



Interim results presentation

For the six months ended
30 September 2024



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The discussion and analysis of the results contained in this presentation have been based on the unaudited Alexander Forbes Group Holdings Limited (the group or Alexforbes) condensed consolidated interim results for the six months ended 30 September 2024 (interim results). The group's interim results include the condensed consolidated income statement, condensed consolidated statement of other comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and the notes to the condensed financial statements. These results are prepared in accordance with the framework concepts and the measurement and recognition requirements of: IFRS Accounting Standards as issued by the International Accounting Standards Board and also at a minimum contain the information required by IAS 34 Interim Financial Reporting, the JSE Limited (JSE) Listings Requirements, the South African Institute of Chartered Accountants' (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act applicable to consolidated financial statements.

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Agenda

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● Growth continues

Alexforbes at the intersection of regulatory change, employee benefits and retail

Unprecedented direct engagement with members

Core business lines continue to strengthen

Taking the lead in sustainability consulting

H1 2025 highlights

Operating
income¹
up **12%** to
R2 140 million

Profit from
continuing
operations²
up **13%** to
R447 million

Headline EPS
from total
operations
up **3%** to
28.4 cps

Interim dividend
up **10%** to
22 cps

New business³
R76 million
in annualised
revenue across
core businesses

Retail new
business flows
up **18%** to
R11.7 billion

Total closing assets⁴
up **25%** year on year
to **R568** billion

Total number of
active members⁵
at **1.1** million

1. Operating income net of direct expenses

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

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

4. Total assets include closing assets under management and assets under administration. Average assets up 17% year on year to R544 billion

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

Recognition

In the pursuit of excellence



Diamond Award
South Africa
Pension Fund
Administrators &
Consultants

16 years in a row



Diamond Award
Namibia
Pension Fund
Administrator



Diamond Award
Namibia
Employee Benefits
Administrators &
Consultants



Diamond Award
Namibia
Consulting &
Actuarial Firm

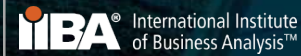


Best Investment
Survey Provider

2024



Legacy Award
Contribution to
Transformation



Business Analysis
Advancement



Top Employer
Status

2024



Evolutions in
employee benefits
and advice

Retirement Fund
of the Future



Evolutions in
investments

Retirement
Navigator



Bronze Award

Integrated
Campaigns:
Alexforbes





Operating performance

Dawie de Villiers

:alexforbes
insight · advice · impact

H1 2025 operating performance | Retirements

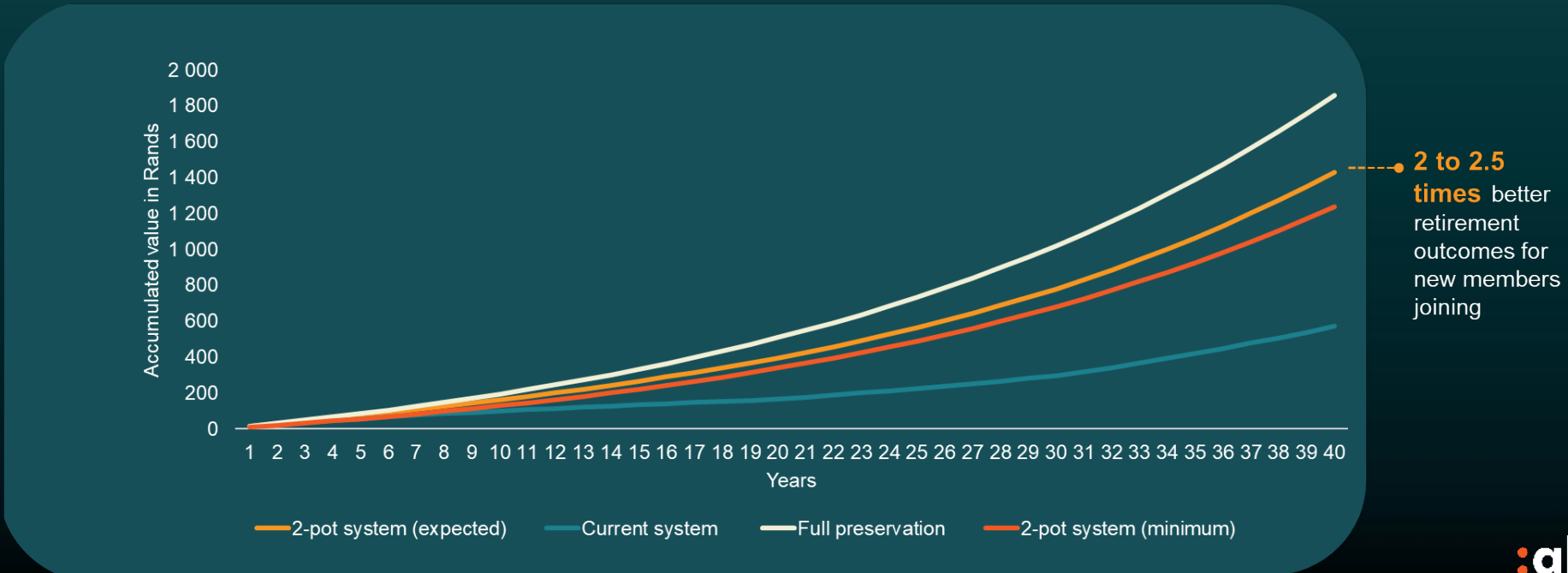
Retirements	H1 2025	H1 2024	% change	FY 2024
Operating income (R million)	660	556	19	1 155
Total number of active members	1 102 765	1 114 764	(1)	1 094 402
Number of participating employers in umbrella funds	1 953	1 881	4	1 870
Umbrella AuM (R billion)	159.3	117.5	36	134.0

