



supergroup 

2019 Fixed Income Investor Roadshow

Agenda

Introduction and Overview

Interim Results Highlights

Domestic Medium Term Note



Introduction and Overview



Introduction: Key Actions 2008 – 2012 (Calendar Year)

2008

- / Super Group restructured its debt financing arrangements; and
- / Refocused its strategy on its core profitable operations
- / Despite challenging market conditions, Super Group executed a Rights Offer in Oct 2008, raising R510m

2009

- / Significant managerial and operational changes, including the appointment of Peter Mountford as CEO in Jul 2009 (who is still fulfilling this role)
- / Disposal of non-core businesses, including Emerald Risk Underwriters in Dec 2009
- / Implementation of the envisaged restructuring plan: Restructuring Agreement signed in Jul 2009 between Super Group and the relevant funders setting out key terms of an equity recapitalisation and debt restructuring transaction
- / Nov 2009: R1.2bn recapitalisation of Super Group through a rights offer

2010

- / Appointment of Colin Brown as the CFO in Feb 2010 (who is still fulfilling this role)
- / Disposal of AutoZone, Mica, Herman's Truck Accident Repairs and Hala in Feb 2010
- / R1.069bn of net borrowings repaid
- / Turnaround strategy started to show results despite difficult trading conditions:
 - o Finalisation of operational changes and implementation of stringent cost-cutting initiatives and completion of disposals

2011

- / Given that the restructuring term loans were repaid, Super Group was in a position to cancel the term loan agreements and resume normal banking relationships
- / Net gearing reduced to 21.3% and interest cover improved to 8.1x
- / Acquired the minority interest in FleetAfrica Eastern Cape, Acquired Volkswagen and Audi Rustenburg dealerships; Acquired Haulcon (now SG Bulk) on 1 Jul 2011
- / Restructure of SG Fleet, introduced new minority shareholders being CHAMP Ventures and the management of SG Fleet

2012

- / Successful year for Super Group, focused on organic growth and continued to make appropriate acquisitions such as Chrysler, Jeep, Dodge East Rand dealership and Nash Nissan dealership, while ensuring gearing levels remained at appropriate levels
- / Successfully unwound Financing and Credit Facility Agreements with 21 lenders

The Evolution of Super Group: 2013 – 2019 YTD (*Calendar Year*)



	2013	2014	2015	2016	2017	2018	2019 YTD
	<ul style="list-style-type: none"> Maiden dividend paid to employee beneficiaries of B-BBEE staff empowerment scheme Listed DMTN Programme SPG001 issued (R471m; 3yr) 	<ul style="list-style-type: none"> SG Fleet listed on the Australian Securities Exchange Phola Coaches Acquisition SG Convenience acquired R&H Distribution R66m share repurchase Allen Ford (UK) acquisition for R614m 	<ul style="list-style-type: none"> New dealerships acquired in Gauteng and Mpumalanga inTime (German) acquisition Fully underwritten Rights Offer, raising R900m and an ABB for R360m 	<ul style="list-style-type: none"> SPG002 and SPG003 (totaling R204m; 3yr) notes listed on the JSE 9 dealerships acquired in the Western Cape Fleet Hire (UK) acquisition 	<ul style="list-style-type: none"> Legend, Motiva and Essex Auto Group (UK) acquisitions R500m equity raised through Accelerated Bookbuild placement 	<ul style="list-style-type: none"> Increased effective shareholding in SG Fleet to 57% 15% of SG Coal sold to the Group's Black Women Empowerment Scheme SPG004 (R450m, 5yr) note listed on the JSE Rating upgrade to zaAAA by S&P Unwound the legacy Security SPV 	<ul style="list-style-type: none"> SPG005 (R300m; 5yr) note listed on the JSE
S&P NSR	zaA	zaA+	zaA+	zaA+	zaAA	zaAAA	Expected in Oct 2019

R7.3bn

R9.6bn

R9.9bn

R14.1bn

R12.8bn

R12.7bn

R 12.9bn

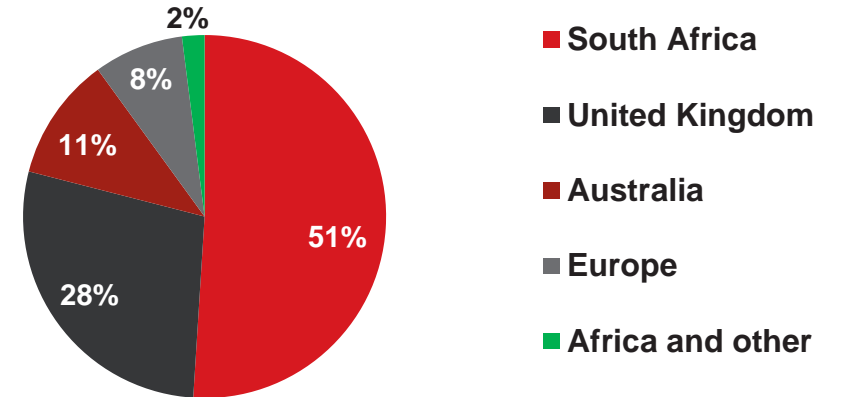
International vs African operations

Super Group is a global logistics group with its head office in Johannesburg, South Africa and operations in Australia, New Zealand, Germany, Spain and the United Kingdom. The company has a strong footprint in Africa with operations in Kenya, Mauritius, Zimbabwe and Ghana.

