Helia

ASX Announcement

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2026 Half Year Results

11 August 2026: Helia Group Limited (Helia or the Company) (ASX:HLI) today reported its financial results for the half year ended 30 June 2026 (1H26).[1]

Helia Interim Chief Executive Officer, Mr Michael Cant, said "Helia delivered a strong financial and operational performance despite a challenging industry backdrop. In the first half of the year, we renewed a number of important customer contracts and continued to make good progress in simplifying and strengthening our business."

"We continue to play an important role in the Australian home lending market. Our strength and expertise provide support to lenders, enabling them to help more people to buy a home."

1H26 financial highlights

	1H25	1H26	1H26 v 1H25 (%)
Statutory net profit after tax ($m)	133.7	100.0	(25)
Statutory diluted earnings per share (cps)	48.7	36.2	(26)
Underlying net profit after tax ($m)[2]	126.1	106.3	(16)
Underlying diluted earnings per share (cps)	46.0	38.5	(16)
Ordinary dividend per share (cps)	16.0[3]	16.0	0
Special dividend per share (cps)	27.0[3]	27.0	0
Annualised underlying return on equity (ROE) (%)	24.0	22.2	(180) bps
Net tangible assets and net CSM per share ($)	5.35	4.94	(8)

Statutory net profit after tax (NPAT) was down 25% on pcp to $100.0 million and Underlying NPAT was down 16% on pcp to $106.3 million. The profit result benefitted from negative total claims incurred, however it was down on pcp due to the prior period having a bigger claims benefit and large investment gains.

In recognition of the strong capital position of Helia, the Board today declared a fully franked interim ordinary dividend of 16.0 cents per share and an unfranked interim special dividend of 27.0 cents per share, both payable on 4 September 2026 to shareholders registered as at 21 August 2026.

[1] The financial result of Helia and its subsidiary companies (the Group) is prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB), consistent with International Financial Reporting Standards (IFRS).

[2] Underlying NPAT excludes the after-tax impacts of unrealised gains/(losses) on shareholder funds, and foreign exchange rates on Helia's investment portfolio. The bulk of the foreign exchange exposures are hedged.

[3] 1H25 interim ordinary dividend of 16cps was fully franked and the 1H25 interim special dividend of 27cps was unfranked.

Operating environment

The RBA increased its cash rate target to 4.35%[4] in 1H26 through three consecutive 25 basis point increases. Cost of living pressures driven by inflation and higher interest rates remain a challenge for many borrowers.

The labour market weakened with the seasonally adjusted ABS unemployment rate rising 30 basis points to 4.4%[5] in 1H26. The unemployment rate remains below historical levels and hours worked and the participation rate remain supportive for mortgage serviceability.

National dwelling values increased modestly, with the Cotality Home Value Index rising 1.2%[6] in 1H26, but there are signs of a cyclical peak with Sydney, Melbourne and Canberra dwelling values lower in the period. Dwelling values continue to have a positive equity buffer for most borrowers.

Whilst the economic environment has been favourable for claims, mortgage market conditions remain challenging for LMI new business. Despite the High Loan to Value Ratio (HLVR) mortgage market growing by 25% on pcp in 1Q26, LMI market Gross Written Premium (GWP) contracted 14%, due to a combination of the Government 5% Deposit Scheme and lender self-insurance.

Federal taxation changes outlined in the 2026-27 Federal Budget relating to negative gearing and capital gains and a slowing property market represent further headwinds to mortgage lending activity.

Strategic progress

Helia's purpose is to accelerate financial wellbeing through home ownership, and its vision is to be Australia's most trusted risk partner for home lending. The Company's strategy is focussed on growing new business and creating a simpler, more efficient business to drive sustainable, long-term performance.

Helia aims to leverage its deep industry expertise to support the growth of lender customers and successfully renewed three exclusive customers in 1H26, including ING Bank (Australia) Limited (ING), which accounted for 22% of 1H26 GWP.

The Company also made further progress on simplifying and strengthening its business through reducing complexity and increasing automation and is on track to achieve a $12 million[7] reduction in recurring expenditure by the end of FY26.

Capital management

Helia targets a stable fully franked ordinary dividend and continues to explore options to return excess capital in an efficient and effective manner to shareholders.

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[4] Reserve Bank of Australia Cash Rate Target, June 2026.

