



OUTsurance Group Limited

# **UNAUDITED INTERIM FINANCIAL RESULTS**

for the six months ended 31 December 2024

# Agenda

**Operational review**

Marthinus Visser

**Financial review**

Jan Hofmeyr

**Outlook and strategic focus areas**

Marthinus Visser



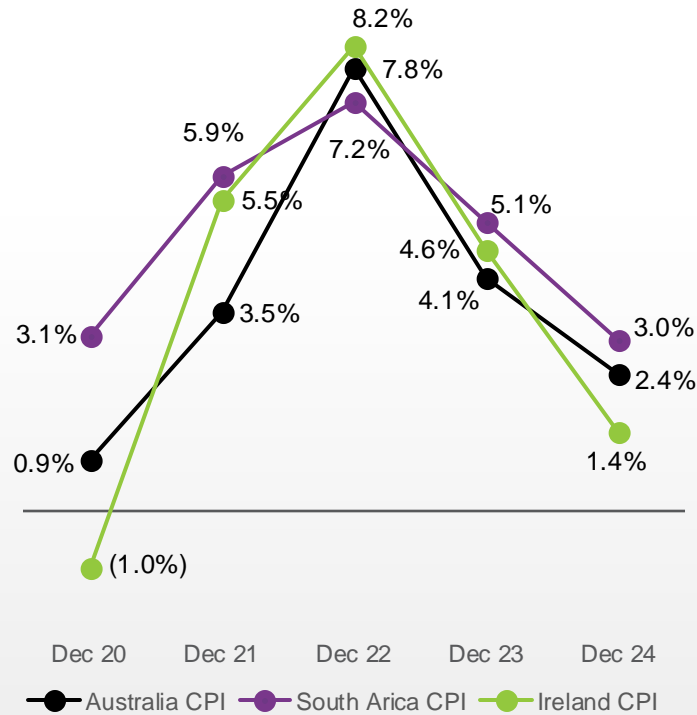
# Operational review

# Macroeconomic trends

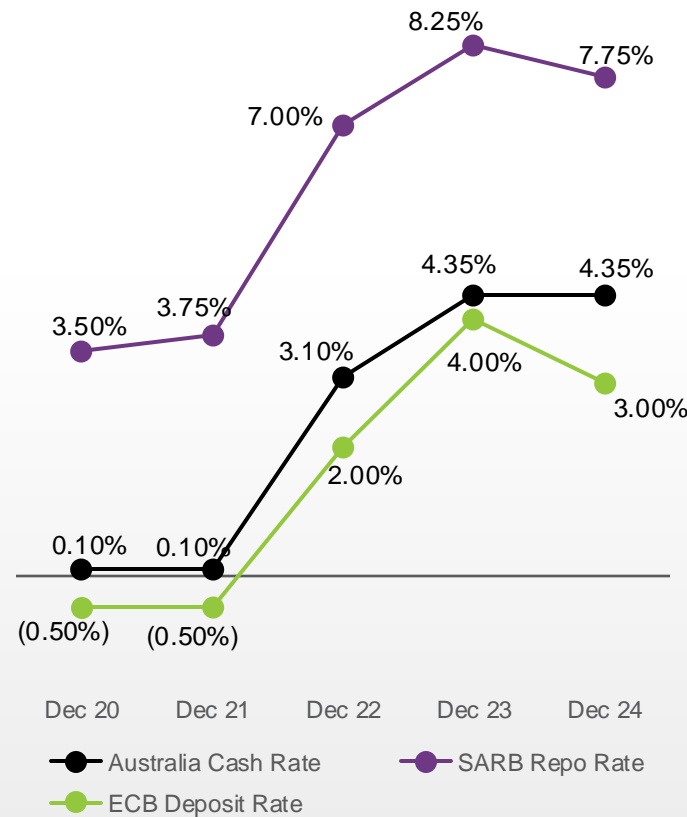
Inflation and interest rate environment impacting operational performance



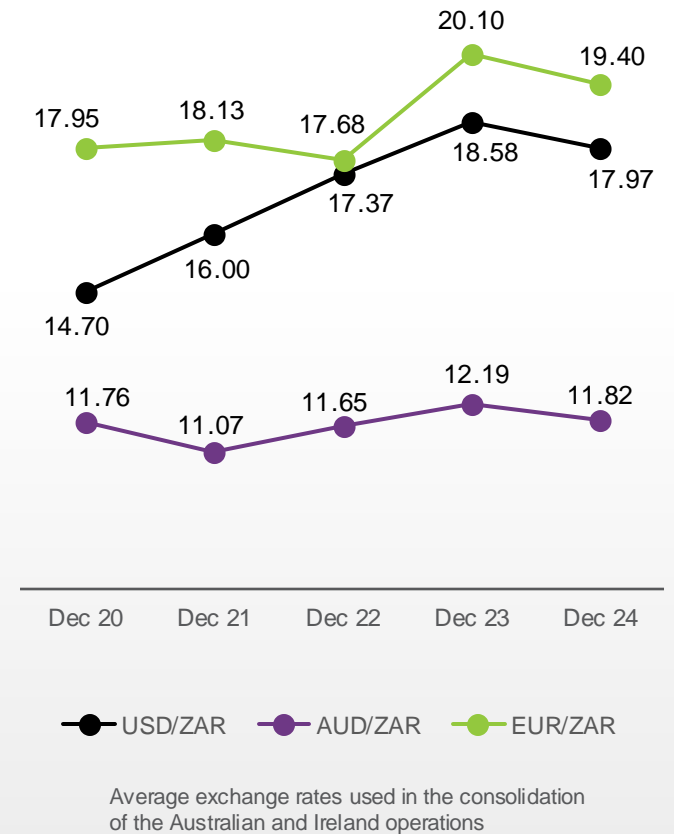
## CPI Inflation



## Interest rates



## Exchange rates



Subsequent to the reporting date, the Australian Cash Rate was reduced by 25 basis points.

# Overview of key operational themes

## OUTsurance SA and OUTsurance Life



### OUTsurance SA Personal

#### Operating environment

- Premium inflation still elevated but starting to moderate in some areas.
- Satisfactory new business performance despite economic backdrop.
- Claims ratio benefitted from favourable weather experience.

#### Growth

- 9.2% GWP growth (10.3% excl. HOC).

#### Profitability

- 34.7% growth in operating profit.

### OUTsurance SA Business

#### Operating environment

- The rate of new business acquisition balanced against the profitable scaling of OUTsurance Brokers.
- OUTsurance Brokers delivered expanding margins on account of scale and claims performance.
- Claims performance benefitted from favourable weather experience.

#### Growth

- 10.5% GWP growth (17.5% in OUTsurance Brokers).

#### Profitability

- 74.9% growth in operating profit.

### OUTsurance Life

#### Operating environment

- Strong operational focus on growing a simplified business through product, pricing and distribution optimisation.
- IFRS 17 providing a more stable profitability profile.

#### Growth

- Value of new business written increased significantly by 83.8%, attributed to a recovery in the Direct segment.
- VNB margins (excl. share-based payments volatility) improved from 9.9% to 18.9%.

#### Profitability

- Operating profit up from R57 million to R185 million, aided by favourable yield movements.

# Overview of key operational themes

Youi



## Youi Personal

### Operating environment

- Premium inflation still elevated but starting to moderate. Unit growth improving in the direct channel.
- Pricing discipline resulted in new business contraction in the BZI broker channel.
- Claims ratio and profitability of all channels benefitted from benign weather experience.

### Growth

- The direct channel experienced 29.0% GWP growth in AUD.

### Profitability

- Operating profit 160% higher driven by favourable weather and strong overall top-line growth.

## Youi Business

### Operating environment

- Slower growth rate linked to pricing discipline in the broker channel.

### Growth

- 13.6% GWP growth in AUD.

### Profitability

- 127% growth in operating profit.

## Youi CTP

### Operating environment

- Strong GWP growth underpinned by favourable trading in the New South Wales market.
- Cost-to-income ratio continued to benefit from accelerating scale and discontinuation of quota share reinsurance in New South Wales.

### Growth

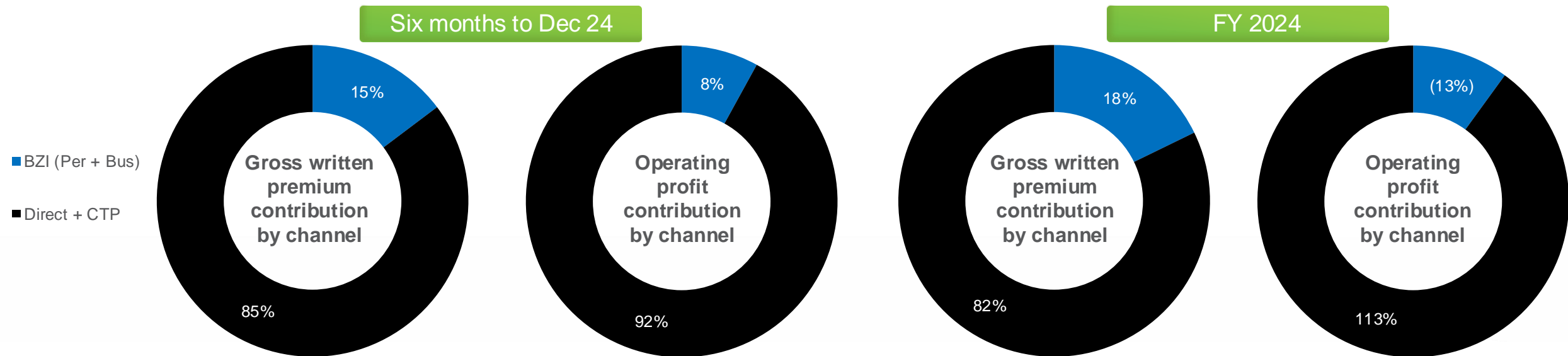
- 93.1% GWP growth in AUD.

### Profitability

- Operating loss recorded for the period is attributed to reserve strengthening associated with the increased cost of common law claims.

# Youi broker channel – strategic review

- Youi commenced a strategic review of its participation in the broker distribution channel where it currently underwrites Car, Home and Commercial insurance products in partnership with its associate, BZI. Youi's BZI Broker book is largely represented by Personal Home insurance which benefitted from the favourable weather experience in the latest reporting period. In a Home book, a larger portion of claims relates to weather dependent claims than on other classes of business like Car or SME.
- The strategic review was prompted by Youi's desire to focus more attention and capital on its core business which is its own Direct channel that offers much needed competition in Australia's personal lines insurance market.
- Youi entered the Broker market through a Managing General Agent arrangement with BZI in 2020 and owns a minority interest in the company.



## OUTsurance Ireland Personal

- OUTsurance Ireland officially launched in May 2024 and offers Car and Home insurance direct to the Irish market.
- The start-up operation delivered pleasing new business volumes to date, tracking in line with the business plan.
- GWP of R80 million recorded for the six months.
- Operating loss of R246 million.
- Monthly break-even expected to be achieved within five years from launch.



### Customer reviews

Excellent  4.8 Based on 751 reviews  Trustpilot



24 September 2024

#### Best quote

Got my car insurance from Outsurance. All done over phone at the best quote I could get.

- James



24 September 2024

#### Renewing was easy

Person I was dealing with from OUTsurance was informative and I got a competitive renewal quote.

