

A large circular graphic on the left side of the page. It features a blurred background of a road and greenery, with a side mirror in the foreground reflecting a blue sky with white clouds. The circle is outlined with a red border and a grey shadow.

**2023**

# **FINANCIAL RESULTS**

FOR THE YEAR ENDED 28 FEBRUARY

COMBINED MOTOR HOLDINGS

# GROUP OPERATIONS

## Retail motor dealerships



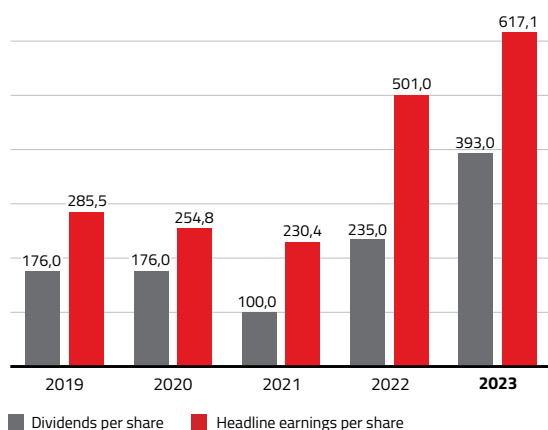
## Divisions



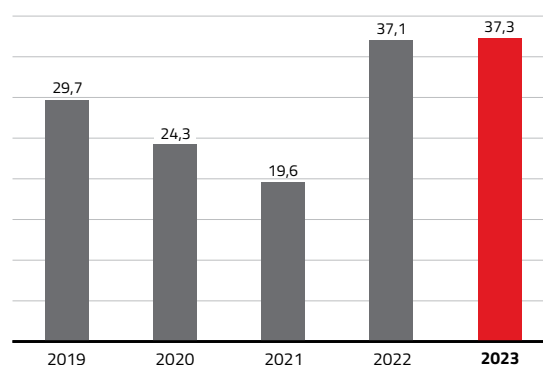
# GROUP FINANCIAL HIGHLIGHTS

		2023	2022	% change
Total assets	(R'000)	<b>4 976 881</b>	3 778 740	31,7
Cash resources	(R'000)	<b>761 876</b>	817 739	(6,8)
Net asset value per share	(cents)	<b>1 690</b>	1 484	13,9
Revenue	(R'000)	<b>12 434 375</b>	11 167 798	11,3
Operating profit	(R'000)	<b>773 412</b>	606 146	27,6
Total profit and comprehensive income	(R'000)	<b>443 461</b>	374 887	18,3
Return on shareholders' funds	(%)	<b>37,3</b>	37,1	0,5
Basic earnings per share	(cents)	<b>592,8</b>	501,2	18,3
Headline earnings per share	(cents)	<b>617,1</b>	501,0	23,2
Dividends paid per share	(cents)	<b>393,0</b>	235,0	67,2
Dividend declared – payable June 2023	(cents)	<b>240,0</b>	225,0	6,7

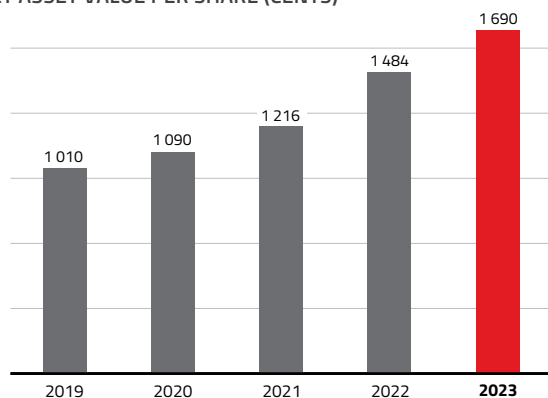
HEADLINE EARNINGS AND DIVIDENDS PER SHARE (CENTS)



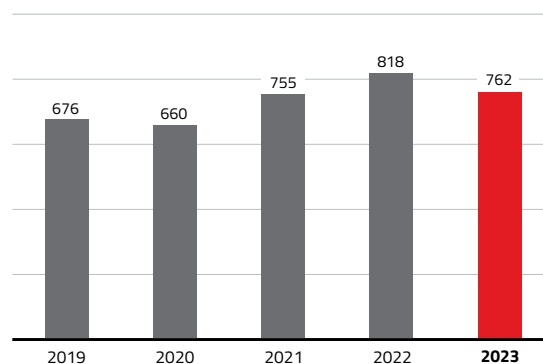
RETURN ON SHAREHOLDERS' FUNDS (%)



