



**supergroup** 

# RESULTS PRESENTATION

For the year ended 30 June 2023

# 2023



**“ Focused market growth  
strategy delivered exceptional  
results ”**

## PERFORMANCE HIGHLIGHTS

Peter Mountford

# FY2023 PERFORMANCE HIGHLIGHTS

Managing extreme market volatility to deliver a strong performance

Revenue increased by  
30.6% to

**R61.88 billion**

(June 2022: R47.37 billion\*)

EBITDA increased by  
20.8% to

**R8.49 billion**

(June 2022: R7.03 billion)

Operating profit increased by  
20.7% to

**R3.95 billion**

(June 2022: R3.27 billion)

Profit before taxation  
increased by 18.7% to

**R2.97 billion**

(June 2022: R2.50 billion)

EPS increased by  
24.9% to

**472.9 cents**

(June 2022: R378.5 cents)

HEPS increased by  
23.3% to

**469.4 cents**

(June 2022: 380.7 cents)

Operating cash flow  
increased by 18.9% to

**R8.72 billion**

(June 2022: R7.33 billion)

NAV per share increased by  
20.5% to

**R46.27**

(30 June 2022: R38.40)

\* Restated from R46.24 billion



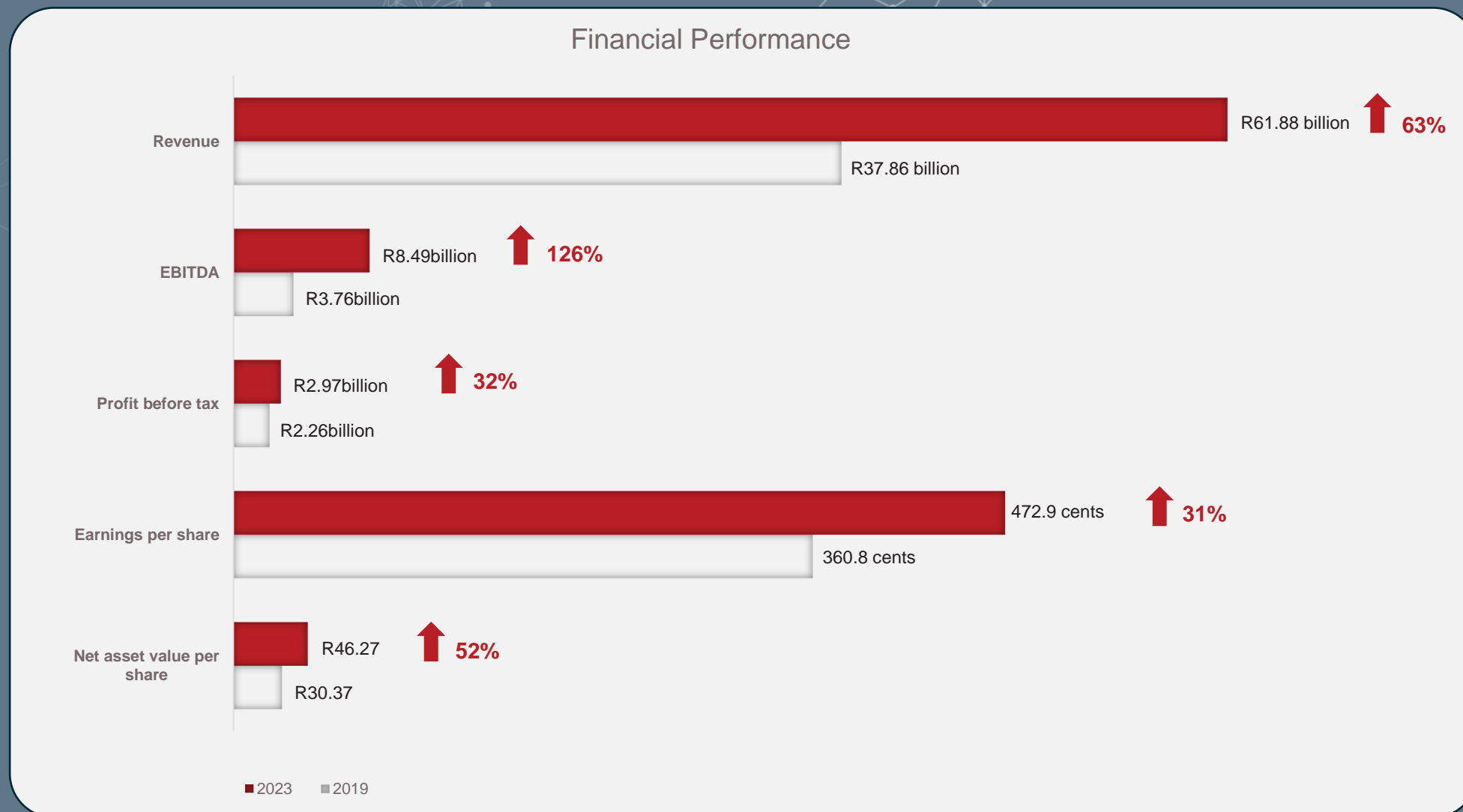
**“ Super Group has an excellent track record of sustainable profit growth ”**

## **SUSTAINABLE VALUE CREATION**

Peter Mountford

# FY2023 PERFORMANCE HIGHLIGHTS

Financial performance significantly exceeds that of the pre-Covid levels





**“ Mitigating risk and leveraging  
the opportunities inherent in  
volatile markets ”**

## **OPERATING CONTEXT**

Peter Mountford

# GLOBAL TRENDS IMPACTING OUR MARKETS

## Mitigating risk and leveraging the opportunities inherent in volatile markets

### Macroeconomic volatility

- High inflation and a steep rise in interest rates
- Rising cost of living
- Record-high unemployment rates in South Africa

### Geopolitical tensions

- Ongoing regional conflicts and territorial disputes
- War in Ukraine continues to affect the global economy, driving higher commodity prices and supply chain disruptions.

### Supply chain disruptions

- Scarcity of key components and input materials
- Delivery delays and extended lead times

### Changing consumer behaviour

- Reduced spending power
- Delayed spending or different category choices (buying down)
- Seeking convenience and sustainability

### Digitisation and the rise of Artificial Intelligence (AI)

- AI, machine learning, automation and digitisation are transforming industries and business operations
- Investment in technology key to competitive advantage

### The transition to a low carbon economy

- Environmental concerns have gained significant global importance
- Customers, investors and regulators are increasingly focusing on environmental matters

### Workforce transformation

- Significant changes due to automation and digitisation
- Focus on upskilling and reskilling employees to meet the demands of a digital era.





