



PSG GROUP LIMITED

Investor Presentation

November 2018

CURRO

 **PSG** Konsult

DNA of PSG Group

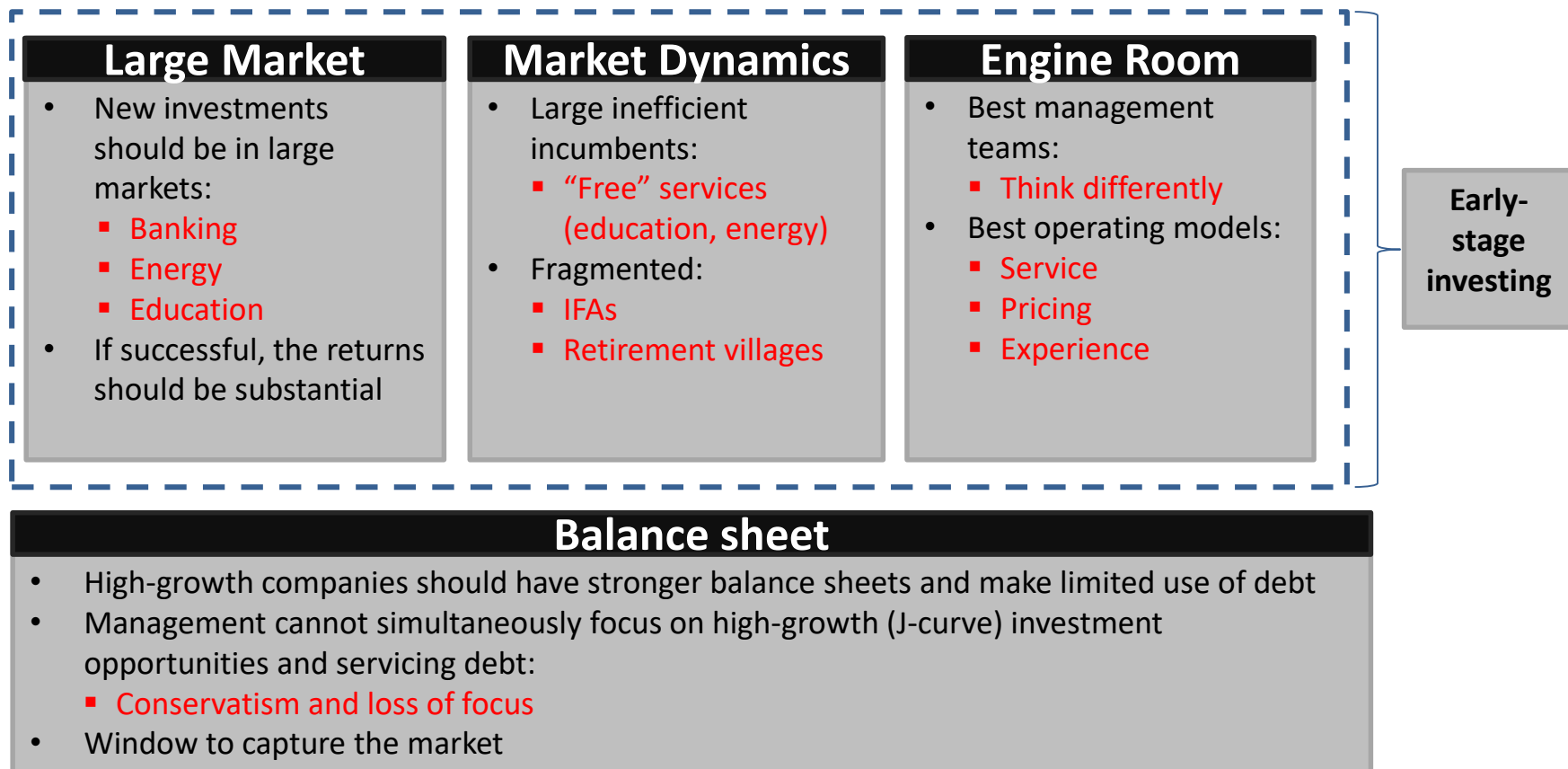
Financial	Education	Food & Agri
<ul style="list-style-type: none">• Capitec• PSG Konsult	<ul style="list-style-type: none">• Curro• Stadio• FutureLearn• ITSI• <i>CSI projects</i>	<ul style="list-style-type: none">• Zeder<ul style="list-style-type: none">▪ Pioneer Foods▪ Capespan▪ Zaad▪ Kaap Agri▪ Agrivision▪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

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

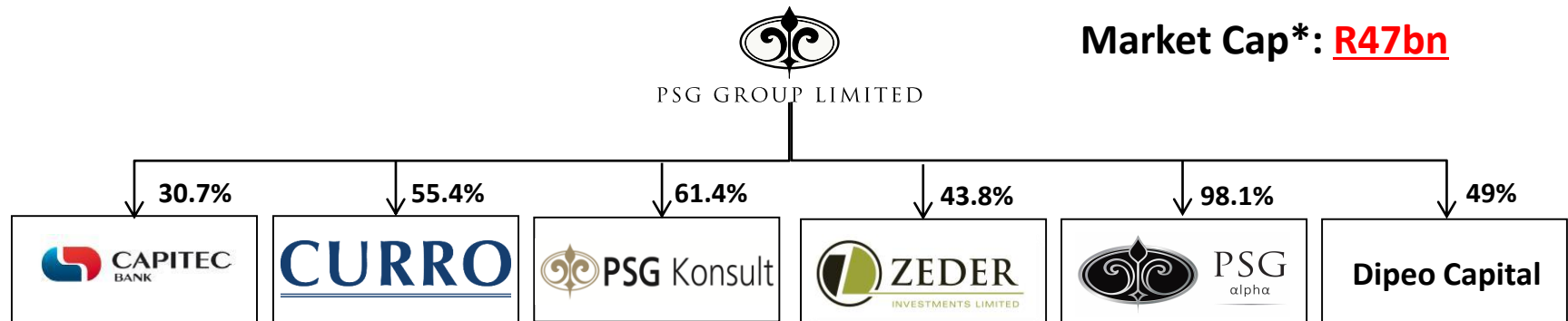
Use **PSG Alpha** to find new growth investments



Our investment philosophy



PSG Group structure






** Market capitalisation as at 12 October 2018*



PSG GROUP LIMITED

Growth potential – low market share, low gearing

	 CAPITEC BANK	 PSG Konsult	 CURRO
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 Group had R531m cash available for further investments



PSG GROUP LIMITED

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 from Curro in Oct 2017)		1 548	1 410		
Other investments ⁺	701	3 413	3 419		
Dipeo (prev. Thembeka) ⁺	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%
<p>* Listed on the JSE Ltd + SOTP value ++ Valuation ^ Carrying value</p> <p># Based on share price/SOTP value per share as at 31 August 2018</p> <p>Note: PSG Group's live SOTP containing further information is available at www.psggroup.co.za</p>					

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 ended
	31 Aug 2017	Change	31 Aug 2018
	Rm	%	Rm
Capitec	628		756
PSG Konsult	147		174
Curro (<i>incl. Stadio until unbundling in Oct 2017</i>)	61		77
Zeder	27		73
PSG Alpha (<i>incl. Stadio since unbundling in Oct 2017</i>)	66		76
Dipeo	(34)		(31)
PSG Corporate	(18)		(25)
Other (<i>mainly pref div income</i>)	68		82
Recurring earnings before funding	945	25	1 182
Funding (<i>net of interest income</i>)	(57)		(96)
Recurring earnings	888	22	1 086



Headline earnings

	Six months ended		Year ended
	31 Aug 2017	Change	31 Aug 2018
	Rm	%	Rm
Recurring earnings	888	22	1 086
Non-recurring items	(107)		10
Headline earnings	<u>781</u>	40	1 096
Non-headline items	52		19
Attributable earnings	<u>833</u>	34	1 115
Non-recurring items comprise:			
Unrealised fair value losses on Dipeco's investment portfolio	(98)		(145)
Other <i>(Aug 2018: comprise mainly of a FV gain recognized by Zeder on its investment in Golden Wing Mau which is in process of being disposed of)</i>	<u>(9)</u>		155
	(107)		10

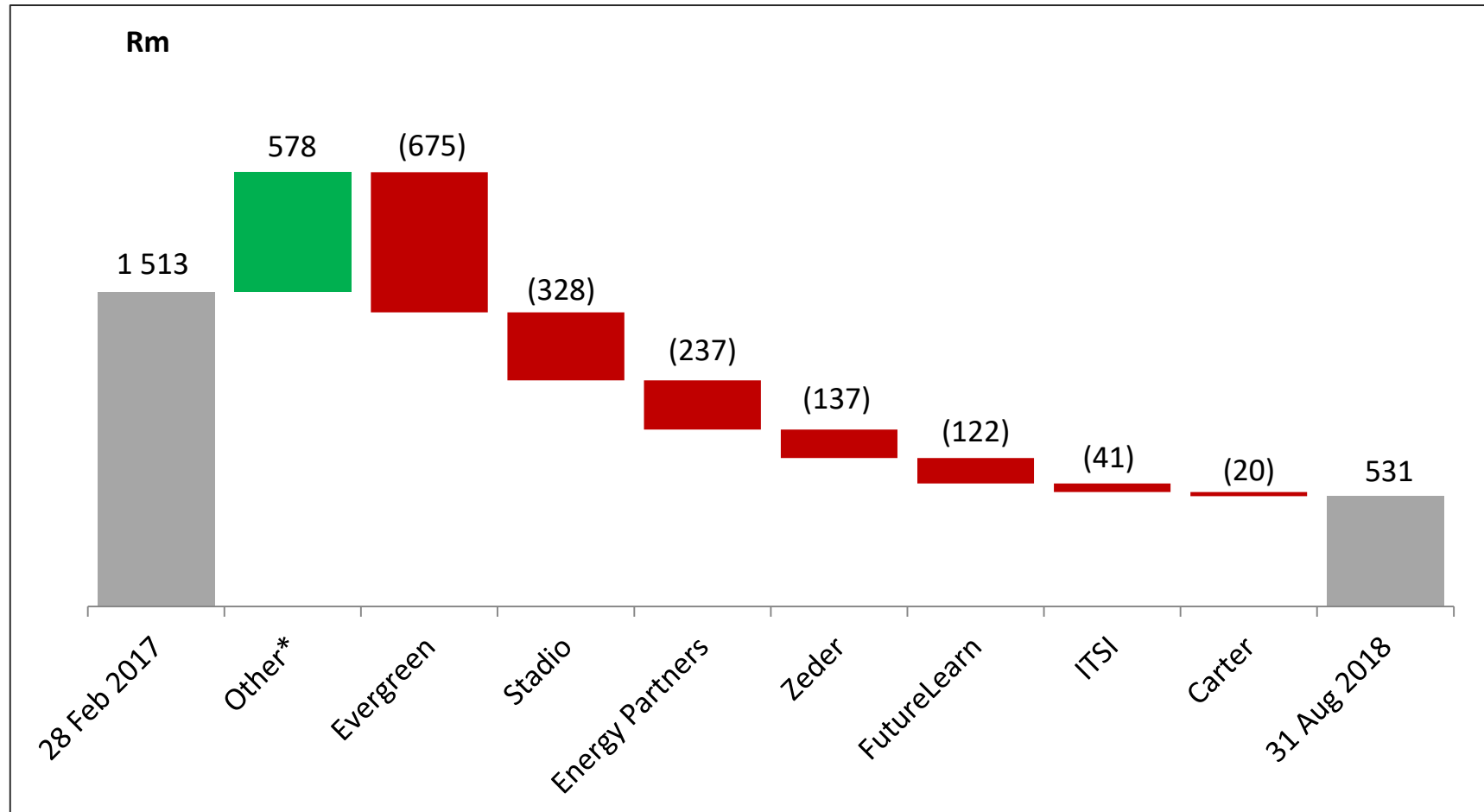


Per-share stats

	Six months ended			Year ended
	31 Aug		31 Aug	28 Feb
	2017	Change	2018	2018
	Rm	%	Rm	Rm
Weighted average number of shares in issue <i>(net of treasury shares) (m)</i>	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



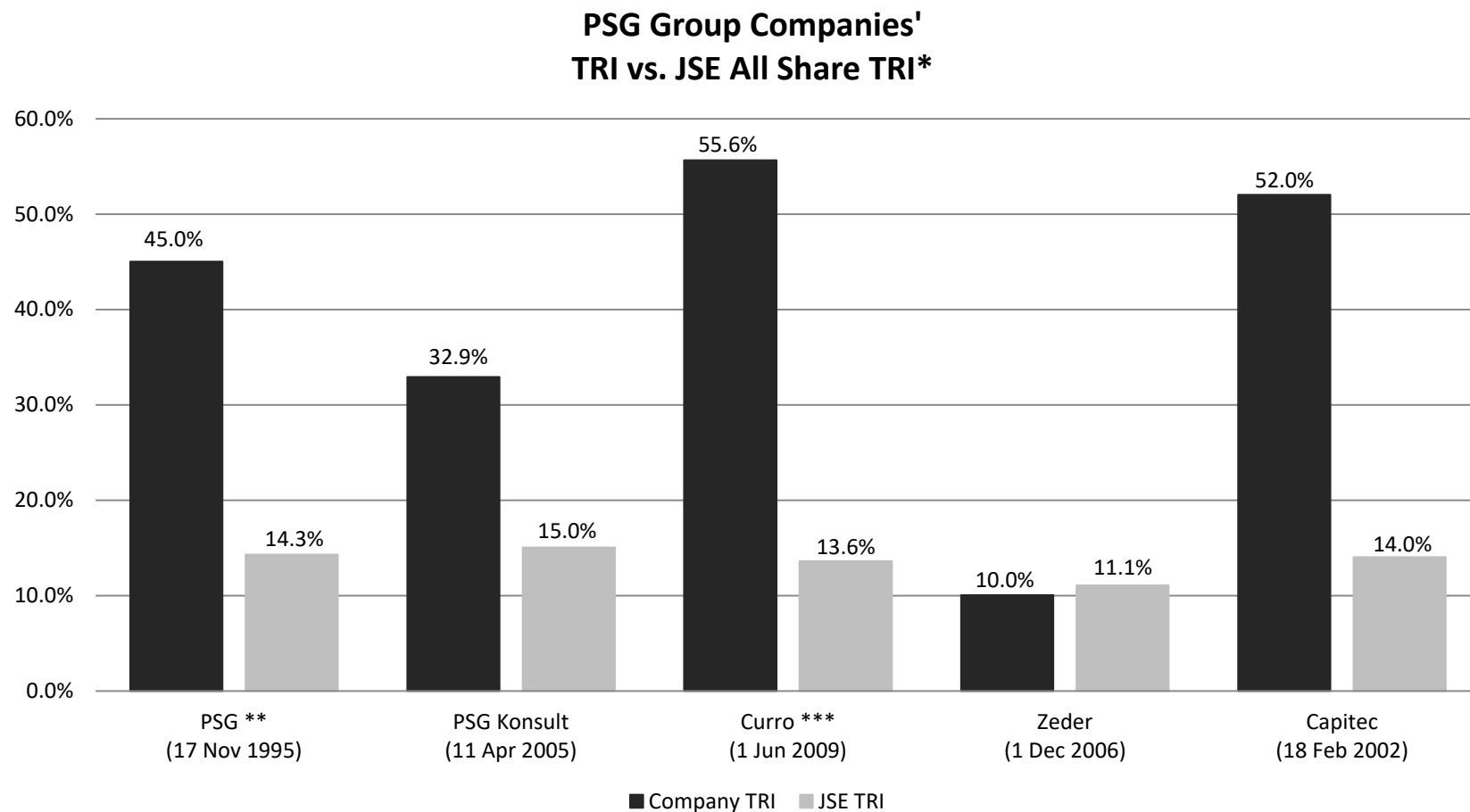
Capital allocation (18 months)



* Mainly loan repayments



Long-term performance: Total Return Index (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



