

momentum
group



Momentum Corporate

Impact strategy

Dumo Mbethe



Agenda

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- 2 Market dynamics and key considerations
- 3 Ambition and focus areas
- 4 Objectives and measures of success
- 5 Why we will win



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Momentum Corporate today



Broad range of capabilities

FundsAtWork Umbrella Funds

Group Insurance

Structured Investments and Annuities

Consulting and Actuarial solutions

Stand-Alone Retirement Fund Administration

Member Solutions

Our Planning Units

FAW umbrella funds (FAW)

Our FundsAtWork umbrella fund is significant and well established in the market, supported by market-leading digital solutions

Group Insurance (GI)

Our Group Insurance solutions cover a wide range of risks, including death, disability and critical illness

Structured Investments and Annuities (SIA)

Our scope of investment and income solutions is vast, and provides significant choice for both employers and members

Direct Client Engagement

Our DCE arm houses our direct distribution capability and provides asset, healthcare, employee benefits, member advisory, actuarial and legal consulting

Momentum Retirement Administrators (MRA)

Our MRA business is a specialist administrator for stand-alone retirement funds

Member Solutions

Our Member Solutions business educates and supports members through our benefit counselling capability whilst delivering on retailisation objectives

Our story in numbers

We look after approx. **7 000 employers** and their **1,6 million+ employees**



Over R40 billion assets under management in Structured Investments and Annuities with approx. 30k annuitants and over 80 schemes on board



±1.6 million digital engagements and self-service transactions by members, with a 4.3 out of 5 client experience rating



Our standalone retirement administration business administers approx. 40 schemes with over 380k members totalling over R230 billion in assets



We paid over R2 billion in death claims and over R160 million in funeral benefits*



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70% of employers made use of digital claims and 44% of all claims were triggered via digital processes

We received over **R5 billion** in annual premium income for Group Insurance



> R1.4 billion in annuity solutions and preserved more than R600 million in retirement savings



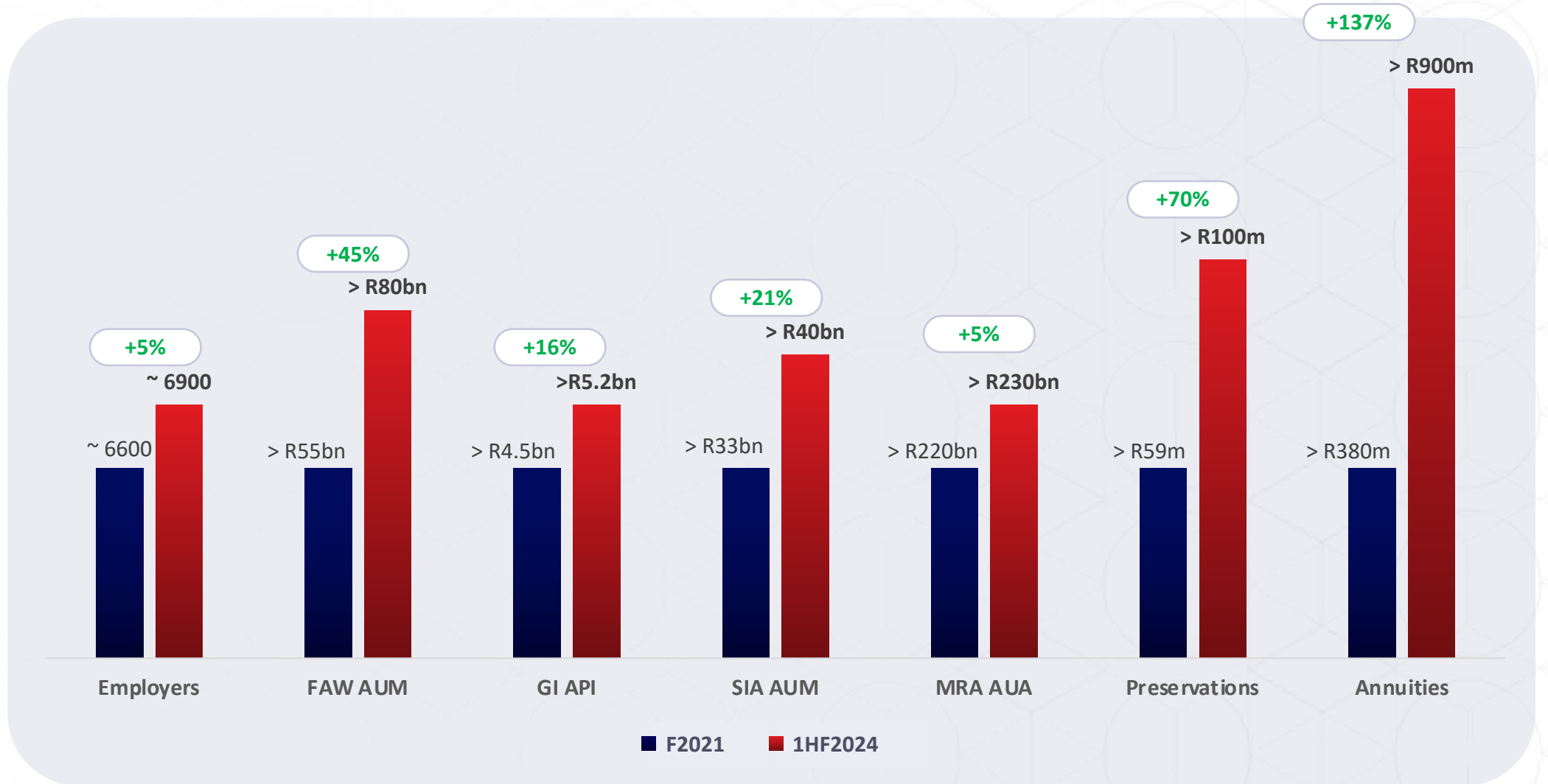
We paid over R1.4 billion in income disability benefits and over R360 million in lump sum disability benefits*



