

## 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" or "the group")



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### SHORT-FORM ANNOUNCEMENT: REVIEWED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2021, DIVIDEND DECLARATION AND CHANGE IN EXTERNAL AUDITOR

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#### 1. FINANCIAL RESULTS

- Recurring headline earnings per share increased by 10% to 52.7 cents
- Total dividend per share for the year increased by 9% to 24.5 cents
- Total assets under management increased by 17% to R268bn
- Gross written premium increased by 1% to R5.51bn

PSG Konsult generated a 10% recurring headline earnings per share growth and 20% return on equity for 2021. We continue to manage and evaluate our performance against an unchanged set of metrics, notwithstanding changes in our operating environment. All key financial and operational metrics were positive, once again demonstrating the resilience of our franchise. We generated strong net client inflows and sustained investment in long-term growth initiatives, including those that enhance the experience of clients, systems and processes. Our primary focus of being an advice-led business remains.

We believe that growing our own talent will support PSG Konsult's long-term business goals. During the 2021 financial year, the group employed 65 newly qualified graduates (92% of whom are ACI candidates) as part of the core business operations and adviser force.

PSG Konsult's key financial performance indicators for the year ended 28 February 2021 are shown below.

	28 Feb 2021 R'000	Change %	29 Feb 2020 R'000
Core income	5 267 715	4	5 068 869
Recurring headline earnings	703 835	9	644 408
Non-recurring item <sup>^</sup>	(7 200)		-
Headline earnings	696 635	8	644 408
Non-headline items	1 055		2 549
Earnings attributable to ordinary shareholders	697 690	8	646 957

Divisional recurring headline earnings			
PSG Wealth	447 656	19	376 384
PSG Asset Management	104 940	(28)	146 420
PSG Insure	151 239	24	121 604
	703 835	9	644 408
Weighted average number of shares in issue (net of treasury shares) (millions)	1 334.6	-	1 340.9
Earnings per share (basic) (cents)			
– Recurring headline	52.7	10	48.1
– Headline	52.2	9	48.1
– Attributable	52.3	8	48.2
– Recurring headline (excluding intangible asset amortisation cost)	57.5	10	52.2
Dividend per share (cents)	24.5	9	22.5
– Interim dividend per share (cents)	8.0	7	7.5
– Final dividend per share (cents)	16.5	10	15.0
Return on equity (ROE) (%)	20.4		20.5

^ 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 generates strong cash flows which gives us various options to optimise our capital structure and risk adjusted returns to shareholders. During the past financial year, the group repurchased and cancelled 20 992 115 shares at a cost of R166.8 million.

PSG Konsult remains strongly capitalised, with a capital cover ratio of 213% (2020: 191%) based on the latest insurance group return. This capital cover ratio substantially exceeds the required minimum of 100%. Our approach to investing shareholder assets, supporting regulatory capital requirements, remains prudent and ensures that the group has a strong balance sheet and excellent liquidity.

Shareholders were advised on 26 October 2020 that the rating agency Global Credit Rating Company confirmed that the group's credit ratings remain unchanged. PSG Konsult's long-term South Africa national scale rating is A(ZA), while the short-term South Africa national scale rating is A1(ZA), with a stable outlook.

## 2. DIVIDEND DECLARATION

The board approved and declared a final gross dividend of 16.5 ZAR cents per share from income reserves for the year ended 28 February 2021 (2020: 15.0 ZAR cents per share) given the group's strong financial position and confidence in the group's prospects. The group's dividend pay-out ratio remains consistent with the dividend policy communicated at the time of listing.

The dividend is subject to a South African dividend withholding tax (DWT) rate of 20%, unless the shareholder is exempt from paying dividends tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. Including DWT results in a net dividend of 13.2 ZAR cents (2020: 12.0 ZAR cents) per share. The number of issued ordinary shares is 1 340 930 485 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, 15 April 2021
Last day to trade cum dividend	Tuesday, 4 May 2021
Trading ex-dividend commences	Wednesday, 5 May 2021
Record date	Friday, 7 May 2021
Date of payment	Monday, 10 May 2021

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, 5 May 2021 and Friday, 7 May 2021, both days inclusive.

### **3. LOOKING FORWARD**

We will monitor the local and global macroeconomic environment, and the associated impact on our clients and other stakeholders.

The group remains confident about the prospects for growth and will continue to prioritise organic growth.

### **4. CHANGE IN EXTERNAL AUDITOR**

The group, following the conclusion of a tender process, on recommendation of the audit committee and endorsement by the board, has proposed the appointment of Deloitte & Touche as external auditor, with Nina le Riche as the designated audit partner, with effect from the financial year ending 28 February 2022. This appointment is subject to approval from the Prudential Authority of the South African Reserve Bank.

Shareholders will be requested to approve the above appointment at PSG Konsult's 2021 annual general meeting, details of which will be communicated to shareholders in due course.

The change in external auditor was initiated by the group to early adopt mandatory audit firm rotation.

### **5. 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/2021/JSE/ISSE/KST/PSGKFY2021.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/PSGKFY2021.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](mailto: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.

The company has based this short-form announcement on the financial results for the year ended 28 February 2021 which have been reviewed by the company's auditor, PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion.

Tyger Valley  
15 April 2021

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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.