supergroup

UNAUDITED INTERIM RESULTS

for the six months ended
31 December 2019

Unaudited Interim Results

Contents

Results at a glance

for the six months ended 31 December 2019

Revenue	R18.9bn	2018: R19.4 billion – down 3%
EBITA	R1.3bn	2018: R1.4 billion – down 8%
Operating profit	R1.2bn	2018: R1.3 billion – down 9%
Headline earnings	R552m	2018: R630 million – down 12%
Cash generated from operations	R2.1bn	2018: R1.5 billion – up 38%
Net asset value	R12.7bn	June 2019: R12.6 billion – up 1%

INTRODUCTION

Super Group reported interim results for the six months ended 31 December 2019, which have been negatively impacted by difficult trading conditions in all the geographies within which it operates. Deteriorating South African economic growth statistics, political uncertainties in Europe and the United Kingdom (UK) as well as changes in SG Fleet's product offering, culminated in a decrease in revenue and earnings.

Supply Chain Africa's results were negatively impacted by margin pressure in its commodities businesses on the back of electricity generation and transmission problems in South Africa, as well as a sharp decline in commodity trading volumes in its sub-Saharan operations. The decline in profitability was partly offset by the inclusion of LiebenLogistics (Lieben) and GLS Supply Chain Equipment (GLS) and the solid performance of Digistics. Supply Chain Africa acquired a 65% interest in Lieben for R498.8 million and a 51% interest in GLS for R96.4 million, effective 3 July 2019.

The Supply Chain Europe operations continued to perform poorly in Germany as a result of a depressed automotive market. inTime acquired an 80% interest in Trans-Logo-Tech (TLT) effective 5 July 2019 for R183.9 million.

SG Fleet, despite growing revenue and reporting healthy activity in its Corporate tool-of-trade business, faced a number of external pressures including the tough credit environment and poor new motor vehicle sales. The Company also changed its add-on insurance portfolio which resulted in a conversion of upfront to annuity-based income, which reduced the current period's profitability. Super Group's effective shareholding in SG Fleet increased to 59.9% (30 June 2019: 59.2%) during the six months to 31 December 2019.

Fleet Africa ended the period in a strong position, having extended one of its major contracts, and secured a number of new full maintenance leases (FMLs) and managed maintenance contracts during this six-month period.

Dealerships SA's performance followed the National Association of Automobile Manufacturers of South Africa's (NAAMSA) reported sales trends, showing a decline in new vehicle sales. Dealerships SA closed one dealership during the period under review.

Dealerships UK also experienced a sharp decline in sales units, however it performed satisfactorily in this financial period despite the challenges faced.

Super Group listed senior unsecured notes to the value of R750 million (SPG008 for R250 million – 3 years; SPG009 for R350 million – 5 years and SPGC01 for R150 million –12 months), in terms of the Company's Domestic Medium Term Note (DMTN) Programme dated 22 October 2013, during the period ended 31 December 2019.

Results at a glance continued

FINANCIAL PERFORMANCE

Group revenue decreased by 3.0% to R18.9 billion (December 2018: R19.4 billion) mainly due to the decline in Dealerships UK's revenue.

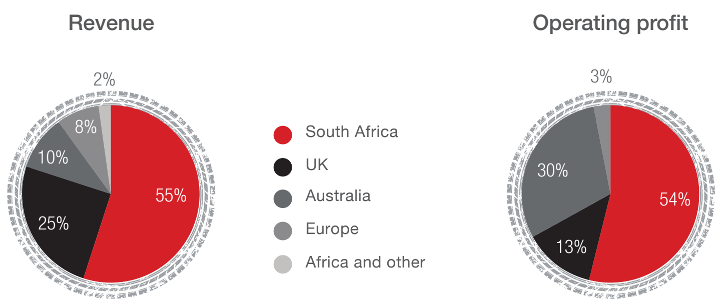
Earnings before interest, tax and amortisation on purchase price allocation (PPA) intangible assets (EBITA) decreased by 7.9% to R1 278.9 million (December 2018: R1 388.0 million) due to the underperformance of Supply Chain Africa's commodities businesses, the impairment of the historic goodwill in Phola Coaches and the introduction by SG Fleet of a redesigned protected lease product. Operating profit decreased by 8.7% to R1 185.7 million (December 2018: R1 298.4 million), resulting in the Group's operating profit margin declining from 6.7% to 6.3%.

Super Group adopted the new IFRS 16 Leases Standard, effective 1 July 2019, which had the following impact on the financial results:

- Operating lease expenses decreased by R267.1 million.
- Depreciation on right-of-use (ROU) assets recognised of R216.9 million.
- Depreciation on property, plant and equipment decreased by R9.1 million.
- ROU finance costs recognised of R85.9 million.
- Other finance costs decreased by R3.9 million.
- ROU assets recognised amounted to R2 257.3 million.
- ROU lease liabilities recognised amounted to R2 639.7 million.

Super Group's revenue and operating profit from its non-South African businesses were 45% (December 2018: 49%) and 46% (December 2018: 50%), respectively. The weakening of the average Rand against the Pound Sterling (GBP) had a marginal positive impact on the results, and the strengthening against the Australian Dollar (AUD) and Euro had a negative impact on the results.

The geographical diversity of the Group is illustrated below:



The Europe segment reported an operating loss for the period under review.

Net finance costs, excluding finance costs – ROU lease liabilities, increased by 15.4% to R207.1 million (December 2018: R179.5 million).

Profit before tax was R892.7 million (December 2018: R1 118.8 million), a decrease of 20.2%.

Earnings per share (EPS) decreased by 19.4% to 142.0 cents (December 2018: 176.3 cents) and headline earnings per share (HEPS) decreased by 12.3% to 152.5 cents (December 2018: 173.8 cents).

Total assets increased by 9.8% for the six months ended 31 December 2019 to R33.3 billion from R30.3 billion at 30 June 2019. The Group's return on net operating assets (RNOA), after tax, declined to 10.0% from 11.6% at 31 December 2018 with the Group's weighted average cost of capital (WACC) being 8.8% (June 2019: 9.2%).

Super Group's net debt position, excluding IFRS 16's ROU lease liabilities, at 31 December 2019 was R3 874.5 million, an increase of R832.2 million, resulting in the net debt to equity ratio, excluding ROU lease liabilities increasing to 30.1% compared to 24.1% at 30 June 2019. The net asset value per share increased marginally by 0.3% from R30.37 at 30 June 2019 to R30.46 at 31 December 2019.

Cash generated from operations increased by 37.9% for the period to R2 060.9 million (December 2018: R1 494.1 million). Working capital inflow of R101.3 million was recorded compared to a cash outflow of R293.2 million in the prior period. Super Group invested R1.7 billion in net additions and acquisitions to ensure future growth for the Group.

