HUW AIMX Helios Underwriting Plc

Helios Underwriting Interim Results · RNS 6552W · 29 September 2026

Helios interims: NAV up to 270p, 2024 and 2025 profit forecasts raised, 269p tender proposed

Share price	264.8p
Market cap	£184m
52-week range	194p - 265p
Shares in issue	69.5m
12-month change	+16.1%

Ticker Data API, as at 29 Oct 2026, 09:37

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SUMMARY

Helios Underwriting's interim results today showed a 6.5% net asset value (NAV) total return in the first half of 2026, with NAV per share rising to £2.70 from £2.63 after a 10p dividend. Forecast syndicate profits improved to 10.21% of capacity for the 2024 year of account and 11.29% for 2025. The company plans a 24p total capital return for 2026, including a proposed tender offer at 269p. Pre-tax profit rose to £11.0m from £4.4m, but £10.3m of that was an internal subsidiary dividend with no net effect on NAV. Operating cash flow was negative and cash fell to £20.5m. With the shares at 230.00p, roughly 15% below NAV, Helios looks like a credible harvester of hard-market profits.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
NAV per share	£2.70	30 June 2026	from £2.63 at 31 December 2025, net of 10p dividend
NAV total return per share	17p (6.5%)	H1 2026	
Profit before tax	£11.0m	H1 2026	H1 2025: £4.4m
2024 year of account profit forecast	10.21% of capacity	30 June 2026	from 9.80% at 31 March 2026
2025 year of account profit forecast	11.29% of capacity	30 June 2026	from 10.90% at 31 March 2026
Total 2026 capital return	24p per share	2026	2025: 20p per share
Net cash used in operating activities	£(7,873)k	H1 2026	H1 2025: £20,616k inflow
Cash and cash equivalents	£20,516k	30 June 2026	from £28,990k at 31 December 2025
Equity investments at FVTPL (all Level 3)	£192,846k	30 June 2026	from £182,244k at 31 December 2025
Tender offer price	269 pence	Proposed, GM on 26 October 2026	about 17.7% premium to 28 September 2026 close

Sources: Interim results RNS, 29 Sep 2026; Condensed statement of cash flows, interim results RNS, 29 Sep 2026; Condensed statement of financial position, interim results RNS, 29 Sep 2026; Note 3.2, interim results RNS, 29 Sep 2026; Proposed Tender Offer and Notice of GM RNS, 29 Sep 2026

THE ANNOUNCEMENT

- NAV per share rose to £2.70 at 30 June 2026, net of a 10p dividend (year end 2025: £2.63), a total return of 17p or 6.5%. Management expects NAV to rise further in H2 as more pipeline profit is recognised.
- Syndicate profit forecasts improved over the quarter to 10.21% of capacity for the 2024 year of account (from 9.80% at 31 March) and 11.29% for 2025 (from 10.90%). The 2026 year is developing in line with plan.
- £40m of net underwriting profits from the 2023 year of account was received in May 2026, and management expects the 2024 year to produce another strong return.
- The planned 2026 capital return totals 24p per share (2025: 20p). It is made up of a 7p base dividend, a 3p special dividend, a proposed 11p tender offer worth £7.2m and a share buyback of about 3p.
- Profit before tax was £11.0m (H1 2025: £4.4m). £10.3m of this was dividend income from subsidiaries arising from a restructuring of intercompany balances, offset by an equal fair-value loss, so the net impact was nil.
- Funds at Lloyd's excess of loss contracts were not renewed for 2026, which cuts financing costs. A $75m unsecured loan note remains, repayable 25% in 2028, 25% in 2029 and the balance in 2030.

AGAINST GUIDANCE

The results match or beat what management said a year ago. The September 2025 interims said £40m of 2023 underwriting profit would arrive in 2026; it was received in May. The 2024 year-of-account forecast was 8.0% of capacity at June 2025 and is now 10.21%. In June 2025 management guided to returning about £7m of capital a year for three years. For 2026 that has been exceeded: a £7.2m tender is proposed alongside £6.9m of dividends and a £2.0m buyback. Cost delivery is less clear. H1 operating expenses rose to £3,175k from £2,148k and interest expense to £3,009k from £2,783k, so the promised simplification and de-leveraging benefits are not yet visible in the parent-company figures.

BULL CASE

- Profits written in the hard market are coming through in cash. The £40m from the 2023 year arrived as guided, and the 2024 forecast has improved despite hurricanes Helene and Milton, the Baltimore Bridge collapse and the California wildfires.
- Management expects H2 to lift NAV, because its recognition method books more profit in the second half. For a year with 12 months left to run, 90% of forecast profit is recognised.
- At 230.00p the shares sit roughly 15% below the 270p NAV. The proposed 269p tender and buybacks made below NAV provide some support.
- Non-renewal of the Funds at Lloyd's excess of loss contracts should reduce financing costs. Management also points to higher bond yields adding to investment income on syndicate reserves.

BEAR CASE

- The whole £192.8m investment portfolio is valued on unobservable (Level 3) inputs and exceeds equity of £184.1m. The company's own slower profit-recognition scenario would cut it by £9,766k, about 14p a share.
- Capacity values have not been tested this year because there are no Lloyd's auctions in the first half. Weaker autumn prices in a softening market would hit NAV directly.
- Parent cash is tightening. Operating cash flow was negative, cash fell to £20.5m and net debt rose to £34,743k, all before the July dividend, further buybacks and the £7.2m tender.
- Pricing has softened in most classes and capacity is shrinking, from £522.9m for 2024 to £467.4m for 2026. That points to harvesting past profits rather than growth. The 24p headline return also includes a tender and buybacks that do not reach every continuing holder equally.

WHAT TO WATCH

- The Q3 and Q4 forecasts for the 2024 and 2025 years of account. Any cut, or a late-season catastrophe or further Middle East losses, would weaken the NAV case.
- Autumn Lloyd's capacity auction prices, compared with the capacity values left unchanged since year end.
- Whether the tender resolution passes at the 26 October 2026 General Meeting, and what capital-return plans are set out for 2027.
- Evidence that cash is being brought up from the £37.7m due from related parties, and that lower financing costs show up in the parent's accounts.

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