



Annual Results presentation

For the year ended
31 March 2024

alexforbes
insight · advice · impact



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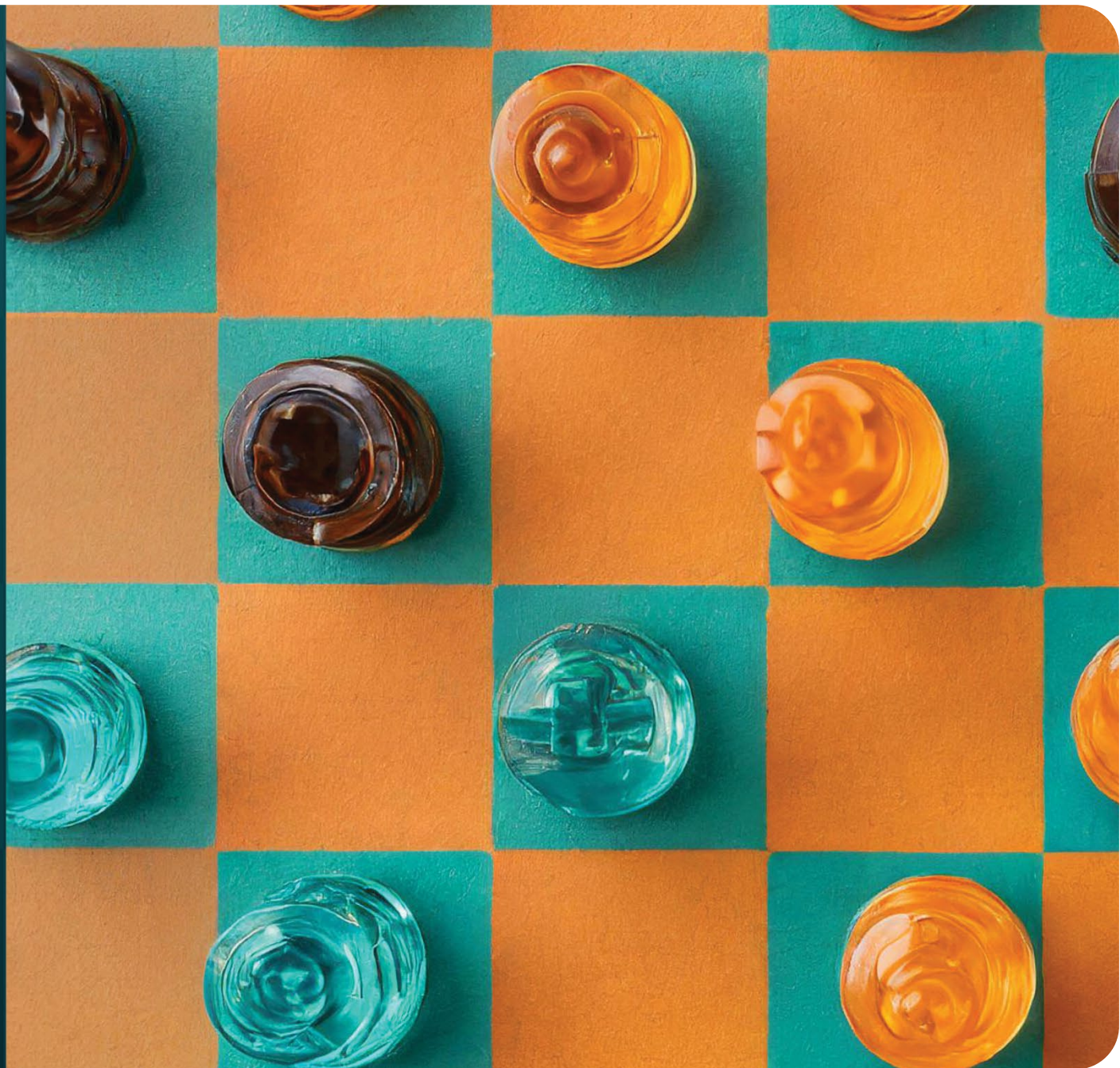
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Agenda

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- > Operating performance 02
- > Financial performance 03
- > Outlook 04
- > Questions 05





**Transforming
Alexforbes to
make an
outsized impact
on people's lives**

:alexforbes
insight · advice · impact



● Growth in line with strategy

- Growing our base and impact on our clients
- Disciplined execution
- Rapid innovation

