



Investor Presentation 2020 Interim Results

For the six months ended 31 August 2019



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PSG Structure

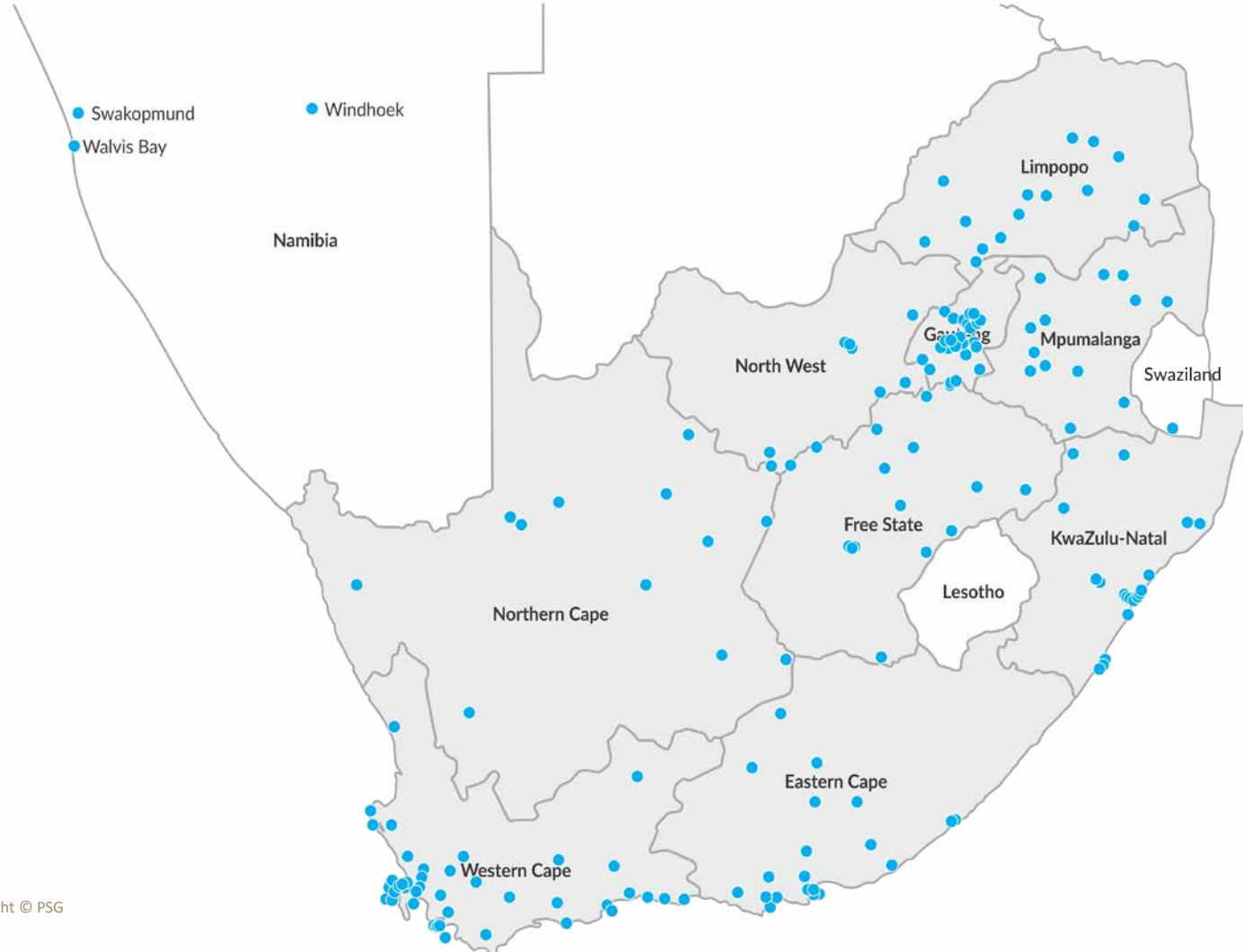


* Includes PSG Employee Benefits
** Includes Western National Insurance
PSG Group's holding net of treasury shares = 60.5%
As at 31 August 2019



A great company

Wealthy clients serviced where they reside



261
Adviser offices



928
Advisers

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	H1 2020
No. of advisers	659	711	744	784	932	928
<i>PSG Wealth</i>	434	480	515	539	546	549
<i>PSG Insure</i>	225	231	229	245	386	379
No. of offices	193	206	208	211	254	261

Source: PSG Distribution



Business characteristics

- Equity market dependent
- Administration businesses
people/systems dependent
- Not very balance sheet intensive
- Free cash flow generative
- Vulnerable to regulatory change

