



Investor Presentation 2021 Interim Results

For the six months ended 31 August 2020

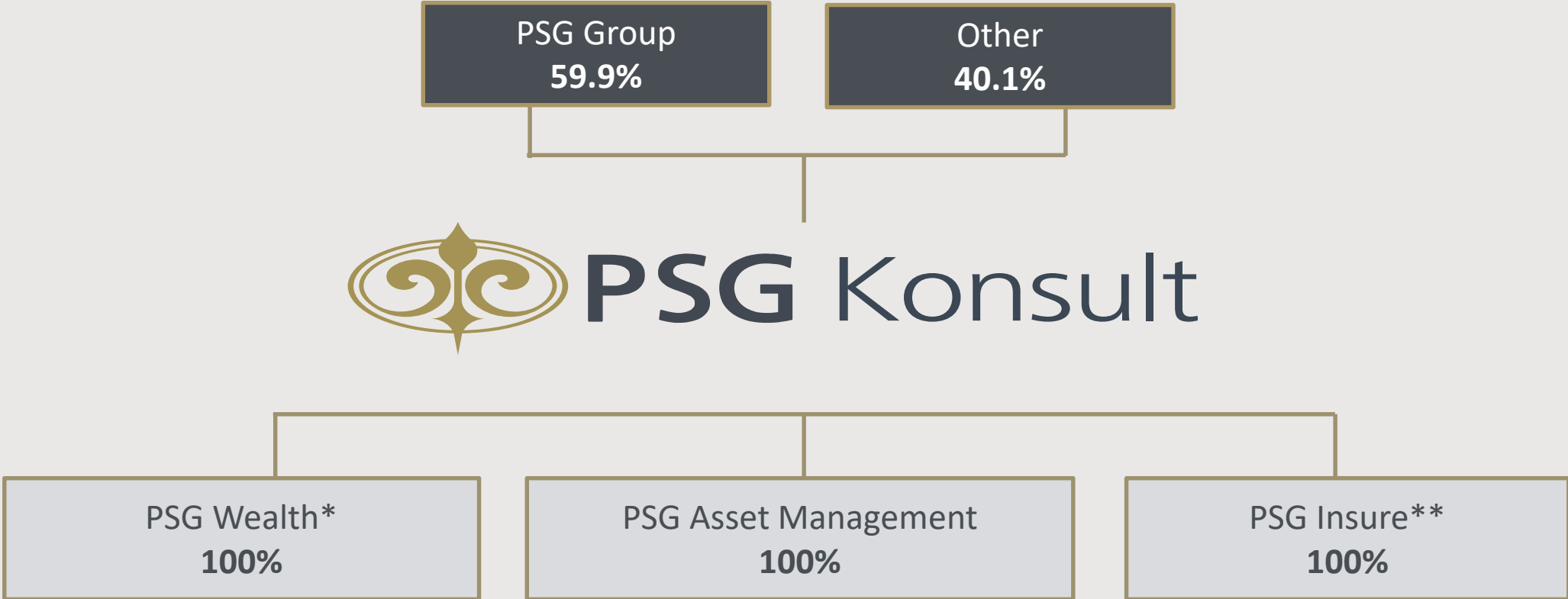


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PSG Structure

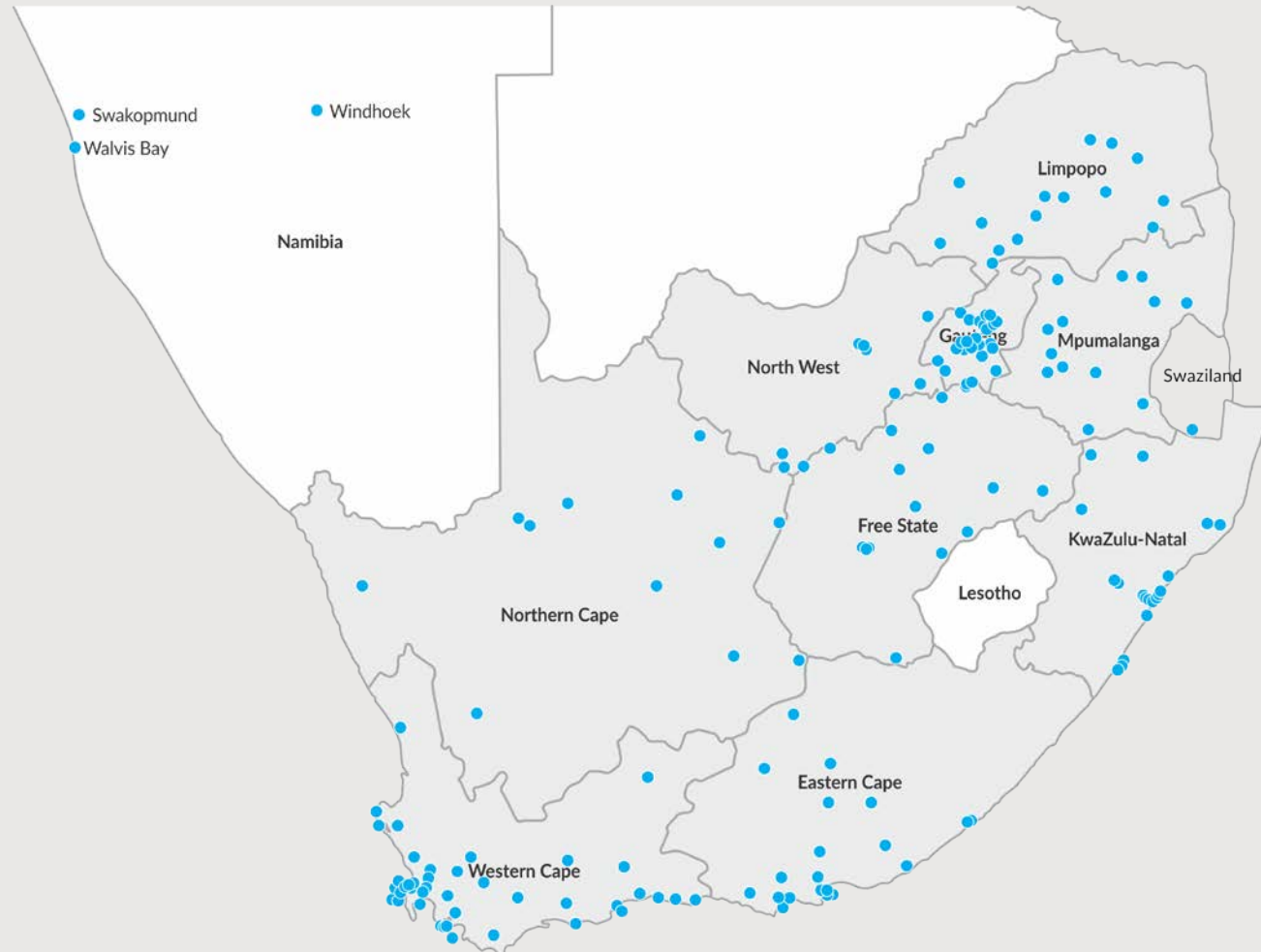


* Includes PSG Employee Benefits
** Includes Western National Insurance
PSG Group's holding net of treasury shares = 60.6%
As at 31 August 2020



A great company

Wealthy clients serviced where they reside



256
Adviser offices



938
Advisers

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	H1 2021
No. of advisers	711	744	784	932	935	938
PSG Wealth	480	515	539	546	559	563
PSG Insure	231	229	245	386	376	375
No. of offices	206	208	211	254	257*	256

* Number revised from 260 to 257

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 2021: financial results



Key macro indicators

Weakening economic environment

Key indicators	H1 2016	%Δ	H1 2017	%Δ	H1 2018	%Δ	H1 2019	%Δ	H1 2020	%Δ	H1 2021
Rand / US\$	13.27	11%	14.69	-12%	13.01	13%	14.68	3%	15.19	12%	16.94
S&P 500 (Rand)	26 162	1%	31 890	3%	32 148	23%	42 608	4%	44 446	33%	59 295
Cash Index - STeFI Call	305	7%	324	7%	347	7%	370	7%	395	5%	417
All Bond Index	494	5%	516	10%	569	8%	614	11%	683	4%	712
FTSE/JSE Index	49 972	6%	52 733	7%	56 522	4%	58 668	-6%	55 260	0%	55 476
SA Property Index	646	-2%	635	3%	653	-18%	534	-14%	462	-49%	236

Source: Bloomberg



H1 2021 financial results overview

Recurring HEPS grew by 7% for H1 2021

