



Hastings Group Holdings plc

Trading update for the 9 months ended 30 September 2017

27 October 2017

Hastings Group Holdings plc ('the Group', or 'Hastings') today provides an update on its trading performance for the 9 months ended 30 September 2017.

Hastings has delivered profitable growth for the eighth consecutive quarter since listing on the London Stock Exchange, with increasing live customer policies, greater UK market share, higher average written premiums and strong retail revenue.

Business highlights

- **Live customer policies** increased to 2.60 million as at 30 September 2017, a 14% year on year increase (2.29 million as at 30 September 2016).
- **Market share** of UK private car insurance⁽¹⁾ up to 7.2% as at 30 September 2017 (6.4% as at 30 September 2016).
- **Gross written premiums** up 25% to £714.3m for the 9 months ended 30 September 2017 (9 months ended 30 September 2016: £572.8m).
- **Net revenue** increased by 22% to £538.3m for the 9 months ended 30 September 2017 (9 months ended 30 September 2016: £440.3m).

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

"I am delighted to announce that we have continued our strong momentum from the half year. We now have 2.6 million live customer policies, up 14% on last year, and gross written premiums have increased by 25% to £714.3m. Whilst we have seen some short term market pricing fluctuations following the UK Government's recent Ogden discount rate announcement, our premium and claims inflation have continued to show similar trends to those we reported at the half year.

"We remain focused on our robust underwriting discipline and continue to invest in reinforcing our digital advantage. The continued roll out of Guidewire, our next generation broking and digital platform, is benefitting our customers and will provide a platform for future growth and longer term operating cost efficiencies.

"We are on track to meet all of our 2019 targets."

Group performance update

	9 months ended 30 September 2017	9 months ended 30 September 2016	Year on Year Growth
Live customer policies (million)	2.60	2.29	14%
UK Private car market share (%)	7.2%	6.4%	80 bps
Gross written premiums (£m)	714.3	572.8	25%
Net revenue (£m)	538.3	440.3	22%

Revenue growth

Increases in new business volumes and strong retention rates have contributed to a 14% growth in live customer policies, which, along with targeted rate increases, have resulted in a 25% year on year increase in gross written premiums to £714.3m.

Net revenue has grown by 22% to £538.3m for the 9 months ended 30 September 2017 due to the earn through of higher average premiums and growing retail income driven by increases in policy numbers.

Outlook

The Group has delivered a strong trading performance in the third quarter and the Board is pleased to confirm that Hastings is well positioned to continue its profitable growth, and is on track to deliver in line with all the set targets.

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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 2.6 million live customer policies and employing over 3,000 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 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.