

# FY2023 Full Year Results

21 August 2023



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## **Basis of preparation**

The financial information disclosed has been prepared on a statutory basis. Due care and consideration should be undertaken when considering and analysing nib's financial performance. All references to dollars are to Australian Dollars unless otherwise stated.

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Group figures are inclusive of Maple Plan Pty Ltd ACN 624 874 219, acquired on 14/11/2022, Peak Plan Management Pty Ltd ACN 621 969 337 acquired on 27/02/2023, Connect Plan Management Pty Ltd ACN 624 994 565, acquired on 27/03/2023, and the business assets and liabilities of All Disability Plan Management Pty Ltd ACN 614 243 060, acquired 11/05/2023, unless otherwise stated. Group and New Zealand segment figures are inclusive of OrbitProtect Limited, acquired on 30/11/2022, unless otherwise stated.

As referenced in this presentation, if there is a percentage increase or (decrease) between comparative periods, the change shown is the difference between those two percentages. Any discrepancies between totals and sums of components in this publication are due to rounding.



nib acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and pays respect to Elders past and present across all the lands on which we operate.

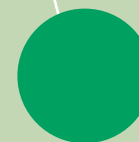
We acknowledge the rich and meaningful contribution they make to life and culture in Australia, and we aim to be a partner in improving the quality of life and health of Aboriginal and Torres Strait Islander peoples.



Image: nib Innovate Reconciliation Action Plan artwork 'The Beginning' by Michelle Kerrin, descendant of the Arrernte and Luritja clan groups from the Northern Territory, born and raised on the lands of the Larrakia people.

# Mark Fitzgibbon

Chief Executive Officer  
& Managing Director





# Our purpose

# Your better health and wellbeing

- Deliver deep insight and guidance about how you may best achieve personal health and wellbeing goals and manage risk.
- Connect you with a wide ecosystem of relevant and high-quality products, services, programs and providers.
- Render it all accessible and affordable with insurance and other related financial protection and support.



# Purpose measures FY23



**Engagement with  
health & wellbeing  
services<sup>1</sup>**

**87,000+**

member interactions with 54  
active health & wellbeing services,  
increased from 49,000 in FY22.



**Health & wellbeing  
services outcomes<sup>2</sup>**

**57%**

of participants on the Hospital Support  
Program who achieved the target  
program goal.



**Rate of  
chronic conditions<sup>3</sup>**

**237**

We monitor prevalence and type of  
chronic condition to target our  
health management programs and  
measure impact.



**Hospital admission  
rate<sup>4</sup>**

**235**

We monitor hospital admission rate  
and type to target and measure  
the impact of our Health & Wellbeing  
Services.



**Health & wellbeing  
score<sup>5</sup>**

**535**

average score of 14,000+ members  
who participated. Increase from 520 in  
FY22.

1. Health & Wellbeing Services are categorised by intervention intensity into: Hospital Substitution Program, Health Management Program, General Wellbeing Program, and Health Checks.  
2. % of total Hospital Support Program participants who achieved the target program goal of an addressed gap in expected care.  
3. Per 1000 members Includes arhi, GU, ishi, iwhi, identified from health surveys and claims data. With enhanced nib member representation, we anticipate a rise toward the ABS Benchmark: 466 individuals with at least one major chronic disease per 1000. (Source: ABS, 2022a)  
4. Per 1000 members, includes arhi, GU, ishi, iwhi.  
5. Calculated using the Dacadoo health score, represents the average score of nib members who have participated. Scores range from 1-1000, with higher scores indicating better health.

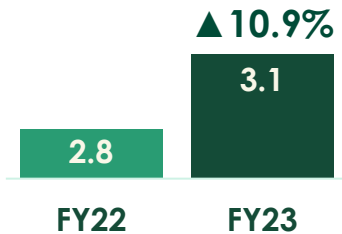
# FY23 highlights

- arhi policyholder growth of 4.7%, highest in 8 years, and more than double expected industry average. Net margins declined YoY towards 6-7% target as anticipated.
- Total claims paid \$2.2 billion, up by 6.6%. We announced \$71.0 million in COVID-19 compensation for members.
- iihi membership grew 15.7% and returned sharply to profitability especially in 2H23.
- Another strong result from New Zealand with policyholder growth 3.2%, continuing its consistent performance over the last 5 years.
- Travel recorded highest ever GWP of \$224.1 million (+132.2%) and UOP of \$14.0 million.
- nib Thrive rollout strategy progressed with five acquisitions achieved and two near completion.
- We expanded our Payer to Partner (P2P) ecosystem with new applications and functionality. Attribution difficult, yet clearly a factor in our market differentiation and growth.
- Honeysuckle Health increased delivery of targeted health management programs and enrolments. In June 2023 nib was supplanted as major customer for health management revenue.
- Group net promoter score increased to +35, up by 4.
- High employee engagement at 81%, up from 75%.
- Strong capital position, with gearing at 20.3% and PCA Ratio 1.95x.

# FY23 Group financial highlights

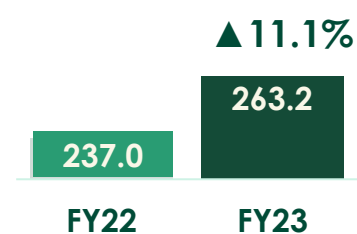
Group revenue<sup>1</sup>

**\$3.1b**



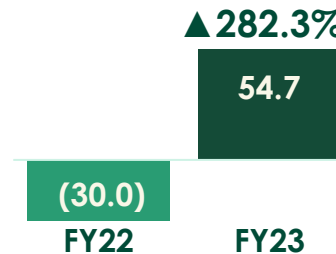
Group UOP<sup>2</sup>

**\$263.2m**



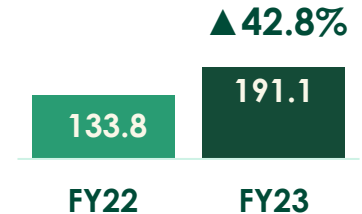
Net investment income

**\$54.7m**



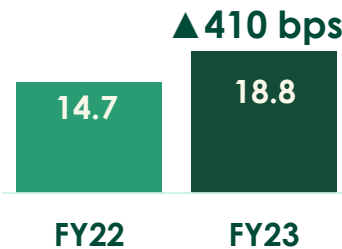
Net profit after tax

**\$191.1m**



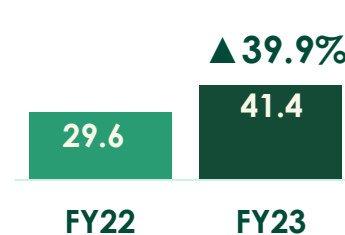
ROIC<sup>3</sup>

**18.8%**



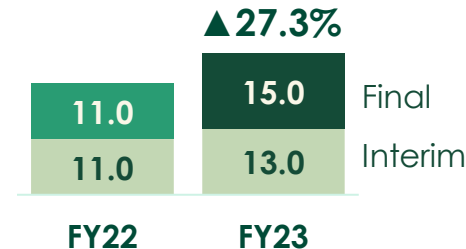
Earnings per share<sup>4</sup>

**41.4 cps**



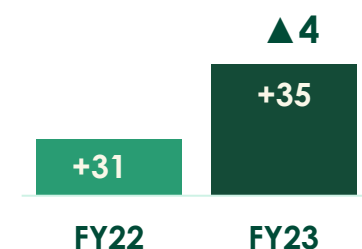
Full year dividend

**28.0 cps**



Group NPS

**+35**



1. Total Group revenue includes net premium revenue, other underwriting revenue and other income.

2. FY22 UOP restated due to reallocation of discontinued operation.

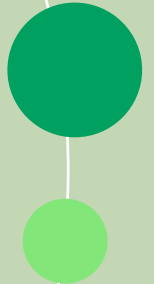
3. ROIC calculated using average shareholders' equity attributable to owners of nib holdings limited and average interest-bearing debt over a rolling 12-month period.

4. Statutory earnings per share includes losses from discontinued operations.



# Nick Freeman

Group Chief Financial Officer



# Group income statement

Financial performance (\$m)	FY23	FY22	Change
Net premium revenue	2,911.5	2,703.4	▲7.7%
Net claims incurred <sup>1</sup>	(2,223.4)	(2,085.0)	▲6.6%
Other underwriting revenue	6.5	6.4	▲1.6%
Underwriting expenses	(418.5)	(365.5)	▲14.5%
<b>Underlying underwriting result</b>	<b>276.1</b>	<b>259.3</b>	<b>▲6.5%</b>
Other income	145.0	51.5	▲181.6%
Other expenses	(157.9)	(73.8)	▲114.0%
<b>Underlying operating profit</b>	<b>263.2</b>	<b>237.0</b>	<b>▲11.1%</b>
Amortisation of acquired intangibles	(6.7)	(7.7)	▼13.0%
Impairment of intangibles	(4.0)	0.0	n/a
One-off transactions, M&A and integration costs	(8.9)	(0.1)	▲8,800%
<b>Statutory operating profit</b>	<b>243.6</b>	<b>229.2</b>	<b>▲6.3%</b>
Net finance costs	(13.8)	(6.7)	▲106.0%
Net investment income	54.7	(30.0)	▲282.3%
<b>Profit before tax</b>	<b>284.5</b>	<b>192.5</b>	<b>▲47.8%</b>
Tax	(92.8)	(57.5)	▲61.4%
<b>Profit from continuing operations</b>	<b>191.7</b>	<b>135.0</b>	<b>▲42.0%</b>
Loss from discontinued operation	(0.6)	(1.2)	▼50.0%
<b>Net profit after tax</b>	<b>191.1</b>	<b>133.8</b>	<b>▲42.8%</b>

- Strong premium revenue growth at +7.7% (+8.3% adjusting for givebacks<sup>2</sup>) due to strong, above industry, policyholder growth.
- Claims growth returning to more normal levels, but still under pre COVID-19 expectations with the DCL provision being fully released.
- Underwriting expense includes \$14.7m asset impairments, increases in marketing and IT capability including cybersecurity and cloud migration.
- Net other income and expense increase of \$9.4m driven by Travel rebound offset by consolidated Midnight Health loss.
- Impairment of intangibles relates to accelerated amortisation of some historical acquired customer contracts, and one offs include M&A related costs of \$6.7m (mainly nib Thrive).
- Finance cost increase due to base rates and Investment income rebound in FY23.
- Effective tax rate above 30% due to Midnight Health losses (currently not being deducted).

