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Mark Fitzgibbon: Good morning, everybody, and welcome to our Half Year Results. I'm joined this morning by Nick Freeman, our CFO, and Roslyn Toms, our Chief Legal, Risk and many other titles, Ros.

We're in Newcastle today on the Traditional Lands of the Awabakal People and just across the harbour the Traditional Lands of the Worimi people who probably settled this area somewhere between 20,000 and 30,000 years ago and we pay our respects to that tradition and those people.

We have some good numbers to report today. This is our purpose. We talk a lot about it because it's important that everyone in the Company and all our stakeholders understand that purpose. It's not a platitude. I think in 20 years from now it will seem very strange to people that once upon a time nib did nothing more than sell health insurance.

We're very much today trying to become as much as a health platform, or we like to use the noun ecosystem, to help people manage their entire healthcare need. Health insurance and financial services remain important, of course, but it's not the only reason we're here.

This is our kind of "1+1+1 = 4" diagram. It neatly summarises our business strategy. Financial protection remains absolutely critical but it's as much about helping people and their doctors understand their own personal needs or even the need of an entire community and providing them with insight and guidance as to how their own health or the health of that community may be better managed and connect them with them a much broader ecosystem of healthcare products and services.

Look, we're making great progress on each front, as you can see, around financial protection and private health insurance, although we include travel insurance and now NDIS efforts to that today. We continue to grow powerfully.

I certainly won't try and go through all the detail here in terms of the progress we're making with insight and guidance, but I might just highlight that bottom one. We now have Symptom Checker as an online service and available on our nib app.

That was only launched a couple of weeks ago and already we're doing about 40 symptoms checked each day through that application, and that will only continue to grow. So, it's a good example of how we're trying to help members and participants and travellers better understand how they might navigate the healthcare system when they need to. Again, a lot of information there regarding how we're connecting people more broadly to the healthcare system. The interesting one there, GreenPass membership is you having access to everything a PHI member has access to, other than the health insurance. So, it's a freemium style offer,

by which we're trying to introduce people to nib, develop a relationship with a longer-term goal of converting them to private health insurance.

So, a lot happening on our P2P front, as we call it. For those not familiar with P2P, that's this view of becoming a partner as much as we are a payer of healthcare services, our Payer to Partner strategy.

Nick will go into much more detail as we go through the presentation on each of these elements. Sufficient to say, good growth right across the Group, strong profitability. Now, there's some COVID factors influencing that profitability number, nothing though that disturbs the underlying strong position, strong financial position of the Company, strong investment returns. ROIC remains attractive, a \$0.15 dividend, which I'm sure will be welcomed by shareholders.

Next slide please. So, this is a snapshot of iih. For the 12 months to the end of the half we grew 3.7%, which is in our range. For the half itself we grew about 1.3%. We weren't particularly - we got off to a very good start in the first quarter of the financial year. Things were a little bit softer in the second quarter, although they've bounced back in the third quarter. So, we're still very confident about that target growth for the year of somewhere between 3% and 4%.

As I mentioned, good profitability. Again, some COVID related factors to be considered in understanding that profitability. But even if you adjust for those COVID factors it's still a very, very impressive result.

I've highlighted this slide because prima facie there appears to be some weakness in these adjacent businesses, and that's true. All were to various degree impacted by COVID, particularly travel, for example, and particularly international students. But they are recovering. Not recovering as quickly as we would like, but nevertheless, the pattern is there.

Students, for example, which suffered badly during COVID for reasons we've previously explained, is certainly bouncing back strongly in the third quarter. If you take a long-term perspective of all these businesses you can see the underlying trajectory of growth, and we expect that to continue now that COVID is getting further and further behind us and hopefully they will - well, each of those businesses will regain that past trajectory. Next slide please. I'll leave it there and hand it over to Nick to go into some of the detail.

Nick Freeman: No problem. Thanks, Mark. If I could just go to the first slide, please? Overall, it's a good, strong result. It's a strong revenue result. Our policy holder growth was solid. Our claims, as you can see, came back, especially in New Zealand. We saw some service inflation there. But, again, offset by the policyholder growth and also the revenue growth.

There will be some impacts from the timing of givebacks, and when we go through the AASB17 numbers what you will see is that our results are actually a little more volatile. They come back a little bit more towards the cash side. So, I will take you through that further on.

But overall, the underlying trend is the same and there's some slides further down the pack which just gives you a five-year view then adds it all up and says, don't worry about AASB17 and AASB1023. It's just a change in accounting standards. The total numbers are the same if you just look through it.

Going through, one thing we were really happy with was the containment in costs, especially in management expenses, the reduction in arhi. We'll go through that a little bit as well. Marketing expenses did go up a little bit. We grew strongly in our partners, (not only) in our white labels but also in our direct to consumer, which was really pleasing.

As we said, the non-marketing expense growth of only 1%, which was a focus on keeping the productivity up given the cost of living and also given the fact of that the inflation is starting to decline a little bit as well.

Just going through some of the one-offs. We've highlighted that there is a \$1.7 million one-off. That's in relation to a catch-up of acquired intangible amortisation, which is in relation to Thrive. So, for those of you who are across, you get 12 months to determine the allocation of assets between goodwill and amortisable assets. We've now done that allocation. So that relates to the prior year and then we've put the rest in the normal one-off bucket.

Good strong investment returns and, again, effective tax rate is slightly higher because we're still not deducting Midnight Health losses. That will come if and when - well, when really the Midnight Health business becomes profitable.

Jump through to the next slide please. I would just leave this for information. We couldn't fit it on the slide before because there's a few extra businesses going in there, but this just shows you a break-up of other income and other expenses, highlighting there the two big ones. So, nib Travel is worth having a look. So, you can see the revenue in nib Travel actually declines. That's because of the loss of the contract...

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Nick Freeman: ...that combination of matching those offers or having reasonable growth and we're looking to balance that. It remains a competitive environment. That's a good thing. We like to compete in there and we've competed very successfully over the past 10 years.

Our claims, up 9.1%. I might just address this relatively quickly. We're still seeing an underlying inflation of 4% to 6%. Now, there's been commentary in the market around more like a 2% to 3% claims inflation. We're still sticking with our 4% to 6%. I'll go through that in a sec. I've actually got a slide on that.

But I think where the difference is, is it's where people are looking to normalise for COVID or adjust for COVID. Our results are just the raw results. Our results adjusted at AASB17. We're not adjusting for COVID in either. In fact, in AASB17, the COVID impacts get eliminated because the DCL really wasn't there.