- Operating income growth underpinned by organic and acquisitive growth
 - Payroll increases within our client base
 - Higher than expected two-pot withdrawal claims volumes
 - Consolidation of corporate transactions concluded in previous financial years
- Umbrella offering attracting large clients
- Efficiency projects continue

1 September is the inflection point for members

Alexforbes at the intersection of regulatory change, employee benefits and retail

- Compulsory preservation of retirement pot now in effect
- Members will have to make a decision
- Retirement benefit counselling, financial advice and digital exits available to help members
- Increased preservation of all pots expected
- Long-term impact on members is positive



Unprecedented member engagement

AF Connect users

Total number of logins from 1 Sep to 31 Oct

4m+

SARS

Total number of tax applications and value received by SARS by 18 Nov

2m+
R35 bn+

Accessed digital counselling

Via the MyMoneyMatters site

550 000

Walk-in centres

Number of members served

10 000+

Claims by 28 Nov

Number and value of savings pot claims received

350 000
R6.5bn

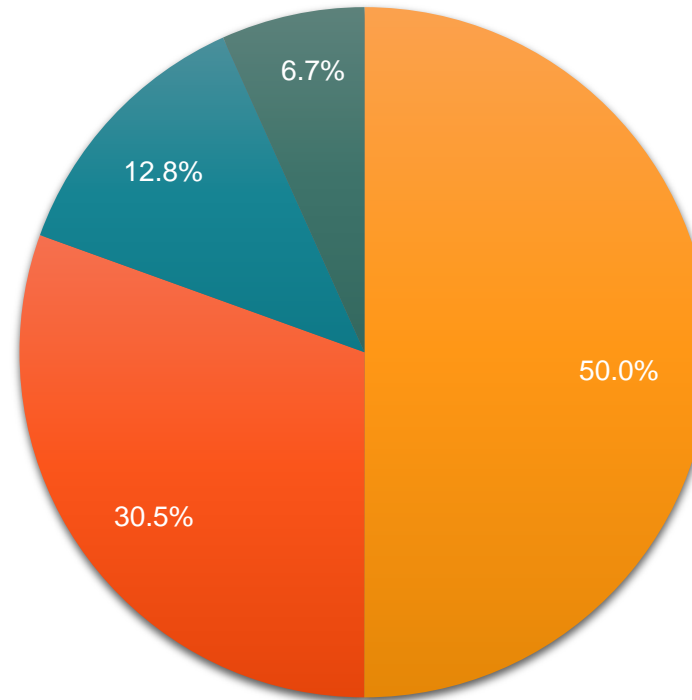
Contact centres

Total number of calls and emails to our contact centre

260 000+



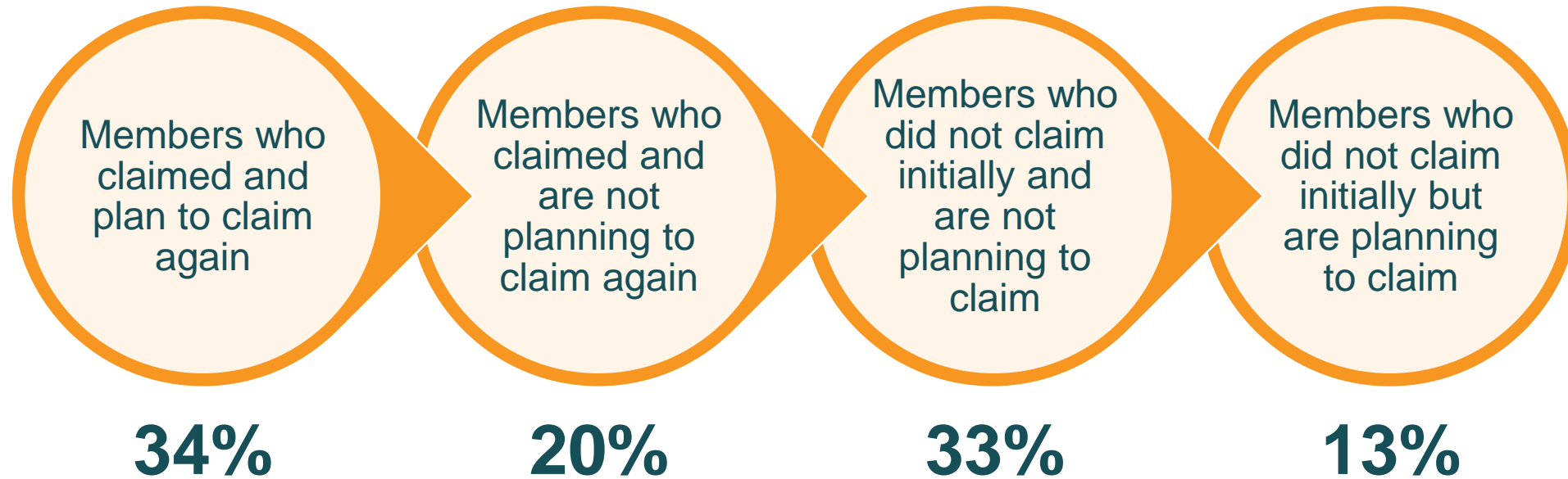
- Two-pot withdrawals used for debt repayment and essential living expenses



■ Debt Repayment ■ Essential Living Expenses ■ Major Purchases ■ Other*

* Other includes Financial investment, home improvement, medical bills, education and vehicle maintenance
Source: Alexforbes Retirement Fund Member Survey November 2024 – 8 224 responses analysed

47% of members plan to claim in the future



36% of members planning to make a claim express uncertainty due to concerns about taxes or their eligibility

Expected macroeconomic impact of two-pot withdrawals

- Initial pension withdrawal expectations range from R37 billion to R100 billion in 2024, with an additional withdrawal of R20 billion to R60 billion in 2025