FY 2024 highlights

Operating income¹
up **12%** to
R3 905 million

Organic growth 8%
Acquisitive growth 4%

Profit from operations²
up **2%** to
R801 million

excl IFRS 16, profit from
operations³ up 9%

Headline EPS from total operations
up **29%**
to **61.5 cps**

Final dividend
of **30 cps** taking the
annual dividend
up **19%**

Special dividend
of **60 cps**

New business⁴
of **R141 million**
in annualised
revenue

Retail new business flows
up **25%** to
R20.8 billion

Total closing assets⁵
up **16%** yoy
to **R525 billion**

Total number of active members⁶
at **1 094 402**
up **1%** yoy

1. Operating income net of direct expenses

2. Profit from continuing operations before non-trading and capital items

3. Normalised profit from operations before non-trading and capital items (as per the segmental)

4. New business in corporate and institutional in South Africa, Namibia and Botswana (excludes Channel Islands and individual consulting)

5. Total assets include assets under administration (AuA) and assets under management (AuM)

6. Total number of active members across standalone and umbrella funds



Operating performance

Dawie de Villiers

FY 2024 operating performance | Investments

Investments	2024	2023	% change	2022
Operating income (R million)	1 625	1 468	^ 11	1 424
Closing total assets (R billion)	525.2	453.5	^ 16	434.7
Average total assets (R billion)	479.1	435.6	^ 10	423.2
Net controllable institutional flows (R billion)	36.1	4.0	^ >100	0.3
Net cash flows (R billion)	22.7	(6.9)	^ >100	(13.2)
Blended market return (%)	11.0	6.5	^ 4.5	11.3
JSE capped SWIX index (%)	(1.4)	(3.9)	^ 2.5	15.9
Institutional blended margin (bps)	28.4	27.9	^ 0.5bps	27.7

- Assets under management and administration exceed R500 billion, ending the year at R525 billion
- Operating income growth owing to higher average assets and increase in new business
- Significant increase in net controllable institutional flows attributable to our platform offering

Investments | Ensuring Investment Destination

Leading *responsibly* in terms of reporting and policy implementation – comprehensive stewardship report & climate change policy

A pragmatic approach has benefited client portfolios, general increase across growth portfolios. Launched maximum offshore portfolios as member choice portfolios will see good uptake.



