

nib continues strong momentum in FY25, delivering value for customers and shareholders

- nib Group revenue \$3.6 billion in FY25, from \$3.3 billion in FY24
- Group underlying operating profit (UOP) \$239.2 million from \$257.5 million in FY24
- Net profit after tax (NPAT) \$198.6 million, up 9.4% from \$181.6 million in FY24
- Statutory earnings per share of 41.1 cents
- Full year dividend 29 cps fully franked (FY24: 29 cps); DRP available

Results Overview

nib holdings limited (ASX: NHF) announced a FY25 Group underlying operating profit (UOP) of \$239.2 million, from \$257.5 million in FY24, in line with guidance. Group revenue grew to \$3.6 billion from \$3.3 billion in FY24, an increase of 7.8%. nib had \$2.7 billion in incurred claims, up 10.2% over the prior corresponding period. Net profit after tax (NPAT) was \$198.6 million, a 9.4% increase on \$181.6 million in FY24. Group operating expense ratio was at 17.7%, down from 18.2% in FY24. Improved investment returns drove net investment income to \$79.0 million, up 28.9% from \$61.3 million in FY24.

nib Managing Director and Chief Executive Officer, Ed Close, said nib Group's FY25 result reflects consistent, strong growth in nib's core Australian private health insurance business, positive outcomes in claims management and operating efficiencies, and an ongoing focus on delivering value to customers.

nib's Australian residents' health insurance (arhi) business achieved its highest ever sales in FY25. nib now covers almost 2 million people for health insurance in Australia and New Zealand. "nib's Australian health insurance business continues to drive nib's returns from a foundation of customer value and access, in a competitive market," Mr Close said. Net policyholder growth in FY25, at 3.2%, is again expected to be higher than industry growth.

During the year, nib expanded benefits and services provided to customers, including 'known gap', 'no gap' and nationwide dental networks. Overall arhi claims inflation was at 4.5% in FY25 (4.9% including the NSW Government's higher hospital bed rate charges, introduced 1 January 2025). "We are focused on actively managing claims inflation, enhanced hospital contracting models that support customers and providers, and driving down our operating costs, all of which underpin the FY25 result," Mr Close said.

"Overall, our core business performed strongly," he said. "During the year, we stated that our focus would be our engine-room of growth, which is our private health insurance business in Australia and New Zealand, and delivering value to customers. We have taken further action in New Zealand, where conditions have been difficult. nib's adjacent business lines continue to build momentum, contributing \$45.3 million in underlying operating profit while delivering value back to our core PHI businesses."

nib achieved a Group NPS of +34 (FY24: +33) and saved 24,000 hospital bed days through targeted healthcare prevention and in-home care initiatives, underscoring nib's commitment to better customer outcomes and overall system sustainability.

nib is embedding AI and digital-first capabilities across customer experiences and operational workflows, with a significant program of work underway and positive adoption already driving enhanced customer experiences and productivity gains.

nib's Australian private health insurance (aphi) delivers strong performance

nib's aphi business incorporates Australian residents' health insurance (arhi) and nib's international students and workers business (iiji). Both businesses performed well in FY25.

In **arhi**, nib continued its focus on delivering for customers, driving above system policyholder growth and managing claims and operating costs. In FY25, arhi policyholder growth was at 3.2% up from 2.5% in FY24. In FY25, nib attracted 52,000 new customers to the private health insurance industry who did not previously



hold cover. This strong policyholder growth, along with sustainable premium increases, supported insurance revenue of \$2.8 billion, an increase of 7.3% on FY24.

Mr Close said claims experience was in line with nib's expectations and has been effectively managed, supported by the premium increase, and underpinned by increased value for customers through healthcare provider networks and agreements aimed at reducing out-of-pocket costs.

FY25 arhi UOP of \$207.8 million was down 4.6% on \$217.8m in FY24 as margins were guided toward nib's target range of 6-7% with reported net margin at 7.3%. Non-marketing management expense ratio (MER) improved 40 basis points to 6.0% in FY25, down from 6.4% in FY24.