- **The impact on GDP growth is expected to be marginal** with incremental increase to GDP growth as follows:
 - 0.1% to 0.3% in 2024
 - 0.2% to 0.7% in 2025
- **The impact on inflation is negligible**
- **The impact on the fiscus is expected to be more meaningful.** Better tax receipts could improve the debt-to-GDP ratio by:
 - 0.5% to 1.1% in the 2024/2025 tax year, and
 - 0.8% to 2.3% in the 2025/2026 tax year
- **Market:** Analysts expect about R7 billion to R17 billion of fixed-rate SAGB selling to fund withdrawals, which should be negligible for price action

H1 2025 operating performance | Healthcare

Healthcare	H1 2025	H1 2024	% change	FY 2024
Operating income (R million)	184	182	1	363
Total number of healthcare broking members	223 087	230 395	(3)	231 363
Total number of healthcare members under advice	766 115	794 014	(4)	793 660

- The business continues to be stable, with medical scheme commissions limited to the statutory cap on increases and inflation-adjusted increases
- Our health consulting business provides insight and advice to our clients
 - Most recently the team launched a toolkit to help clients understand the potential impact of NHI bill, offering scenario-based advice to help corporate clients prepare for potential changes

H1 2025 operating performance | Multinational

Multinational	H1 2025	H1 2024	% change	FY 2024
Operating income (R million)	182	164	11	342
Total number of multinational consulting clients	107	99	8	103
Total number of active members	128 005	121 781	5	125 700

- Botswana delivered topline growth of 8%, led by consistent client retention and new business wins in the prior year
- Namibian multi-manager investment income and growth in admin fees contributed to the above inflationary growth of 15%
- Channel Islands reported a 10% increase in operating income due to growth in the annuity advisory business and new business wins in wealth management

