

**MEDIA RELEASE**  
**Johannesburg, 03 September 2024**

**Motus delivers resilient performance despite challenging trading environment**  
**Internationalisation and diversification strategies prove successful**

Motus Holdings Limited's (Motus) results for the year ended 30 June 2024 reflect a resilient performance and continued strategic momentum. The results were delivered against the backdrop of a challenging trading environment. The financial year was marked by elevated vehicle and parts inflation, continued Rand weakness against major currencies, ongoing high interest rates and intense competition.

Nevertheless, the Group's internationalisation and diversification strategies contained much of this external impact, underscoring the relevance of Motus' long-term strategy.

**Key financial highlights**

- Revenue increased by 7% to R113 764 million (2023: R106 538 million)
- EBITDA increased by 3% to R8 310 million (2023: R8 083 million)
- Operating profit decreased by 4% to R5 503 million (2023: R5 723 million)
- Net asset value per share of 10 203 cents per share (2023: 10 189 cents per share)
- Headline earnings per share decreased by 28% to 1 479 cents per share (2023: 2 046 cents per share)
- Cash flows from operating activities amounted to R3 533 million (2023: outflow of R1 187 million)
- Full year dividend of 520 cents per share (paid interim dividend of 235 cents per share) (2023: 710 cents per share)

Commenting on the Group's results, Motus Chief Executive Officer, Osman Arbee said: *"Motus has delivered a resilient set of results despite the challenging trading environment. Our strategies of international expansion and diversifying profitability across the vehicle and non-vehicle segments has supported the Group's profitability by reducing its dependency on vehicle sales which are impacted by currency volatility which create cyclicity."*

During the year under review, Motus concluded two bolt-on acquisitions aligned to Motus' international growth strategy. In July 2023, Motus acquired Solway Vehicles Distribution Limited (Solway<sup>1</sup>) in the UK and, in October 2023, Motus acquired the Wagga Wagga<sup>2</sup> dealerships in Australia. The acquisitions were funded using available cash and banking facilities, amounting to a combined net cash purchase consideration of R553 million. Both businesses have delivered on expectations since being acquired.

**Operational performance**

Positive contributions from the Group's business segments, with the exception of Import and Distribution, saw revenue increase by 7% to R113 764 million. Growth in overall revenue was boosted by improved contributions from parts sales, new and pre-owned vehicle sales and sales of products and services.

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<sup>1</sup> In the Solway transaction Motus acquired four DAF commercial vehicle dealerships operating in North West England and Southern Scotland.

<sup>2</sup> In the Wagga Wagga transaction Motus acquired multi-franchise dealerships representing nine brands across two sites, predominantly focused on Ford, Kia, VW, and Nissan brands.

**Motus Holdings**

**Directors:** MJN Njeke\* (Chairman), OS Arbee (CEO), OJ Janse van Rensburg (CFO), KA Cassel, S Mayet\*, JN Potgieter\*, F Roji\*, LJ Sennelo\*, A Tugendhaft, R van Wyk\*. \*Non-executive Directors | **Company Secretary:** NE Simelane

**Motus Holdings Ltd** | Reg. No. 2017/451730/06

The increased parts revenue is primarily as a result of the increased contribution from the Motor Parts Direct (Holdings) Limited (MPD) acquisition. The increase in revenue was supported by including revenue for 12 months compared to nine months in the prior year.

Operating profit decreased by 4% or R220 million mainly as a result of margin pressure, strong competition and reduced demand experienced by the Import and Distribution segment, the SA Retail business, and the SA Aftermarket Parts business.

The strong performance by the Group's international retail businesses (UK and Australia), the continued recovery of the vehicle rental sector, the solid contribution from the International Aftermarket Parts business, and the growth in Mobility Solutions supported operating profits.

Net finance costs increased by R837 million to R2,2 billion principally due to higher average net working capital and vehicles for hire, additions to fixed assets, the financing of acquisitions and investments, high interest rates across all the geographies in which the Group operates as well as increased finance cost on lease liabilities.

Cash generated from operations before movements in net working capital and vehicles for hire amounted to R7,6 billion (2023: R7,8 billion) and cash flows from operating activities amounted to R3,5 billion (2023: outflow of R1,2 billion).

A full year dividend of 520 cents per share has been declared (2023: 710 cents per share).

### **Business segment overview**

The **Import and Distribution** segment recorded a 22% decrease in revenue due to reduced sales to the dealer channel and increased sales to vehicle rental companies on buyback (i.e. revenue not recognised), marginally offset by increased selling prices.

Operating profit decreased by 45% due to reduced volumes as a result of increased competition and reduced consumer demand, increased cost of vehicles (OEMs pricing and freight costs), and weaker exchange rates compared to the prior year.

Revenue and operating profit in the **Retail and Rental** segment recorded a 9% and 1% increase respectively. The segment sold 81 601 new units (2023: 87 194) and 85 228 pre-owned units (2023: 84 929) during the year.

While currency translation of international operations results contributed positively (owing to the weaker Rand), all geographies in which the segment operates were negatively impacted by the increased cost of vehicles and parts, and higher inflationary operating costs.

