



supergroup 

RESULTS PRESENTATION

For the six months ended 31 December 2023

February
2024



“ The Group’s financial results demonstrate its resilience in the face of tough trading conditions ”

OVERVIEW
Peter Mountford

HY2024 PERFORMANCE HIGHLIGHTS

Revenue

increased by **11.9%** to

R33.22 billion

(Dec 2022: R29.69 billion*)

EBITDA

increased by **5.1%** to

R4.24 billion

(Dec 2022: R4.04 billion*)

Operating profit

increased by **4.0%** to

R2.01 billion

(Dec 2022: R1.93 billion*)

Profit before taxation

decreased by **6.2%** to

R1.41 billion

(Dec 2022: R1.50 billion*)

EPS

decreased by **15.0%** to

206.0 cents

(Dec 2022: R242.2 cents*)

HEPS

decreased by **16.2%** to

201.2 cents

(Dec 2022: 240.2 cents*)

Operating cash flow

increased by **3.2%** to

R4.19 billion

(Dec 2022: R4.06 billion)

NAV per share

decreased by **2.2%** to

R45.35

(30 June 2023: R46.35*)

*Restated

THE TRADING ENVIRONMENT

In South Africa, load shedding, port delays, rail capacity constraints, border inefficiencies, high unemployment and political uncertainty continued to impede economic activity.

Economic growth in Germany remained weak, impacted by high energy prices, tight monetary policy and poor foreign demand. The German manufacturing sector continued to contract.

The UK economy remained sluggish with consumers facing ongoing financial pressure due to high interest rates. Constrained consumer demand and burgeoning finance costs are likely to impede economic growth in the short term.

Despite cost-of-living pressures and higher interest rates, the Australian economy proved to be resilient. Tender and new business activity reached record levels, although the supply of mainstream vehicle models remains constrained.



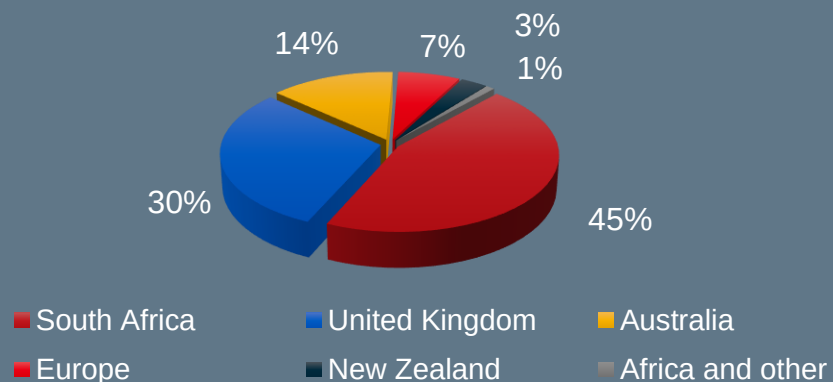
“Super Group continues to demonstrate the agility required to counter market challenges and leverage opportunities for growth”

DIVISIONAL REVIEWS

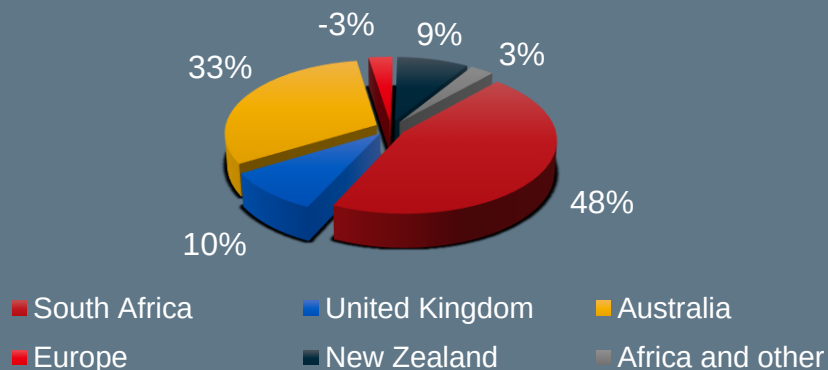
Peter Mountford

INTERNATIONAL VS SOUTH AFRICAN CONTRIBUTIONS (DECEMBER 2023)

Revenue contribution per region



Operating profit contribution per region

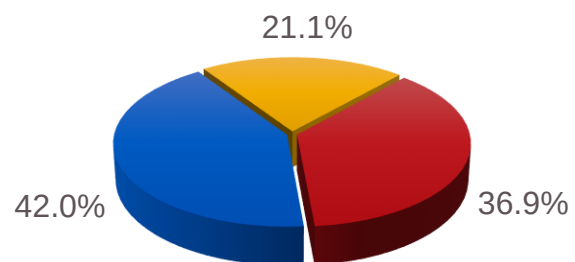


- Super Group's international operations contributed 55% of sales revenue (Dec 2022: 52%) and 52% of operating profit (Dec 2022: 53%)
- SG Fleet and Dealerships UK now account for 45% of revenue and 50% of operating profit
- The German and Iberian supply chain businesses contributed 7% of revenue and reported an operating loss after amortisation of intangibles

