



2022

FINANCIAL RESULTS

FOR THE YEAR ENDED 28 FEBRUARY

COMBINED MOTOR HOLDINGS

GROUP OPERATIONS

Retail motor dealerships



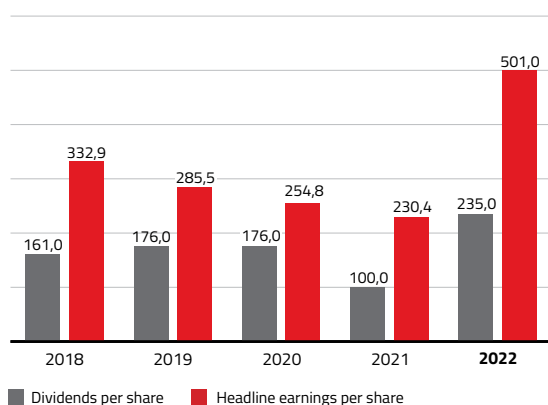
Divisions



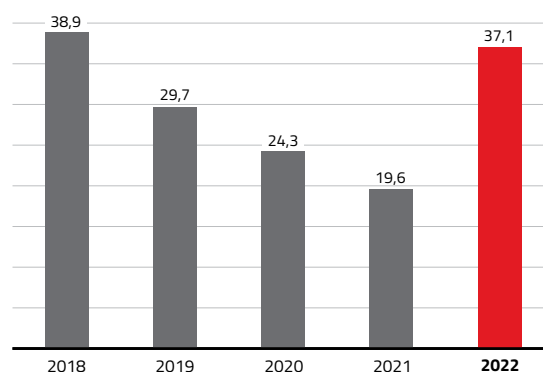
GROUP FINANCIAL HIGHLIGHTS

		2022	2021	% change
Total assets	(R'000)	3 778 740	3 274 003	15,4
Cash resources	(R'000)	817 739	754 825	8,3
Net asset value per share	(cents)	1 484	1 216	22,0
Revenue	(R'000)	11 167 798	8 579 558	30,2
Operating profit	(R'000)	606 146	345 045	75,7
Total profit and comprehensive income	(R'000)	374 887	168 763	122,1
Return on shareholders' funds	(%)	37,1	19,6	89,3
Basic earnings per share	(cents)	501,2	225,6	122,2
Headline earnings per share	(cents)	501,0	230,4	117,4
Dividends paid per share	(cents)	235,0	100,0	135,0
Dividend declared – payable June 2022	(cents)	225,0	125,0	80,0

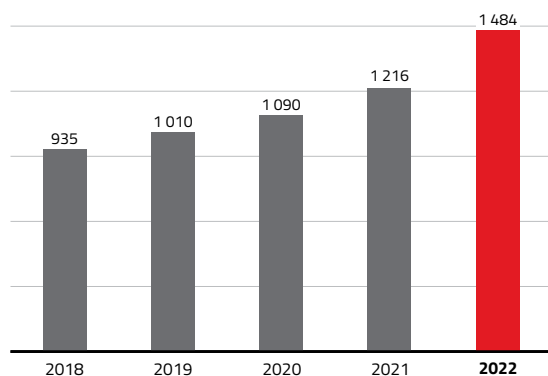
HEADLINE EARNINGS AND DIVIDENDS PER SHARE (CENTS)



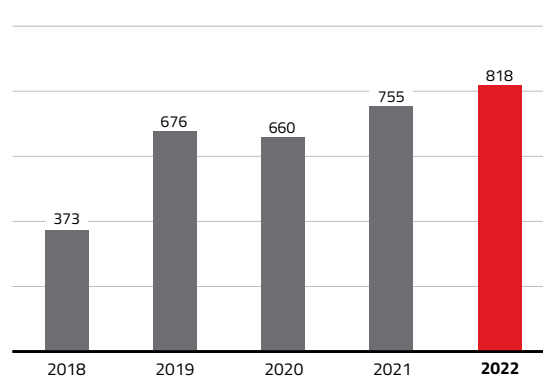
RETURN ON SHAREHOLDERS' FUNDS (%)



NET ASSET VALUE PER SHARE (CENTS)



CASH RESOURCES (R'million)



Figures presented for years prior to 2019 have not been restated in line with the changes in accounting policy processed in 2020.

