



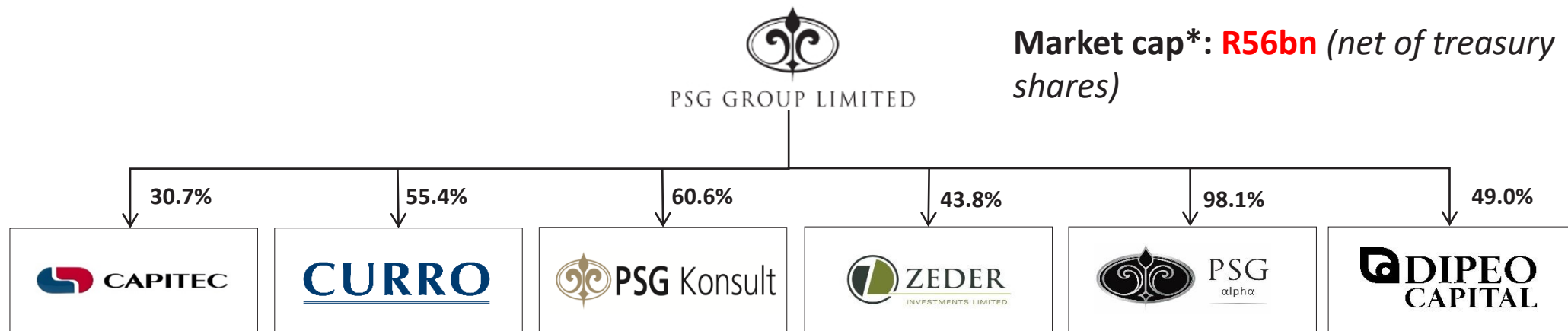
PSG GROUP LIMITED

AGM INVESTOR PRESENTATION

Piet Mouton

CEO

PSG GROUP STRUCTURE



*Market cap as at 24 Jul 2019; all other information as at 28 Feb 2019



PSG GROUP LIMITED

INVESTMENT PHILOSOPHY



Large Market



Market Dynamics



Engine Room





PSG GROUP LIMITED



2009 - 2019

10 YEARS - SOTP

(R'm)	Feb 09		Feb 19		CAGR
Capitec	857	25%	46,351	66%	49%
PSG Konsult	873	25%	8,700	12%	26%
Zeder	558	16%	3,166	5%	19%
Curro*	-	0%	5,714	8%	63%
PSG Alpha	413	12%	4,712	7%	28%
Other	745	22%	1,702	2%	9%
Total assets	3,446		70,345		35%
Perpetual pref funding	(486)		(1,367)		11%
Other debt	(350)		(1,020)		11%
Total SOTP value	2,610		67,958		39%
Shares in issue** (m)	170.5		218.2		2%
SOTP value per share (R)	15.31		311.45		35%

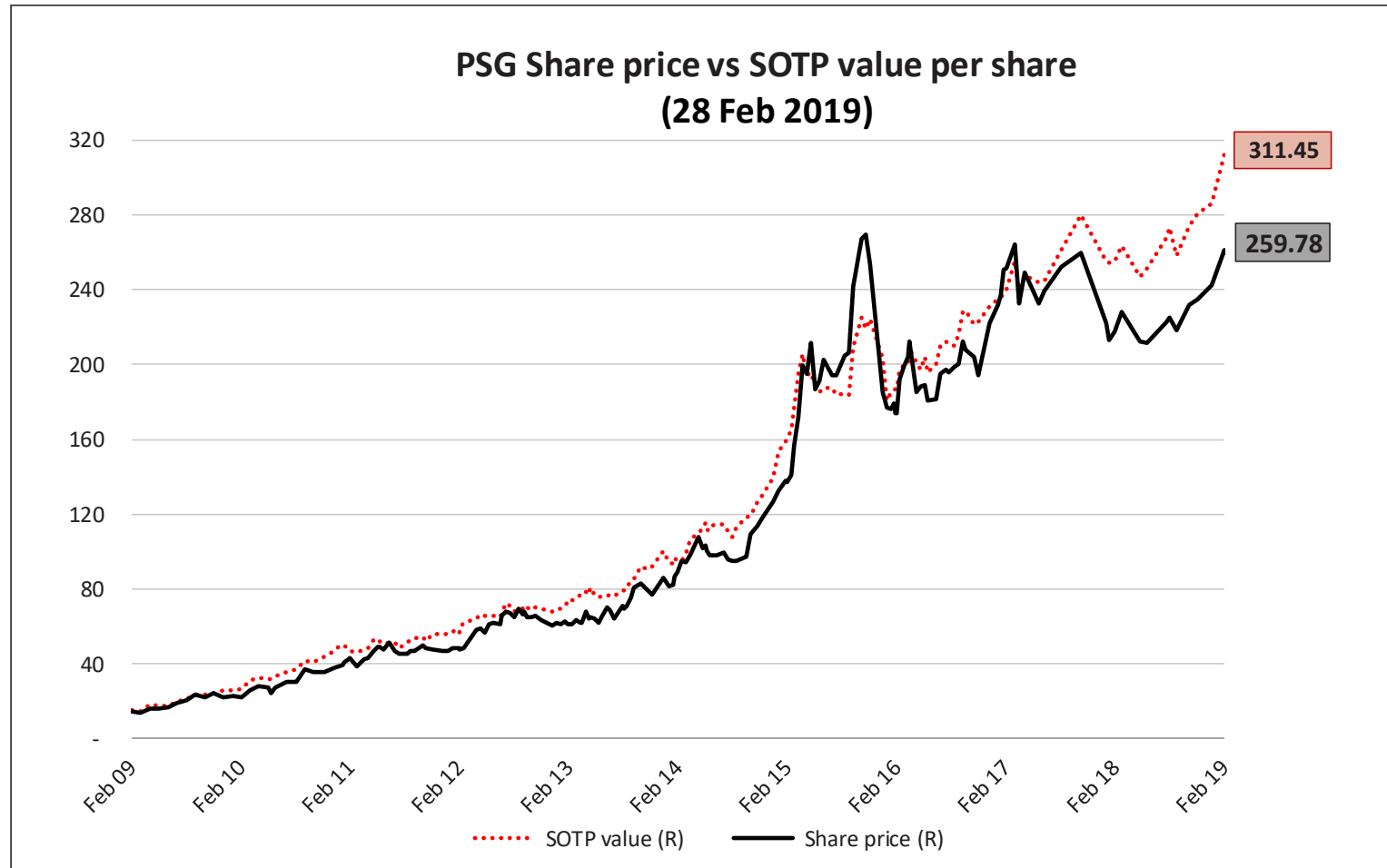
*Curro investment made during FY10

**Net of treasury shares



PSG GROUP LIMITED

PSG GROUP SHARE PRICE VS SOTP VALUE PER SHARE



Discount

Latest *discount* ~17%
 10-year average *discount* ~9%

Liquidity (per annum)

Feb 2019	47%
Feb 2018	69%
Feb 2017	30%
Feb 2016	50%
Feb 2015	17%
Feb 2014	10%
Feb 2013	13%
Feb 2012	8%
Feb 2011	12%
Feb 2010	12%
Feb 2009	10%



PSG GROUP LIMITED

10 YEARS - SHARE PRICE DISCOUNT TO SOTP

(R'm)	Feb 09		Feb 19	
Capitec	857	25%	46,351	66%
PSG Konsult	873	25%	8,700	12%
Zeder	558	16%	3,166	5%
Curro*	-	0%	5,714	8%
PSG Alpha	413	12%	4,712	7%
Other	745	22%	1,702	2%
Total assets	3,446		70,345	
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Other debt	(350)		(1,020)	
Total SOTP value	2,610		67,958	
Shares in issue** (m)	170.5		218.2	
SOTP per share (R)	15.31		311.45	
Share price (R)	14.56		259.78	
Discount	4.9%		16.6%	



PSG Group share price:

- Trading at a ~17% discount
- In line with other listed investment holding company discounts
- Portfolio construction...

