

ASX Announcement

30 October 2024

Australian Unity Limited – Chair and Group Managing Director Addresses

Please find **attached** the Chair and Group Managing Director’s addresses for Australian Unity Limited’s Annual General Meeting, which will be delivered today.

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This announcement has been authorised for release by Melinda Honig, Company Secretary.

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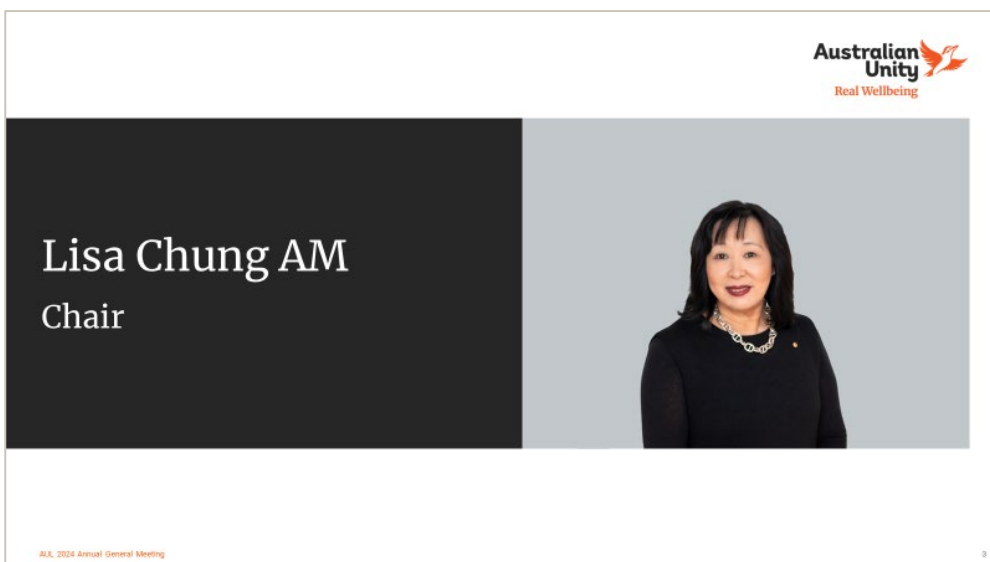
The listing of Australian Unity Securities on the ASX does not affect Australian Unity Limited’s status as a mutual entity

Australian Unity Annual General Meeting, 30 October 2024



Lisa Chung AM, Chair

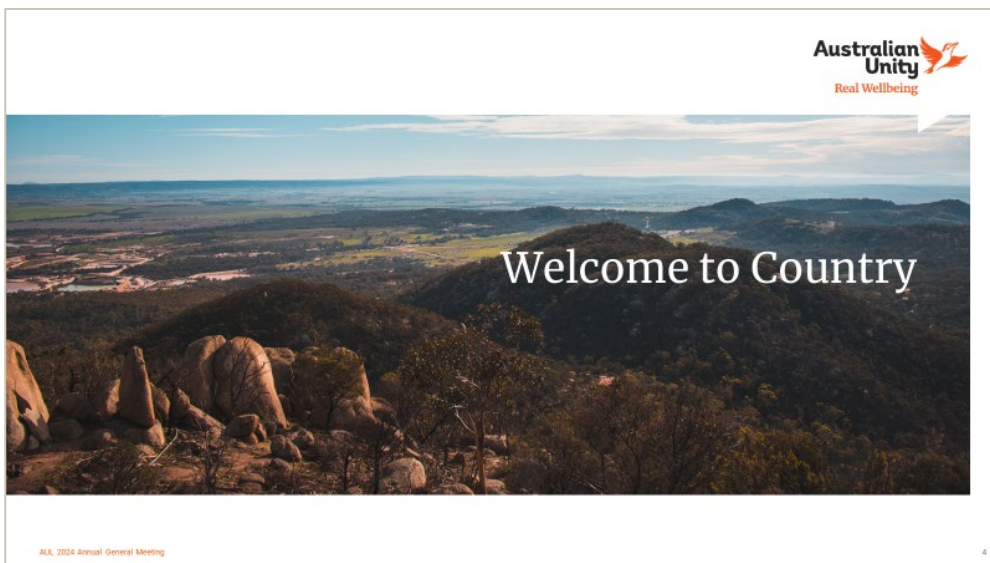
Good afternoon and welcome to the 2024 Annual General Meeting of Australian Unity Limited.



