Motus

Unaudited condensed interim results

for the six months ended 31 December 2022

Contents

Key investment highlights

1 Diversified automotive business

Diversified (non-manufacturing) business in the automotive sector with a **leading position** in South Africa, a selected international presence primarily in the United Kingdom (UK) and Australia, as well as a limited presence in South East Asia and Southern and East Africa.

2 Integrated business model

Fully integrated business model across the vehicle value chain: Import and Distribution, Retail and Rental, Mobility Solutions and Aftermarket Parts.

3 Unrivalled scale in South Africa

Unrivalled scale in South Africa underpins a differentiated value proposition to Original Equipment Manufacturers (OEMs), suppliers, customers and business partners, providing multiple customer touchpoints supporting resilience and customer loyalty through the entire vehicle ownership cycle.

4 High free cash flow generation

High free cash flow generation underpinned by annuity income streams in the Mobility Solutions business.

5 Varied income streams

Income streams not directly dependent on new vehicle sales: parts and services in the dealerships, the Aftermarket Parts business selling parts and accessories and the Mobility Solutions business selling value-added products and services (VAPS) to customers.

6 Organic growth trajectory

Defined **organic growth trajectory** through **portfolio optimisation, continuous operational enhancements** and **innovation**, with a **selective acquisition growth strategy** in and outside South Africa leveraging best-in-class expertise.

7 Highly experienced and agile team

Highly experienced and agile management team, with **deep industry knowledge** of regional and global markets and a proven track record with years of collective experience, led by an **independent and diversified board**.

Business overview

Motus is South Africa's leading automotive group, employing over 19 250 people globally, and is a multi-national provider of automotive mobility solutions, and vehicle products and services. We are a diversified (non-manufacturing) business in the automotive sector with unrivalled scale and scope in South Africa, a selected international presence primarily in the UK and Australia, as well as a limited presence in South East Asia and Southern and East Africa.

Motus offers a differentiated value proposition to OEMs, customers and business partners with a fully integrated business model across the automotive value chain through four key business segments, namely: Import and Distribution, Retail and Rental, Mobility Solutions and Aftermarket Parts.

Motus has long-standing importer and retail partnerships with leading OEMs, representing some of the world's most recognisable brands. We provide automotive manufacturers with a highly effective route-to-market and a vital link between the brand and the customer throughout the vehicle ownership cycle. In addition, we provide the sale of accessories and aftermarket automotive parts for out-of-warranty vehicles and the Mobility Solutions business sells VAPS to customers.

Integrated business model

Our services extend across all segments of the automotive value chain.

Importer and distributor of passenger, light commercial vehicles (LCVs) **and parts** to serve a network of dealerships, car rental companies, fleets and government institutions in South Africa.

For more information on Import and Distribution see page 9.

Retailer of new and pre-owned passenger and commercial vehicles across all segments in South Africa and the UK, and passenger vehicles in Australia.

Selling of parts and accessories.

Servicing and maintenance of vehicles.

Rental of passenger vehicles and LCVs in Southern Africa.

For more information on Retail and Rental see pages 10 and 11.

Developer, seller, manager and administrator of service, maintenance and warranty plans, and value-added products and services (VAPS).

Provider of **fleet management services, telemetry and business process outsourcing** through sophisticated technology and call centre capabilities.

Leader of the Group's **innovation centre**.

For more information on Mobility Solutions see page 12.

Distributor, wholesaler and retailer of parts and accessories mainly for **out-of-warranty vehicles** in Southern Africa, the UK and Europe, and **specialised workshops** in South Africa and the UK.

Distribution centres in South Africa, Taiwan, China and the UK.

For more information on Aftermarket Parts see page 13.

Financial highlights

Revenue
R51 215 million
(2021: R44 823 million)
▲ 14%

EBITDA
R3 706 million
(2021: R2 959 million)
▲ 25%

Operating profit[1]
R2 617 million
(2021: R2 148 million)
▲ 22%

Profit before tax
R2 014 million
(2021: R1 879 million)
▲ 7%

Attributable profit
R1 520 million
(2021: R1 390 million)
▲ 9%

Earnings per share
916 cents per share
(2021: 785 cents per share)
▲ 17%

Headline earnings per share
902 cents per share
(2021: 795 cents per share)
▲ 13%

Net asset value per share
8 716 cents per share
(2021: 7 776 cents per share)
▲ 12%

Interim dividend per share
300 cents per share
(2021: 275 cents per share)
▲ 9%

Free cash flow generated from operations
R425 million
(2021: R2 900 million)

Net debt to equity
75%
(2021: 30%)

Return on invested capital[2]
17,4%
(2021: 15,9%)

Weighted average cost of capital[2]
11,0%
(2021: 10,4%)

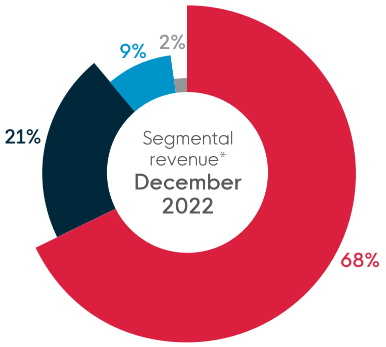
Net debt to EBITDA[3] (debt covenant)
1,6 times
(2021: 0,9 times)
Required: to be less than 3 times

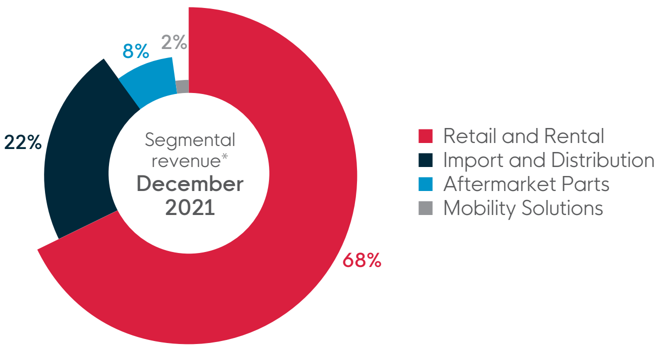
EBITDA to net interest[3] (debt covenant)
12,3 times
(2021: 16,5 times)
Required: to be greater than 3 times

[1] *Operating profit before capital items and net foreign exchange losses.*
[2] *The return on invested capital and weighted average cost of capital is prepared on a 12-month rolling basis.*
[3] *Calculated by applying the funders' covenant methodology.*

Revenue

% Contribution

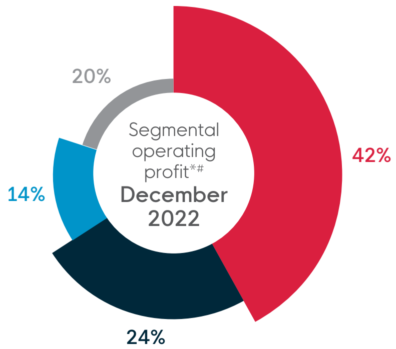


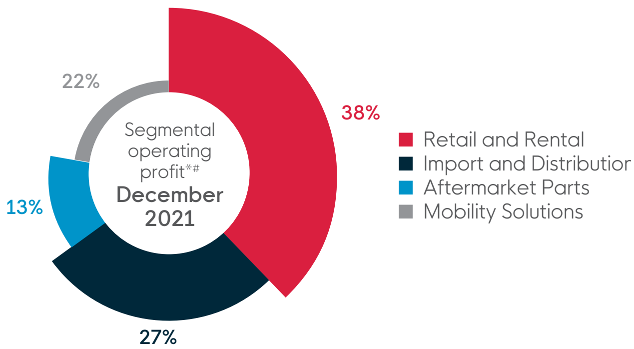


* *Excludes Head Office and Eliminations.*

Operating profit

% Contribution





* *Excludes Head Office and Eliminations.*
# *Operating profit before capital items and net foreign exchange losses.*

Pro forma disclaimer

To provide a more meaningful assessment of the Group's performance for the period, pro forma information has been included under the segmental performance section in the unaudited condensed consolidated results for the six months ended 31 December 2022 and 31 December 2021.

The directors of Motus Holdings Limited are responsible for compiling the pro forma financial information on the basis applicable to the criteria as detailed in paragraphs 8.15 to 8.34 of the Listings Requirements of the JSE Limited and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria). The pro forma information does not constitute financial statements fairly presented in accordance with IFRS. The pro forma information has been prepared for illustrative purposes only and because of its nature may not fairly present the Group's financial position, results of operations and cash flows. The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the period ended 31 December 2022. The pro forma information has not been reviewed or reported on by the Group's external auditors.

Environment

The strength of the Group lies in its integrated business model, diversification and scale. This allows us to be resilient and agile to navigate cyclical challenges, and to capitalise on opportunities as they arise.

The Group's networks in the economic hubs of South Africa and selected international presence, provides Motus with opportunities to replicate aspects of our integrated business model in the selected international markets we operate in.

South Africa

Structural constraints are holding back progress in the South African economy, impacted by intensified load-shedding, corruption, poor educational and skills development, insufficient infrastructural investment, exacerbated by high inflation, rising unemployment levels and increasing interest rates. During 2022, the South African economy is projected to have grown by 2,6%[1], with real GDP growth of around 1,2%[1] forecast for 2023.

South African vehicle sales continue to recover due to improved availability of vehicles, consumer resilience and continued willingness of consumers and businesses to invest. According to naamsa[2], South Africa retailed 275 521 vehicles for the six months to 31 December 2022 (16,3% ahead of the prior period of 236 982 vehicles). At December 2022, our retail market share was ~20,5%. The forecast for vehicle sales for the 12 months to 30 June 2023 is between 530 000 to 550 000 vehicles.

Despite the ongoing external challenges, our Importer brands have deepened their maturity in the South African market over the last two decades and are benefitting from the ongoing structural shift away from luxury brands in the South African vehicle market. Customers are increasingly considering our Importer brands as an attractive alternative that offers an increasingly strong value proposition as more premium vehicle models are introduced to the market. The Importer OEMs allow us to introduce new vehicle models that appeal to the local consumer from a styling, versatility and affordability perspective.

The car rental industry was heavily impacted by the COVID crisis. Recovery has been slow to return to pre-COVID levels, but momentum has improved.

United Kingdom (UK)

The UK economic position has deteriorated further as increasing energy and food costs, higher interest rates, higher personal taxes and accelerating inflation are constraining consumer spending. The market was further constrained by erratic vehicle supplies being experienced by certain OEMs. In 2022, GDP growth is projected to be 4,0%[3] and it is forecast to decline by 0,5%[3] in 2023.

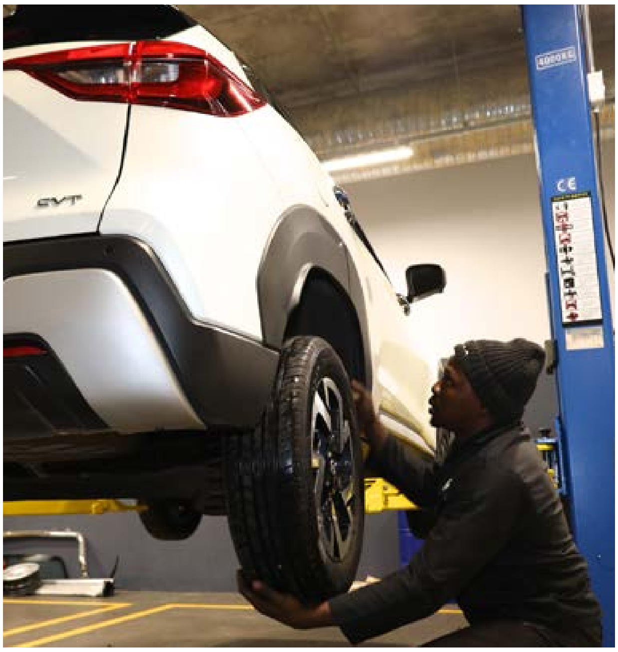
The UK new vehicle market grew by 5,6% for the six-month period to 31 December 2022, with the passenger market increasing by 10,1%[4], the LCVs market declining by 16,1%[4] and the heavy commercial vehicles market increasing by 21,2%. New vehicle sales for the six-month period to 31 December 2022 amounted to 973 250 vehicles, compared to 921 608 vehicles in the comparative period. Motus was well-positioned and maintained its retail market share.