*Curro investment made during FY10

**Net of treasury shares



PSG GROUP LIMITED

10 YEARS – GEARING AND INTEREST COVER

(R'm)	Feb 09	Feb 19
Capitec	857	46,351
PSG Konsult	873	8,700
Zeder	558	3,166
Curro*	-	5,714
PSG Alpha	413	4,712
Other	745	1,702
Total assets	3,446	70,345
Perpetual pref funding	(486)	(1,367)
Other debt	(350)	(1,020)
Total SOTP value	2,610	67,958
Shares in issue** (m)	170.5	218.2
SOTP value per share (R)	15.31	311.45

- Interest cover: 4.8x
- B/S gearing: 13.2%
- SOTP gearing: 3.5%
- PSG Group is conservatively geared
- Capacity for further debt if needed

*Curro investment made during FY10

**Net of treasury shares



PSG GROUP LIMITED



PSG GROUP LIMITED



CAPITEC

(R'm)	Feb 09	Feb 19
Capitec	857	46,351
PSG Konsult	873	8,700
Zeder	558	3,166
Curro	-	5,714
PSG Alpha	413	4,712
Other	745	1,702
Total assets	3,446	70,345
Perpetual pref funding	(486)	(1,367)
Other debt	(350)	(1,020)
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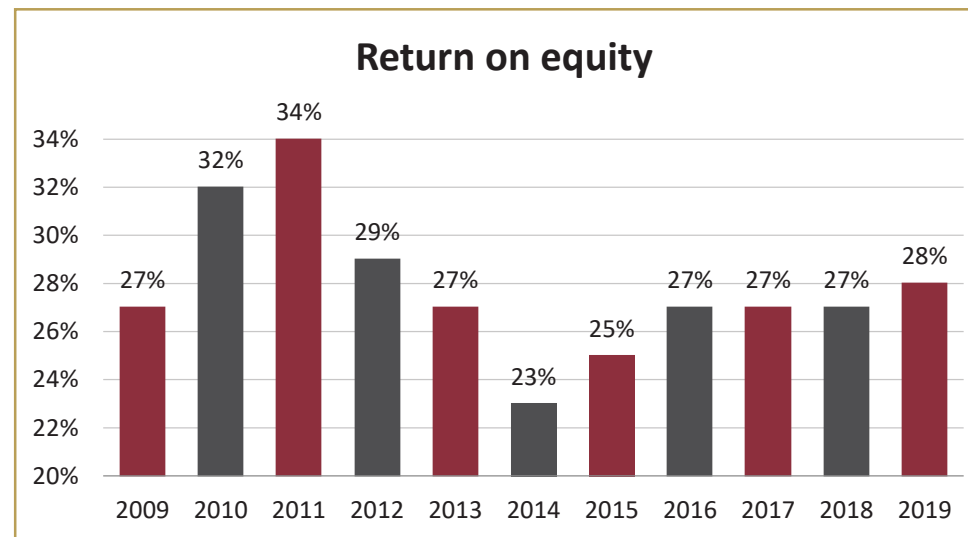
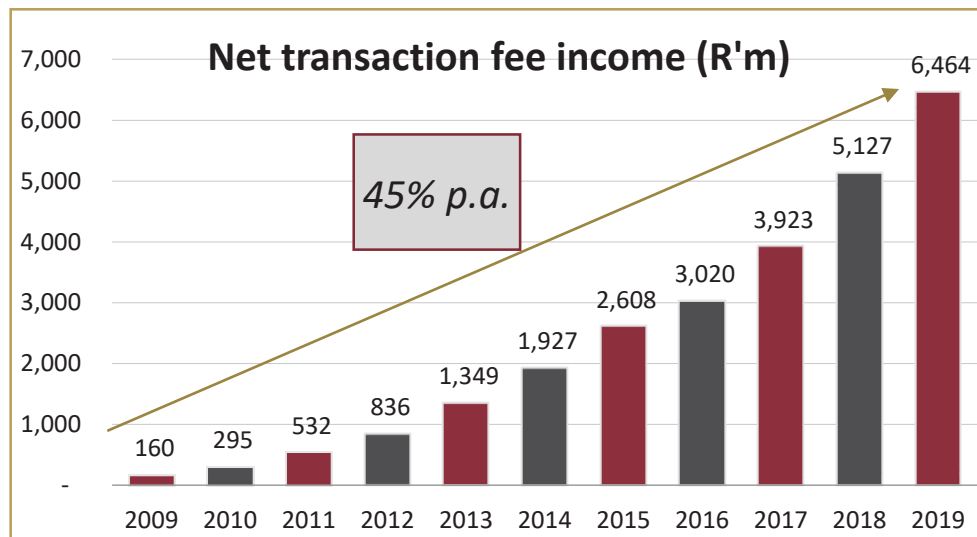
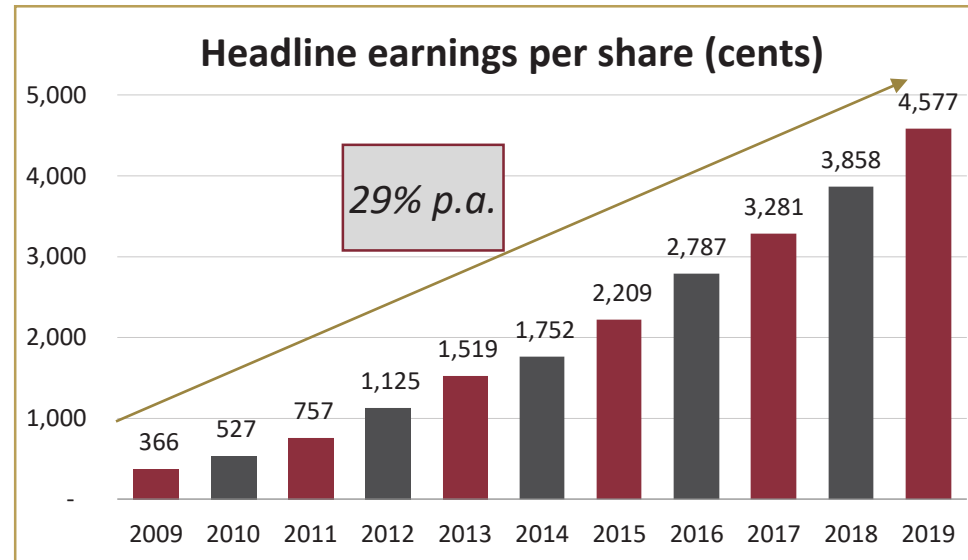
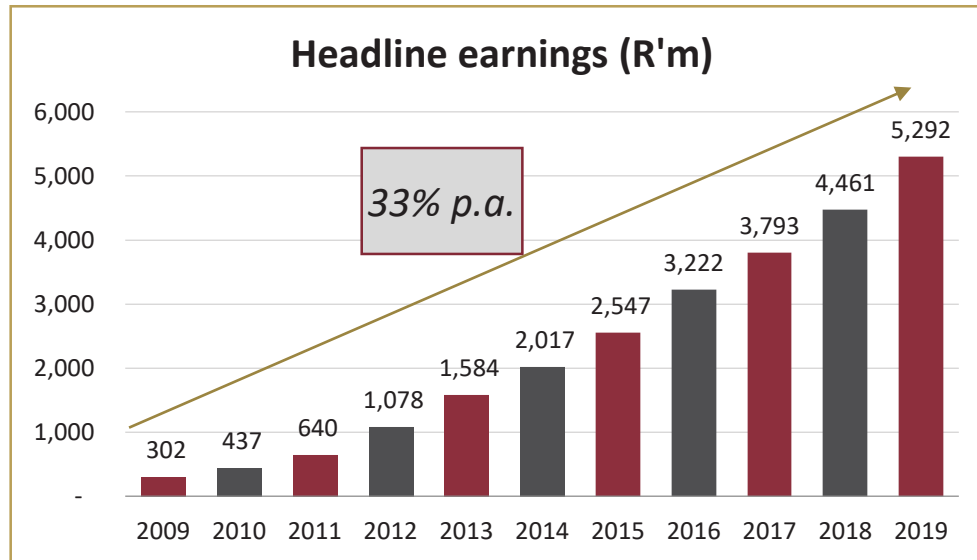
*Net of treasury shares

