



**Momentum Group
delivers excellent results**

Every business performs well

Jeanette Marais

Overview



Key takeouts



Spotlight on four businesses



Impact strategy progress

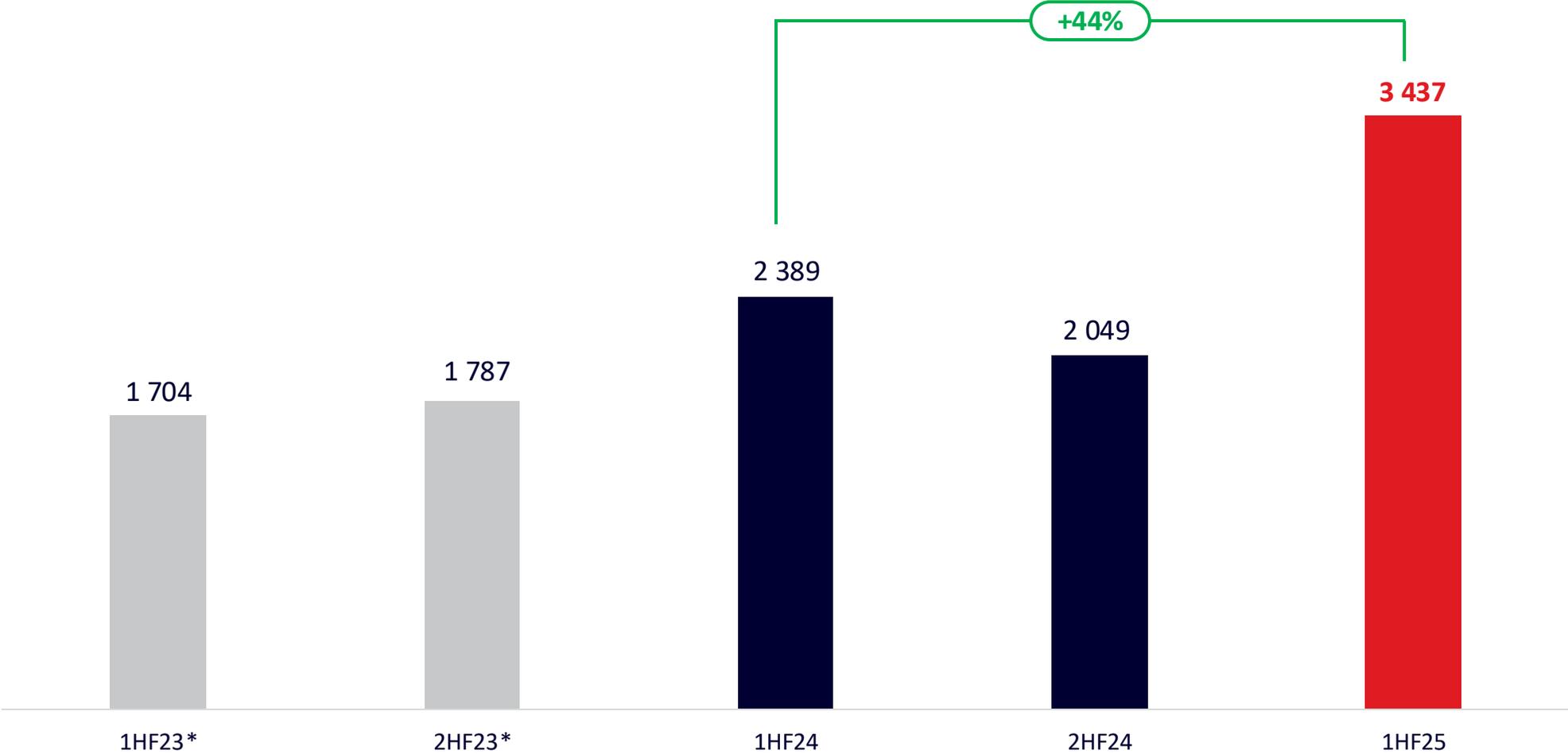


Closing



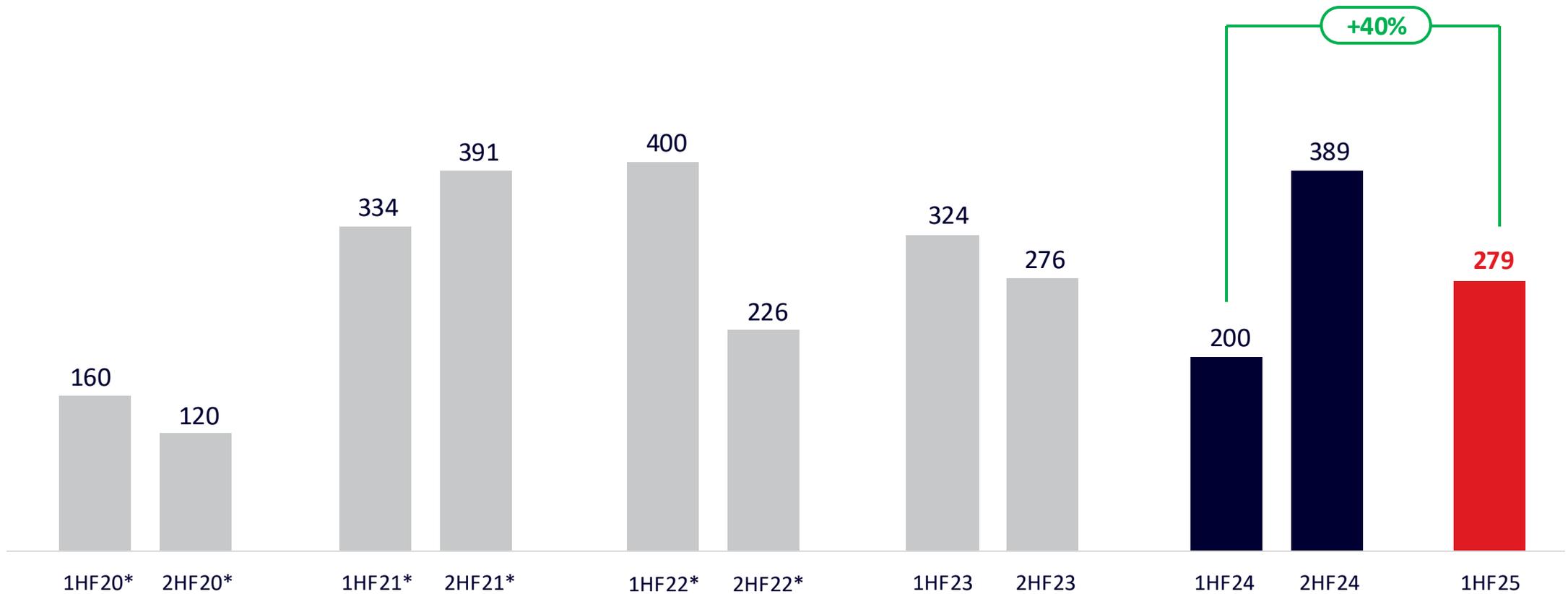
Normalised headline earnings

R'million



* F23 restated for IFRS 17

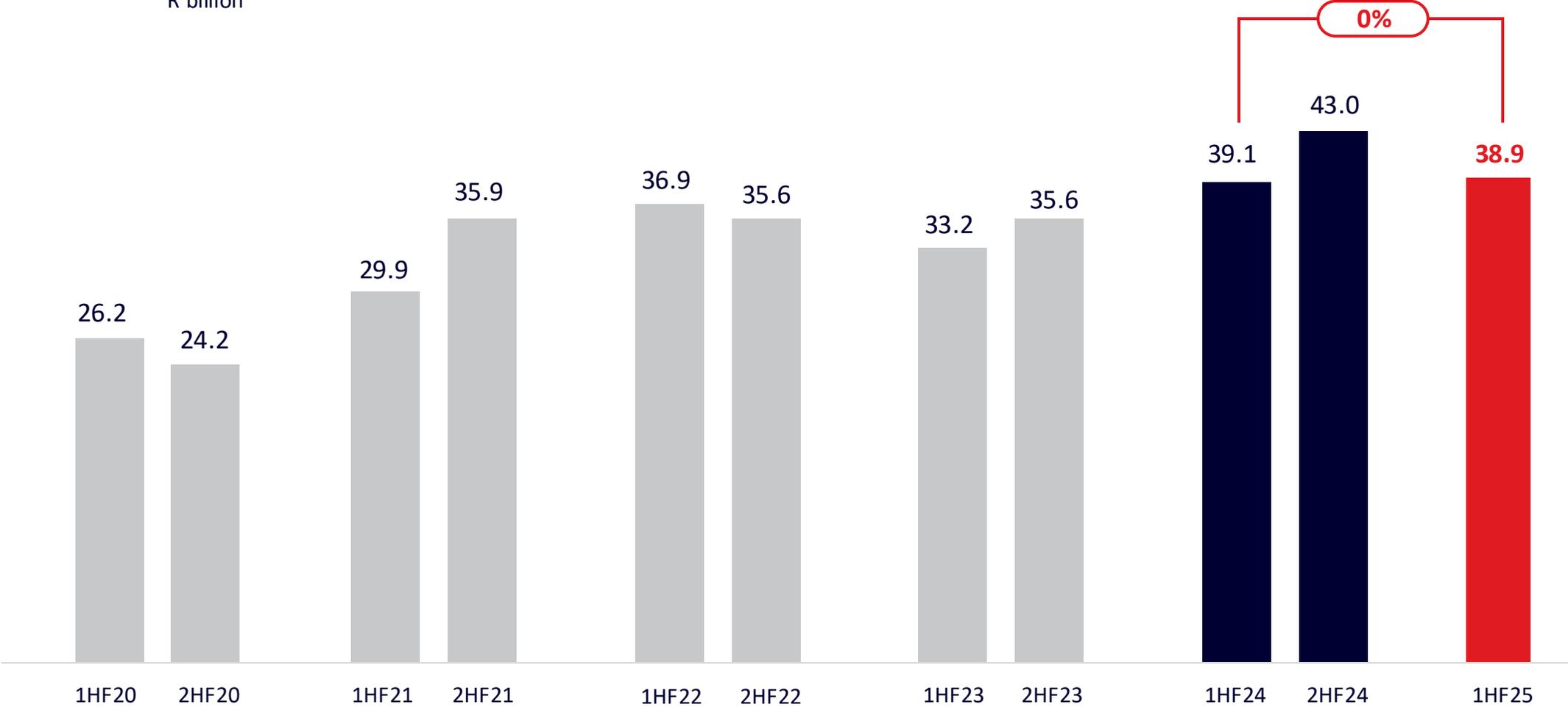
R'million

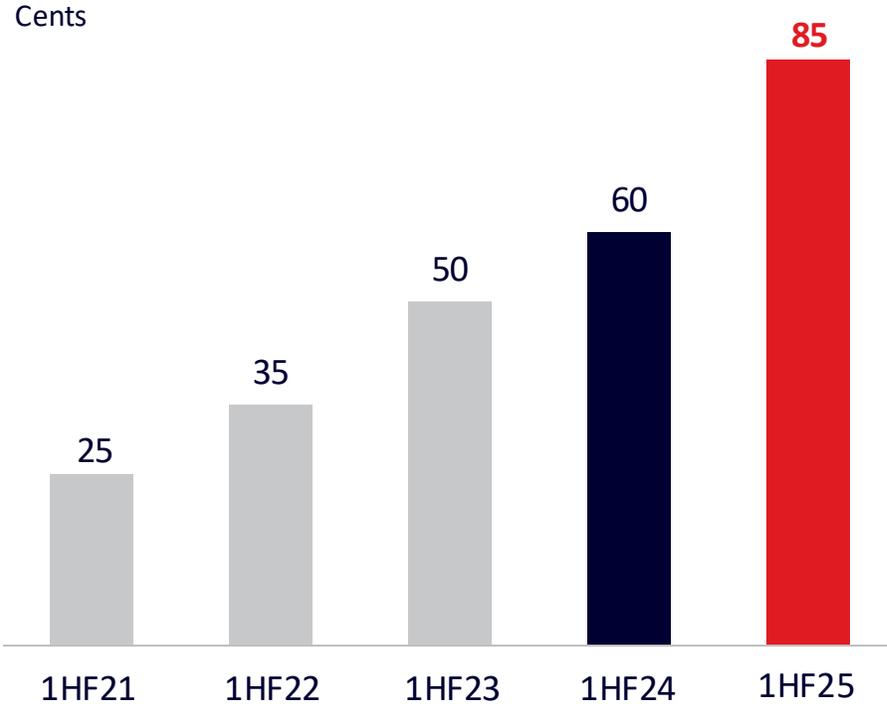


* F20, F21, F22 not restated for IFRS 17

New business sales

R'billion





Current dividend pay-out ratio
35% of NHE



R3.2 billion share buybacks **completed**



Further **R1 billion** share buyback programme **approved**



R2 billion in **value** created

Overview



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Impact strategy progress



Closing



Strategic focus areas

Key highlights



Profitability

Turnaround on track

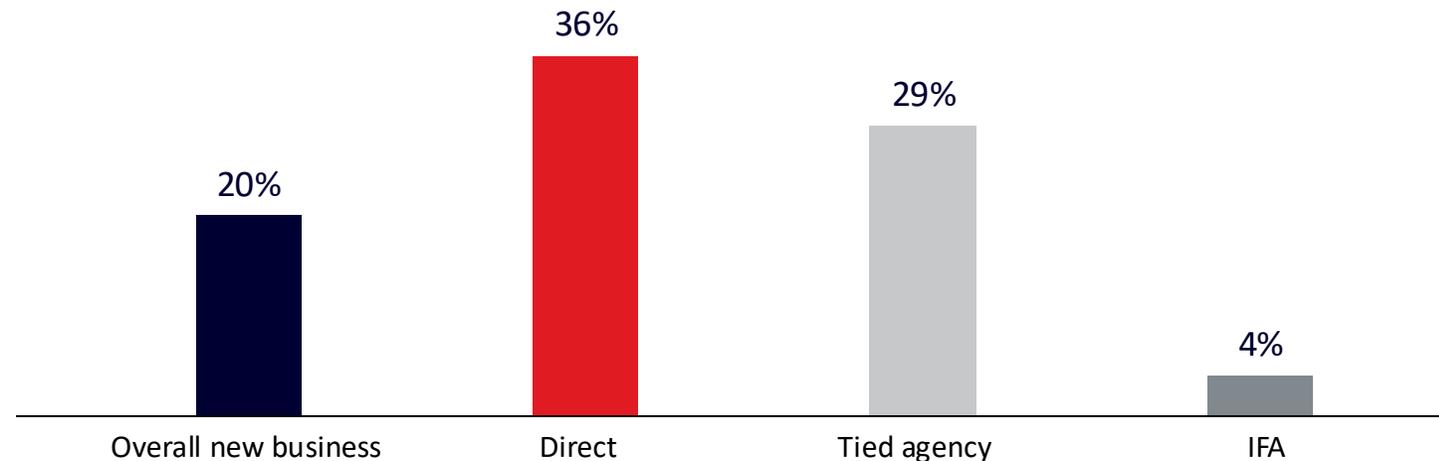
- Highest NHE (R230m) for any half-year
- R315m contribution to Group's dividend

Strong operating results

- Combined ratio improved from 106% to 90%, below long-term target and lowest since F21
