

ANALYSING THE 2023 PERFORMANCE

37 CHIEF FINANCIAL OFFICER'S REPORT

42 DIVISIONAL PERFORMANCE:

SUPPLY CHAIN

FLEET SOLUTIONS

DEALERSHIPS

68 ENVIRONMENTAL PERFORMANCE

73 HUMAN CAPITAL PERFORMANCE

78 DIGITAL AND IT PERFORMANCE

80 CORPORATE SOCIAL INVESTMENT

CHIEF FINANCIAL OFFICER'S **REPORT**



“

Super Group has not only navigated challenging economic and trading landscapes but has also demonstrated an outstanding track record of sustained profit growth.

The Group's unwavering commitment to innovation, technology and operational excellence continues to yield exceptional financial outcomes.”

Colin Brown
Chief Financial and Debt Officer

Super Group delivered excellent financial results that reflect the hard work and dedication of all employees, despite challenging macroeconomic and trading conditions across the various geographies. Cash generation has been good, and we have maintained a strong Statement of Financial Position. Super Group weathered a volatile socio-economic climate, and this year's profitability well exceeds pre-pandemic levels. The Group's diversification strategy further buoyed performance, while its competitiveness was evidenced in significant new client wins, contract renewals and market share gains. Rigorous cost management helped mitigate escalating inflation, diesel price increases and Rand volatility.

CHIEF FINANCIAL OFFICER'S REPORT continued

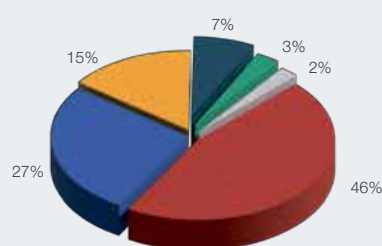
FINANCIAL PERFORMANCE

Group revenue increased by 30.6% to R61.88 billion (2022: R47.37 billion) and EBITDA increased by 20.8% to R8.49 billion (2022: R7.03 billion). The revenue of SG Fleet included a full year's performance from LeasePlan compared to 10 months in the prior year. The LeasePlan business integration has progressed well with a focus on further benefit extraction.

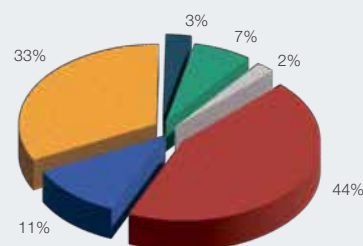
Operating profit increased by 20.7% to R3.95 billion (2022: R3.27 billion), while the operating profit margin for the Group remained at 6.4% when excluding Services.

The proportion of Super Group's revenue and operating profit derived from its non-South African businesses was 54% (2022: 52%) and 56% (2022: 60%), respectively. The geographic diversity of the Group is illustrated below:

Revenue contribution per region



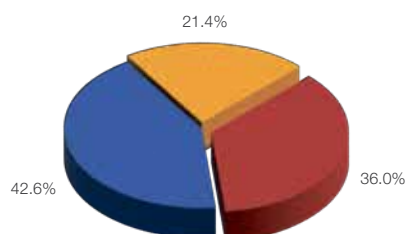
Operating profit contribution per region



■ South Africa ■ United Kingdom ■ Australia
■ Europe ■ New Zealand ■ Africa and other

The divisional contribution to revenue and operating profit, excluding Services, is summarised in the graphs below. For more detail on the underlying operations, refer to the Divisional Overview starting on page 42.

Revenue
June 2023

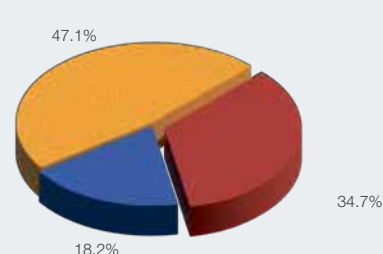


June 2022



■ Supply Chain ■ Dealerships ■ Fleet Solutions

Operating profit
June 2023



June 2022



■ Supply Chain ■ Dealerships ■ Fleet Solutions

Net finance costs increased by 31.5% to R1.0 billion (2022: R763.3 million), mainly due to interest rate increases, higher levels of inventories in the Dealerships operations and the inclusion of LeasePlan for the full year.

Profit before tax increased by 18.7% to R2.97 billion (2022: R2.50 billion). Excluding the Services segment, profit before taxation increased by 31.2% from R2.30 billion to R3.02 billion.

Earnings per share grew by 24.9% to 472.9 cents per share (2022: 378.5 cents) and headline earnings per share increased by 23.3% to 469.4 cents (2022: 380.7 cents). Excluding the Services segment, growth in headline earnings per share was 46.9%. The weighted average number of shares decreased by 6.1% to 337.8 million (2022: 359.6 million) as a result of the Group repurchasing 25 197 982 shares over the past 18 months.

The Group's return on equity was 11% compared to 10.8% in the previous year.

DIVIDEND DECLARATION

A gross dividend of 80 cents per share (2022: 63 cents) has been declared out of income reserves in respect of the ordinary shares of no-par value for the year ended 30 June 2023. Dividend withholding tax of 20%, or 16 cents per share, will be applicable, resulting in a net dividend of 64 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The issued share capital at the declaration date was 346 309 812 ordinary shares.

FINANCIAL POSITION

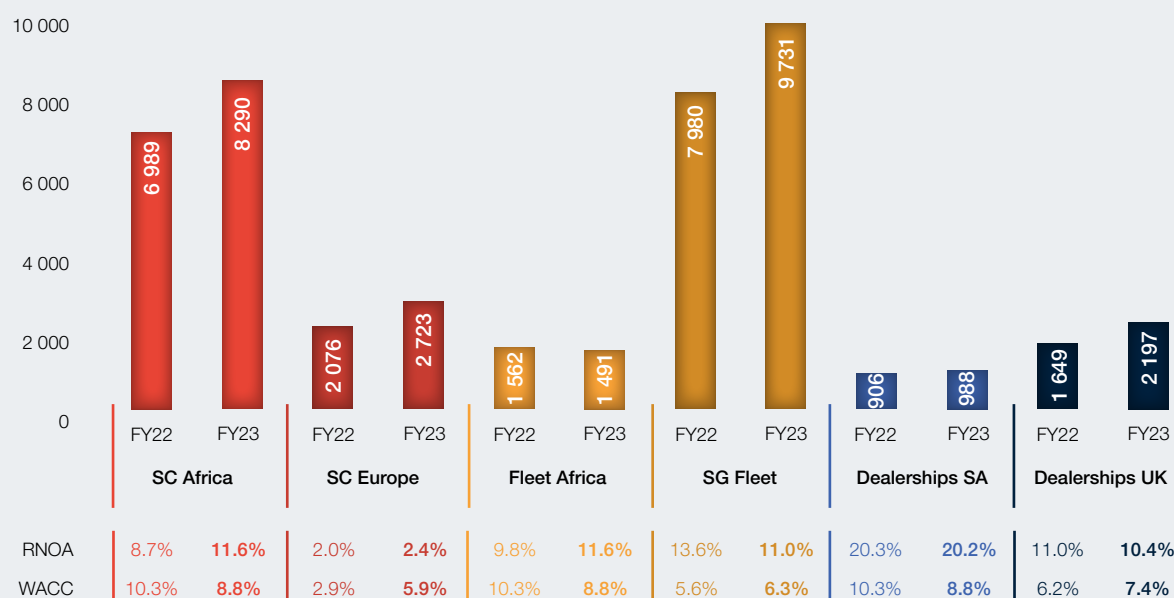
Total assets increased by 25.9% to R73.03 billion (2022: R58.03 billion), largely as a result of the impact of the weakening Rand on translating foreign operations, increased vehicle fleets in the Supply Chain businesses, increased lease portfolio assets in SG Fleet, and higher inventory levels as a result of improved availability of stock in the dealerships.

The net asset value per share increased by 20.5% from R38.40 as at 30 June 2022 to R46.27 as at 30 June 2023.

The Group's RNOA (after tax) was 10.2% (2022: 10.3%) and the Group's WACC was 7.0% (2022: 6.3%). Net operating assets includes warehouse debt and lease portfolio receivables.

The net operating assets, RNOA and WACC for each division are set out below.

Net operating assets (R'm)



DEBT

The Group raised a net R1.81 billion of listed senior unsecured notes during the year. The net debt position, excluding right-of-use (ROU) lease liabilities and securitised lease portfolio warehouse borrowings, was R4.38 billion (2022: R3.74 billion). The net debt to equity (gearing) ratio, excluding ROU lease liabilities and securitised lease portfolio warehouse borrowings, was 22.5% as at 30 June 2023 (2022: 22.1%).

Below is a breakdown of net borrowings per region and our debt maturity profile.

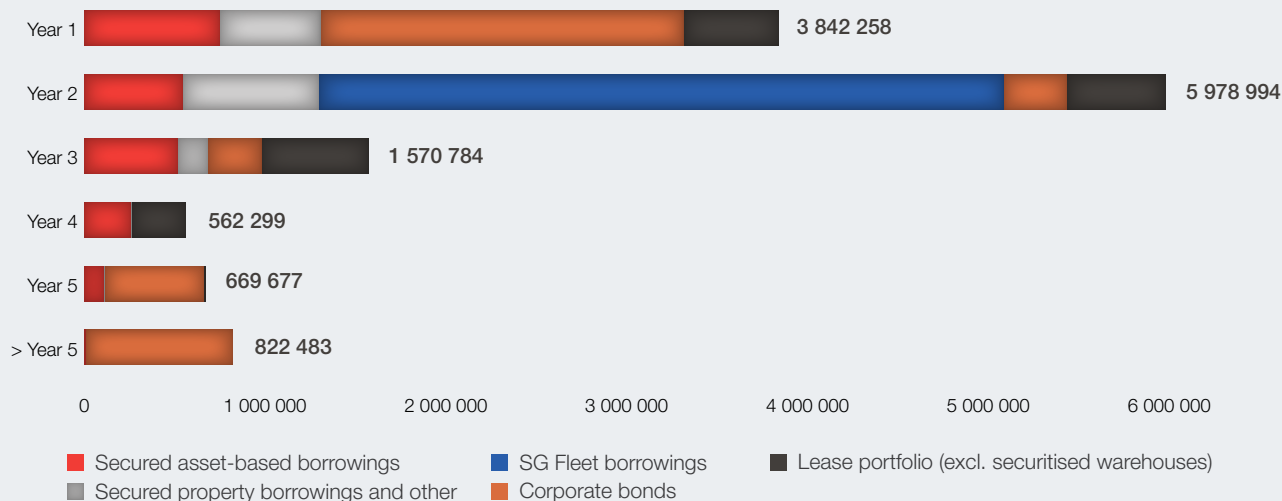
Net borrowings

R'million	Borrowings 30 June 2023	Cash 30 June 2023	Net borrowings/ (cash) 30 June 2023	Net borrowings/ (cash) 30 June 2022	Change
Africa and other	8 459.3	4 307.6	4 151.7	3 009.7	37.9%
United Kingdom	1 498.4	790.1	708.3	321.1	>100%
Europe	33.9	888.5	(854.6)	(254.2)	>100%
Australia and NZ	3 455.0	1 307.5	2 147.5	2 000.0	7.4%
Australia and NZ – Securitised warehouses	15 333.8	1 770.9	13 562.9	11 400.9	19.0%
Total	28 780.4	9 064.6	19 715.8	16 477.5	19.7%

CHIEF FINANCIAL OFFICER'S REPORT continued

Debt maturity profile (excluding securitised warehouses)

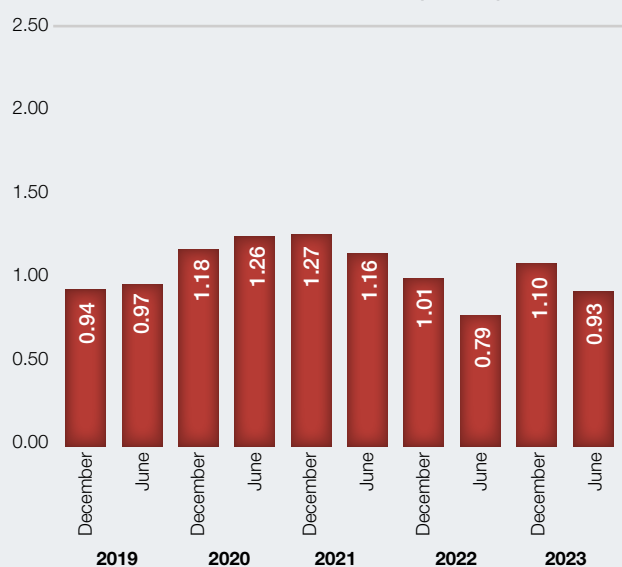
Maturity profile (R'000)



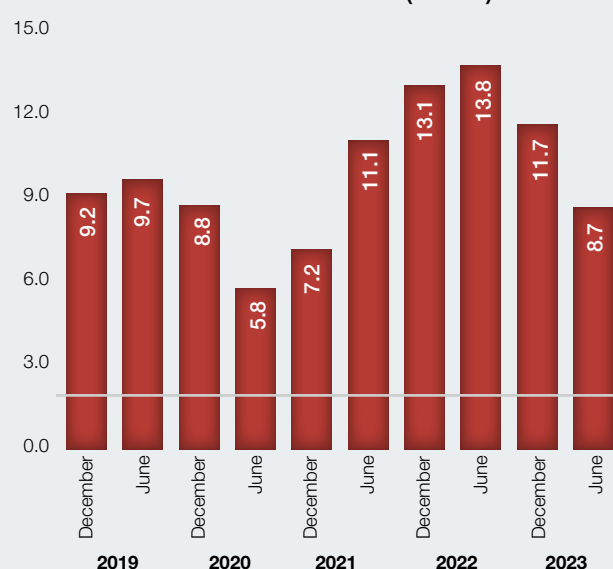
DEBT COVENANTS

The Group met its debt covenants and has sufficient debt facilities to meet its current obligations. The covenants in the graphs below exclude SG Fleet and IFRS 16.

Net debt to EBITDA ($\leq 2.5x$)



Net interest cover ($\geq 2.7x$)



CASH AND CASH EQUIVALENTS

Operating cash flow increased by 18.9% to R8.72 billion (2022: R7.33 billion). Working capital outflow of R4.27 billion was recorded compared to an outflow of R2.57 billion in the prior year. This largely reflects a R4.79 billion net increase in lease portfolio assets within the Fleet Division.

Total dividends paid to Super Group shareholders was R211.3 million (2022: R174.5 million), representing a dividend cover of 5.9 on basic EPS.

Cash outflow on acquiring Super Group shares was R527.8 million (2022: R291.1 million) as part of a Board-approved share repurchase programme whereby the Group bought and cancelled a total of 17 535 265 shares during the year.

