



medibank

Half year results

2025

Investor presentation
27 February 2025

Important notice

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This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the MPL Group and certain plans and objectives of the management of MPL. Forward-looking statements can be identified by the use of forward-looking terminology, including without limitation the terms “believes”, “estimates”, “anticipates”, “expects”, “predicts”, “intends”, “plans”, “goals”, “targets”, “aims”, “outlook”, “aspiration”, “guidance”, “forecasts”, “continue”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. Statements about market and industry trends are also forward-looking statements.

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MPL believes the expectations reflected in these forward-looking statements are reasonable as at the date of this presentation, but acknowledge they involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of MPL, which may cause the actual results or performance of MPL to be materially different from the results or performance expressed or implied by such forward-looking statements.

These factors include general economic conditions in Australia, exchange rates, the market environment in which MPL operates and inherent regulatory risks in MPL’s business, and those set out on slides 9 to 11, 15 to 26 and 31.

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Abbreviations and acronyms used throughout the presentation may be found in the glossary.

Acknowledgment of Country

Medibank acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation.

We proudly recognise Elders past, present and emerging as the Traditional Owners and Custodians of the lands on which we work and live.

We're committed to supporting self-determination and envision a future where all Australians embrace Aboriginal and Torres Strait Islander histories, cultures and rights as a central part of our national identity.

A woman and a man in dark blue Amplar Health uniforms are smiling and talking outdoors. The woman is in the center, holding a clipboard, and the man is on the right. They are standing in front of a brick building with a porch. The scene is bright and sunny.

medibank

Highlights

David Koczkar
Chief Executive Officer



Our customer focus has seen our advocacy continue to improve

- Strong NPS and improved lapse, with increased value provided to customers
- Returning another \$160m to our customers as part of our COVID-19 give back program



This strong result reflects our disciplined approach and improving momentum

- Underlying NPAT of \$298.7m, up 13.8% with earnings growth across our business
- Interim fully franked dividend of 7.8 cents per share, up 8.3%



We have made good progress on our growth strategy to achieve our vision

- Further strengthened our foundations and delivered growth across our businesses
- c. \$59m of inorganic investment over the past 18 months to support future growth and Australia's health transition



We are well-placed to navigate industry cycles

- Australia's health system continues to face into challenges and is changing
- Have a track record of managing uncertainties, to realise opportunities and overcome potential headwinds
- Differentiated approach across health supports sustainable shareholder value as we deliver for our customers and strengthen Australia's health system



We remain well-capitalised in our pursuit of multiple avenues of growth

- Have strong foundations across multiple growing market segments in both insurance and health
- Currently targeting growth segments of insurance, primary and virtual care and corporate health and wellbeing

Continuing to deliver for our customers

Supporting our customers' whole needs in health

We continue to prioritise value and health for our customers



Giving back to customers¹

\$160m

COVID-19 financial support announced²
\$1.62b total support package³

\$14m (+8.5%) customer savings through Members' Choice Advantage⁴

c. \$15m (+44.3%) of rewards claimed by customers through Live Better rewards⁵

Supporting health needs¹

889k (+13.8%)

Live Better rewards participants

158k (+9.3%) virtual health advice and navigation interactions for Medibank customers⁶

Over **100k** homecare visits delivered by Amplar Health

While delivering an exceptional customer experience



13.9

Medibank average journey NPS

50.6 (+1.7)¹

ahm average service NPS

47

Service teams organised around local geographies and customer journeys

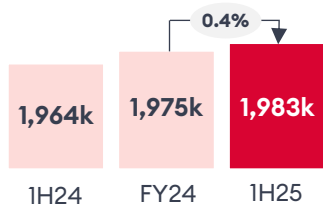
(1) Variance represents movement from 1H24. (2) Announced \$160m cashback to eligible Medibank customers on 27 February 2025. (3) Total of committed COVID-19 financial support to 27 February 2025. (4) Across dental and optical Members' Choice Advantage networks. (5) Includes value of rewards claimed with partners (such as partner products and vouchers) and health cover rewards (such as savings on premiums). (6) Customer interactions with Health Concierge, 24/7 nurse and virtual GP delivered by the Amplar Health team and their partners.

Strong result reflects discipline and improving momentum

Delivering earnings and dividend growth

Net resident policyholder growth

+18.5k (+0.9%)



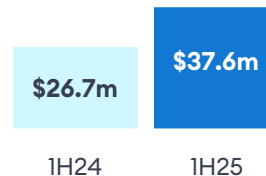
Health Insurance operating profit

\$349.2m (+10.2%)



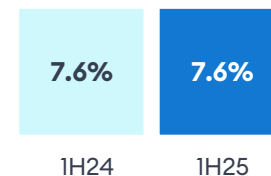
Medibank Health segment profit

\$37.6m (+40.8%)



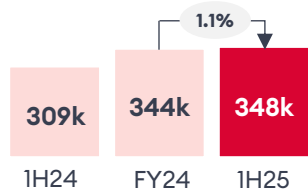
Health Insurance management expense ratio¹

7.6% (0bps)



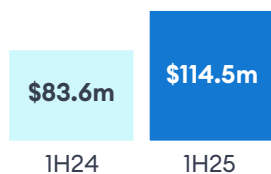
Net non-resident policy unit growth

+38.9k (+12.6%)



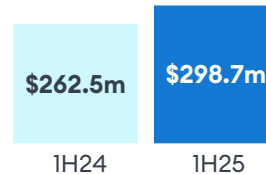
Net investment income

\$114.5m (+37.0%)



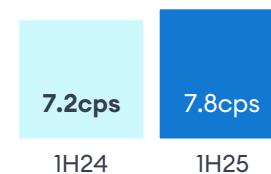
Underlying net profit after tax

\$298.7m (+13.8%)



Interim ordinary dividend fully franked

7.8cps (+8.3%)



(1) Health Insurance management expense ratio does not include non-recurring cybercrime costs of \$17.2m in 1H25 (1H24: \$17.6m) - refer to slide 14.

Continued progress on our strategy and vision

Further strengthening our business

Our vision

To create the best health and wellbeing for Australia

Our segments



Resident

Non-resident

Wellbeing

Primary care

Specialist and acute care

Our brands



ahm

You're good.



Our strategic pillars



Deliver leading experiences



Differentiate our insurance business



Expand in health

Our progress and impact

- National launch of local community hubs which deepen and personalise customer relationships
- Increased use of frontline and health AI driving greater customer satisfaction
- Investment to further strengthen business resilience and customer trust

- Maintained discipline to support sustainable earnings growth
- Launched new products to support differentiation, retention and acquisition
- Expanded our no gap network to 41 sites nationally saving customers c. \$5.7m in out-of-pocket costs since its inception in FY20

- Investments in corporate health, short stay hospitals and in-home care to accelerate innovation, drive earnings growth and differentiate our insurance offering
- 2.2m health interactions provided by our Amplar Health network^{1,2}
- Addressed rising health costs, saving 104k hospital bed days^{1,3} through prevention and homecare programs

(1) Health interactions and bed days saved during 1H25. (2) Network of services provided by either MyHealth or Amplar Health. Includes primary care, prevention, virtual health, homecare and hospital services. (3) Bed days saved through Medibank clinician-led prevention programs and homecare programs delivered by or for Medibank and Amplar Health.