So, if you actually add back the COVID impacts against one of our competitors, our claims growth is kind of 9% to 10%. Their claims growth is about 6%. Sort of like a 3.5% difference and the difference in that is just the relative growth rates. If you look at the first half growth rate and if you look at the FY23 growth rate, it's

about 350 basis points. So that kind of reconciles that difference we think. But beyond that, we're still sticking with our 4% to 6% and I'll go through that in a sec. Very happy with the improving MER. And important thing for value back to our members and the NPS also at two points up. Thank you.

Okay, this was the slide I was talking about. This is just the very, very long term of claims per person. You can see that it really is quite a correlated claim. So, the lighter line at the top is the industry claims. The darker line at the bottom is the nib claims. The light green line is health CPI. So, you can see they're all very correlated but then obviously the COVID impacts go through. So, if you have a look, our CAGR of claims pre-COVID was 4.5%. Our CAGR during COVID was about 2.5%. So that reduction. And so we're looking and saying if we're going to go back up to a normal trend of say that 4.5%, around where health CPI is, then we're going to need maybe 6% for the next few years to catch up if that's what actually occurs.

But it also may be that there is some permanent savings going through. We've certainly seen the permanent savings in psych in the hospital and also in rehabilitation. So, they're present. So potentially, we'll be at a lower end. Hence, the 4.5% historically may become more like 4%. But if there's going to be a catch up, maybe it comes up to 6%. So that's the basis for our 4% to 6%.

Go through to the next. We did want to - we realise that it's been a strong result for the arhi business and especially a strong margin result. We just wanted to show you here, the impact on a normalised basis, where really, what we're normalising for here is the price impact deferral which gets a different accounting treatment under AASB17 versus AASB 1023.

Also, the LIC movement, which was the old OSC, it's now called the LIC. Got a few other things in it as well. What you can see there is that the headline margin 9.7% goes back to that 7.7%. So that's kind of just a little bit above for the target range that we state. Our underlying margins have gone from 8% to 7.7%. So, in line with the guidance that we're providing that we're going to gradually return to our target range of 6% to 7%. Jump through to the next page.

iihi had another good period, really good growth on that. It's - we're slightly down in terms of the UOP and that's because of some claims growth. We've got some confidence in the direction of claims growth because we're still refreshing the pool. We perhaps grew a little bit under where the market was. We think that that's to do with some pricing that we had 12 to 15 months ago when the students really started returning. We've now adjusted that pricing and we're back where we want it to be. In fact, our growth in January was very strong and our share of arrivals was strong. So comfortable in the direction that that business is heading and good positive trends there.

Next one. New Zealand, again, some growth in regard to the policyholder growth. But impacted by service cost, inflation, and also the DAC adjustment from the prior comparable period. If you remember, we wrote some off. So we got a benefit of the DAC in that prior comparable period, so marketing expenses were abnormally low during that time.

There's definitely some service cost inflation happening in New Zealand. Service cost was up 10.8%. New Zealand has had high CPI and also, we do believe that it's industry wide increases in service costs. So we're looking towards our pricing in regard to that. But again, as Mark talked about, that long term trend in New Zealand has been very strong so we're comfortable we'll adapt to that into the future.

Going forward to the next. Travel. Just want to highlight a few things on Travel. You can see that the operating income has declined but I'll just take your attention down to the next section in that slide and the top line which is - the second line of the next section, which is gross profit after commissions.

So you can see we actually did have growth in that gross profit after commissions. So that kind of reflects the Qantas and the Qantas true up and those sorts of things as well. So we are growing but you can clearly see that one of the issues is in the operating expenses.

We've had the claims come back. We had a very, very strong year and strong half last year as that Travel really bounced back very strongly. You saw that in all the Travel results this last year. Tailed off a little bit but it's still in good position. But now, we've got to go through that rump of the claims and again, focus on the productivity in that claims area.

Okay, Thrive. We've done really well in Thrive. We've managed to get to the number of plan managers that we want. We've got a good strong base there of almost 39,000. So we've added organic acquisition of 4000 participants. So from that base, again, as you'd expect, the operating profit has increased dramatically. It's in the range that we're anticipating. We still think that there's some upside there, especially when we complete our investments in technology and so forth. Our focus now is really around moving towards that Navigator space. It's kind of always been our strategy. It was very consistent with what we presented to you last year at 30 June. So that will be the focus for the coming months.

Capital. As you'd expect, a good capital result. Consistent with where we are. Just the net tangible assets declining a little bit because of the investment in the Thrive assets. Almost all of which are an intangible asset given their low net asset base. But that's a good thing because they're capital light. But PCA ratio, really above the range that we're expecting and still in a pretty strong place.

Cashflow. Just really wanted to highlight there has been some volatility in cashflow in the halves. There's a little bit of seasonality. We've tried to highlight that in the bottom right corner graph where there's that half on half seasonality. But then that line that we've provided is the full year. So increasing trend in cashflow.

Honeysuckle Health continues to contribute to our business. Mark will go through the number of health management programs and so forth that it looks. But again, this is all around delivering on our purpose and also making sense financially.

We can see the NPS on the key program, HMP, the health management program, the - it's the overall HMP ones but the hospital support program is the flagship and its NPS is also extremely strong. So really, really liked by our members. Important to reduce readmissions. So a good performance by them as well.

Midnight Health is doing what all start-ups should do. It's growing its revenue, it's growing its customers, and it's losing a lot of money. So again, our focus now will be on getting to that core level of scale that we're looking to get to. Then slowly managing to improve the profitability of that business.

It's launching a lot of new products, growing its customer base strongly. We've got some good new things in the offering in the second half, including the corporate health offering in general telehealth and the integration with nib. So good things happening in that business.

If you don't mind, Amber, I'm going to just keep going to a couple of the things just financially. We might go to some of the supplementary slides in the back. Because I just want to come back to a couple of points that I think people will be interested in in this part.

So firstly here, what we've done in this section of slides - I might just get you to go back two, Amber. Next one back as well. Next one back. Just literally there. So what we've done here is we've provided to you our view of what our results would have looked like under AASB23 and AASB17. This is for the analysts out there. For you to update your models.

So please, have a look through those. This will give you a bit of a guide as to how you should start updating them. But there is a level of aggregation in the balance sheet that's occurring. We've provided in the overall results, both this investor presentation but also in our statutory accounts, we've provided some disaggregated information in that which is on top of the aggregation. But again, there is some aggregation that occurs there. Happy to talk to everyone this afternoon again to help you work through those. I'll go through - keep going through to the next section. Sorry, the entire next section. Keep going. So just back there. So there.

