



# Motus

## Interim results presentation

Unaudited condensed interim results  
for the six months ended 31 December 2022





# Agenda

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- 2 Significant acquisitions since 1 July 2022
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# HY1 highlights

## Strong financial performance

Achieved R51 billion revenue up 14% on Dec 2021

Achieved R3,7 billion EBITDA up 25% on Dec 2021

Achieved R2,6 billion operating profit up 22% on Dec 2021

## Strategic acquisitions

Acquisitions contributed positively to financial performance & international expansion strategy

- Motor Parts Direct (MPD) in the UK
- Mercedes Benz retail dealerships (MB Retail dealerships)
- Other bolt-on acquisition

## Shareholder returns

Positive return to shareholders through:

- ROIC of 17,4% > WACC of 11,0%
- 17% growth in EPS
- 13% growth in HEPS
- Continued dividend distributions

## ESG highlights

Achieved black representation of 76% in South Africa & Group women representation of 31%

Maintained Level 4 B-BBEE rating

R81 million training spend

Continued CSI support – 65 resource centres & 140 health facilities

## Continued digitisation & innovation investment

Further invested in our digital & data capabilities.

Drove innovation:

- Efficiency innovation
- Sustaining innovation
- Transformative innovation

m<sup>x</sup> community of ~4,000 employees



# Significant acquisitions since 1 July 2022

## Motor Parts Direct (Holdings) Limited

Segment: Aftermarket Parts

Geography: 

- Acquired 100% of the company which is a business-to-business parts distributor based in the UK, effective 3 October 2022.
- Rationale:
  - aligned to Motus' international growth strategy for the Aftermarket Parts business;
  - will reduce the Group's dependency on vehicle sales;
  - non-cyclical business;
  - will provide economies of scale, Group procurement benefits & synergies; &
  - is cash generative, asset light & not capital intensive.
- Purchase price of R3,7 billion was funded using available cash & banking facilities.
- Projected annual revenue of R4 billion & EBITDA of R700 million.
- 4<sup>th</sup> biggest player at ~ 5% market share, with access to a ~40 million ICE & slow growing EV car parc.



# Significant acquisitions since 1 July 2022 (cont.)

## Mercedes Benz retail dealerships

Segment: Retail and Rental

Geography:



- Acquired three passenger & one commercial dealership in the northern suburbs of Gauteng, effective 1 November 2022.
- The acquisition will further enhance Motus' South African portfolio in the luxury segment with a leading & highly regarded premium brand.
- Purchase price of R715 million was funded by:
  - OEM floorplan of R328 million; &
  - available cash & banking facilities of R387 million.
- Projected annual revenue of R1,6 billion & annual EBITDA of R66 million.
- At acquisition, the dealerships had:
  - tangible assets of R480 million, &
  - goodwill & intangible assets, net of deferred tax liability, of R235 million.



# Trading environment

## South Africa



- Economic outlook remains challenging with low economic growth;
- Consumer confidence is fragile with reduced disposable income;
- High inflationary environment;
- Political & social challenges;
- High unemployment & rising poverty levels;
- Increased onerous regulatory requirements;
- Increased load-shedding;
- Volatile currency;
- Increasing interest rates; &
- Deteriorating fiscal position.

2022 GDP: projected growth 2,6%

2023 GDP: forecast growth 1,2%

## United Kingdom



- High inflationary environment;
- Impact of Russia-Ukraine conflict;
- Wage inflation due to labour shortages;
- Increasing personal taxes; &
- Increasing interest rates.

2022 GDP: projected growth 4,0%

2023 GDP: forecast decline 0,5%

## Australia



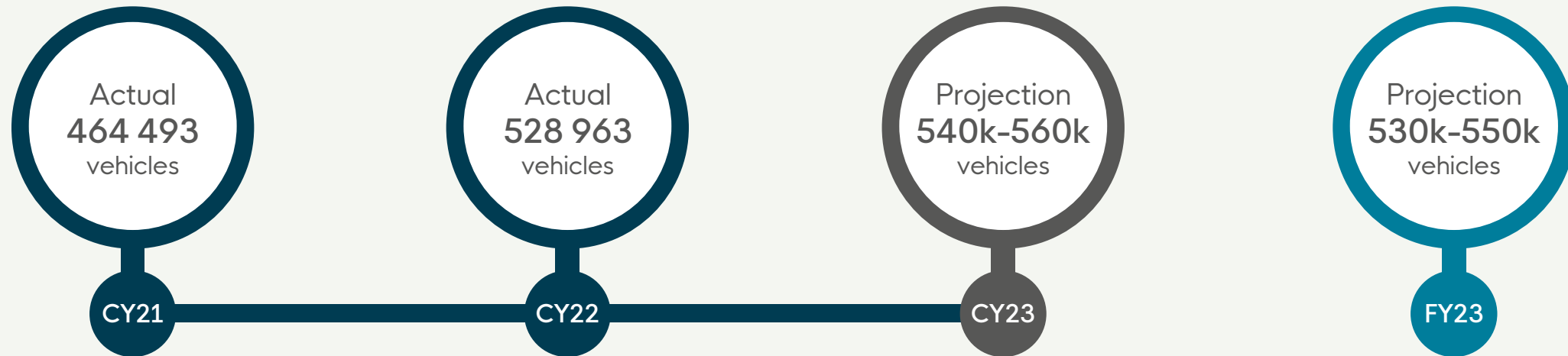
- High inflationary environment;
- Extreme weather events;
- Economy recovering at a faster pace; &
- Increasing interest rates.

2022 GDP: projected growth 3,0%

2023 GDP: forecast growth 2,0%



# The South African vehicle market & our share



Our passenger only vehicle market share for our Importer brands at December 2022 is ~22,0%

	Dec 2022 passenger vehicles market share
Hyundai	8,6%
Renault	7,0%
Kia	5,6%
Mitsubishi	0,8%
<b>Total</b>	<b>22,0%</b>

Hyundai (4<sup>th</sup>), Renault (5<sup>th</sup>) & Kia (6<sup>th</sup>) maintained their Top 10 ranking for another consecutive year

Motus

Market share  
Dec 2022: ~20,5%

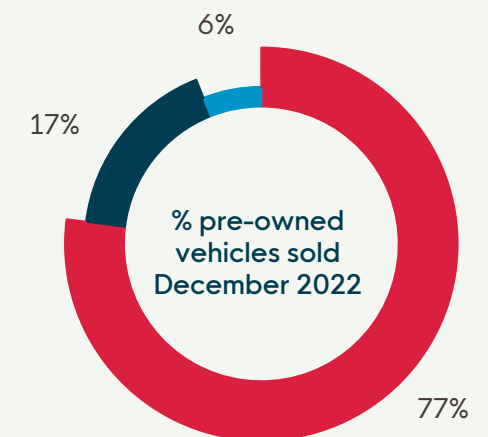
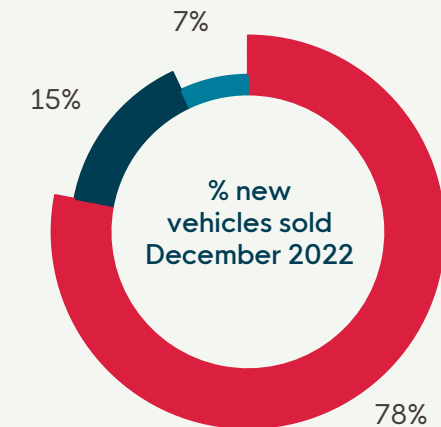
Motus sells one in five new vehicles in South Africa

# Vehicle unit sales

Units	December 2022	December 2021	% change
<b>New</b>	<b>66 147</b>	66 705	(1)
- South Africa	51 578	51 755	-
- UK	9 651	10 232	(6)
- Australia	4 918	4 718	4
<b>Pre-owned</b>	<b>43 422</b>	47 533	(9)
- South Africa	33 308	36 459	(9)
- UK	7 541	8 786	(14)
- Australia	2 573	2 288	12
<b>Total</b>	<b>109 569</b>	114 238	(4)
- South Africa	84 886	88 214	(4)
- UK	17 192	19 018	(10)
- Australia	7 491	7 006	7