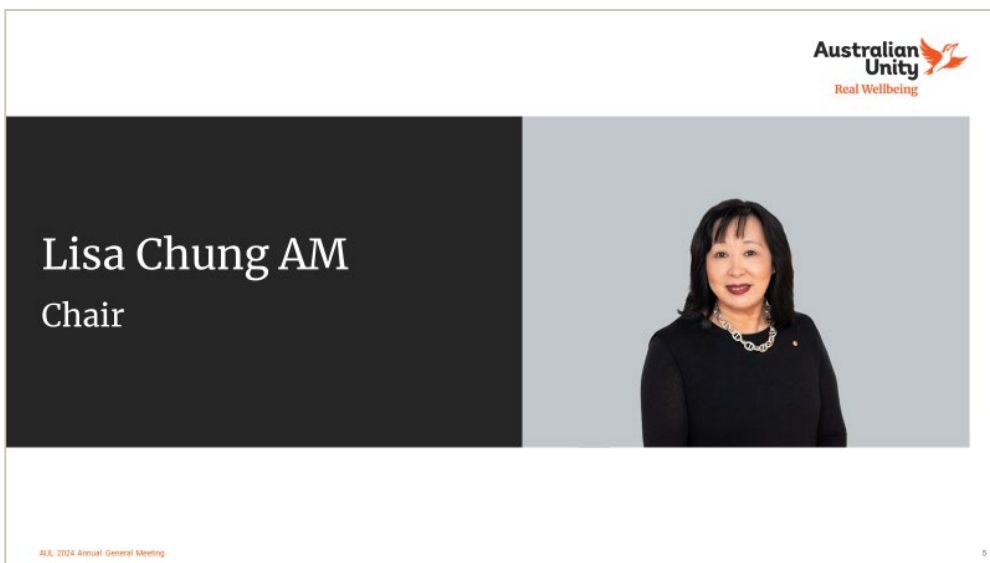
My name is Lisa Chung. I am the Chair of the Company and of this meeting.

Before I officially declare the 2024 Annual General Meeting of Australian Unity Limited open, I would like to introduce Wurundjeri (WERE-UN-JERRY) man Colin Hunter Junior.

Colin will perform a Welcome to Country.



Thank you, Colin.



Thank you everyone for making the time to be here today.

Before we begin, can I please ask that you turn off your mobile phones.

In the event of an emergency evacuation, please listen for any announcements and act on instructions given by the fire wardens.

Exit signs will lead you to the closest exits and stairs, and the external assembly area is at the northern end of the Royal College of Surgeons gardens across the road from this building.

This AGM is being broadcast live, which allows members who can't be here in person to watch the proceedings.

A recording of the meeting will also be available to watch on our website, so members can catch up later.

To help those who may have specific questions about our products or services, or questions about individual policies, we have representatives from across the business available in the foyer after this meeting.

This includes stands for our private health insurance, banking, and wealth and capital markets businesses. I encourage you to have a chat to our team if you do have specific questions.

I now turn to the formal matters of this meeting.

First, I can confirm that a quorum is present. Therefore, I formally declare the 2024 Annual General Meeting of Australian Unity Limited open.

Secondly, I would like to introduce my fellow directors who are present in person at this AGM today.

- Melinda Cilento, who is Deputy Chair, Chair of the People, Culture & Remuneration Committee, and a member of the Investment and the Risk & Compliance Committees;
- Lucinda Brogden AM, who is a member of the Risk & Compliance, and Audit Committees;
- Kim Cheater, who was appointed to the board on 1 March 2024. You will hear from Kim later in the meeting as he is standing for re-election at this AGM;
- Paul Kirk, who is a member of the Investment Committee;
- Su McCluskey, Chair of the Risk & Compliance Committee and a member of the Audit, and People, Culture & Remuneration Committees;
- Dr Helen Nott, Chair of the Audit Committee, and a member of the Risk & Compliance Committee;
- Julien Playoust, Chair of the Investment Committee and a member of the Risk & Compliance, and Audit Committees;

Su McCluskey has notified her intention to retire as a director with effect from the conclusion of today's meeting.

On behalf of my fellow directors, I would like to sincerely thank Su for the valuable contribution she has made to Australian Unity since her appointment in 2015.

In this time Su has been a director of numerous subsidiaries, Chair of the Risk & Compliance Committee and a member of the Audit Committee and of the People, Culture & Remuneration Committee.

We wish her well for the future.

Our Group Managing Director, Rohan Mead, will shortly outline the major activities and achievements of the Company during the year.

And we are joined by Melinda Honig, our Company Secretary, General Counsel and Chief Risk Officer.

We also have members of our Group Leadership Team with us today, including

- Prue Bowden, Group Executive of Home Health;
- Dean Chesterman, Group Executive of People & Culture;
- Mark Gay, Group Executive of Technology;
- Esther Kerr, Group Executive of Wealth & Capital Markets;
- Darren Mann, Group Executive of Finance & Strategy and the Chief Financial Officer; and
- Rebecca Windsor, Group Executive of Health Insurance.

We also welcome Chris Wooden, representing the Company's auditor KPMG, as well as representatives from the Company's regulators and advisers.

Thirdly, I advise that the Notice of Meeting has been given in accordance with the Company's Constitution and copies are available both on our website and on the stands at the back of this room.

