

3 May 2022

Presentation to the Macquarie Australia Conference and FY22 Outlook update

Medibank Chief Executive Officer David Koczkar will be delivering the attached presentation at the Macquarie Australia Conference which includes an update to Medibank's FY22 outlook.

This document has been authorised for release by the Board.

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Macquarie Australia Conference

David Koczkar – Chief Executive Officer

3 - 4 May 2022

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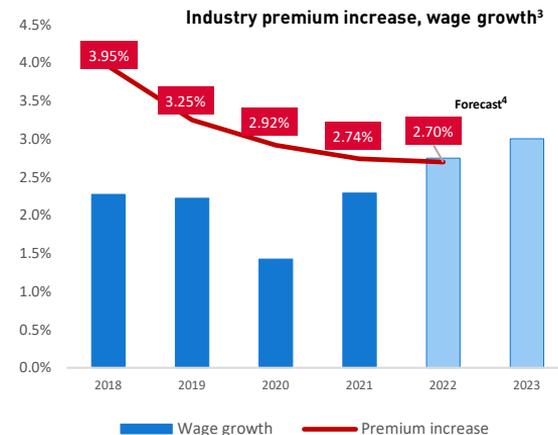
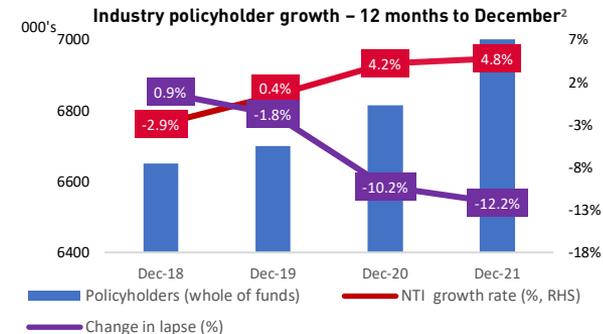
PHI industry participation growth remains strong

Positive industry trends seen prior to COVID have accelerated

- Shift in customer attitudes towards PHI continues:
 - Improving proposition given concerns about public hospital wait times
 - Seen as more affordable and better value¹ supporting improved retention
 - Consumers continuing to invest in their health and wellbeing
- Six consecutive quarters of industry policyholder growth:
 - Rolling 12-month policyholder growth increased from 2.68% in Sep 21 to 2.79% in Dec 21²
 - New-to-industry and younger cohorts major contributors – positive signs for industry sustainability
 - Significant improvement in lapse

Industry participation growth expected to be higher than pre-pandemic levels over medium term

- Future participation growth will be supported through:
 - Strong bipartisan support for the role of private health
 - Continuing shifts in customer attitudes towards health
 - Population growth
- Affordability is still key to maintain growth:
 - Retention supported by the convergence of wage growth relative to premium increases
 - Continued low premium increases depend on:
 - Prostheses (c. \$900m cumulative savings over 4 years⁵) and other reforms
 - Increasing adoption of new care models and focus on prevention
- Ongoing commitment by industry to return COVID savings to customers



1 IPSOS – Healthcare & insurance Australia 2021. December 2021

2 APRA quarterly private health insurance statistics

3 Department of Health. Average annual price changes in private health insurance premiums. Updated December 2021

Australian Bureau of Statistics. Wage price index (12m growth to December). Updated February 2022

4 Forecasted annual change of wage price index for December 2022 and 2023 from RBA's Statement on Monetary Policy – February 2022

5 The Hon Greg Hunt, Minister for Health and Aged Care, 17 March 2022. Reforms to deliver lower prices for medical devices and lower private health insurance premiums (Media release)

Strong momentum in our core business



Customer support

- April 22 premium increase (3.1%) deferred for 6 months
- Next wave of customer support to be confirmed before 30 June 22
- Total COVID support package to date c. \$463m



Resident PHI

- Continued high level of customer advocacy (sNPS >40) across both brands
- On track to achieve policyholder growth¹ of 3.1% - 3.3% in FY22:
 - FYTD resident policyholder growth of +42.9k or 2.3% as at 30 April 22
 - Fourth quarter typically strong leading into EOFY
 - Subdued downgrading continues, further supporting retention
- We continue to gain market share in a highly competitive market:
 - 27.36% as at 31 December 21 (+5 bps in 1H22, +14 bps in CY21)
- Further growth opportunities:
 - Target markets include corporate and regional customers
 - Improved retention, particularly in ahm
 - Productivity and cost discipline provide opportunities to invest for growth



