



The Colonial Motor Company Limited

Half Year Report
31 December 2024

The Colonial Motor Company Limited

and Subsidiary Companies

Half Year Report For the Six Months Ended 31 December 2024

Dear Shareholder

**Trading Profit after tax at \$6.9m, down 23.8% on last year
Interim Dividend unchanged at 15cps**

Trading Results

Trading profit after tax of \$6.9m for the first half of the 2025 financial year was below the comparative period but was a better result than we anticipated at the time of the 2024 AGM in November. At that time, the market and outlook appeared bleak and the second half of 2024 largely lived up to that expectation. However, a strong December result, assisted by continued prudent cost management, has seen the six months to 31 December 2024 end on a more positive note.

Dividend

The Board has declared a fully imputed interim dividend of 15 cents per share. The dividend will be paid on Monday, 31 March, with a Record Date of 21 March.

Trading Conditions

The market remains subdued, relative to the trading conditions we enjoyed over the past few years, with recessionary impacts affecting demand for new light vehicles and now heavy trucks. In terms of light vehicles, we continue to see excess stock in the market maintaining the challenging trading environment. The refreshed focus that Management has placed on used vehicles within our dealerships, together with the ongoing cost management, have been contributors to the better than expected result. At the same time, the positive tone within the agricultural sector, driven by an increased dairy payout and aggressive marketing by the major brands, has seen some 'life' return to the tractor market.

Property Developments

We continue to support our property investment and refurbishment programme, including the new showroom at Fagan Motors in Masterton which is all but complete. We have slowed development activity in response to a costlier environment. This year we will progress the development project in Palmerston North for Southpac Trucks and we have purchased a site in Rangiora to strengthen our Ford representation in that growth corridor.

Outlook

The January market across the country did not herald any significant news for a change in market sentiment, with new vehicle registrations 14% lower than January 2024. Given our concentration on cost reduction, efficiency, a revitalised used vehicle focus and the strength of our core franchise offerings, we are well placed to compete in this changed and challenging market environment.

Annual Meeting

The 2025 Annual Meeting is scheduled to be held in Wellington at the Harbourside Function Venue at midday on the 7th of November.

For and on behalf of the Board
A J (Ash) Waugh
Chair

19 February 2025

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Consolidated Statement of Financial Performance For the six months ended 31 December 2024		6 Months to 31 December 2024 \$'000 Unaudited	6 Months to 31 December 2023 \$'000 Unaudited	12 Months to 30 June 2024 \$'000 Audited
Revenue				
	Products	461,362	449,707	923,111
	Services	45,457	44,325	87,800
	Other income	1,068	841	2,009
Total revenue		507,887	494,873	1,012,920
Trading expenses				
	Cost of products and services sold	412,052	400,250	821,895
	Remuneration of staff	49,570	47,945	95,054
	Depreciation and amortisation	4,951	4,880	10,021
	Interest	7,860	7,065	15,492
	Other operating costs	22,200	20,788	42,784
Total trading expenses		496,633	480,928	985,246
Trading profit before tax		11,254	13,945	27,674
Taxation		3,815	3,951	7,970
Non-controlling interest		499	885	1,820
Trading profit after tax		6,940	9,109	17,884
Non-trading items	Fair value adjustments after tax	(19)	157	(13,349)
Profit attributable to shareholders		6,921	9,266	4,535
Profit for the period				
Profit attributable to:	Shareholders	6,921	9,266	4,535
	Non-controlling interest	499	885	1,820
Profit for the period		7,420	10,151	6,355
Statistics per share				
Basic and diluted earnings per share				
	Profit attributable to shareholders (cents)	21.2	28.3	13.9
	Trading profit after tax (cents)	21.2	27.9	54.7
Dividends				
	Dividends (cents per share)	15.0	15.0	35.0
	Total dividends (\$'000)	4,904	4,904	11,443
Net tangible assets per share		9.07	9.24	9.04
Consolidated Statement of Comprehensive Income For the six months ended 31 December 2024		6 Months to 31 December 2024 \$'000 Unaudited	6 Months to 31 December 2023 \$'000 Unaudited	12 Months to 30 June 2024 \$'000 Audited
Profit for the period		7,420	10,151	6,355
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Property revaluation reserve	- Fair value movement after tax	(174)	-	1,755
Items that will be reclassified subsequently to profit or loss if conditions are met				
Cash flow hedge reserve	- Movement in fair value of hedge derivatives after tax	1,089	(3,734)	(2,335)
Total other comprehensive income for the period		915	(3,734)	(580)
Total comprehensive income for the period		8,335	6,417	5,775
Total comprehensive income for the period attributable to:				
	Shareholders	7,673	6,092	4,306
	Non-controlling interest	662	325	1,469
Total comprehensive income for the period		8,335	6,417	5,775
Consolidated Statement of Changes in Equity For the six months ended 31 December 2024		6 Months to 31 December 2024 \$'000 Unaudited	6 Months to 31 December 2023 \$'000 Unaudited	12 Months to 30 June 2024 \$'000 Audited
Total equity at beginning of the period		301,561	315,922	315,922
Total comprehensive income		8,335	6,417	5,775
Dividends paid to shareholders		(6,539)	(13,732)	(18,636)
Dividends paid to non-controlling interest		(225)	-	(1,500)
Total equity at end of period		303,132	308,607	301,561