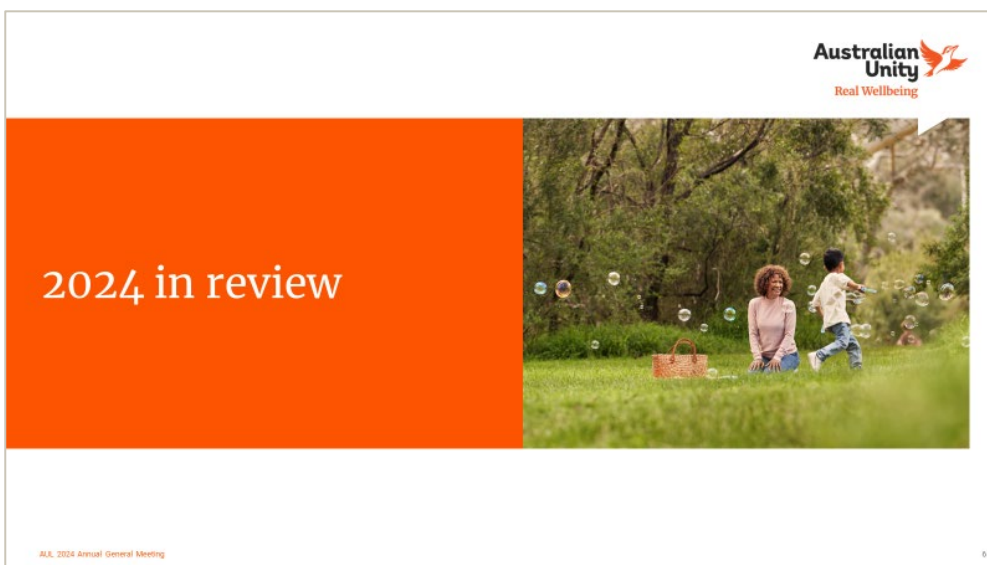
I will, accordingly, take the Notice of Meeting as read.

The minutes of the 2023 Annual General Meeting of Australian Unity Limited have been reviewed by the board and recorded as a true and correct record, in accordance with the *Corporations Act*.

The minutes are tabled and there are copies available with our Company Secretary should any member wish to see them.

Today, we have a number of formal items of business to cover, which are set out in the Notice of Meeting.

Before we move to these items, I'd like to offer you some thoughts about the Group as we progress into the 2025 financial year.



As I reflect on our achievements and on the events of the past year, I believe it is easy to see that we are living in a time of rapid change.

There have been national and global shifts felt across the social and economic environments that our portfolio of businesses operate in.

And we know this period of unprecedented change is having real and tangible impacts on the wellbeing of the communities we serve.

Personally, I have become increasingly concerned at the growing inequality in terms of both wealth and income in our nation. This is notably evident in an intergenerational context.

Daily headlines highlight how out of reach home ownership has become for many, and now, even the availability of adequate rental housing is under significant stress.

The high cost of living is also contributing to detrimental effects on the wellbeing of our nation.

This impact was reflected in our 2023 Australian Unity Wellbeing Index report that is developed in partnership with Deakin University.

The report also showed that the life satisfaction of Australians has been trending downward since 2010.

As a Group, we also have a unique vantage point through our diverse business offerings.

We get to directly see and hear what our members, customers, staff and the broader community say they need the most.

Members, I am pleased to say that it is these insights and our responses to challenges like those mentioned, that are directly guiding the board's decisions.

We are using this knowledge to discuss how Australian Unity can play a meaningful role in addressing the evolving needs of those that we serve, now and into the future.

I am incredibly proud that despite the environmental challenges felt by the Group, this year we have made positive and impactful progress.

In fact, we reached some pivotal milestones in our operational activities.

From the game-changing acquisition of myHomecare Group (MHC), in March 2024 and the acquisition of Insignia Financial Ltd's investment bonds business, IOOF Ltd, in July 2023.

To planning for the next stages of the flagship Herston Quarter Precinct development in Brisbane, and the investments in our technologies and systems. This is a truly exciting, future-shaping time for the Group.

The Group's strategic efforts delivered financial results that were affected by the timing and sequence of opportunities that arose in the 2024 financial year, and Rohan will speak more to these shortly.

My future vision for Australian Unity is to be a recognised and respected as a leading purpose-driven organisation.

I believe we can have reach and influence as an advocate for real wellbeing in the wider community.

As a Group, we seek to be innovative, human and attractive for members, customers, employees, and partners who align with our values of being bold, warm, and honest—the “how” of what we do, as we go about delivering services in the operational areas of Health, Wealth & Care.

We have embarked wholeheartedly on this journey in the year under review, and I take pride in the strong progress we are making.

Alongside our business and financial progress, I am pleased to share that in the 2024 financial year, we calculate that Australian Unity delivered \$2.01 billion in community and social value.

While displayed as a financial value, the real value is felt across our key areas of impact—lifelong wellness, economic empowerment and strong communities.

We are committed to practising what we preach, and we do this by focusing on the wellbeing needs of our members, customers and the broader community and by prioritising the wellbeing of our employees.

I would like to take a moment to reflect on the outcome of the 2023 referendum which took place just over a year ago.

I remain a strong supporter of the need to continue the pathway towards unity with First Nations Peoples and I am proud that this support is universally supported by our board and executive team.

As a Group we continue to demonstrate our commitment through the delivery of our Reconciliation Action Plan (RAP).

Our large Indigenous workforce and customer base also serve as a direct motivator for prioritising our reconciliation efforts. Australian Unity will continue to raise its voice on these important matters in service of what I hope to be an enriching and warm hearted discussion in cultural democracy. A discussion that I hope finds future paths for the nation to tread that are supported across our community.