Divisional review

SUPPLY CHAIN

SUPPLY CHAIN AFRICA

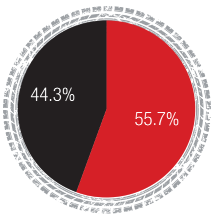
R'000	% change (excl. IFRS 16)	Six months ended 31 December 2019 Unaudited	IFRS 16 adjustment	Six months ended 31 December 2019 Normalised	Six months ended 31 December 2018 Unaudited	Year ended 30 June 2019 Audited
Revenue	4.4	**6 183 892**	–	6 183 892	5 923 226	11 290 502
EBITA	(2.5)	**477 664**	(10 710)	466 954	479 092	999 041
EBITA margin (%)		**7.7%**		7.6%	8.1%	8.8%
Operating profit	(4.3)	**459 288**	(10 710)	448 578	468 658	979 217
Operating profit margin (%)		**7.4%**		7.3%	7.9%	8.7%
Profit before tax	(16.7)	**354 237**	10 163	364 400	437 523	888 569

Supply Chain Africa's results were positively impacted by the inclusion of the Lieben and GLS results as well as Digistics increasing their market share. The consumer-facing businesses performed well despite low levels of consumer spending and high unemployment rates. These positive contributions were offset by the sharp decrease in profitability of the South African Commodity businesses as a result of a decline in local demand as well as the adverse weather conditions, particularly during November and December 2019. In addition, Zimbabwe also reported a severe decline in commodity trading and profitability. An impairment of historic goodwill in Phola Coaches of R34.2 million was made during the period under review.

The Consumer and Industrial businesses, having secured new contracts towards the end of October 2019, should positively contribute to Supply Chain Africa's results in the second half of 2020.

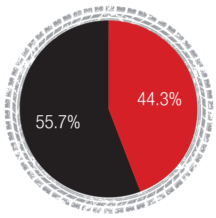
The results per industry are set out below:

Revenue



Consumer and Industrial businesses
Commodity businesses

Operating profit



SUPPLY CHAIN EUROPE

R'000	% change (excl. IFRS 16)	Six months ended 31 December 2019 Unaudited	IFRS 16 adjustment	Six months ended 31 December 2019 Normalised	Six months ended 31 December 2018 Unaudited	Year ended 30 June 2019 Audited
Revenue	(1.1)	**1 494 739**	–	1 494 739	1 512 015	2 866 810
EBITA	(92.0)	**25 163**	(19 040)	6 123	76 215	124 005
EBITA margin (%)		**1.7%**		0.4%	5.0%	4.3%
Operating (loss)/profit	(209.7)	**(17 595)**	(19 040)	(36 635)	33 396	39 180
Operating (loss)/profit margin (%)		**(1.2%)**		(2.5%)	2.2%	1.4%
(Loss)/profit before tax	(637.8)	**(65 883)**	8 717	(57 166)	10 629	(6 060)

Supply Chain Europe's results continued to be negatively impacted by severe declines in Germany's new vehicle production volumes, down 8.4% compared to December 2018. The German automotive manufacturing volumes were at a 23-year low. inTime's number of transport activities dropped by 19.8% over the reporting period. The operating loss includes amortisation of PPA intangible assets to the amount of R42.8 million (December 2018: R42.8 million).

The business closed one satellite branch and one trans-shipment point during the period to December 2019.

Divisional review continued

FLEET SOLUTIONS

FLEET AFRICA

R'000	% change (excl. IFRS 16)	Six months ended 31 December 2019 Unaudited	IFRS 16 adjustment	Six months ended 31 December 2019 Normalised	Six months ended 31 December 2018 Unaudited	Year ended 30 June 2019 Audited
Revenue	25.3	**394 395**	–	394 395	314 697	698 087
Operating profit	30.9	**82 724**	–	82 724	63 176	117 777
Operating profit margin (%)		**21.0%**		21.0%	20.1%	16.9%
Profit before tax	34.9	**81 216**	–	81 216	60 186	127 305

Fleet Africa delivered a strong set of results on the back of renewing one of its major contracts and securing a number of FML and managed maintenance contracts for the period under review. The joint venture agreement between Fleet Africa and the Co-Op Bank in Kenya has contributed positively to the results.

SG FLEET

R'000	% change (excl. IFRS 16)	Six months ended 31 December 2019 Unaudited	IFRS 16 adjustment	Six months ended 31 December 2019 Normalised	Six months ended 31 December 2018 Unaudited	Year ended 30 June 2019 Audited
Revenue	(1.5)	**2 504 589**	–	2 504 589	2 543 009	5 153 016
EBITA	(19.8)	**393 789**	(1 859)	391 930	488 862	970 540
EBITA margin (%)		**15.7%**		15.6%	19.2%	18.8%
Operating profit	(20.3)	**364 514**	(1 859)	362 655	455 204	911 725
Operating profit margin (%)		**14.6%**		14.5%	17.9%	17.7%
Profit before tax	(18.3)	**333 540**	986	334 526	409 337	832 283

SG Fleet's results, in AUD terms, continued to be impacted by the Consumer business in Australia due to negative consumer sentiment, which resulted in a decline in vehicle retail sales and novated leases. In addition, the results were also impacted by the changes to the insurance products, converting upfront income to annuity-based income. The Australian Corporate tool-of-trade business saw healthy activity levels despite facing a number of external pressures, including from the credit environment.

The underlying performance of the UK business was positive. In New Zealand, despite business confidence being muted, SG Fleet won the Northpower contract, one of the largest fleets in the country.

For the full set of interim results refer to www.sgfleet.com.

DEALERSHIPS

DEALERSHIPS SA

R'000	% change (excl. IFRS 16)	Six months ended 31 December 2019 Unaudited	IFRS 16 adjustment	Six months ended 31 December 2019 Normalised	Six months ended 31 December 2018 Unaudited	Year ended 30 June 2019 Audited
Revenue	(2.1)	**4 068 553**	–	4 068 553	4 155 880	8 134 059
Operating profit	(9.6)	**162 176**	(17 077)	145 099	160 503	310 500
Operating profit margin (%)		**4.0%**		3.6%	3.9%	3.8%
Profit before tax	(7.2)	**105 316**	2 862	108 178	116 524	222 629

Dealerships SA reported results that mirrored the national new vehicle sales trends and market statistics. Revenue essentially declined as a result of the decline in the premium luxury segment volumes as well as the closure of one dealership.

New vehicle sales volumes (excluding the closed dealerships) declined by 3%, while used vehicle volumes increased by 1%, for the period under review. The Parts and Services operations produced a strong performance.

The increase in operating profit margin was mainly as a result of the IFRS 16 impact.

DEALERSHIPS UK

R'000	% change (excl. IFRS 16)	Six months ended 31 December 2019 Unaudited	IFRS 16 adjustment	Six months ended 31 December 2019 Normalised	Six months ended 31 December 2018 Unaudited	Year ended 30 June 2019 Audited
Revenue	(15.5)	**4 212 615**	–	4 212 615	4 985 102	9 704 591
EBITA	(2.9)	**121 844**	(6 542)	115 302	118 731	275 128
EBITA margin (%)		**2.9%**		2.7%	2.4%	2.8%
Operating profit	(3.0)	**119 066**	(6 542)	112 524	115 979	269 623
Operating profit margin (%)		**2.8%**		2.7%	2.3%	2.8%
Profit before tax	(4.8)	**62 135**	1 877	64 012	67 213	174 561

The UK new vehicle market declined by 1.7%, with Kia and Ford both reporting declines of 1.0% and 1.3% over the period under review.

Dealerships UK reported a decline in results due to a number of franchise and industry issues. Ford UK changed its parts wholesale model, which had an impact on revenue of R187.9 million, while confidence levels around Brexit and the industry as a whole negatively affected privilege sales volumes and market shares. Parts and services continued to perform well.

The overall performance of Dealerships UK remained robust.

