

RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2019



PSG GROUP LIMITED

RECURRING EARNINGS ↑ 9% to R10,86 per share

SOTP VALUE of R329,73 per share as at 18 April 2019

DIVIDEND FOR THE YEAR ↑ 10% to R4,56 per share

OVERVIEW

PSG Group Ltd ("PSG") is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include banking, financial services, education and food and related business, as well as early-stage investments in select growth sectors. PSG's market capitalisation (net of treasury shares) is approximately R60bn.

PERFORMANCE

The two key benchmarks used by PSG to measure performance are *sum-of-the-parts* ("SOTP") value and *recurring earnings* per share, as long-term growth in PSG's SOTP value and share price should depend on, inter alia, sustained growth in the *recurring earnings* per share of our underlying investments.

SOTP

The calculation of PSG's SOTP value is simple and requires limited subjectivity as more than 90% of the value is calculated using JSE-listed share prices, while other investments are included at market-related valuations. At 28 February 2019, the SOTP value per PSG share was R311,45 (2018: R255,17), representing a 22% increase. At 18 April 2019, it was R329,73 per share. The five-year compound annual growth rate ("CAGR") of PSG's SOTP value per share and share price at 28 February 2019 was 27% and 24%, respectively.

Asset/(liability)	28 Feb 2017 Rm	28 Feb 2018 Rm	28 Feb 2019 Rm	18 Apr 2019 Rm	Share of total	Five-year CAGR ^{^^}
Capitec*	25 727	29 540	46 351	50 439	67%	48%
PSG Konsult*	6 084	7 048	8 700	8 400	11%	16%
Curro* (incl. Stadio until unbundling in Oct 2017)	11 180	7 987	5 714	5 913	8%	(2%)
PSG Alpha	1 909	5 201	4 712	4 683	6%	21%
Stadio* (since unbundling from Curro in Oct 2017)		2 379	1 253	1 239		
Other investments**	1 909	2 822	3 459	3 444		
Zeder*	5 398	4 823	3 166	3 255	4%	1%
Dipeo**	812	535				n/a
Other assets	3 586	2 603	1 702	2 237	4%	
Cash [^]	1 513	1 000	323	369		
Pref investments and loans receivable [^]	2 002	1 558	1 297	1 786		
Other [^]	71	45	82	82		
Total assets	54 696	57 737	70 345	74 927		100%
Perpetual pref funding*	(1 350)	(1 278)	(1 367)	(1 446)		
Other debt [^]	(949)	(949)	(1 020)	(1 535)		
Total SOTP value	52 397	55 510	67 958	71 946		
Shares in issue (net of treasury shares) (m)	217,5	217,5	218,2	218,2		
SOTP value per share (R)	240,87	255,17	311,45	329,73		27%
Share price (R)	251,43	217,50	259,78	272,90		24%

* Listed on the JSE Ltd ** SOTP value

[^] 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

RECURRING EARNINGS

PSG's *recurring earnings* per share increased by 9% to R10,86 (2018: R9,94) following commendable performance from Capitec (up 19%), PSG Konsult (up 4%) and Curro (up 23%), offset by PSG Alpha (down 7%) and Zeder (flat).

	28 Feb 2017 Rm	28 Feb 2018 Rm	Change %	28 Feb 2019 Rm
Capitec	1 164	1 369		1 625
PSG Konsult	300	348		361
Curro (incl. Stadio until unbundling in Oct 2017)	96	110		137
PSG Alpha (incl. Stadio since unbundling in Oct 2017)	133	172		216
Zeder	275	205		207
Dipeo	(20)	(56)		(29)
PSG Corporate	29	(7)		(45)
Other (mainly pref div income)	112	136		84
Recurring earnings before funding	2 089	2 277	12	2 556
Funding (net of interest income)	(104)	(135)		(199)
Recurring earnings	1 985	2 142	10	2 357
Non-recurring items	160	(186)		(163)
Headline earnings	2 145	1 956	12	2 194
Non-headline items	17	(42)		(268)
Attributable earnings	2 162	1 914	1	1 926
Weighted average number of shares in issue (net of treasury shares) (m)	214,2	215,5	1	217,0
Earnings per share (R)				
- Recurring	9,27	9,94	9	10,86
- Headline	10,01	9,08	11	10,11
- Attributable	10,09	8,88	-	8,88
Dividend per share (R)	3,75	4,15	10	4,56

