

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

LEI Code: 378900ECF3D86FD28194

("PSG Konsult" or "the Company")



SHORT-FORM ANNOUNCEMENT: UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2020 AND DIVIDEND DECLARATION

1. FINANCIAL RESULTS

- Recurring headline earnings per share increased by 7% to 24.8 cents per share
- Dividend per share increased by 7% to 8.0 cents per share
- Total assets under management increased by 7% to R245bn
- Gross written premium remained at R2.7bn

PSG Konsult achieved a solid 7% growth in recurring headline earnings per share and generated a return on equity of 19.6%, despite poor operating conditions. We continued to further automate and streamline our platforms and processes, aligned with our goal of enhancing our digital capabilities and overall client experience. Our results were adversely impacted by the sharp decline in interest rates, which reduced our net investment income, and the support we provided clients through premium relief, interim business interruption relief payments and other measures.

PSG Konsult's key financial performance indicators for the six months ended 31 August 2020 are shown below.

	31 Aug 20 R'000	Change %	31 Aug 19 R'000
Core income	2 558 329	1	2 525 143
Recurring headline earnings	331 655	7	310 634
Non-recurring item [^]	(7 200)		-
Headline earnings	324 455	4	310 634
Non-headline items	624		(57)
Earnings attributable to ordinary shareholders	325 079	5	310 577
Divisional recurring headline earnings			
PSG Wealth	218 972	25	175 476
PSG Asset Management	49 542	(39)	81 064
PSG Insure	63 141	17	54 094
	331 655	7	310 634

Weighted average number of shares in issue (net of treasury shares) (millions)	1 338.5	-	1 339.4
Earnings per share (basic) (cents)			
– Recurring headline	24.8	7	23.2
– Headline	24.2	5	23.2
– Attributable	24.3	5	23.2
– Headline - excluding intangible asset amortisation cost [^]	27.0	7	25.2
Dividend per share (cents)	8.0	7	7.5
Return on equity (ROE) (%)	19.6		20.2

[^] Non- recurring item relates to a R10.0 million (R7.2 million net of tax) donation to the South African Solidarity Fund in April 2020.

Capital management

PSG Konsult remains strongly capitalised, notwithstanding current market conditions, and complies with the Prudential Authority's Financial Soundness Standards, with a capital cover ratio of 208% (2019: 182%) based on the latest insurance group return. Our prudent approach to investing shareholder assets, that support our regulatory capital requirements, continues to ensure that the group has a strong balance sheet and excellent liquidity. Shareholder assets invested in cash, money market and related instruments continue to comprise circa 90% of total investable shareholder assets.

2. DIVIDEND DECLARATION

The board decided to approve and declare an interim gross dividend of 8.0 ZAR cents per share from income reserves for the six months ended 31 August 2020 (2019: 7.5 ZAR cents per share) given the group's strong financial position and confidence in the group's prospects. The group's dividend payout ratio remains consistent with the dividend policy communicated at the time of listing. The dividend amount, net of South African dividend tax of 20%, is 6.4 ZAR cents (2019: 6.0 ZAR cents) per share for those shareholders who are not exempt from dividend tax or are not entitled to a reduced rate in terms of the applicable double-tax agreement. The number of ordinary shares in issue at the declaration date is 1 352 797 270 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, 8 October 2020
Last day to trade cum dividend	Tuesday, 27 October 2020
Trading ex-dividend commences	Wednesday, 28 October 2020
Record date	Friday, 30 October 2020
Date of payment	Monday, 2 November 2020

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.

Share certificates may not be dematerialised or rematerialised between Wednesday, 28 October 2020 and Friday, 30 October 2020, 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/2020/JSE/ISSE/KST/PSGKH12021.pdf>

Copies 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/PSGKH12021.pdf>

In addition, electronic copies of the Full Announcement may be requested and obtained, at no charge, from the Company at company.secretary@psg.co.za and from PSG Capital.

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

Tyger Valley
8 October 2020

JSE Sponsor: PSG Capital Proprietary Limited

Independent Joint JSE Sponsor: UBS South Africa 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.