

Old Mutual Limited

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Old Mutual reintroduces final dividend as costs savings lift 2018 profits despite difficult economic conditions

Old Mutual Ltd (LON:OMU) has reintroduced a final dividend as costs savings helped the South Africa-based firm's 2018 profits rise, offsetting weak trading in difficult economic conditions.

The London main market-listed group - which split itself up last year - saw its pre-tax profit increase to 8.45bn rand in 2018, up from 7.12bn rand a year earlier, despite total income falling to 109.88bn rand from 175.93bn rand.

READ: Old Mutual expects break-up to be complete at year end, posts 2017 profit growth

The company cut its recurring costs by 750mln rand in 2018 and said it remains on target to secure its 1.00bn cost savings target.

The group's net client cash flow (NCCF) almost doubled to 10.7bn rand, up from 5.6bn rand a year earlier.

However, Old Mutual's returns from operations fell by 4.0% to 9.96bn rand "reflecting net reserve movements, and mortality and morbidity losses in Personal Finance in the first half of 2018 and the change in functional currency in Zimbabwe."

Old Mutual's chief executive Peter Moyo said: "I am pleased with the progress we made on our eight battlegrounds."

He added: "We delivered particularly good sales and NCCF in a tough economic and competitive environment. We delivered very well against the promises we made to investors."

The firm proposed a 72 rand cents final dividend, making a total payment for the year at 117 cents.

In early trading, Old Mutual shares were down 0.3% at 113.86p.

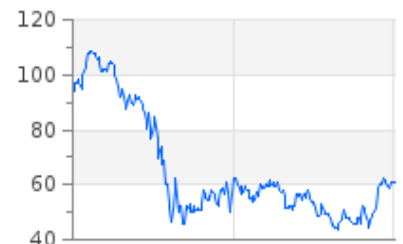
In 2018, the former blue-chip company was broken up into four separate entities - Old Mutual Wealth (OMW), Old Mutual Emerging Markets (OMEM), South African lender Nedbank and US firm Old Mutual Asset Management (OMAM).

As part of the plan, the group spun off the wealth arm - which was renamed Quilter PLC (LON:QLT) - and created Old Mutual Limited as a holding company which included OMEM, Nedbank and the residual parts of Old Mutual PLC.

Price: 57.32

Market Cap: £2.7 billion

1 Year Share Price Graph



December 2019 June 2020 November 20

Share Information

Code: OMU

Listing: LSE

52 week High Low
110.2 42.76

Sector: Insurance

Website: www.oldmutual.com

Company Synopsis:

Old Mutual Limited (OML) is a premium African financial services group that offers a broad spectrum of financial solutions to retail and corporate customers across key markets in 17 countries.

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