

12 September 2025

Tower updates FY25 guidance

Kiwi insurer Tower (NZX/ASX: TWR) has today updated its guidance for the year ending 30 September 2025.

Tower's underlying net profit after tax (underlying NPAT) is expected to be in the range of between \$100m to \$110m, provided that no large events are recorded in September 2025. Previous guidance was for underlying NPAT between \$70m and \$80m, which assumed full utilisation of the \$50m large events allowance. To date, Tower has recorded \$7m in large events costs in FY25, and assuming this remains the same, some \$31m (\$43m before tax) will be returned to underlying NPAT at year end.

Customer growth remains strong, with Tower's customer base increasing by 5% in the year to date to 318,000 customers. Policy numbers have grown by 4%, predominantly in the New Zealand house insurance portfolio, which saw 10% policy growth in the same period, reflecting Tower's strategic focus on the house insurance market.

As signalled at the half year, policy and customer volumes have continued to grow, while average premiums have reduced. This is due to a higher proportion of lower-risk new policies, consistent with Tower's risk-based pricing approach, and more competitive pricing in the New Zealand market. These factors are delivering value for customers, while supporting sustainable growth.

As a result, guidance for gross written premium (GWP) growth is revised to between 2% to 3%, down from the previously advised range of mid-single digit growth.

Guidance for the management expense ratio (MER) is revised to around 31% from the previously advised guidance of <31%. This reflects the lower GWP flowing through to the ratio, alongside Tower's continued investment in technology and growth initiatives, including for customer acquisition. The business-as-usual (BAU) claims ratio continues to track in line with expectations.

Tower remains focused on growing high quality risks and delivering sustainable, profitable growth.

Tower will provide further details on its FY25 performance at its full-year results announcement in November.

ENDS

This announcement has been authorised by Paul Johnston, Chief Executive Officer, Tower Limited.

For media enquiries, please contact:
Emily Davies
Head of Corporate Affairs and Sustainability
+64 21 815 149
Emily.davies@tower.co.nz

For investor enquiries, please contact:
James Silcock
Head of Strategy, Planning and Investor Relations
+64 22 395 9327
James.silcock@tower.co.nz