

OUTSURANCE GROUP LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number: 2010/005770/06)  
ISIN: ZAE000314084  
Share code: OUT  
("OGL")

UNAUDITED SUMMARY RESULTS ANNOUNCEMENT AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

FINANCIAL PERFORMANCE HIGHLIGHTS

NORMALISED EARNINGS

R2 158 million  
Increased by 52.9%

NORMALISED RETURN ON EQUITY

30.8%

DILUTED NORMALISED EARNINGS PER SHARE

138.6 cents per share  
Increased by 53.0%

ORDINARY DIVIDEND PER SHARE

88.6 cents per share  
Increased by 44.8%

OVERVIEW OF GROUP RESULTS

The table below sets out the sources of normalised earnings as attributed to the OUTsurance Holdings Limited (OHL) and ultimately OUTsurance Group Limited (OGL) Groups:

R million	Six months ended		%	Year
	31 December			ended
	2024	2023	change	30 June
OUTsurance SA	1 172	923	27.0%	2 212
Youi Group	1 198	556	>100%	1 574
OUTsurance Life	142	70	>100%	210
OUTsurance Ireland	(218)	(59)	(>100%)	(180)
Administration services	10	20	(50.0%)	12
Central and consolidation adjustments <sup>1</sup>	(85)	36	(>100%)	2
OUTsurance Holdings Limited	2 219	1 546	43.5%	3 830
Non-controlling interest <sup>2</sup>	(185)	(139)	(33.1%)	(353)
Central/Treasury Company <sup>3</sup>	124	4	>100%	59
OUTsurance Group Limited	2 158	1 411	52.9%	3 536

- The large differential movement in the current versus comparative period is primarily associated with increased funding costs incurred on the debt facility and the reduction of investment income earned centrally. The debt facility was utilised for the initial OUTsurance Ireland Capital injection and subsequently repaid with short-term cash investments. The investment return on the OGL treasury shares is also now earned in the operating entities.
- The non-controlling interest % decreased from 8.5% to 7.3% due to OGL's shareholding in OHL that increased following the wind-up of the OUTsurance Holdings Share Trust in October 2024.
- The profit in Central/RMI Treasury Company is due to a significant increase in associate earnings earned in the period.

The OHL Group's normalised earnings were 43.5% higher at R2 219 million. The pleasing increase in earnings was driven by significantly less natural peril claims incurred by Youi and OUTsurance SA, coupled with strong organic premium growth and higher investment income.

The South African Group's share-based payments expense linked to the Employee Share Option Scheme (ESOP) remained a volatile and significant expense for the Group in the first half of the year. The final tranche of the ESOP vests in September 2025 after which all the vintages of long-term incentives will be transitioned to the new Conditional Share Plan (CSP). The CSP is significantly less geared compared to the ESOP scheme, which will result in a more stable expense base going forward.

The ESOP scheme is a cash-settled scheme where option values are marked-to-market at each reporting interval. This creates volatility in the share-based payment expense and a resulting volatile impact on cost-to-income ratios recorded within the OHL Group. The share-based payments expense linked to the final tranche of the ESOP was R776 million for the six months under review. This is R342 million higher than the comparative six months, when there were two remaining tranches. This rapid increase in the expense was driven by the 43.3% increase in the OGL share price for the last six months. Hypothetically, if this final ESOP tranche was also converted to the CSP scheme, the indicative expense for this tranche would have been R164 million for the six months compared to the R776 million actually incurred.

OUTsurance Ireland incurred R218 million in normalised start-up losses during the six months under review. OUTsurance Ireland officially launched in May 2024 and is performing in line with expectations. The higher loss is attributed to an increased operational cost base post launch, and the onerous losses recognised for new insurance contracts issued.

