



PSG GROUP LIMITED

# **28 FEB 2019 RESULTS PRESENTATION**

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PSG Group CEO

April 2019

# Our investment philosophy – early-stage investing

- › *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*



Best management teams:

- › Think differently

Best operating models:

- › Service
- › Pricing
- › Experience

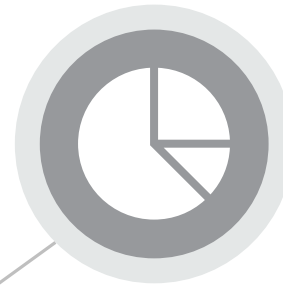


Large inefficient incumbents:

- › “Free” services  
(Education and Energy)

Fragmented:

- › IFAs
- › Retirement villages



New investments should be in large markets:

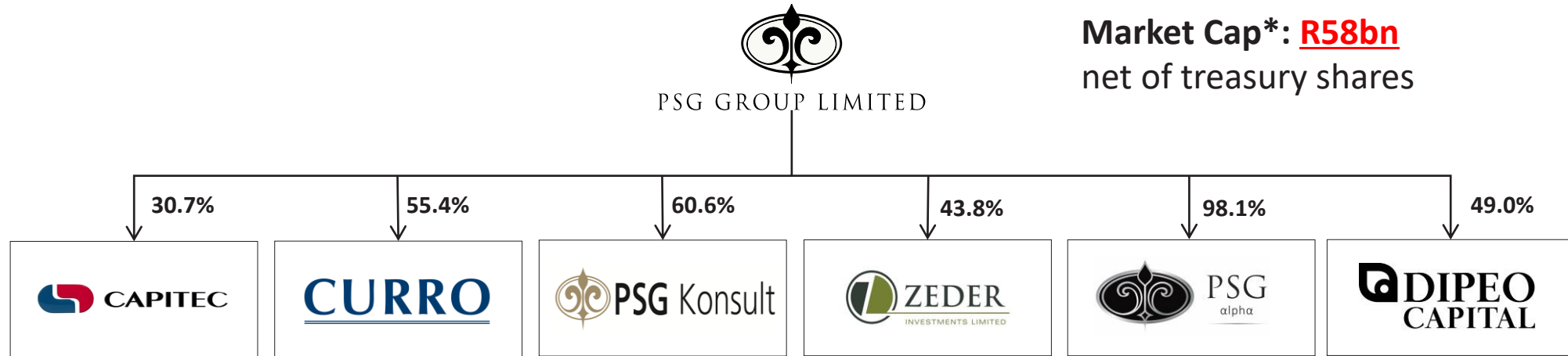
- › Banking
- › Energy
- › Education

If successful, the returns should be substantial



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# PSG Group Limited: Group Structure



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

*PSG Alpha used to find new growth investments*

*\*Market capitalisation as at 12 April 2019*

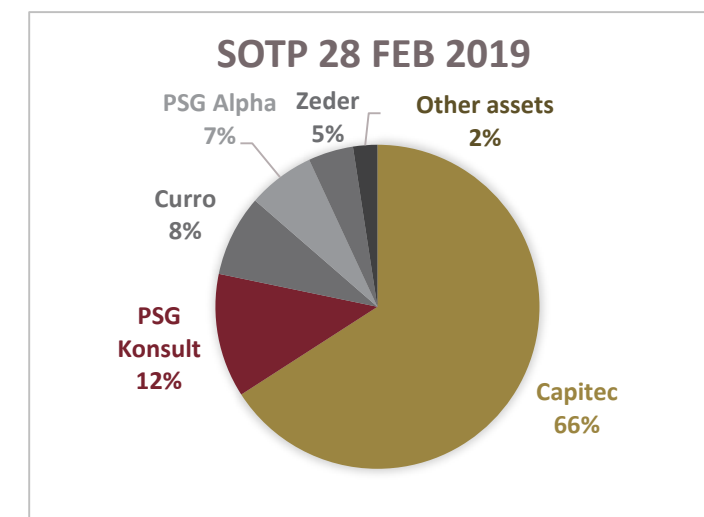
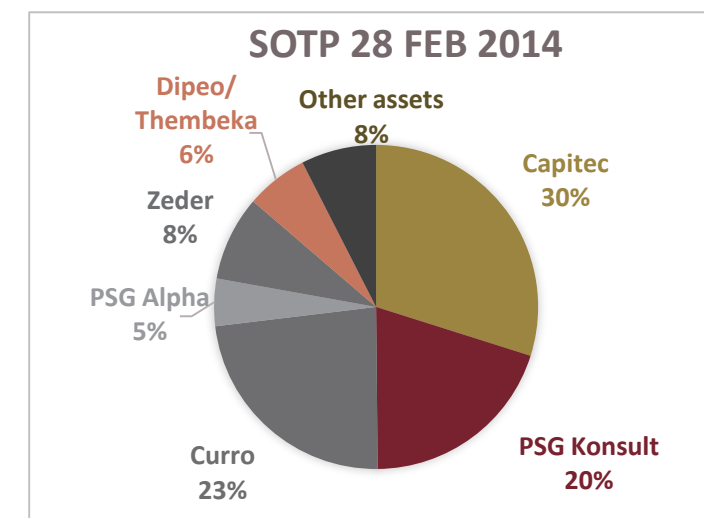


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# Sum-of-the-parts (SOTP)

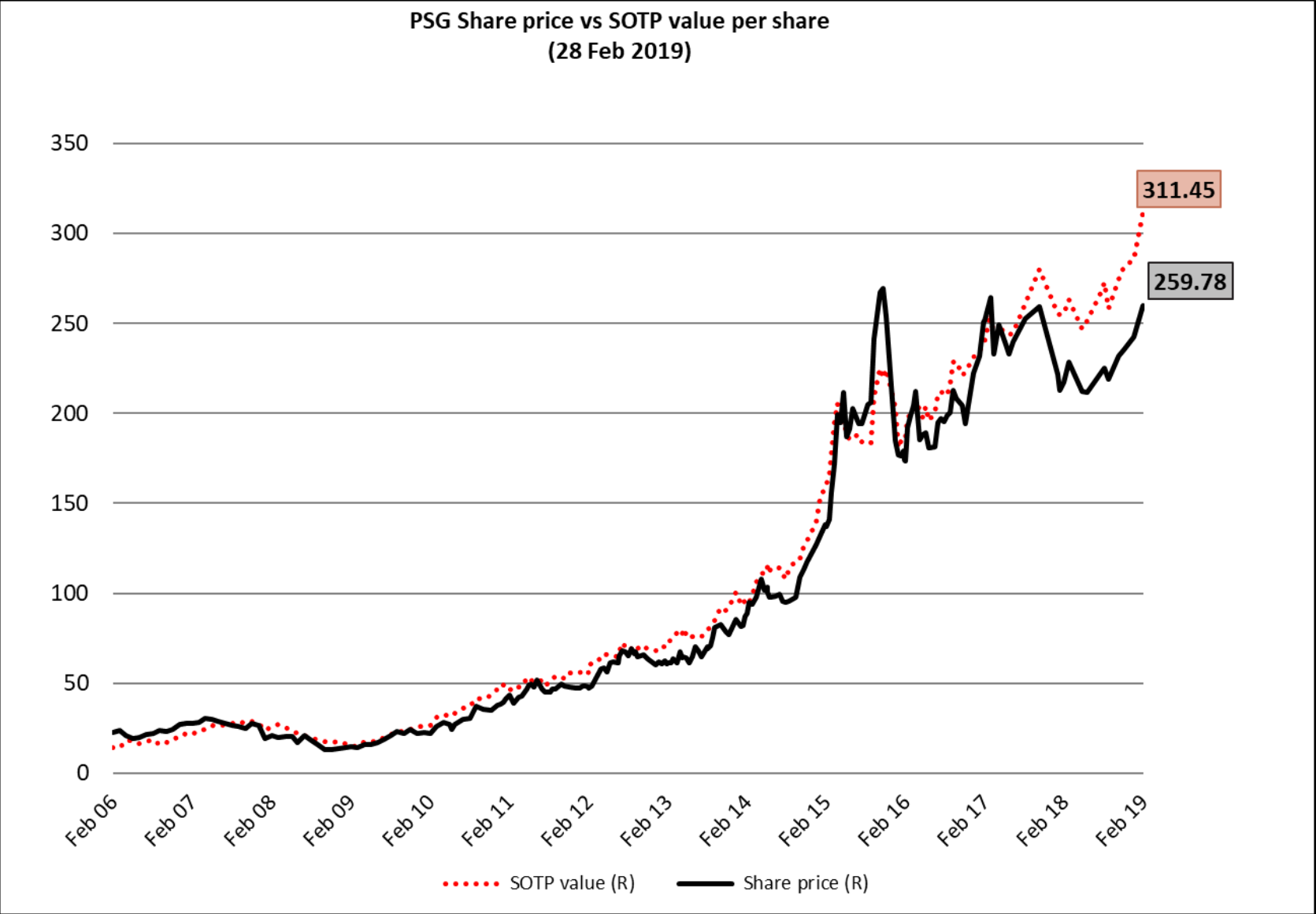
Asset/(liability)	Feb 14 Rm	Feb 18 Rm	Feb 19 Rm	Five-year CAGR <sup>^</sup>
Capitec*	5,989	29,540	46,351	48%
PSG Konsult*	4,004	7,048	8,700	16%
Curro* (Incl. Stadio until unbundling in Oct 2017)	4,660	7,987	5,714	(2%)
PSG Alpha (Incl. Stadio since unbundling in Oct 2017)	949	5,201	4,712	21%
Stadio*		2,379	1,253	
Other investments**	949	2,822	3,459	
Zeder*	1,698	4,823	3,166	1%
Dipeo (prev. Thembeka)**	1,243	535	-	
Other assets	1,505	2,603	1,702	
Cash^	180	1,000	323	
Pref investments and loans receivable^	722	1,558	1,297	
PSG Corporate**	383	-	-	
Other^	220	45	82	
<b>Total assets</b>	<b>20,048</b>	<b>57,737</b>	<b>70,345</b>	
Perpetual pref funding*	(1,393)	(1,278)	(1,367)	
Other debt^	(615)	(949)	(1,020)	
<b>Total SOTP value</b>	<b>18,040</b>	<b>55,510</b>	<b>67,958</b>	
<b>Shares in issue (net of treasury shares) (m)</b>	<b>189.9</b>	<b>217.5</b>	<b>218.2</b>	
<b>SOTP value per share (R)</b>	<b>95.01</b>	<b>255.17</b>	<b>311.45</b>	<b>27%</b>
<b>Share price (R)</b>	<b>89.02</b>	<b>217.50</b>	<b>259.78</b>	<b>24%</b>

\* Listed on the JSE Ltd \*\* SOTP value ^ Valuation  
^ Carrying value ^ Based on share price/SOTP value per share as at 28 Feb 2019  
Note : PSG's live SOTP containing further information is available at [www.psggroup.co.za](http://www.psggroup.co.za)



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# PSG Group share price vs SOTP value per share



## Discount

Latest *discount* ~17%  
12-month average *discount* ~16%

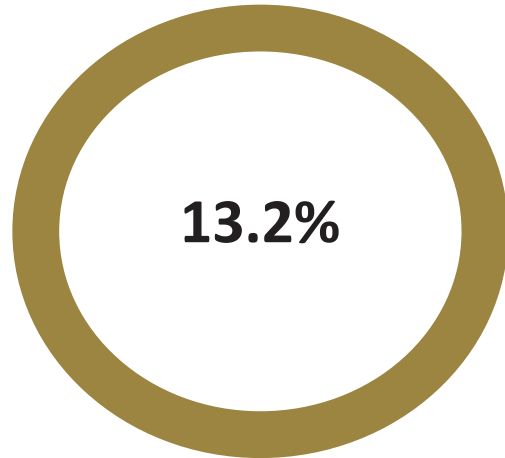
Liquidity (per annum)	
Feb 2019	47%
Feb 2018	68%
Feb 2017	30%
Feb 2016	47%
Feb 2015	17%
Feb 2014	10%
Feb 2013	13%
Feb 2012	8%



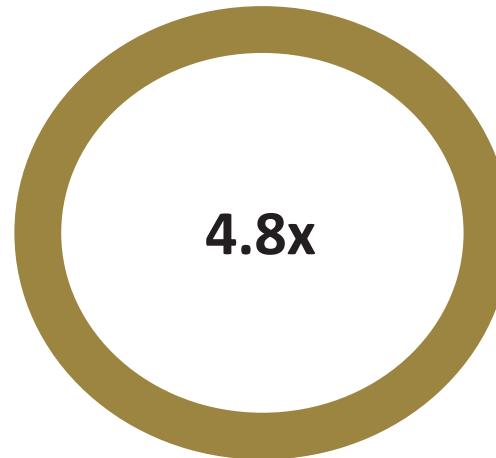
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## Gearing and interest cover – 28 Feb 2019

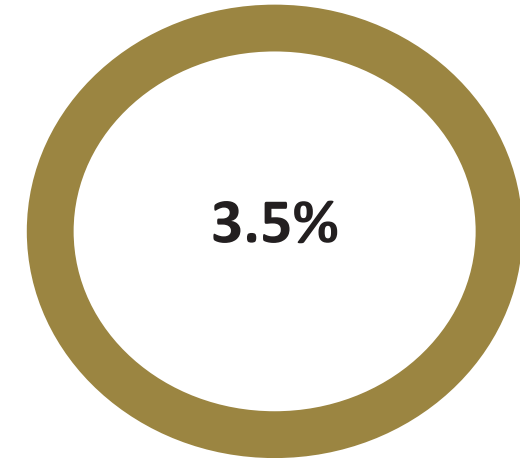
Gearing\* (based on consolidated B/S NAV)



Interest cover\*\*



Gearing\* (based on SOTP value)



*\*Incl. perpetual pref funding at MV*

*\*\*Calculated using free cash flow*

- › PSG Group is conservatively geared
- › Has significant capacity for further debt if needed



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## Recurring earnings

	Feb 17 Rm	Feb 18 Rm	Change %	Feb 19 Rm
Capitec	1,164	1,369		1,625
PSG Konsult	300	348		361
Curro ( <i>incl. Stadio until unbundling in Oct 2017</i> )	96	110		137
PSG Alpha ( <i>incl. Stadio since unbundling in Oct 2017</i> )	133	172		216
Zeder	275	205		207
Dipeo	(20)	(56)		(29)
PSG Corporate	29	(7)		(45)
Other ( <i>mainly pref div income</i> )	112	136		84
<b>Recurring earnings before funding</b>	<b>2,089</b>	<b>2,277</b>	<b>12%</b>	<b>2,556</b>
Funding ( <i>net of interest income</i> )	(104)	(135)		(199)
<b>Recurring earnings</b>	<b>1,985</b>	<b>2,142</b>	<b>10%</b>	<b>2,357</b>



## Earnings and per-share data

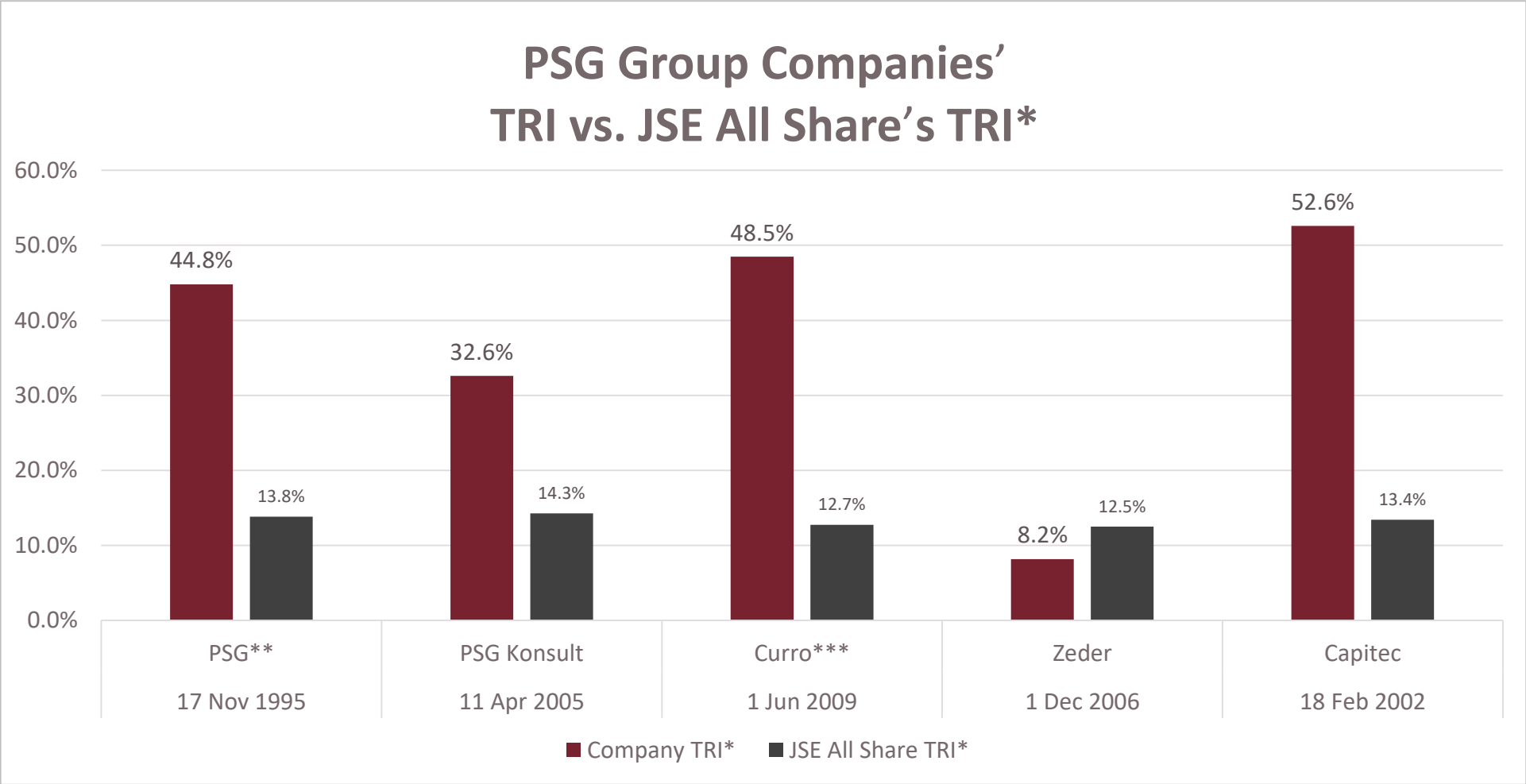
	Feb 17 Rm	Feb 18 Rm	Change %	Feb 19 Rm
<b>Recurring earnings</b>	1,985	2,142	10%	<b>2,357</b>
Non-recurring items	160	(186)		<b>(163)</b>
<b>Headline earnings</b>	2,145	1,956	12%	<b>2,194</b>
Non-headline items	17	(42)		<b>(268)</b>
<b>Attributable earnings</b>	2,162	1,914	1%	<b>1,926</b>
<b>Earnings per share (R)</b>				
- Recurring	9.27	9.94	9%	<b>10.86</b>
- Headline	10.01	9.08	11%	<b>10.11</b>
- Attributable	10.09	8.88	-	<b>8.88</b>
<b>Dividend per share (R)</b>	3.75	4.15	10%	<b>4.56</b>

- › Non-recurring items of R163m relate mainly to the unrealised fair value losses that Dipeo incurred on its investment portfolio (due to the decline in the Pioneer Foods share price in particular).
- › Non-headline items relate mainly to Zeder's impairment of its investment in Pioneer Foods following the decline in its share price.





