

Market Release

27 May 2025

Bell Potter Emerging Leaders Conference 2025 presentation

Challenger Limited (ASX:CGF) attaches a copy of the presentation and speaking notes that Managing Director and Chief Executive Officer Nick Hamilton will deliver at 09.30am today at the Bell Potter Emerging Leaders Conference in Sydney.

ENDS

This release has been authorised by Challenger's Continuous Disclosure Committee.

About Challenger

Challenger Limited (Challenger) is an investment management firm focused on providing customers with financial security for a better retirement.

Challenger operates a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

For more information contact:

Mark Chen

General Manager Investor Relations
Mob +61 423 823 209
machen@challenger.com.au

Felicity Goodwin

Head of Public Affairs
Mob +61 461 579 782
fgoodwin@challenger.com.au

Irene Xu

Investor Relations Manager
Mob +61 451 822 326
ixu@challenger.com.au

Rhiannon Hornsey

Chief of Staff
Mob +61 428 404 345
rhornsey@challenger.com.au

Bell Potter Emerging Leaders Conference

The retirement opportunity

Nick Hamilton

Managing Director
& Chief Executive Officer

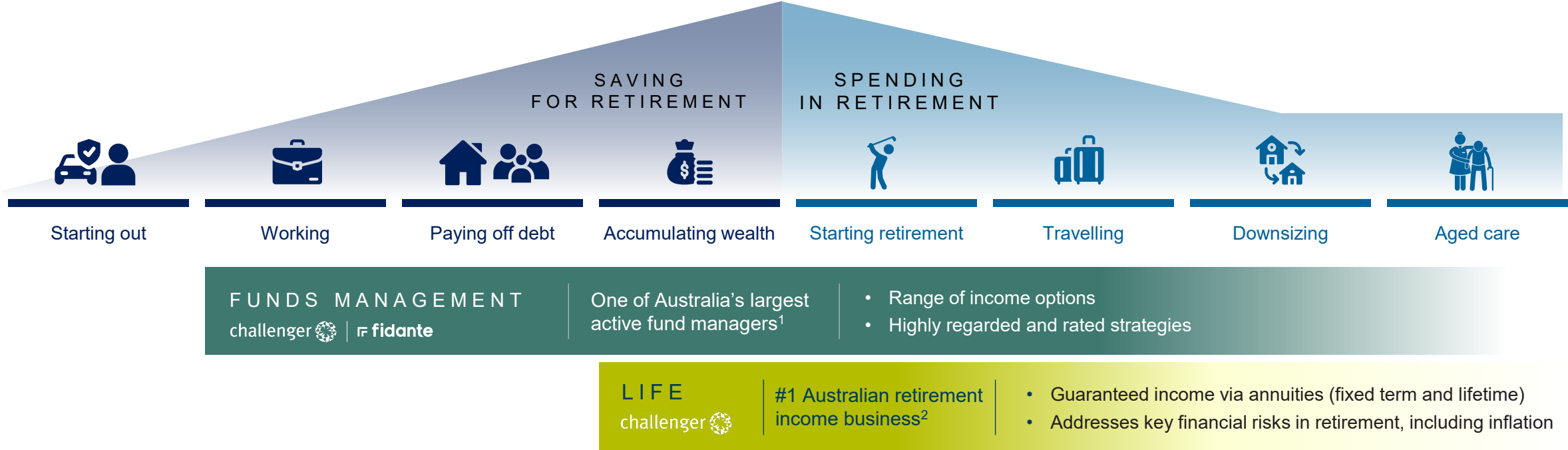
27 MAY 2025

challenger 



Challenger overview

Leader in income products



COMPETITIVE ADVANTAGES



Leading origination capability



