



LÍNEA DIRECTA ASEGURADORA BREAKS ITS HISTORICAL RECORD FOR PREMIUM INCOME AND EXCEEDS 907 MILLION IN 2021

- Línea Directa Aseguradora's premium income increased by 1% in 2021 and exceeded 907 million euros, a record figure in the company's 26 years of activity, thanks to the strong pace of growth in policies, which reached 3.34 million customers (+4%).
- Good commercial performance and strict cost control enabled the Group to obtain a net profit of 110.1 million, 2.6% more than in 2019, before COVID-19.
- The company achieved an increase in policy turnover in the Home (+8.8%) and Health (+21.2%) lines, well above the average for the Spanish insurance industry. The Home line now has more than 700,000 policyholders and Vivaz, the Health insurance brand, more than 100,000 since its launch just over 4 years ago, consolidating both lines of business as strong levers of growth for the Group.
- Línea Directa Aseguradora closed 2021 with solid technical margins despite the recovery of the accident rate, the inflationary context and the impact of weather phenomena. Despite this, and thanks to rigorous underwriting and cost discipline, the company's combined ratio stood at 88.3% and return on equity (ROE) at 30.4%.
- The Board of Directors has proposed to the General Shareholders' Meeting the distribution of an additional dividend of 0.020 euros per share. This payment will bring the total interim shareholder remuneration for 2021, the company's first year as a company listed on the stock market, to 99.1 million euros, implying a payout of 90%.

Madrid, 21 February 2022.- In a complex environment defined by negative car sales figures, the recovery of the accident rate, rising costs and high competition, [Línea Directa Aseguradora](#) obtained in 2021 the best results in its history in terms of revenue and a net profit that grew by 2.6% compared to 2019, the last year before COVID-19.

Línea Directa's **premium income** in 2021 amounted to **907.1 million euro, 1% more** than in the same period of the previous year and, for the first time since its inception in 1995, exceeding 900 million euros billed. The Group thus consolidates its position as the 12th largest Non-Life insurance company in Spain and is making progress towards its medium-term goal of becoming one of the top ten.

This growth in premiums is based both on the increase in the number of policyholders in all lines of business, especially in Home and Health, and on the ability to build loyalty in the portfolio. In 2021 the company increased its **net sales** by 1.3% to **574,000 policies**, and the **increase in the portfolio of 130,000 policyholders was 26.6% higher** than in 2020. Thus, the number of Línea Directa Aseguradora customers increased by 4% in 2021, exceeding **3.34 million policyholders**.

By line of business, in **Motor**, which represents 82% of the business, Group revenues amounted to 748.1 million euros (-0.9%, the same decline as the market). This slight decline is set against a backdrop of high competition, in which the sale of used vehicles, associated with more competitive average premiums, is replacing the weak registration of new vehicles. In 2021, sales to private individuals fell by 13%, affected by the supply crisis and uncertainty about restrictions on certain engines. Despite this environment, Línea Directa Aseguradora **increased its portfolio of automobile and motorbike policyholders by 2.6%** and now exceeds 2.52 million policyholders.

The company's revenues in the **Home** segment exceeded 131.2 million euros, an **increase of 8.8% in the year**, 3.9 percentage points more than the industry average (+4.9%), and its weight in the group's total business now stands at close to 15%. The excellent commercial performance of this line of business, with **7.5% growth in the number of policies**, means that it now exceeds 712,000 policyholders. These activity figures consolidate Home insurance as one of the main growth levers of the group together with Vivaz, the Health insurance brand.

In **Health**, a line of business in which the group operates under the Vivaz brand, the company has reached a first milestone by exceeding 100,000 policyholders in just over four years of activity, after registering a **17.5% growth in customers** in 2021, **reaching 105,000**. This increase in the portfolio has translated into a **21.2% increase in premium income from this line of business**, up to 26.4 million euros.

The company's good commercial performance in a complex market environment was reinforced by the maintenance of solid technical margins despite the adverse situation. The company's **technical results** were 103.6 million euros in 2021, 29% lower than in 2020, an atypical year in which the Group achieved extraordinary results due to the fall in accident rate as a result of the pandemic and mobility restriction measures. Compared to 2019, this result remains stable despite the recovery in mobility and accident rate, and thanks to continued discipline in cost containment and rigorous underwriting. In addition, the **financial results** improved to **34.7 million euros** (+18.5% versus 2020 and +9.8% over 2019).

As a result, the Group's **gross profit** amounted to **145.2 million euros** and **net profit** was **110.1 million euros**. **Compared to 2019, profit improved by 2.6%**. Therefore, Línea Directa Aseguradora has maintained its level of **profitability (ROE) at 30.4%**, one of the highest in the industry.

In the words of **Patricia Ayuela, CEO of Línea Directa Aseguradora**, "in 2021, its first year listed on the stock market, the company saw excellent results: the highest in its history in terms of revenue and excellent profits, 2.6% more than in 2019, which is truly commendable considering the adverse market situation. In a year defined by tensions in the supply chain affecting vehicle sales and high competition, Línea Directa Aseguradora has exceeded 900 million in turnover, with growth in customers in all lines of business, and most notably in Home and Health, as a result of excellent commercial performance. Additionally, the technical strength of the Group has enabled us to maintain one of the best combined ratios in the Spanish insurance industry, which is a strength and competitive advantage in situations such as the current one, of rising accident rate and inflation. The strength and recurrence of these results, the Group's comfortable solvency position and the rapid progress we are making with our strategic initiatives allow us to be optimistic, continue to generate value and maintain our commitment to shareholder remuneration.

