

OLDMUTUAL



DO GREAT THINGS EVERY DAY

CAPITAL MARKETS DAY 2025

UNLOCKING — VALUE — & GROWTH POTENTIAL

Charting a clear course to
unlocking shareholder value



AGENDA

- 1 RECAP: MEDIUM TERM TARGETS**
- 2 TEACH-IN: GROUP EQUITY VALUE**
- 3 CASH GENERATION, DIVIDENDS AND CAPITAL ALLOCATION**



Key metrics for value creation



During the *unlocking value phase*, our immediate priority is to get our KPI's consistently into range
 During the *generating growth phase*, targets may be revised upwards

		Old targets (Medium-term)		New targets (Medium-term)	
Financial indicators	Value Maximisation	RoGEV		14% to 16%	
		Dividend per share growth 3-year rolling target		6% to 9%	
	Efficiency & Competitiveness	RoNAV	Group: COE + 2% Excl. OM Bank: COE + 2 - 4%	➤	15% to 17%
		VNB Margin	2% - 3%	➤	2% to 3%
		Net Underwriting Margin OM Insure	4% - 6%	➤	5% to 8%



TEACH-IN: GROUP EQUITY VALUE

Additional focus on long term value creation

Diversified financial services business including insurance requires multiple reporting frameworks

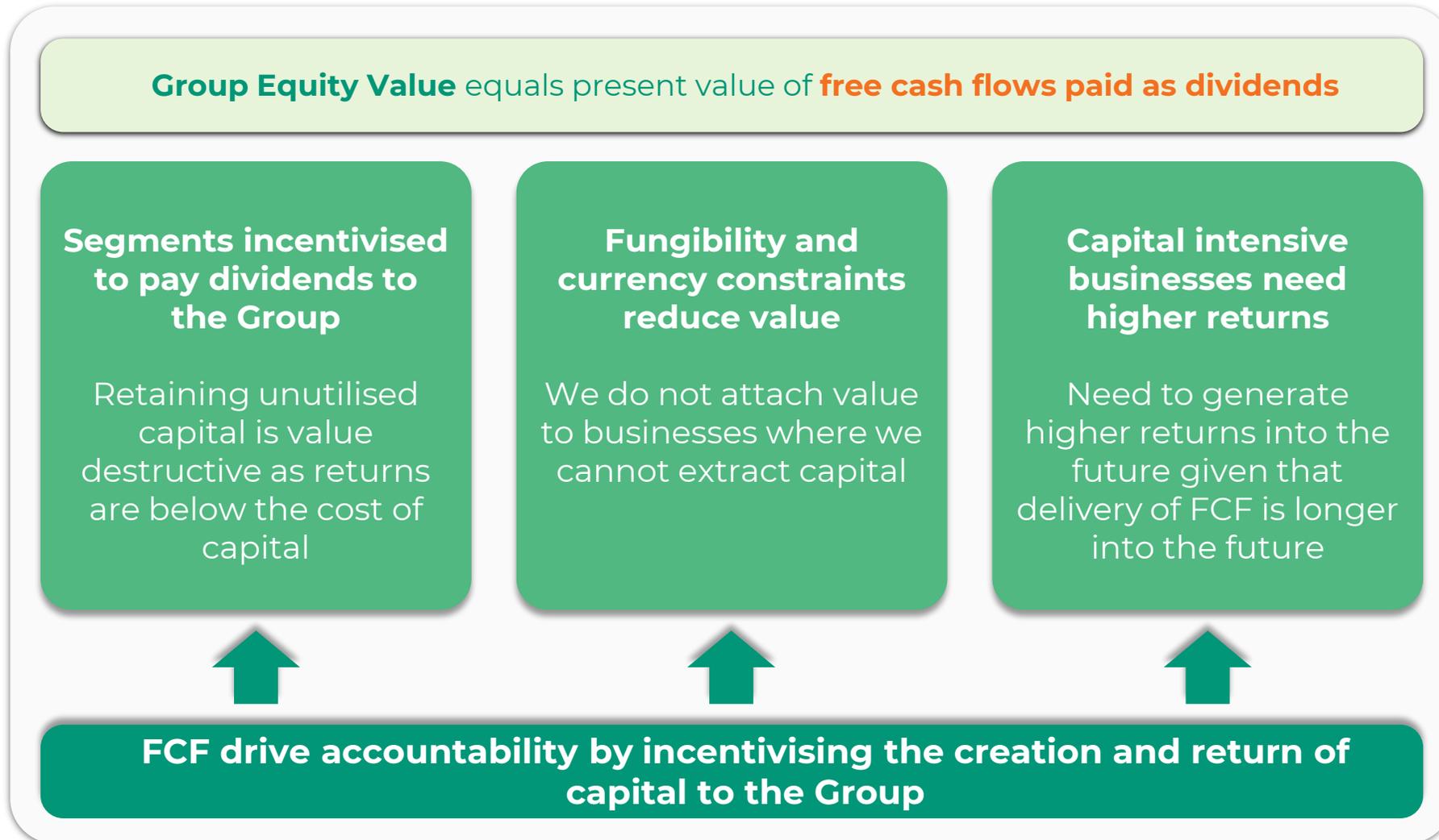


	IFRS reporting	Regulatory reporting	Value reporting
Why	<ul style="list-style-type: none">• Timing of profit emergence in life businesses driven by CSM• Short term performance in other businesses	<ul style="list-style-type: none">• Customer protection through capital and liquidity requirements <p>Underpins dividends and cash generation</p>	<ul style="list-style-type: none">• Consistent and holistic across lines of business• Considers both the short term and the long term
Key metrics	Results from operations Adjusted headline earnings Return on net asset value	Solvency ratio	Group equity value Return on group equity value Value of new business

