2025

FINANCIAL RESULTS PRESENTATION

COMBINED MOTOR HOLDINGS

GROUP FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 28 FEBRUARY 2025

		2025	2024	% Change
Total assets	(R'000)	**5,472,658**	5,185,446	5.5
Cash resources	(R'000)	**954,124**	815,105	17.1
Net asset value per share	(cents)	**1,893**	1,828	3.6
Revenue	(R'000)	**13,251,596**	12,839,564	3.2
Operating profit	(R'000)	**639,543**	781,164	(18.1)
Operating profit to revenue	(%)	**4.8**	6.1	(21.3)
Total profit and comprehensive income	(R'000)	**301,492**	408,484	(26.2)
Return on shareholders' funds	(%)	**21.7**	31.0	(30.0)
Basic earnings per share	(cents)	**403.1**	546.1	(26.2)
Headline earnings per share	(cents)	**403.2**	541.8	(25.6)
Dividends paid per share	(cents)	**322.0**	386.0	(16.6)
Dividend declared – payable June 2025	(cents)	**171.0**	220.0	(22.3)

MACRO

- **Difficult economic environment**
  - continued high interest rate
  - prolific increases in basic household utilities
  - reduced disposable income, vehicle affordability
  - lack of consumer confidence
  - political uncertainty regarding GNU
- **Chinese / Indian vehicle invasion**
  - proliferation of imports places extreme pressure on local manufacturers – jobs at risk