Trusted and recognised brand



Leading multi-affiliate platform



Highly capable and engaged team



Exceptional distribution footprint

MS&AD

Mitsui Sumitomo Primary Life Insurance

Reinsurance partnership

1. Calculated from Rainmaker Roundup, December 2024 data.
2. Plan for Life – December 2024.

Challenger purpose and strategy

Providing customers with financial security for a better retirement

OUR STRATEGIC PILLARS

Retirement leader

Broaden customer access across multiple channels



Investment excellence

Superior outcomes and financial resilience



Talented team and capability

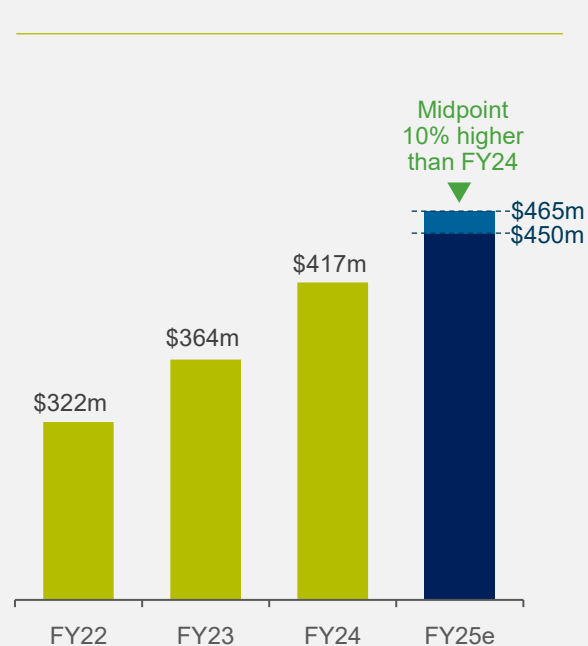
Outstanding skills and ways of working



Delivering strong financial performance

Double digit earnings growth

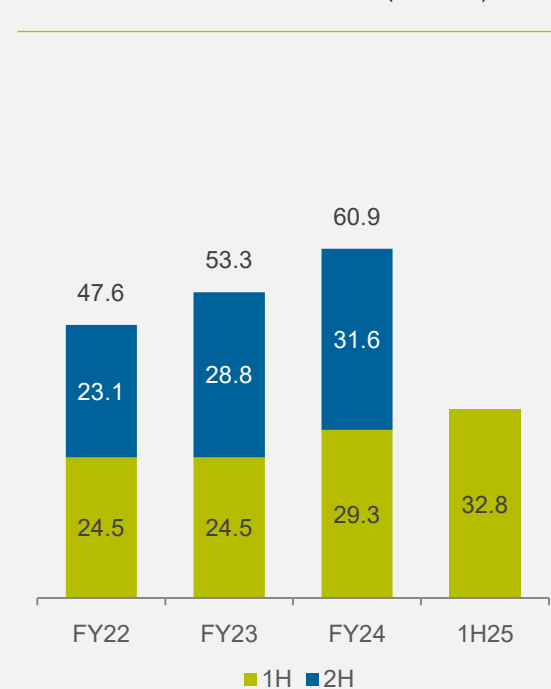
NORMALISED NPAT¹



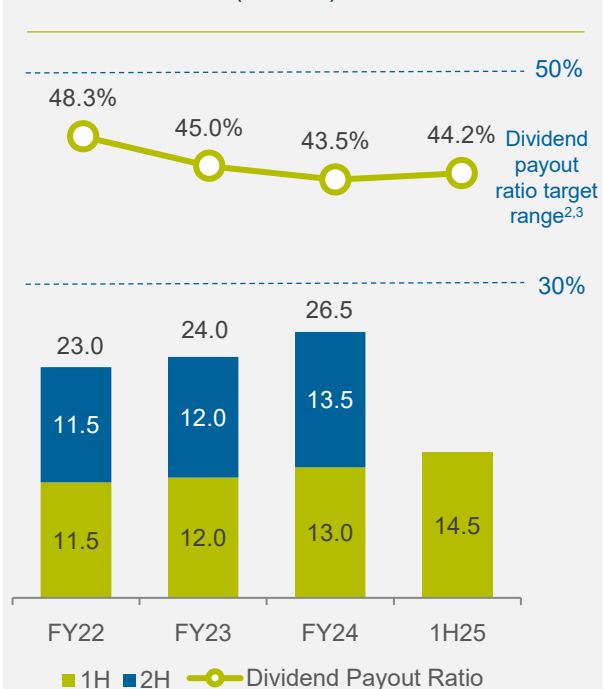
NORMALISED ROE POST-TAX¹



NORMALISED EPS (CPS)¹



DIVIDEND (CPS)



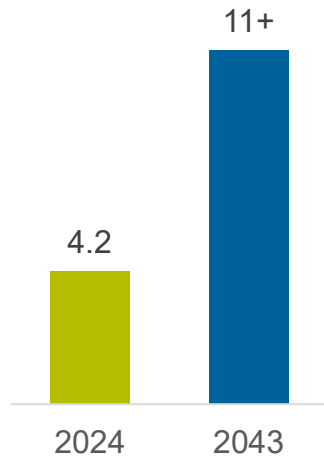
1. Normalised metrics exclude Discontinued Operations (Bank) from 1H24. Prior periods are not restated to exclude Discontinued Operations (Bank).
2. Normalised dividend payout ratio represents dividend per share divided by normalised earnings per share (basic).
3. Dividend subject to market conditions and capital management priorities.

