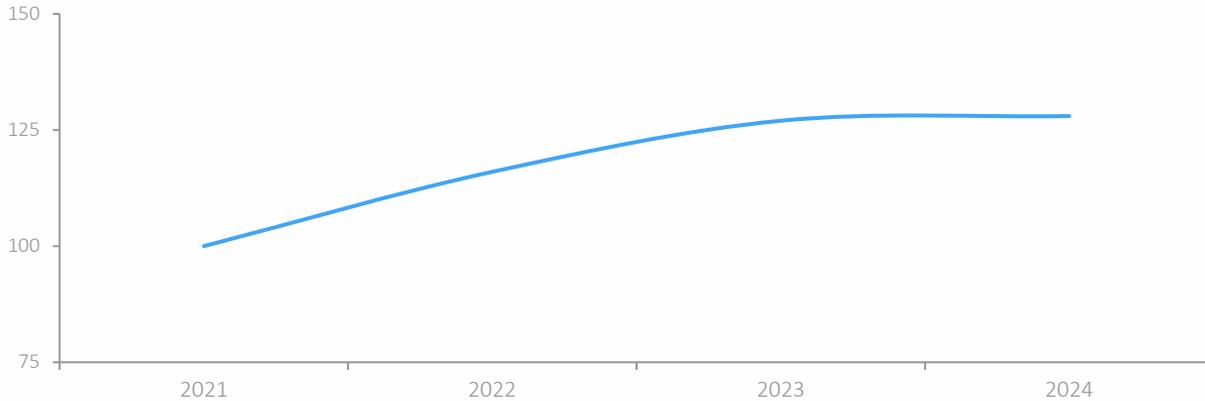
- Market prices decreased particularly from Q2 onwards
- ABI<sup>1</sup> total NB/RN average paid premium: £621 in Q4, -1% YoY
- Confused<sup>2</sup> NB quote: £834 in Q4, -16% YoY with prices falling faster in H1 (11% vs 5% in H2). Confused index is based on the cheapest NB quotes regardless of product type/tier or purchase

- FY24: Admiral reduced rates earlier than the market and by approximately 10% overall in 2024, more weighted towards H1
  - H1: record market NB volumes and Admiral competitiveness; mid-single digit decreases ahead of the market mainly at the turn of 2024 reflecting improved burn costs
  - H2: Times Top returned to more normal levels; Admiral reduced prices by less than the market and mainly towards the end of the year to pass on the benefit of new Ogden rate to customers going forward, reducing competitiveness
- Offering optionality to customers with Premium Finance: 17% APR reflects funding and operational costs and remains at lower end of market

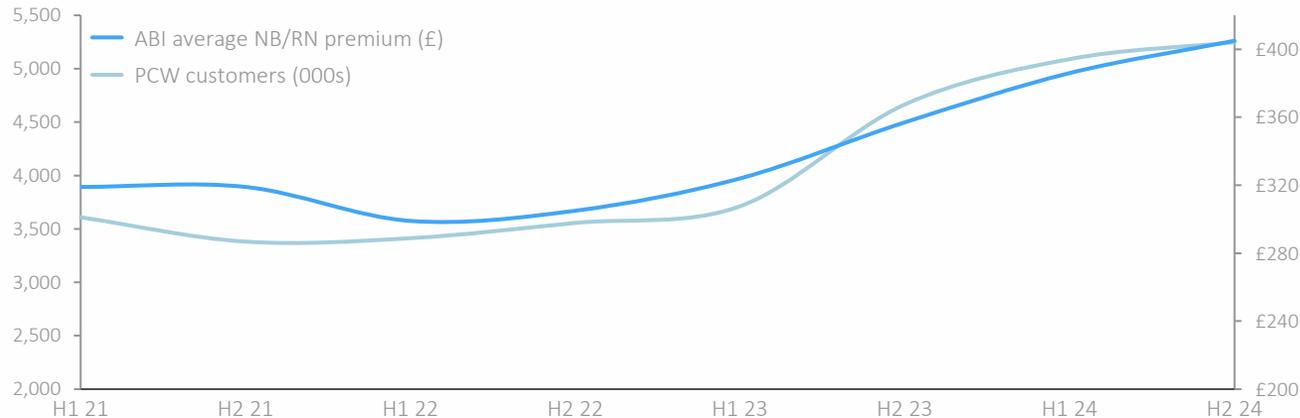
# UK Household: pivotal year with £34m PBT and c.2m customers; market inflation and prices stabilising in H2

## House Rebuilding Cost Index<sup>1</sup>

Indexed 100, 2021



## Market average premium<sup>2</sup> and PCW customer growth<sup>3</sup>



- Claims severity inflation slowed in H2 whilst frequency reduced (partly driven by benign weather overall) leading to premiums plateauing
- NB market<sup>4</sup> up 14% in 2024 and PCW penetration >75% of NB sales<sup>3</sup>
- Admiral UK Household now a more mature business focused on balancing margins and growth and underpinned by stronger foundations and improved capabilities
- Record £34m pre-tax profit and 77% COR in 2024 from improved CY LR, material PY releases, and more benign weather experience

# Claims severity inflation expected to remain high but continue to ease in 2025 for Motor and Household; 2025 starts with decreasing premiums

## Claims outlook

### Motor

- Market total frequency likely to remain below pre-covid levels, but likely to increase vs. particularly low H2 24 levels
- Market damage inflation expected to stay high but lower than recent peaks; repair capacity has improved but higher NI costs are likely to increase garage overheads
- BI: volatility remains due to Judicial College Guidelines and a new Whiplash tariff. Admiral is prudently reserved

### Household *(subject to weather)*

- Stabilisation of severity expected to continue into 2025

## Pricing outlook

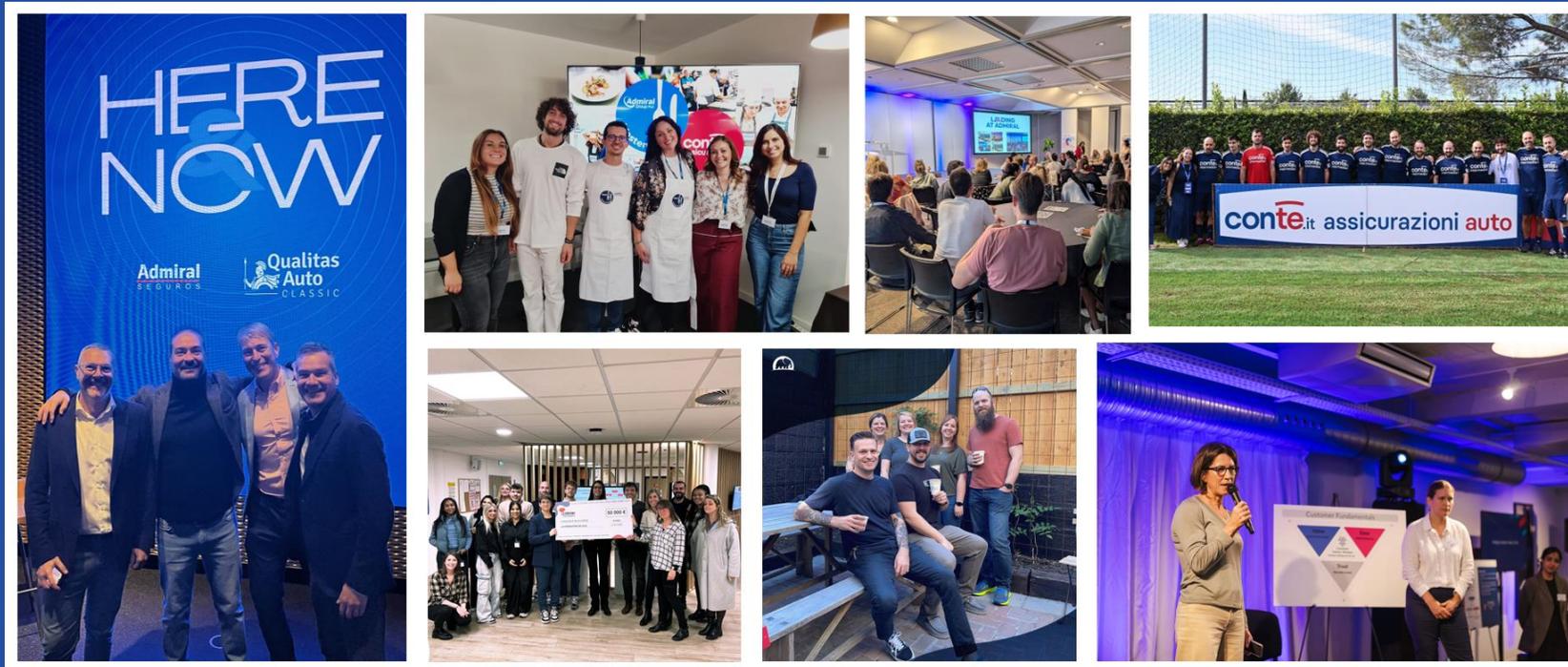
### Motor

- Market prices continue to come down early 2025 with differing strategies across players creating uncertainty
- Admiral: more normalised growth and margins expected in 2025 from record 2024 reflecting reduced competitiveness
- Admiral: well-positioned with increased scale, attractive margins, and further strengthened prudence; will continue to manage COR performance and price to reflect inflation and claims trends

### Household *(subject to weather)*

- Market prices show signs of reducing in H1 2025

Admiral remains focused on customer service, pricing discipline, prioritising medium-term profitability, and maintaining a prudent approach to claims reserving



*We continue to prioritise margins and customer satisfaction to deliver for our 2 million international customers*

# International Insurance

Costantino Moretti, Head of International Insurance

# International Insurance highlights

## Europe

- Strong performance in L'olivier and continued progress in Admiral Seguros in improving market conditions
- Materially higher BI costs and persistent damage inflation in Italy resulting in a loss in ConTe; remediating actions in progress and confident in recovery and future prospects
- Focus on margins and efficiency continues across businesses
- Market-leading customer service across businesses

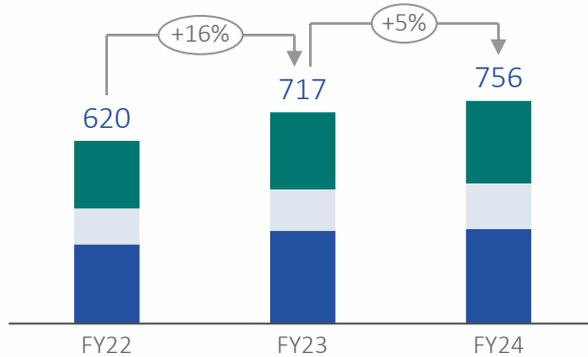
## US

- Strategic review update: in exclusive talks to sell the business
- Double-digit profit delivered through better risk selection and strong execution; profit and margin focus to continue

