# Motus

## Preliminary summarised audited consolidated results

for the year ended 30 June 2022

# Contents



# Key investment highlights

### 1 Diversified automotive business

**Diversified** (non-manufacturing) business in the automotive sector with a **leading position** in South Africa, a selected international presence primarily in the United Kingdom (UK) and Australia, as well as a limited presence in South East Asia and Southern and East Africa.

### 2 Integrated business model

**Fully integrated business model** across the vehicle value chain: Import and Distribution, Retail and Rental, Mobility Solutions and Aftermarket Parts.

### 3 Unrivalled scale in South Africa

**Unrivalled scale** in South Africa underpins a differentiated value proposition to Original Equipment Manufacturers (OEMs), suppliers, customers and business partners, providing multiple customer touchpoints supporting resilience and customer loyalty through the entire vehicle ownership cycle.

### 4 High free cash flow generation

**High free cash flow generation** underpinned by annuity income streams in the Mobility Solutions business.

### 5 Varied income streams

**Income streams not directly dependent on new vehicle sales:** parts and services in the dealerships, the Aftermarket Parts business selling parts and accessories and the Mobility Solutions business selling value-added products and services to customers.

### 6 Organic growth trajectory

Defined **organic growth trajectory** through **portfolio optimisation, continuous operational enhancements** and **innovation**, with a **selective acquisition growth strategy** in and outside South Africa leveraging best-in-class expertise.

### 7 Highly experienced and agile team

**Highly experienced and agile management team**, with **deep industry knowledge** of regional and global markets and a proven track record with years of collective experience, led by an **independent and diversified board**.

# Business overview

Motus is South Africa's leading automotive group, employing over 17 250 people globally, and is a multi-national provider of automotive mobility solutions, and vehicle products and services. We are a diversified (non-manufacturing) business in the automotive sector with unrivalled scale and scope in South Africa, a selected international presence primarily in the UK and Australia, as well as a limited presence in South East Asia and Southern and East Africa.

Motus offers a differentiated value proposition to OEMs, customers and business partners with a fully integrated business model across the automotive value chain through four key business segments, namely: Import and Distribution, Retail and Rental, Mobility Solutions and Aftermarket Parts.

Motus has long-standing importer and retail partnerships with leading OEMs, representing some of the world's most recognisable brands. We provide automotive manufacturers with a highly effective route-to-market and a vital link between the brand and the customer throughout the vehicle ownership cycle. In addition, we provide the sale of accessories and aftermarket automotive parts for out-of-warranty vehicles and the Mobility Solutions business sells value-added products and services to customers.

# Integrated business model

Our services extend across all segments of the automotive value chain.


**Importer and distributor of passenger, light commercial vehicles (LCVs) and parts** to serve a network of dealerships, car rental companies, fleets and government institutions in South Africa.

For more information on Import and Distribution see page 9.


**Retailer of new and pre-owned passenger and commercial vehicles** across all segments in South Africa and the UK, and passenger vehicles in Australia.

**Selling of parts and accessories.**

**Servicing and maintenance** of vehicles.

**Rental** of passenger vehicles and LCVs in Southern Africa.

For more information on Retail and Rental see pages 10 and 11.


**Developer, seller, manager and administrator of service, maintenance and warranty plans, and value-added products and services** (VAPS).

Provider of **fleet management services and business process outsourcing** through sophisticated technology and call centre capabilities.

Leader of the Group's **innovation centre**.

For more information on Mobility Solutions see page 12.


**Distributor, wholesaler and retailer of parts and accessories** mainly for **out-of-warranty vehicles** in Southern Africa, the UK and Europe, **through retail and franchised stores**, and **specialised franchised workshops** in South Africa.

**Distribution centres** in South Africa, Taiwan, China and the UK.

For more information on Aftermarket Parts see page 13.

[1] *Formerly known as the Financial Services business segment. The segment adopted a new name to broaden its purpose, as well as its products and services offering.*

# Financial highlights

### Revenue
R91 978 million
(2021: R87 205 million)
▲ 5%

### EBITDA
R6 785 million
(2021: R5 302 million)
▲ 28%

### Operating profit[1]
R5 029 million
(2021: R3 838 million[2])
▲ 31%

### Profit before tax
R4 473 million
(2021: R2 860 million)
▲ 56%

### Attributable profit
R3 290 million
(2021: R2 098 million)
▲ 57%

### Earnings per share
1 902 cents per share
(2021: 1 153 cents per share)
▲ 65%

### Headline earnings per share
2 025 cents per share
(2021: 1 179 cents per share)
▲ 72%

### Net asset value per share
8 143 cents per share
(2021: 6 586 cents per share)
▲ 24%

### Total dividend per share
710 cents per share
(paid interim dividend of 275 cents per share)
(2021: 415 cents per share)
▲ 71%

### Free cash flow generated from operations
R4 835 million
(2021: R5 904 million)

### Net debt to equity
36%
(2021: 28%)

### Return on invested capital[3]
17,8%
(2021: 14,8%)

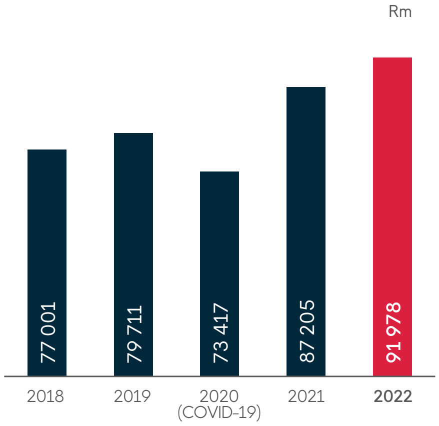
### Weighted average cost of capital[3]
10,9%
(2021: 9,5%)

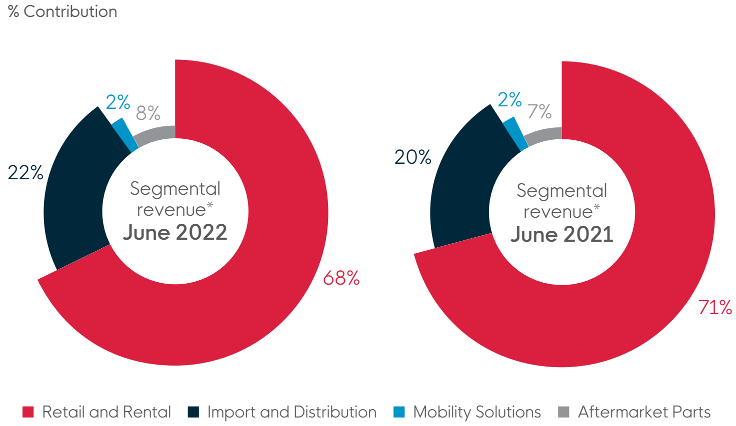
### Net debt to EBITDA[4] (debt covenant)
0,8 times
(2021: 0,8 times)
Required: to be less than 3 times

### EBITDA to net interest[4] (debt covenant)
17,9 times
(2021: 10,9 times)
Required: to be greater than 3 times

[1] *Operating profit before capital items and net foreign exchange gains/(losses).*
[2] *Adjusted for the re-presentation to include share of results from associates and joint ventures in operating profit.*
[3] *The return on invested capital and weighted average cost of capital is prepared on a 12-month rolling basis.*
[4] *Calculated by applying the funders covenant methodology.*

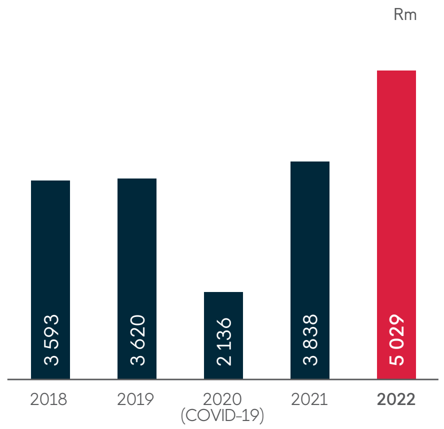
## Revenue

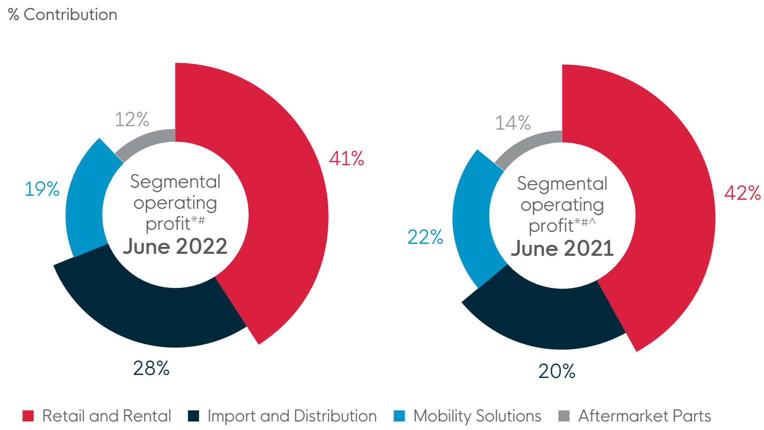



* *Excludes Head Office and Eliminations.*

## Operating profit




* *Excludes Head Office and Eliminations.*
\# *Operating profit before capital items and net foreign exchange gains/(losses).*
^ *Adjusted for the re-presentation to include share of results from associates and joint ventures in operating profit.*

**Pro forma disclaimer**

To provide a more meaningful assessment of the Group's performance for the year, pro forma information has been included under the segmental performance section in the preliminary summarised audited consolidated results for the year ended 30 June 2022.

The directors of Motus Holdings Limited are responsible for compiling the pro forma financial information on the basis applicable to the criteria as detailed in paragraphs 8.15 to 8.34 of the Listings Requirements of the JSE Limited and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria).

The pro forma information does not constitute financial statements fairly presented in accordance with IFRS. The pro forma information has been prepared for illustrative purposes only and because of its nature may not fairly present the Group's financial position, results of operations and cash flows. The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the year ended 30 June 2022. The Group's external auditors, Deloitte & Touche, have issued an unmodified reporting accountants' report on the pro forma information on 30 August 2022. A copy of their report is available on request at the Company's registered office.

# Environment

## The automotive industry provides mobility and facilitates trade, creating sustainable jobs; moving people, goods and services; and serving the people of the countries in which we operate.

The Group's entrepreneurial management, its scale and reach, and the flexibility its integrated business model provides, creates value for all stakeholders over the long-term.

Our integrated business model across the automotive value chain has multiple customer touchpoints across the vehicle ownership cycle and is most mature in South Africa. It provides the flexibility to maximise the revenue and income opportunities for each vehicle sold. This is enhanced by the growing car parc created to provide access to annuity income streams through indirect vehicle-related revenue from parts, workshops and mobility solutions that are not directly dependent on the sale of new vehicles.

The automotive industry continues to be impacted by the longer-term effects of the COVID-19 pandemic, resulting in manufacturing, supply chain and operational disruptions causing vehicle shortages and substantial production, freight and logistics cost increases.

### South Africa

The automotive industry contributes around 4,3%[1] of South Africa's GDP (including 1,9%[1] from the retail segment) and the export of vehicles and automotive components account for more than 12,5%[1] of total export value. The automotive industry has an indispensable role in contributing to the country's longer-term economic sustainability.

During 2021, the South African economy grew by 4,9%[2], recovering from a 6,3%[2] decline in 2020. Real GDP growth of around 1,8%[3] is expected for 2022, indicating a protracted recovery.

South African vehicle sales have begun to recover and sales for FY2022 are better than predicted. Vehicle sales recovery is attributed to consumer resilience, favourable credit conditions and continued willingness of consumers and businesses to invest. Trends identified in FY2021 (including buying cheaper vehicle models and delaying purchases of new vehicles) are ongoing.

According to naamsa[1], the South African new vehicle market remains subdued although more stable as the market recovery continues to gain momentum, with new vehicles retailed increased by 10% for the 12 months to 30 June 2022, to 490 124 vehicles. Our market share of the retail vehicle sales for the 12 months increased to 22,4% from 20,2%. The forecast for vehicle sales for the 12 months to 31 December 2022 is between 500 000 to 520 000 vehicles.

The car rental industry has been the most heavily impacted by the COVID crisis. Recovery has been slow to return to pre-COVID levels, but momentum is expected to improve in the near term and recovery thus far has exceeded expectations. As vaccination rollouts accelerated globally and travel restrictions were lifted, we experienced improved activity in local and international leisure, corporate and government travel.

### United Kingdom (UK)

The UK economic position has deteriorated since FY2021 as increasing energy costs, higher interest rates, higher personal taxes and accelerating inflation are constraining consumer spending. In 2021, GDP grew by 7,5%[4] and it is predicted to grow by 3,5%[5] in 2022, with inflation having reached 9,4%[6] in June 2022. The market is also experiencing wage inflation due to labour shortages, in the automotive industry, technician wage costs are under renewed pressure.

The UK new vehicle market has declined by 18,2% for the 12 months to 30 June 2022, with the passenger market declining by 18,4%[7], the LCVs market declining by 18,0%[7] and the heavy commercial vehicles market declining by 5,5%. Motus was well positioned and maintained its retail market share.

1 *naamsa | The Automotive Business Council.*
2 *International Monetary Fund | World Economic Outlook, update July 2022.*
3 *Nedbank Group I Unaudited Interim Results 2022.*
4 *The Office for Budget Responsibility | Economic and fiscal outlook – March 2022.*
5 *Bank of England | Monetary Policy Report – August 2022.*
6 *The Office of National Statistics | Consumer price inflation, UK – June 2022.*
7 *The Society of Motor Manufacturers and Traders | Press release July 2022.*

## Australia

Global vehicle supply shortages, ongoing Russia-Ukraine conflict, recent floods, ongoing lockdowns in China and strong domestic demand have combined to generate cost pressures resulting in significant price increases in fuel, food and other consumables. GDP growth is expected to be 4,25%[8] for 2022 and 2,75%[8] in 2023 as growth in consumer and government spending remains robust. Vaccination rate targets have been achieved across states.

The Australian automotive industry remains a highly competitive environment. The market declined by 2,1%[9] for the 12 months to 30 June 2022, with Motus maintaining its retail market share. The market was also constrained due to erratic vehicle supplies experienced by OEMs. Annual new vehicle sales amounted to 1 020 221 vehicles[9] for the 12 months to 30 June 2022, compared to 1 041 931 vehicles[9] in the comparative period.

Motus continues to grow and expand its participation in all aspects of the vehicle value chain with competitive products and services that maximise our share of the customer's vehicle investment and engenders loyalty.

Despite shortages of certain vehicle models and derivatives, our long-standing relationships with OEMs and vast brand portfolio and model range allowed us to offer customers a wide selection of alternative vehicles. We believe that vehicle volumes will grow as the global supply chain stabilises in the middle of the 2023 calendar year, with increased production satisfying pent-up demand and the normalisation of inventory levels.