# Total Return Index (TRI)



*\*Measured since the respective dates noted until 28 Feb 2019*  
*\*\*Capitec unbundling in November 2003 treated as a dividend*  
*\*\*\*Stadio unbundling in October 2017 treated as if Curro shareholders retained the Stadio shares*



## Benchmarking TRI measured in Rand

TRI 28 Feb 2019

Company	1 year*	3 year*	5 year*
PSG Group	21%	16%	25%
Capitec	59%	42%	50%
Curro	(33%)	(12%)	4%
PSG Konsult	25%	18%	18%
Zeder	(33%)	(6%)	2%
Pioneer Foods	(38%)	(13%)	1%
JSE Alsi	(1%)	7%	7%

\*CAGR

Ranking 28 Feb 2019 based on TRI

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



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## Benchmarking TRI measured in US Dollars

### TRI 28 Feb 2019

Company	1 year*	3 year*	5 year*
PSG Group	2%	21%	20%
Capitec	6%	40%	43%
Curro	(44%)	(9%)	0%
PSG Konsult	5%	23%	6%
Zeder	(44%)	(3%)	(11%)
Pioneer Foods	(48%)	(10%)	(4%)
MSCI EM	(10%)	15%	2%

\*CAGR

### Ranking 28 Feb 2019 based on TRI

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



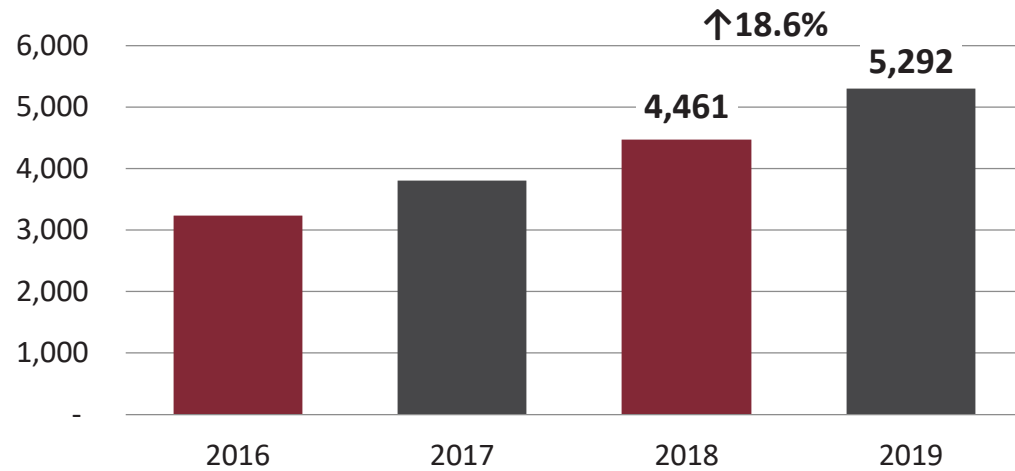
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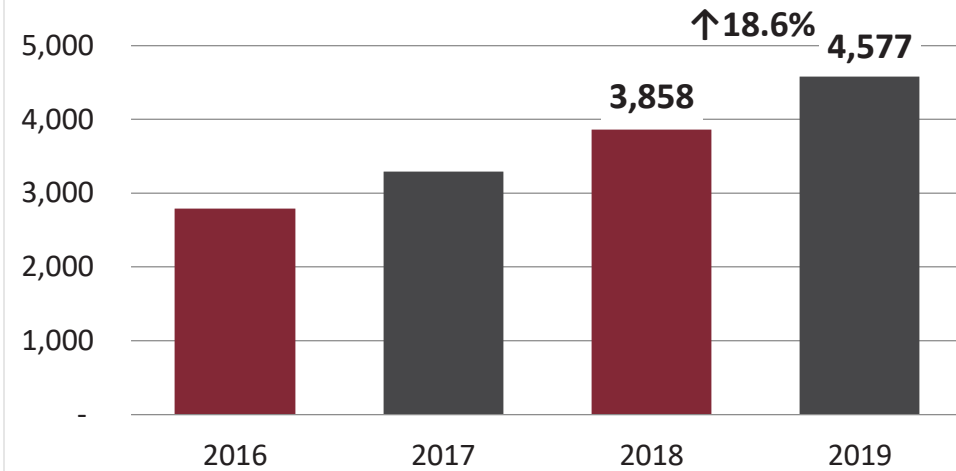
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## Key financial metrics

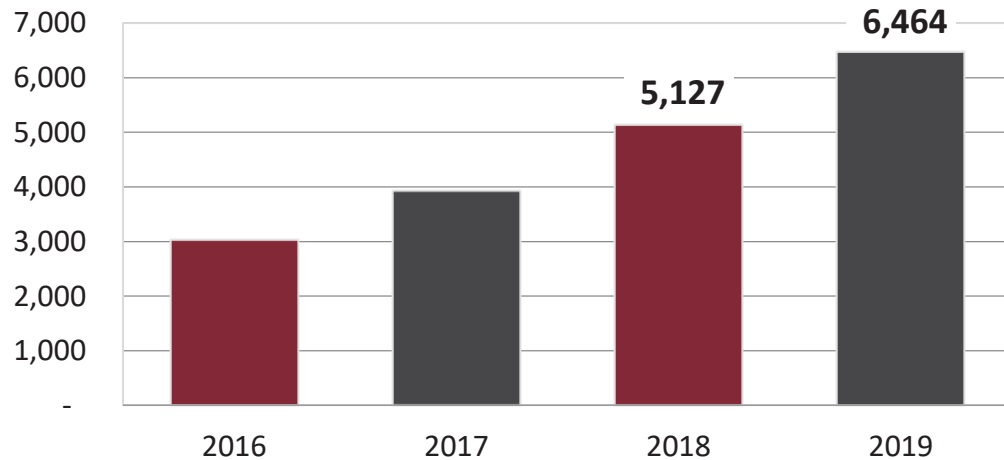
### Headline earnings (Rm)



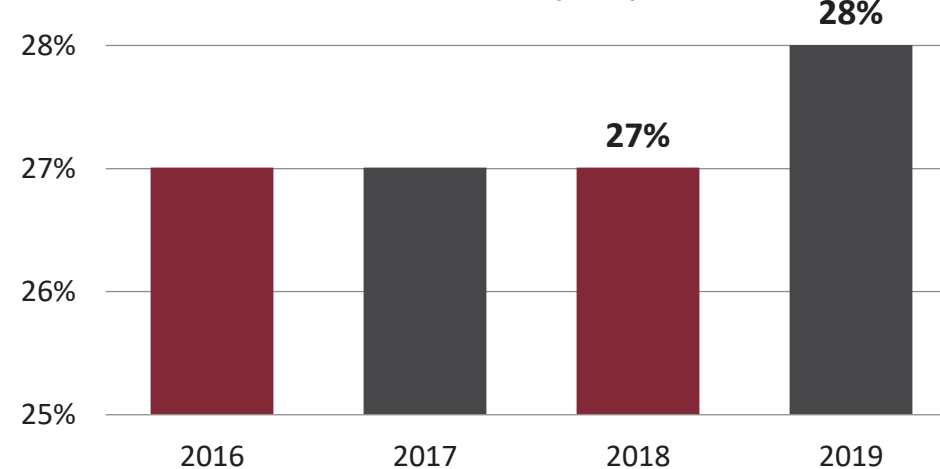
### Headline earnings per share (cents)



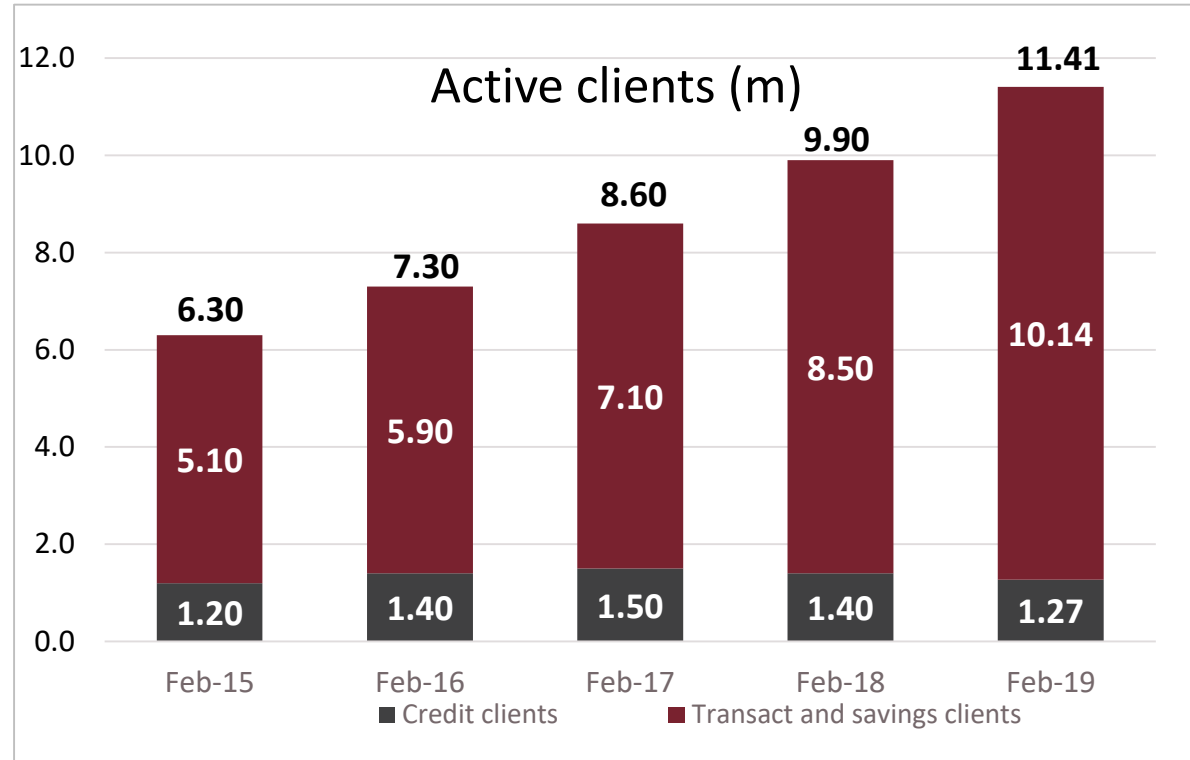
### Net transaction fee income (Rm)



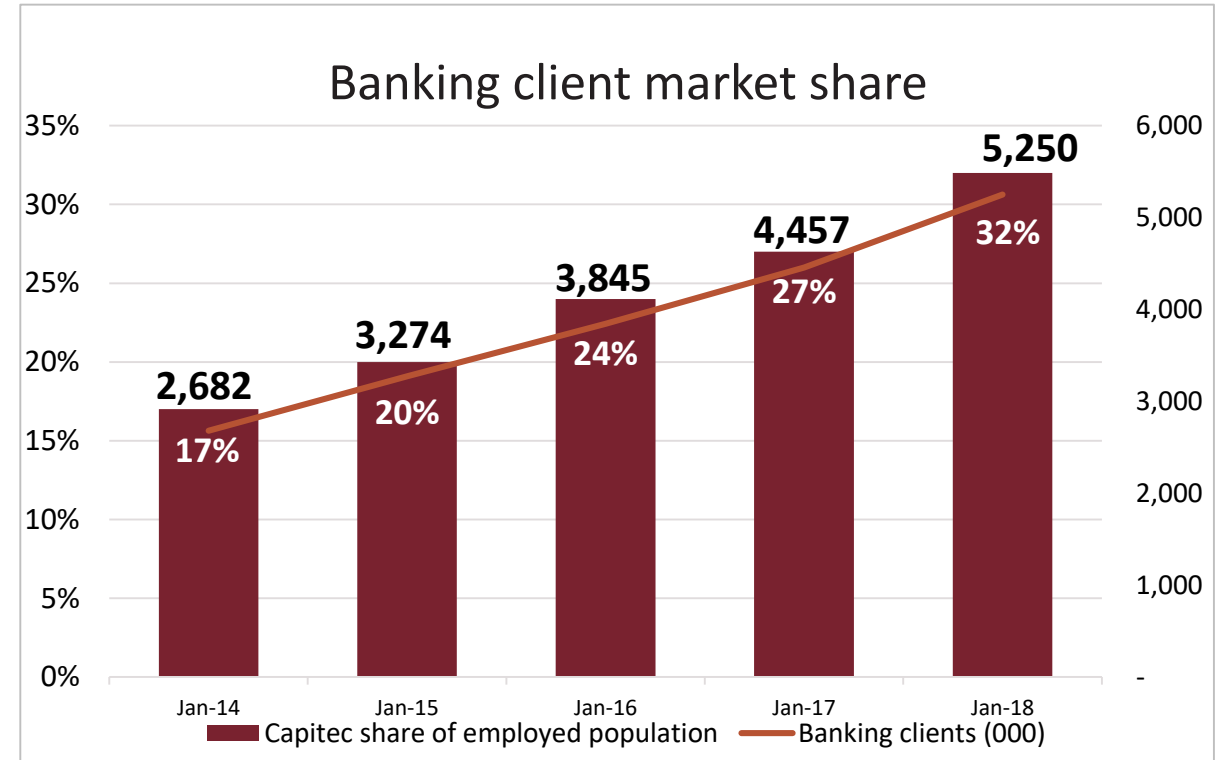
### Return on equity



## Key operational metrics



- › 500,000 new clients in Jan - Feb 19
- › 5.2m digital clients (↑ 18%)
  - 2.2m App users (↑ 47%)
  - 4.1m USSD users (↑ 12%)



- › Self-service transactions volumes increased:
  - 343m banking app transactions (↑75%)
  - 640m USSD transactions (↑14%)
  - 18m self-service terminal transactions (↑111%)
  - 29m dual-note recycle transactions (↑55%)



### Growth opportunity in middle to higher income segment

#### Publisher Audience Measure Survey (PAMS)\*

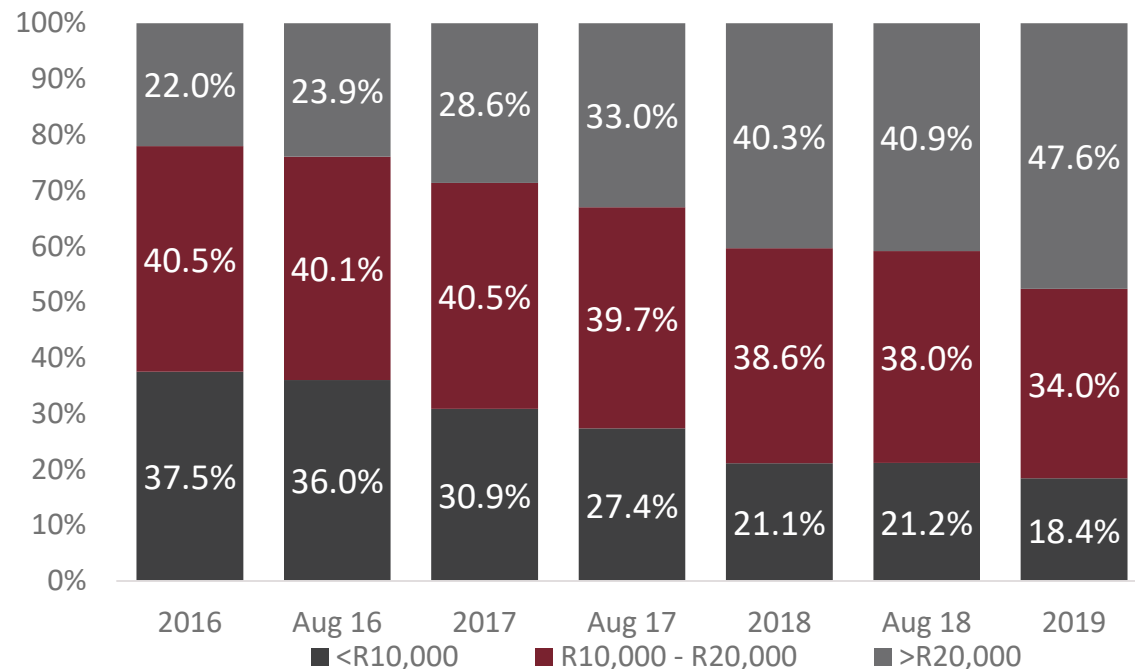
Question: Which one bank do you regard as your main bank?

