



PSG GROUP LIMITED

**RESULTS FOR THE YEAR ENDED
28 FEBRUARY 2022**

Piet Mouton

PSG Group CEO

Sum-of-the-parts

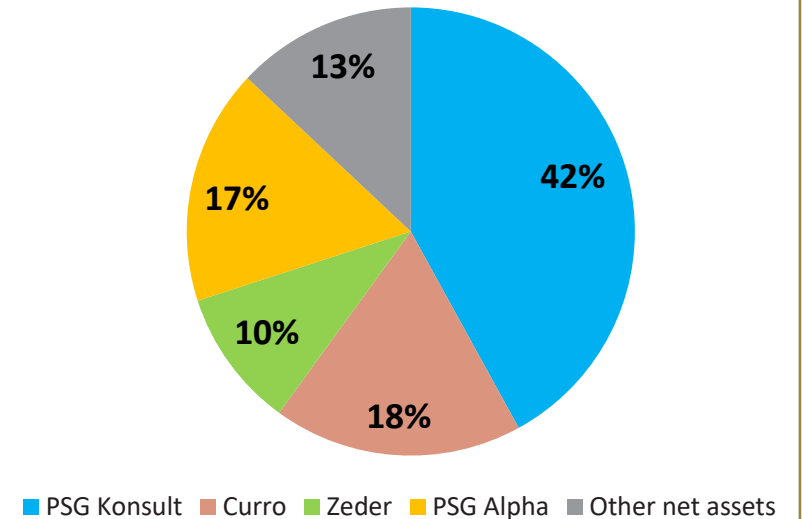
Asset/(liability)	Feb 2021 Rm	Feb 2022 Rm
PSG Konsult*	7 282	11 130
Curro*	3 588	4 826
Capitec*	2 190	
Zeder*	1 983	2 672
PSG Alpha^	3 842	4 508
Dipeo^		
Other net assets (cash, prefs, loans, provisions, etc.)^^	2 020	3 636
Total assets	20 905	26 772
Perpetual pref funding* ++	(1 132)	
Total SOTP value	19 773	26 772
Shares in issue (net of treasury shares) (m)	209.8	209.4
SOTP value per share (R)	94.24	127.88
Share price (R)	66.51	81.83

* Listed on the Johannesburg Stock Exchange ^ Internal valuation ^^ Carrying value

++ All the perpetual prefs were repurchased during Aug 2021.

PSG's SOTP per share increased by 35.7% during the past year

SHARE OF TOTAL SOTP VALUE - FEB 2022



PSG GROUP LIMITED

PROJECT VALUE UNLOCK



PSG GROUP LIMITED

THE TRANSACTION

- The unbundling of PSG Group's shareholding in JSE-listed PSG Konsult, Curro, Kaap Agri and CA&S, as well as 25.1% of the total issued shares in Stadio;
- The repurchase of PSG Group shares from exiting PSG Group shareholders, being PSG Group shareholders other than predominantly the executive management of PSG Group and PSG Alpha, the founders of PSG Group and their immediate family members, for a cash consideration of R23.00 per share; and
- The delisting of PSG Group from the JSE.



THE TRANSACTION (CONTINUED)

	28 Feb 2022		21 Apr 2022		
	Unbundling ratio for every PSG Group share held	Closing share price R	Indicative value per PSG Group share R	Closing share price R	Indicative value per PSG Group share R
Unaudited					
PSG Konsult	3,86921	13,74*	53,16	13,75*	53,20
Curro	1,81597	13,45*	24,42	10,50*	19,07
Kaap Agri	0,12364	51,20*	6,33	44,50*	5,50
CA&S	1,03650	4,79**	4,96	4,70**	4,87
Stadio	1,02216	3,64*	3,72	4,00*	4,09
Value of shares received pursuant to the Unbundlings***			92,59		86,73
Cash received pursuant to the Specific Repurchase			23,00		23,00
Total anticipated value			115,59		109,73
PSG Group share price			81,83^		98,05^^
Premium			41,3%		

* Listed on the Johannesburg Stock Exchange ("JSE").

** Currently listed on both the Botswana Stock Exchange ("BSE") and the Cape Town Stock Exchange, with the latter listing being transferred to the JSE prior to the PSG Group Restructuring. The closing share price presented in the table above is the closing share price on the BSE on 28 February 2022 and 21 April 2022, respectively, translated from Botswana pula into South African rand at the ruling exchange rate on such date.

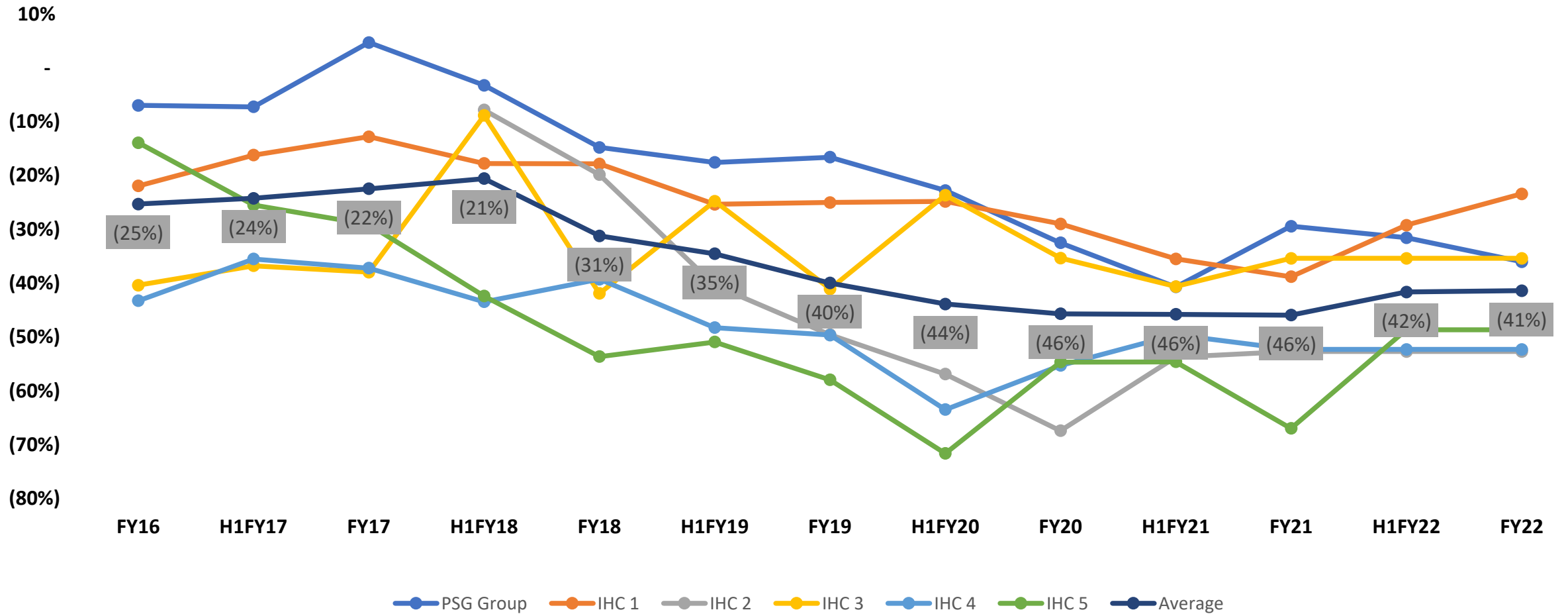
*** This value will fluctuate in accordance with fluctuations in the share prices of the companies to be unbundled.

^ PSG Group's closing share price as at 28 February 2022 immediately preceding the announcement of the proposed PSG Group Restructuring on SENS on 1 March 2022.

^^ In theory, as progress is made with the PSG Group Restructuring, PSG Group's share price should move closer to the ruling total anticipated value per share as the implementation date approaches.

Note: The latest indicative value per PSG Group share pursuant to the PSG Group Restructuring based on live share prices is available at www.psggroup.co.za.

SOUTH AFRICAN INVESTMENT HOLDING COMPANIES – PREMIUM/(DISCOUNT) TO THEIR SOTP VALUES (%)



KEY REASONS WHY INVESTMENT HOLDING COMPANIES ARE TRADING AT A DISCOUNT

Permanent capital

PSG Group has paid ~R6.2bn in dividends and ~R0.7bn in special dividends over the past 26 years
Capitec was unbundled during 2020, thereby creating R21bn for shareholders

Tax trap

Should PSG Group sell all its investments, the CGT payable would be ~R3.4bn, representing a ~13% reduction in the SOTP
Should such cash proceeds (net of CGT) be returned to shareholders, it would result in an additional DWT liability of 20% for the ultimate individual shareholders

Poor investment decisions

PSG Group's total return since Feb 2010 when the current management took charge is ~28% p.a.,
and since inception it is ~38% p.a.