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2022

	2022 R'000	2021 R'000
ASSETS		
Non-current assets		
Plant and equipment	67 432	67 068
Right-of-use assets	450 565	417 523
Car hire fleet vehicles	828 375	555 746
Goodwill	57 296	42 578
Insurance receivable	44 631	28 876
Deferred taxation	84 854	61 947
	1 533 153	1 173 738
Current assets		
Inventories	1 150 218	1 033 005
Trade and other receivables	276 307	238 666
Current tax receivable	1 323	1 769
Cash and cash equivalents	817 739	754 825
	2 245 587	2 028 265
Property held for sale	–	72 000
Total assets	3 778 740	3 274 003
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	38 091	38 091
Share-based payment reserve	3 567	1 529
Retained earnings	1 068 735	869 633
Total equity	1 110 393	909 253
Non-current liabilities		
Car hire fleet liability	148 002	89 011
Lease liabilities	496 069	458 882
	644 071	547 893
Current liabilities		
Trade and other payables	1 305 850	1 271 120
Car hire fleet liability	605 365	451 853
Lease liabilities	101 834	90 080
Current tax liabilities	11 227	3 804
	2 024 276	1 816 857
Total liabilities	2 668 347	2 364 750
Total equity and liabilities	3 778 740	3 274 003

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2022

		2022 R'000	2021 R'000
Revenue		11 167 798	8 579 558
Cost of sales		(9 097 650)	(7 087 850)
Gross profit		2 070 148	1 491 708
Other income		16 963	26 230
Impairment of goodwill		–	(6 250)
Selling and administration expenses		(1 480 965)	(1 166 643)
Operating profit		606 146	345 045
Finance income		28 313	25 937
Finance costs		(124 105)	(136 662)
Profit before taxation		510 354	234 320
Tax expense		(135 467)	(65 557)
Total profit and comprehensive income		374 887	168 763
Reconciliation of headline earnings			
Total profit and comprehensive income		374 887	168 763
Re-measurement items:			
– impairment of goodwill		–	6 250
– profit on disposal of dealership		–	(2 520)
– profit on sale of plant and equipment			
– gross		(216)	(216)
– impact of income tax		60	60
Headline earnings		374 731	172 337
Weighted average number of shares in issue during year	('000 shares)	74 802	74 802
Adjustment for share appreciation rights	('000 shares)	2 084	–
Weighted average number of shares for dilution calculation		76 886	74 802
Earnings per share			
Basic	(cents)	501,2	225,6
Diluted basic	(cents)	487,6	225,6
Headline	(cents)	501,0	230,4
Diluted headline	(cents)	487,4	230,4
Dividends per share			
Dividends paid per share	(cents)	235,0	100,0
Dividends declared – payable June 2022	(cents)	225,0	125,0

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Share capital R'000	Share-based payment reserve R'000	Retained earnings R'000	Attributable to equity holders of the company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 29 February 2020	38 091	12 747	762 925	813 763	1 358	815 121
Total profit and comprehensive income			168 763	168 763		168 763
Release following forfeit of share appreciation rights		(12 747)	12 747			
Share-based payment charge		1 529		1 529		1 529
Dividends paid			(74 802)	(74 802)	(1 358)	(76 160)
Balance at 28 February 2021	38 091	1 529	869 633	909 253	–	909 253
Total profit and comprehensive income			374 887	374 887		374 887
Share-based payment charge		2 038		2 038		2 038
Dividends paid			(175 785)	(175 785)		(175 785)
Balance at 28 February 2022	38 091	3 567	1 068 735	1 110 393	–	1 110 393