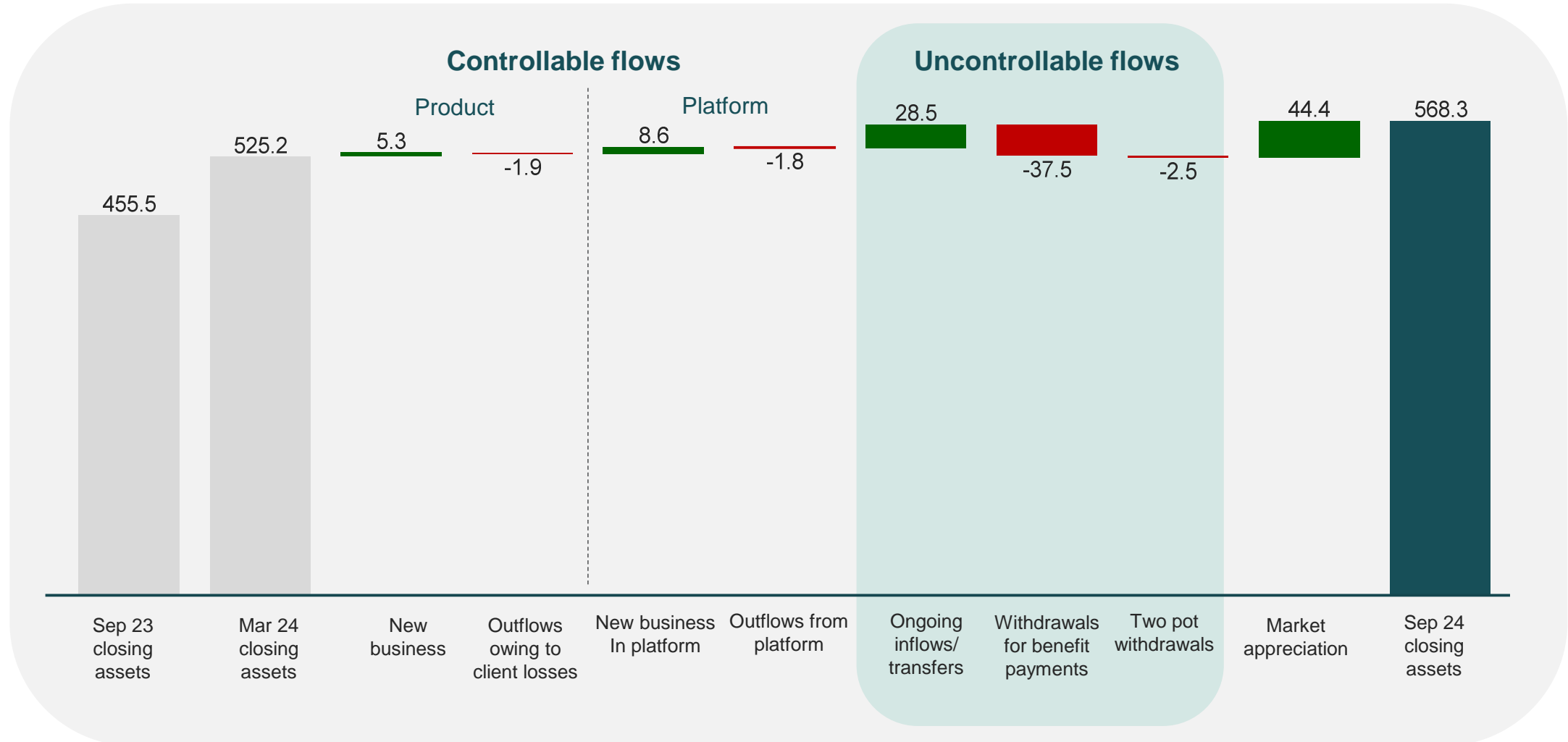
H1 2025 operating performance | Investments

Investments	H1 2025	H1 2024	% change	FY 2024
Operating income (R million)	886	800	11	1 625
Average assets under management (R billion)	433.4	392.7	10	398.1
Closing total assets (R billion)	568.3	455.5	25	525.2
Net controllable institutional flows (R billion)	10.2	(0.3)	>100%	36.1
Net cash flows (R billion)	(0.7)	(7.1)	90	22.7
Blended market return (%)	17.1	12.8	-	11.0
Institutional blended margin (bps)	27.6	28.9	(1.3) bps	28.4

- Operating income growth owing to higher average assets under management and market performance
- Significant increase in net controllable institutional flows into our product and platform offering
- Cumulative two-pot withdrawal of R2.5 billion from Alexforbes portfolios for the period
- Institutional blended margin lower due to product mix – with the large increase in platform assets

Total assets¹ up 25% year-on-year

Movement in total assets (R billion)



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

● ● 'No matter your goals, you're in the right place'

