



Interim Results Presentation

FOR THE SIX MONTHS ENDED 31 DECEMBER **2016**

Agenda

RESULTS AT A GLANCE

SIX MONTH OVERVIEW

DIVISIONAL REVIEWS

 SUPPLY CHAIN

 FLEET SOLUTIONS

 DEALERSHIPS

UNAUDITED INTERIM RESULTS

OUTLOOK



Results at a glance

for the six months ended 31 December 2016

Revenue

15%

R14,1 billion

EBITA

22%

R1,1 billion

Operating profit

17%

R1,0 billion

Profit before taxation

16%

R0,9 billion

EPS

7%

144 cents

Core HEPS

3%

164 cents

NAV per share (since 30 June 2016)

1%

2 217 cents



Six month overview

Super Group's interim results for the six months ended 31 December 2016 were **positively impacted by:**

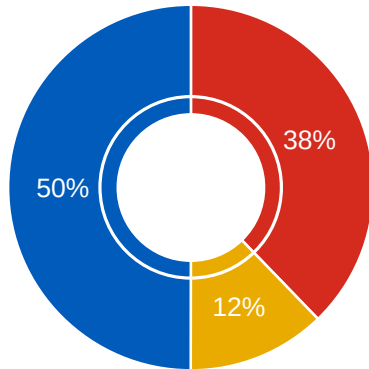
- SG Coal's turnaround in Supply Chain Africa;
- inclusion of IN tIME results for the full period
- solid financial results from SG Fleet Australia, which included:
 - NLC's contribution for the full period;
 - Fleet Hire's (UK) performance for a five month period; and
 - Motiva (UK) results for the month of December 2016
- A strong Dealerships SA performance including the Western Cape acquisition for a four-month period;

compared to prior period:

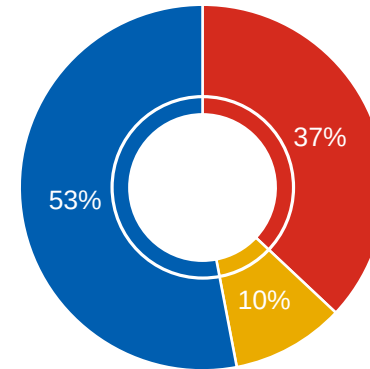
- historic once-off forex profit of R101 million on the SG IN tIME FEC;
- acquisition costs of R88,8 million; and
- an increase of 9.2% in weighted shares in issue following the rights issue and book build in October 2015 and December 2015, respectively

Segmental Analysis

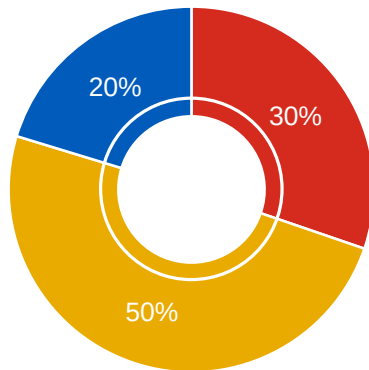
REVENUE | 31 Dec 2016



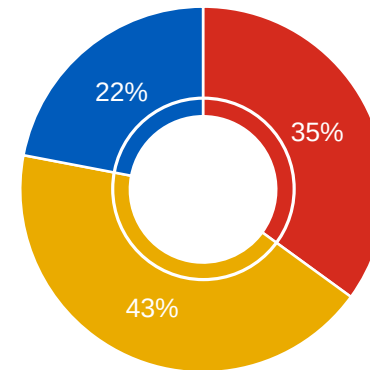
REVENUE | 31 Dec 2015



OPERATING PROFIT | 31 Dec 2016



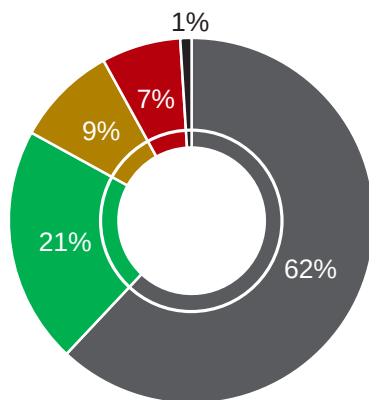
OPERATING PROFIT | 31 Dec 2015



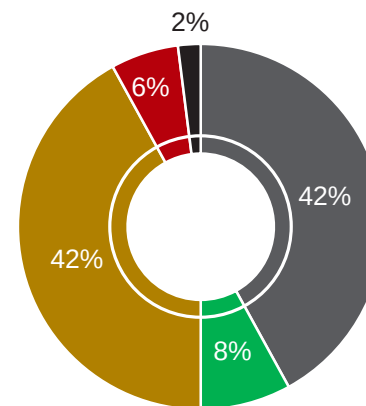
■ Supply Chain ■ Fleet Solutions ■ Dealerships