The pace of digital adoption and innovation continues to accelerate across the automotive industry, with the vehicle purchasing process evolving into a multi-entry format in which customers' unique engagement demands must be met. This omni-channel approach has shifted demand for some services to digital channels, reshaping how vehicles and parts are marketed, distributed and sold. Our investment in improving digital channels will enable us to meet customers' requirements wherever they are on the purchasing journey, in the way they choose to engage.

The resilience of our customer base has been evident throughout the pandemic and, as vehicle owners return to normal driving patterns, this results in higher vehicle use, which drives higher utilisation of service and maintenance plans, generating parts and workshop revenue across the Group and Mobility Solutions.

[8] *Australian Reserve Bank | Statement on Monetary Policy, May 2022.*
[9] *Federal Chamber of Automotive Industries (fcai.com.au).*

# Performance

Strategic agility and entrepreneurial leadership drove exceptional performance in these challenging circumstances. Our results affirm the resilience and differentiation that the Motus' integrated business model affords us, and the flexibility it provides in positioning the Group for sustained, profitable growth in a dynamic environment.

Our response to changing market conditions over the past three years has positioned Motus to deepen competitiveness, maintain and grow market shares, and realise growth opportunities. This is supported by our ability to generate cash which provided liquidity to fund working capital and vehicles for hire, and invest in attractive growth opportunities; a strong financial position underpinned by a focus on cost containment and financial discipline; and structured capital management to ensure strategic flexibility.

The South African operations contributed 66% to revenue and 81% to operating profit for the year (2021: 64% and 80%, respectively), with the remainder being contributed by the UK, Australia and South East Asia.

The Group's passenger and commercial vehicle businesses, including the UK and Australia, retailed 135 564 new units (2021: 119 933 new units), a 13% increase, and 89 753 pre-owned units (2021: 108 700 pre-owned units), a 17% decrease, during the year.

Revenue increased by 5% compared to the prior year. Import and Distribution revenue increased by 21%, Aftermarket Parts increased by 12%, Retail and Rental increased by 5% and Mobility Solutions increased by 4%.

The revenue increase was as a result of increased contributions from new vehicle sales of 9%, parts sales of 8% and rendering of services of 10%. This was offset by a 4% decrease from pre-owned vehicle sales.

Operating profit increased by R1 191 million (31%) with all business segments improving operating profit contribution. Import and Distribution generated an increase of R586 million (64%), Retail and Rental generated an increase of R445 million (25%), Mobility Solutions generated an increase of R92 million (10%) and Aftermarket Parts generated an increase of R66 million (11%) for the year.

The increased operating profit is mainly as a result of the recovery of the automotive and car rental sectors which positively impacted gross income, coupled with increased margins achieved due to inventory shortages. The operations also benefitted from increased volumes supported by an improvement in after-sales, acquisitions in the Retail and Rental and Aftermarket Parts segments, and the return to profitability of Bank Joint Ventures (Bank JVs) in the Mobility Solutions segment.

Net finance costs decreased by 9% mainly due to lower average working capital for the year and improved profitability which resulted in lower debt requirements. The decrease was further supported by reduced IFRS 16 finance costs. The above reductions were partially offset by decreased fair value adjustment gains recognised as a result of the unwinding of the interest rate swap. Finance costs are expected to grow in the near-term due to the increase in global interest rates and as inventory supply normalises.

Net foreign currency exchange gain of R135 million (2021: losses of R383 million) comprise translation differences arising from foreign currency denominated balances such as trade receivables, trade payables, Customer Foreign Currency (CFC) accounts and interest-bearing debt, changes in the fair value of derivative instruments and ineffectiveness from hedging relationships.

Profit before tax increased by 56% to R4 473 million.

A full reconciliation of earnings to headline earnings is provided in the financial overview section.

A full year dividend of 710 cents per share has been declared (2021: 415 cents per share).

Net working capital movement resulted in an outflow of R620 million in the statement of cash flows.

Net debt to equity is 36% (2021: 28%). Core debt (excluding floorplan and IFRS 16 debt) increased by R1,6 billion from June 2021 primarily due to the higher working capital and vehicles for hire levels, dividend payments (final in September 2021 and interim in March 2022), share repurchases, business and associate acquisitions, capital expenditure and tax payments. This was offset by profits generated for the 12-month period.

Net debt to EBITDA is 0,8 times (2021: 0,8 times) and EBITDA to net interest is 17,9 times (2021: 10,9 times). Both ratios have been calculated by applying the funders covenant methodology and we remain well within the bank covenant levels as set by debt providers of below 3,0 times and above 3,0 times, respectively.

Return on invested capital increased to 17,8% (2021: 14,8%) mainly due to improved profitability. Weighted average cost of capital increased to 10,9% (2021: 9,5%) primarily due to increased average equity and the increase in cost of equity and debt.

Net asset value per share increased by 24% to 8 143 cents per share (2021: 6 586 cents per share).

The statement of financial position is detailed in the financial overview section.

We generated significant free cash flow of R4 835 million (2021: R5 904 million) from operating activities before capital expenditure for vehicles for hire. The free cash flow was primarily generated by strong operating profits, supported by decreased finance costs and increased income from profit sharing arrangements. This was offset by increased taxation paid as a result of increased profitability and increased investment in working capital.


**Profit before tax increased by**

56% to R4 473 million

**Headline earnings per share**

2 025 cents per share

**A full year dividend of**

710 cents per share has been declared (paid interim dividend of 275 cents per share)

# Segmental overview

## Import and Distribution

**22%** of Group revenue

**28%** of Group operating profit

**6,3%** operating margin

- Exclusive South African importer of Hyundai, Kia, Renault and Mitsubishi
- Operates in South Africa and neighbouring countries
- Exclusive distribution rights for Nissan in four East African countries
- ~24,5% passenger only vehicle market share in South Africa
- Car parc >750 000 vehicles

## Retail and Rental

**68%** of Group revenue

**41%** of Group operating profit

**3,0%** operating margin

### South Africa

- Represent 23 OEMs: ~345 dealerships
- ~22,4% retail market share
- Car rental (Europcar and Tempest): 113 branches in Southern Africa
- ~29% rental market share

### United Kingdom

- Represent 19 OEMs
- 81 commercial dealerships
- 33 passenger dealerships

### Australia

- Represent 20 OEMs
- 36 passenger dealerships

**A diversified business in the automotive industry**

## Mobility Solutions

**2%** of Group revenue

**19%** of Group operating profit~

- Developer, manager and administrator of vehicle-related financial products and services to >740 000 vehicles including third party products under administration
- Provider of fleet management services
- Provider of business process outsourcing through sophisticated technology and call centre capabilities
- Leading the Group's innovation centre

## Aftermarket Parts

**8%** of Group revenue

**12%** of Group operating profit

**7,9%** operating margin

- Distributor, wholesaler and retailer of parts and accessories for mainly out-of-warranty vehicles
- Operates in Southern Africa, South East Asia and the UK
- 518 franchised outlets (62 owned) supported by 43 wholesale distribution points (40 owned)
- 5 canopy fitment centres (owned)
- Supported by distribution centres in South Africa, Taiwan, China and the UK
- Franchise base comprises:
  – Resellers (Midas and Alert Engine Parts)
  – Specialised workshops

*The above financial measures exclude Head Office and Eliminations.*
*~ Operating profit includes profit streams without associated revenue.*

# Segmental performance

# Import and Distribution

## Overview

The Import and Distribution segment provides a differentiated value proposition to the dealership network, enhancing revenue and profits of the entire automotive value chain. We import, distribute and supply vehicles and parts to the Group and independent dealership networks, government and car rental companies. 60% of vehicle volume sales are generated through Motus-owned dealerships, with the remaining 40% sold by independently owned dealerships.

Our vehicle market share (passenger only) in South Africa as at June 2022 for the 12-month period was 24,5% (2021: 22,0%). Hyundai achieved 9,4% market share (2021: 10,2%), Kia achieved 6,3% market share (2021: 5,0%), Renault achieved 7,9% market share (2021: 6,1%) and Mitsubishi achieved 0,9% market share (2021: 0,7%).

## Financial performance

| | HY1 2022 unaudited^ | % change on HY1 2021 unaudited^ | HY2 2022 pro forma* | % change on HY2 2021 pro forma* | 2022 audited | 2021 audited | % change on 2021 audited |
|---|---|---|---|---|---|---|---|
| Revenue (Rm) | **11 368** | 17 | **12 515** | 25 | **23 883** | 19 683 | 21 |
| Operating profit (Rm)# | **614** | 44 | **894** | 80 | **1 508** | 922 | 64 |
| Operating margin (%)# | **5,4** | | **7,1** | | **6,3** | 4,7 | |

^ *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2021.*
* *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2022.*
# *2021 has been adjusted for the re-presentation to include share of results in associates and joint ventures.*

Import and Distribution revenue is up 21% mainly due to increased sales to dealers, outright sales to car rental companies without buy-back arrangements and increased selling prices. Increased sales were supported by new model releases.

Operating profit increased by 64% for the year mainly due to higher volumes of vehicles sold, assisted by increased margins as a result of increased selling prices, favourable importer foreign exchange rates, improved sales via the dealer channel and increased margins achieved due to inventory shortages.

Hyundai, Kia and Renault have forward cover for the Euro and US Dollar to February 2023, at average rates of R17,60 to the Euro and R15,45 to the US Dollar, including forward cover costs. The current Group guideline is to cover seven to nine months of forecasted vehicle import orders.

Our Importer brands have deepened their maturity in the South African market over the last two decades and are benefitting from the ongoing structural shift away from luxury brands in the South African vehicle market. Customers are increasingly considering our Importer brands as an attractive alternative that offers an increasingly strong value proposition as more premium vehicle models are introduced to the market. Our Importer OEMs allow us to introduce new vehicle models that appeal to the local consumer from a styling, versatility and affordability perspective.

# Segmental performance (continued)

# Retail and Rental

## Overview

We retail vehicles through dealerships based primarily in South Africa, with a selected presence in the UK and Australia. The car rental business operates through the Europcar and Tempest brands. The Retail and Rental segment's unrivalled scale and footprint in South Africa of strategically located dealerships, largely in growing urban areas, underpins its leading market share.

The business provides a consistent superior route-to-market through quality marketing, high levels of customer satisfaction and strategically located dealerships, with a geographical spread in the economic hubs of South Africa.

### South Africa

Motus in SA represents 23 OEMs through ~345 dealerships. The overall retail market share for our South African operation increased to ~22,4% (2021: ~20,2%). We will continue to multi-franchise where possible to adapt the footprint to the customer requirements.

### United Kingdom

Motus in UK represents 19 OEMs through ~114 dealerships (81 commercial and 33 passenger dealerships) based mainly in provincial areas. Continued organic expansion in both commercial and passenger retail sectors will be considered in the UK. Further selective expansion in the UK will be driven by the introduction of additional brands in areas close to existing dealerships through bolt-on acquisitions.

### Australia

Motus in Australia represents 20 OEMs through ~36 passenger dealerships, based mainly in provincial areas located in New South Wales and Victoria. Further selective expansion in the Australian market will be driven by the introduction of additional brands in areas close to existing dealerships through bolt-on acquisitions. We remain focused on growing our provincial town footprint outside the large metropolitan areas.

## Financial performance

| | **HY1 2022 unaudited^** | % change on HY1 2021 unaudited^ | **HY2 2022 pro forma*** | % change on HY2 2021 pro forma* | **2022 audited** | 2021 audited | % change on 2021 audited |
|---|---|---|---|---|---|---|---|
| Revenue (Rm) | **36 269** | 1 | **37 940** | 8 | **74 209** | 70 962 | 5 |
| Operating profit (Rm)# | **892** | 20 | **1 314** | 29 | **2 206** | 1 761 | 25 |
| Operating margin (%)# | **2,5** | | **3,5** | | **3,0** | 2,5 | |

^ *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2021.*
* *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2022.*
# *2021 has been adjusted for the re-presentation to include share of results in associates and joint ventures.*

Revenue is up 5% with increased revenue contributions from Retail South Africa, Import dealers and the Car Rental business, offset by reduced revenue contributions from pre-owned vehicle sales and the international operations.

The Retail and Rental segment sold 88 929 new units (2021: 82 919 new units) and 88 942 pre-owned units (2021: 104 459 pre-owned units) during the year. In South Africa, the segment sold 58 003 new units and 67 884 pre-owned units (2021: 49 290 new units and 77 659 pre-owned units), this was 18% up on the prior year for new vehicles when the market was up by 10%. Internationally, we sold 30 926 new units and 21 058 pre-owned units (2021: 33 629 new units and 26 800 pre-owned units), down 8% on the prior year for new vehicles.

Operating profit increased by 25% with increased operating profit contribution from all businesses.

## South Africa

The South African retail revenue and operating profit increased by 9% and 3%, respectively, from the prior year. This was mainly due to an improvement in vehicle margins on new and pre-owned vehicles, and increased new vehicle volumes supported by new model releases. This increase was offset by a reduced contribution from pre-owned vehicle sales as a result of low inventory volumes following the aggressive de-fleeting strategy from Car Rental in prior periods and a shortage of pre-owned vehicles in the market.

Car Rental exceeded expectations with revenue increasing by 67% and operating profit increasing in excess of 100%. As vaccination rollouts accelerated globally and travel restrictions were lifted, we experienced improved activity in local and international leisure, corporate and government travel. Vehicle utilisation levels increased to 73%.

## United Kingdom

UK revenue decreased by 5% and operating profit increased by 19%. The reduction in revenue was due to reduced volumes as a result of inventory shortages experienced by the OEMs, with improved margins achieved on new and pre-owned vehicle sales. The UK passenger vehicle operations experienced good registration months in both September 2021 and March 2022 and sold 21 405 new units (2021: 24 212 new units) and 16 400 pre-owned units (2021: 21 518 pre-owned units) for the 12 month-period.

## Australia

Australia revenue decreased by 1% and operating profit remained in line with the prior year. The inventory shortages experienced by the OEMs resulted in improved margins achieved on new and pre-owned the vehicle sales, and the new contactless delivery of vehicles assisted the business during the various lockdowns across provinces. The Australian operation sold 9 521 new units (2021: 9 417 new units) and 4 658 pre-owned units (2021: 5 282 pre-owned units) for the 12 month-period.

> We actively manage vehicle availability with our OEMs and this, together with our broad product range of attractive models for consumers, our omni-channel approach and professional and well-informed sales force, has allowed us to exceed our customers' expectations and attract new buyers.

# Mobility Solutions

## Overview

**Mobility Solutions develops and distributes innovative vehicle-related financial products and services through importers, dealers, finance houses, insurers, call centres and digital channels. The segment is also a provider of fleet management services to corporate customers including fleet leasing and maintenance, fines management, licensing and registration services.**

Innovation and unlocking customer potential within existing and new channels represent growth and profit opportunities for the business. We have invested in technology to leverage consumer data, enabling us to offer personalised services aimed at enhancing the customer experience and improving customer retention.

