



Momentum Group

Impact strategy progress

Jeanette Marais

Overview

1 Impact strategy recap

2 Impact strategy progress

3 Closing



momentum
group



THE

IMPACT

F2025 to F2027

STRATEGY

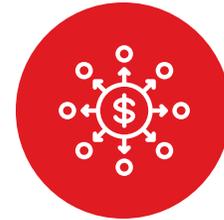


Market dynamics and internal realities



Low SA growth

- **Explore** other geographies



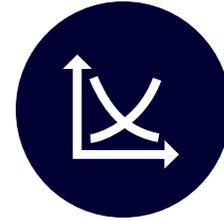
Untapped markets in SA

- Enter **new market** segments



Changing client needs and behaviour

- **Simplify** and **digitalise** client experience



Regulatory complexities

- **Optimise** cost base



Continued dominance of face-to-face distribution

- **Increase** distribution footprint



Market-leading businesses

- **Strengthen and grow** our businesses



Importance of advice

- Focus on **advice**



Under-performing businesses

- **Turnaround strategies** for underperforming businesses



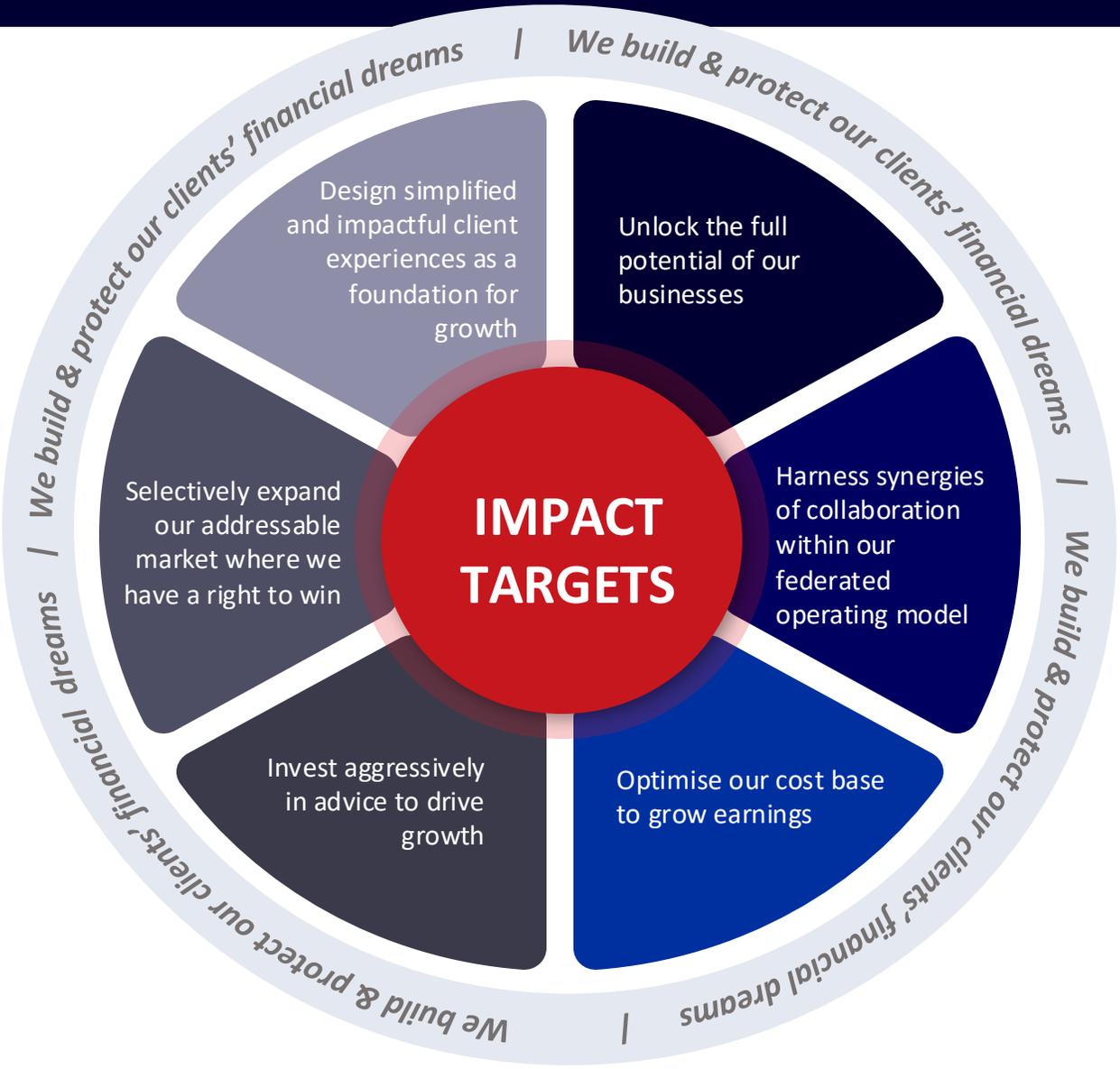
Technology advancements (digital & data)

- Imperative and key enabler, prioritise **digital**, balanced with a **fast follower** approach to mitigate risks of early adoption