Australia

The Australian economy is growing solidly, but has been negatively impacted by high energy prices, increasing interest rates and extreme weather events. GDP growth is projected to be 3,0%[5] for 2022, but forecast to slow to 2,0%[5] in 2023.

The Australian automotive industry remains a highly competitive environment. The market grew by 12,7%[6] for the six-month period to 31 December 2022, with Motus maintaining its retail market share. New vehicle sales for the six-month period to 31 December 2022 amounted to 543 571 vehicles[6], compared to 482 363 vehicles[6] in the comparative period.

[1] *International Monetary Fund | World Economic Outlook, update January 2023.*
[2] *naamsa | The Automotive Business Council.*
[3] *The Office for Budget Responsibility | Economic and fiscal outlook – February 2023.*
[4] *The Society of Motor Manufacturers and Traders.*
[5] *Australian Reserve Bank | Statement on Monetary Policy – November 2022.*
[6] *Federal Chamber of Automotive Industries (fcai.com.au).*



Despite shortages of certain derivatives and vehicle models experienced in the past 18-month period, our long-standing relationships with OEMs and vast brand portfolio and model range, allowed us to offer customers a wide selection of alternative vehicles. We believe that vehicle volumes will continue to grow as global supply chains stabilise, with increased production satisfying pent-up demand and inventory levels starting to normalise.

Consumer and business sentiment will remain under pressure over the short to medium term. Supply chain constraints, albeit easing, increasing global interest rates and inflation will impact the cost of vehicles and parts in the short-term. The Group is actively managing costs and monitoring working capital, vehicles for hire and debt levels closely.

The automotive industry remains highly competitive with technological advances and increasingly empowered consumers making it imperative that we adapt our operating models to remain relevant to the needs of the digitised consumer.

We continue to drive organic growth, innovation and acquisitions, supplemented by ongoing operational enhancements and innovation, to create value for all stakeholders.

Performance

The results for the six months ended 31 December 2022 reflect strong strategic and operational achievements despite the challenging economic trading conditions experienced in all the geographies in which we operate.

The strong offerings of our businesses, which cover the full automotive value chain in South Africa, and our integrated approach across the vehicle ownership cycle, provide us with opportunities to serve our customers' mobility needs, diversify our revenue and profit streams and enable us to cross-sell and leverage opportunities. This makes the Group cash generative, and in turn allows us to invest in growth opportunities.

During the six-month period we completed two complementary acquisitions. On 3 October 2022, we completed the acquisition of Motor Parts Direct (Holdings) Limited (MPD), a business-to-business parts distributor based in the UK. The acquisition is aligned to Motus' international growth strategy for the Aftermarket Parts segment. The acquisition will strengthen our integrated business model, reduce our dependency on vehicle sales and is cash generative. On 1 November 2022, we completed the acquisition of three Mercedes Benz passenger dealerships and one commercial vehicle dealership in the northern suburbs of Gauteng (MB retail dealerships). The acquisition will further enhance Motus' South African portfolio. The acquisitions were funded using OEM floorplan and available cash and banking facilities, amounting to a combined purchase consideration of R4,4 billion.

The South African operations contributed 65% to revenue and 78% to operating profit for the period (2021: 66% and 82%, respectively), with the remainder being contributed by the UK, Australia and South East Asia.

The Group's passenger and commercial vehicle businesses, including the UK and Australia, retailed 66 147 new units (2021: 66 705), and 43 422 pre-owned units (2021: 47 533) during the period.

Revenue increased by 14%, with a positive contribution from all segments. The Aftermarket Parts segment increased by 36%, Mobility Solutions segment increased by 13%, Retail and Rental segment increased by 12% and Import and Distribution segment increased by 11%.

The revenue increase was as a result of increased contributions from parts sales of 23%, rendering of services of 15%, new vehicle sales of 14% and pre-owned vehicle sales of 8%.

Operating profit increased by R469 million (22%), with all business segments improving operating profit contribution. The Retail and Rental division generated an increase of R272 million (30%), Aftermarket Parts generated an increase of R105 million (35%), Import and Distribution generated an increase of R72 million (12%) and Mobility Solutions generated an increase of R67 million (13%) for the six months.

The increased operating profit is mainly as a result of the continued recovery of the automotive and car rental sectors, increased profits from VAPS in Mobility Solutions, and acquisitions (FAI Automotive plc (FAI) included for six months compared to three months in the previous period and MPD included for three months). Partly reduced by inflationary expenses. We are experiencing inflationary pressure across all the geographies in which we operate.

Net finance costs increased by greater than 100% mainly due to the financing of the MPD and MB retail dealerships acquisitions, higher average working capital and vehicles for hire levels, increased IFRS 16 – *Leases* finance costs and increased interest rates across all the geographies we operate in.

Net foreign exchange losses of R148 million (2021: R16 million) is mainly as a result of the mark-to-market revaluation of the FEC contract relating to the MPD acquisition in the UK where hedge effectiveness is not achievable, translation differences arising from foreign currency denominated balances such as trade receivables, trade payables, Customer Foreign Currency (CFC) accounts and interest-bearing debt and changes in the fair value of derivative instruments that are not formally designated in a hedge relationship.

Profit before tax increased by 7% to R2 014 million.

A full reconciliation of earnings to headline earnings is provided in the financial overview section.

An interim dividend of 300 cents per share has been declared (2021: 275 cents per share).

Movements in net working capital is an outflow of R2,1 billion after adjusting for non-cash movements relating primarily to the MPD and MB retail dealerships acquisitions. The increased cash investment in working capital is as a result of improved trading activity which increased inventory and receivables, offset by higher payables and floorplans.

Net debt to equity is 75% (2021: 30%). Core debt increased by R6,0 billion primarily due to the funding of the MPD and the MB retail dealerships acquisitions, higher working capital and vehicles for hire levels, and the final dividend paid in September 2022. The increase was partly offset by profitability for the six months.

Net debt to EBITDA is 1,6 times (2021: 0,9 times) and EBITDA to net interest is 12,3 times (2021: 16,5 times), which is well within the targeted debt levels set by management. Both ratios have been calculated by applying the funders' covenant methodology and we remain well within the bank covenant levels as set by debt funders of below 3,0 times and above 3,0 times, respectively.

Return on invested capital increased to 17,4% (2021: 15,9%) due to higher operating profit after tax. Weighted average cost of capital increased to 11,0% (2021: 10,4%) primarily due to the increase in global interest rates and risk-free rates.

Net asset value per share increased by 12% to 8 716 cents per share (2021: 7 776 cents per share).

The statement of financial position is detailed in the financial overview section.

We generated free cash flow of R425 million (2021: R2 900 million) from operating activities before capital expenditure for vehicles for hire. The free cash flow was primarily generated by operating profits, offset by increased working capital, finance costs, taxation paid and lower dividend income.

Segmental overview

Import and Distribution

21% of Group revenue

24% of Group operating profit

5,4% operating margin

- Exclusive South African importer of Hyundai, Renault, Kia and Mitsubishi
- Operates in South Africa and neighbouring countries
- Exclusive distribution rights for Nissan in four East African countries
- ~22,0% passenger only vehicle market share in South Africa
- Car parc >750 000 vehicles

Retail and Rental

68% of Group revenue

42% of Group operating profit

2,9% operating margin

South Africa
- Represents 23 OEMs and 32 brands
- ~357 dealerships
- ~20,5% retail market share
- Car rental (Europcar and Tempest): ~119 branches in Southern Africa
- ~27,4% rental market share

United Kingdom
- Represents 16 OEMs and 19 brands
- ~80 commercial dealerships
- ~33 passenger dealerships

Australia
- Represents 20 OEMs and 20 brands
- ~36 passenger dealerships

A diversified business in the automotive industry

- Developer, manager and administrator of vehicle-related financial products and services to ~>730 000 vehicles including third-party products under administration
- Provider of fleet management services
- Provider of business process outsourcing through sophisticated technology and call centre capabilities
- Leading the Group's innovation centre

- Distributor, wholesaler and retailer of parts and accessories for mainly out-of-warranty vehicles
- Operates in Southern Africa, South East Asia and the UK
- 695 retail outlets and agencies (244 owned, including five canopy fitment centres) supported by 43 wholesale distribution points (40 owned)
- Distribution centres in South Africa, Taiwan, China and the UK
- Franchise base comprises:
  - Resellers (Midas and Alert Engine Parts)
  - Specialised workshops

Mobility Solutions

2% of Group revenue

20% of Group operating profit~

Aftermarket Parts

9% of Group revenue

14% of Group operating profit

7,5% operating margin

The above financial measures exclude Head Office and Eliminations.
~ Operating profit includes profit streams without associated revenue.

Segmental performance

Import and Distribution

Overview

The Import and Distribution segment provides a differentiated value proposition to the dealership network, enhancing revenue and profits of the automotive value chain. We import, distribute and supply vehicles and parts to the Group and independent dealership networks, government, fleets and car rental companies. 60% to 65% of vehicle volume sales are generated through Motus-owned dealerships, with the remaining 35% to 40% sold by independently owned dealerships.

Our vehicle market share (passenger only) in South Africa as at December 2022 for the six-month period was ~22,0% (2021: ~25,0%). Hyundai achieved 8,6% market share (2021: 9,5%), Renault achieved 7,0% market share (2021: 7,8%), Kia achieved 5,6% market share (2021: 6,8%) and Mitsubishi achieved 0,8% (2021: 0,9%).

Financial performance

	HY1 2023 unaudited^	HY1 2022 unaudited^	% change on HY1 2022	HY2 2022 pro forma*	FY 2022 audited
Revenue (Rm)	**12 603**	11 368	11	12 515	23 883
Operating profit (Rm)	**686**	614	12	894	1 508
Operating margin (%)	**5,4**	5,4		7,1	6,3

^ HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2022 and 31 December 2021.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2022.*

Import and Distribution revenue is up 11% mainly due to increased sales to dealers and increased selling prices. Increased sales were supported by new model releases.

Operating profit increased by 12% for the six months mainly due to higher volumes of vehicles through the dealer channel, supported by the ongoing structural shift away from luxury brands and the release of new vehicle models. Operating profit further benefitted from an increased contribution from parts sales due to increased workshop activity across the Group. The HY2 2022 margins were positively impacted by the shortage of vehicles and favourable forward cover.

The increased operating profit was offset by increased cost of vehicles, costs associated with the extension of foreign currency cover as production orders were delayed and above inflationary increases in freight and logistics costs for vehicles, panel and parts. Controllable operating expenses remain well managed.

Hyundai, Renault and Kia have forward cover for the Euro and US Dollar to July 2023 and August 2023, respectively, at average rates of R17,97 to the Euro and R16,65 to the US Dollar, including forward cover costs. Mitsubishi is covered for all committed covers. The current Group guideline is to cover seven to nine months of forecasted vehicle import orders.

Retail and Rental

Overview

The Retail and Rental segment retails vehicles through dealerships based primarily in South Africa, with a selected presence in the UK and Australia, and the car rental business operates through the Europcar and Tempest brands in Southern Africa. The Retail and Rental segment's unrivalled scale and footprint in South Africa of strategically located dealerships, largely in urban areas, underpins its leading market share.

The business provides a consistent superior route-to-market through quality marketing, high levels of customer satisfaction and strategically located dealerships in the economic hubs of South Africa.

South Africa

Motus SA represents 23 OEMs and 32 brands through ~357 dealerships. Achieved overall retail market share for our South African operations of ~20,5% (2021: ~22,6%). We also operate through ~119 car rental branches in Southern Africa.