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Consolidated Statement of Financial Position As at 31 December 2024	31 December 2024 \$'000 Unaudited	31 December 2023 \$'000 Unaudited	30 June 2024 \$'000 Audited
Shareholders' equity			
Share capital	15,968	15,968	15,968
Retained earnings	165,742	174,993	165,359
Property revaluation reserve	115,412	113,831	115,586
Foreign exchange cash flow hedge reserve	455	(1,659)	(470)
Total shareholders' equity	297,577	303,133	296,443
Non-controlling interest	5,555	5,474	5,118
Total equity	303,132	308,607	301,561
Current liabilities			
Borrowings	69,448	34,123	62,665
At-call deposits	27,855	29,444	29,325
Trade & other payables	60,931	85,637	55,581
Vehicle floorplan finance	92,657	81,136	100,032
Lease liabilities	2,030	2,082	2,070
Other	1,146	3,482	2,506
Total current liabilities	254,067	235,904	252,179
Non-current liabilities			
Lease liabilities	19,763	20,745	19,777
Other	19,623	60,203	25,022
Total non-current liabilities	39,386	80,948	44,799
Total equity and liabilities	596,585	625,459	598,539
Current assets			
Cash & bank accounts	8,261	12,779	11,473
Trade & other receivables	55,490	55,998	57,031
Inventory	251,080	269,880	250,129
Other	1,003	430	431
Total current assets	315,834	339,087	319,064
Non-current assets			
Property, plant & equipment	259,186	253,472	257,703
Right of use asset	19,660	20,778	19,789
Other	1,905	12,122	1,983
Total non-current assets	280,751	286,372	279,475
Total assets	596,585	625,459	598,539

Consolidated Statement of Cash Flows For the six months ended 31 December 2024	6 Months to 31 December 2024 \$'000 Unaudited	6 Months to 31 December 2023 \$'000 Unaudited	12 Months to 30 June 2024 \$'000 Audited
Operating cash flows			
Inflows	509,373	486,335	1,003,228
Outflows	(489,782)	(534,729)	(1,044,209)
Net operating cash flows	19,591	(48,394)	(40,981)
Investing cash flows			
Inflows	-	838	1,273
Outflows	(8,290)	(8,227)	(17,391)
Net investing cash flows	(8,290)	(7,389)	(16,118)
Financing cash flows			
Inflows	-	74,324	84,029
Outflows	(14,513)	(15,616)	(25,311)
Net financing cash flows	(14,513)	58,708	58,718
Net change in cash held	(3,212)	2,925	1,619
Cash at beginning of period	11,473	9,854	9,854
Cash at end of period	8,261	12,779	11,473

