

# Momentum Metropolitan earnings soar

Main South African businesses drive growth



# Overview

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1 Key take-outs

2 Reinvent and Grow

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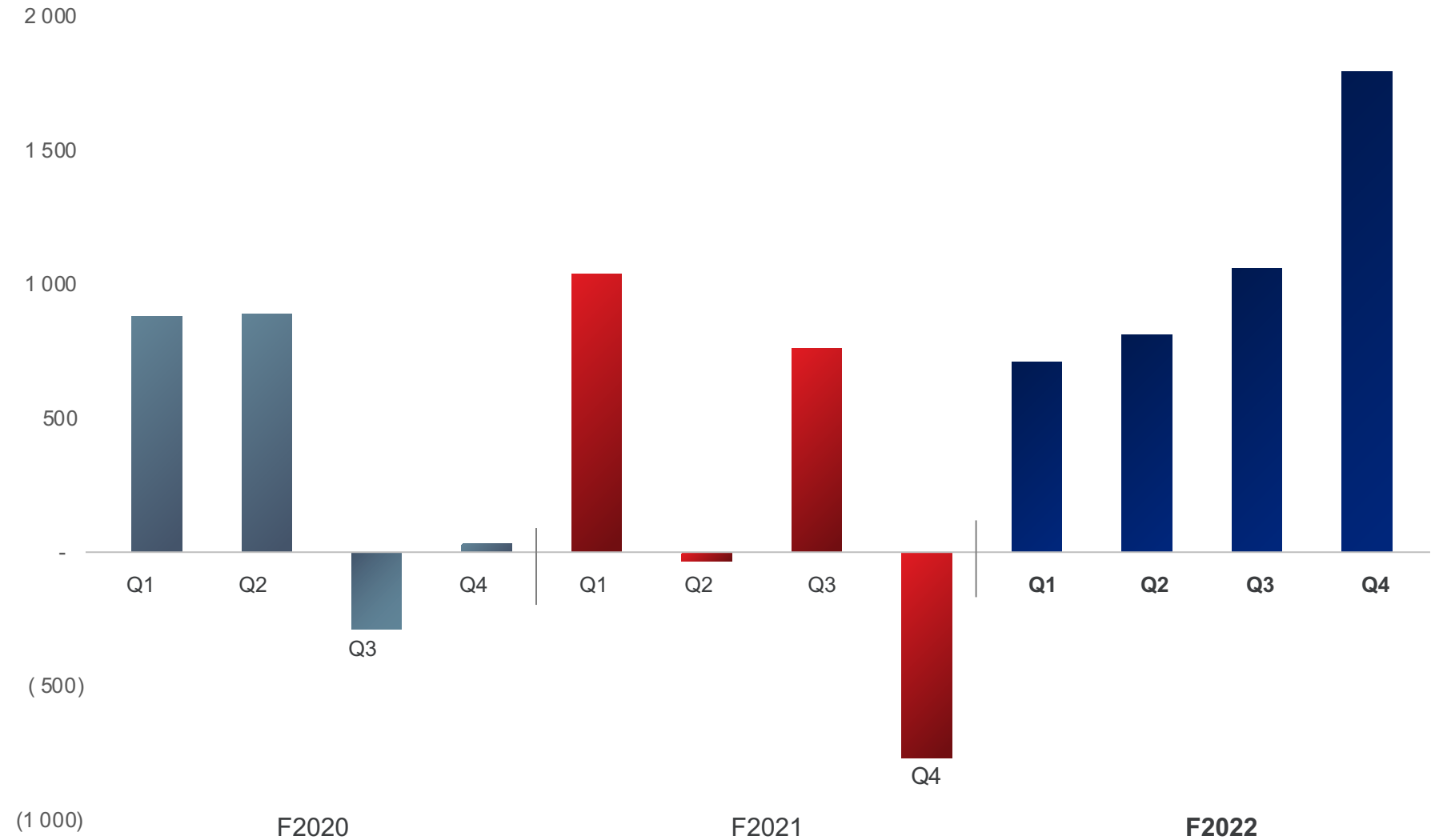
**Hillie Meyer**  
Group Chief Executive Officer



