

SALIENT FEATURES

	30 June 2023 Audited R'000	30 June 2022 Audited R'000
1 DEBT		
Interest-bearing borrowings	11 479 663	7 853 186
Rand	6 929 957	4 241 701
Australian Dollar	3 454 774	3 090 060
Pound Sterling	545 919	507 111
US Dollar	515 117	–
Euro	33 896	14 314
ROU lease liabilities	2 871 566	2 622 165
Lease portfolio borrowings ¹	17 300 675	14 845 873
	31 651 904	25 321 224

¹ Lease portfolio borrowings includes securitised warehouse debt of R15 334 million (June 2022: R12 742 million). The securitised warehouse debt typically has a two-year term. At the expiration date, the Group is exposed to the risk that financiers may not have the appetite to extend the facility. If this occurs, the facility will enter an orderly amortisation phase, but no new business could be originated under the relevant facility.

2 SHARE STATISTICS		
Total issued less treasury shares ('000)	334 675	351 232
Weighted number of shares ('000)	337 808	359 647
Diluted weighted number of shares ('000)	341 683	364 051

3 CAPITAL COMMITMENTS		
Authorised capital commitments, excluding lease portfolio assets	2 428 213	1 679 956

Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowing facilities.

4 RELATED PARTY TRANSACTIONS

The Group encourages its employees and key management to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties, although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed and no impairments were recognised in relation to any transactions with key management personnel during the year nor have they resulted in any non-performing debts at year end. Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at Group level.

5 SUBSEQUENT EVENTS

ACQUISITION BY THE GROUP

On 19 July 2023, the Group acquired 78.82% of UK-based logistics firm CBW Group Holdings Limited (trading as Amco) for GBP30.3 million (R720 million). The acquisition will significantly complement the Group's supply chain offering. The provisional fair values of identifiable assets and liabilities as at the date of acquisition have not been disclosed as reliable information is not yet available.

DECLARATION OF DIVIDEND NO.14

A gross dividend of 80 cents (2022: 63 cents) per share has been declared out of income reserves in respect of the ordinary shares of no-par value for the year ended 30 June 2023.

Other than the matters disclosed, the directors are not aware of other matters or circumstances arising subsequent to the reporting date up to the date of this report that will require disclosure in these results.

6 SIGNIFICANT EVENTS

ACQUISITIONS BY DEALERSHIPS UK

During the year Dealerships UK purchased Delgarth Motor Group, Gillingham Ford and Romford Suzuki for R272.9 million, R127.5 million and R47.7 million, respectively. These acquisitions had the following material impacts on the balance sheet as at 30 June 2023:

- Increase in Property, plant and equipment of R563.6 million.
- Increase in Inventories of R1 011.8 million.
- Increase in Trade and other payables of R1 674.6 million.

RAISING OF UNSECURED DEBT NOTES

The JSE listed Super Group's senior unsecured notes, in terms of its DMTN Programme dated 29 April 2020 (as amended), as follows:

- SPG011 was listed on 12 July 2022. The value of the SPG011 issue was R300 million with interest of three-month Johannesburg Interbank Agreed Rate (JIBAR) plus 133 basis points, coupon rate payable quarterly on 12 October, 12 January, 12 April and 12 July of each year. The maturity date of the issue is 12 July 2025.
- SPGC03 was listed on 12 July 2022. The value of the SPGC03 issue was R200 million with interest of three-month JIBAR plus 110 basis points, coupon rate payable quarterly on 12 October 2022, 12 January 2023, 12 April 2023 and 12 July 2023. The maturity date of the issue was 12 July 2023.
- SPG008 was settled on 15 October 2022 for R250 million.
- SPG012 was listed on 29 March 2023. The value of the SPG012 issue was R550 million with interest of three-month JIBAR plus 147 basis points, coupon rate payable quarterly on 29 June, 29 September, 29 December and 29 March of each year. The maturity date of the issue is 29 March 2028.
- SPGC04 was listed on 29 March 2023. The value of the SPGC04 issue was R200 million with interest of three-month JIBAR plus 90 basis points, coupon rate payable quarterly on 29 June 2023, 29 September 2023, 29 December 2023 and 29 March 2024. The maturity date of the issue is 29 March 2024.
- SPG013 was listed on 29 June 2023. The value of the SPG013 issue was R810 million with interest of three-month JIBAR plus 147 basis points, coupon rate payable quarterly on 3 October, 3 January, 3 April and 3 July of each year. The maturity date of the issue is 3 July 2028.