The Group remains highly cash-generative and continues to explore acquisition opportunities, both locally and internationally, that meet its strategic requirements and create shareholder value. Cost savings initiatives and asset management focus will continue in the new financial year. The main levers for continued growth, including stronger markets, cost savings and efficiencies, provide comfort that profitability momentum will be maintained going forward.

CORPORATE ACTIONS

The Group raised a net R1.81 billion of listed senior unsecured notes during the year in terms of its domestic medium-term notes programme dated 29 April 2020 (as amended). The following senior unsecured notes were listed this year:

- SPG011 to the value of R300 million (3 years);
- SPGC03 to the value of R200 million (12 months);
- SPG012 to the value of R550 million (5 years);
- SPGC04 to the value of R200 million (12 months); and
- SPG013 to the value of R810 million (5 years).

The Group repaid R250 million of senior unsecured notes in respect of SPG008 during the current financial year.

The Group made the following acquisitions during the financial year:

- On 23 August 2022, Dealerships UK acquired Delgarth Limited for R272.9 million.
- On 14 July 2022, Dealerships UK acquired Gillingham Ford.
- On 3 March 2023, Dealerships UK acquired Romford Suzuki.
- On 1 July 2022, Supply Chain Europe acquired Delver Logistics S.L.U. and Pamplona T.I. Transporte Inmediato.
- RSC Consulting Services Proprietary Limited and Clean Tech 360 Proprietary Limited were purchased on 1 February 2023.

Subsequent to year end, the Group acquired 78.82% of UK-based logistics firm CBW Group Holdings Limited (trading as Amco) for a purchase price of GBP30.3 million. Super Group raised a five-year corporate bond on 29 June 2023 amounting to R810 million in order to fund the acquisition, which will significantly complement the Group's supply chain offering.

ECONOMIC VOLATILITY

Weak economic growth and challenging trading conditions, including the impact of sharp increases in inflation, the price of fuel and interest rates, will continue to affect our businesses. The Group generally passes these increases on to clients in the Supply Chain and Fleet Solutions divisions through contracted escalation clauses.

APPRECIATION

I express my sincere appreciation to the finance team for their ongoing commitment to the highest standards of integrity and financial discipline, and for their support over the past year. I thank my fellow Board members and the Group Executive Committee for their support and guidance.

Colin Brown
Chief Financial Officer and Debt Officer

29 September 2023

SUPPLY CHAIN IN FOCUS

Agility enabled the business to successfully respond to shifting consumer demands and market dynamics.

Revenue up 37%

R22.3bn

(2022: R16.3 billion)

Operating profit up 51%

R1.4bn

(2022: R913.5 million)

Profit before tax up 49%

R1.1bn

(2022: R758.8 million)

Net operating assets

R11bn

(2022: R9.1 billion)

Employees

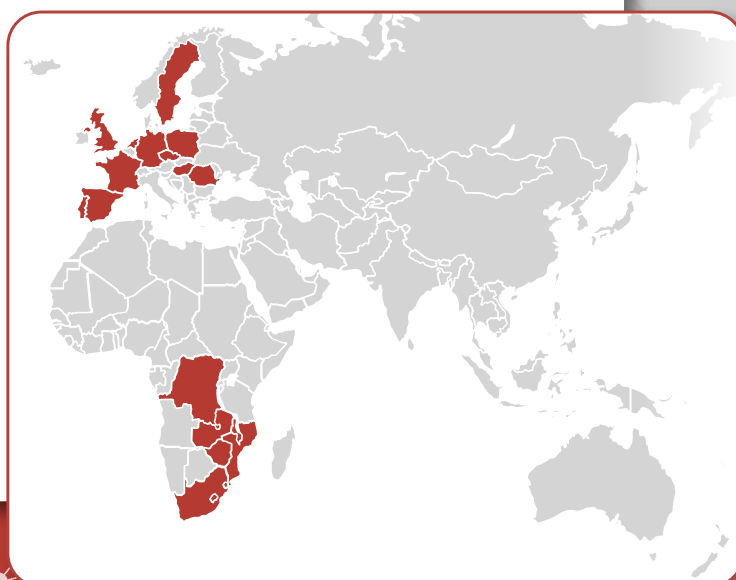
15 759

(2022: 10 815)

Vehicles

5 504

(2022: 4 748)



SUPPLY CHAIN AFRICA | UNPACKING THE 2023 PERFORMANCE

MARKET DEVELOPMENTS

A volatile macroeconomic environment impacted the business and its key stakeholders. Exacerbated by loadshedding and record unemployment rates, inflation and interest rate hikes placed the consumer under growing pressure – eroding buyer confidence and reducing discretionary spend.

Consumer behaviour saw a distinct shift as a result, with a trend towards “buy as you need” on a weekly basis rather than a large monthly shop. Shoppers also favoured the expanded product ranges and extended trading hours of smaller format stores, with formal retail experiencing a volume decline as a result. Recognising this shift, more formal retailers explored and entered the smaller format retail space.

Smaller format stores moved beyond the provision of a basic basket of goods – such as bread and milk – and incorporated additional brands and products, including groceries, home and personal care items.

Despite consumer pressures, spending on entertainment and at quick service restaurants (QSR), restaurants, canteens and hotels increased.

In South Africa, loadshedding had a significant impact on manufacturing, with unreliable and inconsistent electricity supply creating numerous challenges and adding significant costs for manufacturers. Production lines often came to a halt or reduced their output, resulting in notable product shortages and price increases across a wide range of categories.

Supply chain disruptions persisted, further constraining production. The limited availability and rising costs of materials such as sugar, glass and paper packaging exacerbated product shortages and price increases.

To maximise efficiencies and minimise costs, customers increasingly sought for technology-enabled, integrated supply chain solutions.

HOW THE STRATEGY POSITIONED THE BUSINESS TO LEVERAGE A VOLATILE TRADING ENVIRONMENT

The supply chain business remained well positioned to manage the risks and leverage the opportunities inherent in a volatile and evolving trading environment.

A compact management structure enabled agile decision-making, with the swift transition of business models to capture opportunities and mitigate risk.

Integration across operating companies minimised costs and unlocked shared business opportunities.

Serving over 9 500 smaller format stores nationally, the consumer business benefited from the consumer shift away from formal retail. Alongside efficiency enhancing technology, this well-established footprint also appealed to formal retailers looking to expand into this channel.

In addition to the positive impact of significant new business, volume declines in the formal retail sector were mitigated by the increasing volumes realised in smaller format stores.

Technology-based solutions remained key to new business wins and client retention.

The onboarding of new brands and product lines increased market share and helped mitigate the poor availability of other brands and products.

Investment in fit-for-purpose assets drove efficiencies for the business and its clients and created capacity for further growth.

The business benefited from increased consumer spending at QSR, restaurants, canteens, hotels and on entertainment.



SUPPLY CHAIN IN FOCUS continued



An interview with Philip Smith, CEO, Supply Chain FMCG

Q: What were the highlights of 2023?

A: The division won significant new business, with the onboarding of new principals, additional brands and the expansion into new markets. The Group's innovative technology was key to these wins as clients increasingly looked for solutions capable of delivering growth and cost savings. Our astute investments in fit-for-purpose infrastructure further bolstered operational efficiencies and created capacity for future growth.

The division's commitment to sustainability was evidenced in the expansion of ongoing projects that will benefit both the planet and the bottom line through reduced costs and heightened efficiency. The strategic transition away from long-haul transportation remains a focus area, with the reallocation of the fleet to more profitable dedicated contracts.

Q: What were the biggest challenges?

A: Loadshedding had a major impact on production line outputs. This was exacerbated by limited availability and rising costs of input and packaging material, resulting in product shortages and price increases across a range of consumer goods. Long-distance transport remains under pressure.

Q: Why does the division represent a good investment?

A: Our extensive industry experience makes us adept at managing and leveraging market volatility. Our market-leading technology, world-class facilities, geographic reach and scale translate into customised solutions that are not easily replicated. This is evidenced in our longstanding customer relationships and leading market share in key sectors.

Q: What are the division's strategic priorities?

A: The focus remains on pursuing new business opportunities with both existing and new clients, encompassing new brands, product categories and markets. Technology will remain key to the competitive advantage our integrated, end-to-end solutions will unlock for our clients.

Integration and collaboration across business units will further minimise costs and uncover shared business opportunities that support our growth objectives. The identification of complementary acquisitions to mitigate the risks of reduced organic growth is ongoing.

Optimising any investments in fit-for-purpose assets is also critical, in that it creates capacity for future expansion and allows for more innovative and effective client supply chain solutions. It goes without saying that sustainability informs

our operational thinking regarding these assets. Whether it be a state-of-the-art warehouse or an expanded fleet, green solutions make the business more efficient and planet-friendly.

Developing succession plans for key positions and ensuring the workforce is adequately skilled for an evolving workplace is critical, as is maintaining strict overhead and margin management.

Q: Can you give us a snapshot of the division's performance?

A: Supply Chain Africa delivered an excellent performance, with revenue increasing by 38.3% to R17.80 billion (June 2022: R12.87 billion) and operating profit increasing by 48.7% to R1.26 billion (June 2022: R848.0 million). Operating margin increased from 6.6% in the previous year to 7.1% in the current year and profit before tax increased by 44.7% to R1.11 billion (June 2022: R766.1 million).

Technology-based solutions in the consumer businesses contributed to significant new business wins and contract renewals. A diversified product basket and improving volumes in industries such as hospitality, entertainment and quick service restaurants also contributed to this strong performance.

Strong volume increases were experienced in the South African and African Logistics consumer and commodity transport businesses. The industrial businesses also performed well, with good sales and profit performances from SG Mobility, SG Freight and Super Rent.

Q: What is the outlook for the division for the year ahead?

A: Manufacturing and supply chain disruptions will continue to negatively impact product availability and prices. The Supply Chain Africa business remains agile and resilient, and a focus on strategic delivery is expected to yield a strong performance in the forthcoming financial year.

New business wins and contract renewals should continue to boost revenue growth in the consumer businesses, along with improving volumes in hospitality, entertainment and quick service restaurants.

Improved prices and volume increases across all commodities should continue to benefit the division, with low inventories and growing export volumes expected to maintain activity levels into the forthcoming financial year.

FINANCIAL PERFORMANCE

R'million	Change %	2023 Audited	2022 Audited
Revenue	38.3	17 804.7	12 870.6
Operating profit	48.7	1 261.3	848.0
Operating profit margin		7.1%	6.6%
Capital items	(2.1)	51.2	52.2
Net finance costs	51.8	(203.6)	(134.1)
Profit before tax	44.7	1 108.9	766.1

Strategy in action

Leveraging technology to anticipate, meet and exceed the demands of our principals and their consumers



Super Group's proprietary software, Cella, revolutionises supply chain solutions and enables principals to meet ambitious growth objectives. Guiding strategy and enhancing sales tactics, it provides seamless integration, visibility and valuable market intelligence.

The Cella suite of innovative modules includes a state-of-the-art sales tool that provides representatives with real-time access to accurate information – including customer data, performance history and promotions. The app drives sales force behaviour, captures data and highlights growth opportunities. Orders are easily processed after thorough credit vetting and are monitored for intelligent route planning and delivery guidance.

Cella also ensures full visibility and real-time reporting for controllers and drivers, and enables live monitoring and real-time decision-making based on driver progress.

A smart solution keeps our clients' cargo safe



Super Group is proud to have developed and implemented another clever supply chain innovation – Cella SmartLocks. These electronic locks are fitted to vehicle cargo doors and can only be opened after verification that the vehicle is in an approved location.

Upon arriving at a customer location, the driver requests that the doors be unlocked. The system then compares the request location against the delivery schedule and customer's geolocation. If they match, an electronic signal is sent to the SmartLock to open. If they do not match, an alert is immediately sent to the control tower, who will contact the driver to determine why an invalid request was sent.

Multiple cameras provide in-cab, road and vehicle surround views that keep the control tower in the know at all times. All requests, locks and unlocks are recorded for review and analysis. Lock statuses are fully visible on Cella.

SUPPLY CHAIN IN FOCUS continued

DIVISIONAL RISKS

Risks

Volatile macroeconomic environment that places the consumer under growing pressure – eroding buyer confidence, reducing discretionary spend and changing consumer behaviour

Risk controls and mitigating actions

- Compact management structure enables decisions to be made quickly, keeping the business agile and resilient.
- Pursue new business opportunities with existing and new clients, encompassing new brands, product categories and markets.
- Develop integrated, end-to-end solutions that deliver client efficiencies and create new business opportunities.
- Continue to leverage technology to anticipate, meet and exceed the demands of our principals and their consumers.
- Optimise asset investment and drive integration and collaboration across business units to minimise costs and exploit shared business opportunities.
- Identify complementary acquisitions to mitigate the risks of reduced organic growth.
- Identify clients that are best positioned to expand in a low-growth environment and reduce exposure to clients that operate in high-risk environments.

Loadshedding

- Invest in alternate energy supply such as solar and battery, with generator backup (read more about the Group's solar initiatives on page 70).
- Create flexible delivery solutions.
- Constant surveillance of fleet routes via control tower and utilisation of Cella and Waze to ensure the most efficient route to store (see the Cella "strategy in action" story on page 45).

Supply chain constraints and disruptions

- Mitigate product shortages through the representation of multiple principals, brands and products.
- Use of forecast and demand planning tools.
- Strategic engagement with main customers to gain a better understanding of their future growth.

Disintermediation (for example, through retailers opening their own distribution centres)

- Identify international and niche local clients who do not indent directly to retailer distribution centres.
- Build the distributorship model with identified clients, ensuring greater revenue returns and long-term partnerships.
- Pursue contract logistics opportunities.
- Develop integrated, end-to-end solutions that deliver client efficiencies and create new business opportunities.
- Continue to leverage technology to anticipate, meet and exceed the demands of our principals and their consumers.

Hijackings and cargo theft

- SmartLock system used on trucks so that load doors can only be opened in a specific geofence (read more on page 45).
- Vehicle and load tracking, with a 24/7 central tracking centre as well as multiple cameras providing in-cab, road and vehicle surround views.
- Anti-hijacking devices, specialised driver training and armed escorts for high-value products.
- Goods in transit insurance on all loads.
- Well-defined emergency procedures and protocols and ongoing employee training.

Criminal syndicates

- Well-defined procedures and protocols, with multiple levels of authority and segregation of duties, limits of authority and system access.
- Confidential whistle-blowing hotline.
- Daily cycle counts and monthly wall-to-wall stock counts.
- Daily risk reports, monthly security audits and regular internal audit reviews.
- Installation of additional cameras in our facilities and vehicles, armed escorts for high-value products, and insurance on all assets under our control.