Total of 35.5m shares held at present

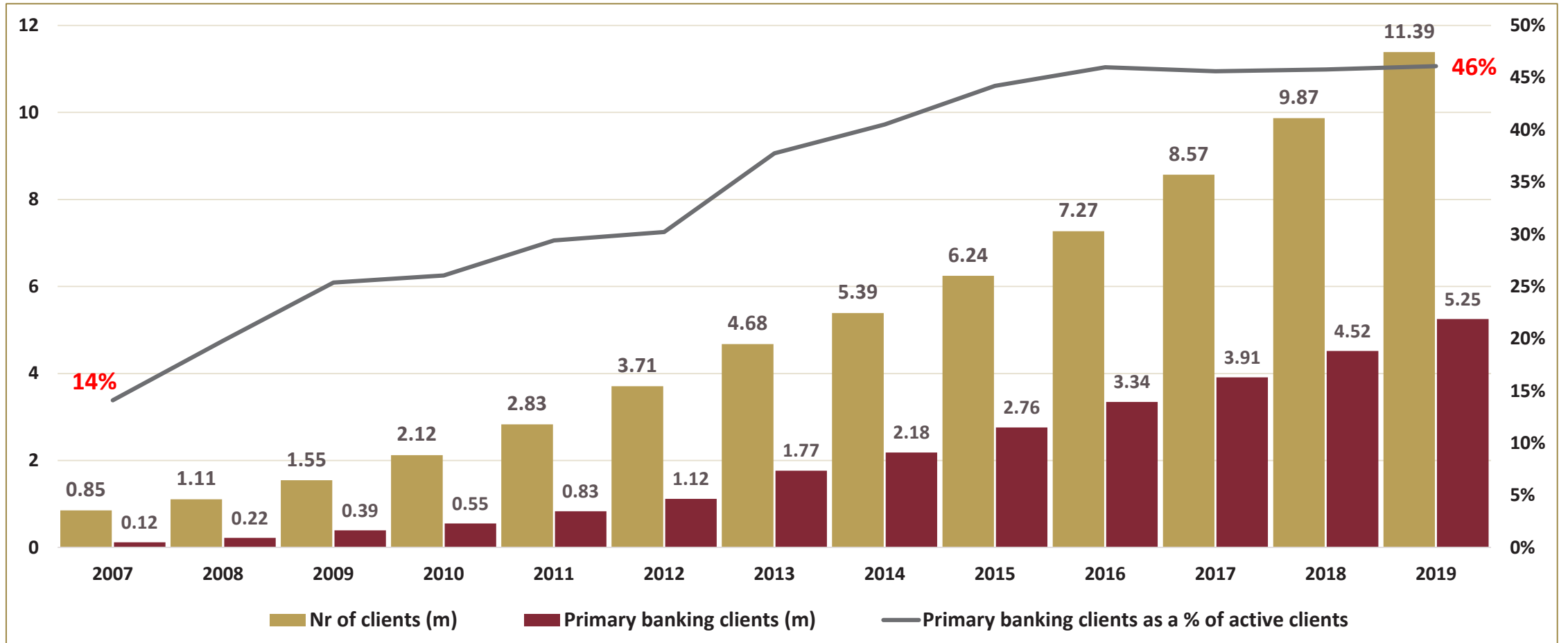
- 54x increase in value
- FY11: Raised additional R502m in perpetual pref share funding
 - › R424m used to acquire 3.5m Capitec shares at an average price of R123 per share
- FY15: Obtained a further 2.9m Capitec shares through the PSG Group/Thembeke merger
- The Capitec shares so acquired were valued at R8.4bn as at 28 Feb 2019



KEY FINANCIAL METRICS



GROWTH IN CAPITEC'S ACTIVE AND PRIMARY BANKING CLIENTS



Growth opportunity in middle to higher income segment

Question: Which one bank do you regard as your main bank?

Monthly Personal Income	Capitec Bank # Clients ('000)	Total Banked Population ('000)	Market Share
Other	271	902	30%
R0 - R4 999	6,887	17,410	40%
R5 000 - R9 999	1,321	4,319	31%
R10 000 - R19 999	620	3,330	19%
>R20 000	71	1,270	6%
Grand Total	9,170	27,231	34%

**Publisher Audience Measure Survey ("PAMS") replaced All Media and Products Survey*



New fees FY20

Rand	FY19	FY20
Monthly admin fee	5.75	5.00
Electronic payments	1.60	1.00
Cashback at retailers	1.61	1.00
Debit orders	3.70	3.50
Recurring payments	5.00	1.00
Capitec ATM	6.56	6.00 per R1,000
Other ATM	8.83	8.00 per R1,000
Immediate (real time) payments app and internet	10.00	8.00

- Continuously compete on fees to remain the market leader



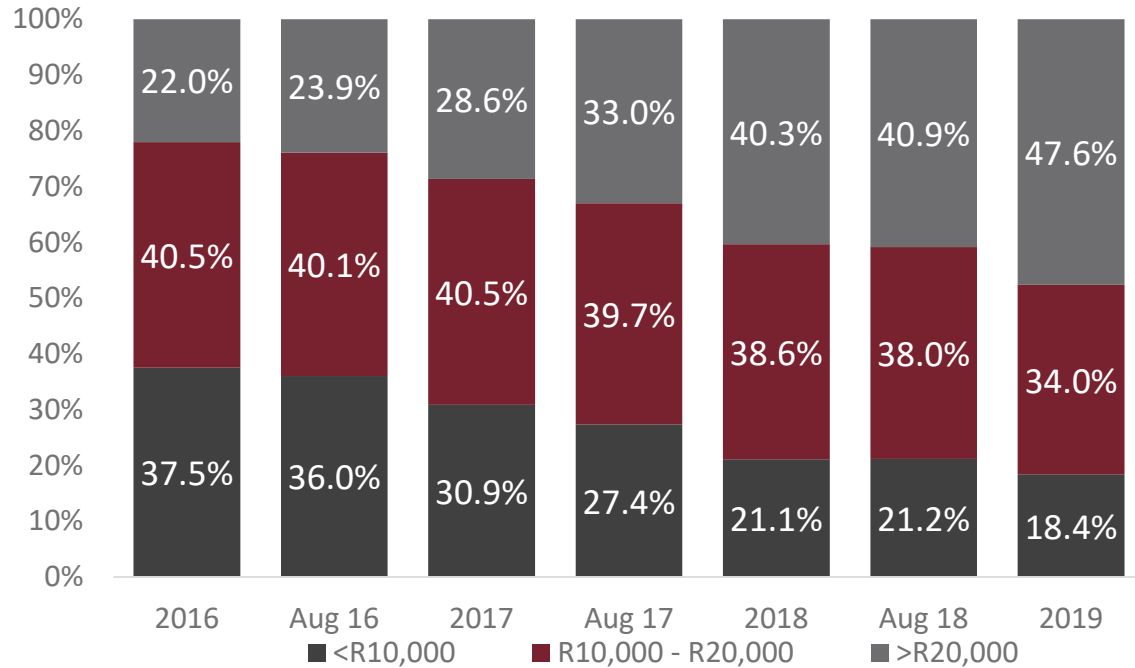
GROWING THE DIGITAL AND SELF-HELP PLATFORMS



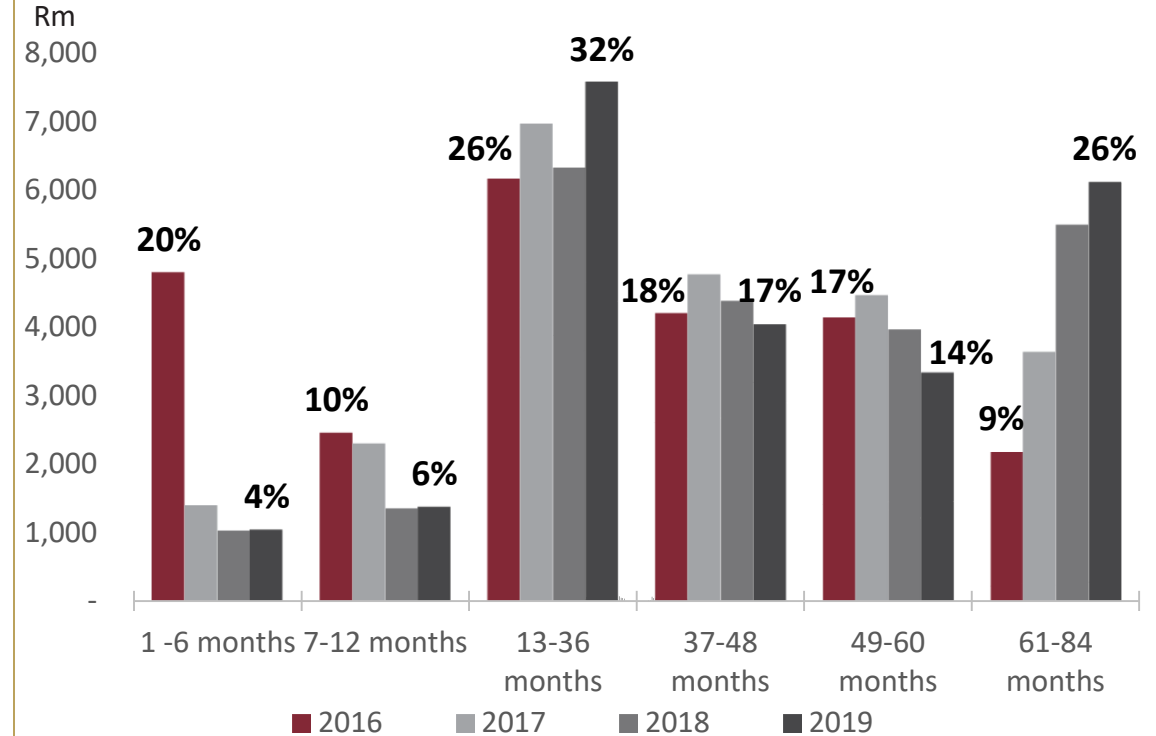
- 5.2m digital clients (↑ 18%)
 - › 2.2m App users (↑ 47%)
 - › 4.1m USSD users (↑ 12%)
- Self-service transactions volumes have increased:
 - › 343m banking app transactions (↑ 75%)
 - › 640m USSD transactions (↑ 14%)
 - › 18m self-service terminal transactions (↑ 111%)
 - › 29m dual-note recycle transactions (↑ 55%)