- Willie



24 September 2024

#### Happy to be insured with OUTsurance

From start to finish I felt I was treated kindly and professionally. The policy was explained in a no nonsense manner and of course the cost to me was a real winner.

- George



24 September 2024

#### Keep it up

Found OUTsurance to be extremely helpful during the call, the sales agent was fantastic.

- Gavin



24 September 2024

#### Great service

Actually being able to get someone to answer a phone and deal with your problem. Not to mention cheaper than the company I had been with for years with house and car covered.

- Chris



23 September 2024

#### Lowest quote

The person I contacted was very helpful and polite and cheerful and gave me the lowest quote.

- Michael

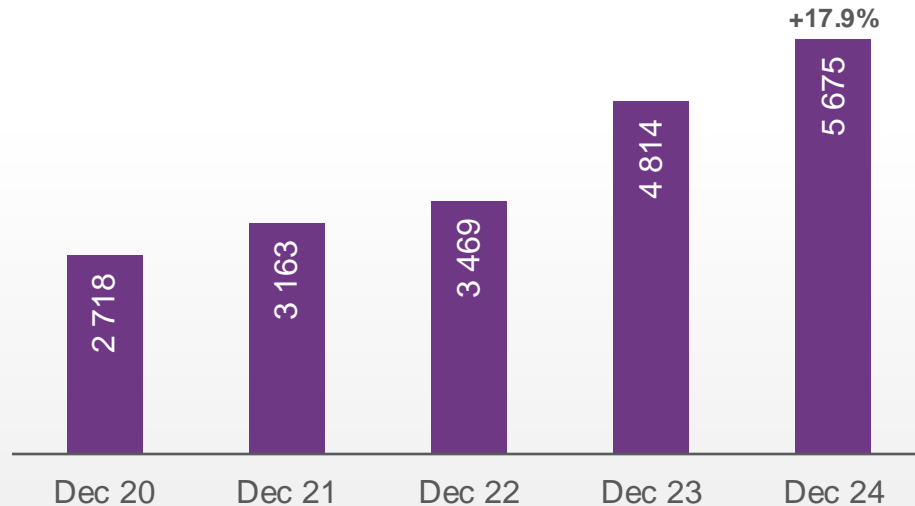


# P&C new business premium performance



Inflation and good organic growth drives double digit growth in new business premium

P&C annualised new business premium written  
(R'million)



- Annualised new business premium written accelerated by 17.9% despite the negative impact of the stronger Rand on the material Australian contribution.
- Youi was the most significant contributor with good organic growth delivered by the Direct segment coupled with premium inflation.
- Following disciplined pricing actions, reduced new business volumes in Youi's BZI channel weighed on the growth rate.
- OUTsurance SA delivered pleasing new business growth, with premium inflation continuing to contribute.
- OUTsurance Ireland's new business contribution will increase in line with the accelerating growth profile.

# P&C gross written premium performance

Inflation and good organic growth drives double digit growth in gross written premium

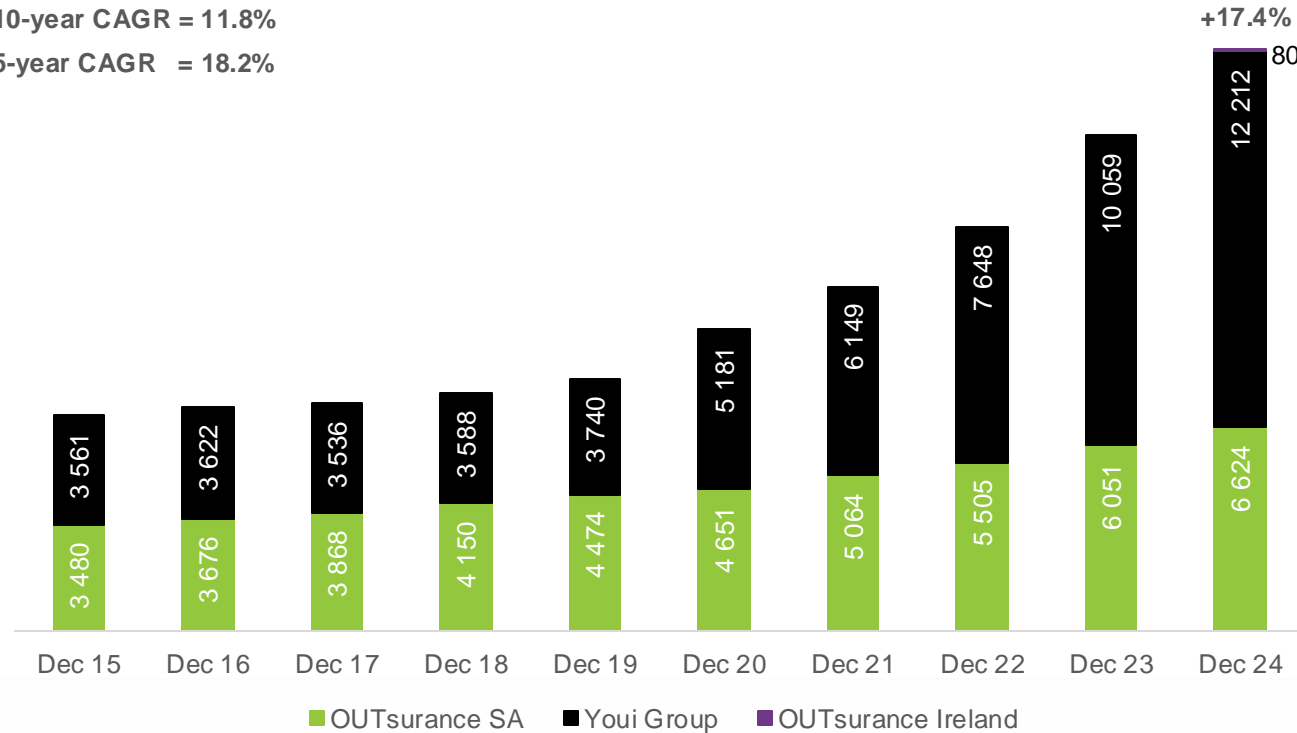


P&C gross written premium (R'million)

7 041	7 298	7 404	7 738	8 214	9 832	11 213	13 153	16 110	18 916
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10-year CAGR = 11.8%

5-year CAGR = 18.2%



- P&C Gross Written Premium accelerated by 17.4% with the largest growth contribution from Youi despite the negative impact of the stronger Rand which was 3% stronger than the prior period. Assuming a constant currency, growth would have been 19.7%.
- High inflation, elevated shopping behaviour and strong operational execution across the Group contributed to high growth.
- Youi now represents 65% of the Group's gross written premium income.

# Operating profit performance

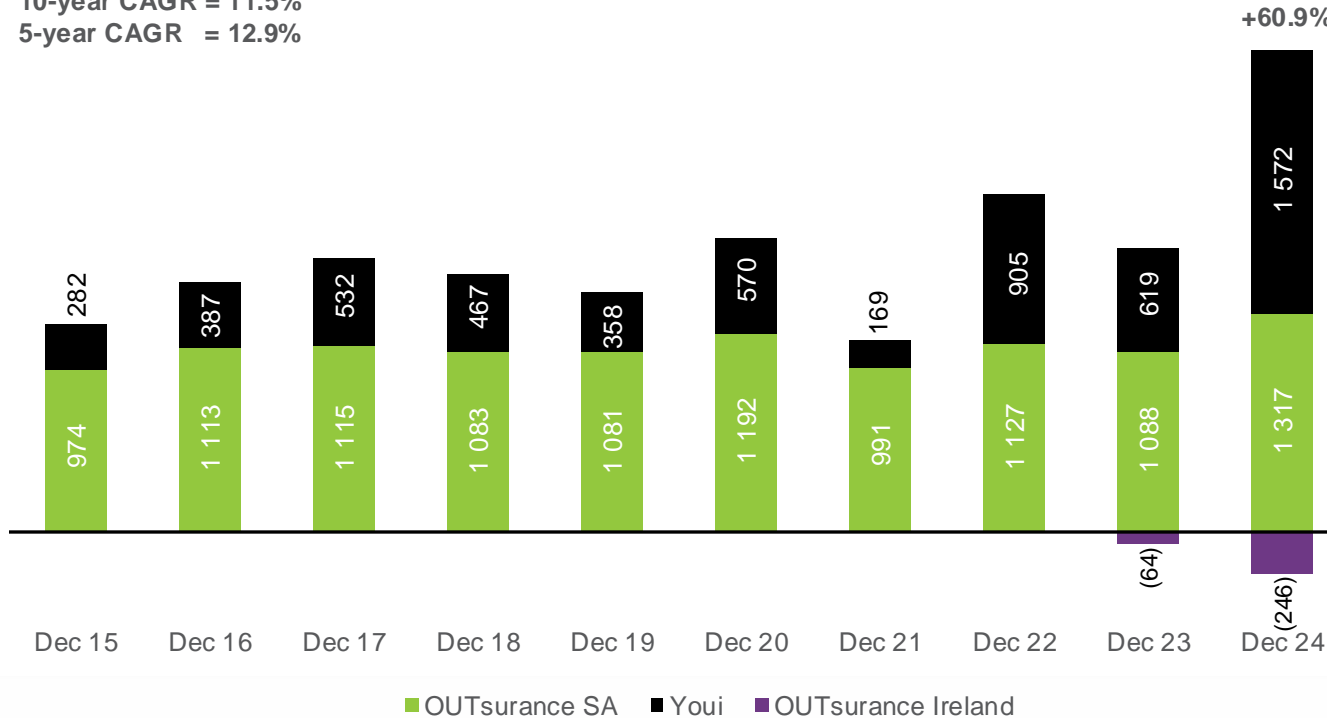
Robust operating profit achieved at OUTsurance SA and Youi



## P&C operating profit (R'million)

1 256	1 500	1 647	1 550	1 439	1 762	1 160	2 032	1 643	2 643
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10-year CAGR = 11.5%  
5-year CAGR = 12.9%



