

# FY2024 Half Year Results

26 February 2024





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.

# Disclaimer

**The material in this presentation is a summary of the results of nib holdings limited (nib) for the 6 months ended 31 December 2023 and/or its related bodies corporate (Group) and an update on nib's activities. The material in this presentation is current as at the date of preparation, being 26 February 2024. Further details are provided in nib's 2024 Interim Report and results announcement released to ASX on 26 February 2024. The Group has adopted AASB 17 Insurance Contracts (AASB 17) on a retrospective basis. As a result, the Group has restated certain comparative amounts in the financial results included in this presentation, however these restatements are unaudited.**

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This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of nib is available on our website: [nib.com.au/shareholders](http://nib.com.au/shareholders).

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.

# Mark Fitzgibbon

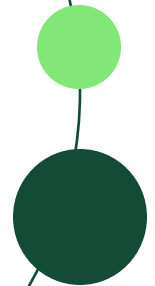
Chief Executive Officer  
& Managing Director



# 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.



# Delivering on our purpose – 1H24 highlights



## Financial protection

- \$1.2b in private health insurance claims paid up 10.5%:
  - 224,670 hospital admissions up 8.1%.
  - 2 million ancillary visits up 4.5%.
- 10,863 nib Travel claims processed (up 25%) worth \$32m.
- \$1.0b in nib Thrive NDIS plan payments processed.



## Insight and guidance

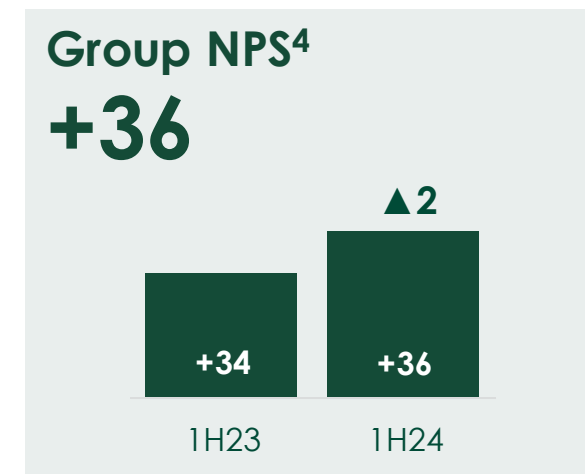
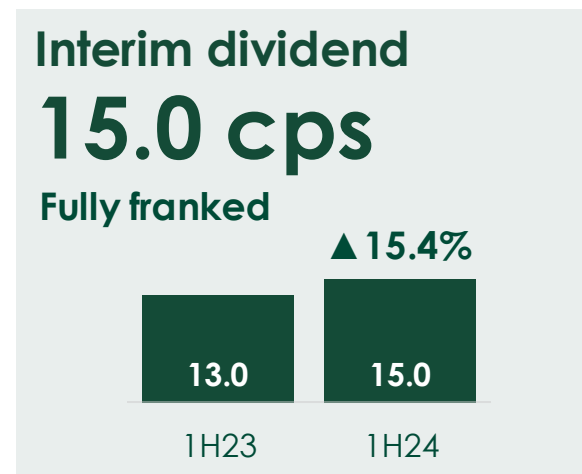
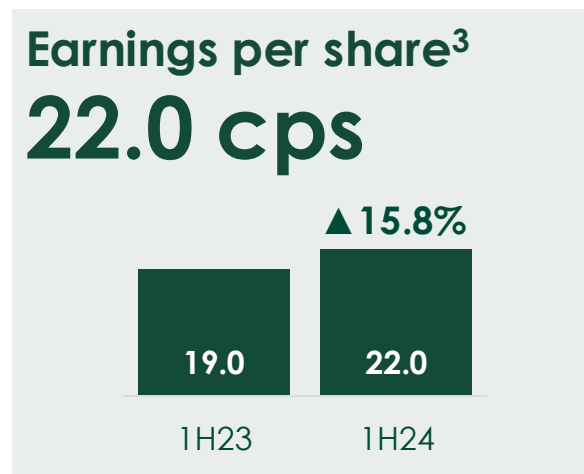
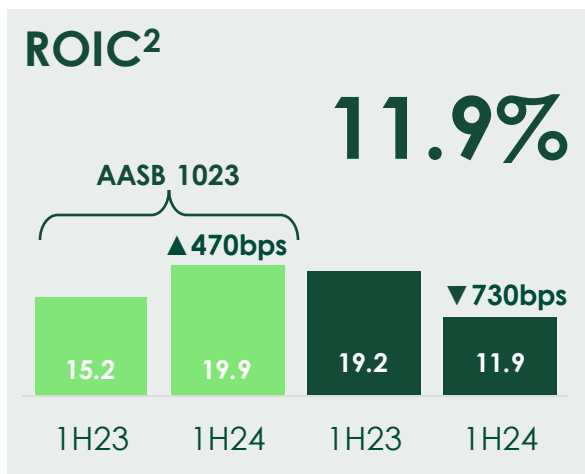
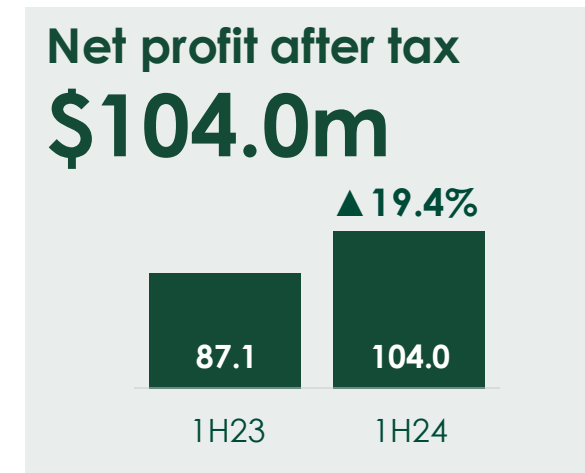
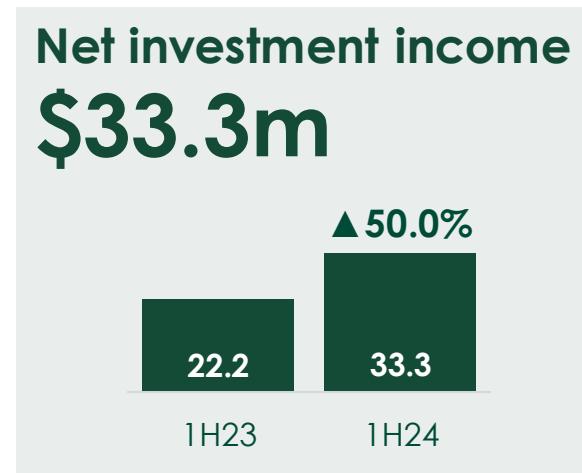
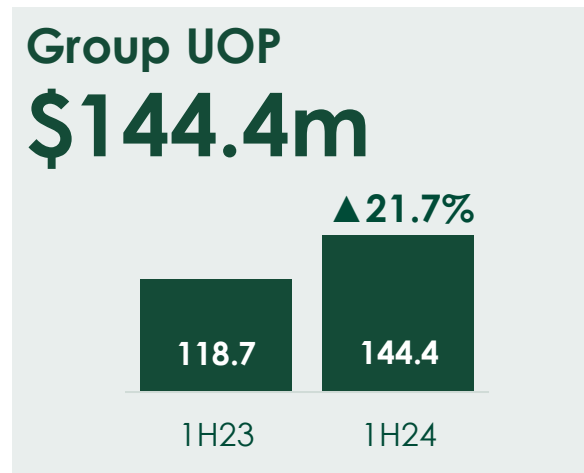
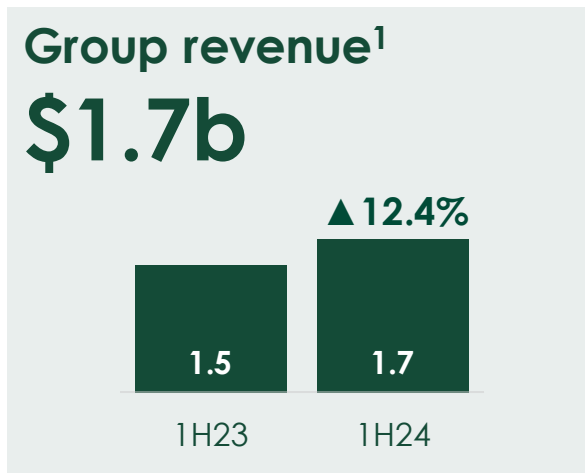
- 11,173 health assessments including 5,534 skin checks via the nib assessment tool.
- 9,397 enrolments in Health Management Programs including 4,302 participants in the Hospital Support Program.
- 94,826 interactions with nib's Find a Provider tool.
- 20,992 members used a GapSure medical provider.
- 263,735 members have visited First Choice ancillary provider.
- nib Symptom Checker launched in February.



## Connection with P2P ecosystem

- 450k+ active app users.
- 15,606 telehealth consults.
- 72,696 eligibility checks via the Going to Hospital tool.
- 36,963 GreenPass members, up 96.1%.
- 25% of joint replacement surgeries through Clinical Partners program.
- 714 members had healthcare @ home.
- Over 22,000 nib members to date have been a Midnight Health customer.

# 1H24 Group financial highlights

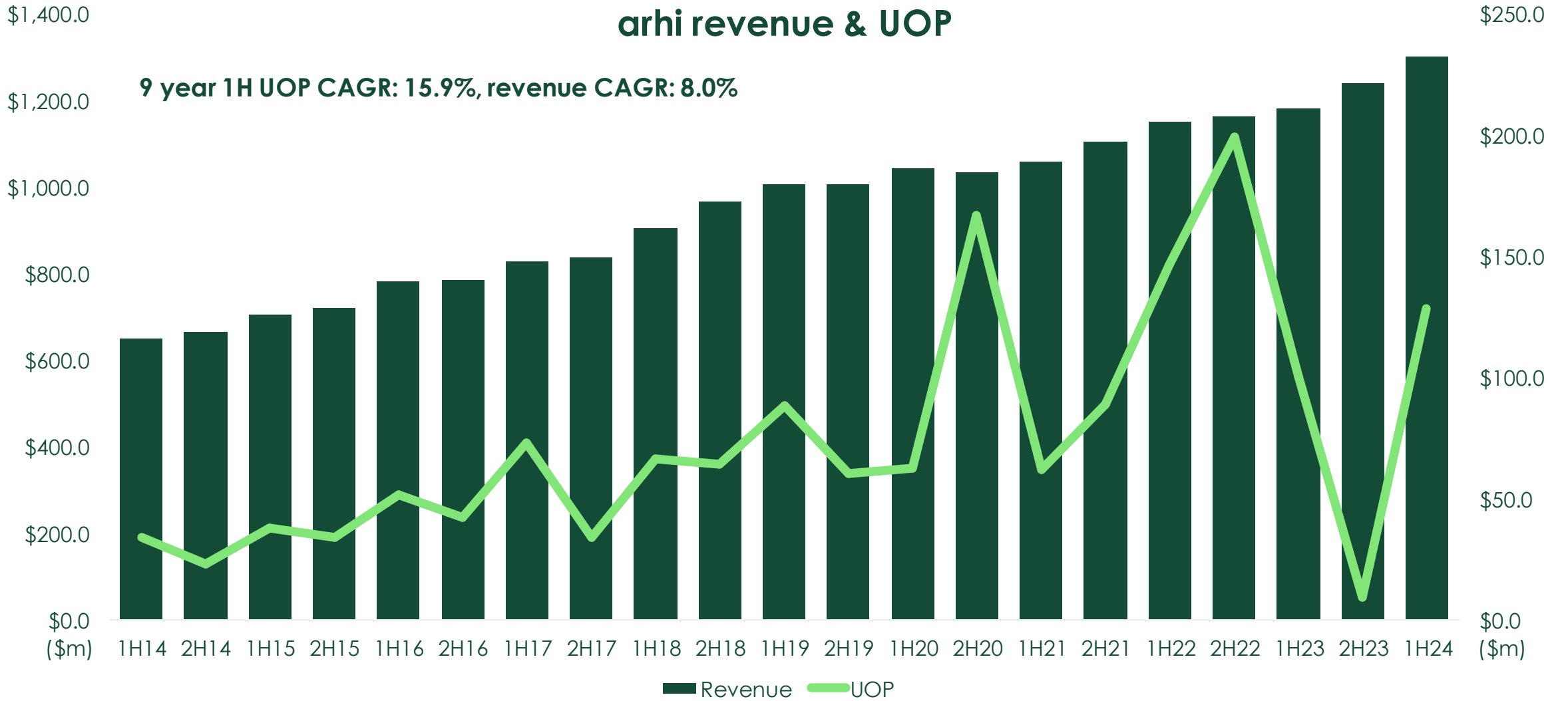


1. Total Group revenue includes insurance revenue net of reinsurance, other underwriting revenue and other income.  
 2. ROIC calculated using average shareholders' equity attributable to owners of nib holdings limited and average interest-bearing debt over a rolling 12-month period. Under AASB 17, the volatility of earnings increased as there was no DCL. As such 2H23 earnings included in the 1H24 rolling 12 month earning calculation was lower than under AASB 1023.  
 3. Statutory earnings per share includes losses from discontinued operations and calculated over a 6-month period.  
 4. Group NPS includes arhi, iih, NZ, and nib Travel. 1H23 figure restated.