This segment complements and leverages the automotive value chain, providing annuity earnings and strong cash flows. Our ability to analyse proprietary data enables accurate pricing of our offerings, vehicle profiling for the fleet business and management of claims.

Through our leading service, maintenance and warranty plans, we unlock revenue for the Import and Distribution, and Retail businesses by retaining customers within the Group throughout their vehicle ownership lifecycle.

## Financial performance

| | **HY1 2022 unaudited^** | % change on HY1 2021 unaudited^ | **HY2 2022 pro forma*** | % change on HY2 2021 pro forma* | **2022 audited** | 2021 audited | % change on 2021 audited |
|---|---|---|---|---|---|---|---|
| Revenue (Rm) | **1 028** | (2) | **1 079** | 12 | **2 107** | 2 019 | 4 |
| Operating profit (Rm)#~ | **502** | 5 | **502** | 15 | **1 004** | 912 | 10 |

^ *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2021.*
* *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2022.*
# *2021 has been adjusted for the re-presentation to include share of results in associates and joint ventures.*
~ *Operating profit includes profit streams without associated revenue.*

Revenue increased by 4% and operating profit increased by 10% with all aspects of the business performing well. The increase was mainly due to higher network sales volumes, the increase in fleet vehicles to car rental companies, the recognition of income from Bank JVs and higher interest income due to increased cash balances.

The Group's increased market share in South Africa has also benefitted Mobility Solutions with an increase in new business written. This has increased the embedded value of the statement of financial position, which will translate into annuity income streams in future.

We have evolved our offering over many years to enhance the vehicle ownership experience of our customers, identifying and addressing the underserved needs of motorists. This enables Motus to develop meaningful relationships with our customers as our integrated business model provides us with multiple touchpoints.

# Aftermarket Parts

## Overview

**The Aftermarket Parts business' large national and growing footprint in Southern Africa and the UK enables us to leverage our buying power to distribute and sell competitively priced products to a continually growing and aging car parc of out-of-warranty vehicles.**

The international distribution centres in Taiwan, China and the UK allow for procurement at competitive prices for distribution to Southern Africa, the UK and Eastern Europe.

Expanding into other markets provides an opportunity for this business. Increased participation in this segment will include backward integration in order to reduce reliance on intermediaries in the wholesale supply chain.

## Financial performance

| | HY1 2022 unaudited^ | % change on HY1 2021 unaudited^ | HY2 2022 pro forma* | % change on HY2 2021 pro forma* | 2022 audited | 2021 audited | % change on 2021 audited |
|---|---|---|---|---|---|---|---|
| Revenue (Rm) | **3 970** | 5 | **4 193** | 19 | **8 163** | 7 295 | 12 |
| Operating profit (Rm)# | **301** | 9 | **343** | 14 | **644** | 578 | 11 |
| Operating margin (%)# | **7,6** | | **8,2** | | **7,9** | 7,9 | |

^ *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2021.*
* *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2022.*
# *2021 has been adjusted for the re-presentation to include share of results in associates and joint ventures.*

Revenue increased by 12% and operating profit increased by 11%, with the recently acquired FAI Automotive plc (FAI) in the UK included for nine months from 1 October 2021.

### South Africa

South African revenue increased despite buying down by customers and above inflationary increases in freight and logistics costs, which negatively impacted margins.

### Asia

The Asian business performed well as a result of increased foreign activity and improved efficiencies.

### United Kingdom

The UK business exceeded expectations from a revenue and operating profit perspective. The strong trading performance was supported by supply chain optimisation, improved efficiency and volume buying.

We continued to strengthen our core business by streamlining our distribution capability, shortening our routes to market and leveraging our ability to procure large volumes at lower prices to cater for broader market penetration. The benefits of the vertically integrated model partially protected us from supply chain disruptions.

The shift from higher priced premium products to more affordable products is continuing in all geographies in which we operate, coupled with increased supplier and competitor activities.

# Financial overview

## Group profit or loss (extract)

| for the year ended 30 June 2022 | 2022 Rm | 2021 Rm | % change |
|---|---|---|---|
| **Revenue** | **91 978** | 87 205 | 5 |
| **Operating profit before capital items and net foreign exchange gains/(losses)**[1] | **5 029** | 3 838 | 31 |
| Impairment of property, plant and equipment, net of profit/(losses) on sale | **(91)** | (7) | >100 |
| Other costs | **(104)** | (45) | >100 |
| Net foreign exchange gains/(losses) | **135** | (383) | >100 |
| Net finance costs | **(496)** | (543) | (9) |
| **Profit before tax** | **4 473** | 2 860 | 56 |
| Income tax expense | **(1 135)** | (718) | 58 |
| **Profit for the year** | **3 338** | 2 142 | 56 |
| Attributable to non-controlling interests | **(48)** | (44) | 9 |
| **Attributable to shareholders of Motus Holdings** | **3 290** | 2 098 | 57 |
| Operating profit (%) | **5,5** | 4,4 | |
| Effective tax rate (%) | **25,6** | 25,5 | |

[1] *The prior period has been adjusted for the re-presentation to include share of results from associates and joint ventures.*

**Revenue improved by 5%** mainly due to improved performance in the Import and Distribution segment, the South African retail business, Car Rental, and the Aftermarket Parts and Mobility Solutions business segments. The increase was offset by a decreased revenue contribution from the international retail businesses. The increase in Group revenue was supported by an increase in the sale of new vehicles, parts (including acquisitions) and rendering of services, offset by reduced sales of pre-owned vehicles.

**Operating profit before capital items and net foreign exchange gains/(losses) improved by 31%** with all business segments improving operating profit contribution.

The increased operating profit is mainly as a result of the recovery of the automotive and car rental sectors which positively impacted gross income, coupled with increased margins achieved due to inventory shortages. The operations also benefitted from increased volumes supported by an improvement in after-sales, acquisitions in the Retail and Rental and Aftermarket Parts segments and the return to profitability of Bank JVs in the Mobility Solutions segment.

**Net foreign exchange gains of R135 million were recognised.** Foreign currency exchange gains or losses comprise translation differences arising from foreign currency denominated balances such as trade receivables, trade payables, CFC accounts and interest-bearing debt, changes in the fair value of derivative instruments and ineffectiveness from hedging relationships. The weakening of the Rand against the major currencies during the year, resulted in a significant unrealised foreign currency gain being accounted for.

**Net finance costs decreased by 9%** mainly due to lower average working capital for the year and improved profitability which resulted in lower debt requirements. The decrease was further supported by reduced IFRS 16 finance costs. The above reductions were partially offset by decreased fair value adjustment gains recognised as a result of the unwinding of the interest rate swap.

**Effective tax rate is 25,6%.** The current tax rate was lower than 28% mainly due to deferred tax assets being recognised or utilised, and additional dividend income. This was partially offset by the change in the South African tax rate on deferred tax asset balances and additional impairments raised on assets.

# Summarised reconciliation of earnings to headline earnings

| for the year ended 30 June 2022 | 2022 Rm | 2021 Rm | % change |
|---|---|---|---|
| **Earnings** | **3 290** | 2 098 | 57 |
| Impairment of goodwill and other assets | **305** | 106 | >100 |
| Profit on sale of businesses and other | **(43)** | (9) | >100 |
| Profit on disposal of assets | **(47)** | (63) | (25) |
| Adjustments included in results of associates and joint ventures | **(1)** | – | 100 |
| Tax and non-controlling interests | **–** | 13 | >100 |
| **Headline earnings** | **3 504** | 2 145 | 63 |
| **Weighted average number of ordinary shares** (million) | **173** | 182 | (5) |
| **Earnings and headline earnings per share** | | | |
| Basic EPS (cents) | **1 902** | 1 153 | 65 |
| Basic Headline EPS (cents) | **2 025** | 1 179 | 72 |

The Group repurchased 12 939 021 shares during the year at an average price of R104,41 per share, which resulted in lower weighted average number of shares, of which 1 307 000 shares were acquired as treasury shares for the share incentive schemes.

# Financial position

| as at 30 June 2022 | 2022 Rm | 2021 Rm | % change |
|---|---|---|---|
| Goodwill and intangible assets | **1 959** | 1 546 | 27 |
| Investments in associates and joint ventures | **269** | 289 | (7) |
| Property, plant and equipment | **7 331** | 7 024 | 4 |
| Right-of-use assets | **2 046** | 2 132 | (4) |
| Investments and other financial assets | **320** | 414 | (23) |
| Vehicles for hire | **3 677** | 2 426 | 52 |
| Net working capital[1] | **7 166** | 5 165 | 39 |
| Tax assets | **1 392** | 1 474 | (6) |
| Assets classified as held-for-sale | **657** | 649 | 1 |
| Contract liabilities (service and maintenance plans) | **(3 021)** | (2 828) | 7 |
| Lease liabilities | **(2 347)** | (2 449) | (4) |
| Core interest-bearing debt | **(4 169)** | (2 528) | 65 |
| Floorplans from financial institutions | **(867)** | (873) | (1) |
| Other liabilities | **(368)** | (275) | 34 |
| **Total equity** | **14 045** | 12 166 | 15 |
| Total assets | **42 940** | 38 457 | 12 |
| Total liabilities | **(28 895)** | (26 291) | 10 |

[1] *Net working capital includes floorplans from suppliers amounting to R4 988 million (2021: R4 479 million).*

## Factors impacting the financial position at June 2022 compared to June 2021

### Goodwill and intangible assets

Increased mainly due to acquisitions and currency adjustments, offset by the impairment of goodwill which is in line with the Group policy related to insignificant goodwill and annual impairment assessment. The Group examines each individual business which carries goodwill, and routinely impairs all individual amounts lower than R15 million.

Intangible assets increased mainly due to acquisitions which resulted in the recognition of Customer Lists and Trademarks for FAI (UK), partly offset by amortisation and currency adjustments.

### Property, plant and equipment

Increased mainly due to additions, acquisitions and currency adjustments, offset by depreciation, impairments and disposal of properties.

# Financial overview (continued)

### Right-of-use assets
Decreased mainly due to depreciation and derecognition of leases, offset by new leases entered into or existing leases extended, and acquisitions.

### Vehicles for hire
Increased mainly due to increased demand from car rental companies. Import and Distribution vehicles for hire increased mainly due to increased vehicles delivered to car rental companies on buy-back. Retail and Rental increased due to up-fleets as a result increased leisure, corporate and government travel.

### Net working capital increased by R2,0 billion (39%)
- Inventory increased as a result of improved supply of certain vehicle models and derivatives, change in mix of vehicles, price increases and acquisitions. The 30 June 2021 position was low due to inventory supply constraints;
- The net current derivative moved from a liability at June 2021 to an asset at June 2022 due to the weakening of the ZAR against major currencies;
- Trade receivables increased mainly due to improved sales across the segments and acquisitions;
- Floorplan payables increased due to increased inventory being placed on floorplans (being a cheaper source of funding); and
- Creditors increased mainly due to increased trading activity and acquisitions.

### Tax assets
Decreased mainly due to reduced deferred tax assets as a result of the 1% rate change for the South African entities and the utilisation of assessed losses raised in the prior year due to improved profitability, offset by deferred tax assets raised in the current year.

### Assets classified as held-for-sale
Assets held-for-sale relate to the non-strategic properties identified for sale, mainly retail properties in South Africa, Australia and the UK.

### Contract liabilities
Contract liabilities consists mainly of service and maintenance plans. The increase was due to higher prepaid contract sales and partly from conservative revenue recognition until a post COVID-19 pattern of travelling is established.

### Lease liabilities
Decreased mainly due to lease payments and derecognition of leases. The decrease was offset by new leases entered into or existing leases extended, finance costs and acquisitions.

### Core debt (excluding floorplan and IFRS 16 debt)
Increased primarily due to the higher working capital and vehicles for hire levels, dividend payments (final in September 2021 and interim in March 2022), share repurchases, business and associate acquisitions, capital expenditure and tax payments. This was offset by profits generated for the 12-month period.

### Floorplans from financial institutions
Floorplan debt decreased mainly due to reduced floorplans in the UK and Australia which decreased mainly due to inventory shortages as a result of supply constraints. Offset by up-fleets with car rental in Mobility Solutions, partially funded through bank floorplans, and increased floorplan debt with financial institutions with South African dealers.

### Equity
Equity was enhanced mainly by retained income of R3 338 million, favourable hedging reserve adjustments amounting to R666 million (foreign currency movements against the ZAR impacted forward cover since the 30 June 2021 position) and favourable currency translation reserve adjustments as a result of the weakening of the ZAR amounting to R128 million, offset mainly by the repurchase and cancellation of shares amounting to R1 217 million, the purchase of shares for the share scheme hedges resulting in treasury shares amounting to R134 million, and dividend payments to shareholders in September 2021 amounting to R468 million and March 2022 amounting to R460 million.

# Cash flow movements

| for the year ended 30 June 2022 | 2022 Rm | 2021 Rm |
|---|---|---|
| Cash generated by operations before movements in net working capital | 6 909 | 5 335 |
| Movements in net working capital | (620) | 1 778 |
| **Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire** | 6 289 | 7 113 |
| Finance costs paid | (574) | (716) |
| Finance income received | 13 | 59 |
| Dividend income received | 297 | 142 |
| Taxation paid | (1 190) | (694) |
| **Free cash flow generated from operations** | 4 835 | 5 904 |
| Net replacement capital (expenditure)/proceeds – vehicles for hire | (2 102) | 151 |
| **Cash generated by operations** | 2 733 | 6 055 |
| Net cash outflow on the acquisition and disposal of businesses | (633) | (199) |
| Net capital expenditure (excluding vehicles for hire) | (764) | (325) |
| Net movement in investments and investments in associates and joint ventures | (27) | (10) |
| Advances of other financial assets | (39) | (34) |
| Cash received on finance lease receivables | – | 44 |
| **Cash generated from operating and investing activities** | 1 270 | 5 531 |
| Repurchase of own shares | (1 351) | (485) |
| Acquisition of non-controlling interests | (40) | (288) |
| Dividends paid | (964) | (312) |
| Other | (15) | 4 |
| **(Increase)/decrease in debt** | (1 100) | 4 450 |

The free cash flow was primarily generated by strong operating profits, further supported by decreased finance costs and increased income from profit sharing arrangements. This was offset by increased taxation paid as a result of increased profitability and increased investment in working capital.

Net working capital movements resulted in an outflow of R620 million after adjusting for non-cash movements relating primarily to the acquisition of businesses, net derivative assets and currency adjustments. The year-on-year increased cash investment in working capital amounts to R2,4 billion with the main contributor being the increased investment attached to inventory which was low at June 2021 due to supply constraints.

Cash outflow on vehicles for hire of R2,1 billion was due to increased car rental activity.

Cash outflow on capital expenditure, net replacement and expansion, amounted to R764 million.