Value reporting provides a consistent framework across lines of business, capturing all future cashflows, ensuring management actions are aligned with long-term value creation

Value creation and free cash flows (FCF)

Free cash flows are the foundation of how we think about value creation



How we measure value across a diversified business

Different method but same principle of free cash flows for covered and non-covered business



Group Equity Value equals present value of **free cash flows paid as dividends**

Group equity value

Covered business: Embedded value

Adjusted net worth
(adjusted equity)



Value in-force



Non-covered business: Fair value

Fair value model
(dividend discount model)

OR

Adjusted net worth

● Covered
65% of GEV

● Non-covered
35% of GEV

Diverse lines of business

Old Mutual Life and Savings ● ●

Old Mutual Banking ●

Old Mutual Investments ●

Old Mutual Insure ●

Old Mutual Africa Regions ● ●

Non-covered business

Primarily based on dividend discount model



Valuation models

**Non-covered business:
Fair value**

**Fair value model
(dividend discount model)**

OR

**Adjusted net worth/Net
asset**



Methodology

Dividend discount model

- Uses projected dividends from most recent forecast (minimum 3 year projections)

Net asset value / Adjusted net worth

- Allowed where future returns are expected to be in line with OML's cost of capital.



Dividend discount model key assumptions

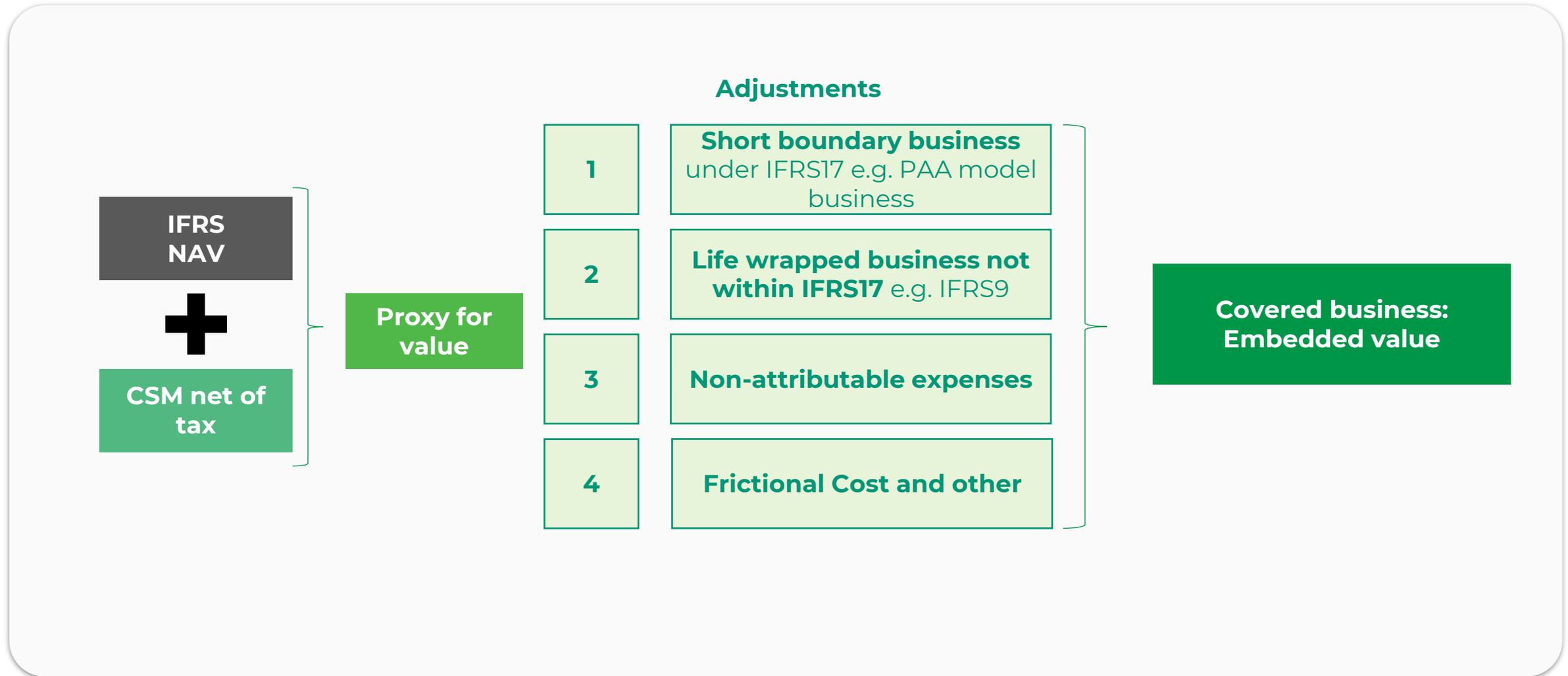
**Discount Rate = risk-free rate +
(Equity risk premium*beta) +
adjustments**

The **terminal growth** rate is based on **CPI + GDP**. This assumes that the entity will retain its existing market share.

