



2022 Annual General Meeting

18 November 2022

7  **nib**
CELEBRATING 70 YEARS



Disclaimer

The material in this presentation is a summary of the results of nib holdings limited (nib) for the 12 months ended 30 June 2022 and an update on nib's activities for the 4 months ended 31 October 2022. This presentation is current at the date of preparation, being 18 November 2022. Further details are provided in nib's 2022 annual report. Figures provided for the 4 months to 31 October 2022 have not been subject to audit.

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Basis of preparation

The financial information disclosed has been prepared on a statutory basis. Due care and consideration should be undertaken when considering and analysing nib's financial performance. All references to dollars are to Australian Dollars unless otherwise stated.

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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.

Group and nz figures are inclusive of nib nz insurance limited (previously Kiwi Insurance Limited) unless otherwise stated. Kiwi Insurance Limited was acquired on 29 April 2022.

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.

David Gordon
Chairman





Welcome to Country

Raymond Smith

Awabakal Elder

Deputy Chair Awabakal Medical Service

Cheryl Smith

Aboriginal Elder of the Newcastle

Aboriginal Community



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.

David Gordon
Chairman



nib's board and executive

Board

David Gordon	Chairman and Independent Non-Executive Director
Lee Ausburn	Independent Non-Executive Director
Jacqueline Chow	Independent Non-Executive Director
Peter Harmer	Independent Non-Executive Director
Anne Loveridge	Independent Non-Executive Director
Donal O'Dwyer	Independent Non-Executive Director
Mark Fitzgibbon	Managing Director and Chief Executive Officer

Executive

Roslyn Toms	Group Executive Legal and Chief Risk Officer (General Counsel and Company Secretary)
Nick Freeman	Group Chief Financial Officer
Brendan Mills	Group Chief Information Officer

Agenda

- Item 1** Consideration of reports
- Item 2** Remuneration report
- Item 3** Re-election of Mr Donal O'Dwyer
- Item 4** Approval of participation on long-term incentive plan



70th
anniversary

People's
Choice Vote



Ronald McDonald
House Charities®
Australia

Scan your QR code



Vote



Chairman's presentation



70 years of nib



Celebrating 70 years of looking after the needs of our members



nib provides health insurance to:
~1.5m residents in Australia & New Zealand
~180,000 international students and workers



CEO Mark Fitzgibbon celebrates
20 years of outstanding leadership



>130,000 shareholders, ASX 200 listed company



Our purpose:
your better health and wellbeing



\$145 million

COVID-19 support package



\$40m in claims savings returned to members
via covid give back¹

\$15m in claims savings returned to members
via covid credit¹

\$1.5m in community funding
with nib foundation

\$2.6m in financial assistance
in the form of premium waivers or suspensions

2022 premium increase lowest in 20 years and postponed for seven months

2020 premium increases postponed
for six months

Premium increases waived
for members on JobKeeper and JobSeeker

Expanded cover for COVID-19
treatment at no cost

Expanded cover for psychology services
at no cost

Latest COVID-19 health information
on The Check Up

Free antenatal and early parenting classes
online

100,000 facemasks donated
to frontline healthcare workers

\$250 frontline healthcare worker
wellness rebate

Permanent telehealth services
for eligible members with extras cover

1. The COVID-19 give back and covid credit¹ applies to Australian Residents Health Insurance members and our whitelabel partners. GU Health members will receive or have received a premium adjustment at renewal. It excludes nib's international workers and international student members.



Health management programs



\$5m increased investment as part of COVID-19 support package



Programs provide access to professional support services



~10,000 members enrolled in FY22



Hospital support program resulted in 16% reduction in hospital readmissions



Business segment highlights

arhi

- Premium revenue up 5.2% to \$2.3b
- Net policyholder growth 3.2%
- Increase of ~20,000 members in FY22

New Zealand

- Premium revenue up 12.8% to \$291.8m
- Net policyholder growth 5.6%
- New life and living products

nib Travel

- Underlying operating loss \$7.4m
- GWP \$98.8 million
- Operating income up 232.9% to \$46.6m
- Strong recovery in Q4

iihi

- Premium revenue up 7.1% to \$123.7m
- High growth of international workers
- Increase in student visas lodged