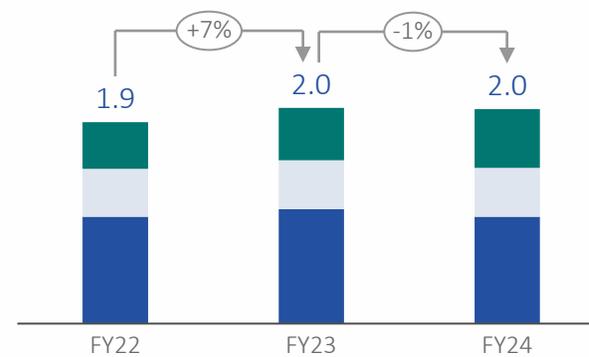
# EU: good results in L'olivier and improvements in Admiral Seguros more than offset by disappointing year in ConTe



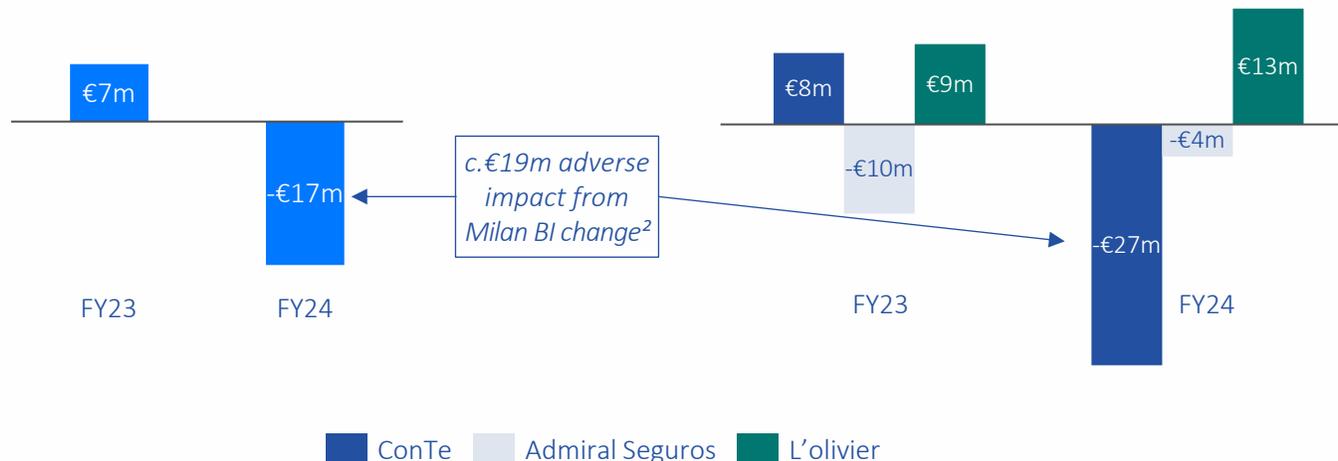
EU Total Turnover (€m)



EU Total customers (m)



EU Motor pre-tax result<sup>1</sup>

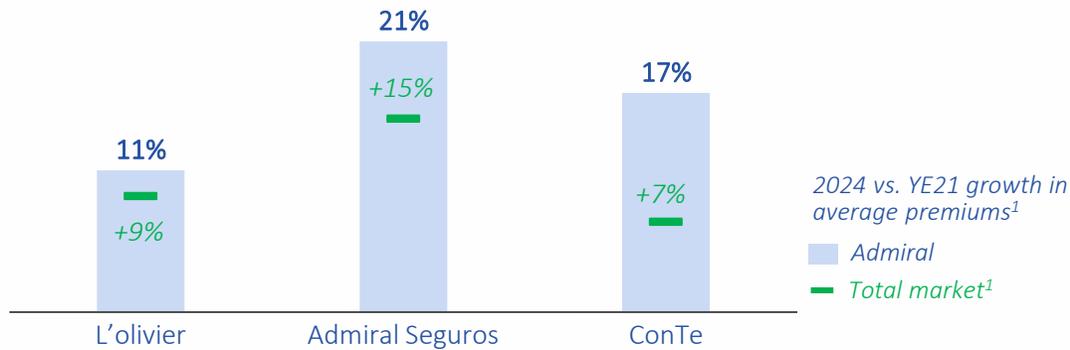


- Improved pricing conditions in France and Spain
- Difficult Italian market but signs of improvement: average premium +7% YoY<sup>3</sup>; market COR expected to start improving for 2024 and continue in 2025
- ConTe Motor: disappointing results after 10Y of being consistently profitable<sup>4</sup>; confidence in fundamentals, near-term recovery and prospects
  - 2024: combination of higher claims costs (particularly on 2022-23 UWYs) and the +16% increase in Milan BI rates<sup>2</sup>
  - Ongoing actions on pricing, portfolio pruning, and costs; +12pts of rate increases in 2024 and +5pts in 2025 YTD
- Good performance in L'olivier Motor with 89% COR and profit up 50%; total customers up 12% to >500k
- Encouraging results in Admiral Seguros: improved COR, positive contribution from Direct, and progress in new distribution channels

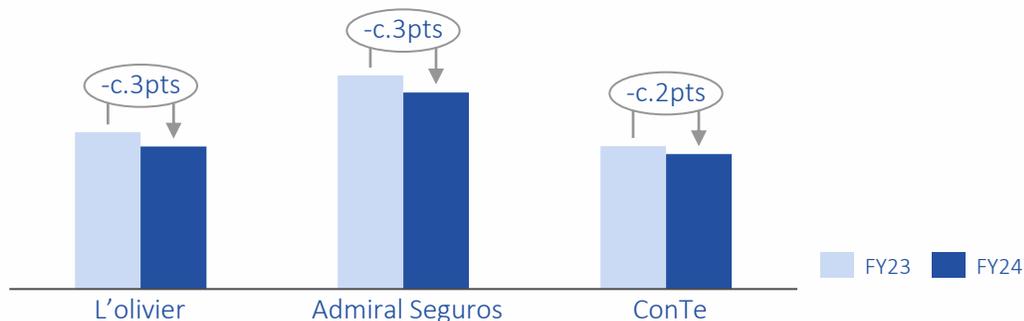
# EU: building meaningful scale while strengthening foundations and transferring UK competitive advantages



## Admiral vs. market premium growth



## EU Motor reported expense ratios

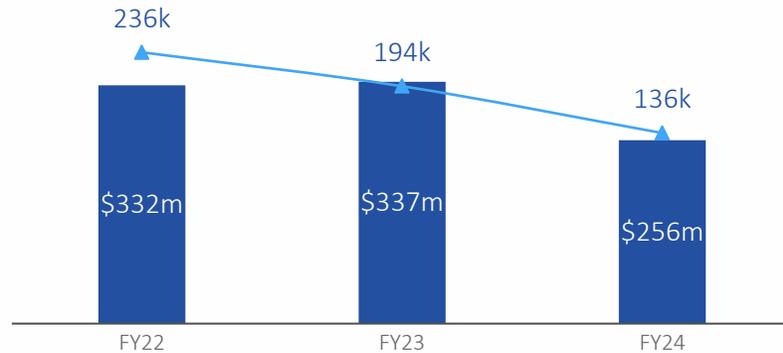


- Represents c.18% group customers and 10% turnover
- Pricing discipline: Admiral increased rates materially and well ahead of respective markets since 2022, resulting in better loss ratio performance on average
- Improving operational efficiency and future-proofing
  - Scale benefits emerging: EU Motor variable non-acquisition costs down 24% vs. 2019<sup>2</sup>
  - Strong tech and data capabilities accelerating synergies and efficiency gains: market-leading telephony system and Cloud-based data platform
  - Agile ways of working driving operational excellence
- Progressing on our strategy
  - L'olivier replicating UK multi-product success with good growth in Household to >80k customers (x3 vs. 2022)
  - Closing the gap on broker opportunity in Spain and Italy: refined proposition, portfolio optimisation, and loss ratio improvements
- Market-leading customer service across markets<sup>3</sup>

# US Insurance: significantly improved performance



## Customers and turnover



## Pre-tax result<sup>1</sup>



- Market: lower inflation and increased competition
- FY24 profit of \$18m vs. -\$24m loss at FY23
  - Strong and swift execution of turnaround plan driven by pricing ahead of market, continued cost discipline, and better risk selection
  - No capital injection since 2022
- Adverse topline performance from reduced competitiveness as we continue to focus on margins; rate of policy shrinkage has slowed down and expected to stabilise in 2025
- In exclusive talks to sell the business while maintaining margin and loss ratio focus



*We continue to deliver sustainable growth and execute on our strategy as a customer-centric lender*

# Admiral Money

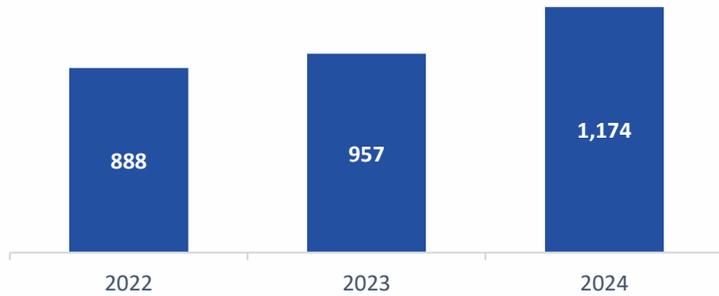
Scott Cargill, Admiral Money CEO

# Admiral Money highlights

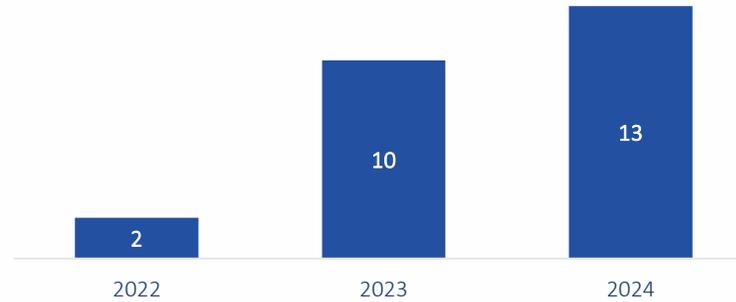
- Controlled and efficient growth: record loan balances with continued strong credit performance
- Third consecutive year of profit growth whilst maintaining an appropriately conservative IFRS 9 provision
- Continuing to be the lender for Admiral insurance customers with 68% of new flows in 2024 coming from current or recent UK Insurance customers
- Progressing our strategy to become an “Admiral-like” lender. Completion of first third party capital off-balance sheet deal

# Continued strong performance; focus to be lender for Admiral customers

Outstanding loans balances (£m)

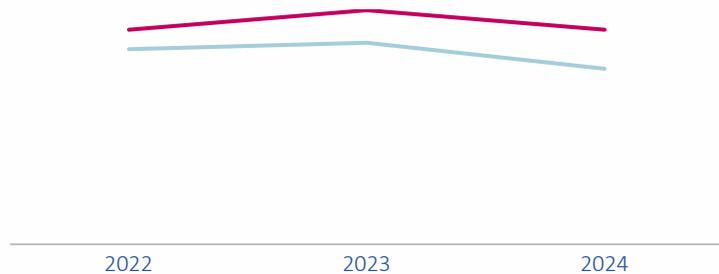


Pre-tax profit (£m)

