

# Wide Audience Investor Presentation WeBuyCars February 2024

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The logo for WeBuyCars, featuring the text "we buy cars" in white and orange, enclosed in an orange rounded rectangle.

we  
buy  
cars



# Overview of WeBuyCars Presenters

## Introduction



**FAAN VAN DER WALT**  
*Chief Executive Officer*



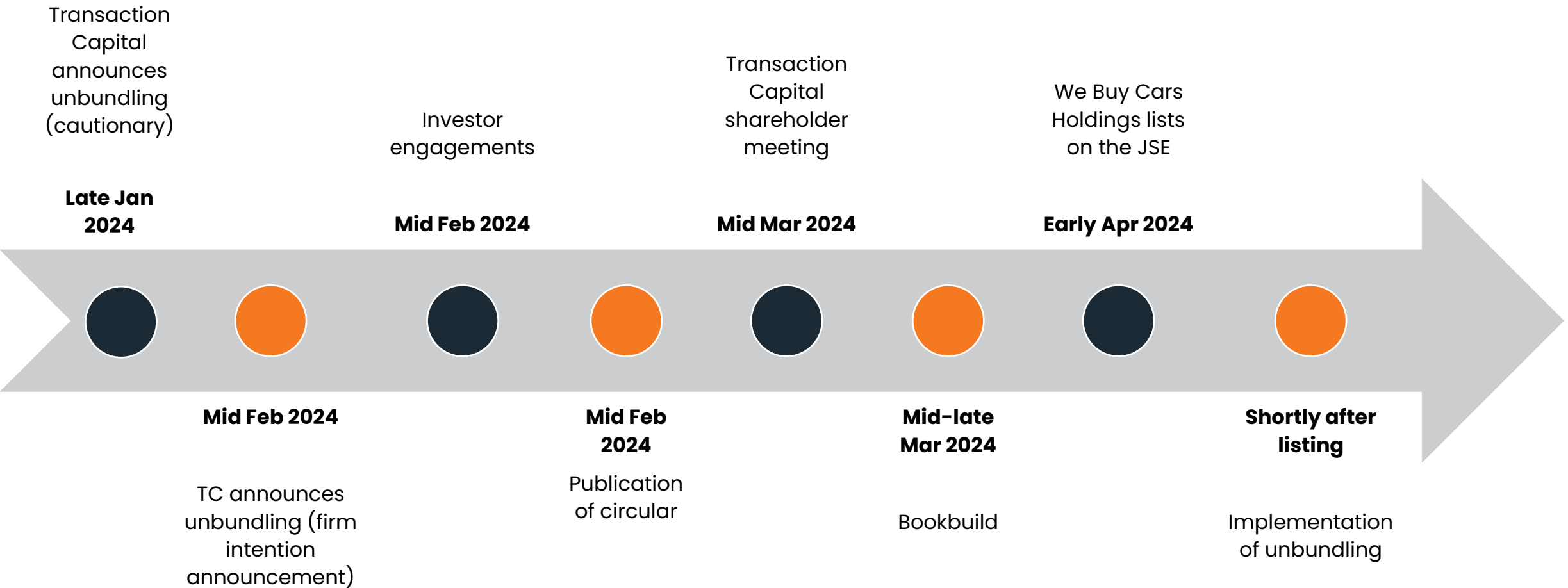
**CHRIS REIN**  
*Chief Financial Officer*



**WYNAND BEUKES**  
*Chief Digital Officer*

# Anticipated WeBuyCars Transaction Timeline

The proposed transaction including the listing will be concluded by early April 2024





# The WeBuyCars Story

From a family-owned business, WeBuyCars has grown into SA's leading pre-owned vehicle trader

**2001**

- WeBuyCars founded by the van der Walt brothers.

2001



2010

**2010**

- 1<sup>st</sup> supermarket built in Pretoria – capacity 100 vehicles.

**2011**

- Capacity expanded – 700 vehicles.

2011

**2014**

- Expanding nationally and appointing first buyers in all major towns in South Africa.

2014

**2016 – 2018**

- Launch of supermarkets in Cape Town, Durban and Midstream.
- Buying pods established at selected retail malls.
- Expanded product offering in collaboration with finance & insurance providers.

2016



2019

**2019**

- Opening of new supermarkets in Durban (2<sup>nd</sup>) and Port Elizabeth.
- Silver Lakes relocated to larger premises.
- New mega supermarket in Cape Town.
- Artificial intelligence developed | IP to automate optimal vehicle pricing.
- Expanded offering to include tracking services.

2020

**2020**

- Public e-commerce auctions launched 'B2C'<sup>1</sup> & 'B2B'<sup>2</sup>.
- Transaction Capital ("TC") acquires a non-controlling 49.9% stake in WeBuyCars.
- Buying and selling over 6k vehicles per month.

2021

**2021**

- TC increases its effective shareholding in WeBuyCars to 74.9%.
- Purchase of the Dome in Johannesburg expanding its footprint and becoming one of the biggest pre-owned vehicle supermarkets globally.

2023

**2022 & 2023**

- Consistently buying and selling over 12k vehicles per month.
- Large-scale physical expansion.

2024

**2024**

- 14k vehicles sold in January.
- Intention to Unbundle and List WeBuyCars Holdings on the Main Board of the JSE.

Notes:

1. Business to Consumer

2. Business to Business

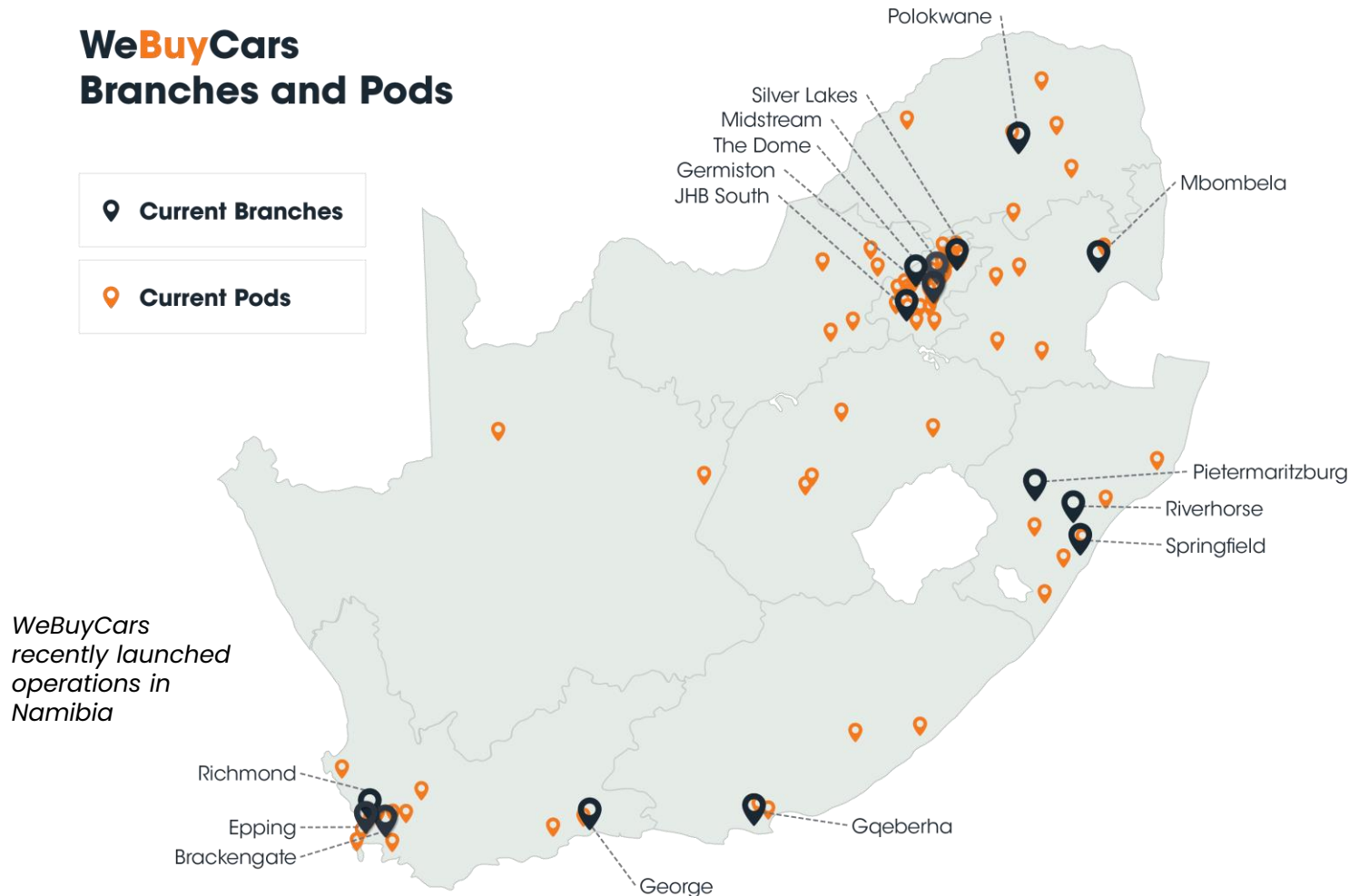
# WeBuyCars Today

WeBuyCars spans South Africa with a robust multi-channel strategy, connecting seamlessly with a diverse customer base

## WeBuyCars Branches and Pods

📍 Current Branches

📍 Current Pods



2,817 employees



c. 10%-12% market share and growing



23 years of buying and selling vehicles



345 buyers nationally



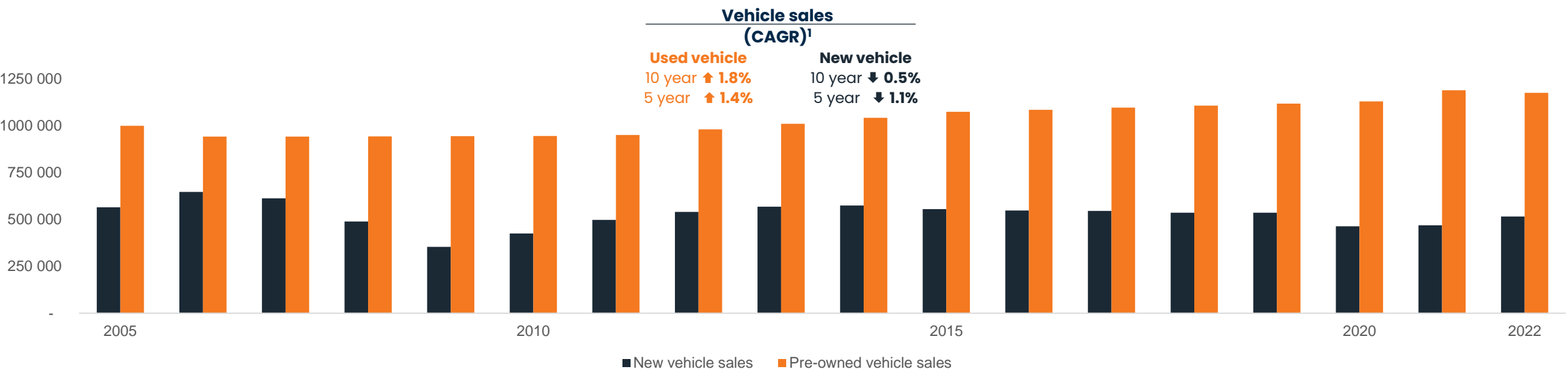
15 supermarkets and 74 buying pods countrywide



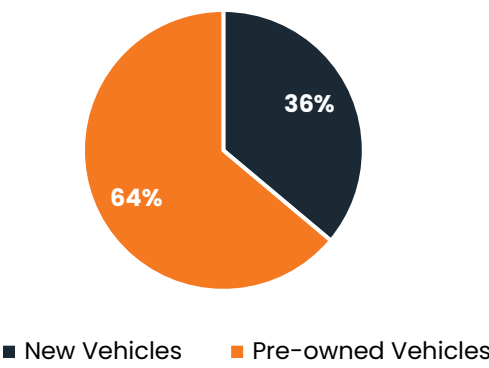
In excess of 13.5k vehicles bought and sold per month

# WeBuyCars Market Positioning

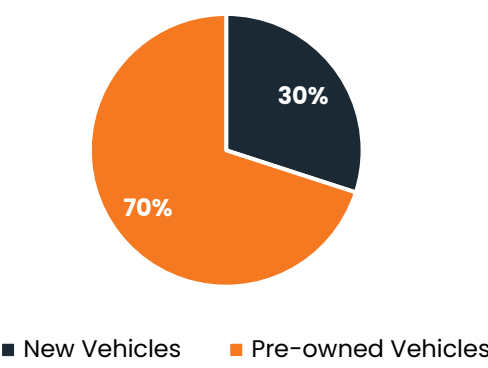
SA's vehicle parc<sup>2</sup> is growing despite reduction in new vehicle sales