- Operating profit improved by >R250m, up over 300%

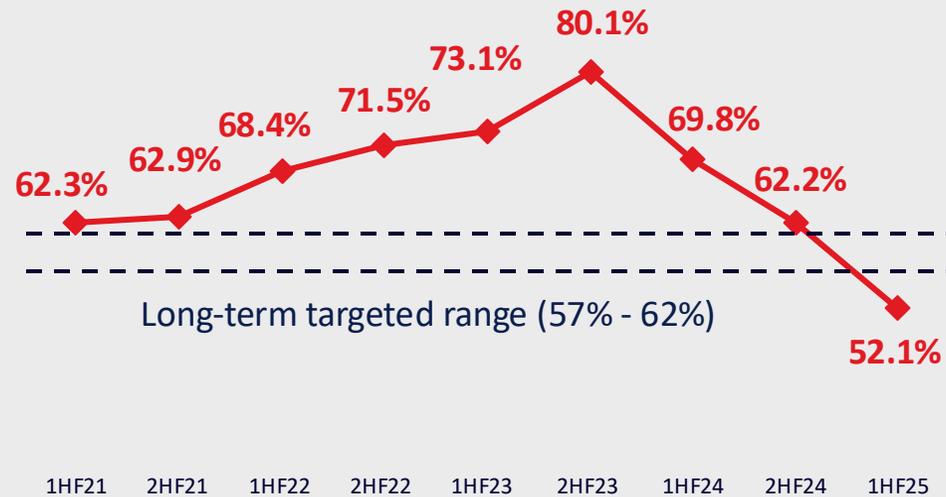


Growth

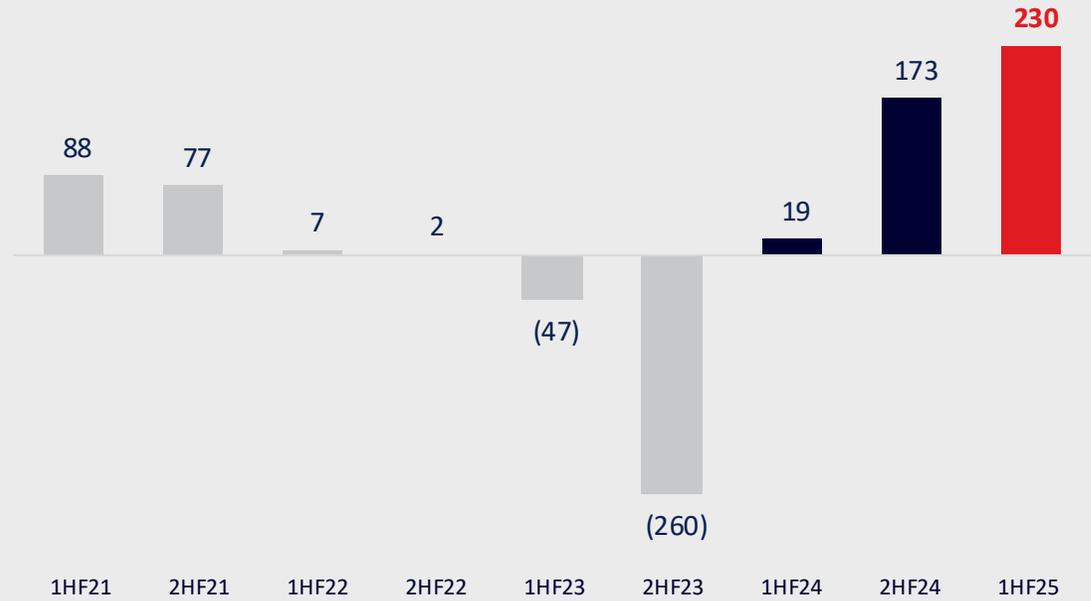


Strong recovery in claims ratio due to decisive management actions in F23 and F24

Claims ratio



Normalised headline earnings





Product commerciality

- Implemented various initiatives that led to better profitability across all products



Align cost base to revenue

- Achieved R40m cost savings year-to-date
- Expecting further R20m in savings from switching off legacy systems



Migration and automation

- Revitalised and modernised product administration systems



Improve business quality

- Particularly lapse experience on protection business due to writing better quality new business



Sales workforce management

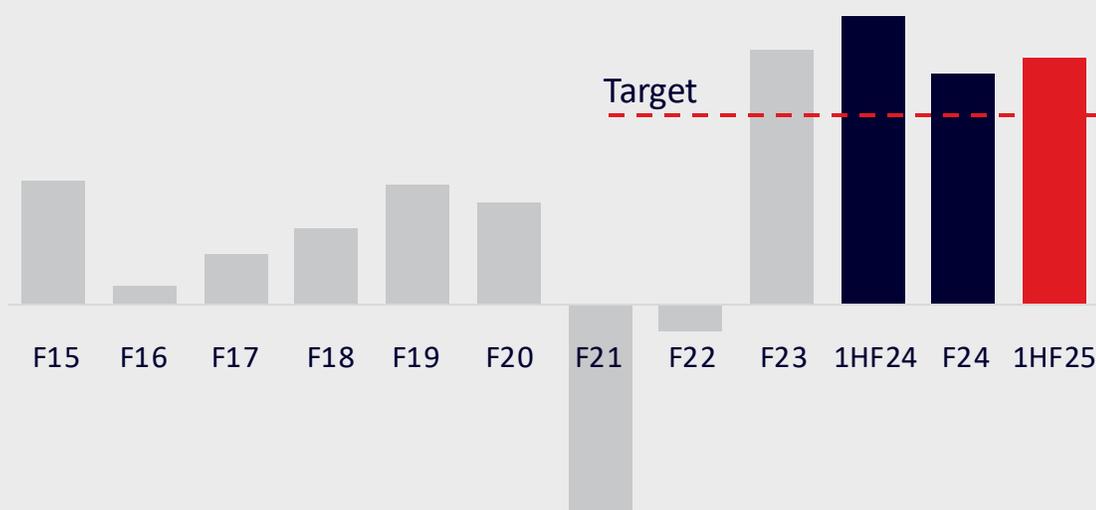
- Prioritised rationalisation and optimisation – in progress



Underwriting margin delivery

- Margins strong, but under pressure
- F23 to H1F25 above target
- Positioned to achieve target margin of 5% to 7% net of tax
- PHI turnaround has been sustained
- Volatility continues to be a reality