FY22 Group highlights



Underlying revenue
\$2.8b up 7.2%



Underlying operating profit
\$235.3m up 14.8%



\$2.1b in claims paid¹



>375,000 hospital admissions
>3.6m ancillary visits



On-going support for
indigenous communities



Investment loss
\$30.0m (\$51.8m gain in FY21)



Earnings per share
29.6cps down 15.9%



Investment in Midnight Health



HONEYSUCKLE HEALTH

- Joint venture with global health services company, Cigna Corporation
- Specialist healthcare data science and service company, providing a range of health programs and services

Injury support program:

- Supported over 500 injured workers
- 10% reduction in return to work timelines
- 20% reduction in claims costs

SilverCloud Health:

- Over 1,600 members using platform
- ~68% participating in clinical program
- Over 50% experiencing clinically significant improvement

- National Disability Insurance Scheme (NDIS) is a vital part of Australia's social capital.
- Over 530k participants in FY22, expected to grow to more than 800k by FY30¹
- Plan Management is an increasingly popular option for participants with 56%¹ electing to use a Plan Manager.
- nib raised \$158.1m through institutional and retail investors to fund entry into NDIS Plan Management.
- First acquisition, Maple Plan completed in November 2022. Maple Plan serves a base of 7,000 participants.
- Actively considering other Plan Manager opportunities with aim of 50,000 participants by 2025.

1. National Disability Insurance Scheme: Annual Financial Sustainability Report 2020-21



Sustainability

- Attained Climate Active Carbon Neutral certification
- Developed science-based targets to achieve net carbon zero by 2040
- Delivered all outcomes of our *Reflect* Reconciliation Action Plan
- nib supports the Uluru Statement from the Heart in full
- Committed >\$1m over 4 years to Aboriginal Health Partnerships through nib foundation
- Māori rōpū (Māori group) health management programs aim to improve health outcomes
- \$24.9m in grants from nib foundation since established in 2008

nib Board of Directors

- Succession planning and ensuring we have the right skills mix, diversity and experience is a priority.
- Retirement of Lee Ausburn at close of 2022 AGM.
- Director recruitment process in place.



