



H1 2024 RESULTS

30 July 2024

Agenda

01

OVERVIEW:

Duncan Tait, Group CEO

02

H1 2024 FINANCIALS:

Adrian Lewis, Group CFO

03

STRATEGIC PROGRESS AND OUTLOOK:

Duncan Tait, Group CEO

01

OVERVIEW

DUNCAN TAIT

GROUP CEO



Continued operational and strategic delivery

Reflecting our diversified and scaled growth portfolio



Inchcape becomes pureplay Automotive Distributor

- Divestment of UK Retail business for £346m
- Significant strategic inflection point
- Expected to complete during Q3 2024
- Provides additional balance sheet capacity



Resilient performance, strong balance sheet

4% Organic revenue growth

£226m Adjusted PBT

£150m Share buyback, with accelerated timetable

0.7x Pro forma leverage

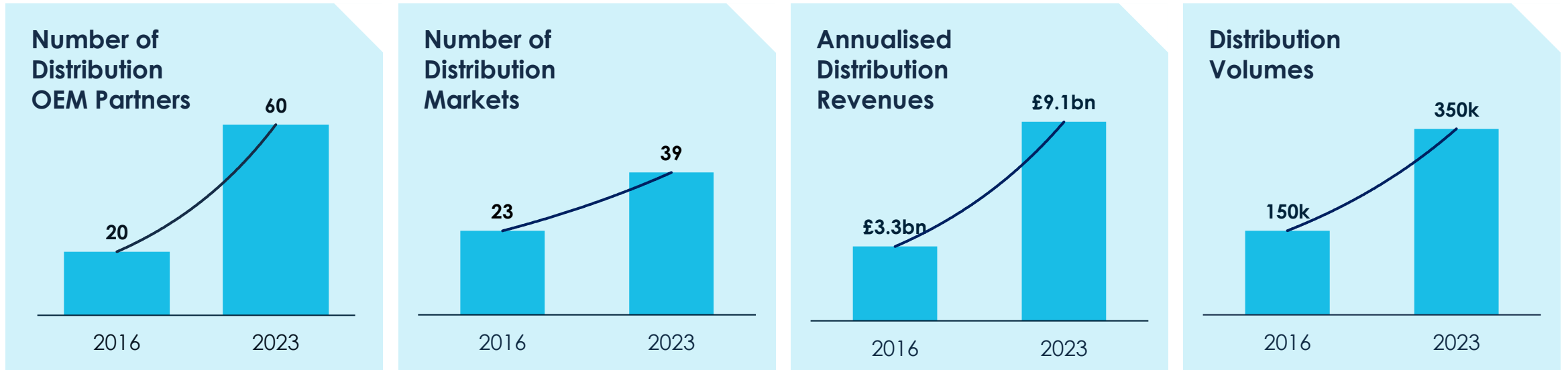


Inchcape remains well positioned for growth

- Maintaining our expectations for moderated growth, at constant currency, in FY 2024
- Higher levels of growth anticipated over the medium to long term, supported by contribution from contract wins and bolt-on acquisitions

The transformation of Inchcape

A pureplay automotive Distributor delivering against KPIs



Distribution is our core strategic focus – KPIs in H1 2024:

Capital-light:

<1%

Capex as % of revenue

High returns:

28%

ROCE

Cash generative:

76%

FCF conversion

Macro context - for Inchcape's regions

Mixed market trends, positive growth outlook

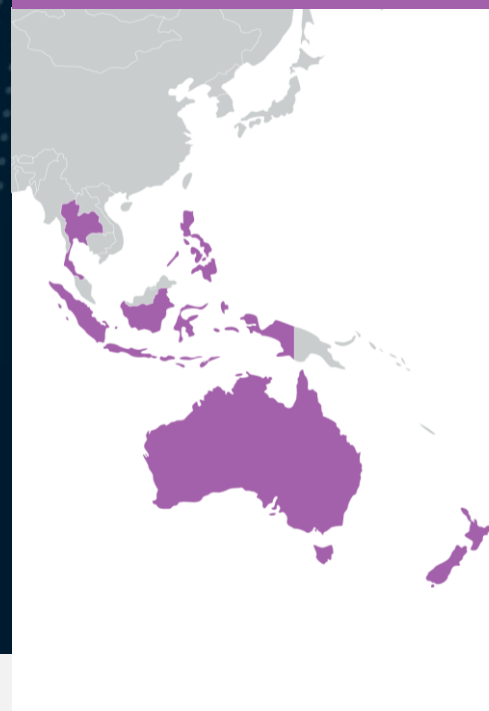
Americas



Europe & Africa



APAC



Americas

- Industry volumes at historic lows with key markets stabilising
- Structural growth prospects over the medium to long term