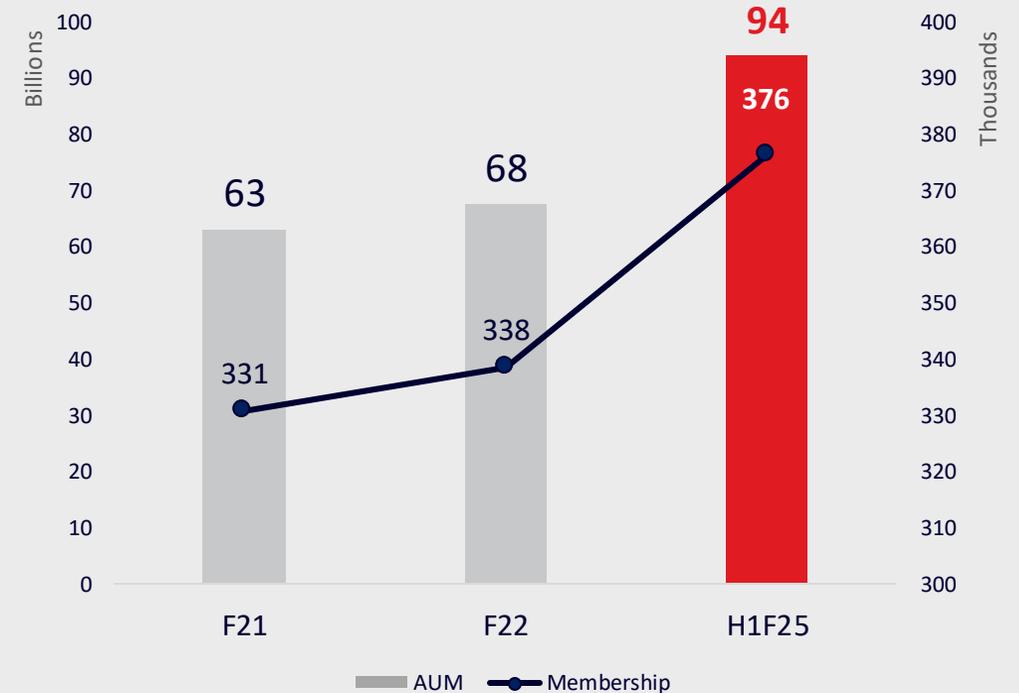
Underwriting Margin



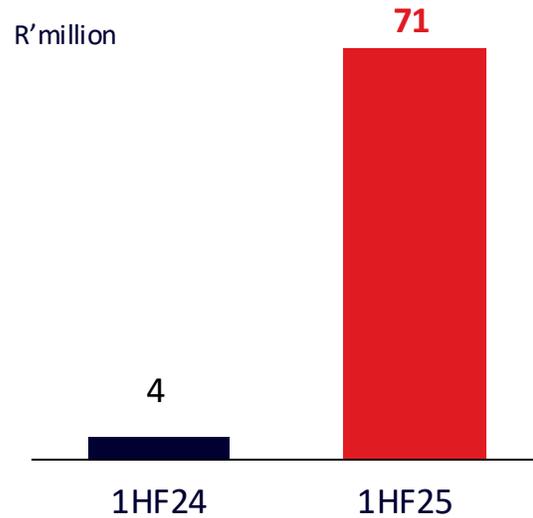
FundsAtWork building on scale

- Excellent growth in our Umbrella Book
- 49% AUM growth
- 14% membership growth over 3.5-year period

FundsAtWork AUM & Membership



Myriad VNB



Overall improvement in VNB of R67m largely driven by:

- Improved profitability of new business
- Improved sales volumes (+9%)
- Channel optimisation
- Further expense savings in the business
- Lower cost of capital
- Technology innovations

Strategic focus areas

Key highlights



Product leadership



- Transitioned to digital risk selection mechanism
- Free digital fitness and health check on mobiles
- Client engagement on proactive health management



Onboarding innovation



- Transform traditional underwriting
- Attracting healthier lives, without active engagement
- No traditional medical tests – simpler, faster, cheaper
- Higher IFA market share, better VNB



Direct-to-client



- Growing sales from digital leads by 30%
- 25% of new policy applications
- 10% of new business sales



Channel partnerships



- Major technology upgrades for advisers and clients
- Exited older quotes systems, modern onboarding
- Integration capability – external advice platforms

IFA MARKET SHARE

2021

16%

2022

17%

2023

17%

2024

18%

Overview



Key takeouts



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Impact strategy progress

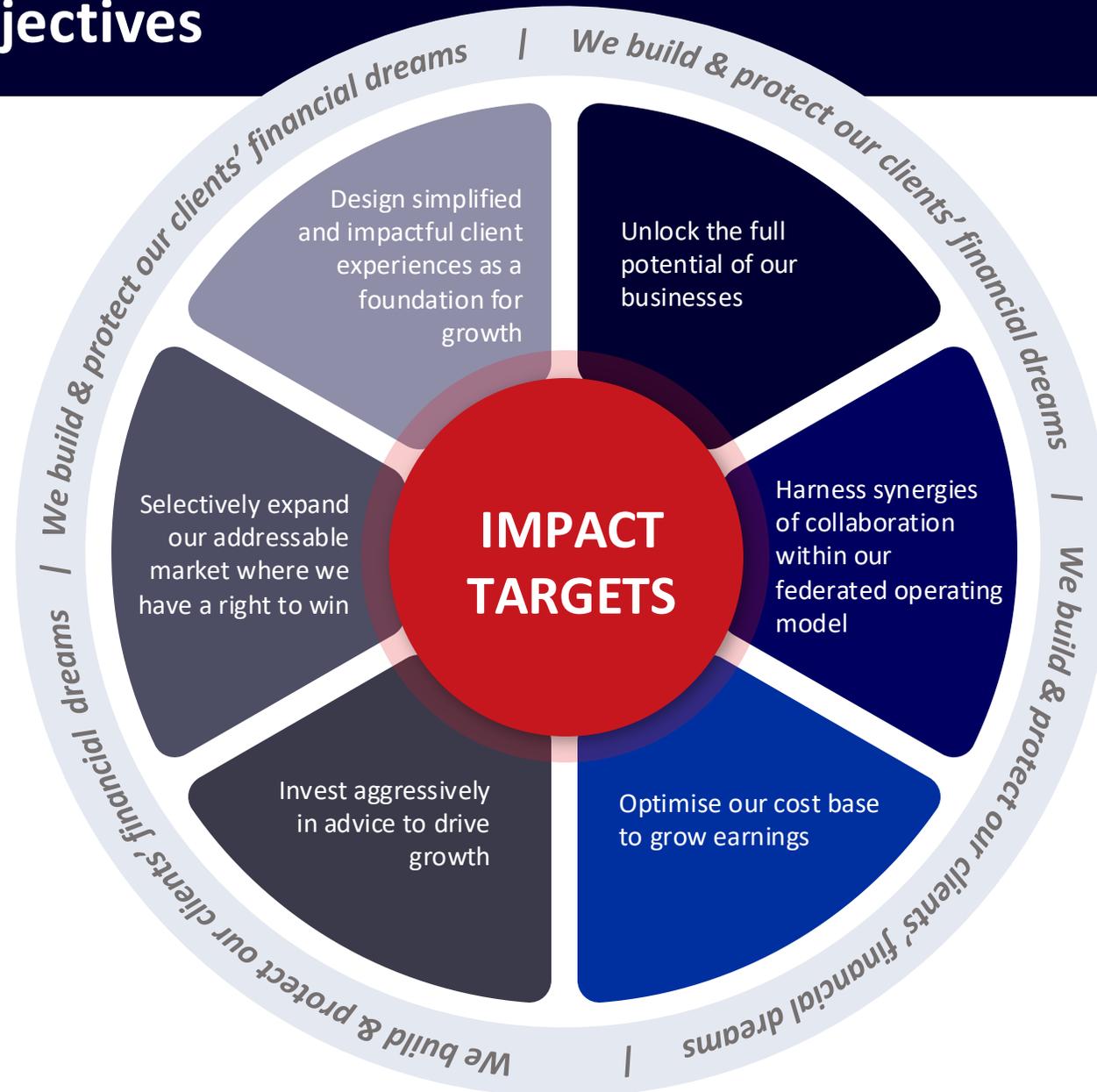


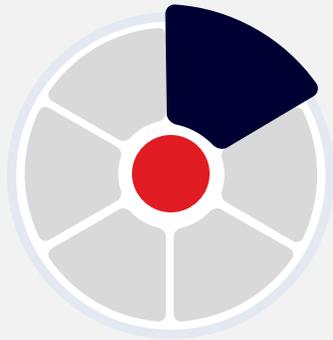
Closing



Progress indicators:

- Fully confident
- Highly confident
- Reasonably confident





Unlock the full potential of our businesses



Update on turn-around plans

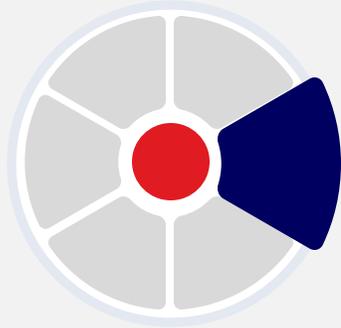
- Momentum Insure completed turn-around strategy
- Metropolitan made satisfactory progress

Africa

- Operating model currently under review

Momentum Health

- Good open market membership growth
- Health4ME showed strong membership growth at 14%
- Momentum Medical Scheme awarded Medical Scheme of the Year by News24



Harness synergies of collaboration within our federated operating model



Great collaboration

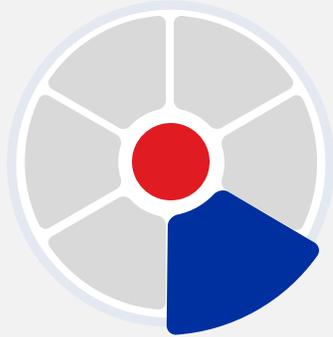
- Momentum Health and Momentum Corporate – integrated health and employee benefits solutions
- Momentum Securities, Momentum Investments and MDS – record net flows and AUM in private client portfolios
- Aligned advice philosophy between MFP and Consult

Vertical integration progress

- Wealth's net inflows more than doubled due to MDS
- Reached target for AUM: FundsAtWork, Momentum Securities, house-view portfolios in Consult
- Reached in-house flow targets to Curate, Equilibrium

MFP at the start of the journey

- Integrated wealth solutions framework to drive vertical integration
- Increased adoption of self-service channel



Optimise our cost base to grow earnings



Essential for sustainable growth and VNB improvement

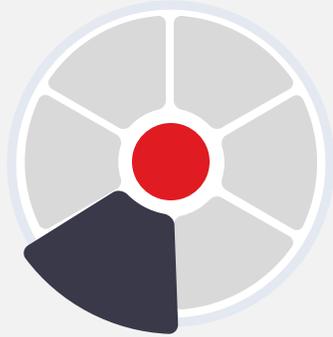
Group-wide project identified optimisation opportunities of R1 billion

Key focus areas

- Duplication
- Procurement
- Technology
- Business units efficiencies

Progress

- Diagnostics done, now implementation
- Tracking to ensure it's permanently removed from cost base



**Invest aggressively
in advice
to drive growth**



Momentum Retail

- MFP: New executive team and operating model
- AdviserConnect and ConsultConnect digitally enables self-service for advisers and clients
- Digital workspace for adviser practices

Momentum Investments

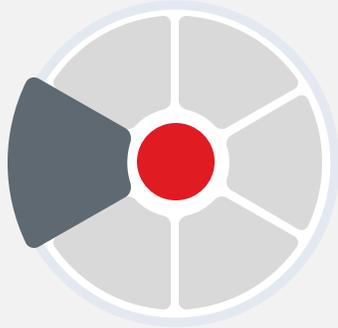
- Acquisition of minority stakes in CI Associates and Spectrum
- Good inflows and increase in AUM