Incurred claims expense increased to \$2.3 billion, up 8.9% from FY24, reflecting customer growth and claims inflation at 4.5%, or 4.9% including the NSW Government's hospital bed rate increase. In addition to hospital indexation, nib provided almost \$20 million in one-off funding to private hospitals over the last two years, and an extra \$8 million in 2H25 via increased bed rates to support the NSW public health system.

nib's **international students and workers** business continued to perform well. nib's international segment provides private health insurance for international workers and students as part of their visa requirements for temporary residency in Australia and New Zealand. The Pacific Australia Labour Mobility (PALM) scheme allows participants to come to Australia and upgrade their skills through work in regional and remote areas. "nib aims to provide a premium level of support to workers and students who are a long way from home, their families and communities," Mr Close said. UOP was \$30.5 million, up 23.0% on FY24. Policyholders rose 2.4% over FY24. nib continues to focus on pricing, expense control, and improving digital access to services for international customers.

At **nib New Zealand**, the year was marked by a modest loss after a year affected by sector-wide high claims inflation. In 1H25 the business suffered a \$10.1 million loss with a return to profitability in 2H25. Insurance revenue grew 8.1% to \$401.4 million in FY25. Full year UOP was a loss of \$2.9 million from a \$19.3 million profit in FY24. Mr Close said nib NZ took remedial action in FY25, including product changes and premium price increases. Further changes and price increases are expected to be applied across some services. Premium rises become effective on the anniversary of a customer joining nib and flow progressively through the private health insurance book. Mr Close said the slow economy and low consumer confidence combined with ongoing claims cost uncertainty may dampen near-term recovery.

Adjacent businesses deliver positive contribution

nib Travel, which includes the nib Travel, Travel Insurance Direct (TID) and World Nomads brands, finished FY25 strongly, growing 2H25 UOP by 20%. In line with nib Group's focus on core operations, nib announced the travel business would undergo a strategic review, which is expected to be completed in the coming months. **nib Thrive**, a plan manager and support coordinator, which helps more than 43,000 participants in Australia's National Disability Insurance Scheme (NDIS) with claims processing and connectivity to service providers, continued to grow. Revenue was up 11.3% against the prior corresponding period. nib Thrive processed 3.4 million claims to the value of \$2.5 billion in FY25. nib's newly created **Health Services** combines Honeysuckle Health and Midnight Health, an investment in ItsMy Group, and complementary insurance. In FY25, Honeysuckle Health and Midnight Health combined generated gross revenue of \$70.2 million, up 51.6%, year on year.

In FY25, more than 121,000 nib customers engaged in health and wellbeing experiences or telehealth consultations supported by Honeysuckle Health and Midnight Health; 22,300 people enrolled in a health management program to help manage chronic disease and more than 104,000 people took part in screening programs including nib's skin check. "These healthcare services are designed to deliver better health outcomes for customers and provide additional support beyond private health insurance," Mr Close said.

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Dividend

The Board declared a 2H25 dividend of 16 cents per share fully franked, resulting in a full year dividend of 29.0 cents per share (FY24: 29.0 cps). The full year dividend represents a payout ratio of 70.6% of FY25 NPAT. The final dividend has a record date of 5 September 2025 and will be paid to shareholders on 7 October 2025. The Dividend Reinvestment Plan is available to eligible shareholders.

Outlook

nib's performance in FY26 will be underpinned by a sharpened strategic focus on core private health insurance and adjacent business growth. "We are ambitious about increasing sector participation, providing value for customers, delivering further productivity gains and driving consistent performance across our business," Mr Close said.

The Group will target above-system arhi net policyholder growth of ~3%, and a stable full year underlying net margin in the 6-7% range. nib's international students and workers business is expected to continue contributing strongly to Group UOP, while New Zealand is on track for full-year profitability, supported by a well-progressed claims recovery plan. "We're focused on strengthening the healthcare system by supporting providers and improving affordability and access for our customers," Mr Close said.

In non-private health insurance, nib Health Services is targeting full-year profitability in FY26, with nib Thrive targeting ongoing growth and further operating efficiencies. The strategic review of nib Travel is well progressed, and the Group's productivity agenda continues to support performance, targeting ongoing reductions in the group expense ratio and a focus on delivering improved customer value through digital and AI initiatives.

Investor Briefing

nib will hold an investor briefing at 9.30am (AEST) today, 25 August 2025, via webcast and teleconference. The webcast is accessible via our shareholder website (www.nib.com.au/shareholders) and via this link: <https://edge.media-server.com/mmc/p/s4psnypg>

Register for the teleconference via this link: <https://register-conf.media-server.com/register/BI41b98690868445d7b2bc7762aaad1271>

This announcement has been authorised for release by Roslyn Toms, nib Company Secretary.



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