So again, here, what we've just done is just show you what the first half FY24 would have looked like under AASB 1023. Just wanted to call, because the one that really impacted was the return on invested capital, given that we do it on a rolling 12-month basis, it did include the second half of FY24 in terms of some of the base.

So again, if we look at it now under AASB 1023, you can see the improvement in ROIC. So the decline that occurred that we've got at the front of this pack is in relation just to the accounting impacts.

Then the next - just the next slide. So what I just wanted to show you is this is what the arhi result would have looked like under AASB 1023. If you look back to the front of the pack, the page that Mark showed you, it was quite a volatile up and down.

That's because you don't have any DCL changes. So it more reflects cash. This one has the DCL impacts in it. So what you can see here is that you can just see a little bit of a smoother result.

But essentially, if you drew a trend line through the equivalent slide at the front of the pack, it would provide a similar trend line to this one. Thanks, Amber, that's all I wanted just to highlight and sorry to lead you on a journey through the pack.

Mark Fitzgibbon: Thanks, Nick. Roslyn.

Roslyn Toms: Thanks, Mark. Good morning, everyone. In terms of sustainability, nib remains very committed to building out our sustainability strategy and we're very cognizant of the impact we can have on the communities in which we operate from an environmental, social, and governance point of view.

But that being said, we very much are focused on where we can have the biggest impact, and that's health. I'll just talk through a few key highlights from the first half of the year. As Nick alluded to, nib continues to work very closely with Honeysuckle Health in relation to our health management programs.

They're programs such as Healthy Weight for Life, Cardihab, which is a digital rehab program designed to assist people who have had a heart related event improve their outcome following that event.

You'll see there that we announced \$1 million dollars donated to work with the Cancer Council Foundation in relation to developing a first vaping support program. What we know is recent research has shown that one in three teenagers have tried vaping and that 80% have found it very easy to access vaping.

So while vaping in and of itself is very bad for our teenagers, it's also considered a pathway to smoking. So we're very keen to work with the Cancer Council in relation to that groundbreaking work.

We also, as part of our RAP commitments, launched our first Aboriginal and Torres Strait Islander procurement strategy. That's very much aimed at how we build our commercial relationships with First Nations businesses and to remove practices and barriers in procuring services.

We also undertook our double materiality assessment. That's where we talk to not only employees but clients and partners and investors and members around our materiality. Pleasingly, the results of that assessment have - showed that our five sustainability pillars very much align to what those stakeholders are expecting of nib.

Finally, I'll just talk to Shift 20 which is a fantastic initiative. It's spearheaded by our Chief Motivation Officer, Dylan Alcott. Shift 20 is really aimed at how disability is represented more broadly. nib is one of 10 well known Australian companies to be participating in that campaign. Amber, next slide.

Just moving forward to the next six months. We've got plenty of work to do but we continue to be very focused on our health management programs. Presently, nib's members have access to about 30 health management programs, the majority of which are done in conjunction with Honeysuckle Health. We have a number of new programs coming online in the next six months.

Project Bourke, which we've been working on for many years now is nearing its launch. In conjunction with our local partner, we now have three people on the ground and our social prescribing tool is ready to go. So we expect to launch that very soon.

In terms of climate, we're very much committed to meeting our climate obligations. Last week, we received our certification from Climate Active, reflecting our ongoing commitment to carbon neutral businesses. Work is also well underway in terms of the new climate disclosure standards in both New Zealand and Australia.

We continue to work across the Group, particularly with our scope 3 emissions which are largely in the space of digital advertising in IT, and when we bring on new businesses through nib Thrive, really getting them to come on that journey with nib.

Just finally in terms of our people and culture. We've got three pathway programs underway. But in particular, our graduate pathway program has proven to be quite a success. We welcomed another nine graduates last week to bring our cohort to 20 new graduates. Over to you, Mark.

Mark Fitzgibbon: Thanks, Ros. Just a comment on Ros' presentation. The world is very quickly working out, using data science and of course artificial intelligence has taken us to another level. The world is working out how we can improve health outcomes and access to health within entire communities, particularly those communities which may suffer disadvantage in terms of access to health and outcomes. This is one of the more exciting things we're doing in the business. We think applying data science, we can help communities' risk profile of their communities. Then support that with programs, health products and services relevant to that risk profile.

Ros mentioned Bourke but we're down the track in New Zealand with Māori populations. So we already support three Māori communities or iwi, and we have another five in the pipeline.

Just next week, we'll be sending a delegation to North America and to Canada to meet with Pacific Blue Cross and the Indigenous health authorities over there to better understand how we can replicate what they've achieved in Canada, in making this all the more real and commercially sustainable.

So if you think about New Zealand, for example, there are 750,000 Māori who are potentially eligible for this type of support. So what we're doing in New Zealand is working with the iwi, providing them with health insurance, the financial protection, but much more than that, helping them understand risk to the health of their community. Many of those risks aren't clinical, they're more social. Then putting in place, as I say, products and services and programs which support their better health and wellbeing.

Look, I touched upon this earlier, this is our pay to partner strategy. This idea that we want to be more than a financial services Company, we do want to be much more than private health insurance even though that will always remain the core economic engine. Part of the attraction to nib in the future will be that consumers have access to this platform of services.

Now, we won't manufacture all those services ourselves. Of course, private health insurance will continue to manufacture but in other cases we'll partner, as we do, with Cigna, for example, with Honeysuckle Health, as we do with doctors and hospitals. In some cases, we'll acquire the assets necessary to build out the platform or ecosystem.

So these are the value, these are the things we're concentrating on. We think this kind of thinking will make PHI in nib all the more attractive and differentiate ourselves in the marketplace and grow the marketplace in our share. We think if we're successful in better managing risk, that obviously has positive implications for the loss ratio and therefore the affordability of private health insurance. It also makes private health insurance more valuable for people - recognising that value, affordability are relative constructs.

We see opportunities in an economies of scope style of using these same capabilities to pursue other markets as travel and, of course, the NDIS, and I'll come back to that in a moment. We see opportunities for Honeysuckle Health to play in other parts of the health system, like the public hospital system is just as interested as we are in managing the risk of an unplanned hospital readmission or somebody who has chronic disease. Ultimately, we see some opportunity, particularly around population health, to deliver health care on behalf of the government funded programs. So, that's the essence of our business strategy.

Next slide please. This is the kind of platform or ecosystem where we're building out, I won't go into all the details except to say the architecture is very clear to us and we're slowly but surely going about building out the architecture. So for example, I mentioned earlier this idea of the Symptom Checker and E-triage, you'll see that in the section there in Insight and Guidance.

