Motus

Unaudited condensed interim results and cash dividend declaration

for the six months ended 31 December 2023

Contents

Key investment highlights

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

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

3. **Unrivalled scale** in SA 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. **Generation of high free cash flows** underpinned by annuity income streams in the Mobility Solutions business.

5. **Income streams are not all directly dependent on new vehicle sales**. The business also generates income from pre-owned vehicle sales, parts and services in the dealerships, vehicle rental, the Aftermarket Parts business selling parts and accessories and the Mobility Solutions business selling value-added products and services (VAPS) to customers.

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

7. **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.**

Pro forma disclaimer

To provide a more meaningful assessment of the Group's performance for the period, pro forma information has been included under the financial highlights and segmental performance sections in the unaudited condensed interim results for the six months ended 31 December 2022 and 31 December 2023.

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 2023, with the exception of the new and revised policies as required by new and revised IFRS issued and in effect. Refer to note 3 - Accounting policies for additional information. The pro forma information has not been reviewed or reported on by the Group's external auditors.

Business overview

Motus is a multi-national provider of automotive mobility solutions and vehicle products and services, with a leading market presence in South Africa as well as a selected international offering in the United Kingdom, Australia, Asia and Southern and East Africa.

Motus employs over 20 000 people globally and has a track record for steady growth and dependable value creation that spans over 75 years. Motus is a diversified (non-manufacturing) business in the automotive sector and is South Africa's leading automotive group, with unrivalled scale and scope across the automotive value chain. Our international focus is selective and aimed at enhancing our offering and contribution to Group performance.

Motus offers a differentiated value proposition to OEMs, customers and business partners with a business model that integrates our four business segments, Import and Distribution, Retail and Rental, Mobility Solutions and Aftermarket Parts, to meet customers' mobility needs across the vehicle's lifecycle.

Motus has long-standing importer, distribution 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's lifecycle. In addition, we provide accessories and aftermarket automotive parts for out-of-warranty vehicles and the Mobility Solutions business sells VAPS 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, vehicle rental companies, fleets and government institutions in SA.

For more information on Import and Distribution see page 9.

Retailer of new and pre-owned passenger and commercial vehicles across all segments in SA 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 to 11.

Developer, manager and administrator of vehicle-related financial products and services.

Trusted VAPS provider to vehicle owners in SA and a **strategic VAPS partner** to some of SA's largest insurers.

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

Advancing Group innovation, fintech and data capabilities to discover future mobility needs and unlock new products and services.

For more information on Mobility Solutions see page 12.

Distributor, wholesaler and retailer of parts and accessories for **out-of-warranty vehicles** in Southern Africa, the UK and Europe.

Distribution centres in SA, Taiwan, China, the UK and Europe.

For more information on Aftermarket Parts see page 13.

Financial highlights

Revenue
R57 167 million
(2022: R51 414 million)[1]
▲ 11%

EBITDA[2]
R4 203 million
(2022: R3 706 million)
▲ 13%

Operating profit[3]
R2 647 million
(2022: R2 617 million)
▲ 1%

Profit before tax
R1 507 million
(2022: R2 014 million)
▼ 25%

Attributable profit
R1 112 million
(2022: R1 520 million)
▼ 27%

Net asset value per share
9 957 cents per share
(2022: 8 716 cents per share)
▲ 14%

Earnings per share
666 cents per share
(2022: 916 cents per share)
▼ 27%

Headline earnings per share
662 cents per share
(2022: 902 cents per share)
▼ 27%

Interim dividend per share
235 cents per share
(2022: 300 cents per share)
▼ 22%

Diluted earnings per share
643 cents per share
(2022: 874 cents per share)
▼ 26%

Diluted headline earnings per share
639 cents per share
(2022: 860 cents per share)
▼ 26%

Free cash flows generated from operations
R2 831 million
(2022: R425 million)
▲ > 100%

Return on invested capital[4]
11,8%
(2022: 17,4%)

Weighted average cost of capital[4]
10,2%
(2022: 11,0%)

Equity to net debt structure
52% equity: 48% net debt
(2022: 57% equity: 43% net debt)

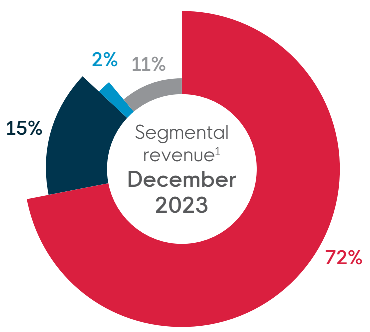
Net debt to EBITDA[5] (debt covenant)
2,1 times
(2022: 1,6 times)
Required: to be less than 3 times

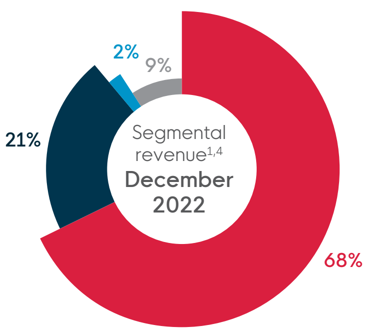
EBITDA to net interest[5] (debt covenant)
4,4 times
(2022: 12,3 times)
Required: to be greater than 3 times

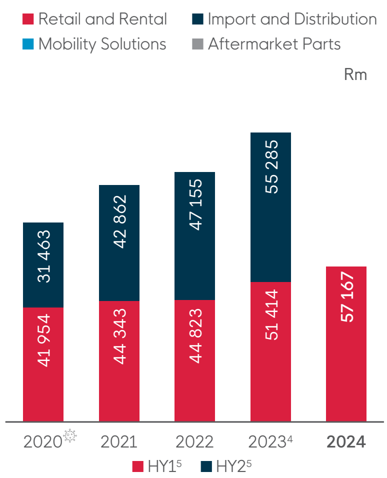
[1] Revenue in the comparative period has been restated due to the adoption of IFRS 17. Refer to note 3 - Accounting policies for additional information.
[2] Earnings before interest, taxation, depreciation and amortisation.
[3] Operating profit before capital items and net foreign exchange (losses)/gains.
[4] The return on invested capital and weighted average cost of capital is prepared on a 12-month rolling basis.
[5] Calculated by applying the funders' covenant methodology.

Revenue

% Contribution

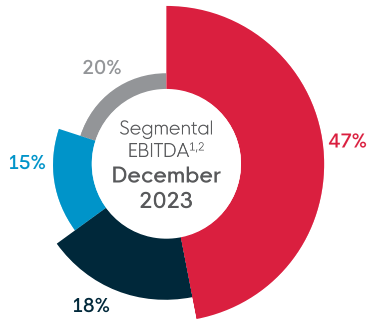


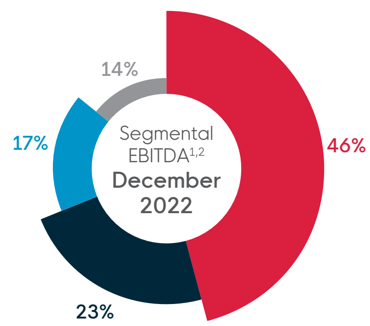


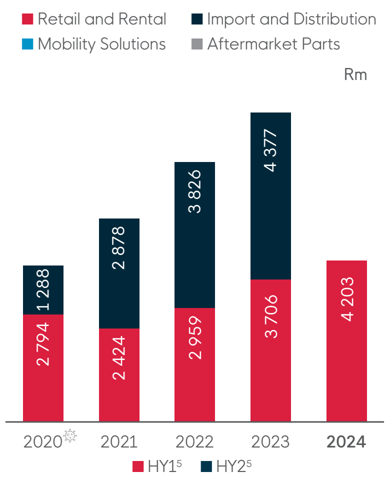


EBITDA[2]

% Contribution

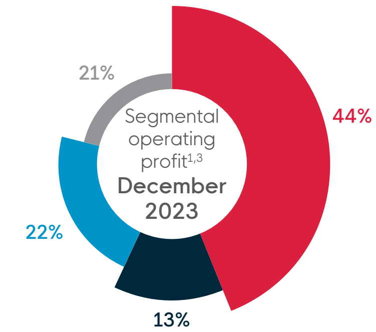


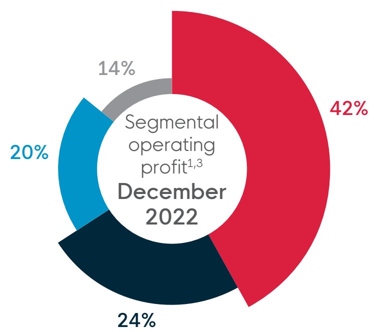




Operating profit[3]

% Contribution





1 *Excludes Head Office and Eliminations.*
2 *Earnings before interest, taxation, depreciation and amortisation.*
3 *Operating profit before capital items and net foreign exchange (losses)/gains.*
4 *Revenue in the comparative period has been restated due to the adoption of IFRS 17. Refer to note 3 – Accounting policies for additional information.*
5 *HY1 numbers are unaudited and were released in the interim published results and HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results.*
✲ *Impacted by COVID-19.*

Environment

The automotive landscape is impacted by various factors, including higher-than-normal vehicle and parts inflation, weakening of the South African Rand against major currencies, persistent power outages in South Africa, ongoing high interest rates, and escalating fuel prices and energy costs. These challenges collectively contribute to a strain on consumers' disposable income, posing a potential impact on their purchasing power and spending behaviour, and also increase the cost of doing business.

Increased competition has entered the market through new derivatives, new entrants and competitive pricing. These vehicle brands are selling attractive derivatives and offering appealing discounts and "money on the bonnet". Motus will continue to innovate, improve efficiency, differentiate our products and services and continue to provide a superior customer experience.

The global economic recovery from COVID-19, Russia's invasion of Ukraine, the cost-of-living crisis and the Middle East conflict, is proving surprisingly resilient but slow. Global growth is estimated at 3,1%[1] in 2023 and projected at 3,1%[1] in 2024 and 3,2%[1] in 2025.

South Africa

During 2023, the South African economy is estimated to have grown by 0,6%[1] and is expected to grow by 1,0%[1] in 2024 and further by 1,3%[1] in 2025. The automotive industry plays a critical role in contributing to SA's longer-term economic sustainability, with the industry contributing 4,9% to GDP (2,9% manufacturing and 2,0% retail)[3]. Inflation has declined to 5,1%[2] in December 2023, from 7,2%[2] in December 2022.

Factors impeding economic growth include highly indebted consumers, ongoing high interest rates, persistent power outages, weak currency, logistical constraints, emigration and slow real wage increases. Looking ahead, the approaching National election is contributing to uncertainty.

According to naamsa[3], SA retailed 266 274 vehicles for the six months to 31 December 2023 (3,5% below the prior period of 276 016 vehicles). At December 2023, our retail market share for the six-month period was ~18,1%. Management's forecast for vehicle sales for the 12 months to 30 June 2024 is between 520 000 to 540 000 vehicles, with naamsa forecasting an increase of around 5%[3] for calendar year 2024.

As a result of higher interest rates, fuel costs, inflation and job uncertainty, consumers are facing heightened strain on their disposable income. The current economic downturn has dampened consumers' interest in purchasing high-value assets, and has led consumers to be very cost conscious when replacing vehicles (new versus pre-owned, category of vehicle, brand of vehicle, timing of replacement).

The industry is returning to pre-COVID-19 levels of new vehicle sales, shifting to smaller and cheaper vehicles. While the prospect of interest rate cuts in the latter part of 2024 should assist, the stagnant economic backdrop does not point to a meaningful economic rebound in the near-term.

The vehicle rental industry, which was heavily impacted by COVID-19, continues to recover, aided by increased travel for corporate, leisure and international channels.

Parts and workshop activity continue to increase as a result of the extension of vehicle replacement cycles, however the buying-down trend continues.

United Kingdom

During 2023, the UK economy is estimated to have grown by 0,5%[1] and is expected to grow by 0,6%[1] in 2024 and further by 1,6%[1] in 2025. While the economy is expected to grow in the coming years, growth will remain below pre-COVID-19 rates. At the latter end of 2023, tax cuts for households and a higher minimum wage were announced, and it is anticipated that inflation and interest rates are likely to come down in the coming years after surging in 2022 and 2023. These measures will provide a much needed boost to consumer spending. Inflation continues to decline and reached 4,0%[4] in December 2023, from 10,5%[4] in December 2022.

The UK new vehicle market grew by 18,3% for the six-month period to 31 December 2023, with the passenger market growing by 17,4%[5], the LCVs market growing by 25,0%[5] and the heavy commercial vehicles (HCVs) market growing by 10,3%. New vehicle sales for the six-month period to 31 December 2023 amounted to 1 151 730 vehicles, compared to 973 250 vehicles in the comparative period. Motus remains well positioned and maintained its retail market share, with ~70% of our dealerships being in the van and commercial business.

Prices of pre-owned vehicles fell significantly in October and November 2023, and this has created the need for additional net realisable value provisions for the six-month period.

Parts and workshop activity continue to increase due to increased demand, supported by the steady flow of HCVs that are required to undergo their routine roadworthiness inspections.

Despite pressure on consumers as a result of high inflation, revenue in the aftermarket parts sector remains steady due to selling price increases in an active market. Margins have been impacted and will remain under pressure as a result of the inflationary impact on costs such as delivery and energy costs that are significant in these businesses.