Multi-manager proposition is well positioned as a trusted partner

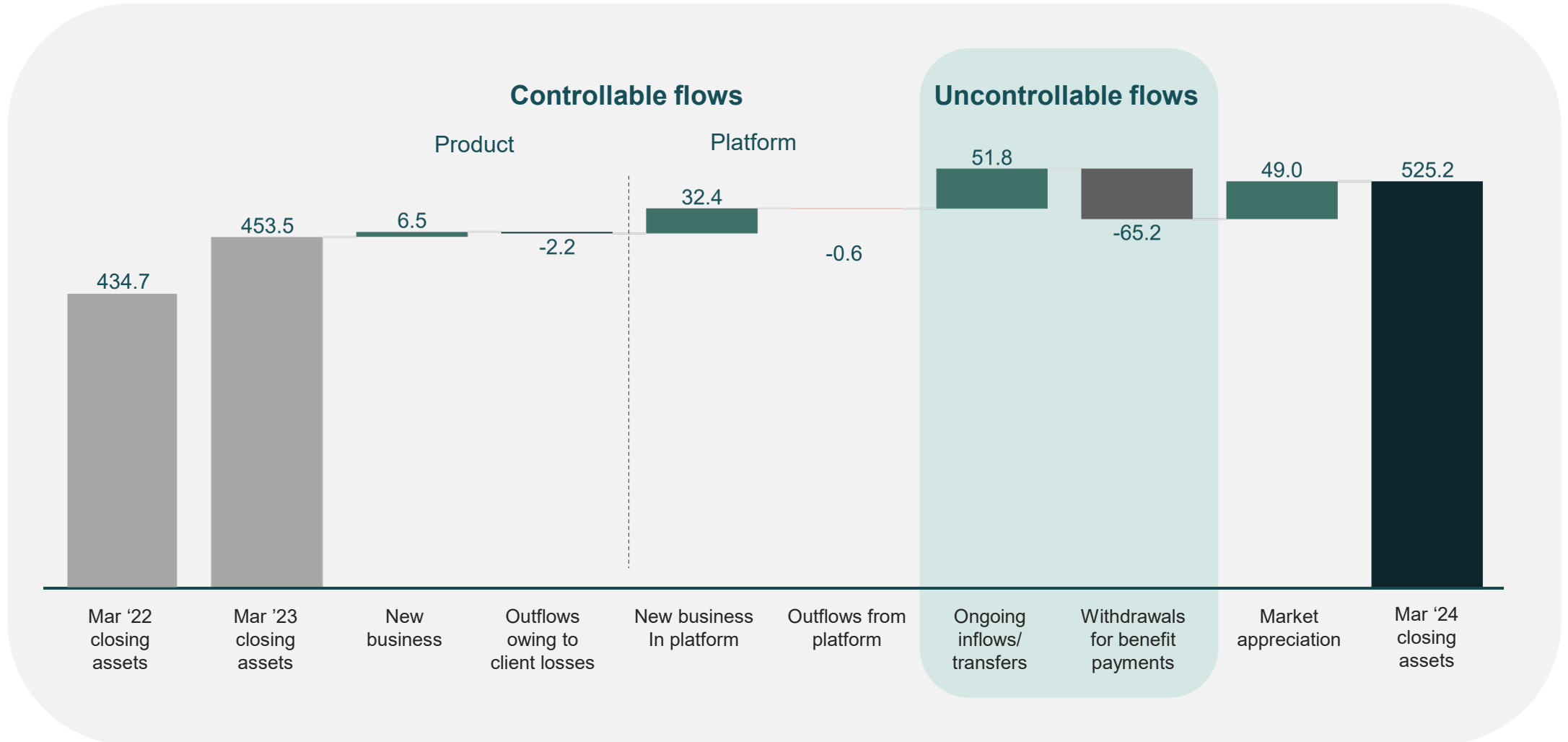
Purposeful diversification - remains an investment edge where track record and experience matters

Engagements on D&I continue to bear fruit – Industry adoption progressing well

Expanding capabilities to serve new segments. Launch of Investment Solutions by Alexforbes.

Total assets¹ up 16% year-on-year

Movement in total assets (R billion)



1. Total assets include assets under administration (AuA) and assets under management (AuM)

FY 2024 operating performance | Individual consulting

Individual Consulting	2024	2023	% change	2022
Operating income (R million)	420	369	^ 14	355
Closing assets under advice (R billion)	98.6	90.1	^ 9	86.5
New business flows (R billion)	20.8	16.7	^ 25	15.3
AFRIS AuM (R billion)	23.9	18.1	^ 32	14.4

- Retail strategy gaining traction
 - Added 26 advisers during the year – total adviser force now at 250
 - In-fund asset flows of R3.5 billion for the year (up 40% year on year)
- Net promoter score of 48.5

FY 2024 operating performance | Retirements

Retirements	2024	2023	% change	2022
Operating income (R million)	1 155	978	▲ 18	849
Total number of active members	1 094 402	1 088 050	▲ 1	861 219
Number of participating employers in umbrella funds	1 870	1 824	▲ 3	1 714
Umbrella AuM (R billion)	134.0	116.0	▲ 16	108.0

- Operating income growth underpinned by acquisitive growth
- Business as usual growth of 5% in a mature market
- Umbrella offering becoming attractive to large clients

FY 2024 operating performance | Healthcare

Healthcare	2024	2023	% change	2023
Operating income (R million)	363	356	^ 2	309
Total number of healthcare broking members	231 363	241 642	∨ (4)	247 701
Total number of healthcare members under advice	793 660	794 143	-	739 725

- Operating income from medical aid broking impacted by the loss of a significant client, partially offset by the increase in medical aid cap commission
- Alexforbes reaffirms its commitment to the principles of universal healthcare
 - Healthcare in the context of the implementation of NHI presents us with an opportunity to provide advice

FY 2024 operating performance | Multinational

Multinational	2024	2023	% change	2023
Operating income (R million)	342	307	↑ 11	284
Total number of multinational consulting clients	103	95	↑ 8	79
Total number of active members	125 700	115 198	↑ 9	116 249

- Strengthened investment advisory offering in Namibia and Botswana
- Enhanced product development in Botswana and Namibia
- Embedded MNC value proposition and strengthened partnerships across the continent