SEGMENTAL ANALYSIS

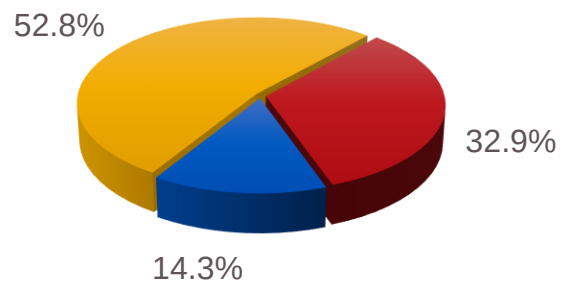
December 2023

Revenue



■ Supply Chain ■ Dealerships ■ Fleet Solutions

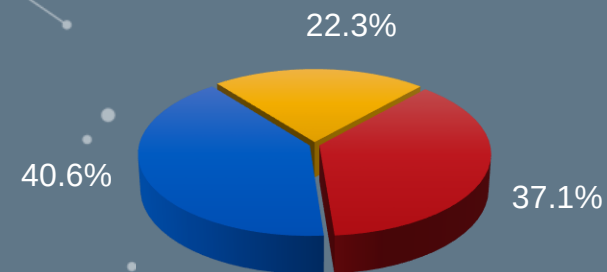
Operating profit



■ Supply Chain ■ Dealerships ■ Fleet Solutions

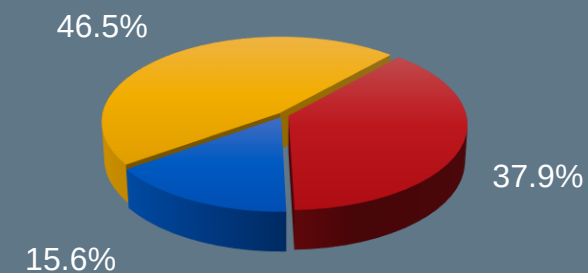
December 2022

Revenue



■ Supply Chain ■ Dealerships ■ Fleet Solutions

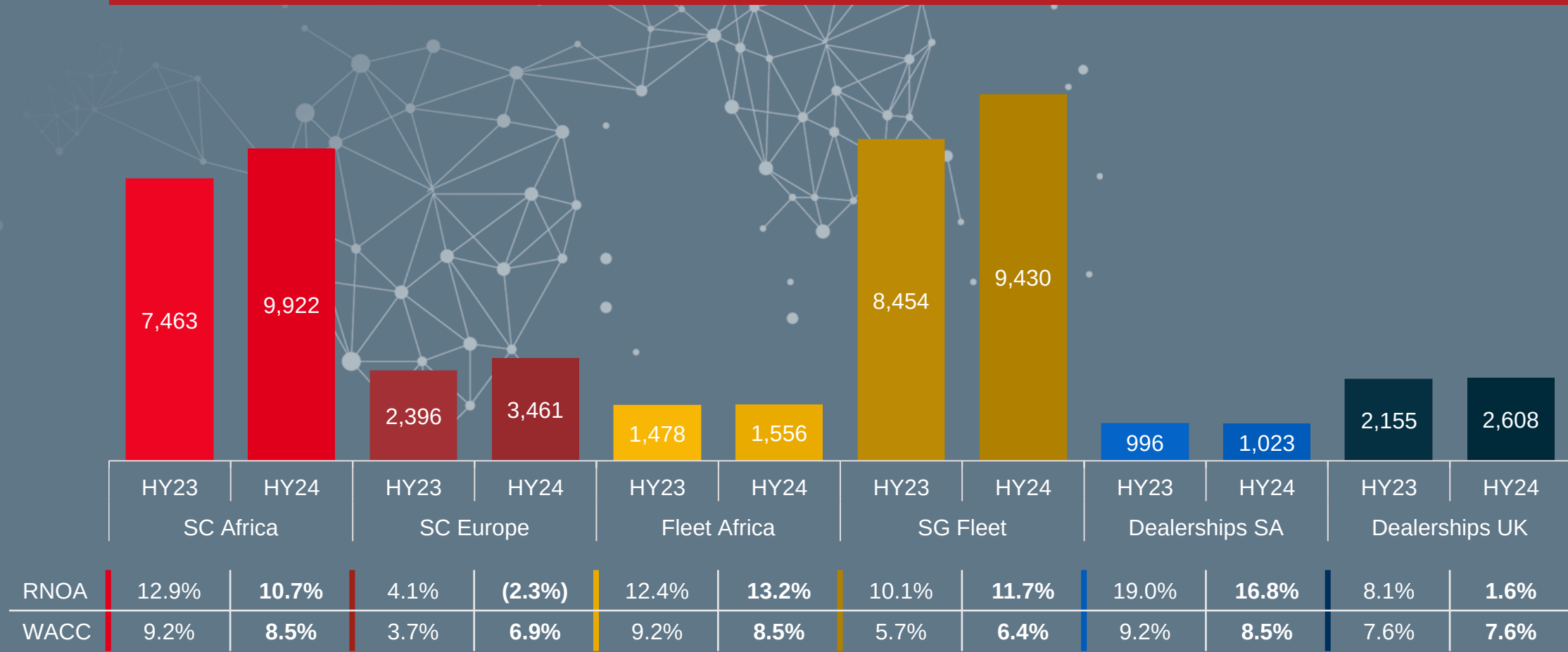
Operating profit



■ Supply Chain ■ Dealerships ■ Fleet Solutions

NET OPERATING ASSETS AND RNOA

The Group's RNOA for the 6 months ended 31 December 2023 is **8.8%** (December 2022: 10.1%)
Group WACC is **7.0%** (December 2022: 6.1%)