NET ASSET VALUE PER SHARE (CENTS)



CASH RESOURCES (R'million)



# GROUP STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2023

	2023 R'000	2022 R'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	98 104	67 432
Right-of-use assets	504 679	450 565
Car hire fleet vehicles	1 247 595	828 375
Goodwill	39 625	57 296
Insurance receivable	28 527	44 631
Deferred taxation	93 357	84 854
	<b>2 011 887</b>	<b>1 533 153</b>
<b>Current assets</b>		
Inventories	1 865 244	1 150 218
Trade and other receivables	337 655	276 307
Current tax receivable	219	1 323
Cash and cash equivalents	761 876	817 739
	<b>2 964 994</b>	<b>2 245 587</b>
<b>Total assets</b>	<b>4 976 881</b>	<b>3 778 740</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	38 091	38 091
Share-based payment reserve	7 970	3 567
Retained earnings	1 218 224	1 068 735
<b>Total equity</b>	<b>1 264 285</b>	<b>1 110 393</b>
<b>Non-current liabilities</b>		
Car hire fleet liability	266 425	148 002
Lease liabilities	551 548	496 069
Contract liabilities	3 424	–
	<b>821 397</b>	<b>644 071</b>
<b>Current liabilities</b>		
Trade and other payables	1 834 172	1 305 850
Car hire fleet liability	936 306	605 365
Lease liabilities	112 282	101 834
Contract liabilities	1 464	–
Current tax liabilities	6 975	11 227
	<b>2 891 199</b>	<b>2 024 276</b>
<b>Total liabilities</b>	<b>3 712 596</b>	<b>2 668 347</b>
<b>Total equity and liabilities</b>	<b>4 976 881</b>	<b>3 778 740</b>

# GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2023

		2023 R'000	2022 R'000
Revenue		12 434 375	11 167 798
Cost of sales		(10 037 459)	(9 097 650)
Gross profit		2 396 916	2 070 148
Other income		26 094	16 963
Impairment of goodwill		(17 671)	-
Selling and administration expenses		(1 631 927)	(1 480 965)
Operating profit		773 412	606 146
Finance income		39 792	28 313
Finance costs		(192 764)	(124 105)
Profit before taxation		620 440	510 354
Tax expense		(176 979)	(135 467)
Total profit and comprehensive income attributable to equity holders of the company		443 461	374 887
<b>Reconciliation of headline earnings</b>			
Total profit and comprehensive income		443 461	374 887
Re-measurement items:			
– impairment of goodwill		17 671	-
– profit on sale of plant and equipment			
– gross		630	(216)
– impact of income tax		(176)	60
Headline earnings		461 586	374 731
Weighted average number of shares in issue during year	('000 shares)	74 802	74 802
Adjustment for share appreciation rights	('000 shares)	2 348	2 084
Weighted average number of shares for dilution calculation		77 150	76 886
<b>Earnings per share</b>			
Basic	(cents)	592,8	501,2
Diluted basic	(cents)	574,8	487,6
Headline	(cents)	617,1	501,0
Diluted headline	(cents)	598,3	487,4

# GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2023

	Share capital R'000	Share-based payment reserve R'000	Retained earnings R'000	Total equity R'000
<b>Balance at 28 February 2021</b>	38 091	1 529	869 633	909 253
Total profit and comprehensive income			374 887	374 887
Share-based payment charge		2 038		2 038
Dividends paid			(175 785)	(175 785)
<b>Balance at 28 February 2022</b>	<b>38 091</b>	<b>3 567</b>	<b>1 068 735</b>	<b>1 110 393</b>
Total profit and comprehensive income			443 461	443 461
Share-based payment charge		4 403		4 403
Dividends paid			(293 972)	(293 972)
<b>Balance at 28 February 2023</b>	<b>38 091</b>	<b>7 970</b>	<b>1 218 224</b>	<b>1 264 285</b>

# GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2023

	2023 R'000	2022 R'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	727 190	527 907
Taxation paid	(184 827)	(133 910)
Net cash movement from operating activities	542 363	393 997
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(67 238)	(32 176)
Disposal of property	–	72 000
Proceeds on disposal of plant and equipment	2 596	3 544
Finance income received*	30 808	–
Investment in special purpose entities conducting insurance underwriting activities	(250)	(3 750)
Dividend received from special purpose entities conducting insurance underwriting activities	27 024	9 950
Acquisition of business	–	(4 691)
Net cash movement from investing activities	(7 060)	44 877
<b>Cash flows from financing activities</b>		
Finance income received	–	22 268
Finance costs paid	(192 764)	(124 105)
Principal element of lease liability repayments	(104 430)	(98 338)
Dividends paid	(293 972)	(175 785)
Net cash movement from financing activities	(591 166)	(375 960)
Net movement in cash and cash equivalents	(55 863)	62 914
Cash and cash equivalents at beginning of year	817 739	754 825
<b>Cash and cash equivalents at end of year</b>	<b>761 876</b>	<b>817 739</b>

\* "Finance income received" has been included in "Cash flows from investing activities" in the current year as it forms part of the Group's return on investment. This was included in "Cash flows from financing activities" in the prior year. The Group statement of cash flows has not been restated as the amount reclassified is immaterial.

# SEGMENT INFORMATION

FOR THE YEAR ENDED 28 FEBRUARY 2023

2023	Total		Retail motor		Car hire		Financial services		Corporate services/Other	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
External revenue	12 434 375	100	11 370 522	92	849 994	7	153 503	1	60 356	–
Inter-segment revenue	37 821	100	–	–	621	2	–	–	37 200	98
Segment revenue	12 472 196	100	11 370 522	91	850 615	7	153 503	1	97 556	1
Operating profit/(loss)	773 412	100	392 813	51	339 531	44	64 062	8	(22 994)	(3)
Finance income	39 792	100	–	–	–	–	8 984	23	30 808	77
Finance costs	(192 764)	100	(119 024)	62	(70 944)	37	–	–	(2 796)	1
Profit before taxation	620 440	100	273 789	44	268 587	43	73 046	12	5 018	1
After charging										
– impairment of goodwill	(17 671)	100	(17 671)	100	–	–	–	–	–	–
– short-term lease charges	122 007	100	64 868	53	55 517	46	–	–	1 622	1
– employee costs	927 122	100	746 264	80	109 391	12	–	–	71 467	8
– depreciation										
– plant and equipment	33 340	100	25 842	78	1 710	5	–	–	5 788	17
– car hire fleet vehicles	192 551	100	–	–	192 551	100	–	–	–	–
– right-of-use assets	116 243	100	110 157	95	3 839	3	–	–	2 247	2
Total assets	4 976 881	100	2 792 555	56	1 352 707	27	28 527	1	803 092	16
Total liabilities	3 712 596	100	2 316 859	63	1 310 347	35	–	–	85 390	2
Goodwill at year-end	39 625	100	39 625	100	–	–	–	–	–	–

2022	Total		Retail motor		Car hire		Financial services		Corporate services/Other	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
External revenue	11 167 798	100	10 502 191	95	466 212	4	146 307	1	53 088	–
Inter-segment revenue	30 129	100	–	–	324	1	–	–	29 805	99
Segment revenue	11 197 927	100	10 502 191	94	466 536	4	146 307	1	82 893	1
Operating profit/(loss)	606 146	100	426 355	70	146 307	24	50 114	8	(16 630)	(2)
Finance income	28 313	100	136	–	–	–	6 045	21	22 132	79
Finance costs	(124 105)	100	(90 422)	74	(30 362)	24	–	–	(3 321)	2
Profit before taxation	510 354	100	336 069	66	115 945	23	56 159	11	2 181	–
After charging										
– employee costs	830 480	100	684 308	82	86 322	11	–	–	59 850	7
– depreciation										
– plant and equipment	29 809	100	23 478	79	2 410	8	–	–	3 921	13
– car hire fleet vehicles	95 800	100	–	–	95 800	100	–	–	–	–
– right-of-use assets	114 403	100	107 296	94	5 105	4	–	–	2 002	2
Total assets	3 778 740	100	1 939 896	52	914 729	24	44 631	1	879 484	23
Total liabilities	2 668 347	100	1 740 190	65	847 889	32	–	–	80 268	3
Goodwill at year-end	57 296	100	57 296	100	–	–	–	–	–	–



# COMMENTARY

## DIVIDEND DECLARATION

A dividend (dividend number 69) of 240 cents per share will be paid on Monday, 19 June 2023 to members reflected in the share register of the Company at the close of business on the record date, Thursday, 15 June 2023. Last day to trade *cum* dividend is Monday, 12 June 2023. First day to trade *ex* dividend is Tuesday, 13 June 2023. Share certificates may not be dematerialised or rematerialised from Tuesday, 13 June 2023 to Thursday, 15 June 2023, both days inclusive. The number of ordinary shares in issue at the date of the declaration is 74 801 998. Consequently, the gross dividend payable is R1 79 524 795 and will be distributed from income reserves. The dividend will be subject to dividend withholding tax at a rate of 20%, which will result in a net dividend of 192 cents to those shareholders who are not exempt in terms of section 64F of the Income Tax Act.