Momentum Health

- 15% growth in Momentum Medical Scheme sales from MDS

Metropolitan

- Tied agency productivity and business quality improvements



**Selectively expand our
addressable market
where we have
a right to win**



Momentum Investments

- Sizable lead in IFA market share in guaranteed annuities space
- Gained market share in post-retirement products and services
- Successful launch of Curate – secured R2.9bn in assets

Guardrisk

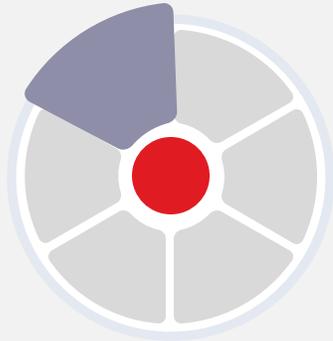
- Expands into new markets through alternative distribution channels
- Growth in underwriting profits, GAP cover business, Microinsurance

Momentum Retail

- Concluded FinGlobal transaction

Momentum Corporate

- Momentum Grow sales increasing steadily ahead of target
- All sales are first-time employee benefit buyers



**Design simplified
and impactful
client experiences
as a foundation
for growth**



Myriad

- Fully automated underwriting and new business onboarding simplified client and adviser experience

Momentum Investments

- Multi-Management business and Curate delivered solid investment performance
- Improved digital capabilities already impacting client experience

Momentum Insure

- Digital Safety feature empowers clients to monitor online safety

Metropolitan

- Increased client satisfaction and won Ask Afrika
- Digital engagement (97% of two-pot interactions via ChatBot)

Momentum Health

- Momentum Health repositioned Multiply to simplify client experience

Overview



Key takeouts



Spotlight on four businesses



Impact strategy progress



Closing



1 Group's purpose, strategy and culture (the Why, What and How)

2 Excellent progress, and well positioned to improve VNB, drive sales volume growth, with advice as differentiator and through technology