01 | H1 2020: financial results

Key macro indicators

Weakening economic environment

Key indicators	H1 2015	%Δ	H1 2016	%Δ	H1 2017	%Δ	H1 2018	%Δ	H1 2019	%Δ	H1 2020
Rand / US\$	10.66	25%	13.27	11%	14.69	-12%	13.01	13%	14.68	3%	15.19
All Bond Index	469	5%	494	5%	516	10%	569	8%	614	11%	683
Cash Index - STeFI Call	288	6%	305	7%	324	7%	347	7%	370	7%	395
S&P 500 (Rand)	21 351	25%	26 162	1%	31 890	3%	32 148	23%	42 608	4%	44 446
FTSE/JSE Index	50 959	-2%	49 972	6%	52 733	7%	56 522	4%	58 668	-6%	55 260
SA Property Index	538	20%	646	-2%	635	3%	653	-18%	534	-14%	462

Source: Bloomberg



H1 2020 financial results overview

Recurring HEPS grew by 8% for H1 2020

Consolidated results	H1 2015 Rm	%Δ	H1 2016 Rm	%Δ	H1 2017 Rm	%Δ	H1 2018 Rm	%Δ	H1 2019 Rm	%Δ	H1 2020 Rm
Headline earnings	145	28%	187	15%	214	12%	239	18%	283	10%	311
Recurring headline earnings	147	27%	187	15%	214	12%	239	18%	283	10%	311
Weighted average no. of shares (millions)	1 260	1%	1 267	2%	1 290	2%	1 315	0%	1 318	2%	1 339
HEPS (Cents)	11.5	28%	14.7	13%	16.6	10%	18.2	18%	21.5	8%	23.2
Recurring HEPS (Cents)	11.7	26%	14.7	13%	16.6	10%	18.2	18%	21.5	8%	23.2

Assets under management (Rbn)	122	16%	142	18%	167	16%	193	19%	230	-1%	228
Assets under administration (Rbn)	266	21%	321	10%	354	12%	398	7%	426	-6%	401
Premiums (Rbn) *	1.0	20%	1.2	8%	1.3	19%	1.6	25%	2.0	35%	2.7

Source: PSG Finance

* Excludes Short-term administration platform gross written premium to avoid duplication

Note: figures rounded to nearest R'million



Recurring headline earnings by division

Total recurring headline earnings growth of 10% for H1 2020

Recurring Headline Earnings *	H1 2015 Rm	%Δ	H1 2016 Rm	%Δ	H1 2017 Rm	%Δ	H1 2018 Rm	%Δ	H1 2019 Rm	%Δ	H1 2020 Rm	CAGR %
Wealth	95	27%	120	17%	141	7%	150	7%	160	10%	176	13%
Asset Management	34	36%	46	2%	47	20%	57	53%	87	-7%	81	19%
Insure	18	12%	21	29%	26	23%	32	11%	36	50%	54	25%
Total	147	27%	187	15%	214	12%	239	18%	283	10%	311	16%

Source: PSG Finance

*All overhead costs are fully allocated. Headline earnings has remained the same as recurring headline earning for H1 2020

Note: figures rounded to nearest R'million



Financial trend

We always look at our 10 year rolling track record

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR %	H1 2019	H1 2020	YoY Gwth %
AUA (Rbn)	44	72	97	139	180	233	309	327	371	402	422	25%	426	401	-6%
AUM (Rbn)	21	28	36	51	71	99	133	154	175	205	222	27%	230	228	-1%
Premiums (Rbn)*	1.4	1.5	1.6	1.6	1.6	1.8	2.1	2.5	2.9	3.3	4.5	12%	2.0	2.7	35%
Core Revenues (Rm)	823	901	1 018	1 426	1 648	2 349	2 858	3 346	3 789	4 200	4 604	19%	2 278	2 525	11%
Recurring headline earnings (Rm)	97	90	92	151	174	251	341	409	486	566	591	20%	283	311	10%
Shares in issue (m)**	733	730	733	1 071	1 209	1 222	1 262	1 277	1 313	1 317	1 337	6%	1 319	1 340	2%
Recurring HEPS (cents)	13.2	12.3	12.5	14.1	15.4	20.6	27.0	32.1	37.2	43.0	44.6	13%	21.5	23.2	8%
Recurring HEPS (cents) excl. amortisation	14.7	14.1	14.8	16.0	17.2	22.3	29.4	34.6	40.4	46.3	48.4	13%	23.3	25.2	8%
Return on equity (%)	22.8	19.6	19.3	26.7	21.1	24.8	26.4	24.8	25.3	24.3	21.5	N/A	21.9	20.2	N/A
Total advisers	524	567	597	635	613	618	659	711	744	784	932	6%	862	928	8%

Source: PSG Finance

* Excludes Short-term administration platform gross written premium to avoid duplication. Includes Western National Premiums from Nov 2012