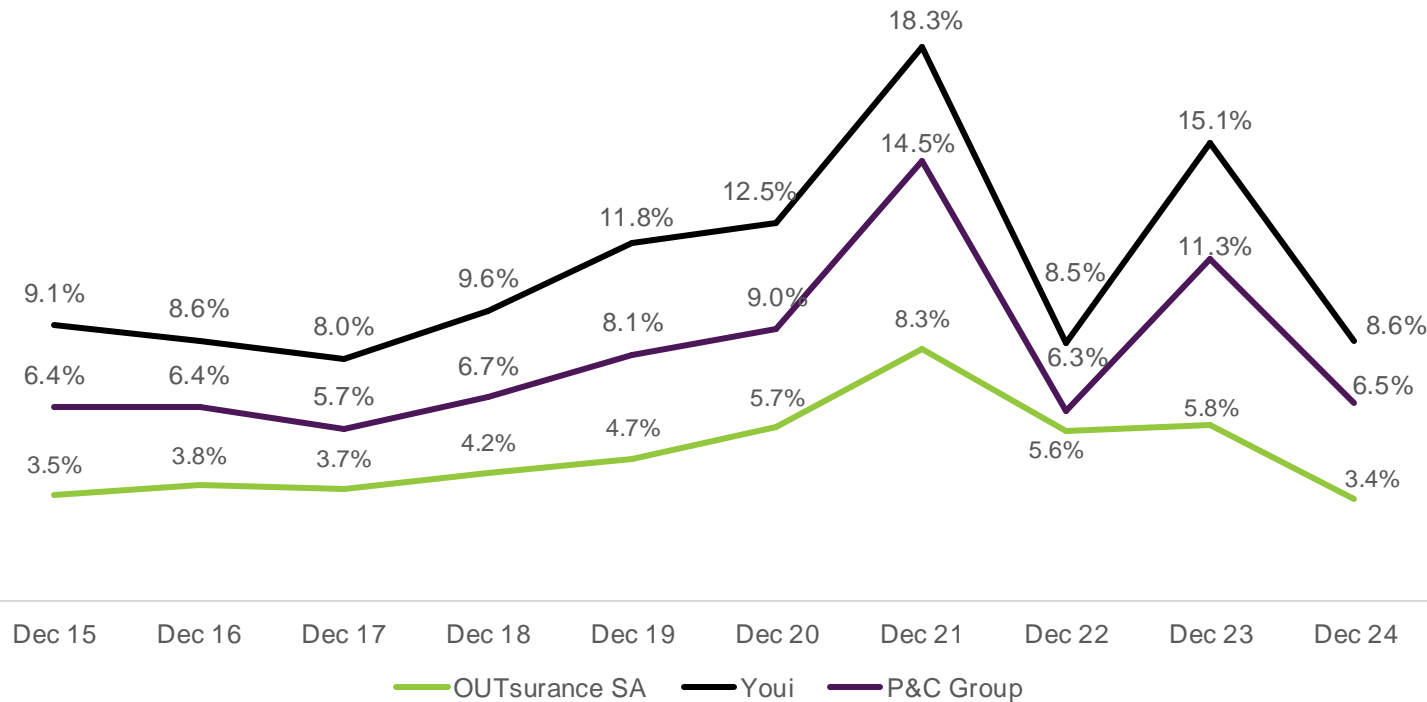
- P&C operating profit growth of 60.9% was primarily attributed to the favourable weather experience in South Africa and Australia.
- This period contrasts with large natural perils losses incurred by Youi in the prior six months. The OUTsurance SA contribution was weighed down by the higher cost of the share-based payments on account of the strong appreciation in the share price. This effect should normalise by end of September 2025 when all tranches of the old share option scheme have vested.
- The strong revenue growth and cost discipline contributed to the structural progress of the P&C Group and were secondary drivers of the improved profitability.
- The operating loss of OUTsurance Ireland was exacerbated by accounting convention that requires an "Onerous Loss" allowance for expected future losses on in-force policies due to the sub-scale nature of the business. This provision should unwind as the business moves towards break-even.
- Profits are more volatile over a six-month reporting cycle. Stronger top line to bottom line conversion over the last three years is being realised in line with our strategic simplification.

# Natural perils exposure

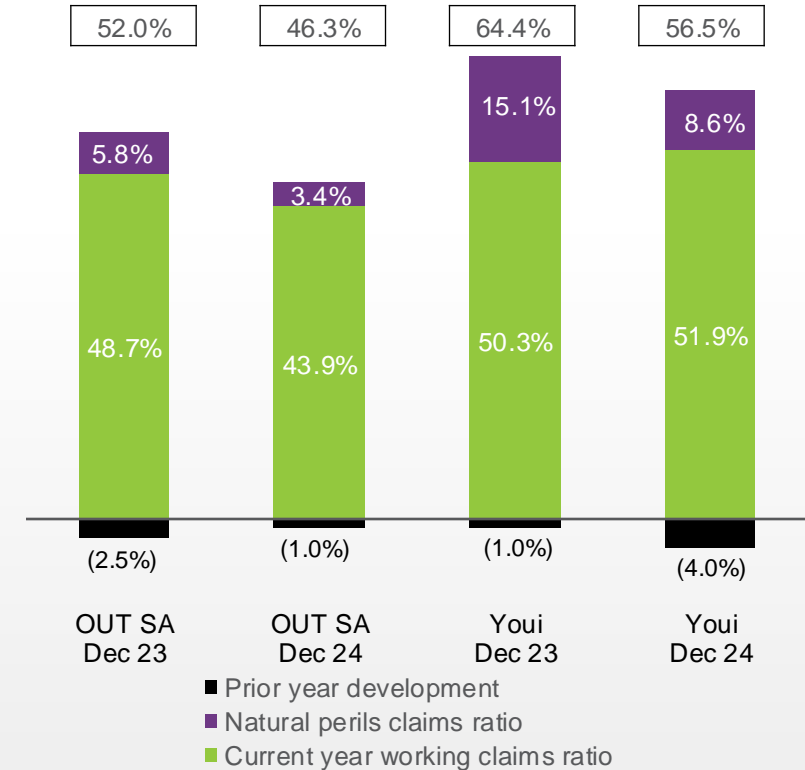
Favourable natural perils experience drives record operating profit



Net retained natural perils losses as % of net earned premium



Claims ratio analysis

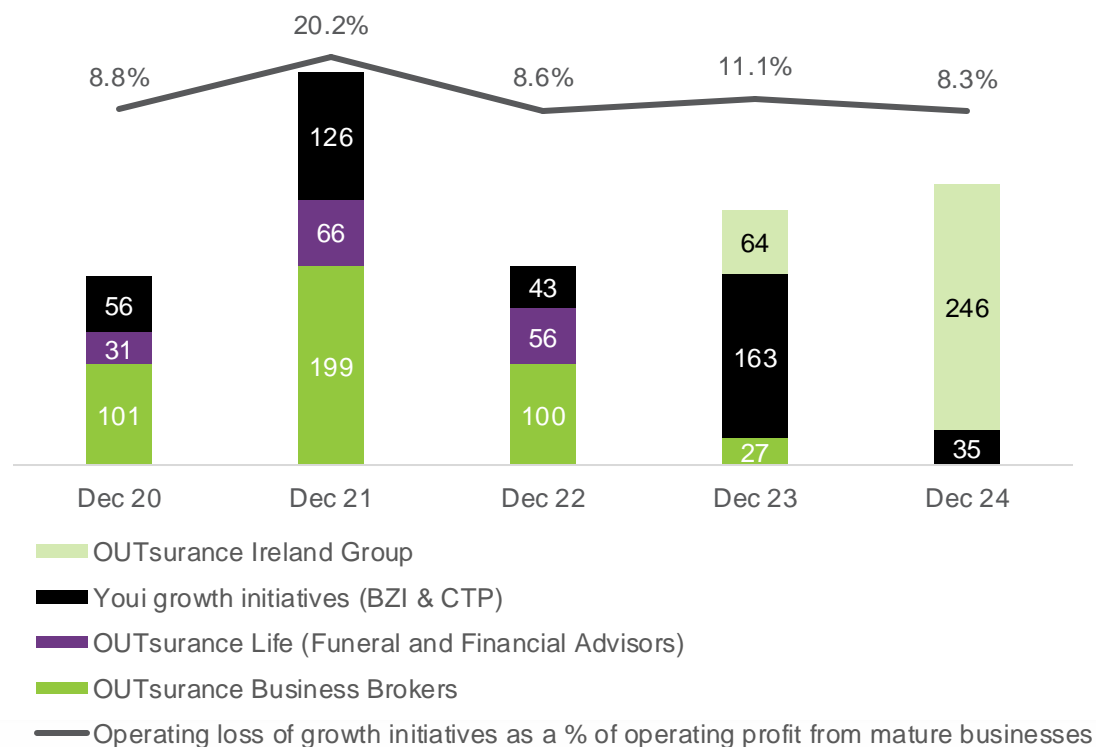


- Favourable natural perils losses for the six months at OUTsurance SA and Youi, which contrasts to large catastrophe losses experienced by Youi in H1 FY2024.
- Youi experienced more favourable prior year reserve development on account of strengthening actions in FY2024 and a more stable claims inflation environment.

# Earnings profile – impact of growth initiatives

Reduced earnings strain from new initiatives and ramping up investment in Ireland

Operating losses generated by growth initiatives as % of profit from mature business units (R'million)



- Appetite for new venture losses is set at 10% of full-year operating profit.
- OUTsurance Ireland's operational loss increase is in line with the expected profile of the start-up J-curve. The loss is amplified by the onerous loss provision required in the IFRS accounts. The prior period loss related to pre-launch activities.
- OUTsurance Ireland is expected to achieve monthly break-even in the next five years.
- Youi's growth initiative loss is represented by the CTP segment.
- The BZI channel delivered an operating profit in the period in contrast to a significant loss in the prior year.



# Financial review

# Financial review



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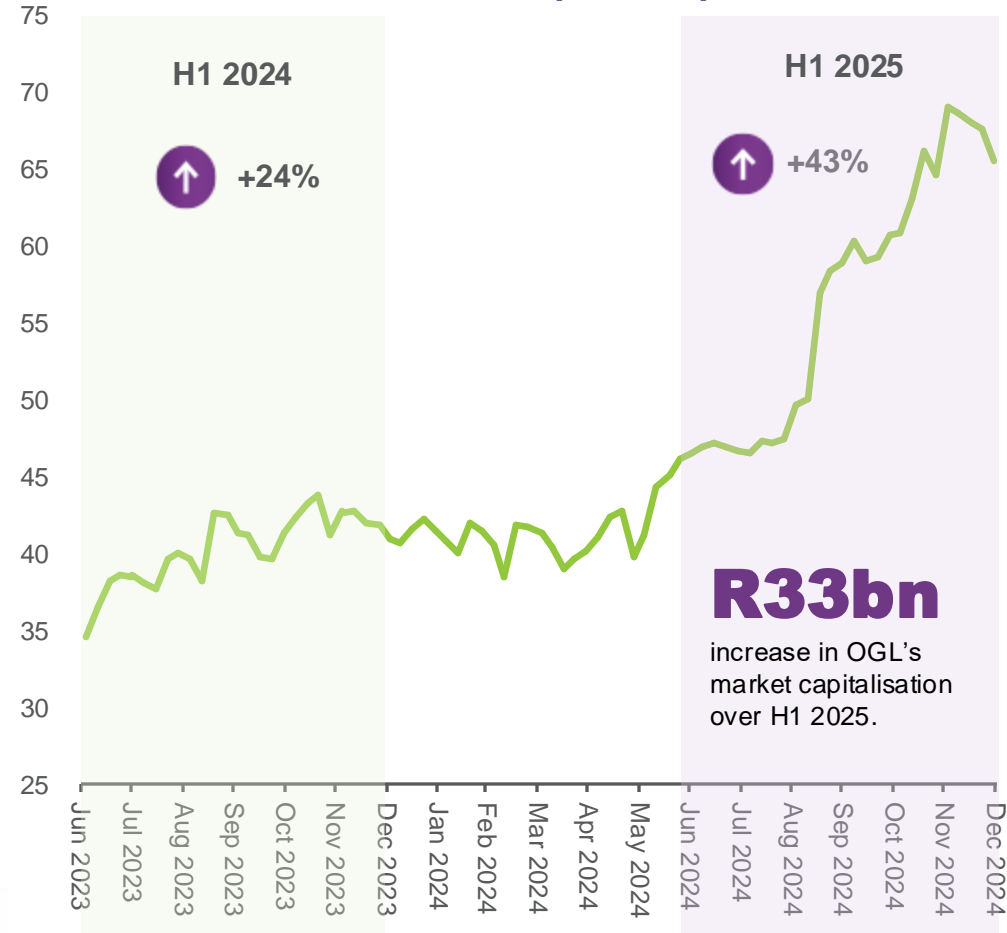
**PART 5**  
**OUTsurance**  
**Life results**