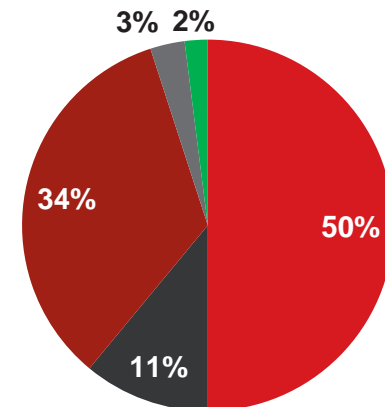
Super Group's international operations contributed:

- / 49% (Dec 2017: 46%) to revenue; and
- / 50% (Dec 2017: 62%) to operating profit

Revenue per country

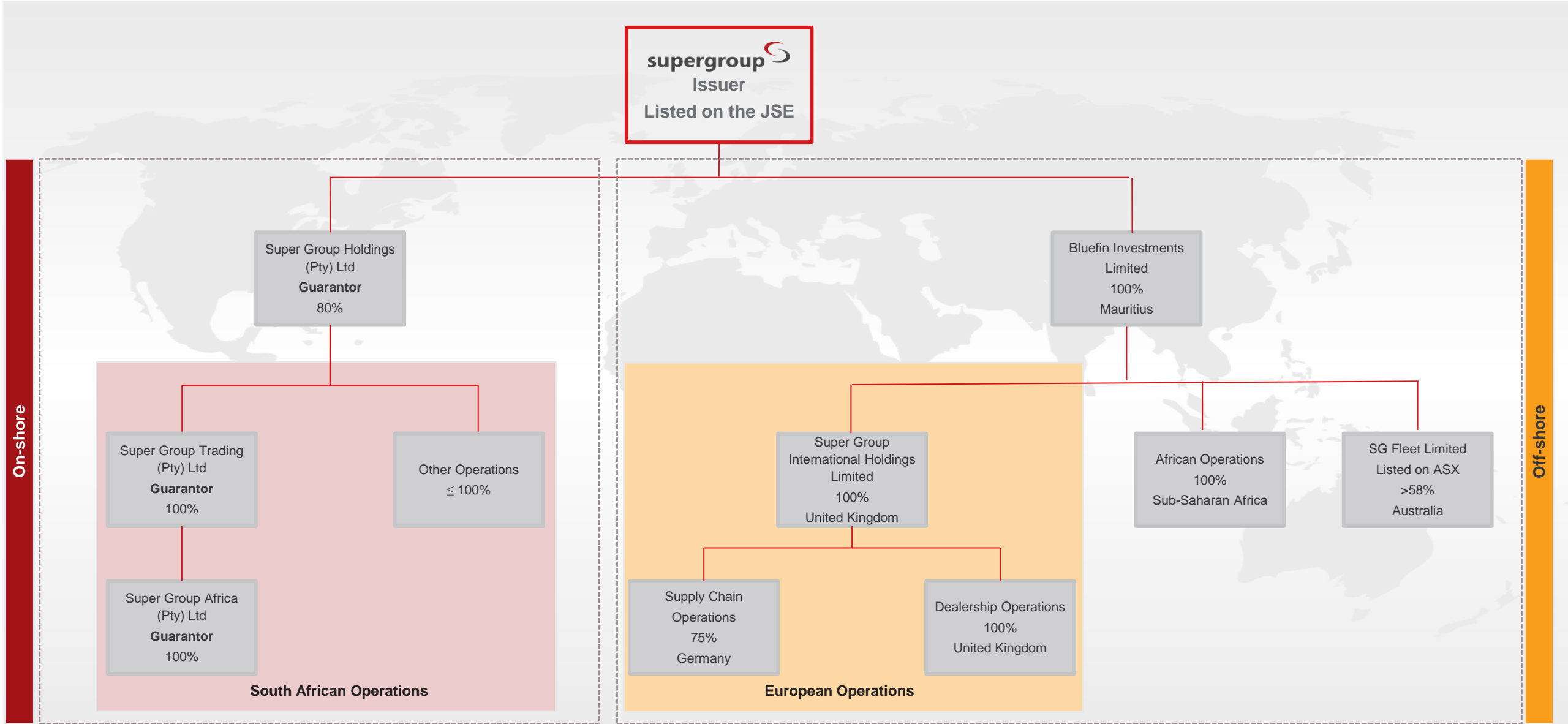


Operating profit per country



Africa	Europe	Asia Pacific
Mauritius	Germany	Australia
South Africa	United Kingdom	New Zealand
Zimbabwe	Spain	
Kenya	Poland	
Ghana	Romania	
	Czech Republic	
	Hungary	
	Sweden	

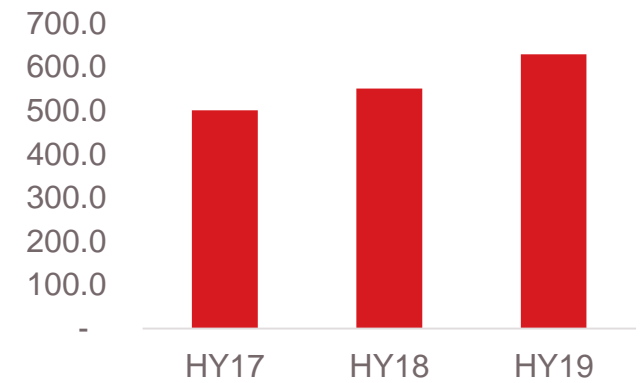
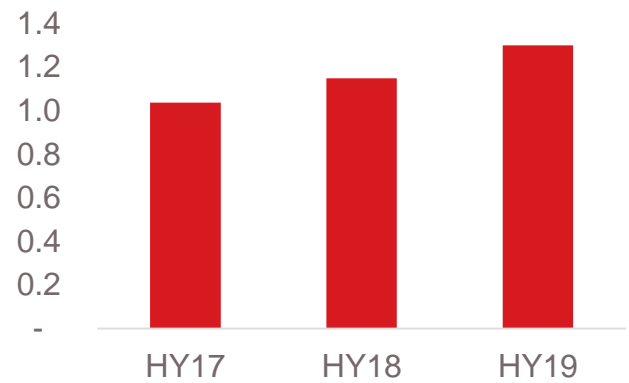
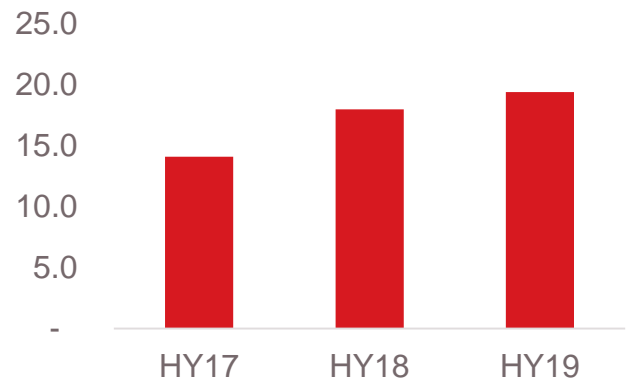
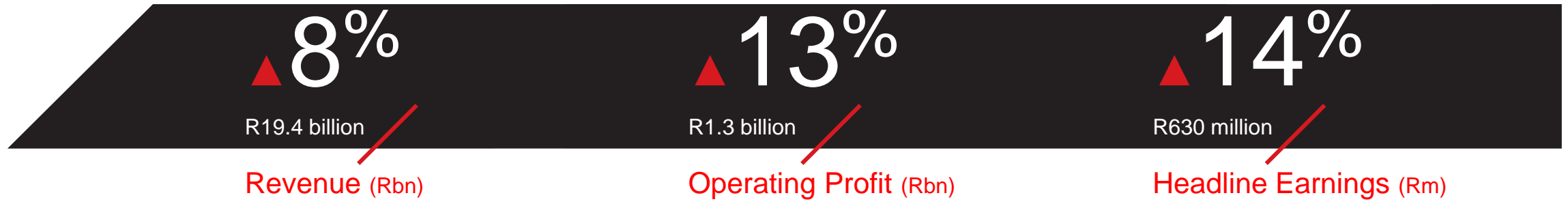
Group Structure