Consolidated results	H1 2016 Rm	%Δ	H1 2017 Rm	%Δ	H1 2018 Rm	%Δ	H1 2019 Rm	%Δ	H1 2020 Rm	%Δ	H1 2021 Rm
Headline earnings	187	15%	214	12%	239	18%	283	10%	311	4%	324
Recurring headline earnings	187	15%	214	12%	239	18%	283	10%	311	7%	332
Weighted average no. of shares (millions)	1 267	2%	1 290	2%	1 315	0%	1 318	2%	1 339	0%	1 339
HEPS (Cents)	14.7	13%	16.6	10%	18.2	18%	21.5	8%	23.2	5%	24.2
Recurring HEPS (Cents)	14.7	13%	16.6	10%	18.2	18%	21.5	8%	23.2	7%	24.8

<i>Assets under management (Rbn)</i>	142	18%	167	16%	193	19%	230	-1%	228	7%	245
<i>Assets under administration (Rbn) **</i>	321	10%	354	12%	398	7%	426	-6%	401	-13%	350
<i>Premiums (Rbn)*</i>	1.2	8%	1.3	19%	1.6	25%	2.0	35%	2.7	0%	2.7

Source: PSG Finance

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

** Decline mainly due to the corporate activity transactions implemented by PSG Group, namely the unbundling of Capitec shares and sale by Zeder of its Pioneer Food shares during the period ended August 2020

Note: figures rounded to nearest R'million



Recurring headline earnings by division

Total recurring headline earnings growth of 7% for H1 2021

Recurring Headline Earnings *	H1 2016 Rm	%Δ	H1 2017 Rm	%Δ	H1 2018 Rm	%Δ	H1 2019 Rm	%Δ	H1 2020 Rm	%Δ	H1 2021 Rm	CAGR %
Wealth	120	17%	141	7%	150	7%	160	10%	176	25%	219	13%
Asset Management	46	2%	47	20%	57	53%	87	-7%	81	-39%	50	2%
Insure	21	29%	26	23%	32	11%	36	50%	54	17%	63	25%
Total	187	15%	214	12%	239	18%	283	10%	311	7%	332	12%