# Key take-outs

Strong earnings growth

## F2022 NHE of R4.4 billion

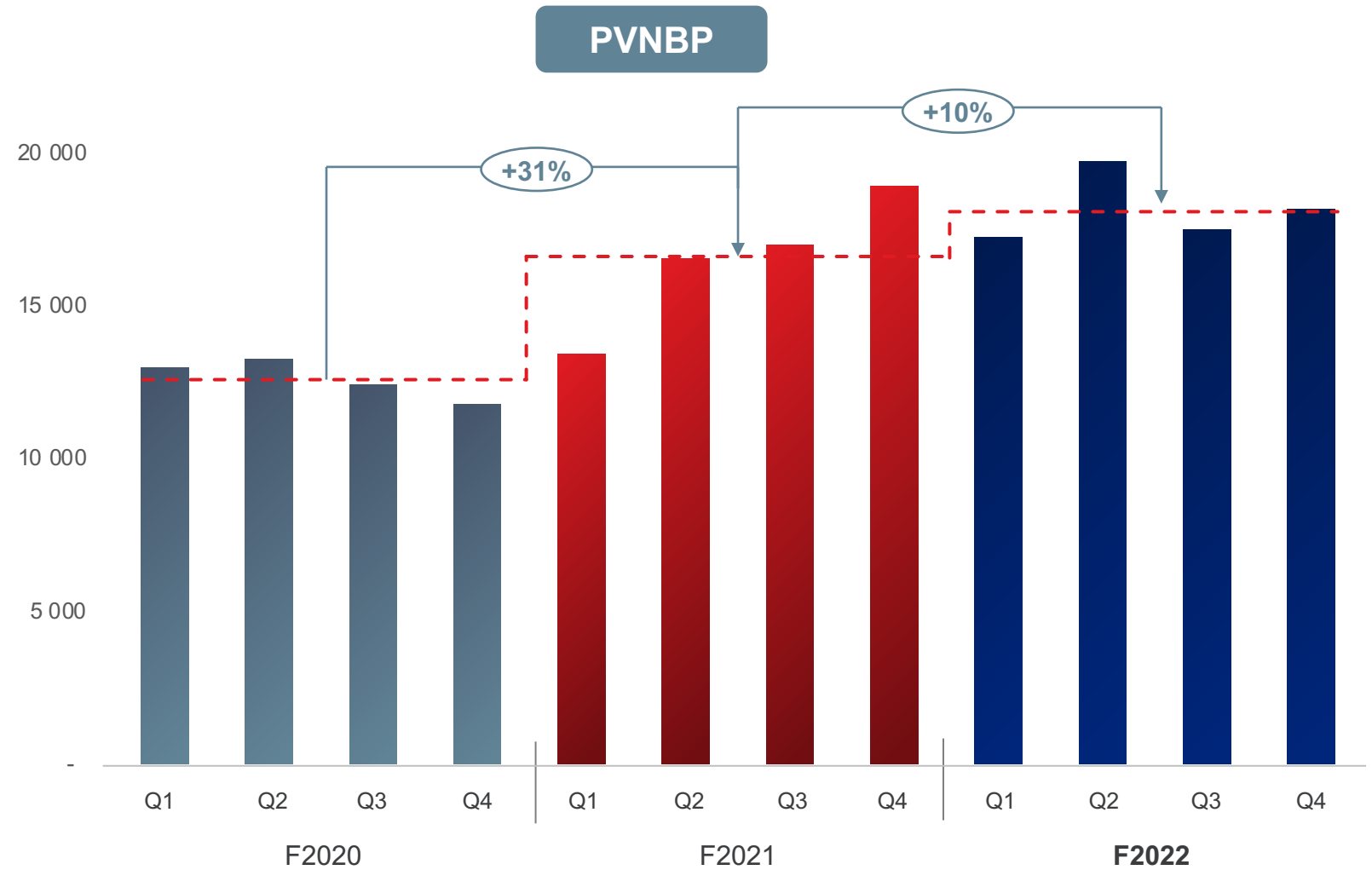


# Key take-outs

Strong earnings growth

Further sales growth

## New business sales grow to R72.7 billion



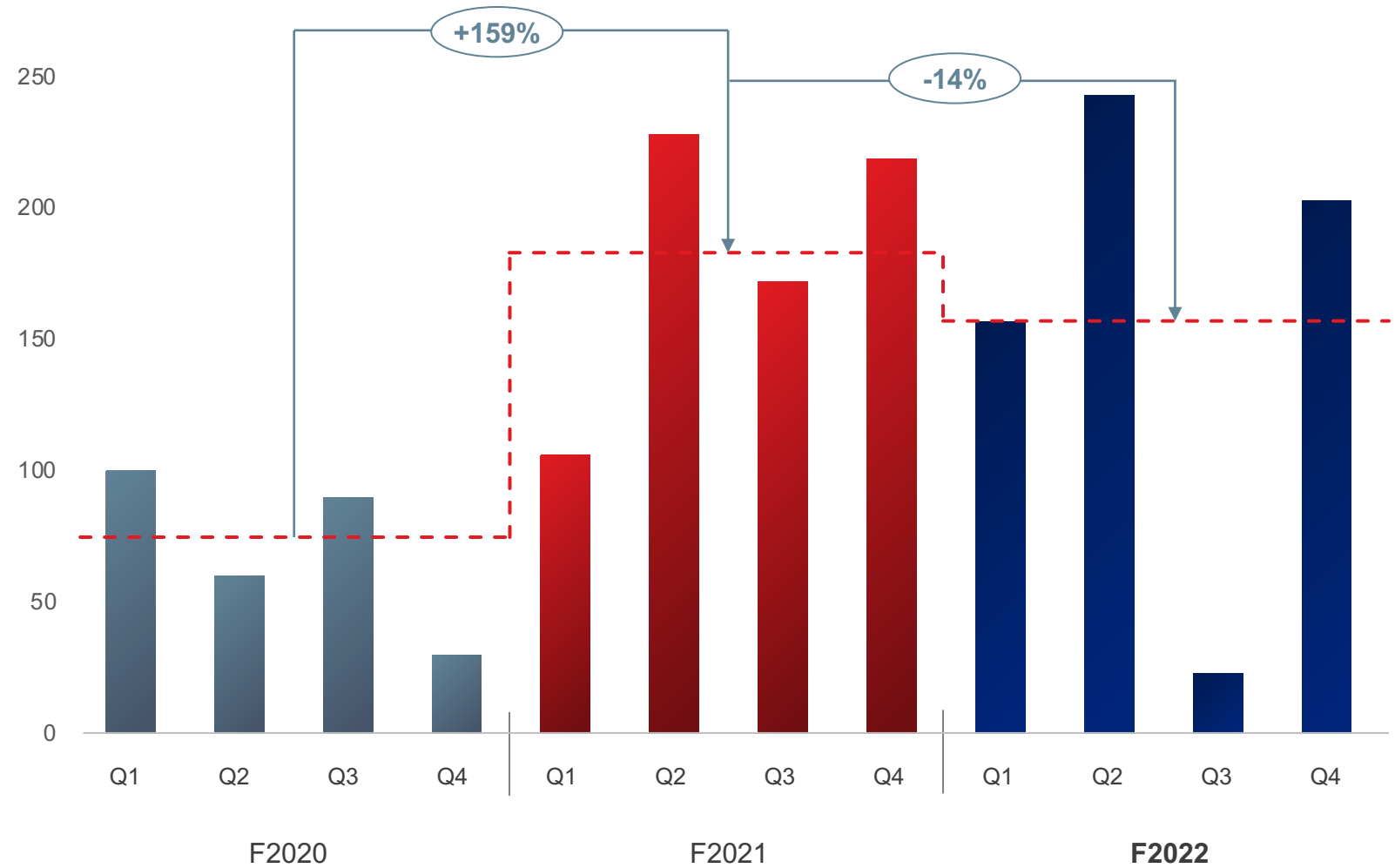
# Key take-outs

Strong earnings growth

Further sales growth

VNB lower

## VNB reduces to R626 million



# Key take-outs

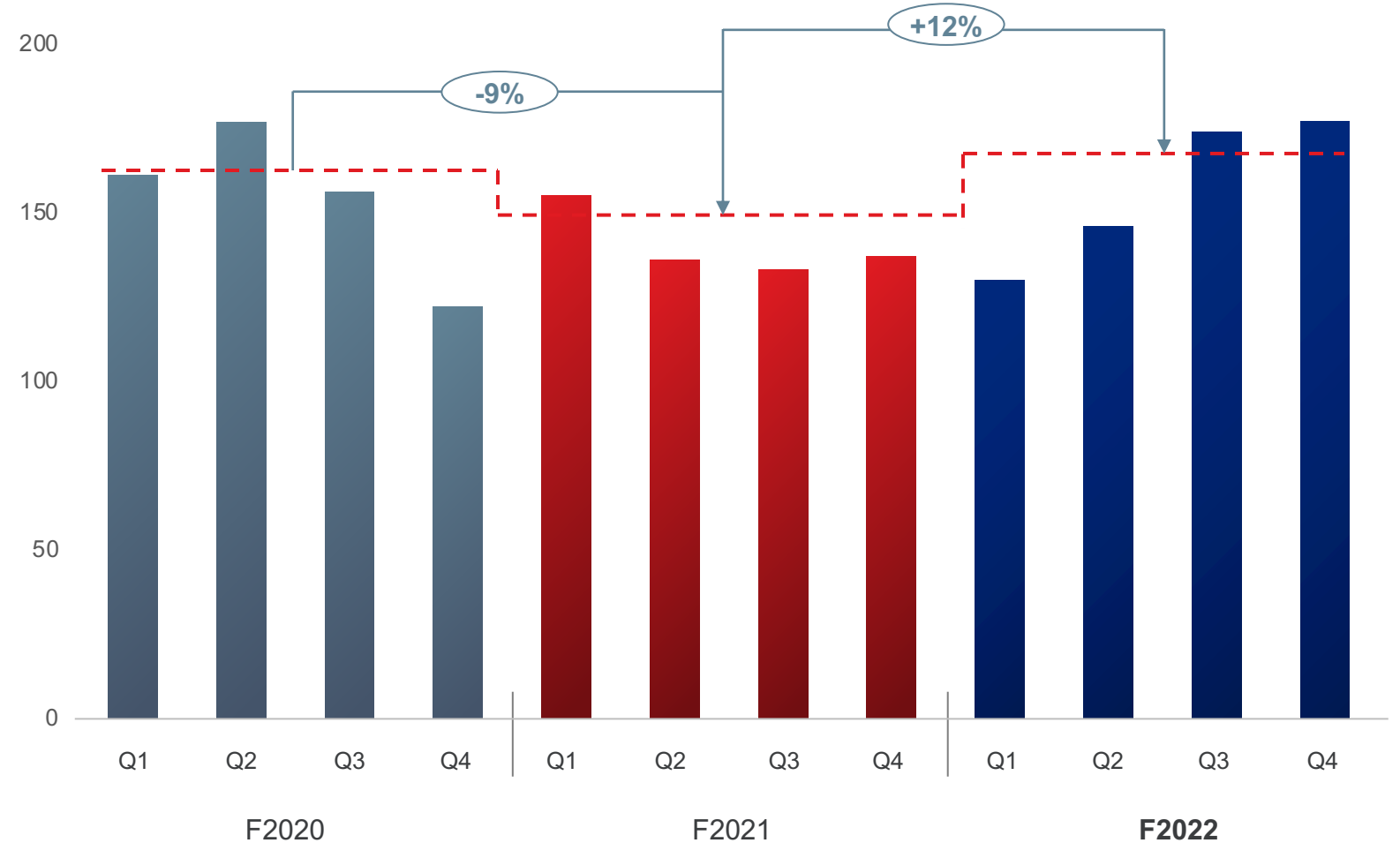
Strong earnings growth

Further sales growth

VNB lower

Momentum Insure sales recovery

## New business API grows to R627 million



# Key take-outs

Strong earnings growth

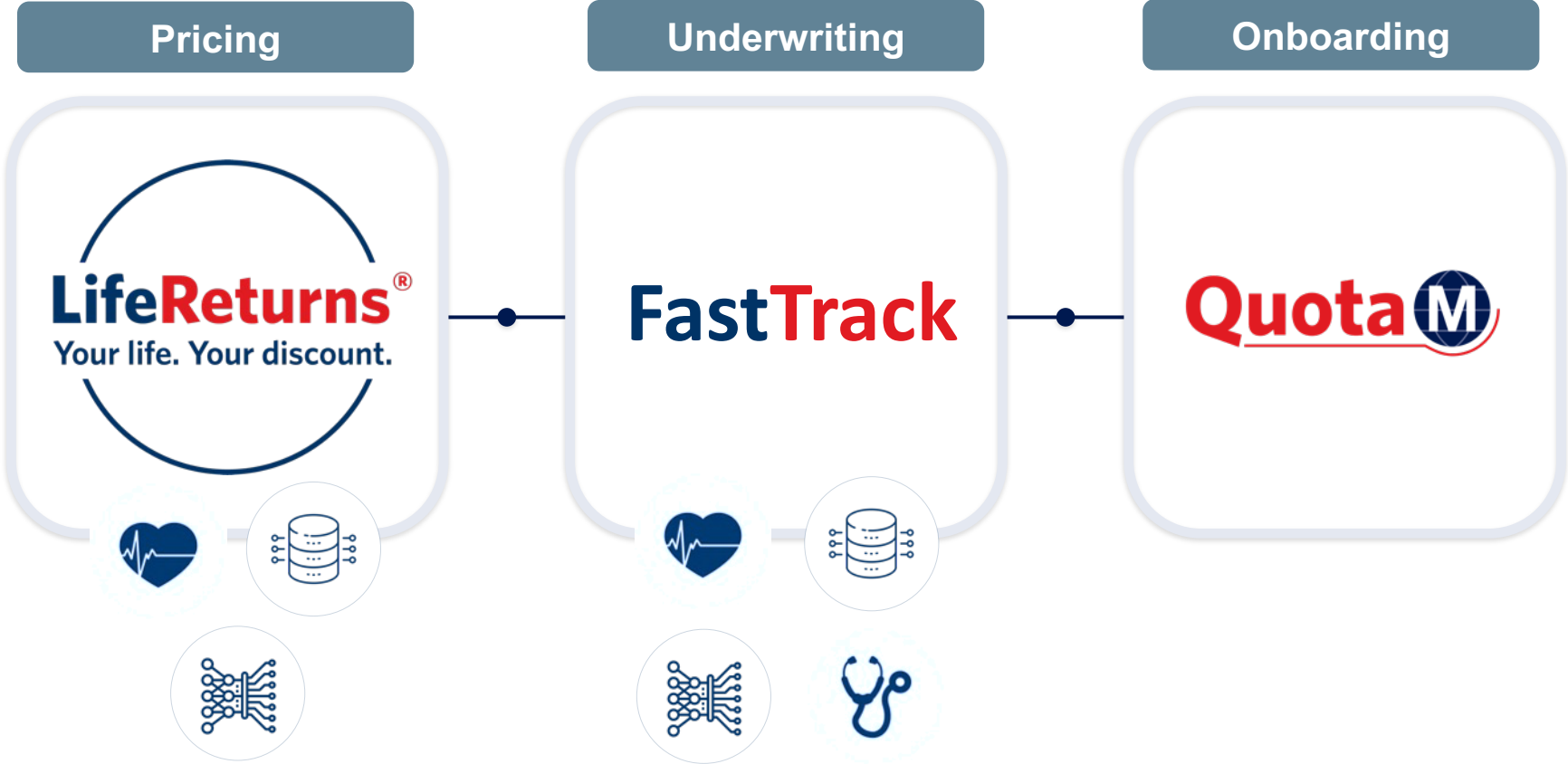
Further sales growth

VNB lower

Momentum Insure sales recovery

Myriad innovation

## Myriad solidifies product leadership



# Key take-outs

Strong earnings growth

Further sales growth

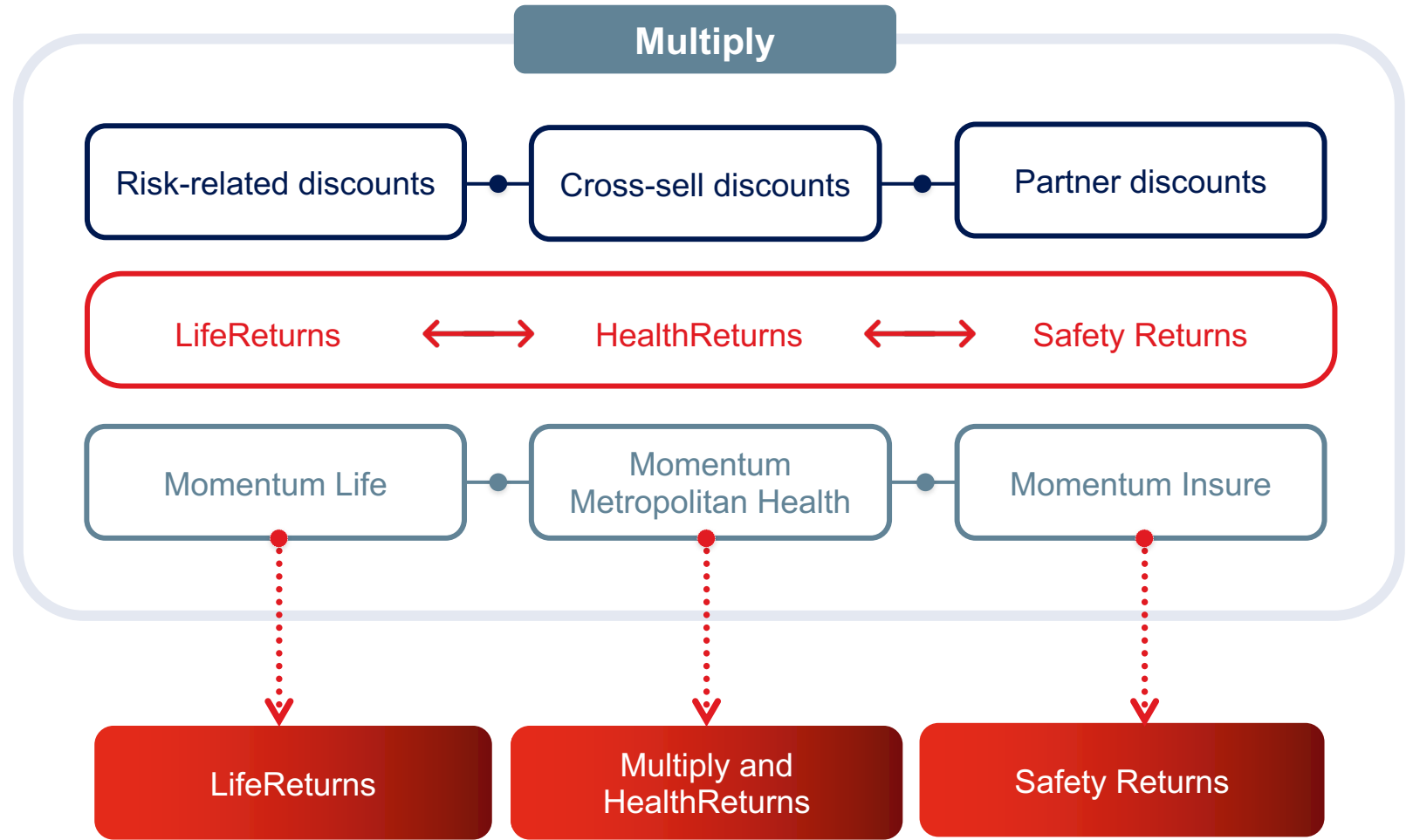
VNB lower

Momentum Insure sales recovery

Myriad innovation

Wellness reinvented

## Focused and product-specific rewards programmes





# Key take-outs

Strong earnings growth

Further sales growth

VNB lower

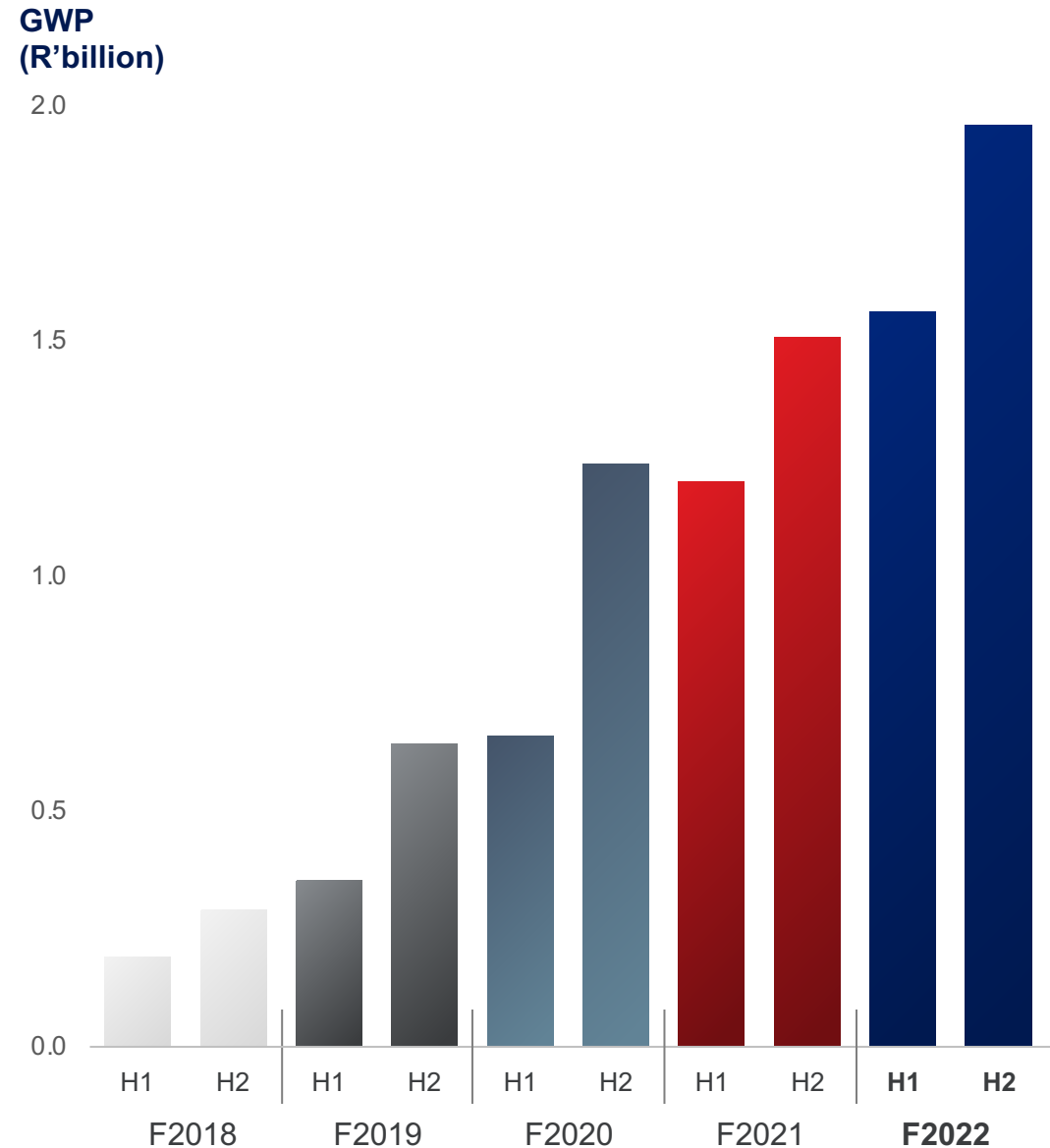
Momentum Insure sales recovery

Myriad innovation

Wellness reinvented

India JV comes of age

## Proposed transaction is confirmation of value created



Abu Dhabi Investment Authority proposes to acquire 10% interest in Aditya Birla Health Insurance

Investment to date:  
**R2.3 billion**

Current EV valuation:  
**R2.1 billion**

Implied transaction value:  
**R6.0 billion**

## Key take-outs

Strong earnings growth

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Further sales growth

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VNB lower

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Momentum Insure sales recovery

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Myriad innovation

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Wellness reinvented

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India JV comes of age

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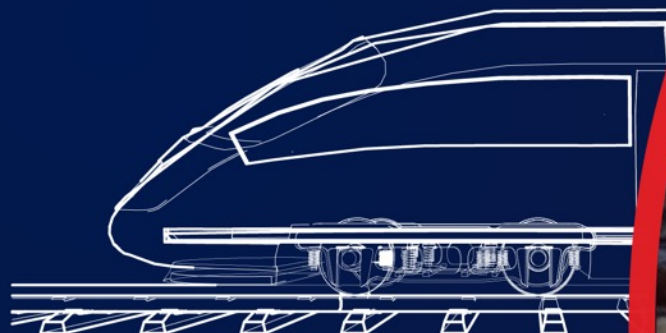
**Share buyback**