The salient features of the P&C business are as follows:

- Gross written premium grew by a pleasing 17.4%. Notwithstanding premium inflation which has remained sticky over the last six months, the growth is supported by satisfactory organic growth across the operating segments. Premium inflation continued to be impacted by elevated claims cost inflation and the earn-through of the pricing actions taken in the prior year. In Rand terms, Youi's translated premium growth rate was negatively impacted by the strengthening of the Rand against the Australian dollar.
- Annualised new business increased by 17.9%, from a higher base achieved in the prior period.
- The claims ratio which decreased from 59.1% to 53.0% is attributed to the materially lower natural perils claims, improvement in working claims experience and higher prior year reserve releases.
- Through disciplined cost control, both OUTsurance SA and Youi delivered structural improvements in the cost base of all the operating segments. The cost-to-income ratio is distorted by the share-based payments expense. The share-based payments expense of the remaining ESOP tranche, contributed 3.2% to the cost-to-income ratio of the P&C Group for the period. This compares to a contribution of 2.2% in the comparative period. During December 2024, the OHL Group implemented a Total Return Swap to hedge 30% of the exposure of the final ESOP tranche.

OUTsurance Life delivered a strong operating and earnings outcome for the period. Performance highlights include satisfactory new business generation and cost efficiency. IFRS 17 is proving to provide more earnings stability, notwithstanding the inherent yield sensitivity associated with the business.

The OHL Group key financial ratios are set out in the table below:

R million	Six months ended		%	Year ended
	31 December			
	2024	2023	change	2024
Consolidated operating performance - OHL				
Normalised earnings	2 219	1 546	43.5%	3 830
Operating profit	2 839	1 788	58.8%	4 811
Normalised investment income <sup>8</sup>	1 027	746	37.7%	1 536
Normalised ROE <sup>1</sup>	34.9%	26.1%		30.7%
Group cost-to-income ratio	32.8%	30.5%		29.5%
Group cost-to-income ratio (excl ESOP) <sup>7</sup>	29.4%	28.1%		27.8%
P&C insurance activities <sup>2</sup>				
Gross written premium <sup>5</sup>	18 916	16 110	17.4%	33 200
Insurance revenue <sup>3</sup>	17 393	14 888	16.8%	30 967
Net earned premium <sup>5</sup>	16 442	13 761	19.5%	28 841
Annualised new business premium written	5 675	4 814	17.9%	10 055
Normalised operating profit <sup>4</sup>	2 643	1 643	60.9%	4 433
Normalised earnings	2 152	1 420	51.6%	3 606
Claims ratio <sup>5</sup>	53.0%	59.1%		56.8%
Normalised insurance cost-to-income ratio	32.7%	30.4%		29.6%
Indicative Insurance cost-to-income ratio assuming ESOP conversion to CSP <sup>7</sup>	28.8%	28.3%		28.1%
Normalised combined ratio <sup>5,6</sup> (%)	86.2%	90.0%		87.0%
Life insurance activities				
Operating profit	185	57	>100%	264
Normalised earnings	142	70	>100%	210
Value of new business written	68	37	83.8%	48
Contractual service margin	1 448	1 461	(0.1%)	1 326
Embedded value	1 969	1 843	6.8%	1 822

1 Attributable to ordinary shareholders.

2 Aggregate results of OUTsurance SA/Youi Group/OUTsurance Ireland.

3 IFRS 17 naming convention and equivalent to gross earned premium.

4 Operating profit for OUTsurance SA includes a normalised adjustment of R123 million (processed as an earnings reduction) related to a profit that arose from a restructuring of an intragroup property lease arrangement.

5 Management definitions related to key performance metrics for property and casualty insurance operations. These ratios are defined in the glossary and a segmental reconciliation of the calculation bases to IFRS 17 disclosures is provided in the interim results booklet on the JSE's website and on the company's website as outlined under additional information at the end of this announcement.

6 After Homeowners profit distribution paid to FirstRand and insurance finance expense.

7 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.

8 Investment income was normalised to exclude the R135 million gain made on OGL shares which are held to hedge the conditional share scheme.

## LOOKING AHEAD

Over the last two financial years, the Group's premium revenue was significantly impacted by average premium inflation emanating from the post-pandemic wave of global inflation, industry specific supply shortages and constrained reinsurance markets. We expect that premium inflation will normalise in line with the trend of general inflation over the next twelve months. In the long run, we do however expect premium inflation to be higher than CPI as a result of the effects of climate change, penetration of electric vehicles and increased technology penetration in new vehicle models.

In response to the lower inflationary environment, interest rates and our investment income generation will be adversely impacted. These macro economic trends will however support a more favourable real growth outlook for the South African and Australian operations.