Source: PSG Finance

*All overhead costs are fully allocated

Note: figures rounded to nearest R'million



Financial trend

We always look at our 10-year rolling track record

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	CAGR %	H1 2020	H1 2021	YoY Growth %
AUA (Rbn)	72	97	139	180	233	309	327	371	402	422	397	19%	401	350	-13%
AUM (Rbn)	28	36	51	71	99	133	154	175	205	222	230	24%	228	245	7%
Premiums (Rbn) *	1.5	1.6	1.6	1.6	1.8	2.1	2.5	2.9	3.3	4.5	5.5	14%	2.7	2.7	0%
Core Revenue (Rm)	901	1 018	1 426	1 648	2 349	2 858	3 346	3 789	4 200	4 604	5 069	19%	2 525	2 558	1%
Recurring headline earnings (Rm)	90	92	151	174	251	341	409	486	566	591	644	22%	311	332	7%
Shares in issue (m)**	730	733	1 071	1 209	1 222	1 262	1 277	1 313	1 317	1 337	1 338	6%	1 340	1 336	0%
Recurring HEPS (cents)	12.3	12.5	14.1	15.4	20.6	27.0	32.1	37.2	43.0	44.6	48.1	15%	23.2	24.8	7%
Recurring HEPS (cents) excl. amortisation	14.1	14.8	16.0	17.2	22.3	29.4	34.6	40.4	46.4	48.4	52.2	14%	25.2	27.0	7%
Return on equity (%)	19.6	19.3	26.7	21.1	24.8	26.4	24.8	25.3	24.3	21.5	20.5	N/A	20.2	19.6	N/A
Total advisers	567	597	635	613	618	659	711	744	784	932	935	5%	928	938	1%

Source: PSG Finance

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

** Excludes treasury shares



02 | H1 2021: divisional performance



Wealth plans

Growing and protecting client wealth

Wealth assets split (Rm)	Feb-20	Market movement	Net flows	Aug-20	% Growth
PSG Multi Managed *	83 481	8 991	4 317	96 789	16%
Third party funds **	65 434	1 697	1 559	68 690	5%
Discretionary	44 188	3 608	426	48 222	9%
Total managed assets	193 103	14 296	6 302	213 701	11%
Non discretionary***	157 700	-55 599	-8 033	94 068	-40%
Third party administration	9 329	577	442	10 348	11%
Total wealth assets	360 132	-40 726	-1 289	318 117	-12%

Excellence in products & services

Top advisers

Superb platform

Source: PSG Wealth

* Includes PSG single managed funds of R6.9bn for Feb 2020 and R6.7bn for Aug 2020

** Includes PSG advisers single managed funds of R7.5bn for Feb 2020 and R5.7bn for Aug 2020

***Decline mainly due to the corporate activity transactions implemented by PSG Group, namely the unbundling of Capitec shares and sale by Zeder of its Pioneer Food shares during the period ended August 2020