Why embedded value is an important bridge from IFRS to assess value



IFRS NAV to embedded value



How we build up to embedded value

IFRS NAV to embedded value



IFRS NAV



Covered business:
Embedded value

IFRS a proxy for value

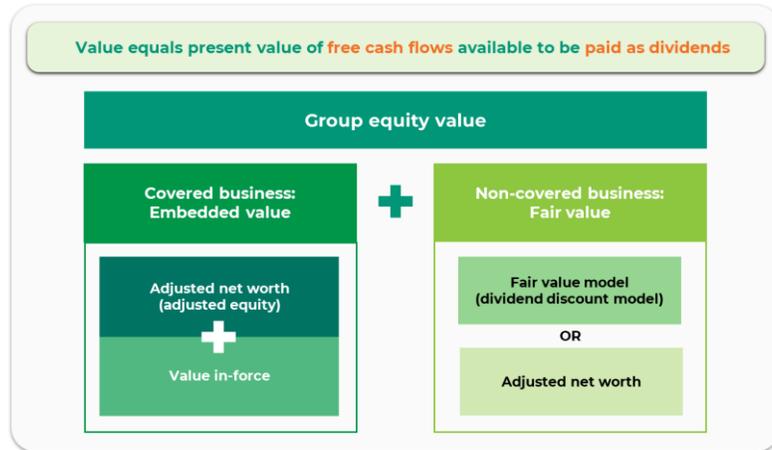


Return on GEV (RoGEV)

Measure of long term shareholder value creation



RoGEV methodology



$$\text{RoGEV} = \frac{\text{Adjusted GEV earnings}}{\text{Opening GEV}}$$

$$\text{Adjusted GEV earnings} = \begin{aligned} &\text{Closing GEV} \\ &\text{Less: Opening GEV} \\ &\text{Plus: Returns to shareholders} \\ &\text{Less: Capital inflows} \\ &\text{Plus/less: Economic variances} \end{aligned}$$

Medium term target

14% to 16%

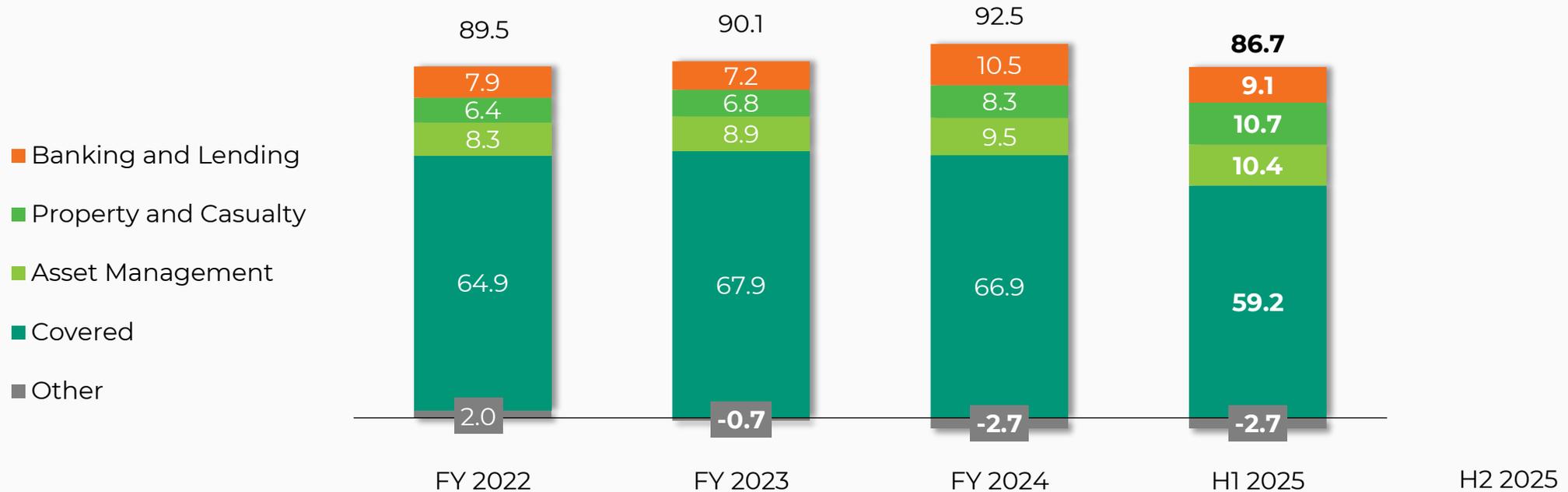
Historical group equity value

Previous disclosure focused on lines of business – will move to segmental value disclosures



Group equity value

Rbn



Dividends paid

Share buybacks

Dividends paid	3.6	4.0	4.0	2.5	1.7
Share buybacks	-	1.5	1.0	-	3.0

Reviewed persistency and cost of capital basis at half year. Other bases being reviewed as part of annual cycle and the business planning process underway.