[1] *International Monetary Fund | World Economic Outlook January 2024 update.*
[2] *Econometrix I Releases.*
[3] *naamsa | The Automotive Business Council | Press releases.*
[4] *Bank of England I Monetary Policy Report – February 2023 and February 2024.*
[5] *The Society of Motor Manufacturers and Traders | Press release.*

Australia

The Australian economy has recovered largely in line with expectations. GDP growth has slowed, there has been a slight easing in labour market conditions and headline inflation continues to decline to 4,1%[6] in December 2023, from 7,8%[6] in December 2022.

The Australian automotive market achieved a milestone for calendar year 2023, setting an all-time record for new vehicle sales of 1 216 780[7]. Increased customer demand for new and more energy-efficient vehicles is evident, as well as larger vehicles, with SUV and LCV sales at an all-time high. The market grew by 16,8%[7] for the six-month period to 31 December 2023, with Motus maintaining its retail market share. New vehicle sales for the six-month period to 31 December 2023 amounted to 635 021 vehicles[7], compared to 543 571 vehicles[7] in the comparative period. With the growth in the vehicle market sales, inventory levels have increased.

Parts and workshop activity continue to increase due to increased demand.

Motus is exposed to a number of foreign currencies in the jurisdictions in which we operate, as well as the source of its products. There has been currency volatility experienced over a number of years. Refer to note 4 – Exchange rates for additional information.

[6] *Reserve Bank of Australia I Statement on Monetary Policy – February 2023 and February 2024.*
[7] *Federal Chamber of Automotive Industries (fcai.com.au).*

Performance

The results for the period ended 31 December 2023 demonstrate the resilience of the Group in a very tough trading environment. The two key Motus strategies of internationalisation and diversification away from reliance on vehicle sale profitability are providing support for the areas of the business that are more severely impacted by the constrained consumer.

The South African operations contributed 55% to revenue and 66% to EBITDA for the period (2022: 65% and 77%, respectively), with the remainder being contributed by the UK, Australia and Asia.

The Group's passenger and commercial vehicle businesses, including the UK and Australia, retailed 64 076 new units (2022: 66 147), and 43 747 pre-owned units (2022: 43 422) during the period.

During the six-month period, we completed two significant bolt-on acquisitions aligned with Motus' international growth strategy. On 3 July 2023, we completed the acquisition of Solway Vehicles Distribution Limited (Solway) in the UK, where we acquired four DAF commercial vehicle dealerships that operate in North West England and Southern Scotland. On 10 October 2023, we completed the acquisition of Wagga Wagga in Australia, where we acquired multifranchise dealerships representing nine brands across two sites, with a predominant focus on the Ford, Kia, VW and Nissan brands. These dealerships operate in New South Wales. The acquisitions were funded using available cash and banking facilities, amounting to a combined net cash purchase consideration of R553 million. Since acquisition, both businesses have delivered on expectations.

Revenue increased by 11% driven by the Retail and Rental segment, contributing an increase of 13%, and the Aftermarket Parts segment contributing an increase of 33%. This was partially offset by the Import and Distribution segment which saw a decrease of 21%, and the Mobility Solutions segment which decreased by 2%.

The revenue increase was as a result of increased contributions from parts sales of R2 705 million (26%), new vehicle sales of R2 196 million (9%), rendering of services of R599 million (12%) and pre-owned vehicle sales of R274 million (2%), offset by insurance revenue which decreased by R21 million (7%). The increased parts revenue is mainly as a result of the additional contribution from the Motor Parts Direct (Holdings) Limited (MPD) acquisition (included for the full six months in the current period, and only three months in the prior period). The increase in revenue was supported by inflationary price increases.

EBITDA increased by 13% to R4 203 million.

Operating profit increased by R30 million (1%) with the following business segments improving their contribution: Aftermarket Parts R199 million (49%), Retail and Rental R98 million (8%), and Mobility Solutions R47 million (8%). This was offset by the reduced contribution from the Import and Distribution segment of R309 million (45%).

The increased EBITDA and operating profit is mainly as a result of the contribution from the MPD acquisition and the continued recovery of the vehicle rental sector, which positively impacted gross income for the Vehicle Rental division. Further supported by the strong performance from the international retail businesses, the Asian Aftermarket Parts business and Mobility Solutions.

The increased EBITDA and operating profit was mainly offset by margin pressure, strong competition and reduced demand experienced by the Import and Distribution, SA Retail and the SA Aftermarket Parts businesses.

Net foreign currency exchange losses of R24 million (2022: R148 million) are mainly due to the translation differences arising from foreign currency denominated balances such as trade receivables, trade payables, Customer Foreign Currency (CFC) accounts and interest-bearing debt, and changes in the fair value of derivative instruments that are not formally designated in a hedge relationship.

Net finance costs increased by R639 million to R1,1 billion mainly due to higher average working capital and vehicles for hire levels, the financing of acquisitions, additions to fixed assets, increased interest rates across all the geographies we operate in and increased finance cost on lease liabilities.

Profit before tax decreased by 25% to R1 507 million.

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

An interim dividend of 235 cents per ordinary share has been declared (2022: 300 cents per share).

Movements in net working capital generated an inflow of R345 million from an outflow of R2,1 billion in the prior period. The decreased cash investment in net working capital is mainly as a result of the proceeds received from the reduction in inventory and the utilisation of extended payment terms for floorplan payables. Offset by decreased trade and other payables and increased trade and other receivables mainly due to increased sales.

Equity to net debt structure of 52% equity:48% net debt (2022: 57% equity:43% net debt). Core debt increased by R699 million primarily due to increased vehicles for hire to vehicle rental companies, the debt funding of the bolt-on acquisitions in Australia and the UK, and additions to fixed assets. The increase was partly offset by profitability for the period.

Net debt to EBITDA is 2,1 times (2022: 1,6 times) and EBITDA to net interest is 4,4 times (2022: 12,3 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 funders of below 3,0 times and above 3,0 times, respectively.

Return on invested capital decreased to 11,8% (2022: 17,4%) mainly due to increased average invested capital (debt and equity). Weighted average cost of capital decreased to 10,2% (2022: 11,0%) mainly due to increased average debt levels which carry a lower cost than equity, offset by the higher global interest rates.

Net asset value per share increased by 14% to 9 957 cents per share (2022: 8 716 cents per share).

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

Cash generated from operations before movements in net working capital amounted to R3,9 billion (2022: R3,4 billion) and free cash flows generated from operations amounted to R2,8 billion (2022: R425 million).

Revenue

up by
11% to
R57 167 million

EBITDA

up by
13% to
R4 203 million

Operating profit

up by
1% to
R2 647 million

Segmental overview

15% of Group revenue | 18% of Group EBITDA | 13% of Group operating profit

8,1% EBITDA margin | 3,8% Operating margin

- Exclusive South African importer of Hyundai, Renault, Kia and Mitsubishi
- Operates in SA and neighbouring countries
- Exclusive distribution rights for Nissan in four East African countries
- ~19,4% passenger only vehicle market share in SA
- Car parc >600 000 vehicles

72% of Group revenue | 47% of Group EBITDA | 44% of Group operating profit

4,6% EBITDA margin | 2,7% Operating margin

South Africa
- Represent 23 OEMs and 32 brands
- ~342 dealerships
- ~18,1% retail market share
- Vehicle rental (Europcar and Tempest): ~138 branches in Southern Africa
- ~25% rental market share

United Kingdom
- Represent 14 OEMs and 21 brands
- ~84 commercial dealerships
- ~34 passenger dealerships

Australia
- Represent 24 OEMs and 25 brands
- ~46 passenger dealerships

- Developer, manager and administrator of vehicle-related financial products and services
- Trusted VAPS provider to ~680 000 vehicle owners in SA
- Strategic VAPS partner to some of SA's largest insurers
- Provider of fleet management services, telemetry and business process outsourcing solutions through sophisticated technology and call centre capabilities
- Advancing Group innovation, fintech and data capabilities to discover future mobility needs and unlock new products and services

2% of Group revenue | 15% of Group EBITDA[1] | 22% of Group operating profit[1]

- Distributor, wholesaler and retailer of parts and accessories for out-of-warranty vehicles
- Operates in Southern Africa, the UK, Asia and Europe

Southern Africa
- ~523 retail outlets and agencies (98 owned, including five canopy fitment centres) of which 401 are franchisees (independently owned), supported by 20 wholesale distribution points (18 owned)

UK
- ~178 owned retail outlets, supported by two owned wholesale distribution points

Asia and Europe
- One owned agency, supported by three owned wholesale distribution points
- Distribution centres in SA, the UK, Taiwan, China and Europe
- Franchise base comprises resellers (Midas and Alert Engine Parts) and specialised workshops

11% of Group revenue | 20% of Group EBITDA | 21% of Group operating profit

12,3% EBITDA margin | 8,4% Operating margin

The above financial measures exclude Head Office and Eliminations.

[1] *EBITDA and 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 Group. We import, distribute and supply vehicles and parts to the Group, independent dealership networks, government, fleets and vehicle rental companies. 65% to 70% of vehicle volume sales are generated through Motus-owned dealerships, with the remaining 30% to 35% sold by independently owned dealerships.

Our vehicle market share (passenger only) in SA as at 31 December 2023 for the six-month period was ~19,4% (2022: ~22,0%). Hyundai achieved 8,1% (2022: 8,6%), Renault achieved 5,9% (2022: 7,0%), Kia achieved 4,8% (2022: 5,6%) and Mitsubishi achieved 0,6% (2022: 0,8%).

Financial performance

	HY1 2024 unaudited[1]	HY1 2023 unaudited[1]	% change on HY1 2023[1]	HY2 2023 pro forma[2]	**FY 2023 audited**
Revenue (Rm)	**9 954**	12 603	(21)	11 993	24 596
EBITDA (Rm)	**807**	914	(12)	854	1 768
Operating profit (Rm)	**377**	686	(45)	730	1 416
EBITDA margin (%)	**8,1**	7,3		7,1	7,2
Operating margin (%)	**3,8**	5,4		6,1	5,8

[1] *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2022 and 31 December 2023.*
[2] *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2023.*

As a result of higher interest rates, fuel costs and inflation, consumers are facing heightened strain on their disposable income. The current economic downturn has dampened consumers' interest in purchasing high-value assets, and has led consumers to be very cost conscious when replacing vehicles (new versus pre-owned, category of vehicle, brand of vehicle, timing of replacement).

The importer brands are facing additional market pressure, primarily due to competitors offering appealing discounts and "money on the bonnet" on vehicles. They are being further negatively impacted by the slow-down in consumer demand and consumers buying-down to entry-level vehicles where margins are lower.

Hyundai, Renault and Kia have forward cover for the Euro and US Dollar to July 2024, respectively, at average rates of R20,33 to the Euro and R18,39 to the US Dollar, including forward cover costs. Mitsubishi is covered for all committed orders. The current Group guideline is to cover seven months of forecasted vehicle import orders.

Revenue decreased by 21% mainly due to reduced sales to the dealer channel and increased sales to vehicle rental on buy-back (revenue not recognised), marginally offset by increased selling prices.

Operating profit decreased by 45% mainly due to lower volumes as a result of reduced consumer demand and reduced entry-level vehicle models supplied by OEMs, increased cost of vehicles (OEMs pricing), unfavourable exchange rates compared to the prior period, and the Importers providing the dealership network with additional support to reduce inventory levels.

Retail and Rental

Overview

The Retail and Rental segment retails vehicles through dealerships based primarily in South Africa, with a selected presence in the United Kingdom and Australia, and the vehicle rental business operates through the Europcar and Tempest brands in Southern Africa. The Retail and Rental segment's unrivalled scale and footprint in South Africa of strategically located dealerships, largely in 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 in the economic hubs of South Africa.

South Africa

Motus SA represents 23 OEMs and 32 brands through ~342 dealerships, and achieved an overall retail market share of ~18,1% (2022: ~20,5%). We also operate through ~138 vehicle rental branches in Southern Africa, and achieved ~25% rental market share in SA.

United Kingdom

Motus UK represents 14 OEMs and 21 brands through ~118 dealerships (~84 commercial and ~34 passenger dealerships) located mainly in provincial areas. Continued organic expansion in the commercial sector will be considered in the UK. Further selective expansion in the UK will be driven by the introduction of additional brands in areas within close proximity to existing dealerships through bolt-on acquisitions.

Australia

Motus Australia represents 24 OEMs and 25 brands through ~46 passenger dealerships, located mainly in metro areas in New South Wales and provincial areas in Victoria. Further selective expansion in the Australian market will be driven by the introduction of additional brands in areas within close proximity to existing dealerships through bolt-on acquisitions. We remain focused on growing our provincial town footprint outside the large metropolitan areas.

Financial performance

	HY1 2024 unaudited[1]	HY1 2023 unaudited[1]	% change on HY1 2023[1]	HY2 2023 pro forma[2]	**FY 2023 audited**
Revenue (Rm)	**46 129**	40 746	13	43 658	84 404
EBITDA (Rm)	**2 101**	1 843	14	2 235	4 078
Operating profit (Rm)	**1 262**	1 164	8	1 386	2 550
EBITDA margin (%)	**4,6**	4,5		5,1	4,8
Operating margin (%)	**2,7**	2,9		3,2	3,0

[1] *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2022 and 31 December 2023.*
[2] *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2023.*

Revenue and operating profit are up 13% and 8%, respectively.

The Retail and Rental segment sold 42 108 new units (2022: 43 534) and 43 241 pre-owned units (2022: 42 931) during the period. In SA, we sold 24 217 new units (2022: 28 965) and 33 607 pre-owned units (2022: 32 817). Internationally, we sold 17 891 new units (2022: 14 569) and 9 634 pre-owned units (2022: 10 114).

