

EXTRACT OF THE AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2025 AND CASH DIVIDEND ANNOUNCEMENT

Performance highlights

- Operating income up 13% to R4 397 million
- Profit from operations (before non-trading and capital items) up 14% to R911 million
- Headline earnings per share from total operations up 15% to 70.8 cents per share
- Normalised headline earnings per share up 23% to 69.1 cents per share
- Cash generated from continuing operations up 15% to R1 230 million
- Our capital position remains sound with a regulatory surplus of R1 348 million. The group cover ratio of 2.3 times is comfortably above the target solvency cover ratio of 1.2 times
- Gross final cash dividend of 33 cents per share up 10%, taking the annual dividend to 55 cents per share, up 10% year on year
- Gross special cash dividend of 10 cents per share declared
- Total closing assets⁽¹⁾ increased 14% year on year to R599 billion

Our financial performance

Operating income increased 13% to R4 397 million owing to strong investment performance underpinned by positive market growth that resulted in higher average assets under management, inflationary increases from within our retirements and healthcare consulting client base and high client retention. In addition, consolidation of acquisitions completed in previous financial years and higher than expected two-pot claims volumes also contributed to our top line.

Operating expenses of R3 538 million increased 11% influenced by the previously disclosed change in our property lease contracts and the related accounting treatment under IFRS 16, acquisitions that have been fully consolidated and higher costs related to the implementation of the two-pot system. Excluding the IFRS lease adjustment and the acquisitive increase in expenses, organic growth in operating expenses was 6% year on year including two-pot related expenditure.

Profit from operations (before non-trading and capital items) increased 14% to R911 million. Cash generated from continuing operations remains strong at R1 230 million, up 15% year on year.

Profit for the year from continuing operations improved 28% to R745 million, owing to a significant decrease in non-trading and capital items. The prior year results reflect the one-off impairment of goodwill, intangible assets and software.

Headline earnings per share from total operations increased 15% to 70.8 cents per share. This increase reflects the financial performance of the discontinued operations in the current year.

Normalised headline earnings per share improved 23% to 69.1 cents per share.

The group balance sheet remains financially robust, supported by the sustained cash flow generated from continuing operations, with a sound regulatory surplus capital position of R1 348 million and available cash of R700 million. The group cover ratio of 2.3 times remains above the target solvency cover ratio of 1.2 times.

A gross final cash dividend of 33 cents per share has been declared which when added to the interim dividend of 22 cents per share amounts to a total dividend of 55 cents per share for the year. The total annual dividend is up 10% year on year.

In addition, the board has declared a gross special dividend of 10 cents per share.

Chief executive officer, Dawie de Villiers, commented: 'What excites me about Alexforbes is the way we have punched above our weight for 90 years and the impact we've had on the financial services industry. We have influenced and led real change and continue to do so and most importantly, we secure the financial well-being of members in the retirement funds that we serve. With the vision of transforming clients' financial journeys, I am proud to share that we are making financial advice available to over 1 million members in our base. Across all ages, income bands and levels of wealth - every single one of our members can now access financial advice from Alexforbes to help them invest, plan and reach their investment destination.'

1 Total assets include closing assets under administration (AuA) and assets under management (AuM)

Financial highlights

	Audited for the year ended 31 March			
	2025/2024 % change	2025	2024	2023
In millions of South African rands (Rm)				
Continuing operations				
Operating income(A)	13	4 397	3 905	3 478
Profit from operations (before non-trading and capital items)	14	911	801	786
Cost-to-income ratio(B) (percentage)	(20bps)	79.3	79.5	77.4
Profit for the year	28	745	580	553
Cash generated from operations	15	1 230	1 073	1 076
Basic earnings per share (cents)	27	57.9	45.6	44.0
Headline earnings per share (cents)	9	57.9	52.9	45.5
Discontinued operations				
Profit from operations (before non-trading and capital items)	na	-	71	25
Profit from discontinued operations	44	161	112	161
Total group				
Basic earnings per share (cents)	29	70.8	54.7	57.1
Headline earnings per share (cents)	15	70.8	61.5	47.7
Normalised headline earnings per share (cents)	23	69.1	56.2	42.9
Interim dividend per share (cents)	10	22.0	20.0	15.0
Final dividend per share (cents)	10	33.0	30.0	27.0
Annual dividend per share (cents)	10	55.0	50.0	42.0
Special dividend per share (cents)	na	10.0	60.0	-
Closing total assets(C) (in billions of South African rands)	14	599	525	454
Total members under administration and advised(D) (000)	3	1 557	1 512	1 503

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 closing 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.

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 33 cents per ordinary share (26.4 cents per ordinary share net of dividend withholding tax) for the twelve months ended 31 March 2025 (2024: 30 cents per ordinary share).

The gross final cash dividend when added to the gross interim dividend of 22 cents per ordinary share amounts to a total annual dividend of 55 cents per ordinary share for the year. The total annual dividend is up 10% year on year.

In addition, the board has declared a gross special cash dividend of 10 cents per ordinary share (8 cents per ordinary share net of dividend withholding tax). The receipt of proceeds following the successful litigation of phase one of the ETV liability matter is the basis for the board's decision to declare this special dividend.

The board believes the cash and capital position, after the payment of the final and special dividend, will still provide sufficient liquidity and capital strength.

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 8 July 2025.