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2022

	2022 R'000	2021 R'000
Cash flows from operating activities		
Cash generated from operations	527 907	498 955
Taxation paid	(133 910)	(58 703)
Net cash movement from operating activities	393 997	440 252
Cash flows from investing activities		
Purchase of plant and equipment	(32 176)	(15 050)
Disposal/(purchase) of property	72 000	(72 000)
Proceeds on disposal of plant and equipment	3 544	3 346
Investment in special purpose entities conducting insurance underwriting activities	(3 750)	(1 250)
Dividend received from special purpose entities conducting insurance underwriting activities	9 950	39 598
Acquisition of business	(4 691)	(23 866)
Disposal of business	–	5 164
Net cash movement from investing activities	44 877	(64 058)
Cash flows from financing activities		
Finance income received	22 268	20 661
Finance costs paid	(124 105)	(136 662)
Principal element of lease liability repayments	(98 338)	(84 054)
Dividends paid	(175 785)	(76 160)
Repayment of secured loans acquired	–	(4 776)
Net cash movement from financing activities	(375 960)	(280 991)
Net movement in cash and cash equivalents	62 914	95 203
Cash and cash equivalents at beginning of year	754 825	659 622
Cash and cash equivalents at end of year	817 739	754 825

SEGMENT INFORMATION

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Total		Retail motor		Car hire		Financial services		Corporate services/ Other	
2022	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
External revenue	11 167 798	100	10 502 191	95	466 212	4	146 307	1	53 088	–
Inter-segment revenue	30 129	100	–	–	324	1	–	–	29 805	99
Segment revenue	11 197 927	100	10 502 191	94	466 536	4	146 307	1	82 893	1
Operating profit/(loss)	606 146	100	426 355	70	146 307	24	50 114	8	(16 630)	(2)
Finance income	28 313	100	136	–	–	–	6 045	21	22 132	79
Finance costs	(124 105)	100	(90 422)	74	(30 362)	24	–	–	(3 321)	2
Profit before taxation	510 354	100	336 069	66	115 945	23	56 159	11	2 181	–
After charging										
– employee costs	830 480	100	684 308	82	86 322	11	–	–	59 850	7
– depreciation										
– plant and equipment	29 809	100	23 478	79	2 410	8	–	–	3 921	13
– car hire fleet vehicles	95 800	100	–	–	95 800	100	–	–	–	–
– right-of-use assets	114 403	100	107 296	92	5 105	6	–	–	2 002	2
Total assets	3 778 740	100	1 939 896	52	914 729	24	44 631	1	879 484	23
Total liabilities	2 668 347	100	1 740 190	65	847 889	32	–	–	80 268	3
Goodwill at year-end	57 296	100	57 296	100	–	–	–	–	–	–

	Total		Retail motor		Car hire		Financial services		Corporate services/ Other	
2021	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
External revenue	8 579 558	100	8 193 792	96	242 697	3	115 767	1	27 302	–
Inter-segment revenue	22 737	100	–	–	311	1	–	–	22 426	99
Segment revenue	8 602 295	100	8 193 792	95	243 008	3	115 767	1	49 728	1
Operating profit/(loss)	345 045	100	301 053	86	29 706	9	22 770	7	(8 484)	(2)
Finance income	25 937	100	18	–	–	–	5 276	20	20 643	80
Finance costs	(136 662)	100	(98 634)	73	(34 809)	25	–	–	(3 219)	2
Profit/(loss) before taxation	234 320	100	202 437	86	(5 103)	(2)	28 046	12	8 940	4
After charging										
– employee costs	649 500	100	540 160	83	57 653	9	–	–	51 687	8
– depreciation										
– plant and equipment	30 473	100	23 282	76	3 084	10	–	–	4 107	14
– car hire fleet vehicles	59 596	100	–	–	59 596	100	–	–	–	–
– right-of-use assets	104 091	100	96 855	93	5 234	5	–	–	2 002	2
– impairment of goodwill	6 250	100	6 250	100	–	–	–	–	–	–
Total assets	3 274 003	100	1 751 108	53	619 053	19	28 876	1	874 966	27
Total liabilities	2 364 750	100	1 686 648	71	606 375	26	–	–	71 727	3
Goodwill at year-end	42 578	100	42 578	100	–	–	–	–	–	–

COMMENTARY

DIVIDEND DECLARATION

A dividend (dividend number 67) of 225 cents per share will be paid on Monday, 13 June 2022 to members reflected in the share register of the Company at the close of business on the record date, Friday, 10 June 2022. Last day to trade cum dividend is Tuesday, 7 June 2022. First day to trade ex dividend is Wednesday, 8 June 2022. Share certificates may not be dematerialised or rematerialised from Wednesday, 8 June 2022 to Friday, 10 June 2022, both days inclusive.