1. Net claims incurred includes claims handling expenses.

2. Accounting impact of member revenue givebacks shown, \$71.0m in FY23, \$51.5m in FY22.

# Group gross profit drivers

(\$m)	FY22	FY23	Change	
<b>FY22 Group gross profit</b>				<b>637.1</b>
Policyholder growth				<b>48.7</b>
Premium revenue			137.5	
Claims expense			(88.8)	
Product and scale mix				<b>1.4</b>
Premium revenue (excluding price deferral/credit)			(9.2)	
Claims expense			10.6	
<b>OSC development and risk margin change</b>	<b>9.0</b>	<b>(14.4)</b>	<b>(23.4)</b>	<b>(23.4)</b>
Rate variances				<b>(40.9)</b>
Premium revenue (excluding price deferral/credit)			99.4	
Claims expense (assuming pre COVID-19 trend)			(140.3)	
<b>Industry risk equalisation impacts</b>	<b>75.6</b>	<b>154.4</b>	<b>78.8</b>	<b>78.8</b>
Industry risk equalisation savings/deferral	117.9	92.6	(25.3)	
COVID-19 provision movement	(42.3)	61.7	104.1	
<b>arhi COVID-19 impacts</b>	<b>6.7</b>	<b>2.2</b>	<b>(4.5)</b>	<b>(4.5)</b>
Net claims savings/deferral	91.6	25.6	(66.0)	
COVID-19 provision (claims related) movement	(33.4)	47.7	81.1	
Suspension/waiver impact	(0.1)	0.0	0.1	
Price increase deferral/COVID-19 credit	(51.5)	(71.0)	(19.6)	
iihi COVID-19 impacts	(17.4)	(6.7)	10.7	<b>10.7</b>
<b>FY23 Group gross profit</b>				<b>707.9</b>

- Strong policyholder growth and low downgrading continues.
- \$14.4m in outstanding claims (OSC) development and risk margin change in FY23 includes risk margin increase of \$7.7m and June 2022 OSC balance too low after hindsight review.
- Rate variance reflects lower price increases against February 2020 forecast expectations, which needs to be considered in light of COVID-19 savings (some of which are considered permanent), factored into actual price increases.

Please note: the purpose of this slide is to provide an indication of the drivers of change in gross profit. While the gross profit is in line with reported results, the causal variances in between are based on the February 2020 (pre COVID-19) forecast which remains the basis for the COVID-19 provision. This forecast is now two years old, as such the causal variances should be considered directional only, given the age of the forecast.

Note: Gross profit excludes the impact of claims handling expenses.

# Earnings in developed agencies returning with investment in further developing agencies

UOP (\$m)	FY19	FY20	FY21	FY22	FY23
<b>arhi operating segment</b>	<b>149.5</b>	<b>130.4</b>	<b>214.2</b>	<b>240.5</b>	<b>222.9</b>
<i>arhi net margin</i>	7.3%	6.2%	9.7%	10.2%	8.9%
iihi	34.9	22.2	(5.9)	(1.1)	23.0
nz	19.8	23.4	24.1	22.7	34.2
nib Travel	6.6	(19.7)	(13.6)	(7.4)	14.0
<b>Other developed agencies</b>	<b>61.3</b>	<b>25.9</b>	<b>4.6</b>	<b>14.2</b>	<b>71.2</b>
Honeysuckle Health	-	(1.6)	(2.9)	(4.0)	(4.4)
Midnight Health <sup>1</sup>	-	-	-	(1.6)	(14.9)
nib Thrive	-	-	-	-	3.1
<b>Other developing agencies</b>	<b>-</b>	<b>(1.6)</b>	<b>(2.9)</b>	<b>(5.6)</b>	<b>(16.2)</b>
Other	(9.0)	(7.8)	(11.0)	(12.1)	(14.7)
<b>Total Group UOP</b>	<b>201.8</b>	<b>146.9</b>	<b>204.9</b>	<b>237.0</b>	<b>263.2</b>

- arhi margins moving towards target range coinciding with improved profitability in other developed operating segments.
- nib continues to invest in developing agencies (Honeysuckle Health, Midnight Health, nib Thrive).
- Developing agencies demonstrated strong momentum in FY23 with considerable upside growth opportunity.

1. nib has a 74.4% economic interest in Midnight Health, but as this is deemed to be effective control it consolidates 100% into UOP with a minority interest deduction after NPAT.

# Australian residents health insurance

Financial performance (\$m)	FY23	FY22	Change FY23 v FY22
Premium revenue	2,426.6	2,286.2	▲6.1%
Claims expense <sup>1</sup>	(1,916.3)	(1,807.8)	▲6.0%
Claims <sup>2</sup>	(1,797.7)	(1,525.8)	▲17.8%
Risk equalisation <sup>3</sup>	(228.1)	(206.1)	▲10.6%
Claims COVID-19 provision	82.6	(53.3)	▼255.0%
Risk equalisation COVID-19 provision	26.9	(22.6)	▼219.0%
Other underwriting revenue	3.3	3.9	▼15.4%
Marketing expenses	(113.7)	(100.3)	▲13.4%
Other expenses	(179.8)	(144.0)	▲24.9%
Other income and expenses	2.8	2.5	▲12.0%
Underlying operating profit	222.9	240.5	▼7.3%
<b>Key metrics</b>			
Policyholders (#)	697,115	665,773	▲4.7%
Lapse (%)	11.5	11.0	▲50bps
Net policyholder growth (%)	4.7	3.2	▲150bps
Net promoter score (NPS) <sup>4</sup>	+34	+30	▲4
Gross margin (%)	21.0	20.9	▲10bps
Management expense ratio (MER) (%)	12.1	10.7	▲140bps
Marketing MER (%)	4.7	4.4	▲30bps
Other MER (%)	7.4	6.3	▲110bps
Net margin (%)	8.9	10.2	▼130bps

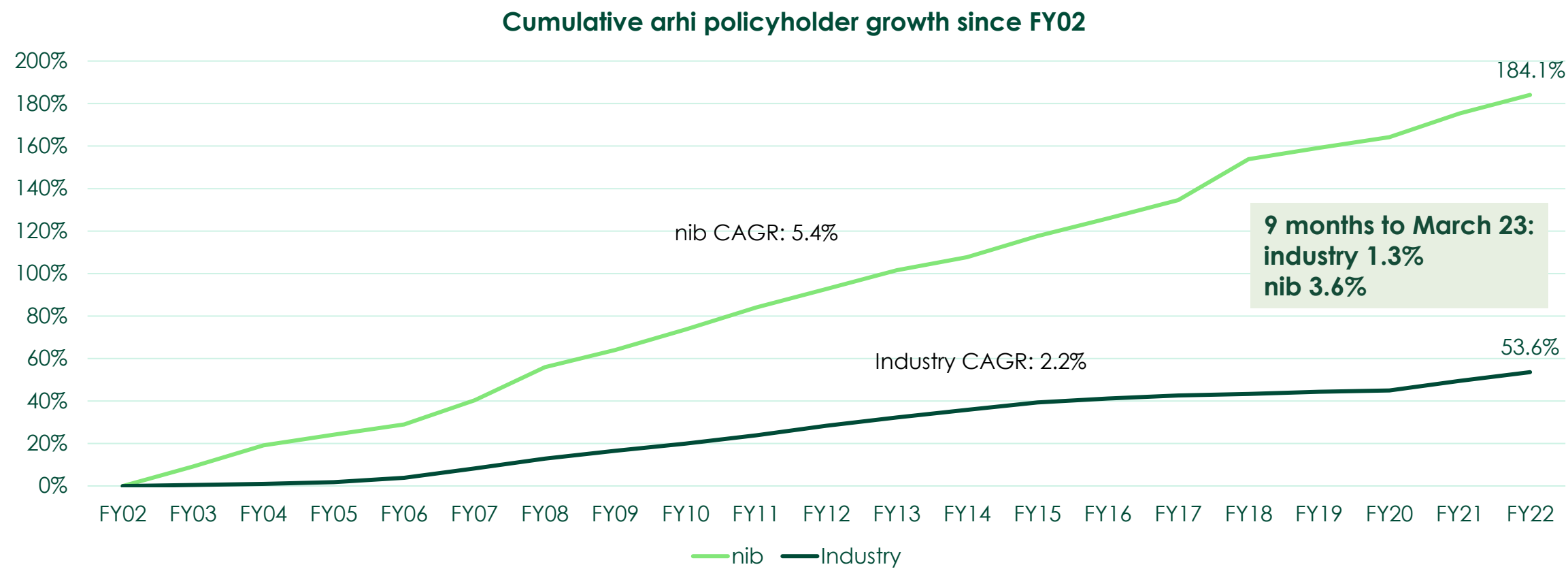
## 4.7% policyholder growth, best in 8 years

- Revenue growth of 6.1% (6.8% excluding giveback impacts) due to 4.7% policyholder growth with sales to the nib brand up 16.4%.
- Very low mix downgrading -0.1%, (pcp -1.2%), with strong sales in combined cover.
- Claims growth returning to more normal levels, but still under pre COVID-19 expectations with the DCL provision being fully released.
- Other MER of 7.4% elevated due to write offs. Excluding write offs, other MER is 6.9%, which is in line with 1H23. The increase from FY22 reflects continued investments, especially in IT and strategic growth.
- Marketing MER of 4.7% up 30 bps primarily due to increased advertising investment and higher partner commission.
- NPS of +34 continues to trend up.
- P2P improving value with 37% of major joint rehab now delivered in home.