**“Despite economic headwinds,
the consumer business
delivered a particularly strong
performance”**

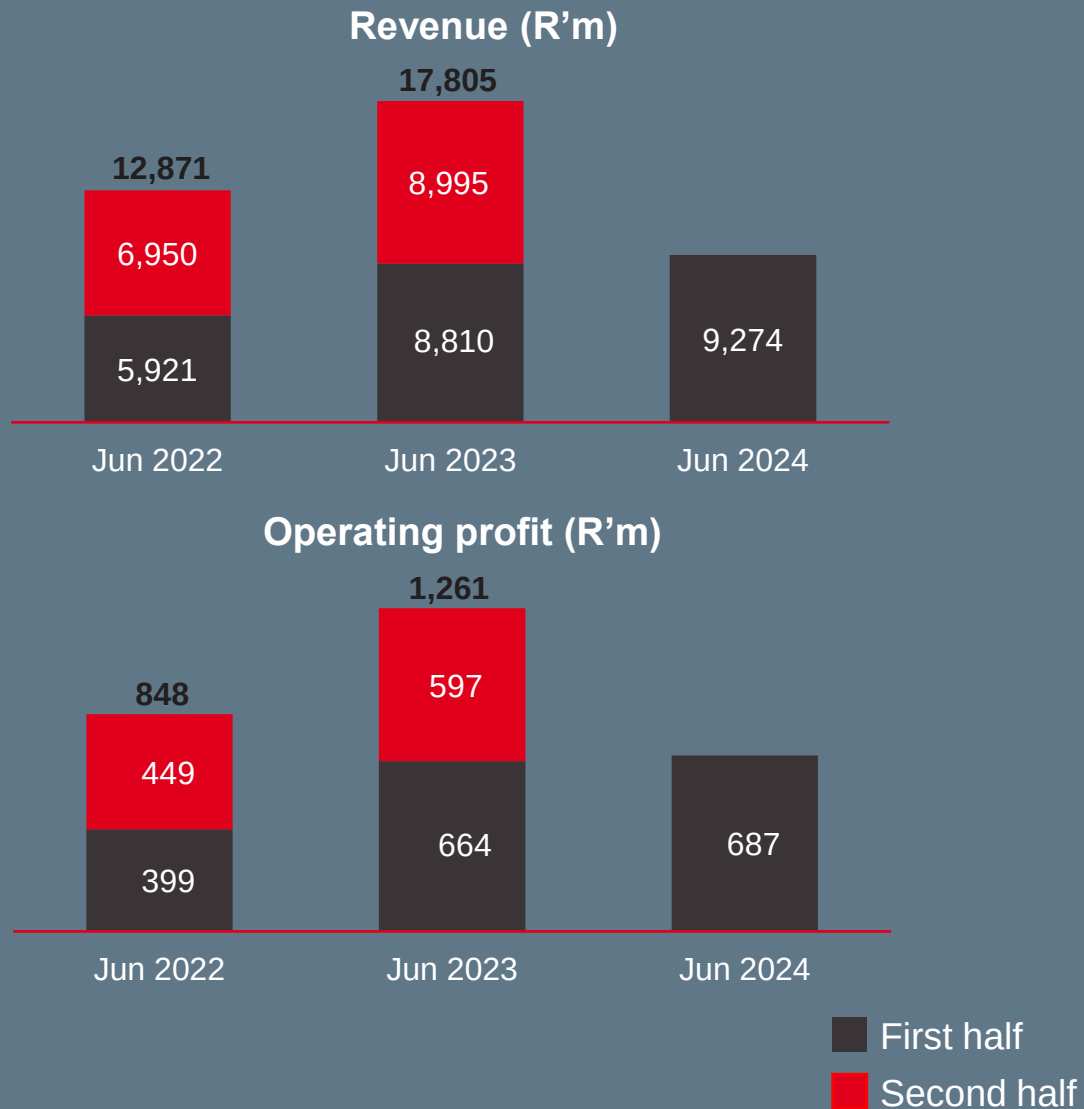
SUPPLY CHAIN

Peter Mountford



SUPPLY CHAIN AFRICA

SUPPLY CHAIN AFRICA



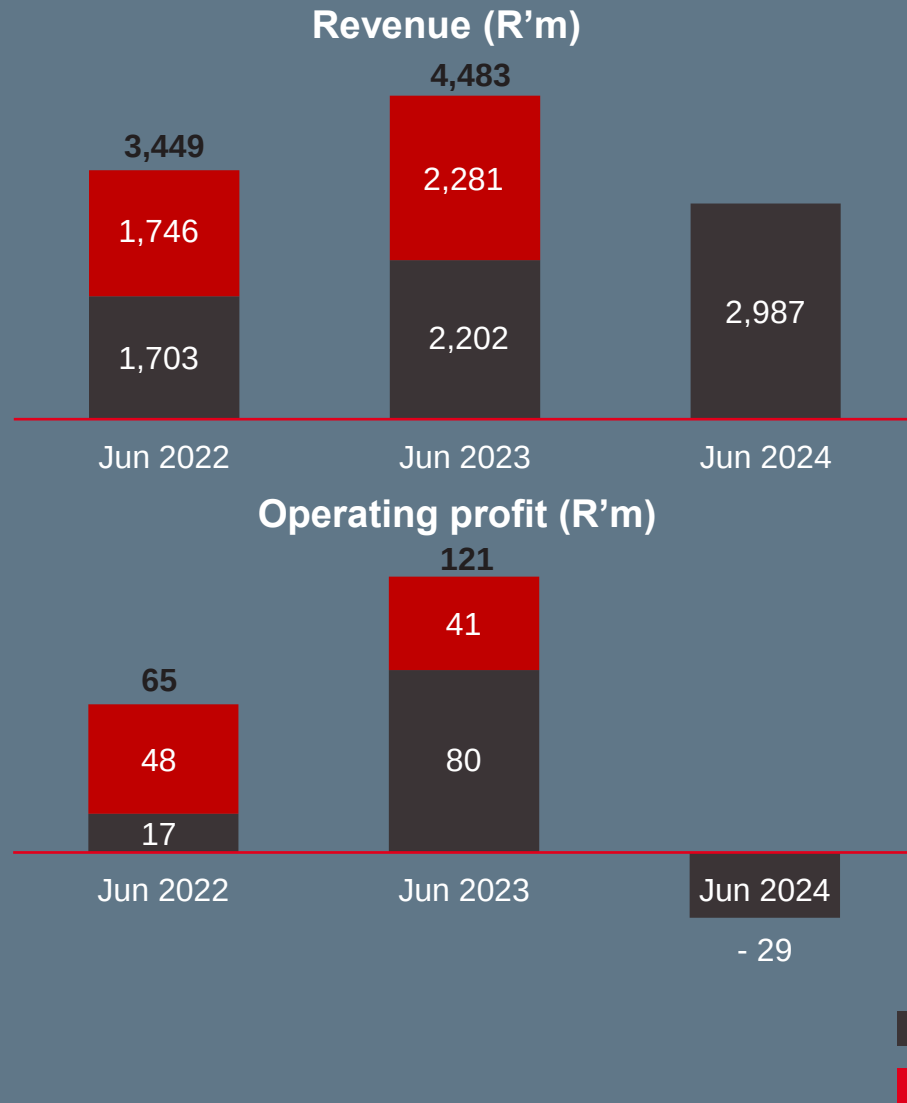
Highlights

- Revenue increased by 5.3% due to a strong performance in the consumer supply chain business
- The consumer business benefitted from new business wins and contract renewals
- The industrial and commodity transport businesses experienced a decline in volumes and operating margins and were significantly impacted by border delays and slow turn-around times at South African ports
- Divisional operating profit increased by 3.4% despite a decline in commodity exports and lower activity levels across the industrial products sector
- Operating profit margin decreased slightly from 7.5% (Dec 2022) to 7.4%



**SUPPLY CHAIN
EUROPE**