REPURCHASE PROGRAMME AND ODD-LOT OFFER

Super Group bought and cancelled a total of 17 535 265 shares during the year for R527.8 million.

EXCHANGE RATE MOVEMENTS

The Group operates in foreign countries which use currencies other than the presentation currency. The main currencies used in the Group's foreign operations are Australian Dollar, US Dollar, Euro, Pound Sterling and the New Zealand Dollar. The fluctuation of the Rand against these currencies has had an effect on the Group's financial statements and has resulted in a foreign currency translation adjustment of R1.68 billion increasing total equity.

The table below reflects the movement in the exchange rates from the prior year:

	30 June 2023	30 June 2022	% Change
Average currency rate to the South African Rand:			
Australian Dollar	11.93	11.03	8.2%
US Dollar	17.76	15.22	16.7%
Euro	18.62	17.15	8.6%
Pound Sterling	21.41	20.24	5.8%
New Zealand Dollar	10.95	10.35	5.8%
Closing currency rate to the South African Rand:			
Australian Dollar	12.56	11.24	11.7%
US Dollar	18.83	16.29	15.6%
Euro	20.58	17.06	20.6%
Pound Sterling	23.92	19.84	20.6%
New Zealand Dollar	11.57	10.16	13.9%

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MOVEMENT IN GOODWILL

The table below reflects the movement in goodwill from the prior year:

**Year ended
30 June 2023
Audited
R'000**

Opening balance	9 606 343
Acquisition of businesses	272 763
Impairment	(3 000)
Translation adjustment	1 283 760
Closing balance	11 159 866

7 FAIR VALUE

	Hierarchy		Valuation technique
	Level 2 R'000	Level 3 R'000	
Property, plant and equipment – Land, buildings and leasehold improvements		3 950 543	External valuations were performed on certain of the Group's properties. The valuation model considers the present value of net cash flows to be generated from these properties, taking into account expected rental growth rate, void period, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, and the rate per square metre allocated between showroom, workshop, display parking and parking. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.
Investment property		162 200	
FEC liabilities	–		The fair values are based on broker quotes. Similar contracts are traded in an active market and reflect the actual transactions in similar instruments.
FEC assets	88		
Interest rate swap receivable	511 178		The fair values are based on observable market rates. Similar contracts are traded in an active market and reflect the actual transactions in similar instruments. The valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity-specific estimates.
Interest rate swap payables	226 379		
Lieben Logistics and GLS put option		381 765	This put option is calculated as the fair value determined by using the average audited profit after tax for the two years preceding the put option exercise date at a price earnings multiple of 8.1. The present value has been determined using a pre-tax discount rate of 9.5%. The put option can be exercised from 30 September 2023.
RSC and Clean Tech put option		82 816	
Deferred contingent purchase consideration liability		25 787	The deferred contingent purchase consideration is payable to the sellers of RSC and Clean Tech on achieving the set profit target on 30 June 2025. The fair value is determined by using the excess audited profit after tax for the two-year warranty period at a price earnings multiple of 3.2.

The carrying value of all other financial instruments approximates the fair value of the financial instruments as at 30 June 2023.

MOVEMENT IN LEVEL 3 INSTRUMENTS MEASURED AT FAIR VALUE

The following table shows a reconciliation from the opening to closing balances of level 3 instruments carried at fair value:

	Year ended 30 June 2023 Audited R'000	Year ended 30 June 2022 Audited R'000
Property, plant and equipment – Land, buildings and leasehold improvements		
Opening balance	3 253 172	2 931 756
Net additions	303 355	222 494
Acquisition of businesses	118 901	44 379
Revaluation	9 902	122 976
Impairment	(16 958)	(38 235)
Other	282 171	(30 198)
Closing balance	3 950 543	3 253 172
Investment property		
Opening balance	162 200	164 200
Fair value adjustment recognised in profit and loss	–	(2 000)
Closing balance	162 200	162 200
Put option liabilities		
Opening balance	273 451	285 431
Movement of NCI liability in statement of changes in equity	191 130	(11 980)
Acquisition of businesses – RSC and Clean Tech	82 816	–
Fair value adjustment	108 314	(11 980)
Closing balance	464 581	273 451
Deferred contingent purchase consideration liability		
Opening balance	–	–
Acquisition of businesses – RSC and Clean Tech	25 787	–
Closing balance	25 787	–

SENSITIVITY ANALYSIS:

Land and buildings

The estimated fair value would increase/(decrease) if:

Occupancy rate was higher/(lower), the rent-free periods were (increased), the yield was lower/(higher) and rental growth was higher/(lower).