# arhi policyholder growth

Above system growth in every year for the last 20 years

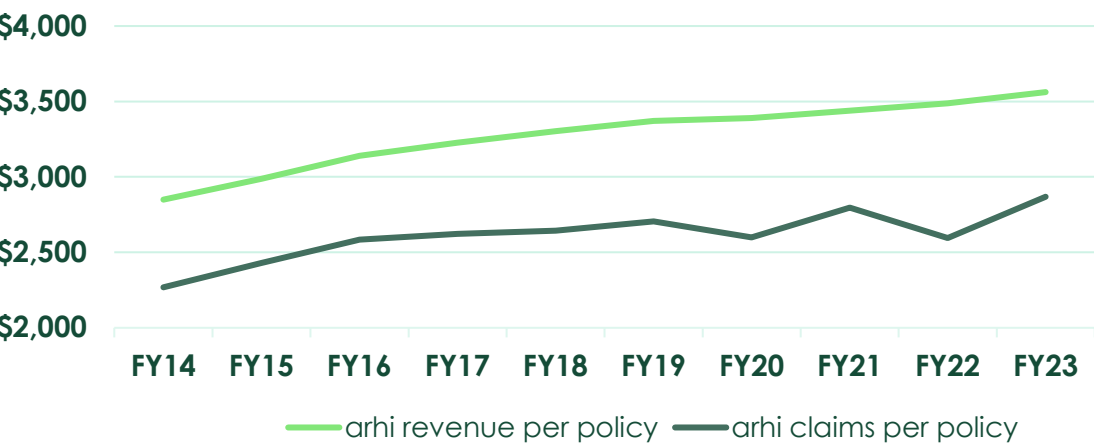


Industry data source: APRA Quarterly Private Health Insurance Membership Trends.



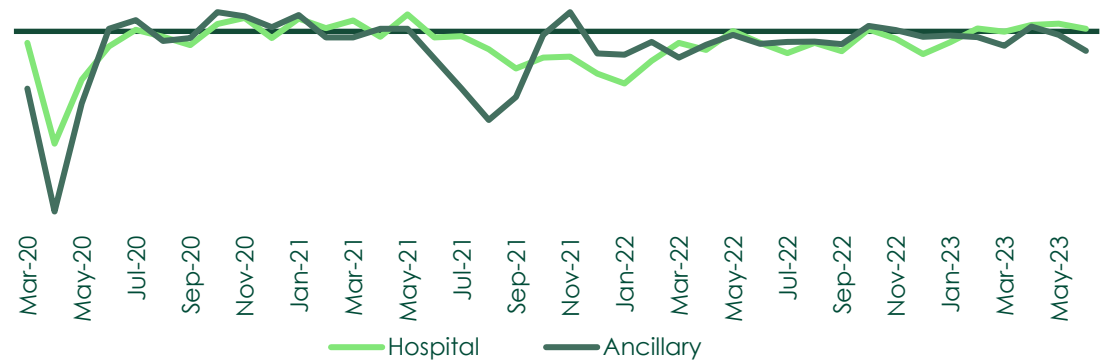
# arhi trends

### Revenue vs claims per policy

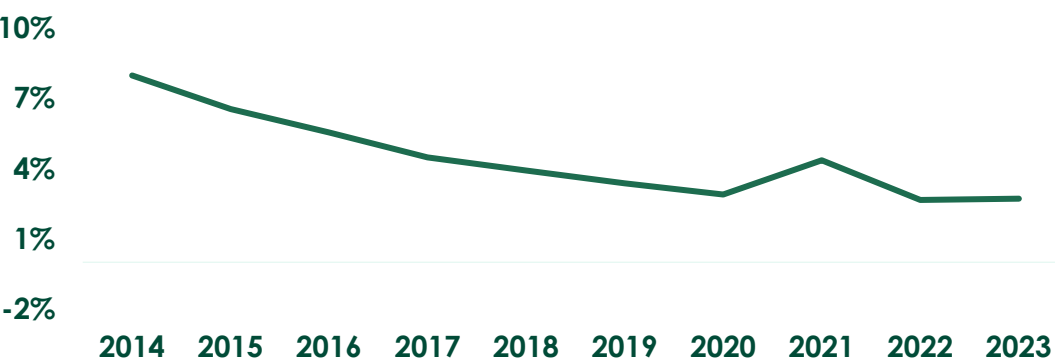


### Claims experience FY20-FY23

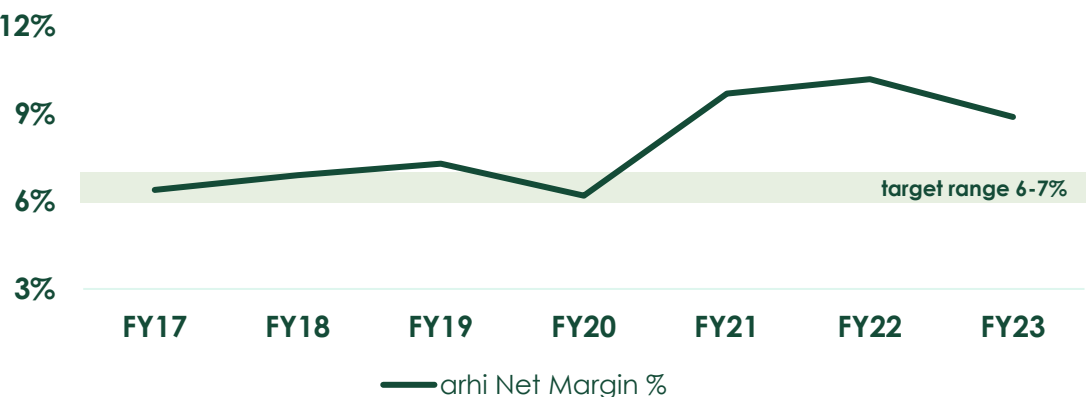
nib monthly claiming, % above or below pre COVID-19 trend



### Reportable pricing growth



### Net margins returning towards target levels



# International inbound health insurance

Financial performance (\$m)	FY23	FY22	Change FY23 v FY22
Premium revenue	151.4	123.7	▲22.4%
Claims expense <sup>1</sup>	(87.5)	(85.8)	▲2.0%
Other underwriting revenue	3.1	2.6	▲19.2%
Management expenses	(44.0)	(41.6)	▲5.8%
Underlying operating profit/(loss)	23.0	(1.1)	▲2,190.9%
<b>Key metrics</b>			
Policyholders (#)	189,944	164,133	▲15.7%
Net policyholder growth (%)	15.7	(4.8)	▲2,050bps
iwhi net promoter score <sup>2</sup> (NPS)	+51	+43	▲8
ishi net promoter score (NPS)	+47	+47	-
Gross margin (%)	42.2	30.6	▲1,160bps
Management expense ratio (MER) (%)	29.1	33.6	▼450bps
Marketing MER (%)	6.3	6.2	▲10bps
Other MER (%)	22.8	27.4	▼460bps
Net margin (%)	13.1	(3.0)	▲1,610bps

1. Excludes claims handling.

2. Excludes GU Health.

## Return to profit with record premium revenue

- Premium revenue growth of 22.4% with continued strong performance from iwhi and improvement in ishi.
- Policyholders at a record of 189,944, 15.7% higher than prior year.
- Limited claims growth as elevated trends from the pandemic unwind.
- Management expenses have increased to support growth, however other MER of 22.8% continues to moderate with strong topline growth.
- P2P continues to improve the wellbeing of students and workers with in-app access to telehealth consultations, everyday health products and mental health support.
- NPS improved, driven by superior digital experience and strong customer service.

# New Zealand

Financial performance (\$m)	FY23	FY22	Change FY23 v FY22	Change FY23 v FY22 excl life and living <sup>1</sup> & int'l visitors <sup>2</sup>
Premium revenue	330.4	291.8	▲13.2%	▲10.1%
Claims incurred (excluding claims handling) <sup>3</sup>	(199.8)	(172.7)	▲15.7%	▲13.9%
Other Underwriting Revenue	0.1	(0.1)	▲200.0%	▲228.8%
Commissions and marketing expenses	(48.9)	(43.3)	▲12.9%	▲9.1%
DAC write-off	4.7	(4.7)	▼200.0%	▼200.0%
Other management expenses	(53.7)	(48.3)	▲11.2%	▲8.9%
Other income and expenses	1.4	0.0	n/a	n/a
Underlying operating profit	34.2	22.7	▲50.7%	▲36.8%
<b>Key metrics</b>				
Policyholders (#)	161,303	156,275	▲3.2%	▲5.8%
Net policyholder growth (%)	3.2	30.1	▼2690bps	▲130bps
Residents PHI (%)	3.8	5.6	▼180bps	▼180bps
Net promoter score (NPS)	+35	+34	▲1	▲1
Gross margin (%)	39.5	40.8	▼130bps	▼200bps
Management expense ratio (MER) (%)	29.6	33.0	▼340bps	▼340bps
Marketing MER (%)	13.4	16.4	▼300bps	▼330bps
Other MER (%)	16.2	16.6	▼40bps	▼10bps
Net margin (%)	9.9	7.8	▲210bps	▲140bps

## Very strong UOP, some one offs, but another good year

- Excluding one off DAC adjustment in FY22, FY22 UOP would have been \$27.4m and FY23 \$29.5m (+7.7%)
- Full year of life and living and 7 months of international visitors.
- Policyholder growth 3.2% (or 5.8% excluding life and living) driven by group and adviser channels.
- Premium revenue up 13.2% due to policy growth and inflation, partly offset by policy mix changes.
- Claims increase due to policy growth and claims inflation (mainly utilisation, up 7.5%, and service cost, up 3.7%). Inflation returning to normal post COVID-19.
- Growth in other management expenses excluding acquisitions and strategic investment held to 2.8%.

1. nib nz insurance limited (previously Kiwi Insurance Limited, acquired on 29 April 2022).  
2. OrbitProtect limited, acquired on 30 November 2022.  
3. Includes movement in premium payback liability.

Financial performance (\$m)	FY23	FY22	Change FY23 v FY22
Underwriting result	<b>0.2</b>	(0.3)	▲ 166.7%
Operating income	<b>113.2</b>	46.6	▲ 142.9%
Acquisition costs	<b>(63.6)</b>	(26.8)	▲ 137.3%
Marketing - commissions	<b>(55.5)</b>	(23.3)	▲ 138.2%
Marketing - advertising	<b>(8.1)</b>	(3.5)	▲ 131.4%
Operating expenses	<b>(35.8)</b>	(26.9)	▲ 33.1%
Underlying operating profit/(loss)	<b>14.0</b>	(7.4)	▲ 289.2%
<b>Key metrics</b>			
Gross written premium <sup>1</sup> (\$m)	<b>224.1</b>	96.5	▲ 132.2%
Gross profit after commissions <sup>2</sup> (\$m)	<b>50.3</b>	19.7	▲ 155.3%
Sales (#)	<b>728,833</b>	391,994	▲ 85.9%
Domestic	<b>496,993</b>	233,704	▲ 112.7%
International	<b>231,840</b>	158,290	▲ 46.5%
Net promoter score (NPS)	<b>+45</b>	+52	▼ 7

Financials & key metrics	FY19	FY20	FY21	FY22	FY23
Sales (#)	736,553	851,530	153,562	391,994	<b>728,833</b>
Gross written premium <sup>1</sup> (\$m)	149.3	125.5	16.2	96.5	<b>224.1</b>
Operating expenses % GWP	22.0%	37.6%	142.6%	27.9%	<b>16.0%</b>
UOP (\$m)	6.6	(19.7)	(13.6)	(7.4)	<b>14.0</b>

1. nib Travel is a distributor of travel insurance and earns income from commissions on policies sold, and from emergency travel assistance and other fees. However, gross written premium (GWP) is shown as it is a key performance metric of the business. GWP deducts refunds and policy cancellations. Taxes collected on behalf of underwriting partners were historically included within this reported value but have now been removed to better align with the typical general insurance industry definition. The comparative has been re-stated to reflect this change - this does not materially impact the data presented.
2. Includes other marketing costs.