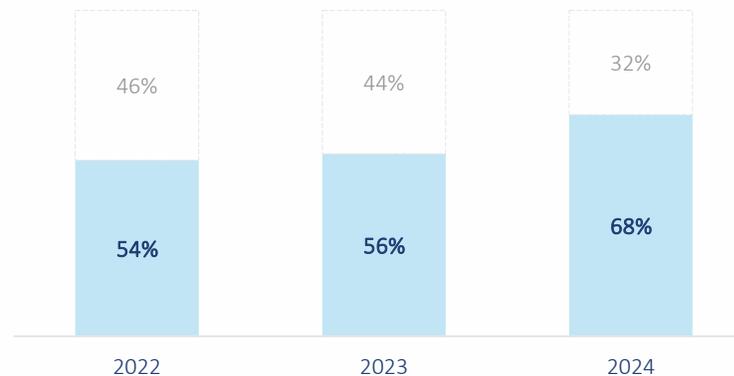


Loss ratio<sup>1</sup> on Admiral Insurance customers (current/lapsed) vs. not-Admiral

— Not Admiral Insurance customers  
— Current/lapsed Admiral Insurance customers

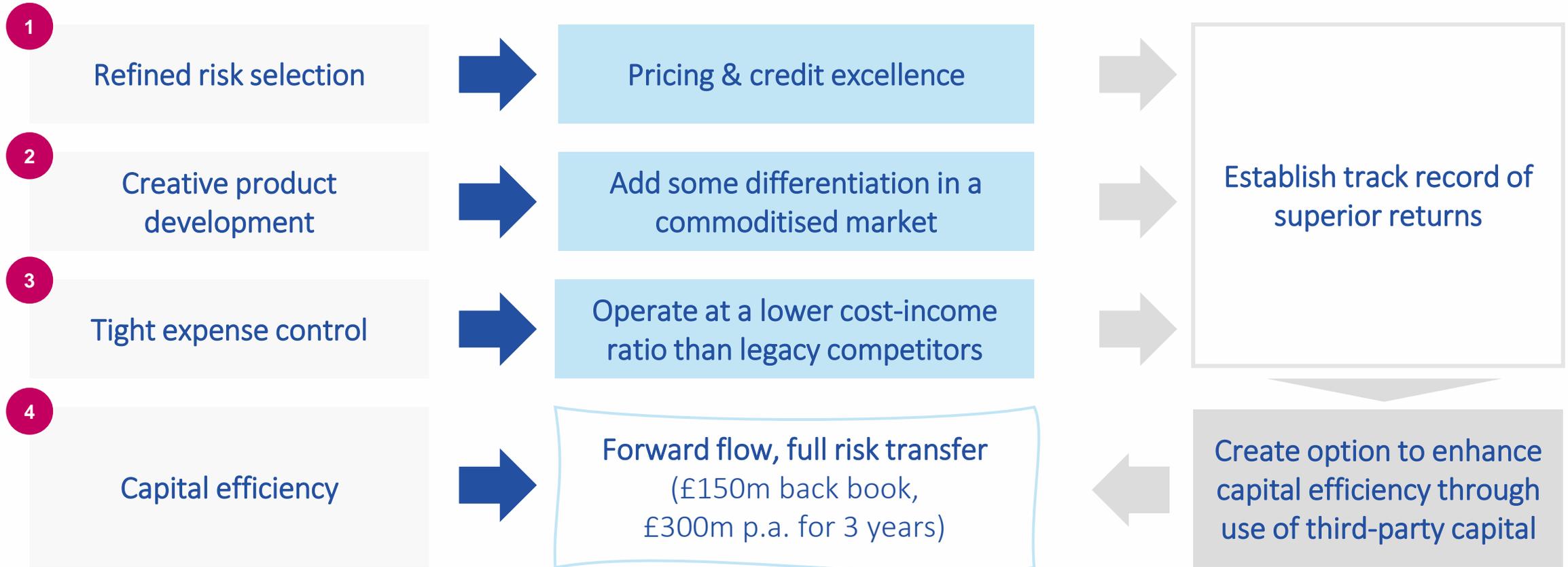


Admiral Insurance customers<sup>2</sup>



- Continued strong performance
  - £1.2bn loan book at YE24, up 23% since YE23 and in line with guidance for 2024
  - Gross income of £113m, +19% vs. FY23
  - Healthy 650bps book net interest margin
  - Strong credit performance with cost of risk of 2.5%
  - Third consecutive year of profit
  - Total loan loss provision of £84m; coverage remains appropriately conservative at 7.1%
- Focus to be lender for Admiral customers
  - 68% of new customer flows in 2024 came from either current or recent Admiral Insurance customers
  - Continued better risk selection and improved loss ratio outcomes
- Expected balances at YE25: up to £1.3bn on-balance sheet and up to £1.6bn total

# Progressing on the fourth ingredient of our strategy to be an “Admiral-like” lender and pursue capital-efficient growth





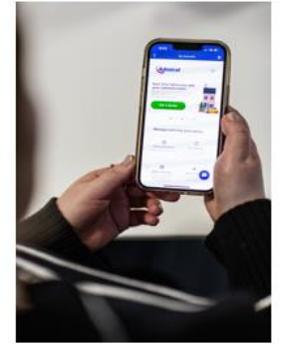
# Wrap-up

Milena Mondini de Focatiis, Group CEO

# Excellent 2024 results: another year of growth and market outperformance; well-positioned for continued success

- Record group turnover and customer numbers; accelerating beyond Motor in the UK
- All-time high group profitability<sup>1</sup> mainly driven by UK Motor
- Softer UK Motor market conditions in H2 continuing early 2025
- Continuing to prioritise innovation and strengthen capabilities to better support customers and future-proof core competencies
- Admiral remains disciplined and well-positioned with strong margins and capital position, increased market share, and proven resilience and agility

# Appendix



# Admiral: our drivers of success

87%

Group COR

2014-24 average<sup>1</sup>

- Superior risk selection and pricing
- Efficient claims management
- Effective use of data analytics
- Cost-conscious culture

82%

UK Motor COR

2014-24 average<sup>1</sup>

48%

Group ROE

2014-24 average<sup>2</sup>

197%

Solvency ratio

2015-24 average<sup>3</sup>



285%

TSR<sup>5</sup> over last 10Y

x3

Group customers

Since 2014

8%

Group PBT

2014-24 CAGR<sup>6</sup>

x7

Beyond UK Motor customers since 2014

- Award-winning workplace: GPTW<sup>®</sup> Best Workplaces in the UK since 2001<sup>7</sup>; good recognition across all markets
- Share ownership scheme
- Customer-centric mindset



# Group metrics and Ogden impacts

		FY24			HY24	FY23	FY22
		As reported	Ogden benefit	Excl. Ogden			
Group	Customers (m)	11.1			10.5	9.7	9.2
	Turnover (£bn)	6.1			3.2	4.8	3.7
	<b>PBT* (£m)</b>	<b>839</b>	<b>100*</b>	<b>739</b>	<b>310</b>	<b>443</b>	<b>361</b>
	Reported COR	77.4 %	(2.3)%	79.7%	80.4%	88.7%	96.8%
	ROE	56%	5%	51%	45%	36%	29%
	<b>EPS</b>	<b>216.6p</b>	<b>26.4p</b>	<b>190.2p</b>	<b>77.5p</b>	<b>111.2p</b>	<b>95.4p</b>
	<b>DPS (FY=total; HY=interim)</b>	<b>192.0p</b>	<b>23.0p</b>	<b>169.0p</b>	<b>71.0p</b>	<b>103.0p</b>	<b>112.0p</b>
UK Insurance	Customers (m)	8.8			8.2	7.4	7.0
	Turnover (£bn)	5.1			2.7	3.8	2.7
	<b>PBT* (£m)</b>	<b>977</b>	<b>100*</b>	<b>877</b>	<b>363</b>	<b>597</b>	<b>510</b>
	Motor reported COR	70.0%	(3.2)%	73.2%	73.8%	81.7%	88.9%
	Motor core COR	74.7%	(3.6)%	78.3%	78.9%	88.2%	97.3%
	<i>o/w CY loss ratio</i>	<i>69.2%</i>	<i>(0.9)%</i>	<i>70.1%</i>	<i>75.3%</i>	<i>87.0%</i>	<i>95.7%</i>
	<i>o/w PY releases</i>	<i>(12.7)%</i>	<i>(2.7)%</i>	<i>(10.0)%</i>	<i>(16.1)%</i>	<i>(20.2)%</i>	<i>(20.0)%</i>
	Motor PY releases (£m)	375	79	296	219	393	327
	Motor - other revenue per vehicle	£76			£62	£62	£58
Household reported COR	77.4%			76.5%	99.6%	112.9%	
International Insurance	Customers (m)	2.1			2.1	2.2	2.1
	Turnover (£m)	840			450	895	796
	<b>Profit/(loss) before tax (£m)</b>	<b>(5)</b>			<b>2</b>	<b>(18)</b>	<b>(56)</b>
	Reported COR	100.9%			100.8%	100.3%	109.5%
Admiral Money	<b>PBT (£m)</b>	<b>13</b>			<b>7</b>	<b>10</b>	<b>2</b>
	Outstanding loans balance (£bn)	1.2			1.0	1.0	0.9

## Note on Ogden PIDR change:

The Ogden Discount Rate, which is used in setting personal injury compensation, was changed to +0.5% across the UK in H2 24.

In Scotland and NI, the +0.5% discount rate was effective from Sept-24 and compared to -0.75% and -1.5% respectively. In England and Wales, the change to +0.5% was announced in Dec-24 and came into effect on 11/01/25. It compared with an existing -0.25% rate that had been in place since mid-2019. The new +0.5% rate is expected to remain in place for up to the next 5Y.

This change has benefitted a number of metrics in FY24 results at Group and UK Motor levels, with specific impacts highlighted in the table and below. The change in England and Wales is the main driver of the overall impact.