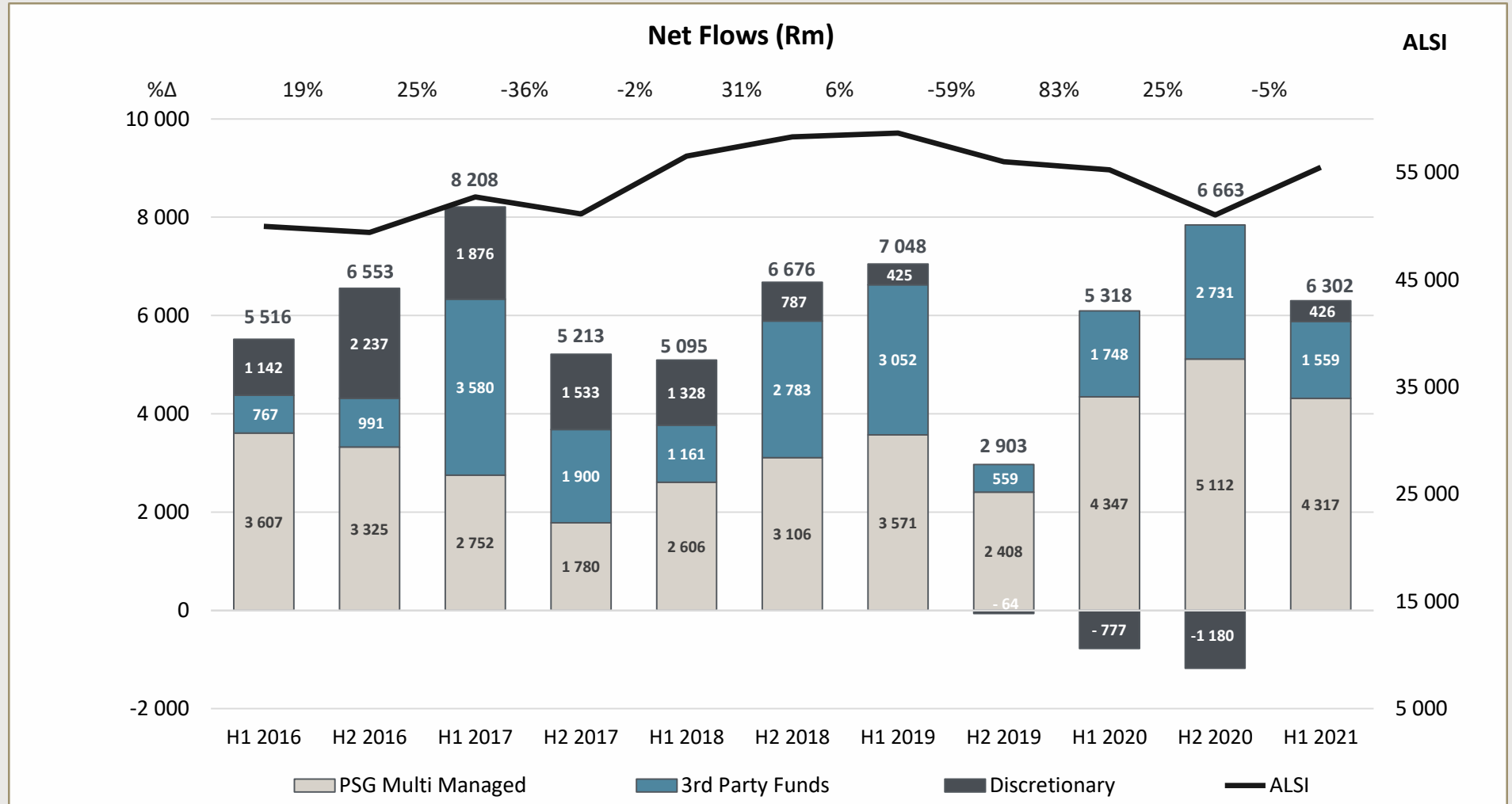
Wealth

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 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020	H2 2020	H1 2021
Balance – opening	434	443	480	505	515	527	539	546	546	549	559
Net movement	9	37	25	10	12	12	7	0	3	10	4
Balance – closing	443	480	505	515	527	539	546	546	549	559	563
Growth	2%	8%	5%	2%	2%	2%	1%	0%	1%	2%	1%

Source: PSG Distribution

- 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-20	Market movement	Net flows	Aug-20	% Growth
PSG Single manager *	32 303	-1 124	-3 863	27 316	-15%
PSG Money market and related assets*	3 343	0	-644	2 699	-19%
PSG Segregated Portfolios	1 079	38	333	1 450	34%
Total assets under management	36 725	-1 086	-4 174	31 465	-14%
Administered assets **	83 481	8 991	4 317	96 789	16%
Total AM assets	120 206	7 905	143	128 254	7%

Source: PSG Asset Management

* Includes PSG advisers single managed funds of R7.5bn for Feb 2020 and R5.7bn for Aug 2020

**Includes PSG single managed funds of R6.9bn for Feb 2020 and R6.7bn for Aug 2020



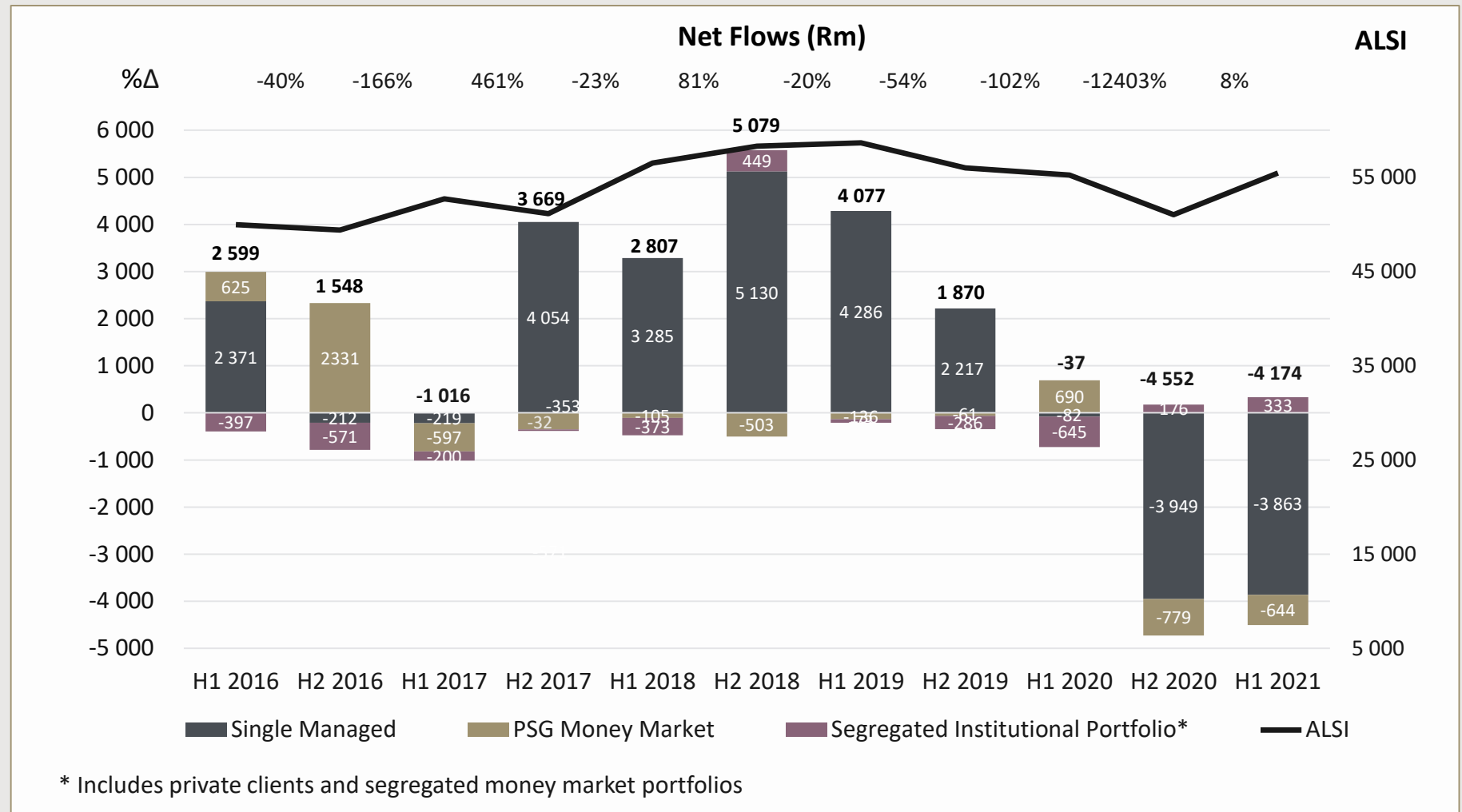
Asset management

'Brick by Brick' strategy

Long-term assets
(retail emphasis)