Focus on higher income market (loans granted)



Focus on longer - term loans (loan advanced)



- Average interest rate down from 25.3% to 24%
- 56% of sales over shorter period or at lower value than max (Feb 2018: 45%)
- Credit card's lowest interest rate at prime
 - › 57% sold at less than 16% interest rate





Funeral Plan launched

Launched the funeral cover on 21 May 2018



Record sales in October 2018

Over 73,833 policies sold in the month of October alone



Impact of the Funeral Plan

Over 500,000 policies sold
Over 360,000 policies retained

- **Market Analysis**
 - › Market size: ±11m formal policies
 - › Capitec's market share: 3.2% of formal policy market
- **Power of Branches**
 - › 80% of policies sold in branches
 - › 20% of policies sold through the app
- **Key Benefits for Clients**
 - › Up to R100,000 funeral cover
 - › Up to 21 dependents
 - › Double accidental benefit
 - › No automatic annual premium increases
 - › Voluntary policy pause
 - › New-born premium waiver





PSG Konsult



PSG GROUP LIMITED

5 YEARS – PSG KONSULT

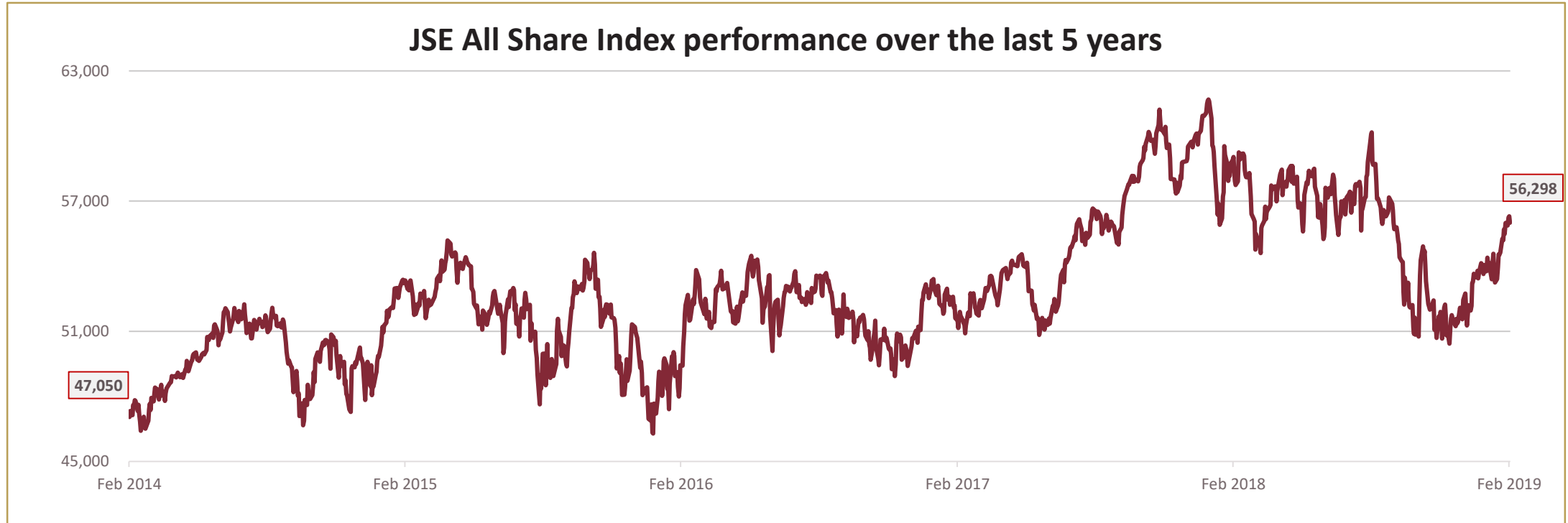
(R'm)	Feb 14	Feb 19
Capitec	5,989	46,351
PSG Konsult	4,004	8,700
Zeder	2,081	3,166
Curro	4,660	5,714
PSG Alpha	949	4,712
Thembeke Capital	1,243	-
Other	1,122	1,702
Total assets	20,048	70,345
Perpetual pref funding	(1,393)	(1,367)
Other debt	(615)	(1,020)
Total SOTP value	18,040	67,958
Shares in issue* (m)	189.9	218.2
SOTP value per share (R)	95.01	311.45

- In 2009, PSG Asset Management was still a separate company and merged with PSG Konsult on 1 Mar 2011

*Net of treasury shares



Wealth and asset management divisions make money largely from assets under management → inflows and positive market movements