SUPPLY CHAIN EUROPE



Highlights

- Revenue increased by 35.6% mainly as a result of the acquisition of AMCO in July 2023
- Performance negatively impacted by a sharp decline in automotive parts distribution volumes and the erosion of gross margins due to excess vehicle capacity across Germany
- A major client of Ader discontinued its next-day delivery operations, negatively impacting volumes in Iberia
- Despite the operating profit contribution by AMCO, the division incurred an operating loss of R29m due to reduced earnings in inTime and Ader
- The weakening of the Rand against the Euro negatively impacted the results by R14.4 million



**“ SG Fleet’s tender and new
business activity reached
record levels ”**

FLEET SOLUTIONS

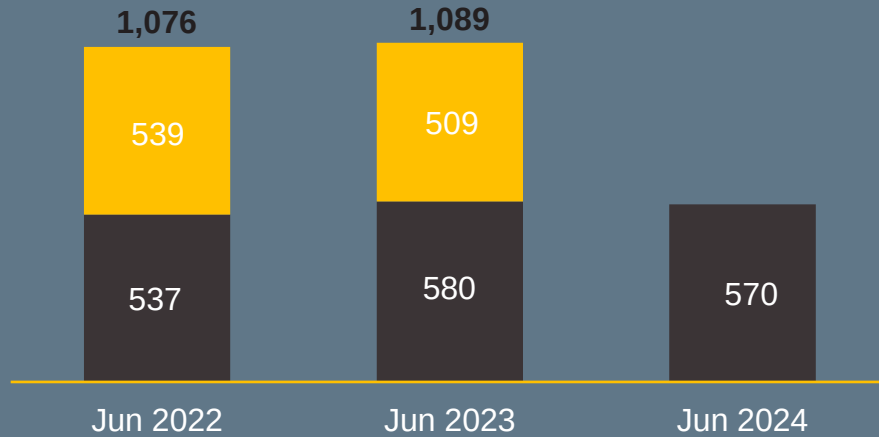
Peter Mountford



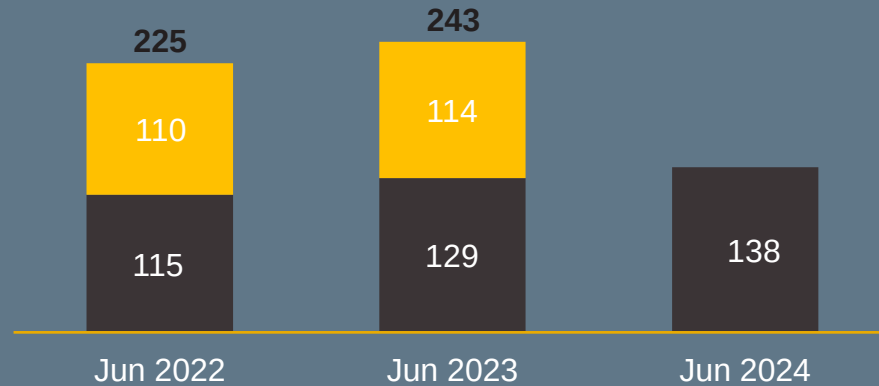
FLEET AFRICA

FLEET AFRICA

Revenue (R'm)



Operating profit (R'm)