SERVICES

The Services segment, including the Corporate and the Mauritius operations, performed in line with expectations.

PROSPECTS

The lack of meaningful economic stimuli in the South African market as well as the uncertain global macro-events, such as US trade wars and the pending finalisation of Brexit trade agreements, will continue to negatively impact Super Group's businesses across all geographies in which the Group operates. Super Group is not expecting market conditions to improve for the remainder of the financial year ending 30 June 2020. Despite the prevailing tough trading environments, the Group will continue to explore business opportunities over the short to medium term.

Supply Chain Europe's businesses are going through an extensive process of cost reduction and operational rationalisation, and decisive action is being taken. It involves the regional consolidation of depots into the Hannover centre, involving the closure of one further branch and two trans-shipment points; digitisation and administration processes to reduce overheads; and strategic expansion into new business areas such as agricultural equipment and e-commerce platforms.

Super Group remains committed to its strategy of being an innovative, integrated mobility solutions company to ensure growth over the long term. The continued development of superior technology capabilities, enhanced service efficiencies and product innovation will enable the Group to grow organically post this period of materially reduced commodity activity in both South Africa and the sub-Saharan African territories.

Board changes during the period included the resignation of David Rose and John Newbury, both of who reached the relevant retirement age, effective 28 November 2019. Nigel Redford, Company Secretary, retired effective 31 December 2019 and John Mackay was appointed Company Secretary effective 1 January 2020. On behalf of the Group we would like to express our appreciation to David and John for their very significant contributions during their tenure on the Board and to thank Nigel for his excellent input as Company Secretary.

No dividend for the six months ended 31 December 2019 (2018: Rnil) has been declared. The Board is considering the implementation of a share buyback programme.

On behalf of the Board:

P Vallet
Chairman of the Company

P Mountford
Chief Executive Officer

24 February 2020
Sandton

The Unaudited Financial Results will be available on the Group's website on Monday, 24 February 2020 once the SENS has been released. Copies of the full announcement are available on request from John Mackay, Company Secretary at john.mackay@supergrp.com. The Group's website is www.supergroup.co.za.

Any forward looking information is the responsibility of the directors and has not been reviewed or reported on by the Company's external auditor.

Condensed Consolidated Financial Statements for the six months ended 31 December 2019

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Condensed Consolidated Financial Statements for the period ended 31 December 2019 are prepared in accordance with the requirements of the JSE Limited (JSE) Listings Requirements (JSE Listings Requirements) for preliminary reports and the requirements of the Companies Act, 71 of 2008, as amended (the Companies Act). The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standards (IAS) 34 Interim Financial Reporting. The accounting policies applied in the preparation of the Condensed Consolidated Financial Statements are in terms of IFRS and are consistent with those applied in the previous Consolidated Financial Statements with the exception of the adoption of IFRS 16 Leases.

The definitions of capital items, PPA, EBITA and related adjustments are included in the accounting policies in the June 2019 Annual Financial Statements. The new IFRS 16 Leases became effective for the first time in Super Group's financial year that commenced 1 July 2019. These Condensed Consolidated Financial Statements for the period ended 31 December 2019 have not been reviewed by KPMG Inc.

IFRS 16 Leases replaces IAS 17 Leases, and introduced changes to lessee accounting, in particular, the requirement to recognise leases currently classified as operating leases on the Condensed Consolidated Statement of Financial Position. The standard requires a lessee to recognise an ROU asset, representing its rights to use the underlying lease asset, and a lease liability, representing its obligation to make lease payments, with certain exceptions for short-term leases or leases of low-value assets, on the Condensed Consolidated Statement of Financial Position. The Group adopted IFRS 16 Leases on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting this standard was recognised as an adjustment to retained earnings on 1 July 2019 with no restatement of the comparable period presented.

The adoption of IFRS 16 resulted in an ROU asset and lease liability of R2.26 billion and R2.64 billion, respectively, being recognised on the Condensed Consolidated Statement of Financial Position with an opening retained earnings adjustment of R174.5 million in the Condensed Consolidated Statement of Changes in Equity. The lease expenses decreased by R267.1 million, depreciation expense increased by R207.8 million and the finance costs increased by R82.0 million in the Condensed Consolidated Statement of Comprehensive Income.

To demonstrate the adoption of IFRS 16 on the interim results, Super Group prepared pro forma financial information. The financial information excluding the impact of the adoption of IFRS 16 is pro forma in nature and has been prepared for illustrative purposes only. The directors are responsible for compiling the ratios and financial information when excluding the adoption of IFRS 16.

Standards effective for reporting periods starting on or after 1 July 2020 are:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a business (amendments to IFRS 3)
- Definition of Material (amendments to IAS 1 and IAS 8)

The Board's initial view on these standards not yet effective is that the impact is not expected to be material.

The Condensed Consolidated Financial Statements are presented in Rand, which is the Company's functional currency and the Group's presentation currency, rounded to the nearest thousand.

These results have been compiled under the supervision of the Chief Financial Officer, Colin Brown, CA(SA), BCompt (Hons), MBL.

Condensed Consolidated Statement of Comprehensive Income

	Six-month period ended 31 December 2019 Unaudited R'000	Six-month period ended 31 December 2018 Unaudited R'000	Year ended 30 June 2019 Audited R'000
Revenue	**18 863 505**	19 441 603	37 861 772
Depreciation on right-of-use (ROU) assets	**(216 908)**	–	–
Other depreciation and amortisation (excluding amortisation of purchase price allocation (PPA) intangible assets)	**(537 327)**	(454 366)	(920 970)
Operating expenditure – excluding capital items	**(16 796 955)**	(17 613 375)	(34 097 930)
Operating expenditure – capital items	**(33 424)**	14 156	(68 278)
EBITA	**1 278 891**	1 388 018	2 774 594
Amortisation of PPA intangible assets	**(93 187)**	(89 663)	(168 969)
Operating profit	**1 185 704**	1 298 355	2 605 625
Finance costs – ROU lease liabilities	**(85 868)**	–	–
Finance costs – other	**(323 264)**	(270 933)	(577 297)
Interest received and income from equity-accounted investees	**116 124**	91 426	230 784
Profit before income tax	**892 696**	1 118 848	2 259 112
Income tax expense	**(263 163)**	(320 101)	(636 806)
Profit for the period	**629 533**	798 747	1 622 306
Profit for the period attributable to:			
Non-controlling interests (NCI)	**114 946**	160 050	314 804
Equity holders of Super Group	**514 587**	638 697	1 307 502
	629 533	798 747	1 622 306
Other comprehensive income			
Items which will be reclassified to profit or loss:	**(1 906)**	68 206	(109 460)
Translation adjustment	**(4 157)**	70 568	(88 780)
Effective portion of hedge	**3 216**	(3 692)	(29 036)
Tax effect of effective portion of hedge	**(965)**	1 330	8 356
Items which will not be reclassified to profit or loss:	**973**	–	47 203
Revaluation of land and buildings	**650**	–	62 562
Tax adjustment and effect of revaluation of land and buildings	**323**	–	(15 359)
Other comprehensive income for the period (net of tax)	**(933)**	68 206	(62 257)
Total comprehensive income for the period	**628 600**	866 953	1 560 049
Total comprehensive income for the period attributable to:			
Non-controlling interests	**117 146**	165 999	280 857
Equity holders of Super Group	**511 454**	700 954	1 279 192
	628 600	866 953	1 560 049
RECONCILIATION OF HEADLINE EARNINGS			
Profit attributable to equity holders of Super Group	**514 587**	638 697	1 307 502
Capital items after tax and NCI (refer to note 8 in Salient Features)	**37 803**	(8 887)	47 194
Headline earnings for the period	**552 390**	629 810	1 354 696
Earnings per share (cents)			
Basic	**142.0**	176.3	360.8
Diluted	**142.0**	175.9	360.4
Headline earnings per share (cents)			
Basic	**152.5**	173.8	373.8
Diluted	**152.5**	173.5	373.4