The number of ordinary shares in issue at the date of the declaration is 74 801 998. Consequently, the gross dividend payable is R168 304 495 and will be distributed from income reserves. The dividend will be subject to dividend withholding tax at a rate of 20%, which will result in a net dividend of 180 cents to those shareholders who are not exempt in terms of section 64F of the Income Tax Act.

BASIS OF PREPARATION

The abridged consolidated financial statements for the year ended 28 February 2022 have been prepared under the supervision of SK Jackson, CA (SA), financial director, and approved by the Board on 28 April 2022. They have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and the requirements of the South African Companies Act, No 71 of 2008, (the "Act"), applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), 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 IAS 34 Interim Financial Reporting.

The accounting policies applied are in terms of IFRS and are consistent with those applied in the preparation of the consolidated annual financial statements in the prior year. These results are extracted from audited information, but are not themselves audited. The consolidated financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon.

The audited consolidated financial statements and the auditor's report thereon are available for inspection at the Company's registered office and online at <https://www.cmh.co.za>. The directors take full responsibility for the preparation of these results and confirm that the financial information has been correctly extracted from the underlying consolidated financial statements.

CHANGES IN DIRECTORATE

There has been no change in directors since the release of the interim results in October 2021. LCZ Cele has announced that she will be retiring as a director of CMH with effect from the annual general meeting on 7 June 2022. Zee has served as a non-executive director since 2007, and is a member and chairman, of various Board committees. Consequential changes to the various board committees will be announced after the annual general meeting.

CORPORATE GOVERNANCE

During the year the Group applied the principles and the appropriate best business practices as recorded in the King IV Report on Corporate Governance ("King IV"). The Board recognises that King IV seeks to instil a greater level of transparency and integrated thinking in its deliberations, and to consider not just financial gain, but the larger triple context, including social and environmental considerations. A report on the Group's corporate governance is recorded in the Integrated Annual Report 2022.

ANNUAL GENERAL MEETING

Notice is hereby given that the thirty-fifth public annual general meeting ("AGM") of shareholders of Combined Motor Holdings Limited will be held in the boardroom at CMH Ballito Motor City located at 35 Moffat Drive, Ballito, on Tuesday, 7 June 2022 commencing at 14:30. The full notice of meeting can be found in the Integrated Annual Report 2022 on the Company's website at <https://www.cmh.co.za/annual-reports/>.

In this regard the following dates are noted:

- Record date (in terms of section 59(1)(a) of the Act) to receive the Notice of the AGM – Friday, 29 April 2022
- Notice of AGM distributed to shareholders – Monday, 9 May 2022
- Last day to trade in order to be eligible to vote at the AGM – Tuesday, 24 May 2022
- Record date (in terms of section 59(1)(b) of the Act) to vote at the AGM – Friday, 27 May 2022.

AVAILABILITY OF INTEGRATED ANNUAL REPORT

Shareholders are advised that the Integrated Annual Report 2022 is available on the Company's website at <https://www.cmh.co.za/annual-reports/> and is due to be posted to shareholders on 9 May 2022.

By order of the board of directors



K Fonseca CA(SA)
Company Secretary

28 April 2022

CORPORATE INFORMATION

Combined Motor Holdings Limited

Registration number: 1965/000270/06
Income tax reference number: 9471/712/71/2
Share code: CMH
ISIN: ZAE000088050

Directors

JS Dixon (*independent non-executive chairman*)
JD McIntosh (*chief executive officer*)
BWJ Barritt (*executive*)
LCZ Cele (*independent non-executive*)
SK Jackson (*executive*)
ME Jones (*independent non-executive*)
RT Komane (*independent non-executive*)
JA Mabena (*independent non-executive*)
AY Metu (*independent non-executive*)
MR Nkadameng (*independent non-executive*)

Business address and registered office

1 Wilton Crescent
Umhlanga Ridge 4319

Postal address

PO Box 1033
Umhlanga Rocks 4320

Company secretary

K Fonseca

Transfer secretaries

Computershare Investor Services Proprietary Limited
Private Bag X9000
Saxonwold 2132

Auditor

PricewaterhouseCoopers Inc.

Sponsor

PricewaterhouseCoopers Corporate Finance Proprietary Limited
4 Lisbon Lane
Waterfall City
Jukskei View 2090