

*The Colonial Motor Company Limited*

## Unaudited PRELIMINARY RESULT

For the year  
ended  
30 June 2021



13 August 2021

Dear Shareholder

- **Trading Profit after Tax at \$27.9m, up 61% on last year**
- **Total Dividends for the year 55 cps, up 23 cps on last year**

### Trading conditions

Trading Profit after Tax was a record high \$27.9m, up 61% on last year and up 13% on 2018, the previous best year.

Demand for all new vehicles has been very strong. Supply to meet this demand has been variable, arrivals are often late and lumpy, sometimes significantly so. However, when looked at on a longer year to date basis, supply has grown to meet the demand. Total new registrations for the first six months of this calendar year were a record 84,598 vehicles. All areas of the business, car dealerships, heavy trucks and tractors performed well. Total Comprehensive Income was impacted by the material \$25.2m increase in the property revaluation reserve.

The supply of electric vehicles from our franchisors is small but growing; Ford has launched a plug in hybrid Escape and a plug in hybrid Transit Custom, and Mazda a fully electric MX30.

### Developments

The new branch facility for Southern Autos Manukau Limited, representing Suzuki and Isuzu, has opened in Botany, Auckland. The major developments, at Christchurch for Team Hutchinson Ford and the Lower Hutt Ford and Mazda hub for Capital City Motors, are nearing completion.

A property has been purchased in Rotorua to be developed into a truck parts and service facility for Southpac Trucks. Kenworth continues to be the preferred brand in the logging industry.

### Dividend

The Directors have declared a fully imputed dividend of 40 cps to be paid on Monday, 4 October 2021, with a record date of 24 September. This takes the total dividend for the financial year to 55 cps, 64% of the Trading Profit after Tax.

### Annual Report

The 2021 Annual Report will be published in late September. It will include the notice for the 103<sup>rd</sup> Annual General Meeting to be held at midday on Friday, 5 November at the Harbourside Function Venue, 4 Taranaki Street, Wellington.

### Outlook

The current favourable trading conditions with strong demand for new vehicles, constrained by supply difficulties, is expected to continue for the immediate future. In the medium term the planned new vehicle taxes will change the pricing relativity of vehicles, but the deeper driver of ongoing demand will be the strength of the economy and consumer confidence.

### Succession

The Chairman of the Company, Jim Gibbons, will be retiring at the conclusion of the AGM in November. The Directors have appointed Ash Waugh to the board position of Chair Elect and the Directors have appointed Gillian Watson as an additional director with effect from 1 September 2021. She will stand for election by the shareholders at the AGM in November.

For and on behalf of the Board  
J P (Jim) Gibbons

CHAIRMAN

### STATEMENT OF CASH FLOWS For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>Net Cash Flows from:</b>		
Operating Activities	28,890	64,221
Investing Activities	(22,916)	(13,244)
Financing Activities	(8,233)	(41,164)
Net (Decrease)/Increase in Cash Held	(2,259)	9,813
Opening Cash Balance	16,995	7,182
<b>Closing Cash Balance</b>	<b>14,736</b>	<b>16,995</b>
<b>Cash Flow Reconciliation</b>		
Profit for the Year	26,413	23,083
Adjustment for Non Cash Items	9,413	1,915
Movement in Working Capital	(6,936)	39,223
<b>Net Cash Flow from Operating Activities</b>	<b>28,890</b>	<b>64,221</b>



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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)