***“The Group’s competitiveness was evidenced in significant new client wins, contract renewals and market share gains”***

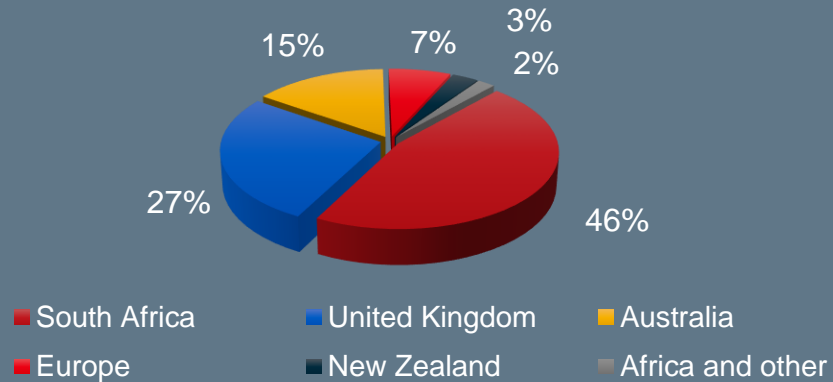
## **DIVISIONAL REVIEWS**

Peter Mountford

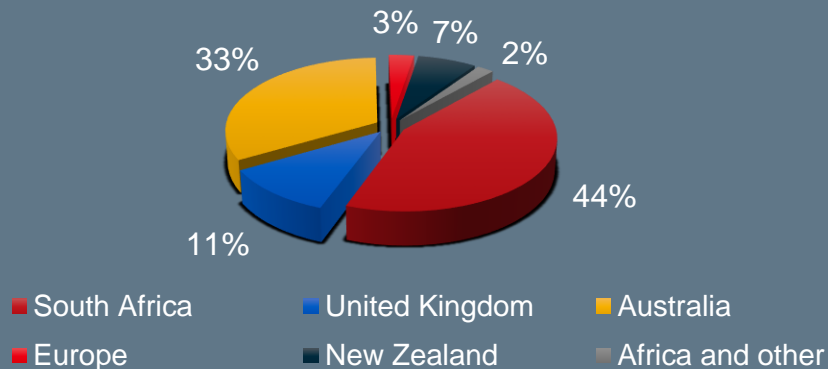


# INTERNATIONAL VS SOUTH AFRICAN OPERATIONS (JUNE 2023)

## Revenue contribution per region



## Operating profit contribution per region

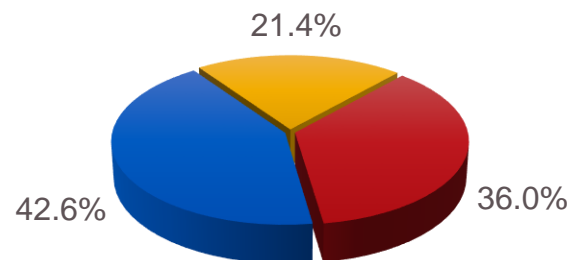


- Super Group's international operations contributed 54% of the sales revenue (June 2022: 52%) and 56% of operating profit (June 2022: 53% normalised)
- SG Fleet and Dealerships UK now account for 45% of revenue and 49% of operating profit
- The German and Iberian supply chain businesses contributed 7% of revenue and 3% of operating profit

