

## RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2020

### Overview

PSG Konsult achieved a solid 7% growth in recurring headline earnings per share and generated a return on equity of 19.6%, despite poor operating conditions. We continued to further automate and streamline our platforms and processes, aligned with our goal of enhancing our digital capabilities and overall client experience. Our results were adversely impacted by the sharp decline in interest rates, which reduced our net investment income, and the support we provided clients through premium relief, interim business interruption relief payments and other measures.

PSG Konsult's key financial performance indicators for the six months ended 31 August 2020 are shown below.

	31 Aug 20 R000	Change %	31 Aug 19 R000
Recurring headline earnings	331 655	7	310 634
Non-recurring item <sup>^</sup>	(7 200)		–
Headline earnings	324 455	4	310 634
Non-headline items	624		(57)
Earnings attributable to ordinary shareholders	325 079	5	310 577
Divisional recurring headline earnings			
PSG Wealth	218 972	25	175 476
PSG Asset Management	49 542	(39)	81 064
PSG Insure	63 141	17	54 094
	331 655	7	310 634
Weighted average number of shares in issue (net of treasury shares) (millions)	1 338.5	–	1 339.4
Earnings per share (basic) (cents)			
– Recurring headline	24.8	7	23.2
– Headline	24.2	5	23.2
– Attributable	24.3	5	23.2
– Headline – excluding intangible asset amortisation cost	27.0	7	25.2
Dividend per share (cents)	8.0	7	7.5
Return on equity (ROE) (%)	19.6		20.2

<sup>^</sup> Non-recurring item relates to a R10.0 million (R7.2 million net of tax) donation to the South African Solidarity Fund in April 2020.

### Capital management and dividend

PSG Konsult remains strongly capitalised, notwithstanding current market conditions, and complies with the Prudential Authority's Financial Soundness Standards, with a capital cover ratio of 208% (2019: 182%) based on the latest insurance group return. Our prudent approach to investing shareholder assets, that support our regulatory capital requirements, continues to ensure that the group has a strong balance sheet and excellent liquidity. Shareholder assets invested in cash, money market and related instruments continue to comprise circa 90% of total investable shareholder assets.

The board decided to approve and declare an interim gross dividend of 8.0 cents per share from income reserves for the six months ended 31 August 2020 (2019: 7.5 cents per share) given the group's strong financial position and confidence in the group's prospects. The group's dividend payout ratio remains consistent with the dividend policy communicated at the time of listing.

### Looking forward

We continue to monitor the macroeconomic environment, both locally and globally, and the associated impact on our clients and other stakeholders. Our strong financial position and cash flow enables us to continue to invest in long-term growth opportunities, systems and processes, whilst optimising risk-adjusted returns for shareholders. As such, we remain confident about the prospects for continued growth.

### Unaudited interim financial results

This announcement is the responsibility of the directors of the company. It is only a summary of the full announcement and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on the full announcement, which is available through the link in the short-form announcement released on SENS on Thursday, 8 October 2020. The full announcement is also available on PSG Konsult's website at [www.psg.co.za](http://www.psg.co.za) and electronic copies may be obtained, at no charge, from the company at [company.secretary@psg.co.za](mailto:company.secretary@psg.co.za) and from PSG Capital.

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

On behalf of the board



**Willem Theron**  
Chairman

Tyger Valley  
8 October 2020



**Francois Gouws**  
Chief executive officer

## SALIENT FEATURES

▲7%  
24.8 cents

### Recurring headline earnings per share

2019: 23.2 cents  
2018: 21.5 cents

▲7%  
8.0 cents

### Dividend per share

2019: 7.5 cents  
2018: 7.0 cents

▲7%  
R245bn

### Total assets under management

2019: R228bn  
2018: R230bn

0%  
R2.7bn

### Gross written premium

2019: R2.7bn  
2018: R2.0bn

**Non-executive directors:** W Theron (Chairman), PJ Mouton, J de V du Toit<sup>^</sup>, AH Sangqu\*, PE Burton\*, TC Isaacs\*, ZL Combi\*, ZRP Matsau\* (<sup>^</sup> Lead independent; \* Independent)  
**Executive directors:** FJ Gouws (Chief executive officer), MIF Smith (Chief financial officer)  
**Company secretary:** PSG Management Services Proprietary Limited  
**PSG Konsult head office and registered office:** 4th Floor, The Edge, 3 Howick Close, Tyger Waterfront, Tyger Valley, Bellville, 7530; PO Box 3335, Tyger Valley, Bellville, 7536

**Transfer secretary:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; Private Bag X9000, Saxonwold, 2132  
**Listings:** Johannesburg Stock Exchange (JSE), Namibian Stock Exchange (NSX), Stock Exchange of Mauritius (SEM)  
**JSE sponsor:** PSG Capital Proprietary Limited  
**Independent Joint JSE Sponsor:** UBS South Africa Proprietary Limited  
**NSX sponsor:** PSG Wealth Management (Namibia) Proprietary Limited  
**SEM sponsor:** Perigeum Capital Ltd  
**JSE share code:** KST **NSX share code:** KFS **SEM share code:** PSGK.N0000 **ISIN code:** ZAE000191417

**LEI:** 378900ECF3D86FD28194 **Auditor:** PricewaterhouseCoopers Inc., Cape Town  
**PSG Konsult Limited** (Incorporated in the Republic of South Africa) ('PSG Konsult' or 'the company' or 'the group')  
**Registration number:** 1993/003941/06  
**Website:** [www.psg.co.za](http://www.psg.co.za)