David Gordon
Chairman



Mark Fitzgibbon
Chief Executive Officer



Lee Ausburn
Non-executive Director



Donal O'Dwyer
Non-executive Director
For re-election at 2022 AGM



Anne Loveridge
Non-executive Director



Jacqueline Chow
Non-executive Director



Peter Harman
Non-executive Director



Thank you

Mark Fitzgibbon

Chief Executive Officer
& Managing Director



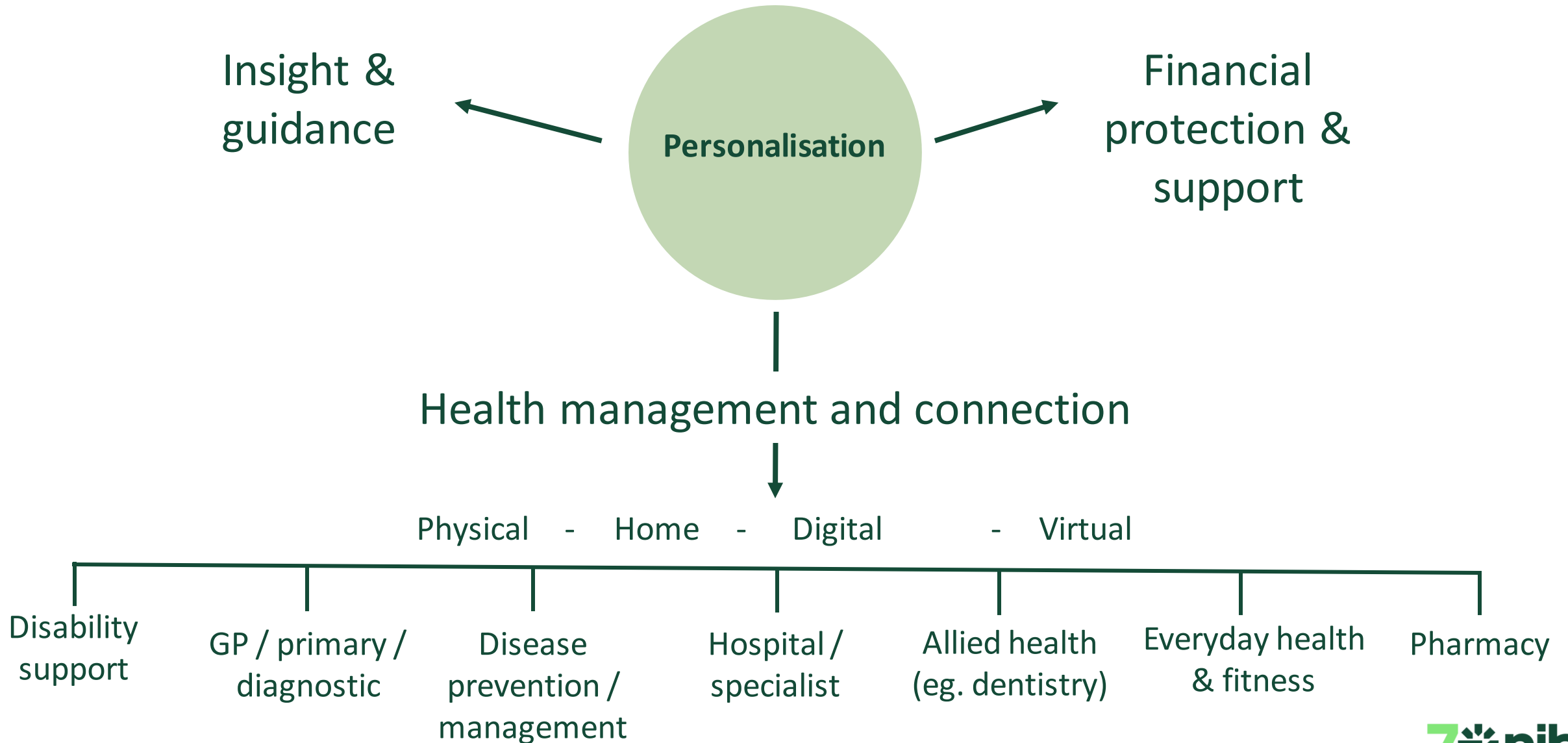
Our purpose: Your better health and wellbeing

Deliver deep insight and guidance about how to best achieve personal health and wellbeing goals and manage disease risk.

Customise and connect with a wide ecosystem of health and wellbeing products, services programs and providers relevant to personal goals and risk.

Make it all accessible and affordable with insurance, other related financial protection support and technology.

Payer to partner (P2P) ecosystem



From purpose to strategy

PHI expansion

In the 12 months to October 2022:

- arhi grew 4.0%
- NZ¹ grew 5.1%
- iih stable
- GreenPass launched with ~16,000 non-PHI members

New markets

- Travel insurance sales of 257,320 ytd²
- Mens/womens treatment package sales of 26,480 for 1Q23
- NDIS business launched with acquisition of Maple Plan.

Cost containment & affordability

- Lowest arhi premium increase in 20 years (2.66%)
- 16% reduction in unplanned hospital readmissions

Revenue and value capture

- Honeysuckle Health serviced over 8,000 people in 1Q23
- Multiple new HH clients