# SEGMENTAL ANALYSIS

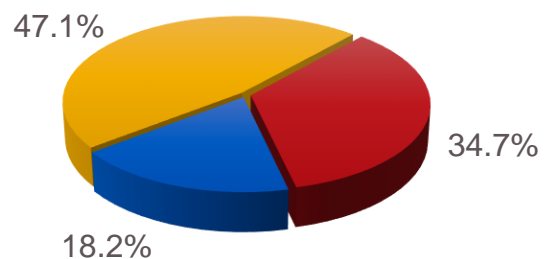
June 2023

## Revenue



■ Supply Chain ■ Dealerships ■ Fleet Solutions

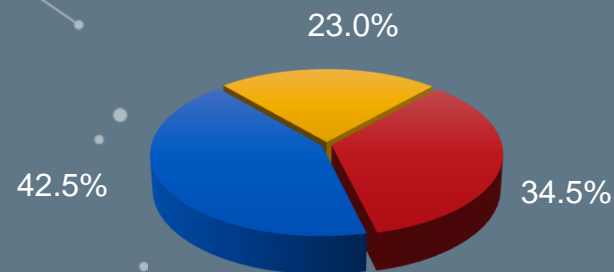
## Operating profit



■ Supply Chain ■ Dealerships ■ Fleet Solutions

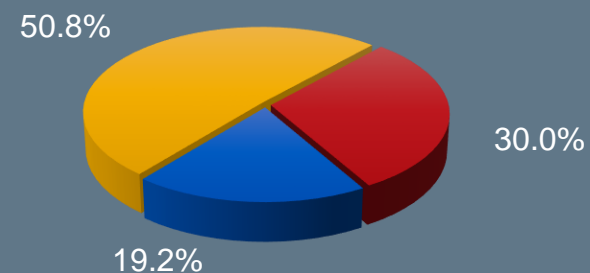
June 2022

## Revenue



■ Supply Chain ■ Dealerships ■ Fleet Solutions

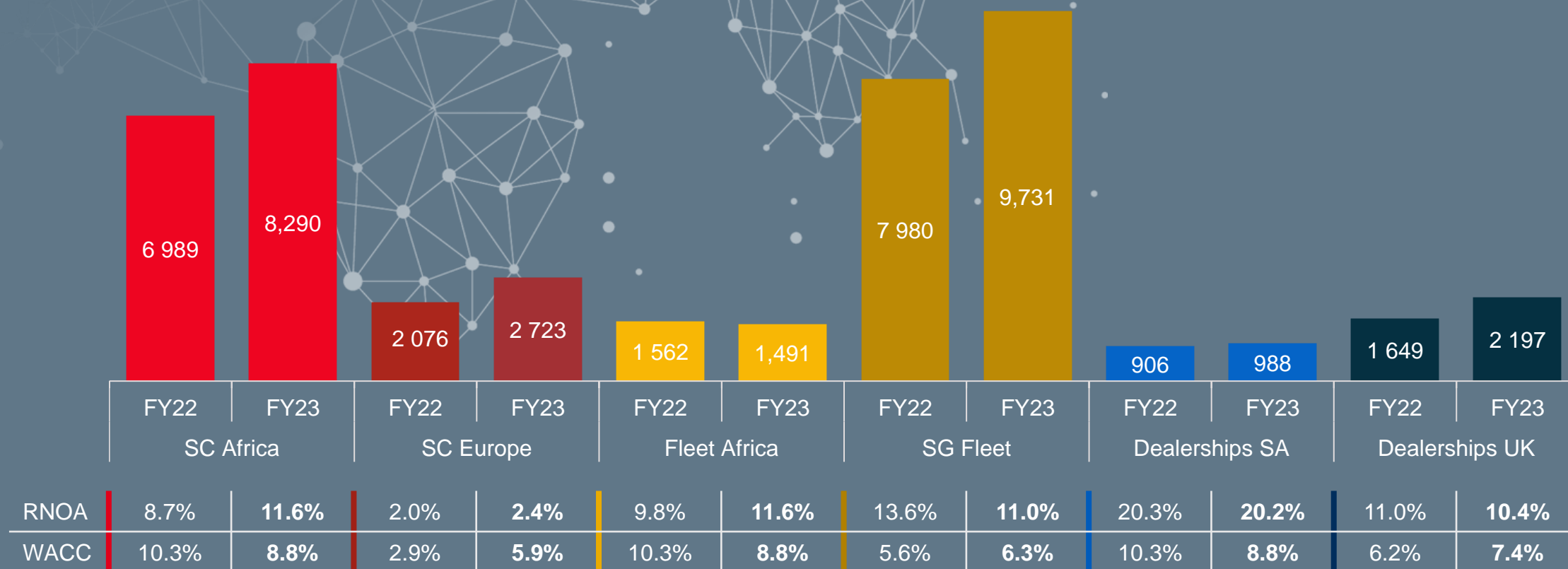
## Operating profit



■ Supply Chain ■ Dealerships ■ Fleet Solutions

# NET OPERATING ASSETS AND RNOA

The Group's RNOA for the year ended 30 June 2023 is **10.2%** (June 2022: 10.3%)  
Group WACC is **7.0%** (June 2022: 6.3%)





**“ Agility enabled the Group to successfully respond to shifting consumer demands and market dynamics ”**

**SUPPLY CHAIN**

Peter Mountford

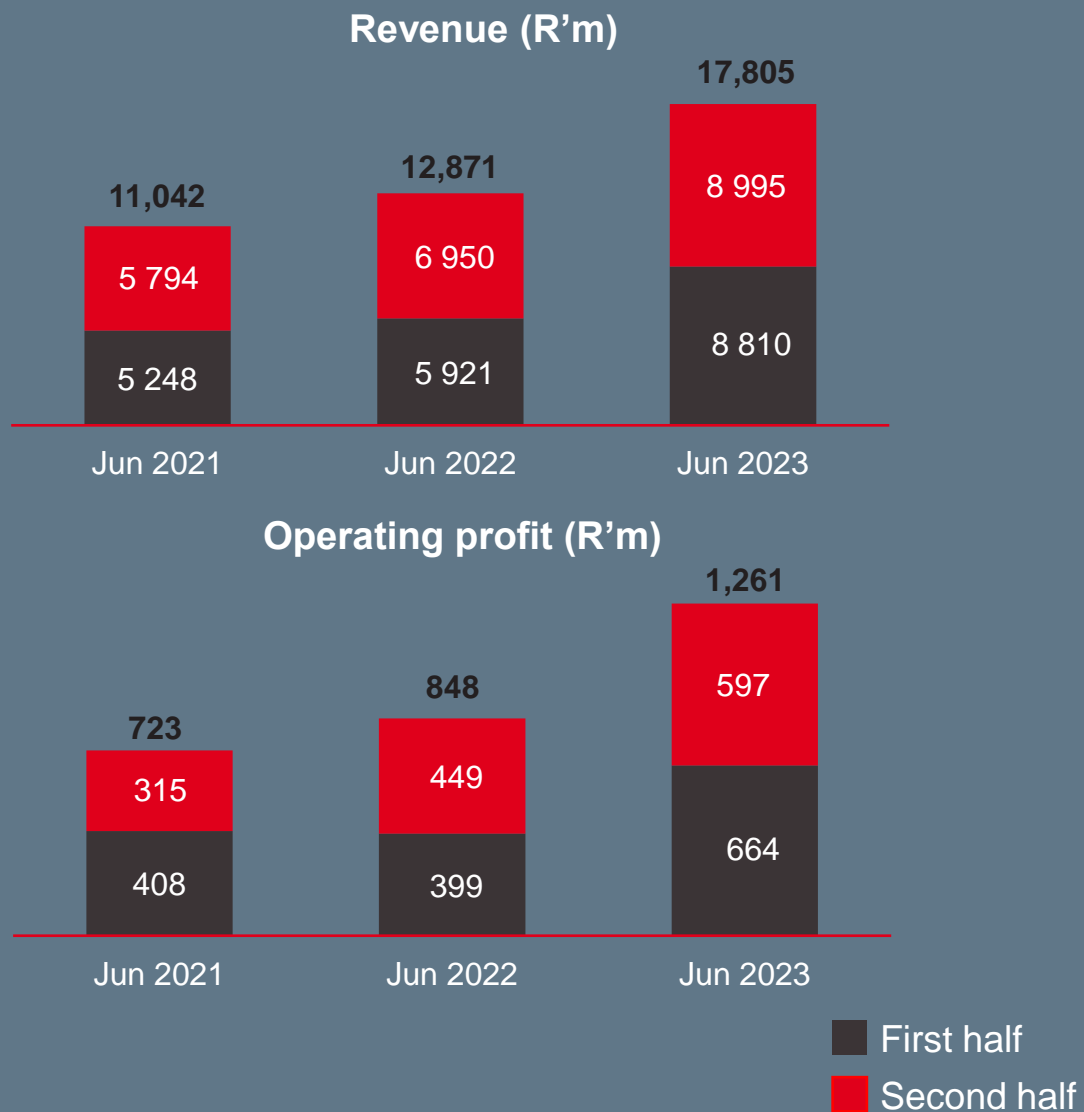




# SUPPLY CHAIN AFRICA

# SUPPLY CHAIN AFRICA

*Technology based solutions contributed to significant new client wins*



## Highlights

- Revenue increased by 38.3% and operating profit increased by 48.7%.
- Operating margin increased from 6.6% to 7.1% and profit before tax increased by 44.7% to R1.11 billion.
- Technology-based solutions delivered greater efficiencies and cost savings to clients, contributing to significant new business wins and contract renewals.
- Improving volumes in hospitality, QSR and entertainment.
- Strong volume increases in the South African and African Logistics consumer and commodity transport businesses.
- The industrial businesses also performed well.



