

17 February, 2023

## **Tower Remains Resilient to Recent Weather Events, updates guidance**

**Tower Limited (NZX/ASX: TWR)** has today provided an update on the financial impact of the Auckland and Upper North Island Weather Event as well as claims related to Cyclone Gabrielle.

Tower CEO, Blair Turnbull says, "Our hearts go out to the many Kiwis who have been devastated by these two natural disasters in quick succession. Tower has been working tirelessly to support customers through this extremely difficult time.

"Tower remains financially strong and is well placed to continue supporting customers and communities through the recovery. The personal and economic impacts of these events is a reminder of the critical role insurance plays in bolstering our collective resilience.," he says.

### **Auckland & Upper North Island Weather Event**

Claims for the Auckland and Upper North Island weather event from 27 January have slowed substantially since Tower's market announcement on 9 February. The insurer has received approximately 4,850 claims to date in relation to this event.

At this stage, Tower estimates the ultimate cost of the Auckland and Upper North Island weather event to be within the range of \$95m to \$125m. Costs for this event will predominantly be covered by Tower's reinsurance for catastrophe events which has an excess of \$11.875m.

### **Cyclone Gabrielle Event**

Tower has received approximately 945 claims for damage caused by Cyclone Gabrielle and is in the early stages of estimating its financial impact.

Tower expects further claims as people in affected areas regain access to their properties and power and communications are restored. While there is insufficient information to estimate the ultimate cost of Cyclone Gabrielle, Tower expects it is likely to also trigger Tower's reinsurance for catastrophe events, with an excess of \$11.875m.

### **Guidance update**

Tower has updated its full year underlying NPAT guidance to between \$18m and \$23m, from a range of between \$27m and \$32m. This guidance reflects positive actions taken by Tower to prepare itself for future events, including an increase in Tower's large events allowance to \$40m (up from \$30m) and the expected cost of reinstating reinsurance arrangements.

Consequently, Tower has revised its forecast for dividends to 5 cents per share for the full year, from 6.5 cents per share.

Tower's solvency position remains strong, despite the occurrence of potentially two catastrophic events so early in the financial year. A decision will be made on whether to pay an interim dividend when Tower's half



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year results are approved, in accordance with Tower's ordinary dividend policy, acting prudently and in light of information available at that time.

**ENDS**

This announcement has been authorised by Tower CEO, Blair Turnbull.

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