3 Financial ambitions for F2027 remain achievable

4 Great energy amongst employees – passionate about the Impact we want to make

5 Thank you

Financial Results



Financial overview



Capital management



Other topical matters



Conclusion

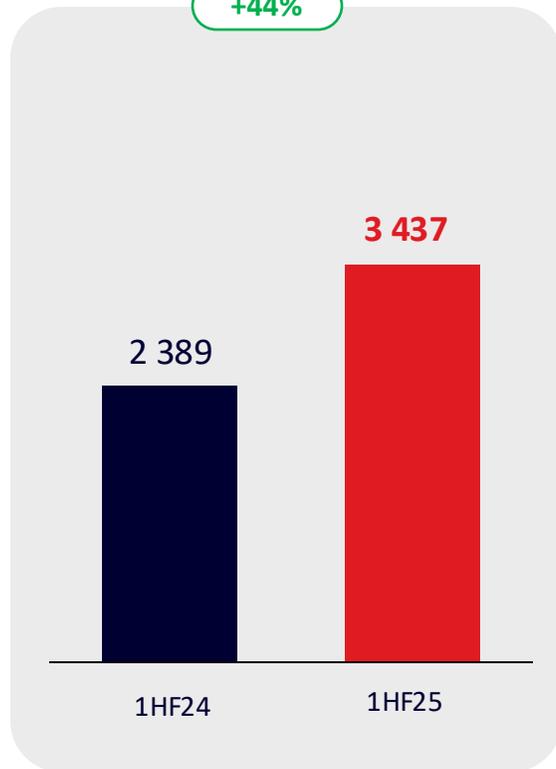
Risto Ketola



Normalised headline earnings

R' million

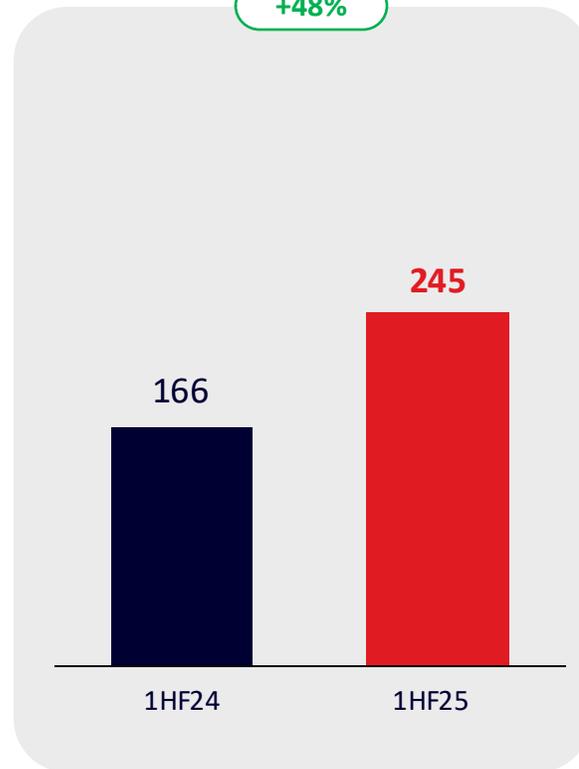
+44%



Normalised headline earnings per share

cents

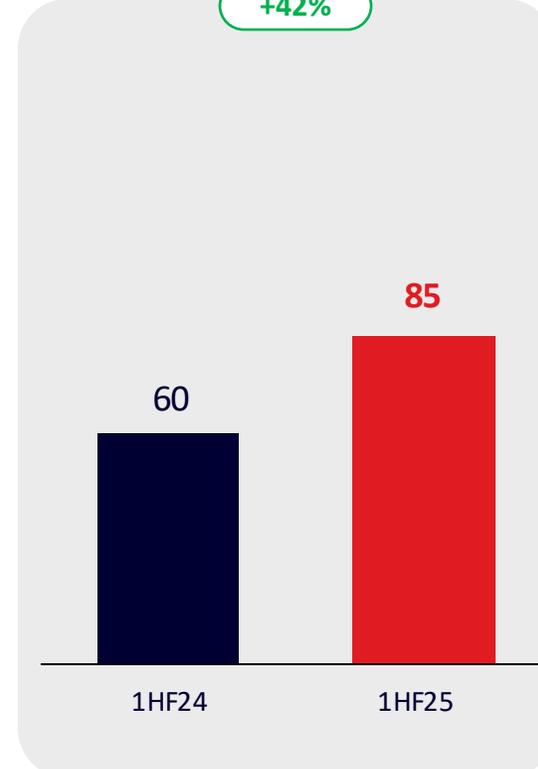
+48%



Interim dividend per share

cents

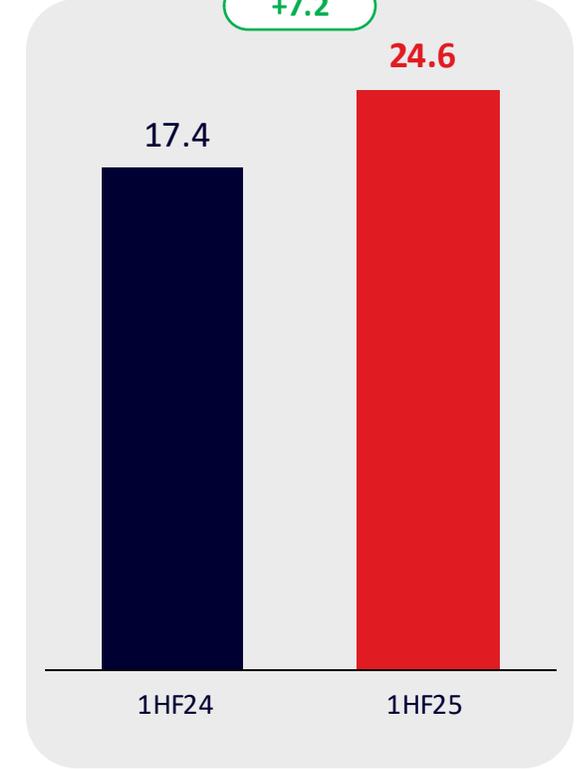
+42%



Return on equity

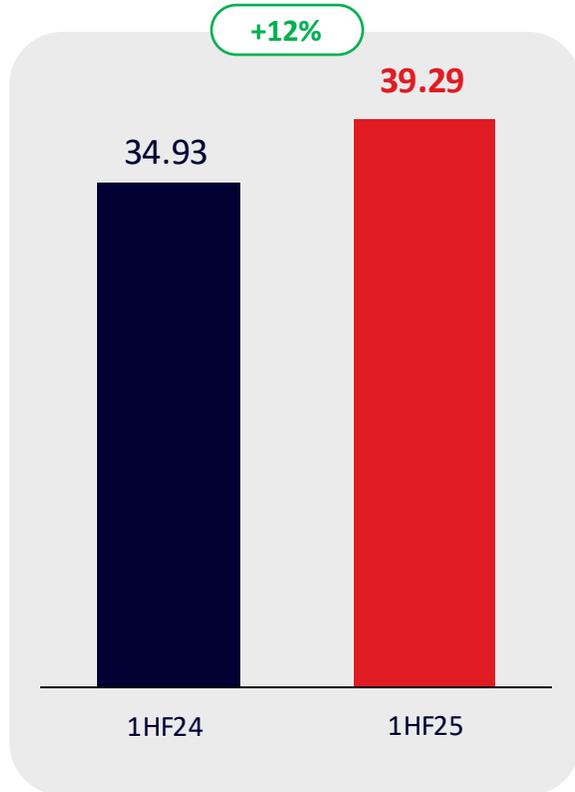
%

+7.2



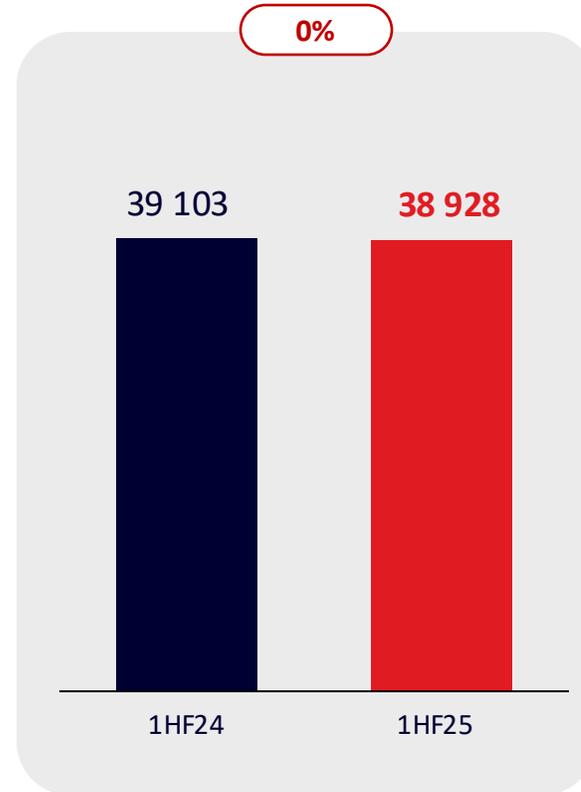
Diluted embedded value per share

Rands



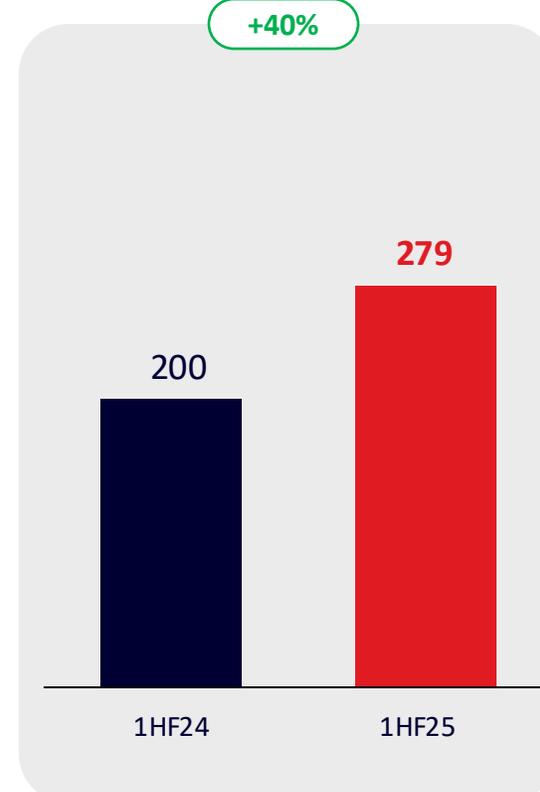
Present value of new business premiums

R' million



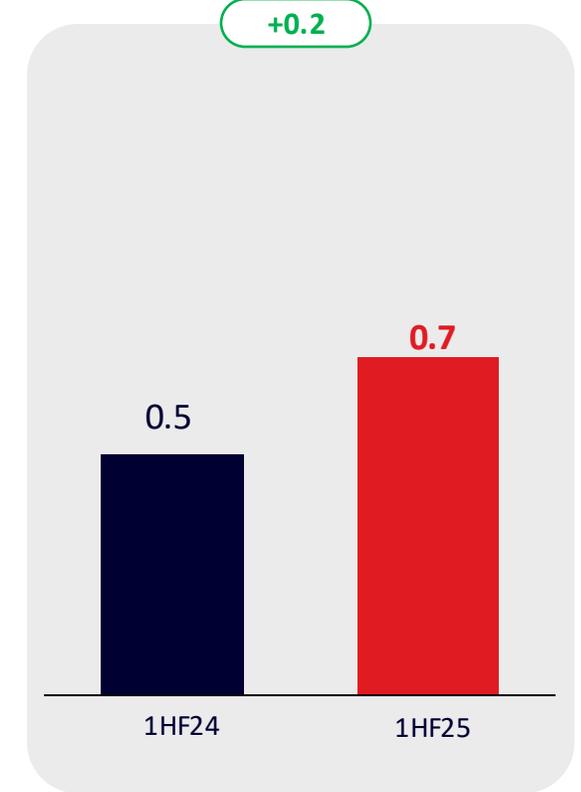
Value of new business

R' million

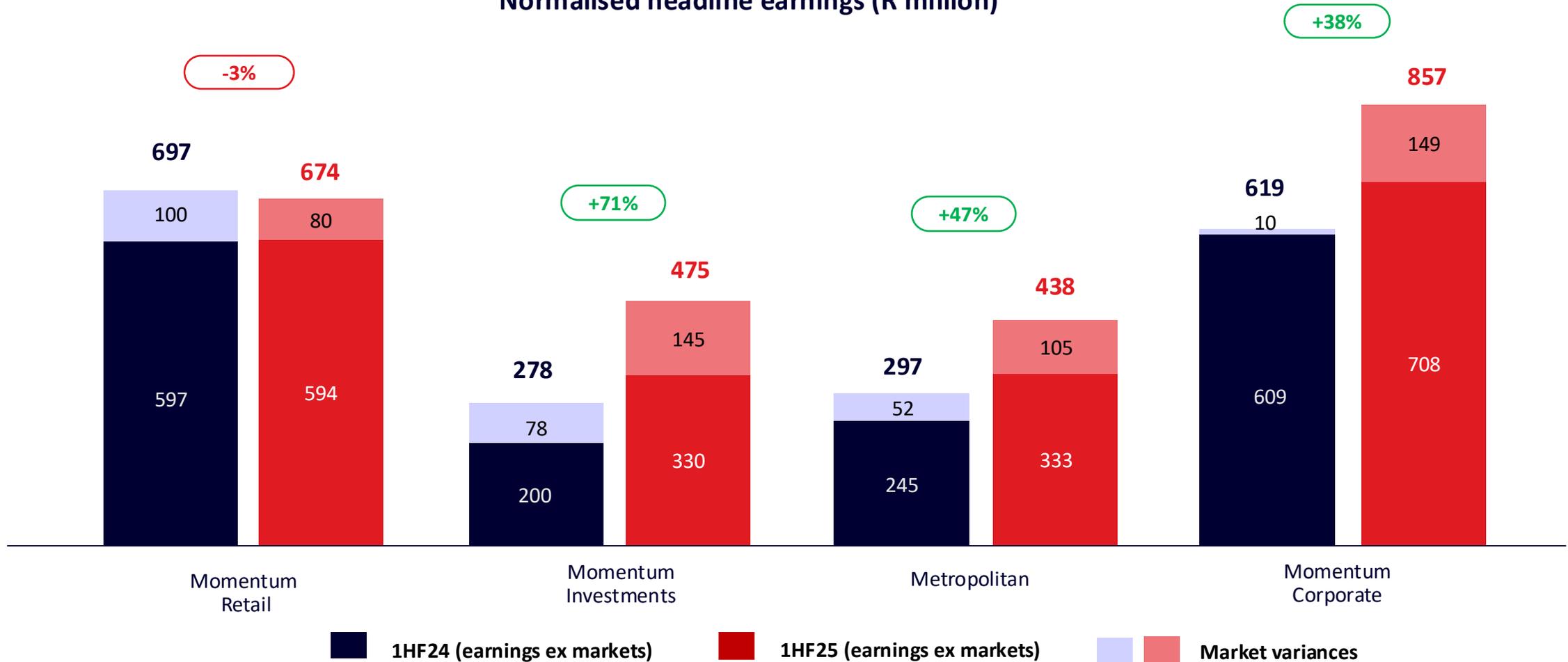


New business margin

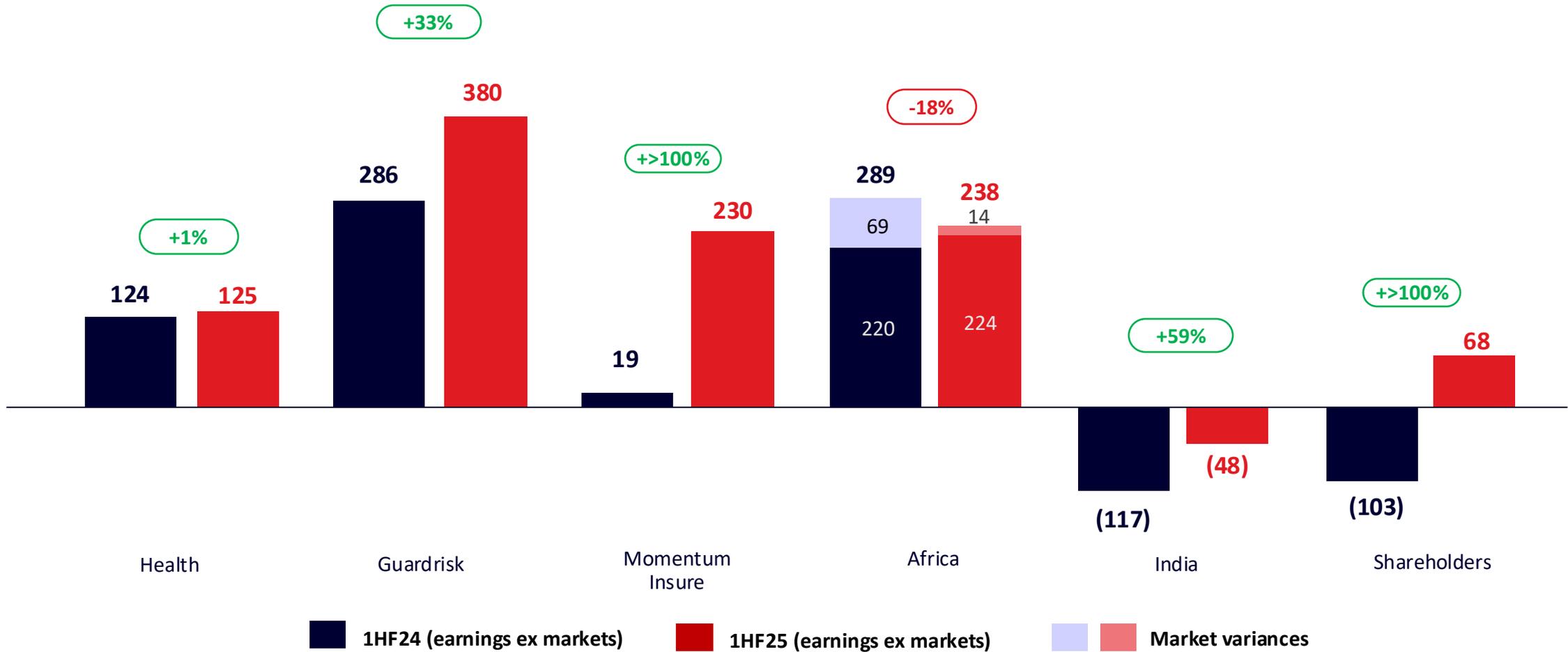
%



Normalised headline earnings (R'million)



