



Tune Protect 1Q loss due to lower insurance revenue; to focus in growing cross countries businesses, focusing on profitable segments

Highlights:

- 1Q24 NWP rose 18.3% YoY
- Strong growth in Motor and Travel
- Lower insurance revenue due to conscious decision to exit Commercial business
- Focus on profitable segments to grow topline

KUALA LUMPUR, 24 May 2024 - Tune Protect Group Berhad (“Tune Protect”, or “Group”, TUNEPRO, 5230) announced its financial results for the first quarter of the financial year 2024 (“1Q24”), reflecting strategic decisions and their impact on the Group’s performance.

Tune Protect reported a year-on-year (“YoY”) decrease in insurance revenue of 22.3% to RM94.6 million in 1Q24, from RM121.8 million in 1Q23. The decline is attributed to the Group’s strategic decision to gradually exit the low-retention Commercial business. This, and increased claims from the Commercial segment and expenses related to the growth of the Motor business, contributed to a Loss After Tax (“LAT”) of RM3.9 million for 1Q24.

How Kim Lian (“How”), Tune Protect Group’s Chief Financial Officer said, “The move aligns with the Group’s strategy to focus on more profitable segments and enhance overall bottom-line performance. Despite the decline in the Commercial segment, which was the intended outcome of exiting the low-retention businesses, overall Net Written Premiums (“NWP”) saw encouraging double-digit growth of 18.3% YoY to RM90.2 million, from RM76.3 million in 1Q23.”

The growth in the NWP was bolstered primarily by Motor and Travel which recorded double digit growth of 31.6% and 17.5% YoY respectively.

Improved Retention Ratio

The Group’s overall Retention Ratio increased by 2% YoY. However, the Commercial segment experienced a significant decline in retention, recording a negative retention ratio of -149%. This was due to the reinstatement of a RM1.4 million excess of loss (“XOL”) premium following a large Fire claim. In addition, the decision to exit the Commercial business which has relatively lower acquisition cost, claims, and expense ratio, coupled with the growth in Motor business contributed to a Combined Ratio of 109.8%, up from 95.4% YoY.

Group performance – 1Q24 Overview

Tune Protect Group (RM'mil)	1Q24	1Q23	YoY
Insurance revenue	94.6	121.8	-22.3%
Insurance service result	(8.8)	6.3	> -100%
Net insurance financial result	(0.6)	(0.7)	16.1%
Total Investment income	9.4	9.3	+0.8%



Other income and expenses	(4.4)	(10.1)	-56.4%
Share of results ¹	0.3	(1.0)	> 100%
Combined ratio	109.8%	95.4%	14.4%
Profit/(loss) after tax	(3.9)	3.2	>-100%

Notes:

1. Share of results of an associate (TPT) and a joint venture company (TP EMEIA)
2. Amounts presented may not foot due to rounding.

Stable returns from investments

Tune Protect's conservative investment strategy, implemented since early 2023, continues to produce stable returns, recording RM9.4 million in 1Q24, an increase of 0.8% YoY. The Group's investment portfolio comprises 80% in money market funds and deposits, and 20% in fixed income funds. The investment performance for FY2024 is expected to remain stable, influenced by Bank Negara Malaysia's (BNM) Overnight Policy Rate (OPR) decisions and general liquidity requirements of the banking system.

3-year strategy to drive growth

The Group's 3-year strategic focus from 2024 to 2026 includes growing cross countries and regional businesses through the regional presence of its insurance partners, selectively growing high margin lines of business, and aggressively pursuing the travel ecosystem including hotels, concerts, trips and cruises in its endeavor of establishing itself as a Travel Centre of Excellence (COE).

Growing cross countries and regional businesses

As international travel rebounds, the Group is well-positioned to leverage the capacity and route expansion plans of its partners, which include among others AirAsia, VietJet and AirArabia. As they continue to expand their operational capacity and introduce new routes such as the visa-free routes which include India, China, Japan and South Korea, this presents an opportunity for the Group to grow its travel business to capitalise on the growing demand for insurance.

With its global network presence, the Group will continue to build its partnerships and collaborations portfolio. At present, Tune Protect has a network of 45 insurance partners in 30 markets. Leveraging on its regional presence and existing partners in these markets, the Group is poised to onboard new partners with regional presence by being a one-stop service provider of tech and reinsurance.

Furthermore, to enhance its embedded insurance solutions and services, the Group will work closely with distribution partners to help them offer relevant protection at critical touchpoints along the customer journey.



Selectively growing topline and niche, highly profitable business segments

The Group will continue to grow selective topline and focus on niche yet highly profitable business segments including Travel and Personal Accident. Balancing profitability versus topline growth will be a key component in this area as Tune Protect continues to improve its financial performance.

Leveraging potential within travel ecosystem

The Group plans to fully leverage the broader travel ecosystem, targeting regional players including hotels, concerts, trips, and cruises. Plans include partnering with service providers such as online travel agents, hotels, cruises, and car rentals to build a data-driven travel insurance model.

“We remain committed to adapting and refining our approach to ensure sustainable growth and profitability. The Group remains confident that its effective business strategies and strong capital foundation will continue to drive growth over the medium to long term. Our growth strategy, underpinned by digital transformation, product innovation, and strategic partnerships, positions us well for the future,” How concluded.

-ENDS-

About Tune Protect Group Berhad

Tune Protect Group Berhad (“Tune Protect”) is a financial holding company listed on the main market of Bursa Malaysia. Aspiring to be the lifestyle insurer that everyone loves in the region, Tune Protect aims to simplify the insurance experience leveraging digital and offer an array of affordable, and comprehensive protection plans and propositions to suit the needs of individuals and businesses in the Health, Lifestyle and SME pillars. Through its insurance, reinsurance and marketing arms in Malaysia, Thailand, and the UAE, Tune Protect has established a global presence across 30 countries, working with local underwriters via strategic partnerships in these markets.

For more information on Tune Protect, visit their website at <https://www.tuneprotect.com/>

This press release is issued on behalf of Tune Protect. For interview opportunities, or more information please contact via email, call, text, or WhatsApp:

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