Geographical Segmental Analysis | CONTINUED

REVENUE | 31 Dec 2016



OPERATING PROFIT | 31 Dec 2016



■ South Africa

■ United Kingdom

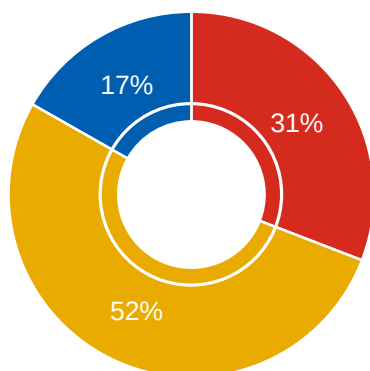
■ Australia

■ Europe

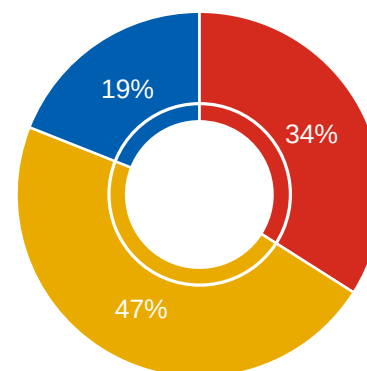
■ Africa and other

Segmental Analysis | CONTINUED

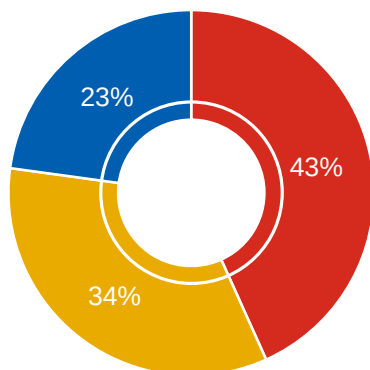
PROFIT BEFORE TAXATION | 31 Dec 2016



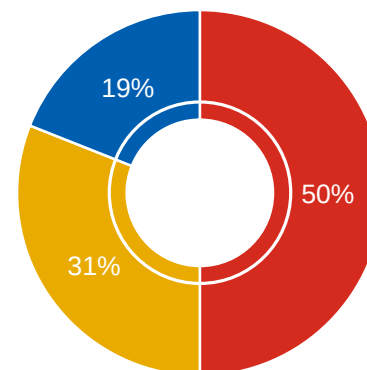
PROFIT BEFORE TAXATION | 31 Dec 2015



NET OPERATING ASSETS | 31 Dec 2016



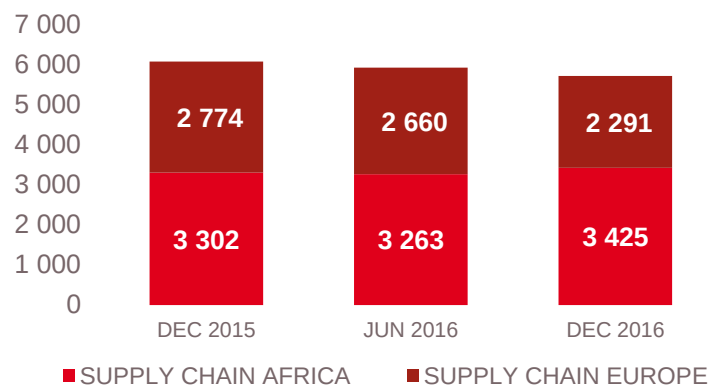
NET OPERATING ASSETS | 30 Jun 2016



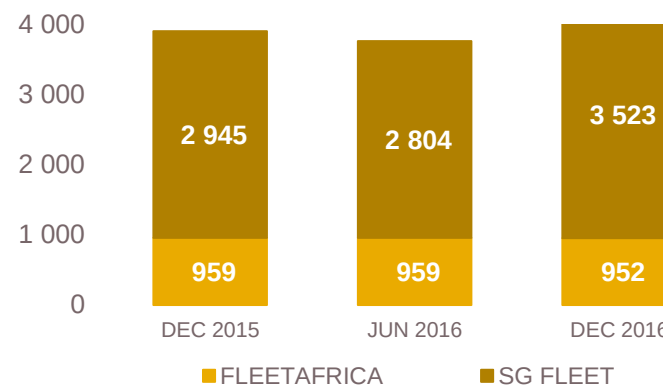
■ Supply Chain ■ Fleet Solutions ■ Dealerships

