



Press Release

The Argus Group Reports Resilient Results for the six months ended September 30, 2023

Embargoed to 4:30 pm ADT, December 20, 2023

Hamilton, Bermuda, 20 December 2023

Argus Chief Executive Officer, Alison Hill, stated:

“There was good momentum in our business in the first half of the year, with insurance revenue increasing by 9 per cent, fee revenues rising by 16 per cent, and very strong operating cashflows. The business continues to deliver solid net operating earnings, even as claims costs continue to revert to longer term trend levels.”

Revenue for the period was \$92.5 million, rising 9 per cent compared to the comparative period in the prior year (\$84.9 million), driven by increases in both insurance revenue and fee revenues. Insurance revenue increased by \$7.5 million or 9 per cent. Fee revenue was \$24.8 million, an increase of \$3.5 million or approximately 16.4 per cent over the prior year, driven by the continued growth in our medical practices.

Accordingly operating cash flows were strong, with a net operating cash inflow for the six months of \$22.4 million, compared to net inflow of \$10.5 million over the same period last year.

Insurance service expenses increased by \$10.3 million or 19.2 per cent compared to the prior year, mainly from increasing health claims costs which have continued to return to longer term trend levels. We had a successful annual renewal of our health business and have won a number of attractive new clients, which will support our insurance performance looking forward.

Net operating earnings for the period, reflecting the performance of the business excluding non-recurring expenses, were \$8.7 million compared to \$10.2 million for the comparative period in the prior year.

Reported IFRS net income was \$5.0 million for the period, compared to \$9.2 million in the prior year as restated for IFRS 17. This IFRS reported net income was impacted by one-off adjustments from the transition to IFRS 9 and 17, and exceptional costs arising from our proposed acquisition of a stake in BF&M.

Shareholders' equity at 30 September 2023 was \$154.2 million, an increase of 15.6 per cent over 31 March 2023 of \$133.4 million, restated for IFRS 17. The main driver of the increase was a redesignation of our Interest Accumulator portfolio to amortised cost, resulting in a one-time reversal of unrealised losses held.

The Company's share price on 30 September 2023 was \$6.05 compared with \$5.55 on 31 March 2023. Book value per share was \$7.13 at 30 September 2023 compared with \$6.20 at 31 March 2023 restated for IFRS 17.

Based on the Group's financial strength and performance, Argus has declared an increased interim dividend of twelve cents per share for shareholders of record as of 29 December 2023, payable on 26 January 2024. This reflects a 9 per cent increase in the dividend compared to the same period in the prior year.

Alison Hill added: "Argus has changed dramatically over the past five years - we have successfully grown from being a focused insurer which offered protection products, to what is now a much broader customer-led business driving wellbeing of body and mind, of health and wealth. We will continue to focus resolutely on driving down costs whilst driving up quality of care in our health businesses, and more broadly, on acting as a powerful force for the wellbeing of our customers and community."

-Ends-

Notes to Editors

Argus Group Holdings Limited and its subsidiaries, commonly known as the Argus Group, is a multi-line insurance, medical practices and financial services organisation offering a full range of insurance including health and brokerage services, pensions and investment products targeted at local and international organisations and individuals. Through its subsidiary Bermuda Life Insurance Company Limited, it is the leader in group health insurance and pension plans in Bermuda.

Certain statements in this release may be deemed to include “forward-looking statements” and are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors including worldwide economic conditions, success in business retention and obtaining new business and other factors.

For further information, visit to www.argus.bm.

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