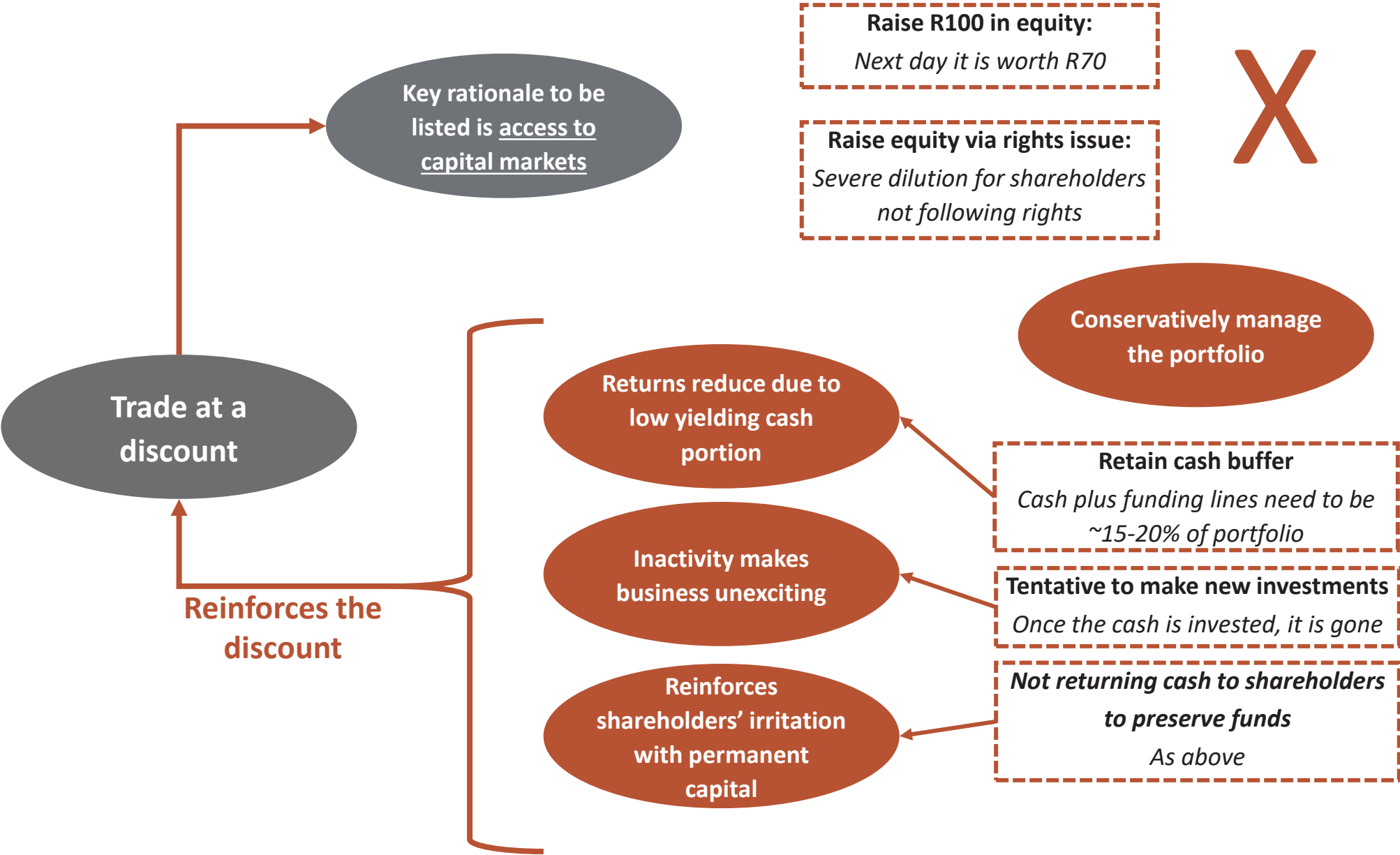
Excessive fee structures

PSG Group's FY22 net operating costs as a percentage of its SOTP and market cap as at 28 Feb 2022 were ~0.05% and ~0.07%, respectively, being significantly lower than what actively-managed unit trust managers charge their investors

Too many listed entry points

Although this is part of our DNA, it ironically is a significant contributor as to why we are trading at a substantial discount
~91% of PSG Group's investments are listed

INVESTMENT HOLDING COMPANIES' DISCOUNT DILEMMA



THE TAX TRAP

- As we have demonstrated in the previous slides, rightly or wrongly so, investment holding companies have significant challenges and the market is discounting them severely
- One solution for PSG Group would be to sell all its assets and distribute the cash proceeds net of taxes to shareholders
- If one was to assume that PSG Group could sell its investments at current market prices, the reality would be as follows:

PSG Group	Total value	Per share
as at 28 Feb 2022	Rm	R
SOTP as published	26,772	127.88
Capital gains tax	(3,403)	(16.26)
SOTP after CGT	23,369	111.62
Dividend withholding tax	(4,674)	(22.32)
Net cash dividend	18,695	89.30

This is approximately the price at which PSG Group traded prior to the *Project Value Unlock* cautionary announcement – so there is a strong argument that investment holding companies trade at such a large discount due to the inherent tax trap



THE TAX TRAP (CONTINUED)

- **For illustrative purposes let us assume:**
 - Company A makes a cash offer of R18.62 per share to acquire PSG Konsult, which equates to a 40% premium to the current share price of R13.30
 - PSG Group accepts the offer and pays a special dividend from the after-tax proceeds

	PSG Konsult share price R	PSG Group share of PSG Konsult R'000	Per PSG Group share R
Current value	13.30	10,774	51.46
Buy-out premium	40%		
Offer value	18.62	15,083	72.04
CGT (28% x 80%)*		(3,379)	(16.14)
Post tax profit		11,705	55.91
Dividend withholding tax - 20%		(2,341)	(11.18)
Cash post DWT		9,364	44.73

* Assuming the investment in PSG Konsult has no base cost

The biggest loser in this instance is our ~50% institutional shareholders as they do not pay tax when they sell shares in the fund. And in most instances if a dividend is received, the fund has to distribute same to the ultimate unit holder net of DWT.

- **Not unbundled – then the effective price is R44.73 per PSG Group share**
- **Unbundled – then the effective price is R72.04 per PSG Group share**



ANTICIPATED TIMELINE

- **June:** Scheme circular distributed to PSG Group shareholders
- **May/June:** CA&S to list on the JSE
- **July:** Voting on scheme
- **August:** Unbundlings
PSG Group share repurchase from Exiting Shareholders
Delist from JSE



CONDITIONS PRECEDENT SUMMARY

1. Shareholder approval
2. Regulatory approvals (TRP, JSE, Exchange Control & Competition Commission)
3. Disqualified person shareholding not increasing by more than 10%
4. Internal restructuring steps
5. CA&S listing on the JSE



DISQUALIFIED PERSON SHAREHOLDERS

- **CGT payable in respect of unbundlings:**
 - The unbundling company (i.e. PSG Group) will pay CGT on shares unbundled to so-called *disqualified person* shareholders, essentially being those shareholders who are exempt from paying tax (i.e. retirement funds, PBOs, government and foreign shareholders) and on an individual basis own more than 5% in the unbundling company (i.e. PSG Group)
 - Such CGT is calculated based on the difference between the market value and the base cost of the shares unbundled to such *disqualified person* shareholders
 - The only *disqualified person* shareholder in PSG Group currently is the GEPF, owning ~12.9%
 - The potential CGT liability of ~R156m (as at 28 Feb 2022) in respect of the unbundlings has been calculated accordingly
- **However, should such *disqualified person* shareholder be a foreigner, DWT would likely also be payable on the unbundling value (15% in the case of US resident shareholders)**



DISQUALIFIED PERSON SHAREHOLDERS (CONTINUED)

GEPF			
Holding	CGT Rm	CGT per PSG Group share R	Repurchase price R
12.9%	156	0.74	23.00
13.9%	179	0.85	22.89
14.9%	202	0.96	22.78
15.9%	230	1.10	22.65
16.9%	259	1.23	22.51
17.9%	287	1.37	22.37
18.9%	315	1.51	22.24
19.9%	344	1.64	22.10
20.9%	372	1.78	21.97
21.9%	400	1.91	21.83
22.9%	429	2.05	21.70

Other disqualified person shareholders					
Holding	CGT Rm	DWT (15%) * Rm	CGT & DWT Rm	CGT & DWT per PSG Group share R	Repurchase price R
					23.00
5%	131	145	276	1.32	21.68
6%	159	174	334	1.59	21.41
7%	188	204	391	1.87	21.13
8%	216	233	449	2.14	20.86
9%	245	262	506	2.42	20.58
10%	273	291	564	2.69	20.31

Note:

The GEPF and other disqualified person shareholder scenarios detailed in the tables above were run independently from one another and any combination of such increases in disqualified person shareholdings would be even more detrimental.