United Kingdom

Motus UK represents 16 OEMs and 19 brands through ~113 dealerships (80 commercial and 33 passenger dealerships) located mainly in provincial areas. Continued organic expansion in both commercial and passenger retail sectors will be considered in the UK. Further selective expansion in the UK will be driven by the introduction of additional brands in areas within close proximity to existing dealerships through bolt-on acquisitions.

Australia

Motus Australia represents 20 OEMs and 20 brands through ~36 passenger dealerships, located mainly in provincial areas located in New South Wales and Victoria. Further selective expansion in the Australian market will be driven by the introduction of additional brands in areas within close proximity to existing dealerships through bolt-on acquisitions. We remain focused on growing our provincial town footprint outside the large metropolitan areas.

Financial performance

	HY1 2023 unaudited^	HY1 2022 unaudited^	% change on HY1 2022	HY2 2022 pro forma*	FY 2022 audited
Revenue (Rm)	**40 746**	36 269	12	37 940	74 209
Operating profit (Rm)	**1 164**	892	30	1 314	2 206
Operating margin (%)	**2,9**	2,5		3,5	3,0

^ HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2022 and 31 December 2021.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2022.*

Revenue is up 12% and operating profit is up 30% for the six months, with increased contributions from all businesses within the segment.

The Retail and Rental segment sold 43 534 new units (2021: 42 988) and 42 931 pre-owned units (2021: 47 038) during the period. In South Africa, the segment sold 28 965 new units (2021: 28 038) and 32 817 pre-owned units (2021: 35 964). Internationally we sold 14 569 new units (2021: 14 950) and 10 114 pre-owned units (2021: 11 074).

Across all geographies in which we operate, we are being negatively impacted by the increased cost of vehicles, panel and parts, higher inflationary operating costs and higher interest rates.

South Africa

The South African retail revenue and operating profit increased by 13% and 19%, respectively from the prior period. This was mainly due to an improvement in vehicle margins as a result of increased new vehicle volumes and new model releases, as well as the revenue contribution from MB retail dealerships for two months.

Car Rental revenue increased by 47% and operating profit increased by 91% mainly as a result of increased activity relating to increased local and international travel. Vehicle utilisation levels dropped to 70,2% from 72,1% mainly due to cancellations in KwaZulu-Natal as a result of beach closures during the festive season.

United Kingdom

Revenue increased by 7%, with operating profit increasing by 34%. The commercial division delivered strong results, while the passenger division is facing challenges.

Selling price increases stimulated the revenue line, while the business was impacted by reduced volumes as a result of inventory shortages. There was increased pressure on consumers disposable income as a result of increasing interest rates, gas and utility inflation. The weakening economic environment has reduced the consumer's appetite to acquire high price ticket items and also resulted in certain consumers extending service intervals.

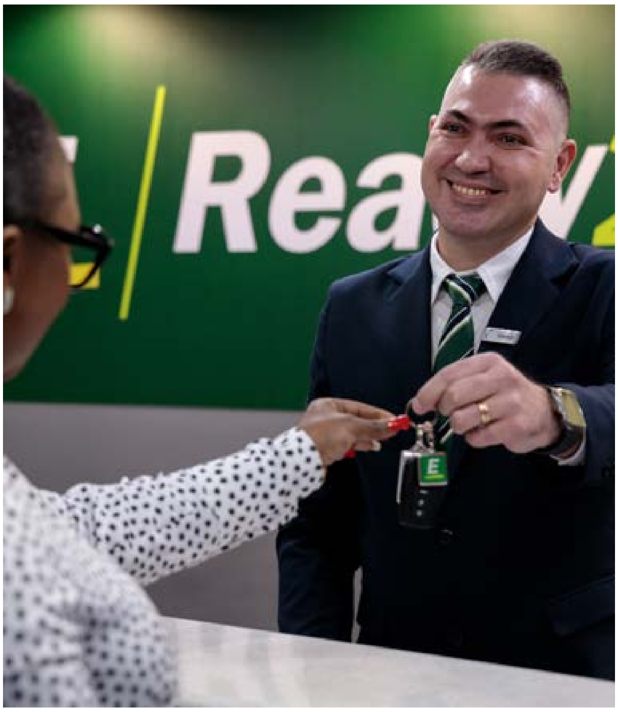
The UK sold 9 651 new units (2021: 10 232) and 7 541 pre-owned units (2021: 8 786) for the six months.

Australia

Revenue increased by 19%, with operating profit increasing by 36%.

The inventory shortages experienced for certain models and derivatives by the OEMs resulted in improved margins achieved on the vehicles sold. The Australian operation sold 4 918 new units (2021: 4 718) and 2 573 pre-owned units (2021: 2 288) for the six months.

Inventory availability on certain models and derivatives continues to normalise, however pressures on consumers disposable income and operational expenses will continue as a result of inflation and interest rate increases.



Mobility Solutions

Overview

Mobility Solutions develops, manages, administers and distributes innovative vehicle-related financial products and services through importers, dealers, finance houses, insurers, call centres and digital channels. The segment is also a provider of fleet management services to corporate customers including fleet leasing and maintenance, fines management, licensing and registration services.

Innovation and unlocking customer potential within existing and new channels represent growth and profit opportunities for the business. We have invested in technology to leverage consumer data, enabling us to offer personalised services aimed at enhancing the customer experience and improving customer retention.

This segment complements and leverages the automotive value chain, providing annuity earnings and strong cash flows. Our ability to analyse proprietary data enables accurate pricing of our offerings, vehicle profiling for the fleet business and management of claims.

Through our leading service, maintenance and warranty plans, we unlock revenue for the Import and Distribution, and Retail businesses, by retaining customers within the Group throughout their vehicle ownership lifecycle.

Financial performance

	HY1 2023 unaudited^	HY1 2022 unaudited^	% change on HY1 2022	HY2 2022 pro forma*	FY 2022 audited
Revenue (Rm)	**1 157**	1 028	13	1 079	2 107
Operating profit (Rm)~	**569**	502	13	502	1 004

^ HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2022 and 31 December 2021.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2022.*
~ Operating profit includes profit streams without associated revenue.

Revenue and operating profit increased by 13% mainly as a result of higher revenue and profits from VAPS and an increased contribution from fleet vehicles to car rental companies (volume and an increase in the prime overdraft rate). Operating profit also benefitted from the recognition of Bank JV income.

Mobility Solutions has benefitted from an increase in new business written. This has increased the embedded value of the statement of financial position, which will translate into annuity income streams in the future.

Aftermarket Parts

Overview

The Aftermarket Parts business' large national and growing footprint in Southern Africa and the UK enables us to leverage our buying power to distribute and sell competitively priced products to a continually growing and aging car parc of out-of-warranty vehicles.

The distribution centres in Taiwan, China and the UK allow for procurement at competitive prices for distribution to Southern Africa, the UK and Eastern Europe.

Expanding into other markets provides an opportunity for this business. Increased participation in this segment will include backward integration in order to reduce reliance on intermediaries in the wholesale supply chain.

Financial performance

	HY1 2023 unaudited^	HY1 2022 unaudited^	% change on HY1 2022	HY2 2022 pro forma*	FY 2022 audited
Revenue (Rm)	**5 402**	3 970	36	4 193	8 163
Operating profit (Rm)	**406**	301	35	343	644
Operating margin (%)	**7,5**	7,6		8,2	7,9

^ *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2022 and 31 December 2021.*
* *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2022.*

Revenue increased by 36% and operating profit increased by 35% for the period. South African operations revenue and operating profit increased by 5% and 1%, respectively, and international operations revenue and operating profit increased by greater than 100% and 78%, respectively.

South Africa

The South African parts business contributed positively to revenue and generated stable operating profit. Margins remain under pressure due to decreased demand from customers and reduced disposable income in the customer base.

The canopy business contributed positively to revenue and operating profit growth mainly due to increased volumes of LCVs and selling price increases.

The business is being negatively impacted by increased freight, container and raw material costs.

Asia

The Asian business had increased trading, with operating profit impacted by inventory provisions raised on increased stockholding.

United Kingdom

The FAI business was included for the full six-month period (acquired on 1 October 2021). The business exceeded expectations from a revenue and operating profit perspective. The trading performance was supported by supply chain optimisation, improved efficiency and volume buying.

The MPD business was included for three months (acquired on 3 October 2022). The business delivered on expectations contributing revenue of R998 million and EBITDA of R146 million for the period.

Financial overview

Group profit or loss (extract)

for the six months ended 31 December 2022	HY1 2023 Rm	HY1 2022 Rm	% change
Revenue	**51 215**	44 823	14
Operating profit before capital items and net foreign exchange losses	**2 617**	2 148	22
Profit/(losses) on disposal of property, plant and equipment, net of impairments	**44**	(29)	>100
Other capital (costs)/income	**(14)**	16	>100
Net foreign exchange losses	**(148)**	(16)	>100
Net finance costs	**(485)**	(240)	>100
Profit before tax	**2 014**	1 879	7
Income tax expense	**(464)**	(466)	–
Profit for the period	**1 550**	1 413	10
Attributable to non-controlling interests	**(30)**	(23)	30
Attributable to shareholders of Motus Holdings	**1 520**	1 390	9
Operating margin (%)	**5,1**	4,8	
Effective tax rate (%)	**23,3**	25,1	

Revenue improved by 14% with a positive contribution from all segments. The Aftermarket Parts segment increased by 36%, Mobility Solutions segment increased by 13%, Retail and Rental segment increased by 12% and Import and Distribution segment increased by 11%. The increase in Group revenue was supported by acquisitions and an increase in the sale of parts, rendering of services, and the sale of new vehicles and pre-owned vehicles.

Operating profit before capital items and net foreign exchange losses improved by 22% with all business segments improving operating profit contribution.

The increased operating profit is mainly as a result of the continued recovery of the automotive and car rental sectors and increased profits from VAPS in Mobility Solutions, partly reduced by inflationary expenses. The operations also benefitted from an increased contribution from acquisitions (FAI included for six months and MPD included for three months).

Net foreign exchange losses of R148 million were recognised. The losses are mainly as a result of the mark-to-market revaluation on the FEC contract relating to the MPD acquisition in the UK where hedge effectiveness is not achievable, translation differences arising from foreign currency denominated balances such as trade receivables, trade payables, CFC accounts and interest-bearing debt, and changes in the fair value of derivative instruments that are not formally designated in a hedge relationship.

Net finance costs increased to R485 million mainly due to the financing of the MPD and MB retail dealerships acquisitions, higher average working capital and vehicles for hire levels, increased IFRS 16 – *Leases* finance costs and increased interest rates across all the geographies we operate in.

Effective tax rate is 23,3%. The effective tax rate was lower than the prior period mainly due to the change in the South African tax rate reducing to 27%, a deferred tax asset being recognised in one of our businesses and increased profits derived from our UK operations.

Summarised reconciliation of earnings to headline earnings

for the six months ended 31 December 2022	HY1 2023 Rm	HY1 2022 Rm	% change
Earnings	**1 520**	1 390	9
Impairment of goodwill and other assets	**14**	90	(84)
Profit on sale of businesses and other	**–**	(43)	(100)
Profit on disposal of assets	**(44)**	(34)	29
Adjustments included in results of associates and joint ventures	**–**	(1)	(100)
Tax and non-controlling interests	**7**	5	40
Headline earnings	**1 497**	1 407	6
Weighted average number of ordinary shares (million)	**166**	177	(6)
Earnings and headline earnings per share			
Basic EPS (cents)	**916**	785	17
Basic Headline EPS (cents)	**902**	795	13

Financial position

	31 December 2022 Rm	31 December 2021 Rm	30 June 2022 Rm	December vs December % change	December vs June % change
Goodwill and intangible assets	**5 661**	2 126	1 959	>100	>100
Investments in associates and joint ventures	**260**	257	269	1	(3)
Property, plant and equipment	**7 766**	7 378	7 331	5	6
Right-of-use assets	**3 085**	2 330	2 046	32	51
Investments and other financial assets	**370**	361	320	2	16
Vehicles for hire	**4 488**	3 642	3 677	23	22
Net working capital[1]	**10 403**	6 370	7 166	63	45
Tax assets	**1 669**	1 276	1 392	31	20
Assets classified as held-for-sale	**374**	636	657	(41)	(43)
Contract liabilities (service and maintenance plans)	**(3 051)**	(2 904)	(3 021)	5	1
Lease liabilities	**(3 438)**	(2 679)	(2 347)	28	46
Core interest-bearing debt	**(10 179)**	(3 254)	(4 169)	>100	>100
Floorplans from financial institutions	**(1 293)**	(1 005)	(867)	29	49
Other liabilities	**(798)**	(401)	(368)	99	>100
Total equity	**15 317**	14 133	14 045	8	9
Total assets	**57 247**	40 822	42 940	40	33
Total liabilities	**(41 930)**	(26 689)	(28 895)	57	45

[1] *Net working capital includes floorplans from suppliers.*

Financial overview (continued)

Factors impacting the financial position at December 2022 compared to June 2022

Goodwill and intangible assets

Goodwill increased mainly due to the MPD and MB retail dealerships acquisitions and currency adjustments, partly offset by impairments in line with the Group policy. The Group examines each business which carries goodwill and routinely impairs all individual amounts lower than R15 million.