- Revenue and operating profit in *SA Retail* decreased by 5% and 34%, respectively, mainly due to reduced volumes as a result of reduced consumer demand and increased competition.
- The *Vehicle Rental* division performed well. Revenue and operating profit increased by 9% and 28% respectively reflecting increased vehicle rental activity, increased revenue days and an increased average daily rate. Average vehicle utilisation levels were maintained at 71%.
- In the *UK*, the passenger and commercial divisions delivered strong results with revenue and operating profit for *UK Retail* increasing by 21% and 34%, respectively. The divisions were positively impacted by increased passenger volumes (off the back of improved inventory availability), increased aftersales contributions from the commercial vehicle business.
- In *Australia*, revenue for *Australia Retail* increased by 42% and operating profit by 54% due to increased sales and improved margins because of the consistent availability of inventory, the fulfilment of back-order commitments and the additional contributions from the bolt-on acquisition.

Revenue in the **Mobility Solutions** segment increased by 2% mainly due to the increase in fleet revenue because of improved vehicles for hire activity, as well as improved lead optimisation, the launch of new products and the development of new channels to market. Operating profit increased by 12% mainly due to improved bank alliance profitability, higher interest income and additional profits generated by new products launched.

Revenue and operating profit increased by 16% and 19%, respectively, in the **Aftermarket Parts** segment.

- The SA operations were impacted by reduced customer demand, poor inventory availability and port delays having impacted lead times on imported products. This was offset by increased revenue and operating profit from the Group's canopy business.
- The Asia business ended the year strongly with operating profit growth.
- The UK business continues to deliver ahead of expectations, contributing to revenue and operating profit growth. Revenue and operating profit increased by 48%, with the MPD business being included for the full year. Despite the pressure of higher inflation on the consumer, revenue in the UK remained steady owing to selling price increases and a buoyant market. Margins were affected by the inflationary impact on significant costs (such as delivery and energy costs), and above inflation minimum wage increases.

### **Retirement of Osman Arbee and the appointment of Ockert Janse van Rensburg**

As indicated on 17 April 2024, Osman Arbee, having reached the stipulated retirement age of 65, will retire as Chief Executive Officer with effect from 31 October 2024. Ockert Janse van Rensburg, currently the Group's Chief Financial Officer, has been appointed Chief Executive Officer with effect from 1 November 2024.

Commenting on the developments, board chairman, Johnson Njeke, said: *"The Board extends its gratitude to Osman for his dedication and extensive contribution to the Group over the past 20 years. He has played a pivotal role in advancing and positioning Motus to become the industry leading provider of automotive mobility solutions and vehicle products and services."*

*"The Board would also like to congratulate Ockert on his appointment. He has worked closely with Osman on strategy execution and has a deep understanding of the underlying portfolio of businesses and functions."*

Pursuant to Janse van Rensburg's appointment, Brenda Baijnath has been appointed as Chief Financial Officer designate from 1 August 2024, and will assume the Chief Financial Officer role with effect from 1 November 2024.

### **Prospects**

The trading environment, including the automotive sector, is expected to remain challenging due to the ongoing economic pressures in the geographies in which Motus operates. The current economic conditions will continue to negatively impact consumers' disposable income.

Commenting on the Group's outlook, Motus Chief Financial Officer, Ockert Janse van Rensburg, said: *"Predicted interest rate reductions will alleviate some pressure and assist in stimulating future growth. Real economic benefits, however, will only be realised in the latter part of 2025."*

Motus anticipates steady financial performance for the six-month period to 31 December 2024 compared to the six-month period ended 31 December 2023. Revenue is expected to grow by single digits with marginal operating profit growth. Due to the reduction in interest-bearing funding, the Group expects low double-digit reduction in net finance costs, which will contribute positively to its overall earnings.

*“At Motus, we remain confident that our integrated business model, diversified income streams and focused strategies will support our long term sustainability and profitability by minimising the effects of cyclical, currency volatility and dependency on vehicle sales.”*

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## **Note to Editors**

### **ABOUT MOTUS**

Motus is multi-national provider of automotive mobility solutions and vehicle products and services, delivering steady growth and reliable value creation. Our leading market presence in South Africa is enhanced by selected international offerings in the UK, Australia, Asia and Southern and East Africa. Motus employs over 20 000 people globally and is a diversified (non-manufacturing) business in the automotive sector. Motus is South Africa’s leading automotive group, with unrivalled scale and scope across the automotive value chain.

Motus offers a differentiated value proposition to OEMs, customers and business partners with a business model that integrates our four business segments: Import and Distribution, Retail and Rental, Mobility Solutions and Aftermarket Parts, providing multiple customer touchpoints that support resilience and meet customers’ mobility needs across the vehicle ownership cycle.

Motus has long-standing importer, distribution 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’s lifecycle. In addition, we provide accessories and aftermarket automotive parts for out-of-warranty vehicles and the Mobility Solutions business sells value-added products and services to customers, including non-insurance and insurance products, bank alliances, consumer mobility solutions, and fleet services.

For further information visit [www.motus.co.za](http://www.motus.co.za)

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