We sold 1 New vehicle to 0,7 Pre-owned vehicle

Pre-owned vehicle target market = <6 years old



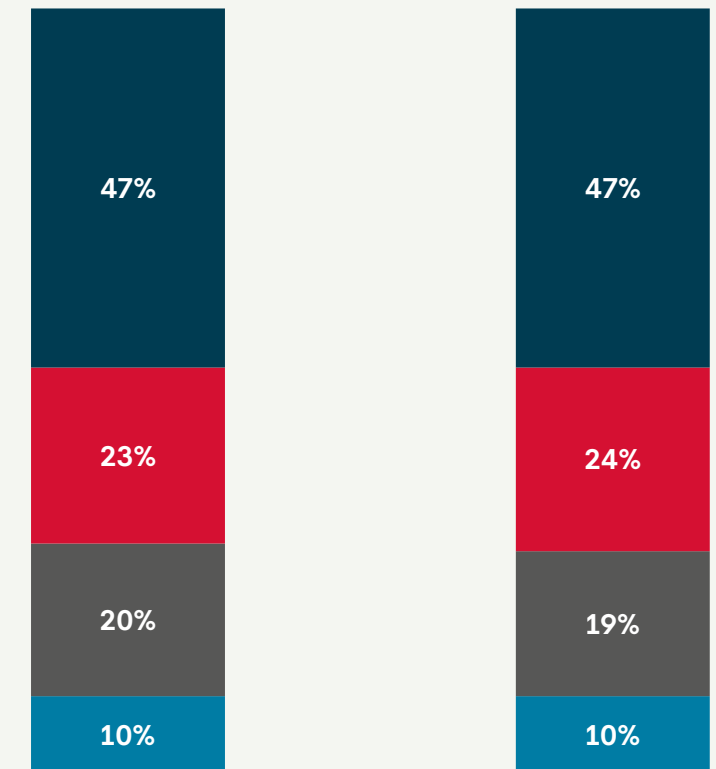
■ South Africa ■ UK ■ Australia



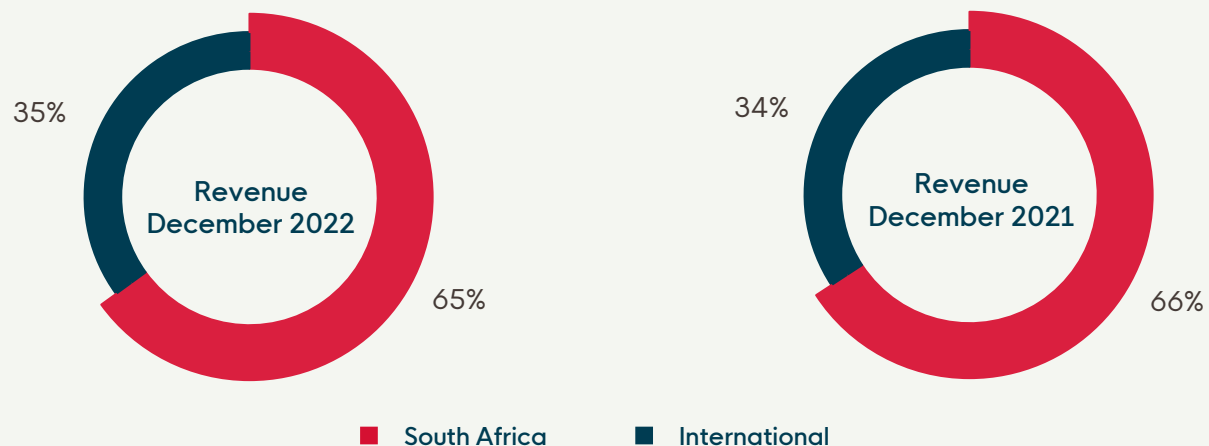
# Revenue streams

Rm	December 2022	December 2021	% change
Sale of new vehicles	24 011	21 042	14
Sale of pre-owned vehicles	11 685	10 863	8
Sale of parts	10 265	8 352	23
Rendering of services	5 254	4 566	15
<b>Total revenue</b>	<b>51 215</b>	<b>44 823</b>	<b>14</b>

## Revenue contribution per stream

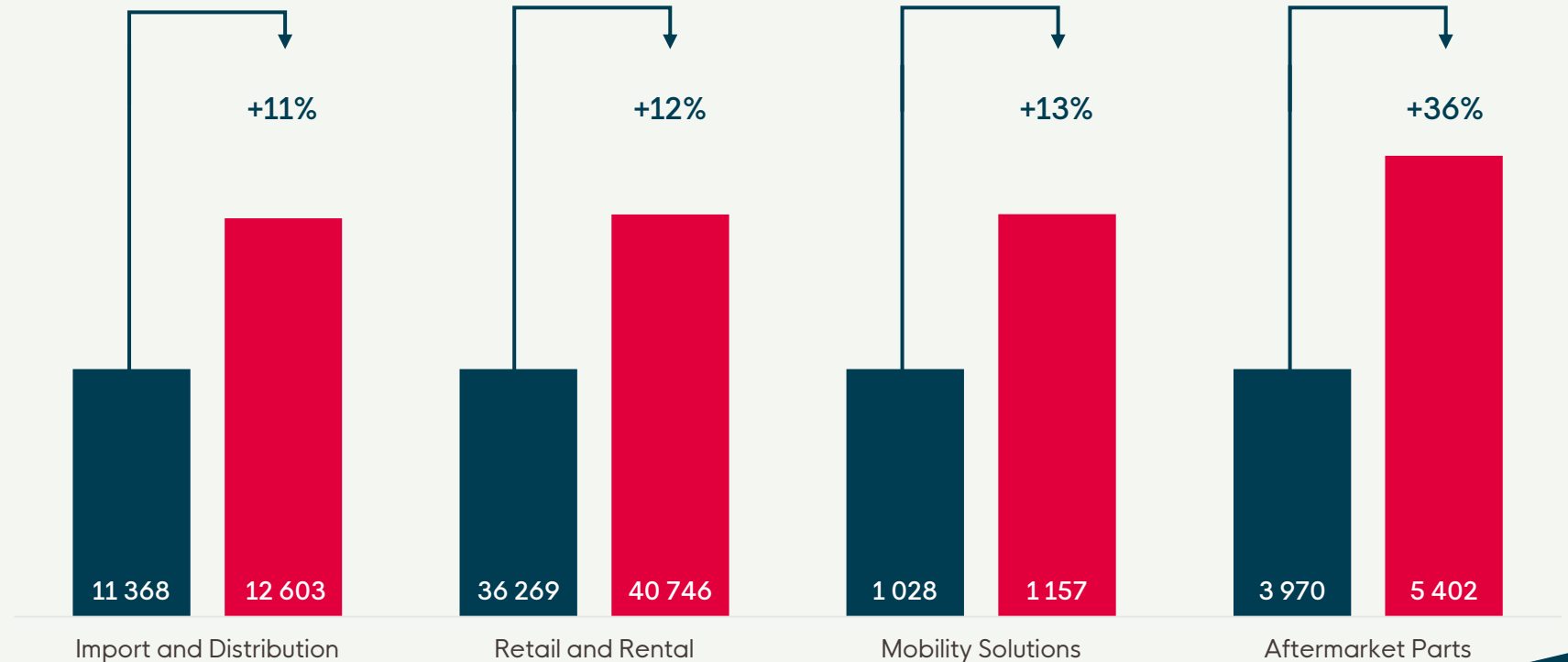
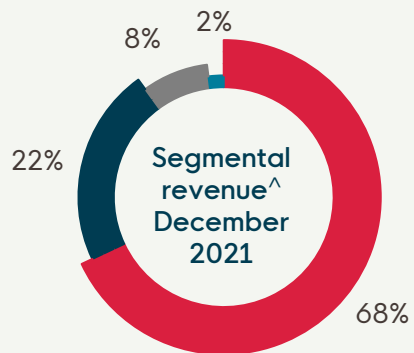
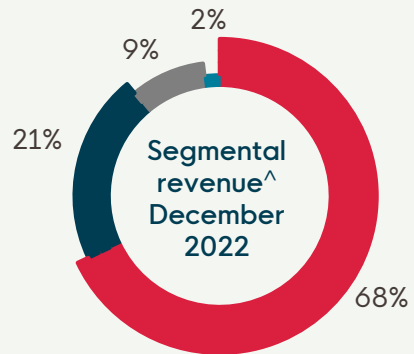