Segment Information For the six months ended 31 December 2024	2024 Unaudited			2023 Unaudited		
	Operating Segment \$'000	Corporate \$'000	Total Group \$'000	Operating Segment \$'000	Corporate \$'000	Total Group \$'000
Revenue from customers	507,429	458	507,887	494,484	389	494,873
Trading profit before tax	10,481	773	11,254	13,342	603	13,945
Total assets	346,294	250,291	596,585	382,275	243,184	625,459

These summary consolidated financial statements have not been audited. They have been prepared using accounting policies that are consistent with the most recent annual financial statements and comply with NZ IAS 34, Interim Financial Reporting.

The financial statements were authorised for issue by the Directors on 19 February 2025.

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Dunedin City Motors Remodel



The stand alone Mazda premises have been refurbished to reflect the latest brand look and feel. At the same time a parts warehouse was built so that the dealership is better able to meet the needs of its customers in the region.



Fagan Motors Rebuild

A new showroom has been built at Fagan Motors in Masterton. The new build includes the latest brand standards for both Ford and Mazda and provides the dealership with a showroom that better meets branding requirements.



Rangiora Development Property



After an extensive search, a purpose built workshop facility was purchased for Avon City Motors in Rangiora, Canterbury. This replaces an existing lease facility and provides the Rangiora branch with the opportunity to significantly expand their workshop and parts capacity. This also locates the branch closer to key fleet customers. Planning is underway to rebrand the building, create showroom space and a strong used car presence.

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Escape with Ford's new lineup

Although new vehicle registrations were well down year on year, there was good news in 2024. The Ford Ranger was once again the best selling vehicle overall in New Zealand for the 10th year in a row. Ongoing improvements have kept the Ranger ahead of the competition and the addition of a plug in hybrid model in the future will only enhance the appeal of the brand.



2024 saw the arrival in New Zealand of the next generation Mustang. Continuing the 'Pony' legacy the coupe comes as the V8 GT or the range topping Dark Horse. Demand has been strong among loyal customers and most of the initial allocation has been accounted for. Pictured below, the RTR 'Ready to Rock' modified variant.



Above, the redesigned Escape arrived in 2024, with a new exterior and available in full and plug in hybrid power trains.



Avon City Ford



Dunedin City Motors



Team Hutchinson Ford

The Ford Guest Experience (FGE) is an initiative by Ford that redefines customer service standards. Dealerships earning the FGE Accreditation have passed rigorous assessments, proving their commitment to trust, transparency and integrity. This prestigious recognition, as shown in the accompanying photos of some of the accredited dealerships, highlights their dedication to exceptional customer service.

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Mazda CX-80 SUV

Mazda's range of SUV's has been extended with the arrival of the CX80. This 3 row SUV is available with mild or plug in hybrid engines and offers customers an option that sits between the five seat CX60 and the larger CX90.



JAC Motors



The electric N55 light duty truck is now joined by a diesel version powered by a Cummins engine. Customers can expect a first class experience across New Zealand supported by Southpac's service network.

The JAC T9 ute has been undergoing extensive trials for the New Zealand market and is now available through select dealerships.



Agricentre South

New Holland is introducing a construction range through selected dealers in New Zealand. Pictured is technician Jack Millar completing the final inspection on a New Holland W170D Wheel Loader before it heads out on demonstration.



Above, a new Case IH Puma 225 CVT (L) being delivered in Central Otago, joining forces with the Case IH Magnum 310.

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Southpac Trucks

Southpac Trucks supported the Bombay truck show, a charitable event managed by industry volunteers. Showcasing new technology the show also acknowledged Kenworth's place in New Zealand's transport history with a display of restored trucks.



Old technology meets new. Dynes Transports displayed their hydrogen fuelled DAF at the Bombay truck show alongside classic restored trucks.



