



PSG GROUP LIMITED

31 August 2018

Interim Results Presentation

Piet Mouton
CEO
October 2018

DNA of PSG Group

Financial	Education	Food & Agri
<ul style="list-style-type: none">• Capitec• PSG Konsult	<ul style="list-style-type: none">• Curro• Stadio• FutureLearn• ITSI• <i>CSI projects</i>	<ul style="list-style-type: none">• Zeder<ul style="list-style-type: none">▪ Pioneer Foods▪ Capespan▪ Zaad▪ Kaap Agri▪ Agrivision▪ Quantum Foods

PSG has been good at **early-stage investments** – building businesses

Use **PSG Alpha** to find new growth investments



Our investment philosophy

Large Market

- New investments should be in large markets:
 - Banking
 - Energy
 - Education
- If successful, the returns should be substantial

Market Dynamics

- Large inefficient incumbents:
 - “Free” services (education, energy)
- Fragmented:
 - IFAs
 - Retirement villages

Engine Room

- Best management teams:
 - Think differently
- Best operating models:
 - Service
 - Pricing
 - Experience

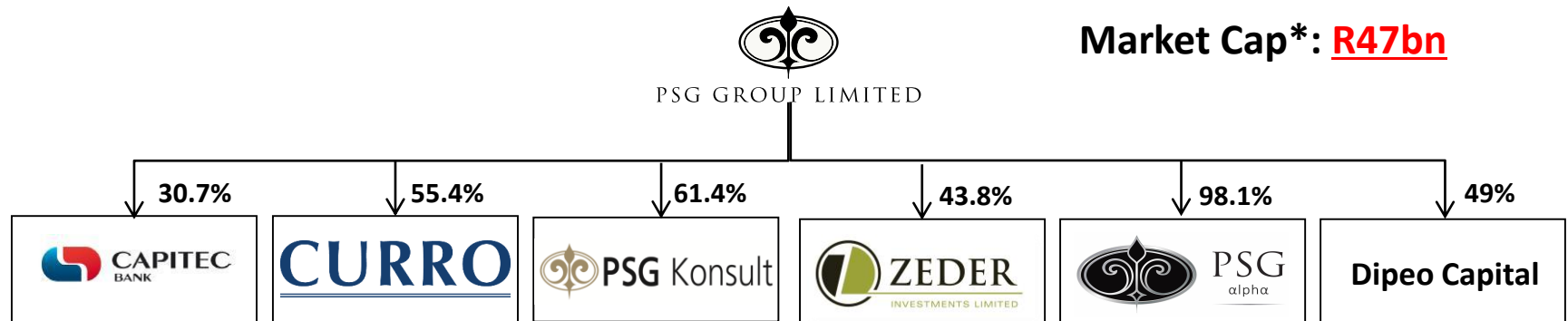
Early-stage investing

Balance sheet

- High-growth companies should have stronger balance sheets and make limited use of debt
- Management cannot simultaneously focus on high-growth (J-curve) investment opportunities and servicing debt:
 - Loss of focus and conservatism
- Window to capture the market





PSG Group structure



* Market capitalisation as at 12 October 2018

Growth potential – low market share, low gearing

	 CAPITEC BANK	 PSG Konsult	<u>CURRO</u>
Best management team *	✓✓✓	✓✓✓	✓✓✓
Low market share	~2.9% of total consumer credit market	<ul style="list-style-type: none"> • <5% of wealth mgmt • <2% of asset mgmt • <3% of short-term insurance 	~0.4% of school-going learners
Ability to grow market share	✓✓✓	✓✓✓	✓✓✓
Low gearing	<ul style="list-style-type: none"> • 36% CAR • R46bn cash and other liquid assets on B/S 	Debt to Equity: 3.9%	Debt to Equity: 46%

* Relative to competitors in the specific industry – subjective opinion

➤ At 31 August 2018, PSG had R531m cash available for further investments



Sum-of-the-parts (SOTP)

Asset/(liability)	31 Aug 2013 Rm	31 Aug 2018 Rm	12 Oct 2018 Rm	Share of total	Five year CAGR#
Capitec*	6 030	35 582	35 116	59%	40%
PSG Konsult*	2 747	7 858	7 882	13%	23%
Curro* (incl. Stadio until unbundling in Oct 2017)	3 341	7 303	6 116	10%	10%
Zeder*	1 694	3 727	3 510	6%	4%
PSG Alpha	701	4 961	4 829	8%	26%
Stadio* (since unbundling in Oct 2017)		1 548	1 410		
Other investments+	701	3 413	3 419		
Dipeo (prev Thembeke)*	964	255	68	1%	
Other assets	1 849	2 143	2 075	3%	
Cash^	698	531	510		
Pref investments and loans receivable^	573	1 563	1 529		
PSG Corporate**	383				
Other^	195	49	36		
Total assets	17 326	61 829	59 596	100%	
Perpetual pref funding*	(1 419)	(1 289)	(1 259)		
Other debt^	(869)	(1 020)	(1 029)		
Total SOTP value	15 038	59 520	57 308		
Shares in issue (net of treasury shares) (m)	189.9	218.1	218.1		
SOTP value per share (R)	79.20	272.94	262.80		28%
Share price (R)	69.30	225.04	216.27		27%
* Listed on the JSE Ltd	+ SOTP value	** Valuation	^ Carrying value		
# Based on share price/SOTP value per share as at 31 August 2018					
Note: PSG's live SOTP containing further information is available at www.psggroup.co.za					



PSG Group's gearing and interest cover

	31 Aug 2018
Gearing* (based on PSG Group's consolidated balance sheet NAV)	13.1%
Gearing* (based on PSG Group's SOTP value)	3.9%
Interest cover**	5.1x

* Incl. perpetual pref funding at MV

** Calculated using free cash flow

Conclusion:

- PSG Group is conservatively geared (prudent approach given market uncertainty following low GDP growth figures, etc.)
- Has significant capacity for further debt if needed



Recurring earnings (RE)

	Six months ended			Year
	31 Aug	Change	31 Aug	ended
	2017		2018	28 Feb
	Rm	%	Rm	Rm
Capitec	628		756	1 369
PSG Konsult	147		174	348
Curro (<i>incl. Stadio until unbundling in Oct 2017</i>)	61		77	110
Zeder	27		73	205
PSG Alpha (<i>incl. Stadio since unbundling in Oct 2017</i>)	66		76	172
Dipeo	(34)		(31)	(56)
PSG Corporate	(18)		(25)	(7)
Other (<i>mainly pref div income</i>)	68		82	136
Recurring earnings before funding	945	25	1 182	2 277
Funding (<i>net of interest income</i>)	(57)		(96)	(135)
Recurring earnings	888	22	1 086	2 142



Headline earnings

	Six months ended			Year
	31 Aug	Change	31 Aug	ended
	2017		2018	28 Feb
	Rm	%	Rm	2018
				Rm
Recurring earnings	888	22	1 086	2 142
Non-recurring items	(107)		10	(186)
Headline earnings	<u>781</u>	40	1 096	1 956
Non-headline items	52		19	(42)
Attributable earnings	<u>833</u>	34	1 115	1 914
Non-recurring items comprise:				
Unrealised fair value losses on Dipeo's investment portfolio	(98)		(145)	(131)
Other (<i>comprise mainly the FV gain on Zeder's investment in Golden Wing Mau during the current reporting period which is in process of disposal</i>)	<u>(9)</u>		155	(55)
	(107)		10	(186)



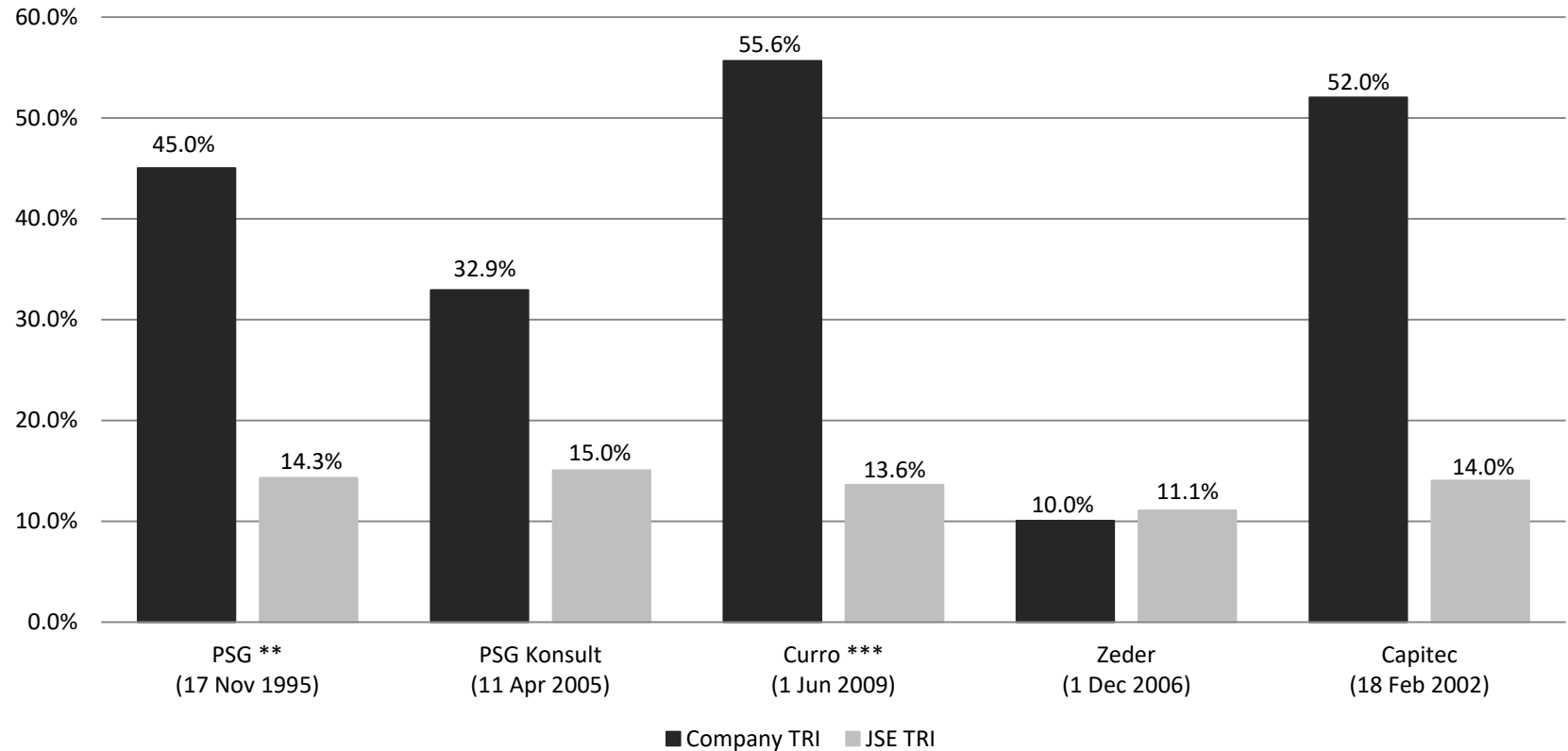
Per-share stats

	Six months ended			Year
	31 Aug	<i>Change</i>	31 Aug	ended
	2017		2018	28 Feb
	Rm	%	Rm	2018
				Rm
Weighted average number of shares in issue (net of treasury shares) (m)	215.4		216.1	215.5
Earnings per share (R)				
- Recurring	4.12	22	5.03	9.94
- Headline	3.63	40	5.07	9.08
- Attributable	3.86	34	5.16	8.88
Dividend per share (R)	1.38	10	1.52	4.15



Long-term performance: Total Return Index (TRI)

PSG Group Companies'
TRI vs. JSE All Share TRI*



* Measured since the respective dates noted until 31 August 2018

** Capitec unbundling in November 2003 treated as a dividend

*** Stadio unbundling in October 2017 treated as if Curro shareholder retained the Stadio shares



Benchmarking: TRI measured in Rand

TRI

Company	1 year*	3 years*	5 years*
PSG Group	(10%)	6%	28%
Capitec	13%	29%	43%
Curro**	1%	4%	18%
PSG Konsult	11%	7%	24%
Zeder	(20%)	(13%)	5%
Pioneer Foods	(15%)	(17%)	9%
JSE Alsi	7%	9%	10%

Ranking

Company	1 year*	3 years*	5 years*
PSG Group	5	4	2
Capitec	1	1	1
Curro	4	5	4
PSG Konsult	2	3	3
Zeder	7	6	7
Pioneer Foods	6	7	6
JSE Alsi	3	2	5

* CAGR

** Stadio unbundling in October 2017 treated as if Curro shareholder retained Stadio shares

- Majority of our core group companies outperformed the JSE over 5 years
- The tough agribusiness cycle resulted in Pioneer Foods and Zeder underperforming the JSE over 1, 3 and 5 years
- PSG Group, Curro, Pioneer Foods and Zeder underperformed the JSE over 1 year



Benchmarking: TRI measured in USD

TRI

Company	1 year*	3 years*	5 years*
PSG Group	(20%)	2%	19%
Capitec	0%	25%	33%
Curro**	(10%)	1%	10%
PSG Konsult	(2%)	3%	16%
Zeder	(29%)	(16%)	(2%)
Pioneer Foods	(24%)	(20%)	1%
MSCI EM	0%	12%	5%

Ranking

Company	1 year*	3 years*	5 years*
PSG Group	5	4	2
Capitec	1	1	1
Curro	4	5	4
PSG Konsult	3	3	3
Zeder	7	6	7
Pioneer Foods	6	7	6
MSCI EM	2	2	5