Fundamentals remain strong across resident health

We remain disciplined, focused on long-term sustainable growth

<p>Current industry state</p> <p>Resident health insurance segment remains buoyant</p>		<p>Emerging industry issues and opportunities</p> <p>Insurers and providers facing margin pressure</p>																																
<ul style="list-style-type: none"> • 2.3% industry growth in the 12 months to 30 September 2024¹ • Strong growth in the number of 25-30 year old customers continues • Consumers continue to prioritise their health and wellbeing • Ongoing focus on price and value given cost-of-living pressures • Competitive intensity persists with increased industry lapse and acquisition costs 		<ul style="list-style-type: none"> • PHI competitor margins trending lower with higher management expenses² • Cost of delivering healthcare increasing • Hospital bed utilisation below pre-pandemic levels • Health innovation occurring but other countries are more progressed • Government reform required to keep healthcare affordable 																																
<p>Our response</p> <p>Remain disciplined, focused on long-term sustainable growth and affordability</p>																																		
<p>Strengthen differentiation and value</p> <ul style="list-style-type: none"> • Targeted investment in product benefits, particularly in mental health • Broaden interactions with customers as a trusted health partner <p><i>Medibank policyholders engaged with health and wellbeing services³</i></p> <table border="1"> <caption>Medibank policyholders engaged with health and wellbeing services³</caption> <thead> <tr> <th>Period</th> <th>Engagement Rate</th> </tr> </thead> <tbody> <tr> <td>1H23</td> <td>37.2%</td> </tr> <tr> <td>1H24</td> <td>45.0%</td> </tr> <tr> <td>1H25</td> <td>49.4%</td> </tr> </tbody> </table>	Period	Engagement Rate	1H23	37.2%	1H24	45.0%	1H25	49.4%	<p>Grow customers in a disciplined way</p> <ul style="list-style-type: none"> • Grow in priority segments including families, corporates and new to industry • Focus on retention and lower-cost channels <p><i>Health insurance change in retention rate 12 months to Sep 24 vs 12 months to Sep 23¹</i></p> <table border="1"> <caption>Health insurance change in retention rate 12 months to Sep 24 vs 12 months to Sep 23¹</caption> <thead> <tr> <th>Entity</th> <th>Change in Retention Rate</th> </tr> </thead> <tbody> <tr> <td>Medibank</td> <td>+20 bps</td> </tr> <tr> <td>ahm</td> <td>+20 bps</td> </tr> <tr> <td>Rest of Industry</td> <td>-70bps</td> </tr> </tbody> </table>	Entity	Change in Retention Rate	Medibank	+20 bps	ahm	+20 bps	Rest of Industry	-70bps	<p>Partner to support affordability</p> <ul style="list-style-type: none"> • Align hospital contracts with better ways of delivering care • Share benefits under partnership model • Advocate for reform to sustain the system <p><i>Medibank's hospital contracting approach</i></p> <table border="1"> <caption>Medibank's hospital contracting approach</caption> <thead> <tr> <th>Period</th> <th>Partnership Approach (%)</th> <th>Base/Indexation/Value-based Contracting (%)</th> </tr> </thead> <tbody> <tr> <td>Jun-22</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>May-23</td> <td>55%</td> <td>45%</td> </tr> <tr> <td>Jun-24</td> <td>75%</td> <td>25%</td> </tr> <tr> <td>Dec-24</td> <td>79%</td> <td>21%</td> </tr> </tbody> </table>		Period	Partnership Approach (%)	Base/Indexation/Value-based Contracting (%)	Jun-22	0%	100%	May-23	55%	45%	Jun-24	75%	25%	Dec-24	79%	21%
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(1) Source: APRA, quarterly private health insurance statistics to Sep 2024. (2) Source: APRA, FY24 annual private health insurance statistics. (3) Live Better rewards and health services such as homecare, no-gap, clinician-led prevention programs and virtual health.

Differentiation of growing importance in non-resident PHI

Migration policy changes play to Medibank's strengths

<p>Current industry state Strong, albeit lower net migration</p>		<p>Emerging industry issues and opportunities Improving stability, alongside changing sector dynamics</p>															
<ul style="list-style-type: none"> Migration remains highly important to the Australian economy Net migration continues to exceed pre-pandemic levels¹ Higher education less impacted by changes in student migration Overseas workers continue to help fill ongoing skills shortages Visitors unaffected by government migration policy 		<ul style="list-style-type: none"> Potential reform in student segment, such as caps on commissions, likely to increase importance of differentiated offerings Stronger price competition in worker and visitor segments emerging Larger student cohort expected to convert to working visas over the next 24 months 															
<p>Our response Grow share using our existing capabilities in health, corporate and lifecycle management</p>																	
<p>Continue to grow share in the student segment</p> <ul style="list-style-type: none"> Differentiate through integrated health proposition Retain and grow key accounts among universities <p><i>Medibank overseas student health cover revenue market share²</i></p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Market Share (%)</th> </tr> </thead> <tbody> <tr> <td>FY22</td> <td>31.3%</td> </tr> <tr> <td>FY23</td> <td>32.0%</td> </tr> <tr> <td>FY24</td> <td>39.4%</td> </tr> </tbody> </table>		Fiscal Year	Market Share (%)	FY22	31.3%	FY23	32.0%	FY24	39.4%	<p>Expand in growing segments of workers and visitors</p> <ul style="list-style-type: none"> Grow share in worker segment through existing corporate relationships Develop innovatively priced products to grow visitor acquisitions over the medium-term <p><i>Australian skilled and graduate worker visa grants³</i></p> <table border="1"> <thead> <tr> <th>Period</th> <th>Grants (k)</th> </tr> </thead> <tbody> <tr> <td>1H24</td> <td>98k</td> </tr> <tr> <td>1H25</td> <td>124k</td> </tr> </tbody> </table>		Period	Grants (k)	1H24	98k	1H25	124k
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		<p>Enhance our lifecycle management</p> <ul style="list-style-type: none"> Improved conversion through enhanced sales and service Emphasis on student to worker and resident pathways <pre> graph LR Students((Students)) -- Extras --> ResidentGrowth((Resident growth)) Students --> Workers((Workers)) Workers -- "Extras Resident PHI" --> ResidentGrowth </pre> <p>c. 40% of student arrivals eventually transition to permanent residency⁴</p> <p>c. 70% of skilled workers transition to permanent residency⁴</p>															

(1) Source: Australian Bureau of Statistics, overseas migration. (2) Source: APRA, FY24 annual private health insurance statistics. (3) Source: Department of Home Affairs, data on temporary work skilled visa program and temporary graduate visa program. (4) Source: Australian Government Centre for Population, pathways from temporary visas to permanent residency.

Medibank well positioned as health system evolves

Addressing changing customer health needs

<p>Current industry state</p> <p>The health system is under pressure</p>		<p>Emerging industry issues and opportunities</p> <p>Change is needed to sustain the system</p>																																			
<ul style="list-style-type: none"> Historical underinvestment in prevention vs other OECD countries¹ 39% of health system spending is due to avoidable risk factors² Growing barriers to accessing primary care due to cost and workforce issues Public hospitals are under strain Clinicians time being diverted to non-clinical activities 		<ul style="list-style-type: none"> Consumers are demanding personalised and accessible care Need to focus on wellbeing and chronic disease management Innovation in primary care is critical to reducing the burden of disease Reform is required to avoid unsustainable growth in spending Corporates are investing in the health of employees 																																			
<p>Our response</p> <p>Provide greater choice and control in how people manage their health</p>																																					
<p>Helping people stay healthier for longer</p> <ul style="list-style-type: none"> Encouraging positive health behaviours Targeted early prevention programs for at risk populations <table border="1"> <caption>Live Better rewards participants</caption> <thead> <tr> <th>Period</th> <th>Participants</th> </tr> </thead> <tbody> <tr> <td>1H22</td> <td>407k</td> </tr> <tr> <td>1H23</td> <td>619k</td> </tr> <tr> <td>1H24</td> <td>781k</td> </tr> <tr> <td>1H25</td> <td>889k</td> </tr> </tbody> </table>		Period	Participants	1H22	407k	1H23	619k	1H24	781k	1H25	889k	<p>Primary care when and where it's needed</p> <ul style="list-style-type: none"> Our multi-disciplinary primary care network is well placed to meet changing consumer expectations and public policy <p style="text-align: center;"><i>Primary care 2030 aspirations</i></p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid gray; padding: 5px; width: 45%;"> <p>Planned and preventative</p> <p>+ 1-4 additional consults per customer per year</p> </div> <div style="border: 1px solid gray; padding: 5px; width: 45%;"> <p>Multi-disciplinary</p> <p>c. 20% service delivery by nurses and allied health</p> </div> </div> <div style="text-align: center; margin: 10px 0;"> <p>Consumer centric primary care</p> </div> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid gray; padding: 5px; width: 45%;"> <p>Multi-channel</p> <p>c. 50% virtual consults</p> </div> <div style="border: 1px solid gray; padding: 5px; width: 45%;"> <p>Clinician-led</p> <p>Empowering clinicians to better support patients</p> </div> </div>																									
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<p>Giving customers the choice of different care options</p> <ul style="list-style-type: none"> Digital first programs supported by in person Deliver homecare - from rehab to acute care Invest in doctor-led short stay hospitals <p style="text-align: center;"><i>Growth in private hospital episodes since 2014³</i></p> <table border="1"> <caption>Growth in private hospital episodes since 2014</caption> <thead> <tr> <th>Year ending September</th> <th>Day (2.9% CAGR)</th> <th>Overnight (0.8% CAGR)</th> </tr> </thead> <tbody> <tr><td>2014</td><td>0%</td><td>0%</td></tr> <tr><td>2015</td><td>~5%</td><td>~2%</td></tr> <tr><td>2016</td><td>~10%</td><td>~3%</td></tr> <tr><td>2017</td><td>~15%</td><td>~4%</td></tr> <tr><td>2018</td><td>~20%</td><td>~5%</td></tr> <tr><td>2019</td><td>~25%</td><td>~6%</td></tr> <tr><td>2020</td><td>~10%</td><td>~2%</td></tr> <tr><td>2021</td><td>~20%</td><td>~5%</td></tr> <tr><td>2022</td><td>~15%</td><td>~3%</td></tr> <tr><td>2023</td><td>~30%</td><td>~6%</td></tr> <tr><td>2024</td><td>~35%</td><td>~8%</td></tr> </tbody> </table>		Year ending September	Day (2.9% CAGR)	Overnight (0.8% CAGR)	2014	0%	0%	2015	~5%	~2%	2016	~10%	~3%	2017	~15%	~4%	2018	~20%	~5%	2019	~25%	~6%	2020	~10%	~2%	2021	~20%	~5%	2022	~15%	~3%	2023	~30%	~6%	2024	~35%	~8%
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(1) Source: OECD, Health Spending. (2) Source: Australian Institute of Health and Welfare, health system spending per case of disease and for certain risk factors. (3) Source: APRA, quarterly private health insurance statistics to Sep 2024.

