

30 October 2019

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

nib holdings limited 2019 Annual General Meeting (AGM) Presentation

nib's 2019 AGM Presentation is attached.

Yours sincerely,



Roslyn Toms
Company Secretary

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annual general meeting

30 October 2019



Steve Crane

Chairman



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welcome to country

A collection of decorative geometric shapes including a blue circle, a white circle, a green circle, a blue dotted line, and another green circle, scattered in the middle right quadrant.

Steve Crane

Chairman



nib's board and executive

Board

Steve Crane	Chairman and Independent Non-Executive Director
Mark Fitzgibbon	Managing Director and Chief Executive Officer
Lee Ausburn	Independent Non-Executive Director
Jacqueline Chow	Independent Non-Executive Director
Anne Loveridge	Independent Non-Executive Director
Christine McLoughlin	Independent Non-Executive Director
Donal O'Dwyer	Independent Non-Executive Director

Executive

Michelle McPherson	Chief Financial Officer and Deputy CEO
Roslyn Toms	Group Executive Legal and Chief Risk Officer (General Counsel and Company Secretary)
Rob Hennin	nib New Zealand Chief Executive Officer
Wendy Lenton	Group Executive People and Culture



meeting agenda

- Item 1** Consideration of Reports
- Item 2** Remuneration Report
- Item 3** Re-election of Mr Steve Crane
- Item 4** Re-election of Mr Donal O'Dwyer
- Item 5** Approval of participation in Long-Term Incentive Plan



chairman's presentation

Steve Crane

Chairman



FY19 Group⁺ results



\$2.4b

total Group revenue

up 8.3%



\$201.8m

Group UOP

up 9.2%



\$149.3m

NPAT

up 11.8%



32.9cps

statutory EPS

up 11.9%



23.0cps

full year
dividend



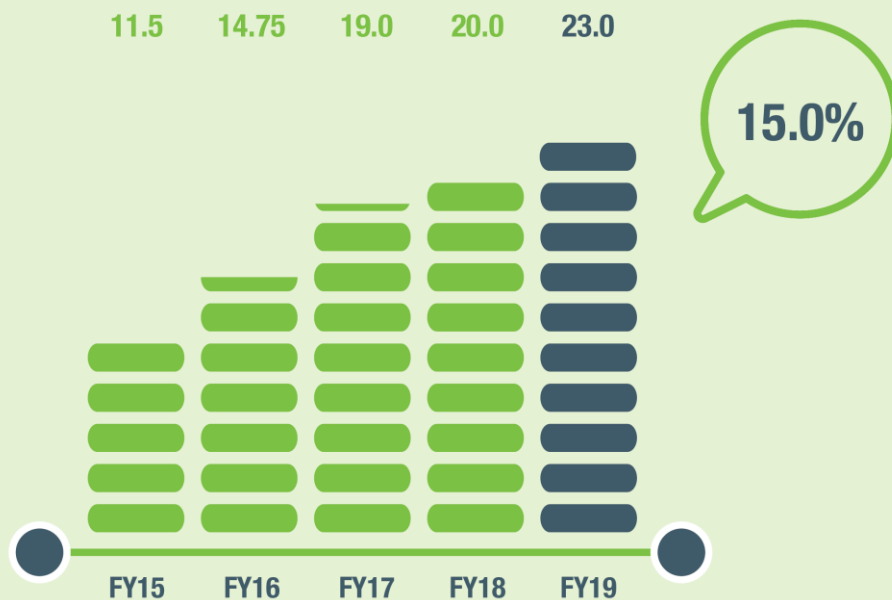
DRP

dividend reinvestment
plan available for
final dividend

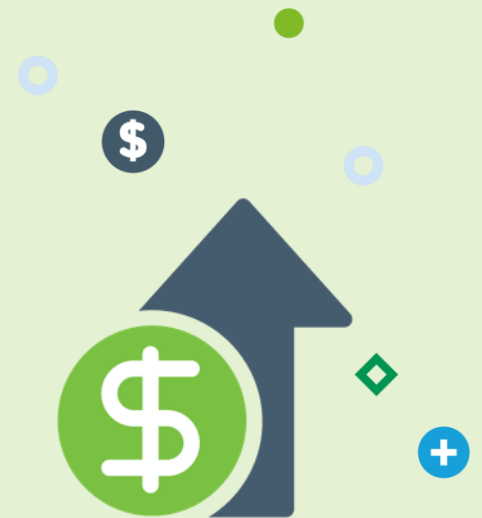
delivering strong shareholder returns

Continuing to deliver great value products and service to our members aligns with our obligations to shareholders.