Financial performance

Bruce Bydawell

FY 2024 financial highlights

Operating income¹
up **12%** to
R3 905 million

Organic growth **8%**
Acquisitive growth **4%**

Profit from operations²
up **2%** to
R801 million

excl IFRS 16, profit from
operations³ up 9%

**Headline EPS
from total
operations**
up **29%**
to **61.5 cps**

Final dividend
of **30 cps** taking
annual dividend up
19%

Special dividend
of **60 cps**

**Cash flow from
operations⁴**
remains strong at
R 1 073 million

Sound capital position
with a **regulatory
surplus** of
R1 949 million

**Total shareholder
return over 1 year of
39.2%** and
24% over 4 years

Return on equity⁵
of **12.8%**
(2023: 14.5%)

1. Operating income net of direct expenses
2. Profit from continuing operations before non-trading and capital items
3. Normalised profit from operations before non-trading and capital items (as per the segmental)
4. Cash flow generated from continuing operations
5. RoE in FY2024 includes impairment recognised in the year – excluding this expense RoE for FY2024 is 14.7%

Operating income

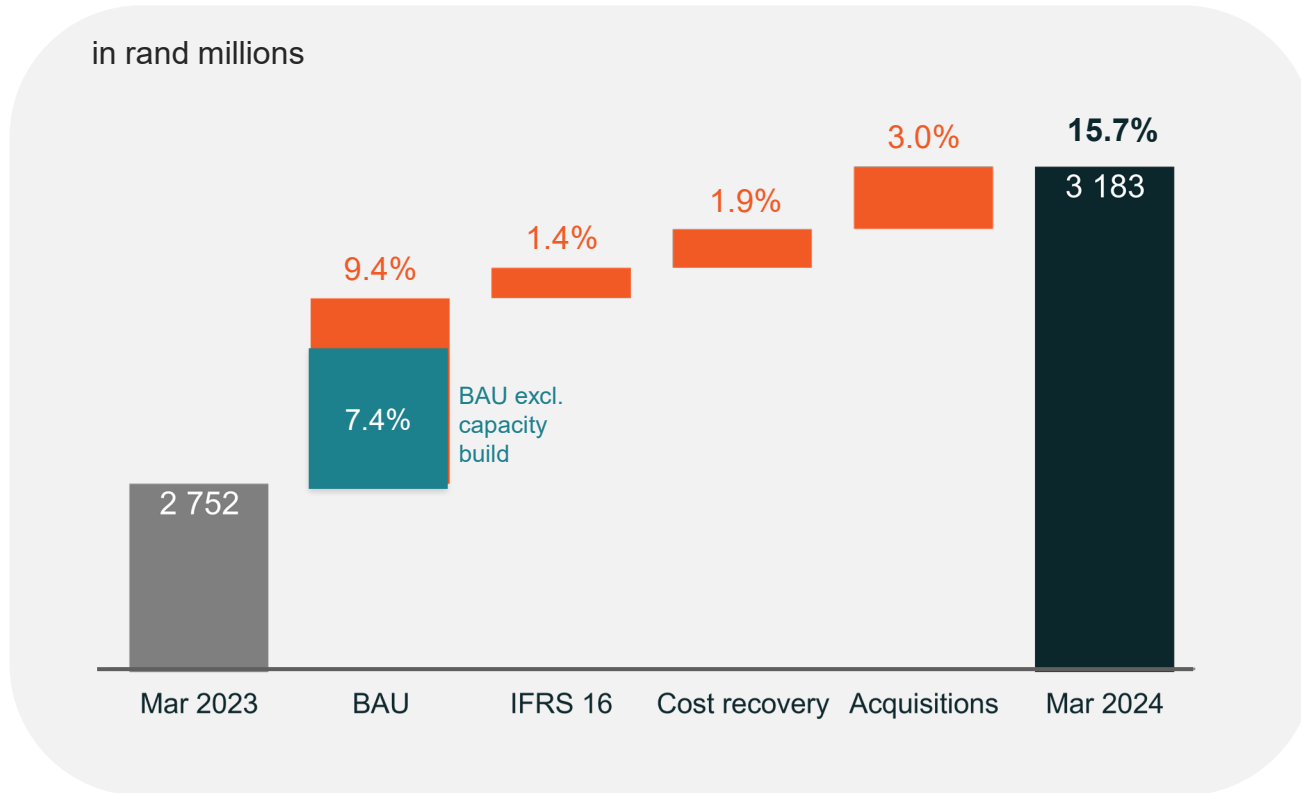
Growth in operating income in line with our growth strategy

