Old Mutual Limited
Incorporated in the Republic of South Africa
Registration number: 2017/235138/06
ISIN: ZAE000255360
LEI: 213800MON84ZWWPQCN47
JSE Share Code: OMU
LSE Share Code: OMU
NSX Share Code: OMM
MSE Share Code: OMU
ZSE Share Code: OMU
("Old Mutual" or "OM" or "the Company" or "the Group")

Ref: 11/23

14 March 2023

Short-form announcement: Reviewed preliminary annual results and final dividend declaration for the year ended 31 December 2022

A message from the Chief Executive Officer

Overview

The Group delivered a solid set of financial results in 2022 despite the difficult macro-economic environment and market volatility. The pressure on our operating earnings caused by the COVID-19 pandemic has lifted as the ongoing impact of the pandemic becomes muted.

Our good sales performance was achieved on the back of successful execution of our strategy as we continued to enhance our customer and adviser experience. We are also building our transactional capabilities in South Africa as a key component of becoming our customers' first choice to sustain, grow and protect their prosperity.

We implemented our Broad-Based Black Economic Empowerment deal, Bula Tsela in November 2022. This transaction aims to increase our B-BBEE ownership to above 30% and has enabled us to deliver on our transformation commitments. The Bula Tsela deal was shortlisted for the 2022 Exxaro DealMakers BEE Deal of the Year Award.

Operating environment

While 2021 experienced significant post COVID-19 growth, 2022 was characterised by the after effects of the rebound, including supply chain constraints, resurgence of COVID-19 in China and the ongoing impact of Russia's war in Ukraine. These factors weighed on global economic activity in 2022. Inflation continued to accelerate as economies experienced a rapid rise in food and energy prices. This resulted in significant interest rate increases as central banks attempted to combat the rise in inflation across most developed and emerging economies.

The South African economy grew by 2% in 2022, lower than the 4.9% achieved in 2021. Severe load shedding and flooding in KwaZulu-Natal, which damaged infrastructure and manufacturing facilities, further hampered economic growth.

Inflation averaged 6.9% in 2022, up from 4.5% in the prior year, supported by increased fuel and food prices. The South African Reserve Bank raised the policy rate by a cumulative 325 basis points during 2022 to combat rising inflation. This, together with a relative slow recovery in employment post COVID-19 and the lingering impacts of the 2021 civil unrest, negatively impacted real income growth.

This downward pressure on disposable income growth, combined with depressed confidence made it difficult for customers to maintain or increase their contributions to protection, savings and investment products. Our corporate customers' growth and liquidity levels were also negatively impacted.

The South African equities markets declined relative to the prior year on the back of global market volatility.

The operating environment across our Africa regions was similarly challenging with policymakers also having to grapple

with exchange rate volatility and shrinking economic resources. In Kenya, Malawi and Ghana, the fiscal pressures resulting from increased debt repayments forced governments into International Monetary Fund budget support programmes. Furthermore, in Malawi, acute dollar scarcity led to fuel shortages and challenges in meeting dollar-denominated obligations. These economic conditions led to reduced customer spending due to lower disposal income and poverty levels, which have limited the affordability of insurance and savings products. Socio-political risk continued to heighten in several countries, exacerbated in Zimbabwe and Nigeria by upcoming elections.

All selected equity indices across our Africa regions (except for Malawi) have decreased relative to the prior year on the back of global market volatility.

Key performance overview
Sales maintained momentum throughout the year in our retail segments. We made progress in regaining market share in Mass and Foundation Cluster and Personal Finance during the year, as evidenced by external market surveys.

Life APE sales increased by 10% mainly due to strong risk and credit life sales in Mass and Foundation Cluster coupled with higher corporate and retail sales in Namibia. Our China business also delivered strong savings sales from the broker channels. This was partially offset by lower pre-retirement and annuity sales in Old Mutual Corporate.

The value of new business grew by 16% due to strong sales growth in Mass and Foundation Cluster as well as a change in mix towards higher margin business in Mass and Foundation Cluster and Old Mutual Corporate. This was partially offset by the reduction in Personal Finance value of new business arising from challenges faced with sales volumes and business mix. We have, however, seen an improvement in the second half of the year due to management actions implemented to improve the business mix to higher margin risk business. The value of new business margin of 2.2% remains within our medium-term target range of 2% to 3%.