STATEMENT OF PROFIT OR LOSS For the year ended 30 June 2021		
	2021 \$'000	2020 \$'000
<b>Revenue</b>		
Products	828,119	679,759
Services	70,392	66,200
Other Income	2,662	8,963
Total Revenue	<u>901,173</u>	<u>754,922</u>
<b>Less Expenses</b>		
Cost of Products Sold	734,905	609,316
Remuneration of Staff	83,442	76,118
Depreciation & Amortisation	6,785	6,289
Interest	3,025	4,600
Other	32,334	31,988
Trading Profit before Tax	<u>40,682</u>	<u>26,611</u>
Less Taxation		
Current	11,638	7,879
Deferred	(460)	128
	<u>29,504</u>	<u>18,604</u>
Less Non Controlling Interest	1,580	1,255
<b>Trading Profit after Tax</b>	<b>27,924</b>	<b>17,349</b>
Property – Fair Value Movement	(3,445)	(2,040)
Deferred Tax Movement	184	6,576
Investment – Fair Value Movement	170	(57)
Profit after Tax	<u>24,833</u>	<u>21,828</u>
Profit for the year attributable to:		
Shareholders	24,833	21,828
Non Controlling Interest	1,580	1,255
<b>PROFIT FOR THE YEAR</b>	<b>26,413</b>	<b>23,083</b>

STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2021		
	2021 \$'000	2020 \$'000
<b>Profit for the year</b>	26,413	23,083
<b>Other comprehensive income</b>		
Items that will not be reclassified subsequently to profit or loss:		
Property revaluation reserve		
Change in fair value	25,166	6,476
Deferred tax movement	1,089	515
Items that may be classified subsequently to profit or loss:		
Foreign exchange hedging reserve		
Change in fair value	(962)	785
Deferred tax movement	269	(220)
<b>Total comprehensive income</b>	<u>51,975</u>	<u>30,639</u>
<b>Attributable to:</b>		
<b>Shareholders</b>	<b>50,499</b>	<b>29,299</b>
Non Controlling Interest	1,476	1,340
	<u>51,975</u>	<u>30,639</u>
	<b>2021</b>	<b>2020</b>
Basic & Diluted Earnings per Share on		
- Profit attributable to shareholders	76.0c	66.8c
- Trading Profit after Tax	85.4c	53.1c
Dividend per Share	55.0c	32.0c
Net Tangible Assets per Share	\$8.00	\$6.92

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2021		
	2021 \$'000	2020 \$'000
<b>Equity at beginning of year</b>	230,800	210,944
Total comprehensive income	51,975	30,639
Dividends paid to Shareholders	(15,366)	(9,808)
Dividend paid to Non Controlling Interest	(1,575)	(975)
<b>Equity at end of year</b>	<b>265,834</b>	<b>230,800</b>

BALANCE SHEET As at 30 June 2021		
	2021 \$'000	2020 \$'000
<b>Liabilities</b>		
Bank Borrowings	12,197	19,235
At Call Deposits	32,304	27,388
Vehicle Floorplan Finance	55,866	42,851
Credit Contracts	1,142	1,404
Other Current Liabilities	63,129	47,000
Total Current Liabilities	<u>164,638</u>	<u>137,878</u>
<b>Non Current Liabilities</b>		
Lease Liabilities	15,607	13,175
Credit Contracts	1,666	2,379
Total Non Current Liabilities	<u>17,273</u>	<u>15,554</u>
<b>Shareholders' Equity</b>	<b>262,443</b>	<b>227,310</b>
Non Controlling Interest	3,391	3,490
Total Equity	<u>265,834</u>	<u>230,800</u>
<b>Total Equity and Liabilities</b>	<b>447,745</b>	<b>384,232</b>
<b>Assets</b>		
Inventory	163,378	139,291
Cash & Bank	14,736	16,995
Credit Contracts	1,121	1,379
Other Current Assets	45,152	42,857
Total Current Assets	<u>224,387</u>	<u>200,522</u>
<b>Non Current Assets</b>		
Property, Plant & Equipment	212,444	174,246
Credit Contracts	1,666	2,379
Other Non Current Assets	9,248	7,085
Total Non Current Assets	<u>223,358</u>	<u>183,710</u>
<b>Total Assets</b>	<b>447,745</b>	<b>384,232</b>

These summary consolidated Financial Statements have not been audited.