# Strong arhi result

arhi revenue & UOP

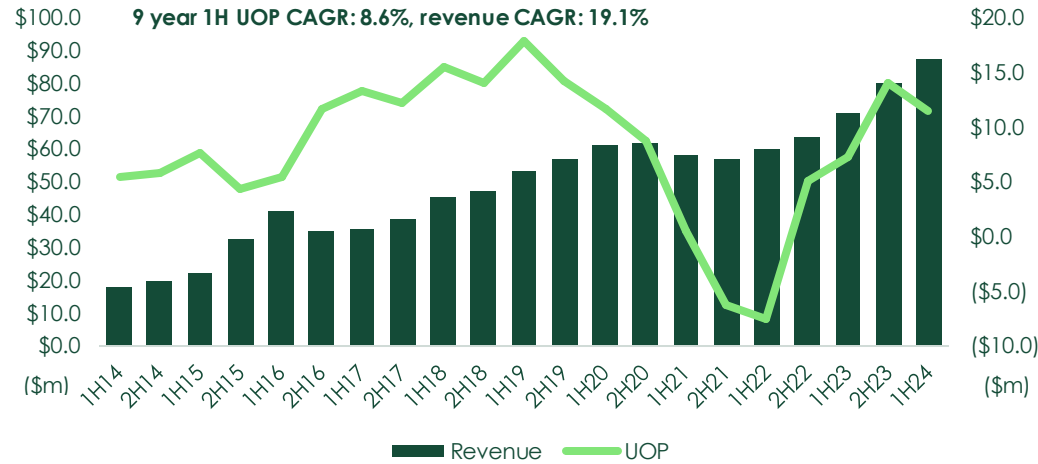
9 year 1H UOP CAGR: 15.9%, revenue CAGR: 8.0%



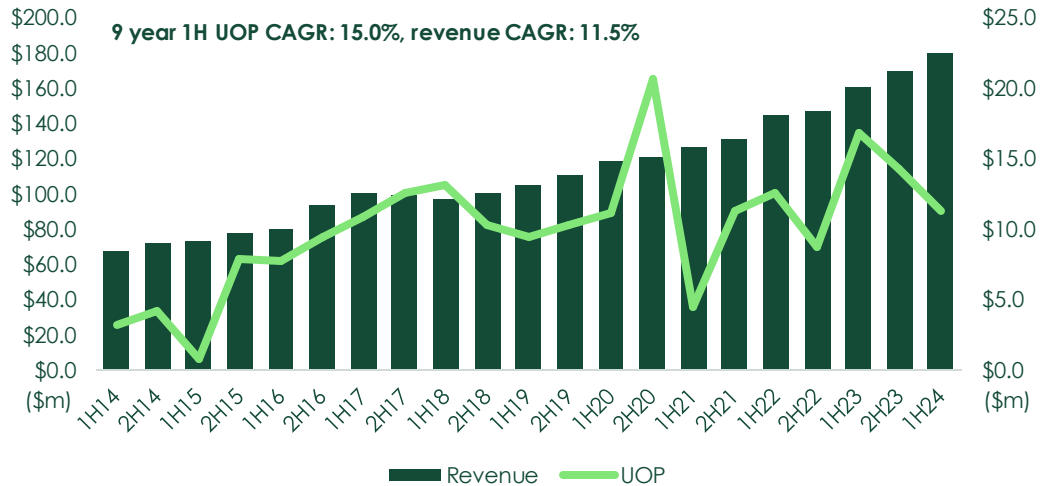


# Positive trend remains in iihi, NZ, Travel

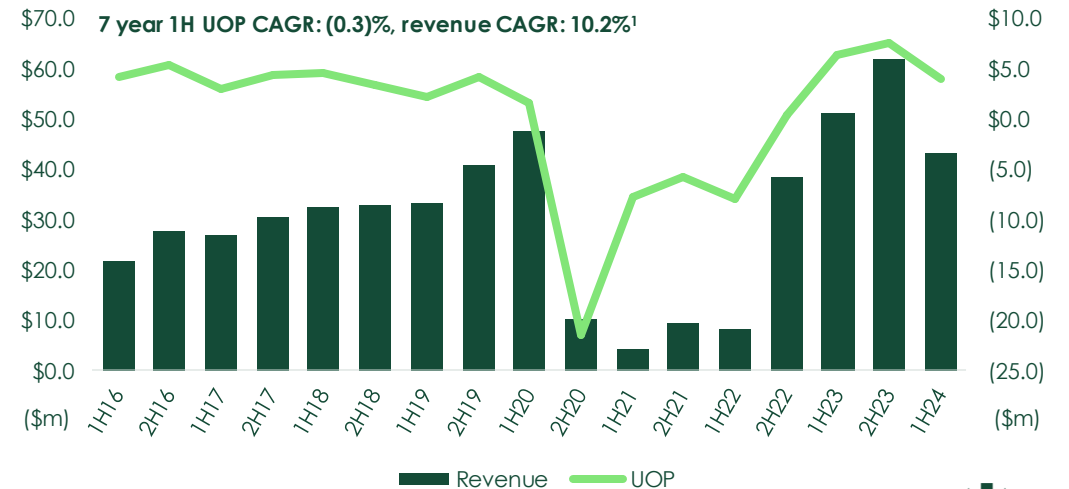
## iihi revenue & UOP



## NZ revenue & UOP



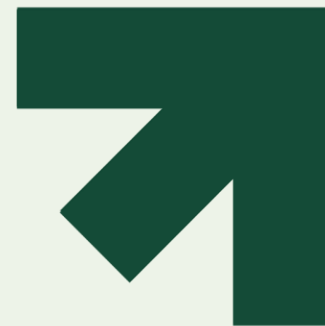
## Travel revenue & UOP



1. 7 year CAGRs shown, nib acquired World Nomad Group on 31/07/2015.

# Nick Freeman

Group Chief Financial Officer



# Group income statement

Financial performance (\$m)	1H24	1H23	Change
Insurance revenue	1,588.9	1,429.2	▲11.2%
Incurred claims	(1,218.4)	(1,102.5)	▲10.5%
Other insurance expenses - marketing	(88.3)	(77.3)	▲14.2%
Other insurance expenses – NZ DAC adjustment	n/a	4.7	n/a
Other insurance expenses - other	(126.8)	(125.5)	▲1.0%
Net reinsurance cost	(8.4)	(8.1)	▲3.7%
<b>Insurance service result</b>	<b>147.0</b>	<b>120.5</b>	<b>▲22.0%</b>
Other underwriting revenue	2.3	2.7	▼14.8%
<b>Insurance operating result</b>	<b>149.3</b>	<b>123.2</b>	<b>▲21.2%</b>
Other income and expenses (refer next slide)	(4.9)	(4.5)	▲8.9%
<b>Underlying operating profit</b>	<b>144.4</b>	<b>118.7</b>	<b>▲21.7%</b>
Amortisation of acquired intangibles	(5.0)	(3.4)	▲47.1%
Amortisation of acquired intangibles – one off	(1.7)	n/a	n/a
One-off transactions, M&A and integration costs	(9.0)	(3.1)	▲190.3
<b>Statutory operating profit</b>	<b>128.7</b>	<b>112.2</b>	<b>▲14.7%</b>
Net finance costs	(8.5)	(6.2)	▲37.1%
Net investment income	33.3	22.2	▲50.0%
<b>Profit before tax</b>	<b>153.5</b>	<b>128.2</b>	<b>▲19.7%</b>
Tax	(49.3)	(40.9)	▲20.5%
Loss from discontinued operation	(0.2)	(0.2)	▲0.0%
<b>Net profit after tax</b>	<b>104.0</b>	<b>87.1</b>	<b>▲19.4%</b>

- Insurance revenue growth driven by policyholder growth across all underwriting segments and timing of givebacks.
- Claims elevated from low base in prior comparable period, our view of underlying arhi claims inflation tracking at 4-6% remains intact.
- Movement in liability for incurred claims from June 30 contributes favourably to arhi margin.
- Marketing expense growth due to higher arhi and partner commissions paid.
- Non-marketing expense growth of only 1.0% reflecting focus on expense reductions.
- One-off amortisation of acquired intangibles reflects prior period impact following finalisation of purchase price allocation.
- One-off transactions, M&A and integration costs of \$9.0m largely due to nib Thrive acquisitions and integration as well as restructure expenses.
- Strong investment returns particularly in 2Q24 and effective tax rate 32.1% due to non-deductible Midnight Health losses (1H23 31.9%).

# Other income and expenses

Other income and expenses (\$m)	1H24	1H23	Change
<b>Other income</b>	<b>83.7</b>	<b>59.4</b>	<b>▲40.9%</b>
arhi	1.3	1.4	▼7.1%
iihi	2.0	0.0	n/a
nib NZ	0.3	0.7	▼57.1%
nib Travel	43.4	51.3	▼15.4%
Midnight Health	11.0	3.8	▲189.5%
nib Thrive	24.8	1.4	▲1,671.4%
Honeysuckle Health	n/a	n/a	n/a
Other	0.9	0.8	▲12.5%
<b>Other expenses</b>	<b>(88.6)</b>	<b>(63.9)</b>	<b>▲38.7%</b>
arhi	(0.0)	(0.0)	n/a
iihi	(0.9)	(0.0)	n/a
nib NZ	(0.3)	(0.7)	▼57.1%
nib Travel	(39.5)	(44.7)	▼11.6%
Midnight Health	(21.4)	(9.8)	▲118.4%
nib Thrive	(18.4)	(1.0)	▲1,740.0%
Honeysuckle Health	(2.3)	(2.4)	▼4.2%
Other	(5.8)	(5.3)	▲9.4%
<b>Net other income &amp; expenses</b>	<b>(4.9)</b>	<b>(4.5)</b>	<b>▲8.9%</b>

- Limited change in aggregated net other income and expenses, however, underlying there are significant changes vs PCP in nib Travel, nib Thrive and Midnight Health.
- nib Travel income impacted by loss of Qantas contract, but gross profit after commissions increased.
- nib Thrive income and expenses growing in line with expectations as acquisitions came on stream.
- Midnight Health revenue and expenses increase sharply with business still in start-up phase.

Note: Table includes underlying income and expenses and share of net loss from joint venture. Does not include one-off transactions and amortisation of acquired intangibles.

# Australian residents health insurance

Financial performance (\$m)	1H24	1H23	Change
Insurance revenue	1,308.7	1,186.2	▲10.3%
Insurance service costs	(1,179.9)	(1,086.3)	▲8.6%
Incurred claims	(1,042.5)	(955.6)	▲9.1%
Other insurance services expenses	(137.4)	(130.7)	▲5.1%
Net reinsurance cost	(3.0)	(2.6)	▲15.4%
<b>Underlying insurance service result</b>	<b>125.8</b>	<b>97.3</b>	<b>▲29.3%</b>
Other underwriting revenue	1.5	1.9	▼21.1%
<b>Underlying insurance operating result</b>	<b>127.3</b>	<b>99.2</b>	<b>▲28.3%</b>
Other income	1.3	1.4	▼7.1%
<b>Underlying operating profit</b>	<b>128.6</b>	<b>100.6</b>	<b>▲27.8%</b>
<b>Key metrics</b>			
Policyholders (#)	706,312	681,195	▲3.7%
Lapse <sup>1</sup> (%)	12.4	11.2	▲120bps
Net policyholder growth <sup>1</sup> (%)	3.7	4.2	▼50bps
Net promoter score (NPS) <sup>2</sup>	+34	+32	▲2
Gross margin (%)	20.2	19.3	▲90bps
Management expense ratio (MER) (%)	10.5	11.1	▼60bps
Marketing MER (%)	4.1	4.1	▲0bps
Other MER (%)	6.4	7.0	▼60bps
Net margin (%)	9.7	8.2	▲150bps

1. 12 months to 31 December.