Condensed Consolidated Statement of Financial Position

	31 December 2019 Unaudited R'000	31 December 2018 Unaudited R'000	30 June 2019 Audited R'000
ASSETS			
Non-current assets	**20 218 064**	16 532 947	16 470 328
Property, plant and equipment	**6 608 590**	5 708 270	6 077 255
ROU assets	**2 257 295**	–	–
Investment property	**164 200**	151 000	164 200
Full maintenance lease assets	**1 717 101**	1 577 518	1 551 641
Intangible assets	**1 325 800**	1 303 571	1 149 735
Goodwill	**7 882 654**	7 490 107	7 305 094
Investments and other non-current assets	**217 992**	289 818	209 194
Deferred tax assets	**44 432**	12 663	13 209
Current assets	**13 041 838**	13 169 255	13 810 292
Inventories	**3 948 440**	3 840 749	4 488 869
Trade receivables	**3 934 748**	3 849 963	3 813 236
Sundry receivables	**1 768 941**	1 805 383	1 931 015
Tax receivable	**11 945**	–	–
Cash and cash equivalents	**3 377 764**	3 673 160	3 577 172
Total assets	**33 259 902**	29 702 202	30 280 620
EQUITY AND LIABILITIES			
Capital and reserves			
Capital and reserves attributable to equity holders of Super Group	**11 011 709**	10 478 918	11 008 716
Non-controlling interests	**1 690 724**	1 671 585	1 604 302
Total equity	**12 702 433**	12 150 503	12 613 018
Non-current liabilities	**9 807 848**	6 596 077	6 279 891
Fund reserves	**560 679**	485 787	457 499
Non-controlling interest put options and other liabilities	**328 430**	217 526	101 196
Full maintenance lease borrowings	**532 676**	312 324	335 703
ROU lease liabilities	**2 281 120**	–	–
Interest-bearing borrowings	**5 386 700**	4 923 927	4 792 801
Provisions	**63 168**	72 735	61 951
Deferred tax liabilities	**655 075**	583 778	530 741
Current liabilities	**10 749 621**	10 955 622	11 387 711
Non-controlling interest put option	**–**	39 553	–
Full maintenance lease borrowings	**441 972**	524 140	541 958
ROU lease liabilities	**358 570**	–	–
Interest-bearing borrowings	**890 905**	974 772	949 041
Trade and other payables	**8 753 497**	9 083 689	9 493 932
Income tax payable	**–**	43 266	46 321
Provisions including employee-related benefits	**304 677**	290 202	356 459
Total equity and liabilities	**33 259 902**	29 702 202	30 280 620

Condensed Consolidated Statement of Cash Flows

	Six-month period ended 31 December 2019 Unaudited R'000	Six-month period ended 31 December 2018 Unaudited R'000	Year ended 30 June 2019 Audited R'000
Cash flows from operating activities			
Operating cash flow	**1 959 600**	1 787 299	3 792 588
Working capital inflow/(outflow)	**101 277**	(293 190)	(652 140)
Cash generated from operations	**2 060 877**	1 494 109	3 140 448
Finance costs paid	**(403 815)**	(253 819)	(535 029)
Interest received	**120 469**	76 899	170 787
Income tax paid	**(324 986)**	(331 104)	(663 038)
Dividends paid to non-controlling interests	**(119 471)**	(122 741)	(219 449)
Net cash generated from operating activities	**1 333 074**	863 344	1 893 719
Cash flows from investing activities			
Additions to property, plant and equipment	**(687 259)**	(833 429)	(1 578 505)
Additions to full maintenance lease assets	**(540 296)**	(342 441)	(739 511)
Additions to intangible assets	**(47 522)**	(50 818)	(85 552)
Proceeds on disposal of property, plant and equipment	**99 939**	97 991	240 144
Proceeds on disposal of full maintenance lease assets	**205 754**	162 671	398 054
Proceeds on disposal of intangible assets	**1 108**	–	–
Long-term receivable loan granted	**(2 945)**	(15 000)	(15 129)
Long-term receivable loan repaid	**6 263**	2 193	62 288
Acquisition of businesses (net of cash acquired)	**(714 316)**	(41 673)	(40 796)
Other investing activities	**(22 116)**	(2 547)	(1 946)
Net cash outflow from investing activities	**(1 701 390)**	(1 023 053)	(1 760 953)
Cash flows from financing activities			
Cash outflow on share movements	**(28 364)**	(178)	(393)
Net additional investment in existing subsidiaries	**(46 275)**	3 245	(277 403)
Interest-bearing borrowings raised	**1 477 803**	2 216 945	4 040 958
ROU lease liabilities repaid	**(195 161)**	–	–
Interest-bearing borrowings repaid	**(1 122 660)**	(1 719 189)	(3 647 830)
Full maintenance lease borrowings raised	**544 602**	403 499	703 269
Full maintenance lease borrowings repaid	**(458 203)**	(427 742)	(676 381)
Shareholders' loans repaid	**(10 814)**	–	–
Net cash inflow from financing activities	**160 928**	476 580	142 220
Net (decrease)/increase in cash and cash equivalents	**(207 388)**	316 871	274 986
Net cash and cash equivalents at the beginning of the period	**3 577 172**	3 351 270	3 351 270
Effect of foreign exchange on cash and cash equivalents	**7 980**	5 019	(49 084)
Cash and cash equivalents at the end of the period	**3 377 764**	3 673 160	3 577 172