2005 Estimated Market Distribution



2022 Estimated Market Distribution



Notes: 1. Compound annual growth rate  
Notes 2: eNatis: PARC data consists of passenger & light commercial vehicles  
Sources: 1. Internal estimation using eNatis & Lightstone data (double counting eliminated)

# WeBuyCars Market Positioning (continued)

## Select Listed Players

### USA



#### Peers

*No comparable listed equivalent in the South African market.*

*No competitors buy and sell pre-owned vehicles at WeBuyCars' scale.*

### South Africa



*Motus and CMH are not seen as directly comparable to WeBuyCars as they offer different products and services outside of sales of pre-owned vehicles. This includes new vehicles as well as rentals etc.*

#### Reliance

*No reliance on individual OEMs, vehicle brands or customers.*

*Agnostic to imports or foreign currency volatility.*

### Europe



#### Leveraging

*Operating leverage through the combination of the in-house artificial intelligence platform and ownership of supermarket properties.*

**Unique business model with no single directly comparable competitor**

# WeBuyCars Growth Strategy

WeBuyCars has many levers and opportunities for continued organic growth and is the market leader in pre-owned vehicles

Market Share target of c. 23% by FY28, currently at c. 10% - 12%  
(FY28: 22k vehicles sold per month)

## Drive Current Offering



Further in-house IT infrastructure and machine learning development to support current offering.

Increase economies of scale in B2C while maintaining B2B sales.

Continue to harness data and drive E-commerce offering.

Future - AutoBuy, Wefin, 3<sup>rd</sup> party sales.

## Expand Product Offering



Grow current F&I<sup>1</sup> sales and take advantage of new ancillary product opportunities.

Repeat sales to customers and new sales channels under consideration.

Drive operational efficiencies to increase operating leverage.

## Physical Expansion



Continue to expand physical footprint through the planned expansion of an additional 2,000+ bays between FY25-FY26.

Expanding selling to regions in South Africa not yet penetrated.



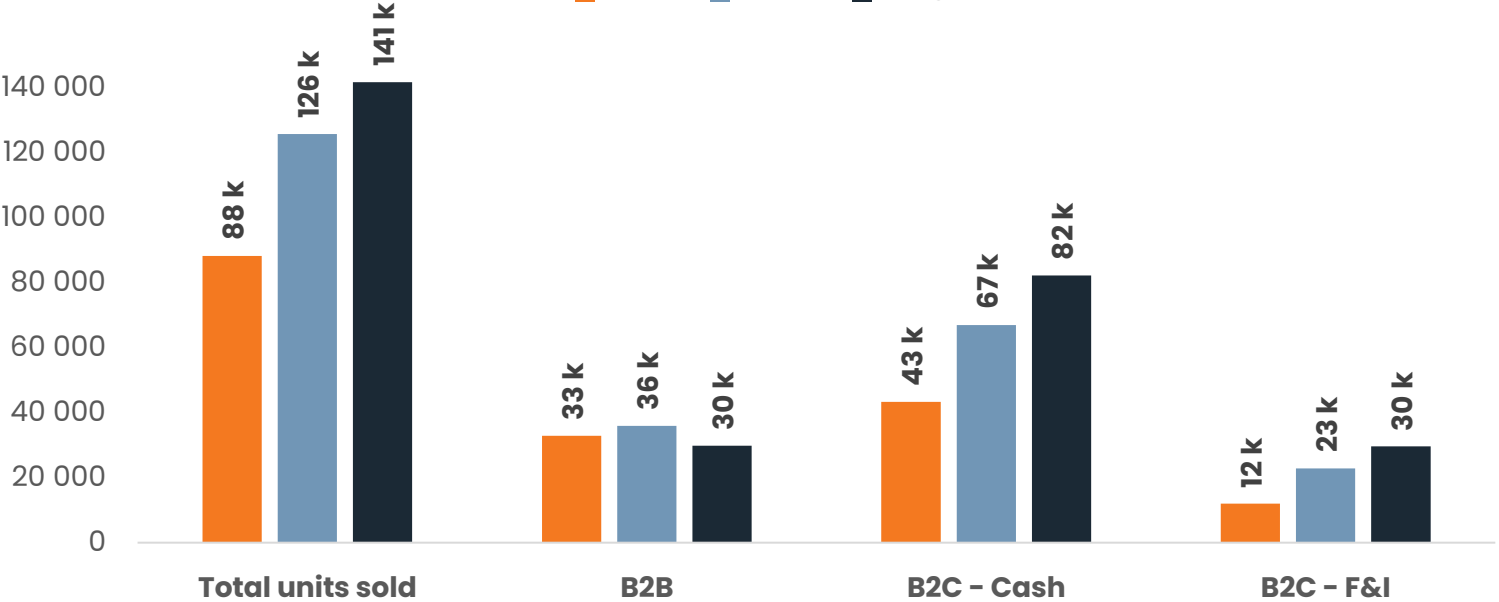


# WeBuyCars Growth Strategy (continued)

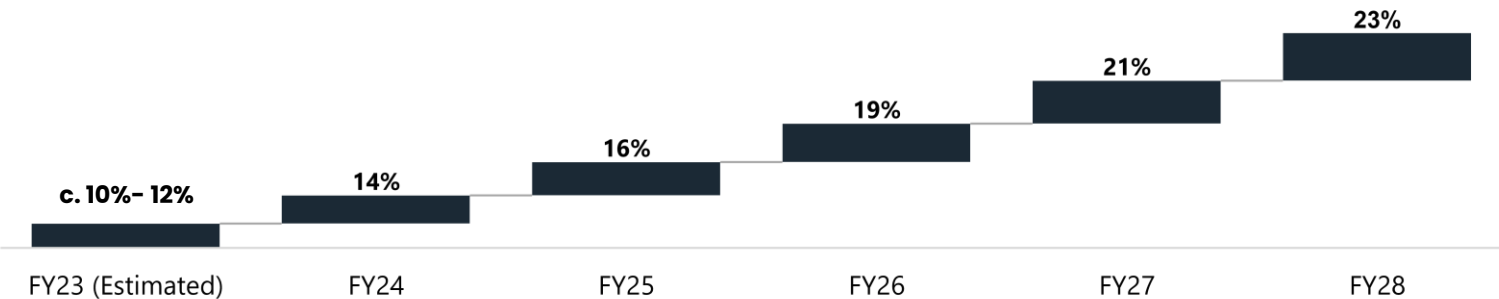
Consistent trend of channel distribution and market share growth

Channel Distribution

FY21A FY22A FY23



Anticipated Market Share



Sales to dealerships (c. 20-25% of current sales) typically increases liquidity and together with the ability to leverage customer sales creates a strategic advantage.