Interim Results Highlights



Results at a Glance for the six months ended 31 December 2018

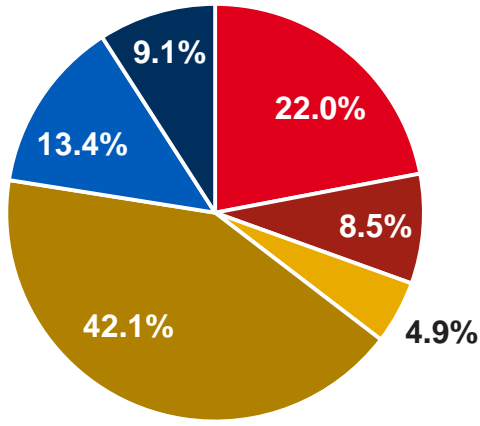
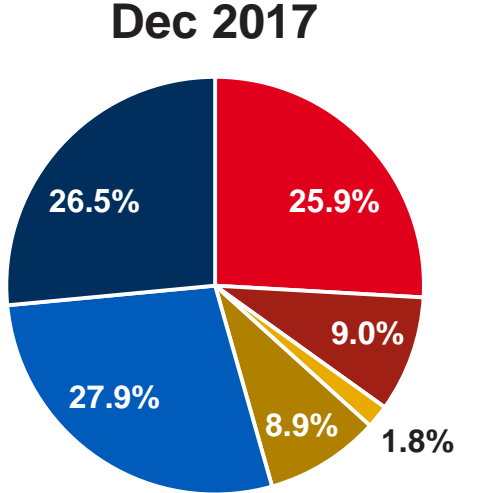
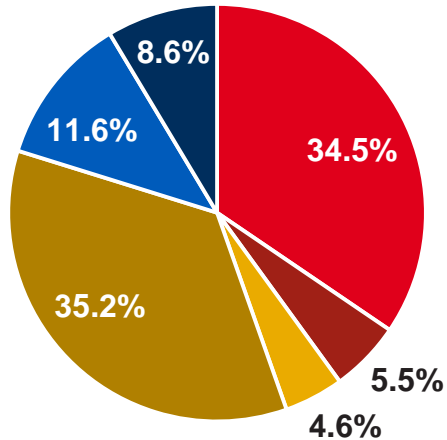
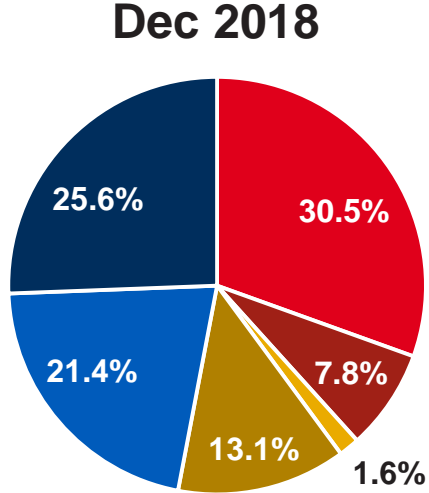


- ✓ Super Group reported a strong set of results for the six months ended 31 December 2018, mainly attributable to the ongoing strong performance by the commodity businesses within Supply Chain Africa
- ✓ Fleet Africa reported satisfactory results due to an increase in ad hoc contracts
- ✓ Dealerships SA outperformed NAAMSA statistics and Dealerships UK performed satisfactorily despite the ongoing Brexit uncertainty

Revenue and EBITA Analysis (excl. Services and Corporate)