Getting adequate
margins

Protect our
capacity



Source: PSG Asset Management, Bloomberg

Asset management

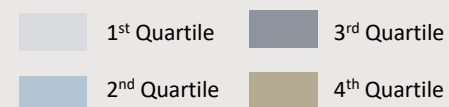
Investment Performance track record

Single manager funds	Performance	1 month Rank	3 months Rank	6 months Rank	1-year Rank	3-year Rank	5-year Rank	10-year Rank	Rank since inception	Inception date
PSG Flexible	Rank	1	6	49	52	43	33	14	2	01-Nov-04
	Return	4.46%	10.91%	-3.64%	-10.93%	-5.08%	0.90%	8.74%	12.18%	
PSG Equity	Rank	1	18	148	146	138	95	25	7	01-Mar-02
	Return	4.55%	12.01%	-2.82%	-11.00%	-8.30%	-1.35%	8.67%	13.63%	
PSG Balanced	Rank	1	7	189	186	166	118	37	5	01-Jun-99
	Return	4.83%	9.96%	-0.87%	-5.31%	-3.63%	1.21%	7.81%	11.70%	
PSG Stable	Rank	1	13	144	140	129	89		47	13-Sep-11
	Return	3.20%	4.95%	-0.93%	-1.71%	0.89%	3.65%	N1	6.76%	

Source: MorningStar August 2020 report

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

Note: Performance quoted is for retail investor A classes



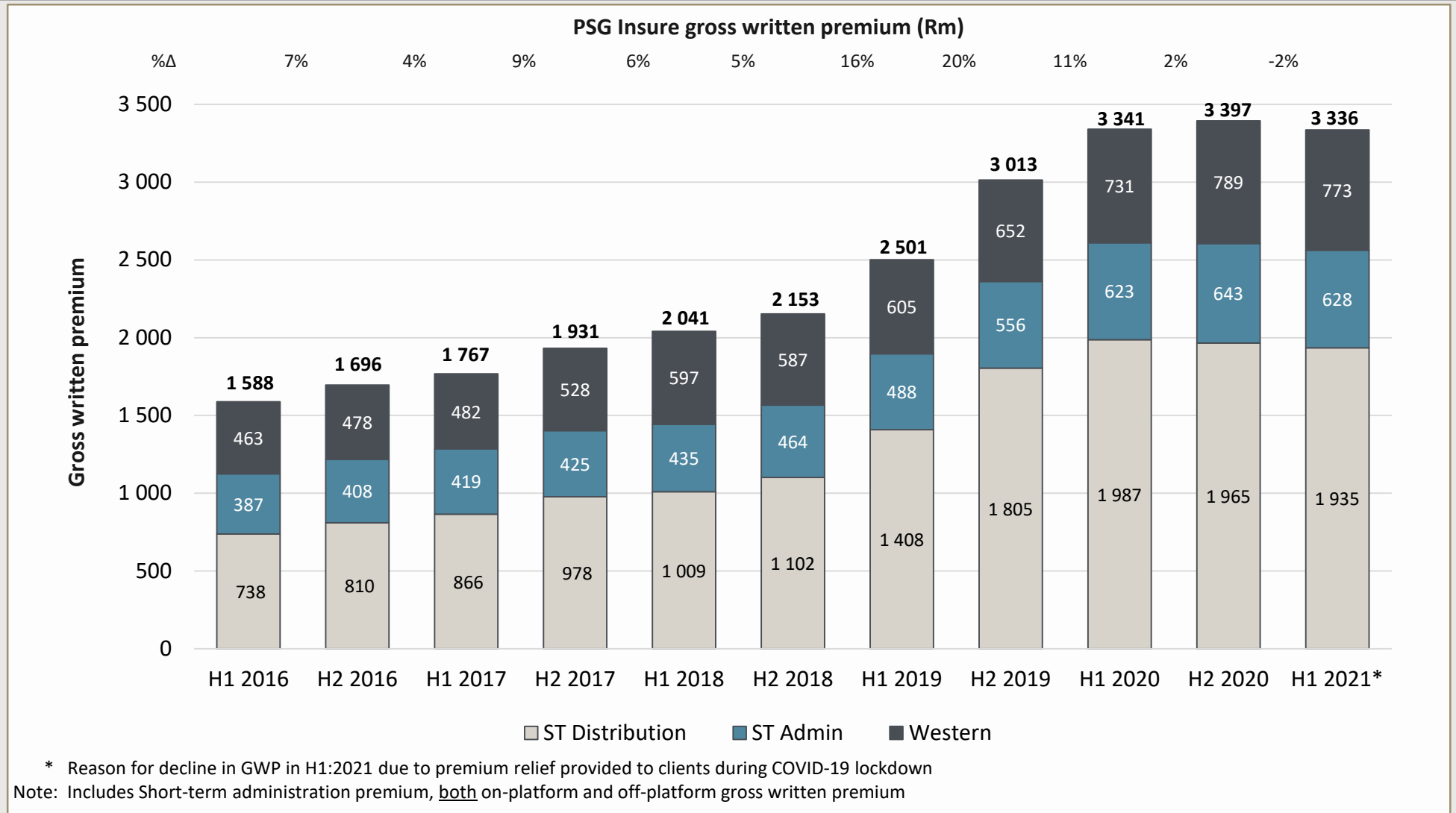
Insure

Grow gross written premium income

Top advisers

Excellence in underwriting

Superb platform



Top advisers

We have been adding top advisers to our business over the last 5 years

Insure advisers	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019 *	H2 2019 *	H1 2020	H2 2020	H1 2021
Balance – opening	225	224	231	233	229	226	245	316	386	379	376
Net movement	-1	7	2	-4	-3	19	71	70	-7	-3	-1
Balance – closing	224	231	233	229	226	245	316	386	379	376	375
Growth	0%	3%	1%	-2%	-1%	8%	29%	22%	-2%	-1%	0%