SUPPLY CHAIN EUROPE | UNPACKING THE 2023 PERFORMANCE

MARKET DEVELOPMENTS

A volatile macroeconomic environment impacted the business and its key stakeholders. Inflation and interest rate hikes placed the consumer under growing pressure – eroding buyer confidence and reducing discretionary spend.

Supply chain disruptions persisted, further constraining production. This was particularly evident in the automotive sector, with an ongoing scarcity of key components, delivery delays and extended lead times.

The war in Ukraine continued to affect the European economy, inflating commodity prices, prolonging supply-chain disruptions and affecting energy supplies. The economic impact of the war was felt especially strongly in Germany and central Europe, where energy-intensive industries struggled to remain competitive. Fears over global food supplies remained high amid risks to grain exports from Russia and Ukraine.

HOW THE STRATEGY POSITIONED THE BUSINESS TO LEVERAGE A VOLATILE TRADING ENVIRONMENT

The ongoing evolution of the division's business model ensured both relevant services and optimised cost structures.

Operational enhancements such as the consolidation of shipments onto larger vehicles, higher average kilometres per load, and the recovery of increased diesel and other operating costs were key to growth.

Strategic acquisitions supported growth.



SUPPLY CHAIN IN FOCUS continued



An interview with Gerd Roettger, CEO, inTime

Q: What were the highlights of 2023?

A: Supply Chain Europe has made significant strides in improving its overall performance. The division continues to evolve its business model to ensure both relevant services and optimised cost structures, and the benefits of these efforts are now evident in our financial performance. Our progress has also been driven by a number of value-accretive operational enhancements. These include the consolidation of shipments onto larger vehicles, higher average kilometres per load and the recovery of increased diesel and other operating costs

Q: What were the biggest challenges?

A: The German automotive industry is still struggling to recover from the blow dealt by the pandemic and disrupted supply chains. Although volumes have shown a significant improvement compared with 2022, production is still about 10% lower than in the first half of 2019 and reaching the pre-pandemic level of output may take a while yet.

Q: Why does the division represent a good investment?

A: The division's market-leading technology and extensive industry experience set it apart from competitors, as do its longstanding customer relationships.

Q: What are the division's strategic priorities?

A: The diversification of the inTime customer base to mitigate the automotive industry dependency remains a strategic priority, along with the ongoing review of our business models to ensure resilience and relevance in line with fluctuating demand. Improved flexibility and enhanced electronic trading solutions will still be a significant focus over the next year. Maintaining strict overhead and margin management remains paramount.

Q: Can you give us a snapshot of the division's performance?

A: Supply Chain Europe's overall performance improved considerably. Revenue increased by 19.7% in Euros and 30% in Rands, reflecting the ongoing evolution of the business model. Operating margin increased from 1.9% to 2.7%, driving an operating profit growth of 84.1%.

Ader acquired 75% of the shares in both T.I. and Delver in the north of Spain on 1 July 2022. These businesses provide last-mile distribution transport services, primarily within the temperature-controlled environment. Revenue from these acquisitions amounted to R366.0 million for the year.

inTime's average turnover per transport increased by 22.8%, including an 8.8% increase in kilometres per transport, as a result of consolidating shipments. Overall European revenue increased by 30.0%, with inTime's revenue increasing by 21.4%, Ader's by 38.5% (including the acquisitions) and TLT's by 38.8%.

Although off a small base, LiBCycle's revenue increased fourteenfold, delivering its first profits since inception in October 2021. The innovative business provides a comprehensive solution to the automotive sector in Europe for the transportation and storage of lithium-ion batteries.

The weakening of the average Rand against the Euro had minimal impact.

Q: What is the outlook for the division in the year ahead?

A: A gradual improvement in the availability of new vehicles and automotive parts distribution volumes should bolster the performance of the European supply chain business. The division will maintain its focus on industry diversification, with further expansion expected in the agricultural and industrial parts sectors.

FINANCIAL PERFORMANCE

R'million	Change %	2023 Audited	2022 Audited
Revenue	30.0	4 482.5	3 448.9
Operating profit	84.1	120.6	65.5
Operating profit margin		2.7%	1.9%
Capital items	24.1	(1.1)	(0.9)
Net finance costs	37.5	(98.9)	(71.9)
Profit/(Loss) before tax	nm	20.6	(7.3)

Strategy in action

The acquisition of Amco creates synergies between the European and UK operations



On 19 July 2023, Super Group announced its acquisition of 78.82% of the equity of CBW Group Holdings Limited (trading as Amco) for a purchase consideration of GBP30.3 million. The acquisition of Amco will significantly complement the Group's supply chain offering, providing opportunities for market share gains across the UK and Europe.

Headquartered in the United Kingdom (UK), Amco is a transport and logistics business and a leading provider of specialist land, air and sea logistics. Founded in 1983, the business has 11 UK operating locations and hubs strategically placed across Europe. Amco delivers its logistics services to over 250 active UK and European customers that operate in a diverse range of manufacturing sectors – including automotive, telecommunications, retail, construction, mining and FMCG. Amco harnesses a worldwide network of international partners, ensuring local knowledge and expertise. Their team includes highly experienced specialists, many of whom have previously worked in customer sectors such as automotive, waste, defence and FMCG markets.

The business segment has high barriers to entry, with Amco well positioned as a result of its established OEM relationships, strategically located warehousing and investment in new value-added services such as e-commerce fulfilment, procurement and consulting.

Read more at <https://www.amco-group.co.uk/>

Ader acquires T.I. Transporte Inmediato



On 1 July 2022, Super Group Spain announced the acquisition of T.I. Transporte Inmediato. With a focus on the hospitality, food and pharma sectors, this logistics leader specialises in temperature-controlled, last-mile B2B and B2C services. The incorporation of T.I. positions the European Supply Chain division strongly in a strategic growth sector, increases its national presence and significantly strengthens its network.

Headquartered in Navarra, Spain, T.I. was founded in 1997. With operations spanning 16 provinces, the business has over 300 employees and a fleet of more than 200 vehicles.

With Ader already a leader in the Spanish market, this acquisition will further strengthen the portfolio of transportation, logistics and mobility solutions the Group offers in Spain. Importantly, the incorporation of T.I. will bolster the Group's temperature-controlled last-mile capabilities.

SUPPLY CHAIN **IN FOCUS** continued

DIVISIONAL RISKS

Risks

Volatile macroeconomic environment, including rising transport costs due to increases in tolls and fuel prices

Growing competition from digital platforms

Shortage of skilled employees

Risk controls and mitigating actions

- Rigorous cost management.
- Leverage technology to deliver operational efficiencies and cost saving.
- Optimise vehicle utilisation and keep costs to a minimum.
- Agreement of new diesel price clauses with major customers, price increases in all other customer segments.
- Increases in fuel prices and toll fees are passed on to clients.
- Owned vehicle fleet is equipped with the latest diesel and exhaust technology, and company cars are steadily being converted to e-vehicles.

- Continuous enhancement of digital solutions
- Interface with key platforms and marketplaces

- Business processes are further digitalised to reduce staffing needs.
- Developing an incentive model for hiring drivers.
- Identification of key employees with whom long-term perspectives and salary development plans are to be agreed.



FLEET SOLUTIONS IN FOCUS

Revenue up 21%

R13.2bn

(2022: R10.9 billion)

Operating profit up 21%

R1.9bn

(2022: R1.5 billion)

Profit before tax up 24%

R1.4bn

(2022: R1.1 billion)

Net operating assets

R11.2bn

(2022: R9.5 billion)

Employees

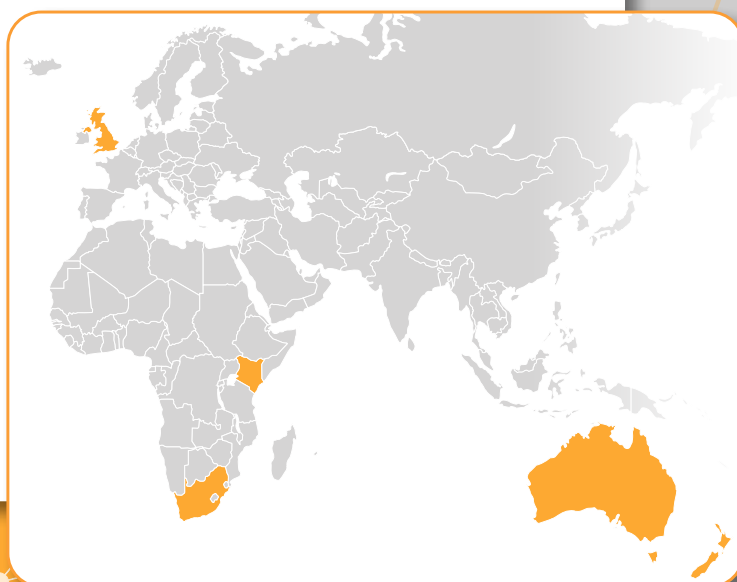
1 385

(2022: 1 196)

Vehicles

281 594

(2022: 282 273)



FLEET SOLUTIONS IN FOCUS continued

SG FLEET | UNPACKING THE 2023 PERFORMANCE

MARKET DEVELOPMENTS

The macroeconomic environment varied across the Group's geographies, partially as a consequence of interest rate movements, while New Zealand was impacted by a series of natural disasters early in the year. In Australia, the employment environment improved, easing some of the upward pressure on labour costs.

Although the supply shortages finally showed signs of easing, availability of mainstream vehicles remained patchy. Interest in electric vehicles accelerated, particularly in Australia, as a consequence of new legislation promoting EV take-up.

HOW THE STRATEGY POSITIONED THE BUSINESS TO LEVERAGE A VOLATILE TRADING ENVIRONMENT

SG Fleet's high business win rates ensured that strong growth in orders was maintained, helped by its wide range of innovative, high value-add solutions and its recognised expertise in EVs.

With supply showing some improvement, higher deliveries resulted in higher used vehicle disposal numbers. This natural hedge ensures that further improvement in supply will partially offset any decline in used vehicle values.





An interview with Robert Blau, CEO, SG Fleet

Q: What were the highlights of 2023?

- A:** SG Fleet's performance benefited from continued strong order growth, better supply levels and a more supportive labour environment. Customer wins and orders resulted in steady growth, with the order book again outpacing deliveries and further extending order pipelines. The novated channel, in particular, saw a surge in interest for its products. This trend was accelerated by the electric vehicle (EV) initiatives announced by the Australian Federal Government, which dramatically increased interest in EVs among novated drivers.

The LeasePlan integration progressed well, with a focus on further benefit extraction by standardising SG Fleet's offering across the two brands and leveraging its greater scale. Improved supply arrangements were obtained for tyres, accident management and roadside assistance, in addition to earlier fuel renegotiations. Customer retention remained very strong and product penetration increased further.

Q: What were the biggest challenges?

- A:** Although supply shortages finally showed signs of easing, the limited availability of new vehicle stock persisted. As a result, the order book again outpaced deliveries and further extended our order pipelines.

Q: Why does the division represent a good investment?

- A:** As a leading specialist in both fleet management and leasing, as well as salary packaging, SG Fleet is uniquely positioned to provide innovative solutions to the corporate and government sectors and to drivers salary packaging their vehicles. The business prides itself on the strength of its relationships with blue-chip corporate and government customers. These long-term relationships have been built around a customer-centric approach to service delivery and the development of bespoke but scalable solutions to meet the needs of each customer.

The business' international experience is applied with local knowledge to provide world-class fleet solutions. Its expertise lies in the management of complex vehicle fleets across a wide range of industries and organisations, both in the public and private sector. Fleets managed range from passenger, light and heavy commercial to highly specialised, purpose-built vehicles, with services provided across the full life of the asset.

SG Fleet actively contributes to the global discussion about the future of transport and is shaping the new mobility landscape in cooperation with all levels of government as well as leading corporates. The business continuously

evolves its fleet management capabilities and mobility solutions, and selectively invests in new technologies and business models.

Q: What are the division's strategic priorities?

- A:** The integration of the LeasePlan acquisition is a key priority, and the delivery of business synergies is critical over the next three financial years. We remain focused on achieving growth by enhancing the customer experience and upselling our growing products and services offering. For that purpose, we also selectively invest in businesses offering new mobility capabilities, such as the DingGo accident and repair management portal, the micro-mobility provider Zoomo, and the Carly subscription services business.

Q: Can you give us a snapshot of the division's performance?

- A:** Benefiting from continued strong order growth and gradually improving supply levels, SG Fleet's revenue increased by 23.6%, with operating profit increasing by 23.0%. With better vehicle supply largely limited to new market entrants and EV manufacturers, and mainstream vehicle models remaining scarce, used vehicle values remained stable and elevated. As disposal volumes improved in line with higher delivery numbers, this continued to benefit the business.

New Zealand and the UK contributed positively to the results. In New Zealand, vehicle registration numbers remained strong and tender activity continued largely at the same pace across corporate and government sectors. In the UK, some of the concerns about interest rates began to abate, leading to a steady improvement in corporate and consumer sentiment. As more opportunities emerged, the company was able to step up its win activity.

The weakening of the average Rand against the AUD positively impacted the results by R88.2 million for the year under review. For the full set of results, refer to www.sgfleet.com.

Q: What is the outlook for the division in the year ahead?

- A:** SG Fleet is expected to perform well, with the steady improvement in the availability of new vehicles helping meet pent-up demand. This improvement in availability will partially moderate the impact of normalising used vehicle values. New business wins, strong retention rates and the realisation of the LeasePlan synergies will support sustainable growth.

FLEET SOLUTIONS IN FOCUS continued

FINANCIAL PERFORMANCE

R'million	Change %	2023 Audited	2022 Restated*
Revenue	23.6	12 143.5	9 824.4
Operating profit	23.0	1 629.8	1 324.9
Operating profit margin		13.4%	13.5%
Capital items	nm	(2.7)	(0.6)
Net finance costs	15.5	(459.6)	(398.1)
Profit before tax	26.1	1 167.5	926.2

* Revenue was restated from R9 588.0 million to R9 824.4 million.

Strategy in action

Zoomo partnership adds e-bikes to fleets and consumer range



Zoomo, the world leader for light electric last-mile delivery vehicles, and SG Fleet announced their partnership in July 2022. Zoomo and SG Fleet share a similar vision of providing efficient and sustainable vehicles to help individuals and businesses reduce the impact of their emissions on the environment. Working together, SG Fleet's expansive network and industry expertise will help realise Zoomo's mission to put more light electric vehicles on Australian and UK roads.

Specifically, Zoomo and SG Fleet are partnering on a go-to-market strategy that will see Zoomo e-bikes offered to SG Fleet's existing customer base to further broaden its range of electric solutions. This is particularly appealing to customers seeking more sustainable, commercially viable solutions for increasingly critical last-mile deliveries. Furthermore, the partnership offers collaborative R&D opportunities for both parties. Zoomo will gain insights into fleet management knowledge and processes, while SG Fleet will benefit from Zoomo's expertise in e-bike management and access to their network of maintenance suppliers.