PSG GROUP LIMITED

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%

* CAGR

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

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

- 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 and 3 years



PSG GROUP LIMITED

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%

* CAGR

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

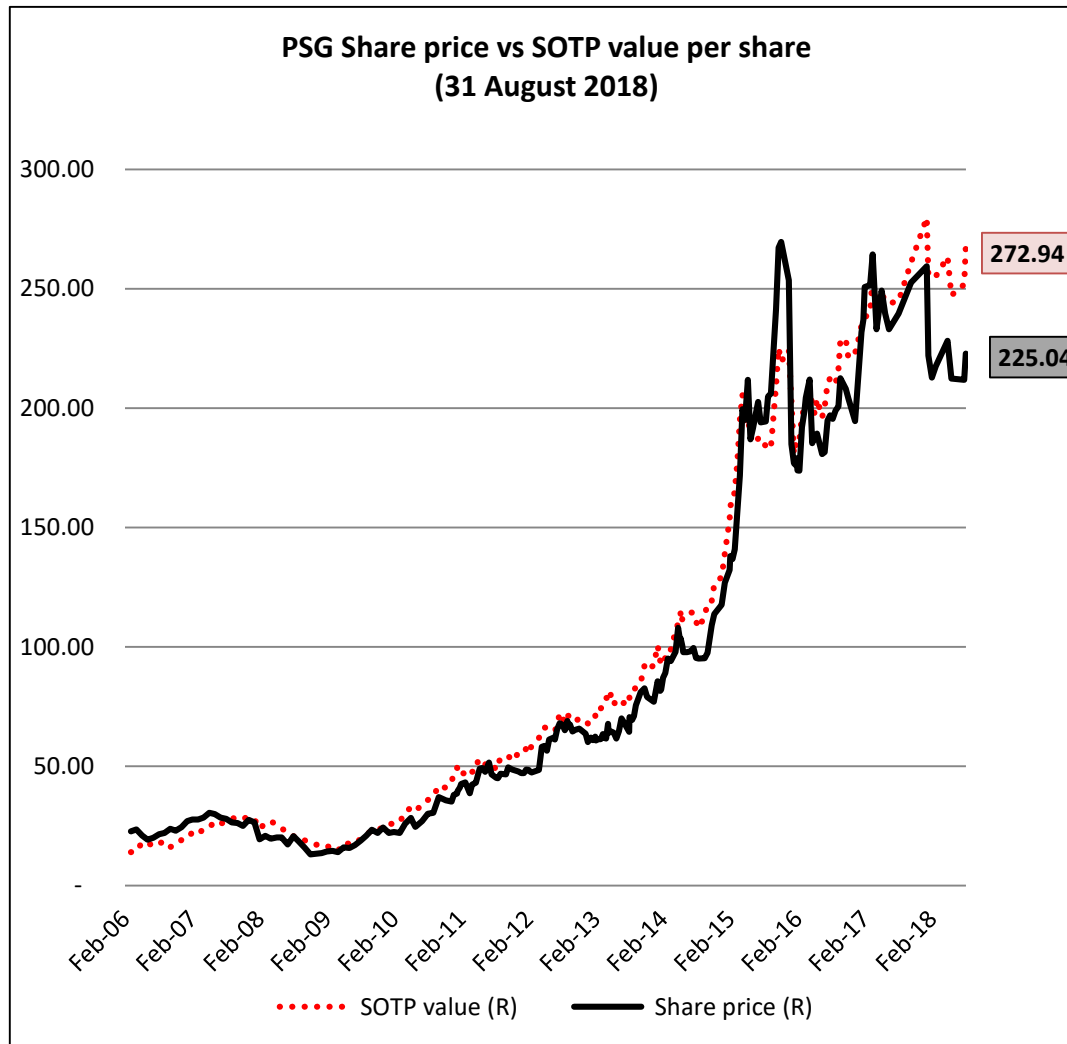
Ranking

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

- 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- and 3-year periods



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%



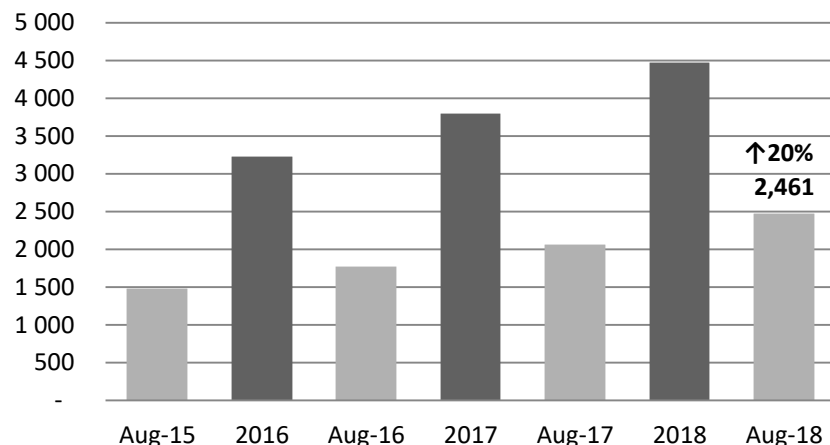
PSG GROUP LIMITED



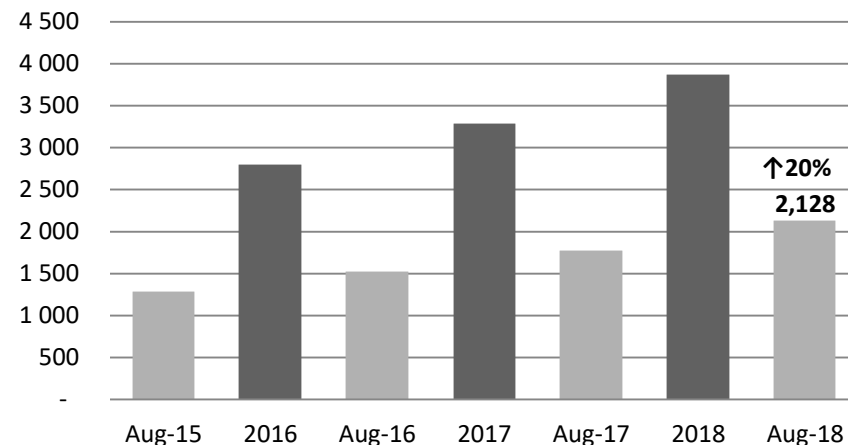
PSG GROUP LIMITED

Key financials

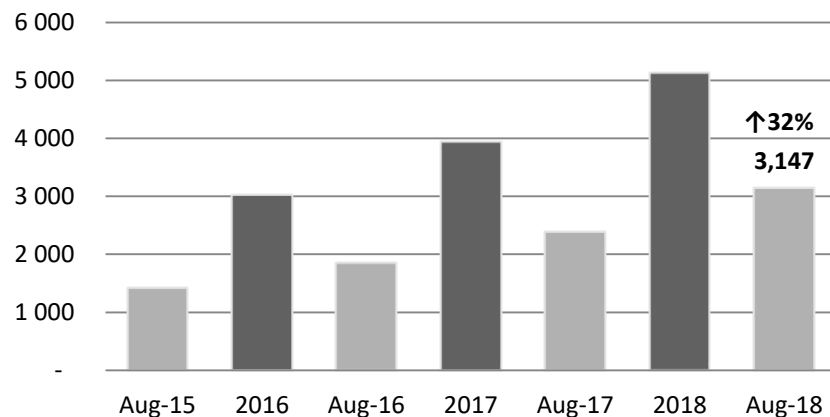
Headline earnings (R'm)



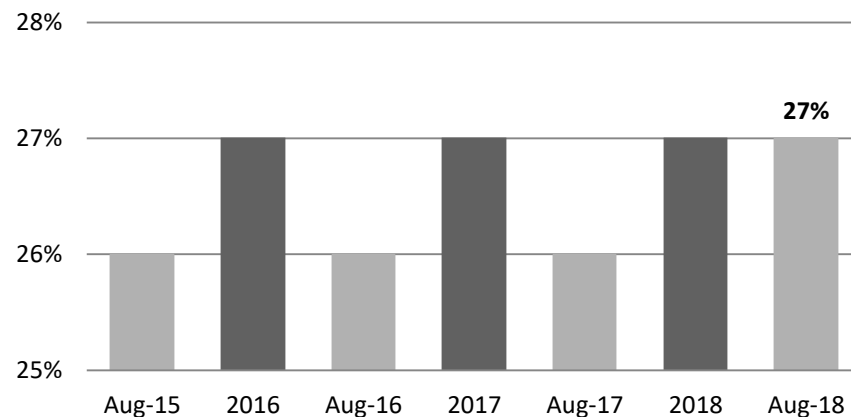
Headline earnings per share (cents)



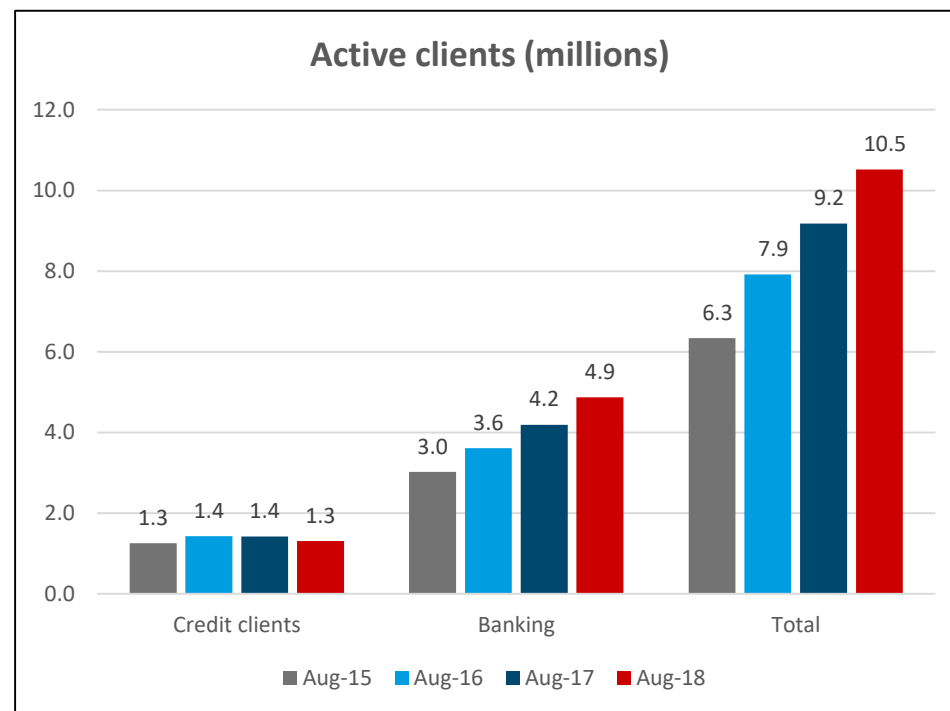
Net transaction fee income (R'm)



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)

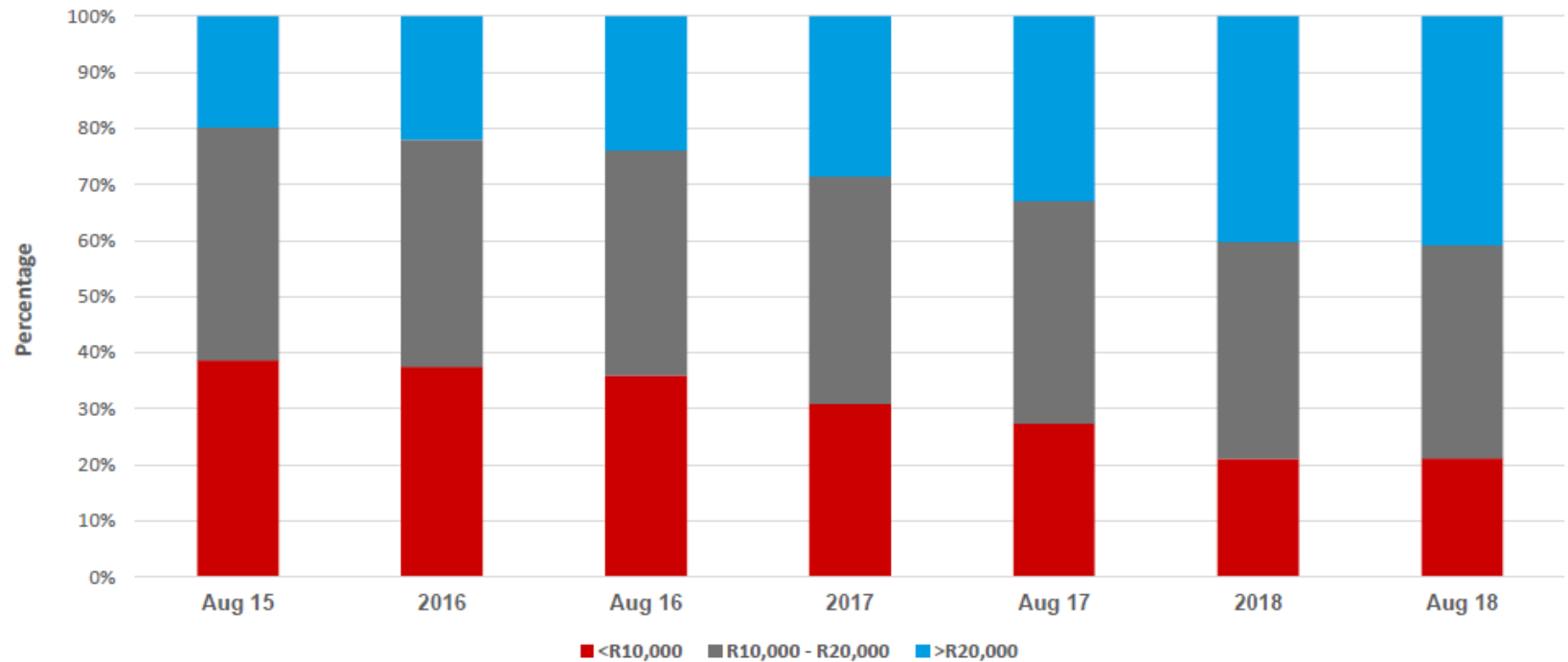
(R' million)

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



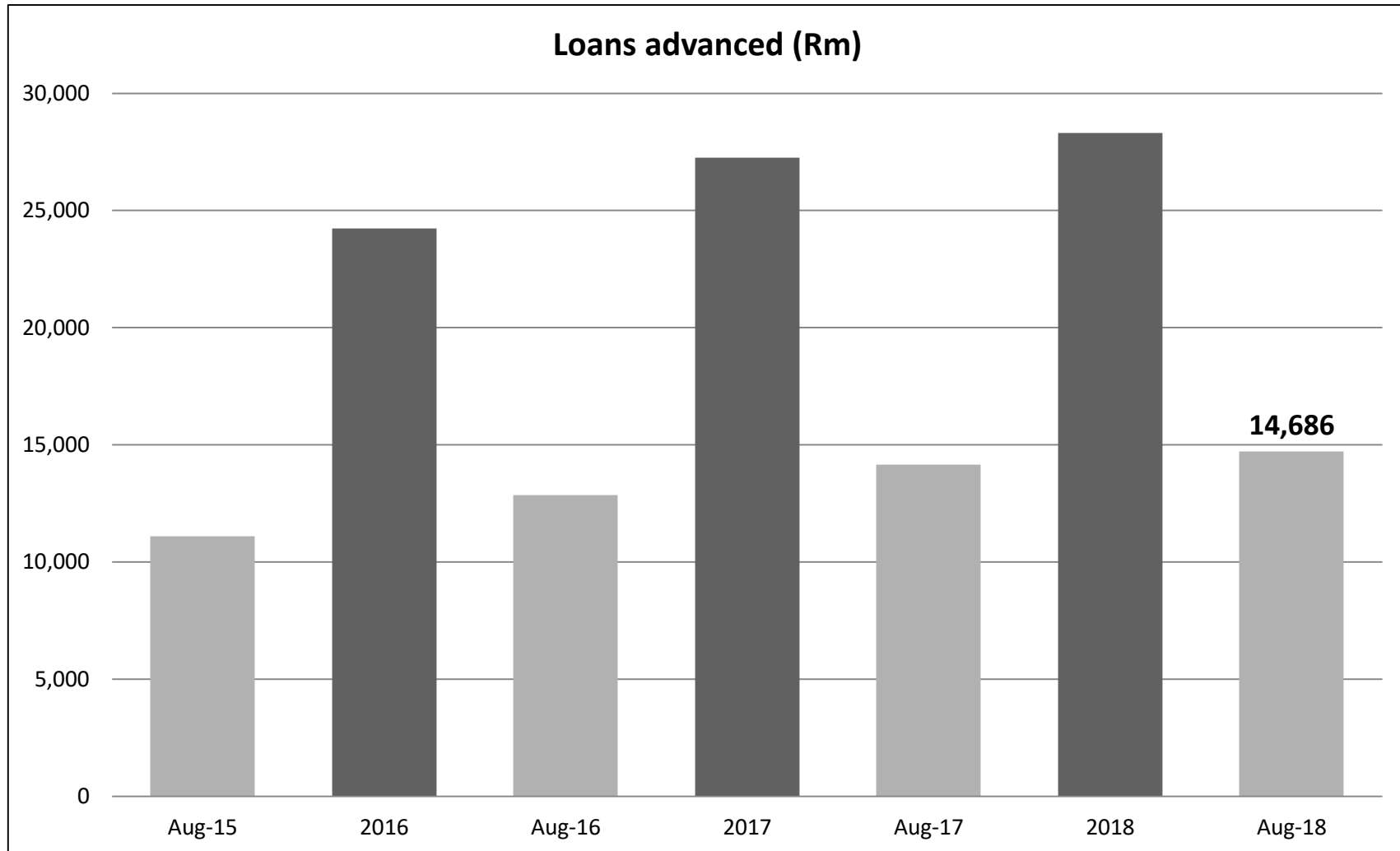
Focus on higher income market (loans granted)



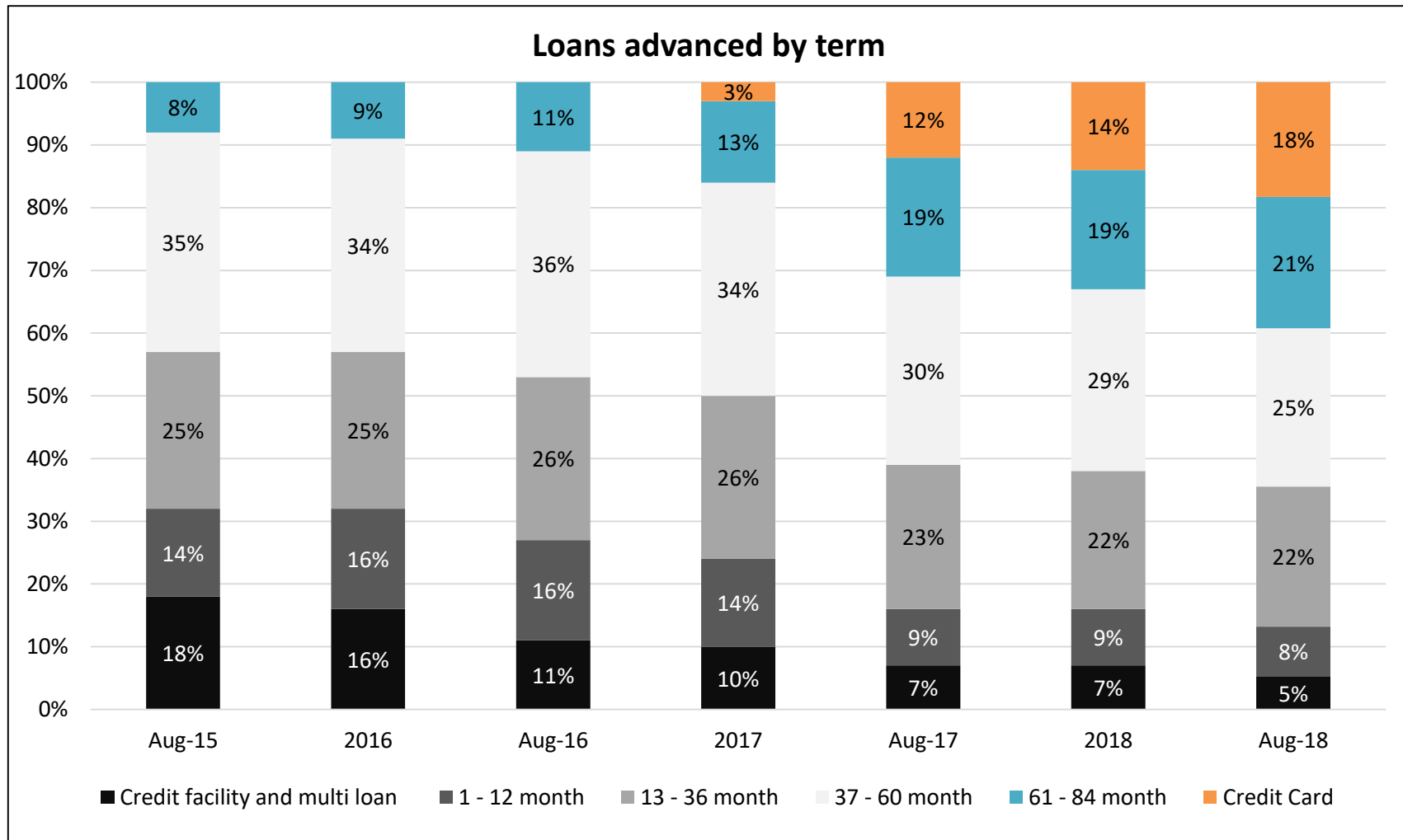
Applications outcome	6 months ended		
	Aug 17	Feb 18	Aug 18
Application decline rate	67%	72%	70%
Application approved: not taken-up rate	6%	5%	5%
Application taken-up rate	27%	23%	25%



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 main differences

Status of book	IAS 39	IFRS 9
Up-to-date book	IBNR emergence period of 3 months	12 month ECL SICR applied – lifetime ECL
Up-to-date book rescheduled but not rehabilitated *	12 month forward-looking provision	Lifetime ECL
Arrears book	Lifetime ECL	Lifetime ECL
Write-off	<ul style="list-style-type: none"> • Earlier of 3 months in arrears, with a legal status or debt review • Recovery receivable for PV of future expected cash flows 	<ul style="list-style-type: none"> • Legal status loans written off when present value of projected recoveries is less than 5% • No reasonable expectation of recovery • 70% partial write-off for handover and 20% for debt review
Loans in stage 3	Gross interest	Net interest

* A loan is considered to be rehabilitated once 6 consecutive payments have been made



IFRS 9 continued...