■ First half
■ Second half

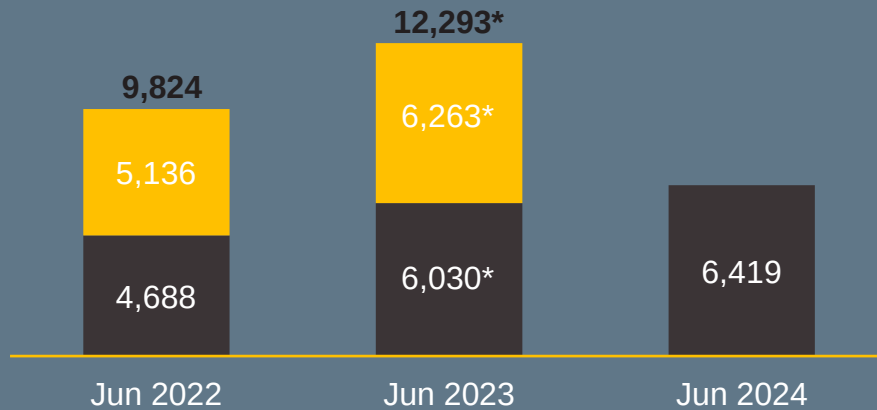
Highlights

- FleetAfrica reported a 1.6% decrease in revenue due to expiring vehicle contracts and delays in the award of government tenders
- Operating profit increased by 7.2% due to improved margins on shorter term rental agreements and lower operating costs
- The division is focused on growing its private sector customer base and third-party management service offering
- Joint venture with Co-Op Bank in Kenya negatively impacted by lower used vehicle sales volumes and delays in parastatal spending

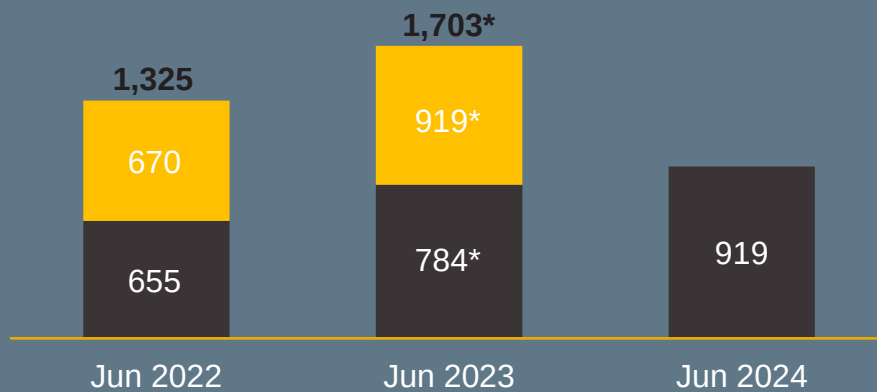


SG FLEET

Revenue (R'm)



Operating profit (R'm)



■ First half
■ Second half

*Restated

Highlights

- Revenue increased by 6.5% and operating profit by 17.3%, driven largely by strong growth in new vehicle delivery volumes
- Tender and new business activity reached record levels, although the supply of mainstream models remained constrained
- Operating expenses were adversely impacted by buoyant labour market conditions and technology implementation costs
- The LeasePlan integration continued successfully and technology developments should generate significant synergies in the next two years
- The weakening of the average Rand against the AUD positively impacted the results by R45.0 million



“ In South Africa, new vehicle sales volumes strongly outperformed NAAMSA ”

DEALERSHIPS

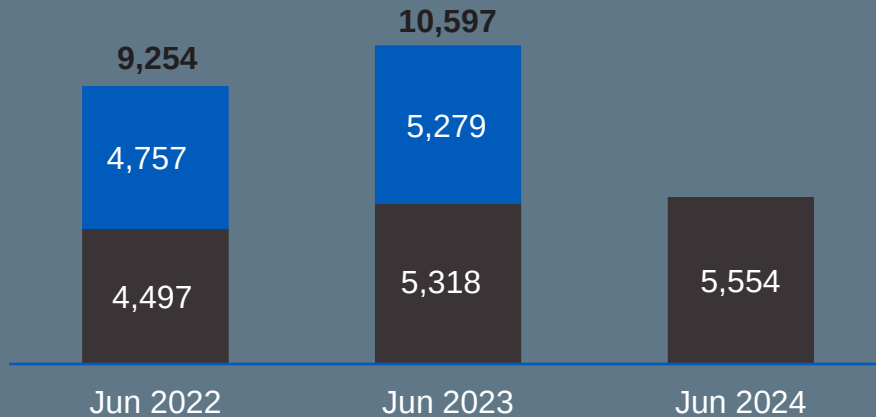
Peter Mountford



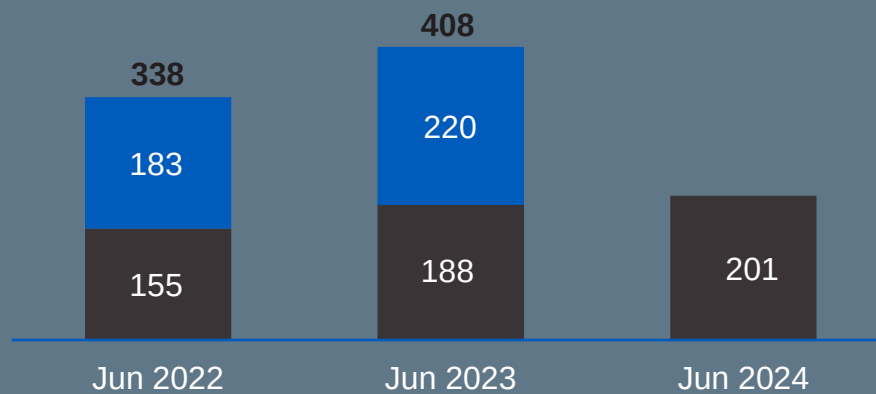
**DEALERSHIPS
SA**

DEALERSHIPS SA

Revenue (R'm)



