



IAG to reaffirm guidance and outline strategic initiatives at Business Update

IAG will today reaffirm its FY22 reported margin and gross written premium guidance and provide an update on its business strategy at its Business Update for investors.

IAG Managing Director and CEO Nick Hawkins will be joined by members of his leadership team to outline the initiatives being implemented in IAG's three operating businesses to achieve the company's objective – to create a stronger, more resilient IAG – followed by an update from its Chief Financial Officer.

“Over the past couple of years, as an industry and particularly as a company, we've had to face some serious challenges. We've appropriately provided for these and restored capital where required to address all the issues from a balance sheet point of view. I've also made some fundamental changes to our strategy and organisational design,” Mr Hawkins said.

“We haven't changed our value proposition since we presented it in February this year. Over the medium-term, we are aiming to deliver a targeted cash ROE of 12-13%, an insurance margin of 15-17%, and a growth profile. Our aspiration is to deliver these financial goals on a sustainable basis.”

Expanding on IAG's growth agenda, Mr Hawkins will outline IAG's ambition in the next five years to add one million new customers to the 8.5 million the company already serves, and to ensure more than 80% of customers' activity occurs through digital channels.

“Our ability to invest time and effort in delivering on our growth agenda is rapidly improving. We're already seeing a turnaround in our Intermediated business in Australia as we work to deliver at least \$250 million of insurance profit in that business by FY24.

“Our Direct business in Australia has launched its growth plan, taking NRMA Insurance national and setting itself up as a serious player in the youth market with Rollin', and our New Zealand business continues to strengthen its foundations and deliver ongoing strong results,” Mr Hawkins said.

IAG's largest operating business, Direct Insurance Australia, has an ambition to bring on board 750,000 of the one million customers the company aims to attract over the next five years and deliver \$400 million¹ of value through initiatives to increase claims and supply chain effectiveness.

At the update, Mr Hawkins will also outline company-wide initiatives to differentiate the business and improve customer experiences.

¹ \$400 million of claims and supply chain cost reductions that will be available to contribute to the delivery of group financial targets, address affordability and drive customer growth (pre-quota share, run-rate after five years).

“We are driving enterprise-wide efficiency, by simplifying the processes and technology that support our business. We are well on the way to establishing an enterprise platform that will simplify our back office, improve our risk processes, and reduce our costs to serve. This will create opportunities to grow and improve our customer experiences.

“We are focused on where our scale can deliver operating or structural advantages that can differentiate our company, particularly in areas of supply chain, claims handling and underwriting. Claims optimisation and supply chain efficiency are common threads across all our businesses and can deliver real financial benefits,” Mr Hawkins said.

IAG Chief Financial Officer Michelle McPherson will reaffirm IAG’s FY22 guidance of a 10-12% reported insurance margin and low single-digit GWP growth.

A live video webcast of IAG’s Business Update will commence at 10.00am AEDT at www.iag.com.au/2021-business-update.

The Business Update will comprise an overview of IAG’s strategy by IAG Managing Director and CEO Nick Hawkins and then presentations by:

- IAG Group Executive Direct Insurance Australia, Julie Batch
- IAG Group Executive Intermediated Insurance Australia, Jarrod Hill
- Chief Executive IAG New Zealand, Amanda Whiting; and
- IAG Chief Financial Officer, Michelle McPherson

The presentations will be followed by a Q&A panel and IAG Chief Operating Officer Neil Morgan will join this session.

The Business Update will conclude at 12 noon. A recording will be made available following the briefing.

This release has been authorised by the IAG Managing Director and CEO

About IAG

IAG is the parent company of a general insurance group (the Group) with controlled operations in Australia and New Zealand. The Group’s businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). IAG also has an interest in a general insurance joint venture in Malaysia. For further information, please visit www.iag.com.au.

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