* The DWT payable assumes that the other disqualified person shareholder (i.e. other than the GEPF) is a foreign shareholder that qualifies for a reduced DWT rate of say 15% (applicable to the United States).



PSG Konsult



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RECURRING HEPS FOR YEAR ENDED FEB 2022 INCREASED BY 32%

Wealth management:

- AUM: ↑ 17% to R273bn
- Net inflows of R20.6bn
- Advisers: ↑ 21 to 584
- Recurring HE: ↑ 14% to R510m


Insure:

- Gross written premium: ↑ 5% to R7.1bn
- Advisers: ↓ 1 to 368
- Western National:
 - › Net underwriting margin of 18.5% compared to the prior year's 15.3%
- Recurring HE: ↑ 10% to R166m


Asset management:

- AUM: ↑ 19% to R42.0bn
- Net outflows of R0.5bn
- Performance fees earned representing 10.6% of group headline earnings
- Recurring HE: ↑ 133% to R244m

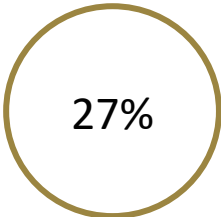
Share of recurring headline earnings



55%



18%



27%





CURRO



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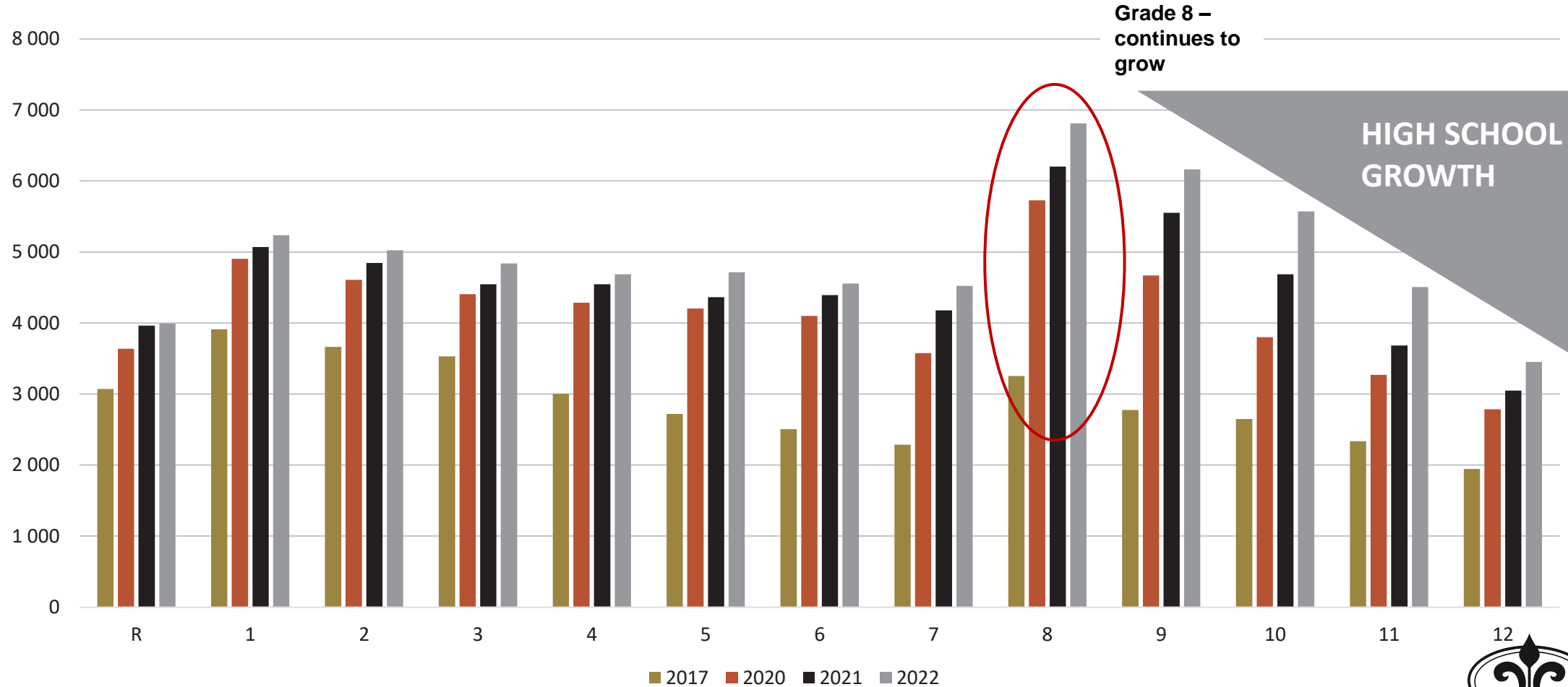
RECURRING HEPS FOR YEAR ENDING DEC 2021 INCREASED BY 8%

		Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	% Difference	5-year CAGR
Campuses	#	41	48	51	58	70	76	76	0%	10%
Schools	#	100	114	127	138	166	177	178	1%	9%
Average learners	#	35 148	42 343	45 870	51 305	57 597	60 777	66 447	9%	7%
% of built capacity	%		69%	70%	69%	70%	69%	70%		
Revenue	Rm	1 345	1 714	2 099	2 496	2 944	3 094	3 543	15%	13%
Schools EBITDA	Rm	375	487	594	772	873	886	1 013	14%	13%
EBITDA	Rm	292	377	473	627	693	686	789	15%	13%
EBITDA Margin	%	21%	22%	23%	25%	24%	22%	22%		
Net interest expense	Rm	91	70	78	138	243	223	170	(24%)	26%
HEPS (Recurring)	Cents	26.2	41.8	49	60.1	51	38	40.9	8%	(2%)
Learner/teacher ratio	#	15	17	17	17	18	18	19	6%	1%
Capital invested	Rm	1 010	1 486	1 136	1 493	1 246	650	929	43%	(15%)
Cumulative capital invested	Rm	4 864	6 350	7 486	8 979	10 265	10 915	11 844	9%	11%
Total building size	m ²	449 067	558 683	598 194	656 081	700 946	713 084	772 251	8%	5%

* Adjusted for the bonus element contained in the rights issue concluded during September 2020.

LEARNERS PER GRADE

Expansion in high schools, based on rollover from Grade 8 to Grade 12



- Average learner numbers for 2021 ↑ 9% to 66,447
- Number of learners at 18 Feb 2022 of 70,408 (↑ 6%)





PSG GROUP LIMITED



MAJOR TRANSACTIONS

- Zeder unbundled its stake in Kaap Agri
 - *R1.03 per Zeder share (R1.6bn) in value*
 - *Zeder and PSG are proud of what the management team has build over the years at Kaap Agri*
 - *The intention is to unbundle Kaap Agri from PSG as well and we look forward to being direct investors in Kaap Agri*
- Zeder disposed of its investment in The Logistics Group
 - *The total value is R1.57bn, of which Zeder has received R1.35bn to date*
 - *R218m is deferred and linked to certain extensions and/or renewals of agreements*
- Zeder declared a special dividend of 92.5c per share



SOTP AND VALUE CREATION

The recent corporate actions and resultant special dividends had a positive impact on Zeder's value creation for shareholders over the past 3 years, despite the widespread impact of Covid.