2. Excludes GU Health.

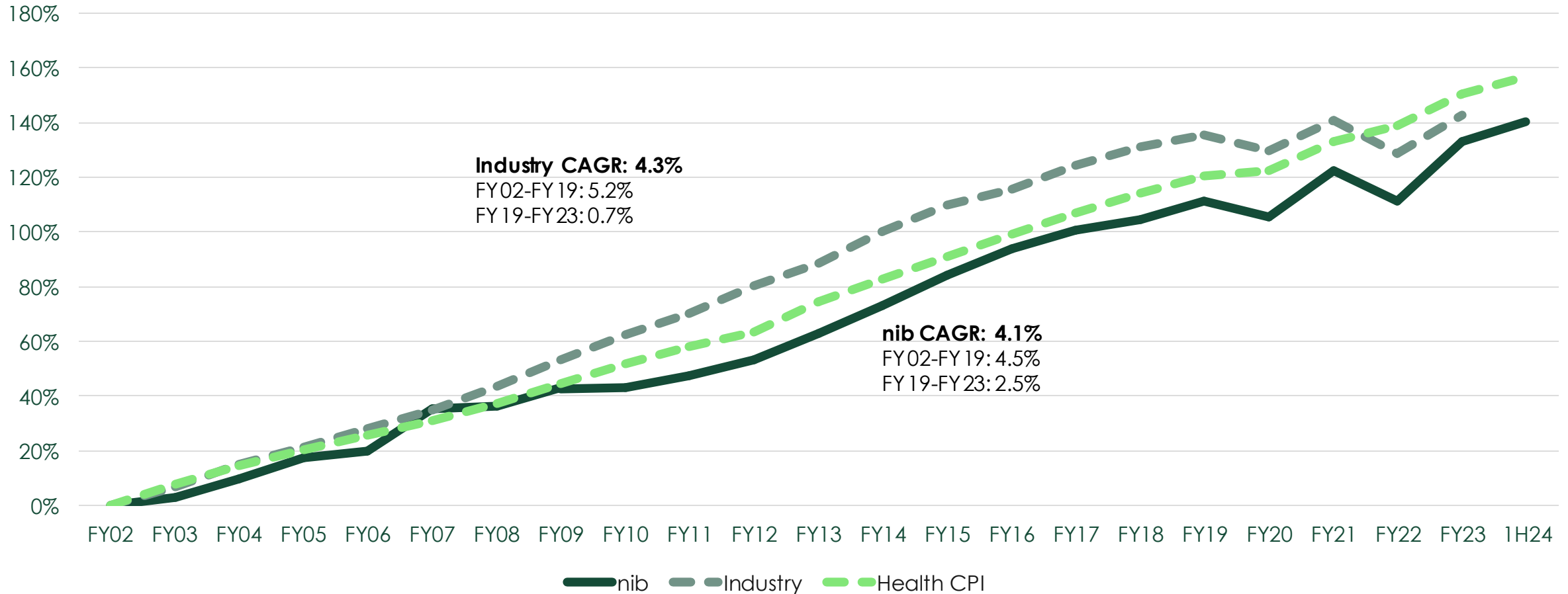
## Strong result with 3.7% policyholder growth and reduced MER

- Policyholder growth driven by increases in DTC +6.2% and white-label sales +19.9%.
- Q1 above industry with Q2 slowed due to October 1 price increase. Expect 1H growth above system.
- Insurance revenue up 10.3% despite price increase deferral, driven by policyholder growth and giveback in 1H23 (\$35.5m).
- Claims up 9.1% driven by growth and 1H23 covid savings offset by favourable movement for liability for incurred claims (LIC) from June 2023.
- Underlying net margin of 9.7% inflated due to movement in LIC, underlying margin 7.7% (refer slide 15).
- Underlying claims inflation within our long-term outlook of 4-6%.
- Improving other MER, down 60bps and back in line with expectations following increased investment in 1H23.
- NPS up 2 to +34 driven by customer service, digital enhancements and ongoing delivery of P2P initiatives.

# arhi claims growth

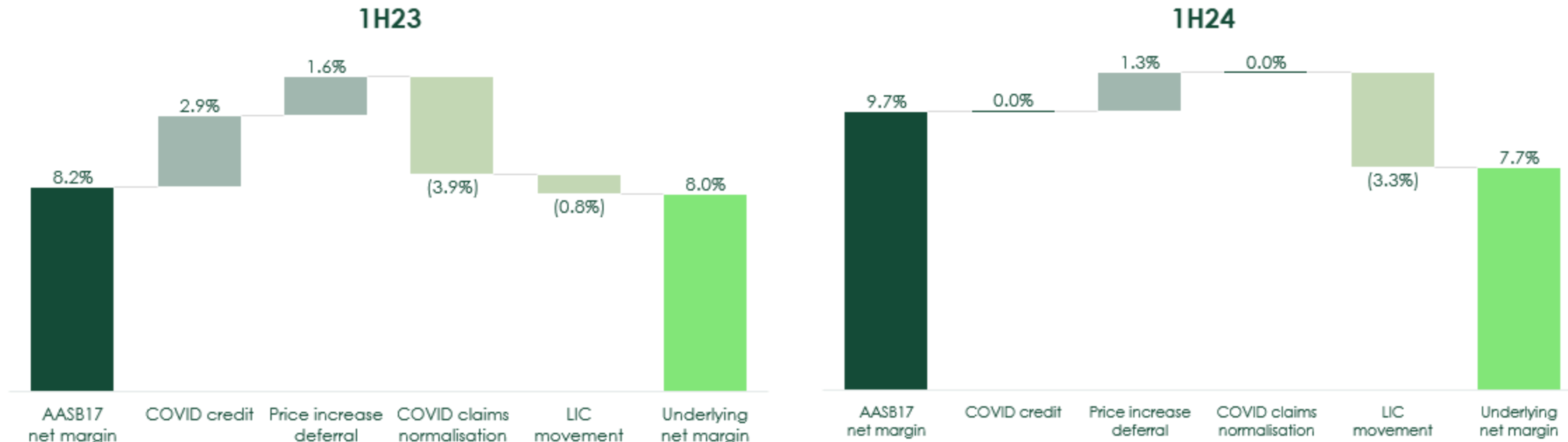
Long-term inflation remains in 4-6% range and below sector

## Cumulative arhi claims per person growth since FY02<sup>1</sup>



1. Industry data source: APRA Quarterly Private Health Insurance Membership and Benefits. nib data based on arhi total paid claims by payment year excluding risk equalisation. GU Health included from FY18. CPI data source: 6401.0 Consumer Price Index, Australia from Australian Bureau of Statistics.

# arhi normalised margins



- Indicative estimate of normalised/underlying net margin.
- Adjusts for estimated movements from COVID-19 impacts, liability for incurred claims (LIC) movements and other unusual events.
- LIC movements include removing prior period claims development in that half, hindsight view of claims development from that half, and removing the impact of increased probability of sufficiency to the risk adjustment.
- COVID-19 claims normalisation is an estimate of missing claims due to COVID-19 excluding permanent savings, estimates should be taken as an indicative view only.

# International inbound health insurance

Financial performance (\$m)	1H24	1H23	Change
Insurance revenue	93.7	76.2	▲23.0%
Insurance services costs	(81.2)	(66.6)	▲21.9%
Incurred claims	(57.3)	(45.9)	▲24.8%
Other insurance services expenses	(23.9)	(20.7)	▲15.5%
Net reinsurance cost	(2.8)	(3.0)	▼6.7%
<b>Underlying insurance service result</b>	<b>9.7</b>	<b>6.6</b>	<b>▲47.0%</b>
Other underwriting revenue	0.8	0.7	▲14.3%
<b>Underlying insurance operating result</b>	<b>10.5</b>	<b>7.3</b>	<b>▲43.8%</b>
Other income and expenses	1.1	0.0	n/a
<b>Underlying operating profit</b>	<b>11.6</b>	<b>7.3</b>	<b>▲58.9%</b>
<b>Key metrics</b>			
Policyholders <sup>1</sup> (#)	200,362	172,105	▲16.4%
Net policyholder growth <sup>2</sup> (%)	16.4	1.4	▲1,500bps
iwhi net promoter score <sup>3</sup> (NPS)	+58	+50	▲8
ishi net promoter score (NPS)	+52	+49	▲3
Gross margin (%)	38.4	38.3	▲10bps
Management expense ratio (MER) (%)	27.4	29.0	▼160bps
Marketing MER (%)	7.7	5.9	▲180bps
Other MER (%)	19.7	23.1	▼340bps
Net margin (%)	11.1	9.3	▲180bps

## Solid top line growth driving UOP result

- Surpassed 200,000 policyholders. 1H24 sales highest ever with strong growth in both students and workers.
- Gross margins remaining stable to 1H23 (2H23 had positive claims adjustments) and pattern of risk recognition should provide underlying support in the future.
- Marketing expenses increased to support growth.
- Other MER reduction due to strong top line growth.
- Improved NPS performance follows superior member service levels.
- P2P initiatives driving value proposition with high usage of in-app telehealth consultations and launch of e-Triage guiding members to access the right care at the right time.

1. Policyholder numbers and growth% includes underwriting segments only. Excludes OrbitProtect.

2. 12 months to 31 December.

3. Excludes GU Health.



# New Zealand

Financial performance (\$m)	1H24	1H23	Change
Insurance revenue	182.4	163.1	▲11.8%
Insurance service costs	(169.1)	(149.2)	▲13.3%
Incurred claims	(117.0)	(99.7)	▲17.4%
Other insurance services expenses <sup>1</sup>	(52.1)	(49.5)	▲5.3%
DAC adjustment	n/a	4.7	n/a
Net reinsurance cost	(2.0)	(1.8)	▲11.1%
<b>Underlying insurance service result</b>	<b>11.3</b>	<b>16.8</b>	<b>▼32.7%</b>
Other underwriting revenue	0.0	0.1	▼100.0%
<b>Underlying insurance operating result</b>	<b>11.3</b>	<b>16.9</b>	<b>▼33.1%</b>
<b>Underlying operating profit</b>	<b>11.3</b>	<b>16.9</b>	<b>▼33.1%</b>
<b>Key metrics</b>			
Policyholders (#)	162,776	159,070	▲2.3%
Net policyholder growth <sup>2</sup> (%)	2.3%	29.3%	▼2,700bps
Residents PHI (%)	3.7%	5.0%	▼130bps
Net promoter score (NPS)	+33	+33	-
Gross margin (%)	35.3	38.5	▼320bps
Management expense ratio (MER) (%)	29.6	28.4	▲120bps
Marketing MER (%)	15.0	11.6	▲340bps
Other MER (%)	14.6	17.1	▼250bps
Net margin (%)	6.3	10.5	▼420bps

Note: OrbitProtect now reported in International Inbound Health Insurance segment.

1. Other insurance services expenses includes premium payback liability, policy liabilities movement life and other services cost. DAC adjustment shown separately.

2. 12 month growth rate to 31 December. High net policyholder growth in 1H23 due to life & living benefits acquisition.

## Robust policyholder growth, result impacted by high service cost inflation and DAC adjustment in PCP

- Revenue up 11.8% due to policyholder growth and price adjustments.
- Claims increase driven by growth and inflation (utilisation up 2.5%, service cost up 10.8%). NZ experiencing high CPI and industry wide increases in service costs.
- Resident PHI policyholder growth remains strong +3.7%, within target range.
- Excluding one off \$4.7m DAC adjustment in 1H23:
  - Marketing MER 15.0% is relatively consistent with 1H23 of 14.6%.
  - UOP of \$11.3m is 7.4% lower than 1H23 due to NZ industry claims inflation experience.
- Other MER% improved on PCP and in line with expectations following investment in strategic projects in 1H23.
- Future benefits expected from life and living and investment in core system upgrade.