Gross flows declined by 9% due to the prior year including large transactions in Old Mutual Investments and Old Mutual Corporate which did not repeat in the current year. Lower annuity sales and a decrease in demand for offshore investments in Personal Finance and Wealth Management also contributed to the decline in gross flows. This was partially offset by strong flows in Old Mutual Africa Regions and growth in the sales of savings products in China.

The Group reported negative net client cash flow for the year. This was primarily due to the decline in gross flows combined with large disinvestments and terminations in Wealth Management and Old Mutual Investments respectively. We are confident that the overall health of our pipeline will support improvements in net client cash flow. Our funds under management of R1.2 trillion declined by 4% due to weaker market performance in South Africa and globally.

Results from operations increased to R8.7 billion, primarily driven by improved profits on the back of strong sales and core operational performance across the Group. Our life profits benefited from a refinement in hedging methodology, enabling a material release of excess discretionary margins as well as lower mortality in the current year as the effects of COVID-19 eased. All remaining COVID-19 provisions were released but the impact was mostly offset by the strengthening of our mortality basis to allow for endemic COVID-19 claims, and worsened persistency as the challenging economic conditions continue to impact our retail customers.

The Group return on net asset value improved to 11.1% due to strong growth in earnings and a lower average adjusted IFRS equity base, resulting from the unbundling of 12.2% of the Group's stake in Nedbank in 2021, thus delivering on our promise to simplify the Group's capital structure and provide a substantial return of capital to our shareholders. We remain committed to returning capital to our shareholders, with R59.3 billion returned through special distributions since 2018.

The Group solvency ratio remains robust at 190%, within our target range of 170% - 200%. Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA) solvency ratio was at 214%, above the target range of 175% to 210%.

Our dividend policy targets an ordinary dividend cover range of 1.5x to 2x adjusted headline earnings. The Old Mutual Limited Board declared a final dividend of 51 cents per share, taking the full dividend for the year to 76 cents. Adjusting for the impact of Nedbank in 2021, dividend growth was up 13% from the prior year.

We have further earmarked between R1 billion and R1.5 billion for return to shareholders as a share buyback and we

have initiated approval processes with the Board and Prudential Authority.

We have largely delivered on our medium-term targets which were set for 2023. Our results from operations target for 2023 was to deliver the 2019 results plus 5% to 10%. We have met this target on a comparable basis to 2019, excluding the cost of our transactional capability and NEXT176. This was achieved on the back of decisive and focused management actions through this recovery phase resulting in our sales and gross flows recovering to pre COVID-19 levels. We have also exceeded our cost efficiencies target and remain within the ranges set for value of new business margin and Group solvency. Return on net asset value continues to recover and is approaching our cost of equity. Old Mutual Insure's net underwriting margin is below our target range owing to the severe catastrophe events experienced during 2022.

We continue to evaluate the impact of IFRS 17 and refine the new financial reporting processes, systems and controls that will underpin our IFRS 17 results. Whilst IFRS 17 will not change the underlying fundamentals of our insurance business, our cash generation or our capital strength, it will significantly change how we report on our insurance business. We remain on track to report under IFRS 17 for the first time for the half-year ended 30 June 2023 and restated comparative information for 2022 will be provided.

Outlook for 2023
Economic activity continues to be hampered by significant interest rate increases as central banks attempt to combat rising inflation caused by Russia's war in Ukraine. Severe COVID-19 lockdowns in China dampened growth in 2022, with the recent reopening paving the way for a faster than expected recovery. The International Monetary Fund World Economic Outlook for January 2023 forecasts global economic growth of 2.9% for 2023.

Load shedding in South Africa continues to affect economic activity. Failure to address load shedding will have an impact on crop failure, higher food prices and shortages of certain food products, which will further dampen economic growth. In January 2023, the South Africa Reserve Bank increased the repo rate by 25 basis points to control inflation levels. The International Monetary Fund's World Economic Outlook for January 2023 has forecast growth in Sub-Saharan Africa at 3.8% for 2023.

