SALIENT FEATURES

		30 June 2020 Audited R'000	30 June 2019 Audited R'000
1	**INTEREST-BEARING BORROWINGS**		
	Australia and New Zealand	1 237 902	1 015 414
	South Africa	4 429 405	4 113 005
	United Kingdom	773 574	613 423
	Spain	38 985	–
		6 479 866	5 741 842
2	**SHARE STATISTICS**		
	Total issued less treasury shares ('000)	359 764	362 548
	Weighted number of shares ('000)	361 373	362 431
	Diluted weighted number of shares ('000)	361 373	362 836
	Net asset value per share (cents)[1]	3 116.4	3 036.5
	Net tangible asset value per share (cents)[2]	396.4	704.4

1. *Net asset value per share is calculated as the capital and reserves attributable to equity shareholders of Super Group divided by the total issued less treasury shares.*
2. *Net tangible asset value per share is calculated as the capital and reserves attributable to equity shareholders of Super Group excluding goodwill and intangible assets divided by total issued less treasury shares.*

		30 June 2020 Audited R'000	30 June 2019 Audited R'000
3	**CAPITAL COMMITMENTS**		
	Authorised capital commitments, excluding full maintenance lease assets	1 569 249	1 310 491

Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowing facilities.

4 RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, entered into various sales and purchase transactions on an arms' length basis with related parties.

The Group utilises Fluxmans Attorneys, a director-related entity, to assist with corporate law advisory services in respect of various transactions and several other corporate and labour matters. These transactions are performed at an arm's length basis.

The Group encourages its employees and key management to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's length basis although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed and no impairments were recognised in relation to any transactions with key management personnel during the period nor have they resulted in any non-performing debts at year-end. Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at Group level.

5 SUBSEQUENT EVENTS

The directors are not aware of matters or circumstances arising subsequent to the reporting date up to the date of this report, which would require adjustments to or disclosure in these results.

6 SIGNIFICANT EVENTS

Acquisition of Lieben and GLS

The Group acquired a 65% interest in Lieben, which owns a 51% interest in Baleka Freight Proprietary Limited and 51% interest in GLS on 3 July 2019 for a purchase consideration of R498.8 million and R96.4 million respectively. The Statement of Financial Position as at 30 June has been impacted by increases in property, plant and equipment of R328.5 million, ROU assets of R55.1 million, intangible assets of R275.3 million, trade and other receivables of R130.6 million, deferred tax liability of R123.4 million and trade and other payables of R79.4 million as a result of these acquisitions. Trading relating to the financial year ended 30 June 2020 has been included in the Statement of Comprehensive Income.

The Group acquired an additional 2.4% in Lieben in January 2020 for R13.1 million.

Acquisition of TLT

inTime Service GMBH acquired 80% interest in TLT on 5 July 2019 for R186.9 million. This acquisition forms part of the Supply Chain Europe segment. The Statement of Financial Position as at 30 June 2020 has been impacted by increases in property, plant and equipment of R17.5 million, ROU assets of R363.2 million, intangible assets of R65.6 million, trade and other receivables of R37.3 million and trade and other payables of R16.7 million as a result of this acquisition. Trading relating to the financial year ended 30 June 2020 has been included in the Statement of Comprehensive Income.

6 SIGNIFICANT EVENTS *continued*

Acquisition of Zultrans

The Group acquired an 80% interest in Zultrans on 1 March 2020 for R26.7 million. This acquisition forms part of the Supply Chain Africa segment. The Statement of Financial Position as at 30 June 2020 has been impacted by increases in property, plant and equipment of R14.2 million, deferred tax liabilities of R3.5 million, trade and other receivables of R12.5 million and trade and other payables of R3.6 million as a result of this acquisition. Trading relating to the 4 months ended 30 June 2020 has been included in the Statement of Comprehensive Income.

Adoption of IFRS 16

The adoption of IFRS 16 has had the following effect on the Statement of Comprehensive Income for the 12 months ending 30 June 2020:

	Year ended 30 June 2020 R'000
Decrease in revenue	(22 205)
Increase in EBITDA	578 882
Increase in operating profit	142 474
Decrease in profit before tax	(12 357)

The Statement of Financial Position as at 30 June 2020 has been impacted by increases in ROU assets of R2.32 billion and ROU lease liabilities of R2.88 billion. Opening equity was decreased by R183.9 million on initial recognition of the standard.

