



NOBLEOAK

A P P E N D I X 4 E 2 0 2 4

AUDITED PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

NobleOak Life Limited ACN 087 648 708



APPENDIX 4E

Results for announcement to the market

NobleOak's Underlying NPAT for FY24 was \$15.0 million, up 19% from the prior corresponding period (\$12.6 million).

NobleOak's Statutory Reported NPAT was \$9.3 million for the year, down 31% from FY23, largely due to the movement in provision for onerous contracts and one-off compliance and IT project costs offset by the impact of changing economic assumption (interest rates) on policy liabilities.

Consolidated	30/06/2024 \$'000	Restated 30/06/2023 \$'000	Movement \$'000	Movement %
In-force premiums (ex Genus) at period end	386,735	315,949	70,786	22%
New business sales (annualised premium)	54,359	46,232	8,127	18%
Net profit after tax	9,282	13,506	(4,224)	(31%)
Underlying net profit after tax	15,008	12,564	2,444	19%
Basic earnings per share (cents)	10.76	15.72	(4.96)	(32%)
Diluted earnings per share (cents)	10.49	15.34	(4.85)	(32%)
Underlying basic earnings per share (cents)	17.40	14.63	2.77	19%
Underlying diluted earnings per share (cents)	16.97	14.27	2.70	19%

Net Tangible Assets Per Share

Consolidated	30/06/2024	30/06/2023
Net tangible assets per share:	\$0.76	\$0.65

Dividends

	Amount per ordinary share	Franked amount per ordinary share
Dividend paid	-	-

The company's capital position remains sound, with a regulatory capital multiple of 193% as we have reached a critical inflexion point in our path to generating positive free cash flow. Achieving this significant milestone in our growth journey marks an exciting phase for NobleOak and opens future strategic options for our business.

In this financial period, the NobleOak Board believes the best return on capital in the near term will be achieved by reinvesting operating cash flows into the business to support its ongoing growth. Accordingly, no dividends have been declared in the current or prior year.

Results of Operations

In the year to 30 June 2024, NobleOak continued to deliver strong in-force premium growth across the Direct (digital and alliance partners) and Strategic Partner segments while continuing to grow its market share. Disciplined underwriting and expense management continues to contribute to sustainable profit growth.

APPENDIX 4E

continued

At period end, NobleOak had more than 137,000 active policies (excluding Genus), up 14% from 30 June 2023. These policies represented over \$387 million of annual in-force premiums (30 June 2023: \$316 million), which grew by 22%, significantly outperforming the industry which grew by 2% over the 12-month period.

We are pleased to report that NobleOak's in-force premium growth of 22% exceeded its guidance provided at the November 2023 AGM for in-force premium growth of between 15% to 20%.

As a result NobleOak's market share of in-force premium grew from 2.6% to 3.3%.

NobleOak is focused on maintaining its key financial disciplines which deliver margin stability.

The key growth metrics are outlined below:

- Underlying NPAT of \$15.0 million, up 19% year on year;
- Active policies in place at 30 June 2024 now exceed 137,000 (14% growth);
- In-force premium at 30 June 2024 grew by 22% to \$386.7 million;
- Net Insurance premium increased by 27% to \$98.6 million; and
- Underlying administration expense ratio reduced slightly to 7.1% (FY23: 7.2%).

NobleOak's Statutory Reported NPAT was \$9.3 million for the year, down 31% from FY23, largely due to the movement in provision for onerous contracts and one-off compliance and IT project costs offset by the impact of changing economic assumption (interest rates) on policy liabilities.

NobleOak retains surplus capital above its target and regulatory capital requirement, providing flexibility to continue its organic growth, while meeting its obligations to policyholders and other stakeholders.

NobleOak delivered the following financial results for the year ended 30 June 2024.

After Tax Result by Segment \$'000	FY24	Restated FY23	Variance
Direct Channel	5,882	3,967	48%
Strategic Partner	8,284	7,798	6%
Genus	842	799	5%
Group Underlying NPAT¹	15,008	12,564	19%
<i>Recurring Adjustments</i>			
Impact of policy liability economic assumption changes (post tax)	873	3,308	
Impact of changes in loss recognition reserves (post tax)	(1,465)	(494)	
<i>Non-Recurring Adjustments</i>			
Impact of Funeral Fund member Allocation	(780)	-	
Impact of AASB17 expenses (post tax)	(2,632)	(1,535)	
Impact IT transformation and product development project expenses (post tax)	(1,722)	(337)	
Reported NPAT	9,282	13,506	(31%)
Reported Diluted earnings per share (cents)	10.49	15.34	(32%)
Underlying Diluted earnings per share (cents)	16.97	14.27	19%

¹ Underlying NPAT is a non-IFRS financial measure, defined as net profit after tax excluding the impact on one-off and recurring items. Disclosing an underlying measure of profits, allows the users of financial information to better assess the underlying performance of the business (as is contemplated by ASIC RG 230 Disclosing non-IFRS financial information). More details on the recurring and one-off adjustment are provided in the Statutory to Management Result Reconciliation Section of the Directors' Report in the 2024 Annual Report.

