

PSG GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1970/008484/06)
JSE Limited ("JSE") share code: PSG
ISIN code: ZAE000013017
("PSG Group")

**PSG FINANCIAL SERVICES LIMITED**

(Incorporated in the Republic of South Africa)
(Registration number: 1919/000478/06)
JSE share code: PGFP
ISIN code: ZAE000096079



TRADING STATEMENT FOR THE SIX-MONTH PERIOD ENDED 31 AUGUST 2019

PSG Group, an investment holding company, continues to use the sum-of-the-parts ("SOTP") value and recurring earnings per share benchmarks to provide management and investors with a realistic and transparent way of evaluating PSG Group's performance.

The calculation of PSG Group's SOTP value is simple and requires limited subjectivity as more than 90% of the value is calculated using JSE-listed share prices, while other investments are included at internal valuations.

PSG Group's recurring earnings is the sum of its effective interest in the recurring earnings of each of its underlying investments. The result is that investments in which PSG Group holds less than 20% and are generally not equity accountable in terms of accounting standards, are equity accounted for the purpose of calculating the consolidated recurring earnings. Once-off items and marked-to-market fluctuations are excluded from recurring earnings.

In terms of the Listings Requirements of the JSE, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will show a 20% or more difference from those of the prior corresponding period.

PSG Group hereby advises that a reasonable degree of certainty exists that:

- Its SOTP value per share as at 31 August 2019 was R259.56, being 16.7% lower than the R311.45 reported as at 28 February 2019;
- For the six-month period ended 31 August 2019:
 - Recurring earnings per share will be between R5.80 and R5.90, being between 15.3% and 17.3% higher than the R5.03 reported for the six-month period ended 31 August 2018;
 - Headline earnings per share will be between R5.60 and R5.70, being between 10.5% and 12.4% higher than the R5.07 reported for the six-month period ended 31 August 2018; and

- Attributable earnings per share will be between R6.35 and R6.45, being between 23.1% and 25.0% higher than the R5.16 reported for the six-month period ended 31 August 2018.

The six-month period under review saw commendable recurring earnings performance from all of PSG Group's core investments, which was offset by Zeder.

Headline earnings per share increased by a lower margin than recurring earnings per share mainly due to a fair value gain recognised in the prior corresponding period by Zeder on its investment in Joy Wing Mau, which was subsequently disposed of.

Attributable earnings per share increased by a higher margin than recurring earnings and headline earnings per share mainly due to Zeder's non-headline reversal of an impairment loss recognised in respect of its investment in Pioneer Foods at 28 February 2019.

PSG Group's live SOTP is available on its website at www.psggroup.co.za.

This financial information has not been reviewed or reported on by the auditor of PSG Group. The unaudited results for the six-month period ended 31 August 2019 will be published on Tuesday, 15 October 2019.

Shareholders are invited to join PSG Group's interim results presentation via webcast at 10h30 on Wednesday, 16 October 2019, by registering at:

<https://www.corpcam.com/PSG16102019>

Stellenbosch
11 October 2019

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