

Old Mutual delivers 5% growth in Adjusted Headline Earnings – Strategy delivery on track despite challenging market conditions

16 March 2020. Old Mutual Limited (OML) today announced its full year results for the year ended 31 December 2019.

The Group's Adjusted Headline Earnings for the period are up 5% to R9,856 million from R9,396 million in the prior year. This is on the back of higher investment returns in South Africa. Adjusted Headline Earnings per share were also up 7%.

Interim CEO, Iain Williamson noted that the Group demonstrated resilience in its financial delivery despite challenging market conditions. "We delivered a Return on Net Asset Value of 15.2% which exceeds our Cost of Equity. Our Group capital position remains very strong, with a solvency ratio of 161%, which is well within our target range. Results from Operations (RFO) unfortunately decreased by 2% from 2018, driven by lower inflows in most of our segments and heightened catastrophe losses in Old Mutual Insure."

"Over the medium term, we expect that meeting several of our most important targets will be challenging. We will remain very closely focused on our operational results, digital enablement and exploiting opportunities for growth. The investments we have made in enhancing our customer and intermediary experience will no doubt be essential to remaining competitive and winning in our markets."

Old Mutual announced a final ordinary dividend of 75 cents per share, bringing its total capital returned to 220 cents per share, including share buybacks executed during 2019.

The Group emphasised a range of initiatives implemented during 2019 to boost operational efficiencies and ultimately enhance the customer experience, including:

- Achieving R1.2 billion in cost savings, exceeding its target of R1 billion;
- The deployment of 151 robots in various processes to assist with automation, saving 5.2 million minutes in processing time;
- The continued roll out of digital tools to enhance the customer experience; and

- A deliberate focus on making essential culture shifts to attract and retain the right talent that enables the business to champion positive futures for its customers every day.

“Whilst we continue to see challenges in the external environment in the short term, including those presented by the COVID-19 pandemic as well as the economic downturn, we are confident in the Group's ability to remain resilient and deliver on our mandate. All the necessary steps are being taken and plans being actioned to address these developments. To this end, we remain well capitalised, with tightly managed costs, and a talented workforce dedicated and ready to ensure that Old Mutual remains a certain friend in uncertain times,” concluded Williamson.

Ends