inchcape

ACCELERATING TRANSFORMATION+

Annual Report and Accounts 2024

ACCELERATING INCHCAPE'S TRANSFORMATION

During 2024, Inchcape accelerated its transformation as the leading independent automotive Distributor globally.

This was achieved through the sale of the UK Retail business and a record number of Distribution contract wins with OEM partners.

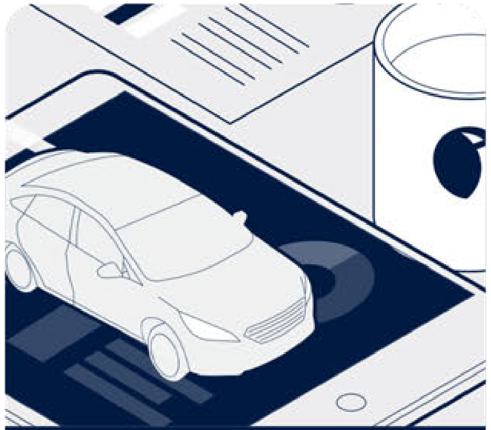
Supported by a refreshed strategic approach, Accelerate+, we will drive further scale and diversification across our global business, as we look to deliver sustainable growth for our OEM partners and shareholders, and exceptional experiences for our customers.

FIND OUT MORE

Strategic report

Governance

Financial statements



OUR STRATEGY

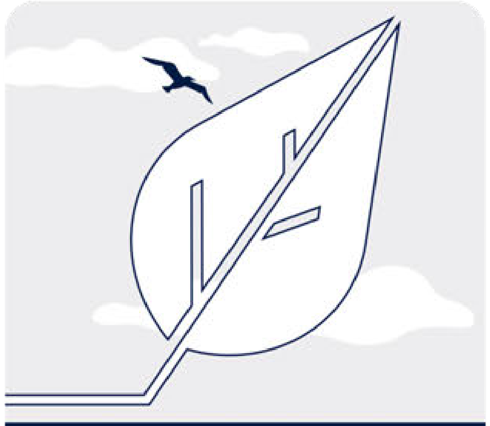
Accelerate+, our refreshed strategic approach, is enhancing our position as the leading automotive Distributor globally.

READ MORE **P18**

OUR BUSINESS MODEL

We partner with OEMs to unlock opportunity using our in-market expertise and advanced digital and data capabilities, helping to deliver sustainable growth.

READ MORE **P11**



SUSTAINABILITY

Sustainability is at the centre of our strategy and Inchcape has a leading role in ensuring a global mobility transition that is inclusive and long-lasting. Our goal is to create a future where sustainable mobility is available for all.

READ MORE **P32**

2024 SNAPSHOT

FINANCIAL

£9.3bn
Revenue
(2023: £9.4bn[2])

£462m
Free cash flow[1]
(2023: £492m[2])

6.3%
Adjusted operating margin[1]
(2023: 6.6%[2])

27%
Return on capital employed[1]
(2023: 27%[2])

£444m
Profit before tax and adjusting items[1]
(2023: £467m[2])

NON-FINANCIAL

2.3%
Battery electric vehicles sold
(2023: 1.0%[2])

761
Reputation.com score
(2023: 702)

37%
Reduction in scope 1 and 2 greenhouse gas emissions[4]

28%
Women in Senior Leadership positions[3]
(2023: 26%[2])

STATUTORY FINANCIAL MEASURES

£562m
Operating Profit
(2023: £570m[2])

£414m
Profit before tax (continuing operations)
(2023: £378m[2])

£435m
Total profit/(loss) for the period
(2023: £283m[2])

£586m
Net cash generated from operating activities
(2023: £593m[2])

OUR FINANCIAL METRICS

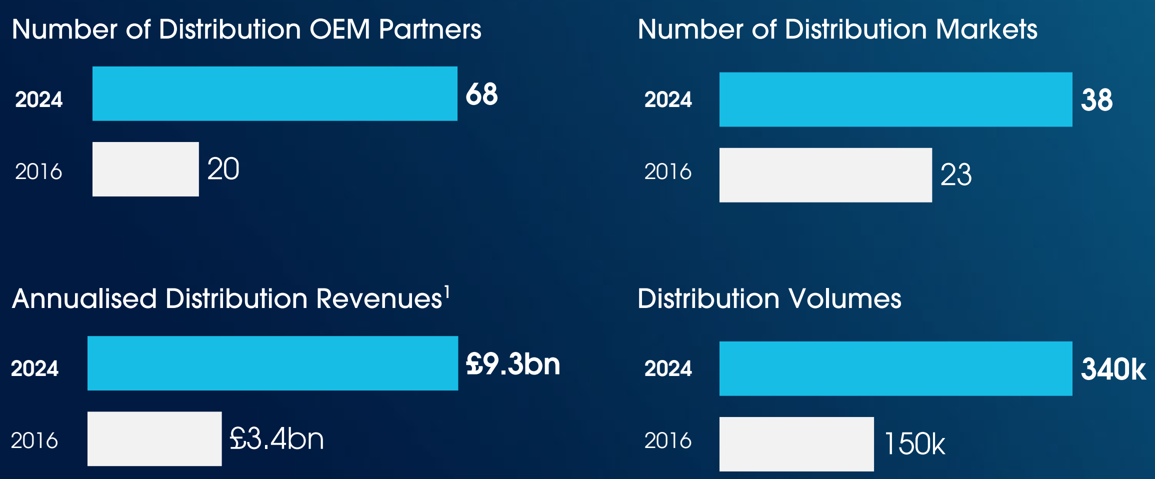
Metric	£m	Use of metric
Gross Profit	**1,606**	Direct profit contribution from Value Drivers (e.g. Vehicles and Aftersales)
Add back: Adjusting items charged to gross profit	**–**	
Adjusted Gross Profit from continuing operations	**1,606**	Direct profit contribution from Value Drivers (e.g. Vehicles and Aftersales)
Less: Segment operating expenses	**(1,022)**	
Adjusted Operating Profit from continuing operations	**584**	Operating profit generated by the Group after operating expenses
Less: Adjusting items in operating expenses	**(22)**	
Operating Profit	**562**	Statutory measure of Operating Profit
Less: Net Finance Costs and JV profits/losses	**(148)**	
Profit Before Tax	**414**	Statutory measure of profit after the costs of financing the Group
Add: Total adjusting Items	**30**	
Adjusted profit before tax from continuing operations	**444**	

1. APM (alternative performance measure), see page 190.
2. Represented for UK Retail disposal.
3. Includes the Group Executive Team and its direct reports, see page 69.
4. Reduction against 2019 revised baseline.

2024 SNAPSHOT CONTINUED

THE TRANSFORMATION OF INCHCAPE

2016 to today



1. 2016 revenues represented for Distribution revenues only. Reported revenues in 2016 were £7.8bn

UK Retail sale

The sale of our UK Retail business paved the way for Inchcape to consolidate its position as the world's leading automotive Distributor. As a Distributor we are capital-light, highly cash-generative and deliver attractive returns to shareholders.

READ MORE **P73**

Launch of Accelerate+

Our refreshed strategic approach launched this year has been designed to scale and optimise our business, as we continue to develop our position as the leading independent global automotive Distributor.

READ MORE **P18**

Distribution contract portfolio

We continue to diversify our global footprint and extend our distribution contract portfolio. In 2024, we won 22 new Distribution contracts in our Regions and we now have 230 Distribution contracts across the Group.

READ MORE **P20**

Sustainability

This year we published our first Sustainability Report: The Global Mobility Transition, Delivered Locally. It sets out the progress we have made in achieving our sustainability targets and our enhanced role supporting the mobility transition.

READ MORE **P32**

OUR INVESTMENT CASE – DRIVING OUR AMBITION

THE INCHCAPE INVESTMENT CASE
STRATEGIC DRIVERS OF GROWTH: SCALE AND OPTIMISE

Powered by Accelerate+, Inchcape is the leading independent global automotive distributor with long-term partnerships supported by our highly differentiated technology. Our capital-light model ensures resilient margins, healthy free cash flow generation, and delivering high returns. With a solid financial profile, we invest in growth by expanding OEM partnerships, securing new Distribution contracts, and executing value-accretive acquisitions. By consistently leveraging these growth opportunities, we will continue to deliver a balance and disciplined capital allocation policy, driving value and returns for shareholders.

THE LEADING GLOBAL AUTOMOTIVE DISTRIBUTOR

- Long-term, diversified OEM portfolio
- Targeting lower-scale and more complex markets
- Deep competitive moat through technology
- Scaled geographic footprint

WITH AN ATTRACTIVE FINANCIAL PROFILE

- Growth driven by market outperformance
- Resilient operating margins
- Highly cash generative
- Capital efficient and high ROCE

DRIVING SHAREHOLDER VALUE

- Clear dividend policy
- Commitment to on-going share buybacks
- Value-accretive acquisitions

OUR INVESTMENT CASE – DRIVING OUR AMBITION CONTINUED

OUR MEDIUM TERM GROWTH AMBITION: 2025 – 2030
A CLEAR GROWTH ROADMAP TO DELIVERING SHAREHOLDER VALUE, THROUGH-THE-CYCLE

Over the medium term from FY 2025 to FY 2030, the Group will continue to deliver value for shareholders, supported by its growth drivers, resilient margins, highly cash generative business model and a disciplined approach to capital allocation. This will enable us to deliver value and returns for shareholders by delivering over 10% EPS CAGR.

POWERED BY Accelerate+

KEY VALUE DRIVERS

Market outperformance
3%-5% organic volume CAGR

Resilient operating margins
c.6%

Cash generative model
c.100% FCF:PAT

DRIVING RETURNS AND GROWTH:

2.5bn
(£) Free Cash Flow

DISCIPLINED CAPITAL ALLOCATION:

Dividends
40%
of EPS

On-going share buybacks and value-accretive acquisitions

DELIVERING SHAREHOLDER VALUE:

>10%
EPS CAGR
+ dividends

Underpinned by consistently high ROCE
25%-30%

CHAIRMAN'S STATEMENT

A YEAR OF STRATEGIC PROGRESS

Bringing mobility for the world's communities, for today, for tomorrow and for the better.

Jerry Buhlmann
Chairman

Dear Shareholders and Stakeholders,

It was a privilege to have been appointed as Chair of Inchcape plc, in May 2024, at such an exciting stage in the Group's prestigious journey.

Given Inchcape's future prospects, and based on our highly compelling growth strategy, I am looking forward to continuing to lead the Group's high-calibre and diverse Board, as we support our exceptional executive management team, to deliver value for all stakeholders.

Substantial strategic progress

2024 was a transformational year for Inchcape, as we became leading global automotive Distributor,following the disposal of our UK retail business. Automotive Distribution is capital-light and highly cash generative, and Inchcape remains the world's leading independent player in this segment.

To further develop our global leadership position, in 2024 we evolved our strategic approach. Accelerate+ will drive our business into the most attractive markets, with the best mix of OEM partners, maximising volumes and continuing to deliver a market-leading service for them and their customers.

The Accelerate+ strategy is all about growth. The renewed single focus on automotive distribution will drive our organic growth strategy based on leveraging market share and market mix, combined with new contract wins, and accelerated by bolt-on acquisitions. We are focused on delivering strong profitable revenue growth powered by strong local market expertise ensuring we are in the best position to support all our OEM partners.

The Group Executive Team led the successful execution of strategy during the year highlighted by the disposal of our UK Retail business, the on-going integration of our recently acquired businesses and a record year for Distribution contract wins. The continued delivery of Accelerate+ will drive future value for our OEM partners, our shareholders and other key stakeholders.

CHAIRMAN'S STATEMENT CONTINUED

Our continued focus on a sustainable future

Inchcape's role in sustainability is to support a mobility transition that is inclusive and long-lasting, while shaping a future where sustainable mobility is available for everyone.

Accelerate+ is underpinned by our approach to Sustainability, and our sustainability activities are supported by three key ambitions:

- to deliver insights for the benefit of OEMs, consumers, governments and policymakers to help accelerate the transition to more sustainable mobility, by applying our global perspective and our understanding of local markets;
- to enable a faster transition to new technologies, particularly with New Energy Vehicles, by enhancing how we support OEMs with their transition plans; and
- to ensure we play our part, by remaining a highly sustainable independent distribution channel for OEMs.

More information on our approach and progress on key Sustainability areas can be found on pages 32 to 34. We will also be publishing our second Sustainability Report later in the year.

> "SUPPORTED BY OUR DIFFERENTIATED TECHNOLOGY CAPABILITIES, INCHCAPE REMAINS WELL PLACED FOR THE FUTURE"

Board changes during the year

We further strengthened the Board in 2024, with the appointment of Alison Platt. Alison joined the Board as a non-executive director in January and was appointed Senior Independent Director in May 2024.

Alison brings a wealth of experience across a variety of industries, including healthcare, insurance and property, as well as many years experience at a board level. In addition, her previous membership of the steering group of the Hampton-Alexander Review will provide valuable insights on inclusion and diversity.

Also during the year, Nigel Stein stood down from the Board, having been our Chair since 2018 and a member of the Board since 2015. I would like to thank Nigel for his outstanding leadership of the Board. During this time he built a diverse board, consisting of directors with a breadth of knowledge, skills and experience from a wide range of sectors and industries, and developed a highly collaborative and inclusive culture.

Jane Kingston, a non-executive director and previous Chair of the Remuneration Committee, also retired from the Board during the year, having joined the Board in 2018, Byron Grote became Chair of the Remuneration Committee following Jane's retirement. I would like to thank Jane for her commitment and contribution during her tenure.

I would also like to thank my colleagues on the Board for their continued support and valuable input during 2024.

Our high-performance culture is a differentiator

Inchcape's culture will be a key enabler of Accelerate+ and we continue to make good progress in building our culture across the Group, particularly at our recently acquired businesses, where local teams continue to implement comprehensive integration programmes to ensure the Inchcape culture is fully embedded across our regions.

The Board remains proactive in embracing the Group's culture and engaging with the business. Now that the Group no longer has UK operations, the Board is holding two meetings overseas providing additional opportunities for Non-Executive Directors to engage further with the business. Bringing the Board closer to the business continues to enhance the effectiveness of the Board's oversight of culture.

An updated capital allocation policy

We have updated our capital allocation policy, which is supported by our strong balance sheet, and is focussed on three priority areas.

Firstly, our dividend policy is to pay out 40% of adjusted basic EPS in annual dividend payment to shareholders. Secondly, we are committed to on-going share buybacks. Thirdly, we will continue to target value-accretive acquisitions.

Based on this policy, and considering the Group's resilient performance in 2024, the Board recommends that the Company continues to pay a dividend of 40% of annual adjusted EPS. This payment would result in an overall dividend payment of 28.5p.

In addition, following the completion of a £150m share buyback during the first quarter of 2025, we announced a new share buyback programme of £250m in March 2025, which is expected to complete over the next 11 months.

Inchcape remains well placed for future growth

Driven by our global market leadership position as an automotive Distributor, and supported by our evolved strategic approach, Inchcape remains well placed for the future. This was evidenced by our strong performance in 2024, which demonstrated the resilience, scale and diversification of Inchcape's global business, the quality of our Group Executive Team and the high calibre of our people around the world.

Looking ahead, the Group will continue to deliver value for shareholders, supported by its key growth drivers, resilient margins, highly cash generative business model and a disciplined approach to capital allocation. To that end, from FY 2025 to FY 2030, the Group expects to generate £2.5 billion in free cash flow, which it will deploy to deliver shareholder value through >10% EPS CAGR.

Finally, on behalf of the Board, I would like to thank Inchcape's team of around 18,000 colleagues worldwide for their commitment and hard work in delivering strong results for Inchcape's stakeholders. The commitment and excellence of colleagues in every market give me great confidence for further growth and future success.

Jerry Buhlmann
Chairman

GROUP CHIEF EXECUTIVE'S STATEMENT

ACCELERATING TRANSFORMATION TOGETHER

Duncan Tait
Group Chief Executive

Can you give an overview of Inchcape's investment proposition?

Inchcape is the leading independent global provider of an essential function in the global automotive industry – Distribution. OEMs award us with the exclusive rights to distribute their vehicles and parts, in smaller, more complex and high-growth markets. Our business is characterised by long-term relationships with our OEM partners, which are supported by our differentiated technology capabilities and the dedication of our highly talented people.

Our business model drives our strong financial profile – which is capital-light, with resilient margins and healthy free cash flow generation, helping us to deliver high returns. This financial profile ensures we can invest in significant growth opportunities, helping us to deliver a disciplined capital allocation policy, as our Chair, Jerry Buhlmann, outlines on page 6.

Why have you launched an evolved strategic approach with Accelerate+?

Since 2021, when we launched our original Accelerate strategy, the external environment has evolved. This has been characterised by higher inflation and interest rates impacting consumer confidence in certain markets, the transition to a pure Electric Vehicle (EV) world taking longer than anticipated, increasing demands from OEMs for greater efficiencies and continued developments in technology.

Against this background, Inchcape has remained agile, adapting to ensure we deliver for our partners and customers. To that end, Accelerate+ has been developed to enhance Inchcape's position as the leading global automotive Distributor.

Accelerate+ is a strategic evolution, which has been designed to drive scale in new and existing markets. This is through acquisitions and contract wins, and optimising our global operations through Distribution Excellence and Value-Added Services, to deliver sustainable and profitable growth. Value-Added Services include our opportunity to grow in parts and Finance & Insurance (F&I), and to support the new energy vehicle transition.

This evolved strategic approach will enable us to drive towards our ambition of growing towards 10% market share in our markets over the medium to long-term.

GROUP CHIEF EXECUTIVE'S STATEMENT CONTINUED

Why is driving market share in your markets so important for Inchcape?

Delivering on our 10% market share ambition will drive substantial benefits for Inchcape and our stakeholders. These benefits include:

- sustainable growth over time, for Inchcape and our OEMs;
- scale our business in each market, to leverage our platform and drive efficiencies;
- top line growth, as we work with an expanding range of brands in a market; and
- increased operating leverage and stronger margins, by driving more brands through our operating cost base.

Furthermore, we have a major opportunity to scale in around 70 markets around the world, within our Total Addressable Market of 10.8m vehicles, as outlined on page 16.

In the context of Accelerate+, what were Inchcape's key strategic achievements in 2024 and how does this position the Group for the future?

We delivered strategic progress in 2024, and with the disposal of our UK retail business, the Group consolidated its position as the the world's leading automotive Distributor. Furthermore, and to help further develop our diversified and scaled footprint, we won 22 new Distribution contracts during the year, taking our total Distribution contract wins since 2021 to over 40. In 2024, these included two in Australia, in Adjacent Vehicle Categories - Deepal, a Changan brand in the SUV segment, and Foton, a light commercial vehicle brand. The pick-up truck segment makes up around 25% of the total industry volume (TIV) in Australia - this represents a major new market segment for Inchcape.

In addition, we won 14 contracts in the Americas, including premium motorcycle brand of Harley-Davidson in Chile, Peugeot in the Caribbean and Great Wall Motors in Colombia, and 6 contracts in Europe & Africa, including Ford in Estonia and BYD in Ethiopia. In addition, as the Group scales and grows, we aim to ensure we have an optimal portfolio of brands which is best suited to our business and our markets. To that end, we conduct a limited level of portfolio rationalisation, to help us optimise our market presence and leverage our infrastructure in the most efficient way.