Condensed Consolidated Statement of Changes in Equity

	Stated capital R'000	Other reserves R'000	Retained earnings R'000	Share buyback reserve R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Balance at 30 June 2018 – audited	3 753 641	1 088 060	5 119 999	(163 464)	**9 798 236**	1 578 889	**11 377 125**
Adjustment on initial application of IFRS 9 and 15, net of tax	–	–	(5 888)	–	**(5 888)**	(4 348)	**(10 236)**
Restated balance	3 753 641	1 088 060	5 114 111	(163 464)	**9 792 348**	1 574 541	**11 366 889**
Other comprehensive income	–	62 257	–	–	**62 257**	5 949	**68 206**
Translation adjustment	–	63 616	–	–	**63 616**	6 952	**70 568**
Effective portion of hedge	–	(2 124)	–	–	**(2 124)**	(1 568)	**(3 692)**
Tax effect of effective portion of hedge	–	765	–	–	**765**	565	**1 330**
Profit for the period	–	–	638 697	–	**638 697**	160 050	**798 747**
Total comprehensive income for the period	–	62 257	638 697	–	**700 954**	165 999	**866 953**
Transactions with shareholders recognised directly in equity							
Realisation of revaluation reserve through depreciation	–	(106)	106	–	**–**	–	**–**
Share-based payment reserve movement	–	–	25 878	–	**25 878**	2 319	**28 197**
Share options exercised – South Africa	–	–	(7 688)	–	**(7 688)**	–	**(7 688)**
Share options exercised – Australia	–	–	(1 888)	–	**(1 888)**	(1 394)	**(3 282)**
B-BBEE good leaver options exercised[1]	–	–	(178)	–	**(178)**	–	**(178)**
Movement in treasury shares	–	–	–	7 688	**7 688**	–	**7 688**
Dividends paid to NCI	–	–	–	–	**–**	(141 612)	**(141 612)**
Deferred tax recorded directly in equity on movement in options	–	–	(5 462)	–	**(5 462)**	–	**(5 462)**
NCI put option movement	–	–	4 499	–	**4 499**	–	**4 499**
Transactions with equity partners – increase in shareholding	–	–	(81 875)	–	**(81 875)**	(65 669)	**(147 544)**
Transactions with equity partners – decrease in shareholding	–	–	44 642	–	**44 642**	125 018	**169 660**
NCI recognised in respect of subsidiary acquired	–	–	–	–	**–**	12 383	**12 383**
Balance at 31 December 2018 – unaudited	3 753 641	1 150 211	5 730 842	(155 776)	**10 478 918**	1 671 585	**12 150 503**
Other comprehensive income	–	(90 567)	–	–	**(90 567)**	(39 896)	**(130 463)**
Translation adjustment	–	(126 933)	–	–	**(126 933)**	(32 415)	**(159 348)**
Effective portion of hedge	–	(15 010)	–	–	**(15 010)**	(10 334)	**(25 344)**
Tax effect of effective portion of hedge	–	4 173	–	–	**4 173**	2 853	**7 026**
Revaluation of land and buildings	–	62 562	–	–	**62 562**	–	**62 562**
Tax effect of revaluation of land and buildings	–	(15 359)	–	–	**(15 359)**	–	**(15 359)**
Profit for the period	–	–	668 805	–	**668 805**	154 754	**823 559**
Total comprehensive income for the period	–	(90 567)	668 805	–	**578 238**	114 858	**693 096**
Transactions with shareholders recognised directly in equity							
Realisation of revaluation reserve through depreciation	–	(3)	3	–	**–**	–	**–**
Share-based payment reserve movement	–	–	18 000	–	**18 000**	(61)	**17 939**
Share options exercised – South Africa	–	–	(2 325)	–	**(2 325)**	(154)	**(2 479)**
B-BBEE good leaver options exercised[1]	–	–	(234)	–	**(234)**	–	**(234)**

	Stated capital R'000	Other reserves R'000	Retained earnings R'000	Share buyback reserve R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Movement in treasury shares	–	–	–	2 498	2 498	–	2 498
Dividends paid to NCI	–	–	–	–	–	(96 708)	(96 708)
Deferred tax recorded directly in equity on movement in options	–	–	(2 359)	–	(2 359)	(92)	(2 451)
NCI put option movement	–	–	137 075	–	137 075	–	137 075
Transactions with equity partners – increase in shareholding	–	–	(197 469)	–	(197 469)	(83 179)	(280 648)
NCI recognised in respect of subsidiary acquired	–	–	–	–	–	(1 170)	(1 170)
Adjustment to the initial application of IFRS 9 and IFRS 15, net of tax	–	–	(3 626)	–	(3 626)	(777)	(4 403)
Balance at 30 June 2019 – audited	3 753 641	1 059 641	6 348 712	(153 278)	11 008 716	1 604 302	12 613 018
Adjustment on initial application of IFRS 16, net of tax	–	–	(166 399)	–	(166 399)	(8 139)	(174 538)
Restated balance as at 1 July 2019	3 753 641	1 059 641	6 182 313	(153 278)	10 842 317	1 596 163	12 438 480
Other comprehensive income	–	(3 133)	–	–	(3 133)	2 200	(933)
Translation adjustment	–	(5 451)	–	–	(5 451)	1 294	(4 157)
Effective portion of hedge	–	1 922	–	–	1 922	1 294	3 216
Tax effect of effective portion of hedge	–	(577)	–	–	(577)	(388)	(965)
Revaluation of land and buildings	–	650	–	–	650	–	650
Tax effect and adjustment of revaluation of land and buildings	–	323	–	–	323	–	323
Profit for the period	–	–	514 587	–	514 587	114 946	629 533
Total comprehensive income for the period	–	(3 133)	514 587	–	511 454	117 146	628 600
Transactions with shareholders recognised directly in equity							
Realisation of revaluation reserve through depreciation	–	(127)	127	–	–	–	–
Share-based payment reserve movement	–	–	(5 608)	–	(5 608)	2 618	(2 990)
Share options exercised – Australia	–	–	(4 570)	–	(4 570)	(3 249)	(7 819)
B-BBEE good leaver options exercised[1]	–	–	(78)	–	(78)	–	(78)
Movement in treasury shares	–	–	–	(28 286)	(28 286)	–	(28 286)
Dividends paid to NCI	–	–	–	–	–	(119 471)	(119 471)
Deferred tax recorded directly in equity on movement in options	–	–	1 963	–	1 963	(24)	1 939
NCI put options movement	–	–	(275 035)	–	(275 035)	–	(275 035)
Transactions with equity partners – increase in shareholdings[2]	–	–	(33 395)	–	(33 395)	(20 843)	(54 238)
Transactions with equity partners – decrease in shareholdings[2]	–	–	2 947	–	2 947	5 016	7 963
NCI recognised in respect of subsidiary acquired – Lieben[2]	–	–	–	–	–	94 545	94 545
NCI recognised in respect of subsidiary acquired – GLS[2]	–	–	–	–	–	32 002	32 002
NCI recognised in respect of subsidiary acquired – TLT[2]	–	–	–	–	–	(13 179)	(13 179)
Balance at 31 December 2019 – unaudited	3 753 641	1 056 381	6 383 251	(181 564)	11 011 709	1 690 724	12 702 433

[1] *A good leaver is an employee who participated in the Broad-Based Black Economic Empowerment (B-BBEE) Scheme whose employment was terminated due to their death, retrenchment or sale of the subsidiary or business that employed the participant.*

[2] *Refer to business combinations note.*

Operating segments

	Super Group		Supply Chain Africa		Supply Chain Europe	
	Period ended 31 December 2019 Unaudited R'000	Period ended 31 December 2018 Unaudited R'000	Period ended 31 December 2019 Unaudited R'000	Period ended 31 December 2018 Unaudited R'000	Period ended 31 December 2019 Unaudited R'000	Period ended 31 December 2018 Unaudited R'000
Revenue	**18 863 505**	19 441 603	**6 183 892**	5 923 226	**1 494 739**	1 512 015
Depreciation – ROU assets	**(216 908)**	–	**(61 262)**	–	**(61 485)**	–
Other depreciation and amortisation (excluding amortisation of PPA intangibles)	**(537 327)**	(454 366)	**(280 381)**	(206 528)	**(11 460)**	(9 772)
Net operating expenditure – excluding capital items	**(16 796 955)**	(17 613 375)	**(5 328 420)**	(5 251 619)	**(1 396 565)**	(1 426 303)
Operating expenditure – capital items	**(33 424)**	14 156	**(36 165)**	14 013	**(66)**	275
EBITA	**1 278 891**	1 388 018	**477 664**	479 092	**25 163**	76 215
Amortisation of PPA intangibles	**(93 187)**	(89 663)	**(18 376)**	(10 434)	**(42 758)**	(42 819)
Operating profit	**1 185 704**	1 298 355	**459 288**	468 658	**(17 595)**	33 396
Finance costs – ROU lease liabilities	**(85 868)**	–	**(24 739)**	–	**(27 756)**	–
Other net finance (costs)/income	**(207 140)**	(179 507)	**(80 312)**	(31 135)	**(20 532)**	(22 767)
Profit before tax	**892 696**	1 118 848	**354 237**	437 523	**(65 883)**	10 629
Net capex	**968 276**	966 026	**542 714**	633 102	**22 507**	18 811