R million	2024			2023	% change
	BAU	Acquisitions	Total	Total	
Retirement consulting	934	221	1 155	978	18
Healthcare consulting	363	-	363	356	2
Investments	1 625	-	1 625	1 468	11
Individual consulting	398	22	420	369	14
Multinational consulting	342	-	342	307	11
Total operating income	3 662	243	3 905	3 478	12

- Six businesses acquired over the past three years – most recently including OUTvest and TSA Administration
- In the current year, these businesses added R243 million to operating income and contributed R67 million to profit from operations
- Excluding acquisitions: retirement consulting is up 5% and total operating income is up 8%

Operating expense analysis

Business-as-usual expense growth in line with plan to invest in capacity

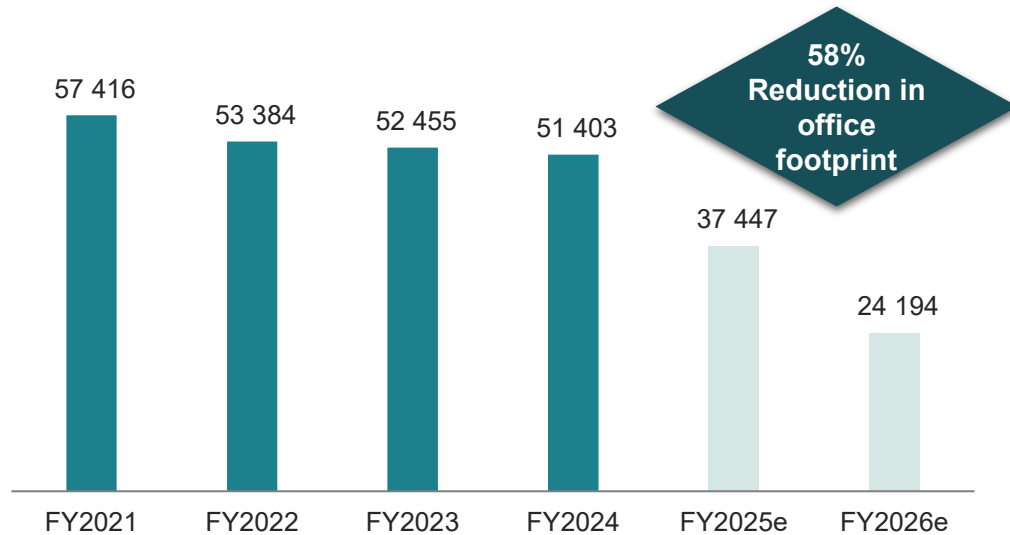


- Business as usual increase includes the investment in administration capacity
- One-off IFRS 16 lease adjustment in prior year
- The reduced cost recovery from discontinued operations of R54 million, prior to the disposal; that is now reflected in other income (R34m)
- Increase in expenses from businesses acquired
- 5-year CAGR: 7% (3-year CAGR 9%)

