



# IN THE DRIVING SEAT: ACCELERATE+ AND APAC

14 November 2024



# Agenda

Introducing our presenters

## INTRODUCTION & OVERVIEW



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**Duncan Tait**  
Chief Executive

## ACCELERATE+



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**Liz Brown**  
Chief Strategy Officer

## INCHCAPE IN APAC

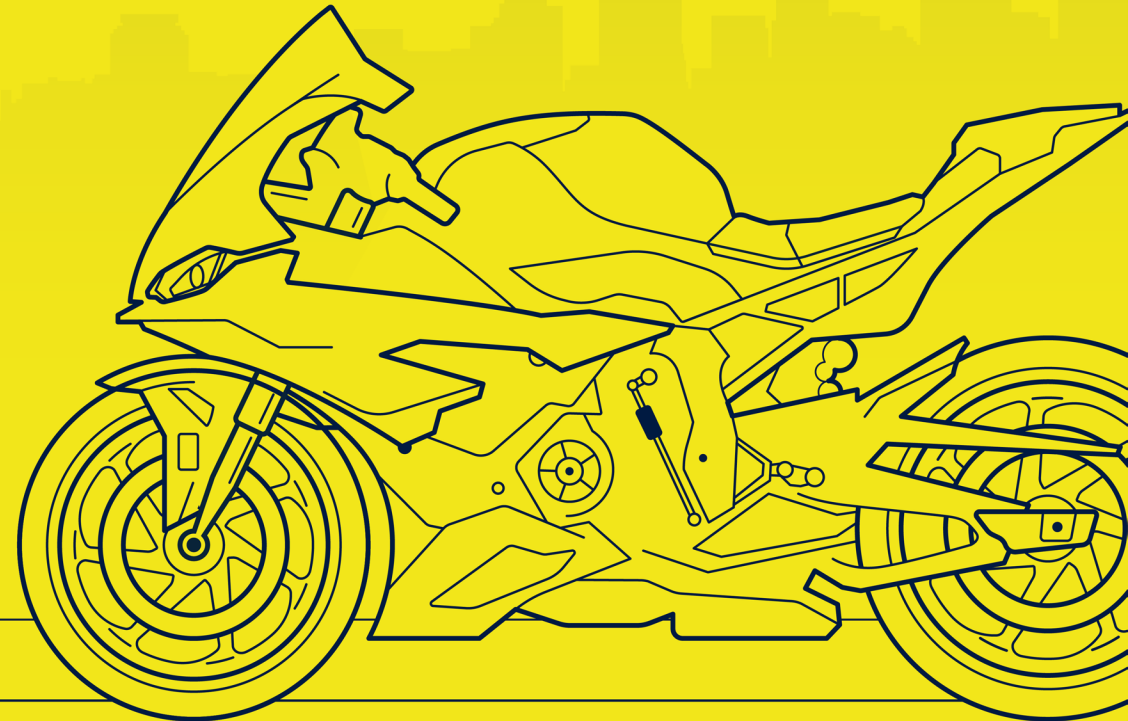


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**Ruslan Kinebas**  
CEO, APAC

# INTRODUCTION AND OVERVIEW

**Duncan Tait**  
Group CEO



# The Inchcape Investment Case

The leading global automotive Distribution pureplay – diversified and scaled

## Essential element in automotive value chain

- Long term OEM relationships
- Driving volumes and market share
- Strong competitive moat through our market-leading technology

## Cash generative financial profile

- Consistent revenue growth
- Resilient operating margins of 5% to 7%
- High ROCE of c.25%

## Enables investment in growth and market share gains

- OEM relationship development
- Distribution contract wins
- M&A

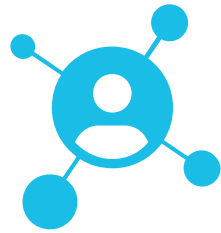
## Disciplined approach to capital allocation and shareholder returns

- Organic investment
- Dividends
- Value-accretive acquisitions
- Share buybacks

# Inchcape is the critical partner for OEMs

## Why OEMs value Inchcape

We provide an **efficient, effective** and **sustainable** route-to-market



Differentiated by our **market-leading technology** and **data**



With **local expertise** supported by **global capabilities**



A professional partner with **robust systems** and **controls**



**Delivering leading performance across small to medium-sized, more complex markets**

# Key takeaways from today

## 01

Our **evolved strategy** will enhance our position as the **leading Global automotive Distributor**

## 02

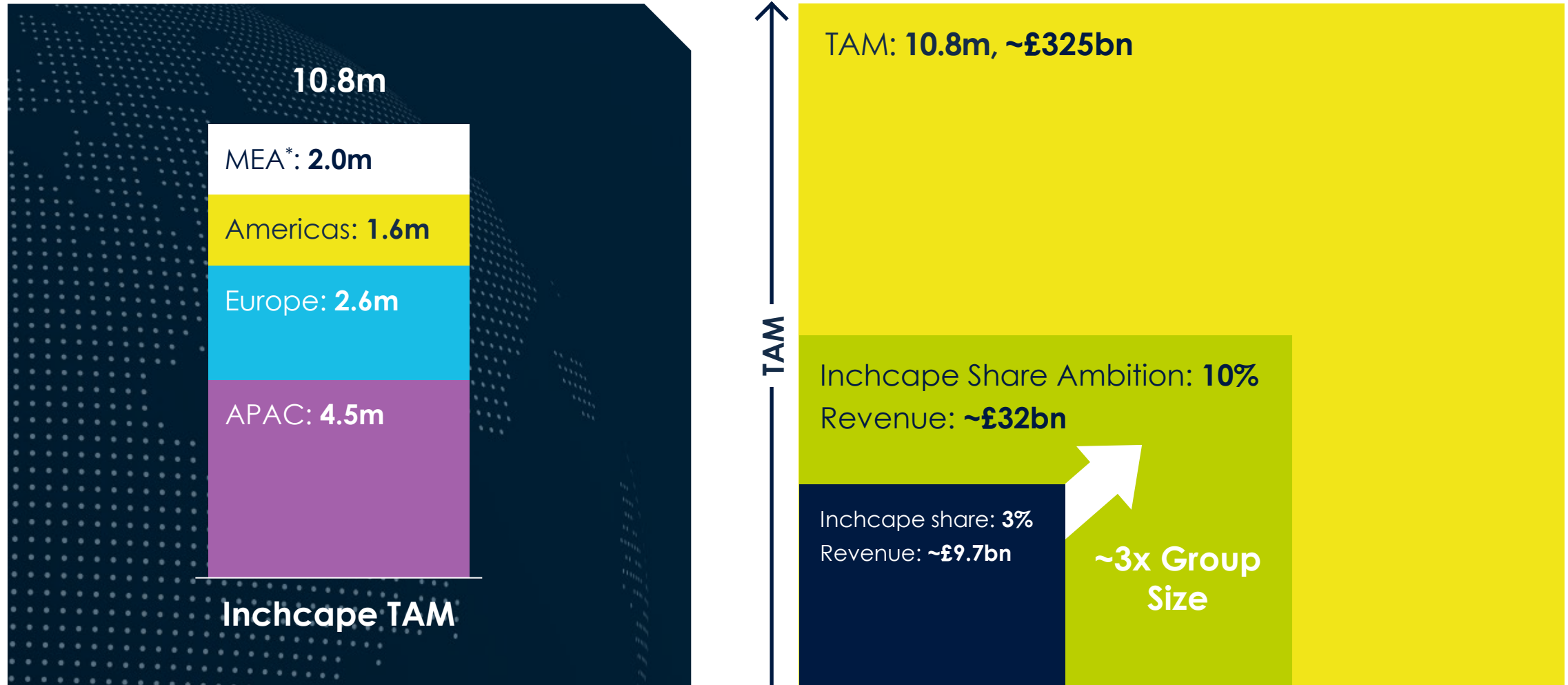
Achieving **10%+ market share** will drive substantial **stakeholder value**

