



LÍNEA DIRECTA ASEGURADORA INCREASES ITS INCOME BY 3.5% TO MARCH AFTER POSTING STRONG GROWTH ACROSS ALL ITS BUSINESS LINES

- Línea Directa Aseguradora's premium income increased by 3.5% in the first quarter of 2022 to € 232 million, thanks to solid growth in customers and turnover across all business lines (Motor, Home and Health).
- In a complex and highly competitive economic climate, the company's commercial strength underpinned a 4% increase in its policyholders to almost 3.4 million customers.
- The Group posted an increase in premium turnover across all the sectors in which it operates thanks to the acquisition of new customers and outstanding loyalty. Motor resumed premium growth (+1.7%), and both Home (+11%) and Health (+14.6%) posted double-digit income growth.
- Despite the recovery in claims frequency and the inflationary context, the combined ratio stood at 89% thanks to the company's excellent risk selection capacity and cost control. Return on equity (ROE) stood at 29.2%, one of the best in the sector.
- The new CEO, Patricia Ayuela, has established the company's strategic priorities in four main areas: focus on the customer, strong growth, digitalisation and profitability. As a result, it has announced the reorganisation of the company, with two new areas, the Commercial and Portfolio areas. These areas will be the drivers of the new business, on the one hand, and loyalty, on the other, with a unique and global vision of the customer.
- In addition, the Risk Area has been created to centralise management of the Group's global risks, along with the Digital Transformation Area, which will report directly to the Chief Executive Officer.
- The Board of Directors has agreed to distribute a first interim cash dividend for 2022 of € 0.02 per share amounting to € 21.8 million, which represents a *payout* of 90% and a return of 6.2%.

Madrid, 22 April 2022.- The results of [Línea Directa Aseguradora](#) for the first quarter of 2022 again showcase the Group's strong capacity to generate business in a highly competitive marketplace affected by strong inflationary pressure and negative car sale figures.

Línea Directa's premium income in the first three months of the year amounted to **€ 232 million, up 3.5% compared with** the same period of 2021, thanks to the company's commercial strength, which translated into solid growth in both the number of customers and turnover across all business lines.

The **number of policyholders increased by 4%** to almost 3.4 million customers.

By line, **the first-quarter income of the Motor** business amounted to **€ 181.9 million**, an increase of **1.7%**, resuming premium growth in a highly competitive and complex context for the automotive sector. Car sales to individuals improved by 3.2% year on year in the first quarter but remain 46% below 2019 levels. In addition, registrations of new cars are being replaced by those of used vehicles, which are associated with more competitive premiums. Nevertheless, Línea Directa **increased its portfolio of Motor policyholders by 2.8%**, to 2.55 million customers.

Meanwhile, growth in Home **premiums increased to 11%** and income totalled **€ 35.2 million**. With a **7.2% increase in customers** to 726,000 homes insured, Home now accounts for 15% of the Group's business.

Vivaz, the Health insurance brand of Línea Directa Aseguradora, continues to progress on its strong growth path. In the first quarter it reported a **14.2% increase in customers** to over 105,000, **and a 14.6% increase in premium income**, with a turnover of € 13.7 million.

As a result, net **profit** stood at **€ 24.2 million**, down 18.3% compared with the first quarter of 2021 due to the impact on the sector as a whole of the inflationary backdrop, the easing of restrictions and the increase in claims to levels prior to the COVID-19 pandemic.

Profitable growth despite claims incurred and inflation

Línea Directa Aseguradora has managed to achieve **a combined ratio of 89%**, 3.6 points above March 2021, when the accident rate had not yet recovered from the sharp decline during lockdown, but only one point higher than the figure in 2019. This means that the company's combined ratio remains one of the best in the Spanish insurance industry.

This stability over time of the claims incurred and expense ratios is the result of the company's excellent risk selection capacity and continuous cost control, two strengths that set it apart in the current inflationary context which is already having an impact on the insurance sector. As a result, Línea Directa has been able to maintain its return on equity **at 29.2%**, one of the best ratios in the sector.

A new organisational structure

The new **Chief Executive Officer** of the company, **Patricia Ayuela**, has also established the strategic priorities of Línea Directa Aseguradora, focusing on four **main areas of action: focus on the customer, strong growth, digitalisation and profitability**. To tackle these challenges, the company has designed a new structure that aligns the organisation with this ambitious new strategy.

The Motor and Home areas have been unified and are now organised into two main areas. The first is the **Customer** Area, responsible for attracting new business and new customers, leveraging the company's strengths as a multi-line group, its strategic alliances and new market opportunities. And the second is the **Portfolio Area**, responsible for fostering a more continuous and closer relationship with customers, strengthening, and securing the long-term loyalty of policyholders. In addition, focus will be placed on the Innovation of Products and Services for the client.

The **Health** Area will continue to operate independently with the aim of becoming a stronger and more profitable line of business.

A new **Risk** Area has also been created, with the aim of centralising the company's risk map and streamlining the agility of the organisation.

And finally an **independent Digital** Transformation Area has been created, charged with digitising processes and improving customer relationships to consolidate Línea Directa as

the digital benchmark in the market. This Area will report directly to the Chief Executive Officer.

A first interim cash dividend of € 0.02

The results and sturdy solvency position achieved by Línea Directa Aseguradora in the first quarter of the year mean the Group is able maintain its commitment to high shareholder remuneration. In keeping with this commitment, the Board of Directors has agreed to distribute a **first interim cash dividend from its 2022 results of € 0.02 gross per share, totalling € 21.8 million**. This new dividend implies a **payout of 90%** and a dividend return of 6.2%.

After this payment, which will be made on 8 June, the **solvency ratio** of the company stands at **195.1%**, a comfortable and prudent level.

LÍNEA DIRECTA ASEGURADORA MAIN FIGURES 1Q 2022

Figures	1Q 2022	1Q 2021	Chg. 21/20
Revenues*	232	224	+3.5%
Profit before tax*	32.3	39.4	-18.1%
Net profit*	24.2	29.6	-18.3%
Loss ratio	69.1%	65.8%	+3.4 p.p.
Expense ratio	19.8%	19.6%	+0.2 p.p.
Combined ratio	89.0%	85.4%	+3.6 p.p.
RoE	29.2%	31.6%	-2.4 p.p.
Portfolio (thousands of policies)	3,387	3,256	+4.0%

*Million euro.

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, and homes. Línea Directa is among the 100 Spanish companies with the best reputations, according to the MERCO Companies ranking. It also 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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