Medibank: a growing and differentiated health company

Empowering our teams to create the best health and wellbeing for Australia



Deepening relationships with customers



- Deliver exceptional customer experience
- Personalised service via community hubs
- Technology and AI enablement
- Strong risk management and governance

Delivering more value, choice and control



- Differentiated products and services
- Empower customers to manage their health
- Greater options for when and where customers receive care



Supporting whole of health needs

- Proactive and personalised
- Platform connecting consumer needs with health services
- Tailored across the customer lifecycle



Driving change in the health system

- Focus on better ways of providing care
- Investments catalyse change
- Partnerships foster innovation and drive wide uptake
- Advocate for reform to sustain the system



Drives shareholder value by:

Supporting customer growth

Proactively addressing claims costs

Meeting more health needs of more customers

Delivering new and diversified earnings streams

Creating a stronger and more resilient business

Sustainable growth



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Financial results

Mark Rogers

Group Lead – Chief Financial Officer & Group Strategy

Group financial summary

Underlying EPS up 13.8% to 10.8 cps



Six months ended 31 Dec (\$m)	1H24	1H25	Change
Group revenue from external customers	4,024.0	4,270.7	6.1%
Health Insurance operating profit ¹	317.0	349.2	10.2%
Medibank Health segment profit	26.7	37.6	40.8%
Segment operating profit	343.7	386.8	12.5%
Corporate overheads	(24.3)	(26.7)	9.9%
Group operating profit	319.4	360.1	12.7%
Net investment income	83.6	114.5	37.0%
Other income/(expenses)	(8.8)	(8.0)	(9.1%)
Cybercrime costs	(17.6)	(17.2)	(2.3%)
Profit before tax, before movement in COVID-19 reserve	376.6	449.4	19.3%
Movement in COVID-19 reserve (excl. tax)	115.3	43.6	(62.2%)
Profit before tax	491.9	493.0	0.2%
Income tax expense	(148.7)	(148.9)	0.1%
Non-controlling interests	-	(3.8)	n.m.
NPAT attributable to Medibank shareholders	343.2	340.3	(0.8%)
Effective tax rate	30.2%	30.2%	-
EPS (cents)	12.5	12.4	(0.8%)
Normalisation for investment returns	-	(11.1)	n.m.
Normalisation for COVID-19 reserve movements	(80.7)	(30.5)	(62.2%)
Underlying NPAT²	262.5	298.7	13.8%
Underlying EPS ² (cents)	9.5	10.8	13.8%
Dividend per share (cents)	7.2	7.8	8.3%
Dividend payout ratio ³	75.5%	71.9%	(360bps)

Group operating profit up 12.7%

- Disciplined approach to growth in resident Health Insurance business
- Important contribution from non-resident Health Insurance to Fund's growth
- Highlights strong momentum in Medibank Health
- Increase in corporate overheads includes inflation and additional investment in customer trust initiatives

COVID-19 impacts are excluded from Health Insurance performance

- In line with the implementation of AASB 17
- \$43.6m pre-tax increase in COVID-19 reserve materially lower than prior period

Other income/(expenses) down 9.1%

- Includes \$1.5m of M&A expenses (1H24: \$3.0m)
- \$0.9m intangible amortisation expense following increased investment in Myhealth

Non-recurring cybercrime costs of \$17.2m

- Costs include further IT security uplift and legal and other costs related to regulatory investigations and litigation
- Expect costs of approximately \$40m in FY25, including investment in uplifting business resilience and customer trust
- Excludes the impacts of any potential findings or outcomes from regulatory investigations or litigation

Underlying EPS up 13.8% to 10.8c

- -\$11.1m normalisation impact for investment returns
 - Growth returns -\$9.7m (1H24: +\$4.4m)
 - Defensive returns -\$1.4m (1H24: -\$4.4m)
- -\$30.5m normalisation for COVID-19 reserve movements (1H24: -\$80.7m)

(1) Health Insurance operating profit excludes the impacts of COVID-19. (2) Underlying NPAT and Underlying EPS are adjusted for any movement in the COVID-19 equity reserve as well as the normalisation of investment returns. (3) Dividend payout ratio is based on Underlying NPAT.

Health Insurance result

Disciplined approach to growth supports 40bps improvement in operating margin to 8.5%

Six months ended 31 Dec (\$m)	1H24	1H25	Change
Premium revenue ¹	3,925.3	4,085.7	4.1%
Claims expense ¹	(3,288.6)	(3,423.1)	4.1%
Risk equalisation	(20.8)	(1.0)	(95.2%)
Net claims expense	(3,309.4)	(3,424.1)	3.5%
Gross profit	615.9	661.6	7.4%
Management expenses	(298.9)	(312.4)	4.5%
Operating profit	317.0	349.2	10.2%
Gross margin	15.7%	16.2%	50bps
MER	7.6%	7.6%	-
Operating margin	8.1%	8.5%	40bps

Reconciliation of COVID-19 reserve

	1H24	FY24	1H25
Balance at beginning of period	205.6	205.6	128.0
– Hospital claims	125.4	167.3	43.6
– Extras claims	16.5	51.8	-
Lower / (higher) than expected claims	141.9	219.1	43.6
Premium deferral cost	(26.6)	(39.9)	-
Cash give back cost	-	(290.0)	-
Net COVID-19 impact	-	-	-
Tax effect of movements	(34.6)	33.2	(13.1)
Balance at end of period	286.3	128.0	158.5

Revenue up 4.1% to \$4,085.7m

- Total policy unit growth of 1.4%
- Resident downgrading stable at 50bps despite economic conditions

Gross profit up 7.4% to \$661.6m

- Despite challenging economic environment the business has remained resilient
- Benefit of our treatment of COVID-19 claims trends

Gross margin up 50bps to 16.2%

- 40bps improvement in resident with improved risk equalisation and downgrading outcomes consistent with disciplined approach to growth
- 10bps benefit from strong growth in higher margin non-resident policies
- Remains below FY19 pre-COVID-19 margin of 17.1%

Operating profit up 10.2% to \$349.2m

- MER remaining at 7.6%
- Operating margin up 40bps to 8.5%

Claims environment largely stabilised

- Private surgical claims utilisation in line with expectations
- Softness across other claims types continues and now largely factored into claims expectations
- Notwithstanding this, hospital claims were \$43.6m below expectations largely in December 2024 - monitoring whether this is due to residual COVID-19 impacts or other factors

COVID-19 equity reserve up \$30.5m to \$158.5m

- No Extras claims impacts have been reflected from 1 July 2024
- FY25 is the last year COVID-19 impacts on Hospital claims separated from Health Insurance result
- Expect to finalise our give back program with remaining permanent net claims savings due to COVID-19 returned to customers

(1) Premium revenue and Claims expense exclude COVID-19 customer give backs and variances to expected claims, including claims provision releases, that are now included in the COVID-19 equity reserve.