IFRS 9 book comparison (6 months ended)

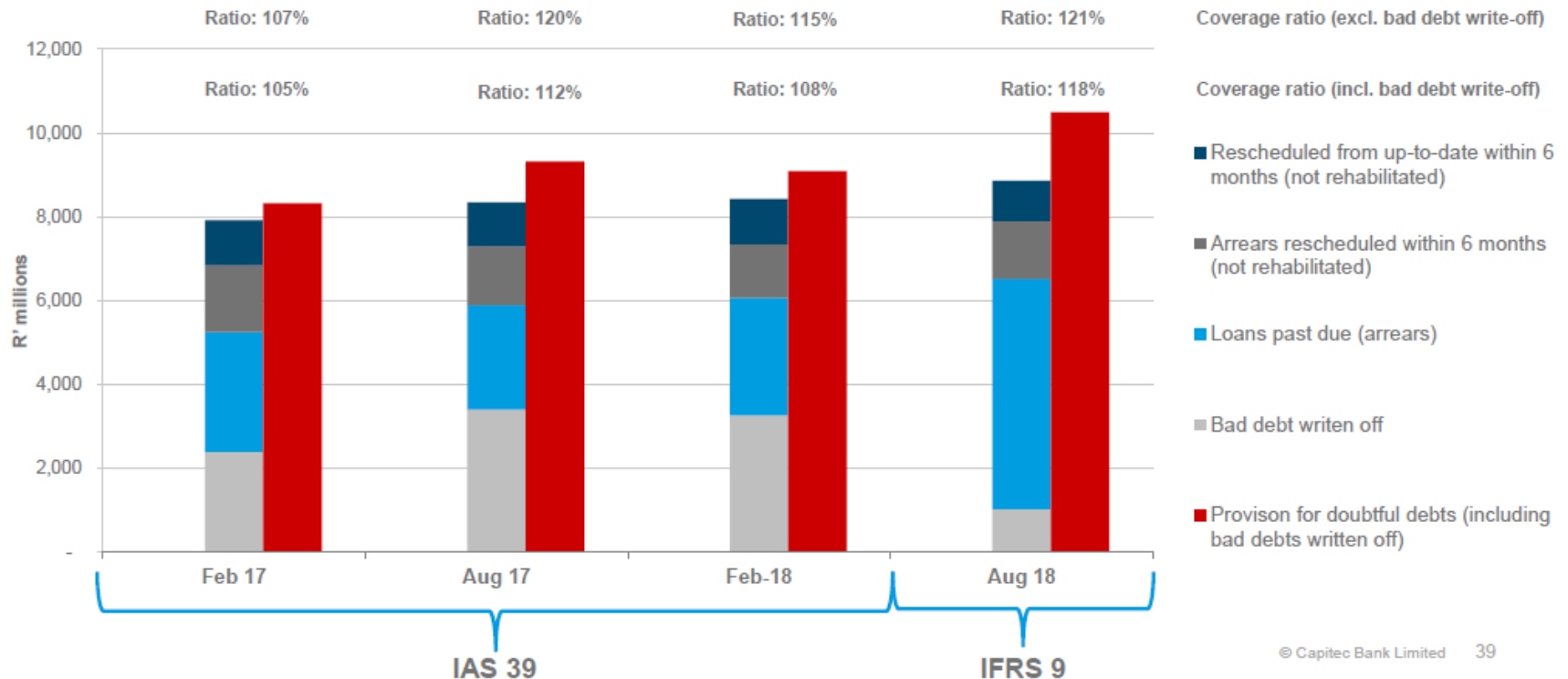
Rounded (R' millions)	Stage	Feb 18	Aug 18	Feb 18 vs Aug 18 (%)
Up-to-date	1	37 165	39 461	7
Up-to-date with SICR and applied for debt review > 6 months	2	4 401	3 485	(21)
Total up-to-date		41 566	43 126	4
Arrears – up to 1 month in arrears	2	1 003	911	(9)
Arrears – 2 and 3 month in arrears	3	1 697	1 517	(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.



IFRS 9 continued...

Prudent provisioning: IAS 39 vs IFRS9 (Including write-off)



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



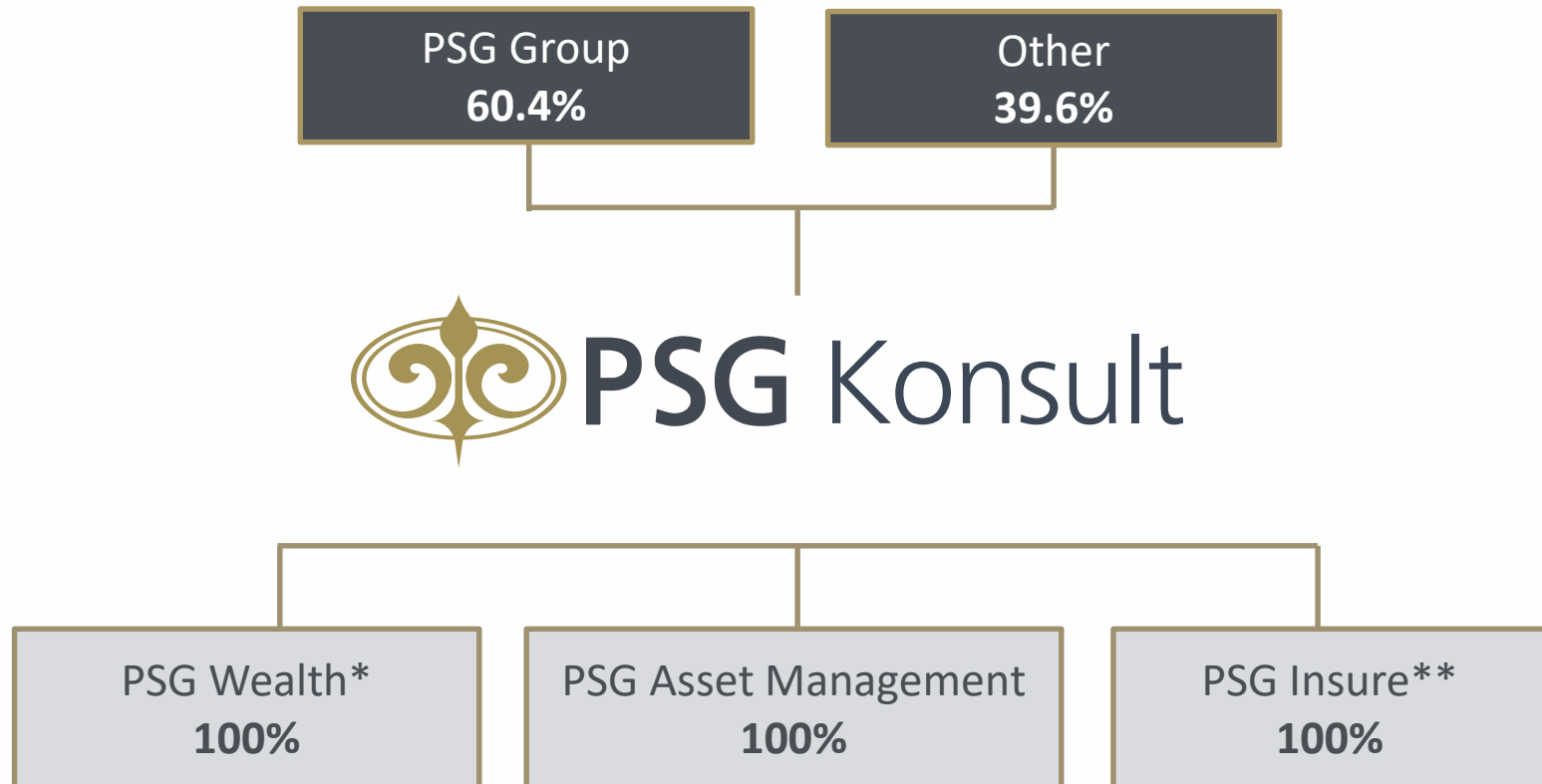


Investor Presentation 2019 interim results

For the six months ended 31 August 2018



PSG Structure



* Includes PSG Employee Benefits

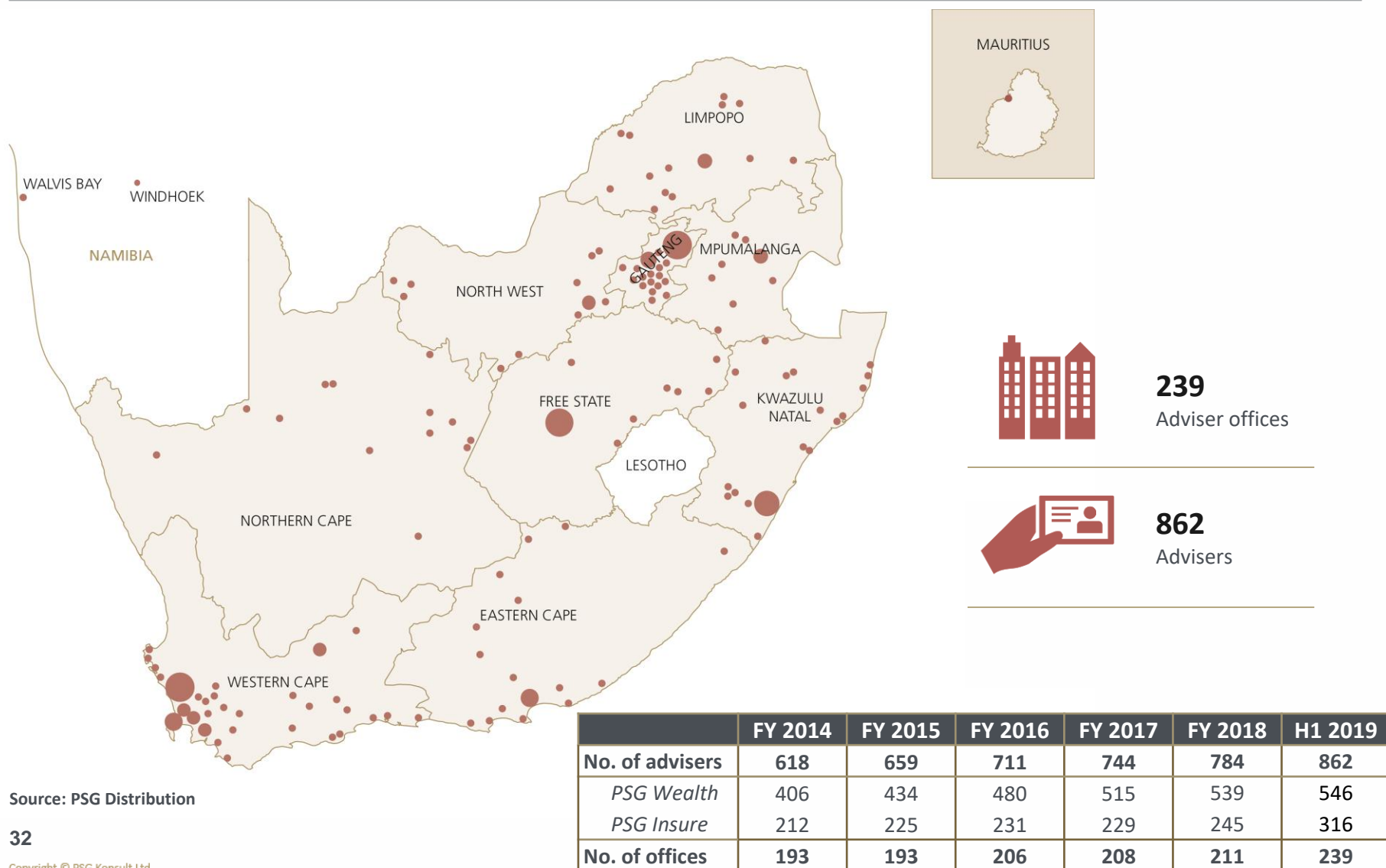
** Includes Western

PSG Group's holding net of treasury shares = 61.4%
As at 31 August 2018



A great company

Wealthy clients serviced where they reside



Source: PSG Distribution

Business characteristics

- Equity market dependent
- Administration businesses people / systems dependent
- Not very balance sheet intensive
- Free cash flow generative
- Vulnerable to regulatory change



Key macro indicators

Weakening economic environment

Key indicators	H1 2014	%Δ	H1 2015	%Δ	H1 2016	%Δ	H1 2017	%Δ	H1 2018	%Δ	H1 2019
Rand / US\$	10.3	3.8%	10.7	24.5%	13.3	10.7%	14.7	-11.5%	13.0	13.1%	14.7
Cash Index – STeFI Call	274	5.1%	288	5.7%	305	6.5%	324	7.0%	347	6.6%	370
All Bond Index	420	11.7%	469	5.4%	494	4.5%	516	10.2%	569	7.9%	614
SA Property Index	479	12.3%	538	20.1%	646	-1.7%	635	2.9%	653	-18.2%	534
FTSE/JSE Index	42 228	20.7%	50 959	-1.9%	49 972	5.5%	52 733	7.2%	56 522	3.8%	58 668



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

35

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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.



Financial trend

We always look at our 10 year rolling track record

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	CAGR %	H1 2018	H1 2019	YoY Gwth %
AUA (Rbn)	53	44	72	97	139	180	233	309	327	371	402	22%	398	426	7%
AUM (Rbn)	21	21	28	36	51	71	99	133	154	175	205	26%	193	230	19%
Premiums (Rbn) *	1.0	1.4	1.5	1.6	1.6	1.6	1.8	2.1	2.5	2.9	3.3	13%	1.6	2.0	25%
Core Revenues (Rm)	726	823	901	1 018	1 426	1 648	2 349	2 858	3 346	3 789	4 200	19%	2 062	2 278	10%
Recurring headline earnings (Rm)	87	97	90	92	151	174	251	341	409	486	566	21%	239	283	18%
Shares in issue (m)**	732	733	730	733	1 071	1 209	1 222	1 262	1 277	1 313	1 317	6%	1 319	1 319	0%
Recurring HEPS (cents)	12.0	13.2	12.3	12.5	14.1	15.4	20.6	27.0	32.1	37.2	43.0	14%	18.2	21.5	18%
Recurring HEPS (cents) excl. amortisation	13.2	14.7	14.1	14.8	16.0	17.2	22.3	29.4	34.6	40.4	46.3	13%	19.9	23.3	17%
Return on equity (%)	23.2	22.8	19.6	19.3	26.7	21.1	24.8	26.4	24.8	25.3	24.3	N/A	21.4	21.9	N/A
Total advisers	497	524	567	597	635	613	618	659	711	744	784	5%	753	862	14%

Source: PSG Finance

37

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* Excludes Short-term administration platform gross written premium to avoid duplication. Includes Western National Premiums from Nov 2012

** Excludes treasury shares.



Wealth plans

Growing and protecting client wealth

Excellence in
products & services

Top advisers

Superb platform

Wealth assets split (Rm)	Feb 18	Market movement	Net flows	Aug 18	% Growth
Third party funds *	57 812	2 206	3 052	63 070	9%
PSG Multi Managed **	60 557	7 062	3 571	71 190	18%
Discretionary	44 293	3 125	425	47 843	8%
Total managed assets	162 662	12 393	7 048	182 103	12%
Non discretionary	186 500	-17	-1 294	185 189	-1%
Third party administration	10 286	815	-548	10 553	3%
Total wealth assets	359 448	13 191	5 206	377 845	5%

* Includes PSG advisers single managed funds of R8.8bn for Feb 2018 and R10.0bn for H1 2019

** Includes PSG single managed funds of R8.0bn for Feb 2018 and R8.5bn for H1 2019

Growing and protecting client wealth driving new flows resulting in clients entrusting new investments with us