## Travel turnaround to strongest annual GWP & UOP

- Realisation of the pandemic recovery strategy has led to FY23 UOP of \$14.0m, a swing of \$21.4m from the FY22 loss.
- Robust sales result with GWP up 132.2% to \$224.1m, with compelling travel insurance proposition driving demand as airline and travel industry capacity ramps up.
- Increased policy sales in both domestic and international markets.
- Acquisition expenses have increased with volume and mix of business sold.
- Operating expenses moderated as % of GWP (now lower than pre COVID-19 %) to deliver a sustainable profit with growth.
- NPS continues to improve (1H23 +41, 2H23 +50, July +53) as operations capacity adapts to sharply increased volumes.

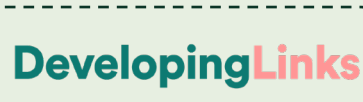


# nib Thrive

FY25 ~ 50K participants



Inorganic & organic growth



FY23 27K participants



## Financial performance (\$m)

FY23

NDIS fee income

14.6

Operating expense

(11.5)

Underlying operating profit

3.1

Participants

27,373

## nib Thrive NDIS strategy progressing well with positive EPS outcome

- Four plan managers acquired totalling \$117.4m<sup>1</sup>.
- 27,373 participants, with 16% annualised organic growth under nib ownership.
- FY23 margins relatively low and impacted by investment to uplift IT, cybersecurity and employee retention. Margin trajectory will improve with additional scale and synergies from integration (e.g. core platform).
- Digital marketplace strategy evolves with the acquisition of Kynd in July, enabling participants more choice and control in accessing providers.
- nib has entered into agreements to purchase Developing Links and Budget Net's plan management business<sup>2</sup>. Following completion, nib will have ~37,000 participants and on track to reach 50,000 participants by FY25.

1. Includes acquisition purchase considerations and any completion adjustments, does not include one-off transaction or integration costs.

2. Purchase agreements signed but acquisition yet to complete.

# Capital management

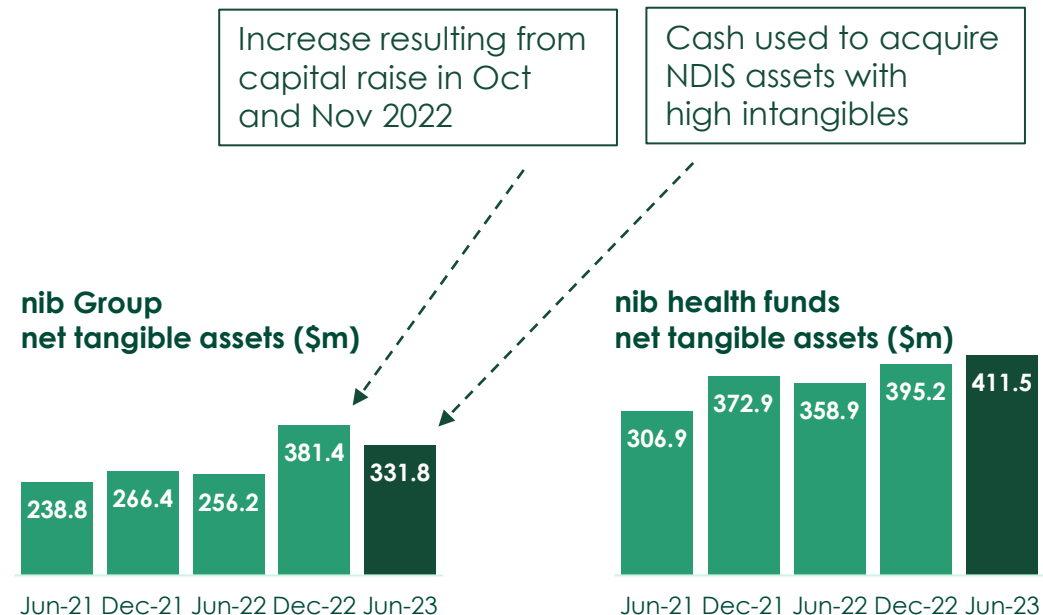
nib Group (\$m)	FY23	FY22	Change
Net assets	983.9	734.3	▲34.0%
Net tangible assets <sup>1</sup>	331.8	256.2	▲29.5%
Debt	245.9	260.9	▼5.7%
Leverage ratio (debt/EBITDA) last 12 months <sup>2</sup>	0.7x	1.2x	n/a
Gearing ratio %	20.3	26.6	▼630bps

nib health funds (\$m)	FY23	FY22	Change
Net tangible assets	411.5	358.9	▲14.7%

nib health funds - new capital standard PCA ratio (\$m)	FY23	1H23	Change
Prescribed capital amount (PCA)	250.9	209.3	▲19.9%
Capital base	489.0	409.0	▲19.6%
<b>Excess capital above minimum</b>	<b>238.1</b>	<b>199.7</b>	<b>▲19.2%</b>
PCA ratio	1.95x	1.95x	n/a

1. Net tangible assets excludes deferred acquisition costs, charitable foundation and non-controlling interests.

2. EBITDA is calculated over a rolling 12-month period.



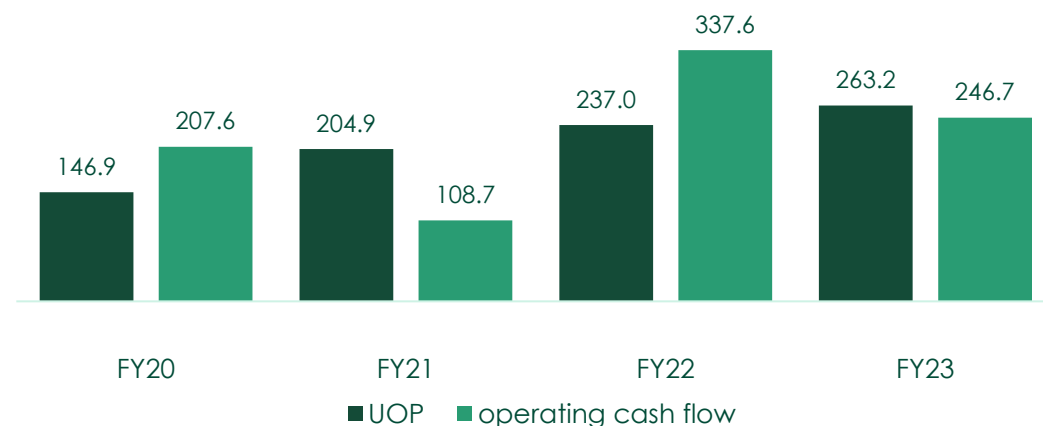
- Strong NPAT including rebounded investment income driving YoY growth in net tangible assets.
- Leverage ratio reflects EBITDA growth of 49.7% and is well below our threshold of 2.0x with gearing remaining at sub 30%.
- nib health funds capital has been calculated in accordance with HPS110 which became effective on July 1<sup>st</sup>. Our strong capital position continues with a PCA ratio of 1.95x remaining higher than the target range of 1.5-1.6x.

# Cash flow

Consolidated cash flow (\$m)	FY23	FY22	Change FY23 v FY22
Operating cash inflows	3,288.2	2,916.9	▲12.7%
Operating cash outflows	(3,041.5)	(2,579.3)	▲17.9%
<b>Net cash inflow from operating activities</b>	<b>246.7</b>	<b>337.6</b>	<b>▼26.9%</b>
Investing cash outflow - PPE and intangibles	(52.3)	(26.5)	▲97.4%
Investing cash outflow - M&A/JVs	(4.5)	(8.8)	▼48.9%
Dividends paid	(113.2)	(114.3)	▼1.0%
Other	(6.8)	(8.2)	▼17.1%
<b>Free cash flow</b>	<b>69.9</b>	<b>179.8</b>	<b>▼61.1%</b>
Acquisition of business combination (less cash acquired)	(120.9)	(39.4)	▲206.9%
Net proceeds/ (payments) from investments (rebalancing investments)	(58.8)	(184.6)	▼68.1%
Proceeds from issue of shares	161.0	8.1	▲1,887.7%
Change in borrowings	(15.0)	30.0	▼150.0%
Effects of exchange rate changes	0.9	(1.4)	▼164.3%
<b>Net movement in cash/cash equivalents</b>	<b>37.1</b>	<b>(7.5)</b>	<b>▼594.7%</b>

- International recovery and strong arhi and nz performance driving increase in operating cash inflows.
- Cash outflows impacted by increased in paid claims after low year in FY22 and return to more normal claiming levels in 4Q23.
- Higher PPE and intangibles from continued software development and Newcastle Hub refurbishment.
- Business combinations includes \$11.0m OrbitProtect in NZ and \$109.9m<sup>1</sup> across four NDIS plan managers.

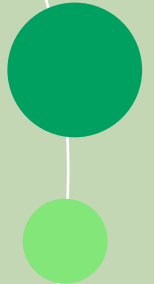
UOP vs operating cash flow (\$m)



1. \$109.9 net cash impact arises from \$117.4m purchase consideration less \$7.5m cash balances acquired from plan management acquisitions at completion.

# Roslyn Toms

Group Executive Legal  
& Chief Risk Officer



# Sustainability – FY23 highlights



**Over 19,000 members enrolled in health management programs** (annual target 12,000).



Completed a new **Climate change scenario analysis** to improve nib's climate change resilience.