Next slide please. Well, I suppose everyone's talking about AI but we're having a real go at this, as you'd expect. Again, I won't go into all the details except to say that, for example, we've had 3.2 million chat and voicebot interactions since we launched our efforts about 18 months ago. That's proving highly successful in improving efficiency and reducing labour costs, but also improving the quality of our interactions with our members, travellers and participants. As I touched upon just a moment ago, this is just so mission-critical to us understanding inherent risk at both an individual and a community level and putting in place relevant programs.

You cannot afford to invest in the kind of health management products and services and programs we're talking about without being very precise, highly targeted, because you just can't reach everybody - you need to know that they're at the top of the risk hierarchy. All of our - we have no on premises servers today, it's all cloud based. We've certainly been at the vanguard of that transition, at least in the financial services sector.

Next slide please. Our video earlier on pretty much replaced this slide, but it just highlights this expanding value proposition of being a nib member or customer. It highlights our endeavour to put in the hands of a consumer a device which helps them meet all their needs across the health care system whether it be going to hospital, checking a skin cancer.

We're very much playing in the GLP-1 territory now, we see that as a very large value pool and we're doing that through our investment in Midnight Health. Today, on your nib app, you can do a GP consultation. That GP, if it's warranted, can prescribe you a semaglutide or other form of GLP-1 and you can have the GLP-1,

whether it be Ozempic or Saxenda or whatever the case may be, delivered at home. We've wrapped around that, very stringent levels of clinical governance, as you'd expect.

Next slide, please. A little bit about nib Thrive, Nick's touched upon it already. We're doing very well in terms of establishing our position in the marketplace, our foothold, if you like. There was a little bit of panic when the Independent Review Committee released its report because there was some suggestion that planned management, the activity which we're largely invested in, would disappear in the longer run. Just a few thoughts on that.

In the NDIS there's this level of intermediation, as we call it. Basically, people who help participants design a plan, procure the necessary services under that plan and manage that relationship including paying the invoices of the support providers. Now, it is true that plan management largely plays within that third tier. As Nick touched upon, it's always been our vision from the outset that we would perform, in some shape or form, all these functions. That we, just like in health insurance, we would help participants connect with the providers of services by designing a plan, a product, procuring the necessary services such as we do today in health insurance with contracting with hospitals and doctors, and of course, managing that relationship - paying the claims and so forth.

That's our vision for the nib. It's one shared by the Independent Review Committee. We're yet to await a response, a formal response from government as to their attitude to those various recommendations. It looks as though implementing those recommendations have a five-year runway. So, nothing's going to change materially overnight.

We see this as an opportunity, having established the foothold of about 40,000 participants that we have. We'll be looking now to convert these plan management businesses into more holistic businesses - navigators, as they're being called in the review - which will help people design it; understand their need, again, using data science as an adjunct; put in place a plan relevant to their needs and their goals as an individual; procure the best in class services, again, using digital assets; and manage that relationship on an ongoing basis.

So, we're very excited about the recommendations of the review, hopeful that the government will be fully supportive for those recommendations. The experience of participants will be greatly enhanced, we believe, by our involvement. So think, for example, of us adding to that plan the kind of health management services that we've discussed today, really, at no marginal cost to the participant.

In terms of the pure activity of plan management, and which is largely transactional based, if you read the final chapter of the review on implementation you could see that that's going to take time. It could be five years away before we see the point of sale system that everyone imagines and, when that does happen, we'll inculcate it within our digital experience for participants.

So, very bullish about the NDIS Thrive business, its growth. Our priority is, as we've set out there, is consolidate the businesses we've acquired; develop the kind of technologies and digital assets that I've

mentioned; help shape the entire navigation system which people imagine and be a leader in that regard. We also think these foundations, the support we provide, will also help with the government's objective and the review's objective about building foundations for people with identified disabilities so they don't necessarily have to rely upon the NDIS to achieve their goals or to manage whatever disability they're attempting to manage.

Next slide please. We've got our crystal ball out, as usual. Just looking at the various businesses. Look, we still expect growth in PHI for the reasons we've set out there. We've committed to our growth target of 3% to 4% per annum. As Nick has touched upon, we just think it's unrealistic to believe that claims inflation won't be in that order of 4% to 6% - it has been for my 22 years in the business. If you look at public sector outlays, it's in the same range. COVID certainly has put some noise into that inflationary trajectory, but it will return to this level we expect, and we expect to return to our target net margin range of 6% to 7% sometime in the near future. It's been very difficult to predict that number because of the ongoing influence of COVID factors.

iihi, as Nick has touched upon, has a strong outlook, given Australia and New Zealand's insatiable demand for skilled and unskilled workers and the ambitions of the tertiary, both universities and vocational sectors, to attract students, so we're positive about that. As Nick touched upon, we're seeing good growth in both businesses. The loss ratio in students is rapidly improving, not as fast as we would like, but c'est la vie. We're quite confident through the adjustments we've made, including the pricing, that we'll be back to the kind of profitability we've become accustomed to in students.

New Zealand just keeps on keeping on. Strong policy growth. There's been some noise in its results for reasons Nick's touched upon, including the treatment of the deferred acquisition cost. A major step forward in recent times has been the acquisition of Kiwi Life which now enables us to sell, fairly seamlessly, health and life in New Zealand which is something many consumers expect us to do. As I've touched upon already, the Toi Ora, that's the Māori Population Health Management Initiative, we're very excited about.

nib Travel, look, there are mixed feelings, it seems, in the marketplace about Travel. Obviously, we piggyback that particular marketplace. So, we'll wait and see but, at this point we're fairly confident about the travel marketplace and therefore our ability to ride that wave. Sales will recover. We lost a major contract, although it didn't really hit our profitability in any material way. We've got another major partner in place and, depending on this success we expect Travel sales to grow again. We've done a lot of work on improving efficiency in the Travel business and connecting it with the mother ship nib. A lot of effort is right across the business in thinking about how we can make for a better digital experience for our travellers.

Finally, nib Thrive, I've touched upon this as well, so I won't go into any further details there.

I think that leads us, leaves us with Q and A.

Nick mentioned Midnight Health so, in the loss making - well, you can think about it as loss making or you can think about it as an investment - the way we're thinking here, there's a large segment of our spending

on health care. I just use Australia as an example with respect to our Kiwi friends. We spend about \$230 billion a year on healthcare. Out-of-pocket costs, what we call everyday health care costs, probably now accounts for about \$40 billion of that spending. Of course, within that you have some very high growth areas including expanding on the likes of GLP-1s, drugs like Ozempic.