Alexforbes positioned as an Investment Destination

26 years of investment impact

Unmatched local and global access

Enviably track record of performance

Heavyweight influence in industry



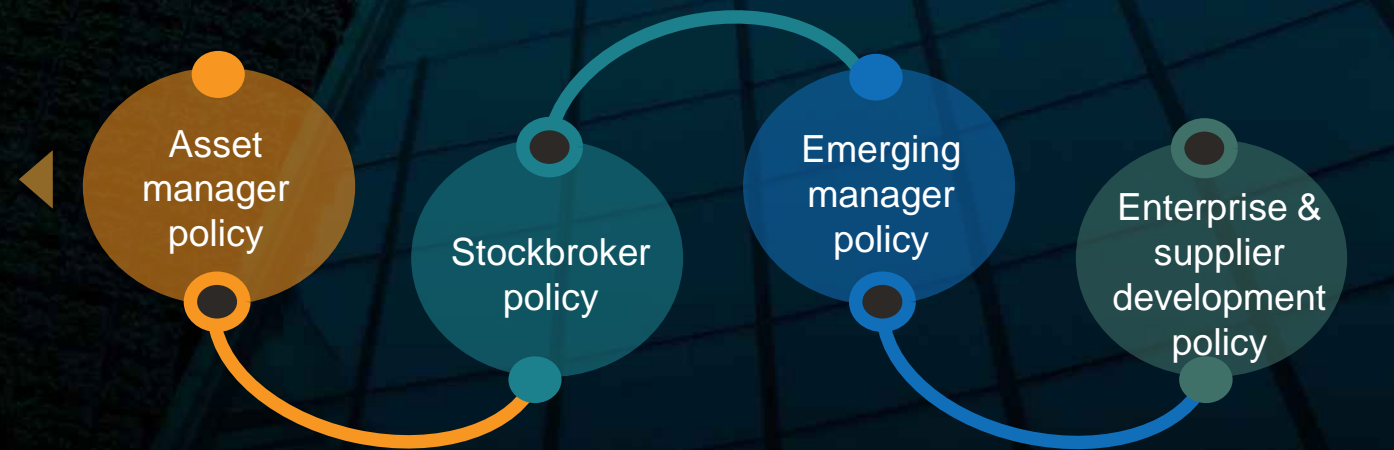
Alexforbes Investments Transformation Policy

Diversity adds value

- The policy is designed to
 - promote diversity and broad-based representation in the asset management industry
 - to create a meaningful contribution to the sustainability and relevance of South Africa's asset management industry
- Guides our activities to invest in initiatives or support investment companies and professionals that contribute to the growth and transformation of the South African economy
- Launched in May 2022 (with an implementation date of 1 July 2025)

For asset managers, the requirements are:

- Attain a minimum **Level 3 B-BBEE** contributor status
- Achieve a minimum **40% representation** of black investment professionals
- **16% must be black women** investment professionals
- **40% representation** by black individuals in senior management.