Currency translation of the international operations contributed positively as a result of the weaker Rand. Across all geographies in which the segment operates, we are being negatively impacted by the increased higher-than-normal cost of vehicles and parts, as well as higher inflationary operating costs.

South Africa

SA Retail revenue and operating profit decreased by 3% and 32%, respectively. This was mainly due to reduced volumes as a result of reduced consumer demand.

As a result of higher interest rates, fuel costs and inflation, consumers are facing heightened strain on their disposable income. The current economic downturn has dampened consumers' interest in purchasing high-value assets, and has led consumers to be very cost conscious when replacing vehicles (new versus pre-owned, category of vehicle, brand of vehicle, timing of replacement).

SA Retail is facing market pressure, primarily because competitors are offering appealing discounts and "money on the bonnet" on vehicles. The oversupply of inventory is further negatively impacting margins.

The Vehicle Rental division revenue and operating profit increased by 12% and 56%, respectively. The division performed well, experiencing increased vehicle rental activity relating to increased travel in the corporate, leisure and international channels, increased revenue days and increased daily rate. Average vehicle utilisation levels were maintained at 70,3%.

United Kingdom

Revenue increased by 36%, with operating profit increasing by 44%. The weakening of the Rand against the Pound also contributed positively to Group performance with an increased translation contribution.

Both the passenger and commercial divisions delivered strong revenue results, and were positively impacted by increased volumes (off the back of improved inventory availability), increased aftersales contributions for the commercial vehicle business and the bolt-on DAF dealerships acquisition.

Pre-owned vehicle sales and operating margins are under pressure, as new passenger vehicle availability and competitive pricing provide an attractive alternative for consumers. Prices of pre-owned vehicles fell significantly in October and November 2023, and this has created the need for additional net realisable value provisions for the six-month period.

The UK operation sold 11 437 new units (2022: 9 651) and 6 854 pre-owned units (2022: 7 541) for the period.

Australia

Revenue increased by 39%, with operating profit increasing by 66%. The weakening of the Rand against the Australian Dollar also contributed positively to Group performance with an increased translation contribution.

Australia experienced improved availability of inventory and the fulfilment of back-order commitments, as well as additional contributions from the bolt-on dealerships acquisition.

Pre-owned vehicle sales and operating margins are under pressure as new passenger vehicle availability and competitive pricing provide an attractive alternative for consumers.

The Australian operation sold 6 454 new units (2022: 4 918) and 2 780 pre-owned units (2022: 2 573) for the period.

Segmental performance (continued)

Mobility Solutions

Overview

The Mobility Solutions segment is uniquely positioned in the industry to deliver forward-thinking and customer-centric mobility solutions. The segment specialises in developing, managing, administering, and distributing cutting-edge financial products and services related to vehicles. These offerings are delivered to customers through importers, dealers, finance houses, insurers, call centres and digital platforms. Additionally, the segment excels as a provider of comprehensive fleet management services for corporate clients, encompassing maintenance, telemetry and other ancillary-related services.

Our primary strategic focus revolves around unlocking distinctive opportunities within the automotive value chain, ensuring seamless mobility experiences and peace of mind for our customers. With a diverse array of services and products, we strive to enhance efficiency and convenience for our customer base.

Our business model has an integrated yet distinctive approach that benefits from Motus' scale. We seamlessly connect customers to various businesses within the Group throughout the vehicle ownership lifecycle. The strategy is to harness the captive channels within our Import and Distribution, and Retail businesses, deepening the brand-customer connection and contributing to customer retention and profitability.

The 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.

Financial performance

	HY1 2024 unaudited[1]	HY1 2023 unaudited[1]	% change on HY1 2023[1]	HY2 2023 pro forma[2]	FY 2023 restated
Revenue (Rm)[3]	**1 355**	1 382	(2)	1 348	2 730
EBITDA (Rm)[4]	**694**	658	5	652	1 310
Operating profit (Rm)[4]	**616**	569	8	572	1 141

[1] *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2022 and 31 December 2023.*
[2] *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual restated results for the year ended 30 June 2023.*
[3] *Revenue in the comparative period has been restated due to the adoption of IFRS 17. Refer to note 3 - Accounting policies for additional information.*
[4] *EBITDA and operating profit includes profit streams without associated revenue.*

Revenue decreased by 2% due to lower revenue from VAPS being recognised as a result of lower vehicle sales. The decrease was offset by the increase in fleet revenue as a result of improved vehicles for hire activity and increased contributions from the fintech business which launched new products.

Operating profit increased by 8% mainly due to higher interest income, improved bank alliance profitability, increased net insurance results and higher profits from vehicles for hire.

Aftermarket Parts

Overview

The Aftermarket Parts business' large national and growing footprint in Southern Africa, the UK, Asia and Europe 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 distribution centres in SA, the UK, Taiwan, China and Europe allow for the procurement of inventory at competitive prices for distribution to Southern Africa, the UK and 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 2024 unaudited[1]	HY1 2023 unaudited[1]	% change on HY1 2023[1]	HY2 2023 pro forma[2]	FY 2023 audited
Revenue (Rm)	**7 172**	5 402	33	7 004	12 406
EBITDA (Rm)	**881**	572	54	921	1 493
Operating profit (Rm)	**605**	406	49	637	1 043
EBITDA margin (%)	**12,3**	10,6		13,1	12,0
Operating margin (%)	**8,4**	7,5		9,1	8,4

[1] *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2022 and 31 December 2023.*
[2] *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2023.*

Revenue and operating profit increased by 33% and 49%, respectively. The SA parts business contributed to a 2% increase in revenue, but reduced operating profit by 21%, and the international operations revenue and operating profit increased by 79% and exceeded 100%, respectively.

South Africa

Delays at the ports resulted in increased lead times on imported products, primarily in the last two months of the reporting period, negatively impacting sales.

The division was positively impacted by price increases. Margins remain under pressure due to above inflationary increases in distribution and delivery costs, competitors being aggressive on price, reduced disposable income for our targeted customer base (who are largely impacted by persistent power outages) and the impact of the buying-down trend.

The canopy business contributed positively to revenue and operating profit mainly due to increased volumes off the back of fleet deals and strong bakkie sales, further supported by a favourable mix of canopies sold.

Asia

The Asian business revenue declined, with positive operating profit growth. While the business is still experiencing lower demand due to the overstocked position of customers, the Group is starting to benefit from the integrated business model.

United Kingdom

The MPD UK business was included for the full six-month period (acquired on 3 October 2022). The business delivered ahead of expectations, contributing positively to revenue and operating profit with growth in excess of 100%.

The FAI UK business contributed positively to revenue and operating profit with growth of 16% and 9%, respectively.

Despite pressure on consumers due to high inflation, revenue in the UK remains steady due to selling price increases in an active market. Margins have been impacted and will remain under pressure as a result of the inflationary impact on costs such as delivery and energy costs that are significant in these businesses.

Translation of the international operations' results contributed positively as a result of the weaker Rand.

Financial overview

Group profit or loss (extract)

for the six months ended 31 December 2023	HY1 2024 Rm	HY1 2023 Rm	% change
Revenue[1]	**57 167**	51 414	11
Earnings before interest, taxation, depreciation and amortisation	**4 203**	3 706	13
Operating profit before capital items and net foreign exchange (losses)/gains	**2 647**	2 617	1
Profit/(losses) on disposal of property, plant and equipment, net of impairments	**8**	44	(82)
Other capital costs	**–**	(14)	(100)
Net foreign exchange (losses)/gains	**(24)**	(148)	(84)
Net finance costs	**(1 124)**	(485)	>100
Profit before tax	**1 507**	2 014	(25)
Income tax expense	**(374)**	(464)	(19)
Profit for the period	**1 133**	1 550	(27)
Attributable to non-controlling interests	**(21)**	(30)	(30)
Attributable to shareholders of Motus Holdings	**1 112**	1 520	(27)
EBITDA margin (%)	**7,4**	7,2	
Operating profit (%)	**4,6**	5,1	
Effective tax rate (%)	**25,2**	23,3	

[1] *Revenue in the comparative period has been restated due to the adoption of IFRS 17. Refer to note 3 - Accounting policies for additional information.*

Revenue increased by 11% with a contribution from the Retail and Rental segment which increased by 13% and the Aftermarket Parts segment which increased by 33%. Offset by the Import and Distribution segment which decreased by 21% and the Mobility Solutions segment which decreased by 2%.

The revenue increase was as a result of increased contributions from parts sales of R2 705 million (26%), new vehicle sales of R2 196 million (9%), rendering of services of R599 million (12%) and pre-owned vehicle sales of R274 million (2%), offset by insurance revenue which decreased by R21 million (7%). The increased parts revenue is mainly as a result of the increased contribution from the MPD acquisition (included for the full six months in the current period, and only three months in the prior period).

EBITDA increased by 13% to R4 203 million.

Operating profit before capital items and net foreign exchange (losses)/gains improved by 1% with the following business segments improving operating profit contribution for the period: Aftermarket Parts (49%), Retail and Rental (8%), and Mobility Solutions (8%). This was offset by the reduced contribution from the Import and Distribution segment (45%).

The increased EBITDA and operating profit is mainly as a result of the contribution from the MPD acquisition and the continued recovery of the vehicle rental sector, which positively impacted gross income for the Vehicle Rental division. Further supported by the strong performance from the international retail businesses, the Asian Aftermarket Parts business and Mobility Solutions.

The increased EBITDA and operating profit was mainly offset by margin pressure, strong competition and reduced demand experienced by the Import and Distribution, SA Retail and SA Aftermarket Parts businesses.

Net foreign exchange losses of R24 million were recognised. The losses are mainly due to the translation differences arising from foreign currency denominated balances such as trade receivables, trade payables, CFC accounts and interest-bearing debt, and changes in the fair value of derivative instruments that are not formally designated in a hedge relationship.

Net finance costs increased to R1 124 million mainly due to higher average working capital and vehicles for hire levels, the financing of acquisitions, additions to fixed assets, increased interest rates across all the geographies we operate in and increased finance cost on lease liabilities.

Effective tax rate is 25,2%. The base tax rates across our main geographies include SA at 27%, the UK at 25% and Australia at 30%. The effective tax rate is lower than the Company tax rate of 27% in SA mainly due to exempt dividend income received in this period.

Condensed reconciliation of earnings to headline earnings

for the six months ended 31 December 2023	HY1 2024 Rm	HY1 2023 Rm	% change
Earnings	**1 112**	1 520	(27)
Impairment of goodwill and other assets	**20**	14	43
Profit on disposal of assets	**(28)**	(44)	(36)
Tax and non-controlling interests	**2**	7	(71)
Headline earnings	**1 106**	1 497	(26)
Weighted average number of ordinary shares (millions)	**167**	166	1
Weighted average number of diluted shares (millions)	**173**	174	(1)
Earnings and headline earnings per share			
Basic earnings per share (cents)	**666**	916	(27)
Diluted basic earnings per share (cents)	**643**	874	(26)
Headline earnings per share (cents)	**662**	902	(27)
Diluted headline earnings per share (cents)	**639**	860	(26)

Financial overview (continued)

Financial position

	31 December 2023 Rm	31 December 2022 Rm	30 June 2023 Rm	December vs December % change	December vs June % change
Goodwill and intangible assets	**6 655**	5 661	6 572	18	1
Investments in associates and joint ventures	**305**	260	277	17	10
Property, plant and equipment	**8 457**	7 766	8 309	9	2
Right-of-use assets	**3 302**	3 085	3 410	7	(3)
Investments and other financial assets[1]	**27**	7	6	>100	>100
In-substance reinsurance contracts[1]	**249**	363	252	(31)	(1)
Vehicles for hire	**6 140**	4 488	3 920	37	57
Net working capital[2]	**13 943**	10 403	14 362	34	(3)
Tax assets	**1 706**	1 669	1 618	2	5
Assets classified as held-for-sale	**386**	374	376	3	3
Contract liabilities (service and maintenance contracts)	**(3 039)**	(3 051)	(3 086)	–	(2)
Lease liabilities	**(3 652)**	(3 438)	(3 768)	6	(3)
Core interest-bearing debt	**(12 741)**	(10 179)	(12 042)	25	6
Floorplans from financial institutions	**(3 465)**	(1 293)	(1 670)	>100	>100
Other liabilities	**(697)**	(798)	(774)	(13)	(10)
Total equity	**17 576**	15 317	17 762	15	(1)
Total assets	**65 949**	57 247	66 655	15	(1)
Total liabilities	**(48 373)**	(41 930)	(48 893)	15	(1)

[1] *In-substance reinsurance contracts have been recognised as a result of the adoption of IFRS 17. The previous investment in preference share arrangements has been derecognised. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 3 - Accounting policies for additional information.*
[2] *Net working capital includes floorplans from suppliers amounting to R11 384 million (December 2022: R7 940 million, June 2023: R10 968 million).*

Factors impacting the financial position at December 2023 compared to June 2023

Goodwill and intangible assets

Goodwill increased mainly due to the goodwill recognised on the bolt-on dealership acquisitions in the Australia Retail business and the DAF dealerships in the UK Retail business. This was partially offset by currency adjustments as a result of the strengthening of the Rand against the Pound and Australian Dollar since June 2023.

Intangible assets decreased mainly due to the amortisation of intangible assets and currency adjustments as a result of the strengthening of the Rand against major currencies since June 2023.

Property, plant and equipment

Increased mainly due to additions and the bolt-on dealership acquisitions. This was offset by depreciation, disposals, currency adjustments as a result of the strengthening of the Rand against major currencies since June 2023 and impairments.

