

A large, semi-transparent grey circle containing the year '2023' in a white, outlined, sans-serif font. The background of the slide features a blurred image of a car's side mirror and a road, framed by a red circular border.

2023

**FINANCIAL  
RESULTS  
PRESENTATION 2023**

COMBINED MOTOR HOLDINGS

# GROUP FINANCIAL HIGHLIGHTS



## GROUP FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 28 FEBRUARY 2023

		2023	2022	% Change
Total assets	(R'000)	<b>4,976,881</b>	3,778,740	31.7
Cash resources	(R'000)	<b>761,876</b>	817,739	(6.8)
Net asset value per share	(cents)	<b>1,690</b>	1,484	13.9
Revenue	(R'000)	<b>12,434,375</b>	11,167,798	11.3
Operating profit	(R'000)	<b>773,412</b>	606,146	27.6
Total profit and comprehensive income	(R'000)	<b>443,461</b>	374,887	18.3
Return on shareholders' funds	(%)	<b>37.3</b>	37.1	0.5
Basic earnings per share	(cents)	<b>592.8</b>	501.2	18.3
Headline earnings per share	(cents)	<b>617.1</b>	501.0	23.2
Dividends paid per share	(cents)	<b>393.0</b>	235.0	67.2
Dividend declared – payable June 2023	(cents)	<b>240.0</b>	225.0	6.7

- **Challenging economic environment**
  - rising interest rates
    - prime rate - January 2022 – 7.50%
    - March 2023 – 11.25%
  - volatile exchange rate
  - fuel price increases
  - worsening power cuts
  - poor governance
  - lack of decisive leadership
- **On the positive side**
  - “end” of Covid
  - increase in tourism / business travel

- **Revenue increase driven by:**
  - higher new vehicle volumes in second half
  - vehicle price increases (used – first half, new – second half)
  - car hire growth
- **Dealership upgrades in conformity with manufacturer standards**
- **Electricity-replacement costs**
  - generators and diesel
  - solar roll-out
- **Operating margin 6.4% vs 5.4% - a new record**
  - improved new vehicle margins during first half
  - greater mix of car hire which has a higher return on revenue

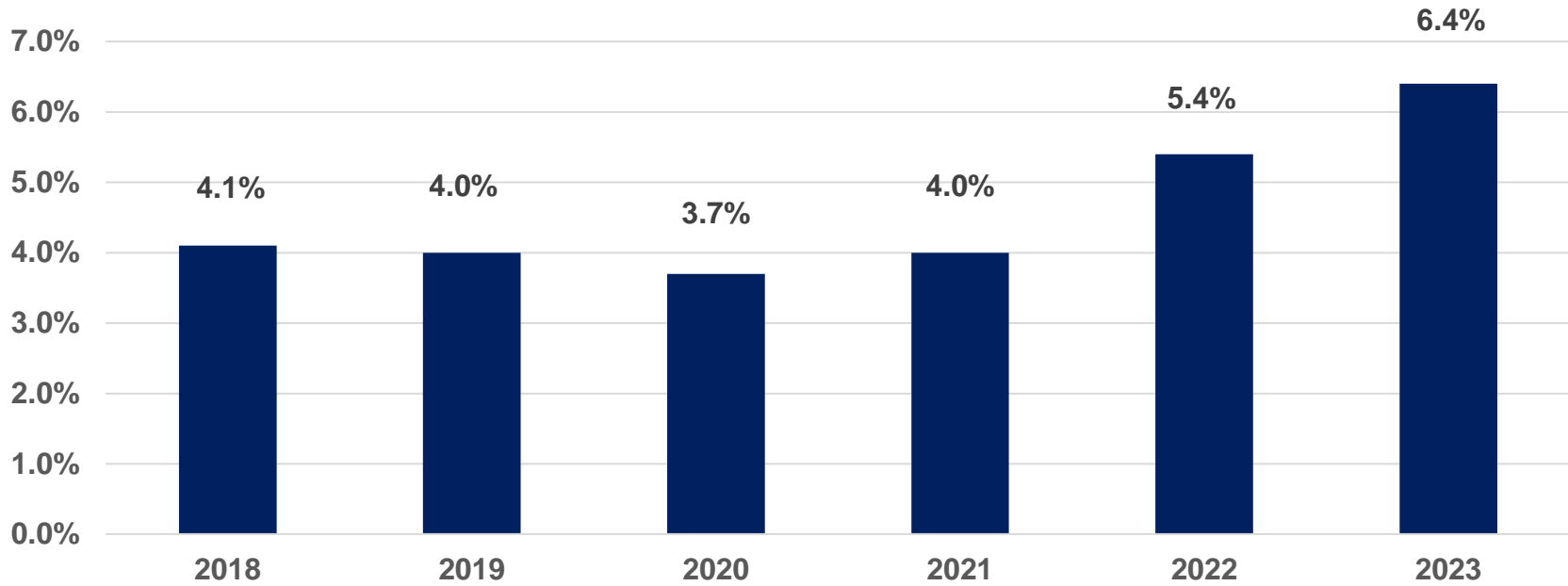
- goodwill impaired - R17.6 million – under-performing dealership which has been restructured
- exceptional return on shareholders' funds – 37%
- sound balance sheet
- strong cash flow generation
- dividend proposed – 240 cents vs 225 cents

