

Company Profile

Ord Minnett Research

11 July 2025

Medibank Private Limited (MPL.AX)

Medibank Private Limited (MPL) is an Australia-based health company. The Company underwrites and distributes private health insurance policies under its two brands, Medibank and ahm. It has two segments Health Insurance and Medibank Health. The Group also provides a range of virtual health, homecare, preventative health and primary care services through its Amplar Health Division, which includes the Myhealth medical clinics. These services capitalise on Medibank's experience and expertise and support the Health Insurance business.

Health Insurance: This Segment offers private health insurance products including hospital cover and ancillary cover, as stand-alone products or packaged products that combine the two. Hospital cover provides members with health cover for hospital treatments, whereas ancillary cover provides members with health cover for healthcare services such as dental, optical and physiotherapy. The segment also offers health insurance products to overseas visitors and overseas students.

Medibank Health: This segment derives its revenue from a range of activities including contracting with government and corporate customers to provide health management and in-home care services, as well as providing a range of telehealth and primary care services in Australia. In addition, the Group distributes travel, life and pet insurance products on behalf of other insurers as part of a broader strategy to retain members and leverage its distribution network.

Snapshot

| | |
|------------------|------------------|
| Last Price | \$5.08 |
| Market Cap. | \$13,990 million |
| 52 Week High/Low | \$5.31 - \$3.53 |
| Shares on issue | 2,754 million |
| GICS Industry | Insurance |

Key Dates

| | |
|----------------|-------------|
| Accounts Close | 30 June |
| AGM | 13 Nov 2024 |
| Listing Date | 25 Nov 2014 |

Investment Fundamentals

| | | 2024A | 2025E | 2026E | 2027E |
|-------------|-----|-------|-------|-------|-------|
| Sales Rev. | \$m | 8,176 | 8,613 | 8,958 | 9,278 |
| Rep Profit | \$m | 492.5 | 657.6 | 641.4 | 664.0 |
| Norm Profit | \$m | 570.4 | 614.6 | 641.4 | 664.0 |
| Rep EPS | ¢ | 17.9 | 23.9 | 23.3 | 24.1 |
| Norm EPS | ¢ | 20.7 | 22.3 | 23.3 | 24.1 |
| Rep PE | x | 18.0 | 22.4 | 21.5 | 20.8 |
| Norm PE | x | 24.2 | 22.4 | 21.5 | 20.8 |
| DPS | ¢ | 16.6 | 17.5 | 18.7 | 19.4 |
| Yield | % | 4.5 | 3.5 | 3.7 | 3.9 |
| Franking | % | 100 | 100 | 100 | 100 |
| ROE | % | 24.7 | 25.2 | 25.0 | 24.7 |

Source: Ord Minnett

Share Price Chart



Total Return on \$10,000 Investment



Company Profile

Ratios and Substantial Shareholders

| | | 2020A | 2021A | 2022A | 2023A | 2024A |
|-----------------------------|---|-------|-------|-------|-------|-------|
| Profitability Ratios | | | | | | |
| Claims Ratio | % | 83.70 | 83.06 | 82.54 | 81.59 | 82.50 |
| Expense Ratio | % | 8.39 | 8.08 | 7.78 | 7.94 | -- |
| Combined Ratio | % | 92.10 | 91.14 | 90.32 | 89.53 | 82.50 |
| Return on Equity | % | 17.40 | 23.15 | 20.25 | 26.81 | 23.17 |
| Safety Ratios | | | | | | |
| Solvency Ratio | % | 27.67 | 28.49 | 28.27 | 29.02 | 30.25 |

Top 5 Substantial Shareholders

| | |
|---|------|
| Australiansuper Pty Ltd | 7.8% |
| State Street Corporation and subsidiaries | 7.3% |
| BlackRock Group | 7.0% |
| The Vanguard Group, Inc | 6.0% |