Net cash outflow on acquisition of businesses amounted to R633 million and relates mainly to the acquisition of FAI in the UK in the Aftermarket Parts business segment and passenger dealerships in South Africa.

A final dividend of 255 cents per ordinary share was declared and paid on 27 September 2021, amounting to R468 million. An interim dividend of 275 cents per ordinary share was declared and paid on 14 March 2022, amounting to R460 million.

Advances of debt amounted to R1,1 billion in the statement of cash flows, with debt increasing by R1,5 billion in the statement of financial position, primarily due to non-cash movements related to new leases entered into, acquisition of businesses and currency adjustments on debt, reduced by leases derecognised and terminated.

# Financial overview (continued)

## Liquidity

The liquidity position is strong, and the Group has R11,7 billion in unutilised banking and floorplan facilities. A total of 64% of the Group funding is long-term in nature and 21% of the funding is at fixed interest rates. Excluding floorplan funding, 24% of the funding is at fixed interest rates.

## Dividend

A total of 710 cents per ordinary share was declared as a dividend for the year. 275 cents per ordinary share was paid as an interim dividend in March 2022 and a year end dividend of 435 cents per ordinary share will be paid in September 2022.

## Board changes

Motus is led by a diverse board of directors (Board), the majority of whom are independent, with extensive industry knowledge and expertise, and who subscribe to ethical leadership, sustainability, stakeholder inclusivity and high standards of corporate governance.

Changes to the Board composition in the past 12 months:

- Ms. F Roji joined the Board as an independent non-executive director, and was also appointed as a member of both the Social, Ethics and Sustainability Committee (SES Committee) and the Audit and Risk Committee (ARC), with effect from 1 September 2021.

Changes to the Board sub-committees in the past 12 months:

- Ms. K Cassel and Mr. OJ Janse van Rensburg resigned as members of the SES Committee with effect from 1 September 2021, following the reconstitution of the committee and now attend as invitees.
- Mr. MJN Njeke resigned from the Asset and Liability Committee and the ARC, with effect from 1 August 2021 and 1 September 2021, respectively. In addition, he was appointed as Chairman of the Remuneration Committee (RemCo) with effect from 3 November 2021.
- Mr. A Tugendhaft resigned as Chairman of the RemCo with effect from 3 November 2021 however, remains a member.

# Strategy

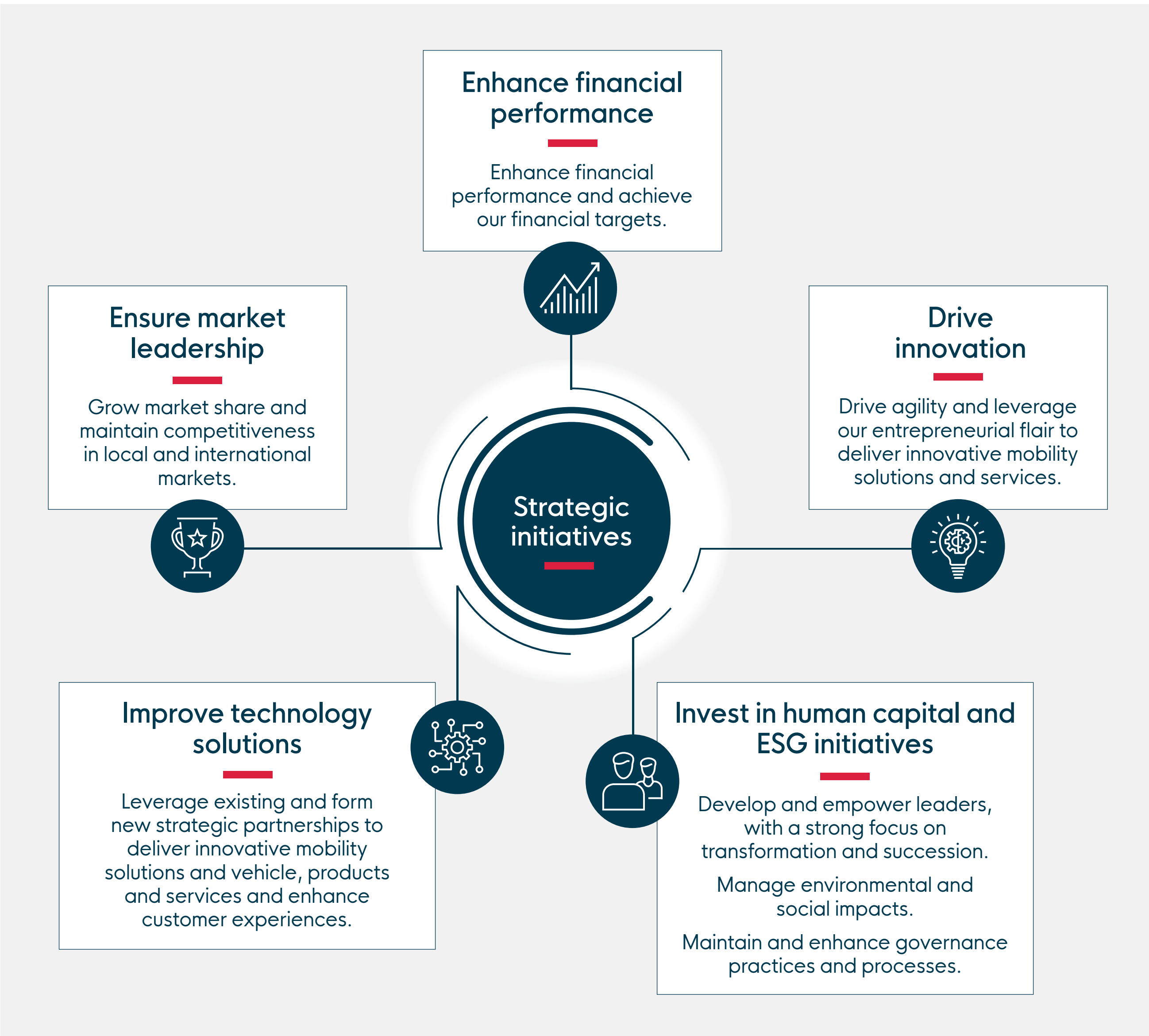
We remain focused on deepening our competitiveness and relevance across the automotive value chain, driving organic growth through optimisation and innovation, and leveraging existing capabilities and networks. Further selective expansion will focus on enhancing existing brands and businesses through bolt-on and complementary acquisitions locally and internationally, while exploring strategic acquisitions that enhance the supply chain and the technology capabilities of the Group.

We have embarked on a number of initiatives to ensure that engaging with Motus is more convenient and faster to do across various customer touchpoints. We are streamlining processes, reducing operational requirements and leveraging automation, data accuracy and customer self-serve capabilities. This will allow us to offer a differentiated service in a competitive market.

In executing our business strategy as a responsible corporate citizen, the business is led in a manner that is environmentally conscious to ensure its sustainability and adopts policies and practices that enhance the growth of the economies in which it operates.

A skilled, diverse and motivated workforce enables us to operate cost-effectively and efficiently to meet stakeholder needs. We encourage a high-performance culture with tailored training and development opportunities for all levels of staff and promote diversity and inclusion in the workplace.

Our strategic initiatives underpin the delivery of our aspirations and support our ambition to achieve mobility for good while enhancing shareholder value.



# Prospects

Consumer and business sentiment will remain under pressure over the short to medium term. The strength of the Group lies in our integrated business model, diversification and scale. This allows us to be resilient and agile to navigate cyclical challenges and to capitalise on opportunities as they arise. As a result, we expect to deliver positive earnings growth, a solid financial position and strong cash generation from operations for the 12 months to 30 June 2023.

We have sufficient cash available and a strong financial position to support the investment in strategic growth initiatives and acquisitions, and to pay dividends to shareholders. We will consider share repurchases as the opportunities arise.

Our commitment to ESG, within our sphere of control, will continue to be a cornerstone of our approach:
- We will manage our activities that impact the environment and actively strive to uphold our commitments to all stakeholders;
- We remain committed to socio-economic growth, employment creation, the upliftment of our communities and our stakeholder commitments; and
- We continue to deepen the maturity of our governance practices and processes.

# Appreciation

We would like to thank all employees, customers, suppliers, funders, stakeholders and the Board for their support during these challenging times.

**OS Arbee**
Chief Executive Officer

**OJ Janse van Rensburg**
Chief Financial Officer

30 August 2022

The forecast and prospects information herein has not been audited or reported on by Motus' auditors.

# Declaration of final ordinary dividend

for the year ended 30 June 2022

Notice is hereby given that a gross final ordinary dividend in the amount of 435 cents per ordinary share has been declared by the Board, payable to the holders of the 178 133 390 ordinary shares. The dividend will be paid out of income reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 348 cents per ordinary share.

The Company has determined the following salient dates for the payment of the ordinary dividend:

| | 2022 |
|---|---|
| Last day for ordinary shares to trade cum ordinary dividend | Tuesday, 20 September |
| Ordinary shares commence trading ex-ordinary dividend | Wednesday, 21 September |
| Record date | Friday, 23 September |
| Payment date | Monday, 26 September |

The Company's income tax number is 983 671 2167.

Share certificates may not be dematerialised/rematerialised between Wednesday, 21 September 2022 and Friday, 23 September 2022, both days inclusive.

On Monday, 26 September 2022, amounts due in respect of the ordinary dividend will be electronically transferred to the bank accounts of certified shareholders. Shareholders who have dematerialised their shares will also have their accounts, held at their central securities depository participant (CSDP) or broker, credited on Monday, 26 September 2022.

On behalf of the Board

**NE Simelane**
Company Secretary

30 August 2022

# Summarised consolidated statement of financial position

| as at June 2022 | Note | 2022 Rm | 2021 Rm |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | **13 157** | 12 640 |
| Goodwill | 6 | **1 628** | 1 443 |
| Intangible assets | | **331** | 103 |
| Investments in associates and joint ventures | | **268** | 278 |
| Property, plant and equipment | | **7 201** | 6 872 |
| Investment properties | | **130** | 152 |
| Right-of-use assets | | **2 046** | 2 132 |
| Derivative financial assets | | **30** | – |
| Investments and other financial instruments | | **320** | 374 |
| Deferred tax | | **1 203** | 1 286 |
| **Current assets** | | **29 126** | 25 168 |
| Vehicles for hire | | **3 677** | 2 426 |
| Net investment in lease receivables | | **–** | 40 |
| Investments in associates and joint ventures | | **1** | 11 |
| Inventories | | **18 966** | 16 528 |
| Trade and other receivables | | **4 646** | 4 136 |
| Derivative financial assets | | **654** | 110 |
| Taxation | | **189** | 188 |
| Cash resources | 7 | **993** | 1 729 |
| Assets classified as held-for-sale | | **657** | 649 |
| **Total assets** | | **42 940** | 38 457 |
| **Equity and liabilities** | | | |
| **Capital and reserves** | | | |
| Stated capital | | **21 104** | 22 321 |
| Shares repurchased | | **(587)** | (517) |
| Common control reserve | | **(19 347)** | (19 268) |
| Hedge accounting reserve | | **400** | (266) |
| Other reserves | | **(586)** | (698) |
| Retained income | | **12 940** | 10 480 |
| **Attributable to owners of Motus** | | **13 924** | 12 052 |
| Non-controlling interests | | **121** | 114 |
| **Total equity** | | **14 045** | 12 166 |

| as at June 2022 | 2022 Rm | 2021 Rm |
|---|---|---|
| **Liabilities** | | |
| **Non-current liabilities** | 8 089 | 6 332 |
| Contract liabilities | 1 823 | 1 722 |
| Lease liabilities | 1 882 | 1 963 |
| Interest-bearing debt | 3 856 | 2 158 |
| Provisions | 444 | 454 |
| Other financial liabilities | 6 | 6 |
| Deferred tax | 78 | 29 |
| **Current liabilities** | 20 806 | 19 959 |
| Contract liabilities | 1 198 | 1 106 |
| Lease liabilities | 465 | 486 |
| Trade and other payables | 11 028 | 9 528 |
| Floorplans from suppliers | 4 988 | 4 479 |
| Provisions | 539 | 546 |
| Other financial liabilities | 56 | 50 |
| Derivative financial liabilities | 131 | 602 |
| Taxation | 228 | 190 |
| Interest-bearing debt | 1 306 | 2 099 |
| Floorplans from financial institutions | 867 | 873 |
| **Total liabilities** | 28 895 | 26 291 |
| **Total equity and liabilities** | 42 940 | 38 457 |

# Summarised consolidated statement of profit or loss

| for the year ended 30 June 2022 | Note | % change | 2022 Rm | 2021[1] Rm |
|---|---|---|---|---|
| **Revenue** | | 5 | **91 978** | 87 205 |
| Net operating expenses | | | **(85 116)** | (81 950) |
| Movements in expected credit losses | | | **(77)** | 47 |
| **Earnings before interest, taxation, depreciation and amortisation** | | 28 | **6 785** | 5 302 |
| Depreciation and amortisation | | | **(1 795)** | (1 507) |
| Share of associates and joint ventures | | (9) | **39** | 43 |
| **Operating profit before capital items and net foreign exchange gains/(losses)[1]** | | 31 | **5 029** | 3 838 |
| Impairment of property, plant and equipment, net of profit/(losses) on sale | | | **(91)** | (7) |
| Other costs | 9 | | **(104)** | (45) |
| Net foreign exchange gains/(losses) | | | **135** | (383) |
| **Operating profit before financing costs[1]** | | 46 | **4 969** | 3 403 |
| Finance costs | | (16) | **(561)** | (666) |
| Finance income | | | **65** | 123 |
| **Profit before tax** | | 56 | **4 473** | 2 860 |
| Income tax expense | | | **(1 135)** | (718) |
| **Attributable profit for the year** | | 56 | **3 338** | 2 142 |
| Net profit attributable to: | | | | |
| **Owners of Motus** | | 57 | **3 290** | 2 098 |
| **Non-controlling interests** | | | **48** | 44 |
| **Attributable profit for the year** | | | **3 338** | 2 142 |
| **Earnings per share (cents)** | | | | |
| **Total earnings per share** | | | | |
| – Basic | | 65 | **1 902** | 1 153 |
| – Diluted | | 63 | **1 808** | 1 110 |

[1] *The prior period has been adjusted for the re-presentation to include share of results from associates and joint ventures. Refer to note 4 – Re-presentation of prior year disclosures for additional information.*

# Summarised consolidated statement of other comprehensive income

| for the year ended 30 June 2022 | 2022 Rm | 2021 Rm |
|---|---|---|
| **Attributable profit for the year** | 3 338 | 2 142 |
| Other comprehensive income/(loss) | 688 | (1 322) |
| Exchange gains/(losses) arising on translation of foreign operations | 128 | (312) |
| Movement in hedge accounting reserve (net of tax) | 560 | (1 010) |
| – Effective portion of the fair value of the cash flow hedges[1] | 642 | (524) |
| – Discontinued cash flow hedges[1] | – | (284) |
| – Amounts recognised in inventory[1] | – | 233 |
| – Extension of open hedging instruments | 66 | (567) |
| – Reclassification to profit or loss | 2 | – |
| – Deferred tax relating to the hedge accounting reserve movements | (147) | 132 |
| – Rate changes relating to the hedge accounting reserve movements | (3) | – |
| **Total comprehensive income for the year** | 4 026 | 820 |
| Total comprehensive income for the year attributable to: | | |
| **Owners of Motus** | 3 971 | 834 |
| **Non-controlling interests** | 55 | (14) |
| **Total comprehensive income for the year** | 4 026 | 820 |

[1] *The prior period has been adjusted for the re-presentation to disaggregate the discontinued cash flow hedges and amounts recognised in inventory. Refer to note 4 – Re-presentation of prior year disclosures for additional information.*

All amounts recognised in other comprehensive income/(loss) may be subsequently reclassified to profit or loss.