# GROUP INCOME STATEMENT

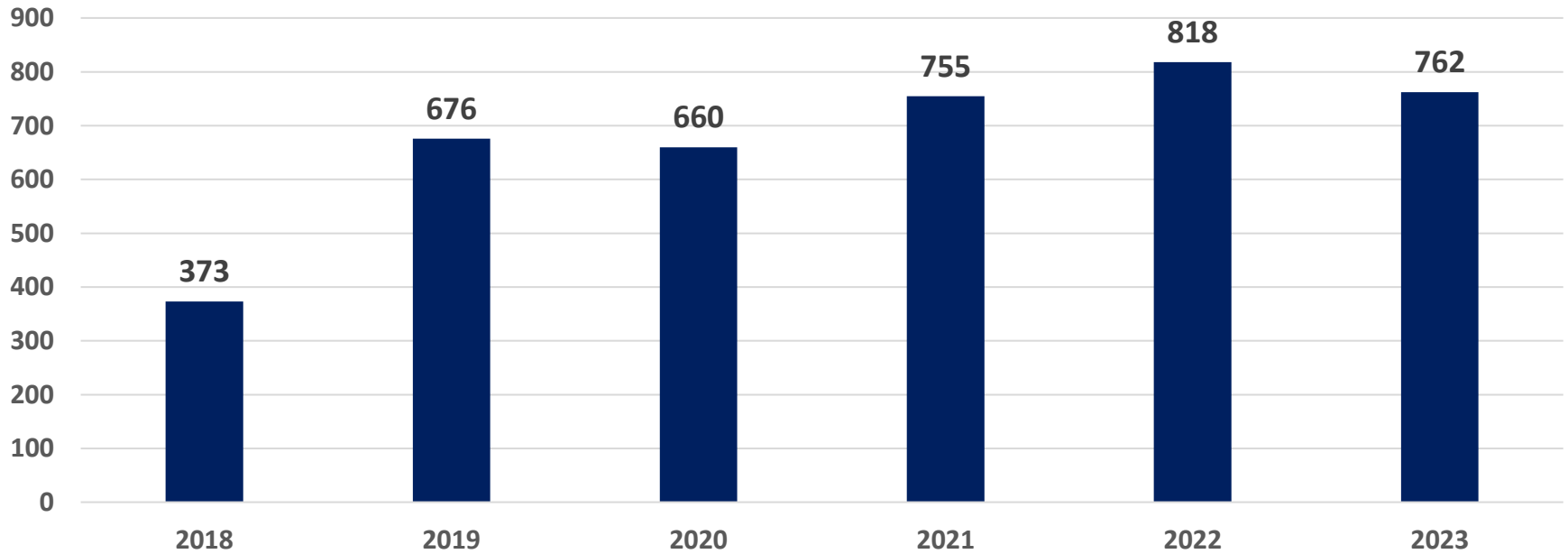


<b>GROUP INCOME STATEMENT</b>	<b>2023</b>	<b>2022</b>
	<b>R'000</b>	<b>R'000</b>
Revenue	12,434,375	11,167,798
Cost of sales	<u>-10,037,459</u>	<u>-9,097,650</u>
Gross profit	2,396,916	2,070,148
Gross profit %	19.3	18.5
Other income	26,094	16,963
Goodwill impaired	-17,671	0
Selling and operating expenses	<u>-1,631,927</u>	<u>-1,480,965</u>
Operating profit	773,412	606,146
Operating profit % (excluding goodwill w/off)	6.4	5.4
Finance income	39,792	28,313
Finance costs	<u>-192,764</u>	<u>-124,105</u>
Profit before taxation	620,440	510,354
Tax expense	-176,979	-135,467
Tax rate %	28.5	26.5
Total profit and comprehensive income	<u>443,461</u>	<u>374,887</u>