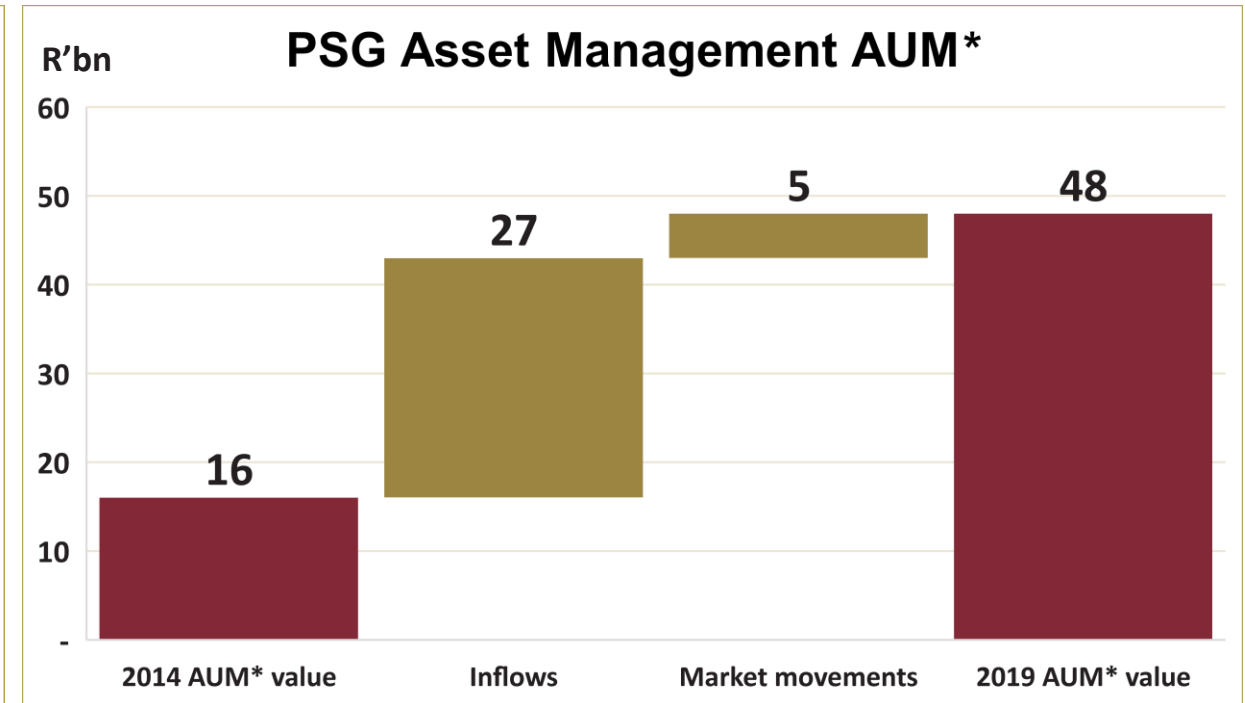
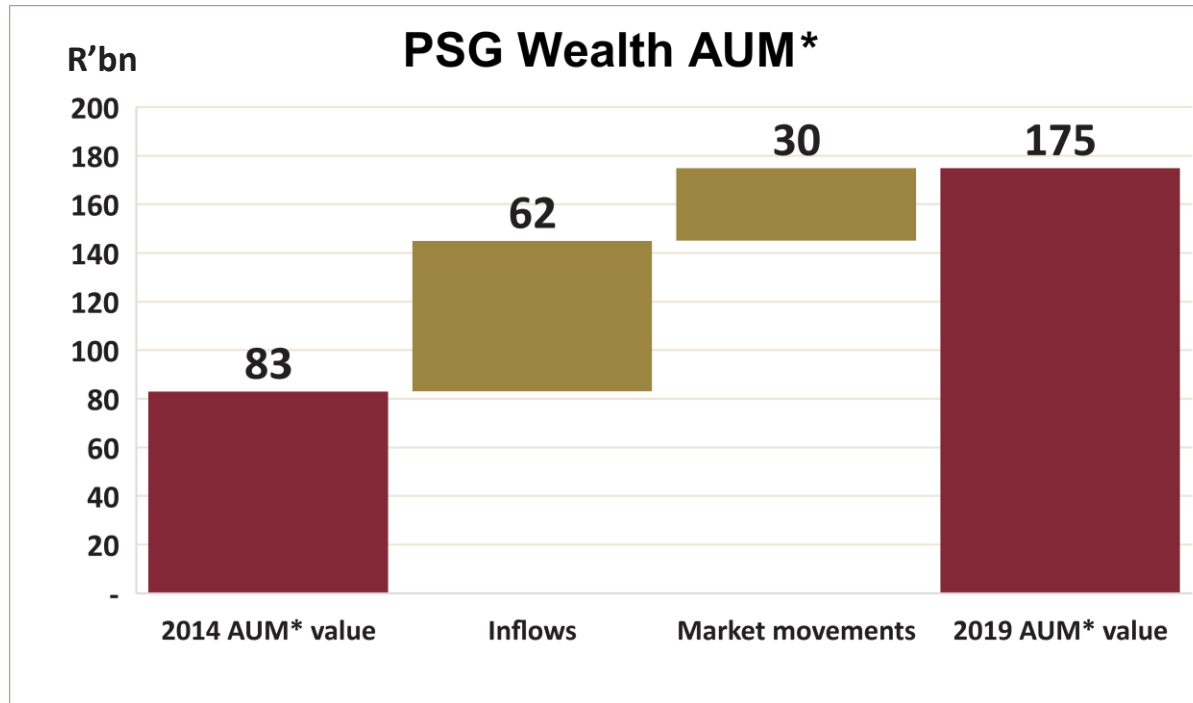
**The JSE All Share Index increased by only
3.7% p.a. over the last 5 years ended Feb 2019**



5 YEARS – PSG KONSULT

Bedrock of the firm is its significant adviser base

- Advisers have increased from 618 in FY14 to 932 in FY19
- Advisers have done well to generate inflows



*Assets under management



Why are we excited?

- › Low debt and solid SCR (solvency capital requirement) ratio
- Low market shares in key markets
- Superior advisers and asset managers
- Many competitors are confused about their strategy – PSG Konsult has a clear vision and will continue to grow by taking market share, even in a constrained environment
- At some stage we should get tailwinds from the market again



CURRO



PSG GROUP LIMITED

10 YEARS - CURRO

CURRO

(R'm)	Feb 09	Feb 19
Capitec	857	46,351
PSG Konsult	873	8,700
Zeder	558	3,166
Curro	-	5,714
PSG Alpha	413	4,712
Other	745	1,702
Total assets	3,446	70,345
Perpetual pref funding	(486)	(1,367)
Other debt	(350)	(1,020)
Total SOTP value	2,610	67,958
Shares in issue* (m)	170.5	218.2
SOTP value per share (R)	15.31	311.45

PSG Group invested significant capital

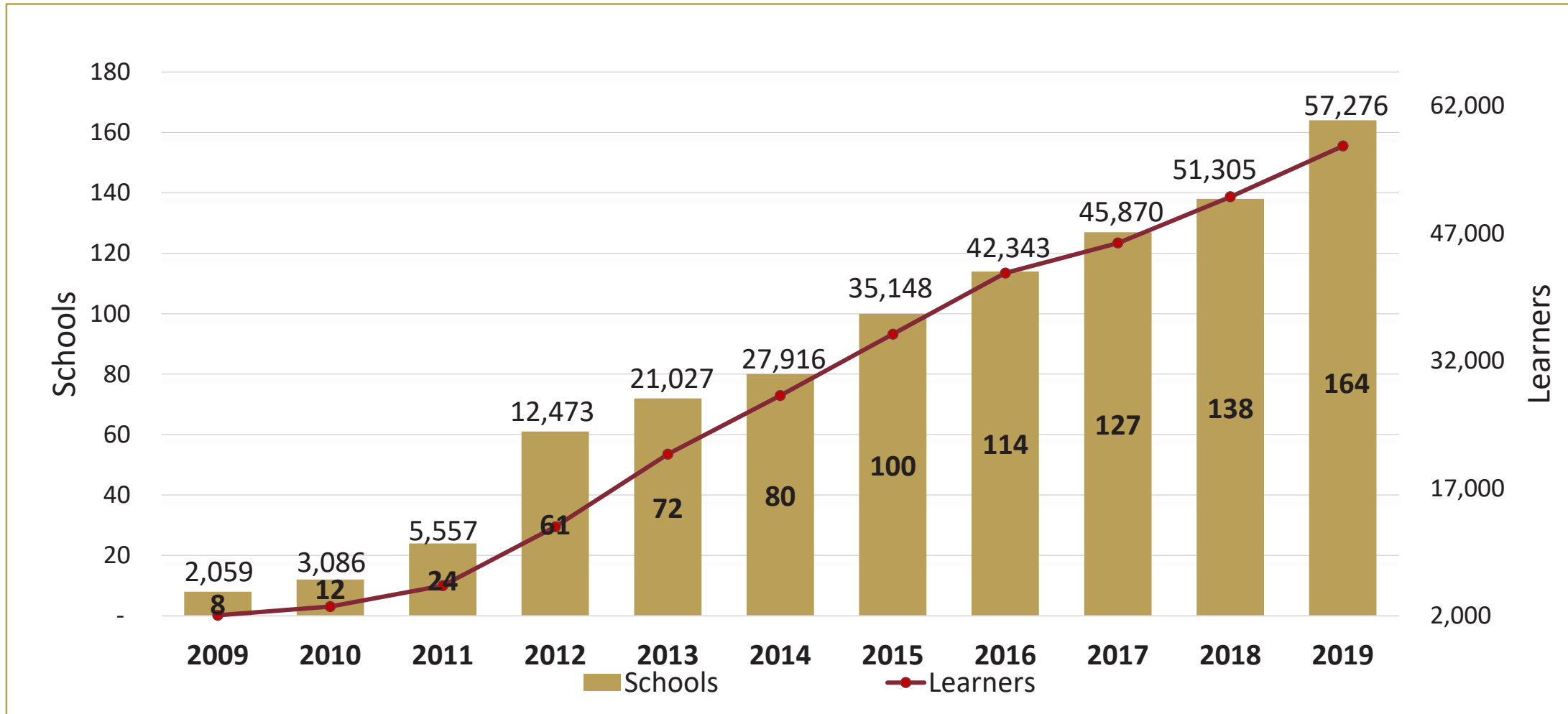
- FY10: R50m (June 2009)
- FY11: R53m
- FY12: R262m
- FY13: R220m
- FY14: R364m
- FY15: R356m
- FY16: R428m
- FY17: R669m
- **TOTAL: R2,4bn**