## Value unlocked for shareholders

**R750 million share buyback announced**

Buyback programme to continue if conditions favourable

F2022 dividend of **R1.5 billion**



# Reinvent and Grow

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# Reinvent and Grow update



## Grow existing channels

### Continuous improvement

#### MDS

**160** generalist to  
**150** specialist consultants

#### MFP

**250**  
new-to-industry planners

#### Consult by Momentum

**290** to **315** active  
advisers

#### Metropolitan Life

**3 540** to **3 610**  
agents

#### Momentum Insure

**110** to **105** consultants  
Improved productivity

## Establish new channels

### Momentum Life direct initiatives

From **1%** to **3%** of Myriad APE

### Metropolitan Life Telechannel

**12%** of total Metropolitan Life APE in past two years

### Metropolitan GetUp

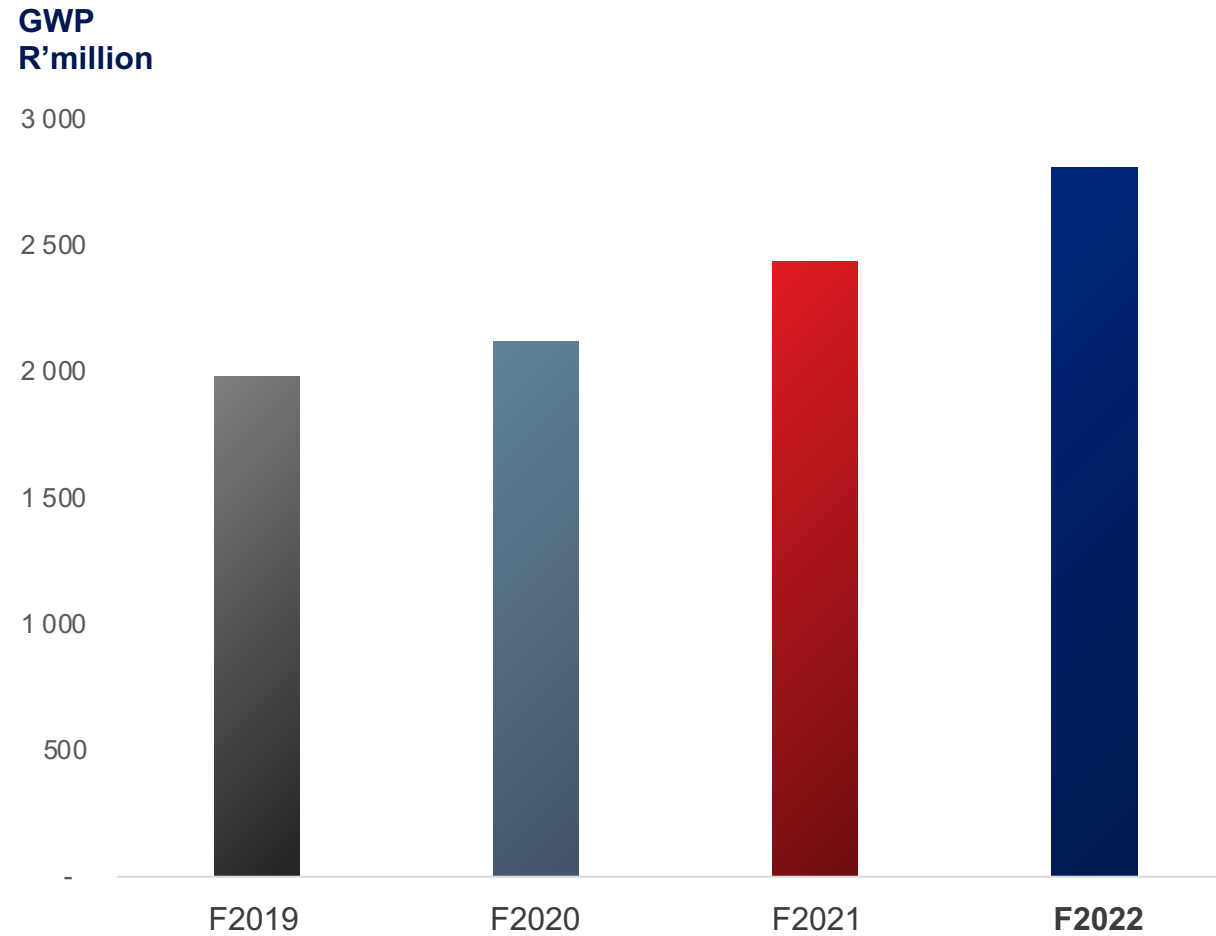
From **1%** to **2%** of total Metropolitan Life APE

### Momentum Corporate retailisation

**18%** to **42%** increase in Momentum Metropolitan share of preservations

**Establish new channels**

## Guardrisk General Insurance (GGI) grows to GWP of R2.8 billion



**Establish new channels**

## Guardrisk third party partnerships

### Guardrisk Life GWP

**R10.0 billion**

.....

**2.5 times**  
Metropolitan Life in-force  
protection APE

### Guardrisk Insurance GWP

**R6.6 billion**

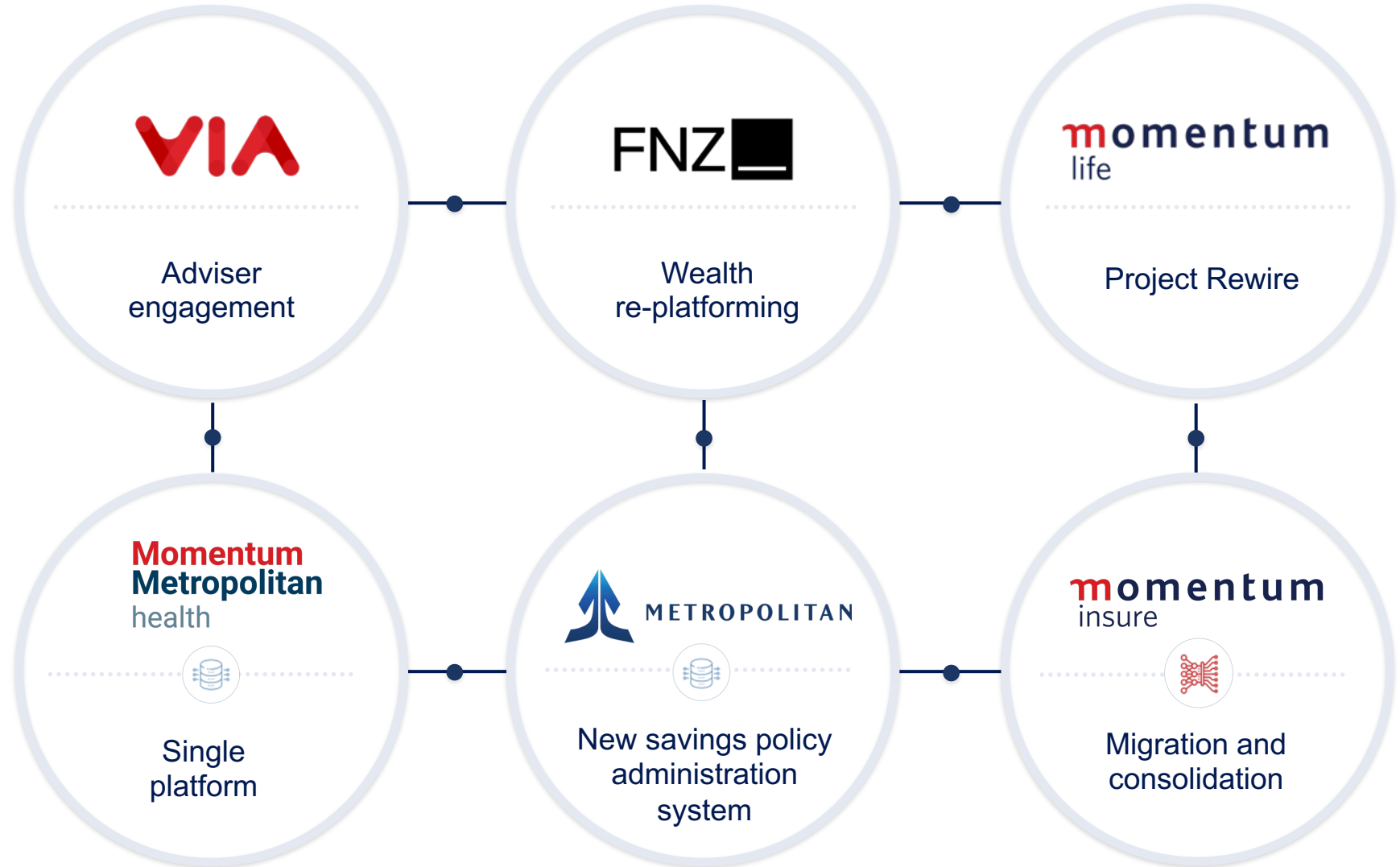
.....