Operating profit (R'm)



■ First half
■ Second half

Highlights

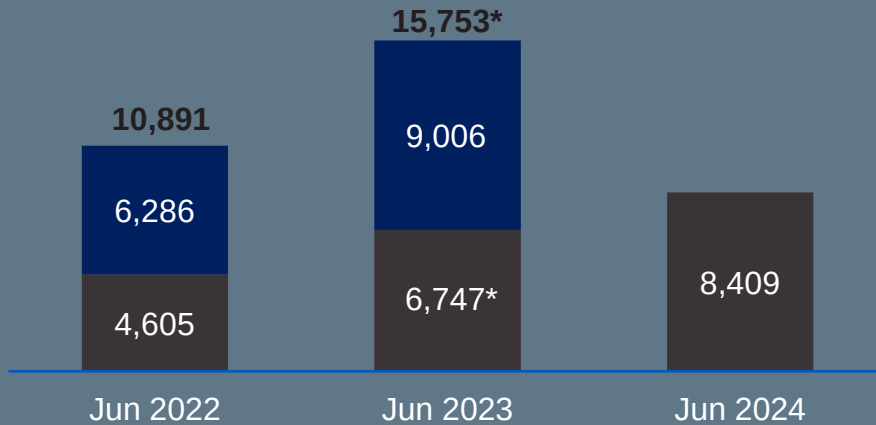
- Revenue growth of 4.4% on the back of stronger new and used vehicle sales
- New vehicle sales volumes increased by 8.9%, outperforming the NAAMSA decrease of 4.7%
- Used vehicle sales volumes grew by 4.9% with optimisation of inventories and trade-in values partially mitigating price erosion
- Operating profit increased by 6.8% despite moderating new and used vehicle margins
- A continued focus on cost management resulted in operating profit margins increasing from 3.5% (Dec 2022) to 3.6%



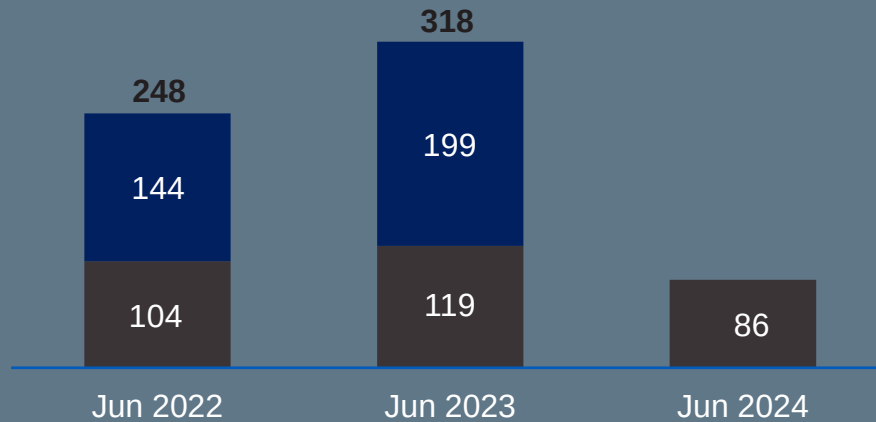
DEALERSHIPS
UK

DEALERSHIPS UK

Revenue (R'm)



Operating profit (R'm)



■ First half
■ Second half

*Restated

Highlights

- New vehicle sales volumes increased by 16.1% due to improved inventory availability in the Ford brand
- Used vehicle sales volumes decreased 11.7% due to a shift in demand to new vehicles
- Operating profit decreased by 27.4% due to significantly lower new and used vehicle gross margins
- The weakening of the average Rand against the GBP positively impacted the results by R3.2 million



“ Increase in revenue driven by the weakening of the average Rand exchange rate and the acquisitions of AMCO and Right Side Up ”

REVIEWED FINAL RESULTS

Colin Brown

STATEMENT OF COMPREHENSIVE INCOME

R'million	Six months ended 31 December 2023 Unaudited	Six months ended 31 December 2022 Restated	Change
Revenue	33 216.0	29 690.0	11.9%
EBITDA	4 242.4	4 037.4	5.1%
Depreciation and amortisation	(2 234.4)	(2 106.4)	6.1%
Operating profit before capital items	2 008.0	1 931.0	4.0%
<i>Operating profit margin</i>	6.0%	6.5%	
Capital items	24.3	13.4	80.2%
Operating profit after capital items	2 032.3	1 944.4	4.5%
Net finance costs	(621.5)	(440.7)	41.0%
Profit before tax	1 410.8	1 503.7	(6.2%)
Income tax expense	(400.5)	(418.5)	(4.3%)
Profit after tax	1 010.3	1 085.2	(6.9%)
Earnings per share (cents)	206.0	242.2	(15.0%)
Headline earnings per share (cents)	201.2	240.2	(16.2%)

Highlights

- AMCO contribution included in current period:
 - Revenue of R742.0 million
 - EBITDA of R81.2 million
- Average borrowings rate increased to 6.4% (December 2022: 5.0%)
- Non-controlling interests increased by 22.0% to R317.4 million (December 2022: R260.2 million)
- Weighted average number of shares decreased by 1.2% to 336.3 million (December 2022: 340.6 million)
- Restatement decreased prior period operating profit and PBT by AUD6.4 million (R73.9 million)

