

The Colonial Motor Company Limited

GUIDANCE UPDATE

The consistent theme of the Company's guidance throughout the current financial year has been the impact of uncertain market conditions due to a weakening economy. Despite trading conditions initially stabilising post the end of the Clean Car Discount scheme in December, the half year report highlighted our caution for the second half of the financial year.

Consumer confidence is anticipated to remain low over the short to medium term and interest rates penalise holding inventory. While the Company has strong brand partnerships, resilient operations and well-established customer relationships, the financial impacts of the current market conditions are unavoidable.

Ahead of the December half year result we advised the decrease in annual net profit before tax would be in the vicinity of 30%. The announced result proved to be 36% down for the half year. The expected downward trend continued, such that the combined economic and market effects on second half trading indicate the full year result will see a year-on-year decrease of closer to 40%.

That said, the Company remains in a resilient and profitable position, despite the economic outlook and challenging trading conditions. We are well placed to build on our strong foundation when conditions improve.

On behalf of the Board
The Colonial Motor Company Limited

A J Waugh
Chair

21 June 2024