Financed sales (c. 20% of current sales) unlocks second gross and ancillary product opportunities.

Introduce new F&I products

Grow F&I sales volumes (Higher Margin)

Leverage B2B sales

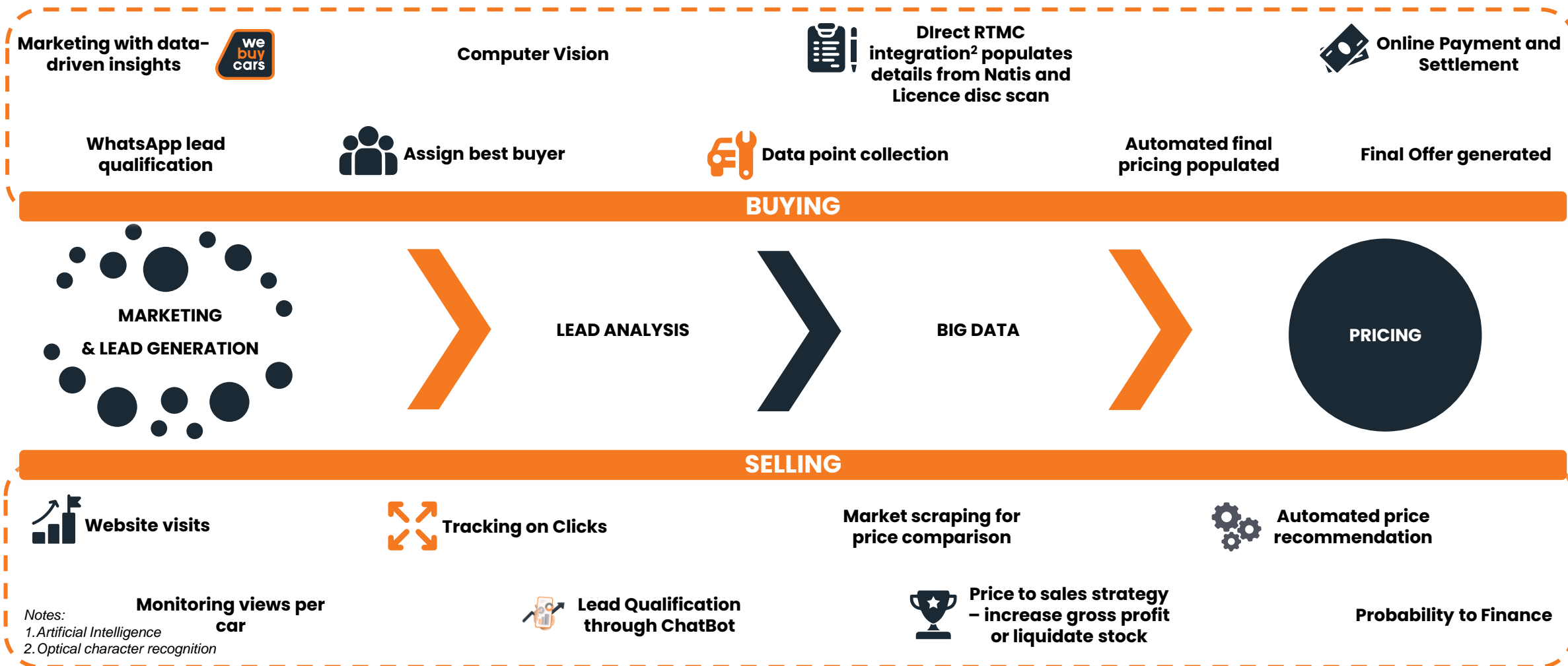
Utilise the established brand to enhance footprint

Notes:  
1.FY23 represents actual 12 months ended September as audited. FY21A-FY22A have been reconstructed to illustrate comparable 12 month periods.

# WeBuyCars – Power of digital real-estate

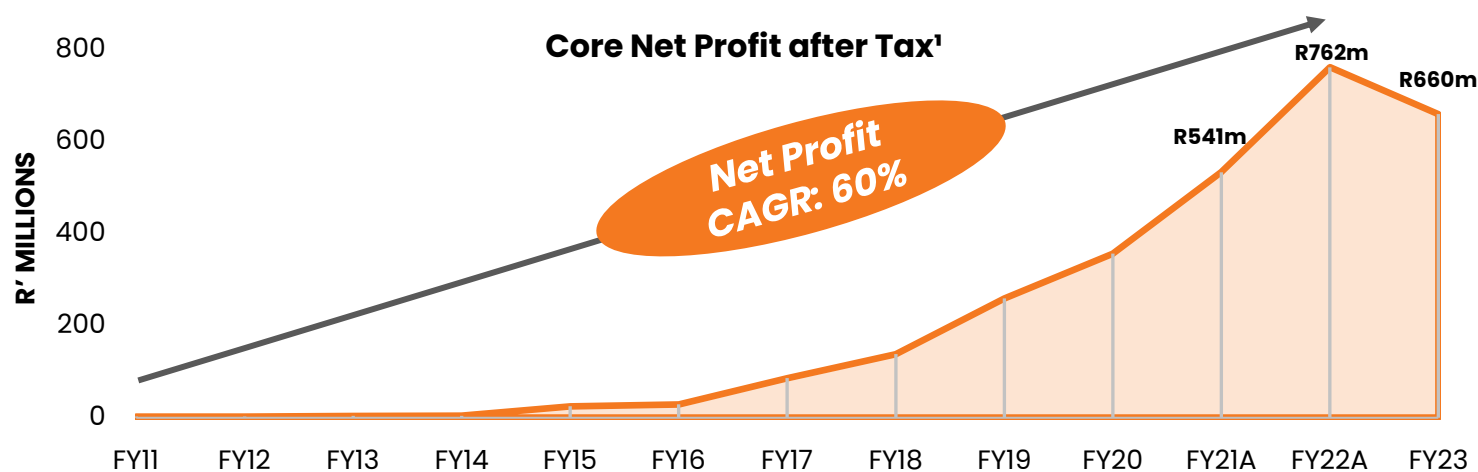
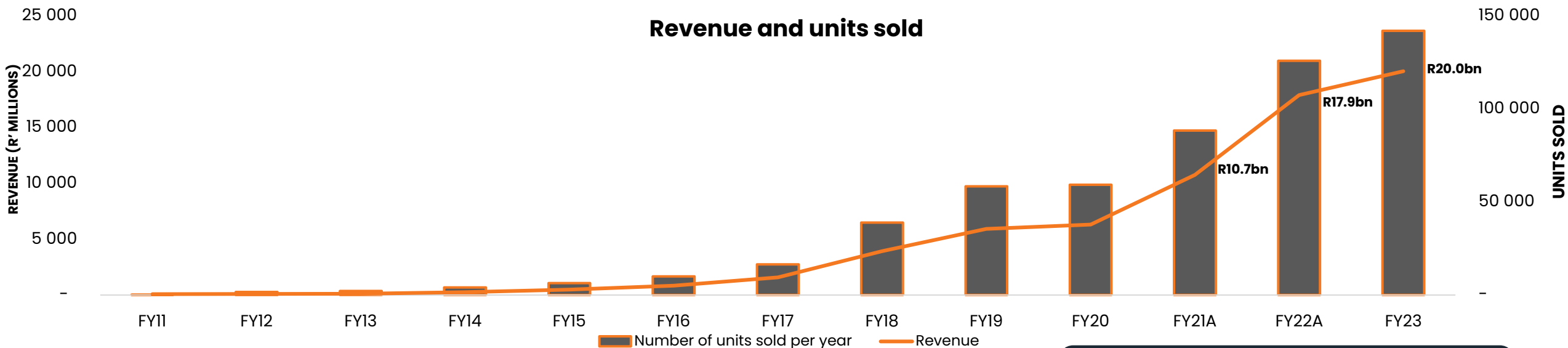
Digital business platform enables economies of scale – scalability of IT-infrastructure is infinite.

