25 May 2023

Sabre Insurance Group plc

Trading Update
Full year guidance reiterated

Sabre Insurance Group plc (the "Group" or "Sabre"), one of the UK's leading motor insurance underwriters, today provides an update on trading for the period from 1 January 2023 to 30 April 2023 ahead of its Annual General Meeting ("AGM") later this morning.

	Unaudited 4 months ended 30 Apr 2023	Unaudited 4 months ended 30 Apr 2022
Gross written premium – Motor	**£47.9m**	£45.3m
Gross written premium – Motorcycle	**£6.3m**	£12.0m
Gross written premium – Taxi	**£4.7m**	£2.5m(1)
Gross written premium – Total	**£58.9m**	**£59.8m**

(1) = Disclosed as part of 'Motor' in the May 2022 trading update

Business highlights for the first four months of 2023

- Gross written premium in Motor has increased year on year, with profitability in line with expectations and ahead of the same period last year
- Further progress in improving the profitability of the Motorcycle business with the current run-rate performance in-line with expectations and anticipated to deliver a positive contribution to profit in 2023
- Underwriting actions to improve the profitability of the Taxi business are anticipated to continue through 2023, reflected in current reduced premium run-rate of this business
- Ongoing focus on profitability, not volume, with total policy count of 275k as at 30 April 2023 (31 December 2022: 304k) including 54k motorcycle policies (31 December 2022: 74k) and 14k taxi policies (31 December 2022: 12k)
- Whilst core Motor policy count declined early in the year, we have seen a return to growth in policy count in recent weeks
- Post-dividend solvency capital ratio at 31 March 2023 of 172% (31 March 2022: 160%)

Market trends

- Claims inflation for 2023 anticipated to remain at c.10%, as previously guided
- Evidence of positive momentum in market pricing since late March, with this trend anticipated to continue in the coming months

Full year guidance reiterated

- High single-digit growth in overall gross written premium anticipated for the full year
- Low double-digit growth in core Motor business gross written premium somewhat offset by a reduction in the Motorcycle and Taxi businesses as underwriting actions take hold
- Combined operating ratio expected to be between 85% to 90%
- Expected expense ratio strain in H1, and improvements on loss ratios throughout 2023 as pricing actions earn through, means H1 combined operating ratio likely to be higher than the expected 2023 full year position

– Note that this guidance is carried forward from year-end on an IFRS4-equivalent basis

Geoff Carter, Chief Executive Officer of Sabre, commented:

"*I am pleased to be able to continue my message of cautious optimism from our full-year results into our first update for 2023, and indeed I am feeling slightly more optimistic given strong volumes in recent weeks.*

In particular, we have been encouraged by the trends that we have been seeing from mid-March and into May. There is clear evidence that market pricing is improving, and we have seen weekly gross written premiums across this period in our core Motor business over 20% higher than the same time last year. We anticipate this trend of improving market pricing will continue, albeit it is too early to tell what the pace and trajectory of improvement will be, and are confident in our ability to continue to grow volumes at the appropriate margin. We are currently in the fortunate position of making pricing decisions designed to find an optimal point between volume growth and margin enhancement.

We expect the loss ratios in the core Motor business to improve through the rest of 2023, with pricing actions reflecting ongoing inflation. Volumes for the Taxi business have been suppressed while this market segment remains challenging. The actions we took last year and this year to increase the profitability of the Motorcycle businesses should generate a positive contribution to profit.

If these positive market pricing trends and run-rates continue through the rest of the year, we anticipate a strong bounce-back in earnings compared to 2022."

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