# nib Travel

Financial performance (\$m)	1H24	1H23	Change
<b>Underlying insurance operating result</b>	<b>0.2</b>	<b>(0.2)</b>	<b>▼200.0%</b>
Operating income	43.4	51.3	▼15.4%
Acquisition costs	(17.1)	(28.1)	▼39.1%
Marketing – commissions	(12.9)	(24.9)	▼48.2%
Marketing – advertising	(4.2)	(3.2)	▲31.3%
Operating expenses	(22.4)	(16.6)	▲34.9%
<b>Underlying operating profit</b>	<b>4.1</b>	<b>6.4</b>	<b>▼35.9%</b>
<b>Key metrics</b>			
Gross written premium (GWP) <sup>1</sup> (\$m)	85.4	104.1	▼18.0%
Gross profit after commissions (GPAC) <sup>2</sup> (\$m)	27.0	23.3	▲15.9%
Sales (#)	235,690	366,198	▼35.6%
Domestic	129,250	253,133	▼48.9%
International	106,440	113,065	▼5.9%
Sales excluding Qantas	223,241	223,319	▼0.0%
Net promoter score (NPS)	56	41	▲15

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 cancellation.

2. Gross profit after commissions equals operating income less marketing and commissions and insurance gross profit less insurance marketing and commissions.

## GPAC growth despite sales stabilising after post-pandemic recovery travel spike

- Strong PCP due to pent up demand post pandemic.
- Impact of Qantas contract loss largely as expected with GWP decreasing but GPAC increasing. Expenses impacted UOP partly due to change in group allocation.
- Focus now on replacing Qantas volume as well as efficiency and improved digital servicing. Woolworths partnership launched Dec 23.
- Travel insurance market has remained robust, with a 3.7% increase in GWP (excluding Qantas) during 1H24 and a 15.9% increase in GPAC, due to higher percentage of more profitable direct-to-consumer sales.
- Increased discretionary marketing to support DTC growth in a more competitive market.
- Operating expenses impact by claims resourcing (following strong sales in PCP), investment in NPS improvement and adjustment to Group allocations.

# nib Thrive

Financial performance (\$m)	1H24	1H23 <sup>1</sup>	Change
Fee income	24.8	1.4	▲1,671.4%
Operating expense	(18.4)	(1.0)	▲1,740.0%
<b>Underlying operating profit</b>	<b>6.4</b>	<b>0.4</b>	<b>▲1,500.0%</b>
<b>Key metrics</b>			
<b>Participants (#)</b>	<b>38,565</b>	<b>7,386</b>	
Net participant growth – annualised (%)	15.2%		
Operating margin (%)	25.8%		
nib Thrive plan managed market share (%)	9.6%	2.2%	

**Plan management participants: 38,565**  
**Purchase price: \$154.5m<sup>2</sup>**



## NDIS strategy progressing well

- Successful acquisition to date of six plan managers and a digital marketplace platform, totalling \$166.5m<sup>2</sup>.
- Completion of Developing Links and BudgetNet acquisitions during 1H24, added ~10,000 participants.
- Organic acquisition of almost 4,000 participants within acquired brands under nib Thrive ownership to date (annualised growth +15.2%). On track to reach ~50,000 target by FY25
- Operating margin in line with expectations and trajectory improving. Integration expected to continue in 2H24 delivering further operational efficiencies from improved scale.
- Strong growth in plan-managed participants continues, with participation rates increasing to 61.8%<sup>3</sup> (~400k participants).

1. 1H23 comparison reflects acquisition of Maple Plan on 14 November 2023.  
 2. Excluding M&A and transaction costs.  
 3. NDIS industry metrics source: Q2 2023-2024 NDIS Quarterly Report.

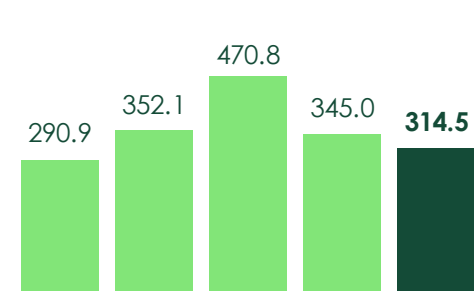
# Capital management

nib Group (\$m)	1H24	1H23	Change
Net assets	1,038.3	1,037.3	▲0.1%
Net tangible assets <sup>1</sup>	314.5	470.8	▼33.2%
Debt	246.2	232.7	▲5.8%
Leverage ratio (debt/EBITDA) last 12 months <sup>2</sup>	1.0x	0.7x	n/a
Gearing ratio %	19.4	18.6	▲82
nib health funds (\$m)			
Net tangible assets	443.8	485.6	▼8.6%
Prescribed capital amount (PCA)	260.3	258.1	▲2.2
Capital base	509.8	538.9	▼29.1
<b>Excess capital above minimum</b>	<b>249.5</b>	<b>280.8</b>	<b>▼31.3</b>
PCA ratio	1.96x	2.09x	n/a

1. Net tangible assets excludes acquisition cash flow asset, charitable foundation and non-controlling interests.

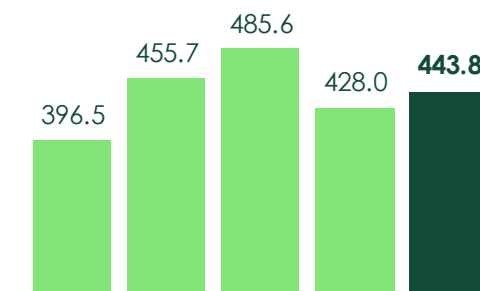
2. EBITDA is calculated over a rolling 12-month period.

nib Group  
net tangible assets (\$m)



Dec-21 Jun-22 Dec-22 Jun-23 Dec-23

nib health funds  
net tangible assets (\$m)



Dec-21 Jun-22 Dec-22 Jun-23 Dec-23

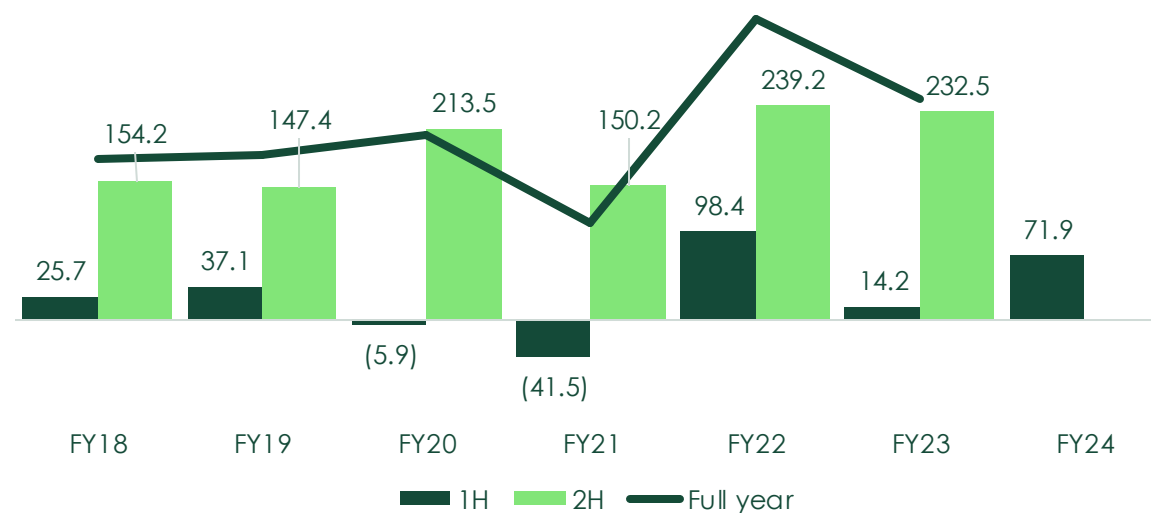
- Reduction in Group net tangible assets driven by nib Thrive acquisitions following the capital raise in 1H23.
- Increase in leverage ratio mainly due to lower 2H23 EBITDA but remains below our threshold of 2.0x with gearing remaining at sub 30%.
- HF capital position remains strong, PCA ratio exceeds target range of 1.5 – 1.6x.

# Cash flow

Consolidated cash flow (\$m)	1H24	1H23	Change
Operating cash inflows	1,740.4	1,539.7	▲13.0%
Operating cash outflows	(1,668.5)	(1,525.5)	▲9.4%
<b>Net cash inflow from operating activities</b>	<b>71.9</b>	<b>14.2</b>	<b>▲406.3%</b>
Investing cash outflow – PPE and intangibles	(22.6)	(21.8)	▲3.7%
Dividends paid	(72.5)	(50.5)	▲43.6%
Other	(4.7)	(6.6)	▼28.8%
<b>Free cash flow</b>	<b>(27.9)</b>	<b>(64.7)</b>	<b>▼56.9%</b>
Acquisition of business combination (less cash acquired)	(46.7)	(46.6)	▲0.2%
Net proceeds/(payments) from investments (rebalancing investments)	60.1	8.8	▲583.0%
Proceeds from issue of shares	6.5	162.6	▼96.0%
Change in borrowings	0.0	(30.0)	▲100.0%
Effects of exchange rate changes	0.4	1.7	▼76.5%
<b>Net movement in cash/cash equivalents</b>	<b>(7.6)</b>	<b>31.8</b>	<b>▼123.9%</b>

