



PSG GROUP LIMITED

**31 August 2015**  
**Interim Results Presentation**

PIET MOUTON

# Core focus and expertise

## PSG is an investment holding company

### Financial

- **Capitec**
- **PSG Konsult**

### Education

- **Curro**
- **Impak**
- **IT Schools Innovation**
- *Social projects*

### Food & Agri

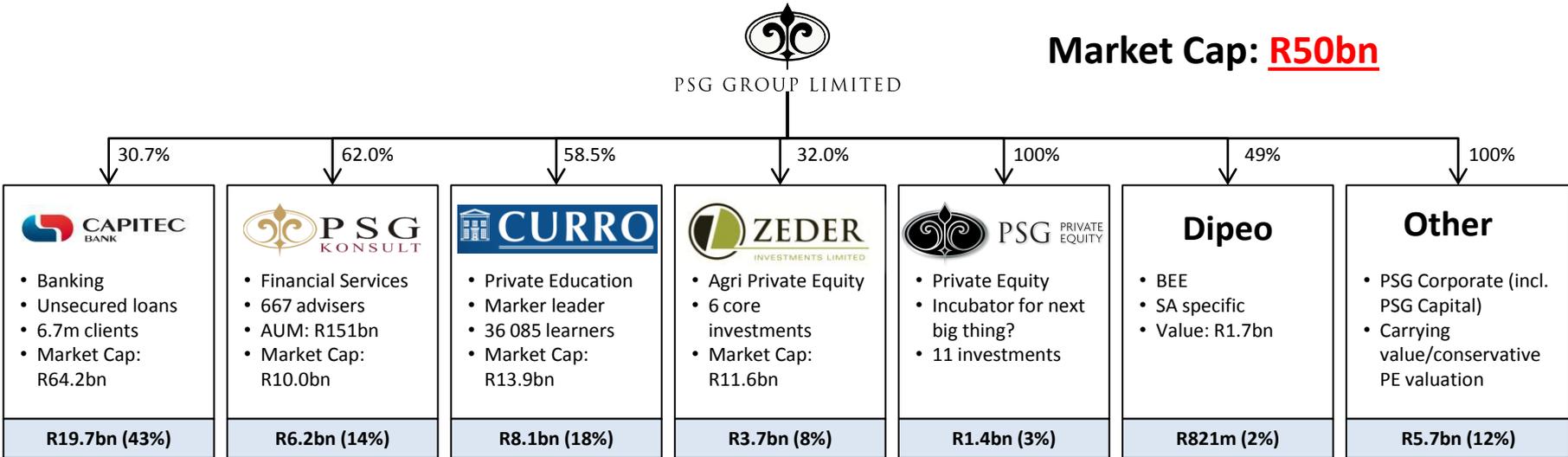
- **Zeder portfolio**
  - *Pioneer*
  - *Capespan*
  - *Zaad*
  - *Agrivision (Chayton)*
  - *Quantum*
  - *Kaap Agri*

PSG has been good with early stage investments – building businesses

Use PSG Private Equity to find new large investments



# PSG GROUP



Market capitalisation figures as at 7 October 2015



# Sum-of-the-parts

	Feb-11		Feb-15		7-Oct-15	
	Rm	% of assets	Rm	% of assets	Rm	% of assets
Capitec	5,138	54%	14,549	41%	19,694	43%
Curro			6,236	17%	8,120	18%
PSG Konsult	1,206	13%	5,710	16%	6,168	14%
Zeder	1,069	11%	3,712	10%	3,719	8%
PSG Private Equity	1,242	13%	1,246	4%	1,380	3%
Dipeo ( <i>previously Thembeka</i> )			603	2%	821	2%
PSG Corporate ( <i>incl. PSG Capital</i> )	350	3%	1,398	4%	3,312	7%
Other	548	6%	2,031	6%	2,373	5%
<b>TOTAL ASSETS</b>	<b>9,553</b>		<b>35,485</b>		<b>45,587</b>	
Perpetual prefs	(1,028)		(1,411)		(1,398)	
Other	(507)		(679)		(1,062)	
<b>SOTP</b>	<b>8,018</b>		<b>33,395</b>		<b>43,127</b>	
Number of shares in issue (m)	171		205		206	
<b>SOTP per share (R)</b>	<b>46.81</b>		<b>163.28</b>		<b>209.35</b>	



# SOTP: Other investments

Rm

07-Oct-15

Preference share investment ( <i>mainly Dipeo</i> )	874
Cash and cash equivalents ( <i>incl. loans and margin deposits</i> )	1,397
Other ( <i>property, receivables, payables, provisions, etc.</i> )	102
<b>TOTAL Other</b>	<b>2,373</b>



# Recurring headline earnings

Rm	Aug-13	Growth	Aug-14	Growth	Aug-15
Capitec	275	21%	332	36%	451
PSG Konsult	70	31%	92	26%	116
Zeder	38	63%	62	21%	75
PSG Private Equity	26	(38%)	16	194%	47
Dipeo ( <i>previously Thembeka</i> )	8	100%	16	<i>n/a</i>	
Curro	8	88%	15	93%	29
Other	18	17%	21	314%	87
<b>Recurring headline earnings before funding</b>	<b>443</b>	<b>25%</b>	<b>554</b>	<b>45%</b>	<b>805</b>
Funding	(87)		(85)		(84)
<b>Recurring headline earnings</b>	<b>356</b>	<b>32%</b>	<b>469</b>	<b>54%</b>	<b>721</b>
<b>Non-recurring headline earnings</b>	<b>82</b>		<b>113</b>		<b>139</b>
Dipeo ( <i>previously Thembeka</i> )	21		126		112
Zeder	4		14		(46)
Other	57		(27)		73
<b>Headline earnings</b>	<b>438</b>	<b>33%</b>	<b>582</b>	<b>48%</b>	<b>860</b>

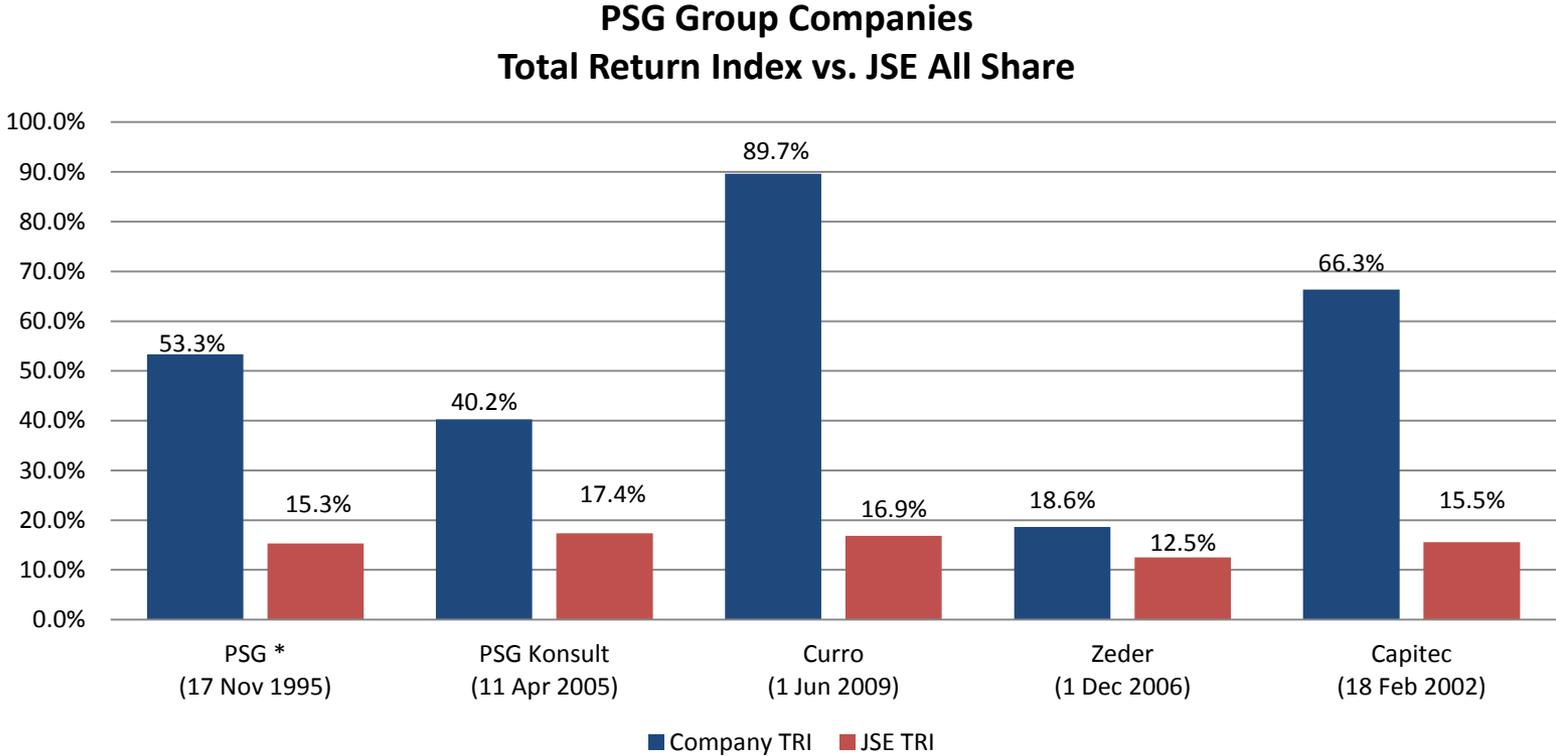


# Per share stats

	<b>Aug-13</b>	<i>Growth</i>	<b>Aug-14</b>	<i>Growth</i>	<b>Aug-15</b>
<b>Recurring headline earnings (Rm)</b>	<b>356</b>	32%	<b>469</b>	54%	<b>721</b>
<b>Headline earnings (Rm)</b>	<b>438</b>	33%	<b>582</b>	48%	<b>860</b>
<b>Attributable earnings (Rm)</b>	<b>451</b>	26%	<b>569</b>	51%	<b>862</b>
<b>Weighted average number of shares in issue (<i>net of treasury shares</i>) (m)</b>	183		188		203
<b>Earnings per share (cents)</b>					
- Recurring headline	<b>194</b>	28%	<b>249</b>	43%	<b>355</b>
- Headline	<b>239</b>	30%	<b>310</b>	36%	<b>423</b>
- Attributable	<b>246</b>	23%	<b>303</b>	40%	<b>424</b>
<b>Dividend per share (cents)</b>	<b>43</b>	28%	<b>55</b>	82%	<b>100</b>



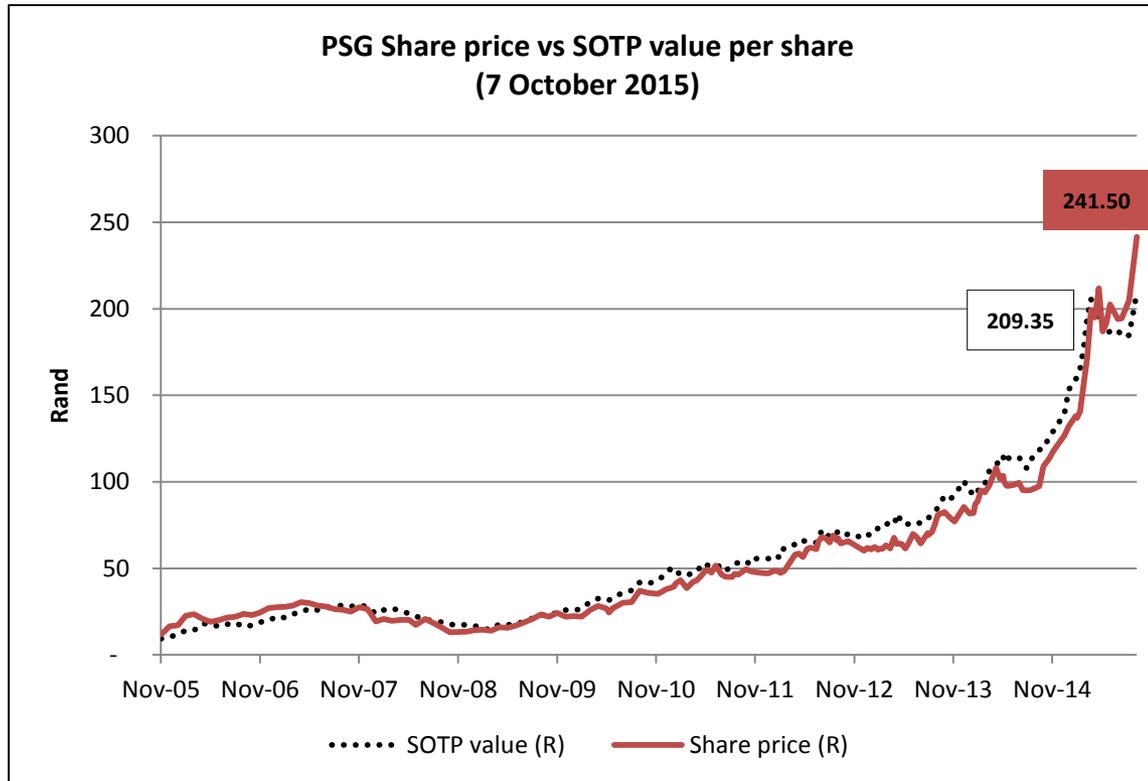
# Long-term performance: Total Return Index (TRI)