**PART 6**  
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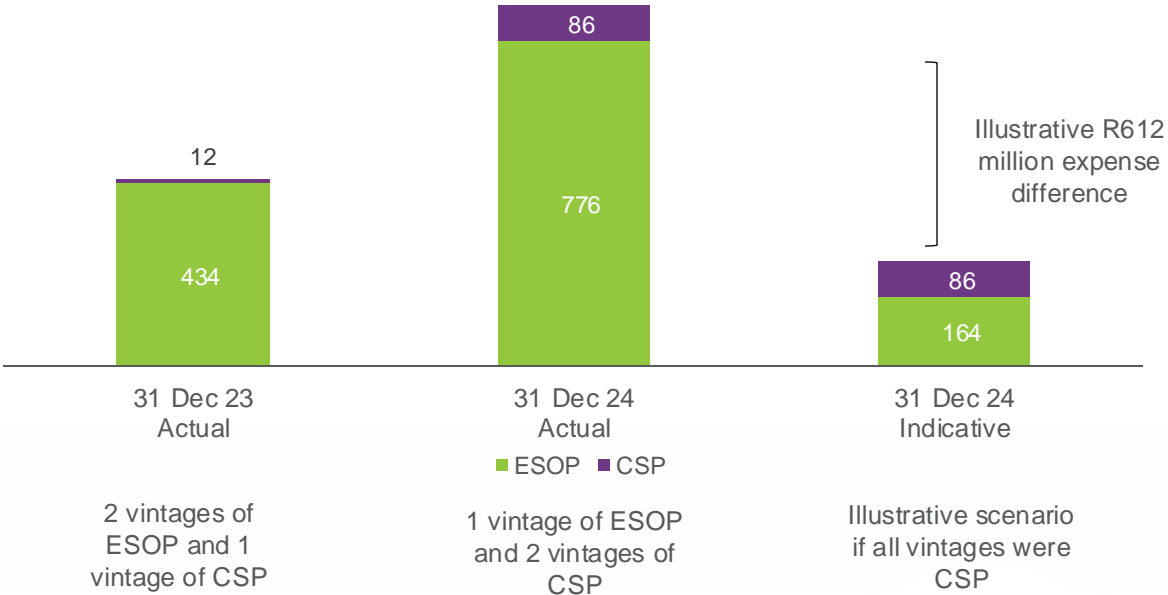
# Impact of share price growth on the share-based payments expense incurred by the South African operation



OUTsurance Group share price



- The final vintage of the legacy ESOP instruments vests in September 2025. Beyond this point all LTIP vintages used in the South African and Group LTIP scheme will be converted to the CSP. CSP's are less geared to price movements and provides a more stable expense going forward.
- The graph below attributes the share-based payments expense between the ESOP scheme and the CSP scheme for the current and comparative periods.
- An indicative illustration is provided of the share-based payments expense assuming all vintages were already converted to CSP's. This illustrates the reduced gearing of the share-based payments expense to market value changes that the Group is working towards after September 2025.



ESOP = Employee share option scheme

CSP = Conditional Share Plan

LTIP = collectively refers to long term incentives (ESOP and CSP)



# OGL Group consolidated results overview



## Key performance outcomes

R' million	Dec 2024	Dec 2023	% change
Normalised earnings	2 158	1 411	52.9%
Normalised ROE	30.8%	21.6%	
Normalised earnings per share (cents)	140.0	92.1	52.0%
Diluted normalised earnings per share (cents)	138.6	90.6	53.0%
Dividend per share (cents)	88.6	61.2	44.8%

## Contribution to normalised earnings

OUTsurance Holdings Limited (OHL)	2 219	1 546	43.5%
Non-controlling interest (OHL minorities)	(185)	(139)	(33.1%)
OGL Central / RMI Treasury Company <sup>1</sup>	124	4	>100%
<b>OUTsurance Group Limited (OGL)</b>	<b>2 158</b>	<b>1 411</b>	<b>52.9%</b>

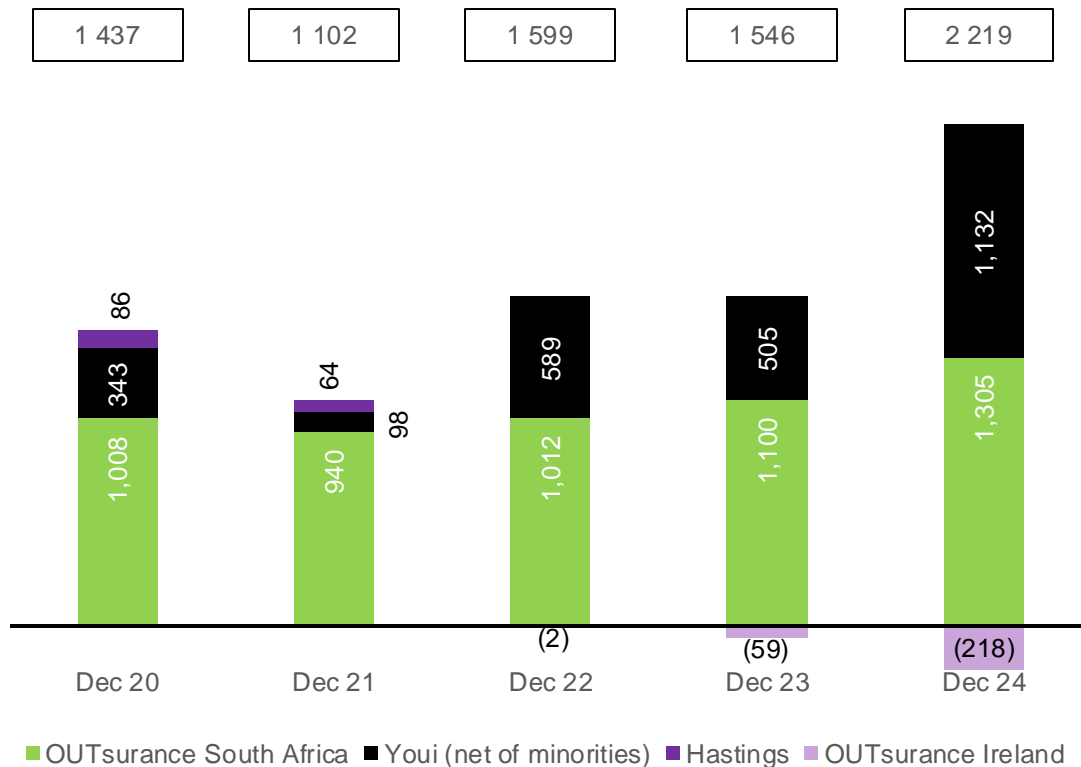
<sup>1</sup> Holds a portfolio of associate investments and financial assets.

- The differential growth rate of the OGL and OHL normalised earnings is attributed to:
  - A substantial increase in associate earnings derived from the RMI Treasury Company investment portfolio.
  - OGL's higher effective increase in OHL following the wind-up of the OUTsurance Share Trust in 2024.
- The dividend has grown in line with operational performance.

# OHL Group consolidated results overview

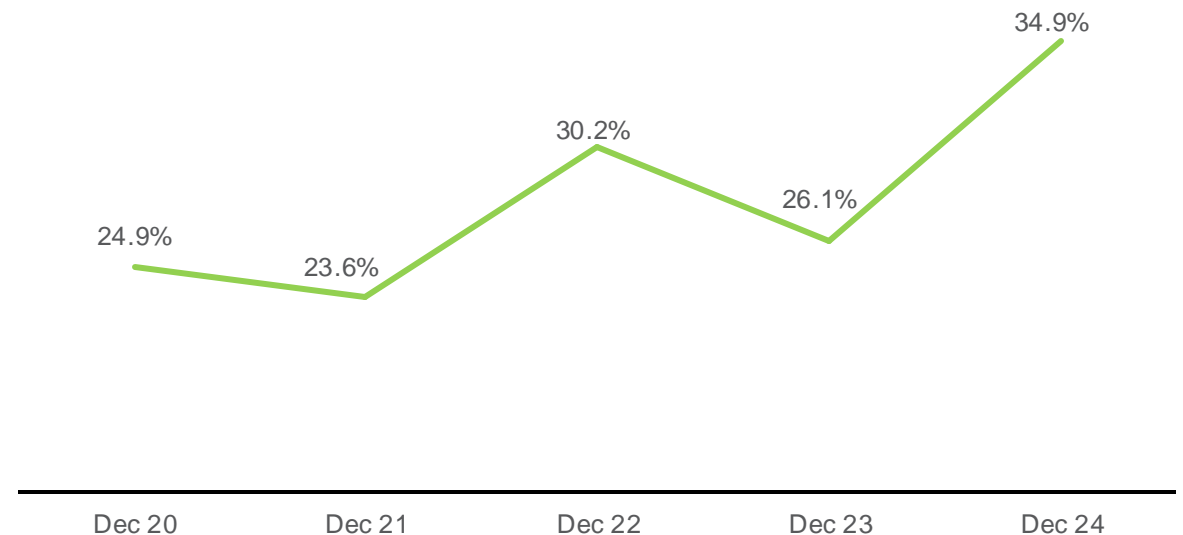


## OHL GROUP NORMALISED EARNINGS (R' million)



Notwithstanding the favourable weather conditions, the Group delivered good structural growth on the back of organic expansion in its core businesses.

## OHL GROUP NORMALISED ROE (%)



- The OHL Group targets a normalised ROE range of 25% to 35%.
- The OHL Group is trading at the upper end of this range on account of the favourable weather. Various capital optimisation projects have contributed to the upward trend.
- The start-up loss of OUTsurance Ireland will weigh on the Group ROE until break-even.