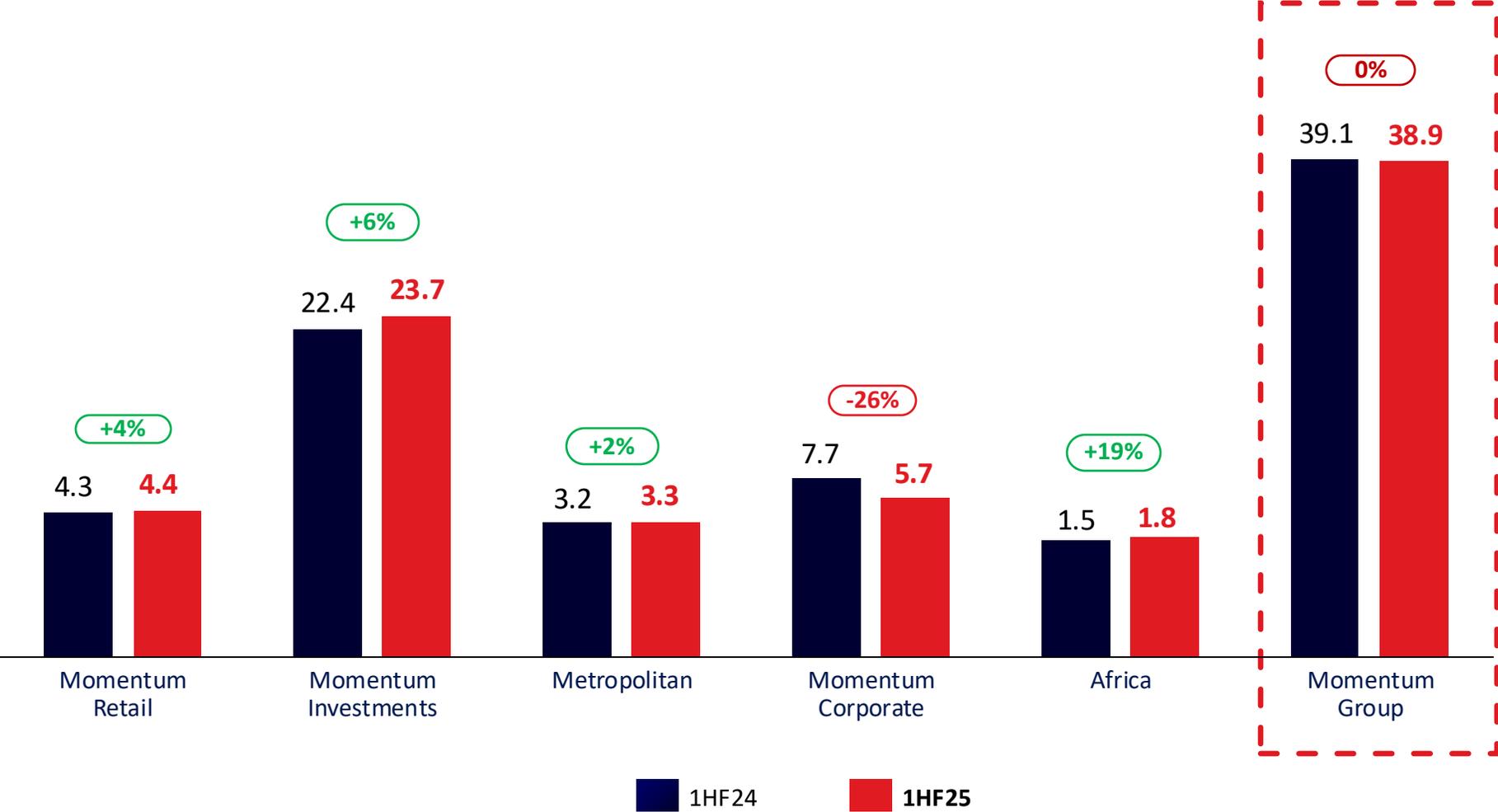
Normalised headline earnings (R'million)



New business volumes largely flat

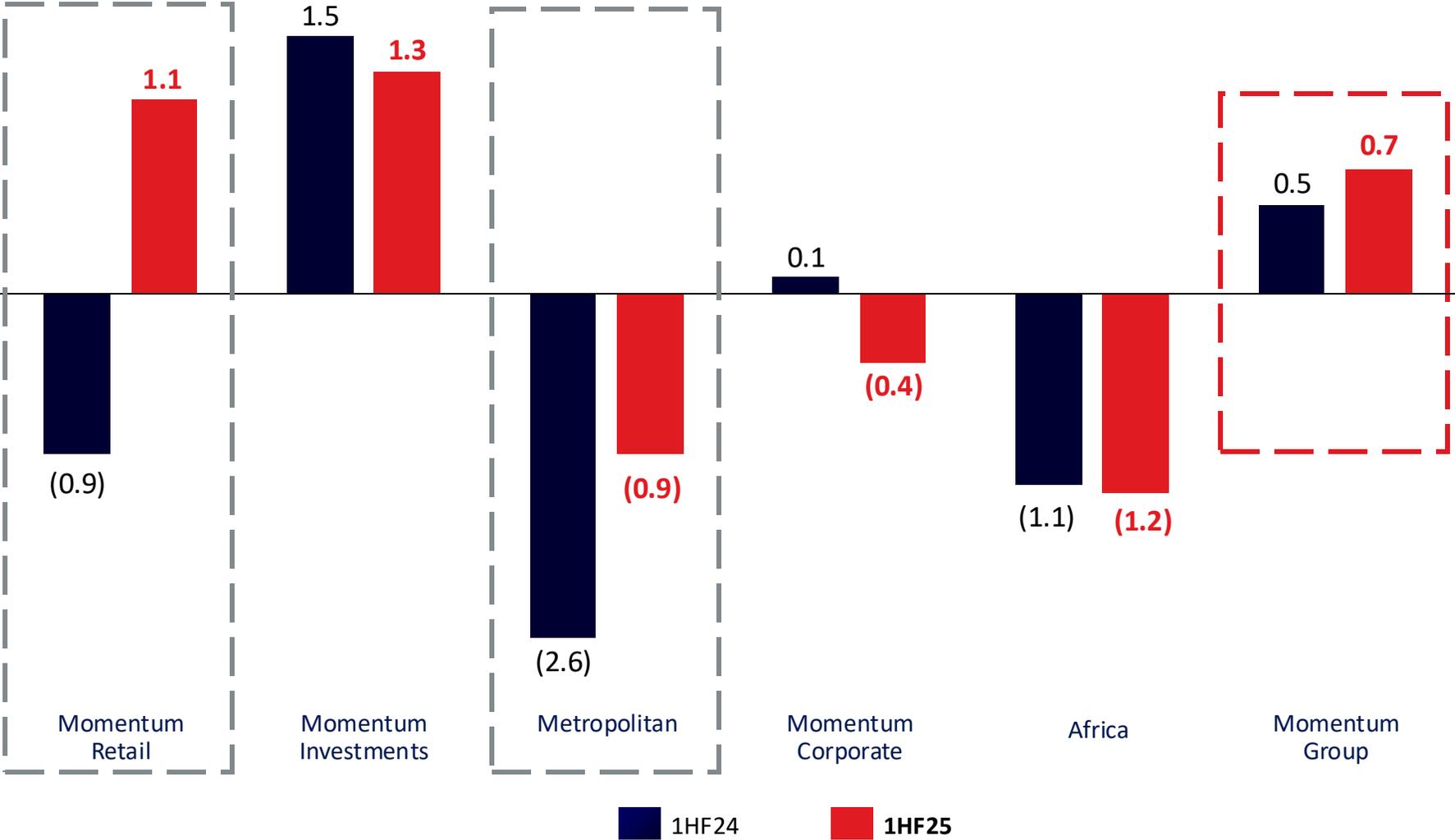
R'billion

Present value of new business premiums (PVNBP)



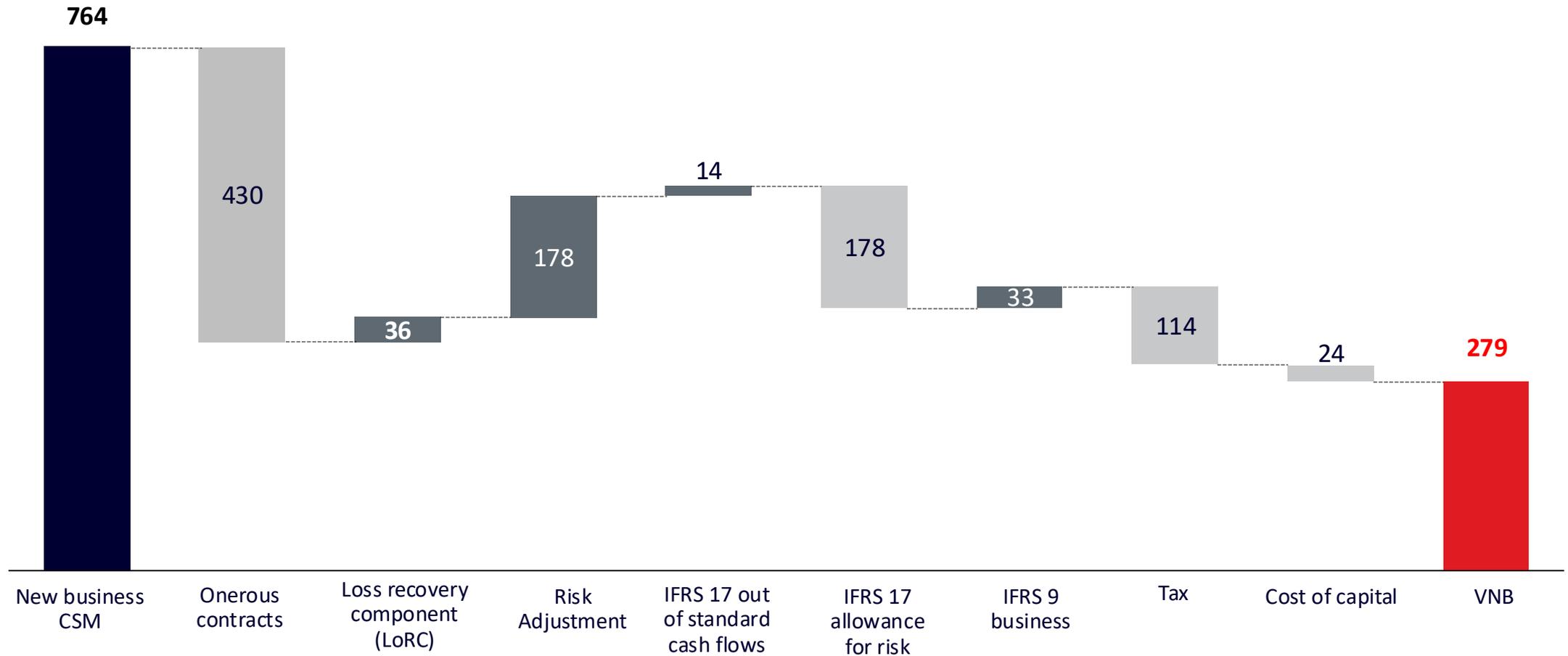
New business profitability

New business margin (%)