Put options and Deferred contingent purchase consideration

The significant assumption included in the fair value measurement of the liabilities relates to the projected earnings that is not observable in the market. The following table shows how the fair value of the liabilities would change if the earnings assumption was increased by 100bps:

	Fair value R'000	Increase in liability R'000
Lieben Logistics and GLS put option	383 902	2 137
RSC and Clean Tech put option	83 644	828
Deferred contingent purchase consideration liability	27 072	1 285

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8 CAPITAL ITEMS

Capital items before tax and non-controlling interest

Impairment of property, plant and equipment
Impairment of intangible assets
Impairment of lease portfolio assets
Impairment of goodwill
Profit on disposal of property, plant and equipment
Fair value adjustment to investment property
Adjustments related to equity-accounted investees

Tax effect of capital items

Impairment of property, plant and equipment
Impairment of intangible assets
Impairment of lease portfolio assets
Profit on disposal of property, plant and equipment
Fair value adjustment to investment property

Non-controlling interest effect of capital items

Impairment of lease portfolio assets
Adjustments related to equity-accounted investees
Profit on disposal of property, plant and equipment

Capital items after tax and NCI

30 June
2023
Audited
R'000

30 June
2022
Audited
R'000

(30 461)	518
16 958	36 262
–	8 547
2 698	639
3 000	–
(54 617)	(50 074)
–	2 000
1 500	3 144
9 198	1 970
(4 748)	(9 030)
–	(2 393)
(809)	(192)
14 755	14 147
–	(562)
9 709	5 458
(883)	(209)
(324)	–
10 916	5 667
(11 554)	7 946

9 REVENUE

Supply Chain Africa

Short haul transportation – Principal
Short haul transportation – Agent
Leasing of specialised software and commercial vehicles
Long haul transportation
Sale of goods
Other

Supply Chain Europe

Time-critical delivery and courier services
Other

Dealerships¹

Sale of vehicles and parts – Principal
Sale of vehicles – Agent
Servicing of vehicles

Fleet Solutions²

Vehicle risk income
Mobility services income
Additional products and services
Finance commission
Rental and other income

Services

Other

**30 June
2023
Audited
R'000**

**30 June
2022
*Restated
R'000**

17 804 699 12 870 571

8 338 574 5 915 065

1 536 152 1 242 618

262 412 251 766

2 449 272 2 018 956

4 615 589 3 128 844

602 700 313 322

4 482 458 3 448 942

4 415 829 3 415 180

66 629 33 762

26 349 649 20 145 286

24 839 905 18 855 418

218 038 217 778

1 291 706 1 072 090

13 232 969 10 900 618

5 245 121 4 270 804

2 232 661 1 996 199

1 249 094 1 016 576

399 603 354 706

4 106 490 3 262 333

7 033 6 961

7 033 6 961

61 876 808 47 372 378

¹ Comprises Dealerships SA and Dealerships UK.

² Comprises Fleet Africa and SG Fleet.

* Refer to note 10.

SALIENT FEATURES continued

10 RESTATEMENT

INCOME STATEMENT RESTATEMENT

As part of the Group's continued IFRS 15 Revenue compliance assessment the following was noted:

- Variable consideration payments to customers have been reclassified from vehicle risk cost of sales to rental and other income in SG Fleet (R281 million decrease).
- Mobility services income and expenses have been stated on a gross basis to reflect the nature of the contracts where SG Fleet acts as a principal and not the agent (R517 million increase).

As a result, comparable period revenue increased by R236 million with a corresponding increase in the comparative period cost of sales, no impact on EBITDA was noted.

Auction and trade-in revenue has been stated on a gross basis in Dealerships UK to reflect the auction and trade-in income as principal and not agent. As a result, comparable period revenue increased by R898 million with a corresponding increase in the comparative period cost of sales, no impact on EBITDA was noted.

BALANCE SHEET RESTATEMENT

A portion of SG Fleet's interest rate swap contracts relating to cash flow hedges have been reclassified from current assets to non-current assets as the amounts are expected to be recovered after more than 12 months. As a result, Sundry receivables have decreased by R311 million with a corresponding increase in Investments and other non-current assets.