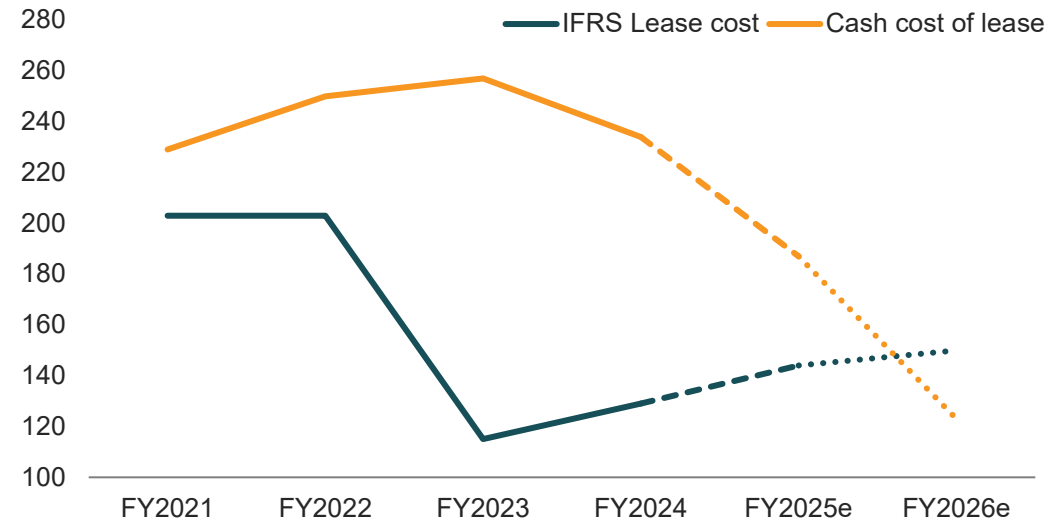
Property management

- 58% reduction in office space compared to 2021 (the group currently has 17 offices leased)
- 14% decrease in the actual underlying rental expense to R187 million
- 9% decrease in total property costs¹ to R234 million
- The actual cash cost of property leases will decline from the current year going forward
- The difference between the cash cost and IFRS lease cost is reflected in our adjustments to normalise profit from operations

Property footprint (sqm)



Property cost (R million)



1. Including utilities costs and operating costs less the rental income received

Operating expenses

Business-as-usual expense growth in line with plan to invest in capacity

R million	2024			2023	% change
	BAU	Acquisitions	Total	Total	
Personnel costs	1 916	99	2 015	1 750	15
Information technology	442	15	457	432	6
Premises	136	6	142	118	20
Professional fees	134	7	141	138	2
Regulatory and compliance costs	37	-	37	23	61
Recoveries from discontinued operations	-	-	-	(54)	na
Other	342	49	391	345	13
Total operating expenses	3 007	176	3 183	2 752	16

- Operating expenses reflect growth in capacity in our operations environment, impact of corporate transactions and inflationary pressures in current market environment
 - Headcount increase of 171 (7%), of which 79 relate to acquisitions and 88 relate to our investment in capacity
- Organic growth in operating expenses is 9%, excluding the impact of recoveries from discontinued operations and lease adjustments
- Our target for organic growth in expenses over the medium to long term is inflation plus 1%

FY 2024 Financial performance

Solid performance within the context of an uncertain economic environment

R million	2024	2023	% change	
Operating income	3 905	3 478	12	
Other income	79	60	32	▶ Interim support services provided to businesses disposed of
Operating expenses	(3 183)	(2 752)	16	
Profit from operations before non-trading and capital items	801	786	2	
Non-trading and capital items	(114)	(99)	15	▶ Impacted by impairment
Operating profit	687	687	-	
Net investment income	189	104	82	▶ Investment income (excl policyholder) for the group up 52% owing to higher interest rates earned from increased cash balances
Treasury shares	(1)	(1)	-	
Profit before taxation	875	790	11	
Income tax expense	(295)	(237)	24	▶ Effective tax rate (excl policyholder tax) of 30.9% impacted by non-deductible expenses and the impairment
Profit from continuing operations	580	553	5	
Profit from discontinued operations	112	161	(30)	▶ Profit includes release in reserves in the current year and the profit on sale of AFICA in the prior year
Profit for the period	692	714	(3)	

Normalised income statement

for the twelve months ended 31 March

R million	IFRS 2023	IFRS lease adj.	Amortisation of 2007 PE intangibles	Professional indemnity insurance cell-captive	Other*	Normalised 2023	% change	Normalised 2023
Operating income net of direct expenses	3 905	-	-	-	-	3 905	12	3 478
Other income	79	-	-	-	-	79	32	60
Operating expenses	(3 183)	(140)	-	-	-	(3 323)	13	(2 932)
Operating profit before non-trading and capital items	801	(140)	-	-	-	661	9	606
Non-trading and capital items	(114)	-	15	-	-	(99)	>100	(39)
Operating profit	687	(140)	15	-	-	562	(1)	567
Net investment income	189	36	-	-	(36)	189	47	129
Reported profit arising from accounting for policyholder investments as treasury shares	(1)	-	-	-	1	-	-	-
Profit before taxation	875	(104)	15	-	(35)	751	8	696
Income tax expense	(295)	28	(4)	-	36	(235)	16	(202)
Profit from continuing operations	580	(76)	11	-	1	516	4	494
Profit from discontinued operations	112	-	-	-	-	112	(30)	161
Profit for the period	692	(76)	11	-	1	628	(4)	655
Attributable to non-controlling interest	(20)	-	-	-	-	(20)	100	(10)
Profit attributable to owners of the company	672	(76)	11	-	1	608	(6)	645
Headline adjusting items	84	-	-	-	-	84	na	(116)
Headline profit attributable to owners of the company	756	(76)	11	-	1	692	31	529
Number number of shares								
Weighted average number of shares in issue (net of treasury shares)	1 230	-	-	-	-	1 230	-	1 232
Shares held by policyholders classified as treasury shares	1	-	-	-	-	1	-	1
Number of shares in issue	1 231	-	-	-	-	1 231	-	1 233
Earnings per share (cents)	54.7					49.4	(5)	52.3
Headline earnings per share (cents)	61.5					56.2	31	42.9

