

**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: UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2021 AND DIVIDEND DECLARATION**


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**1. FINANCIAL RESULTS**

- Recurring headline earnings per share increased by 23% to 30.6 cents per share
- Recurring headline earnings per share excluding intangible asset amortisation increased by 22% to 33.1 cents per share
- Dividend per share increased by 25% to 10.0 cents per share
- Total assets under management increased by 21% to R296bn
- Gross written premium increased by 4% to R2.82bn

Note: All amounts contained in this short-form announcement are presented in ZAR.

PSG Konsult increased recurring headline earnings per share by 23% and generated a return on equity of 22%, thereby delivering a result which is circa 30% above its most recent pre-COVID interim period ended 31 August 2019. These results reflect the continued improvement in the group's overall competitive market position. Our strategic objective of being an advice-led firm, with a strong focus on technology to enhance client experience, enabled us to achieve these results despite prevailing conditions. In support of the group's long-term business objective to grow our own talent, we have continued to make significant investments in newly qualified graduates.

PSG Konsult's key financial performance indicators for the six months ended 31 August 2021 are shown below.

	31 Aug 21 R'000	Change %	31 Aug 20 R'000
Core income	2 878 990	13	2 558 329
Recurring headline earnings	404 567	22	331 655
Non-recurring item^	-		(7 200)
Headline earnings	404 567	25	324 455
Non-headline items	65		624
Earnings attributable to ordinary shareholders	404 632	24	325 079
Divisional recurring headline earnings			
PSG Wealth	234 246	7	218 972
PSG Asset Management	96 450	95	49 542
PSG Insure	73 871	17	63 141
	404 567	22	331 655

Weighted average number of shares in issue (net of treasury shares) (millions)	1 323.6	(1)	1 338.5
Earnings per share (basic) (cents)			
– Recurring headline	30.6	23	24.8
– Headline	30.6	26	24.2
– Attributable	30.6	26	24.3
– Recurring headline - excluding intangible asset amortisation cost	33.1	22	27.0
Dividend per share (cents)	10.0	25	8.0
Return on equity (ROE) (%)	22.0		19.6

<sup>^</sup>The prior period 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's capital cover ratio increased to 233% (2020: 208%), based on the latest insurance group return, and comfortably exceeds the 100% minimum. Our financial performance and prudent approach to investing shareholder assets continue to ensure that the group is in a strong financial position with excellent liquidity.

The group's long-term credit rating was upgraded by Global Credit Rating Company during July 2021 to A+<sub>(ZA)</sub>, while the short-term credit rating was affirmed at A1<sub>(ZA)</sub>, with a Stable Outlook.

The increase in the group's capital cover ratio and the credit rating upgrade underscore our ability to incrementally improve our financial position and highlight the group's resilience, notwithstanding the current economic environment.

PSG Konsult continues to generate strong cash flows which gives us various options to optimise our capital structure and risk adjusted returns to shareholders. During the period, the group repurchased and cancelled 7.2 million shares at a cost of R80.4 million.

## 2. DIVIDEND DECLARATION

The board decided to declare an interim gross dividend of 10.0 cents per share from income reserves for the six months ended 31 August 2021 (2020: 8.0 cents per share) reflecting the group's strong financial position and confidence in its prospects. The group's dividend pay-out ratio remains between 40% to 50% of full year earnings. The group has, however, changed the basis of the pay-out ratio to recurring headline earnings excluding intangible asset amortisation, a metric that is better aligned to the group's cash generated earnings.

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 at 20% results in a net dividend of 8.0 cents (2020: 6.4 cents) per share. The number of issued ordinary shares is 1 333 691 715 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, 7 October 2021
Last day to trade cum dividend	Tuesday, 26 October 2021
Trading ex-dividend commences	Wednesday, 27 October 2021
Record date	Friday, 29 October 2021
Date of payment <sup>1</sup>	Monday, 1 November 2021

<sup>1</sup> If 1 November 2021 is declared a public holiday in South Africa, the date of payment will change to Tuesday, 2 November 2021.

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

Share certificates may not be dematerialised or rematerialised between Wednesday, 27 October 2021 and Friday, 29 October 2021, both days inclusive.

### 3. LOOKING FORWARD

The group remains confident about the prospects for growth, with a focus on organic growth and optimising shareholder returns. We will continue to monitor local and global events, and the associated impact on our clients and other stakeholders.

### 4. 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/PSGKH12022.pdf>

Copies of the Full Announcement are also available for viewing on the Company's website at <https://www.psg.co.za/files/investor-relations/overview/PSGKH12022.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 its sponsor, PSG Capital.

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

Tyger Valley  
7 October 2021

JSE Sponsor: PSG Capital Proprietary Limited ("PSG Capital")

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.