

RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2018



PSG GROUP LIMITED

RECURRING EARNINGS ↑ 7% to R9,94 per share

SOTP VALUE of R252,81 per share as at 20 April 2018

DIVIDEND FOR THE YEAR ↑ 11% to R4,15 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, education, financial services and food and related business, as well as early-stage investments in selected growth sectors. PSG's market capitalisation (net of treasury shares) is approximately R49bn.

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 2018, the SOTP value per PSG share was R255,17 (2017: R240,87), representing a 6% increase. At 20 April 2018, it was R252,81 per share. The five-year compound annual growth rate ("CAGR") of both PSG's SOTP value and share price was 29% at 28 February 2018.

Asset/(liability)	29 Feb 2016	28 Feb 2017	28 Feb 2018	20 Apr 2018	Share of total	Five-year CAGR*
	Rm	Rm	Rm	Rm		
Capitec*	16 820	25 727	29 540	30 670	54%	35%
Curro* (incl. Stadio until unbundling in Oct 2017)	9 773	11 180	7 987	7 079	12%	13%
PSG Konsult*	5 441	6 084	7 048	7 363	13%	25%
Zeder*	2 815	5 398	4 823	4 464	8%	14%
PSG Alpha	1 367	1 909	5 201	4 626	8%	29%
Stadio* (since unbundling from Curro in Oct 2017)			2 379	1 727		
Other investments [†]	1 367	1 909	2 822	2 899		
Dipeo [†]	557	812	535	378	1%	
Other assets	5 868	3 586	2 603	2 604	4%	
Cash [†]	2 895	1 513	1 000	962		
Pref investments and loans receivable [†]	1 335	2 002	1 558	1 597		
PSG Corporate ^{††}	1 510					
Other [†]	128	71	45	45		
Total assets	42 641	54 696	57 737	57 184	100%	
Perpetual pref funding*	(1 309)	(1 350)	(1 278)	(1 184)		
Other debt [†]	(949)	(949)	(949)	(1 004)		
Total SOTP value	40 383	52 397	55 510	54 996		
Shares in issue (net of treasury shares) (m)	216,3	217,5	217,5	217,5		
SOTP value per share (R)	186,67	240,87	255,17	252,81		29%
Share price (R)	173,69	251,43	217,50	226,45		29%

* Listed on the JSE Ltd † SOTP value †† Valuation † Carrying value

Based on share price/SOTP value per share

Note: PSG's live SOTP is available at www.psggroup.co.za

RECURRING EARNINGS

PSG's *recurring earnings* per share increased by 7% following resilient performance from the majority of PSG's core investments (Capitec up 18%; Curro schools up 17%; PSG Konsult up 16%; PSG Alpha up 4%) during the year under review. This was offset by Zeder's weaker performance (down 35%), being largely invested in the food and related sectors that were negatively affected by particularly tough conditions.

	29 Feb 2016	28 Feb 2017	Change %	28 Feb 2018
	Rm	Rm	%	Rm
Capitec	989	1 164		1 369
Curro (incl. Stadio until unbundling in Oct 2017)	58	96		110
PSG Konsult	254	300		348
Zeder	212	275		205
PSG Alpha (incl. Stadio since unbundling in Oct 2017)	113	133		172
Dipeo	(28)	(20)		(56)
PSG Corporate	69	29		(7)
Other (mainly pref div income)	101	112		136
Recurring earnings before funding	1 768	2 089	9	2 277
Funding (net of interest income)	(148)	(104)		(135)
Recurring earnings	1 620	1 985	8	2 142
Non-recurring items	(250)	160		(186)
Headline earnings	1 370	2 145	(9)	1 956
Non-headline items	113	17		(42)
Attributable earnings	1 483	2 162	(11)	1 914
Weighted average number of shares in issue (net of treasury shares) (m)	205,7	214,2	1	215,5
Earnings per share (R)				
- Recurring	7,88	9,27	7	9,94
- Headline	6,66	10,01	(9)	9,08
- Attributable	7,21	10,09	(12)	8,88
Dividend per share (R)	3,00	3,75	11	4,15

PSG's *headline* and *attributable earnings* per share decreased by 9% and 12%, respectively, mainly as a result of unrealised fair value losses incurred on Dipeo's investment portfolio, as opposed to unrealised fair value gains achieved in the prior year.

PROSPECTS

Although Zeder, in particular, experienced a challenging year, we believe PSG's investment portfolio is well 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 277 cents (2017: 250 cents) per share from income reserves for a total gross dividend of 415 cents (2017: 375 cents) per share in respect of the year ended 28 February 2018.

The final dividend amount, net of South African dividends tax of 20%, is 221,6 cents per share for those shareholders that are not exempt from dividends tax. The number of ordinary shares in issue at the declaration date is 231 449 404, 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, 15 May 2018
Trading ex-dividend commences	Wednesday, 16 May 2018
Record date	Friday, 18 May 2018
Payment date	Monday, 21 May 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 May 2018, and Friday, 18 May 2018, both days inclusive.

REVIEWED FINANCIAL RESULTS

This short-form announcement contains only a summary of the information of the full announcement made on the Stock Exchange News Service ("SENS") on Tuesday, 24 April 2018, 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 made on SENS.

On behalf of the board

Jannie Mouton
Chairman

Piet Mouton
Chief Executive Officer

Wynand Greeff
Chief Financial Officer

Stellenbosch
24 April 2018

PSG GROUP LTD ("the company"):

Registration number: 1970/008484/06
JSE share code: PSG ISIN code: ZAE000013017

DIRECTORS:

JF Mouton (Chairman)*, PE Burton*, ZL Combi*, FJ Gouws*, WL Greeff (CFO)*, JA Holtzhausen*, B Mathews*, JJ Mouton*, PJ Mouton (CEO)*, CA Otto*

* Executive † Non-executive † Independent non-executive

COMPANY SECRETARY AND REGISTERED OFFICE:

PSG Corporate Services (Pty) Ltd,
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TRANSFER SECRETARY:

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Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; PO Box 61051, Marshalltown, 2107

SPONSOR: PSG Capital

AUDITOR: PricewaterhouseCoopers Inc