# OPERATING MARGIN



# CASH RESOURCES (R'million)





- Group scorecard rating - level 4
- Car Hire scorecard rating - level 2
- CMH First Fleet Solutions - level 2
- Both Car Hire and First Fleet have 51% black ownership qualification
- Group scorecard adversely affected by motor manufacturers from which the majority of procurement is sourced
- Employment equity - 76% of staff are African, Coloured, Indian

# CMH SHARES TRADED



	<b>2023</b>	2022	2021	2020	2019	2018
Volume of shares traded ('000)	<b>9,830</b>	12,162	11,227	9,147	11,900	15,924
Value of shares traded (R'000)	<b>277,718</b>	283,365	145,439	191,500	323,364	383,281
Average price per share traded (cents)	<b>2,825</b>	2,330	1,295	2,093	2,717	2,407
Year-end market price (cents)	<b>2,868</b>	2,800	1,550	1,840	2,100	2,610
Market capitalisation (R million)	<b>2,145</b>	2,094	1,159	1,376	1,570	1,952
Year-end price : earnings ratio	<b>4.7</b>	5.6	6.7	7.2	7.0	7.8
Year-end dividend yield (%)	<b>13.7</b>	8.4	6.5	9.6	8.4	6.2
"Free-float" shares ('000)	<b>41,997</b>	42,107	42,227	42,238	42,252	42,427
"Free-float" (%)	<b>56</b>	56	57	57	57	57

Annualised returns with dividends reinvested to 31 December 2021\*

Period	p.a Return	R1000 Growth	Inflation p.a
3 years	12.51%	R1,424	4.18%
5 years	14.21%	R1,943	4.35%
10 years	18.62%	R5,516	5.01%

\*Data provided by Profile data

# SEGMENT PROFIT CONTRIBUTION



	<b>2023</b>	2022	2021	2020	2019	2018
	%	%	%	%	%	%
Motor retail / distribution	<b>44</b>	66	86	57	64	70
Car hire	<b>43</b>	23	-2	17	17	19
Financial services	<b>12</b>	11	12	17	14	10
Corporate services / other	<b>1</b>	0	4	9	5	1
	<b>100</b>	100	100	100	100	100

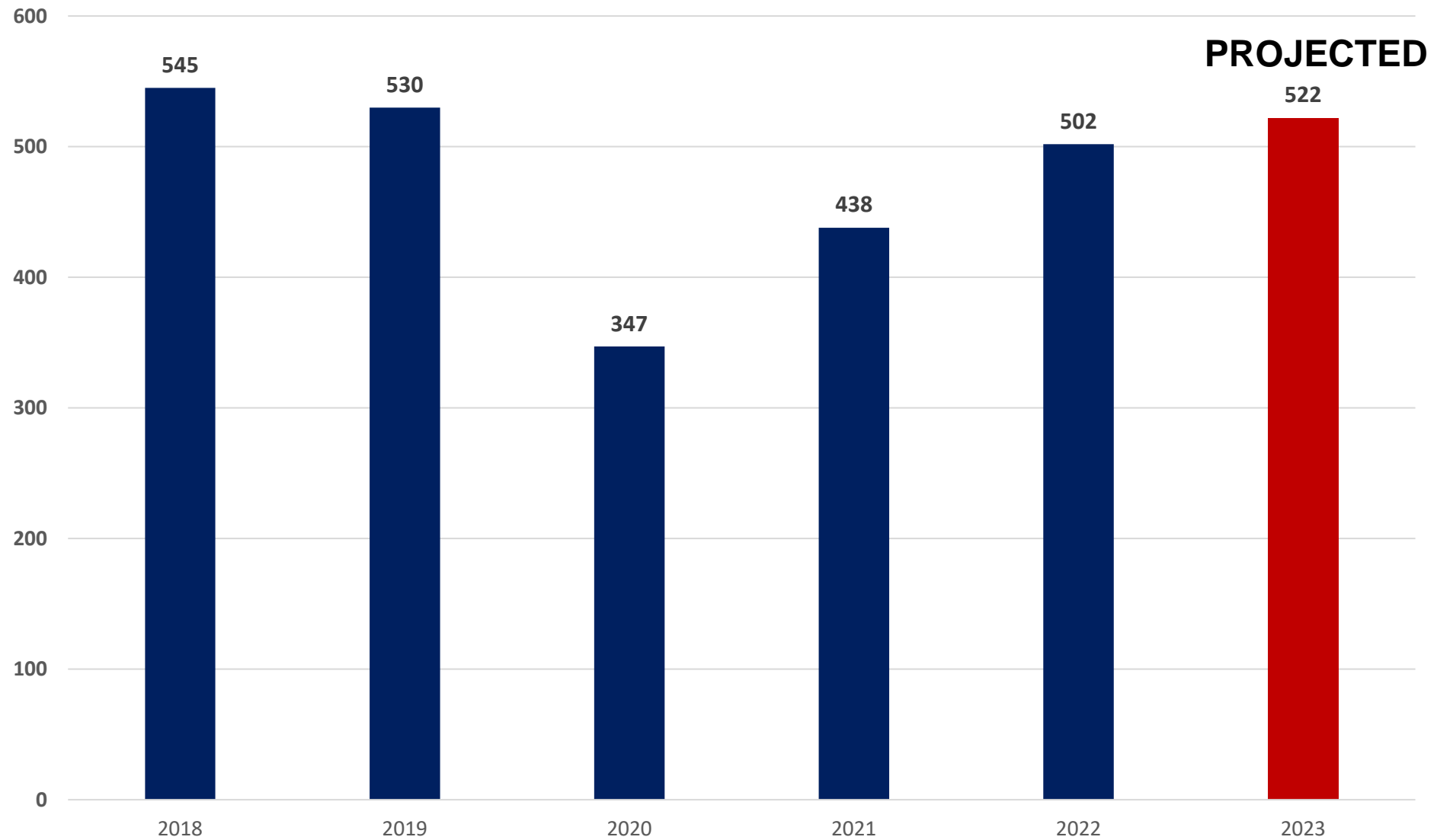
	<b>2023</b>	2022	2021	2020	2019
	R'000	R'000	R'000	R'000	R'000
Segment profit before taxation	273,789	336,069	202,437	150,049	185,762