PSG's *headline earnings* per share increased by 11% mainly due to the aforementioned increase in *recurring earnings*, whilst *attributable earnings* per share showed no growth mainly as a result of Zeder's impairment of its investment in Pioneer Foods following the decline in its share price.

PROSPECTS

Despite obvious challenges, PSG remains positive about South Africa and the opportunities it presents. We believe PSG's investment portfolio is suitably positioned to continue yielding above-average returns.

DIVIDEND

PSG's policy remains to pay up to 100% of available free cash flow as an ordinary dividend, of which approximately one third is payable as an interim and the balance as a final dividend at year-end. The directors have resolved to declare a final gross dividend of 304 cents (2018: 277 cents) per share from income reserves for a total gross dividend of 456 cents (2018: 415 cents) per share in respect of the year ended 28 February 2019.

The final dividend amount, net of South African dividend tax of 20%, is 243,2 cents per share for

those shareholders that are not exempt from dividend tax. The number of ordinary shares in issue at the declaration date is 232 108 050, and the income tax number of the company is 9950080714.

The salient dates for this dividend distribution are:

Last day to trade cum dividend	Tuesday, 14 May 2019
Trading ex-dividend commences	Wednesday, 15 May 2019
Record date	Friday, 17 May 2019
Payment date	Monday, 20 May 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 May 2019, and Friday, 17 May 2019, both days inclusive.

REVIEWED FINANCIAL RESULTS

This voluntary short-form announcement contains only a summary of the reviewed information in the full announcement published on the Stock Exchange News Service ("SENS") on Wednesday, 24 April 2019, and is the responsibility of the directors. Please refer to the full announcement for additional information. The full announcement is available for viewing on PSG's website at www.psggroup.co.za or may be requested and obtained in person, at no charge, at the registered office of the company or the company's sponsor during office hours. Any investment decisions should be based on consideration of the full announcement published on SENS.

A SPECIAL THANK YOU TO JANNIE MOUTON

We would like to extend a special word of thanks to Jannie Mouton, PSG's founder and chairman of 24 years, who retired from the board during the year under review. Jannie, we are eternally grateful to you and the team for the fantastic company you have built and the positive contribution that you have made to South Africa. The PSG board wishes you only the very best.

On behalf of the board

KK Combi
Chairman

Piet Mouton
Chief Executive Officer

Wynand Greeff
Chief Financial Officer

Stellenbosch
24 April 2019

PSG GROUP LTD ("the company"): Registration number: 1970/008484/06

JSE Ltd share code: PSG ISIN code: ZAE000013017

DIRECTORS: ZL Combi (Chairman)[^], PE Burton^{^^}, FJ Gouws^{**}, WL Greeff (CFO)^{*}, AM Hlobo[^], JA Holtzhausen^{*}, B Mathews[^], JJ Mouton^{**}, PJ Mouton (CEO)^{*}, CA Otto[^]

^{*} Executive ^{**} Non-executive [^] Independent non-executive ^{^^} Lead independent

COMPANY SECRETARY AND REGISTERED OFFICE: PSG Corporate Services (Pty) Ltd, 1st Floor Ou Kollege, 35 Kerk Street, Stellenbosch, 7600; PO Box 7403, Stellenbosch, 7599

TRANSFER SECRETARY: Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; PO Box 61051, Marshalltown, 2107

SPONSOR: PSG Capital

AUDITOR: PricewaterhouseCoopers Inc