It is an incredibly rewarding time to be leading our board. Together, we are leading Australian Unity through an important inflection point.

This year, we have embarked on a detailed board governance review to ensure we are match-fit for the many challenges and exciting opportunities ahead, while

pursuing our ambition to deliver high quality performance on a range of commercial and customer measures.

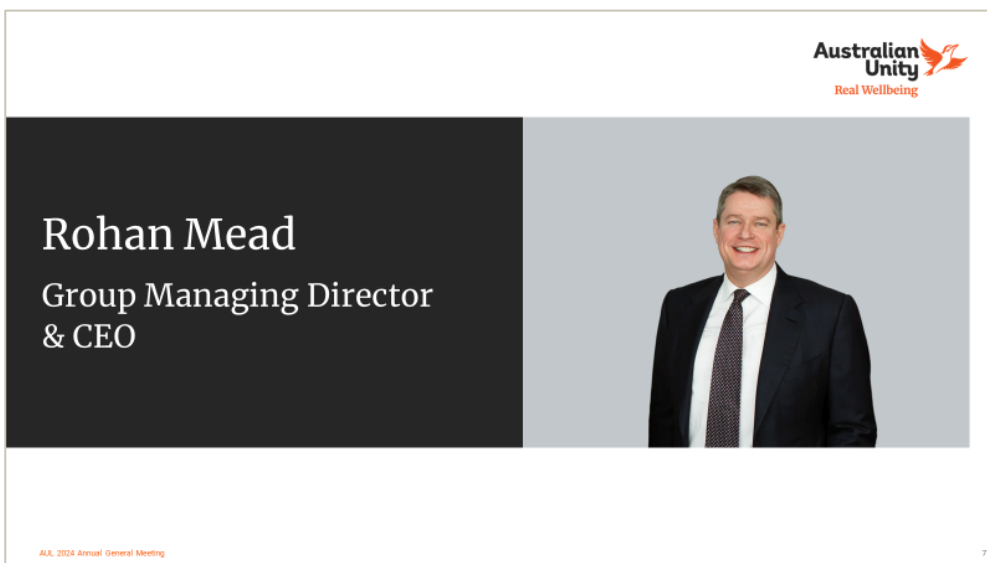
I thank my board colleagues for their support, commitment and wise counsel over the year. Serving on a board is a team sport, and I am proud to serve with them to advance our strategic priorities for the benefit of our stakeholders.

I also thank our Group Managing Director, Rohan Mead and the executive and management teams for their enthusiasm in partnering with the board as we continue to work together to achieve our shared purpose.

And finally, I thank all of you, our members for your ongoing support of the Company and its mission to contribute to a strengthened community—for all Australians.

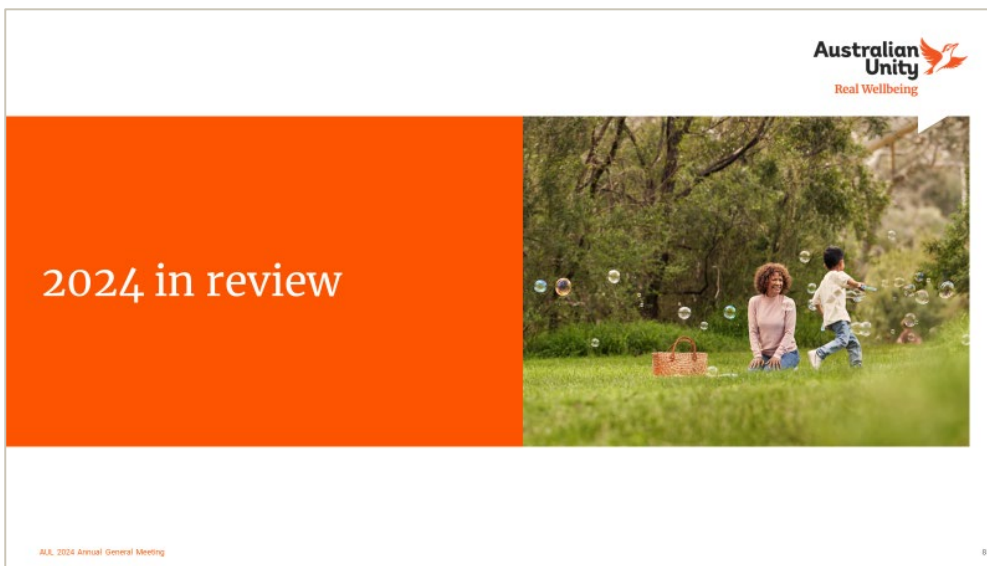
I'll now hand over to Rohan and I will be back later to continue with the formal business of the meeting.

Rohan Mead, Group Managing Director & CEO



Thank you, Lisa. I would also like to extend a special welcome to everyone who has joined us today.

I also acknowledge the Traditional Owners of the land on which I'm speaking, the Wurundjeri (WERE-UN-JERRY) people of the Kulin nation. I pay my respects to Elders past, present and emerging, and express my gratitude for their custodianship of our lands and seas for more than 65,000 years.