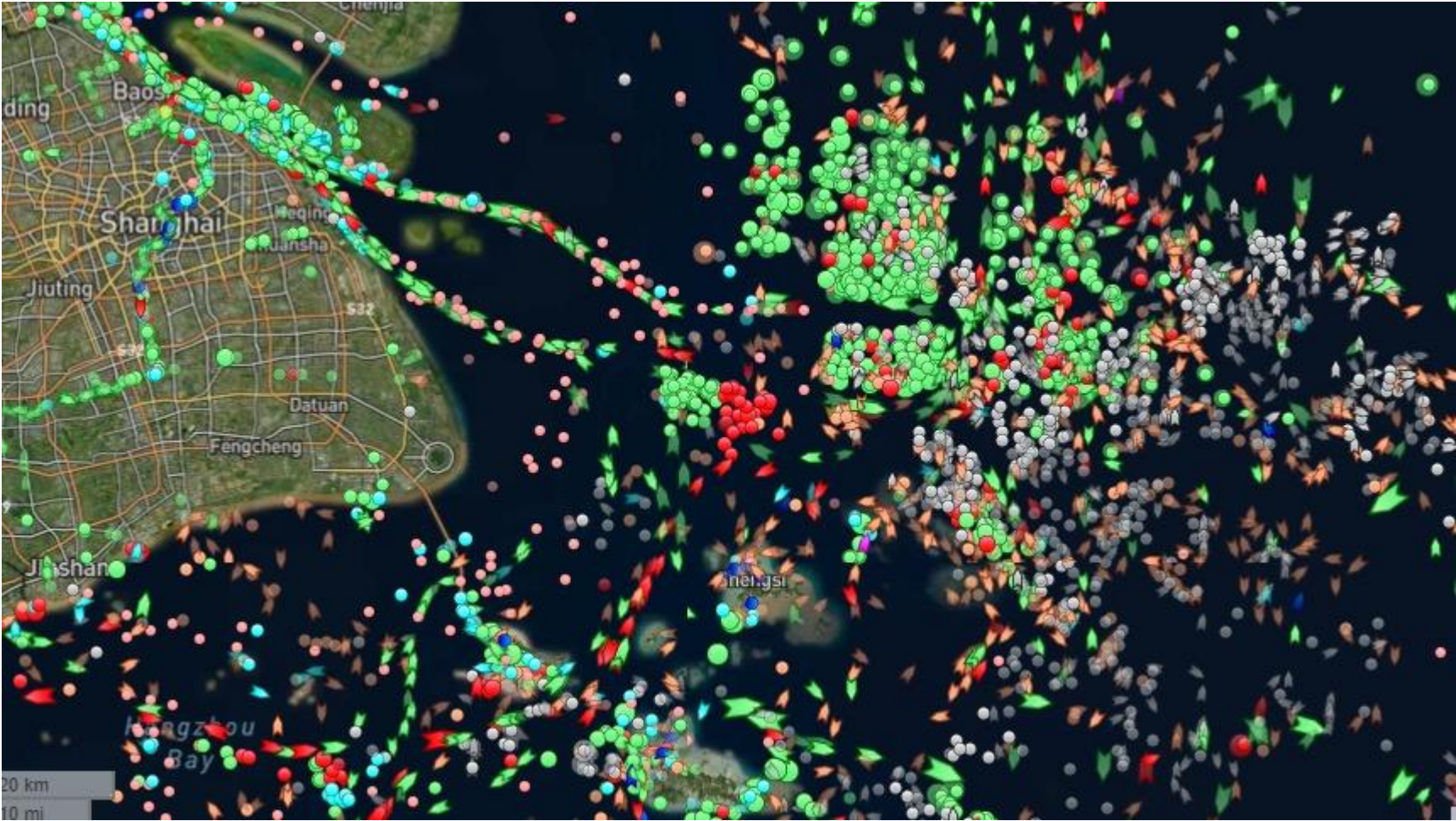
Company	28 Feb 2019		Transactions/special dividend		Post further dividend		
	Interest (%)	Rm	Unbundling Rand	Dividend Rand	Interest (%)	Rm	Growth
Pioneer Foods	27.1	4 689					
Zaad	95.3	2 235			96.9	2 037	
The Logistics Group	97.4	978					
Capespan	97.4	1 193			94.6	1 053	
Kaap Agri	41.1	959					
Quantum Foods	29.3	216					
Other (including Agrivision)		621				624	
Cash and cash equivalents		254				438	
Debt Funding		(1 500)					
SOTP VALUE		9 645				4 152	
Number of shares in issue (net of treasury shares) (million)		1 710				1 538	
SOTP value per share (Rand)		5.64				2.70	
Zeder share price discount to SOTP value per share		25%				25%	
Zeder share price/implied share price (Rand)		4.23				2.02	
<i>Add:</i> Zeder special dividend paid (Rand) - Feb 2020						2.30	
<i>Add:</i> Zeder special dividend paid (Rand) - Feb 2021						0.20	
<i>Add:</i> Value of Unbundled Kaap Agri (Rand) - Apr 2022			1.03			1.03	
<i>Add:</i> Zeder special dividend paid (Rand) - Feb 2022						0.93	
Value per share to Zeder Shareholder (Rand)		4.23				6.48	53%

*R4.46 per share
or R7.2bn*

PROSPECTS

- Grow and support the existing portfolio
 - *Agricultural conditions remain mostly favourable*
 - *Covid recovery and Russia-Ukraine conflict implications will impact portfolio*
 - *Global supply chain challenges and resultant inflation pressure will remain*
- Approaches received on portfolio investments
 - *Cautionary withdrawal – no firm offers with funding confirmation*
 - *Zeder however remains engaged with 3rd parties regarding approaches received on its remaining portfolio assets*
 - *Still considering various wealth creation initiatives: no quick solutions, but we have options*
 - *Any decisions will be made in an appropriate and responsible manner*
- Overall strategy remains – to create value for Zeder shareholders

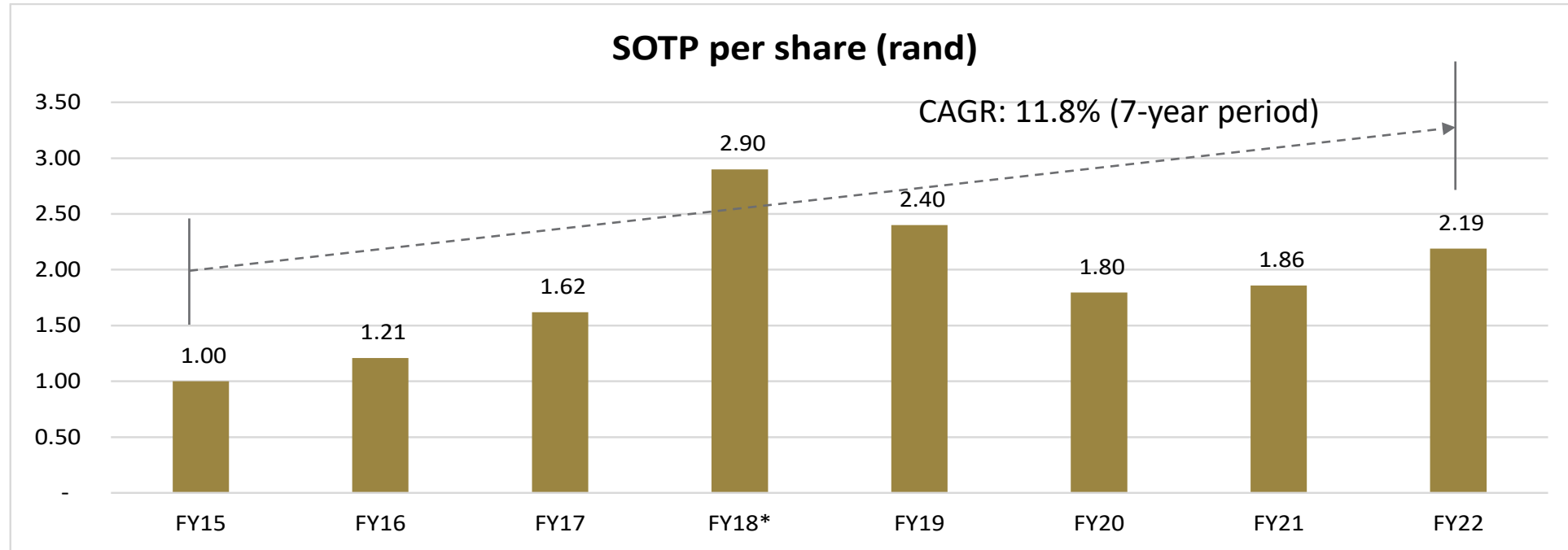
SHANGHAI PORT BOTTLENECK





PSG
alpha

PSG ALPHA - HISTORIC FINANCIAL PERFORMANCE



* The FY18 SOTP value was significantly impacted by the higher Stadio share price at the time. Post unbundling from Curro, investor sentiment drove Stadio's share price to R6.75 as at 28 Feb 2018. The price has normalised since.