# Operational performance – Property and Casualty



## P&C key performance outcomes

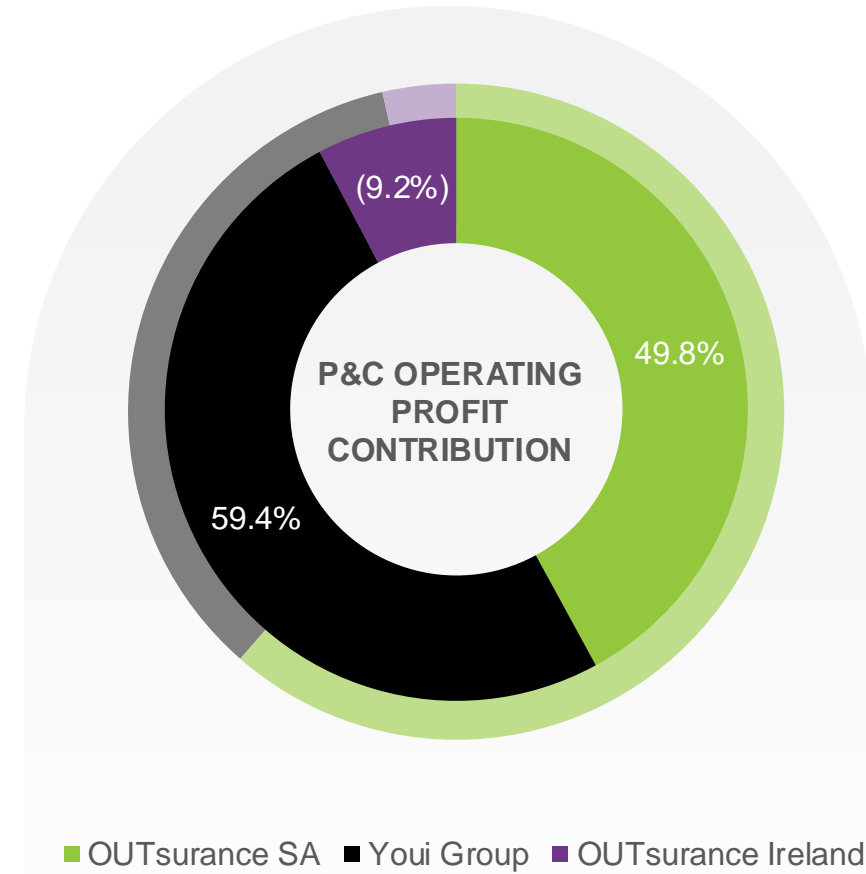
R' million	Dec 2024	Dec 2023	% change
Gross written premium	18 916	16 110	17.4%
Net earned premium	16 442	13 761	19.5%
Annualised new business premium written	5 675	4 814	17.9%
Operating profit <sup>1</sup>	2 643	1 643	60.9%
Normalised earnings	2 152	1 420	51.5%
Claims ratio	53.0%	59.1%	
Normalised Insurance cost-to-income ratio	32.7%	30.4%	
Indicative Insurance cost-to-income ratio assuming ESOP conversion to CSP <sup>2,4</sup>	28.8%	28.3%	
Normalise combined ratio <sup>3,4</sup>	86.2%	90.0%	

<sup>1</sup> Operating profit for OUTsurance includes a normalised adjustment of R123 million for the profit resulting from the termination of an intragroup lease following an internal capital restructuring

<sup>2</sup> Excluding the excess share-based payment relating to the final tranche of the ESOP and including the indicative CSP expense.

<sup>3</sup> Net of profit share distributions paid to FirstRand

<sup>4</sup> The cost-to-income and combined ratio was also normalised for the R123 million profit from termination of the intragroup lease.



Slower growth in core reinsurance premiums and the impact of the removal of the quota-share applicable to the Youi CTP portfolio in New South Wales, are the factors that explain the faster growth in net earned premium income when compared to gross written premiums

# Contribution of investment income to operating profit

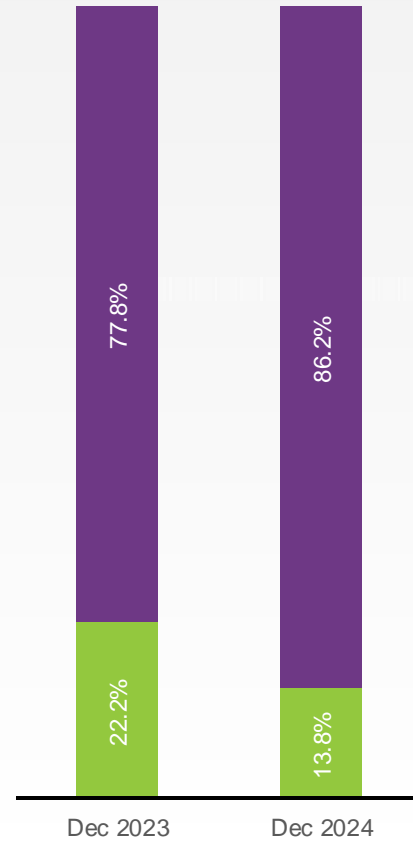
Proportional contribution of investment income generated on insurance liabilities



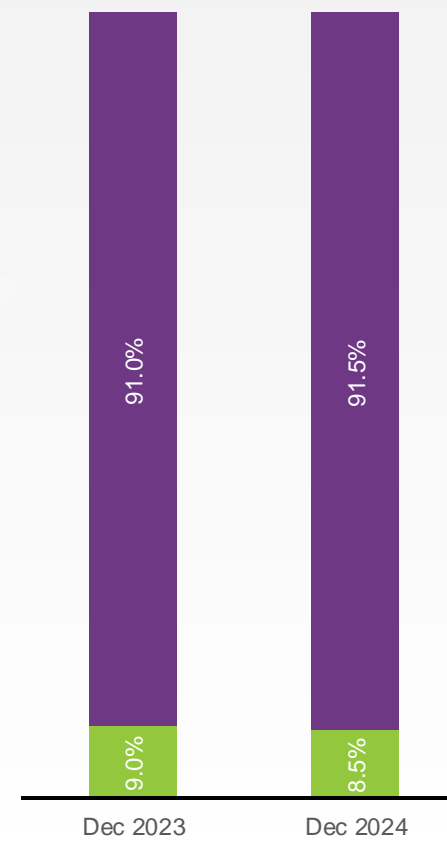
## OUTsurance SA



## Youi



## P&C Group<sup>1</sup>



<sup>1</sup> Includes OUTsurance Ireland

■ Underwriting result  
■ Investment income on technical reserves, net of insurance finance expense

- In the six months under review, investment income represented a lower proportion of operating income due to the significant increase in underwriting profits.
- Investment income generated on insurance liabilities increased on account of sustained higher interest rates and the overall growth in policy count.
- An analysis of total investment income is provided in the supplementary section.

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# OUTsurance SA



## OUTsurance SA key financial outcomes

R' million	Dec 2024	Dec 2023	% change
Gross written premium	6 624	6 051	9.5%
Net earned premium	6 454	5 896	9.5%
Normalised operating profit	1 317	1 088	21.0%
<i>OUTsurance Personal<sup>1</sup></i>	<b>1 757</b>	1 304	<b>34.7%</b>
<i>OUTsurance Business</i>	<b>306</b>	175	<b>74.9%</b>
<i>Central costs (including excess share-based payments)<sup>2</sup></i>	<b>(746)</b>	(391)	<b>(90.8%)</b>
Normalised investment income <sup>3</sup>	361	306	18.0%
Normalised earnings	1 172	923	27.0%
Claims ratio (%)	<b>46.3%</b>	52.0%	
Normalised cost-to-income ratio (%) <sup>4</sup>	<b>33.6%</b>	29.9%	
Indicative Insurance cost-to-income ratio assuming ESOP conversion to CSP <sup>5</sup>	<b>25.5%</b>	24.9%	
Normalised combined ratio (%) <sup>1,4</sup>	<b>81.2%</b>	83.0%	

<sup>1</sup> After profit share distribution paid to FirstRand Limited on HOC arrangement

<sup>2</sup> Operating profit for OUTsurance includes a normalised adjustment of R123 million for the profit resulting from the termination of an intragroup lease following an internal capital restructuring. Includes a share-based payment expense of R739 million (2024: R388 million)

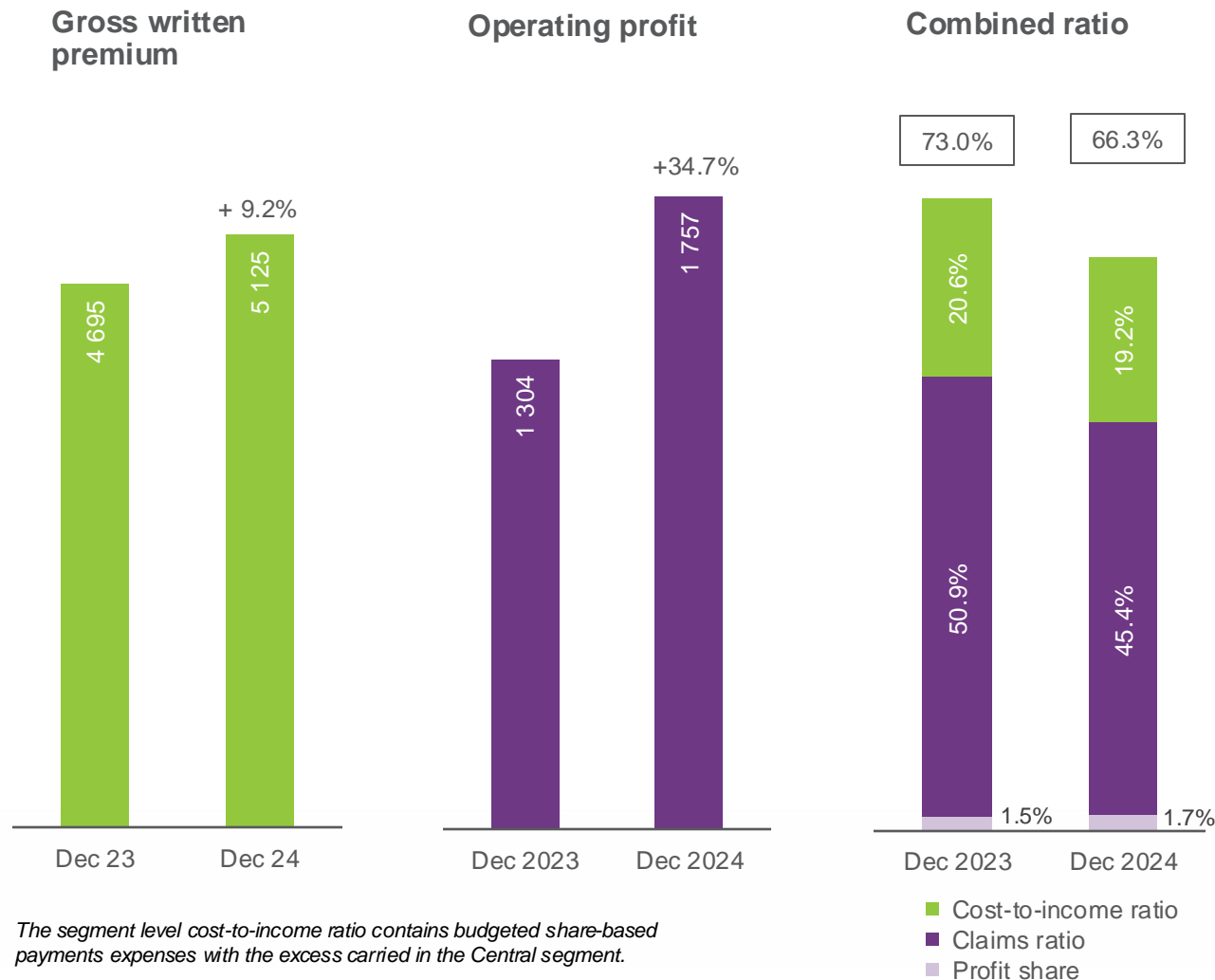
<sup>3</sup> Investment income on insurance liabilities (gross of insurance finance expense) and net investment on shareholder capital, which was normalised to exclude the R69 million gain made on OGL shares which are held to hedge the conditional share scheme.

<sup>4</sup> The cost-to-income and combined ratio was also normalised for the R123 million profit from termination of an intragroup lease agreement.