*\* Capitec unbundling treated as a dividend  
Returns as at 7 October 2015*



# SOTP value vs. Share price



Liquidity	
Past year	34%
Y/e Feb 2015	17%
Y/e Feb 2014	10%
Y/e Feb 2013	13%
Y/e Feb 2012	8%

*Note:  
The last financial year's liquidity excludes the Steinhoff transaction at the end of June 2015 and a large book over (7.7m shares) at the end of May 2015*





# CAPITEC BANK

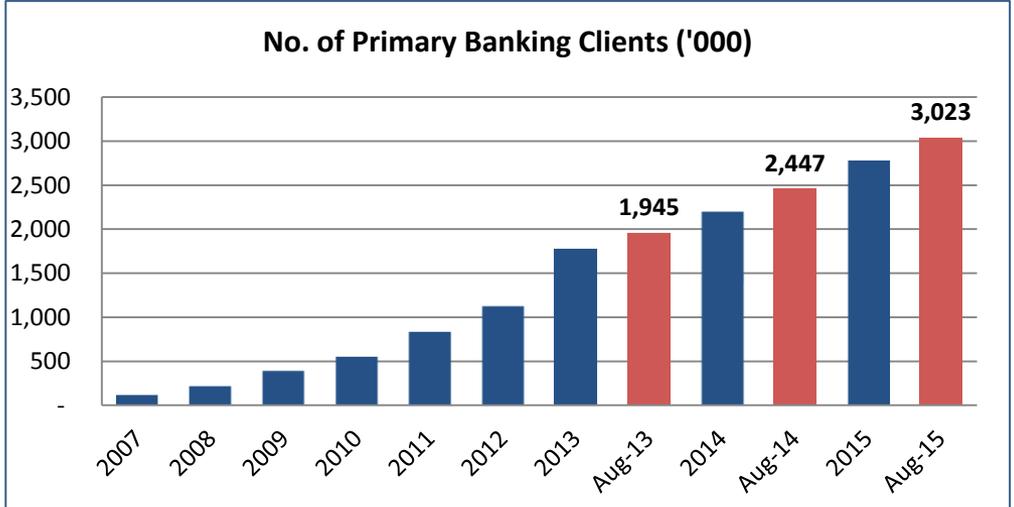
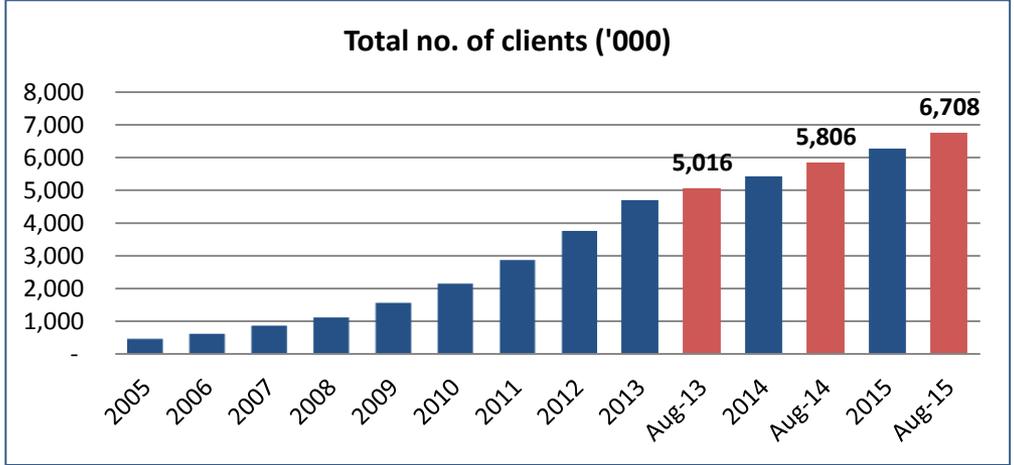
Simplicity is the ultimate  
sophistication



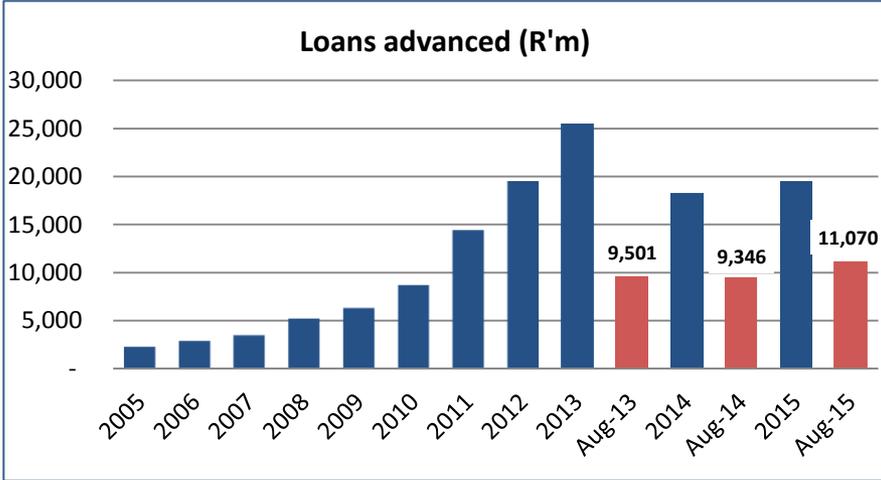
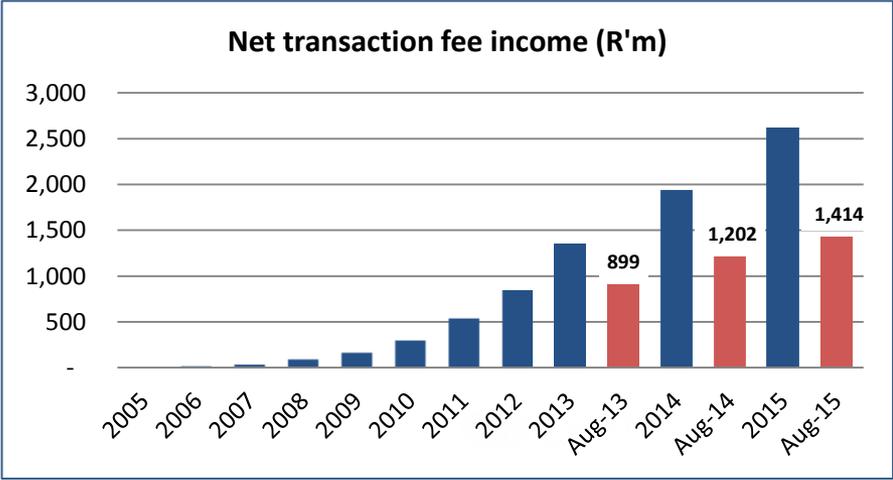
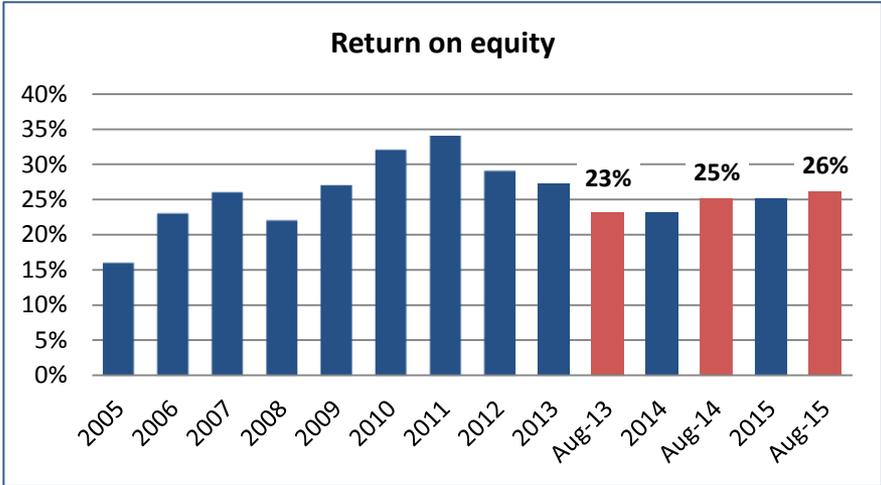
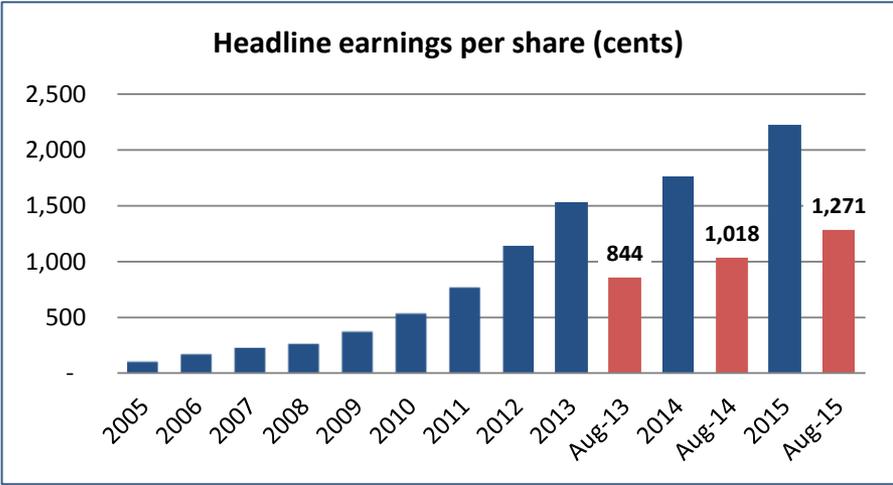
# Client metrics



- Past year nr of clients increased by **902 000** to **6.7m**
  - of which **576 000** was increase in primary banking clients
- Primary banking clients make up **45%** of the client base
- AMPS (June 2015) independent surveys estimate Capitec's share of primary banking clients at **20.6%**
- Growth in numbers of higher income clients



# Key financials



# Arrears and provisions

		Aug-13	Aug-14	Aug-15
Gross loans & advances	R'm	32 644	35 086	37 898
Loans past due (arrears)	R'm	1 799	1 935	1 781
Arrears to gross loans and advances	%	5.5	5.5	4.7
Arrears and arrears rescheduled < 6 months	R'm	2 634	2 680	2 948
Arrears and arrears rescheduled < 6 months to gross loans and advances	%	8.1	7.6	7.8
Provisions for doubtful debts	R'm	3 184	3 763	4 249
Provisions for doubtful debts to gross loans & advances	%	9.8	10.7	11.2
Arrears coverage ratio	%	177	194	239
Arrears and arrears rescheduled < 6 months coverage ratio	%	121	140	144



## Strong and efficient retail bank

- Active *clients per branch*:
  - **9 708** in 2015 (*2 035 in 2005*)
- Lowest cost to income ratio at **36%**  
(*simplicity of product offering*)

## Recoverable loan book

- Good credit granting model:
  - Best of class
  - Term of new loans decreased ave. **41 months**
- Improvement in NPL
  - **4.7%** of gross advances (*5.5% in 2014*)
  - Strict provisioning and write-offs

**FOCUS**

## Well capitalised

- Diversified funding base:
  - strong retail deposit growth of **35%**
- Capital adequacy ratio at **35%**
- Healthy liquidity:
  - **R22.8bn** in cash (**39%** of assets)

## Well positioned for industry changes

- Interchange fees: levers to counter
  - Growth in customers and conversion to primary customers
  - Credit card
- Regulatory changes
  - Insurance charges
  - Advanced affordability assessments