	Fleet Africa		SG Fleet		Dealerships SA		Dealerships UK		Services and intercompany eliminations	
	Period ended 31 December 2019 Unaudited R'000	Period ended 31 December 2018 Unaudited R'000	Period ended 31 December 2019 Unaudited R'000	Period ended 31 December 2018 Unaudited R'000	Period ended 31 December 2019 Unaudited R'000	Period ended 31 December 2018 Unaudited R'000	Period ended 31 December 2019 Unaudited R'000	Period ended 31 December 2018 Unaudited R'000	Period ended 31 December 2019 Unaudited R'000	Period ended 31 December 2018 Unaudited R'000
	394 395	314 697	2 504 589	2 543 009	4 068 553	4 155 880	4 212 615	4 985 102	4 722	7 674
	–	–	(24 281)	–	(33 205)	–	(33 654)	–	(3 021)	–
	(112 149)	(95 187)	(98 842)	(109 035)	(9 687)	(10 010)	(14 557)	(12 491)	(10 251)	(11 343)
	(199 522)	(156 334)	(1 987 677)	(1 945 112)	(3 863 466)	(3 985 375)	(4 045 386)	(4 853 880)	24 081	5 248
	–	–	–	–	(19)	8	2 826	–	–	(140)
	82 724	63 176	393 789	488 862	162 176	160 503	121 844	118 731	15 531	1 439
	–	–	(29 275)	(33 658)	–	–	(2 778)	(2 752)	–	–
	82 724	63 176	364 514	455 204	162 176	160 503	119 066	115 979	15 531	1 439
	–	–	(2 845)	–	(19 940)	–	(8 419)	–	(2 169)	–
	(1 508)	(2 990)	(28 129)	(45 867)	(36 920)	(43 979)	(48 512)	(48 766)	8 773	15 997
	81 216	60 186	333 540	409 337	105 316	116 524	62 135	67 213	22 135	17 436
	237 900	117 001	133 705	105 966	16 868	61 340	10 037	13 618	4 545	16 188

Operating segments continued

	Super Group		Supply Chain Africa		Supply Chain Europe	
	As at 31 December 2019 Unaudited R'000	As at 30 June 2019 Audited R'000	As at 31 December 2019 Unaudited R'000	As at 30 June 2019 Audited R'000	As at 31 December 2019 Unaudited R'000	As at 30 June 2019 Audited R'000
ASSETS						
Non-current assets						
Property, plant and equipment	**6 608 590**	6 077 255	**3 655 148**	3 164 107	**69 520**	65 023
ROU assets	**2 257 295**	–	**438 439**	–	**825 878**	–
Investment property	**164 200**	164 200	**–**	–	**–**	–
Full maintenance lease assets	**1 717 101**	1 551 641	**–**	–	**–**	–
Intangible assets	**1 325 800**	1 149 735	**282 947**	50 223	**453 887**	492 642
Goodwill	**7 882 654**	7 305 094	**999 608**	617 481	**2 024 768**	1 863 242
Investments and other non-current assets	**217 992**	209 194	**38 647**	55 326	**9 094**	2 881
Current assets						
Inventories	**3 948 440**	4 488 869	**501 976**	401 498	**3 670**	952
Trade receivables	**3 934 748**	3 813 236	**1 917 405**	1 886 747	**578 858**	557 854
Sundry receivables	**1 768 941**	1 931 015	**1 283 793**	1 176 291	**40 441**	33 070
Intercompany trade receivables	**–**	–	**6 013**	7 083	**–**	–
SEGMENT ASSETS	**29 825 761**	26 690 239	**9 123 976**	7 358 756	**4 006 116**	3 015 664
LIABILITIES						
Non-current liabilities						
Fund reserves	**560 679**	457 499	**–**	–	**–**	–
NCI put options and other liabilities	**328 430**	101 196	**313 254**	6 197	**–**	36 852
ROU lease liabilities	**2 281 120**	–	**386 495**	–	**826 365**	–
Long-term borrowings	**5 919 376**	5 128 504	**1 099 695**	913 391	**–**	–
Long-term provisions	**63 168**	61 951	**–**	–	**3 607**	3 682
Current liabilities						
ROU lease liabilities	**358 570**	–	**144 034**	–	**108 701**	–
Short-term borrowings	**1 332 877**	1 490 999	**562 946**	617 282	**–**	–
Trade and other payables and provisions	**9 058 174**	9 850 391	**2 372 309**	2 158 998	**518 846**	534 820
Intercompany trade payables	**–**	–	**73 591**	45 153	**–**	–
SEGMENT LIABILITIES	**19 902 394**	17 090 540	**4 952 324**	3 741 021	**1 457 519**	575 354
Net operating assets	**19 669 920**	15 839 716	**6 563 857**	5 038 451	**3 474 573**	2 474 283

Fleet Africa		SG Fleet		Dealerships SA		Dealerships UK		Services and intercompany eliminations	
As at 31 December 2019 Unaudited R'000	As at 30 June 2019 Audited R'000	As at 31 December 2019 Unaudited R'000	As at 30 June 2019 Audited R'000	As at 31 December 2019 Unaudited R'000	As at 30 June 2019 Audited R'000	As at 31 December 2019 Unaudited R'000	As at 30 June 2019 Audited R'000	As at 31 December 2019 Unaudited R'000	As at 30 June 2019 Audited R'000
2 082	978	35 979	40 536	970 698	962 804	1 051 986	1 015 987	823 177	827 820
–	–	115 503	–	295 129	–	565 421	–	16 925	–
–	–	–	–	–	–	–	–	164 200	164 200
1 109 359	985 281	607 742	566 360	–	–	–	–	–	–
–	–	532 395	548 103	91	142	42 208	43 381	14 272	15 244
87 822	87 822	3 415 884	3 411 231	536 918	536 918	817 654	788 400	–	–
–	–	27 411	2 374	–	–	–	–	142 840	148 613
–	–	120 240	100 202	1 146 614	1 341 685	2 175 940	2 644 532	–	–
214 568	197 835	705 281	721 038	322 925	201 823	177 212	231 863	18 499	16 076
7 070	3 122	101 168	98 609	21 224	24 045	54 304	323 335	260 941	272 543
27 490	27 499	–	–	1 283	1 287	–	–	(34 786)	(35 869)
1 448 391	1 302 537	5 661 603	5 488 453	3 294 882	3 068 704	4 884 725	5 047 498	1 406 068	1 408 627
53 620	51 838	507 059	405 661	–	–	–	–	–	–
–	–	15 176	18 093	–	23 953	–	–	–	16 101
–	–	72 595	–	364 475	–	595 009	–	36 181	–
298 868	154 935	1 476 221	1 420 335	–	–	329 592	274 842	2 715 000	2 365 001
–	–	59 561	58 269	–	–	–	–	–	–
–	–	48 823	–	47 928	–	–	–	9 084	–
234 191	292 268	207 964	275 984	–	–	159 029	88 134	168 747	217 331
123 336	119 900	1 518 418	1 586 578	1 741 014	1 843 563	2 608 948	3 452 110	175 303	154 422
502	743	–	–	68	46	–	–	(74 161)	(45 942)
710 517	619 684	3 905 817	3 764 920	2 153 485	1 867 562	3 692 578	3 815 086	3 030 154	2 706 913
1 271 070	1 130 182	3 561 401	3 419 394	1 553 800	1 201 142	2 275 868	1 595 389	969 351	980 875