Source: PSG Distribution

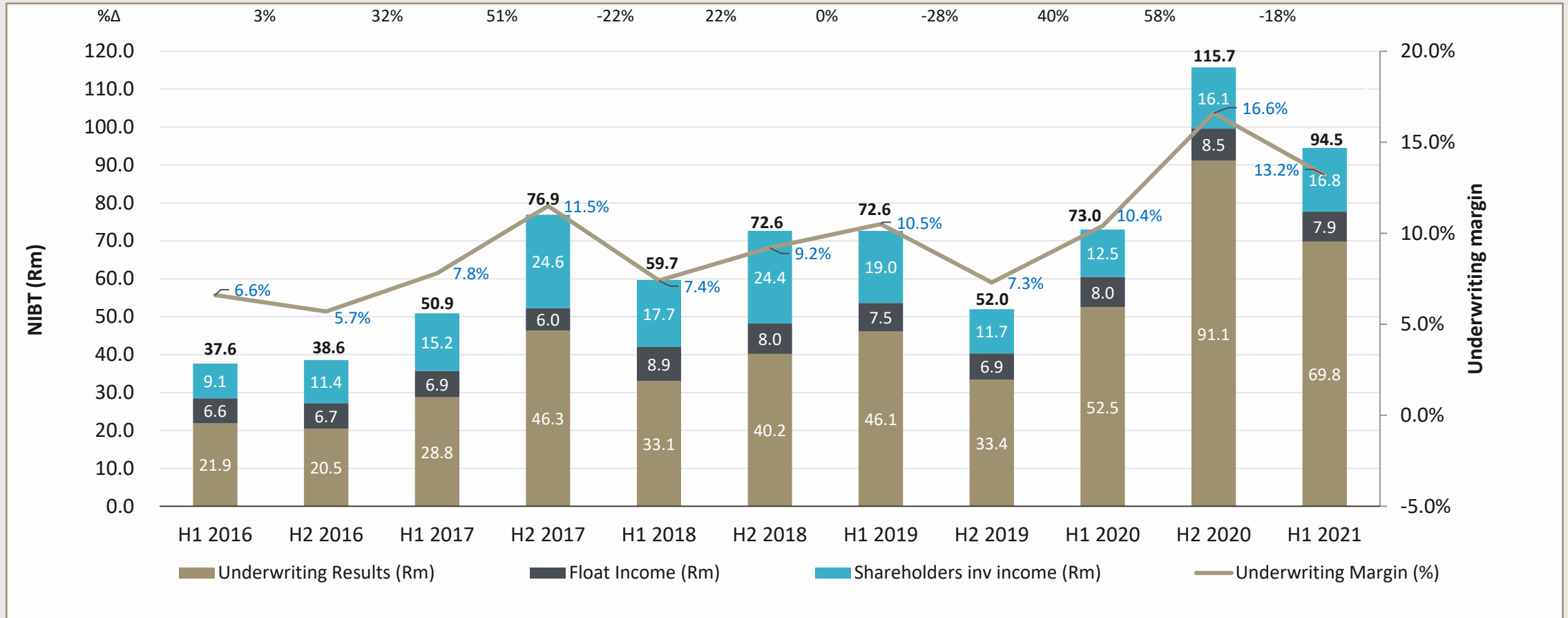
* Acquired all the Commercial and Industrial, and face to face Personal lines advisers from ABSA Insurance and Financial Advisers (Pty) Ltd