In FY 2024, we mutually agreed to exit 4 immaterial and dilutive Distribution contracts with certain OEM partners. We expect this dynamic to continue in future years, as we manage our contract portfolio, to ensure we drive value for both Inchcape and for our OEM partners.

In summary, given our continued momentum on Distribution contract wins, the continued optimisation of our contract portfolio, as well as our successful integration of recently completed acquisitions and a healthy pipeline of bolt-on acquisitions, Inchcape is well placed to further consolidate our position as the world's leading automotive Distributor.

Can you give an overview of Inchcape's performance during 2024?

Inchcape delivered resilient operational and financial performance from continuing operations in 2024, with revenue growth of 4%, in constant currency, reflecting the underlying strength, scale and diversification of our business. This delivered adjusted operating profit of £584m, operating margins of 6.3% and free cash flow conversion of 151%.

Our performance in 2024 was driven by consistent operational execution from our teams around the world, who continue to impress me with their hard work, enthusiasm and total commitment to Inchcape, in their pursuit of delivering growth for our OEM partners.

Can you discuss Inchcape's regional performance in 2024 and how you see these trends developing in the future?

Our regions continued to evolve at different rates, with a mix of supply and demand trends, across our 38 markets, which highlights the benefits of scale and diversification to our business.

In the Americas, we delivered a robust performance across the region, including an improved performance in the second half.

In APAC, we delivered growth in line with the market, with growth from acquisitions and resilient margins.

Europe & Africa produced an excellent performance,, supported by an order bank unwind in certain markets in Europe. We achieved record market share in Europe, with 6 contract wins during the year. Africa, despite currency devaluation in Ethiopia, was stable and revenues were resilient.

Looking ahead, what is Inchcape's role in the transition to a New Energy world?

Overall, it is important to say that we remain drive-train agnostic for our OEM partners, whilst at the same time playing a key role in supporting them to transition to new energy vehicles over the long-term.

The move to pure EVs is taking longer than expected, with hybrid drive trains expected to be relevant for longer than expected. This is positive for Inchcape, given our relationship with OEMs who have market-leading hybrid product portfolios.

Furthermore, our markets remain underweight on EV, with different markets requiring different solutions across varying timescales, so the transition to a New Energy world is likely to take longer than the transition in more scaled and developed automotive markets.

In the meantime, car parcs, which is the total number of vehicles on the road, continue to grow across our markets, and the majority of these vehicles continue to be internal combustion engine (ICE). Inchcape will continue to play a critical role here, as the distributor of OEM parts in our markets, further emphasising our drive-train agnostic approach.

> **"INCHCAPE DELIVERED A RESILIENT OPERATIONAL AND FINANCIAL PERFORMANCE IN 2024"**

GROUP CHIEF EXECUTIVE'S STATEMENT CONTINUED

Can you discuss Inchcape's M&A track record and future plans in this area?

We have delivered good momentum on acquisitions in recent years, with seven deals executed and integrated since 2021, generating approximately £3 billion in incremental revenue.

M&A delivers strategic benefits for the Group, as demonstrated by our acquisition of Derco in 2022. That transaction has helped to drive our market share across the Americas, and underpinned our success in winning contracts with new OEM partners, many of which were previous Derco relationships.

Looking ahead, we will continue to target bolt-on acquisitions, in the context of an industry which remains highly fragmented, with c. 1,000 independent distributors in our markets around the world. We remain disciplined and we aim to ensure the acquisitions we make are value-accretive. In addition, our acquisition approach is fully aligned to our focus on capital-light Distribution businesses in our markets.

How has the Group developed its technology capabilities during 2024?

As a result of our ongoing investment in technology, Inchcape has developed a market-leading approach in the use of technology and data to support our OEM partners, which have transformed the experience we provide to end customers.

We have developed a 'plug and play' model with DXP (Digital Experience Platform) and DAP (Data Analytics Platform) which provide us with insight and analytics that helps us to make smarter decisions and provide customers with an enhanced and more tailored experience. In 2024, we rolled out DXP and DAP into more markets with more OEMs. In addition, we utilised new technologies, like Artificial Intelligence (AI) to drive efficiencies across our business, for example in the development of an AI-based forecasting algorithm for parts which helps to ensure our OEMs' parts are competitively priced across our Distribution channels.

Can you talk about developments on your approach to sustainability during the year?

Our approach to sustainability is fully embedded into Accelerate+. We remain focused on bringing mobility to the communities in which we operate, to deliver economic benefits and social inclusion in those communities.

As an independent distributor, our role is focused on the global mobility transition delivered locally, based on delivering insights, enabling new technologies and by providing the most sustainable route-to-market, across our four key pillars of People, Planet, Places and Practices.

You can find more details on our Sustainability approach and progress in 2024 on pages 32 to 34.

What is your message to Inchcape's people, following our performance in 2024?

Inchcape is the world's leading automotive Distribution business and we have grown through organic growth, significant momentum in new Distribution contracts from our OEM partners and through acquisitions. The strategic development of our business is a testament to the professionalism, calibre and dedication of our colleagues and I am very grateful for their continued hard work, energy and commitment during 2024.

I would also like to thank the Group Executive Team for their continued valuable contribution and outstanding leadership. In addition, I am grateful to two of our Global Executive Team members who left the business during the year – George Ashford and Mark Dearnley. They both played critical roles in the growth and development of Inchcape in recent years, and we wish them all the very best for the future.

YEAR IN REVIEW

Supported by my GET colleagues and wider team, this year I had the opportunity to meet OEMs, other strategic partners and colleagues in markets in every region Inchcape operates in.

How do you see the future for Inchcape?

The future for Inchcape is very exciting. Winning more Distribution contracts and executing value-accretive bolt-on acquisitions will help us to reach our 10% market share ambition over the medium to long-term.

From FY 2025 to FY 2030, the Group expects to generate £2.5 billion in free cash flow, which we will deploy to drive >10% EPS growth. This will be achieved by delivering on our key value drivers, through-the-cycle, including organic volume growth of 3% to 5%, resilient margins of c.6%, FCF:PAT conversion of 100%, underpinned by ROCE of 25% to 30%. We deliver shareholder value through a disciplined approach to capita allocation.

Delivering on this growth algorithm will help us to capitalise on the differentiated platform we have built, establishing a stronger, more scaled Inchcape, in more markets with our OEMs generating sustainable, profitable growth and value over time.

Duncan Tait
Group Chief Executive

OUR BUSINESS MODEL

WHAT WE DO

Our Distribution Excellence approach connects the products of OEM partners with customers, by leveraging our capabilities across our value chain.

Inchcape often partners with OEMs in smaller, more complex and harder to reach markets, which tend to be higher growth with lower motorisation rates.

Broadly we have two commercial models. The first where we leverage third party dealers. As a Distributor, we take responsibility for a brand in a given market. This means managing vehicles and parts on behalf of an OEM from the factory gate or port, and then taking care of every part of the value chain, from logistics to sales to end users. The second is vertical integration, where we operate across the entire Distribution value chain, owning and directly operating the dealerships in that market.We also provide Value Added Services for customers throughout the lifecycle of a vehicle.

Our value chain

01
Product planning

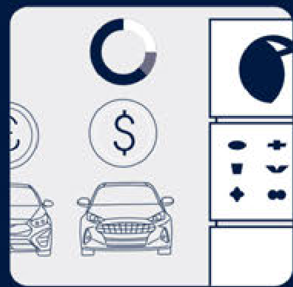
We use our local market expertise to inform certification and vehicle ordering decisions, around elements like model types and specification.

02
Logistics

We deliver vehicles and parts to markets in each of our regions.

03
Brand and marketing

We work on brand proposition development and positioning, price setting and marketing, maximising market share for our partners.



04
Channel management

We recommend the optimal channels to reach consumers and businesses covering network management, digital, and omni-channel and including the selection and management of independent third party-dealers, where appropriate.

05
Digital retail

We bring our omni-channel platform to customers to deliver world-class, digital-first experiences for consumers through DXP, our Digital Experience Platform.

06
Value Added Services

This includes the exclusive distribution of vehicle parts, maintenance, finance and insurance, new energy vehicles and used cars.

WHO WE PARTNER WITH

OEM relationships

Our globally-scaled, diversified and prestigious portfolio is unrivalled across the automotive Distribution industry.

Our portfolio of more than 60 OEM partners come from all over the world including Japan, Europe, China and the USA. The illustration below highlights the breadth, depth and duration of these relationships.

This speaks to the longevity of our Distribution model and the quality of our partnerships with OEMs. We have worked with a number of our market-leading Japanese brands, including Toyota and Lexus for over 50 years, with Porsche and Suzuki for over 35 years and BMW and Subaru for over 25 years.

LONG-STANDING OEM RELATIONSHIPS

50+ YEARS

35+ YEARS

25+ YEARS

RECENT OEM RELATIONSHIPS

WHERE WE OPERATE

Inchcape's geographic reach has been driven by a deep understanding of OEM partners and customers. This is coupled with our global expertise and local Market knowledge.

We understand our Markets through our digital-led approach, using data analytics and business intelligence to grow market share in our regions.

With our robust Sustainability Framework and aim to offer the most sustainable route-to-market, we focus on delivering market share for OEM partners, so they can focus on operating in the major markets and the mobility transition.

AMERICAS

- Argentina
- Barbados
- Bolivia
- Chile
- Colombia
- Costa Rica
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Panama
- Peru
- Uruguay

£3.3bn
Revenue
(13)%

13
Markets

EUROPE & AFRICA

- Belgium
- Bulgaria
- Estonia
- Finland
- Greece
- Latvia
- Lithuania
- Luxembourg
- North Macedonia
- Poland
- Romania
- Djibouti
- Ethiopia
- Kenya

£3.0bn
Revenue
+7%

14
Markets

ASIA PACIFIC (APAC)

- Brunei
- Guam
- Hong Kong
- Indonesia
- Macau
- Philippines
- Saipan
- Singapore
- Thailand
- Australia
- New Zealand

£3.0bn
Revenue
+6%

11
Markets

HOW WE CREATE VALUE

Inchcape's success is dependent on the continued trust and support of all its stakeholders. Strong relationships are fundamental to the long-term success of the Group.

OEM PARTNERS

We provide OEM partners with professional and efficient routes to market throughout the post-factory automotive value chain, supported by market-leading Digital, Data and Analytics.

Interests

- Strategy
- Sustainability
- Trusted partnership
- Brand protection
- Health, safety, and environment (HSE)
- Environment, social, and governance (ESG)

2024 highlights

- Consolidating our position as world's leading automotive Distributor
- Continued investment in Digital, Data & Analytics
- Supported expansion of Distribution into new Markets and vehicle categories

CUSTOMERS

We provide access to vehicle ownership as well as parts and services throughout the customer journey and vehicle lifecycle. Customers are served through a tailored omnichannel experience.

Interests

- Access to a range of quality vehicles from world-renowned brands
- Tailored omnichannel experiences
- Specialist product and service knowledge
- Aftersales services and parts
- Finance & Insurance

2024 highlights

- Customer omnichannel platform is live in 32 markets for 33 OEM brands (2023: 17 markets, 15 OEM partners)
- Reputation.com: 126,000 reviews from 1,010 locations. 761 average rating from customers

HOW WE CREATE VALUE

COLLEAGUES

We support our colleagues to achieve their personal goals and foster a culture based on inclusion, empowerment and optimised potential through learning.

Interests

- Strategy
- Long-term sustainability
- Security of employment
- Inclusion & Diversity (I&D)
- Health & Safety
- Company purpose and values

2024 highlights

- Internal launch campaign for Accelerate+
- 150+ women participated in the Aspire development programme
- 90% response rate to 'Be Heard' colleague survey
- 1,000+ colleagues trained in inclusive hiring practices

SHAREHOLDERS

We aim to deliver value on long-term investment based on a sustainable platform for growth, disciplined approach to capital allocation and cash returns through dividends and share buybacks.

Interests

- Strategy
- Purpose and values
- Financial performance and strength of balance sheet
- Capital allocation
- Sustainability
- Long-term commercial sustainability and business viability
- Key developments in the business and issues we are facing

2024 highlights

- Refreshed strategic approach, Accelerate+, to support long-term growth
- £150m share buyback programme
- Two investor webinars and c.170 shareholder meetings

COMMUNITIES

We have a balanced approach to engagement with the communities in which we operate, empowering ownership at local level with structural support from the Group.

Interests

- Local employment
- Sustainability, including local environmental issues like waste disposal
- Health & Safety
- Community activities
- Local road safety campaigns
- Responsible approach to local law and regulations

2024 highlights

- Expansion of our Road Safety Programme into New Zealand
- Partnerships across all Regions focusing on accessible mobility solutions
- Built our Women Mechanics Training Programme in Uruguay, with planned expansion across the Americas.

OUR OPPORTUNITY

OUR OPPORTUNITY FOR GROWTH

A substantial Total Addressable Market with significant growth opportunities for Inchcape.

Our Total Addressable Market (TAM) are markets typically characterised by high GDP growth, low motorisation rates, more complex and is estimated to be around 10.8 million vehicles sold annually. We have a market share of only 3% of this TAM, emphasising our opportunity for growth. The chart below brings this to life, showing that if we were to reach our 10% market share ambition over the long term, we would treble the size of our business.

OPPORTUNITY FOR FURTHER GROWTH AND OUTPERFORMANCE

Our Total Addressable Market (TAM) and potential to scale

OUR SCALE OPPORTUNITY

25 markets
where we have <10% share

44 markets
new potential markets

Achieving this ambition, with a scaled and diversified OEM portfolio across our markets, will drive:

Sustainable performance over time, for Inchcape, our OEMs and shareholders;

Scale in a market, which brings benefits in areas like procurement efficiencies;

Top line growth, as we work with an expanding range of brands in a given market;

Increased operating leverage and stronger margins, by driving more brands through our operating cost base;

New revenue opportunities, as OEMs look to launch new product offerings, by leveraging our share in a market.

TRENDS EVOLVING OUR STRATEGY

THE AUTOMOTIVE INDUSTRY AND THE ECONOMIES WE OPERATE IN ARE EVOLVING

MACROECONOMIC CONDITIONS

Global economic conditions have changed. Higher inflation and interest rates in many markets puts more pressure on OEMs, so there is more emphasis on the need for Inchcape to continue to deliver for them.

NEV TRANSITION

The uptake of Electric Vehicles (EVs) and New Energy Vehicles (NEVs) is taking longer than anticipated three years ago, with hybrid drive trains becoming increasingly relevant.

OEM – INCREASING DRIVE FOR EFFICIENCY

OEMs are looking for partners who can provide greater efficiencies including cost enhanced Distribution capabilities.

EVOLVING OEM LANDSCAPE

We have seen a rapidly-evolving OEM landscape, including the emergence of new OEMs seeking growth in our Markets.

SUSTAINABILITY: INCREASING IMPORTANCE TO PARTNERS

OEMs are looking for partners to support their sustainability agendas including the transition to NEVs and providing the most sustainable route-to-market.

…AND SO HAS INCHCAPE…

5 acquisitions and over 40 contract wins since 2021

We have scaled our business model and diversified our mobility company partner portfolio, proving resilient in turbulent times.

Entered new markets

Our geographically-diverse footprint, operating across an additional 3 markets since 2021, means we are well-placed to navigate the current macroeconomic climate.

New OEM relationships

We provide mobility company partners with a solution in lower volume and high-growth potential emerging markets. Since 2016 we have added over 45 brands to our portfolio across various drive trains.

Developed new capabilities

We have developed innovative solutions, collaborating bringing value to consumers and mobility company partners. Our digital and data capabilities mean we better understand consumers and cater to their needs, optimising their experience.

Sustainability Framework

We have a solid Sustainability Framework, focusing on delivering insights to our stakeholders, enabling new technologies to accelerate the adoption of NEVs and provide the most sustainable route-to-market for OEM partners.

OUR STRATEGIC FRAMEWORK

Accelerate+

Accelerate+ enhances our position as the world's leading automotive Distributor, so we can continue to be a brilliant partner for OEMs and deliver exceptional experiences for customers.

SCALE

- PASSENGER CARS
- ADJACENT VEHICLE CATEGORIES

READ MORE **P19**

OPTIMISE

- DISTRIBUTION EXCELLENCE
- VALUE ADDED SERVICES

READ MORE **P21**

OUR ENABLERS

Our success in delivering Accelerate+ will be achieved with enablers from throughout our business

CULTURE & CAPABILITIES

Developing a culture to attract and retain talent and capabilities to deliver Accelerate+. A culture built on fresh thinking and collaboration.

DIGITAL, DATA & ANALYTICS

Continuing investment in technological capabilities to stay ahead of the curve so we can deliver outstanding experiences for customers and growth for our OEM partners.

OEM RELATIONSHIPS

Developing an even deeper understanding of the global OEM landscape so we can continue to develop and provide an outstanding value proposition to our OEM partners.

M&A & INTEGRATION

Ensuring acquisitions take place in line with a disciplined approach to capital allocation and improving the way we integrate the business we acquire.

SUSTAINABILITY

READ MORE ABOUT OUR ENHANCED APPROACH TO SUSTAINABILITY AND HOW IT UNDERPINS OUR EVOLVED STRATEGY **P32**

HOW WE CREATE VALUE

SCALE

Scale enables us to grow our market share in passenger cars in both existing and new markets and deliver growth through extending our distribution capabilities into Adjacent Vehicle Categories.

We will drive scale in three ways – through organic growth, through winning new OEM contracts and through value-accretive acquisitions in attractive markets.

Scale will be achieved in two key areas:

PASSENGER CARS

We aim to drive growth in passenger cars in new and existing markets as Accelerate+ delivers Scale. Of the 38 markets we are present in today, there are 25 markets where we are below 10% market share.

ADJACENT VEHICLES CATEGORIES

Scale will ensure we achieve further growth by extending our Distribution capabilities into Adjacent Vehicle Categories. In particular, we aim to grow in the commercial vehicle and premium motorcycle categories where we already operate in a several markets.

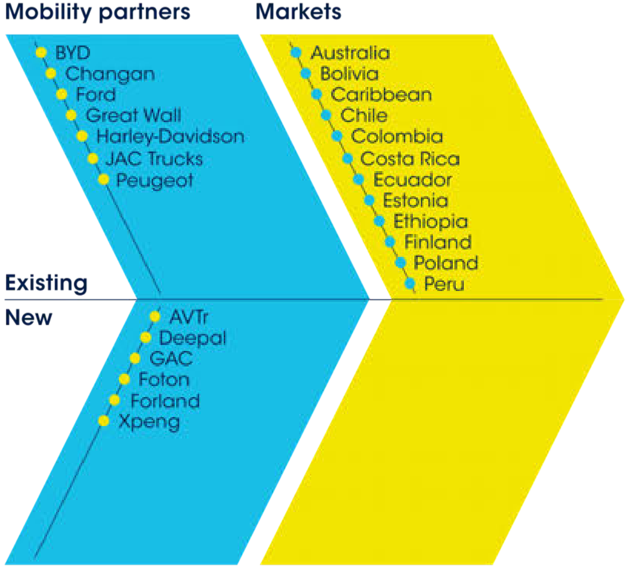
HOW WE ARE DRIVING SCALE…

Record number of contract wins

We continue to drive organic growth expansion through new contracts with existing OEMs in new markets and new OEMs in existing markets.