# Summarised consolidated statement of cash flows

| for the year ended 30 June 2022 | % change | 2022 Rm | 2021 Rm |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated by operations before changes in net working capital | 30 | **6 909** | 5 335 |
| Movements in net working capital | | **(620)** | 1 778 |
| **Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire** | (12) | **6 289** | 7 113 |
| Finance costs paid | | **(574)** | (716) |
| Finance income received | | **13** | 59 |
| Dividend income received | | **297** | 142 |
| Taxation paid | | **(1 190)** | (694) |
| **Cash generated by operations before capital expenditure on vehicles for hire** | (18) | **4 835** | 5 904 |
| Replacement capital (expenditure)/proceeds – vehicles for hire | | **(2 102)** | 151 |
| – Additions | | **(4 017)** | (2 098) |
| – Proceeds on disposals | | **1 915** | 2 249 |
| | | **2 733** | 6 055 |
| **Cash flows from investing activities** | | | |
| Cash outflow on acquisition of businesses | | **(657)** | (219) |
| Cash inflow from disposal of businesses | | **34** | 22 |
| Cash outflow on payment of contingent consideration arising on acquisition of business | | **(10)** | (2) |
| **Capital expenditure – property, plant and equipment, investment properties and intangible assets** | | **(764)** | (325) |
| Expansion of property, plant and equipment, investment properties and intangible assets | | **(445)** | (180) |
| Replacement capital expenditure – property, plant and equipment, investment properties and intangible assets | | **(319)** | (145) |
| – Replacements of property, plant and equipment, investments properties and intangible assets | | **(523)** | (380) |
| – Proceeds on disposal of property, plant and equipment, investment properties and intangible assets | | **204** | 235 |
| Movements in investments in associates and joint ventures | | **(27)** | (7) |
| Additions to investments | | **–** | (9) |
| Proceeds on sale of investments | | **–** | 6 |
| Advances of other financial assets | | **(39)** | (34) |
| Cash received on net investment in lease receivables | | **–** | 44 |
| | | **(1 463)** | (524) |

| for the year ended 30 June 2022 | Note | 2022 Rm | 2021[1] Rm |
|---|---|---|---|
| **Cash flows from operating and investing activities** | | **1 270** | 5 531 |
| **Cash flows from financing activities** | | | |
| Repurchase of own shares | | **(1 351)** | (485) |
| Dividends paid to equity holders of Motus | | **(928)** | (294) |
| Dividends paid to non-controlling interests | | **(36)** | (18) |
| Acquisition of non-controlling interests | | **(40)** | (288) |
| Advances of loans from non-controlling interests and associates | | **4** | 4 |
| Cash outflow on payment of contingent consideration arising on remeasurement subsequent to the acquisition of the business | | **(19)** | – |
| Repayment of lease liabilities | | **(466)** | (515) |
| Decrease in floorplan liabilities | | **(32)** | (775) |
| Advances/(repayment) of banking facilities[1] | | **1 505** | (1 496) |
| – Advances of banking facilities[1] | | **41 293** | 5 352 |
| – Repayment of banking facilities[1] | | **(39 788)** | (6 848) |
| Repayment of settled banking facilities | | **–** | (2 563) |
| | | **(1 363)** | (6 430) |
| **Decrease in cash and cash equivalents** | | **(93)** | (899) |
| Non-cash adjustments on cash and cash equivalents | | **(19)** | (253) |
| – Effects of exchange rate changes | | **(19)** | (126) |
| – Transfer of unsecured loans to bank overdrafts | | **–** | (127) |
| Cash and cash equivalents at the beginning of the year | | **833** | 1 985 |
| **Cash and cash equivalents at the end of the year** | 7 | **721** | 833 |

[1] *The prior period has been adjusted for the re-presentation to disaggregate the advances and repayments made on banking facilities. Refer to note 4 – Re-presentation of prior year disclosures for additional information.*

# Summarised consolidated statement of changes in equity

| for the year ended 30 June 2022 | Stated capital Rm | Shares repurchased Rm | Common control reserve Rm |
|---|---|---|---|
| **Opening balance as at 1 July 2020** | 22 672 | (411) | (19 210) |
| **Total comprehensive income for the year** | – | – | – |
| Attributable profit for the year | – | – | – |
| Other comprehensive loss | – | – | – |
| 1 746 397 shares repurchased and cancelled at an average of R50,96 per share | (89) | – | – |
| 2 773 319 shares repurchased and cancelled subsequent to year end at an average of R94,47 per share | (262) | – | – |
| 1 962 710 shares repurchased at an average of R68,27 per share | – | (134) | – |
| Issue of 295 922 treasury shares at an average price of R95,98 per share as settlement of share-based equity | – | 28 | – |
| Incremental interest purchased from non-controlling interests | – | – | – |
| Share-based equity income received in profit or loss (including the effects of taxation) | – | – | – |
| Dividends paid to Motus and non-controlling shareholders | – | – | – |
| Transfers between reserves | – | – | (58) |
| Other movements | – | – | – |
| **Closing balance as at 30 June 2021** | **22 321** | **(517)** | **(19 268)** |
| **Total comprehensive income for the year** | – | – | – |
| Attributable profit for the year | – | – | – |
| Other comprehensive income | – | – | – |
| 11 632 021 shares repurchased and cancelled at an average of R104,62 per share | (1 217) | – | – |
| 1 307 000 shares repurchased and cancelled at an average of R102,52 per share | – | (134) | – |
| Issue of 749 155 treasury shares at an average price of R85,43 per share as settlement of share-based equity | – | 64 | – |
| Purchase of non-controlling interest | – | – | – |
| Incremental interest purchased from non-controlling interests[2] | – | – | – |
| Share-based equity costs charged to profit or loss (including the effects of taxation) | – | – | – |
| Dividends paid to Motus and non-controlling shareholders | – | – | – |
| Amounts transferred to inventory from hedge accounting reserve (including the effects of taxation) | – | – | – |
| Transfers between reserves[3] | – | – | (79) |
| Other movements | – | – | – |
| **Closing balance as at 30 June 2022** | **21 104** | **(587)** | **(19 347)** |

[1] *Other reserves include share-based payment reserve, foreign currency translation reserve, premium paid on purchase of non-controlling interests and statutory reserve.*

[2] *During the year, the Group acquired the remaining shareholding in SWT Group Proprietary Limited. Refer to 11.3 – Acquisition of non-controlling interest for additional information.*

[3] *Transfers between reserves relate to:*
- *Shares that were initially obtained from Imperial Logistics Limited, which resulted in common control on unbundling, were settled. This resulted in a pro rata R79 million transfer from common control to retained income.*
- *The remaining portion of vested plans in the share-based payment reserve of R21 million was transferred to retained income.*
- *The valuation reserve of R3 million was transferred to retained income.*

| Hedge accounting reserve Rm | Total other reserves[1] Rm | Retained income Rm | Attributable to the owners of Motus Rm | Non-controlling interests Rm | Total equity Rm |
|---|---|---|---|---|---|
| 701 | 44 | 8 712 | 12 508 | (56) | 12 452 |
| (967) | (297) | 2 098 | 834 | (14) | 820 |
| – | – | 2 098 | 2 098 | 44 | 2 142 |
| (967) | (297) | – | (1 264) | (58) | (1 322) |
| – | – | – | (89) | – | (89) |
| – | – | – | (262) | – | (262) |
| – | – | – | (134) | – | (134) |
| – | (28) | – | – | – | – |
| – | (490) | – | (490) | 202 | (288) |
| – | (19) | – | (19) | – | (19) |
| – | – | (294) | (294) | (18) | (312) |
| – | 95 | (37) | – | – | – |
| – | (3) | 1 | (2) | – | (2) |
| **(266)** | **(698)** | **10 480** | **12 052** | **114** | **12 166** |
| 560 | 121 | 3 290 | 3 971 | 55 | 4 026 |
| – | – | 3 290 | 3 290 | 48 | 3 338 |
| 560 | 121 | – | 681 | 7 | 688 |
| – | – | – | (1 217) | – | (1 217) |
| – | – | – | (134) | – | (134) |
| – | (64) | – | – | – | – |
| – | – | – | – | 1 | 1 |
| – | (27) | – | (27) | (13) | (40) |
| – | 100 | – | 100 | – | 100 |
| – | – | (928) | (928) | (36) | (964) |
| 106 | – | – | 106 | – | 106 |
| – | (18) | 97 | – | – | – |
| – | – | 1 | 1 | – | 1 |
| **400** | **(586)** | **12 940** | **13 924** | **121** | **14 045** |

# Summarised segment financial position

| as at 30 June 2022 | Group 2022 Rm | Group 2021 Rm | Import and Distribution 2022 Rm | Import and Distribution 2021 Rm |
|---|---|---|---|---|
| **Financial position** | | | | |
| **Assets** | | | | |
| Goodwill and intangible assets | 1 959 | 1 546 | 3 | – |
| Carrying value of associates and joint ventures (excluding loans to associates) | 194 | 200 | 37 | 25 |
| Property, plant and equipment | 7 201 | 6 872 | 607 | 462 |
| Investment properties | 130 | 152 | 130 | 138 |
| Right-of-use assets | 2 046 | 2 132 | 19 | 128 |
| Investments and other financial instruments | 320 | 374 | 4 | 4 |
| Vehicles for hire | 3 677 | 2 426 | 1 072 | 787 |
| Net investment in lease receivables | – | 40 | – | 40 |
| Inventories | 18 966 | 16 528 | 3 648 | 3 383 |
| Trade and other receivables[2] | 5 330 | 4 246 | 2 468 | 1 989 |
| **Operating assets** | 39 823 | 34 516 | 7 988 | 6 956 |
| – South Africa | 26 689 | 23 025 | 7 988 | 6 956 |
| – International[4] | 13 134 | 11 491 | – | – |
| **Liabilities** | | | | |
| Contract liabilities | 3 021 | 2 828 | – | – |
| Lease liabilities | 2 347 | 2 449 | 23 | 192 |
| Provisions | 983 | 1 000 | 268 | 219 |
| Trade and other payables[2] | 16 147 | 14 609 | 4 579 | 4 260 |
| Other financial liabilities | 62 | 56 | – | – |
| **Operating liabilities** | 22 560 | 20 942 | 4 870 | 4 671 |
| – South Africa | 13 970 | 13 343 | 4 870 | 4 671 |
| – International[4] | 8 590 | 7 599 | – | – |
| **Net working capital** | 7 166 | 5 165 | 1 269 | 893 |
| – South Africa | 5 831 | 4 114 | 1 269 | 893 |
| – International[4] | 1 335 | 1 051 | – | – |
| **Net debt** | 5 036 | 3 401 | 903 | 1 075 |
| – South Africa | 4 706 | 2 516 | 903 | 1 075 |
| – International[4] | 330 | 885 | – | – |
| **Net capital expenditure** | (2 866) | (174) | (651) | 580 |
| – South Africa | (2 719) | (129) | (651) | 580 |
| – International[4] | (147) | (45) | – | – |
| **Non-current assets (including equity investment in associates, excluding investment, deferred tax and other financial instruments)** | 11 560 | 10 902 | 796 | 753 |
| – South Africa | 6 825 | 6 659 | 796 | 753 |
| – International[4] | 4 735 | 4 243 | – | – |
| United Kingdom | 3 180 | 2 675 | – | – |
| Other regions (Australia and South East Asia)[3] | 1 555 | 1 568 | – | – |

[1] *Formerly known as Financial Services.*
[2] *Includes amounts pertaining to derivative financial instruments.*
[3] *Retail and Rental operates in Australia and Aftermarket Parts operates in South East Asia.*
[4] *International operations now includes the holding company for the foreign subsidiaries. The comparative amounts have been amended to align with that of the current year.*

| | Retail and Rental | | Mobility Solutions[1] | | Aftermarket Parts | | Head Office and Eliminations | |
|---|---|---|---|---|---|---|---|---|
| | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm |
| | **1 074** | 1 047 | **19** | 21 | **859** | 470 | **4** | 8 |
| | **29** | 52 | **4** | 12 | **120** | 107 | **4** | 4 |
| | **6 088** | 5 951 | **136** | 125 | **322** | 284 | **48** | 50 |
| | **–** | 14 | **–** | – | **–** | – | **–** | – |
| | **1 720** | 1 778 | **1** | 1 | **306** | 225 | **–** | – |
| | **–** | – | **315** | 366 | **5** | 5 | **(4)** | (1) |
| | **2 591** | 1 581 | **1 143** | 883 | **–** | – | **(1 129)** | (825) |
| | **–** | – | **–** | – | **–** | – | **–** | – |
| | **12 389** | 10 941 | **349** | 341 | **2 630** | 1 899 | **(50)** | (36) |
| | **3 090** | 2 721 | **441** | 255 | **940** | 725 | **(1 609)** | (1 444) |
| | **26 981** | 24 085 | **2 408** | 2 004 | **5 182** | 3 715 | **(2 736)** | (2 244) |
| | **15 436** | 13 104 | **2 408** | 2 004 | **3 598** | 3 205 | **(2 741)** | (2 244) |
| | **11 545** | 10 981 | **–** | – | **1 584** | 510 | **5** | – |
| | **86** | 136 | **2 935** | 2 692 | **–** | – | **–** | – |
| | **1 988** | 2 006 | **1** | 1 | **335** | 250 | **–** | – |
| | **291** | 199 | **236** | 285 | **4** | 3 | **184** | 294 |
| | **11 811** | 10 550 | **706** | 597 | **1 524** | 1 190 | **(2 473)** | (1 988) |
| | **47** | 28 | **–** | – | **11** | 21 | **4** | 7 |
| | **14 223** | 12 919 | **3 878** | 3 575 | **1 874** | 1 464 | **(2 285)** | (1 687) |
| | **6 156** | 5 546 | **3 878** | 3 575 | **1 355** | 1 238 | **(2 289)** | (1 687) |
| | **8 067** | 7 373 | **–** | – | **519** | 226 | **4** | – |
| | **3 377** | 2 913 | **(152)** | (286) | **2 042** | 1 431 | **630** | 214 |
| | **2 609** | 2 043 | **(152)** | (286) | **1 475** | 1 250 | **630** | 214 |
| | **768** | 870 | **–** | – | **567** | 181 | **–** | – |
| | **3 181** | 3 953 | **(3 958)** | (3 597) | **1 587** | 755 | **3 323** | 1 215 |
| | **2 488** | 2 871 | **(4 022)** | (3 597) | **1 203** | 714 | **4 134** | 1 453 |
| | **693** | 1 082 | **64** | – | **384** | 41 | **(811)** | (238) |
| | **(2 086)** | (638) | **(434)** | 635 | **(101)** | (73) | **406** | (678) |
| | **(1 942)** | (535) | **(434)** | 635 | **(98)** | (83) | **406** | (726) |
| | **(144)** | (103) | **–** | – | **(3)** | 10 | **–** | 48 |
| | **8 911** | 8 842 | **160** | 159 | **1 607** | 1 086 | **86** | 62 |
| | **4 759** | 4 710 | **160** | 159 | **1 024** | 975 | **86** | 62 |
| | **4 152** | 4 132 | **–** | – | **583** | 111 | **–** | – |
| | **2 705** | 2 675 | **–** | – | **475** | – | **–** | – |
| | **1 447** | 1 457 | **–** | – | **108** | 111 | **–** | – |