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%
<b>Grand Total</b>	<b>9,170</b>	<b>27,231</b>	<b>34%</b>

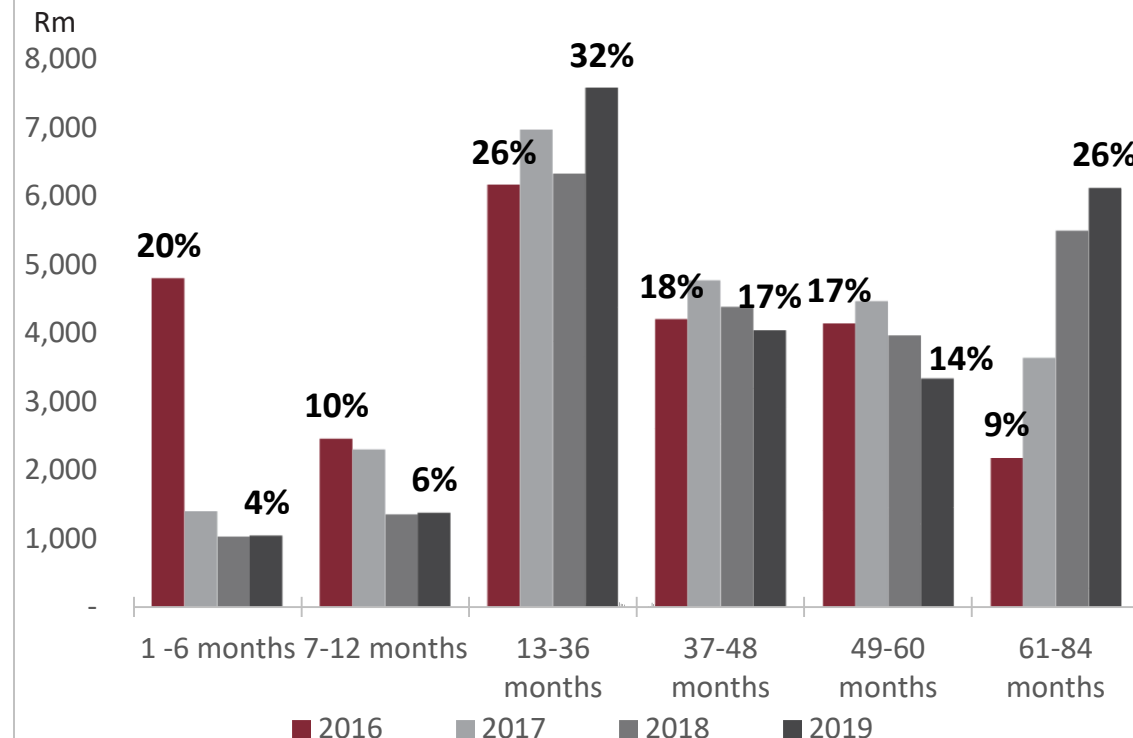
*\*Publisher Audience Measure Survey replaced All Media and Products Survey*



## Focus on higher income market (loans granted)



## Focus on longer term loans (loans advanced)



- › Average interest rate down from 25.3% to 24.0%
- › 56% of sales over shorter period or at lower value than max (Feb 2018: 45%)
- › Credit card best rate at prime
  - 57% sold at less than 16% interest rate



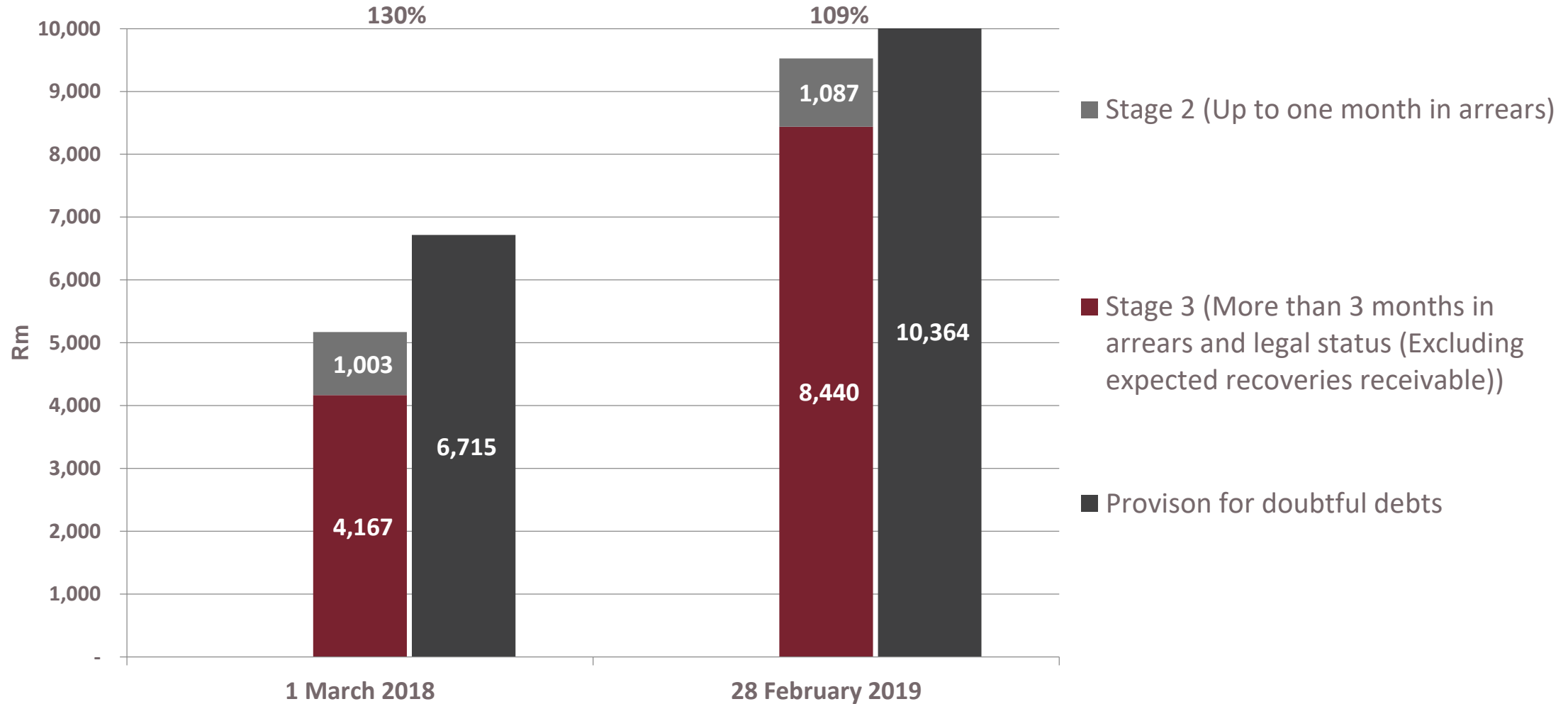


## Loan book breakdown (Rm)

	1 Mar 2018	28 Feb 2019	Difference
Up-to-date book	37,165	41,587	12%
Up-to-date significant increase in credit risk (SICR)	4,401	3,765	(14%)
Up to 3 months in arrears	2,700	2,476	(8%)
Up-to-date that rescheduled from up-to-date (not yet rehabilitated)	1,085	856	(21%)
Up-to-date that rescheduled from arrears (not yet rehabilitated)	1,277	1,272	(0%)
More than 3 months in arrears and legal status	108	4,923	>100%
Expected recoveries receivable	906	-	n/a
<b>Total gross loans and advances</b>	<b>47,642</b>	<b>54,879</b>	<b>15%</b>



## Credit - prudent provisioning

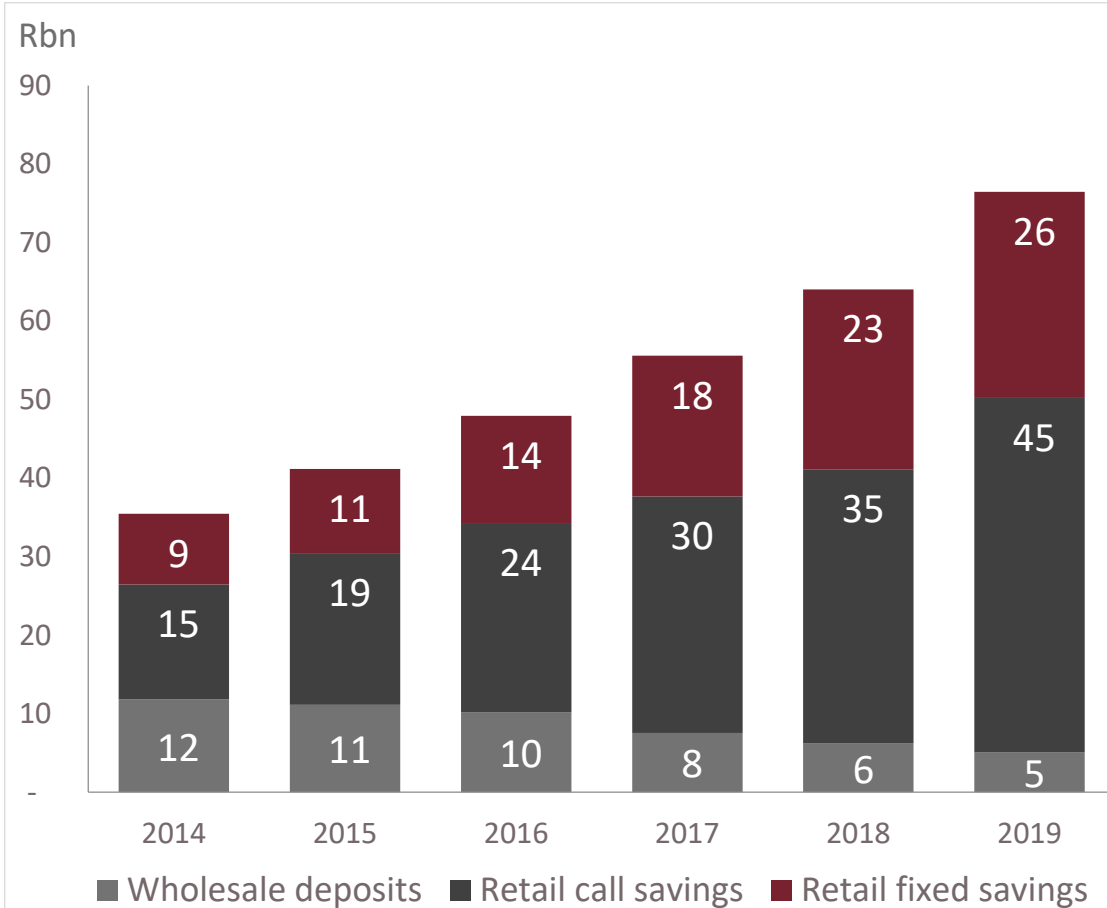


### New fees FY20

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

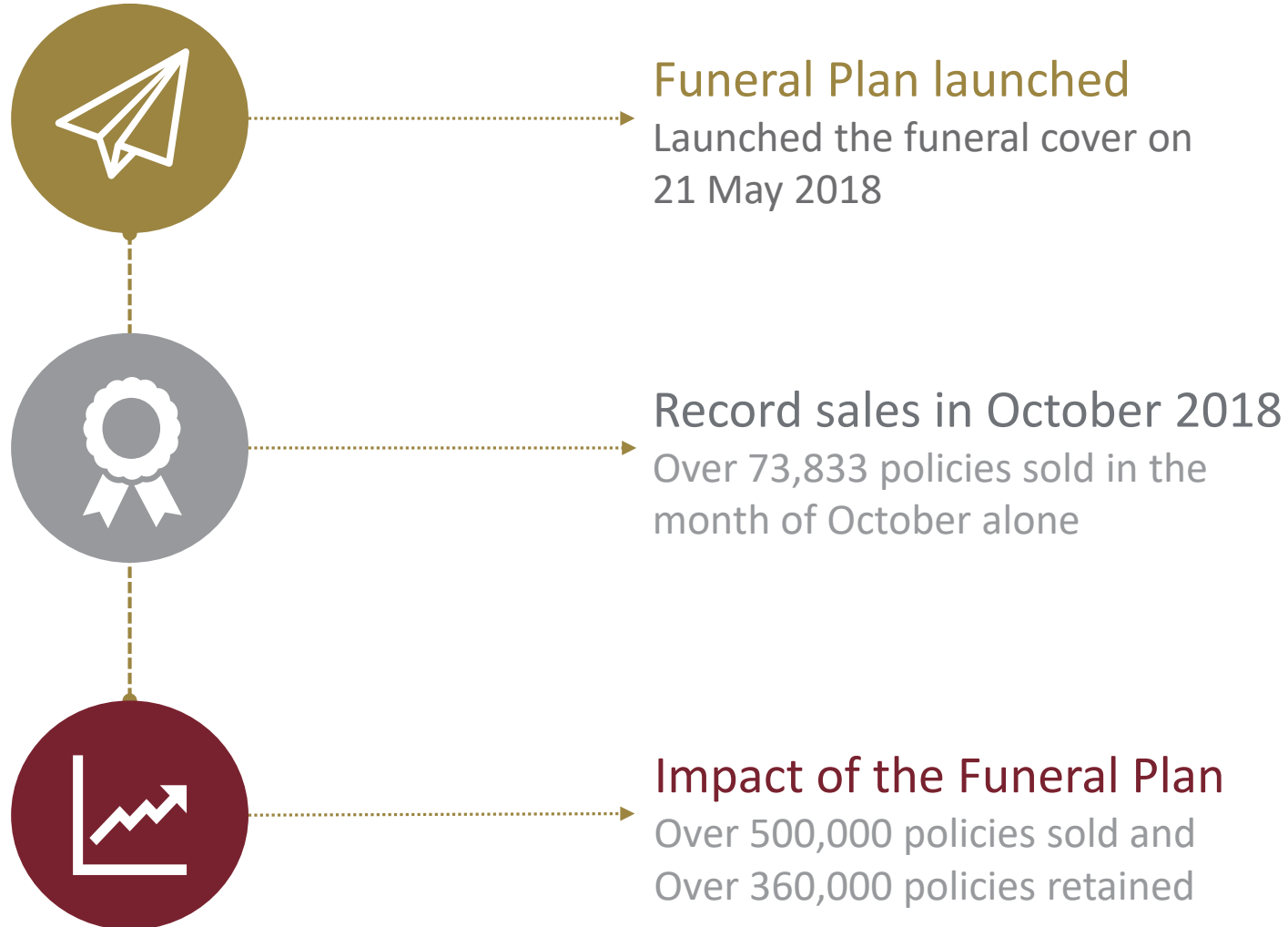
- › Continuously compete on fees to remain the market leader





- › Retail fixed savings **↑ 14% to R26bn**
- › Retail call savings **↑ 29% to R45bn**
- › Clients earned interest of more than **R3.9bn** in FY19 (**R3.4bn** in FY18)
- › Internal liquidity requirements have always been stricter than the Basel requirements
- › Capital adequacy ratio: **34%**





## 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



# CURRO

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# Financial results highlights as at 31 December 2018