In 2024 we signed a record 22 new contracts in the year. These contract wins were with 13 OEM brands across 12 markets throughout our three regions. 6 of the OEMs are new to our portfolio demonstrating our ability to build new relationships and demonstrating our value proposition to OEMs.

Exciting new contract additions:



M&A and integration

Inchcape's focus on building and maintaining close and long-standing OEM partnerships provides the foundation for our ability to execute strategic and accretive growth through acquisition.

Inchcape has accelerated industry consolidation since focusing on Distribution expansion in 2016, during with time, we have developed a plug and play distribution platform. This will support scale acquisitions and important bolt-on deals, adding new partnerships, markets, and significant revenue to the business, while optimising our Retail footprint through select disposals. Our ambition is for Inchcape to become the distribution partner of choice for automotive manufacturers. Key factors in achieving this include: our track record of successful acquisition integration; investment in technology and digital capabilities that can be deployed at scale; our people's capabilities and approach to retaining key management; and the firepower we have available to execute deals through a strong balance sheet and disciplined approach to capital allocation.

OUR M&A FRAMEWORK:

Strategic
- Additive to existing brand footprint
- Broadens geographic reach
- Enhanced by Inchcape's distribution platform

Financial
- Focus on markets with higher growth prospects
- Take a considered approach to valuing targets
- ROIC > project WACC targeted in Year 3

Organisational
- Focus on retaining and nurturing talent
- Responsible business framework
- Opportunity to professionalise processes

Rebalancing our portfolio in favour of distribution since 2016

56
Distribution contracts won since 2016

16
New markets and 48 new OEMs brands since 2016

13
M&A deals since 2016 with c.£4bn of annualised revenue added

OUR STRATEGY CONTINUED

OPTIMISE

Optimise ensures Inchcape continues to be the most efficient and effective Distribution partner for OEMs.

It will be driven by the next generation of our Distribution Excellence programme and Value Added Services ensuring we achieve our goal of delivering the best customer experiences to drive customer satisfaction and lifetime profitability.

DISTRIBUTION EXCELLENCE

Evolving our approach to Distribution Excellence means we will continue being a brilliant partner for OEMs. Accelerate+ ensures we will maximise the value of the key platforms and capabilities delivering outstanding results for stakeholders.

For OEMs, this means driving efficiency throughout the route-to-market, for example, by optimising the management of our Retail network.

For customers, it means continuing to transform their omnichannel experience. They will have a consistent, reliable and personalised service 24/7, that's driven by AI (Artificial Intelligence) across all channels, throughout our retail network. This will drive customer satisfaction, boost our reputation scores and increase the value we create with each customer.

VALUE ADDED SERVICES

The goal of Value Added Services (VAS) is to increase value per customer, throughout the lifecycle of a vehicle, using our expertise and scale as a Distributor to do so.

We will deliver this in four key ways:

- Leveraging our platforms to capitalise on the Parts market as part of a comprehensive aftersales offer.
- Expanding our F&I offer.
- Developing opportunities in the NEV segment, like charging infrastructure for EVs.
- Developing our used car business by leveraging our Distribution platform.

HOW WE ARE OPTIMISING OUR BUSINESS…

Optimising through Value Added Services

The Digital Parts Platform (DPP) is Inchcape's innovative e-commerce solution that transforms the distribution of genuine parts by digitising the buying process. It provides registered users with seamless access to real-time stock information, detailed catalogues, and streamlined ordering and tracking, thereby enhancing the experience for customers, OEM partners, and dealer networks.

Piloted in Australia, the platform has delivered impressive results, including double-digit growth in purchase value and significantly higher customer retention. Building on this success, we are expanding DPP to more OEMs in Australia and new markets across APAC, with recent rollouts in Hong Kong and Singapore, and planned launches in the Philippines and Indonesia.

Optimising through Distribution Excellence

DXP (Digital Experience Platform) and DAP (Data Analytics Platform) are Inchcape's in-house digital solutions designed to enhance customer engagement and drive smarter business decisions.

DXP is an omnichannel platform and provides OEM partners with valuable data-driven insights to optimise sales and customer experiences. The platform is live in 32 markets for 33 OEMs. DAP leverages advanced analytics and AI to support decision-making across the automotive distribution value chain. These platforms are highly scalable and a key differentiator for our OEM partners.

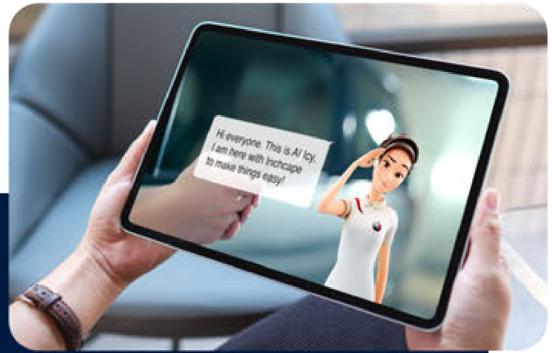
For example, in Hong Kong and Singapore, we successfully launched DXP with two OEM brands through our owned retail networks. This led to a significant increase in the conversion of digital leads to sales, with online vehicle purchases tripling and customer reputation scores rising well above industry averages.

600+

registered workshops in Australia on the Digital Parts Platform

41%

Sales contribution from digital platforms in Hong Kong



CASE STUDY

LOCAL EXPERTISE SUPPORTED BY GLOBAL CAPABILITIES

AI ICY is an AI-powered body repair quotation service offering a rapid service, currently in Hong Kong. The technology works as a 24/7 virtual assistant and can provide a quote in five minutes through a mobile chat service. The tool also offers inspection and maintenance options and a 24-hour towing support service. The need for manual checks has been replaced and enhances the customer experience beyond the buying journey.

OPERATING AND FINANCIAL REVIEW

2024 WAS ANOTHER YEAR OF PROGRESS FOR INCHCAPE

A year of strategic, operational and financial progress

Adrian Lewis
Group Chief Financial Officer

Inchcape delivered strategic, operational and financial progress in FY 2024, reflecting our diversified and scaled global market leadership position, our long-standing and valuable OEM relationships and our differentiated technology capabilities.

We delivered against a range of operational and financial metrics during the year, producing revenue and profit growth and we reduced our leverage, enabling our disciplined approach to capital allocation. This was supported by strong operational performance in each of our regions. In APAC, we delivered resilient margins, against mixed market momentum, while in the Americas, our business is well positioned for a market recovery. In Europe and Africa, we outperformed against the market.

An evolved strategic approach – focused on scale and optimise

During the year, we launched Accelerate+, designed to help scale our organisation and optimise key elements of our business Scale be achieved through executing and integrating value-accretive acquisitions and by winning and embedding new Distribution contracts with our OEM partners. Since 2019, the Group has executed 8 acquisitions and our bolt-on acquisition pipeline remains healthy in a fragmented independent distribution landscape. In addition, since FY 2021, we have won 40+ Distribution contracts, which are expected to contribute, on an average per contract basis at maturity, of between £20m and £30m in revenue and between £1m and £2m in adjusted operating profit, with an anticipated increase in market share of at least 2%.

OPERATING AND FINANCIAL REVIEW CONTINUED

HIGHLIGHTS

Revenue

£9.3bn

2023: £9.4bn[2]

Free cash flow[1]

£462m

2023: £492m[2]

Adjusted operating margin[1]

6.3%

2023: 6.6%[2]

Return on capital employed[1]

27%

2023: 27%[2]

Profit before tax and adjusting items[1]

£444m

2023: £467m[2]

Dividend per share

28.5p

2023: 33.9p

1. These measures are Alternative Performance Measures, see pages 190 to 193
2. Represented for UK Retail disposal

	2024	2023	% change reported	% change constant FX[2]	% change organic[1]
Key financials (continuing operations)					
Revenue	**£9,263m**	£9,382m	(1)%	**+4 %**	**+2 %**
Adjusted Operating Profit[2]	**£584m**	£620m	(6)%	**+2 %**	
Adjusted Operating Margin[2]	**6.3 %**	6.6 %	(30)bps	**(20)bps**	
Adjusted Profit Before Tax[2]	**£444m**	£467m	(5)%	**+5 %**	
Adjusted Basic EPS[2]	**71.3p**	76.3p	(7)%		
Dividend Per Share	**28.5p**	33.9p	(16)%		
Free Cash Flow[2]	**£462m**	£492m	(6)%		
Reported financials					
Operating Profit (continuing operations)	**£562m**	£570m	(1)%		
Profit Before Tax (continuing operations)	**£414m**	£378m	+10 %		
Total profit for the period	**£435m**	£283m	+54 %		
Basic EPS (continuing operations)	**66.4p**	57.1p	+16 %		
Net cash generated from operating activities	**£586m**	£593m	(1)%		

We are optimising our business in a number of areas, including through the divestment of non-core assets, particularly retail-only businesses. Since 2019, we have disposed of a number of non-core retail assets, generating approximately £750m in net cash proceeds, including, in FY 2024, our UK retail business and a retail aftersales business in the Americas. This has ensured that Inchcape is now fully focused on Distribution, which is capital-light, more cash generative, higher growth and higher margin than retail-only businesses.

Financial performance and balance sheet in FY 2024

Our financial performance during the year highlights our continued operational and strategic progress, ensuring we are well positioned for the future. We generated revenue of £9.3bn, up 4% in constant currency.

Operating margins were 6.3%, reflecting organic revenue growth, with regional mix impacting gross margins, mostly offset by continued cost discipline. Adjusted PBT was £444m, which on a constant currency basis was 5% above the prior year.

We delivered another excellent period of free-cash flow generation, producing £462m. This drove a 151% (2023:150%) free cash flow to profit after tax to conversion rate. Adjusted net debt[1] reduced to £190m, from £601m in the prior year, with leverage improving to 0.3x, from 0.8x in 2023. This was driven by a strong working capital performance and proceeds from non-core asset retail disposals.

OPERATING AND FINANCIAL REVIEW CONTINUED

Resilient short-term outlook, with share buyback of £250m

FY 2025 is expected to be another year of growth for Inchcape, with product cycles and the ramp-up of contract wins skewing growth to the second half of the year.

We expect to deliver higher EPS growth in FY 2025, driven by profit growth and our disciplined approach to capital allocation. As outlined in the letter by our Chair, Jerry Buhlmann, Inchcape's updated capital allocation policy is focused on dividend payments at 40% of adjusted basic EPS, with the Board declaring a final dividend of 17.2p for FY 2024, a commitment to on-going share buybacks and value-accretive acquisitions.

In March 2025, the Group initiated a new share buyback programme of £250m. This follows the completion of the Group's most recent share buyback of £150m in Q1 2025.

Delivering shareholder value over the medium term

Over the medium term, the Group will continue to deliver value for shareholders, supported by its organic growth drivers, resilient margins, highly cash generative business model and a disciplined approach to capital allocation.

From FY 2025 to FY 2030, the Group expects to generate £2.5 billion in free cash flow, which it will deploy to deliver shareholder value through >10% EPS CAGR, with a consistent dividend policy. This will be achieved by the Group delivering against its key value drivers, through-the-cycle – in particular:

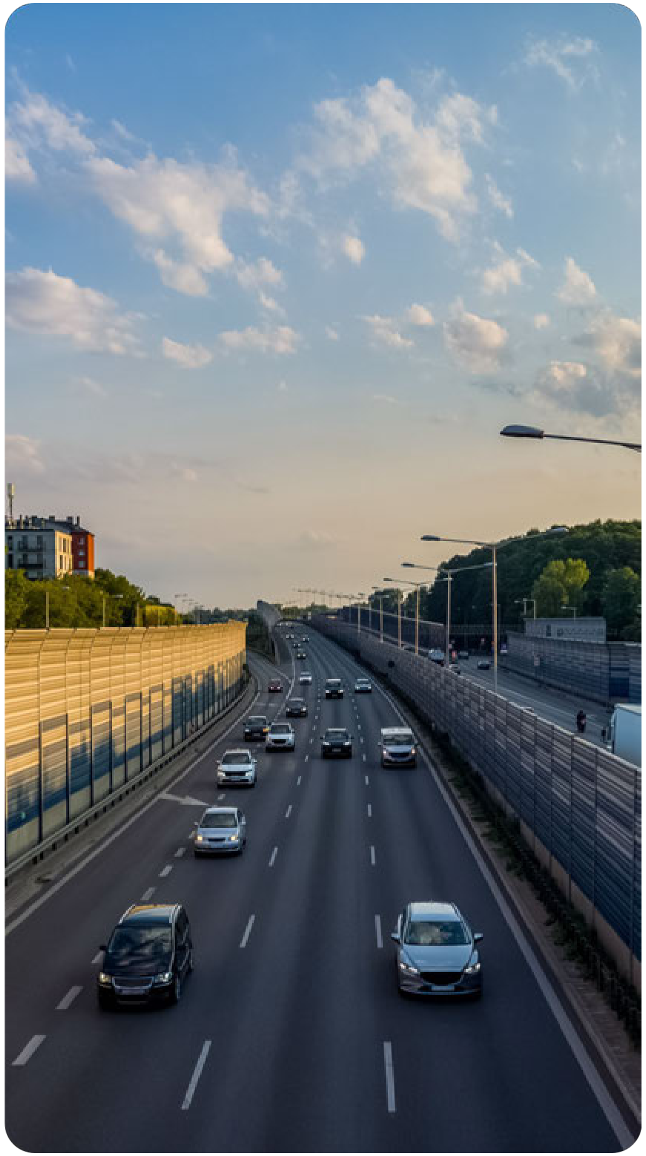
- Organic volume CAGR of 3% to 5%;
- Resilient operating margins of c.6%;
- FCF: PAT conversion of c.100%.

This will be underpinned by consistently high levels of ROCE of 25% to 30%.

We will continue to take a disciplined approach to capital allocation, focused on dividends, a commitment to on-going share buybacks and value-accretive acquisitions.

Inchcape's medium term growth prospects will be supported by our diversified and scaled global market leadership position, with our long-standing and valuable OEM relationships and our differentiated technology capabilities.

Adrian Lewis
Group Chief Financial Officer



OPERATING AND FINANCIAL REVIEW CONTINUED

PERFORMANCE REVIEW

The Group delivered a resilient financial performance in 2024, driven by strong top line growth, with resilient margins supported by continued cost discipline across the Group.

Group revenue of £9.3bn, increased by 4% in constant currency, supported by organic growth of 2% and a contribution from acquisitions of 2%. This was offset by translational currency headwinds of (5)%, which meant that revenues were down (1)% on a reported basis.

The Group delivered **adjusted operating profit**[2] of £584m up 2% in constant currency, offset by (8)% translational currency headwinds. Resilient **adjusted operating margins**[2] of 6.3% were supported by cost discipline. Overheads were stable, with the ratio of adjusted net operating expenses to revenue of 11.0% (2023: 11.1%). Reported operating profit was down (1)%.

Adjusted net finance costs[2] reduced to £142m (2023: £154m), driven by the positive impact of a reduction in average net debt on net interest costs. This was partly offset by an increase in inventory financing costs associated with a more stable working capital profile, which resulted in an expense of £56m (2023: £38m).

Adjusted profit before tax[2] grew 5% on a constant currency basis, offset by (10)% translational currency headwinds. **Adjusted basic EPS**[2] was down (7)% to 71.3p, also driven by translational currency headwinds, as well as a higher effective tax rate, partly offset by profit growth and the impact of the share buyback programme, which delivered 1p EPS accretion.

During the year, **pre-tax adjusting items** amounted to an expense of £30m (2023: £89m). This was primarily driven by one-off costs related to acquisition and integration costs of £42m (2023: £50m), mainly in relation to Derco, and non-cash, non-operational losses arising from hyperinflation accounting relating to Ethiopia of £8m (2023: £29m). These factors were partly offset by a gain on disposal of a non-core retail aftersales business in the Americas of £6m (2023: nil), and non-cash, net impairment reversals of distribution agreements of £14m (2023: nil). After adjusting items, reported profit before tax was £414m (2023: £378m).

The highly cash-generative nature of our business model was again highlighted during the year, with **free cash flow**[2] generation of £462m (2023: £492m), representing a conversion of profit after tax of 151% (2023: 150%). This was supported by a net working capital inflow of £195m (2023: inflow £169m) driven by strong inventory management and a continued alignment of supplier terms at acquired businesses. Inventory fell to £1,935m (FY 2023: £2,718m), driven by the impact of translational FX, the disposal of the UK Retail business, accounting for £336m of the reduction, the disposal of a non-core retail aftersales business in the Americas of £19m and an improvement in inventory efficiency across the Group. Net interest payments in the period increased to £128m (2023: £118m), excluding payment for leases in both periods, due to the timing of cash payments relating to inventory finance. Net cash generated from operations down (1)% to £586m.

As at 31 December 2024, Group **adjusted net debt**[2] amounted to £190m, a significant reduction from FY 2023 when net debt was £601m (excluding lease liabilities). This was achieved due to a strong free cash flow performance of £462m and net proceeds from non-core asset disposals of £391m, set against cash outflows of £294m relating to dividends and share buybacks, and £153m relating to FX and other items. Including lease liabilities, the Group ended the period with net debt of £492m (FY 2023: net debt of £1,041m). Group leverage on a proforma basis[1] was approximately 0.3x at 31 December 2024, down from 0.8x at the end of FY 2023.

Return on capital employed[2] during the year was 27%, in line with FY 2023 on a continuing operations basis, but higher than previous years, highlighting the benefits of Inchcape becoming an automotive Distribution business.

1. Proforma basis includes last twelve months of adjusted EBITDA including full year impact of acquisitions
2. These measures are Alternative Performance Measures, see pages 190 to 193

OPERATING AND FINANCIAL REVIEW CONTINUED

REGIONAL REVIEW

APAC (32% of revenue and 40% of adjusted operating profit) - growth from acquisitions, resilient margins

Revenue grew 9% in constant currency, including flat organic revenue growth, supported by a contribution from the acquisitions made in FY 2023, the integration of which are on track. Performance in the region was broadly in line with the market, in the context of mixed market momentum. In the second half, certain markets were weaker, with tough comparators. Adjusted operating profit[1] was up 6%, with adjusted operating margins[1], down (30)bps to 7.8% (excluding a £16m property disposal in FY 2023, operating margins were up 30bps in FY 2024). For FY 2025, mixed market momentum is expected to continue, with competitive dynamics in certain markets, against tough comparators in H1 2025. Growth is expected to be H2-weighted in FY 2025, driven by the timing of planned launches of key models and the ramp-up of new contracts. Margins are expected to remain resilient, supported by continued cost discipline.