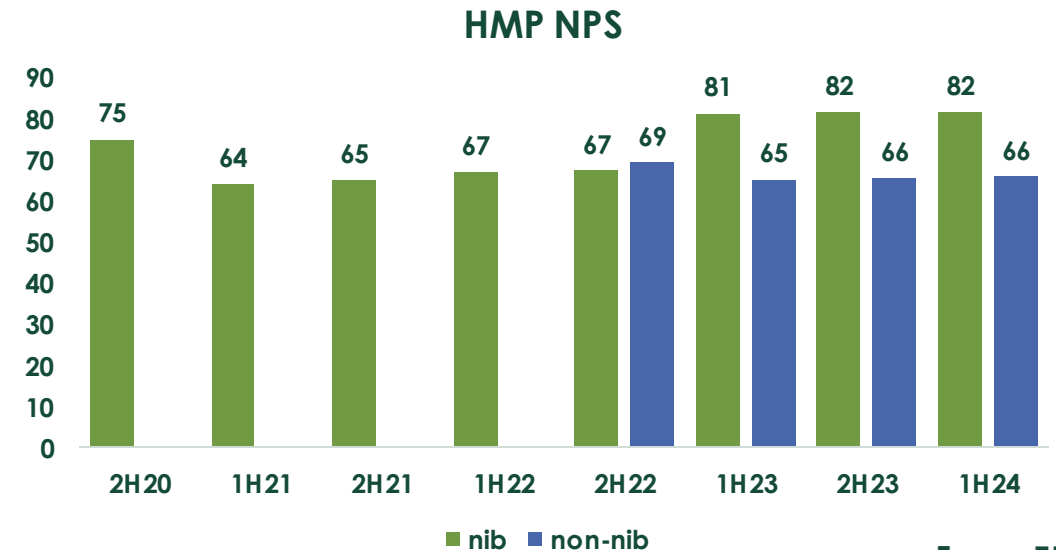
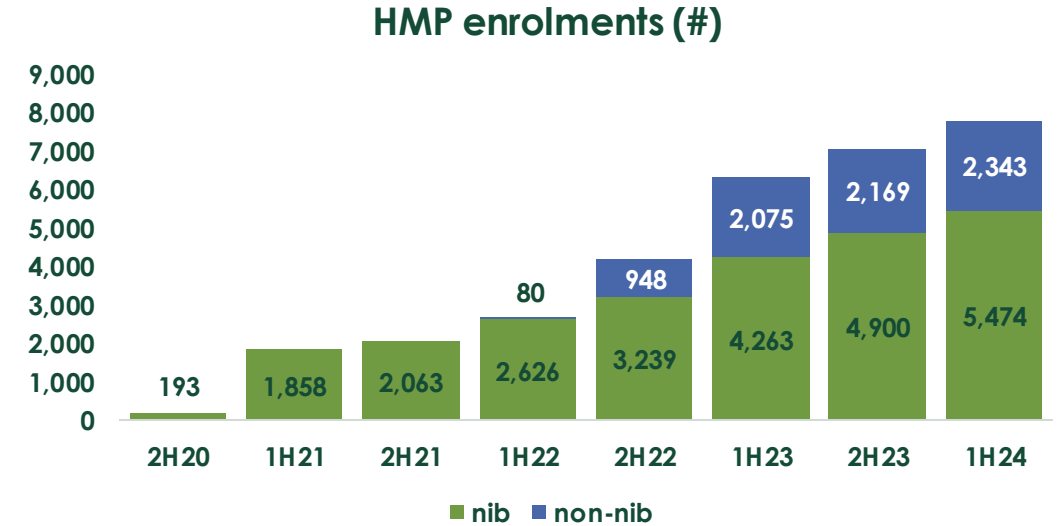
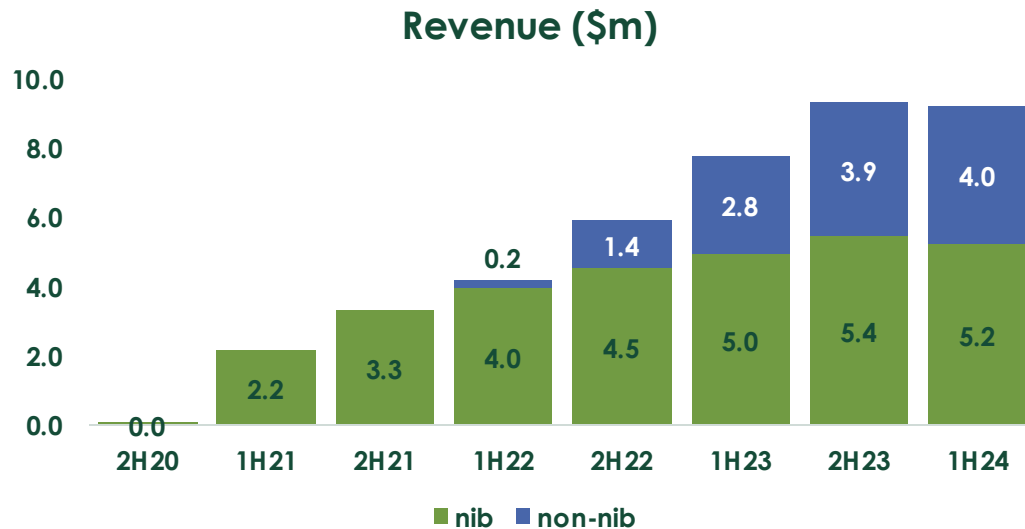
- Strong operating cash inflow driven by policyholder growth across PHI businesses. Growth in nib Thrive and Midnight Health has more than offset a reduction from nib Travel.
- Growth in cash outflows reflects a return to normal claiming levels across Australia and New Zealand with nib Travel costs lower due to lower sales.
- Business combinations reflect nib Thrive acquisitions, 1H23 included OrbitProtect acquisition.
- Cashflow has been volatile through COVID-19 but on an increasing trend.

Group operating cashflow by half year (\$m)



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

- Revenue growth of 17.9% 1H24 v 1H23.
- 27 PHI & GI customers at end 1H24.
- Distinct market offering of digital and telephonic Health Management Programs (HMP) to PHI & GI sectors.
- Superior data analytics to evaluate impact of HMPs as well as inform and guide strategy.

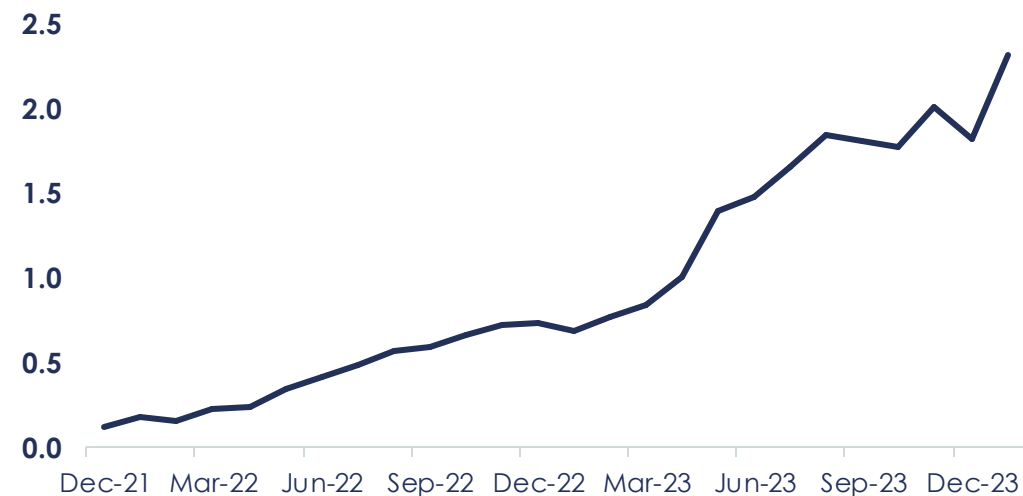


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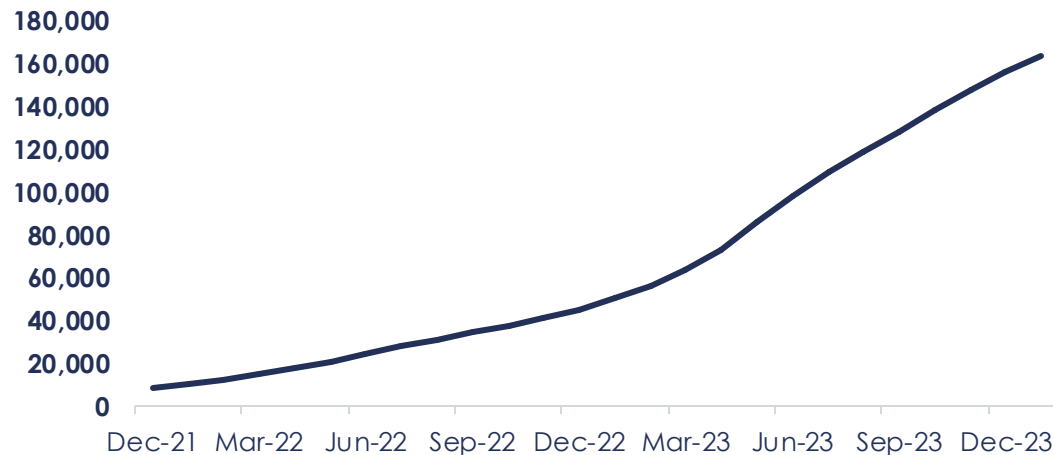
## Investment in new products & technology driving customer and revenue growth

- Revenue growth of 189.5% 1H24 v 1H23.
- 28 products now in market.
- ~164,000 Australians serviced to date (end Jan).
- Over 22,000 nib members to date have been a Midnight Health customer.
- 2H24 focus on corporate health offering, pharmacy partnerships and general telehealth.
- General telehealth offering to be integrated into nib app.

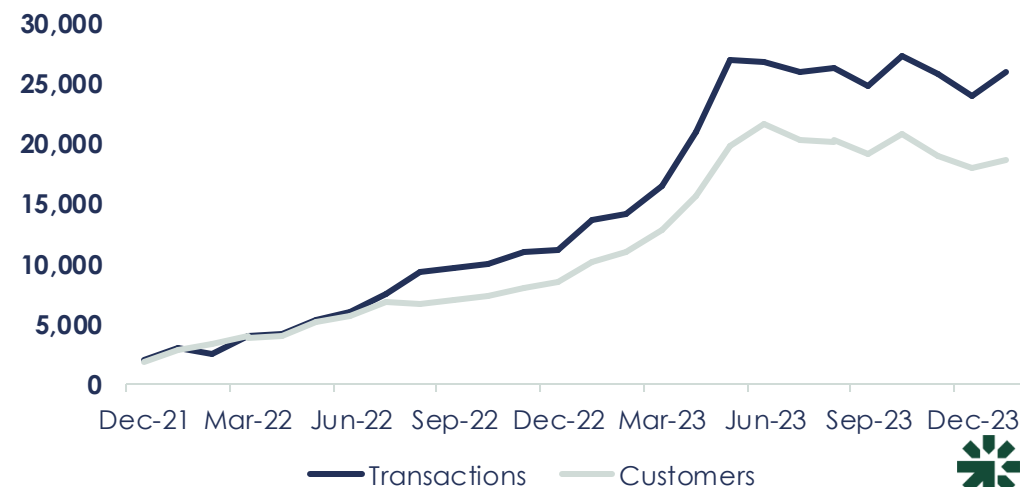
Revenue (\$m)



Australians serviced cumulative (#)

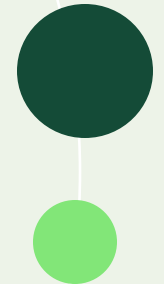


Customers & transactions (#)



# Roslyn Toms

Group Executive Legal  
& Chief Risk Officer





# Sustainability – 1 H24 progress



Over **9.3k members** enrolled in **health management programs** (annual target 20,000).



Over **27.8k members** participating in a **general health interaction** across the Group (annual target 42,000).



Announced **\$1m nib foundation partnership** with Cancer Council NSW to develop first of its kind vaping support program to help youth quit vaping.



Participating in **career pathway programs** for people to join nib early in their career.



**Aboriginal and Torres Strait Islander Procurement Strategy** launched as part of our Innovate RAP.



Completed a new **double materiality assessment** to understand our most salient sustainability-related impacts.



New **Diversity, Equity and Inclusion Action Plan** launched reflecting commitment to creating sense of belonging for all employees.



Joined **Shift 20**, an initiative working towards increased representation, inclusion and accessibility in marketing and communications.



Released our **fourth Modern Slavery Statement**. Increased automation and frequency of SAQs and continuous improvement plans.



**Re-certified** our Information Security Management System to meet ISO/IEC 27001:2022 with **zero** non-conformance findings.



# Sustainability – FY24 targets



## Population health

- 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



## Natural environment

- 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



## People, culture & employment

- Maintain 40/40/20 gender mix in Board, Executive, heads of business units, team leader and manager positions<sup>1</sup>
- 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 their career to join nib<sup>2</sup>



## Community spirit & cohesion

- 250,000 people reached via nib foundation's prevention partnerships
- 20% of our sponsorship funding directly invested in diversity and inclusion initiatives<sup>3</sup>
- 1,520 employee volunteering hours
- 100% of FY24 Innovate RAP deliverables achieved



## Leadership & governance

- 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

1. The 40/40/20 gender mix is defined as 40% female, 40% male and 20% any gender.

2. The career entry pathways reflects our commitment to creating meaningful employment opportunities, particularly for those who are early in their career and transitioning into permanent employment. In FY23 we launched our first pathway in our Graduate Program and recognised there was an opportunity to continue to grow our pathway opportunities in FY24. One pathway will be a second cohort of graduates who will come on board in January 2024, with the remaining two pathways currently being determined.

3. This new target represents a shift away from measuring the number of sponsorships focused on diversity and inclusion initiatives to measuring the financial investment in diversity and inclusion initiatives. This represents a material uplift in nib's expenditure in this area in FY24.