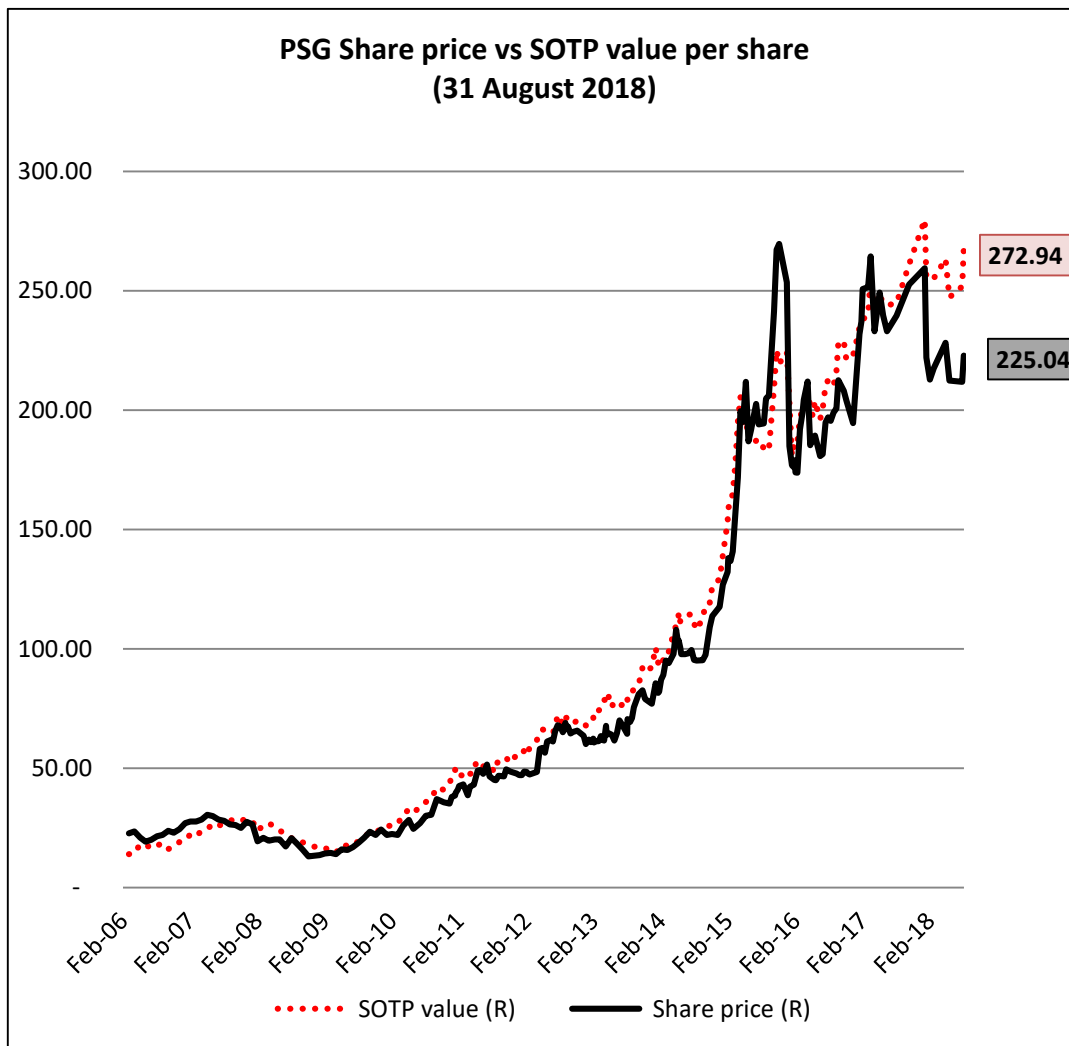
* CAGR

** Stadio unbundling in October 2017 treated as if shareholder retained shares

- Solid performance by our core group companies in USD terms with the majority outperforming the MSCI EM Index over the 5-year period
- The depreciating rand had a significant effect on the 1- and 3-year periods
- PSG Group, Curro, PSG Konsult, Zeder and Pioneer Foods underperformed the MSCI EM Index over the 1-year period



PSG Group share price vs SOTP value per share



Discount

Latest *discount* ~18%
 12-month average *discount* ~13%

Liquidity (per annum)	
Aug 2018	48%
Feb 2018	68%
Feb 2017	30%
Feb 2016	47%
Feb 2015	17%
Feb 2014	10%
Feb 2013	13%
Feb 2012	8%





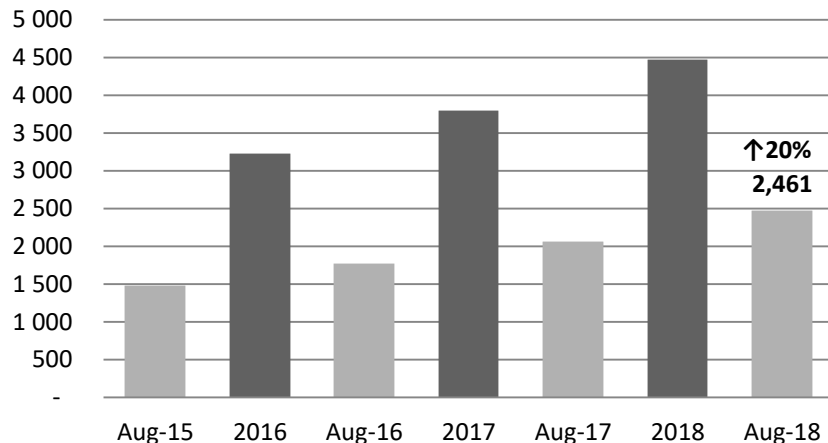
CAPITEC



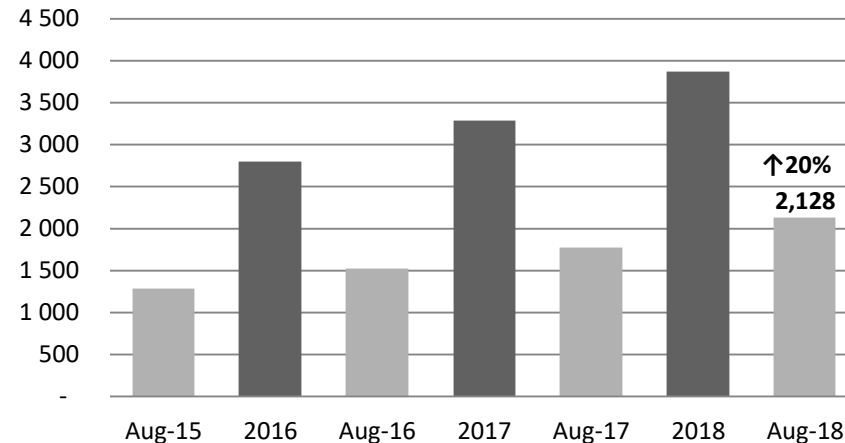
PSG GROUP LIMITED

Key financials

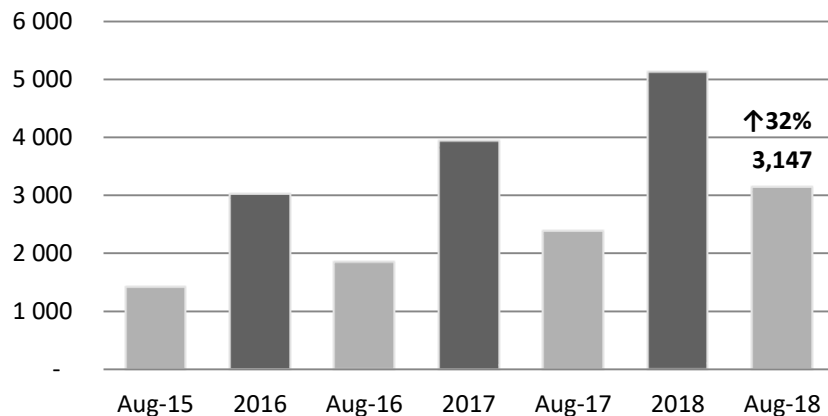
Headline earnings (R'm)



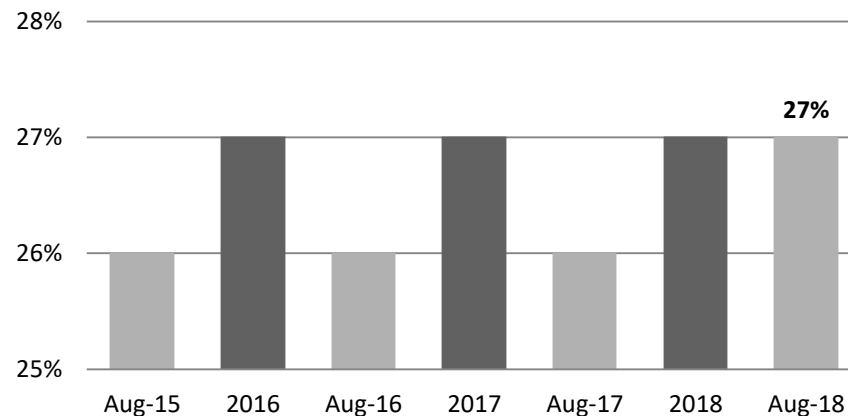
Headline earnings per share (cents)



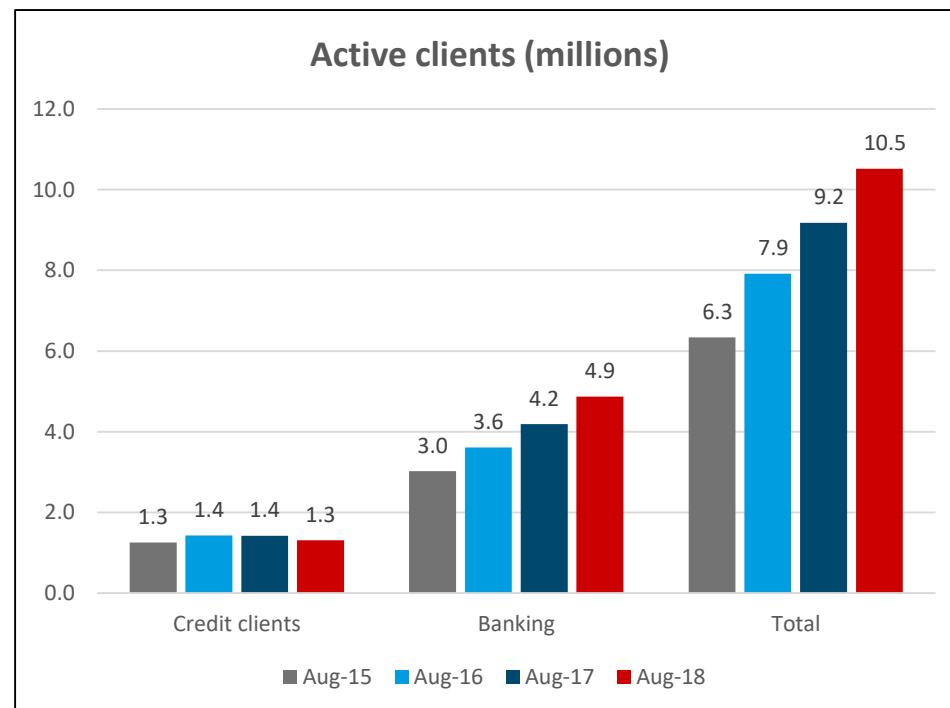
Net transaction fee income (R'm)



Return on equity



- Since Aug 17, active clients **↑15% to 10.5m**
- Increased distribution since Aug 17:
 - Branches **↑21 to 832**
 - ATMs & DNRs **↑631 to 4,912**
- Young client base:
 - **47%** in the **20 – 34 age group**
- Transaction growth:
 - Transaction fee income **↑32% to R3.1bn**
 - Cellphone and internet transactions **↑27%**
 - Total number of transactions **↑25%**
- Self-service transaction volume growth:
 - **1.8m** app users – 62% increase Y-o-Y
 - **84%** possible self-service vs branch transactions
 - USSD transactions **↑12%**



Improved consumer market

	Mar-15	Mar-16	Mar-17	Mar-18
Credit active consumers (millions)	23.11	23.88	24.68	25.46
Current	42%	48%	48%	50%
1-2 months in arrears	13%	12%	12%	12%
3+ months in arrears	22%	22%	22%	22%
Adverse listings	12%	10%	11%	11%
Judgments and administration orders	10%	8%	6%	5%

Source: NCR



Unsecured and short term credit market (granted by income group for 12 months to Mar 18)

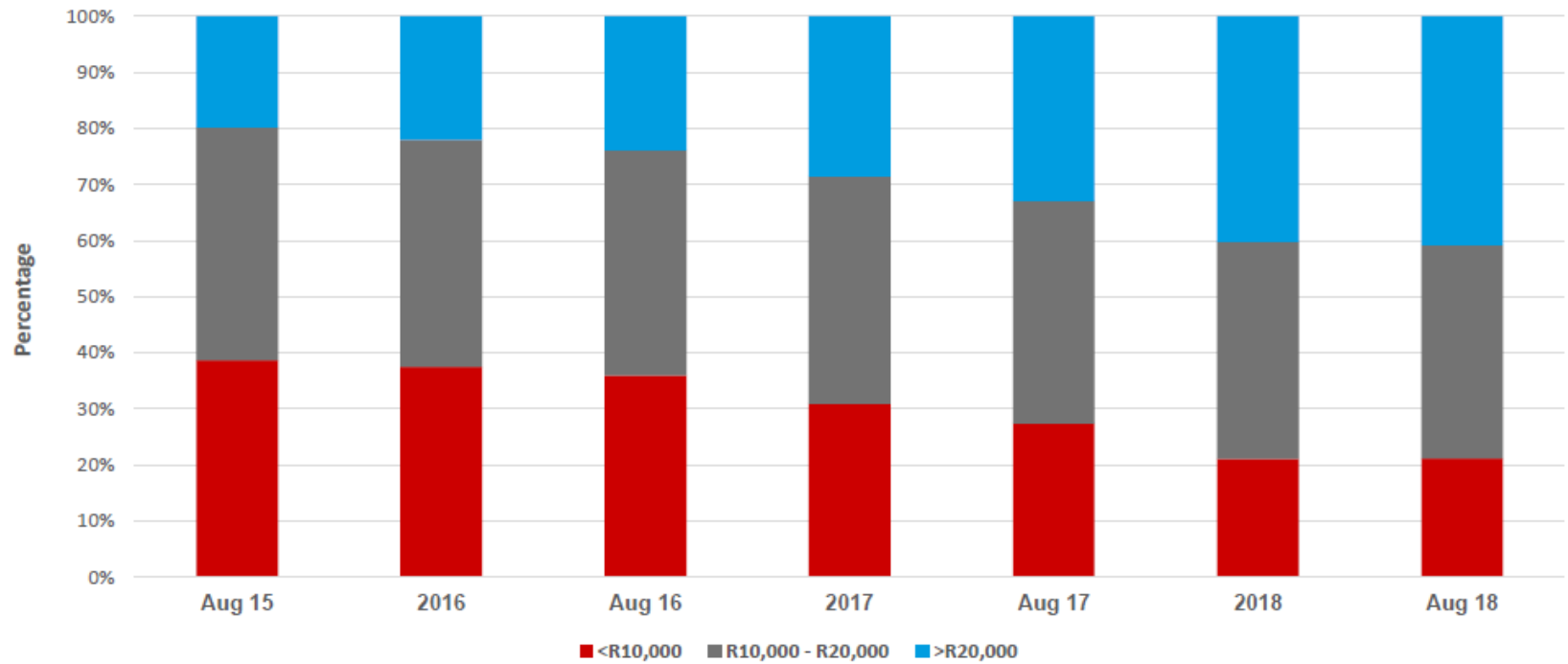
(R' million)

Gross Income	2016 Market	2017 Market	2018 Market	Difference
R 0 – R 5 500	13 457	11 085	8 251	(2 834)
R 5 501 – R 10 000	17 846	15 731	14 806	(925)
R 10 001 – R 15 000	17 998	17 785	17 852	67
R 15 000 plus	45 850	54 224	62 846	8 622
Total	95 150	98 825	103 755	4 930

