SUPER GROUP ACHIEVES RECORD FINAL RESULTS IN A TOUGH GLOBAL ENVIRONMENT

Highlights:

- **Revenue up 19% to R35.7 billion**
- **Operating profit up 15% to R2.4 billion**
- **Headline earnings increased by 19% to R1.2 billion**
- **HEPS up 15% to 332 cents**
- **Operating cash flow increased by 21% to R3.8 billion**
- **NAV per share up 13% to R27.05**

Johannesburg, 28 August 2018 – Super Group, a leading transport logistics and mobility group, today reported a record set of results for the year ended 30 June 2018. This was mainly attributable to the excellent performance of the commodities businesses within Supply Chain Africa, good contributions from the acquired businesses, and solid results from SG Fleet.

Group CEO, Peter Mountford, commented that this has been a stellar performance despite challenging circumstances, with the Dealerships SA and UK operations also outperforming their respective markets. "The South African consumer business operated in an environment characterised by poor consumer demand and competitive trading conditions."

Mountford said that the mining commodity industry in Africa experienced an excellent year with good volume growth. *"However, our consumer-facing and industrial operations in South Africa faced serious headwinds such as the VAT increase, fuel price hikes, high price inflation and increasing unemployment levels. The European and UK economies also faced a number of challenges and uncertainties arising from the protracted Brexit negotiations."*

He added that the Australian economic climate improved towards the end of the first half of the financial year, with conditions remaining above average for the rest of the period.

Super Group, continuing its strategy of geographically diversifying its revenue stream reported revenue and operating profit from its non-South African businesses of 47% (June 2017: 40%) and 60% (June 2017: 61%), respectively. The average Rand exchange rate for the year strengthened against the Australian Dollar (AUD) and the US Dollar (USD), but weakened against the Pound Sterling (GBP) and the Euro (EUR).

Group revenue increased by 19.4% to R35.7 billion (June 2017: R29.9 billion), primarily due to the significant volume increase in Supply Chain Africa's commodities businesses, the acquisitions of the Slough Motor Corporation (SMC) dealerships in the UK and SG inTime's net acquisition of an 88% interest in the Spanish courier company, Servicios Empresariales Ader, SL (Ader). Revenue also increased as a result of the inclusion of Essex Auto Group (EAG) and the Western Cape dealerships for the full year. The acquired businesses contributed 10.8% to revenue growth.

Operating profit before capital items of R38.5 million (June 2017: R17.5 million) increased by 16.0% to R2 474.0 million from R2 133.5 million in the comparable prior year. The capital items mainly relate to the impairment of certain properties in Dealerships UK and the impairment of goodwill in Phola Coaches.

"The UK properties were revalued during the year and this resulted in a net value increase of R36.4 million. In terms of IFRS, R54.8 million positively impacted equity and R18.4 million was impaired against profits. The impairment of a portion of the Phola Coaches' goodwill relates to the termination of a staff transportation scheme by a major mining client," Mountford said.

Operating profit increased by 15.1% to R2 435.5 million (June 2017: R2 116.1 million). The main reason for the softening of the margin was due to the acquisition of lower margin businesses, namely SMC and Ader. The acquired businesses contributed 3.5% to operating profit growth.

Profit before tax increased by 14.7% to R2 105.0 million (June 2017: R1 836,1 million).

Earnings per share (EPS) and headline earnings per share (HEPS) increased by 12.7% to 320.8 cents (June 2017: 284.7 cents) and 15.3% to 332.2 cents (June 2017: 288.2 cents), respectively.

Operating cash flow increased by 21.4% for the year to R3 776.7 million (June 2017: R3 111.4 million) mainly because of the strong cash generation from the Supply Chain Africa businesses, a combination of the acquisition of SMC, and the inclusion of the Western Cape dealerships and Motiva for the full year compared to the prior year. The Group invested R2 517 million in net additions and acquisitions to ensure future growth.

No dividend was declared.

Mountford said that the Group has mixed views on the economic conditions and prospects for its businesses, across its geographical regions, for the coming financial year.

"Locally, despite new political leadership, policy uncertainty remains extremely negative and there is still no indication of economic stimulus or encouragement of investments. South African consumers are under even more pressure and therefore we expect the low growth rates to persist. The medium-term outlook for the rest of Africa remains subdued for consumer-facing industries and growth prospects in the supply chain industries continue to be weighed down by margin pressure on the back of severe competition and poor consumer demand.

"In Australia, demand for higher value-add solutions in the FML market continues, as well as for management services for electric fleets. Telematics and driver safety applications are likewise growing steadily. The New Zealand economy has also seen a relatively lengthy period of strong growth.

"There was some improvement in the economic climate in the UK during the year, which was reflected in an uptick of interest in tool-of-trade, particularly light commercial vehicles, salary packaging services, and personal contract hire. The UK dealership market seems to be stabilising despite continuing uncertainty regarding the potential Brexit outcome.

"In Europe, Germany, with its high employment rate, remains a challenge in terms of driver shortages in the SG inTime business. The US's trade wars, together with the Brexit outcome uncertainty, plagues the European market and continues to be a concern for the Supply Chain Europe businesses. Nevertheless, the inTime business should perform adequately into the forthcoming financial year."

