

## Overview

PSG Konsult increased recurring headline earnings per share by 23% and generated a return on equity of 22%, thereby delivering a result which is circa 30% above its most recent pre-COVID interim period ended 31 August 2019. These results reflect the continued improvement in the group's overall competitive market position. Our strategic objective of being an advice-led firm, with a strong focus on technology to enhance client experience, enabled us to achieve these results despite prevailing conditions. In support of the group's long-term business objective to grow our own talent, we have continued to make significant investments in newly qualified graduates.

PSG Konsult's key financial performance indicators for the six months ended 31 August 2021 are shown below:

	31 Aug 21 R000	Change %	31 Aug 20 R000
Recurring headline earnings	404 567	22	331 655
Non-recurring item <sup>^</sup>	–		(7 200)
Headline earnings	404 567	25	324 455
Non-headline items	65		624
Earnings attributable to ordinary shareholders	404 632	24	325 079
Divisional recurring headline earnings			
PSG Wealth	234 246	7	218 972
PSG Asset Management	96 450	95	49 542
PSG Insure	73 871	17	63 141
	404 567	22	331 655
Weighted average number of shares in issue (net of treasury shares) (millions)	1 323.6	(1)	1 338.5
Earnings per share (basic) (cents)			
– Recurring headline	30.6	23	24.8
– Headline	30.6	26	24.2
– Attributable	30.6	26	24.3
– Recurring headline – excluding intangible asset amortisation cost	33.1	22	27.0
Dividend per share (cents)	10.0	25	8.0
Return on equity (ROE) (%)	22.0		19.6

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

# Results for the six months ended 31 August 2021

## Capital management and dividend

PSG Konsult's capital cover ratio increased to 233% (2020: 208%), based on the latest insurance group return, and comfortably exceeds the 100% minimum. Our financial performance and prudent approach to investing shareholder assets continue to ensure that the group is in a strong financial position with excellent liquidity.

The group's long-term credit rating was upgraded by Global Credit Rating Company during July 2021 to A<sup>+</sup><sub>(ZA)</sub>, while the short-term credit rating was affirmed at A1<sub>(ZA)</sub>, with a Stable Outlook.

The increase in the group's capital cover ratio and the credit rating upgrade underscore our ability to incrementally improve our financial position and highlight the group's resilience, notwithstanding the current economic environment.

PSG Konsult continues to generate strong cash flows which gives us various options to optimise our capital structure and risk adjusted returns to shareholders. During the period, the group repurchased and cancelled 7.2 million shares at a cost of R80.4 million.

The board decided to declare an interim gross dividend of 10.0 cents per share from income reserves for the six months ended 31 August 2021 (2020: 8.0 cents per share) reflecting the group's strong financial position and confidence in its prospects. The group's dividend pay-out ratio remains between 40% to 50% of full year earnings. The group has, however, changed the basis of the pay-out ratio to recurring headline earnings excluding intangible asset amortisation, a metric that is better aligned to the group's cash generated earnings.

## Looking forward

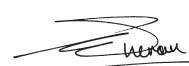
The group remains confident about the prospects for growth, with a focus on organic growth and optimising shareholder returns. We will continue to monitor local and global events, and the associated impact on our clients and other stakeholders.

## 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, 7 October 2021. 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 extends its appreciation to its stakeholders, including shareholders, advisers, clients, business partners, management and employees for their continued support and commitment during the past six months.

On behalf of the board



**Willem Theron**  
Chairman

Tyger Valley  
7 October 2021



**Francois Gouws**  
Chief executive officer

## Salient Features

▲ 23%

30.6 cents

### Recurring headline earnings per share

2020: 24.8 cents  
2019: 23.2 cents

▲ 22%

33.1 cents

### Recurring headline earnings per share excluding intangible asset amortisation

2020: 27.0 cents  
2019: 25.2 cents

▲ 25%

10.0 cents

### Dividend per share

2020: 8.0 cents  
2019: 7.5 cents

▲ 21%

R296 bn

### Total assets under management

2020: R245 bn  
2019: R228 bn

▲ 4%

R2.82 bn

### Gross written premium

2020: R2.71 bn  
2019: R2.72 bn

**Non-executive directors:** W Theron (Chairman), PJ Mouton, J de V du Toit<sup>^</sup>, AH Sangqu<sup>\*</sup>, PE Burton<sup>\*</sup>, TC Isaacs<sup>\*</sup>, ZL Combi<sup>\*</sup>, ZRP Matsau<sup>\*</sup> (<sup>^</sup> Lead independent; <sup>\*</sup> 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:** JSE Limited (JSE), Namibian Stock Exchange (NSX), Stock Exchange of Mauritius (SEM)  
**JSE sponsor:** PSG Capital Proprietary Limited (PSG Capital)  
**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:** Deloitte & Touche  
**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)