# Mark Fitzgibbon

Chief Executive Officer  
& Managing Director



# Business strategy – Payer to Partner (P2P)





## Financial protection and support

- Private health insurance
- Travel insurance
- Life and living benefits
- NDIS plan management



## Insight and guidance

- Health checks and Good Health Plan
- Health score & health engagement
- Symptom checker & E-triage
- Find a provider & program
- Social prescribing



## Healthcare networks

- Physical
- Virtual
- Home care



## Healthcare products and programs

- Health management
- Everyday healthcare
- Population health



## Enabling capability

- nib app & digital interoperability
- Health data strategy & healthcare analytics
- GP practice management integration
- Value based contracting
- NDIS provider marketplace

# How AI & data science is having an impact

## Personalised, context driven experiences

- 3.2m nibby interactions
- 65% of chat sessions contained within channel
- ~360,000 calls deflected

## Increasing operational efficiencies

- Payment integrity models to identify claims leakage
- Intelligent document processing to streamline workflows

## Driving behaviour & engagement

- PHI lapse modelling pinpoints members at risk to enable targeted interventions
- 16% high-risk lapse prediction save rate worth \$400k
- Data analytics used for product modelling

## Clinical and health intervention

- Data science enables health management targeting, evaluation and program optimisation
- Hospital Support program delivers reductions in readmissions

## Enabling capability

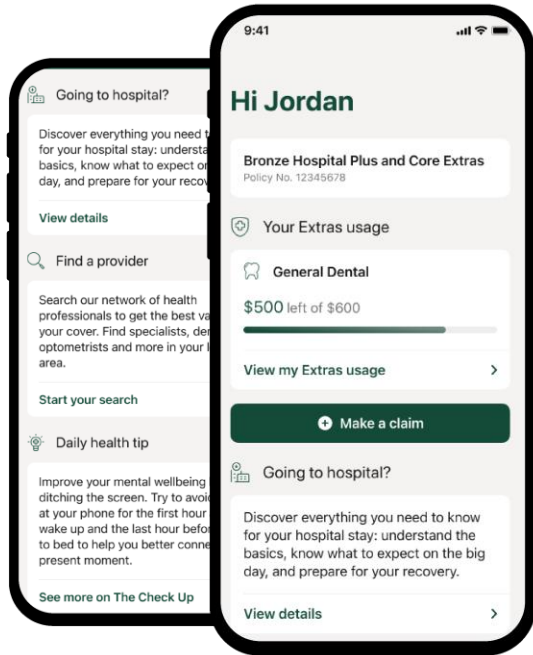
- 100% cloud-based technology footprint provides agility, scale and leverage to take advantage of latest platforms to drive innovation



# Evolution of the nib app 2022 - 2024

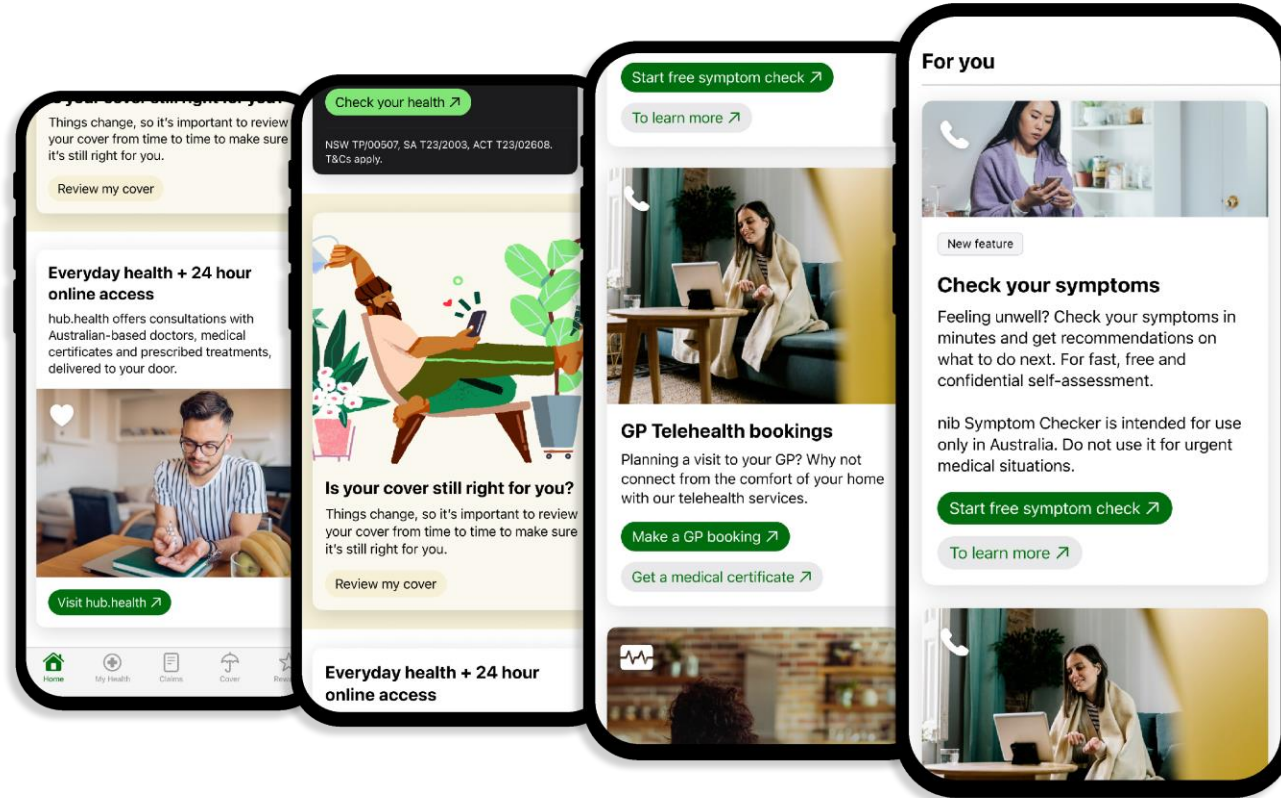
## In 2022 you could:

- ✓ Check your cover, access your digital card, make a claim
- ✓ Use the Going to Hospital & Find a Provider tools



## Now you can also:

- ✓ Use the nib Symptom Checker
- ✓ Complete a HealthCheck and SkinCheck
- ✓ Book a GP telehealth consult and get a medical certificate
- ✓ Have prescribed treatments delivered to your door
- ✓ Access mental health support
- ✓ Get discounted travel insurance
- ✓ Find a health management program



# nib Thrive shaping the future

- Forecast NDIS spending \$92b<sup>1</sup> by 2033 (FY23: \$37b<sup>2</sup>).
- nib Thrive now supports ~39,000 NDIS participants through acquisition of six plan managers (~35,000) and organic growth (~4,000).
- NDIS review has recommended the creation of a single level of intermediation 'Navigators'. This is consistent with nib's vision. We estimate 'navigation' could account for \$7b in expenditure by 2033<sup>3</sup> (FY23: \$3b<sup>2,4</sup>).
- Current priorities:
  - Consolidate plan managers and launch nib Thrive brand.
  - Develop tech stack and digital support for participants (inc. healthcare) and providers. Strong focus upon payments integrity.
  - Help shape policy on 'Navigators' and reshape nib Thrive as a 'Navigator'.
  - nib Thrive vision to deliver “foundational” supports for all people with disability.
- Government yet to formally respond to NDIS review. Transition to 'navigation' is likely to take time, especially in building workforce.



1. NDIS Annual Financial Sustainability Report 2022-2023.  
2. NDIS Quarterly Report 2022-2023 Q4 (includes total payments and scheme operating costs).

3. nib estimate based on current proportion of NDIS spend across plan management, support coordination and local area coordination.  
4. NDIS Annual Report 2022-2023.



# Outlook

## arhi

- Market growth
  - Population
  - Public waiting time
  - Disease risk
  - High employment
- FY24 net policyholder growth 3-4%. P2P growing factor.
- Our underlying view of medium to long term claims inflation remains at 4-6%.
- Stable underlying margins in FY24 before gradual return to 6-7% target.

## iihi

- Continued demand for higher education, temporary skilled and low skilled workers.
- Strong top line growth across both students and workers.
- Continued profitability improvement as new students refresh risk pool.

## NZ

- FY24 residents PHI net policyholder growth 3-4%.
- Stable net margins of 7-8%.
- Offering bundled life and living and health products.
- Very promising Toi Ora pipeline (portfolio now five iwi groups).

## nib Travel

- Mixed market feeling about travel outlook.
- Sales growth expected as travel recovers and through Woolworths partnership.
- Refinement of key processes to improve customer service.
- Focus on efficiencies and improving member digital experience.

## nib Thrive

- On track to reach ~50,000 participants by end of FY25.
- Systems and business integration on track for 2H24.
- nib Thrive brand launch expected April 2024.
- Expansion of value proposition and evolution into future 'Navigator' role.
- Assistance for all people with a disability, including outside NDIS.



# Questions & Answers



# nib Group income statements and balance sheets AASB 1023 – AASB 17

**The Group has adopted AASB 17 *Insurance Contracts* (AASB 17) on a retrospective basis. As a result, the Group has restated certain comparative amounts in the financial results included in this presentation, however these restatements are unaudited.**

# nib Group five-year summary AASB 1023

Consolidated income statement (\$m)	2023	2022	2021	2020	2019
Net premium revenue	2,911.5	2,703.4	2,548.8	2,439.6	2,340.8
Net claims incurred	(2,203.6)	(2,066.3)	(1,985.5)	(1,933.4)	(1,811.4)
<b>Gross profit</b>	<b>707.9</b>	<b>637.1</b>	<b>563.3</b>	<b>506.2</b>	<b>529.4</b>
Movement in policy liabilities	1.1	(0.3)	n/a	n/a	n/a
Other underwriting revenue	6.5	6.4	3.8	3.5	3.6
Management expenses	(439.4)	(383.9)	(337.4)	(332.2)	(330.6)
<b>Underwriting result</b>	<b>276.1</b>	<b>259.3</b>	<b>229.7</b>	<b>177.5</b>	<b>202.4</b>
Other income	145.0	51.5	24.1	60.1	77.2
Other expenses	(153.5)	(68.2)	(44.1)	(86.7)	(78.3)
Share of net profit/loss of associates and joint ventures	(4.4)	(5.6)	(4.8)	(4.0)	(1.0)
<b>Underlying operating profit</b>	<b>263.2</b>	<b>237.0</b>	<b>204.9</b>	<b>146.9</b>	<b>200.3</b>
Amortisation of acquired intangibles	(10.7)	(7.7)	(16.8)	(18.4)	(10.2)
One-off transactions, M&A and integration costs	(8.9)	(0.1)	(2.1)	(13.6)	(7.0)
<b>Statutory operating profit</b>	<b>243.6</b>	<b>229.2</b>	<b>186.0</b>	<b>114.9</b>	<b>183.1</b>
Finance income and costs	(13.8)	(6.7)	(6.8)	(9.7)	(7.7)
Net investment income	54.7	(30.0)	51.8	16.6	36.1
<b>Profit before tax</b>	<b>284.5</b>	<b>192.5</b>	<b>231.0</b>	<b>121.8</b>	<b>211.5</b>
Tax	(92.8)	(57.5)	(70.5)	(34.8)	(63.3)
<b>Profit from continuing operations</b>	<b>191.7</b>	<b>135.0</b>	<b>160.5</b>	<b>87.0</b>	<b>148.2</b>
Loss from discontinued operation	(0.6)	(1.2)	n/a	n/a	n/a
<b>Net profit after tax</b>	<b>191.1</b>	<b>133.8</b>	<b>160.5</b>	<b>87.0</b>	<b>148.2</b>
<b>Consolidated balance sheet (\$m)</b>					
Total assets	2,130.0	1,880.4	1,702.8	1,677.8	1,552.6
Equity	983.9	734.3	706.2	603.1	631.2
Debt	245.9	260.9	232.3	232.9	233.9

