

nib 1H26 result reflects strong and consistent operating performance

- nib Group revenue \$1.9 billion in 1H26, up 7.7% from \$1.8 billion in 1H25
- Group underlying operating profit (UOP) \$129.1 million, up from \$105.8 million in 1H25
- Net profit after tax (NPAT) \$82.9 million in line with expectations
- Statutory earnings per share of 17.0 cps
- Group operating expense ratio down 100bps to 16.5%
- Interim dividend 13.0 cps fully franked (1H25: 13.0 cps); DRP available

Results Overview

nib Group delivered a strong first half operating performance, with Group underlying operating profit (UOP) of \$129.1 million, up 22.0%.

nib Managing Director and CEO, Ed Close, said the 1H26 performance reflects disciplined execution of strategic priorities across the Group, with a continued focus on delivering greater customer value, sustainable policyholder growth and effective expense management in a competitive operating environment. The Group reached its largest customer base ever, covering 1.95 million people.

The Australian residents business delivered another consistent, high-quality result, with strong policyholder growth, a material reduction in expense ratios and stable net margins within nib's 6% to 7% target range. nib's adjacent business lines delivered the highest first-half UOP since FY19 (\$30.4 million, up \$20.5 million vs 1H25), driven by a continued recovery in New Zealand, strong international health insurance performance and Health Services profitability.

"Customer experience remains a key focus," Mr Close said. "This is reflected in strong NPS outcomes and a continued shift to digital self-service, with the majority of customer interactions now occurring digitally. "Delivering on customer expectations and providing value throughout the healthcare journey remains a core capability. Today, 94% of Australian residents health insurance claims are processed within 24 hours.

"Over the course of the year, more than 11,000 nib customers have enrolled in a health management program, with 93% delivered virtually. Additionally, almost 80% of customers now benefit from no or known gap coverage when treated by a medical specialist, contributing to greater member value and an NPS of +35 in our Australian residents business."

The Group's productivity and performance agenda continued to unlock value, cumulatively delivering \$39 million in benefits since FY24, including \$18 million in 1H26.

Australian residents health insurance delivered another high-quality result

"The Australian residents business delivered a solid first half performance, supported by disciplined investment in growth and the continued strength of our multi-channel distribution strategy," Mr Close said. "We expect net policyholder growth to again be above industry in 1H26, reflecting balanced execution in a competitive market."

Margins in Australian residents remained stable, and within nib's 6-7% target range, supported by ongoing cost discipline, with nib's management expense ratio, excluding acquisition costs, reduced to its lowest level since 1H17.

nib continues to support the private hospital sector, developing partnership agreements with several major hospital groups, which are designed to drive more sustainable outcomes for customers.

Adjacent businesses continued to gain momentum

In addition to the strong performance of the core Australian residents business, nib's adjacent businesses continued to perform well, with a positive uplift in contribution to Group earnings, reflecting disciplined capital allocation and consistent execution of the Group's strategy. nib's adjacent businesses contributed \$30.4 million to Group UOP, the strongest first-half contribution since FY19, primarily driven by the performance of the International health insurance and New Zealand businesses.

"Our international health insurance portfolio delivered strong UOP growth and improved net margin, supported by policyholder growth across Pacific Australia Labour Mobility (PALM) participants, temporary graduates and skilled workers. Customer outcomes remain a strength, with record NPS of +63," Mr Close said.

"Pleasingly New Zealand's recovery continues at pace, with a return to profitability driven by the execution of our recovery plan and a stabilisation in claims inflation. While repricing has impacted short-term growth and NPS, actions are in place to enhance the customer experience and the broader value proposition.

"Our Health Services segment continues to perform in line with expectations, achieving profitability in 1H26. Increasingly our health services strategy is supporting the broader Group by improving health outcomes, strengthening provider relationships and reinforcing the value proposition for our insurance customers," Mr Close said.

Technology & AI driving productivity and customer value

nib continues to invest in digital customer experiences and AI, with its digital-first strategy delivering results at scale across sales, service and claims.

Digital engagement continues to increase with over 70% of Australian PHI customers now digitally connected. The Group's chatbot, nibby, now supports around half of all chat interactions autonomously, while 86% of Australian residents' claims are processed unassisted via automation.

"Our enterprise-wide technology strategy and AI adoption continues to progress well," Mr Close said. "More than 600 operational staff across the Group are now using nibGPT, with over 250,000 interactions since January 2025."

AI adoption is delivering real productivity gains and improved customer experiences, supporting the reduction in the Group operating expense ratio by 100bps to 16.5% (1H25: 17.5%).

Dividend

The Board declared a fully franked interim dividend of 13 cents per share (1H25: 13.0 cps). The interim dividend has an ex-dividend and record date of 5 March and 6 March 2026 respectively. Payment will be made to shareholders on 8 April 2026. A dividend reinvestment plan is available.

Outlook

nib provides full year FY26 earnings guidance for Group UOP in a range of \$257 million to \$267 million (assuming a full-year UOP contribution from nib Travel) with further details provided in the Investor Presentation, which has been lodged with the ASX today, alongside the 1H26 Interim Report.

Investor briefing

nib will hold an investor briefing today at 9:30am (AEDT), accessible via [webcast](#) or [teleconference](#).

Group financial performance (\$m)	1H26	1H25 ¹	Change
Insurance revenue	1,843.6	1,712.5	▲7.7%
Other income	87.1	82.0	▲6.2%
Total income	1,930.7	1,794.5	▲7.6%
Incurred claims	(1,479.2)	(1,370.9)	▲7.9%
Expenses – marketing	(126.6)	(121.6)	▲4.1%
Expenses – non-marketing	(189.4)	(189.7)	▼0.2%
Total expenses	(1,795.2)	(1,682.2)	▲6.7%
Reinsurance expense	(16.2)	(16.3)	▼0.6%
Reinsurance income	9.8	9.8	-
Underlying operating profit (UOP)	129.1	105.8	▲22.0%
Less: nib Travel UOP ²	(1.6)	(1.9)	▼15.8%
Amort/impairment of acq intangibles	(10.8)	(5.9)	▲83.1%
One-offs, M&A and integration costs	(16.1)	(12.6)	▲27.8%
Statutory operating profit	100.6	85.4	▲17.8%
Net finance costs	(7.6)	(9.3)	▼18.3%
Net investment income	23.8	41.0	▼42.0%
Profit before tax	116.8	117.1	▼0.3%
Tax	(34.6)	(34.8)	▼0.6%
Profit from discontinued operations	0.7	0.6	▲16.7%
Net profit after tax	82.9	82.9	-

1. Comparative information has been restated to conform to presentation in the current period. 2. nib Group has announced it is conducting a strategic review of nib Travel, which is ongoing. As a result of that review, nib Group's accounting treatment of the business falls under AASB 5 which requires the business to be classified as discontinued operations for the purposes of statutory reporting.

This announcement has been authorised for release by Jordan French, nib Company Secretary.



Jordan French
Company Secretary

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