Europe & Africa (33% of revenue and 24% of adjusted operating profit) - strong growth and market outperformance

Revenue grew 11% in constant currency, driven by excellent operational delivery across the region. Europe achieved a record year in market share, with substantial progress made in diversifying the region's OEM partner portfolio. Organic growth in Europe normalised in H2 2024, reflecting the order bank unwind in the region. Performance in Africa remained resilient. Adjusted operating profit[1] was up 15%, with continued elevated adjusted operating margins[1] of 4.7%. In H2 2024, operating margins returned to historic levels, driven by the effect of the order bank unwind, some dilution from the acceleration of contract win momentum in Europe and the translational currency impact relating to Ethiopia. For FY 2025, lower revenue levels are expected, against tough comparators, with operating margins expected to moderate towards historic levels.

Americas (35% of revenue and 36% of adjusted operating profit) - improved performance in H2 2024

Revenue fell (4)% in constant currency, with a robust performance across the region, including positive organic growth in H2 2024. The region delivered an excellent year in Distribution contract wins, with 14 contract awards, driven by the strength of Derco's relationships. Adjusted operating profit[1] was down (9)%, with adjusted operating margins[1] down (50)bps from FY 2023 to 6.3%, with the deleveraging effect of reduced market volumes, particularly in H1 2024, and an improved operating margin exit rate in H2 2024 of 6.6%. This was driven by better operating efficiency across the region, supported by Derco cost synergies. For FY 2025, we have prudent expectations for a strong market recovery, with the Group expecting to continue delivering margin resilience. In addition, the region's revenue will be impacted by the sale of a dilutive, non-core retail aftersales business, and some owned-retail sites, in FY 2024 (which generated annual revenue of c.£80m).

During the year, we generated 30% of gross profit through Aftersales (FY 2023: 28%).

Distribution regional breakdown

Revenue

Adjusted operating profit[1]

Adjusted operating margin[1]

6.3%

2024

6.6%

2023

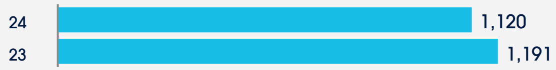
1. Operating profit and operating margin stated before adjusting items

Gross profit split

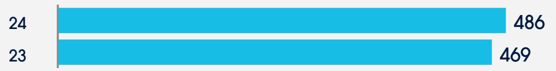
We provide disclosure on the split behind the Group's gross profit. This includes:

1. Gross profit attributable to Vehicles: New Vehicles, Used Vehicles and the associated income from F&I products; and
2. Gross profit attributable to Aftersales: Service and Parts.

Vehicles



Aftersales



OPERATING AND FINANCIAL REVIEW CONTINUED

OTHER FINANCIAL ITEMS

Adjusting items: During the year, **pre-tax adjusting items** amounted to an expense of £30m (2023: £89m). This was primarily driven by one-off costs related to acquisition and integration costs of £42m (2023: £50m), mainly in relation to Derco, and non-cash, non-operational losses arising from hyperinflation accounting relating to Ethiopia of £8m (2023: £29m). These factors were partly offset by a gain on disposal of a non-core retail aftersales business in the Americas of £6m (2023: nil), and non-cash, net impairment reversals of distribution agreements of £14m (2023: nil). After adjusting items, reported profit before tax was £414m (2023: £378m).

Net financing costs: Adjusted net finance costs reduced to £142m (2023: £154m), driven by the positive impact of a reduction in average net debt on net interest costs. This was partly offset by an increase in inventory financing costs associated with a more stable working capital profile, which resulted in an expense of £56m (2023: £38m). Reported net finance costs were £150m (2023: £193m). This includes £8m (2023: £29m) of adjusting items relating to non cash, non-operational losses arising from hyperinflationary accounting in Ethiopia.

Tax: On a continuing basis, the effective tax rate on adjusted profit before tax is 31.3% (2023: 30.0%), and on statutory profit before tax is 31.2% (2023: 34.4%). The increase in the effective tax rate on adjusted profit includes the impact of Pillar Two regulations which are relevant from 2024.

Non-controlling interests: Profits attributable to our non-controlling interests increased to £14m (2023: £13m). The Group's non-controlling interests comprise a 40% interest in the Group's distribution operations in the Philippines and a 30% holding in the Mercedes-Benz distribution business in Indonesia. Other significant non-controlling interests include a 30% share in NBT Brunei and a 10% share of Subaru Australia.

Dividend: The Board has proposed a final ordinary dividend of 17.2p, which is subject to the approval of shareholders at the 2025 Annual general meeting, and if approved will be paid on 16th June 2025. This follows an interim dividend of 11.3p, and takes the total dividend in respect of FY 2024 to 28.5p. The Dividend Reinvestment Plan is available to ordinary shareholders and the final date for receipt of elections to participate is 23rd May 2025.

Capital expenditure: During 2024, the Group incurred net capital expenditure of £70m (2023: £62m), consisting of £79m gross capital expenditure (2023: £93m) and £9m of proceeds from the sale of property (2023: £31m). In 2025, we continue to expect net capital expenditure of less than 1% of Group revenue.

Financing: As at 31 December 2024, the funding structure of the Group is comprised of a committed syndicated revolving credit facility of £900m (2023: £900m), sterling Private Placement Loan Notes totalling £140m (2023: £210m), and a 5 year bond of £350m, at a fixed coupon of 6.5%. During the year, the term facility of £250m was repaid, following the disposal of the UK Retail business, together with the debt acquired from acqusitions in 2022 and 2023. As at 31 December 2024 the syndicated revolving credit facility was drawn £55m (2023: £150m). Excluding our Revolving Credit Facility, 100% of the Group's corporate debt is at fixed rates and is not due to be repaid for at least 2 years. The Group remains well within its debt covenants.

Pensions: As at 31 December 2024, the IAS 19 net post-retirement surplus was £23m (2023: £67m), with the decrease driven largely by lower than expected returns on scheme assets partially offset by movements in corporate bond yields affecting the discount rate assumption used to determine the value of scheme liabilities. In line with the funding programme agreed with the Trustees, the Group made an additional cash contributions to the UK pension schemes of £1m, (FY 2023: £2m). In November 2024, the Trustee of Inchcape Motor Pension Schemes completed a buy-in transaction whereby the assets of the scheme were used to acquire a bulk purchase annuity policy under which the benefits payable to the members of the scheme are now fully insured. The insurance policy was purchased using the existing assets of the scheme with no additional funding required from the Group.

Foreign currency translation: The impact of foreign currency translation on profit before tax was (10)%, driven by the strengthening of the GBP and the devaluation of the Ethiopian Birr during the year. The impact of foreign currency translation on the assets and liabilities of the Group's foreign operations resulted in a loss of £245m (2023: £133m) which has been reported within other comprehensive income.

Key translational foreign exchange pairings and underlying adjusted profit before tax sensitivity: The Group operates in around 40 markets globally and therefore has a broad range of translational currency exposures against GBP, its reporting currency. The Group's major currency pairs are the Euro, the Australian Dollar, the US Dollar and the Chilean Peso. At prevailing rates, for FY 2025, a 1% movement in any of these currencies would have an impact on the Group's annual underlying adjusted profit before tax of approximately £1m. Other key currency pairs are the Hong Kong Dollar, the Singaporean Dollar, the Colombian Peso and the Peruvian Sol. At prevailing rates, for FY 2025, a 1% movement in any of these currencies would have an impact on the Group's annual underlying adjusted profit before tax of less than £0.5m. Adjusted profit before tax from all of these currencies contribute around 80% of the Group's adjusted profit before tax.

APPENDIX–REGIONAL BUSINESS MODELS

AMERICAS

Country	Brands
Argentina	Subaru, Suzuki
Barbados[1]	Changan, Chrysler, Daimler Trucks, Dodge, Freightliner, FUSO, Isuzu, JCB, Jeep, John Deere, Mercedes-Benz, Mitsubishi, Peugeot, Subaru, Suzuki, Western Star
Bolivia	Avatr, Changan, Deepal, JAC Motors, Joylong, Komatsu, Mazda, Renault, Subaru, Suzuki
Chile	Avatr, BMW, BMW Motorrad, Deepal, DFSK, Changan, Great Wall, Hangcha, Harley-Davidson, Haval, Hino, Jaguar, JCB, Komatsu, Land Rover, Landini, Massey Ferguson, Mazda, MINI, Porsche, Renault, Rolls-Royce, Still, Subaru, Suzuki, Volvo
Colombia	Citroen, Develon, DFSK, Dieci, Doosan, DS Automobiles, Great Wall, Hangcha, Hino, JAC Trucks, Jaguar, Komatsu, Land Rover, Liebher, Linde, Mack, Mercedes-Benz, Still, Subaru, Suzuki, XCMG
Costa Rica	Avatr, Changan, Deepal, JAC, Suzuki
Ecuador	Freightliner, Forland, Geely, Mercedes-Benz, Subaru, Western Star
El Salvador	Freightliner, Geely, Mercedes-Benz, Western Star
Guatemala	Freightliner, Geely, Mercedes-Benz, Western Star
Honduras	Freightliner, Geely, Mercedes-Benz, Western Star
Panama	Suzuki
Peru	Avatr, BMW, BMW Motorrad, Changan, Deepal, DFSK, Great Wall, Haval, Hino, JAC Motors, Komatsu, Mazda, MINI, Renault, Still, Subaru, Suzuki, XCMG
Uruguay	Freightliner, Fuso, Mercedes-Benz

1.Distribution agreements for these brands across a range of Caribbean islands, centred in Barbados

APAC

Country	Brands
Brunei	Lexus, Toyota
Guam[2]	BMW, Chevrolet, Lexus, Toyota, Morrico heavy equipment[3]
Hong Kong	Daihatsu, Hino, Jaguar, Land Rover, Lexus, Maxus, ORA, Toyota
Indonesia	Great Wall, Harley-Davidson, Jaguar, Land Rover, Mercedes-Benz
Macau	Daihatsu, Hino, Jaguar, Land Rover, Lexus, ORA, Toyota
Saipan	Toyota, Lexus
Singapore	BYD Commercial Vehicles, Hino, Lexus, Suzuki, Toyota
Philippines	Changan, Harley Davidson, Jaguar, Land Rover, Mazda, Mercedes-Benz, Ram
Thailand	Jaguar, Land Rover, Tata Motors
Australia	Distribution: Deepal, Citroen, Foton, Peugeot, Subaru Retail only: Isuzu Ute, Jeep, Kia, Mitsubishi, Volkswagen
New Zealand	Maxus, Subaru

2. Distribution agreements for these brands across a range of Pacific islands, centred in Guam
3. Morrico heavy equipment - Bomag, CNHI International SA, Cummins, Daimler, Detroit Diesel International Direct, Dieci, DTNA , EL Industries, Fuso, Haulotte, Hyundai, Kohler, Load King, New Holland, Rosenbauer, Schwarze, Sullivan Palatek, Vac Con, WanCo

EUROPE & AFRICA

Country	Brands
Belgium	BYD, Lexus, Toyota
Bulgaria[4]	Lexus, Toyota
Estonia	BMW, BMW Motorrad, BYD, Ford, Jaguar, Land Rover, Mazda, MINI
Finland	GAC, Jaguar, Land Rover, Mazda, XPeng
Greece	Lexus, Toyota
Latvia	BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI
Lithuania	BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI
Luxembourg	BYD, Lexus, Toyota
North Macedonia	Lexus, Toyota
Poland	Distribution: Jaguar, Land Rover, XPeng Retail only: BMW, BMW Motorrad, MINI
Romania	Lexus, Toyota
Djibouti	Changan, Komatsu, Toyota
Ethiopia	BYD, Hino, Komatsu, New Holland, Suzuki, Toyota
Kenya[5]	BMW, BMW Motorrad, Changan, Jaguar, Land Rover

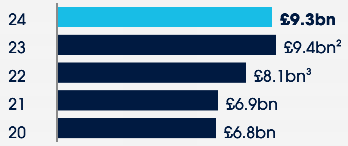
4. Distribution agreement for Toyota & Lexus also distributed to Albania, centred in Bulgaria. 5. Distribution agreement for Changan also distributed to Tanzania, centred in Kenya, distribution agreement for BMW also distributed to Djibouti, centred in Kenya and distribution agreement for Jaguar, Land Rover also distributed to Uganda, centred in Kenya

KEY PERFORMANCE INDICATORS
FINANCIAL KPIs

Key performance indicators (KPIs) provide insight into how the Board and Group Executive Team monitor the Group's strategic and financial performance, as well as directly linking to the key measures for Executive remuneration. KPIs are stated in actual rates of exchange and pages 190 to 193 provide definitions of KPIs and other alternative performance measures.

Link to strategy:
Remuneration
Distribution Excellence
Culture and Capabilities
Sustainability

REVENUE



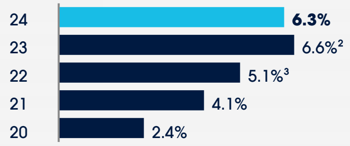
Definition
Consideration receivable from the sale of goods and services. It is stated net of rebates and any discounts, and excludes sales-related taxes.

Why we measure
Top-line growth is a key financial measure of success.

2024 performance
The Group delivered £9.3bn of revenue, up 4% in constant currency, supported by 2% organic growth (excluding currency effects and net M&A) 2% from acquisitions, offset by currency headwinds of (5)%. Revenues were down (1)% reported versus prior year. On a constant currency basis, revenue was in line with target.

Link to strategy:

ADJUSTED OPERATING MARGIN[1]



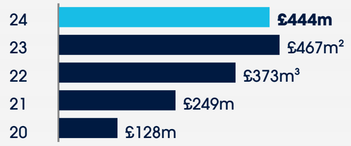
Definition
Operating profit from continuing operations (before adjusting items) divided by sales.

Why we measure
A key metric of operational efficiency, ensuring we are leveraging our scale to translate sales growth into profit.

2024 performance
Operating margin is 6.3%, down (30)bps versus 2023 and down (20)bps on a constant currency basis. Margins were supported by cost discipline. Our margins are consistent with our guidance of c. 6%.

Link to strategy:

PROFIT BEFORE TAX AND ADJUSTING ITEMS[1]



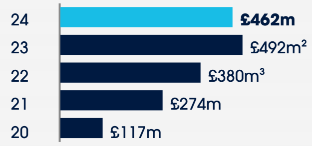
Definition
Represents the profit made after operating and interest expense excluding the impact of adjusting items and before tax is charged.

Why we measure
A key driver of delivering sustainable growth and growing earnings to shareholders.

2024 performance
In 2024 this increased 5% on a constant currency basis, reflecting resilient margins and the contribution from acquisitions. Including the impact of FX, adjusted profit before tax decreased (5)% to £444m. On a constant currency basis, adjusted profit before tax was ahead of target.

Link to strategy:

FREE CASH FLOW[1]



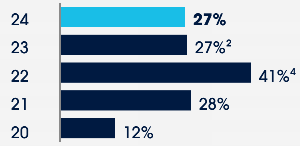
Definition
Net cash flows from operating activities, before adjusting cash flows, less net capital expenditure and dividends paid to non-controlling interests.

Why we measure
A key driver of the Group's ability to fund inorganic growth and to make distributions to shareholders.

2024 performance
The Group delivered free cash flow (FCF) of £462m, a decrease of (6)% on 2023 and representing a conversion of adjusted profit after tax of 151% and above our guidance of c.100%.

Link to strategy:

RETURN ON CAPITAL EMPLOYED[1]



Definition
Operating profit (before adjusting items) divided by the average of opening and closing capital employed where capital employed is defined as net assets add net debt/less net funds.

Why we measure
Adjusted ROCE is a measure of the Group's ability to drive better returns for investors on the capital we invest.

2024 performance
Adjusted ROCE for the period was 27%, compared to 27% in 2023, and is aligned with our guidance of 25%-30%.

Link to strategy:

1. Alternative performance measure, see page 190. 2. Performance in 2023 represented for UK retail disposal. 3. Performance in 2021 represented for Russia disposal.
4. ROCE in 2022 has been adjusted to remove capital employed of Derco. which was acquired on the last day of 2022 and therefore did not contribute to operating profit during that year.

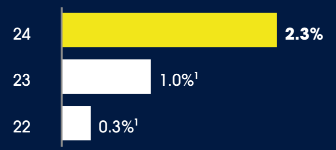
KEY PERFORMANCE INDICATORS
NON-FINANCIAL KPIs

We have a number of non-financial KPIs which align to our business model as part of our Accelerate+ strategy and sustainability framework. Our focus on the customer whilst operating responsibly is at the heart of our business model. This is fundamental to our strategy, and maps the way Inchcape creates sustainable value for all our stakeholders.

Link to strategy:

Remuneration | Distribution Excellence | Culture and Capabilities | Sustainability

BEVs SOLD



Definition
% volumes of battery electric vehicles (BEVs) sold*. BEVs are fully battery powered and run on electric power.

Why we measure
This has been a KPI since 2022. A core element of our strategy is the deployment of BEVs, which underpins our core business model and is fundamental to the long-term sustainability of the business.

2024 performance
We continue to make progress on the number of BEVs sold. In 2024, the overall percentage as a Group has increased across key markets with electric vehicle offerings, particularly Belgium and Hong Kong.

As part of our Responsible Business plan, we will continue to see growth in this trend, particularly in our developed markets.

* Outputs of models and processed data are likely to be affected by the quality of underlying data which include a number of judgements and assumptions.

Link to strategy:

REDUCTION IN SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

Definition
Aggregate scope 1 and 2 greenhouse gas emissions in 2024 vs 2019 baseline.*

Further information can be found in the Task Force on Climate-related Financial Disclosures on pages 35 to 51.

Why we measure
This KPI was created in 2022. Reducing the emissions over which we have the greatest degree of control is a key sustainability priority for the Group. We have set targets for scopes 1 and 2 using Science Based Targets methodology with the aim of reducing our emissions by 46% by 2030 and achieving net zero by 2040.

2024 performance
Scope 1 and 2 emissions were reduced by over 22,000 tonnes measured on a market basis and by over 12,000 tonnes on a location basis against the 2019 revised baseline. Greenhouse gas emission reductions is a strategic element of the Group Chief Executive's bonus – please see page 98 for further details.

* 2019 figures have been restated to reflect relevant disposals, acquisitions, and data rectification.

Link to strategy:

REPUTATION.COM SCORE

Definition
A measure of the end customer experience in our dealerships (both distribution and retail), using Google Business Profile star ratings among other metrics. Score goes up to 1,000.

Why we measure
Customer reputation score is a measure we introduced in 2018 which provides a commercially relevant customer experience measure using Google Business Profile and monitors customer sentiment.

2024 performance
Adoption of Reputation continues to grow, and we now have 1,000+ dealership locations tracking customer reviews, 25% of which achieved best in class scores of 800 or more. Our focus in 2024 moved beyond the overall review score to the intelligence sourced from visitor comments and the insights we can use to further lift dealership service levels. Additionally we can now attribute scores and insights to distinct departments in Sales and Aftersales, giving our management teams precise information into successes and opportunities across the whole customer service journey.

Link to strategy:

WOMEN IN SENIOR LEADERSHIP POSITIONS

Definition
Percentage of women in senior leadership, which includes the Group Executive Team and its direct reports.

Please see page 80 for more information, including a complete breakdown of the gender diversity within the Group.

