



## NobleOak Life 2024 AGM – Chair and CEO Addresses

26 November 2024

NobleOak Life Limited (ASX:NOL) (**NobleOak**) publishes the following ahead of the Company's 2024 Annual General Meeting:

- Chair's address – Stephen Harrison
- CEO's address – Anthony Brown

*This announcement has been authorised by the Board of NobleOak Life Limited.*

### For further information, please contact:

Ryan Thompson  
[ryan.thompson@sodali.com](mailto:ryan.thompson@sodali.com)  
+61 (0)423 151 378

Alex Abeyratne  
[alexandra.abeyratne@sodali.com](mailto:alexandra.abeyratne@sodali.com)  
+61 438 380 057

### About NobleOak (ASX: NOL)

NobleOak is an independent, multi award-winning, APRA-regulated Australian life insurance provider which has a 147-year history, dating back to one of the first benevolent societies in Australia, the United Ancient Order of Druids Friendly Society of NSW. NobleOak's core values: Be Noble, Create Value, Adapt & Grow, Keep it Simple, and Deliver on promises, are embedded deeply in its culture. Following its demutualisation in 2011, NobleOak repositioned its business model, launching direct-to-consumer life insurance products through its modern and intuitive digital platform. Since then, NobleOak has diversified its business by manufacturing white-labelled tailored products for strategic partners which are mostly offered to customers through advisers. NobleOak's strategy is underpinned by a commitment to offer customers high value, easy to understand and competitive life risk insurance products. For more information, please visit: [www.nobleoak.com.au](http://www.nobleoak.com.au)

# NobleOak Life AGM addresses

## Chair's address

Good morning shareholders and guests and welcome to NobleOak's 2024 Annual General Meeting.

Before we begin today's meeting, I'd like to note that in the event of a fire alarm test taking place in the building this morning, we will pause for a few moments while the test takes place before resuming the meeting.

I am pleased to report that FY24 was another successful year for NobleOak. The team has made significant progress in executing the strategy, delivering profitable growth and continuing to outperform the industry.

NobleOak remains Australia's fastest growing and most awarded direct life insurer, as a leading challenger brand in the \$11 billion individual life insurance market.

NobleOak delivered a strong financial performance in FY24, with in-force premium growth ahead of our guided range and tight financial disciplines delivering margin stability and growth in underlying profits. Anthony will touch on this in more detail.

In an improving market, NobleOak continues to outperform and gain market share in both direct and advised business.

Our diversified growth strategy and direct distribution model differentiates us from our competitors. Our direct distribution model is our long-term growth engine and fundamental to the value of the Company, benefiting from structural tailwinds as customers become more self-directed and increasingly prefer to purchase financial products online.

In October, we were pleased to announce our first inorganic transaction since listing, with the acquisition of the trailing commissions and 'FiftyUp Club' business of the RevTech Group. Anthony will speak about this acquisition in more detail shortly.

On the regulatory front, NobleOak successfully implemented and adopted AASB 17: Insurance Contracts, a new accounting standard for the Australian insurance sector. This required a significant upfront investment to implement. Our CFO Scott Pearson and his team did an outstanding job to meet the regulatory deadline, and the Board would like to thank them for their dedication and effort. While AASB 17 does not impact our core business value drivers or strategy, it did result in the creation of a \$27 million deferred tax asset at the transition and modestly accelerated profit recognition.

Importantly, NobleOak retains a sound capital position and in FY24, the Company reached a significant inflexion point, with the business generating net capital for the first time in its recent history. Achieving this milestone in our growth journey marks an exciting phase for our business and opens future strategic options, including the potential for future dividends, which the Board will continue to assess.

It is pleasing to see the team continue to provide excellent service to our customers, and our market-leading product, value, customer service and digital capabilities continue to resonate strongly. We are proud of the efforts of our team that made NobleOak Australia's most awarded Australian direct Life Insurer for the fifth consecutive year, winning awards from Canstar, Plan for Life, Mozo, Money Magazine, Finder, WeMoney, DBM and Feefo for quality, value and customer service.

Board renewal remains a priority for NobleOak as we continue our growth journey.

In June, we were pleased to announce the appointment of Andrew Gale as a non-executive director of NobleOak, effective from 1 September 2024. We are delighted to have Andrew join the Board, particularly given his deep actuarial and insurance expertise, and experience in the financial advice sector. He also brings broader financial services governance, strategy and risk management experience.

As a newly appointed director, Andrew is standing for election at this meeting, along with Andrew Boldeman and Sarah Brennan, who are retiring by rotation and standing for re-election. All three directors bring deep and diverse experience and expertise, and the Board unanimously supports their election.

Today, we also announce the upcoming retirement of long-standing director Kevin Hamman. Kevin joined the Board in 2011 and was appointed Deputy Chair in December 2021. Kevin will retire at the end of the calendar year.