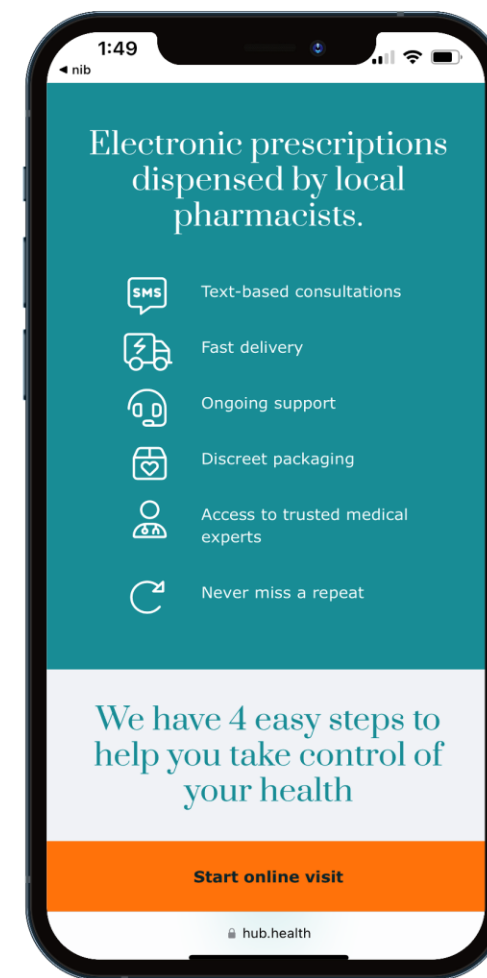
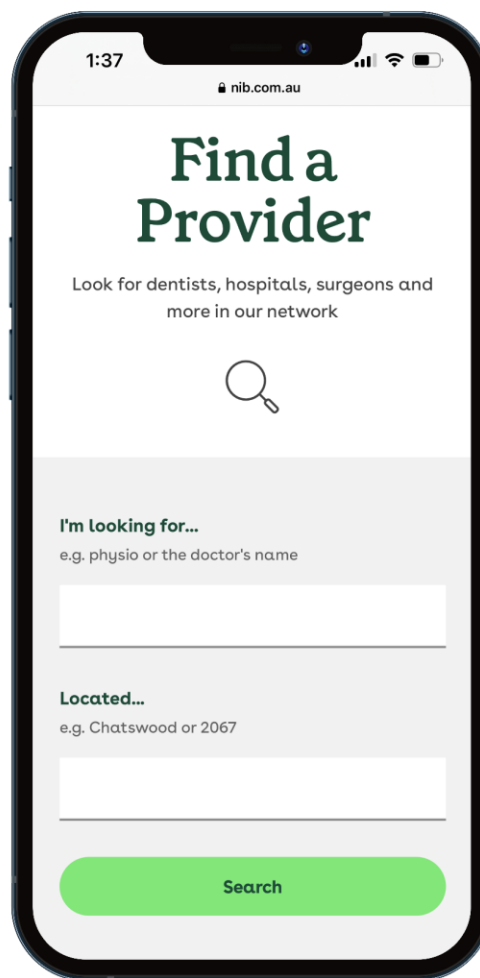
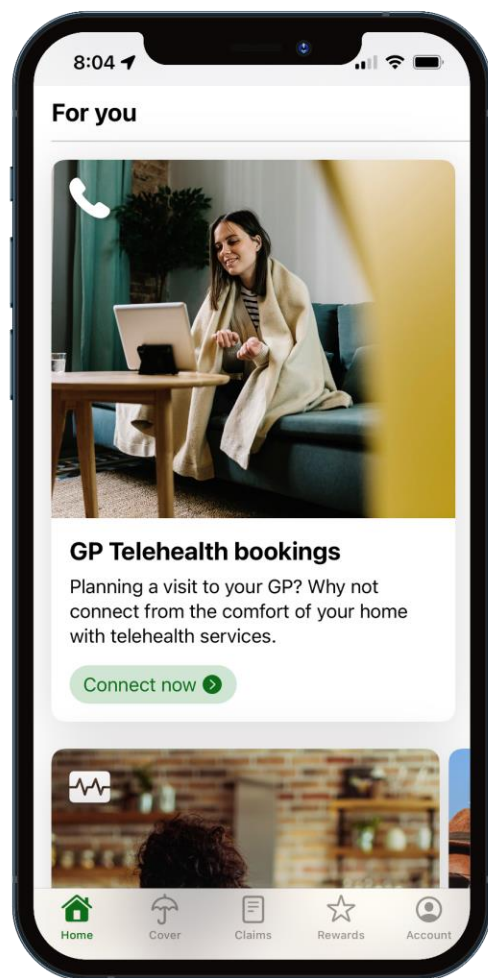
Government and 3rd party programs

