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

FURTHER TRADING STATEMENT AND OPERATIONAL UPDATE

TRADING STATEMENT

In terms of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported on will differ by more than 20% from that of the previous corresponding period.

Further to the initial trading statement, operational and strategic update released on SENS on Thursday, 18 November 2021, an updated review by management of the financial results for the six-months ended 31 December 2021 has indicated that:

	Projection for the six months to 31 December 2021	Actual for the six months to 31 December 2020	Percentage range
Operating profit	R2 100 million to R2 200 million	R1 750 million	20% to 26%
Profit before tax	R1 800 million to R1 930 million	R1 287 million	40% to 50%
Earnings per share (EPS)	760 cents per share to 810 cents per share	507 cents per share	50% to 60%
Headline earnings per share (HEPS)	763 cents per share to 815 cents per share	526 cents per share	45% to 55%

The financial information on which this trading statement is based (and any other information contained in this announcement) has not been reviewed or reported on by Motus' external auditors.

OPERATIONAL UPDATE

New vehicle markets

Vehicle sales are continuing to recover despite the erratic vehicle supplies being experienced by Original Equipment Manufacturers (OEMs).

In South Africa, The Automotive Business Council for South Africa (naamsa) reported annual aggregate industry sales for new vehicle sales to be 464 122 vehicles for the 12 months to 31 December 2021, compared to 380 206 vehicles in the comparative period, up by 22% for the calendar year. Management projects annual new vehicle sales to be between 470 000 and 490 000 vehicles for the financial year ending 30 June 2022, compared to 445 319 vehicles in the comparative period. Motus' increased market share to date has been supported by an expansion of its vehicle model range, particularly in the growing entry level and small to medium SUV categories, coupled with exciting new model launches.

In the UK, the Society of Motor Manufacturers and Traders (SMMT) reported annual new vehicle sales (excluding Heavy Commercial Vehicles) to be 2 008 549 vehicles for the 12 months to 31 December 2021, compared to 1 930 478 vehicles in the comparative period. Light Commercial Vehicle volumes were strong, driven by an increase in home deliveries, and were reported at 355 380 vehicles, up by 21% for the calendar year. Heavy Commercial Vehicle sales were reported at 37 163 vehicles, up by 13% for the calendar year.

In Australia, the Federal Chamber of Automotive Industries (FCAI) reported annual new vehicle sales of 1 049 831 vehicles for the 12 months to 31 December 2021, compared to 916 968 vehicles in the comparative period, up by 14,5% for the calendar year.

Pre-owned vehicle markets

Strong demand for pre-owned vehicles across all geographies continues on the back of the shortage of new vehicles.

The industry is experiencing a short supply of pre-owned vehicles from car rental companies. We have identified alternative sources of pre-owned vehicles.

Global supply chain disruptions

Global supply chain disruptions continue to impact the delivery of vehicles, panels and parts, with substantial increases in freight and logistics costs negatively impacting operating margins.

Our four importer brands and the 21 non-owned brands are fortunate in that they have an extensive model range which enables them to focus on available stock. While there are

shortages of certain derivatives at different times, we are still able to offer the customer a wide selection of brands and models.

We anticipate inventory supplies to normalise during the first quarter of our 2023 financial year.

Car Rental

This business has been restructured and costs having been reduced accordingly. During December 2021, the fleet was increased to 17 200 vehicles (owned and leased) and at June 2022, it is estimated to be around 15 500 vehicles (owned and leased). We are currently operating at utilisation levels in excess of 70%.

Foreign currency cover (SA)

Hyundai, Kia and Renault have forward cover on the Euro and US Dollar to 31 July 2022 at market related forward cover rates. All outstanding Mitsubishi commitments are covered.

Liquidity

The liquidity position remains strong, supported by significant unutilised banking facilities.

Debt to equity levels remain below targeted levels, projected to end at below 35% for the six-month period ended 31 December 2021.

Motus remains well within agreed bank covenant levels with sufficient liquidity headroom for strategic acquisitions, dividend distributions and share buy-backs.

Shareholder returns

An interim dividend for the half year will be considered at the February 2022 Board meeting.

Unaudited interim financial results

The unaudited interim financial results of the Group for the six-months ended 31 December 2021 will be published on Tuesday, 22 February 2022, with the investor presentation being hosted virtually at 09:00 on Tuesday, 22 February 2022 (see www.motus.co.za for registration details).

By order of the Board

Johannesburg
25 January 2022

Sponsor

Merchantec Capital

Disclaimer:

Certain statements in this announcement are not reported financial results or historical information, but forward-looking statements. These statements contain the views and forecasts of management at the time of the publication of this announcement and are predictions or indicate future events, trends, prospects, objectives, earnings or plans. If one or more of these risks materialise, or should underlying assumptions prove incorrect, the actual results may differ materially from those anticipated. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.