*\*The £100m Ogden benefit on Group, UK Insurance and UK Motor FY24 pre-tax profits is split as follows in UK Motor P&L: £89m benefit in underwriting result and £11m in co-insurer profit commission.*

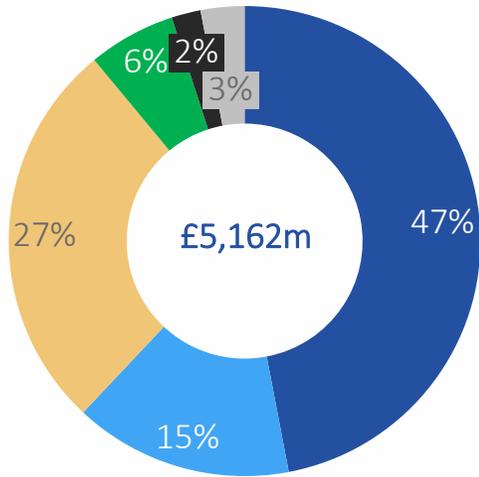
# Summary income statement

£m	UK Insurance		International		Admiral Money		Other		Admiral Group	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
<b>Turnover</b>	<b>5,108.5</b>	<b>3,776.0</b>	<b>840.0</b>	<b>894.9</b>	<b>108.3</b>	<b>92.1</b>	<b>89.9</b>	<b>48.5</b>	<b>6,146.7</b>	<b>4,811.5</b>
Insurance premium net of XoL	3,523.6	2,369.2	740.0	757.0			65.8	44.4	4,329.5	3,170.6
Other insurance revenue	227.5	148.0	54.2	54.8					281.7	202.8
Expenses	(745.7)	(559.5)	(236.5)	(249.4)			(33.7)	(27.9)	(1,015.9)	(836.8)
Claims net of XoL	(1,925.1)	(1,560.2)	(564.5)	(565.2)			(39.0)	(33.1)	(2,555.6)	(2,158.5)
<b>Net of XoL UW result</b>	<b>1,053.3</b>	<b>397.5</b>	<b>(6.8)</b>	<b>(2.8)</b>			<b>(6.9)</b>	<b>(16.6)</b>	<b>1,039.6</b>	<b>378.1</b>
Quota share result	(290.0)	(18.4)	(4.1)	(22.1)			0.0	0.1	(294.1)	(40.4)
Movement on OLC	1.1	4.3	0.4	0.6					1.4	4.9
<b>Underwriting result</b>	<b>764.4</b>	<b>383.4</b>	<b>(10.5)</b>	<b>(24.3)</b>			<b>(6.9)</b>	<b>(16.5)</b>	<b>747.1</b>	<b>342.6</b>
Investment income	156.1	115.6	12.9	9.6			14.2	4.9	183.1	130.1
Net finance expenses	(85.6)	(60.4)	(6.8)	(5.3)					(92.4)	(65.6)
<b>Net investment income</b>	<b>70.5</b>	<b>55.2</b>	<b>6.1</b>	<b>4.3</b>			<b>14.2</b>	<b>4.9</b>	<b>90.8</b>	<b>64.4</b>
Profit commission	53.3	76.5		2.0					53.3	78.5
Other income and expenses	88.5	81.4	(0.9)						87.6	81.4
<b>Total other income</b>	<b>141.8</b>	<b>157.9</b>	<b>(0.9)</b>	<b>2.0</b>					<b>140.9</b>	<b>159.9</b>
Admiral Money result					13.0	10.2			13.0	10.2
Other Group Costs							(90.3)	(79.9)	(90.3)	(79.9)
Share scheme costs							(62.2)	(54.4)	(62.2)	(54.4)
<b>Profit/(loss) before tax</b>	<b>976.7</b>	<b>596.5</b>	<b>(5.3)</b>	<b>(18.0)</b>	<b>13.0</b>	<b>10.2</b>	<b>(145.2)</b>	<b>(145.9)</b>	<b>839.2</b>	<b>442.8</b>

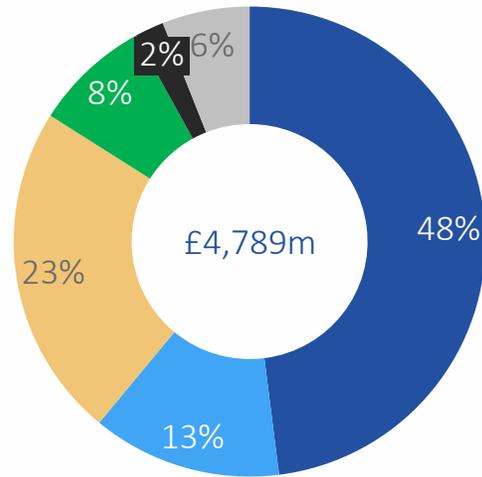
Note: minor rounding and casting differences might occur

# Investment update

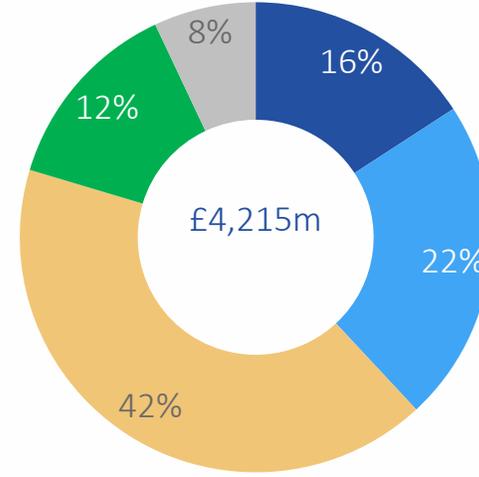
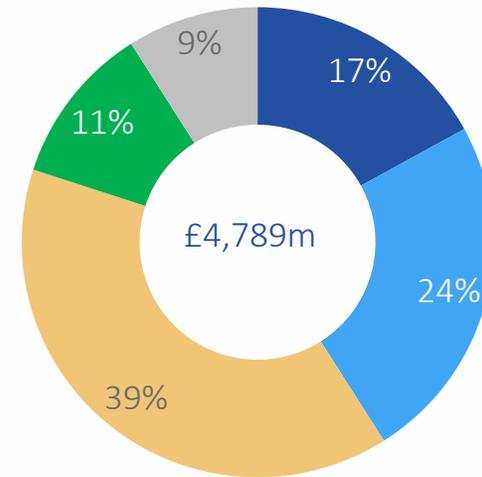
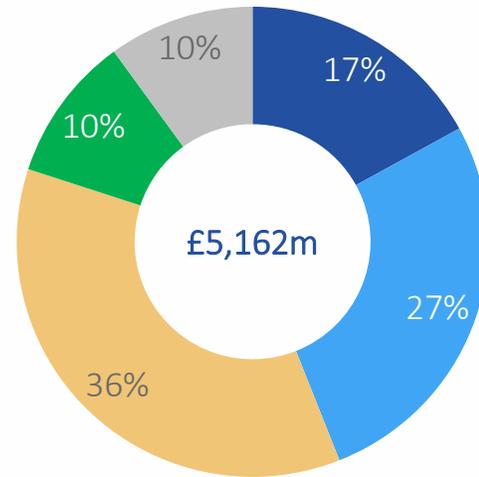
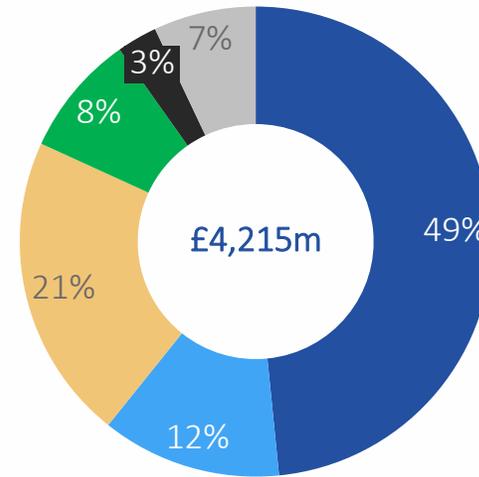
Dec 2024



June 2024



Dec 2023



# Investment update

Group (£m)	FY24	FY23	FY22 (restated)
<i>Underlying investment income yield</i>	<b>4.0%</b>	3.3%	1.6%
Investment income	<b>182.1</b>	124.4	64.1
Movement in provision for expected credit losses	<b>(6.3)</b>	2.5	1.8
Total investment return <sup>1</sup>	<b>175.6</b>	126.7	66.4

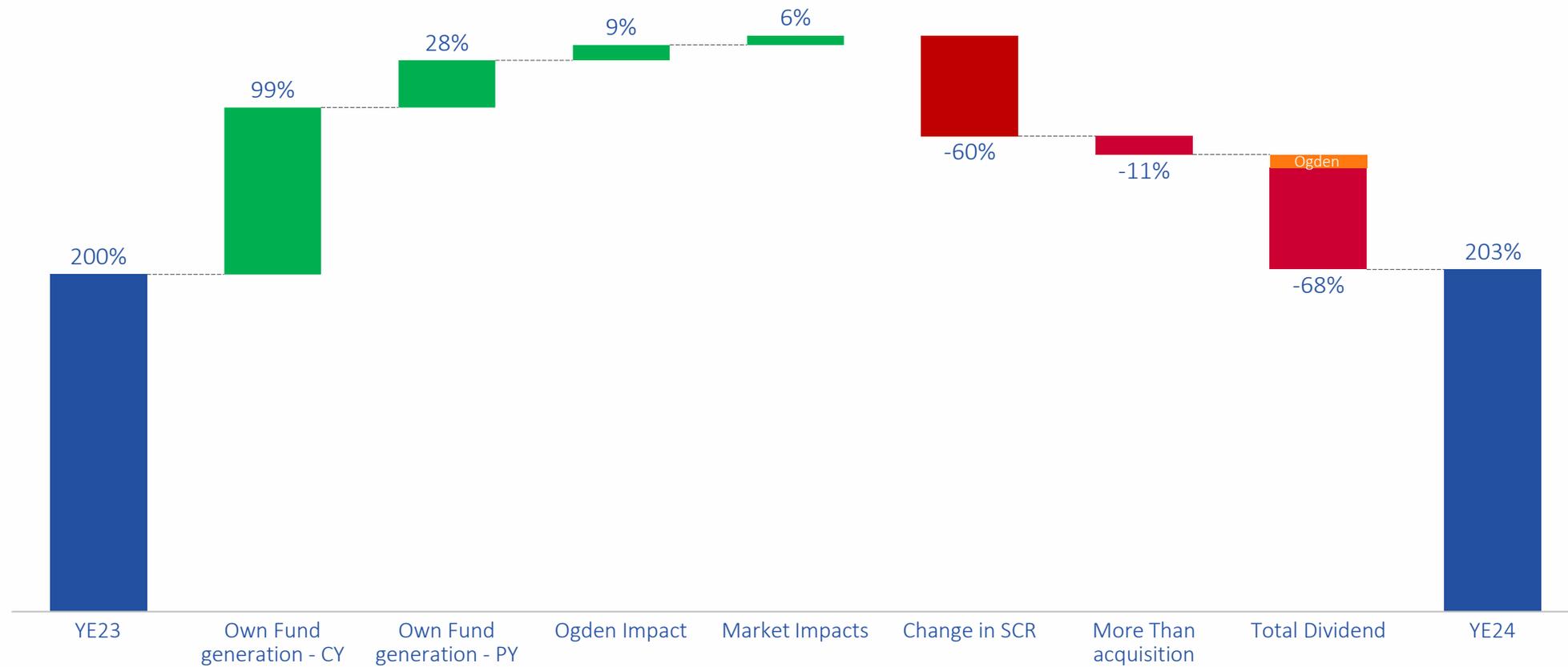
- No change in investment strategy in period or forthcoming
- Broadly similar allocations and ratings
- Higher investment income mainly reflects higher yields and increased asset balances following strong business growth
- Higher credit provision primarily driven by higher invested assets (+25%); fixed income and debt portfolio continues to perform well
- Movements due to interest rates well matched with changes in liability valuation for solvency measurement
- Average duration of bond portfolio as at 31<sup>st</sup> Dec 2024 = ~2.8 years (31/12/23 = ~2.9 years)
- Current reinvestment rate of ~4.5% on average