Business combinations

Subsidiaries and businesses acquired	Nature of business	Operating segment	Date acquired	Interest acquired (%)	Purchase price R'000
LiebenLogistics Proprietary Limited (Lieben)	Logistics	Supply Chain Africa	3 July 2019	65	**498 777**
GLS Supply Chain Equipment Proprietary Limited (GLS)	Logistics	Supply Chain Africa	3 July 2019	51	**96 371**
Trans-Logo-Tech Gmbh (TLT)	Logistics	Supply Chain Europe	5 July 2019	80	**183 937**
Purchase price					**779 085**

Net cost on acquisition of businesses	Lieben R'000	GLS R'000	TLT R'000	Total R'000
Fair value of assets acquired and liabilities assumed at date of acquisition:				
Assets				
Property, plant and equipment	(295 754)	(31 566)	(3 798)	**(331 118)**
ROU assets	(59 176)	(2 935)	(480 271)	**(542 382)**
Intangible assets	(188 675)	(62 190)	(4 038)	**(254 903)**
Goodwill	(353 600)	(63 063)	(203 708)	**(620 371)**
Inventories	(9 047)	(19 551)	(2 260)	**(30 858)**
Trade and other receivables	(128 112)	(24 843)	(55 833)	**(208 788)**
Cash and cash equivalents	(72 254)	(480)	–	**(72 734)**
	(1 106 618)	(204 628)	(749 908)	**(2 061 154)**
Liabilities				
ROU lease liabilities	59 253	3 308	538 428	**600 989**
Interest-bearing borrowings	235 526	25 879	3 013	**264 418**
Shareholders' loan	–	10 814	–	**10 814**
Deferred tax liabilities	105 963	19 575	–	**125 538**
Trade and other payables	96 913	12 644	13 045	**122 602**
Income tax payable	12 478	2 480	11 603	**26 561**
Provisions	3 163	1 555	5 096	**9 814**
Overdraft	–	–	7 965	**7 965**
	513 296	76 255	579 150	**1 168 701**
Fair value of net assets acquired	(593 322)	(128 373)	(170 758)	**(892 453)**
Less: Non-controlling interest	94 545	32 002	(13 179)	**113 368**
Purchase price	(498 777)	(96 371)	(183 937)	**(779 085)**
Cash and cash equivalents acquired	72 254	480	(7 965)	**64 769**
Cash outflow	(426 523)	(95 891)	(191 902)	**(714 316)**

The acquisition of Lieben and GLS will bolster the Supply Chain Africa segment. The Group subscribed for shares in Lieben for R498.8 million of which R426.2 million was utilised to repay shareholders' loans. The Group performed a PPA exercise on Lieben and GLS whereby intangible assets acquired were separately valued. The valuation, using projected financial information, led to the recognition of customer contracts and relations of R188.7 million in Lieben and R62.0 million in GLS.

The acquisition of TLT will bolster the Supply Chain Europe segment. The Group is currently performing a PPA exercise whereby intangible assets acquired are separately valued. This exercise will be completed by 30 June 2020.

The non-controlling interests have been calculated using the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Goodwill has been recognised on the acquisition of Lieben, GLS and TLT amounting to R353.6 million, R63.1 million and R203.7 million respectively.

The goodwill is attributable mainly to the skills and technical talent of the workforce and synergies expected to be achieved from integrating the acquired businesses into the Group's various operations. None of the goodwill is expected to be deductible for tax purposes.

The values identified in relation to the acquisitions are provisional as at 31 December 2019.

The acquisition-related cost of R0.6 million in respect of these acquisitions is included in profit or loss in the Condensed Consolidated Statement of Comprehensive Income.

Impact of the acquisitions on the results of the Group	Lieben R'000	GLS R'000	TLT R'000	Total R'000
From the dates of acquisition, the acquired business contributed:				
Revenue	412 836	79 496	104 318	**596 650**
Profit after tax and amortisation of PPA intangibles[1]	39 716	7 388	1 276	**48 380**
Attributable profit to equity holders of Super Group[1]	25 067	3 768	766	**29 601**

[1] *Excluding acquisition-related costs.*

The difference on the impact of the results if the businesses were purchased on 1 July 2019 is immaterial.

Net costs on increase in existing shareholding in subsidiaries	SG Fleet R'000
Non-controlling interest	**(20 843)**
Effect of transactions between equity partners on equity	**(33 395)**
Cash outflow	**(54 238)**

During the period the Group purchased two million shares in SG Fleet. The Group's closing shareholding in SG Fleet is 59.9%.

Net proceeds on decrease in existing shareholding in subsidiaries	SG Fleet R'000
Non-controlling interest	**5 016**
Effect of transactions between equity partners on equity	**2 947**
Cash inflow	**7 963**

During the period shares were issued in SG Fleet for the exercise of share options which diluted the Group's shareholding. The Group's closing shareholding in SG Fleet is 59.9%.

Salient features

	31 December 2019 Unaudited R'000	31 December 2018 Unaudited R'000	30 June 2019 Audited R'000
1. INTEREST-BEARING BORROWINGS			
Australia and New Zealand	**1 017 397**	1 022 443	1 015 414
Germany	**–**	737 155	–
South Africa	**4 546 389**	2 807 539	4 113 005
United Kingdom	**713 819**	1 209 292	613 423
Spain	**–**	122 270	–
	6 277 605	5 898 699	5 741 842
2. SHARE STATISTICS			
Total issued less treasury shares ('000)	**361 548**	362 476	362 548
Weighted number of shares ('000)	**362 307**	362 377	362 431
Diluted weighted number of shares ('000)	**362 307**	363 015	362 836
Net asset value per share (cents)[1]	**3 045.7**	2 890.9	3 036.5
3. CAPITAL COMMITMENTS			
Authorised but not yet contracted for capital commitments, excluding full maintenance lease assets.	**627 706**	736 240	1 310 491

[1] *Net asset value per share is calculated as the capital and reserves attributable to equity holders of Super Group divided by the total issued less treasury shares.*

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

4. RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, entered into various sales and purchase transactions 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.

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, 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 period-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% in GLS on 3 July 2019 for a purchase consideration of R498.8 million and R96.3 million respectively. The Condensed Consolidated Statement of Financial Position as at 31 December 2019 has been impacted by increases in property, plant and equipment of R341.3 million, ROU assets of R58.1 million, intangible assets of R238.1 million, trade and other receivables of R114.5 million, ROU lease liabilities of R60.4 million, interest-bearing borrowings of R250.1 million, deferred tax liability of R122.6 million and trade and other payables of R139.6 million as a result of these acquisitions. Trading relating to the six months ended 31 December 2019 has been included in the Condensed Consolidated Statement of Comprehensive Income.