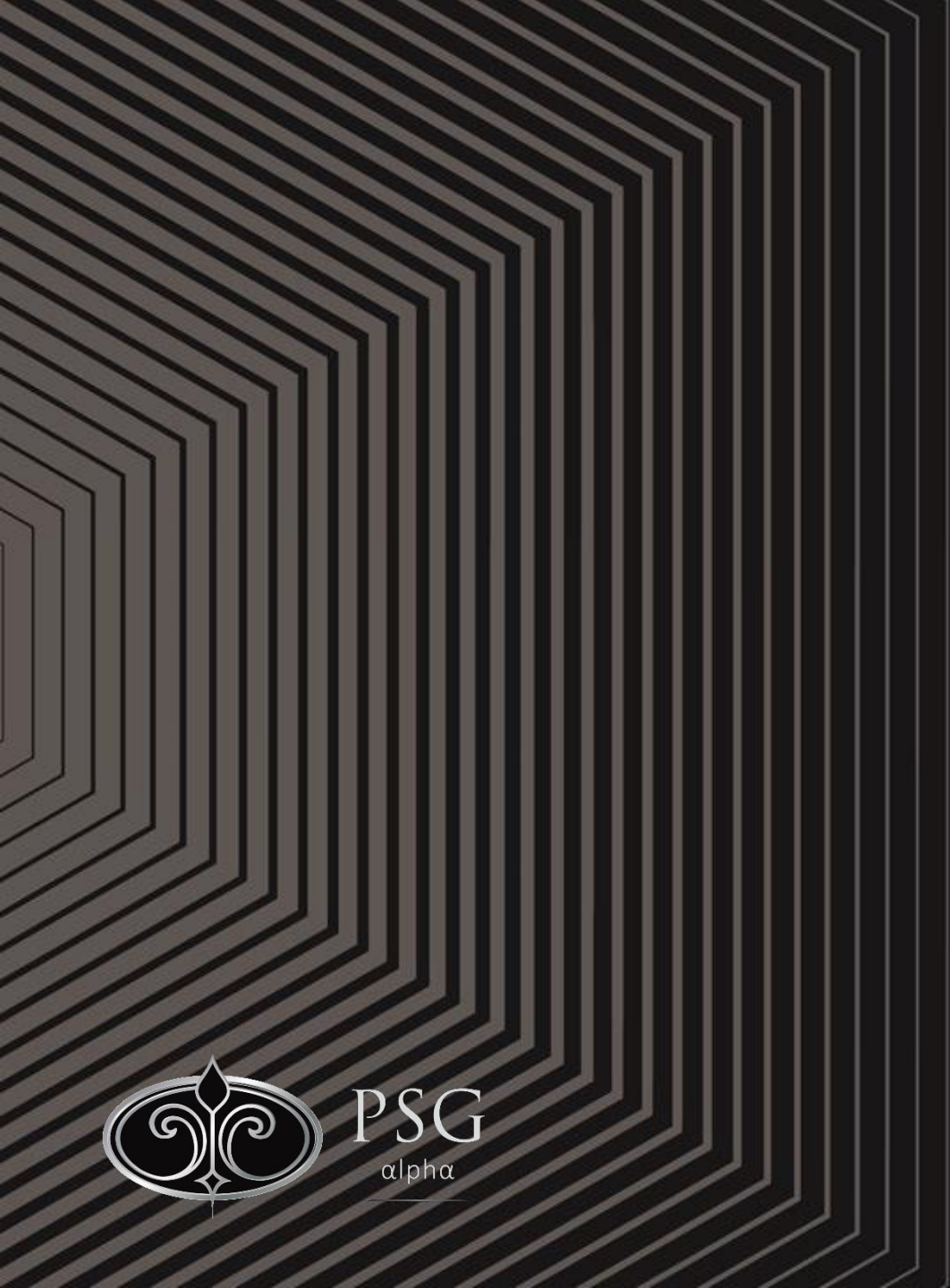
- SOTP value per share increased by 17.7% during the year under review
- PSG Alpha's current SOTP value is R4.6bn
- PSG Alpha does not employ any gearing, nor are there any operating costs at its level seeing that it is carried by PSG Group



PSG ALPHA – SOTP VALUE

Investments	Shareholding %	SOTP value - 28 Feb 2022		Basis of valuation
		100% of investee Rm	PSG Alpha interest Rm	
Stadio	42.9%	3 087	1 324	Listed
CA&S	47.9%	2 208	1 057	Listed
Evergreen	50.0%	1 975	988	NAV
Optimi	96.0%	523	502	PE multiple
Energy Partners	56.7%	669	379	EV/EBITDA multiples
Other			338	Various
Total SOTP value			4 588	

- PSG Alpha generally values its investments conservatively
- It should be noted that these valuations are not necessarily indicative of the values at which PSG Alpha would consider selling any of its investments



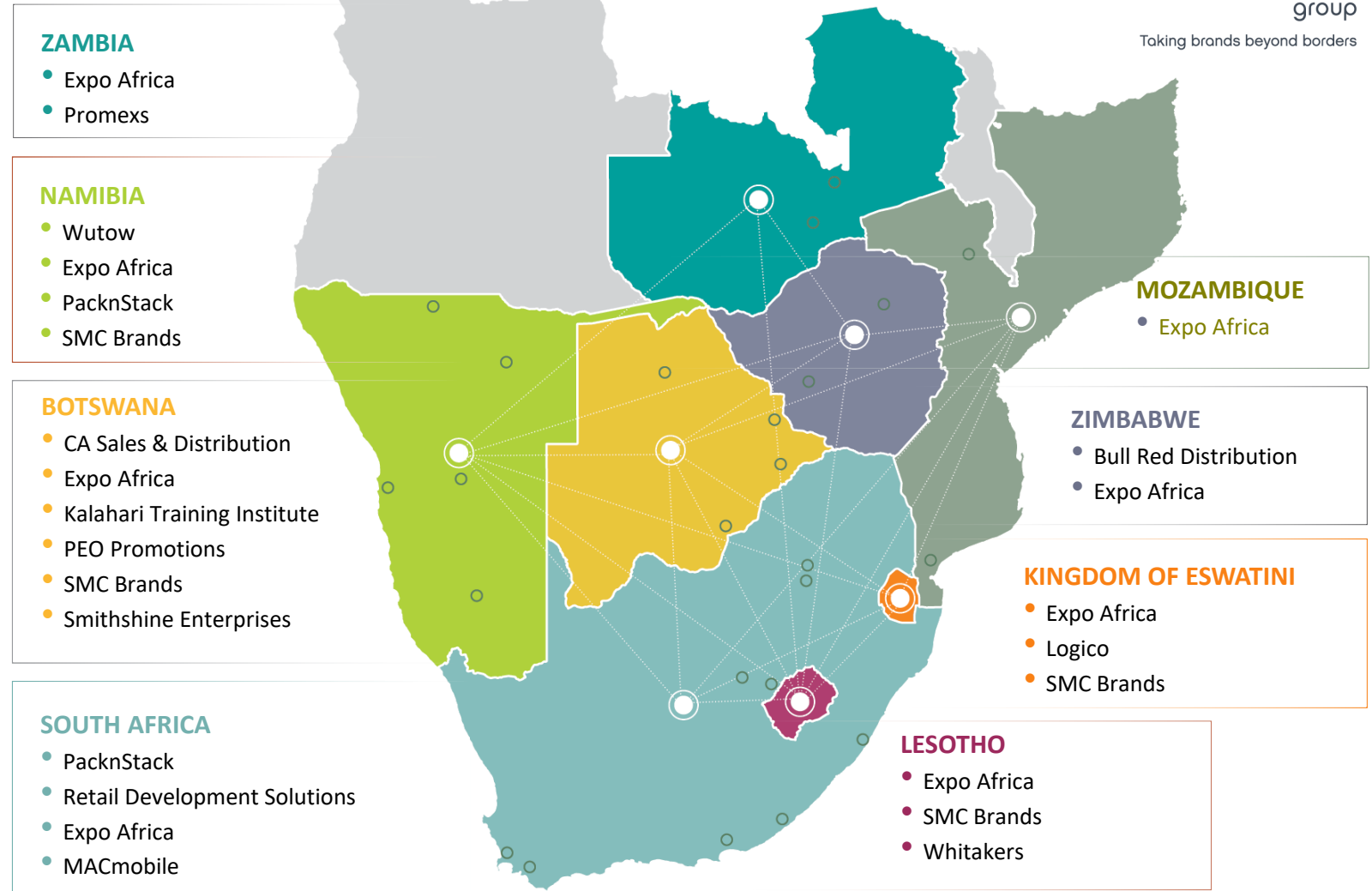
Taking brands beyond borders

47.9%

- The CA&S group is the **collective of fast-moving consumer goods services businesses** that operate **across the southern African region**, offering a **route-to-market services to prominent multinational and local brand owners and manufacturers**
- Services are centered around **ensuring that clients' brand presence is maximized at retail**. The service offering includes selling, merchandising, warehousing, distribution, shopper promotions, training, debtor services, strategic advisory services, category consultation and key account assistance
- **Listed** on the Botswana Stock Exchange (BSE) and Cape Town Stock Exchange (CTSE) in South Africa