10**Excludes treasury shares



02 | H1 2020: divisional performance

Wealth plans

Growing and protecting client wealth

Excellence in
products & services

Top advisers

Superb platform

Wealth assets split (Rm)	Feb-19	Market movement	Net flows	Aug-19	% Growth
PSG Multi Managed *	70 681	2 530	4 347	77 558	10%
Third party funds **	60 374	730	1 748	62 852	4%
Discretionary	43 788	1 049	-777	44 060	1%
Total managed assets	174 843	4 309	5 318	184 470	6%
Non discretionary	190 029	-25 505	-1 256	163 268	-14%
Third party administration	9 325	209	-286	9 248	-1%
Total wealth assets	374 197	-20 987	3 776	356 986	-5%

Source: PSG Wealth

* Includes PSG single managed funds of R8.4bn for Feb 2019 and R8.1bn for H1 2020

**Includes PSG advisers single managed funds of R9.8bn for Feb 2019 and R8.7bn for H1 2020



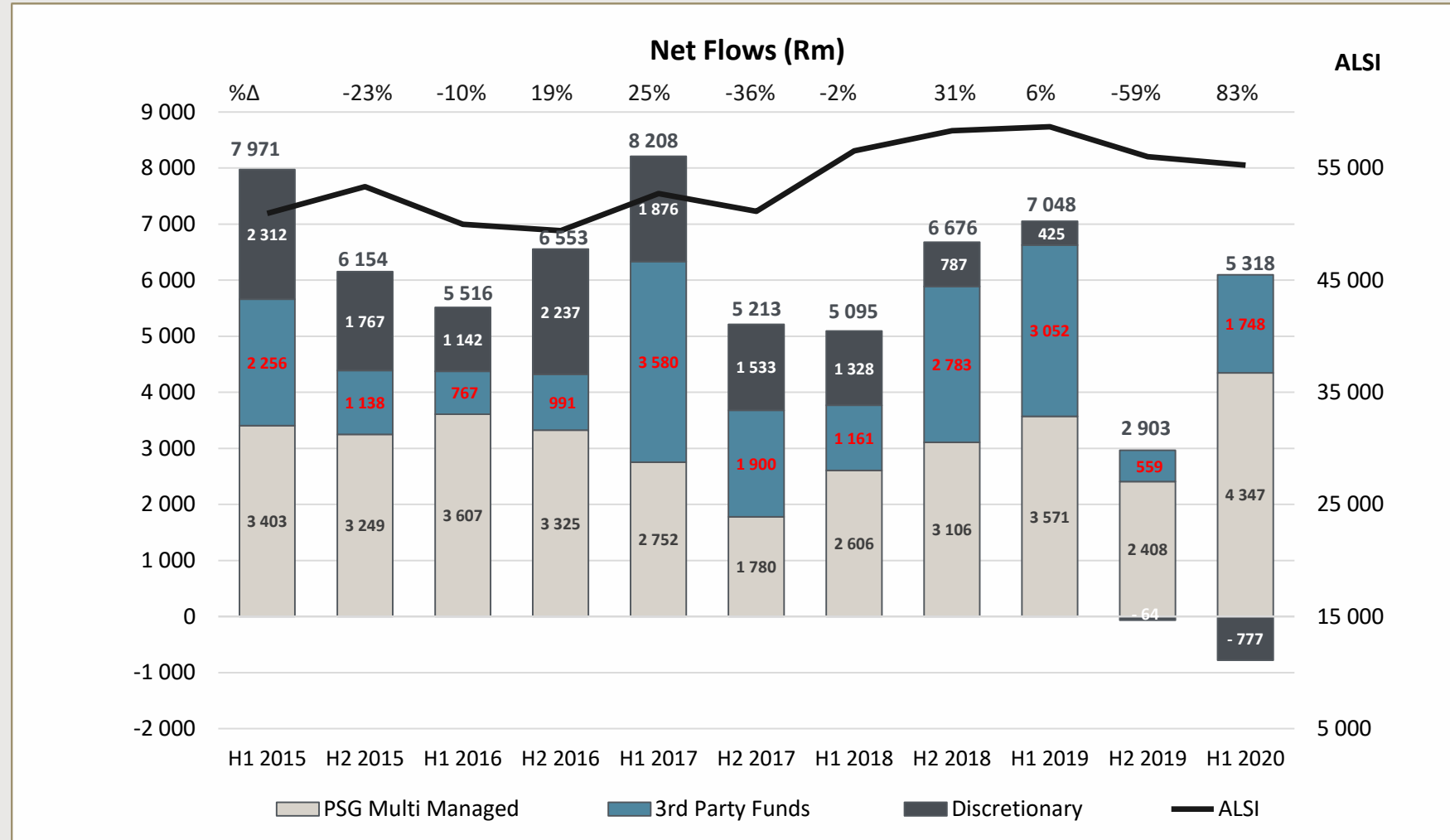
Wealth

Excellence in products and services

Independent process with advisers' oversight

Rapid growth in advisers

Negotiation with product providers



Top advisers

We continue to add top advisers to our PSG Wealth distribution business

Wealth advisers (incl. EB)	H1 2015*	H2 2015*	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020
Balance – opening	406	419	434	443	480	505	515	527	539	546	546
Net movement	13	15	9	37	25	10	12	12	7	0	3
Balance – closing	419	434	443	480	505	515	527	539	546	546	549
Growth	3%	4%	2%	8%	5%	2%	2%	2%	1%	0%	1%