Intangible assets increased mainly due to the MPD and MB retail dealerships acquisitions in which customer lists and OEM agreements were recognised as intangible assets. This was further increased by currency adjustments and additions, partly offset by amortisation.

Property, plant and equipment

Increased mainly due to the MPD and MB retail dealerships acquisitions, additions and currency adjustments, offset by depreciation and disposals.

Right-of-use assets

Increased mainly due to the MPD and MB retail dealerships acquisitions, new leases entered into/renewals and currency adjustments. Offset by depreciation and the derecognition of leases.

Vehicles for hire

Increased mainly due to increased demand from car rental companies following up-fleets as a result of increased local and international travel.

Net working capital increased by R3,2 billion (45%)

- Inventory increased as a result of acquisitions, improved supply of certain models and derivatives (with production backlogs from OEMs being received in late December 2022), change in mix of vehicles (weighted to new vehicles), price increases and the Aftermarket Parts segment building-up inventory (Chinese New Year and receiving production backlogs from suppliers);
- Trade and other receivables increased mainly due to acquisitions, and improved sales and trading activity across all segments; offset by:
- Trade and other payables increased mainly due to acquisitions, and improved sales and trading activity across all segments;
- Floorplans from suppliers increased due to increased inventory being placed on floorplans and the floorplans attached to the MB retail dealerships acquisition; and
- The net current derivative asset decreased from June 2022 mainly as a result of the rolling of favourable FEC contracts over the six-month period due to production delays.

Tax assets

Increased mainly due to a deferred tax asset recognised and an increase in South African tax paid in advance due to the provisional tax payments made in December 2022.

Assets classified as held-for-sale

Assets held-for-sale relate to the non-strategic properties identified for sale, mainly retail properties in South Africa, Australia and the UK. The decrease mainly related to the sale of properties in South Africa.

Contract liabilities

Contract liabilities consists mainly of service and maintenance plans. The increase was due to higher prepaid contract sales. The fund has also been impacted by the mix of new vehicles sold which are weighted to lower value vehicles and plans.

Lease liabilities

Increased mainly due to the acquisition of MPD and MB retail dealerships, new leases entered into/renewals, finance costs and currency adjustments. Offset by lease payments and derecognition of leases.

Core debt (excluding floorplan and IFRS 16 – *Leases* debt)

Core debt increased by R6,0 billion primarily due to the funding of the MPD and MB retail dealerships acquisitions, higher working capital and vehicles for hire levels, and the final dividend paid in September 2022. The increase was partly offset by improved profitability for the six months.

Floorplans from financial institutions

Floorplan debt increased mainly due to additional facilities drawn down in the UK for pre-owned vehicles, up-fleets with car rental companies in Mobility Solutions and improved availability of certain models and derivatives in both South Africa and Australia where floorplans were utilised.

Other liabilities

Increased mainly due to deferred tax liabilities raised on the intangible assets recognised on the MPD and MB retail dealerships acquisitions.

Equity

Equity was enhanced mainly by profit for the period of R1 550 million, favourable hedging reserve adjustments amounting to R146 million (unwinding of the hedging reserve coupled with foreign currency movements against the ZAR impacted forward cover since the 30 June 2022 position), favourable currency translation reserve adjustments as a result of the weakening of the ZAR amounting to R238 million and the movement in the shared-based equity reserve due to charges amounting to R73 million. Offset mainly by dividend payments to shareholders in September 2022 amounting to R754 million.

Financial overview (continued)

Cash flow movements

for the six months ended 31 December 2022	HY1 2023 Rm	HY1 2022 Rm
Cash generated by operations before movements in net working capital	**3 381**	2 946
Movements in net working capital	**(2 061)**	507
Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire	**1 320**	3 453
Finance costs paid	**(455)**	(289)
Finance income received	**11**	7
Dividend income received	**101**	140
Taxation paid	**(552)**	(411)
Free cash flow generated from operations	**425**	2 900
Net replacement capital expenditure – vehicles for hire	**(1 363)**	(1 586)
Cash (utilised in)/generated from operations	**(938)**	1 314
Net cash outflow on the acquisition and disposal of businesses	**(4 361)**	(614)
Net capital expenditure (excluding vehicles for hire)	**(77)**	(342)
Net movement in investments in associates and joint ventures	**23**	35
Cash (utilised in)/generated from operating and investing activities	**(5 353)**	393
Repurchase of own shares	**–**	(312)
Acquisition of non-controlling interests	**(1)**	(37)
Dividends paid	**(738)**	(468)
Other	**5**	(16)
Increase in debt	**(6 087)**	(440)

The free cash flow was primarily generated by operating profits, offset by increased working capital, finance costs, taxation paid and lower dividend income.

Movements in net working capital is an outflow of R2,1 billion after adjusting for non-cash movements relating primarily to the MPD and MB retail dealerships acquisitions. The increased cash investment in working capital is as a result of improved trading activity which increased inventory and receivables, offset by higher payables and floorplans.

Cash outflow on vehicles for hire of R1 363 million due to increased car rental activity.

The MPD and MB retail dealerships acquisitions mainly contributed to the net cash outflow on acquisition of businesses of R4 361 million.

Cash outflow on capital expenditure, net replacement and expansion, amounted to R77 million.

A final dividend of 435 cents per ordinary share was declared and paid on 26 September 2022, amounting to R754 million, partly offset by external dividends received.

Advances of debt amounted to R6,1 billion in the statement of cash flows, while debt increased by R7,5 billion in the statement of financial position, due to non-cash movements relating primarily to the MPD and MB retail dealerships acquisitions and new leases entered into.

Liquidity

The liquidity position is strong, and the Group has R8,0 billion in unutilised banking and floorplan facilities. A total of 73% of the Group funding is long-term in nature. Excluding floorplan funding, 9% of the funding is at fixed interest rates.

Dividend

An interim dividend of 300 cents per ordinary share has been declared and will be paid on 20 March 2023.

Strategy

We are: Leaders | Innovators | Customer champions

The long-term strategic priorities of the Group remain unchanged and are focused on ensuring that we are the leading automotive group in South Africa, with a select international presence in the UK and Australia and a limited presence in South East Asia, and Southern and East Africa.

We remain focused on deepening our competitiveness and relevance across the automotive value chain, driving organic growth through optimisation and innovation, and leveraging existing capabilities and networks.

Further selective expansion will focus on enhancing existing brands and businesses through bolt-on complementary acquisitions both locally and internationally, while exploring strategic acquisitions that expand our offering in the Aftermarket Parts business or enhance the supply chain and the technology capabilities of the Group.

In executing our business strategy as a responsible corporate citizen, the business is led in a manner that is environmentally conscious to ensure its sustainability, and adopts policies and practices that enhance the growth of the economies in which it operates. We encourage a high-performance culture with tailored training and development opportunities for all levels of employees and promote diversity, equity and inclusion in the workplace.

We have embarked on a number of initiatives to ensure that engaging with Motus is more convenient and faster to do across various customer touchpoints. We are streamlining processes, reducing operational requirements and leveraging automation, data accuracy and customer self-serve capabilities. This will allow us to offer a differentiated service in a competitive market.

Our strategic initiatives underpin the delivery of our aspirations and support our ambition to achieve mobility for good while enhancing shareholder value.

Strategic initiatives

Enhance financial performance

Enhance financial performance and achieve our financial targets.

Ensure market leadership

Hold market share and maintain competitiveness in local and international markets.

Drive innovation

Drive agility and leverage our entrepreneurial flair to deliver innovative mobility solutions and services.

Invest in human capital and ESG initiatives

Develop and empower leaders, with a strong focus on transformation and succession.

Manage environmental and social impacts.

Maintain and enhance governance practices and processes.

Improve technology solutions

Leverage existing and form new strategic partnerships to deliver innovative mobility solutions and vehicle, products and services and enhance customer experiences.

Prospects

We expect to deliver operating profit growth for the 12 months to 30 June 2023 driven by organic and acquisitive initiatives. We will continue to experience elevated finance costs, until 30 June 2023, as a result of acquisitions concluded in the first six months of the year, normalised working capital and vehicles for hire levels, and higher interest rate increases compared to the prior year. We will maintain a solid financial position for the 12 months to 30 June 2023. Strong cash flow generation from operations will reduce debt from the current levels.

We have sufficient cash available and a strong financial position to support the investment in strategic initiatives and continue to pay dividends.

Appreciation

We would like to thank all employees, customers, suppliers, funders, stakeholders and the Board for their support during these difficult times.

OS Arbee
Chief Executive Officer

OJ Janse van Rensburg
Chief Financial Officer

20 February 2023

The interim, forecast and prospects information herein has not been audited or reported on by Motus' auditors.

Declaration of interim ordinary dividend

for the six months ended 31 December 2022

Notice is hereby given that a gross interim ordinary dividend in the amount of 300 cents per ordinary share has been declared by the Board, payable to the holders of the 178 133 390 ordinary shares. The dividend will be paid out of income reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 240 cents per ordinary share.

The Company has determined the following salient dates for the payment of the ordinary dividend:

	2023
Last day for ordinary shares to trade cum ordinary dividend	Tuesday, 14 March
Ordinary shares commence trading ex-ordinary dividend	Wednesday, 15 March
Record date	Friday, 17 March
Payment date	Monday, 20 March

The Company's income tax number is 983 671 2167.

Share certificates may not be dematerialised/rematerialised between Wednesday, 15 March 2023 and Friday, 17 March 2023, both days inclusive.

On Monday, 20 March 2023, amounts due in respect of the ordinary dividend will be electronically transferred to the bank accounts of certified shareholders. Shareholders who have dematerialised their shares will also have their accounts, held at their central securities depository participant (CSDP) or broker, credited on Monday, 20 March 2023.