Health Insurance – resident policyholders

Industry remains buoyant – Medibank focused on disciplined growth

Six months ended 31 Dec	1H24	1H25	Change
Policyholders (thousand):			
Opening balance	1,960.9	1,975.3	0.7%
Acquisitions	103.2	102.2	(1.0%)
Lapses	(99.8)	(94.7)	(5.1%)
Closing balance	1,964.3	1,982.8	0.9%
– Medibank	1,435.2	1,433.4	(0.1%)
– ahm	529.1	549.4	3.8%
Acquisition rate¹	5.3%	5.2%	(10bps)
– Medibank	4.3%	4.1%	(20bps)
– ahm	8.5%	8.5%	-
Lapse rate¹	5.1%	4.8%	(30bps)
– Medibank	4.5%	4.2%	(30bps)
– ahm	7.3%	6.8%	(50bps)
Policyholder growth	0.2%	0.4%	20bps
Total policy units ² (thousand)			
Closing balance	4,804.6	4,836.1	0.7%
Average balance	4,795.4	4,831.3	0.7%
Total Hospital lives (thousand)	2,959.6	2,990.4	1.0%

Resident health insurance market remains buoyant

- Industry growth³ for the 12 months to 31 December 2024 expected to be only modestly below the 2.3% growth in the 12 months to 30 September 2024
- Strong growth in the number of 25 – 30 year old customers continues

Cost-of-living pressures impacting industry

- Modest increase in the number of customers both lapsing and switching funds
- Competitive environment continues but a number of sensible opportunities emerging to pursue further growth

Policyholder growth up 0.9% (+18.5k) over 12 months

- Medibank brand down 0.1%; ahm up 3.8%
- Growth in the last 6 months double that in the prior corresponding period

Acquisition rate down 10bps to 5.2%

- Increasing Medibank acquisition is a key area of focus and will be supported by additional marketing spend and investment in product benefits
- % of ahm sales through direct channels increased to 50% (1H24: 48%)

Lapse rate improved 30bps to 4.8%

- Improvement across both brands
- Further improvement opportunity exists, particularly in ahm by improving customer experience

Aim to grow in line with market during 2H25, including volume growth in Medibank brand

- Further capitalising on our dual brand strategy
- Increasing focus on priority segments, including the growing corporate market
- Supporting retention through additional product benefits and final customer give back

(1) Transfers of policyholders between ahm and Medibank are excluded in consolidated lapse and acquisition rates but included at brand levels. Lapse and acquisition rates are based on the average of the opening and closing balances for the period.

(2) Based on an average of the month-end balances over the reporting period.

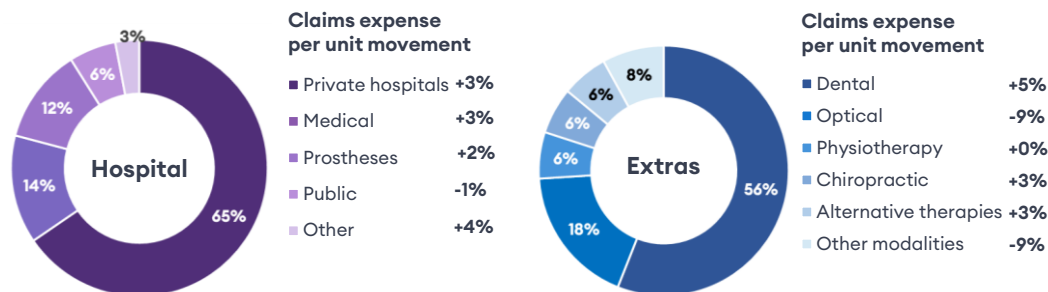
(3) Industry average, resident policyholders, APRA quarterly private health insurance statistics to Sep 24 with estimate for Dec 24 quarter.

Health Insurance – resident claims

Expect FY25 claims growth per policy unit of 2.4% - 2.6%

Six months ended 31 Dec (\$m)	1H24	1H25	Change
Claims expense ¹	(3,205.9)	(3,325.6)	3.7%
Risk equalisation	(20.8)	(1.0)	(95.2%)
Net resident claims expense	(3,226.7)	(3,326.6)	3.1%
– Hospital	(2,389.3)	(2,477.9)	3.7%
– Extras	(837.4)	(848.7)	1.3%
Annualised average claims expense per policy unit² (\$)	(1,345.7)	(1,377.1)	2.3%
– Utilisation	0.1%	0.1%	0bps
– Inflation	1.9%	2.9%	100bps
Hospital claims per policy unit growth	2.0%	3.0%	100bps
– Utilisation	1.5%	(0.2%)	(170bps)
– Inflation	0.8%	0.8%	0bps
Extras claims per policy unit growth	2.3%	0.6%	(170bps)

Indicative composition & movement in claims expense per policy unit² vs. 1H24



Resident gross claims up 3.7%

- Risk equalisation provided a 60bps benefit to net claims growth this period (1H24: 20 bps benefit)
- Net claims growth of 3.1%

Average claims growth per policy unit up 30bps to 2.3% (1H24: 2.0%)

- Driven by higher hospital claims growth partially offset by lower extras claims growth
- Benefit of disciplined approach to growth

Hospital claims growth per policy unit up 100bps to 3.0%

- Higher private hospital indexation
- MBS and public hospital charges linked to trailing 2024 CPI
- Improved risk equalisation outcome

Extras claims per policy unit down 170bps to 0.6%

- Prior period claims \$16.5m favourable to expectations due to COVID-19 impacts (\$0m impact this period)
- Economic conditions impacting utilisation of most services

Claims growth in 2H25 to be impacted by:

- Increase in NSW private room rate charges from 1 January 2025
- Further pressure on private hospital indexation
- Additional benefit from shift to same day/short stay procedures
- Potential for further softness in extras claims

FY25 expected claims growth per policy unit of 2.4% - 2.6% (previous expectation was c. 2.7%)

- Range includes potential for some of the 1H25 risk equalisation improvement to unwind in 2H25

(1) Claims expense excludes impact of claims provision releases which have been transferred to the COVID-19 reserve. (2) Based on an average of the month-end balances over the reporting period.

Health Insurance – portfolio performance

Strong non-resident performance positively contributes to Fund's gross margin and gross profit growth

Six months ended 31 Dec (\$m)	Resident			Non-resident			Total		
	1H24	1H25	Change	1H24	1H25	Change	1H24	1H25	Change
Premium revenue	3,799.5	3,936.2	3.6%	125.8	149.5	18.8%	3,925.3	4,085.7	4.1%
Net hospital claims	(2,389.3)	(2,477.9)	3.7%	(82.7)	(97.5)	17.9%	(2,472.0)	(2,575.4)	4.2%
Extras claims	(837.4)	(848.7)	1.3%	-	-	-	(837.4)	(848.7)	1.3%
Net claims expense	(3,226.7)	(3,326.6)	3.1%	(82.7)	(97.5)	17.9%	(3,309.4)	(3,424.1)	3.5%
Gross profit	572.8	609.6	6.4%	43.1	52.0	20.6%	615.9	661.6	7.4%
Gross margin	15.1%	15.5%	40bps	34.3%	34.8%	50bps	15.7%	16.2%	50bps
Resident premium increase	2.96%	3.31%	35bps						
Downgrading	(0.5%)	(0.5%)	-						
Revenue per policy unit growth rate	2.5%	2.8%	30bps	1.0%	1.0%	-	1.7%	2.3%	60bps
Claims per policy unit growth rate	2.0%	2.3%	30bps	0.8%	0.2%	(60bps)	1.0%	1.7%	70bps
Policy units (thousand)									
Closing balance	4,804.6	4,836.1	0.7%	308.7	347.6	12.6%	5,113.3	5,183.8	1.4%
Average balance	4,795.4	4,831.3	0.7%	298.5	351.1	17.6%	5,093.9	5,182.4	1.7%

Resident performance

Revenue growth per policy unit up 30bps to 2.8%

- Business remains resilient to economic factors
- Higher average premium increase and stable downgrading