Scale challenges

- **Optimise** cost base and operating model



Progress indicators:

- Fully confident
- Highly confident
- Reasonably confident

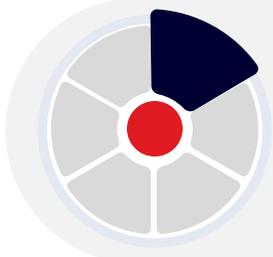
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Unlock the full potential of our businesses

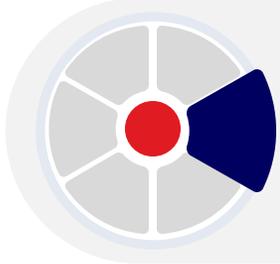


Principles of strategic objective:

- Continuously **ASSESS** as businesses go through life cycles
- Identifying where **TURN-AROUND** plans are needed
- Continue to **INVEST CAPITAL** to drive growth and performance
- Amazing results when **ALL** businesses perform **WELL**

Highlights:

- **MOMENTUM INSURE** achieved sustainable profitability
- Review of **AFRICA** operating model progressing well
- Stabilised **METROPOLITAN** through its 5-point plan
- **ADITYA BIRLA** Health Insurance achieved breakeven
- Completed legacy **SYSTEM MIGRATION**
- **ADVISERCONNECT** and **CONSULTCONNECT** digitally enable self-service for advisers and clients



Harness synergies of collaboration within our federated operating model

Highly confident

Principles of strategic objective:

- We are using opportunities in our **FEDERATED** operating model to unlock growth by **COLLABORATING** :
 - hunting together to seize opportunities
 - vertical integration already showing measurable results

Highlights:

- Integrated **EMPLOYEE BENEFITS** and **HEALTH** offerings
- Focus on vertical integration paying off:
 - Inflows from **MFP** increased from 40% to 43%
 - Allocations of R1.4bn to **CURATE**
 - Flows from **MOMENTUM CONSULT** to Equilibrium more than tripled to R461m
 - **MOMENTUM SECURITIES** doubled brokerage volume traded on behalf of the Group



Optimise our cost base to grow earnings

Highly confident

Principles of strategic objective:

- Ensure we have a **LEAN** business so that we can **INVEST** more in growth and optimisation
- **GROUP-WIDE** project identified – R1 billion of savings (3% of cost base p.a.)
- Key **FOCUS** areas:
 - Business Unit efficiencies
 - Technology
 - Procurement
 - Duplication

Highlights:

- **DIAGNOSTICS** done, **IMPLEMENTATION** progressing
- Tracking to ensure these expenses are **PERMANENTLY REMOVED** from our cost base



Invest aggressively in advice to drive growth

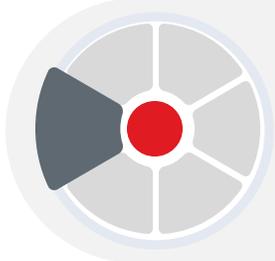
Highly confident

Principles of strategic objective:

- **FACE-TO-FACE** advice is here to stay and offers growth opportunities
- All forms of advice as a **KEY DIFFERENTIATOR**
- Expanding our **ADVICE CAPABILITIES** to gain market share
- Use **TECHNOLOGY** to empower advisers and improve client experience

Highlights:

- Embedded new **MFP** operating model with new executive team – ready for strong growth
- Expanded participation in **ADVICE** through **ACQUISITIONS**
- **METROPOLITAN** completed a review of their agency force, resulting in productivity improvements
- **MOMENTUM** ad campaign puts advisers at the heart of our brand story



Selectively expand our addressable market where we have a right to win

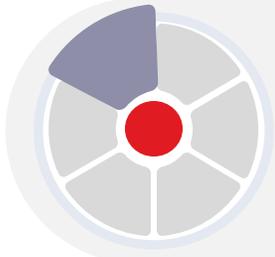
Reasonably confident

Principles of strategic objective:

- **FOCUSED** and **SELECTIVE** approach to expansion
- **FOUR KEY AREAS**: channels, segments, products and geographies
- Strategic **PARTNERSHIPS** play a crucial role

Highlights:

- Good progress from **GUARDRISK** with initiative to expand cell captive model to India
- **MOMENTUM CORPORATE** delivered strong SME client acquisition with 154 new SME employers
- Successful launch of **CURATE** introduced key local and global fund managers – grew assets by R2.7bn



Design simplified and impactful client experiences as a foundation for growth



Principles of strategic objective:

- Focus on enhancing **CLIENT EXPERIENCE** – this is key to our purpose
- Through client **INSIGHTS** and **SIMPLIFYING** our offerings – thereby reducing **COMPLEXITY** and driving **EFFICIENCY** and **INNOVATION**
- **AUGMENT** humans through technology

Highlights:

- Embedded and embraced our **PURPOSE** – increased focus on improving **CLIENT** experience
- Measurement of **NPS** aligned across the Group
- Momentum Health repositioned **MULTIPLY** to simplify client experience
- Investment in **DIGITAL CAPABILITIES** in many business units paving the way for improvement in client and adviser journeys