  - with dealerships representing multiple brands marketing effort is diluted

GROUP OVERVIEW

- Revenue increase driven by vehicle pricing
- New unit sales down 9.6%, used sales down 4.2%
- Gross profit margin declined from 19.7% to 18.6%

  - vehicle pricing pressure from low-priced foreign imports

  - fewer sales of traditional locally-sourced brands

  - lower daily hire rate in First Car Rental
- Expenses well contained at 3.9%, which includes 4.6% increase in employee costs
- Cash flow management remained good, with net interest cost up only 3.2% despite the lower bank deposit rates during the last quarter
- The tax rate was marginally lower at 26.1% (2024 : 26.7%)
- Good return on shareholder funds – 21.7%

GROUP OVERVIEW

CMH GROUP

- Balance sheet remains sound

  - low level of non-current assets, excluding car hire fleet

  - goodwill, plant and equipment low

  - cash resources of R954 million reflects strong generation

	Rm
Profit after tax	301
less: dividends paid	241
Retained earnings	60
Increase in cash resources	139

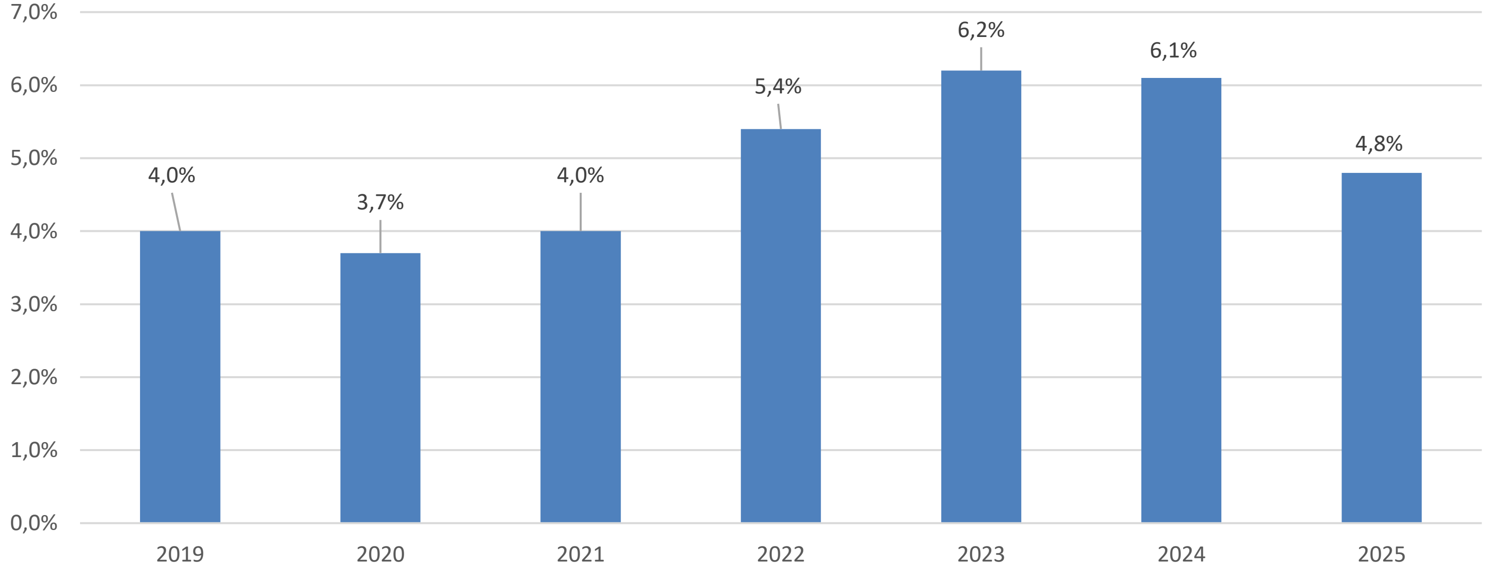
- Dividend proposed June 2025 – 171 cents vs 220 cents

