

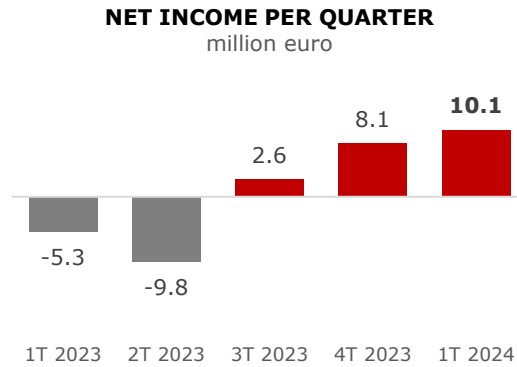
## LÍNEA DIRECTA ASEGURADORA POSTS A NET PROFIT OF 10.1 MILLION EURO IN THE FIRST QUARTER AND CONSOLIDATES ITS RETURN TO PROFITABILITY

- Línea Directa Aseguradora closed the first three months of 2024 with a net profit of € 10.1 million, thanks to the strong improvements made to the insurance margin driven by the underwriting, claims management and cost-to-income measures put in place last year. The company has thus consolidated its return to profitability, which began in the second half of 2023.
- The company's combined ratio continued to improve and stood at 97.3% at the end of the first quarter, showing a 9.5 p.p. improvement than in the same period of the previous year. The Motor segment confirmed its recovery by achieving a 10.3 p.p. improvement in this ratio, to 96.5%.
- Premiums written were up 3% to € 251.4 million, with rising levels of turnover across all lines of business (Motor, Home, Health).
- Health reported further premiums growth (+8.7%), as did customers (+10.7%), under the Línea Directa brand and supported by our multi-product strategy.
- The expense ratio continued to fall and stood at 22.2% (-0.4 p.p.) at the end of the period —one of the best in the sector— thanks to strict control over expenses, further success in digitalisation and increased commercial efficiency.
- The solvency ratio stood at 183%, with a excess of € 170 million over the minimum capital requirement.

**Madrid, 29 April 2024** – [Línea Directa Aseguradora's](#) results for the first three months of 2024 show a progressive and strong improvement in the insurance margin, strong growth in turnover and a consistent improvements in the cost-to-income ratio, in line with the company's priorities for the year as a whole.

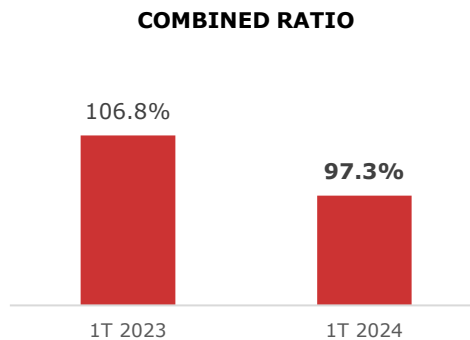
Línea Directa posted a **net profit of € 10.1 million** in the first three months of the year, compared with a net loss of € 5.3 million in the same period of 2023. The entity has now made it three consecutive quarters of positive margins, thus consolidating the return to profitability that began in the second half of 2023, due to the impact of inflation within the insurance industry.

This impressive upturn in earnings has been accompanied by a **strong improvement in the company's technical margin** resulting from the underwriting and pricing, claims management and efficiency measures included in the action plan implemented by the company over the course of 2023.



### Significant improvement in the insurance margin

The **combined ratio**, which was already below 100% in the fourth quarter of 2023, continued to improve and at the end of March stood at **97.3%**, 9.5 p.p. better than in the first three months of last year.



Notably, one of the main outperformers was the **Motor** segment, the company's main line of business in terms of turnover and the one most heavily affected by cost inflation in recent years. The combined ratio in this segment ended the period at **96.5%**, 10.3 p.p. better than a year earlier.

The recovery and growth of Línea Directa's margins is the product of a simultaneous improvement in the claims ratio, the company's level of expenses and growth in revenues.

**The risk selection, underwriting and claims management measures applied** by the insurer since early 2023, combined with an easing of benefit cost inflation in the last few months, enabled it to reduce the cost of claims, which was down 7.9% year-on-year in the first quarter, and to improve its loss ratio by 9.1 p.p. to 75.1%.