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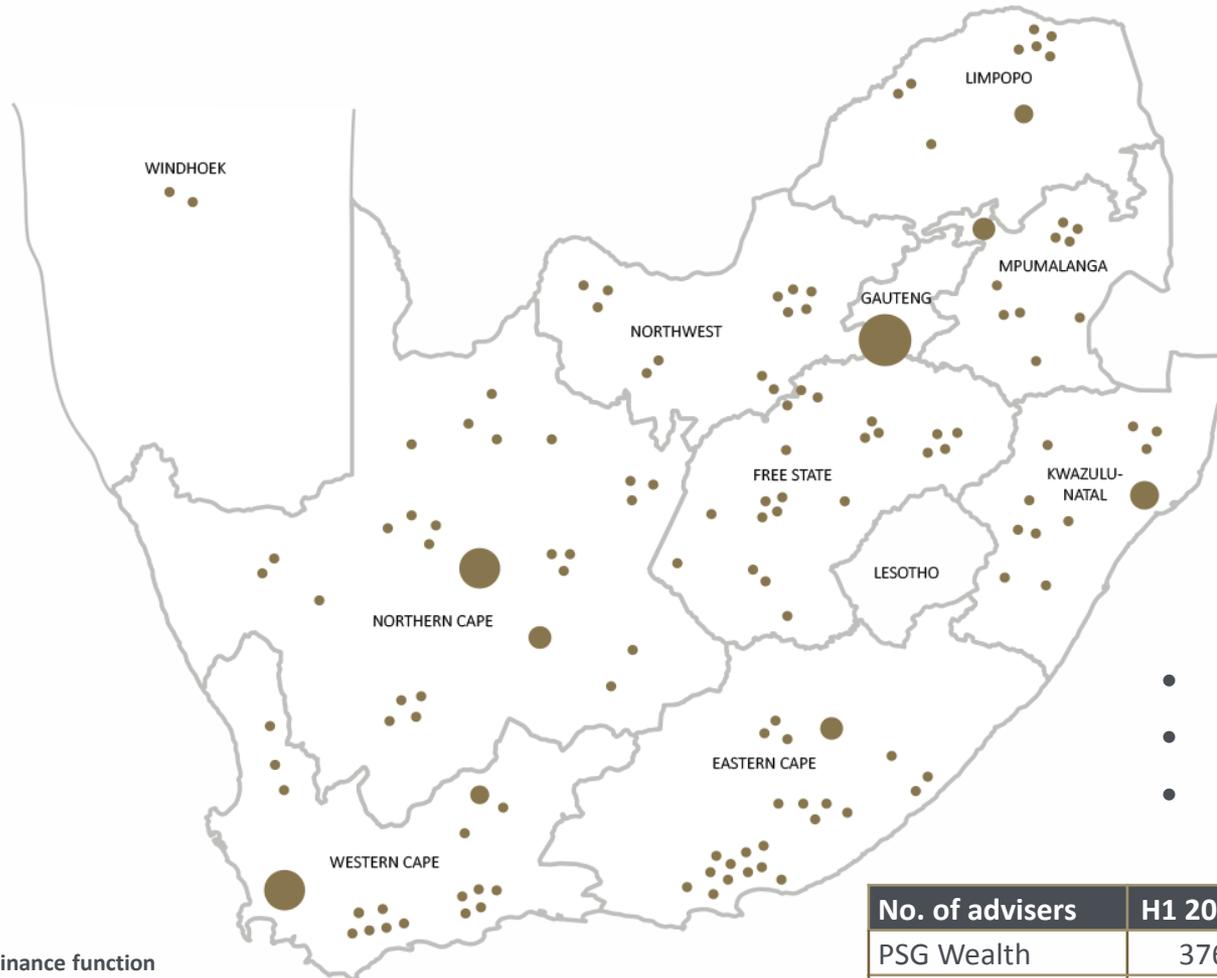
# Investor Roadshow Presentation 2016 interim results

For the six months ended 31 August 2015



# A great company

Wealthy clients serviced where they reside



- 201 offices
- 667 advisers
- 190 000+ clients

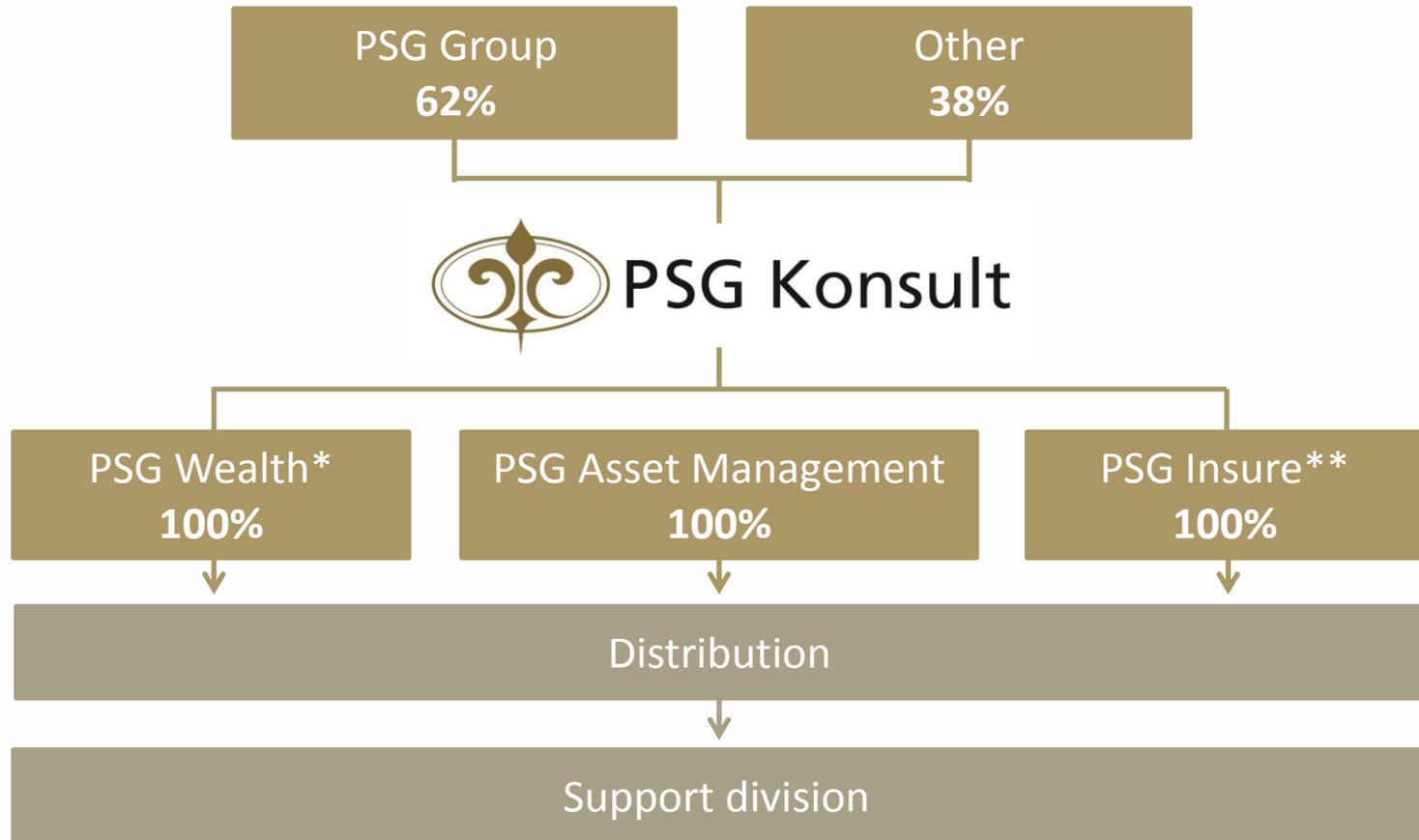
No. of advisers	H1 2013	H1 2014	H1 2015	H1 2016
PSG Wealth	376	391	419	443
PSG Insure	245	219	210	224
<b>Total</b>	<b>621</b>	<b>610</b>	<b>629</b>	<b>667</b>

Source : PSG Finance function

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# PSG Structure



\* Includes PSG Employee Benefits

\*\* Includes Western National Insurance



# H1 2016 financial results overview

Recurring HEPS grew by 26% for H1 2016

Consolidated results	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm
Revenue*	1,210	26%	1,530	14%	1,740
PBT	161	44%	232	25%	290
<b>Headline earnings</b>	<b>109</b>	<b>34%</b>	<b>145</b>	<b>28%</b>	<b>187</b>
- Recurring headline earnings	109	36%	147	27%	187
- Non-recurring headline earnings	-	(100%)	(2)	100%	-
Weighted average number of shares (million)	1,221	3%	1,260	1%	1,267
<b>HEPS (Rand cents)</b>	<b>8.9</b>	<b>30%</b>	<b>11.5</b>	<b>28%</b>	<b>14.7</b>
<b>Recurring HEPS (Rand cents)</b>	<b>8.9</b>	<b>32%</b>	<b>11.7</b>	<b>26%</b>	<b>14.7</b>

<b>Assets under management (Rand billion)</b>	<b>93</b>	<b>39%</b>	<b>129</b>	<b>17%</b>	<b>151</b>
<b>Assets under administration (Rand billion)</b>	<b>200</b>	<b>33%</b>	<b>266</b>	<b>21%</b>	<b>321</b>

\* Total income per IFRS includes consolidated fund and policyholder related income

Note: Figures rounded to the nearest Rmillion



# Headline earnings by division

Total recurring headline earnings growth of 27% year on year

Headline earnings*	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm
Wealth	71	32%	94	28%	120
Asset Management	21	63%	34	37%	46
Insure	17	4%	<sup>^</sup> 17	16%	21
<b>Total</b>	<b>109</b>	<b>34%</b>	<b>145</b>	<b>28%</b>	<b>187</b>

Recurring headline earnings*	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm
Wealth	71	34%	95	27%	120
Asset Management	21	65%	34	36%	46
Insure	17	8%	<sup>^</sup> 18	12%	21
<b>Total</b>	<b>109</b>	<b>36%</b>	<b>147</b>	<b>27%</b>	<b>187</b>

\* All overhead costs are fully allocated

Source : PSG Finance function

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<sup>^</sup> Adverse impact of dilution in shareholding in Western from 90% to 60% = R5.2 m  
Note: Figures rounded to the nearest R' million



# Wealth plans

Growing and protecting clients' wealth

## Wealth management assets overview

Excellence in  
products & services

Top advisers

Superb platform

Wealth assets split (Rm)	FY 2015	Market movement	Net flows	H1 2016	%
Third party funds *	39,436	-99	702	40,039	2%
PSG Multi Managed **	37,468	917	3,578	41,963	12%
Discretionary ***	31,462	484	1,022	32,968	5%
<b>Total managed assets</b>	<b>108,366</b>	<b>1,302</b>	<b>5,302</b>	<b>114,970</b>	<b>6%</b>
Non discretionary	164,627	14,747	-11,764	167,610	2%
Third party administration	8,670	773	438	9,881	14%
<b>Total wealth assets</b>	<b>281,663</b>	<b>16,822</b>	<b>-6,024</b>	<b>292,461</b>	<b>4%</b>

Source: PSG Wealth

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\* Includes PSG single managed funds of R4.8bn for FY2015 and R5.4bn for H12016

\*\* PSG Multi Manager invested in PSG single managed funds of R5.2bn and net flows of R257m YTD

\*\*\* FSB Managers discretionary assets included in non-discretionary and includes R2.6bn of non-fee assets



# Asset management plans

Net new money at acceptable margin

## Asset management assets overview

### Focused marketing

AM assets split (Rm)	FY 2015	Market movement	Net flows	H1 2016	%
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### Investment performance

PSG Single manager	18,432	-29	2,371	20,774	13%
PSG Money market and related assets	2,232	-	624	2,856	28%
PSG Segregated Portfolios	3,148	-106	-397	2,645	-16%
<b>Total assets under management</b>	<b>23,812</b>	<b>-135</b>	<b>2,598</b>	<b>26,275</b>	<b>10%</b>
PSG Wealth administered assets *	37,468	917	3,578	41,963	12%
PSG White Label **	3,445	87	-891	2,641	-23%
<b>Total AM assets</b>	<b>64,725</b>	<b>869</b>	<b>5,285</b>	<b>70,879</b>	<b>10%</b>

### Superb platform

Source: PSG Asset Management

\* Excluded from total PSG assets under administration to eliminate duplication

\*\* During the year PSG decided to cancel all white label contracts



# Asset management - investment performance

Consistent process across funds and over time

Single manager funds	Aug 2015 Performance	1-year rank	3-year rank	5-year rank	10-year rank
PSG Flexible	Rank	18	9	12	3
	Return	11.19%	18.34%	17.20%	16.65%
PSG Equity A	Rank	54	3	6	11
	Return	3.87%	20.42%	19.71%	15.57%
PSG Balanced A	Rank	15	19	18	12
	Return	10.59%	15.43%	14.84%	12.72%
PSG Stable	Rank	32	41		
	Return	8.63%	10.35%		