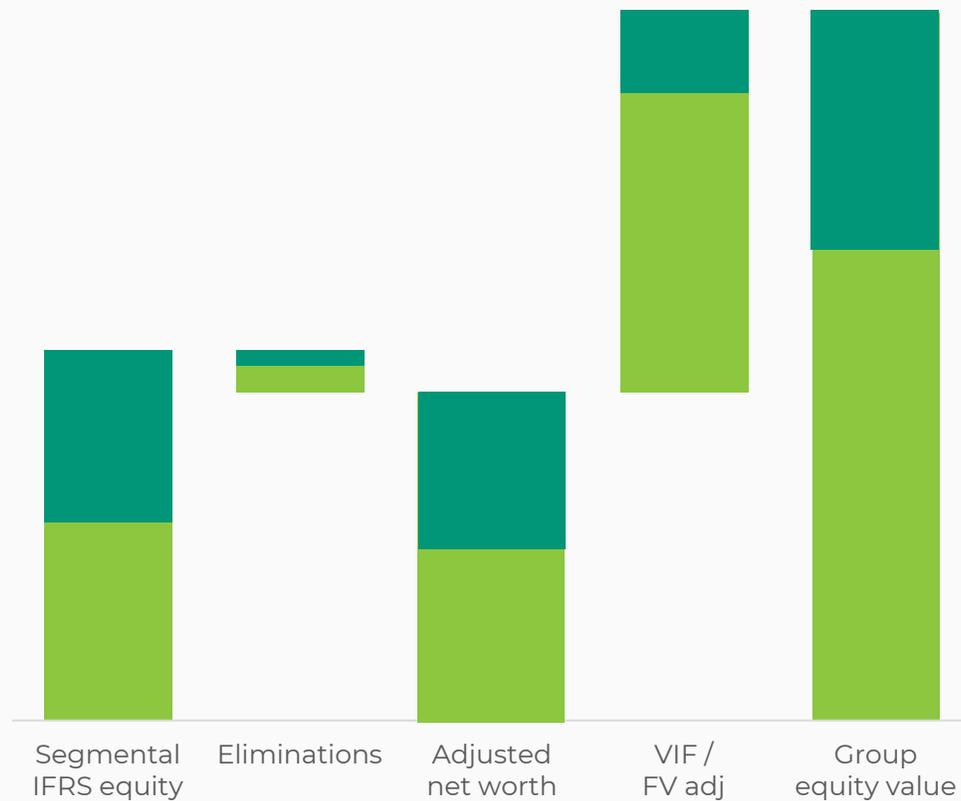
Segmental value disclosures going forward

Additional disclosures from 2026 financial year to support pivot to value



IFRS equity to group equity value reconciliation

■ Covered ■ Non-covered



Change in group equity value

■ Covered ■ Non-covered





CASH GENERATION, DIVIDENDS AND CAPITAL ALLOCATION

Capital management framework

Systematic approach to value creation remains the foundation for capital management



Considered capital deployment

**Cash remitted
from subsidiaries**

Ordinary dividends

Discretionary capital



**Returning capital
Reinvesting capital**

Balance sheet efficiency

RONAV

Group

Excluding OM Bank



**Capital
optimisation**

Balance sheet strength

**Appropriately balanced
for protection and potential**

Group shareholder solvency ratio

Group liquidity

Asset liability management

Shareholder investment portfolio

Solvency levels

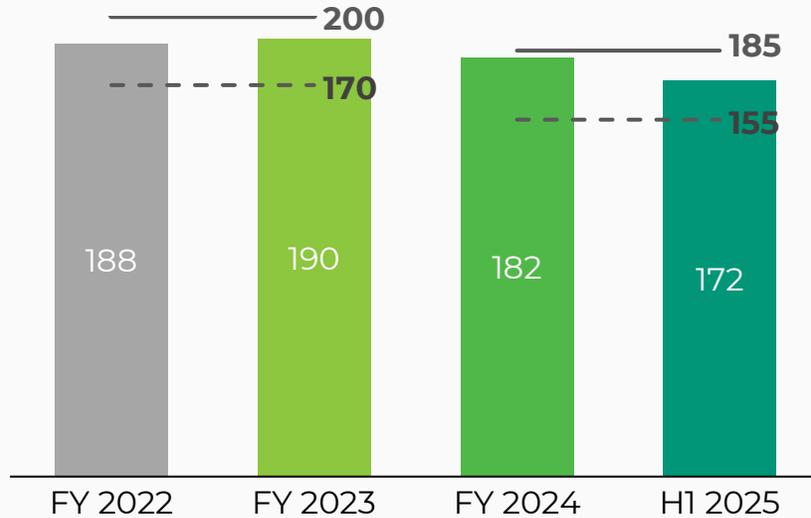
Strong solvency position in OMLACSA and the Group with opportunity for further optimisations



OML shareholder solvency ratio

%

— Upper bound
- - - Lower bound



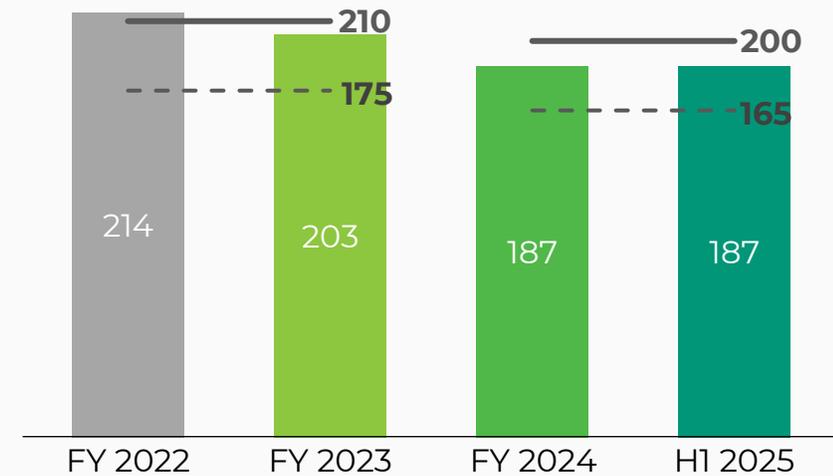
OML shareholder solvency ratio is **strong and within the solvency target range** over the period indicating the strength of the balance sheet

Reduction in H1 2025 due to R3bn share buyback

OMLACSA regulatory solvency ratio

%

— Upper bound
- - - Lower bound



The OMLACSA solvency position is **strong and well within the solvency target range**

H1 2025 ratio has remained stable

Robust balance sheets and continued optimisations within OMLACSA to free up excess solvency and liquidity