Downgrading steady at 50bps

- Reflects disciplined approach to growth and portfolio management activities
- Expect FY25 downgrading to be modestly higher than 1H25
 - Average 3.99% premium increase applicable from 1 April 2025 and expectation of increased policy acquisition in 2H25
 - Potential further impact if economic environment deteriorates

Gross margin up 40bps to 15.5%

- Largely driven by higher revenue per policy unit growth
- Remains below FY19 pre-COVID-19 margin of 16.4%

Non-resident performance

Revenue growth momentum continues

- 12.6% increase in policy units, primarily in the student segment
- Acquisition impacted by lower visa approvals in the last 6 months
- Timing difference between student enrolments and graduation impacting closing vs average policy unit balances

Gross profit up 20.6% to \$52.0m

- Gross margin up 50bps to 34.8%
- Claims growth modestly lower than in the prior period
- Improved visitor margin partially offset by modest tenure impact on student margin

Expect policy unit and solid gross profit growth to continue in 2H25

- Planned investment including in product value and expanded health offering
- Targeting market share gains in student and worker segments
- Policy unit growth will depend on visa approval numbers

Health Insurance – management expenses

MER maintained at 7.6% despite inflation impacting expense growth

Six months ended 31 Dec (\$m)	1H24	1H25	Change
Premium revenue	3,925.3	4,085.7	4.1%
Management expenses	(298.9)	(312.4)	4.5%
– Depreciation and amortisation	(20.8)	(22.1)	6.3%
– Resident sales commissions	(21.5)	(19.9)	(7.4%)
– Non-resident sales commissions	(16.7)	(14.1)	(15.6%)
– Operating expenses ¹	(239.9)	(256.3)	6.8%
MER	7.6%	7.6%	-

Management expenses up 4.5%

- Increase in depreciation and amortisation from increased investment in digital assets
- Impact of higher inflation on operating expenses
- Lower sales commissions

Total sales commissions decreased \$4.2m

- Non-resident sales commission \$2.6m lower in line with lower sales
- Resident sales commissions \$1.6m lower with increased proportion of ahm sales through direct channels

Operating expenses increased 6.8%

- Cost inflation of approximately 4.5%
- Modest volume impacts
- \$6m uplift in digital and other technology delivery capability
- Partially offset by productivity savings

Productivity benefits of c. \$4m delivered

- Savings from operational process improvements, technology support costs and Melbourne head office lease savings
- Targeting \$10m of productivity savings in FY25

Expect FY25 management expenses of around \$650 million

- Expect inflation has peaked
- Includes additional marketing investment in 2H25

Management Expense Ratio (MER) flat at 7.6%

- Continue to target a stable to modestly improving ratio
- Will remain disciplined as we monitor the competitive environment and our financial position for further sensible opportunities to invest in growth

(1) Includes right-of-use depreciation of \$9.8m (1H24: \$11.6m).

Medibank Health result

Segment profit up 40.8% includes organic growth and higher Myhealth contribution

Six months ended 31 Dec (\$m)	Medibank Health (excl. Myhealth)			Myhealth ^{2,3}			Total		
	1H24	1H25	Change	1H24	1H25	Change	1H24	1H25	Change
Revenue	141.4	158.8	12.3%		69.6	n.m.	141.4	228.4	61.5%
Gross profit	73.1	84.4	15.5%		46.7	n.m.	73.1	131.1	79.3%
Management expenses	(45.7)	(53.2)	16.4%		(37.7)	n.m.	(45.7)	(90.9)	98.9%
Operating profit	27.4	31.2	13.9%		9.0	n.m.	27.4	40.2	46.7%
Share of profit/(loss) from other investments ¹	(1.9)	(2.6)	36.8%	1.2	-	n.m.	(0.7)	(2.6)	271.4%
Medibank Health segment profit	25.5	28.6	12.2%	1.2	9.0	n.m.	26.7	37.6	40.8%
Gross margin	51.7%	53.1%	140bps		67.1%	n.m.	51.7%	57.4%	570bps
MER	32.3%	33.5%	120bps		54.2%	n.m.	32.3%	39.8%	750bps
Operating margin	19.4%	19.6%	20bps		12.9%	n.m.	19.4%	17.6%	(180bps)

Medibank Health Segment profit up 40.8% to \$37.6m

- Medibank Health (excl. Myhealth) organic operating profit growth of 13.9% to \$31.2m
- \$0.7m increase in losses in growing portfolio of JV short stay hospitals:
 - Includes initial losses from two hospitals that will open in early 2H25
 - Earnings profile consistent with new hospital operations
 - Expect improved performance in the short term as the portfolio of JV hospitals matures

1H25 Myhealth^{2,3} operating profit of \$9.0m

- Myhealth business continues to track well with increasing consult numbers, improved billing mix and better operating efficiency
- Management expense growth includes additional c. \$3 million investment in new virtual health platform

Aim to invest between \$150m to \$250m through further M&A⁴

- Where this adds scale, capability and geographic coverage
- Strong pipeline of assets
- Near term focus on expanding primary and virtual care footprint and broadening participation in fast growing corporate health and wellbeing sector

Medibank Health (excl. Myhealth)

Revenue increased 12.3% to \$158.8m

- Strong growth in health and wellbeing, and diversified insurances
- Growth in health services improving

Gross margin up 140bps to 53.1%

- Strong growth in higher margin businesses
- Improved health services margin

Operating margin up 20bps to 19.6% despite increasing MER

- Expense increase reflects business mix, inflation and investment for future growth
- Key metric is operating margin given changing business mix

Targeting average organic profit growth $\geq 15\%$ p.a. between FY24 and FY26

- Further volume and performance uplift in healthcare services
- Meeting the needs of more Medibank and ahm customers
- Offering the existing services to a broader set of payors

(1) Includes interest income from loan to associates 1H24: \$0.1m, 1H25: \$0.2m. (2) Represents 100% ownership in Myhealth. (3) Includes virtual health. (4) M&A target of \$150m to \$250m between FY24 and FY26.

Investment portfolio and investment income

Net investment income up \$30.9m with improvement in growth and defensive portfolios

Six months ended 31 Dec (\$m)	Reported performance ²			Underlying performance ²		
	1H24	1H25	Change	1H24	1H25	Change
Net investment income						
Growth portfolio income	16.2	32.7	101.9%	22.5	18.8	(16.4%)
Defensive portfolio income	52.2	65.3	25.1%	45.9	63.3	37.9%
Fund portfolio investment income¹	68.4	98.0	43.3%	68.4	82.1	20.0%
Net other investment income and expenses	15.2	16.5	8.6%	15.2	16.5	8.6%
Total net investment income	83.6	114.5	37.0%	83.6	98.6	17.9%
Investment returns on growth assets	3.18%	6.67%	349bps	4.42%	3.83%	(59bps)
Investment returns on defensive assets	2.47%	2.91%	44bps	2.18%	2.82%	64bps
Fund portfolio investment returns	2.61%	3.58%	97bps	2.61%	3.00%	39bps
RBA cash rate (average)				2.09%	2.18%	9bps
Underlying spread to RBA cash rate				0.52%	0.82%	30bps
Average monthly balance:						
Growth	509.3	490.3	(3.7%)			
Defensive	2,109.7	2,247.3	6.5%			
Total Fund portfolio	2,619.0	2,737.6	4.5%			

Fund portfolio overview

- Targeting fund asset allocation of 18% Growth, 82% Defensive (previously 20:80)
- Actual average allocation to growth assets in 1H25 17.9% (1H24: 19.4%)

Growth portfolio income up \$16.5m

- Higher return in all growth asset classes other than Australian equities
- Strong international equities performance (includes benefit of weakening AUD vs. USD)

Defensive portfolio income up \$13.1m

- Benefit from higher RBA cash rate (\$1.8m) and higher asset balances
- Improved return on international fixed interest holdings
- \$1.9m benefit from tighter credit spreads (1H24: \$6.3m)

Net other investment income and expenses up \$1.3m

- Income on capital to support APRA overlay, unallocated capital and COVID-19 reserve
- \$0.7m benefit from higher RBA cash rate

Underlying net investment income up \$15.0m to \$98.6m

- Normalises for an 8% return on growth assets and credit spread movements
- 4.5% higher Fund portfolio average asset balance
- Manager under performance in unlisted property (outperformance in 1H25)
- \$2.5m RBA cash rate benefit

Underlying spread to average RBA cash rate of 82bps (annualised 164bps)

- Target range of 150bps – 200bps
- Achieving top end of target range more difficult in a higher interest rate environment

Average RBA cash rate of 435bps (FY24 average of 427bps)

- Further RBA cash rate cuts possible in 2H25 (\$7m of impact for every 25bps in RBA cash rate)
- Do not expect any notable impact on investment income in 2H25

(1) Excludes interest income from non-health fund investments, short-term operational cash sub portfolio and operational cash. (2) Reported and underlying returns are calculated using total average monthly balances.