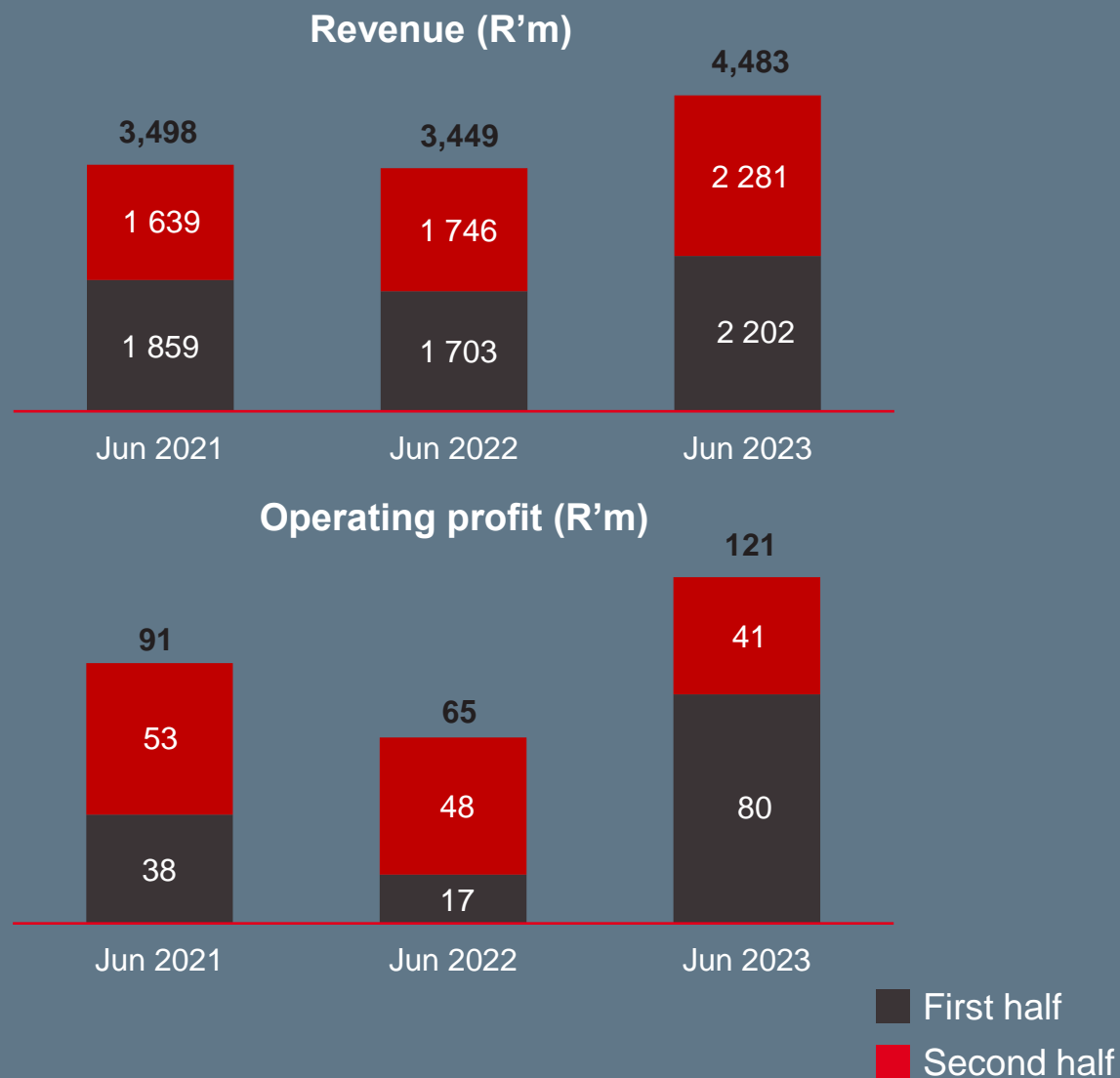


**SUPPLY CHAIN  
EUROPE**



# SUPPLY CHAIN EUROPE

## Operational enhancements delivered growth



## Highlights

- Ongoing evolution of the business model to ensure relevant services and optimised cost structures.
- Operational enhancements key to growth:
  - consolidation of shipments onto larger vehicles
  - higher average kilometres per load
  - recovery of increased diesel and other operating costs
- Revenue from T.I and Delver acquisitions amounted to R366.0 million.
- European revenue increased by 30.0%.
- Operating margin increased from 1.9% to 2.7%, driving an operating profit growth of 84.1%.
- The weakening of the Rand against the Euro had a minimal impact.



