

**Date** 31 July 2015

**Subject** nib completes acquisition of World Nomads Group

nib holdings limited (ASX: nhf) today announced that it has completed the acquisition of World Nomads Group Pty Limited (WNG), Australia's third largest travel insurance provider.

nib announced the acquisition of WNG on 8 July 2015.

nib agreed to acquire WNG for total consideration of \$95 million, representing an acquisition multiple of approximately 9.2x normalised EBITDA<sup>1</sup> for the 12 month ended 30 June 2015.

The final payment is expected to be approximately \$106 million, including \$15.5 million in cash, and is subject to final completion accounts confirming the value of assets and liabilities acquired.

nib's Managing Director, Mark Fitzgibbon, said the acquisition is a good strategic fit, allowing nib to expand its offering of complementary products in a market with attractive growth prospects.

"This transaction is underpinned by sound strategic rationale, leveraging economies of scope and existing expertise of our Australian residents health insurance business. Similar to private health insurance, the travel insurance product is a personal insurance line and approximately 60% of WNG's travel insurance claims are medical-related," he added.

nib will fund the transaction through surplus capital and debt.

nib will announce its FY15 full year results on 24 August 2015.

## **MEDIA AND INVESTOR RELATIONS**

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## **About World Nomads Group**

Founded in 2000, WNG is a specialist provider of travel insurance in Australia, with a growing foothold in a number of key international markets including New Zealand, the United States, Canada and the United Kingdom. The Australian market accounted for 72% of WNG's GWP in the 12 months ended 30 June 2015.

WNG operates a scalable insurance services platform which allows it to engage in product development, pricing, claims management, online screening for pre-existing medical conditions and the provision of emergency assistance for policies written in Australia and New Zealand. WNG does not underwrite any insurance policies, but distributes and, in the case of policies written in Australia and New Zealand, administers them on behalf of general insurers.

WNG generated GWP of approximately \$117 million for the 12 months ending 30 June 2015 and is expected to generate normalised EBITDA<sup>1</sup> of more than \$10 million during the period.

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<sup>1</sup> Normalised EBITDA excludes non-recurring revenues and expenses and assumes the capitalisation of research and development costs which could be treated as capital expenditure under IAS 38 (Intangible Assets) but have historically been expensed as incurred. The capitalisation of these costs is consistent with the approach adopted by WNG's listed peers.