Revenue per division

EBITA per division



Divisional Analysis

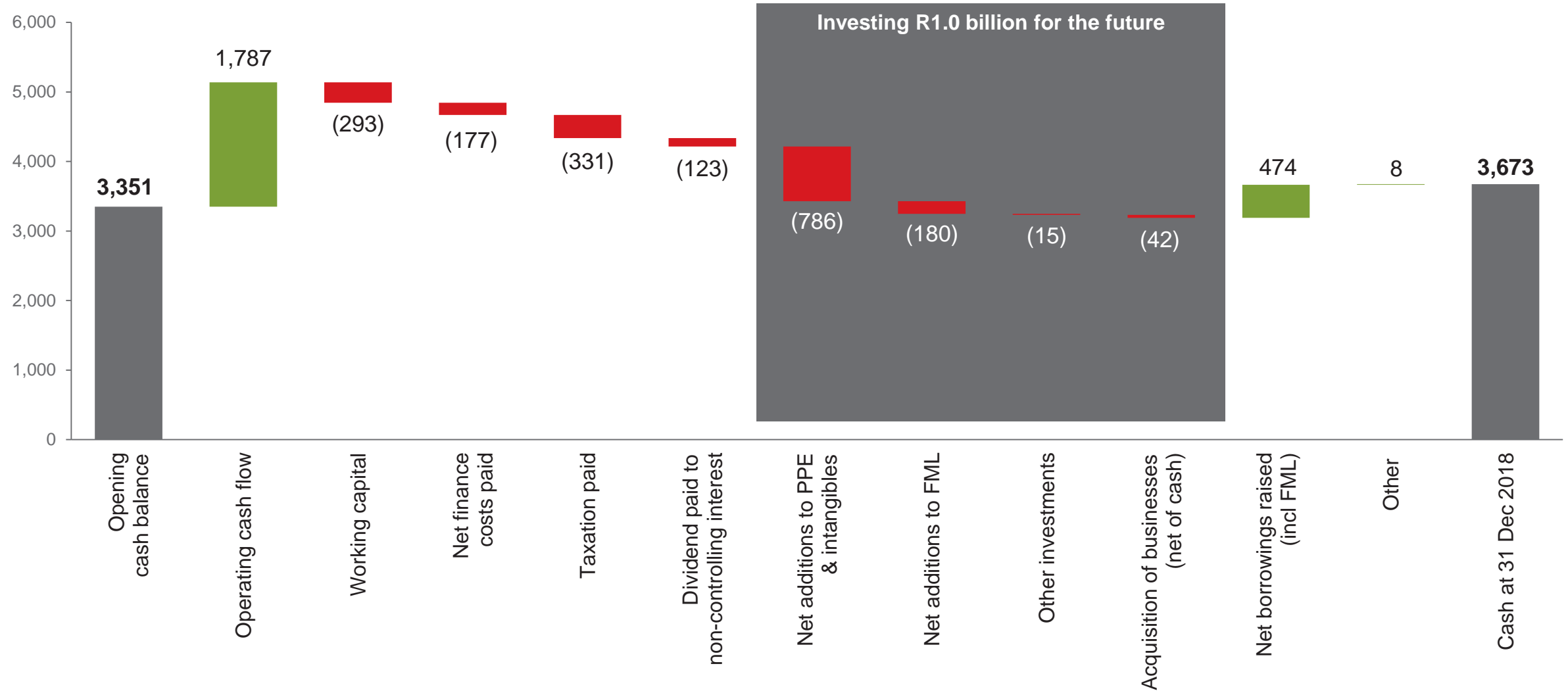
	Revenue	Operating Profit
Supply Chain Africa	<ul style="list-style-type: none"> / Revenue increased by 27.2% mainly due to an excellent performance in all the mining commodities businesses / The consumer-facing businesses, with the exception of Digistics who secured meaningful new contracts, reported negative growth given the substantial decline in demand in the FMCG industries / The remaining supply chain businesses encountered tough trading conditions with a decline in manufacturing volumes during this period 	<ul style="list-style-type: none"> / Operating profit increased by 78.9% largely on the back of strong growth reported by SG Coal, Legend, African Logistics and Digistics / Included in this figure are capital items of R14m mainly attributable to profits made on the sale of Supply Chain trucks / The operating profit margin increased from 5.6% to 7.9%
Supply Chain Europe	<ul style="list-style-type: none"> / Revenue decreased by 6.0% primarily due to the decrease in the: <ul style="list-style-type: none"> / number of transports done by inTime by 19%; and / number of kilometres driven by 18% / Revenue in Euro-terms decreased by 9.3% 	<ul style="list-style-type: none"> / Operating profit decreased by 46.6%, and in Euro-terms by 48.5% / The operating profit margin decreased from 3.9% to 2.2% due to: <ul style="list-style-type: none"> / the bottleneck at OEM's following the implementation of WLTP; and / cost pressures as a result of a shortage of subcontractors in Germany
Fleet Africa	<ul style="list-style-type: none"> / Revenue decreased marginally by 0.3% / Loss of Polokwane contract, due to insourcing, was largely offset by ad hoc volumes on existing contracts 	<ul style="list-style-type: none"> / Operating profit increased by 2.9% / The operating profit margin increased from 19.5% to 20.1% / The financial results were positively impacted by higher margin ad-hoc volumes during the period under review
SG Fleet	<ul style="list-style-type: none"> / Revenue increased by 59.0% or 61.6% in AUD-terms due to the change in revenue recognition on vehicle disposals (IFRS15) / SG Fleet continued to experience generally tough trading conditions / Both the novated lease and insurance businesses contracted in the first half 	<ul style="list-style-type: none"> / Operating profit decreased by 7.7% in ZAR and 6.1% in AUD-terms / Comparable operating profit margin decreased from 18.6% to 17.9% due to the weakness in the novated lease market

Divisional Analysis Cont'd...

	Revenue	Operating Profit
Dealerships SA	<ul style="list-style-type: none"> / Revenue decreased by 17.2% mainly as a result of Mercedes-Benz moving to an agency model (R518m impact on the revenue line) / General decline in luxury vehicle sales continues / Dealerships SA outperformed the NAAMSA statistics, reporting: <ul style="list-style-type: none"> / a marginal decline of 0.1% in new vehicle sales; and / a decline of 13.0% in used vehicle sales / The Parts and Services businesses performed well 	<ul style="list-style-type: none"> / Operating profit decreased by 3.9% / The Mercedes-Benz new business model continues to underperform with a sharp overall sales market decline in 1H 2019 / The main reason for the increase in operating profit margin from 3.3% to 3.9% was a result of the elimination of gross revenue of R518m on the Mercedes-Benz agency model
Dealerships UK	<ul style="list-style-type: none"> / Revenue increased by 4.6% on the back of both Ford and Kia gaining market share in the UK / Revenue in GBP-terms increased by 0.7% / Market share increases were as follows: <ul style="list-style-type: none"> / Ford 11.3% to 11.7% / Kia 3.9% to 4.3% 	<ul style="list-style-type: none"> / Operating profit increased by 4.2%, and in GBP-terms by 0.3% / The operating profit margin remained flat at 2.3% / Given the prevailing economic circumstances, Dealerships UK performed strongly / The impact of the Rand weakening against the average GBP by 3.8% resulted in an increase of R3.1m