On behalf of the Board

NE Simelane
Company Secretary

20 February 2023

Condensed consolidated statement of financial position

as at 31 December 2022	Note	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Assets				
Non-current assets		**18 444**	13 501	13 157
Goodwill	5	**3 810**	1 768	1 628
Intangible assets		**1 851**	358	331
Investments in associates and joint ventures		**259**	256	268
Property, plant and equipment		**7 641**	7 231	7 201
Investment properties		**125**	147	130
Right-of-use assets		**3 085**	2 330	2 046
Derivative financial assets		**26**	10	30
Investments and other financial instruments		**370**	319	320
Deferred tax		**1 277**	1 082	1 203
Current assets		**38 429**	26 685	29 126
Vehicles for hire		**4 488**	3 642	3 677
Net investment in lease receivables		**–**	42	–
Investments in associates and joint ventures		**1**	1	1
Inventories		**25 689**	16 748	18 966
Trade and other receivables		**6 749**	4 673	4 646
Derivative financial assets		**199**	627	654
Taxation		**392**	194	189
Cash resources	6	**911**	758	993
Assets classified as held-for-sale		**374**	636	657
Total assets		**57 247**	40 822	42 940
Equity and liabilities				
Capital and reserves				
Stated capital		**21 104**	22 110	21 104
Shares repurchased		**(406)**	(563)	(587)
Common control reserve		**(19 407)**	(19 337)	(19 347)
Hedge accounting reserve		**546**	687	400
Other reserves		**(432)**	(409)	(586)
Retained income		**13 760**	11 508	12 940
Attributable to owners of Motus		**15 165**	13 996	13 924
Non-controlling interests		**152**	137	121
Total equity		**15 317**	14 133	14 045

as at 31 December 2022	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Liabilities			
Non-current liabilities	**14 565**	7 453	8 089
Contract liabilities	**1 789**	1 778	1 823
Lease liabilities	**2 827**	2 094	1 882
Interest-bearing debt	**9 046**	3 076	3 856
Provisions	**441**	398	444
Other financial liabilities	**2**	6	6
Derivative financial liabilities	**–**	4	–
Deferred tax	**460**	97	78
Current liabilities	**27 365**	19 236	20 806
Contract liabilities	**1 262**	1 126	1 198
Lease liabilities	**611**	585	465
Trade and other payables	**13 221**	10 537	11 028
Floorplans from suppliers	**7 940**	4 129	4 988
Provisions	**492**	613	539
Other financial liabilities	**93**	56	56
Derivative financial liabilities	**166**	7	131
Taxation	**243**	242	228
Interest-bearing debt	**2 044**	936	1 306
Floorplans from financial institutions	**1 293**	1 005	867
Total liabilities	**41 930**	26 689	28 895
Total equity and liabilities	**57 247**	40 822	42 940

Condensed consolidated statement of profit or loss

for the six months ended 31 December 2022	Note	% change	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Revenue		14	**51 215**	44 823	91 978
Net operating expenses			**(47 490)**	(41 844)	(85 116)
Movements in expected credit losses			**(19)**	(20)	(77)
Earnings before interest, taxation, depreciation and amortisation		25	**3 706**	2 959	6 785
Depreciation and amortisation			**(1 111)**	(833)	(1 795)
Share of results from associates and joint ventures		–	**22**	22	39
Operating profit before capital items and net foreign exchange (losses)/gains		22	**2 617**	2 148	5 029
Profit/(losses) on disposal of property, plant and equipment, net of impairments			**44**	(29)	(91)
Other capital (costs)/income	8		**(14)**	16	(104)
Net foreign exchange (losses)/gains			**(148)**	(16)	135
Operating profit before financing costs		18	**2 499**	2 119	4 969
Finance costs		71	**(499)**	(292)	(561)
Finance income			**14**	52	65
Profit before tax		7	**2 014**	1 879	4 473
Income tax expense			**(464)**	(466)	(1 135)
Profit for the period		10	**1 550**	1 413	3 338
Net profit attributable to:					
Owners of Motus		9	**1 520**	1 390	3 290
Non-controlling interests			**30**	23	48
Attributable profit for the period		10	**1 550**	1 413	3 338
Earnings per share (cents)					
Total earnings per share					
– Basic		17	**916**	785	1 902
– Diluted		17	**874**	747	1 808

Condensed consolidated statement of other comprehensive income

for the six months ended 31 December 2022	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Attributable profit for the period	**1 550**	1 413	3 338
Other comprehensive income	**738**	1 326	688
Exchange gains arising on translation of foreign operations	**238**	373	128
Movement in hedge accounting reserve (net of tax)	**500**	953	560
– Effective portion of the fair value of the cash flow hedges	**120**	993	642
– Extension of open hedging instruments	**406**	191	66
– Reclassification to profit or loss	**8**	–	2
– Deferred tax relating to the hedge accounting reserve movements	**(34)**	(231)	(147)
– Rate changes relating to the hedge accounting reserve movements	**–**	–	(3)
Total comprehensive income for the period	**2 288**	2 739	4 026
Total comprehensive income for the period attributable to:			
Owners of Motus	**2 258**	2 704	3 971
Non-controlling interests	**30**	35	55
	2 288	2 739	4 026

All amounts recognised in other comprehensive income may be subsequently reclassified into profit or loss.

Condensed consolidated statement of cash flows

for the six months ended 31 December 2022	% change	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Cash flows from operating activities				
Cash generated from operations before movements in net working capital	15	**3 381**	2 946	6 909
Movements in net working capital		**(2 061)**	507	(620)
Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire	(62)	**1 320**	3 453	6 289
Finance costs paid		**(455)**	(289)	(574)
Finance income received		**11**	7	13
Dividend income received		**101**	140	297
Taxation paid		**(552)**	(411)	(1 190)
Cash generated by operations before capital expenditure on vehicles for hire	(85)	**425**	2 900	4 835
Replacement capital expenditure – vehicles for hire		**(1 363)**	(1 586)	(2 102)
– Additions		**(2 222)**	(2 356)	(4 017)
– Proceeds on disposals		**859**	770	1 915
		(938)	1 314	2 733
Cash flows from investing activities				
Cash outflow on acquisition of businesses		**(4 361)**	(638)	(657)
Cash inflow from disposal of businesses		**–**	34	34
Cash outflow on payment of contingent consideration arising on acquisition of business		**–**	(10)	(10)
Capital expenditure – property, plant and equipment, investment properties and intangible assets		**(77)**	(342)	(764)
Expansion of property, plant and equipment, investment properties and intangible assets		**(149)**	(226)	(445)
Replacement capital expenditure – property, plant and equipment, investment properties and intangible assets		**72**	(116)	(319)
– Replacements of property, plant and equipment, investments properties and intangible assets		**(283)**	(222)	(523)
– Proceeds on disposal of property, plant and equipment, investment properties and intangible assets		**355**	106	204
Movements in investments in associates and joint ventures		**23**	35	(27)
Advances of other financial assets		**–**	–	(39)
		(4 415)	(921)	(1 463)

for the six months ended 31 December 2022	Note	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Cash flows from operating and investing activities		**(5 353)**	393	1 270
Cash flows from financing activities				
Repurchase of own shares		**–**	(312)	(1 351)
Dividends paid to equity holders of Motus		**(738)**	(468)	(928)
Dividends paid to non-controlling interests		**–**	–	(36)
Acquisition of non-controlling interests		**(1)**	(37)	(40)
Advances of loans from non-controlling interests and associates		**5**	3	4
Cash outflow on payment of contingent consideration arising on remeasurement subsequent to the acquisition of the business		**–**	(19)	(19)
Repayment of lease liabilities		**(259)**	(231)	(466)
Increase/(decrease) in floorplan liabilities		**399**	66	(32)
Advances of banking facilities		**5 775**	335	1 505
– Advances of banking facilities		**26 232**	21 142	41 293
– Repayment of banking facilities		**(20 457)**	(20 807)	(39 788)
		5 181	(663)	(1 363)
Decrease in cash and cash equivalents		**(172)**	(270)	(93)
Effects of exchange rate changes on cash and cash equivalents		**49**	(41)	(19)
Cash and cash equivalents at the beginning of the period		**721**	833	833
Cash and cash equivalents at the end of the period	6	**598**	522	721

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2022	Stated capital Rm	Shares repurchased Rm	Common control reserve Rm
Opening balance as at 1 July 2021 audited	22 321	(517)	(19 268)
Total comprehensive income for the period	–	–	–
– Attributable income for the period	–	–	–
– Other comprehensive income	–	–	–
2 077 000 shares repurchased and cancelled at an average of R101,59 per share	(211)	–	–
1 000 000 shares repurchased at an average of R101,00 per share	–	(101)	–
Issue of 657 079 treasury shares at an average price of R83,70 per share as settlement of share-based equity	–	55	–
Purchase of non-controlling interest	–	–	–
Incremental interest purchased from non-controlling interests	–	–	–
Share-based equity costs charged to profit or loss (including the effects of taxation)	–	–	–
Dividends paid to Motus shareholders	–	–	–
Transfers between reserves	–	–	(69)
Other movements	–	–	–
As at 31 December 2021 unaudited	**22 110**	**(563)**	**(19 337)**
Total comprehensive income for the period	–	–	–
– Attributable income for the period	–	–	–
– Other comprehensive loss	–	–	–
9 555 021 shares repurchased and cancelled at an average of R105,28 per share	(1 006)	–	–
307 000 shares repurchased at an average of R107,49 per share	–	(33)	–
Issue of 92 076 treasury shares at an average price of R97,75 as settlement of share-based equity	–	9	–
Incremental interest purchased from non-controlling interests	–	–	–
Share-based equity costs charged to profit or loss (including the effects of taxation)	–	–	–
Dividends paid to Motus and non-controlling shareholders	–	–	–
Amounts transferred to inventory from hedge accounting reserve (including the effects of taxation)	–	–	–
Transfers between reserves	–	–	(10)
Other movements	–	–	–
As at 30 June 2022 audited	**21 104**	**(587)**	**(19 347)**
Total comprehensive income for the period	–	–	–
– Attributable income for the period	–	–	–
– Other comprehensive income	–	–	–
Issue of 2 048 222 treasury shares at an average price of R88,37 per share as settlement of share-based equity	–	181	–
Incremental interest purchased from non-controlling interests	–	–	–
Share-based equity costs charged to profit or loss (including the effects of taxation)	–	–	–
Dividends paid to Motus shareholders	–	–	–
Amounts transferred to inventory from hedge accounting reserve (including the effects of taxation)	–	–	–
Transfers between reserves[2]	–	–	(60)
Other movements	–	–	–
Closing balance as at 31 December 2022 unaudited	**21 104**	**(406)**	**(19 407)**

[1] *Other reserves include share-based payment reserve, foreign currency translation reserve, premium paid on purchase of non-controlling interests and statutory reserve.*

[2] *Transfers between reserves relate to:*

- *Shares initially obtained from Imperial Logistics Limited, which resulted in common control on unbundling, were settled. This resulted in a pro rata R60 million transfer from the common control reserve to retained income.*
- *The remaining portion of vested plans in the share-based payment reserve of R20 million was transferred to retained income.*

Hedge accounting reserve Rm	Total other reserves[1] Rm	Retained income Rm	Attributable to the owners of Motus Rm	Non-controlling interests Rm	Total equity Rm
(266)	(698)	10 480	12 052	114	12 166
953	361	1 390	2 704	35	2 739
–	–	1 390	1 390	23	1 413
953	361	–	1 314	12	1 326
–	–	–	(211)	–	(211)
–	–	–	(101)	–	(101)
–	(55)	–	–	–	–
–	–	–	–	1	1
–	(27)	–	(27)	(13)	(40)
–	45	–	45	–	45
–	–	(468)	(468)	–	(468)
–	(37)	106	–	–	–
–	2	–	2	–	2
687	**(409)**	**11 508**	**13 996**	**137**	**14 133**
(393)	(240)	1 900	1 267	20	1 287
–	–	1 900	1 900	25	1 925
(393)	(240)	–	(633)	(5)	(638)
–	–	–	(1 006)	–	(1 006)
–	–	–	(33)	–	(33)
–	(9)	–	–	–	–
–	–	–	–	–	–
–	55	–	55	–	55
–	–	(460)	(460)	(36)	(496)
106	–	–	106	–	106
–	19	(9)	–	–	–
–	(2)	1	(1)	–	(1)
400	**(586)**	**12 940**	**13 924**	**121**	**14 045**
500	238	1 520	2 258	30	2 288
–	–	1 520	1 520	30	1 550
500	238	–	738	–	738
–	(181)	–	–	–	–
–	–	–	–	(1)	(1)
–	73	–	73	–	73
–	–	(738)	(738)	–	(738)
(354)	–	–	(354)	–	(354)
–	20	40	–	–	–
–	4	(2)	2	2	4
546	**(432)**	**13 760**	**15 165**	**152**	**15 317**