## 03

Our **diversified and scaled APAC** business has **compelling growth prospects**

# A substantial Total Addressable Market

With significant growth opportunities for Inchcape



1: Inchcape TAM = total addressable market for passenger vehicles and Light Commercial Vehicles for "Inchcape markets" | \* MEA: Middle East and Africa  
 Updated TAM includes latest market estimates, potential OEM conflicts and excludes certain markets previously seen as potential target markets for Inchcape  
 References to 10% market share relates to the passenger vehicle and light commercial vehicle segments

# Building towards our market share ambition

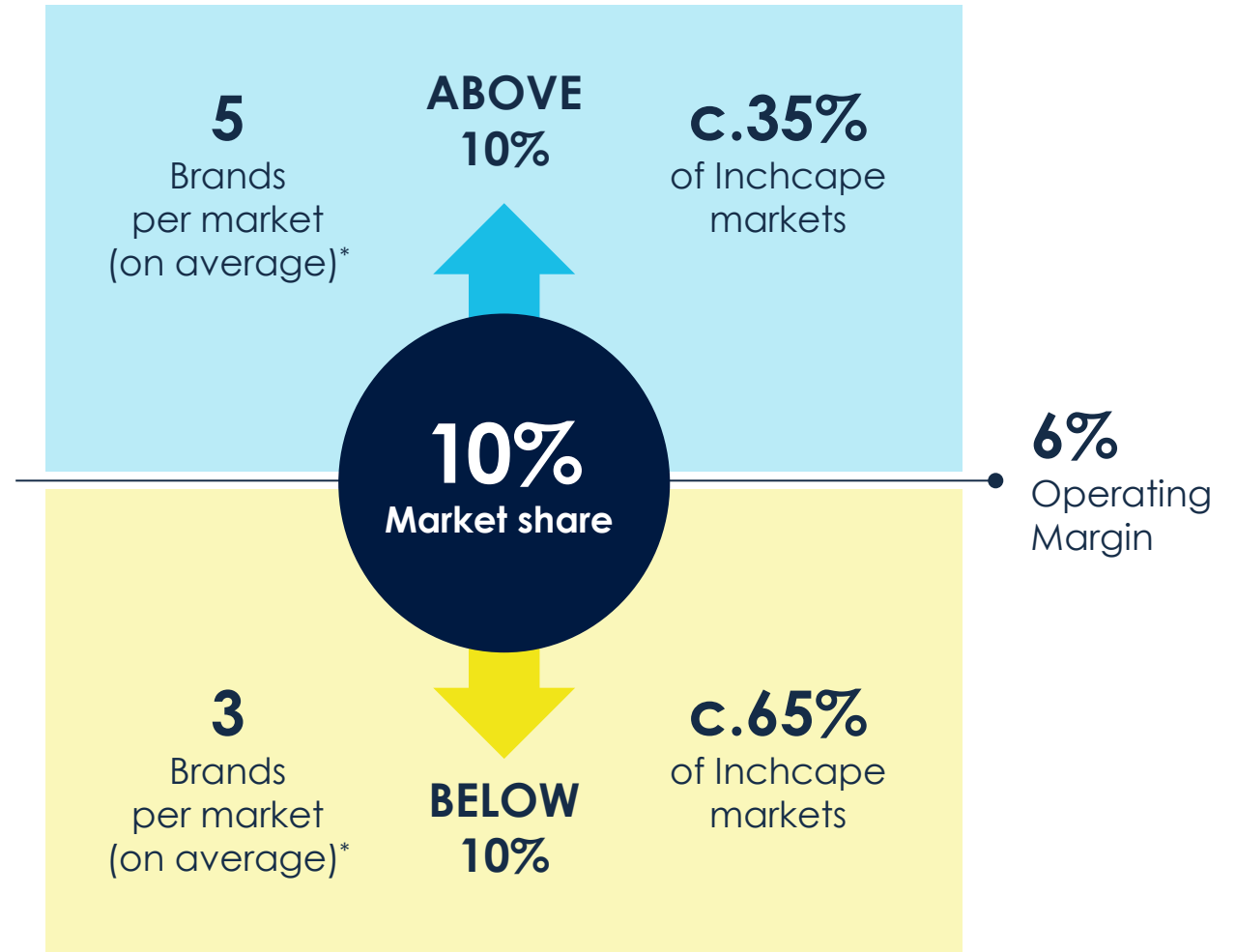
Drive towards 10% market share in our markets over medium to long term



Market share is the **key threshold**

**>10% Market share drives.....**

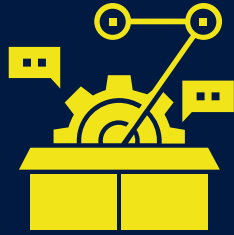
- Sustainable performance
- Scale in a market
- Top line growth
- Operating leverage and margins
- New revenue opportunities





# Capturing the TAM opportunity

## Our key growth drivers



### Developing existing OEM partnerships

- Market share gains
- Volume growth
- Market coverage



### Contract wins

- Conversion of OEM-led markets to independent distribution
- Transition from competitor
- New market entry for OEMs



### M&A

- Value-accretive acquisitions
- A healthy pipeline in a highly fragmented market
- Broaden & deepen geographic profile

# Accelerate strategy – developments since launch

## Transformation into a pureplay automotive Distributor

7 acquisitions, generating  
£2.9bn additional revenue



£3.2bn in retail disposals



Group operating margins  
up 120 bps to 6.3%\*



Operating in more markets  
with more OEMs



DXP and DAP in more  
markets with more OEMs



Evolution of Vehicle  
Lifecycle Services



Continued focus on Sustainability, supported by our high performance culture

# Evolving our strategy

Remaining agile in the face of a changing environment

Macro and market developments since 2021...