## BASIS OF PREPARATION

The abridged consolidated financial statements for the year ended 28 February 2023 have been prepared under the supervision of SK Jackson, CA (SA), financial director, and approved by the Board on 26 April 2023. They have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and the requirements of the South African Companies Act, No 71 of 2008, (the "Act"), applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Standards"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied are in terms of IFRS and are consistent with those applied in the preparation of the consolidated annual financial statements in the prior year. These results are extracted from audited information, but are not themselves audited. The consolidated financial statements were audited by KPMG Inc., who expressed an unmodified opinion thereon.

The audited consolidated financial statements and the auditor's report thereon are available for inspection at the Company's registered office and online at <https://www.cmh.co.za>. The directors take full responsibility for the preparation of these results and confirm that the financial information has been correctly extracted from the underlying consolidated financial statements.

## CHANGES IN DIRECTORATE

There has been no change in directors since the release of the interim results in October 2022.

## CORPORATE GOVERNANCE

During the year the Group applied the principles and the appropriate best business practices as recorded in the King IV Report on Corporate Governance ("King IV"). The Board recognises that King IV seeks to instil a greater level of transparency and integrated thinking in its deliberations, and to consider not just financial gain, but the larger triple context, including social and environmental considerations. A report on the Group's corporate governance is recorded in the Integrated Annual Report 2023.

## ANNUAL GENERAL MEETING

Notice is hereby given that the public annual general meeting ("AGM") of shareholders of Combined Motor Holdings Limited will be held in the boardroom at CMH Head Office located at 1 Wilton Crescent, Umhlanga Ridge, KwaZulu-Natal on Wednesday, 7 June 2023 commencing at 14:30. The full notice of meeting can be found in the Integrated Annual Report 2023 on the Company's website at <https://www.cmh.co.za/annual-reports/>.

In this regard the following dates are noted:

Record date (in terms of section 59(1)(a) of the Act) to receive the Notice of the AGM – Friday, 28 April 2023

Notice of AGM distributed to shareholders – Wednesday, 10 May 2023

Last day to trade in order to be eligible to vote at the AGM – Tuesday, 23 May 2023

Record date (in terms of section 59(1)(b) of the Act) to vote at the AGM – Friday, 26 May 2023

## AVAILABILITY OF INTEGRATED ANNUAL REPORT

Shareholders are advised that the Integrated Annual Report 2023 is available on the Company's website at <https://www.cmh.co.za/annual-reports/> and is due to be posted to shareholders on 10 May 2023.

By order of the board of directors



**K Fonseca CA(SA)**  
Company Secretary

26 April 2023

# CORPORATE INFORMATION

## Combined Motor Holdings Limited

Registration number: 1965/000270/06  
Income tax reference number: 9471/712/71/2  
Share code: CMH  
ISIN: ZAE000088050

## Directors

BWJ Barritt *(executive)*  
JS Dixon, CA (SA) *(independent non-executive)*  
SK Jackson, BCom (Hons) (Tax Law), CA (SA) *(executive)*  
ME Jones, CA (SA) *(independent non-executive)*  
RT Komane, CA (SA), MFin *(independent non-executive)*  
JA Mabena, BCom *(independent non-executive)*  
AY Metu, CA (SA) *(independent non-executive)*  
JD McIntosh, CA (SA) *(executive)*  
MR Nkadimeng, CA (SA) *(independent non-executive)*

## Business address and registered office

1 Wilton Crescent  
Umhlanga Ridge 4319

## Postal address

PO Box 1033  
Umhlanga Rocks 4320

## Company secretary

K Fonseca

## Transfer secretaries

Computershare Investor Services Proprietary Limited  
Private Bag X9000  
Saxonwold 2132

## Auditor

KPMG Inc.

## Sponsor

PricewaterhouseCoopers Corporate Finance Proprietary Limited  
4 Lisbon Lane  
Waterfall City  
Jukskei View 2090