

RECURRING HEADLINE EARNINGS PER SHARE

^5%
72.9 cents

2022: 69.7 cents
2021: 52.7 cents

DIVIDEND PER SHARE

^13%
36.0 cents

2022: 32.0 cents
2021: 24.5 cents

TOTAL ASSETS UNDER MANAGEMENT

^13%
R354 bn

2022: R315 bn
2021: R268 bn

GROSS WRITTEN PREMIUM

^9%
R6.2 bn

2022: R5.7 bn
2021: R5.5 bn

PSG Konsult delivered a 5% increase in recurring headline earnings per share and a return on equity of 22.7% for the current year.

These results were achieved against a challenging operational backdrop. The performance of our key financial metrics under these conditions highlights the competitive advantage of our advice-led business model. Total assets under management increased by 13% to R354.1 billion, comprising assets managed by PSG Wealth of R305.5 billion (12% increase) and PSG Asset Management of R48.6 billion (16% increase), while PSG Insure's gross written premium amounted to R6.2 billion (9% increase). Over the period, the JSE/FTSE All Share Index only increased by 2%, compared to 15% in the previous financial year. This impacted performance fees, which constituted 6.5% of headline earnings in comparison to 10.6% for the previous financial year.

From a cost perspective, our Insure division was adversely impacted by the KZN floods during April 2022, but Western National's comprehensive reinsurance programme cushioned the effect on underwriting results. 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 10%. We are proud of the progress made in growing our own talent, with 141 newly qualified graduates (96% of whom are ACI candidates) having joined during the financial year. These factors had a muted impact on our operating margins.

PSG Konsult's key financial performance indicators for the year ended 28 February 2023 are shown below.

	28 Feb 2023 R'000	Change %	28 Feb 2022 R'000
Core income	6 494 252	8	6 038 617
Recurring headline and headline earnings	948 785	3	920 663
Non-headline items	1 987		246
Earnings attributable to ordinary shareholders	950 772	3	920 909
Divisional recurring headline earnings			
PSG Wealth	568 492	11	510 484
PSG Asset Management	220 323	(10)	244 265
PSG Insure	159 970	(4)	165 914
	948 785	3	920 663
Weighted average number of shares in issue (net of treasury shares) (millions)	1 301.2	(1)	1 320.5
Basic earnings per share (cents)			
– Recurring headline and headline	72.9	5	69.7
– Attributable	73.1	5	69.7
– Recurring headline (excluding intangible asset amortisation cost)	78.2	5	74.8
– Recurring headline (excluding performance fees)	68.2	9	62.4
Dividend per share (cents)	36.0	13	32.0
– Interim dividend per share	11.0		10.0
– Final dividend per share	25.0		22.0
Return on equity (ROE) (%)	22.7		23.8

Capital management

PSG Konsult's capital cover ratio remains strong and increased to 263% (2022: 240%) based on the latest insurance group return. This comfortably exceeds the minimum regulatory requirement of 100%. During July 2022, 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 increase in the group's capital cover ratio and the credit rating affirmation is testament to the group's strong financial position and excellent liquidity.

PSG Konsult 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 35.7 million shares at a cost of R415.9 million during the period, as part of shareholder capital optimisation.
- The board decided to increase the upper limit of the group's dividend policy pay-out ratio to 60% (50% previously) of recurring headline earnings, excluding intangible asset amortisation.
- Our shareholder investable asset's exposure to equity marginally increased to 6% (previously below 5%). We continue to monitor investment markets and will gradually increase our value at risk exposure to align with our long-term target.

Our primary objective remains to grow organically, and to fund that growth prudently.

Final dividend declaration

Considering both the strong cash position and the change in dividend policy pay-out ratio, the board declared a final gross dividend of 25.0 cents per share from income reserves for the year ended 28 February 2023 (2022: 22.0 cents per share). This brings the total dividend distribution to shareholders to 36.0 cents per share (2022: 32.0 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 dividend of 20.0 cents (2022: 17.6 cents) per share. The number of issued ordinary shares is 1 294 818 074 at the date of this declaration. PSG Konsult's income tax reference number is 9550/644/07/5.

The salient dates of the dividend declaration are:

Declaration date	Thursday, 13 April 2023
Last day to trade cum dividend	Tuesday, 2 May 2023
Trading ex-dividend commences	Wednesday, 3 May 2023
Record date	Friday, 5 May 2023
Date of payment	Monday, 8 May 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 3 May 2023 and Friday, 5 May 2023, both days inclusive.

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 plummeted to new lows.

Despite this, we believe that conditions are ripe for change. Ordinary hard-working and honest South Africans have clearly had enough and significant job losses have further created an alignment of interests for labour and the private sector to work together. At the same time, the private sector still has a significant pool of skilled resources and capital at its disposal. We are therefore mindful that a credible package of measures aimed at remediating South Africa's networked industries, while meaningfully involving the private sector and labour, can quickly serve to uplift the public mood as action translates into much needed forward momentum.

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. We will, however, continue to monitor local and global events and the associated impact on the group's clients and other stakeholders.

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, 13 April 2023. The full announcement is also available on PSG Konsult's website at www.psg.co.za and electronic copies may be obtained, at no charge, from the company at company.secretary@psg.co.za and from PSG Capital. The company has based this short-form announcement on the financial results for the year ended 28 February 2023 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
13 April 2023



Francois Gouws
Chief executive officer

Non-executive directors: W Theron (Chairman), PE Burton*, ZL Combi*, AM Hlobo**, B Mathews**, ZRP Matsau*, PJ Mouton*, AH Sangqu* (^ Lead independent; * Independent; # Subject to Prudential Authority approval) **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) **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