Macro-economic conditions



NEV transition



OEM – increasing drive for efficiency



Evolving OEM landscape



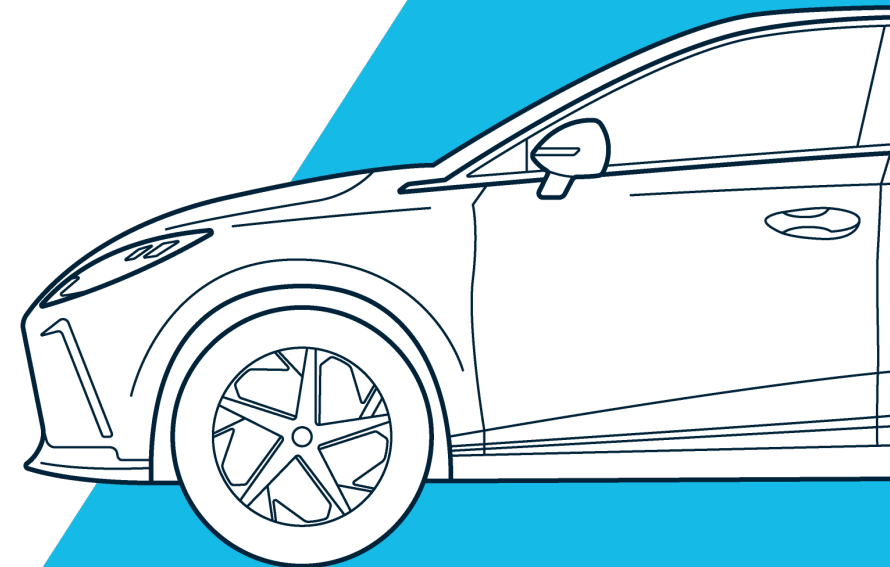
Fast-evolving technology / AI landscape



Used vehicle market developments



Sustainability: increasing importance to partners



# Accelerate<sup>+</sup>

## **Our ambition**

Enhancing our position as the world's leading automotive distributor

**Building a stronger, more diversified company that generates sustainable growth for our OEMs and for our investors, and opportunities for our colleagues to grow and thrive.**

# Accelerate+

Our evolved strategic framework

Accelerate+

## SCALE



Passenger Cars

Adjacent Vehicle Categories

## OPTIMISE



Distribution Excellence

Value Added Services

## OUR ENABLERS

Culture & Capabilities



Digital, Data & Analytics



OEM relationships



M&A & Integration



SUSTAINABILITY





# Accelerate<sup>+</sup>

**Liz Brown**  
Chief Strategy Officer



# Accelerate+

Our evolved strategic framework

Accelerate+

## SCALE



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SUSTAINABILITY



# SCALE

Based on developing OEM partnerships



# 1

Grow market share in **passenger cars** in existing & new markets



# 2

Growth in **adjacent vehicle categories** – premium motorbikes and light commercial vehicles





# Our opportunity to drive scale

Significant market growth opportunities for Inchcape

## Driving share in existing markets

**39**

Markets with Inchcape presence

**25**

Markets where we have <10% share

**14**

Markets where we have >10% share

## Entering new markets:

**83**

Total Addressable Markets (TAM)

**44**

New potential markets for Inchcape

**39**

Markets with Inchcape presence

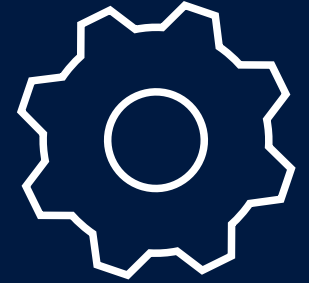
## Our scale opportunity:



**c.70  
markets**

# OPTIMISE

Improving our route to market to remain the best distribution partner for our OEMs



Delivered through:

## Distribution Excellence

Ensuring we are the most efficient and effective distributor

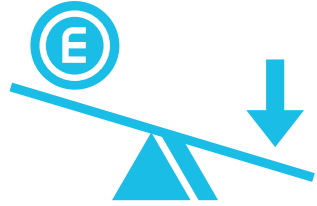
## Value Added Services

Creating greater revenue per customer - over the lifecycle of a vehicle



# OPTIMISE

## Distribution Excellence



**Leverage our unique Distribution platform and scale** to deliver enhanced results for OEMs.



**Drive efficiency and excellence** across our distribution business



**Deliver an outstanding omnichannel experience** for customers

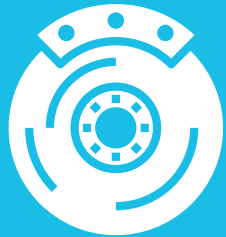
# OPTIMISE

## Value Added Services (VAS)



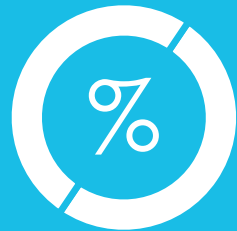
Driving customer and vehicle lifecycle value  
Delivered in four areas:

### Parts



Drive parts volumes

### Finance & Insurance



Enable new car sales,  
improve profitability  
and retention

### NEV opportunities



Provide new services  
driven by electrification

### Used cars



Leveraging our  
Distribution platform

# Our opportunity in parts distribution

A multi-dimensional approach, driven by data

## Our objectives:

1. Optimise customer engagement in our network
2. Ensure longevity of customer relationships
3. Optimise our operations
4. Capture greater share of independent aftersales network

