



Helia Group Limited 2024 Annual General Meeting CEO's Address

9 May 2024: Thank you, Ian, and good morning, everyone.

I am Pauline Blight-Johnston, Helia's Chief Executive Officer and Managing Director. It's my pleasure to be here with you, our shareholders, today. I extend a warm welcome to those of you joining us in person and virtually.

Before I start, I would like to acknowledge the Gadigal People of the Eora Nation, on whose land we are hosting our meeting today. I pay my respects to their Elders past and present, and to all Aboriginal and Torres Strait Islander Peoples here today.

Our purpose

As Ian mentioned in his address, Helia's purpose of accelerating financial wellbeing through home ownership, now and for the future, has never felt more important.

As both the cost of living and housing prices escalate, realising the financial and emotional benefits of home ownership seems increasingly distant for many Australians. Helia is proud to be working with our lender customers to make this more attainable for many, and in particular for over 42,000 home buyers we helped in 2023.

Delivering for our lender customers

Over 2023 we saw our unwavering commitment to our customers and aspiring home owners deliver results in the form of:

- improving our already strong customer net promoter score to +79;
- successfully renewing all four contracts with existing lenders up for renewal; and
- winning a new exclusive contract with Great Southern Bank.

We are seeing the benefits from our multi-year technology transformation to modern, cloud-based technology. This streamlined environment not only enhances security but improves customer connectivity and enables efficient onboarding of new lender customers.

During the year, we integrated lenders mortgage insurance into the digital loan origination process for a growing number of customers, delivering a seamless experience, and making us easier to do business with.

These investments in technology and innovation resonated with customers and were recognised externally through an innovation award in the Asia Pacific region for our end-to-end digital transformation, one of only six companies globally to receive this honour.

Financial performance

Turning now to our financial performance.

As Ian mentioned, Helia delivered a strong financial result for 2023.

We reported an underlying net profit after tax of \$248 million and a statutory net profit after tax of \$275 million an increase of 37% from the prior year.

Statutory net profit after tax was higher than underlying net profit after tax – mainly due to unrealised mark-to-market investment gains in the shareholder funds.

This strong profit outcome was a result of continuing unusually low levels of claims and stronger investment returns, resulting from increased interest rates. The 2023 claims result of negative \$67 million arose as we witnessed a low level of new incurred claims, which was more than offset by releases from existing claims reserves as delinquent loans aged better than expected.

Our underlying return on equity was 21%, up 274 basis points on the previous year's result.

Disappointingly, gross written premium decreased 42% to \$185 million due to low levels of industry high loan-to-value ratio lending, as well as the impact of the Federal Government's First Home Guarantee scheme.

The fall in revenue of 9% was more modest, given new premium revenue is recognised over the life of a policy.

We have a very strong capital position and, as Ian mentioned, we are pleased to share the benefits with you returning surplus capital to shareholders. Our 2023 results allowed us to declare dividends of 59 cents per share. Our total shareholder return last year was close to 83%, the highest amongst our listed financial services peers over the past year.

Turning to 2024, in our market update earlier this month, we shared that we have continued to see similar trends over the first quarter of 2024 as we saw over 2023, with a continuing benign claims experience leading to strong profitability, and ongoing weakness in written premium.

Despite the headline resilience in the economy, current conditions are challenging for prospective home buyers and home owners as they adjust to higher interest rates. Helia is proud to have supported our lender customers to offer hardship solutions to over 9,000 homeowners in need during 2023. We continue to expect claims to increase towards long-term levels and stand ready to support our customers as that occurs.

We look forward to providing a further update around our performance and outlook at our half year results in August.

Our people

Performance like this can only be achieved through our capable and dedicated team. We are committed to supporting our people to realise their potential and building a diverse, equitable and inclusive workplace.

In 2023, we saw our engagement scores further increase to 80%, placing Helia in the top quartile of the financial services sector. We were also pleased to once again be recognised by the Workplace Gender Equality Agency as a Gender Employer of Choice and to be one of very few companies in Australia to have achieved gender pay equity.

Our investments in developing our people to realise their potential and personal goals position us well to continue to build on our strong employee engagement and diversity and inclusion outcomes.

In this regard, I'm particularly pleased to welcome our new General Counsel and Company Secretary, Brady Weissel, to this meeting. After many years working alongside our much-loved previous General Counsel, Prue Milne, Brady has slotted into the role seamlessly and it has been a pleasure for the Board and leadership team to work with him in this new capacity. I would also like to take this opportunity to thank both Prue and Brady for their contributions to Helia over many years – with hopefully many more to come from Brady!

Looking ahead

Helia is a time-tested business with a strong track record of navigating the ups and downs of the economic cycle for almost 60 years.

As we manage through this period of economic uncertainty, Helia is privileged to continue to support Australians to achieve their home ownership dreams, from a position of business and capital strength. We continue to invest in our market-leading customer solutions, technology and people to ensure we can continue to do so for generations to come.

In closing

Speaking of people, again, I would like to take this moment to thank Helia's retiring Chairman, Ian MacDonald, for all he has done for Helia over the past 12 years. As a Director for 12 years and Chairman for 8, Ian has been a passionate supporter of Helia, LMI and our purpose to help Australians.

He has dedicated himself to ensuring the company is well-governed and delivers for all our stakeholders, and has taken a keen interest in the development of our people. Ian, thank you from all at Helia for your service, and in particular from me for the support and guidance you have given me as I transitioned into the CEO role and then faced the many challenges that followed. We will greatly miss you.

We are fortunate that the Board has elected as our new chair, Leona Murphy from within its ranks. A distinguished business leader with a knack for bringing out the best in those around her, the Board, leadership team and I look forward to working with Leona to continue to deliver excellence for all our stakeholders.

Finally, I would like to thank all of our key stakeholders for the unique part you each play in Helia's success. To our customers, it is our absolute privilege to work in partnership with you to help Australians borrow for their homes. To our employees, thank you for the hard work and passion that drives each and every one of you every day. And to our shareholders, thank you for your ongoing support to enable us to continue to be here as Australia needs us.

I will now hand back to Ian for the formal business of the meeting.

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