**Over 25,000 member HealthChecks**  
Includes our Well@nib, skin checks, health risk assessment and Good Health Plan.



All leaders identified as having executive potential within the next 5 years completed the **Leading Business and Strategy Development Program**.



**Launch of nib Innovate Reconciliation Action Plan** including our support for the Uluru Statement from the Heart.



**Introduced sustainability metrics** into executive STI scorecard.



**Achieved an employee engagement score of 81%** up from 75% in FY22.



Released our **third Modern Slavery Statement**. More than 30 suppliers completed continuous improvement plans to manage modern slavery risk.



**Over 250,000 people reached** via nib foundation's Prevention Partnerships.








**Refreshed** our group wide Compliance Management Framework.





# Sustainability – FY24 targets and future focus

<b>Population Health</b> 	42,000 members participating in a general health interaction across the Group	20,000 members enrolled in health management programs across the Group	28,000 health assessments or screens undertaken by nib members	Launch care navigation pathway in Bourke, NSW
<b>Natural Environment</b> 	Introduce one new mechanism designed to improve environmental performance of suppliers	Develop a Climate Action and Resilience Plan	Maintain carbon neutral certification	Maintain Scope 1 and 2 emissions and 2.5% reduction in Scope 3 emissions
<b>People, Culture &amp; Employment</b> 	Maintain 40/40/20 gender mix in Board, Executive, heads of business units, team leader and manager positions	Employee engagement score of 79% or greater	100% of FY24 Diversity, Equity and Inclusion Action Plan deliverables achieved	Provide three career pathway programs for people early in career to join nib
<b>Community Spirit &amp; Cohesion</b> 	1,520 employee volunteering hours	250,000 people reached via nib foundation's prevention partnerships	100% of all FY24 Innovate RAP deliverables achieved	20% of our sponsorship funding directly invested in diversity and inclusion initiatives
<b>Leadership &amp; Governance</b> 	Complete modern slavery continuous improvement plans with at least 40 suppliers	Develop a targeted modern slavery response for a high-risk category	Complete an ESG materiality assessment	Maintain and evolve nib's Information Security Management System (ISMS) to meet ISO/IEC 27001:2022 certification requirements

# Mark Fitzgibbon

Chief Executive Officer  
& Managing Director



# Business strategy – Payer to Partner (P2P)

We apply data science and predictive analytics in developing deep insight into the health risk of individuals and how it may be best managed. Similar analytics assist participants in how they might achieve their goals. We equip them with integrated online and digital tools for seamless engagement with us as well as the healthcare system and disability support (personalisation).

This insight and engagement becomes our core capability and competitive advantage. With that we are able to:



## PHI expansion

Expand our value proposition and differentiate nib in existing private health insurance (PHI) markets by making membership as much about supporting good health as it is the treatment of sickness and injury. We grow the PHI market and our share.



## New markets

Enter and grow in other healthcare markets with non-PHI offerings. Differentiate and grow our travel, life (living benefits) and NDIS businesses. Leverage these markets as a segue for PHI membership.



## Cost containment and affordability

Better contain healthcare treatment and claims cost inflation through more precise and effective disease prevention and management. Pass through this efficiency to members and travellers in the form of more competitive premiums and/or improved service and benefits. Apply similar cost rigour to the NDIS.



## Honeysuckle Health

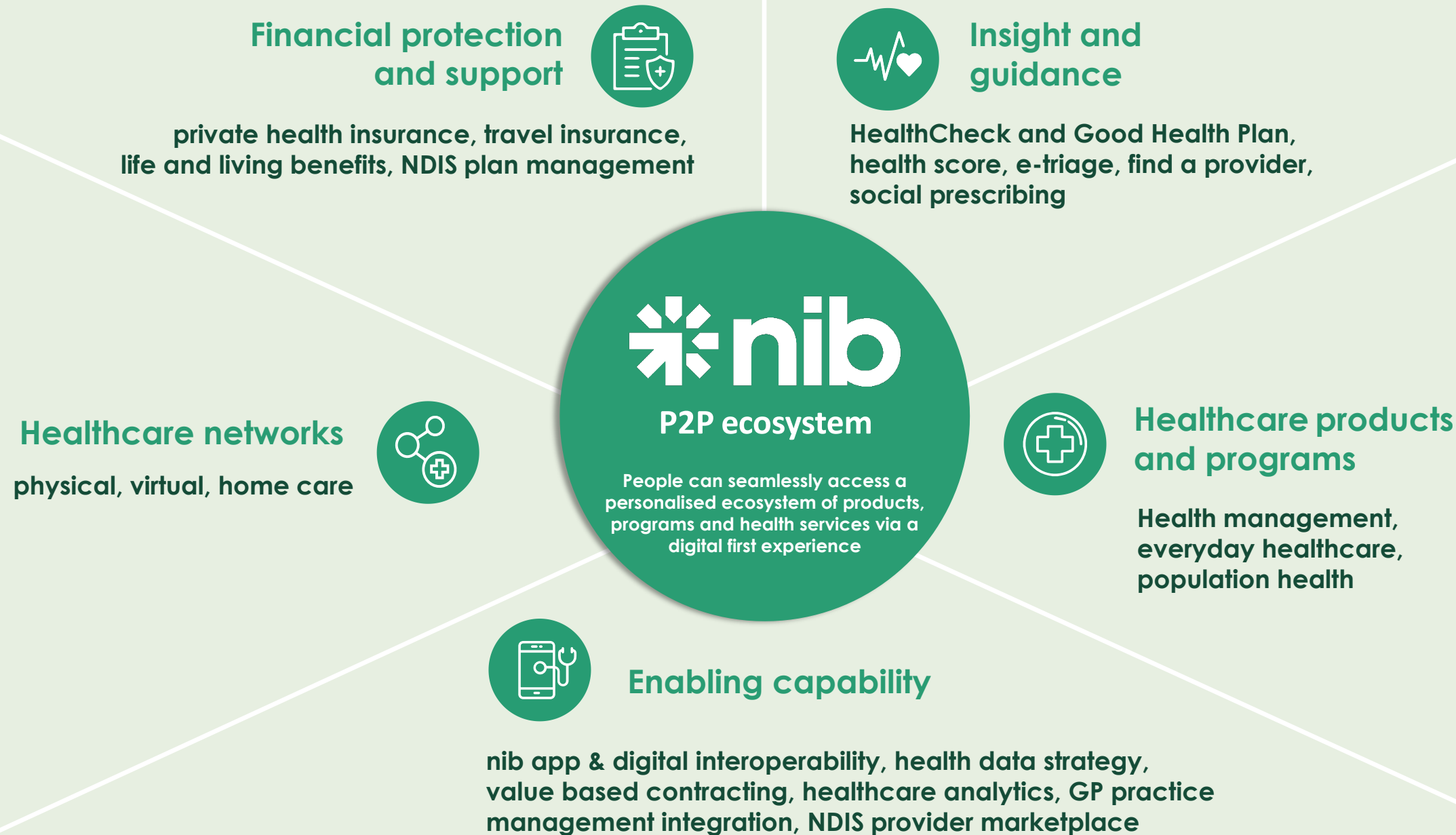
Capture revenue and economic value from existing healthcare providers through Honeysuckle Health and its wide range of health risk management products and services.



## Government and 3rd party programs

Aspire to manage healthcare and improve outcomes within discrete communities on behalf of Government and other healthcare payers.

In pursuit of these goals, we continue to develop organisational, talent and advanced technological capability across the Group (organisational capability).



 **14,000+**

participants in Health  
Management Programs  
51% enrolment growth



**\$5,600**

average savings per ISP<sup>1</sup>  
participant since launch



**+70 NPS**

for all HMPs

### High participants growth and satisfaction built a solid foundation for expansion and profitability

- HMPs showed favourable returns on investment, along with clinical outcomes that highlight significant patient improvements.
- Significant expansion of Injury Support Program (ISP) across all underwritten workers compensation and compulsory third-party states.
- Establishing the new Healthcare @ Home network with plans to extend its geographic coverage.
- nib was supplanted as major customer by revenue in June 2023.



**94,635**

consults provided



**70%** of regional  
postcodes serviced



**362%**

revenue growth



**27** products  
in market

### New and niche products boosted customer acquisition and revenue growth

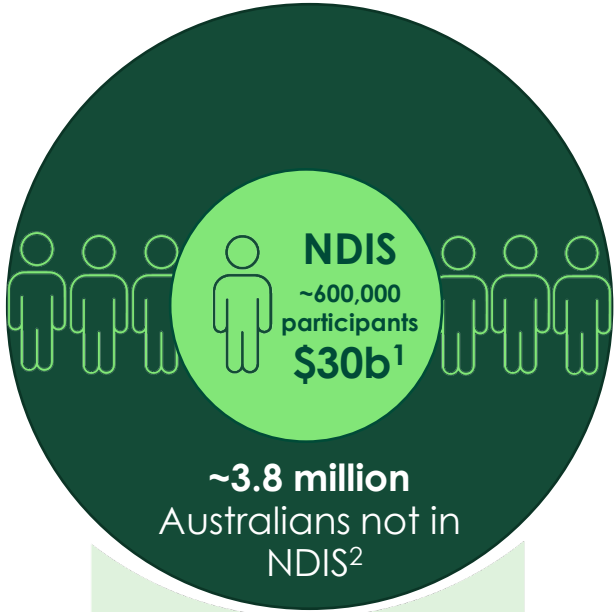
- Strong growth on customer and consultation numbers, up by 299% and 412% respectively yoy.
- Q4FY23 v Q4FY22 revenue growth 289%.
- Launched 10 new products in FY23.
- Enhanced investment in marketing technology and customer experience drove success to date.
- New product development, including on-demand general telehealth and marketing campaign across B2C brands will continue to drive customer acquisition and revenue growth.

1. Honeysuckle Health's Injury Support Program (ISP) is provided to general insurance clients.



# nib Thrive strategy and vision

- Core technology platform implementation and integration underway to improve customer experience and deliver cost synergies.
- Further acquisition opportunities continue to be assessed in both plan management and support coordination.
- Contributing to the NDIS review independently and through our membership of the Disability Intermediaries Association and National Disability Services, focusing on improving integrity and trust in the NDIS.
- Dylan Alcott has joined nib as new brand ambassador and Chief Motivation Officer.