Debt management



Well managed balance sheet with low gearing supported by diverse liquidity

OML gearing ratio

%

— Upper bound
- - - Lower bound



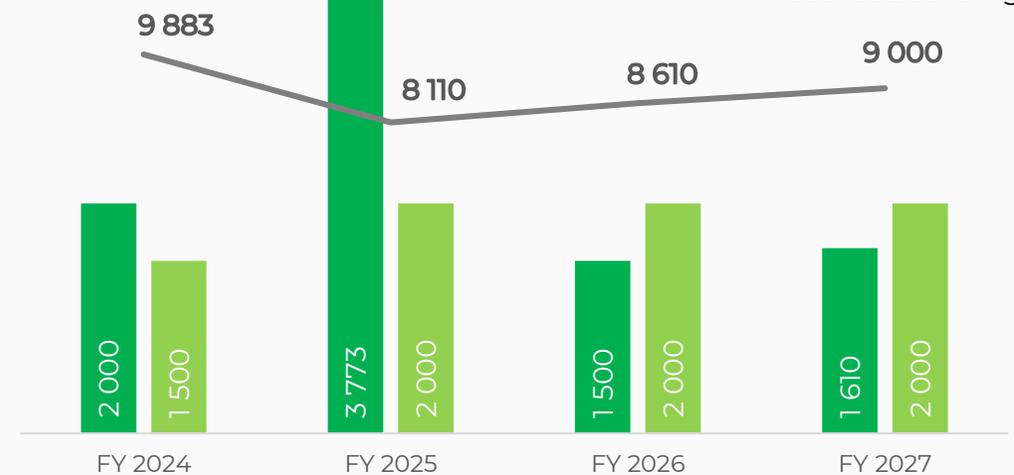
The gearing ratio represents the level of debt **supporting the capital structure** relative to the closing adjusted IFRS equity

Debt capacity remains well within the optimal gearing range of 15% to 20%

OMLACSA subordinated debt

Rm

■ Maturity
■ Issuance
— Total outstanding debt



The OMLACSA subordinated debt programme plans to issue R2bn each year, resulting in a **smooth maturity profile** post 2025

The full R2bn of the approved 2025 subordinated debt has been issued

Diverse liquidity pools include assets backing capital, policyholder liabilities, external revolving credit facilities and liquid shareholder funds

Cash generation and allocation

Significant returns to shareholders with increasing contributions from Old Mutual Insure and Old Mutual Africa Regions

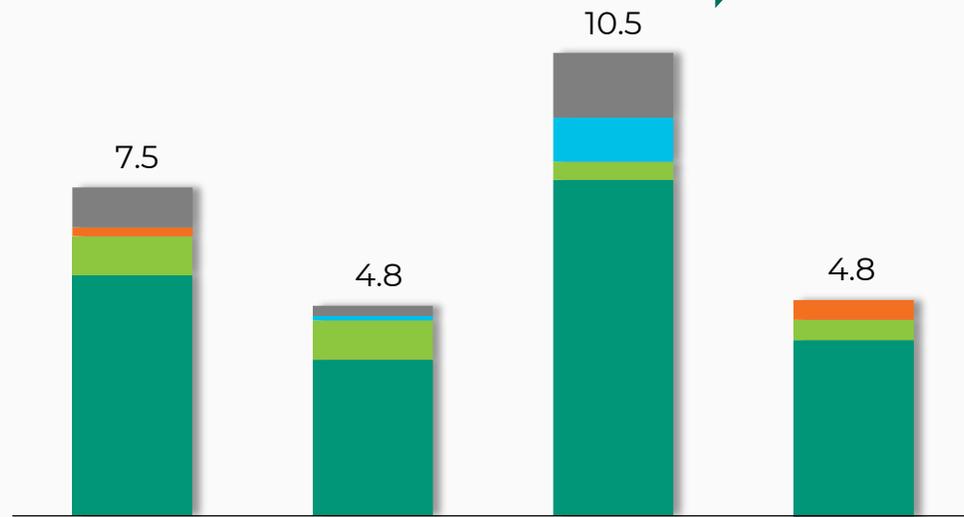


Historical cash generation

Rbn

Cash generated and remitted to Group post reinvestment in core businesses

Total R27.6bn



FY 2022

FY 2023

FY 2024

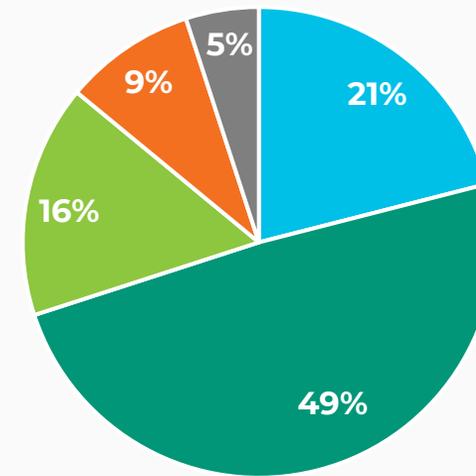
H1 2025

- Cental working capital and other
- Old Mutual Africa Regions
- Old Mutual Insure
- Old Mutual Investments
- Old Mutual Life and Savings

Historical allocation of cash generated

FY 2022 - H1 2025

Total R27.6bn



- Discretionary capital
- OML ordinary dividends
- OM Bank
- OML share buybacks
- Other capital deployments

Discretionary capital future allocations:

- 11% to share buyback (R3bn) over 2025 and 2026
- 6% to OM Bank (R1.6bn) for 2026
- 4% unallocated (R1.3bn)