Capital and dividend

Level of unallocated capital supports M&A aspirations

Capital (\$m)	31 Dec 2023	31 Dec 2024
Total equity	2,352.2	2,384.8
Determined but unpaid ordinary dividend	(198.3)	(214.8)
COVID-19 equity reserve	(277.0)	(158.5)
Capital employed	1,876.9	2,011.5
– Health Insurance	1,266.2	1,294.1
– Other	385.3	451.1
– Unallocated	225.5	266.3
Less: intangible and other adjustments	(271.5)	(411.1)
Eligible capital	1,605.4	1,600.4
Health insurance		
Prescribed Capital Amount - PCA (\$m)	712.3	741.0
PCA coverage ratio ¹	1.9x	1.9x
Required capital (\$m)	1,131.0	1,182.9
Required capital (%) ²	14.0%	14.1%
Dividend	31 Dec 2023	31 Dec 2024
Interim ordinary dividend per share (cents)	7.2	7.8
Dividend payout ratio³	75.5%	71.9%

Business continues to be well capitalised

- Fund PCA coverage ratio maintained at 1.9x
- Unallocated capital increased \$40.8m to \$266.3m with strong capital generation by the business, and performance of investment markets
- Increase in intangibles and other adjustments largely reflects investment in Myhealth

Health Insurance capital employed increased by \$27.9m to \$1,294.1m

- PCA increased in line with revenue growth
- Additional capital held to offset \$250m temporary APRA supervisory adjustment
- Required capital ratio of 14.1% is above 10% to 12% target range due to APRA supervisory adjustment

Other capital employed increased by \$65.8m to \$451.1m

- Includes increased investment in Myhealth and \$26m asset risk charge on new Melbourne office fixtures
- Other effects include funding growth in Medibank Health

Well placed to fund further growth and support M&A aspirations

- Targeting M&A of \$150m-\$250m between FY24 and FY26
- Can raise Tier 2 debt if further attractive investment opportunities become available
- Will consider capital management actions if suitable M&A opportunities do not eventuate in a reasonable timeframe

Interim dividend of 7.8 cps fully franked, up 8.3%

- 71.9% payout ratio of Underlying NPAT
- No change to annual target payout range of 75%-85% of Underlying NPAT

(1) Calculated as Required Health Insurance capital less APRA supervisory adjustment, divided by Fund PCA less APRA adjustment.

(2) Calculated as required Health Insurance capital divided by the last 12 months' Health Insurance premium revenue inflated by the growth rate over the same 12-month period.

(3) Dividend payout ratio is based on Underlying NPAT.

Financial priorities for 2H25

Resident health insurance



Improving revenue momentum

- Increase policyholder growth in a disciplined way
- Invest to return Medibank brand to growth
- Leverage portfolio management capabilities to manage downgrading

Mitigate inflationary pressures on claims

- Our treatment of COVID-19 claims trends means:
 - We are better placed to mitigate current inflationary pressures
 - Have capacity to invest in additional product benefits to support differentiation strategy
- We believe our proactive claims management strategy will increasingly differentiate us from peers:
 - Broaden successful partnership approach to hospital contracting
 - Invest further in prevention and chronic condition management programs
 - Increase number of Medibank customers supported by personalised models of care

Maintain disciplined approach to cost management

- Direct distribution strength to manage the cost of acquiring new customers
- Leverage scale and investment in digitisation and analytics to improve efficiency
- Next horizon of productivity initiatives

Non-resident health insurance



Maintain policy unit and solid gross profit growth

- Further invest in this attractive market through product differentiation and expanding our offering
- Continuing focus on students with increasing focus in the worker and visitor segments
- Life cycle management opportunity for customers that become Australian residents
- Important contribution to overall health Fund growth

Medibank Health



Deliver on Medibank Health's organic growth potential

- Meet the needs of more of our existing health insurance customers
- Opportunity to service a broader set of customers with existing programs
- Address emerging customer needs in both corporate and virtual health

Augment Medibank Health's organic growth with further M&A

- Target investments that add scale, capability and expand geographic coverage
- Aim to invest between \$150m to \$250m in M&A between FY24 and FY26
 - Particularly where this creates benefits between our businesses
 - Capacity and appetite to invest above this level if attractive opportunities arise

medibank

6:23

Virtual Psychology Clinic.

No-gap 1st virtual psychology session with a GP
Mental Health Care Plan with Amplar Health.
T&Cs apply.

Book a consult



Conclusion

Medibank members can access

medibank.com.au



Customer value



Customer promise: any permanent net claims savings due to COVID-19 will be returned to customers

Customer give back program: expect our customer give back program to be finalised in FY25

Updated

Resident health insurance



Industry growth: we anticipate moderating industry growth in FY25 relative to FY24

Customer growth: we will remain disciplined as we aim to grow in line with market during 2H25 (including volume growth in the Medibank brand in FY25), and aim to grow market share in FY26

Claims: expected claims per policy unit growth of 2.4%-2.6% for FY25 (previously c. 2.7%)

Management expenses¹: expect FY25 management expenses of c. \$650m including \$10m of productivity savings

Updated

Updated

Updated

Non-resident health insurance



Customer growth: expect policy unit and solid gross profit growth to continue in 2H25

Updated

Medibank Health



Organic growth: targeting average organic profit growth $\geq 15\%$ per annum between FY24 and FY26 plus a 12-month contribution from Myhealth in FY25

Inorganic growth: aim to invest between \$150m to \$250m through further M&A between FY24 and FY26

(1) Resident and non-resident PHI management expenses. Does not include non-recurring cybercrime event costs.

Delivering customer value and sustainable growth for shareholders

A strong business with a long-term focus

Our strengths:

① Customer centric strategy

② Strong foundations in growing market segments

③ Track record of growth while navigating headwinds

④ Disciplined approach to growth and costs

⑤ Earnings diversification

⑥ Strong and resilient business with balance sheet flexibility

Our medium-term focus:



Deliver leading experiences

- Continue to deliver for our customers and our people
- Further strengthen our foundations including in culture, technology and analytics



Differentiate our insurance business

- Strengthen differentiation and customer value
- Disciplined growth in priority segments
- Support customers' lifecycle and health needs
- Partner to support affordability



Expand in health

- Meet more health needs of more customers
- Provide consumers with greater choice and control
- Invest in target segments to create system change, support the adoption of personalised care models and deliver growth

Our aspirations:

Increase health engagement and customer trust

Sustainable health insurance market share growth

Diversify and grow earnings as we accelerate the health transition

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Q&A





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Appendix

Our strategy – growing as a health company

Deliver leading experiences



Create personalised and connected customer experiences

Empower our people and reinvent work

Collaborate with our communities and partners to make a difference

Continue to strengthen trust and reputation

Differentiate our insurance business



Deliver more value, choice, and control for customers

Provide holistic health solutions to customers including resident, non-resident and corporate customers

Strengthen our dual brands and provider networks

Lead change with partners to deliver affordable healthcare

Expand in health



Accelerate growth in prevention, primary and virtual care and personalised care models

Scale and connect our existing health businesses

Deliver more health services to Medibank and ahm customers

Accelerate Australia's health transition

Better Health for Better Lives



You're good.