Cash Flow Movement

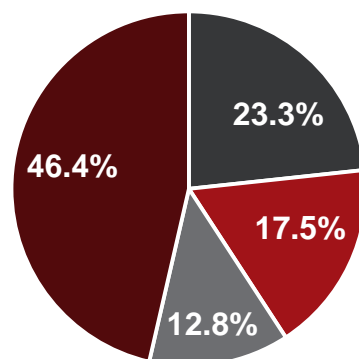
(R 'million)



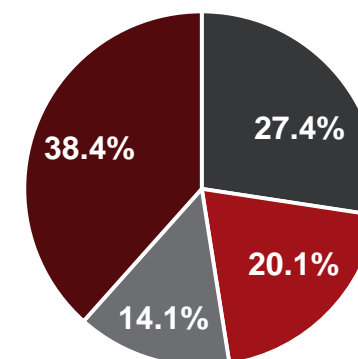
Net Borrowings

R'million	Borrowings 31 Dec 2018	Cash 31 Dec 2018	Net borrowings/ (cash) 31 Dec 2018	Net borrowings/ (cash) 30 June 2018	Change %
Africa	3 124.1	(1 799.1)	1 325.0	943.9	40.4
United Kingdom	1 571.9	(520.8)	1 051.1	1 033.4	1.7
Australia	1 179.7	(986.9)	192.8	249.9	(22.8)
Europe	859.4	(366.3)	493.1	626.7	(21.3)
Total	6 735.1	(3 673.1)	3 062.0	2 853.9	7.3