*Net of treasury shares



PSG GROUP LIMITED

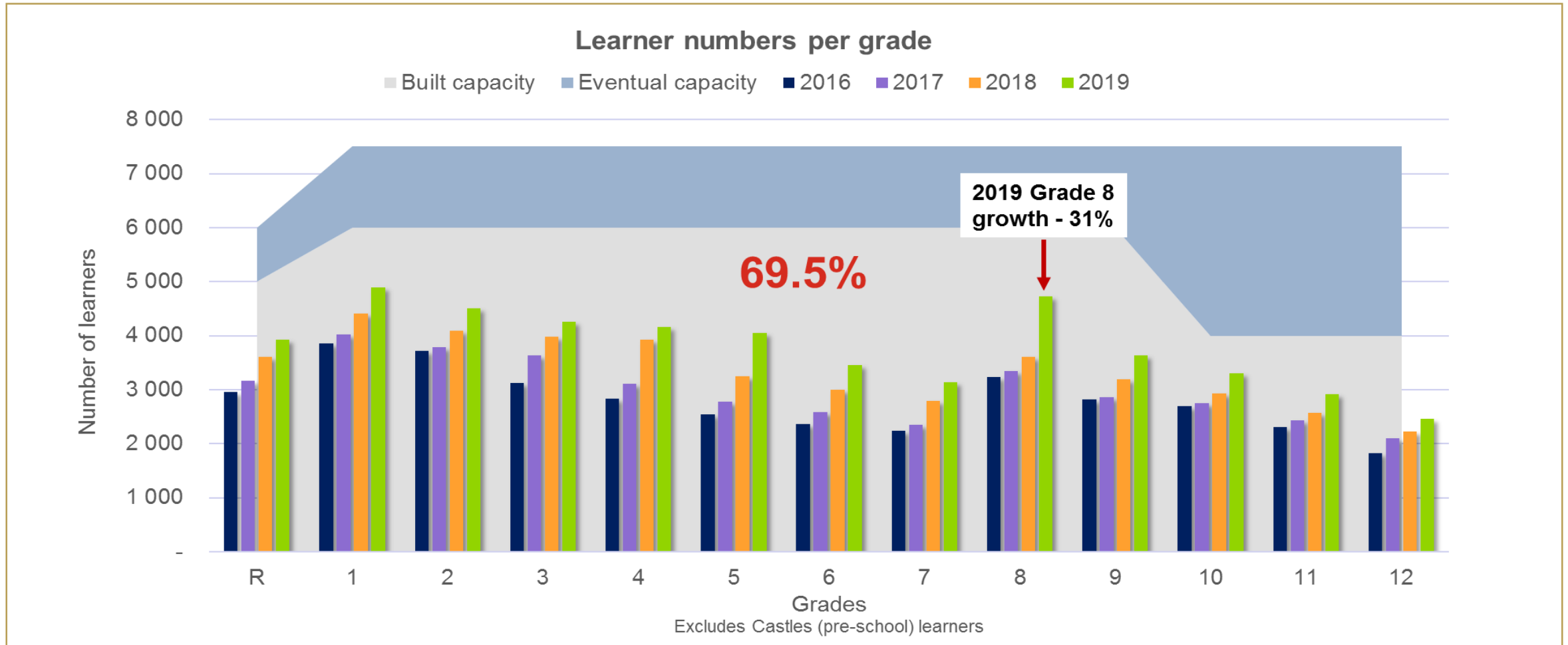
CURRO – GROWTH IN LEARNER AND SCHOOL NUMBERS



- Curro has invested more than R9bn to date



LEARNER NUMBER PER GRADE – CAPACITY



SCHOOLS PER EBITDA CONTRIBUTION

	Learner numbers			EBITDAR (R'000)			EBITDAR Margin			Eventual capacity utilised		
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Top 20%	16 239	18 679	21 228	288 246	363 523	461 259	39%	39%	41%	72%	73%	71%
60% - 80%	10 348	11 566	13 498	116 371	150 854	202 809	28%	28%	30%	60%	59%	51%
40% - 60%	5 857	7 157	7 446	63 760	69 066	81 366	26%	25%	27%	51%	40%	44%
20% - 40%	5 800	5 116	5 875	29 580	36 646	49 567	17%	19%	21%	29%	37%	51%
0% - 20%	4 099	3 352	3 258	(6 931)	(10 846)	(6 851)	(6%)	(10%)	(6%)	21%	26%	26%
Total	42 343	45 870	51 305	491 026	609 243	788 149	28%	28%	32%	51%	51%	53%
Rent				(4 000)	(15 485)	(16 623)						
EBITDA				487 026	593 758	771 526						
Top 20% schools' contribution to total EBITDA				59%	61%	60%						

16% of schools >40% EBITDA margin
39% of schools >30% EBITDA margin



- Business remains under pressure from a learner number perspective
- Significant and growing footprint
- Curriculum development improvements will continue driving our no. 1 status
- Top schools with eventual capacity of >70% perform well:
 - › EBITDA margin of ~40%
 - › ROI in excess of 20%
- Quality recurring cash flow generation





PSG GROUP LIMITED

10 YEARS – ZEDER

(R'm)	Feb 09	Feb 19
Capitec	857	46,351
PSG Konsult	873	8,700
Zeder	558	3,166
Curro	-	5,714
PSG Alpha	413	4,712
Other	745	1,702
Total assets	3,446	70,345
Perpetual pref funding	(486)	(1,367)
Other debt	(350)	(1,020)
Total SOTP value	2,610	67,958
Shares in issue* (m)	170.5	218.2
SOTP value per share (R)	15.31	311.45

- Included in Zeder in Feb 2009 was the PSG/Zeder management fee agreement valued at R216m.

*Net of treasury shares



Proforma net impact of the Category 1 disposal of Pioneer and the potential application of the proceeds

Gross proceeds from the disposal of investment in Pioneer (R'm)	6,410
Provision for settlement of debt, transaction costs and directly related obligations (R'm)	(1,590)
Estimated net cash available following the disposal (R'm)	4,820

	Range	
Intended distribution to shareholders by way of special dividend (R'm)	4,250	4,750
Number of issued shares (R'm)	1,710	1,710
Intended special dividend per share (R)	2.49	2.78
<i>PSG Group's share of special dividend (R'm)</i>	<i>1,862</i>	<i>2,080</i>

- *PSG will likely use its share of Zeder's special dividend to reduce debt and/or make further investments.*





PSG
alpha



PSG GROUP LIMITED

10 YEARS – PSG ALPHA



(R'm)	Feb 09	Feb 19
Capitec	857	46,351
PSG Konsult	873	8,700
Zeder	558	3,166
Curro	-	5,714
PSG Alpha	413	4,712
Other	745	1,702
Total assets	3,446	70,345
Perpetual pref funding	(486)	(1,367)
Other debt	(350)	(1,020)
Total SOTP value	2,610	67,958
Shares in issue* (m)	170.5	218.2
SOTP value per share (R)	15.31	311.45

*Net of treasury shares



PSG GROUP LIMITED



PSG GROUP LIMITED



Opportunity:

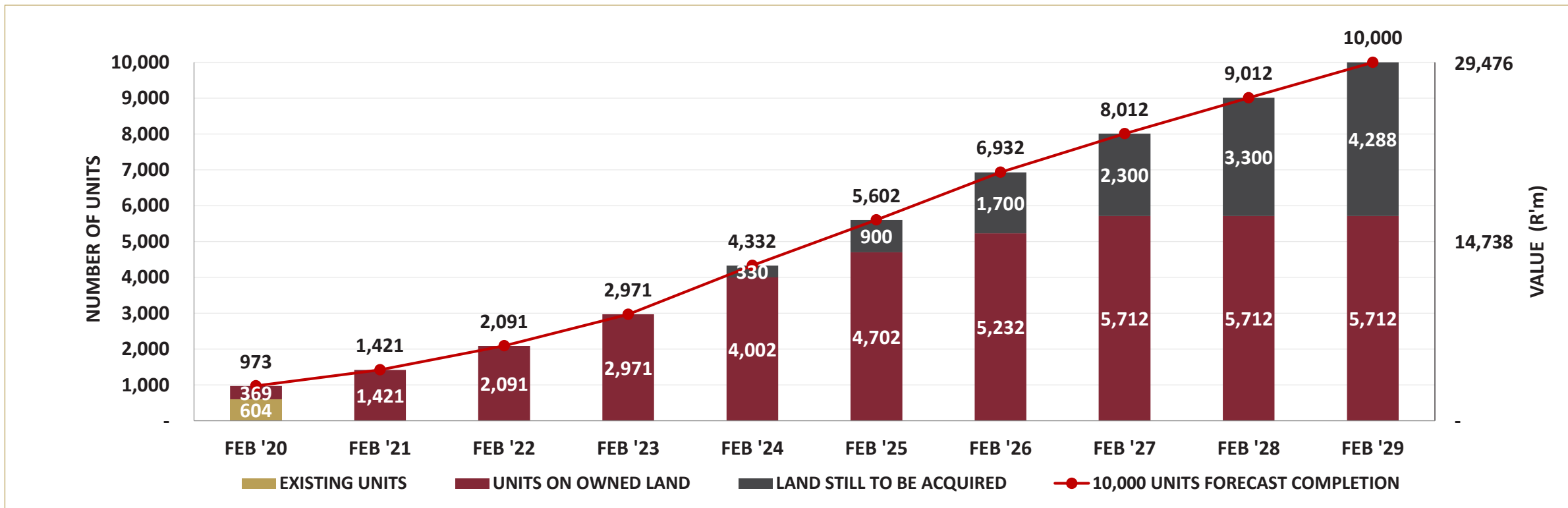
- Large and growing market (6.8m retirees by 2030)
- Fragmented and/or undesirable offerings
- Opportunity for national trusted retirement brand