GROUP INCOME STATEMENT

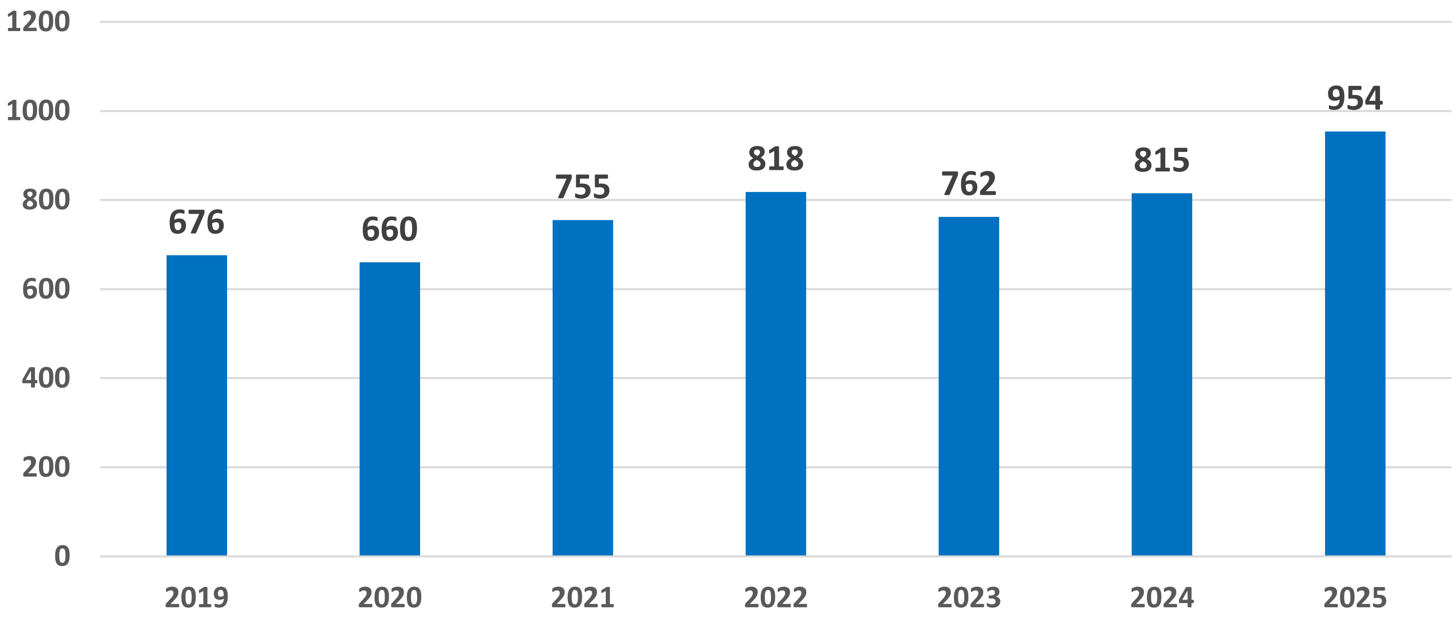
GROUP INCOME STATEMENT

	2025 R'000	2024 R'000
Revenue	13,251,596	12,839,564
Cost of sales	-10,786,812	-10,313,533
Gross profit	2,464,784	2,526,031
Gross profit %	18.6	19.7
Other income	21,431	32,211
Selling and operating expenses	-1,846,672	-1,777,078
Operating profit	639,543	781,164
Operating profit %	4.8	6.1
Finance income	56,714	55,805
Finance costs	-288,056	-280,013
Profit before taxation	408,201	556,956
Tax expense	-106,709	-148,472
Tax rate %	26.1	26.7
Total profit and comprehensive income	301,492	408,484

OPERATING MARGIN %



CASH RESOUCES (R'million)



BLACK ECONOMIC EMPOWERMENT

- Group scorecard rating - level 4
- Car Hire scorecard rating - level 2
- CMH First Fleet Solutions - level 2
- Both Car Hire and First Fleet have 51% black ownership qualification
- Group scorecard adversely affected by motor manufacturers from which the majority of procurement is sourced
- Employment equity - 79% of staff are African, Coloured, Indian

STOCK EXCHANGE PERFORMANCE

	2025	2024	2023	2022	2021
Volume of shares traded ('000)	**16,630**	7,307	9,830	12,162	11,227
Value of shares traded (R'000)	**506,593**	203,057	277,718	283,365	145,439
Average price per share traded (cents)	**3,046**	2,779	2,825	2,330	1,295
Year-end market price (cents)	**3,100**	2,650	2,868	2,800	1,550
Market capitalisation (R million)	**2,319**	1,982	2,145	2,094	1,159
Year-end price : earnings ratio	**7.7**	4.9	4.7	5.6	6.7
Year-end dividend yield (%)	**10.4**	14.6	13.7	8.4	6.5
"Free-float" shares ('000)	**42,457**	42,055	41,997	42,107	42,227
"Free-float" (%)	**57**	56	56	56	57

SEGMENT PROFIT CONTRIBUTION

	2025	2024	2023	2022	2021
	%	%	%	%	%
Motor retail / distribution	**40**	34	44	66	86
Car hire	**38**	50	43	23	-2
Financial services	**20**	15	12	11	12
Corporate services / other	**2**	1	1	0	4
	100	100	100	100	100

