

Market release

27 February 2025

ClearView achieved HY25 Life Insurance Underlying NPAT of \$15.2m (Q1: \$4m, Q2: \$11m)

Intention to conduct a share buyback of up to 10% of share capital over the next 12 months (in lieu of dividends)

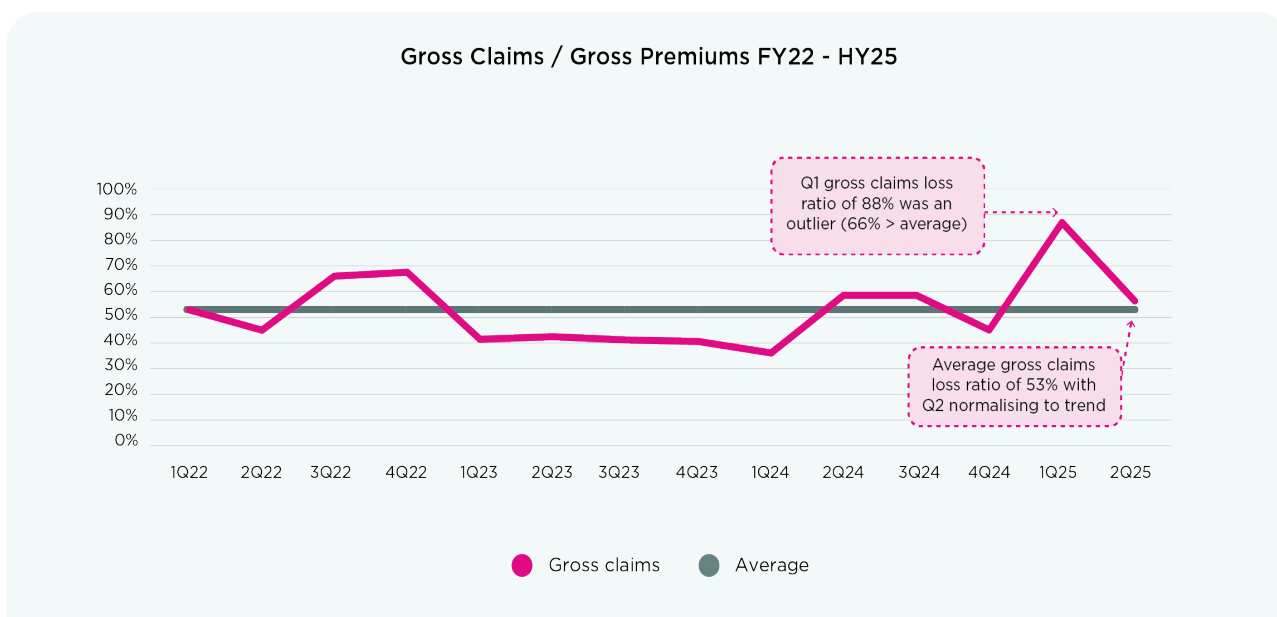
Life Insurance company, ClearView Wealth Limited (**ClearView**) (ASX: CVW) finished the half year with a Life Insurance Underlying Net Profit After Tax of \$15.2m, down 22% at a margin of 8% (down 2.9%). The life insurance result was adversely impacted by the Q1 FY25 claims experience, that is considered an outlier. The claims experience normalised in Q2 FY25, thereby restoring the Life Insurance Underlying NPAT margin from 4% in Q1 to 11% in Q2, resulting in an overall margin of 8% for the half year period.

Half year 2025 highlights

Gross Premiums (Revenue for 6 months) \$191.4m Up 8%	In-force Premiums (Recurring annual revenue) \$387.2m Up 8%	Life Insurance Underlying NPAT¹ \$15.2m Down 22%	Life Insurance Underlying NPAT Margin² 8% Down 2.9%
New business (Sales for 6 months; as % of average In-force) \$16.3m; 4.8% Down 0.9%	In-force Premiums Market Share³ 3.8% Up 0.5%	Life Insurance Reported NPAT \$22.0m Up Large	Embedded Value⁴ \$612.5m Up 9.7%

- ClearView achieved a HY25 Life Insurance Underlying NPAT of \$15.2m (Q1: \$4m, Q2: \$11m), a 22% decrease on the prior corresponding period.
- Group Underlying Net Profit After Tax was \$12.5m, a 28% decrease on the prior corresponding period
- Strong track record of top line growth:
 - Gross premium income increased by 8% to \$191.4m
 - In-force premiums increased 8% to \$387.2m
 - In-force premiums market share increased 0.5% to 3.8%
 - New business market share³ held steady at between 10% and 11% in a growing (advised life insurance sales) market