Tower Watson survey for December 2014: PSG Balanced Fund lowest in terms of absolute risk

Source : MorningStar Aug 2015 report

... lower risk



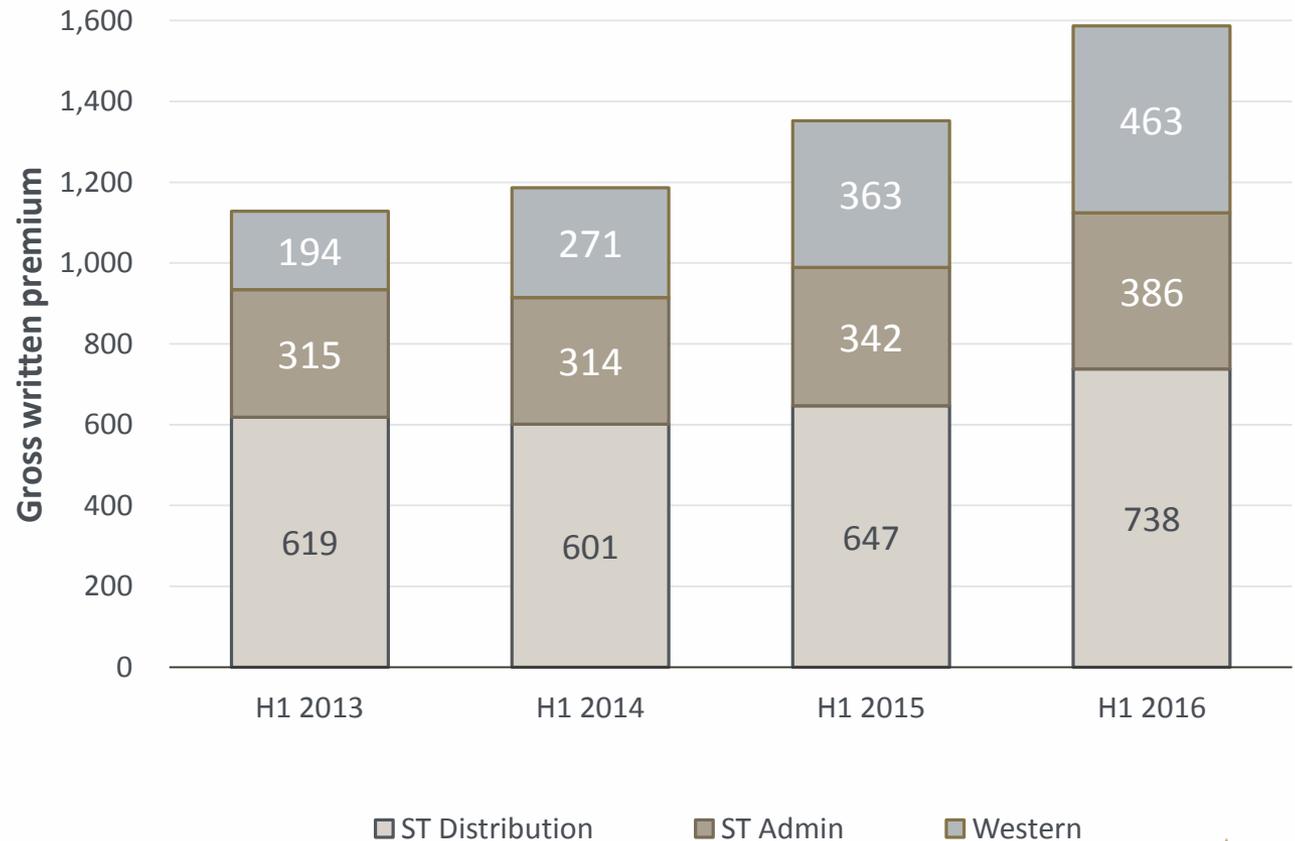
# Insure management plans

Top advisers

Excellence in underwriting

Superb platform

Half yearly PSG Insure gross written premium (Rm)



Western acquisition – Nov'12

Source : PSG Insure



# Insure – Western National

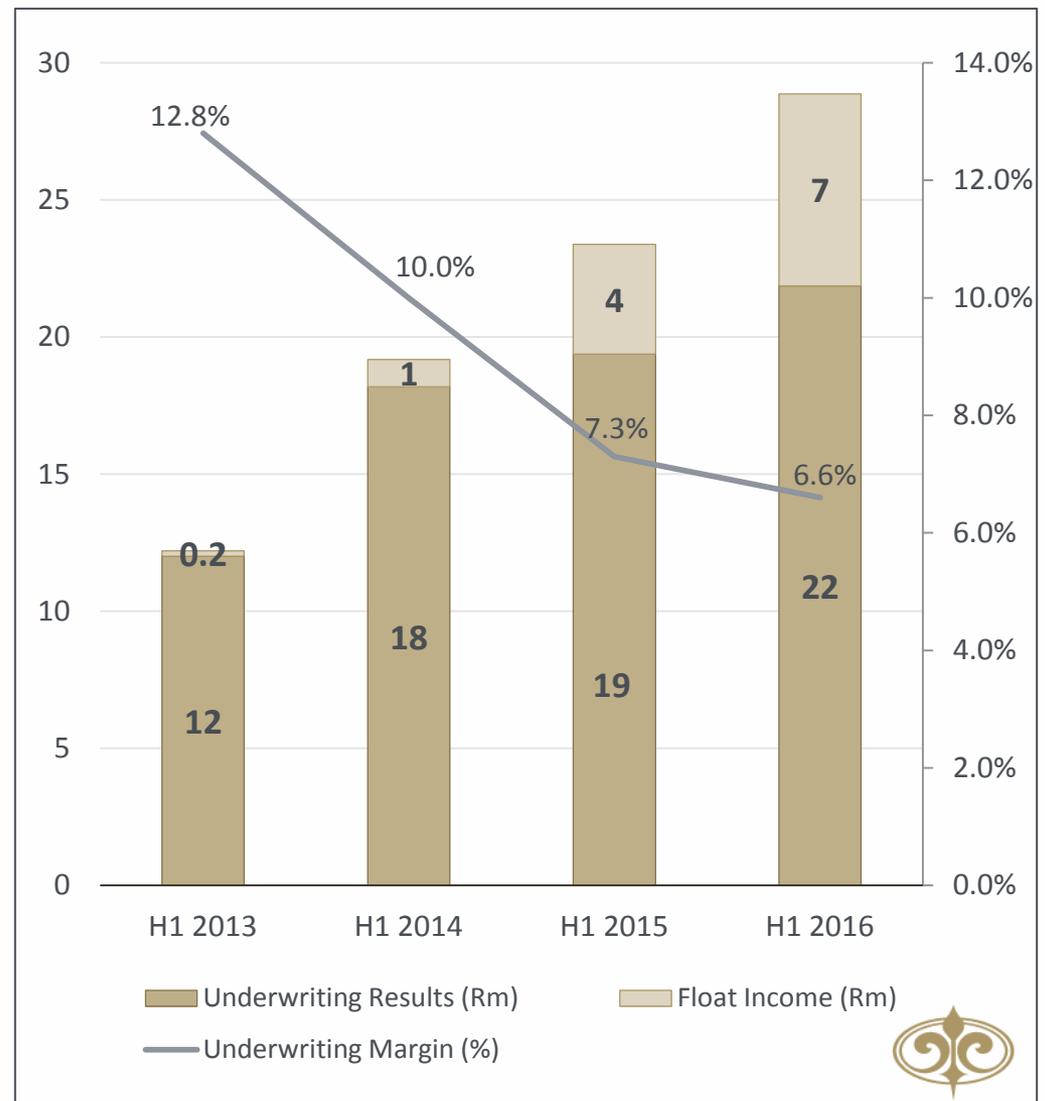
## Insurance results

### Key differentiators

- Highly personalised service to brokers
- Focus on commercial business

### Excellence in underwriting

- Healthy insurance float level >R480m
- Limited insurance and investment risk retention levels



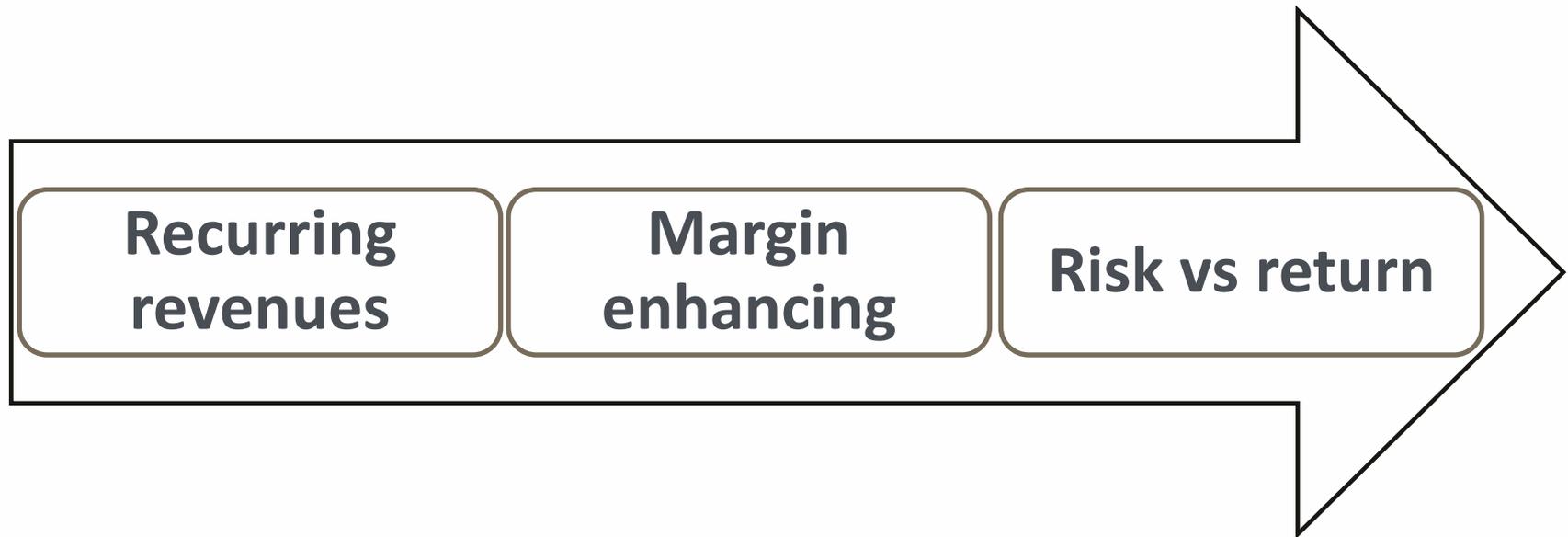
Source: PSG Insure

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# Reducing risk



	<u>H1 14</u>	<u>H1 15</u>	<u>H1 16</u>
Perf fees/HE	10.2%	7.0%	7.5%
Recurring HEPS	8.9c	11.7c	14.7c

	<u>H1 14</u>	<u>H1 15</u>	<u>H1 16</u>
Op margin	13.0%	14.1%	14.2%
C:I %	66.2%	63.0%	63.0%

	<u>H1 14</u>	<u>H1 15</u>	<u>H1 16</u>
ROE	23.8%	24.0%	23.9%
Debt : Equity	16.5%	4.6%	0.7%



# Financial trend

We always look at a 10-year rolling track record

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	CAGR %	H1 2015	H1 2016	YoY Gwth %
<b>AUA (Rbn)</b>	14	21	43	53	44	72	97	139	180	235	308	36%	<b>266</b>	<b>321</b>	<b>21%</b>
<b>Premiums (Rbn)</b>	0.1	0.4	0.8	1.0	1.4	1.5	1.6	1.6	2.1*	2.5	2.8	40%	<b>1.4</b>	<b>1.6</b>	<b>14%</b>
<b>Revenues (Rm)</b>	160	246	540	726	823	901	1,018	1,604	1,846	2,557	3,015	34%	<b>1,530</b>	<b>1,740</b>	<b>14%</b>
<b>Headline earnings (Rm)</b>	11	17	46	87	97	90	92	162	174	244	339	41%	<b>145</b>	<b>187</b>	<b>28%</b>
<b>Shares in issue (m)</b>	373	379	695	732	733	730	733	1,072	1,210	1,221	1,261	13%	<b>1,262</b>	<b>1,279</b>	<b>1%</b>
<b>Headline earnings per share (cents)</b>	2.9	4.4	8.2	12.0	13.2	12.3	12.5	15.2	15.4	20.0	26.9	25%	<b>11.5</b>	<b>14.7</b>	<b>28%</b>

\* Includes Western National Premiums from Nov 2012.