Source: NCR



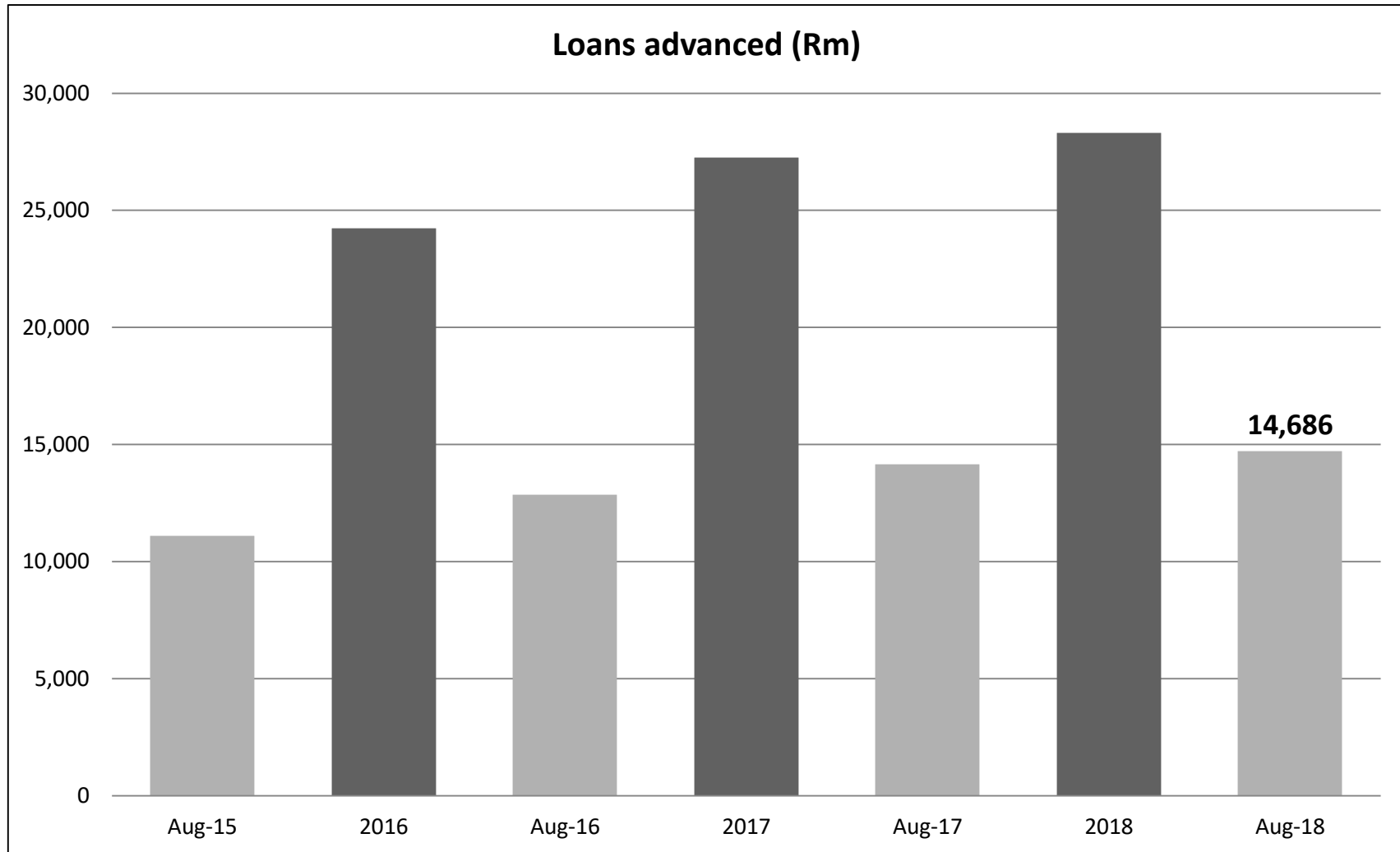
Focus on higher income market (loans granted)



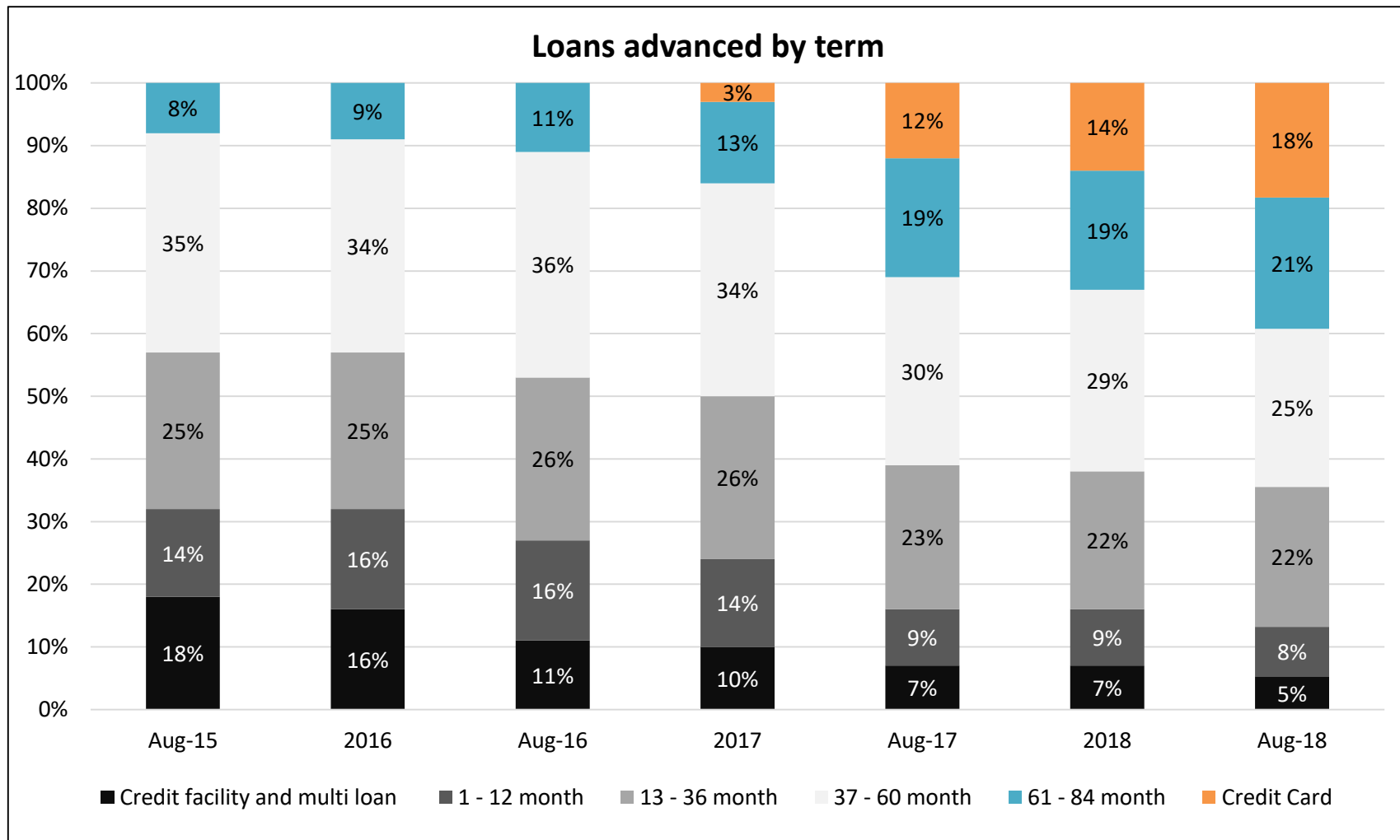
Applications outcome	6 months ended		
	Aug 17	Feb 18	Aug 18
Application decline rate	67%	72%	70%
Application approved: not taken-up rate	6%	5%	5%
Application taken-up rate	27%	23%	25%



Credit continued...



Credit continued...



Credit card

Measure	Aug-17	Feb-18	Aug-18
Active Credit Card Clients	190 577	274 024	360 778
Size of Performing Book (R' millions)	R 1 332	R 2 014	R 2 659
% New Capitec Clients	19.5%	22.5%	24.0%
Maximum Limit	R 80 000	R 80 000	R 150,000
Minimum interest rate	14.50%	14.50%	10.00%
Market share - balances on book (*)	1.2% (Jul 17)		2.3% (Jul 18)
Market share - new sales card count (*)	28.6% (Q1'17)		30.0% (Q1'18)

(*) Source: BA 900 returns



IFRS 9 book comparison (6 months ended)

Rounded (R' millions)	Stage	Feb 18	Aug 18	Feb 18 vs Aug 18 (%)
Up-to-date	1	37 165	39 461	7
Up-to-date with SICR and applied for debt review > 6 months	2	4 401	3 485	(21)
Total up-to-date		41 566	43 126	4
Arrears – up to 1 month in arrears	2	1 003	911	(9)
Arrears – 2 and 3 month in arrears	3	1 697	1 517	(11)
Total arrears up to 3 months		2 700	2 428	(10)
Application for debt review within 6 months	3	108	70	(35)
More than 3 months in arrears, legal status (includes rehabilitated rescheduled loans that are currently up to 2 months in arrears)	3	-	3 001	
Up-to-date that rescheduled from up-to-date (not yet rehabilitated)	3	1 085	963	(11)
Up-to-date that rescheduled from arrears (not yet rehabilitated)	3	1 277	1 373	8
Expected Recoveries receivable	3	906	398	(56)
Total		47 462	51 359	8

IFRS 9 has been applied retrospectively without the restatement of comparative figures, resulting in Capitec recognising additional bad debt provisions of R900m and deferred tax assets of R252m, with the net impact of R648m being charged to retained earnings on 1 March 2018.



Well capitalised

- Total retail deposits **↑20%** to **R66bn**
 - Retail fixed savings **↑15%** to **R25bn**
 - Retail call savings **↑22%** to **R41bn**

- Internal liquidity requirements have always been stricter than the Basel requirements

- Capital adequacy ratio of **36%**

- Healthy liquidity:
 - **R46bn** in cash, cash equivalents and other liquid assets (**49%** of total assets)



- Cream Finance
 - Further investment tranche

- Mercantile Bank

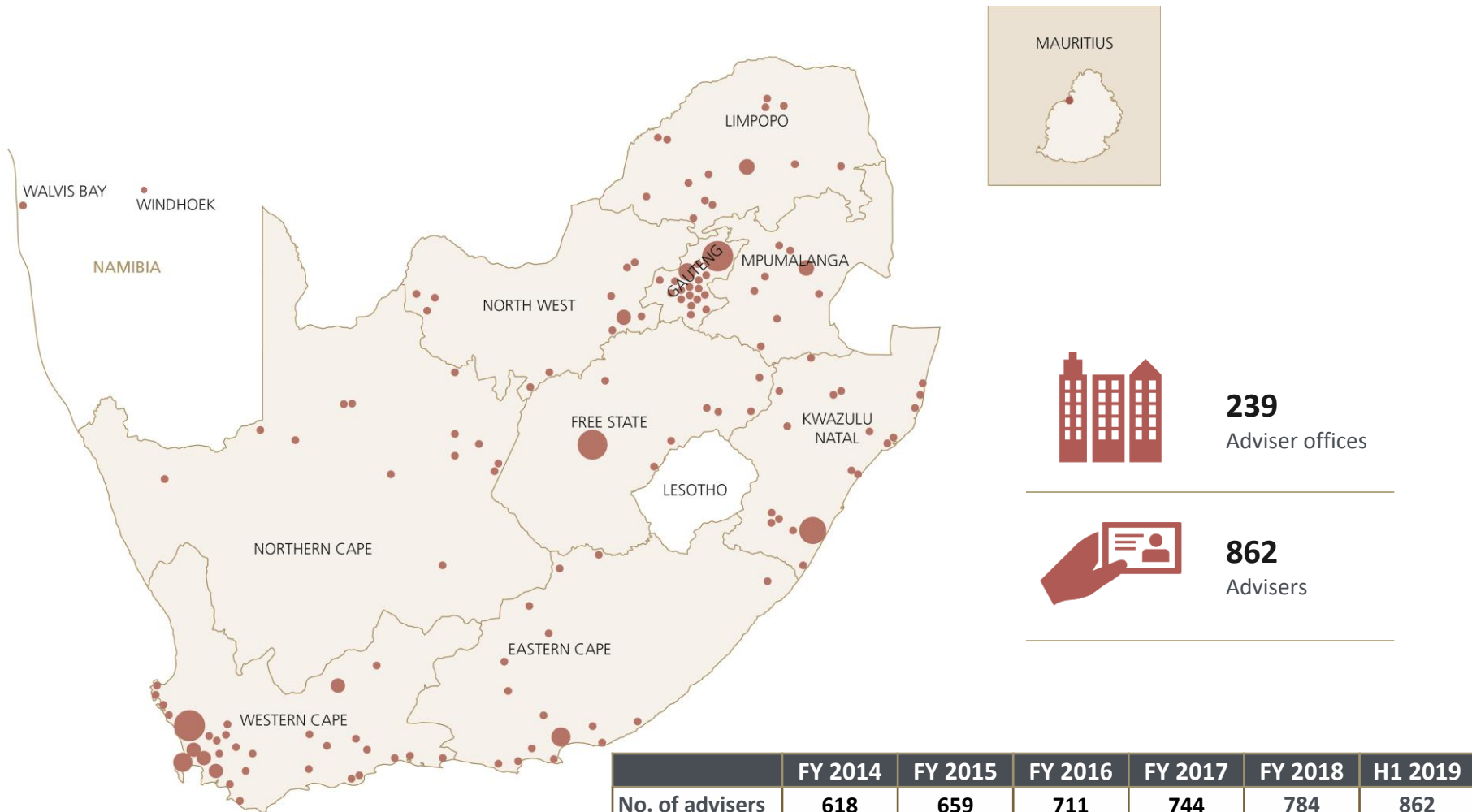
- Insurance – funeral plan
 - Launched late May 2018
 - Strong sales through branches and app





A great company

Wealthy clients serviced where they reside



Source: PSG Distribution

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	H1 2019
No. of advisers	618	659	711	744	784	862
<i>PSG Wealth</i>	406	434	480	515	539	546
<i>PSG Insure</i>	212	225	231	229	245	316
No. of offices	193	193	206	208	211	239

H1 2019 financial results overview

Recurring HEPS grew by 18% for H1 2019

Consolidated results	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm	%Δ	H1 2017 Rm	%Δ	H1 2018 Rm	%Δ	H1 2019 Rm
Headline earnings	109	34%	145	28%	187	15%	214	12%	239	18%	283
Recurring headline earnings	109	36%	147	27%	187	15%	214	12%	239	18%	283
Weighted average no. of shares (millions)	1,221	3%	1,260	1%	1,267	2%	1 290	2%	1,315	0%	1,318
HEPS (Rand cents)	8.9	30%	11.5	28%	14.7	13%	16.6	10%	18.2	18%	21.5
Recurring HEPS (Rand cents)	8.9	32%	11.7	26%	14.7	13%	16.6	10%	18.2	18%	21.5

Assets under management (Rbn)	85	44%	122	16%	142	18%	167	16%	193	19%	230
Assets under administration (Rbn)	202	32%	266	21%	321	10%	354	12%	398	7%	426
Premiums (Rbn) *	0.9	11%	1.0	20%	1.2	8%	1.3	19%	1.6	25%	2.0

* Excludes short-term administration platform gross written premium to avoid duplication.

Note: figures rounded to nearest R'million.

Source: PSG Finance

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Recurring headline earnings by division

Total recurring headline earnings growth of 18% for H1 2019

Recurring Headline Earnings	H1 2014 Rm	%Δ	H1 2015 Rm	%Δ	H1 2016 Rm	%Δ	H1 2017 Rm	%Δ	H1 2018 Rm	%Δ	H1 2019 Rm	CAGR %
Wealth	71	34%	95	27%	120	17%	141	7%	150	7%	160	18%
Asset Management	21	65%	34	36%	46	2%	47	20%	57	53%	87	33%
Insure	17	8%	18	12%	21	29%	26	23%	32	11%	36	16%
Total	109	36%	147	27%	187	15%	214	12%	239	18%	283	21%

*All overhead costs are fully allocated. Headline earnings has remained the same as recurring headline earning for H1 2019.