## Revenue contribution per geography



# Revenue contribution per segment

Rm	December 2022	December 2021	% change
Revenue	51 215	44 823	14



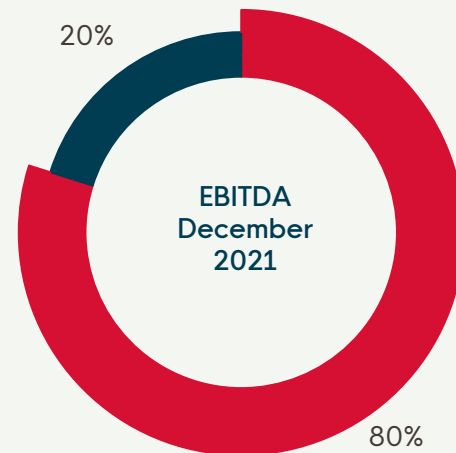
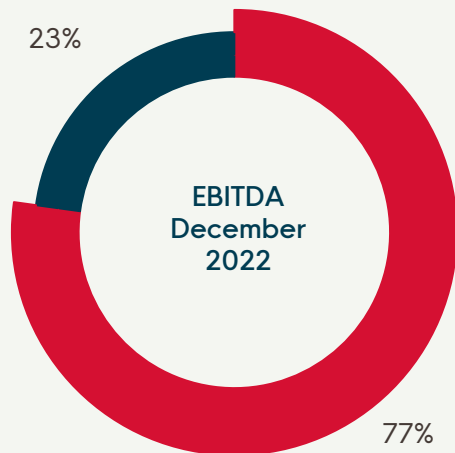
- Retail and Rental
- Import and Distribution
- Aftermarket Parts
- Mobility Solutions

■ Dec 2021 ■ Dec 2022

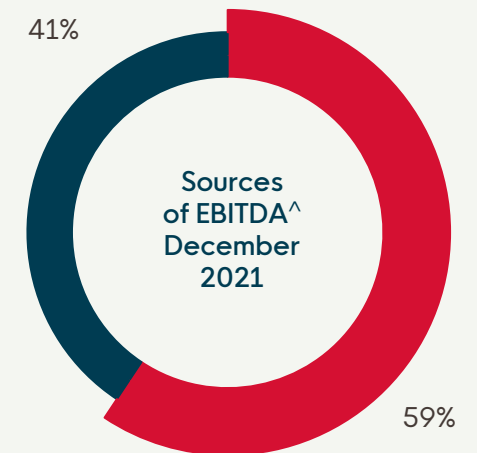
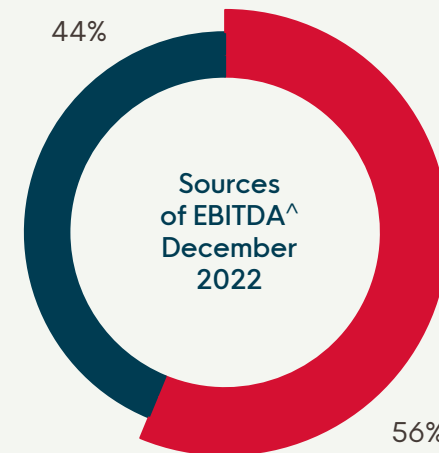
<sup>^</sup>Excludes Head Office & Eliminations

# EBITDA contribution

Rm	December 2022	December 2021	% change
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	3 706	2 959	25



■ South Africa ■ International



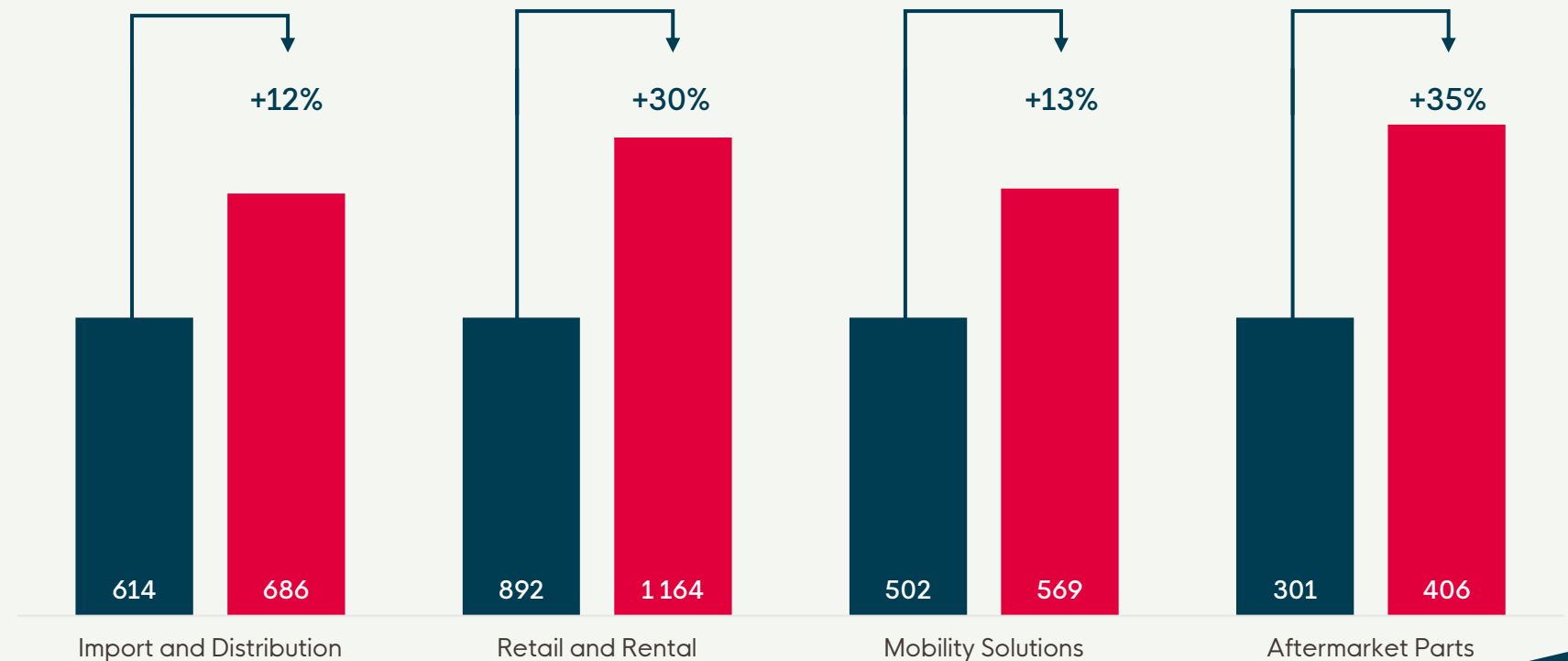
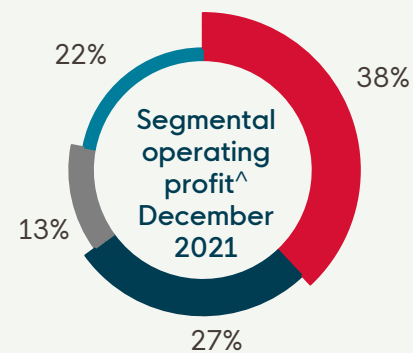
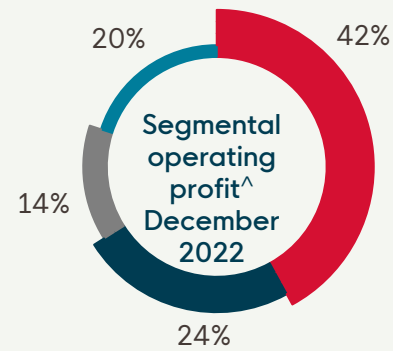
■ Generated from vehicle sales ■ Generated from non-vehicle sales