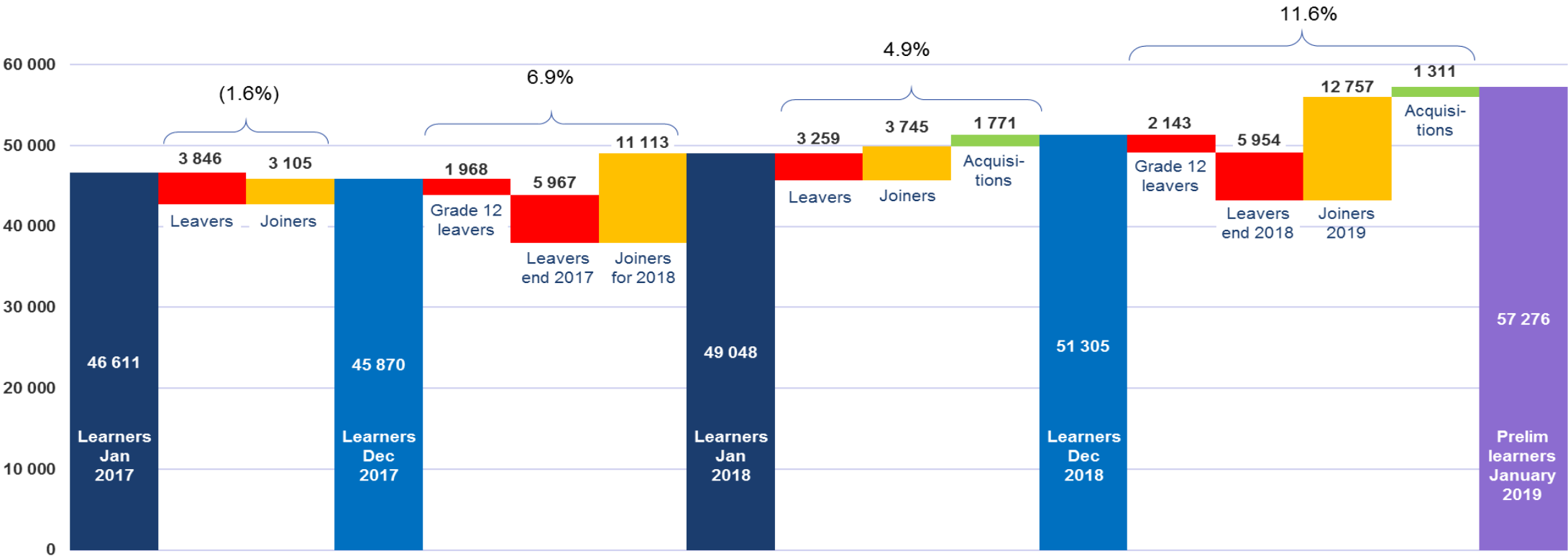
		Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	YOY Growth	4-year CAGR
Campuses	#	31	41	48	51	58	14%	17%
Schools	#	79	100	114	127	138	9%	15%
Learners	#	27,916	35,148	42,343	45,870	51,305	12%	16%
% of built capacity				69%	70%	69%		
% of eventual capacity		51%	50%	52%	53%	53%		
Revenue	Rm	966	1,345	1,714	2,099	2,496	19%	27%
Schools EBITDA	Rm	256	375	487	594	772	30%	32%
EBITDA	Rm	191	292	377	473	627	33%	35%
EBITDA Margin		19%	21%	22%	23%	25%		
Net interest expense	Rm	55	91	70	78	138	77%	26%
HEPS - continuing ops	Cents	16.0	26.2	41.8	49.0	60.1	23%	39%
Learner/teacher ratio	#	15	15	17	17	17		
Capital invested	Rm	1,305	1,030	1,486	1,136	1,746	54%	
Cumulative capital invested	Rm	3,834	4,864	6,350	7,486	9,232	24%	25%
Total building size	m <sup>2</sup>	392,314	449,067	558,683	598,194	656,081*	10%	14%

\*Approximately 66 rugby fields



# Learner movements

- ▶ Number of campuses: 68
- ▶ Number of schools: 164





# Curro: J-Curve

	Number at 31 Dec 2018		Learner numbers		Growth		EBITDA (R million)		Growth		EBITDA margin		Built capacity		Eventual capacity	
	Campuses	Schools	2017	2018	16/17	17/18	2017	2018	16/17	17/18	2017	2018	2017	2018	2017	2018
<b>Developed schools</b>	<b>41</b>	<b>98</b>	<b>28 315</b>	<b>31 798</b>	<b>15%</b>	<b>12%</b>	<b>342</b>	<b>464</b>	<b>33%</b>	<b>36%</b>	<b>27%</b>	<b>32%</b>	<b>64%</b>	<b>63%</b>	<b>45%</b>	<b>47%</b>
2009 and before	4	9	3 443	3 874	(1%)	13%	55	64	25%	16%	26%	30%	83%	82%	87%	71%
2010	2	6	2 254	2 205	1%	(2%)	37	39	19%	5%	35%	35%	79%	75%	70%	55%
2011	5	15	4 552	4 166	0%	(8%)	53	65	2%	23%	28%	31%	62%	59%	47%	50%
2012	2	6	1 904	1 977	6%	4%	25	34	32%	36%	28%	33%	72%	75%	57%	59%
2013	4	12	6 149	6 427	7%	5%	104	127	12%	22%	39%	42%	71%	74%	63%	64%
2014	4	8	1 833	2 148	20%	17%	6	17	100%	183%	9%	20%	47%	55%	27%	44%
2015	8	19	5 748	6 193	21%	8%	38	52	124%	37%	21%	24%	66%	63%	37%	47%
2016	4	8	1 179	1 682	101%	43%	15	37	N/a	147%	22%	37%	35%	45%	20%	32%
2017	3	8	1 253	2 485	0%	98%	9	38	–	322%	18%	37%	41%	72%	23%	40%
2018	5	7	–	641	–	0%	–	(9)	–	0%	–	(37%)	–	19%	–	10%
<b>Acquired schools</b>	<b>17</b>	<b>40</b>	<b>17 555</b>	<b>19 507</b>	<b>(1%)</b>	<b>11%</b>	<b>268</b>	<b>324</b>	<b>15%</b>	<b>21%</b>	<b>30%</b>	<b>33%</b>	<b>84%</b>	<b>76%</b>	<b>73%</b>	<b>68%</b>
2012 and before	7	17	6 919	6 985	1%	1%	142	153	9%	8%	37%	41%	77%	73%	72%	61%
2013	2	2	4 233	3 837	(10%)	(9%)	35	30	(17%)	(14%)	25%	23%	85%	64%	70%	78%
2014	2	6	2 618	2 744	7%	5%	56	70	30%	25%	33%	36%	91%	96%	92%	80%
2015 and 2016	4	11	3 785	4 142	5%	9%	35	47	94%	34%	20%	24%	92%	100%	72%	74%
2018	2	4	–	1 799	–	0%	–	24	–	0%	–	37%	–	79%	–	86%
Property rental and royalties							(16)	(16)								
<b>Total</b>	<b>58</b>	<b>138</b>	<b>45 870</b>	<b>51 305</b>	<b>8%</b>	<b>12%</b>	<b>594</b>	<b>772</b>	<b>22%</b>	<b>30%</b>	<b>28%</b>	<b>31%</b>	<b>70%</b>	<b>69%</b>	<b>53%</b>	<b>53%</b>

- › Max class size limited to 20 – significant negative impact on margins before 2010
- › Curro max class sizes increased to 25 from 2010 onwards; Meridian and Academy max class sizes are 35



# 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%
<b>Total</b>	<b>42 343</b>	<b>45 870</b>	<b>51 305</b>	<b>491 026</b>	<b>609 243</b>	<b>788 149</b>	<b>28%</b>	<b>28%</b>	<b>32%</b>	<b>51%</b>	<b>51%</b>	<b>53%</b>
<b>Rent</b>				<b>(4 000)</b>	<b>(15 485)</b>	<b>(16 623)</b>						
<b>EBITDA</b>				<b>487 026</b>	<b>593 758</b>	<b>771 526</b>						
<b>Top 20% EBITDA % of Total</b>				<b>59%</b>	<b>61%</b>	<b>60%</b>						

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



## Cash flow - 31 Dec 2018

Rm	2016	2017	2018
EBITDA	377	473	627
Non-cash items	22	16	5
Finance costs	(68)	(77)	(138)
Taxation	(8)	(8)	(18)
Working capital movements - operating	4	(27)	(10)
<b>Cash flow from operating activities</b>	<b>319</b>	<b>337</b>	<b>466</b>
Replacement of moveables	(35)	(40)	(30)
Other moveables	(149)	(168)	(126)
Expansion at existing campuses	(387)	(444)	(434)
<b>Total investment in existing campuses</b>	<b>(571)</b>	<b>(652)</b>	<b>(590)</b>
New school investments	(524)	(324)	(416)
Land banking	(125)	(148)	(118)
Acquisitions	(266)	(12)	(369)
Investments activities related to Stadio	(214)	(56)	120
Working capital movements - capital	85	(64)	(78)
<b>Cash flow from investing activities</b>	<b>(1,615)</b>	<b>(1,256)</b>	<b>(1,451)</b>
<b>Cash flow from financing activities</b>	<b>1,771</b>	<b>744</b>	<b>506</b>
<b>Net movement</b>	<b>475</b>	<b>(135)</b>	<b>(479)</b>
Opening balance	231	706	571
<b>Closing balance</b>	<b>706</b>	<b>571</b>	<b>92</b>



## Capital deployment - 2018

	2018 Planned R million	2018 Updated R million	Dec Actual R million
Expansion and replacement to existing campuses	750	700	590
Building of new campuses	470	392	416
<b>Subtotal</b>	<b>1 220</b>	<b>1 092</b>	<b>1 006</b>
Land banking	400	290	118
<b>Subtotal</b>	<b>1 620</b>	<b>1 382</b>	<b>1 124</b>
Acquisitions	597	1 000	369
Meridian			253
<b>Total</b>	<b>2 217</b>	<b>2 382</b>	<b>1 746</b>

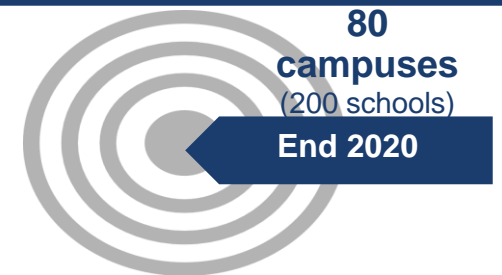
Replacement capital

±30



Capital investment can vary depending on land banking and acquisitions – R168m of expansion capital rolled to 2019

Acquisitions are done at reasonable prices and can be serviced through debt; ensure additional EBITDA



## Summary: Is Curro's gearing too high?

- › Key metric for funders is ISCR
  - Covenant is 1.75x
  - Internal benchmark is 2.5x
  - Actual ratio is 4.1x (excl. Meridian)
- › Cash flow is highly predictable and strong
  - EBITDA is recurring and growing and confirmed before we invest
  - Significant portion of school fees are paid upfront
  - Cash profits higher than actual earnings due to accelerated capital allowances
- › Capital expansion is elective
  - Replacement capital is likely to be low in the medium term:
    - Less than R40m p.a. for last couple of years
  - Curro can at any stage elect to postpone its growth plans; cash could then be utilised to reduce debt
- › ~R1bn needs to be invested to increase current schools to full capacity
  - Amount excludes additional facilities such as hockey astros and indoor pools
- › Barring significant acquisitions, Curro does not foresee the need to raise additional equity capital



# Pipeline



## Capital forecast 2019

	2019 Planned (R million)
Existing campuses	
• Replacement of moveables	30
• Expansions immovable	690
• Expansion moveables	160
• Land banking	160
Building of new campuses	350
<b>Subtotal</b>	<b>1,390</b>
Land banking	130
<b>Subtotal</b>	<b>1,520</b>
Acquisitions	300
<b>Total</b>	<b>1,820</b>
<b>Replacement capital</b>	<b>± 30</b>

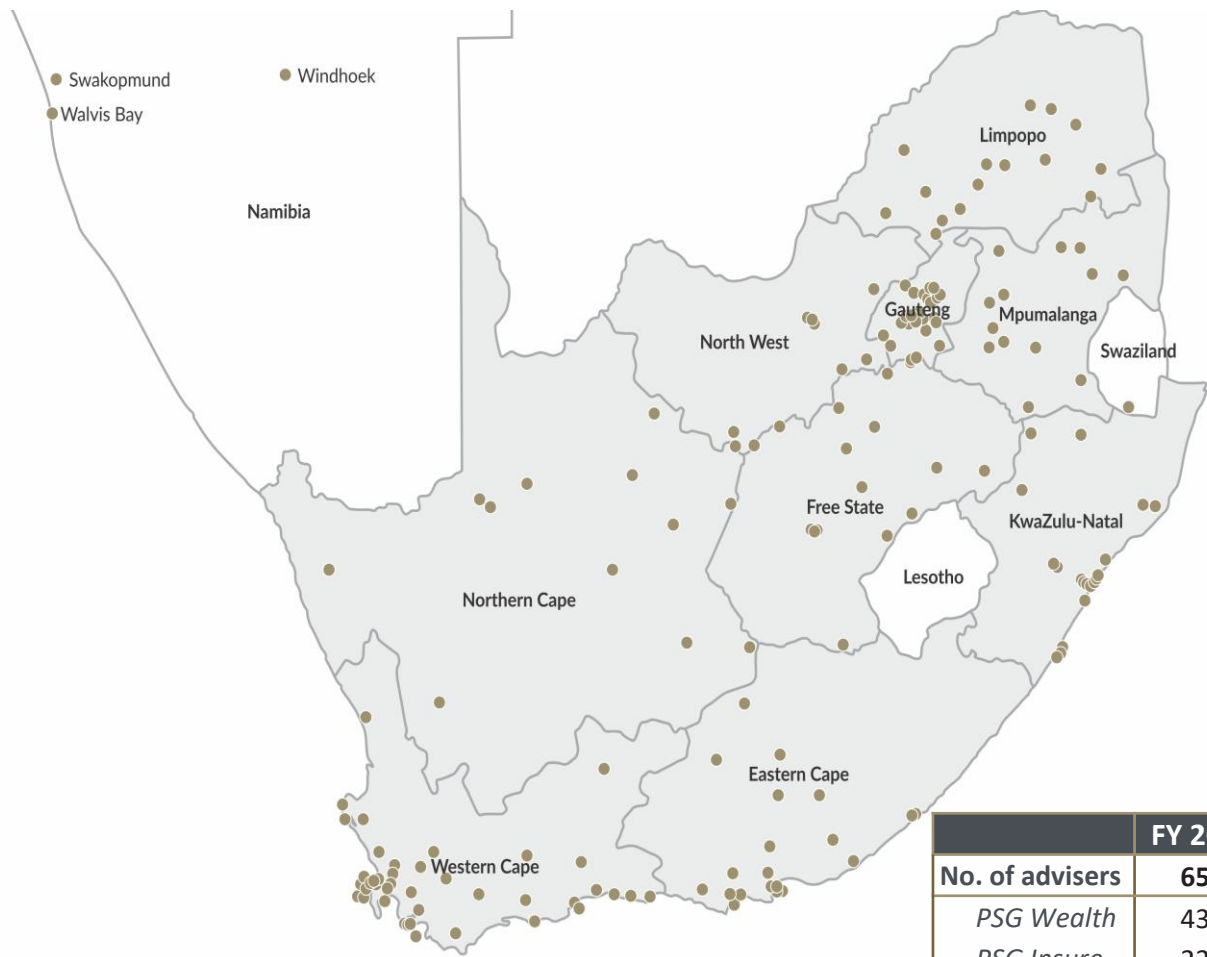




PSG GROUP LIMITED

# A great company

Wealthy clients served where they reside



254  
Adviser offices



932  
Advisers

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
No. of advisers	659	711	744	784	932
PSG Wealth	434	480	515	539	546
PSG Insure	225	231	229	245	386
No. of offices	193	206	208	211	254

Source: PSG Distribution





# Key macro indicators

## Weakening economic environment

Key indicators	FY 2015	%Δ	FY 2016	%Δ	FY 2017	%Δ	FY 2018	%Δ	FY 2019	CAGR
Rand / US\$	11.7	36%	15.8	-17%	13.1	-10%	11.8	19%	14.1	5%

S&P 500 (Rand)	24,529	25%	30,602	1%	31,033	3%	32,007	23%	39,221	12%
Cash Index - STeFI Call	296	6%	314	7%	335	7%	358	7%	382	7%
All Bond Index	498	-4%	480	13%	544	14%	622	4%	649	7%
FTSE/JSE Index	53,344	-7%	49,415	4%	51,146	14%	58,325	-4%	56,002	1%
SA Property Index	656	-7%	610	5%	640	-12%	562	-12%	492	-7%



# FY19 financial results overview

## Recurring HEPS grew by 4% for FY19

Consolidated results	FY 2015	%Δ	FY 2016	%Δ	FY 2017	%Δ	FY 2018	%Δ	FY 2019	%CAGR
Headline earnings	339	-14%	292	66%	486	16%	566	7%	604	16%
Recurring headline earnings	341	20%	409	19%	486	16%	566	4%	591	15%
Recurring headline earnings (excluding amortisation)	371	19%	441	20%	528	16%	610	5%	641	15%
Weighted ave. no. of shares (millions)	1,261	1%	1,274	3%	1,307	1%	1,318	1%	1,325	1%
HEPS (cents)	26.9	-15%	22.9	62%	37.2	16%	43.0	6%	45.6	14%
Recurring HEPS (cents)	27.0	19%	32.1	16%	37.2	16%	43.0	4%	44.6	13%
Recurring HEPS (excluding amortisation) (cents)	29.4	18%	34.6	17%	40.4	15%	46.4	5%	48.4	13%

Assets under management (Rbn)	133	16%	154	14%	175	17%	205	8%	222	14%
Assets under administration (Rbn)	309	6%	327	13%	371	8%	402	5%	422	8%
Premiums* (Rbn)	2.1	17%	2.5	15%	2.9	15%	3.3	36%	4.5	20%

\* Excludes ST admin gross written premium to avoid duplication.