**“ The LeasePlan integration progressed well, with a focus on further benefit extraction ”**

**FLEET SOLUTIONS**

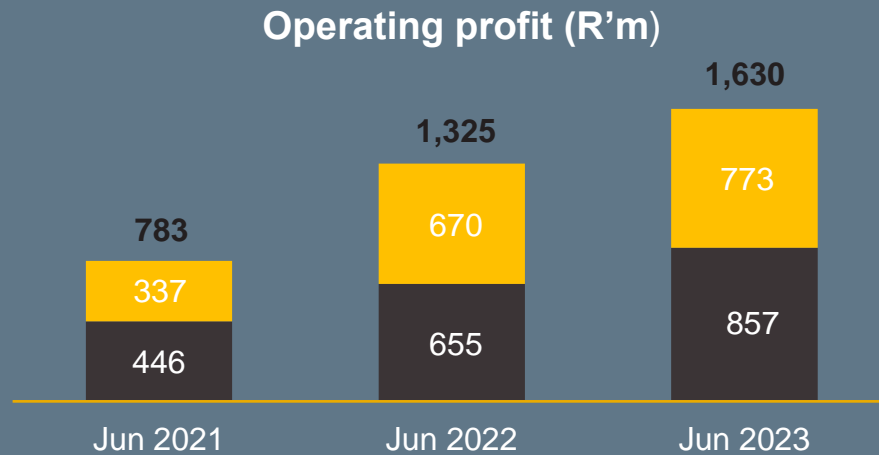
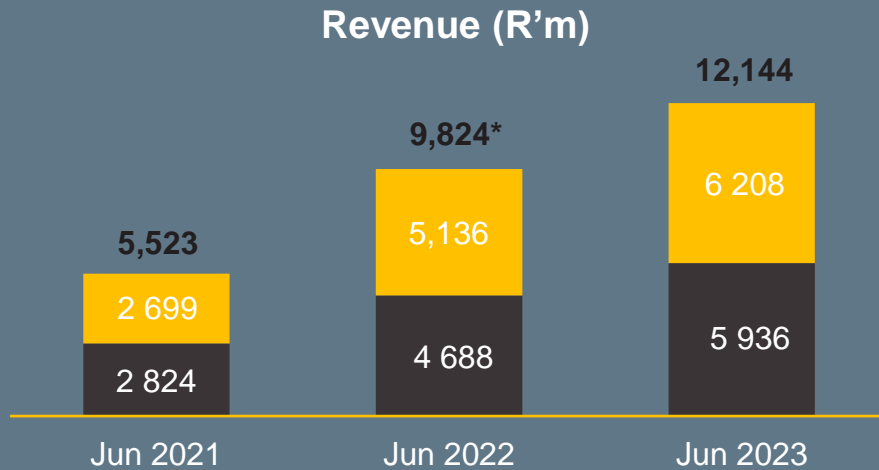
Peter Mountford



**SG FLEET**

# SG FLEET

## Customer wins and orders result in steady growth



\* Restated from R9.59 billion

■ First half  
■ Second half

### Highlights

- Performance benefited from strong order growth and improving supply levels.
- Customer wins also contributed to strong growth, with the order book again outpacing deliveries.
- Better vehicle supply primarily due to new market entrants and EV manufacturers, with certain mainstream vehicle models remaining scarce.
- Used vehicle values remained stable and elevated.
- LeasePlan integration progressed well, with a focus on further benefit extraction.
- The weakening of the Rand against the AUD positively impacted the results by R88.2 million.

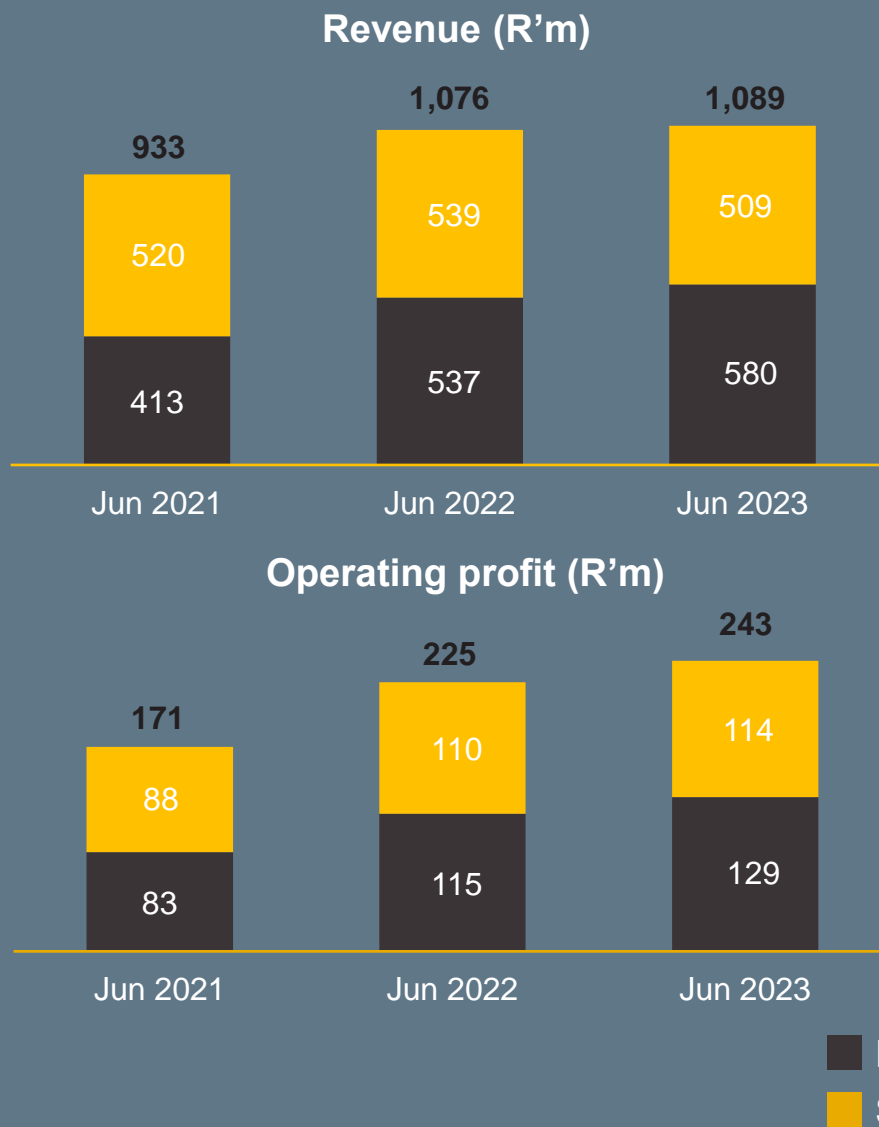




**FLEET AFRICA**

# FLEET AFRICA

Good growth in ad hoc volumes on existing contracts



## Highlights

- Produced solid results, with good growth in ad hoc rental volumes on existing contracts.
- Underpinned by innovative technology, efforts to secure new business outside of the parastatal sector is progressing well.
- Joint venture with Co-Op Bank in Kenya continued to gain momentum and the region remains a key component of the growth strategy.
- The Kenyan operations reported revenue growth of 50% and operating profit growth of 39%.