# Summarised segment profit or loss

| for the year ended 30 June 2022 | Group 2022 Rm | Group 2021 Rm | Import and Distribution 2022 Rm | Import and Distribution 2021 Rm |
|---|---|---|---|---|
| **Profit or loss** | | | | |
| **Total revenue** | **91 978** | 87 205 | **23 883** | 19 683 |
| – South Africa | **61 493** | 56 091 | **23 883** | 19 683 |
| – International[4] | **31 381** | 31 680 | **–** | – |
| United Kingdom | **23 188** | 23 854 | **–** | – |
| Other regions (Australia and South East Asia)[1] | **8 193** | 7 826 | **–** | – |
| – Eliminations between geographic regions | **(896)** | (566) | **–** | – |
| **Earnings before interest, taxation, depreciation and amortisation** | **6 785** | 5 302 | **1 798** | 1 133 |
| – South Africa | **5 410** | 4 138 | **1 798** | 1 133 |
| – International[4] | **1 398** | 1 175 | **–** | – |
| – Eliminations between geographic regions[3] | **(23)** | (11) | **–** | – |
| **Depreciation, amortisation and impairments net of recoupments** | **(1 886)** | (1 526) | **(296)** | (226) |
| – South Africa | **(1 467)** | (1 127) | **(296)** | (226) |
| – International[4] | **(419)** | (399) | **–** | – |
| **Operating profit before capital items and net foreign exchange gains/(losses)[2]** | **5 029** | 3 838 | **1 508** | 922 |
| – South Africa | **4 074** | 3 097 | **1 508** | 922 |
| – International[4] | **978** | 752 | **–** | – |
| – Eliminations between geographic regions[3] | **(23)** | (11) | **–** | – |
| **Finance costs** | **(561)** | (666) | **(195)** | (139) |
| – South Africa | **(430)** | (486) | **(195)** | (139) |
| – International[4] | **(131)** | (180) | **–** | – |
| **Finance income** | **65** | 123 | **76** | 50 |
| – South Africa | **64** | 123 | **76** | 50 |
| – International[4] | **1** | – | **–** | – |
| **Other capital costs** | **(104)** | (33) | **–** | – |
| – South Africa | **(41)** | (22) | **–** | – |
| – International[4] | **(63)** | (11) | **–** | – |
| **Profit/(loss) before tax** | **4 473** | 2 860 | **1 507** | 458 |
| – South Africa | **3 681** | 2 295 | **1 507** | 458 |
| – International[4] | **815** | 576 | **–** | – |
| – Eliminations between geographic regions[3] | **(23)** | (11) | **–** | – |
| **Income tax expense** | **(1 135)** | (718) | **(300)** | (122) |

*[1] Retail and Rental operates in Australia and Aftermarket Parts operates in South East Asia.*
*[2] The prior period has been adjusted for the re-presentation to include share of results from associates and joint ventures. Refer to note 4 – Re-presentation of prior year disclosures for additional information.*
*[3] The unrealised profit adjustment between regions has been disclosed separately to enhance disclosure.*
*[4] International operations now includes the holding company for the foreign subsidiaries. The comparative amounts have been amended to align with that of the current year.*

| | Retail and Rental | | Mobility Solutions | | Aftermarket Parts | | Head Office and Eliminations | |
|---|---|---|---|---|---|---|---|---|
| | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm |
| | | | | | | | | |
| | **74 209** | 70 962 | **2 107** | 2 019 | **8 163** | 7 295 | **(16 384)** | (12 754) |
| | **44 583** | 40 124 | **2 107** | 2 019 | **7 304** | 7 019 | **(16 384)** | (12 754) |
| | **29 626** | 30 838 | **–** | – | **1 755** | 842 | **–** | – |
| | **22 693** | 23 854 | **–** | – | **495** | – | **–** | – |
| | **6 933** | 6 984 | **–** | – | **1 260** | 842 | **–** | – |
| | **–** | – | **–** | – | **(896)** | (566) | **–** | – |
| | | | | | | | | |
| | **3 455** | 2 864 | **1 165** | 1 022 | **802** | 685 | **(435)** | (402) |
| | **2 294** | 1 748 | **1 165** | 1 022 | **580** | 637 | **(427)** | (402) |
| | **1 161** | 1 116 | **–** | – | **245** | 59 | **(8)** | – |
| | **–** | – | **–** | – | **(23)** | (11) | **–** | – |
| | | | | | | | | |
| | **(1 344)** | (1 118) | **(164)** | (118) | **(176)** | (139) | **94** | 75 |
| | **(969)** | (729) | **(164)** | (118) | **(132)** | (122) | **94** | 68 |
| | **(375)** | (389) | **–** | – | **(44)** | (17) | **–** | 7 |
| | | | | | | | | |
| | **2 206** | 1 761 | **1 004** | 912 | **644** | 578 | **(333)** | (335) |
| | **1 420** | 1 058 | **1 004** | 912 | **466** | 538 | **(324)** | (333) |
| | **786** | 703 | **–** | – | **201** | 51 | **(9)** | (2) |
| | **–** | – | **–** | – | **(23)** | (11) | **–** | – |
| | **(525)** | (681) | **(60)** | (67) | **(108)** | (95) | **327** | 316 |
| | **(386)** | (487) | **(60)** | (67) | **(97)** | (92) | **308** | 299 |
| | **(139)** | (194) | **–** | – | **(11)** | (3) | **19** | 17 |
| | **21** | 18 | **–** | – | **3** | 1 | **(35)** | 54 |
| | **14** | 18 | **–** | – | **2** | 1 | **(28)** | 54 |
| | **7** | – | **–** | – | **1** | – | **(7)** | – |
| | **(65)** | (26) | **(39)** | 10 | **–** | (17) | **–** | – |
| | **(65)** | (15) | **24** | 10 | **–** | (17) | **–** | – |
| | **–** | (11) | **(63)** | – | **–** | – | **–** | – |
| | **1 540** | 1 065 | **904** | 855 | **543** | 449 | **(21)** | 33 |
| | **885** | 542 | **967** | 855 | **371** | 414 | **(49)** | 26 |
| | **655** | 523 | **(63)** | – | **195** | 46 | **28** | 7 |
| | **–** | – | **–** | – | **(23)** | (11) | **–** | – |
| | **(452)** | (296) | **(218)** | (198) | **(134)** | (94) | **(31)** | (8) |

# Summarised segment profit or loss (continued)

| for the year ended 30 June 2022 | Group 2022 Rm | Group 2021 Rm | Import and Distribution 2022 Rm | Import and Distribution 2021 Rm |
|---|---|---|---|---|
| **Additional information** | | | | |
| **Revenue by nature** | | | | |
| **Sale of goods** | **82 339** | 78 435 | **23 809** | 19 559 |
| New motor vehicle sales | **43 746** | 40 167 | **20 576** | 15 282 |
| Pre-owned vehicle sales | **21 353** | 22 266 | **1 018** | 2 294 |
| Parts and other goods sales | **17 240** | 16 002 | **2 215** | 1 983 |
| **Rendering of services** | **9 639** | 8 770 | **74** | 124 |
| Vehicle workshops, maintenance, service and warranty | **5 617** | 5 555 | **49** | 61 |
| Motor vehicle rental | **2 123** | 1 339 | **–** | – |
| Fees on vehicles, parts and services sold | **1 899** | 1 876 | **25** | 63 |
| **Total revenue** | **91 978** | 87 205 | **23 883** | 19 683 |
| Inter-group revenue | **–** | – | **(15 482)** | (11 964) |
| **Total external revenue** | **91 978** | 87 205 | **8 401** | 7 719 |
| **Depreciation, amortisation and impairments net of recoupments** | **(1 886)** | (1 526) | **(296)** | (226) |
| Depreciation and amortisation | **(1 795)** | (1 513) | **(302)** | (222) |
| (Losses)/profits on disposals and impairments | **(91)** | (1) | **6** | (4) |
| Amortisation of intangible asset arising on business combinations | **–** | (12) | **–** | – |
| **(Costs)/income included in profit before tax** | | | | |
| Total employee costs | **(7 307)** | (6 606) | **(452)** | (410) |
| Operating lease charges | **(237)** | (95) | **(11)** | (15) |
| Net foreign exchange gains/(losses) | **135** | (383) | **113** | (370) |
| Share of results from associates and joint ventures | **39** | 43 | **12** | 10 |
| **Operating margin (%)** | **5,5** | 4,4 | **6,3** | 4,7 |

| | Retail and Rental | | Mobility Solutions | | Aftermarket Parts | | Head Office and Eliminations | |
|---|---|---|---|---|---|---|---|---|
| | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm | **2022 Rm** | 2021 Rm |
| | **66 158** | 63 832 | **–** | – | **8 081** | 7 225 | **(15 709)** | (12 181) |
| | **36 378** | 34 045 | **–** | – | **–** | – | **(13 208)** | (9 160) |
| | **21 220** | 21 615 | **–** | – | **–** | – | **(885)** | (1 643) |
| | **8 560** | 8 172 | **–** | – | **8 081** | 7 225 | **(1 616)** | (1 378) |
| | **8 051** | 7 130 | **2 107** | 2 019 | **82** | 70 | **(675)** | (573) |
| | **4 316** | 4 249 | **1 490** | 1 481 | **–** | – | **(238)** | (236) |
| | **1 928** | 1 128 | **443** | 373 | **–** | – | **(248)** | (162) |
| | **1 807** | 1 753 | **174** | 165 | **82** | 70 | **(189)** | (175) |
| | **74 209** | 70 962 | **2 107** | 2 019 | **8 163** | 7 295 | **(16 384)** | (12 754) |
| | **(452)** | (440) | **(424)** | (326) | **(33)** | (24) | **16 391** | 12 754 |
| | **73 757** | 70 522 | **1 683** | 1 693 | **8 130** | 7 271 | **7** | – |
| | **(1 344)** | (1 118) | **(164)** | (118) | **(176)** | (139) | **94** | 75 |
| | **(1 252)** | (1 108) | **(163)** | (118) | **(178)** | (130) | **100** | 65 |
| | **(92)** | (10) | **(1)** | – | **2** | 3 | **(6)** | 10 |
| | **–** | – | **–** | – | **–** | (12) | **–** | – |
| | | | | | | | | |
| | **(5 155)** | (4 719) | **(540)** | (490) | **(957)** | (885) | **(203)** | (102) |
| | **(200)** | (74) | **(2)** | (2) | **(54)** | (28) | **30** | 24 |
| | **(3)** | 3 | **–** | – | **2** | (7) | **23** | (9) |
| | **3** | 4 | **2** | 8 | **21** | 19 | **1** | 2 |
| | **3,0** | 2,5 | | | **7,9** | 7,9 | | |

# Headline earnings per share information

| | % change | 2022 Rm | 2021 Rm |
|---|---|---|---|
| **Headline earnings reconciliation** | | | |
| **Earnings** | 57 | **3 290** | 2 098 |
| – Impairment of goodwill (IAS 36) | | **81** | 50 |
| – Impairment/(reversal of impairment) of associates and joint ventures (IAS 36) | | **66** | (8) |
| – Impairment of property, plant and equipment (IAS 36) | | **135** | 64 |
| – Impairment of intangible assets (IAS 36) | | **3** | – |
| – Impairment of right-use-assets (IAS 36) | | **20** | – |
| – Profit on disposal of investments in an associate and joint venture (IAS 28) | | **(30)** | – |
| – Profit on disposal of businesses (IFRS 3) | | **(13)** | (9) |
| – Profit on disposal of property, plant and equipment (IAS 16) | | **(47)** | (63) |
| – Tax effects of remeasurements | | **–** | 13 |
| – Adjustments included in the result of associates and joint ventures | | **(1)** | – |
| **Headline earnings** | 63 | **3 504** | 2 145 |
| **Headline earnings per share (cents)** | | | |
| – Basic | 72 | **2 025** | 1 179 |
| – Diluted | 70 | **1 925** | 1 135 |

| | % change | 2022 | 2021 |
|---|---|---|---|
| **Additional information** | | | |
| Net asset value (NAV) per ordinary share (cents) | 24 | **8 143** | 6 586 |
| Tangible net asset value (TNAV) per ordinary share (cents) | 22 | **6 997** | 5 741 |
| Number of ordinary shares in issue (million) | | | |
| – total shares | | **178** | 189 |
| – net of shares repurchased | | **171** | 183 |
| – weighted average for basic | | **173** | 182 |
| – weighted average for diluted | | **182** | 189 |

The Group repurchased 12 939 021 shares during the year at an average price of R104,41 per share, which resulted in lower weighted average number of shares, of which 1 307 000 shares were acquired as treasury shares for the share incentive schemes.

# Notes to the summarised consolidated financial statements

## 1. Basis of preparation

The preliminary summarised audited consolidated financial statements have been prepared in accordance with the framework concepts, recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the Group at 30 June 2022 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The results contain the minimum information as required by IAS 34 – Interim Financial Reporting and comply with the Listings Requirements of the JSE Limited (JSE Listings Requirements) and the Companies Act of South Africa (No. 71 of 2008) as amended (the Companies Act). These preliminary summarised audited consolidated financial statements do not include all the information required for full audited consolidated annual financial statements and should be read in conjunction with the audited consolidated and separate annual financial statements as at and for the year ended 30 June 2022.