## INDUSTRY NEW VEHICLE SALES – CALENDAR YEAR

- National market (passenger & light commercial) up 14.6%
- Market share gains
  - Suzuki
  - Mitsubishi
  - Opel/Peugeot
- Ford discontinued its passenger range
- Toyota supply disrupted by flood damage
- Mazda lost ground because of import supply problem

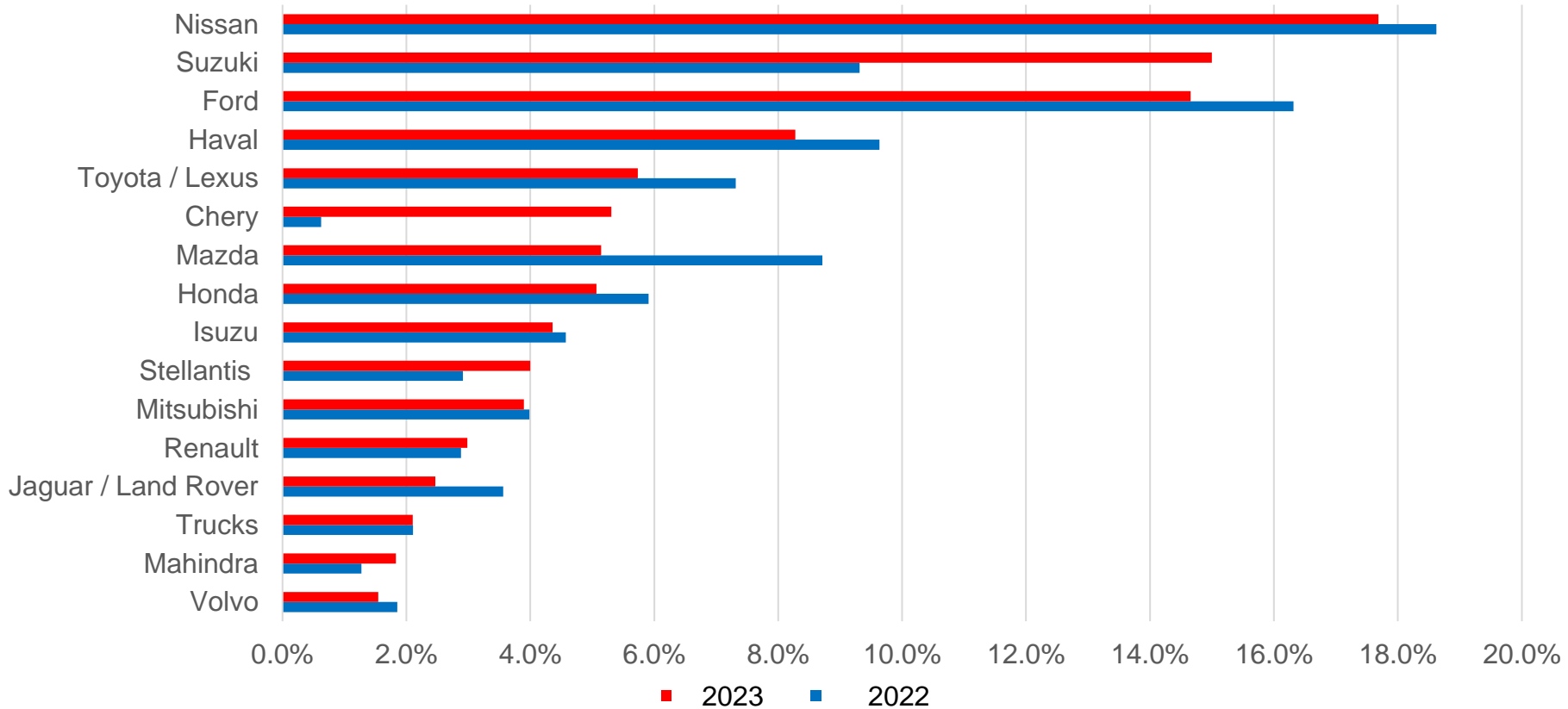
# INDUSTRY NEW VEHICLE SALES

## SALES ('000 UNITS) - CALENDAR YEAR



# SEGMENT ANALYSIS – RETAIL MOTOR

## GROUP NEW UNIT SALES BY MANUFACTURER (%)



\*Stellantis – Opel, Peugeot, Jeep, Fiat, Alfa

- **During financial year**
  - national sales (P + L/C) up 11.4%
  - dealer sales component up 7.8%
  - CMH sales up 12.4%
- **Volatility of motor retail evident**
  - first seven months
    - low new vehicle supply continued
    - Covid shortage of components
    - Toyota shut-down
    - car hire operations unable to refresh fleet
    - traditional source of 1-2-year-old vehicles dried up
    - used prices soared
  - From October / November
    - new stock began arriving
    - Toyota back in production
    - used car market collapsed
    - dealers left holding over-priced inventory
    - rapid change in strategy effected to reduce overage units



- **Parts and service improved 10%**
  - shortage of critical parts persists
  - impact of new brands is increasing
- **Mandarin Parts Distributors**
  - steady year, supply affected by Covid in China
  - 28 independent franchisees
- **Rokkit – digital marketing**
  - abreast with developments in sales, lead generation and customer communication
- **Proton vehicles**
  - imported from Malaysia
  - slow start, gaining momentum
  - pricing pressure caused by depreciating currency
  - Saga saloon vehicle launched March 2023 – priced below R200 000
  - 12 owned and 12 independent dealerships. 6 independent to be added shortly
- **Electric vehicles**
  - range of electric carrier bikes and small pick-up vans have been imported. Being evaluated by logistics companies and major retail chains