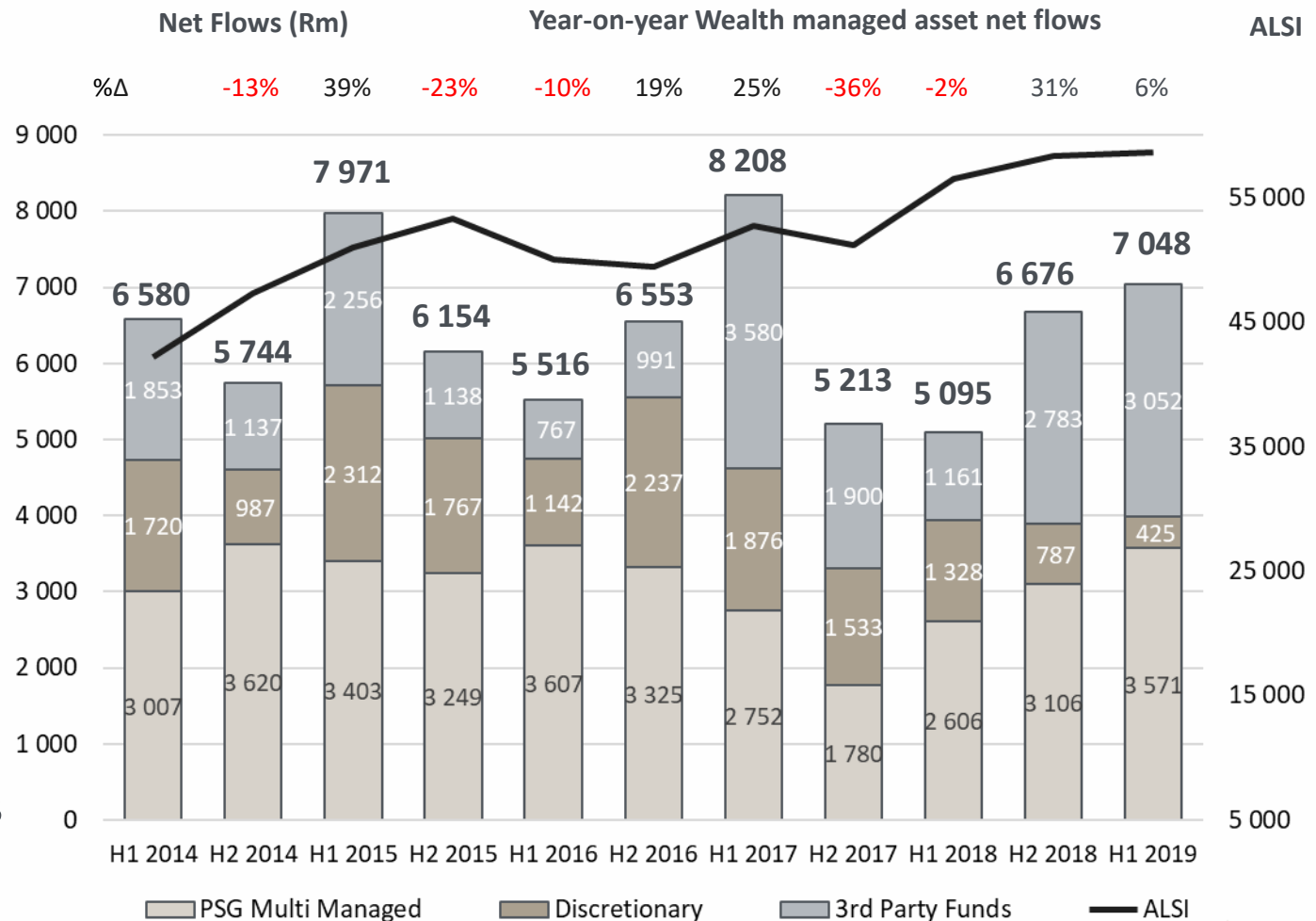
Wealth

Excellence in products and services

Independent
process with
advisers'
oversight

Rapid growth in
advisers

Negotiation with
product providers



Source: PSG Wealth, Bloomberg
39



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

- Up scale 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 plans

Net new money at acceptable margin

Focused marketing

Investment performance

Superb platform

AM assets split (Rm)	Feb 18	Market movement	Net flows	Aug 18	% Growth
PSG Single manager *	37 032	1 393	4 286	42 711	15%
PSG Money market and related assets*	3 628	0	-136	3 492	-4%
PSG Segregated Portfolios	2 005	-72	-73	1 860	-7%
Total assets under management	42 665	1 321	4 077	48 063	13%
PSG Wealth administered assets **	60 557	7 062	3 571	71 190	18%
Total AM assets ***	103 222	8 383	7 648	119 253	16%

* Includes PSG advisers single managed funds of R8.8bn for Feb 2018 and R10.0bn for H1 2019.

** Includes PSG Single Managed Funds of R8.0bn for Feb 2018 and R8.5bn for H1 2019.

*** Assets under administration, excluding segregated portfolios, amounts to R101bn for Feb 2018 and R117bn for H1 2019.

Source: PSG Asset Management



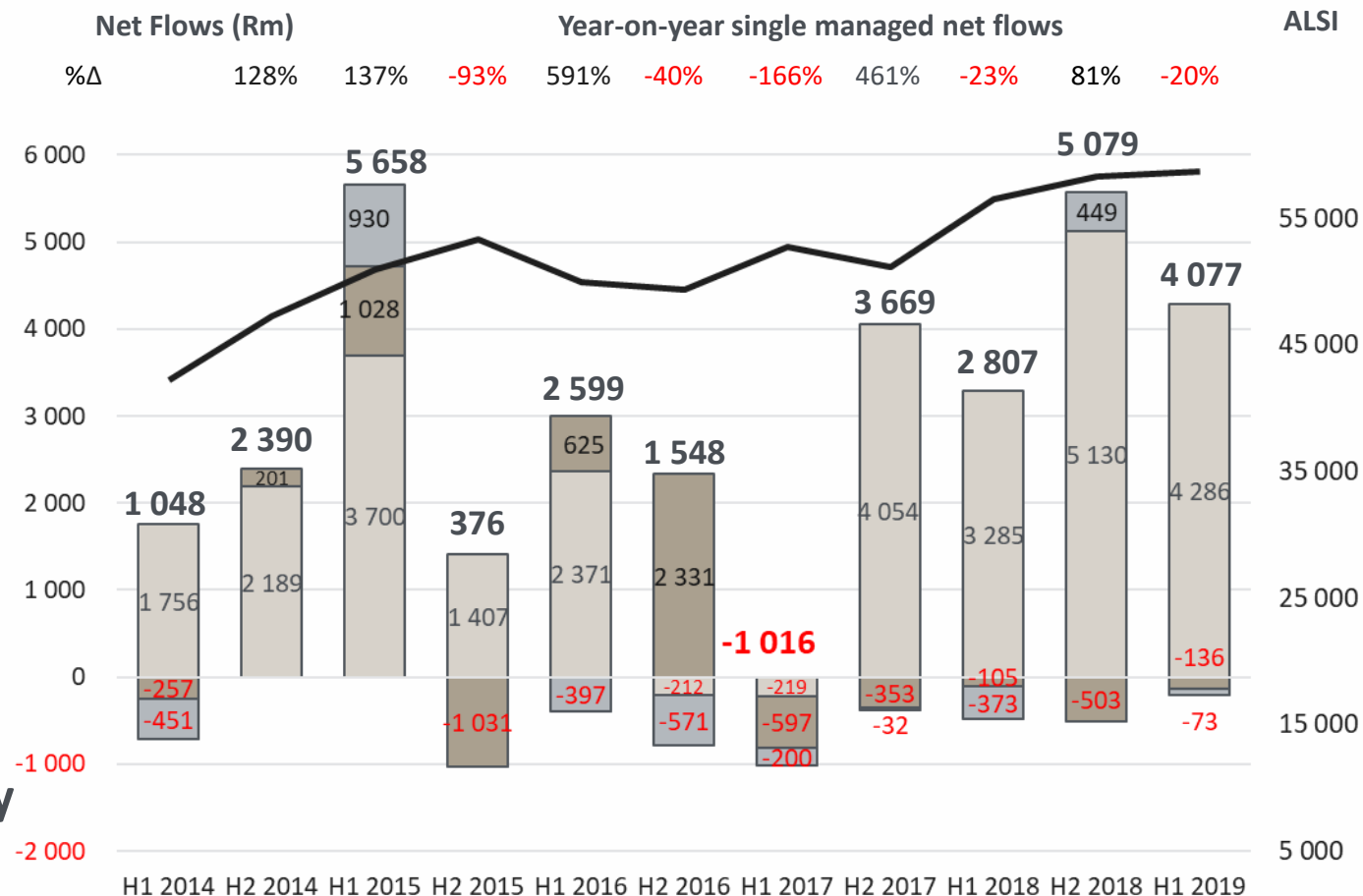
Asset management

'Brick by Brick' strategy

Long-term assets
(retail emphasis)

Getting adequate
margins

Protect our capacity



Single Managed PSG Money Market Segregated Institutional Portfolio*

* Includes private clients and segregated money market portfolios

Source: PSG Asset Management, Bloomberg
42



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



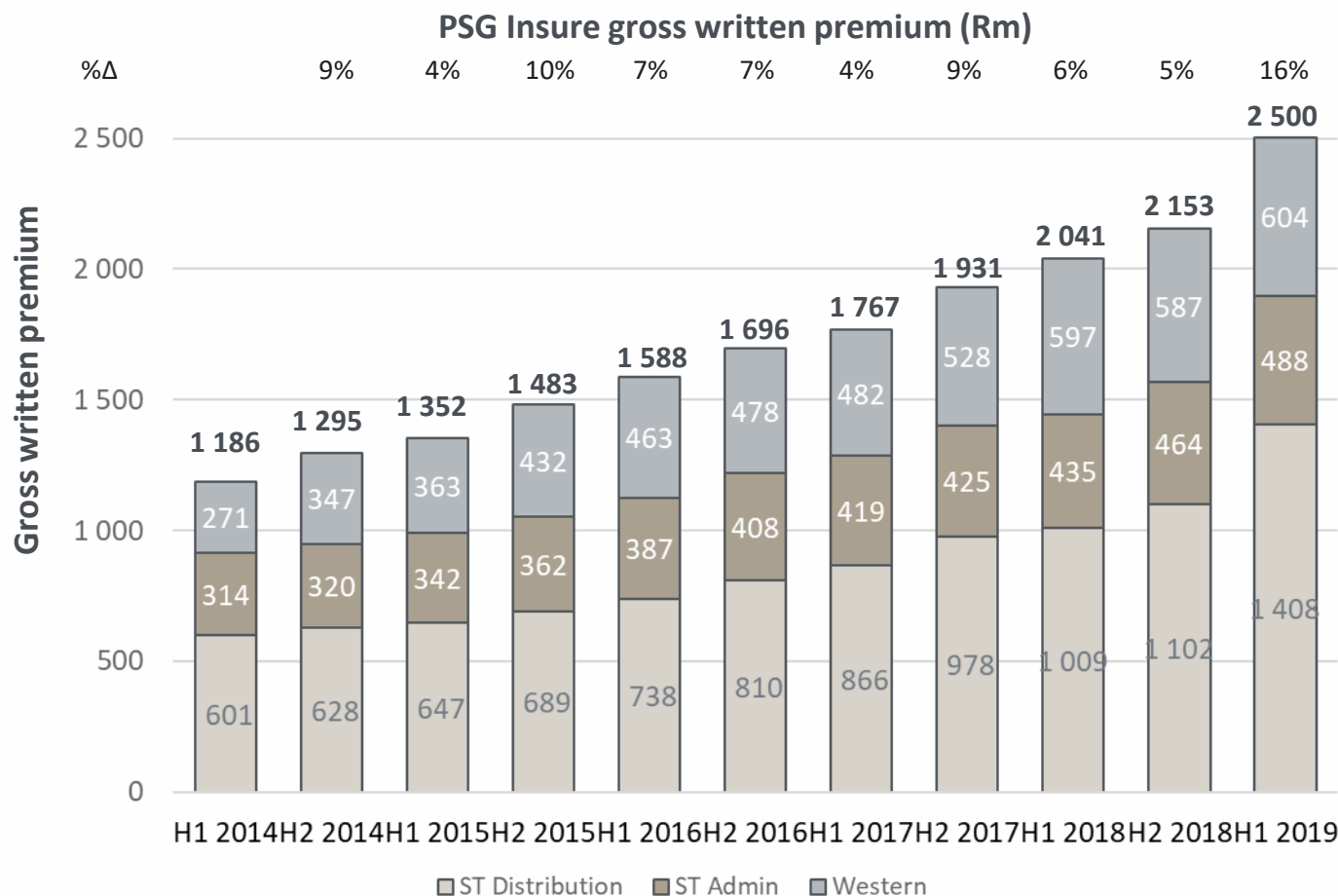
Insure

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

Source: PSG Distribution

45



Western National Insurance

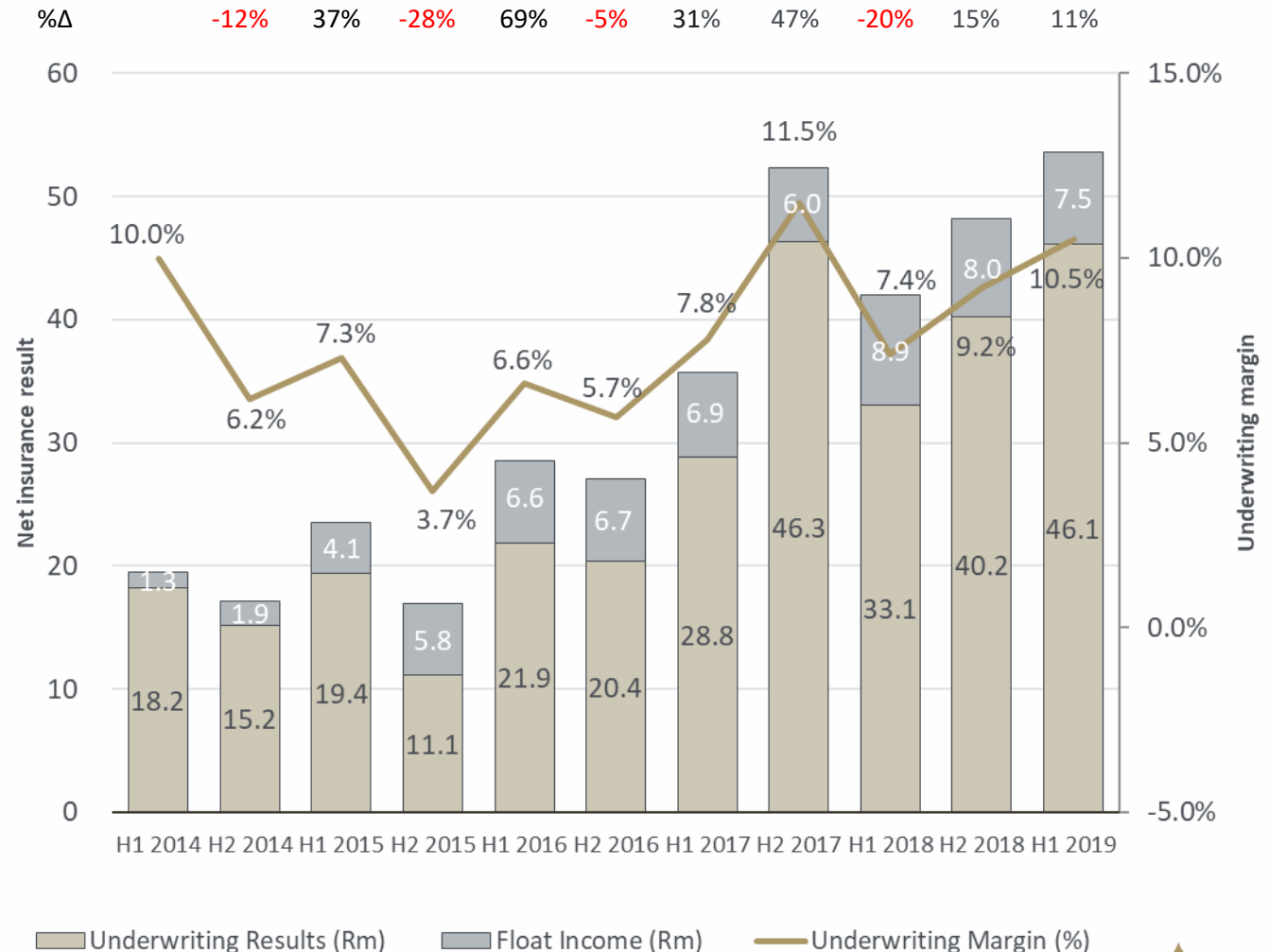
Insurance results

Key differentiators

- Personalised service to brokers
- Focus on commercial business

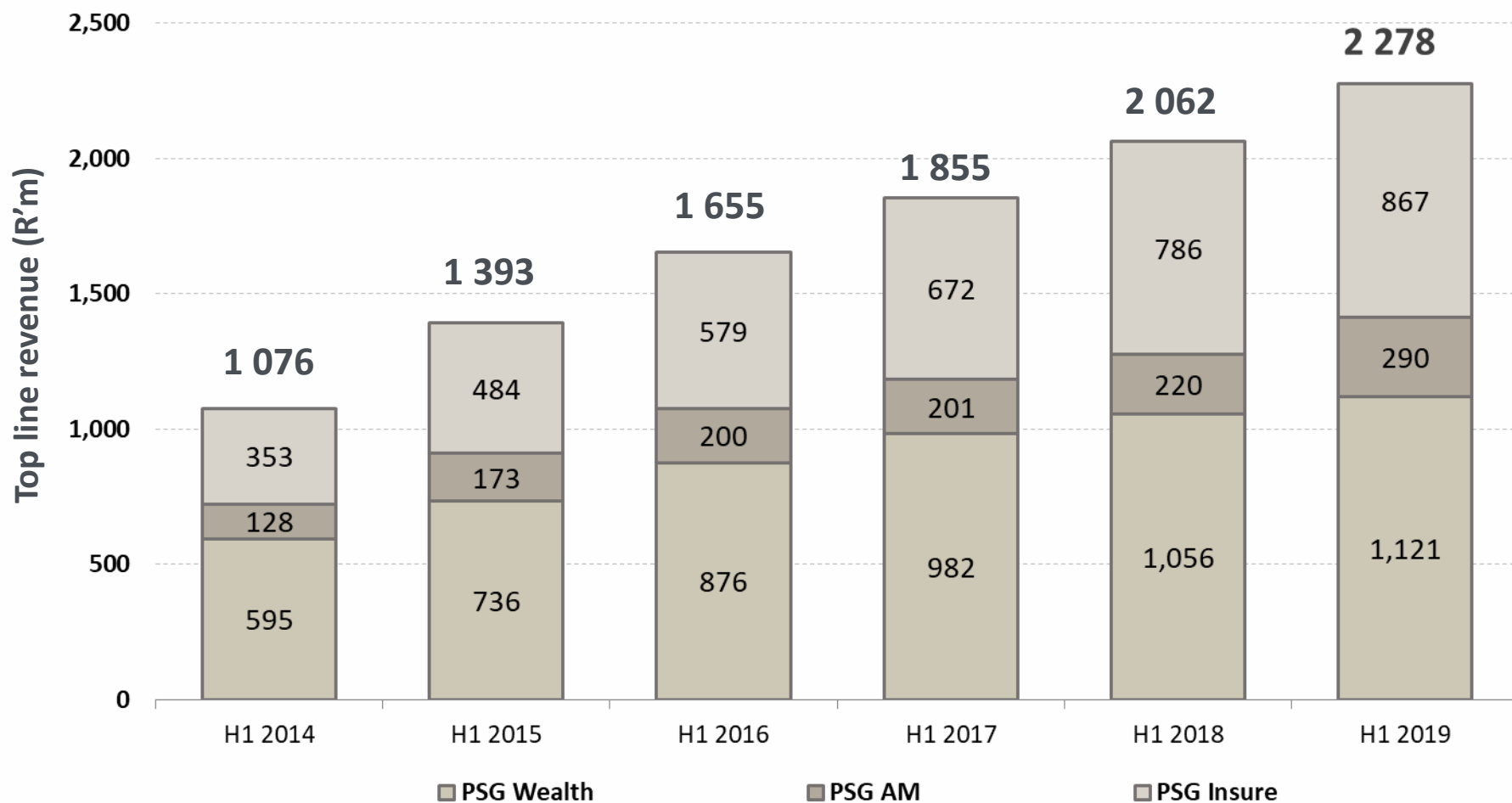
Excellence in underwriting

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



Top line focus

Core operations (excl. IFRS consolidated fund and policyholder related income)