Our goal is to play in that value pool, that profit pool. We think if Midnight Health can continue to grow as it has, and we all know start-ups have this inherent problem between growth and profitability, we can not only capture that part of the market and perhaps, hopefully Midnight Health becomes a very large business in its own right, but what it also does is introduce people to the nib platform, the nib ecosystems for ultimate conversion to nib as a private health insurance member, that's part of the goal.

Obviously, the 1.8 million people we cover across the Group are prospective customers for Midnight Health and so there's a real cross-sell opportunity. In Midnight Health, not only are we increasing the value proposition for PHI, but where we're connecting Midnight Health with a large pool of PHI members to assist in its growth. We know from the data now, something like 22,000 nib members have accessed Midnight Health products so the cross-sell or the tie-up between the two is becoming more and more evident to us.

There may likely be a question about the PHI premium round. You might be aware by now there's not yet been a decision, at least not yet a decision communicated to the industry. Unusual, yes, but it's not causing us any alarm. We've been through the usual process of application and to and fro with government. I mean, nothing out of the ordinary that we haven't yet formally heard our application decision, nor has the industry. It's a matter for government, presumably, they have their own reasons. But I'd be very surprised if we and the remainder of the industry didn't hear the results of our application, which we're quite confident have been finalised, within the next couple of weeks.

Operator: We have our first question from Kieren Chidgey from Jarden.

Mark Fitzgibbon: Hi, Kieren. Well good.

Kieren Chidgey: (Jarden, Analyst) Good morning, guys. Hopefully you can hear me. There's been a few technical issues.

Mark Fitzgibbon: Yes.

Kieren Chidgey: (Jarden, Analyst) Maybe just starting on claims inflation. You talked about 4% to 6% still being your longer-term view and through cycle, and indicated you don't believe it's been as low as 2% to 3% more recently, but I'm just keen to understand what you actually think underlying claims of inflation has been running at through this first half period?

Mark Fitzgibbon: Well look, it has been 2% to 3%, Kieren, but that's due COVID and extraordinary circumstances. Now an underlying number is, by definition, a longer-term underlying number. So look we would have seen - so that line of best fit, if you took it through COVID, would be at somewhere between 4% and 6%.

It is absolutely true that there are some efficiency gains out of COVID-19. We can see that in hospital rehab, in hospital psychiatric care, the growth and growth of hospital in the home which we're very interested in and investing in through Honeysuckle Health, but the health care system has a whack-a-mole characteristic to it. It's just a matter of historical fact that, as we find efficiency gains in the system, consumers find somewhere else to spend their health care dollars - that's a 50-year trend. It's the reason why, in the USA, health care spending has grown to almost 20% and it's over 10% now.

So, you can't really bank those efficiency gains, but what you can do is it creates an opportunity to provide consumers with more for their healthcare dollar. I think there's no more graphic example of that in the expenditure of consumers at the moment on wonderful new drugs like Ozempic and the other GLP-1s.

Kieren Chidgey: (Jarden, Analyst) Okay. Just to be clear, my understanding...

Nick Freeman: Kieren, I can get it to around kind of 3% to 5%, I mean it just depends on what you want to normalise for. That's the hard part which is why we're going back to the long-term. I mean it's not an exact science. But if you take - I mean we've got growth in the arhi of 9%, 3% to 4% policy growth on that sort of brings it down and then you've got the COVID normalisation on the slide of 3.9%. That could get it to quite a low number. We don't think it's that low.

If I just take kind of drawing rate less a COVID normalisation of 3% to 4%, I can get it up more towards that sort of 4%. So it's really a matter of what you're thinking is the COVID normalisation and that's why we go back to saying long-term, it's 4% to 6%. We do think that there is some permanent savings in there, so maybe over the period now, it sorts of hovers more like 4% than the 4.5% that it's been. But if there is some continued catch up, then you're back into the 6% range.

Mark Fitzgibbon: Yes, another lens is the lens of our world-class private hospitals. It's well known that our partners, our private hospital partners have done it tough through COVID and I think it's equally well-known that many of those hospitals are looking to renegotiate contracts and that's happening. We are certainly open-minded to that when the case is genuine and so far, we have found that the case for private hospitals to seek renegotiation of contract arrangements is very genuine.

The health of private health insurance certainly marches along with the help of the private health system. So if hospitals - what can you take from there...

Kieren Chidgey: (Jarden, Analyst) Okay...

Mark Fitzgibbon: ...the hospitals are looking for increases above and beyond what would have otherwise been anticipated if not for COVID-19, you can add that to the inflationary factor as well.

Nick Freeman: I think you'd also get a view of where people's inflation expectations are when the pricing comes out as well.

Kieren Chidgey: (Jarden, Analyst) Yes, and the risk of equalisation tailwinds you've seen sort of over the last year or two, can you just comment on how material they were over this period and sort of more broadly what your expectation there is on a go-forward basis in terms of that assistance remaining?

Nick Freeman: Not as material this time, Kieren. So had a look at it and not a major thing I'd call out. We've had a kind of review of whether we think that would turn into permanent and I think the jury is still out on that. We did see some strong savings a couple of years ago, but I think the growth in our Silver that's occurred and just some of the behaviour at the moment, we'd say it's more of a neutral stance.

Kieren Chidgey: (Jarden, Analyst) All right, thanks and just one quick point of clarification, the outlook slide I think talks about a stable underlying margin outlook for this year, so I presume that's sort of in regard to the 7.7% underlying estimate for the first half, is that sort of the guidance that's expected to remain around that level in second half?

Mark Fitzgibbon: That's correct.

Kieren Chidgey: (Jarden, Analyst) Thank you.

Operator: Thank you. One moment please for our next question. Our next question comes from the line of Nigel Pittaway with Citi.

Nigel Pittaway: (Citi, Analyst) Oh, good morning, guys. Just wanted to ask, clearly, there's a bit of a difference between the way you're treating this sort of COVID arguably influenced lower claims impact and your big competitor is saying, look, we're still getting these benefits and we're going to put them in a reserve and we're going to give back to customers, whereas you're saying no, that's basically all over.

I mean how do you think about that from a competitor's positioning stance and also, are you - presumably you're confident that your approach isn't going to come under any more scrutiny vis-à-vis those competitors?

Mark Fitzgibbon: Nigel, it's difficult. Well, it's difficult to speak for our competitors. They'll make their own independent decisions for motives which may not be as relevant for us like we're all very focused on doing our best around affordability, recognising the cost-of-living pressures. But there's been some diversity in the way the sector has looked at COVID-19 and how it's looked to compensate members, how it's looked to provision for COVID-related factors, so we really can't comment on what the others are doing.

