

18 July 2023

JUST GROUP plc
STRONG MOMENTUM CONTINUES

Just Group plc (“Just”, the “Group”) announces a business update for the six months ended 30 June 2023.

Highlights

- **Retirement Income sales have more than doubled to £1.9bn.**
- **DB sales are up 149% to £1.4bn.** We completed 35 transactions during the period (H1 22: 14 transactions). The DB market has been consistently busy this year, and we expect this momentum to continue.
- **Retail sales are up 54% to £0.5bn.** The retail annuity market is buoyant, as higher interest rates have increased the guaranteed returns from annuities, and made them significantly more attractive to financial advisers and customers.
- **Given the strong new business growth in the first half of 2023, we are highly confident of achieving our financial ambitions for the full year.** Our delivery so far in 2023 and positive ongoing momentum further supports our confidence in Just’s ability to deliver 15% growth in underlying operating profit per annum, on average over the medium term.

Retirement Income sales for H1 23 up 116% to £1.9bn

| Just Group new business¹ | 6 months to 30/06/23 | 6 months to 30/06/22 | Change |
|--|---------------------------------|---------------------------------|---------------|
| | £m | £m | % |
| Defined Benefit De-risking (“DB”) | 1,429 | 574 | 149 |
| Guaranteed Income for Life (“GIFL”) ² | 470 | 305 | 54 |
| Retirement Income sales | 1,899 | 879 | 116 |

The rise in interest rates during 2022 and 2023 has a positive effect on both the DB and GIFL markets.

In DB, LCP³ estimate that c.1,000 DB pension schemes (or one-in-five of the total) are already fully funded on an insurer buyout basis. In 2022, there were 201 DB transactions, of which Just completed 56. 2023 industry volumes are expected to significantly exceed the record £44bn written in 2019.

DB business highlights during the first six months of the year include:

- Writing our largest (£513m) and smallest (£0.6m) deals to date.
- Completed 35 transactions of which 22 were less than £10m.
- The bulk quotation service now has over 200 schemes from 19 EBCs.

The GIFL market has had its busiest six month period since Pensions Freedoms in 2014. The open market, where Just competes, has achieved particularly strong growth. Higher interest rates have stimulated both customer and adviser demand. The introduction of the FCA’s Consumer Duty, and the findings from the FCA’s thematic review into retirement income advice, are likely to increase the use of guaranteed solutions to help customers achieve their objectives.

David Richardson, Group Chief Executive, said:

“Following three years of delivering 18% average sales growth per annum, we have further demonstrated the strength of our new business model with sales in the first six months more than doubling year on year.

Our DB business is going from strength to strength. During the last six months, we have announced our largest transaction to date at over £500m, and have a record pipeline of new business opportunities for the second half. Our bulk quotation service is growing in popularity and providing a steady source of completions as EBCs and trustees are increasingly seeing the benefits of price monitoring. We welcome the Chancellor’s confirmation, in his recent speech, of the important role played by insurers offering buyouts.

I am delighted that the GIfl market has returned to strong growth, and providing increased opportunity to utilise our medical underwriting expertise to risk select. The combination of higher interest rates and new FCA rules should further encourage advisers to re-examine the attractiveness of guaranteed solutions, especially for older clients.

I am once again very grateful for the achievements of our colleagues, which enables us to help more people achieve a better later life. We are exceptionally well positioned to continue benefiting from the unstoppable trends and positive developments in both our markets. Our ability to take advantage of these trends and execute have further increased our confidence in Just's ability to deliver 15% growth in underlying operating profit per annum, on average over the medium term."

| FINANCIAL CALENDAR | DATE |
|---|----------------|
| Interim results for the six months ended 30 June 2023 | 15 August 2023 |

Note 1: Numbers in table subject to rounding

Note 2: Care Plan sales are now reported within the GIfl figure. This figure now includes UK GIfl, South Africa GIfl and Care

Note 3: LCP, an employee benefit consultant

Note 4: All the figures are unaudited

| Enquiries | |
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| Investors / Analysts Alistair Smith, Investor Relations Telephone: +44 (0) 1737 232 792 alistair.smith@wearejust.co.uk Paul Kelly, Investor Relations Telephone: +44 (0) 20 7444 8127 paul.kelly@wearejust.co.uk | Media Stephen Lowe, Group Communications Director Telephone: +44 (0) 1737 827 301 press.office@wearejust.co.uk <i>Temple Bar Advisory</i> Alex Child-Villiers William Barker Telephone: +44 (0) 20 7183 1190 |

A copy of this announcement will be available on the Group's website www.justgroupplc.co.uk

JUST GROUP PLC
GROUP COMMUNICATIONS
Enterprise House
Bancroft Road
Reigate
Surrey RH2 7RP