# Analysis of Other Group items

£m	FY24	FY23
Other central costs	(51.2)	(41.7)
Admiral Pioneer result	(11.3)	(16.2)
Business development costs	(20.1)	(15.3)
Finance charges <sup>1</sup>	(26.4)	(20.3)
Compare.com loss before tax	--	(2.6)
Sale of shares in Insurify	12.5	-
Other interest and investment income	13.5	4.6
Total	83.0	91.5

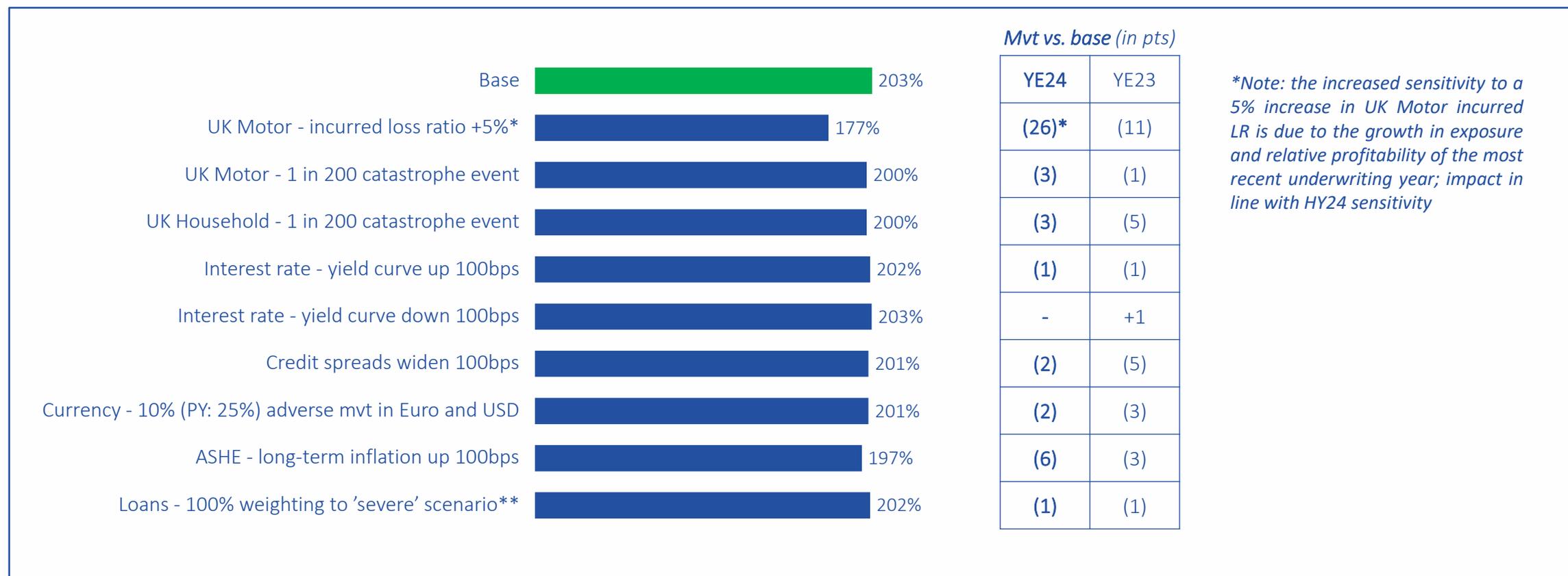
- Other central costs include £8m one-off additional employee bonus in 2024, along with higher project costs for the internal capital model development and the strategic review of the US business
- Pioneer: high growth and small profit in Veygo alongside continued SME insurance investment's businesses
- Business development costs increased to £20m, primarily as a result of c.£7m one-off costs relating to More Than acquisition
- Increased finance charges primarily related to interest on the £250m subordinated notes issued in July 2023 at a rate of 8.5%
- A loss of £2.6m was attributed to Compare.com in FY23 following its disposal. As part of the disposal, the Group received shares as a minority interest shareholder of the acquirer. In H1 24, the Group was able to exercise the sale of those shares, resulting in a one-off gain of £12.5m
- Higher 'other interest and investment income' primarily from higher interest rate environment

# Solvency ratio movements – FY23 to FY24



# Solvency ratio sensitivities

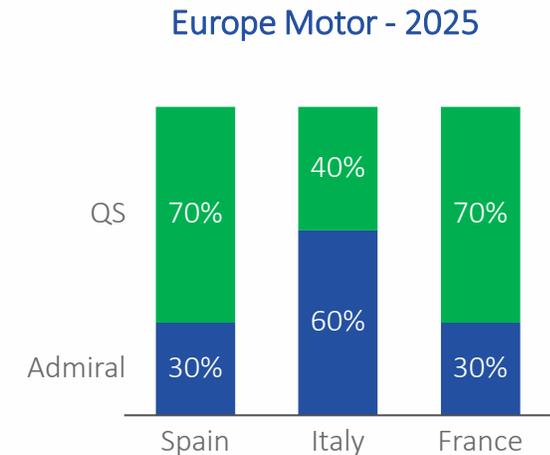
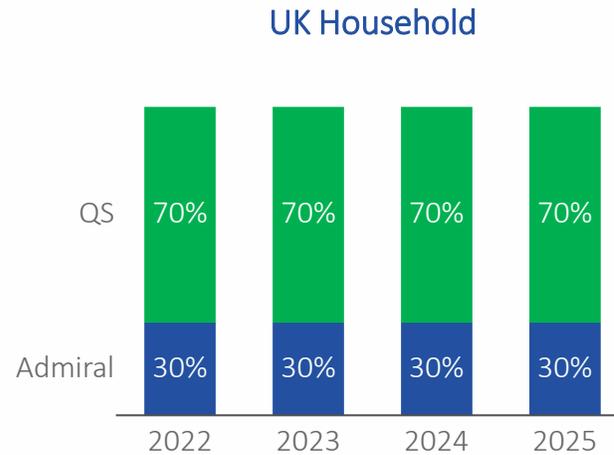
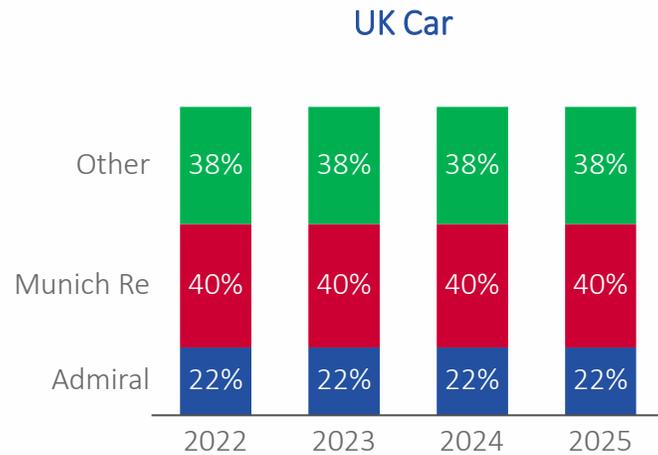
The sensitivities below have been selected to show a range of impacts on the reported base case solvency ratio. They cover the 2 main material risk types - insurance and market risks. Within each risk type the sensitivities performed cover the underlying drivers of the risk profile. The sensitivities have not been calibrated, unless stated, to individual return periods.



# UK Motor: risk adjustment sensitivities

£m	Impact on PBT gross of RI		Impact on PBT net of RI	
	FY24	FY23	FY24	FY23
<i>Position as at end of period</i>	<i>95<sup>th</sup></i>	<i>93<sup>rd</sup></i>	<i>95<sup>th</sup></i>	<i>93<sup>rd</sup></i>
RA increase to 95 <sup>th</sup> percentile	<i>n/a</i>	<i>(54.4)</i>	<i>n/a</i>	<i>(25.6)</i>
RA decrease to 90 <sup>th</sup> percentile	<i>123.5</i>	<i>45.6</i>	<i>112.2</i>	<i>24.1</i>
RA decrease to 85 <sup>th</sup> percentile	<i>199.3</i>	<i>108.8</i>	<i>180.8</i>	<i>57.6</i>

# UK and Europe co- and reinsurance arrangements



- Munich Re continues to underwrite 40% of the UK business
  - 20% quota share in place until at least 2026
  - 20% coinsurance in place until 2029
- Extended 25% of 'Other' quota share until at least 2027
- Remaining 13% 'Other' quota share in place until end 2025

- Quota share contracts for 70% share extended until at least end 2027
- The Group has non-proportional reinsurance to cover the risk of catastrophes stemming from weather events

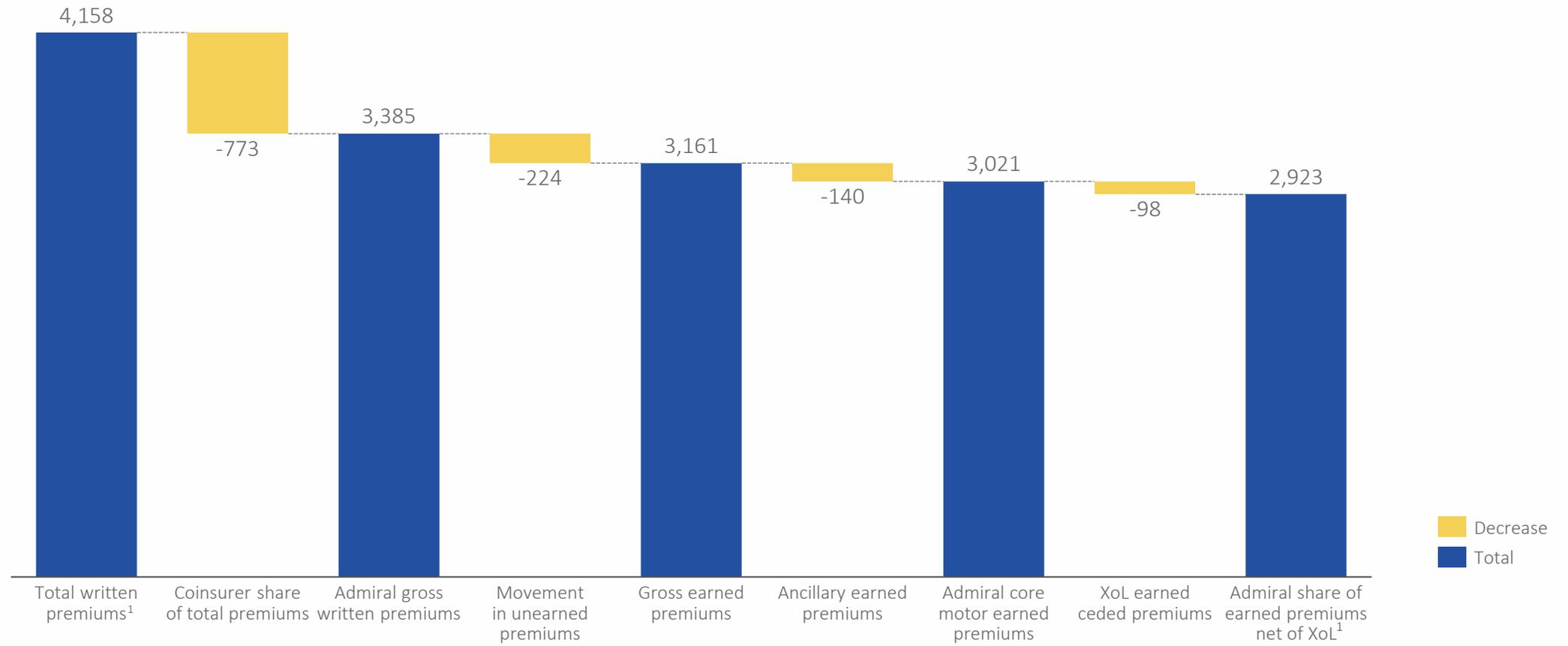
- Quota share contracts with a range of reinsurers
- Phased expiry dates
- Shorter coverage periods on average