Why we measure
We are committed to increasing the proportion of women in senior positions to 30% by the end of 2025, with a sustained focus on developing and retaining talented women across the business. Tracking this KPI allows us to measure progress, identify barriers, and drive meaningful action towards a more gender balanced leadership team.

2024 performance
We have remained steady in our representation of women in senior positions, notably alongside the sale of UK retail. In 2024, we launched a programme focused on female talent development across all levels of the business to further strengthen retention and our pipeline into senior positions. Over 150 women have participated in the programme so far across all regions and in 2024 we achieved our target of 30% female representation across our global workforce.

Link to strategy:

1. Represented for UK disposal

SUSTAINABILITY

THE GLOBAL MOBILITY TRANSITION, DELIVERED LOCALLY

Inchcape's role is to help to create a transition that is inclusive and long-lasting, with a commitment to work collaboratively with stakeholders to shape a future where sustainable mobility is a reality for all.

As one of the most disrupted industries worldwide, the automotive sector faces transformative shifts driven by consumer trends, regulatory pressures, emerging technologies, and evolving supply chains. The need to reduce global emissions produced by the industry is being met by new low-carbon technologies, changes to infrastructure, and shifts in the modes through which transport is delivered.

This change – termed the 'mobility transition' – is acknowledged for its risks, but also brings unique opportunities for Inchcape to play a pivotal role in steering the course towards sustainable mobility. We recognise that engaging with and responding to these opportunities is what our stakeholders are asking of us.

SUSTAINABILITY CONTINUED

How we deliver our ambition

DELIVERING INSIGHTS

c.18,000

talented diverse colleagues around the world

Our role
Becoming a leading authority in the mobility transition in our markets and helping to close knowledge gaps for the benefit of our OEMs, policy makers, and customers.

Talented diverse colleague base supplying local expertise and knowledge of their Markets.

Use our experience and data to identify insights for our stakeholders and aid their understanding of the transition.

Industry-leading Digital, Data & Analytics to understand consumer needs, and provide market intelligence for our partners.

ENABLING NEW TECHNOLOGIES

1,000+

technicians completed a battery repair training programme

Our role
Driving the adoption of new technologies from our OEM partners across our Markets by fostering the ecosystem needed for widespread low-emission vehicle use.

Provide comprehensive end-to-end support in the roll-out, lifecycle management, and aftersales of products.

Train and upskill our people so that they are equipped to offer our customers the full range of options.

Embrace the next phase of mobility, emphasising sustainability, customer-centric solutions, and responsible practices across our diverse Markets.

How we deliver our ambition

PROVIDING THE MOST SUSTAINABLE ROUTE-TO-MARKET

Operating as a responsible business underpins our strategy. We are dedicated to creating sustainable value for all our stakeholders, with a focus on driving what matters to our people and enhancing the impact of our practices on our planet, the communities we serve, and the places where we operate.

A BREAKDOWN OF THE GROUP'S GENDER DIVERSITY CAN BE FOUND ON **PAGE 80.**

Planet

Recognising our industry's environmental impact, the Planet pillar leads our efforts to address climate change.

- 7.5% market-based reduction of scope 1 and 2 emissions year-on-year.
- Overall emissions reduction of over 22,000 tCO_2e scope 1 and 2 emissions, which represents a 37.5% reduction from the 2019 baseline.
- 70+ Inchcape sites worldwide now have solar installations.
- All Regions improved year-on-year performance in market-based emission reductions.

Places

Driving impactful change by focusing on safe mobility and social inclusion through the Places pillar.

- Two key themes: safe mobility and social inclusion.
- Expansion of our Road Safety Programme into New Zealand.
- Our Ethiopia team implemented Defensive Driving Training for colleagues and customers to help anticipate and react to potential hazards.
- Built our Women Mechanics Training Programme in Uruguay, with planned expansion across the Americas.
- Continued partnerships across all Regions with a focus on accessible mobility solutions of people with disabilities.

People

Supporting our people and nurturing their talents and wellbeing, the People pillar promotes a safe, inclusive, and diverse workplace.

- Inclusive Hiring Training Programme launched to over 1,000 hiring managers.
- Launch of our new Aspire Programme for female development with over 150 participants globally.
- Roll-out of career conversations toolkits and significant increase in managers having career development discussions.
- Be Heard survey: 90% response rate and 83% inclusion score in 2024.
- Reuters D.R.I.V.E. award: shortlisted for diversity, equity, and inclusion commitment.

Practices

Operating ethically drives the Practices pillar to rigorously update and reinforce our policies.

- Global training on anti-bribery and corruption.
- Creation of an Open Doors Policy and process across the Americas with expansion planned globally.
- Cybersecurity: Ongoing trainings for all colleagues and awareness campaigns.
- We have reached 16,000+ colleagues with our annual attestation of our Code of Conduct.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

OUR APPROACH TO CLIMATE CHANGE

Companies have a duty to do all they can to mitigate the impacts of climate change. Understanding the impact the automotive industry has on the environment and the likely impact on our business means that we can be well prepared for future challenges.

We consider these impacts in the development of our strategy and into our risk analysis. We set appropriate metrics and targets that operate within a robust governance framework.

This supports our purpose of bringing mobility to the world's communities for today, for tomorrow, and for the better.

As one of the most disrupted industries worldwide, the automotive sector faces transformative shifts driven by consumer trends, regulatory pressures, emerging technologies, and evolving supply chains. The need to reduce global emissions produced by the industry is being met by new low carbon technologies, changes to infrastructure, and shifts in the modes through which transport is delivered. This mobility transition has acknowledged risks but also brings unique opportunities for Inchcape.

This Report sets out how we assess and report on climate-related risks and opportunities which are embedded into our governance, strategic, and risk management process and our targets and associated metrics.

The climate-related financial disclosures made by Inchcape plc comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

This year, our disclosure is consistent with the TCFD recommendations except for the disclosure of an internal carbon price (ICP), which we explain in the metrics and targets section on page 48. We have also not quantified the potential financial impact for Risk 4 and Opportunities 1 and 2 in this disclosure because the data is not yet sufficiently robust. We have therefore concluded that such analysis would not lead to better informed decision making at this stage, but we expect to build on these strong foundations in future disclosures. This will be reviewed in 2025 and an update provided in the next Annual Report and Accounts.

TCFD index

Key: A ALIGNED, U UNALIGNED

TCFD disclosure	Description of progress	Pages
Governance (A)	a) Describe the Board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	36 to 37
Strategy (A)	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term. b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	38 to 39
Risk management (A)	a) Describe the organisation's process for identifying and assessing climate risk. b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	40 to 45
Metrics and targets (A)	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose scope 1, 2, and, if appropriate, scope 3 greenhouse gas emissions and the related risks. c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	48 to 49

GOVERNANCE

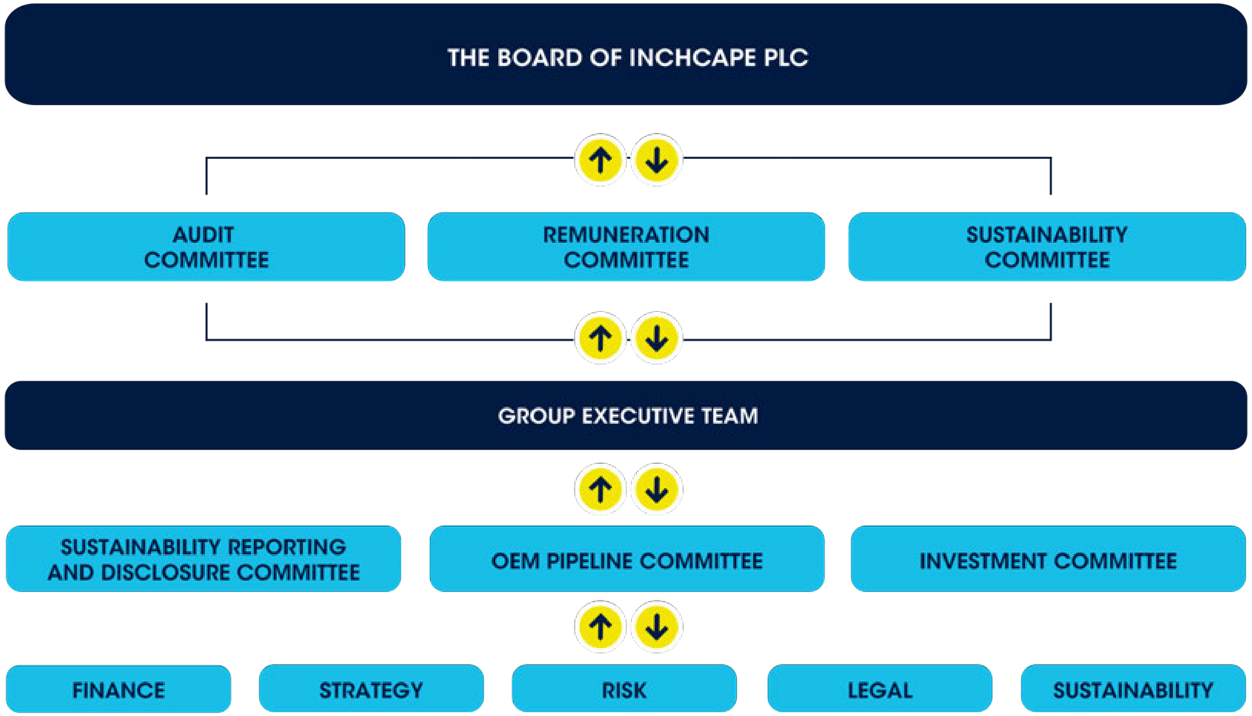
a) Describe the Board's oversight of climate-related risks and opportunities

b) Management's role in assessing and managing climate-related risks and opportunities

The Board has ultimate responsibility for the management and oversight of climate-related issues which are considered by the Board during its discussions on strategy, risk management, remuneration, financial performance, and environment, social, and governance matters. The Board is also responsible for approving and monitoring strategic programmes and expenditure. Further information on the Board's consideration of climate change in relation to strategy is given on page 38.

The Board delegates certain climate-related responsibilities to the Audit Committee. This includes responsibility for reviewing the Group's principal and emerging risks, including those impacted by climate change. The Audit Committee also considers the impact of climate change when assessing significant accounting judgements and the ongoing viability of the Group. The Audit Committee meets five times a year, with risks being considered quarterly and significant accounting judgements considered twice a year. The Audit Committee provides an update to the Board following each meeting. Further information on the activities of the Audit Committee is given on pages 81 to 88.

Governance framework



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

The Sustainability Committee also has delegated climate-related responsibilities from the Board. In addition to responsibility for the Group's overall sustainability strategy, the Sustainability Committee oversees climate-related reporting and monitors the setting and achievement of climate-related targets. The Sustainability Committee meets three times a year and provides an update on its activities to the Board following each meeting. The Sustainability Committee Report is given on pages 89 to 90 and further information on climate-related activities are given on page 46 of this Report and in the standalone Sustainability Report which can be found on the Company's website at www.inchcape.com/sustainability.

The Remuneration Committee has responsibility for considering the inclusion of climate-related metrics in the Group's incentive plans and approving and assessing achievement of targets for Executive Directors. Further information is given in the Directors' Report on Remuneration on pages 98.

The Group Executive Team (GET) has primary responsibility for assessing and monitoring climate-related risks and opportunities, which are embedded into the day-to-day operations through a combination of:

- the development and implementation of the Accelerate+ strategy; and
- the design and implementation of the Group's enterprise risk management (ERM) framework.

The GET has several sub-committees which assist it in assessing climate-related risks and opportunities, including:

- The OEM Pipeline Committee consists of all GET members. Its remit is to consider new OEMs and M&A opportunities whilst taking into account the risk of misalignment between our product portfolio in a given Market and the pace of EV adoption in that Market; and
- The Investment Committee consists of the Group Chief Executive, Group Chief Financial Officer, Group General Counsel & Group Sustainability Officer, and members of the finance, strategy, and legal teams. Its remit includes the review of capital expenditure in relation to climate-related projects, and the review of energy efficiency designs for new sites and refurbishments.

The GET also has responsibility for the Group's ERM framework. Detailed ERM plans to mitigate short-term climate-related risks are developed by each Region with approval and oversight on progress by the GET on a quarterly basis. In addition, the members of the GET are responsible for identifying and managing risks in their own business areas and the GET as a whole determines the Group's principal risks at both the half year and year end following a comprehensive risk management review process.

The Sustainability Reporting and Disclosure Committee (SRDC) consists of the Group Chief Financial Officer, Group General Counsel & Chief Sustainability Officer, Chief Strategy Officer, Head of Internal Audit, and Group Company Secretary. The SRDC meets quarterly to monitor the main climate-related risks and opportunities, in the context of strategy, governance, and financial performance.
It monitors:

- regulations impacting the Group's operations including the Corporate Sustainability Reporting Directive, International Sustainability Standards Board, and Transition Plan Taskforce, establishing a global approach to implementation;
- the climate-related risk assessments carried out by the Markets and Regions evaluating the impact of current and emerging climate-related risks;
- the impact of the Accelerate+ strategy including new OEM partners and new geographies in the contest of misalignment;
- the view of investors on climate-related risks and opportunities and how they see them impacting the business;
- progress against emissions reduction, and the implementation of energy efficiency measures across the Group; and
- the communication of climate-related risks and opportunities throughout the Group via colleague training, webinars, and other sustainability related programmes.

The Board, its Committees, and the GET are supported by colleagues throughout the organisation whose day-to-day actions contribute towards reducing the impact the business has on climate change. The SRDC also plays a key role in ensuring the flow of information within the business.

The Group's functions are also critical in the measuring, monitoring, and implementation of climate-related processes:

- finance functions - responsibility for the Group-wide emissions reporting framework, and assessment of the financial impact of climate change on impairment;
- strategy functions - monitor changing EV environment in terms of OEM partners, customers, and the infrastructure in the markets in which the Group operates;
- risk functions - responsibility for the integration, monitoring, and review of climate-related risks into the Group's ERM framework. Monitoring and escalating Tier 2 and emerging risks as appropriate;
- legal and compliance functions - review existing and emerging regulatory obligations, and consideration of OEMs' approach to climate-related risks and opportunities; and
- sustainability functions - monitor progress against scope 1 and 2 emission reduction targets, monitor implementation of policies, tools and best practice, and design and roll out the Group's energy efficiency plan.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

STRATEGY

a) Climate-related risks and opportunities over the short, medium, and long-term

b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning

c) Describe the resilience of the organisation's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The impacts of man-made climate change are material and are being felt today by the customers and communities that we serve. Those impacts will only grow over time. The automotive sector recognises this and is on a journey to decarbonise. This journey will bring risks and opportunities for our business; consideration of those risks and opportunities is therefore an integral part of the process to define and execute our strategy.

To identify our climate-related risks, we have looked at transition and physical risks:

- transition risks are risks associated with changes to the way Markets operate that may result from regulation or consumer habits as we transition to a low carbon economy; and
- physical risks are the exposure of our assets or value chain to physical hazards caused by the effects of climate change.

In 2022, we evaluated the implications of climate risks and opportunities over the following time periods:

- short-term (up to 2026): a three-year period aligns with our viability assessment and incorporates the actions needed to achieve our short-term targets;
- medium-term (up to 2030): this time period aligns with our interim climate-related targets; and
- long-term (2030 to 2050): this time period aligns with our long-term climate-related targets.

Transition risks bring the most material climate-related impacts to our strategy. We identify these risks and opportunities through:

- regulatory horizon scanning. Senior leadership and their teams are accountable for identifying regulatory risk and incorporating these into the existing risk register; and
- assessment of key external forces such as Market, technology, and political and social trends that could affect the business or our reputation. Our Strategy team specifically recognises climate change as an external force linked to Market and technology risks.

Our exposure to physical risk is identified and monitored through our scenario analysis. We assess the impact of six different acute hazards against our assets out to 2050. We screen our sites for insured value, stock value, and exposure to physical hazards using climate models.

The table on pages 43 to 45 sets out:

- a description and summary of the most significant climate-related risks and opportunities to the Group's strategy;
- the financial impact over the short, medium and long-term;
- the Group's strategic response and resiliency; and
- metrics used to measure the impact and achievement of strategy.

Climate-related risks and opportunities are considered during the strategic, operational, and financial planning process as this ensures decisions are aligned with the Group's purpose and sustainability framework.

To reduce the potential impacts of climate risks and take advantage of opportunities, the Board considers:

- the misalignment risk analysis is used to inform OEM participation and consolidation strategy;
- new aftersales revenue streams to develop aftersales strategy;
- identification and development of alternative value pools to offset margin risk; and
- incorporation of transition and physical risk considerations in acquisitions and future growth plans.

FURTHER INFORMATION ON THE ACCELERATE+ STRATEGY CAN BE FOUND ON **PAGES 18** TO **22**.

FURTHER INFORMATION ON THE SUSTAINABILITY STRATEGY CAN BE FOUND ON **PAGES 32** TO **34**.

FURTHER INFORMATION ON THE FINANCIAL IMPACTS CAN BE FOUND ON **PAGES 157** TO **158**.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

The Accelerate+ strategy has been designed to drive scale in new and existing Markets through acquisitions and contract wins, and optimise our global Distribution operations through Value Added Services to deliver sustainable and profitable growth. These services include our opportunity to grow in vehicle parts and Finance & Insurance to support the new energy vehicle (NEV) transition and to continue to develop our used car proposition.

Our refreshed strategy has been derived based on an unbiased outlook into 2035 and with strategic guidelines in mind. To prioritise strategic opportunities, we use 'future-back' scenarios taking into consideration different dimensions, including sustainable technology driven economies, social importance, effects on aspects of life, importance in decision making, government intervention, and zero emission vehicles penetration.

One of the strategic guidelines under Accelerate+ is the route to decarbonisation which paves a clear route to lowering Inchcape's emission intensity and helps to enable the NEV transition. In particular, the Scale pillar of Accelerate+ aims to increase portfolio diversification, which will assist with mitigating climate-related risks.

In order to limit global warming to less than 2°C above pre-industrialised levels, there would need to be an acceleration in the energy transition, including faster adoption of battery electric vehicles (BEVs) and misalignment between the adoption of BEVs, and the pace of adoption remains the most significant risk to the delivery of the Accelerate+ strategy.

If not planned for appropriately this could lead to loss of market share in the Markets in which we operate. This has led to a considered approach to M&A and contract wins with misalignment risk analysis inputting into the Board's consideration of OEM partners and consolidation strategy.

When making strategic decisions the Board considers:

Powertrain	Impact of BEV adoption on global emissions Alternative EV powertrains Regional EV adoption EV batteries
Market	Regulation Impact of subsidies EV adoption forecasts
OEM partners	OEM landscape OEM partner commitments

The Group has focused on strengthening its strategic partnerships with OEMs who are well placed to succeed in the global mobility transition in order to mitigate the risk of misalignment.

Chinese OEM partners are playing an increasingly important role in the global automotive market, not least as a result of their leading position in BEV technology. We are continuing to develop our relationships with Chinese OEMs, in particular those that have a strong BEV offering. This includes BYD, SAIC, Changan, and Great Wall Motors.

