
TRADING STATEMENT FOR THE TWELVE MONTHS ENDED 31 MARCH 2022

Alexforbes is finalising its full year financial results for the twelve months ended 31 March 2022 (the current year) which will be released on the Stock Exchange News Service and on the company's website at www.alexforbes.com on 6 June 2022.

The group is expected to deliver pleasing growth for the current year from continuing operations with profit from operations before non-trading and capital items expected to increase between 5% to 10% when compared to the R659 million reported for the twelve months ended 31 March 2021 (the prior year).

The expected increase reflects revenue growth across key business segments, supported by sustained new business wins and strong market performance, coupled with continued expense management. While the persistently weak economy coupled with the impact of retrenchments in the prior year continue to influence our retirement business, this was offset by an increase in new business wins and positive market returns. The new business wins demonstrate the appeal of our advice-led model as well as the positive market reaction to our modernised retirement fund and investment administration capabilities.

The main areas affecting earnings include the following items that have been previously announced:

- The prior year results reflect the financial performance of the discontinued operations that include the impact of the Enhanced Transfer Value (ETV) liability matter. An amount of R250 million was provided for this liability in the prior year. No additional provision was required during the current year as the liability is limited to a cap, with the maximum potential loss fully provided for in the prior year.
- The results of the group risk and retail life business, Alexander Forbes Life Limited, (AF Life) for the current year have been influenced by the Covid-19 pandemic, which experienced significant death claims in the first half of the current year. This impact was already reflected in the group interim results for the six months ended 31 September 2021. The sale and transfer of the policies within the AF Life business were concluded on 31 March 2022 and, consequently, the R80 million profit on sale from this disposal offsets the losses incurred. The profit on sale is excluded from headline earnings.

While basic earnings per share from continuing operations for the current year are expected to increase from 30.8 cents per share (restated for the effects of discontinued operations) in the prior year to between 35.7 and 37.3 cents per share (an increase of between 16% and 21%), basic earnings per share for the total operations are expected to increase from 14.3 cents per share in the prior year to between 38.9 and 39.6 cents per share (an increase of between 172% and 177%). The increase in earnings from total operations is attributed to the base effects from the prior year, influenced by the performance of discontinued operations.

Based on the information currently available to the company, shareholders are advised that the financial results for the current period are expected to be:

For the year ended	As reported	Expected	Estimated range change*
	March 2021 (cents)	March 2022 (cents)	
Total operations			
Headline earnings per share	12.7	33.0 to 33.7	160% to 165%
Basic earnings per share	14.3	38.9 to 39.6	172% to 177%
For the year ended	Restated**	Expected	Estimated range change
	March 2021 (cents)	March 2022 (cents)	
Continuing operations			
Headline earnings per share	31.2	36.2 to 37.8	16% to 21%
Basic earnings per share	30.8	35.7 to 37.3	16% to 21%
Discontinued operations			
Headline loss per share	(18.5)	(4.6) to (3.7)	75% to 80%
Basic (loss)/earnings per share	(16.5)	1.8 to 2.6	111% to 116%

* Percentages calculated based on rounded figures.

** Restated for the effect of discontinued operations.

This trading statement is issued in accordance with paragraph 3.4(b) of the JSE Limited Listings Requirements. The financial information on which it is based has not been reviewed and reported on by the company's external auditors.

Carina Wessels

Executive: Governance, Legal and Compliance (Company Secretary)

23 May 2022

Sandton

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)