Right-of-use assets

Decreased mainly due to depreciation, currency adjustments and derecognition of leases. Offset by new leases entered into, renewals or extensions and bolt-on dealership acquisitions.

Vehicles for hire

Increased mainly due to the up-fleet season with vehicle rental companies as a result of increased demand and fleet availability, coupled with the increased average cost of vehicles as a result of price increases.

Net working capital decreased by R419 million (3%)

- Inventory decreased as a result of management's focus to reduce inventory levels by selling current inventory and reducing the ordering from suppliers, further supported by the strengthening of the Rand against certain currencies since June 2023. This was partially offset by bolt-on dealership acquisitions.
- The net derivative asset decreased from June 2023 mainly as a result of the utilisation of contracts over the period to settle OEM obligations and the strengthening of the Rand against major currencies since June 2023.
- Floorplan payables increased mainly due to the utilisation of extended payment terms.

Offset by:

- Trade and other payables decreased mainly due to the settlement of trade and other payables and the strengthening of the Rand against certain currencies since June 2023. This was partially offset by bolt-on dealership acquisitions.
- Trade and other receivables increased mainly due to sales and bolt-on dealership acquisitions. This was partially offset by the strengthening of the Rand against certain currencies since June 2023.

Tax assets

Increased mainly due to tax paid in advance as provisional payments were made in December 2023 and deferred tax assets which increased mainly due to the increase in tax losses.

Assets classified as held-for-sale

Assets held-for-sale relate to the non-strategic properties identified for sale, mainly retail properties in Australia, SA and the UK. The increase for the period was as a result of additional properties being identified as non-strategic properties. This was offset by disposals and currency adjustments as a result of the strengthening of the Rand against the Australian Dollar and Pound since June 2023.

Contract liabilities

Contract liabilities consists mainly of service and maintenance contracts. The decrease was mainly due to lower replacement vehicle sales on the back of lower sales volumes.

The fund continues to be negatively impacted by the mix of new vehicles sold, which are weighted to lower value vehicles and shorter-term contracts.

Lease liabilities

Decreased mainly due to lease payments, currency adjustments and the derecognition of leases. Offset by new leases entered into, renewals or extensions, bolt-on dealership acquisitions and finance costs.

Core debt (excluding floorplan and IFRS 16 debt)

Core debt increased by R699 million primarily due to increased vehicles for hire to vehicle rental companies, the debt funding of the bolt-on dealership acquisitions, and additions to fixed assets. The increase was partly offset by profitability for the period.

Floorplans from financial institutions

Floorplan debt increased mainly due to:

- up-fleets with vehicle rental companies in Mobility Solutions;
- improved availability of certain models and derivatives;
- extended lead times to convert and accessorise certain vehicles and the oversupply of vehicles in Australia Retail;
- additional facilities drawn down in the UK Retail to fund new vehicle inventory as a result of increased manufacturer production volumes and an extension in commercial vehicle build timescales due to long lead times from vehicle body builders delaying deliveries to customers; and
- higher utilisation of floorplan debt in SA Retail to fund inventory levels.

Other liabilities

Decreased mainly due to the reduction in the deferred tax liability as a result of the amortisation of intangible assets and the reduction in the current tax liability mainly due to payments made.

Equity

Equity was enhanced mainly by profit for the period of R1,1 billion and the movement in the shared-based reserve due to charges net of tax amounting to R56 million. Offset by dividend payments to shareholders (final dividend in October 2023) amounting to R717 million, unfavourable hedging reserve adjustments amounting to R439 million and unfavourable currency translation reserve adjustments as a result of the strengthening of the Rand since 30 June 2023 amounting to R235 million.

Financial overview (continued)

Cash flow movements

for the six months ended 31 December 2023	HY1 2024 Rm	HY1 2023 Rm
Cash generated from operations before movements in net working capital	**3 909**	3 381
Movements in net working capital	**345**	(2 061)
Cash generated from operations before interest, taxation paid and capital expenditure on vehicles for hire	**4 254**	1 320
Finance costs paid	**(1 184)**	(455)
Finance income received	**34**	11
Dividend income received	**162**	101
Taxation paid	**(435)**	(552)
Free cash flows generated from operations	**2 831**	425
Net replacement capital expenditure – vehicles for hire	**(3 061)**	(1 363)
Cash flows from operating activities	**(230)**	(938)
Net cash outflow on the acquisition and disposal of businesses	**(558)**	(4 361)
Net capital expenditure (excluding vehicles for hire)	**(352)**	(77)
Net movement in investments in associates and joint ventures	**(6)**	23
Advances of other financial assets	**(21)**	–
Cash flows from operating and investing activities	**(1 167)**	(5 353)
Acquisition of non-controlling interests	**–**	(1)
Dividends paid	**(701)**	(738)
Other	**(2)**	5
Increase in debt	**(1 870)**	(6 087)

The free cash flows were primarily generated by operating profits, with high cash conversion.

The decreased cash investment in net working capital is mainly as a result of the proceeds received from the reduction in inventory and the utilisation of extended payment terms for floorplan payables. Offset by decreased trade and other payables and increased trade and other receivables mainly due to increased sales.

Cash outflow on vehicles for hire of R3,1 billion due to increased vehicle rental up-fleets required to meet increased demand, which was supported by fleet availability.

The bolt-on dealership acquisitions in the Australia Retail business and the DAF dealerships in the UK Retail business contributed mainly to the net cash outflow on acquisition of businesses of R558 million.

Cash outflow on capital expenditure, net replacement and expansion, amounted to R352 million.

As a result of the above, R1,2 billion cash was utilised in operating and investing activities.

A final dividend of 410 cents per ordinary share was declared and paid in October 2023, amounting to R717 million, partly offset by dividends received from Ukhamba Holdings Proprietary Limited, amounting to R18 million.

Liquidity

The liquidity position is strong with unutilised banking and floorplan facilities of R9,4 billion. Owing to restrictions imposed by debt covenants, R5,0 billion is readily accessible with a further R2,1 billion linked to specific asset funding lines available. A total of 57% of Group funding, excluding floorplans, is long-term in nature, with 7% of Group funding, excluding floorplans, being at fixed interest rates.

Dividend

An interim dividend of 235 cents per ordinary share has been declared and will be paid in April 2024.

Board changes

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

The Board is committed to good corporate governance and as the custodian thereof, it ensures that Motus adheres to the highest standard of accountability, fairness and ethics, which are essential in building and maintaining trust, and delivering value creation.

Changes to the Board composition and committees during the six-month period:

- Mr. MJN Njeke was appointed as Chairman of the Board, Chairman of the Nomination Committee (NomCo) and resigned as Chairman and as a member of the Social, Ethics & Sustainability Committee (SES) with effect from 22 August 2023. He resigned as Chairman of the Remuneration Committee (RemCo), and remains a member of this Committee, with effect from 29 August 2023.
- Ms. F Roji was appointed as Chairman of the SES Committee with effect from 22 August 2023.
- Mr. JN Potgieter joined the Board as an independent non-executive director with effect from 22 August 2023, and was appointed as Chairman of the Assets and Liabilities Committee (ALCO) and a member of the Audit and Risk Committee (ARC).
- Mr. R van Wyk joined the Board as an independent non-executive director with effect from 29 August 2023, and was appointed as Chairman of the RemCo, and a member of the NomCo and the ALCO Committees.
- Ms. MG Mokoka joined the Board as an independent non-executive director with effect from 29 August 2023, and was appointed as a member of the ARC and the SES Committees. However, she did not make herself available for re-election at the Annual General Meeting following her retirement by rotation on 8 November 2023.

Strategic priorities

Grow and expand our participation in all aspects of the automotive value chain, offering competitive products and services that maximise our share of a customer's vehicle investment and engender loyalty.

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

Strategic initiatives

- Enhance financial performance and value creation
- Ensure market leadership
- Drive innovation
- Invest in human capital and ESG initiatives
- Improve technology solutions

To achieve our purpose:

Mobility for Good

To enhance shareholder value, we aim to:

- Deliver strong industry-related profit margins and healthy cash flows.
- Maintain a strong financial position and liquidity to fund net working capital, vehicles for hire, invest in diversified growth through selective bolt-on and complementary acquisitions, leverage vertical integration strategies and support share repurchases.
- Maintain a reliable dividend return.
- Provide our employees with career growth opportunities and a safe, rewarding and fair working environment.

Our key competitive advantages

- Our business model is fully integrated across the automotive value chain, generating diversified income streams.
- We are well positioned to maintain our leading retail market share in SA, underpinning the foundation for international expansion.
- Our unrivalled scale underpins a differentiated value proposition for OEMs and customers.
- We have a dedicated, diverse and empowered workforce committed to meeting customer needs.

We are: Leaders Innovators Customer champions

Strategic measures to promote growth

To further enhance the sustainability of the Group, three priorities have been identified:

Increase diversification between vehicle and non-vehicle contributions

Target:

50/50 EBITDA

50% EBITDA generated from vehicle sales

50% EBITDA generated from non-vehicle sales

Increase contribution from international operations

Target:

65/35 EBITDA

65% EBITDA generated in South Africa

35% EBITDA generated from international operations

Continue to generate strong free cash flows

Target:

Continue generating strong free cash flows

1. We continue to diversify to reduce Motus' reliance on revenue and profits generated directly from vehicle sales. We have set a target to achieve a 50-50 split of EBITDA generated from vehicle- and non-vehicle sales. Since June 2021, non-vehicle sales' contribution to EBITDA has increased from 38% to 51% at 31 December 2023.

2. We are focused on the internationalisation of the business to protect Motus against the South African market's volatility and slower growth prospects. We aim to achieve a 65-35 split in EBITDA between SA and our international operations. From June 2021, our international businesses have increased their contribution to EBITDA from 22% to 34% at 31 December 2023.

3. Our generation of free cash flows has been historically strong, supported by our critical mass and economies of scale, which gives us the agility to pursue attractive and sustainable growth opportunities.

Our bedrock for growth

Sustainable growth needs a solid foundation. We are building Motus' future on six pillars that are engineered to absorb the shocks of a volatile economy and establish a platform for enduring growth:

Integrated business model

The integrated business model maximises the profitability from the operations as you control more aspects of the value chain. This is possible because these businesses respond differently and at different times to market events.

While vehicle sales respond with rapid growth to any improvement in consumer confidence, the service and maintenance contracts, which support workshops and parts profitability, sustains the Group with annuity income for a number of years after the initial vehicle sale.

While dealerships' service and parts departments predominantly care for vehicles up to seven years, in line with average service and warranty contract periods, the Aftermarket Parts business provides the parts for vehicles long after the vehicles are out of service, maintenance and warranty contracts.

As a result, the divisions tend to counterbalance each other and buffer the Group from economic cyclicality.

Comprehensive, diversified product offering

The comprehensive, diversified product offering spans all market segments. We have strong representation across multiple vehicle brands and a targeted footprint across the geographical areas where we operate. This offering places Motus' products and services within reach of a large customer base, irrespective of geographical or budget constraints. Motus has the vehicles and solutions our consumers want and can afford.

Our people

Our experienced, agile and entrepreneurial management team has deep knowledge of regional and global automotive markets and trends, a proven track record, and years of collective experience. A strong, independent and diverse Board guides and complements the management team.

A skilled, diverse, productive and motivated workforce operates efficiently and innovatively to meet stakeholder needs and, in turn, we endeavour to provide our employees with equal and fair opportunities in a safe working environment.

Disciplined investment in digitisation and innovation

The disciplined investment in digitisation and innovation focuses on protecting and growing the businesses in the Group. The initiatives support efficiency, sustainability and transformation. Innovation provides the ability to respond quickly and effectively to future challenges and opportunities. In addition, it offers protection against market disruptions and agility to respond to evolving consumer preferences.

Enduring relationships

Motus is as strong as our enduring relationships with customers, OEMs, suppliers, and financial institutions. We have built these relationships over many decades and they have withstood many market challenges, including COVID-19 and global supply interruptions of recent years. The unrivalled strength of our relationships is a sustainable competitive advantage that protects against volatility and supports growth.

Superior customer experience

We recognise that our customers have a wide choice of product and service providers available to them. To attract and retain customers, we invest in understanding their needs and offer relevant products and a superior customer experience. We continuously enhance programmes to retain customer loyalty.

Our overall approach is to be proactive and adaptable in responding to volatile and uncertain markets, while remaining focused on building long-term value rather than making short-term gains.

Prospects

The economic environment and consumer confidence will remain challenging for the short-term in SA and the UK, while the Australian business will continue to benefit from the normalised supply and demand for vehicles. Motus will continue to navigate the volatile market environment responsibly and is committed to financial stability and long-term value creation.

We anticipate delivering positive revenue and EBITDA growth for the 12 months to 30 June 2024, reflecting our operational efficiencies and commitment to maximise value. Net finance costs will remain high for the short-term as the supply chain cycle and the OEM commitments do not allow for quick and rapid de-stocking. With support from the OEMs and suppliers, initiatives have been put in place to reduce inventory, and management has a structured plan to reduce vehicles for hire in line with seasonal demand. These initiatives, together with cash generation from the trading operations, will improve free cash flows and reduce net debt accordingly.

Our ongoing strategic initiatives of internationalisation and diversification, together with organic business initiatives and selective bolt-on acquisitions, will support earnings growth and value creation for stakeholders, beyond June 2024.

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

26 February 2024

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

Declaration of interim ordinary dividend

for the six months ended 31 December 2023

Notice is hereby given that a gross interim ordinary dividend in the amount of 235 cents per ordinary share has been declared by the Board, payable to the holders of the 178 300 509 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 188 cents per ordinary share.