Net Operating Assets per Division

SUPPLY CHAIN



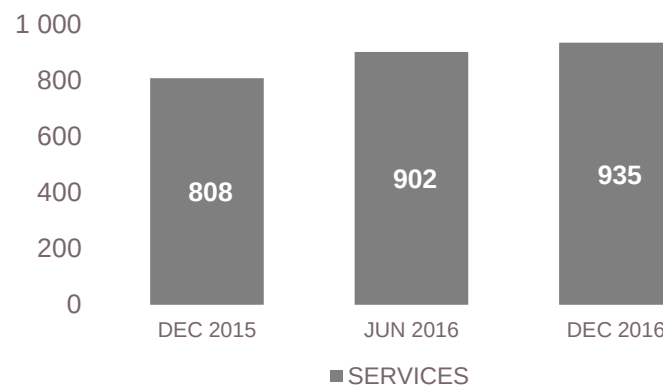
FLEET SOLUTIONS



DEALERSHIPS

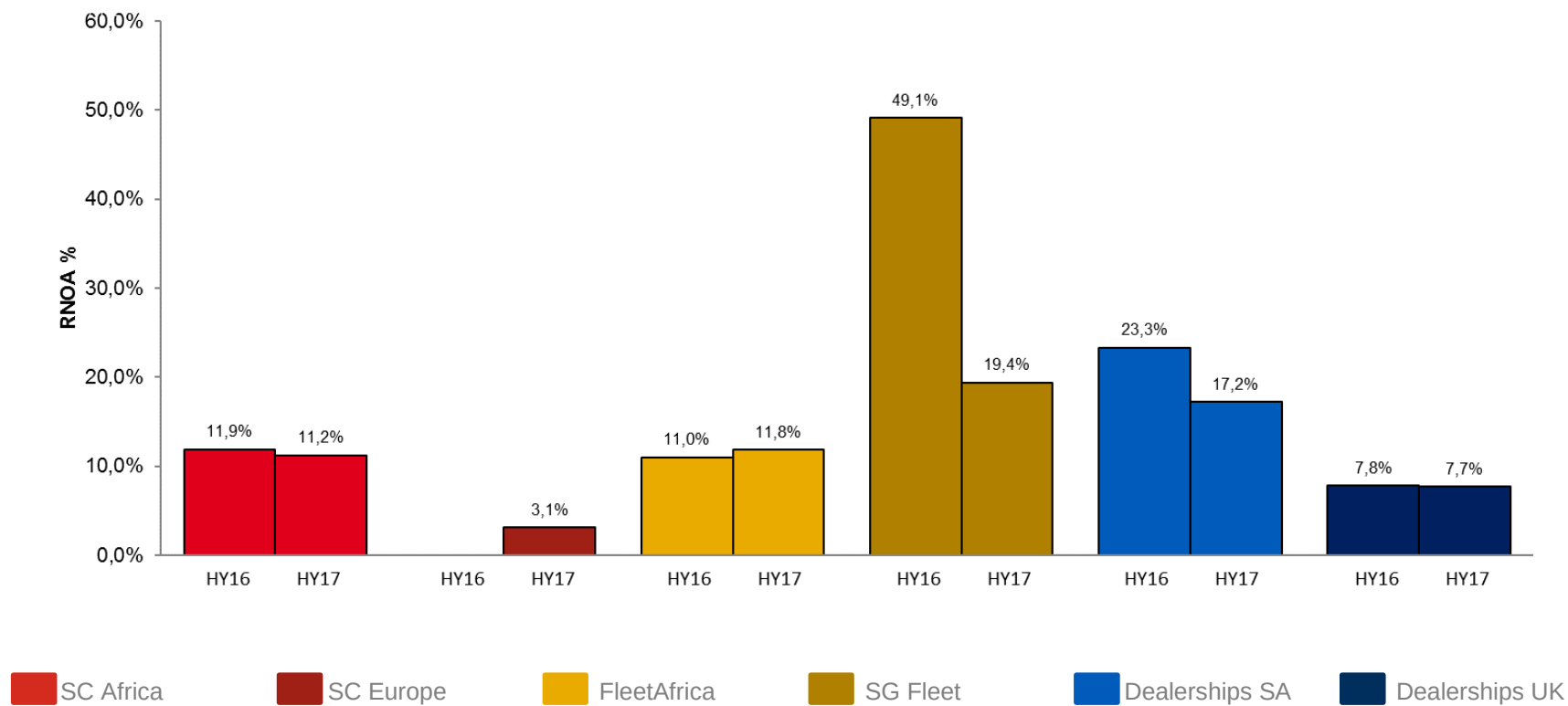


SERVICES



RNOA per Division AFTER TAX

Group RNOA is 11.3% (Dec 2015: 12.8%)



RNOA = Return on Net Operating Assets

Divisional Reviews



Peter Mountford

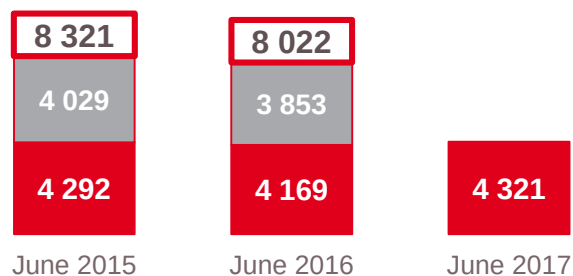
Supply Chain

supergroup 
supply chain

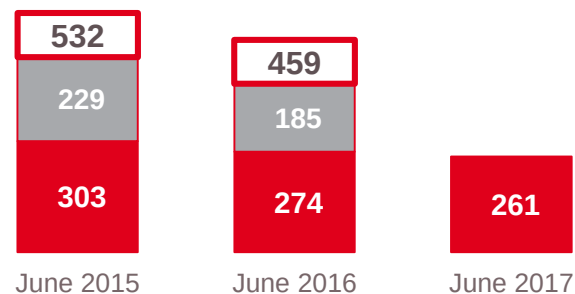


Supply Chain Africa

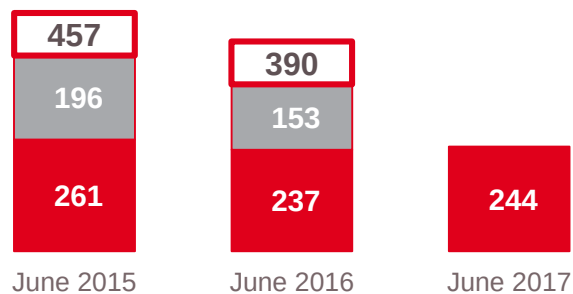
REVENUE (R'm)



