

14 September 2023

Utmost Group plc announces its HY 2023 Results

Utmost Group plc ("UGP") has delivered a resilient financial performance in a challenging economic environment. The Group has continued to progress against its core strategic pillars.

HY 2023 Highlights

- **Resilient Results in the Face of Macroeconomic Headwinds:** The Group's strength is evidenced through the consistency of its financial and operating performance in the face of a challenging external backdrop. Resilient retention figures of 93% in our UWS business demonstrate the strength of our proposition.

The Group maintained its strong capital position, with a Group Solvency Coverage Ratio of 185% and Own Funds of £1,840m, reflecting our robust capital management processes.

- **Fitch Ratings Upgrade:** The Group received a revision to our Fitch Ratings to a Positive Outlook. Our Issuer Default Rating ("IDR") was affirmed at 'A-'. The revision reflects our increased scale which has been achieved while maintaining our strong operating profitability, robust capitalisation and conservative financial leverage.
- **IT and Operations Optimisation:** The Group has continued work on its digital strategy to leverage emerging technology trends and best practises. New security controls and capabilities have been deployed to ensure that our technology estate remains robust and secure in the face of the evolving threat of cyber-crime.
- The Quilter International integration is on track to complete by early Q4 2023, in line with the original deadline.

Commenting on the results, Paul Thompson, Group CEO, said:

"The first half of 2023 has seen ongoing uncertainty across the geopolitical and macroeconomic spheres. The negative dynamics of geopolitical tension, persistent inflation, and interest rate rises have been countered by better than expected equity market performance and resilient global economies.

"In the face of these challenges, we continued to deliver strong financial results and progressed against our core KPIs. I look to the rest of 2023 with quiet confidence that Utmost will continue to execute against our strategic goals and capitalise on our leading position in the market."

Delivering on our KPIs

- **Assets under Administration ("AUA"):** AUA was £59.0bn at HY 2023 increasing from the £58.4bn at YE 2022. AUA increased in the period due to positive market movements in the period, offset by negative net outflows that stemmed from gross inflows of £1.6bn and outflows of £(1.9)bn.
- **Annual Premium Equivalent ("APE"):** The Group's sales in the first half of the year have been subdued due to market uncertainty and volatility. APE was £154m in HY 2023 compared to APE of £211m in HY 2022 and £397m in FY 2022. Utmost Wealth Solutions generated £153m of APE and Utmost Corporate Solutions generated £1m of new business.

- **Value of New Business (“VNB”):** VNB was £21m in HY 2023 compared to the HY 2022 figure of £24m. The reduction in VNB reflects the impact of the reduction in APE offset to some extent by the increase in VNB margin from 11.4% for HY 2022 to 13.6% for HY 2023.
- **Net Solvency II Economic Value (“SII EV”):** Net SII EV decreased from £1,770m at the end of 2022 to £1,705m at HY 2023 driven by the payment of £100m of dividends. Adjusted for the £100m of dividends paid in the period, the Group achieved a SII EV increase of £35m arising from the value of new business written, operational improvements and positive market movements.
- **Operating Profit:** Operating Profit was £118m in HY 2023 compared to £70m on an IFRS 17 basis for HY 2022. The proportional increase in Operating Profit reflects strong performance across both core businesses of the Group and expense discipline against a backdrop of inflationary pressures.
- **Client Retention:** Client retention is reported separately for each business given their different dynamics. Utmost Wealth Solutions' client retention was 93%. High retention rates reflect good client servicing and the long-term nature of our proposition which delivers good outcomes through market cycles

To read the full report, please click here:

<https://www.utmostgroup.com/financials/annual-report-group-sfcr>

Utmost Group plc will host a bond investor call on **Thursday 21 September at 9am BST**. Please email ir@utmostgroup.co.uk if you would like to join the call.

For further information, please contact:

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About Utmost Group plc

Utmost Group plc is a leading provider of insurance and savings solutions. Its principal businesses are Utmost International and Utmost Life and Pensions, which together are responsible for approx. £59bn of primarily unit linked policyholder assets for around 515,000 customers. Utmost Group plc is subject to Group Supervision by the PRA.

About Utmost International

Utmost International is a leading provider of insurance-based wealth solutions. Utmost International operates across the UK, Europe, Latin America, Asia and the Middle East. Its solutions are based on unit linked insurance policies. Utmost International manages approx. £52.4bn assets under administration on behalf of around 199,000 policyholders and wrote £1.6bn of new business in HY 2023.

About Utmost Life and Pensions

Utmost Life and Pensions is a closed UK life and pensions business focused on the acquisition of life and pension businesses in the UK. Utmost Life and Pensions manages £4.7bn of assets on behalf of 316,000 policyholders. Utmost Life and Pensions is authorised by the PRA and regulated by the FCA and the PRA.