Dividends



- Since 2007, our total shareholder return* is over 1,700%, compared to 66% for the ASX200
- Today our market capitalisation is ~\$3.3 billion, compared to \$440 million when we listed
- Recently included in the S&P ASX100



* Source: Bloomberg as at 30 June 2019. nib's total shareholder return over the holding period due to the change in share price plus dividends re-invested on the ex-dividend date.

our purpose: your better health



3,869,527
Ancillary visits



333,244
Hospital admissions



23,975
Travel claims processed²



Largest claim
\$310,000+



Rehabilitation admissions
~35,000



In excess of
4,500 knee and hip replacements



~2,300 members with claims
>\$50,000



\$1.8b
Total claims paid³

assisting our members

We're doing more to assist our members to make better healthcare decisions.



Clinical Partners program

- Launched in Hunter Valley region
- Provides arhi members guaranteed no out-of-pocket expenses for knee and hip replacement surgery
- Access to home rehabilitation services
- Hope to extend to other regions & include other surgical procedures



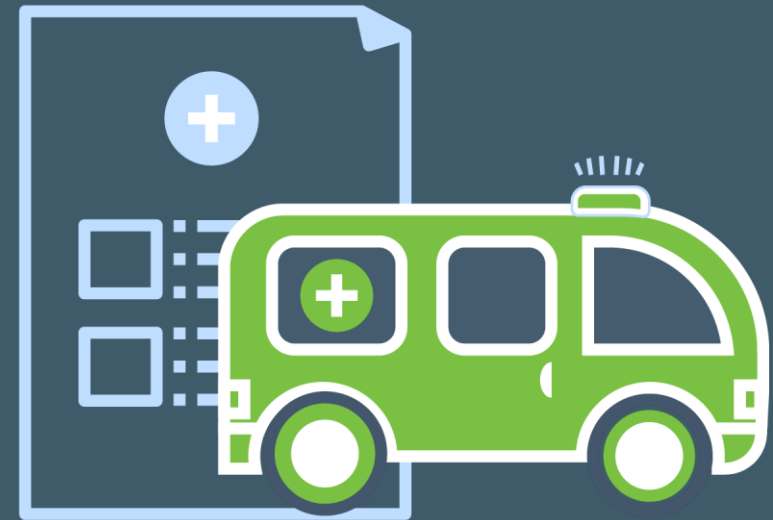
First Choice Network (NZ)

- Network of medical professionals providing services and treatment within a determined price range
- 100% of approved costs covered
- No additional out-of-pocket costs
- Plan to expand to cover additional medical treatments for different specialities

addressing healthcare challenges

Healthcare is pivoting towards a technologically charged future of prevention rather than just cure

- Affordability
- Out of pocket costs in Australia accounts for ~\$30 billion or 17% of health spending
- High medical fee variation
- Premium increases



PHI reforms and premiums

Another important development during fiscal year 2019 was the Commonwealth Government's PHI Reforms.

- 54,000 members reduced their premiums through the age-based discount
- 15,000 policies elected a higher \$750 front end deductible
- We have worked hard to keep premium growth down notwithstanding ageing populations
- Australian premium increase this year was also the lowest in 16 years and the fifth consecutive year we've delivered an increase lower than the previous year



sustainability at nib

We're cognisant that companies and some industries are being scrutinised for their various environmental, social, governance and ethical practices.