# nib Group five-year summary AASB 17

Consolidated income statement (\$m)	2023	2022	2021	2020	2019
Insurance revenue	2,939.1	2,754.3	2,574.1	2,479.8	2,372.6
Insurance service costs – incurred claims	(2,331.7)	(2,007.4)	(2,068.1)	(1,850.6)	(1,826.7)
Insurance service costs – other insurance expenses	(439.2)	(379.0)	(335.5)	(332.6)	(330.9)
Net reinsurance costs	(14.9)	(10.5)	(16.1)	(17.1)	(16.2)
<b>Insurance service result</b>	<b>153.3</b>	<b>357.4</b>	<b>154.4</b>	<b>279.5</b>	<b>198.8</b>
Other underwriting revenue	4.8	5.2	3.9	3.8	2.9
<b>Insurance operating result</b>	<b>158.1</b>	<b>362.6</b>	<b>158.3</b>	<b>283.3</b>	<b>201.7</b>
Other income	145.0	51.5	24.1	60.1	77.2
Other expenses	(153.5)	(68.2)	(44.1)	(86.7)	(78.3)
Share of net profit/loss of associates and joint ventures	(4.4)	(5.6)	(4.8)	(4.0)	(1.0)
<b>Underlying operating profit</b>	<b>145.2</b>	<b>340.3</b>	<b>133.5</b>	<b>252.7</b>	<b>199.6</b>
Amortisation of acquired intangibles	(10.7)	(7.7)	(16.8)	(18.4)	(10.2)
One-off transactions, M&A and integration costs	(8.9)	(0.1)	(2.1)	(13.6)	(7.0)
<b>Statutory operating profit</b>	<b>125.6</b>	<b>332.5</b>	<b>114.6</b>	<b>220.7</b>	<b>182.4</b>
Net finance costs	(13.8)	(6.7)	(6.8)	(9.7)	(7.7)
Net investment income	54.7	(30.0)	51.8	16.6	36.1
<b>Profit before tax</b>	<b>166.5</b>	<b>295.8</b>	<b>159.6</b>	<b>227.6</b>	<b>210.8</b>
Tax	(57.5)	(88.5)	(49.2)	(66.4)	(63.1)
<b>Profit from continuing operations</b>	<b>109.0</b>	<b>207.3</b>	<b>110.4</b>	<b>161.2</b>	<b>147.7</b>
Loss from discontinued operation	(0.6)	(1.2)	n/a	n/a	n/a
<b>Net profit after tax</b>	<b>108.4</b>	<b>206.1</b>	<b>110.4</b>	<b>161.2</b>	<b>147.7</b>

## FY2019 – FY2023 cumulative UOP reconciliation (\$m)

Cumulative UOP FY2019 – FY2023 AASB 1023	1,052.3
Cumulative UOP FY2019 – FY2023 AASB 17	1,071.3
Variance	<b>19.0</b>
Price deferral adjustment to impact FY24	26.6
ishi UPL discounting, NZ health & life insurance adjustment	(7.6)
Adjustments total	<b>19.0</b>

The Group has adopted AASB 17 *Insurance Contracts* (AASB 17) on a retrospective basis. As a result, the Group has restated certain comparative amounts in the financial results included in this presentation, however these restatements are unaudited.

# nib Group 1H23 AASB 1023 to AASB 17

Consolidated income statement (\$m)	1H23 AASB 1023	1H23 impact	1H23 AASB 17
Insurance revenue	1,448.9	(19.7)	1,429.2
Insurance service costs – incurred claims	(1,116.3)	13.8	(1,102.5)
Insurance service costs – other insurance expenses	(201.0)	0.1	(200.9)
Net reinsurance costs	(8.1)	0.0	(8.1)
<b>Insurance service result</b>	<b>123.5</b>	<b>(5.8)</b>	<b>117.7</b>
Other underwriting revenue	3.3	(0.6)	2.7
<b>Insurance operating result</b>	<b>126.8</b>	<b>(6.4)</b>	<b>120.4</b>
Other income	59.5	0.0	59.5
Other expenses	(65.3)	0.0	(65.3)
Share of net profit/loss of associates and joint ventures	(2.4)	0.0	(2.4)
<b>Operating profit</b>	<b>118.6</b>	<b>(6.4)</b>	<b>112.2</b>
Finance income/costs	(6.2)	0.0	(6.2)
Net investment income	22.2	0.0	22.2
<b>Profit before tax</b>	<b>134.6</b>	<b>(6.4)</b>	<b>(128.2)</b>
Income tax expense	(42.8)	1.9	(40.9)
<b>Profit from continuing operations</b>	<b>91.8</b>	<b>(4.5)</b>	<b>87.3</b>
Loss from discontinued operation	(0.2)	0.0	(0.2)
<b>Net profit after tax</b>	<b>91.6</b>	<b>(4.5)</b>	<b>87.1</b>

## Summary of adjustments

Price increase deferral	(19.7)
Deferred claims liability	13.8
ishi discounting	(0.6)
nz health	0.1
nz life	0.0
<b>Operating profit</b>	<b>(6.4)</b>

The Group has adopted AASB 17 *Insurance Contracts* (AASB 17) on a retrospective basis. As a result, the Group has restated certain comparative amounts in the financial results included in this presentation, however these restatements are unaudited.

# nib Group 1H24 AASB 1023 to AASB 17

Consolidated income statement (\$m)	1H24 AASB 1023	1H24 impact	1H24 AASB 17
Insurance revenue	1,606.7	(17.8)	1,588.9
Insurance service costs – incurred claims	(1,218.4)		(1,218.4)
Insurance service costs – other insurance expenses	(217.2)		(217.2)
Net reinsurance costs	(8.4)		(8.4)
<b>Insurance service result</b>	<b>162.7</b>	(17.8)	144.9
Other underwriting revenue	2.3		2.3
<b>Insurance operating result</b>	<b>165.0</b>	(17.8)	147.2
Other income	84.3		84.3
Other expenses	(100.5)		(100.5)
Share of net profit/loss of associates and joint ventures	(2.3)		(2.3)
<b>Operating profit</b>	<b>146.5</b>	(17.8)	128.7
Finance income/costs	(8.5)		(8.5)
Net investment income	33.3		33.3
<b>Profit before tax</b>	<b>171.3</b>	(17.8)	153.5
Income tax expense	(54.7)	5.4	(49.3)
<b>Profit from continuing operations</b>	<b>116.6</b>	(12.4)	104.2
Loss from discontinued operation	(0.2)		(0.2)
<b>Net profit after tax</b>	<b>116.4</b>	(12.4)	104.0

The Group has adopted AASB 17 *Insurance Contracts* (AASB 17) on a retrospective basis. As a result, the Group has restated certain comparative amounts in the financial results included in this presentation, however these restatements are unaudited.

# nib Group 1H24 v 1H23 - AASB 1023

Consolidated income statement (\$m)	1H24	1H23	Change
Net premium revenue	1,590.3	1,434.1	▲ 10.9%
Net claims incurred <sup>1</sup>	(1,210.4)	(1,109.0)	▲ 9.1%
<b>Gross profit</b>	<b>379.9</b>	<b>325.1</b>	<b>▲ 16.9%</b>
Movement in policy liabilities	0.9	0.5	▲ 80.0%
Other underwriting revenue	2.3	3.3	▼ 30.3%
Management expenses	(216.0)	(199.3)	▲ 8.4%
<b>Underwriting result</b>	<b>167.1</b>	<b>129.6</b>	<b>▲ 28.9%</b>
Other income	83.7	59.4	▲ 40.9%
Other expenses	(86.3)	(61.5)	▲ 40.3%
Share of net profit/loss of associates and joint ventures	(2.3)	(2.4)	▼ 4.2%
<b>Underlying operating profit</b>	<b>162.2</b>	<b>125.1</b>	<b>▲ 29.7%</b>
Amortisation and impairment of acquired intangibles	(6.7)	(3.4)	▲ 97.1%
One-off transactions, M&A and new business implementation costs	(9.0)	(3.1)	▲ 190.3%
<b>Statutory operating profit</b>	<b>146.5</b>	<b>118.6</b>	<b>▲ 23.5%</b>
Finance income and costs	(8.5)	(6.2)	▲ 37.1%
Net investment income	33.3	22.2	▲ 50.0%
<b>Profit before tax</b>	<b>171.3</b>	<b>134.6</b>	<b>▲ 27.3%</b>
Tax	(54.7)	(42.8)	▲ 27.8%
<b>Profit from continuing operations</b>	<b>116.6</b>	<b>91.8</b>	<b>▲ 27.0%</b>
Loss from discontinued operation	(0.2)	(0.2)	▲ 0.0%
<b>Net profit after tax</b>	<b>116.4</b>	<b>91.6</b>	<b>▲ 27.1%</b>
<b>Consolidated balance sheet (\$m)</b>			
Total assets	2,139.5	1,997.3	
Equity	1,038.3	946.0	
Debt	246.2	232.7	

1. Net claims incurred excludes claims handling.

The Group has adopted AASB 17 Insurance Contracts (AASB 17) on a retrospective basis. As a result, the Group has restated certain comparative amounts in the financial results included in this presentation, however these restatements are unaudited.



# nib Group FY23 AASB 1023 to AASB 17



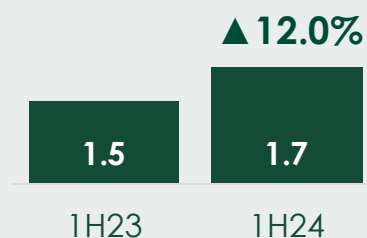
	Reported under AASB 1023/1038	Reclassification						Measurement		Restated under AASB 17
		DAC	UPL	PPB and policy liabilities	OSC	Insurance receivables and payables	Reinsurance	Price deferral adjustment	Other adjustments	
<b>Balance at 30 June 2023 (\$m)</b>										
Receivables	109.3					(63.0) <sup>1</sup>	(5.1)			41.2
Deferred acquisition costs	151.8	(151.8)								-
Insurance contracts assets										
Assets for remaining coverage	-	98.8								98.8
Reinsurance contracts assets	-						3.8			3.8
Payables	(253.7)					134.0 <sup>2</sup>	1.3			(118.4)
Provisions (current)	(8.5)							0.2		(8.3)
Claims liabilities	(268.3)				268.5				(0.2)	-
Unearned premium liability	(305.9)		283.2					26.4	(3.7)	-
Premium payback liability	(9.3)			9.3						-
Policy liabilities - life insurance	8.4			(4.7)					(3.7)	-
Insurance contracts liabilities										
Liability for remaining coverage	-	53.0	(280.9)	4.7		59.5				(163.7)
Liability for incurred claims	-		(2.3)	(9.3)	(268.5)	(130.5)				(410.6)
Deferred tax liabilities	(9.0)							(8.0)	2.2	(14.8)
Other assets/liabilities not impacted by AASB 17	1,569.1									1,569.1
<b>Net assets</b>	<b>983.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.6</b>	<b>(5.4)</b>	<b>997.1</b>

- Under AASB 1023, Receivables included Private Health Insurance Premiums Reduction Scheme receivable of \$48.0m and other Insurance contract receivables of \$15.0m totalling \$63.0m which have been reclassified to Insurance Contracts Liabilities.
- Under AASB 1023, Payables included Claims payables of \$71.0m, RESA payable of \$55.2m and other Insurance contract liabilities of \$7.8m, totalling \$134.0m which have been reclassified to Insurance Contracts Liabilities.

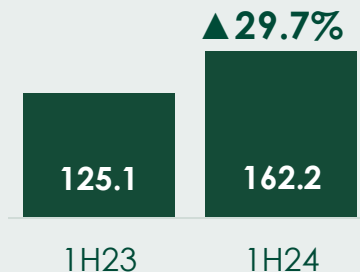
The Group has adopted AASB 17 Insurance Contracts (AASB 17) on a retrospective basis. As a result, the Group has restated certain comparative amounts in the financial results included in this presentation, however these restatements are unaudited.

