

2024 Results Update

May 2025



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1stCentral.

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First Central Group Limited

[Firstcentralgroup.com](https://www.firstcentralgroup.com)

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2024 at a glance

Policies in Force (PIF)

~3x growth in 5 years

1.5m

Adjusted EBITDA

121% YoY growth

£111m

TrustPilot

110k+ 5* Reviews

4.5

**British Insurance
Awards Best Large
Employer 2024**

**Gross Written
Premium (GWP)**

20% YoY growth

£745m

**Combined Operating
Ratio (COR)**

Consistently profitable
insurance result

95.9%

**Invested in
proprietary tech
platform**

£100m+

eNPS

Top 5% of Finance Sector

65pts

CEO's Review



Michael Lee
CEO

Our success is rooted in our culture and values

In 2024, we continued to thrive in an environment of market volatility, regulatory scrutiny and rapid technology development, consistently delivering for colleagues, customers and shareholders.

- Our colleagues continued to rate 1st Central as one of the best places to work in the UK. Our employee net promoter score (eNPS) hit 65 in Q4, putting us in the top 5% of the UK Finance sector.
- We achieved record customer NPS scores, with retail and claims scores climbing to 59 and 68 respectively, delivering effortless customer experiences through improvements to digital journeys, communications and repair times, and good customer outcomes, notably including reductions in fees and APRs.
- We continued to deliver sustainable growth and profitability for our shareholders, with policies in force reaching 1.48m (+15% YoY) and Group Adjusted EBITDA growth climbing to £111m (+121% YoY).

Our culture and community

The key to our ongoing success is the way we both maintain and reinforce our award-winning culture. We are committed to fostering an open and inclusive culture, where colleagues bring their authentic selves to work every day.

In 2024, our diverse and inclusive culture scored an eNPS of 72 from colleagues, placing us in the top 5% of UK financial services.

We also exceeded our target for women in senior leadership, achieving representation above 38% and continued to invest in personal and professional development. Over the year we enrolled more than 650 colleagues in our data training programme and trained six new multi-skilled claims handling teams across the UK and South Africa, who are now managing claims across the end-to-end lifecycle.

As a result of our ongoing focus on colleague experience and development, we achieved a Glassdoor rating of 4.5 at year end, subsequently rising to 4.6 in Q1 2025. This places us among the highest-rated employers in our insurance peer group and we are proud to be ranked 22nd on Glassdoor's UK Best Places to Work list.

We also continued to play an active role in our local communities, exceeding our targets of £70k of charity fundraising and 2,400 hours of community volunteering, strengthened our partnerships with charitable causes, such as Foundation '92 and Dare2Dream, and enhanced our graduate and apprenticeship programmes to attract and develop new talent in support of our growth ambitions.

Sustainability remains a focus, and we made great strides under the guidance of our ESG council, which raised awareness of key initiatives tackling our environmental impact and coordinated related investments.

Championing customer experience

At the heart of our strategy remains our commitment to delivering fast, fair and simple experiences, and providing value beyond price.

In 2024, we accomplished the following:

- **Fast:** Over 97% of customers completed their purchase journey entirely online, outperforming the industry average of 90%. We enhanced the speed and quality of our claims experience, leveraging newly developed capabilities and our new multi-skilled claims management teams to pay total loss claims twice as fast as the industry average.
- **Fair:** We further improved our services for vulnerable customers, enhancing our support and accessibility page, webchat and account prompts. We also leveraged our market-leading data science platform to improve our identification of vulnerable characteristics, ensuring that the right support is provided to customers in all circumstances.
- **Simple:** Building on years of iterative investment in digital journeys that have made our services easier to access and use, we strengthened our omni-channel approach, offering customers more choice in how they engage with us, while continuing to offer high-quality agent support when needed.

- **Value beyond price:** We launched our new brand and customer experience strategy, which continues to drive greater brand recognition and advocacy, while supporting improved price comparison website conversion and direct sales volumes. In addition to lowering prices, following our periodic benchmarking vs. peers, we reduced average APRs by 10 percentage points (reducing Premium Finance rates to be in line with the market average) and lowered fees to ensure we remain competitive.

Our colleagues continue to take pride in the outstanding service they provide to our customers. Our 4.5 TrustPilot score and market-leading number of 5* reviews (110k+) is a testament to their continued commitment to delivering effortless experiences and good outcomes.