Note: figures rounded to nearest R'million.



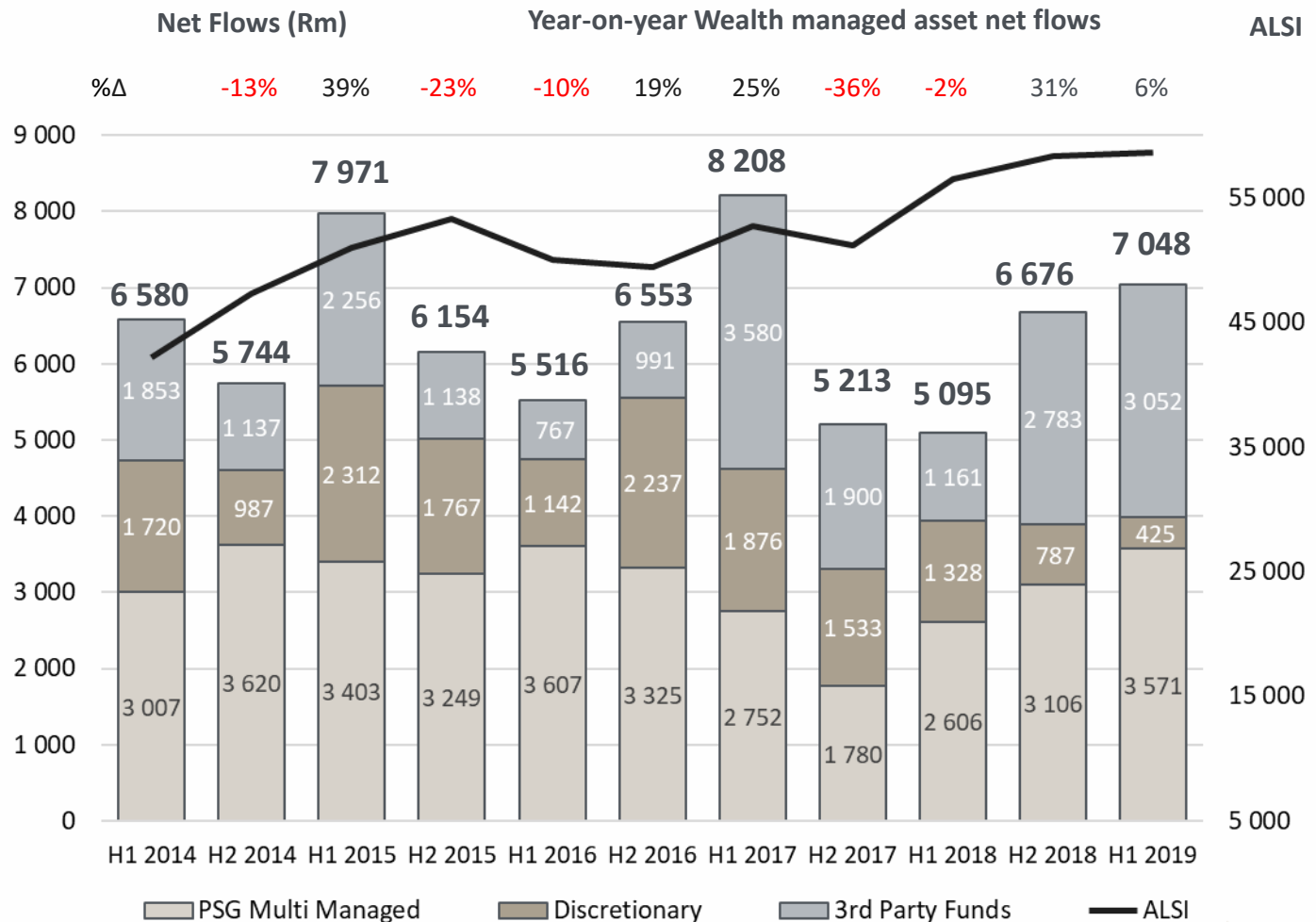
Wealth

Excellence in products and services

Independent process with advisers' oversight

Rapid growth in advisers

Negotiation with product providers



Top advisers

We continue to add top advisers to our PSG Wealth distribution business

Wealth advisers (incl. EB)	H1 2014*	H2 2014*	H1 2015*	H2 2015*	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019
Balance – opening	384	391	406	419	434	443	480	505	515	527	539
Net movement	7	15	13	15	9	37	25	10	12	12	7
Balance – closing	391	406	419	434	443	480	505	515	527	539	546
Growth	2%	4%	3%	4%	2%	8%	5%	2%	2%	2%	1%

* Restated to exclude advisers moved from Wealth to Insure during FY2016

- Upscale existing offices via new hires
- Greater penetration selected area
- Growth in number of advisers & average book size
 - Financial advisers new home at PSG – unlocking and creating value for clients and themselves
 - Well positioned to support advisers: open architecture, stable systems, risk & regulatory compliance allowing advisers to focus on client interaction



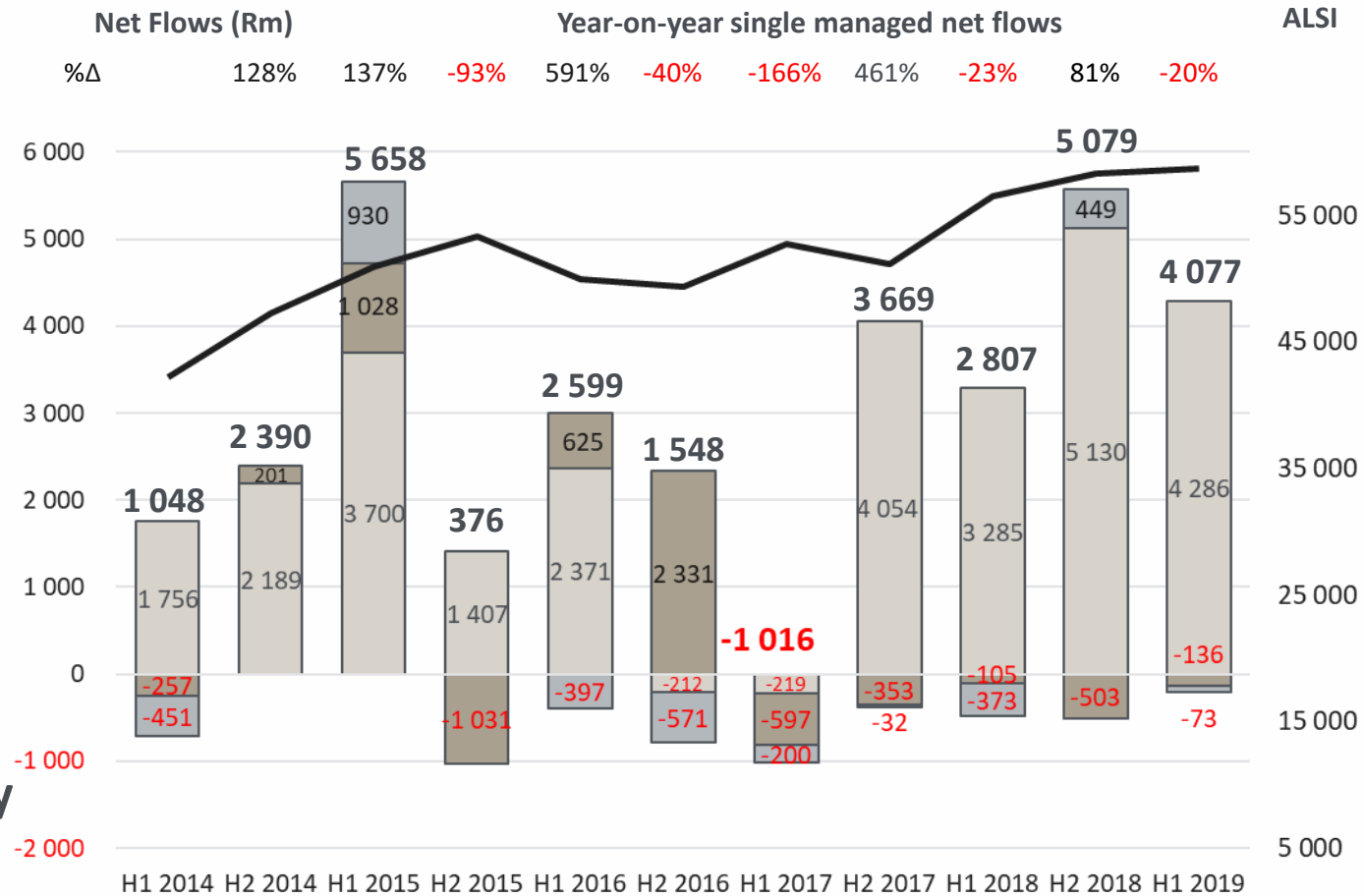
Asset management

'Brick by Brick' strategy

Long-term assets
(retail emphasis)

Getting adequate
margins

Protect our capacity



Single Managed PSG Money Market Segregated Institutional Portfolio* ALSI

* Includes private clients and segregated money market portfolios



Asset management

Solid long-term track record

Single manager funds	Performance	1-month rank	3-months rank	6-months rank	1-year rank	3-year rank	5-year rank	10-year rank
PSG Flexible	Rank	15	38	34	10	2	5	3
	Return	4.9%	3.7%	3.5%	8.9%	10.0%	11.9%	14.2%
PSG Equity A	Rank	19	117	79	44	8	4	3
	Return	4.9%	3.7%	0.8%	7.5%	9.2%	11.3%	12.9%
PSG Balanced A	Rank	102	168	162	30	8	4	4
	Return	3.8%	4.3%	3.4%	9.2%	9.0%	10.5%	11.4%
PSG Stable A	Rank	116	135	134	26	5	18	N1
	Return	2.0%	2.6%	2.8%	8.8%	8.2%	8.4%	

N1 – The PSG Stable fund does not yet have a 10-year history



Source : MorningStar August 2019 report



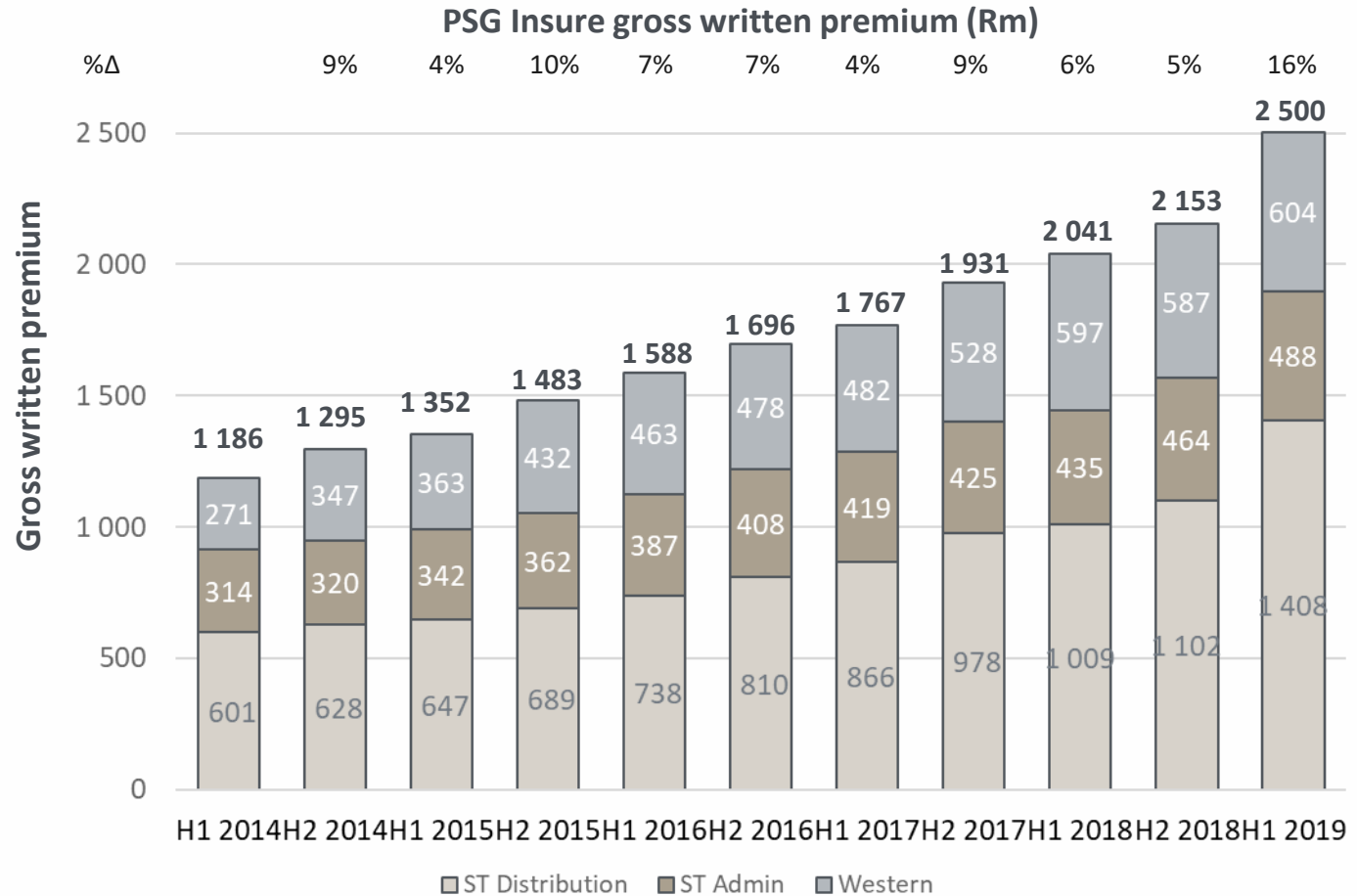
Insure

Grow gross written premium income

Top advisers

Excellence in underwriting

Superb platform



Top advisers

We continue to add top advisers to our Insure Distribution business

Insure advisers	H1 2014*	H2 2014*	H1 2015*	H2 2015*	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019
Balance – opening	229	219	212	210	225	224	231	233	229	226	245
Net movement**	-10	-7	-2	15	-1	7	2	-4	-3	19	71
Balance – closing***	219	212	210	225	224	231	233	229	226	245	316
Growth	-4%	-3%	-1%	7%	0%	3%	1%	-2%	-1%	8%	29%

* Restated to include advisers moved from Wealth to Insure during FY2016

** Terminations relate to personal lines advisers and is due to the strategy of focussing on commercial product lines

*** An additional 82 advisers were acquired on 1 June 18 as a result of the AIFA C&I transaction

- Greater penetration selected area
- Growth in number of advisers & average book size
 - Financial advisers new home at PSG – unlocking and creating value for clients and themselves
 - Well positioned to support advisers: open architecture, stable systems, risk & regulatory compliance allowing advisers to focus on client interaction