Note: figures rounded to nearest Rm

Source: PSG Finance



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# Headline earnings by division

Total recurring headline earnings growth of 4% year on year

Headline earnings*	FY 2015	%Δ	FY 2016	%Δ	FY 2017	%Δ	FY 2018	%Δ	FY 2019	%CAGR
Wealth	227	-26%	169	70%	287	18%	339	5%	355	12%
Asset Management	82	1%	83	57%	130	20%	156	7%	167	20%
Insure	30	33%	40	70%	69	4%	71	14%	82	28%
<b>Total</b>	<b>339</b>	<b>-14%</b>	<b>292</b>	<b>66%</b>	<b>486</b>	<b>16%</b>	<b>566</b>	<b>7%</b>	<b>604</b>	<b>16%</b>

Recurring headline earnings*	FY 2015	%Δ	FY 2016	%Δ	FY 2017	%Δ	FY 2018	%Δ	FY 2019	%CAGR
Wealth	228	25%	286	1%	287	18%	339	0%	339	10%
Asset Management	82	1%	83	57%	130	20%	156	7%	167	19%**
Insure	31	29%	40	70%	69	4%	71	19%	85	29%
<b>Total</b>	<b>341</b>	<b>20%</b>	<b>409</b>	<b>19%</b>	<b>486</b>	<b>16%</b>	<b>566</b>	<b>4%</b>	<b>591</b>	<b>15%</b>

\* All overhead costs are fully allocated

\*\* Asset Management CAGRs differ due to minor non-recurring headline items in FY15 Headline Earnings which is not reflected due to rounding

Source : PSG Finance



PSG GROUP LIMITED

# Wealth plans

## Growing and protecting client wealth

Excellence in  
products & services

Top advisers

Superb platform

Wealth assets split (Rm)	FY 2018	Market movement	Net flows	FY 2019	%Δ
Third party funds *	57 812	-1 049	3 611	60 374	4%
PSG Multi Managed **	60 557	4 144	5 979	70 680	17%
Discretionary Portfolios	44 293	- 865	361	43 789	-1%
<b>Total assets under management</b>	<b>162 662</b>	<b>2 230</b>	<b>9 951</b>	<b>174 843</b>	<b>7%</b>
Non discretionary	186 500	10 217	-6 689	190 028	2%
Third party administration	10 286	174	-1 135	9 325	-9%
<b>Total wealth assets</b>	<b>359 448</b>	<b>12 621</b>	<b>2 127</b>	<b>374 196</b>	<b>4%</b>

\* Includes PSG advisers single managed funds of R8.8bn for Feb 2018 and R9.8bn for Feb 2019

\*\* Includes PSG single managed funds of R8.0bn for Feb 2018 and R8.4bn for Feb 2019

Source: PSG Wealth

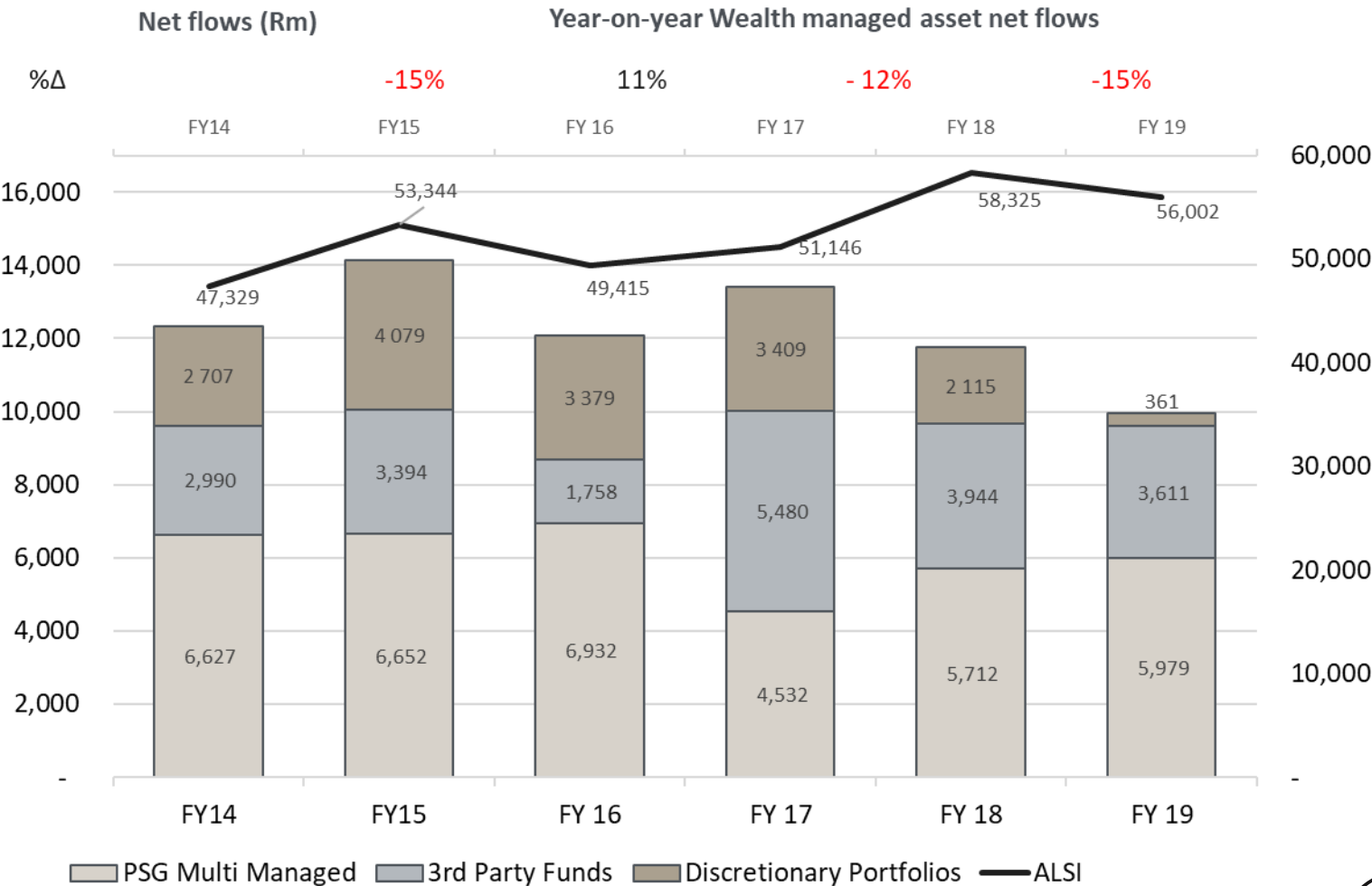


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Independent process with advisers' oversight

Rapid growth in advisers

Negotiation with product providers



Source: PSG Wealth, Bloomberg



Wealth advisers (incl. EB)	FY 2015*	FY 2016	FY 2017	FY 2018	FY 2019
Balance – opening	406	434	480	515	539
<b>Net movement</b>	<b>28</b>	<b>46</b>	<b>35</b>	<b>24</b>	<b>7</b>
<b>Balance – closing</b>	<b>434</b>	<b>480</b>	<b>515</b>	<b>539</b>	<b>546</b>
<b>Growth</b>	<b>7%</b>	<b>11%</b>	<b>7%</b>	<b>5%</b>	<b>1%</b>

\* Restated to exclude advisers moved from Wealth to Insure during FY16

- › 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

Source: PSG Distribution



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# Asset management plans

## Net new money at acceptable margin

### Focused marketing

### Investment performance

### Superb platform

AM assets split (Rm)	FY 2018	Market movement	Net flows	FY 2019	%Δ
PSG Single manager*	37 032	-1,219	6 503	42 316	14%
PSG Money market and related assets*	3 629	-	-197	3 432	-5%
PSG Segregated Portfolios	2 005	-85	-359	1 561	-22%
<b>Total assets under management</b>	<b>42 666</b>	<b>-1,304</b>	<b>5 947</b>	<b>47 309</b>	<b>11%</b>
PSG Multi Managed **	60 557	4 144	5 979	70 680	17%
<b>Total AM assets</b>	<b>103 223</b>	<b>2 840</b>	<b>11 926</b>	<b>117 989</b>	<b>14%</b>

\* Includes PSG advisers single managed funds of R8.8bn for Feb 2018 and R9.8bn for Feb 2019

\*\* Includes PSG single managed funds of R8.0bn for Feb 2018 and R8.4bn for Feb 2019

Source: PSG Asset Management



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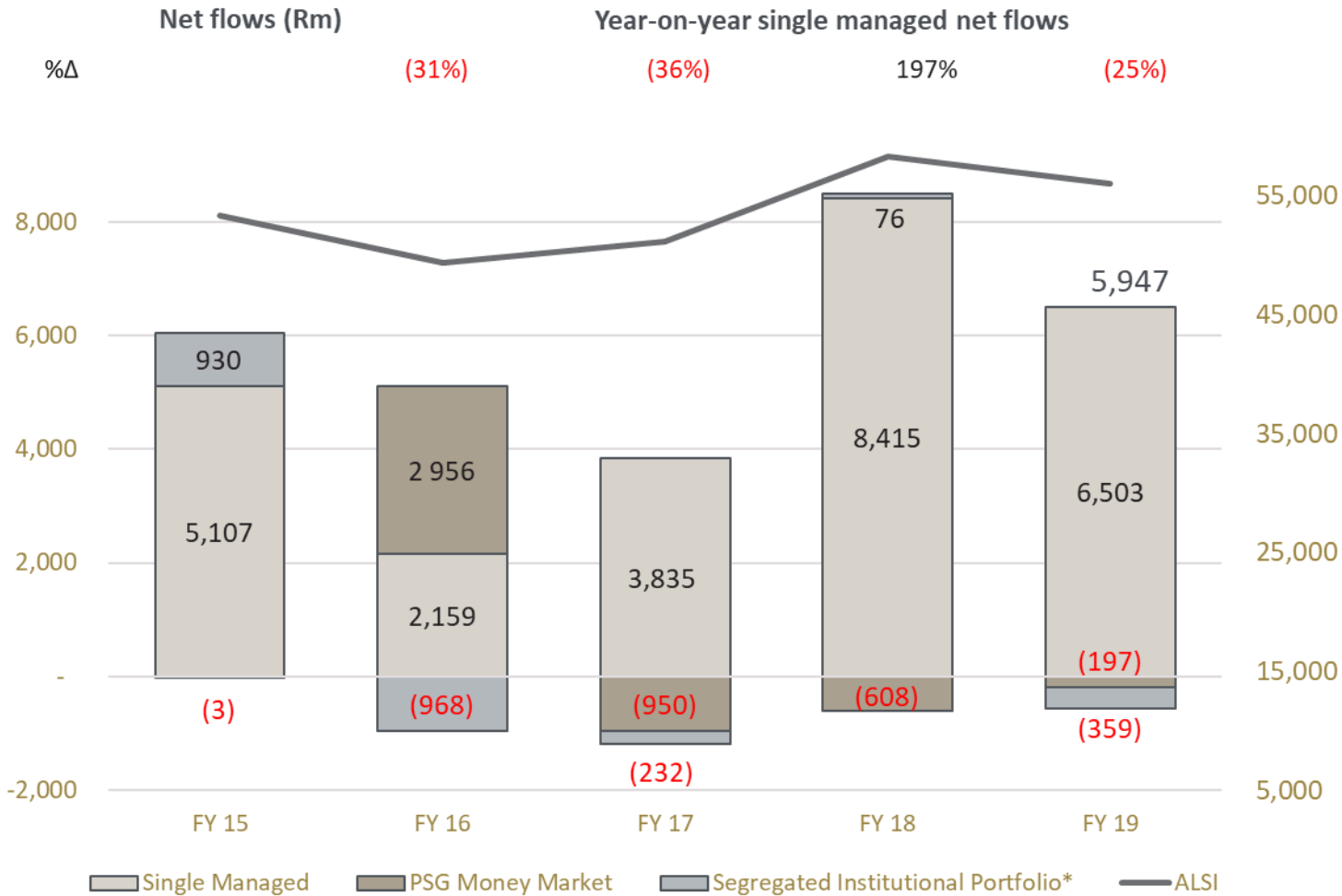
# Asset management

## 'Brick by Brick' strategy

Long-term assets  
(retail emphasis)

Getting adequate  
margins

Protect our capacity



Source: PSG Asset Management, Bloomberg

\* Includes private clients and segregated money market portfolios





# Asset management

## Solid long-term track record

Single manager funds	Performance	1-year rank	3-year rank	5-year rank	10-year rank	Rank since inception	Inception date
PSG Flexible	Rank	42	6	6	3	1	01 Nov 2004
	Return	-1.21%	7.75%	8.07%	16.32%	15.10%	
PSG Equity	Rank	132	15	26	1	2	01 Mar 2002
	Return	-6.80%	8.51%	5.84%	16.66%	16.65%	
PSG Balanced	Rank	181	16	16	4	3	01 Jun 1999
	Return	-2.66%	6.44%	6.96%	13.01%	13.44%	
PSG Stable	Rank	139	14	21	N1	23	13 Sep 2011
	Return	1.79%	6.93%	7.00%		8.87%	

N1 – The PSG Stable Fund does not have a 10-year history  
Note: performance quoted is for retail investor A classes

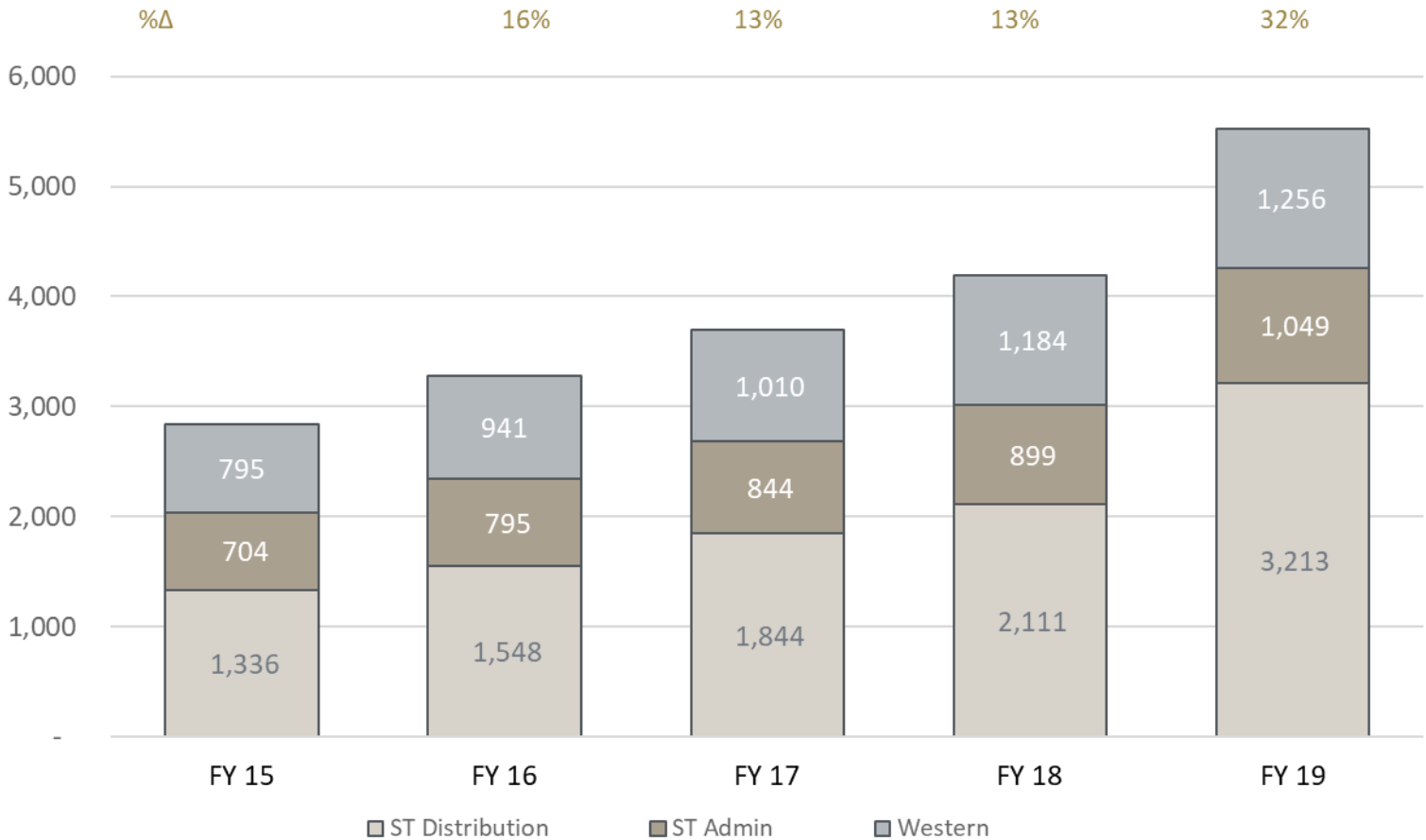


PSG Insure gross written premium (Rm)

Top advisers

Excellence in underwriting

Superb platform



Note: This includes Short-term administration platform gross written premium and, from FY19, contains Client Care Centre premium not on platform but directly with insurers

Source: PSG Insure



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We continue to add top advisers to our Insure Distribution business

