



Media statement

Group salient features

Highlights

- Revenue up 24% to R2 072 million
- EBITDA up 23% to R783 million with EBITDA margin sustained at 38%
- Billed days (rental days) up 10% to approximately 1.3 million
- Fleet size up 7% to 42 231 units

Statement from the Group Chief Executive Officer: Ramasela Ganda

Today Zeda published a resounding trading update for the quarter ended 31 December 2022. “We delivered Group revenue growth of 24% and EBITDA growth of 23%, underpinned by ongoing solid execution of our key strategic priorities,” says Ramasela Ganda, Chief Executive Officer of Zeda Limited.

This is Zeda’s first quarter as a listed Group, and it has been able to drive the strategy to unlock value. The business was well-positioned to continue its integrated mobility strategy, capitalising on the recovering economic activity in both the car rental and leasing businesses.

“Towards the end of 2022, the supply of vehicles started to ease up, and long outstanding orders were delivered outside the cycle to our car rental operations. The increase in the rental fleet enabled us to cater for the larger market in both domestic and inbound travel, which yielded higher billed days at R1.3 million. This culminated in 34% growth in revenue for the rental business. However, the out of cycle deliveries impacted the average utilisation rate for the quarter of 70%,” explains Ganda.

The leasing business is stable, and continues to be a steady source of annuity income. Zeda’s key focus was on growing the corporate sector business, improving service and maintenance profits, and growing the uptake of value-added products.

Used vehicle sales performed well on a year-on-year comparison, with both retail and wholesale sales recording growth. Margins remained stable despite the supply of new vehicles easing up, due to disposal channels being geared to fetch optimum margin yields. Demand was maintained despite rising interest rates, inflation, and fuel hikes in the period under review.

“I am pleased that we grew our business in a profitable and efficient manner. The cost containment culture was evident with a sustained Group EBITDA margin of 38%. This was achieved despite increased



maintenance costs and additional corporate costs due to Zeda Limited being a standalone listed entity. In line with our strategic goal to optimise our balance sheet and generate cash, we recorded positive cash from operations in the quarter. To date, we have commenced repaying the outstanding debt to Barloworld. We will continue to execute on our strategy to unlock value for our shareholders,” concludes Ganda.

ENDS

About the Company

The Zeda was established in Bloemfontein in 1967 as Zeda Car Rental and Tours (Pty) Ltd. It has grown to become Africa’s largest and only integrated mobility solutions provider. It has operations in Africa, and its headquarters is in Johannesburg, South Africa. Zeda operates the widely recognised Avis and Budget global brands under a long-term license agreement with the Avis Budget Group (ABG).

Rent a car business operates under the brand name Avis Budget, focuses exclusively on rentals that do not exceed 12 months. The customer segment base is diversified and consists of private sector, public sector, insurance business (replacement), inbound market, domestic leisure market and subscription. This business provides a range of products and services to a wide range of customers which include car rental, chauffeur services, luxury and van rental.

Avis Fleet provides a full spectrum of outsourced mobility solutions to private and public sector entities including leasing, fleet management, maintenance and service plan solutions, fuel management, traffic fine management, accident management and vehicle telematics. The offering is across passenger, light delivery vehicles, and commercial vehicles up to extra heavy for all categories of fleet users, with a sub-Saharan Africa footprint. The holistic and modular offering allows customers to focus on their core operations, while Avis Fleet takes care of their mobility needs and ensures maximum up-time for their operations.

Avis Car Sales sells used cars from our rental and leasing businesses to retail customers and wholesalers. This is done through our Avis Car Sales dealerships, wholesale outlets, our online channel or through independent auction site www.avisauktion.co.za. Retail vehicles are advertised on the company’s online sales portal and other third-party websites. Wholesale stock is sold through our online auction trading platform or through bulk deal offerings direct to the market. Avis Car Sales accepts trade-ins and buy-ins, allowing for market competitiveness and an alternative car stock source.

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