

## Recurring headline earnings per share



2023 | 72.9 cents

2022 | 69.7 cents

## Dividend per share



2023 | 36.0 cents

2022 | 32.0 cents

## Assets under management



2023 | R354 bn

2022 | R315 bn

## Gross written premium



2023 | R6.2 bn

2022 | R5.7 bn

PSG Financial Services delivered an 11% increase in recurring headline earnings per share and a return on equity of 23.4% for the current year.

These results were achieved against a backdrop of mostly known challenging operating conditions. Our key financial metrics under these conditions highlight the competitive advantage of our advised business model. Total assets under management increased by 15% to R406.9 billion, comprising assets managed by PSG Wealth of R355.1 billion (16% increase) and PSG Asset Management of R51.8 billion (7% increase), while PSG Insure's gross written premium amounted to R7.0 billion (13% increase). Performance fees constituted 2.8% (2023: 6.5%) of headline earnings.

The firm remains confident about its long-term growth prospects, and we therefore continued to invest in both technology and people. Compared to the prior year, our technology and infrastructure spend increased by 13% (these costs continue to be fully expensed), while our fixed remuneration cost grew by 12%. These factors had a muted impact on our operating margins. We are proud of the progress made in growing our own talent, with 152 newly qualified graduates having joined during the financial year.

PSG Financial Services' key financial performance indicators for the year ended 29 February 2024 are shown below.

	29 Feb 2024 R'000	Change %	28 Feb 2023* R'000
Core income	5 879 358	11	5 319 579
Recurring and headline earnings	1 033 276	9	948 281
Non-headline items	915		1 987
Earnings attributable to ordinary shareholders	1 034 191	9	950 268
Divisional recurring headline earnings			
PSG Wealth	666 278	17	568 492
PSG Asset Management	217 196	(1)	220 323
PSG Insure	149 802	(6)	159 466
	1 033 276	9	948 281
Weighted average number of shares in issue (net of treasury shares) (millions)	1 274.7	(2)	1 301.2
Basic earnings per share (cents)			
- Recurring headline and headline	81.1	11	72.9
- Attributable	81.1	11	73.0
- Recurring headline (excluding intangible asset amortisation cost)	86.9	11	78.2
- Recurring headline (excluding performance fees)	78.8	16	68.1
Dividend per share (cents)	42.0	17	36.0
- Interim dividend per share	13.5		11.0
- Final dividend per share	28.5		25.0
Return on equity (ROE) (%)	23.4		22.7

\* The comparative figures have been restated for the application of IFRS 17.

## Capital management

PSG Financial Services' capital cover ratio remains strong at 240% based on the latest insurance group return (28 February 2023: 240%). This comfortably exceeds the minimum regulatory requirement of 100%. During August 2023, Global Credit Rating Company affirmed the group's long-term and short-term credit ratings at A+(ZA) and A1(ZA) respectively, with a Stable Outlook. The group's capital cover ratio and the credit rating affirmation are testament to the group's strong financial position and excellent liquidity.

PSG Financial Services also continues to generate strong cash flows, which gives us various options to optimise our capital structure and risk-adjusted returns to the benefit of shareholders:

- The group repurchased and cancelled 15.8 million shares at a cost of R207.2 million during the year, as part of shareholder capital optimisation.
- Our shareholder investable asset's exposure to equity marginally increased to 8% (previously 6%). We continue to monitor investment markets and will gradually increase our value at risk exposure to align with our long-term target.

## Final dividend declaration

Considering the strong cash position, the board declared a final gross dividend of 28.5 cents per share from income reserves for the year ended 29 February 2024 (2023: 25.0 cents per share). This brings the total dividend distribution to shareholders to 42.0 cents per share (2023: 36.0 cents per share) for the full year, reflecting the group's sound financial position and confidence in its prospects.

The dividend is subject to a South African dividend withholding tax (DWT) rate of 20%, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. Including DWT at 20% results in a net final dividend of 22.8 cents (2023: 20.0 cents) per share. The number of issued ordinary shares is 1 276 380 968 at the date of this declaration. PSG Financial Services' income tax reference number is 9550/644/07/5.

The salient dates of the dividend declaration are:

Declaration date	Thursday, 18 April 2024
Last day to trade cum dividend	Tuesday, 7 May 2024
Trading ex-dividend commences	Wednesday, 8 May 2024
Record date	Friday, 10 May 2024
Date of payment	Monday, 13 May 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 May 2024 and Friday, 10 May 2024, both days inclusive.

**Non-executive directors:** W Theron (Chairman), PE Burton\*, AM Hlobo\*, L Lambrechts\*, B Mathews\*, ZRP Matsau\*, PJ Mouton\*, AH Sangqu\* (^ Lead independent; \* Independent) **Executive directors:** FJ Gouws (Chief executive officer), MIF Smith (Chief financial officer), JL Johannes (Head of transformation) **Company secretary:** PSG Management Services Proprietary Limited **PSG Financial Services 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,

## Looking forward

We have always been confident that resourceful South Africans will build a better future for themselves and their children. Nevertheless, current economic activity remains depressed, and expectations have continued to plummet to new lows.

Irrespective of the short-term challenges, we remain confident in our long-term strategy and will continue to invest in our businesses, thereby securing prospects for growth. Moreover, the firm has aimed to actively stimulate debate around improving South Africa's economic prospects by launching the Think Big SA competition in collaboration with Economic Research South Africa. We look forward to sharing the insights generated from the winning discussion paper more broadly in the interest of helping to create a more supportive local growth environment. Nonetheless, we will continue to monitor local and global events and the associated impact on the group's clients and other stakeholders, and adjust our approach if required.

## Reviewed 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 decisions 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, 18 April 2024. The full announcement is also available on PSG Financial Services' 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). The company has based this short-form announcement on the financial results for the year ended 29 February 2024, which have been reviewed by the company's auditor, Deloitte & Touche, who expressed an unmodified review conclusion.

The board extends its appreciation to its stakeholders, including its shareholders, advisers, clients, business partners, management and employees for their continued support and commitment during the past year.

On behalf of the board



Willem Theron  
Chairman

Tyger Valley  
18 April 2024



Francois Gouws  
Chief executive officer

[www.psg.co.za](http://www.psg.co.za)

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) **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 Financial Services Limited** (Incorporated in the Republic of South Africa) ('PSG Financial Services' or 'the company' or 'the group') **Registration number:** 1993/003941/06