Over R80 billion in assets under management in the FundsAtWork Umbrella Funds and **over 500k** members

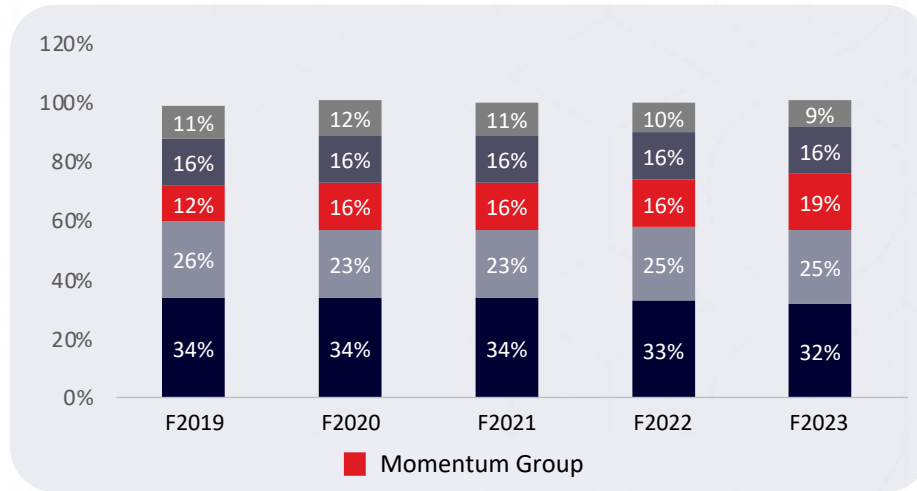


Our Reinvent and Grow journey

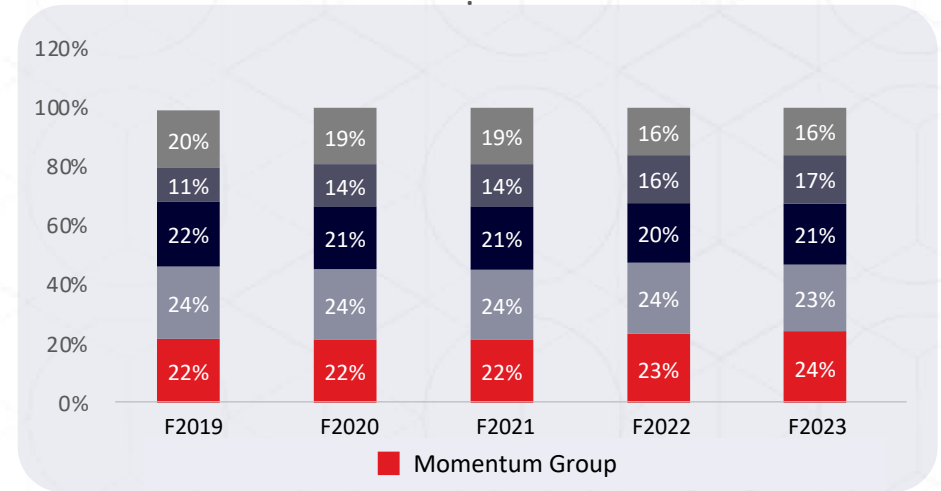


Market share

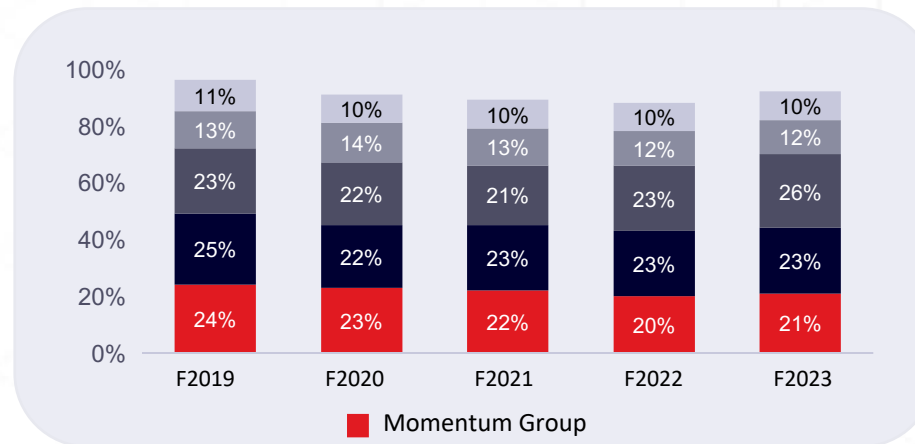
Umbrella assets



Umbrella members

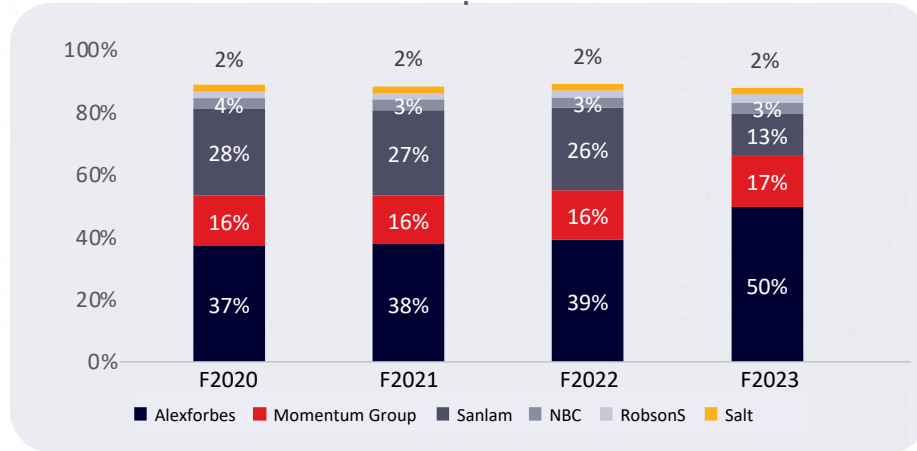


Group insurance market share

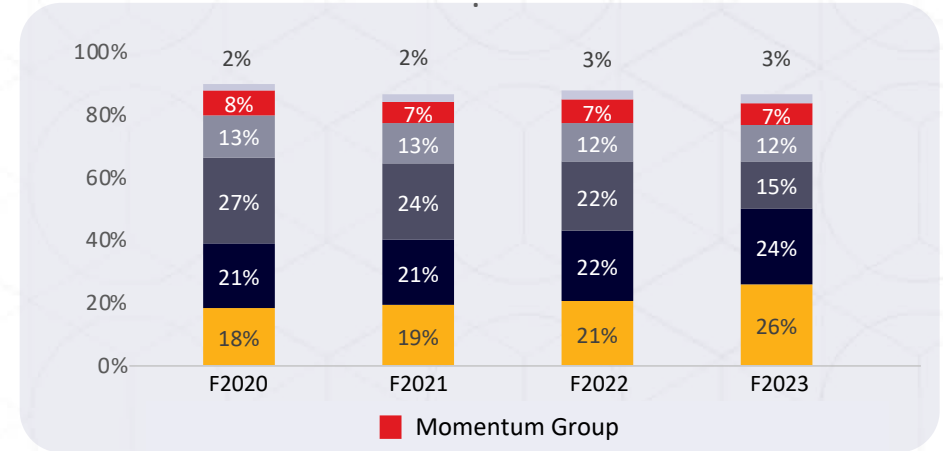


Market share

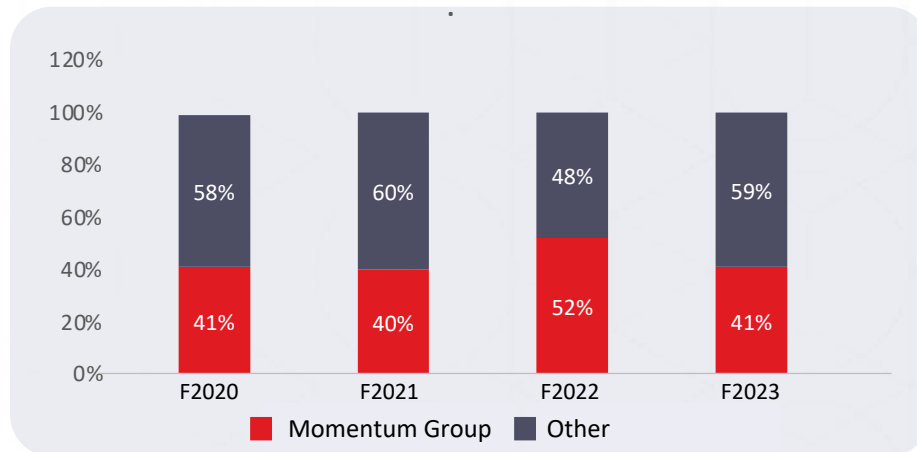
Stand-alone assets



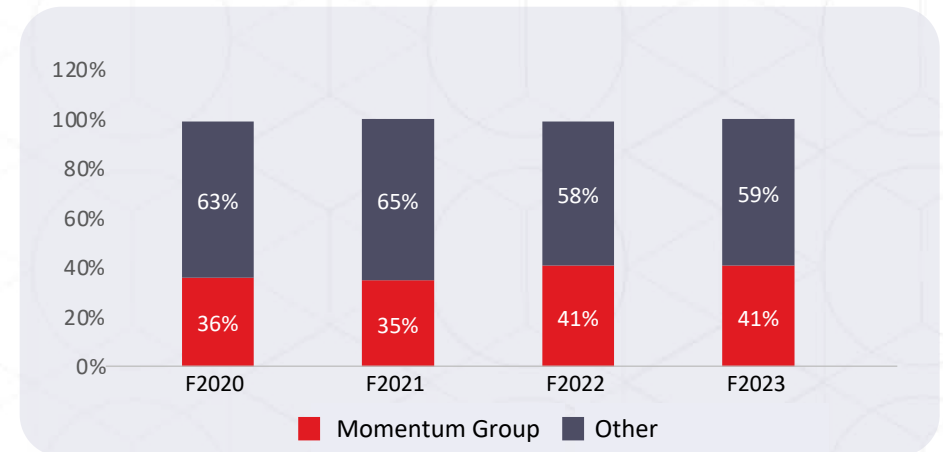
Stand-alone members



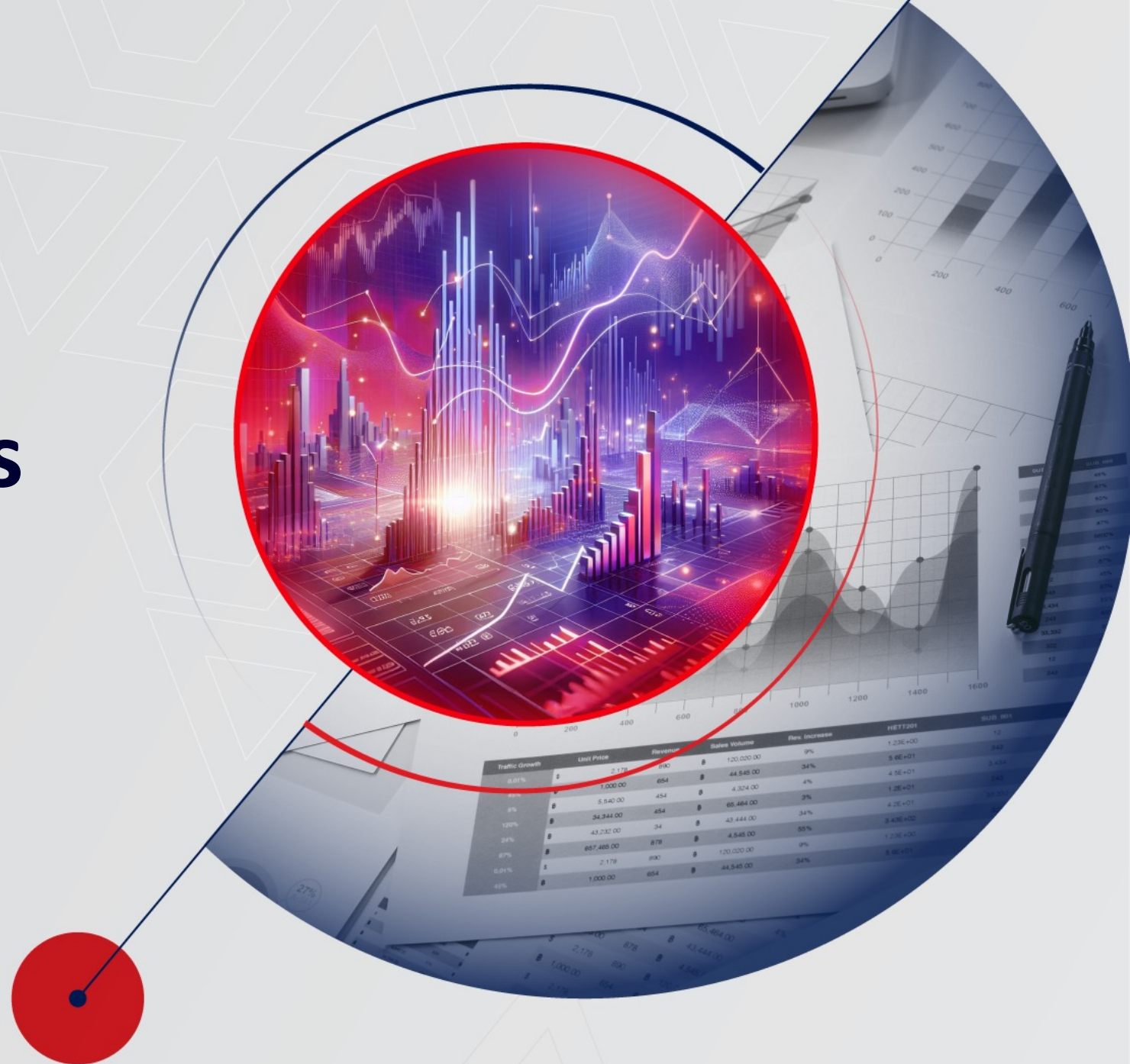
Preservation market share



Annuities market share



Market dynamics and key considerations



Market trends



Economic

- Financial pressure on business and employees
- Low economic growth impacting industry growth



Clients

- Under financial strain
- Increasing preference for self-service tools
- Desire for flexibility and bespoke solutions



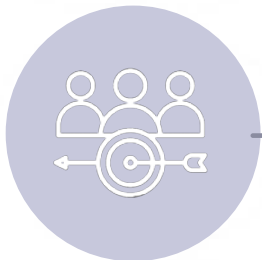