<sup>^</sup>Excludes Head Office & Eliminations



# Operating profit contribution per segment

Rm	December 2022	December 2021	% change
Operating profit before capital items and net foreign exchange losses	2 617	2 148	22



■ Retail and Rental    ■ Import and Distribution  
■ Aftermarket Parts    ■ Mobility Solutions

■ Dec 2021    ■ Dec 2022

<sup>^</sup>Excludes Head Office & Eliminations

# Financial highlights

Revenue

↑14%

**R51 215 million**

(2021: R44 823 million)

Operating profit<sup>#</sup>

↑22%

**R2 617 million**

(2021: R2 148 million)

Profit before tax

↑7%

**R2 014 million**

(2021: R1 879 million)

Attributable profit

↑9%

**R1 520 million**

(2021: R1 390 million)

Earnings  
per share

↑17%

**916 cents per share**

(2021: 785 cents per share)

Headline earnings  
per share

↑13%

**902 cents per share**

(2021: 795 cents per share)

Interim dividend per share

**300 cents per share**

↑9%

(2021: 275 cents per share)

## Financial highlights (cont.)

Free cash flow  
generated from operations

**R425 million**

(2021: R2 900 million)

Net debt  
to EBITDA  
(debt covenant)

**1,6 times**

(2021: 0,9 times)

(Required: to be less than 3 times)

EBITDA  
to net interest  
(debt covenant)

**12,3 times**

(2021: 16,5 times)

(Required: to be greater than 3 times)

Net asset  
value per share



**8 716 cents per share**

(2021: 7 776 cents per share)

Return on  
invested capital<sup>#</sup>

**17,4%**

(2021: 15,9%)

Weighted average  
cost of capital<sup>#</sup>

**11,0%**

(2021: 10,4%)



# Financial overview

Extracts from Statement of Profit or Loss for the six months ended 31 December 2022

	December 2022	December 2021	% change
Revenue (Rm)	51 215	44 823	14
Operating profit before capital items and net foreign exchange losses (Rm)	2 617	2 148	22
Operating margin (%)	5,1	4,8	

## Comments

- **Revenue improved** by 14% with improved performance across all segments & revenue streams.
- **Operating profit** increased by 22% as a result of:
  - the continued recovery of the automotive & car rental sectors;
  - increased profits from value-added products & services (VAPS) in Mobility Solutions segment;
  - acquisitions in the Aftermarket Parts segment (FAI Automotive plc (FAI) included for six months compared to three months in the previous period & MPD included for three months); &
  - partly reduced by inflationary expenses.

# Financial overview (cont.)

Extracts from Statement of Profit or Loss for the six months ended 31 December 2022 (cont.)

Rm	December 2022	December 2021	% change
<b>Operating profit before capital items and net foreign exchange losses</b>	<b>2 617</b>	2 148	22
Profit/(losses) on disposal of property, plant and equipment, net of impairments	44	(29)	
Other capital (costs)/income	(14)	16	
Net foreign exchange losses	(148)	(16)	
Net finance costs	(485)	(240)	
<b>Profit before tax</b>	<b>2 014</b>	1 879	7

## Comments

- **Net foreign exchange losses** is mainly as a result of:
  - the mark-to-market revaluation on the FEC contract relating to the MPD acquisition where hedge effectiveness is not achievable;
  - translation differences arising from foreign-denominated balances; &
  - changes in fair value of derivative instruments that are not designated in a hedge relationship.
- **Net finance costs** increased mainly due to:
  - the financing of acquisitions;
  - higher average working capital & vehicles for hire levels;
  - increased IFRS 16 – *Leases* finance costs; &
  - increased interest rates across all the geographies we operate in.

## Financial overview (cont.)

Extracts from Statement of Profit or Loss for the six months ended 31 December 2022 (cont.)

	December 2022	December 2021	% change
Profit before tax (Rm)	2 014	1 879	7
Income tax expense (Rm)	(464)	(466)	-
Profit for the period (Rm)	1 550	1 413	10
Effective tax rate (%)	23,3	25,1	

### Comments

- **Effective tax rate** is 23,3%, with the current effective tax rate lower than the prior period mainly due to:
  - the change in the SA tax rate reducing to 27%;
  - a deferred tax asset being recognised in one of our businesses; &
  - increased profits derived from our UK operations.



# Financial overview (cont.)

## Earnings & dividends for the six months ended 31 December 2022

	December 2022	December 2021	% change
Earnings (Rm)	1 520	1 390	9
Headline earnings (Rm)	1 497	1 407	6
Weighted average number of shares (million)	166	177	(6)
<b>Basic earnings per share (cents)</b>	<b>916</b>	785	17
<b>Headline earnings per share (cents)</b>	<b>902</b>	795	13

### Comments

- **Basic earnings per share** increased due to:
  - improved attributable profit; &
  - reduced weighted average number of shares.
- **Weighted average number of shares** 30 June 2023 will be 167 million (excluding the impact of further share repurchases).
- **Interim dividend** declared of 300 cents per share (2021: 275 cents per share). Target full year dividend of ~35% of headline earnings per share.

# Financial overview (cont.)

## Business segment overview - Import and Distribution

	HY1 2023 unaudited	HY1 2022 unaudited	% change HY 1 2022 unaudited	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

### Comments

- **Revenue** increased by 11% due to:
  - increased sales to dealers; &
  - vehicle selling price increases.
- **Operating profit** increased by 12% due to:
  - higher volumes of vehicles sold through the dealer channel (supported by the ongoing shift away from luxury brands & the release of new vehicle models);
  - increased contribution from parts sales due to increased workshop activity across the Group; &
  - offset by increased cost of vehicles, costs associated with the extension of foreign currency cover as production orders were delayed & above inflationary increases in freight & logistics costs. Controllable operating costs remain well managed.



# Financial overview (cont.)

## Business segment overview - Import and Distribution (cont.)

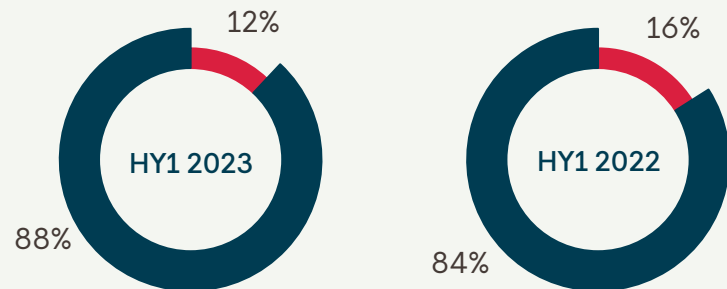
### Forward cover

Our importers (Hyundai, Renault & Kia) have forward cover to July 2023 for the Euro & to August 2023 for the US Dollar at average rates of:

- R17,97 : Euro &
- R16,65 : US Dollar.

Mitsubishi has cover for all committed orders.

### Channel sales split



■ Sales - dealer channel ■ Sales - car rental channel (on buy-back & risk)



- Distribution agreements have been in place for the past 15 to 30 years.
- Better product availability through the cycle.
- New vehicle model launches.
- Growing car parc.
- Three brands represented in Top 10.

Unique attributes





# Financial overview (cont.)

## Business segment overview – Retail and Rental

	HY1 2023 unaudited	HY1 2022 unaudited	% change HY 1 2022 unaudited	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

### Comments

- **Revenue** increased by 12% & **operating profit** increased by 30% with all aspects of the business performing well.
- Across all geographies in which we operate, we are being negatively impacted by:
  - the increased cost of vehicles, panel & parts;
  - higher inflationary operating costs; &
  - higher interest rates.

