



FINANCIAL RESULTS
FOR THE YEAR ENDED 28 FEBRUARY

2021



GROUP OPERATIONS

Retail motor dealerships

VOLVO



ISUZU



HAVAL
Global Intelligent SUV Expert

Mahindra
Rise.

CMH FLEET SOLUTIONS
mobility through partnership



UD TRUCKS



GWM



SUZUKI



SUBARU.



CITROËN



RENAULT



Divisions

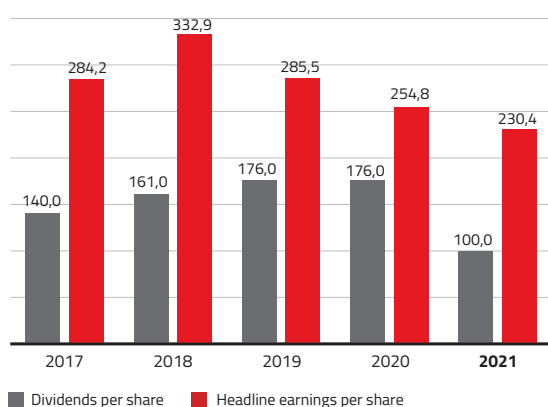


GROUP FINANCIAL HIGHLIGHTS

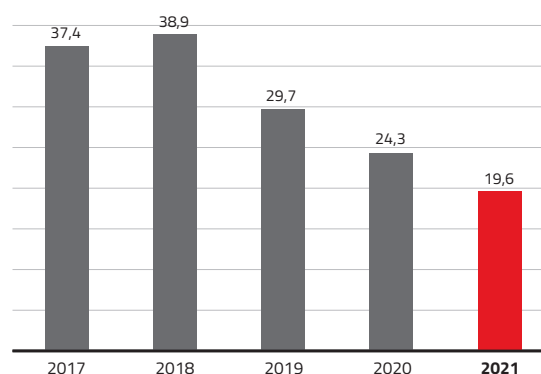
| | | 2021 | 2020 | % change |
|--------------------------------------------------|---------|-----------|------------|----------|
| Total assets | (R'000) | 3 274 003 | 3 650 301 | (10,3) |
| Cash resources | (R'000) | 754 825 | 659 622 | 14,4 |
| Net asset value per share | (cents) | 1 216 | 1 090 | 11,6 |
| Revenue | (R'000) | 8 579 558 | 11 156 167 | (23,1) |
| Operating profit | (R'000) | 345 045 | 417 280 | (17,3) |
| Net profit attributable to ordinary shareholders | (R'000) | 168 763 | 190 519 | (11,4) |
| Return on shareholders' funds | (%) | 19,6 | 24,3 | (19,3) |
| Basic earnings per share | (cents) | 225,6 | 254,7 | (11,4) |
| Headline earnings per share | (cents) | 230,4 | 254,8 | (9,6) |
| Dividends paid per share | (cents) | 100,0 | 176,0 | (43,2) |
| Dividend declared – payable June 2021 | (cents) | 125,0 | – | |

Figures presented in the graphs below for years prior to 2019 have not been restated in line with the changes in accounting policy processed in 2020.

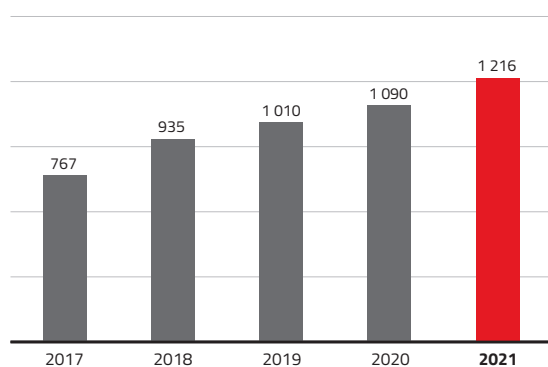
HEADLINE EARNINGS AND DIVIDENDS PER SHARE (CENTS)