During 2024, Inchcape continued to build a resilient strategy with several new contract wins which address the misalignment risk in our Markets. These included two in Australia, in adjacent vehicle categories: Deepal, an all-electric brand from Changan Automobile; and, Foton, a light commercial vehicle brand whose product range for Australia will also feature electrified Foton SUVs and vans.

With EVs projected to grow in the Australian market over the coming years, the partnerships serves a growing demand and supports the Accelerate+ strategy in delivering the mobility transition. Inchcape also strengthened its partnership with BYD, winning the distribution contracts in Estonia and Ethiopia in 2024. This builds on our existing agreements with BYD in Belgium and Luxembourg, and BYD commercial vehicles in Singapore.

All our OEM partners are developing their BEV offerings at pace and we play an important role in helping them to understand the speed and characteristics of the transition in the markets in which we operate. This ensures we have a resilient strategy by ensuring that we have the right product available for our customers at the right time and in the right place.

The Board and the Group Executive Team review climate change factors that could impact the business plan in the short, medium, and long-term, and the scenario analysis around the potential impacts of climate change, such as expectation of the pace of change, and how transition to BEVs will impact the operations carrying out servicing or repairs.

Key steps undertaken in financial planning is to ensure that the base case forward cash flow assumptions remain appropriate in light of the scenario analysis and to ensure that the sensitivity analysis performed covers all the reasonably probable outcomes identified through the scenario analysis. Further information is given in the Financial Statements on pages 158 and 159.

When choosing with which OEMs to focus our growth, the Company considers how future-proof the OEM is, including its NEV commitments and line-up, among other parameters. When prioritising specific growth opportunities for both Markets and OEM partners, we consider the impact every choice has on our sustainability goals and on our ability to influence and support sustainability in Markets.

As a result of our approach, breadth of OEM relationships, and flexible business model, we believe that we have a high degree of resilience to a range of different climate-related scenarios and are well placed to respond to the risks and take advantage of the opportunities.

RISK MANAGEMENT

a) Describe the process for identifying and assessing climate risk

b) Describe the process for managing climate-related risks

c) Describe how the processes for identifying and managing climate-related risks are integrated into overall risk management.

Identification of climate-related risks and opportunities

A full value chain analysis at business level was carried out in 2021, resulting in a shortlist of five climate-related risks and two climate-related opportunities detailed on pages 43 to 45.

Key exposures were reviewed and assessed by conducting workshops and interviews with a range of stakeholders across strategy, finance, and risk management. Using the outputs of our assessment we reviewed the long list of climate-related risks and opportunities (CROs) to develop a short list of key CROs for the business. Each risk and opportunity is qualitatively rated for likelihood, velocity, and potential impact.

In 2022, we carried out a quantified scenario analysis on the key CROs identified. This process concluded that some CROs have a low financial impact and others can be combined with adjacent risks. The scenario analysis will be performed again in 2025 to assess whether there are any changes to the climate-related risks and opportunities identified and to the financial impact over the short, medium, and long-term.

Following the acquisition of Derco in 2023, and other acquisitions and disposals which have taken place since 2021, the structure of the Group has changed and an internal reassessment of the risks and opportunities was carried out in 2024. Please see the risk management process on page 42.

Comparative importance of risks

Likelihood - To assess the likelihood of a CRO, we considered the alignment between the outcome under a 1.5°C scenario, 4°C scenario, and an intermediate scenario in which temperatures are more likely than not to exceed 2°C. Each risk is then categorised as very high, high, medium, or low.

Velocity - Our assessment at the time in which the exposure to each CRO is expected. The purpose of this measure is to assess how fast external pressures are changing. Velocity was assessed across the defined short, medium, and long-term horizons.

Potential impact - The potential impact was determined which qualitatively categorised CROs and considered technology trends, supply/demand projections, impact to revenue, and impact to our cost base.

Scenario analysis

Climate scenario analysis helps us understand the potential financial impacts to our business, in its current state, from our short-listed CROs under two scenarios: 1.5°C and 4°C.

Scenarios

IPCC RCP 2.6	1.5°C aligned • Higher transition risk • Lower physical risks • Strong government intervention
IEA NZE	1.5°C aligned • Additionally to RCP 2.6, it includes a granular accelerated EV transition
NGFS Net Zero	1.5°C aligned • Additionally to RCP 2.6, it includes disorderly and orderly carbon price assumptions
IPCC RCP 8.5	4°C aligned • Low government intervention • Business as usual emission increases • Lower transition risks • Higher physical risks

IEA NZE: International Energy Agency Net Zero.
NGFS Net Zero: Network for greening the financial system.
IPCC: Intergovernmental Panel on Climate Change.

Our 1.5°C scenario is characterised by accelerated intervention and is used to assess our exposure to higher impacts from a transition to a low carbon economy. Our 4°C scenario assumes greater impacts from physical risks. Combining the outputs of both will inform the key areas where our response must focus.

Representative Concentration Pathways (RCP) were chosen because they are defined emissions pathways which can be input into global climate models to derive the physical climate futures.

The IEA NZE scenario was selected due to the additional detail specific to the transport sector. This granularity is critical because the transition from internal combustion engine (ICE) to EVs is significant to our business.

The NGFS Net Zero scenario was used to assess our exposure to carbon taxes because it includes Regional carbon prices which vary significantly across our Markets. It enables comparison between orderly and disorderly scenarios using the same sources, and there is transparency over the key policy changes that drive modelling assumptions.

Further details of the NGFS Net Zero scenarios are publicly available.

FURTHER INFORMATION ON CLIMATE-RELATED RISKS CAN BE FOUND ON **PAGES 52** TO **56**.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Scope of analysis

Transition risks

To scope Markets for our analysis we set a financial threshold for coverage. We included the Markets with a significant contribution to our operating profit until we had coverage which was over 70% of overall operating profit. This helped us filter Markets and compare the relativity of these financial impacts.

CROs were assessed at either a Market-level and aggregated up to determine the financial exposure; or due to data constraints, we assessed the risk exposure at a global level. We are taking steps to enable detailed quantification in future reporting.

Climate risk	Level of granularity	Markets included
Misalignment	Market-level (10%+ of operating profit by Market coverage in scope)	Australia, Belgium, Chile, Hong Kong, Luxembourg, and Singapore
Aftersales	Global level	A shift from conventional ICE to BEV could potentially develop new aftersales services specifically targeted for BEV. Despite uncertainty over how new revenue streams could evolve over time, our analysis showed potential cash flows are expected to be more significant for BEV than for ICE vehicles due to additional weight and cost of electric components, albeit less regular in occurrence. The impact on aftersales is considered both a risk and an opportunity.
Carbon tax	Market-level	All Markets
Margin pressure	Analysis of potential impacts performed on a qualitative basis	

Physical risks

Physical risk analysis considered the impact of six key acute hazards, including coastal inundation, surface water flooding, riverine flooding, extreme wind, forest fire, and extreme heat. A screening of 590 sites by hazard type, insured value, stock value and gross profit was completed to determine those sites that are financially significant. The screening filtered the sites down to 23. For these sites we investigated the likelihood and severity of each hazard to provide an overview of the potential asset and stock value at risk, and the impact on operations.

The maps identify the most material sites and the relative exposure under the RCP 8.5 pathway, which represents a high emissions scenario, exceeding 4°C.

AMERICAS

1 **Chile** Riverine flooding

2 **Ecuador** Extreme heat

3 **Peru** Extreme heat

EUROPE & AFRICA

4 **Ethiopia** Extreme heat

ASIA PACIFIC (APAC)

5 **Singapore** Surface water flooding

6 **Guam** Extreme heat

7 **Clyde Gessel Place, Australia** Surface water flooding

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risk management process

The Group manages its risks through its Enterprise Risk Management Framework (ERM). Risk thresholds are defined by geography (Market, Region, and Group) or strategic importance (project, programme, and portfolio). Risks are categorised dependent on their impact, considering more than just financial risk and each criteria overlaps so risks are escalated/demoted accordingly. The Group defines risk appetites as risk-averse, risk tolerant, and risk seeking. The appetite for each specific risk is decided by the Group.

We manage and monitor climate-related risks and opportunities through both a top-down and bottom-up process. For each risk, our Markets consider the impact and risk appetite to determine the target risk level. To monitor and manage risks, each risk is assigned to a risk owner and action owners. This risk owner is accountable for the risk and holds action owners to account for progressing action that move the risk to its target level.

On a quarterly basis the risk management team holds a risk review with each Market to understand their risks, monitor movements, and determine if risks are pervasive across Markets, which may require aggregation of risk impacts.

As part of the annual risk assessment process, all Markets and Regions provide more detail on the specific climate-related risks and opportunities (CRO assessments), which are added to the risk register to be monitored on an on-going basis. Outputs from CRO assessments also provide insight into strategic planning for the Markets and Regions. The risk of EV supply and demand is a mandatory assessment for each market.

The CRO assessments completed in 2024 indicate certain transition risks are becoming more relevant and important, however climate-related opportunities have also been identified by a larger number of Markets. Analysis of our current CROs against globally recognised frameworks have not identified any significant deviations and indicate that there is no material change to the profile of the key climate-related risks. A full value chain scenario analysis will be carried out in 2025.

RISK MANAGEMENT FRAMEWORK

The Group's principal and 'watchlist' risks are reviewed quarterly by the Group Executive Team.
The Board reviews risk appetite and the Group's principal and 'watchlist' risks twice a year.
The Audit Committee reviews the effectiveness of the risk management and internal control framework.

WHAT WE MONITOR

Principal risks
Risks which could materially impact delivery of Accelerate+

Emerging risks
Emerging or lower-level risks which may materialise over time

Risk information
- Trends and latest updates
- Impact and likelihood
- Mitigating controls and effectiveness
- Future action plans

How
- Board review and approval of principal risks and risk appetite
- Audit Committee ongoing review of effectiveness of systems
- GET ongoing review of risks and mitigations
- Regional Risk Committees ongoing review of local risks and action plans

Risk assessment at Market, Region, function, and programme-level

Climate-related risk and opportunity assessments

Internal control assessments and internal audit findings

External reports, including analysts' reports and peer or suppliers' public disclosures on risk

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risks

KEY

DE	Distribution Excellence
NEVs	New energy vehicles
VAS	Value Added Services

FINANCIAL IMPACT KEY:

LOW	impact to revenue <£100m
MED	impact to revenue £100m – £200m
HIGH	impact to revenue >£200m

TIME HORIZON KEY:

SHORT	(up to 2026): three-year period aligns with viability assessment
MEDIUM	(up to 2030): aligns with interim climate-related targets
LONG	(2030 to 2050): aligns with long-term climate-related targets

Risk Description	Summary	Financial impact: Scenario	Short	Medium	Long	Strategic response and resiliency	Measurement
1 **MISALIGNMENT BETWEEN OEM PARTNERS AND MARKETS ON NEVs LEADS TO MARKET SHARE DECLINE** DE NEVs	Misalignment between the speed at which our OEMs transition their model line-up to NEVs and the pace of adoption in the Markets in which we operate. This misalignment may mean that we lose market share. Analysis showed the risk of misalignment is greatest in the short to medium-term in the APAC region but is expected to disappear by 2050.	IEA NZE 1.5°C	MED	HIGH	N/A	As part of our broader strategy, our ambition is to form new partnerships with pure EV entrants to expand our OEM partner portfolio. We have taken proactive steps to achieve this by joining with OEMs such as BYD and Great Wall Motor ORA. This will help offset any potential misalignment identified with our current portfolio. We are actively taking measures to facilitate the EV transition through: • providing consumers with the option of a NEV alternative for every ICE model; • facilitating EV charging through product packages to enable customers to switch to EVs; and • providing consumers knowledge of quantified carbon footprint savings for choosing BEV.	Metric: • NEV sales as a % of new vehicle sales Sensitivity: • % Revenue CAGR • % Gross margin • % Long-term growth rate
		4°C	LOW	LOW	N/A		
2 **REDUCTION IN AFTERSALES REVENUE FOR NEVs** NEVs VAS	Due to a reduced number of moving parts in a BEV compared to an ICE vehicle, we may experience a reduction in revenue generated from the existing aftersales services we offer around repair, maintenance, and replacement of parts. Our analysis indicated this may affect our retail businesses more than our distribution businesses.	IEA NZE 1.5°C	LOW	LOW	N/A	The low-impact outcome from this risk is largely driven by the relatively low global NEV volume in comparison to ICE in 2030 in a 1.5°C scenario. However, this exposure may affect us in the long-term as global NEV volumes increase. Therefore, we are considering an expansion of our proposition for aftersales services to include new NEV-specific services. Potential services could include battery diagnostics and transportation for end-of-life batteries. These additional services could help offset any potential impact to revenue reduction from aftersales services.	Metric: • % of AFS revenue attributable to NEV Sensitivity: • % Revenue CAGR • % Gross margin • % Long-term growth rate
		4°C	LOW	LOW	N/A		
3 **CARBON TAX COSTS** DE VAS	Governments are likely to use carbon taxation as a mechanism to decarbonise the economy. Despite expected variation in carbon tax policy across countries, we anticipate carbon taxation will affect all Markets. We analysed this risk across our scope 1 and 2 emissions.	NGFS 1.5°C orderly	LOW	MED	HIGH	Our analysis considers our targets and presents reduced impact if we take action. Based on these findings we are actively implementing decarbonisation levers across scope 1 and 2 to ensure we meet our interim target of 46% reduction by 2030 and net zero by 2040 (please see pages 46 to 47). This includes switching to renewable electricity supply and installation of solar panels at our larger sites. Our strategy acknowledges a faster decarbonisation can help avoid the risk of high carbon tax costs.	Metric: • Scope 1 and 2 absolute Sensitivity: • % Revenue CAGR • % Gross margin
		NGFS 1.5°C dis-orderly	MED	HIGH	HIGH		
		4°C	LOW	LOW	LOW		

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risks continued

KEY

DE	Distribution Excellence
NEVs	New energy vehicles
VAS	Value Added Services

FINANCIAL IMPACT KEY:

LOW	impact to revenue <£100m
MED	impact to revenue £100m – £200m
HIGH	impact to revenue >£200m

TIME HORIZON KEY:

SHORT	(up to 2026): three-year period aligns with viability assessment
MEDIUM	(up to 2030): aligns with interim climate-related targets
LONG	(2030 to 2050): aligns with long-term climate-related targets

Risk Description	Summary	Financial impact: Scenario	Short	Medium	Long	Strategic response and resiliency	Measurement
4 TRANSITION TO NEVs LEADS TO PRESSURE ON DISTRIBUTOR MARGINS DE NEVs	An accelerated EV transition could affect certain cost drivers for our OEM partners until cost parity is reached between NEVs and ICE vehicles, which in turn could lead to potential downwards pressure on distributor margins. However, where there is the potential for current prices to be maintained for NEV vehicles, the impact on gross margins can be mitigated or maintained.	IEA NZE 1.5°C	N/A	N/A	N/A	Our analysis indicates that the impacts of margin pressure may be offset due to the disparity of price between NEVs and ICE vehicles. We actively monitor margins at the Market level and our Accelerate+ strategy is designed to address this risk by providing a compelling offering to our OEMs (Distribution Excellence), capturing additional vehicle profit pools (Value Added Services) and enabling expansion into new, margin-accretive Markets through M&A. We have not quantified the potential impact as the data is not sufficiently robust, and therefore we concluded that such analysis would not lead to better-informed decision making.	**Metric:** • Gross margin **Sensitivity:** • % Average gross margin
		4°C	N/A	N/A	N/A		
5 PHYSICAL RISK – DIRECT IMPACT TO PROPERTY AND INVENTORIES FROM EXTREME WEATHER EVENTS	Exposure to climate-related physical risks can expose our property and inventory to potential damage. It can also lead to business interruption at our sites causing lost revenue. Our 590 sites were screened against six acute physical hazards. We then calculated our exposure for our 23 most material sites.	RCP 2.6 1.5°C	LOW	LOW	LOW	Our analysis showed low impacts across our physical assets with the highest risk exposure from surface water floods in Singapore. However, this resulted in low impact due to the low financial significance and existing insurance policies in place to mitigate the risk. To mitigate risk for future sites from new acquisitions we will include physical risk assessments in our consideration of organic and inorganic growth opportunities.	**Metric:** • % sites at risk from physical hazards **Sensitivity:** • % Revenue CAGR
		4°C	LOW	LOW	LOW		

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Opportunities

KEY

DE	Distribution Excellence
NEVs	New energy vehicles
VAS	Value Added Services

FINANCIAL IMPACT KEY:

LOW	impact to revenue <£100m
MED	impact to revenue £100m – £200m
HIGH	impact to revenue >£200m

TIME HORIZON KEY:

SHORT	(up to 2026): three-year period aligns with viability assessment
MEDIUM	(up to 2030): aligns with interim climate-related targets
LONG	(2030 to 2050): aligns with long-term climate-related targets

Opportunity Description	Summary	Financial impact: Scenario	Short	Medium	Long	Strategic response and resiliency	Measurements
1 ALIGNMENT BETWEEN OEM PARTNERS AND MARKETS ON EVs LEADS TO MARKET SHARE INCREASE DE NEVs	In Markets where there is a rapid shift towards EVs, there is potential to capture market share where supply of EVs from our OEMs keeps pace with NEV adoption rates. In a 1.5°C scenario, the accelerated EV transition increases this potential opportunity, with our analysis showing this opportunity is most significant in the near-term where the disparity between different levels of EV supply from OEM partners is greatest.	IEA NZE 1.5°C	N/A	N/A	N/A	As part of our broader strategy, our ambition is to consider forming new partnerships with pure EV entrants to add to our OEM portfolio. We have not quantified the overall opportunity from alignment due to a lack of robust data, however we assess the financial opportunity presented from new OEM partners within specific markets on a case-by-case basis.	Metric: • NEV sales as a % of new vehicle sales Sensitivity: • % Revenue CAGR • % Gross margin • % Long-term growth rate
		4°C	N/A	N/A	N/A		
2 INCREASE IN AFTERSALES REVENUE FOR NEV VAS NEVs	A shift from conventional ICE to NEV could potentially develop new aftersales services specifically targeted for NEV. Despite uncertainty over how new revenue streams could evolve over time, our analysis showed potential cash flows are expected to be more significant for NEV than for ICE vehicles due to additional weight and cost of electric components, albeit less regular in occurrence.	IEA NZE 1.5°C	N/A	N/A	N/A	We are facilitating the choice of a NEV among consumers in our retail business by increasing consumer knowledge of the benefits of NEVs and expanding our aftersales services to facilitate NEV adoption for the customer. The potential size of opportunity has not been quantified due to a lack of robust data and significant uncertainties in how the aftersales market could evolve. However work is ongoing to consider how we can expand our aftersales proposition with new NEV-specific services and we will continue to monitor changes to aftersales market dynamics.	Metric: • % of AFS revenue attributable to NEV Sensitivity: • % Revenue CAGR • % Gross margin • % Long-term growth rate
		4°C	N/A	N/A	N/A		

We have disclosed the financial impact, up to 2030, of our CROs as low, medium, and high impact, which is aligned to our risk rating criteria as defined by our risk management framework. We have not specifically quantified the long-term impacts of EV transition due to the inherent uncertainty of the extent of the CRO. In comparison, data sets and assumptions for carbon taxes and physical risks are more readily available so have been disclosed to 2050.

