



LÍNEA DIRECTA ASEGURADORA GROWS IN REVENUES AND POSTS A PROFIT OF 86.3 MILLION EUROS UP TO SEPTEMBER, UP 5.9% ON PRE-COVID LEVELS

- **Línea Directa Aseguradora reported further growth in policies throughout the third quarter of 2021, reaching 3.32 million customers (+4.5%), and in premium income, which exceeded 682.6 million euros (+1.1%). Thanks to this increase in business and technical excellence, the group posted a net profit of 86.3 million euros through to September (down 13.4% on 2020 –an extraordinary year due to the pandemic– and up 5.9% compared to 2019, pre COVID-19).**
- **The company achieved a notable increase in the number of policyholders across all lines of business in a fiercely competitive market environment, and revenues grew sharply to exceed the sector average in both the Home (+8.4%) and Health (+23.9%) segments.**
- **The accounts of insurance companies are already responding to the easing of restrictions and claims frequency returning to pre-pandemic levels, along with the impact of atmospheric events. Despite the complex environment, Línea Directa maintained its outstanding technical performance thanks to careful underwriting and expense discipline, ending September with a combined ratio of 86.4% and a return on equity (ROE) of over 34%.**
- **The company's solvency margin stands at 200%, well above the regulatory minimum, including the payment of the second interim dividend for 2021. So far this year, the company has paid out a total of 52.3 million euros to its shareholders, representing a payout of 90% of earnings for the first half of the year.**
- **One of the most notable strategic initiatives in the third quarter of 2021 was the launch of Vivaz Safe&GO, Línea Directa's first pay-as-you-go insurance for scooters and other personal mobility vehicles (PMVs) and which insures the person, thus placing the company at the forefront of new mobility.**

Madrid, 22 October 2021. The results of [Línea Directa Aseguradora](#) for the third quarter of 2021 show the group's outstanding technical performance amid a return to pre-pandemic loss ratio levels and an increase in atmospheric events. They also show how adept the company is on the commercial front at generating business in a highly competitive market context.

Premium income at Línea Directa in the first nine months of 2021 amounted to **682.6 million euros, up 1.1%** on the same period in the previous year, thanks to the increase in commercial activity and the company's ability to retain its existing policies. By segment, in **Motor**, which accounts for 83% of the business, revenues stood at 563.3 million (-0.7%, slightly outperforming the market, which shed -0.9%), in an environment where used car sales are outpacing new car registrations (which fell by 11% in the year to September) and competition is increasing. The company's revenues from the **Home** segment exceeded

97 million euros, up 8.4% in the period and 3.4 percentage points above the industry average (+5%). In the **Health** segment, in which the group operates under its Vivaz brand, premium income grew 23.9%, comfortably outperforming the market (+5.3%), to reach nearly 21 million euros.

This revenue performance is down to a 5.2% increase in **net sales** through to the third quarter, to reach **439,848 policies**. What this means is that Línea Directa Aseguradora's customer base now exceeds **3,3 million policyholders (+4.5%)**, with excellent growth across all lines of business. In **Motor**, the group achieved 2.5 million policies (+3.2%); in **Home** it now has some 698,000 policyholders (+7.2%); and in **Health** its policyholders number 98,000 (+23.7%).

The company's **technical result** stood at **89.6 million** through to September, down 18.2% on the same period of 2020, an extraordinary year that saw a dramatic decline in the loss ratio amid the pandemic and the ensuing mobility restrictions. Compared to 2019, the result improved by 11.1% despite the easing of restrictions and the resulting increase in claim frequency, thanks to rigorous risk underwriting and continued expense discipline. This is coupled with an improvement in the **financial result** to reach **22.1 million euros** (+21.3% on 2020 and +2.1% on 2019) in an environment of persistently low interest rates.

Due to all these factors, the group's **profit before tax** came to **115 million euros** (-13.4%), while **net profit** stood at **86.3 million euros** (-13.4%). **Compared to the third quarter of 2019, profit was up 5.9%**. Línea Directa Aseguradora managed to keep its **return on equity (ROE) at above 34%**, one of the highest in its industry.

In the words of **Miguel Ángel Merino, CEO of Línea Directa Aseguradora**, “the company has once again demonstrated its commercial strength, with sharp policyholder growth across all segments in which it operates and improved revenues. It is also worth noting the excellent expense discipline and risk underwriting, which enabled us to close the third quarter of with our profits significantly up on pre-COVID-19 levels. These healthy results allow Línea Directa Aseguradora to honour its shareholder remuneration commitments, and so 52.3 million euros has already been paid out in dividends charged to 2021. The group also continues to make rapid progress towards its digital transformation, resulting in a high penetration of digital services among policyholders, and offering customers pioneering solutions to address the new mobility paradigm”.