Overseas PHI

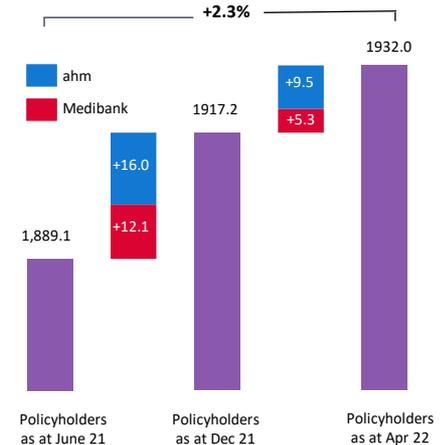
- Overseas portfolio joins have recovered quicker than expected, with strong growth among working visa, visitors and students
- Working visa joins for March highest on record
- Investments during the pandemic – looking to grow share



Claims

- No change to our underlying claims outlook:
 - Continue to monitor rehab referral rates for signs of permanent change
 - Health inflation not expected to materially impact claims growth
- Deferred claims liability to cover claims catch-up

YTD net resident policyholder growth
(’000, as at 30 April 22)



¹ Assumes slowing industry participation growth in FY22 relative to FY21

Consumer centricity in health



Customer need

- Personalised and integrated care

Our points of difference

- High advocacy and trust among our 3.7m customers
- Digital and personalised experiences

The shift to prevention



Customer need

- Help to manage chronic conditions and underlying health risks

Our points of difference

- Our Live Better offering
- Suite of prevention programs

The rise of new care models



Customer need

- More choice, value and quality care in lower cost settings

Our points of difference

- Recent investment in Medinet and new partnership with Health care
- Building on our existing businesses in telehealth, primary care, short stay and home care

Create a stronger and more sustainable health system



Customer need

- Reform is critical to reduce waste, improve efficiency and healthcare value

Our points of difference

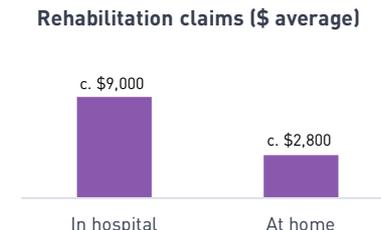
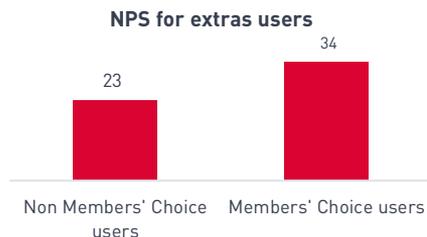
- Our capabilities and strong relationships across health which will support the changes needed to strengthen the system

Driving synergies between our core business and health

Further differentiating our customer experience – creating more value for shareholders

	Better value cover	Health and wellbeing	New care models
Customer offering and benefit	<ul style="list-style-type: none"> Value and accessibility of health (e.g. Members' Choice Advantage network) Flexibility and improved choice (e.g. My Choice Extras) 	<ul style="list-style-type: none"> Incentives and rewards for healthy actions via Live Better Rewards Expert support to avoid hospitalisation or re-admission (e.g. Better Knee Better Me) 	<ul style="list-style-type: none"> Improved experience (e.g. virtual health) Greater choice and accessibility (e.g. homecare) More affordable healthcare (e.g. no gap short stay)
Future growth drivers	<ul style="list-style-type: none"> Continued differentiation of products and provider networks Further integration of health services, with prioritisation of Amplar's services to Medibank customers 	<ul style="list-style-type: none"> Scale-up of current health and wellbeing programs Development of new health and wellbeing offerings and prevention programs 	<ul style="list-style-type: none"> Connection of services to put the patients in the centre Scaling the offerings Provider partnerships expansion
Direct business benefits	<ul style="list-style-type: none"> Sustainable market share growth Improved retention and downgrading Expanded relationships and insights to support additional customer value 	<ul style="list-style-type: none"> Diversifies earnings through Medibank Health Increased engagement in broader health propositions Long-term reduction in preventable claims 	<ul style="list-style-type: none"> Diversifies earnings through Medibank Health Long-term benefit outlay savings Further differentiation of PHI offerings