* Other consists of investment income and taxation payable on behalf of policyholders as well as the reported profit or loss arising from accounting for policyholder investment in treasury shares

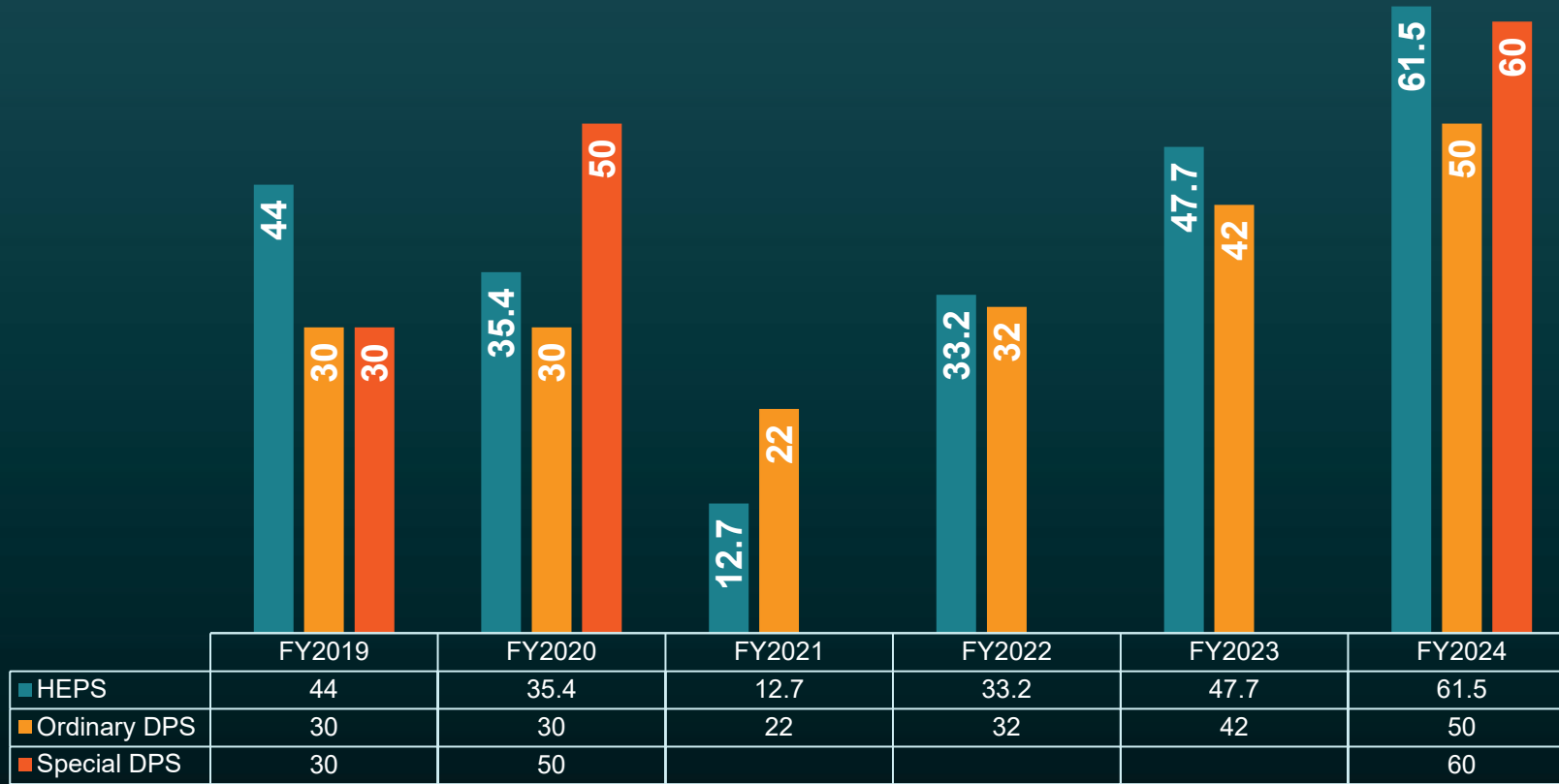
Non-trading and capital items

R million	2024	2023	% change
Amortisation of intangible assets from the 2007 private equity transaction	(15)	(29)	(48)
Professional indemnity insurance cell-captive result	-	(31)	100
Professional costs or corporate transactions	(20)	(16)	25
Goodwill written off	(33)	-	n/a
Intangible assets written off	(21)	-	n/a
Software written off	(36)	(18)	100
Other	11	(5)	>100
Total	(114)	(99)	15

- The increase in non-trading and capital items is attributable to the write-off of goodwill and associated intangible assets

Sustained financial performance

Total cash returned to shareholders of **R5 billion** since FY2019



Annualised **total** shareholder return over 4 years

24%

HEPS growth

15% (4-year CAGR)

DPS growth

14% (4-year CAGR)

Corporate balance sheet (excl. policyholder balances)

R million	2024	2023
Property, equipment and computer software	840	597
Goodwill & intangible assets	1 705	1 689
Financial assets and associates	758	696
Deferred tax asset	119	159
Trade and other receivables	410	476
Cash & cash equivalents	2 791	2 743
Assets of disposal group classified as held for sale	49	-
Total assets	6 672	6 360
Borrowings	(372)	(227)
Employee benefits	(143)	(143)
Deferred tax liabilities	(52)	(40)
Lease liabilities	(339)	(336)
Provisions and deferred income	(185)	(216)
Trade and other payables	(852)	(843)
Liabilities of disposal group classified as held for sale	(57)	-
Total liabilities	(2 000)	(1 805)
Total equity	(4 672)	(4 555)

Increase in property, equipment and software relates to:

- R118m increase in right of use asset - property lease
- R122m software development
- R43m acquisitions

- Goodwill and intangible mostly from the 2007 private equity transaction