Raising of unsecured debt notes

The JSE listed Super Group's senior unsecured notes, in terms of its DMTN Programme dated 29 April 2020 (as amended) as follows:

- SPGC01 was listed on 15 October 2019. The value of the SPGC01 issue was R150 million with interest of three month Johannesburg Interbank Agreed Rate (JIBAR) plus 95 basis points, coupon rate payable quarterly on 15 January, 15 April, 15 July and 15 October of each year. The maturity date of the issue is 15 October 2020.
- SPG008 was listed on 15 October 2019. The value of the SPG008 issue was R250 million with interest of three month JIBAR plus 139 basis points, coupon rate payable quarterly on 15 January, 15 April, 15 July and 15 October of each year. The maturity date of the issue is 15 October 2022.
- SPG009 was listed on 15 October 2019. The value of the SPG009 issue was R350 million with interest of 3 month JIBAR plus 158 basis points, coupon rate payable quarterly on 15 January, 15 April, 15 July and 15 October of each year. The maturity date of the issue is 15 October 2024.

Exchange rate movements

The Group operates in foreign countries which use currencies other than the presentation currency. The main currencies used in the Group's foreign operations are Australian Dollar, US Dollar, Euro and the Pound Sterling. The fluctuation of the Rand against these currencies has had an effect on the Group's financial statements and has resulted in a foreign currency translation adjustment of R1.26 billion increasing total equity.

The table below reflects the movement in the exchange rates from the prior reporting period:

	30 June 2020	30 June 2019	% Change
Average currency rate to the South African Rand:			
Australian Dollar	10.44	10.14	2.9
US Dollar	15.67	14.18	10.5
Euro	17.33	16.18	7.1
Pound Sterling	19.72	18.35	7.5
Closing currency rate to the South African Rand:			
Australian Dollar	11.98	9.89	21.1
US Dollar	17.36	14.09	23.2
Euro	19.49	16.03	21.6
Pound Sterling	21.51	17.89	20.2

The non-South African operations account for 58% (June 2019: 55%) and 52% (June 2019: 49%) of the Group's total assets and liabilities respectively.

The non-South African operations generated 46% (June 2019: 48%) and 43% (June 2019: 50%) of the Group's revenue and operating profit respectively.

6 SIGNIFICANT EVENTS *continued*

Judgements and assumptions

The effect of the current economic conditions as a result of Covid-19 was taken into consideration in the following judgements and assumptions:

- Goodwill impairment tests
  - Additional risk premium in calculating the discount rate; and
  - Forecasted cash flows in the value in use model.
- IFRS 9
  - When considering the expected credit losses (ECL), the actual credit losses experienced were adjusted by the possible future impact of Covid-19.
- Going concern
  - Impact of Covid-19 on reported results including cash generated from operations, current Statement of Financial Position, gearing ratios;
  - Potential additional corporate bonds issued in terms of the DMTN programme;
  - Forecast results including cash generated from operations;
  - Current and forecasted bank covenants; and
  - Committed banking facilities.
- Financial impact on current year results
  - The estimated impact of Covid-19 on revenue and profit before tax is R5.2 billion and R932 million respectively.
- IFRS 2 expense
  - The achievement of the performance conditions imposed on all awards.

Effective tax rate

The effective tax rate is 237.0% (2019: 28.2%). The contributing factor to this increase mainly relates to the impairment of goodwill which is not tax deductible.

	Hierarchy Level 2 R'000	Level 3 R'000	Valuation technique
7 FAIR VALUE			
Property, plant and equipment – Land, buildings and leasehold improvements		2 956 418	External and internal valuations were performed during the year. The valuation models consider the present value of net cash flows to be generated from these properties, taking into account expected rental growth rate, void period, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants and the rate per square metre allocated between showroom, workshop, display parking and parking. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.
Investment properties		168 900	
Deferred contingent purchase consideration receivable – GWM		60 000	Due to the sale of the GWM business in 2016 and the related profit warranties not being met, the amount receivable is certain as at year end according to the purchase agreement and has been assessed as recoverable.
FEC Liabilities	420		The fair values are based on broker quotes. Similar contracts are traded in an active market and reflect the actual transactions in similar instruments.
FEC Assets	5 667		
Interest rate swap payable	219 213		The fair values are based on observable market rate. Similar contracts are traded in an active market and reflect the actual transactions in similar instruments. The valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.
inTime put option		–	This put option is calculated as the fair value determined by using the average audited EBITDA for the 3 years preceding the put option exercise date at a price earnings multiple of 7.5, adjusted for net debt. The present value has been determined using a pre-tax discount rate of 6.5%. The put option can be exercised from 30 June 2020 to 30 June 2025.
Lieben put option		328 431	This put option is calculated as the fair value determined by using the average audited profit after tax for the two years preceding the put option exercise date at a price earnings multiple of 8.1, adjusted for net debt. The present value has been determined using a pre-tax discount rate of 9.5%. The put option can be exercised from 30 June 2023.