Optimised tech and data

For more than a decade, we have reinvested over £100m of our profits into our tech and data science platforms. Owning Focus, our proprietary tech platform, and the rich event data it generates has enabled us to develop highly differentiated commercial capabilities in comparison to off-the-shelf solutions. They also help us to capture marginal gains quickly, drive operating efficiencies and deliver better outcomes for customers and partners.

In 2024, Focus supported our continued growth and profitability, delivering £37m in annualised benefit. Focus now handles 10-15 million events per day and integrates

seamlessly with our data science platform, supporting over 130 API integrations and 50 third-party services, and storing over 1.2 petabytes of data records. Together, Focus and our data science platform are increasingly powering differentiated insights, and leveraging AI, advanced analytics, real-time and automated decisioning capabilities.

Rigorously running our business

In 2024, Group solvency remained comfortably above risk appetite, with our capital-light operating model supporting investment in volume growth, driving a 15% increase in PIF. We continued to mature our Group Risk Framework, including proactively managing emerging risks presented by the deployment of AI, and introducing a new contract risk framework to manage legal risks.





More broadly, we continued to improve our control framework by rigorously testing all controls across the business, and deploying improvements to core processes, notably within our Finance function.

Working with key partners and stakeholders

We have continued to build effective long-term relationships with key stakeholders, notably our regulators, and maintain transparent, open and constructive connections as our business grows. In 2024, we participated in the FCA's Motor Total Loss market review, with no resulting regulatory actions. We also provided details to the FCA for the Premium Finance market reviews and motor market study on claims costs, receiving no material responses or queries to date.

Maintaining strong relationships with our reinsurance partners is also critical to supporting our efficient capital management strategy and our long-term growth ambitions in Motor and Home. Working closely with reinsurers and new capacity providers – coupled with anticipated Ogden rate changes and continued strong loss ratio performance in 2024 – supported our further reinsurance rate reductions in 2025 as we renewed our reinsurance contracts in line with our plan.

Outlook

Against a backdrop of significant claims and price inflation over recent years, we expect more gradual market softening across 2025 and 2026. We remain well positioned to navigate the market cycle and deliver against our growth strategy, which includes scaling our Home product and realising the long-term benefits of our multi-year investment in data ingenuity, digital efficiency and automation. These endeavours are supported by the accelerated deployment of sophisticated machine learning and AI across our tech and data platforms.

We continue to support this strategy with our strong culture, agility and commitment to continuous improvement, alongside ongoing discipline in risk selection, retail and technical pricing, management of indemnity spend, and operational cost control.

In conclusion, I would like to thank every one of our colleagues for their dedication, hard work and continued commitment, both to achieving remarkable results and making 1st Central a brilliant place to work.