## GOVERNMENT | NDIA

### Design & enable

Policy

Funding

► Design

Approval

## INTERMEDIATION

### Manage & advocate

Procurement services  
(support coordination)

Management  
(plan management)

## SUPPORT & SERVICES

### Facilitate & fulfill

Homecare

Therapy

Transport

Devices

1. NDIS participants and spend for FY22. Source: National Disability Insurance Scheme Annual Financial Sustainability Report 2021-22.  
2. The estimation is based on latest ABS disability data (2018) and NDIS participants as of 31 Dec 2022.

# Outlook - supporting thematic

- Growing expenditure on healthcare
- Low confidence in public system and waiting times
- Increasing PHI coverage and immigration
- Appetite for foreign workers and return of foreign students
- Enthusiasm for domestic and international travel
- Increasing NDIS participation and expectations
- Potential of technology to power P2P

# Outlook

## arhi

- FY24 net policyholder growth 3-4 %.
- Claims moving back toward pre COVID-19 of 4-6% but with potential efficiency gains.
- Gradual return to net margin 6-7% target<sup>1</sup>.

1. Excluding impact of AASB 17.

## iihi

- Continue to recover strongly and margins stabilising.
- Student policyholders rebounding.
- Continued growth and strength in workers policies.
- Integration of NZ international visitors business.

## NZ

- FY24 net residents PHI policyholder growth 3-4%.
- Net margin 8-9%.
- Offering bundled life & living and health products.

## nib Travel

- Resurgence in travel continues.
- Improved profitability.

## nib Thrive

- On track for ~50,000 participants by FY25.
- Consolidation of multiple businesses and realisation of cost synergies.
- Expansion of value proposition.

## AASB 17

- Changes outlined in investor briefing on 28/07/23. Reported negative impact upon FY24 UOP of \$26.6 million (no cash impact). Immaterial impact in FY25.
- FY24 dividends to be based on NPAT normalised for AASB 17 impacts above.



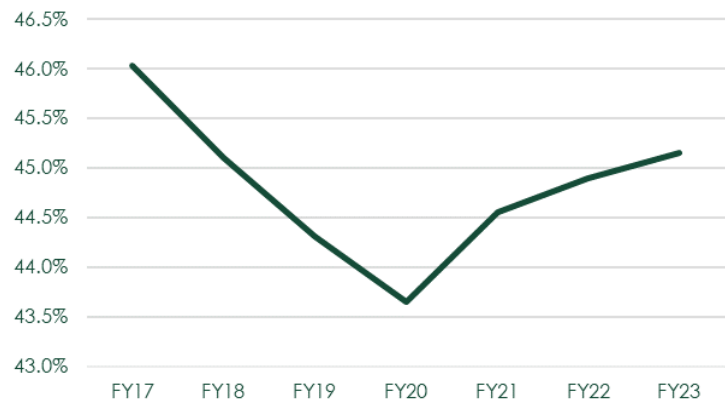
# Questions and answers



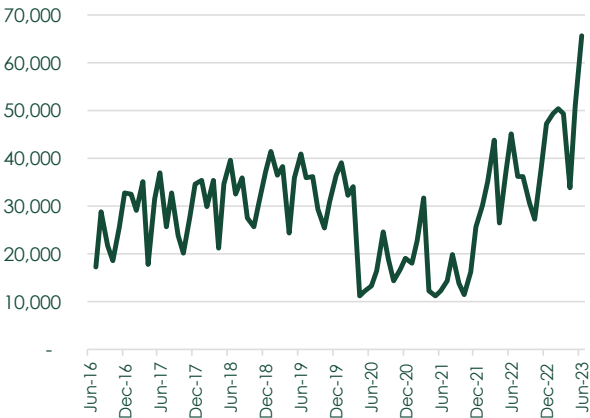
# Appendix

# Key trends

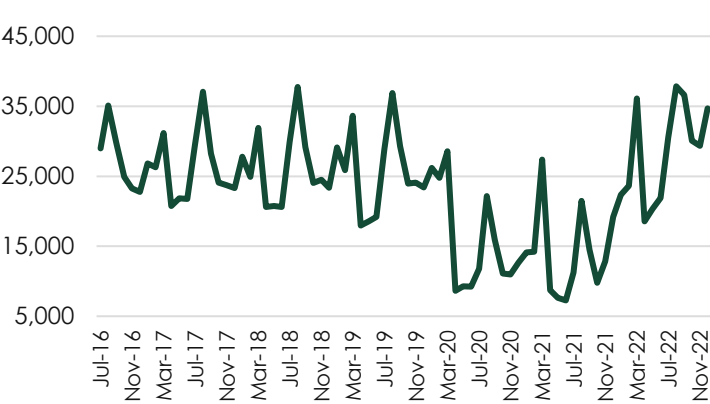
### PHI participation rate (AU)<sup>1</sup>



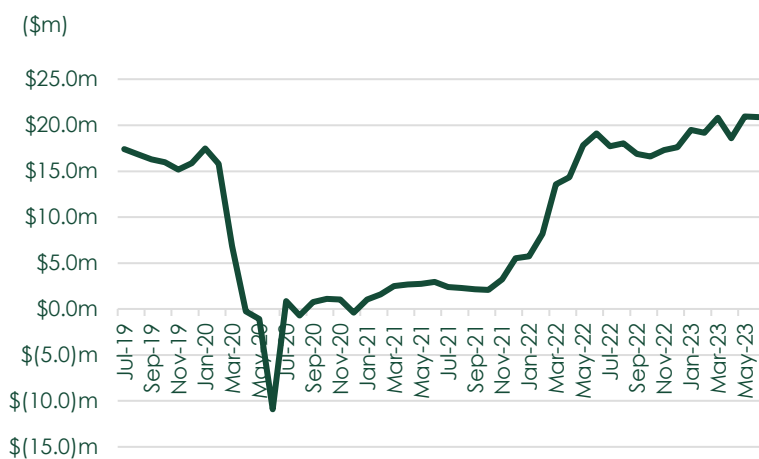
### Student visas lodged (AU)<sup>2</sup>



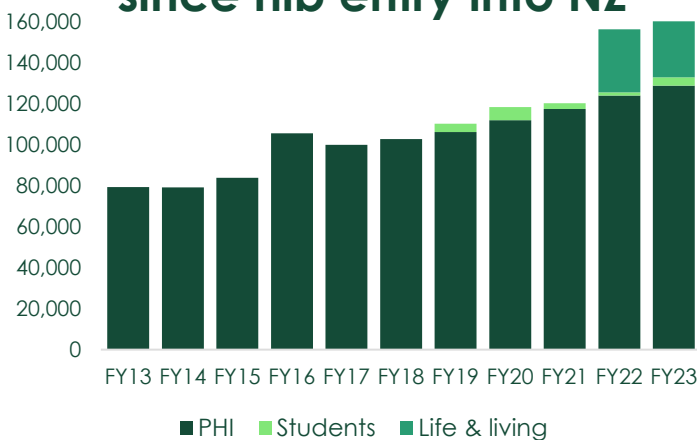
### Workers visas lodged (AU)<sup>2</sup>



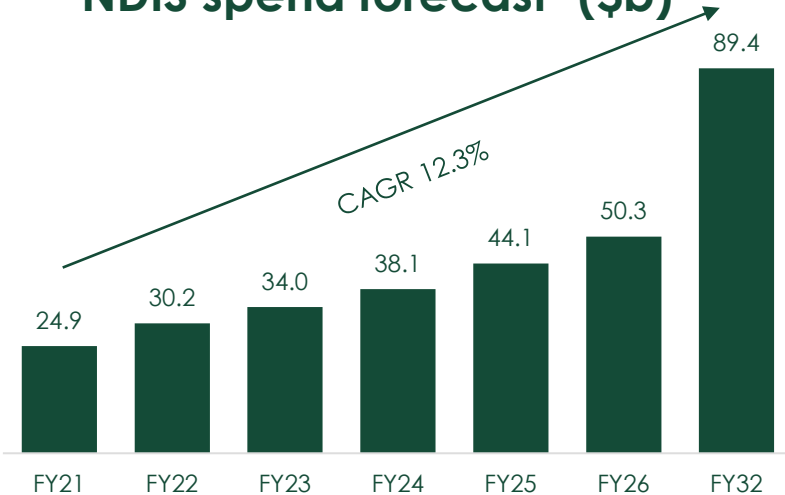
### Travel GWP +100% of pre COVID-19



### NZ policyholder growth since nib entry into NZ



### NDIS spend forecast<sup>3</sup> (\$b)



1. PHI data accessed on 20<sup>th</sup> July 2023 and obtained from <https://www.apra.gov.au/quarterly-private-health-insurance-statistics>. FY23 figure as at March 2023 due to June 2023 data not being available at time of publication.

2. Students and Workers data accessed on 2<sup>nd</sup> May 2023 and obtained from <https://www.homeaffairs.gov.au/>. Students lodgement numbers include onshore and offshore primary visas only. Workers lodgements include primary and secondary.