Source: Morningstar

Principals & Directors

Principals

Company Secretary Ms Mei Ramsay

Directors

Mr Michael (Mike) John Wilkins (Non-Executive Director, Non-Executive Chairman)
 Mrs Linda Bardo Nicholls (Non-Executive Director)
 Ms Kathryn Joy Fagg (Non-Executive Director)
 Mr David Fagan (Non-Executive Director)
 Mr David Koczkar (Chief Executive Officer, Managing Director)
 Mr Peter Dobie Everingham (Non-Executive Director)
 Dr Tracey Leigh Batten (Non-Executive Director)
 Mr Gerard Dalbosco (Non-Executive Director)
 Mr Jay Wilson Weatherill (Non-Executive Director)

Source: Morningstar

Recent Operational History

12 March 2025 - Medibank Private reported NPAT down 0.84% to \$340.3m for the half-year ended 31 December 2024. Revenue from ordinary activities were \$4,270.7m, up 6.8% from last year. Basic and Diluted EPS were 12.4 cents compared to 12.5 cents last year. The net operating cash outflow was \$174.6m compared to \$64.4m last year. The interim dividend declared was 7.8 cents, compared with 7.2 cents last year.

27 February 2025 - Medibank Private provided that Group operating profit up 12.7%. Disciplined approach to growth in resident Health Insurance business. Important contribution from non-resident Health Insurance to Fund's growth. Highlights strong momentum in the Company's Health. Increase in corporate overheads includes inflation and additional investment in customer trust initiatives COVID-19 impacts are excluded from Health Insurance performance. In line with the implementation of AASB 17. \$43.6m pre-tax increase in COVID-19 reserve materially lower than prior period.

27 February 2025 - Medibank Private provided Group operating profit, which excludes the impacts of COVID-19, reflects a 10.2% increase in Health Insurance operating profit and 40.8% growth in the Company's Health segment profit including the benefit of its increased investment in Myhealth. Non-recurring cybercrime costs of \$17.2m includes further IT security uplift and legal and other costs related to regulatory investigations and litigation associated with the FY2022 cybercrime event. Underlying NPAT, which adjusts for movement in the COVID-19 equity reserve and normalisation of investment returns, up 13.8% to \$298.7m.

Peer Analysis

| | | | Market Cap | Price | PE (x) | | EPS Growth | | Dividend Yield | | Franking | |
|-------------------------|------------|-------------------|---------------|-------------|-------------|-------------|------------|------------|----------------|------------|------------|------------|
| Company Name | Code | Recommendation | (\$m) | (\$) | 2025 | 2026 | 2025 | % 2026 | 2025 | % 2026 | 2025 | % 2026 |
| QBE | QBE | Hold | 34,670 | 22.96 | 12.3 | 11.8 | 8.2 | 4.0 | 4.4 | 4.4 | 23 | 23 |
| Suncorp Group | SUN | Hold | 22,298 | 20.59 | 18.6 | 18.1 | 4.9 | 3.1 | 3.8 | 4.0 | 100 | 100 |
| Insurance Aust. Grp. | IAG | | 20,105 | 8.50 | 18.4 | 19.6 | 26.2 | -5.9 | 3.5 | 3.6 | 60 | 60 |
| Medibank Private | MPL | Accumulate | 13,990 | 5.08 | 22.4 | 21.5 | 7.8 | 4.3 | 3.5 | 3.7 | 100 | 100 |
| Steadfast Group | SDF | Buy | 6,571 | 5.94 | 22.3 | 20.2 | 13.5 | 10.2 | 3.3 | 3.7 | 100 | 100 |
| NIB Holdings | NHF | Buy | 3,487 | 7.16 | 19.8 | 17.0 | -4.8 | 16.5 | 4.0 | 4.0 | 100 | 100 |

Company Profile

Please contact your Ord Minnett Adviser for further information on our document.

Guide to Ord Minnett recommendations

| | |
|---|---|
| Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon. | |
| SPECULATIVE BUY | We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss. |
| BUY | The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months. |
| ACCUMULATE | We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness. |
| HOLD | We expect the stock to return between 0% and 5%, and believe the stock is fairly priced. |
| LIGHTEN | We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings. |
| SELL | We expect the total return to lose 15% or more. |
| RISK ASSESSMENT | Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historical volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest. |

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