Europe and Africa

- Some improvement in order intake
- Mixed demand outlook across the region

APAC

- Robust volume growth in key markets
- Positive growth outlook in most markets

Inchcape remains focused on attractive markets with higher GDP growth and low motorisation rates

02

H1 2024 FINANCIALS

ADRIAN LEWIS
GROUP CFO



H1 2024: a resilient performance

Topline:

Revenue

£4.7bn

+8%

+4%

Revenue growth,

at constant currency (YoY%)

Organic growth

(YoY%)

Profitability:

Operating margin

6.3%

(10) bps from H1 2023 in constant currency

£226m

+7% from H1 2023 in constant currency

PBT

Balance sheet, cash flow and ROCE:

Free Cash Flow

£226m

with 76% FCF conversion

£524m

£601m in FY 2023

Adjusted Net Debt

28%

ROCE

Shareholders:

Basic EPS

34.7p

(3)% from H1 2023

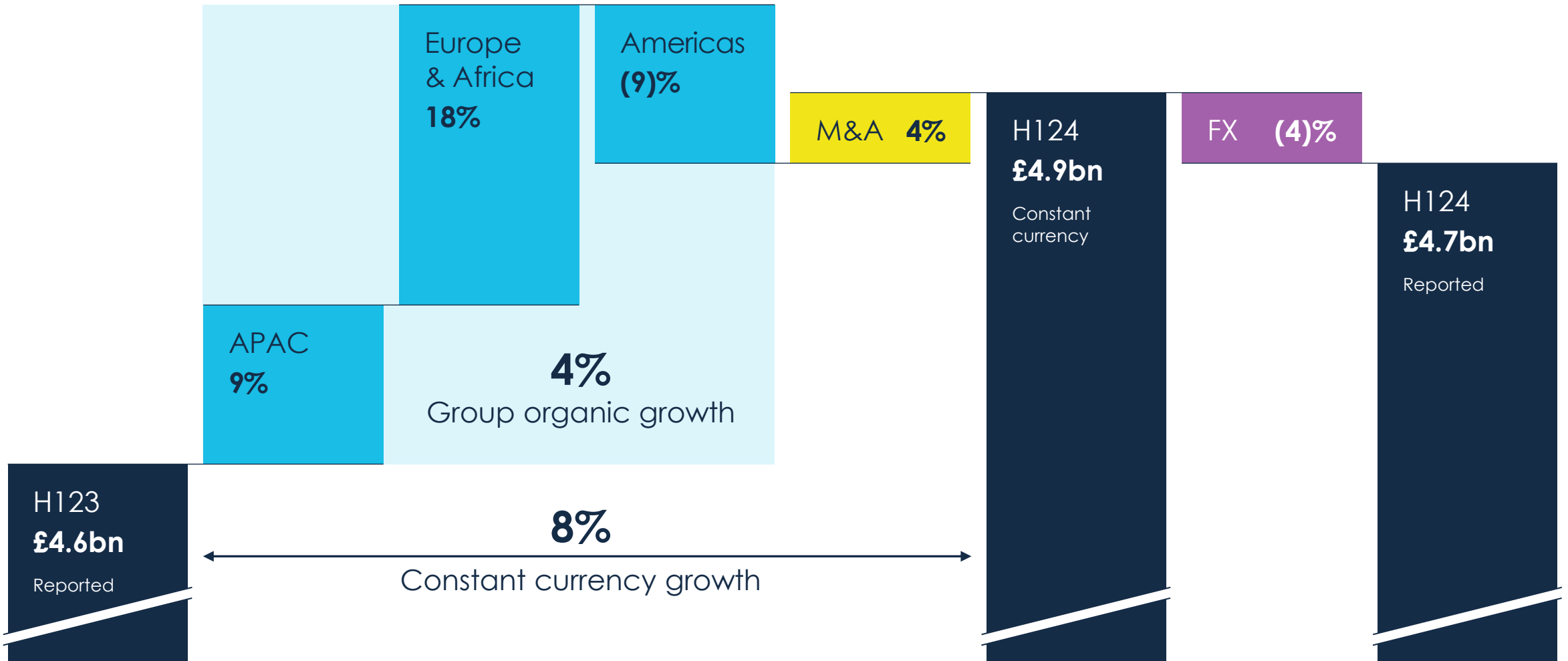
11.3p

Dividend per share

(proposed)