Team and operations strengthened through the appointment of:

- Head of operations
- Head of care



FUTURE PLANS



- Val de Vie
- Zimbali
- Sitari
- Muizenberg
- Diep Rivier
- Bergvliet
- Noordhoek
- Umhlanga
- Westbrook
- Hilton
- Lake Michelle
- Broadacres
- Somerset West



STADIO

— HOLDINGS —



PSG GROUP LIMITED

STADIO
— HOLDINGS —

CREATING A MULTIVERSITY



- Growth plans going forward include:
 - › New qualifications
 - › New campuses
 - › Building systems for scale, especially for distance learning
 - › Moving towards One Stadio - building one credible private university brand



PSG GROUP LIMITED

- Concluded 4 acquisitions (*LISOF, Milpark, CA Connect and Prestige Academy*)
- Opened 3 new Embury campuses (*Montana, Waterfall and Musgrave*), bringing the total to 15 campuses
- Number of students grew from 12,976 to 29,885
- Added a further 53 registered academic qualifications
 - › Now has 81 registered academic qualifications
 - › Pipeline of 64 new academic qualifications
- Achieved international accreditation for Milpark's contact and online MBA programme





PSG GROUP LIMITED



CA Sales Holdings

FOOTPRINT OVERVIEW



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

› CA Sales' service offering includes:

- Selling
- Merchandising
- Warehousing
- Distribution
- Shopper promotions
- Training
- Debtor's administration and
- Transport

ZAMBIA

- Expo Africa
- Promexs

NAMIBIA

- Wutow
- Expo Africa
- PacknStack
- SMC Brands

BOTSWANA

- CA Sales & Distribution
- Expo Africa
- Kalahari Training Institute
- PEO Promotions
- SMC Brands
- Smithshine Enterprises

SOUTH AFRICA

- Array Marketing
- EDGE Logistics
- PacknStack
- Surapax

LESOTHO

- Expo Africa
- SMC Brands
- Whitakers

MOZAMBIQUE

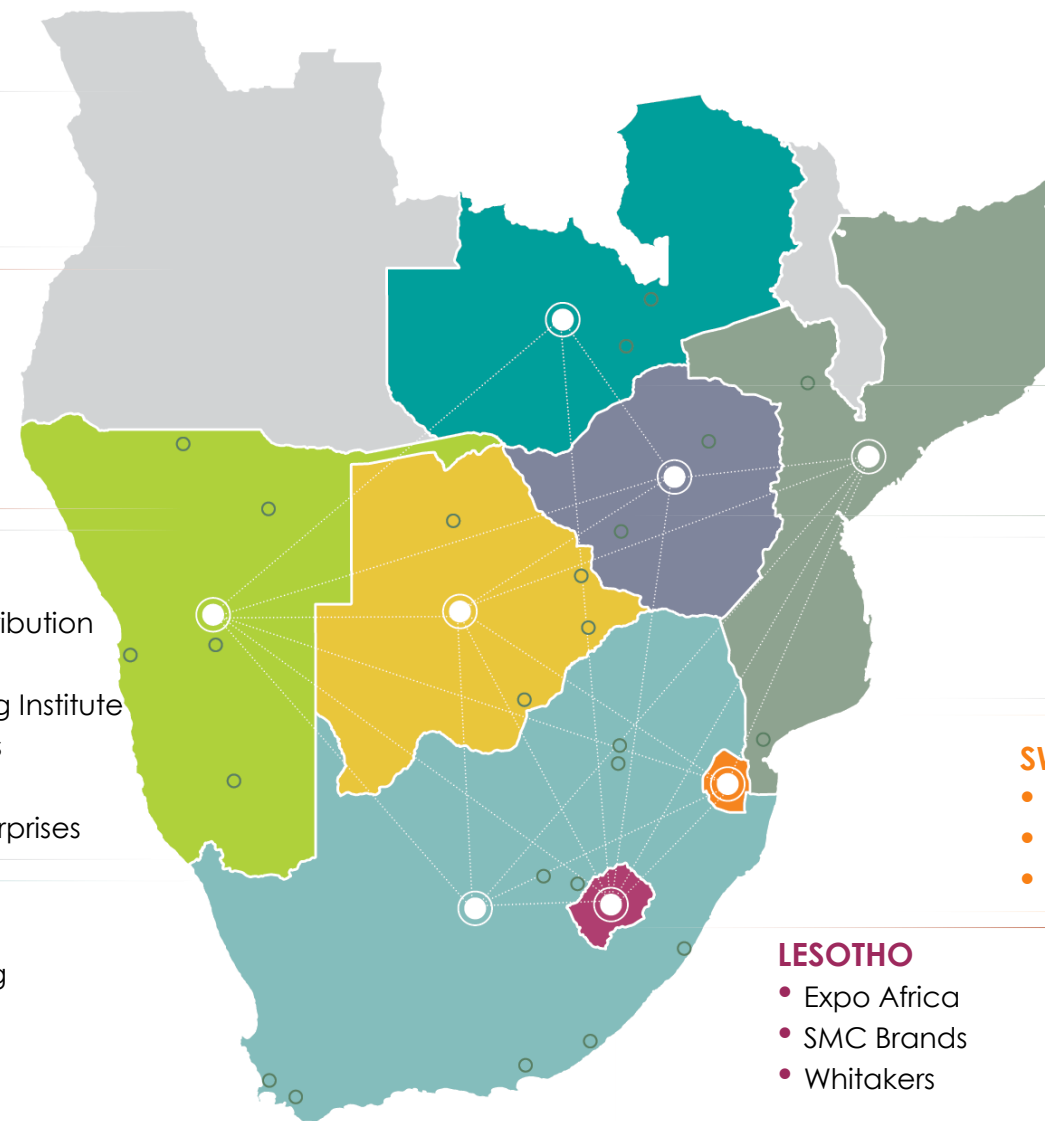
- Expo Africa

ZIMBABWE

- Bull Red Distribution
- Expo Africa

SWAZILAND

- Expo Africa
- Logico
- SMC Brands



FINANCIAL PERFORMANCE



Dec		FY14	FY15	FY16	FY17	FY18	4-year CAGR
Revenue	R'm	2,492	3,585	4,031	4,839	5,556	22.2%
Headline Earnings	R'm	52.2	86.6	106.4	136.9	179.4	36.2%
HEPS	R	0.13	0.21	0.26	0.33	0.40	32.4%
Dividend per share	R	-	0.04	0.05	0.06	0.08	33.3% y-o-y

- Strong results for FY18
- However, the trading environment remains challenging given the general weaker economies in the regions in which the business operates





