

*The Colonial Motor Company Limited*

**Unaudited  
PRELIMINARY  
RESULT**

**For the year ended  
30 June 2023**



**STATEMENT OF FINANCIAL PERFORMANCE**  
For the year ended 30 June 2023

	2023 \$'000	2022 \$'000
<b>Revenue</b>		
Products	914,319	926,432
Services	80,984	72,600
Other Income	1,922	3,816
<b>Total Revenue</b>	<b>997,225</b>	<b>1,002,848</b>
<b>Less Expenses</b>		
Cost of Products Sold	801,918	815,425
Remuneration of Staff	93,831	90,648
Depreciation & Amortisation	8,171	8,082
Interest	9,253	4,401
Other	38,954	34,921
<b>Trading Profit before Tax</b>	<b>45,098</b>	<b>49,371</b>
Less Taxation		
Current	12,732	14,166
Deferred	(90)	(178)
	32,456	35,383
Less Non Controlling Interest	2,117	2,038
<b>Trading Profit after Tax</b>	<b>30,339</b>	<b>33,345</b>
Property – Fair Value Movement	(2,626)	(420)
Deferred Tax Movement	141	190
Investment – Fair Value Movement	(6)	68
<b>Profit after Tax</b>	<b>27,848</b>	<b>33,183</b>
Profit for the year attributable to:		
Shareholders	27,848	33,183
Non Controlling Interest	2,117	2,038
<b>PROFIT FOR THE YEAR</b>	<b>29,965</b>	<b>35,221</b>

**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 30 June 2023

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit for the year</b>	29,965	35,221
<b>Other comprehensive income</b>		
Items that will not be reclassified subsequently to profit or loss:		
Property revaluation reserve		
Change in fair value	(2,584)	23,982
Deferred tax movement	3,111	(675)
Items that may be classified subsequently to profit or loss:		
Foreign exchange hedging reserve		
Change in fair value	(1,096)	3,903
Deferred tax movement	307	(1,093)
<b>Total comprehensive income</b>	<b>29,703</b>	<b>61,338</b>
<b>Attributable to:</b>		
<b>Shareholders</b>	<b>27,704</b>	<b>58,879</b>
Non Controlling Interest	1,999	2,459
	<b>29,703</b>	<b>61,338</b>

	<b>2023</b>	<b>2022</b>
Basic & Diluted Earnings per Share on		
- Profit attributable to shareholders	85.2c	101.5c
- Trading Profit after Tax	92.8c	102.0c
Dividend per Share	57.0c	62.0c
Net Tangible Assets per Share	\$9.47	\$9.25

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 30 June 2023

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Equity at beginning of year</b>	307,840	265,834
Total comprehensive income	29,703	61,338
Dividends paid to Shareholders	(20,271)	(17,982)
Dividend paid to Non Controlling Interest	(1,350)	(1,350)
<b>Equity at end of year</b>	<b>315,922</b>	<b>307,840</b>

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2023

	2023 \$'000	2022 \$'000
<b>Liabilities</b>		
Bank Borrowings	21,511	8,732
At Call Deposits	31,327	31,076
Vehicle Floorplan Finance	51,994	28,443
Credit Contracts	694	956
Other Current Liabilities	81,101	54,494
<b>Total Current Liabilities</b>	<b>186,627</b>	<b>123,701</b>
<b>Non Current Liabilities</b>		
Lease Liabilities	19,103	19,752
Bank Borrowings	26,230	6,000
Credit Contracts	536	920
<b>Total Non Current Liabilities</b>	<b>45,869</b>	<b>26,672</b>
<b>Shareholders' Equity</b>	<b>310,773</b>	<b>303,340</b>
Non Controlling Interest	5,149	4,500
<b>Total Equity</b>	<b>315,922</b>	<b>307,840</b>
<b>Total Equity and Liabilities</b>	<b>548,418</b>	<b>458,213</b>
<b>Assets</b>		
Inventory	205,977	137,020
Cash & Bank	9,854	11,844
Credit Contracts	685	942
Other Current Assets	49,914	42,771
<b>Total Current Assets</b>	<b>266,430</b>	<b>192,577</b>
<b>Non Current Assets</b>		
Property, Plant & Equipment	271,157	258,065
Credit Contracts	536	920
Other Non Current Assets	10,295	6,651
<b>Total Non Current Assets</b>	<b>281,988</b>	<b>265,636</b>
<b>Total Assets</b>	<b>548,418</b>	<b>458,213</b>

These summary consolidated Financial Statements have not been audited.