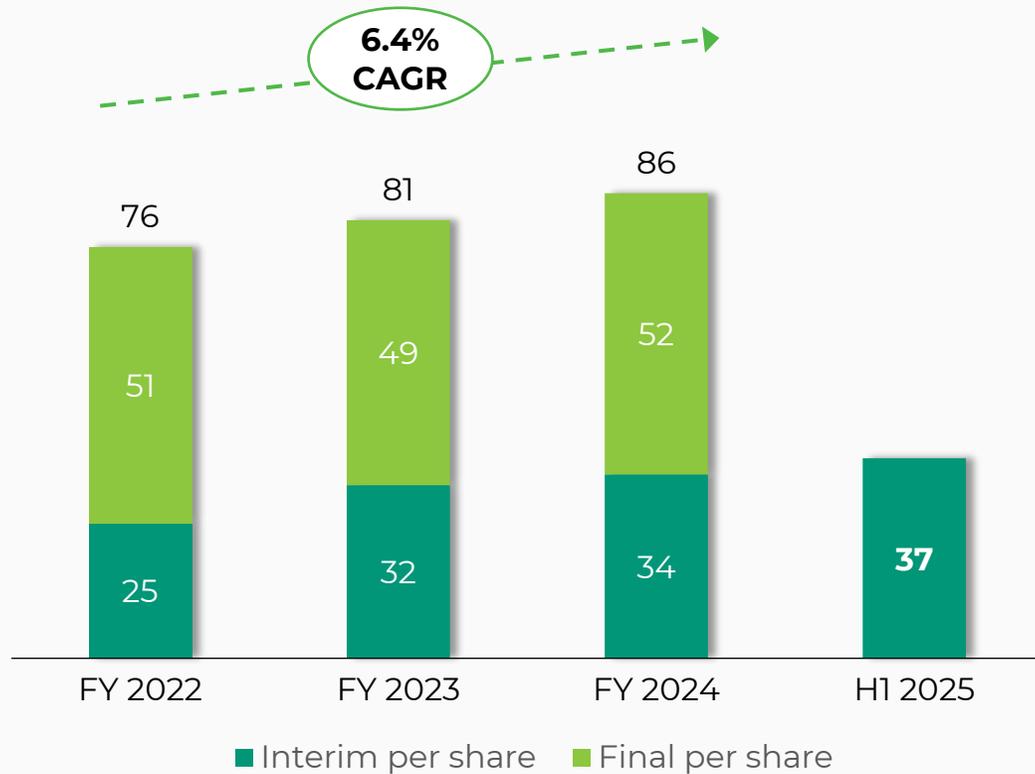
Ordinary dividend growth

Consistent growth supported by share buybacks



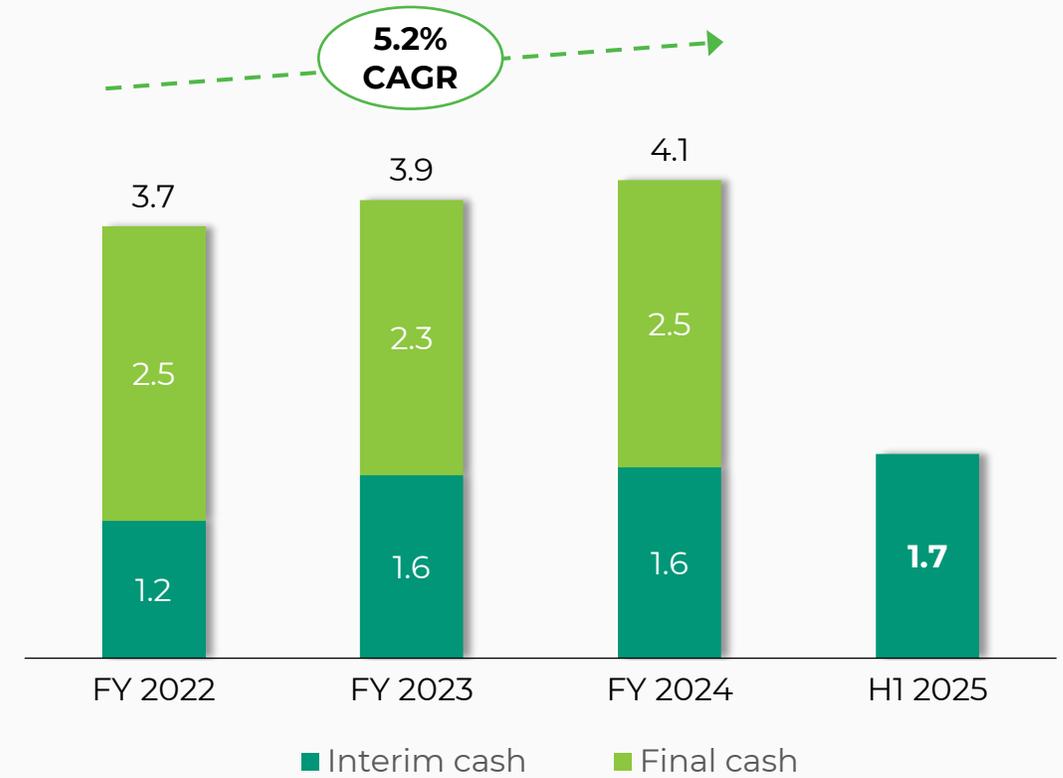
Dividend per share

Cents



Cash dividend declared

Rbn

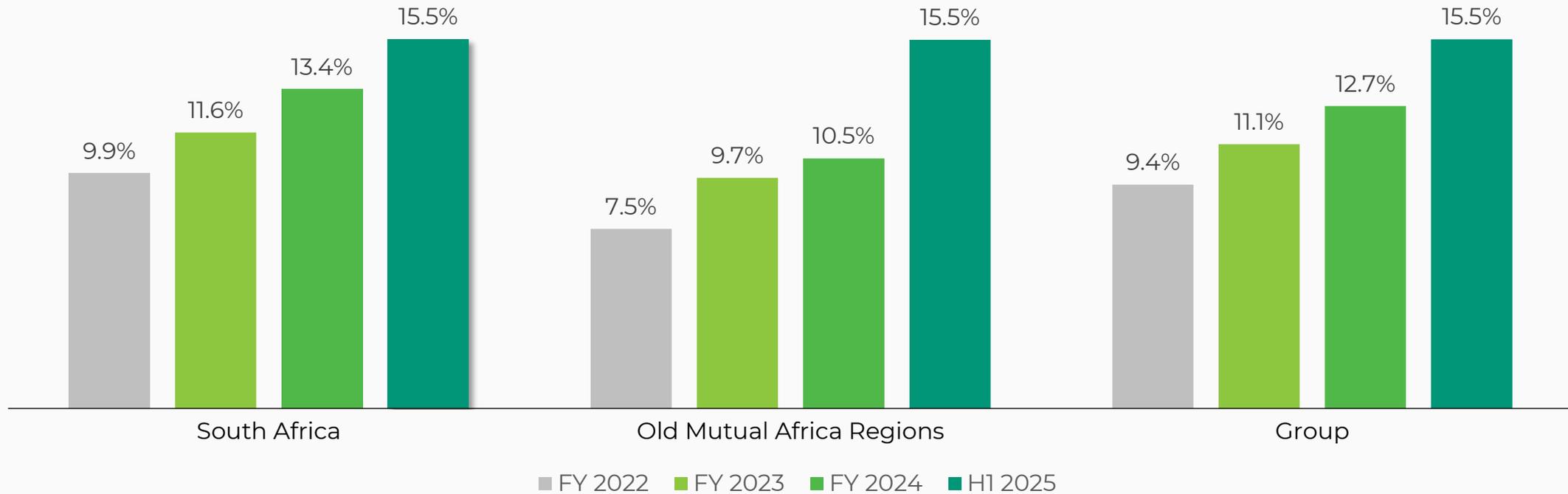


Group RoNAV

NAV optimisation and our capital framework



Group RoNAV
%



Our capital allocation framework guides decision making as we optimise RoNAV in the shorter term and generate growth and value in the longer term

Refinements to our capital management framework

Systematic approach to value creation further supported by our horizon-based approach



Considered capital deployment

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Capital optimisation

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Group shareholder solvency ratio
Group liquidity
Asset liability management
Shareholder investment

HORIZONS GUIDE OUR CAPITAL DEPLOYMENT DECISIONS

VALUE UNLOCK