Estimates for the potential financial impact of climate risks are indicative at this stage, with significant uncertainties in their underlying assumptions. We aim to build on this analysis going forward, improving on the robustness of data and assumptions where available. The likelihood of all risks manifesting concurrently is very low, so the aggregation of potential impacts would represent an extremely unlikely scenario.

The misalignment risk analysis is used to inform the judgement on impairment, further details can be found in the financial statements on pages 158 and 159.

HOW WE ARE DRIVING ACTION TO REDUCE EMISSIONS

During the year we continued to develop our plan to reduce emissions supported by short, medium, and long-term actions. The plan is commensurate with the Accelerate+ strategy and demonstrates how we will continue to grow a sustainable and climate resilient business.

EFFICIENCY MANAGEMENT

74% of our scope 1 and 2 emissions come from our buildings (location-based): our dealerships, our warehouses, our offices, and our call centres. Reducing the amount of energy that we use in our premises is therefore a key element of our decarbonisation programme. As well as reducing our carbon footprint, this also reduces cost and mitigates the impact of future energy price rises.

Achievements in 2024 include:

- Peru implemented a refrigerant recycling system and energy efficient light systems in its logistic centre which combined is estimated to save 180 tCO_2e per annum.
- LED upgrades were installed at three Hong Kong sites with estimated saves of 148 tCO_2e per annum.
- Energy audits were carried out in 36 sites across APAC, of which these sites account for c. 71% of our electricity consumption for the Region.

ONSITE GENERATION

Onsite generation enables an immediate reduction of site CO_2 emissions. The benefits include the production of carbon-free electricity, reduction in electricity costs, and moderates impact of future electricity price rises. Onsite generation also provides security of supply. Generating renewable electricity at our premises means that we do not need to draw electricity from the grid. It reduces our carbon footprint, saves us money, and provides energy security for the future.

Achievements in 2024 include:

Solar panels were installed in:

- Ecuador, El Salvador, and Guatemala which generate 80% of each sites electricity consumption. There are 860 panels generating 450,000 kWh per annum across these sites;
- six sites in Australia which are forecast to save 249 tCO_2e per annum;
- Guam which are forecast to saved 90 tCO_2e per annum; and
- two sites in Greece were installed which are forecast to save 57 tCO_2e per annum.

ELECTRIFICATION

National grids are steadily decarbonising as they become increasingly reliant upon renewable sources of electricity. Using electricity rather than fossil fuels therefore helps us to reduce our emissions footprint.

Achievements in 2024 include:

- Singapore switched from a diesel powered paint booth to an infrared booth, saving estimated 24 tCO_2e per annum.
- Costa Rica and Hong Kong are expected to save 11 tCO_2e per annum from changing ICE vehicles in its fleets to hybrid and electric vehicles.

GREEN TARIFFS

Buying electricity on green tariffs contributes to a reduction in carbon emissions.

Achievements in 2024 include:

- 24% of all sites are on green tariffs.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

MINIMUM REQUIREMENTS FOR ALL INCHCAPE BUSINESSES

Energy efficiency
Identifying opportunities to reduce energy consumption through efficient running of our buildings and investing in energy efficiency.

Green tariffs
To maintain and extend our green tariff procurement programme.

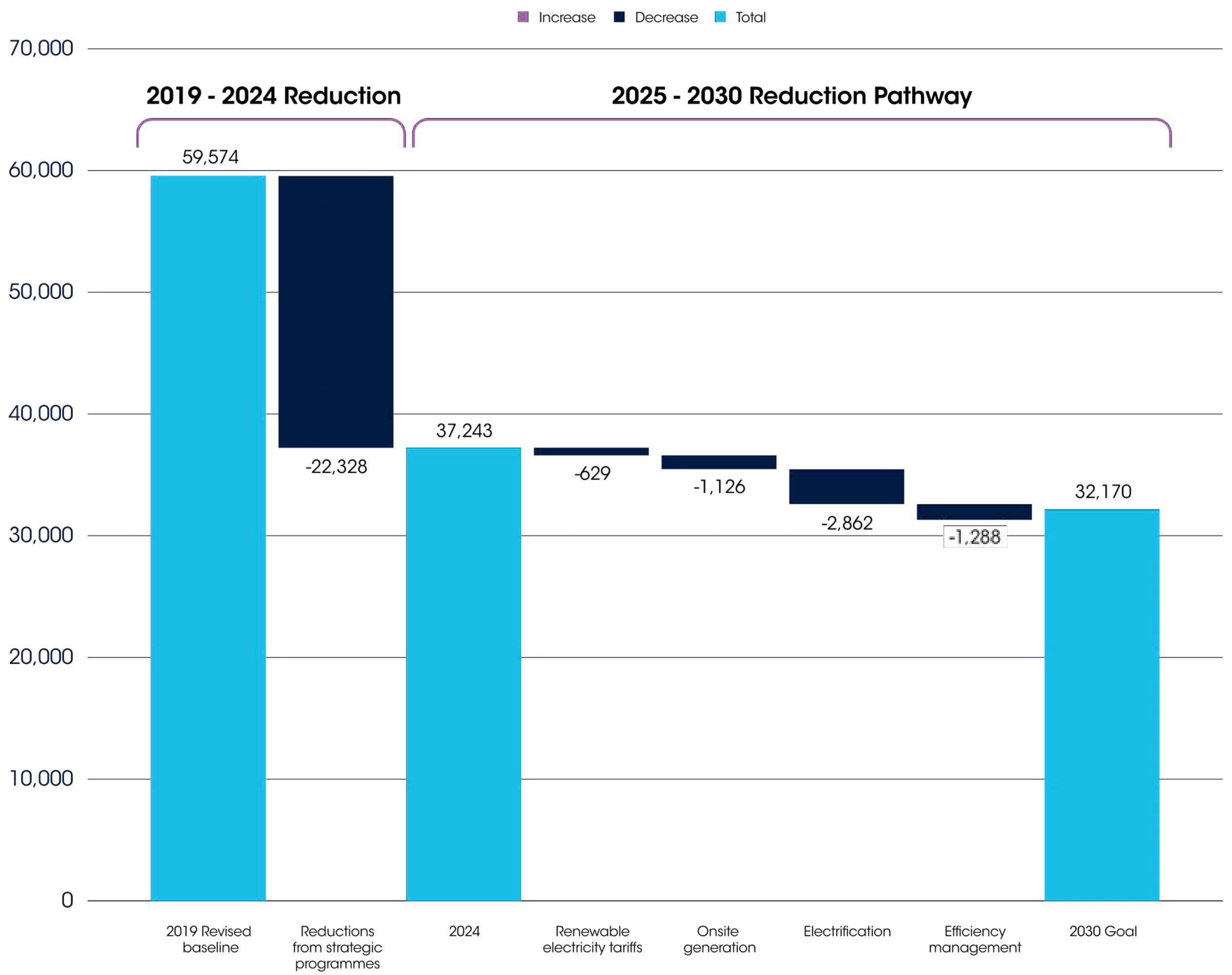
Identify other opportunities for renewable electricity procurements, such as power purchase agreements.

Electrification
To plan for our locations to be all electric with the removal of fossil fuels, in normal operation.

To move our company car fleet to NEVs.

Onsite generation
To identify more opportunities to install solar panels as well as identify other onsite renewable technologies, such as ground source systems where possible.

Pathway to net zero scope 1 and 2 target (tCO_2e market-based)



METRICS AND TARGETS

The Group uses a variety of metrics to measure the current and potential impact of our climate-related risks and opportunities, including greenhouse gas (GHG) emissions and business specific metrics. Our metrics are laid out across the seven cross-industry metric categories defined by the TCFD.

In 2021, we established our GHG reduction target to reduce our scope 1 and scope 2 emissions by 46% by 2030 and in the longer term we are committed to reaching net zero by 2040. The GHG emissions, capital deployment, and remuneration metrics are used to measure our progress to net zero. Pages 46 to 47 sets out the actions being taken across the Group to reduce emissions. We measure the number of new energy vehicles (NEVs) sold to monitor the impact of misalignment risk and misalignment opportunity.

The Company has considered whether it would assist its emissions reduction efforts to introduce an internal carbon price. The Company believes that it has sufficient tools and opportunities available to enable it to continue to reduce its controllable emissions at the present time such that the introduction of an internal carbon price is not necessary at present. However, the position is regularly monitored as management understand that this can be a powerful tool in driving sustainable practices.

Greenhouse gas emissions

Direct GHG emissions are from our operations through combustion of fuels (scope 1). We also purchase energy from the grid (scope 2) and have indirect GHG emissions throughout the value chain mainly because of our purchase of goods, consumer use of vehicles, and transportation, which together make up more than 97% of our total scope 3 emissions. We are acting across all three scopes and working closely with our partners to reduce GHG emissions for our business, our customers, and our value chain. We report our greenhouse gas emissions according to the Greenhouse Gas Protocol, published by the World Business Council for Sustainable Development, and the World Resources Institute. Please see page 50 for our Streamline Energy and Carbon Emission reporting (SECR).

Key metrics used to measure progress

Metric category	Status	Metric	2024 actual*	2023 actual	Objective
GHG emissions	Metric in place (market-based)	Absolute scope 1 and 2 emissions (tCO_2e)	37,243	40,261	To track the reduction in our emissions, improvements in our energy efficiency and generation of our own renewable power
	Metric in place (market-based)	% of sites at 100% renewable electricity	24%	32%	
	Metric in place (market-based)	Energy intensity by revenue (tCO_2e/£m)	4.0	4.3	
Physical risk	No metric in place	We do not have a physical risk metric in place			
Capital deployment	Metric in place (market-based)	% of capex towards climate initiatives	2.8%	4.2%*	To demonstrate the level of investment we are committing towards climate to achieve our strategy
Remuneration	Metric in place (market-based)	Scope 1 and 2 emissions (tCO_2e)	37,243	40,261	Incentivising leadership to deliver emissions reductions. Included in the short-term incentives
Transition risk	Metric in place (market-based)	% of NEV sold	13%	22%	-% of NEV sold
Opportunities	Metric in place (market-based)	% of NEV sold	13%	22%	-% of NEV sold
Internal carbon pricing	No metric in place	We do not have an internal carbon pricing in place			

Key
- Metric in place (market-based)
- No metric in place

*Excludes any emissions, site, and initiatives undertaken by UK Retail, which was sold in August 2024. Following this, Inchcape has made a number of key judgements, estimations, and assumptions from the underlying data when determining key metrics.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Scope 1 and 2 emissions (tCO_2e)

The target is to reduce scope 1 and 2 emissions by 46% by 2030. As at 31 December 2024, Inchcape has reduced its market-based scope 1 and 2 emissions by 37.5% from its 2019 baseline.

Whilst there remains opportunities to reduce emissions, particularly around purchase of renewable energy, other parts of operational emissions are harder to abate. Therefore it will become increasingly challenging as we approach the 2030 target.

Market-based   Location-based

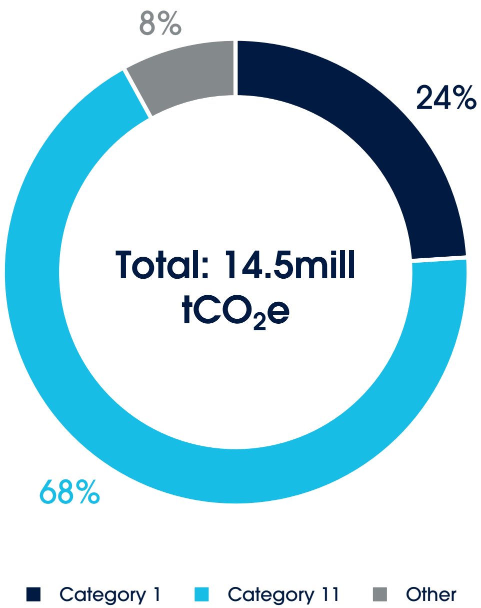
The 2019 baseline has been adjusted in line with Inchcape policy derived from GHG Protocol Corporate Standard 'Tracking Emission Over Time' for structural changes in the business including M&A and divestitures, and for amendments for data gaps above a significant threshold.

Scope 3 footprint

During 2024, the Sustainability Committee and the GET considered whether it would be appropriate to set reduction targets for scope 3, taking into account the level of control the Company has in relation to different scope 3 categories and the assessment of emissions trajectories to 2030 under different scenarios.

The vast majority of the Group's scope 3 are attributable to the vehicles and parts that we buy and sell. Inchcape's most material scope 3 emissions come from category 1 (purchased goods and services) and category 11 (use of sold products).

Scope 3 breakdown



When considering whether to set Science Based Targets initiative (SBTi) aligned scope 3 targets, five target options were taken into account:

- supplier engagement - all vehicles - categories 1 and 11;
- absolute emissions - all vehicles - category 11;
- absolute emissions - passenger vehicles - category 1 and 11;
- intensity (economic) - category 11 (per revenue); and
- intensity (physical) - category 11 and 11 (per vehicle).

The emissions footprint was modelled across two scenarios, most likely and accelerated transition. The analysis showed that Inchcape's absolute emissions rise due to growth in sales and whilst the intensity target bring Inchcape closest to SBTi reductions it is still not sufficient.

Factors influencing the results

OEMs - among Inchcape's main OEM partners, only three have targets relevant to Inchcape markets, and some OEM partners targets exclude Inchcape markets.

Markets - Inchcape operates in markets with a slower transition which typically have less ambitious EV policies.

Commercial vehicles - whilst HGVs see a drastic reduction to intensity owing to electrification projections, the contribution to absolute emissions rise due to an increase in sales.

SBTi constraints - Inchcape emissions breakdown means that a target cannot be set to cover category 11 emissions for passenger vehicles only as this would not meet the SBTi coverage threshold. If Inchcape only targets passenger vehicles, this would result in the inclusion of category 1 emissions which continue to grow due to lack of OEM targets and a rise in BEVs with more emission intensive batteries.

Outcome

The analysis shows that Inchcape is not projected to be able to achieve any of the SBTi aligned candidate targets at this time. The Sustainability Committee reported its assessment to the Board and it was agreed that scope 3 targets would not be set due to the challenges in achieving them. The Board will continue to monitor the feasibility of setting targets on a regular basis.

Despite challenges in setting targets, the review of our value chain emissions was also an opportunity to further consider our role as a facilitator for the industry-wide changes required. As our OEM partners are at different stages of their sustainability journeys, we focus on enabling them to deliver their transition strategies sustainably and effectively.

Under our guiding principle, 'the global mobility transition, delivered locally', we remain committed to supporting both emerging and advanced markets as they navigate the mobility transition. By working alongside OEMs to achieve meaningful and lasting outcomes, we play a vital role in driving emissions reductions across the industry – contributing to lower value chain emissions and creating a more sustainable future for mobility.

STREAMLINED ENERGY AND CARBON REGULATIONS (SECR)

We collect data for all material emissions for which we deem ourselves to be responsible and look for ways in which to minimise our footprint. Data is collected for two key performance indicators: our use of gas and fuel in vehicles we own (scope 1); and, our global energy usage (scope 2). The table does not include scope 3 intensity ratios or emissions data.

Data collection and reporting period

Data has been collected for all Markets from 1 January 2024 to 31 December 2024. The level at which we report is by business unit for each Market. This covers our retail operations, distribution operations, and business service operations, which fall within our operational scope.

Intensity ratio

The Group's intensity ratio compares emissions data by dividing total tonnes of CO_2e by revenue, an appropriate financial indicator. This allows for a fair comparison over time of CO_2e emissions given the growth trajectory envisaged for the Group and cyclical variations in business activity. As required under SECR regulations the following information relates to the energy consumed in our operations. The list of UK entities is given on page 209.

Emissions data previously published in the 2023 Annual Report has been restated. This is because the prior year has been adjusted for structural changes in the business and amendments for data gaps.

Carbon efficiency measures

The Group's controllable emissions management team developed its strategic programmes to reduce carbon emissions, focusing on four key areas: energy efficiency, on-site renewable energy generation, electrification, and renewable electricity purchasing. Our Markets are implementing the programmes to identify opportunities to reduce our carbon emissions.

INFORMATION ON CARBON EFFICIENCY MEASURES INTRODUCED IN 2024 CAN BE FOUND ON **PAGE 46.**

	2024		2023	
Metric category	**UK & offshore**	**Global**	**UK & offshore**	**Global**
Total energy consumption (kWh)	301,954	152,073,291	323,684	189,775,459
Scope 1 (tCO_2e)	46	20,418	49	21,733
Stationary combustion (tCO_2e)	46	6,960	49	8,190
Vehicle fuel combustion (tCO_2e)	—	12,299	—	11,892
Fugitive emissions (tCO_2e)	—	1,158	—	1,651
Scope 2 (location-based, tCO_2e)	10	26,576	11	29,105
Scope 2 (market-based, tCO_2e)	10	16,825	11	18,528
Total scope 1 & 2 (location-based, tCO_2e)	56	46,994	60	50,838
Scope 1 & 2 emissions intensity ratio (location-based, tCO_2e/£m)	—	5.1	—	5.4
Total scope 1 & 2 (market-based, tCO_2e)	56	37,243	60	40,261
Scope 1 & 2 emissions intensity ratio (market-based, tCO_2e/£m)	—	4.0	—	4.3
Revenue (£m)	—	9,263	—	9,382
Methodologies used in calculation of disclosures	GHG Protocol Corporate Accounting and Reporting Standard GHG Protocol Corporate Value Chain Accounting and Reporting Standard GHG Protocol Scope 2 Guidance			

Inchcape applies the GHG Protocol Corporate Standard for tracking emissions over time to identify rebaselining events. Emissions data previously published in the 2023 Annual Report has been restated due to structural changes in the business. Examples of this include the 2024 disposal of the UK Retail division and the sale of retail and wholesale alternative parts businesses in Chile.

NON-FINANCIAL & SUSTAINABILITY INFORMATION STATEMENT

The table below is intended to help our stakeholders understand our position on key non-financial matters and climate-related financial disclosures in line with the reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006.