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

	2024
Last day for ordinary shares to trade cum ordinary dividend	Monday, 25 March
Ordinary shares commence trading ex-ordinary dividend	Tuesday, 26 March
Record date	Thursday, 28 March
Payment date	Tuesday, 2 April

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

Share certificates may not be dematerialised/rematerialised between Tuesday, 26 March 2024 and Thursday, 28 March 2024, both days inclusive.

On Tuesday, 2 April 2024, 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 or broker, credited on Tuesday, 2 April 2024.

On behalf of the Board

NE Simelane
Company Secretary

26 February 2024

Unaudited condensed consolidated financial statements

for the six months ended 31 December 2023

Condensed consolidated statement of financial position

as at 31 December 2023	Note	Unaudited 31 December 2023 Rm	Restated 31 December 2022 Rm	Restated 30 June 2023 Rm
Assets				
Non-current assets		**20 347**	18 444	20 209
Goodwill	5	**4 704**	3 810	4 481
Intangible assets		**1 951**	1 851	2 091
Investments in associates and joint ventures		**299**	259	277
Property, plant and equipment		**8 340**	7 641	8 188
Investment properties		**117**	125	121
Right-of-use assets		**3 302**	3 085	3 410
Derivative financial assets		**–**	26	30
Investments and other financial instruments[1]		**6**	7	6
In-substance reinsurance contracts[1]		**249**	363	252
Deferred tax		**1 379**	1 277	1 353
Current assets		**45 216**	38 429	46 070
Vehicles for hire		**6 140**	4 488	3 920
Investments in associates and joint ventures		**6**	1	–
Inventories		**29 689**	25 689	32 302
Trade and other receivables		**7 572**	6 749	7 143
Derivative financial assets		**59**	199	398
Investments and other financial instruments		**21**	–	–
Taxation		**327**	392	265
Cash resources	6	**1 402**	911	2 042
Assets classified as held-for-sale		**386**	374	376
Total assets		**65 949**	57 247	66 655
Equity and liabilities				
Capital and reserves				
Stated capital		**21 042**	21 104	21 042
Shares repurchased[2]		**(295)**	(406)	(434)
Common control reserve		**(19 407)**	(19 407)	(19 407)
Hedge accounting reserve		**155**	546	594
Other reserves		**507**	(432)	751
Retained income		**15 422**	13 760	15 081
Attributable to owners of Motus		**17 424**	15 165	17 627
Non-controlling interests		**152**	152	135
Total equity		**17 576**	15 317	17 762

[1] *In-substance reinsurance contracts have been recognised as a result of the adoption of IFRS 17. The previous investment in preference share arrangements has been derecognised. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 3 – Accounting policies for additional information.*
[2] *Relates to treasury shares.*

as at 31 December 2023	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Liabilities			
Non-current liabilities	**13 819**	14 565	16 045
Contract liabilities[3]	**1 779**	1 789	1 838
Lease liabilities	**2 959**	2 827	3 065
Interest-bearing debt	**8 122**	9 046	9 940
Provisions	**473**	441	699
Other financial liabilities	**7**	2	7
Deferred tax	**479**	460	496
Current liabilities	**34 554**	27 365	32 848
Contract liabilities[3]	**1 260**	1 262	1 248
Lease liabilities	**693**	611	703
Trade and other payables	**10 882**	13 221	13 306
Floorplans from suppliers	**11 384**	7 940	10 968
Provisions	**576**	492	416
Other financial liabilities	**28**	93	30
Derivative financial liabilities	**62**	166	122
Taxation	**183**	243	241
Interest-bearing debt	**6 021**	2 044	4 144
Floorplans from financial institutions	**3 465**	1 293	1 670
Total liabilities	**48 373**	41 930	48 893
Total equity and liabilities	**65 949**	57 247	66 655

[3] *Relates to service and maintenance contracts.*

Condensed consolidated statement of profit or loss

for the six months ended 31 December 2023	Note	% change	Unaudited 31 December 2023 Rm	Restated 31 December 2022 Rm	Restated 30 June 2023 Rm
Revenue[1]		11	**57 167**	51 414	106 699
Revenue from the sale of goods and rendering of services[1]			**56 890**	51 116	106 117
Insurance revenue[1]			**277**	298	582
Operating expenses[2]			**(52 877)**	(47 582)	(98 402)
Insurance service expenses[2]			**(112)**	(134)	(232)
Insurance finance income[2]			**36**	27	64
Movements in expected credit losses			**(11)**	(19)	(46)
Earnings before interest, taxation, depreciation and amortisation		13	**4 203**	3 706	8 083
Depreciation and amortisation			**(1 578)**	(1 111)	(2 400)
Share of results from associates and joint ventures			**22**	22	40
Operating profit before capital items and net foreign exchange (losses)/gains		1	**2 647**	2 617	5 723
Profit/(losses) on disposal of property, plant and equipment, net of impairments			**8**	44	17
Other capital costs	8		**–**	(14)	(51)
Net foreign exchange (losses)/gains			**(24)**	(148)	20
Operating profit before financing costs		5	**2 631**	2 499	5 709
Finance costs			**(1 158)**	(499)	(1 399)
Finance income			**34**	14	47
Profit before tax		(25)	**1 507**	2 014	4 357
Income tax expense			**(374)**	(464)	(947)
Profit for the period		(27)	**1 133**	1 550	3 410
Net profit attributable to:					
Owners of Motus		(27)	**1 112**	1 520	3 354
Non-controlling interests			**21**	30	56
Attributable profit for the period		(27)	**1 133**	1 550	3 410
Earnings per share (cents)					
Total earnings per share					
– Basic		(27)	**666**	916	2 008
– Diluted		(26)	**643**	874	1 928

[1] *Revenue now includes insurance revenue, which has been recognised as a result of the adoption of IFRS 17. Revenue earned on the initial sale of the insurance products, policy administration and vehicle repairs as part of the claims received, has been eliminated. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 3 – Accounting policies for additional information.*

[2] *Insurance service expenses, along with the abovementioned eliminations and insurance finance income, have been recognised as a result of the adoption of IFRS 17. The comparative amounts for operating expenses, insurance service expenses and insurance finance income have been restated to align with the new disclosure requirements. Refer to note 3 – Accounting policies for additional information.*

Condensed consolidated statement of other comprehensive income

for the six months ended 31 December 2023	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Attributable profit for the period	**1 133**	1 550	3 410
Other comprehensive (losses)/income	**(472)**	738	2 519
Exchange (losses)/gains arising on translation of foreign operations	**(235)**	238	1 402
Movement in hedge accounting reserve (including the effects of taxation)	**(237)**	500	1 117
– Effective portion of the fair value of the cash flow hedges	**(67)**	120	1 189
– Extension of open hedging instruments	**(176)**	406	246
– Re-classification to profit or loss	**(7)**	8	4
– Deferred tax relating to the hedge accounting reserve movements	**13**	(34)	(322)
Total comprehensive income for the period	**661**	2 288	5 929
Total comprehensive income for the period attributable to:			
Owners of Motus	**641**	2 258	5 864
Non-controlling interests	**20**	30	65
	661	2 288	5 929

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

Condensed consolidated statement of cash flows

for the six months ended 31 December 2023	% change	Unaudited 31 December 2023 Rm	Restated 31 December 2022 Rm	Restated 30 June 2023 Rm
Cash flows from operating activities				
Cash generated from operations before movements in net working capital	16	**3 909**	3 381	7 837
Movements in net working capital		**345**	(2 061)	(5 777)
Cash generated from operations before interest, taxation paid and capital expenditure on vehicles for hire	>100	**4 254**	1 320	2 060
Finance costs paid		**(1 184)**	(455)	(1 320)
Finance income received		**34**	11	44
Dividend income received[1]		**162**	101	377
– Dividend income received from banking alliances[1]		**44**	58	105
– Dividend income received from in-substance reinsurance contracts[1]		**118**	43	272
Taxation paid		**(435)**	(552)	(1 071)
Cash generated from operations before capital expenditure on vehicles for hire	>100	**2 831**	425	90
Replacement capital expenditure – vehicles for hire		**(3 061)**	(1 363)	(1 277)
– Additions		**(4 128)**	(2 222)	(3 978)
– Proceeds on disposals		**1 067**	859	2 701
		(230)	(938)	(1 187)
Cash flows from investing activities				
Cash outflow on acquisition of businesses		**(558)**	(4 361)	(4 693)
Cash inflow from disposal of businesses		**–**	–	56
Cash outflow on payment of contingent consideration arising on acquisition of business		**–**	–	(4)
Capital expenditure – property, plant and equipment, investment properties and intangible assets		**(352)**	(77)	(572)
Expansion of property, plant and equipment, investment properties and intangible assets		**(191)**	(149)	(293)
Replacement capital expenditure – property, plant and equipment, investment properties and intangible assets		**(161)**	72	(279)
– Replacements of property, plant and equipment, investment properties and intangible assets		**(306)**	(283)	(719)
– Proceeds on disposal of property, plant and equipment, investment properties and intangible assets		**145**	355	440
Movements in investments in associates and joint ventures		**(6)**	23	35
Advances of other financial assets		**(21)**	–	(1)
		(937)	(4 415)	(5 179)

[1] Dividend income received from in-substance reinsurance contracts has been disaggregated from dividend income received as a result of the adoption of IFRS 17. The comparative amount for dividend income received has been restated to align with the enhanced disclosure. Refer to note 3 – Accounting policies for additional information.

for the six months ended 31 December 2023	Note	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Cash flows from operating and investing activities		**(1 167)**	(5 353)	(6 366)
Cash flows from financing activities				
Repurchase of own shares		**–**	–	(101)
Dividends paid to equity holders of Motus		**(699)**	(738)	(1 239)
Dividends paid to non-controlling interests		**(2)**	–	(52)
Acquisition of non-controlling interests		**–**	(1)	–
Advances of loans from non-controlling interests and associates		**(2)**	5	(1)
Repayment of lease liabilities		**(392)**	(259)	(669)
Increase in floorplans from financial institutions		**1 633**	399	664
(Repayments)/advances of banking facilities		**(59)**	5 775	7 699
– Advances of banking facilities		**25 036**	26 232	50 139
– Repayment of banking facilities		**(25 095)**	(20 457)	(42 440)
		479	5 181	6 301
Decrease in cash and cash equivalents		**(688)**	(172)	(65)
Effects of exchange rate changes on cash and cash equivalents		**(55)**	49	265
Cash and cash equivalents at the beginning of the period		**921**	721	721
Cash and cash equivalents at the end of the period	6	**178**	598	921

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2023	Stated capital Rm	Shares repurchased Rm	Common control reserve Rm
Opening balance as at 1 July 2022 audited	**21 104**	**(587)**	**(19 347)**
Total comprehensive income for the period	–	–	–
– Attributable income for the period	–	–	–
– Other comprehensive income	–	–	–
Issue of 2 048 222 treasury shares at an average price of R88,37 per share as settlement of share-based equity	–	181	–
Incremental interest purchased from non-controlling interests	–	–	–
Share-based equity costs charged to profit or loss (including the effects of taxation)	–	–	–
Dividends paid to Motus shareholders	–	–	–
Amounts transferred to inventory from hedge accounting reserve (including the effects of taxation)	–	–	–
Transfers between reserves	–	–	(60)
Other movements	–	–	–
As at 31 December 2022 unaudited	**21 104**	**(406)**	**(19 407)**
Total comprehensive income for the period	–	–	–
– Attributable income for the period	–	–	–
– Other comprehensive income	–	–	–
664 350 shares repurchased and cancelled at an average of R93,32 per share	(62)	–	–
418 795 shares repurchased at an average of R93,12 per share	–	(39)	–
Issue of 123 091 treasury shares at an average price of R89,36 as settlement of share-based equity	–	11	–
Incremental interest purchased from non-controlling interests	–	–	–
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	–	–	–
Other movements	–	–	–
As at 30 June 2023 audited	**21 042**	**(434)**	**(19 407)**
Total comprehensive income for the period	–	–	–
– Attributable income for the period	–	–	–
– Other comprehensive loss	–	–	–
Issue of 1 563 306 treasury shares at an average price of R88,91 per share as settlement of share-based equity	–	139	–
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)	–	–	–
Transfer between reserves[2]	–	–	–
Other movements	–	–	–
Closing balance as at 31 December 2023 unaudited	**21 042**	**(295)**	**(19 407)**

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

[2] *The transfer between reserves relates to the remaining portion of vested plans in the share-based payment reserve of R71 million which 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
400	**(586)**	**12 940**	**13 924**	**121**	**14 045**
500	238	1 520	2 258	30	2 288
–	–	1 520	1 520	30	1 550
500	238	–	738	–	738
–	(181)	–	–	–	–
–	–	–	–	(1)	(1)
–	73	–	73	–	73
–	–	(738)	(738)	–	(738)
(354)	–	–	(354)	–	(354)
–	20	40	–	–	–
–	4	(2)	2	2	4
546	**(432)**	**13 760**	**15 165**	**152**	**15 317**
617	1 155	1 834	3 606	35	3 641
–	–	1 834	1 834	26	1 860
617	1 155	–	1 772	9	1 781
–	–	–	(62)	–	(62)
–	–	–	(39)	–	(39)
–	(11)	–	–	–	–
–	–	–	–	1	1
–	28	–	28	–	28
–	–	(501)	(501)	(52)	(553)
(569)	–	–	(569)	–	(569)
–	12	(12)	–	–	–
–	(1)	–	(1)	(1)	(2)
594	**751**	**15 081**	**17 627**	**135**	**17 762**
(237)	(234)	1 112	641	20	661
–	–	1 112	1 112	21	1 133
(237)	(234)	–	(471)	(1)	(472)
–	(139)	–	–	–	–
–	56	–	56	–	56
–	–	(699)	(699)	(2)	(701)
(202)	–	–	(202)	–	(202)
–	71	(71)	–	–	–
–	2	(1)	1	(1)	–
155	**507**	**15 422**	**17 424**	**152**	**17 576**

