Super Group resilient amidst challenging global conditions

Super Group today released its financial results for the year ending 30 June 2024, with new client wins, contract renewals and increases in market share reflecting its ability to navigate a difficult trading environment. The Group's revenue increased by 4.6% to R64.90 billion, benefiting from the weakening Rand and strategic acquisitions in the UK and South Africa. Despite this revenue growth, EBITDA decreased by 1.4% to R8.45 billion and operating profit fell by 5.6% to R3.79 billion, mainly due to weaker performances in the European supply chain businesses and the UK based dealerships business. The Group has declared a dividend of 60 cents per share for the year ended 30 June 2024.

"Geopolitical uncertainties and infrastructural challenges in South Africa have placed significant pressures on both revenue generation and operational cost structures," commented Group CEO, Peter Mountford. "*Despite these pressures, the business has done well in growing market share across its Southern African Supply Chain and Dealerships operations."*

"The Group's operations span various geographies, industries and currencies and this diversification has been instrumental in managing market volatility," added Mountford. Super Group's revenue and operating profit contributions from its non-South African businesses were 56% and 54%, respectively.

"While our Supply Chain Europe and Dealerships UK operations faced significant headwinds, our South African consumer and Australasian fleet solutions businesses showed notable growth," Mountford expands. Supply Chain Africa's consumer businesses delivered an excellent performance as a result of new business wins and contract renewals. Exceptional order and delivery levels resulted in an increase in both revenue and operating profit for SG Fleet. The fleet solutions business operates across Australia, New Zealand and the UK. *"We were able to reap the benefits of a strong order book as the delivery environment improved,"* explains Mountford. Despite a dearth of new business, the African fleet solutions business increased revenue, benefitting from the growth in ad hoc rental volumes on existing contracts.

"An increasingly constrained consumer did not deter the South African Dealerships business from achieving a modest increase in revenue, driven by higher sales of both new and used vehicles," Mountford continues. New vehicle sales rose by 4.9%, significantly outperforming the 6.0% decline reported by NAAMSA. Used vehicle sales grew by 4.8%, with inventory and trade-in value optimisations helping to offset market price pressures.

In addition to these accomplishments, the year also presented the Group with a range of significant challenges. Higher pricing across new and used vehicles and the weakening of the Rand against the GBP, saw Dealerships in the UK increase revenue by 6.9%. However, ongoing supply issues resulted in a notable drop in Ford sales volumes and market share and operating profits were negatively impacted by a significant decline in used vehicle prices and gross margins.

Reduced coal export volumes, border delays and slow turnaround times at South African ports hampered growth in the industrial and commodity transport businesses, with the rerouting of copper exports from Durban to Dar es Salaam and Walvis Bay leading to lower revenues and margins. The decline in export volumes and bad debts in the division's coal operations negatively impacted profitability within these businesses.

Supply Chain Europe's revenue increased by 29.1% to R5.8 billion largely due to the R1.35 billion contribution from AMCO and the weakening of the Rand against the Euro. The division's overall performance was disappointing, with an operating loss of R87.7 million. *"This was due to a sharp decline in automotive parts distribution volumes across Europe and a significant erosion of gross margins due to excess logistics capacity in Germany,"* explains Mountford.

"*The rightsizing of inTime is progressing as planned and should result in an improvement in financial performance in the forthcoming financial year,"* he continues. *"New customer wins and the repositioning of the courier business are also likely to enhance the performance of Iberian-based Ader."*

Looking ahead, Super Group anticipates continued macro-economic and infrastructural challenges but is optimistic that potential interest rate cuts and moderating inflation will ease the cost-of-living pressures on consumers in all operating geographies. *"The Group will continue to focus on innovative client solutions and effective cost management and is well positioned to deliver a resilient financial performance for the year ending June 2025,"* Mountford concludes.

ENDS /

Compiled and released by:	**Super Group Limited**
Contact:	Michelle Neilson
Mobile:	+27 82 651 6304
Email:	michelle.neilson@supergrp.com
Issue date:	11 September 2024
JSE code:	SPG
Website:	www.supergroup.co.za