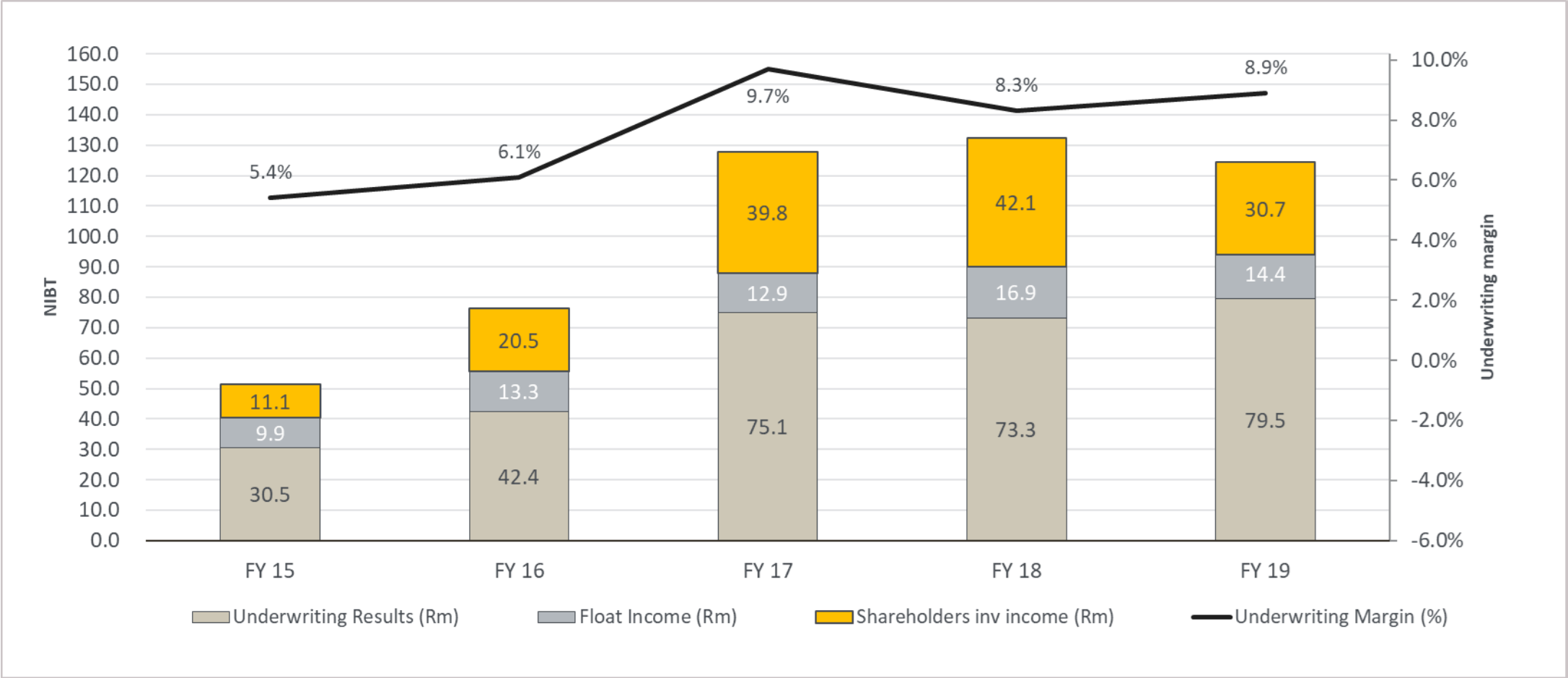
Insure advisers	FY 2015*	FY 2016	FY 2017	FY 2018	FY 2019^
Balance – opening	212	225	231	229	245
<b>Net movement</b>	<b>13</b>	<b>6</b>	<b>-2</b>	<b>16</b>	<b>141</b>
<b>Balance – closing</b>	<b>225</b>	<b>231</b>	<b>229</b>	<b>245</b>	<b>386</b>
<b>Growth</b>	<b>6%</b>	<b>3%</b>	<b>-1%</b>	<b>7%</b>	<b>58%</b>

\* Restated to include advisers moved from Wealth to Insure during FY16

^ Acquired all the Commercial and Industrial, and face-to-face Personal lines advisers from ABSA Insurance and Financial Advisers (Pty) Ltd

- › 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

Net insurance result & shareholders income



## Significant progress on top priorities

- › Investment in technology to enhance IT systems and platforms aimed at providing seamless client service
- › Increased focus on client events
- › **PSG Insure**
  - Acquired remaining 40% shareholding in the Western Group's entities outside of South Africa from Santam
  - Acquired both the commercial line and face-to-face personal lines advisory insurance businesses from ABSA
  - Western Botswana established
- › **Strong capital position (SCR Ratio of 1.82 at latest insurance regulatory filing)**





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# Sum of the parts - financial results FY19

***Zeder's SOTP value per share decreased from R7.85 to R5.64 as of 28 Feb 2019.***

Company	28 Feb 2018		28 Feb 2019		15 Apr 2019	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27,0	7 660	27,1	4 689	28,6	4 928
Zaad	93,2	2 043	95,3	2 235	95,3	2 235
Capespan	97,5	2 259	97,4	1 193	97,4	1 193
The Logistics Group			97,4	978	97,4	978
Kaap Agri	40,9	1 376	41,1	959	41,1	968
Agrivision Africa	56,0	591	56,0	493	56,0	493
Quantum Foods	27,7	246	29,3	216	29,3	234
Other		33		19		24
<b>Total investments</b>		14 208		10 782		11 053
Cash and cash equivalents		111		254		251
Other net assets		108		109		112
Debt funding		(1 000)		(1 500)		(1 515)
<b><i>SOTP value</i></b>		13 427		9 645		9 901
Number of shares in issue <i>(net of treasury shares)</i> (million)		1 710		1 710		1 710
<b><i>SOTP value per share (rand)</i></b>		7,85		5,64		5,79

- *JSE-Food Producer's Index declined 34.7% during the period under review*
- *Pioneer Foods' share price (JSE-listed) declined from R131.50 to R80.50 and had a R2.97bn negative impact on Zeder's SOTP value*
- *Kaap Agri's share price (JSE-listed) declined from R45.37 to R27.00 and had a R417m negative impact on Zeder's SOTP value*
- *Follow-on investments of R360m made into Zaad to fund R&D, working capital and acquisitions*
- *Increased net debt at Zeder level from R1.0bn to R1.5bn to finance follow-on investments (~R250m cash available)*



# Earnings

***Recurring Headline Earnings per share increased by 0.4% while headline earnings increased by 81.9%.***

AUDITED	28 Feb 18 Rm	Change %	28 Feb 19 Rm
<i>Recurring</i> headline earnings from investments	576		<b>604</b>
Net interest, taxation and other income and expenses	(102)		<b>(133)</b>
<b><i>Recurring</i> headline earnings</b>	474	(0,6)	<b>471</b>
<i>Non-recurring</i> headline earnings	(49)		<b>296</b>
<b>Headline earnings</b>	425	80,5	<b>767</b>
Non-headline items	(171)		<b>(678)</b>
<b>Attributable earnings</b>	254	(65,0)	<b>89</b>
Weighted average number of shares in issue ( <i>net of treasury shares</i> ) (million)	1 717		<b>1 702</b>
<b><i>Recurring</i> headline earnings per share (cents)</b>	27,6	0,4	<b>27,7</b>
<b>Headline earnings per share (cents)</b>	24,8	81,9	<b>45,1</b>
<b>Attributable earnings per share (cents)</b>	14,8	(64,9)	<b>5,2</b>

- **Recurring Headline Earnings:**

- Apart from Capespan's Farming and Fruit Division, most investee companies improved on prior year numbers
- Capital injected into Zaad and CAN Agri that will only deliver earnings in the medium-to-long term
- Increased finance costs as a result of increased debt at Zeder

- **Headline Earnings:**

- Upward fair value adjustment reflecting the disposal of Joy Wing Mau investment by Capespan Group

- **Attributable Earnings:**

- Impairment charges recognised by Zeder on its Pioneer investment following its decline in share price





# Business overview - Pioneer Foods

*Pioneer is South Africa's 2<sup>nd</sup> largest food producer with leading market shares across a number of core categories and extensive geographical footprint and penetration.*



# Financial results - Pioneer Foods

***Pioneer Foods reported a 25.1% increase in adjusted RHEPS for the period ended 30 September 2018.***



Summarised Income Statement	Sep 13	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18
Historical	Rm	Rm	Rm	Rm	Rm	Rm
Revenue	16,236	17,699	18,748	20,600	19,575	20,152
EBITDA	1,499	2,006	2,488	2,615	1,664	2,040
EBITDA margin	9.2%	11.3%	13.3%	12.7%	8.5%	10.1%
EBIT	1,153	1,716	2,153	2,273	1,277	1,603
EBIT margin	7.1%	9.7%	11.5%	11.0%	6.5%	8.0%
<b>Recurring headline earnings</b>	<b>853</b>	<b>1,242</b>	<b>1,534</b>	<b>1,637</b>	<b>823</b>	<b>1,032</b>
WANOS (m)	183	184	185	186	186	187
<b>Recurring HEPS (R)</b>	<b>4.70</b>	<b>6.78</b>	<b>8.32</b>	<b>8.83</b>	<b>4.42</b>	<b>5.53</b>
Dividend per share (R)	1.32	2.21	3.32	3.65	3.65	3.65

- Observations:**
- Constrained consumer environment with inflationary cost pressures
  - *Operationally remains competitive with strong management team*
  - *Market shares maintained or recovered*
  - *Operational efficiencies continuously improved*
  - *Cash generative – maintained dividend*
  - *Strong balance sheet with conservative levels of debt*





# Business overview - Capespan

*Capespan is an internationally diversified group with a primary exposure to fruit farming, marketing, distribution, port logistics and related services.*

**CAPESPAN**  
GROUP LIMITED



PSG GROUP LIMITED

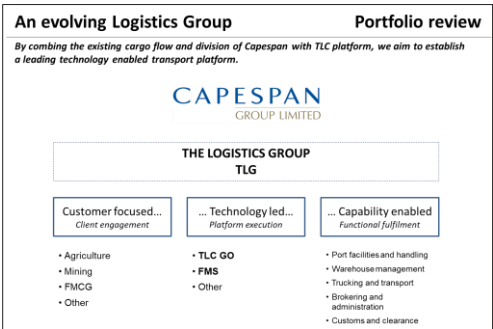
# Noteworthy transaction - Portfolio review



*Capespan executed and implemented significant transactions and restructuring during the period under review.*



- Successfully disposed of the investment in China
- Fair value gains reported in headline earnings
- Transaction completed and proceeds received
- **Gross cash received = R1,056m**
- Capital applied to reduce Capespan group debt
  - All long-term debt settled in SA (~R590m)
  - Short-term facilities reduced by balance
- Capespan consolidated net debt now effectively zero



- Successfully separated and unbundled logistics division and merged with TLC
- Now two separate stand-alone investments under Zeder named:
  - **Capespan Group Limited (CGL)**
  - **The Logistics Group (TLG)**



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# Financial results - Capespan Group (incl. the Logistics Division)

*Strong performance from Logistics Division off-set by losses incurred in the Farming and Fruit division resulting in a recurring loss at consolidated level.*



**CAPESPAN**  
GROUP LIMITED

Summarised Income Statement	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18
Historical	Rm	Rm	Rm	Rm	Rm	Rm
Revenue	7,149	7,392	7,688	8,311	6,619	5,557
EBITDA	228	227	299	250	241	172
<i>EBITDA margin</i>	3.2%	3.1%	3.9%	3.0%	3.6%	3.1%
EBIT	191	169	220	155	123	40
<i>EBIT margin</i>	2.7%	2.3%	2.9%	1.9%	1.9%	0.7%
<b>Recurring headline earnings</b>	<b>139</b>	<b>159</b>	<b>171</b>	<b>98</b>	<b>78</b>	<b>(21)</b>
WANOS (m)	319	321	324	338	362	366
<b>Recurring HEPS (R)</b>	<b>0.44</b>	<b>0.49</b>	<b>0.53</b>	<b>0.29</b>	<b>0.21</b>	<b>(0.06)</b>
Net asset value per share (R)	4.34	4.62	6.26	5.37	5.01	5.55
Dividend per share (R)	0.10	0.17	0.20	0.01	-	-

- Observations:**
- *Farming: Disappointing losses reported largely due to lower grape volumes and market price realisations*
  - *Fruit: Lower profits reported due to lower volumes marketed and costs related to strategic restructuring*
  - *Capitalised balance sheet should reduce finance charges going forward*
  - *SOTP values largely maintained due to JWM capital injection and strong NAV underpin in farming division*



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*Note: These figures represent the Capespan Group inclusive of the logistics division.*

# Financial results - The Logistics Group

*The diversification and expansion of logistical customers and capabilities has delivered pleasing results and reduced volatility.*

Summarised Income Statement	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18
Historical	Rm	Rm	Rm	Rm	Rm
Revenue	508	523	511	609	794
EBITDA	152	172	122	172	226
<i>EBITDA margin</i>	29.9%	32.9%	23.9%	28.2%	28.5%
EBIT	122	136	84	120	165
<i>EBIT margin</i>	24.0%	26.0%	16.4%	19.7%	20.8%
<b>Recurring headline earnings</b>	<b>79</b>	<b>79</b>	<b>42</b>	<b>89</b>	<b>125</b>
WANOS (m)	321	323	338	364	366
<b>Recurring HEPS (R)</b>	<b>0.25</b>	<b>0.24</b>	<b>0.12</b>	<b>0.24</b>	<b>0.34</b>

## Observations:

- *Retains core business of fresh-produce logistics in ports and warehouses (cold-chain)*
- *Expanded licences and capabilities into break-bulk, bulk and general cargo*
- *Expanded service offering to non-perishable agri, mining and FMCG*
- *Invested in associates and service providers to compliment offering*
- *Developing technology applications to scale*
- *Positioned to continue expanding in SA and neighbouring Sub-Saharan African markets*





# Business overview - Kaap Agri

*Kaap Agri is a leading Agri-related retail, trade, supply and services company.*

KAAP  AGRI

## KAAP AGRI

is a retail services group that supplies a variety of products and services mainly to the agricultural sector, but also to the general public.

Kaap Agri has 183 operating points that stretch over 97 cities, towns and places, and include areas such as the Swartland, Boland, Winelands, Overberg, Langkloof, Namaqualand, Orange River, Sundays River Valley, Namibia and adjacent areas, as well as Limpopo, Mpumalanga and Gauteng.



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# Financial review - Kaap Agri

*Kaap Agri reported an increase of 0.7% in RHEPS despite the severe drought experienced in the Western Cape.*



Summarised Income Statement	Sep 13	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18
Historical	Rm	Rm	Rm	Rm	Rm	Rm
Revenue	4,008	4,875	5,341	5,653	6,416	6,549
EBITDA	219	263	311	370	447	478
<i>EBITDA margin</i>	5.5%	5.4%	5.8%	6.5%	6.8%	7.3%
EBIT	202	243	291	338	402	431
<i>EBIT margin</i>	5.0%	5.0%	5.4%	6.0%	6.2%	6.6%
<b>Recurring headline earnings</b>	<b>129</b>	<b>158</b>	<b>183</b>	<b>210</b>	<b>248</b>	<b>249</b>
WANOS (m)	70	70	70	70	70	70
<b>Recurring HEPS (R)</b>	<b>1.83</b>	<b>2.24</b>	<b>2.59</b>	<b>2.98</b>	<b>3.52</b>	<b>3.54</b>
Net asset value per share (R)	14.13	15.83	17.81	19.95	22.45	24.84
Dividend per share (R)	0.50	0.65	0.82	0.95	1.12	1.17

## Observations:

- *Tough year negatively impacted by the Western Cape drought – drought ended and current season encouraging*
- *Weaker retail and trade environment*
- *Strong TFC volume growth (38%) – now larger than agri direct fuel*
- *Agri and building material expansion in KZN – strong growth in Limpopo and Eastern Cape*
- *Dividends increased by 4.2%*





## Financial review - Zaad

*Zaad is a specialist agricultural seed company that develops and supplies a broad basket of proprietary seeds to more than 96 international markets.*



## Financial review - Zaad

*Through a combination of strategic acquisitions, R&D and organic growth the group has been strengthened over the past 5 years.*

Summarised Income Statement	Feb 14	Feb 15	Feb 16	Jan 17	Jan 18	Jan 19
Historical	Rm	Rm	Rm	Rm	Rm	Rm
Revenue	465	947	1,217	1,344	1,409	1,635
EBITDA	92	142	223	222	223	253
<i>EBITDA margin</i>	<i>19.8%</i>	<i>15.0%</i>	<i>18.3%</i>	<i>16.5%</i>	<i>15.8%</i>	<i>15.4%</i>
EBIT	80	120	188	185	173	200
<i>EBIT margin</i>	<i>17.2%</i>	<i>12.7%</i>	<i>15.4%</i>	<i>13.8%</i>	<i>12.3%</i>	<i>12.2%</i>
<b>Recurring headline earnings</b>	<b>54</b>	<b>77</b>	<b>98</b>	<b>133</b>	<b>123</b>	<b>131</b>
WANOS (m)	13	17	20	22	24	27
<b>Recurring HEPS (R)</b>	<b>4.06</b>	<b>4.44</b>	<b>4.97</b>	<b>6.04</b>	<b>5.03</b>	<b>4.76</b>
Net asset value per share (R)	25.16	29.00	41.28	41.86	46.90	50.40

### Observations:

- *Significant business unit expansion and additions made over past 3-4 years*
- *Capital of R341m raised during the year through rights issues*
- *Growth and development capital deployed with delay in corresponding earnings*
- *Group has been exposed to the challenging agri-cycle that Southern Africa experienced the past 24 months*
- *Sector recovery underway but still not at normalised levels yet – impact on working capital requirements*
- *R&D spend remains high but IP tested on an ongoing basis and verified for attractive commercial use*
- *M&A pipeline healthy but managed within acceptable capital allocation parameters*





PSG  
alpha



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Feb		FY14	FY15	FY16	FY17	FY18	FY19	% Change (FY18- FY19)	CAGR
Recurring Earnings	Rm	51.4	59.2	112.6	132.5	175.5	<b>220.1</b>	25%	34%
Recurring EPS	R	0.06	0.05	0.09	0.12	0.12	<b>0.11</b>	(7%)	14%
SOTP	Rm	949	1,246	1,367	1,909	5,307	<b>4,802</b>	(10%)	38%
SOTP per share	R	0.94	1.00	1.21	1.62	2.90	<b>2.40</b>	(17%)	21%





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50%

## Competitive advantage



- › Continuous care model
- › Hospitality focused retirement model
- › Property development expertise
- › Strength of the Evergreen brand as a leading national retirement brand
- › Land bank of premier retirement locations
- › Powerful shareholder brands (Amdec and PSG)