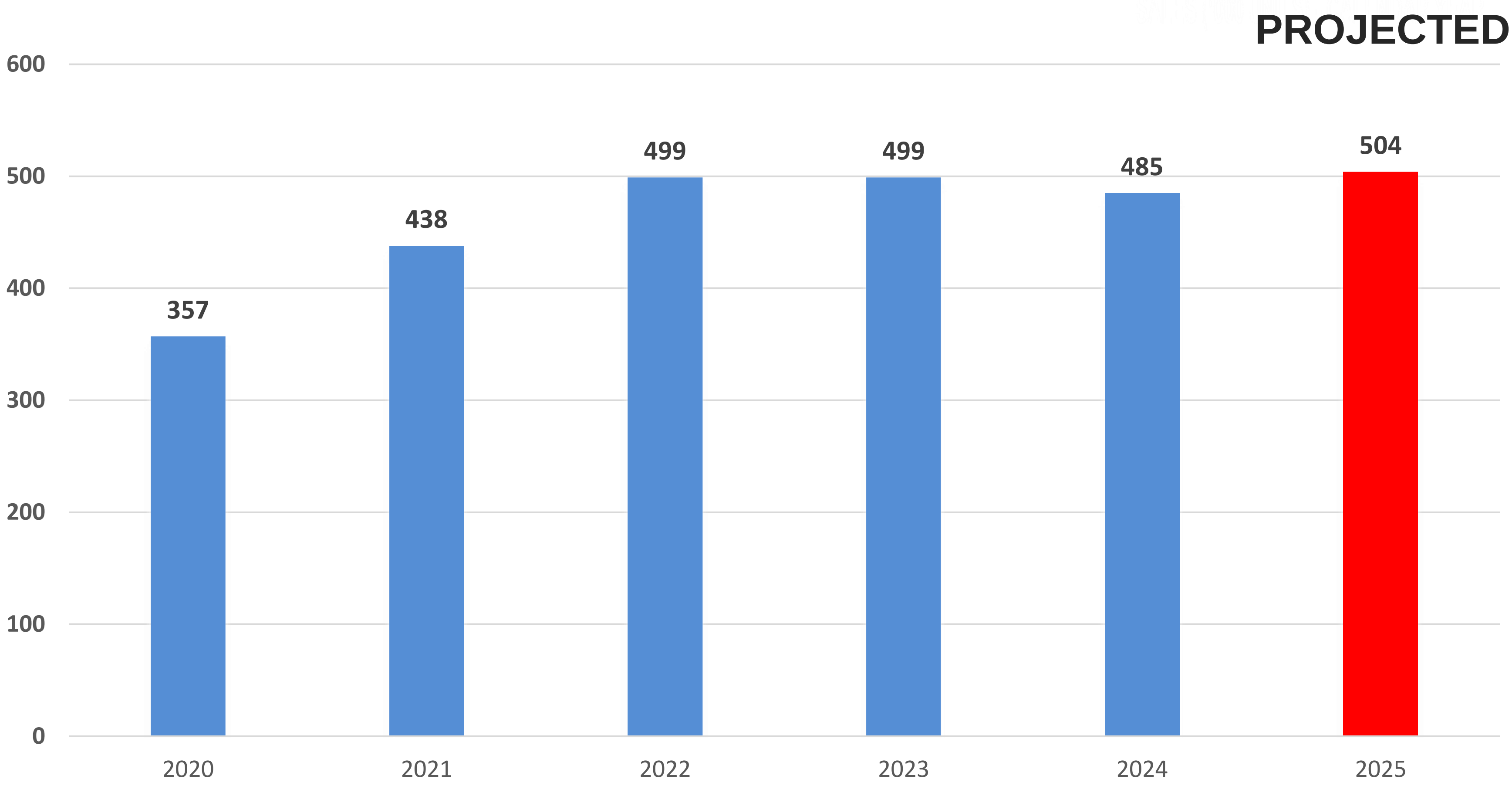
MOTOR RETAIL / DISTRIBUTION

	2025	2024	2023	2022	2021
	R'000	R'000	R'000	R'000	R'000
Segment profit before taxation	**164,309**	187,565	273,789	336,069	202,437