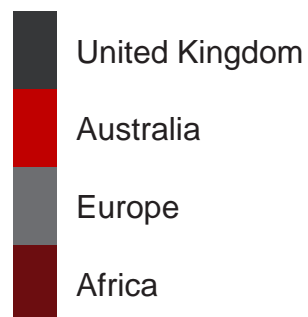
Dec 2018



Jun 2018



Borrowings



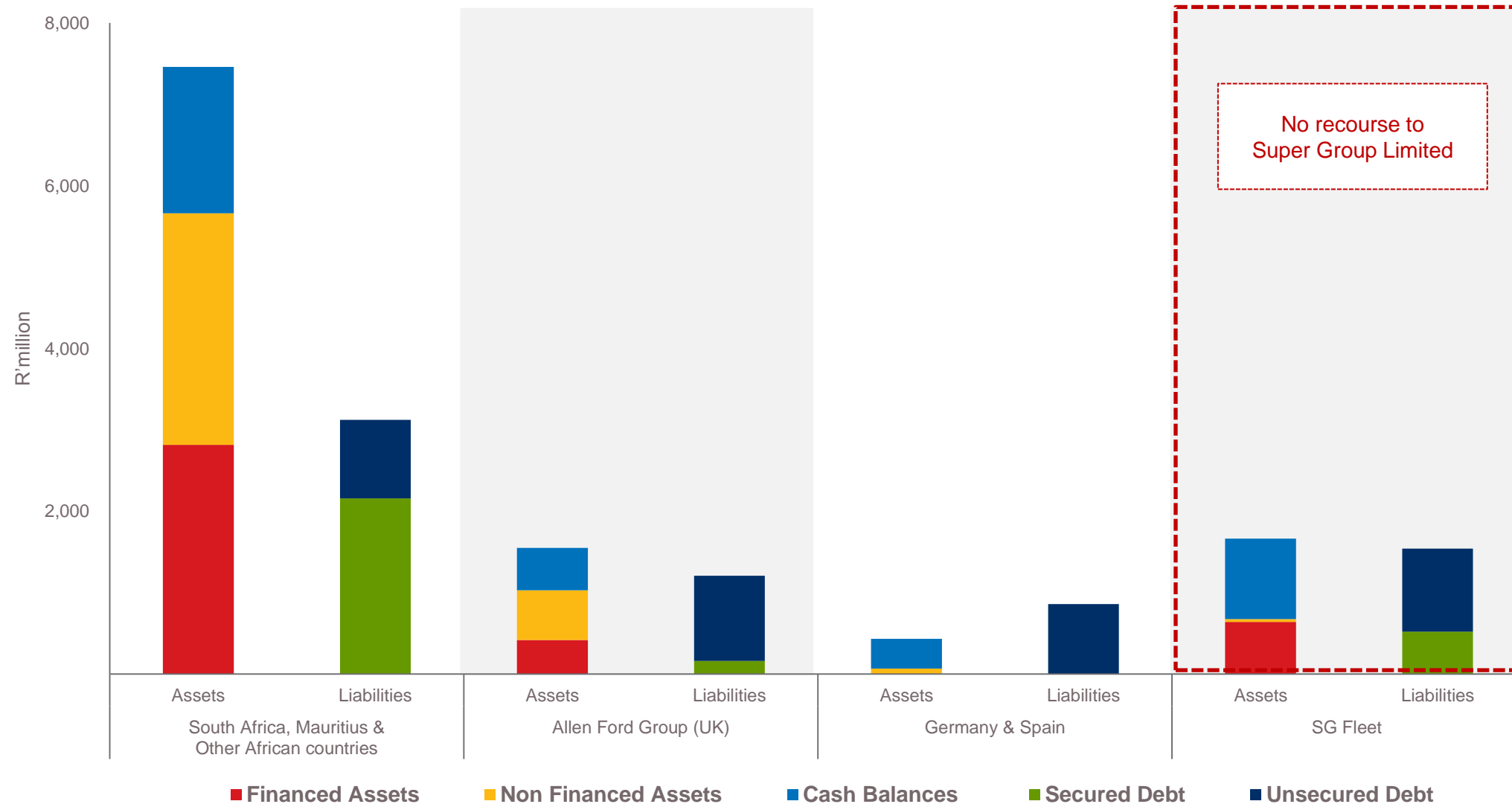
Domestic Medium Term Note Programme



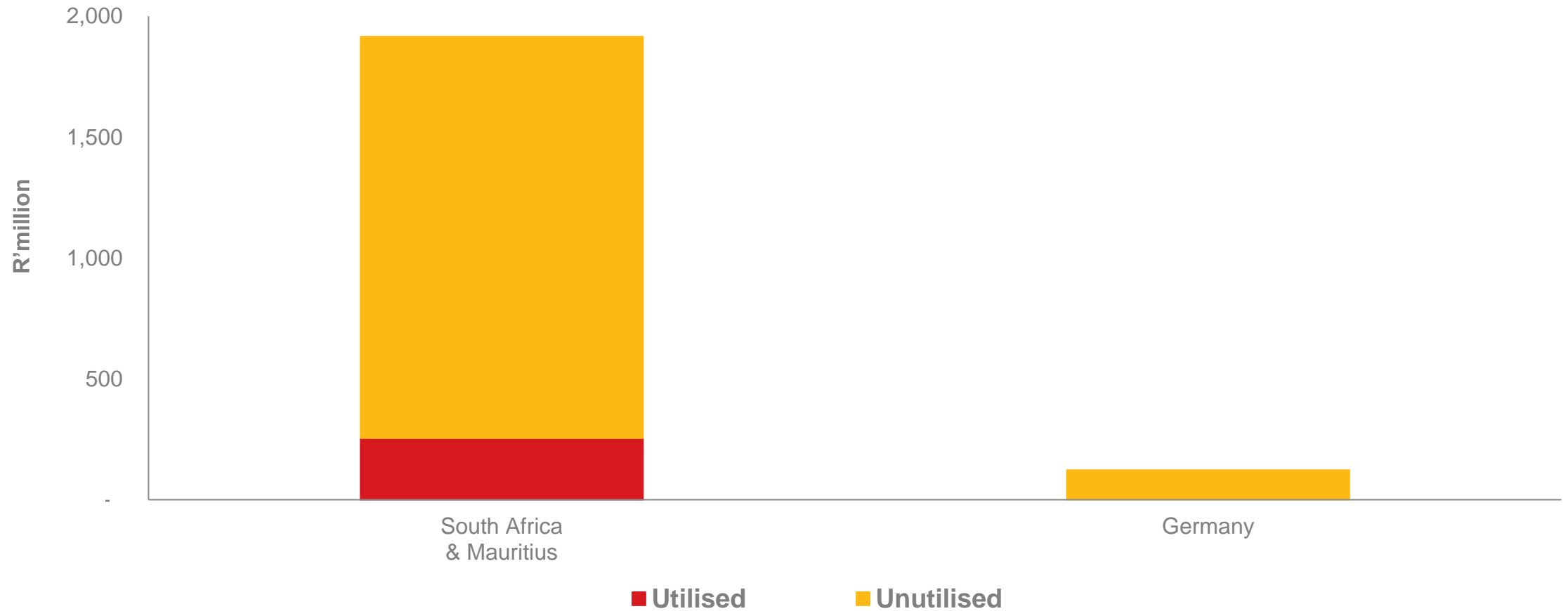
Debt Policies

Debt Management Objectives	<ul style="list-style-type: none">/ Simple, clearly defined debt structure, with transparent ranking amongst all Group finance counterparties/ Flexibility to actively manage debt arrangements and achieve funding efficiency/ Build debt management credibility and a respected credit profile/ Net Debt to Equity ceiling of 40% (currently 25.2%)
Debt Policies – South Africa	<ul style="list-style-type: none">/ Asset based finance: including mortgage finance, is raised at operating company level to fund the operating assets, and typically benefits from a holding company guarantee/ Group treasury borrowings are typically raised via Super Group Limited, including overdraft facilities, general banking facilities, revolving credit facilities and notes issued under the Domestic Medium Term Note Programme/ Debt raised under the DMTN is guaranteed by Super Group Holdings, Super Group Trading, and Super Group Africa
Debt Policies – Offshore	<ul style="list-style-type: none">/ SG Fleet Australia: separately listed on the ASX, raises its own funding off the strength of its own balance sheet with no recourse to Super Group Limited/ inTime Germany: low capital intensity. Acquisition debt funded in Germany with guarantee from Bluefin, Mauritius with no recourse to Super Group Limited/ Allen Ford UK: working capital and properties funded in the UK. Acquisition debt funded in Mauritius and UK and guaranteed by Super Group Limited

Tangible Assets and Liabilities (excl Working Capital)