The retirement opportunity

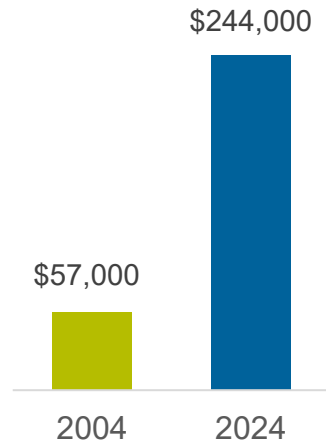
World class accumulation system with significant retirement savings
Australians are living longer driving need for financial security

WORLD CLASS SUPERANNAUTION SYSTEM

Projected Australian superannuation assets^{1,2} (\$tn)



Average superannuation account balance³



AGEING POPULATION

7.1 ↑
million

Australians over the age of 60 in 2030⁴

2.5 ↑
million

Australians set to retire over next 10 years⁵

83.2 ↑
years

Australian life expectancy - Fourth highest⁶

1. The Australian Prudential Regulation Authority (APRA) as at December 2024.
2. Deloitte Superannuation Market Projections Report 2023.
3. Excludes SMSFs. The Australian Prudential Regulation Authority (APRA), Average member benefit age 60-64 as at September 2024, and June 2004 average benefit age 60-65 for 185 regulated funds
4. Intergenerational Report 2023: National Population Projections by Age and Sex, 2022-23 to 2062-63. Australians over the age of 80 years are expected to be 7.1 million compared to 2.2m in 1983.
5. Treasury modelling, Retirement phase of superannuation Discussion Paper December 2023.
6. Organisation for Economic Co-operation and Development Life Expectancy at Birth, 2022.

Retirement is different - from lump sum to lifetime income

Financial confidence in retirement is turning your savings into income that lasts a lifetime
Regulation introducing greater focus on income security and peace of mind

TOP 3 MOST IMPORTANT RETIREMENT PRIORITIES



GOVERNMENT OBJECTIVES

- ✓ Defining purpose of superannuation
- ✓ Retirement Income Covenant
- ✓ Delivering Better Financial Outcomes

REGULATORY OBJECTIVES

- ✓ Supporting life insurers increase availability of retirement income products and grow annuity market

INDUSTRY OBJECTIVES

- ✓ Innovation and competition in lifetime income market
- ✓ Advice / digital to play a larger role

Lifetime Income – a building block of certainty

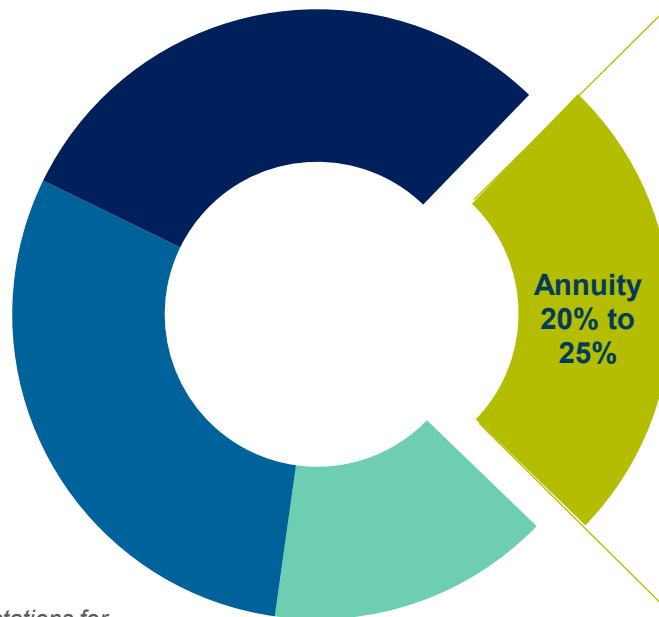
Provide regular income in retirement and increase confidence levels in retirement
Complement other retirement investments and sources of income

Illustrative example retirement portfolio

75%
Retirement
growth assets

+ 25%
Annuity¹

*Combined portfolio meets expectations for
income/capital longevity*



Term annuities

- ✓ Guaranteed regular income for a fixed term of retiree's choice
- ✓ Flexible capital return options
- ✓ Attractive market leading rates

Lifetime annuities

- ✓ Regular income for life
- ✓ Payments that can keep pace with inflation
- ✓ Options to accelerate payments with lifestyle

ANNUITIES CAN HELP YOU SPEND WITH CONFIDENCE



Income certainty



Inflation protection



Payments to beneficiary



Access to funds



Maximise social security
entitlements

IMPORTANT NOTE

The material in this presentation is general background information about Challenger Limited group's activities and is current at the date of this presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered with professional advice when deciding if an investment is appropriate.