APPENDIX 4E

continued

Key Metrics²

\$'000/%	Consolidated		
	FY24	Restated FY23	Variance
In-force premiums (ex Genus) at period end	386,735	315,949	+22%
New business	54,359	46,232	+18%
Net insurance premium	98,632	77,637	+27%
Underlying gross insurance margin	11.2%	11.6%	(0.4 pts)
Underlying administration expense ratio	7.1%	7.2%	+0.1 pts
Investment return (% insurance premium)	1.6%	1.0%	+0.6 pts
Underlying NPAT	15,008	12,564	+19%

² Key metrics of the business are based on the way management analyses business performance. See the Statutory to Management Result Reconciliation Section of the Directors' Report in the 2024 Annual Report for more information.

The following section provides an overview of some of the Group's consolidated key metrics. More detailed commentary on the results and key metrics by Segment are included in the Operating Segment Review.

In-force premium and new business

Over the reporting period, sales volumes in the Australian Life Insurance industry continued to improve following the negative impact of industry-wide Income Protection product changes in October 2021.

In-force premiums are the key value driver of NobleOak's business, and the Company achieved strong growth of 22% year on year to \$386.7 million, significantly outperforming the industry which grew by 2%.

Pleasingly, NobleOak's new business sales have increased by 18% year-on-year, with a significantly higher market share of new business sales delivering continued market share growth. As a result, in-force premium market share grew to approximately 3.3% at 31 December 2023 (Dec 2022: 2.6%).

NobleOak's outperformance has been driven by a strong share of new business sales of approximately 12.8% for 12 months to December 2023 (12 months to December 2022: 13.0%) and lower than industry average lapse rates across both the Direct and Strategic Partner Segments.

Net insurance premium

Total net insurance premium grew by 27% to \$98.6 million in FY24 (FY23: \$77.6 million), benefiting from the strong growth in sales volumes and ongoing favourable lapse experience.

APPENDIX 4E

continued

Underlying gross insurance margin (before admin expenses)

NobleOak delivered another strong underwriting performance during the period, with the gross insurance margin slightly lower than the prior year.

NobleOak transitioned to a new Appointed Actuary in FY24. This has resulted in a number of refinements in actuarial estimation techniques. The most significant items were in the Direct segment which included strengthening in claims handling expense provisions which were offset by the impact of refinements in the technique for calculating the release of contract services margins.

The Direct segment margins have improved in FY24 following model changes to strengthening reserves included in the FY23 results.

Underlying claims experience has increased in the period, and is now trending in line with industry averages (prior periods had been favourable to industry averages). This is particularly evident in the strategic partner segment. With the NobleOak portfolio now maturing we expect claims experience in the future to continue to trend in line with industry averages, stabilising the insurance margins.

During the year, a one-off surplus on the Funeral Fund has been allocated to members, which resulted in a \$0.8million reduction in profit before tax. This is a non-recurring item as this represents the majority of remaining unallocated assets.

Underlying administration expense ratio

NobleOak's disciplined approach to investing to build capability continues to drive operating leverage. The investment in digital technology and actuarial, risk and claims team capability is designed to support long-term sustainable growth. The underlying administration expense ratio reduce slightly to 7.1% (FY23: 7.2%).

Both the current and prior years have benefited from the transfer of claims handling expenses to the claims expense line in the income statement, bringing NobleOak into line with its peers and with the AASB 17 accounting standard.

As foreshadowed in the 2023 Annual Report, the business also incurred significant costs associated with implementation of the new insurance accounting standard AASB 17 Insurance Contracts and investment in IT transformation and product development projects. The technology initiative has transitioned the Company's IT platform to a versatile cloud-based system with new processes, automated forms, and enhanced client access capabilities. These IT transformation and product development costs and the AASB17 compliance costs are excluded from the underlying results to enable a more accurate assessment of the underlying business performance.

Administration expenses in FY24 include depreciation and amortisation expense of \$1.6 million (FY23: \$1.6 million).

Investment returns

Higher interest rates during the period and the overall growth of the investment portfolio drove investment returns (pre fees) up materially to \$11.7m (FY23: \$3.8m), with the average return on invested assets improving to 4.4% (FY23: 2.5%).