STATEMENT OF FINANCIAL POSITION

R'million	As at 31 December 2023 Unaudited	As at 30 June 2023 Restated	Change
Non-current assets	42 636.3	41 991.7	1.5%
Property, plant and equipment & ROU assets	13 050.6	12 156.3	7.4%
Investment property	191.7	162.2	18.2%
Lease portfolio assets	15 168.0	15 578.2	(2.6%)
Goodwill and intangible assets	13 748.5	13 145.8	4.6%
Investments and other non-current assets	477.5	949.2	(49.7%)
Current assets	33 216.9	31 196.6	6.5%
Lease portfolio assets	8 914.6	6 009.1	48.4%
Inventories	6 310.0	6 210.1	1.6%
Trade and sundry receivables	11 085.8	9 894.6	12.0%
Income tax receivable	53.6	18.2	>100%
Cash and cash equivalents	6 852.9	9 064.6	(24.4%)
Total assets	75 853.2	73 188.3	3.6%

Highlights

- Capex mainly included Supply Chain vehicle fleets
- Increase in total current and non-current lease portfolio assets by R2.5 billion in SG Fleet
- Increase of R891.5 million in Goodwill and intangible assets relate to acquisitions
- Cash of R1.8 billion held in securitisation warehouses
- Restatement increased sundry receivables by R157 million at June 2023

STATEMENT OF FINANCIAL POSITION (CONTINUED)

R'million	As at 31 December 2023 Unaudited	As at 30 June 2023 Restated	Change
Total equity	19 144.4	19 570.0	(2.2%)
Fund reserves and provisions	2 329.9	2 447.3	(4.8%)
Deferred tax liabilities	2 067.7	1 968.4	5.0%
Interest-bearing borrowings	11 889.6	11 479.7	3.6%
Lease portfolio borrowings	1 944.4	1 966.9	(1.1%)
Securitised warehouse lease borrowings	17 631.5	15 333.8	15.0%
ROU lease liabilities	2 962.7	2 871.6	3.2%
Non-controlling interest put options and other	770.3	503.0	53.1%
Trade and other payables	17 112.7	17 047.6	0.4%
Total equity and liabilities	75 853.2	73 188.3	3.6%
Issued shares less treasury shares ('000)	338.5	334.7	1.1%
Net asset value per share (Rand)	45.35	46.35	(2.2%)

Highlights

- Warehouse lease borrowings increased in SG Fleet
- Non-controlling interest put options increased due to acquisitions during the period
- Net gearing excluding ROU lease liabilities and securitised warehouse borrowings at 36.5% (PY: 22.4%)
- RNOA at 8.8% (PP: 10.1%)
- ROE at 9.0% (PP: 12.1%)

NET BORROWINGS

R'million	Borrowings 31 December 2023	Cash 31 December 2023	Net borrowings/ (cash) 31 December 2023	Net borrowings/ (cash) 30 June 2023	Change
Africa and other	8 876.0	2 858.1	6 017.9	4 151.7	44.9%
United Kingdom	1 373.9	214.2	1 159.7	708.3	63.7%
Europe	39.4	298.8	(259.4)	(854.6)	(69.7%)
Australia & NZ	3 544.7	1 705.7	1 839.0	2 147.5	(14.4%)
Australia & NZ – Securitised Warehouses	17 631.5	1 776.1	15 855.4	13 562.9	16.9%
TOTAL	31 465.5	6 852.9	24 612.6	19 715.8	24.8%

- Raised net R137 million of bond notes during the period
- Group covenants met with healthy headroom
- Debt maturity profile (excluding securitised warehouses): 75% long-term debt (longer than 12 months)
- Total unutilised funding facilities of R9.7 billion
- Funders of the Securitised Warehouses only have recourse to the lease portfolio vehicles and receivable balances. There are no holding company guarantees from SG Fleet or Super Group

STATEMENT OF CASH FLOWS

R'million	31 Dec 2023 Unaudited	31 Dec 2022 Unaudited	Change
Cash flows from operating activities			
Operating cash flow	4 188.0	4 058.5	3.2%
Working capital outflow - other	(1 042.7)	(103.6)	>100.0%
Working capital outflow - lease portfolio assets	(3 826.9)	(1 830.9)	>100.0%
Cash (utilised)/generated from operations	(681.6)	2 124.0	(>100.0%)
Net finance costs paid	(604.2)	(461.5)	30.9%
Income tax paid	(226.6)	(582.5)	(61.1%)
Dividends paid	(448.7)	(382.2)	17.4%
Net cash (utilised)/generated from operating activities	(1 961.1)	697.8	(>100.0%)
Cash flows from investing activities			
Net additions to PPE & intangibles	(1 411.6)	(1 023.5)	37.9%
Acquisitions & other investing activities	(583.3)	(437.2)	33.4%
Net cash outflow from investing activities	(1 994.9)	(1 460.7)	36.6%

Highlights

- Net investment in lease portfolio assets shown separately as part of working capital outflow
- Dividends of R269.4 million paid to Super Group shareholders
- PPE expenditure mainly comprises supply chain vehicles
- Cash of R153.9 million acquired as part of the acquisitions

STATEMENT OF CASH FLOWS (CONTINUED)

R'million	31 Dec 2023 Unaudited	31 Dec 2022 Unaudited	Change
Cash flows from financing activities			
Cash outflow on shares repurchased	(34.6)	(524.0)	(93.4%)
Additional investments in existing subsidiaries	(353.5)	-	nm
Net interest-bearing borrowings raised	379.9	822.1	(53.8%)
Net lease portfolio borrowings raised	2 354.4	340.5	>100.0%
ROU lease liabilities repaid	(378.2)	(276.8)	36.6%
Net cash inflow from financing activities	1 968.0	361.8	>100.0%
Net decrease in cash and cash equivalents	(1 988.0)	(401.1)	>100.0%
Cash and cash equivalents at beginning of period	9 064.6	6 221.6	45.7%
Effect of foreign exchange in cash and cash equivalents	(223.7)	83.0	(>100.0%)
Cash and cash equivalents at end of period	6 852.9	5 903.5	16.1%

Highlights

Additional investments in existing subsidiaries included increasing ownership in:

- SG Coal to 100%
- Lieben Logistics to 80%
- SG Fleet to 53.52%



“ Against a backdrop of global socio-economic volatility, Super Group will continue to adapt its business models to remain relevant and competitive ”

PROSPECTS

Peter Mountford

PROSPECTS

Trading patterns for the second half year to June 2024 are expected to remain largely unchanged.