# Interim results highlights *(June 2015)*

Revenue		<b>R705m</b>
EBITDA - Schools		<b>R204m</b>
EBITDA		<b>R164m</b>
HEPS		<b>14.8c</b>
Learners		<b>36 085</b>
Campuses		<b>42</b>

# Strategic corporate action

Action	Planned for 2015	Comment
<b>New schools</b>	R400m	Six new schools being built, namely: <ul style="list-style-type: none"> <li>• Sitari Fields (<i>Somerset West</i>)</li> <li>• Waterfall Estate (<i>Midrand</i>)</li> <li>• Hillcrest High School (<i>Durban</i>)</li> <li>• Curro Castle (<i>Douglasdale</i>)</li> <li>• Curro Castle (<i>Bryanston</i>)</li> <li>• Embury Institute (<i>new campus</i>)</li> </ul>
<b>CAPEX on existing campuses</b>	R600m	Additional classrooms, sport and cultural facilities
<b>Acquisitions</b>	R180m Windhoek Gymnasium	
<b>Land banking spend</b>	R200m	
<b>Curriculum development</b>	R13m	



# PIPELINE (Confirmed)

	2015	2016	2017	2018	2019
<b>Campuses</b>					
Start	42	47	55	64	69
New	5	8	9	5	
<b>End of year</b>	<b>47</b>	<b>55</b>	<b>64</b>	<b>69</b>	<b>69</b>
<b>Schools</b>					
Start	101	110	124	141	157
New	9	14	17	16	
<b>End of year</b>	<b>110</b>	<b>124</b>	<b>141</b>	<b>157</b>	<b>157</b>





# Curro – J-Curve

First year	# of campuses	Learner numbers					EBITDA Rm					EBITDA margin		
		Jun-13	Jun-14	Δ	Jun-15	Δ	Jun-13	Jun-14	Δ	Jun-15	Δ	Jun-13	Jun-14	Jun-15
2009 and before	12	14,169	15,360	8%	15,998	4%	65	92	42%	113	23%	32%	34%	35%
2010	2	1,640	1,999	22%	2,131	7%	4	9	155%	12	34%	15%	26%	29%
2011	6	2,961	3,720	26%	4,382	18%	3	14	419%	20	46%	6%	22%	23%
2012	2	1,006	1,351	34%	1,599	18%	1	4	428%	8	68%	6%	19%	23%
2013	4	2,132	3,643	71%	4,918	35%	3	20	467%	33	68%	13%	35%	37%
<b>Jun-13</b>	<b>26</b>	<b>21,908</b>	<b>26,073</b>	<b>19%</b>	<b>29,028</b>	<b>11%</b>	<b>75</b>	<b>139</b>	<b>85%</b>	<b>186</b>	<b>33%</b>	<b>24%</b>	<b>29%</b>	<b>32%</b>
2014 Acquired	3		2,027		2,066	2%		4		19	435%		14%	30%
2014 Developed	4		799		1,267	59%		(3)		1	n/a		(27%)	5%
<b>Jun-14</b>	<b>33</b>	<b>21,908</b>	<b>28,899</b>	<b>32%</b>	<b>32,361</b>	<b>12%</b>	<b>75</b>	<b>140</b>	<b>86%</b>	<b>206</b>	<b>47%</b>	<b>24%</b>	<b>29%</b>	<b>31%</b>
2015 Acquired	1				600					3				23%
2015 Developed	8				3,124					(5)				(14%)
<b>Jun-15</b>	<b>42</b>	<b>21,908</b>	<b>28,899</b>	<b>32%</b>	<b>36,085</b>	<b>25%</b>	<b>75</b>	<b>140</b>	<b>86%</b>	<b>204</b>	<b>45%</b>	<b>24%</b>	<b>29%</b>	<b>29%</b>





# Competitive advantages

- Quality executive team
- Close alignment with contractors – reducing building time and cost
- Significant spend on curriculum development
- Cost reduction due to efficiencies as a result of scale
- More schools performing at or ahead of target
- Significant quality investment opportunities remain





## **Fee discussion**



# Fee summary

- 2½ years ago, Zeder shareholders engaged with PSG to change the fee structure
- Key shareholder concerns:
  - Fee was based on NAV, which shareholders felt could be open to manipulation
  - Effectively no performance fee element
- The current fee structure became effective in March 2013
- Basic terms of the current fee structure:
  - Base fee calculated at 1.5% of Zeder's market cap;
  - Performance fee of 20% of the Zeder share price outperformance of the GOVI + 4%:
    - Capped at the base fee – however, the excess reduces the high watermark



# Are fees justified?

- **Shareholders should measure Zeder like a unit trust**
- Fact: all asset managers charge fees to manage their assets
  - In many instances performance fees are earned if they outperform their benchmarks
  - Flagship funds of asset managers charge 3% and more
- Since inception (1 Dec 2006) relative returns compounded per annum:
  - Top unit trust: 19.2% (charge fees of 2.7% p.a.)
  - Zeder: 18.6%
  - JSE: 12.5%
  - 100<sup>th</sup> best fund: 11.0% (charge 1.7%)
  - *More than a 1,000 unit trusts*
- Is the Govi + 4% (~12.5%) a reasonable benchmark?
  - JSE year to date: 5.7%
  - JSE in 2014: 7.6%
  - JSE since inception: 12.5% p.a.



# Current issues with the fees?

- Due to the specific accounting of an investment company our fees are highlighted significantly more than in the unit trust world
- Due to Zeder's strong performance, the size and consequent payment of the management fees are putting pressure on its cash flow
- Three months ago we embarked on a process to amend the fee structure to address the cash flow concerns, by engaging various Zeder shareholders



# Proposed amendments

- There will be no change to the fee calculation
- Payment of fees (both management and performance fees) will from now on always be in the form of Zeder shares
  - All cash flow generated from Zeder's underlying investments will then be available to pay dividends or to grow the Zeder business
- Other issues relating to shares issued in lieu of cash fees:
  - Shares will only be issued to PSG at a maximum discount of 15% to the SOTP per share of Zeder
    - If the current discount of ~27% remains it would result in PSG effectively only earning a 1.29% base fee
  - The shares will not form part of future fee calculations
  - Shareholders need to give a blanket approval that PSG will not trigger a mandatory offer should our interest increase above 35% as a result of the issue of the shares



# Process

- Need to get additional support of major shareholders
- Shareholders and regulatory authorities to approve by early 2016
- New fee structure effective for the Feb 2017 financial year
- *PSG cannot vote on proposed amendments*

*[Note inserted on 27 Nov 2015: Please note that no progress has been made to date and it is uncertain whether we will proceed or not]*





# **Interim results**

**1H FY2016**

Presented by:

**Norman Celliers**

*Our corporate strategy and business definition remains unchanged...*

- Long-term value investor with a primary focus on Agribusiness, specifically the food and beverage sectors
- Listed on the JSE – ZED - hybrid private equity vehicle
- Key characteristics of investment considerations:
  - Growth sectors or subsectors
  - Management with proven track record
  - High barriers to entry
  - Unique and defensible products (brands)
  - Simple (easy to understand)
  - Scalable business models
  - Focused execution

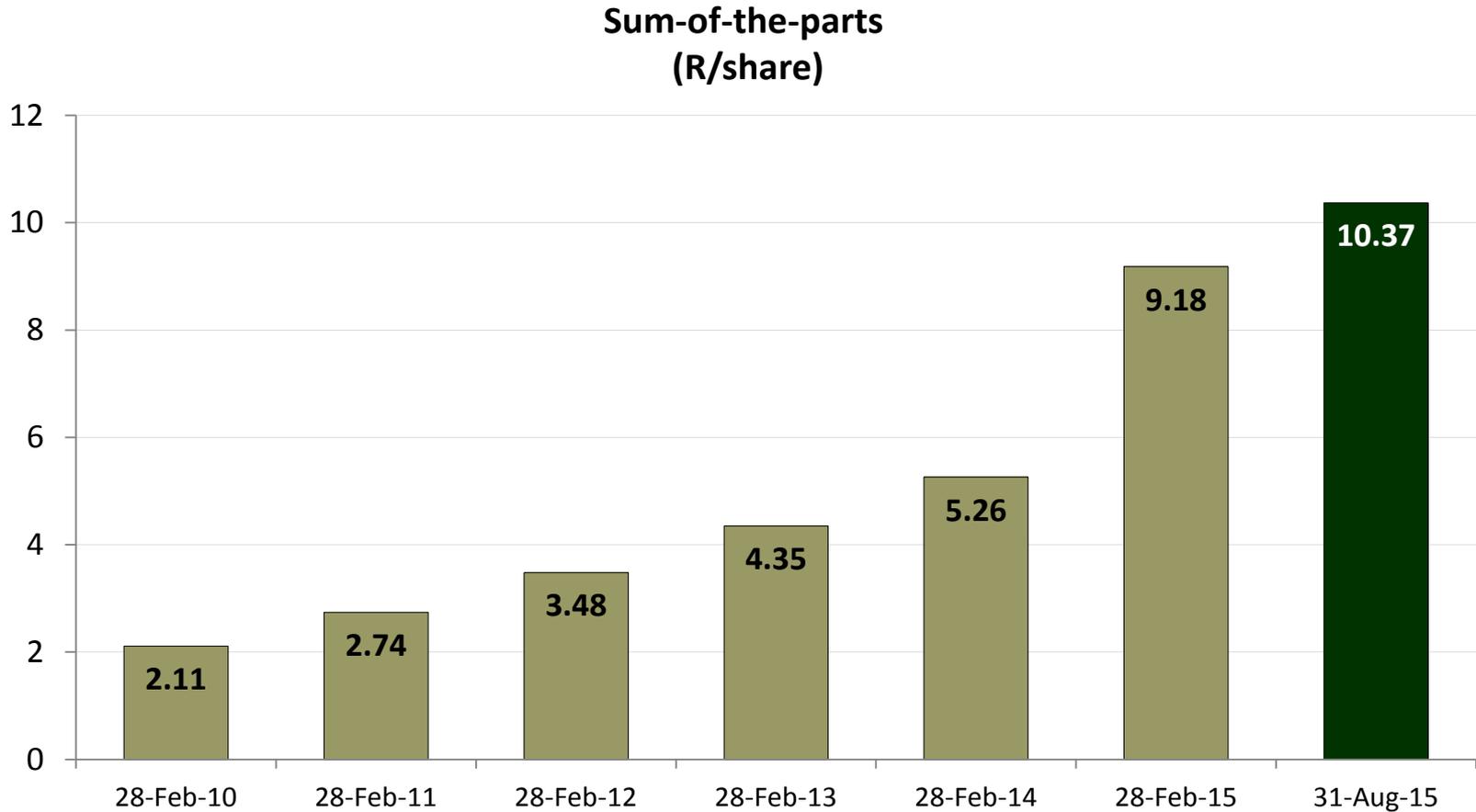
*... with an expanded active strategy aimed at investing in and growing large businesses.*

	Before 2012	Since 2012
<b>Industry:</b>	<ul style="list-style-type: none"><li>• Agribusiness</li></ul>	<ul style="list-style-type: none"><li>• Agribusiness</li></ul>
<b>Sub-sector:</b>	<ul style="list-style-type: none"><li>• Food and Beverages</li></ul>	<ul style="list-style-type: none"><li>• Food and Beverages</li></ul>
<b>Geography:</b>	<ul style="list-style-type: none"><li>• South Africa (Direct)</li><li>• Rest of World (via portfolio)</li></ul>	<ul style="list-style-type: none"><li>• South Africa (Direct)</li><li>• Sub-Sahara Africa (Direct)</li><li>• Rest of World (via portfolio)</li></ul>
<b>Criteria:</b>	<ul style="list-style-type: none"><li>• Arbitrage</li><li>• Undervalued</li></ul>	<ul style="list-style-type: none"><li>• Arbitrage</li><li>• Undervalued</li><li>• Growth sectors</li><li>• Consolidation</li></ul>
<b>Influence:</b>	<ul style="list-style-type: none"><li>• Passive</li></ul>	<ul style="list-style-type: none"><li>• Passive</li><li>• <b>Active</b></li></ul>

