

22 April 2024

Utmost Group plc announces its Full Year Results to 31 December 2023

Today, Utmost Group plc ("UGP") has announced its results for the year to 31 December 2023.

Performance Highlights

- Strong growth in Operating Profit, up 15% to £212m
- Robust Value of New Business of £55m, up 16%, given challenging sales conditions
- Achieved Assets Under Administration of £62.8bn, up 4%, supported by positive market movements
- Rating revision to Positive Outlook with the Group's Issuer Default Rating affirmed at 'A-'
- Completion of Quilter International integration in to Utmost International
- Strong Group Solvency Coverage Ratio of 208% at 31 December 2023

Commenting on the results CEO Paul Thompson said: "I am pleased with the encouraging results we have reported in a year impacted by a challenging macroeconomic environment. Our ability to deliver double-digit growth in Value of New Business and Operating Profit highlights the strength of our business model and our financial resilience.

"We continue to make good progress in enhancing our operational capabilities and, in addition to successfully completing the Quilter International integration, have expanded our product propositions and digital infrastructure to further improve our client offerings.

"Our strong client focus and commitment to ongoing enhancements in our operational delivery has enabled us to become a trusted partner to our distributors and clients. We are confident that Utmost can continue to benefit from the significant, long-term market opportunity and that we are well placed to scale the business, further establishing ourselves as a key player in the markets in which we operate."

Summary KPIs	2023 (£m)	2022 (£m)	YoY Change
Assets Under Administration ("AUA")	62,834	60,140	+4%
Annual Premium Equivalent ("APE")	349	397	(12)%
Value of New Business ("VNB")	55	48	+16%
Operating Profit ¹	212	184	+15%
Net Solvency II EV	1,686	1,770	(5)%
UWS Client Retention ² , %	92%	94%	(2)ppt

- **Assets Under Administration** increased by 4% from YE 2023, driven by higher market values for equity type assets, partially offset by £(0.6)bn in net flows.

- **Annual Premium Equivalent** decreased by 12%, due to lower volumes of new business in established markets offset by a strong sales performance in the Group's growth markets.
- **Value of New Business** increased by 16% reflecting an improvement in margin, as management focused on preserving quality, offset in part by the reduction in the volume of new business written.
- **Operating Profit** increased by 15% highlighting business resilience and higher returns earned on shareholders' assets in the higher interest rate environment.
- **Net Solvency II EV** increased by £150m before dividend and coupon payments due to strong VNB and operating performance.
- **UWS Client Retention** of 92% continues to reflect the long-term nature of our proposition which delivers good outcomes through market cycles.

Resilient Capital Position

- **Solvency Position:** The Group maintained a strong capital position throughout 2023, with a Group Solvency Coverage Ratio of 208% at 31 December 2023 (FY 2022: 191%) and Group Own Funds of £2,110m.
- **Capital Generation:** Total capital emergence over the projected life of the in-force business is estimated at £3.4bn, including £448m of existing capital in excess of capital policies at YE 2023.
- **Capital Structure:** The Group maintains a prudent capital structure and aims to target a leverage ratio between 20-30% of Gross SII EV. The Group's SII EV leverage ratio was 29.4% at YE 2023 and incorporates the £300m RT1 notes and £400m T2 notes as debt. The Fitch Financial Leverage Ratio was 24.6% at YE 2023, which is comfortably within the range required to maintain our credit ratings.

The UGP 2023 Annual Report and Accounts and 2023 Group SFCR will be available on 25 April 2024.

Notes

1. 2022 Operating Profit comparative has been updated to reflect adoption of IFRS 17
2. Client retention is reported separately for each business given their different dynamics.

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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 £62.8bn of primarily unit-linked policyholder assets for around 500,000 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 £55bn assets under administration on behalf of almost 200,000 policyholders and wrote £3.6bn of new business in 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 £5.6bn of assets on behalf of over 300,000 policyholders. Utmost Life and Pensions is authorised by the PRA and regulated by the FCA and the PRA.