
**EXTRACT OF THE AUDITED RESULTS FOR THE TWELVE MONTHS ENDED 31 MARCH 2024 AND
CASH DIVIDEND DECLARATION**

Overview

Alexforbes reports solid financial performance delivering growth in line with the strategy of the group. The group delivered strong revenue growth in an uncertain economic environment, reporting a 12% increase in operating income to R3 905 million for the twelve months ended 31 March 2024 (**current year**). The growth in revenue is a result of the deliberate execution of our strategy, new business wins, the implementation of acquisitions and reflects the positive market performance in the current year.

We are pleased with the integration and performance of the six businesses acquired over the past three years; most recently OUTvest and TSA Administration. In the current year these businesses added R243 million to operating income and contributed R67 million to profit from operations (before non-trading and capital items), notwithstanding an impairment of goodwill and associated intangible assets relating to EBS International.

Operating expenses of R3 183 million increased 16% year on year, with the increase in business-as-usual expenses in line with our previously announced plan to invest in capacity. The increase in operating expenses also includes the effect of the one-off lease adjustment from the prior year, reduced cost recovery from discontinued operations and an increase in expense from acquisitions. We are pleased to have kept the cost-to-income ratio to 79.5%, and we are committed to drive its downward trajectory in the medium term.

Profit from operations (before non-trading and capital items) increased 2% year on year to R801 million. Cash generated from continuing operations remains strong at R1 073 million.

Headline earnings per share from total operations increased 29% to 61.5 cents per share. This increase is attributable to the financial performance of the discontinued operations in the current year.

The group balance sheet remains financially robust, supported by the sustained cash flow generated from continuing operations, with a sound regulatory surplus position of R1 949 million and available cash of R1 172 million. The group cover ratio of 2.8 times is comfortably above the target solvency cover ratio of 1.2 times.

A gross final cash dividend of 30 cents per share has been declared, up 11%, distributing a total of R389 million to shareholders. This brings the total annual dividend to 50 cents per share, up 19% year on year.

In addition, the board has declared a gross special dividend of 60 cents per share, distributing a further R778 million in available cash to shareholders and reducing the surplus capital position of the group.

As a business that is trusted across South Africa and beyond, the group's aim is to lead as a model of corporate citizenship. Our governance framework is informed by principles of ethical trade, transparency, accountability, and sustainability. We maintain the highest standards of corporate governance and ethical leadership to deliver confidence to our stakeholders.

Chief executive officer, Dawie de Villiers, commented: 'We set out to transform our business and I am pleased with our disciplined execution, consistent delivery over time, capacity building and progress towards our ambition as a group. Alexforbes turns 90 in 2025 and I am looking forward to making the year ahead truly memorable as we continue to serve our purpose by making a positive impact for all stakeholders.'

Financial highlights

- Operating income up 12% to R3 905 million
- Profit from operations (before non-trading and capital items) up 2% to R801 million
- Headline earnings per share from continuing operations up 16% to 52.9 cents per share
- Headline earnings per share from total operations up 29% to 61.5 cents per share
- Cash generated from continuing operations remains strong at R1 073 million
- Our capital position remains sound with a regulatory surplus of R1 949 million. The group cover ratio of 2.8 times is comfortably above the target solvency cover ratio of 1.2 times
- Gross final cash dividend of 30 cents per share up 11%, taking the annual dividend to 50 cents per share, up 19%
- Gross special dividend of 60 cents per share, distributing a further R778 million in available cash to shareholders
- Total members under administration and advised up 1% to 1.51 million
- Closing total assets¹ increased 16% year on year to R525 billion

In millions of South African rands (unless otherwise stated)	2024/2023 % change	2024	2023	2022
Continuing operations				
Operating income ^A	12	3 905	3 478	3 221
Profit from operations (before non-trading and capital items)	2	801	786	720
Cost-to-income ratio ^B (percentage)	3	79.5	77.4	77.6
Profit for the year	5	580	553	478
Cash generated from operations	-	1 073	1 076	809
Basic earnings per share (cents)	4	45.6	44.0	37.0
Headline earnings per share (cents)	16	52.9	45.5	37.2
Discontinued operations				
Profit/(loss) from operations (before non-trading and capital items)	>100	71	25	(51)
Profit from discontinued operations	(30)	112	161	29
Total group				
Basic earnings per share (cents)	(4)	54.7	57.1	39.3
Headline earnings per share (cents)	29	61.5	47.7	33.2
Normalised headline earnings per share (cents)	31	56.2	42.9	32.7
Interim dividend per share (cents)	33	20	15	12
Final dividend per share (cents)	11	30	27	20
Annual dividend per share (cents)	19	50	42	32
Special dividend per share (cents)	na	60	-	-
Closing total assets ^C (in billions of South African rands)	16	525	454	435
Total members under administration and advised ^D (000)	1	1 512	1 503	1 281

A. Operating income represents revenue net of direct expenses.

B. Cost-to-income ratio is calculated as a percentage of operating expenses (before non-trading and capital items) and adjusted for other income, over operating income.

C. Total assets include assets under administration and assets under management.

D. Includes total number of active members across standalone and umbrella funds, medical scheme membership and individual consulting clients.

¹ Total assets include assets under administration and assets under management

Final and special cash dividend declaration

Alexforbes's dividend policy is set at a target range of 1.0 to 1.5 times earnings cover. The dividend is set with reference to normalised headline earnings.

A final dividend declaration has been considered by the board, taking into account the group's current and projected regulatory position, the available cash in the group as well as the group's high cash generation.