**“ A steady improvement in new  
vehicle availability ”**

**DEALERSHIPS**

Peter Mountford

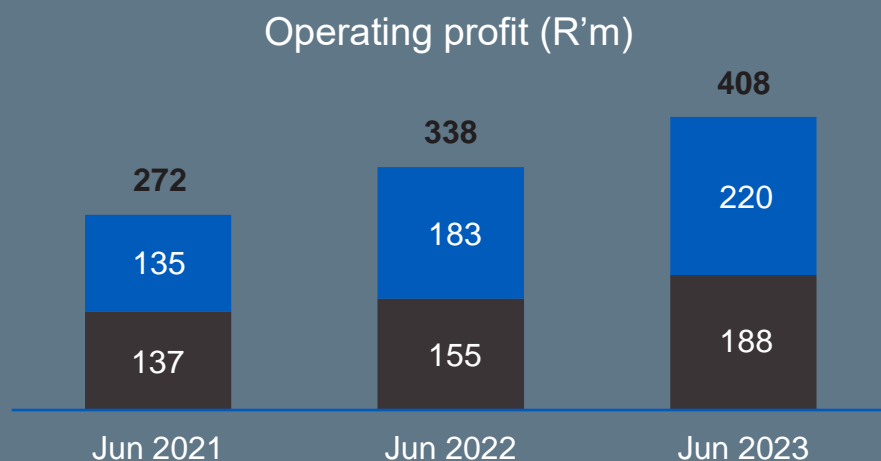
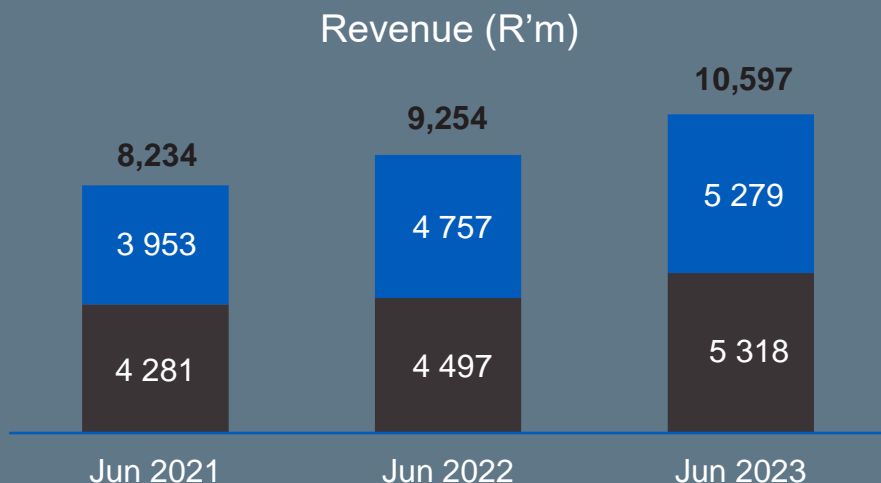




**DEALERSHIPS  
SA**

# DEALERSHIPS SA

## New vehicles sales strongly outperform NAAMSA



■ First half  
■ Second half

### Highlights

- New vehicle sales volume increased by 19.1%, strongly outperforming NAAMSA.
- Operating profit increased by 20.7% and operating margins increased from 3.7% to 3.9%.
- Profit contribution from used vehicle sales declined marginally as a result of lower volumes and weaker used vehicle margins.
- Continued to grow its representation of volume/value brands and establish multi-brand facilities, enabling it to meet resilient consumer demand despite ongoing shortages of certain brands and models.
- Technology remained the foundation of service excellence and was key to superior customer experience and sales pipeline development.





**DEALERSHIPS  
UK**

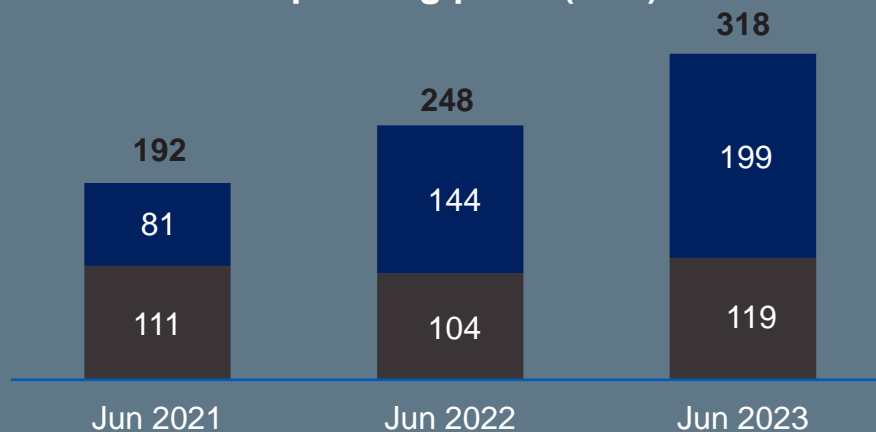
# DEALERSHIPS UK

## Growing footprint in key brands and locations

### Revenue (R'm)



### Operating profit (R'm)



\* Restated from R9.99 billion

■ First half  
■ Second half

## Highlights

- Footprint continued to grow as a result of strategic acquisitions in selected brands and key locations.
- Reported a 29.1% increase in profit before tax, despite the pressures of continued inflation and higher interest rates.
- New vehicle sales volumes increased by 39.9% as availability of stock improved, comparing favourably with the UK passenger and LCV market growth performance of 11.9%.
- Used vehicle sales volumes increased by 29.0% as used vehicle stock availability improved.
- The weakening of the Rand against the GBP positively impacted the results by R13.7 million.



**“ The Group delivered an  
outstanding financial  
performance ”**

## REVIEWED FINAL RESULTS

Colin Brown

# STATEMENT OF COMPREHENSIVE INCOME

R'million	Year ended 30 June 2023 Reviewed	Year ended 30 June 2022 Restated*	Change
Revenue	61 876.8	47 372.4*	30.6%
EBITDA	8 491.8	7 027.0	20.8%
Depreciation and amortisation	(4 545.5)	(3 758.4)	20.9%
Operating profit before capital items	3 946.3	3 268.6	20.7%
Operating profit margin	6.4%	6.9%	
Capital items	30.5	(0.5)	nm
Operating profit after capital items	3 976.8	3 268.1	21.7%
Net finance costs	(1 004.0)	(763.3)	31.5%
Profit before tax	2 972.8	2 504.8	18.7%
Income tax expense	(824.4)	(768.5)	7.3%
Profit after tax	2 148.4	1 736.3	23.7%
Earnings per share (cents)	472.9	378.5	24.9%
Headline earnings per share (cents)	469.4	380.7	23.3%
Dividend per share (cents)	80	63	27.0%

