



## MEDIA RELEASE

### **SUPER GROUP STRONGLY POSITIONED, WITH ROBUST CASH FLOWS AND BALANCE SHEET, DESPITE SIGNIFICANT COVID-19 IMPACT AND TOUGH TRADING CONDITIONS**

**Johannesburg, 15 September 2020** – Super Group, a leading transport logistics and mobility group, reported results for the year ended 30 June 2020 that reflect the challenging macroeconomic and trading conditions experienced across the various geographies in which the Group trades, as well as the significant negative impact of the novel coronavirus (Covid-19) pandemic.

Peter Mountford, CEO of Super Group, said: *“The South African economy was already constrained before the pandemic and with the Covid-19 lockdown the economic and social environment has become significantly more demanding and uncertain. The South African national lockdown since 27 March 2020, as well as the partial lockdown arrangements applied in Australia, Germany, Spain and the United Kingdom have created major business disruptions and the Group’s trading has been severely impaired in all of these territories between March and June 2020. Excluding the impact of the Covid-19 lockdowns the Group performed well and cash generation was excellent. The adverse impact of Covid-19 on revenue, profit before tax and headline earnings was estimated at R5.2 billion, R932 million and R613 million, respectively.”*

Group revenue decreased by 8.7% to R34.6 billion (June 2019: R37.9 billion) mainly due to the tough trading conditions experienced across all of the Group’s operations. Some of these trading conditions pre-existed and were severely exacerbated by the onset of the Covid-19 pandemic at the end of the third quarter of the financial year ended 30 June 2020.

Other than Fleet Africa, most of the other underlying divisions’ profitability was severely impacted by the weakened trading conditions, which resulted in operating profit decreasing by 41.0% to R1.6 billion (June 2019: R2.7 billion). The proportion of Super Group’s revenue and operating profit derived from its non-South African businesses was 46% (June 2019: 48%) and 43% (June 2019: 50%), respectively.

Earnings per share decreased by 125.3% to a loss of 91.4 cents (June 2019: profit of 360.8 cents) and headline earnings per share (HEPS) decreased by 59.6% to 151.2 cents (June 2019: 373.8 cents). The estimated impact of Covid-19 and IFRS 16 on HEPS was approximately 172 cents.

Colin Brown, CFO of Super Group, stated: *“Super Group’s net debt position, excluding IFRS 16’s ROU lease liabilities was R3 142.1 million at 30 June 2020, an increase of R99.8 million, resulting in the gearing ratio, excluding ROU lease liabilities, to be in line with the 24.1% at 30 June 2019. The Group met its debt covenants and has sufficient debt facilities to meet its current obligations.”*

Super Group has made impairments against the carrying values of certain goodwill, intangible assets and properties, mainly against Supply Chain Europe (inTime) of R599.4 million, Dealerships South Africa of R183.6 million and Supply Chain Africa of R111.7 million. Capital items for the year under review amounted

to R879.2 million compared to R68.3 million for the prior year. Super Group adopted the new IFRS 16 – Leasing Standard effective 1 July 2019, which had an impact on the financial results.

Despite the tough trading conditions, Super Group’s cash generated from operations increased by 37.0% for the year to R4 301.9 million (June 2019: R3 140.4 million). Working capital inflow of R854.6 million was recorded, compared to a cash outflow of R652.1 million in the prior year.

*“The extraordinary pressures on the South African economy, brought on by the devastating impact of the Covid-19 pandemic across all industries, the restart of load shedding and high unemployment rates make for a challenging outlook. Nevertheless, the Group expects a recovery in the Supply Chain Africa’s Industrial and Consumer businesses. Supply Chain Europe’s businesses are starting to see the benefits of the efforts to streamline the operations and should perform more strongly next year. High levels of fleet extensions in the past two quarters and growing consumer interest levels position SG Fleet well for next year. The forthcoming year should be one of recovery provided we do not see further pandemic-related lockdowns,”* said Mountford.

Mountford indicated that during July and August, the Group’s businesses were operating, on average, at between 80% to 90% of pre-Covid-19 activity levels. Super Group remains committed to its strategy of being an innovative, integrated mobility solutions company to ensure growth over the long-term. The strategy is robust and the Group will continue to explore growth opportunities. The development of superior technology capabilities, enhanced service efficiencies and product innovation remain key in order for the Group to grow organically post this period of materially reduced activity and uncertainty in both South Africa and the other geographies in which it operates.

## Ends

---

<b>Issued on behalf of:</b>	<b>Super Group Limited</b>
Contact:	Peter Mountford, Chief Executive Officer
Tel:	+2711 523-4015
<b>Compiled and released by:</b>	<b>Keyter Rech Investor Solutions</b>
Contact:	Marlize Keyter
Tel:	083 701 2021 / 087 351 3810
Email:	<a href="mailto:mkeyter@kris.co.za">mkeyter@kris.co.za</a>
<b>Issue date:</b>	<b>15 September 2020</b>
<b>JSE code:</b>	SPG
<b>Website:</b>	<a href="http://www.supergroup.co.za">www.supergroup.co.za</a>

---

**Notes to the Editor**

Super Group is a broad-based supply chain management business listed on the JSE since 1996. Super Group's supply chain division provides a platform for the Group's core expertise and offerings. This expertise is applied into vertically integrated divisions covering vehicle dealerships and fleet management. Founded in 1986, Super Group has an international footprint and offers customers a comprehensive range of products and services. Super Group is essentially a supply chain mobility company revolving around the optimisation of supply chain processes and vehicle fleets with a strong IT focus and technology underpin. The business encompasses the planning and management of all activities across the supply chain from the sourcing, procurement, transport, warehousing and distribution of goods and services. This is made possible through coordination and collaboration with Super Group's valued channel partners; be they suppliers, intermediaries, third-party service providers or customers. In essence, Super Group integrates supply and demand management within and across companies.