## Our approach:



Data-driven approach



Supporting logistics, inventory management and pricing



Global best practice Sales & Operational Planning playbook



Leveraging on our scale to drive efficiencies



Expanding our eco-system through Digital Parts Platform

# Sustainability is embedded in Accelerate+

The global mobility transition, delivered locally

Embedding sustainability for OEMs & customers, throughout our business globally



## Delivering insights

An authority on the mobility transition



## Enabling new technologies

Driving adoption of new technologies



## Playing our part

The most sustainable route to market

# Embedding Accelerate+ across our business

Ensures our enhanced global leadership position

**Essential element** in automotive value chain

**Critical partner** for OEMs

**Market-leading technology** capabilities

**Customer-centric** approach

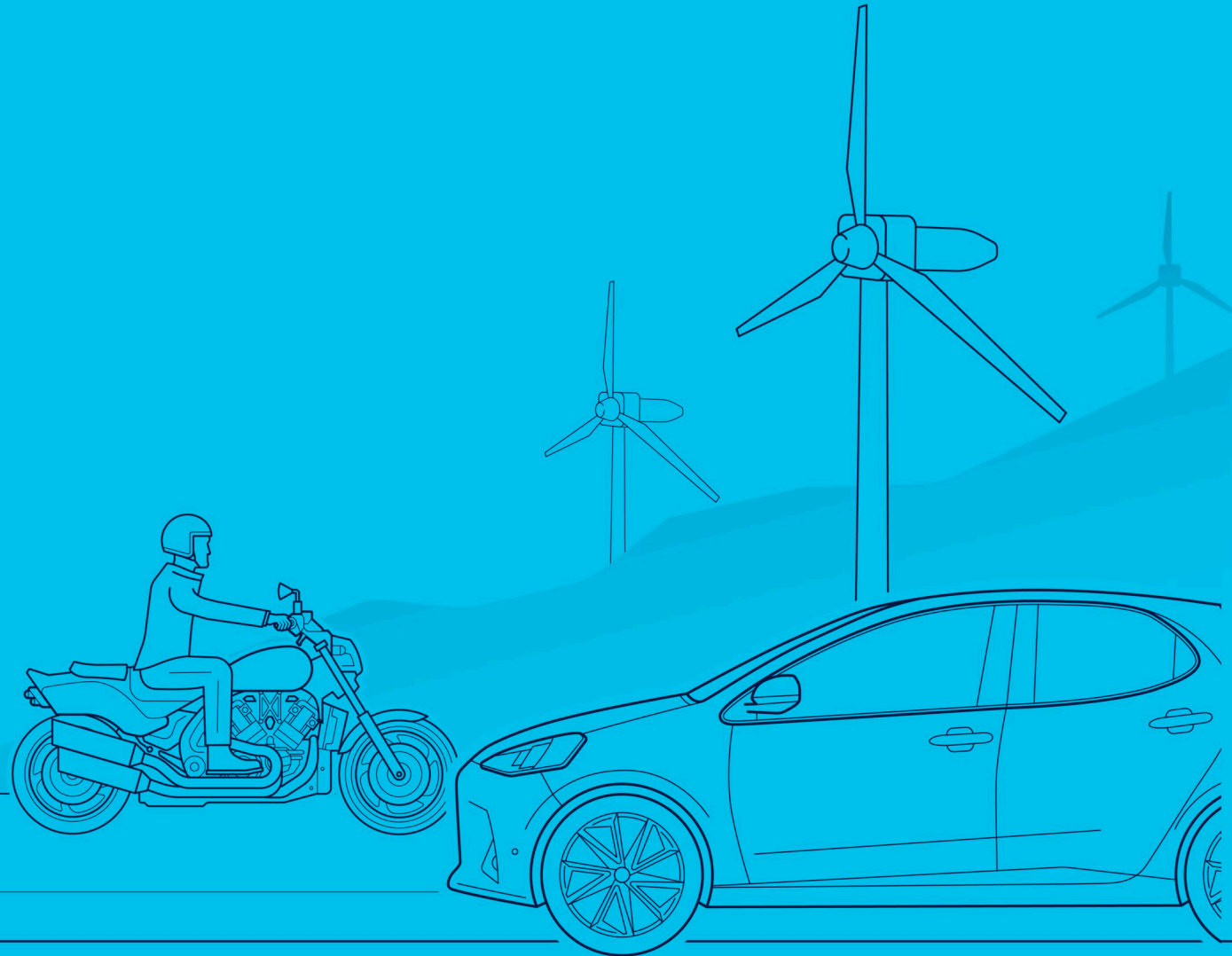
**Leading** in Sustainability





# INCHCAPE IN APAC

**Ruslan Kinebas**  
CEO - Inchcape APAC





# REGIONAL OVERVIEW



# APAC is set for structural growth...

## Regional characteristics

	Inchcape markets APAC	Inchcape markets worldwide	Developed markets <sup>1</sup>
<b>Total population (2023)</b>	500m	1.1bn	700m
<b>Average GDP/capita (2023, USD)</b>	\$9k	\$19k	\$49k
<b>GDP CAGR (2024 - 2030)</b>	3%	3%	1%
<b>Motorisation rate<sup>2</sup> (2023 avg)</b>	175	275	650
<b>Total Industry Volumes (TIV)<sup>3</sup> (2014 – 2023 avg)</b>	4m	7m	29m

**Attractive GDP growth prospects**



**Low motorisation rates**



**Growing car parc**



**Emerging OEMs continue to gain market share**



**EV penetration opportunities**



# Inchcape in APAC

## Regional snapshot

### Headquarters: Singapore



### Longest OEM relationship:



**c.60 years**  
Toyota in  
Hong Kong

### Key facts:

**c.4,000**

Colleagues

**11**

Markets

**23**

OEM brands

**c.90,000**

New vehicles  
distributed

**£2.8bn**

Revenue in FY23

**32%**

Of Group revenue

**c.8%**

Average  
operating margin  
since 2019

# APAC Leadership Team

Diverse mix of leading industry experts and functional specialists



**Ruslan Kinebas**  
Chief Executive Officer,  
APAC

UK

## APAC MARKET LEADERS



**Colin Christie**

Managing Director,  
Australasia

AUS



**Alex Hammett**

Managing Director,  
South Asia & Pacific

USA



**Khoo Shao Tze**

Managing Director,  
Indonesia & Business  
Development Director

SG



**Ng Khee Siong**

Managing Director,  
Singapore

SG



**Ted Lau**

Managing Director,  
Greater China

HK

## REGIONAL FUNCTIONAL LEADERS



**Dean Sykes**

Director, Transformation  
& Operational  
Excellence, APAC

UK



**Wendy Foong**

Regional People  
Director, APAC

SG



**Nicola Gear**

Regional Finance  
Director, APAC

NZ



**Ivan Biryukov**

Regional IT Director,  
APAC

RUS



**Penny Lin**

Regional M&A Director,  
APAC

TW



**Rajvi Kothari**

Legal Director,  
APAC

UK

# Sustainability is embedded across our APAC business

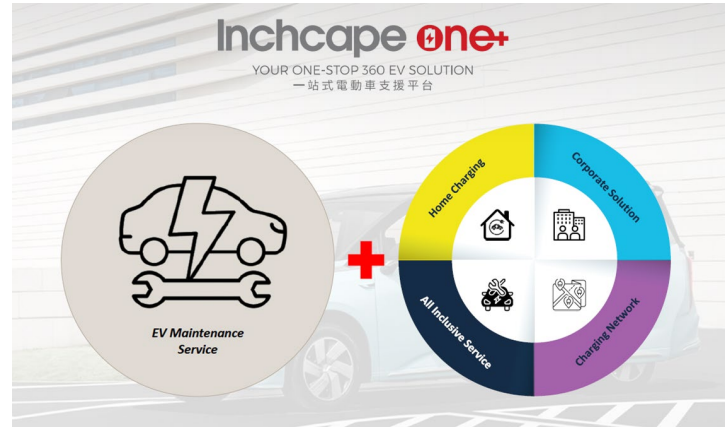
## Global mobility transition, delivered locally



**Delivering insights**

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Singapore Future Mobility Academy



**Enabling new technologies**

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Inchcape ONE



**Playing our part**

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Developing capabilities

# Our opportunity in the 4.5m vehicle regional TAM

The potential for Inchcape to scale across the region

## Driving share in existing markets



## Entering new markets:



## Our scale opportunity:



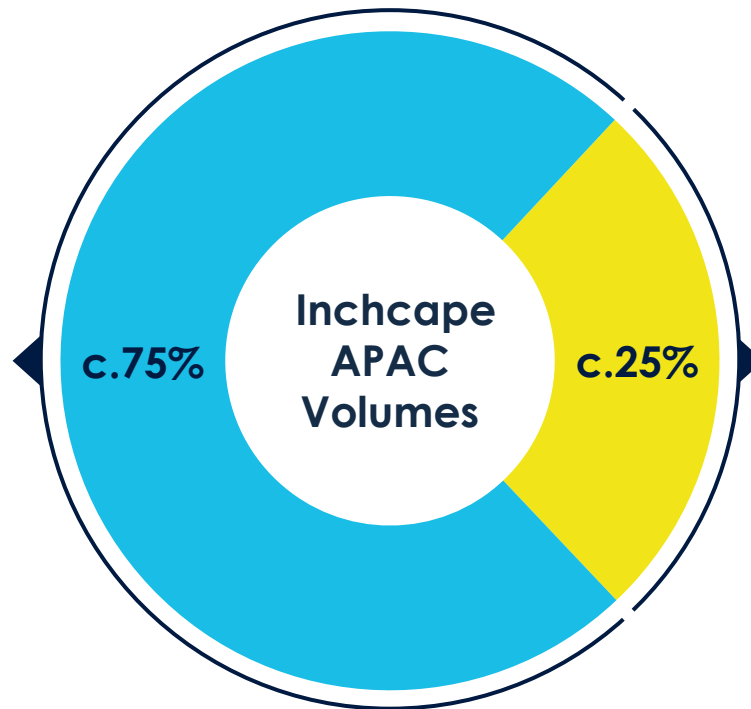
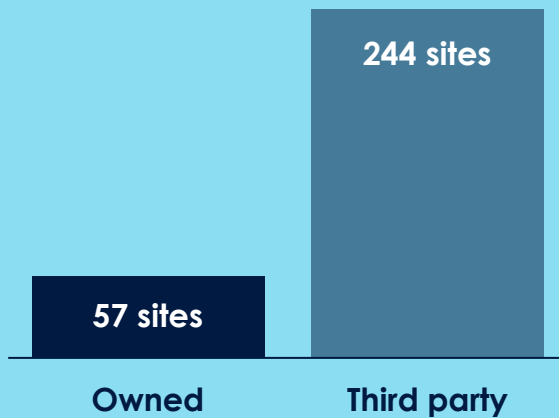
# Our commercial model in APAC