\* Revenue restated from R46.24 billion

## Highlights

- LeasePlan contribution included for full 12 months (PY had 10 months)
- Operating margin impacted by one-off items in the Services Segment in current and previous year
- Average borrowings rate of 5.5%
- Tax rate back to normal level of 27.7%
- Excluding Services Segment, growth in HEPS was 46.9%



# STATEMENT OF FINANCIAL POSITION

R'million	As at 30 June 2023 Reviewed	As at 30 June 2022 Restated*	Change
<b>Non-current assets</b>	<b>41 991.7</b>	33 855.0	24.0%
Property, plant and equipment & ROU assets	<b>12 156.3</b>	10 105.4	20.3%
Investment property	<b>162.2</b>	162.2	-
Lease portfolio assets	<b>15 578.2</b>	11 214.8	38.9%
Goodwill and intangible assets	<b>13 145.8</b>	11 502.5	14.3%
Investments and other non-current assets	<b>949.2</b>	870.1*	9.1%
<b>Current assets</b>	<b>31 039.6</b>	24 174.3	28.4%
Lease portfolio assets	<b>6 009.1</b>	6 283.0	(4.4%)
Inventories	<b>6 210.1</b>	4 029.8	54.1%
Trade and sundry receivables	<b>9 737.6</b>	7 639.9*	27.5%
Income tax receivable	<b>18.2</b>	-	Nm
Cash and cash equivalents	<b>9 064.6</b>	6 221.6	45.7%
<b>Total assets</b>	<b>73 031.3</b>	58 029.3	25.9%

\* Reclassification of R311 million from current to non-current assets

## Highlights

- Total assets impacted by weakening of ZAR
- Capex mainly related to Supply Chain vehicle fleets
- Increase in total lease portfolio assets by R4.1 billion in SG Fleet
- Availability of dealership inventories improved over the year
- Cash of R1.8 billion held in securitisation warehouses



# STATEMENT OF FINANCIAL POSITION (CONTINUED)

R'million	As at 30 June 2023 Reviewed	As at 30 June 2022 Audited	Change
Total equity	19 516.1	16 927.6	15.3%
Fund reserves and provisions	2 367.4	2 280.3	3.8%
Deferred tax liabilities	1 945.2	1 161.8	67.4%
Interest-bearing borrowings	11 479.7	7 853.2	46.2%
Lease portfolio borrowings	1 966.9	2 103.5	(6.5%)
Securitised warehouse lease borrowings	15 333.8	12 742.4	20.3%
ROU lease liabilities	2 871.6	2 622.2	9.5%
Non-controlling interest put options and other	503.0	277.7	81.2%
Trade and other payables	17 047.6	12 060.6	41.3%
<b>Total equity and liabilities</b>	<b>73 031.3</b>	<b>58 029.3</b>	<b>25.9%</b>
Net asset value per share (Rand)	46.27	38.40	20.5%
Net tangible asset value per share (Rand)	6.99	5.65	23.6%

## Highlights

- Deferred tax liability includes tax incentive refund received in SG Fleet
- Put options increased due to acquisitions during the year
- Net gearing excluding warehouse borrowings at 22.5% (PY: 22.1%)
- RNOA at 10.2% (PY: 10.3%)
- ROE at 11.0% (PY: 10.8%)

# NET BORROWINGS

R'million	Borrowings 30 June 2023	Cash 30 June 2023	Net borrowings/ (cash) 30 June 2023	Net borrowings/ (cash) 30 June 2022	Change
Africa and other	8 459.3	4 307.6	<b>4 151.7</b>	3 009.7	37.9%
United Kingdom	1 498.4	790.1	<b>708.3</b>	321.1	>100%
Europe	33.9	888.5	<b>(854.6)</b>	(254.2)	>100%
Australia & NZ	3 455.0	1 307.5	<b>2 147.5</b>	2 000.0	7.4%
Australia & NZ – Securitised Warehouses	15 333.8	1 770.9	<b>13 562.9</b>	11 400.9	19.0%
<b>TOTAL</b>	<b>28 780.4</b>	<b>9 064.6</b>	<b>19 715.8</b>	16 477.5	19.7%

- Raised net R1.81 billion of bond notes during the year
- This included R810 million for the Amco acquisition
- 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

- Debt maturity profile (excluding securitised warehouses): 71% long-term debt (longer than 12 months)
- Group covenants met with healthy headroom
- Total unutilised funding facilities of R8.7 billion

# STATEMENT OF CASH FLOWS

R'million	30 June 2023 Reviewed	30 June 2022 Audited	Change
<b>Cash flows from operating activities</b>			
Operating cash flow	<b>8 717.0</b>	7 331.6	18.9%
Working capital inflow/(outflow) – other	<b>517.5</b>	(825.8)	(>100%)
Net outflow on lease portfolio assets	<b>(4 786.1)</b>	(1 748.9)	>100%
Cash generated from operations	<b>4 448.4</b>	4 756.9	(6.5%)
Net finance cost paid	<b>(1 042.6)</b>	(760.4)	37.1%
Income tax paid	<b>(252.8)</b>	(911.4)	(72.3%)
Dividends paid	<b>(593.9)</b>	(456.2)	30.2%
<b>Net cash generated from operating activities</b>	<b>2 559.1</b>	2 628.9	(2.7%)
<b>Cash flows from investing activities</b>			
Net additions to PPE & intangibles	<b>(2 247.1)</b>	(1 363.2)	64.8%
Acquisitions & other investing activities	<b>(484.0)</b>	(4 961.7)	(90.4%)
<b>Net cash outflow from investing activities</b>	<b>(2 731.1)</b>	(6 324.9)	(56.8%)

## Highlights

- Net investment in lease portfolio assets shown separately as part of working capital outflow
- Dividends of R211.3 million paid to Super Group shareholders
- PPE expenditure mainly comprised supply chain vehicles and dealership property additions
- Cash of R101.3 million acquired as part of the acquisitions

# STATEMENT OF CASH FLOWS (CONTINUED)

R'million	30 June 2023 Reviewed	30 June 2022 Audited	Change
<b>Cash flows from financing activities</b>			
Cash outflow on shares repurchased	<b>(527.8)</b>	(291.1)	81.3%
Additional investments in existing subsidiaries	<b>(2.9)</b>	(96.9)	(97.0%)
Net interest-bearing borrowings raised	<b>3 098.3</b>	1 058.7	>100%
Net lease portfolio borrowings raised	<b>693.4</b>	3 741.5	(81.5%)
ROU lease liabilities repaid	<b>(589.9)</b>	(535.3)	10.2%
<b>Net cash inflow from financing activities</b>	<b>2 671.1</b>	3 876.9	(31.1%)
Net increase in cash and cash equivalents	<b>2 499.1</b>	180.9	>100%
Cash and cash equivalents at beginning of the year	<b>6 221.6</b>	6 131.3	1.5%
Effect of foreign exchange in cash and cash equivalents	<b>343.9</b>	(90.6)	(>100%)
<b>Cash and cash equivalents at end of the year</b>	<b>9 064.6</b>	6 221.6	45.7%