Source: PSG Distribution

* Restated to exclude advisers moved from Wealth to Insure during FY2016

- Up scale existing offices via new hires
- Greater penetration selected areas
- Growth in number of advisers & average book size
 - Financial advisers new home at PSG – unlocking and creating value for clients and themselves
 - Well positioned to support advisers: Open architecture, stable systems, risk & regulatory compliance allowing advisers to focus on client interaction



Asset management plans

Net new money at acceptable margin

Focused marketing

Investment performance

Superb platform

AM assets split (Rm)	Feb-19	Market movement	Net flows	Aug-19	% Growth
PSG Single manager *	42 316	-3 612	-82	38 622	-9%
PSG Money market and related assets*	3 432	0	690	4 122	20%
PSG Segregated Portfolios***	1 561	-46	-645	870	-44%
Total assets under management	47 309	-3 658	-37	43 614	-8%
PSG Multi Managed**	70 681	2 530	4 347	77 558	10%
Total AM assets	117 990	-1 128	4 310	121 172	3%

Source: PSG Asset Management

* Includes PSG advisers single managed funds of R9.8bn for Feb 2019 and R8.7bn for H1 2020

** Includes PSG single managed funds of R8.4bn for Feb 2019 and R8.1bn for H1 2020

*** Decrease includes a single terminated institutional mandate with PSG Asset Management



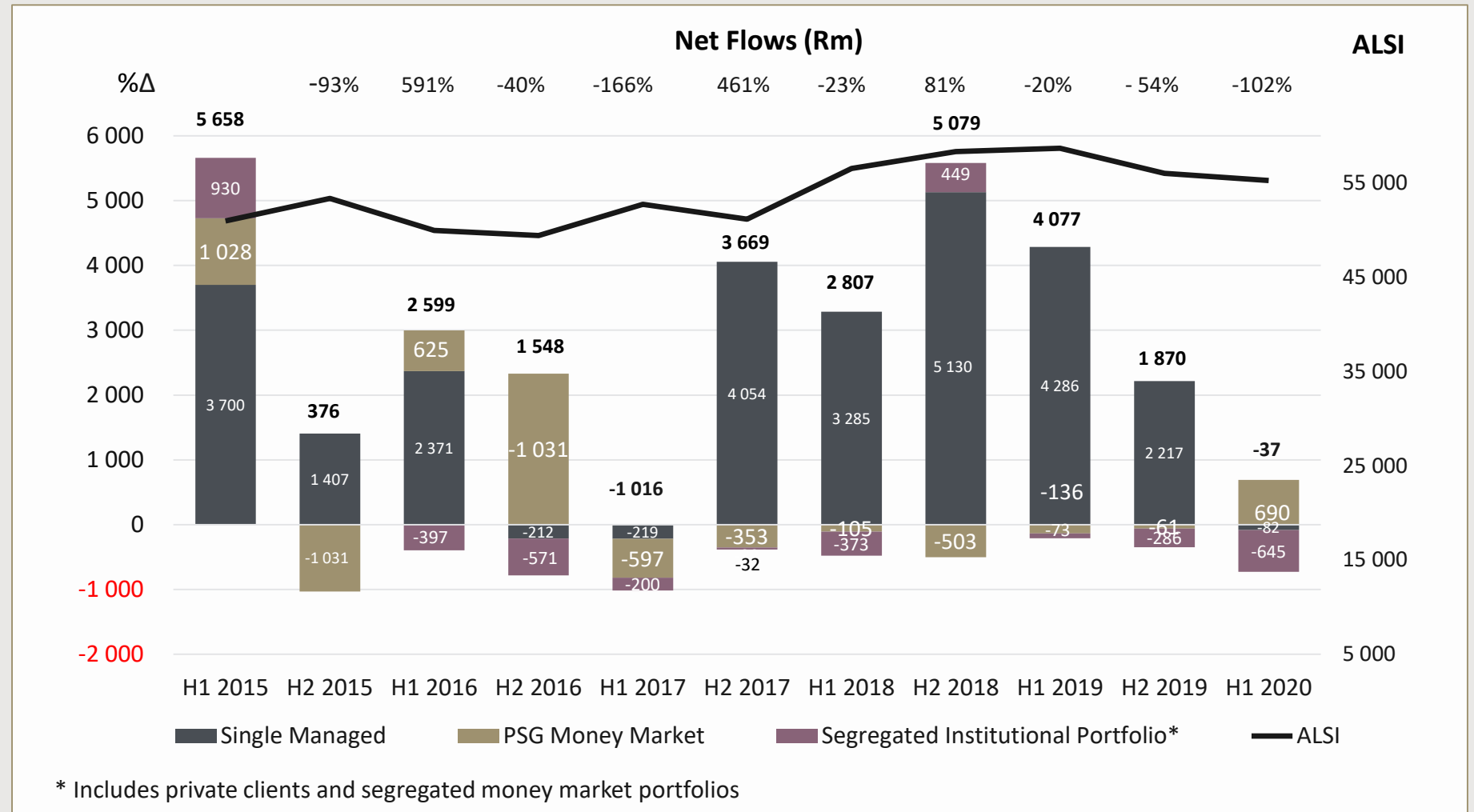
Asset management

'Brick by Brick' strategy

Long-term assets
(retail emphasis)