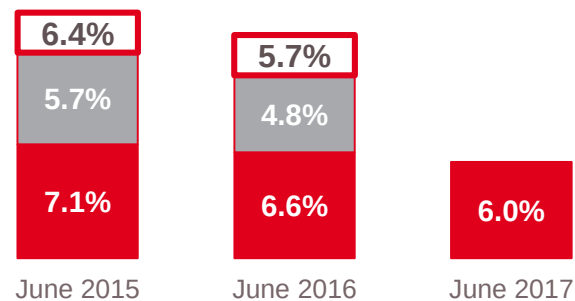
OPERATING PROFIT (R'm)



PROFIT BEFORE TAXATION (R'm)



OPERATING PROFIT MARGIN (%)



■ First Half
 ■ Second Half

Supply Chain Africa | CONTINUED

- The results are reflective of the challenging market conditions:

		Incl African Logistics		Excl African Logistics
Revenue	↑	3.6%	↑	1.9%
Operating profit	↓	(4.7)%	↑	10.8%
Profit before taxation	↑	2.6%	↑	22.3%

- SG Coal** reported much improved results compared to the prior period loss
- Super Rent** delivered a strong performance as a result of the extension of contracts
- African Logistics**, in US\$-terms, reported results in line with the previous period, however the following factors negatively impacted this business' performance:
 - exchange rate swing from R38 million profit (2015) to R4 million loss (2016);
 - average transport rates decline of 17% from \$1.96/km to \$1.62/km
- SG Consumer** reported good results for the period as a result of new FMCG contracts

Supply Chain Africa | CONTINUED

- **SG Convenience's** performance negatively impacted by:
 - loss of the Monster energy drink distribution contract when The Coca-Cola Company invested in Monster USA;
 - increased transport costs and lower customer sales levels
- **SG Mobility** and **VSc Solutions** performed in line with expectations
- **Digistics** saw volume decrease on the back of decline in QSR spend
- **Phola Coaches** diversified into education which positively impacted the results
- **SG Freight** performance impacted by falling South African transport rates
- **Sherwood** results were negatively impacted by the funding challenges faced by the Ghana Government to fund the next phase of the Thengashep project
- **SG Agility** (previously Micor) 100% accounted in previous period, now equity accounted

Supply Chain Europe

- The SG IN TIME results were slightly below expectations:
 - Revenue R1,0 billion
 - EBITA R94 million
 - EBITA margin 9.3%
 - Operating profit R55 million
 - Operating profit margin 5.5%
 - Profit before taxation R33 million
- Amortisation of intangible assets for the period amounted to R38 million
- The results continued to be impacted by a decline in parts volumes, largely as a result of the Volkswagen emissions scandal
- Negative sales volume impact partly mitigated by cost savings across the business

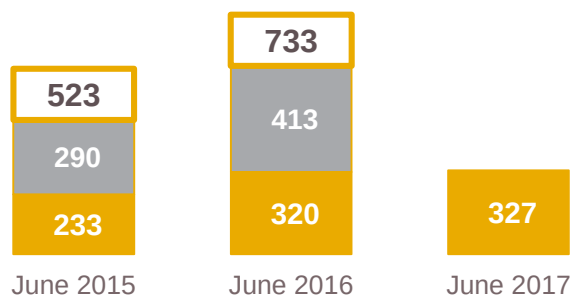
Fleet Solutions

supergroup
fleet solutions

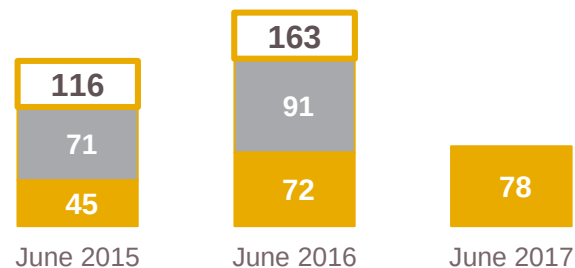


FleetAfrica

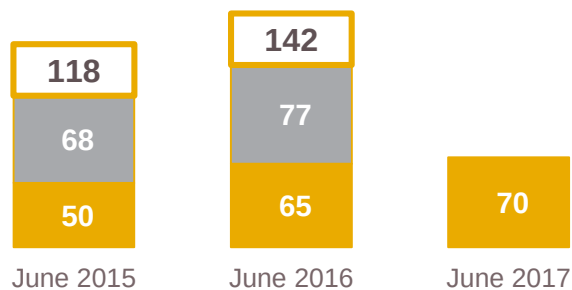
REVENUE (R'm)



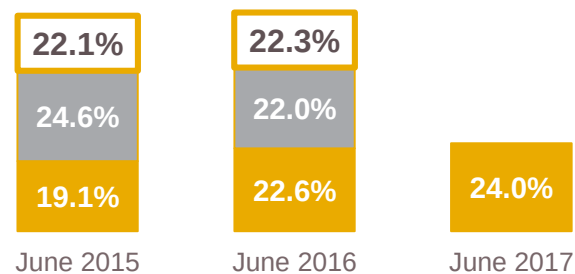
OPERATING PROFIT (R'm)



PROFIT BEFORE TAXATION (R'm)



OPERATING PROFIT MARGIN (%)



