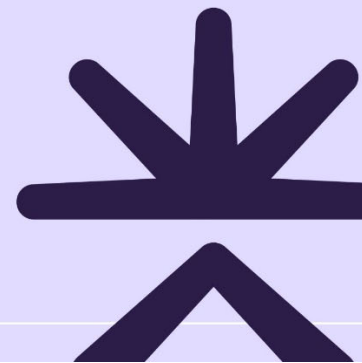


# ASX Announcement

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## 2025 Half Year Results

**22 August 2025:** Helia Group Limited (Helia or the Company) (ASX:HLI) today reported its financial results for the half year ended 30 June 2025 (1H25).<sup>1</sup>

Statutory net profit after tax (NPAT) was up 38% on pcp to \$133.7 million and Underlying NPAT was up 18% on pcp to \$126.1 million with the difference mainly due to pre-tax mark to market unrealised gains on bonds.

The Helia Board has declared a fully franked interim ordinary dividend of 16.0 cents per share, up 7% on pcp and an unfranked interim special dividend of 27.0 cents per share (1H24: 0.0 cents per share), both payable on 16 September 2025 to shareholders registered as at 1 September 2025.

1H25 highlights	1H24	1H25	1H25 v 1H24 (%)
Statutory net profit after tax (\$m)	97.0	133.7	38
Statutory diluted earnings per share (cps)	32.6	48.7	49
Underlying net profit after tax (\$m) <sup>2</sup>	106.5	126.1	18
Underlying diluted earnings per share (cps)	35.8	46.0	28
Ordinary dividend per share (cps)	15.0	16.0	7
Special dividend per share (cps)	0.0	27.0	N.M. <sup>3</sup>
Net tangible assets and net CSM per share (\$)	5.17	5.35	3
Annualised underlying return on equity (ROE) (%)	19.3	24.0	+470bps

Helia Interim Chief Executive Officer, Mr Michael Cant, said “Our strong financial performance and capital position continue to provide the strength and security to support our customers, while rewarding our shareholders.

“In 1H25, the Company helped over 13,000 Australians achieve home ownership, continuing the crucial role that that Helia has played for first home buyers, upgraders and property investors since 1965.”

<sup>1</sup> The financial result of Helia and its subsidiary companies (the Group) is prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB), consistent with International Financial Reporting Standards (IFRS).

<sup>2</sup> Underlying NPAT excludes the after-tax impacts of unrealised gains/(losses) on shareholder funds, and foreign exchange rates on Helia's investment portfolio. The bulk of the foreign exchange exposures are hedged.

<sup>3</sup> N.M. Not Meaningful (increases / decreases > 100%).

## Operating environment

The Australian economic environment remained resilient but showed early signs of slowing in 1H25. The June unemployment rate released by the Australian Bureau of Statistics was up 30 basis points to 4.3%<sup>4</sup>, but the participation rate remained strong and hours worked increased.

Easing inflation and a slowing economy led to the Reserve Bank of Australia cutting its cash rate target by 50 basis points to 3.85%<sup>5</sup> as at 30 June. Lower mortgage rates and slowing growth in cost-of-living expenses is taking some pressure off household budgets.

Cotality's Home Value Index reported growth in all states and territories and a change in national dwelling values of 2.4%<sup>6</sup> for the six months to 30 June.

Helia remains well positioned to manage any impacts from a more difficult economic environment should that arise.

## Strategic Update

While the 1H25 financial results were strong, the Company is facing challenges on the outlook for new business.

The Federal Government announced a proposed expansion of the Home Guarantee Scheme (HGS) which is likely to result in the vast majority of owner occupier First Home Buyers (FHB) using the HGS from FY26. This expansion is on top of the significant impact that the HGS has already had on the LMI industry. FHB represented 25-30% of Helia's GWP in 1H25.

The Company believes that these policy changes are unlikely to sustainably improve levels of home ownership for FHB and introduce risks to Government finances and the stability of the Australian financial sector.

CBA (40% of 1H25 GWP), notified Helia that they had entered into a contract with another LMI provider from 2026, while ING (21% of 1H25 GWP), notified the Company of their intent to proceed with negotiations with an alternate provider. Pleasingly, Helia renewed and extended its contract with another top 10 mortgage lender during the period.

Revenue associated with in-force policies is recognised over a 15 year period and therefore the financial impact of the reduction in new business during FY26 will emerge gradually over time. Lower new business volumes will likely increase the level of organic capital generation and scope for further capital management activity.

The Company is adapting to changing market conditions by creating a simpler and more efficient business, while seeking to rebuild LMI market share through opportunities with existing and new customers.