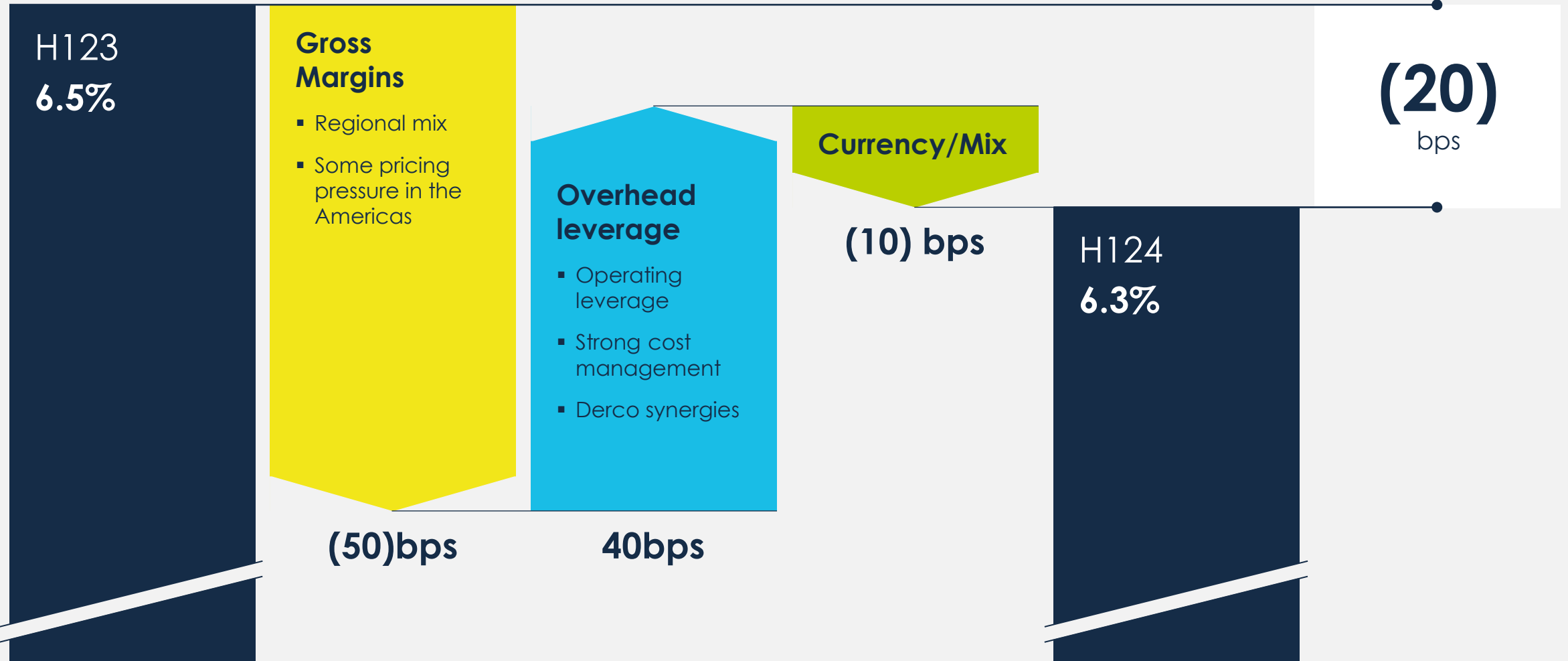
Group revenue bridge

Driven by solid organic growth and acquisition contribution



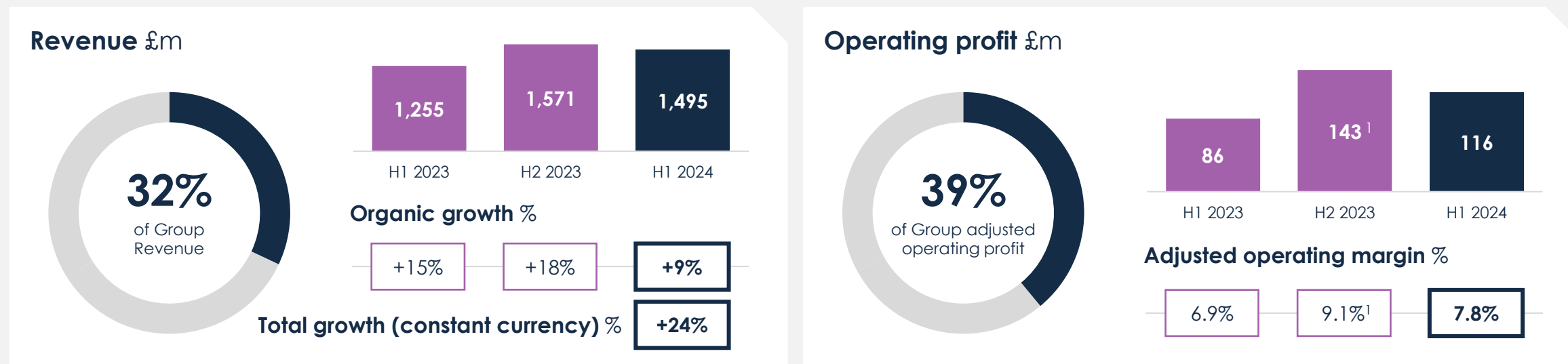
Group adjusted operating margin bridge

Resilience through operating leverage



APAC:

Further growth and margin accretion



H1 2024 revenue:

- Robust organic growth and market share gains in key markets
- Contribution from acquisitions, with new brands in early stages of development

H1 2024 operating margin:

- Operating profit up 41%, at constant currency
- Driven by operating leverage
- Contribution from faster-growing, higher margin businesses

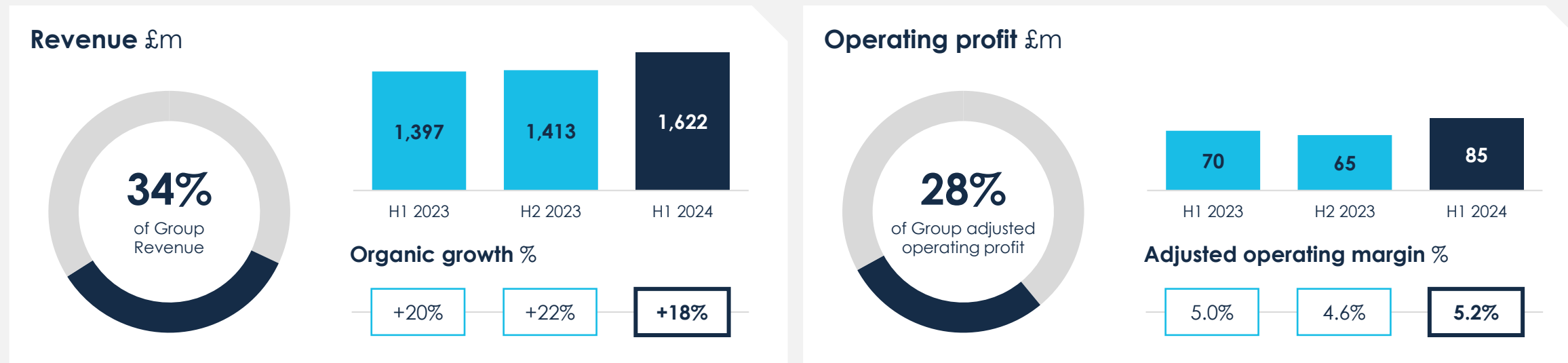
H2 2024 outlook:

- Continued growth in many markets
- Margin growth expected to be partly offset by contract wins

¹. H2 2023 included a property gain of £16m
Where appropriate, figures stated before adjusting items, and on the basis of continuing operations

Europe & Africa:

Continued outperformance



H1 2024 revenue:

- Further market outperformance
- Market share growth in Europe
- Continuation of order bank normalisation
- New contract wins growing quickly
- Africa remained resilient

H1 2024 operating margin:

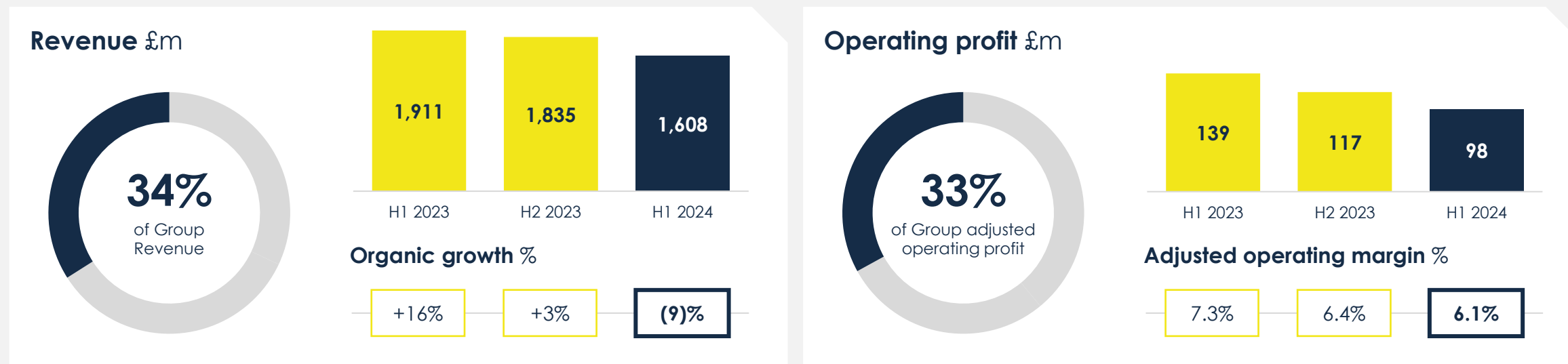
- Operating profit up 25%, at constant currency
- Elevated operating margins continue in Europe
- Some dilution from accelerating contract wins

H2 2024 outlook:

- Growth supported by some improvement in order intake
- Partly offset by continued normalisation of order bank
- Operating margins expected to moderate towards historic levels

Americas:

Resilient market share, despite lower industry volumes



H1 2024 revenue:

- Resilient market share across the region
- Key markets stabilising and Central America performing well
- Lower industry volumes across the region and some consequent pricing pressure
- Derco continues to be transformative – highlighted by further contract wins

H1 2024 operating margin:

- Operating profit down (24)% , at constant currency
- Improved operating efficiency across the region, due to Derco cost synergies
- Mostly mitigated deleveraging effect of reducing market volumes

H2 2024 outlook:

- Prudent expectations for volume recovery
- Margins expecting to improve, reflecting improved exit rate in H1 2024

Income statement

£m (unless otherwise stated)	H1 2023	H1 2024
Revenue	4,563	4,725
Adjusted Operating Profit	295	299
Share of profit after tax from JV's and associates	1	1
Adjusted Net Finance Costs	(73)	(74)
Adjusted Profit Before Tax	223	226
Adjusting Items	(45)	(31)
Reported Profit Before Tax	178	195
<i>Underlying Adjusted Tax rate %</i>	30.5%	32.7%
<i>Adjusted Basic EPS (pence)</i>	35.9p	34.7p

Adjusting items include acquisition & integration costs and net monetary loss on hyperinflation