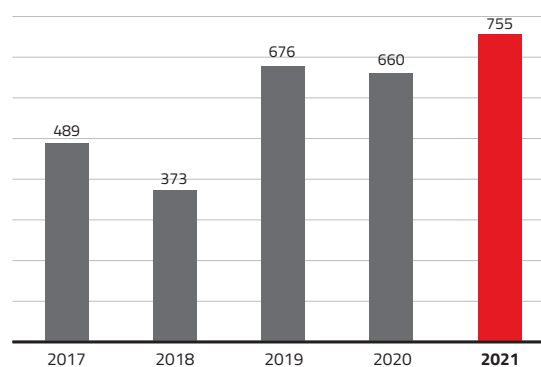
RETURN ON SHAREHOLDERS' FUNDS (%)



NET ASSET VALUE PER SHARE (CENTS)



CASH RESOURCES (R'million)



SEGMENT INFORMATION

FOR THE YEAR ENDED 28 FEBRUARY 2021

| | Total | | Retail motor | | Car hire | | Financial services | | Corporate services/ Other | |
|--------------------------------------|------------------|------------|------------------|------------|----------------|------------|--------------------|-----------|------------------------------|-----------|
| | R'000 | % | R'000 | % | R'000 | % | R'000 | % | R'000 | % |
| 2021 | | | | | | | | | | |
| External revenue | 8 579 558 | 100 | 8 193 792 | 96 | 242 697 | 3 | 115 767 | 1 | 27 302 | – |
| Inter-segment revenue | 22 737 | 100 | – | – | 311 | 1 | – | – | 22 426 | 99 |
| Segment revenue | 8 602 295 | 100 | 8 193 792 | 95 | 243 008 | 3 | 115 767 | 1 | 49 728 | 1 |
| Operating profit/(loss) | 345 045 | 100 | 301 053 | 86 | 29 706 | 9 | 22 770 | 7 | (8 484) | (2) |
| Finance income | 25 937 | 100 | 18 | – | – | – | 5 276 | 20 | 20 643 | 80 |
| Finance costs | (136 662) | 100 | (98 634) | 73 | (34 809) | 25 | – | – | (3 219) | 2 |
| Profit/(loss) before taxation | 234 320 | 100 | 202 437 | 86 | (5 103) | (2) | 28 046 | 12 | 8 940 | 4 |
| After charging | | | | | | | | | | |
| – employee costs | 649 500 | 100 | 540 160 | 83 | 57 653 | 9 | – | – | 51 687 | 8 |
| – depreciation | | | | | | | | | | |
| – plant and equipment | 30 473 | 100 | 23 282 | 76 | 3 084 | 10 | – | – | 4 107 | 14 |
| – car hire fleet vehicles | 59 596 | 100 | – | – | 59 596 | 100 | – | – | – | – |
| – right-of-use assets | 104 091 | 100 | 96 855 | 93 | 5 234 | 5 | – | – | 2 002 | 2 |
| – impairment of goodwill | 6 250 | 100 | 6 250 | 100 | – | – | – | – | – | – |
| Total assets | 3 274 003 | 100 | 1 751 108 | 53 | 619 053 | 19 | 28 876 | 1 | 874 966 | 27 |
| Total liabilities | 2 364 750 | 100 | 1 686 648 | 71 | 606 375 | 26 | – | – | 71 727 | 3 |
| Goodwill at year-end | 42 578 | 100 | 42 578 | 100 | – | – | – | – | – | – |
| | | | | | | | | | | |
| | Total | | Retail motor | | Car hire | | Financial services | | Corporate services/ Other | |
| | R'000 | % | R'000 | % | R'000 | % | R'000 | % | R'000 | % |
| 2020 | | | | | | | | | | |
| External revenue | 11 156 167 | 100 | 10 511 616 | 94 | 508 514 | 5 | 92 724 | 1 | 43 313 | – |
| Inter-segment revenue | 36 767 | 100 | – | – | – | – | – | – | 36 767 | 100 |
| Segment revenue | 11 192 934 | 100 | 10 511 616 | 94 | 508 514 | 5 | 92 724 | 1 | 80 080 | – |
| Operating profit/(loss) | 417 280 | 100 | 280 945 | 67 | 104 870 | 25 | 38 049 | 9 | (6 584) | (1) |
| Finance income | 38 743 | 100 | – | – | 13 | – | 6 589 | 17 | 32 141 | 83 |
| Finance costs | (193 243) | 100 | (130 896) | 68 | (59 705) | 31 | – | – | (2 642) | 1 |
| Profit before taxation | 262 780 | 100 | 150 049 | 57 | 45 178 | 17 | 44 638 | 17 | 22 915 | 9 |
| After charging | | | | | | | | | | |
| – employee costs | 817 551 | 100 | 671 362 | 82 | 91 031 | 11 | – | – | 55 158 | 7 |
| – depreciation | | | | | | | | | | |
| – plant and equipment | 33 881 | 100 | 26 077 | 77 | 3 545 | 10 | – | – | 4 259 | 13 |
| – car hire fleet vehicles | 118 713 | 100 | – | – | 118 713 | 100 | – | – | – | – |
| – right-of-use assets | 112 583 | 100 | 103 549 | 92 | 7 032 | 6 | – | – | 2 002 | 2 |
| Total assets | 3 650 301 | 100 | 2 099 491 | 58 | 803 262 | 22 | 43 078 | 1 | 704 470 | 19 |
| Total liabilities | 2 835 180 | 100 | 1 991 667 | 70 | 763 967 | 27 | – | – | 79 546 | 3 |
| Goodwill at year-end | 31 828 | 100 | 31 828 | 100 | – | – | – | – | – | – |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2021