Automation, experimentation & optimization developed in-house using latest technologies in computer vision, deep learning, large language models, machine learning and AI<sup>1</sup>.



# Growth of WeBuyCars: 2010 to 2023

WeBuyCars has grown market share and profits exponentially



Notes:

1. The above graph represents the core net profit after tax attributable to continuing operations (excludes non-core and non-recurring items)
2. Net profit after tax before non-operating adjustments

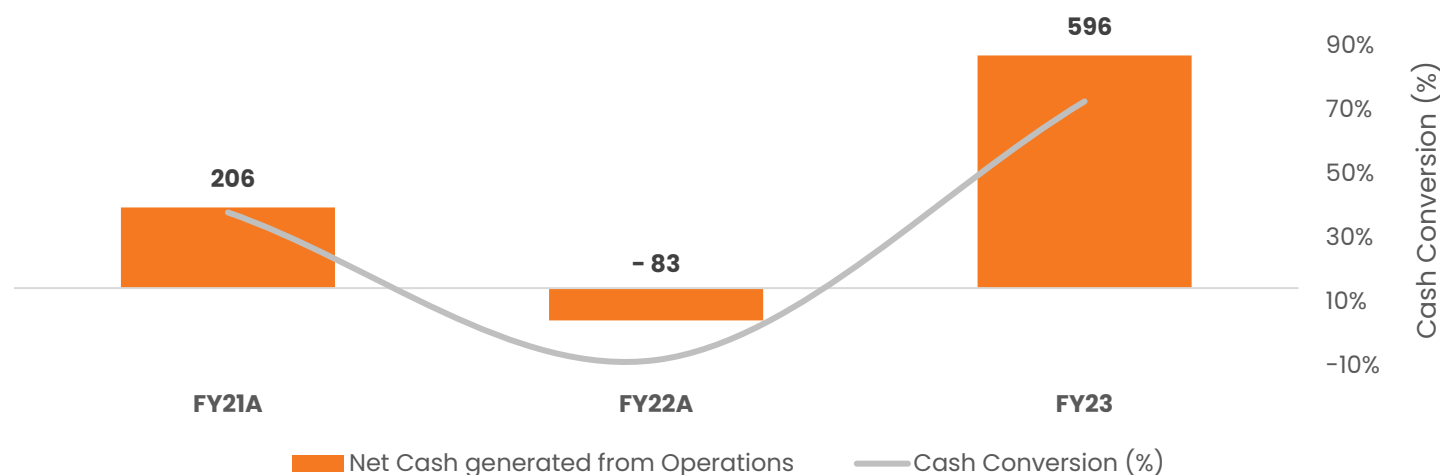
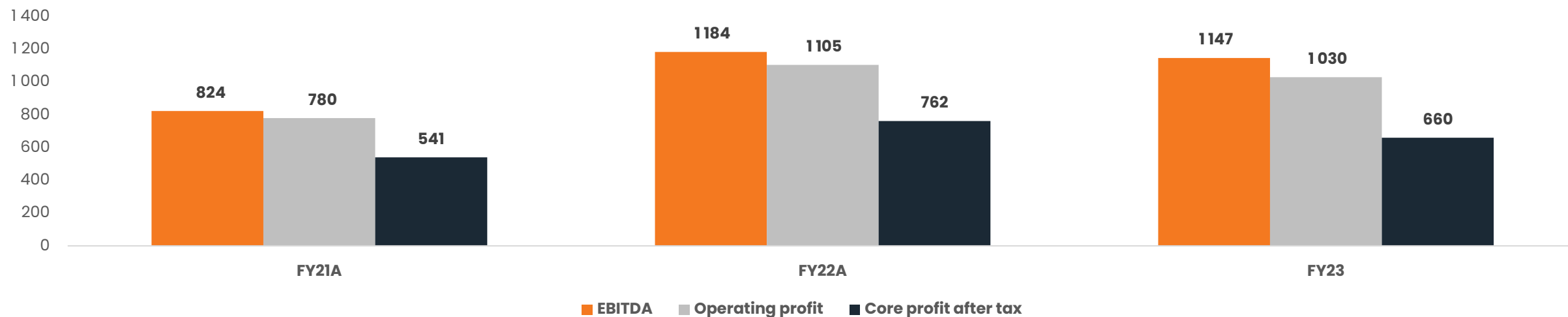
- 2011**
- Revenue of c. R68 million;
  - Profit of c. R2.5 million.
- 2013**
- 2 000+ vehicles sold;
  - Revenue exceeds R110 million.
- 2019**
- 4 new supermarkets;
  - Technology platform successfully developed and rolled out.
- 2022**
- 6 new supermarkets;
  - NPAT<sup>2</sup> of c. R762 million.