Supply Chain Africa's FMCG businesses are expected to perform well on the back of new business, as are Fleet Africa and SG Fleet.

The implementation of further cost rationalisation processes in the European supply chain business should result in improving financial performance towards the back end of this financial year.

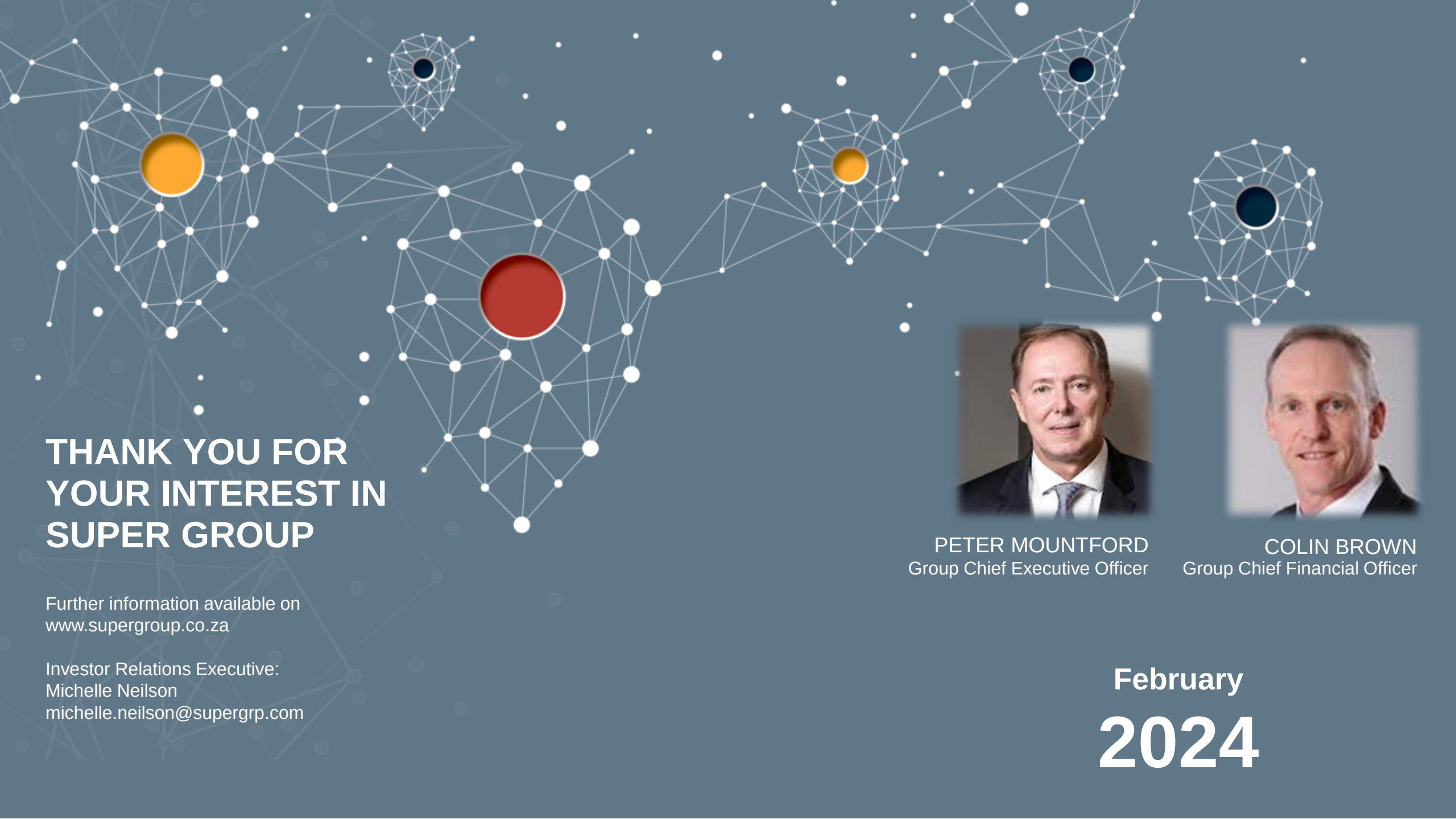
UK Dealerships should show an improved performance in the second half year due to stabilising used vehicle prices.

Forecast uncertainty exists in the UK and Europe due to ongoing high interest rates and falling customer demand. In Southern Africa, infrastructure and port failures, ongoing electricity disruption and political uncertainty will likely continue to impede growth in the commodity and industrial facing operations, in particular.

APPRECIATION

The Group thanks its staff, customers, suppliers, shareholders and board members for their ongoing support.





THANK YOU FOR YOUR INTEREST IN SUPER GROUP

Further information available on
www.supergroup.co.za

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PETER MOUNTFORD
Group Chief Executive Officer



COLIN BROWN
Group Chief Financial Officer

February
2024

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