<sup>5</sup> Indicates the cost-to-income ratio ignoring the impact of the excess share-based payments expense of the final ESOP tranche and including the indicative CSP expense

- Elevated premium inflation, driven by repair costs, remained a material contributor to GWP growth.
- Real growth in policy count owing to good execution in Direct and the increasing new business contribution from the OUTsurance Broker channel.
- Strong improvement in the claims ratio supported by continued underwriting and pricing discipline in combination with improved weather experience
- Investment income bolstered by higher average interest rates and positive return on the equity portfolio.
- The higher cost-to-income ratio, including central costs, impacted by the elevated share-based payments expense.

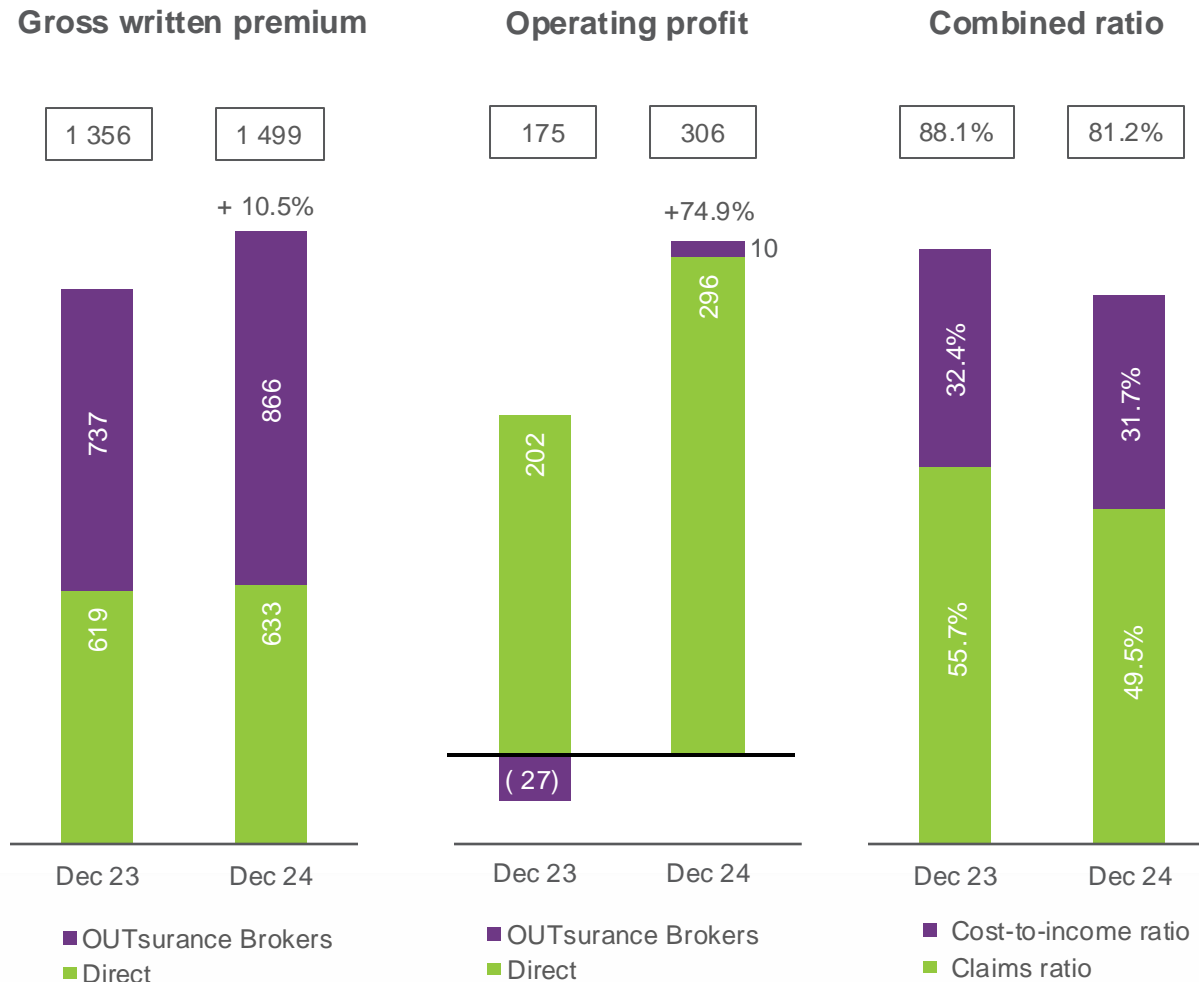
# OUTsurance SA Personal



*The segment level cost-to-income ratio contains budgeted share-based payments expenses with the excess carried in the Central segment.*

- Excluding the HOC book (in run-off), OUTsurance Personal grew gross written premium by 10.3%.
- The claims ratio improvement is attributed to lower exposure to natural peril events and improved working claims.
- Continued disciplined cost management has further opened positive cost jaws.
- Operating profit grew by 34.7% owing to stronger premium growth, improved cost and claims ratios.

# OUTsurance SA Business



- 10.5% growth in GWP attributed to inflation and 17.5% growth in the OUTsurance Broker channel.
- OUTsurance Brokers is considered to be sustainably profitable with the expectation of improving margins going forward.
- Improved claims ratio supported by underwriting discipline, further scale in OUTsurance Brokers and favourable weather.
- The favourable trend in the cost-to-income ratio driven by economies of scale in the OUTsurance Broker channel as well as good general cost management.

*The segment level cost-to-income ratio contains budgeted share-based payments expenses with the excess carried in the Central segment.*



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# Youi Group



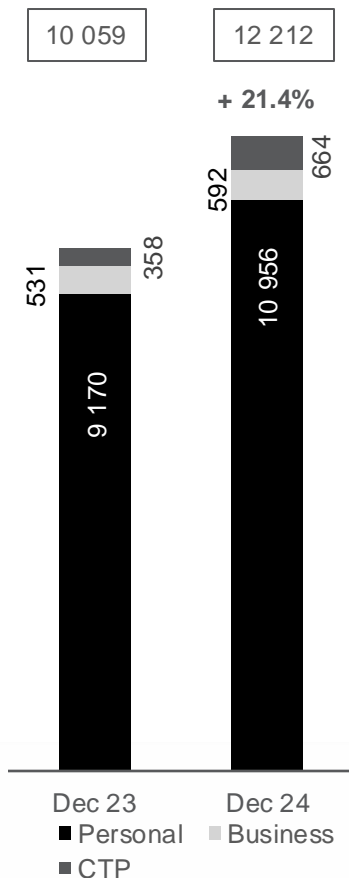
## Youi Group key financial outcomes

R'million	Dec 2024	Dec 2023	% change
Gross written premium	12 212	10 059	21.4%
Net earned premium	9 983	7 865	26.9%
Operating profit	1 572	619	>100%
<i>Personal</i>	1 583	610	>100%
<i>Business</i>	25	11	>100%
<i>CTP</i>	(36)	(2)	>(100%)
Investment income <sup>1</sup>	363	317	14.5%
Headline earnings	1 198	556	>100%
Claims ratio (%)	56.5%	64.4%	
Cost-to-income ratio (%)	30.5%	30.0%	
Combined ratio (%)	87.0%	94.4%	
AUD/ ZAR average exchange rate	11.82	12.19	(3.0%)

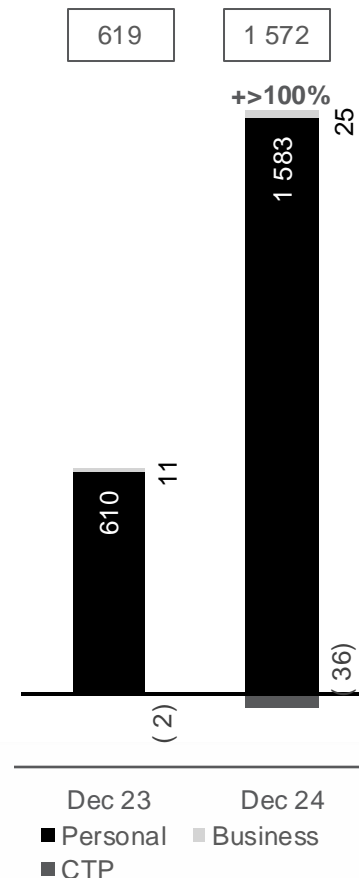
<sup>1</sup> Investment income on insurance liabilities (gross of insurance finance expense) and net investment on shareholder capital

- Gross written premium accelerated by 21.4% in Rand and 25.2% in Australian Dollars.
- The core Direct channel delivered more expansive growth whilst the BZI broker channel contracted on account of pricing actions to improve margins.
- Operating profit more than doubled on account of the favourable weather conditions, improved organic growth in the higher margin Direct business and higher investment income.
- The BZI broker channel (Personal and Business) delivered an operating profit of R125.7 million, compared to a R158.8 million operating loss in the prior six months.
- The strong premium growth and cost ratio improvement of the CTP product was offset by the impact of strengthened reserves to recognise observed changes in the frequency of common law claims.

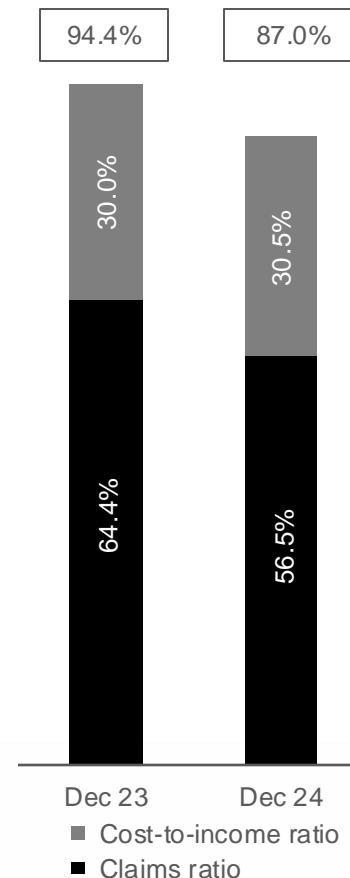
## Gross written premium



## Operating profit



## Combined ratio

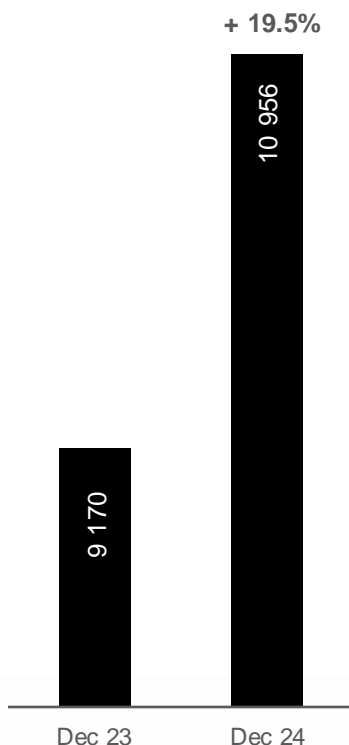


- In AUD, gross and net earned premiums grew by 25.2% and 31.0%, respectively.
- Lower claims ratio driven by benign weather conditions and prior period reserve releases.
- In the current period, a reclassification of fulfillment expenses accounted for the comparative increase in the cost-to-income ratio. If this same reclassification is assumed for the prior period, the ratio improved from 30.8% to 30.5%.
- Investment income and reduced reinsurance premiums also positively contributed to the improvement in operating profit.

