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Old Mutual Sharpens Execution to Unlock Value and Generate Growth

Johannesburg, 10 September 2025 - Old Mutual has reported a 29% increase in adjusted headline earnings to R4.2 billion for the six months ended 30 June 2025, amid sales and persistency pressures.

Results from operations increased by 16% primarily driven by exceptional growth in Old Mutual Insure and strong equity market performance particularly in South Africa and Malawi. This growth was partially offset by the negative impact of a persistency basis change in Mass and Foundation Cluster and higher central costs, which includes a once-off restructuring provision incurred to reduce future expenditure.

The growth in adjusted headline earnings of 29% was supported by an 88% increase in shareholder investment returns. Return on net asset value was 15.5%, within the target range, supported by earnings and ongoing balance sheet optimisation. However, excluding higher than expected market returns, return on net asset value would have been below the target range. Group equity value decreased to R18.40 per share due to a combination of business impacts and methodology changes. Value of new business margin reduced to 1.3%, largely due to these changes.

Strong cash generation enabling a R3 billion share buyback reinforces Old Mutual's commitment to unlocking shareholder value. An interim dividend of 37 cents per share was declared, reflecting an increase of 9%.

Sales in the life businesses experienced subdued growth with Life APE sales up by 1%. This was due to higher retail risk volumes in Mass and Foundation Cluster and good sales in Old Mutual Africa Regions largely offset by lower guaranteed annuity sales in Personal Finance. Gross written premiums increased by 5% driven by good growth in Old Mutual Insure.

New CEO Jurie Strydom, who formally assumed the role of CEO on 1 June, said a key focus was driving strategic priorities underpinned by a "shift to execution, disciplined capital allocation and a focus on value creation".

He unpacked the four Group strategic priorities, structured to **unlock value** in the short to medium term, while positioning the Group to **generate growth** over the medium to long term:

- Drive the competitiveness of the South African business
- Deepen market leadership in Southern Africa
- Establish the right to win for OM Bank



- Evaluate and pivot on growth markets

Strydom noted that "our ability to achieve a smooth CEO transition has enabled us to make rapid shifts with clarity and alignment. We are pivoting to return on group equity value and cash generation as value creation metrics. This shift establishes a demonstrable link between strategic intent, execution and value creation".

"Our performance reflects the strength of our diversified portfolio and strong cash generation amid a challenging sales environment and pressure on new business volumes and margin. We are taking decisive action to improve cost efficiencies and lift our market share to enhance returns and margins," said Strydom.

With a proven track record, Old Mutual is home to the largest umbrella fund in South Africa with R187 billion of assets under management and administration, the second-largest retail mass in-force book by number of policies, and a large Wealth Management business with assets under management and administration of R442 billion. These businesses form part of the new Life and Savings segment led by Prabashini Moodley.

The peer-leading Alternatives business continued to outperform and deliver sustained growth, with assets under management increasing to R122.5 billion and strong revenue growth of 33%, supported by robust capital raising.

Establish the right to win for OM Bank

OM Bank, which was successfully opened to staff in the first half of the year, will leverage the existing banking capabilities that includes R1.5 billion in deposits, R15.5 billion in lending operations as well as the 346-branch network and in-branch advisor force.

"This allows us to expand current relationships with our Mass and Foundation customers, while attracting new customers through a compelling banking proposition" said Strydom.

Sustainable Value Creation

"We are committed to delivering sustainable value to our customers, our intermediaries, our shareholders and our employees. Old Mutual is an iconic 180-year-old business and this moment is about building on these foundations with strategic clarity, clear accountability and focused execution and delivery," concluded Strydom.

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