The macro-economic environment in our markets is expected to remain challenging, which will continue to exacerbate financial pressure on our customers. We remain focused on driving sales volumes and profitable sales mix to improve market share growth in our segments. Despite the challenging headwinds, we are through our recovery phase and have largely delivered on our medium- term targets one year ahead of schedule. Our next set of results will be prepared on an IFRS 17 basis and we will communicate the revised medium-term targets in due course.

I would like to thank all my colleagues for their contributions in achieving this pleasing set of results. Our focus over 2023 is to continue putting our customers first and remaining a certain friend in uncertain times for our customers, employees and the communities in which we operate.

Iain Williamson
Chief Executive Officer of Old Mutual Limited

Group highlights

Key performance indicators

Rm (unless otherwise stated)	FY 2022	FY 2021	Change
Results from operations	8 743	4 384	99%
Adjusted headline earnings	6 371	5 402	18%
Headline earnings (1)	7 948	7 209	10%
IFRS profit after tax attributable to equity holders of the parent (1)	7 325	6 662	10%
Return on net asset value (%)	11.1%	9.0%	210 bps
Group equity value	89 398	91 993	(3%)
Discretionary capital (Rbn) (2)	3.5	-	-
Group solvency ratio (%) (1)	190%	184%	600 bps
Dividend cover	1.73	1.51	15%

Per share measures

	FY 2022	FY 2021	Change
Adjusted headline earnings per share (3)	139.8	118.5	18%
Headline earnings per share (1)	180.1	163.8	10%
Basic earnings per share (1)	166.0	151.3	10%
Total dividend per share	76	76	0%
Interim	25	25	0%
Final	51	51	0%
Group equity value per share (4)	1 819.3	1 952.2	(7%)

(1) These metrics include the results of Zimbabwe. All other key performance indicators exclude Zimbabwe.
(2) Discretionary capital was externally disclosed since September 2022 at R3.5 billion.
(3) Adjusted headline earnings is calculated with reference to adjusted weighted average number of ordinary shares. Weighted average number of shares used in the calculation of the adjusted headline earnings per share is 4 557 million (FY 2021: 4 558 million).
(4) Group equity value calculated with reference to closing number of ordinary shares. Closing number of shares used in the calculation of the group equity per share is 4 914 million (FY 2021: 4 709 million).

Supplementary performance indicators

Rm (unless otherwise stated)	FY 2022	FY 2021	Change
Life and Savings and Asset Management			
Gross flows	178 027	194 757	(9%)
Net client cash flow	(12 425)	92	(>100%)
Funds under management (Rbn)	1 228.9	1 273.6	(4%)
Life and Savings			
Life APE sales	12 501	11 400	10%
Value of new business	1 465	1 266	16%
Value of new business margin (%)	2.2%	1.9%	30 bps
Banking and lending			
Loans and advances	19 009	18 907	1%
Net lending margin (%)	13.4%	16.4%	(300 bps)
Property and Casualty			
Gross written premiums	22 344	19 982	12%
Net underwriting margin (%)	0.5%	1.6%	(110 bps)

Short-form announcement
This short-form announcement is the responsibility of the Board. It is only a summary of the information contained in the full announcement available on SENS and the Company's website on 14 March 2023. This short-form announcement does not contain full or complete details pertaining to the Group's results and should be read in conjunction with the full announcement. The short form announcement has itself not been reviewed, however, the financial information included herein has been extracted from the reviewed condensed consolidated financial statements which have been reviewed by the independent joint auditors, Ernst & Young Inc. and Deloitte & Touche, who expressed an unmodified review conclusion. Any reference to future financial performance has not been reviewed by or reported on by the Group's auditors. The reviewed condensed consolidated financial statements and the independent joint auditors review report is available on the Company's website at www.oldmutual.com/investor-relations/reporting-centre/reports. Any investment decisions by investors and/or shareholders should therefore be based on consideration of the full announcement accessible via the JSE link https://senspdf.jse.co.za/documents/2023/jse/isse/OMUE/FY22Result.pdf and published on our website at www.oldmutual.com/investor-relations/reporting-centre/reports. The full announcement is available for inspection at the registered offices of the Company and the Sponsor, at no charge, during office hours from the date of this announcement for a period of 30 days.