Segment financial position

as at 31 December 2022	Group 2022 Rm	Group 2021 Rm	Import and Distribution 2022 Rm	Import and Distribution 2021 Rm
Financial position				
Assets				
Goodwill and intangible assets	5 661	2 126	4	–
Carrying value of associates and joint ventures (excluding loans to associates)	187	179	–	31
Property, plant and equipment	7 641	7 231	620	425
Investment properties	125	147	125	134
Right-of-use assets	3 085	2 330	27	118
Investments and other financial instruments	370	319	4	4
Vehicles for hire	4 488	3 642	1 391	1 143
Net investment in lease receivables	–	42	–	42
Inventories	25 689	16 748	4 738	3 260
Trade and other receivables[1]	6 974	5 310	2 866	2 691
Operating assets	54 220	38 074	9 775	7 848
– South Africa	32 373	24 838	9 775	7 848
– International[2]	21 847	13 236	–	–
Liabilities				
Contract liabilities	3 051	2 904	–	–
Lease liabilities	3 438	2 679	29	189
Provisions	933	1 011	130	246
Trade and other payables[1]	21 327	14 677	5 851	4 141
Other financial liabilities	95	62	–	–
Operating liabilities	28 844	21 333	6 010	4 576
– South Africa	16 415	13 122	6 010	4 576
– International[2]	12 429	8 211	–	–
Net working capital	10 403	6 370	1 623	1 564
– South Africa	7 698	4 894	1 623	1 564
– International[2]	2 705	1 476	–	–
Net debt	11 472	4 259	1 621	774
– South Africa	9 773	2 878	1 621	774
– International[2]	1 699	1 381	–	–
Net capital expenditure	(1 440)	(1 928)	(550)	(429)
– South Africa	(1 361)	(1 835)	(550)	(429)
– International[2]	(79)	(93)	–	–
Non-current assets (including equity investment in associates, excluding investments, deferred tax and other financial instruments)	16 725	12 023	776	708
– South Africa	7 728	6 894	776	708
– International[2]	8 997	5 129	–	–
United Kingdom	7 467	3 484	–	–
Other regions (Australia and South East Asia)[3]	1 530	1 645	–	–

[1] *Includes amounts pertaining to derivative financial instruments.*
[2] *International operations now include the holding company for the foreign subsidiaries and associates. The comparative amounts have been amended to align with that of the current year.*
[3] *Retail and Rental operates in Australia and Aftermarket Parts operates in South East Asia.*

Retail and Rental		Mobility Solutions		Aftermarket Parts		Head Office and Eliminations	
2022 Rm	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
1 399	1 195	**16**	20	**4 239**	906	**3**	5
29	27	**49**	8	**105**	110	**4**	3
6 353	6 313	**159**	126	**454**	315	**55**	52
–	13	**–**	–	**–**	–	**–**	–
1 911	1 897	**1**	1	**1 146**	314	**–**	–
–	–	**364**	312	**6**	6	**(4)**	(3)
3 090	2 498	**1 475**	1 190	**–**	–	**(1 468)**	(1 189)
–	–	**–**	–	**–**	–	**–**	–
16 775	10 859	**342**	338	**3 884**	2 320	**(50)**	(29)
3 477	2 892	**299**	254	**1 701**	861	**(1 369)**	(1 388)
33 034	25 694	**2 705**	2 249	**11 535**	4 832	**(2 829)**	(2 549)
18 676	14 018	**2 705**	2 249	**4 046**	3 272	**(2 829)**	(2 549)
14 358	11 676	**–**	–	**7 489**	1 560	**–**	–
88	139	**2 963**	2 765	**–**	–	**–**	–
2 177	2 147	**1**	1	**1 231**	342	**–**	–
395	238	**225**	259	**61**	3	**122**	265
15 148	10 908	**473**	576	**2 085**	1 405	**(2 230)**	(2 353)
33	28	**–**	–	**57**	28	**5**	6
17 841	13 460	**3 662**	3 601	**3 434**	1 778	**(2 103)**	(2 082)
7 501	5 815	**3 662**	3 601	**1 350**	1 212	**(2 108)**	(2 082)
10 340	7 645	**–**	–	**2 084**	566	**5**	–
4 709	2 605	**(57)**	(243)	**3 439**	1 773	**689**	671
3 499	1 588	**(57)**	(243)	**1 939**	1 314	**694**	671
1 210	1 017	**–**	–	**1 500**	459	**(5)**	–
5 213	4 010	**(3 094)**	(3 641)	**4 156**	772	**3 576**	2 344
4 244	2 125	**(3 161)**	(3 641)	**1 796**	995	**5 273**	2 625
969	1 885	**67**	–	**2 360**	(223)	**(1 697)**	(281)
(1 024)	(1 489)	**(445)**	(371)	**(58)**	(45)	**637**	406
(951)	(1 398)	**(445)**	(371)	**(52)**	(43)	**637**	406
(73)	(91)	**–**	–	**(6)**	(2)	**–**	–
9 692	9 445	**225**	155	**5 944**	1 645	**88**	70
5 458	4 971	**225**	155	**1 181**	990	**88**	70
4 234	4 474	**–**	–	**4 763**	655	**–**	–
2 807	2 946	**–**	–	**4 660**	538	**–**	–
1 427	1 528	**–**	–	**103**	117	**–**	–

Segment profit or loss

for the six months ended 31 December 2022	Group 2022 Rm	Group 2021 Rm	Import and Distribution 2022 Rm	Import and Distribution 2021 Rm
Profit or loss				
Total revenue	**51 215**	44 823	**12 603**	11 368
– South Africa	**33 696**	30 021	**12 603**	11 368
– International[1]	**18 014**	15 334	**–**	–
United Kingdom	**13 184**	11 172	**–**	–
Other regions (Australia and South East Asia)[2]	**4 830**	4 162	**–**	–
– Eliminations between geographic regions	**(495)**	(532)	**–**	–
Earnings before interest, taxation, depreciation and amortisation	**3 706**	2 959	**914**	753
– South Africa	**2 863**	2 393	**914**	753
– International[1]	**846**	596	**–**	–
– Eliminations between geographic regions[3]	**(3)**	(30)	**–**	–
Depreciation, amortisation and impairments, net of recoupments	**(1 067)**	(862)	**(227)**	(158)
– South Africa	**(793)**	(664)	**(227)**	(158)
– International[1]	**(274)**	(198)	**–**	–
Operating profit before capital items and net foreign exchange losses	**2 617**	2 148	**686**	614
– South Africa	**2 050**	1 785	**686**	614
– International[1]	**570**	393	**–**	–
– Eliminations between geographic regions[3]	**(3)**	(30)	**–**	–
Finance costs	**(499)**	(292)	**(199)**	(103)
– South Africa	**(374)**	(228)	**(199)**	(103)
– International[1]	**(125)**	(64)	**–**	–
Finance income	**14**	52	**72**	36
– South Africa	**13**	52	**72**	36
– International[1]	**1**	–	**–**	–
Other capital (costs)/income	**(14)**	16	**–**	–
– South Africa	**(6)**	16	**–**	–
– International[1]	**(8)**	–	**–**	–
Profit/(loss) before tax	**2 014**	1 879	**484**	519
– South Africa	**1 643**	1 575	**484**	519
– International[1]	**374**	334	**–**	–
– Eliminations between geographic regions[3]	**(3)**	(30)	**–**	–
Income tax expense	**(464)**	(466)	**(67)**	(122)

[1] *International operations now include the holding company for the foreign subsidiaries and associates. The comparative amounts have been amended to align with that of the current year.*
[2] *Retail and Rental operates in Australia and Aftermarket Parts operates in South East Asia.*
[3] *The unrealised profit adjustment between regions has been disclosed separately to enhance disclosure.*

	Retail and Rental		Mobility Solutions		Aftermarket Parts		Head Office and Eliminations	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
	40 746	36 269	**1 157**	1 028	**5 402**	3 970	**(8 693)**	(7 812)
	24 810	21 797	**1 157**	1 028	**3 817**	3 640	**(8 691)**	(7 812)
	15 936	14 472	**–**	–	**2 080**	862	**(2)**	–
	11 830	11 021	**–**	–	**1 356**	151	**(2)**	–
	4 106	3 451	**–**	–	**724**	711	**–**	–
	–	–	**–**	–	**(495)**	(532)	**–**	–
	1 843	1 475	**658**	561	**572**	371	**(281)**	(201)
	1 261	989	**658**	561	**310**	290	**(280)**	(200)
	582	486	**–**	–	**265**	111	**(1)**	(1)
	–	–	**–**	–	**(3)**	(30)	**–**	–
	(661)	(601)	**(94)**	(63)	**(176)**	(81)	**91**	41
	(479)	(417)	**(94)**	(63)	**(84)**	(67)	**91**	41
	(182)	(184)	**–**	–	**(92)**	(14)	**–**	–
	1 164	892	**569**	502	**406**	301	**(208)**	(161)
	765	596	**569**	502	**236**	234	**(206)**	(161)
	399	296	**–**	–	**173**	97	**(2)**	–
	–	–	**–**	–	**(3)**	(30)	**–**	–
	(429)	(246)	**(35)**	(31)	**(137)**	(48)	**301**	136
	(287)	(180)	**(34)**	(31)	**(86)**	(46)	**232**	132
	(142)	(66)	**(1)**	–	**(51)**	(2)	**69**	4
	46	8	**–**	–	**1**	1	**(105)**	7
	4	8	**–**	–	**–**	1	**(63)**	7
	42	–	**–**	–	**1**	–	**(42)**	–
	–	(7)	**–**	24	**(14)**	(1)	**–**	–
	–	(7)	**–**	24	**(6)**	(1)	**–**	–
	–	–	**–**	–	**(8)**	–	**–**	–
	802	629	**535**	496	**253**	254	**(60)**	(19)
	501	392	**536**	496	**143**	187	**(21)**	(19)
	301	237	**(1)**	–	**113**	97	**(39)**	–
	–	–	**–**	–	**(3)**	(30)	**–**	–
	(201)	(182)	**(110)**	(99)	**(74)**	(59)	**(12)**	(4)

Segment profit or loss (continued)

for the six months ended 31 December 2022	Group 2022 Rm	Group 2021 Rm	Import and Distribution 2022 Rm	Import and Distribution 2021 Rm
Additional information				
Revenue by nature				
Sale of goods	**45 961**	40 257	**12 567**	11 328
– New motor vehicle sales	**24 011**	21 042	**10 686**	9 689
– Pre-owned vehicle sales	**11 685**	10 863	**688**	589
– Parts and other goods sales	**10 265**	8 352	**1 193**	1 050
Rendering of services	**5 254**	4 566	**36**	40
– Vehicle workshops, maintenance, service and warranty	**3 013**	2 766	**21**	27
– Motor vehicle rental	**1 263**	879	**–**	–
– Fees on vehicles, parts and services sold	**978**	921	**15**	13
Total revenue	**51 215**	44 823	**12 603**	11 368
Split as follows between a point in time and over a period of time:				
– Revenue recognised at a point in time	**50 445**	44 152	**12 603**	11 368
– Revenue recognised over a period of time (maintenance, service and warranty revenue)	**770**	671	**–**	–
Inter-group revenue	**–**	–	**(8 140)**	(7 379)
Total external revenue	**51 215**	44 823	**4 463**	3 989
Depreciation, amortisation and impairments, net of recoupments	**(1 067)**	(862)	**(227)**	(158)
Depreciation and amortisation	**(1 111)**	(833)	**(228)**	(145)
Profit/(loss) on disposals and impairments	**44**	(29)	**1**	(13)
(Costs)/income included in profit before tax				
Dividend income and fair value adjustments	**148**	134	**–**	1
Total employee costs	**(4 103)**	(3 579)	**(234)**	(228)
Operating lease charges	**(114)**	(112)	**(9)**	(7)
Movements in expected credit losses	**(19)**	(20)	**2**	(8)
Share of results from associates and joint ventures	**22**	22	**–**	6
Net foreign exchange losses/(gains)	**(148)**	(16)	**(76)**	(15)
Operating margin (%)	**5,1**	4,8	**5,4**	5,4