Michael Lee
CEO

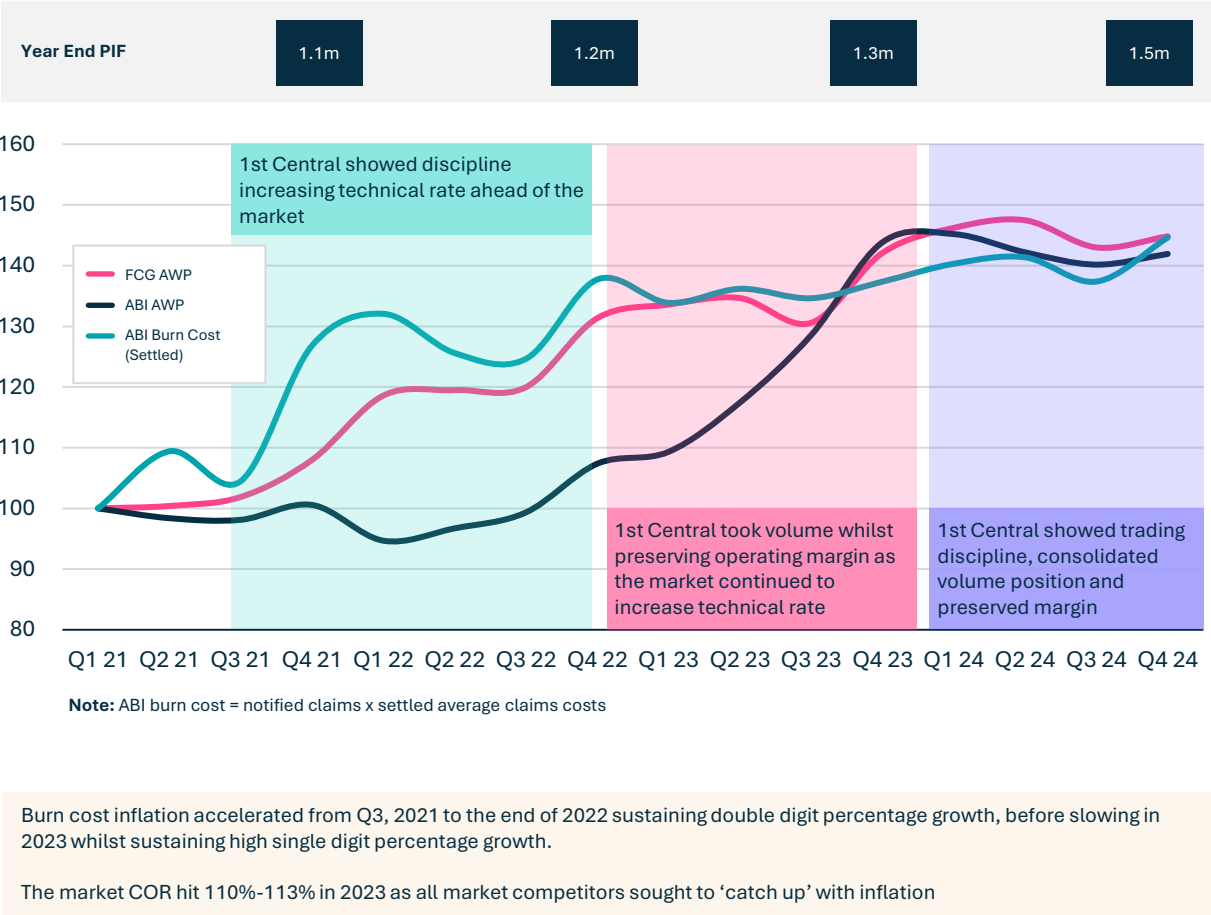
CFO's Review



Gareth Howell
CFO

Market Context & 2024 Trading Strategy

2024 saw market pricing catch up with the exceptional levels of claims inflation experienced in 2022 and 2023. Compared to the market as a whole, 1st Central was quick to identify and establish a detailed understanding of the inflationary environment in 2022 and acted with discipline in accelerating the application of written pricing strength from the end of 2022 and across 2023. As one of the earlier movers, 1st Central was able to grow at the hardest point of the market pricing cycle accelerating customer volume growth from the end of 2023 and across H1 2024 without written operating margin deteriorating. As 2024 progressed and the pricing cycle turned, management showed trading discipline and consolidated our increased market share, to preserve margin.



Financial performance

Thanks to our early identification, detailed understanding of and disciplined response to market trends in 2022 and 2023, we have been rewarded with an exceptional set of results for 2024.

Full year adjusted EBITDA for the year was £111m (+121% YoY), driven by both increased growth and improved operating margins. Increased growth was driven by both pure customer number growth – with policies in force accelerating to 1.48m (+15% YoY) – and greater revenue per policy resulting in Gross Written Premium increasing to £745m (+20% YoY). Adjusted pro-forma gross combined operating ratio remained profitable at 95.9%, in line with our target insurer margin, and Group solvency remained above risk appetite at 161%.

