

Super Group navigates turbulent macro-economic waters

Super Group's financial results for the six months to 31 December 2023 demonstrate its resilience in the face of tough trading conditions. Despite being significantly impacted by macro-economic challenges and infrastructural failures, the Group's revenue increased by 11.9% to R33.22 billion. This increase was driven by the weakening of the average Rand exchange rate and the acquisitions of UK based AMCO and a South African retail delivery specialist, Right Side Up. EBITDA increased by 5.1% to R4.24 billion and operating profit by 4.0% to R2.01 billion. Profit before taxation decreased by 6.2% to R1.41 billion, while earnings and headline earnings per share decreased by 15.0% and 16.2% respectively.

"Super Group's operations in South Africa, Europe and the UK, in particular, felt the impact of high inflation and escalations in fuel, food and energy prices," says Group CEO, Peter Mountford. *"In South Africa, this was exacerbated by load shedding, port delays and border inefficiencies."*

"The Group continues to demonstrate the agility required to counter market challenges and leverage opportunities for growth," Mountford expands. *"Our operations span diverse industries and currencies,"* he continues. *"This diversification has partially helped mitigate the significant market volatility and cost pressures across our European and Southern African dealerships and supply chain businesses."*

The Southern African supply chain businesses performed well, notwithstanding the significant loss of trading volumes and very slow turn-around times at South African ports. As a result of new business wins and contract renewals, the consumer businesses delivered a particularly strong performance. The Group's fleet solutions businesses in both Australasia and Africa performed well, with SG Fleet order books remaining robust. Fleet Africa delivered growth despite very little new corporate or parastatal tender activity within the Southern African market.

The South African dealerships reported revenue growth of 4.4% on the back of improved new and used vehicle sales. New vehicle sales volumes increased by 8.9%, with the business outperforming the NAAMSA decline of 4.7% for the period. Used vehicle sales volumes increased by 4.9% in South Africa. Dealerships in the UK felt the adverse effects of falling consumer demand, a dramatic reduction in used vehicle trading margins and the impact of high interest rates.

The German and UK supply chain businesses were negatively affected by a sharp decline in automotive parts distribution volumes across Europe and the adverse impact of high interest rates. The German supply chain operations were also affected by margin erosion due to excess vehicle capacity across the region. *"The implementation of further cost rationalisation strategies across the European business should deliver benefits in the forthcoming year,"* explains Mountford.

Although trading conditions for the second half of the financial year are expected to remain largely unchanged, Mountford expects the Group to deliver an improvement in comparative financial performance in the second half to 30 June 2024. *"Against a backdrop of global socio-economic volatility, Super Group will continue to adapt its business models to remain relevant and competitive,"* Mountford concludes.

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Notes to the Editor

Super Group provides leading logistics and mobility solutions across Southern Africa, Europe, the UK and Australasia. Headquartered in South Africa and listed on the Johannesburg Stock Exchange, we partner with blue chip clients across multiple industries, across the world.

The Group's supply chain, dealerships and fleet solutions businesses offer a comprehensive range of services, applying world class expertise and leveraging state-of-the-art technology. Working across 21 countries, 20 000 employees strive tirelessly to be the market benchmark in terms of efficiency, customer service and innovation.