Managing our retail network across the region

## Typical Distribution markets



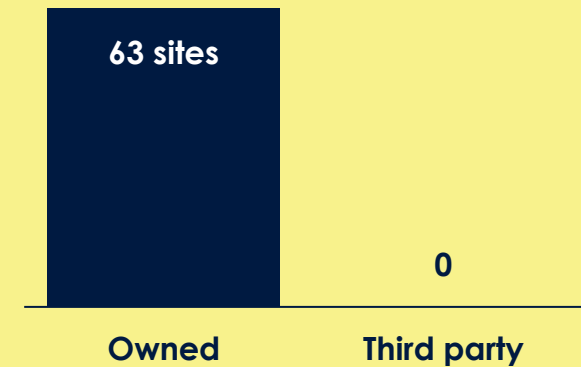
Inchcape owns Distribution value chain and c.19% of Retail network



## Vertically integrated markets



Inchcape owns entire Distribution and Retail value chain



# Recent growth momentum in APAC

Supported by our technology capabilities



14

Contract wins and Acquisitions since 2020



23

OEM partners in 11 markets in 2024

Supported by our technology capabilities



More Customers



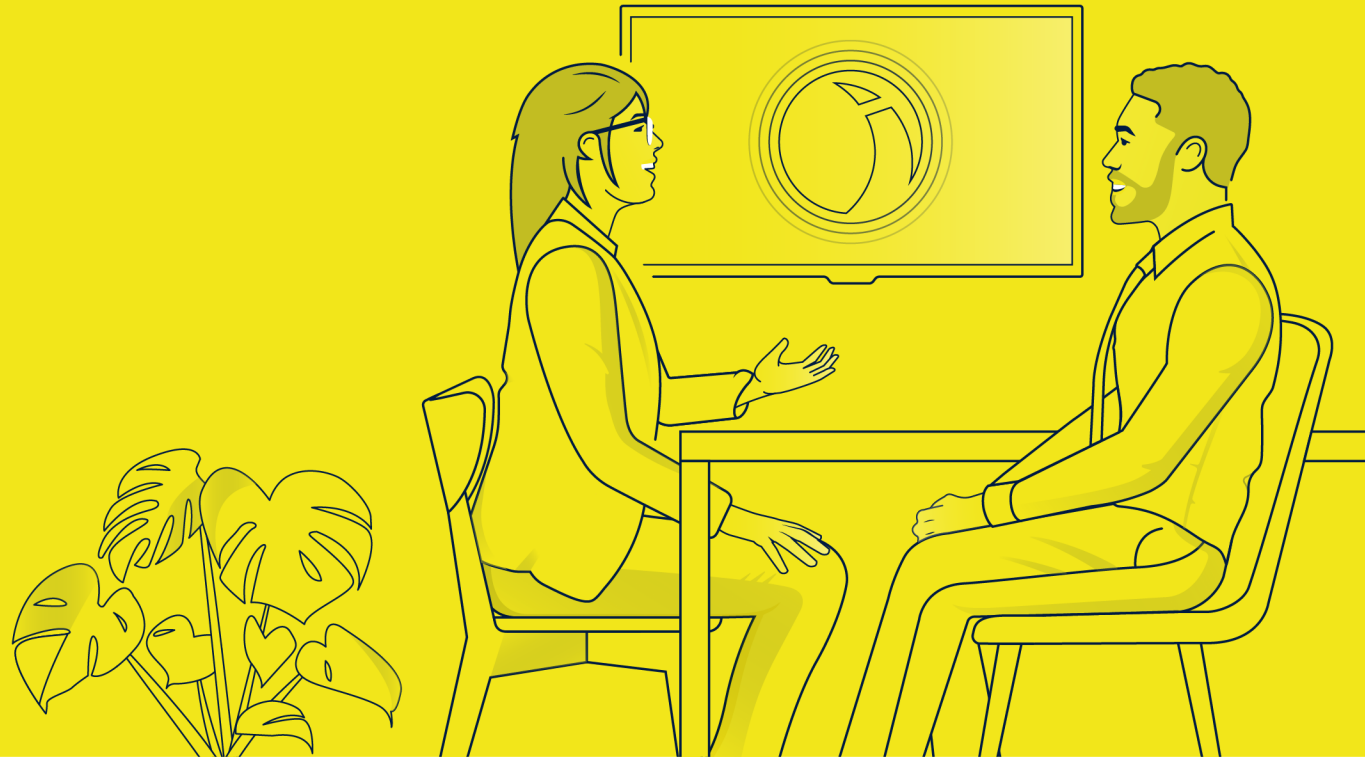
Improved Efficiencies



Higher Growth



# MARKET DEEP DIVES OVERVIEW



# Accelerate+ in APAC

Driving growth across the region

Accelerate+

## SCALE



Passenger Cars

Adjacent Vehicle Categories

## OPTIMISE



Distribution Excellence

Value Added Services

## OUR ENABLERS

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OEM relationships



M&A & Integration

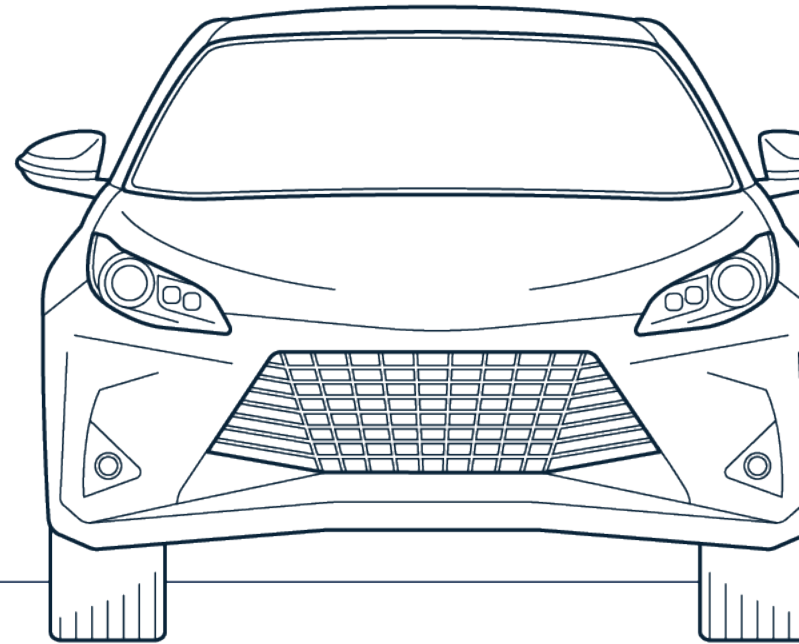


SUSTAINABILITY



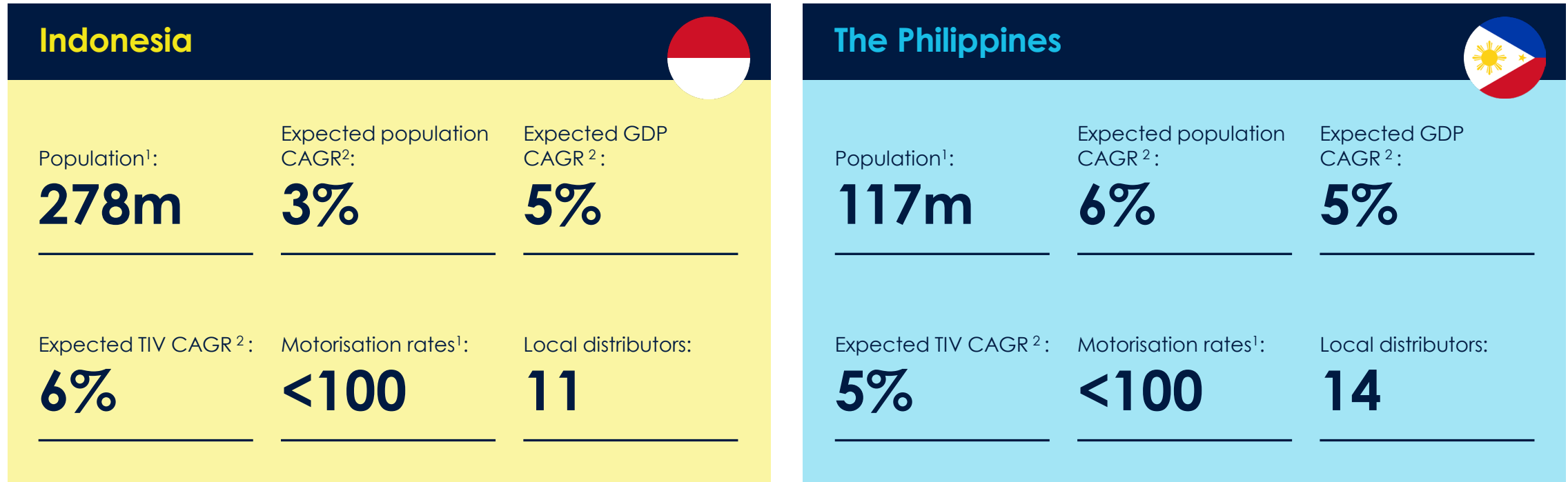


# SCALING ACROSS A RANGE OF MARKETS



# Scaling our new growth markets

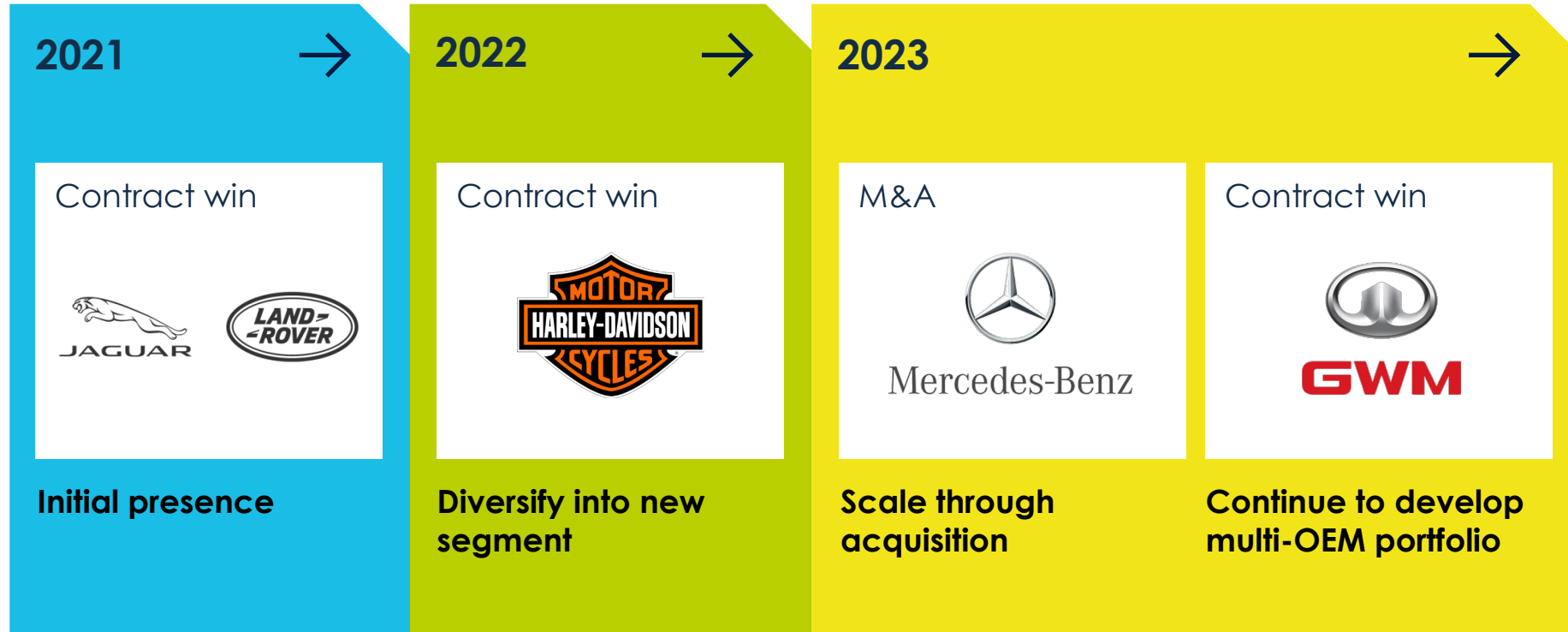
## Indonesia and the Philippines



**Major opportunity to scale through organic growth, contract wins and M&A**

# Building a strong platform for growth

Indonesia – a substantial market, with 900k TIV\*



Targeting market share growth, from <1% in 2024

# Establishing a presence in a new market with M&A

The Philippines – another major market, with 450k TIV\*



## Strong OEM portfolio through M&A in 2023



JLR



Jeep



## Leveraging scale with new OEMs in 2024



Targeting market share growth, from <1% in 2024