- Represents:
  - SA: 23 OEMs & 32 brands
  - UK: 16 OEMs & 19 brands
  - Aus: 20 OEMs & 20 brands
- Sell one in every five cars in SA.
- Largest DAF commercial dealership group in the UK.
- Large dealership representation.
- Proven digital capabilities.
- Car rental brands: Europcar & Tempest.

Unique  
attributes



# Financial overview (cont.)

## Business segment overview – Retail and Rental (cont)



**South Africa: Retail** revenue increased by 13% & operating profit by 19% mainly as a result of:

- improvement in vehicle margins as a result of increased new vehicle volumes;
- new model releases; &
- the revenue contribution from MB retail dealerships for two months.

The SA operation sold 28 965 new units (2021: 28 038) & 32 817 pre-owned units (2021: 35 964).

**Car rental** revenue increased by 47% & operating profit by 91% mainly as a result of:

- increased activity relating to local & international travel; &
- offset by cancellations in Kwa-Zulu Natal as a result of beach closures during the festive season.

Vehicle utilisation levels of greater than 70% achieved.

# Financial overview (cont.)

## Business segment overview – Retail and Rental (cont)



**United Kingdom: Retail** revenue increased by 7% & operating profit increased by 34% with the commercial division delivering strong results & the passenger division facing challenges.

The UK operation sold 9 651 new units (2021: 10 232) & 7 541 pre-owned units (2021: 8 786).

Selling price increases stimulated the revenue line, while the business was impacted by reduced volumes as a result of inventory shortages & increased pressure on consumers disposable income.

The weakening economic environment has reduced the consumer's appetite to acquire high price ticket items & also resulted in certain consumers extending service intervals.

**Australia: Retail** revenue increased by 19% & operating profit increased by 36%.

The inventory shortages experienced for certain models & derivatives resulted in improved margins achieved.

The Australian operation sold 4 918 new units (2021: 4 718) & 2 573 pre-owned units (2021: 2 288).

Pressures on consumers disposable income & operational expenses will continue as a result of inflationary & interest rate increases. Inventory availability is starting to normalise.



# Financial overview (cont.)

## Business segment overview – Mobility Solutions

	HY1 2023 unaudited	HY1 2022 unaudited	% change HY 1 2022 unaudited	HY2 2022 pro forma	FY 2022 audited
Revenue (Rm)	1 157	1 028	13	1 079	2 107
Operating profit <sup>1</sup> (Rm)	569	502	13	502	1 004

### Comments

- Revenue & operating profit increased by 13%.

Improved performance was mainly due to:

- higher revenue & profits from VAPS;
- increased contribution from fleet vehicles to car rental companies (volume & an increase in the prime overdraft rate); &
- recognition of increased Bank JV income.

- Better product availability through

- Provides annuity income streams in the future.
- Expansion of VAPS.
- Drive sales through call centres employing 265 individuals.
- Leader of the Group Innovation Centre with ~4,000 m<sup>x</sup> members.



Unique  
attributes

# Financial overview (cont.)

## Business segment overview - Aftermarket Parts

	HY1 2023 unaudited	HY1 2022 unaudited	% change HY 1 2022 unaudited	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

### Comments

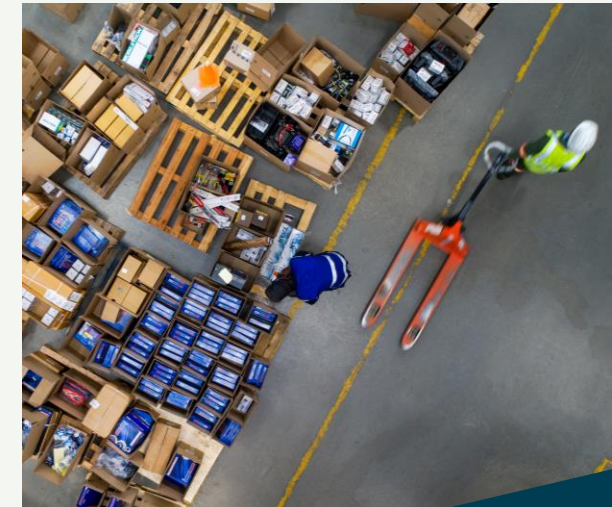
- **Revenue** increased by 36% & **operating profit** increased by 35%.

Increased contributions was mainly due to:

- contributions from new acquisitions in the UK (FAI & MPD);
- supply chain optimisation;
- improved efficiency;
- volume buying; &
- offset by increased freight, container & raw material costs.

- Wide-ranging offering across the automotive value chain & reduces dependency on vehicle sales.
- Non-cyclical business.
- Locations provide economies of scale, Group procurement benefits & synergies.
- Cash generative.

Unique  
attributes





# Financial overview (cont.)

## Business segment overview - Aftermarket Parts (cont.)



**South Africa** revenue increased by 5% & operating profit by 1%.

- The **parts business** contributing positively to revenue & generating stable operating profit. Margins remain under pressure due to decreased demand from customers & reduced disposable income in the customer base.
- The **canopy business** contributed positively to revenue & operating profit growth mainly due to increased volumes of light commercial vehicles & selling price increases.

**International** revenue increased by >100% & operating profit increased by 78% mainly as a result of the acquisition of MPD.

- The MPD UK business was included for three months & delivered on expectations contributing revenue of R998 million & EBITDA of R146 million (acquired on 3 October 2022).
- The FAI UK business was included for the full six-month period & exceeded expectations (acquired on 1 October 2021).
- The Asian business experienced increased trading, with operating profit impacted by inventory provisions raised on increased stockholding.

# Financial overview (cont.)

## Statement of Financial Position as at 31 December 2022

Rm Net assets	31 Dec 2022 unaudited	30 June 2022 audited	% change
Goodwill and intangible assets	5 661	1 959	>100
Investments in associates and joint ventures	260	269	(3)
Property, plant and equipment	7 766	7 331	6
Right-of-use assets	3 085	2 046	51
Investments and other financial assets	370	320	16
Vehicles for hire	4 488	3 677	22
Net working capital (refer next slide)	10 403	7 166	45
Tax assets	1 669	1 392	20
Assets classified as held-for-sale	374	657	(43)

### Comments

- **Goodwill & intangibles** increased mainly due to acquisitions, currency adjustments & additions, offset by amortisation & impairments.
- **Property plant & equipment** increased mainly due to acquisitions, additions & currency adjustments, offset by depreciation & disposals.
- **Right-of-use assets** increased mainly due to acquisitions, new leases entered into/renewals & currency adjustments, offset by depreciation & the derecognition of leases.
- **Vehicles for hire** increased mainly due to increased demand in car rental companies (Dec 2022: ~19 500 vehicles).

# Financial overview (cont.)

## Net working capital as at 31 December 2022

Rm	31 Dec 2022 unaudited	30 June 2022 audited	% change
Inventories	25 689	18 966	35
Trade and other receivables	6 749	4 646	45
Provisions and derivatives	(874)	(430)	>100
Trade and other payables	(21 161)	(16 016)	32
<b>Total</b>	<b>10 403</b>	<b>7 166</b>	<b>45</b>

### Comments

**Net working capital** increased due to:

- Inventories increased as a result of acquisitions, improved supply of certain models & derivatives, change in mix of vehicles (weighted to new vehicles), price increases & the Aftermarket Parts segment building-up inventory.
- Trade & other receivables increased mainly due to acquisitions, improved sales & trading activity across all segments.
- 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.
- Trade & other payables increased mainly due to acquisitions, improved sales & trading activity across all segments. Floorplans from suppliers increased due to increased inventory being placed on floorplans & the floorplans attached to the MB retail dealerships acquisition.