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<sup>4</sup> Australian Bureau of Statistics July Labour Force, Australia seasonally adjusted unemployment rate 4.2%.

<sup>5</sup> Reserve Bank of Australia Cash Rate Target 3.60% from 13 August 2025.

<sup>6</sup> Cotality Home Value Index results as at 31<sup>st</sup> July 2025 YTD, change in national dwelling values 3.1%.

In response to these company and industry events, the Board is conducting a review that is considering a broad range of alternatives to best position Helia for the future and maximise value for shareholders. The Company will provide an update once this review is completed.

## Capital management

Helia targets a stable fully franked ordinary dividend and will continue to explore options to return excess capital in an efficient and effective manner to shareholders. The Company's target capital range of 1.40 to 1.60 times APRA's Prescribed Capital Amount (PCA) remains unchanged.

In recognition of the strong 1H25 profitability and capital position of the Helia, the Board today approved an increased fully franked interim ordinary dividend of 16.0 cents per share and an unfranked interim special dividend of 27.0 cents per share.

The unfranked interim special dividend has been declared in lieu of 1H25 buyback activity, with the Company completing only \$0.1 million of on-market share buy-backs in 1H25. Helia has regulatory approval for a \$121m reduction in capital that is due to expire on 31 December 2025 and the Company reserves the right to vary, suspend or terminate the buy-back at any time.

## 1H25 Overview

1H25 key financial measures	1H24	1H25	1H25 v 1H24 (%)
Gross written premium (GWP) (\$m)	85.9	109.9	28
Insurance revenue (\$m)	194.8	182.2	(6)
Total incurred claims ratio (%) <sup>7</sup>	(5.1)	(14.8) <sup>8</sup>	N.M. <sup>9</sup>
Closing delinquencies (number)	5,229	5,043	(4)
Insurance service result (\$m)	141.2	150.9	7
Net investment return per annum (%)	2.9	7.3	440 bps
Net financial result (\$m)	16.7	60.2	N.M.
PCA coverage ratio (times) <sup>10</sup>	2.08	2.30	22 bps

GWP was up 28% on pcp, reflecting higher market share and increased lending volumes. Despite this increase, GWP remains well down on historic levels and continues to be negatively impacted by the HGS.

Insurance revenue was down 6% on pcp, due to lower GWP in recent book years.

<sup>7</sup> Calculated as Total incurred claims divided by Total insurance revenue.

<sup>8</sup> Total incurred claims for 1H25 were negative, driven by a release of reserves.

<sup>9</sup> N.M. Not Meaningful (increases / decreases > 100%).

<sup>10</sup> Based on APRA prudential standards applicable from 1 July 2023.

Claims were again extremely low with another half of negative total incurred claims. Delinquencies fell 4%, benefitting from stable cure rates and the continued growth in house prices, with negative equity across the portfolio remaining flat on pcg at 0.5%. A continuation of good claims experience also led to some changes to the reserving basis, equating to \$18.4 million.

Income Statement expenses were down 6% on pcg and expenditure incurred is expected to fall in future periods in response to the likely loss of larger contracts.

The net investment return of 7.3% p.a. was well up on pcg, as net investment revenue benefitted from capital gains due to falling bond yields and rising equity markets, whilst the net running yield was down 90bps to 3.8% p.a. The net financial result partially offset this, with an increase in the net finance expense due to lower discount rates on insurance liabilities.

The Company's PCA coverage ratio was 2.30 times on a Group (Level 2) basis, an increase of 22bps. Capital returned to shareholders exceeded Statutory NPAT, but this was more than offset by capital released from in-force run-off and seasoning, which significantly exceeded capital required for new business. Helia redeemed its \$190 million Tier 2 notes on 3 July.

#### **Outlook and FY25 guidance**

FY25 Insurance revenue is expected to be within a range of \$350 million to \$390 million (previous guidance \$310 million to \$390 million).

FY25 total incurred claims are expected to be negative and remain well below Helia's historical experience of a through the cycle total incurred claims ratio of approximately 30%.

For more information, analysts, investors and other interested parties should contact:

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**Briefing details**

A conference call and webcast will commence at 10:30am (Sydney time) on Friday, 22 August 2025 to discuss these results.

**Registration**

Analysts, investors, and media are encouraged to pre-register using one of the options below. Participants using the webcast will be in listen only mode.

**Conference call:** <https://register-conf.media-server.com/register/Blfad265bc73e14a08865cdb8d2912b2d1>

**Webcast:** <https://edge.media-server.com/mmc/p/s3ofpvyg>

**Replay**

A replay of the webcast will be available on the Helia website within 24 hours.

<https://investor.helia.com.au/Investor-Centre/?page=overview>

The release of this announcement was authorised by the Board.