- The increase in goodwill & intangible assets in the current year results from the TSA acquisition

Balance sheet not significantly leveraged

- Debt/equity ratio: 8.0%
- Debt/market cap: 4.5%

Summary of ratio analysis	2024	2023
Total shareholder return	32.9%	18.0%
Normalised return on equity ¹	12.8%	14.5%
Normalised return on TNAV	19.7%	22.2%

1. FY2024 RoE includes impairment recognised in the year – excluding this expense RoE for FY2024: 14.7%

FY 2024 Capital, available cash and return on equity

	2024	2023	% change	2022
Average equity ¹ (R million)	4 739	4 450	▲ 6	4 372
Average tangible NAV ² (R million)	3 091	2 910	▲ 6	2 997
Own funds (R million)	3 046	2 944	▲ 3	2 837
Solvency capital requirement (SCR)	1 097	1 428	▼ (23)	1 529
Regulatory surplus (R million)	1 949	1 516	▲ 29	1 308
Available cash as at 31 March (R million) before payment of dividends	1 172	933	▲ 26	574
Return on equity ³ (%)	12.8	14.5	▼ (1.7)	11.2
Return on tangible NAV (%)	19.7	22.2	▼ (2.5)	16.3

1. The average equity excludes policyholder treasury shares that are held for benefit of policyholders and shares purchased in terms of share schemes (the voting rights attached to these treasury shares are not Alexforbes rights)
2. Average tangible net asset value excluding intangible assets and the related deferred tax
3. RoE in FY2024 includes impairment recognised in the year – excluding this expense RoE for FY2024 is 14.7%



Outlook

Dawie de Villiers



Prospects

Alexforbes has been reconfigured, is focused, and working well, which provides a solid foundation for organic growth and acquisitions

Winning in our core lines of business

Investment destination

Retail

Digital transformation

Two-pot implementation

Alexforbes Impact Advisory

New revenue and consulting opportunities to enhance our integrated value chain

Geared for growth

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