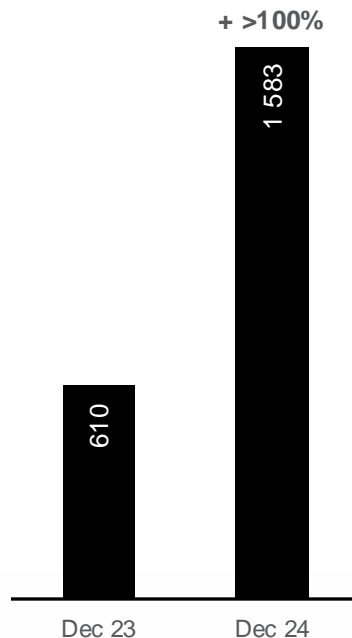
# Youi Personal



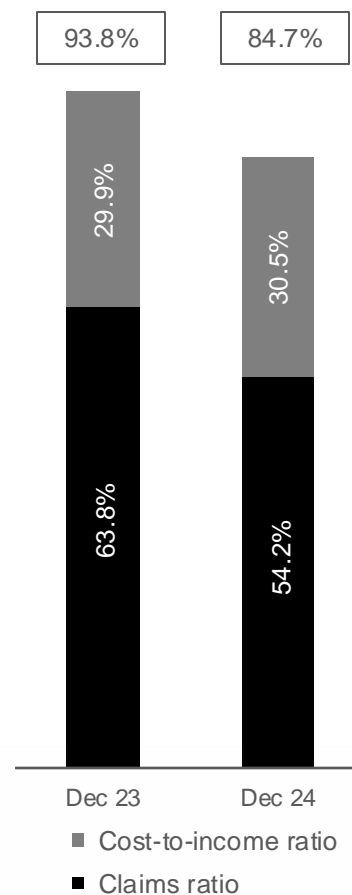
## Gross written premium



## Operating profit



## Combined ratio



- Good organic growth and sustained premium inflation delivered strong gross written premium growth.
- BZI's gross written premium contracted by 6.6% in response to pricing actions in pursuit of achieving target operating margins.
- In AUD, gross and net earned premiums grew by 23.6% and 26.3%, respectively. The growth differential was positively impacted by slower growing reinsurance premiums.
- The claims ratio has declined from 63.8% to 54.2% owing to benign weather conditions and larger prior year reserve releases.
- Investment income generated on insurance liabilities increased materially on account of sustained high interest rates, and the overall growth in the in-force book.

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# OUTsurance Ireland



## OUTsurance Ireland key financial outcomes

R' million	Dec 2024	Dec 2023	% change
Gross written premium	80	-	100%
Net earned premium	5	-	100%
Operating loss <sup>1</sup>	(246)	(64)	>(100%)
Operating loss (excluding onerous loss allowance)	(181)	(64)	
Onerous loss allowance	(65)	n/a	
Investment income <sup>2</sup>	30	6	>100%
Headline earnings	(218)	(59)	>(100%)

<sup>1</sup> OUTsurance Ireland currently only sells personal line policies

<sup>2</sup> Investment income on insurance liabilities (gross of insurance finance expense) and investment on shareholder capital. The capital surplus held to support the start-up phase of the business, is the key driver of investment income.

- The Onerous Loss allowance is calculated by accruing a liability for the expected loss to be incurred by servicing in-force policies over the remaining contractual policy term.
- The liability, representing future losses, is required for as long as OUTsurance Ireland operates at a combined ratio above 100%.
- As the business scales, the Onerous Loss allowance will be proportionately reduced. The total onerous loss was R65 million at reporting date.

# Financial Review



**PART 1**  
OGL and OHL  
consolidated  
results

**PART 2**  
OUTsurance  
results

**PART 3**  
Youi Group  
results

**PART 4**  
OUTsurance  
Ireland  
results

**PART 5**  
OUTsurance  
Life results

**PART 6**  
Dividend and  
capital position

R'million	2024	2023	% change
<b>Accounting measures</b>			
Operating profit	185	57	>100%
<i>Life Direct</i> (underwritten life and direct funeral)	235	91	>100%
<i>Funeral partnership</i>	49	19	>100%
<i>Centra<sup>2</sup></i>	(99)	(47)	>(100%)
Normalised earnings <sup>1</sup>	142	70	>100%
<b>CSM, EV and margins</b>			
Contractual service margin (CSM per IFRS 17)	1 448	1 461	(0.9%)
CSM replacement ratio	1.87	2.05	
Embedded value	1 969	1 843	6.8%
Return on embedded value	23.9%	21.8%	
VNB margin (%)	11.7%	8.9%	
VNB margin (excl excess share-based payments) (%)	18.9%	9.9%	

<sup>1</sup> In the prior year the headline earnings are equal to the normalised earnings as there were no normalised adjustments.

<sup>2</sup> Includes a share-based payment expense of R91 million for the period (2024: R38 million)

- The increase in the operating profit in OUTsurance Life was impacted by the scaling of the funeral segment, good expense control and the impact favourable yield movements.
- The strong underlying performance was partially offset by higher share-based payment expenses accounted for in Central, which was R52.9m higher than the comparative period.
- The composition of the contractual service margin (CSM), value of new business (VNB) margins and profitability is impacted by the mix change towards Funeral over time.
- The improvement in the VNB margin results from operational efficiencies, disciplined pricing actions and cost discipline.
- The increase in the Embedded Value (EV) is reflective of increased in-force profitability.



# Financial Review



**PART 1**  
**OGL and OHL**  
**consolidated**  
**results**

**PART 2**  
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**SA results**

**PART 3**  
**Youi Group**  
**results**

**PART 4**  
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**results**

**PART 5**  
**OUTsurance**  
**Life results**

**PART 6**  
**Dividend and**  
**capital position**

# Capital and dividends

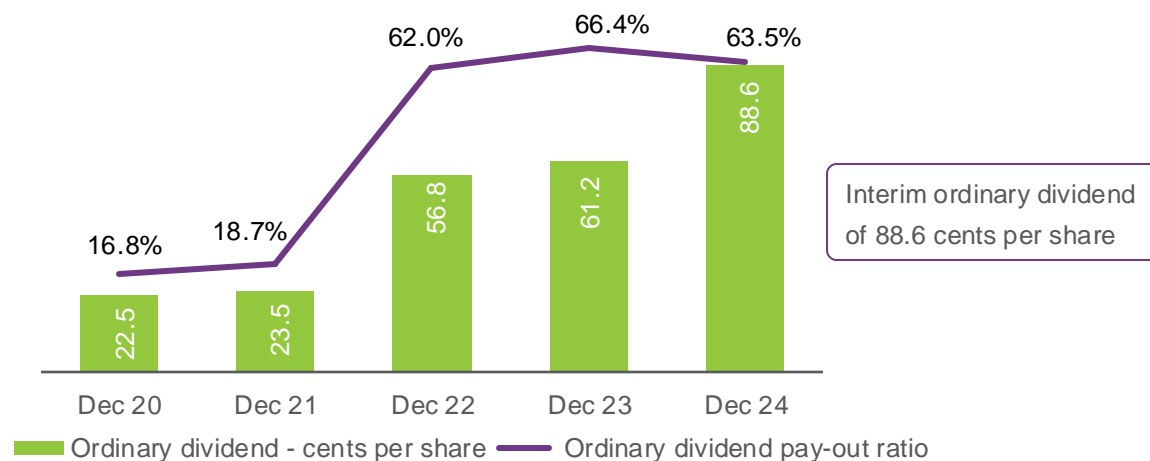
All operating units are in a strong solvency positions



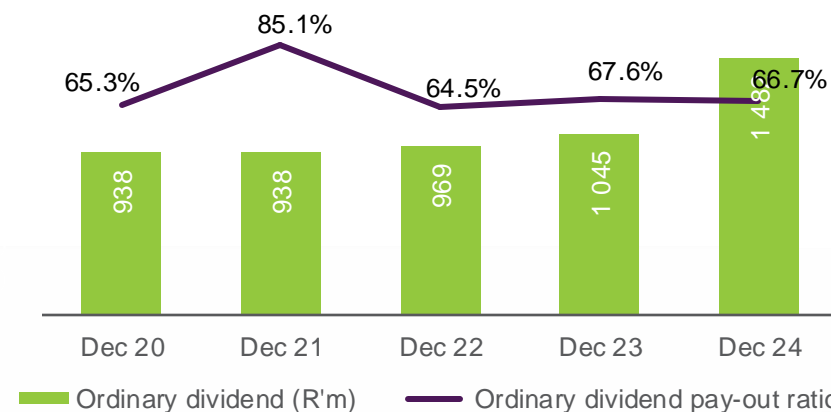
SCR ratio (pre interim dividend)	Dec 2024	June 2024	Target
OHL Group	2.4	2.3	1.5
<b>Property and casualty insurance</b>			
OUTsurance SA	1.8	1.7	1.3
Youi Group	2.4	2.3	1.6 - 1.9
OUTsurance Ireland Group	17.9	21.6	1.5
<b>Long-term insurance</b>			
OUTsurance Life	2.9	3.0	1.5

- The growth in the interim dividend mirrors the growth in normalised earnings.
- The Group's debt facility, used to fund OUTsurance Ireland, reduced from R774 million in June 2024 to R309 million on 31 Dec 2024 on the back of internal structural simplification, which released capital from non-operating entities. The debt is expected to be extinguished over the next 12 months and OUTsurance Ireland will be funded from future retained earnings.

OGL ordinary and special dividends declared per share (cents)



OHL ordinary dividend (R'million)





## Outlook & strategic focus areas

# Group outlook

## Operational outlook for the remainder of the financial year

- Cyclone Alfred made landfall on the South-East Queensland coast on 7 March 2025, and the main peril from this event is flooding. Youi's reinsurance attachment point for its first two catastrophe events is \$40 million per event. Estimating the loss from this event is currently highly uncertain and it is expected that a substantial portion of the loss will be covered by the Australian Reinsurance Pool Corporation (ARPC). Should the net loss after the recovery from ARPC breach \$40 million, Youi's loss will be limited to \$40 million, plus reinstatement premiums to the extent that reinsurance is utilised. To date in excess of 2 000 claims have been recorded.
- Premium inflation and interest rates will be on a downward trajectory over the course of the next 12 months.
- The Group's operational focus will remain on executing on the exciting organic growth opportunities across the three geographies.
- We expect the stronger top line to bottom line conversion to persist on account of the strategy of simplification and focus on core business.
- The near-term outlook for the geopolitical environment is uncertain and may be disruptive to the macro economy. Should however the current monetary policy trends continue, we expect that lower interest rate environments in South Africa and Australia to support real growth opportunity.
- We expect reinsurance market conditions to remain relatively favourable as we approach the renewal season.
- We continue to focus on actions to simplify our group structure and seek monetisation opportunities for non-core assets.