First Half
 Second Half

FleetAfrica | CONTINUED

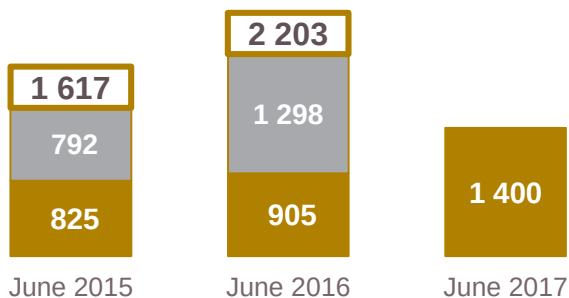
- FleetAfrica delivered a solid performance:

Revenue		2.0%
Operating profit		8.0%
Profit before taxation		7.5%

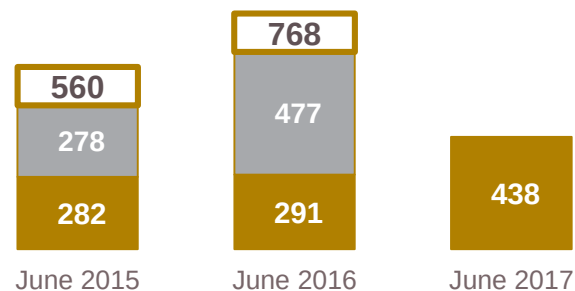
- The Transnet and other major contracts are performing well
- The implementation of the City of Tshwane emergency vehicle contract (ambulances and fire engine fleets) commenced - the roll-out of the fleet to continue in 2017
- National Department of Transport: Maintenance contract for 14,000 vehicles has as yet not been implemented
- Significant new tenders currently in progress

SG Fleet

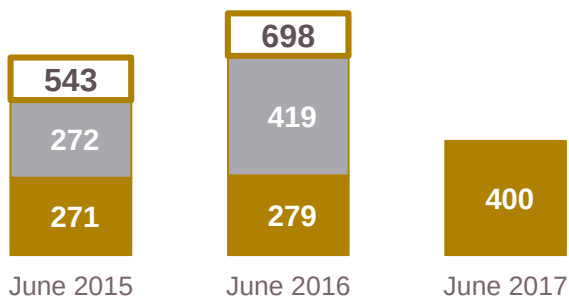
REVENUE (R'm)



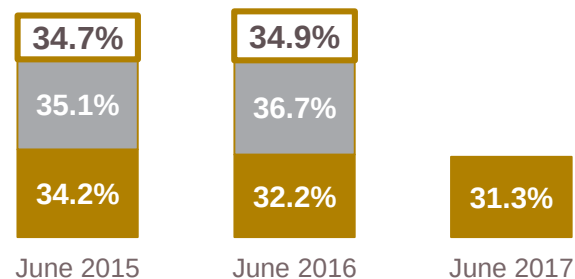
OPERATING PROFIT (R'm)



PROFIT BEFORE TAXATION (R'm)



OPERATING PROFIT MARGIN (%)



First Half
 Second Half

SG Fleet | CONTINUED

- SG Fleet reported an excellent set of results:

Revenue	↑	54.6%
EBITA	↑	58.8%
Operating profit	↑	50.5%
Profit before taxation	↑	43.1%

- The results were positively influenced by:
 - the NLC results included for the full period vs one month in prior period;
 - Fleet Hire (UK) and Motiva (UK) results for five months and one month, respectively;
 - consistent growth in the novated lease market
 - the deterioration of the average Rand against the AUD positively impacted the results by R28,1 million (2015: R4,2 million)

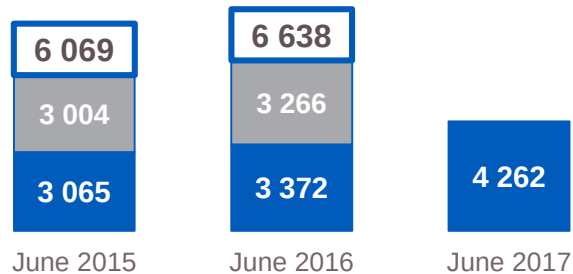
Dealerships

supergroup
dealerships

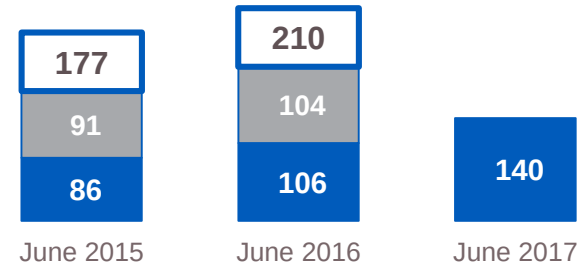


Dealerships SA

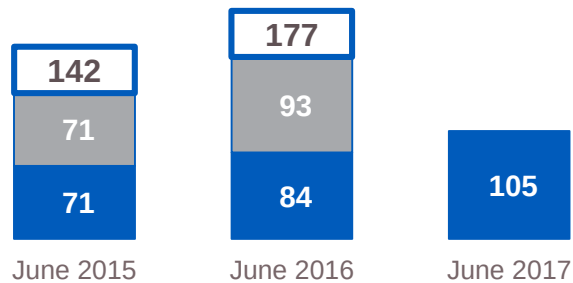
REVENUE (R'm)