Industry

- Changes to legislation: Two-pot
- Price pressure necessitating cost reduction



Members

- Preference for balancing digital with human interaction
- Seeking more personalised engagement and solutions
- Increase in contract and gig-worker economy



Competitors

- Digital acceleration to enhance CX and advisory reach
- Consolidation through M&A

Ambition and strategic focus areas



LONG-TERM

WINNING ASPIRATION

To become the *leading, digitally-led employee benefits* business in SA in terms of *sustainable profit growth*; and to make employee benefits *accessible to all employed in South Africa.*

IMPACT STRATEGY

AMBITION

To become a *digitally-led* business that thinks “*Human First*”, and grows our market share profitably and sustainably through *superior* distribution capabilities, *innovative* product offerings, and operational and service *excellence*, while positioning ourselves as the brand of choice for clients, members and advisers alike.



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Strategic focus areas

What we will focus on in the next 3 years (F25-F27)



Growth and distribution

- **Omni-channel distribution** strategy
- **Digital transformation focus** to enhance growth, efficiencies and client experience
- Expanding addressable **market segments**
- Broaden **alternative revenue streams**



Operational and service efficiency

- Prioritising **client experience**
- Operational and service excellence through **Digital transformation & LEAN**
- Reducing Cost to Serve through adequate risk and control measures and **continuously attain operational excellence**



Product excellence

- **Product simplicity, accessibility and ease of use**
- Explore **fully digital products with a digital client experience**
- Offer **financial and non-financial solutions** at member level



Collaboration and partnerships

- **Leverage Group collaboration** for greater market access and proposition strengthening