Combined Ratio: stable loss ratio and expense control

Despite the effect on the financial statements of **the easing of restrictions and of claims frequency returning** to pre-pandemic levels, plus the impact of **atmospheric events** and **the resumption of health care activity** which had ground to a halt during the COVID-19 pandemic, Línea Directa Aseguradora managed to improve its **combined ratio** by 1 percentage point compared to 2019, to **86.4%** (+3.1 p.p. on September 2020).

This was made possible by the company's excellent performance across all lines of business and its ability to maintain a stable claims ratio amid a complex macroeconomic environment and fierce levels of competition, as well as relentless prudence in risk underwriting and continuous expense control.

Net claims incurred at the group stood at **65.9%** (+4.1 p.p.), despite an increase in claims incurred in the Motor segment, which saw an increase in serious accidents, and above all atmospheric events such as Storm Filomena in the Home segment, which had an impact of 3.5 million euros net of reinsurance and of 0.5 p.p. on the claims ratio. This ratio is down 1.9 percentage points on 2019. Meanwhile, strict expense control and the efforts to reduce acquisition expenses countered the increase in administrative expenses due to the stock market listing, enabling the company to improve its costs ratio by 1 percentage point **to 20.5%**.

For yet another quarter, Línea Directa Aseguradora has managed to maintain its combined ratio well below the market average across the different lines of business in which it operates. In **Motor** the combined ratio stood at 84.7% at the end of September (+4 p.p.), 5.4 percentage points below the 90.1% reported by the sector at the close of the second quarter, this being the most recent data to have been released by ICEA. In **Home** it fell by more than 3 p.p. to 90.3%, compared with an average of 98.6% among our peers, and in **Health** it shed 13.6 p.p. to reach 152.8%, after the loss ratio dropped to 98.7%, falling below 100% for the first time since the launch of Vivaz in 2017.

High shareholder remuneration

On 7 October, the company's Board of Directors resolved to distribute a second **interim dividend** against 2021 earnings, payable in cash, of 0.023 euros per share, gross, for a total of 25.7 million euros. This payment comes on top of the 26.6 million euros that the group already paid out as the first interim dividend of the year in July, meaning that in the year to date it has paid shareholders a total of 52.3 million euros out of earnings for the first half of the year, giving a **payout of 90%**. Following this latest payout, which is a further show of Línea Directa's commitment to maintaining a high shareholder return, the company's **solvency margin** stood at a comfortable 200%, well clear of the regulatory minimum.

New mobility and digital strategy

With regard to two of the great challenges and opportunities currently facing the insurance sector, namely digital transformation and new forms of mobility, Línea Directa Aseguradora is at the forefront of the market and is making significant progress on both fronts.

At the end of the third quarter, **84% of policyholders had already interacted with the company via digital channels**, compared with 78% at the close of 2020. Almost half of our customers (47%) now use the Línea Directa app and website to report Motor claims; a third of Home claims are notified via mobile devices or the website; and 55% of tow trucks requests are made via the mobile app. There has been a rapid uptake of the group's digital services, which have a high penetration within the portfolio, and Línea Directa continues to offer its policyholders new digital services to make it easier for them to manage their policies and claims.

Línea Directa Aseguradora launched **Vivaz Safe&GO** in September, the first pay-as-you-go insurance aimed at users of Personal Mobility Vehicles (PMVs), such as scooters and bicycles. The insurance is mobile app based and can be switched on when setting off on the journey and then turned off upon reaching your destination ("ON/OFF" insurance). It comes at a cost of 0.02 euros per minute. With this groundbreaking solution, which joins others such as Póliza Respira and Llámapo X, Línea Directa is able to guarantee sustainable and safe personal mobility.

LÍNEA DIRECTA ASEGURADORA
MAIN FIGURES – 9M 2021

Key figures	9M 2021	9M 2020	Chg. 21/20	9M 2019	Chg. 21/19
Revenues*	682.6	675.1	+1.1%	671.2	+1.7%
Profit before tax*	115.1	132.9	-13.4%	108.1	+6.4%
Net profit*	86.3	99.6	-13.4%	81.5	+5.9%
Loss ratio	65.9%	61.8%	+4.2 p.p.	67.8%	-1.9 p.p.
Expense ratio	20.5%	21.5%	-1.0 p.p.	19.6%	0.8 p.p.
Combined ratio	86.4%	83.3%	3.1 p.p.	87.4%	-1.0 p.p.
RoE	34.1%	35.0%	-0.9 p.p.	36%	-1.9 p.p.
Portfolio (thousands of policies)	3,324	3,180	+4.5%	3,151	+5.6%

*Million euros

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, businesses, the self-employed, and homes. Línea Directa ranks among the 100 Spanish companies with the best reputation, according to the MERCO Companies ranking. It now offers health insurance, through a new brand built on digitisation and rewards for policyholders.

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

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