- Toi Ora ~3,000 members at 1Q23
- Bourke population health initiative

1. NZ PHI and student policyholders only, excludes life and living products.

2. For the four months to 31 October 2022.

Making it all the more easy



What gets measured gets done

Commercial

- Group revenue
- Group underlying operating profit
- Earnings per share
- Return on invested capital
- Group net promoter score

Purpose

- Health and wellbeing index
- Health management engagement and outcomes
- Hospital utilisation rate
- Prevalence of chronic diseases

July to October FY23 business update

Group Financial Result (\$m)	4 mths to 31/10/22	4 mths to 31/10/21	Vs PCP
Premium revenue	940.4	898.5	▲ 4.7%
Underlying operating profit	109.5	94.1	▲ 16.3%
Net profit after tax	84.1	64.1	▲ 31.2%

Segment Growth	As at 31/10/22	As at 31/10/21	Vs PCP
arhi policyholders	677,907	651,583	▲ 4.0%
iihi policyholders	170,051	170,526	▼ 0.3%
nz ¹ policyholders	128,469	122,239	▲ 5.1%
travel - GWP (\$m)	70.8	9.2	▲ 669.0%
travel - sales (#)	257,320	53,425	▲ 381.6%

- nib continues to perform strongly, with all businesses contributing.
- arhi has maintained its strong performance
- The growth in UOP mainly driven by the recovery in the travel and iihi businesses, as well as an improved performance in NZ.
- Investment income has been volatile, but October was strong and YTD is now \$21.7m (PCP \$2.1m) assisting NPAT growth.
- Ongoing uncertainty about claims catch up and inflation.

1. NZ PHI resident and student policyholders only, excludes life and living products.

Outlook and key issues

- Continued growth in Australian resident's health insurance and New Zealand. Managing eventual reversion to “normal” claims experience and underwriting margins. Possible further member compensation.
- Demand for migrant workers adds impetus to international workers business. Margins remain at current levels.
- International students and travel businesses ongoing recovery from pandemic impact albeit with some uncertainty about pace. Student margins improve.
- Further investment and expansion of Honeysuckle Health. Additional clientele and revenue growth anticipated.
- Further acquisitions and investment in NDIS plan management. Consolidation and technology build.
- Conservative investment mandate profile (80% defensive; 20% growth).



Thank you



Appendix

July to October FY23 – additional information

Group (\$m)	4 mths to 31/10/22	4 mths to 31/10/21	Change %
Net premium revenue - reported	940.4	898.5	▲ 4.7%
Adjust for giveback accrual	35.5	13.6	
Net premium revenue - adjusted	975.9	912.1	▲ 7.0%
Net claims incurred - reported	(694.2)	(677.9)	▲ 2.4%
Adjust for COVID provision	(11.5)	19.1	
Net claims incurred - adjusted	(705.7)	(658.8)	▲ 7.1%
Gross profit – reported	246.2	220.7	▲ 11.6%
GP%	26%	25%	
Gross profit - adjusted	270.2	253.3	▲ 6.7%
GP%	28%	28%	
Underlying operating profit (UOP)	109.5	94.1	▲ 16.3%
Midnight Health consolidated loss	(3.7)	0.0	
UOP – excluding Midnight Health loss	113.2	94.1	▲ 20.3%
Net profit after tax (NPAT)	84.1	64.1	▲ 31.2%

- Premium revenue growth of 7.0% when adjusting for impact of member givebacks in current period and PCP, driven by strong policyholder growth in arhi and nz, and recovery of the iih business
- Reported claims has been impacted by changes in the COVID provision (decrease in current period and increase in PCP)
- We are also highlighting the impact of Midnight Health on UOP which will now be consolidated in FY23 as nib moved to majority ownership (with the adjustment for the minority interest occurring below the NPAT line)
- DCL balance of \$98.7m as at 31 October 2022 (\$98.7m 30 Sep, \$110.2m 30 Jun).