Notes:

1. FY23 represents actual 12 months ended September as audited. FY21A-FY22A have been reconstructed to illustrate comparable 12 month periods.

# WeBuyCars Income Statement and Cash Generation

## Operating performance and cash flow conversion



**Major working capital** required in FY22A due to the opening of 6 new supermarkets

Investments in FY21A and FY22A **significantly increased cash generation from operations** in FY23

### Notes:

1. All figures in R' Millions unless otherwise stated

2. Cash Conversion is calculated as Net Cash generated from Operations divided by Core Net Profit after Tax

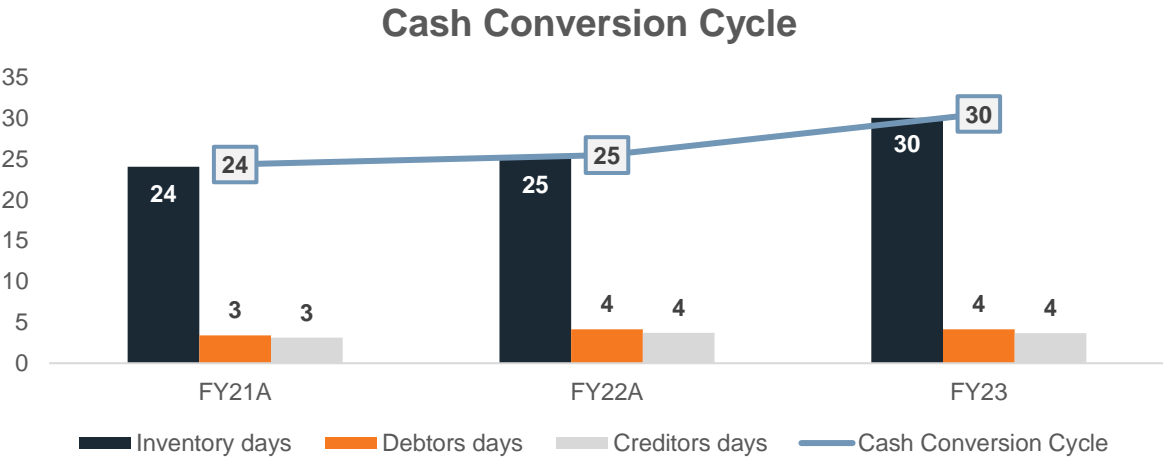
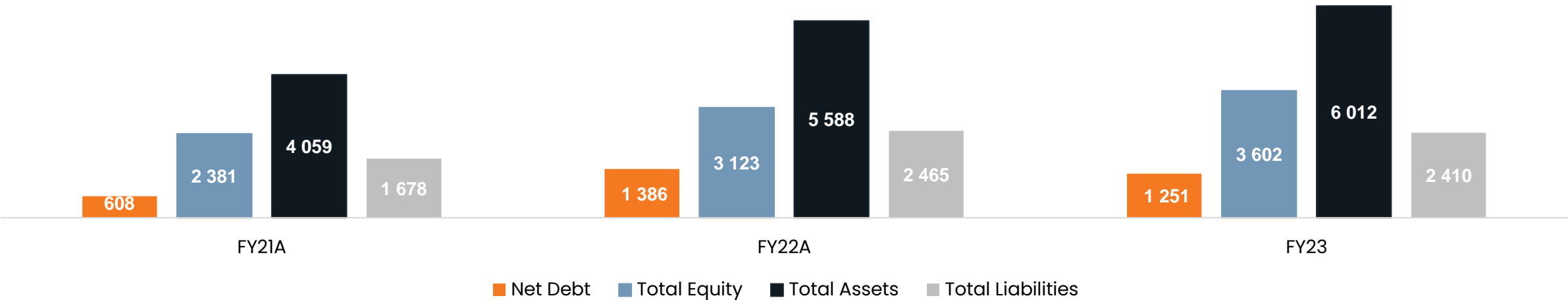
### Notes:

1. FY23 represents actual 12 months ended September as audited. FY21A-FY22A have been reconstructed to illustrate comparable 12 month periods.



# WeBuyCars Robust Balance Sheet

WeBuyCars has maintained a strong balance sheet with enhanced cash conversion in FY2023A



**Low LTV<sup>2</sup>** with property gearing at c.70% loan to cost and other assets at c.20% LTV

**Debtors and creditors days remain low** as the business model of buying and selling vehicles is predominantly cash

**Assets have consistently grown** while maintaining healthy gearing levels

Notes:  
1. All figures in R' Millions unless otherwise stated  
2. Loan to value

Notes:  
3. FY23A represents actual 12 months ended September as audited. FY21A-FY22A have been reconstructed to illustrate comparable 12 month periods

# WeBuyCars Summary – Vision and Ambition

Our ambition is to double market share from c. 10% – 12% currently to c. 23% by FY28



**Well positioned to benefit from pre-owned vehicle trends in the motor industry**



**Established relationships and brand with SA consumers to enable growth initiatives**



**Continue to leverage off a strong brand, management team, people and technology**



**Maintain a technology driven competitive advantage as a differentiating factor**



**Well capitalized business and highly cash generative model enabling flexibility and first mover advantage for growth opportunities**



**Consistent returns to shareholders via dividends and capital growth**



# You are invited to a site visit at The Dome

The Dome is the largest vehicle supermarket in Africa, housing 1500 bays



**When:** Thursday, 22 February 2024  
(11am – 12pm)

**Where:** WeBuyCars Dome, Northumberland Rd and, Olievenhout Ave, North Riding, Randburg, 2161

Please confirm attendance at [info@webuycars.co.za](mailto:info@webuycars.co.za)



# Q&A

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**we  
buy  
cars**







# Annexures to the presentation

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# WeBuyCars – Investment case Summary

WeBuyCars has disrupted the pre-owned vehicle market by creating a household brand while utilising cutting-edge technology



## Investment Case

- Reputable, trusted, household **brand** in the South African market.
- Continued **growth** in revenue and bottom-line, with room to grow market share, operating at a **scale** where we have limited competitors.
- Comprehensive, efficient, and seamless **offering** of buying and selling of vehicles through physical and online sales channels.
- Longstanding **relationships** with motor dealers, insurers, major vehicle finance houses and tracking companies.
- **No gatekeepers or reliance** on individual OEMs<sup>1</sup>, vehicle brands or customers.