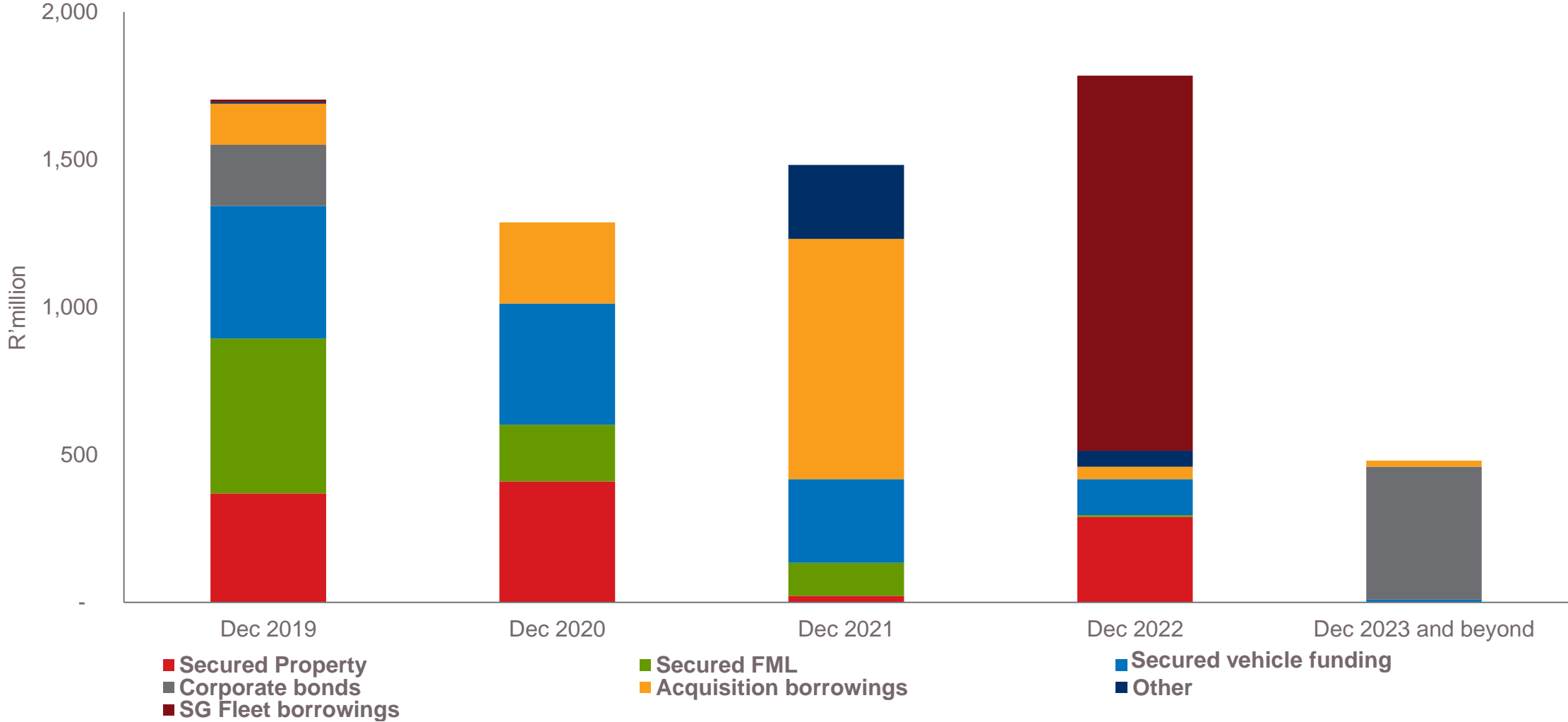


Other Committed Facilities



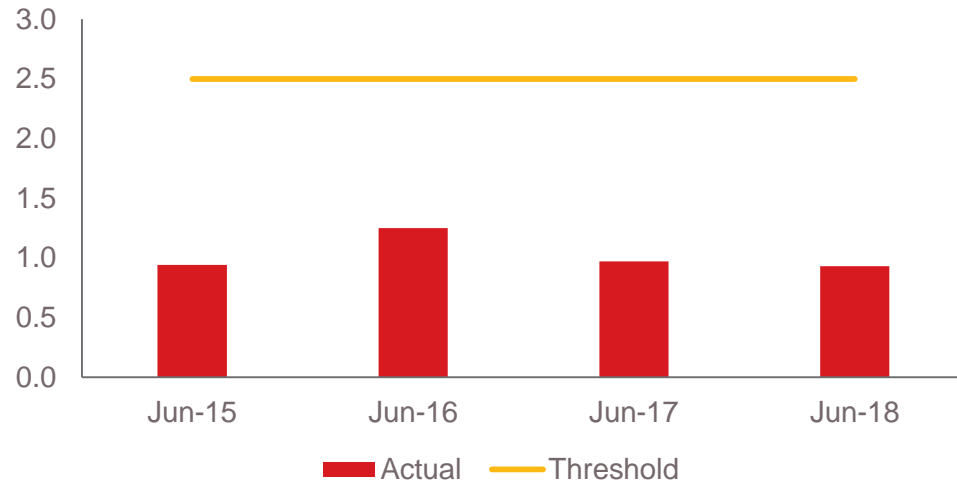
✓ The facilities in Germany are secured by the security package in respect of the acquisition funding for inTime, with no recourse to Super Group Limited