Members, this last year has been a year of transformation for the Australian Unity Group.

These transformation efforts and achievements have only been possible thanks to my colleagues from across the Group's operations who are joining us here today, and I sincerely acknowledge their efforts and those of their broader teams.

As the Chair has enunciated the Group's mission is to build an organisation that is an impact driven, social enterprise, at scale—one capable of making meaningful contributions to the strength and resilience of our community. During this last year, our team continued to deliver a diverse range of sector-shaping and consumer-valued products and services in the areas of health, wealth and care, including social infrastructure.

Over the last 4 years, I have used this meeting to share insights on the external environment in which we operate, as well as reflections on how the Group has continued to invest and shape our portfolio so that we are best aligned with the needs of our customers, members and the wider community.

And this year is no different.

During the year under review, the global economy maintained its recovery from the COVID-19 pandemic though somewhat battered by sad geo-political conflicts, and domestically, higher interest rates persisted as did inflation, though a small hoped for moderation on the inflation front did occur.

Over the year we have seen the community face cost of living pressures and growing concern for the price of goods and services in Australia, as well as policy shifts in both health and care in the face of demographic factors.

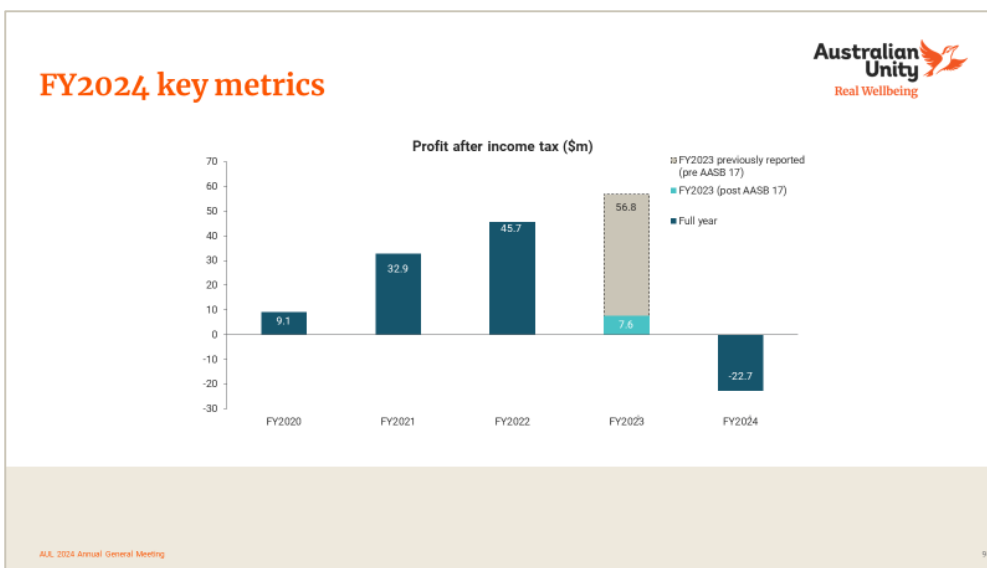
The fiscal positions of states have become significantly more straightened, and this has impacted many areas across the country including public hospitals and aged care.

The private health care sector has faced significant pressures from inflation, and there has been a tempering of growth in member numbers for private health insurance.

As members know, we have sought to make real contributions to members in relation to inflationary pressures. For PHI policyholders we deferred the 2023 premium increase for 12 months and in 2024 the average premium increase of 1.74% was the lowest of any major fund.

Notwithstanding these efforts, we note that there remain a number of challenging sectoral issues in play.

These issues raise the question of the fitness of certain players in regard to their ownership and operation of critical social infrastructure, particularly foreign private equity.



With these and other environmental considerations in mind, during the year the Group allocated approximately \$43.8 million to business model transformation and integration programs, in order that our future operations can discharge our services effectively and efficiently.

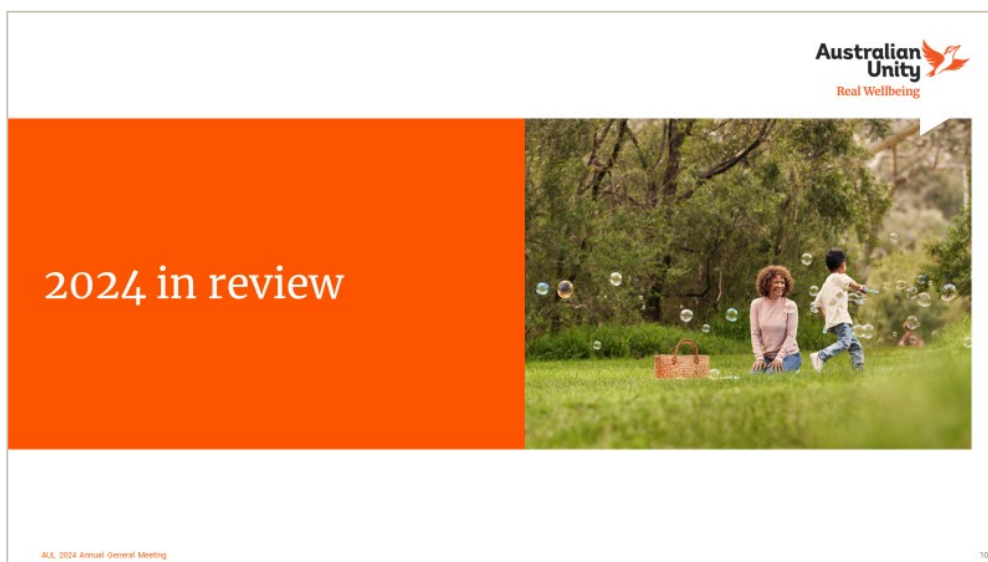
While being an important adjustment in support of more efficient and scalable growth, as well as improved cash earnings for future periods, we anticipated that these transformation activities would impact our financial performance adversely in the 2024 financial year, and this was reflected in our end of year accounts.

