



**linea directa**

Call for Analysts and Investors

**Transcript**

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**Speakers:**

Carlos Rodríguez-Ugarte

Beatriz Izard

**Beatriz Izard**

*Head of Investor Relations, Línea Directa*

Good morning, everyone, and thank you for joining us today.

Welcome to Línea Directa's first-quarter 2026 results conference call. My name is Beatriz Izard, Head of Investor Relations.

Joining me today is our CFO, Carlos Rodríguez Ugarte, who will lead the presentation. This will be followed by a Q&A session.

With that, I will now turn the call over to Carlos.

**Carlos Rodríguez-Ugarte**

*Chief Financial Officer, Línea Directa*

Thank you very much, Beatriz, and good morning to everyone on the call.

We are very pleased to report another excellent set of results.

Please let me guide you through the financial highlights, presented on the first slide of the deck:

- We delivered top-line growth of 10.2%, nearly two times the Non-life market growth of 5.36%.
- This solid momentum was achieved while maintaining an excellent combined ratio of 91.7%
- Our customer portfolio reached 3.8 million clients, adding 72 thousand in the first quarter of 2026, representing a 9.9% quarter on quarter increase.
- Net income grew by 12.3% to 23.4 million euros, reflecting a strong combination of growth and profitability.
- Return on equity stood at 22.5%, underscoring the efficiency of our business model; and
- Solvency ratio was very strong at 190.6%

Now, let's move on to a more detailed review of the quarterly results.

As shown on page 7, the message remains consistent with prior quarters: strong top line growth of 10.2% supported by high retention, reflecting increased customer loyalty and continued new customer acquisition.

Technical result was up 20.1% to 22.9 million euros. The combined ratio was very solid for the first quarter at 91.7%, with an exceptional expense ratio.

The financial result was affected by mark-to-market movements in equity mutual funds amid ongoing market volatility, although the overall impact was limited to less than 1 million euros.

And all of this translated into a profit after tax of €23.4 million euros, up 12.3%.

In terms of business volumes and customers, all lines of business reported significant growth by adding 72 thousand new clients in the quarter. Motor and Health, together with the developing new business lines, stood out during the period.

Moving to page 9, the combined ratio remained very solid.

On the loss ratio side, results were influenced by a temporary increase in windshield replacement frequency, reflecting the impact of poorer road conditions following the first-quarter storms.

On the expense ratio, continued improvements were driven by greater scale and enhanced operating productivity, demonstrating disciplined efficiency rather than cost reduction. That said, some seasonality benefits this ratio in the first quarter, which should be taken into account when interpreting the performance.

From 2026 to 2028, we will continue to invest in technology capabilities that will improve both operational efficiency and customer experience. The expense ratio remains a key source of competitive advantage and a central pillar of our operational strategy.

Now, I would like to move on to a more detailed breakdown by line of business.

In Motor, the year delivered excellent results, with premiums increasing 10.6%. We outperformed the market by 3.2 percentage points. We added more than 60,000 clients in the quarter, reflecting continued growth momentum.

The combined ratio improved by half a point, well ahead of the latest industry figure of 99.3% in Q4 2025.

The Home line of business delivered steady growth, with premiums increasing by 2.6%.

Performance in this segment remains exceptional, with the combined ratio at 89.4% in the quarter, an improvement of 0.5 percentage points.

Moving to page 12, the Health line delivered strong growth of 20.1%. The portfolio increased by 8.7%, with particularly strong momentum in more comprehensive coverages, which grew by 9.6%.

From a technical perspective, performance improved significantly, with the combined ratio down 9 percentage points year-on-year. Underwriting discipline remains strong, and loss ratio continues to be well contained.

Moving to the next page, financial result declined by 7.2%, primarily reflecting mark-to-market movements in investment funds accounted for through the P&L. Excluding this market-related volatility, financial result would have increased by 3.4%.

Turning to page 14, the composition of the investment portfolio remained largely stable during the first quarter, with the exception of a slight reduction in equity exposure.

The portfolio, excluding cash, increased to €1.2 billion, supported by continued business growth.

Average portfolio return stood at 278 basis points, while the average reinvestment yield of the fixed-income portfolio reached 258 basis points. Portfolio duration remained well balanced at 3.79 years.

Turning to our solvency position, the solvency ratio remained very strong at 191%, despite the negative impact from fair-value movements in the available-for-sale portfolio during the quarter.

In addition, higher average premiums on tacit renewals provided support to the premium Best Estimate Liabilities (BEL) complemented by the increase in the risk-free discounting curve during the period.

Moving to the next page, the SCR is primarily driven by underwriting risk, which is almost fully offset by a reduction in market risk. This reduction reflects lower equity exposure and a decline in the regulatory symmetric adjustment.

To conclude, first-quarter results continue the momentum seen throughout full-year 2025, delivering exceptional growth and strong profitability.

As we progress through 2026, our focus remains on delivering future growth that is both profitable and efficiency-driven.

**Beatriz Izard**

*Head of Investor Relations, Linea Directa*

Thank you, Carlos, and thank you all for joining us today. As always, the Investor Relations team remains available should you require any additional information.

**Carlos Rodríguez-Ugarte**

*Chief Financial Officer, Linea Directa*

Thank you very much, and have a nice day.