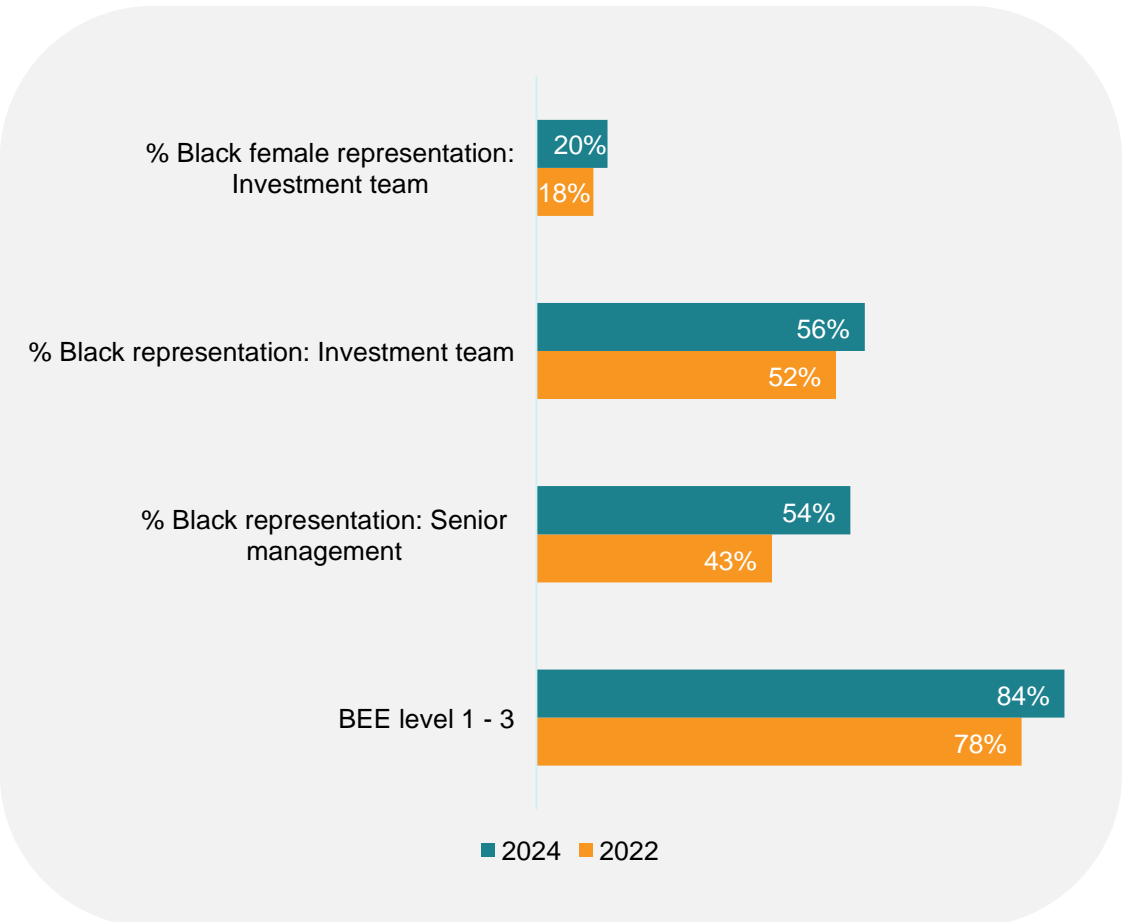
Broad-based and multi-pillar



Encouraging progress

Since launching the policy, we have engaged in over 200 formal and informal interactions

- About 70% of traditional managers in our portfolios have met all four of the policy requirements
- Almost 92% of traditional managers in our portfolios have met three out of the four of the policy requirements
- Overall, hedge fund managers have improved since the launch of the policy
- Black female representation in the investment teams and Black senior management are critical to address in some organisations
- We will continuously engage with managers



H1 2025 operating performance | Individual consulting

Individual Consulting	H1 2025	H1 2024	% change	FY 2024
Operating income (R million)	228	209	9	420
Closing assets under advice (R billion)	104.0	91.2	14	98.6
Average assets under management ¹ (R billion)	98.6	90.3	9	91.7
New business flows (R billion)	11.7	9.9	18	20.8
AFRIS assets under management (R billion)	27.6	20.7	33	23.9

1. Alexforbes Investments retail AuM

- Operating income impacted by
 - New business inflows and positive market performance
 - Increased placement of clients in the current period (and PY) into guaranteed annuities given pricing dynamics
- Growth strategy on-track
 - Tightened links with corporates through our retirements capability
 - Significant engagement with members via wellness days, retirement seminars and two-pot education sessions
 - Added 10 new advisers since March 2024 – total adviser force now at 260

● ● Retail strategy on target

Digital transformation

Investment Solutions by Alexforbes (DFM)

AF Invest integration underway

IFA focused team capacitated and active

Expanding market presence

A transforming adviser force – 45% female



Financial performance

Bruce Bydawell

alexforbes
insight · advice · impact

H1 2025 financial highlights

Operating
income¹
up **12%** to
R2 140 million

Profit from
operations²
up **13%** to
R447 million

Headline EPS
from total
operations
up **3%**
to **28.4** cps

Interim dividend
up **10%** to
22 cps

Cash flow from
operations³ at
R373 million down
16% due to timing
differences relating to
working capital

Sound capital position
with a regulatory
surplus of
R957 million
(1.9 times cover)

Total shareholder
return over 1 year of
32.8% and
46.9% p.a.
over 4 years

Return on equity⁴
of **13.1%**
(FY 2024: 12.8%)

Return on TNAV⁵
of **20.5%**
(FY 2024: 19.7%)

