nib holdings limited
Head Office
22 Honeysuckle Drive
Newcastle NSW 2300
abn 51 125 633 856

t 13 14 63
f 02 4925 1999

e nib@nib.com.au
w nib.com.au

4 June 2018

The Manager
Company Announcements
Australia Securities Exchange Limited
Level 4, Bridge Street
SYDNEY NSW 2000

Please find attached presentation delivered by nib to Macquarie Securities Australia (4 June 2018).

Yours sincerely,

Roslyn Toms
Company Secretary

For further information please contact:

Matthew Neat
Head of Corporate Affairs & Investor Relations
T: +61 (0)2 4914 1777
M: +61 (0)411 700 006
E: m.neat@nib.com.au

WORLD NOMADS GROUP

JUNE 2018

ABOUT WORLD NOMADS GROUP (WNG)

- **Acquired by nib in July 2015 for a total consideration of $95 million.**
- **Third largest travel insurance distributor in Australia.**
- **Specialises in the marketing, sales and distribution of travel insurance globally. (Australia accounts for ~60% of GWP[1] with international sales mainly from USA, Europe/UK).**
- **Provides ancillary insurance services such as claims management and emergency assistance for policies written in Australia and New Zealand through a Managing General Agent (MGA) model.**
- **Distribution occurs direct-to-consumer online and via a diverse and extensive network of travel agents, referral partners and whitelabel intermediaries.**
- **Does not bear any claims risk but acts as distributor or MGA on behalf of insurance underwriters.**

1. *For the year ended 30 June 2017.*

BUSINESS MODEL

nib

Australia and New Zealand

WNG operates as an underwriting agent of the insurer and generates income from various services

Sourced from Lloyd's of London syndicate (XL Catlin)

Distribution & Selling

Emergency Assist and Claims Handling

Underwriting Services

Insurer/claims capital

Other International Markets

WNG distributes travel insurance via the world nomads & Vivamos brand

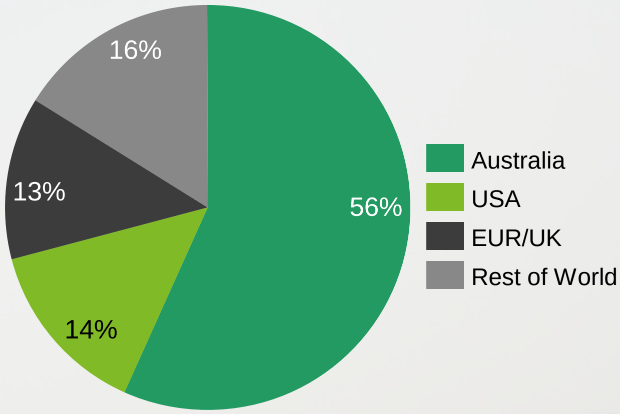
Insurance services provided by various partners

- Business model allows influence over customer experience without direct exposure to volatility in claims costs
- A range of global insurers ensures capital flexibility and access to best in class services
- Ability for WNG to control more of the value chain over time

RECENT ACTIVITY AND RESULTS

- Rebranding World Nomads Group to nib Travel with product brand names remaining in place.
- Business integration completed:
  - Shared infrastructure and premises.
  - Access to Group hospital networks locally and abroad.
  - Launch NZ's first Health and Travel combined product offering.
- Domestic and international sales have jumped (▲15.3% on 1H17) with our growth and expansion strategy starting to deliver results:
  - Australian domestic sales ▲12.2%.
  - International sales ▲19.5%; with USA sales ▲25.6%.
- Opened new European headquarters in Cork, Ireland in May 2018.

1H18 Sales by Region



- 1H18 UOP of $4.7m (▲51.6%). Growth initiatives and skew towards investment in 2H will lower earnings 2H18 v 1H18.

Discrepancies between totals and sums of components in the chart above are due to rounding.

MARKET STRUCTURE

nib

Local market circa $1b[1], delivering growth across agency and direct channels. WNG participates across all channels except bancassurance.

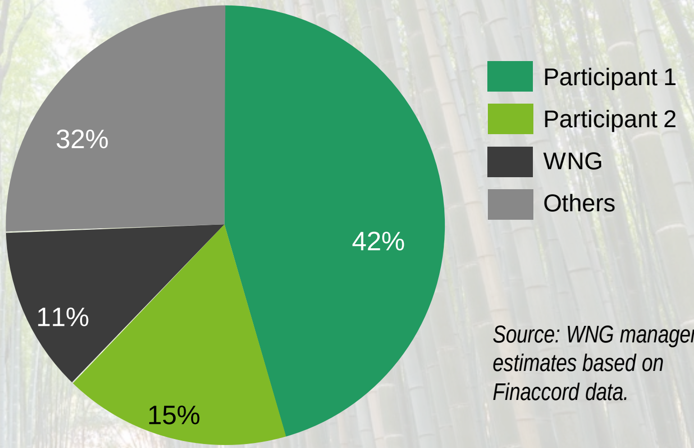
Top five players represent circa 80% of domestic market[1].

