

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")



SHORT-FORM ANNOUNCEMENT: REVIEWED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2022 AND DIVIDEND DECLARATION

1. FINANCIAL RESULTS

- Recurring headline earnings per share increased by 32% to 69.7 cents per share
- Recurring headline earnings per share excluding intangible asset amortisation increased by 30% to 74.8 cents per share
- Total dividend per share increased by 31% to 32.0 cents per share
- Total assets under management increased by 17% to R315bn
- Gross written premium increased by 3% to R5.69bn

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

PSG Konsult delivered a 32% increase in recurring headline earnings per share and a return on equity of 23.8% for the current year. The performance of our key financial metrics, under dynamic trading conditions, demonstrates the competitive advantage and resilience of our advice-led business model with technology at the foundation.

The group's earnings are more than 40% above its most recent pre-COVID results for the year ended 29 February 2020, despite investment in technology and our core staff numbers which increased by 20% and 11% respectively over the past two years. Over the same period, we hired 201 newly qualified graduates (92% of whom are ACI candidates), reflecting a key desire to grow our own talent. Our unwavering commitment to invest in technology and people is consistent with the long-term growth opportunities we see.

PSG Konsult's key financial performance indicators for the year ended 28 February 2022 are shown below.

	28 Feb 2022 R'000	Change %	28 Feb 2021 R'000
Core income	6 038 617	15	5 267 715
Recurring headline earnings [^]	920 663	31	703 835
Non-recurring item ^{^^}	-		(7 200)
Headline earnings	920 663	32	696 635
Non-headline items	246		1 055
Earnings attributable to ordinary shareholders	920 909	32	697 690

Divisional recurring headline earnings			
PSG Wealth	510 484	14	447 656
PSG Asset Management	244 265	133	104 940
PSG Insure	165 914	10	151 239
	920 663	31	703 835
Weighted average number of shares in issue (net of treasury shares) (millions)	1 320.5	(1)	1 334.6
Earnings per share (basic) (cents)			
– Recurring headline	69.7	32	52.7
– Headline	69.7	34	52.2
– Attributable	69.7	33	52.3
– Recurring headline (excluding intangible asset amortisation cost)	74.8	30	57.5
Dividend per share (cents)	32.0	31	24.5
– Interim dividend per share	10.0		8.0
– Final dividend per share	22.0		16.5
Return on equity (ROE) (%)	23.8		20.4

[^] Performance fees earned during the year constituted 10.6% of headline earnings of the group, in comparison to 0.6% of headline earnings in the prior year.

^{^^}The prior year 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 240% (2021: 213%) based on the latest insurance group return, and comfortably exceeds the minimum regulatory requirement of 100%. The group's long-term credit rating was upgraded by Global Credit Rating Company during July 2021 to A+ (ZA), while the short-term credit rating was affirmed at A1(ZA), with a Stable Outlook.

The increase in the group's capital cover ratio and the credit rating upgrade is testament to the group's strong financial position and excellent liquidity.

PSG Konsult continues to generate strong cash flows which gives us various options to optimise our capital structure and risk adjusted returns to shareholders. The value at risk of our shareholder investable assets is currently at the lower end of our risk tolerance range, with equity exposure below 5%. We continue to monitor investment markets and aim to gradually increase our value at risk exposure to align with our long-term target.

During the year, the group repurchased and cancelled 9.6 million shares at a cost of R110 million.

2. DIVIDEND DECLARATION

The board decided to declare a final gross dividend of 22.0 ZAR cents per share from income reserves for the year ended 28 February 2022 (2021: 16.5 ZAR cents per share), reflecting the group's sound financial position and confidence in its prospects. The group's dividend pay-out ratio remains between 40% to 50% of recurring headline earnings excluding intangible asset amortisation.

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 17.6 ZAR cents (2021: 13.2 ZAR cents) per share. The number of issued ordinary shares is 1 331 372 132 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	Wednesday, 13 April 2022
Last day to trade cum dividend	Tuesday, 3 May 2022
Trading ex-dividend commences	Wednesday, 4 May 2022
Record date	Friday, 6 May 2022
Date of payment	Monday, 9 May 2022

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, 4 May 2022 and Friday, 6 May 2022, both days inclusive.

3. LOOKING FORWARD

The group remains confident about its strategy and prospects for growth. Our current focus is to shift away from a pandemic mindset while still ensuring that we maintain a safe working environment. This underpins our ability to return to full engagement with clients and enables us to deliver the strong growth that makes our business sustainable. We will continue to monitor local and global events, and the associated impact on the group's 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/2022/JSE/ISSE/KST/PSGKFY2022.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/financial-information/PSGKFY2022.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 its sponsor, PSG Capital.

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

The content of this announcement is derived from reviewed information, but is not itself reviewed. The Company has based this short-form announcement on the financial results for the year ended 28 February 2022, which have been reviewed by the company's auditor, Deloitte & Touche, who expressed an unmodified review conclusion thereon.

Tyger Valley
13 April 2022

JSE Sponsor: PSG Capital Proprietary Limited (“PSG Capital”)
Independent Joint JSE Sponsor: Tamela Holdings 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.