On behalf of the Board, I would like to thank Kevin for his significant contribution to NobleOak's growth and success over the years. His deep experience in financial services and willingness to always challenge convention has been an invaluable asset to the Board, and I am personally grateful for his counsel and friendship over the years.

Today, I am also announcing my intention to step down as Chair at the end of December. I joined the Board with Kevin in 2011 and have held the position of Chair since 2018. It has been a great journey, navigating the Board during this period of growth, and the Company's IPO. However, I am delighted to announce that if re-elected, Sarah Brennan will succeed me as Chair. Sarah has been a director of NobleOak since 2021 and brings deep and broad financial services experience with over 30 years in the sector, encompassing life insurance, financial planning, superannuation, private client advisory, broking and banking.

Sarah currently serves as a non-executive director of Netwealth, Argo Infrastructure and Credit Corp Group. She previously served on the Board of Mortgage Choice and other unlisted Boards in the field of wealth management.

It has been a great honour to lead the Board of NobleOak, and I am delighted to remain on the Board as a non-executive director and look forward to continuing to work with Sarah and my fellow directors to oversee the next stage of NobleOak's growth journey.

We are very excited about the opportunity ahead, and remain committed to investing in our platform, people and brand to drive growth.

On behalf of the Board, I would like to thank Anthony and the NobleOak team for their continued commitment and dedication to putting our customers at the centre of everything we do. Thanks also to you, our shareholders, for your ongoing support.

I will now hand over to Anthony to provide more detail on the Company's performance this year, as well as some colour on recent trading and the outlook for FY25.

Thank you.

**Stephen Harrison**  
Chairman

## **CEO's address**

Thanks Stephen and good morning.

I'd like to begin by addressing the Board changes Stephen announced earlier.

To Stephen, who is stepping down as Chair, I'd like to express my gratitude for your strong leadership, sage advice and friendship over the many years we have worked together. We are very fortunate to retain your experience on the Board, and I look forward to continuing to work with him.

I would also like to thank Kevin for his guidance and support over the past 13 years. His contributions were crucial in solidifying our capital base and navigating the challenging early days when we had just 6 or 7 staff and an in-force premium of just \$4 million. Today, with our in-force premium over \$400 million, he continues to push the management team to excel further. His vibrant personality and encouragement have been invaluable to NobleOak, and to me personally, and I wish him all the best.

And to Sarah, I am glad that you will be moving into the Chair role. I'm confident NobleOak is in good hands and am looking forward to continuing to work with you in your new role.

And of course welcome to Andrew Gale, who will bring a great depth of knowledge to the Board.

Now, turning to the company's performance for the year.

As Stephen said, FY24 was another successful year for NobleOak, and I'm proud of the outcomes we've continued to achieve.

### **Financial highlights**

At period end, we managed over 137,000 active policies, excluding Genus, generating more than \$387 million in annual in-force premiums. This premium, which acts as an annuity stream of revenue, was up 22% year on year, exceeding our market guidance of 15-20% provided at last year's AGM.

Inforce premium is the value driver of our business and an important lead indicator of success

NobleOak's outperformance continues to be driven by above-market sales as well as lapse rates that remain lower than industry average.

In our Direct Channel, effective digital marketing and alliance partnerships with the likes of Budget Direct, RAC WA, and Costco, helped to drive in-force premiums up 14% year on year to \$91.6 million.

NobleOak's market share of Direct sales increased to 17%, remaining significantly higher than the market share of Direct in-force premiums of 8.7%.

Our strategic partnerships continue to deliver strong growth in the advised market, with NobleOak's contemporary products, high-quality service and partnerships with Neos and PPS driving market share gains.

In-force premiums from the Strategic Partner Channel grew by 25% to \$295.2 million, with a 12% share of advised market sales in an improving market and lapse outperformance driving NobleOak's advised in-force market share up to 2.7%.

In-force premiums for Genus, our administration business, remained stable and finished the year at \$24.6 million, driven by a favourable lapse experience.

Disciplined underwriting and expense management across all segments, delivered strong growth in underlying net profit after tax (NPAT), up 19% year on year to \$15 million. Statutory NPAT was down 31% to \$9.3 million, largely due to movement in provisions for onerous contracts and one-off compliance and IT project costs. However, this was offset by the impact of changes in interest rates on policy liabilities.

Higher interest rates and growth in NobleOak's investment portfolio drove investment income up materially to \$11.7 million.

The Company's capital position remains sound, with a regulatory capital multiple of 193%. Importantly, and as Stephen said, we believe we have reached a critical inflexion point in our path to generating positive free cash flow on a go-forward basis from our in-force premium.