**2.3 times**  
Momentum Insure GWP



# Accelerate Digital

## Digital movement gaining traction



**Product and  
service  
leadership**



**Wellness  
reinvented**



**Myriad  
innovation**



**Momentum  
Investments hybrid  
annuity**



**Metropolitan Life  
limited  
underwriting  
product**



**Momentum  
Corporate self-  
service solutions**



**Investo self-  
service solutions**



**Health4Me leading product in low-income segment**

## Improvement in Employment Equity ACI representation

### Top Management

F2022: **36%**

F2021: 36%

### Senior Management

F2022: **39%**

F2021: 36%

### Middle Management

F2022: **45%**

F2021: 42%

### Junior Management

F2022: **85%**

F2021: 84%

## First full year of iSabelo

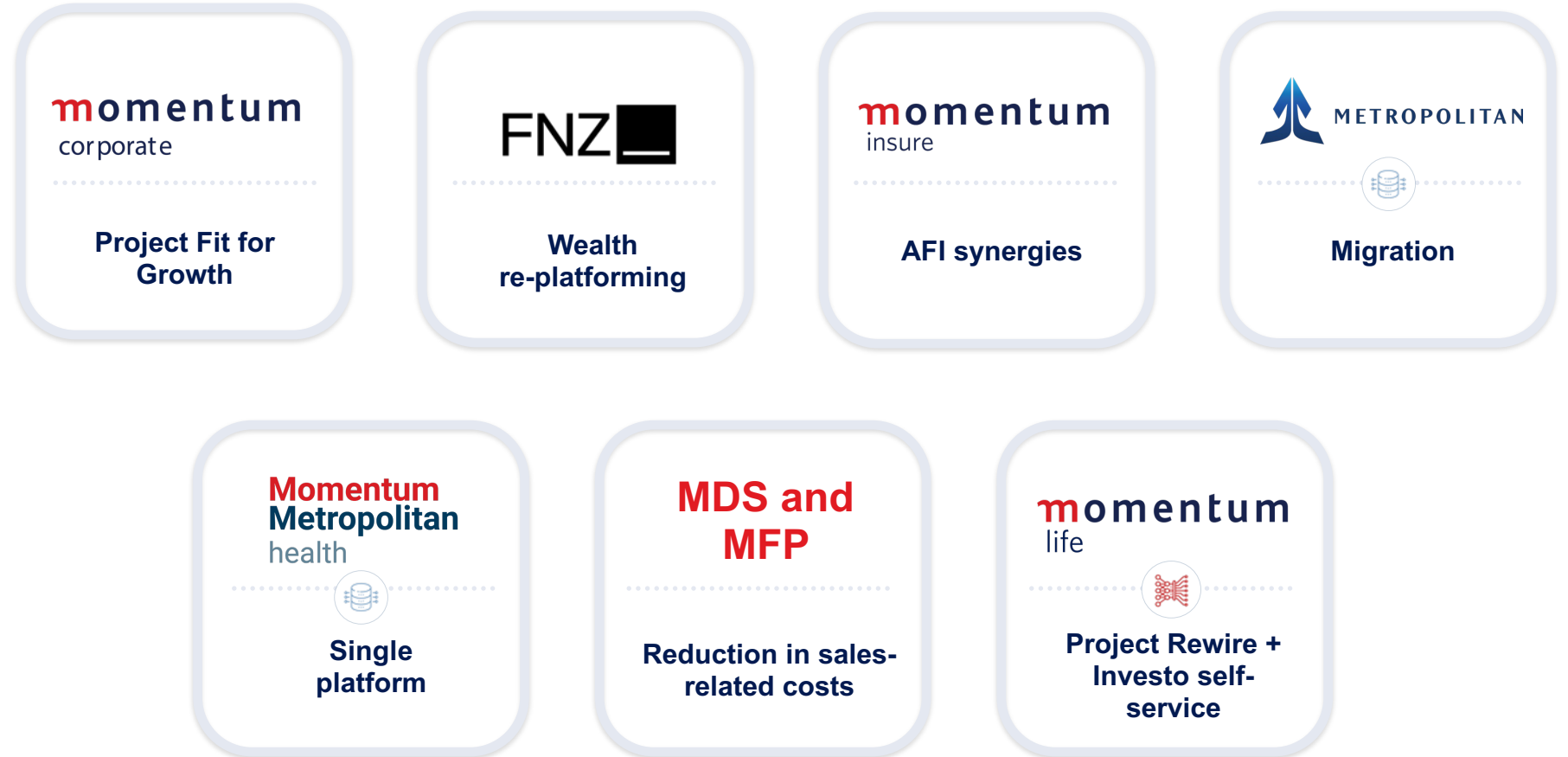
### iSabelo ESOP

**3%** shareholding

**11 500** participants

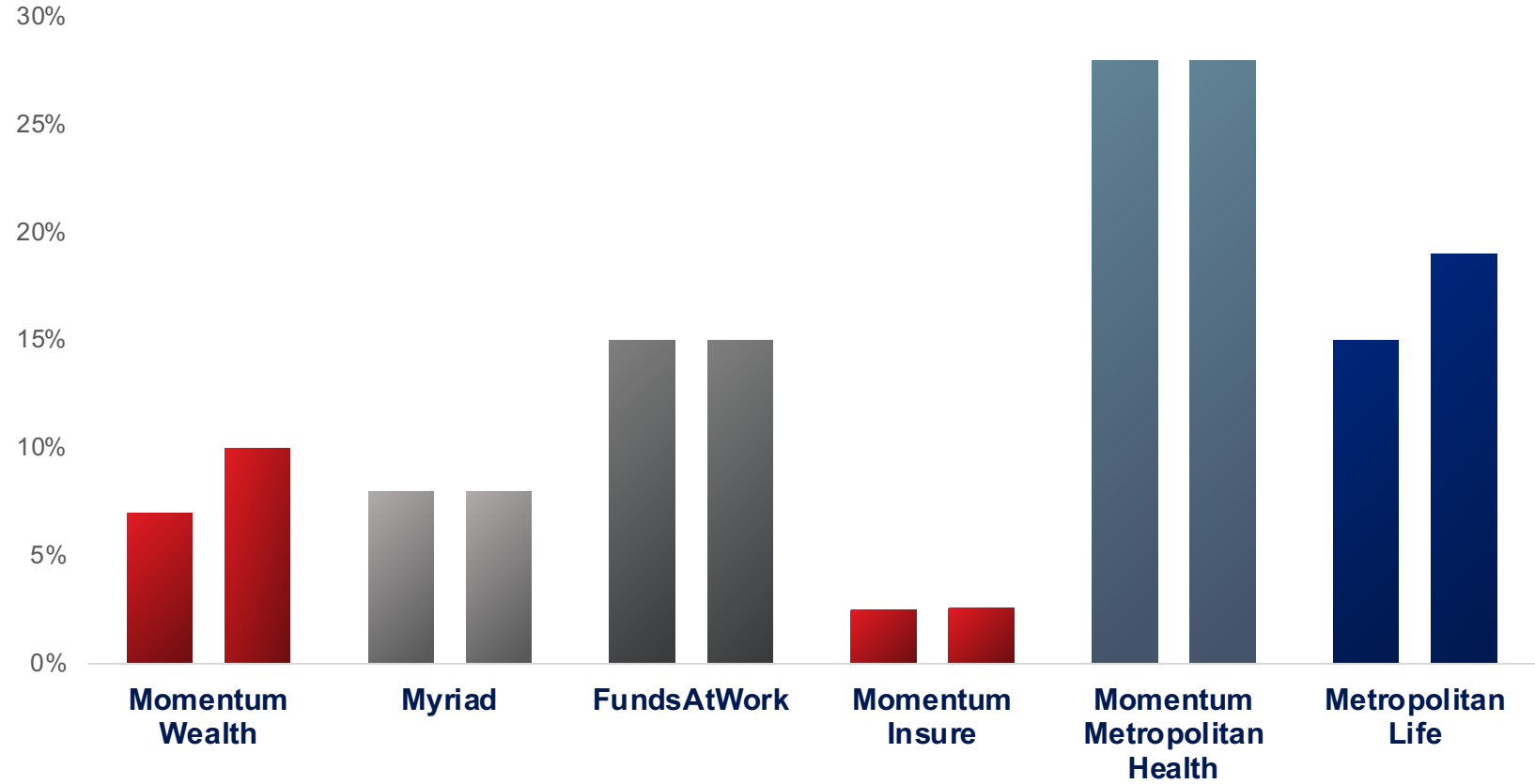
>R500 million  
cost efficiencies

## Main contributors



**Market share**  
**+1% to +6%**

### F2020 to F2022



# Reinvent and Grow update



# Momentum Metropolitan earnings soar

Declares strong dividend and  
solidifies competitive position



# Financial results

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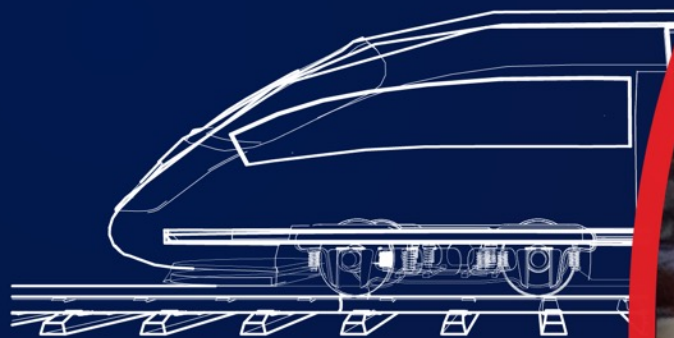
1 Financial year ended 30 June 2022

2 Other topical matters

3 Conclusion

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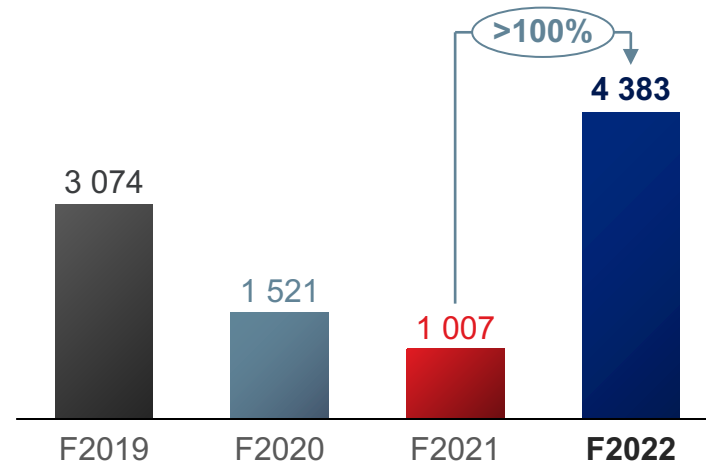
**Risto Ketola**  
Group Finance Director



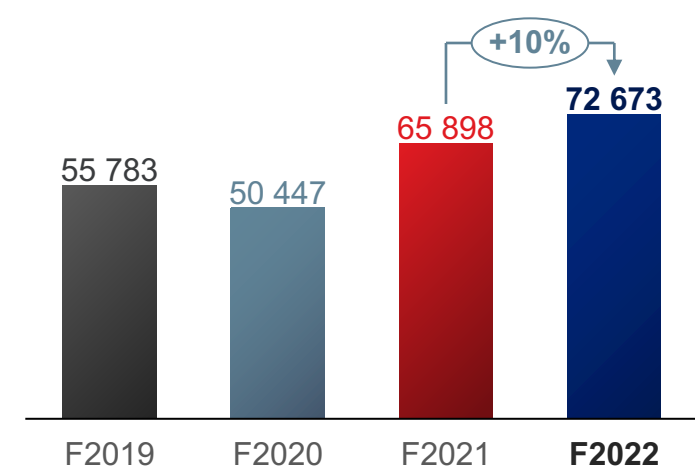


# Key financial measures

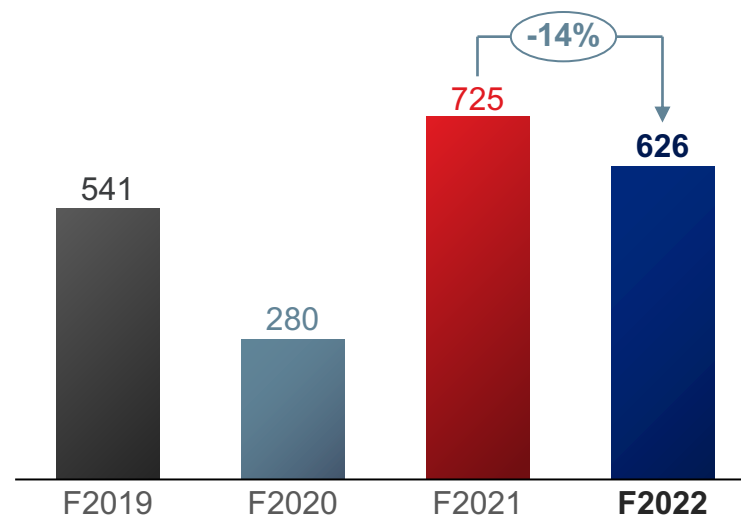
### Normalised headline earnings (R'million)



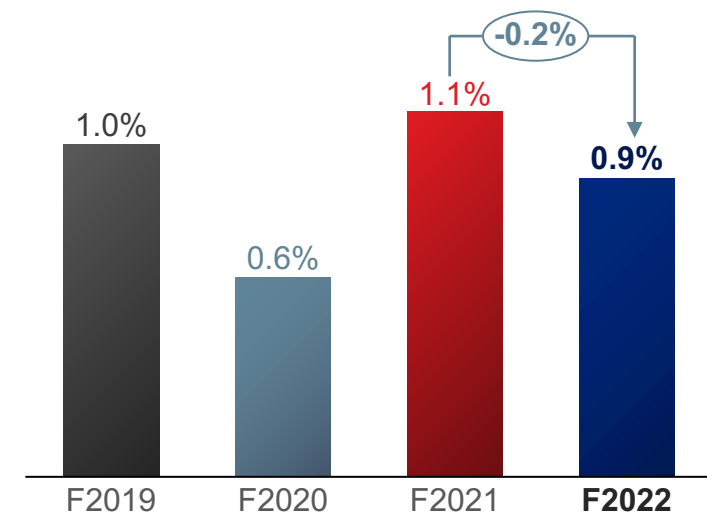
### Present value of premiums (R'million)



### Value of new business (R'million)

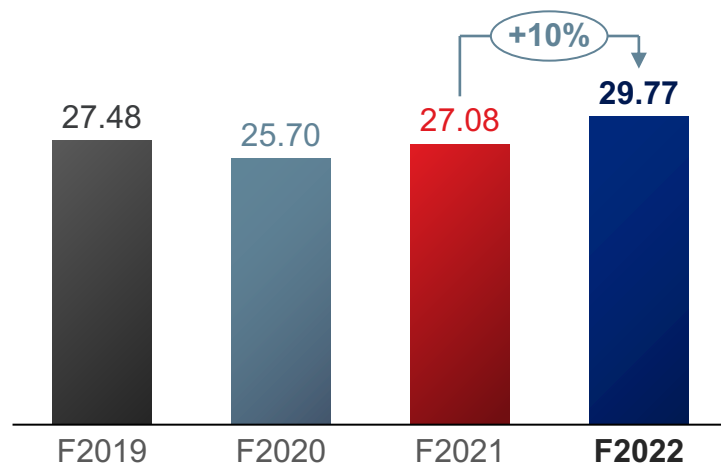


### New business margin (%)

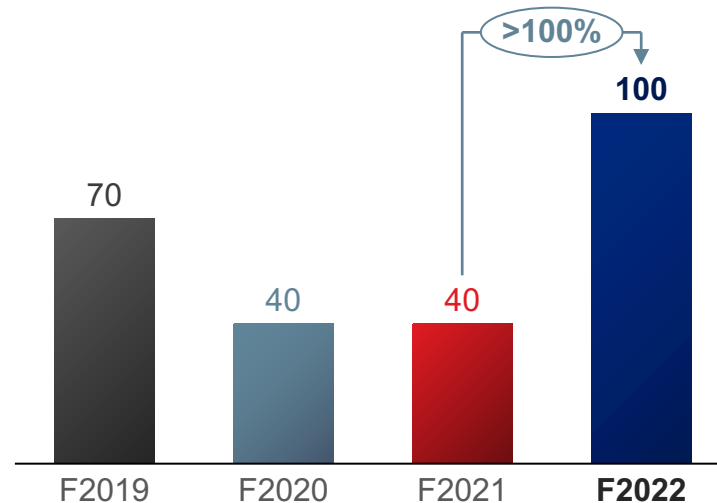


# Key financial measures

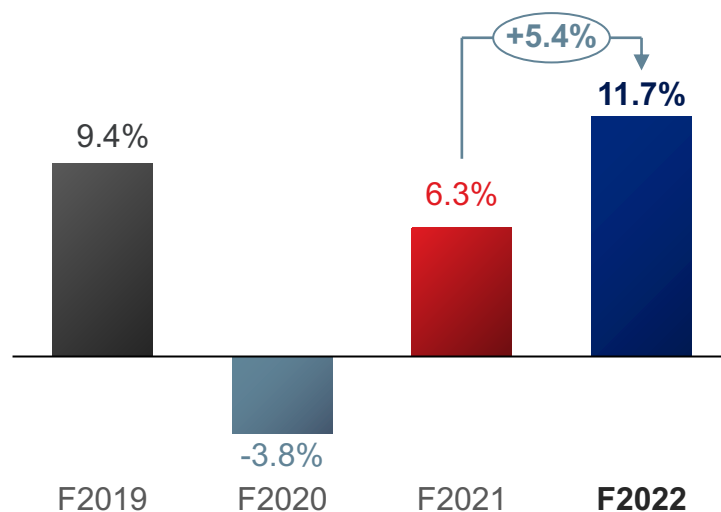
### Diluted embedded value per share (R)



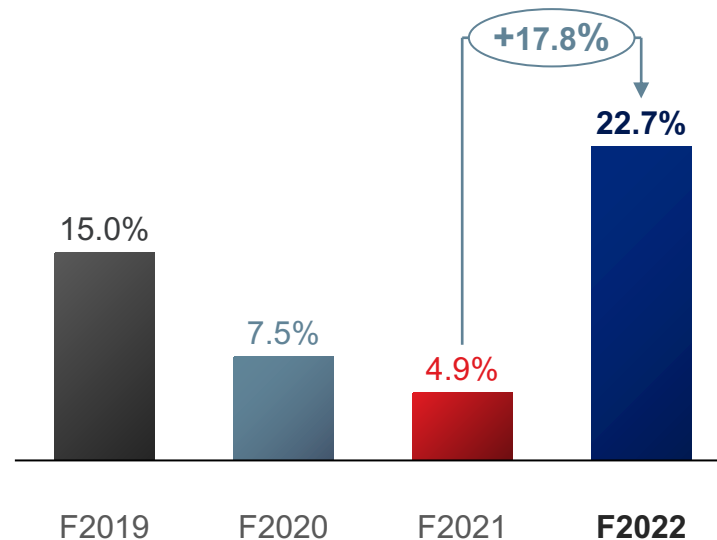
### Dividend per ordinary share (cents)