## Highlights

- Bought and cancelled 17.5 million shares during the year
- The weighted average number of shares decreased by 6.1% to 337.8 million for the year



**“ A deliberate diversification strategy has bolstered performance in a turbulent trading environment ”**

**STRATEGY**

Peter Mountford

# STRATEGY

Diversified international business positioned for sustainable growth

## SUPPLY CHAIN AFRICA

- **Pursue new business opportunities** encompassing new brands, product categories and markets
- Continue to leverage **integrated, end-to-end solutions and technology**
- **Drive integration and collaboration** across business units
- Identify **complementary acquisitions** to mitigate the risks of reduced organic growth

## SUPPLY CHAIN EUROPE

- **Diversify the customer base**
- **Improve customer flexibility and supply chain visibility**
- **Continued review of business models** to ensure resilience and relevance in line with fluctuating demand
- Maintain strict **overhead and margin management**

# STRATEGY

Diversified international business positioned for sustainable growth

## SG FLEET

- **Deliver LeasePlan synergies**
- Optimise **one-stop commercial solutions** across funding, maintenance and insurance platforms
- **Expand the corporate business** model
- **Pursue integration and cross-selling opportunities** in terms of transport and planning solutions
- Develop a wider range of **technology-driven, high value-add products and services** such as car sharing and online repair platforms

## FLEET AFRICA

- Pursue new business **opportunities in the corporate sector**
- **Invest in digital support platforms**
- Pursue full maintenance lease market **expansion opportunities in East Africa**
- **Optimise asset investment**, including identifying and implementing sustainability innovations



# STRATEGY

Diversified international business positioned for sustainable growth

## DEALERSHIPS SA

- **Grow representation of volume and value brands**
- **Optimise dealership footprint**, with a focus on multi-brand facilities
- **Deliver a consummate customer experience** and service excellence
- Develop and implement innovative and **customer-centric technology solutions**
- **Maintain lean cost structure** and excellent management of working capital

## DEALERSHIPS UK

- **Grow fleet partnerships**
- **Leverage** data, digitisation and **e-commerce trade platforms**
- **Expand motor manufacturer representation**
- **Fully integrate operations** of newly acquired businesses
- **Optimise performance** on newly introduced brands



**“ Well positioned to deliver  
another strong financial  
performance in the year to  
June 2024 ”**

**PROSPECTS**

Peter Mountford

# PROSPECTS

## Well positioned to deliver another strong financial performance in FY24

- With the global landscape set to remain volatile, the Group will continue to face macroeconomic challenges in the year ahead.
- The difficult operating environment presents significant opportunities to innovate and grow.
- Super Group has proven itself to be a resilient and adaptable organisation. The year ahead will be no different, with the Group remaining well positioned to manage the risks and leverage the opportunities inherent in a volatile and evolving trading environment.
- Super Group's extensive geographical footprint, world-class infrastructure and technologies establish a distinct competitive advantage in delivering optimum client solutions.
- Together with innovative technology-based solutions and investment in fit-for-purpose assets, this expertise will be key to new business wins and client retention in the months ahead.

# PROSPECTS

Well positioned to deliver another strong financial performance in FY24

## SUPPLY CHAIN AFRICA

- With high unemployment rates and rising inflation, the **trading environment will remain difficult**
- A focus on strategic delivery is expected to result in a **strong performance in the forthcoming financial year**
- **Significant new business wins and contract renewals** should continue to boost revenue growth in the consumer businesses
- **Improving volumes** in industries such as hospitality, entertainment and quick service restaurants are also expected to bolster performance levels

## SUPPLY CHAIN EUROPE

- A **gradual improvement in the availability of new vehicles and automotive parts distribution volumes** should bolster the performance of the European supply chain business
- The division will maintain its **focus on industry diversification**, with further expansion expected in the agricultural and industrial parts sectors
- **Rigorous cost management** remains essential
- **Acquisition of AMCO** will bolster growth and create synergies between the European and UK operations

# PROSPECTS

Well positioned to deliver another strong financial performance in FY24

## SG FLEET

- SG Fleet is expected to perform well, with the **steady improvement in the availability of new vehicles** helping meet pent-up demand
- This improvement in availability will moderate the pricing of potentially declining used vehicles
- **New business wins, strong retention rates and the realisation of the LeasePlan synergies** will support sustainable growth

## FLEET AFRICA

- Fleet Africa remains **well positioned to withstand a volatile trading environment and leverage new business opportunities**
- **Increased activity on existing contracts and good growth in ad hoc rental volumes** should continue to produce solid results
- Further expansion of the business' fleet lease **presence in Kenya** should contribute positively



# PROSPECTS

Well positioned to deliver another strong financial performance in FY24

## DEALERSHIPS SA

- Consumers will continue to delay their purchase decisions or will look to **buy a more affordable brand or model**
- Supply chain and manufacturing **disruptions look set to persist**
- Performance will be supported by the **strong contributions from services and ancillary products**
- **The multi brand focus and service excellence** should enable Dealerships SA to **deliver another good performance**

## DEALERSHIPS UK

- **Improved availability of new vehicle stock** will support a good performance, although the consumer remains under pressure from high interest rates
- The **demand for used vehicles will remain robust** as trade-ins increase
- **Strong demand for commercial vehicles** will support performance in the year ahead

# IN CONCLUSION

## Delivering sustainable shareholder value

- Super Group has successfully weathered difficult economic and trading conditions and expects to perform well into the forthcoming financial year
- The board is pleased to declare a dividend of 80 cents per share, based on a 5.9 times cover on EPS



# THANK YOU FOR YOU INTEREST IN SUPER GROUP

Further information available on  
[www.supergroup.co.za](http://www.supergroup.co.za)

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PETER MOUNTFORD  
Group Chief Executive Officer



COLIN BROWN  
Group Chief Financial Officer

# 2023

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