In the year to 30 June 2024, the Group reported Adjusted EBITDA of \$75.8 million and a statutory loss after tax of \$22.7 million.

Notwithstanding, the material transformation activities, the Group increased total revenue and other income by \$419.9 million to \$2,173.0 million.

Insurance revenue remained steady, while other revenue and other income from operating businesses grew by \$231.9 million.

Investment earnings were \$12.5 million above the prior corresponding period and benefit fund income was \$174.9 million higher.



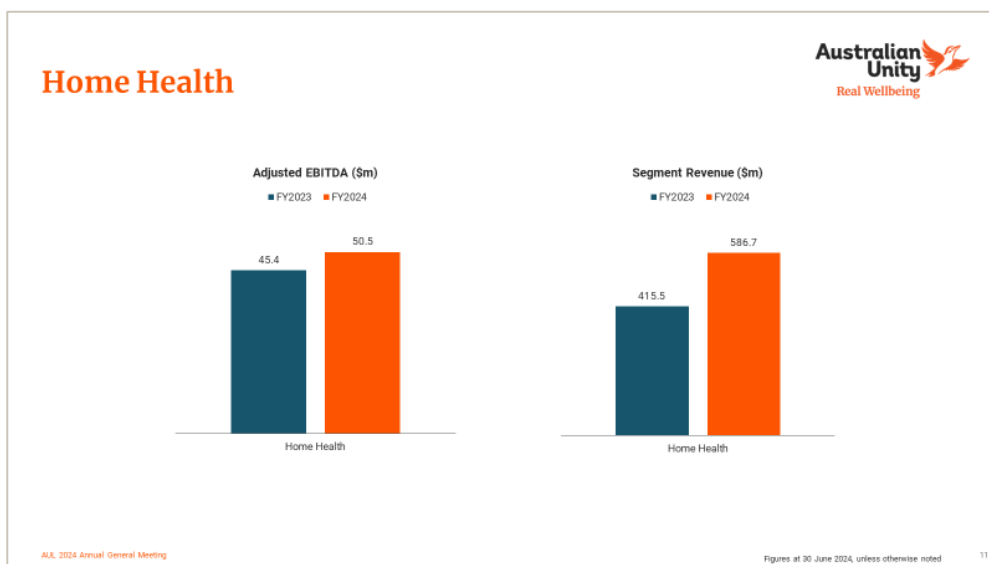
Also a part of our transformation agenda, the year under review included significant divestment and acquisition activities. We sold certain commercial property and fixed interest funds management operations, along with the Advice business.

We also acquired Insignia Financial Ltd's investment bonds business, IOOF Ltd (now Australian Unity Life Bonds Limited) and the myHomecare Group, both of which are planned to significantly improve scale, cash earnings, and growth opportunities for the company.

The Group acquired approximately \$419 million of ongoing, annualised revenue through the acquisitions of myHomecare and Australian Unity Life Bonds Limited, and divested approximately \$81 million of annualised revenue through the sale of the Group’s Advice business.

In the year under review, we continued to progress our strategy of delivering real wellbeing through a portfolio of four business platforms focused on community needs.

HOME HEALTH



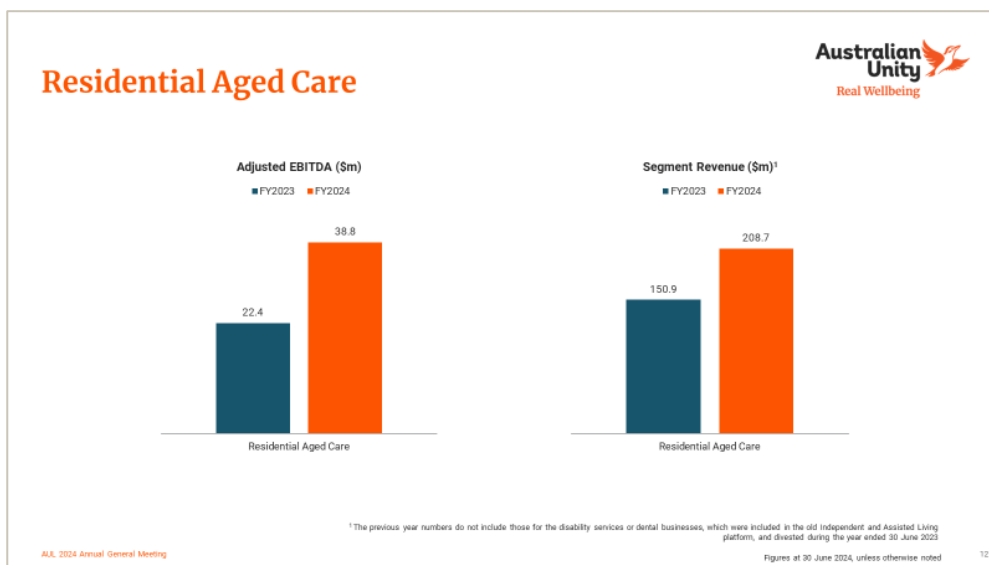
During the year, the Home Health platform invested in new operating models to enable more efficient and effective delivery of services to over 50,000 customers.