| | 2021 R'000 | 2020 R'000 |
|-------------------------------------|------------------|------------------|
| ASSETS | | |
| Non-current assets | | |
| Plant and equipment | 67 068 | 84 818 |
| Right-of-use assets | 417 523 | 466 094 |
| Car hire fleet vehicles | 555 746 | 713 315 |
| Goodwill | 42 578 | 31 828 |
| Insurance receivable | 28 876 | 43 078 |
| Deferred taxation | 61 947 | 60 068 |
| | 1 173 738 | 1 399 201 |
| Current assets | | |
| Inventories | 1 033 005 | 1 323 858 |
| Trade and other receivables | 238 666 | 267 606 |
| Current tax receivable | 1 769 | 14 |
| Cash and cash equivalents | 754 825 | 659 622 |
| | 2 028 265 | 2 251 100 |
| Property held for sale | 72 000 | – |
| Total assets | 3 274 003 | 3 650 301 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Share capital | 38 091 | 38 091 |
| Share-based payment reserve | 1 529 | 12 747 |
| Retained earnings | 869 633 | 762 925 |
| Ordinary shareholders' equity | 909 253 | 813 763 |
| Non-controlling interest | – | 1 358 |
| Total equity | 909 253 | 815 121 |
| Non-current liabilities | | |
| Borrowings | 89 011 | 95 764 |
| Lease liabilities | 458 882 | 481 750 |
| | 547 893 | 577 514 |
| Current liabilities | | |
| Trade and other payables | 1 271 120 | 1 552 939 |
| Borrowings | 451 853 | 599 302 |
| Lease liabilities | 90 080 | 102 689 |
| Current tax liabilities | 3 804 | 2 736 |
| | 1 816 857 | 2 257 666 |
| Total liabilities | 2 364 750 | 2 835 180 |
| Total equity and liabilities | 3 274 003 | 3 650 301 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2021