All we can say is we're confident we've done the right thing by our members with our various compensation initiatives which include deferrals, cashback. You know, a lot of the savings we made was through risk equalisation, as Kieren has just observed. So, look, I don't know if there's much more to be said. We're confident in where we're at today. I think there are lingering COVID factors in the accounts such as in making comparisons with premium revenue in the OSC. Well, it's not the OSC now. What is it? The LIC...

Nick Freeman: L-I-C.

Mark Fitzgibbon: LIC, - sounds like a golf tournament - adjustment. There will be some lingering COVID factors around the levels of hospitalisation, but I don't think they are going to be that material going forward. So, they've been influential looking back, particularly in the accounts, but I think it's pretty much behind us now.

Nigel Pittaway: (Citi, Analyst) Okay, and I mean you touched - you may have touched on this before, but I mean in terms of obviously that other player, they were sort of very reticent - well, argued they were very reticent to grow in the last couple of months because of what they deemed to be irrational competitive behaviour. I mean are you sort of the view that - I mean do you see any of the similar trends, I guess? Is there anything there to give you any major concern?

Mark Fitzgibbon: No, I think the market is in good shape. Our relatively weak second quarter was associated with our pricing increase on 1 October and the fact that we had a product in the marketplace in the silver tier which wasn't price competitive and thirdly, because we actually pared back our marketing as a cost reduction initiative. So there were a few factors that hit the second quarter. Those factors are behind us in the third quarter of this financial year and the third quarter so far is performing very strongly. So we're quite bullish about the marketplace still. We recognised cost living pressures and issues of affordability, but it doesn't seem to be denting consumer enthusiasm given the reasons we've mentioned in the presentation.

Consumers are worried about the risk of disease because of COVID-19 and the massive impact it had. People are worried about public hospital waiting times. We are seeing strong population growth back via immigration in particular and we and most others in the sector working really hard to build the value proposition for consumers and market that value proposition.

Nigel Pittaway: (Citi, Analyst) All right, thank you.

Operator: Thank you. One moment...

Mark Fitzgibbon: You know, our year-to-date growth, notwithstanding again a weak second quarter by our standards is still 3.7%. So you know, it's hardly a sign of weak market conditions if you have the right value proposition, you have the right marketing and the right distribution as we believe we do.

Operator: Thank you. Our next question comes from the line of Julian Braganza with Goldman Sachs.

Julian Braganza: (Goldman Sachs, Analyst) Good morning, guys. Can you hear me clearly?

Nick Freeman: We can.

Julian Braganza: (Goldman Sachs, Analyst) Perfect. Excellent. Just wanted to - as first question, just want to touch on the underlying net margin trajectory, so I know you've said the first half 8% '23 and then first half '24, 7.7%. Just if I back out just the expenses over the period, you had a 0.6% benefit or over half and half on the expenses. So just primarily the benefit, I just want to understand what is causing in your view just a 0.9% net margin contraction exposure of expenses half on half if I'm interpreting the number correctly?

Nick Freeman: Julian, you're actually quite hard to hear on that. Sorry, could you just go through it again? I struggled.

Julian Braganza: (Goldman Sachs, Analyst) Yes, sure, can you hear me clearly now?

Mark Fitzgibbon: Yes, that's better.

Nick Freeman: Yes, that's better.

Julian Braganza: (Goldman Sachs, Analyst) Okay, yes, no, I was just wondering in terms of just the net margin trajectory half on half, it was 8% underlying versus 10.7% this period. If I just back out the benefit you got in expenses which was about 0.6% reduction half on half, the underlying contraction in the margins is closer to 0.9% if I've understood your numbers correctly. So I just wanted to understand is that purely just the impact of more elevated inflation this period that's causing that contraction? It's about 0.9% impact in net margins.

Nick Freeman: Oh, yes, that's probably right. I mean we think that the expense benefit is going to continue going forward. In the scheme of a half, 0.6% is a pretty small number. So you know, on the claim, the overall claims numbers, so yes, that could be right in that regard, but I think going forward, we're comfortable where our 7.7% is and yes, we're comfortable that that reduction in the other expense ratio down to 6.4% is sustainable.

Julian Braganza: (Goldman Sachs, Analyst) Yes, but just to be clear, ex expenses, there was a 0.9% reduction in that net margin, so if you just remove the expense movements, there was about 0.9% reduction in net margin. Is that - that's consistent with your view of where inflation is tracking relative to rate increases in the period? So basically 0.9% annualise underlying compression on the growth margin.

Nick Freeman: Jumping back to the overall inflation, again, we would come back to a slightly elevated inflation expectation, so yes, that would be consistent that the half on half inflation has increased.

Julian Braganza: (Goldman Sachs, Analyst) Okay, perfect. Okay, then just on - in terms of just the international division, just wanted to understand just how you're thinking about it just relative to one other data points appear in the market in terms of topline growth. Just wanted to understand how you're viewing topline growth from here. It's probably been a bit more moderate than your peers, about 23%. So that's the first question just around how should we be thinking about topline growth and then secondly, just that growth margin from here, should it be quite stable? Is that the expectation?

Nick Freeman: I'll take that. Yes, it's a good point. We're obviously looking at that quite closely. Our growth this half, while still being strong, is probably lagging the market a little bit. As I alluded to before, yes, we've had a good look at that. We think that it's pricing related. We had a shift in prices about 12 to 15 months ago when we went up, probably up a little bit too high. But then most of the rest of the marketing increased and then it's come down a bit.

We're comfortable now where our pricing is. We're comfortable that we're getting above our fair share of arrivals. I think as I said before, yes, our January growth was more akin to what you might have seen in another result as above 30%. Look forward to some stronger growth happening. I think as that risk pool refreshes, again as we've highlighted before, that should provide support for the margins.

Julian Braganza: (Goldman Sachs, Analyst) Okay, great. Thank you for that. Just a final question from me on just New Zealand. How should we be thinking about those net margins over the medium term? Previously you said 8% to 10% and some softening there, 7% to 8% in light of claims inflation. Is it just a matter of pricing coming through before that reverses back towards your longer-term target or is it just a resetting of where you think you can grow vis-à-vis where pricing is set at?

Mark Fitzgibbon: Yes, it's a little bit of pricing, but it's also the nuance of the way we've brought to account student premiums.

Nick Freeman: Was that question on New Zealand, Julian?

Roslyn Toms: Yes. Yes.

Julian Braganza: (Goldman Sachs, Analyst) Yes, that's right. That question's on New Zealand net margin.