Total core revenue per division (excluding inter-segment income)

47 Source: PSG Finance



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 13.5% 13.4% 13.5% 13.8% 15.3%
(excl perf fees)

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 22.3% 22.1% 21.4% 20.5% 20.9%
(excl. perf fees)

Debt:Equity 4.6% 0.7% 0.2% 4.9% 3.9%



Conclusion

Business features underpinning our expectations for future success

- Largest independent adviser network in South Africa, with a broad geographic footprint that continues to expand
- Strong governance structures
- Clear growth opportunities for our businesses
- History of superior shareholder returns
- Focus on optimising risk adjusted return per share (restrict issuance of new shares)



TRI of PSG Konsult

PSG Konsult performed better than JSE ALSI during tough times

Investment of R100 000 in PSG Konsult shares on 11 April 2005, and reinvesting all dividends received (net of DWT) and other distributions over period vs R100 000 invested on JSE ALSI

Date	Number of PSG Konsult shares	PSG Konsult investment (R)	PSG Konsult investment (USD)	Annual growth in investment (R)	Annual growth in investment (USD)	JSE ALSI Total Return Index	JSE ALSI Investment (R)	JSE ALSI Investment (USD)	Annual growth in investment (R)	Annual growth in investment (USD)
11 04 2005	250,000	100,000	16,379			1,311	100,000	16,379		
28 02 2006	260,725	286,797	46,461	187%	184%	1,926	146,929	23,802	47%	45%
28 02 2007	297,398	490,706	67,645	71%	46%	2,670	203,678	28,078	39%	18%
28 02 2008	309,914	526,854	69,012	7%	2%	3,255	248,335	32,529	22%	16%
28 02 2009	327,703	426,014	42,816	(19%)	(38%)	2,032	154,988	15,577	(38%)	(52%)
28 02 2010	351,652	509,895	65,490	20%	53%	3,013	229,848	29,521	48%	90%
28 02 2011	373,653	597,845	85,553	17%	31%	3,723	284,027	40,645	24%	38%
28 02 2012	395,168	790,336	105,692	32%	24%	4,082	311,393	41,643	10%	2%
28 02 2013	422,411	1,203,871	136,169	52%	29%	4,870	371,546	42,025	19%	1%
28 02 2014	435,546	2,177,731	203,194	81%	49%	5,981	456,251	42,571	23%	1%
28 02 2015	441,856	3,190,197	277,314	46%	36%	6,946	529,912	46,064	16%	8%
29 02 2016	447,709	3,080,237	190,833	(3%)	(31%)	6,643	506,779	31,397	(4%)	(32%)
28 02 2017	455,295	3,419,266	262,736	11%	38%	7,061	538,627	41,388	6%	32%
28 02 2018	462,322	4,022,205	341,632	18%	30%	8,292	632,573	53,729	17%	30%
31 08 2018	466,782	4,527,790	308,969	13%	(10%)	8,480	646,879	44,142	2%	(18%)
		4,527,790					646,879			
CAGR				33%	25%				15%	8%

Source: PSG Finance



Trading statistics

Creating shareholder value

Statistic	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	H1 19*
No. of shares in issue (millions)	733	730	733	1 072	1 210	1 222	1 262	1 279	1 322	1 342	1 342
No. of shares traded (millions)	1.7	6.7	9.5	14.9	21.2	31.4	61.8	113.9	111.7	91.9	66.9
% of shares traded	0.2%	0.9%	1.3%	1.4%	1.8%	2.6%	4.9%	8.9%	8.4%	6.8%	5.0%
Market capitalisation (Rm)	953	1 059	1 173	2 145	3 447	6 110	9 115	8 800	9 929	11 678	13 020
Value of shares traded (Rm)	2	9	13	24	47	129	429	900	783	767	593
% of market cap traded	0.3%	0.8%	1.1%	1.1%	1.4%	2.1%	4.7%	10.2%	7.9%	6.6%	4.6%

* Based on a rolling 12 month period where applicable

Source: PSG Finance





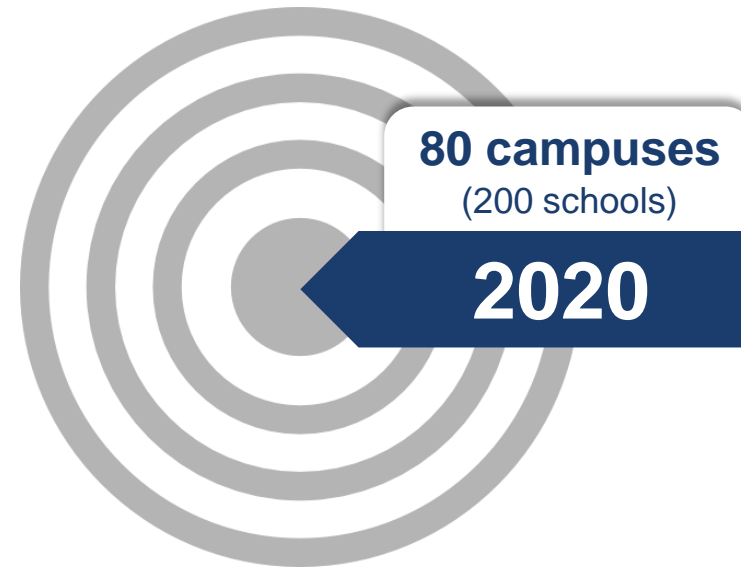
CURRO 2018 INTERIM RESULTS

For the six months ended 30 June 2018






PROMISE TO MARKET

- 1 Profitable growth
- 2 Improve EBITDA margin – schools' goal 40%
- 3 Attractive capital returns
- 4 Shareholder value/returns



HISTORY SINCE 2011

Curro listed on the JSE – June 2011

	2011	2012	2013	2014	2015	2016	2017	2018
 Campuses		22	26*	32*	41	48	51	57
 Schools	24	61	72	80	100	114	127	139
 Learners	4 200	12 473	21 027	28 737	35 148	42 343	45 870	50 691

*Includes Embury Institute for Teacher Education

WHY 57 CAMPUSES, 139 SCHOOLS?

57 versus 60 campuses

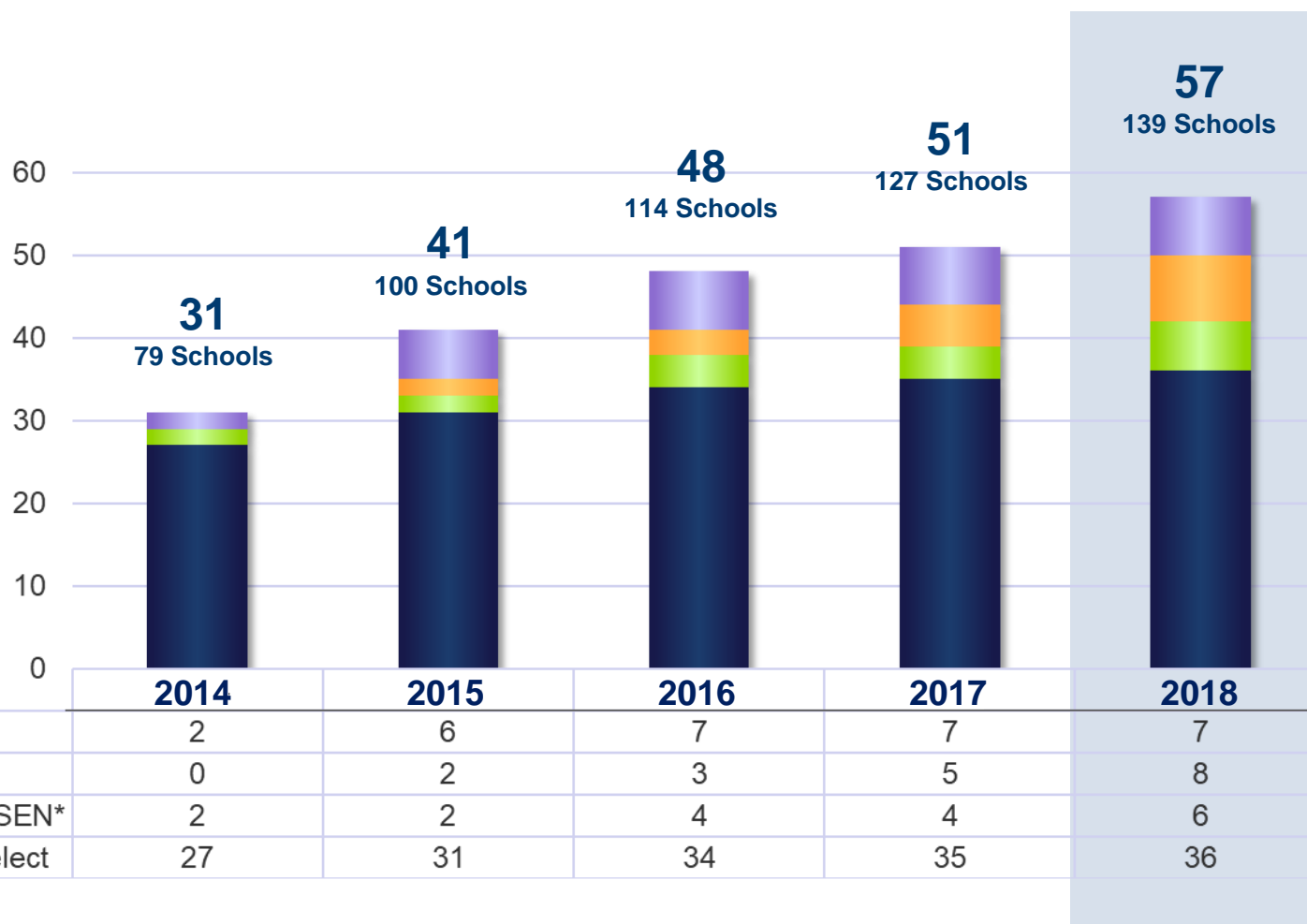
- 1 Baobab included as of July 2018 (1 campus)
- 2 Academy 1 and Academy 2 in the Free State – last part of year (2 campuses)

Acquisitions

- 3 Dot's Learning Centre – March 2018
- 4 Cooper College – April 2018



NUMBER OF CAMPUSES

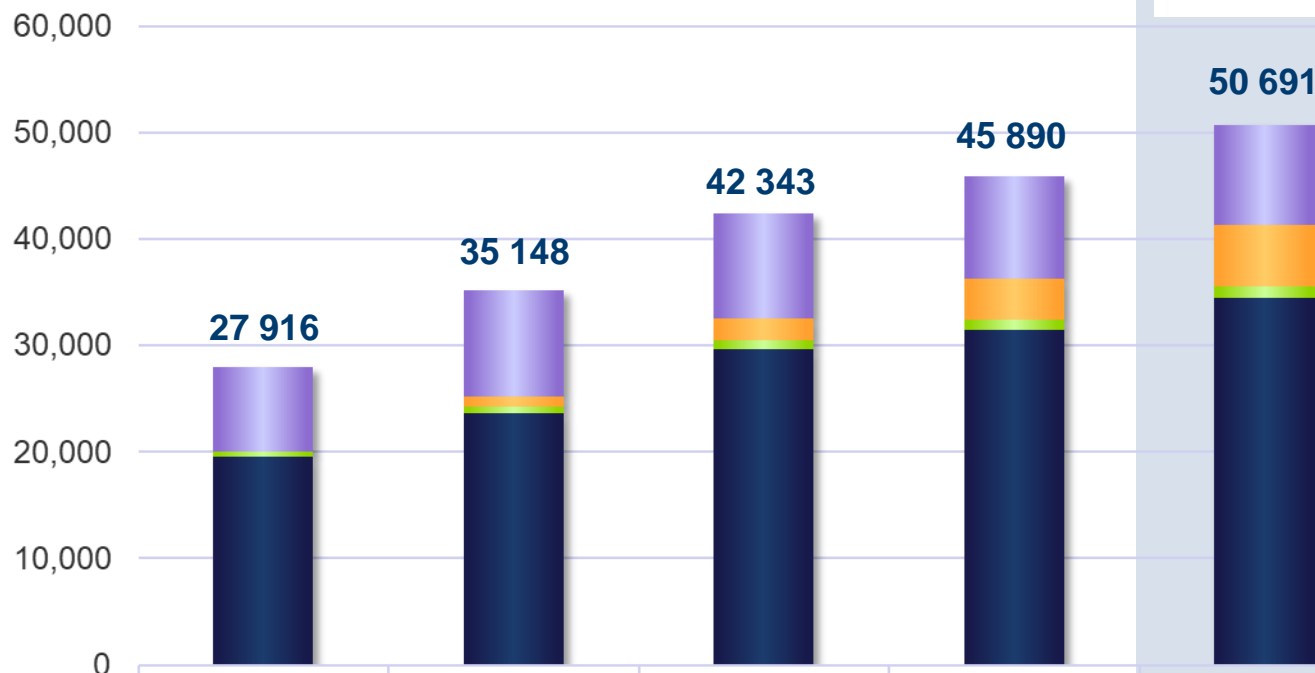


*2018 includes 1 LSEN campus



NUMBER OF LEARNERS

CAGR 16%
YOY 10%



	2014	2015	2016	2017	2018
Meridian	7,941	9,948	9,798	9,675	9,335
Curro Academy	0	990	2,110	3,810	5,834
Curro Castle and LSEN*	474	572	760	914	1,062
Curro and Curro Select	19,501	23,638	29,675	31,491	34,460

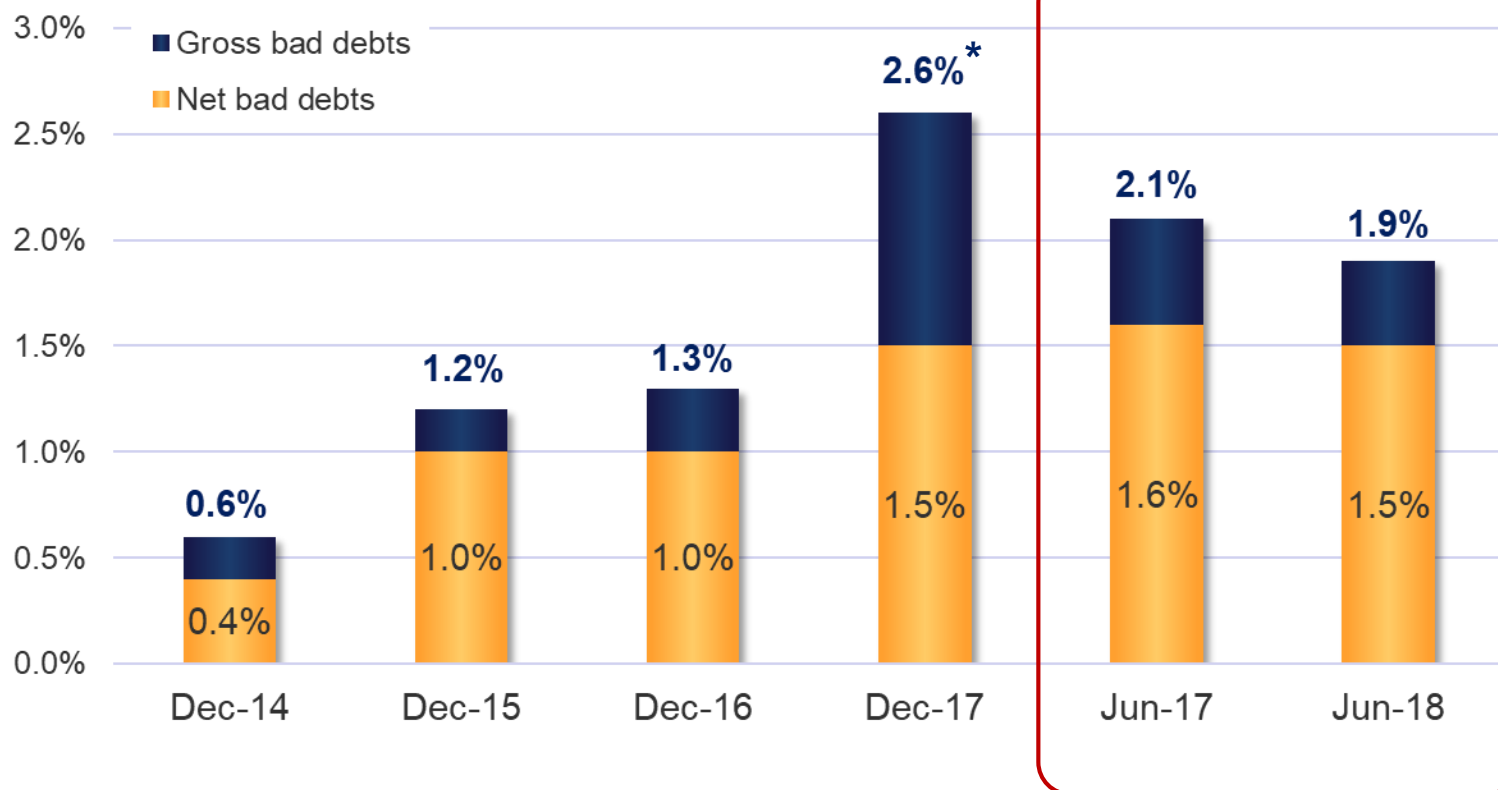
*2018 includes 99 LSEN learners

KEY INDICATORS

		Dec 2014	Dec 2015	Dec 2016	Dec 2017	4-year CAGR	2017 June	2018 June	YOY Growth
Campuses	#	31	41	48	51	18%	51	57	12%
Schools	#	79	100	114	127	18%	127	139	9%
Learners	#	27 916	35 148	42 343	45 870	18%	45 890	50 691	10%
% of eventual capacity	%	51%	50%	52%	53%	11%	53%	53%	0%
Revenue	Rm	966	1 345	1 714	2 098	30%	1 051	1 242	18%
Schools EBITDA	Rm	256	375	487	594	32%	316	402	27%
EBITDA	Rm	191	292	377	473	35%	255	335	31%
EBITDA Margin	%	19%	21%	22%	23%		23%	27%	
Net interest expense	Rm	55	91	70	78	12%	42	73	74%
HEPS - continuing ops	Cents	16.0	26.2	41.8	49.0	45%	27.6	33.6	22%
Learner/educator ratio	#	15	15	17	17		17	17	
Capital invested	Rm	1 305	1 030	1 486	1 136	(5)%	466	681	46%
Cumulative capital invested	Rm	3 834	4 864	6 350	7 486	25%	6 816	8 167	20%
Total building size	m ²	392 314	449 067	558 683	598 194*	15%	578 803	631 287	9%