Strategic enablers

People

- Embedded purpose to build and protect our clients' financial dreams
- Culture behaviours embedded
- Focus on building leadership and talent for the future

Transformation

- Achieved Level 1 B-BBEE rating, 6 years in a row
- Good progress with employment equity, but new regulation uncertainty
- Aligned Enterprise & Supplier Development to transform advice

Digital

- Digital transformation is key enabler of all our strategic objectives
- Focus on client & adviser-centric functionality that enhances outcomes
- Leveraging data to deliver better outcomes

Sustainability

- Good progress to embed sustainability into our Impact strategy
- Committed to reduce Group emissions by 23% by 2030 (against a 2019 baseline)

Capital deployment

- Disciplined implementation of capital allocation framework
- We rigorously track post-investment performance against business cases, and take corrective action where needed

By

20% 2% 7 bn

We will
achieve

Return on
equity

New
business
margin

Earnings

- NHE and ROE on track to reach our Impact targets
- VNB remains a challenge, but we are progressing well
- Financial ambitions remain achievable

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Successes

- Embedded Purpose and Culture behaviours – driver of success
- Strong start to Impact strategy in first 9 months



Challenges

- SA economy and geo-political environment
- VNB remains a challenge across the Group



Closing thoughts

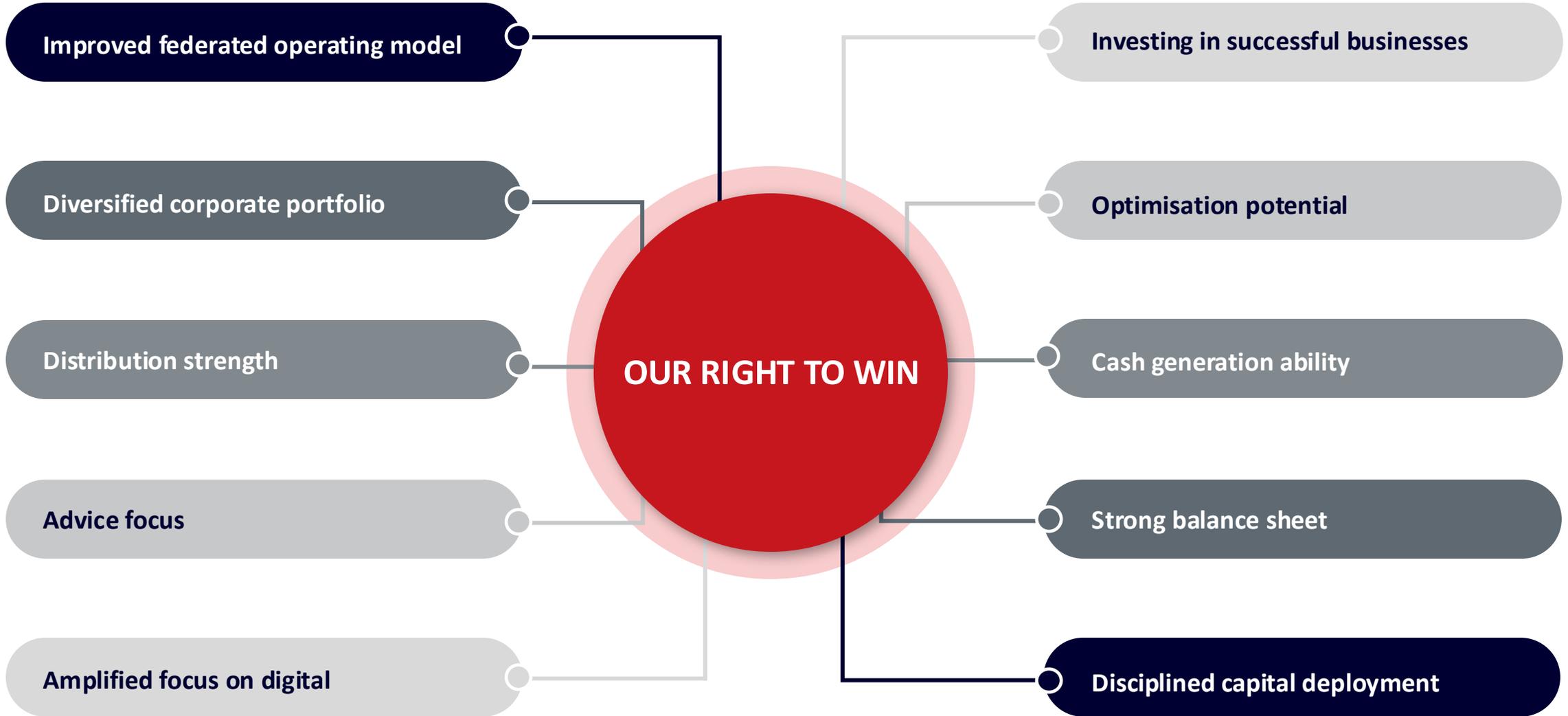
- Sound strategy, diligent execution and monitoring of progress
- Continued transparent communication
- Focused on what is in our control



Momentum Group

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Thank you



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