- **Selective partnerships to complement organic growth** and create value proposition enhancements



FundsAtWork

FOCUS AREA	OBJECTIVES
<p>Growth and distribution</p>	<ul style="list-style-type: none"> Remain a top 4 player in terms of assets in the umbrella fund market Become a significant player in the SME market
<p>Operational and service efficiency</p>	<ul style="list-style-type: none"> Drive operational and service excellence through LEAN methodologies and digitalisation
<p>Product excellence</p>	<ul style="list-style-type: none"> Provide clients with holistic value propositions
<p>Collaboration and partnerships</p>	<ul style="list-style-type: none"> Drive value for the Momentum Group through internal partnerships and collaboration

MEASURES OF SUCCESS

Grow FAW AUM to **>R110bn** by F2027

Increase the number of SME employers by **250** employers by F2027

Completion of our integrated Health and Employee Benefits value proposition



Unlock full potential of our businesses



Harness synergies of collaboration



Optimise our cost base



Invest aggressively in advice



Selectively expand our addressable market



Design simplified and impactful client experiences

Objectives and measures of success





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FOCUS AREA	OBJECTIVES
<p>Growth and distribution</p>	<ul style="list-style-type: none"> Execution of omni-channel distribution strategy Profitably grow SME market share through Momentum Grow
<p>Operational and service efficiency</p>	<ul style="list-style-type: none"> Achieve operational and service excellence through digital transformation & LEAN baked-in methodologies To embed ESG into our strategic ambition and business outcomes
<p>Product excellence</p>	<ul style="list-style-type: none"> Product differentiation that enables revenue growth and diversification
<p>Collaboration and partnerships</p>	<ul style="list-style-type: none"> Internal collaboration for greater market access and proposition strengthening Selective partnerships to accelerate organic growth