**Invest in and build the businesses of tomorrow**

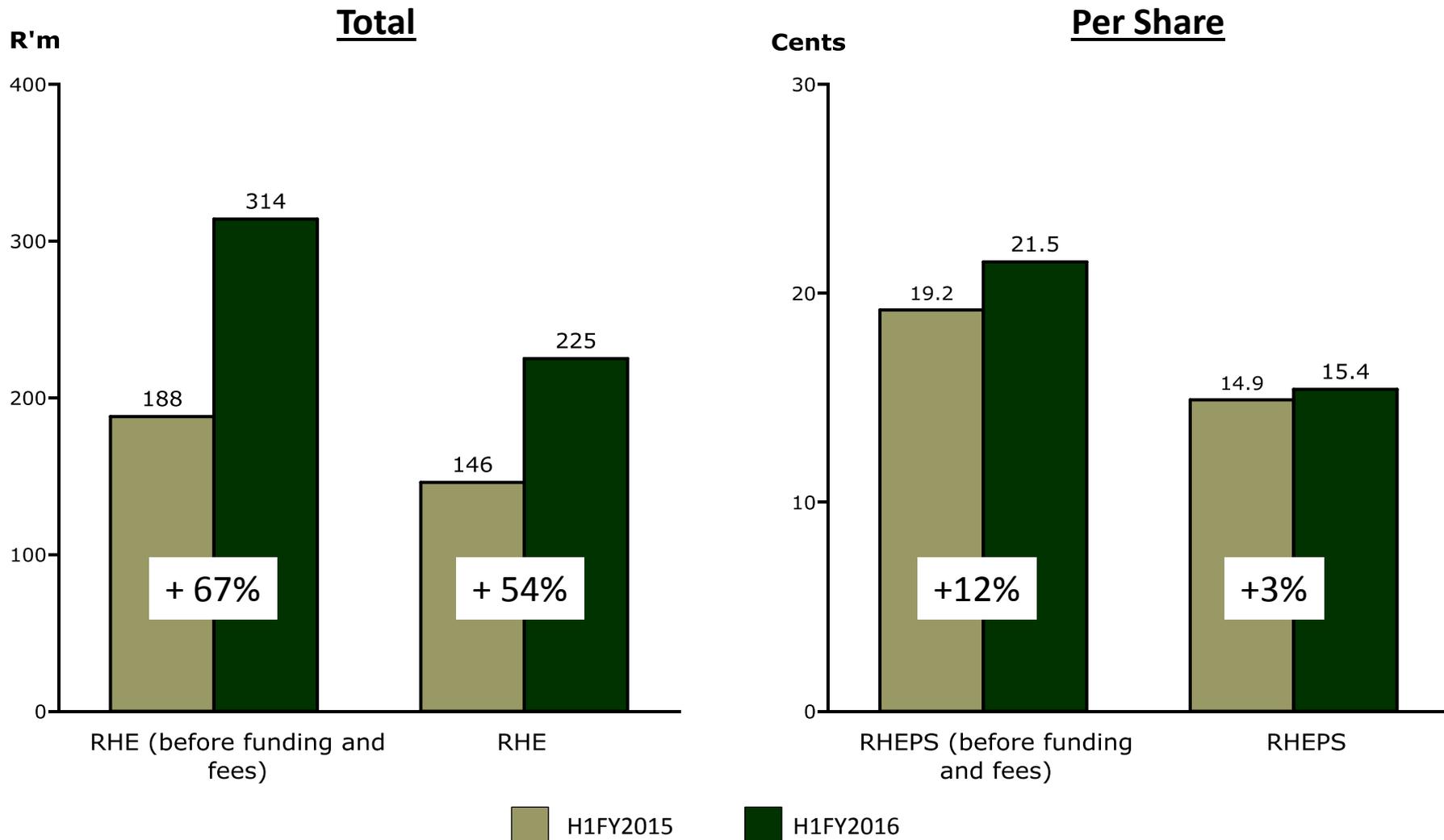
# Interim results - SOTP

*Zeder's SOTP value per share increased by 13% to R10.37 as on 31 August 2015.*



# Interim results – Earnings from investments

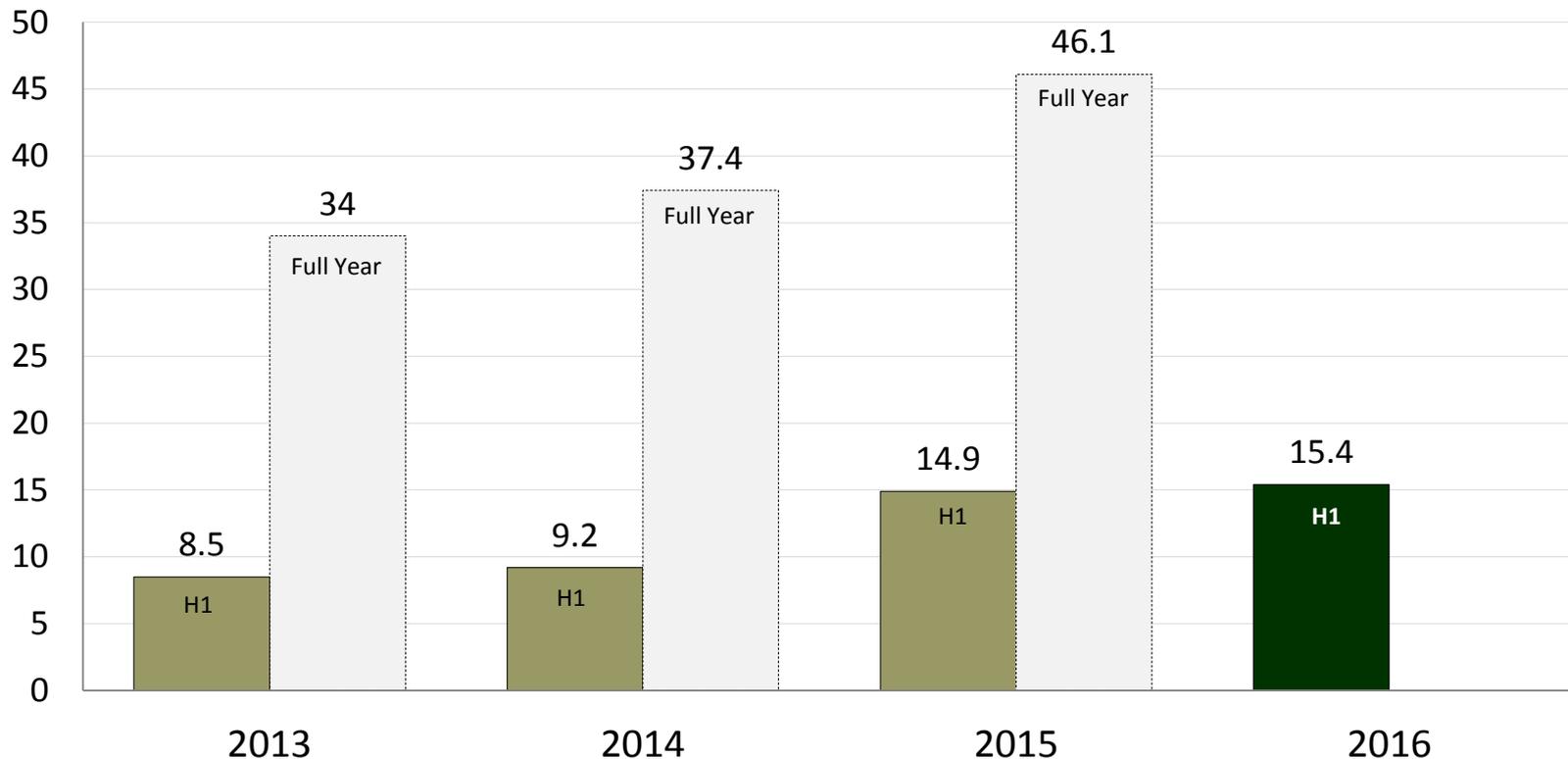
*Earnings contribution from underlying portfolio companies increased substantially as a result of the Agri Voedsel merger...*



# Interim results – Recurring headline earnings

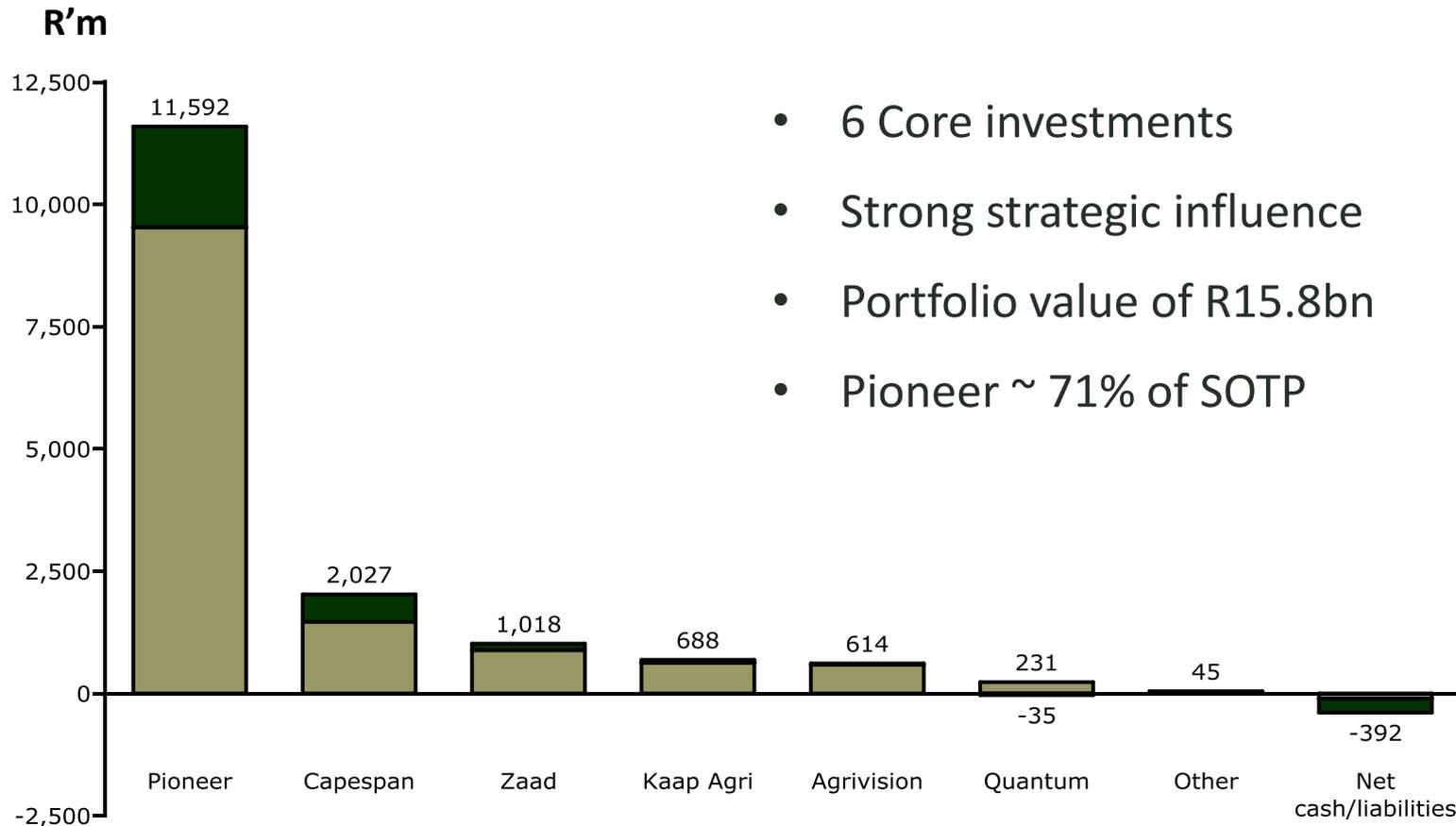
*... while, on a per-share basis, recurring headline earnings increased by 3.4% compared to first 6 months in prior reporting year.*

Recurring headline earnings from portfolio companies  
(cents per share)



# Portfolio distribution

*Pioneer remains the largest investment but remainder of portfolio increasing in size and significance.*



- 6 Core investments
- Strong strategic influence
- Portfolio value of R15.8bn
- Pioneer ~ 71% of SOTP

