Call for Analysts and Investors

Transcript

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Speakers:

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Beatriz Izard
Head of Investor Relations, Linea Directa

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

We are pleased to welcome you to Linea Directa's first-half 2026 results presentation.

I am joined by our CFO, Carlos Rodríguez Ugarte, who will take you through the main highlights of the period, followed by the Q&A session.

Carlos, over to you.

Carlos Rodríguez-Ugarte
Chief Financial Officer, Linea Directa

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

We are pleased to present a strong first half for Linea Directa, combining growth, improved technical margins and a robust solvency position.

Let me start with the key -numbers for the period shown on the first slide of the deck:

- Gross written premiums reached €609.3 million, up 9.2% year-on-year, with all business lines contributing to our growth.
- The portfolio stood at 3.86 million risks, 7.8% higher than in June 2025, after adding close to 278 thousand risks over the last twelve months.
- Technical profitability continued to improve, with a combined ratio of 91.1%, 1.2 percentage points better than in the first half of 2025.
- Net profit increased by 19.0% to €52.1 million, supported by higher volumes, better underwriting performance and efficiency.
- Return on equity stood at 23.3%, while the Solvency II ratio fortified to 196.3%, already reflecting the €18 million first interim dividend for the year.

I will now go through the main drivers of this first-half performance.

On page 7, premiums increased by 9.2%, supported by growth across the Group. The customer portfolio also expanded by 7.8% year-on-year, with around 60 thousand additional risks added in the second quarter alone.

This growth was accomplished by an even further improvement in technical profitability. The combined ratio stood at 91.1% and improved further to 90.6% in the standalone second quarter.

The expense ratio improved to 20.2%, reflecting scale benefits, operating discipline and continued efficiency gains.

The investment result reached €21.8 million, driven by higher income from both the fixed-income and equity portfolios.

As a result, profit after tax reached €52.1 million, up 19.0% year-on-year.

Turning to volumes, Motor remained the main contributor to growth, while Health and the emerging businesses continued to show strong momentum.

Moving to page number 9, the combined ratio reflects the balance between underwriting discipline, claims frequency control, and a larger operating base.

On the loss ratio, performance remained well controlled across the main business lines, supported by an excellent second-quarter performance in both Motor and Home.

On the expense ratio, the improvement reflects increasing scale, operational leverage and productivity gains, while maintaining investment in the capabilities that support future growth.

Efficiency remains a structural strength of the model and a key lever for protecting profitability as the business continues to grow.

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

In Motor, premiums exceeded €490 million, growing by 9.8% year-on-year. The portfolio added more than 222 thousand policies over the last twelve months, including 59 thousand in the second quarter.

Technical profitability remained excellent, with a combined ratio of 91.1% in the first half, 0.9 percentage points better year-on-year, and 90.8% in the standalone second quarter.

The Home line delivered moderate growth, with premiums up 2.0% and the portfolio increasing 3.7% year-on-year.

Profitability in this segment was particularly strong, with a combined ratio of 86.6% in the first half, improving by 2.3 percentage points, and 83.9% in the standalone second quarter.

Moving to page number 12, Health maintained strong commercial traction. Premiums increased by 17.7% to €28.9 million, while the portfolio reached more than 128 thousand policies, 10.4% above June 2025. We continued to shift towards more comprehensive products, with Complete and Specialist products now accounting for almost 68%.

From a technical perspective, the combined ratio improved by 8.6 percentage points to 125.1%, showing gradual progress towards technical breakeven.

Moving to the next page, the financial investment result increased by 5.2%, mainly driven by higher income from both, the fixed-income, and equity portfolios.

By contrast, the real estate contribution reflects the temporary impact of the renovation of one building. Works are expected to be completed by year-end 2026, with rental income resuming in June 2027 under updated market terms.

Taking both effects together, the net investment result declined by 1.8%. Excluding this one-off impact, it would have increased by 5%.

Turning to page number 14, the investment portfolio remained predominantly invested in fixed income, with a measured reduction in equity exposure during the period.

This allocation reflects the Group’s disciplined investment approach, focused on preserving financial strength while maintaining a prudent risk profile.

The portfolio delivered a return of 275 basis points, while the fixed-income portfolio duration stood at 3.5 years.

Turning to solvency, the Solvency II ratio stood at 196.3% at the end of June, reflecting a very strong capital position.

Own funds increased mainly as a result of solid organic capital generation during the first half and the positive revaluation of the investment portfolio through equity. This increase was partly offset by the deduction of the €18 million interim dividend.

On the SCR, market risk reflects lower equity exposure offset by the increase in the symmetric adjustment, while Non-Life, Health and Operational risks evolved in line with business growth. Counterparty risk also increased, mainly due to higher Health receivables and reinsurance recoverables.

To conclude, first-half results show that Línea Directa continues to combine growth with technical discipline, efficiency and a very strong balance sheet.

Looking ahead, our priorities remain clear: maintain profitable growth, protect technical margins and continue leveraging efficiency as a core competitive advantage.

Beatriz Izard
Head of Investor Relations, Linea Directa

Thank you, Carlos, and thank you all for joining. The Investor Relations team remains available for any further information.

Carlos Rodríguez-Ugarte
Chief Financial Officer, Linea Directa

Thank you very much, and I wish you all a pleasant summer break.