# Driving scale through adjacent vehicle categories

## Guam



**Financial performance:**  
Since 2019

**>1.5x**  
Revenue  
growth

**5x**  
More OEM  
Brands

**>2x**  
Operating  
profit

**Record passenger  
car market share:**

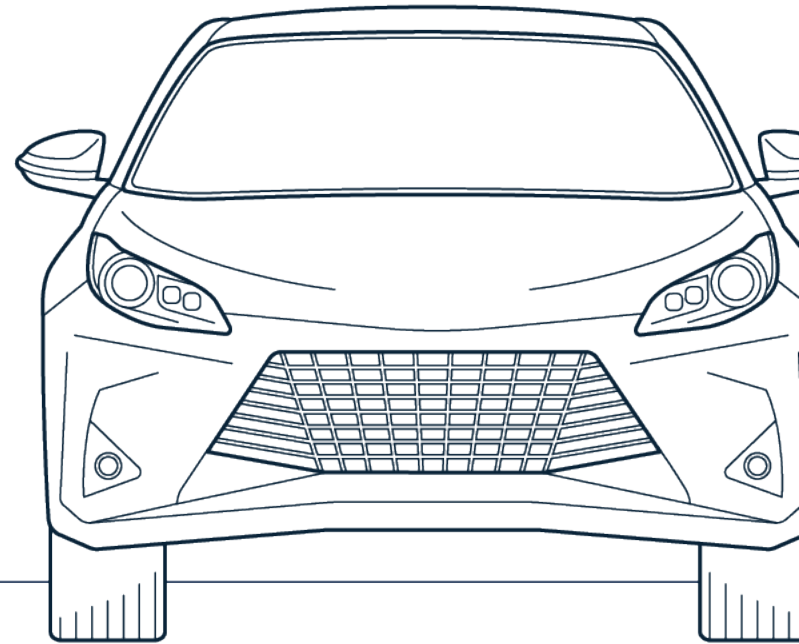
**40%+**

**Growth outlook:**

- Substantial federal infrastructure investment
- Recovery of tourist industry



# OPTIMISING ACROSS OUR ESTABLISHED MARKETS





# Our established markets – Australia

## Diversifying our OEM portfolio



### Market characteristics

**500 – 600**

Motorisation rates

**1m+ vehicles**

Annual TIV

**3% – 4%**

Our market share

### OEM portfolio



**SUBARU**

Since 1991



Since 2017



**DEEPAL**

From Q4 2024



**FOTON**

From Q4 2024

### Growth outlook:

- Further developing our relationship with Subaru
- Expanding into adjacent vehicle segments with new contract wins
  - Foton in Light Commercial Vehicles
  - Deepal, in SUVs
- Broad range of Value Added Services opportunities

# Our established markets – Singapore

## Growing through the upcycle



### Market characteristics

**100 – 200**

Motorisation rates

**60,000 – 70,000**

Annual TIV

**15%+**

Market share

### OEM portfolio



Since 1967



Since 2006

**BYD**

Commercial  
Since 2024



Since 1978



Since 1992

### Growth outlook:

- On upcycle of “Certificate of Entitlement” scheme
- Expansion into adjacent segments, with BYD commercial vehicles
- Leading position across various Value Added Services

# Our established markets – Hong Kong

## On-going evolution of our business



### Market characteristics

**<100**

Motorisation rates