# UK Car: co- and reinsurance arrangements<sup>1,2</sup>

<b>Type</b>	Munich Re proportional co-insurance: 20% from 2022 underwriting year onwards	Proportional reinsurance (quota share): 58% from 2022 underwriting year onwards (20% Munich Re, 38% other reinsurers)
<b>Cost to Admiral</b>	Variable, depending on combined ratio	Fixed – c.2% of premium
<b>Risk protection</b>	Co-insurance	Reinsurance: protection starts at 100% combined ratio + allowance for investment income
<b>Profit commission</b>	<p>Key items in profit commission calculation include premium, claims, expenses, share scheme costs</p> <p>Profit share % variable based on combined ratio and calculated in tranches. Admiral's share of profit was c.65% at typical combined ratios and c.75% from 2022 underwriting year onwards</p>	Recognised on an expected cashflow basis, including risk adjustment: this means that on funds withheld contracts (UK Motor) there is no recognition of profit commission (the only cashflows are payments of margin to the reinsurer, and collections of claims recoveries on unprofitable years)
<b>Recoveries</b>	N/A	<p>Recoveries made when reinsurer's proportional share of claims costs (incl. risk adjustment) + expenses + margin – allowance for investment income exceeds premium</p> <p>Reductions in booked loss ratio (i.e. including risk adjustment) can lead to reductions in recoveries in subsequent periods</p>
<b>Funds withheld</b>	No	All
<b>Investment income</b>	Munich Re	Admiral (although allowance for investment income is included when calculating recoveries if combined ratio > c.100%)
<b>Instalment income</b>	Admiral	Admiral
<b>Commutation</b>	Not applicable	Admiral has option to commute contracts and typically does this 36 months after the start of the underwriting year

# UK Motor: FY24 total premium to core product earned premium

£m



# UK Motor: loss ratios, discounting and finance expenses

## UK Motor: future finance expense remaining<sup>1,3</sup>

At financial year end	2017	2018	2019	2020	2021	2022	2023	2024
<b>Best Estimate, net of XoL</b>								
FY22	14.0	12.3	15.3	16.4	46.0	53.0		
FY23	10.7	9.8	15.7	13.8	41.1	85.1	74.3	
<b>FY24</b>	<b>8.4</b>	<b>5.1</b>	<b>10.8</b>	<b>17.2</b>	<b>38.0</b>	<b>64.4</b>	<b>107.1</b>	<b>81.5</b>
<b>BE+RA, net of XoL</b>								
FY22	15.6	14.4	18.9	20.5	55.2	62.2		
FY23	10.8	9.9	16.4	14.8	47.4	99.4	86.7	
<b>FY24</b>	<b>8.8</b>	<b>5.3</b>	<b>11.7</b>	<b>19.0</b>	<b>42.7</b>	<b>74.7</b>	<b>127.8</b>	<b>98.2</b>

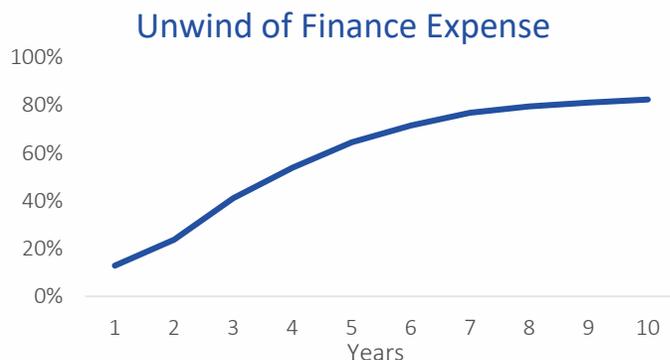
Finance expense gradually decreasing on prior UWYs, as claims are paid and reserves decrease in size

As claims are incurred, the amount of discounting that will be unwound in future years increases

Difference between undiscounted and discounted LR larger on UWYs with higher yield curves when accidents were incurred, leading to larger future unwind of finance expense.

Cost of unwinding discounting (to reflect full cost of paid claims) recognised as insurance finance expenses and will align to profile of undiscounted claims liabilities.

*Example profile of unwind<sup>2</sup> for individual UWY as a % of total finance expense to be recognised shown opposite*



## Undiscounted loss ratios

- No discounting for time value of money
- Reflective of expected ultimate cash settlements (best estimate); plus undiscounted risk adjustment (booked LR)

## Discounted loss ratios

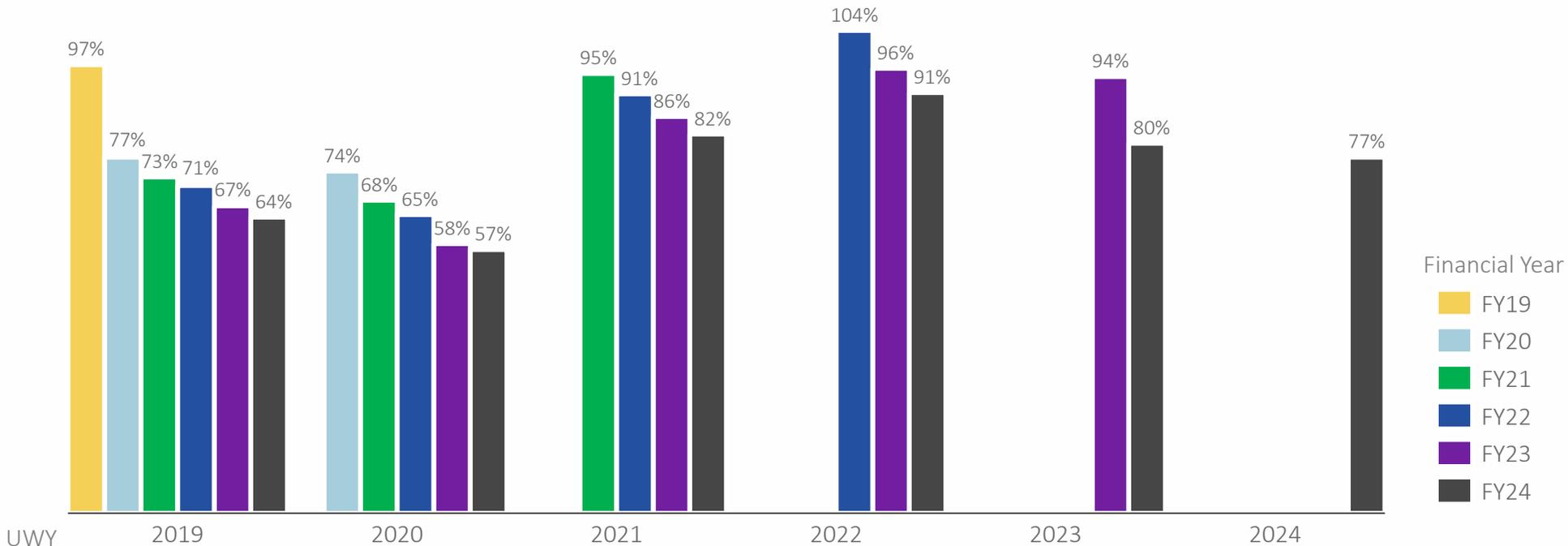
- Based on discounted incurred claims costs as reported through insurance expenses in income statement
- Excludes unwind of finance expense (separately reported)
- Finance expense based on expected payment of claims reserves (set at start of each financial year), at “locked-in” yield curves rates i.e. the yield curves in place when claim originally incurred

# UK Motor: undiscounted loss ratio development by underwriting year

## UK Motor: undiscounted booked LRs<sup>1,2,3</sup>

Development by financial year (colour-coded)

Split by underwriting year (x axis)



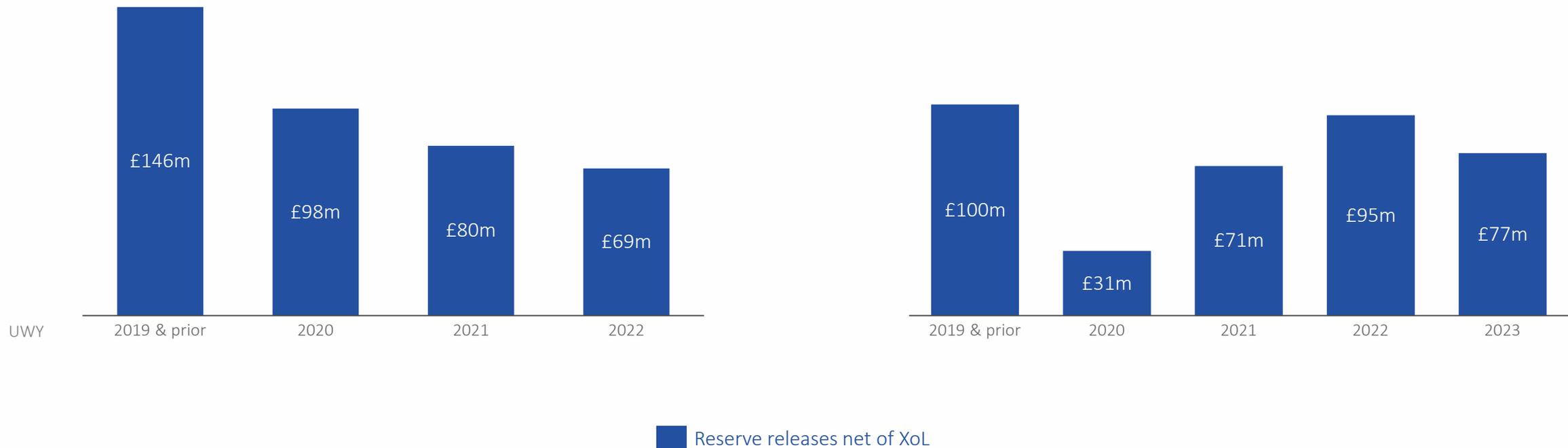
Undiscounted ultimate LRs by UWY <sup>1</sup>		
	FY24	FY23
UWY		
2024	69%	
2023	74%	85%
2022	87%	90%
2021	78%	81%
2020	56%	57%
2019	63%	66%