The carrying value of all other financial instruments approximates the fair value of the financial instruments as at 30 June 2020.

7 FAIR VALUE *continued*

Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation from the opening to closing balances of level 3 financial instruments carried at fair value:

	Year ended 30 June 2020 Audited Total R'000	Year ended 30 June 2019 Audited Total R'000
Property, plant and equipment – Land, buildings and leasehold improvements		
Opening balance	2 809 354	2 589 415
Net additions	57 963	148 461
Acquisition of businesses	312	454
Revaluation	9 393	62 562
Other	79 396	8 462
Closing balance	2 956 418	2 809 354
Investment properties		
Opening balance	164 200	151 000
Fair value adjustment recognised in profit and loss	4 700	13 200
Closing balance	168 900	164 200
Put option liabilities		
Opening balance	36 852	177 412
Movement through statement of changes in equity	291 579	(140 560)
Acquisition – Lieben put option	298 778	–
Exercised – Legend	–	(36 130)
Fair value adjustment	(10 978)	(105 444)
Foreign currency translation	3 779	1 014
Closing balance	328 431	36 852
Financial asset/(liability) – deferred contingent purchase considerations		
Opening balance	60 000	(2 488)
Disposal	–	62 488
Closing balance	60 000	60 000

Sensitivity analysis:

Land and buildings

The estimated fair value would increase/(decrease) if:

Occupancy rate was higher/(lower), the rent-free periods were decreased/(increased), the yield was lower/(higher) and rental growth was higher/(lower).

Deferred contingent purchase consideration

Due to the Group having disposed of GWM, the deferred contingent purchase consideration of R60 million is certain.

7 FAIR VALUE *continued*

Sensitivity analysis: *continued*

Put options

The significant assumption included in the fair value measurement of the put option liability relates to the projected income that is not observable in the market. The following table shows how the fair value of the liability would change if the earnings assumption was increased by 100bps:

	Fair value R'000	Increase in liability R'000
inTime	–	–
Lieben	331 715	3 284

	Year ended 30 June 2020 Audited R'000	Year ended 30 June 2019 Audited R'000
8 CAPITAL ITEMS		
Capital items before tax and non-controlling interest	879 157	68 278
Impairment of property, plant and equipment	12 634	1 083
Impairment of intangible assets	31 011	58 671
Impairment of goodwill	851 756	38 905
Impairment of investment and goodwill on equity-accounted investee	17 032	10 168
Profit on sale of property, plant and equipment	(28 576)	(27 349)
Fair value adjustment to investment property	(4 700)	(13 200)
Tax effect of capital items	(3 658)	(7 289)
Impairment of property, plant and equipment	(2 147)	(303)
Impairment of intangible assets	(9 243)	(17 603)
Profit on sale of property, plant and equipment	6 679	7 660
Fair value adjustment to investment property	1 053	2 957
Non-controlling interest effect of capital items	(140 805)	(13 795)
Impairment of property, plant and equipment	–	(16 768)
Impairment of intangible assets	(205)	–
Impairment of goodwill	(142 275)	–
Profit on sale of property, plant and equipment	1 675	2 973
Capital items after tax and NCI	734 694	47 194
9 REVENUE		
Supply Chain Africa	11 585 254	11 290 502
Short haul transportation – Principal	5 266 519	5 951 521
Short haul transportation – Agent	976 297	904 167
Leasing of specialised software	227 708	254 847
Long haul transportation	1 471 077	1 504 332
Sale of goods	3 332 712	2 268 622
Other	310 941	407 013
Supply Chain Europe	2 844 185	2 866 810
Time critical delivery and courier services	2 825 425	2 839 465
Other	18 760	27 345
Dealerships	14 618 687	17 838 650
Sale of vehicles – Principal	13 399 357	16 709 536
Sale of vehicles – Agent	248 207	46 928
Servicing of vehicles	971 123	1 082 186
Fleet Solutions	5 522 888	5 851 103
Management and maintenance income	1 060 622	1 068 009
Additional products and services	1 104 096	1 271 362
Funding commission	413 486	513 519
End of lease income	2 229 010	2 268 323
Rental income	701 891	709 281
Other	13 783	20 609
Services	7 284	14 707
Other	7 284	14 707
	34 578 298	37 861 772