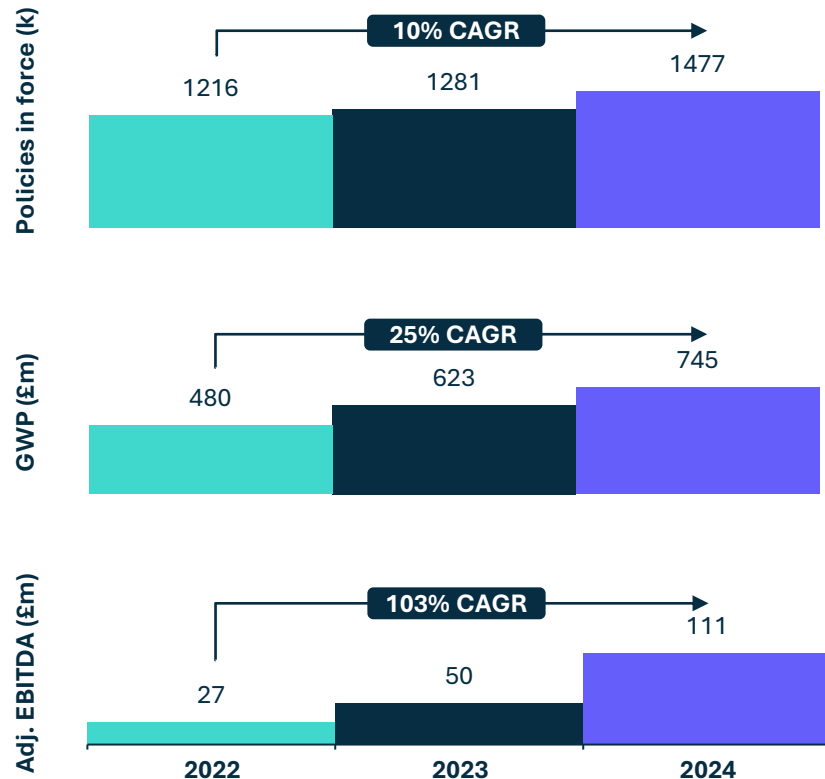
1st Central continues to deliver sustainable growth and profitability across the market cycle and we remain confident in our strategy, focussing on:

- Leveraging differentiated proprietary technology and data to continually drive marginal gains
- Reinvesting those gains in enhanced customer and commercial value, while taking a disciplined approach to risk selection and pricing
- Rigorously running the business, notably in control of indemnity costs

First Central Group	2024 (£m)	2023 (£m)	Change %
Policies in Force (000's)	1477	1281	15%
Gross Written Premium	745	623	20%
Insurance Revenue	160	133	20%
EBITDA*	95	43	121%
Profit Before Tax	73	18	302%
Profit After Tax	60	24	146%
Net Asset Value	165	141	17%
Adjusted EBITDA**	111	50	121%
Adjusted Profit After Tax**	72	28	159%
Combined Operating Ratio	95.9%	99.7%	3.9ppt
Group Solvency Ratio	161.3%	175.1%	-13.8ppt

*Adjusted for non-controlling interest. **Adjusted for non-recurring costs

1st Central performance



2025 Outlook

We expect the motor market pricing cycle to continue to soften during 2025, given a combination of the return to market profitability in 2024, the deflationary effect of the revised Personal Injury Discount Rates confirmed in Q4 2024, and the underlying competitive nature of the marketplace. However, management is dovish on the underlying inflationary dynamics and heightened uncertainty, given the impact of US trade policy on global supply chains. 1st Central will continue to be disciplined and maintain underwriting margins in the context of ongoing inflationary trends for UK motor insurance claim costs.

Policies in force growth will be supported by the accelerated new business acquisition trajectory in our Home book, through continued footprint expansion. By leveraging our proprietary technology and market-leading data science platform, we will continue to deliver capability enhancements across the technical excellence workstreams of claims management, pricing, underwriting and counter-fraud. We will also accelerate capability development to improve operational efficiency and customer outcomes, focussing on further digitisation and automation of the claims journey, broadening the application of chat and voice-bots and optimising our digital experiences to eliminate non-essential demand on customer contact centres.

2024, a year to be proud of...



- **We reached 2,100 colleagues across UK and South Africa**
- We won Best Large Insurance Employer at the 2024 British Insurance Awards
- **Colleagues continued to rate life at 1st Central highly with an eNPS score of 65 (top 5% of UK financial sector)**
- We achieved the highest Glassdoor score (4.5/5) among our peers (22nd in the Glassdoor UK Best Places to Work list)



- **We raised over £70,000 for charities, and supported local projects and initiatives with over 2,400 hours of volunteering time**
- We continued to support and sponsor various local charities and clubs, including Dare 2 Dream, Foundation '92 and Sussex Cricket, among others



- 38% of senior roles occupied by women (vs 35% average for other signatories of the Women in Finance Charter)
- **Colleagues championed our diverse and inclusive culture which scored an eNPS of 72 (top 5% of UK financial sector)**
- Colleague-led communities continued to amplify a diverse range of voices across all of our locations, including LGBTQIA+, Disability, Neurodiversity, Religion, Gender and Socioeconomics



- **We continued to build a strategic framework that prioritises skills as a core driver of success, aligning workforce capability with future needs, and equipping our colleagues to thrive and shape their careers**
- Over 25% of our roles were filled internally, supporting internal mobility with promotions and flexible careers

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