Examples of broader business benefits



Putting customers at the centre of their health

Example: Preventing, managing and treating osteoarthritis

Customer needs



- Access to the right health support that is personalised and connected
- c. 2.2m Australians with osteoarthritis:¹
 - Surgical knee and hip replacement claims (c. \$200m) among Medibank's top annual claims categories
- Awareness of alternative options to surgery - low uptake of preventative treatments (< 30% of people on total knee replacement surgery waiting list)²
- Timely knee replacement surgery (public waiting lists > 6 months)

Customers

- Access to connected, multi-disciplinary prevention program
- More choice, value and control
- Improved value from PHI covers, especially extras

Medibank

- Reduces benefit outlay over time:
 - Preventative program reduces the need for surgeries
 - No gap short stay - halved the number of bed days per episode
- Supports PHI acquisition and retention as a market differentiator
- Diversifies earnings through Medibank Health

Health system

- Frees up resources for more acute needs
- Reduces waste and improves experiences

Benefits from our solutions



-
- Scaling of Better Knee, Better Me
 - Better Hip research trial and pilot launching June 2022
 - Further promote and develop solutions to address customer health needs from their feedback, e.g. Live Better users with back pain issues
 - Expand our no gap short stay network to reach more members

Future opportunities



¹ Australian Institute of Health and Welfare - Osteoarthritis. Updated August 2020

² Ackerman, I. N. (2006). The pre-operative status of people undergoing primary total hip and knee replacement surgery

Supporting customers along their osteoarthritis journey

With our broad and unique capabilities



Health and wellbeing

Live Better

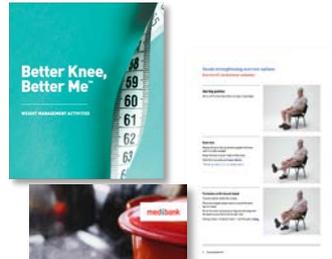
- Promote health and wellbeing through digital content, events and rewards
- Eligible customers rewarded for utilising Members' Choice Advantage network
- Integrated into our extras covers



Preventative program

Better Knee, Better Me™

- 12-month personalised program
- Virtual consultations with a physiotherapist or dietitian
- Participants provided with tools and resources to self-manage between consultations



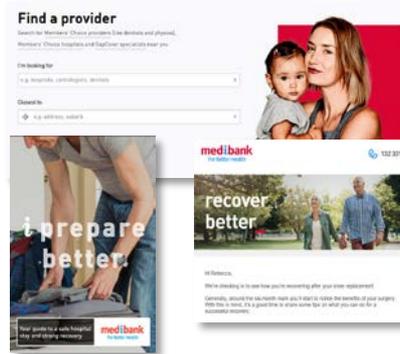
Health system navigation & support

Find a Provider Tool

- Enable members to search for details of our Members' Choice providers, Members' Choice hospitals and GapCover specialists

Medibank Health Concierge

- Pre & post hospital support to help customers prepare for or recover from a hospital stay or treatment



No gap short stay for joint replacement

- Surgeon-developed best practice standards
- No gap patient experience across an entire episode of care
- Integrated into a wide range of hospital covers



Rehab at home

- Post discharge care if clinically indicated

No Gap Joint Replacement Program

Eligible members in joint replacement.

medibank at home



Better value cover

	Customer relief	<p>Continue to assess claims activity and any permanent net claims savings due to COVID-19 will be given back to customers through additional support in the future</p> <p>April 22 premium increase (3.1%) deferred for 6 months</p> <p>Next wave of customer support to be confirmed before 30 June 22</p>	No change
	Policyholder growth	<p>FYTD resident policyholder growth of +42.9k or 2.3% as at 30 April 22</p> <p>Aiming to achieve 3.1-3.3% policyholder growth¹ in FY22, including continued growth in the Medibank brand</p>	On track
	Claims	<p>Underlying average net claims expense per policy unit is forecast to be c. 2.3% among resident policyholders in FY22</p>	No change
	Management expense	<p>FY22 Health Insurance management expenses are expected to be c. \$530m</p> <p>FY22 productivity target of \$15m in Health Insurance management expenses</p>	On track
	Growth	<p>Targeted inorganic growth for Medibank Health and Health Insurance remain areas of focus</p>	No change