Mountford concluded that the Group's strategy of being an innovative, integrated mobility solutions company remains integral to growing and expanding its core businesses, with the Group exploring viable acquisition opportunities, both locally and abroad. "*We should perform reasonably well in the next year, mainly on the back of a strong African commodities performance and new business in the South African consumer-facing operations."*

Ends

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Notes to the Editor

About Super Group:

Super Group is a leading transport logistics and mobility group, headquartered in South Africa. The Group includes supply chain, dealerships and fleet solutions businesses focused on offering a comprehensive range of services, utilising world-class skills and technology. The Supply Chain division comprises Supply Chain Africa (consisting of Supply Chain South Africa and African Logistics) and Supply Chain Europe (representing the 75% interest in SG IN tIME); the Fleet Solutions division comprises Fleet Africa and SG Fleet (Super Group's 55.3% interest in SG Fleet Group Limited, a listed Australian fleet management business); the Dealerships division comprises Dealerships SA and Dealerships UK (being the 100% interest in Allen Ford (UK), Essex Auto Group Limited and Slough Motor Corporation); and the Services Division (consisting of the Group's Treasury operations and Corporate Office).

Divisional results:

Supply Chain Africa's excellent results were largely attributable to the performance by the commodity businesses, which include SG Coal, Legend and African Logistics. SG Coal and Legend experienced a significant increase in volumes, whilst the African Logistics business benefitted from improved transport rates. During the year, the Group's Black Woman Empowerment Scheme acquired a 15% interest in SG Coal. The consumer-facing operations within Supply Chain Africa, comprising of SG Consumer, SG Convenience and Digistics, reported negative growth, nevertheless operating margins improved. The performance by these businesses was largely impacted by the economic difficulties faced by the South

African consumer, resulting in a substantial decline in demand experienced in the FMCG and Quick Service Restaurant industries. The remaining supply chain businesses also encountered tough trading conditions but managed to increase the overall operating profit margin. The operating profit for this segment of the Supply Chain Africa business includes the R28 million partial impairment of the Phola Coaches' goodwill. Effective 1 October 2017, Super Group acquired a 90% interest in the MDS Group, a web-based express domestic courier company, which contributed positively to the results.

Supply Chain Europe's results did not meet expectations for the year under review. SG inTime's (excluding Ader) EBITA margin decreased from 9.7% to 8.2% as costs increased, resulting from a shortage of subcontractors as the company had to source drivers from other countries, given Germany's high employment rate. Sales volumes were up 12.9%, a combination of an increase in transport loads of 7.1% and an increase of 5.5% in kilometers per load. Unfortunately, this was off-set by unrecovered subcontractor cost escalations and diesel price increases. The increase in results were due to the inclusion of Ader, a Spanish courier and express transport operator, from 4 July 2017. Ader's business model generates lower margins, moderating the division's overall operating profit margin. Ader's EBITA margin is 4.3%. In Euro-terms, revenue and operating profit increased by 50.6% and 8.5%, respectively. The weakening of the average Rand against the Euro positively impacted Super Group's profit before tax by R4.8 million (June 2017: negative impact of R7.5 million).

Fleet Africa's results were disappointing given the loss of the Polokwane contract and the slow roll-out of the City of Tshwane emergency vehicles FML contract as well as the National Department of Transport's fleet maintenance contract. The implementation of the City of Tshwane's emergency vehicles FML contract has now been completed. Fleet Africa retained its Level 2 B-BBEE contributor status, which was critical for the business.

SG Fleet successfully addressed several legislative and insurance product challenges encountered towards the end of the first half of the financial year to deliver a better performance in the second half. The overall business performed well, with good contributions from the acquisitions made in the UK in the previous year, as well as from the New Zealand operations. The main theme of the year has been the continued growth in the range of products and services provided to customers. Total revenue and operating profit for the 2018 financial year, in AUD-terms, was up 9.4% and 10.8%, respectively, on the previous corresponding period. SG Fleet increased its operating profit margin on the back of a greater contribution from the end-of-lease income revenue line. The strengthening of the average Rand against the Australian Dollar negatively impacted Super Group's profit before tax by an amount of R28.9 million (June 2017: R25.3 million).

Dealerships SA reported a strong set of results notwithstanding the subdued trading environment, significantly outperforming the NAAMSA statistics. The results include the nine Western Cape dealerships for the full year compared to only ten months in the prior comparable year. Because of Mercedes-Benz changing their business model from a franchise to an agency model, revenue and profitability of these dealerships reduced. National Mercedes-Benz sales volumes also declined by 17% in the second half of 2018. Dealerships SA sold one General Motors dealership and closed another, following the announcement that General Motors are exiting South Africa. Dealerships delivered a 13.4% growth rate in new vehicle sales (excluding dealerships sold/closed), outperforming the NAAMSA dealer market, which reported an increase of only 2.7% in new vehicle sales for the year ended 30 June 2018, by 10.7%. Used vehicle sales increased by 9.4% over the same period (2 dealerships sold/closed). The Parts and Services business continued to perform well. Dealerships SA increased its operating margin to 3.4% from 3.2% reported in the prior comparable year.

Dealerships UK's results were positively impacted by the inclusion of Essex Auto Group and Slough Motor Corporation for the full year. The UK dealership market, during the reporting period, experienced a steep decline of 11% in new vehicle sales. Ford, with the introduction of the new Focus and Fiesta models in the second half of the financial year, made up for the lost market share in the UK, as a result of temporary and unprecedented supply problems with the old models. Overall vehicle sales in Dealerships UK, contrary to the general new vehicle market trend and seeing the benefit of its strong Ford presence in key regions, grew by 9.2% in its existing dealerships, and including the acquired dealerships, up 43.8%. Dealerships UK reported used vehicle sales growth of 8.1% from its existing dealerships and including the acquired dealerships, growth of 51.6%. Revenue and operating profit, in GBP-terms, increased 44.8% and 29.5%, respectively. The UK properties were revalued during the year and this resulted in a net value increase of R36.4 million. In terms of IFRS, R54.8 million positively impacted equity and R18.4 million was impaired against profits.