Getting adequate
margins

Protect our
capacity



Source: PSG Asset Management, Bloomberg

Asset management

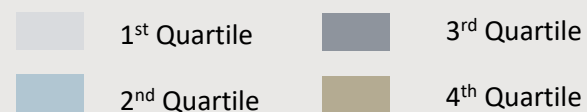
Solid long-term track record

Single manager funds	Performance	1-year Rank	3-year Rank	5-year Rank	10-year Rank	Rank since inception	Inception date
PSG Flexible	Rank	55	27	12	5	2	01-Nov-04
	Return	-11.80%	1.90%	5.50%	12.10%	13.90%	
PSG Equity	Rank	157	86	64	15	4	01-Mar-02
	Return	-19.40%	-0.40%	1.80%	10.80%	15.20%	
PSG Balanced	Rank	185	138	62	20	5	01-Jun-99
	Return	-13.40%	1.10%	4.40%	9.70%	12.60%	
PSG Stable	Rank	143	93	56		46	13-Sep-11
	Return	-4.00%	4.00%	5.80%	N1	7.90%	

Source: MorningStar August 2019 report

N1 – The PSG Stable fund does not have a 10-year history

Note: Performance quoted is for retail investor A classes



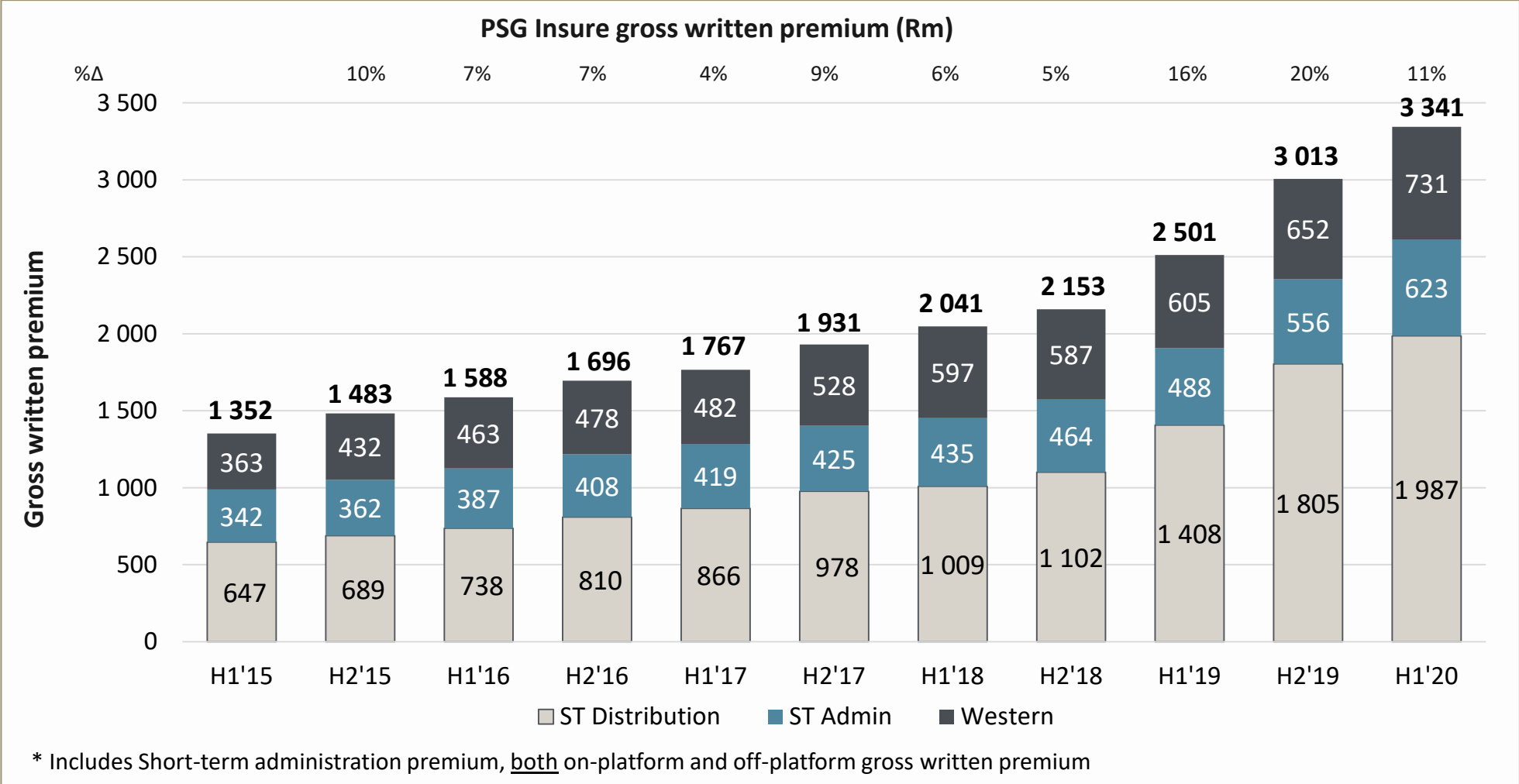
