

ASX release

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Medibank shares business update and customer insights

Medibank will this week attend the 2026 Macquarie Australia Conference where group executives will meet with investors and analysts and share the update and insights below.

Key points:

- The resident PHI industry continues to grow and evolve
- Performance in Resident PHI supported by improved Medibank brand growth
- Delivering meaningful and measurable customer value
- Maintaining discipline through economic cycles supporting sustainable growth
- Momentum continues across multiple growth avenues
- Ongoing business resilience with limited direct exposure to global events and volatility
- No change to FY26 outlook

The resident PHI industry continues to grow and evolve

APRA's quarterly resident Private Health Insurance (PHI) statistics show industry growth of 2.1% in the 12 months to 31 December 2025 (2.3% growth in 12 months to 31 December 2024).

While growth has moderated slightly as expected, increasing participation among younger cohorts continues to support ongoing affordability and long-term industry sustainability.

Industry data also suggests consumers are increasingly prioritising value, reflected by the shift toward lower premium products with reduced levels of cover. Consistent with this trend, hospital claims utilisation has remained soft, while hospital health cost inflation has continued to rise.

The competitive landscape has intensified over recent months with some participants leading with price led customer propositions to drive short-term volume growth, while some aggregator platforms continue to prioritise short-term profit, risking the erosion of customer value.

These dynamics highlight a growing but evolving industry as shifting consumer behaviour continues to influence the sector response.

Performance in resident PHI supported by Medibank brand performance

Momentum in Medibank's resident business continues with policyholder growth of 22.4k in the 9 months to 31 March 2026 (or 1.1% YTD), 25% higher than the same period in FY25 and includes 9.4k policyholders in the Medibank brand.

Medibank's 3Q26 claims are consistent with recent industry trends, albeit with ongoing benefits from a proactive approach to claims management.

Medibank continues to support Australia's health transition through partnership-based funding models with private hospitals that improve access to high-quality, personalised care. These agreements align incentives to drive better outcomes, affordability and sustainability, while accelerating care delivery in virtual, community and home-based settings. In the 9 months to 31 March 2026, \$39.3 million has been paid under partnership initiatives (including variable indexation, milestone, and initiative support payments).

Delivering meaningful and measurable customer value

Value, affordability and choice in health have become increasingly important for customers in the context of higher fuel prices, rising interest rates and recent changes to health insurance premiums.

Medibank continues to place customers at the centre of its strategy, investing in tangible customer value. This includes extending unused annual extras limits for eligible ahm customers for the fifth consecutive year, while in 3Q26 Medibank customers saved \$78 million in out-of-pocket costs through Members' Choice networks and received \$9 million in rewards through the Live Better program.

Furthermore, one in every five Medibank-funded joint replacements in Melbourne and Sydney are now delivered through a no-gap hospital, further demonstrating Medibank's differentiated approach to customer experience, combining access, affordability and quality of care.

Maintaining discipline through economic cycles supporting sustainable growth

Prior cycles demonstrate that in periods of economic pressure, consumers prioritise retaining private health insurance, seek greater value from their cover and may change the way they utilise healthcare.

Medibank's strategy and aspiration to grow market share in resident PHI remains unchanged, noting that the fourth quarter typically sees the highest industry volume growth, the Group will continue to take a disciplined approach, targeting priority segments through direct channels, with an ongoing focus on customer retention. Consistent with this approach, ahm brand presence on aggregator platforms is currently being intentionally reduced with a continued focus on sustainable growth.

While no new material trends have emerged in 2026, Medibank will continue to monitor utilisation given historic behaviour and competitor activity as we remain disciplined.

Non-resident growth supported by strong acquisition and lifecycle management

Strong acquisition growth in both the student and worker segments saw non-resident policy units increase by 8.1k during 3Q26. Growth continues to reflect improved lifecycle management and a greater focus on direct and digital acquisitions, supported by the launch of new products.

Medibank remains well positioned for further growth in this segment due to strong university based partnerships and higher national planning levels for overseas students in 2026.

Medibank Health growth driven by volumes, new services and acquisitions

Strong growth continues across all three segments in Medibank Health with third quarter year to date operating profit c. 30% higher than the same period for FY25.

Momentum in primary care continues, with the Better Medical integration progressing as planned, supporting the scalable rollout of the Group's primary care model, including the extension of the virtual GP program to Medibank resident customers in 2Q26.

Momentum also extends beyond primary care, as scale is built across the continuum of care, including community-based services, acute home health and no-gap models. A new Amplar Health delivered transition care service was launched in 3Q26 in partnership with Central Adelaide Local Health Network.

While recent Medicare bulk billing reforms support affordability and volume growth, further system reform is required to sustainably scale proactive care and address structural challenges across the health system. Medibank remains well positioned to augment organic growth with further M&A and continue to consider opportunities consistent with the Group's growth strategy.

Ongoing business resilience with limited direct exposure to global volatility

Medibank has proven growth through cycles, delivered customer and shareholder value, while navigating complex regulatory, industry and macro headwinds, underpinned by disciplined cost and capital management.

Medibank's operating businesses are not expected to be directly impacted by global events and volatility. The Group's primary financial exposure is through our investment portfolio, which includes approximately \$188 million¹ invested in domestic and international equities, and through movements in the RBA cash rate, where a 25 basis point movement has an approximately \$7 million annual impact to investment income.

There is no change to Medibank's FY26 outlook.

This announcement has been authorised for release by the Board.

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¹ As at 31 December 2025