The growth of the portfolio benefited from the deposit back assets held to support reinsurance concentration exposure in the Strategic Partner segment. Fees for the deposit back arrangement plus normal investment management fees have been deducted against investment returns to bring the reported investment returns (post fees) to \$6.3m (FY23: \$3.4m).

Moving forward, the current interest rates are expected to continue to deliver strong investment returns on the portfolio, which retains an overall low risk profile.

APPENDIX 4E

continued

Operating Segment Review

Direct

\$'000/%	FY24	Restated FY23	Variance
In-force premiums at period end	91,556	80,301	+14%
New business sales (annualised premium)	10,417	10,394	+0%
Lapse rate	13.2%	10.6%	(2.6 ppts)
Net insurance premium	47,766	41,213	+16%
Underlying gross insurance margin	27.0%	24.2%	+2.8 ppts
Administration expense ratio	19.5%	18.6%	(0.9 ppts)
Investment Return (% insurance premium)	2.3%	2.0%	+0.3 ppts
Underlying NPAT	5,882	3,967	48%

Key metrics of the business are based on the way management analyses business performance. See the Statutory to Management Result Reconciliation Section of the Directors' Report in the 2024 Annual Report for more information.

NobleOak's Direct strategy continues to deliver results, with the Company's strategy of investing in digital marketing alongside a diverse and growing range of alliance partnerships contributing to strong market share gains.

Direct Channel policy count increased by 10% since June 2023, with gross in-force premiums growing by 14% to \$91.6 million (FY23: \$80.3 million). Direct market share has grown to 8.7% (of Direct Market) at 31 December 2023 compared to 7.8% at 31 December 2022.

Lapse rates are returning to more normal levels from pandemic era lows, increasing to 13.2% but remaining well below the industry average (approx. 15.3%). This is expected to continue over the medium term.

New business sales in the Direct channel remained stable at \$10.4m when overall direct sales in the market fell by 2%. Good performance from alliance partnerships, including those with Budget Direct and RAC WA has seen, NobleOak's market share on Direct Sales increase to 17.0% over the 12 months to 31 December 2023 (12 months to December 2022: 14.8%), remaining significantly higher than the market share of Direct in-force premiums of 8.7% at December 2023 (December 2022: 7.8%).

The underlying insurance margin has improved to 27%, (Jun-24: 24.2%) following reserve strengthening in the prior year.

The underlying administration expense ratio of 19.5% includes increased premises cost, investment in technology and capability within the business, including actuarial and strategic business development teams. Both the current and prior years have benefited from the transfer of claims handling expenses to the claims expense line in the income statement, which brings NobleOak into line with its peers and is consistent with the requirements of the AASB 17 accounting standards.

NobleOak transitioned to a new Appointed Actuary in FY24. This has results in a number of refinements in actuarial estimation techniques. The overall impact on the direct segment profit results is minimal, the most significant items being strengthening in claims handling expense provisions being offset by refinement in the technique for calculating the release of contract services margins.

APPENDIX 4E

continued

The net effect of current year performance and the strengthening of reserves in the prior period results in underlying NPAT growth by 48% year on year to \$5.9 million.

NobleOak continues to deliver strong customer outcomes, resulting in strong customer feedback, including:

- 4.7/5 Feefo customer rating as at 15 August 2024, with a fifth Platinum Trusted Service award;
- 4.2/5 Google customer satisfaction rating as at 30 June 2024; and
- NobleOak was again, the most awarded Australian direct Life Insurer in 2023, this is the fifth year in a row NobleOak has been the most awarded (2016-2023). In 2023 NobleOak won awards from Canstar, Plan for Life, Mozo, Money Magazine, Finder, WeMoney and DBM during the year for the quality and value of our Life Insurance and Income Protection products and received awards for our customers service from WeMoney, Feefo and Plan For Life.

Strategic Partner

\$'000/%	FY24	Restated FY23	Variance
In-force premiums at period end	295,179	235,648	+25%
New business Sales (annualised premium)	43,942	35,838	+23%
Lapse rate	10.2%	7.2%	(3.0 pts)
Net insurance premium	48,325	33,739	43%
Underlying gross insurance margin	4.6%	5.7%	(1.1 pts)
Administration expense ratio	1.8%	1.9%	+0.1 pts
Investment Return (% insurance premium)	1.5%	0.7%	+0.8 pts
Underlying NPAT	8,284	7,798	6%

Key metrics of the business are based on the way management analyses business performance. See the Statutory to Management Result Reconciliation Section of the Directors' Report in the 2024 Annual Report for more information.

