



RECURRING HEADLINE EARNINGS PER SHARE

2018: 21.5 cents
2017: 18.2 cents



DIVIDEND PER SHARE

2018: 7.0 cents
2017: 5.7 cents



TOTAL ASSETS UNDER MANAGEMENT

2018: R230bn
2017: R193bn



GROSS WRITTEN PREMIUM

2018: R2.0bn
2017: R1.6bn

OVERVIEW

PSG Konsult achieved a solid 8% growth in recurring headline earnings per share and generated a return on equity of 20.2%, despite difficult business conditions. No performance fees were generated during the current period, compared to the prior period where performance fees constituted 4.6% of headline earnings. The group continued its investment in technology and people.

PSG Konsult's key financial performance indicators for the six months ended 31 August 2019 are shown below.

	31 Aug 19 R000	Change %	31 Aug 18 R000
Core income	2 525 143	11	2 277 976
Headline and recurring headline earnings	310 634	10	283 146
Non-headline items	(57)		(1 297)
Earnings attributable to ordinary shareholders	310 577	10	281 849
Divisional recurring headline earnings			
PSG Wealth	175 476	10	159 787
PSG Asset Management	81 064	(7)	87 212
PSG Insure	54 094	50	36 147
	310 634	10	283 146
Weighted average number of shares in issue (net of treasury shares) (millions)	1 339.4	2	1 318.0
Earnings per share (cents)			
– Headline and recurring headline	23.2	8	21.5
– Attributable	23.2	8	21.4
– Headline – excluding intangible amortisation cost	25.2	8	23.3
Dividend per share (cents)	7.5	7	7.0
Return on equity (ROE) (%)	20.2		21.9

CAPITAL MANAGEMENT AND DIVIDEND

PSG Konsult is strongly capitalised and complies with the Prudential Authority's Financial Soundness Standards, with a capital cover ratio of 1.82. PSG Konsult's strong cash flow presents several options to optimise risk-adjusted returns for our shareholders. Aligned to this objective, the group negotiated the early redemption of the R100m notes issued under the Domestic Medium-Term Note Programme. The notes were redeemed on 12 July 2019, utilising surplus cash, and the group therefore had no remaining interest-bearing debt at 31 August 2019.

To minimise the impact of share issue dilution, the PSG Konsult Group Share Incentive Trust purchased 12 585 068 PSG Konsult shares, at a total cost of R122.1m, during the current period to enable it to satisfy certain of its obligations in terms of the Share Incentive Scheme.

Given its continued confidence in the group's prospects, the board decided to approve and declare an interim gross dividend of 7.5 cents per share from income reserves for the six months ended 31 August 2019 (2018: 7.0 cents per share), representing a 7% increase from the prior interim period. The group's dividend payout ratio remains consistent with the dividend policy communicated at the time of listing.

UNAUDITED INTERIM FINANCIAL RESULTS

This announcement is the responsibility of the directors of the company. It is only a summary of the information included in the full announcement and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of the full announcement, which is available through the link in the short-form announcement released on SENS on Thursday, 10 October 2019. The full announcement is also available for viewing on PSG Konsult's website at www.psg.co.za and may be requested, at no charge, at the registered office of the group and the offices of the sponsor during office hours.

The board would like to extend its gratitude to its stakeholders, including its shareholders, advisers, clients, business partners, management and employees, for their efforts and contributions during the past six months.

On behalf of the board



Willem Theron
Chairman

Tyger Valley
10 October 2019



Francois Gouws
Chief executive officer