Mark Fitzgibbon: You go.

Nick Freeman: Yes, we've had times before when we've gone down below that old target margin and then it's come back and surprised - when it's coming back. It is a competitive environment there.

Overall, comfortable with the guidance we're giving. A return back up, I think it's possible, but it does depend on, firstly, where the competitive environment is and, secondly, the benefits that we can get from our Project Oasis and the core system where we are expecting some improved products, improved pricing or improved product and also some improved productivity.

Mark Fitzgibbon: Yes. Bear in mind at New Zealand, we had complete latitude to price based upon claims experience as we have for years and years and years. We can do it at any given time, so it gives some greater level of certainty, if you like, to profit margins.

Julian Braganza: (Goldman Sachs, Analyst) Okay, great. Thanks so much for that, guys.

Operator: Thank you. One moment, please, for our next question. Our next question comes from the line of Siddharth Parameswaran with JP Morgan.

Siddharth Parameswaran: (JP Morgan, Analyst) Good morning, gentlemen. Can you hear me? I've just had a bit of trouble with the line, so just can you hear me?

Mark Fitzgibbon: Yes, we can, Sid.

Siddharth Parameswaran: (JP Morgan, Analyst) Okay, no worries. Okay, great. Okay. A few questions if I can.

Firstly, maybe Nick, a question for you. Just on the guidance on stable margins in FY24, just wondering - two questions. Could you perhaps just fill us in on what your view of the underlying margins was in second half '23? Because I think it's the first time you've given us this view of underlying margins for a while. I don't think we had it last year. I was wondering if you firstly could give us the view of underlying margins second half '23 and also whether there's any other factors which might influence the reported margins? I think you took a very large reserve increase six months ago and I don't know if you've released all of it, so I just wanted to check those two things, please.

Nick Freeman: Sid, I'm going to have to do some work on that. I've got the FY23. I've got the first half '23. But I haven't subtracted the two. I'll take that one on notice if I could, please, and talk to you about it this afternoon.

Siddharth Parameswaran: (JP Morgan, Analyst) Okay. No worries. Just on the reserves - sorry?

Nick Freeman: Sorry, what was the question on the reserve?

Siddharth Parameswaran: (JP Morgan, Analyst) You took a very large increase in the risk margins and reserves six months ago. I was just wondering if you could remind us how much you took and how much you've released of that. It was a large reserve increase.

Nick Freeman: No, understood. The reserve did come down just under \$10 million from 30 June '23 to now or to December. It's still at quite an elevated level of claims, so if you look at historical percentage of claims versus the current percentage of claims, it's still maybe 2% higher, 1.5%, 2% higher than normal. We are seeing a delay in claims. We are seeing some of that, but it is relatively elevated from historical levels as a percentage of claims.

Mark Fitzgibbon: Yes. Yes, that's a moving part which I look at a lot, Sid. We obviously had an outsized OSC or LIC provision at 30 June simply because of two factors really. It still wasn't clear just how quickly hospital activity was recovering, and we had a few claims backlogs at the time. Only time will tell whether 31 December LIC is outsized, but there's still a level of caution there from our perspective for good reason. It's unclear just how quickly hospitals can get back on their feet in particular.

Siddharth Parameswaran: (JP Morgan, Analyst) Okay, no worries. Okay. If I could just ask a question just on Thrive, Mark, just in terms of how we should be thinking about profitability and margins going forward, it sounds like you're still looking to grow the number of plan participants, so I presume revenue should still be increasing in that division. Just in terms of margins, I remember there was some mixed thoughts on what was going on there. I think margins might have been high to begin with, you're looking to rationalise some things. I was hoping you'd just give us your latest views on what will happen over the next couple of years.

Mark Fitzgibbon: Well, plan management margins have varied depending upon the Company. The way I think about it, on average, I'm thinking if plan management stayed the way it is today into the future, the margin would probably level out at about 30%.

Nick Freeman: 35% I reckon.

Mark Fitzgibbon: Nick's saying 35%. We'll split, 32.5%. But we know margins in support coordination, which is really the skill mix most applicable to this idea of navigation, have been much lower. As we merge those capabilities into a single navigation business, I'm thinking the margin could be 25%, recognising that we need to be sensitive to government expectations and consumer expectations around levels of profitability in what is a vitally important part of our nation's social capital.

The businesses we've assembled to date will consolidate and it will largely be organic growth. That's not to say that we wouldn't look at an asset if it was attractive enough at the right price to grow that plan management footprint even further. But more likely we'll be looking at assets in that support coordination area to develop the kind of skill mix that we believe is necessary to meet these expectations around navigation.

I have always thought about the business. We think it's about a \$2 billion intermediary a segment. We can capture a good slice of that, maybe \$500 million in revenue. This is very much back-of-the-envelope ballpark. In five years' time, I'd like to think this business is generating revenue maybe between \$500 million to \$1 billion. We're pursuing the kind of sustainable profitability that I've already discussed.

It's not going to be as big as arhi, I don't imagine, inside the next 10 years. It may never be. It probably will never be as big as arhi, particularly if we're successful as we hope with P2P or as we're already demonstrating. But it does have potential to be very significant, so significant that I doubt AJ Gallagher would have made the kind of investment that it has without sharing a similar worldview and prospects.

Siddharth Parameswaran: (JP Morgan, Analyst) Okay. Okay. Thank you. Just a final question from me, just on arhi and your guidance around margins returning to the 6% to 7% target in the - that's a gradual return to 6% to 7%. In your filings, are you not filing to return to potentially from 5% to 6% in your filing, so I'm just wondering, are you not filing for that?

Nick Freeman: No, we're filing towards the target margin of 6% to 7%, yes.

Siddharth Parameswaran: (JP Morgan, Analyst) As in 6% to 7% for next year?

Mark Fitzgibbon: We're giving some guidance for the remainder of this year in the outlook. The outlook for fiscal '25, again we'll be aiming for that 6% to 7% target and from there on, but there's still some moving parts there, especially the premium decision.

Siddharth Parameswaran: (JP Morgan, Analyst) Yes, okay. Okay, no worries. Okay. Thank you.

Operator: Thank you. One moment, please, for our next question. Our next question comes from the line of Vanessa Thomson with Jefferies.

Vanessa Thomson: (Jefferies, Analyst) Good morning. Thanks for taking my questions. I just wanted to go back on the permanent claim savings discussion earlier. You were saying the Department of Health estimates that some 85% of permanent claim savings have been given back. Is that consistent with where you view the givebacks and premium pauses that you've had is? Thank you.