Debt Maturity Profile

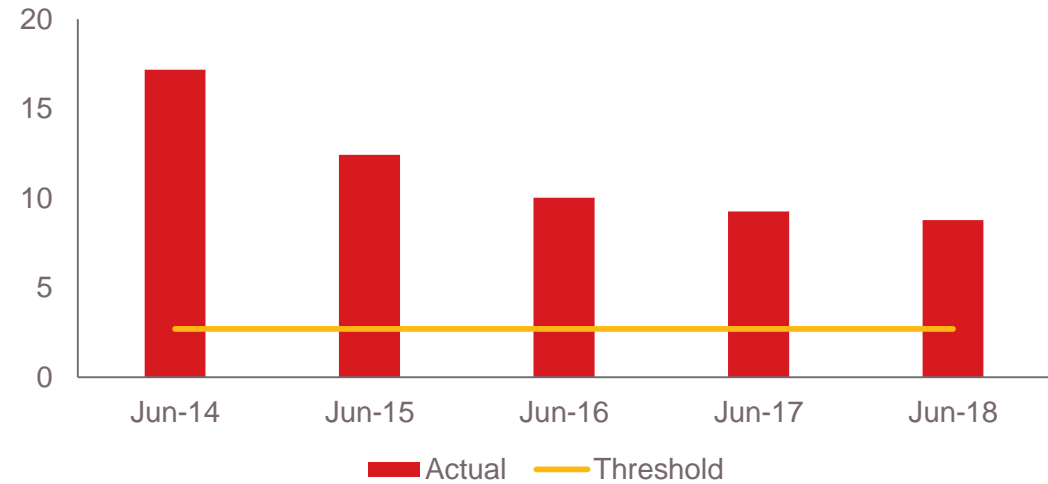


Covenant Analysis

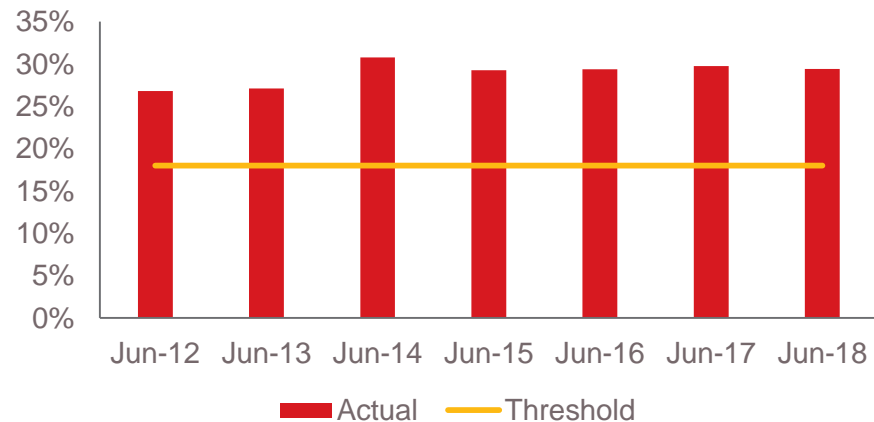
Net Debt to EBITDA ($\leq 2.5x$)



Interest Cover Ratio ($\geq 2.7x$)

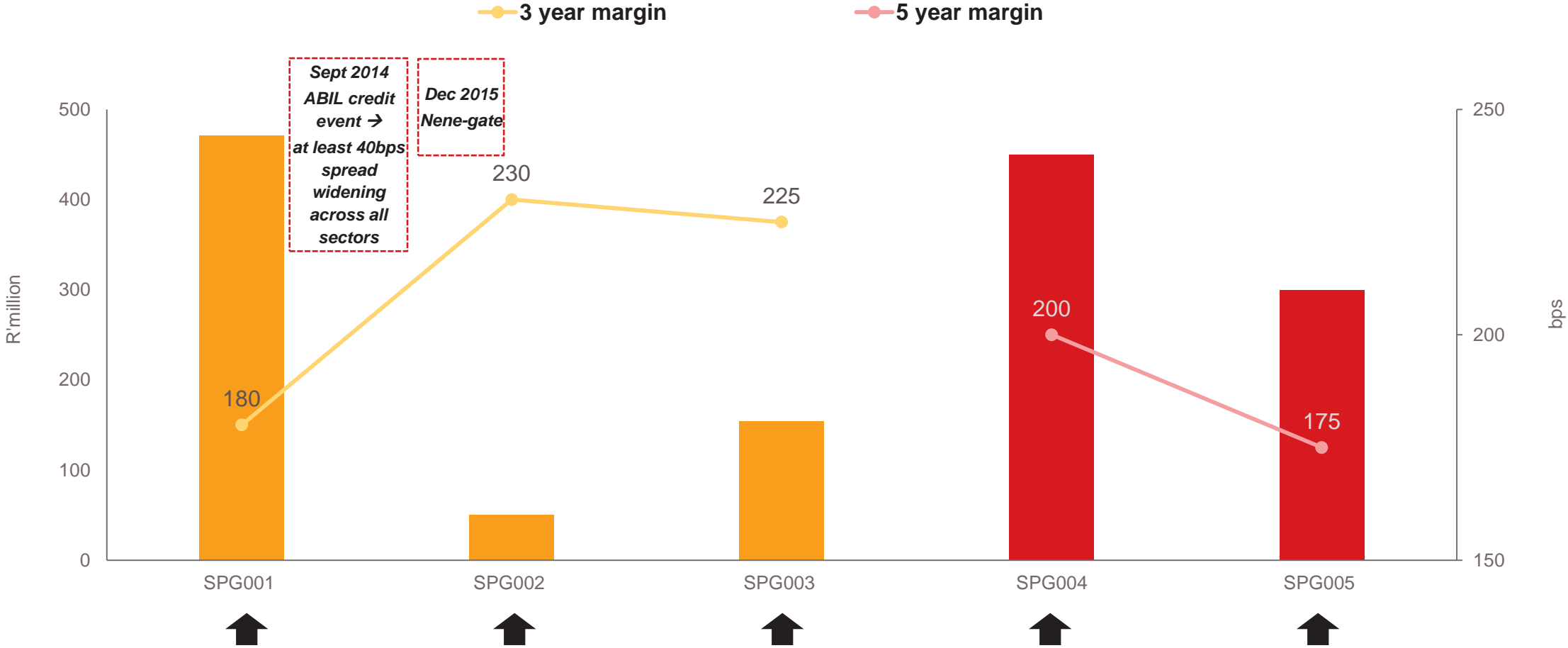


Capital Adequacy ($\geq 18\%$)



- / The policy is to have the Interest Cover Ratio and the Net Debt to EBITDA Ratio as the core covenants
- / The Capital Adequacy covenant is a historical ratio which Super Group is phasing out
- / By virtue of the Cross Default in the DMTN, the Fixed Income investors have indirect access to these covenants
- / The Actual levels vs the Threshold levels are a clear indication that Super Group has consistently maintained sufficient headroom

Bond Issue Spread and Credit Rating Analysis



Date Issued	2013	2016	2016	2018	2019
S&P Rating	zaA+	zaA+	zaA+	zaAAA	zaAAA

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Contact Details

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Additional Information: Flash Drive Contents



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- 2017 April Super Group Limited Corporate Video
- 2018 December Super Group Limited Interim Results for 6 months ended
- 2018 December Super Group Limited Investor Presentation for 6 months ended
- 2018 June AFS Super Group Africa
- 2018 June AFS Super Group Holdings
- 2018 June AFS Super Group Limited
- 2018 June AFS Super Group Trading
- 2018 June Super Group Limited Environmental Social and Governance (ESG)
- 2018 June Super Group Limited Corporate Governance Report
- 2018 June Super Group Limited Integrated Report
- 2018 June Super Group Limited Sustainability Report
- 2018 November Standard and Poor's Rating Report
- 2019 March Organisation Structure
- 2019 April Fixed Income Investor Roadshow presentation booklet



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Further information available on www.supergroup.co.za

Notes

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