Southpac Rotorua team (Pictured Left) restored this 1974 Kenworth back to its original condition.



Laurent Contractors, formally a small one-truck family business founded in 2014, has grown into a formidable fleet of 10 trucks servicing the rural Matamata district. Key milestones include acquiring their first new DAF XF in 2018 and flagship Kenworth K200 9-axle stock unit. Their success is driven by hard work, strategic investments and strong partnerships, including with Southpac's truck salesman, Adam McIntosh. The accompanying photo of Vaughan and Dani Laurent, along with their impressive lineup of trucks, beautifully illustrates Laurent Contractors' growth and dedication.



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Qualifications and Congratulations



(L-R), Greg Jacobs, Matt Lamb, Richie Gibbons, DJ Pompallier with the prestigious DAF Parts Dealer of the Year Award for 2024. Awarded to Southpac Trucks for achieving exceptional growth in the parts business and outstanding rates for customer satisfaction.



Once a year the Agricentre team from Otago and Southland get together for an annual awards evening where staff catch up with their colleagues from other branches and are also recognised for their outstanding contribution to our business. This year Agricentre celebrated 10 years as a combined New Holland and CaseIH tractor operation.

Richard Clapperton (L) and Brendan Newland (R) were recognised for their 25 year contribution and passion for the CaseIH brand.



Service technician Dean Grant (R) from Agricentre Lorneville receiving his level 4 Plant and Equipment qualification from Keri Youngmen of MITO New Zealand.



Automotive Refinisher, Kaleb Cahill (L) at Avon City Ford, completed his Level 4 New Zealand Certificate in Automotive Refinishing. Pictured with CEO John Luxton (R).



Phoenix Weiss (L) from MS Motors achieved her Level 5 NZ Certificate in Electric Vehicle Automotive Engineering. Pictured with Service Manager Kane Squire (R).

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Honouring a Legacy: The 25-Year Gold Watch Award



(Left-Right) **Bruce Cullen**, Botany Service Manager, **Arvind Lala**, Trade Parts Warehouse Manager, **Suresh Kumar**, Parts Interpreter and **Grant Berry**, Technician, from South Auckland Motors, receive their gold watch from CEO, Michael Tappenden (Centre).

We are honoured to also recognise four other individuals who have shown outstanding dedication to the group. **Mike Tribe** 25 years, **Nick Mundy** 35 years, **Kerry Nolan** 40 years and **Wayne Ewing** 50 years.

David Wills

CEO - Ruahine Motors

In 2024 we said goodbye to David Wills, CEO of Ruahine Motors. David retired in December after leading the dealership and we wish him well. David, Right, celebrates his new chapter and 13 years of leadership with Team Ruahine. Below David, and his wife Susie, receive a retirement gift from the Board and CEO of CMC.



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Walter Ramsay (L), Groomer at Avon City Motors, receives his award from John Luxton, CEO.



Peter Calvert (L), Supervisor in the Avon City Motors Panel & Paint shop receives recognition for his 25 years service from John Luxton, CEO.

Rob Bain

CEO - Dunedin City Motors

After 40 years of service to the Group we say farewell to Rob Bain. Rob started with the Group in 1984 and went on to become the CEO of Dunedin City Motors. We wish him a long and happy retirement. Rob is pictured here with Alex Gibbons, Group CEO (L) and Ashley Waugh, Chair (R).



The Company is able to send shareholders e-mail notifications of the announcement and release of its half year (in February) and full year results (in August) and of the Annual Report (in September). If you are not already receiving these e-mail notifications then to register for this service you can send an e-mail to our Share Registry at ecomms@computershare.co.nz from the e-mail account you wish to receive the notifications to, with "Email Notifications" in the subject line. You will need to record the full name your shares are held in and the relevant CSN/shareholder number. You can find that number on your dividend statement or Securities Transaction Statement.



The Colonial Motor Company Limited

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