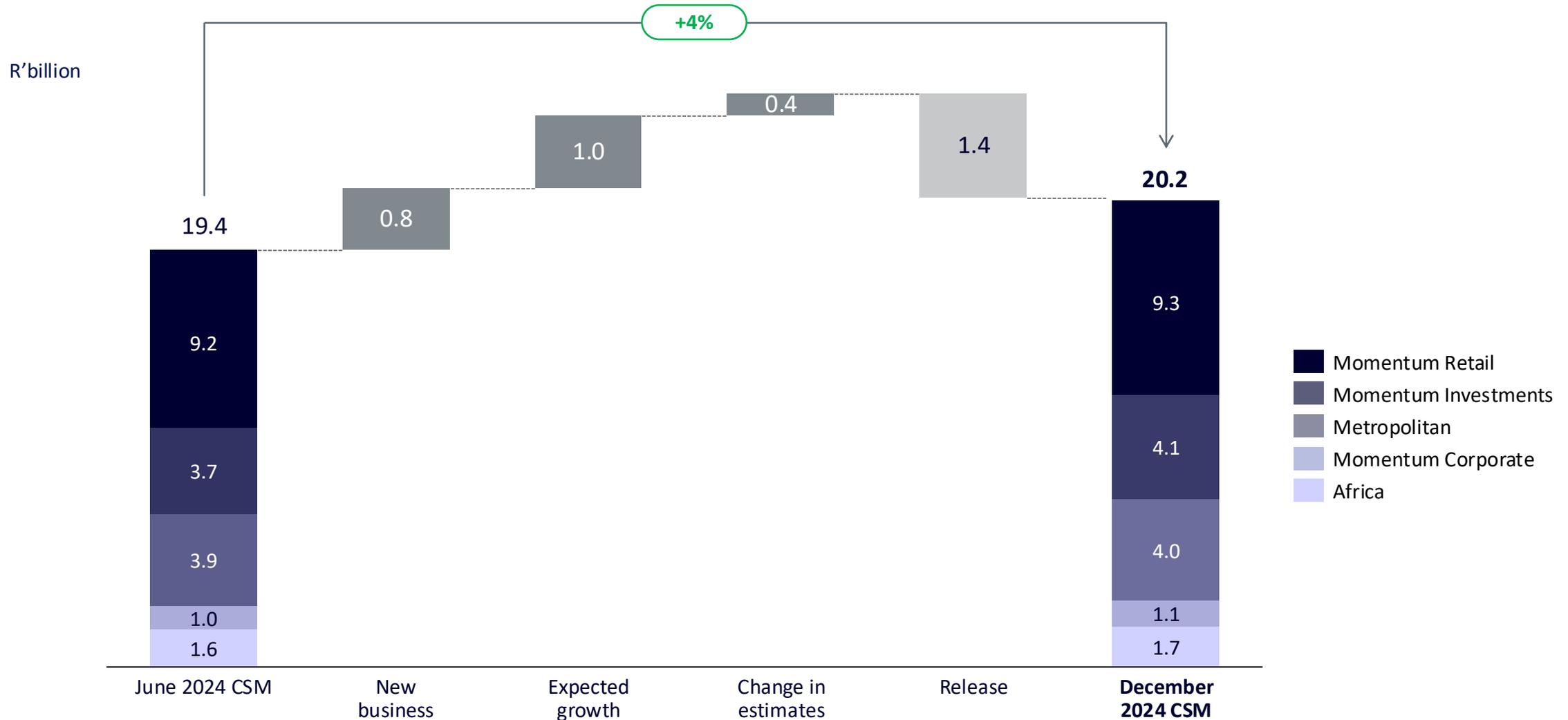


R'million (Gross of reinsurance and tax)	1HF25	1HF24
Momentum Retail	32	65
Momentum Investments	93	105
Metropolitan Life	143	190
Momentum Corporate	38	48
Africa	124	80
	430	488

New business CSM to VNB

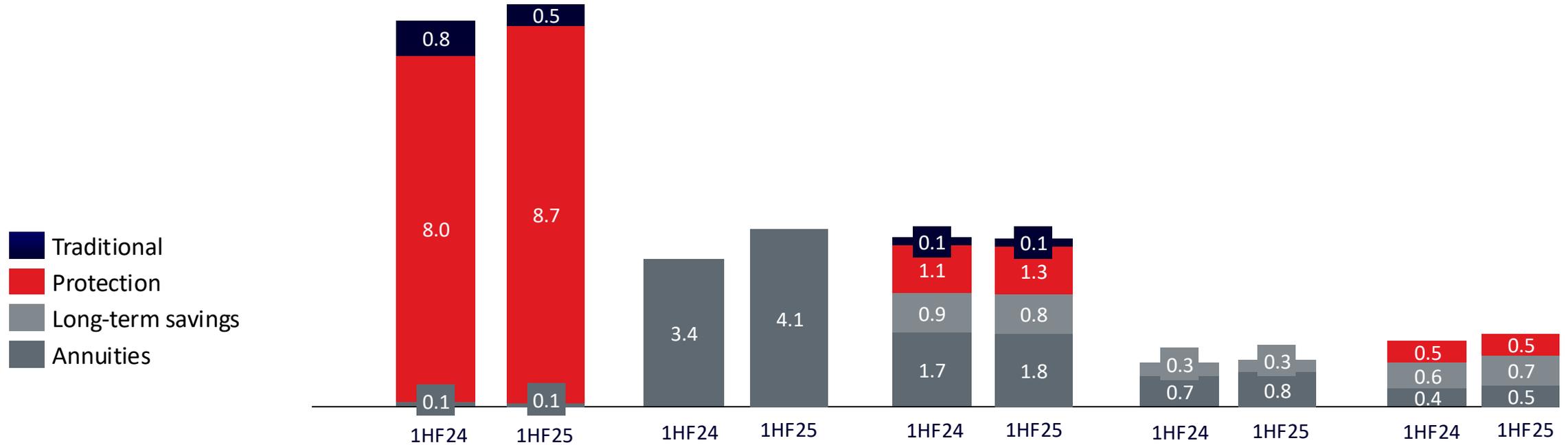


CSM growth driven by annuity sales and positive variances



CSM by operating segment and product

R' billion



1HF25 Operating segment	Momentum Retail	Momentum Investments	Metropolitan	Momentum Corporate	Africa
CSM (R' billion)	9.3	4.1	4.0	1.1	1.7
Expected 1-year release rate	13%	12%	13%	13%	12%

R'million	IFRS 17			IFRS 9		
	1HF25	1HF24	Δ	1HF25	1HF24	Δ
New business	(181)	(229)	21%	(166)	(174)	5%
Existing business	1 693	1 626	4%	304	196	55%
Expected profit	1 512	1 264	20%	241	263	(8)%
Experience variances	204	375	(46)%	72	(61)	>100%
Development expenses	(23)	(13)	77%	(9)	(6)	(50)%
Market variance	421	220	94%	47	16	>100%
Total earnings	1 933	1 617	20%	185	38	>100%
Present value of future cash flows	2 667	2 064	29%	185	38	>100%
Risk adjustment	(224)	(100)	>100%	-	-	-
Contractual service margin	(510)	(347)	47%	-	-	-

