

Universal Insurance Holdings, Inc.

NYSE:UVE

FQ4 2025 Earnings Call Transcripts

Wednesday, February 25, 2026 3:00 PM GMT

S&P Global Market Intelligence Estimates

| | -FQ4 2025- | | | -FQ1 2026- | -FY 2025- | | | -FY 2026- |
|-----------------------|------------|--------|----------|------------|-----------|---------|----------|-----------|
| | CONSENSUS | ACTUAL | SURPRISE | CONSENSUS | CONSENSUS | ACTUAL | SURPRISE | CONSENSUS |
| EPS Normalized | 1.30 | 2.17 | ▲66.92 | 1.32 | 5.32 | 6.20 | ▲16.54 | 3.34 |
| Revenue (mm) | 372.99 | 407.93 | ▲9.37 | 370.25 | 1568.98 | 1603.92 | ▲2.23 | 1511.03 |

Currency: USD

Consensus as of Jan-27-2026 8:12 PM GMT

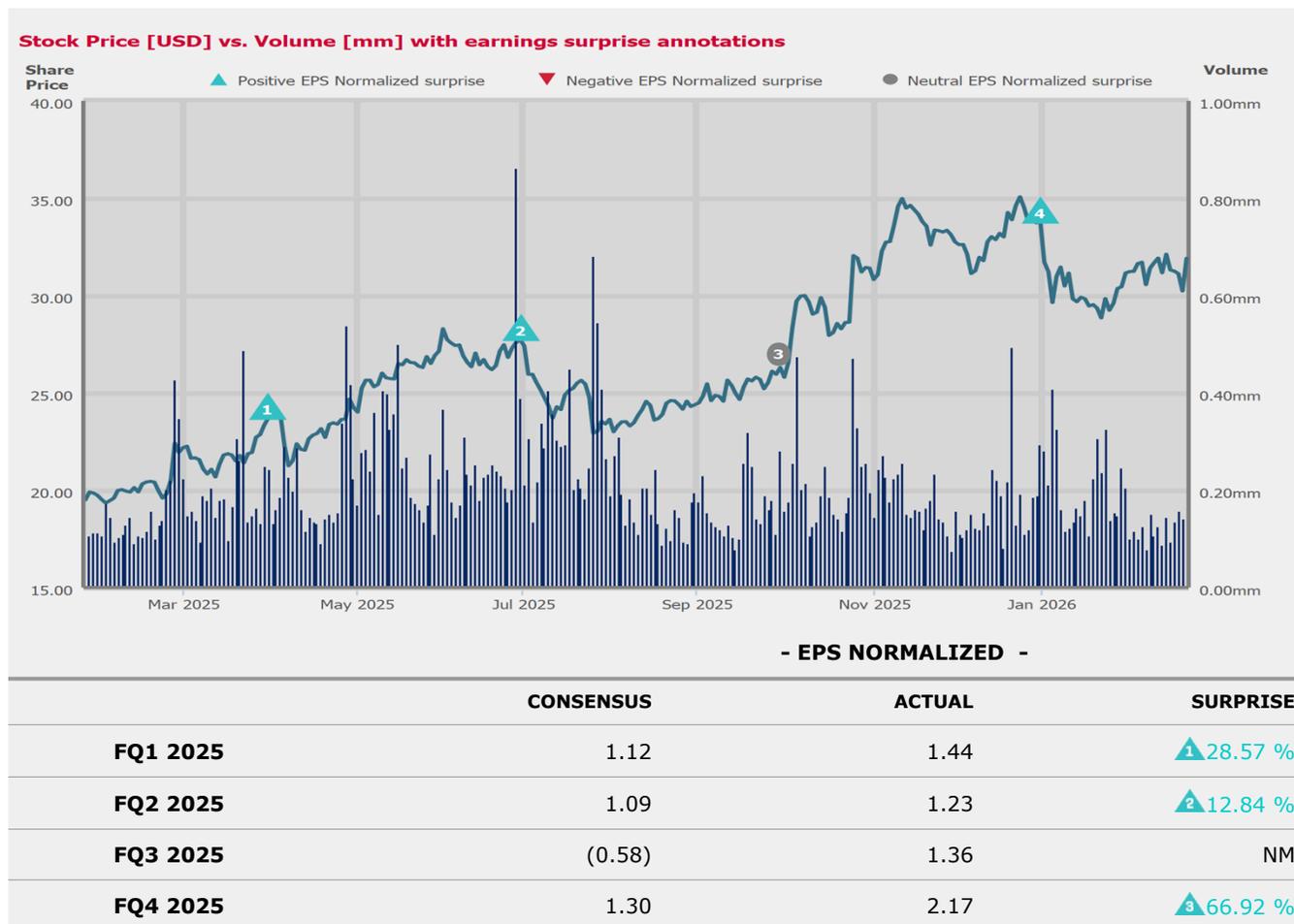


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Call Participants

EXECUTIVES

Arash Soleimani
Chief Strategy Officer

Frank Crawford Wilcox
Chief Financial Officer

Stephen Joseph Donaghy
CEO & Director

ANALYSTS

Jon Paul Newsome
*Piper Sandler & Co., Research
Division*

Presentation

Operator

Good morning, ladies and gentlemen, and welcome to Universal's Fourth Quarter 2025 Earnings Conference Call. As a reminder, this conference call is being recorded. I would now like to turn the conference over to Arash Soleimani, Chief Strategy Officer.