- 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



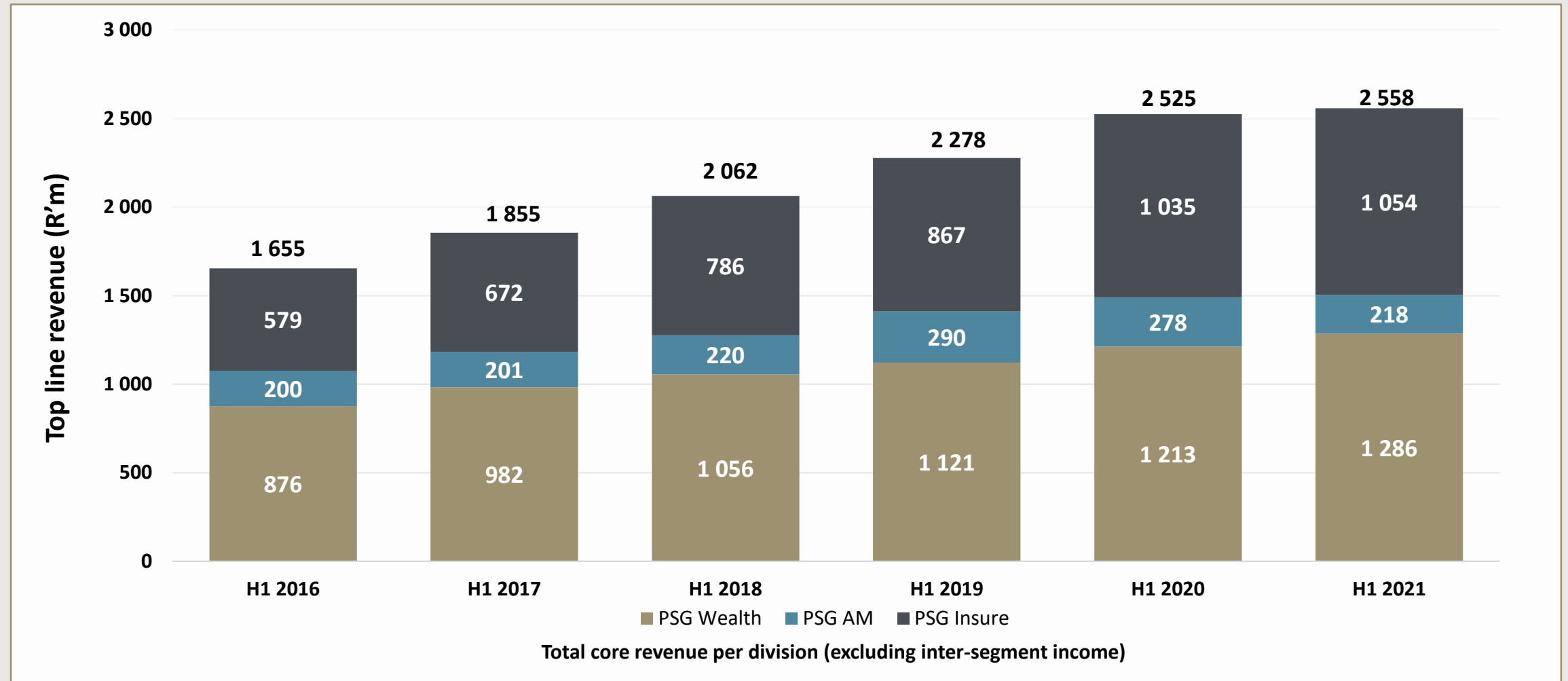
Source: PSG Insure



03 | 2021 Focus

Top line focus

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



Source: PSG Finance



COVID-19

Resilient Business Model

COVID-19 & Lockdown

- KST classified as an essential service and remained fully operational, 99% of advisers and staff worked from home during level 4 & 5 lockdown
- Employees are encouraged to continue working remotely, 85% of advisers and staff have continue to work from home
- Platform and IT Infrastructure capabilities has enabled advisers and staff to digitally interact and continue to service our clients during this challenging time
- The group supported clients through premium relief, interim business interruption relief payments and other measures

Regulatory Capital & Liquidity Position

- Based on latest insurance group return, KST has capital cover of 208% (2019: 182%)
- Stress tests were performed and this confirmed robustness of capital and liquidity positions
- We take a cautious approach when investing assets (circa 90% of shareholder assets invested in cash, money market and related instruments)

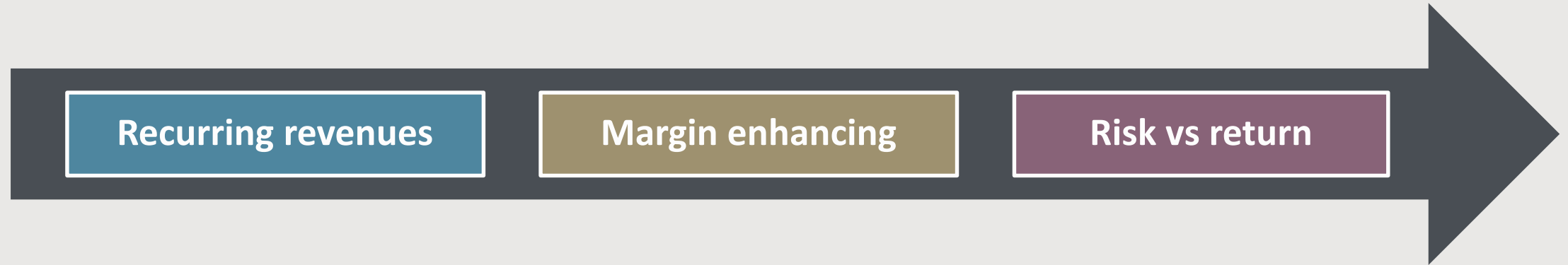
Looking Forward

- Continuously monitoring impact of COVID-19 on the macroeconomic environment & associated impact on clients and other stakeholders
- With a strong financial position and cash flow we remain confident about prospects for continued growth
- Organic growth remains a priority in our selected markets where we have low, but rapidly expanding market share
- Products, platforms, client service excellence and quality of advice remains a key initiative
- Continue to focus on further automating and streamlining our platforms and processes to improve advisers' digital capabilities and enhance client experience

Source: PSG Finance



Reducing risk



	<u>H1 17</u>	<u>H1 18</u>	<u>H1 19</u>	<u>H1 20</u>	<u>H1 21</u>
Perf fees/HE	6.6%	4.4%	4.6%	0.0%	0.0%
Recurring HEPS	16.6c	18.2c	21.5c	23.2c	24.8c

	<u>H1 17</u>	<u>H1 18</u>	<u>H1 19</u>	<u>H1 20</u>	<u>H1 21</u>
Op margin	14.3%	14.4%	15.9%	15.3%	16.3%
Op margin (excl perf fees)	13.5%	13.8%	15.3%	15.3%	16.3%
C:I %	63.6%	62.1%	60.2%	61.0%	59.6%