Western National Insurance

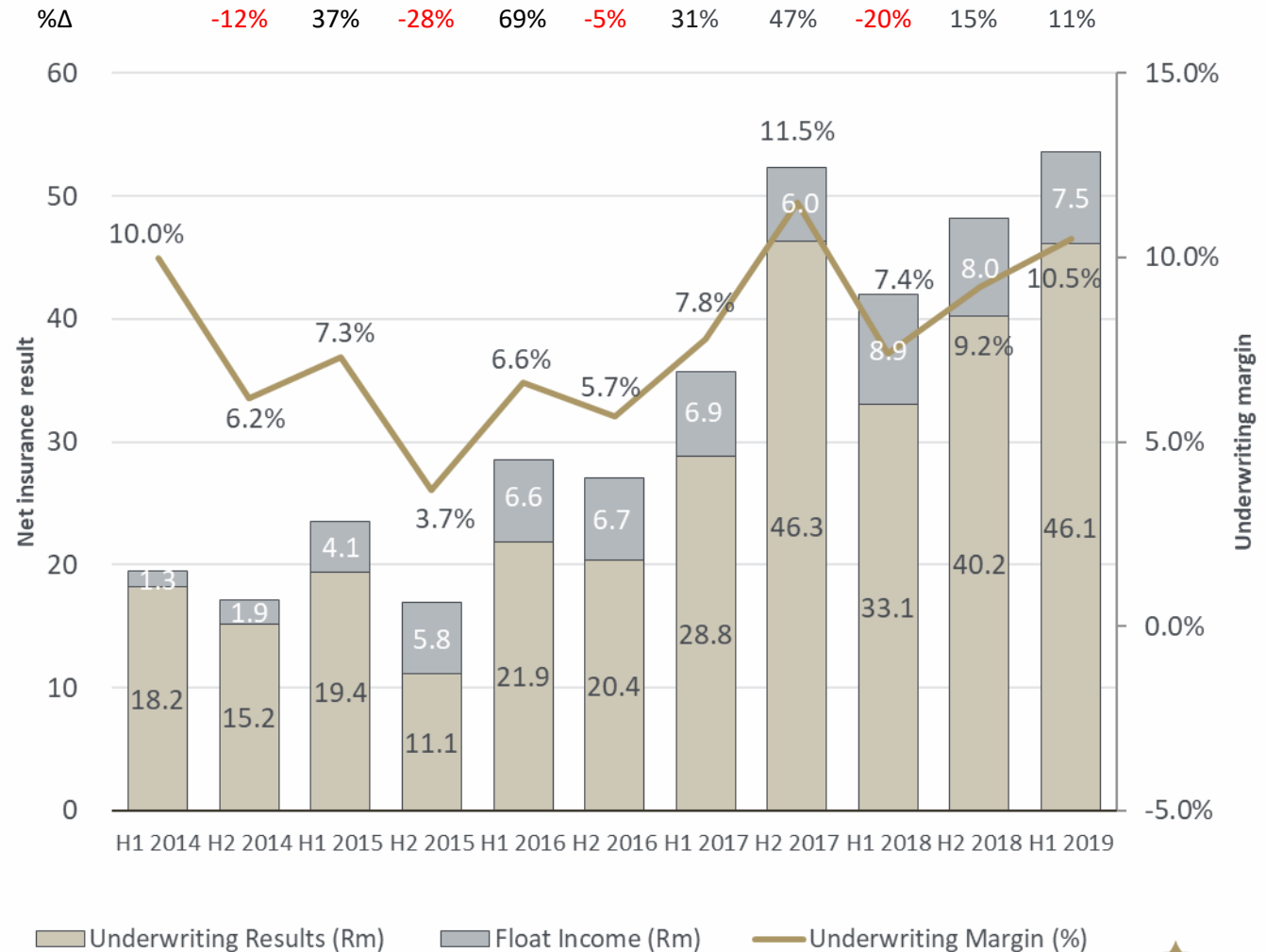
Insurance results

Key differentiators

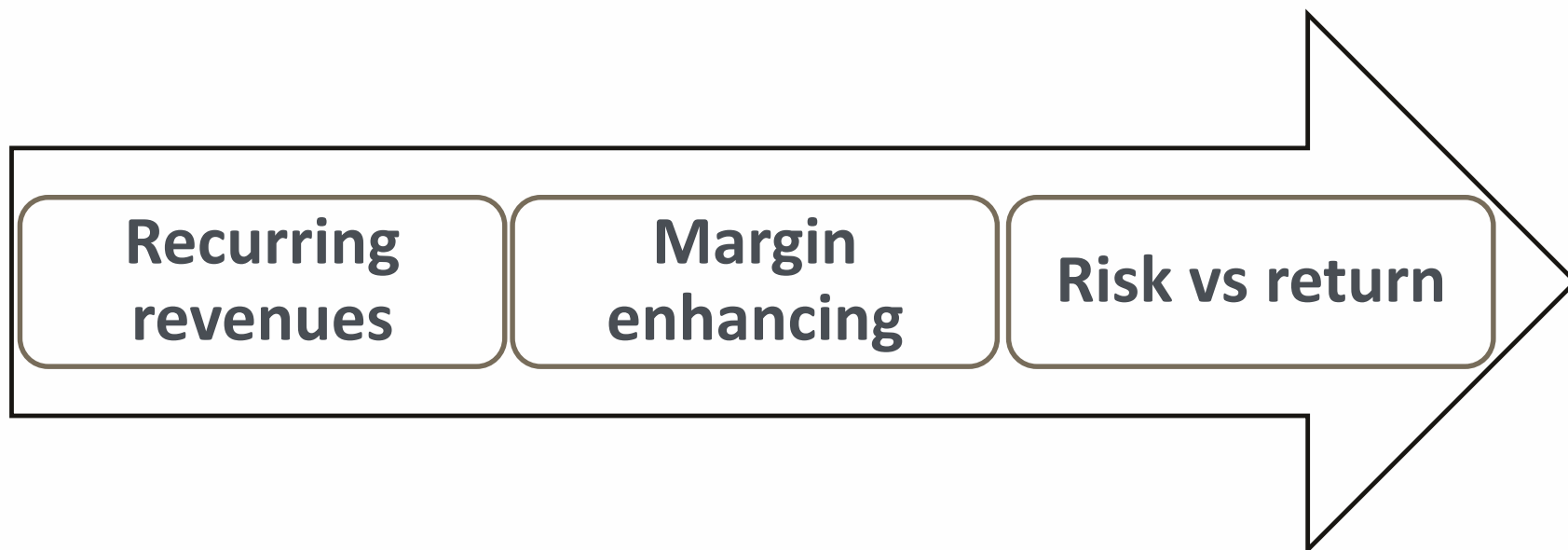
- Personalised service to brokers
- Focus on commercial business

Excellence in underwriting

- Healthy insurance float level of R398m*
- Limited insurance and investment risk retention levels



Reducing risk



Recurring revenues

Margin enhancing

Risk vs return

H1 15 H1 16 H1 17 H1 18 H1 19

Perf fees/HE	7.0%	7.5%	6.6%	4.4%	4.6%
Recurring HEPS	11.7c	14.7c	16.6c	18.2c	21.5c

H1 15 H1 16 H1 17 H1 18 H1 19

Op margin	14.1%	14.2%	14.3%	14.4%	15.9%
Op margin (excl perf fees)	13.5%	13.4%	13.5%	13.8%	15.3%
C:I %	63.0%	63.0%	63.6%	62.1%	60.2%

H1 15 H1 16 H1 17 H1 18 H1 19

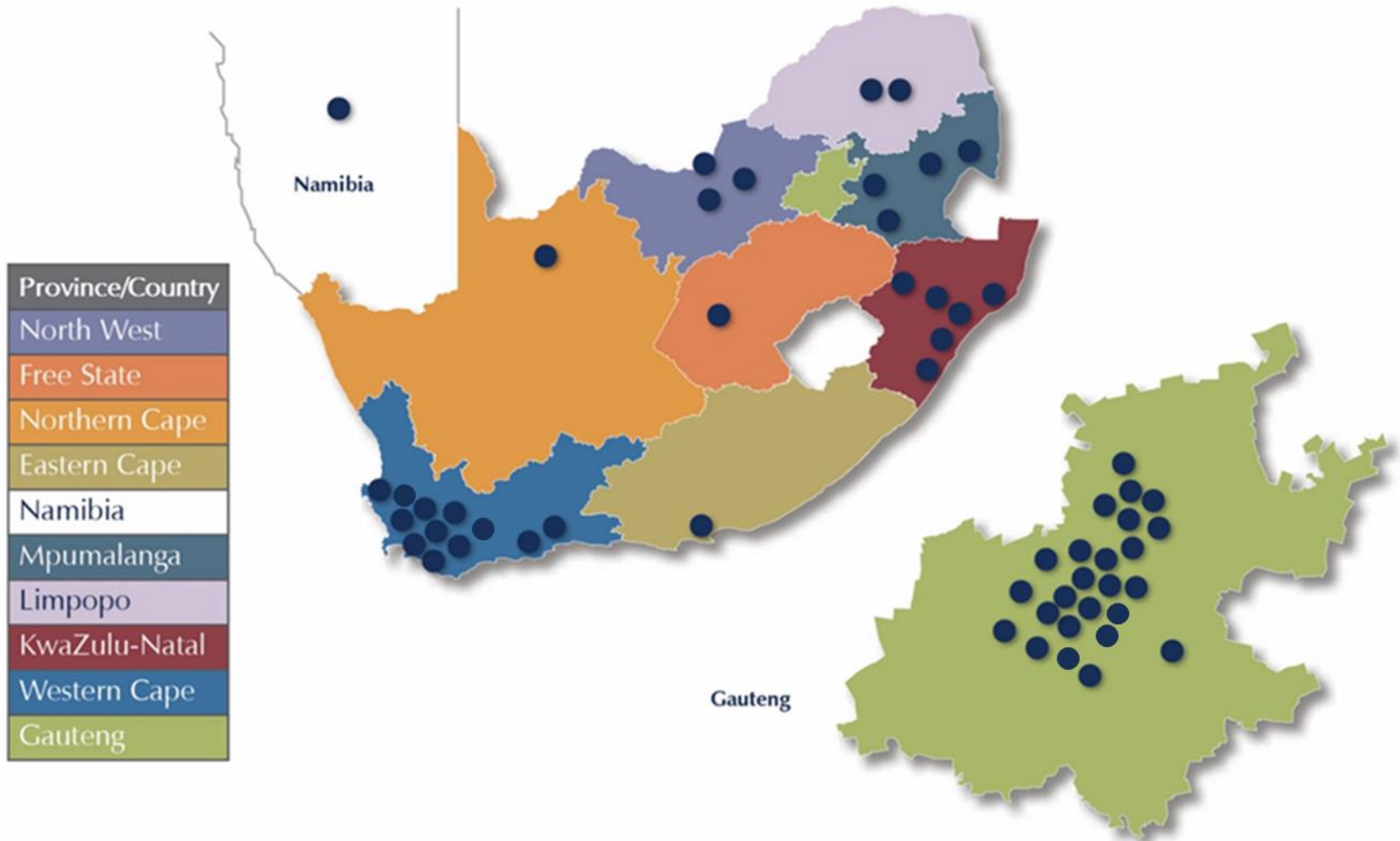
ROE	24.0%	23.9%	22.9%	21.4%	21.9%
ROE (excl. perf fees)	22.3%	22.1%	21.4%	20.5%	20.9%
Debt:Equity	4.6%	0.7%	0.2%	4.9%	3.9%



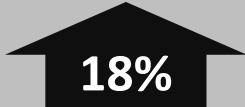
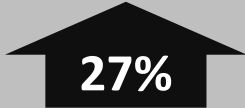
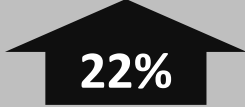


CURRO



Curro footprint



Interim results highlights (June 2018)

Revenue	 18%	R1.2bn
Schools operational EBITDA	 27%	R402m
HEPS (<i>continuing operations</i>)	 22%	33.6c
Learners	 11%	50,691
Schools	 9%	139



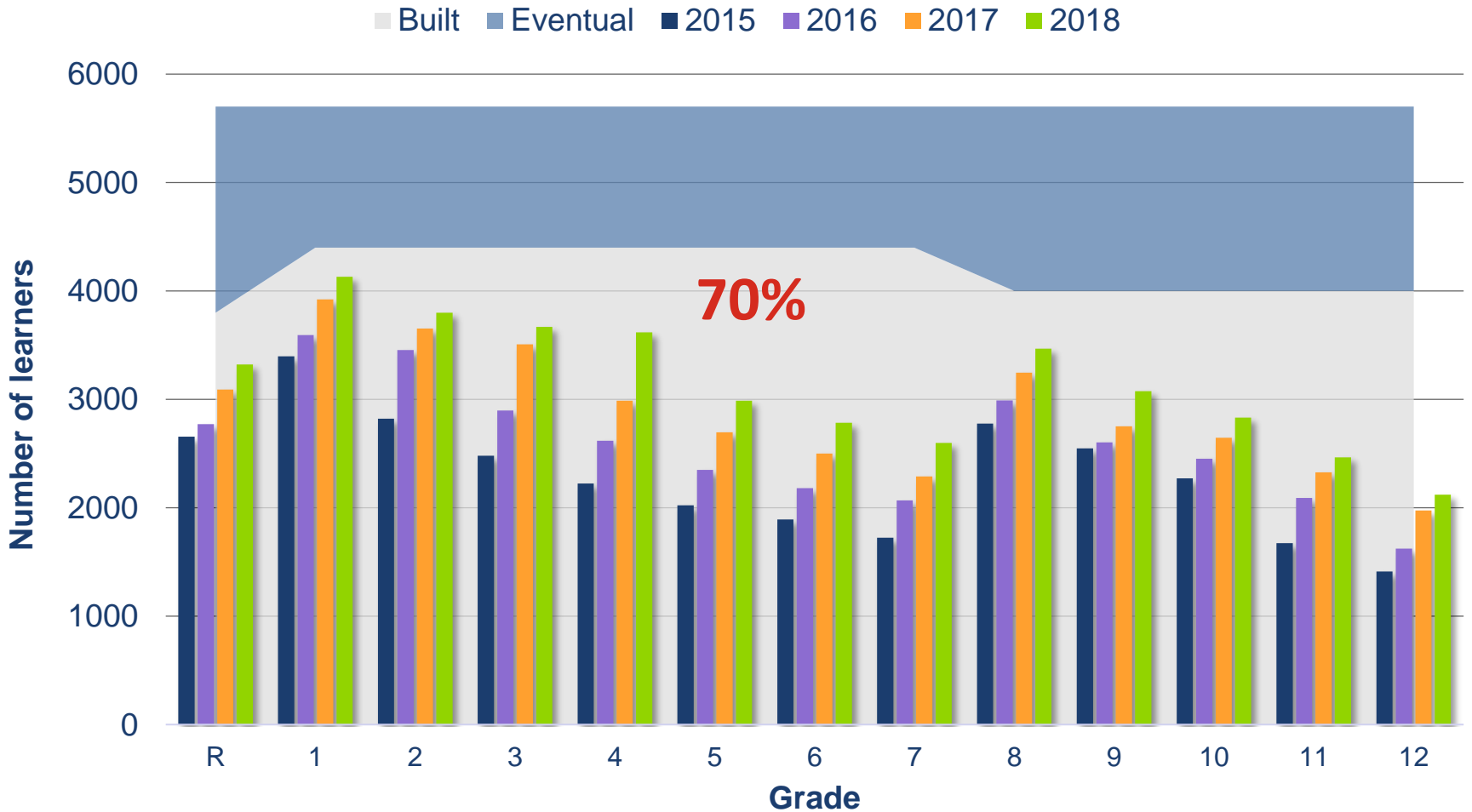
Significant expansion



Action	2018 plans	Comment
New schools	~R400m	<ul style="list-style-type: none"> • Curro Vanderbijlpark and Edenvale • Curro Academies at Parkdene (Boksburg), Protea Glen (Soweto) and Savanna City (Johannesburg) • Curro Castle at Burgundy Estate (Cape Town)
CAPEX on existing campuses	~R700m	Additional classrooms, sport and cultural facilities
Acquisitions	~R1bn	<p>Completed:</p> <ul style="list-style-type: none"> • Baobab School (730 learners) located in Botswana • Cooper College (Douglasdale, Gauteng) • Dot's Learning Centre • Plans to acquire independent school group in Free State, ~2 000 learners
Land banking	~R290m	
Total	~R2.4bn	