* Four times the size of Canal Walk Shopping Centre

BAD DEBTS



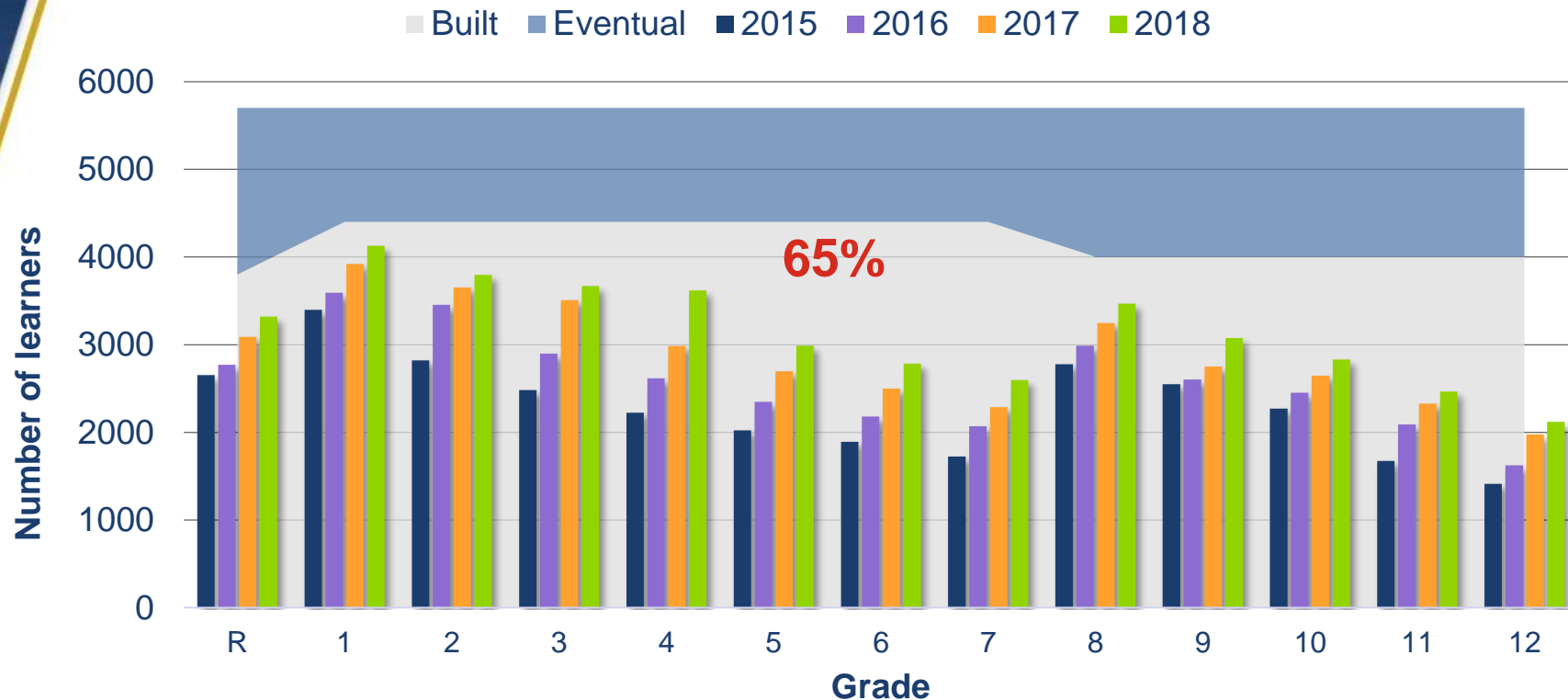
*Change in collections approach

J-CURVE

	Number at 30 Jun 2018		Learner numbers			Growth		EBITDA (R million)			Growth		EBITDA margin			Eventual capacity		
	Campuses	Schools	2016	2017	2018	16/17	17/18	2016	2017	2018	16/17	17/18	2016	2017	2018	2016	2017	2018
Developed schools	40	98	24 344	28 315	31 872	16%	13%	131	179	243	37%	36%	27%	29%	33%	42%	45%	45%
2009 and before*	4	9	3 818	3 897	3 872	2%	(1%)	23	29	36	26%	24%	26%	30%	33%	81%	83%	82%
2010	2	6	2 216	2 254	2 205	2%	(2%)	15	20	20	33%	0%	32%	37%	35%	69%	70%	68%
2011	5	15	4 134	4 098	4 177	(1%)	2%	27	29	33	7%	14%	30%	30%	31%	46%	46%	46%
2012	2	6	1 764	1 904	1 978	8%	4%	9	14	17	56%	21%	24%	30%	32%	53%	57%	59%
2013	4	12	5 651	6 149	6 445	9%	5%	47	55	69	17%	25%	41%	40%	44%	58%	63%	65%
2014	4	8	1 506	1 833	2 169	22%	18%	2	3	8	50%	167%	8%	9%	19%	22%	27%	32%
2015	8	19	4 730	5 748	6 216	22%	8%	9	19	25	111%	32%	14%	21%	23%	30%	37%	40%
2016	4	8	525	1 179	1 681	125%	43%	(1)	7	19	Na	171%	(9%)	26%	38%	9%	20%	28%
2017	3	8	–	1 253	2 499	–	99%	–	3	21	–	600%	–	14%	41%	–	23%	46%
2018	4	7	–	–	630	–	–	–	–	(5)	–	–	–	–	(42%)	–	–	9%
Acquired schools	17	41	16 209	17 575	18 819	8%	7%	123	144	165	17%	15%	33%	33%	33%	78%	75%	73%
2012 and before	7	17	6 847	6 919	7 007	1%	–	68	76	78	12%	3%	36%	39%	38%	71%	72%	72%
2013	2	2	4 701	4 253	3 855	(9%)	(11%)	25	19	17	(24%)	(11%)	34%	28%	25%	78%	71%	64%
2014	2	6	2 425	2 618	2 742	8%	4%	23	30	40	30%	33%	31%	35%	40%	85%	92%	95%
2015 and 2016	4	13	2 236	3 785	4 147	69%	9%	7	19	25	171%	32%	19%	22%	24%	92%	72%	79%
2018	2	3	–	–	1 068	–	–	–	–	5	–	–	–	–	25%	–	–	52%
Property rental and royalties								(5)	(7)	(6)								
Total	57	139	40 553	45 890	50 691	13%	10%	249	316	402	27%	27%	30%	31%	33%	51%	53%	53%

Eventual capacity = **56%** should 2018 Greenfields be excluded

LEARNERS PER GRADE – CAPACITY



Excluding Castle (pre-school) learners

R1bn to be spent to achieve eventual capacity for existing schools; existing schools 65% of built capacity

SCHOOLS PER EBITDA CONTRIBUTION

	Learner numbers			EBITDAR (R'000)			EBITDAR Margin			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%	74%	75%	71%
60% - 80%	9 657	11 566	12 029	62 186	80 668	94 693	28%	31%	30%	60%	65%	61%
40% - 60%	6 614	7 157	8 529	28 367	37 296	47 352	25%	27%	28%	51%	40%	50%
20% - 40%	4 700	5 116	6 232	7 882	17 802	26 149	12%	19%	22%	29%	37%	49%
0% - 20%	2 191	3 352	2 686	(3 985)	(5 537)	(5 991)	(14%)	(10%)	(14%)	21%	28%	17%
Total	40 553	45 890	50 691	254 235	324 391	408 644	30%	31%	33%	51%	53%	53%
Rent				(4 575)	(7 398)	(6 281)						
EBITDA				249 660	316 993	402 363						
Top 20% EBITDA % of Total				64%	61%	61%						

CAPITAL DEPLOYMENT – 2018

	2018 Planned (Rm)	2018 Updated (Rm)	June 2018 Actual (Rm)
Expansion and replacement of existing campuses	750	700	213
Building of new campuses	470	392	167
Subtotal	1 220	1 092	380
Land banking	400	290	86
Subtotal	1 620	1 382	466
Acquisitions	597	1 000	215
Total	2 217	2 382	681



- Capital investment can vary depending on land banking and acquisitions
- Acquisitions are done at reasonable prices and can be serviced through debt; ensure additional EBITDA

DEBT – 2018

Debt Measures	Dec 2016	Dec 2017	June 2018	June 2018 Illustrative*
Net Debt/Equity				
Excluding Meridian	7%	24%	28%	57%
Including Meridian	19%	36%	40%	70%
ISCR (times)				
Excluding Meridian	5.7	5.6	5.5	2.6
Including Meridian	4.2	4.9	3.5	2.1
Ave Net Debt/EBITDA (times)				
Excluding Meridian	1.3	1.4	2.8	4.2
Including Meridian	2.4	2.3	3.7	4.8



- To date Curro has been low-gearred
- Debt utilisation will pick up but remains within reasonable levels for the amount of cash generation (excluding Meridian)
 - ISCR >2.5 times (covenant 1.75 times)
 - Debt/EBITDA <4.5 times
- Barring significant acquisitions, Curro does not foresee the need to raise additional equity capital

*EBITDA is rolling 12 months till June 2018 based on planned capital investments until end 2018

(R million)	Dec 2015	Dec 2016	Dec 2017	June 2017	June 2018
Number of learners	9 948	9 798	9 665	9 602	9 335
Capacity	53%	52%	51%	51%	50%
Revenue	258	275	271	136	140
EBITDA	56	62	54	23	24
EBITDA margin	21%	23%	20%	17%	17%
Interest	(54)	(61)	(67)	(34)	(35)
HEADLINE EARNINGS	(16)	(12)	(31)	(15)	(12)
Senior and Mezz Debt	553	564	620	589	613
Non-Current Assets	590	629	641	633	640
EBITDA/Non-Current Assets	9.9%	9.9%	8.4%	8.5%	8.6%



Recapitalisation:

Redeem expensive interest-bearing debt of R390m. As a 65% shareholder, Curro will invest R253m (August 2018).

This will significantly improve the profitability of this venture and also have a positive impact on Curro going forward.

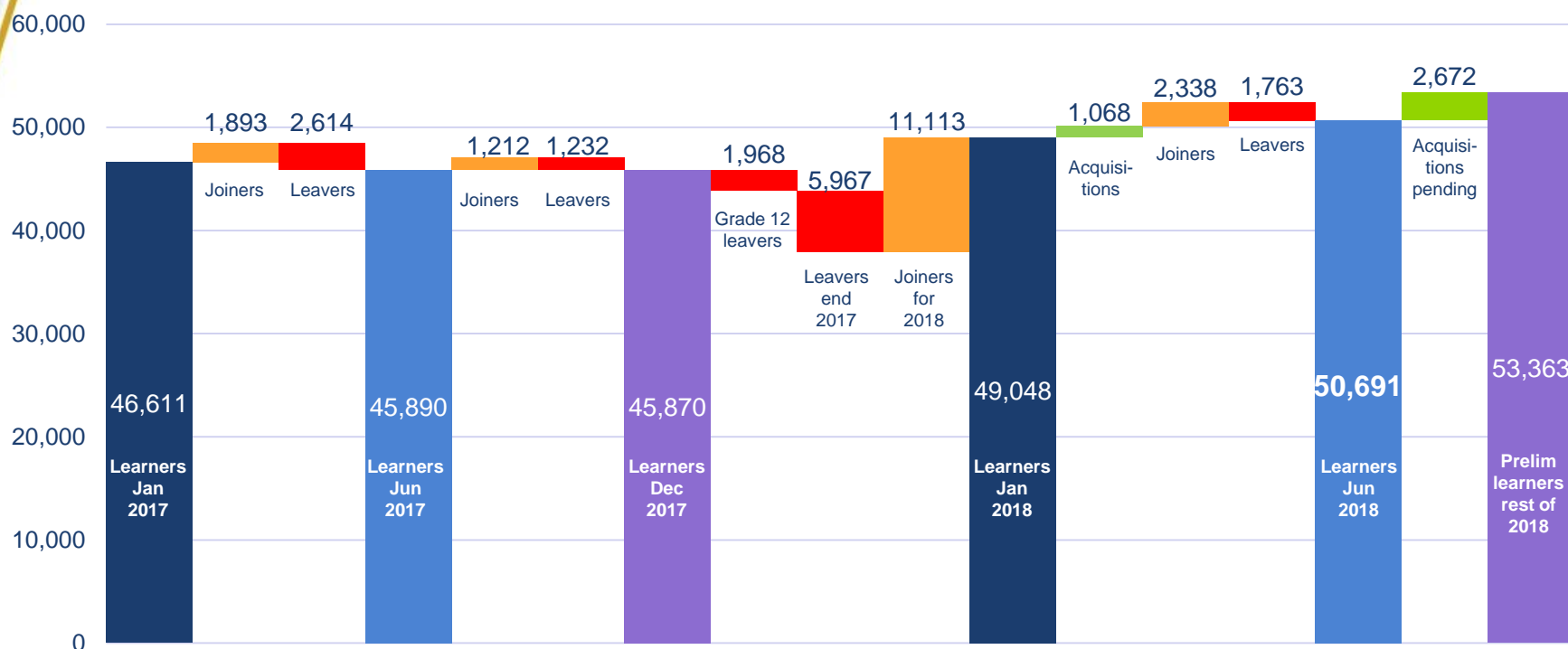
LEARNER MOVEMENTS



Number of campuses
57 (60)*



Number of schools
139 (145)*



*Including Baobab, Academy 1 and Acadmy 2 acquisitions



TAKING A STEP BACK – OUR MODELS

CURRO
Castle

LSEN

6 campuses

1 062 learners

R3 700
avg. monthly fees

Balanced curriculum

25 maximum
class size

3 months – 5 years

CURRO
School

CURRO
Select School

36 campuses

34 460 learners

R4 250
avg. monthly fees

Balanced curriculum

25 maximum
class size

3 months – 18 years

CURRO
Academy
School

MERIDIAN
School

15 campuses

15 169 learners

R1 700 – R2 700
avg. monthly fees

Academic curriculum

35 maximum
class size

5 – 18 years



Expanding our
footprint

Our vision continues ...
to make independent
school education
accessible to more
learners **throughout**
Southern Africa.




CURRO



COMPETITIVE ADVANTAGES

- **Quality executive team**
 - Knowledge base
- Significant **quality investment** opportunities remain
- **Development team**
 - Finding new opportunities
 - Rezoning (where required)
 - Site development plans and design
- **Cost reduction** due to scale efficiencies
- **Closely aligned with contractors** – reducing building time and cost
- **Demand** for product
- **Value-for-money** offering
- **Brand/reputation**
- More schools **performing on or ahead of target**
- Significant spend on **curriculum development**
- **Capital base** (strong balance sheet)
- **Highly cash generative**
- Has a significant **supportive shareholder** in PSG Group

OUR SITES – GOALS

	End 2017	June 2018	2018	2019	2020
 Learners	45 870	50 691	53 363		
 Campuses	51	57	60 + 12	72 + 4	76 + 4
 Schools	127	139	147 + 17	164 + 12	176 + 12
			<ul style="list-style-type: none"> To open 7 new greenfield campuses 5 possible acquisitions until end 2018 	<p>Development and expansion strategy dependent on quality of opportunities; can therefore be more. Can be financed through cash generation.</p>	

GREENFIELDS 2019 – SOUTH AFRICA

All facilities owned
TARGET IRR 25%+

GAUTENG

CURRO SCHOOLS

- Curro Vanderbijlpark
- Curro Edenvale

CURRO ACADEMY SCHOOLS

- Curro Academy Protea Glen (Soweto)
- Curro Academy Savanna City
- Curro Academy Parkdene