Final dividend declaration
The Old Mutual Limited Board declared a final dividend of 51 cents per ordinary share. This results in a full dividend

cover of 1.73 times for the 2022 year which is in line with Old Mutual Limited's dividend cover target range of 1.50 times to 2.00 times.

The final dividend will be paid out of distributable reserves to all ordinary shareholders recorded on the record date. The dividend will be payable to all shareholders, except for Old Mutual Limited shareholders on the London Stock Exchange (LSE), on 14 April 2023. The dividend payment date for Old Mutual Limited shareholders on the LSE is 15 May 2023.

Shareholders on the London, Zimbabwean, Malawian and Namibian registers will be paid in the local currency equivalents of the final dividend.

Old Mutual Limited's income tax number is 9267358233. The number of ordinary shares in issue in the company's share register at the date of declaration is 4 913 880 491.

	JSE, MSE, NSX, ZSE	LSE
Declaration date	Tuesday, 14 March 2023	Tuesday, 14 March 2023
Finalisation announcement and exchange rates announced	Wednesday, 22 March 2023 by 11.00	Wednesday, 22 March 2023 by 11.00
Transfers suspended between registers	Close of business on Wednesday, 22 March 2023	Close of business on Wednesday, 22 March 2023
Last day to trade cum dividend for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Tuesday, 11 April 2023	N/A
Ex-dividend date for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Wednesday, 12 April 2023	N/A
Last day to trade cum dividend for shareholders on the UK register	N/A	Wednesday, 12 April 2023
Ex-dividend date for shareholders on the UK register	N/A	Thursday, 13 April 2023
Record date (South African Register and Malawi, Namibia and Zimbabwe branch registers)	Close of business on Friday, 14 April 2023	N/A
Record date (UK register)	N/A	Close of business on Friday, 14 April 2023
Transfers between registers restart	Opening of business on Monday, 17 April 2023	Opening of business on Monday, 17 April 2023
Final dividend payment date	Monday, 17 April 2023	Monday, 15 May 2023

(1) Tuesday, 21 March is Human Rights Day.

Share certificates for shareholders on the South African register may not be dematerialised or rematerialised between Wednesday, 12 April and Friday, 14 April 2023, both dates inclusive. Transfers between the registers may not take place between Wednesday, 22 March and Friday, 14 April 2023, both dates inclusive. Trading in shares held on the Namibian

branch register through Old Mutual (Namibia) Nominees (Pty) Limited will not be permitted between Wednesday, 22 March and Friday, 14 April 2023, both dates inclusive.

For South African shareholders, the dividend will be subject to dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. International shareholders who are not exempt or are not subject to a reduced rate in terms of a double taxation agreement will be subject to dividend withholding tax at a rate of 20%. The net dividend payable to shareholders subject to withholding tax at a rate of 20% amounts to 40.800 cents per ordinary share. Distributions made through the dividend access trust or similar arrangements established in a country will not be subject to South African withholding tax but may be subject to withholding tax in the relevant country. We recommend that you consult with your tax adviser regarding the in country withholding tax consequences.

Shareholders that are tax residents in jurisdictions other than South Africa may qualify for a reduced rate under a double taxation agreement with South Africa. To apply for this reduced rate, non-SA taxpayers should complete and submit a declaration form to the respective registrars. The declaration form can be found at: https://www.oldmutual.com/investor-relations/dividend-information/

Notes to Editors
A webcast of the presentation of the 2022 Annual Results and Q&A will be broadcast live on 14 March 2023 at 11:00 am South African time on the Company's website www.oldmutual.com. Analysts and investors who wish to participate in the call may do so using the following link or telephone numbers below: http://live.eclipse-streaming.co.za/oldmutual/OMInvestorRelations/

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Australia +61 739 111 378
USA +14 123 170 088
International +27 105 004 108
Replay Access Code 43676

Pre-registration to participate in the call is available at the following link: https://om.eventpress.co.za/e/519

The replay will be available until 14 April 2023.

Sponsors
JSE equity sponsor: Merrill Lynch South Africa (Proprietary) Limited t/a BofA Securities

JSE debt sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited

NSX: PSG Wealth Management (Namibia) (Proprietary) Limited

ZSE: Imara Capital Zimbabwe plc

MSE: Stockbrokers Malawi Limited

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