

Tune Protect strengthens building blocks for recovery

New initiatives successfully implemented, more to come on path to recovery and growth

3Q FY17 Highlights (Year-on-year)

- Gross Written Premiums at RM112.4 million, up 0.9%
- Operating Revenue at RM140.1 million, up 11.1%
- Profit After Tax at RM13.9 million, down 9.2%

Tune Protect Group Berhad ('Tune Protect' or 'The Group'; TUNEPRO, 5230) posted Profit After Tax (PAT) of RM13.9 million, for the third quarter of 2017. Whilst it is a 9.2% drop year-on-year, this reflects a significant improvement over the 50.2% decline in the first half of 2017. Additionally, Operating Revenue grew 11.1% to RM140.1 million.

The marginal growth in Gross Written Premiums, up 0.9%, was mainly driven by increases in our main lines of business in General Insurance and the Global Travel business in Thailand, assisted by product bundling. These increases, as well as higher investment income, contributed towards the improved Operating Revenue. However, additional operating costs resulted in a lower Profit After Tax.

"Operational and organisational changes have been announced earlier this year and we have a clear strategic roadmap to improve financial performance in the coming year. With the ongoing changes, the year-on-year decline in 3Q2017's PAT was vastly less than in the previous quarter, confirming that the building blocks for recovery are in place," said Group CEO of Tune Protect, Razman Hafidz Abu Zarim.

"The recent launch of product bundling in our Digital Global Travel business has yielded encouraging results, with a RM2.1 mil contribution to Gross Written Premiums. We've also launched dynamic pricing in August and September across five countries, coupled with enhancements in our targeted marketing," he said.

The Group also launched its "In"sure integrated campaign to raise awareness on how easy and convenient it is to understand and purchase Tune Protect's range of online products, as well as make claims directly on the group's website.

In reviewing the performance of its Digital Global Travel business in 3Q2017, Razman said, "Improvement in the Thai market and contribution from product bundling cushioned the decline leading to a marginal drop of just 2.1% in Gross Written Premiums. Continued collaboration with our airline partners and new personalised travel products in the pipeline, including Family, Migrant and Annual travel plans, will further build upon the building blocks for recovery."

"We are also encouraged by the 15% growth, year-on-year, in Profit After Tax for our general insurance business. This was contributed mainly by lower commission cost. With our recently appointed CEO of Tune Protect Malaysia, Khoo Ai Lin, at the helm, the business is on track in driving its five key strategic areas for the medium term," he said.

These five key strategic areas are critical mass acquisition on retail, technology, data analytics and propensity modelling, customer segmentation, as well as product innovation.

“As previously reported, in 2Q2017 we started redirecting car repairs to non-franchise panel workshops to address the high cost of motor claims. This has successfully led to a reduction in our claims cost,” said Razman.

“Tune Protect EMEIA (Europe, Middle East, India & Africa) as well as our general insurance business in Thailand both recorded more than 100% growth in Profit After Tax. In the EMEIA region, Tune Protect continues to experience continuous growth in the B2B model, while our Thai operations recorded improvements in the travel, industrial all risks and motor voluntary categories of business,” said Razman.

“We have also appointed a Deputy Group CEO, Iskandar Ezzahuddin, as part of our ongoing investment in human capital. Iskandar is tasked with accelerating Tune Protect’s journey to become a leading Digital Insurer, by driving the development of innovative digital products and services across the Group’s markets. We have now assembled a formidable team to drive the recovery and growth of our business,” he added.

“In line with our three strategies – to lead in product innovation & differentiation, widen distribution channels & expand reach, as well as to deliver exceptional customer service – the group will continue to pursue opportunities and roll out new initiatives towards strengthening our core businesses. This includes strategic tie-ups with affinity partners, potential partnerships with Takaful operators and new lifestyle products. Work continues on previously announced plans such as On-Demand Insurance, Tune Protect Home Easy and Usage-Based Insurance,” he added.

“We have accomplished a lot in this period, but there’s significant work ahead of us. The Group remains financially strong with a broad and trusted portfolio which continues to expand, supported by talented employees led by a strong leadership team to implement the strategic roadmap. The Group is making good progress and remains committed to safeguard the interests of our shareholders and deliver value for the long term,” Razman concluded.

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About Tune Protect Group Berhad

Tune Protect Group Berhad was incorporated in 2011 and listed on the main market of Bursa Malaysia in 2013. Through its subsidiaries and associates in Malaysia, Thailand and United Arab Emirates, it underwrites, directly and via reinsurance, general insurance business. The Group also offers insurance protection online, directly as well as through online partners. For further information, please visit www.tuneprotect.com