Segment financial position

as at 31 December 2023	Group 2023 Rm	Group 2022 Rm	Import and Distribution 2023 Rm	Import and Distribution 2022 Rm
Financial position				
Assets				
Goodwill and intangible assets	6 655	5 661	3	4
Carrying value of associates and joint ventures (excluding loans to associates)	226	187	–	–
Property, plant and equipment	8 340	7 641	622	620
Investment properties	117	125	117	125
Right-of-use assets	3 302	3 085	23	27
Investments and other financial instruments[1]	27	7	4	4
In-substance reinsurance contracts[1]	249	363	–	–
Vehicles for hire	6 140	4 488	2 474	1 391
Inventories	29 689	25 689	5 611	4 738
Trade and other receivables[2]	7 631	6 974	2 450	2 866
Operating assets	62 376	54 220	11 304	9 775
– South Africa	34 421	32 373	11 304	9 775
– International	27 955	21 847	–	–
Liabilities				
Contract liabilities[3]	3 039	3 051	–	–
Lease liabilities	3 652	3 438	20	29
Provisions	1 049	933	228	130
Trade and other payables[4]	22 328	21 327	5 092	5 851
Other financial liabilities	35	95	–	–
Operating liabilities	30 103	28 844	5 340	6 010
– South Africa	14 337	16 415	5 340	6 010
– International	15 766	12 429	–	–
Net working capital	13 943	10 403	2 741	1 623
– South Africa	9 992	7 698	2 741	1 623
– International	3 951	2 705	–	–
Core debt[5]	12 741	10 179	4 017	1 621
– South Africa	11 320	9 230	4 017	1 621
– International	1 421	949	–	–
Net debt	16 206	11 472	4 017	1 621
– South Africa	12 937	9 773	4 017	1 621
– International	3 269	1 699	–	–
Net capital expenditure	(3 413)	(1 440)	(1 966)	(550)
– South Africa	(3 275)	(1 361)	(1 966)	(550)
– International	(138)	(79)	–	–
Non-current assets (including equity investment in associates, excluding investments, in-substance reinsurance contracts, deferred tax and other financial instruments)	18 640	16 725	765	776
– South Africa	7 962	7 728	765	776
– International	10 678	8 997	–	–
United Kingdom	8 708	7 467	–	–
Other regions (Australia and Asia)[6]	1 970	1 530	–	–

[1] *In-substance reinsurance contracts have been recognised as a result of the adoption of IFRS 17. The previous investment in preference share arrangements has been derecognised. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 3 – Accounting policies for additional information.*
[2] *Includes amounts pertaining to derivative financial assets.*
[3] *Relates to service and maintenance contracts.*
[4] *Includes amounts pertaining to derivative financial liabilities and floorplans from suppliers.*
[5] *Core debt has been included to enhance disclosure. The comparative amounts have been amended to align with that of the current financial year.*
[6] *Retail and Rental operates in Australia and Aftermarket Parts operates in Asia.*

	Retail and Rental		Mobility Solutions		Aftermarket Parts		Head Office and Eliminations	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm	2023 Rm	2022 Rm	2023 Rm	2022 Rm
	1 837	1 399	9	16	4 793	4 239	13	3
	35	29	63	49	123	105	5	4
	6 969	6 353	169	159	516	454	64	55
	–	–	–	–	–	–	–	–
	2 081	1 911	–	1	1 198	1 146	–	–
	–	–	–	1	27	6	(4)	(4)
	–	–	249	363	–	–	–	–
	3 665	3 090	2 563	1 475	–	–	(2 562)	(1 468)
	20 149	16 775	402	342	3 592	3 884	(65)	(50)
	4 083	3 477	467	299	2 029	1 701	(1 398)	(1 369)
	38 819	33 034	3 922	2 705	12 278	11 535	(3 947)	(2 829)
	19 143	18 676	3 922	2 705	3 993	4 046	(3 941)	(2 829)
	19 676	14 358	–	–	8 285	7 489	(6)	–
	98	88	2 941	2 963	–	–	–	–
	2 344	2 177	–	1	1 288	1 231	–	–
	398	395	270	225	89	61	64	122
	17 721	15 148	791	473	2 206	2 085	(3 482)	(2 230)
	28	33	–	–	–	57	7	5
	20 589	17 841	4 002	3 662	3 583	3 434	(3 411)	(2 103)
	7 022	7 501	4 002	3 662	1 382	1 350	(3 409)	(2 108)
	13 567	10 340	–	–	2 201	2 084	(2)	5
	6 113	4 709	(192)	(57)	3 326	3 439	1 955	689
	3 736	3 499	(192)	(57)	1 749	1 939	1 958	694
	2 377	1 210	–	–	1 577	1 500	(3)	(5)
	5 750	4 379	(3 820)	(3 553)	4 089	4 156	2 705	3 576
	5 307	4 160	(3 820)	(3 620)	1 698	1 796	4 118	5 273
	443	219	–	67	2 391	2 360	(1 413)	(1 697)
	7 870	5 213	(2 475)	(3 094)	4 089	4 156	2 705	3 576
	5 579	4 244	(2 475)	(3 161)	1 698	1 796	4 118	5 273
	2 291	969	–	67	2 391	2 360	(1 413)	(1 697)
	(1 371)	(1 024)	(1 654)	(445)	(53)	(58)	1 631	637
	(1 262)	(951)	(1 654)	(445)	(24)	(52)	1 631	637
	(109)	(73)	–	–	(29)	(6)	–	–
	10 922	9 692	241	225	6 630	5 944	82	88
	5 548	5 458	241	225	1 326	1 181	82	88
	5 374	4 234	–	–	5 304	4 763	–	–
	3 513	2 807	–	–	5 195	4 660	–	–
	1 861	1 427	–	–	109	103	–	–

Segment profit or loss

for the six months ended 31 December 2023	Group 2023 Rm	Group 2022 Rm	Import and Distribution 2023 Rm	Import and Distribution 2022 Rm
Profit or loss				
Revenue[1]	**57 167**	51 414	**9 954**	12 603
– South Africa[1]	**32 072**	33 895	**9 954**	12 603
– International	**25 532**	18 014	**–**	–
United Kingdom	**19 158**	13 184	**–**	–
Other regions (Australia and Asia)[2]	**6 374**	4 830	**–**	–
– Eliminations between geographic regions	**(437)**	(495)	**–**	–
Earnings before interest, taxation, depreciation and amortisation	**4 203**	3 706	**807**	914
– South Africa	**2 771**	2 863	**807**	914
– International	**1 423**	846	**–**	–
– Eliminations between geographic regions	**9**	(3)	**–**	–
Depreciation, amortisation and impairments, net of recoupments	**(1 570)**	(1 067)	**(428)**	(227)
– South Africa	**(1 162)**	(793)	**(428)**	(227)
– International	**(408)**	(274)	**–**	–
Operating profit before capital items and net foreign exchange movements	**2 647**	2 617	**377**	686
– South Africa	**1 628**	2 050	**377**	686
– International	**1 010**	570	**–**	–
– Eliminations between geographic regions	**9**	(3)	**–**	–
Finance costs	**(1 158)**	(499)	**(511)**	(199)
– South Africa	**(837)**	(374)	**(511)**	(199)
– International	**(321)**	(125)	**–**	–
Finance income	**34**	14	**108**	72
– South Africa	**13**	13	**108**	72
– International	**21**	1	**–**	–
Other capital costs	**–**	(14)	**–**	–
– South Africa	**–**	(6)	**–**	–
– International	**–**	(8)	**–**	–
Profit/(losses) before tax	**1 507**	2 014	**(40)**	484
– South Africa	**768**	1 643	**(40)**	484
– International	**730**	374	**–**	–
– Eliminations between geographic regions	**9**	(3)	**–**	–
Income tax expense	**(374)**	(464)	**7**	(67)

[1] *Revenue in the comparative period has been restated due to the adoption of IFRS 17. Refer to note 3 – Accounting policies for additional information.*
[2] *Retail and Rental operates in Australia and Aftermarket Parts operates in Asia.*

	Retail and Rental		Mobility Solutions		Aftermarket Parts		Head Office and Eliminations	
	2023 Rm	2022 Rm	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm
	46 129	40 746	**1 355**	1 382	**7 172**	5 402	**(7 443)**	(8 719)
	24 292	24 810	**1 355**	1 382	**3 876**	3 817	**(7 405)**	(8 717)
	21 837	15 936	**–**	–	**3 733**	2 080	**(38)**	(2)
	16 117	11 830	**–**	–	**3 079**	1 356	**(38)**	(2)
	5 720	4 106	**–**	–	**654**	724	**–**	–
	–	–	**–**	–	**(437)**	(495)	**–**	–
	2 101	1 843	**694**	658	**881**	572	**(280)**	(281)
	1 270	1 261	**694**	658	**277**	310	**(277)**	(280)
	831	582	**–**	–	**595**	265	**(3)**	(1)
	–	–	**–**	–	**9**	(3)	**–**	–
	(838)	(661)	**(86)**	(94)	**(286)**	(176)	**68**	91
	(615)	(479)	**(86)**	(94)	**(101)**	(84)	**68**	91
	(223)	(182)	**–**	–	**(185)**	(92)	**–**	–
	1 262	1 164	**616**	569	**605**	406	**(213)**	(208)
	657	765	**616**	569	**187**	236	**(209)**	(206)
	605	399	**–**	–	**409**	173	**(4)**	(2)
	–	–	**–**	–	**9**	(3)	**–**	–
	(847)	(429)	**(39)**	(35)	**(242)**	(137)	**481**	301
	(499)	(287)	**(39)**	(34)	**(114)**	(86)	**326**	232
	(348)	(142)	**–**	(1)	**(128)**	(51)	**155**	69
	119	46	**–**	–	**6**	1	**(199)**	(105)
	6	4	**–**	–	**–**	–	**(101)**	(63)
	113	42	**–**	–	**6**	1	**(98)**	(42)
	–	–	**–**	–	**–**	(14)	**–**	–
	–	–	**–**	–	**–**	(6)	**–**	–
	–	–	**–**	–	**–**	(8)	**–**	–
	540	802	**577**	535	**371**	253	**59**	(60)
	165	501	**577**	536	**74**	143	**(8)**	(21)
	375	301	**–**	(1)	**288**	113	**67**	(39)
	–	–	**–**	–	**9**	(3)	**–**	–
	(161)	(201)	**(104)**	(110)	**(91)**	(74)	**(25)**	(12)

Segment profit or loss (continued)

for the six months ended 31 December 2023	Group 2023 Rm	Group 2022 Rm	Import and Distribution 2023 Rm	Import and Distribution 2022 Rm
Additional information				
Revenue by nature				
Sale of goods[1]	**51 131**	45 956	**9 922**	12 567
– New vehicle sales	**26 207**	24 011	**7 819**	10 686
– Pre-owned vehicle sales	**11 959**	11 685	**931**	688
– Parts and other goods sales[1]	**12 965**	10 260	**1 172**	1 193
Rendering of services[1]	**5 759**	5 160	**32**	36
– Vehicle workshops, maintenance, service and warranty[1]	**3 373**	2 940	**20**	21
– Vehicle rental	**1 432**	1 263	**–**	–
– Fees on vehicles, parts and services sold[1]	**954**	957	**12**	15
Insurance revenue[1]	**277**	298	**–**	–
Revenue[1]	**57 167**	51 414	**9 954**	12 603
Classified as follows[2]**:**				
– Revenue recognised at a point in time	**54 717**	49 068	**9 942**	12 588
– Revenue recognised over a period of time (maintenance, service and warranty revenue)	**729**	770	**–**	–
– Vehicle and property rental	**1 444**	1 278	**12**	15
– Insurance revenue	**277**	298	**–**	–
Inter-group revenue	**–**	–	**(6 733)**	(8 140)
External revenue	**57 167**	51 414	**3 221**	4 463
Depreciation, amortisation and impairments, net of recoupments	**(1 570)**	(1 067)	**(428)**	(227)
Depreciation and amortisation	**(1 578)**	(1 111)	**(430)**	(228)
Profit on disposals and impairments	**8**	44	**2**	1
(Costs)/income included in profit before tax				
Dividend income[3]	**87**	56	**–**	–
Total employee costs	**(4 877)**	(4 103)	**(233)**	(234)
Operating lease charges	**(144)**	(114)	**(12)**	(9)
Insurance service expenses[4]	**(112)**	(134)	**–**	–
Insurance finance income[4]	**36**	27	**–**	–
Movements in expected credit losses	**(11)**	(19)	**1**	2
Share of results from associates and joint ventures	**22**	22	**–**	–
Net foreign exchange losses/(gains)	**(24)**	(148)	**(16)**	(76)
Operating margin (%)	**4,6**	5,1	**3,8**	5,4

[1] *Revenue now includes insurance revenue, which has been recognised as a result of the adoption of IFRS 17. Revenue earned on the initial sale of the insurance products, policy administration and vehicle repairs as part of the claims received, has been eliminated. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 3 – Accounting policies for additional information.*