Insure

Grow gross written premium income

Top advisers

Excellence in underwriting

Superb platform



Top advisers

We continue to add top advisers to our Insure Distribution business

Insure advisers	H1 2015*	H2 2015*	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019**	H2 2019**	H1 2020
Balance – opening	212	210	225	224	231	233	229	226	245	316	386
Net movement	-2	15	-1	7	2	-4	-3	19	71	70	-7
Balance – closing	210	225	224	231	233	229	226	245	316	386	379
Growth	-1%	7%	0%	3%	1%	-2%	-1%	8%	29%	22%	-2%

Source: PSG Distribution

* Restated to include advisers moved from Wealth to Insure during FY 2016

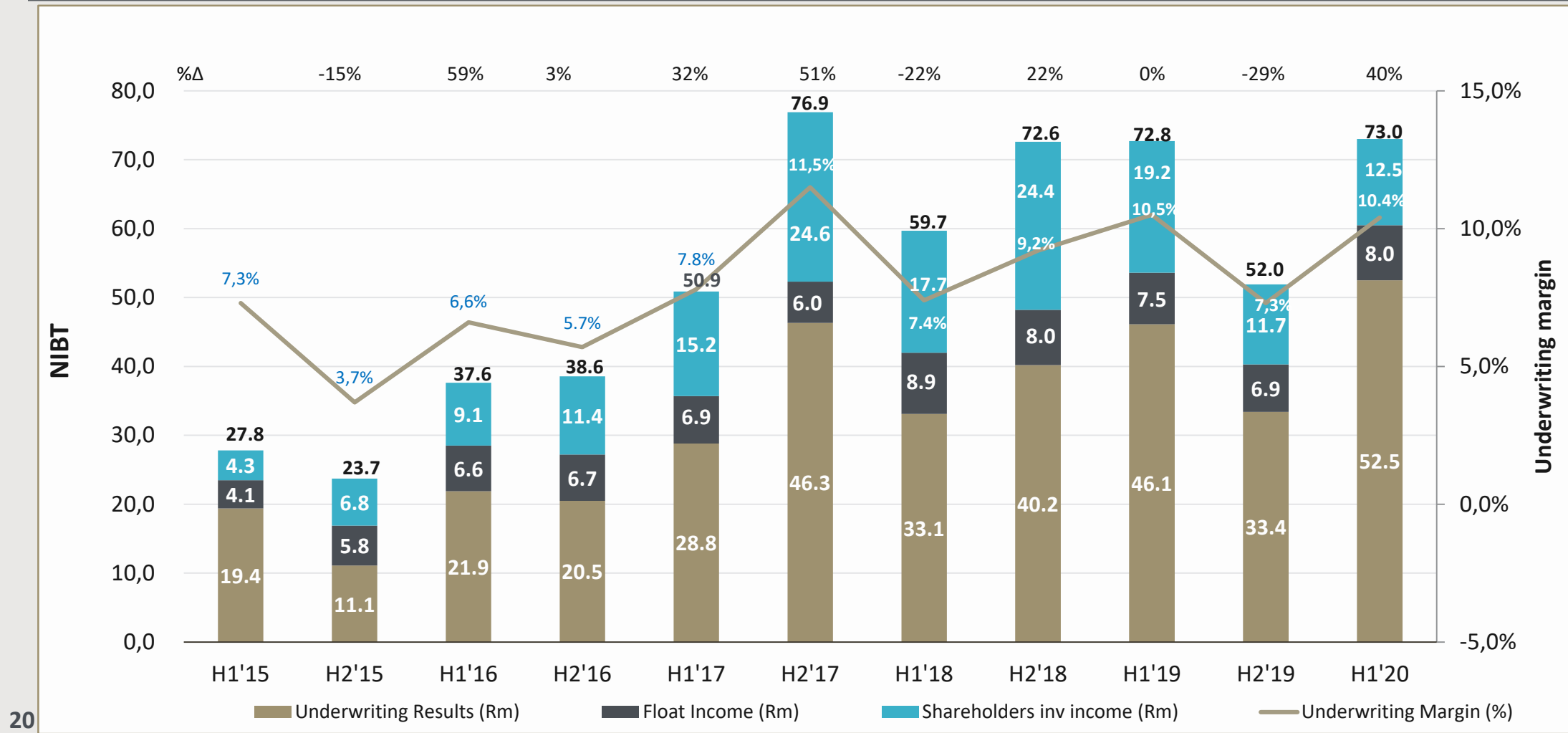
** Acquired all the Commercial and Industrial, and face to face Personal lines advisers from ABSA Insurance and Financial Advisers (Pty) Ltd