Arash Soleimani

Chief Strategy Officer

Good morning. Thank you for joining us today. Welcome to our quarterly earnings call. On the call with me today are Steve Donaghy, Chief Executive Officer; and Frank Wilcox, Chief Financial Officer. Before we begin, please note today's discussion may contain forward-looking statements and non-GAAP financial measures. Forward-looking statements involve assumptions, risks and uncertainties that could cause actual results to differ materially from those statements.

For more information, please see the press release and Universal's SEC filings, all of which are available on the Investors section of our website at universalinsuranceholdings.com and on the SEC's website. A reconciliation of non-GAAP financial measures to comparable GAAP measures is included in the quarterly press release and can also be found on Universal's website at universalinsuranceholdings.com.

With that, I'll turn the call over to Steve.

Stephen Joseph Donaghy

CEO & Director

Thanks, Arash. Good morning, everyone. We had an outstanding quarter with an adjusted return on common equity of over 46% and results were solid across the board. I'm deeply proud of the progress we made in 2025. We're continuing to see the benefits of Florida's legislative reforms, which have visibly stabilized the market, benefiting all stakeholders.

Our capital position is robust, and I believe our reserves are the strongest they've been in our history. We are already well underway in negotiating and placing our 2026 reinsurance program with a substantial portion of our first event catastrophe tower already placed as we stand here today, along with meaningful additional multiyear capacity secured for the 2027 hurricane season.

I'll turn it over to Frank to walk through our financial results. Frank?

Frank Crawford Wilcox

Chief Financial Officer

Thank you, Steve, and good morning. Adjusted diluted earnings per common share was \$2.17, up from adjusted diluted earnings per common share of \$0.25 in the prior year quarter. The increase mostly stems from a lower net loss ratio and higher net premiums earned and net investment income. Core revenue of \$403.6 million was up 4.4% year-over-year, with growth primarily stemming from higher net premiums earned and net investment income. Direct premiums written were \$483.7 million, up 2.7% from the prior year quarter. The increase stems from an 18.2% growth in other states, partially offset by a 3.1% decrease in Florida.

Overall growth mostly reflects higher policies in force and inflation adjustments across our multistate footprint. Direct premiums earned of \$538 million were up 3.6% year-over-year, reflecting direct premiums written growth over the past 12 months. Net premiums earned were \$363.4 million, up 4.3% from the prior year quarter. The increase is primarily attributable to higher direct premiums earned and a lower ceded premium ratio. The net combined ratio was 87.5%, down 20.4 points compared to the prior year quarter. The decrease reflects a lower net loss ratio, slightly offset by a higher net expense ratio. The net loss ratio was 61.3%, down 21 points compared to the prior year quarter.

The decrease reflects better current accident year results and the inclusion of Hurricane Milton in the prior year quarter. The net expense ratio was 26.2%, up 0.6 points from 25.6% in the prior year quarter. The increase was primarily driven by higher other operating costs. During the fourth quarter, the company repurchased approximately 210,000 shares at an aggregate cost of \$6.9 million.

On January 7, 2026, the company announced a new share repurchase program under which the company may repurchase up to \$20 million of its outstanding shares of common stock through January 8, 2028. On February 4, 2026, the Board of Directors declared a regular quarterly cash dividend of \$0.16 per common share payable on March 13, 2026, to shareholders of record as of the close of business on March 6, 2026. With that, I'd like to ask the operator to open the line for questions.

Question and Answer

Operator

[Operator Instructions] Our first question comes from the line of Paul Newsome from Piper Sandler.

Jon Paul Newsome

Piper Sandler & Co., Research Division

Congratulations on the quarter. I was hoping you could give us a little bit more thoughts on the competitive advantage -- competitive environment today. We hear just a ton about price declines and increased folks in the market. How do you see it from your perspective?

Stephen Joseph Donaghy

CEO & Director

Paul, thank you. This is Steve. We see the competitive environment very favorable to Universal at this point. Our relationship with our agency force, the rates that we've implemented are favorable. And I think we're just seeing a whole lot of positive uptick in markets that we've opened due to analyzing our internal profitability model. So we're open in more markets. We have more business coming in across those markets, and I feel good about the business. So as you know, it's always a constant analyzation of markets that are favorable versus nonfavorable, closing certain markets, opening certain markets, but we feel good about the business in Florida in particular, and have seen very positive things as a result.

Jon Paul Newsome

Piper Sandler & Co., Research Division

Do you have any thoughts on sort of the regulatory environment? And we hear a lot about the issues with affordability and whether or not the insurance industry will be asked to essentially kind of give back profits or something like that. Any exposure or thoughts on that probably?

Stephen Joseph Donaghy

CEO & Director

I would add that without the actions taken by the state of Florida and Governor DeSantis, we would not be in the position -- the industry would not be in the position we're in today, not just Universal. So without action, monies would continue to be going to third parties that weren't impacted by a claim, and that wasn't good for anyone. I think as we continue, and you've seen we've had modest declines in '24 and '25, we kick off our actuarial study on rate for '26 at the end of March, and we'll continue to do the right thing. And a decrease in rate does not always result in a decrease in earnings as a result of the favorable legislation and the less severity and frequency that we're seeing and you compile that with potential reductions in reinsurance and expenses, it's a very favorable environment right now. And we look forward to continuing to return funds to insurers as a result of that. And I would also add, too, our retention, Paul, has never been better. So we're in a very good place.

Operator

At this time, I would now like to turn the conference back over to Steve Donaghy, Chief Executive Officer, for closing remarks.

Stephen Joseph Donaghy

CEO & Director

Thank you. I'd like to thank all of our associates, consumers, our agency force and stakeholders for their continued support of Universal. Thank you, and have a great day.

Operator

This concludes today's conference call. Thank you for participating. You may now disconnect.

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