

5 February 2025

### **Tower updates FY25 guidance**

Kiwi insurer Tower (NZX/ASX: TWR) has today updated its earnings guidance on underlying net profit after tax (underlying NPAT) for the year ending 30 September 2025.

Full year underlying NPAT is revised upwards to a range of between \$60m and \$70m, from the previously advised range of between \$50m and \$60m. This assumes full utilisation of the \$50m large events allowance. So far in FY25, Tower has recorded one large event - the Dunedin flooding event in October, with an estimated cost of around \$3m.

The upward revision of underlying NPAT guidance reflects strong business performance in the first quarter of the 2025 financial year along with positive early indications from January's performance. This increase is predominantly driven by better-than-expected business-as-usual (BAU) claims performance due to a combination of factors including continued benign weather, easing inflation, a lower number of total loss house claims, and enhanced risk selection.

Guidance for gross written premiums (GWP) is revised to between 7% and 12%, from a range of 10% to 15%. While Tower saw strong customer growth in the first three months of the financial year, a reduction in average premiums has contributed to lower-than-expected GWP growth. Tower is seeing a reduction in average premiums due to higher-than-expected proportions of lower risk new house insurance and motor policies.

Guidance on the combined operating ratio (COR) has improved to between 84% and 86%, down from a range of 87% to 89%.

Tower will provide further details on its performance at its annual shareholder meeting on 11 February.

ENDS

This announcement has been authorised by:

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