- Greater penetration selected areas
- Growth in number of advisers & average book size
 - Financial advisers new home at PSG – unlocking and creating value for clients and themselves
 - Well positioned to support advisers: Open architecture, stable systems, risk & regulatory compliance allowing advisers to focus on client interaction



Western National Insurance

Net insurance result & shareholders income



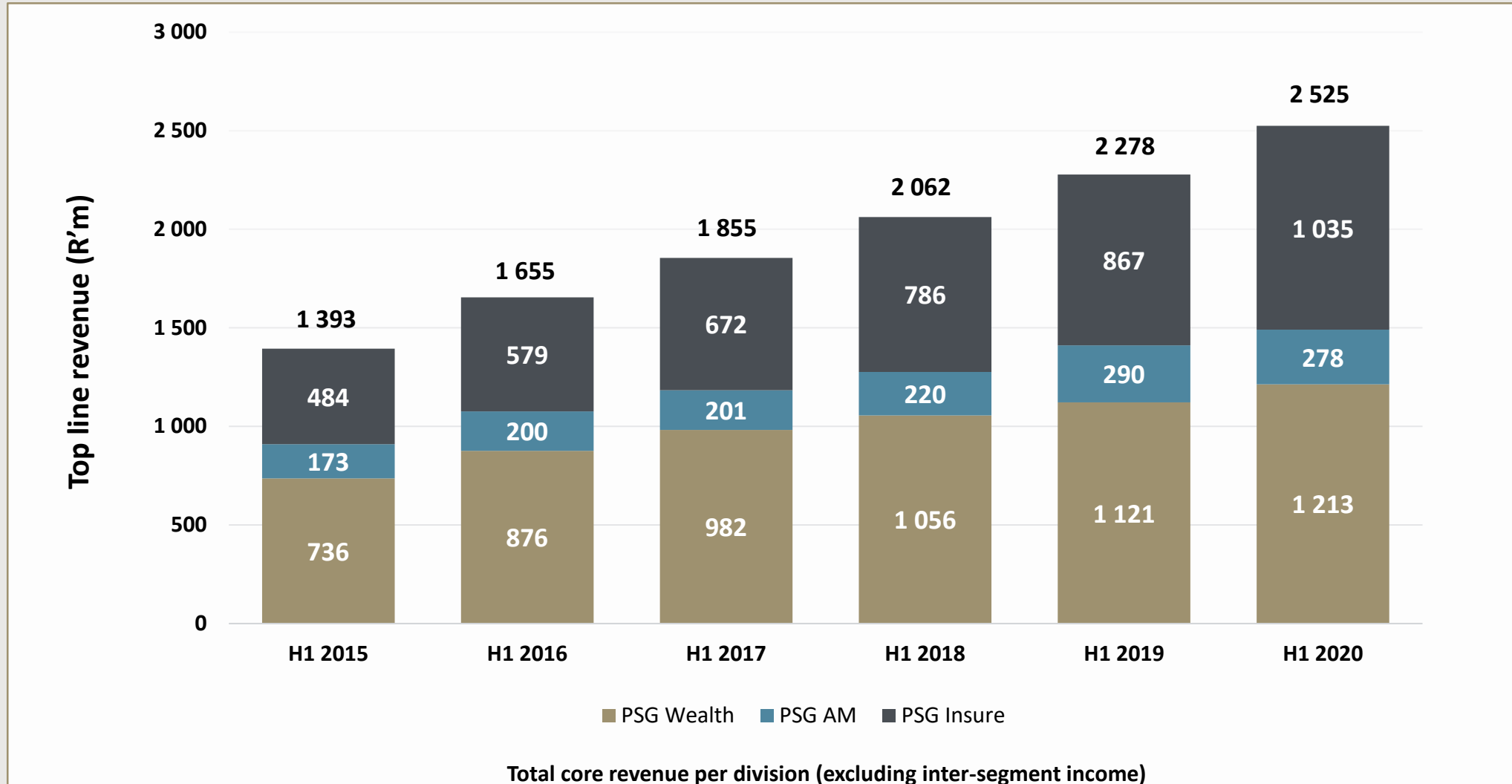
Source: PSG Insure
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03 | 2020 Focus

Top line focus

Core operations (excl. IFRS consolidated fund and policyholder related income)



Reducing risk



	<u>H1 16</u>	<u>H1 17</u>	<u>H1 18</u>	<u>H1 19</u>	<u>H1 20</u>
Perf fees/HE	7.5%	6.6%	4.4%	4.6%	0.0%
Recurring HEPS	14.7c	16.6c	18.2c	21.5c	23.2c