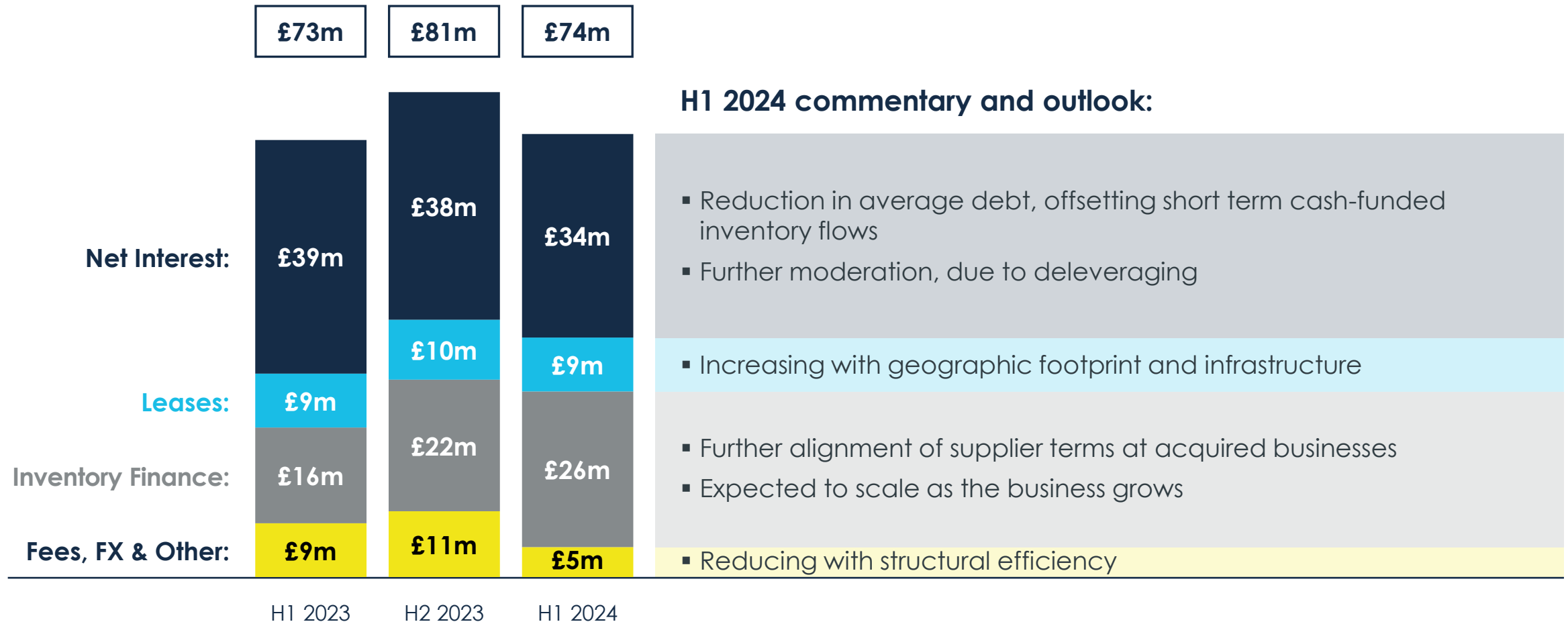
Underlying tax rate higher at 32.7%, but expected to reduce over time

Currency headwinds to PBT in H1 2024

Continued strong focus on costs overheads as % of revenue reduced to 10.9% (H1 2023: 11.4%)