# WeBuyCars – Technology Summary

WeBuyCars has disrupted the pre-owned vehicle market by creating a household brand while utilising cutting-edge technology



## Technology Driven

- 20+ years of proprietary data enabling a **data driven business**.
- Purpose built, in-house developed digital business platform, enabling **real-time responses** to market changes with automated decision making.
- **AI driven** pricing strategies on buying and selling, to maximise margin and stock turn.
- One **integrated e-commerce solution** creating liquidity avenues for private and dealer sales.
- A **data centric approach** ensures that WeBuyCars remains at the forefront of the industry.

# WeBuyCars – Growth Summary

WeBuyCars has disrupted the pre-owned vehicle market by creating a household brand while utilising cutting-edge technology



## Growth Strategy

- Double **market share** from c. 10% – 12% to c. 23% by FY28.
- Increase the **physical footprint** across South Africa whilst targeting strategic opportunities for growth.
- Further investments in **technology** to optimise profitability and decision-making.
- Increase **operating leverage** by generating more revenue per transaction through enhanced and additional product offerings.
- Additional **sales channels** under investigation.



# WeBuyCars – Financial Summary

WeBuyCars has disrupted the pre-owned vehicle market by creating a household brand while utilising cutting-edge technology

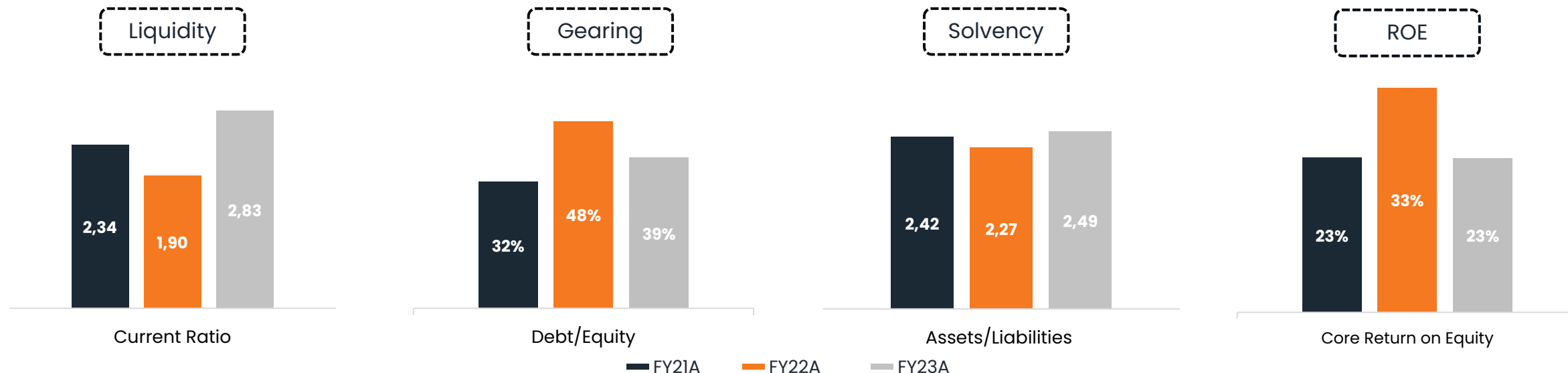


## Robust Financials

- Sustained **revenue** and **net profit growth** driven by sales volumes and economies of scale.
- High correlation between net profit and **cash generated** from operations.
- Strong balance sheet position with **low gearing, high liquidity** and **solvency** levels.
- Ability to **optimise the sales mix** through either driving B2B sales for rapid cash generation or B2C sales for higher profit margins.

# WeBuyCars Robust Balance Sheet

WeBuyCars balance sheet exhibits high liquidity, solvency and low gearing levels



**Liquid balance sheet** that allows short term debt to be settled as required

**Low gearing levels** allowing opportunities for growth to be explored at short notice

**High solvency levels** ensuring cost of debt is competitive, resulting in interest savings

**Profitability expected to increase** as macroeconomic environment improves, enhancing balance sheet strength

**ROE has remained high**, with WeBuyCars well positioned to capitalise on investments made in prior years.

**WeBuyCars is well capitalized** to enable growth initiatives to be pursued, enhancing returns for shareholders

Notes:

1. FY2021A – FY2023A represents actual and reconstructed 12-month periods ended September to align with the current year end

# WeBuyCars Experienced, entrepreneurial management team

Wider Management team that has the relevant experience and contribute to the entrepreneurial excellence

**FAAN VAN DER WALT (49)**  
Chief Executive Officer



- National Diploma in Higher Education (University of Pretoria)
- Co-founder of WeBuyCars in 2001
- 24+ years experience within auto industry
- Significant minority shareholder in WeBuyCars

**CHRIS REIN (53)**  
Chief Financial Officer



- B.Com Accounting (Hons)
- Chartered Accountant (SA)
- Appointed June 2017
- Various senior positions at McCarthy Limited over an 8-year period
- Extensive experience as subsidiary CFO to major listed companies
- Over 15+ years in automotive industry

**Dr. WYNAND BEUKES (46)**  
Chief Digital Officer



- B.Com Informatica, Masters in IT, PHD
- Appointed February 2018
- 20+ years of Information Technology experience with senior positions at BCX & Telkom

**DIRK VAN DER WALT (52)**  
Executive Director



- Co-founder of We Buy Cars in 2001
- Shareholder in We Buy Cars
- B.Com Marketing & Communication (University of Pretoria)

**JOHN MILLS (49)**  
Operations Director



- National Diploma in Higher Education
- Appointed May 2012
- 15+ years experience in the automotive industry as COO at WeBuyCars

**RIKUS BLOMERUS (33)**  
Chief Marketing/HR Officer



- B.Com Industrial Psychology & Labour Relations Management, B.Com Labour Relations (Hons), MBA
- Appointed December 2017
- Heads up both Marketing and Human Resources

**BERNADETTE COHN (34)**  
Group Financial Manager



- B.Accounting (Hons)
- Chartered Accountant (SA)
- Appointed March 2022
- Previously Waco International Pty (Ltd) as Group Financial Manager
- 10+ years post article experience

**JANSON PONTING (48)**  
Sales Director



- B.Com Accounting (Hons), MBA
- Chartered Accountant (SA)
- Appointed June 2019
- 18+ years experience in the automotive industry with senior positions at Imperial Group

**RICHARD WEBBER (33)**  
General Manager – Buying



- B.Com Financial Accounting, B.Com Financial Accounting (Hons), Diploma in Advanced Project Management, MBA
- Appointed January 2018

**WILLEM KLOPPER (38)**  
Chief Strategy Officer



- MSc Management Research (Oxon), B.Com Accounting (Hons)
- Chartered Accountant (SA)
- Appointed February 2022
- 11+ years experience in investments and capital allocation

**SEAN SEVELL (50)**  
Head of Admin and Risk



- Bachelor of Administration Degree
- Appointed September 2021
- Previously acting Deputy Director of vehicle fitness – Gauteng province and various other senior positions within the Gauteng Department of Transport

**CHRISTIAAN STEYN (38)**  
Head of Product



- Fellow of the Institute of Actuaries (UK) B.SC Actuarial Science
- Appointed June 2022
- Previously Head of MiWay Blink at MiWay Insurance PTY (Ltd)
- 15 + years Short Term insurance experience.