3. National Disability Insurance Scheme Annual Financial Sustainability Report 2021-22.



# Bringing P2P to life



Growing our non-PHI membership via new market ventures



Driving PHI attraction and retention through an enhanced member CVP



Creating seamless digital health experiences



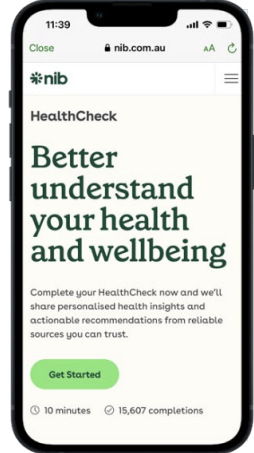
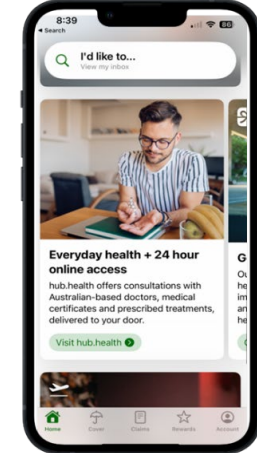
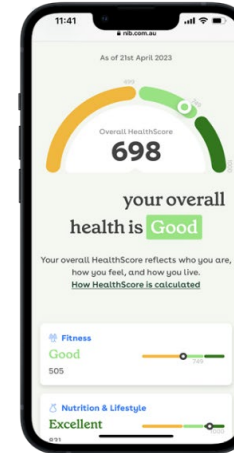
Improved health outcomes leading to claims cost containment



Stronger provider partnerships reducing member out of pockets



Leveraging data and next best action capability to power personalised health insights



## Leading to:

More than double system arhi growth of 4.7%

\$260k savings for nib and international members via 24/7 telehealth offering

20% of arhi joint replacement surgeries through Clinical Partners program<sup>1</sup>

More than 25,000 member HealthChecks completed

More than 76k arhi nib brand sales, up 16% on FY22

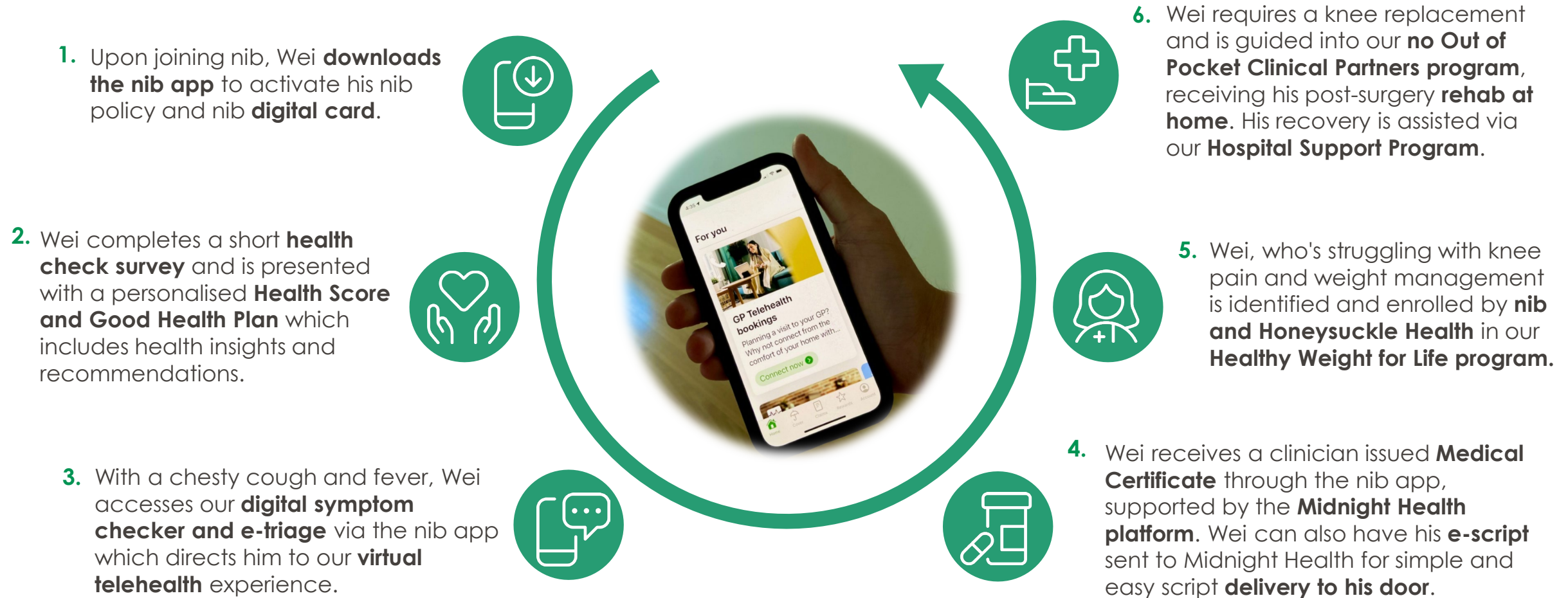
Group NPS +35, up 4 points on FY22

37% of major joint rehab now delivered in home

Midnight Health revenue growth 362% in FY23

# P2P through the eyes of the customer - the nib app

Deliver a personalised and seamless digital-first health experience that makes the nib app the primary health tool for members.



# Policyholder data

nib Group policyholders (#)	FY23	FY22	FY21	FY20	FY19
<b>Total persons covered</b>	<b>1,813,773</b>	<b>1,715,081</b>	<b>1,644,887</b>	<b>1,616,263</b>	<b>1,579,694</b>
Australian residents health insurance	<b>1,314,131</b>	1,255,265	1,224,320	1,186,805	1,176,154
International (inbound) health insurance	<b>212,643</b>	181,181	187,410	202,533	190,479
New Zealand <sup>1</sup>	<b>286,999</b>	278,635	233,157	226,925	213,061
<b>Total policyholders</b>	<b>1,048,362</b>	<b>986,181</b>	<b>937,762</b>	<b>921,717</b>	<b>890,920</b>
Australian residents health insurance	<b>697,115</b>	665,773	645,152	619,079	607,388
International (inbound) health insurance	<b>189,944</b>	164,133	172,462	184,379	173,411
New Zealand <sup>1</sup>	<b>161,303</b>	156,275	120,148	118,259	110,121
Total policyholder growth v PCP	<b>6.3%</b>	5.2%	1.7%	3.5%	5.7%
arhi policyholder growth v PCP	<b>4.7%</b>	3.2%	4.2%	1.9%	2.1%
<b>Australian residents health insurance</b>					
Market share	<b>9.6%<sup>2</sup></b>	9.4%	9.3%	9.2%	9.1%
Average age of hospital persons covered (years)	<b>41.9</b>	41.6	41.3	40.8	40.3
Sales by channel					
Corporate	<b>11.7%</b>	14.3%	9.3%	10.5%	11.4%
Direct to consumer	<b>27.5%</b>	30.9%	36.3%	36.2%	35.6%
Retail brokers	<b>36.2%</b>	33.4%	37.5%	29.9%	25.0%
Whitelabel partners	<b>24.6%</b>	21.4%	16.9%	23.4%	28.1%

1. New Zealand figures include life and living insurance policies with nib nz insurance limited (previously Kiwi Insurance Limited) acquisition completed on 29 April 2022.

2. Industry data for June 2023 not available at time of publication. nib market share at 31 March 2023 was 9.6%.

# Detailed Group gross underwriting

Underwriting result (\$m)	FY23	FY22	Change
<b>Net premium revenue</b>	<b>2,911.5</b>	<b>2,703.4</b>	<b>▲ 7.7%</b>
arhi	2,426.6	2,286.2	▲ 6.1%
iihi	151.4	123.7	▲ 22.4%
nz	330.4	291.8	▲ 13.2%
nib travel	3.1	1.7	▲ 82.4%
<b>Net claims expense</b>	<b>(1,964.7)</b>	<b>(1,805.6)</b>	<b>▲ 8.8%</b>
Hospital claims paid (arhi)	(1,166.8)	(1,030.0)	▲ 13.3%
Ancillary claims paid (arhi)	(527.6)	(450.6)	▲ 17.1%
OSC provision movement (arhi)	(64.3)	(6.1)	▲ 954.1%
Claims COVID-19 provision movement (arhi)	82.6	(53.3)	▼ 255.0%
arhi claims expense	(1,676.1)	(1,540.0)	▲ 8.8%
iihi claims expense	(87.5)	(85.8)	▲ 2.0%
nz claims expense	(201.1)	(179.8)	▲ 11.8%
nib travel claims expense	0.0	0.0	n/a
<b>Risk equalisation levy</b>	<b>(201.2)</b>	<b>(228.7)</b>	<b>▼ 12.0%</b>
OSC risk equalisation margin	(9.7)	2.4	▼ 504.2%
Gross deficit	547.7	470.5	▲ 16.4%
Calculated deficit	(766.1)	(679.0)	▲ 12.8%
COVID-19 risk equalisation provision movement	26.9	(22.6)	▼ 219.0%
<b>State levies</b>	<b>(39.0)</b>	<b>(39.1)</b>	<b>▼ 0.3%</b>
<b>Decrease/(increase) in premium payback liability</b>	<b>1.3</b>	<b>7.1</b>	<b>▼ 81.7%</b>
<b>Net claims incurred (excluding claims handling)</b>	<b>(2,203.6)</b>	<b>(2,066.3)</b>	<b>▲ 6.6%</b>
<b>Gross underwriting result</b>	<b>707.9</b>	<b>637.1</b>	<b>▲ 11.1%</b>
arhi	510.3	478.4	▲ 6.7%
iihi	63.9	37.9	▲ 68.6%
nz	130.6	119.1	▲ 9.7%
nib travel	3.1	1.7	▲ 82.4%

Total claims and claims liability – arhi only (\$m)	FY23	FY22
Outstanding claims liability (OSC)		
Outstanding claims – central estimate	164.2	113.7
Risk margin	21.5	7.5
Claims handling costs	1.3	0.9
Outstanding claims – risk equalisation	29.0	21.6
Risk margin	3.8	1.4
	<b>219.8</b>	<b>145.1</b>
Deferred claims liability (DCL)	0.0	110.2
<b>Total<sup>1</sup></b>	<b>219.8</b>	<b>255.3</b>
<b>Incurred claims expense</b>	<b>1,916.3</b>	<b>1,807.8</b>
OSC movement <sup>2</sup>	(74.0)	(3.7)
DCL movement <sup>2</sup>	109.5	(75.9)
<b>Paid claims</b>	<b>1,951.8</b>	<b>1,728.2</b>

1. Total claims liabilities for arhi above of \$219.8m + claims liabilities for iihi, nz and travel of \$48.5m reconciles to Note 18 Claims liabilities of \$268.3m.
2. Excludes claims handling costs.