### Return on embedded value per share (%)

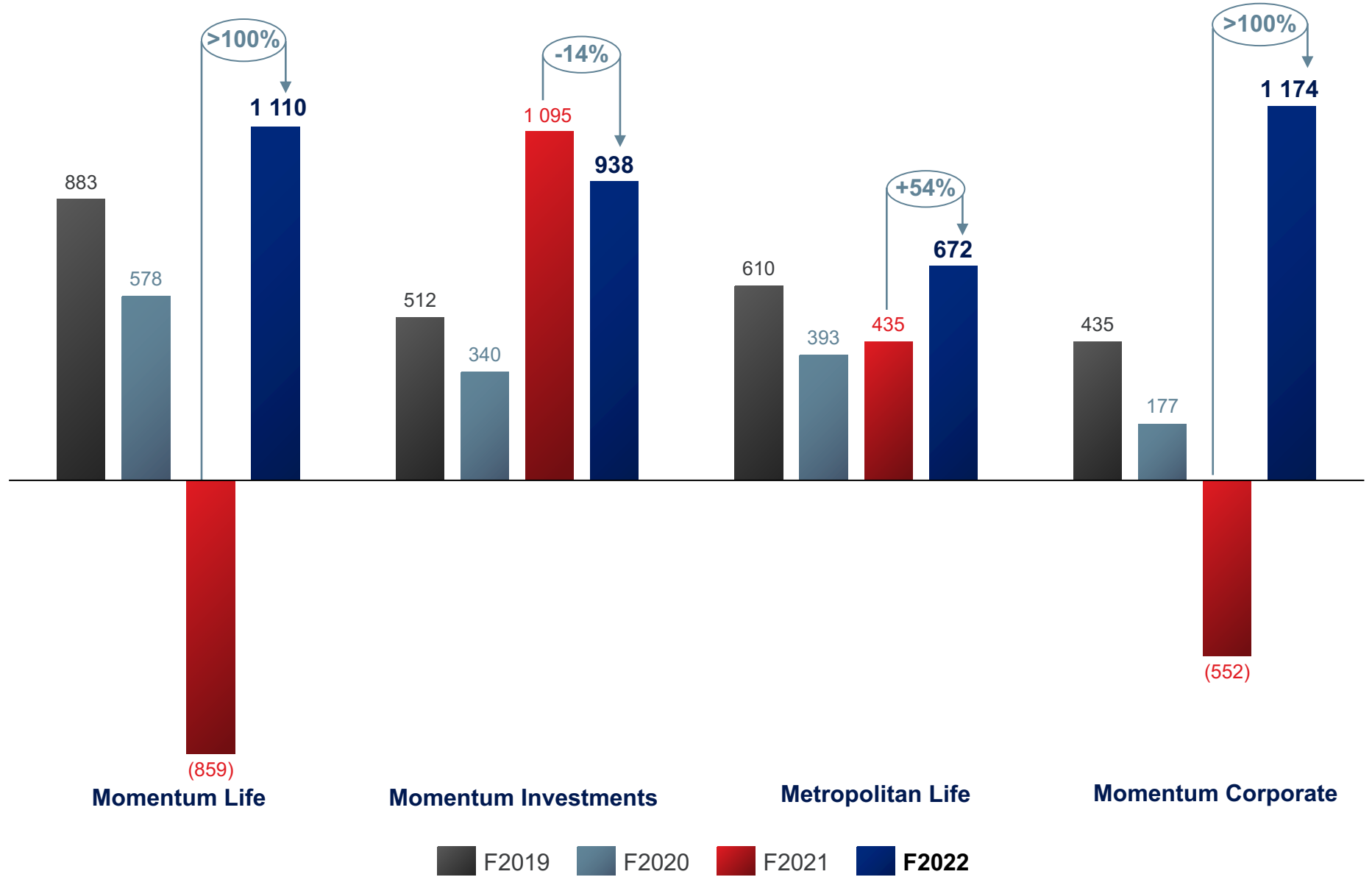


### Return on equity (%)



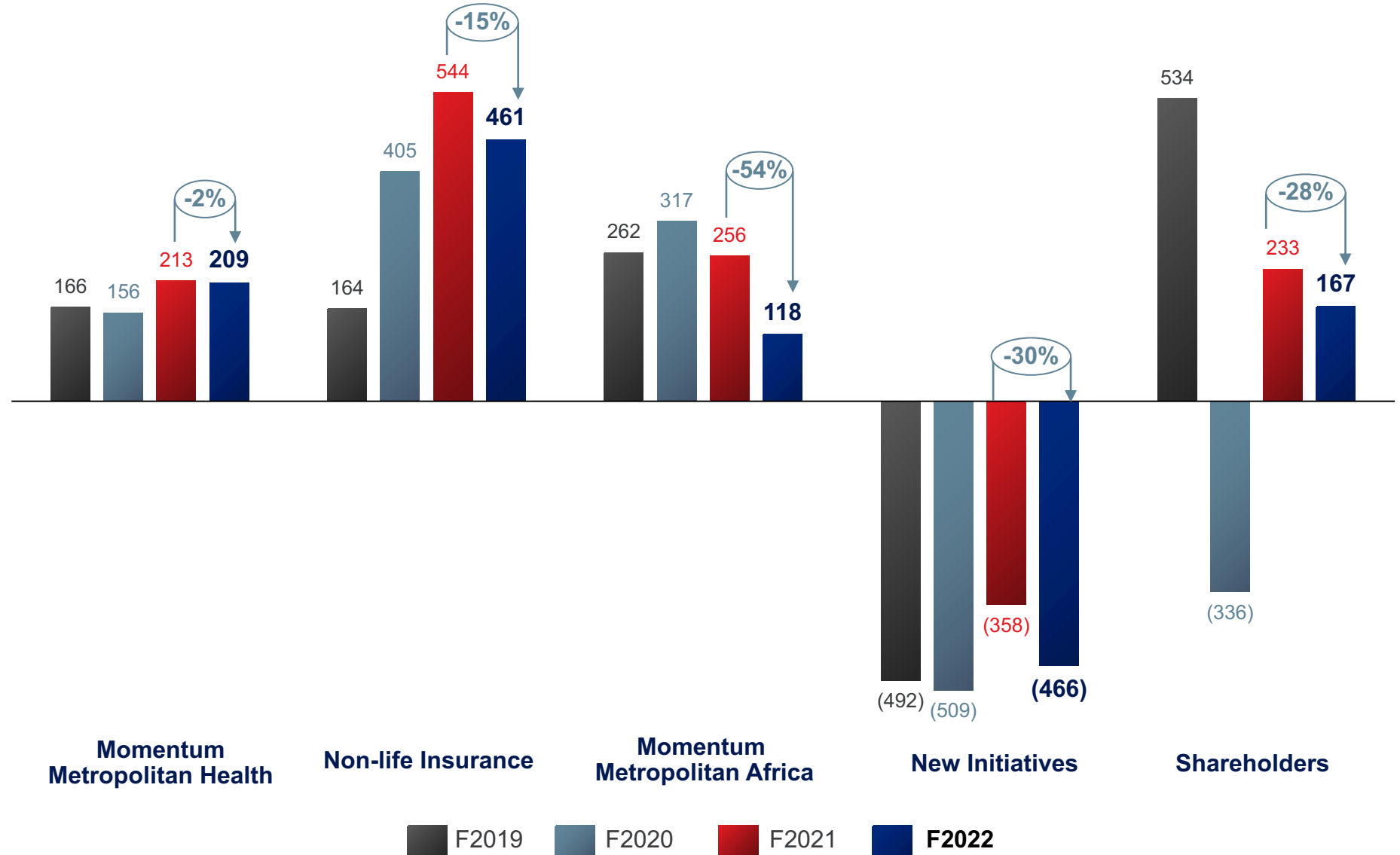
SA life businesses

Normalised headline earnings (R'million)