Línea Directa was also successful in improving its efficiency (cost-to-income) through **strict control of overhead expenses**, which fell 1.9%, compared to an average inflation rate of 3.1% in the quarter; **further digitalisation of processes**, with steadily increasing use of generative Artificial Intelligence (AI); and an **increase in commercial efficiency** thanks to the company's new customer-focused structure. As a result, the Group's **expense ratio** improved by 0.4 p.p. to reach **22.2%**, one of the best in the Spanish insurance sector.

Moreover, the strategy of **prioritising profitability over growth** in volumes led to a **3.4% increase in insurance revenues**, which also supported the improvement in margins and earnings. Meanwhile, the number of customers remained at 3.3 million (-4.5%).

## Growth across all segments and improvement in Health

Línea Directa Aseguradora's total **premiums written** in the first quarter amounted to **€ 251.4 million, up 3%**, with a positive contribution from all lines of business (Motor, Home and Health).

Premiums written in **Motor** were up 2.2% to € 195.8 million, with a total of **2.46 million policyholders**. Insurance revenues for this segment were up 3.1% in the first quarter.

The **Home** business line continued to perform well, with the premium income received from its **727,000 policyholders** gaining 4.4% to reach € 39.3 million. In addition, insurance revenues increased by 4.5%.

Meanwhile, **Health** picked up the pace by achieving 10.7% growth in the customer portfolio to reach **118,000 policyholders** and **8.7% in premiums written to hit € 15.6 million**, its highest ever tally in a single quarter. Insurance revenues in this segment were up 7.9%.

This excellent performance in Health insurance follows the decision to bring its operations under the umbrella of the Línea Directa brand in September of last year, which gave the segment a huge boost. The segment also benefitted from the company's new multi-product strategy, which paves the way for further commercial efficiency gains and increased cross-selling to customers.

Further highlights in the commercial realm include the company's focus on innovation, which has led to the **launch of new products**. These include personal mobility insurance, which in the first quarter of the year was also marketed under the Línea Directa brand, and home squatter protection insurance, which since the start of April has also been marketed and sold separately from the Home policy and is therefore available to customers of any company. At present, the products other than Motor, Home and Health marketed by the company have generated revenues of € 0.8 million.

Línea Directa Aseguradora's **financial results** in the first three months of 2024 was up 10% to reach **€ 9.2 million**, thanks mainly to higher revenues from fixed income securities.

As a result, the company's **solvency margin** is 3 p.p. higher than at the end of 2023 and stands at **183%**, giving a **surplus of € 170 million over the minimum capital requirement**. As a result, Línea Directa continues to boast a strong balance sheet made up entirely of Tier 1, top-quality capital.

In the words of **Patricia Ayuela, CEO of Línea Directa Aseguradora**, "we have begun 2024 with strong results in terms of our profitability, having seen a steady improvement in our margins and profits, thus confirming the change of cycle now under way. We have also continued to grow revenues across all lines of business and remain at the forefront of the insurance industry in terms of efficiency. This, together with our direct business model and our focus on innovation, digitalisation and sustainability, allows us to look ahead to the rest of the year with cautious optimism."

**LÍNEA DIRECTA ASEGURADORA**  
**MAIN FIGURES 3M 2024**

KPIs ( <i>million euro</i> )	3M 2024	3M 2023	Chg. 24/23
Premiums written	251.4	244.2	+3.0%
Insurance income	242.6	234.6	+3.4%
Technical profit/(loss) on insurance activity	6.3	-15.6	n/a
Gains/(losses) on investments	9.2	8.4	+10.0%
Profit/(loss) before tax	13.7	-7.1	n/a
Net profit	10.1	-5.3	n/a
Loss ratio	75.1%	84.2%	-9.1 p.p.
Expense ratio	22.2%	22.6%	-0.4 p.p.
Combined ratio	97.3%	106.8%	-9.5 p.p.
Portfolio (thousands of policies)	3,316	3,471	-4.2%

**About Línea Directa Aseguradora**

Línea Directa Aseguradora is the 5th largest insurer of cars in Spain, specialising in direct sales of insurance for cars, motorbikes, companies, the self-employed, homes and health. Línea Directa is among the 100 Spanish companies with the best reputations, according to the MERCO Companies ranking.

For **more information**: <https://www.lineadirectaaseguradora.com/>

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