# Financial overview (cont.)

## Statement of Financial Position as at 31 December 2022 (cont.)

Rm Liabilities	31 Dec 2022 unaudited	30 June 2022 audited	% change
Contract liabilities (service and maintenance plans)	(3 051)	(3 021)	1
Lease liabilities	(3 438)	(2 347)	46
Core interest-bearing debt	(10 179)	(4 169)	>100
Floorplans from financial institutions	(1 293)	(867)	49
Other liabilities	(798)	(368)	>100

### Comments

- **Contract liabilities** relate mainly to the funds created for the service & 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 & plans. These funds are released to revenue over a two-to-five-year period.
- **Lease liabilities** increased mainly due to acquisitions, new leases entered into/renewals, finance costs & currency adjustments, offset by lease payments & derecognition of leases.
- **Core debt** increased mainly due to:
  - acquisitions;
  - higher working capital & vehicles for hire levels;
  - dividends paid in September 2022; &
  - offset by profits generated.

# Financial overview (cont.)

## Statement of Cash flows for the six months ended 31 December 2022

Rm	31 Dec 2022 unaudited	31 Dec 2021 unaudited
Cash generated from operations before movements in net working capital	3 381	2 946
Movements in net working capital	(2 061)	507
<b>Cash generated by operations before interest and taxation paid</b>	<b>1 320</b>	<b>3 453</b>
Finance costs paid	(455)	(289)
Finance income received	11	7
Dividend income received	101	140
Taxation paid	(552)	(411)
<b>Free cash flow generated from operations</b>	<b>425</b>	<b>2 900</b>

### Comments

- The free cash flow was primarily generated by operating profits, offset by increased working capital, finance costs, taxation paid & lower dividend income.
- Movements in net working capital outflow of R2 061 million, after adjusting for non-cash movements (relating primarily to the acquisitions).



# Financial overview (cont.)

## Statement of Cash flows for the six months ended 31 December 2022 (cont.)

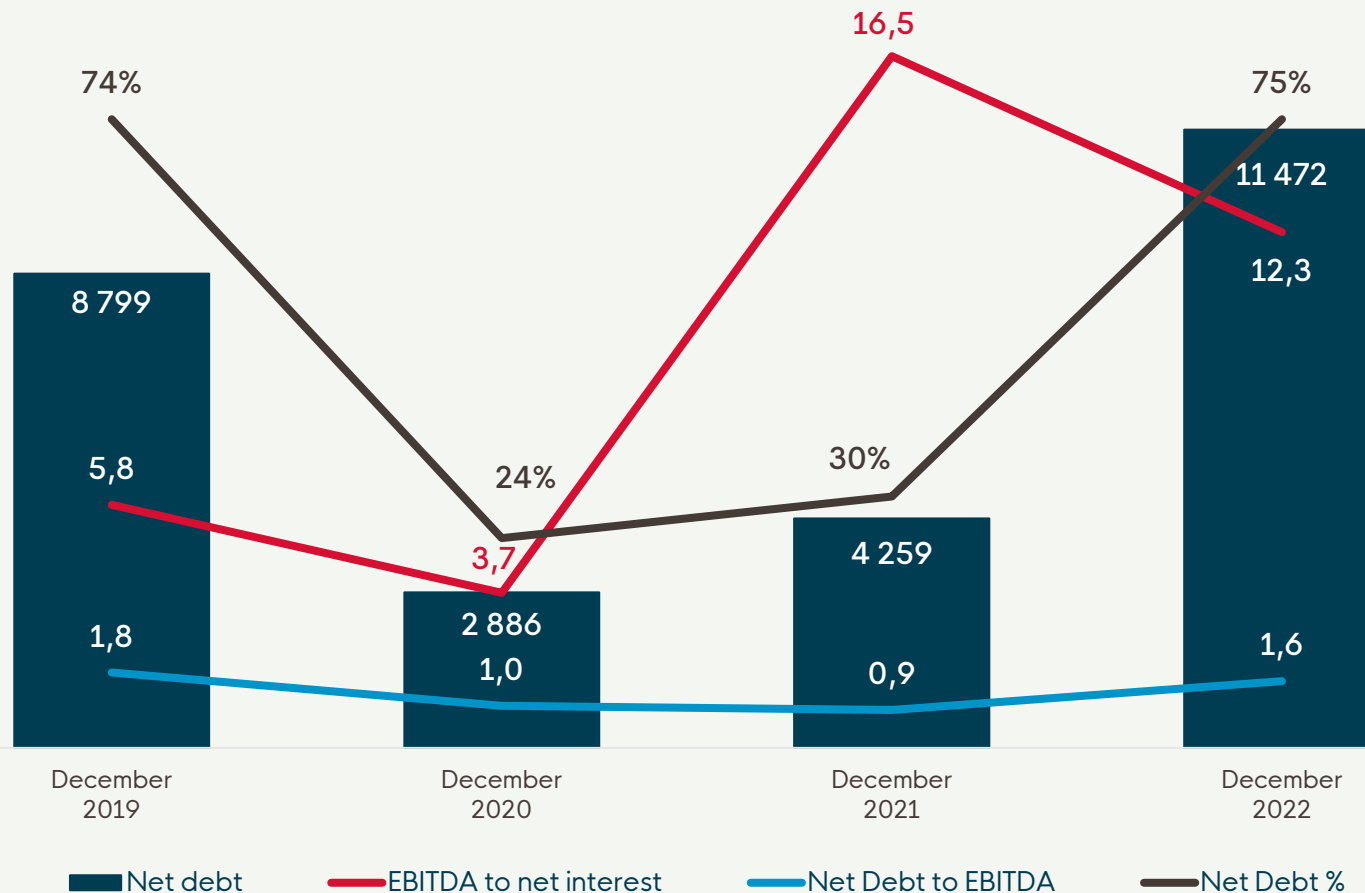
Rm	31 Dec 2022 unaudited	31 Dec 2021 unaudited
<b>Free cash flow generated from operations</b>	425	2 900
Replacement capital expenditure – vehicles for hire	(1 363)	(1 586)
<b>Cash (utilised in)/generated from operations</b>	<b>(938)</b>	<b>1 314</b>
Net cash outflow on the acquisitions and disposals of businesses	(4 361)	(614)
Capital expenditure (excluding vehicles for hire)	(77)	(342)
Net movement in investments in associates and joint ventures	23	35
Shares repurchased (cancelled and treasury)	-	(312)
Dividends paid	(738)	(468)
Other	4	(53)
<b>Increase in debt</b>	<b>(6 087)</b>	<b>(440)</b>

### Comments

- The MPD & MB retail dealerships acquisitions mainly contributed to the net cash outflow on acquisition of businesses of R4 361 million.
- A final dividend of 435 cents per ordinary share was declared & paid on 26 September 2022, amounting to R754 million, partly offset by external dividends received.