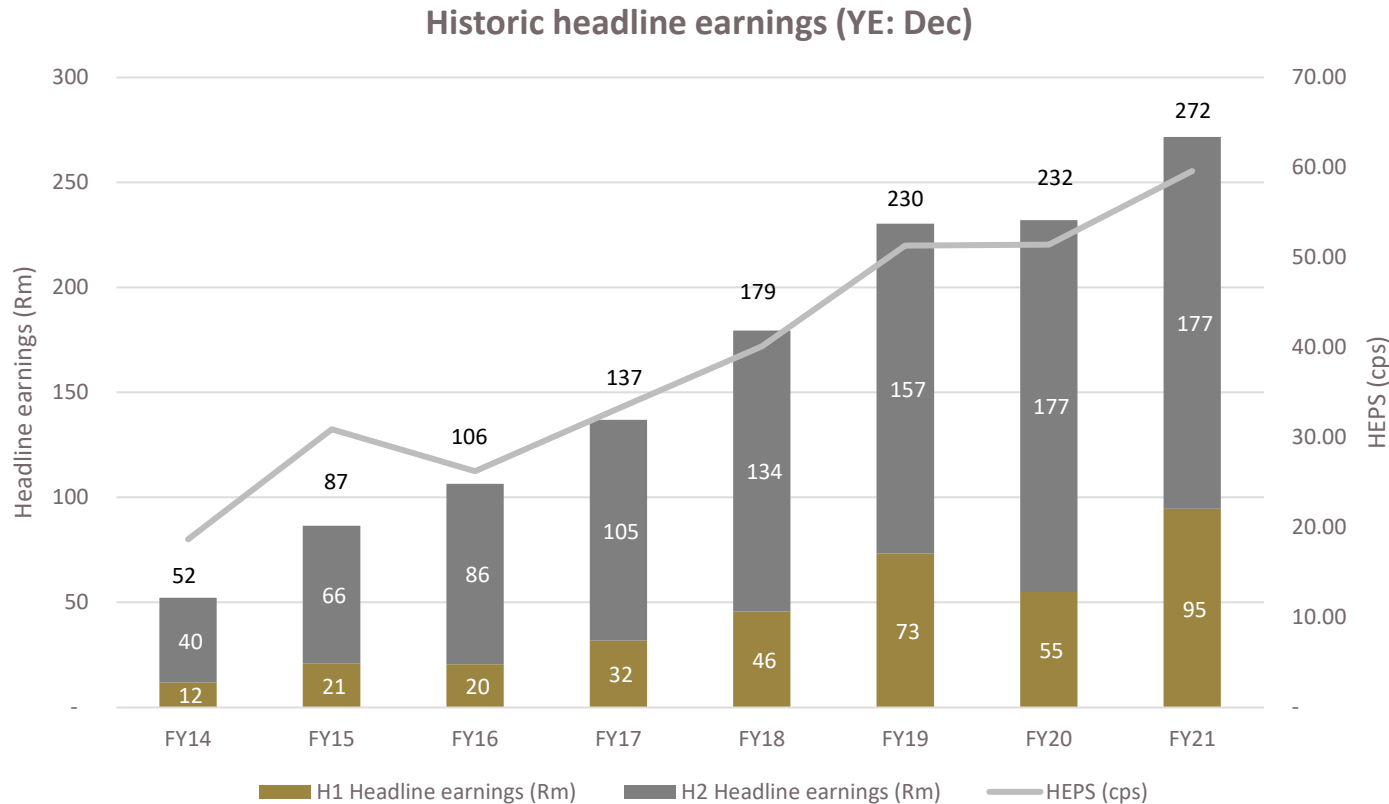
BUSINESS MODEL

- The CA&S businesses provide **various services to the principals** it represents. They earn a combination of service fees and commission
- Local knowledge, understanding and customer relationships combined with regional connectivity and shared collective expertise give CA&S a powerful **competitive advantage in the region**



BASIS OF VALUATION: LISTED SHARE PRICE

- Valuation of CA&S for PSG Alpha’s SOTP is based on the **closing share price in Pula on the Botswana Stock Exchange (BSE) translated to Rand at the ruling spot exchange rate**
- Such **closing share price** of R4.79 as at 28 Feb 2022 represented an 8.0x historic PE ratio based on CA&S’s headline earnings of 59.61cps for its financial year ended 31 Dec 2021



FY21 (Dec Y/E) commentary:

- Revenue growth of 1.2% to >R8bn despite Covid-related trade restrictions and supply constraints
- HEPS increased by 15.9% to 59.61 cents for the year
- Commendable HEPS growth of 18.1% CAGR since FY14



50%

BUSINESS OVERVIEW



- Evergreen Lifestyle is an **integrated developer, owner and operator of retirement lifestyle villages**
- The **primary business goal** is to grow its portfolio of retirement units
- Evergreen Lifestyle aims to further entrench its position as the **leading retirement brand** in South Africa by providing a **superior lived experience** to its residents, supported by excellent healthcare
- Occupation of the units is sold on a **life right basis** (right of tenure) in exchange for an interest-free loan, while ownership of the properties remains with Evergreen Lifestyle



Income from investment property

- Fair value gains on new developments (units)
 - › Normal property development margins realised on completion of new units
- Fair value gains on existing units
 - › Ownership of the units remains with the developer under the life right model
 - › Long-term property appreciation is linked to the general residential property sector

Other income and expenses

- General overhead and head office costs
- Net income/loss from village operations (levy income less expenses)
 - › Villages initially make operational losses until they reach scale
- Net income or loss from healthcare services
 - › Currently expenses exceed income, but expected to reverse with greater scale

BASIS OF VALUATION: NAV EXCLUDING DEFERRED TAX

<i>Valuation detail</i>						
Historical financials (YE: Feb)	FY18	FY19	FY20	FY21	FY22	Comments
Unit overview¹						
Units with life right agreements (#)	486	557	702	784	884	} 83% occupancy rate
Units not yet under life right agreements (#)	15	47	245	191	187	
Total units	501	604	947	975	1 071	
Assets						
	Rm	Rm	Rm	Rm	Rm	
Units with life right agreements	1 249	1 526	1 880	2 034	2 423	Valued at market value with reference to active sales of life rights ²
Units not yet under life right agreements	29	127	657	410	434	Valued at market value with reference to active sales of life rights
Work in progress	483	607	333	374	245	Valued at cost
Vacant land	142	534	860	807	803	Valued at cost
Deferred tax asset	-	36	53	2	96	Carrying value
Net cash / working capital / PPE	19	257	41	270	268	Carrying value
Total assets	1 922	3 088	3 823	3 898	4 268	
Liabilities						
Life right loans	755	1 011	1 309	1 479	1 751	Carrying value ³
Development facilities	78	347	460	504	386	Carrying value
Corporate overdraft facility	-	-	6	95	120	Carrying value
Deferred tax liability	109	145	192	87	247	Carrying value
Other / working capital	264	62	72	82	36	Carrying value
Total liabilities	1 206	1 564	2 039	2 248	2 540	
NAV	715	1 523	1 784	1 650	1 728	
<i>Add back:</i> Deferred tax liability ⁴	109	145	192	87	247	
Total	825	1 669	1 977	1 737	1 975	
PSG Alpha valuation for SOTP purposes (50% interest)	412	834	988	869	988	

Note 1: The unit overview includes 100% of the units at the Evergreen Val de Vie (a joint venture), while the NAV includes only the 50% economic interest in Evergreen Val de Vie.

Note 2: Independent valuer values all operational villages on 3-year rotational basis (i.e. each village valued at least once every three years).

Note 3: Loans are interest free and only repayable on resale of the unit to a new life right holder.

Note 4: The deferred tax liability relates mainly to fair value gains recognised on investment property; however, since the business intends to hold the units indefinitely, the deferred tax liability has been disregarded for valuation purposes.