Retail and Rental		Mobility Solutions		Aftermarket Parts		Head Office and Eliminations	
2022 Rm	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
36 340	32 496	**–**	–	**5 355**	3 926	**(8 301)**	(7 493)
20 081	17 587	**–**	–	**–**	–	**(6 756)**	(6 234)
11 638	10 782	**–**	–	**–**	–	**(641)**	(508)
4 621	4 127	**–**	–	**5 355**	3 926	**(904)**	(751)
4 406	3 773	**1 157**	1 028	**47**	44	**(392)**	(319)
2 310	2 118	**811**	742	**–**	–	**(129)**	(121)
1 172	789	**250**	201	**–**	–	**(159)**	(111)
924	866	**96**	85	**47**	44	**(104)**	(87)
40 746	36 269	**1 157**	1 028	**5 402**	3 970	**(8 693)**	(7 812)
40 678	36 221	**455**	405	**5 402**	3 970	**(8 693)**	(7 812)
68	48	**702**	623	**–**	–	**–**	–
(279)	(221)	**(255)**	(196)	**(20)**	(19)	**8 694**	7 815
40 467	36 048	**902**	832	**5 382**	3 951	**1**	3
(661)	(601)	**(94)**	(63)	**(176)**	(81)	**91**	41
(682)	(585)	**(96)**	(63)	**(178)**	(81)	**73**	41
21	(16)	**2**	–	**2**	–	**18**	–
–	–	**148**	134	**–**	–	**–**	(1)
(2 740)	(2 509)	**(288)**	(267)	**(717)**	(457)	**(124)**	(118)
(103)	(92)	**(1)**	(1)	**(10)**	(26)	**9**	14
(15)	(7)	**–**	–	**(7)**	(3)	**1**	(2)
3	1	**7**	4	**12**	11	**–**	–
1	(1)	**–**	–	**(5)**	–	**(68)**	–
2,9	2,5			**7,5**	7,6		

Headline earnings per share information

	% change	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Headline earnings reconciliation				
Earnings	9	**1 520**	1 390	3 290
– Impairment of goodwill (IAS 36)		**6**	24	81
– Impairment of investments in associates and joint ventures (IAS 36)		**8**	3	66
– Impairment of property, plant and equipment (IAS 36)		**–**	63	135
– Impairment of intangible assets (IAS 36)		**–**	–	3
– Impairment of right-use-assets (IAS 36)		**–**	–	20
– Profit on disposal of investments in associates and joint ventures (IAS 28)		**–**	(30)	(30)
– Profit on disposal of businesses (IFRS 3)		**–**	(13)	(13)
– Profit on disposal of property, plant and equipment (IAS 16)		**(42)**	(34)	(47)
– Profit on disposal of investment properties (IAS 40)		**(2)**	–	–
– Tax effects of remeasurements		**7**	5	–
– Adjustments included in the result of associates and joint ventures		**–**	(1)	(1)
Headline earnings	6	**1 497**	1 407	3 504
Headline earnings per share (cents)				
– Basic	13	**902**	795	2 025
– Diluted	14	**860**	756	1 925
Additional information				
Net asset value (NAV) per ordinary share (cents)	12	**8 716**	7 776	8 143
Number of ordinary shares in issue (million)				
– total shares	(5)	**178**	187	178
– net of shares repurchased	(3)	**174**	180	171
– weighted average for basic	(6)	**166**	177	173
– weighted average for diluted	(6)	**174**	186	182

Notes to the condensed consolidated financial statements

1. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council (FRSC). The results contain the information required by IAS 34 – *Interim Financial Reporting* and comply with the Listings Requirements of the JSE Limited (JSE Listings Requirements) and the Companies Act of South Africa, 2008 (No. 71 of 2008) as amended (the Companies Act). These unaudited condensed consolidated financial statements do not include all the information required for full audited consolidated annual financial statements and should be read in conjunction with the audited consolidated and separate annual financial statements as at and for the year ended 30 June 2022.

These unaudited condensed consolidated financial statements have been prepared under the supervision of Ms. U Singh, CA(SA) and were approved by the board of directors (the Board) on 20 February 2023.

2. Going concern

The condensed consolidated statement of financial position as at 31 December 2022 reports a positive total equity balance of R15 317 million (2021: R14 133 million) and net interest-bearing debt of R11 472 million (2021: R4 259 million).

The Group has complied with the bank covenants requirements as at 31 December 2022, with net debt to Adjusted EBITDA at 1,6 times (2021: 0,9 times) and Adjusted EBITDA to Adjusted net interest at 12,3 times (2021: 16,5 times).

This compliance is expected to continue into the foreseeable future as the Group has sufficient unutilised banking facilities available to fund normal trading operations.

The Board has reviewed and approved the Group forecasts prepared by management and the solvency and liquidity positions. The forecast includes a detailed consolidated statement of profit or loss, cash flow and financial position.

On this basis, the Board concluded that the Group would remain comfortably within the existing bank facility limits, with significant headroom, for at least the next 12 months from the date of approval of these unaudited condensed consolidated financial statements.

The Group is not currently involved in any significant litigation that could significantly affect the Group's ability to operate as a going concern.

The Group's assets are adequately insured or, in certain instances, self-insured where the Group considers the risks are of such a nature that it can be self-insured without creating undue risk to the Group. The full extent of the insurance cover and self-insurance arrangements have been reviewed by senior management and considered acceptable.

The Board has also concluded that there is a reasonable expectation that the Group will continue to meet its obligations as they fall due for at least the next 12 months from the date of approval of these unaudited condensed consolidated financial statements.

The Board considers it appropriate to adopt the going concern assumption in preparing the unaudited condensed financial statements.

3. Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are in accordance with International Financial Reporting Standards (IFRS) and are consistent with those of the audited consolidated annual financial statements for the year ended 30 June 2022, with the exception of the new and revised policies as required by new and revised IFRS issued and in effect.

The following amendments were applicable to the current financial year and had no significant impact on the results of the Group:
- IAS 16 – *Property, Plant and Equipment*;
- IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*;
- IFRS 3 – *Business Combinations*; and
- Annual improvements impacting IFRS 1 – *First-time Adoption of International Financial Reporting Standards*, IFRS 9 – *Financial Instruments* and IFRS 16 – *Leases*.

Notes to the condensed consolidated financial statements (continued)

4. Exchange rates

	Closing rates			Average rates for the period		
	31 December 2022	30 June 2022	31 December 2021	**6 months 31 December 2022**	12 months 30 June 2022	6 months 31 December 2021
US Dollar	**17,01**	16,39	15,98	**17,33**	15,22	15,03
British Pound	**20,46**	19,90	21,61	**20,36**	20,24	20,47
Australian Dollar	**11,54**	11,27	11,60	**11,60**	11,03	10,99
Euro	**18,15**	17,13	18,13	**17,57**	17,15	17,44

5. Goodwill

	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Carrying value at the beginning of the period	**1 628**	1 443	1 443
Movement during the period			
Acquisition of businesses	**2 112**	239	237
Impairment charge[1]	**(6)**	(24)	(81)
Currency adjustments	**76**	110	29
Carrying value at the end of the period	**3 810**	1 768	1 628

[1] *The Group examines each individual business which carries goodwill and routinely impairs all individual amounts lower than R15 million (2021: R15 million).*

6. Cash and cash equivalents

	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Cash resources	**911**	758	993
Bank overdrafts	**(313)**	(236)	(272)
	598	522	721

7. Fair value of financial instruments

7.1 Fair value hierarchy

Financial instruments measured at fair value are grouped into the following levels based on the significance of the inputs used in determining fair value:

Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active, or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3 financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

Where the Group's financial assets and financial liabilities are not fair valued and are carried at amortised cost, they approximate their fair values.

7. Fair value of financial instruments (continued)

7.2 Fair value of financial assets and liabilities

The following table presents the valuation categories used in determining the fair values of financial instruments carried at fair value.

as at 31 December 2022	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets carried at fair value				
Preference shares	363	–	–	363
Unlisted investments	6	–	–	6
Derivative financial assets	225	–	225	–
Financial liabilities carried at fair value				
Contingent consideration	4	–	–	4
Derivative financial liabilities	166	–	166	–

There were no transfers between the fair value hierarchies during the period.

Level 2 valuations techniques

Forward exchange contracts

These derivative instruments are fair valued using future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates.

Other derivative instruments

These derivative instruments are fair valued using the present value of estimated future cash flows over the term of the instrument, based on future interest rates (from observable forward looking interest rates at the end of the reporting period), including the margin applied by the financial institutions.

Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing balances of level 3 financial instruments carried at fair value.

	Preference shares Rm	Unlisted investment Rm	Total Rm
Financial assets			
Carrying value at the beginning of the period	314	5	319
Movement during the period			
Fair value movements on the preference share arrangements	49	–	49
– Dividend income received	(43)	–	(43)
– Fair value through profit or loss as unrealised gains	92	–	92
Currency adjustments	–	1	1
Carrying value at the end of the period	363	6	369
Financial liabilities			
Carrying value at the beginning of the period			24
Movement during the period			
Remeasurement through profit or loss			(20)
Carrying value at the end of the period			4

Notes to the condensed consolidated financial statements (continued)

7. Fair value of financial instruments (continued)

7.2 Fair value of financial assets and liabilities (continued)

Level 3 sensitivity information

The fair value of the level 3 financial assets of R369 million (2021: R317 million) consists of investments in preference shares and an unlisted investment.

The fair value of the preference shares of R363 million (2021: R312 million) consists of investments in cell captives through unlisted preference share instruments in insurance companies. These fair values were estimated by applying a discounted cash flow projection technique. Cash flow projections are based on expected dividends receivable which are subject to regulation. The cash flow projections cover a five-year forecast period and takes into account organic portfolio growth, discounted at a WACC of 18,4% (2021: 18,2%) specifically linked to Mobility Solutions. The projections are limited to five years as the investment structures are reviewed on an ongoing basis in light of changes to the regulatory and economic landscape.

The fair value measurement is based on significant inputs that are not observable in the market. Key assumptions used in the valuation include underwriting, operational and investment risk. The dividends receivable are calculated from the assumed profits after taking into account the above mentioned risk inputs.

The carrying value of the unlisted investment amounting to R6 million (2021: R5 million) closely approximates its fair value. Consideration has been given to the sensitivity of the fair value; however, this is deemed to have an insignificant impact on the Group.

The fair value of the level 3 financial liabilities of R4 million (2021: R4 million) is the contingent consideration relating to the purchase of an aftermarket parts franchise store in Motus Group Limited. The settlement of this consideration is expected in this financial year and is dependent on all the requirements, as set out in the agreement, being met.

Consideration has been given to the impact of the present value of this future payment. This impact was deemed insignificant. The requirements in the agreement are non-financial in nature and as a result, a sensitivity analysis cannot be performed.

The following table shows how the fair value of the level 3 financial assets as at 31 December 2022 would change if the discount rate used to present value future cash flows were to reduce or increase by 1,0%.

	Valuation technique	Main assumption	Carrying value Rm	Increase in carrying value Rm	Decrease in carrying value Rm
Financial asset					
Preference shares	Cashflow projections	Present value of expected dividend flows	**363**	**8**	**(8)**

8. Other capital (costs)/income

	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Impairment of goodwill	**(6)**	(24)	(81)
Impairment of investments in associates and joint ventures	**(8)**	(3)	(66)
Profit on disposal of investments in associates and joint ventures	**–**	30	30
Profit on disposal of businesses	**–**	13	13
	(14)	16	(104)

9. Contingencies and commitments

	Unaudited 31 December 2022 Rm	Unaudited 31 December 2021 Rm	Audited 30 June 2022 Rm
Capital commitments[1]	**422**	151	515
Contingent liabilities[2]	**5 219**	4 388	5 003
Litigation[3]	**–**	15	5

[1] The capital commitments substantially relate to the construction of buildings to be used by the Group.
[2] The contingent liabilities include letters of credit and guarantees issued by banks with the corresponding guarantees by the Group to the bank.
[3] Litigation relates to the various summons for claims received by the Group. The Group and its legal advisers believe these claims are unlikely to succeed. Where the Group believes that there is a probable outflow, a provision has been raised.