Learners per grade – Capacity



Excluding Castle (pre-school) learners

R1bn to be spent to achieve eventual capacity for existing schools; existing schools utilising 70% of built capacity



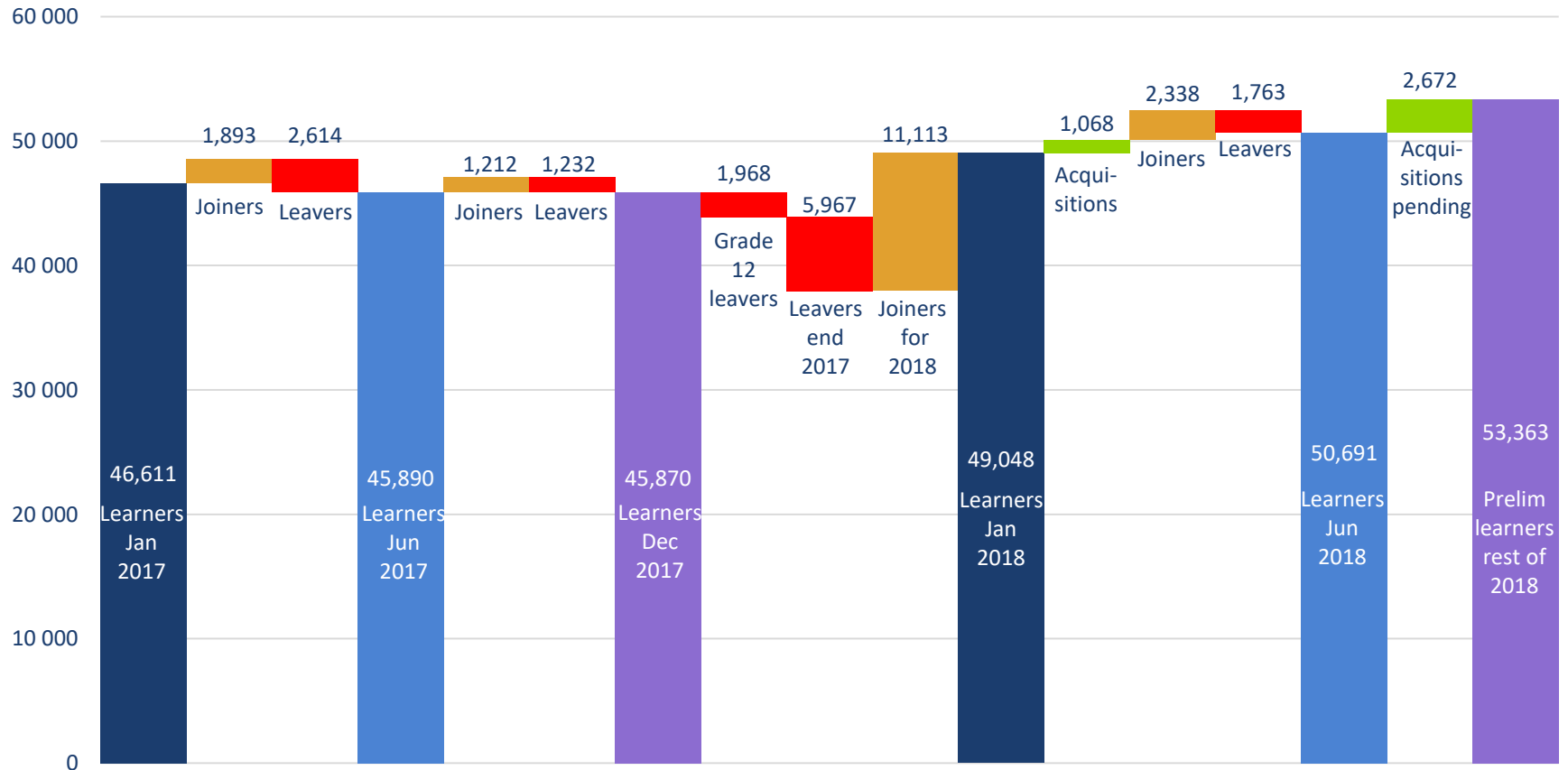
Learner movements



Number of campuses
57 (60)



Number of schools
139 (145)



Schools per EBITDA contribution



	Learner numbers			EBITDAR			EBITDAR Margin			Built capacity utilised		
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Top 20%	17 391	18 699	21 215	159 784	194 163	246 440	39%	40%	42%	89%	83%	80%
60% - 80%	9 657	11 566	12 029	62 186	80 668	94 693	28%	31%	30%	71%	75%	71%
40% - 60%	6 614	7 157	8 529	28 367	37 296	47 352	25%	27%	28%	70%	60%	64%
20% - 40%	4 700	5 116	6 232	7 882	17 802	26 149	12%	19%	22%	47%	66%	74%
0% - 20%	2 191	3 352	2 686	(3 985)	(5 537)	(5 991)	(14%)	(10%)	(14%)	43%	45%	35%
Total	40 553	45 890	50 691	254 235	324 391	408 644	30%	31%	33%	70%	70%	70%
Rent				(4 575)	(7 398)	(6 281)						
EBITDA				249 660	316 993	402 363						
Top 20% EBITDA % of Total				64%	61%	61%						





Interim Results

6-month period ended 31 August 2018

Notwithstanding very challenging conditions, Zeder managed to deliver a solid recovery in earnings for the 6 months ended 31 August 2018.

Interim results

NEGATIVES

- Factors outside our control remain challenging
- South African and regional economies constrained with investment climate negative
- Consumer spending under pressure with rising inflationary costs
- Decline in valuations across portfolio with negative impact from Small-Mid Cap sell-off
- Pioneer Foods share price declined 29% since 28 February 2018
- Zeder SOTP value **decreased by 21%** to R6.23 as at 1 October 2018 – further decline since
- Zeder **discount widened to 24%** with share price closing at R4.76 on 1 October 2018
- Investor sentiment towards valuations likely to remain subdued in short term

POSITIVES

- Items within our control remain well managed
- Portfolio and investee companies remain strong
- Broadly speaking **climatic conditions improving**
- **Recovery in earnings underway** across portfolio
- Recurring HE from investments **increased 102%**
- Recurring HE per share **increased 158%**
- Exit of GWM investment in China for **R1.18bn**
- Headline Earnings per share **increased 605%**

Sum-of-the-Parts (SOTP)

Performance review

Zeder's SOTP declined by 21% since 28 February 2018 and closed at R6.23 on 1 October 2018.

Interim results

Company	28 Feb 2018		31 Aug 2018		1 Oct 2018	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27,0	7 660	27,0	6 145	27,0	5 428
Capespan	97,5	2 259	96,9	2 167	96,9	2 167
Zaad	93,2	2 043	93,5	2 235	93,5	2 235
Kaap Agri	40,9	1 376	40,9	1 198	40,9	1 183
Agrivision Africa	56,0	591	56,0	493	56,0	493
Quantum Foods	27,7	246	29,3	259	29,3	259
Other		33		23		21
Total investments		14 208		12 520		11 786
Cash and cash equivalents		111		272		266
Other net assets		108		111		117
Debt funding		(1 000)		(1 500)		(1 510)
SOTP value		13 427		11 403		10 659
Number of shares in issue (<i>net of treasury shares</i>) (million)		1 710		1 710		1 710
SOTP value per share (rand)		7,85		6,67		6,23

- Largest impact is decline in share price of Pioneer Foods from R132 at 28 February 2018 to R93 at 1 October 2018
- Conservative internal valuation assumptions applied to unlisted investments given current macro environment
- Increased available debt facilities within conservative cover and cash flow parameters
- Zeder's own share price declined to R4.76 as at 1 October 2018 – discount at 24%

Recurring headline earnings

Performance review

Recurring Headline Earnings per share increased by 158% as a result of strong recoveries in earnings from most portfolio companies.

Interim results

	Audited	Unaudited		
	28 Feb 18 12 months Rm	31 Aug 17 6 months Rm	Change %	31 Aug 18 6 months Rm
Recurring headline earnings from investment	576	115		231
Net interest, taxation and other income and expenses	(102)	(50)		(64)
Recurring headline earnings	474	65	156,9	167
<i>Non-recurring</i> headline earnings	(49)	9		348
Headline earnings	425	74	595,9	515
Non-headline items	(171)	53		(51)
Attributable earnings	254	127	265,4	464
Weighted average number of shares in issue (<i>net of treasury shares</i>) (million)	1 717	1 722		1 702
Recurring headline earnings per share (cents)	27,6	3,8	157,9	9,8
Headline earnings per share (cents)	24,8	4,3	604,7	30,3
Attributable earnings per share (cents)	14,8	7,4	268,9	27,3

- First 6 months reflect the lesser half of Zeder's normalised annual earnings – YoY comparisons may reflect seasonal variances
- Encouraging recovery in earnings reported by Pioneer Foods for their 6 months ended 31 March 2018
- Strong increase in earnings reported by Capespan's Logistics division and Quantum Foods
- Agrivision Africa's earnings remain constrained and operational plans being implemented
- Satisfactory earnings reported across remainder of portfolio



PSG
alpha

Presented by:
Nico de Waal
Chief Executive Officer

October 2018



PSG GROUP LIMITED

Financial performance

		PSG Alpha 1 st half results							
		FY14	FY15	FY16	FY17	FY18	FY19	% change (FY18-FY19)	Five-year CAGR
Recurring Earnings	<i>Rm</i>	25.9	16.3	46.7	49.5	67.8	77.3	14%	24%
Recurring EPS	<i>cents</i>	3.0	1.6	3.9	4.4	5.4	4.1	(24%)	6%
SOTP	<i>Rm</i>	701	1,078	1,394	1,729	2,576	5,060	96%	48%
SOTP per share	<i>cents</i>	78.6	95.8	117.6	155.4	205.9	254.0	23%	26%





ENERGY PARTNERS

POWERED BY RESULTS

54%



PSG GROUP LIMITED

Size of the South African energy market

- SA installed electricity capacity ~45GW
- Cost of Medupi and Kusile ~R30bn/GW
- Implies electricity generation market of ~R1.5 trillion
- Energy conversion increases market size to well over R2 trillion