Achieving this significant milestone in our growth journey marks an exciting phase for NobleOak and supports future strategic options for our business. Our primary focus remains on accelerating our organic growth by investing in product innovation and distribution, as well as exploring potential avenues for inorganic growth subject to our usual disciplined return hurdles.

As Stephen said, the potential for future dividends will also be a consideration for the Board, noting that capital levels in a life insurer naturally vary due to several factors, including claims experience and adjustments in capital assumptions. Nevertheless, this is a positive development that marks the beginning of an exciting new phase for NobleOak.

### **Operational and strategic highlights**

As we invest further to build the foundations for long-term growth, we are making good progress on our digital transformation to deliver a scalable technology platform with an enhanced omnichannel customer experience.

We were pleased to maintain our high customer satisfaction ratings and status as Australia's most awarded Direct Life insurer. We were particularly pleased to have been awarded the prestigious Canstar Outstanding Value Awards for both our Premium Life Direct Life insurance and Income Protection insurance for the ninth consecutive year.

We continue to build the NobleOak team, with key investments during FY24 supporting capability uplift, particularly in growth, actuarial, data and technology.

95% of employees participated in our most recent employee engagement survey, with 89% stating that they would recommend NobleOak as a great place to work. This is hugely important to us and pleasing as it isn't easy being a high growth challenger in a highly regulated industry – but we have a passionate and energetic team. We were also pleased to be recognised as an Employer of Choice in the Australian Business Awards.

We remain committed to listening to our employees and enhancing our culture, leadership and capability to support NobleOak's ongoing growth.

As Stephen mentioned, in October 2024 we were pleased to announce an agreement to acquire RevTech's trailing commissions and 'FiftyUp Club' platform. The acquisition is in line with

our risk appetite and diversified growth strategy. It will be value accretive, delivering annual free cash flow as well as continued access to the 480,000 members of the 'FiftyUp Club' without any ongoing commissions.

Congratulations to the team who worked extremely hard to get the deal over the line.

### **FY25 strategic priorities**

In FY25, NobleOak expects to continue to outperform and achieve above-market in-force premium growth. The team is focusing on executing our diversified growth strategy, including the following key strategic priorities:

- **Direct Life** – to build on our position as Australia's leading direct life insurer, we are investing further in our omnichannel experience and streamlining operations, as well as driving growth through marketing campaigns to strengthen the brand and increase customer retention.
- **Strategic partner growth** – we continue to build and support our network of adviser partners, including through improved pricing and a new product.
- **Scale advantages** – as we grow, we aim to optimise the business to achieve economies of scale, including leveraging analytics and AI for better customer insights and optimised underwriting and marketing.
- **Brand Investment:** In 2025, we plan to enhance the NobleOak brand by investing in awareness-focused advertising, particularly through digital channels. This strategy aims to boost lead generation as well as improve brand recognition among potential shareholders.

**Growth Investment:** We will continue to invest strategically in new opportunities, in direct wealth and life insurance. And aim to pilot a couple of opportunities in the next 12 months.

We will continue to focus on enhancing the customer experience, acquisition cost and expense optimisation, developing new partnerships and distribution arrangements, improving claims management, and pricing and profitability.

### **FY25 trading update and outlook**

FY25 is off to a good start, with strong trading momentum continuing as we continue to achieve above market growth. Over the first four months to end October, our in-force premiums grew by more than 5%.

Importantly, our underwriting performance has remained strong in FY25. While our claims experience has continued to trend towards industry norms as expected, particularly in the Strategic Partner segment, it has remained in line with our expectations, with no surprises. This has been supported by our disciplined underwriting and conservative risk retention strategy.

Higher interest rates continue to provide a tailwind for our investment returns, more than offsetting inflationary impacts on our cost base.

Having reached an important inflexion point, our capital position remains robust, with organic capital generation supporting increased investment in the business. This has also enabled the acquisition of RevTech's trailing commissions and 'FiftyUp Club' platform.

Looking ahead, we expect to continue to deliver in-force premium growth of over 15% in FY25, in a market that is expected to grow by around 5%, and our disciplined approach is expected to keep our margins stable while investing for growth and capability.

## **Closing**

In closing, I would like to say how immensely proud I am of the NobleOak team's performance in 2024 and extend a big thanks to all of them for delivering another strong result.

The passion of our leaders and the broader team is exceptional, and it is a privilege to be a part of this.

Thanks also to the Board, for their ongoing leadership, guidance, support and encouragement, and again, thank you to Stephen and Kevin for their significant contributions and guidance to me personally, and congratulations to Sarah on becoming NobleOak's next Chair.

I also want to thank our customers, partners, and of course our shareholders for your ongoing support.

With the strongest team in NobleOak's history, a robust financial position, exceptional products, outstanding service, and a gradually improving market, I believe we are ideally positioned to continue our growth and am excited for the future.

Thank you.

**Anthony Brown**

Chief Executive Officer