The Strategic Partners channel continues to deliver strong growth, with NobleOak's contemporary products, high quality service and strong partnerships with Neos and PPS continuing to deliver market share gains.

In-force premium grew by 25% to \$295.2 million as at 30 June 2024 (Jun 23: \$235.6 million), with NobleOak's market share of advised business having grown to 2.7% as at 31 December 2023, up from 2.0% as at 31 December 2022.

Pleasingly, new business sales grew by 23%, in line with improved industry sales volumes which also grew by 24%, bouncing back after the impact of industry-wide income protection product changes in October 2021, as well as reduced advisor numbers.

NobleOak's market share of advised sales was 12.0% in the 12 months to 31 December 2023 (12 month to Dec 2022: 12.6%).

As expected, lapse rates continue to normalise from pandemic era lows, but remain well below the industry average.

The underwriting performance in the Strategic Partner channel remains strong, however, underlying claims experience has increased in the period, and is now trending inline with industry averages (prior periods had been favourable to industry averages). As NobleOak's advised portfolio matures, this trend is expected to continue, with the insurance margin stabilising.

Investment results have benefited from higher interest rates, noting that the return achieved on additional deposit back assets held (supporting reinsurance asset exposures) are offset by higher fees associated with holding these assets.

The underlying administration expense ratio remains low at 1.8% and continues to benefit from operating leverage and financial discipline.

APPENDIX 4E

continued

Underlying NPAT of \$8.3 million for FY24 was up 6% year on year. We expect current margin to remain with claims experience now trending in line with industry average.

Genus

\$'000/%	FY24	FY23	Variance
In-force premiums at period end	24,582	24,740	(1%)
Administration Expenses	5,153	5,184	+0.6%
Amortisation of Portfolio Acquisition Cost Included in Administration Expenses	473	310	(53%)
Underlying NPAT	842	799	5%

Key metrics of the business are based on the way management analyses business performance. See the Statutory to Management Result Reconciliation Section of the Directors' Report in the 2024 Annual Report for more information.

In-force premiums under management by Genus reduced less than expected to \$24.6million, due to a favourable lapse experience which has continued at a low level since the conclusion of the remediation program on the Freedom portfolio in April 2022.

Genus generated \$0.8 million of Underlying NPAT in FY24, the small increase represents improved expense control whilst revenues run-off slower than expected.

APPENDIX 4E

continued

Consolidated Statement of Comprehensive Income

For the Financial Year ended 30 June 2024

	Consolidated	
	2024 \$'000	Restated 2023 \$'000
Insurance revenue	366,823	335,940
Insurance service expenses	(296,711)	(228,378)
Reinsurance expenses	(271,277)	(262,267)
Reinsurance income	231,154	181,596
Insurance service result	29,989	26,891
Net finance (expense)/income on insurance and reinsurance contracts	(28)	4,292
Fees & other revenue	3,815	3,797
Other operating expenses	(26,444)	(19,192)
Insurance operating result	7,332	15,788
Net investment income	6,207	3,433
Profit before tax	13,539	19,221
Income tax	(4,257)	(5,715)
Profit after tax	9,282	13,506
Other comprehensive income	-	-
Total comprehensive income	9,282	13,506
Earnings per share		
Basic (cents per share)	10.76	15.72
Diluted (cents per share)	10.49	15.34

APPENDIX 4E

continued

Consolidated Statement of Financial Position

As at 30 June 2024

	Consolidated		
	2024 \$'000	Restated 2023 \$'000	Restated 1 July 2022 \$'000
Assets			
Cash and cash equivalents	63,960	50,415	30,263
Receivables	13,137	2,889	3,075
Insurance contract assets	65,781	32,660	17,424
Reinsurance contract assets	81,257	63,133	40,892
Financial assets	207,546	177,696	69,200
Plant and equipment	410	404	169
Right of use assets	4,817	5,679	495
Intangibles	3,799	4,560	5,353
Deferred tax asset	23,026	28,429	30,867
Total assets	463,733	365,865	197,738
Liabilities			
Payables	121,452	99,650	1,352
Insurance contract liabilities	175,081	138,149	113,876
Reinsurance contract liabilities	90,536	57,683	33,332
Lease liability	5,257	5,834	556
Tax liability	-	2,909	702
Total liabilities	392,326	304,225	149,818
Net assets	71,407	61,640	47,920
Equity			
Issued share capital	96,403	95,727	95,323
Share-based payment reserve	1,102	1,293	1,483
Accumulated losses	(26,098)	(35,380)	(48,886)
Total equity	71,407	61,640	47,920