If we obtain 1% market share, we will have >R20bn in assets



Overview

Reason to exist

To power Africa's growth with sustainable energy

5yr goal

Be recognised as a leading IEP* by owning & operating energy assets

Current forms of energy sales



Electricity



R/kWhr



Steam



R/ton



Heating / Cooling



R/kWhrR



Water



R/kl



Fuel

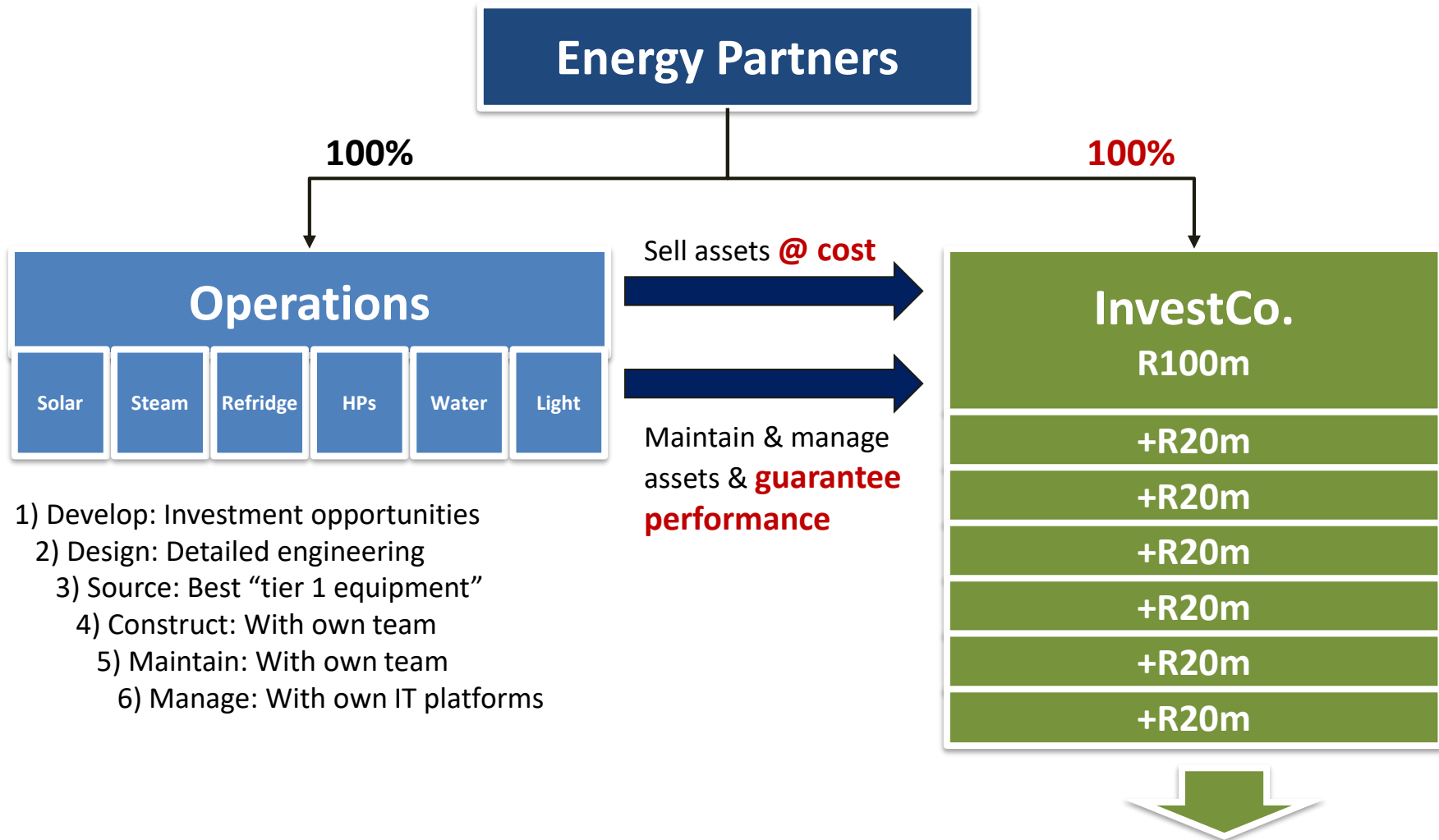


R/l

* Independent Energy Producer

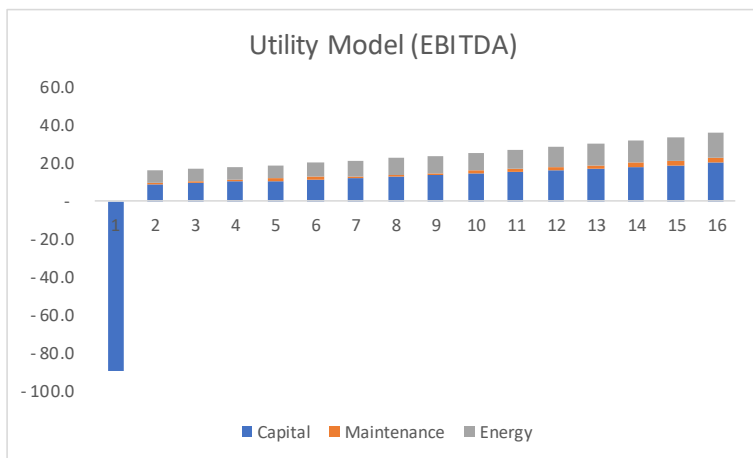
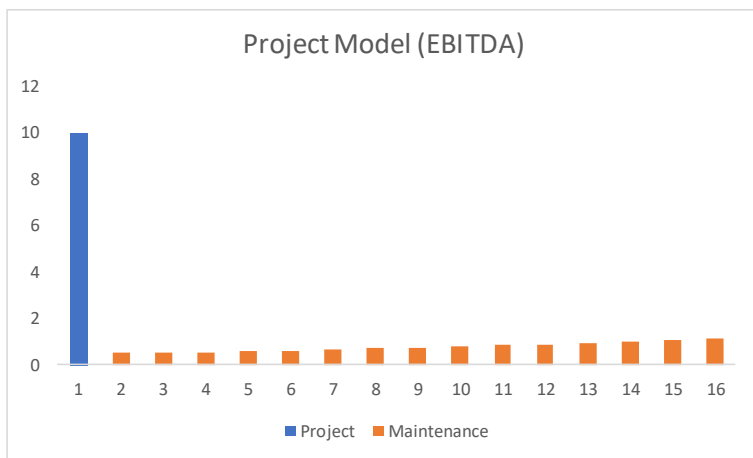


Business structure: Asset Investment portfolio with fully integrated operational capabilities

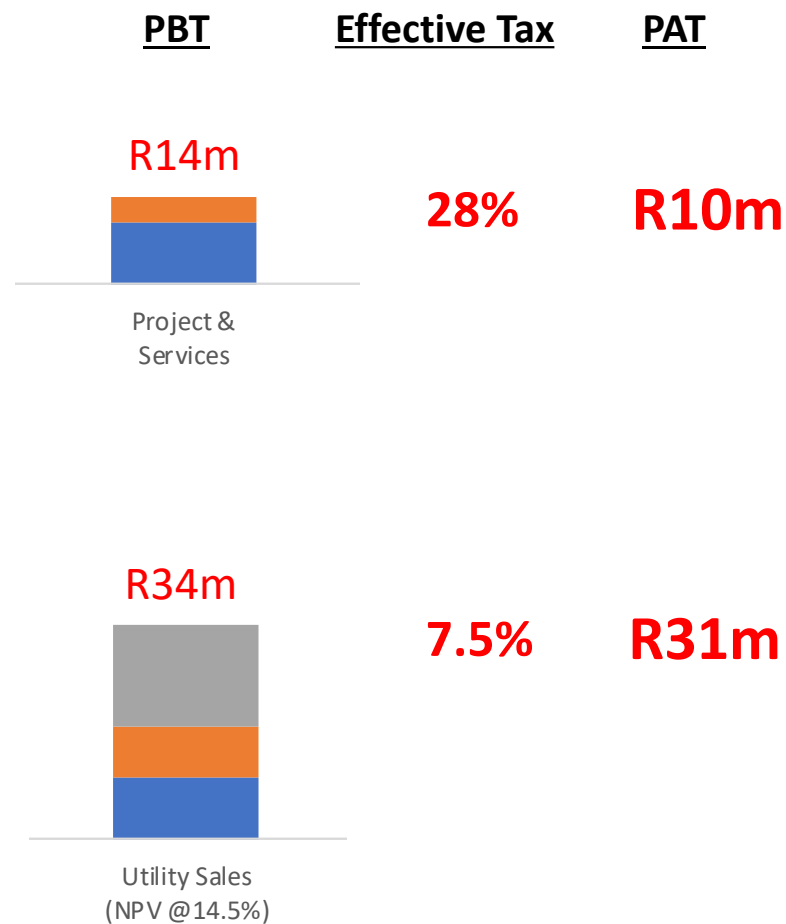


A Utility Sales Model is worth ~3x more than a traditional Project Model

R100m project example



NPV @ 14.5%



However, the value of the Utility Sales Model is understated in the first year

Projects & Services

Lifecycle value **14**

P&L: Yr1

Revenue	100
- COGS	<u>(75)</u>
Gross profit	25
- OpEx	<u>(15)</u>
Operating Profit	10



72% of value
"recognised" in Yr1

Utility Sales

Lifecycle Value **34**

P&L: Yr1

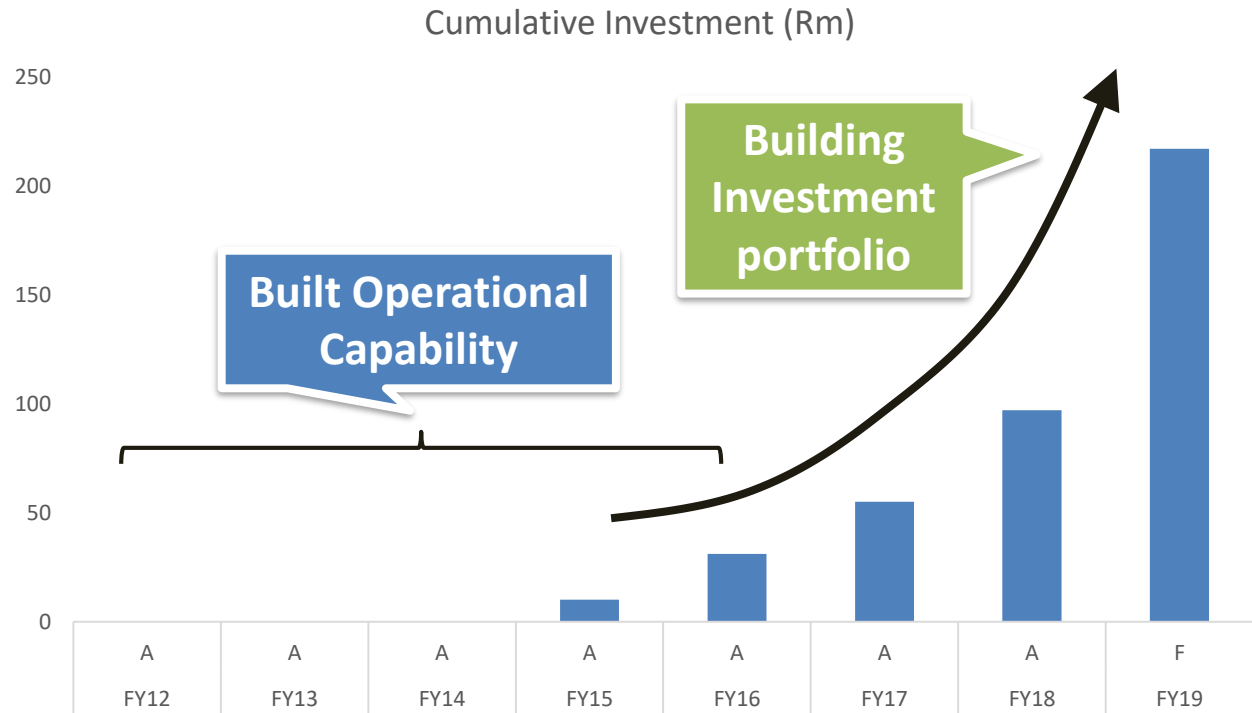
Revenue	44
- COGS	<u>(28)</u>
EBITDA	16
- Depreciation	(7)
- Interest	<u>(7)</u>
Operating Profit	2



6% of value
"recognised in Yr1"



It took 5yrs to build the “operational engine”; now assets are being added in an accelerated manner



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
	A	A	A	A	A	A	A	F
New Investments	0	0	0	10	21	24	42	120
Cumulative Investment	0	0	0	10	31	55	97	217

Note: 31 January financial year-end



STADIO

— HOLDINGS —

44%



PSG GROUP LIMITED

Group overview



12
CAMPUSES

- JHB
- CPT
- KZN
- PE
- Windhoek



STADIO MULTIVERSITY



Advantages to students

- Maximum recognition of prior learning
- Easy transfer of credits
- Single information management platform
- Economies of scale will drive increased quality over time

Advantages to Stadio

- Create one strong brand
- Single point of contact with regulators
- Increase chances & fast track process to acquire university status
- Harness scale

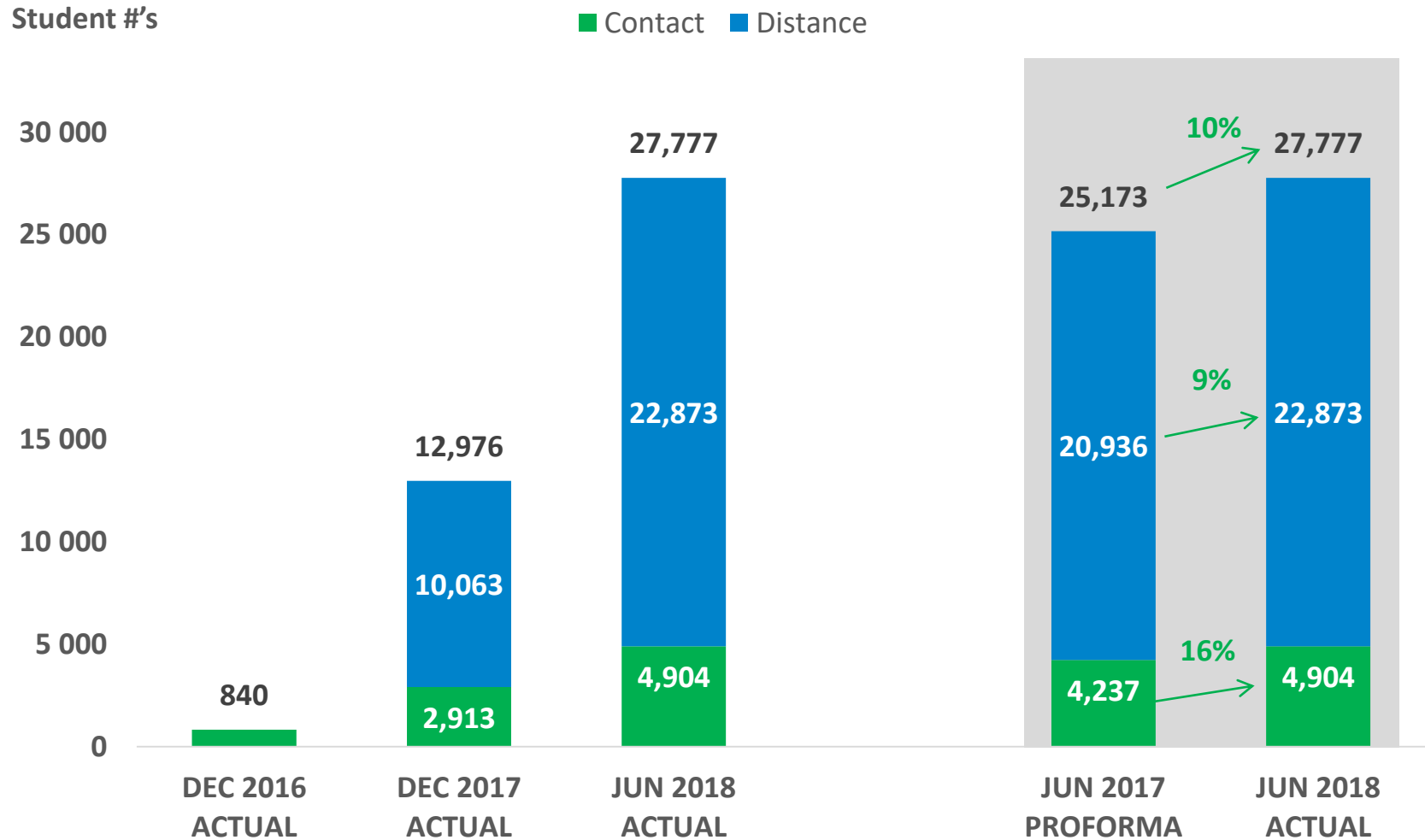


Highlights

- Opened 2 new Embury campuses
 - Montana (Pretoria)
 - Waterfall (Midrand)
- Relocated existing Embury Durban campus to Musgrave (KZN)
- Acquired 100% of LISOF (January 2018)
- Acquired 87.2% effective interest in Milpark (March 2018)
- Acquired the business of CA Connect (through Milpark) (April 2018)
- Concluded negotiations to acquire land in Durbanville (Western Cape)
 - New STADIO multi-faculty development (+/-5000 CL students)
- Exploring new faculties – including Faculty of Engineering, Faculty of Information Technology and Faculty of Health and Medical Sciences



Growth in student numbers



		Full Year		Interim	
		FY16	FY17	H1 FY17	H1 FY18
Income	<i>Rm</i>	48	125	35	301
EBITDA	<i>Rm</i>	11	0.5	(1)	60
EBITDA margin	%	23	0.4	(2)	20
Headline earnings	<i>Rm</i>	7	(7)	(3)	29
Core headline earnings	<i>Rm</i>	8	3	(3)	32
HEPS	<i>cents</i>	1.5	(1.2)	(0.8)	3.5
Core HEPS	<i>cents</i>	1.7	0.6	(0.7)	4.0



Cash utilisation

	Rm
Cash balance at 1 January 2018	646
Acquisition of subsidiaries	(245)
Capital expenditure and programme development	(36)
Repayment of borrowings	(159)
Net cash flow from operations	97
Cash balance at 30 June 2018	303