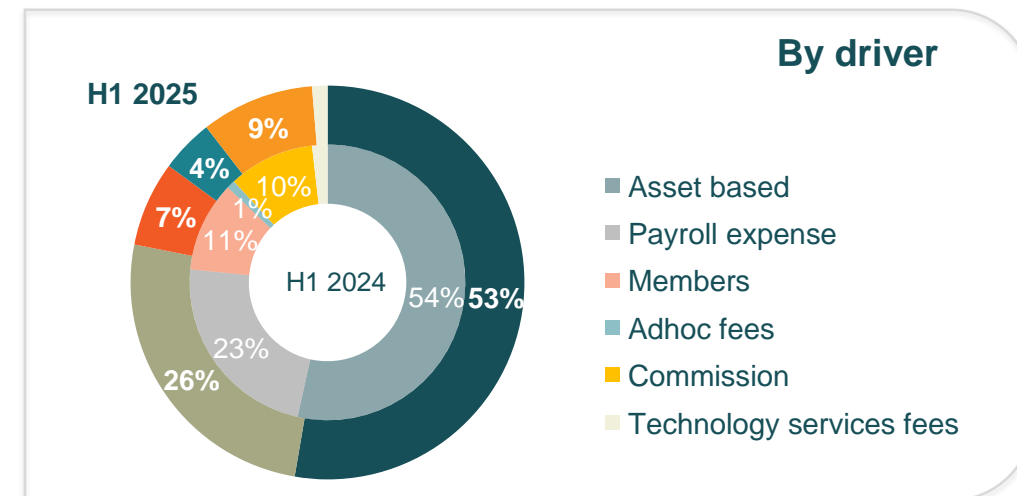
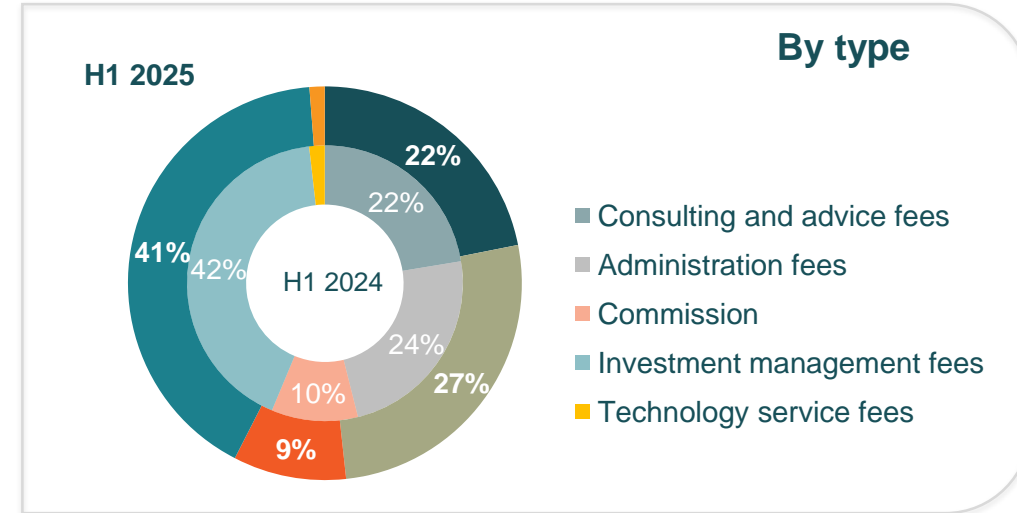
1. Operating income net of direct expenses
2. Profit from continuing operations before non-trading and capital items
3. Cash flow generated from continuing operations
4. Normalised return on equity (RoE) is based on LTM and includes impairment recognised in FY2024 – excluding this expense RoE is 15.0%
5. Normalised return on tangible net asset value is based on LTM. Tangible net asset value excludes goodwill and intangible assets

Analysis of operating income

Growth in operating income backed by strong markets, new business and acquisitions

R million	H1 2025	H1 2024	% change
Retirement consulting	660	556	19
Healthcare consulting	184	182	1
Investments	886	800	11
Individual consulting	228	209	9
Multinational consulting	182	164	11
Total operating income	2 140	1 911	12