- New business represented 4.8% of the average in-force premium
- Q1 adverse claims experience had short term impact on HY25 margin:
 - HY25 result includes a claims loss of \$6.2m that is considered an outlier
 - Gross claims loss ratio normalised back to trend in Q2 FY25
- Q2 NPAT margin normalised to 11%, from 4% in Q1, resulting in an overall HY25 position of 8%
- Claims volatility can be expected period to period
- The gross claims loss ratio over the last 14 quarters is reflected graphically below:



- Growth in Embedded Value (excluding franking credits) to \$525.7m or 80.7 cps, up 9.5%
- **FY25 guidance⁵:** Gross premiums of \$395m- \$400m; Life Insurance Underlying NPAT margin of 9%-10%
 - **Key drivers:** repricing, claims management and retention activities
- **FY26 goals on track:**
 - Gross premiums updated to ~\$440m (up from previous target of ~\$400m)
 - Life Insurance Underlying NPAT margin of 11%-13% (no change)
 - New business market share of 12%-14% (no change)
 - Advice in-force premium market share of 4% (no change)
- Complete exit from Wealth Management is on track for the second half of FY25
- Technology transformation is on track with completion expected in 1H FY26; scale and efficiency benefits are expected to be realised progressively thereafter
- Ongoing focus on re-pricing, claims management and retention activities
- Intention to conduct a share buyback of up to 10% of the share capital over next 12 months (in lieu of dividends), given the significant discount of the share price to the Embedded Value and the Company's view of value. This is considered by the Board to be the best use of the surplus capital. Any buyback is subject to the availability of surplus capital. No minimum or maximum number or percentage of shares to be bought on market has been determined at the current date.

Commentary

ClearView has in place its FY26 financial goals that remain largely unchanged from those previously communicated to the market. The FY26 Gross Premium target has been updated to \$440m (previously \$400m) to reflect the net impact of new business momentum, repricing activities and retention management.

While ClearView's half year result was impacted by a Q1 claims aberration (at 66% higher than the average for the past fourteen quarters), claims in Q2 reverted to the long-term average. The front end of the business continues to drive strong momentum, as evidenced by premium and market share key indicators.

ClearView's Board announced that it intends to conduct a share buyback, subject to available surplus capital, for up to 10% of share capital over the next 12 months (in lieu of dividends), given the significant discount of the share price to Embedded Value and the Company's view of value. The Board considers this to be the best use of surplus capital.

Nadine Gooderick, ClearView's Managing Director, said "ClearView today is a simplified business focused solely on life insurance. We exist to help our customers protect themselves and their loved ones against the financial risk of a major accident or illness, or premature death. We do this by providing high quality, fit for purpose life insurance solutions and excellent customer service, in partnership with financial advisers.

"Significant progress has been made on the key strategic imperatives of our wealth exit and technology transformation in the first half of 2025 as part of our business simplification, and both are on track. Our exit from wealth will be complete by the 30th June 2025, including the removal of its cost base. The technology and business transformation program is expected to complete in 1H26 with the efficiencies to flow progressively thereafter.

"We remain focussed on being the best at Life Insurance. Our distribution footprint and data insights capability continue to expand and, together with our simplified technological architecture and more agile company size, this combination of factors drives our unique differentiation, enabling us to meet the needs of our customers and advisers more quickly and efficiently."

ENDS

- 1 Underlying NPAT is used as a non IFRS measure of earnings and has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 insurance contract liability and the incurred income protection disabled lives reserves, the (non-cash) impairment (or impairment reversal) of the asset for acquisition cash flows (AIACF), changes in the loss component that is predominantly driven by the level premium business, current year timing impacts of assumption changes on the contractual services margin and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the amortisation of capitalised software and leases, underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.
- 2 Calculated as Life Insurance Underlying NPAT divided by Gross Premium Income.
- 3 ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force Analysis for relevant periods – NMG Market analysis includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels). HY25 in-force market share based on NMG Risk Distribution Monitor Reports for Retail Advice In-force Analysis as at 30 September 2024. HY25 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis based on rolling 12 months to 30 September 2024.
- 4 Embedded Value (including franking credits) is stated as at 31 December 2024 at a 4% discount rate margin (above the risk-free rate of 4%).
- 5 Subject to achievement of claims and lapses assumptions in relevant period.

For more information, please contact

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Approval of Announcement

The Board of Directors of ClearView has authorised the release of this announcement to the market.

About ClearView

Established in 2010, ClearView is an ASX-listed life insurance business that partners with financial advisers to help Australians protect their wealth.

ClearView manages over \$380 million in inforce premiums and has relationships with over 1,000 Australian Financial Services Licensees, representing over 5,000 financial advisers.

For more information, visit clearview.com.au.

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clearview.com.au