APPENDIX 4E

continued

Consolidated Statement of Changes in Equity

For the Financial Year ended 30 June 2024

	Consolidated			
	Issued share capital \$'000	Share-based payment reserve \$'000	Accumulated losses \$'000	Total \$'000
2024				
Balance at the beginning of the financial year	95,727	1,293	(35,380)	61,640
Ordinary shares issued	676	-	-	676
Share-based payment reserve movement	-	(191)	-	(191)
Profit after tax	-	-	9,282	9,282
Balance at the end of the financial year	96,403	1,102	(26,098)	71,407
2023 (Restated)				
Balance at the beginning of the financial year	95,323	1,483	14,826	111,632
Ordinary shares issued	404	-	-	404
Share-based payment reserve movement	-	(190)	-	(190)
Adjustment on initial adoption of AASB17	-	-	(63,712)	(63,712)
Profit after tax	-	-	13,506	13,506
Balance at the end of the financial year	95,727	1,293	(35,380)	61,640

APPENDIX 4E

continued

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2024

	Consolidated	
	2024 \$'000	Restated 2023 \$'000
Operating cash flows		
Premium received	374,516	330,472
Reinsurance premium payments	(262,595)	(215,193)
Reinsurance concentration mitigants received	6,729	89,427
Reinsurance recoveries received	87,281	57,561
Claims expenses paid	(105,519)	(72,399)
Interest received	5,949	2,097
Dividends and distribution received	3,772	1,023
Fees and other income received	137,639	103,437
Marketing and policy acquisition costs	(162,768)	(137,343)
Other operating expenses paid	(40,584)	(28,945)
Net operating cash flows	44,420	130,137
Investing cash flows		
Purchase of right of use assets	-	-
Purchase of plant and equipment	(146)	(340)
Purchase of intangible assets	(255)	(133)
Purchase of financial assets	(29,461)	(108,336)
Net investing cash flows	(29,862)	(108,809)
Financing cash flows		
Repayment of leasing liabilities	(577)	(896)
Lease interest paid	(436)	(280)
Net financing cash flows	(1,013)	(1,176)
Net cash flows during the year	13,545	20,152
Cash and equivalents at the beginning of the financial year	50,415	30,263
Cash and equivalents at the end of the financial year	63,960	50,415

APPENDIX 4E

continued

Note. 1 Basis of preparation

The financial statements comprise the consolidated financial statements of the Group and the separate financial statements of the parent entity (the Company).

The consolidated financial statements incorporate all of the assets, liabilities and results of all the entities in the Group with inter-company transactions eliminated.

The financial report has been prepared on an accruals basis and is based on historic costs, except for the adoption of AASB 17 and AASB 9 effective from 1 July 2023.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The Company is that as referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporate Instrument, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Amounts throughout the report may not add precisely due to rounding.

The Group's functional currency is Australian dollars. All amounts are presented in Australian dollars, unless otherwise stated.

Where necessary, comparative information has been restated to conform to the current year's disclosures.

Note 2. Earnings Per Share

	Consolidated	
	2024 \$'000	Restated 2023 \$'000
Basic earnings per share (cents)	10.76	15.72
Diluted earnings per share (cents)	10.49	15.34
Basic earnings per share calculation		
Profit after tax	9,282	13,506
Earnings used in the calculation of basic earnings per share	9,282	13,506
Weighted average number of ordinary shares	86,258,782	85,894,480
Diluted earnings per share calculation		
Profit after tax	9,282	13,506
Earnings used in the calculation of diluted earnings per share	9,282	13,506
Weighted average number of ordinary shares	88,445,116	88,033,300
Reconciliation of weighted average number of ordinary shares used for earnings per share measures		
Basic weighted average number of ordinary shares	86,258,782	85,894,480
Premium Option Plan and Performance Rights Plan deemed dilutive shares	2,186,334	2,138,820
Diluted weighted average number of ordinary shares	88,445,116	88,033,300

APPENDIX 4E

continued

Subsequent Events

There has been no matter or circumstance that has arisen since the reporting date that has significantly affected, or may significantly affect, the operations of the Group, or the state of affairs of the Company in future years.

Statement of Compliance

The financial information included in this document is based on the Consolidated Entity's full financial statements for the year ended 30 June 2024 which have been audited.

Signed:



Anthony R Brown
Director

Sydney, 29 August 2024



Stephen Harrison
Chair



NOBLEOAK
LIFE INSURANCE

www.nobleoak.com.au

NobleOak Life Limited
ABN 85 087 648 708 AFSL No 247302
Telephone: 02 8123 2622
Email: companysecretary@nobleoak.com.au
Website: www.nobleoak.com.au
Registered office address:
Level 4, 44 Market Street, Sydney NSW 2000