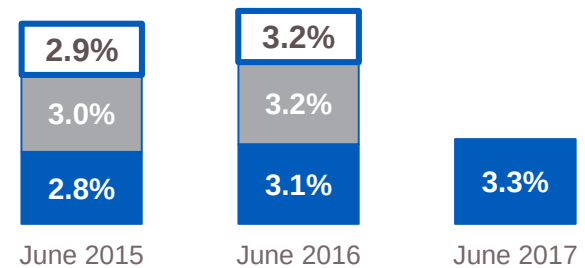
OPERATING PROFIT (R'm)



PROFIT BEFORE TAXATION (R'm)



OPERATING PROFIT MARGIN (%)



■ First Half ■ Second Half

Dealerships SA | CONTINUED

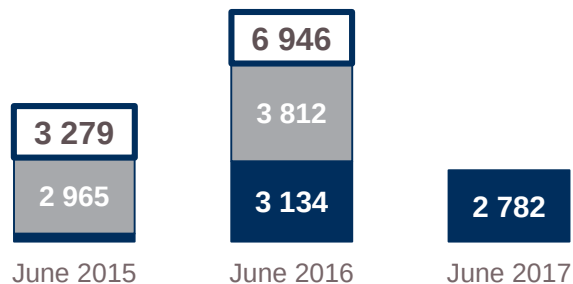
- Dealerships SA reported a commendable set of results despite depressed market conditions:

Revenue		26.4%
Operating profit		32.6%
Profit before taxation		24.4%

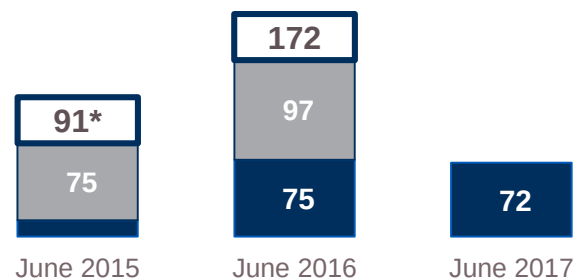
- NAAMSA new vehicle sales for the period to 31 December 2016 down by 13.4%
- Dealerships continued to outperform the market reporting a 3.1% decrease in new vehicle sales, benefitting partially from the acquisition of the nine Western Cape dealerships
- Used vehicle volumes were up by a satisfactory 8.6% for the period and the Parts and Services businesses continued to perform well
- Operating margin further improved to 3.3% (2015: 3.1%)

Dealerships UK

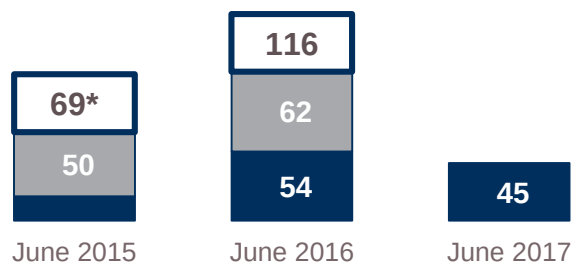
REVENUE (R'm)



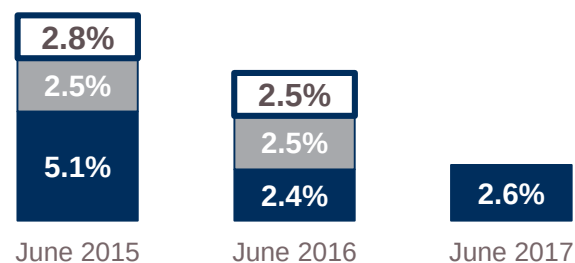
OPERATING PROFIT (R'm)



PROFIT BEFORE TAXATION (R'm)



OPERATING PROFIT MARGIN (%)



First Half 2015: Only 1 month
 Second Half

* Excludes acquisition costs of R16,8 million

Dealerships UK | CONTINUED

- Dealerships UK performed in line with expectations:

Revenue	↓	(11.2)%
Operating profit	↓	(4.3)%
Profit before taxation	↓	(15.9)%

- Overall vehicle sales growth of 2.0% for the six months under review
 - 1.2% growth in new vehicle sales; and
 - 4.1% growth in used vehicle sales
- The Ford and Kia operations all performed above market sales benchmarks and the contribution from services was satisfactory
- Despite Brexit uncertainty, the UK market continues to show growth in new vehicle sales
- The strengthening of the average Rand against the GBP negatively impacted the results by R8,8 million (2015: positively impacted results by R9,0 million)

Unaudited Interim Results



Colin Brown

Statement of Comprehensive Income

R'million	31 Dec 2016 Unaudited	31 Dec 2015 Unaudited	Change %	Pro forma change % (Note 1)
Revenue	14 094,9	12 242,5	15.1	15.1
EBITA	1 125,9	922,6	22.0	27.1
Operating profit	1 036,8	882,9	17.4	22.7
Net finance charges	(124,2)	(96,5)	28.7	28.7
Profit before taxation	912,6	786,4	16.0	21.9
Income tax expense	(241,9)	(185,2)	30.6	28.6
Profit for the year	670,7	601,2	11.6	19.8

Note 1: The pro forma percentage change reflects the exclusion of the forex profit of R101,3 million and the acquisition costs of R88,8 million in the prior period; and the acquisition costs of R30,9 million in the current period