[5] Australian Bureau of Statistics Labour Force Australia, June 2026.

[6] Cotality Home Value Index, 1 July 2026.

[7] Expenditure incurred is reported on an accrual basis and includes both cash and non-cash charges recognised when incurred.

Today, the Board declared a fully franked interim ordinary dividend and an unfranked interim special dividend in lieu of 1H26 buyback activity and also approved a further on-market share buy-back for shares up to a maximum aggregate value of $75 million.

Based on Helia's closing share price of $5.12 on 10 August 2026, the buy-back would represent a reduction of 5.3% of the Company's shares on issue or around 14.6 million shares. Helia reserves the right to vary, suspend or terminate the buy-back at any time and there is no guarantee that the Company will purchase any or all of the shares referred to above. Helia will not buy back more than 10% of its ordinary shares without seeking further shareholder approval.

1H26 key financial measures

	1H25	1H26	1H26 v 1H25 (%)
Gross written premium (GWP) ($m)	109.9	61.6	(44)
Insurance revenue ($m)	182.2	170.6	(6)
Total incurred claims ratio (%)[8]	(14.8)	(8.0)	680 bps
Insurance service result ($m)	150.9	133.5	(12)
Operating expenses[9]	63.4	53.1	(16)
Net investment return per annum (%)	7.3	3.8	(350) bps
Net financial result ($m)	60.2	19.4	(68)
Prescribed Capital Amount coverage ratio (times)[10]	2.30	2.07	(23) bps

GWP was down 44% on pcp, reflecting no CBA new business from 31 January 2026, and reduced First Home Buyer new business due to the Government Scheme.

Insurance revenue was down 6% on pcp due to lower GWP in recent book years.

Total incurred claims were negative $14m equating to a total incurred claims ratio of -8%, reflecting continuing low delinquencies and strong levels of portfolio equity.

Operating expenses were down 16% on pcp from actions to reduce expenditure on technology and other service providers, and a lower number of Full Time Equivalent (FTE) employees.

The net investment return of 3.8% p.a. was down 350 basis points on pcp due to small realised and unrealised losses from rising bond yields, compared to large gains in the pcp. The net running yield was 4.7% p.a. as at 1H26.

Helia's PCA coverage ratio was down 23bps on pcp but was up 4bps from the 2.03 times reported at FY25 despite sizeable capital returns, due to a fall in the regulatory capital requirement as in-force run-off and seasoning exceeded capital required for new business.

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[8] Calculated as Total incurred claims divided by Total insurance revenue.
[9] Calculated as the sum of Total insurance expense and Other operating expenses.
[10] Group (Level 2) based on APRA prudential standards applicable from 1 July 2023.

The Company's target capital range of 1.40 to 1.60 times APRA's Prescribed Capital Amount (PCA) remains unchanged and Helia continues to have significant flexibility in its capital mix through debt issuance and higher reinsurance usage.

Audit tender update

Following the Board's decision in December 2025 to commence a competitive tender process for external audit services, the Company has selected Deloitte to be appointed as Helia's external auditor from 1 January 2027, subject to shareholder and regulatory approval. The Board intends to seek shareholder approval at next year's Annual General Meeting.

CEO appointment update

The Company wishes to advise that the appointment of incoming CEO Mark Senkevics will take effect on 19 October 2026.

Outlook and FY26 guidance

FY26 Insurance revenue is expected to be within a range of $330 million to $360 million (previous guidance $320 million to $370 million).

While economic conditions are becoming more challenging, the portfolio is well positioned, and the FY26 Total incurred claims ratio is expected to remain well below through-the-cycle average levels.

For more information, analysts, investors and other interested parties should contact:

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Briefing details

A conference call and webcast will commence at 10:30am (Sydney time) on Tuesday, 11 August 2026 to discuss these results.

Registration

Analysts, investors, and media are encouraged to pre-register using one of the options below.

Conference call (live moderator): https://register-conf.media-server.com/register/Bl814f6d95ff4d46d2bc359dfbde63122c

Webcast (listen-only mode): https://edge.media-server.com/mmc/p/3tiw6bz6/

Replay

A replay of the webcast will be available on Helia's investor website within 24 hours.
https://investor.helia.com.au/Investor-Centre/?page=reports-and-presentations

The release of this announcement was authorised by the Board.