Light electric vehicles are another tool companies can use to reduce their transport carbon emissions. For example, it does not always make sense to use a 1.5 ton truck for a particular journey if cheaper and less carbon-intensive alternatives are available. This important investment enables SG Fleet to deliver light electric vehicles as a viable, sustainable mobility alternative to enhance its customers' fleets.

DingGo digital portal an industry first



SG Fleet's objective is to build out its products and services range to provide a truly integrated mobility solution for customers. Digitisation is a core enabler of that. The LeasePlan acquisition has effectively given the company the largest fleet management data set across Australia and New Zealand. The company will progressively utilise this unique advantage to create better, more efficient, higher value-add products and services that will fundamentally change the way organisations and individuals manage their mobility and related needs.

An example of this approach is the transitioning of traditional accident management services to a digitised approach under the DingGo banner, a first in the industry. The service integrates claims, replacement vehicles and other accident-related needs into a customisable process management and reporting portal. This service has now been rolled out to SG Fleet and LeasePlan tool-of-trade customers and is fundamentally transforming their experience. In due course, it will also be offered to novated customers.

DIVISIONAL RISKS

Risks

Future market movements in used vehicle values

Risk controls and mitigating actions

The Group uses advanced statistical modelling underpinned by extensive data and overlaid with deep industry expertise to set vehicle residual values. Multiple residual value risk mitigation strategies are employed during the life of the lease, including lease restructures and extensions.

New vehicle supply

The Group frequently engages with manufacturers and dealers on the status of production lines and shipping.

Economic conditions

Robust controls are in place to manage headcount growth and remuneration adjustments. Products and services pricing is reviewed periodically to maintain competitiveness.

Regulatory environment impacting demand for novated leasing

The Group has diversified its lease portfolio to reduce the proportion of novated leases, and invests in product development to increase the novated leasing value proposition beyond the tax concessions.



FLEET SOLUTIONS IN FOCUS continued

FLEET AFRICA | UNPACKING THE 2023 PERFORMANCE

MARKET DEVELOPMENTS

A volatile macroeconomic environment impacted the business and its key stakeholders. Exacerbated by loadshedding, inflation and interest rate hikes placed the consumer under growing pressure. A weak Rand also affected the affordability of new vehicles, parts and specialised equipment.

A lack of proper planning, corruption and inadequate maintenance impacted municipal service delivery.

Supply chain disruptions persisted and scarcity of key components, delivery delays and extended lead times remained problematic. Although the semiconductor shortage eased, shortages of certain brands and models persisted. Commercial vehicles were in short supply.

Competitors' solutions remained well priced and aggressively marketed, with many enjoying longstanding relationships with corporate clients.

There was no progress on the issue and award of South African parastatal tenders, the poor payment record on parastatal and government contracts, or the provisional liquidation of SA Post Office.

HOW THE STRATEGY POSITIONED THE BUSINESS TO LEVERAGE A VOLATILE TRADING ENVIRONMENT

The fleet solutions business remained well positioned to manage the risks and leverage the opportunities inherent in a volatile and evolving trading environment.

- A compact management structure enabled agile decision-making, with the swift transition of business models to capture opportunities and mitigate risk.
- Technology-based solutions remained key to competitiveness.
- The business is Level 1 B-BBEE certified – a significant advantage in the markets it serves.
- The scale and reach of the business provided resilience to the impact of smaller, regional competitors, and increased marketing drove visibility among corporate clients.
- Good growth in ad hoc rental volumes on existing contracts helped mitigate the lack of movement in the issue and award of parastatal tenders.
- A focus on value-added services as an additional revenue stream, including funding, maintenance and insurance.
- The exploration of reciprocal business with Group service providers and the South African Dealerships division.
- Management focus on operational efficiencies and a lean cost structure supported growth.
- The business closely managed vehicle availability with OEMs, evaluating Asian brands as viable alternatives.





An interview with Bonisile Makubalo, CEO, Fleet Africa

Q: What were the highlights of 2023?

A: Fleet Africa won new business outside of the parastatal sector and benefited from good growth in ad hoc rental volumes on existing contracts and better resale values. The joint venture with the Co-Op Bank in Kenya delivered excellent growth.

Q: What were the biggest challenges?

A: The ongoing lack of progress in the issue and award of South African parastatal tenders. The poor payment record on parastatal and government contracts was also problematic, with the provisional liquidation of SA Post Office a definite lowlight.

Commercial vehicles remained in short supply, with supply chain disruptions continuing to impact the availability of key components and resulting in delivery delays and extended lead times.

Q: Why does the division represent a good investment?

A: Fleet Africa's well-established market position makes it resilient in the face of market volatility. With extensive geographic reach, the business excels in leveraging cutting-edge technology to deliver customised, scalable client solutions. Impressive B-BBEE credentials further underscore these strengths.

Q: What are the division's strategic priorities?

A: The business will continue to pursue new business opportunities in the corporate sector and full maintenance lease market expansion opportunities in East Africa. This will require an ongoing investment in technology and optimisation of all assets. Maintaining strict overhead and margin management remains critical.

Q: Can you give us a snapshot of the division's performance?

A: Fleet Africa produced solid results, with good growth in ad hoc rental volumes on existing contracts. Efforts to secure new business outside of the parastatal sector progressed well.

Fleet Africa's joint venture with the Co-Op Bank in Kenya continued to gain momentum and the region remains a key component of the business' growth strategy. The Kenyan operations reported revenue growth of 50% and operating profit growth of 39%.

Q: What is the outlook for the division in the year ahead?

A: The business remains well positioned to withstand a volatile trading environment and leverage the opportunities it presents. Despite a sluggish new business pipeline, increased activity on existing contracts and good growth in ad hoc rental volumes should continue to produce solid results.

Fleet Africa will maintain its focus on growing its private sector customer base and management service offering – encompassing funding, maintenance and insurance solutions. Further expansion of the business' fleet lease presence in East Africa also remains a priority.

Alongside its reach and scale, the business will continue to leverage technology as a key competitive advantage. Expertise in the procurement and management of highly specialised vehicles and equipment will also support a resilient performance in the year ahead, and the optimisation of asset investment remains key in FY2024.

FLEET SOLUTIONS IN FOCUS continued

FINANCIAL PERFORMANCE

R'million	Change %	2023 Audited	2022 Audited
Revenue	1.2	1 089.4	1 076.2
Operating profit	8.2	243.1	224.8
Operating profit margin		22.3%	20.9%
Net finance costs	(46.3)	(14.8)	(27.6)
Profit before tax	15.8	228.3	197.2

Strategy in action

Market-leading technology sets client solutions apart



Fleet Africa's Fleet Intelligence Control Centre (FICC) is a state-of-the-art facility that serves as the nerve centre of a sophisticated and technologically advanced fleet of vehicles. Regardless of the size or composition of the fleet, the FICC plays a crucial role in optimising operations, enhancing situational awareness and ensuring smooth functioning of the entire fleet.

At the heart of the FICC lies a powerful and intricate network of interconnected computers and servers that collect and analyse data from every vehicle within the fleet. This encompasses information ranging from real-time vehicle locations to fuel levels, engine performance, cargo status and environmental conditions. Advanced artificial intelligence algorithms process this data in real time, providing fleet managers and operators with actionable insights and predictive analytics.

The FICC specialises in managing exceptions through key performance indicators, promptly notifying the business about real-time vehicle downtime on a per-vehicle basis. Ultimately, the centre prioritises vehicle uptime, optimises performance and delivers maximum value.

Key features of the FICC include:

- **Advanced technology utilisation:** The FICC leverages a state-of-the-art web-based system powered by Super Group IT. The system integrates seamlessly with all tracking service providers, enabling real-time access to the essential data required for efficient fleet management.
- **An expert team:** The FICC boasts a highly skilled and dedicated team focused on ensuring the smooth functioning of the control centre and maintaining high-quality fleet operations.
- **Vast fleet management scope:** The FICC oversees a national fleet of over 7 500 vehicles. This entails the management of a wide range of data, including daily movement reports, live tracking, tracking unit status, video monitoring, driver behaviour events and vehicle downtime management.
- **Data intelligence and actionable insights:** With a strong emphasis on data-driven decision-making, the FICC provides valuable insights and actionable intelligence to optimise fleet performance.

Fleet Africa's FICC represents the pinnacle of fleet management and brings a new level of efficiency, safety and reliability to modern fleets, making them an indispensable component of cutting-edge transportation and mobility solutions.

Strategy in action

Specialised solutions that deliver



Lancewood has been a valued client of Fleet Africa since 2005. As a leading provider of quality dairy products, Lancewood relies on Fleet Africa's fleet management expertise to uphold their reputation for excellence.

Fleet Africa supplies Lancewood with a comprehensive fleet solution comprising specialised truck tractor units and tankers. For the units that are on a full maintenance and lease contract, Fleet Africa ensures that they are expertly maintained and in peak operating condition, providing critical reliability and efficiency.

For the daily transporting of milk in large quantities from farms to distribution centres, Fleet Africa provides Lancewood with 33 000 litre tankers designed with insulation and fitted with pumps for smooth loading and unloading. These tankers play a crucial role in ensuring the consistent delivery of fresh dairy products to consumers.

In addition, Fleet Africa supplies Lancewood with 8-ton and 12-ton rigids equipped with refrigeration units and tail lifts. These vehicles maintain a precise temperature range of minus 2 to 5 degrees Celsius, ensuring the safe transportation of cold products. Lancewood relies on these refrigerated rigids to safeguard the quality and freshness of their perishable goods during transit.

To accommodate non-refrigerated items such as long-life milk, Fleet Africa provides tautliner rigids and trailers. These versatile vehicles are equipped to transport a variety of goods, enhancing the flexibility of Lancewood's supply chain.

Through this dynamic fleet solution, Fleet Africa plays a vital role in supporting Lancewood's operations and enabling the company to meet the demands of its customers – all while upholding the highest standards of product quality and freshness.

The enduring partnership between Fleet Africa and Lancewood is a testament to the success that can be achieved through seamless collaboration and tailored fleet management solutions.

DIVISIONAL RISKS

Risks

Volatile macroeconomic environment that places the consumer under growing pressure – eroding buyer confidence, reducing discretionary spend and changing consumer behaviour

Protracted shortage of new vehicles and parts

Dependency on large parastatal contracts

Impact of weak currency on the price of vehicles and parts

Concentration in the government/parastatal sector

Risk controls and mitigating actions

- Compact management structure enables decisions to be made quickly, keeping the business agile and resilient.
- Pursue new business opportunities in the corporate sector.
- Continue to leverage technology to anticipate, meet and exceed the demands of our clients and optimise asset investment.

- Mitigate parts shortages through the representation of multiple brands.
- Strong OEM relationships.
- Procure available commercial vehicles into stock.

- Target private company tender providers.
- Secure more long-term business opportunities.
- Explore opportunities beyond South Africa's border.

- Maintain a lean cost base and good working capital management.

- Increased marketing to drive visibility among corporate clients.
- A focus on value-added services – such as funding, maintenance and insurance – as an additional revenue stream.
- Explore reciprocal business with Group service providers and the South African Dealerships division.
- Identify complementary acquisitions to mitigate the risks of reduced organic growth.

DEALERSHIPS IN FOCUS

A steady improvement in new vehicle availability helped meet pent-up demand

Revenue up 31 %

R26.3bn

(2022: R20.1 billion)

Operating profit up 24 %

R726m

(2022: R586 million)

Profit before tax up 18 %

R496m

(2022: R421 million)

Net operating assets

R3.2bn

(2022: R2.6 billion)

Employees

2 623

(2022: 2 795)

Dealerships in SA

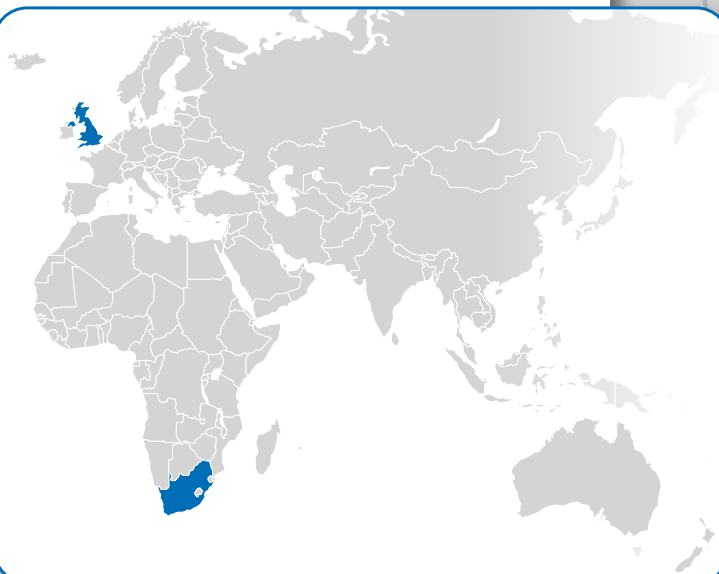
52

(2022: 49)

Dealerships in the UK

41

(2022: 34)



DEALERSHIPS SA | UNPACKING THE 2023 PERFORMANCE

MARKET DEVELOPMENTS

A volatile macroeconomic environment impacted the business and its key stakeholders. Exacerbated by loadshedding, inflation and interest rate hikes placed the consumer under growing pressure – eroding buyer confidence and reducing discretionary spend.

Consumer behaviour saw a distinct shift as a result, with people holding off on the purchase of a new vehicle or opting for a more affordable brand or model.

Manufacturers and suppliers also faced loadshedding-related disruptions and cost increases, with alternate energy sources adding significant cost and smaller operators struggling to absorb the investment required to remain fully operational.

Supply chain disruptions persisted and scarcity of key components, delivery delays and extended lead times remained problematic. Although the semiconductor shortage eased, shortages of certain brands and models persisted.

Asian and Indian automotive brands delivered enviable growth. Alongside stalwarts such as Toyota, Ford and Isuzu, the ability of brands such as Chery, Haval, Omada and Suzuki to provide affordable yet reliable vehicles made them particularly attractive in emerging economies, where demand for affordable transport options is high. These OEMs have focused on producing affordable yet feature-rich vehicles, adapting their products to suit local conditions and preferences.

HOW THE STRATEGY POSITIONED THE BUSINESS TO LEVERAGE A VOLATILE TRADING ENVIRONMENT

Dealerships SA remained well positioned to manage the risks and leverage the opportunities inherent in a volatile and evolving trading environment.