- Net finance costs increased due to higher borrowings - net interest cover of 11.8x (2015: 12.9x)
- Average interest rate paid on borrowings was 6.2% (Dec 2015: 5.9%)
- Average interest rate earned on cash was 3.9% (Dec 2015: 4.1%)

Statement of Comprehensive Income | CONTINUED

R'million	31 Dec 2016 Unaudited	31 Dec 2015 Unaudited	Change %	Pro forma change %
Non-controlling interests	170,9	110,6	54.5	47.9
Headline earnings	501,4	507,4	(1.2)	8.7
Cents				
Basic HEPS	144,1	159,2	(9.5)	(0.5)
Adjustment for non-operational/once-off items:	19,4	(0,7)		
- Acquisition costs	5,3	21,7		
- FEC gain on acquisition	-	(30,8)		
- Amortisation of business combination intangibles	11,9	6,5		
- B-BBEE costs	2,2	1,9		
Core HEPS	163,5	158,5	3.2	
Weighted average number of shares (m)	347,9	318,7	9.2	

Statement of Financial Position

Assets R'million	31 Dec 2016 Unaudited	30 Jun 2016 Audited	Change %
Property, plant and equipment	3 637,1	3 431,3	6.0
Investment property	143,2	143,2	-
Full maintenance lease assets	1 661,7	1 144,6	45.2
Goodwill and intangible assets	7 990,5	7 734,0	3.3
Investments and other non-current assets	98,2	124,9	(21.4)
Deferred tax assets	225,7	284,5	(20.7)

- Goodwill and intangible assets increased by R1 115,0 million as a result of acquisitions, but decreased by R776,4 million as a result of the strengthening of the Rand
- The majority of the increase in FML assets relates to the SG Fleet acquisitions

Statement of Financial Position | CONTINUED

Assets R'million	31 Dec 2016 Unaudited	30 Jun 2016 Audited	Change %
Current assets	9 570,8	9 935,1	(3.7)
Inventories	2 952,6	3 054,0	(3.3)
Trade and sundry receivables	4 081,3	3 753,2	8.7
Cash and cash equivalents	2 536,9	3 127,9	(18.9)
Total assets	23 327,2	22 797,6	2.3

- Unrestricted cash was R1,5 billion (June 2016: R1,9 billion)
- Large cash out flows:
 - SPG001 Corporate Bond R478 million
 - Mercedes-Benz Western Cape acquisition R699 million
 - Fleet Hire (SG Fleet) R316 million
 - Motiva (SG Fleet) R179 million

Statement of Financial Position | CONTINUED

Equities and liabilities R'million	31 Dec 2016 Unaudited	30 Jun 2016 Audited	Change %
Total equity	9 371,5	9 301,8	0.7
Fund reserves and provisions	813,9	847,0	(3.9)
Deferred tax liabilities	604,1	583,3	3.6
Total borrowings	5 497,0	5 116,7	7.4
Non-controlling interest put options and other liabilities	457,3	402,7	13.6
Trade and other payables	6 499,8	6 491,2	0.1
Income tax payable	83,6	54,9	52.3
Total equities and liabilities	23 327,2	22 797,6	2.3

- Total borrowings increased mainly due to the various acquisitions made
- Trade and other payables include interest-bearing creditors of R1 381 million of which R898,7 million and R481,8 million relates to Dealerships SA and Dealerships UK, respectively

