
MOTUS HOLDINGS LIMITED

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

Acquisition of FAI Automotive plc (United Kingdom) (UK)

The board of directors of the Company is pleased to announce that Motus, through its wholly-owned UK-based subsidiary, Motus Holdings (UK) Limited, has acquired the entire issued share capital of FAI Automotive plc (**FAI**) with effect from 1 October 2021.

The purchase consideration is based on an enterprise value of GBP 35 million (c. ZAR 700 million) and the effective cash outflow of GBP 27,5 million (ZAR 550 million) will be funded from available cash resources and funding facilities.

FAI, which is a family-owned business that was established in 1968, is a solid business with over 40 000 product offerings covering all major vehicle manufacturers. It is situated in Leighton Buzzard, Bedfordshire in the UK, with a leased distribution warehouse of 10 000m² and is a leading independent distributor of replacement automotive parts globally, including the UK and Europe. FAI is a highly reputable brand in the replacement parts industry and is renowned for a high-quality range of products covering globally manufactured passenger vehicles and light commercial vans.

The business is managed by a professional, young and dynamic, management team with many years of experience in the business and the industry. The existing management team will continue to manage the business on a day-to-day basis post the transaction.

Business rationale for the acquisition

The acquisition underpins Motus' intention to expand its Aftermarket Parts (MAP) business offering. There are synergies with the existing MAP business to procure products at competitive prices from the Far East, including China and Taiwan, through combined buying power and to utilise and share the existing distribution centres in the region.

FAI's product line up is similar and complementary to Motus' MAP business, in particular, components which include engine, suspension, steering, and braking parts, as well as a well-established and growing private label offering.

Financial information

At 31 August 2021, FAI has a net asset value of GBP 18,7 million (ZAR 374 million), including cash of GBP 7,5 million (ZAR 150 million). This results in an effective net cash outflow of GBP 27,5 million (ZAR 550 million) on acquisition. The acquisition gives rise to GBP 16,3 million (ZAR 326 million) of intangible assets being recognised.

The turnover for the 12 months ended 30 June 2021 amounted to GBP 32 million (c. ZAR 640 million), with more than 50% of the turnover generated from outside the UK. The operating margin is in excess of 10%.

Due to its relative size, the acquisition falls below the threshold of a categorised transaction in terms of the Listings Requirements of the JSE Limited and its announcement is therefore voluntary.

By order of the Board

Bedfordview
1 October 2021

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