These preliminary summarised audited consolidated financial statements are an extract of the audited consolidated and separate annual financial statements. Both the summarised and full audited consolidated annual financial statements have been prepared under the supervision of Ms. U Singh, CA(SA) and have been audited by the Group's independent external auditors, Deloitte & Touche. The preliminary summarised audited consolidated financial statements were approved by the board of directors (the Board) on 30 August 2022.

## 2. Going concern

The summarised consolidated statement of financial position as at 30 June 2022 reports a positive total equity balance of R14 045 million (2021: R12 166 million) and net debt of R5 036 million (2021: R3 401 million). The net debt excluding floorplans is covered by facilities of R11 278 million (R10 388 million committed) (2021: R11 900 million (R10 816 million committed)). The Group generated cash inflow from operations of R4 835 million (2021: R5 904 million) before capital expenditure on vehicles for hire and property, plant and equipment.

The Board has reviewed and approved the Group consolidated forecasts prepared by management and the solvency and liquidity positions. The forecast includes a detailed consolidated statement of profit or loss, cash flow, and financial position and is reviewed and approved by the Board.

On this basis, the Board concluded that the Group would remain comfortably within the existing bank facility limits, with significant headroom, for at least the next 12 months from the date of approval of these preliminary summarised audited consolidated financial statements.

The Group is not currently involved in any significant litigation that could significantly affect the Group's ability to operate as a going concern.

The Group's assets are adequately insured or, in certain instances, self-insured where the Group considers the risks are of such a nature that it can be self-insured without creating undue risk to the Group. The full extent of the insurance cover and self-insurance arrangements have been reviewed by senior management and considered acceptable.

The Board have also concluded that there is a reasonable expectation that the Group will continue to meet its obligations as they fall due for at least the next 12 months from the date of approval of these preliminary summarised audited consolidated financial statements.

The Board considers it appropriate to adopt the going concern assumption in preparing the preliminary summarised audited consolidated financial statements.

Refer to the audited consolidated and separate annual financial statements for full disclosure.

# Notes to the summarised consolidated financial statements (continued)

## 3. Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the summarised audited consolidated financial statements are in accordance with IFRS and are consistent with those of the audited consolidated and separate annual financial statements for the year ended 30 June 2021, with the exception of the new and revised policies as required by new and revised IFRS issued and in effect.

The following standards were adopted in the current financial year.

### Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 with regard to the Interest Rate Benchmark Reform (IBOR) (Phase II) (New and revised)

The Group adopted the Phase 2 amendments Interest Rate Benchmark Reform – Amendments to IFRS 4 – Insurance Contracts, IFRS 7 – Financial Instruments: Disclosure, IFRS 9 – Financial Instruments, IFRS 16 – Leases, and IAS 39 – Financial Instruments: Recognition and Measurement.

Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as "risk-free rates" or RFRs) without giving rise to accounting impacts that would not provide useful information to users of the preliminary summarised audited consolidated financial statements.

The impact of the amendments on the Group is as follows:

- If the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. However, if additional changes are made, which are not directly related to the reform, the applicable requirements of IFRS 9 are applied to the other changes.
- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- The Group would be required to provide additional information to enable a user to understand the nature and extent of the new risks stemming from the reform and how they manage the risks arising from the transition from IBOR benchmarks to alternative benchmark rates.

The adoption of these amendments had no material impact on the Group. As each interest rate benchmark is replaced, the Group will shift to alternate reference interest rates. The transition was managed by the Group's treasury department.

### IFRS 9 for Hedge Accounting

In the current financial year, the Group has voluntarily adopted the hedge accounting requirements of IFRS 9, which replace the hedge accounting requirements of IAS 39 (except for macro fair value hedges of interest rate risk).

The revised requirements align hedge accounting more closely with risk management and establish a more principle-based approach to hedge accounting, allowing for greater flexibility in the types of transactions and hedging instruments eligible for hedge accounting. It also includes some operational simplifications, such as a revised approach to testing hedge effectiveness. The adoption also aims to align the Group's accounting policies with the increasing number of entities that have fully adopted IFRS 9.

As the Group's risk management strategies were aligned with the requirements of IFRS 9 and the hedge documentation for all hedging relationships was updated, existing hedging relationships as of 1 July 2021 were treated as continuing hedging relationships. The IFRS 9 hedge accounting requirements were applied prospectively, so the adoption did not affect the Group's hedge relationships, hedge accounting results, consolidated statement of profit and loss, consolidated statement of financial position, or consolidated statement of cash flows as of 30 June 2021.

## 4. Re-presentation of prior year disclosures

The following have been re-presented to enhance disclosure:

- The operating profit before capital items and net foreign exchange gains/(losses) now include share of results from associates and joint ventures in the summarised consolidated statement of profit or loss;
- The repayments or advances on banking facilities have been disaggregated on the summarised consolidated statement of cash flows; and
- The net change in the fair value of the cash flow hedges has been disaggregated in the summarised consolidated statement of other comprehensive income.

These re-presentations had no impact on the earnings per share, headline earnings per share, diluted earnings per share and movements in the summarised consolidated statement of cash flows.

### Re-presentation of operating profit before capital items and net foreign exchange gains/(losses)

In the summarised consolidated statement of profit or loss the operating profit before capital items and net foreign exchange gains/(losses) now include share of results from associates and joint ventures. In the prior year, this was excluded from operating profit before capital items and net foreign exchange gains/(losses) and was disclosed below finance costs and finance income.

The re-presentations are as follows:

| | 2021 Rm |
|---|---|
| Operating profit before capital items and net foreign exchange gains/(losses), as disclosed previously | 3 795 |
| Share of results from associates and joint ventures | 43 |
| **Operating profit before capital items and net foreign exchange gains/(losses), re-presented** | **3 838** |
| Operating profit before financing costs, as disclosed previously | 3 360 |
| Share of results from associates and joint ventures | 43 |
| **Operating profit before finance costs, re-presented** | **3 403** |

The profit before share of results from associates and joint ventures aggregation was removed from the summarised consolidated statement of profit or loss as this is no longer required.

The re-presentation was made to include all income and expenditure considered part of the Group's operating activities or an extension thereof in operating profit before capital items and net foreign exchange gains/(losses). The amended disclosure is intended to give meaningful information to the users of the preliminary summarised audited consolidated financial statements for decision making.

# Notes to the summarised consolidated financial statements (continued)

## 4. Re-presentation of prior year disclosures (continued)

### Re-presentation of repayments or advances of banking facilities

In the prior year, the Group disclosed the repayment and advances of banking facilities on a net basis in accordance with the utilisation of the facilities.

The Group follows a centralised cash management process, including cash management systems to minimise risk and related finance costs across bank accounts. The cash management systems ensure that any excess cash held in the business units is transferred through the sweeping processes to the treasury departments in the various jurisdictions.

The consolidated borrowing position of the Group is assessed daily and the banking facilities are repaid or drawn down on a short-term basis.

In the current year, this disclosure was expanded to include advances and repayments of banking facilities, to increase transparency, give meaningful information to users of the preliminary summarised audited consolidated financial statements for decision making and improve comparability with other publicly traded companies.

The re-presentations are as follows:

| | 2021 Rm |
|---|---|
| Repayment of banking facilities, as previously disclosed | (1 496) |
| Now disclosed separately as: | |
| Repayment of banking facilities | (1 496) |
| – Advances of banking facilities | 5 352 |
| – Repayment of banking facilities | (6 848) |

### Re-presentation of net change in the fair value of the cash flow hedges

In the current year, the net change in the fair value of the cash flow hedges has been disaggregated to enhance disclosure and improve the comparability of the preliminary summarised audited consolidated financial statements with other publicly traded companies. This disaggregation includes the disclosure of discontinued cash flow hedges and amounts recognised in inventory.

The re-presentations are as follows:

| | 2021 Rm |
|---|---|
| Net change in the fair value of the cash flow hedges, as previously disclosed | (575) |
| Now disclosed separately as: | (575) |
| – Effective portion of the fair value of the cash flow hedges | (524) |
| – Discontinued cash flow hedges | (284) |
| – Amounts recognised in inventory | 233 |

The amounts recognised in inventory are not a reclassification adjustment to profit or loss as per the requirements of IFRS 9 and are recognised directly in the summarised consolidated statement of changes in equity. The prior year was disclosed in the summarised consolidated statement of other comprehensive income in accordance with IAS 39.

## 5. Exchange rates

| | Closing rates | | Average rates for the period | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| US Dollar | **16,39** | 14,27 | **15,22** | 15,40 |
| British Pound | **19,90** | 19,72 | **20,24** | 20,70 |
| Australian Dollar | **11,27** | 10,71 | **11,03** | 11,48 |
| Euro | **17,13** | 16,93 | **17,15** | 18,35 |

## 6. Goodwill

| | **2022 Rm** | 2021 Rm |
|---|---|---|
| Carrying value at the beginning of the year | **1 443** | 1 556 |
| **Movement during the year** | | |
| Acquisition of businesses | **237** | 51 |
| Impairment charge[1] | **(81)** | (50) |
| Currency adjustments | **29** | (114) |
| **Carrying value at the end of the year** | **1 628** | 1 443 |

[1] *The Group examines each individual business which carries goodwill and routinely impairs all individual amounts lower than R15 million (2021: R10 million).*

## 7. Cash and cash equivalents

| | **2022 Rm** | 2021 Rm |
|---|---|---|
| Cash resources | **993** | 1 729 |
| Bank overdrafts | **(272)** | (896) |
| | **721** | 833 |

# Notes to the summarised consolidated financial statements (continued)

## 8. Fair value of financial instruments

### 8.1 Fair value hierarchy

Financial instruments measured at fair value are grouped into the following levels based on the significance of the inputs used in determining fair value:

**Level 1** financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.

**Level 2** financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

**Level 3** financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

Where the Group's financial assets and liabilities are not fair valued and are carried at amortised cost, they approximate their fair values.

### 8.2 Fair value of financial assets and liabilities

The following table presents the valuation categories used in determining the fair values of financial instruments carried at fair value.

| as at 30 June 2022 | Total Rm | Level 1 Rm | Level 2 Rm | Level 3 Rm |
|---|---|---|---|---|
| **Financial assets carried at fair value** | | | | |
| Preference shares | 314 | – | – | 314 |
| Unlisted investments | 5 | – | – | 5 |
| Derivative financial assets | 684 | – | 684 | – |
| **Financial liabilities carried at fair value** | | | | |
| Contingent consideration | 24 | – | – | 24 |
| Derivative financial liabilities | 131 | – | 131 | – |

There were no transfers between the fair value hierarchies during the year.

Level 2 valuations techniques

Forward exchange contracts

These derivative instruments are fair valued using future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates.

Other derivative instruments

These derivative instruments are fair valued using the present value of estimated future cash flows over the term of the instrument, based on future interest rates (from observable forward looking interest rates at the end of the reporting period) including margins.

# 8. Fair value of financial instruments (continued)

## 8.2 Fair value of financial assets and liabilities (continued)

Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing balances of level 3 financial instruments carried at fair value.

| | Preference shares Rm | Unlisted investment Rm | Total Rm |
|---|---|---|---|
| **Financial assets** | | | |
| Carrying value at the beginning of the year | 366 | 5 | 371 |
| **Movement during the year** | | | |
| Fair value movements on the preference share arrangements | (52) | – | (52) |
| Dividends received | (230) | – | (230) |
| Fair value through profit or loss as unrealised gains | 178 | – | 178 |
| **Carrying value at the end of the year** | 314 | 5 | 319 |
| **Financial liabilities** | | | |
| Carrying value at the beginning of the year | | | 33 |
| **Movement during the year** | | | |
| Payment made to former equity holder of the subsidiary acquired | | | (29) |
| – Arising on acquisition of business | | | (10) |
| – Arising on remeasurement subsequent to the acquisition of the business | | | (19) |
| Remeasurement through profit or loss | | | 19 |
| Currency adjustments | | | 1 |
| **Carrying value at the end of the year** | | | 24 |

### Level 3 sensitivity information

The fair value of the level 3 financial assets of R319 million (2021: R371 million) consists of the investments in preference shares and an unlisted investment.

The fair value of the preference shares of R314 million (2021: R366 million) consists of investments in cell captives through unlisted preference share instruments in insurance companies. These fair values were estimated by applying a discounted cash flow projection technique. Cash flow projections are based on expected dividends receivable which are determined by using regulatory solvency methods. The cash flow projections cover a five-year forecast period and takes into account organic portfolio growth, discounted at a WACC of 18,4% (2021: 18,2%) specifically linked to Mobility Solutions. The projections are limited to five years as the investment structures are reviewed on an ongoing basis in light of changes to the regulatory and economic landscape.

The fair value measurement is based on significant inputs that are not observable in the market. Key assumptions used in the valuation include underwriting, operational and investment risk. The dividends receivable are calculated from the assumed profits after taking into account the above mentioned risk inputs.

The carrying value of the unlisted investment amounting to R5 million (2021: R5 million) closely approximates its fair value. Consideration has been given to the sensitivity of the fair value. However, this is deemed to have an insignificant impact on the Group.

# Notes to the summarised consolidated financial statements (continued)

## 8. Fair value of financial instruments (continued)

### 8.2 Fair value of financial assets and liabilities (continued)

The fair value of the level 3 financial liabilities of R24 million (2021: R33 million) is the contingent consideration which relates to the purchase of an Aftermarket Parts franchise store in Motus Group Limited and a subsidiary acquired in the previous financial years. The contingent consideration relating to the purchase of the Aftermarket store is contingent on requirements being met as per the agreements. It is anticipated that this will be settled in two years. During the year, amounts due to the former owner of a subsidiary acquired in Australia was assessed based on the profitability of the division in the current year and as a result, an additional contingent consideration of R19 million was raised. Consideration has been given as to the impact on the present valuing these future payments. This impact was deemed insignificant.

The following table shows how the fair value of the level 3 financial assets as at 30 June 2022 would change if the discount rate used to present value future cash flows were to reduce or increase by 1,0%. This possible variation was deemed reasonable based on management's expectation of changes to the discount rate used and as such provides relevant and sufficient guidance on the sensitivity of the fair value of the preference shares.

| | Valuation technique | Main assumption | Carrying value Rm | Increase in carrying value Rm | Decrease in carrying value Rm |
|---|---|---|---|---|---|
| **Financial asset** | | | | | |
| Preference shares | Cashflow projections | Present value of expected dividend flows | 314 | 7 | (7) |

## 9. Other costs

| | 2022 Rm | 2021 Rm |
|---|---|---|
| Impairment of goodwill | (81) | (50) |
| Profit on disposal of investments in associates and joint ventures | 30 | – |
| (Impairment)/reversal of impairments on investments in associates and joint ventures | (66) | 8 |
| – (Impairment)/reversal of impairments on investments in associates and joint ventures | (66) | 10 |
| – Impairment of a loan to an associate | – | (2) |
| Profit on disposal of businesses | 13 | 9 |
| **Other capital costs** | (104) | (33) |
| Amortisation of intangible assets arising on business combinations | – | (12) |
| | (104) | (45) |

## 10. Contingencies and commitments

| | 2022 Rm | 2021 Rm |
|---|---|---|
| Capital expenditure commitments[1] | 515 | 211 |
| Contingent liabilities[2] | 5 003 | 3 764 |
| Litigation[3] | 5 | 9 |

[1] *The capital commitments substantially relate to the construction of buildings to be used by the Group.*
[2] *The contingent liabilities include letters of credit and guarantees issued by banks with the corresponding guarantees by the Group to the bank.*
[3] *Litigation relates to the various summons for claims received by the Group. The Group and its legal advisers believe these claims are unlikely to succeed. Where the Group believes that there is a probable outflow a provision has been raised.*

# 11. Acquisitions and disposals during the year

## 11.1 Acquisitions during the reporting year

The Group acquired FAI in the UK on 1 October 2021. The company is an aftermarket automotive parts business specialising in distributing passenger and light commercial vehicle parts throughout the UK and Europe.