**ENERGY
PARTNERS**

POWERED BY RESULTS



PSG GROUP LIMITED

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

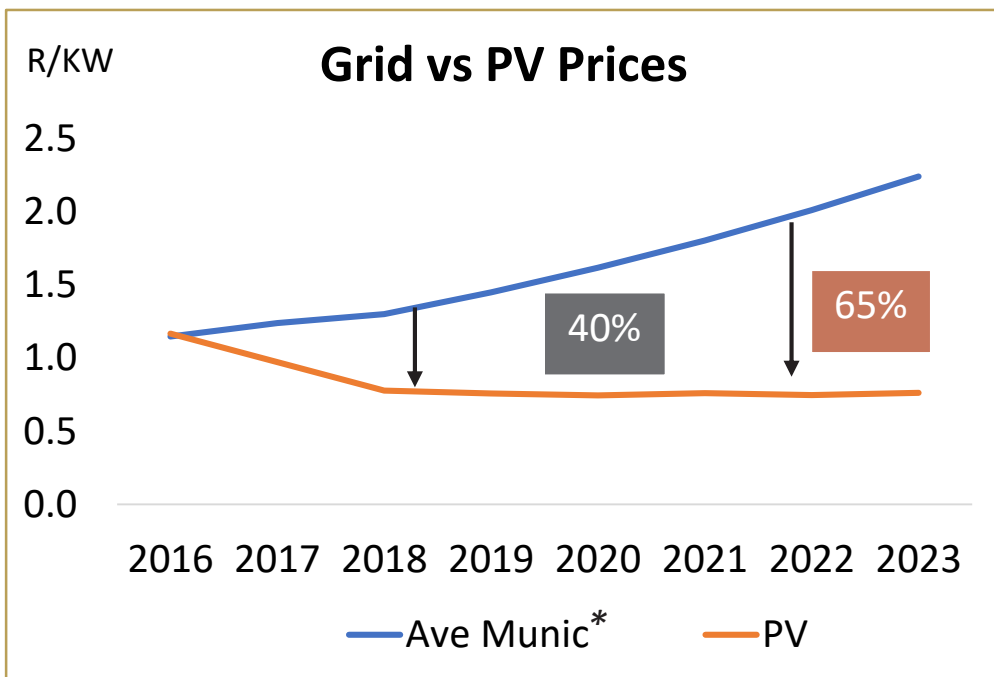
* Independent Energy Producer



The reality:

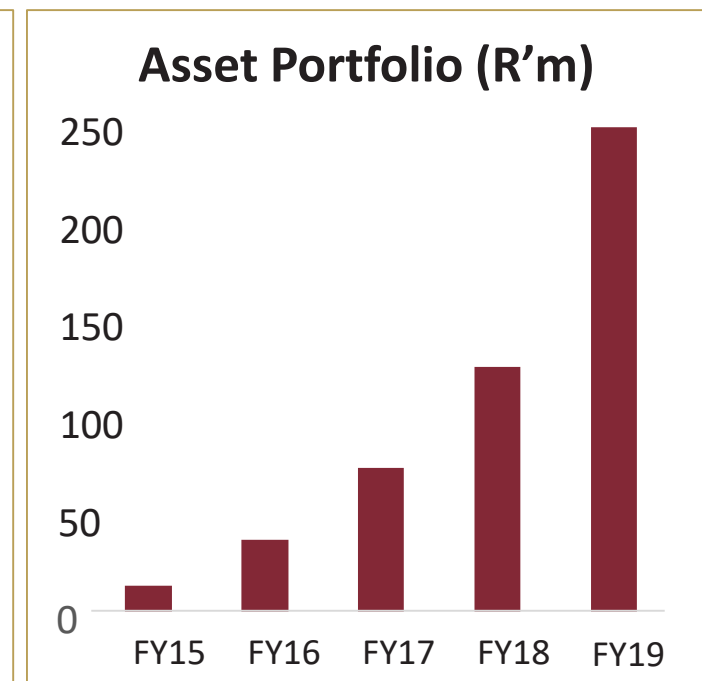
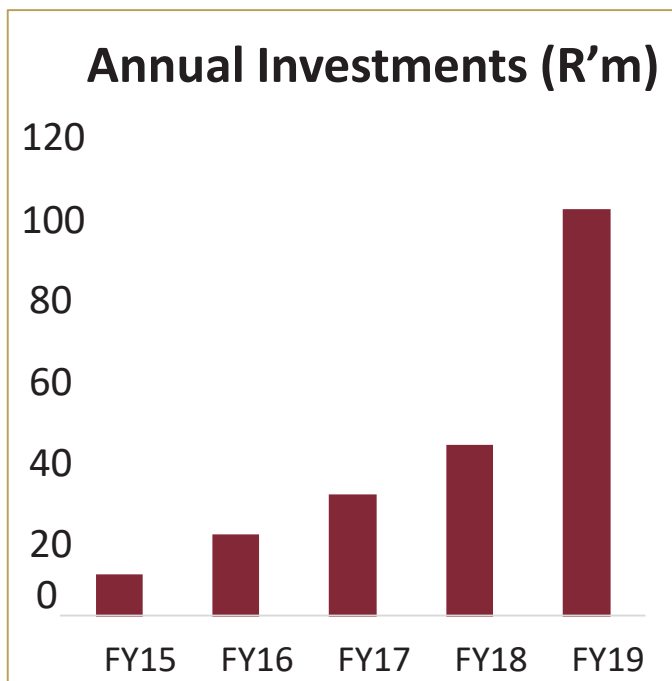
- We have built an engine room to deliver, but now really need to ramp up our energy-producing assets portfolio

Electricity Cost: Grid vs Solar



*Average municipality rate

Investments





FUTURELEARN

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.

- >22,000 learners
- >1,500 tutors

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

- >1,500 schools

Learning solutions to **Corporate and Tertiary.**

- >200 corporates & tertiary institutions
- >100,000 learners



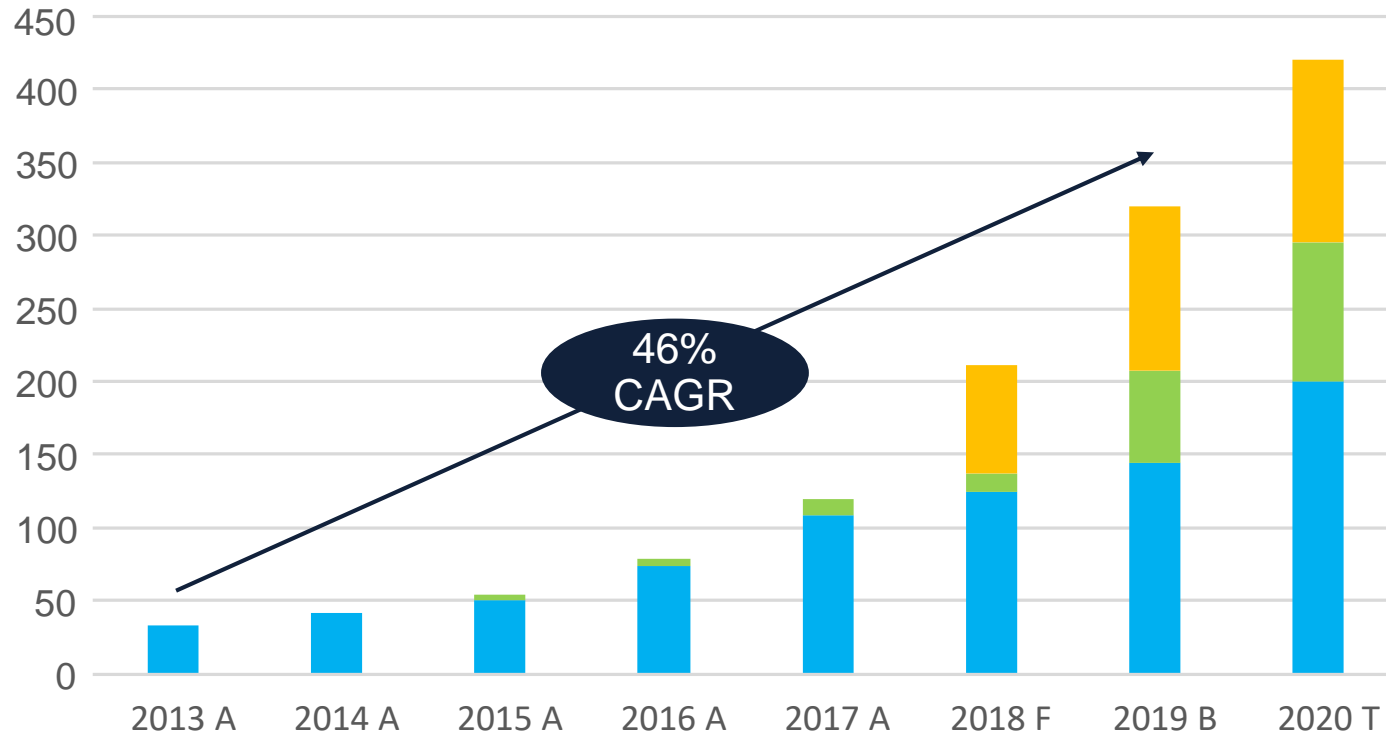
~R320M REVENUE EXPECTED IN 2019



FutureLearn revenue (R'm)

Historic actual, 2019 budget, and 2020 target

- Home
- Schools (incl. ITSI from 2019)
- Corporates & Institutions (incl. ITSI from 2019)



- ~R320m revenue expected in 2019
- 46% CAGR (31% organic) over past 6 years
- Turned profitable in 2016





THANK YOU



PSG GROUP LIMITED