# Forward-looking statement disclaimer



*This presentation contains statements about the OUTsurance Group that are or may be forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally, but not always, may be identified by the use of forward-looking words or phrases such as, but not limited to, “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “will”, “outlook”, “project” “estimated”, “potential” or similar words and phrases.*

*Examples of forward-looking statements include statements regarding a future financial position or future profits, expected profit or growth margins, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic, fiscal and political factors.*

*By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The OUTsurance Group cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the OUTsurance Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this presentation.*

*Each of these forward-looking statements are based on estimates and assumptions, all of which, although the OUTsurance Group may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to the OUTsurance Group, or not currently considered material) could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.*

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*Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. The OUTsurance Group has no duty to, and does not intend to, update or revise the forward-looking statements contained in this presentation after the date of this presentation, except as may be required by law.*

*Any forward-looking statements have not been reviewed nor reported on by the external auditors.*



**Thank you**

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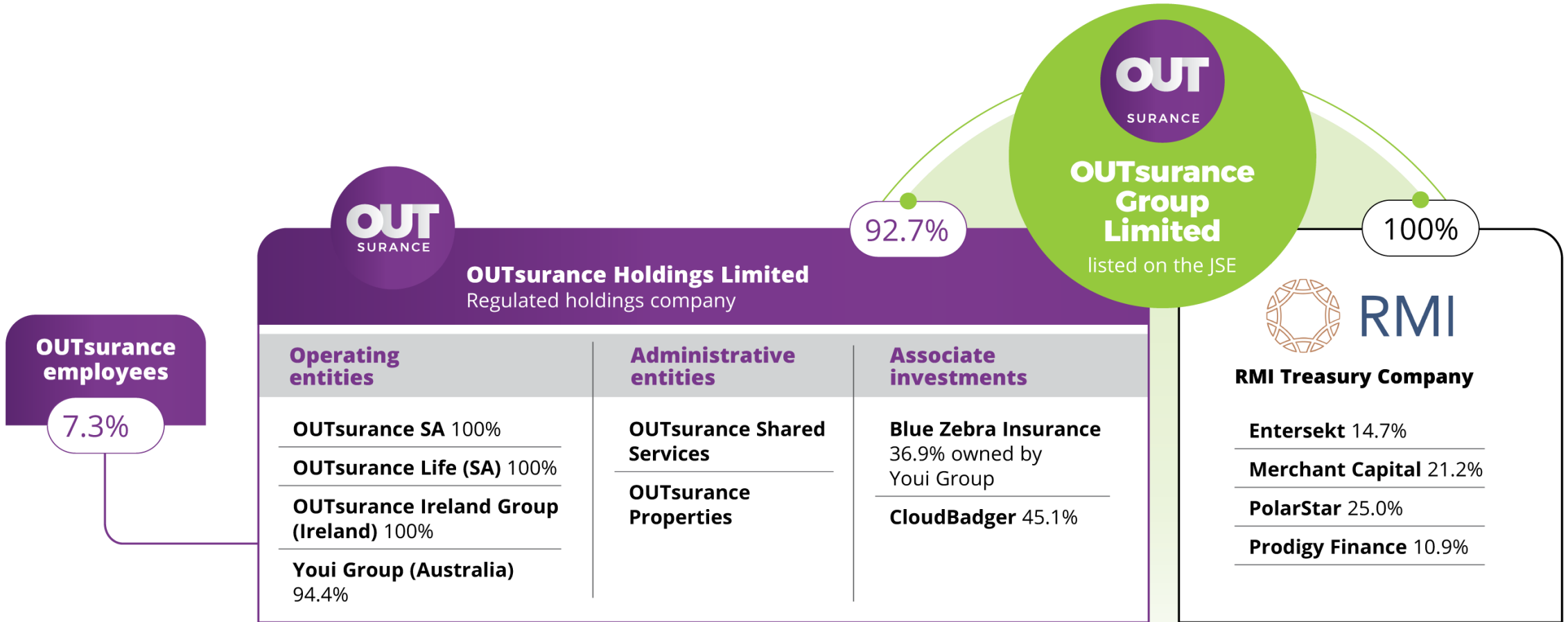
[group.outsurance.co.za](http://group.outsurance.co.za)



# Supplementary information



# Group structure





# Normalised earnings reconciliation - OGL



R' million	Dec 2024	Dec 2023	% change	Year ended 30 June 2024
<b>Earnings attributable to ordinary shareholders</b>	<b>2 039</b>	1 891	7.8%	4 061
Profit on dilution of investments in associates	-	(471)		(511)
Profit on disposal of investments in associates	-	(78)		(40)
Realised foreign exchange gain on disposal of investment in associate	-	(5)		(5)
Loss on disposal of property and equipment	-	1		-
Profit on disposal of assets held for sale	-	-		(52)
Impairments of investments in associates	-	-		9
Tax effect of headline earnings adjustments	-	63		63
<b>Headline earnings attributable to ordinary shareholders</b>	<b>2 039</b>	1 401	45.5%	3 525
Taxation on capital gain in respect of the share trust wind-down <sup>1</sup>	<b>92</b>	-		-
Adjustment for group treasury shares <sup>2</sup>	<b>28</b>	(2)		(2)
Fair value adjustments to derivative financial instruments <sup>3</sup>	<b>(3)</b>	10		9
Amortisation of intangible assets relating to business combinations	<b>2</b>	2		4
<b>Normalised earnings attributable to ordinary shareholders</b>	<b>2 158</b>	1 411	52.9%	3 536

<sup>1</sup> The capital gains tax arising on the wind-up of the OHL Share Trust. The taxable gain was associated with the long-term cumulative growth of the treasury shares held. The restructure is deemed to be of a non-operational nature and therefore the tax effect is excluded from normalised earnings.

<sup>2</sup> Dividend income and tax effect on fair value gains on treasury shares held and the difference between actual and effective shareholding in OHL.

<sup>3</sup> Fair value movements on hedging instruments held for capital transactions.

# Normalised earnings reconciliation - OHL



R'million	2024	2023
<b>Headline earnings attributable to ordinary shareholders</b>	<b>2 285</b>	<b>1 535</b>
Adjusted for:		
Taxation on capital gain in respect of the share trust wind down	<b>100</b>	-
Fair value adjustment on OGL shares including the tax impact	<b>(198)</b>	-
Losses / (gains) on derivative financial instruments relating to capital investments	<b>(3)</b>	11
Differential between equity and cash settled expenses	<b>35</b>	-
<b>Normalised earnings attributable to ordinary shareholders</b>	<b>2 219</b>	<b>1 546</b>

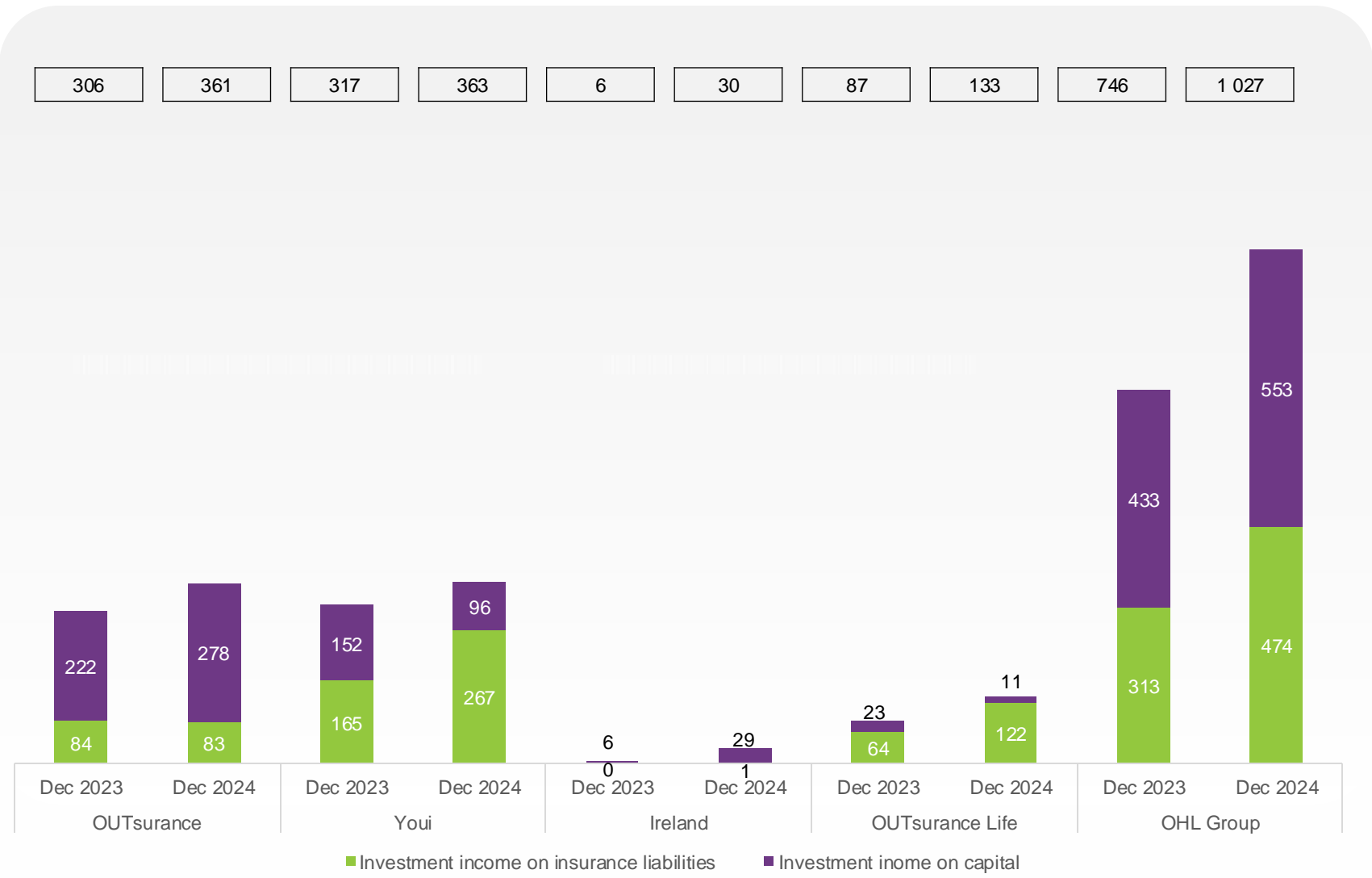
In addition to the normalised adjustments made to the HEPS and explained in the 30 June 2024 annual financial statements, the following additional normalised adjustments was made to the individual entities at an OHL level to better reflect the economic performance of the individual entities:

- The cash settled expense for the CSP share scheme incurred in the licensed entities in OHL, is converted to reflect the ultimate equity settled expense in line with how its accounted for at an OGL Group level. This adjustment removes mismatches between subsidiary level accounting for the CSP instruments and the ultimate position at an OGL level.
- The fair value movements on the OGL shares held to economically hedge the CSP scheme is also reversed at an entity level, as these are not realised gains for the Group, but rather for the ultimate benefit of participants. The dividend income earned on the OGL shares are not adjusted for on the basis that the participants are not entitled to the dividends earned prior to vesting.

Further detail on the segment level normalisation adjustments are available in the interim results circular.

# Total normalised investment income

Net income earned on insurance liabilities vs investment income on share capital



Excludes fair value gains on OGL shares backing CSP instruments

- The total normalised investment income earned by OHL is 37.7% higher owing to the high interest rates, improved equity returns and overall portfolio growth.
- The normalised investment income excludes the return on the OGL shares held to back the CSP instruments. These fair value movements are also excluded from normalised earnings as it is deemed to be in favour of the participants and not the company.