- A compact management structure enabled agile decision-making, with the swift transition of business models to capture opportunities and mitigate risk.
- Growing representation of value and volume brands positioned the business to meeting changing consumer preferences. This included growing Asian brand representation.
- Multi-brand franchises helped mitigate shortages of particular brands and models by making alternatives readily available to buyers.
- Enhanced by technology, a relentless focus on service quality translated into growth in key sectors, with buyers responding positively to an enhanced customer experience.
- A robust aftermarket parts and service performance supported growth, as did the lean cost structure.
- Improved availability drove an increase in new vehicle sales volumes at reasonable margins, helping to mitigate the used vehicle price adjustment cycle.



DEALERSHIPS IN FOCUS continued



An interview with Graeme Watson, CEO, Dealerships SA and UK

Q: What were the highlights of 2023?

A: Dealerships SA successfully maintained its market share and achieved growth in key sectors, growing its representation of value and volume brands. We successfully weathered the used vehicle value adjustment cycle and kept working capital costs low. A strong aftermarket parts and service performance supported growth. The enhancements made to our digital trading platform strengthened the business' digital capabilities, augmenting the sales pipeline and improving customer communication and retention.

Q: What were the biggest challenges?

A: Inflation and interest rate hikes placed the consumer under growing pressure, with many delaying their purchases or choosing more affordable brands or models. Loadshedding further burdened consumers and manufacturers, with supply chain disruptions continuing as a result. Rand weakness increased the costs of new vehicles and parts.

Q: Why does the division represent a good investment?

A: The business is well positioned to manage market volatility. An experienced management team, lean cost structure and excellent management of working capital are key to growth in a volatile market. We have longstanding relationships with key OEMs and technology solutions that ensure an interactive customer journey. Dealership facilities are of the highest quality and further enhance the customer experience, underpinning a relentless focus on service quality.

Q: What are the division's strategic priorities?

A: The division will continue to grow its representation of volume and value brands. Multi-brand dealerships remain integral to optimising our dealership footprint. Delivering consistent customer experiences and service excellence, along with ongoing implementation of customer-centric technology solutions, is critical. Maintaining a lean cost structure and excellent management of working capital is a given.

Q: Can you give us a snapshot of the division's performance?

A: Our performance was underpinned by strong new vehicle sales volumes, which increased by 19.1%, strongly outperforming the National Association of Automobile Manufacturers of South Africa (NAAMSA) growth of 10.1%. In spite of the used vehicle market coming under pressure over the past year, the division maintained the sales volumes achieved in the prior period.

Operating profit increased by 20.7% and operating margins increased from 3.7% to 3.9%, mainly due to a stronger contribution from the new vehicle sales and associated finance business, ongoing cost containment and a good aftermarket parts and service performance. The profit contribution from used vehicle sales declined marginally as a result of lower volumes and weaker used vehicle margins.

The business continued to grow its representation of volume/value brands and establish multi-brand facilities, enabling it to meet resilient consumer demand despite ongoing shortages of certain brands and models.

Technology remained the foundation of service excellence and was key to superior customer experience and sales pipeline development.

Q: What is the outlook for the division in the year ahead?

A: With the consumer expected to remain under pressure, the year ahead is set to be a challenging one for the South African dealership market. Alongside the impact of inflation and interest rate hikes, supply chain and manufacturing disruptions look set to persist. As a result, consumers will continue to delay their purchases or opt for more affordable brands or models.

The business remains well positioned, however, to mitigate the volatile trading environment and leverage the opportunities it presents. The management structure will remain compact and agile, with an unrelenting focus on maintaining a lean cost base and excellent management of working capital. Dealerships SA will also continue to grow its representation of volume and value brands and further leverage its dealership footprint, with a focus on geographic synergies and multi-brand facilities. Technology will remain key to superior customer experience, service quality and a robust sales pipeline.

Supported by strong contributions from services and ancillary products, resilient demand for new vehicles and aftermarket services should position Dealerships SA well to deliver another good performance.

FINANCIAL PERFORMANCE

R'million	Change %	2023 Audited	2022 Audited
Revenue	14.5	10 596.9	9 254.4
Operating profit	20.7	408.3	338.4
Operating profit margin		3.9%	3.7%
Capital items	4.3	(15.9)	(15.2)
Net finance costs	56.2	(131.1)	(83.9)
Profit before tax	9.2	261.4	239.3

Strategy in action

Reaping the benefits of multi-brand facilities



Dealerships SA's multi-brand strategy offers several benefits – providing increased market opportunities and risk diversification, while offering customers a convenient one-stop-shop experience and access to a wider range of vehicle choices. By leveraging multiple brands, the business can optimise revenue potential and better adapt to changing market dynamics.

One of the key advantages is the ability to cater to a diverse customer base. By representing multiple brands, the business can access a range of market segments and offer a wider range of vehicles to suit various customer preferences. This allows Dealerships SA to capture a larger share of the market and increase revenue streams.

A multi-brand strategy also provides a degree of protection against market fluctuations. If one brand or model experiences supply challenges, for example, the business can rely on the other brands/models within its portfolio to mitigate any potential losses.

From a consumer perspective, multi-brand franchising offers greater convenience and choice. Instead of having to visit different dealerships or locations to explore different brands, customers can find a variety of options under one roof.

Multi-brand dealerships also benefit from economies of scale, allowing them to offer competitive pricing, attractive financing options and comprehensive after-sales services, ultimately enhancing the overall customer experience.

Enhancing the customer experience and bolstering the sales pipeline with an innovative digital trading platform



Dealerships SA's integrated digital platform provides numerous benefits to the business and its customers, ultimately streamlining the sales life cycle, enhancing customer communication and driving growth in a highly competitive industry.

The seamless integration of databases within the platform enables better segmentation of customer data, allowing the business to analyse customer preferences, purchasing history and other relevant data, and to use these insights to tailor its marketing strategies and offer personalised experiences to customers. This targeted communication leads to higher customer engagement and improved conversion rates, boosting sales and revenue.

The end-to-end digital platform automates lead generation processes and workflows, reducing manual effort and human error. It also facilitates efficient lead tracking and follow-up, ensuring that no sales opportunity is missed.

Automation allows sales teams to focus on building relationships with customers, providing better support and closing deals rather than getting bogged down by administrative tasks. The platform provides various channels for communication, including email, chat and social media integration. Customers can easily connect with support, ask questions and receive prompt responses. This transparent and responsive communication builds trust and loyalty, fostering long-term relationships.

DEALERSHIPS IN FOCUS continued

DIVISIONAL RISKS

Risks

Volatile macroeconomic environment that places the consumer under growing pressure – eroding buyer confidence, reducing discretionary spend and changing consumer behaviour

Supply chain constraints and disruptions

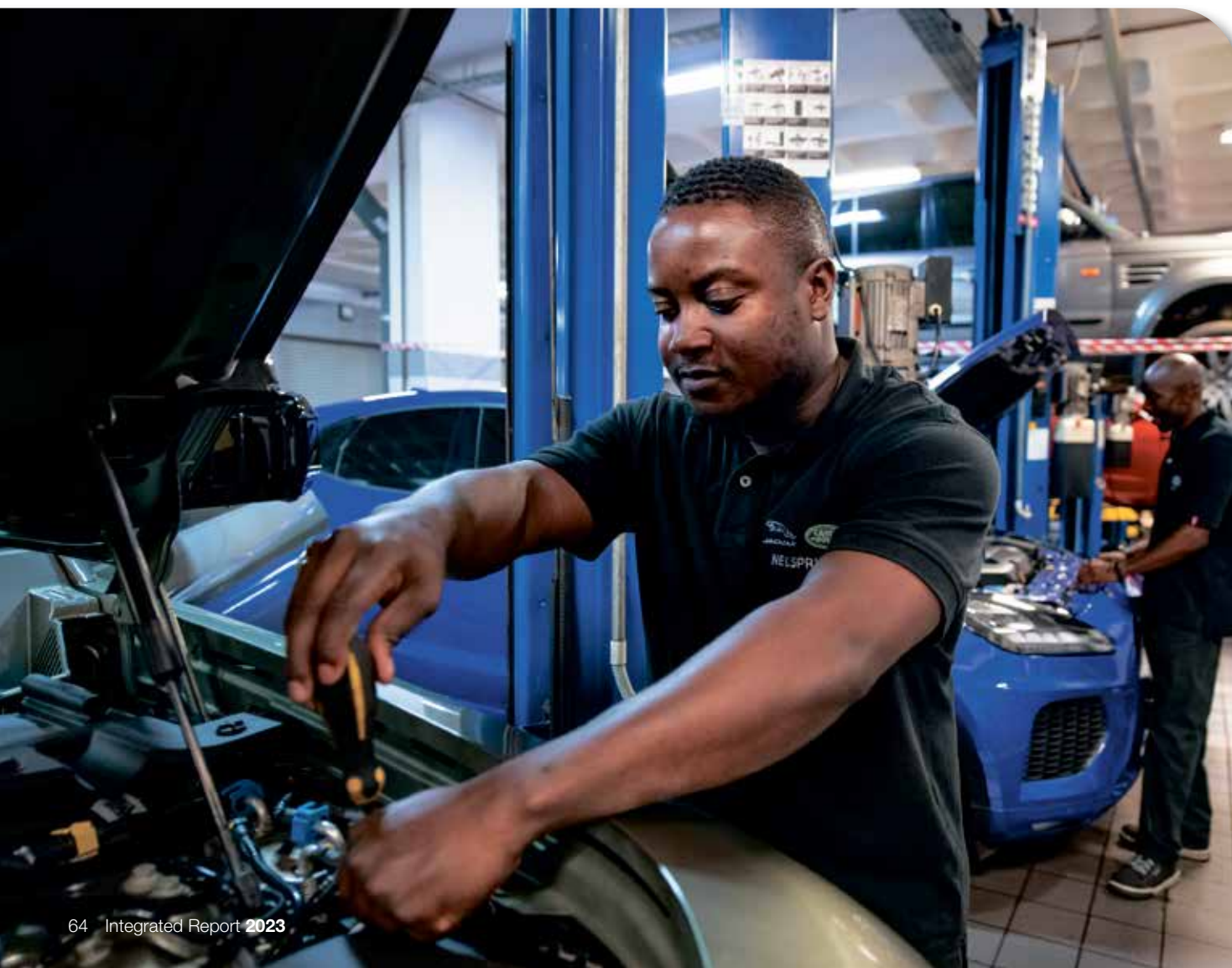
The environmental evolution of the automotive industry – and growing shift to electric vehicles – often fails to consider the emerging market realities of Africa and other similar economies

Risk controls and mitigating actions

- Relentless focus on service quality and the customer experience.
- Growing representation of volume and value brands and multi-brand dealerships.
- Compact management structure enables decisions to be made quickly, keeping the business agile and resilient.
- Maintain lean cost structure and good working capital management.
- Invest in digital solutions that bolster the sales pipeline and improve customer retention.

- Maintain strong OEM relationships and flexible order structures across product lines.
- Limit customer migration through ongoing communication and an ever-improving mix of premium luxury and value/volume brands.

- Strong OEM relationships ensure an understanding of their electric vehicle strategy and how they intend to serve the African consumer in the short to medium term.
- Ensure that the business will be an early adopter and supporter of OEM electric vehicle initiatives.
- Represent brands and product range that meet the value requirements of consumers and the economy.



DEALERSHIPS UK | UNPACKING THE 2023 PERFORMANCE

MARKET DEVELOPMENTS

- A volatile macroeconomic environment impacted the business and its key stakeholders. Inflation and interest rate hikes placed the consumer under growing pressure - eroding buyer confidence and reducing discretionary spend.
- Supply chain disruptions persisted and scarcity of key components, delivery delays and extended lead times remained problematic. Although the semiconductor shortage eased, shortages of certain brands and models persisted.

HOW THE STRATEGY POSITIONED THE BUSINESS TO LEVERAGE A VOLATILE TRADING ENVIRONMENT

- A compact management structure enabled agile decision making and swift adaptation to changing market trends, helping mitigate diminishing consumer confidence.
- High levels of contract purchase sales ensured volumes were maintained.
- Data driven lead generation and data base management ensured gross profit was optimised to help mitigate volume shortages.



An interview with Niall Hooper, Group MD, Allen Motor Group UK

Q: What were the highlights of 2023?

A: New vehicle volumes increased by 39.9% as the availability of stock improved over the second half, which compared favourably with the UK passenger and light commercial vehicle market growth of 11.9% over the same period. Used vehicle sales volumes increased by 29.0% as used vehicle stock availability also improved. Departmental profitability was increased and staff retention improved.

Q: What were the biggest challenges?

A: The volatile macroeconomic environment and protracted supply chain disruptions were the primary business disruptors.

Q: Why does the division represent a good investment?

A: The business is strategically positioned to effectively manage market fluctuations, maintain an efficient cost structure and excel in managing working capital. We have longstanding relationships with key OEMs and excellent relationships with new partners.

Ensuring customers are equipped to make the best buying decision is the foundation of our unwavering focus on service quality. Together with a face-to-face approach, technology solutions ensure a seamless and enjoyable customer experience. Data-driven operations ensure we maximise opportunities and reduce risk.

Q: What are the division's strategic priorities?

A: In the year ahead, our focus will be on growing fleet partnerships, expanding OEM representation and fully integrating the operations of newly acquired businesses.

Optimising the performance of newly introduced brands is also a strategic imperative. The UK dealerships have made significant progress on one-stop commercial platforms across funding, maintenance and insurance products and will continue to drive progress in this area.

Q: Can you give us a snapshot of the division's performance?

A: The Dealerships UK footprint continued to grow as a result of strategic acquisitions in selected brands and key locations. Six dealerships – one Ford, one Suzuki, two Kia and two Hyundai – were added in the first half of the year with a further Suzuki business being added in the second half.

The division performed well in the year under review, reporting a 29.1% increase in profit before tax, despite the pressures of continued inflation and higher interest rates negatively impacting general consumer confidence across the United Kingdom.

The weakening of the average Rand against the GBP positively impacted the results by R13.7 million.

Q: What is the outlook for the division in the year ahead?

A: Improved availability of new vehicle stock will support a good performance, although the consumer remains under financial pressure from interest rates at historic highs. The demand for used vehicles will continue to decline as new vehicles become more readily available, with lower margins being realised as a result. Strong demand for commercial vehicles will support performance in the year ahead.

DEALERSHIPS IN FOCUS continued

FINANCIAL PERFORMANCE

R'million	Change %	2023 Audited	2022 Restated*
Revenue	44.6	15 752.7	10 890.9
Operating profit	28.1	317.5	247.9
Operating profit margin		2.0%	2.3%
Capital items	nm	2.0	(13.9)
Net finance costs	62.7	(84.8)	(52.1)
Profit before tax	29.1	234.8	181.9

* Revenue was restated from R9 992.6 million to R10 890.9 million.