During the year the Group acquired a number of other individual businesses in Retail and Rental South Africa to complement the existing businesses. These included:

- Four passenger vehicle dealerships namely Honda Sandton, Hyundai Rustenburg, Renault Vaal and Hyundai Midrand; and
- The acquisition of an additional 11% shareholding in Synapt Group Proprietary Limited (Synapt), as a result obtaining effective control over the company.

The Group also acquired two additional franchise stores in Aftermarket Parts South Africa.

In compliance with the Group's policy, all individual goodwill values of less than R15 million are impaired. The total impairment relating to the policy amounted to R24 million. The remaining impairments of R57 million are as a result of annual impairment assessments performed.

An assessment of control was performed based on whether the Group has the practical ability to direct the relevant activities unilaterally on these acquired businesses. In making the judgement, the relative size and dispersion of other vote holders, potential voting rights held by them or others and rights from other contractual arrangements were considered. After the assessment, the Group concluded that it is able to direct the relevant activities of the businesses acquired.

The Group has assessed the significance of each of the businesses acquired with reference to aspects outlined in the glossary of terms. The net asset value of the underlying business and purchase consideration was used as a basis for the quantitative measure. Qualitative factors such as the nature of the business acquired and contribution to the profitability of the Group were also considered when assessing the relevant information that will assist the users in their decision-making processes. Based on this assessment, only the acquisition of FAI was deemed significant.

# Notes to the summarised consolidated financial statements (continued)

## 11. Acquisitions and disposals during the year (continued)

### 11.1 Acquisitions during the reporting year (continued)

The fair value of assets acquired and liabilities assumed were as follows:

| | FAI Rm | Other individually insignificant acquisitions: Retail and Rental South Africa Rm | Other individually insignificant acquisitions: Aftermarket Parts South Africa Rm | Total[1] Rm |
|---|---|---|---|---|
| **Assets** | | | | |
| Intangible assets | 242 | – | – | **242** |
| Property, plant and equipment | 20 | 9 | 2 | **31** |
| Right-of-use asset | 93 | 1 | – | **94** |
| Deferred tax | – | 1 | – | **1** |
| Inventories | 119 | 92 | 5 | **216** |
| Trade and other receivables | 174 | 2 | – | **176** |
| Taxation | 2 | – | – | **2** |
| Cash resources | 189 | – | – | **189** |
| | 839 | 105 | 7 | **951** |
| **Liabilities** | | | | |
| Lease liabilities | 93 | 1 | – | **94** |
| Other financial liabilities | – | 12 | – | **12** |
| Deferred tax | 47 | – | – | **47** |
| Trade and other payables | 129 | 12 | – | **141** |
| Interest-bearing debt | – | 17 | – | **17** |
| | 269 | 42 | – | **311** |
| Non-controlling interest | – | 1 | – | **1** |
| Net assets acquired | 570 | 62 | 7 | **639** |
| Total purchase consideration | 726 | 143 | 7 | **876** |
| Cash paid | 726 | 113 | 7 | **846** |
| Interest previously held as an associate | – | 30 | – | **30** |
| **Goodwill** | 156 | 81 | – | **237** |
| Goodwill impaired | – | (81) | – | **(81)** |

[1] *Due to the recent nature of the acquisitions, the fair value of the assets and liabilities acquired are still regarded as being provisional.*

## 11. Acquisitions and disposals during the year (continued)

### 11.1 Acquisitions during the reporting year (continued)

Process involved with obtaining control

The Group acquired the entire shareholding of FAI and an additional 11% shareholding in Synapt, bringing the total shareholding to 60%, therefore obtaining control of these legal entities. The remainder of the acquisitions related to the purchase of the underlying assets and liabilities of the businesses, which were absorbed into the Group as operating divisions.

Reasons for the acquisitions

These acquisitions are strategically in line with the Group's objective of achieving economies of scale and increasing our footprint with selective bolt-on acquisitions in local and international markets that complement the Group's existing networks and structures supporting the recognition of goodwill.

Acquisition costs

Acquisition costs for business acquisitions concluded during the year amounted to R6 million and have been recognised as an expense in profit or loss in the "Net operating expenses" line.

Impact of the acquisitions on the results of the Group

From the dates of acquisition, the businesses acquired during the period contributed revenue of R1 279 million and after tax profit of R95 million, including the after tax funding costs. Had all the acquisitions been consolidated from 1 July 2021, they would have contributed revenue of R1 607 million and an after tax profit of R130 million (including the after tax impact of funding costs). The Group's total revenue would have been R92 306 million and an after tax profit of R3 373 million (including the after tax impact of funding costs).

From the date of acquisition, FAI has contributed R495 million and R48 million to the Group's revenue and after tax profits (including the after tax impact of funding), respectively. Had the company been consolidated from 1 July 2021, the company would have contributed revenue of R662 million and profit after tax of R64 million (including the after tax impact of funding).

Separately identifiable intangible assets

The FAI acquisition includes customer lists and trademarks that meet the definition of intangible assets as they are identifiable non-monetary assets. These have been recognised as intangible assets and will be amortised over the appropriate economic useful life. The excess purchase consideration over the net asset value, including the separately identifiable intangible assets, is recognised as goodwill.

Other details

Trade and other receivables had a gross contractual amount of R177 million and an allowance for expected credit losses of R1 million.

### 11.2 Disposals during the reporting year

There were no significant disposals noted during the year.

### 11.3 Acquisition of non-controlling interest

During the year the Group acquired the remaining shareholding in SWT Group Proprietary Limited for R40 million in September 2021.

This acquisition has continued to enhance operational synergies and will unlock value within the integrated business model.

# Notes to the summarised consolidated financial statements (continued)

## 12. Annual financial statements

The Group's auditors for the current year was Deloitte & Touche. A copy of the audited consolidated and separate annual financial statements, together with the unmodified auditor's opinion, which includes the key audit matter, are available for inspection on the Group's website and the Company's registered office.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the unmodified auditor's opinion, together with the accompanying financial information from the Company's registered office or the Group's website.

## 13. Events after the reporting period

Subsequent to financial year end, a final dividend of 435 cents (2021: 255 cents) per ordinary share was declared and is payable on 26 September 2022. The total dividend for the year amounted to 710 cents (2021: 415 cents).

The Group is in the process of acquiring four Mercedes-Benz dealerships in Retail and Rental South Africa. The dealerships include three passenger dealerships located in Sandton, Bryanston, Constantia Kloof and a commercial dealership in Roodepoort. This acquisition is subject to approval from the Competition Commission.

As advised in the cautionary announcements, negotiations are still in progress for the potential acquisition of 100% shareholding in an Aftermarket Parts business for cash. If the acquisition is successfully concluded, this may have a material effect on the price of the Company's securities.

There were no material events, apart from those mentioned above, that occurred from the year ended 30 June 2022 to the date of these preliminary summarised audited consolidated financial statements.

# Independent auditor's report on summarised financial statements

## To the shareholders of Motus Holdings Limited

### Opinion

The summarised consolidated financial statements of Motus Holdings Limited, which comprise the summarised consolidated statement of financial position as at 30 June 2022, the summarised consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes as set out on pages 22 to 48, are derived from the audited consolidated financial statements of Motus Holdings Limited for the year ended 30 June 2022.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Motus Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the preliminary summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Other matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

### Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Motus Holdings Limited and the auditor's report thereon.

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 30 August 2022. That report also includes the communication of a key audit matter as reported in the auditor's report of the audited consolidated financial statements.

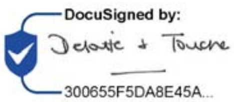
### Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The 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), 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*.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.




**Deloitte & Touche**
Registered Auditors
Per: Shelly Nelson
Partner

30 August 2022

5 Magwa Crescent
Waterfall City
Waterfall

# Glossary of terms

| | |
|---|---|
| **Pro forma information** | Pro forma financial information is the result of adjusting information about the Group at a specific date or for a particular period. |
| **Significance** | Significance is determined by referring to qualitative and quantitative factors. Qualitative factors include providing the users of the preliminary summarised audited consolidated financial statements with relevant information that assists with their decision-making process. These include both the nature of the transactions together with the contributions to amounts reported. Quantitative factors measure the transactions with reference to the Group's internal materiality threshold of 5% of Profit before tax. |
| **Operating assets** | Operating assets are all assets less loans receivable, taxation assets, cash resources and assets classified as held-for-sale. |
| **Operating liabilities** | Operating liabilities are all liabilities less all interest-bearing debt, floorplans from financial institutions and taxation liabilities. |
| **Net working capital** | Net working capital includes inventories, trade and other receivables, derivative instruments less provisions, trade and other payables and floorplans from suppliers. |
| **Interest-bearing borrowings** | Interest-bearing borrowings includes interest-bearing debt and floorplans from financial institutions. Lease liabilities are excluded. |
| **Debt** | Debt includes interest-bearing borrowings and lease liabilities less cash resources. |
| **Core debt** | Core debt includes interest-bearing borrowings less floorplans from financial institutions and cash resources. |
| **Net debt** | Net debt includes interest-bearing borrowings less cash resources. |
| **Net capital expenditure** | Net capital expenditure includes expansion and net replacement expenditure of property, plant and equipment, investment properties, intangible assets and vehicles for hire. |
| **EBITDA** | Earnings before interest, tax, depreciation, amortisation and share of results from associates and joint ventures. |
| **Depreciation, amortisation and impairments, net of recoupments** | Depreciation and amortisation includes depreciation and amortisation of property, plant, equipment, investment properties, intangible assets, right-of-use assets and vehicles for hire.<br><br>Impairments include impairments on property, plant, equipment, investment properties and intangible assets.<br><br>Recoupments include profit or losses on the sale of property, plant, equipment, investment properties and intangible assets. |
| **Operating profit before capital items and net foreign exchange gains/(losses)** | Operating profit is the earnings before capital items, net foreign exchange adjustments for items that do not qualify for cashflow hedge accounting including non-hedged items, net finance costs and taxation. |
| **Other costs** | Other costs are items of income and expenditure relating to the:<br>• impairment of goodwill and investments in associates and joint ventures; and<br>• profit or loss on the sale of investment in subsidiaries, associates, joint ventures and other businesses. |
| **Operating profit margin (%)** | Operating profit before capital items and net foreign exchange adjustments divided by revenue. |
| **Net asset value per share** | Net asset value (NAV) per share is the equity attributable to the owners of Motus divided by the total ordinary shares in issue, net of shares repurchased. |
| **Tangible net asset value per ordinary share** | Tangible net asset value (TNAV) per ordinary share is the equity attributable to the owners of Motus less goodwill and other intangible assets divided by the total ordinary shares in issue, net of shares repurchased. |

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| **Return on invested capital (%)** | The return divided by invested capital.<br>The return is the aggregate of a post-tax operating profit for the last 12 months.<br>Post-tax operating profit is calculated as:<br>• operating profit before capital items and net foreign exchange movements<br>• less share of results in associates and joint ventures, which already includes the impact of tax<br>• less the impact of tax using a blended tax rate<br>• add share of results in associates and joint ventures.<br>The blended tax rate is an average of the actual tax rates applicable in the various jurisdictions in which the Group operates.<br>Invested capital is a 12-month average of monthly total equity plus debt. |
| **Weighted average cost of capital (WACC) (%)** | The weighted average cost of capital is the 12-month average of the monthly calculated weighted average cost of capital.<br>The monthly weighted average cost of capital is calculated by multiplying the cost of each invested capital component by its proportionate share of invested capital and then aggregating the results.<br>The cost of debt and equity is determined with reference to the prevailing rates in the various jurisdictions in which the Group operates. |
| **Adjusted EBITDA** | Adjusted EBITDA is calculated as:<br>• EBITDA<br>• adjusted for the impact of net foreign exchange movements<br>• adjusted for the impact of the share from income from associates and joint ventures<br>• less the profit attributable to non-controlling interests<br>• plus the EBITDA relating to businesses acquired, grossed up for a full year where the underlying acquisitions only contributed for a portion of the year<br>• less EBITDA relating to businesses disposed of during the current year<br>• less adjustments relating to the impacts on the EBITDA that arose on the application of IFRS 16. The adjustments include the reversal of profit on terminations of leases and includes lease payments. |
| **Adjusted net interest** | Adjusted net interest is calculated as:<br>• Finance cost<br>• less finance income<br>• less facility set up costs incurred<br>• less adjustments relating to the impacts on finance costs and income that arose on the application of IFRS 16. The adjustments include the reversal of the finance cost on lease liabilities. |

# Corporate information

## Motus Holdings Limited

Incorporated in the Republic of South Africa
Registration number: 2017/451730/06
ISIN: ZAE000261913
Share code: MTH
("Motus" or "the Company" or "the Group")

## Directors

GW Dempster (Chairman)*
A Tugendhaft (Deputy Chairman)**
OS Arbee (CEO)#
OJ Janse van Rensburg (CFO)#
KA Cassel#
PJS Crouse*
NB Duker*
S Mayet*
MJN Njeke*
F Roji*

*  *Independent non-executive*
** *Non-executive*
#  *Executive*

## Company Secretary

NE Simelane
nsimelane@motus.co.za

## Group Investor Relations Manager

J Oosthuizen
motusIR@motus.co.za

## Business address and registered office

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Corner Geldenhuis and Van Dort Streets
Bedfordview, 2008
(PO Box 1719, Edenvale, 1610)

## Share transfer secretaries

Computershare Investor Services Proprietary Limited
1st Floor Rosebank Towers
15 Biermann Avenue, Rosebank, Johannesburg, 2196

## Auditor

Deloitte & Touche
5 Magwa Crescent
Waterfall City
Waterfall, 2090

## Sponsor

Merchantec Capital
13th Floor, Illovo Point
68 Melville Road
Illovo, Sandton
(PO Box 41480, Craighall, 2024)

**The results announcement is available on the Motus website: www.motus.co.za**

Motus

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Motus

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