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# The Lived Experience



**Equaling the ambitious growth projection, Evergreen is also investing significantly in the “Lived Experience”**

- › **A centralised head office team dedicated to improve the lived experience**
  - Recently appointed Managing Director of Operations (with 20-year hospitality industry experience)
  - Unique resident centric service culture - safety, care, reliability and pride
- › **Delivering ‘world-class’ village experiences**
  - Surprise and delight celebrations, e.g. birthdays
  - Bespoke hosted hospitality events
  - Active participation in local events, e.g. parkrun
  - Convenient, accessible health care options and facilities
- › **Roll-out of in-house care business - Evergreen Care**



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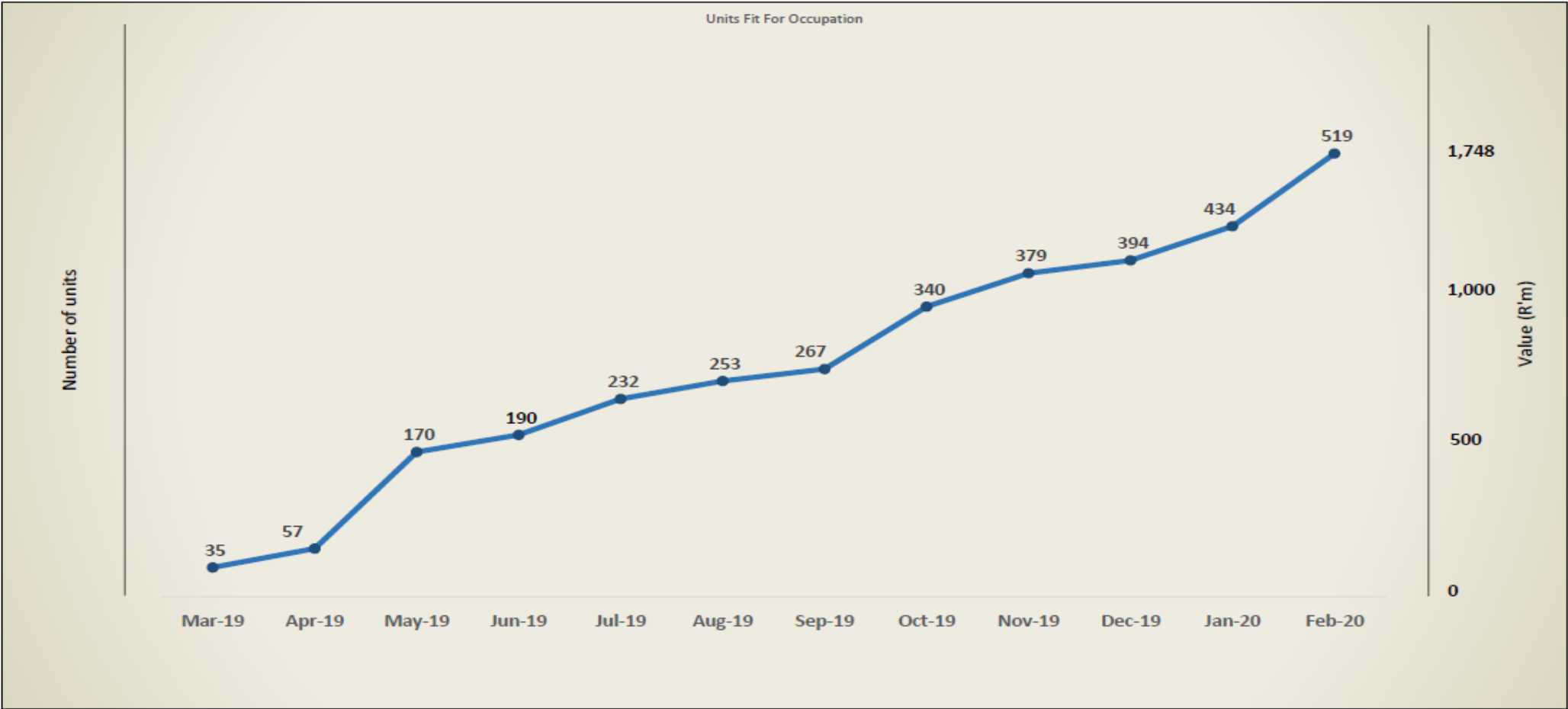
# Development pipeline

				New Developments			
Village		Location	Units Completed	Units Under Construction	Units In Planning	Total Units	Total Development Value (Rm)
1	Bergvliet	Cape Town	78	22	-	100	461
2	Muizenberg	Cape Town	260	-	-	260	517
3	Diep River	Cape Town	57	-	-	57	77
4	Lake Michelle	Cape Town	31	-	110	141	498
5	Noordhoek	Cape Town	46	204	20	270	918
6	Val de Vie	Cape Town	2	135	471	608	2,424
7	Sitari	Cape Town	-	50	450	500	1,675
8	Broadacres	Johannesburg	130	108	-	238	487
9	Westbrook	Port Elizabeth	-	-	800	800	560
10	Umhlanga	Durban	-	-	640	640	2,240
11	Zimbali	Durban	-	-	750	750	2,850
12	Hilton	KZN Midlands	-	-	458	458	824
		Total	604	519	3,699	4,822	13,531





# Completion of next 519 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

10-year target:	
Number of villages:	More than 22 operating villages
Number of Life Right units:	10,000
Gross asset value:	More than R30bn

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



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# Val de Vie Evergreen



› 608 unit development



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# STADIO

— HOLDINGS —



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44%

# CREATING A MULTIVERSITY



- › Successfully acquired 6 brands with qualifications, campuses and students to build scale
- › Growth plan 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



STUDENT  
NUMBERS

29,885



12,976

REVENUE  
R633m



R122m

EBITDA  
R129m



R0,5m

CORE  
HEADLINE  
EARNINGS

R70m



R3,2m

HEPS  
7,8 cps



(1,2 cps)

CHEPS  
8,6 cps

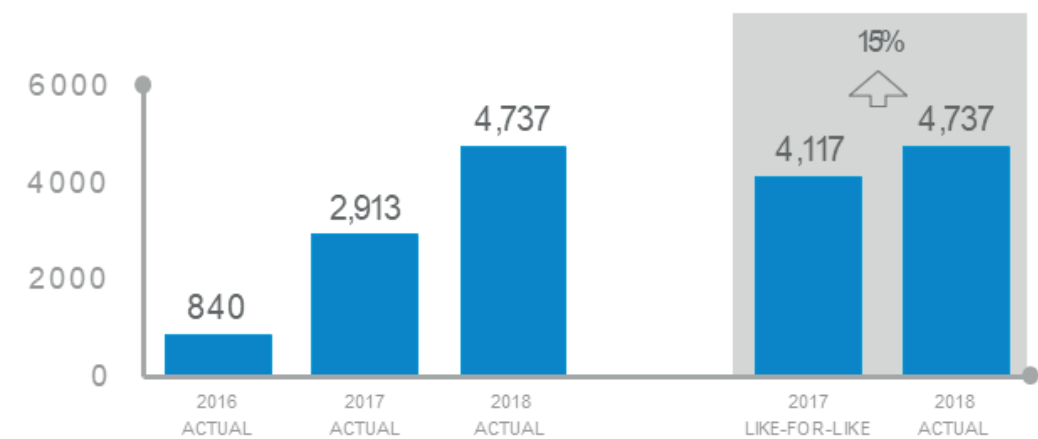


0,6 cps

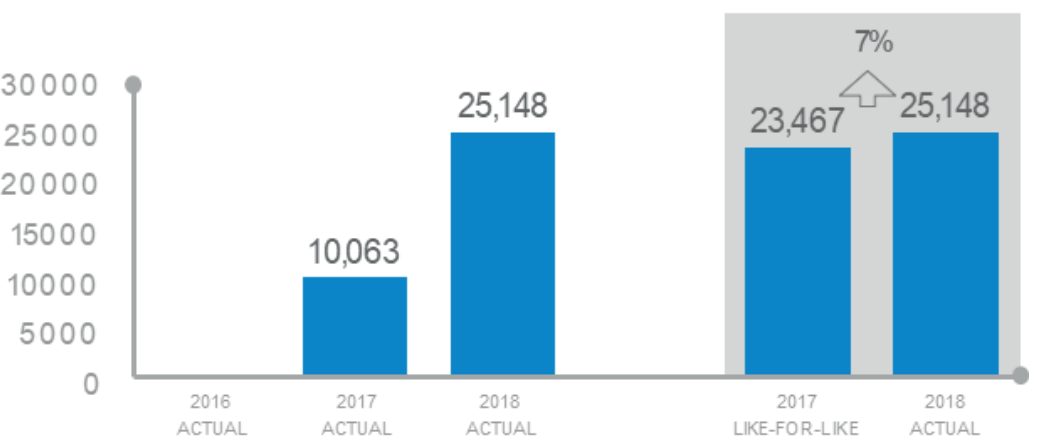


# Student Numbers– 31 Dec 2018

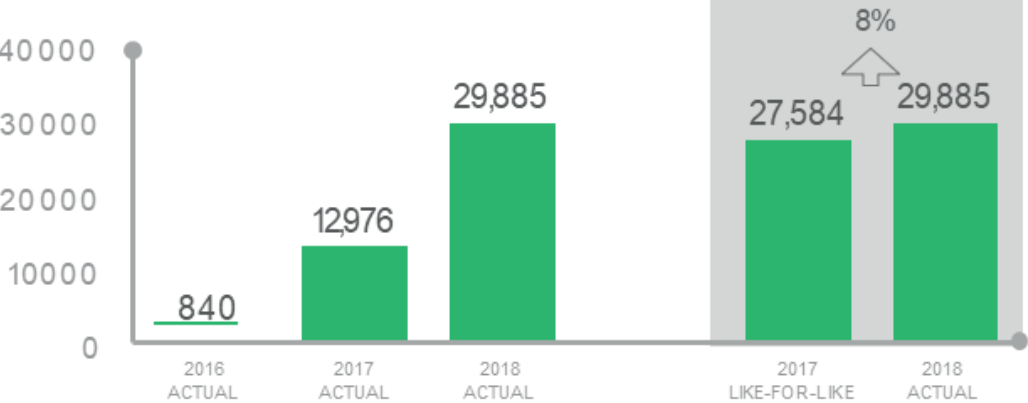
CONTACT LEARNING STUDENTS



DISTANCE LEARNING STUDENTS



TOTAL STUDENTS



- 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
- Entered into an agreement to acquire land in Durbanville, Western Cape (subject to conditions)
- Acquired and accredited a further 53 programmes (81 registered programmes, 64 pipeline programmes)
- Achieved international accreditation for Milpark's contact and online MBA programme from UK based Association of MBA's (AMBA)







**ENERGY  
PARTNERS**

POWERED BY RESULTS



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54%

## 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



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

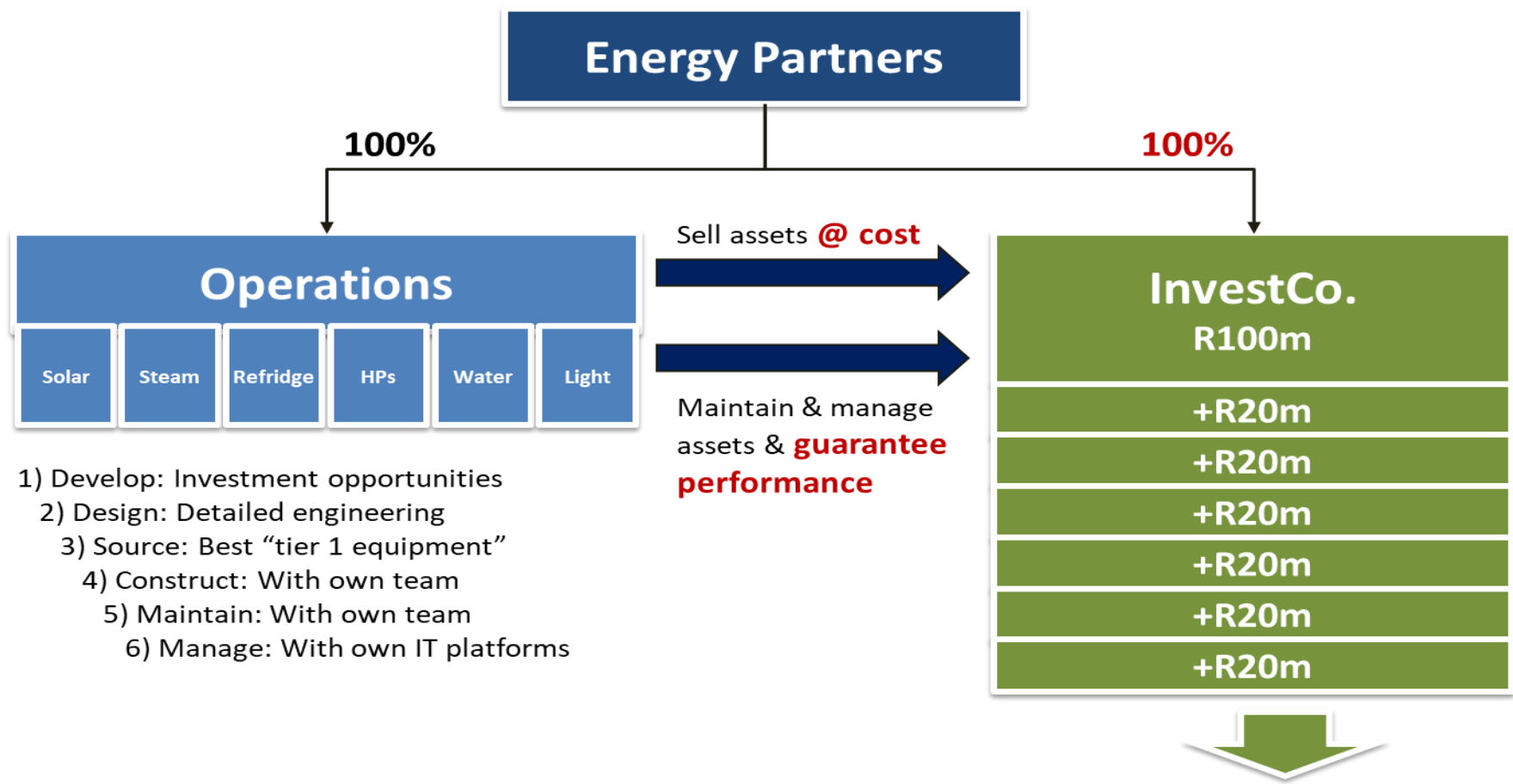


R/l

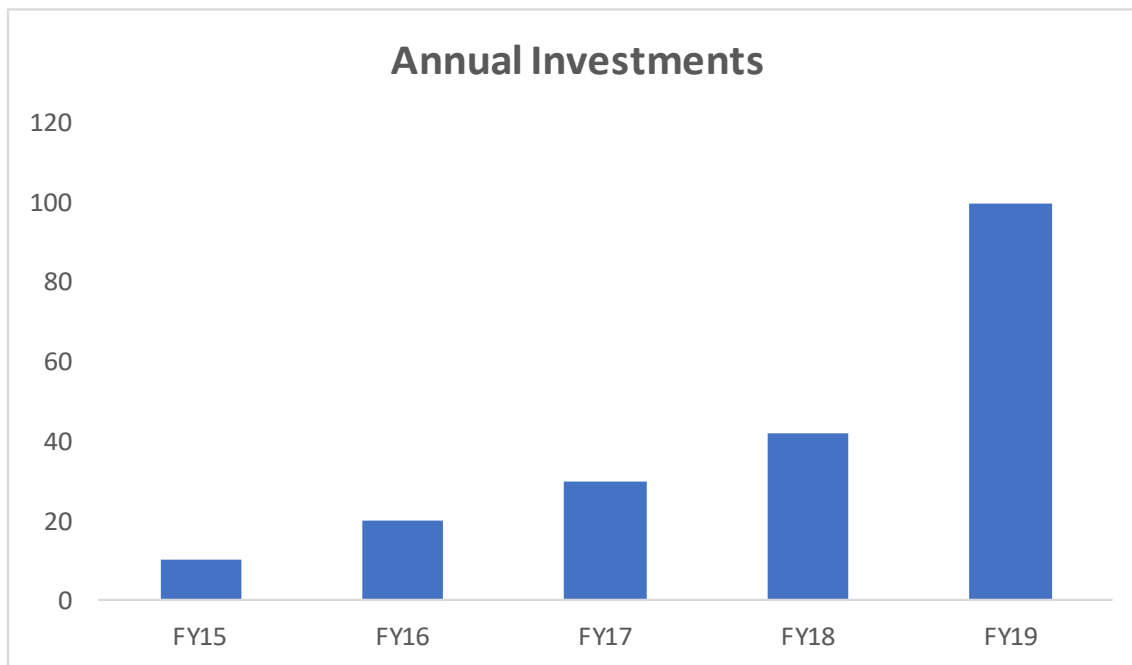
\* Independent Energy Producer



# Business Structure: Asset investment portfolio with fully integrated Operations

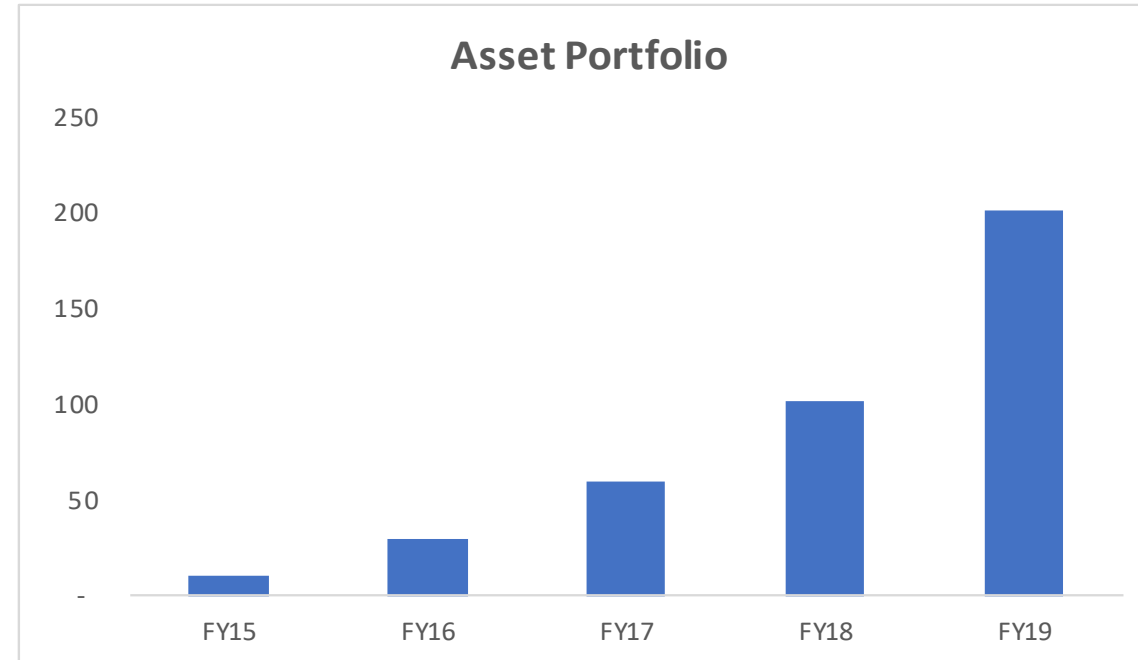


# Investment portfolio is gaining traction



- › Strong investment growth of **69% CAGR** over the last 4yrs
- › **In FY19, R99m** of investments were added
- › **Yields** in FY19 improved from **17% to 20%**