Challenger also provides statutory reporting as prescribed under the Corporations Act 2001.

The 2025 Interim Financial Report is available from Challenger's website at www.challenger.com.au/about-us/shareholder-centre.

This presentation is not audited. The statutory net profit after tax has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. Challenger's external auditors, Ernst & Young, have reviewed the statutory net profit after tax. Normalised net profit after tax has been prepared in accordance with a normalised profit framework. The normalised profit framework is disclosed in Note 4 Segment Information of Challenger Limited 2025 Interim Financial Report. The normalised profit after tax has been subject to a review performed by Ernst & Young. Any additional financial information in this presentation which is not included in Challenger Limited 2025 Interim Financial Report was not subject to independent review by Ernst & Young.

This document may contain certain 'forward-looking statements'. The words 'forecast', 'expect', 'guidance', 'intend', 'will' and other similar expressions are intended to identify forward-looking statements. Forecasts or indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. While due care and attention has been used in the preparation of forward-looking statements, forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Challenger. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. Challenger disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Past performance is not an indication of future performance.

While Challenger has sought to ensure that information is accurate by undertaking a review process, it makes no representation or warranty and (to the maximum extent permitted by law) accepts no liability as to the accuracy or completeness of any information or statement in this document.

Unless otherwise indicated, all numerical comparisons are to the prior corresponding period.

Bell Potter Emerging Leaders Conference 2025

Managing Director and Chief Executive Officer speaking notes

Thank you and good morning everyone. It's a pleasure to be joining you today.

Thanks to Bell Potter for the invitation to speak at today's conference.

For those who don't know me, I'm Nick Hamilton, the Managing Director and CEO of Challenger.

Today I look forward to providing you with an overview of Challenger, as well as the significant role that our business will play in one of the key themes of our time – the age of retirement in Australia.

Firstly, on Challenger.

Our business model meets the financial needs of customers throughout their working lives and into retirement.

Financial security for a better retirement is our purpose and one that today feels more relevant than ever – eloquently captured by Chris and Carol, retired Challenger customers who spoke to Channel 9 recently:

"It's our dream knowing that every month, we'll receive a steady income that allows us to live how we want. This dependable, "set-and-forget" income stream has freed us from financial worries, allowing us to fully enjoy our retirement years."

We operate two core businesses that turn our purpose into meaningful outcomes for our customers – an APRA regulated Life business and a Funds Management business.

Challenger Life is the country's leading retirement income brand and makes approximately \$6 billion¹ a year in guaranteed payments to customers.

Through our relationship with Mitsui Sumitomo Primary Group – a world leading global insurer – we also provide retirement income annuities to Japanese retirees.

We work with around 6,000 financial advisers to provide retirees reliable and secure income streams, that range from fixed term annuities to lifetime annuities, which are often described as a 'pay cheque for life'. This includes inflation protected options and allows for a structured drawdown of a retiree's capital.

We're also working with wealth managers, superannuation funds and platforms to build innovative retirement income solutions that meet the needs of even more Australians in retirement.

The guaranteed income we pay to our customers is backed by a \$25 billion investment portfolio, which is predominantly invested in high-grade fixed income, and we are strongly capitalised holding \$4.5 billion of regulatory capital.

Our Funds Management business is one of Australia's largest active managers and helps clients with growth and income strategies.

Fidante, our leading multi affiliate platform, and Challenger Investment Management or CIM provide clients with access to a broad catalogue of highly regarded investment products, many brands you will know well.

CIM has been active in the Australian private lending market for 20 years, with experience through both the peaks and downturns of the credit cycle.

To deliver high quality outcomes for our clients and customers, we draw on our team's exceptional origination, investment and distribution capabilities.

¹ Guaranteed payments to customers over FY24.

And to maintain our competitive advantage, we are on the way to completing a significant investment to transform our customer technology. This will make it much easier to do business with us and support our plans to offer a wider range of innovative retirement and income products that will be integrated into personalised retirement plans.

Our growth strategy is delivered across three pillars.

Retirement leader reflects our focus on building a strong and trusted brand, expanding what we deliver and who we partner with.

Investment excellence speaks to the engine of our organisation – a leading originator of credit in Australia.

Our strategy is delivered by our talented team who put the customer at the centre of everything they do and are the bedrock of our future growth plans.

Over the last three years, we have reset our business to deliver on the significant opportunity ahead.