| | 2021 R'000 | 2020 R'000 |
|-------------------------------------------------------------------------------------|----------------------|---------------|
| Revenue | 8 579 558 | 11 156 167 |
| Cost of sales | (7 087 850) | (9 291 278) |
| Gross profit | 1 491 708 | 1 864 889 |
| Other income | 26 230 | 19 971 |
| Impairment of goodwill | (6 250) | – |
| Selling and administration expenses | (1 166 643) | (1 467 580) |
| Operating profit | 345 045 | 417 280 |
| Finance income | 25 937 | 38 743 |
| Finance costs | (136 662) | (193 243) |
| Profit before taxation | 234 320 | 262 780 |
| Tax expense | (65 557) | (72 405) |
| Total profit and comprehensive income | 168 763 | 190 375 |
| Attributable to: | | |
| Equity holders of the company | 168 763 | 190 519 |
| Non-controlling interest | – | (144) |
| | 168 763 | 190 375 |
| RECONCILIATION OF HEADLINE EARNINGS | | |
| Total profit and comprehensive income attributable to equity holders of the Company | 168 763 | 190 519 |
| Re-measurement items: | | |
| – impairment of goodwill | 6 250 | – |
| – profit on disposal of dealership | (2 520) | – |
| – (profit)/loss on sale of plant and equipment | | |
| – gross | (216) | 82 |
| – impact of income tax | 60 | (23) |
| Headline earnings attributable to equity holders of the Company | 172 337 | 190 578 |
| Weighted average number of shares in issue | (‘000 shares) 74 802 | 74 802 |
| EARNINGS AND DIVIDENDS PER SHARE | | |
| Basic | (cents) 225,6 | 254,7 |
| Diluted basic | (cents) 225,6 | 254,7 |
| Headline | (cents) 230,4 | 254,8 |
| Diluted headline | (cents) 230,4 | 254,8 |
| Dividends declared – payable June 2021 | (cents) 125,0 | – |
| Dividend paid | (cents) 100,0 | 176,0 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2021

| | Share capital R'000 | Share-based payment reserve R'000 | Retained earnings R'000 | Attributable to equity holders of the company R'000 | Non-controlling interest R'000 | Total equity R'000 |
|-----------------------------------------------------------------------|------------------------|--------------------------------------|----------------------------|--------------------------------------------------------|-----------------------------------|-----------------------|
| Balance at 28 February 2019 | 38 091 | 10 927 | 704 935 | 753 953 | 1 502 | 755 455 |
| Total profit and comprehensive income | | | 190 519 | 190 519 | (144) | 190 375 |
| Release following exercise of share appreciation rights | | (3 653) | 3 653 | | | |
| Cost of shares delivered in terms of share appreciation rights scheme | | | (4 531) | (4 531) | | (4 531) |
| Share-based payment charge | | 5 473 | | 5 473 | | 5 473 |
| Dividends paid | | | (131 651) | (131 651) | | (131 651) |
| Balance at 29 February 2020 | 38 091 | 12 747 | 762 925 | 813 763 | 1 358 | 815 121 |
| Total profit and comprehensive income | | | 168 763 | 168 763 | | 168 763 |
| Release following forfeit of share appreciation rights | | (12 747) | 12 747 | | | |
| Share-based payment charge | | 1 529 | | 1 529 | | 1 529 |
| Dividends paid | | | (74 802) | (74 802) | (1 358) | (76 160) |
| Balance at 28 February 2021 | 38 091 | 1 529 | 869 633 | 909 253 | – | 909 253 |

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2021

| | 2021 R'000 | 2020 R'000 |
|----------------------------------------------------------------------------------------------|----------------|----------------|
| Cash flows from operating activities | | |
| Cash generated from operations | 498 955 | 540 119 |
| Taxation paid | (58 703) | (78 818) |
| Net cash movement from operating activities | 440 252 | 461 301 |
| Cash flows from investing activities | | |
| Purchase of plant and equipment | (15 050) | (50 115) |
| Purchase of property | (72 000) | – |
| Proceeds on disposal of plant and equipment | 3 346 | 3 377 |
| Investment in special purpose entities conducting insurance underwriting activities | (1 250) | (3 500) |
| Dividend received from special purpose entities conducting insurance underwriting activities | 39 598 | 11 371 |
| Acquisition of businesses | (23 866) | (47 615) |
| Disposal of business | 5 164 | – |
| Net cash movement from investing activities | (64 058) | (86 482) |
| Cash flows from financing activities | | |
| Cost of shares delivered in terms of share appreciation rights scheme | – | (4 531) |
| Finance income received | 20 661 | 32 155 |
| Finance costs paid | (136 662) | (193 243) |
| Principal element of lease liability repayments | (84 054) | (93 893) |
| Dividends paid | (76 160) | (131 651) |
| Repayment of secured loans acquired | (4 776) | – |
| Net cash movement from financing activities | (280 991) | (391 163) |
| Net movement in cash and cash equivalents | 95 203 | (16 344) |
| Cash and cash equivalents at beginning of year | 659 622 | 675 966 |
| Cash and cash equivalents at end of year | 754 825 | 659 622 |

COMMENTARY

DIVIDEND DECLARATION

A dividend (dividend number 65) of 125 cents per share will be paid on Monday, 14 June 2021 to members reflected in the share register of the Company at the close of business on the record date, Friday, 11 June 2021. Last day to trade cum dividend is Tuesday, 8 June 2021. First day to trade ex dividend is Wednesday, 9 June 2021. Share certificates may not be dematerialised or rematerialised from Wednesday, 9 June 2021 to Friday, 11 June 2021, 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 R93 502 498 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 100 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 2021 have been prepared under the supervision of SK Jackson, CA (SA), financial director, and approved by the Board on 30 April 2021. They have been prepared in accordance with 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 ("IFRS"), 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 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 PricewaterhouseCoopers 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 2020.

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 2021.

ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Combined Motor Holdings Limited will be held in the boardroom at the CMH Head Office at 1 Wilton Crescent, Umhlanga Ridge, on Tuesday, 8 June 2021 commencing at 14:30.

Whilst the meeting will have a physical presence at the Group's head office, provision will be made for shareholders to participate by way of electronic communication. Electronic participation is encouraged whilst the Disaster Management Act No 57 of 2002 is still in effect.

The full notice of meeting can be found in the Integrated Annual Report 2021 on the Company's website at <https://www.cmh.co.za/annual-reports/>

The record date in terms of section 59(1)(a) of the Act for shareholders to be recorded on the securities register of the Company in order to receive notice of the meeting is Friday, 30 April 2021. The last day to trade in order to be eligible to vote is Tuesday, 25 May 2021. The record date in terms of section 59(1)(b) of the Act for shareholders to participate in and vote at the annual general meeting is Friday, 28 May 2021.

AVAILABILITY OF INTEGRATED ANNUAL REPORT

Shareholders are advised that the Integrated Annual Report 2021 is available on the Company's website at <https://www.cmh.co.za/annual-reports/> and is due to be posted to shareholders on 11 May 2021.

By order of the board of directors



K Fonseca CA(SA)
Company Secretary

4 May 2021

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

JS Dixon (*chairman*)
JD McIntosh (*chief executive officer*)
BWJ Barritt (*executive*)
LCZ Cele (*independent non-executive*)
SK Jackson (*executive*)
ME Jones (*independent non-executive*)
JA Mabena (*independent non-executive*)
MR Nkadameng (*independent non-executive*)

COMPANY SECRETARY

K Fonseca

AUDITOR

PricewaterhouseCoopers Inc.

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Private Bag X9000
Saxonwold, 2132

BUSINESS ADDRESS AND REGISTERED OFFICE

1 Wilton Crescent
Umhlanga Ridge, 4319

POSTAL ADDRESS

PO Box 1033
Umhlanga Rocks, 4320

SPONSOR

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

WEBSITE

www.cmh.co.za