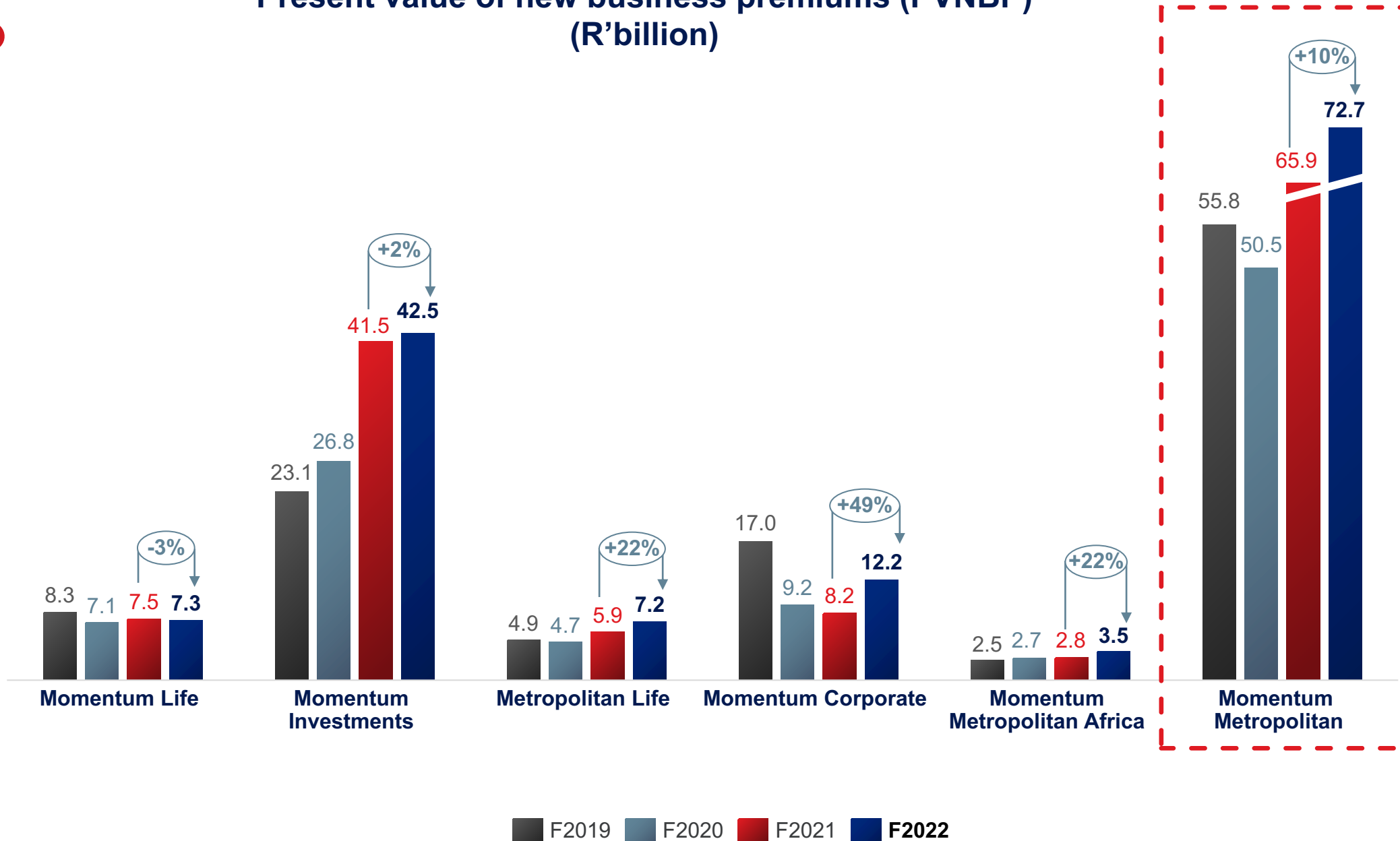
# Other businesses

## Normalised headline earnings (R'million)



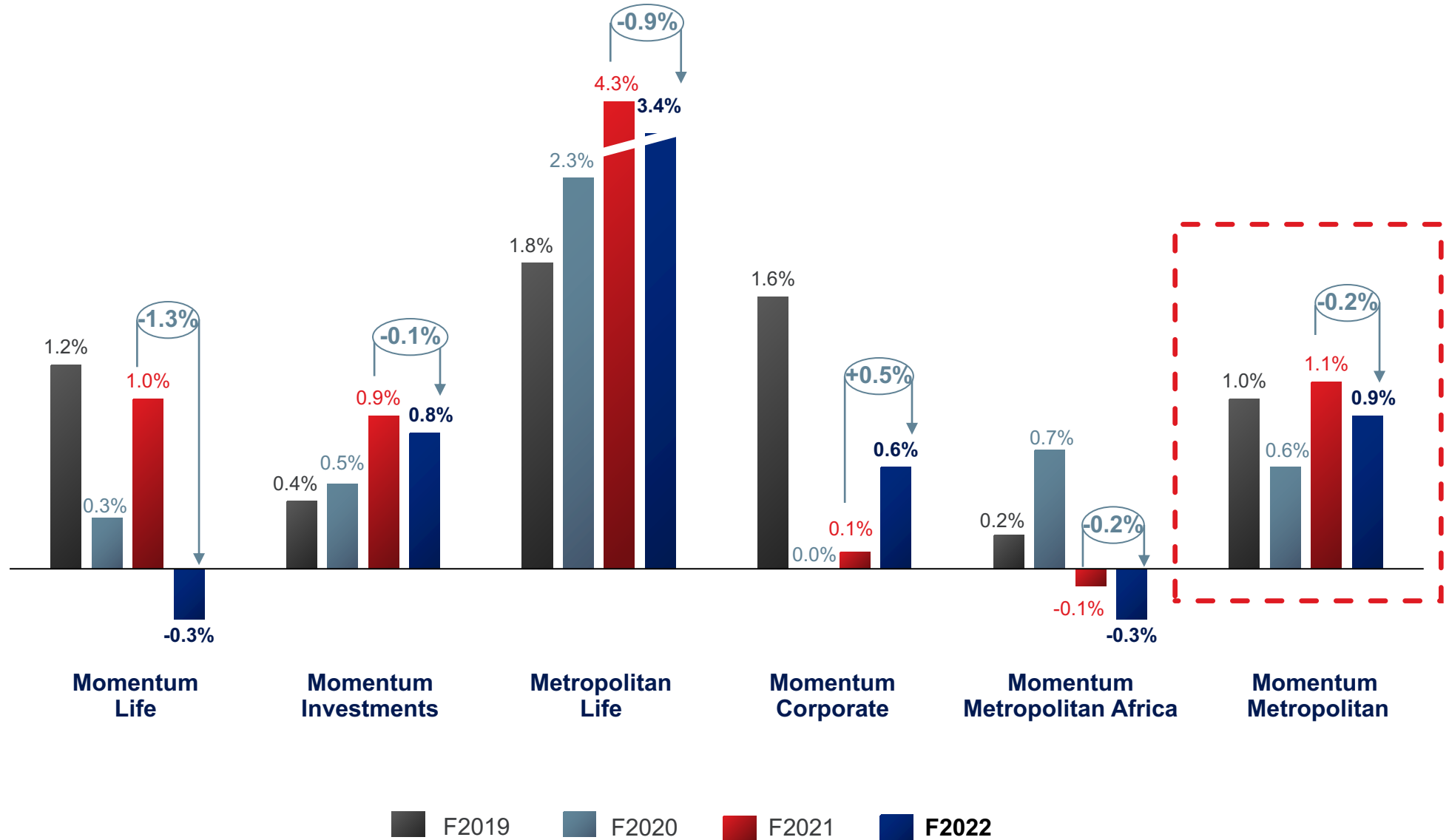
Broad new business growth

### Present value of new business premiums (PVNBP) (R'billion)



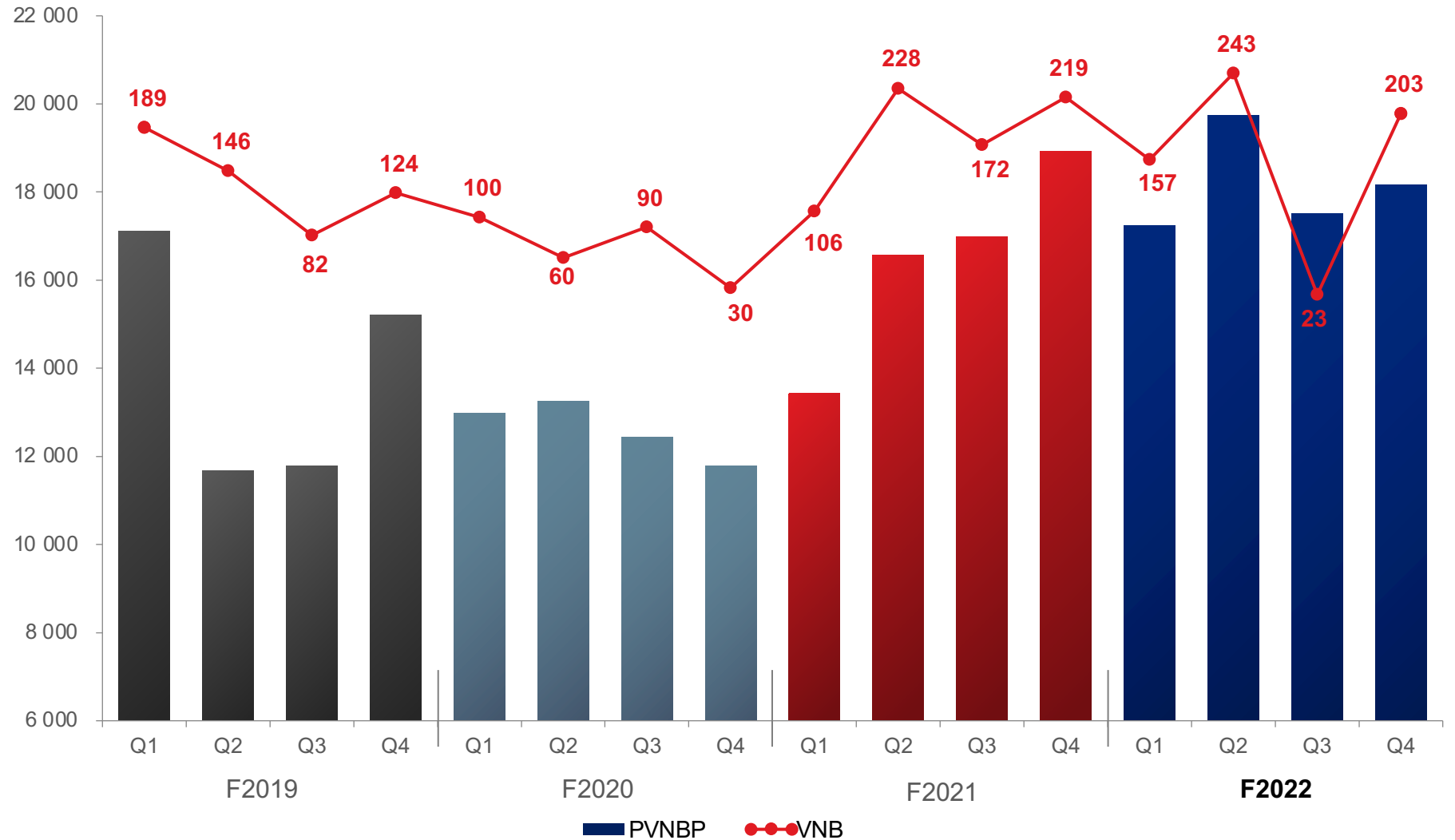
# New business margins weakened

## New business margin (%)



VNB now more consistent with volumes

### PVNB and VNB (R'million)

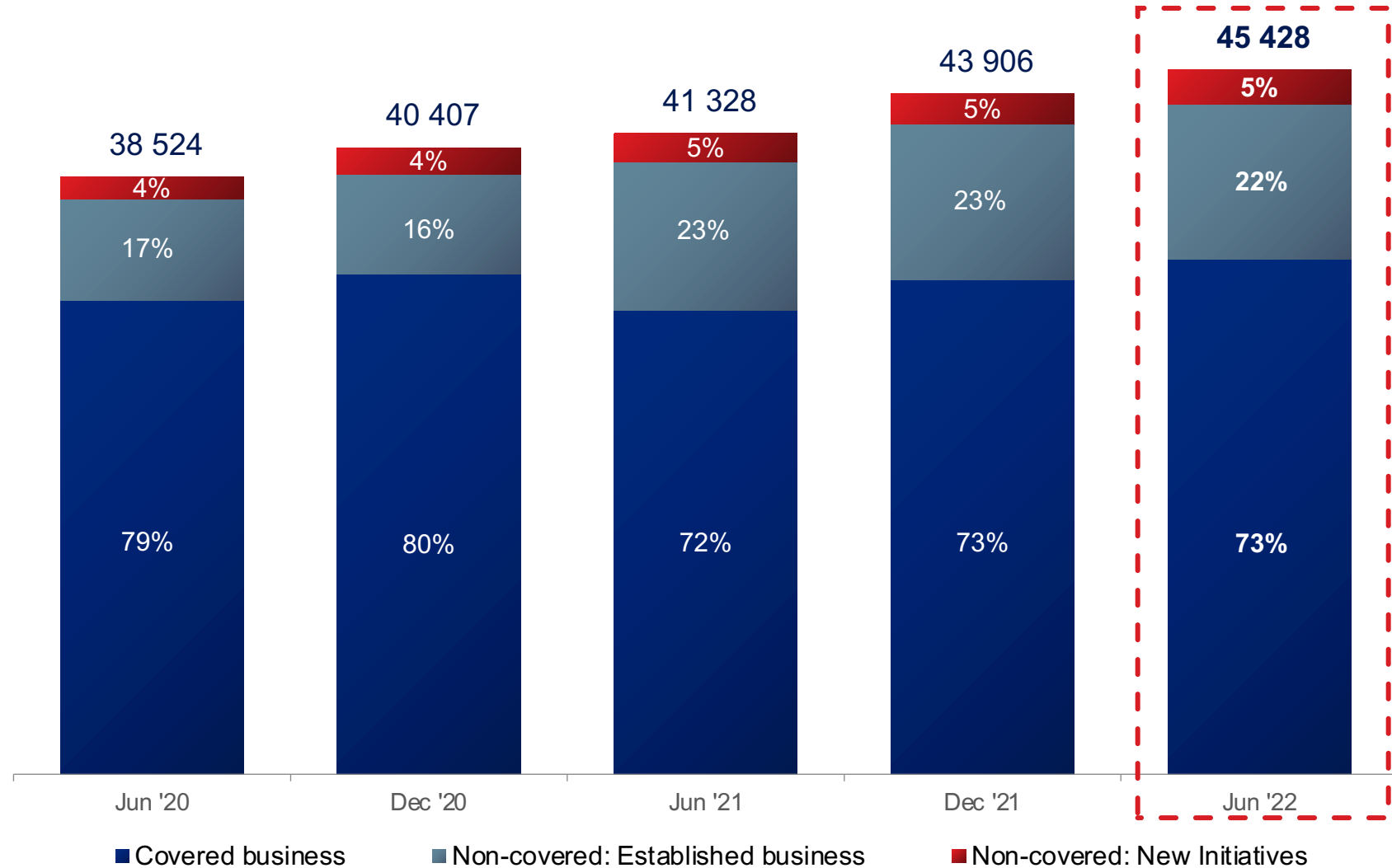


**Steady  
embedded  
value  
growth**

**R29.77**  
EV per share

**11.7%**  
ROEV per share

**Embedded value  
(R'million)**





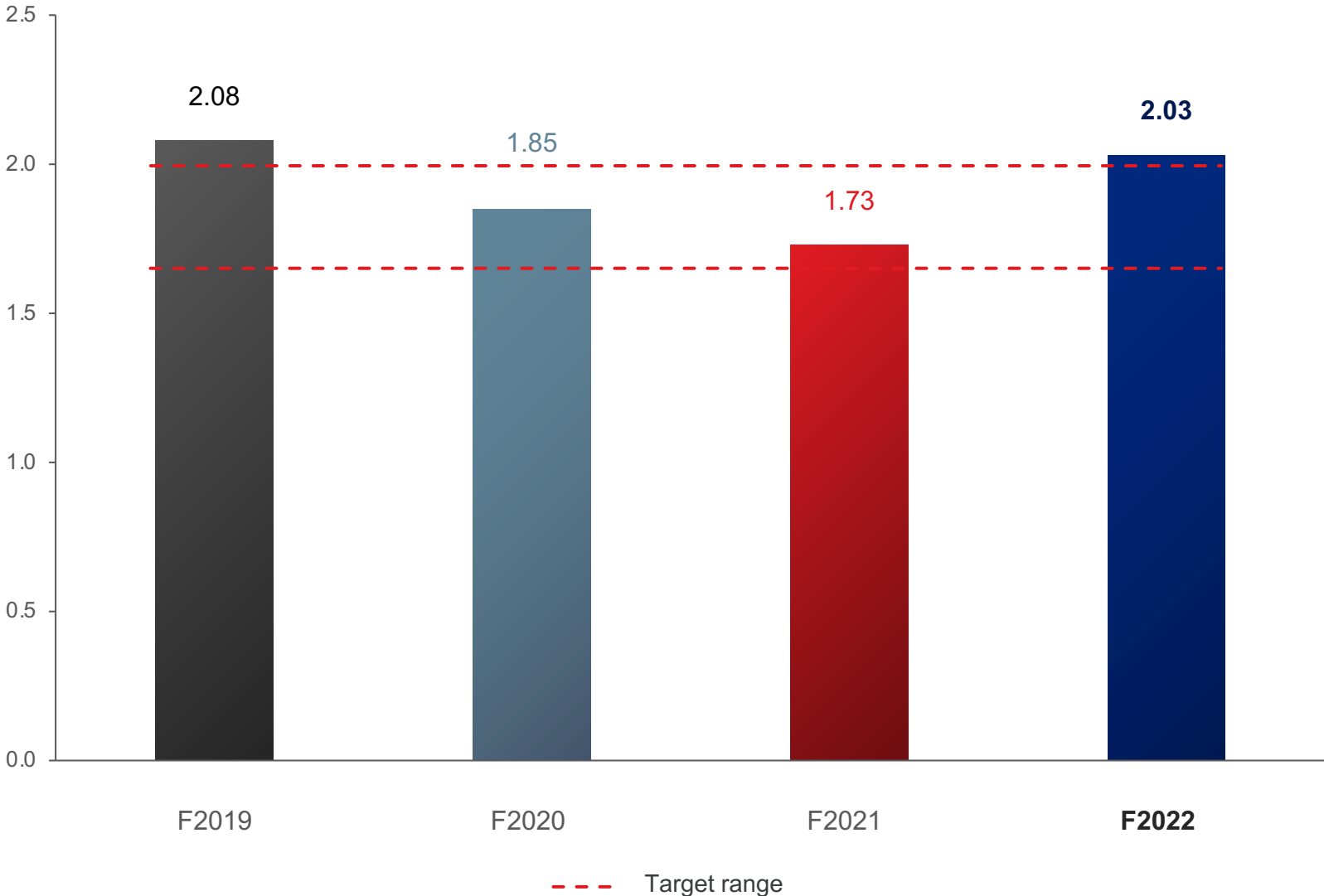
**R301 million  
uplift for  
remaining  
shareholders**

## Pro-forma impact of the buyback on EV

	<b>Jun '22</b>		
	<b>Actual</b>	Buyback	Pro-forma
Embedded value (R'million)	45 428	(382)	45 046
Shares (million)	1 526	(23)	1 503
Diluted EV per share (Rands)	29.77	0.20	29.97

Capital cover remains within or above target levels

### Momentum Metropolitan Life

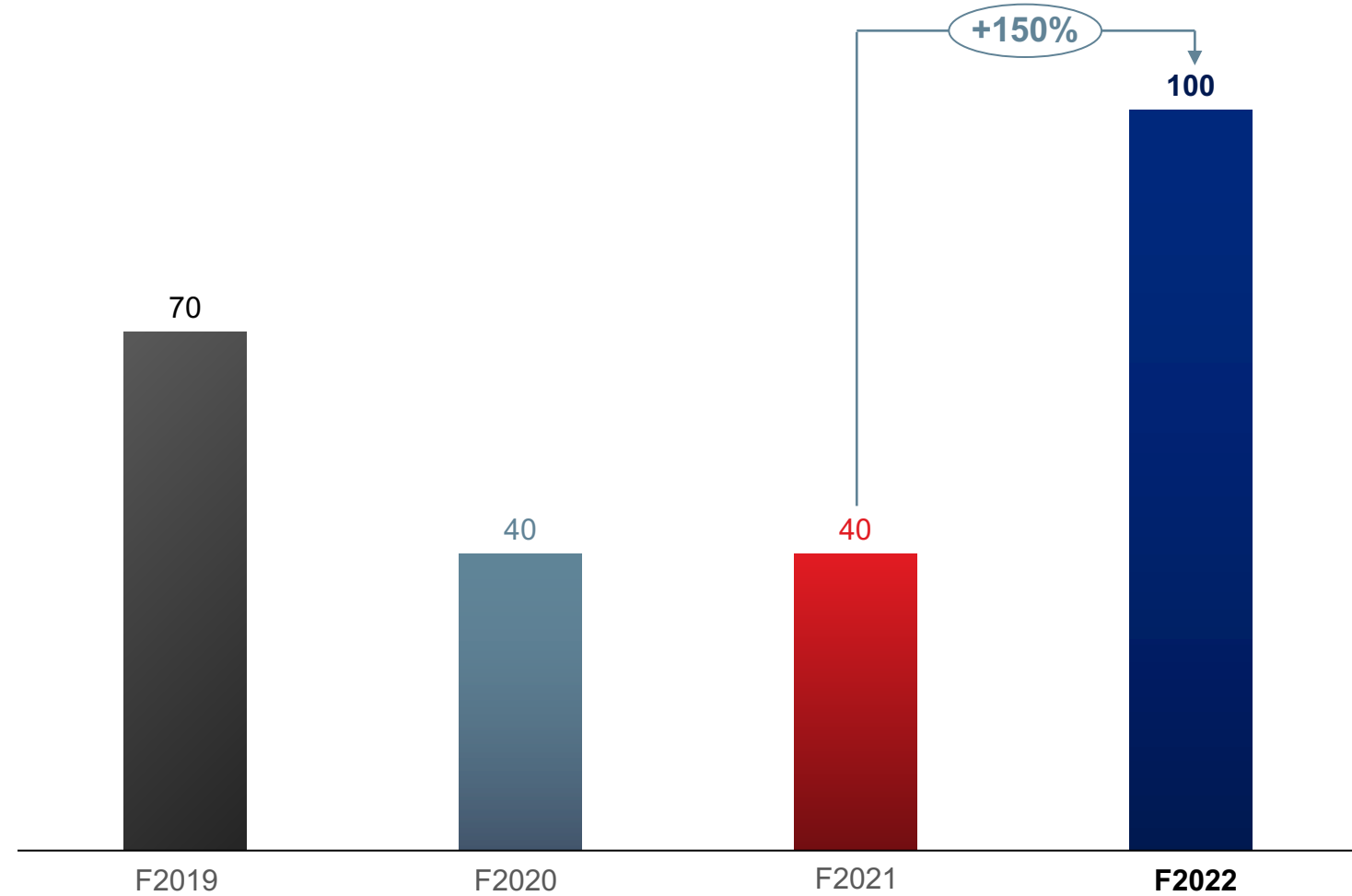


**Dividend increased to 2.5x F2021 level**

Dividend cover of **2.9 times NHE**

Dividend cover target range remains at **2.0 to 3.0 times NHE**

**Dividend per share (cents)**



# Other topical matters

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1 Mortality claims experience