Net Finance Costs

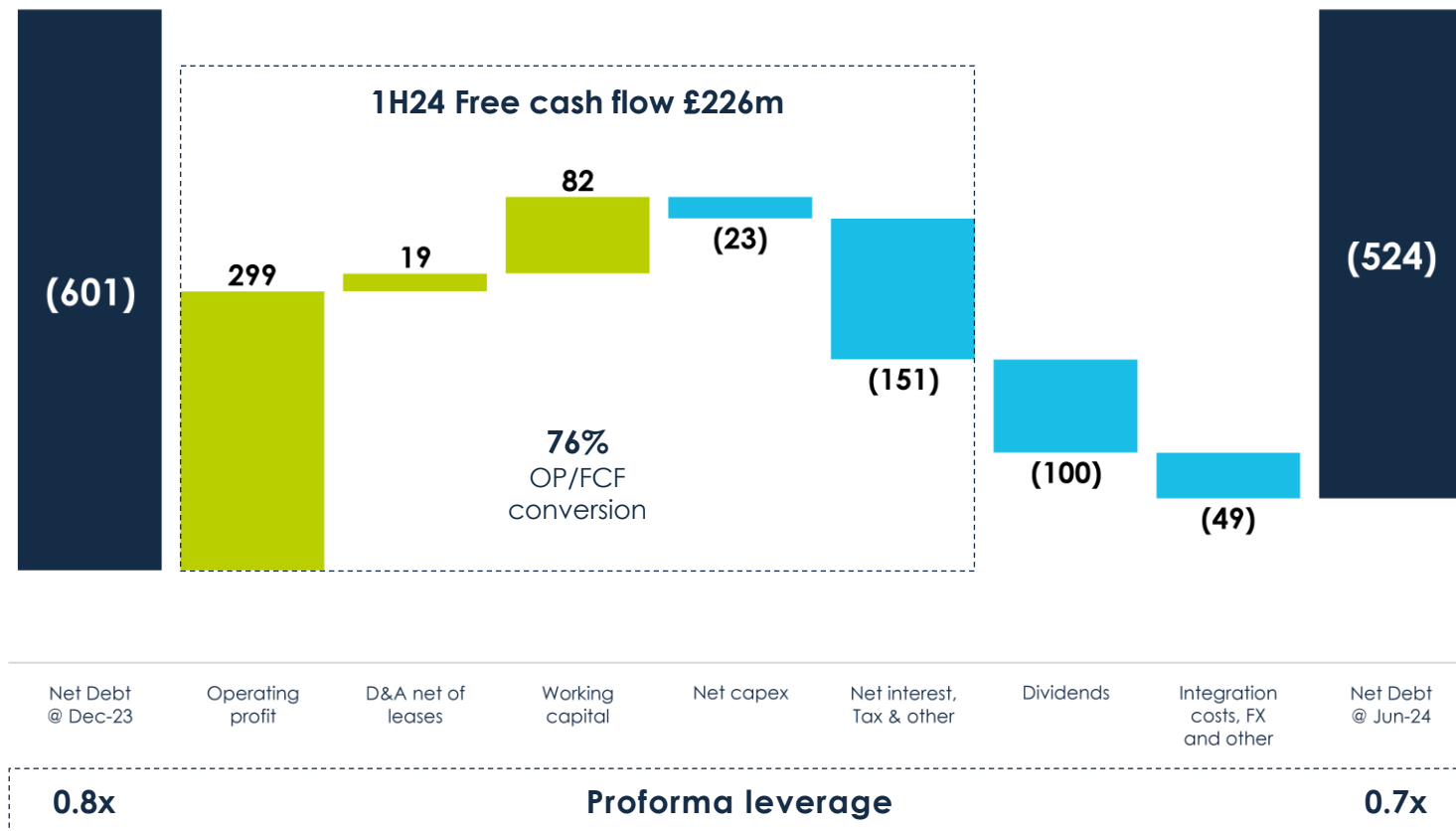
Further alignment of supplier terms at acquired businesses



Improved net debt and leverage position

Supported by strong Free Cash Flow performance

Net Cash / (Debt) bridge (£m)



H1 2024 highlights:

- FCF of £226m, FCF conversion of c.76%
- Supported by strong working capital management
- Net debt of £524m
- Leverage of 0.7x

Outlook:

- Leverage expected to continue to reduce
- Remaining within 1x leverage limit
- Consistent application of capital allocation policy

1. Net debt calculation excludes the impact of leases.
 2. Where appropriate, figures stated before adjusting items, and on the basis of continuing operations

Capital allocation policy

A disciplined approach

01:
Invest in the business



Capex for organic growth and technological investment

02:
Dividends



Policy: 40% annual payout of basic adjusted EPS

03:
Value accretive M&A



Healthy pipeline of bolt-on acquisitions

04:
Share buybacks



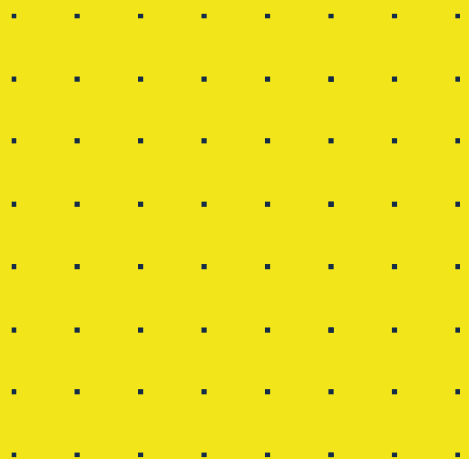
Viability to continue to be assessed by the Board

Net debt to adjusted EBITDA limit of 1x (pre IFRS16)