10. Acquisitions and disposals during the period

10.1 Acquisitions during the reporting period

An assessment of control was performed based on whether the Group has the practical ability to direct the relevant activities unilaterally on businesses acquired. In making the judgement, the relative size and dispersion of other vote holders, potential voting rights held by them or others and rights from other contractual arrangements were considered. After the assessment, the Group concluded that it is able to direct the relevant activities of the businesses acquired.

During the year, the following businesses were acquired:

- Motor Parts Direct (Holdings) Limited (MPD) was acquired on 3 October 2022. The company is a Business-to-Business parts distributor based in the UK, which primarily supplies passenger and LCV parts to workshops in and around the UK. The company has 173 branches, including 16 regional distribution centres and forms part of the Aftermarket Parts segment.
- Four Mercedes Benz dealerships were acquired by Motus Group Proprietary Limited (Mercedes Benz retail dealerships) on 1 November 2022. These dealerships include three passenger dealerships in Sandton, Bryanston, Constantia Kloof and a commercial dealership in Roodepoort. These dealerships form part of the Retail South Africa segment.
- Motus Group Proprietary Limited acquired a South African aftermarket parts franchise store on 1 November 2022.

The Group has assessed the significance of each of the businesses acquired with reference to aspects outlined in the glossary of terms. The net asset value of the underlying business and purchase consideration was used as a basis for the quantitative measure. Qualitative factors such as the nature of the business acquired and its contribution to the profitability of the Group were also considered when assessing the relevant information that will assist the users in their decision-making processes. Based on this assessment, MPD and the Mercedes Benz retail dealerships acquired were deemed significant.

Notes to the condensed consolidated financial statements (continued)

10. Acquisitions and disposals during the period (continued)

10.1 Acquisitions during the reporting period (continued)

The fair value of assets acquired and liabilities assumed at the acquisition date was as follows:

	MPD Rm	Mercedes Benz retail dealerships Rm	Individually insignificant acquisition: Aftermarket Parts South Africa Rm	Total[1] Rm
Assets				
Intangible assets	1 288	236	–	**1 524**
Property, plant and equipment	121	53	1	**175**
Right-of-use assets	718	243	–	**961**
Deferred tax	2	10	–	**12**
Inventories	754	433	1	**1 188**
Trade and other receivables	684	–	–	**684**
Taxation	35	–	–	**35**
Cash resources	105	–	–	**105**
	3 707	975	2	**4 684**
Liabilities				
Lease liabilities	718	243	–	**961**
Provisions	156	3	–	**159**
Deferred tax	322	64	–	**386**
Trade and other payables	763	13	–	**776**
Interest-bearing debt[2]	100	–	–	**100**
	2 059	323	–	**2 382**
Net assets acquired	**1 648**	**652**	**2**	**2 302**
Total purchase consideration calculated as:				
Cash outflow on acquisition of businesses	3 638	715	8	**4 361**
Add: Net cash acquired on acquisition	5	–	–	**5**
Purchase consideration settled	3 643	715	8	**4 366**
Add: Additional purchase consideration accrued for	48	–	–	**48**
	3 691	715	8	**4 414**
Goodwill	**2 043**	**63**	**6**	**2 112**
Goodwill impaired	–	–	(6)	**(6)**

[1] *Due to the recent nature of the acquisitions, the fair value of the assets and liabilities acquired are still regarded as being provisional.*
[2] *Relates to bank facilities assumed.*

10. Acquisitions and disposals during the period (continued)

10.1 Acquisitions during the reporting period (continued)

Process involved with obtaining control

The Group acquired the entire shareholding of MPD, thus obtaining full control over the business. The Mercedes Benz retail dealerships and Aftermarket parts franchise store acquisitions relate to the purchase of the underlying assets and liabilities of the businesses, which were absorbed into the Group as operating divisions.

Reasons for the acquisitions

These acquisitions are strategically in line with the Group's objective of achieving economies of scale and increasing our footprint with selective bolt-on acquisitions in local and international markets that complement the Group's existing networks and structures supporting the recognition of goodwill. The acquisition of MPD will also reduce the Group's dependence on vehicle sales.

Acquisition costs

Acquisition costs for business acquisitions concluded during the period amounted to R29 million and have been recognised as an expense in profit or loss in the "Net operating expenses" line.

Impact of the acquisitions on the results of the Group

	Actual contributions			Contributions if acquired on 1 July 2022		
	Revenue Rm	EBITDA Rm	Profit/(loss) after tax[1] Rm	Revenue Rm	EBITDA Rm	Profit/(loss) after tax[1] Rm
MPD	998	146	46	1 978	330	102
Mercedes Benz retail dealerships	245	2	(13)	778	33	(13)
Aftermarket parts franchise store	2	–	–	6	–	–
	1 245	148	33	2 762	363	89

[1] *Includes the after-tax impact of depreciation on right-of-use assets and property, plant and equipment, the amortisation of intangible assets arising on business combinations and finance costs incurred on funding and lease liabilities.*

Had all the acquisitions been consolidated from 1 July 2022, the Group's total revenue would have been R52 732 million, EBITDA of R3 921 million and an after-tax profit of R1 606 million (including the after-tax impact of funding costs).

Separately identifiable intangible assets

The MPD acquisition includes customer lists that meet the definition of intangible assets as they are identifiable non-monetary assets. These have been recognised along with the related deferred tax liability and will be amortised over the appropriate economic useful life.

The Mercedes Benz retail dealerships acquisition includes OEM supplier agreements that meet the definition of intangible assets as they are identifiable non-monetary assets. These have been recognised as intangible assets with an indefinite useful life along with their related deferred tax liability.

The excess purchase consideration over the net asset value, including the above mentioned separately identifiable intangible assets along with the related deferred tax liability, is recognised as goodwill.

Other details

Trade and other receivables had a gross contractual amount of R686 million and an allowance for expected credit losses of R2 million.

10.2 Disposals during the reporting period

There were no significant disposals noted during the period.

10.3 Acquisition of non-controlling interests

There was no significant acquisition of non-controlling interests noted during the period.

Notes to the condensed consolidated financial statements (continued)

11. Related parties

There were no significant related party transactions and balances noted during the period.

12. Events after the reporting period

A gross dividend of 300 cents (2021: 275 cents) per ordinary share is payable on 20 March 2023. The ordinary dividend is subject to the local dividend tax of 20% and the net ordinary dividend for those shareholders who are not exempt from paying tax, is therefore 240 cents (2021: 220 cents) per share.

There were no significant material events, apart from those mentioned above, that occurred from the period ended 31 December 2022 to the date of these unaudited condensed consolidated financial statements.

Glossary of terms

Pro forma information	Pro forma financial information is the result of adjusting information about the Group at a specific date or for a particular period.
Significance	Significance is determined by referring to qualitative and quantitative factors. Qualitative factors include providing the users of the unaudited condensed consolidated financial statements with relevant information that assists with their decision-making process. These include both the nature of the transactions together with the contributions to amounts reported. Quantitative factors measure the transactions with reference to the Group's internal materiality threshold of 5% of annual profit before tax.
Operating assets	Operating assets are all assets less loans receivable, taxation assets, cash resources and assets classified as held-for-sale.
Operating liabilities	Operating liabilities are all liabilities less all interest-bearing debt, floorplans from financial institutions and taxation liabilities.
Net working capital	Net working capital includes inventories, trade and other receivables, derivative instruments, provisions, trade and other payables and floorplans from suppliers.
Interest-bearing borrowings	Interest-bearing borrowings includes interest-bearing debt and floorplans from financial institutions. Lease liabilities are excluded.
Debt	Debt includes interest-bearing borrowings and lease liabilities less cash resources.
Core debt	Core debt includes interest-bearing borrowings less floorplans from financial institutions and cash resources.
Net debt	Net debt includes interest-bearing borrowings less cash resources.
Net capital expenditure	Net capital expenditure includes expansion and net replacement expenditure of property, plant and equipment, investment properties, intangible assets and vehicles for hire.
EBITDA	Earnings before interest, taxation, depreciation, amortisation and share of results from associates and joint ventures.
Depreciation, amortisation and impairments, net of recoupments	Depreciation and amortisation includes depreciation and amortisation of property, plant, equipment, investment properties, intangible assets, right-of-use assets and vehicles for hire. Impairments include impairments on property, plant, equipment, investment properties and intangible assets. Recoupments include profit or losses on the sale of property, plant, equipment, investment properties and intangible assets.

Glossary of terms (continued)

Operating profit before capital items and net foreign exchange (losses)/gains	Operating profit is the earnings before capital items, net foreign exchange adjustments for items that do not qualify for cash flow hedge accounting, including non-hedged items, net finance costs and taxation.
Other capital (costs)/income	Other capital (costs)/income are items of income and expenditure relating to the: • Impairment of goodwill and investments in associates and joint ventures. • Profit or loss on the sale of investment in subsidiaries, associates, joint ventures and other businesses.
Operating margin (%)	Operating profit before capital items and net foreign exchange adjustments divided by revenue.
Net asset value per share	Net asset value (NAV) per share is the equity attributable to the owners of Motus divided by the total ordinary shares in issue, net of shares repurchased.
Return on invested capital (%)	The return divided by invested capital. The return is the aggregate of a post-tax operating profit for the last 12 months. Post-tax operating profit is calculated as: • Operating profit before capital items and net foreign exchange adjustments. • Less share of results from associates and joint ventures, which already includes the impact of tax. • Less the impact of tax using a blended tax rate. • Add share of results from associates and joint ventures. The blended tax rate is an average of the actual tax rates applicable in the various jurisdictions in which the Group operates. Invested capital is a 12-month average of the monthly total equity plus debt.
Weighted average cost of capital (WACC) (%)	The weighted average cost of capital is the 12-month average of the monthly calculated weighted average cost of capital. The monthly weighted average cost of capital is calculated by multiplying the cost of each invested capital component by its proportionate share of invested capital and then aggregating the results. The cost of debt and equity is determined with reference to the prevailing rates in the various jurisdictions in which the Group operates.

Adjusted EBITDA	Adjusted EBITDA is calculated on a 12-month rolling basis using the funders' covenant methodology. Adjusted EBITDA is calculated as: • EBITDA. • Adjusted for the impact of net foreign exchange adjustments. • Adjusted for the impact of share of results from associates and joint ventures. • Less the pre-tax profit attributable to non-controlling interests. • Add the Adjusted EBITDA relating to businesses acquired, grossed up for a full year where the underlying acquisitions only contributed for a portion of the year. • Less Adjusted EBITDA relating to businesses disposed of during the current year. • Less adjustments relating to the impacts on the EBITDA that arose on the application of IFRS 16. The adjustments include the reversal of profit on terminations of leases and includes lease payments.
Adjusted net interest	Adjusted net interest is calculated on a 12-month rolling basis using the funders' covenant methodology. Adjusted net interest is calculated as: • Finance cost. • Less finance income. • Less facility set-up costs incurred. • Less adjustments relating to the impacts on finance costs that arose on the application of IFRS 16, the adjustments include the reversal of the finance cost on lease liabilities.

Corporate information

Motus Holdings Limited

Incorporated in the Republic of South Africa
Registration number: 2017/451730/06
ISIN: ZAE000261913
Share code: MTH
("Motus" or "the Company" or "the Group")

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GW Dempster (Chairman)*
A Tugendhaft (Deputy Chairman)**
OS Arbee (CEO)#
OJ Janse van Rensburg (CFO)#
KA Cassel#
PJS Crouse*
NB Duker*
S Mayet*
MJN Njeke*
F Roji*

* *Independent non-executive*
** *Non-executive*
\# *Executive*

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The results announcement is available on the Motus website: www.motus.co.za

Motus

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