CA SALES HOLDINGS

48%

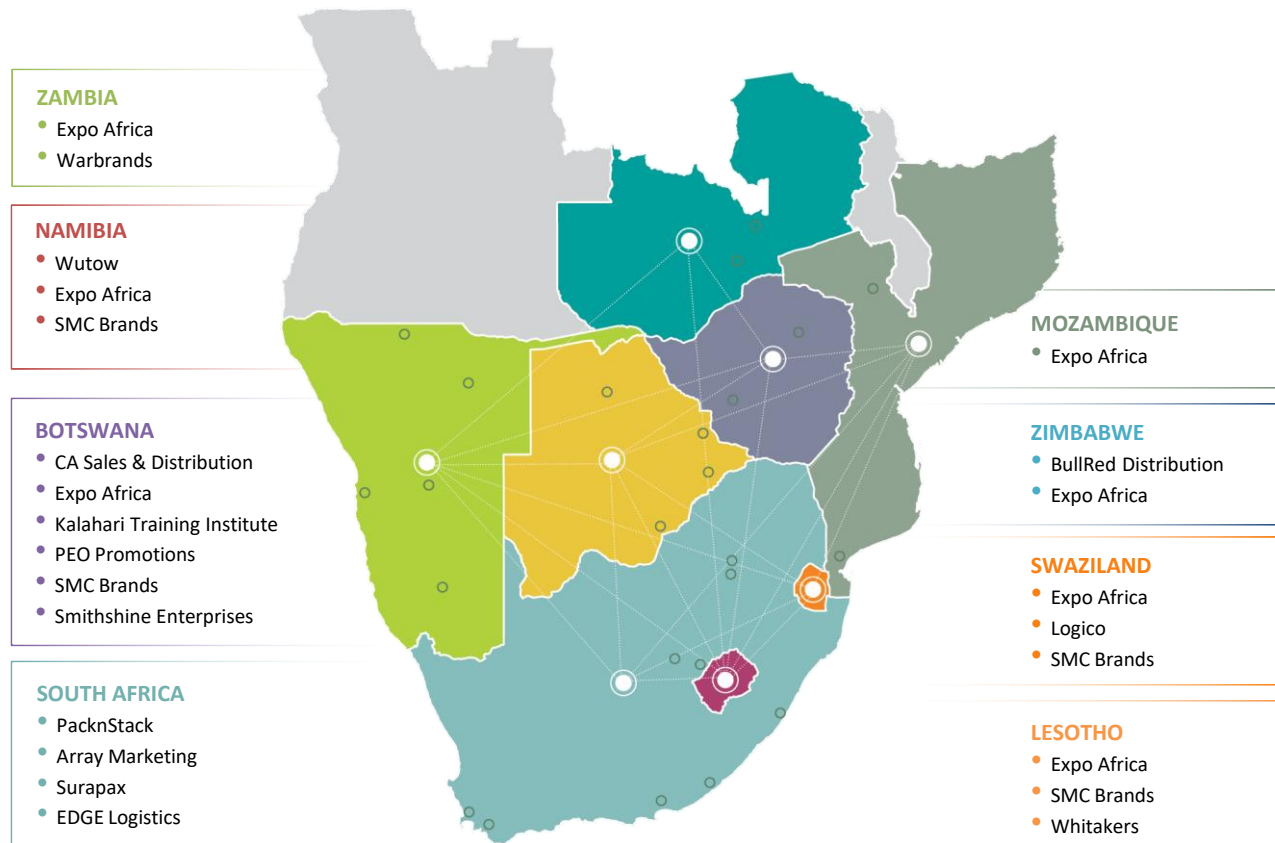


CA Sales Holdings is the **parent company** of a collection of FMCG businesses that operate across the Southern African region.



CA Sales Holdings operates within the FMCG industry and delivers **route-to-market services** to blue chip manufacturers. Our service offering includes selling, merchandising, warehousing, distribution, shopper promotions, training and debtors administration.

... with extensive geographical coverage



Financial performance



		Full Year				Interim		
YE: Dec		FY14	FY15	FY16	FY17	H1 FY17	H1 FY18	% change (H1 FY17-H1 FY18)
Revenue	<i>Rm</i>	2,492	3,585	4,031	4,839	1,903	2,436	28%
Headline earnings	<i>Rm</i>	52.2	86.6	106.4	136.9	31.7	45.7	44%
HEPS	<i>cents</i>	12.9	21.4	26.3	33.2	7.8	10.2	31%

- Strong results in 1st half of 2018
- The trading environment however remains challenging given the general weaker economies in the regions in which the business operates





50%



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Opportunity

- Large and growing market (6.8m retirees by 2030)
- Fragmented and/or undesirable offerings
- Opportunity for national trusted retirement brand
- PSG and Amdec as credible shareholders



Value proposition



Our residents' **physical safety** is our first priority.

Our business model contributes to our residents' **financial security**.



Partnership for Life

We take pride in providing **continuous care with dignity**.

Our **hospitality** ensures that our residents make happy memories.



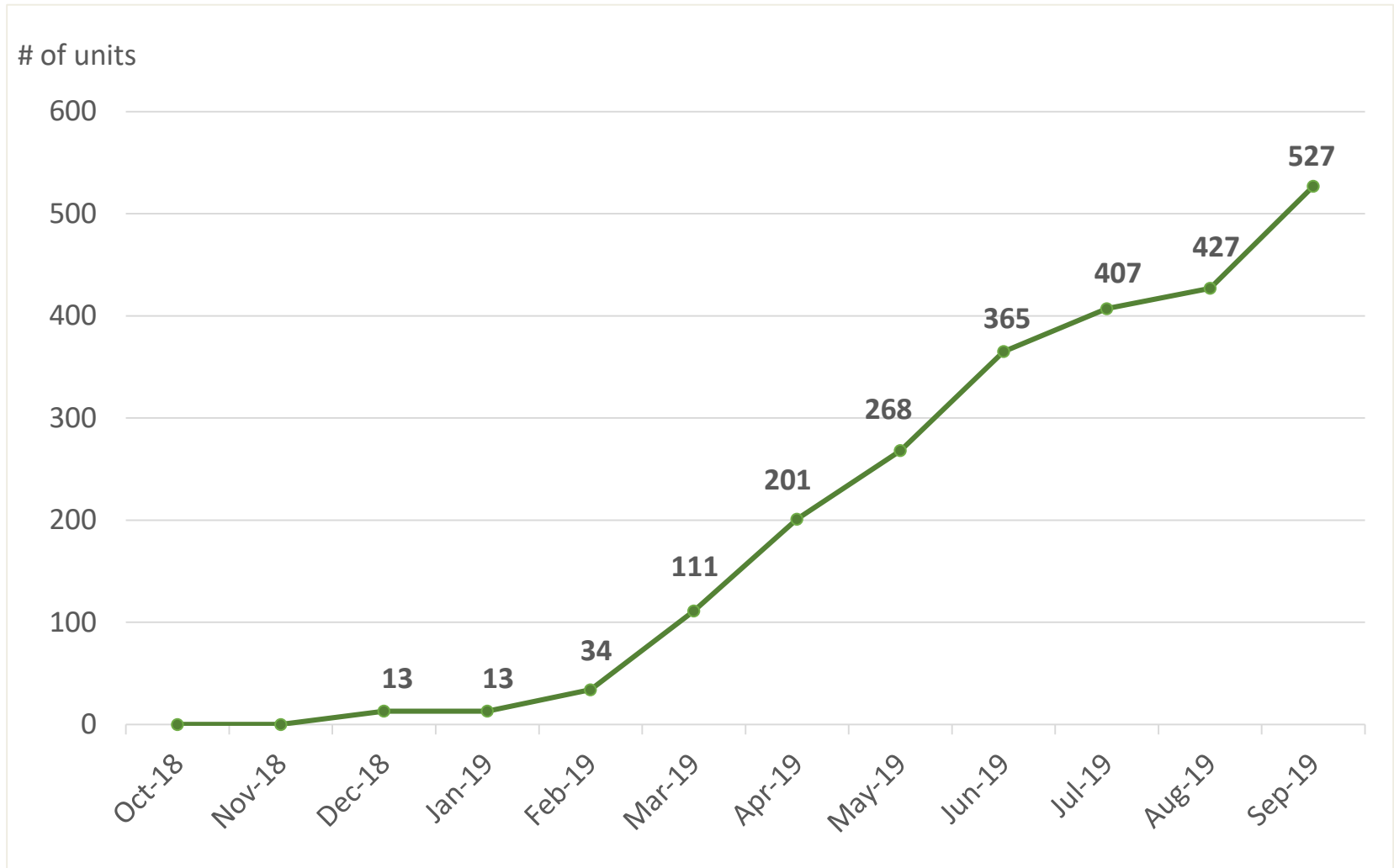
Development pipeline

EVERGREEN PROPERTY DEVELOPMENT FORECAST						
Village	Location	Units Completed	New Developments		Total Units	
			Units Under Construction	Units In Planning		
1	Bergvliet	Cape Town	65	35	6	106
2	Muizenberg	Cape Town	218	43	-	261
3	Broadacres	Johannesburg	130	108	-	238
4	Diep River	Cape Town	57	-	27	84
5	Lake Michelle	Cape Town	31	-	110	141
6	Noordhoek	Cape Town	46	204	20	270
7	Val de Vie	Cape Town	-	137	463	600
8	Westbrook	Port Elizabeth	-	-	800	800
9	Hilton	KZN Midlands	-	-	458	458
10	Umhlanga	Durban	-	-	640	640
11	Zimbali	Durban	-	-	750	750
12	Sitari	Cape Town	-	-	500	500
Total			547	527	3,774	4,848

- 98.7% occupancy of existing 547 units
- 16.1% presales achieved on new 527 units



Expected completion of next 527 units



Future prospects

5-year target:	
Number of villages:	12 operating villages
Number of Life Right units:	5,000
Village locations:	Main metropolitan areas and important development nodes most likely consisting of Cape Town, Johannesburg, Durban and Port Elizabeth
Gross asset value:	Approximately R14bn

5+ year target:	
Number of villages:	More than 20 operating villages
Number of Life Right units:	10,000
Gross asset value:	More than R25bn

- 10,000 units would still represent an insignificant share of the total opportunity.



Muizenberg (43 houses)



Broadacres (108 apartments)



Noordhoek (104 houses & 100 apartments)



Val de Vie (137 houses)





91%

Accessible learning at scale to 3 market segments



Accessible learning at scale
to learners in any environment
using proprietary
Guided Learning model

Centralised learning at
Home for parents,
learners and tutors.

- >18 500 learners
- >1 500 tutors

Supply to **Schools** and
teachers, using Arrow
Academy to innovate.

- >1 500 schools

Corporate learning
for business and
government.

- >200 corporates
- >40 000 learners



Value proposition and business model

- **Accessible learning at scale** to learners in any learning environment.
- Unique learning model focusing on **improving academic outcomes** and/or **reducing cost**.
- **High operating leverage**.

Offering

- **Home:** Home and Distance learning for Gr R – 12 and supplementary offering to learners and parents.
- **School:** Centralised provider for Gr RRR – 12, with Arrow as model school (RRR – 3, eventually to 12).
- **Corporate:** AET, learnerships and other courses for corporates, government and adults (B2C).

Target market

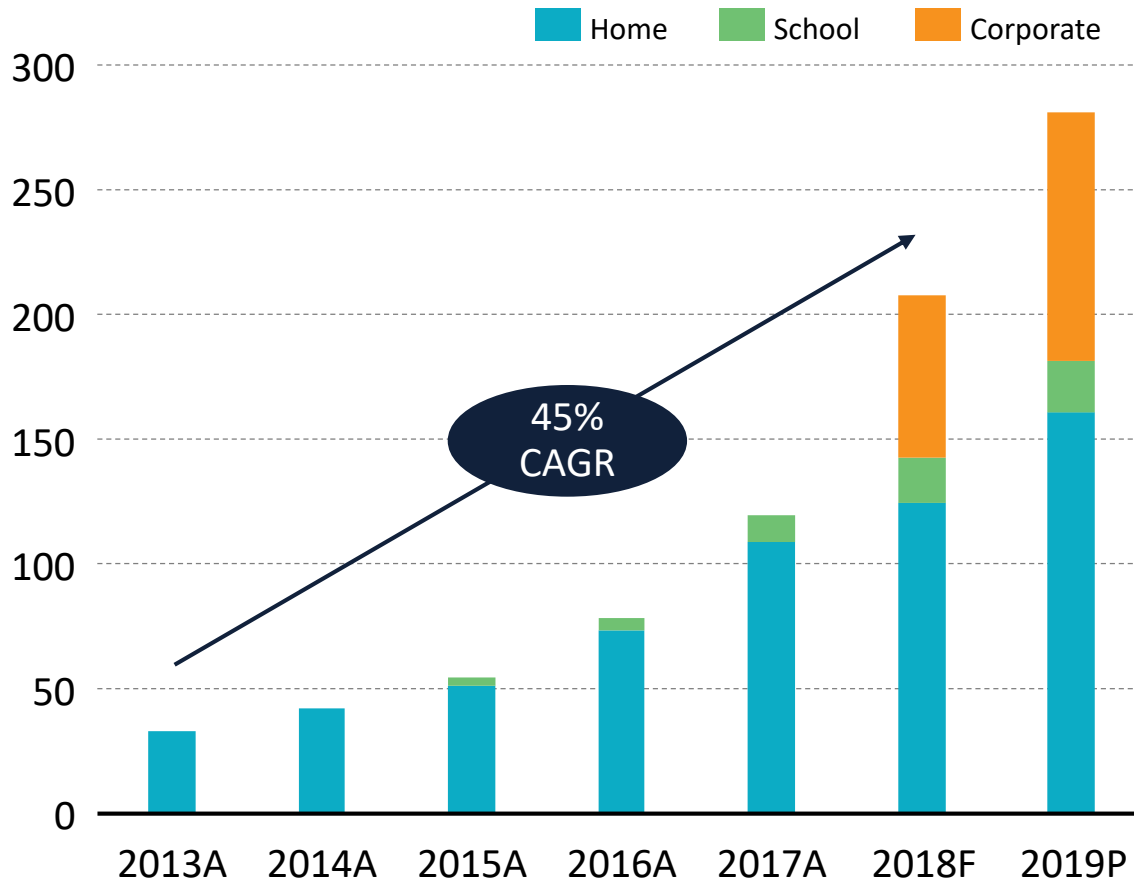
- ~13m school or home education learners.
- ~9.5m corporate or government employees.
- >7m adults without matric.



Attractive growth





FutureLearn revenue

Rm; historic actual, 2018 forecast and 2019 target



- >R200m revenue expected in 2018.
- 45% CAGR until 2018 (34% organic) over past 5 years.
- Turned profitable in 2016.

Other investments

Investment	%	Focus	Review
	73	eLearning platform	<ul style="list-style-type: none"> Continued strong growth to 70,000 learners in SA Early success in SA tertiary market Efforts to expand to UAE and UK
	56	Nanofiber material science	<ul style="list-style-type: none"> Promising business development amongst international clients, especially in cosmetic face mask field
	71	Disrupt new car sales experience	<ul style="list-style-type: none"> Venture capital investment into early-stage business Has opened physical dealership (Carter Renault in Melrose Arch) to facilitate vehicle finance directly
	25	Specialist antenna & communications	<ul style="list-style-type: none"> Headline earnings increased 46% to R33m for 12 months to 30 June 2018 (1st set of results as a focussed company) Exports accounts for >90% of sales Finnish acquisition proving successful and US acquisition completed



Other investments

Investment	%	Focus	Review
	51	Mining support services	<ul style="list-style-type: none"> Continued strong trading results Broader industrial holdings strategy in progress
	13	Outsourcing	<ul style="list-style-type: none"> Acquisitive strategy gaining momentum and contributing to bottom line Has moved to main board of the JSE
	49	LBO specialist	<ul style="list-style-type: none"> Strong earnings growth Further acquisitions likely



Thank you.

Questions?