Our focus on our simplified product and distribution strategy is yielding favourable results as demonstrated by the pleasing organic growth achieved coupled with the associated optimisation of our cost base. Recent initiatives to grow revenue is increasingly translating to profit growth. Cost discipline, a critical ingredient to competitive pricing, will remain a core focus over the next year.

OUTsurance Ireland has delivered a satisfactory performance thus far and we look forward to steering the business to break-even through incremental and disciplined expansion.

We expect to see favourable terms offered in the upcoming reinsurance renewal based on available capacity and favourable natural perils experience to date.

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.

## CASH DIVIDEND DECLARATION

Notice is hereby given that an ordinary gross interim cash dividend of 88.6 cents per OUTsurance Group Limited ordinary share, payable out of income reserves, was declared on 14 March 2025 in respect of the six months ended 31 December 2024.

This dividend will be subject to Dividend Withholding Tax at a rate of 20%, which will result in a net dividend of 70.88 cents per ordinary share for those shareholders who are not exempt.

The company's tax reference number is 9469/826/16/9. Its issued share capital at the declaration date comprises 1 546 402 028 ordinary shares.

Shareholders' attention is drawn to the following important dates:

Last day to trade in order to participate in the ordinary dividend	Tuesday 1 April 2025
Shares commence trading ex-dividend on	Wednesday 2 April 2025
The record date for the payment of the dividend will be	Friday 4 April 2025
Dividend payment date	Monday 7 April 2025

No dematerialisation or rematerialisation may be done between Wednesday 2 April 2025 and Friday 4 April 2025 (both days inclusive).

By order of the OUTsurance Group Limited board.

Schalk Human  
Company Secretary  
Centurion  
14 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Insurance revenue	17 922	15 328	16.9%	31 913
Insurance service expenses	(13 531)	(12 388)	9.2%	(24 977)
Net expenses from reinsurance contracts held	(728)	(605)	20.3%	(1 347)
Insurance service result	3 663	2 335	56.9%	5 589
Administration and other income	213	244	(12.7%)	502
Net investment income	955	805	18.6%	1 628
Investment income	119	110	8.2%	290
Interest income on financial assets using the effective interest method	686	659	4.1%	1 284
Net gain from fair value adjustments on financial assets	128	29	>100%	51
Expected credit losses on financial assets	22	7	>100%	3
Net insurance finance expenses	(107)	(139)	(23.0%)	(241)
Finance expenses from insurance contracts issued	(156)	(205)	(23.9%)	(343)
Finance income from reinsurance contracts held	49	66	(25.8%)	102
Fair value adjustment to financial liabilities	(113)	(74)	52.7%	(200)
Net insurance and investment result	4 611	3 171	45.4%	7 278
Marketing and administration expenses	(1 266)	(928)	36.4%	(1 646)
Finance costs	(49)	(17)	>100%	(73)
Equity accounted earnings	138	33	>100%	127
Profit on sale of assets held for sale	-	-	-	55
Profit on change of shareholding in investment in associates	-	471	(100%)	509
Profit on sale of associates	-	82	(100%)	44
Impairment of investment in associates	-	-	-	(9)
Profit before taxation	3 434	2 812	22.1%	6 285
Taxation	(1 170)	(738)	58.5%	(1 794)
Profit for the period	2 264	2 074	9.2%	4 491
Profit attributable to:				
Ordinary shareholders	2 039	1 891	7.8%	4 061
Non-controlling interests	225	183	23.0%	430
Profit for the period	2 264	2 074	9.2%	4 491
Earnings per share (cents)	132.9	123.6	7.5%	265.5
Diluted earnings per share (cents)	131.5	122.0	7.8%	261.0

COMPUTATION OF HEADLINE EARNINGS

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Earnings attributable to ordinary shareholders	2 039	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
Headline earnings attributable to ordinary shareholders	2 039	1 401	45.5%	3 525

## COMPUTATION OF NORMALISED EARNINGS

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Headline earnings attributable to ordinary shareholders	2 039	1 401	45.5%	3 525
Taxation on capital gain in respect of the share trust wind-up <sup>1</sup>	92	-		-
Adjustment for group treasury shares <sup>2</sup>	28	(2)		(2)
Fair value adjustments to derivative financial instruments <sup>3</sup>	(3)	10		9
Amortisation of intangible assets relating to business combinations	2	2		4
Normalised earnings attributable to ordinary shareholders	2 158	1 411	52.9%	3 536