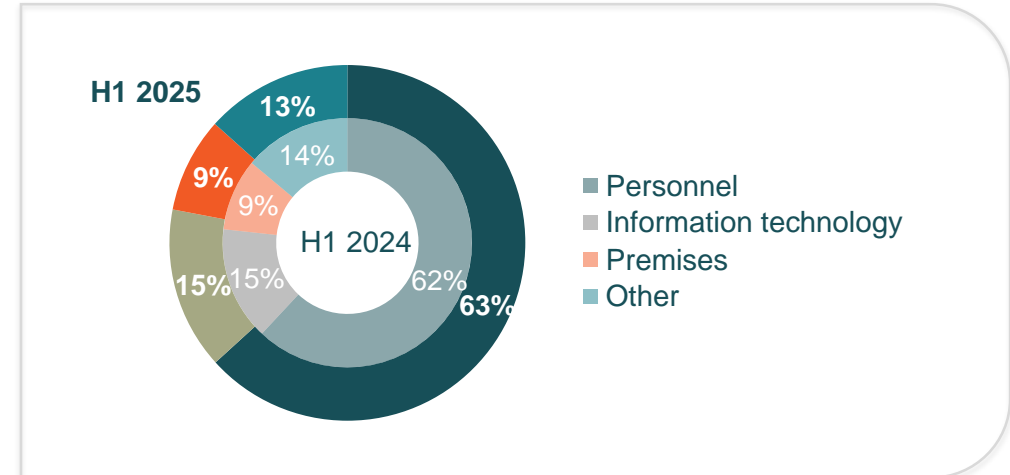
- Growth in retirements due to new mandates, acquisitions and administrative fees charged on claims administration
- Investments results reflects strong market growth as well as lower blended margin owing to significant increase in platform assets
- Continued strong new business in individual consulting



Operating expense analysis

Operating expenses include the impact of acquisitions in line with expectations

R million	H1 2025	H1 2024	% change
Personnel costs	1 091	972	12
Information technology	260	231	13
Premises	149	146	2
Other	224	210	7
Total operating expenses	1 724	1 559	11



- Organic growth in operating expenses is 8%
- Expenses relating to two-pot impacting growth in expenses (excluding capex development)
- Required technology investment increasing due to direct member interface
- Property costs will decrease in H2 due to new lease inception for 115 West (Sandton)
- Our target for organic growth in expenses over the medium to long term remains between 6% and 8% p.a.

H1 2025 financial performance

For the six months ended 30 September 2024

R million	H1 2025	H1 2024	% change
Operating income	2 140	1 911	12
Other income	31	42	(26)
Operating expenses	(1 724)	(1 559)	11
Profit from operations before non-trading and capital items	447	394	13
Non-trading and capital items	(3)	(13)	(77)
Operating profit	444	381	17
Net investment income	71	90	(21)
Treasury shares	-	(1)	-
Profit before taxation	515	470	10
Income tax expense	(148)	(131)	13
Profit from continuing operations	367	339	8
Profit from discontinued operations	(4)	9	(>100)
Profit for the period	363	348	4

Decrease in sub-rental income and lower technology-related support services to third parties

Decrease in investment income due to lower average cash balances and increased finance costs

Corporate balance sheet (excl. policyholder balances)

Change in capital structure

R million	Sep 2024	Mar 2024
Goodwill & intangible assets	1 706	1 705
Property, equipment and computer software	831	840
Deferred tax asset	106	119
Financial assets	654	758
Trade and other receivables	510	410
Cash & cash equivalents	2 091	2 791
Assets of disposal group classified as held for sale	46	49
Total assets	5 944	6 672
Borrowings	(788)	(372)
Employee benefits	(164)	(143)
Deferred tax liabilities	(53)	(52)
Provisions	(172)	(185)
Lease liabilities	(263)	(339)
Trade and other payables	(656)	(852)
Liabilities of disposal group classified as held for sale	(59)	(57)
Total liabilities	(2 155)	(2 000)
Total equity	(3 789)	(4 672)

Decrease in cash & cash equivalents due to payment of the special dividend in the current period

Increase in borrowings due to draw-down on the general banking facility

H1 2025 Capital, available cash and return on equity

	Sep 2024	Mar 2024	% change	Sep 2023
Average equity ¹ (R million)	4 534	4 739	(4)	4 626
Average tangible NAV ² (R million)	2 900	3 091	(6)	3 009
Own funds (R million)	2 065	3 046	(32)	2 861
Solvency capital requirement (SCR)	1 108	1 097	1	1 087
Regulatory surplus (R million)	957	1 949	(51)	1 774
Available cash (R million) before payment of dividends	657	1 172	(44)	863
Return on equity ³ (%)	13.1	12.8	-	16.8
Return on tangible NAV ⁴ (%)	20.5	19.7	-	25.9

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. Tangible net asset value excludes goodwill and intangible assets
3. RoE is based on LTM and includes impairment recognised in FY2024 – excluding this expense RoE is 15.0%
4. Return on TNAV is based on LTM



Outlook

Dawie de Villiers

alexforbes
insight · advice · impact

Prospects

Our purpose is to pioneer insight to deliver advice and solutions that impact people's lives

Two pot as the inflection point

Investment destination

Retail focus

Automation leading to efficiency

Winning in our core lines of business

Pioneering sustainability consulting

Alexforbes celebrates 90 years of impact in 2025!



Questions

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