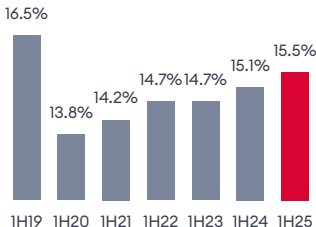
Amplar Health
Making Health Personal

Strong result demonstrates our disciplined approach to growth

A strong and resilient resident private health insurance business

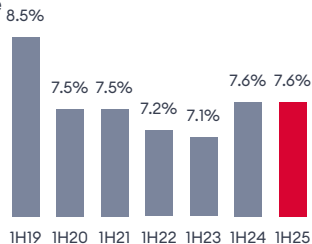
Underlying resident health insurance gross margin¹

15.5%
(+40bps)



Health Insurance management expense ratio^{1,3}

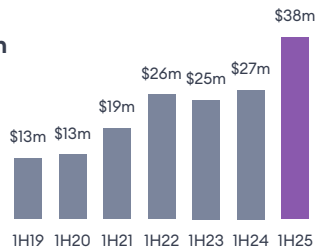
7.6%
(+0bps)



Making progress on our growth potential

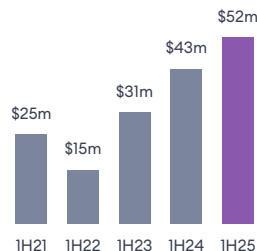
Medibank Health segment profit²

\$37.6m
(+40.8%)



Underlying non-resident health insurance gross profit

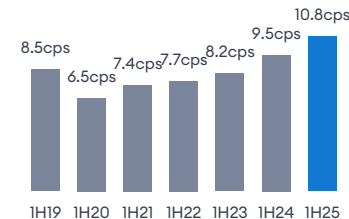
\$52.0m
(+20.6%)



Delivering earnings and dividend growth for shareholders

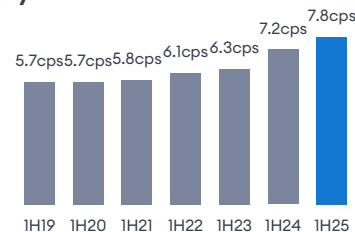
Underlying earnings per share¹

10.8cps
(+13.8%)



Interim ordinary dividend fully franked

7.8cps
(+8.3%)



(1) 1H23 figures have been restated for the impact of AASB 17 Insurance Contracts which came into effect on 1 July 2023. Figures before 1H23, have not been restated. (2) 1H19 Medibank Health segment profit reported for continuing business only, excludes earnings from Garrison Health Services contract. (3) Health Insurance management expense ratio does not include non-recurring cybersecurity event costs of \$17.2m in 1H25 (1H24: \$17.6m, 1H23: \$26.2m) - refer to slide 14.

Milestones scorecard and update



Deliver leading experiences

Customer advocacy

		1H25	FY25 benchmark
Medibank	Average jNPS	13.9	>10
ahm	Average sNPS	50.6	> 35
Medibank Group	Blended NPS	21.2	>15

Employee advocacy: eNPS (average)

	1H25	FY25 benchmark ¹
Place to work	30	≥ 24
Products and services	34	≥ 26



Differentiate our insurance business

Resident policyholder market share

FY24	Sept FY25	FY27 aspiration
26.70%	26.57% ²	up 25bps -75bps on FY24

Health Insurance productivity

1H25	FY24 – FY25 target
c. \$4m	\$20m productivity savings including \$10m in FY24



Expand in health

Medibank Health

FY24 - FY26 target		
Organic profit ³	\$31.2m in 1H25	Targeting average organic profit growth ≥15% per annum (1H24: \$27.4m)
Investment	c. \$59m in FY24 and 1H25	Aim to invest \$150m-\$250m in total to grow Medibank Health inorganically as suitable opportunities arise

Health and wellbeing

	1H25	FY25 target
Live Better rewards participants	889k	900k
Preventative program enrolments ⁴	94k	>190k

(1) FY25 benchmarks are based on the global average adjusted for Australian healthcare and financial insurance industry context. (2) Source: APRA, quarterly private health insurance statistics to Sep 24. (3) Medibank Health organic profit target is in addition to 12 month contribution from Myhealth. (4) Total enrolments in Medibank clinician-led preventative health programs (e.g. Better Knee, Better Me, Better Hip), and Live Better self-paced digital prevention programs (e.g. Back Smart, Heart Wise) and any new offerings developed.

Our journey as a health company

Expanding our network through new products and services, partnerships and investments



(1) Medibank acquired Carepoint in August 2010. Medibank acquired Pinnacle Health Group. (2) Medibank acquired McKesson Asia-Pacific in April 2010. Medibank increased its shareholding in Myhealth Medical Group from 49% to 91% in 2024. Medibank acquired a minority ownership interest in Medinet. (3) Medibank acquired Healthstrong and HSS (now named Amplar Home Health). Medibank acquired minority interests in Western Hospital (Henley Beach, SA), East Sydney Private Hospital and Adeney Private Hospital. Medibank and a group of orthopaedic surgeons have supported MQ Health to establish a surgical facility at Macquarie University Hospital. Medibank acquired a 50% interest in iMH. My Home Hospital is a service delivered by Amplar Health Home Hospital Pty Ltd for SA Health.

Our health investments

Target segments	Investments	Ownership interest (%)	Description	Benefits to Medibank
Primary care	Myhealth Medical Holdings Pty Ltd	91%	<ul style="list-style-type: none"> Medibank acquired a non-controlling interest in Myhealth Medical Group for c. \$63m in 2021. Ownership interest increased to 90% for consideration of c. \$52m in January 2024 Further investment of \$1m during 2024 bringing investment to 91% 	Support preventative health and GP-led proactive care management
	Medinet Australia Pty Ltd	43%	<ul style="list-style-type: none"> Medibank invested \$10m in health tech company Medinet in 2022 and currently has 43% interest (3.82% at December 2024) 	Continue to grow our virtual care capabilities
Specialist and acute care	Amplar Health Home Hospital Pty Ltd (previously Calvary Amplar Health JV Pty Ltd)	100%	<ul style="list-style-type: none"> Delivered My Home Hospital for SA Health since 2020 In December 2024, Medibank increased its shareholding from 50% to 100% for consideration of \$2.5m 	Continue to grow our homecare capabilities
	East Sydney Day Hospital Pty Ltd	49%	<ul style="list-style-type: none"> Medibank has invested \$15.2m as of December 2024 Investment contributes to capital works and operational costs required to scale short stay models of care 	
	Adeney Private Hospital Pty Ltd	49%	<ul style="list-style-type: none"> The JV between a group of doctors and Medibank has established a short stay surgical facility in Melbourne Medibank has contributed \$9.2m as of December 2024 	
	Western Adelaide Hospital Pty Ltd	49%	<ul style="list-style-type: none"> Acquired a 49% shareholding for \$1.9m. Investment contributes to converting Western Adelaide Hospital into a short stay surgical centre in partnership with a group of doctors Capital works expected to be finalised by mid-2025 	Expand our no gap network, including short stay
	SydOrtho Holdings Pty Ltd (holding company) supporting MQ Health	50%	<ul style="list-style-type: none"> Medibank has invested \$14.8m to form a JV with orthopaedic surgeons to support the establishment of the Orthopaedic Institute at Macquarie University Hospital MQ Health has contributed the floor space, with the centre operating as an integrated part of the hospital 	
Integrated Mental Health Pty Ltd	50%	<ul style="list-style-type: none"> Medibank invested \$15.5m in March 2023, to acquire 50% shareholding in Integrated Mental Health Pty Ltd (iMH) to offer an innovative integrated mental health model Further \$6.4m invested to date for capital works and additional hospitals 	Provides an integrated mental health model through mental health facilities and out of hospital support	

Group financial summary – half by half

(\$m)	1H24	2H24	1H25	Change	
				1H25 v 1H24	1H25 v 2H24
Group revenue from external customers	4,024.0	4,151.8	4,270.7	6.1%	2.9%
Health Insurance operating profit	317.0	375.3	349.2	10.2%	(7.0%)
Medibank Health segment profit	26.7	33.7	37.6	40.8%	11.6%
Segment operating profit	343.7	409.0	386.8	12.5%	(5.4%)
Corporate overheads	(24.3)	(28.6)	(26.7)	9.9%	(6.6%)
Group operating profit	319.4	380.4	360.1	12.7%	(5.3%)
Net investment income	83.6	98.6	114.5	37.0%	16.1%
Other income/(expenses)	(8.8)	(10.9)	(8.0)	(9.1%)	(26.6%)
Cybercrime costs	(17.6)	(22.2)	(17.2)	(2.3%)	(22.5%)
Profit before tax, before movement in COVID-19 reserve	376.6	445.9	449.4	19.3%	0.8%
Movement in COVID-19 reserve (excl. tax)	115.3	(226.1)	43.6	(62.2%)	(119.3%)
Profit before tax	491.9	219.8	493.0	0.2%	124.3%
Income tax expense	(148.7)	(66.6)	(148.9)	0.1%	123.6%
Non-controlling interests	-	(3.9)	(3.8)	n.m.	(2.6%)
NPAT attributable to Medibank shareholders	343.2	149.3	340.3	(0.8%)	127.9%
EPS (cents)	12.5	5.4	12.4	(0.8%)	127.9%
Normalisation for investment returns	-	0.3	(11.1)	n.m.	n.m.
Normalisation for COVID-19 reserve movements	(80.7)	158.3	(30.5)	(62.2%)	(119.3%)
Underlying NPAT	262.5	307.9	298.7	13.8%	(3.0%)
Underlying EPS (cents)	9.5	11.2	10.8	13.8%	(3.0%)
Dividend payout ratio¹	75.5%	83.9%	71.9%	(360bps)	(1,200bps)

(1) Dividend payout ratio based on Underlying NPAT.