# Financial overview (cont.)

## Gearing, facilities and debt covenants



Remain well within bank covenants levels

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

**R8bn**  
unutilised  
funding facilities  
(including floorplans)

**82%**  
of funding is  
long-term  
(excluding floorplans)

**12,3 times**  
EBITDA  
to net interest  
(debt covenant)

Required: >3 times

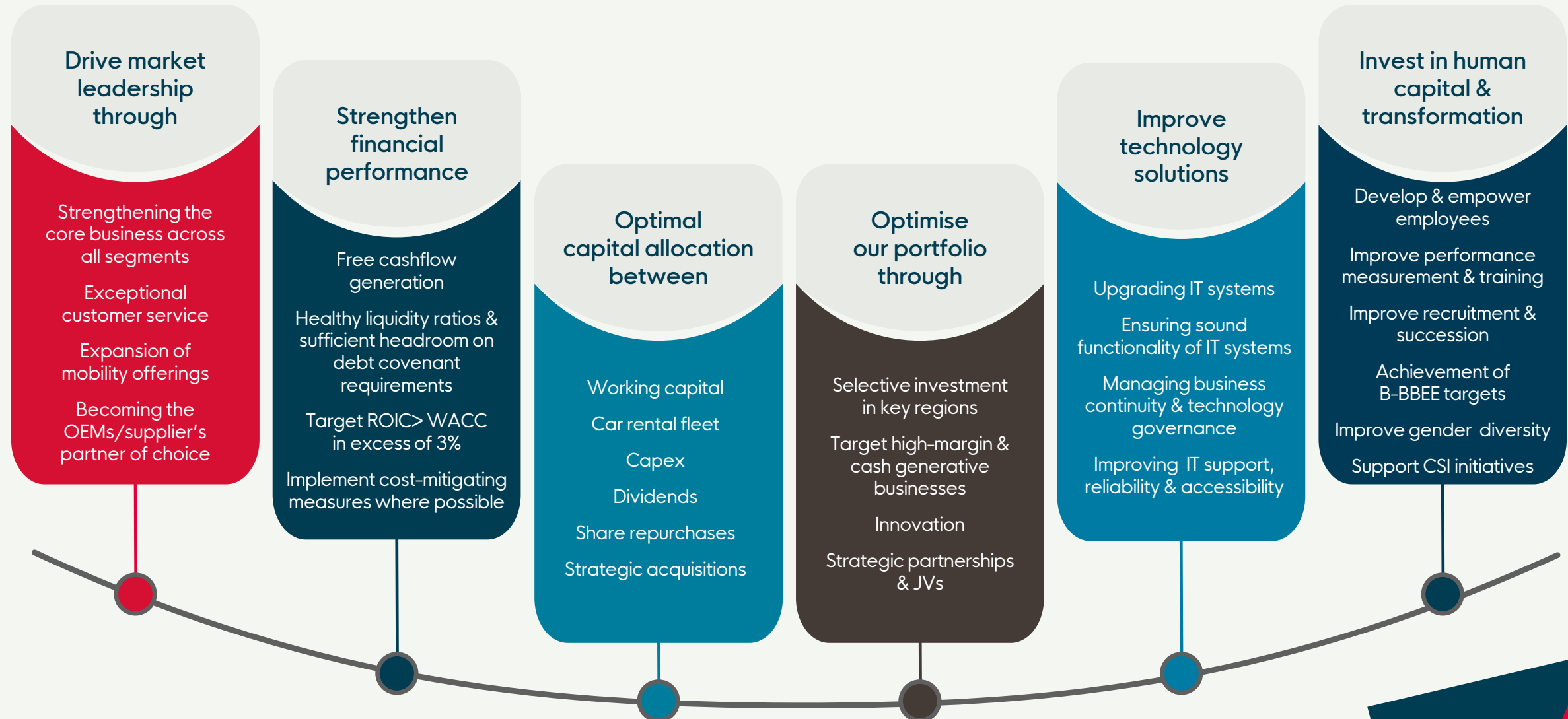
**R3,8bn**  
unutilised  
funding facilities  
(excluding floorplans)

**9%**  
of funding  
is fixed  
(excluding floorplans)

**1,6 times**  
Net debt  
to EBITDA  
(debt covenant)

Required: <3 times

# Tools for achieving strategy



# Overview of strategy

## South Africa



- Bolt-on acquisitions which can supplement regions & brands where there is an existing Motus presence & infrastructure
- Grow Mobility Solutions via increased products & services offering
- Further expansion through bolt-on acquisitions of Aftermarket Parts retail footprint
- Improve distribution & optimise efficiencies
- Investment in technology & innovation

Market: 12 million ICE & infant EV car parc

## United Kingdom



- Further expansion of Aftermarket Parts into wholesale channels
- Bolt-on acquisitions which can supplement regions & brands where there is an existing Motus dealership presence & infrastructure
- Mobility Solutions products & services offering
- Investment in technology & innovation

Market: 40 million ICE & slow growing EV car parc

## Far East & Europe

- Further expansion of sourcing in the Aftermarket Parts market
- Supply chain optimisation & consolidation driving efficiency in Aftermarket Parts business
- Establish a distribution centre & expand sales channels into Europe

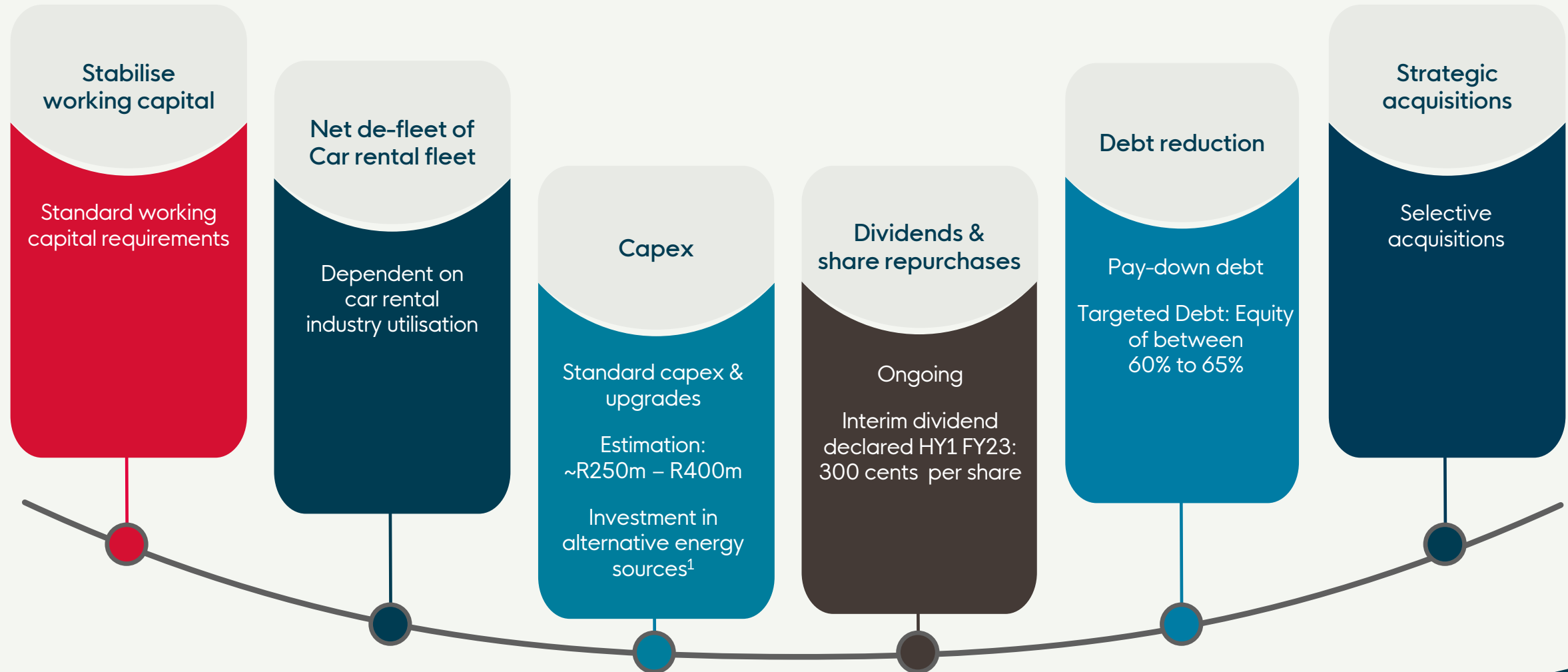
## Australia



- Bolt-on acquisitions which can supplement regions & brands where there is an existing Motus presence & infrastructure
- Mobility Solutions products & services offering
- Aftermarket Parts offering
- Investment in technology & innovation

Market: 20 million ICE & infant EV car parc

# Utilisation of available cash in the next six months



**Managing the statement of financial position responsibly!**



# Prospects

Guidance for the 12-month period ending 30 June 2023, we expect to deliver stable earnings:

Deliver operating profit growth:

- Organic
- Acquisitions

Elevated finance costs as a result of:

- Acquisitions
- Normalised working capital & car rental fleet levels
- Higher interest rates

Solid financial position

Strong cash flow generation from operations will reduce debt from the current levels

We would like to thank all employees, customers, suppliers, funders, financial institutions who provided financing to our customers, shareholders & the board members for their support during these challenging times.

Thank you!