INDUSTRY NEW VEHICLE SALES – FINANCIAL YEAR

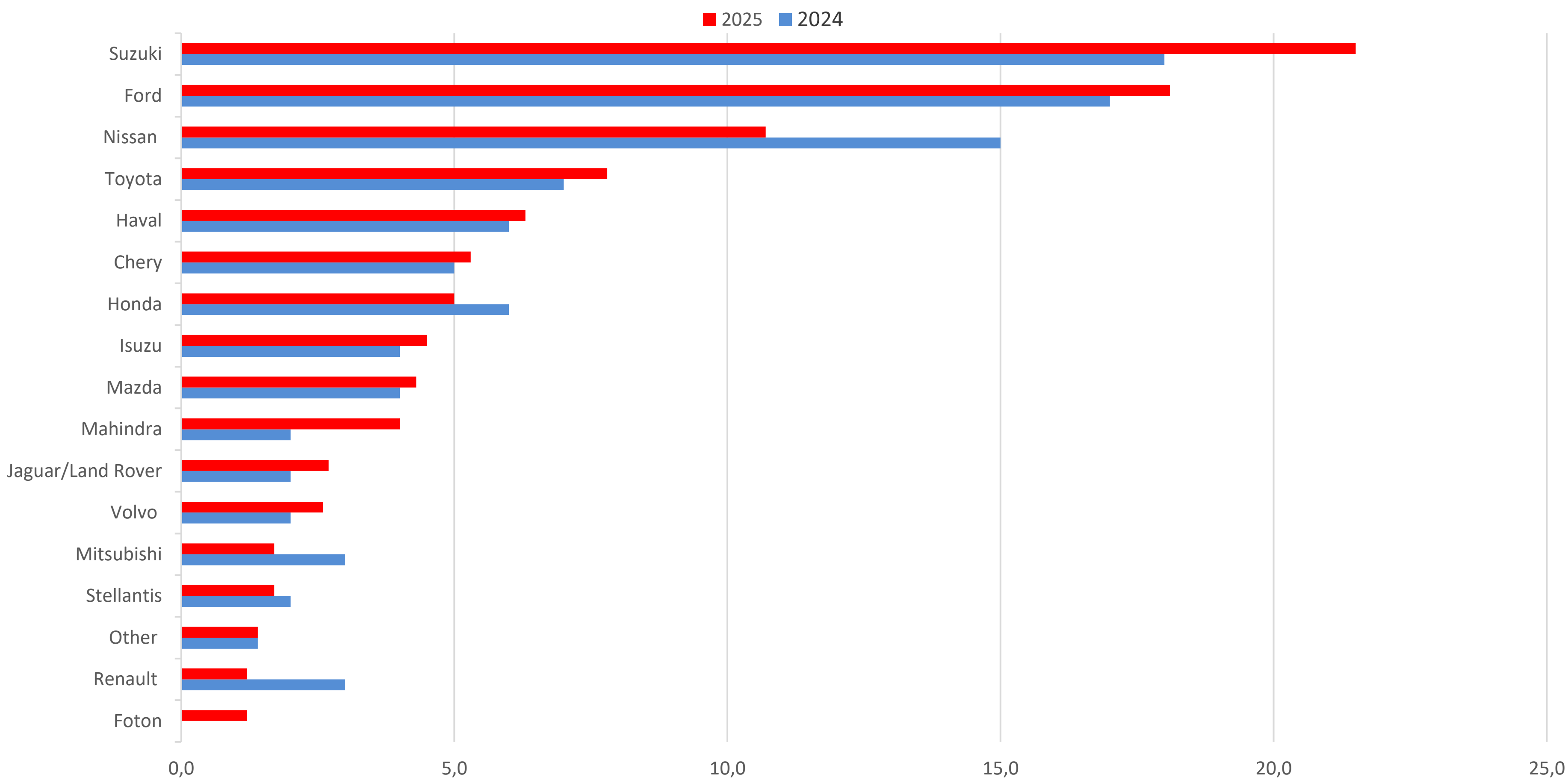
- National market (passenger & light commercial) flat
- Market share moves
  - Suzuki +20% - quality product, affordable pricing, moved up to No. 2 in sales
  - Chery +29% - heavy discounting and pre reports
  - Ford + 5% - over achieved in limited commercial range at the expense of profitability in dealerships
  - Nissan -29% - stopped production of popular ½ ton and affordable 1 ton bakkies
  - Mitsubishi -27% - awaiting new 1 ton pickup
  - Honda -25% - shortage of affordable product ex India

INDUSTRY NEW VEHICLE SALES
SALES ('000 UNITS) - CALENDAR YEAR



SEGMENT ANALYSIS – RETAIL MOTOR

GROUP NEW UNIT SALES BY MANUFACTURER (%)