Nick Freeman: Yes, because we've all submitted our pandemic commitment reports last year. That was the amalgamation that they came up with, the department. Again, everyone had a different view of how or what consisted of claim savings and profiting from COVID and so forth. All the industry put in their responses as requested in the pandemic commitment report. The summary was provided back in December.

Mark Fitzgibbon: There's still a high level of subjectivity and judgement regarding what are permanent savings. Now if I had two check-ups at the dentist each year and I didn't have them during COVID, I don't have four next year, so that's a permanent saving. But if Abdul didn't have his knee replaced, is that a permanent saving? Maybe. Maybe he's lost weight and he's on Ozempic. He's exercising each day and he'll never have that knee replaced, although that's highly unlikely. Most likely he will have that knee replaced. He's just deferred that treatment. This idea that you can actually empirically quantify what is a permanent saving versus what is simply deferred is a bit of a nonsense.

We've done our best. As I've mentioned, to compensate members, we think we're not unaligned with the industry and importantly, and this is entirely a matter for the ACCC, but in their report to the Senate, they've expressed a level of satisfaction with the efforts that the industry has made in compensating members. I think they cite in their latest report \$2.5 billion in permanent savings, whatever they are, and as you mentioned, the industry having reimbursed or compensated members to the tune of \$2.3 billion, whatever the number is.

Vanessa Thomson: (Jefferies, Analyst) Thank you, and then I just had one more question on the NDIS nib Thrive business, with the transition from plan management to Navigator, and you've said that you'd be interested, potentially, in support coordination acquisitions, has there been any disclosure on fees for navigators, as consent to plan management?

Mark Fitzgibbon: No, and it's all part of the implementation plan, and if you read the fine detail of the review, they're talking about a three to five-year implementation. The NDIS, and again, we're going to be at the vanguard of this change, is going to have an enormous challenge in developing these navigators. They're not necessarily support coordinators. Support coordinators have a lot of the skills that navigation role seems to anticipate, but they won't have the full range of skills and the various levels of skills that the review anticipates.

So, we hope to be part of that solution, like, for example, we're even investigating the idea of establishing a registered training organisation to help build the workforce of navigators which the NDIS is going to require if it's going to fulfil this vision that's been set out in the independent review committee report.

Vanessa Thomson: (Jefferies, Analyst) Thank you, that's all I have.

Operator: Thank you, one moment please for our next question. Our next question comes from the line of Sean Laaman with Morgan Stanley.

Sean Laaman: (Morgan Stanley, Analyst) Good morning, Mark and Nick, I hope you're both well. Mark, just a point of clarification on slide 6. You said, 25% of joint replacement surgeries are through the clinical partners program, I'm assuming that's at the subset of the overall joint surgeries performed on nib members? Would be the first question, and the second part to that is, what's some of your observations on savings, whether it's out-of-pockets to patients, or savings on claims, or reduction in average length of stay, that you're seeing amongst that lot?

Mark Fitzgibbon: Yes, so it's 25% of the total case mix for replacement hips and knees. We have, I think, 43 orthopaedic surgeons now, mainly across the eastern seaboard. Most of the savings - there are certainly some savings associated with rehab at home, but most of the benefit of the No Gap arrangements we have with the orthopaedic surgeons is the reduced out-of-pockets for consumers, for our members, so that's where most of the economic benefit is flowing.

But that's important to affordability, it's important to the value of proposition, it's also important clinically. Done well, as we do, it is more clinically appropriate to have rehab in places like people's homes, rather than being put in a bed in a hospital for four to five days. This program we're growing...

Sean Laaman: (Morgan Stanley, Analyst) Thanks Mark, and I might have missed it...

Mark Fitzgibbon: I was just going to say, the longer-term vision is that we have an extensive network of clinical partners right across the case mix, so not just orthopaedic surgery. We now have in place a new gap product for anaesthetists, right across and other medical treatments, episodes, right across the case mix. This notion of nib and look, other insurers are doing the same, it's not a closed network of doctors, but it's certainly well-developed networks of doctors by which members can depend upon not only high clinical quality but a "know", or very much reduced out-of-pocket experience.

Sean Laaman: (Morgan Stanley, Analyst) Well, thanks, Mark. I might have missed it in response to an earlier question, but have you done any actuarial work or tried to quantify what the benefit or impact might be from broadscale adoption of GLP-1s for obesity, and if you have a view that at some point the government might actually look to put GLP-1s for obesity on the PBS?

Mark Fitzgibbon: Well, this is not a novel question, it's one the world's grappling with, all healthcare systems, so look, I know there's a lot of hype over GLP-1s, but my own personal view is, having studied it and researched, is that the hype is probably understating the opportunity.

Obesity has so many consequences, diabetes, joint replacement, even cardiovascular condition. It's not confined to western countries, you will find high levels of obesity in the South Pacific, and South America and Africa, et cetera, et cetera. So I think the GLP-1s will have the future that we can't even imagine today. So, we want to be a part of that.

We are part of that through our majority ownership of the company, Midnight Health, and really importantly, we're also connecting that prescription, the ability for our members and consumers to access GLP-1s, we're connecting it with a MedJourney product that Honeysuckle Health is developing. So, we know from the literature and evidence that the GLP-1s are much more effective and efficacious when they're complemented with behavioural change, weight loss, exercise, dietary advice, and that's the approach we're taking. In terms of your question, look, I think...

Sean Laaman: (Morgan Stanley, Analyst) Thank you, Mark, that's all I have.

Mark Fitzgibbon: ...insurers will...

Sean Laaman: (Morgan Stanley, Analyst) Sorry, go ahead.

Mark Fitzgibbon: ...if the PBS, if the public funding systems don't pick it up, or circumstances where somebody has diabetes or pre-diabetes, I think the private system will. So, in the USA, I've noticed that they are already including as a benefit GLP-1s where the data and the evidence suggests that that person is of high risk of diabetes or other problems, and therefore not only is there a clinical objective, but there's a commercial objective of hopefully avoiding untold medical episodes down the track...

Sean Laaman: (Morgan Stanley, Analyst) Thank you, Mark, that's all I have.

Mark Fitzgibbon: ...play more concertedly in the whole GLP-1 arena.

Operator: Thank you, I will now hand the call back over to Managing Director and CEO, Mark Fitzgibbon for any closing remarks.

Mark Fitzgibbon: Okay, well, that's a wrap. Thanks everyone for your time today, it's very much appreciated. I know you are all very busy and no doubt we will be catching up with quite a few of you in the days and weeks ahead, so thanks very much.

End of Transcript