1 The capital gains tax arising on the wind-up of the OHL share trust.

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

3 Fair value movement on hedging instruments held for capital transactions.

## COMPUTATION OF EARNINGS AND DIVIDEND PER SHARE

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Earnings attributable to ordinary shareholders	2 039	1 891	7.8%	4 061
Headline earnings attributable to ordinary shareholders	2 039	1 401	45.5%	3 525
Number of shares in issue	1 546 402 028	1 533 388 983	0.8%	1 537 535 862
Weighted average number of shares in issue	1 534 727 100	1 530 477 170	0.3%	1 529 845 582
Dilutory impact on earnings	(21)	(24)	(12.5%)	(68)
Dilutory impact on headline earnings	(21)	(23)	(8.7%)	(67)
Earnings per share (cents)	132.9	123.6	7.5%	265.5
Diluted earnings per share (cents)	131.5	122.0	7.8%	261.0
Headline earnings per share (cents)	132.9	91.6	45.1%	230.4
Diluted headline earnings per share (cents)	131.5	90.0	46.1%	226.0
Dividend per share				
Interim dividend (cents)	88.6	61.2	44.8%	61.2
Final dividend (cents)	-	-	-	113.2
Special dividend (cents)	-	-	-	40.0
Total dividend per share (cents)	88.6	61.2	44.8%	214.4

## COMPUTATION OF NORMALISED EARNINGS PER SHARE

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Normalised earnings attributable to ordinary shareholders	2 158	1 411	52.9%	3 536
Number of shares in issue	1 546 402 028	1 533 388 983	0.8%	1 537 535 862
Weighted average number of shares in issue	1 541 955 589	1 532 659 155	0.6%	1 533 078 726
Dilutory impact on normalised earnings	(21)	(23)	(8.7%)	(66)
Normalised earnings per share (cents)	140.0	92.1	52.0%	230.6
Diluted normalised earnings per share (cents)	138.6	90.6	53.0%	226.4

## ADMINISTRATION

Directors

Chairman: HL Bosman

Lead Independent: K Pillay

Independent: ET Moabi, JA Teeger, JE van Heerden, MM Mahlare, RSM Ndlovu, SV Naidoo

Non-executive: A Kekana, JJ Durand, WT Roos

Executive: MC Visser (CEO), H Hofmeyr (CFO)

Alternates: F Knoetze, UH Lucht

On 12 September 2024 Mr Marx retired from the board of directors. On 26 November 2024 Ms Hanise and Mr Morobe resigned from the board of directors.

#### Transfer secretaries

Computershare Investor Services  
Proprietary Limited  
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15 Biermann Avenue,  
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Telefax: +27 11 688 5221

#### Secretary and registered office

JS Human

Physical address: 1241 Embankment Road,  
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South Africa, 0157

Postal address: PO Box 8443, Centurion,  
South Africa, 0046

Contact: investorrelations@out.co.za

Web address: <https://group.outsurance.co.za/>

#### Sponsor

(in terms of JSE Listings Requirements)  
RAND MERCHANT BANK (A division of FirstRand Bank Limited)

Physical address: 1 Merchant Place,  
Corner of Fredman Drive and Rivonia Road, Sandton, 2196

#### ADDITIONAL INFORMATION

This results announcement contains certain forward-looking information with respect to OUTsurance. These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Consequently, all forward-looking statements have not been reviewed or reported on by the Group's external auditors.

The contents of this results announcement are the responsibility of the board of directors of the company. These summary interim results have not been audited.

Shareholders and/or investors are advised that this results announcement represents a summary of the information contained in the interim results and does not contain full or complete details.

The interim results are available for viewing on OUTsurance's website at <https://group.outsurance.co.za/results-and-reports/> or at <https://senspdf.jse.co.za/documents/2025/jse/isse/OUTE/OUT25Int.pdf>

Any investment decisions by shareholders and/or investors should be based on a consideration of the interim results as a whole and shareholders and/or investors are encouraged to review the interim results, which are available for viewing on the JSE's website and on the company's website as set out above.

Centurion  
14 March 2025

Sponsor  
RAND MERCHANT BANK (A division of FirstRand Bank Limited)