**40,000 – 50,000**

Annual TIV

**15%+**

Market share

### OEM portfolio



Since 1966



Since 1990s



Since 1970s



Since 1968



Since 2015



Since 2022

### Growth outlook:

- Continued diversification of our OEM brand portfolio – across products and drive trains
- Technology-enabled approach to Value Added Service offerings

# Optimising through Value Added Services

Multiple aftersales and F&I opportunities



## Fleet servicing opportunities

10% of aftersales revenue (2019: 1%)



## Extended warranty programmes

90% customer coverage



## EV servicing capabilities

700 workshop services since 2023 launch



## Digital parts platform implementation

Launched in 2024



## Market-leading F&I product portfolio

>80% customer penetration




# Optimising through Value Added Services


## Digital Parts Platform – major opportunity across APAC



B2B technology platform



Digital market interface between parts distributors and workshops



Highly scalable across the region

### Strong early growth indicators:

#### Australia



**Driving market share**  
For Subaru

**600+**  
Registered workshops

#### Hong Kong




**c.30%**  
Monthly growth during start-up phase

**c.20%**  
Share in workshop sales

### Compelling pipeline of new markets:

#### Singapore



**Q3 2024**  
Platform launch

**40K+**  
Products in catalogue

#### Philippines/Indonesia



**Mercedes**  
Cornerstone OEM partner



**2025**  
Platform launches

# Optimising through Distribution Excellence

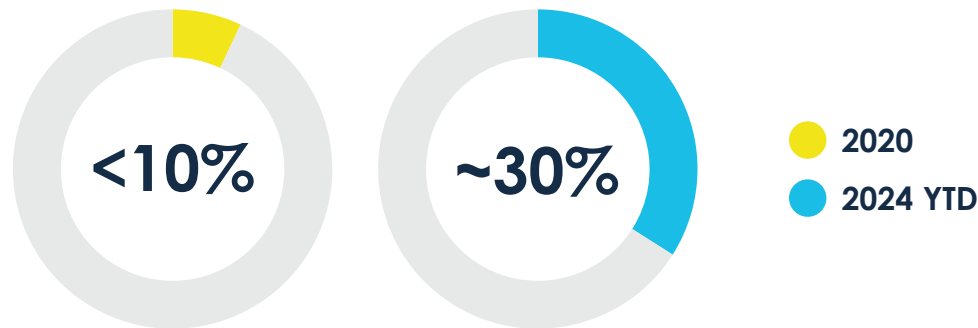
Driving sales and productivity through our technology