# UK Motor: reserve releases by underwriting year

Net of XoL

FY23: £393m

FY24: £372m<sup>1</sup>



# UK Motor: FY23 cumulative profit recognition

Underwriting years	Prior	2017	2018	2019	2020	2021	2022	2023
Total written premium, net of XoL cost		1,951	2,077	2,026	2,166	2,132	2,105	2,977
Total earned premium, net of XoL cost		1,951	2,077	2,026	2,166	2,132	2,105	1,403
Total Admiral premium net of XoL		1,373	1,480	1,456	1,562	1,551	1,722	1,115
Discounted combined ratio including RA		76%	83%	84%	77%	103%	109%	123%
Cumulative Insurance service profit		330	259	231	361	(41)	(155)	(257)
Quota share reinsurance		(17)	(18)	(23)	(24)	17	99	30
Net onerous loss component		0	0	0	0	0	1	0
Profit commission - Co-insurance		88	60	51	98	0	(3)	0
Net other revenue excl instalments		148	161	152	130	130	130	82
Instalment income		72	86	92	106	100	125	71
Investment income		33	32	43	38	42	53	112
Finance expenses		(3)	(6)	(7)	(6)	(21)	(30)	(14)
<b>Cumulative earned basis profit (booked) by UWY</b>	<b>n/a</b>	<b>651</b>	<b>574</b>	<b>539</b>	<b>703</b>	<b>227</b>	<b>220</b>	<b>24</b>
Booked discounted LR		60%	64%	65%	57%	81%	88%	86%
Booked undiscounted LR		61%	65%	67%	58%	86%	96%	94%

# UK Motor: FY24 cumulative profit recognition

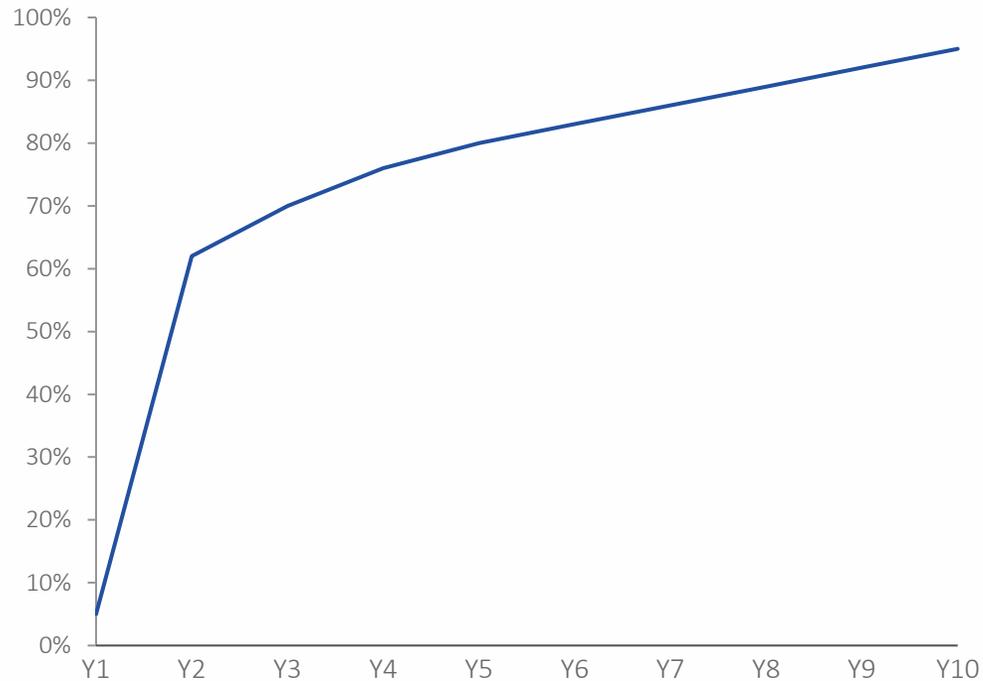
Underwriting Year	Prior	2018	2019	2020	2021	2022	2023	2024
Total written premium, net of XoL cost		2,077	2,026	2,166	2,132	2,105	2,946	3,870
Total earned premium, net of XoL cost		2,077	2,026	2,166	2,132	2,105	2,909	2,079
Total Admiral premium net of XoL		1,480	1,456	1,562	1,551	1,722	2,342	1,696
Discounted combined ratio including RA		81%	82%	75%	98%	104%	90%	102%
Cumulative Insurance service profit		284	264	391	30	(61)	229	(40)
Quota share reinsurance		(17)	(23)	(24)	(11)	15	(51)	(37)
Net onerous loss component		0	0	0	0	1	1	0
Profit commission - Co-insurance		68	64	111	0	(3)	0	2
Net other revenue excl instalments		161	152	130	132	130	136	83
Instalment income		86	92	106	100	125	150	104
Investment income		32	43	38	42	53	112	150
Finance expenses		(7)	(9)	(8)	(30)	(48)	(48)	(13)
Cumulative earned basis profit (booked) by UWY	n/a	607	583	744	263	212	529	249
Booked discounted LR		63%	63%	55%	77%	83%	72%	71%
Booked undiscounted LR		63%	64%	57%	82%	91%	80%	77%

# UK Motor: FY24 CY profit recognition

	Prior	2018	2019	2020	2021	2022	2023	2024	TOTAL
Total written premium, net of XoL cost	0	0	0	0	0	0	(31)	3,870	3,839
Total earned premium, net of XoL cost	0	0	0	0	0	0	1,506	2,079	3,585
Total Admiral premium net of XoL	0	0	0	0	0	0	1,227	1,696	2,923
Discounted combined ratio including RA Cumulative Insurance service profit	42	25	33	30	71	94	486	(40)	741
Quota share reinsurance	0	1	0	0	(28)	(84)	(81)	(37)	(229)
Net onerous loss component	0	0	0	0	0	0	1	0	1
Profit commission - Co-insurance	17	8	13	13	0	0	0	2	53
Net other revenue excl instalments	0	0	0	0	2	0	54	83	139
Instalment income	0	0	0	0	0	0	79	104	183
Investment income	0	0	0	0	0	0	0	150	150
Finance expenses	(4)	(1)	(2)	(2)	(9)	(18)	(34)	(13)	(83)
Profit recognised current period	55	33	44	41	36	(8)	505	249	955
Movement in loss ratio - booked discounted		-1%	-2%	-2%	-4%	-5%	-14%		
Movement in loss ratio - booked undiscounted		-2%	-3%	-1%	-4%	-5%	-14%		
Sensitivities									
1 point improvement					14	9	22	17	
1 point deterioration					(12)	(9)	(21)	(16)	
5 point improvement					63	54	119	89	
5 point deterioration					(52)	(38)	(80)	(70)	
10 point improvement					148	118	232	181	
10 point deterioration					(102)	(73)	(125)	(112)	

# UK Motor: illustrative earning profile of underwriting year profit

*Illustrative UK Motor underwriting profit earning profile in a profitable year*

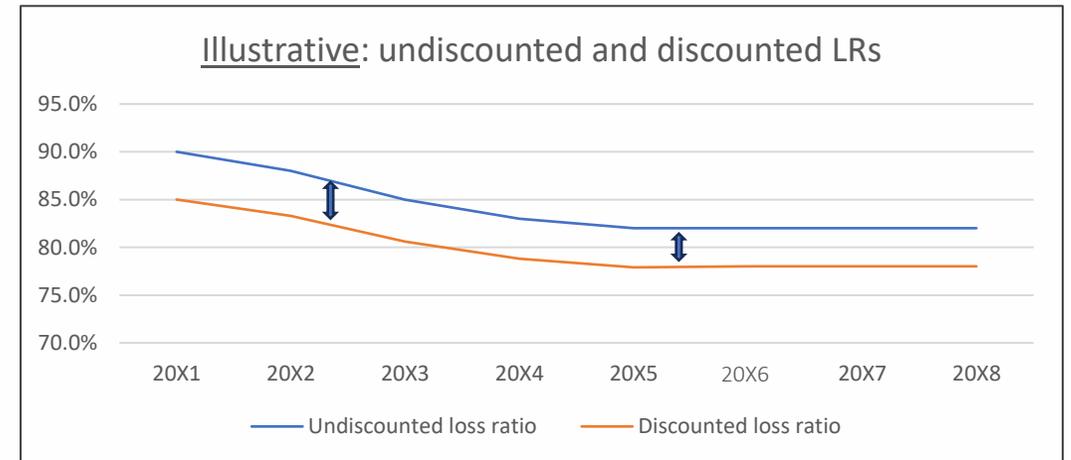


- In a profitable underwriting year:
  - **Y1** – expected to be slightly profitable on average with any underwriting profit and other income largely offset by the recognition of all expenses
  - **Y2** – significant underwriting profit expected to earn through, with no further expenses and some release of risk adjustment and BE reserves; partly offset by unwind of discounting
  - **Y3-5** – further releases partly offset by discounting unwind
  - **Y5 onwards** – small incremental profits
  - In a lower yield curve environment, Y1-2 would show lower profits, but the earning pattern would be largely back in line by Y5
- In an unprofitable underwriting year: expect a loss in Y1; a large profit pick up in Y2; and an overall shorter earning trajectory

# UK Motor: illustrative accounting for prior period reserve releases

Underwriting year	2017	2018	2019	2020	2021
<b>Admiral TWP net of XoL (A)<sup>1</sup></b>	<b>1,373</b>	<b>1,480</b>	<b>1,456</b>	<b>1,562</b>	<b>1,551</b>
Discounted booked loss ratio					
FY22 (B)	61%	67%	69%	63%	86%
FY23 (C)	60%	64%	65%	57%	81%
<b>Reduction in booked discounted LR (D)</b>	<b>1%</b>	<b>3%</b>	<b>4%</b>	<b>6%</b>	<b>5%</b>
<b>Modelled reserve release (A*D)</b>	<b>14</b>	<b>44</b>	<b>58</b>	<b>94</b>	<b>77</b>

- Claims releases are presented within the insurance service result, based on developments in gross claims costs (but net of XoL)
- Releases include development on both ultimate loss ratios and risk adjustment
- Releases in each period can be modelled using development in the undiscounted or discounted booked LR – see opposite
- Quota share reinsurers' share of reserve releases is recognised within the reinsurance result – only occurs where the contract is still in a recovery position and not commuted (i.e. typically where COR > 100%)



- Difference between undiscounted and discounted loss ratios recognised through finance expense over time
- If LR's develop favourably, total finance expense recognised over time will be lower, due to lower total claims cost resulting in lower total discounting benefit
- Finance expense recognised in period not impacted by favourable or adverse development within period, but based on opening reserves and expected payment pattern instead
- Therefore, in-year releases can be modelled using in-year movement in LR's