Internationally, circa USD$7-8b[2] with similar customer needs/products across key markets (medical, trip disruption and luggage).

Highly fragmented marketplace with many distribution players across various channels, (digital, retail and affinity/whitelabel networks).

Many markets still developing, particularly Asia and parts of Europe.

Australian travel insurance market share



Source: WNG management estimates based on Finaccord data.

1. *WNG management estimates based on Finaccord data.*
2. *WNG management estimates based on Finaccord data (includes only key major markets – USA, Canada, UK, Australia and China).*

KEY TRENDS

- More people are crossing borders given changing demographics, increased affordability and accessibility of travel
- Changing consumer expectations on service and product coverage
- Fragmentation and proliferation of travel-related distribution channels
- Emergence of Insuretech and travel tech driving new servicing propositions
- Strong gains by all players across data and personalisation of experience
- Increased complexity of regulation in global digital economy

PEOPLE CONTINUE TO TRAVEL BUT ARE OFTEN UNINSURED

Market observations and estimates:

2 in 5 UK travellers are without the right insurance or any insurance at all.

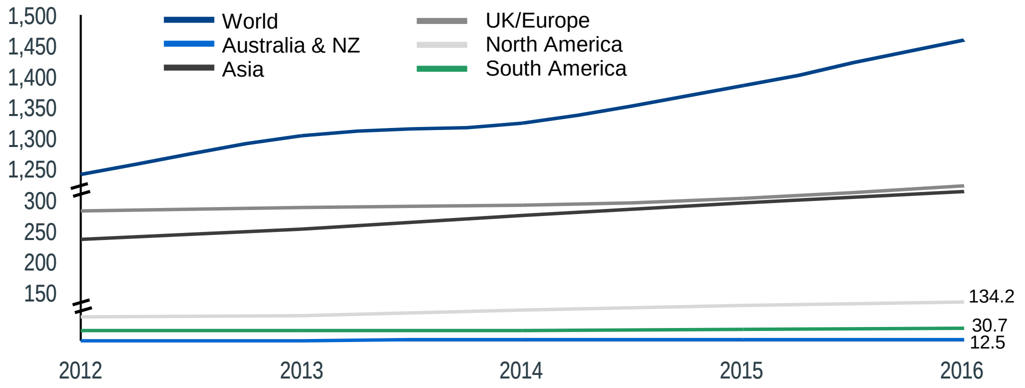
9% of Australian travellers and 20% of NZ travellers are uncovered when travelling abroad.

50%+ of US travellers are willing but not currently buying travel insurance.

43%+ of Canadian millennials are travelling the globe uninsured.

Source: DFAT, ABTA and selected travel research & press.

International Tourism, Number of Departures (millions)



Source: World Bank (citing: World Tourism Organization, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files).

BUSINESS STRATEGY – OUR FOCUS

nib

DOMESTIC

Continued transformation of the Australian marketplace

- **Strong Group capabilities matched with strong e-commerce and digital skills presents opportunity.**
- **Greater distribution volumes will drive value/synergies.**

INTERNATIONAL

Considered expansion

- **Continuation of international momentum, supporting strong run rates and digital growth strategy.**
- **Establishing European operations and participate up the value chain. Existing business with small scale, but opportunities to grow across other channels.**

GROUP FY18 OUTLOOK AND GUIDANCE

($m)	FY18 (Guidance)
Statutory operating profit	**$148.7**
One-off transactions and M&A costs	**9.0**
One-off transactions[1]	5.7
M&A costs	3.3
Amortisation of acquired intangibles	**7.3**
Amortisation of acquired intangibles (IMAN)	0.8
Amortisation of acquired intangibles (NZ)	3.6
Amortisation of acquired intangibles (WNG)	2.2
Amortisation of acquired intangibles (GU)	0.7
UOP	**$165.0**

1. One-off transactions include integration of acquired business, establishment of business costs as well as extraordinary legal fees.

- **arhi organic growth 3-4% with ongoing investment and creativity. FY18 arhi net margin likely to be at high end of 5-6% range.**
- **FY18 Group UOP expected to be at least $165 million (statutory operating profit at least $148 million).**
- **FY18 investment returns in line with internal benchmarks.**
- **Ordinary dividend pay-out ratio 60-70% of full year NPAT.**

QUESTIONS?