	<u>H1 16</u>	<u>H1 17</u>	<u>H1 18</u>	<u>H1 19</u>	<u>H1 20</u>
Op margin	14.2%	14.3%	14.4%	15.9%	15.2%
Op margin (excl perf fees)	13.4%	13.5%	13.8%	15.3%	15.2%
C:I %	63.0%	63.6%	62.1%	60.2%	61.0%

	<u>H1 16</u>	<u>H1 17</u>	<u>H1 18</u>	<u>H1 19</u>	<u>H1 20</u>
ROE	23.9%	22.9%	21.4%	21.9%	20.2%
ROE (excl. perf fees)	22.1%	21.4%	20.5%	20.9%	20.2%
Debt:Equity *	0.7%	0.2%	4.9%	3.9%	0.0%

Source: PSG Finance

* Debt includes the group's borrowings, as disclosed in the Statement of Financial Position. Including the impact of IFRS 16 Lease liabilities increases the group's Debt : Equity ratio to 9% for H1 20



04 Return and Trading Statistics

TRI of PSG Konsult

PSG Konsult performed better than JSE ALSI since 2005

Investment of R100 000 in PSG Konsult shares on 11 April 2005, and reinvesting all dividends received (net of DWT) and other distributions over period vs R100 000 invested on JSE ALSI

Date	Number of PSG Konsult shares	PSG Konsult investment (R)	PSG Konsult investment (USD)	Annual growth in investment (R)	Annual growth in investment (USD)	JSE ALSI Total Return Index	JSE ALSI Investment (R)	JSE ALSI Investment (USD)	Annual growth in investment (R)	Annual growth in investment (USD)
11 04 2005	250,000	100,000	16,379			1,311	100,000	16,379		
28 02 2006	260,725	286,797	46,461	187%	184%	1,926	146,929	23,802	47%	45%
28 02 2007	297,398	490,706	67,645	71%	46%	2,670	203,678	28,078	39%	18%
28 02 2008	309,914	526,854	69,012	7%	2%	3,255	248,335	32,529	22%	16%
28 02 2009	327,703	426,014	42,816	(19%)	(38%)	2,032	154,988	15,577	(38%)	(52%)
28 02 2010	351,652	509,895	65,490	20%	53%	3,013	229,848	29,521	48%	90%
28 02 2011	373,653	597,845	85,553	17%	31%	3,723	284,027	40,645	24%	38%
28 02 2012	395,168	790,336	105,692	32%	24%	4,082	311,393	41,643	10%	2%
28 02 2013	422,411	1,203,871	136,169	52%	29%	4,870	371,546	42,025	19%	1%
28 02 2014	435,546	2,177,731	203,194	81%	49%	5,981	456,251	42,571	23%	1%
28 02 2015	441,856	3,190,197	277,314	46%	36%	6,946	529,912	46,064	16%	8%
29 02 2016	447,709	3,080,237	190,833	(3%)	(31%)	6,643	506,779	31,397	(4%)	(32%)
28 02 2017	455,295	3,419,266	262,736	11%	38%	7,061	538,627	41,388	6%	32%
28 02 2018	462,322	4,022,205	341,632	18%	30%	8,292	632,573	53,729	17%	30%
28 02 2019	469,330	5,040,607	361,251	25%	6%	8,218	626,884	44,928	(1%)	(16%)
31 08 2019	474,424	3,838,094	251,969	(24%)	(30%)	8,261	630,213	41,373	1%	(8%)
		3,838,094					630,213			
CAGR				29%	21%				14%	7%

Source: PSG Finance



Trading statistics

Creating shareholder value

Statistic	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	H1 20*
No. of shares in issue (millions)	730	733	1 072	1 210	1 222	1 262	1 279	1 322	1 342	1 365	1 367
No. of shares traded (millions)	6.7	9.5	14.9	21.2	31.4	61.8	113.9	111.7	91.9	83.5	129.0
% of shares traded	0.9%	1.3%	1.4%	1.8%	2.6%	4.9%	8.9%	8.4%	6.8%	6.1%	9.4%
Market capitalisation (Rm)	1 059	1 173	2 145	3 447	6 110	9 115	8 800	9 929	11 678	14 659	11 061
Value of shares traded (Rm)	9	13	24	47	129	429	900	783	767	813	1 284
% of market cap traded	0.8%	1.1%	1.1%	1.4%	2.1%	4.7%	10.2%	7.9%	6.6%	5.5%	11.6%

Source: PSG Finance

* Based on a rolling 12 month period where applicable



Conclusion

Business features underpinning our expectations for future success

- Largest independent adviser network in South Africa, with a broad geographic footprint that continues to expand
- Strong governance structures
- Clear growth opportunities for our businesses
- History of superior shareholder returns
- Focus on optimising risk adjusted return per share (restrict issuance of new shares)



END | thank you