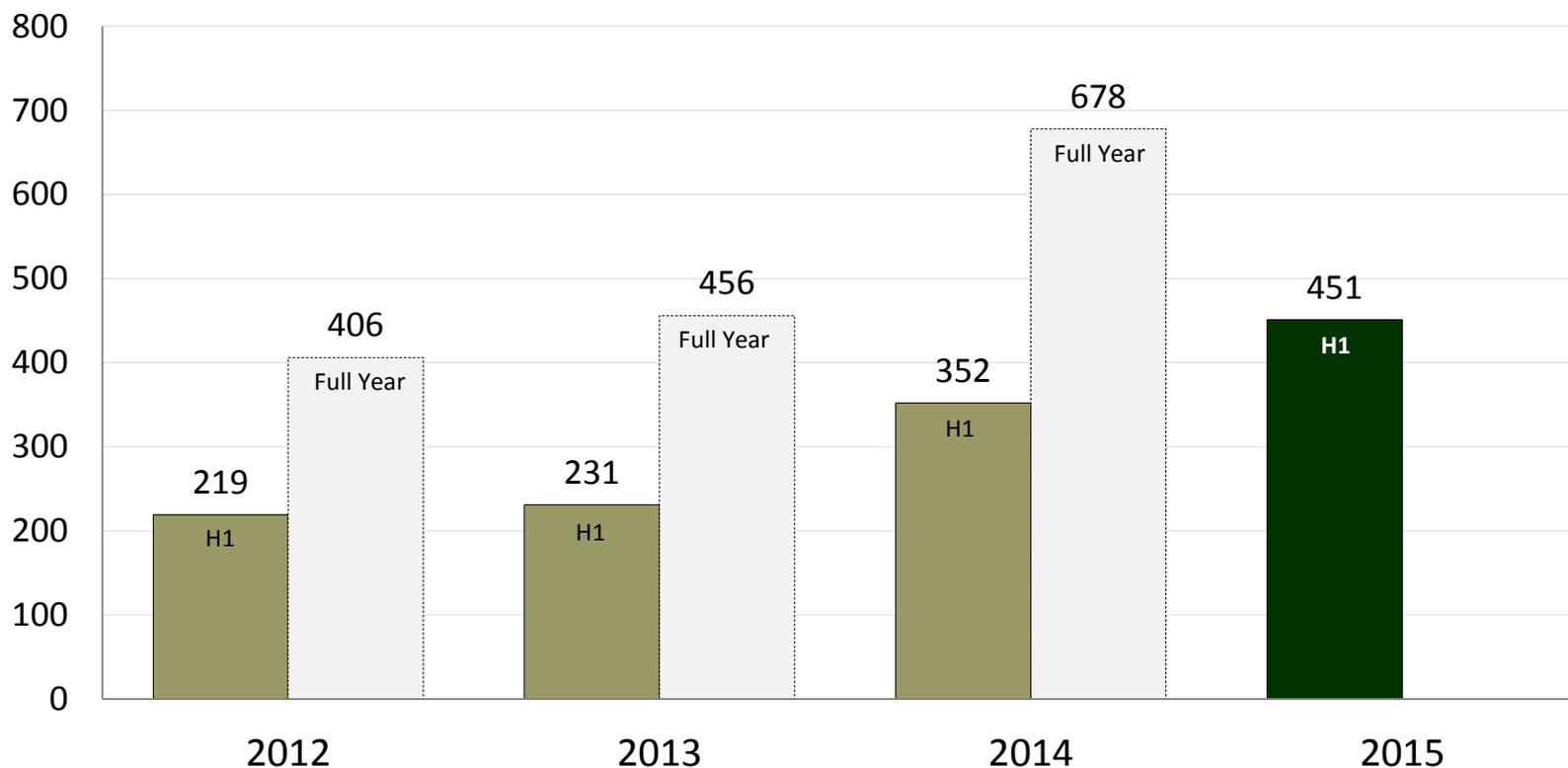
As reported for 28 Feb 2015

As adjusted for 31 Aug 2015

***Pioneer delivered strong results and reported an increase of 39% in Adjusted HEPS for their 6 months ended 31 March 2015...***



Recurring headline earnings from portfolio companies  
(cents per share)



# Portfolio review

*... and the trend in operational margin improvement has to be commended.*

	1H 2012 *	1H 2013	1H 2014	1H 2015
Operating Profit (R'm)	624	581	855	1,166
<i>Gross Margin</i>	<i>28.9%</i>	<i>29.3%</i>	<i>30.3%</i>	<i>32.3%</i>
<i>Operating Margin</i>	<i>6.8%</i>	<i>7.2%</i>	<i>9.7%</i>	<i>12.3%</i>
Headline earnings per share (cents)	219	230	325	451

*Capespan is growing as an organisation with significant strategic alignment underway.*

	2011	2012	2013*	2014
Revenue (R'm)	2 759	5 232	7 149	7 392
Recurring headline earnings (R'm)	64	99	139	159
<b>Recurring headline earnings (c/share)</b>	<b>21</b>	<b>31</b>	<b>44</b>	<b>49</b>

Zeder successfully concluded the buy-out of all minority shareholders excl. management in Capespan during the period under review – R500m

*Zaad continues to grow revenues from existing business while investing in new opportunities, both locally and internationally.*



	2012	2013	2014	2015
Revenue (R'm)	249	294	465	947
Recurring headline earnings (R'm)	28	36	54	77
<b>Recurring headline earnings (c/share)</b>	<b>314</b>	<b>349</b>	<b>406</b>	<b>444</b>

Invest, expand and grow in South Africa, Africa, Europe and Middle East

***Kaap Agri delivered satisfactory results for 1<sup>st</sup> 6 months and is benefiting from non-agri growth.***



	2011	2012	2013	2014
Revenue (R'm)	2 624	4 233	5 530	6 528
Recurring headline earnings (R'm)	78	103	129	158
<b>Recurring headline earnings (c/share)</b>	<b>106</b>	<b>148</b>	<b>183</b>	<b>224</b>

Continue to invest and expand in Core-Agri offering while simultaneously investing in higher growth adjacencies

***Agrivision Africa remains in J-curve but has increased revenues and continues to grow.***



Agrivision Africa

	2013	2014	Δ (%)
Revenue (R'm)	138	353	156
Operating (loss)/profit (R'm)	(2.4)	5.1	n/a
Recurring headline loss (R'm)	(10.9)	(11.7)	n/a



Successfully completed strategic equity participation of \$30m (~R360m)

# Portfolio review

*Following a period of extreme challenges in the industry, Quantum delivered improved results.*



	2013	2014	Δ (%)
Revenue (R'bn)	3.5	3.6	3.1
Recurring headline (loss)/earnings (R'm)	(80)	26	n/a

Very strong interim results released – R62m headline earnings

***We remain optimistic about the prospects of the group.***

- Strong existing portfolio and management teams
- Internal focus offers additional opportunities
- Platform growth and adjacency expansion attractive
- Strategic investment and diversification when appropriate



**Thank you**



# **Interim results**

**1H FY2016**

Presented by:  
**Nico de Waal**



# Current portfolio

## Services

### Financial



### Outsourcing



### Energy



### Mining



### Retail



## Education



## Technology



# Financial performance

		<b>FY15 H1</b>	<b>FY16 H1</b>	<b>% change</b>
Recurring Headline Earnings	Rm	16.3	46.7	186%
Recurring Headline Earnings	cps	1.6	3.9	144%



# ENERGY ● PARTNERS

Powered by results



# Across value chain, multiple disciplines

*Sell*

*Invest*

*Build*

*Design*

*Monitor*

*Electricity*

*Steam*

*Cold Air*

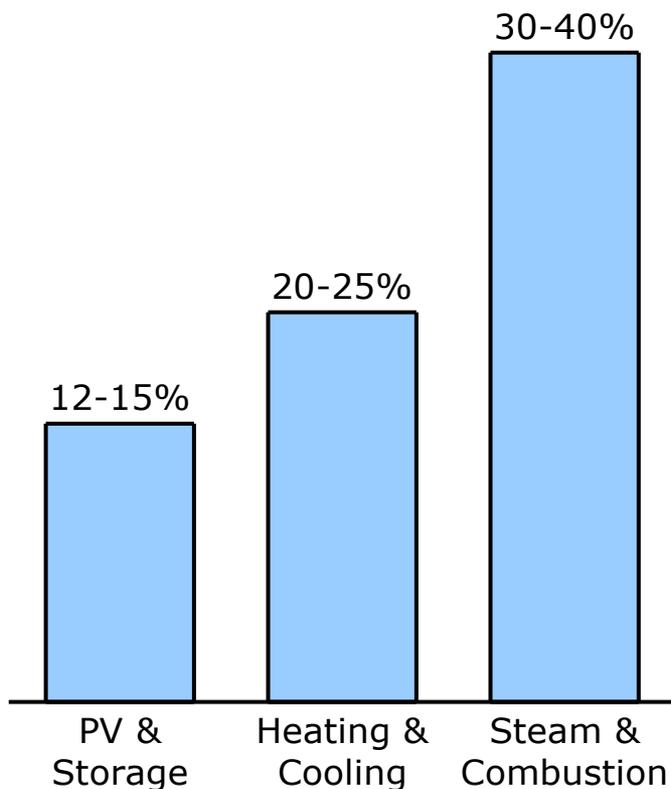
*Hot Water*

The collage illustrates the energy value chain across multiple disciplines. The 'Invest' section shows a calculator and documents. The 'Electricity' section features solar panels. The 'Steam' section shows industrial machinery. The 'Cold Air' section shows pipes and tanks. The 'Hot Water' section shows a rooftop unit. The 'Build' section shows a construction site. The 'Design' section shows architectural plans. The 'Monitor' section shows a dashboard with various charts and graphs.

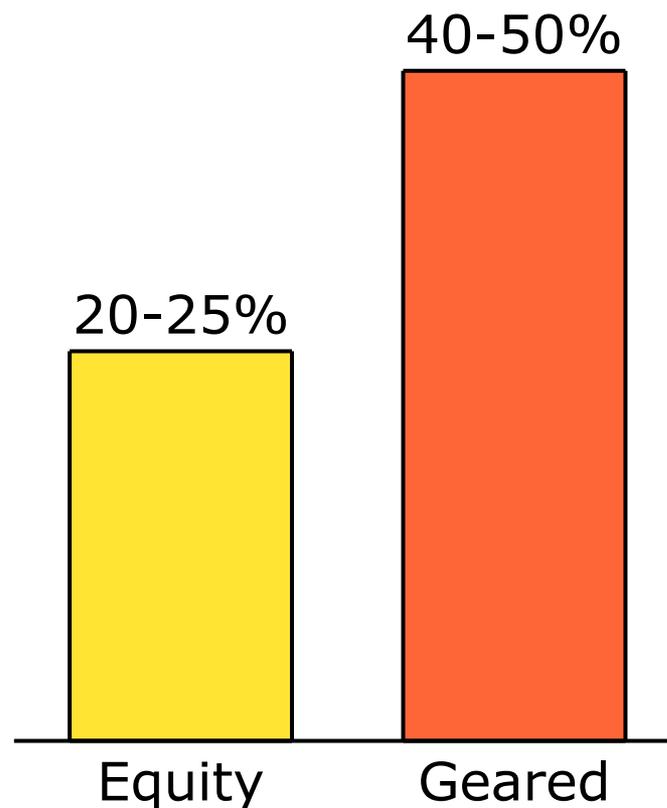


# Energy Assets investment returns

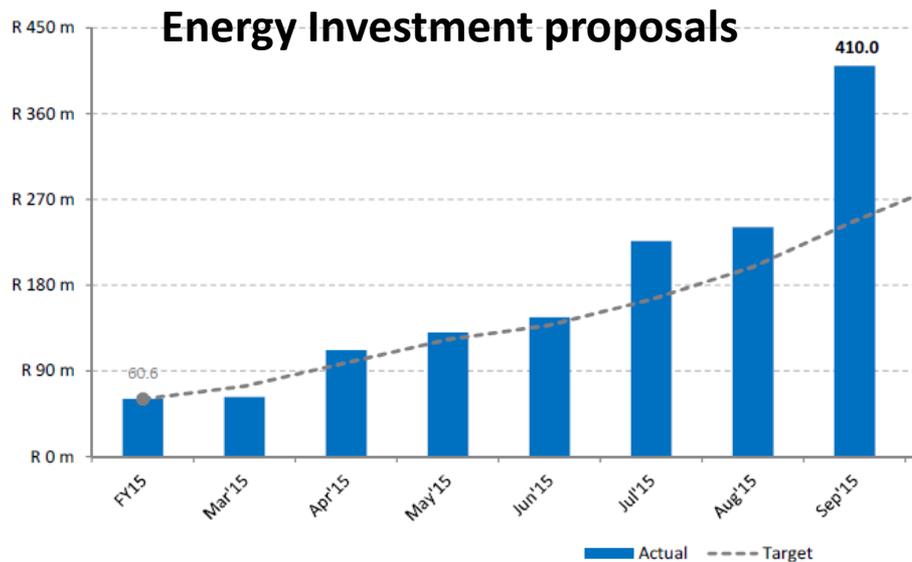
Starting Yields



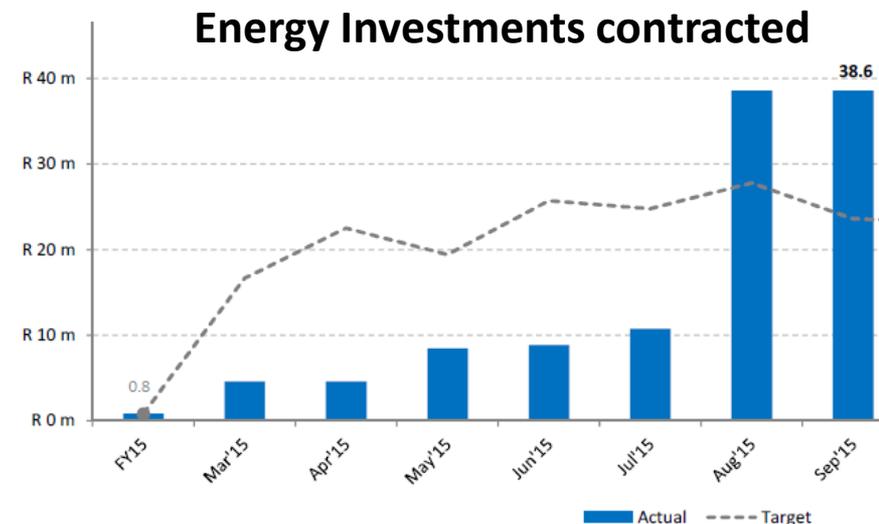
Returns (pre-Tax IRRs)