**Motus** 





Appendices

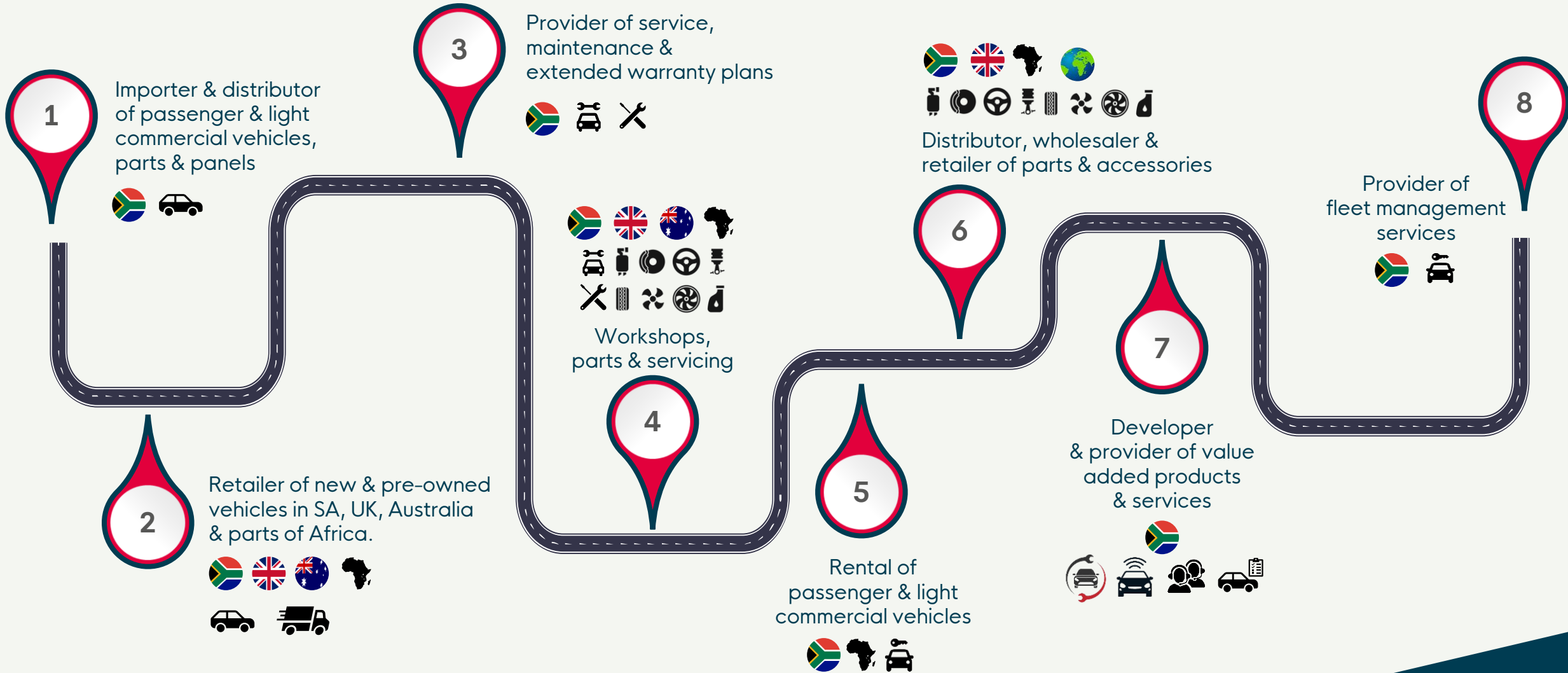
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**Motus** 

# Resilient business model



- 1. Diversified** (non-manufacturing) business in the automotive sector with a **leading position** in South Africa & selected international presence mainly in the UK & Australia & limited presence in South East Asia & Southern & East Africa
- 2. 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 underpins a differentiated value proposition to OEMs, suppliers, customers & business partners, providing multiple customer touch points supporting resilience & customer loyalty through the entire vehicle ownership cycle
- 4. High free cash flow generation** underpinned by **annuity income streams** in the Mobility Solutions business
- 5. Income streams not directly dependent on new vehicle sales:** Parts & services in the dealerships, the Aftermarket Parts business selling parts & accessories & the Mobility Solutions business selling value-added products & services to customers
- Defined **organic growth trajectory** through portfolio optimisation, **continuous operational enhancements & innovation**, with a **selective acquisition growth strategy** in & outside South Africa leveraging best-in-class expertise
- 7. Highly experienced and agile management team**, with deep industry knowledge of **regional & global markets**, & a proven track record with years of collective experience, led by an **independent & diversified Board**

# Diversified automotive business





# Business segment overview

## Import and Distribution

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

21% of Group revenue  
24% of Group operating profit

## Retail and Rental

- **South Africa**
  - Represent 23 OEMs & 32 brands
  - ~357 dealerships
  - ~20,5% retail market share
  - Car rental (Europcar & Tempest): ~119 branches in Southern Africa
  - ~27,4% rental market share
- **United Kingdom**
  - Represent 16 OEMs & 19 brands
  - ~80 commercial dealerships
  - ~33 passenger dealerships
- **Australia**
  - Represent 20 OEMs & 20 brands
  - ~36 passenger dealerships

68% of Group revenue  
42% of Group operating profit

## Mobility Solutions

- Developer, manager & 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 & call centre capabilities
- Leading the Group's innovation centre

2% of Group revenue  
20% of Group operating profit

## Aftermarket Parts

- Distributor, wholesaler & retailer of accessories & parts for out-of-warranty vehicles
- Operates in Southern Africa, South East Asia & the UK
- 695 retail outlets & agencies (244 owned, including 5 canopy fitment centres) of which 451 are franchisees (independently owned), supported by 43 wholesale distribution points (40 owned)
- Distribution centres are in South Africa, Taiwan, China and the UK
- Franchise base comprises:
  - Resellers (namely Midas & Alert Engine Parts)
  - Specialised workshops

9% of Group revenue  
14% of Group operating profit

# Key business metrics

- New vehicle sales
- Pre-owned vehicle sales
- Parts & panel sales
- Market share
- Car parc
- Foreign currency cover & volatility
- Model launches
- Online presence
- Number of OEMs & brands

Import and  
Distribution

## Retail

- New vehicle sales
- Pre-owned vehicle sales
- Parts & panel sales
- Market share
- Car parc
- Model launches
- Workshop activity hours
- Scale: number of brands & dealerships
- Online presence

## Rental

- Fleet size
- Utilisation levels
- Tourism activity
- Market share

Retail and  
Rental

## Service & maintenance plans

- Number of customer contracts
- Funds under control
- Total months remaining
- Extensions
- Bank approval rates
- Number of VAPS
- Financial service provider performance
- Innovation

Mobility  
Solutions

- Number of product derivatives
- Market share
- Car parc
- Extension of replacement cycle
- Supply chain optimisation

Aftermarket  
Parts

# ESG strategy

## Environmental

Manage our activities that impact the environment & actively strive to uphold our commitments to all stakeholders.

- Deliver on our environmental strategy: renewable (solar) energy & rainwater harvesting.
- Meet our environmental targets for water, fuel & electricity.
- Set a baseline for waste management & recycling.
- Drive key projects to reduce our environmental footprint & improve our measurement & reporting of environmental performance.

## Social

Remain committed to socio-economic growth, employment creation, the upliftment of our communities & our stakeholder commitments.

- Deliver on our B-BBEE strategy, particularly meeting our employment equity & procurement targets.
- Maintain our Level 4 B-BBEE scorecard rating supported by a detailed B-BBEE plan.
- Implement procedures & processes to ensure transparency, & ethical & fair treatment within the supply chain.

## Governance

Continue to deepen the maturity of our governance practices & processes.

- Maintain our reputation as an organisation that effectively manages existing controls & implements new controls when required.
- Ensure compliance in an increasingly complex regulatory environment.
- Monitor new legislative developments to stay abreast of regulatory changes.
- Deliver training to enhance governance implementation.

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