Strategy in action

Digital platforms streamline and simplify vehicle ownership



The UK dealerships have made significant progress with one-stop commercial platforms across funding, maintenance and insurance products. These comprehensive digital platforms streamline and simplify the various aspects of owning and operating commercial and personal vehicles, making it more convenient for individuals, businesses and fleet operators. Vehicle funding typically involves acquiring financing or leasing options. The Dealerships UK platforms provide various financing options, such as loans and leases, and connect consumers and businesses with financial institutions or leasing companies – making it easier to secure the necessary funding for their vehicle needs.

Commercial vehicles, especially those in fleets, require regular maintenance and servicing to ensure they remain in optimal condition. Dealerships UK's one-stop commercial platforms offer solutions to schedule and manage vehicle maintenance efficiently. These include features such as tracking service history, scheduling routine maintenance and providing access to a network of authorised service centres. Predictive maintenance and real-time monitoring have also been integrated to minimise downtime and costly repairs.

The key benefits of the division's one-stop commercial platforms across these three areas include:

- **Efficiency:** Both businesses and individuals save time and effort by managing funding, maintenance and insurance needs in one place, reducing the administrative burden.
- **Cost control:** Access to various financing and insurance options allows consumers and businesses to choose the most cost-effective solutions aligned with their budget and needs.
- **Data insights:** Many of the platforms leverage data analytics to provide insights into vehicle performance, maintenance needs and driver behaviour, helping businesses make informed decisions.
- **Risk mitigation:** By offering insurance solutions and maintenance tracking, these platforms help mitigate the risks associated with vehicle ownership and operation.

DIVISIONAL RISKS

Risks

Volatile macroeconomic environment that places the consumer under growing inflation pressure with interest rates at historic highs

Supply chain constraints and disruptions

The environmental evolution of the automotive industry – and growing shift to electric vehicles

Risk controls and mitigating actions

- Dealerships UK focuses on high levels of customer retention by utilising contract purchase products which drive reduced change cycles, thereby ensuring that macroeconomic risks are mitigated.
- Dealerships UK uses extensive data sources to ensure that the operation is able to balance supply constraints with increased growth.
- Extensive training has been undertaken to ensure the business is ready for the changes. While our brand partners are at various stages of development, our strategy is to grow only with brands that have a clear strategy for alternative fuelled vehicles (AFVs).

SERVICES

The Services segment includes the Corporate and the Mauritius operations. The Corporate operations comprise the Group Head Office and IT functions of the South African operations. The Services segment reported an under-recovery of R48.8 million for the year. This deficit was mainly the result of increased interest rates over the year and the payment of a final closing dividend to the beneficiaries of the SG Tsogo Employee Empowerment scheme in the first half.

One-off non-operating items were reallocated to the Services segment in the previous year to better represent operating results within the business segments. These items included the proceeds of business interruption insurance claims emanating from the Covid-19 pandemic.



ENVIRONMENTAL PERFORMANCE

Embracing robust environmental management isn't just a choice for a sustainable business; it's a responsibility to safeguard our planet, an investment in our future and a testament to the resilience and longevity of Super Group.

CARBON EMISSIONS AND FOOTPRINT

CO ₂ emissions (tonnes)	June 2023	June 2022	June 2021	June 2020	June 2019
Road travel	392 128	380 929	303 675	279 239	317 177
Electricity	85 325	71 075	59 008	67 121	69 278
Other	11 369	2 950	2 877	3 188	4 125
Total	488 822	454 954	365 560	349 548	390 580

The above data is used to implement programmes to control, mitigate and reduce, where possible, carbon emissions. The Group recognises both the financial and environmental benefits of ongoing carbon emissions reduction and will continue to seek and assess opportunities to reduce its carbon footprint.

The Group continues to ensure that its vehicles are properly maintained and not overloaded. Along with continual driver training, this ensures that carbon emissions from all vehicles meet manufacturers' specifications.

FUEL CONSUMPTION

The Group's fuel consumption and road distance travelled are depicted in the table below. The increases are as a result of increased fleet size and activity.

	2023	2022	2021	2020	2019
Diesel consumption (litres)	153 418 291	139 842 431	111 352 660	102 735 011	106 589 090
Petrol consumption (litres)	3 250 829	2 423 234	2 372 037	1 838 665	2 390 870
Road distance (kilometres)	316 494 732	286 830 717	228 735 899	198 243 274	215 999 790

STRATEGY IN ACTION

Strategy in action

Going green by adding blue



Super Group is actively working with its client, Sappi, to reduce its transport-related carbon emissions. The business currently operates 11 state-of-the-art MAN TGX trucks for Sappi – transporting 50-ton payloads of dissolving pulp for export from their Umkomaas mill south of Durban to a central warehouse close to the Durban port. To enhance their emission-reducing capability, the Euro 5-compliant MAN TGX trucks make use of a diesel exhaust fluid known as AdBlue.

AdBlue is a clear mixture of demineralised water and pure urea that reduces harmful emissions of nitrogen oxides from diesel engines. It is used in vehicles with selective catalytic reduction (SCR) technology, which makes vehicles more fuel-efficient and reduces the amount of pollution emitted.

The next step in this environmental partnership with Sappi is to determine the viability of hybrid electric trucks and hydrogen-powered trucks.

Strategy in action

Green City Messengers

With a focus on high-density urban environments, Super Group company Ader has established an eco-friendly last-mile delivery service. Aptly named "Green City Messengers", this non-polluting last-mile courier business will distribute packages on foot or using non-polluting vehicles such as bicycles and cargo tricycles. Larger deliveries will go by electric van.

With initial operations based in Madrid, distribution is managed from both fixed and mobile micro-hubs in key locations across the city. The company is exploring how best urban spaces can be adapted for the operational requirements of effective storage, loading and unloading. It works closely with every client to understand their unique requirements – providing effective solutions that are always eco-friendly.

In addition to its passion for the environment, Green City Messengers aims to create job opportunities for people at risk of social exclusion – with a large part of the workforce coming from disadvantaged or marginalised social groups.



Strategy in action

Turning palm oil into biodiesel



Super Group company Digistics has embarked on an exciting initiative that will not only benefit the environment but also reduce operating costs. With a focus on quick service restaurants, Digistics is a procurement and food distribution business that distributes multi-temperature-controlled product portfolios for McDonalds, KFC, King Pie, Corner Bakery, Pizza Hut, Burger King and Starbucks.

The business collects used cooking oil (UCO) from its clients in a specially developed oil container. The UCO is then converted into biodiesel and used within the fleet. This will enable Digistics to reduce its carbon emissions by 3.71% per 1 000 litre of diesel on a B5 blend. Digistics is actively working towards a B20 blend that will allow it to reduce its carbon emissions by 20%.

Digistics also implemented a proof of concept (POC) of a solar photovoltaic vehicle rooftop and battery energy storage system (BESS). The BESS system powers the refrigeration and tail lift of the vehicle while the rooftop solar panels charge the batteries. It will also allow the operator to switch the truck off during delivery, eliminating noise pollution and cutting down on diesel consumption and CO₂ emissions.

The POC ran from June 2022, with exciting results. The findings indicate that a truck could run the entire delivery day (12 hours) and achieve a fuel saving of 3.53l per operational hour, equating to 100% fuel saving on fridge use if functioning optimally. The business is now focused on a broader implementation plan.

ENVIRONMENTAL PERFORMANCE continued

Strategy in action

Regreening Africa together



With the objective of regreening drylands in central Tanzania, Super Group companies inTime, TLT and Ader continue to partner with Justdiggit. Together with millions of farmers and companies like Super Group, Justdiggit is on a mission to regreen Africa and cool down the planet. By implementing cost-effective nature-based solutions across Africa, they are planning to mitigate global warming by 37%. Since inception, Justdiggit has activated over 150 000 Tanzanian farmers to bring back trees on their own land. This has led to the regeneration of almost 14 million trees.

Since the Super Group partnership began early in 2022, considerable progress has been made. In the Chyulu hills at the foot of Mount Kilimanjaro, over 109 000 soil bunds have been dug. These bunds have brought over 1 000 hectares of degraded rangelands under restoration. By capturing rainwater, high quality grasses get the chance to sprout and establish, which will boost the ecosystem. In the Kenyan South Rift, Justdiggit has begun implementing their regreening techniques in two large valleys. These areas are of great importance to surrounding communities but are degrading rapidly. Bringing back permanent and high-quality vegetation is therefore a high priority. Justdiggit has also started a new large-scale programme in the north of Tanzania, where they now work in almost 70 villages. By bringing back trees, digging rainwater harvesting trenches and soil bunds, the organisation aims to rehabilitate degrading landscapes on a large scale.

The Super Group contribution has been substantial – 73 342 trees have been planted, 2 041 hectares regreened and 6 804 people positively impacted. Over time, the partnership will contribute to the restoration of over 330 000 trees, regreening over 81 million m². This will lead to the absorption of thousands of tonnes of CO₂ and have a significant impact on nature, people, biodiversity and climate. Learn more at www.justdiggit.org.

Also refer to the Group Social and Ethics report on page 93.

ELECTRICITY AND SOLAR

The Group continues to focus on reducing its consumption of electricity. This involves ongoing investigation and introduction of renewable energy sources, energy-efficient products and employee education programmes to reinforce behaviours that reduce consumption.

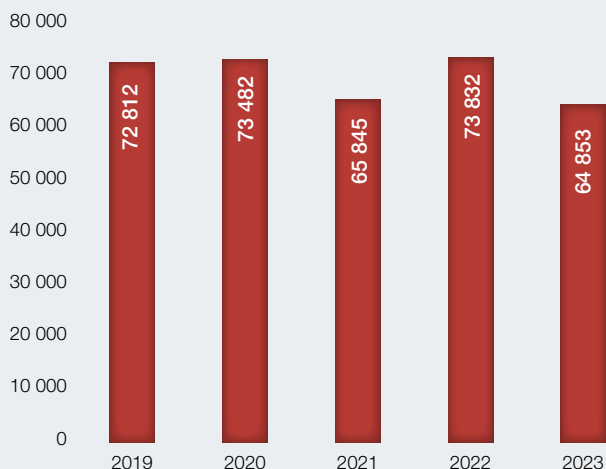
The conversion to solar energy of the Group's head office in Sandton and the SG Convenience warehouse in Super Park, Isando has also reaped benefits.

CO₂ emissions saved since project inception equates to:

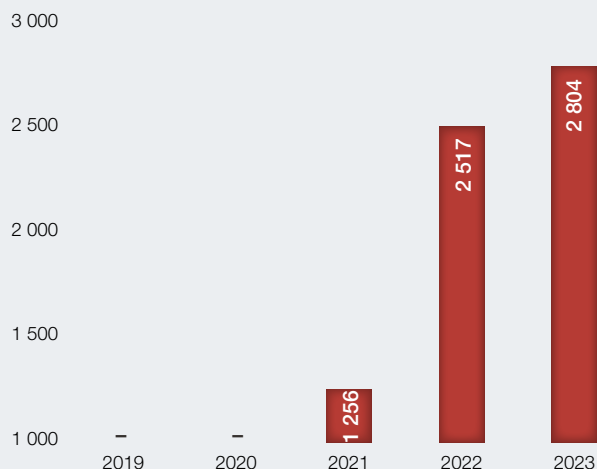
	Average per month	Average per 3 months	Average per annum
2023	217 103kg	651 310kg	2 605 239kg
2022	95 996kg	287 987kg	1 151 948kg
2021	101 603kg	304 810kg	1 219 240kg
2020	86 451kg	259 352kg	1 037 412kg

In South Africa, the Group's flagship Super Park facility uses only low-energy lighting, as do the majority of the Group's dealerships and corporate offices. The transition from first-generation low-energy lighting to second-generation LED products continues, bringing the benefits of increased lifespan, brightness and energy efficiency.

Electricity usage (kWh '000)



Solar usage (kWh '000)



Strategy in action

Super Group's operations across the world are systematically switching to energy-efficient LED lighting. This lighting uses 85% less electricity when compared to conventional lighting and around 18% less electricity compared to a compact fluorescent lamp (CFL). LEDs last much longer than alternative light bulbs and fewer light bulbs mean less disposal, reducing waste going into landfills. During the reporting period the Group removed over 1 000 old-style light fittings and installed over 1 100 LEDs, saving a significant 121 kW.

Dealerships UK

Our Dealerships UK business is well advanced in switching to LEDs and saved over R1 million in the last financial year.

The division has also introduced a number of other light and money saving initiatives, including:

- Setting external lighting on timers to only come on outside of daylight hours
- Installing passive infrared (PIR) sensors in offices to prevent lights being left on
- Running an internal communication campaign to educate staff
- Installing dimmer switches to take the brightness down a notch so that less electricity is used
- Linking dimmer switches to sensors that turn up the light as the daylight outside decreases
- Plans to install master switches to turn off all lights upon exiting a building

SG Convenience

The SG Convenience business is systematically installing LED lighting in all of its warehouses – including those in Johannesburg, Cape Town, Durban, Port Elizabeth and George. These warehouses will also feature automatic motion sensors to activate the lights in the required areas when movement is detected – with the lights turning off when there has been no movement after a set time period.

In the Johannesburg warehouse, for example, 168 x 250W T8 fluorescent bulbs were replaced with just 105 x 200W LED lights – resulting in a 48.54% saving in electrical consumption.

The light output of the old fluorescent bulbs was a maximum of 5 384 lumens, while the output of the LED bulbs is 24 000 lumens – providing better illumination throughout the warehouse and thereby enabling better picking accuracy.

ENVIRONMENTAL PERFORMANCE continued

WATER AND WASTE MANAGEMENT

Managing waste and water more efficiently is a core component of the Group's sustainability strategy. Waste avoidance, waste minimisation and recycling are all carefully considered. Similarly, conservation management, rainwater harvesting and greywater reuse are all part of Super Group's water management approach. Employee behaviour is crucial to the success of these initiatives, and education programmes to reinforce positive behaviours are ongoing. Refer to the table on page 145 for the consumption data.

Strategy in action

Although water covers much of the Earth, only a tiny fraction is available for drinking, bathing, agriculture and other uses. Of the water on the planet, 97% is salt water and just 3% fresh water. This is a sobering reality that Super Group takes very seriously, with wash bay water recycling initiatives just one example of how the business is making every drop count.



SG Coal

Wash bay water typically contains bacteria and other harmful pollutants, and several advanced filtering and treatment processes form part of the SG Coal recycling system to ensure that these pollutants are eliminated – and that this “grey” water can be recycled several times. The sophisticated system enables the effective separation of hydrocarbons such as oil, diesel and petrol, ensuring that the recycled water is fit for re-use in further washing operations.

Thanks to the system, 75% of the municipal water required to run the wash bay is now recycled and reused, saving thousands of litres of water every month. With the recycling system fitted alongside the wash bay, water does not need to be transported to a treatment plant kilometres away – another environmental benefit.