- Our broad geographic operating environment means we apply a Group-wide risk governance approach to meet our multi-regulated obligations
- Our sense of community and being a good corporate citizen is part of our heritage
- The purpose and values the founders of our business used to establish nib are still very much part of our culture and DNA today
- Through our success, we aspire to more prosperous and sustainable communities, not only the creation of enterprise value

closing the gap

Over the next four years nib foundation, utilising funds from unclaimed dividends, will be contributing \$1 million in funding towards closing the health and life expectancy gap between Aboriginal and Torres Strait Islander peoples and non-indigenous Australians



- Shareholder approval at 2017 AGM to transfer unclaimed dividends >5 years to nib foundation
- Unclaimed dividends are better utilised and put to work by directly funding charitable organisations or initiatives to support community-focused health and wellbeing initiatives
- nib foundation will be joining forces with the collective support of the nib Group to work together to help drive real change amongst the communities in which we operate
- The funding will be used to fund a suite of community partnerships and commissioned services to develop and deliver population health and wellness programs to tackle and help narrow this health gap

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thank you

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managing director's report



Mark Fitzgibbon

Chief Executive Officer & Managing Director



business strategy



Personalised
healthcare



Affordability and
sustainability



Grow the core
(arhi)



Adjacent
businesses



Racing the Red
Queen (RRQ)

FY19 group highlights



Group underlying revenue
\$2,421.6m up 8.3%



Group UOP
\$201.8m up 9.2%



NPAT
\$149.3m up 11.8%



Statutory EPS
\$32.9cps up 11.9%



Return on invested capital
19.1%



Adjacent businesses
contribution to Group UOP
25.9% down 340bps

Australian residents health insurance (arhi)



\$2,013.2m

premium revenue
up 7.6%



\$149.5m

UOP
up 14.4%

Membership
607,388
(1,176,155 lives)

Membership
growth **2.1%**
v industry 0.7%

GU Health
integration

NPS of **32.5**
(FY18: 28.7)

New Zealand



\$215.5m

premium revenue
up 8.8%



\$19.8m

UOP
down 15.4%

Membership
110,121
(213,061 lives)

Membership
growth 7.2%

1st anniversary
Ngāti Whātua
Ōrākei

NPS of 34.0
(FY18: 21.1)

international (inbound) health insurance (iihi)



\$110.1m

premium revenue
up 18.0%



\$34.9m

UOP
up 17.9%

Membership
172,357
(188,324 lives)

Membership
growth **19.5%**

Product and
geographic
diversification

NPS

International workers
41.5 (FY18: 42.7)

International students
34.6 (FY18: 30.5)

nib Travel



\$152.7m

gross written premium¹
up 7.5%



\$6.6m

UOP
down 18.5%

Sales up 6.8%
(International sales up 15.5%)

**Completed QBE
Travel
acquisition**

**Established
Ireland Managing
General Agent**

NPS (Sales) 61.2
(FY18: 62.6)

1. nib Travel is a distributor of travel insurance and earns a commission for policies sold, however, GWP is shown as it is a key performance metric of the business noting GWP excludes other sources of income such as emergency travel assistance and managing general agent fees.

2. Excludes Australia, New Zealand, North America, South America and the European Union.

China JV

Established operations in
Tiajin and Shanghai (China)

Awaiting regulatory approval
for health insurance product

Secured health service
annual revenue ~\$1 million

Team of ~25 people working
as part of joint venture in
China



consumer empowerment

Find a Provider

I'M LOOKING FOR... LOCATED IN...

6 results for **Cardiothoracic Surgeon (Heart and Lung)** near **Newcastle, NSW**

DR. Rosauro Mejia
 Cardiothoracic Surgeon (Heart and Lung), Surgeon
 ★★★★★ From 1 patients on Whitecoat
 3.4km · 58A Cleary St, Hamilton NSW 2303

Helpful cost information for DR. Rosauro Mejia

27 nib members seen over the last 12 months	96% of nib members had no out of pocket costs	\$52 was the average out of pocket cost
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DR. Peng Seah
 Cardiothoracic Surgeon (Heart and Lung), Surgeon
 7.8km · Kingston Building, 14 Lookout Rd, New La...

