



Hastings Group Holdings plc Trading update for the 3 months ended 31 March 2016

6 May 2016

Hastings Group Holdings plc (“the Group”, or “Hastings”) today provides an update on its trading performance for the 3 months ended 31 March 2016.

The first quarter saw strong operating performance and delivery in line with targets set at the time of the IPO. The Group has continued its profitable growth trajectory, with increases in customer policy numbers and rising premiums.

Business highlights

- **Live customer policies** increased to 2.1 million as at 31 March 2016, a 17% year on year increase (1.8 million as at 31 March 2015, 2.0 million as at 31 December 2015).
- **Market share** of UK private car insurance policies⁽¹⁾ up to 6.0% as at 31 March 2016 (5.3% as at 31 March 2015).
- **Gross written premiums** up 29% to £171.0 million for the 3 months ended 31 March 2016 (3 months ended 31 March 2015: £132.3 million).
- **Net revenue** up 22% to £132.7 million for the 3 months ended 31 March 2016 (3 months ended 31 March 2015: £108.8 million).

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

“Our trading performance for the first quarter of 2016 demonstrates that we continue to deliver on our promises. Our differentiated and agile, data driven business model continues to drive profitable growth in customer policies and market share, and strong cash generation.

“We’ve continued to invest in the infrastructure which supports our long term growth strategy. We now have over 500 colleagues at our new Leicester site and, in total, over 2,500 colleagues providing refreshingly straightforward service to over 2.1 million customers. Based on the continuing positive momentum in the business, we remain confident of delivering against our expectations and targets for all of our stakeholders.”

Group performance update

	3 months ended 31 Mar 2016	3 months ended 31 Mar 2015
Live customer policies (m)	2.1	1.8
UK private car market share (%)	6.0%	5.3%
Gross written premiums (£m)	171.0	132.3
Net revenue (£m)	132.7	108.8

Revenue growth

Gross written premiums increased by 29% year on year to £171.0 million driven by increasing new business sales and a growing renewal book, with continued targeted rate increases implemented during the period. The Group increased live customer policies ('LCP') in its core private car market as well as in home, a strategic growth area for the Group, and remains on target to meet 2.5 million customers by 31 December 2017.

Growth in LCP and associated income resulted in a 22% increase in net revenue, to £132.7 million for the quarter.

Investing in growth

The Group has continued to invest in its new Leicester site and in Guidewire, Hastings' next generation Claims and Broking platform. The Guidewire Claims platform successfully went live in November 2015 and the Group has continued to make good progress on the Broking platform, which remains a key focus for 2016. The Guidewire system will increase the effectiveness and efficiency of claims handling and policy administration and provide customers with more self-serve facilities.

The Group's new permanent Leicester site opened in January 2016 and now has over 500 colleagues.

Outlook

The Board is pleased with the trading performance delivered by the Group so far this year and the Group remains well positioned to continue to deliver profitable growth in 2016, and to meet or beat the four targets set at the time of the Group's IPO.

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About Hastings

Hastings is a fast growing, agile, digitally focussed general insurance provider to the UK market, with over 2 million customers and employing over 2,500 colleagues at sites in Bexhill, Gibraltar, Leicester and Newmarket.

Hastings has built its business by championing the customer through its refreshingly straightforward service and products offering car, bike, van and home insurance directly to the public.

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

The Group directly underwrites car, bike and van business through its Gibraltar based insurer Advantage Insurance Company Limited. Home insurance is provided through a number of panel partners and a co-insurance agreement with AXA.

We are a multi award winning business, most recently as:

- 2015 Car Insurance Provider of the Year, Consumer Moneyfacts Awards
- 2015 Personal Lines Broker of the Year, UK Broker Awards
- 2015 Team of the Year, Financial Experience Awards

Forward-looking statements

This trading update 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 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) Source for UK private car market share is UK Department for Transport and Group data.