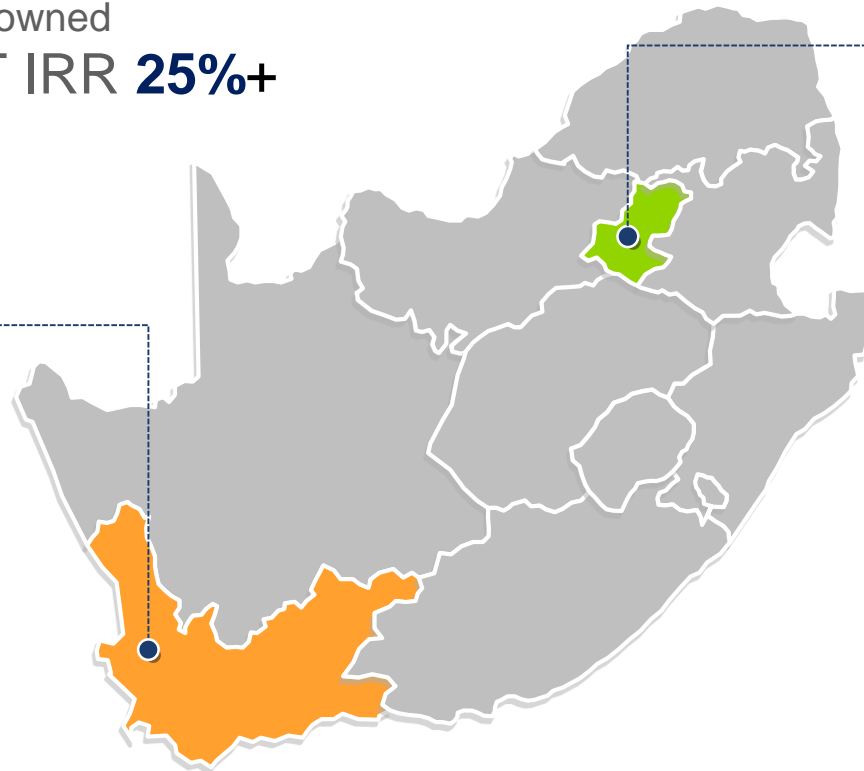
WESTERN CAPE

CURRO CASTLE

- Curro Castle Burgundy

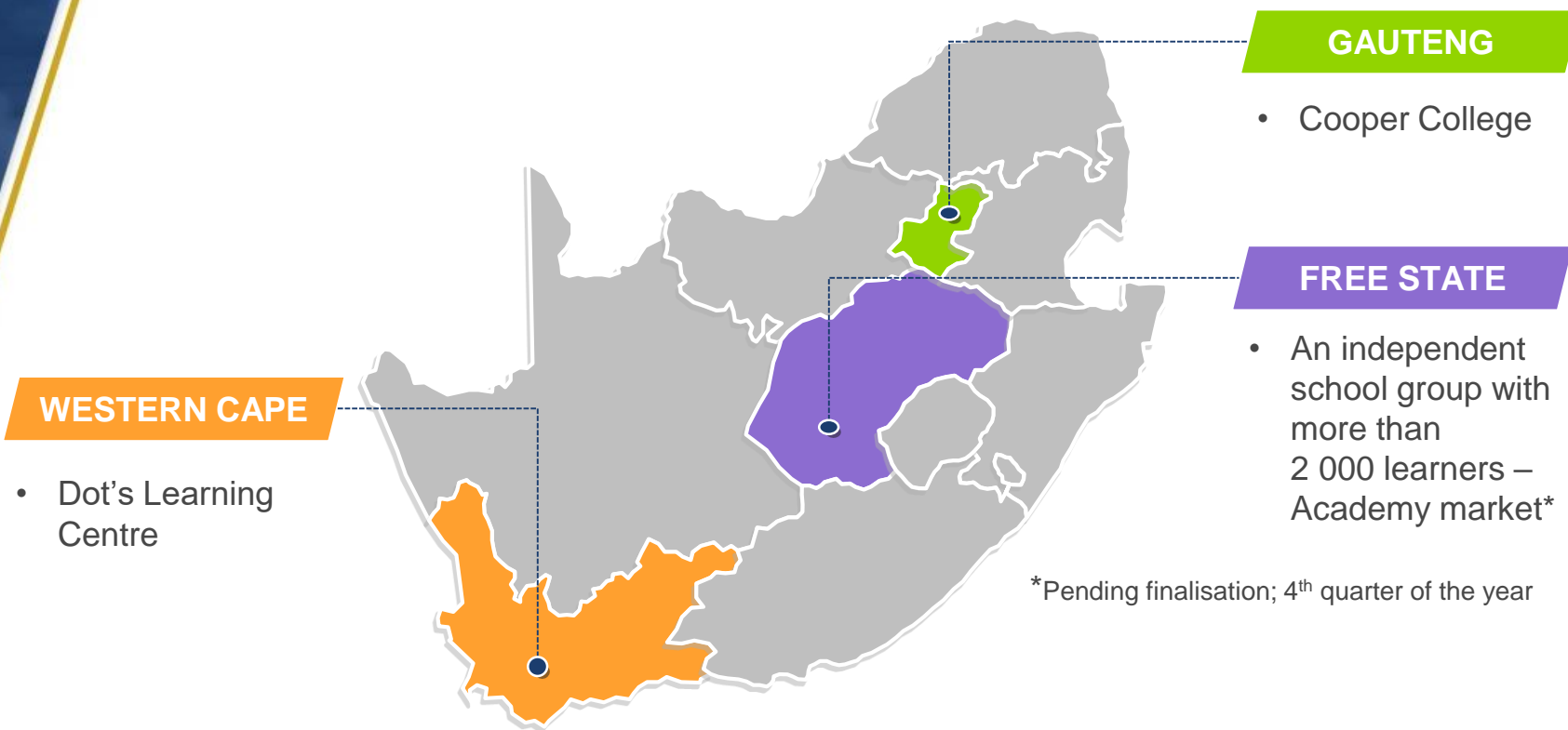
NEW HIGH SCHOOL MODEL

- DigiEd*



* To be opened during the course of 2019

ACQUISITIONS



THE REST OF AFRICA

NAMIBIA

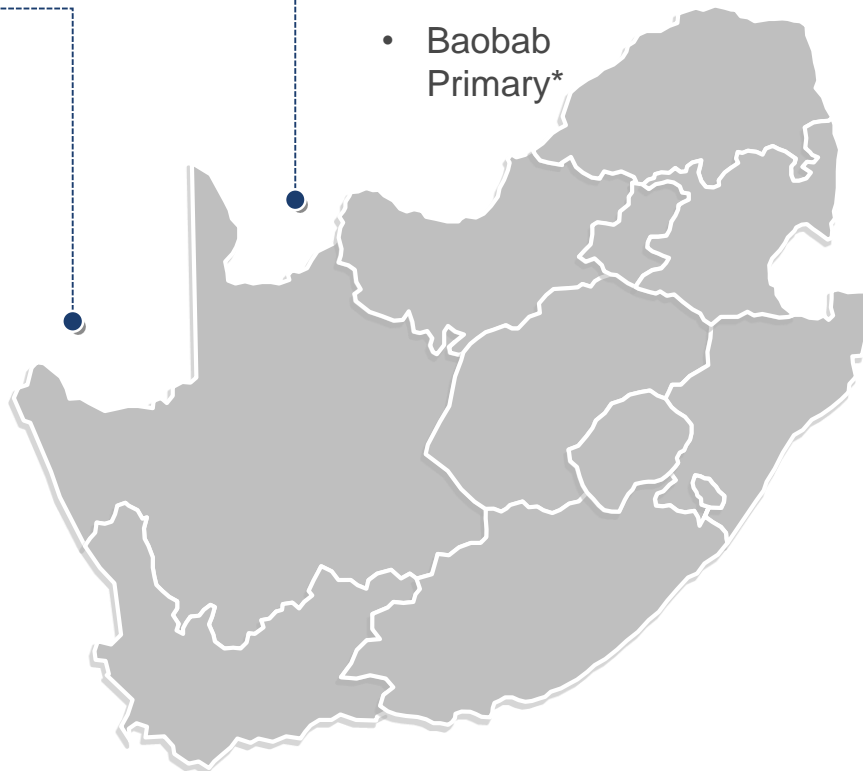
- Windhoek Gymnasium

Acquired in 2016 with 1 450 learners.
Currently **2 000** learners.

BOTSWANA

- Baobab Primary*

Currently two schools



*Effective July 2018



IN CONCLUSION

New business

- Second half of the year will **include acquisitions** not included in first half of the year
- Expect **second half to play out as first half** of the year
- **More acquisitions** are being explored until end 2018

Operational

- **Bad debt stable** compared to previous year (2017) – enhanced collection processes
- **Focus on learner retention**, manage decline in learners leaving in first half of 2018
- Expect **gross profit margin to stay the same** in second half of the year
- **Balance sheet well-gearred** to fund 2018 capital expenditure



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	
Net interest, taxation and other income and expenses	(102)	(50)	
Recurring headline earnings	474	65	156,9
<i>Non-recurring</i> headline earnings	(49)	9	
Headline earnings	425	74	595,9
Non-headline items	(171)	53	
Attributable earnings	254	127	265,4
Weighted average number of shares in issue (<i>net of treasury shares</i>) (million)	1 717	1 722	
Recurring headline earnings per share (cents)	27,6	3,8	157,9
Headline earnings per share (cents)	24,8	4,3	604,7
Attributable earnings per share (cents)	14,8	7,4	268,9

- 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

Broad exposure across industry

Portfolio review

Portfolio offers strategic exposure across value chain with strong management teams focused on driving growth in the long-term.

Leading companies



**PIONEER
FOODS**

- SS Africa's **2nd largest FMCG (Food and Beverage)** Company
- Packaged staple foods, milling, baking, groceries, beverages
- Unmatched **platform from which to grow** and expand
- Africa + Exports + Selective international expansion (UK)

- **Best-in-class FMCG Platform**
- **Strong cash generation**
- **Strategic anchor to broader Agri-portfolio**

CAPESPAN
GROUP LIMITED

- South Africa's **leading fruit exporter with primary production**
- Global fruit marketing offices ensuring **global retail access**
- Leading **logistical assets and operations** incl. port, w/housing
- Africa + Exports + Selective international markets (UK offices)

- **Farming + Intl. Export/Marketing platform**
- **J-curve investments made – improved cash**
- **Very attractive Tech-led Logistics Platform**



- **Leading independent non-GMO, Hybrid Seed Company**
- Broad basket of **Agri-seeds and strategic Agri-inputs**
- Advanced R&D with proprietary **Intellectual Property**
- Africa + Emerging Market growth

- **Exciting platform for EM growth**
- **Proprietary genetics and product basket**
- **Pipeline registrations maturing**

KAAP  **AGRI**

- **South Africa's leading Agri-retailer** (branch + depot + direct)
- Leading Western Cape **grain handler** + related services
- Well established **Fuel-retail** division with accelerated growth
- SS Africa + Selective international markets

- **Agri-retail plus related trade platform**
- **Fuel retail division/platform**
- **Growing general retail capabilities**



Agrivision Africa

- **Zambia's 2nd largest commercial grain farming enterprise**
- Regionally dominant maize and wheat milling operations
- Significant development and acquisition completed
- Regional expansion and agri-productivity enhancement

- **Primary production + processing platform**
- **Regional champion for food security**
- **Facilitate and drive agri development**



- **South Africa's largest egg supplier (vertically integrated)**
- Regionally dominant animal feeds operations
- Leading broiler, layer (grand-parent + parent) farming ops
- Foundation laid for African expansion (Zambia, Uganda, Moz)

- **Leading animal protein supplier**
- **Vertically integrated supply chain**
- **Platform to build African champion**



- **A vertical farming start-up with enormous potential**
- South African concept + patent + innovators
- Unique intellectual property with global application
- Currently building "full-scale" to launch business

- **Modern farming and Agri-tech**
- **Global application – smart farming**
- **Sustainable food production**



Results for the six months ended 31 August 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%





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



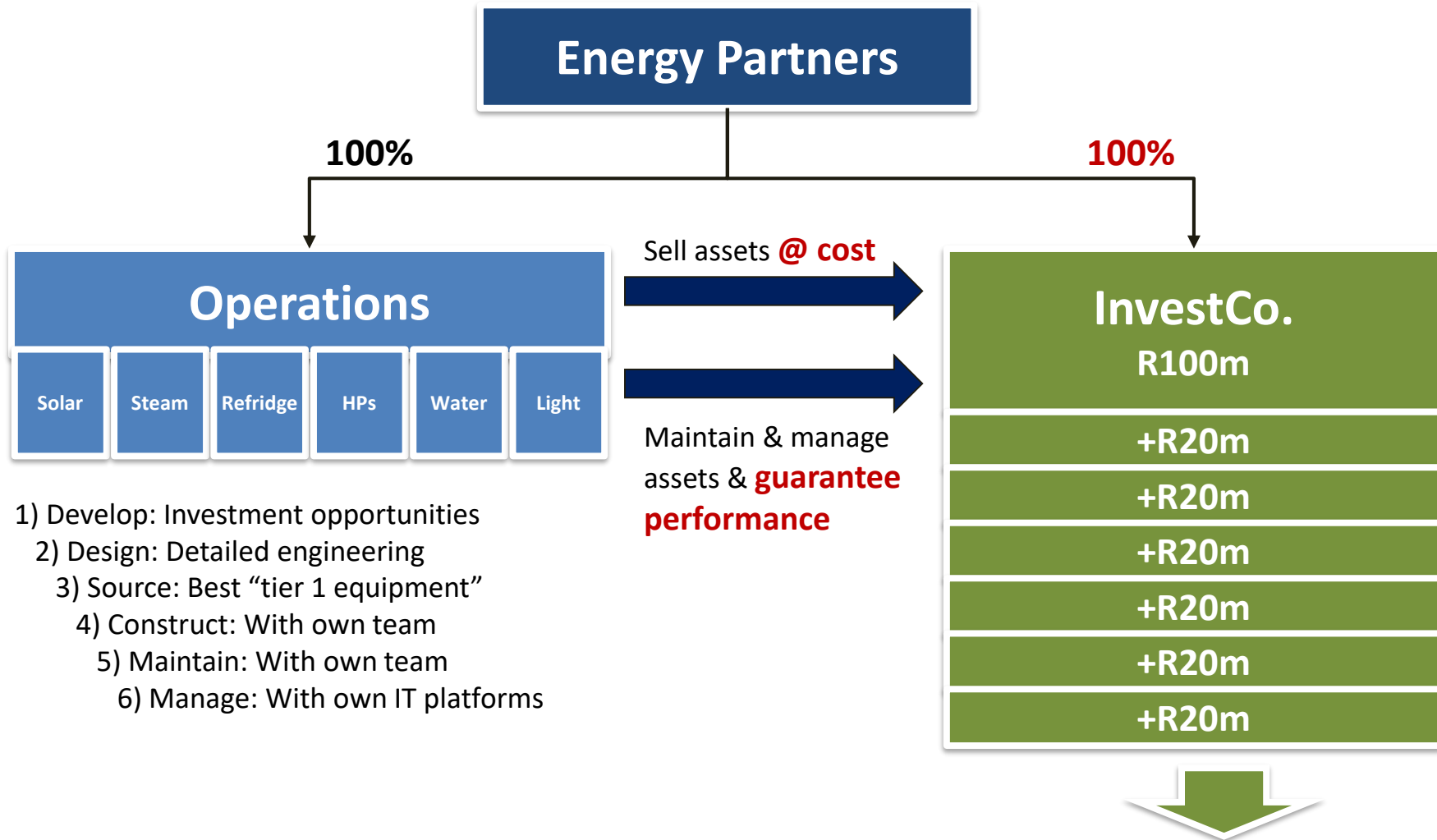
R/l

* Independent Energy Producer



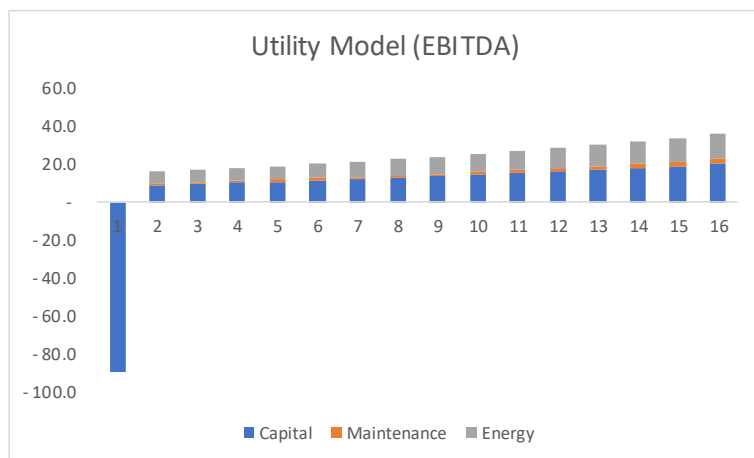
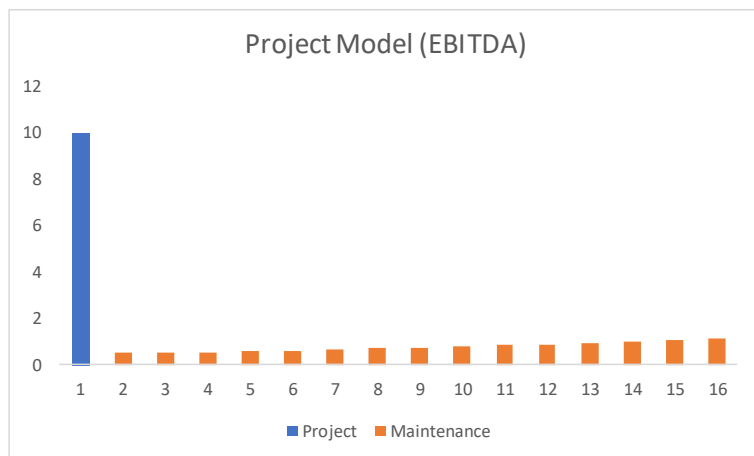
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Business structure: Asset Investment portfolio with fully integrated operational capabilities



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

R100m project example



NPV @ 14.5%

<u>PBT</u>	<u>Effective Tax</u>	<u>PAT</u>
R14m	28%	R10m
Project & Services		
R34m	7.5%	R31m
Utility Sales (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

(75)

Gross profit

25

- OpEx

(15)

Operating Profit

10



72% of value
“recognised in Yr1”

Utility Sales

Lifecycle Value

34

P&L: Yr1

Revenue

44

- COGS

(28)

EBITDA

16

- Depreciation

(7)

- Interest

(7)

Operating Profit

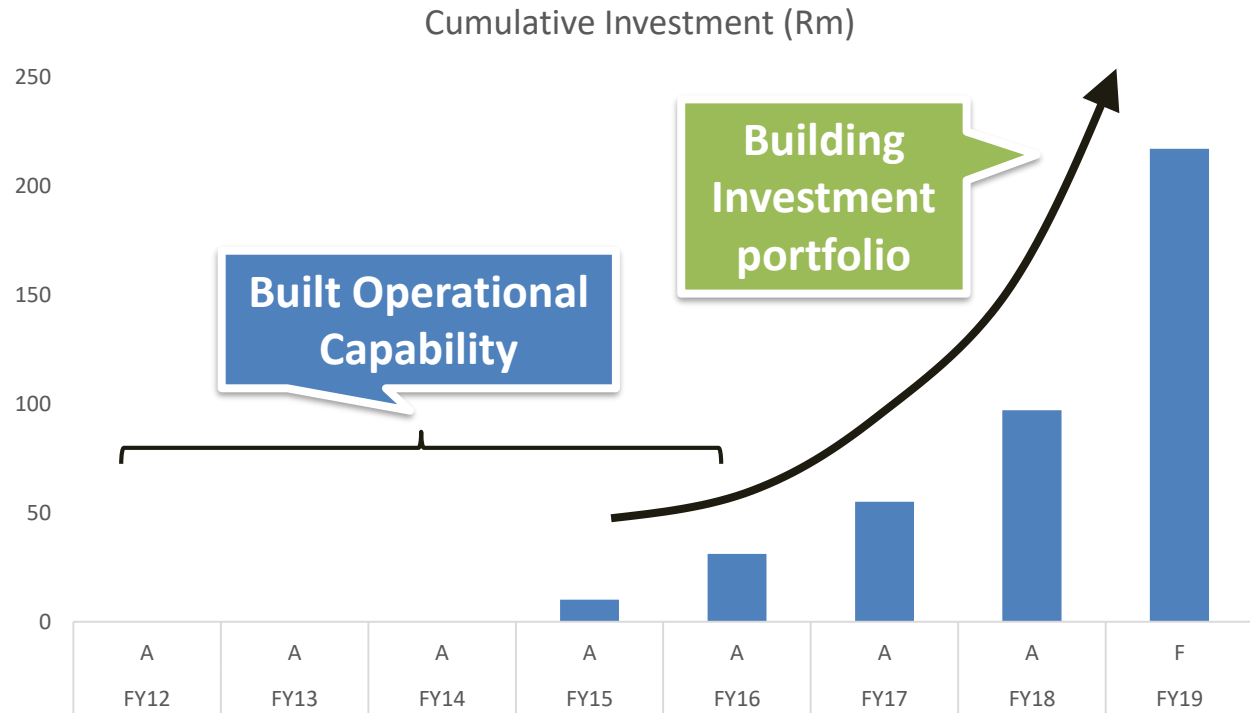
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6% of value
“recognised in Yr1”