Cost information is unavailable for **DR. Peng Seah**

DR. Allen James
 Cardiothoracic Surgeon (Heart and Lung), Surgeon
 ★★★★★ From 1 patients on Whitecoat
 7.9km · 26 Lookout Rd, New Lambton Heights NSW...

Helpful cost information for DR. Allen James

74 nib members seen over the last 12 months	98% of nib members had no out of pocket costs	\$819 was the average out of pocket cost
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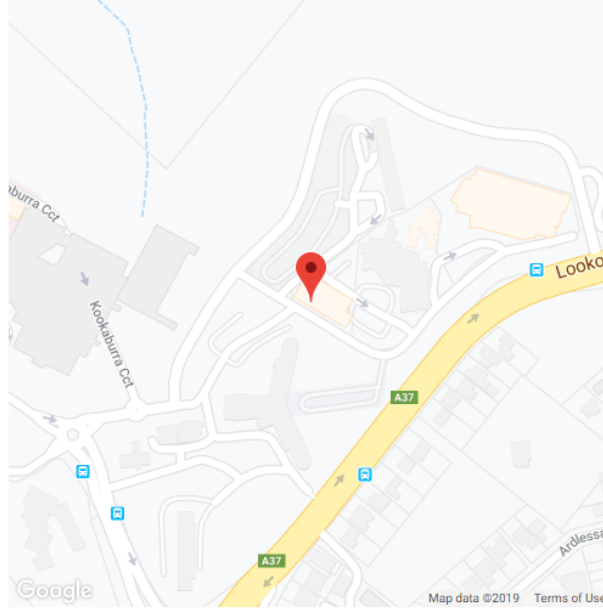
DR. Allen James
 Cardiothoracic Surgeon (Heart and Lung), Surgeon
 ★★★★★ From 1 patients on Whitecoat
 7.9km · 26 Lookout Rd, New Lambton Heights NSW 2305

049525911 Email

Helpful cost information for DR. Allen James

74 nib members seen over the last 12 months	98% of nib members had no out of pocket costs	\$819 was the average out of pocket cost
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Before you book an appointment...
 We always recommend checking costs and out of pocket fees, as these may change. It's also a good idea to check your policy by logging in or talking to us to make sure you're covered.



from sickcare to healthcare



Past and contemporary systems respond to (and have learnt to monetise) sickness or injury



Data science is rapidly enabling deeper insight of individual health risk and capacity to better predict, prevent, manage and more precisely treat disease



System design and technological challenges include:

- access, assembly and security of relevant data sets
- capability to interpret data sets and profile individual risk
- creation/procurement of evidenced-based interventions
- trust and engagement of members and doctors



Benefits to nib

- healthier members
- stronger value proposition
- capacity to fund broader range of products and services
- enhanced role in healthcare systems



outlook



arhi

- Organic growth 2%-3% per annum
- Insurance margins circa 6%
- M&A possibilities?



iihi

- Continued organic growth
- Strong insurance margins
- Other foreign markets



New Zealand health insurance

- Continued organic growth
- Insurance margins 8-9%
- Further investment and growth in iwi (Maori population health)



nib Travel

- Improved domestic sales performance
- Continued strong international sales and value capture
- Reduced operating costs



China

- Further organic growth in health management
- Licence to sell health insurance (critical illness) target by end of FY20

guidance



FY20 UOP forecast to be at least \$200m¹

Statutory operating profit (SOP) of at least \$180m

(\$m)	FY20
Statutory operating profit	~ 180
One-off transactions and M&A costs	~ 9
Amortisation of acquired intangibles	~11
GU Health	2.7
IMAN	0.7
nib Travel	3.8
NZ	3.5
Underlying operating profit	~ 200

¹ The Group expects that net profit after tax will decrease by approximately \$1.3 million for FY20 as a result of adopting the AASB16 Leases Standard. UOP used to measure segment results is expected to increase by approximately \$4.0 million, as the interest on the lease liability is excluded from this measure. UOP of \$200m includes the \$4.0m increase.

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thank you

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