# WeBuyCars Economic, Social, Environmental and Governance<sup>1</sup>

**Societal purpose: To accelerate sustainable mobility through innovation, simplicity, and trust.**



## Governance

- WeBuyCars is a well-known and trusted brand in an industry where historically trust has been lacking.
- WeBuyCars is committed to transparency and reliability:
  - All sales go through the FIC<sup>2</sup> process; and
  - All cars come with an independent roadworthiness evaluation.
- The formalisation that WeBuyCars brings to the market ensures that all funds flow through the formal banking environment.
- Insurance and value-added products protect WeBuyCars' customers.



## Promoting climate resilience

- Solar PV installed at 9 of the 15 supermarkets with 18% of our electricity consumptions supplied by our onsite solar plants.
- WeBuyCars installed water flow meters on our rainwater harvesting tanks, enabling us to measure our alternative water sources – 10 045 kL of rainwater usage measured from our tanks, accounting for 21% of total water consumption.
- WeBuyCars operates within the reuse aspect of the circular economy by extending the lifespan of vehicles in South Africa. By providing customers the option of purchasing pre-owned vehicles, we actively reduce the demand for new vehicles and minimise the associated carbon footprint.



## Hiring inclusively & Socio-economic development

- 265 jobs created in 2023 (FY22: 905).
- 243 youth jobs created (<25 years old) (FY22: 281).
- X-celerate programme was designed, which is mapped as a three-year learning journey across 3 different levels within the organisation.
- R6.9 million (FY22: R3.8 million) spent on socio economic development.

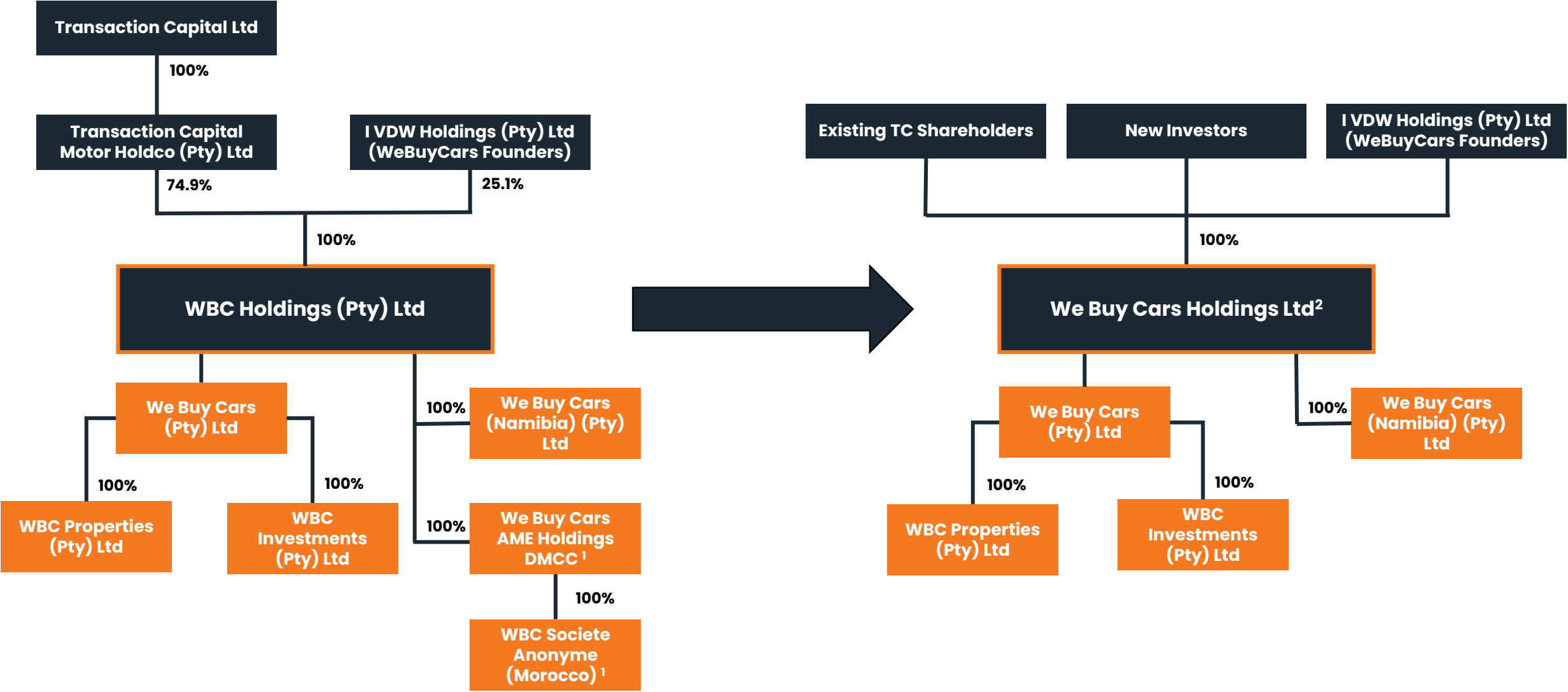
Note 1: Reported as at 30 September 2023.

Note 2: Financial Intelligence Centre



# WeBuyCars Simplified Structure – Pre and Post Listing

Existing TC shareholders will receive new shares in WeBuyCars (listed)



Notes: 1. In the process of being wound down and liquidated.

Notes: 2: Name to change upon listing.

# Contacts

## IMPORTANT NOTICE

Should you have any questions on the presentation, please contact **PSG Capital**:

**Terence Kretzmann:**

Email: [terencek@psgcapital.com](mailto:terencek@psgcapital.com)

Mobile: 081 831 2709

**Calvin Craig:**

Email: [calvinc@psgcapital.com](mailto:calvinc@psgcapital.com)

Mobile: 072 959 8198

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