2 India proposed transaction

3 Cash generation

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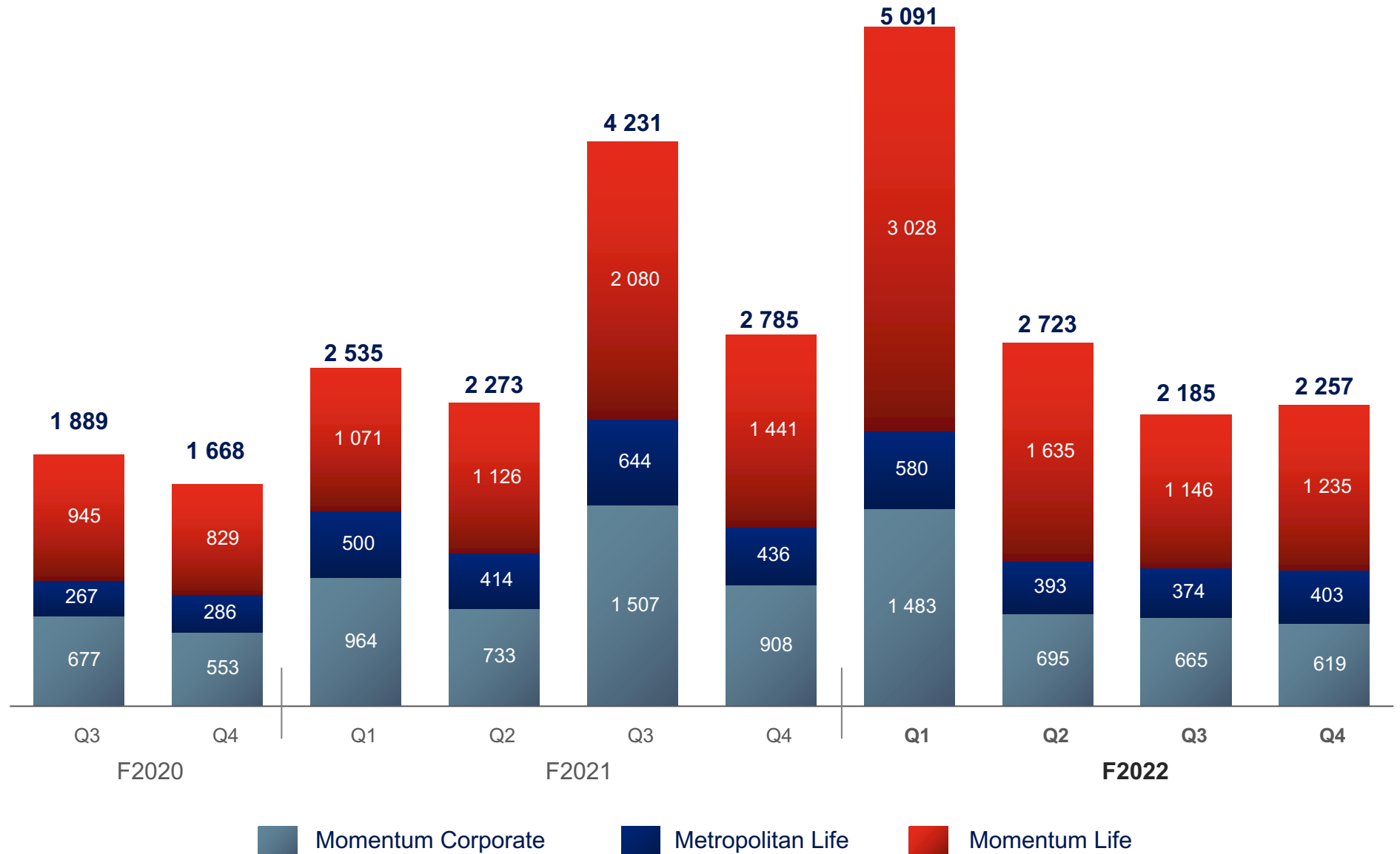


# Mortality claims experience

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**Mortality levels remain elevated**

### Amount of death claims (R'million)





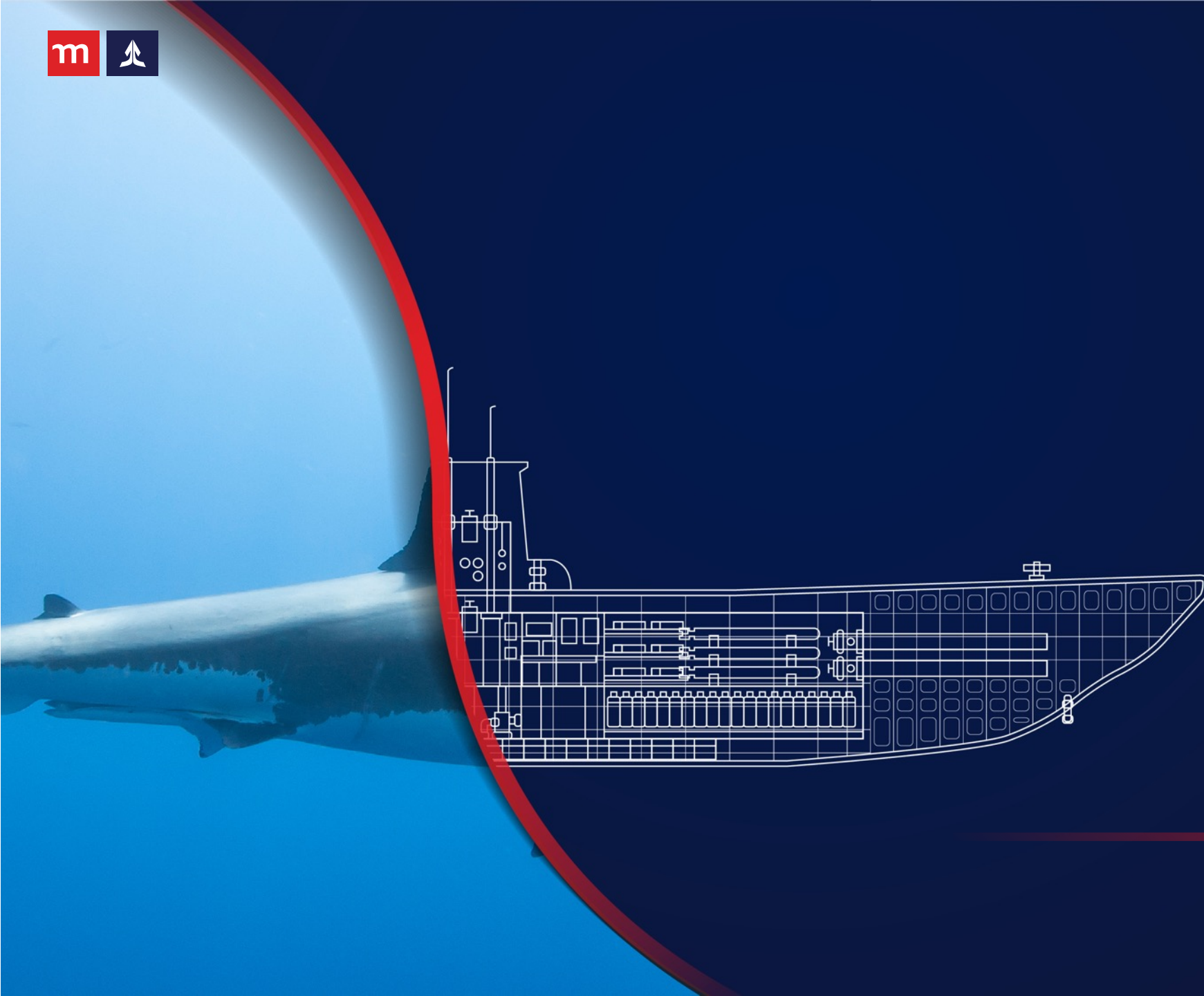
# India proposed transaction

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## India proposed transaction

- 1 ABHI shareholding:**  
45.91% held by ABCL | 44.10% held by MMH | 9.99% held by ADIA
- 2** Funds raised will be used to fund accelerated growth.
- 3** Capital infusion reduces planned capital injection by R600 – R700 million.
- 4** Transaction terms value MMH stake at R6 billion, a premium of R4 billion above EV.
- 5** Implied valuation would result in 8.5% uplift to EV if valuation were adopted.





**Cash generation**

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The 4 cash generating entities

**momentum**  
life



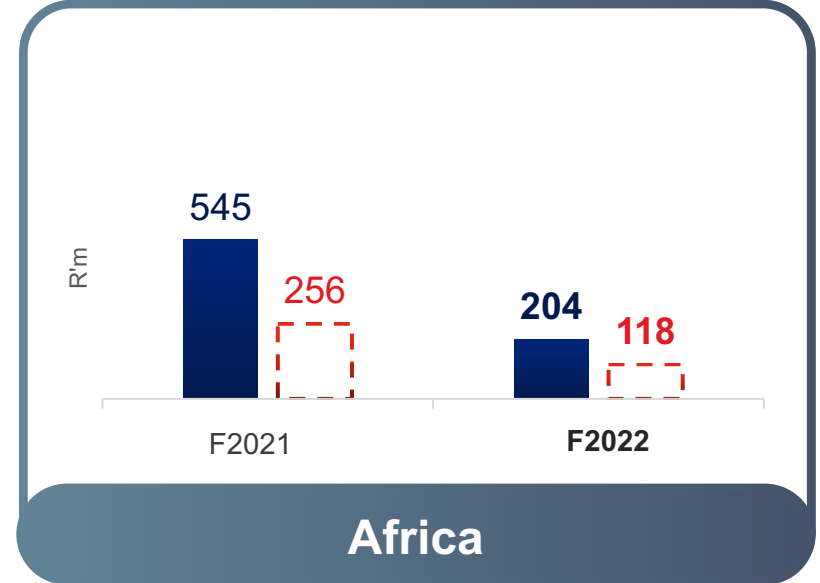
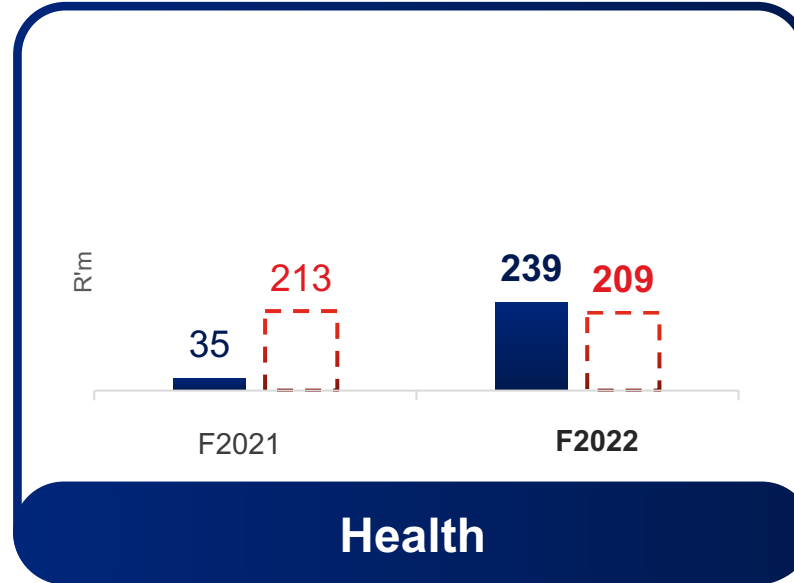
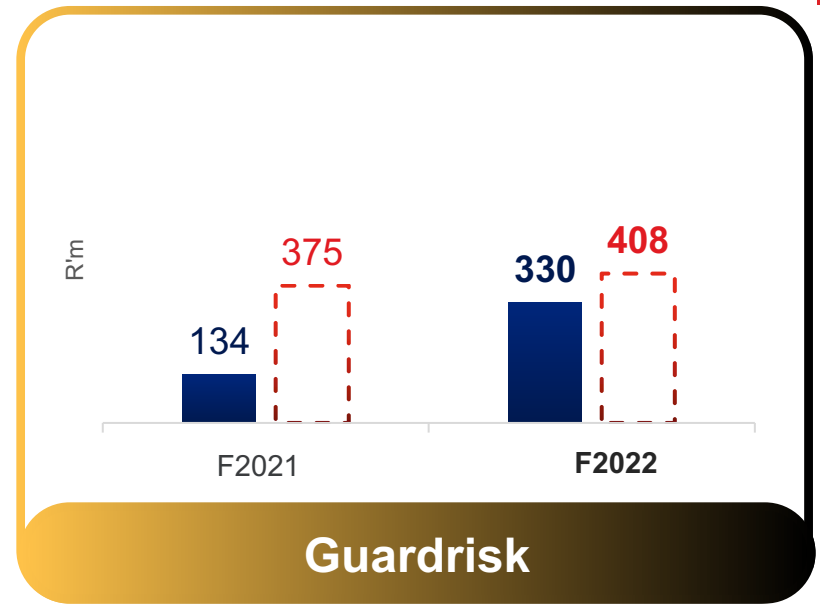
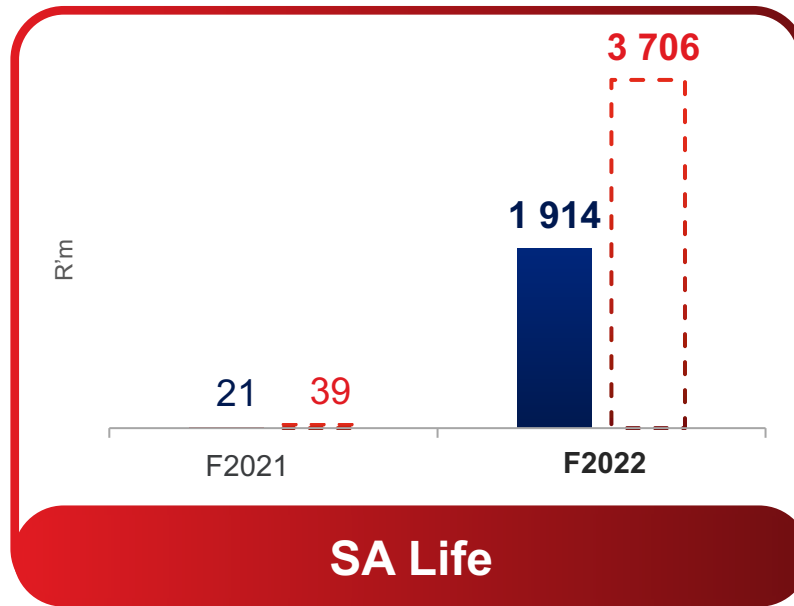
METROPOLITAN