22 August 2023

Dear Shareholder

- **Trading Profit after Tax at \$30.3m is a strong result in a tightening market**
- **Total Dividends for the year 57cps, 61% of the after-tax Trading Profit**

### **Trading conditions**

Light vehicle trading conditions have been inconsistent through the second half of the financial year. In particular, this has been due to changes in the Clean Car Scheme and taxes on higher emitting vehicles driving short-term, artificial demand. Coupled with this came the challenge of 'lumpy' supply for key products. Despite these challenges, our light vehicle dealerships generally posted strong full year results. With the agricultural sector of the economy struggling with high inflation and cooling primary produce returns, our tractor dealerships experienced a challenging last quarter, but still posted a respectable full year result. In contrast, the heavy truck dealership's results have remained steady, with strong demand persisting throughout the year. This level of demand, together with a volatile supply chain and congested local body building capacity has resulted in increased inventory levels, which is reflected in the year end accounts and will be carried throughout the new financial year.

### **Property developments**

As we reported to you last year, building costs continued to escalate and the focus has remained on those refurbishment projects already underway. This was pursued in preference to commencing any major new redevelopments. The results of the committed refurbishment and redevelopment programmes have come to fruition and we can be very proud of the Timaru Motors, Avon City Ford and Dunedin City Motors dealership facilities that are now complete. In the coming year, redevelopment of the Fagan Motors sales and administration building in Masterton is planned. A major development in Palmerston North, to support our heavy vehicle operations in the Lower North Island, continues through the planning stages but with construction expected to remain some time away yet. The impact of the negative economic environment on property values across the country has not spared the Group and this is reflected in the fair value adjustments at 30 June.

### **Dividend**

The Directors have declared a fully imputed dividend of 42 cps to be paid on Monday, 2 October 2023, with a record date of Friday, 22 September. This will take the total dividend for the year to 57 cps, 61% of the Trading Profit after Tax.

### **Annual Report**

The 2023 Annual Report will be published in late September including the notice for the 105th Annual General Meeting to be held midday on Friday, November 10 at The Harbourside Function Venue, 4 Taranaki Street, Wellington.

## Outlook

Higher fuel prices, inflation, Government interventions and a continued cooling economy are anticipated to take a heavier toll on our customers and the business into 2024 and potentially beyond. Balancing this outlook somewhat will be a continued refresh of products from both Ford and Mazda. Whilst overall the demand for new vehicles is forecast to decline, these new models, together with the improving availability of other hybrid and electrified vehicles, will support customer enquiry coming into our dealerships in a weakening market.

Management continues to explore new opportunities to expand on the Group's core competencies in order to provide resilience to the overall operations. As new opportunities emerge, they will receive careful consideration of the necessary capital investment requirements and potential returns they may bring with them.

For and on behalf of the Board

A J Waugh  
CHAIR

### STATEMENT OF CASH FLOWS For the year ended 30 June 2023

	2023 \$'000	2022 \$'000
<b>Net Cash Flows from:</b>		
Operating Activities	(10,224)	67,255
Investing Activities	(24,927)	(22,518)
Financing Activities	33,161	(47,629)
Net Decrease in Cash Held	(1,990)	(2,892)
Opening Cash Balance	11,844	14,736
<b>Closing Cash Balance</b>	<b>9,854</b>	<b>11,844</b>
<b>Cash Flow Reconciliation</b>		
Profit for the Year	29,965	35,221
Adjustment for Non Cash Items	10,564	8,048
Movement in Working Capital	(50,753)	23,986
<b>Net Cash Flow from Operating Activities</b>	<b>(10,224)</b>	<b>67,255</b>



*The Colonial Motor Company Limited*

Level 6, 57 Courtenay Place,  
PO Box 6159, Marion Square,  
Wellington 6141  
New Zealand

Telephone (04) 384 9734  
E-mail address [cmc@colmotor.co.nz](mailto:cmc@colmotor.co.nz)  
[www.colmotor.co.nz](http://www.colmotor.co.nz)