The platform recorded a sound financial result with strong revenue growth.

Also contributing to the solid revenue growth was the acquisition of myHomecare, which added \$108.8 million to the segment revenue for the period post-settlement.

After taking into consideration this business transformation and the part-year benefit of the myHomecare acquisition, the Home Health platform recorded an Adjusted EBITDA of \$50.5 million, representing an increase of 11.2 percent on the prior corresponding period.

RESIDENTIAL AGED CARE

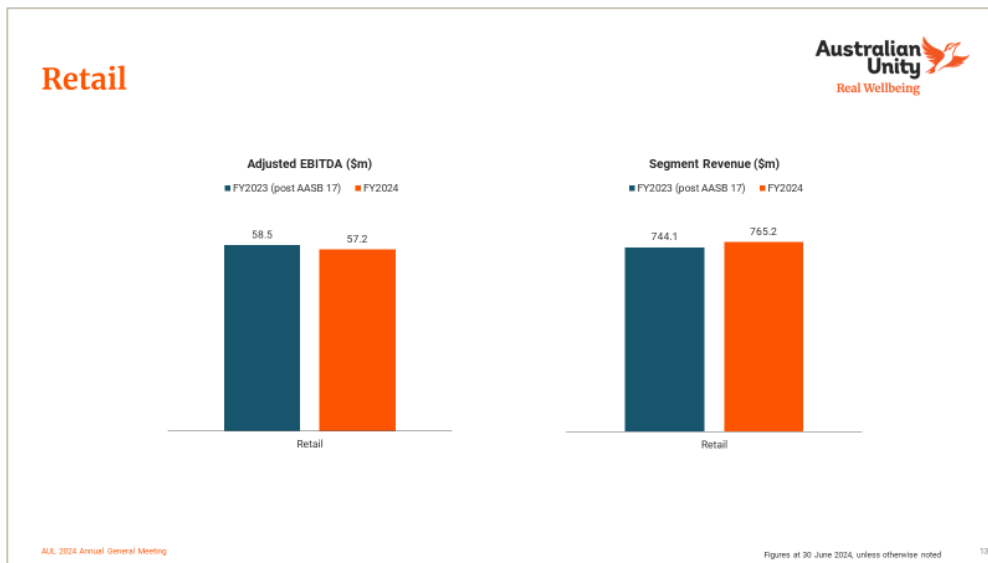


The Residential Aged Care platform’s total segment revenue was strengthened by an uplift in daily accommodation payments and refundable accommodation deposit revenues.

The improved revenue arose through the trade up of its two newest facilities, as well as improved occupancy levels over the year, which averaged 97.1 percent in mature homes. This is 4.4 percentage points above the sector average of 92.7 percent.

The platform’s Adjusted EBITDA increased by 73.4 percent from the prior year.

RETAIL



In the Retail platform, total segment revenue was higher than the prior year mainly due to higher interest income from the banking business.

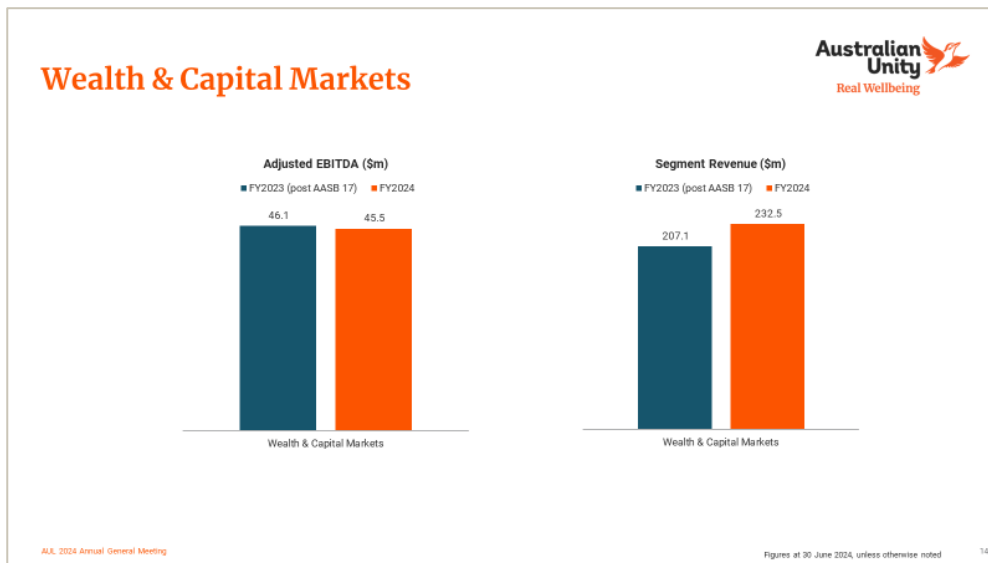
The primary drivers of limited movement in Adjusted EBITDA were a return of private health insurance claims experience to long-term trend levels and an improvement in the expected credit loss position for the banking business.