Evergreen sold 155 life rights totaling R459m during the year

- 2/3^{rds} being new sales and 1/3rd being resales

OVERVIEW OF CURRENT AND FUTURE RETIREMENT VILLAGES

Retirement units								
Province	Village	Completed units (cumulative)				In construction	Land banked units	Total opportunities on owned land
		Feb-19	Feb-20	Feb-21	Feb-22			
Western Cape	Bergvliet	78	100	100	100	-	-	100
	Muizenberg	260	260	260	260	-	-	260
	Diep River	57	57	57	57	-	-	57
	Lake Michelle	31	31	31	31	-	110	141
	Noordhoek	46	150	150	246	-	136	382
	Val de Vie	2	111	139	139	60	409	608
	Sitari	-	-	-	-	-	440	440
	Somerset West	-	-	-	-	-	340	340
Gauteng	Broadacres	130	238	238	238	-	200	438
KZN	Umhlanga	-	-	-	-	-	640	640
	Hilton	-	-	-	-	-	900	900
	Zimbali	-	-	-	-	-	750	750
Eastern Cape	Westbrook	-	-	-	-	-	800	800
Total		604	947	975	1 071	60	4 725	5 856

Care units (monthly fees apply)						
Western Cape	Muizenberg	32	32	32	32	-
Gauteng	Broadacres	32	32	32	32	-
Total		64	64	64	64	-

STADIO

— HOLDINGS —



42.9%

Stadio is building a ‘credible private university’ for 100,000+ students

- Vision: “To be a leading higher education provider, offering qualifications aligned with the needs of societies, students, and the world of work”

Through several acquisitions during 2017 to 2019, Stadio created a base to build from. Key metrics for the business include:

- ~38,000 students
- 86 accredited qualifications (34 in pipeline)
- 14 existing campuses, with its first large multi-faculty campus in Centurion completed and opened in 2022
- ~80% distance learning, ~20% contact learning (on-campus) students – similar ratio expected in future
- Serves school leavers, adults and corporates

STADIO
— HOLDINGS —

MILPARK
EDUCATION
M

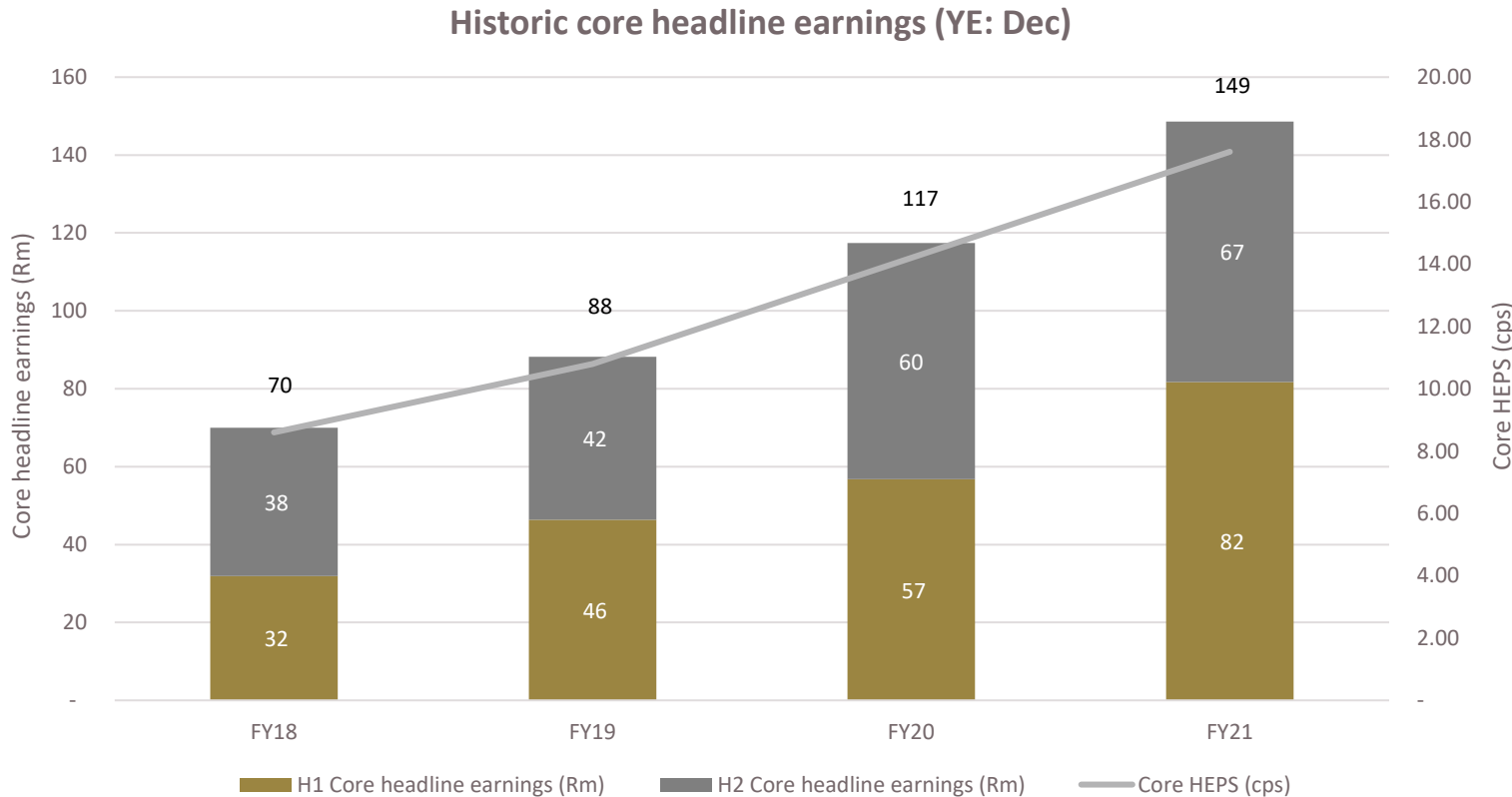
STADIO
FORMERLY
SBS | EMBURY
LISOF | PRESTIGE
ACADEMY

[CAFDA]

... THREE DISTINCT PRIVATE HIGHER EDUCATION INSTITUTIONS

BASIS OF VALUATION: LISTED SHARE PRICE

- Stadio has been **listed on the JSE** since Oct 2017
- Its 28 Feb 2022 **closing share price** of R3.64 represented a 20.7x historic PE ratio based on its core headline earnings of 17.6cps to 31 Dec 2021



FY21 commentary:

- Maiden dividend of 4.7cps
- Student numbers up 9%
- Revenue up 18% and EBITDA (normalized) up 23%
- Core HEPS up 24%
- Strong growth in distance learning



(previously FutureLearn)

BUSINESS OVERVIEW



optimi
home

Market leader
in Grade R - 12

homeschooling
with >30 000 learners.

A woman in a plaid shirt is smiling and looking at her smartphone.

optimi
classroom

Teaching and learning solutions
to >1 800 schools and education institutions.

Three students in school uniforms are gathered around a desk, looking at a book together.

optimi
college

Distance
education

college
to >6 000 students.

A woman in a blue shirt is sitting at a desk, smiling while looking at a laptop.

optimi
workplace

Corporate
training

to >500 businesses
and public sector
clients.

A woman in a red shirt is smiling and holding a tablet.

- Optimi provides **education courses, products, and services** to over 200,000 learners per year
- Optimi's offerings are based on its unique **learning model**, supported by **proprietary technology** and **centralised services**
- The COVID-19 pandemic has **accelerated the adoption of its e-learning offerings**
- As a result, Optimi has experienced **strong earnings growth** of 37.2% CAGR over the past 2 years
- Optimi continues to develop exciting learning solutions for its 4 divisions: **Home, Classroom, College and Workplace**



EXCITING RECENT GROWTH IN OUR DIVISIONS



Successful launch of **Impaq Online School** in January 2022:

- Impaq is **SA's largest provider of home-schooling** (>30,000 learners)
- COVID-19 fast-tracked growth of **school-at-home solutions**
- Impaq Online School: grades 7-11 (to be expanded in future), with **dedicated online teachers in small classes**



Range of **exciting IT courses now available** in Optimi College:

- **Acquisition of IT Academy**, one of SA's leading providers of IT training
- **More than 150 courses**, locally and internationally accredited
- Combination of **online, distance, and classroom** learning
- Opportunity for **significant scale** in SA



BASIS OF VALUATION: PE MULTIPLE



- The **average PE multiple of three listed education companies** is used as a reference point and applied to Optimi's recurring earnings*
- The **average PE ratio of 17.1x** is considered fair considering Optimi's growth prospects and market leading position in its core school-from-home market