[2] *The revenue categorisation has been included in the current financial year to enhance disclosure. The comparative amounts have been amended to align with that of the current financial year.*

[3] *The dividend income and fair value adjustments on the preference share arrangements have been derecognised as a result of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 3 – Accounting policies for additional information.*

[4] *Insurance service expenses, along with the abovementioned eliminations and insurance finance income, have been recognised as a result of the adoption of IFRS 17. The comparative amounts for insurance service expenses and insurance finance income have been restated to align with the new disclosure requirements. Refer to note 3 – Accounting policies for additional information.*

Retail and Rental		Mobility Solutions		Aftermarket Parts		Head Office and Eliminations	
2023 Rm	2022 Rm	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm
41 059	36 340	**3**	–	**7 147**	5 355	**(7 000)**	(8 306)
23 639	20 081	**–**	–	**–**	–	**(5 251)**	(6 756)
11 914	11 638	**3**	–	**–**	–	**(889)**	(641)
5 506	4 621	**–**	–	**7 147**	5 355	**(860)**	(909)
5 070	4 406	**1 075**	1 084	**25**	47	**(443)**	(413)
2 801	2 310	**699**	738	**–**	–	**(147)**	(129)
1 331	1 172	**276**	250	**–**	–	**(175)**	(159)
938	924	**100**	96	**25**	47	**(121)**	(125)
–	–	**277**	298	**–**	–	**–**	–
46 129	40 746	**1 355**	1 382	**7 172**	5 402	**(7 443)**	(8 719)
44 723	39 506	**148**	132	**7 172**	5 402	**(7 268)**	(8 560)
75	68	**654**	702	**–**	–	**–**	–
1 331	1 172	**276**	250	**–**	–	**(175)**	(159)
–	–	**277**	298	**–**	–	**–**	–
(422)	(305)	**(264)**	(255)	**(24)**	(20)	**7 443**	8 720
45 707	40 441	**1 091**	1 127	**7 148**	5 382	**–**	1
(838)	(661)	**(86)**	(94)	**(286)**	(176)	**68**	91
(842)	(682)	**(86)**	(96)	**(287)**	(178)	**67**	73
4	21	**–**	2	**1**	2	**1**	18
–	–	**87**	56	**–**	–	**–**	–
(3 065)	(2 740)	**(292)**	(288)	**(1 154)**	(717)	**(133)**	(124)
(132)	(103)	**(1)**	(1)	**(8)**	(10)	**9**	9
–	–	**(145)**	(160)	**–**	–	**33**	26
–	–	**36**	27	**–**	–	**–**	–
(16)	(15)	**(1)**	–	**5**	(7)	**–**	1
3	3	**8**	7	**11**	12	**–**	–
2	1	**–**	–	**–**	(5)	**(10)**	(68)
2,7	2,9			**8,4**	7,5		

Headline earnings per share information

	% change	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Headline earnings reconciliation				
Earnings	(27)	**1 112**	1 520	3 354
– Impairment of goodwill (IAS 36)		**–**	6	52
– Impairment of investments in associates and joint ventures (IAS 36)		**–**	8	7
– Impairment of property, plant and equipment (IAS 36)		**20**	–	34
– Impairment of intangible assets (IAS 36)		**–**	–	2
– Impairment of right-use-assets (IAS 36)		**–**	–	30
– Profit on disposal of investments in associates and joint ventures (IAS 28)		**–**	–	(8)
– Profit on disposal of property, plant and equipment (IAS 16)		**(28)**	(42)	(51)
– Profit on disposal of investment properties (IAS 40)		**–**	(2)	(2)
– Tax effects of remeasurements (IAS 12)		**2**	7	(1)
– Adjustments included in the result of associates and joint ventures		**–**	–	(1)
Headline earnings	(26)	**1 106**	1 497	3 416
Headline earnings per share (cents)				
– Basic	(27)	**662**	902	2 046
– Diluted	(26)	**639**	860	1 963
Additional information				
Net asset value (NAV) per ordinary share (cents)	14	**9 957**	8 716	10 189
Number of ordinary shares in issue (millions)				
– total shares	–	**178**	178	178
– net of shares repurchased	1	**175**	174	173
– weighted average for basic	1	**167**	166	167
– weighted average for diluted	(1)	**173**	174	174

Notes to the condensed consolidated financial statements

1. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with 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 information required by IAS 34 and comply with the JSE Listings Requirements and the Companies Act. These unaudited condensed consolidated financial statements do not include all the information required for a set of 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 2023.

These unaudited condensed consolidated financial statements have been prepared under the supervision of Ms. U Singh, CA(SA) and were approved by the Board on 26 February 2024.

2. Going concern

The Group's results for the six months to 31 December 2023 reflect strong strategic and operational achievements, which supported a resilient financial performance in a challenging and evolving trading environment.

The automotive industry is absorbing inflationary pressures, higher interest rates and a heightened global cost-of-living crisis is being experienced in all geographies in which we operate. The Group has responded well, supported by cost containment, resilient customer demand, supply chain normalisation and continued funding and support by the banks and suppliers.

	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Total equity	**17 576**	15 317	17 762
Net debt	**16 206**	11 472	13 712
Core debt	**12 741**	10 179	12 042
Total banking facilities (excluding floorplans)	**18 197**	14 739	17 393
– Committed	**17 897**	14 439	17 093
– Uncommitted	**300**	300	300
Cash generated from operations before movements in net working capital	**3 909**	3 381	7 837
Cash generated from operations before capital expenditure on vehicles for hire	**2 831**	425	90

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

The Group has access to fixed and variable interest-bearing debt facilities with financial institutions and floorplan facilities with financial institutions and suppliers.

In terms of the banking agreements, the following bank covenants are in place:
- The net debt to Adjusted EBITDA must be below 3,0 times; and
- The Adjusted EBITDA to Adjusted net interest must be above 3,0 times.

The Group has complied with the bank covenants as at 31 December 2023, with net debt to Adjusted EBITDA at 2,1 times (2022: 1,6 times) and Adjusted EBITDA to Adjusted net interest at 4,4 times (2022: 12,3 times).

This compliance is expected to continue into the foreseeable future as the Group has sufficient unutilised banking facilities available to fund normal trading operations.

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

Notes to the condensed consolidated financial statements (continued)

2. Going concern (continued)

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 is considered acceptable.

Based on this review, the Board concluded that there is a reasonable expectation that the Group will continue to meet its obligations as they fall due and 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 unaudited condensed consolidated financial statements.

The Board considers it appropriate to adopt the going concern assumption in preparing the unaudited condensed financial statements.

3. Accounting policies

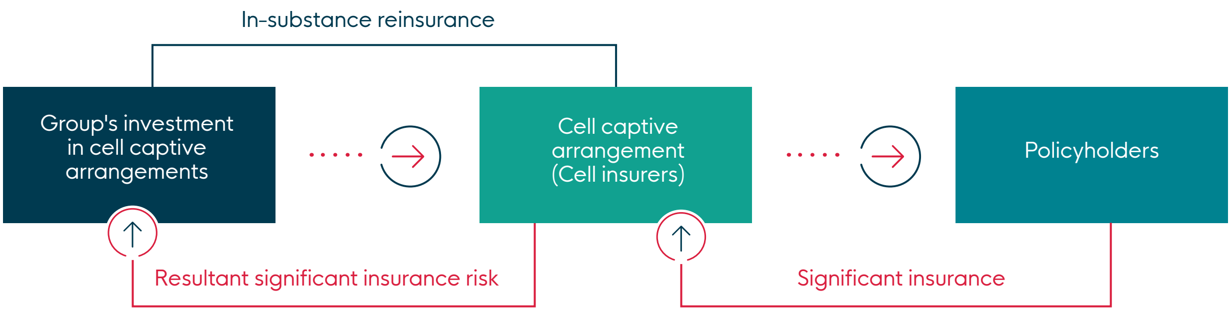
The accounting policies adopted and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are in accordance with IFRS and are consistent with those of the audited consolidated annual financial statements for the year ended 30 June 2023, with the exception of the new and revised policies as required by new and revised IFRS issued and in effect.

The amendments made to IAS 1, IAS 8 and IAS 12 were applicable to the current financial year and had no significant impact on the results of the Group. The impact of the adoption of IFRS 17 is outlined below.

Adoption of IFRS 17

IFRS 17 was introduced to replace IFRS 4, an interim standard that permitted entities to use a wide variety of accounting practices for insurance contracts. The new standard is expected to provide more transparent reporting regarding the financial position and the related risks associated with the insurance contracts.

The Group has applied IFRS 17 to the cell captive arrangements with insurance companies for the current financial year. The Group offers life and non-life insurance products to its customers through contractual cell captive arrangements with registered insurance companies (the cell captive insurers) that transfer insurance risks and rewards associated with the insurance activities to the Group. In terms of IFRS 17, the cell captive arrangements are considered to have transferred significant insurance risk to the Group due to the contractual requirement imposed on the Group to maintain the capital requirements of the cells and the settlement of existing insurance liabilities. The cell captive arrangements create an in-substance reinsurance contract relationship between the Group and the cell insurers, with the Group acting as an in-substance reinsurer to the cell captive arrangements.



IFRS 17 requires that the measurement of a group of contracts includes all the future cash flows within the boundary of each contract within the arrangements. It further defines the 'coverage period' as the period during which the Group provides insurance contract services and which includes all the premiums within the contract boundary of the in-substance reinsurance contracts.

The Group has applied the premium allocation approach (PAA) methodology when measuring the cell captive arrangements retrospectively. The comparative amounts have been restated due to the significant impact on the disclosures of the previously published financial information and to improve transparency and comparability for the users.

There was no impact on the condensed consolidated statement of changes in equity as the cumulative net adjustment to equity on the remeasurement of the in-substance reinsurance contracts was insignificant and has been recognised as part of the current reporting period's results.

3. Accounting policies (continued)

Adoption of IFRS 17 (continued)

Impact on the condensed consolidated statement of financial position

As at 30 June 2022, the in-substance reinsurance contracts were recognised and the investment in the preference share arrangements were derecognised. The cumulative net adjustment recognised as a result of the remeasurement of the in-substance reinsurance contracts based on the PAA methodology was insignificant and has been recognised in the current reporting period's results.

	Restated 31 December 2022 Rm	Restated 30 June 2023 Rm	Restated 30 June 2022 Rm
Investments and other financial instruments, as previously disclosed	370	258	320
Now disclosed as:			
Investments and other financial instruments	7	6	6
In-substance reinsurance contracts	363	252	314

Impact on the condensed consolidated statement of profit or loss

Due to the adoption, insurance revenue, insurance service expenses and insurance finance income have been disaggregated in the condensed consolidated statement of profit or loss, and the previously disclosed dividend income and related fair value adjustments have been derecognised.

The Group earns revenue from the initial sale of the insurance products, policy administration and vehicle repairs as part of the claims received. This revenue forms part of the insurance service cost and, therefore, has been eliminated against revenue from the sale of goods and rendering of services.

The following represents an extract of the condensed consolidated statement of profit or loss, as previously disclosed:

	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Revenue	51 215	106 321
Operating expenses	(47 490)	(98 192)
Movements in expected credit losses	(19)	(46)
Earnings before interest, taxation, depreciation and amortisation	3 706	8 083

Notes to the condensed consolidated financial statements (continued)

3. Accounting policies (continued)

Adoption of IFRS 17 (continued)

Impact on the condensed consolidated statement of profit or loss (continued)

The following represents an extract of the condensed consolidated statement of profit or loss, now disclosed as:

	Restated 31 December 2022 Rm	Restated 30 June 2023 Rm
Revenue	51 414	106 699
Revenue from sale of goods and rendering of services	51 116	106 117
Revenue from sale of goods and rendering of services, as previously disclosed	51 215	106 321
Less: Elimination of revenue earned from the initial sale, policy administration and vehicle repairs	(99)	(204)
Insurance revenue	298	582
Operating expenses	(47 582)	(98 402)
Operating expenses, as previously disclosed	(47 490)	(98 192)
Less: Dividend income received on preference share arrangements	(43)	(272)
(Less)/add: Fair value movements on preference share arrangements	(49)	62
Insurance service expenses	(134)	(232)
Insurance finance income	27	64
Movements in expected credit losses	(19)	(46)
Earnings before interest, taxation, depreciation and amortisation	3 706	8 083

Other impacts

The dividend income received from the in-substance reinsurance contracts have been disaggregated on the condensed consolidated statement of cash flows and the comparatives have been restated. However, the total dividend income received and cash generated from operations remains unchanged.

The restatement has no impact on the earnings per share, headline earnings per share and dilutive earnings per share.

The investment in the preference share arrangements were previously regarded as Level 3 financial instruments measured at fair value, however under the requirements of IFRS 17, these financial instruments are measured at amortised costs.

4. Exchange rates

				
Closing rates				
31 December 2023	**18,35**	**23,36**	**12,49**	**20,31**
30 June 2023	18,86	23,98	12,55	20,59
31 December 2022	17,01	20,46	11,54	18,15
Average rates for the period[1]				
31 December 2023	**18,69**	**23,42**	**12,20**	**20,22**
30 June 2023	17,76	21,41	11,95	18,62
31 December 2022	17,33	20,36	11,60	17,57

[1] *Average rates represent the average rates for each of the reporting periods.*

5. Goodwill

	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Carrying value at the beginning of the period	**4 481**	1 628	1 628
Movement during the period			
Acquisition of businesses	**314**	2 112	2 275
Impairment charge	**–**	(6)	(52)
Currency adjustments	**(91)**	76	630
Carrying value at the end of the period	**4 704**	3 810	4 481

6. Cash and cash equivalents

	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Cash resources	**1 402**	911	2 042
Bank overdrafts	**(1 224)**	(313)	(1 121)
	178	598	921

7. Fair value of financial instruments

7.1 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 financial liabilities are not fair valued and are carried at amortised cost, they approximate their fair values.