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 1 288 511 454. 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 9 June 2025
Finalisation date for special dividend by 11.00	Tuesday 8 July 2025
Last day of trade to receive a dividend	Tuesday 15 July 2025
Shares commence trading 'ex' dividend	Wednesday 16 July 2025
Record date	Friday 18 July 2025
Payment date	Monday 21 July 2025

Share certificates may not be dematerialised or rematerialised between Wednesday 16 July 2025 and Friday 18 July 2025, both days inclusive.

Prospects

Our prospects into the next decade are directly influenced by our vision, which is to transform every client's financial journey - through inclusive advice, intelligent technology and impactful solutions that empowers each one of them to reach their investment destination.

Financial advice now available to over 1 million members

Alexforbes has made financial advice available to over 1 million retirement fund members in our base.

This has been achieved through a mix of growing our adviser footprint, the utilisation of enabling technology and scaling our automated advice platform. In doing so, we are able to deliver financial advice to every member of our institutional client base irrespective of their income, age or wealth status.

We believe that financial advice is a superpower and will be focused on increasing the adoption of our financial advice capabilities across our client base over the coming decade to reshape each of their financial journeys.

Alexforbes One

The launch of Alexforbes One as our refreshed umbrella fund solution is a call to action to make every member the most important part of their retirement fund journey. This is done through our unique member engagement model, holistic spectrum of benefits and democratised access to financial advice. In an environment characterised by increased complexity, noise and risk, we make it easy for employers to manage their employee benefits through one platform.

Alexforbes One represents our best view of the retirement fund of the future and, in a departure from our past, will be the umbrella solution to both our internal consultants and to the IFA market.

Pioneering insight to deliver advice that has a real-world impact

The Alexforbes Impact Advisory, focused on providing leading environmental, social and governance (ESG) and sustainability advice and services to retirement fund and corporate clients, has, in addition to enabling real-world impact, delivered its first revenue in the current year. The flagship retirement fund solution within the Impact Advisory offering, the Retirement Fund of the Future™ also won the evolutions in employee benefits and advice category in the 2024 EBnet Evolutionary Awards: independent testimony of the innovation destined to continue to shape the retirement fund industry for another 90 years.

As a key component of the Alexforbes Impact Advisory, the Alexforbes Impact Academy plays a leading role in empowering and educating stakeholders to consider how their actions influence sustainability across a variety of dimensions. True to our mission, we are pioneering insight in this emerging dimension of consulting to advise our clients on how best to make a real-world impact on people's lives.

The acquisition of Paragon Impact, a globally unique impact monitoring, reporting and grading solution, adds significant depth to our expanding sustainability advisory services to retirement funds and corporate clients, while creating the opportunity to expand into the global sustainability advisory market.

We believe that sustainability is not a trend but a force multiplier for good that will become an increasingly critical component of discussions in boardrooms across corporates and retirement funds in South Africa over the next decade whether through regulation or the increased understanding of impact. As such, our investment in these capabilities to source, analyse and expose data strengthens our envisioned position at the forefront of sustainability consulting services.

Being recognised as the Investment Destination

The investments business is well positioned as South Africa's leading multimanager to maintain strong investment performance and win a greater share of assets from clients across institutional and retail segments. We will continue to focus on:

- Leveraging our expansion in alternative markets to secure new opportunities that are driving growth in the asset management industry, including hedge funds, endowments, trusts and family offices, and private markets, with a focus on infrastructure investment through our new Infrastructure Funds of Funds.
- Attracting more retail savings customers by expanding our discretionary savings solutions and offerings.
- Expanding our network of IFA partners to increase our footprint in the retail market.
- Modernising and enhancing our investment administration platforms.

Change in directorate

The following changes to the board were announced during the year:

- Mr R Roux was appointed as independent non-executive director, including Remuneration committee chair and member of the Audit and Risk, Mergers and Acquisitions and Nominations committees, with effect from 1 July 2024.
- Mr T Dloti resigned as independent non-executive director with effect from 29 August 2024.
- Mr RM Head resigned as independent non-executive director with effect from 28 November 2024.
- Mr P Dhamija resigned as non-executive director with effect from 24 April 2025 and has been succeeded by Ms A Tedesco with effect the same date.

The bespoke Mergers and Acquisitions and Nomination committees were terminated effective 28 November 2024. Mergers and acquisitions matters are now discussed at the board and nomination matters in the Remuneration committee. The board chair still chairs the discussion of nomination matters.

For further information

The contents of this announcement are not audited. The directors take responsibility for the preparation of this announcement.

Shareholders are advised that this announcement represents an extract of the information contained in the audited annual financial statements for the year ended 31 March 2025, as well as a summary of the annual results, and does not contain full or complete details. The annual financial statements for the year ended 31 March 2025 are available via the following JSE cloudlink: <https://senspdf.jse.co.za/documents/2025/JSE/ISSE/AFH/AFSJUN2025.pdf> and on the Alexforbes website: <https://investors.alexforbes.com/financial-results> on 9 June 2025.

The annual results: summary financial statements and cash dividend declaration for the year ended 31 March 2025 is also available on the Alexforbes website: <https://investors.alexforbes.com/financial-results>

The annual financial statements for the year ended 31 March 2025 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor's report can be found on page 9 of the annual financial statements for the year ended 31 March 2025.

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 2025 as a whole and investors and/or shareholders are encouraged to review the annual financial statements for the year ended 31 March 2025, 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

DJ de Villiers
Chief Executive Officer

9 June 2025
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Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)