Net Borrowings

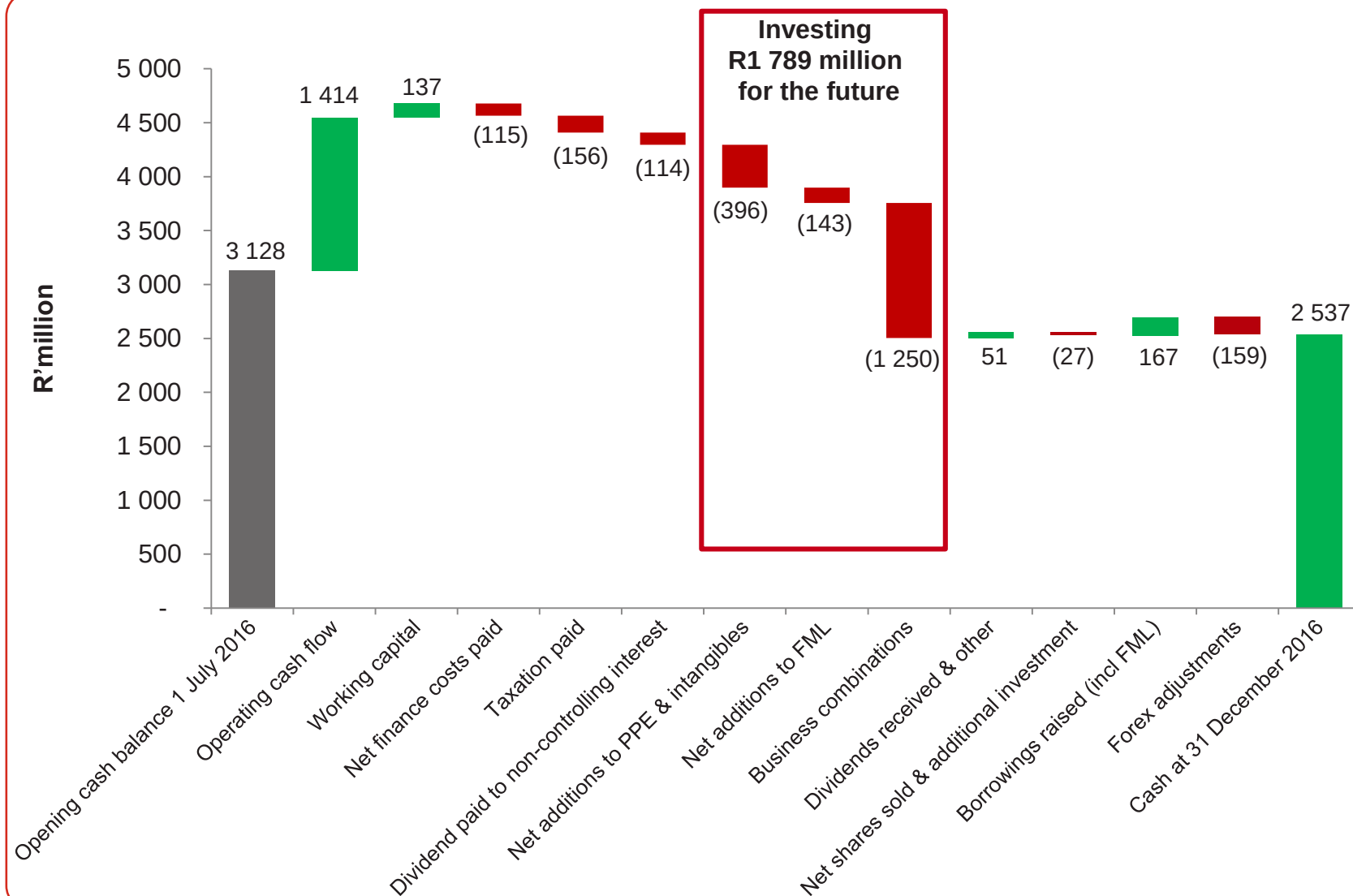
R'million		31 Dec 2016 Unaudited	30 Jun 2016 Audited	Change %
SG Fleet borrowings	V/H/F	1 696	1 479	14.6
Asset-based borrowings	V/P	862	653	32.0
Acquisition borrowings – Germany	V/H	770	906	(15.0)
Property and other borrowings	V	525	508	3.4
Acquisition borrowings – UK	V	343	467	(26.5)
Corporate bond	V	207	478	(56.8)
Total borrowings (excl FML)		4 403	4 491	(2.0)
FML borrowings – South Africa	P	465	496	(6.2)
FML borrowings - Australia / UK	H/P	629	130	383.5
Total borrowings		5 497	5 117	7.4
Cash resources		(2 537)	(3 128)	(18.9)
Net borrowings		2 960	1 989	48.8

V = Variable/floating interest rate
F = Fixed interest rate

H = Hedged
P = Passed through

Nm = Not meaningful

Cash Flow Movement



Key Financial Data

	31 Dec 2016	31 Dec 2015
Return on Equity	13.0%	16.2%
RNOA	11.3%	12.8%
Group Weighted Average Cost of Capital	8.4%	8.4%
Net debt to equity ratio	31.6%	31.9%
Net debt to EBITDA ratio	1.0	1.1
Net interest cover	11.8x	12.9x
Free cash flow*	R856m	R778m
Total unutilised funding facilities (excl Corp Bond)	R3 469m	R3 358m

Rand movement at 31 December 2016 against 30 June 2016:

		Change %
• AUS Dollar		9.8
• Euro		11.6
• GB Pound		13.6
• US Dollar		6.7

* Free cash flow is calculated by reducing cash generated from operations with income tax paid and net capex

Outlook



Peter Mountford

Outlook

- **South Africa's** economy has stagnated for a prolonged period, bringing overall growth in 2016 to the lowest level in seven years. The outlook for 2017 is expected to be restrained due to:
 - subdued global demand for resources; and
 - a myriad of political and economic problems
- Supply Chain management remains a growth area, both upstream and downstream, but the landscape continues to be highly competitive with resultant pricing pressures
- Super Group's South African BEE credentials are strong which should benefit its South African businesses
- **Africa's** growth is adversely affected by the stronger US\$, weaker oil and commodity prices and domestic political uncertainties
- New vehicle sales for January 2017 were up year-on-year but this trend is not expected to continue for the remainder of the year
- Ford's new car sales volumes have not been impacted by the Kuga issues in South Africa

Outlook | CONTINUED

- **Australia's** economy has performed well despite lower commodity prices. Major issues that could moderate growth in this country:
 - Car industry shutdown: Ford exited its manufacturing operations last year, with Toyota and Holden to follow this year - job losses estimated at 40,000 jobs
 - Resources downturn and low commodity prices set to continue driven by China slowdown

Nevertheless, SG Fleet will leverage its strong market position and product offering and should perform well

- **Germany** is in an election year and the outlook remains uncertain, particularly in relation to the potential Brexit solutions
- The Brexit referendum vote has slightly reduced growth prospects for the **United Kingdom** and increased volatility, as reflected by the large currency depreciation
- The Group is, however, cautiously optimistic regarding growth prospects across its businesses and our integrated mobility solutions strategy remains resolute

Thank you



Further information
available on
www.supergroup.co.za