The private health insurance fund delivered the third lowest premium increase in the sector for FY2024, at an average of 1.42 percent. This is compared to the sector average of 3.03 percent.

This lower increase for policyholders followed, and was in addition to, the 12-month deferral of the FY2023 premium increase of 3.76 percent.

Australian Unity Bank Limited experienced solid lending growth with the gross loan portfolio increasing by 20.5 percent.

WEALTH & CAPITAL MARKETS



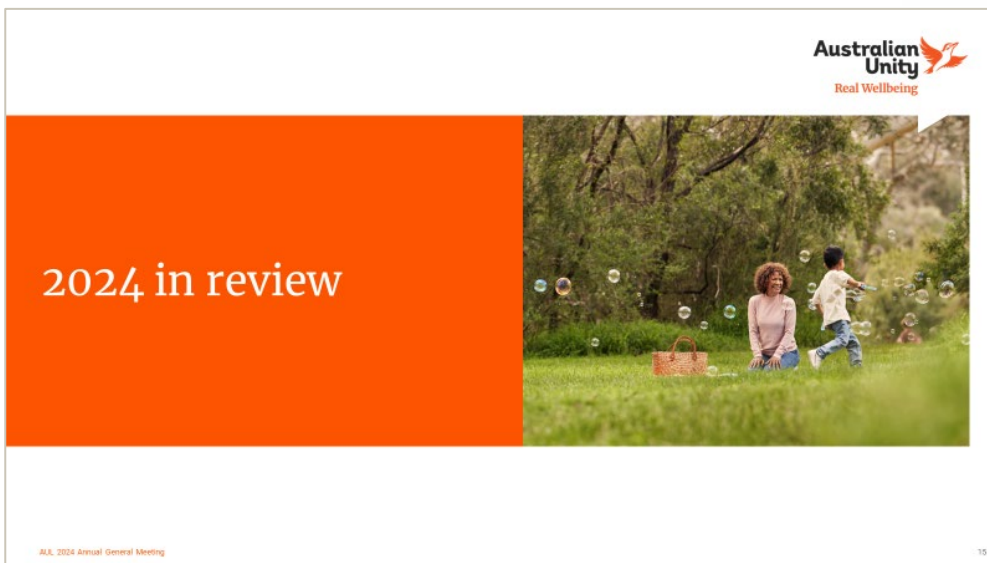
The Wealth & Capital Markets platform recorded a 1.4 percent decrease in EBITDA, compared to the prior corresponding period.

This shift largely related to increased revenue from the acquisition of Australian Unity Life Bonds Limited, offset by a reduction in joint venture EBITDA.

The aggregate gross asset value of funds under management, administration and advice decreased to \$18.76 billion which related largely to the divestment of the Advice business during the year.

The platform also divested Australian Unity Property Limited and agreements were entered into to divest the management rights of the Australian Unity Future of Healthcare Fund and Altius Asset Management.

Following all relevant approvals, Australian Unity Funds Management Limited will retire as Responsible Entity of the Australian Unity Wholesale Cash Fund, the Altius Sustainable Short Term Income Fund, the Altius Green Bond Fund and the Altius Sustainable Bond.



This year, the Group also undertook a successful range of capital management activities, including a \$118.7 million issue of mutual capital instruments (MCIs) through an entitlement offer and institutional placement.

We also undertook a debt issuance, involving a simple corporate bond offer, and established the Sustainability Linked Loan with Westpac.

These activities strengthened the Group's balance sheet, allowed early refinancing of Australian Unity Limited Series C Bonds, shifted the gearing ratio of the company, and helped finance the acquisition of myHomecare.

Members, as you can see, 2024 was a year of reshaping, restructuring and transforming.

We have continued to shape and structure our portfolio of activities in line with our 10-year vision, and we have taken important steps designed to significantly grow our financial scale and social impact in the years ahead.

Our transformation focus will continue into 2026, in line with our ambitions to move our portfolio in line with health, wealth and care products and services.

And in 2025 we look forward to seeing revenues return to 2023 levels.

On behalf of the management team, I thank our Chair, Lisa Chung and our Deputy Chair, Melinda Cilento for their dedication to their roles on the board. I also thank all directors for their guidance over the year.

I extend my appreciation to all directors for their counsel, including new director, Kim Cheater. And like the Chair, I also thank our retiring director, Su McCluskey, who has made a valuable contribution to the Group.

I thank my management colleagues and all staff for their efforts and contributions this year.

And finally, I thank you, and all of our members.

Thank you and I'll now hand back to the Chair.