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

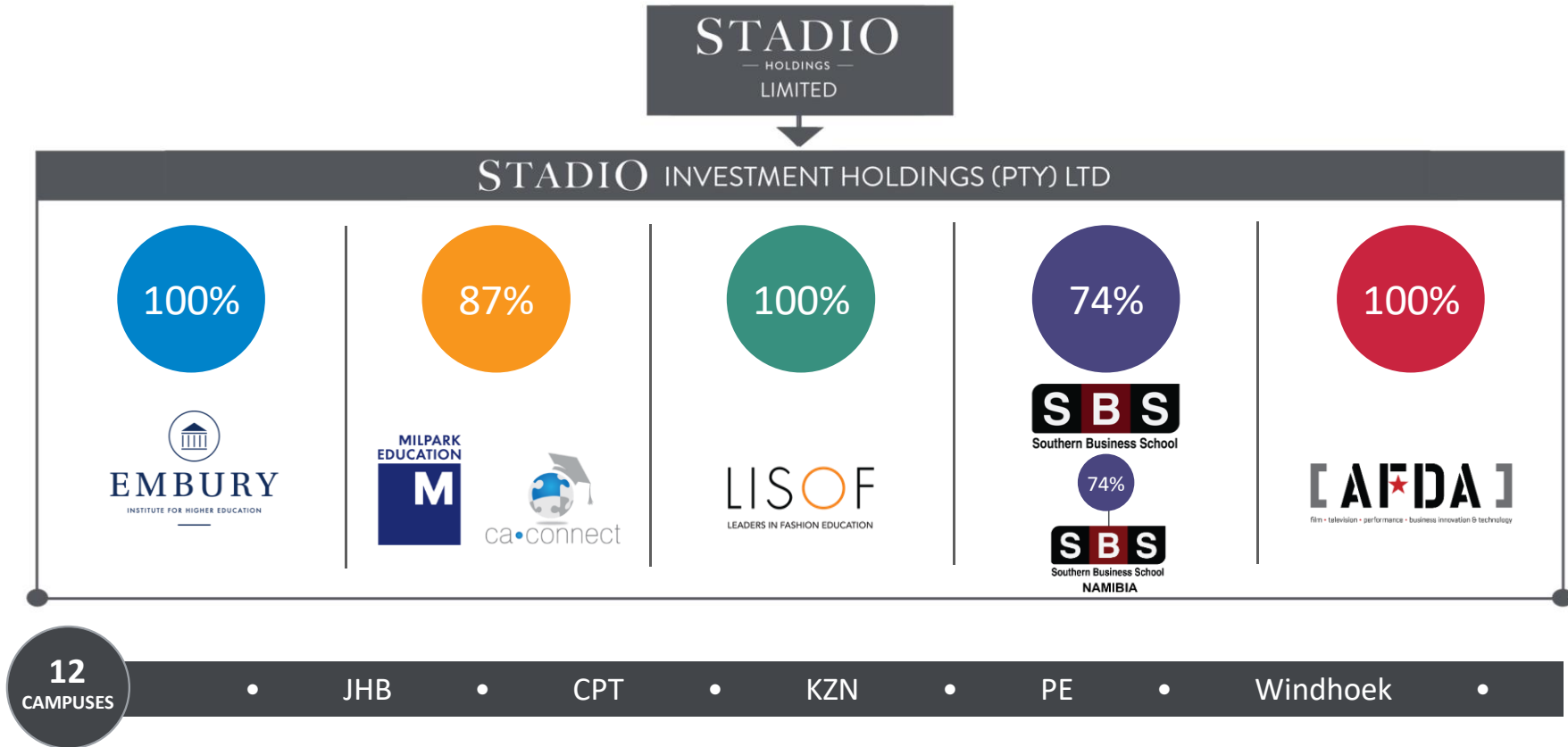
— HOLDINGS —

44%



PSG GROUP LIMITED

Group overview



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

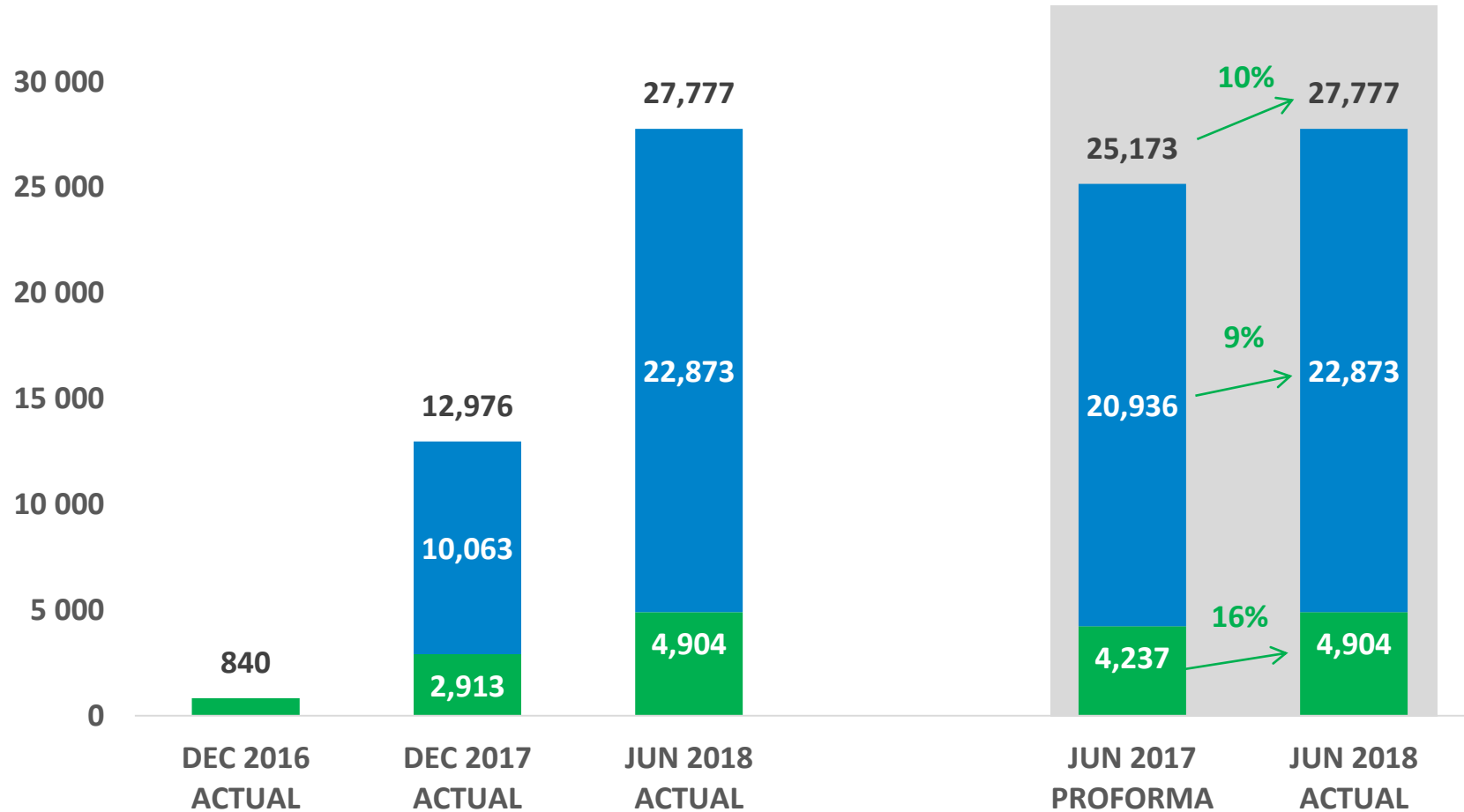
- Opened 2 new Embury campuses
 - Montana (Pretoria)
 - Waterfall (Midrand)
- Relocated existing Embury Durban campus to Musgrave (KZN)
- Acquired 100% of LISOF (January 2018)
- Acquired 87.2% effective interest in Milpark (March 2018)
- Acquired the business of CA Connect (through Milpark) (April 2018)
- 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

Student #'s

■ Contact ■ Distance



		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



	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%



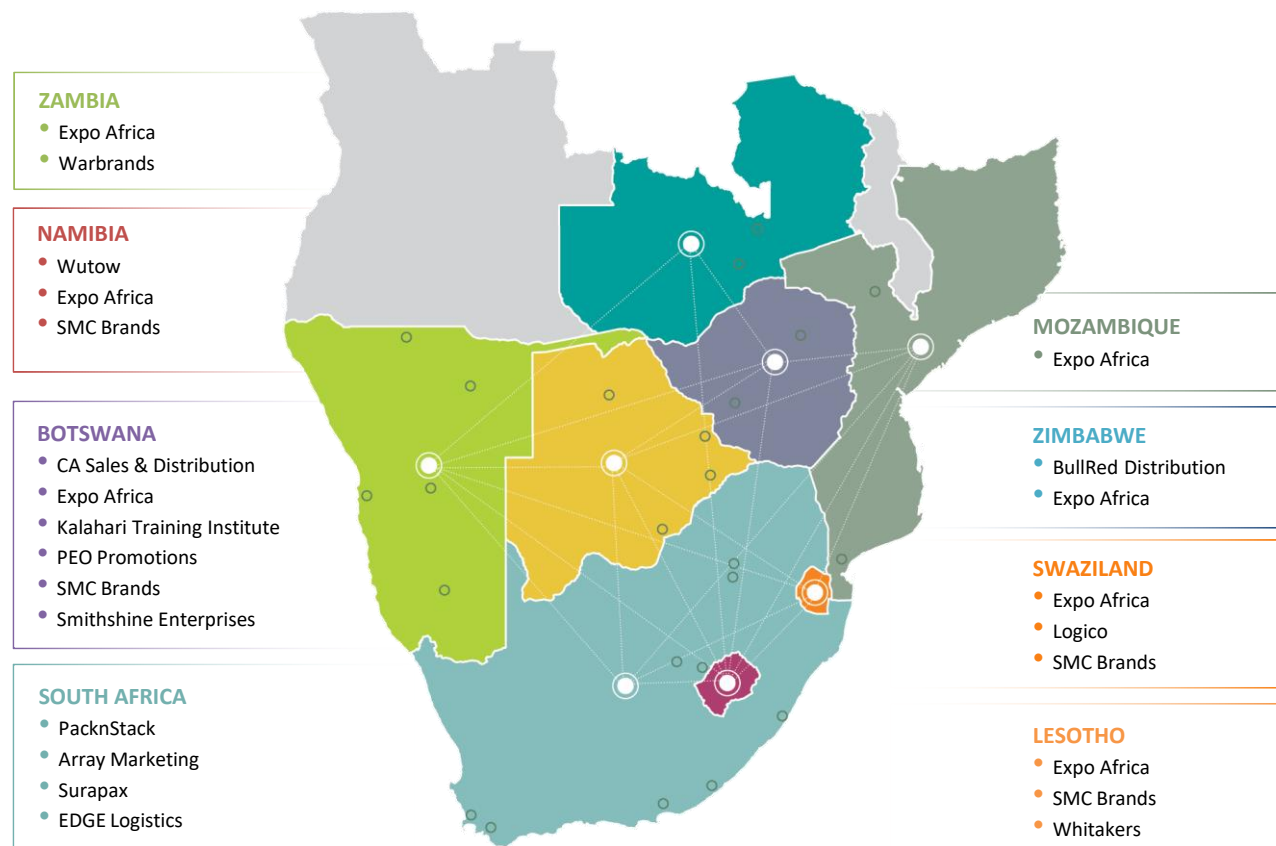
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CA Sales Holdings is the **parent company** of a collection of FMCG businesses that operate across the Southern African region.



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%



PSG GROUP LIMITED

- 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.



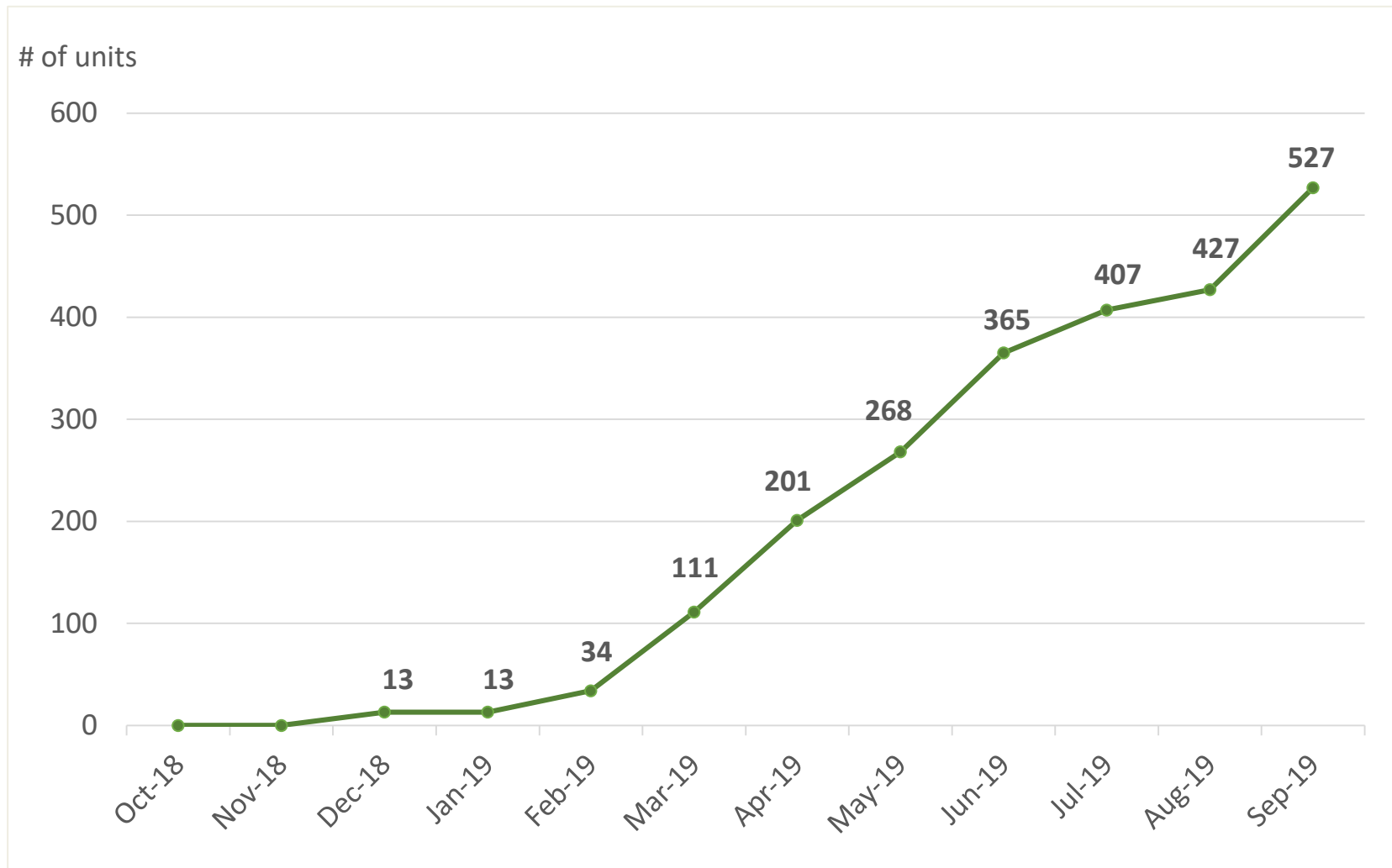
Development pipeline

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

- 99% occupancy of existing 547 units
- 17% 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%



PSG GROUP LIMITED

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

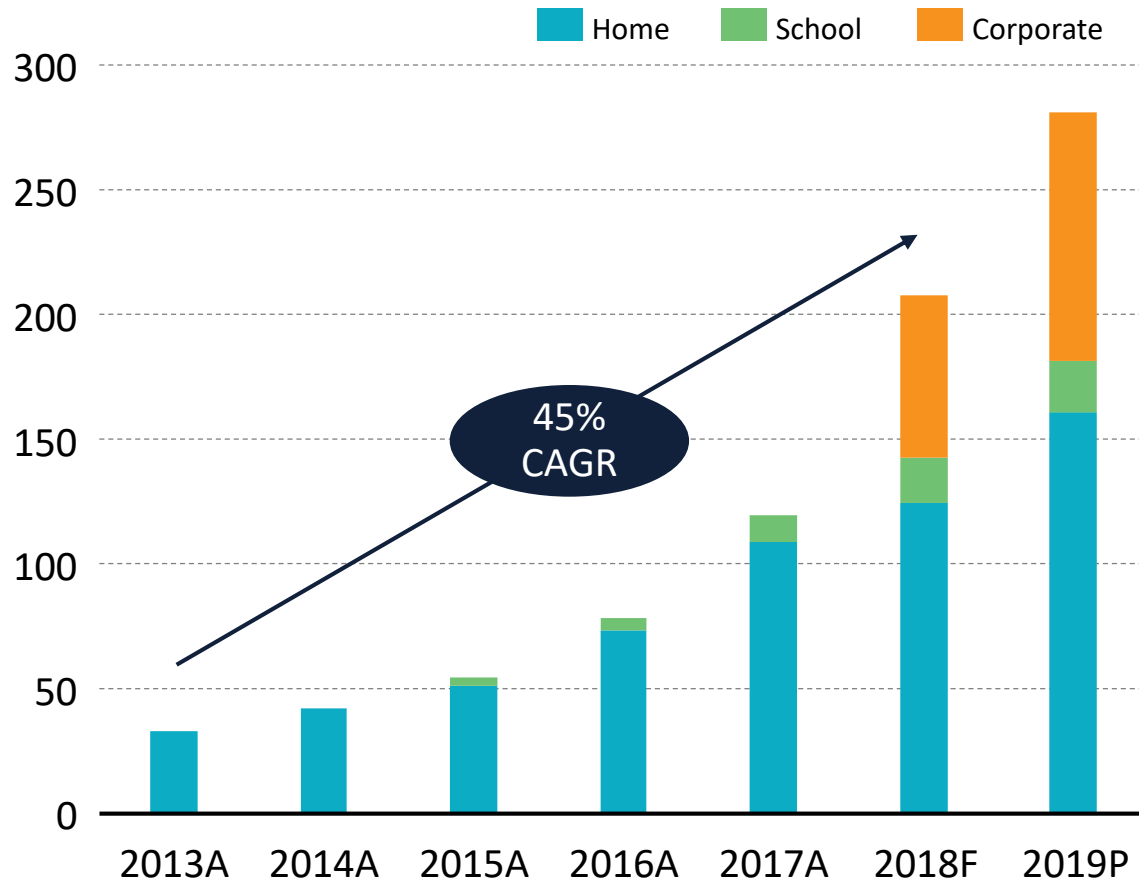
- ~13m school or home education learners.
- ~9.5m corporate or government employees.
- >7m adults without matric.



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?