MOTOR RETAIL / DISTRIBUTION

- **During financial year**
  - national sales flat - passenger up 5.6%, light commercial down 13.8%
  - national market still below 2019 pre-covid level
  - CMH sales down 9.9% (high light commercial component)

- **Vehicle sales**
  - continued overstocking at manufacturer level
  - pressure on dealers to increase sales and inventory levels
  - heavy discounting, low margins, depressed trade-in values
  - phenomenal invasion of importers – at least 12 more brands vying for the market which has not grown in 5 years
  - luxury brands hardest hit – 10% fall in 2022 to 2023, 8% in 2023 to 2024
  - taxi sales slump following banks’ withdrawal of credit facilities

MOTOR RETAIL / DISTRIBUTION

- **Product / brand changes**
  - Ford – focused on light commercial market, limited scope
  - Nissan – half ton and one ton – popular and affordable models discontinued
  - Volvo – focus on electric / hybrid models has hampered local attraction
    Dealer network cut from 25 to 7 outlets. CMH has 4 of 7

- **Parts and service**
  - Impact of new brands is increasing, but not yet at optimum level

MOTOR RETAIL / DISTRIBUTION

- **Mandarin Parts Distributors**
  - steady year, focused on brands of Chinese and Indian origin
  - greater numbers of such brands in South Africa augurs well for continued growth
  - profit up 22%
  - 28 independent franchises
- **Proton vehicles**
  - challenging and costly
  - low inventory remaining – will be sold by end August
  - product well received, low warranty experience – however pricing problematic
- **Foton vehicles**
  - sales of light commercial vehicles started in October 2024, has exceeded expectations
  - product well supported by the Chinese manufacturer
  - featured in the February 2025 top 10 sales list for light commercial brands
  - 55 dealerships, 14 are CMH owned. 5 to be added in the new year
  - high expectations
  - new model Cabover are very well priced vs. Korea

CAR HIRE

	2025	2024	2023	2022	2021
	R'000	R'000	R'000	R'000	R'000
Segment profit before taxation	**153,586**	280,385	268,587	115,945	-5,103

- Drive for market share by competitors created intensified margin pressure
- Price war
  - inbound tourism and
  - insurance replacement segments
- Traditional de-fleeting in May/June 2024 was hampered by market uncertainty over the general election and GNU period. Two largest competitors badly overstocked going into winter – problem continued into summer leading to heavy discounting. Fleet utilisation fell below optimum
- Strategic realignment of fleet towards smaller vehicles – acceptable to customers and easier to sell
- Sixt agency terminated – renewal terms too onerous. Replaced by greater use of foreign booking agents
- FlySafair relationship beneficial. First Car is developing agencies in all the regional destinations which the airline services

FINANCIAL SEVICES

	2025	2024	2023	2022	2021
	R’000	R’000	R’000	R’000	R’000
Segment profit before taxation	**83,562**	83,244	73,046	56,159	28,046

- Relates to finance JVs and insurance underwriting
- Stable level of financeable business generated
- Finance JVs had mixed fortunes – one well ahead, the other disappointing
- Insurance cells are a consistent generator of annuity-type income, but must be supported by vehicle sales, which provide the platform for policy sales

PROSPECTS

- GDP growth predictions of 1.5-1.7% have been revised downwards following a slow start
- Uncertainty over VAT rate now settled, with all political parties claiming credit
- No move yet on interest rates
- Currency weakened – Trump tariffs, general caution
- 3.5-5.0% national vehicle sales growth predicted – dependent on interest rate cuts and improved currency
- Proton losses stemmed, significant contribution expected from Foton
- The Group’s foundation brands – Ford, Nissan, Volvo – have new product offering and/or have restructured to ensure a more profitable dealer network. Added brands in existing dealerships
- First Car Rental expects the depressed daily hire rate to continue until competition fleets are balanced and the drive to dominate market share abates
- Inbound tourism is expected to increase – government’s easing of visa requirements
- CMH Group has a sound, conservative and liquid balance sheet

CMH GROUP

2025

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