	<u>H1 17</u>	<u>H1 18</u>	<u>H1 19</u>	<u>H1 20</u>	<u>H1 21</u>
ROE	22.9%	21.4%	21.9%	20.2%	19.6%
ROE (excl. perf fees)	21.4%	20.5%	20.9%	20.2%	19.6%
Debt:Equity	0.2%	4.9%	3.9%	0.0%	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 8% for H1 21 (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)
2005/04/11	250 000	100 000	16 379			1 311	100 000	16 379		
2006/02/28	260 725	286 797	46 461	187%	184%	1 926	146 929	23 802	47%	45%
2007/02/28	297 398	490 706	67 645	71%	46%	2 670	203 678	28 078	39%	18%
2008/02/28	309 914	526 854	69 012	7%	2%	3 255	248 335	32 529	22%	16%
2009/02/28	327 703	426 014	42 816	(19%)	(38%)	2 032	154 988	15 577	(38%)	(52%)
2010/02/28	351 652	509 895	65 490	20%	53%	3 013	229 848	29 521	48%	90%
2011/02/28	373 653	597 845	85 553	17%	31%	3 723	284 027	40 645	24%	38%
2012/02/28	395 168	790 336	105 692	32%	24%	4 082	311 393	41 643	10%	2%
2013/02/28	422 411	1 203 871	136 169	52%	29%	4 870	371 546	42 025	19%	1%
2014/02/28	435 546	2 177 731	203 194	81%	49%	5 981	456 251	42 571	23%	1%
2015/02/28	441 856	3 190 197	277 314	46%	36%	6 946	529 912	46 064	16%	8%
2016/02/29	447 709	3 080 237	190 833	(3%)	(31%)	6 643	506 779	31 397	(4%)	(32%)
2017/02/28	455 295	3 419 266	262 736	11%	38%	7 061	538 627	41 388	6%	32%
2018/02/28	462 322	4 022 205	341 632	18%	30%	8 292	632 573	53 729	17%	30%
2019/02/28	469 330	5 040 607	361 251	25%	6%	8 218	626 884	44 928	(1%)	(16%)
2020/02/29	477 453	3 771 876	241 522	(25%)	(33%)	7 749	591 116	37 851	(6%)	(16%)
2020/08/31	485 143	3 454 220	207 068	(8%)	(14%)	8 579	654 482	39 234	11%	4%
		3 454 220					654 482			
CAGR				26%	18%				13%	6%

Source: PSG Finance

Historical P/E ratio & ROE trend

Recurring HEPS CAGR of 19% since 2005

Date	Share Price	% Growth	Recurring HEPS	% Growth	Recurring HEPS (before amortisation)	% Growth	P/E Ratio (Recurring HEPS)	P/E Ratio (Recurring HEPS before amortisation)	ROE
2005/02/28	40	-	2.9	-	3.0	-	13.8	13.3	20.6%
2006/02/28	110	175.0%	4.4	51.7%	4.9	62.3%	25.0	22.6	22.4%
2007/02/28	165	50.0%	8.7	97.7%	9.9	103.3%	18.9	16.7	25.9%
2008/02/29	170	3.0%	12.0	37.2%	13.2	33.3%	14.2	12.9	23.2%
2009/02/27	130	-23.5%	13.2	10.3%	14.7	11.4%	9.8	8.8	22.8%
2010/02/26	145	11.5%	12.3	-6.9%	14.1	-4.1%	11.8	10.3	19.6%
2011/02/28	160	10.3%	12.5	1.6%	14.8	5.0%	12.8	10.8	19.3%
2012/02/29	200	25.0%	14.1	12.8%	16.0	8.1%	14.2	12.5	26.7%
2013/02/28	285	42.5%	15.4	9.2%	17.2	7.5%	18.5	16.6	21.1%
2014/02/28	500	75.4%	20.6	33.8%	22.3	29.7%	24.3	22.4	24.8%
2015/02/27	722	44.4%	27.0	31.1%	29.4	31.8%	26.7	24.6	26.4%
2016/02/29	688	-4.7%	32.1	18.9%	34.6	17.7%	21.4	19.9	24.8%
2017/02/28	751	9.2%	37.2	15.9%	40.4	16.8%	20.2	18.6	25.3%
2018/02/28	870	15.8%	43.0	15.6%	46.4	14.9%	20.2	18.8	24.3%
2019/02/28	1074	23.4%	44.6	3.7%	48.4	4.3%	24.1	22.2	21.5%
2020/02/29	790	-26.4%	48.1	7.8%	52.2	7.9%	16.4	15.1	20.5%
2020/08/31	712	-9.9%	49.6*	2.9%**	54.1*	3.6%**	14.4	13.2	19.6%
CAGR	-	19.7%	-	19.4%	-	19.8%	0.3%	0.0%	-

Source: Bloomberg & PSG Finance

* Interim HEPS Annualised

** Adjusted to take into account latest interim recurring HEPS, H1 2021 Recurring HEPS and Recurring HEPS before Amortisation have both increased by 7%



Trading statistics

Creating shareholder value

Statistic	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	H1 21*
No. of shares in issue (millions)	733	1 072	1 210	1 222	1 262	1 279	1 322	1 342	1 365	1 358	1 353
No. of shares traded (millions)	9.5	14.9	21.2	31.4	61.8	113.9	111.7	91.9	83.5	112.0	111.0
% of shares traded	1.3%	1.4%	1.8%	2.6%	4.9%	8.9%	8.4%	6.8%	6.1%	8.3%	8.2%
Market capitalisation (Rm)	1 173	2 145	3 447	6 110	9 115	8 800	9 929	11 678	14 659	10 729	9 632
Value of shares traded (Rm)	13	24	47	129	429	900	783	767	813	1 070	854
% of market cap traded	1.1%	1.1%	1.4%	2.1%	4.7%	10.2%	7.9%	6.6%	5.5%	10.0%	8.9%

Source: PSG Finance

* Based on a rolling 12 month period where applicable



05 | Conclusion

Conclusion

Business features underpinning our expectations for future success

- Formidable 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)