(YE: Dec)	FY17	FY18	FY19	FY20	FY21
Optimi PE valuation	Rm	Rm	Rm	Rm	Rm
Revenue	119	211	357	389	433
RHE	10	14	16	23	31
PE multiple				13.7	17.1
Valuation				321	523

* *Note that Curro remains temporarily excluded from such average given its current high PE multiple with its FY21 earnings still severely impacted by Covid-19*



**ENERGY
PARTNERS**

POWERED BY RESULTS

56.7%

BUSINESS OVERVIEW

- Energy Partners is a **fully integrated private utility business** that sells solar energy, cooling and heating to commercial and industrial clients
- The primary business focus is to **grow the investment portfolio of energy assets**
- By owning the assets, Energy Partners secures **recurring income** and a greater share of the lifetime value of the assets

Divisions retained

Brief rationale

Solar

Large scope for photovoltaic solar plants (both as cash and PPA* projects) as well as battery energy storage systems given the cost advantages compared to grid alternatives

Refrigeration

Significant potential to design, build, own and operate industrial and commercial refrigeration plants exists in South Africa where value can be unlocked through the funding model, exceptional design, execution and operation of assets

Steam

The potential exists to design, build, own and operate boilers in South Africa where we have offered clients savings through superior design, control and operations. Assets are typically large and attractive on a PPA model

Energy Intelligence Solutions

The support required to track asset performance and bill utilities is invaluable to our three divisions building assets, as well as to large corporates clients such as Netcare and Pick n Pay

**Power Purchase Agreement, where Energy Partners owns the asset*

BUSINESS MODEL AND BASIS OF VALUATION

The business model comprises two components:

1. Operations business

- Constructs and sells energy installations to external customers or to the Energy Partners investment business*

**Inter-company transactions occur on an arms-length basis*

2. Investment business

- Owns energy-related assets with long-term off-take agreements with private sector clients





Basis of valuation – EV/EBITDA multiple:

- **The following EBITDA multiples are used to value the respective components of the business:**
 - › Operations business - 6.0x
 - › Investment business - 10.0x
- **The following adjustments are made in the interest of accuracy:**
 - › The EBITDA from assets commissioned in the last 12 months is annualised (otherwise the debt would be overstated)
 - › Available cash and the cost of work-in-progress assets are added to the valuation
 - › All debt is deducted from the valuation
 - › Inter-company transactions are not eliminated for valuation purposes (the two businesses are valued independently)
 - › Loss-making operating divisions are valued at zero (these are expected to become profitable or will be closed otherwise)

BASIS OF VALUATION: EV/EBITDA MULTIPLE (CONTINUED)

Historical financials (YE: Jan) (Rm)	FY17	FY18	FY19	FY20	FY21	FY22	5-year CAGR
Cumulative commissioned energy assets (owned by EP)	52	100	159	253	345	452	54%
Work-in-progress energy assets	-	7	15	48	86	233	n/a
Total capital value of energy assets	52	107	174	300	431	685	67%
EBITDA from Investments	7	17	29	35	50	62	54%
EBITDA from continued Operations	5	34	8	16	15	28	40%
Enterprise value					586	790	
Debt net of cash					(139)	(354)	
Add work-in-progress asset value					86	233	
Equity value					534	669	
PSG Alpha shareholding					57.2%	56.7%	
PSG Alpha valuation					305	379	
Average yield on assets	13.8%	16.7%	17.9%	14.0%	14.4%	13.7%	

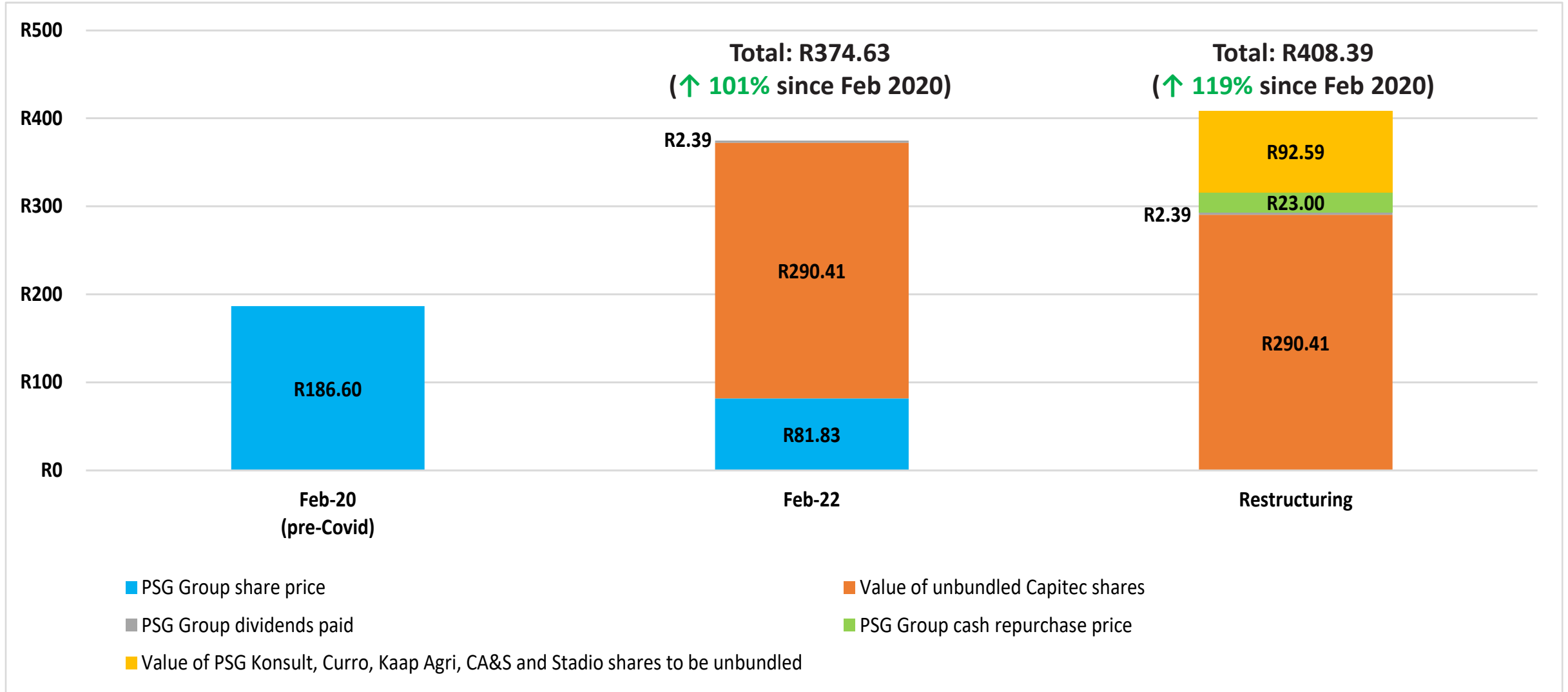
OTHER INVESTMENTS

Investment	%	Focus	Comments
	45.1	Nanofiber material science	<ul style="list-style-type: none"> Established a joint venture in USA with Taiki International (Japanese cosmetics manufacturer) to produce and sell nanofiber-based cosmetic facial masks and related products While there is promising interest from major global cosmetics brands, business development is taking longer than expected to generate recurring orders and revenue
	73	Improve new car purchase experience	<ul style="list-style-type: none"> Systems approach and digital marketing proving successful Carter owns the #1 and #2 Renault dealerships in South Africa Has agreed in principle to acquire additional dealerships with other brands; in process to seek OEM approvals
	42.4	Mining support services	<ul style="list-style-type: none"> 51% black-owned mining services business Specialises in structural support and outsourced mining services in the platinum mining industry Looking to diversify geographically and into related commodities
	49.9	LBO specialist	<ul style="list-style-type: none"> Diversified portfolio of four investments

VALUE CREATION



STRONG RETURNS TO SHAREHOLDERS DURING THE PAST TWO YEARS, DESPITE THE COVID PANDEMIC



PSG GROUP'S UNDERLYING INVESTEES' WEBSITES

- Most of PSG Group's major underlying investees presented their results recently
- For more information, please visit the respective companies' websites:
 - › PSG Konsult: www.psg.co.za
 - › Curro: www.curro.co.za
 - › Zeder: www.zeder.co.za
 - Kaap Agri: www.kaapagri.co.za
 - › PSG Alpha investments:
 - CA&S: www.casholdings.co.za
 - Evergreen: www.evergreenlifestyle.co.za
 - Stadio: www.stadio.co.za
 - Optimi: www.optimi.co.za
 - Energy Partners: www.energypartners.co.za

Questions?



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