Notes to the condensed consolidated financial statements (continued)

7. Fair value of financial instruments (continued)

7.2 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. The Group does not have any financial instruments that are regarded as Level 1 financial instruments.

as at 31 December 2023	Total Rm	Level 2 Rm	Level 3 Rm
Financial assets carried at fair value			
Unlisted shares	6	–	6
Derivative financial assets	59	59	–
Financial liabilities carried at fair value			
Derivative financial liabilities	62	62	–

Transfers between hierarchy levels

There were no significant transfers between the fair value hierarchies during the reporting period.

Level 2 valuation techniques

Forward exchange contracts

These derivative instruments are fair valued using estimated future cash flows 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 the margin applied by the financial institution.

Level 3 financial instruments

The level 3 financial asset carried at fair value comprises an investment in unlisted shares. The carrying value of this investment 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.

8. Other capital costs

	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Impairment of goodwill	–	(6)	(52)
Impairment of investments in associates and joint ventures	–	(8)	(7)
Profit on disposal of investments in associates and joint ventures	–	–	8
	–	(14)	(51)

9. Contingencies and commitments

	Unaudited 31 December 2023 Rm	Unaudited 31 December 2022 Rm	Audited 30 June 2023 Rm
Capital commitments[1]	**467**	422	518
Contingent liabilities[2]	**2 376**	5 219	3 454
Litigation[3]	**1**	–	1

[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 financial institutions with the corresponding guarantees by the Group to the financial institutions.*
[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. There is no current or pending litigation that is considered likely to have a significant adverse effect on the Group.*

10. Acquisitions during the period

The following acquisitions occurred during the reporting period:

- Solway Vehicles Distribution Limited was acquired on 3 July 2023 as a wholly-owned subsidiary of Motus Holdings (UK) Limited. The company has four DAF commercial vehicle dealerships that operate in North West England and Southern Scotland. This company forms part of the UK Retail operating segment.
- Nine passenger dealerships were acquired on 10 October 2023 by Australian Automotive Group Proprietary Limited. The dealerships operate in Wagga Wagga in New South Wales, Australia. These multifranchise dealerships form part of the Australia Retail operating segment.
- A franchise store which forms part of SA Aftermarket Parts, was acquired by Motus Group Limited.

The Group has assessed the significance of each of the businesses acquired. The quantitative factors included the net asset value of the underlying business, purchase consideration and contribution to the profitability of the Group. The nature of the business was used as the basis for qualitative factors. Based on this assessment, the acquisitions in UK Retail and Australia Retail were deemed significant.

An assessment of control was performed based on whether the Group has control over the financial and operating policies of these businesses acquired. Solway Vehicles Distribution Limited was acquired as a wholly-owned subsidiary, thus obtaining full control of the business. The Australia Retail and SA Aftermarket Parts acquisitions relate to the purchase of the underlying assets and liabilities of the businesses, which were absorbed into the companies as operating divisions. On this basis, the Group concluded it has control over the acquired businesses.

Notes to the condensed consolidated financial statements (continued)

10. Acquisitions during the period (continued)

The fair value of assets acquired and liabilities assumed at the acquisition date was as follows:

	UK Retail Rm	Australia Retail Rm	Individually insignificant acquisitions SA Aftermarket Parts Rm	Total[1] Rm
Assets				
Property, plant and equipment	92	12	–	**104**
Right-of-use assets	9	117	1	**127**
Deferred tax	–	4	–	**4**
Inventories	138	205	5	**348**
Trade and other receivables	77	–	–	**77**
Cash resources	119	–	–	**119**
	435	338	6	**779**
Liabilities				
Lease liabilities	9	117	1	**127**
Deferred tax	13	–	–	**13**
Trade and other payables	65	21	–	**86**
Floorplans from suppliers	–	15	–	**15**
Taxation	18	–	–	**18**
Floorplans from financial institutions	–	157	–	**157**
	105	310	1	**416**
Net assets acquired	**330**	**28**	**5**	**363**
Total purchase consideration:	**382**	**290**	**5**	**677**
Cash outflow on acquisition of businesses	263	290	5	**558**
Add: Cash acquired on acquisition	119	–	–	**119**
Goodwill	**52**	**262**	**–**	**314**

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

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.

10. Acquisitions during the period (continued)

Impact of acquisitions on the results of the Group

	Actual contributions			Contributions if acquired on 1 July 2023		
	Revenue Rm	EBITDA Rm	Profit after tax[1] Rm	Revenue Rm	EBITDA Rm	Profit after tax[1] Rm
UK Retail	341	27	19	341	27	19
Australia Retail	290	14	6	648	32	13
SA Aftermarket Parts	3	–	–	5	–	–
	634	41	25	994	59	32

[1] *Includes the after-tax impact of depreciation on property, plant and equipment and right-of-use assets and finance costs incurred on funding and lease liabilities.*

Had all the acquisitions been consolidated from 1 July 2023, the Group's revenue would have been R57 527 million, EBITDA of R4 221 million and an after-tax profit of R1 140 million.

Separately identifiable intangible assets

The full excess purchase price over the net asset value is recognised as goodwill, as the distribution rights from the suppliers and customer lists only transfer upon certain terms and conditions being met and do not automatically transfer as a part of the acquisition. These assets are not controlled resources that are separable in nature, as the rights cannot be sold, transferred, licensed, rented or exchanged separately.

Other details

No critical accounting judgements, estimates and assumptions were made in the determination of the fair value of the assets acquired and liabilities assumed.

The trade and other receivables acquired had a gross contractual amount of R78 million and an expected credit loss allowance of R1 million.

Acquisition costs for business acquisitions during the period amounted to R8 million and have been recognised as an expense in profit or loss in the "Operating expenses" line.

11. Related parties

Subsidiaries, associates, joint ventures, the Group's pension and provident funds, and key management personnel are considered to be related parties. During the reporting period, the Company and its subsidiaries, associates and joint ventures, in the ordinary course of business, entered into various sale and purchase transactions with each other including:

- Sale of vehicles and parts between importers, dealerships and vehicle rental;
- Fees earned on the sale of value-added products between the dealerships and Mobility Solutions;
- Servicing and repairing of vehicles under vehicle service, maintenance and insurance policies by the dealerships;
- Administration by Mobility Solutions of the vehicle contracts and insurance policies sold by the importers and dealerships; and
- Administration fees, interest, dividends and rental income.

These transactions give rise to inter-company debtors, creditors and loan accounts. These transactions, along with the associated balances, are eliminated on consolidation and as such are not disclosed below.

Notes to the condensed consolidated financial statements (continued)

11. Related parties (continued)

Revenues between Group entities

This relates to revenue between different legal entities within the Group. This differs from the segment profit or loss on the basis that revenue between two divisions may occur across two different operating segments, examples include an importer selling goods to one of its owned dealerships or a division in Aftermarket Parts selling goods to a dealership, where both entities form part of the same legal entity.

The following intra-group revenue has been eliminated:

	Unaudited 31 December 2023 Rm	Restated 31 December 2022 Rm	Restated 30 June 2023 Rm
Sale of goods[1]	3 532	4 251	8 060
Rendering of services[1]	930	797	1 481
	4 462	5 048	9 541

[1] *The revenue earned from the initial sale of the insurance products, policy administration and vehicle repairs as part of the claims received, has been included in the intra-group revenue as part of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 3 – Accounting policies for additional information.*

Refer to the segment profit or loss for additional information on transactions between operating segments.

Interest of directors in contracts

The Directors have respectively confirmed that they had no interest in transactions of any significance with the Group or any of its subsidiaries. Accordingly, a conflict of interest in this regard does not exist.

Associates and joint ventures

The revenue earned from transactions concluded with associates and joint ventures is included in the Group's external revenue.

The loans due to associates and joint ventures are included in other financial liabilities and are repayable on demand.

The abovementioned transactions and balances are insignificant to the Group.

12. Events after the reporting period

A gross dividend of 235 cents (2022: 300 cents) per ordinary share is payable on 2 April 2024. The ordinary dividend is subject to the local dividend tax of 20% and the net ordinary dividend for those shareholders who are not exempt from paying tax, is therefore 188 cents (2022: 240 cents) per share.

There were no significant material events, apart from those mentioned above, that occurred from the period ended 31 December 2023 to the date of these unaudited condensed consolidated financial statements.

Glossary of terms

Legislation

the Companies Act	the Companies Act, 2008 (Act No. 71 of 2008), as amended, or any law that may replace it wholly or in part, from time to time.
JSE Listings Requirements	the listings requirements of the JSE Limited.

Accounting standards

International Financial Reporting Standards or IFRS	the International Financial Reporting Standards formulated by the International Accounting Standards Board.
IAS 1	IAS 1 – *Presentation of Financial Statements.*
IAS 8	IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors.*
IAS 12	IAS 12 – *Income Taxes.*
IAS 34	IAS 34 – *Interim Financial Reporting.*
IFRS 4	IFRS 4 – *Insurance Contracts.*
IFRS 17	IFRS 17 – *Insurance Contracts.*

Defined terms

the Board	The board of directors of Motus Holdings Limited.
the Company	Motus Holdings Limited, the listed holding company.
the Group	Motus Holdings Limited and its consolidated subsidiaries, associates and joint ventures.
the Directors	The appointed directors of Motus Holdings Limited board in terms of the requirements of the Companies Act.
Key management personnel	Key management personnel are directors and executives having authority and responsibility for planning, directing and controlling the activities of the Group.
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 unaudited condensed 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 annual profit before tax.

Glossary of terms (continued)

Defined terms (continued)

Assessment of control	An assessment of control is performed annually for each entity within the Group, including those acquired during the financial year. In performing this assessment, senior management determines whether or not the Group has control over the entity based on whether the Group has the practical ability to direct the significant activities unilaterally. The following factors are considered during the assessment: • The ability of the Group to unilaterally appoint the majority of board members of the entity; • Composition of the entity's board and board appointees of the Group; • Any contractual or legal rights conferred upon the Group by the entity or any other shareholder of the entity to direct its activities; and • The Group's shareholding in the investee relative to external shareholders.
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 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.
Debt	Debt includes interest-bearing borrowings and lease liabilities less cash resources.
Interest-bearing borrowings	Interest-bearing borrowings include interest-bearing debt and floorplans from financial institutions. Lease liabilities are excluded.
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.
Operating expenses	Operating expenses include operational expenditures and income such as cost of sales, total employee costs, operating leases and other operational costs or income. Other operational costs or income include auditor's remuneration, profit on termination of lease contracts, impairment of right-of-use assets, remeasurement of contingent consideration, business acquisition costs and other items. The other items include expenditures and income such as donations, storage expenses, insurance premiums, repairs and maintenance, local and foreign travel expenses, vehicle expenses, marketing, telecommunication expenses, property-related expenditures, IT costs and various cost recoveries.
EBITDA	Earnings before interest, taxation, depreciation, amortisation and share of results from associates and joint ventures, including the impacts of IFRS 17.

Defined terms (continued)

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. Impairments include impairments on property, plant, equipment, investment properties and intangible assets. 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 (losses)/gains	Operating profit is the earnings before capital items, net foreign exchange movements for items that do not qualify for cash flow hedge accounting including non-hedged items, net finance costs and taxation.
Other capital costs	Other capital costs are items of income and expenditure relating to the: • Impairment of goodwill and investments in associates and joint ventures; and • Profit or loss on the sale of investments in subsidiaries, associates, joint ventures and other businesses.
Operating margin (%)	Operating profit before capital items and net foreign exchange movements divided by revenue.
EBITDA margin (%)	Earnings before interest, taxation, depreciation, amortisation and share of results from associates and joint ventures, including the impacts of IFRS 17, 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.
Return on invested capital (%)	The return divided by invested capital. The return is the aggregate of a post-tax operating profit for the last 12 months. Post-tax operating profit is calculated as: • Operating profit before capital items and net foreign exchange movements. • *Less* share of results from associates and joint ventures, which already includes the impact of tax. • *Less* the impact of tax using a blended tax rate. • *Add* share of results from associates and joint ventures. The blended tax rate is an average of the actual tax rates applicable in the various jurisdictions in which the Group operates. Invested capital is a 12-month average of the monthly total equity plus debt.

Glossary of terms (continued)

Defined terms (continued)

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. 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. 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: • EBITDA. • Adjusted for the impact of net foreign exchange movements. • Adjusted for the impact of share of results from associates and joint ventures. • *Less* the pre-tax profits attributable to non-controlling interests. • *Add* the EBITDA relating to businesses acquired, grossed up for a full year where the underlying acquisitions only contributed for a portion of the year. • *Less* EBITDA relating to businesses disposed of during the current year. • *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 lease contacts and impairment of right-of-use assets and includes lease payments.
Adjusted net interest	Adjusted net interest is calculated as: • Finance cost. • *Less* finance income. • *Less* facility set-up costs incurred. • *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
MJN Njeke (Chairman)*
A Tugendhaft (Deputy Chairman)**
OS Arbee (CEO)#
OJ Janse van Rensburg (CFO)#
KA Cassel#
S Mayet*
JN Potgieter*
F Roji*
R van Wyk*

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

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

Notes


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