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Tower updates FY26 guidance

Kiwi insurer Tower (NZX/ASX: TWR) today revised its FY26 underlying net profit after tax (underlying NPAT) guidance for the year to 30 September 2026.

Based on preliminary, unaudited results, Tower now expects FY26 full-year underlying NPAT to be between \$69m and \$79m, compared with its previous guidance range of \$55m to \$65m. The uplift reflects Tower's large event allowance of \$45m not being fully utilised during the year.

The expected FY26 result reflects a return to a more typical earnings profile after the unusually favourable weather conditions and claims experience of FY25, which was an exceptionally strong year.

Tower's earlier guidance assumed the full utilisation of the FY26 large event allowance, which was set at \$45m. Large event claim costs of around \$25m were recorded for the financial year, with the unused allowance of around \$20m increasing expected underlying NPAT by \$14m (\$20m less tax).

Reported profit will continue to be impacted by non-underlying costs including further customer remediation programme costs incurred in the second half.

Customer growth remains strong, with customer numbers increasing by 8% in the year to 345,000 customers, driven primarily by growth in New Zealand home insurance policies and new and existing partnerships delivering scale.

Gross written premium (GWP) growth of 3%, is in line with guidance growth of low single digit. Competitive pricing is supporting customer affordability and growth, while expanded risk-based pricing is strengthening portfolio quality and reducing exposure to weather-related impacts.

Tower will release full details of its FY26 performance with its financial results announcement on 26 November.

ENDS

This announcement has been authorised by: Paul Johnston, Chief Executive Officer, Tower Limited

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