Claims and cost containment

The 2021 results highlight the technical strength of Línea Directa Aseguradora. The Group's **combined ratio** stood at **88.3%** (+4.9 p.p. versus 2020 and very similar

versus 2019), one of the best in the Spanish insurance industry, after the effect of the increase in highway accidents, adverse weather events and an inflationary context.

Línea Directa Aseguradora has managed to maintain its combined ratio well below the market average in the different branches in which it operates. In **Auto**, it stood at 87%, 7.1 percentage points better than the 94.1% recorded by the industry at the end of 2021, data from ICEA. In **Home** it dropped more than 5 p.p. to 88.9%, 7.8 p.p. better than the average of the competition (96.7%), and in **Health**, it fell by 17.5 p.p. to 148.1%.

This is evidence of the company's ability to keep claims under control and expenses contained in the face of adverse circumstances. The Group's **net claims ratio** stood at **67.7%** (+6.2 p.p. versus 2020 and 0.3 points lower than in 2019) despite the fact that the recovery of mobility to pre-pandemic levels is translating into an increase in accident frequency and more serious accidents. Meanwhile, **cost ratio** improved by 1.4 p.p., to **20.5%**.

Additional cash dividend of 0.020 euros

The strength of the results obtained in 2021, Línea Directa Aseguradora's first year as an independent company listed on the stock market, together with its solid solvency position, allow the group to maintain its commitment to high shareholder remuneration. Therefore, the company has distributed on account of the results of the first three quarters of 2021 a total of 0.071 gross euros per share as a cash dividend, for a total amount of 77.7 million euros.

The Board of Directors of Línea Directa Aseguradora, at its meeting held on 17 February, agreed to propose to the General Shareholders' Meeting the distribution of an **additional cash dividend** of 0.020 gross euros per share. With this new payment, which will be made in March, the total remuneration to shareholders out of 2021 profits will reach 99.1 million euros, implying a **payout of 90%** and a dividend yield of 5.7%.

After this additional payment in March, the company's **solvency margin** stands at 186%, a comfortable level and above the regulatory minimum.

Mobility solutions and rapid portfolio digitisation

Línea Directa Aseguradora has continued to make significant progress throughout the year in strategic pillars for the company such as digital transformation and new forms of mobility, launching in 2021 and making available to policyholders numerous innovative and truly useful products and services.

Through the Vivaz brand, Línea Directa Aseguradora also launched **Safe&GO** in 2021, the first 100% digital insurance for users of personal mobility vehicles (PMVs) such as electric scooters, which covers the user and not the vehicle and which allows it to be contracted by journeys, at a cost of 0.02 euros per minute, and can be activated and deactivated via the mobile application. This product has placed the group at the forefront of the insurance industry in view of the new need to protect road users generated by this new form of mobility.

Among the innovations made in 2021 in the realm of digitalisation, the company has begun to **assess and compensate in real time, thanks to artificial intelligence (AI)** the damage caused in minor vehicle claims, which account for 70% of all claims. It has also launched a pilot test to **use drones** to assess **damage to homes** in situations and places that are difficult to access, speeding up the process in situations such as natural disasters.

Línea Directa Aseguradora is rapidly achieving a high degree of portfolio digitalisation thanks to the launch of practical solutions for customers. As of close of 2021, **85% of**

policyholders already interact with the company through digital channels, 7 percentage points more than in 2020. Half of customers already use the Línea Directa app and website to declare Motor claims, a third of Home claims are opened through digital channels and 60% of tow trucks are requested through the mobile app.

LÍNEA DIRECTA ASEGURADORA MAIN MAGNITUDES 2021

Magnitudes	2021	2020	Var. 21/20	2019	Var. 21/19
Turnover*	907.189	898.614	+1.0%	891.295	+1.8%
Gross profit	145.180	179.624	-19.2%	142.837	+1.6%
Net Profit*	110.137	134.846	-18.3%	107.295	+2.6%
Claims ratio	67.7%	61.5%	+6.2 p.p.	68%	-0.3 p.p.
Expenditure ratio	20.5%	21.9%	-1.4 p.p.	19.9%	+0.6 p.p.
Combined ratio	88.3%	83.4%	+4.9 p.p.	87.9%	+0.4 p.p.
ROE	30.4%	34%	-3.6 p.p.	35%	-4.6 p.p.
Portfolio (thousands of policies)	3.345	3.215	+4.0%	3.112	+7.5%

*Million euros.

About Línea Directa Aseguradora

Línea Directa Aseguradora is currently the 5th largest motor insurance company in Spain, and specialises in the direct sale of car, motorbike, business, self-employed and home insurance policies. Línea Directa is among the 100 Spanish companies with the best reputation, according to the MERCO Empresas ranking. It currently operates in the Health branch with a new brand that is committed to digitalisation and rewards for its policyholders.

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

Santiago Velázquez - 682 196 953

santiago.velazquez@lineadirecta.es

Moncho Veloso - 660 124 101

moncho.veloso@lineadirecta.es

Follow us on:

