AGENDA

1. Rationale for the Unbundling
2. Motus – Business Overview
3. Business Strategy
4. Financial Management Framework
5. Q&A
1. **Rationale for the Unbundling**
Today, MOTUS and Imperial Logistics function as large independent multinational operations.

**Vision** – To improve peoples’ lives by envisioning, innovating and creating new avenues of access to leading edge mobility solutions (products and services) at competitive prices through our strong relationships with suppliers and principals, while ensuring sustainable value creation for all stakeholders. We aim to exceed employees’ and client expectations and become OEMs’ trusted partner of choice in the geographies in which we operate.

The unbundling is underpinned by:

- Strategic focus and independence
- Operational efficiency: elimination of complexity, duplication and costs
- Focused capital and funding structure: Independence and flexibility
- Heightened investor understanding and insight: Enhanced segmental disclosure

**Business split by revenue – FY June 2018**

- MOTUS: 60% ZAR78bn (USD 5.7bn)*
- Imperial Logistics: 40% ZAR51bn (USD 3.7bn)*

*ZAR/USD June 2018 Exchange rate 13.7
UNBUNDLING TIMELINE

- **20 September**: Formal submission of Pre-Listing Statement to JSE
- **14 November**: Final information publication
- **22 November**: Listing of Motus Shares on the JSE
- **27 November**: Accounts at CSDPs/Brokers updated

**September 2018**
- **27 September**: Investor Roadshows commence

**October 2018**
- **30 October**: Imperial Annual General Meeting & Unbundling General Meeting

**November 2018**
- **21 November**: Last day to trade for Imperial Ordinary Shareholders
- **26 November**: Record Unbundling date
2. MOTUS – BUSINESS OVERVIEW
**MOTUS FINANCIAL OVERVIEW**

**Turnover**
- ZAR 78bn
- USD 5.7bn* (ZAR/USD June 2018 Exchange rate 13.7)

**EBITDA**
- ZAR 4.9bn
- USD 0.4bn*

**Operating Income**
- ZAR 3.6bn
- USD 0.3bn*

**Total Assets**
- ZAR 36bn
- USD 2.6bn*

**Net debt**
- ZAR 5.8bn
- USD 0.4bn*

**Margin**
- South Africa: 69%
- International: 31%

**Net debt / EBITDA**
- 1.2x

**Note:** Financials as at 30 June 2018

- 20%-30% from new vehicle sales
- 97% Tangible assets

*20% - 30% from new vehicle sales

- USD 0.4bn*
Key Investment Highlights

1. Diversified (non-manufacturing) business in the automotive sector with a leading position in South Africa and selected international presence (UK and Australia)

2. Fully integrated business model across the vehicle value chain: Import and Distribution, Retail and Rental, Motor-Related Financial Services and Aftermarket Parts

3. Unrivalled scale in South Africa underpins a differentiated value proposition to OEMs, customers and business partners, providing multiple customer touch points supporting customer loyalty through the entire vehicle ownership cycle

4. High free cash flow generation and exposure to annuity income streams, with return on invested capital exceeding weighted average cost of capital, providing a platform for an attractive dividend yield

5. Defined organic growth trajectory through portfolio optimisation, continuous operational enhancements and innovation, with a selective acquisition growth strategy outside South Africa leveraging best-in-class expertise

6. Highly experienced management team with deep industry knowledge of regional and global markets, and a proven track record with years of collective experience, supported by 18 300 employees
Diversified Business in the Automotive Sector

Import and Distribution
- Exclusive South African importer of 4 respected international brands
- Operates in South Africa and neighbouring countries
- 80,000 vehicles imported annually
- ~15% Market share in South Africa
- Car Parc ~ 1.1 million

Retail and Rental
- Developer and distributor of innovative vehicle related financial products and services
- Operates in South Africa
- Manager and administrator of Service, Maintenance and Warranty plans
- Provider of fleet management services
- Develop and sell value added products and services
- ~730,000 clients

Motor-Related Financial Services
- Distributor, wholesaler and retailer of accessories and parts for older vehicles
- Operates in South Africa, Southern Africa and the Far East
- 35 owned branches, 43 owned retail stores and a network of 720 franchised outlets
- Franchise base comprises:
  - Resellers (Midas, Transerve and Team Car)
  - Specialised workshops

Aftermarket Parts
- Exclusive import and distribution of accessories and parts for older vehicles
- Operates in South Africa, Southern Africa and the Far East
- 35 owned branches, 43 owned retail stores and a network of 720 franchised outlets
- Franchise base comprises:
  - Resellers (Midas, Transerve and Team Car)
  - Specialised workshops

Revenue (ZAR’m)
- Import and Distribution: 20,128
- Retail and Rental: 62,759
- Motor-Related Financial Services: 2,166
- Aftermarket Parts: 6,632

Operating income (ZAR’m)
- Import and Distribution: 788 (4% margin)
- Retail and Rental: 1,687 (3% margin)
- Motor-Related Financial Services: 889 (41% margin)
- Aftermarket Parts: 447 (7% margin)

Source: Company information
Note: Financials as at 30 June 2018 and excludes businesses held for sale and corporate eliminations
**Fully Integrated Business Model**

Differentiated value proposition

- Unique in nature
- Difficult for competitors to replicate
- Provides opportunities for deeper penetration of the customer base
- Enables the extension of the customer life cycle within the Motus Group
- Creates multiple customer touchpoints and enhances customer retention

The above provides the platform for generation of higher returns
IMPORT AND DISTRIBUTION

- Vehicles
- Parts
- Panel

> Hyundai
> KIA
> Renault
> Mitsubishi

Market share ~15%

Financial Services Integration
Full value chain presents unique opportunities for innovation and differentiation

> Own Dealerships (MOTUS 70%)
> Independent Dealers (30%)
> Vehicle Rental (MOTUS)
> Vehicle Rental (Other Independents)
Financial Services Integration
Full value chain presents unique opportunities for innovation and differentiation

4 Importer OEM Brands
(MOTUS)
- Hyundai
- KIA
- Renault
- Mitsubishi

356 dealerships in South Africa and a number of digital platforms
- Retail Outlets
- Parts, Panels & Service
- Motor Related Vehicle Services

19 Non-MOTUS OEM Brands
- BMW, Mercedes-Benz, Toyota, VW, Ford, Nissan, Mazda, Audi & other meaningful brands

Used Car Dealerships
≈ ratio of new to used 1:1

MOTUS Vehicle Rental
- 110 Outlets in Sub-Saharan Africa
- Individual, Corporate & Fleet Customers

Financial Services Integration Opportunity

United Kingdom
90 Dealerships
- 14 passenger brands
- 12 commercial brands

Australia
33 Dealerships
- Represents 10 of the top 15 brands in Australia

FINANCIAL SERVICES INTEGRATION

2 RETAIL AND RENTAL
Value Added Products (VAPS)
- Service and Maintenance Plans
- Extended Warranties
- Scratch and Dent
- Ad and Deposit Cover
- Credit life
- Tyre and Rim
- Roadside Assistance

Vehicle Asset Finance (VAF) (Through finance alliances)
- Instalment sale
- Guaranteed future value offerings
- Lease/Rental solutions

Fleet (Through finance alliances)
- Procurement and financing of vehicles
- Fleet maintenance solutions
- Fleet management
- Vehicle de-fleeting

Consumer Mobility
- Digital VAPS and comprehensive insurance platforms
- Digital vehicle procurement, finance and disposal platforms
- Digital leads rewards programs

Motor-Related Financial Services (MRFS)
MOTOR-RELATED FINANCIAL SERVICES

MOTUS CUSTOMER LIFECYCLE

Financial Services
- Access to bank credit
- Access to the dealership network
- Access to market intelligence (data)
- Utilisation of market intelligence
- Cash-generative annuity income streams
- Innovative product and channel development and deployment
Committed to remaining relevant by being a driver of disruption in our industry:

- Mobility as a Service (MaaS)
- Connected vehicles through telemetry analytics
- Digitization of the car buying and ownership value chain
- Data analytics, Ai & Machine learning

Group innovation hub:

- Monitors local and international trends in the industry;
- Identifies and drives key strategic group-wide innovation
- Collaborates and establishes key strategic partnerships;
- Leverages learnings and functionality, thereby reducing duplication and costs within the group;
- As an industry thought leader the culture of innovation within Motus will deliver incremental value and opportunities for Motus and its customers
Key Opportunities

- Significant margin in the entire chain
- Opportunity to participate in a greater portion of the value chain excluding manufacturing
- Total South African vehicle parc 12.2 million vehicles
- Focus is on vehicles outside OEM warranty terms
- Average age of the South African passenger car parc is 9.5 years
- Exposure to other emerging markets as a result of recent acquisitions
With an unparalleled scale and footprint in South Africa, MOTUS provides the essential connection between OEMs, customers and business partners.

356 dealerships in South Africa

1. Providing clients and consumers with exceptional “total value” across the vehicle value chain.

2. Consistent superior route-to-market through quality marketing, high levels of customer satisfaction and strategically located dealerships with a geographical spread in the economic hubs of South Africa.

3. OEM partner of choice: Long-standing importer and retail partnerships with OEMs representing 23 vehicle brands.

4. Unique understanding of mobility related technologies, consumer behaviour and OEM strategies enables MOTUS to develop innovative VAPS & mobility solutions.

5. Proven ability to leverage proprietary data, unrivalled by competitors due to leading importer and retail positions, to understand customer mobility needs.

1 Excludes Aftermarket Parts locations
**High Free Cash Flow Generation and Sustainable Earnings**

### Revenue Growth

- **Revenue (ZARm)**
  - Jun-16: 65,538
  - Jun-17: 66,129
  - Jun-18: 77,659

- **CAGR 16-18E**: 8.9%

### Attractive Operating Profit Margins

- **(ZARm)**
  - Jun-16: 3,292
  - Jun-17: 3,339
  - Jun-18: 3,593

- **Margins**: 5.0% (Jun-16), 5.0% (Jun-17), 4.6% (Jun-18)

### High Free Cash Flow Conversion

- **Free cash flow conversion calculated as (EBITDA – Capital Expenditure) / EBITDA, capital expenditure denotes PPE Capex excluding disposals**

- **Revenue (ZARm)**
  - Jun-16: 65,538
  - Jun-17: 66,129
  - Jun-18: 77,659

- **Margins**: 82% (Jun-16), 80% (Jun-17), 88% (Jun-18)

### Return on Invested Capital

- **WACC 10.4%**

- **Returns**: 12.2% (Jun-16), 11.8% (Jun-17), 13.0% (Jun-18)

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1 Free cash flow conversion calculated as (EBITDA – Capital Expenditure) / EBITDA, capital expenditure denotes PPE Capex excluding disposals.
Defined Organic Growth through Portfolio Optimisation

Source: Company information, Factiva

1 Associated Motor Holdings; 2 Acquired from MP de Canha, CEO of AMH Group, in a stock and cash deal; 3 Initial acquisition of 56% stake in Sep 2009

Acquisitions

- SWT Group
  - Auto dealership network with 16 touchpoints
  - Acquired 60% stake

- SWT
  - Australian expansion (Retail)

- Arco (Taiwan)
  - Wholesale distributor of aftermarket parts

- Pentagon
  - Fleet and mobile asset management
  - Sold a 25% stake to MixTelematics

- S&B Commercials
  - Mercedes Benz truck and van sales, service and parts dealership

- Orwell Trucks Limited
  - 4 branches in East UK

- SWT
  - Import & distribution and financial products
  - Acquired remaining 30% stake

- Value Added Products and Services
  - Full consolidation (Importer)

- Financial Services expansion
  - Portfolio rationalization

- UK expansion (Retail)
  - Restructure and disposal of 21 entities

- Non-core
  - Goscor group
    - Distribution of diversified industrial and engineering equipment

- Non-core
  - MixTelematics
    - Fleet and mobile asset management
    - Sold a 25% stake to MixTelematics

- Non-core
  - Portfolio rationalization
    - Sold off 10 non-core entities
    - Restructure and disposal of 21 entities

- Non-core
  - Non-strategic properties
    - 36 properties sold

- Non-core
  - Dealership closure
    - Closure of 15 non-strategic or underperforming dealerships

- Arco (Taiwan)
  - Wholesale distributor of aftermarket parts

- Acquisitions outside of SA, mainly in UK and Australia (Retail and Rental segment)
- Acquisitions in SA and internationally (Aftermarket Parts segment)
- Achieve economies of scale in new markets by transferring expertise from existing businesses
- Opportunities in pre-owned car business and financial services in UK and Australia

Disposals

- ZAR1,030m
  - ZAR493m
  - ZAR254m
  - ZAR125m
  - ZAR605m
  - ZAR470m
  - ZAR1030m
  - ZAR470m
  - ZAR125m
  - ZAR605m

Rationale:

- Aftermarket Parts expansion
- UK expansion (Retail)
- Full consolidation (Importer)
- Financial Services expansion
- UK expansion (Retail)
- Australian expansion (Retail)
- Vertical Integration (Aftermarket Parts)

Pre 2014

- Orwell Truck & Van
  - Mercedes-Benz truck and van sales, service and parts dealership

- Midas / Alert Engine Parts & Turbo Exchange
  - Wholesale of auto spare parts/retailer of motor engine parts

- S&B Commercials
  - Mercedes retail distribution and servicing of commercial vehicles

- AMH Group
  - Import & distribution and financial products
  - Acquired remaining 30% stake

- Value Added Products and Services
  - Full consolidation (Importer)

- Financial Services expansion
  - Portfolio rationalization

- UK expansion (Retail)
  - Restructure and disposal of 21 entities

- Non-core
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  - Dealership closure
    - Closure of 15 non-strategic or underperforming dealerships

Source: Company information, Factiva

IPO in 1987

Dec 2014

Sep 2015

Feb 2016

Feb 2016

Jan 2017

June 2017

Aug 2017

Apr 2018

Strategic M&A
With deep industry knowledge and a proven track record with years of collective experience

Organisational Structure

Osman Arbee
Chief Executive Officer

Import and Distribution
- Niall Lynch
  Managing Director
  Hyundai SA
  8 yrs.
- Gary Scott
  Managing Director
  KIA SA
  16 yrs.
- Jaco Oosthuizen
  Managing Director
  Renault SA
  17 yrs.
- Philip Michaux
  CEO: Retail and Rental
  23 yrs.
- Corne Venter
  Managing Director
  Rental
  13 yrs.

Retail and Rental
- Kerry Cassel
  CEO
  16 yrs.

Motor-related Financial Services
- Malcolm Perrie
  CEO
  5 yrs.

Aftermarket Parts

Shared Services
- Ockert Janse van Rensburg
  CFO
  3 yrs.
- Ray Levin
  Commercial Executive
  19 yrs.
- David Long
  Chief Information Officer
  15 yrs.
- Michele Seroke
  Chief People Officer
  2 yrs.
- Berenice Francis
  Corporate Affairs Executive
  10 yrs.
- Berlina Moroole
  Risk Management
  1 yr.
3. Business Strategy
**BUSINESS STRATEGY**

**Objective**

Maintain Market leadership

- Grow market share by strengthening the core business, optimising each business segment and driving further integration across the value chain.
- Achieve economies of scale through selective acquisitions in international markets that complement the group’s existing networks and provide opportunities to replicate aspects of the integrated business model.
- Leverage data from Motor-Related Financial Services to increase revenue and customer loyalty.

Drive innovation

- Align with digital, mobility and automation trends and changing customer needs through appropriate collaboration and strategic partnerships.
- Drive innovation across the entire range of products and services through the leveraging of technology.
- Ensure overall business agility to drive disruptive change.

Improve operational excellence

- Drive operational alignment and collaboration across the value chain, to reduce complexity, duplication, expenses and capital employed.
- Provide exceptional customer service at each stage of the value chain to remain the partner of choice for customers, OEMs and business partners.
- Improve technology solutions to realise efficiencies, drive new growth opportunities and strengthen competitive advantage.

Invest in human capital

- Develop and empower leaders to sustain our high performance culture and secure our competitive advantage.
- Improve recruitment processes, training, mentoring and use the investment in IT to leverage HR practices.
- Ensure a strong focus on transformation and continuously assess succession planning by aligning individuals’ capabilities, development and aspirations with business requirements.

Portfolio optimisation

- Target acquisition opportunities that complement the existing business and market.
- Invest in key regions to ensure strong local presence in the chosen markets.
- Drive transformation, seeking additional joint ventures with BEE partners to ensure competitiveness in selected market segments.

**Key strategic actions**

- Drive innovation across the entire range of products and services through the leveraging of technology.
- Ensure overall business agility to drive disruptive change.
- Align with digital, mobility and automation trends and changing customer needs through appropriate collaboration and strategic partnerships.
- Ensure a strong focus on transformation and continuously assess succession planning by aligning individuals’ capabilities, development and aspirations with business requirements.
- Leverage data from Motor-Related Financial Services to increase revenue and customer loyalty.
4. Financial management Framework
**FINANCIAL MANAGEMENT FRAMEWORK**

The MOTUS financial guidelines include the following:

| Leverage                  | > Net debt to equity average 55% - 75%  
|                          | > Net debt to EBITDA less than 2.00x   |
| Capital Management       | > South Africa: Target ROIC of WACC plus 3%  
|                          | > International: Target ROIC of WACC plus 2% |
| Debt Management          | > Interest rate risk: MOTUS targets a mix of 50% fixed and 50% floating rate debt.  
|                          | > Liquidity risk: MOTUS endeavours to have between 50% and 70% of its debt of a long term nature.  
|                          | > Credit risk: MOTUS only enters into long-term financial deposits with authorised financial institutions of high credit ratings. |
| Cash Management          | > Centralised cash management process including cash management systems across bank accounts in South Africa to minimise risk and interest costs.  
|                          | > The Group’s offshore cash management is managed by the treasuries in the respective businesses. |
| Dividend pay-out ratio    | > Current dividend pay-out ratio of 45% of HEPS in F2019. |
5. Q&A