MEASURES OF SUCCESS

Deliver **R800m – R1bn** earnings by F2027

Target VNB margin of **0.5%** by F2027

Cost-to-income ratio of **65%** by F2027

Achieve NPS **>65** by F2027



Group Insurance

FOCUS AREA	OBJECTIVES
Growth and distribution	<ul style="list-style-type: none"> Remain one of the top 3 group insurance providers in SA Improve disability outcomes
Operational and service efficiency	<ul style="list-style-type: none"> Drive operational and service excellence through LEAN methodologies and digitalisation Enhance our market-leading disability management capability
Product excellence	<ul style="list-style-type: none"> Decommoditise product offering to increase sales and retention Continue to leverage data analytics and insights for pricing and benefit design
Collaboration and partnerships	<ul style="list-style-type: none"> Drive value for the Momentum Group through internal partnerships and collaboration

MEASURES OF SUCCESS

Maintain margin within the **5% – 7%** net of tax long term average margin

Completion of our integrated Health and EB value proposition



Structured Investments and Annuities

FOCUS AREA	OBJECTIVES
Growth and distribution	<ul style="list-style-type: none"> Grow deal-making and structuring capability Launch new client-appropriate solutions into existing and new segments
Operational and service efficiency	<ul style="list-style-type: none"> Drive operational and service excellence through LEAN methodologies and digitalisation Help to build the low carbon economy through investments in green assets
Product excellence	<ul style="list-style-type: none"> Drive product awareness through marketing, PR and Thought Leadership and leveraging the Group's purpose Drive product rationalisation to simplify and consolidate SIA products
Collaboration and partnerships	<ul style="list-style-type: none"> Cement internal and external strategic partnerships to increase market access including the use of white-labelling capability and product upsell

MEASURES OF SUCCESS

Grow SIA AUM to **>R65bn** by F2027

Contribute **25%** to Momentum Corporate NHE by F2027



Direct Client Engagement Cluster, Momentum Retirement Administrators and Member Solutions



FOCUS AREA	OBJECTIVES
Growth and distribution	<ul style="list-style-type: none"> Improve market access, grow new business and drive client retention Unlock new streams of revenue and access to new members
Operational and service efficiency	<ul style="list-style-type: none"> Drive operational and service excellence in MRA through LEAN methodologies and digitalisation Transform and enhance client experience through digital and human interaction
Product excellence	<ul style="list-style-type: none"> Build a distinctive member and client value proposition Build a trademark retirement consulting and advisory capability through MCA and Member Solutions
Collaboration and partnerships	<ul style="list-style-type: none"> Foster key client relationships through strategic collaboration Drive value creation for the group

MEASURES OF SUCCESS

Grow new business from direct business
Development to **35%** of total sales by F2027

Increase MRA membership to **500 000** by F2027

Increase market share of annuities and preservation outflows to **45%**

Why we will win



Why we will win

We are a business with scale, strong market position; and a significant contributor to the Group

We have achieved profitable growth over the last 5 years and consistently delivered on strategic objectives

Our **RIGHT** to win

We will continue to build and leverage digital capabilities and solutions to deliver on growth, operational efficiencies and client experience

We will further drive effective and efficient distribution through our omni-channel distribution ecosystem

Through this we aim to deliver \pm R800m – R1bn earnings by 30 June 2027

Disclaimer

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These statements may also relate to our prospects, developments and business strategies. Words such as “believe”, “anticipate”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “expect” and “project” and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. 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. The Group’s external assurance providers do not review or report on the forward-looking statements in this document.

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