Financial Results



Financial overview



Capital management

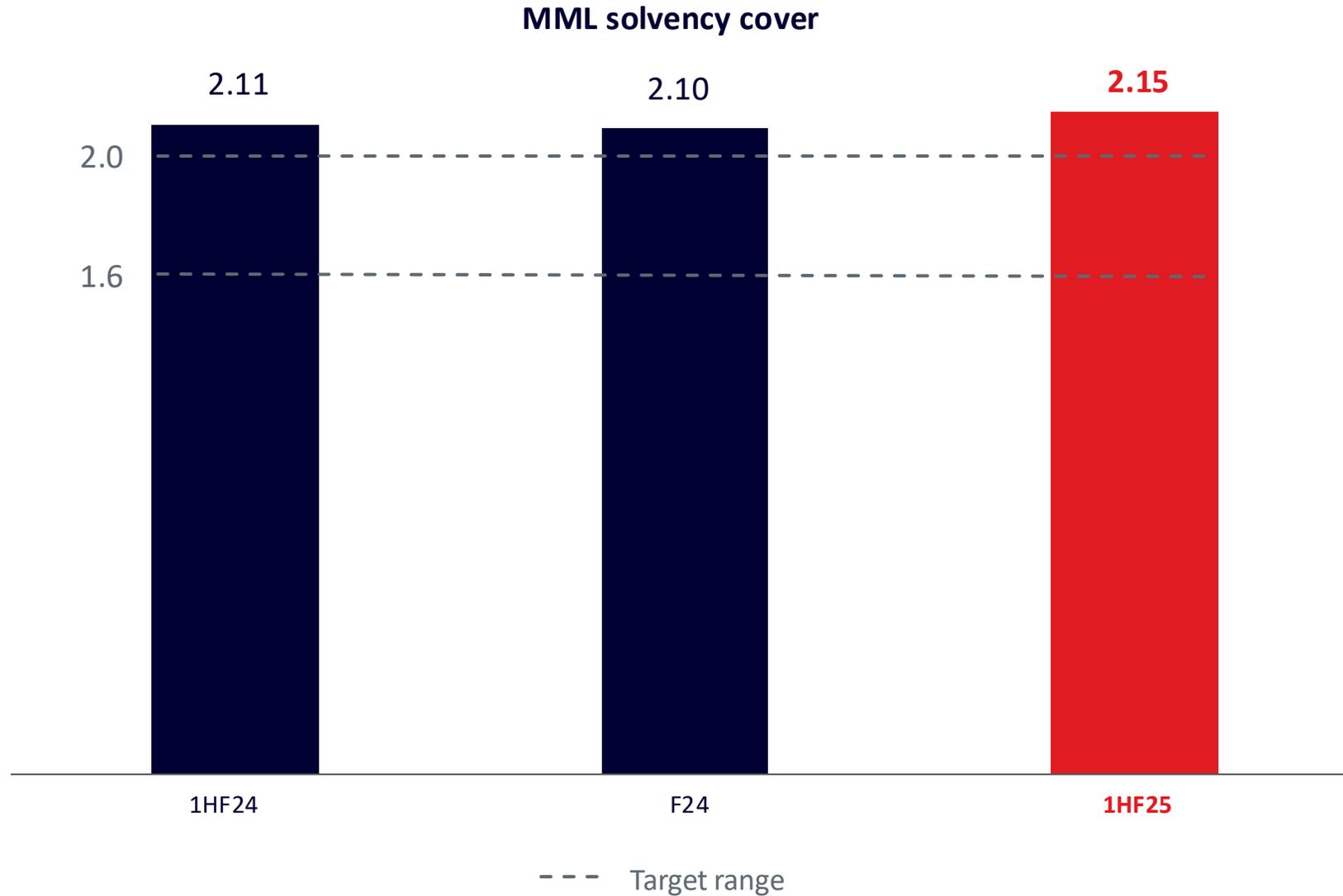


Other topical matters



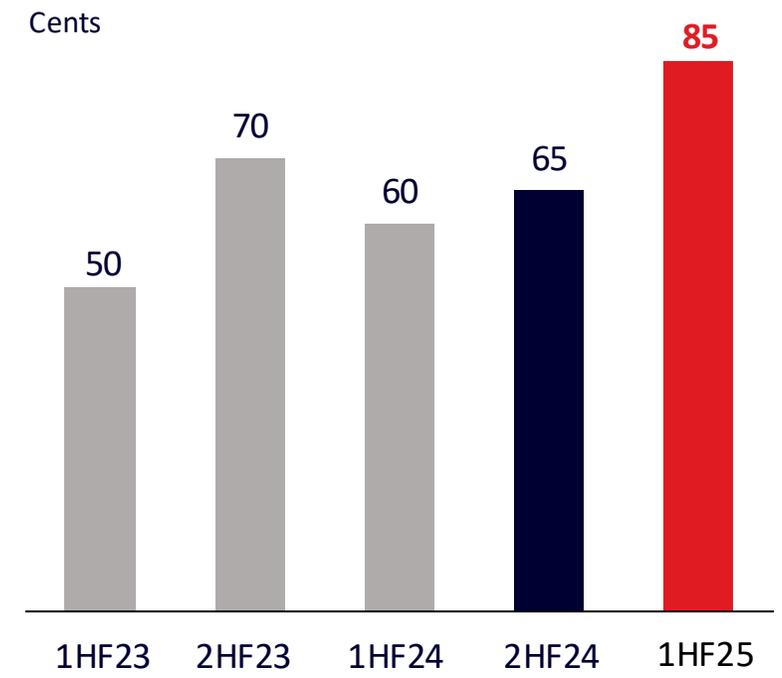
Conclusion



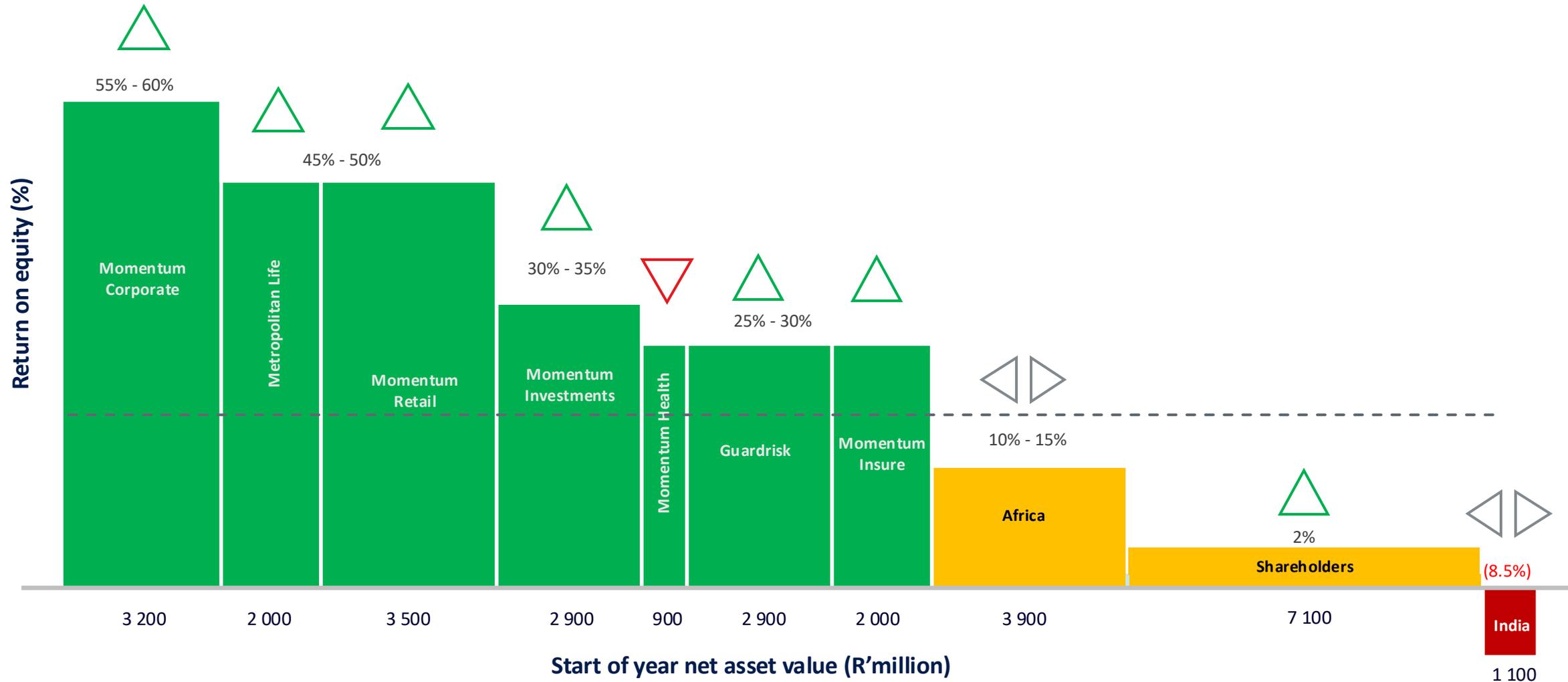


R'million	# of shares acquired	Tranche value	EV bought back	Value created
1HF23	45	750	1 334	584
2HF23	28	500	876	376
1HF24	24	500	813	313
2HF24	24	500	888	388
1HF25	31	934	1 217	283
Total	152	3 184	5 128	1 944

Current dividend payout ratio
35% of NHE



Further R1 billion share buyback programme approved



--- Target of 20%

R'million	1HF24	2HF24	1HF25
SA Life businesses	1 463	998	1 992
Insure	-	-	315
Guardrisk	172	245	141
Momentum Investments	117	160	103
Health	87	91	88
Other	73	(60)	(24)
Dividend inflow to Momentum Group	1 912	1 434	2 615
M&A	(179)	(187)	(11)
India	-	(168)	(241)
Momentum Multiply	(112)	-	-
Momentum Money	(137)	-	-
Other	10	38	(16)
Preference shares	(58)	(65)	(65)
Cash generated to Momentum Group	1 436	1 052	2 282
Ordinary dividend	(824)	(925)	(1 177)
Net of dividend payment	612	127	1 105
Approved buyback	(500)	(1 000)	(1 000)
Net of buyback & dividend	112	(873)	105

Financial Results



Financial overview



Capital management

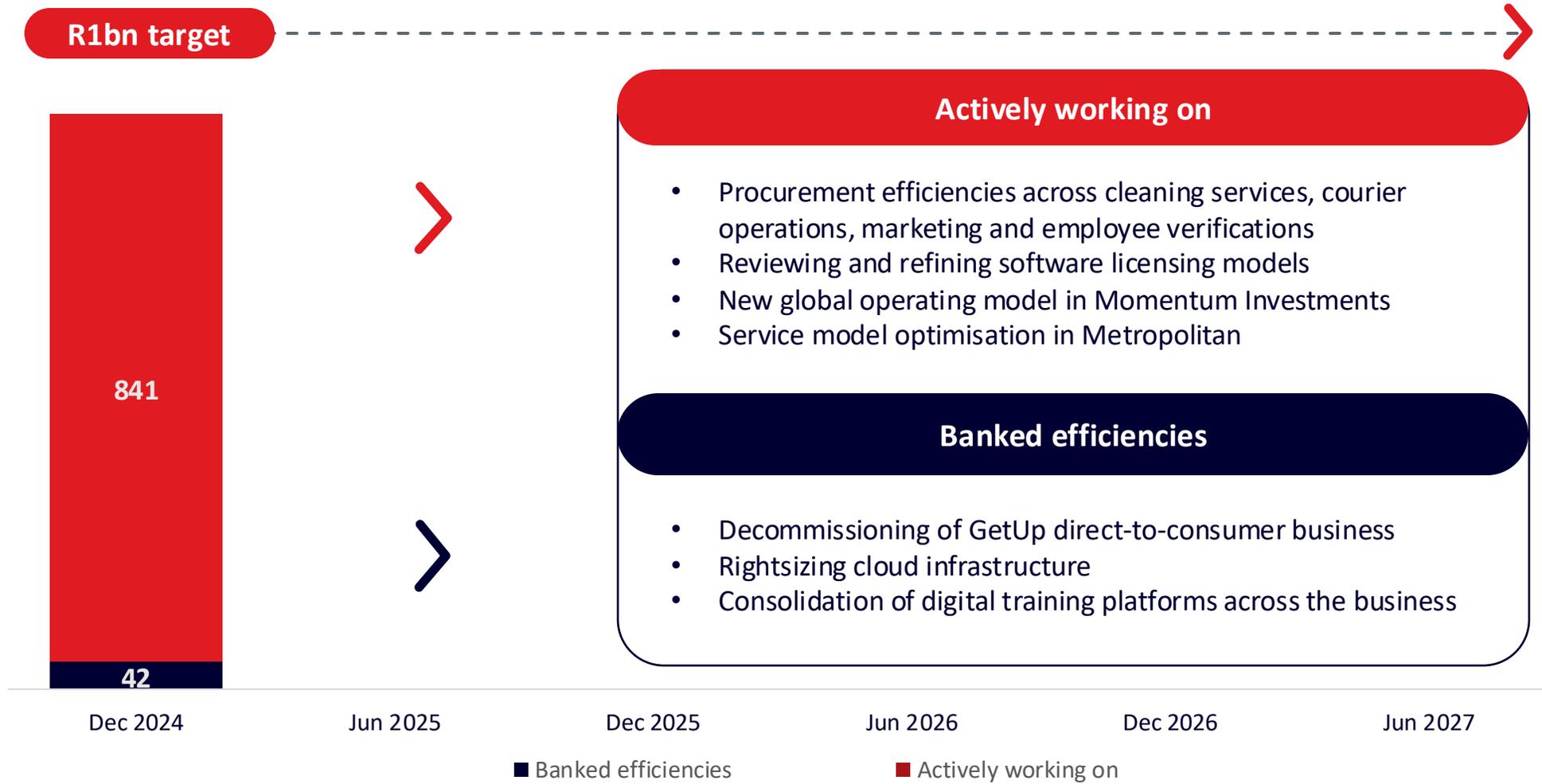


Other topical matters



Conclusion





Life business	July '24 Opening	New business	Exit	Dec '24 Closing
Risk business – Individual	436 536	20 248	(20 162)	436 622
Risk business – Funeral	848 550	94 118	(105 286)	837 382
Endowments	1 159 704	42 701	(48 482)	1 153 923
Retirement annuities	580 437	25 457	(29 074)	576 820
Universal life	110 029	644	(4 063)	106 610
Life annuities	100 142	3 130	(2 443)	100 829
Living annuities	66 484	2 993	(1 998)	67 479
Total policies in-force	3 301 882	189 291	(211 508)	3 279 665

Life business (R'000)	July '24 Opening	New business	Alterations	Exits	Dec '24 Closing
Risk business – Individual	9 579 197	327 324	448 663	(410 017)	9 945 167
Risk business – Funeral	3 973 002	482 277	66 741	(450 744)	4 071 276
Endowments	2 930 307	365 547	97 683	(608 975)	2 784 562
Retirement annuities	4 699 306	285 644	197 005	(389 495)	4 792 461
Universal life	822 861	14 754	33 580	(42 294)	828 901
Total premiums in-force	22 004 674	1 475 547	843 672	(1 901 525)	22 422 368

Financial Results



Financial overview



Capital management



Other topical matters



Conclusion



- 1 Excellent financial results
- 2 Operating conditions were favourable, but we also make our own luck
- 3 Good improvement in Momentum Retail VNB but broader focus on VNB continues
- 4 Good cash generation and strong balance sheet
- 5 ***Congratulations*** to our employees and ***thank you*** to our clients and advisers



Appendix

The information in this results announcement and any non-IFRS financial measures (which are presented for additional information purposes only), is the responsibility of the directors and, has not been reviewed and reported on by Momentum Group Limited's external auditors.

R'million	Momentum Retail	Momentum Investments	Metropolitan	Momentum Corporate	Africa	Total
Future revenue	609	701	1 051	162	504	3 027
Future expenses	(123)	(253)	(223)	(89)	(213)	(901)
Present value of future cash flows	486	448	828	73	291	2 126
Commission	(164)	(59)	(486)	(12)	(202)	(923)
Other acquisition cost	(207)	(82)	(295)	(75)	(75)	(734)
“Simple” profit	115	307	47	(14)	14	469
Stress to 85 th confidence interval	(45)	(32)	(69)	(2)	(19)	(167)
“Risk adjusted” profit	70	275	(22)	(16)	(5)	302
Cost of capital	(20)	29	(9)	(7)	(16)	(23)
Value of new business	50	304	(31)	(23)	(21)	279

R'million	Opening CSM	Interest accretion at locked-in rates	Asset return	Expected return	Investment variance
Momentum Retail	8 642	(324)	290	(34)	-
Momentum Investments	3 704	(140)	158	18	52
Metropolitan Life	2 600	(94)	101	7	27
Momentum Corporate	722	(27)	27	-	(1)
Africa	926	(46)	46	-	23