As a result, our business has achieved growth which has translated into a marked improvement in our financial performance including:

- Double digit earnings growth;
- Year on year delivery against our plan to achieve our RoE target; and
- Dividend growth for our shareholders that demonstrates our confidence in the business and future growth.

We have written \$6 billion of lifetime and long-dated Japanese annuities in the last three years.

We've also repositioned how we promote and sell our retirement offering. In response, our sales team are reporting a change in the way advisers and clients view the role of lifetime annuities in a retirement plan.

For context, the number of advisers writing lifetime annuities has increased by nearly 70%.

At the same time, we have deepened our investment expertise.

We have invested in our private credit asset capability that supports our Life business and meets growing client demand for higher yielding income strategies.

Fidante has a market-leading offering, with investment managers and strategies across equity, fixed income and alternatives.

We have also significantly strengthened our capital position and achieved our return objectives for our shareholders.

As we look ahead, the opportunity for Challenger to help more Australians enjoy the golden years of retirement only grows.

With our world class accumulation system, Australians are better prepared than many to have a fulfilling and financially secure retirement.

It's worth remembering that a retiree today has benefited from over 30 years of compulsory superannuation and the value of retirement assets per household only grow from here.

As a result, Australians today are approaching retirement with more savings than ever before.

As a country, we are also living longer.

In five years, the number of Australians aged over 65 will almost triple and those over 85 will increase more than six-fold since the superannuation system was conceived.

Research in retirees' attitudes confirms what we're hearing from customers, advisers and clients – a proportion of guaranteed income provides a greater sense of financial security, and by association happiness in retirement.

People feel greater financial confidence about when and how to retire and how much to spend, which allows retirees to pursue personal goals – all of which contributes to a more enjoyable and fulfilling retirement.

Without this financial certainty, we're seeing retirees live more frugally than they need to and 'under retire' due to FORO or 'fear of running out', despite having worked hard over many years to build their savings.

But our super system was born in a different time.

Generating an income from your savings when in retirement is fundamentally different to long-term saving.

Those who receive financial advice during their working lives seek strategies to accumulate wealth and build a nest egg - how much to save, asset allocation across investments, balanced against monthly outgoings such as mortgage, healthcare and car repayments.

But the forces that make savings and superannuation so powerful during our working lives shift at retirement. Once your regular salary stops, individuals who often lack financial literacy and access to advice face the reality of turning savings into income that ensures they do not under retire or outlive their savings.

Retirees also need to navigate the unique risks that come with living longer in retirement and the impact of market volatility that can quickly alter their situation.

We know that for retirees, market volatility like we saw during April in the US, is a major concern for those that rely on their savings to deliver income in retirement and without the luxury of time to recoup losses.

As Australians live longer and retire in ever greater numbers, work is underway to build a vibrant retirement system.

Government and regulatory reform will provide the train tracks to create a retirement system where more Australians can:

- Access high quality, affordable retirement advice, at scale; and
- Choose from a broader range of retirement products

The overall objective? To deliver personalised retirement plans to millions more Australians, enabled by affordable advice through the usage of new technology.

And for millions of Australians, availability of good financial advice in retirement will incorporate lifetime income.

Unlocking savings to build a sustainable retirement system isn't just the right thing for retirees, it will deliver significant economic and societal benefits, given the \$86 billion² of super assets that move from accumulation to retirement each year and will continue to grow.

Financial confidence in retirement is about ensuring you neither underspend and 'under-retire' nor outpace your savings.

² In 2023, based on Taxation Statistics 2021-22 from Australian Taxation Office.

That's why many Australians would greatly benefit from lifetime income as a building block in their retirement portfolio, providing certainty of a regular income for as long as they live, irrespective of market movements.

We see many advisers using annuities to underwrite the defensive sleeve of their clients' portfolio.

Annuities are also used as a cash flow management tool that allows the drawdown of capital over time, which can overcome the behavioural bias to only live off investment earnings, giving confidence to spend.

For example, here we have a portfolio that includes 20-25% allocation to a combination of Term and Lifetime annuities.

Term Annuities provide:

- Guaranteed regular income for a fixed term of retiree's choice with attractive market rates; and
- Flexible capital return options

Lifetime annuities provide:

- Regular income that is guaranteed for life;
- Payments that can keep pace with inflation; and
- Tax free payments for over 60's using Super monies and death benefits

We are very confident in the future of our business and the role that Challenger will play in providing more Australians with financial security in retirement.

The first annuities were issued by the Romans. There have been many improvements since, but the core principle remains – an income for life.

We know that our purpose of financial security for a better retirement matters. Bringing more Australians financial security as they save for, enter, and live through retirement matters.

Thank you and I am happy to take your questions.