SG Convenience

A state-of-the-art water purification system has been installed at SG Convenience's Johannesburg warehouse. Four tanks with a capacity of 40 000 litres each store water that is harvested from rainwater and from the wash bay area. This water is recycled through three water traps after it has been filtered through the various sumps to remove the oil and debris.

The water is then used for the wash bay area and, when a water supply issue or low pressure is experienced, is pumped to the toilets in the offices and warehouse. This initiative has resulted in a saving of approximately R493 000 per annum.

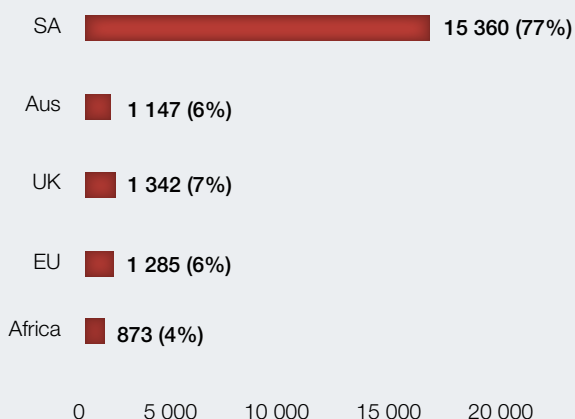
HUMAN CAPITAL PERFORMANCE

Super Group's people are the heartbeat of its business. Their collective skill, adaptability and unwavering commitment creates an unassailable strategic advantage.

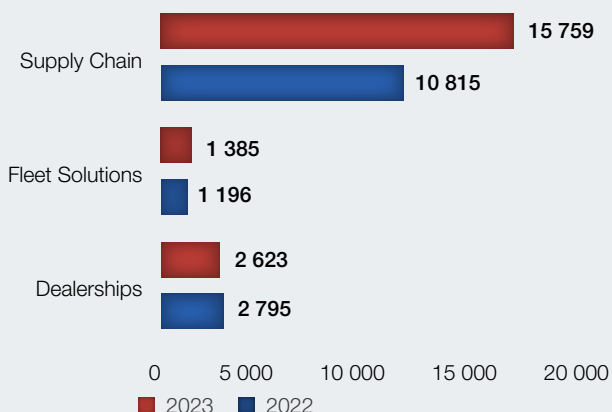
WORKFORCE DISTRIBUTION

Super Group has 20 007 employees (2022: 14 934) working across 24 countries. The majority are currently based in South Africa. The increase of 5 073 employees is primarily due to the acquisition of RSC Consulting Services.

Number of employees per geography



Employees per division (excluding Services)



SKILLS DEVELOPMENT

Developing and retaining a skilled and diverse workforce is essential to Super Group's delivery of world-class client solutions and its ongoing competitiveness in demanding markets. Investing in continuous learning and development empowers the Group's employees with the necessary skills, knowledge and confidence to excel in their roles. This enhances their performance and efficiency, fosters a positive work culture and boosts employee morale.

By actively participating in a varied training and skills development programme, Super Group employees stay up to date with industry trends, best practices and emerging technologies, enabling them to adapt to changing business landscapes. Well-trained employees are also better equipped to handle challenges, make informed decisions and provide exceptional service to our customers, ultimately contributing to the growth and value creation of the business.

More than 3% of payroll cost was invested in skills development initiatives, including learnerships, apprenticeships and management development programmes

41%

(2022: 42%) of the Group's employees received training

In South Africa, 4 545 employees (30% of the workforce) participated in training and development initiatives. This included learnerships in the disciplines of management, labour relations, freight handling, transport, retail operations and business administration.

Formal programmes at higher education institutions, designed to equip individuals with the expertise necessary to excel in current and future roles, are an important part of the training curriculum. Together with on-the-job training, workshops and mentoring, these initiatives cater for diverse learning styles and needs.

The Group's skills development strategy ensures that disabled learners participate in skills development programmes. In one such initiative, 65 (2022: 54) disabled African women were recruited to participate in the Group's contact centre learnership programme. This brings the number of women who have graduated from this programme to 119.

HUMAN CAPITAL PERFORMANCE continued

Strategy in action

Work-based learning is a game changer



Implemented in 2022, the Apprentice Work Readiness Programme run by Dealerships SA equips previously disadvantaged, unemployed young adults between the ages of 18 and 25 with the skills and experience necessary to succeed in the workplace.

To date, 22 students, including five women, have successfully completed the programme. All of them have gone on to work for Super Group and are now enrolled in a four-year apprenticeship programme.

The programme lasts three months and takes place in a simulated dealership workshop environment, teaching participants soft skills and on-the-job competencies. The curriculum includes 15 modules covering topics such as diagnostics, time management, safety protocols and equipment and components.

Upon completion of the programme, participants are well-equipped to enter the workforce and can immediately add value. This groundbreaking programme is hosted by Super Group's Auto Presto business in Gleneagles, Johannesburg.

Tackling youth unemployment



With the youth unemployment rate at around 62%*, the greatest struggle young South Africans face is finding meaningful employment. Creating more opportunities for young people, and supporting them in realising these opportunities, is a priority for the country and a task that the YES initiative is tackling head-on.

YES (Youth Employment Services) provides 12-month quality work experience for young black South Africans to boost their employability. The CV and reference letter they receive at the end of the programme gives them a three times greater chance of an interview callback. The real-world skills they gain also substantially improve their confidence and capability.

Super Group's Dealerships division is proud to be part of the programme. Since joining YES in 2019, it has given 128 unemployed black youth the opportunity to work across the Dealerships network, gaining invaluable workplace experience in new and pre-owned vehicle sales, parts, service and administration. 73 of these young men and women were permanently employed within the division after their 12-month workplace experiences.

By supporting YES, Super Group is helping to break the cycle of unemployment – exposing young people to Super Group and building a talent bank for the automotive retail industry.

Visit <https://www.yes4youth.co.za/> to learn more.

*Statistics South Africa

TRANSFORMATION AND GENDER EQUALITY

TRANSFORMATION

Super Group believes that a more equitable economy will benefit all South Africans and that B-BBEE is key to sustainable economic growth and social development. This philosophy is encapsulated in the Group's employment equity policy, which places economically viable and self-sustaining transformation at the heart of our people practices. These practices are deliberately designed to promote the greater inclusion of employees across a variety of backgrounds. Individual development, equality and performance-based advancement are the cornerstones of these transformation initiatives, aimed at progressing and maintaining a balanced, highly skilled workforce.

Super Group's commitment to diversity and inclusion is reflected in its Level 2 B-BBEE accreditation. The Group views this rating as tangible evidence of its ongoing work to promote greater economic participation by Black people. This is essential for sustainable growth, providing a distinct competitive advantage for new business and ensuring the successful retention of existing contracts.

Black employees now represent

89%

(2022: 85%) of the
South African workforce.

Race diversity

The Group Social and Ethics Committee routinely reviews how effectively the Group's practices translate into achieving transformation and gender equality targets, ensuring performance is aligned with industry best practice. Black employees now represent 81% (2022: 78%) of all South African management employees, comprising:

31%

(2022: 37%)

 of top management,
exceeding the target of 25%

26%

(2022: 33%)

 of senior management,
exceeding the target of 25%

68%

(2022: 67%)

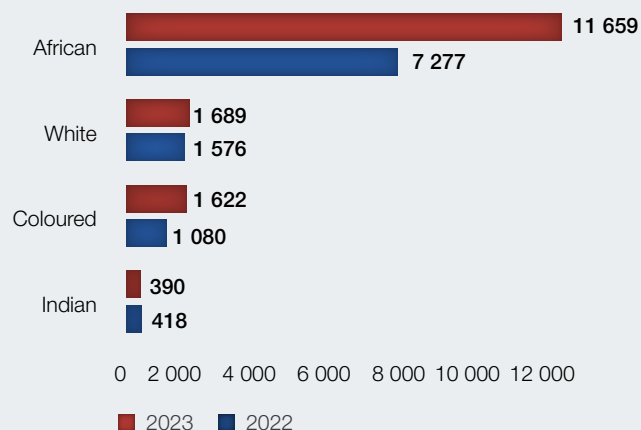
 of middle management,
comfortably exceeding the
target of 50%

90%

(2022: 87%)

 of junior management,
significantly exceeding the
target of 60%

South African employees per ethnic group



The South African employees' positions within the Group:

	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
June 2023									
Top management	2	5	2	–	1	2	22	5	39
Senior management	42	11	11	9	22	10	208	90	403
Middle management	968	85	152	36	80	22	450	172	1 965
Junior management	3 970	375	492	131	118	55	305	256	5 702
Semi-skilled	1 301	317	204	89	48	28	68	96	2 151
Unskilled	3 868	715	393	103	3	1	13	4	5 100
Total	10 151	1 508	1 254	368	272	118	1 066	623	15 360

	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
June 2022									
Top management	2	3	2	–	1	2	15	2	27
Senior management	39	12	8	6	28	9	115	96	313
Middle management	908	74	173	42	100	25	496	168	1 986
Junior management	2 635	303	400	127	118	60	262	265	4 170
Semi-skilled	1 796	272	164	64	33	33	59	92	2 513
Unskilled	1 079	154	83	11	8	1	6	–	1 342
Total	6 459	818	830	250	288	130	953	623	10 351

HUMAN CAPITAL PERFORMANCE continued

Gender equality

Super Group considers the focused and active promotion of gender equality as an economic and strategic imperative. Unlocking women's potential improves life for both genders, as empowering women to become active participants in the economy boosts productivity and enhances growth prospects. When women have more control over family resources, better outcomes are also achieved by their children.

Women represented 19% (2022: 21%) of Super Group's total workforce, just below the Group's 20% target.

Historically, girls and women often choose to pursue careers outside of traditionally male sectors such as transport and logistics. However, developments in digitisation, automation and robotics are rapidly breaking down barriers for women to enter careers traditionally considered as male-dominated. Super Group plays its part in this technologically enabled transformation of the industry by driving digital innovations that deliver efficiencies and competitive advantage and level the playing field for women.

Women as a % of the workforce per geography

South Africa
17%
(2022: 18%)

Australia
47%
(2022: 46%)

UK
25%
(2022: 30%)

Europe
22%
(2022: 29%)

In South Africa, women represent:

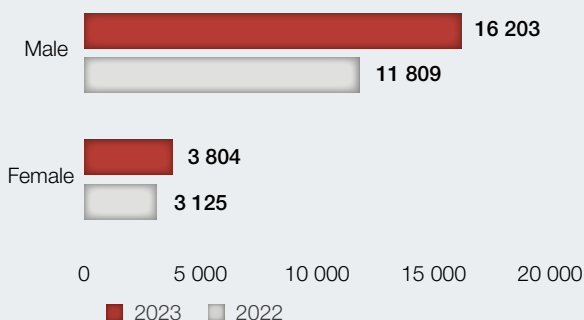
31%
(2022: 26%)
of top management,
exceeding the target of 20%

30%
(2022: 39%)
of senior management,
exceeding the target of 20%

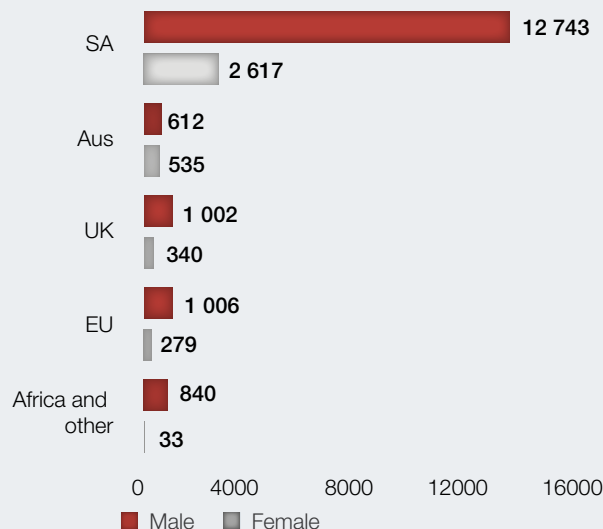
16%
(2022: 16%)
of middle management,
exceeding the target of 15%

14%
(2022: 18%)
of junior management, just
below the target of 15%

Employees per gender



Employees per gender per geography



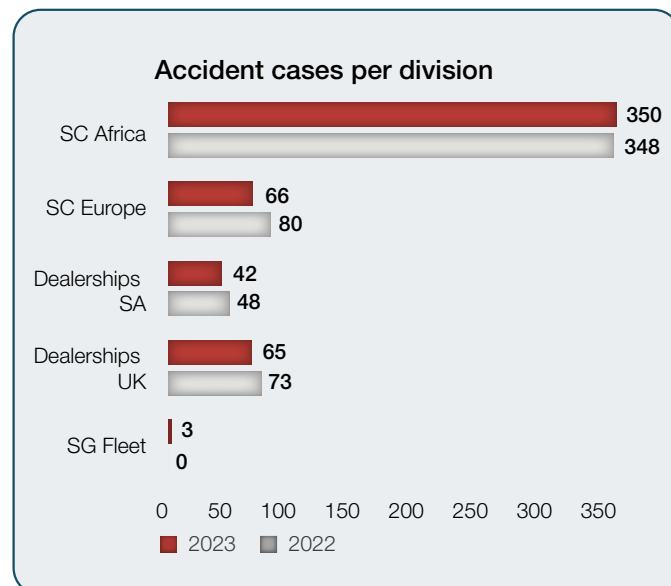
HEALTH AND SAFETY

The health and safety of employees are non-negotiable and Super Group remains focused on attaining high standards of occupational health and safety (OHS). Protecting people from injury and illness is a moral and statutory responsibility that supports organisational efficiency through reduced absenteeism, improved productivity and reduced costs. Consistently meeting OHS standards is key to client delivery.

Training, on-the-job learning and technology are key to the pursuit of zero fatalities. It is with sadness that the Group reported one road accident-related fatality. With activities returning to pre-Covid levels, the total number of accidents decreased to 526 (2022: 549). An accident is an unplanned event that results in harm to people, damage to property or disruption of a process. Together with management, the Group Social and Ethics Committee critically evaluates the root causes of all incidents, accidents and injuries reported, as well as the improvements in operating procedures required to prevent repeat occurrences. The committee also reviews the Group's OHS protocols to ensure that best practice standards are consistently applied.

In South Africa, the Health and Safety Manager reports to the Group CFO. Besides sharing best practice and other information with managers tasked with implementing compliance with the OHS Act, the Health and Safety Manager conducts regular compliance audits across all operating sites controlled by the Group and provides feedback to the relevant levels of management. Any findings require remedial actions within agreed time frames, and the Group CFO tables a report on the outcome of OHS compliance audits at the Group Risk Committee. A number of Super Group's operations are ISO9001:2008 accredited.

The number of accident cases per business division are set out in the graph below. Fleet Africa had zero accidents in 2023 and 2022 and is excluded from the graph.