# 1H24 Group financial highlights – AASB 1023

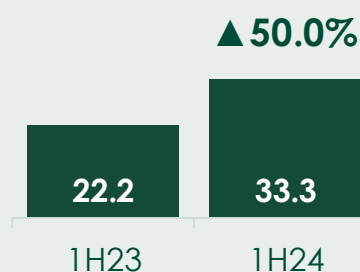
Group revenue<sup>1</sup>  
**\$1.7b**



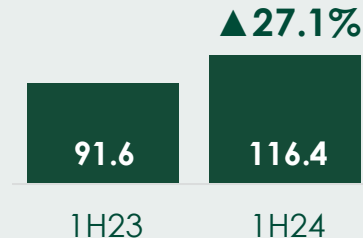
Group UOP  
**\$162.2m**



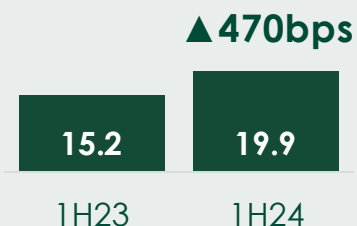
Net investment income  
**\$33.3m**



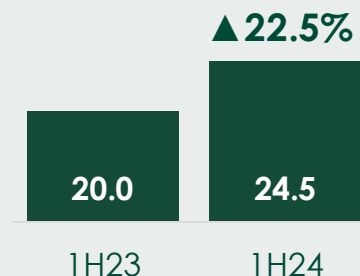
Net profit after tax  
**\$116.4m**



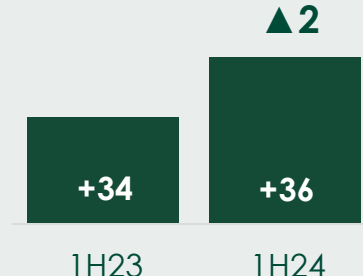
ROIC<sup>2</sup>  
**19.9%**



Earnings per share<sup>3</sup>  
**24.5 cps**



Group NPS<sup>4</sup>  
**+36**



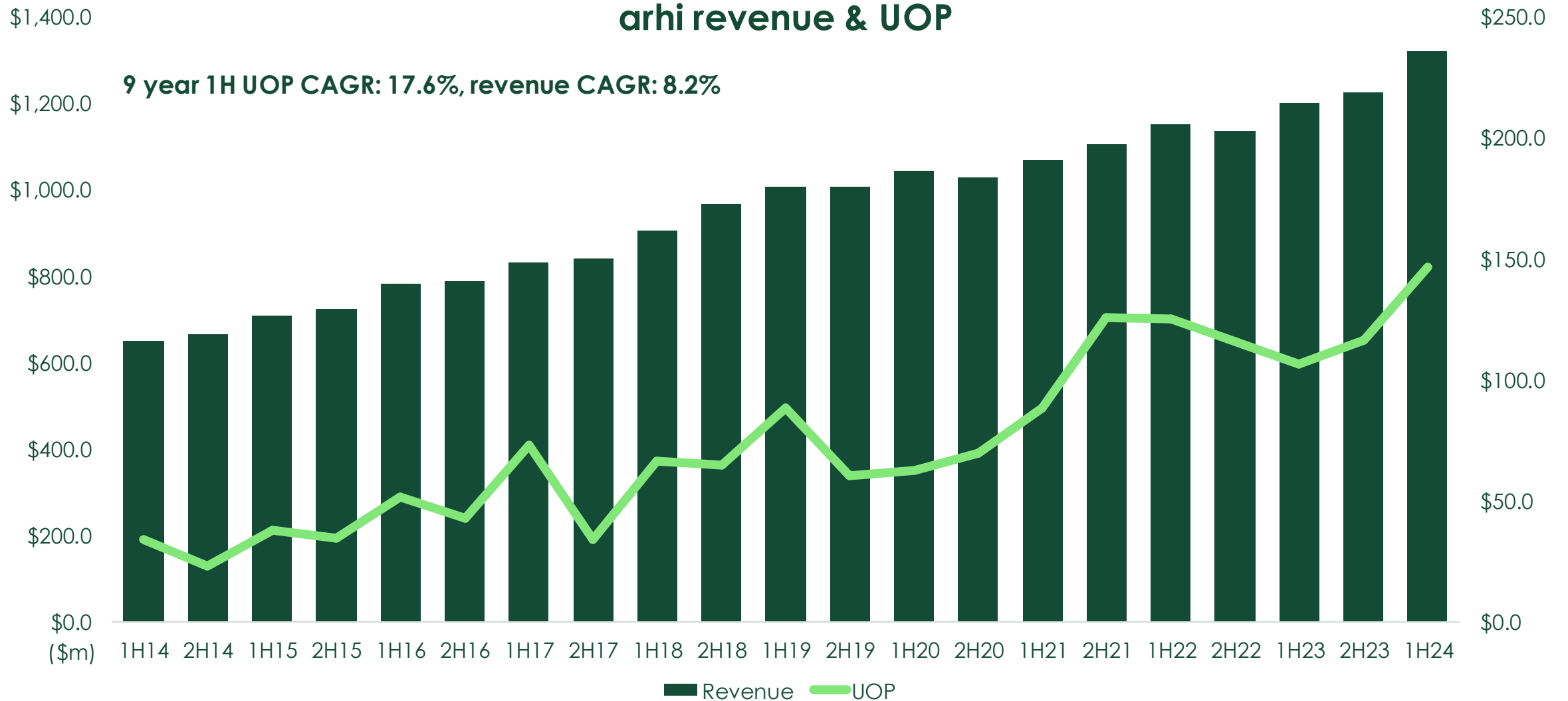
1. Total Group revenue includes insurance revenue net of reinsurance, other underwriting revenue and other income.

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

3. Statutory earnings per share includes losses from discontinued operations and calculated over a 6-month period.

4. Group NPS includes arhi, iih, NZ, and Travel

# Strong arhi result – AASB 1023





# Appendix

# Policyholder data

nib Group policyholders (#)	1H24	FY23	1H23
<b>Total persons covered</b>	<b>1,842,925</b>	1,813,773	1,758,976
Australian residents health insurance	1,331,565	1,314,131	1,283,930
International (inbound) health insurance	224,396	212,643	191,941
New Zealand	286,964	286,999	283,105
<b>Total policyholders</b>	<b>1,069,450</b>	1,048,362	1,012,370
Australian residents health insurance	706,312	697,115	681,195
International (inbound) health insurance <sup>1</sup>	200,362	189,944	172,105
New Zealand	162,776	161,303	159,070
Total policyholder growth v PCP	5.6%	6.3%	7.0%
Total policyholder growth v HOH	2.0%	3.6%	2.7%
arhi policyholder growth v PCP	3.7%	4.7%	4.2%
arhi policyholder growth v HOH	1.3%	2.3%	2.3%
<b>Australian residents health insurance</b>			
Market share	9.7% <sup>2</sup>	9.6%	9.4%
Average age of hospital persons covered (years)	41.9	41.9	41.8
Sales by channel			
Corporate	10.3%	11.7%	12.5%
Direct to consumer	28.0%	27.5%	27.1%
Retail brokers	34.0%	36.2%	36.7%
Whitelabel partners	27.8%	24.6%	23.7%

1. Excludes OrbitProtect.

2. Industry data for December 2023 not available at time of publication. nib market share at 30 September 2023 was 9.7%.

# Detailed arhi underlying insurance operating result

arhi underlying insurance operating result (\$m)	1H24	1H23	Change
<b>Net premium revenue</b>	<b>1,303.6</b>	<b>1,181.3</b>	<b>▲10.4%</b>
<b>Net claims expense</b>	<b>(903.1)</b>	<b>(829.5)</b>	<b>▲8.9%</b>
Hospital claims paid	(640.5)	(575.5)	▲11.3%
Ancillary claims paid	(272.8)	(251.4)	▲8.5%
OSC provision movement	10.3	(2.6)	▼496.2%
<b>Risk equalisation levy</b>	<b>(116.8)</b>	<b>(104.4)</b>	<b>▲11.9%</b>
OSC risk equalisation margin	2.9	1.5	▲93.3%
Gross deficit	301.1	268.8	▲12.0%
Calculated deficit	(420.8)	(374.7)	▲12.3%
<b>State levies</b>	<b>(20.5)</b>	<b>(19.4)</b>	<b>▲5.7%</b>
<b>Net claims incurred (excluding claims handling)</b>	<b>(1,040.4)</b>	<b>(953.3)</b>	<b>▲9.1%</b>
<b>Gross underwriting result</b>	<b>263.2</b>	<b>228.0</b>	<b>▲15.4%</b>

# Investments, gearing and capital

\$m	1H24	1H23	Change
Net investment income	33.3	22.2	▲50.0%
Net investment return (%)	2.5	1.7	▲80bps
Funds invested	1,275.7	1,260.6	▲1.2%
Debt	246.2	232.7	▲5.8%
Net tangible assets <sup>1</sup>	314.5	470.8	▼33.2%
Net finance expense	(8.5)	(6.2)	▲37.1%
Finance costs	(7.4)	(5.1)	▲45.1%
Interest on lease liabilities	(1.1)	(1.2)	▲8.3%
Finance income	0.1	0.1	▲0.0%
Interest ratio cover	16:1	44:1	n/a
Gearing ratio (%)	19.4	18.6	▲82bps
Leverage ratio (debt/EBITDA) last 12 months <sup>2</sup>	1.0x	0.7x	n/a
Effective tax rate (%)	32.1	31.9	▲20bps
Dividend per share (cps)	15.0	13.0	▲15.4%

Funds invested \$m	1H24	1H23
<b>Defensive</b>		
Net investment income	23.9	11.1
Net investment return (%)	2.2	1.1
Funds invested	1,061.4	1,071.4
<b>Growth</b>		
Net investment income	9.4	11.0
Net investment return (%)	4.4	5.4
Funds invested	214.3	189.3
<b>Total</b>		
Net investment income	33.3	22.2
Net investment return (%)	2.5	1.7
Funds invested	1,275.7	1,260.6

1. Net tangible assets excludes deferred acquisition costs, charitable foundation and non-controlling interests.
2. EBITDA is calculated over a rolling 12-month period.

# Investment asset allocation

	Consolidated			Australian investment portfolio			New Zealand investment portfolio			nib foundation investment portfolio		
	Balance as at 31/12/23 (\$m)	Allocation at 31/12/23 (%)	Net return 6 months to 31/12/23 (\$m)	Balance as at 31/12/23 (\$m)	Allocation at 31/12/23 (%)	Net return 6 months to 31/12/23 (\$m)	Balance as at 31/12/23 (\$m)	Allocation at 31/12/23 (%)	Net return 6 months to 31/12/23 (\$m)	Balance as at 31/12/23 (\$m)	Allocation at 31/12/23 (%)	Net return 6 months to 31/12/23 (\$m)
Cash	508.6	41.9	13.2	458.8	44.1	11.8	41.5	26.1	1.1	8.3	56.3	0.2
Fixed interest	490.8	40.4	10.1	370.0	35.6	6.0	117.6	73.9	4.0	3.2	21.7	0.1
<b>Total defensive</b>	<b>999.4</b>	<b>82.3</b>	<b>23.3</b>	<b>828.7</b>	<b>79.7</b>	<b>17.8</b>	<b>159.1</b>	<b>100.0</b>	<b>5.1</b>	<b>11.6</b>	<b>78.0</b>	<b>0.4</b>
Australian shares	86.8	7.2	5.4	84.3	8.1	5.2	0.0	0.0	0.0	2.5	16.7	0.2
Global shares – hedged	18.5	1.5	0.6	18.0	1.7	0.5	0.0	0.0	0.0	0.4	2.9	0.0
Global shares – unhedged	45.6	3.8	1.2	45.3	4.4	1.2	0.0	0.0	0.0	0.4	2.4	0.0
Unlisted property	20.0	1.6	(0.2)	20	1.9	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Listed property	43.5	3.6	2.4	43.5	4.2	2.4	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total growth</b>	<b>214.3</b>	<b>17.7</b>	<b>9.4</b>	<b>211.1</b>	<b>20.3</b>	<b>9.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.3</b>	<b>22.0</b>	<b>0.2</b>
<b>Total<sup>1,2</sup></b>	<b>1,213.7</b>	<b>100.0</b>	<b>32.6</b>	<b>1,039.8</b>	<b>100.0</b>	<b>27.0</b>	<b>159.1</b>	<b>100.0</b>	<b>5.1</b>	<b>14.8</b>	<b>100.0</b>	<b>0.5</b>

1. Investment portfolio of \$1,213.7m + operating cash of \$62.0m = \$1,275.7m. This reconciles to cash and cash equivalents of \$235.0m, financial assets at amortised cost of \$6.5m and financial assets at fair value through profit or loss of \$1,034.2m which totals \$1,275.7m in the 2024 Interim Report.

2. Investment returns exclude returns on operating cash.



# 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 1023	AASB 1023 General Insurance Contracts
AASB 1038	AASB 1038 Life Insurance Contracts
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
bps	Basis points (1.0% = 100 bps)
CAGR	Compound annual growth rate
CPI	Consumer price index
cps	Cents per share
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
FY	Financial year ended/ending 30 June
Group	nib holdings Group
GPAC	Gross profit after commissions equals operating income less marketing and commissions and insurance gross profit less insurance marketing and commissions
GWP	Gross written premium
HMP	Health management program
ihi	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
LIC	Liability for incurred claims is an entity's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not yet been reported, and other incurred insurance expenses

Term	Definition
MER	Management expense ratio
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
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.
SAQs	Supplier Assessment Questionnaires
Underlying insurance operating result	Underlying insurance service result plus other underwriting revenue
Underlying operating profit (UOP)	It comprises of underlying insurance operating 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