GENERATE GROWTH

Capital allocation to drive shareholder value

Aligning capital deployment with performance outcomes and strategic priorities



Capital philosophy

Our capital allocation is guided by a **disciplined capital management philosophy**. We allocate excess capital based on **RoNAV delivery**, to ensure that we **unlock value** in the shorter term and **generate growth** in the medium to longer term, aligning with our 2 value creation phases:

VALUE UNLOCK

GENERATE GROWTH

Horizon-based approach

Underpinning this philosophy we define a **horizon-based approach**, which determines the extent to which we have obtained our “**right to invest**” by tracking our RoNAV delivery. This guides decisions on whether excess capital should be:

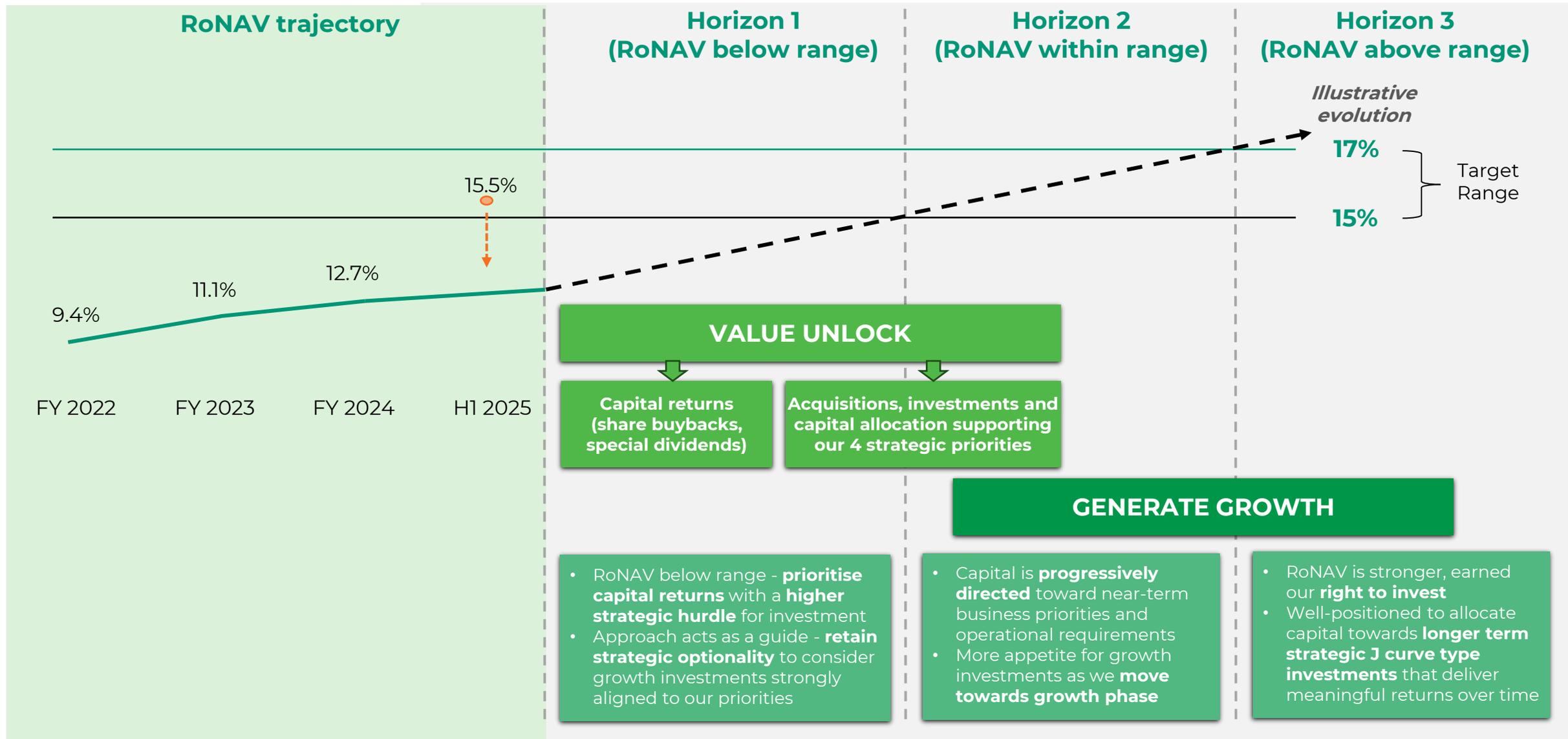
- 1) **Returned to shareholders through dividends or buybacks**, or
- 2) **Reinvested into opportunities aligned with our strategic priorities**