*Note: 31 January financial year-end*



- › **Portfolio** at the start of FY20 will have **assets of ~R200m**, with a **yield of ~20%**
- › I.e. a starting **EBITDA of ~R40m** is expected from the portfolio (excluding the EBITDA that will be generated from new investments in FY20)



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## Expectations over the next 3-5 years

Demonstrate we can achieve the following goals before considering a potential listing (to raise more growth capital):

- › The rate of adding new investment assets can be sustained (i.e. building towards a >R1bn portfolio in 3yrs)
- › The new capital structure is scaling at the same rate as the investment portfolio
- › The underlying assets continue to perform well in order to build trust in the execution model





**CA Sales Holdings**



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48%

# 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

## MOZAMBIQUE

- Expo Africa

## ZIMBABWE

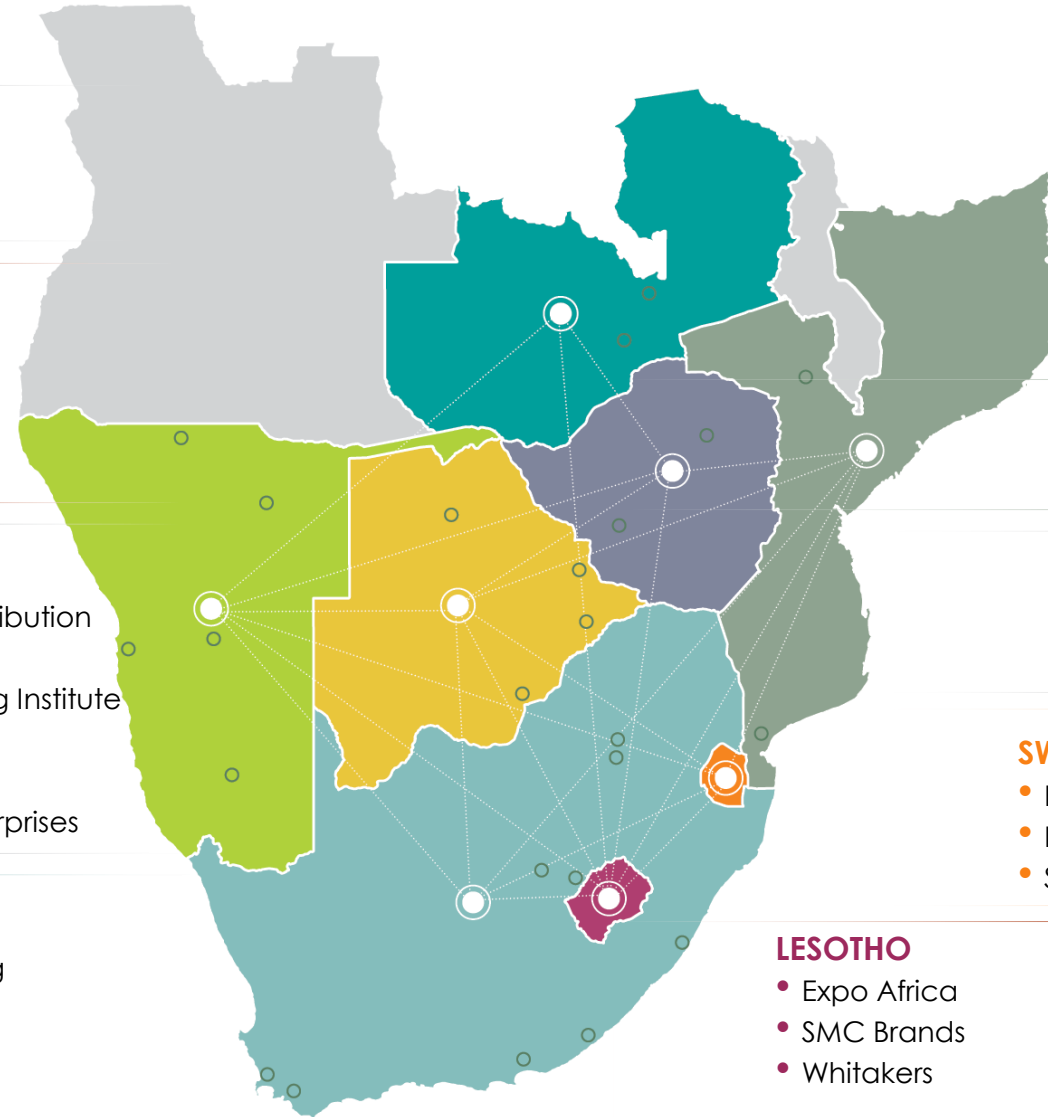
- Bull Red Distribution
- Expo Africa

## SWAZILAND

- Expo Africa
- Logico
- SMC Brands

## LESOTHO

- Expo Africa
- SMC Brands
- Whitakers



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Dec		FY14	FY15	FY16	FY17	FY18	%Change (FY17-FY18)
Revenue	Rm	2,492	3,585	4,031	4,839	<b>5,556</b>	14.8%
Headline Earnings	Rm	52.2	86.6	106.4	136.9	<b>179.4</b>	31.0%
HEPS	R	0.13	0.21	0.26	0.33	<b>0.40</b>	20.8%

- › Dividend per share: FY18: R0.08 (FY17: R0.06)
- › Strong results in 2018
- › The trading environment, however, remains challenging given the general weaker economies in the regions in which the business operates





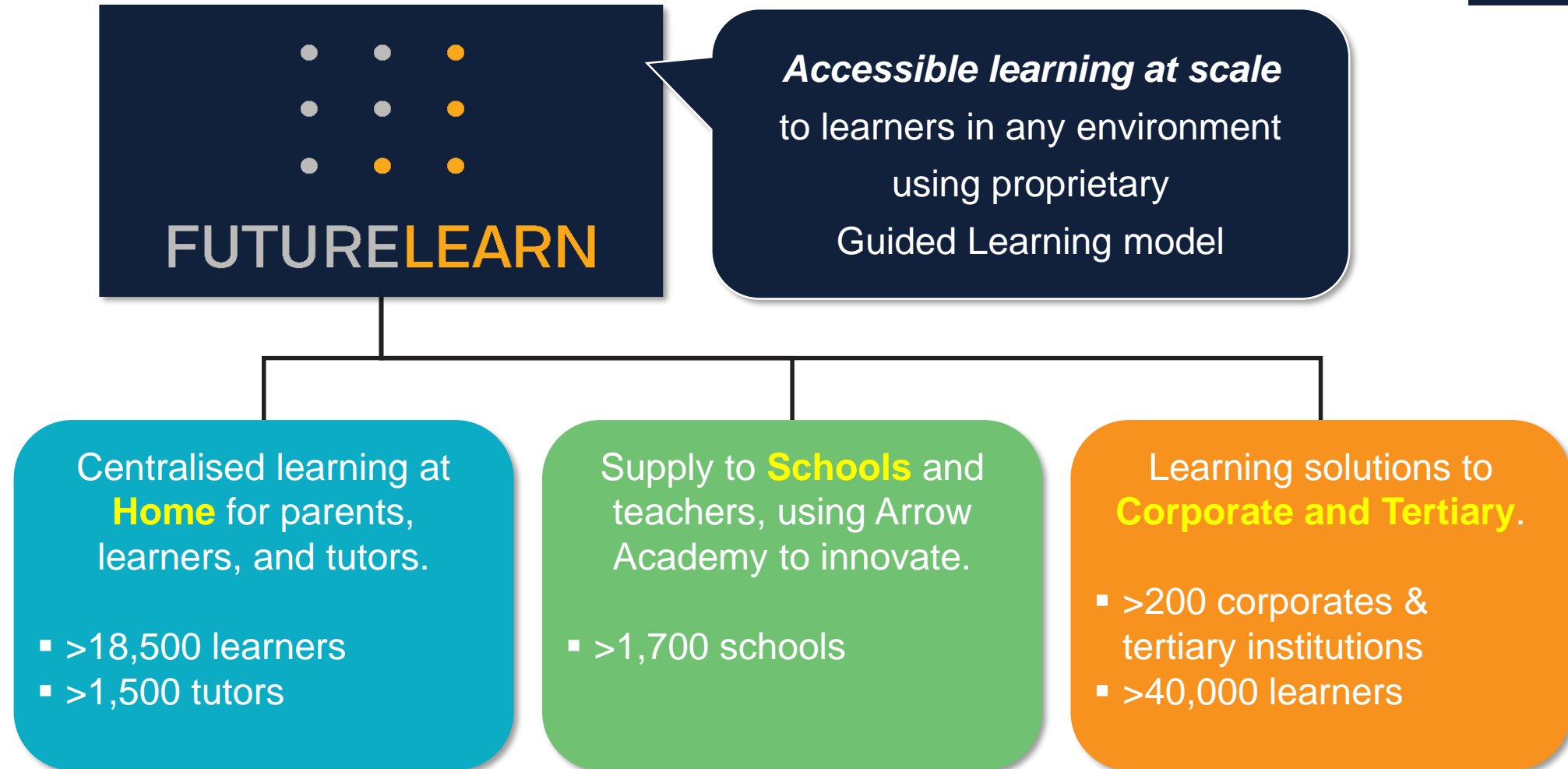
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FUTURELEARN

88%

## FutureLearn provides *accessible learning at scale* to 3 market segments



## Merger with ITSI finalised on 1 April 2019; provides significant synergies



- › FutureLearn and ITSI have developed **complementary products and services in schools** that can be combined and improved.
- › Cross-selling to other **customers** (limited customer overlap to date).
  - **ITSI** has 200 schools and 70,000 learners.
- › Opportunity to develop **comprehensive learning offering** (combining ITSI's "learning paths" and FutureLearn's "Guided Learning").
- › Complementary expertise, improved economies of scale, integration of B-BBEE strategies and associated cost savings.

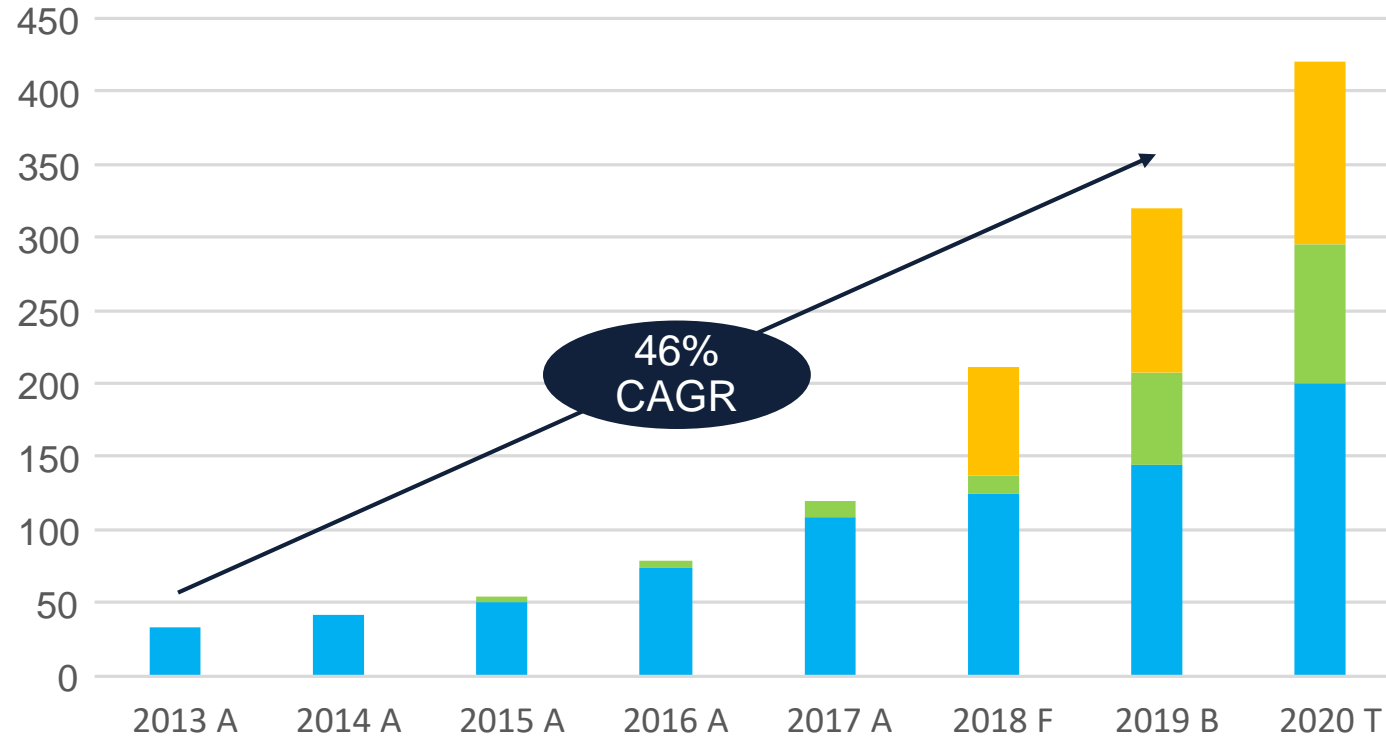


## ~R320m revenue expected in 2019

### FutureLearn revenue (Rm)

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.



## Other investments

Investment	%	Focus	Comments
	60	Nanofiber material science	<ul style="list-style-type: none"> <li>› Have signed terms to <b>form JV in USA with Taiki International</b> (Japanese cosmetics manufacturer) to <b>produce and sell cosmetic face masks</b> and related products</li> <li>› JV will include building new machine that can manufacture 1m units per month</li> </ul>
	71	Disrupt new car sales experience	<ul style="list-style-type: none"> <li>› Strategy to open <b>own dealership has proved successful</b>; sold 70 new cars in March, <b>#1 Renault dealership after 3 months of trading</b></li> <li>› Considering to add next brand</li> </ul>
	25	Specialist antenna & communications	<ul style="list-style-type: none"> <li>› Exports accounts for &gt; 90% of sales</li> <li>› Finnish acquisition proving successful and US acquisition completed</li> <li>› CEO focussed on building international business</li> </ul>
	42	Mining support services	<ul style="list-style-type: none"> <li>› Decreased share to enable company to be 51% outright black-owned</li> <li>› <b>Excellent results and cash generation</b> in competitive environment</li> <li>› Broader industrial holdings strategy in progress</li> </ul>
	12	Outsourcing	<ul style="list-style-type: none"> <li>› <b>Results adversely affected</b> by economy and security division underperforming</li> </ul>
	49	LBO specialist	<ul style="list-style-type: none"> <li>› <b>Completed acquisition of Spectrum</b> (importer and distributor of security related products)</li> <li>› Further acquisitions likely</li> </ul>



# Websites

Companies	Link to the website
PSG Group	<a href="http://psggroup.co.za/investor-relations/reports/">http://psggroup.co.za/investor-relations/reports/</a>
Capitec	<a href="https://www.capitecbank.co.za/investor-relations/financial-results/2019">https://www.capitecbank.co.za/investor-relations/financial-results/2019</a>
PSG Konsult	<a href="https://www.psg.co.za/investor-relations/financial-information">https://www.psg.co.za/investor-relations/financial-information</a>
Curro	<a href="https://www.curro.co.za/corporate/financial-results/financial-year-2018/">https://www.curro.co.za/corporate/financial-results/financial-year-2018/</a>
Zeder	<a href="http://www.zeder.co.za/investor-centre/">http://www.zeder.co.za/investor-centre/</a>
Evergreen	<a href="https://www.evergreenlifestyle.co.za/">https://www.evergreenlifestyle.co.za/</a>
Stadio	<a href="https://stadio.co.za/financial-reports/">https://stadio.co.za/financial-reports/</a>
Energy Partners	<a href="https://www.energypartners.co.za/">https://www.energypartners.co.za/</a>
FutureLearn	<a href="http://www.futurelearn.co.za/">http://www.futurelearn.co.za/</a>





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**Thank you.**

**Questions?**



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