Also refer to the Group Social and Ethics report on page 93.

DIGITAL AND IT PERFORMANCE

Information technology is not just a tool; it is a strategic enabler that sharpens a business's competitive edge – turning data into insights, connectivity into relationships and innovation into market leadership.



An interview with Adrian Lewis, CIO

Q: What is Super Group's overarching technology strategy?

- A:** The digital and IT strategy is focused on using technology to improve business performance and create competitive advantage. This applies to both Super Group and its clients. The multi-dimensional strategy aims to deliver this competitive edge in several ways.

Firstly, we leverage technology to improve efficiency, reduce costs, eliminate waste and increase the focus on value-add activities. Secondly, we must ensure vigilance, readiness and resilience in the face of prolific cyber threats. Lastly, we work on converting data into intelligence to predict and leverage shifts in demand and anticipate changing customer needs – in essence, utilising data-driven insights to enable faster decision-making and solution delivery that can pivot quickly if required.

Q: How do you see technology shaping the future of your industry, and what role does Super Group play in that transformation?

- A:** Technology is reshaping the future of the supply chain and mobility industry in profound ways, and a global industry leader like Super Group has a crucial role to play in this transformation.

We are an early technology adopter to ensure we remain competitive. The Group actively invests in and adopts emerging technologies that align with our operational needs. This involves partnerships with tech companies, research into innovative solutions and continuous employee training to effectively use these technologies. The industries in which Super Group operates are highly interconnected, involving multiple stakeholders. Therefore, collaboration and partnerships are also essential to create integrated, end-to-end solutions.

We have more than 100 developers that work for the Group, and they are constantly engaged in research and development to create novel solutions that address industry

challenges. We keep customer centricity in mind as technology allows Super Group to better understand the markets and industries in which our clients operate. This enables us to offer innovative solutions that mitigate risks and enable our clients to capitalise on opportunities.

The Group also leverages data analytics, machine learning and artificial intelligence (AI) to optimise supply chains, reduce inefficiencies and minimise costs for both us and our clients. This involves intelligent demand forecasting, route optimisation, inventory management and more.

Q: What initiatives or projects are currently underway to drive digital transformation within Super Group?

- A:** In line with our commitment to digital transformation, a dedicated team has been established to spearhead Super Group's digitisation journey. Significant strides have been made within our supply chain operations, resulting in a series of successful projects and noteworthy achievements. These include the roll-out of Superscan to the consumer operation and its integration with a number of suppliers. This innovation provides instant visibility and reduces the need for manual proof of delivery and other documents being printed and shipped cross-country.

We have also implemented our digital workflow solution at GLS for many of their customers, removing the cumbersome Excel and paper requirements that were previously in place. This solution converts any manual process into a digital one. For example, truck check sheets for capturing pre-inspection and debrief inspection details are now managed digitally using a mobile device. Drivers can scan vehicle licences, take photos, make comparisons with previous inspections and complete vehicle handovers using this system. These accomplishments serve as a testament to our capability to harness the power of technology to enhance operational efficiency, elevate customer experiences and drive sustainable growth.

Q: How do you ensure that technology is leveraged effectively to improve operational efficiency and customer experience?

A: Super Group's proprietary software, Cella, has been rolled out to multiple Super Group supply chain businesses. Developed inhouse, this advanced supply chain management system removes the need for running multiple disparate systems, provides full visibility and real-time reporting and unlocks efficiencies and cost savings for our clients. Read more on page 45.

Q: How is Super Group leveraging AI and machine learning?

A: As part of Cella's roadmap, we are incorporating both AI and machine learning into the product. Machine learning is already being used to calculate and improve client turnaround times, with the added benefit of improving route calculations and ETAs.

Super Group now houses close to one petabyte of data, and our data scientists continue to mine this insight-rich information, identifying trends and implementing cost-saving initiatives for our clients.

Q: How is Super Group working with blockchain technology?

A: Super Group is fully blockchain-enabled and can actively add its own blockchain to a range of systems – including the internal systems where operating and capital expenditure are evaluated and approved – to ensure end-to-end data integrity. Blockchain technology is increasingly being included in the Group's client solutions. In the Supply Chain business, for example, blockchain is used to verify that the temperature of a product was controlled as specified. The technology is also used in a passenger tracking system that tracks movements on and off vehicles, as well as passenger expenditure.

Q: Being proactive and resilient in the face of cyber threats is essential for maintaining trust and business continuity and maximising shareholder value. How do you ensure Super Group's digital assets are secure?

A: We constantly assess the Group's vulnerability to cyber risks, adapting the proactive and responsive strategies we have in place to safeguard the integrity of our IT systems, processes and infrastructure. This comprehensive approach includes regular vulnerability scans and the application of cyber threat intelligence methods to detect possible signs of attacks. We also conduct simulations of cyber crises to assess the effectiveness of our crisis management tactics.

By incorporating state-of-the-art technology and tools, including an external security operations centre, and fortifying the network with advanced firewall systems, Super Group presents a robust defence against potential cyber-attacks.

We have undertaken several key initiatives this year to strengthen our cyber security capabilities and better protect the Group's assets and information. One of the highlights is our investment in comprehensive cyber insurance coverage. This policy provides us with added financial security in the event of a cyber incident, ensuring we can recover swiftly and minimise potential disruptions to our business operations.

Another highlight is our implementation of a cyber recovery system with the advanced features necessary to suitably protect systems and data.

We also maintain our focus on strong governance and compliance control as one of the cornerstones of effective cyber security. Our newly implemented governance and compliance control system enables us to continuously evaluate and monitor our security protocols, ensuring adherence to industry best practice and compliance with relevant regulations.

CORPORATE SOCIAL INVESTMENT

Corporate social investment is not just an act of philanthropy; it is a strategic commitment to building a better tomorrow, fostering sustainable growth and enriching the very fabric of the communities we serve.

The Group remains committed to improving the quality of life of its communities and invested R26.4 million in CSI initiatives (2022: R21.1 million). These encompass initiatives to tackle hunger and improve education, healthcare, youth development and job creation, and ensure that Super Group plays a crucial role in fostering sustainable and inclusive community development. With employees actively involved and relationships that span decades, the Group's CSI efforts go beyond mere financial contributions; they embody a genuine desire to make a meaningful and lasting impact on communities.

Strategy in action

Coding for Mandela



Super Group company VSC has partnered with Tangible Africa to teach children coding skills. VSC is the regional sponsor of the Mandela Day Coding Tournament, which teaches coding concepts to underprivileged and rural schools.

Tangible Africa places coding concepts within reach of any child willing to learn. They believe children from "un-plugged" communities could one day plug the global shortage of software developers and in doing so, unlock and uplift South African communities. The solution targets scenarios where computers, internet access and even electricity are inaccessible and utilises cost-effective instruments, implemented by teachers or facilitators, to make learning simple and fun.

Keeping girls in the game



Dealerships SA is a proud sponsor of Tholulwazi Secondary School's netball team. The team recently competed in the annual netball festival hosted by Saint Andrews School for Girls. This sponsorship was part of Dealership SA's support for the non-profit organisation, uBambiswano.

uBambiswano is a Saturday School at its core, but does so much more to improve students' literacy and numeracy results. The organisation combines academic excellence with a wealth of extracurricular activities to provide students with as many cultural and sporting opportunities as possible. This approach produces children who are well-balanced, sociable and confident.

In the UK, Purton's Allstarz U13 girls football team partnered with the Allen Ford dealership in Swindon for the 2022-23 season. In the wake of the success of England's national women's football team ("the Lionesses") at the UEFA Women's Euro 2022, Allen Ford Swindon is proud to be supporting the local football club and the dreams of their young, aspiring female footballers. The dealership has close links with the Allstarz Under-13s team that was formed by Allstarz Sports Coaching as its site supervisor, Mark Griffiths, is also the club's assistant football coach.

As part of a recent rebrand, the club sourced a new season match kit and training tops featuring the Allen Ford logo, which will provide the club with its own identity and boost morale. The dealership is very happy to support an engaged team striving to be the best by setting ambitious goals. Thanks to our support, the team were able to continue their development and take part in their first tournament.

Strategy in action

Supporting those affected by the Chernobyl disaster



inTime is a long-time supporter of Action Chernobyl Aid, a German NPO that provides humanitarian aid to individuals and families living in regions impacted by the Chernobyl disaster, particularly in Ukraine, Belarus and Russia. This aid includes the distribution of food, clothing, medical supplies and other essential goods.

The NPO supports rehabilitation programmes for individuals who have suffered health consequences due to radiation exposure. These programmes can include physical therapy, psychological support and other services to improve quality of life. Action Chernobyl Aid also provides medical equipment, medication and funding for medical treatment in affected areas, and facilitates medical exchanges and volunteer missions to help treat individuals with health issues related to radiation exposure.

Proud to be part of the world's largest open water swim



Since 2016, the Midmar Mile has raised over R14.5 million for charitable causes. Super Group has been a sponsor of this iconic event for over 10 years. Super Group company LuxLiner is also a long-time partner of the race and was the proud passenger transport partner for this year's Midmar Mile – providing a crucial shuttle service throughout the event.

The Midmar Mile is a swimming race held annually in February at the Midmar Dam north of Pietermaritzburg, South Africa. Each year, it draws thousands of competitors – from serious international athletes and Olympic medallists to purely recreational swimmers. The inaugural Midmar Mile was held in 1974 and this year marked its 50th edition, with over 16 000 swimmers of all ages and abilities, from all over the world, taking part in the race. In 2009, the event was recognised by the Guinness Book of World Records as the world's largest open water swimming event.

Strategy in action

Helping young people to gain confidence and skills



Allen Ford's long-standing partnership with Essex County Cricket Club – one of 18 first-class county clubs within the cricket structure of England and Wales – allows the dealership group to make a real difference in the communities who use the sporting facilities. The group sponsors the youth and ability teams who play at the club's ground and use the indoor training space of the Allen Ford Graham Gooch Cricket Centre, where cricketers of all ages and abilities can train alongside professionals. Allen Ford is proud of its work with "ability cricket" – playing opportunities for those with special needs and abilities – and Mini Match Play cricket, a summer tournament for boys and girls under 11 years old. Allen Ford and Essex Ford provided a Ford Tourneo Custom minibus for Essex County Cricket Club's Ability Team in 2023 to get them and their kit to away matches easily and comfortably. Supporting ability cricket helps young people to gain the confidence and skills to be independent. The business has a long history of providing affordable, hassle-free motoring to disabled people, their carers and families through its Motability Scheme so that they can enjoy everyday freedom and independence.

Every Child Online



Allen Ford supplied ambitious start-up charity Every Child Online with a new Ford Transit Custom MS-RT to deliver refurbished IT equipment to schools in Essex. The Dealerships UK division also donates surplus IT equipment to this worthy cause. Every Child Online is a non-profit organisation based in Basildon that refurbishes and redistributes second-hand computer equipment to local schools and other charitable organisations in Essex. Their mission is to tackle digital poverty so that underprivileged children and young adults have access to online learning opportunities and local schools can provide the right digital tools to help their students succeed.

CORPORATE SOCIAL INVESTMENT continued

Strategy in action

Improving the lives of others



The partnership between Lieben Logistics and the Goedgedacht Trust is a long-standing one and represents the shared goal of helping to heal and transform marginalised rural communities. During the holiday season, this partnership is particularly important as it allows Lieben to make a positive impact on local children. As they do every December, staff of the Lieben Group demonstrate their commitment to improving the lives of others. In partnership with the Trust, they donate hundreds of Christmas boxes to Goedgedacht Pre-school, Riebeeckstad POP Centre and Riverlands Centre. These boxes are filled with basic necessities like toothbrushes, toothpaste, crayons and clothing. The boxes are hand-packed and wrapped with love by Lieben staff and are delivered in time for Christmas – bringing a smile to hundreds of small faces while providing the basic necessities many of us take for granted.

Super Group delivers millions of meals to hungry families



Almost half of all childhood deaths worldwide occur in children with malnutrition, and it is believed that one in 10 South Africans go hungry every day. This is something that Rise Against Hunger is working to change. Operating in South Africa since 2009, this international organisation coordinates the distribution of food and other life-saving aid. Their focus is on reaching hungry children – especially those of pre-school age – providing fully balanced meals essential for early childhood development. The meals consist of rice, soya, dehydrated vegetable mix and a fortification pack of 23 essential minerals and vitamins specifically formulated to combat malnutrition.

Super Group has been a logistics partner to Rise Against Hunger in Africa since 2013, transporting thousands of tons of raw ingredients to volunteer-driven meal packing events and distributing meal packs across the country. In 2023, the Group enabled the packing and distribution of over 9.6 million meals.

Strategy in action

Helping the next generation care for their natural heritage



Super Group is the proud logistics partner of the Nedbank Tour de Tuli. Running for 16 years, this internationally acclaimed mountain bike tour is the main fundraiser for Children in the Wilderness (CITW), a non-profit organisation that facilitates sustainable conservation through leadership development and education of rural children in Africa. This is achieved in a variety of ways – from running CITW camps to hosting Eco-Clubs at schools and training Eco-Mentors within the rural communities that live on the edges of the wild areas of Africa.

All funds raised are channelled directly into the CITW programme, helping to ensure the sustainability of the programme across the seven regions within which they operate. To date, the Tour has hosted approximately 4 000 participants and raised over R20 million for CITW, allowing them to host over 5 600 children on their camp programme since 2001 and over 11 000 children on the CITW Eco-Club programme since 2012. As the sole beneficiary of the Tour, the Children in the Wilderness programme is an environmental and life skills educational initiative for children that focuses on producing the next generation of decision-makers. The programme aims to inspire them to care for their natural heritage and to become the custodians of these areas in the future.

Building communities



The KAP sani2c is a three-day, 265-kilometre mountain bike stage race that takes place in the south-eastern province of KwaZulu-Natal (KZN) in South Africa. Super Group is a long-time logistics sponsor of this incredible event, and a fleet of 24 trucks and drivers ensure that every cyclist's belongings are transported from race village to race village. This is a complex and demanding logistics exercise, but the Super Group team manages it with precision.

The KAP sani2c business model is highly regarded for its innovative community focus. Since inception, the race has involved and provided for communities, including schools, charities, rural populations and entrepreneurs along the route. The premise of community involvement is that local organisations provide essential services and products for the event, for which they are paid. As such, route preparation, bike washing, catering, water tables, shuttles, awards and many other services are provided by local organisations.

Every year multiple communities, schools, charities and environmental groups benefit from the event. For most organisations involved, sani2c is their largest annual fundraiser, with sani2c Community Development Trust distributing more than R10.2 million among beneficiaries. This excludes associated income generated for the tourism and hospitality sector in the area. KwaZulu-Natal Tourism estimates that sani2c generates more than R50 million per annum for the region and a further R9 million for the country via international competitors.