This approach enables growth by **aligning capital deployment** with **performance outcomes** and **strategic priorities**.

Excess capital allocation guided by horizons linked to RoNAV



Horizon 1 – prioritise capital returns with a higher strategic hurdle for investments



Horizon-based approach in action

Focus on the value unlock phase



Key allocations

Pure Horizon 1	R3bn share buy back	Prioritise share buy backs if the OML share price trades at a material discount to group equity value
Horizons 1 and 2		Perform acquisitions where they present compelling returns for OML - this serves as a growth vector for the Old Mutual Group
	Bank capital allocation	Invest to safeguard OML's competitive advantage - the Old Mutual Banking Cluster is a growth vector for OML



Key focus areas for capital optimisation

Optimise SA balance sheets	Free up excess solvency and liquidity within OMLACSA
Unlock trapped surplus in OMAR	Remittances of excess capital, disposals and turnarounds

Summary: Strong balance sheet and healthy cash generation

Supported by balance sheet flexibility and ongoing optimisations



Strong solvency positions maintained for both Group and OMLACSA

Debt is well managed, supported by healthy leverage ratios and diverse liquidity pools, indicating capacity for further debt raising if required

High proportion of cash earnings **generated in our operating segments** are paid to Group as dividends
Expect cash generation of **70% and 80% of AHE** (before optimisations and special dividends)

Mature SA businesses continue to **support reliable cash generation**

Old Mutual Africa Regions expecting **positive future cash generation** subject to in-country constraints

Considered capital deployment to **OM Bank** with expected **profitability of Old Mutual Banking Cluster in 2028** and improved cash generation thereafter

Ongoing optimisation initiatives will allow for the potential to release excess capital and liquidity

Targets will support the new progressive dividend policy

Enabling strategic alignment and value creation



The **updated Old Mutual Limited dividend policy** introduces a shift from an earnings-based framework (using adjusted headline earnings) **to a cash-based approach**

- The Directors will target a progressive dividend that is **guided by underlying cash generation** with the aim of **delivering sustainable dividend growth over time**
- Dividend declarations will consider the Group's **liquidity and solvency targets**, available **cash balances**, **strategic capital requirements** as well as **prevailing market** and **regulatory** conditions
- Dividends are subject to **Board approval** and may be adjusted to **preserve financial resilience** and support **long-term business objectives**

Key Benefits

Enhanced strategic alignment

with dividends aligned to underlying cash generation from operations, supporting our new targets

Improved predictability

enabling a more stable dividend trajectory

Strengthened financial resilience

promoting disciplined capital allocation and liquidity management

Long-term value creation

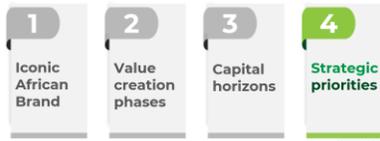
through an approach that is more strategically aligned and investor-focused

Charting a clear course to unlock shareholder value

We are confident in our ability to meet our new medium-term targets



Focus on our...



4 strategic priorities

Drive **competitiveness in South Africa** businesses

Deepen **market leadership in Southern Africa**

Establish the **right to win for OM Bank**

Evaluate and pivot on **growth markets**

...to deliver against our...



medium term targets

Pivot to:

RoGEV between **14% and 16%**
Dividend per share growth of **6% to 9%**

Whilst delivering **RoNAV, VNB margin** and **underwriting margin** in competitive ranges

Inclusion of Group wide **expense savings targets of R2.5bn by the end of FY 2027** to drive delivery to medium-term targets

...managed over our



horizons and capital allocation framework

Capital returns to **drive material RoNAV enhancement** in short-term

Creation of the **horizons** to align **capital deployment, strategy and performance**

Continued disciplined deployment underpinned by driving **RoGEV without compromising RoNAV recovery**

Capital deployment considers our **4 strategic priorities**



THANK YOU