# Management expenses

Expenses (\$m)	FY23	FY22	Change
<b>Core arhi operating segment<sup>1</sup></b>	<b>293.5</b>	<b>244.6</b>	<b>▲20.0%</b>
Acquisition costs	138.5	117.3	▲18.1%
Other expenses	155.0	127.0	▲22.0%
Other expenses (below underwriting)	0.0	0.3	▼100.0%
<b>Other developed operating segments</b>	<b>245.7</b>	<b>193.6</b>	<b>▲26.9%</b>
<b>iihi</b>	<b>44.0</b>	<b>41.6</b>	<b>▲5.8%</b>
Acquisition costs	13.3	11.7	▲13.7%
Other expenses	30.7	29.9	▲2.7%
<b>NZ</b>	<b>99.4</b>	<b>96.3</b>	<b>▲3.2%</b>
Acquisition costs	47.2	52.5	▼10.1%
Other expenses	50.7	43.8	▲15.8%
Other expenses (below underwriting)	1.5	0.0	n/a
<b>Travel</b>	<b>102.3</b>	<b>55.7</b>	<b>▲83.7%</b>
Acquisition costs	63.6	26.8	▲137.3%
Other expenses	35.8	26.9	▲33.1%
Claims handling & underwriting expenses	2.9	2.0	▲45.0%
<b>Other developing operating segments</b>	<b>33.0</b>	<b>5.6</b>	<b>▲484.3%</b>
Honeysuckle Health	4.4	4.0	▲10.0%
Midnight Health <sup>2</sup>	17.1	1.6	▲939.5%
nib Thrive	11.5	0.0	n/a
<b>Corporate/other</b>	<b>16.3</b>	<b>14.2</b>	<b>▲14.8%</b>
<b>Total Group</b>	<b>588.5</b>	<b>458.0</b>	<b>▲28.5%</b>

1. arhi and other developed segment commentary provided in previous slides
2. Midnight Health FY23 consolidated results due to majority ownership whereas FY22 is share of loss in JV (50% ownership).

# Investments, gearing and capital

\$m	FY23	FY22	Change FY23 v FY22
Net investment income	54.7	(30.0)	▲ 282.3%
Net investment return (%)	4.2	(2.4)	▲ 660 bps
Funds invested	1,319.9	1,225.2	▲ 7.7%
Debt	245.9	260.9	▼ 5.7%
Net tangible assets <sup>1</sup>	331.8	256.2	▲ 29.5%
Net finance expense	(13.8)	(6.7)	▲ 106.0%
Finance costs	(11.7)	(4.4)	▲ 165.9%
Interest on lease liabilities	(2.3)	(2.6)	▼ 11.5%
Finance income	0.2	0.3	▼ 33.3%
Interest ratio cover	27:1	49:1	n/a
Gearing ratio (%)	20.3	26.6	▼ 630 bps
Leverage ratio (debt/EBITDA) last 12 months <sup>2</sup>	0.7x	1.2x	n/a
Effective tax rate (%)	32.6	29.9	▲ 270 bps
Dividend per share (cps)	28.0	22.0	▲ 27.3%
Dividend payout ratio (%)	68.7	74.4	▼ 570 bps

1. Net tangible assets excludes deferred acquisition costs.
2. EBITDA is calculated over a rolling 12-month period.

Funds invested \$m	FY23	FY22
<b>Defensive</b>		
Net investment income	33.7	(8.9)
Net investment return (%)	3.2	(1.0)
Funds invested	1,122.6	1,007.5
<b>Growth</b>		
Net investment income	21.0	(21.1)
Net investment return (%)	10.4	(9.5)
Funds invested	197.3	217.7
<b>Total</b>		
Net investment income	54.7	(30.0)
Net investment return (%)	4.2	(2.4)
Funds invested	1,319.9	1,225.2



# Investment asset allocation

	Consolidated			Australian investment portfolio			New Zealand investment portfolio			nib foundation investment portfolio		
	Balance as at 30/06/23 (\$m)	Allocation at 30/06/23 (%)	Net return 12 months to 30/06/23 (\$m)	Balance as at 30/06/23 (\$m)	Allocation at 30/06/23 (%)	Net return 12 months to 30/06/23 (\$m)	Balance as at 30/06/23 (\$m)	Allocation at 30/06/23 (%)	Net return 12 months to 30/06/23 (\$m)	Balance as at 30/06/23 (\$m)	Allocation at 30/06/23 (%)	Net return 12 months to 30/06/23 (\$m)
Cash	555.2	45.0	18.3	495.9	47.0	16.2	46.7	29.3	1.9	12.6	67.2	0.2
Fixed interest	480.2	39.0	14.3	364.4	34.6	10.0	112.5	70.7	4.1	3.3	17.5	0.1
<b>Total defensive</b>	<b>1,035.4</b>	<b>84.0</b>	<b>32.6</b>	<b>860.3</b>	<b>81.6</b>	<b>26.2</b>	<b>159.2</b>	<b>100.0</b>	<b>6.0</b>	<b>15.9</b>	<b>84.7</b>	<b>0.4</b>
Australian shares	78.8	6.4	11.4	76.6	7.3	11.1	0.0	0.0	0.0	2.2	11.5	0.2
Global shares – hedged	20.3	1.6	2.1	20.0	1.9	2.0	0.0	0.0	0.0	0.3	1.9	0.1
Global shares – unhedged	46.9	3.8	8.6	46.6	4.4	8.6	0.0	0.0	0.0	0.4	1.9	0.1
Unlisted property	20.1	1.7	0.7	20.1	1.9	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Listed property	31.1	2.5	(1.8)	31.1	2.9	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total growth</b>	<b>197.3</b>	<b>16.0</b>	<b>21.0</b>	<b>194.4</b>	<b>18.4</b>	<b>20.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.9</b>	<b>15.3</b>	<b>0.3</b>
<b>Total<sup>1</sup></b>	<b>1,232.7</b>	<b>100.0</b>	<b>53.6</b>	<b>1,054.7</b>	<b>100.0</b>	<b>46.9</b>	<b>159.2</b>	<b>100.0</b>	<b>6.0</b>	<b>18.8</b>	<b>100.0</b>	<b>0.7</b>

1. Investment portfolio of \$1,232.7m + operating cash of \$87.2m = \$1,319.9m. This reconciles to cash and cash equivalents of \$243.0m, financial assets at amortised cost of \$6.5m and financial assets at fair value through profit or loss of \$1,070.4m which totals \$1,319.9m in the 2023 Annual Report.

2. Investment returns exclude returns on operating cash.

# Other income and expenses

Net other income & expenses by segment (\$m)	FY23 income	FY23 expense	FY23 net	FY22 income	FY22 expense	FY22 net	Change FY23 v FY22
arhi	2.8	0.0	<b>2.8</b>	2.8	(0.3)	<b>2.5</b>	▲12.0%
nib NZ	2.9	(1.5)	<b>1.4</b>	0.0	0.0	<b>0.0</b>	n/a
nib Travel	113.2	(99.4)	<b>13.8</b>	46.6	(53.7)	<b>(7.1)</b>	▼294.4%
Midnight Health <sup>1</sup>	9.9	(24.8)	<b>(14.9)</b>	0.0	(1.6)	<b>(1.6)</b>	▲831.3%
nib Thrive	14.6	(11.5)	<b>3.1</b>	0.0	0.0	<b>0.0</b>	n/a
Honeysuckle Health (share of JV loss)	n/a	(4.4)	<b>(4.4)</b>	n/a	(4.0)	<b>(4.0)</b>	▼10.0%
Other	1.6	(16.3)	<b>(14.7)</b>	2.1	(14.2)	<b>(12.1)</b>	▼22.3%
<b>Total</b>	<b>145.0</b>	<b>(157.9)</b>	<b>(12.9)</b>	<b>51.5</b>	<b>(73.8)</b>	<b>(22.3)</b>	<b>▼42.2%</b>

Note: Table includes underlying income and expenses and does not include one off transactions and amortisation of acquired intangibles.

1. Midnight Health FY22 expense reflects share of net loss in investments prior to consolidation in FY23.

# Glossary



Term	Definition
1H	Six months ended/ending 31 December of the relevant financial year
2H	Six months ended/ending 30 June of the relevant financial year
AASB 17	AASB 17 Insurance Contracts
APRA	Australian Prudential Regulation Authority
arhi	Australian residents health insurance, inclusive of GU Health unless otherwise stated
AU	Australia
AUD	Australian dollar
B2C	Business to customer
bps	Basis points (1.0% = 100 bps)
CAGR	Compound annual growth rate
cps	Cents per share
CRM	Customer relationship management
DAC	Deferred acquisition costs
DCL	Deferred claims liability
DTC	Direct to consumer
EBITDA	Earnings before interest expense, tax, amortisation (apart from lease assets) and depreciation
EPS	Earnings per share
ESG	Environmental, social and governance
FX	Foreign exchange
FY	Financial year ended/ending 30 June
Group	nib holdings Group
GP	General practitioner
GPAC	Gross profit after commissions, includes other marketing costs
GWP	Gross written premium
HH	Honeysuckle Health
HMP	Health management program
iihi	International inbound health insurance (ishi & iwhi combined), inclusive of GU Health unless otherwise stated
ishi	International students health insurance
iwhi	International workers health insurance
JV	Joint venture
Lapse	Lapse is the number of policy lapses divided by the average of the opening and closing policyholder counts
MER	Management expense ratio
MGA	Managing general agent
MH	Midnight Health
NDIS	National Disability Insurance Scheme

Term	Definition
Net claims expense	Claims expense net of reinsurance
Net margin	Gross profit less management expenses as percentage of net premium revenue
Net policyholder growth	PCP - Total policies as at the end of the reporting period less total policies as at 30 June of the prior financial year (12 month growth). YTD – Total policies as at the end of the reporting period less total policies as at 30 June
Net premium revenue	Premium revenue net of reinsurance
nib Travel	nib Travel is a travel insurance distributor
NPAT	Net profit after tax
NPS	Net promoter score (transactional) number of promoters less number of detractors
NZ	New Zealand
NZD	New Zealand dollar
OSC	Outstanding claims liability
Other underwriting revenue	Revenue from underwriting activities excluding premium revenue
P2P	Payer to Partner strategy
PCA	Prescribed capital amount
PCP	Prior comparative period
PHI	Private health insurance
PPB	Premium payback liability relates to previously offered products, where customers are entitled to receive a refund (or partial refund) of premiums paid less any claims made, once the policy has been in force for a specified period. It is determined based on the discounted value of accumulated excess of premiums over claims at an individual policy level
PPE	Property, plant and equipment
RAP	Reconciliation Action Plan
ROIC	Return on invested capital. Calculated using average shareholders equity attributable to owners of nib holdings limited and average interest-bearing debt over a rolling 12-month period.
Shared services	Refers to nib Group shared service functions including finance and corporate services, people and culture, IT, business services as well as legal, risk, compliance and governance and executive management
Underlying underwriting revenue	Net premium revenue and other underwriting revenue
UOP	Underlying operating profit - comprised of underwriting result, other income and expenses including non-underwriting businesses. It excludes amortisation of acquired intangibles, one-off transactions (integration of acquired business, establishment of business costs as well as extraordinary legal fees), merger and acquisition costs, finance costs, net investment income and income tax