## Digital Hot Leads to Sales Conversion %:

	2020		2024 YTD
 LEXUS	2%	→	11%
 TOYOTA	6%	→	26%

## Toyota / Lexus - % of vehicles sold on-line:



## Industry-leading metrics:

**33%**

E-commerce leads to sales conversion

**41%**

Sales contribution from digital platforms

**+44%**

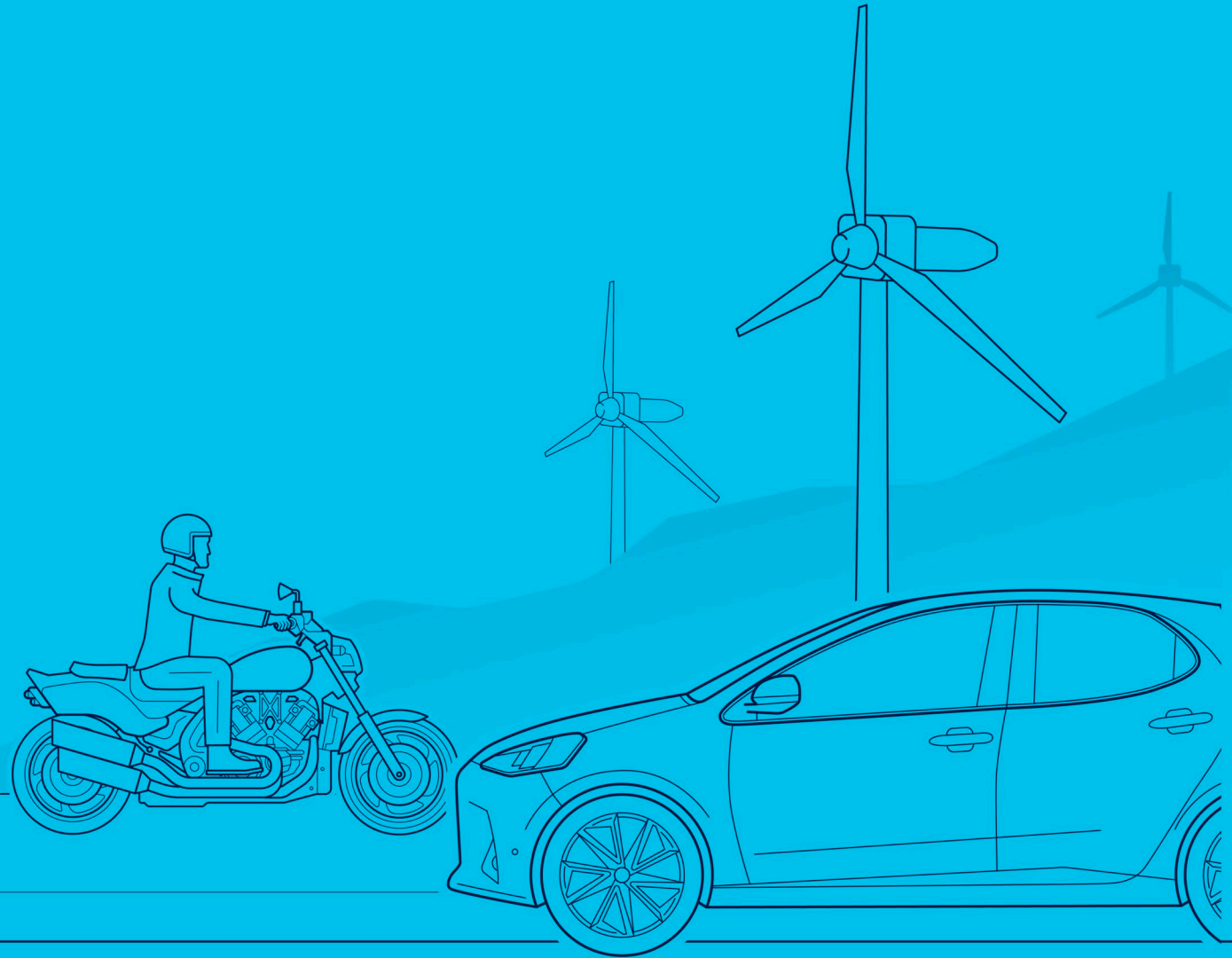
Salesperson productivity<sup>^</sup>

**840**

Reputation scores – well above industry average

<sup>^</sup> Sales productivity refers to Toyota with the adoption of full DXP solutions.

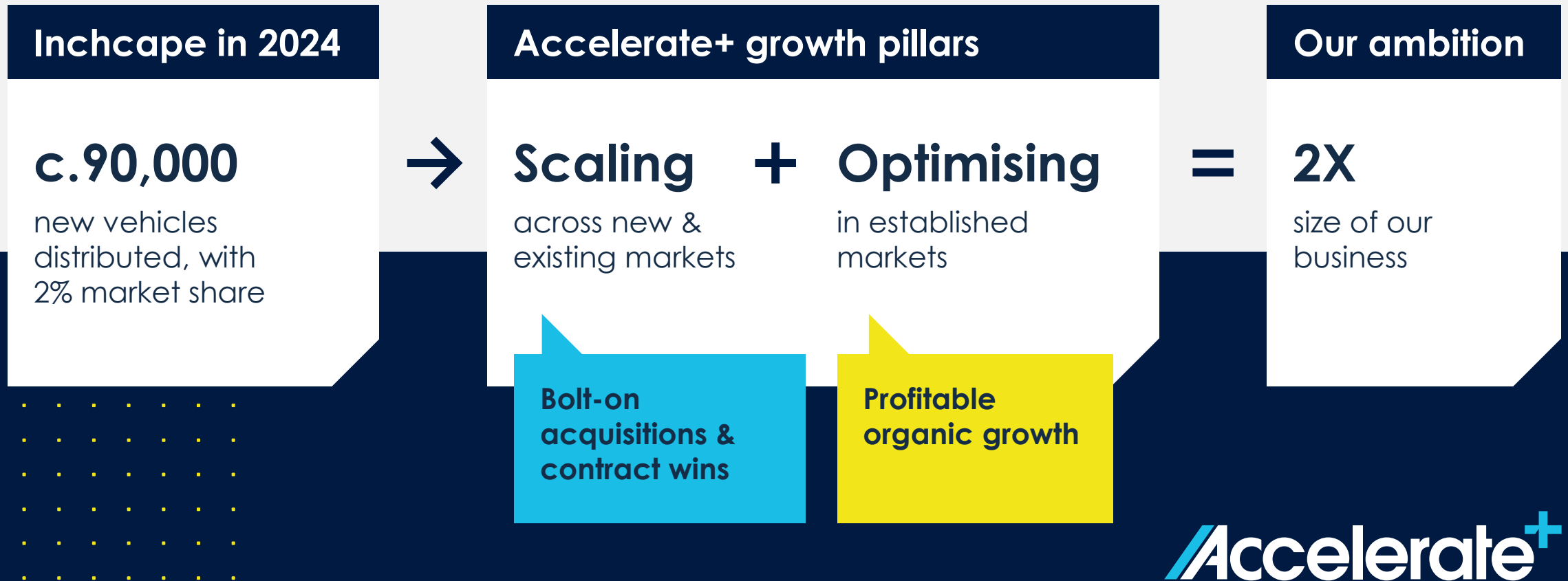
# GROWTH OUTLOOK



# Our growth outlook for APAC

Through Accelerate+ strategic approach – scaling and optimising

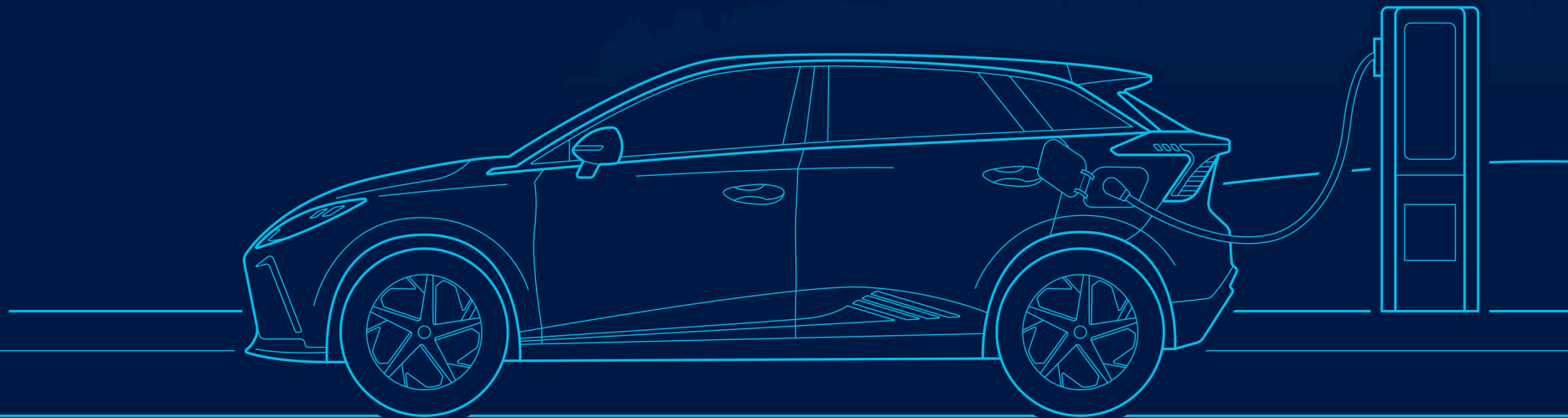
Driving profitable growth and market share across the region:







# Q&A



# Key takeaways from today

## 01

Our **evolved strategy** will enhance our position as the **leading Global automotive Distributor**

## 02

Achieving **10%+ market share** will drive substantial **stakeholder value**

## 03

Our **diversified and scaled APAC** business has **compelling growth prospects**