# FY16 progress



**>R400M** proposals in market; trend accelerating to **>R80M / month**



**R38M** already contracted



# Outlook

- Close R100m+ of energy-rental deals in FY16
- Continue expanding installation capacity
- Drive down cost through strategic sourcing
- Launch residential solution
  - PV & battery combination
  - Save cost and eliminate load shedding





# Sub-Saharan FMCG distributor



# Operations, in-store execution





# Outlook

- New Warehousing facilities in Zimbabwe, Swaziland & Namibia
- Continue organic and acquisitive growth (8 acquisitions to date)
- Full year revenue of R3.4bn, healthy earnings growth
- Potentially an exciting African listing in due course





# Large aspiration

Contribute significantly  
to the development of our youth  
in South Africa  
by providing innovative and accessible  
basic education solutions



# Three channels

## Channel description

## What we offer



### Registered independent schools

- Integrated education solution to the school
- Curriculum, facilitation, assessment and administrative support
- Increases teacher time spent on learning and facilitation



### Tutors who provide services to home education learners

- Tutor as licensed service provider to home education parents
- Develop own tutoring style and embrace passion for education



### Parents who education their children at home

- One-stop-shop to home education parents for curriculum, facilitation and assessment
- Centralised academic and assessment support



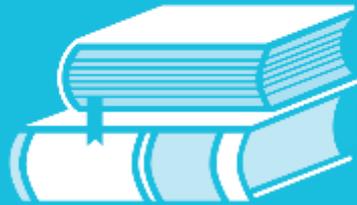
# Future focus on schools & tutors



# Sells “scale” to schools & tutors

All the materials that learners need to successfully complete their academic year

LEADING-EDGE  
CAPS ALIGNED CURRICULUM



COMPREHENSIVE FACILITATION  
MATERIAL AND SUPPORT



Comprehensive set of products to teachers, empowering them to spend more time teaching

All tests, tasks and exams as per CAPS requirements, with associated reporting



STANDARDISED  
ASSESSMENT ELEMENTS



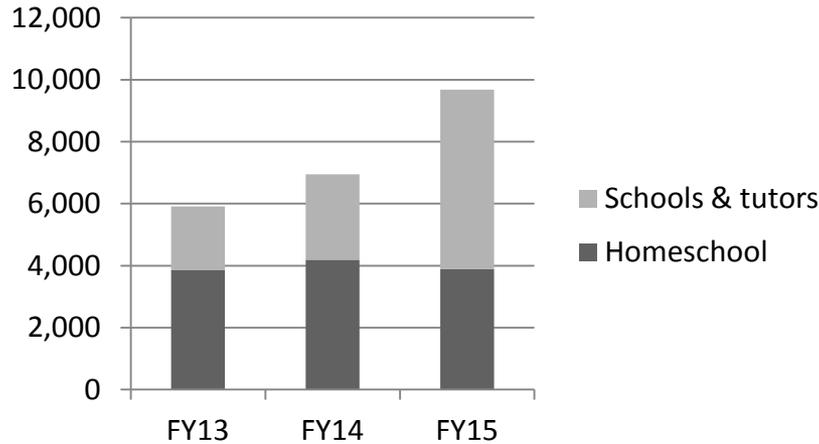
SIMPLIFIED ACADEMIC  
ADMINISTRATION SOLUTIONS

Effective and efficient academic administration



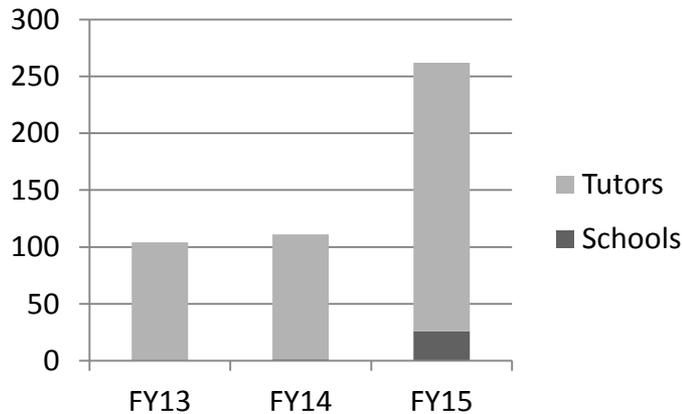
# Strong growth & scaleable

## Learners by channel



- FY15 growth of 40% to ~10,000 learners
- Very strong schools and tutor channel growth via “corporate” sales

## # of tutors and schools



- Successfully entered schools market FY15
- Now serving 260 tutors and schools
- Significant same-school growth potential



# Large potential market

SA school population estimate per mode of delivery  
'000 learners

 Impak focus market

	<u>2013 actual</u>	<u>2021 estimate<sup>3</sup></u>
Public schools	11 307	11 543
Model C schools	1 096	1 222
Private schools	868	1 408
Home education <sup>1</sup>	66	202
Other & non-registered	1 994	1 319
<b>Total<sup>2</sup></b>	<b>15 331</b>	<b>15 694</b>

- Private schools and home education will grow to ~1.6m learners in 2021
- Impak target of 90 000 learners represents 6% of this market

1 Includes Tutors who support home education learners

2 The total corresponds to the South African population between the ages of 5 and 19

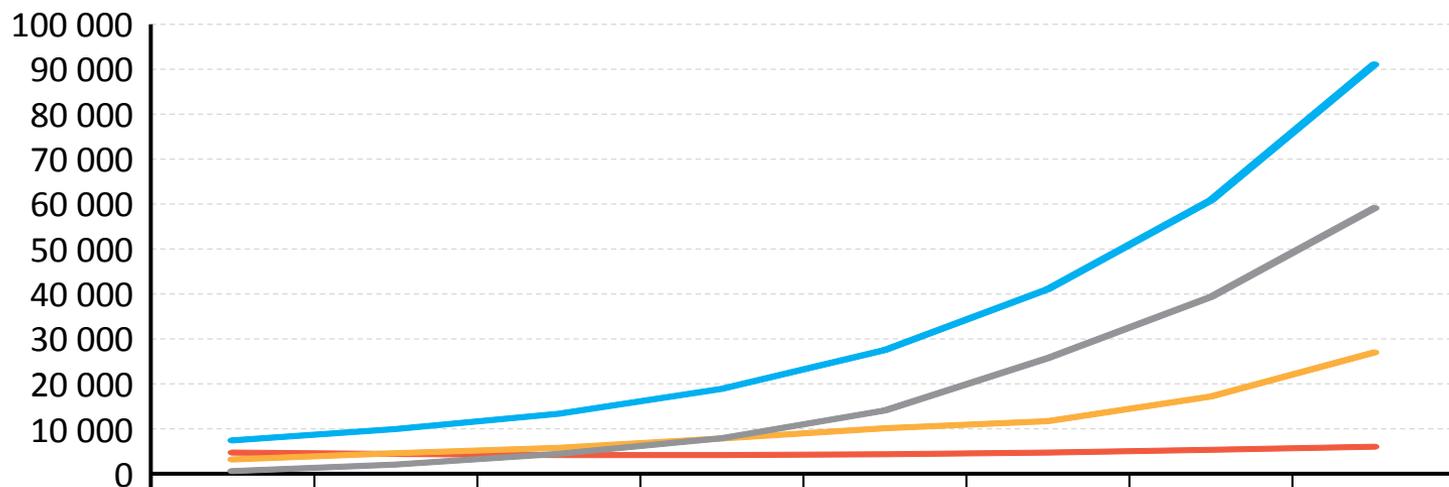
3 Based on actual 2007-2013 growth rate



# Strong organic growth

## Impak targets 2015 to 2021

Number of learners

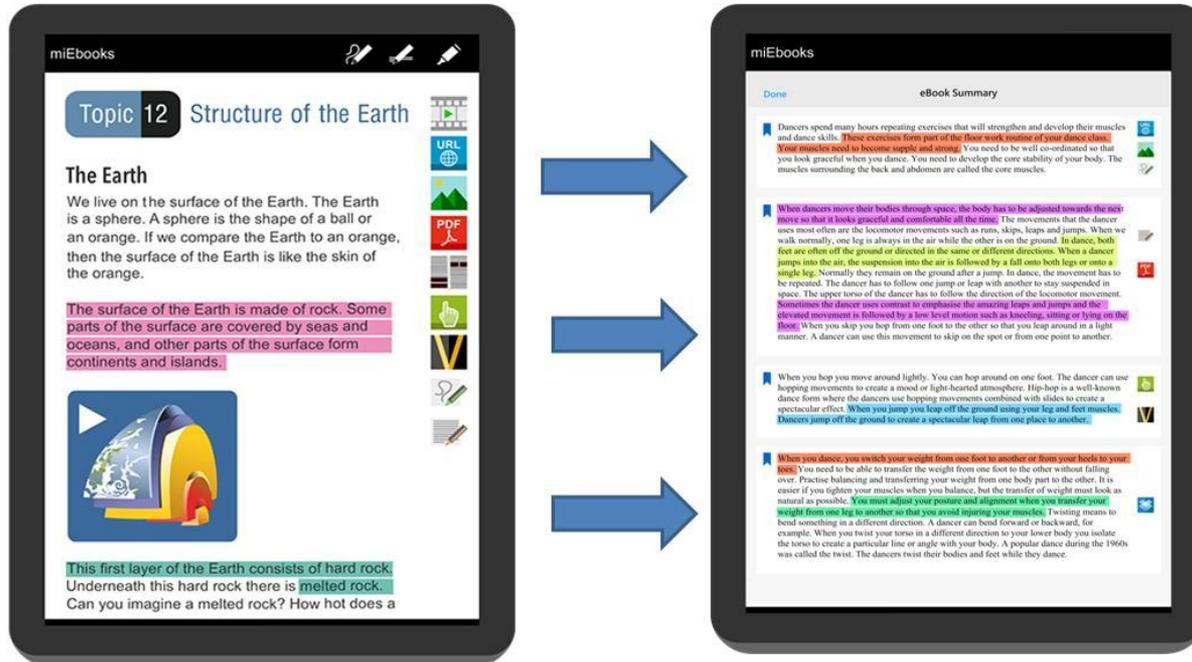


	2014 A	2015 B	2016	2017	2018	2019	2020	2021	CAGR
<b>Total</b>	<b>6 950</b>	<b>9 475</b>	<b>12 893</b>	<b>18 458</b>	<b>27 106</b>	<b>40 765</b>	<b>60 634</b>	<b>90 986</b>	<b>44%</b>
Home education	4 196	3 893	3 622	3 622	3 803	4 183	4 811	5 533	4%
Tutors	2 672	4 064	5 295	7 385	9 634	11 243	16 755	26 567	39%
Schools	82	1 518	3 976	7 451	13 669	25 339	39 068	58 887	156%





# Leading e-learning solution



- Unique ability to “push” content
- Offline availability
- Optimises education



# Vibrant growth

		2012	2013	2014	2015
<b>Private schools market</b>					
ITSI learners	# learners	50	2 500	12 118	30 559
ITSI schools	# schools	3	11	51	97
<b>Public schools market</b>					
ITSI learners	# learners				~24 000
ITSI schools	# schools				26

- ITSI originally mainly targeted private market
- Awarded pilot projects in public schools market (with BEE partner):
  - 21 schools for Gauteng DBE
  - 5 schools for Free State DBE
- International growth ambitions



**Thank you**  
**Questions?**