The board has declared a gross final cash dividend of 30 cents per ordinary share (24 cents net of dividend withholding tax) for the year ended 31 March 2024 (2023: 27 cents per ordinary share). The board believes the surplus cash and capital position, after the payment of the final dividend, will still provide sufficient liquidity and capital strength.

In addition, the board has declared a gross special cash dividend of 60 cents per ordinary share (48 cents net of dividend withholding tax), thereby distributing the available cash to shareholders and reducing the surplus capital position of the group. The group's strong cash performance and its desire to improve capital efficiencies is the basis for the board's decision to declare this special dividend.

The special dividend is subject to approval by the Financial Surveillance Department of the South African Reserve Bank (SARB). A finalisation announcement confirming receipt of SARB approval will be released on SENS by no later than 9 July 2024.

Both dividends have been declared from income reserves.

A dividend withholding tax of 20% will apply to all shareholders who are not exempt from the dividend withholding tax, or who are entitled to a reduced rate in terms of the applicable double taxation agreement.

The issued number of shares at the date of declaration is 1 327 582 154. The tax reference number of Alexander Forbes Group Holdings Limited is 9404921158.

The directors have satisfied the solvency and liquidity test as required in terms of section 4(1) of the Companies Act 71 of 2008.

The salient dates for the final and special dividend will be as follows:

Declaration date	Monday 10 June 2024
Finalisation date for special dividend	Tuesday 9 July 2024
Last day of trade to receive a dividend	Tuesday 16 July 2024
Shares commence trading 'ex' dividend	Wednesday 17 July 2024
Record date	Friday 19 July 2024
Payment date	Monday 22 July 2024

Share certificates may not be dematerialised or rematerialised between Wednesday 17 July 2024 and Friday 19 July 2024, both days inclusive.

Prospects

Alexforbes has been reconfigured, is focused, and working well, which provides a solid foundation for organic growth and acquisitions. We continue to evaluate and assess acquisitive growth opportunities that would enhance our integrated advice-led value proposition and strengthen our core business lines. The business is in a strong position to forge a greater connection with the people who we ultimately serve, using our refreshed vision, purpose and overarching customer value proposition.

Implementation of the two-pot system

Alexforbes has been gearing itself towards the implementation of the two-pot system that directly impacts our administration systems capabilities, digital suite and engagement with members at an unprecedented scale. We regard this as an opportunity to connect with, engage and educate members regarding their options and the long-term value of their retirement fund investments. In doing so, we believe that we can build relationships with members that will ultimately result in the opportunity to provide best advice.

Digital transformation

Alexforbes has implemented elements of our digital ecosystem over the past two years and has now reached the point where the integration of these platforms will unlock efficiencies, enhance our client experience and enable retail growth. OUTvest is a critical component of this ecosystem and the integration of this business and the adoption by our advisors will change the landscape of how we provide advice to our broader membership base.

Alexforbes as an investment destination

Our best advice model directly influences the structures, solutions and platforms available through Alexander Forbes Investments. Our opportunity is to create awareness of, access to and affiliation with our investment capabilities to institutional investors, retail clients and independent financial advisors (IFAs). We have campaigns planned to do so alongside portfolio innovation in the alternatives investments space. The launch of Investment Solutions by Alexforbes is our entrance into the growing discretionary fund management market.

Alexforbes Impact Advisory

We have launched the Alexforbes Impact Advisory to extend our expertise to deliver environmental, social and governance and sustainability-focused advice to retirement funds and corporates in South Africa. This service is facilitated through the Alexforbes Impact Centre of Excellence, comprised of sustainability specialists supported by strategic partners to provide clients with insights, practical advice and solutions. The offering includes access to the Alexforbes Impact Academy to provide related training to stakeholders.

Change in directorate

The following changes to the board (and their representation on subsidiary companies) were announced during the current year:

- Mr D (Kuseni) Dlamini was appointed as independent non-executive director and chair of the board, including chair of the nominations committee and member of the mergers and acquisitions, and remuneration committees, effective 1 July 2023. Kuseni also serves as independent non-executive director and chair of the board of Alexander Forbes Investments Limited.
- Ms MK (Marinda) Dippenaar was appointed to the mergers and acquisitions committee, effective 4 September 2023.
- Mr RM (Bob) Head was appointed as independent non-executive director of the board of OUTvest Proprietary Limited effective, 12 February 2024.

For further information

This results announcement is the responsibility of the directors of the group.

Shareholders are advised that this results announcement represents an extract of the information contained in the annual financial statements for the year ended 31 March 2024, as well as a summary of the full results announcement, and does not contain full or complete details.

The annual financial statements for the year ended 31 March 2024 are available via the following JSE cloudlink:

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/AFH/AFHAFS2024.pdf> and on the Alexforbes website:

<https://investors.alexforbes.com/financial-results/> on 10 June 2024.

The full results announcement and cash dividend declaration for the year ended 31 March 2024 is also available on the Alexforbes website: <https://investors.alexforbes.com/financial-results/>

The annual financial statements for the year ended 31 March 2024 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor's report can be found on page 10 of the annual financial statements for the year ended 31 March 2024.

Any investment decisions by investors and/or shareholders should be based on a consideration of the annual financial statements for the year ended 31 March 2024 as a whole and investors and/or shareholders are encouraged to review the annual financial statements for the year ended 31 March 2024, available as set out above.

Any reference to future financial performance or any forecast financial information included in this announcement has not been separately reviewed, audited or reported on by the group's external auditors.

On behalf of the board of directors

D Dlamini

Chair

10 June 2024

Sandton

DJ de Villiers

Chief executive officer

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)