03

STRATEGIC PROGRESS AND OUTLOOK

DUNCAN TAIT



Our diversified and scaled OEM portfolio

The foundation for our business

Europe

Japan

China

USA

Strategic momentum maintained in H1 2024

Continued progress on Distribution contracts

OEM contracts won, H1 2024

Related market



Estonia

TIV (passenger vehicles) – c.25k

JAC

Trucks

Colombia

TIV (commercial vehicles) – c.15k

CHANGAN

Caribbean

TIV (passenger vehicles) – c.80k



Ecuador

TIV (commercial vehicles) – c.10k

Good progress on recent contract wins – examples:

Great Wall Indonesia

Initial roll-out, supported by strong product range and positioning

BYD Belgium

Robust growth in a key EV market in Europe

Changan Philippines

Refreshed third party retail network to support roll-out

Subaru Ecuador

Successful brand launch campaign

Differentiating through our technology

Global capabilities, delivered locally

Digital eXperience Platform



Omni-channel platform for selling vehicles and managing ownership lifecycle

Data Analytics Platform



AI models tailored to each OEM and market

Our global tech capability



Inchcape Digital Architecture:

Common global technology stack

Digital Delivery Centres:

Supporting our digital platforms

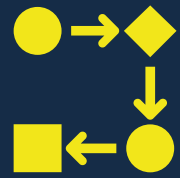
H1 2024 - continued operational & strategic progress

Inchcape well positioned for future growth



Contract wins and acquisitions

- Further Distribution contract wins
- Contribution from bolt-on acquisitions



Strategic focus as pureplay Distributor

- Driving market share across our regions
- Continued technology developments



FY 2024

- Moderated growth, at constant currency, in FY 2024



Medium to long term

- Return to higher levels of growth
- Supported by contract wins and bolt-on acquisitions

STRATEGIC DEVELOPMENTS

GROWTH OUTLOOK

Q&A



H1 2024 results

Summary

A resilient financial performance,
with a strong balance sheet

The Group remains well positioned
for future growth

Inchcape becomes a pureplay
automotive Distributor

APPENDIX



Continued operations restatement

Income statement and Balance Sheet

Income statement

OLD AS REPORTED

Revenue	1H23	2H23	FY23
APAC	1,255	1,571	2,826
Europe & Africa	1,259	1,262	2,521
Americas	1,911	1,835	3,746
Retail	1,203	1,151	2,354
Total	5,628	5,819	11,447

Gross profit	965	974	1,939
---------------------	-----	-----	-------

Adjusted operating profit

APAC	90	145	235
Europe & Africa	70	62	132
Americas	143	119	262
Retail	24	16	40
Total	327	342	669

Adjusted net finance costs	(79)	(89)	(168)
Share of profit after tax of JV's & associates	1	-	1
Adjusted profit before tax	249	253	502
Adjusted basic EPS	42.2p	42.6p	84.8p

NEW REVISED DISCLOSURE

Revenue	1H23	2H23	FY23
APAC	1,255	1,571	2,826
Europe & Africa	1,397	1,413	2,810
Americas	1,911	1,835	3,746
Retail ¹			
Total	4,563	4,819	9,382

Gross profit	817	843	1,660
---------------------	-----	-----	-------

Adjusted operating profit

APAC	86	143	229
Europe & Africa	70	65	135
Americas	139	117	256
Retail			
Total	295	325	620

Adjusted net finance costs	(73)	(81)	(154)
Share of profit after tax of JV's & associates	1	-	1
Adjusted profit before tax	223	244	467
Adjusted basic EPS	35.9p	40.4p	76.3p

UK Balance sheet

	As at 30 June 2024
Intangible assets	2
Property, plant and equipment	262
Right of use assets	54
Deferred tax assets	7
Inventories	296
Trade and other receivables	83
Cash and cash equivalents	6
Total assets of disposable groups held for sale	710
Trade and other payables	(408)
Provisions	(2)
Lease Liabilities	(60)
Total liabilities of disposable groups held for sale	(470)
Net assets	240

1. Our Retail business in Poland has been consolidated within our Europe and Africa regional segment
2. Adjusted operating profit in revised disclosure includes central cost allocations reapportioned as a result of UK retail recognised as a discontinued operation