



CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2024

Salient features

For the six months ended 31 March		2024	2023	% change
Units bought	Number	81 785	71 928	13,7%
Units sold	Number	80 538	71 020	13,4%
Revenue	Rm	11 403,0	9 836,7	15,9%
Core headline earnings ⁱ	Rm	402,0	317,6	26,6%
Core headline earnings per share ^{i,ii}	Cents	119,9	95,1	26,1%
Basic earnings	Rm	(69,5)	69,1	(>100%)
Basic earnings per share ⁱⁱ	Cents	(20,7)	20,7	(>100%)
Headline earnings	Rm	(69,5)	66,7	(>100%)
Headline earnings per share ⁱⁱ	Cents	(20,7)	20,0	(>100%)

- i. Core headline earnings is a non-IFRS measure which excludes gains/losses, costs and adjustments relating to acquisitions and disposals of investments; once-off transaction costs which are directly attributable to corporate activity; and non-cash accounting adjustments to the call option derivative asset relating to a non-controlling interest.
- ii. Weighted average number of ordinary shares ("**Shares**") in issue at 31 March 2024: 335 281 661. Actual number of Shares in issue at 31 March 2024: 377 181 120. An additional 40 000 000 Shares were issued on 11 April 2024 increasing the total number of Shares in issue post the listing to 417 181 120.

Group results

WeBuyCars was separately listed on the Main Board of the JSE on 11 April 2024, following the unbundling by Transaction Capital Limited of all the shares that it owned in WeBuyCars. This marked the commencement of an exciting new chapter in the WeBuyCars growth story.

The Group delivered a pleasing performance in a tough trading environment, characterised by higher interest rates, fuel costs and inflation and lower levels of consumer confidence. WeBuyCars' agile business model and quick inventory turnover enabled it to respond to the market changes quickly by re-aligning inventory profiles to lower-priced vehicles, to match consumer demand.

WeBuyCars has continued on its long-term earnings growth trajectory for the six months ended 31 March 2024 with core headline earnings at R402,0 million growing 26,6% when compared to the prior comparable six-month period. The key drivers of this growth in core earnings were higher volumes, higher average selling prices, improved margins, operational efficiencies, higher inventory turns, and cost efficiencies driven by economies of scale.

Group revenue at R11,4 billion increased by 15,9% when compared to the prior comparable six-month period. Buying and selling volumes at 81 785 and 80 538 increased 13,7% and 13,4%, respectively. The number of vehicles bought and sold continued to grow, with sales volumes reaching an all-time monthly record for WeBuyCars of 14 285 in March 2024.

WeBuyCars' balance sheet is conservatively geared, supported by high cash conversion rates. The net cash generated by operating activities (at R267,0 million) for the six months ended 31 March 2024 was up 96,6% on the prior comparable six-month period. Net debt (excluding IFRS16) of R1 176,0 million consists primarily of mortgage loans (R726,3 million), secured by a property portfolio of vehicle supermarkets; and working capital facilities (R449,7 million) to fund inventory. Only one new supermarket was opened in the last twelve months, resulting in inventory levels at 31 March 2024 remaining fairly consistent with inventory levels at 31 March 2023 and 30 September 2023.

Dividends

The Company declared dividends (totalling R3 410,8 million) during the six months ended 31 March 2024 to the shareholders recorded in the register prior to the pre-listing capital raise. R3 050,8 million of these dividends were pursuant to the Transaction Capital Limited unbundling and were paid to Transaction Capital Motor Holdco Proprietary Limited and I VDW Holdings Proprietary Limited in April 2024, as set out in the WeBuyCars Pre-listing Statement, dated 12 March 2024.

The Company aims to declare and pay between 25% and 33% of its headline earnings as a dividend as per its dividend policy, subject to working capital requirements and capital expenditure required for expansion and maintenance.

The declaration of a final dividend for the year ending 30 September 2024 will be tabled for consideration by the Board and will be announced with the results for the year ending 30 September 2024.

Prospects

We anticipate the difficult market conditions in South Africa, with lower levels of consumer confidence, higher interest rates and lower levels of new vehicle sales volumes to continue. This, coupled with political uncertainty in the run up to the 29 May 2024 General Elections may impact the vehicle market during the next six months, however we believe that our business model is robust and should be able to overcome most of these vagaries.

WeBuyCars has aggressively grown its headcount and its physical footprint over the past three years. In 2021 WeBuyCars was selling approximately 7 000 vehicles a month, and this has now grown to over 14 000 vehicles a month.

We plan to continue on this growth journey. Our ambition is to grow our monthly volumes to 23 000 and to double our market share by 2028. In this regard we can report that:

- In April 2024 we signed a lease agreement to secure a prime location in East London in the Eastern Cape. This site will allow us to display approximately 300 vehicles for sale. We anticipate trading from this location during June 2024.
- We have also recently signed property sale agreements to purchase land in Lansdowne in Cape Town in the Western Cape and in Rustenburg in the North West, for future development.

We will be able to fund all of these initiatives from available banking facilities.

Short form announcement

The contents of this short form announcement are the responsibility of the Board of Directors of the Company. Shareholders are advised that this short form announcement represents a summary of the information contained in the full announcement, published on SENS via the JSE cloudlink <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/WBCE/HY2024.pdf> and on WeBuyCar's website <https://www.webuycars.co.za/investors/presentations> on 13 May 2024, and does not contain full or complete details of the financial results.

Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement as a whole and shareholders are encouraged to review the full announcement, which is available as set out above. Copies of the full announcement may be requested from investors@webuycars.co.za.

The information in this announcement has been extracted from the reviewed condensed interim results for the six months ended 31 March 2024.

PricewaterhouseCoopers Inc, the Group's independent auditor, has reviewed the consolidated interim financial statements of the Group for the six months ended 31 March 2024 from which the consolidated results contained in this report have been derived, and has expressed an unmodified review opinion on the consolidated interim financial statements.

Centurion
13 May 2024

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