Health Insurance resident policyholders – half by half

	1H24	2H24	1H25	Change	
				1H25 v 1H24	1H25 v 2H24
Policyholders¹ (thousand):					
Opening balance	1,960.9	1,964.3	1,975.3	0.7%	0.6%
Acquisitions	103.2	114.2	102.2	(1.0%)	(10.5%)
Lapses	(99.8)	(103.2)	(94.7)	(5.1%)	(8.2%)
Closing balance	1,964.3	1,975.3	1,982.8	0.9%	0.4%
– Medibank	1,435.2	1,434.8	1,433.4	(0.1%)	(0.1%)
– ahm	529.1	540.5	549.4	3.8%	1.6%
Acquisition rate²	5.3%	5.7%	5.2%	(10bps)	(50bps)
– Medibank	4.3%	4.6%	4.1%	(20bps)	(50bps)
– ahm	8.5%	9.6%	8.5%	-	(110bps)
Lapse rate²	5.1%	5.2%	4.8%	(30bps)	(40bps)
– Medibank	4.5%	4.7%	4.2%	(30bps)	(50bps)
– ahm	7.3%	7.4%	6.8%	(50bps)	(60bps)
Policyholder growth	0.2%	0.5%	0.4%	20bps	(10bps)
Total policy units (thousand):					
Closing balance	4,804.6	4,822.6	4,836.1	0.7%	0.3%
Average balance ³	4,795.4	4,806.8	4,831.3	0.7%	0.5%

(1) Consolidated lapse and acquisition rates exclude transfers of policyholders between ahm and Medibank at a combined brand level. Figures at brand level include these transfers.

(2) Lapse and acquisition rates are based on the average of the opening and closing balances for the period. (3) Based on an average of the month-end balances over the reporting period.

Investment portfolio

As at 31 December 2024	Target asset allocation	Portfolio composition	Spot balance (\$m)	Average balance (\$m) 1H25	Average balance (\$m) 1H24
Australian equities	3.0%	4.1%	109.0	122.9	133.7
International equities	4.0%	5.2%	137.0	123.4	107.6
Property	5.0%	5.3%	139.4	144.5	172.4
Infrastructure	6.0%	3.9%	101.8	99.5	95.6
Growth	18.0%	18.5%	487.2	490.3	509.3
Fixed income ^{1,2}	62.0%	61.4%	1,624.3	1,636.2	1,528.7
Cash ³	20.0%	20.1%	529.8	611.1	581.0
Defensive	82.0%	81.5%	2,154.1	2,247.3	2,109.7
Total fund (pre-STOC)	100.0%	100.0%	2,641.3	2,737.6	2,619.0
Short-term operational cash ^{4,5}			396.4	536.6	438.4
Non-health fund investments ⁶			240.2	236.9	195.3
Total investment portfolio			3,277.9	3,511.1	3,252.7

(1) Target asset allocation comprises fixed & floating rate notes and asset-backed investments 42.0% (1H24: 38.0%) and other fixed income 20.0% (1H24: 22.0%). The Fund's average credit duration is approximately 2.4 years, average interest rate duration is approximately 0.3 years, and the average credit rating is 'Single-A' (S&P equivalent).

(2) For investment portfolio purposes, fixed income comprises fixed income securities (\$2,403.8m), less classified cash with maturities between 3-12 months (\$403.9m), less non health fund investments (\$221.4m), less short-term operational fixed income securities (\$169.7m), plus cash allocated to the fixed income portfolio (\$15.5m).

(3) For investment portfolio purposes, cash comprises cash and cash equivalents (\$454.0m), plus cash with maturities 3-12 months (\$403.9m), less non health fund investment (\$18.8m), less short-term operational cash (\$226.7m), less operational cash (\$67.1m), less cash allocated to the fixed income portfolio (\$15.5m).

(4) Short-term operational cash ("STOC") sub-portfolio of the fund's investment portfolio consists of short-dated defensive assets for the purpose of funding claims deferred due to COVID-19 and customer give backs. Given the short-term nature of this portfolio, it is not subject to the existing SAA / TAA framework.

(5) \$167m to be allocated to the STOC portfolio to support the amount held for APRA supervisory adjustment. Given the short-term nature of this portfolio, it is not subject to the existing SAA / TAA framework.

(6) The fund's SAA does not apply to the non-health fund investment portfolio.

Term	Definition
1H	Six months ended/ending 31 December of the relevant financial year
2H	Six months ended/ending 30 June of the relevant financial year
Adult Dependent Reform (ADR)	Reform that allows adult dependents to remain on their parents private health insurance policies until they turn 31
Amplar Health network	Network of services provided by either MyHealth or Amplar Health. Includes primary care, prevention, virtual health, homecare and hospital services
APRA	Australian Prudential Regulation Authority
bps	Basis points (1.0% = 100 bps)
CAGR	Compound annual growth rate
cps	Cents per share
Downgrading	The difference between the average premium rate rise and revenue growth per policy unit
eNPS	Employee Net Promoter Score. A measure of the likelihood of an employee to recommend the company's products and services and the company as a place to work
EPS	Earnings per share
FY	Financial year ended/ending 30 June
Health Insurance	Includes both resident and non-resident
Hospital bed days saved	Equates to the number of days a patient would be in hospital if they were admitted for an episode of care
Hospital lives	Number of lives that are covered by private hospital insurance
IBNR	Incurred but not reported
jNPS	Journey net promoter score. A measure of the likelihood of an existing customer to recommend the brand immediately following the resolution of their customer journey
Live Better or Live Better rewards program	A Medibank program to inspire people to lead a healthier and happier lifestyle, with tools and rewards (for eligible members) to motivate people
Members' Choice Advantage	An enhanced network of ancillary providers where customers can enjoy better value on eligible extras services. Includes dental and optical providers, physiotherapy, chiropractic, podiatry, acupuncture and remedial massage

Term	Definition
MER	Management expense ratio. Calculated as management expenses divided by revenue
n.m.	Not meaningful
PHI	Private health insurance
Non-resident PHI	Overseas visitor, working visa and student health covers
NPAT	Net profit after tax
Policyholder	The primary person who is insured under a private health insurance policy (other than in relation to overseas students or visitors), who is not a dependent child, and who is responsible for paying the premium
PSEUs or policy units	Policy Single Equivalent Units are used by Medibank as a standard measure of income units. They take into account the number of adults on a policy, and whether they have Hospital Cover or Extras Cover or both. For example, a household with two parents and three children, all of which had both Hospital and Extras Cover, would represent four policy units (2 adults x2 types of Cover = 4). This measure includes residents and non-resident policies and only adult insureds are typically counted in the calculation of PSEUs
Resident PHI	Hospital and/or extras cover under a complying health insurance product
SAA	Strategic Asset Allocation. The long-term portfolio asset allocation that meets the expected risk and return objectives of the fund
sNPS	Service net promoter score. A measure of the likelihood of an existing customer to recommend the brand immediately following a service interaction
TAA	Tactical Asset Allocation. The medium-term portfolio asset allocation that varies to the strategic asset allocation in order to help optimise risk-adjusted investment returns in light of the prevailing relative market pricing
Underlying NPAT	Underlying NPAT is calculated based on statutory NPAT adjusted for short-term outcomes that are expected to normalise over the medium to longer-term, most notably in relation to the level of gains or losses from investments and movements in credit spreads, and for movement in COVID-19 reserve and one-off items, especially those that are non-cash, such as asset impairments. Underlying NPAT is not adjusted for outstanding claims provision movements