

PSG KONSULT LIMITED

(Incorporated in the Republic of South Africa)

Registration Number: 1993/003941/06

JSE Share Code: KST

NSX Share Code: KFS

SEM Share Code: PSGK.N0000

ISIN Code: ZAE000191417

(“PSG Konsult” or “the Company”)



SHORT FORM-ANNOUNCEMENT: UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2019 AND DIVIDEND DECLARATION

1. SALIENT FEATURES

- Recurring headline earnings per share increased by 8% to 23.2 cents per share
- Interim dividend per share increased by 7% to 7.5 cents per share
- Total assets under management decreased by 1% to R228bn
- Gross written premium increased by 35% to R2.7bn

PSG Konsult achieved a solid 8% growth in recurring headline earnings per share and generated a return on equity of 20.2%, despite difficult business conditions. No performance fees were generated during the current period, compared to the prior period where performance fees constituted 4.6% of headline earnings. PSG Konsult and its subsidiaries (“the group”) continued its investment in technology and people.

PSG Konsult’s key financial performance indicators for the six months ended 31 August 2019 are shown below.

	31 Aug 19 R'000	Change %	31 Aug 18 R'000
Core income	2 525 143	11	2 277 976
Headline and recurring headline earnings	310 634	10	283 146
Non-headline items	(57)		(1 297)
Earnings attributable to ordinary shareholders	310 577	10	281 849
Divisional recurring headline earnings			
PSG Wealth	175 476	10	159 787
PSG Asset Management	81 064	(7)	87 212
PSG Insure	54 094	50	36 147
	310 634	10	283 146
Weighted average number of shares in issue (net of treasury shares) (millions)	1 339.4	2	1 318.0
Earnings per share (cents)			
– Headline and recurring headline	23.2	8	21.5
– Attributable	23.2	8	21.4
– Headline - excluding intangible amortisation cost	25.2	8	23.3
Dividend per share (cents)	7.5	7	7.0
Return on equity (ROE) (%)	20.2		21.9

Capital management

PSG Konsult is strongly capitalised and complies with the Prudential Authority's Financial Soundness Standards, with a capital cover ratio of 1.82. PSG Konsult's strong cash flow presents several options to optimise risk-adjusted returns for our shareholders. Aligned to this objective, the group negotiated the early redemption of the R100m notes issued under the Domestic Medium-Term Note Programme. The notes were redeemed on 12 July 2019, utilising surplus cash, and the group therefore had no remaining interest-bearing debt at 31 August 2019.

To minimise the impact of share issue dilution, the PSG Konsult Group Share Incentive Trust purchased 12 585 068 PSG Konsult shares, at a total cost of R122.1m, during the current period to enable it to satisfy certain of its obligations in terms of the Share Incentive Scheme.

2. DIVIDEND DECLARATION

Given its continued confidence in the group's prospects, the board decided to approve and declare an interim gross dividend of 7.5 cents (2018: 7.0 cents) per share from income reserves in respect of the six months ended 31 August 2019. The dividend amount, net of South African dividend tax of 20%, is 6.0 cents (2018: 5.6 cents) per share for those shareholders who are not exempt from dividend tax. The number of ordinary shares in issue at the declaration date is 1 367 263 905 and the income tax number of the Company in South Africa is 9550/644/07/5.

The salient dates of the dividend declaration are:

Declaration date	Thursday, 10 October 2019
Last day to trade cum dividend	Tuesday, 29 October 2019
Trading ex-dividend commences	Wednesday, 30 October 2019
Record date*	Friday, 1 November 2019
Date of payment	Monday, 4 November 2019

** Due to Friday, 1 November 2019 being a public holiday in Mauritius, the record date for shareholders on the Mauritian register will be Monday, 4 November 2019, with payment of the dividend occurring on the same date.*

As the dividend has been declared and denominated in Rand, it will be paid (in Rand) into the bank accounts of shareholders appearing on the Mauritian register.

Shareholders should note that share certificates may not be dematerialised or rematerialised between Wednesday, 30 October 2019 and Friday, 1 November 2019 (both days inclusive), provided that such dematerialisation or rematerialisation will not be permitted for shareholders on the Mauritian register between Wednesday, 30 October 2019 and Monday, 4 November 2019 (both days inclusive).

Shares may not be moved between the South African, Mauritian and Namibian share registers between Wednesday, 30 October 2019 to Monday, 4 November 2019, both days inclusive.

3. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement (“**Full Announcement**”) and does not contain full or complete details. The Full Announcement can be found at:

<https://senspdf.jse.co.za/documents/2019/JSE/ISSE/KST/PSGKH12020.pdf>

A copy of the Full Announcement is also available for viewing on the Company’s website at <https://www.psg.co.za/files/investor-relations/financial-information/PSGKH12020.pdf> or may be requested in person, at the Company’s registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

Tyger Valley
10 October 2019

JSE Sponsor: PSG Capital Proprietary Limited

NSX Sponsor: PSG Wealth Management (Namibia) Proprietary Limited, member of the Namibian Stock Exchange

SEM authorised representative and SEM Sponsor: Perigeum Capital Ltd

This notice is issued pursuant to the JSE Limited Listings Requirements, the SEM Listing Rules and the Mauritian Securities Act 2005. The board of directors of PSG Konsult accepts full responsibility for the accuracy of the information contained in this communiqué.