**GUARDRISK** 

**Momentum**  
**Metropolitan**  
health

**Momentum**  
**Metropolitan**  
Africa

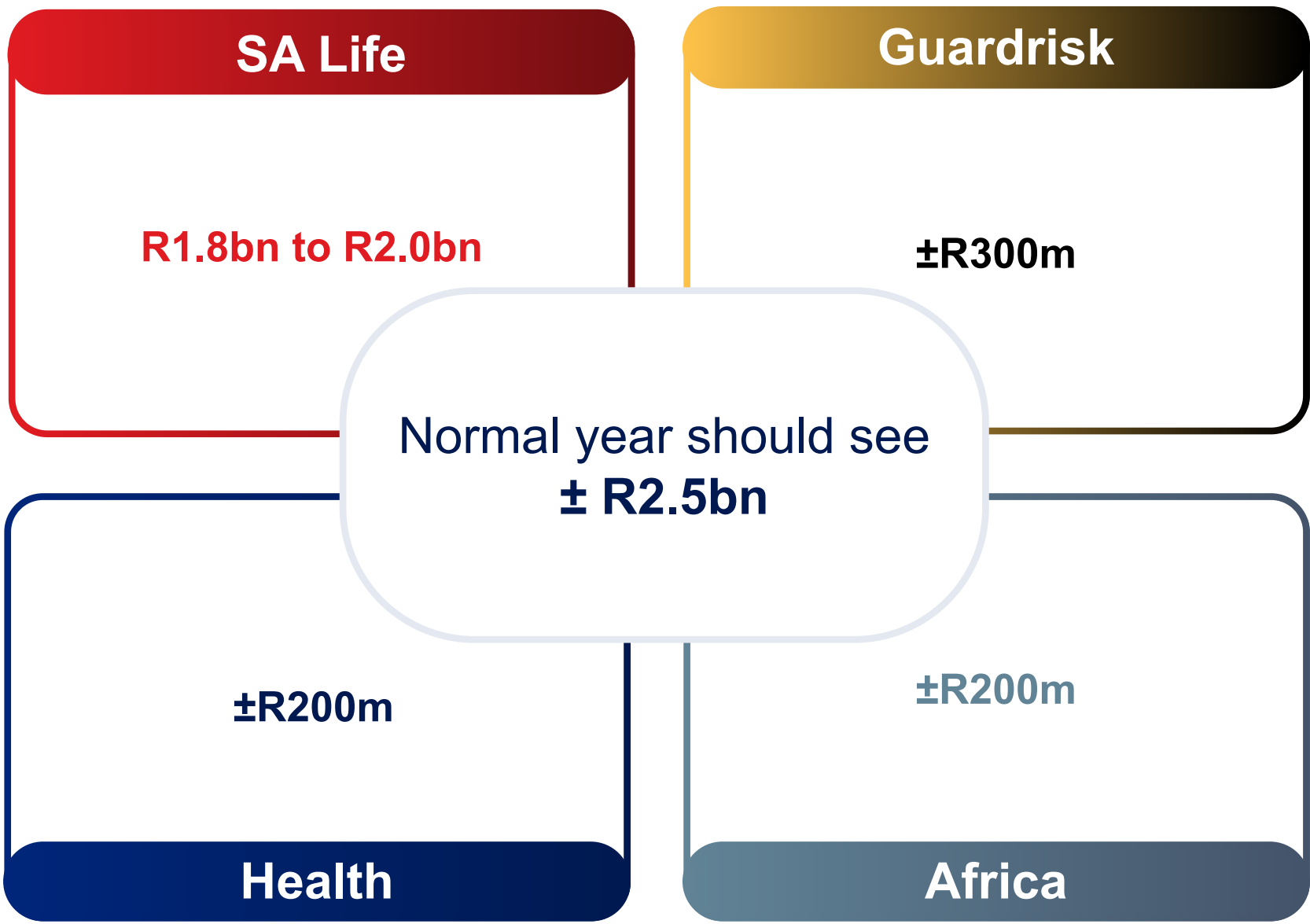
# Remittances in the last 2 years



■ Cash remittances to MMH

-- Normalised headline earnings

Normal remittances to MMH



## Additional dimensions to consider

- 1** Momentum Insure expected to pay decent remittances once profitability is restored.

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- 2** Earnings from VC funds only convert to cash on realisation. Investment phase is largely over.

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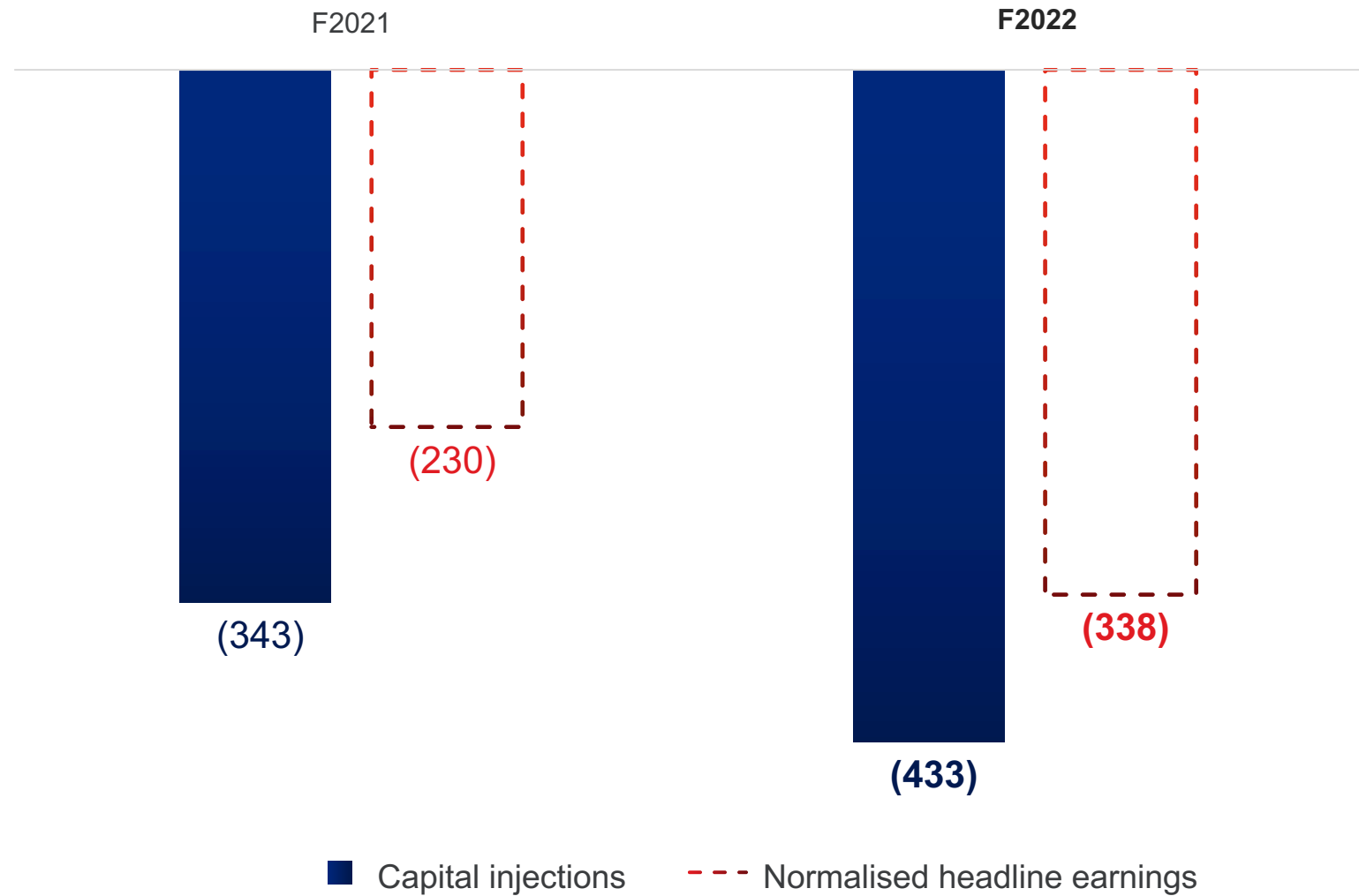
- 3** Investment management operations paying small remittances, amount should increase going forward.

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- 4** Sales or purchases of businesses – last two years we have been “net sellers” with the sale of aYo and Aluwani.

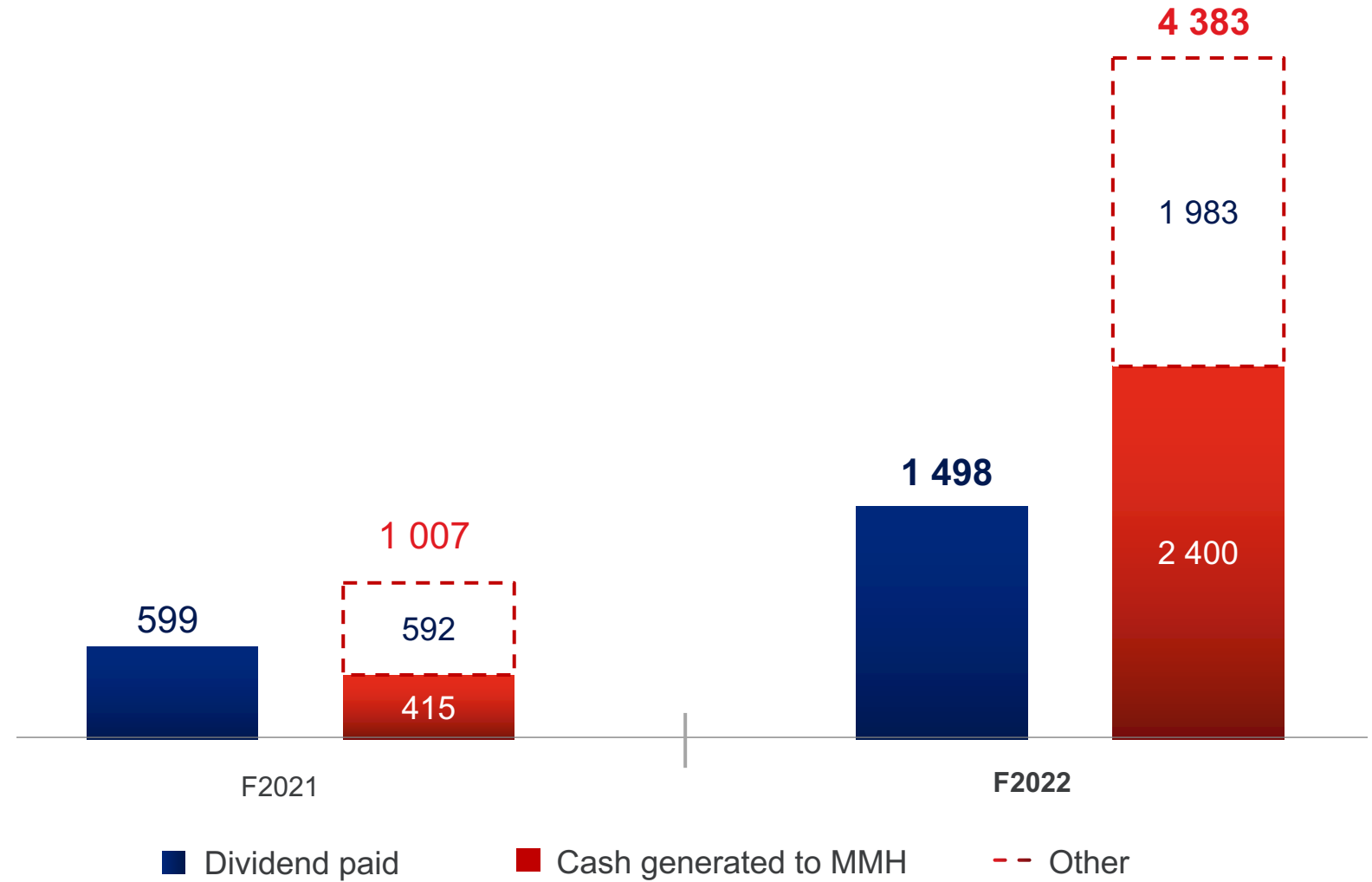
India JV the largest investment for the Group

### India JV – MMH capital injections and share of NHE (R'million)



We like to pay dividends

### MMH dividend paid and NHE (R'million)



How it all  
comes  
together

## Net capital flow

	R'million
SA Life	1 914
Guardrisk	330
Health	239
Africa	204
Other	62
Net M&A	192
India	(433)
Preference shares	(108)
<b>Cash generated to MMH</b>	<b>2 400</b>
Ordinary dividend	(1 498)
<b>Net of dividend payment</b>	<b>902</b>
Approved buyback	(750)
<b>Net of buyback &amp; dividend</b>	<b>152</b>





**In conclusion**

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## In conclusion

- 1 Strong financial results reflective of the focus over the past few years.

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- 3** Several exciting projects and initiatives on the go where the next 18 months will be telling.

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