# UK Motor: illustrative quota-share accounting example

UWY 20X1	FY 20X1		FY 20X2		FY 20X3		Total
	Value		Value		Value		
Total written premium net of XoL <sup>1</sup>	2,000		2,000		2,000		
QS share of premium <sup>2</sup>	1,200		1,200		1,200		
QS margin to be paid (A) <sup>2</sup>	(24)		(24)		(24)		
Undiscounted booked loss ratio <sup>1</sup>	100%		90%		80%		
Written expense ratio <sup>1</sup>	20%		20%		20%		
Investment income allowance <sup>2</sup>	(2%)		(2%)		(2%)		
Undiscounted combined ratio	118%		108%		98%		
% recovered (>100%) <sup>2</sup>	18%	216	8%	96	-2%	-	
Discounted claims and expense recovery (B) <sup>3</sup>	80%	173	80%	77	80%	-	
Total written recovery/(cost) (A + B)	149		53		(24)		
Earned at year end <sup>4</sup>	50%	74	100%	53	100%	(24)	
<b>P+L impact in year</b>	<b>74</b>		<b>(21)</b>		<b>(77)</b>		<b>(24)</b>

- UK Motor quota share recoveries earned based on expected cashflows
- Lower premiums and recoveries: same ultimate cost as IFRS 4
- Estimation of QS recoveries at each period end, and P+L impact in-year, can be made using use QS share of premiums, expenses and claims
- Example illustration provided
- Key inputs / assumptions:
  - QS share of premium
  - Cost of margin
  - Combined ratio (undiscounted)
  - Discounting of net quota share recoveries
  - Earning profile

# UK Motor: illustrative QS accounting commutation example

UWY 20X1	FY 20X1 Value		FY 20X2 Value		FY 20X3 Value		Total cost
Undiscounted combined ratio (CR)	118%		108%		98%		
Total written recovery/(cost)	149		53		(24)		
Earned at year end – no commutation	50%	74	100%	53	100%	(24)	(24)
<b>P&amp;L impact of movement in recoveries – no commutation</b>	74		(21)		(77)		(24)
<b>Cumulative position – no commutation</b>	74		53		(24)		(24)
<b>Additional P&amp;L impact if commuted – At FY 20X2<sup>1</sup></b>			(77)				
<b>Cumulative position – commuted at FY 20X2</b>			(24)				(24)
<b>Additional P&amp;L impact if commuted – At FY 20X3<sup>2</sup></b>					-		
<b>Cumulative position – commuted at FY 20X3</b>					(24)		(24)

1. If commuted at 20X2, total cost of contract at that time is £24, leading to a total cost recognised in 20X2 of £98. This is comprised of a loss on commutation of £77m, being the difference between the asset that would be recognised (£53) if contract not commuted, and the total ultimate cost of the contract, being the reinsurer margin of £24.
2. No further impact of commutation recognised given that the underwriting year is in a profitable position and the full cost of the contract (the cost of margin of £24) has been recognised already.

Note that if the discounted combined ratio remained at 108% and the contract was not commuted (given the expected recoveries), the asset of £53 would remain on the balance sheet until settled at the point of commutation.

- Uses illustrative example of QS accounting for UK Motor
- Impact of commutation depends on booked combined ratio (CR) at point of commutation:
  - If CR < 100%, no additional impact
  - If CR > 100%, additional loss on commutation being difference between asset using booked combined ratio, and total ultimate cost of the contract, being the margin paid
- Any impact of commutation is recognised within the reinsurance result: no impact on gross claims reserve releases or reported loss ratios

# UK Motor: illustrative example of QS accounting for prior period reserve releases

This illustrative example uses the QS example set out on the previous slides to illustrate the impact on QS recoveries of favourable changes in loss ratio; they are simplified to focus on the impact of claims development and as such exclude the impact of investment income allowance, discounting and cost of the reinsurer margin.

	IFRS 17		
	Example 1	Example 2	Example 3
QS premium (E)	1,200	1,200	1,200
CR start of period (B)	108%	103%	98%
<b>Value &gt; 100% (F)</b>	<b>8%</b>	<b>3%</b>	<b>0%</b>
CR end of period (C)	103%	98%	94%
<b>CR &gt; 100% (G)</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>
<b>QS impact offsetting gross release (E * (G-F))</b>			
Claims release	-60	-36	0
Profit commission			
<b>Total impact</b>	<b>-60</b>	<b>-36</b>	<b>0</b>

Under IFRS 17: multiply QS proportional premium by movement in combined ratio, lower limit of COR of 100% to reflect that recoveries are only recognised where CR > 100%

# Admiral Group's ESG ratings

**ISS ESG** 

2024 score: C-

 **SUSTAINALYTICS**

2024 score: 24

**MSCI** 

2024 score: AAA

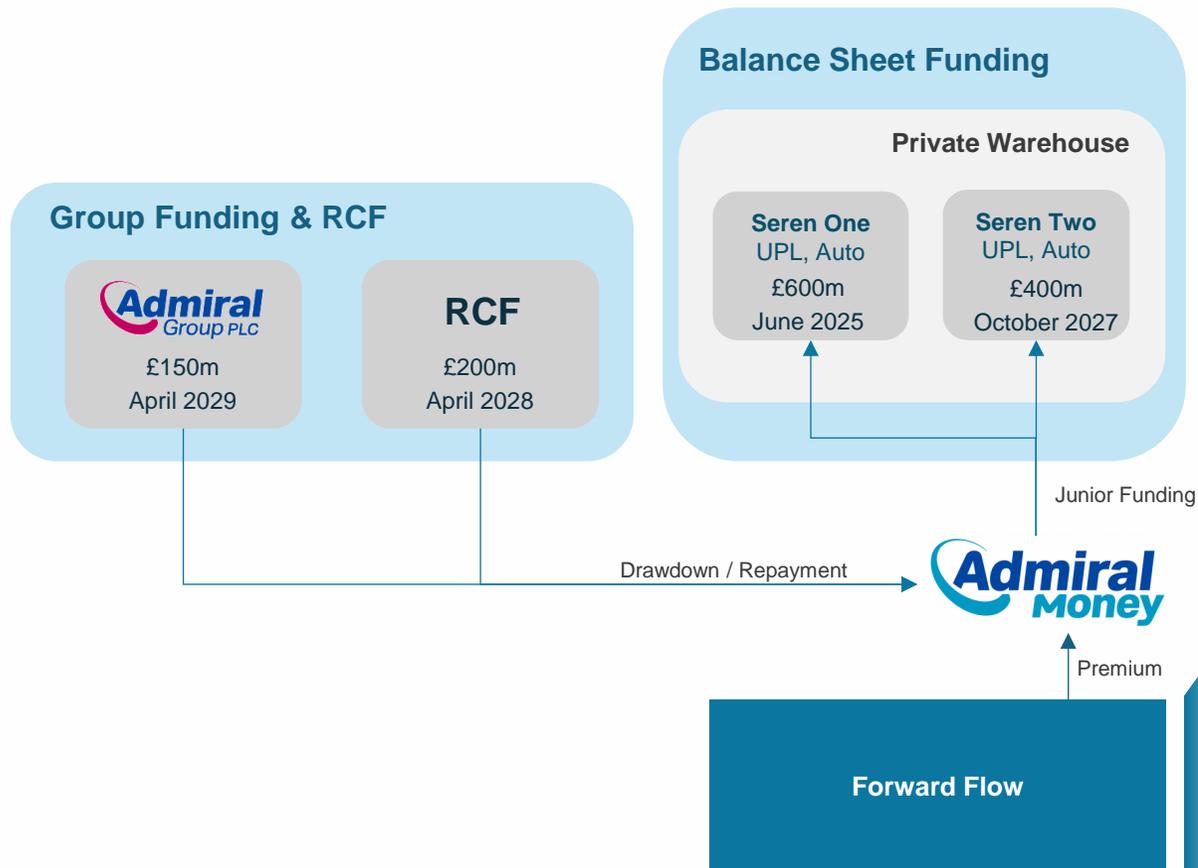
Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

2023 score: 41/100

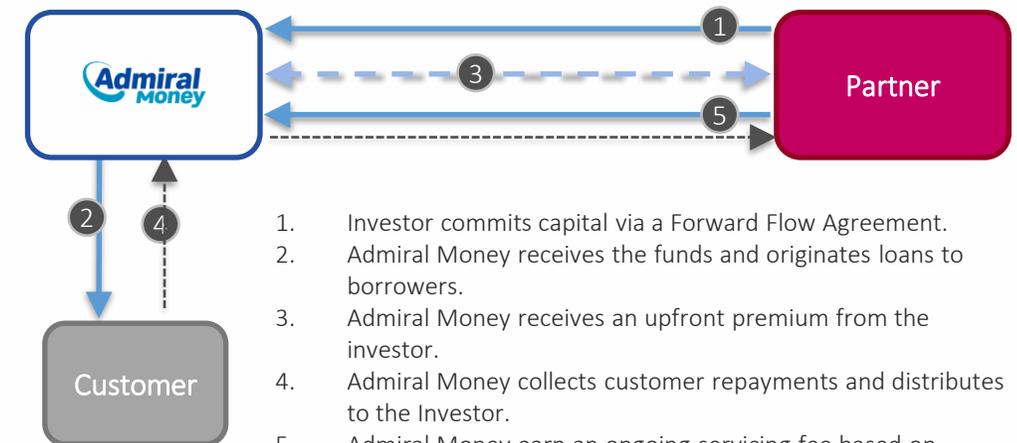
 **CDP**  
DISCLOSURE INSIGHT ACTION

2023 score: C

# Admiral Money: funding structure



Funding type	Maturity	Size
Group Loan	30-Apr-29	£150m
RCF	30-Apr-28	£200m
Seren One Warehouse	15-Jun-25, but assumed renewal early 2025	£600m <i>To be extended to £750m on renewal</i>
Seren Two Warehouse	30-Oct-27	£400m <i>To be extended to £500m</i>
		<b>£1.35 bn</b> <i>To be extended up to £1.6 bn</i>



1. Investor commits capital via a Forward Flow Agreement.
2. Admiral Money receives the funds and originates loans to borrowers.
3. Admiral Money receives an upfront premium from the investor.
4. Admiral Money collects customer repayments and distributes to the Investor.
5. Admiral Money earn an ongoing servicing fee based on outstanding balances.

# Dividend policy overview and dates

## Dividend policy and guidance

- Admiral will pay 65% of post-tax profits as a normal dividend each half-year
- Admiral expects to continue to distribute all earnings not required to be retained for solvency, buffers or to purchase shares for employee share schemes

## Dividend dates

Ex-dividend date: 15<sup>th</sup> May 2025

Record date: 16<sup>th</sup> May 2025

Payment date: 13<sup>th</sup> June 2025

# Admiral brands



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