	<b>2023</b>	2022	2021	2020	2019
	R'000	R'000	R'000	R'000	R'000
Segment profit before taxation	268,587	115,945	-5,103	45,178	48,290

- Continued stellar performance since Covid lockdown
- Principal drivers
  - daily hire rate vs fleet holding cost
  - utilization rate
  - volume increases – market share opportunities
  - buoyant used car market to offload retired fleet
  - containment of cost structure
- Average fleet size up 50%
- Number of rental agreements up 50%
- Marketing alliance with FlySafair mutually beneficial

	<b>2023</b>	2022	2021	2020	2019
	R'000	R'000	R'000	R'000	R'000
Segment profit before taxation	73,046	56,159	28,046	44,638	41,425

- Relates to finance JVs and insurance underwriting
- Higher level of financeable business generated
- Improved interest rate margin
- Lower claims rate, more relaxed doubtful debt provisioning

The year ahead is likely to be tough.

- **Environment driven by:**

- power outages
- infrastructure failure
- violent crime
- high youth unemployment
- endemic corruption

- **Economic factors**

- impact of nine interest rate increases on affordability
- weakened currency
- cost of electricity-replacement equipment

- **Motor retail / distribution**

- NAAMSA predicts resilient market with single digit sales increase
- new vehicle margins will be under pressure, supported by volume incentives
- Diverse range of products – optimum mix of volume / luxury
- Contribution expected from Proton retail / distribution

- **Car hire**

- with the high interest rate, and rising new vehicle prices, margins will come under pressure

- **Strong executive management team**
  - Deep industry knowledge
  - Proven track record
  - Years of collective experience
- **Sound financials, systems**
  - strong, conservative balance sheet
  - positive cash flow
  - proven processes / systems



**THANK YOU**

**2023**

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