

# ASX CEO Connect

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Tuesday 30 October 2018

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# Medibank – who we are

## Our purpose: Better Health for Better Lives

### Health insurance



Healthier, Effortless, Proactive



Simple, Affordable, Easy

### Health services

#### Telehealth

Support, co-ordination  
and navigation

#### Medibank at Home

Rehab, chemo, dialysis &  
palliative care

#### Care management

Chronic disease  
programs

#### Population Health

Targeted health  
programs

### Diversified insurance



Travel insurance



Pet insurance



Life insurance

# Industry challenges and opportunities

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## Challenges



Affordability



Health system complexity



Ageing and chronic disease

## Opportunities



Hospital substitution and  
reducing low value care



Transparency



Chronic disease  
management

# Strategy and FY19 priorities

Medibank is now positioned for growth with a focus on leveraging our dual brands, building competitive advantage in PHI and transforming into a broader health services company

## Better Health for Better Lives

Strategic pillar	Deliver differentiated products and services for customers	Continue to improve healthcare value for customers	Expand the offering for customers and grow the business
FY19 priorities	<ul style="list-style-type: none"><li>• Personalise and integrate health into our customers' experience</li><li>• Simplify and enhance our cover options</li><li>• Enhance loyalty offering to recognise and reward membership</li></ul>	<ul style="list-style-type: none"><li>• Focus on reducing low value care and improving customer health outcomes by providing greater choice and transparency</li><li>• Lead health system reform</li><li>• Expand the scope of our payment integrity program</li></ul>	<ul style="list-style-type: none"><li>• Strengthen our distribution partnerships</li><li>• Grow corporate, non-resident and diversified portfolios</li><li>• Health services expansion – build scale and grow capability</li><li>• Investment in core enablers (below)</li></ul>
Enablers	People   Data   Simplicity		

# FY18 results summary

Group NPAT

**\$445.1m**

↓ 1.0%

Group operating profit

**\$548.8m**

↑ 9.7%

Full year dividend

**12.70cps**

↑ 5.8%

- \$5.3 billion in benefits paid to customers
- Health Insurance result (\$535.6m, +7.7%) reflects:
  - Premium revenue \$6,319.5m, up 1.2%
  - Management expenses \$557.2m, down from \$568.4m in FY17
  - Management expense ratio 8.8%, down from 9.1% in FY17
  - Operating margin 8.5%, up from 8.0% in FY17
- Medibank Health operating profit up 32.5% to \$47.3m, including HealthStrong contribution
- Net investment income \$95.6m, down from \$139.3m in FY17, principally due to lower market returns
- Strong improvement in customer advocacy, lower than average premium increases, and commitment to give back approximately \$35m<sup>1</sup> of additional value to customers

# Q&A