Acquisition of Trans-Logo-Tech Gmbh (TLT) (Germany)

inTime Service GMBH acquired an 80% interest in TLT on 5 July 2019 for R183.9 million. This acquisition forms part of the Supply Chain Europe segment. The Condensed Consolidated Statement of Financial Position as at 31 December 2019 has been impacted by increases in property, plant and equipment of R3.9 million, ROU assets of R453.8 million, intangible assets of R8.1 million, trade and other receivables of R40.2 million, ROU lease liabilities of R517.2 million, and trade and other payables of R11.3 million as a result of this acquisition. Trading relating to the six months ended 31 December 2019 has been included in the Condensed Consolidated Statement of Comprehensive Income.

Adoption of IFRS 16

The adoption of IFRS 16 has had the following effect on the Condensed Consolidated Statement of Comprehensive Income for the six months ending 31 December 2019:

	31 December 2019 Unaudited R'000
Decrease in operating expenses	267 088
Decrease in property, plant and equipment depreciation	9 063
ROU depreciation recognised	(216 908)
ROU finance costs recognised	(85 868)
Decrease in other finance costs	3 865
Net effect on profit before tax	(22 760)

The Condensed Consolidated Statement of Financial Position as at 31 December 2019 has been impacted by increases in ROU assets of R2.26 billion and ROU lease liabilities of R2.64 billion. Opening equity was decreased by R174.5 million on initial adoption of the standard.

Raising of unsecured debt notes

The JSE listed Super Group's senior unsecured notes in terms of its Domestic Medium Term Note (DMTN) Programme dated 22 October 2013 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 three-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 table below reflects the movement in the exchange rates from the prior reporting periods:

Average currency rate to the South African Rand	31 December 2019	31 December 2018	% change
Australian Dollar	10.05	10.26	(2.0)
US Dollar	14.68	14.18	3.5
Euro	16.31	16.34	(0.2)
Pound Sterling	18.52	18.35	0.9

Closing currency rate to the South African Rand	31 December 2019	30 June 2019	% change
Australian Dollar	9.84	9.89	(0.5)
US Dollar	14.00	14.09	(0.6)
Euro	15.70	16.03	(2.1)
Pound Sterling	18.55	17.89	3.7

The non-South African operations account for 52% (June 2019: 55%) and 46% (June 2019: 49%) of the Group's total assets and liabilities respectively.

The non-South African operations generated 45% (December 2018: 49%) and 46% (December 2018: 50%) of the Group's revenue and operating profit respectively.

Salient features continued

7. FAIR VALUE

	Hierarchy Level 2 R'000	Hierarchy Level 3 R'000	Valuation technique
Property, plant and equipment – land, buildings and leasehold improvements		2 862 320	External valuations were performed on various of the Group's properties in prior periods. The valuation model considers 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 versus secondary), tenant credit quality and lease terms.
Investment properties		164 200	
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 period-end according to the purchase agreement and has been assessed as recoverable.
FEC liabilities	44		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	92		
inTime put option		–	This put option is calculated as the fair value determined by using the average audited earnings before interest, tax, depreciation and amortisation (EBITDA) for the three 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 7.7%. The put option can be exercised from 30 June 2020 to 30 June 2025.
Lieben put option		313 254	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 31 December 2019.

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:

	Six-month period ended 31 December 2019 Unaudited R'000	Six-month period ended 31 December 2018 Unaudited R'000	Year ended 30 June 2019 Audited R'000
Property, plant and equipment – land and buildings and leasehold			
Opening balance	**2 809 354**	2 589 415	2 589 415
Net additions	**38 337**	54 177	148 461
Acquisition of businesses	**317**	454	454
Revaluation	**650**	–	62 562
Other	**13 662**	51 972	8 462
Closing balance	**2 862 320**	2 696 018	2 809 354
Investment properties			
Opening balance	**164 200**	151 000	151 000
Fair value adjustment recognised in profit and loss	**–**	–	13 200
Closing balance	**164 200**	151 000	164 200
Put option liabilities			
Opening balance	**36 852**	177 412	177 412
Movement through Statement of Changes in Equity	**276 402**	(855)	(140 560)
Exercised – Legend	**–**	–	(36 130)
Acquisition – Lieben put option	**298 778**	–	–
Fair value adjustment	**(23 743)**	(4 499)	(105 444)
Foreign currency translation	**1 367**	3 644	1 014
Closing balance	**313 254**	176 557	36 852

	GWM R'000	31 December 2019 Unaudited Total R'000	31 December 2018 Unaudited Total R'000	30 June 2019 Audited Total R'000
Financial asset/(liability) – deferred contingent purchase considerations				
Opening balance	**60 000**	**60 000**	(2 488)	(2 488)
Settled	**–**	**–**	(39 344)	62 488
Closing balance	**60 000**	**60 000**	(41 832)	60 000

Sensitivity analysis

Land and buildings and investment properties

The estimated fair value would increase/(decrease) if the occupancy rate was higher/(lower), the rent-free periods were (increased)/decreased, the yield was lower/(higher), rental growth was higher/(lower) and the floor area was larger/(smaller).

Deferred contingent purchase consideration

The deferred contingent purchase consideration has been calculated according to the purchase agreement and no further sensitivity analysis is required.

Salient features continued

Put options

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

	Fair value R'000	Increase in liability R'000
inTime	–	–
Lieben	344 579	31 325

8. CAPITAL ITEMS

	31 December 2019 Unaudited R'000	31 December 2018 Unaudited R'000	30 June 2019 Unaudited R'000
Capital items before tax and non-controlling interest	33 424	(14 156)	68 278
Impairment of property, plant and equipment	–	–	1 083
Impairment of intangible assets	–	–	58 671
Impairment of goodwill	34 178	–	38 905
Impairment of investment and goodwill on equity-accounted investee	11 555	–	10 168
Profit on sale of property, plant and equipment	(12 309)	(14 156)	(27 349)
Fair value adjustment to investment property	–	–	(13 200)
Tax effect of capital items	3 191	3 969	(7 289)
Impairment of property, plant and equipment and intangible assets	–	–	(17 906)
Profit on sale of property, plant and equipment	3 191	3 969	7 660
Fair value adjustment to investment property	–	–	2 957
Non-controlling interest effect of capital items	1 188	1 300	(13 795)
Impairment of property, plant and equipment and intangible assets	–	–	(16 768)
Profit on sale of property, plant and equipment	1 188	1 300	2 973
Capital items after tax and NCI	37 803	(8 887)	47 194

Corporate information

Directors

Executive: P Mountford (Chief Executive Officer) and C Brown (Chief Financial Officer)
Non-executive: P Vallet* (Chairman of the Company), M Cassim*, D Cathrall*, V Chitalu*# and O Mabandla*

**Independent. #Zambian.*

Company Secretary

John Mackay

Registered office

27 Impala Road, Chislehurston, Sandton, 2196

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive, Sandown, Sandton, 2196

Investor relations

Keyter Rech Investor Solutions CC
(Registration number 2008/156985/23)
5 2nd Road, Hyde Park, 2196

www.supergroup.co.za

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