Fair review of our business	Summary	See pages
Business model	A description of the Company's business model which drives our strong financial profile	11 to 13
Strategy	A description of the Company's strategy	18 to 22
Financial performance and stability	The development, performance, and position of the Company's business during the financial year	23 to 28
Key performance indicators	Financial, environmental, and colleague metrics to measure the Company's performance effectively	30 to 31
Section 172(1) statement	Summary of how the success of the Company for the benefit of its members was promoted	72 to 77

Sustainability	Summary	See pages
Our approach to sustainability	Description of environmental matters and respect for human rights	32 to 34
Culture and values	Description of colleague related matters	15 and 76
Colleague inclusion and diversity	Description of initiatives and breakdown of gender and ethnic minority data across the Group	34, 77, and 80
Community activities	Description of activities in the communities in which we operate	34 and 90

Environmental matters	Summary	See pages
Task Force on Climate-Related Financial Disclosures	'Climate-related financial disclosures', as defined in section 414CB of the Companies Act 2006	35 to 49
Streamlined Energy and Carbon Reporting regulations	The Company's scope 1, 2, and 3 greenhouse gas reporting for the financial year	47 to 50

Principal risks and uncertainties	Summary	See pages
Risk management	Main trends and factors likely to affect the future development position of the Company's business	52 to 61
Governance	How the Audit Committee manages principal risks	81 to 88

Group policies in relation to matters concerned above	Summary	See pages
Anti-bribery and corruption	Maintaining effective systems to counter bribery in all our business dealings and relationships. There were no material instances of this during 2024	34 and 72
Code of conduct	Outlines the standards of behaviour expected of all colleagues and suppliers across the Group	34, 86, and 107
Safety and wellbeing	Health and safety is at the forefront of our organisational priorities and is integrated into our strategy	53, 55, and 59
Modern slavery	A guide to ethical business conduct and the minimum standards of behaviour expected	72
Tax	Explains the frameworks, processes, and controls required to meet the Group's tax responsibilities	72, 84, 86, and 154
Whistleblowing	Framework for disclosing concerns to any forms of wrongdoing or concealing wrongdoing	76 and 86
Inclusion & Diversity	Our Inclusion & Diversity Framework drives action on inclusive culture across Inchcape	76 and 111

All Group policies above are either available on our website or are summarised in the Code of Conduct which is available at www.inchcape.com.

RISK MANAGEMENT

EFFECTIVE RISK MANAGEMENT - ENABLING OUR GROWTH AMBITION

We accelerate the performance of our OEM partners, the well-being of our colleagues, and the interests of our communities and investors through well-managed risk-taking.

PRINCIPAL RISKS

Approach to risk management and internal control

Effective risk management is essential to executing our Accelerate+ strategy and achieving sustainable stakeholder value. We believe that effective risk management starts with the right conversations to drive better business decisions. Our primary focus is to identify and embed mitigating actions for significant risks that could affect our current or future performance, sustainability, and/or our reputation.

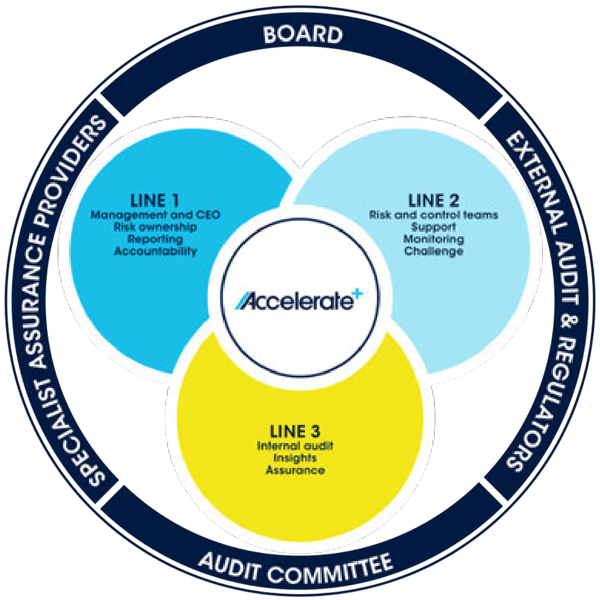
Three lines of defence model

Our risk management efforts aim to be holistic and integrated, bringing together risk management, internal controls, and sustainability initiatives to ensure key risks associated with our strategy are effectively managed.

Inchcape deploys the 'three lines of defence model' to manage risk which is overseen by the Board and its Committees. Accountability for managing risk is, however, fully embedded across our business. Each Region and function undertake quarterly risk assessments, establish mitigation plans, and monitor risk on a regular basis. These risks are consolidated into our Group's principal risks and emerging risks and are reviewed by the Group Executive Team and Board at least on a quarterly basis or when new risks arise. The Board sets and reviews the risk appetite for each principal risk every six months. The Audit Committee review the effectiveness of the risk management and internal control systems at least annually

Our principal risks are the highest rated 'net' risks, after mitigation has been applied. Risks are rated by impact (minimal, minor, moderate, major, or critical) and by likelihood (rare, unlikely, possible, likely, or almost certain).

Impact is estimated in terms of: financial; health, safety, and environment (HSE); reputational; operational; and strategic criteria. Data is used to inform assessments where available, which are largely qualitative, drawing on the insight and experience of leadership teams across the business.



Overview of our principal Risks

Our ambition to be the most efficient and sustainable route-to-market for our OEMs through the delivery of Accelerate+ brings with it many external and internal forces to manage. Our risk management process is designed to identify, assess, and appropriately mitigate the risks to our strategy within our risk appetite to ensure our ambition is achieved.

During 2024 we have seen changes to our risk landscape, in particular following the sale of our UK Retail business, the increased supply of vehicles, currency volatility, and continuous changes in climate related regulations in the markets we operate in. We have responded effectively to these changes through our robust systems of risk management and internal controls:

- The disposal of our UK Retail business and the launch of Accelerate+ provided an opportunity to align our risk profile to one that is predominantly distribution focused.
- The integration of Derco has progressed to an extent where the risks of delivering the integration are no longer a principal risk for the Group. We continue to monitor risks arising from our new acquisition through the Regional risk reviews.
- As markets continue to embrace the impact of climate change, we have seen increased changes to carbon-related taxes and regulation. We continue to leverage brand diversification tactics and relationships with our OEM partners to optimise EV supply and demand in our Markets.

RISK MANAGEMENT CONTINUED

- Currency volatility remains inherent to our business and the markets we operate in, particularly in 2024 with the devaluation of the Ethiopian birr and the Bolivian boliviano coupled with a strengthened British pound. Our global footprint and robust transactional foreign exchange processes and controls coupled with strong cash management and inventory optimisation strategies ensured that the net risk exposure is contained within risk appetite.
- In line with our planned programme of 'deep dives' throughout the year we focused on HSE including EV and physical and mental wellbeing in Q1. Additional measures were identified to further reduce HSE risks in particular those risks associated with EV transition. Good progress has been made and we are expecting the likelihood of this risk to reduce further in 2025.

As we deliver our Accelerate+ strategy, 2025 will see us build on our foundations to identify new areas of opportunities and inevitably risks. These include our ability to scale our business creating new OEM relationships and building even stronger partnerships with existing OEMs in existing and adjacent segments, also to grow our business improving profitability without an increase in costs. Under our Optimise pillar, Value Added Services will also see us leveraging our global scale within the parts business using our existing digital platforms to engage and retain customers for longer. Finance and Insurance, and new energy vehicle segments, will also drive further success for the Group in pursuit of our strategy.

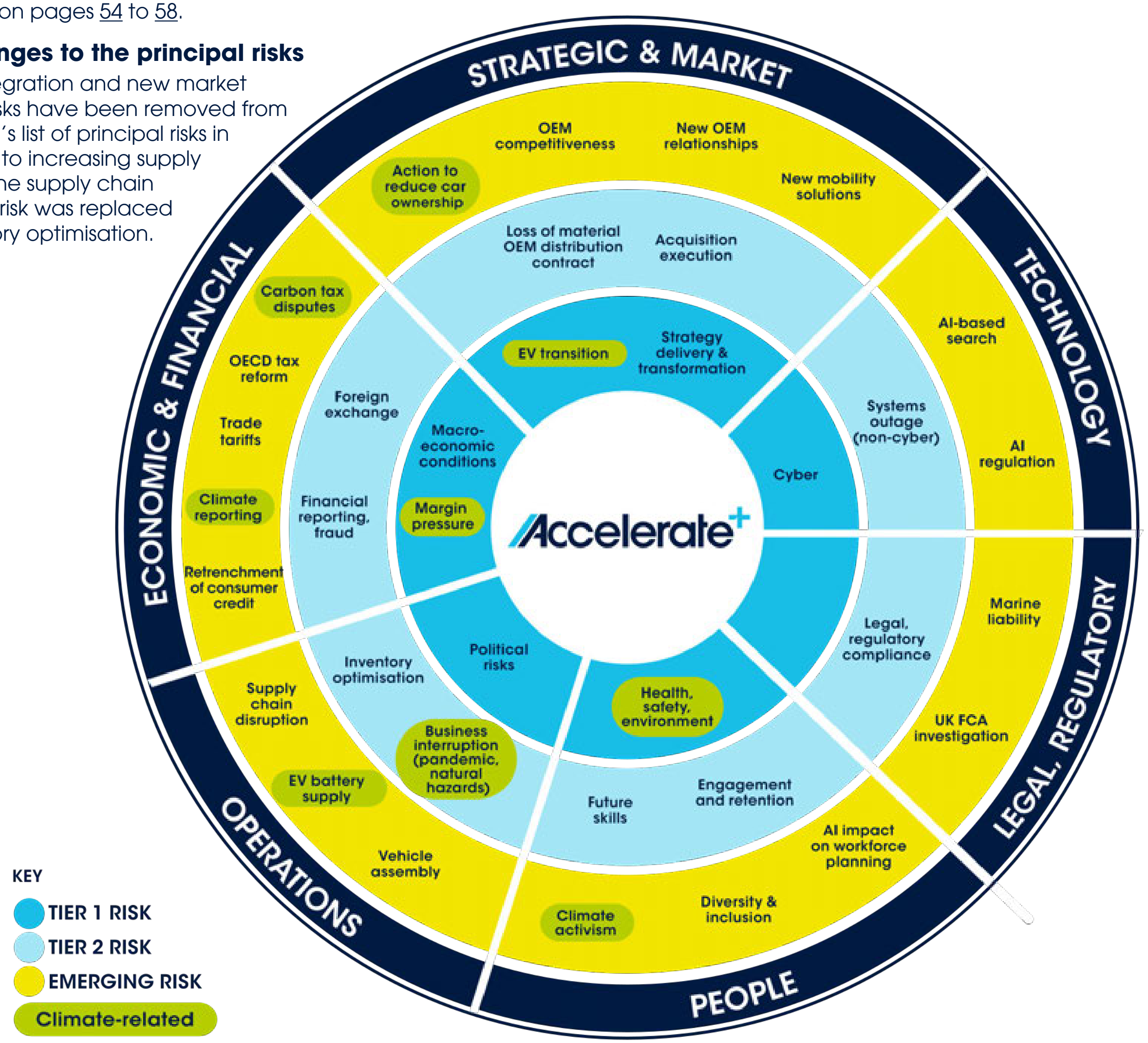
Our risk management framework, although structured, has been designed to be nimble to adapt to an ever-changing environment, this has already taken place during the year as we refresh the risks to achieving our new strategy whilst maintaining an appropriate risk culture that supports business operations and assists the Board in complying with obligations under the UK Corporate Governance Code.

Principal risks facing the Group

The Group's principal risks, and their relation to strategy, are shown below. Further details on impact, likelihood, and trend are given on pages 54 to 58.

Key changes to the principal risks

Derco integration and new market entrants risks have been removed from the Group's list of principal risks in 2024. Due to increasing supply globally, the supply chain disruption risk was replaced by inventory optimisation.



PRINCIPAL RISKS

Principal risks (Tier 1)

The Tier 1 risks have the highest relative impact or likelihood scores and are assessed as the most significant 'net' risks, after mitigation has been applied.

KEY IMPACT	LIKELIHOOD	RISK TREND	STRATEGIC IMPACT
MINOR	UNLIKELY	STABLE	DE Distribution Excellence
MODERATE	LIKELY	DECREASING	M&A Mergers and acquisitions & integration
MAJOR	POSSIBLE	INCREASING	VAS Value Added Services
CRITICAL	ALMOST CERTAIN		

A STRATEGY DELIVERY AND TRANSFORMATION

Success of the Group's strategic transformation priorities are dependent on the delivery of a number of key enabling programmes.

There is a risk that we lack the capacity and risk mitigation to deliver on these key enabling programmes on time and to the required quality, while realising the expected benefits.

Mitigating actions

We actively monitor these programmes through:

- oversight by the Group's Transformation Committee, supported by Portfolio Management tool to track status;
- ongoing reviews and re-prioritisation of initiatives and resourcing to ensure focus on strategic imperatives;
- risk and issue management; and
- system stabilisation programme.

Strategic impact

DE M&A VAS

Risk level with current mitigation

MODERATE LIKELY STABLE

B EV TRANSITION

Continued transition from internal combustion engines (ICE) to new energy vehicles including battery electric vehicles (BEVs), further increases our exposure to commercial and regulatory risks. The two main risks that have emerged from the transition to EV for Inchcape includes:

- a misalignment between market uptake of EVs and OEM EV supply. This may be caused by new tax incentives or legislation; the level of market EV infrastructure or other factors; and
- Inchcape will be subject to increased carbon-related legislation or taxes and other indirect measures which price carbon emissions into our Markets. The introduction of these measures may impact our businesses in terms of product mix or allocation; loss of market share or margin; or additional financial obligations.

Mitigating actions

We address these risk factors through:

- monitoring and aligning to emerging EV-related legislation in each Market;
- Market-level risk assessment of EV infrastructure, legislative plans, OEM partners, and competitive capability;
- close liaison with OEM partners to understand their ambitions and feedback on the EV readiness of individual markets, and to ensure optimal EV allocation;
- brand diversification – contracts with new OEMs; and
- operational changes to marketing, pricing, customer service, and vehicle technician training.

Strategic impact

DE VAS

Risk level with current mitigation

MODERATE LIKELY STABLE

C MARGIN PRESSURE

The risk of increased pressure on our margins is exacerbated by the introduction of new routes to market and additional costs as OEMS seek to maintain their own margins. Achieving the lowest cost route-to-market will increase the pressure on margins for all distributors, including Inchcape. This risk is closely linked to and impacted by inventory optimisation and macro-economic conditions risks.

Mitigating actions

Actions to grow, and as a minimum, maintain current margins under Accelerate+ include:

- scaling our core passenger car distribution business into the most attractive markets, with the most attractive and feasible OEMs;
- optimising our distribution platform, looking for opportunities to improve effectiveness of our route-to-market strategy, to mitigate headwinds;
- extending the distribution platform into new vehicle categories such as vans, premium two-wheelers, trucks, and construction equipment, supported by value chain activities that drive an effective distribution platform;
- Distribution Excellence, by transforming the route-to-market via the development of a consistent, technologically advanced, low-cost, low-carbon distribution and retail offering; and
- budgeting, planning, and forecasting procedures, including cost containment where needed.

Strategic impact

DE VAS

Risk level with current mitigation

MAJOR LIKELY STABLE

RISK MANAGEMENT CONTINUED

D CYBERSECURITY INCIDENT

We have made significant developments connecting our organisation, centralising our digital and cyber capabilities, and strengthening our cyber defences. As we become a more connected organisation, the impact of an attack is heightened. This coupled with geopolitical tensions, the continued rise of AI, and the digitalisation of our business through Distribution Excellence, increases the materiality of cyber attacks, which, if successful, could result in confidential data being compromised, significant business disruption, reputational damage, and/or financial loss.

Mitigating actions

- Continuous alignment to global cyber security control framework (NIST).
- Robust cybersecurity measures, including policies and controls, asset management, risk assessment, access control, protective technologies, vulnerability management, and disaster recovery plans.
- Regional and Group level security operations monitoring.

Strategic impact

DE M&A VAS

Risk level with current mitigation

MAJOR LIKELY

E MACRO-ECONOMIC CONDITIONS

Failure to react quickly enough to changing macroeconomic conditions could adversely impact financial performance, this includes growth rates, inflation, other changes to consumer discretionary spending, and global trade tensions.

Inflationary pressures have eased across the globe following post-Covid and post-Ukraine peaks, they are also expected to ease further into 2025. However, high inflation and interest rates which increase our operating costs remain in some of geographies.

Mitigating actions

We address these changes through:

- maintaining and increasing our geographic diversification as well as our diversified OEM partner portfolio (origin, segments, positioning and more) to offset downturns in any particular Market;
- management and monitoring of cost base;
- Continuous sales and operational planning process;
- cash flow and margin management; and
- reviews of potential cost base efficiencies.

Strategic impact

DE VAS

Risk level with current mitigation

MODERATE LIKELY

F HSE: HEALTH, SAFETY, OR ENVIRONMENTAL INCIDENT

The operation of vehicles, machinery, and other manual activities across all of our operations worldwide exposes our colleagues, customers, and the public to risks of serious injury or fatality. We also operate in Markets where there may be a risk to personal safety.

The use, and disposal, of harmful substances and chemicals poses a risk to the environment. These risks are exacerbated by the introduction of new technologies, such as BEVs, as we bring new businesses and contracts into the Group. 2024 has also seen this risk expand to include mental and physical well-being as a strategic development priority for the Group.

Mitigating actions

- Introduction of a dedicated safety risk management programme for BEVs.
- Ongoing implementation and monitoring of HSE programmes, including mental health support.
- Roll-out of EV site reviews and the executive due diligence programme.
- Targeted HSE training.
- Global security programme.
- Regular review of performance by the Board and Group Executive Team.
- Continuous evaluation and remediation of risks related to all business operational activities.

Strategic impact

DE VAS

Risk level with current mitigation

CRITICAL POSSIBLE

G POLITICAL RISK

Geopolitical forces, coupled with macroeconomic stress, increase the likelihood of international and domestic tensions, disputes, conflict, and unrest. Election cycles in 2024 increased the likelihood of volatility across our Regions with the potential to disrupt the safety of our colleagues, property, and business operations.

Mitigating actions

- Investment in global security threat assessments and global crisis management.
- Business continuity framework and training.
- Insurance policies.
- Collaboration with OEMs on stock allocation flexibility.
- Digital trading capabilities.

Strategic impact

DE VAS

Risk level with current mitigation

MODERATE LIKELY

RISK MANAGEMENT CONTINUED

Other principal risks (Tier 2)

The Tier 2 risks are listed after current mitigation. Rating scales are the same as those applied to Tier 1 risks.

KEY IMPACT	LIKELIHOOD	RISK TREND	STRATEGIC IMPACT
MINOR	UNLIKELY	STABLE	DE Distribution Excellence
MODERATE	LIKELY	DECREASING	M&A Mergers and acquisitions & integration
MAJOR	POSSIBLE	INCREASING	VAS Value Added Services
CRITICAL	ALMOST CERTAIN		

Risk title	Strategic impact	Description and impact	Trend	Key mitigating actions
ACQUISITION EXECUTION MODERATE POSSIBLE	M&A	Inorganic growth through M&A is a key enabler of the Accelerate+ strategy and continues to play an important role in delivering scale. There is a risk that Inchcape may not achieve the targeted ROI on acquisitions due to factors occurring throughout the M&A lifecycle, from deal origination to post-acquisition integration.	Stable	• Pipeline of opportunities. • Experienced M&A teams at Group and Regional levels. • Synergy evaluation and qualification. • M&A playbook. • Post-merger reviews and audits. • Board review of larger transactions. • Monitoring of risks and issues post-completion.
BUSINESS INTERRUPTION (PANDEMIC, NATURAL HAZARDS) MODERATE POSSIBLE	DE M&A VAS	A significant interruption to our business due to external events, a global health emergency, or other natural hazard could restrict access to our sites, negatively affect our operations and brands, or pose a threat to the safety of our colleagues; any of which could have a negative impact on our commercial and financial performance.	Stable	• Board, GET, and wider leadership crisis management training and exercising. • Operational resilience framework rolled out. • Technology response and recovery plans. • Property risk assessments and loss control measures. • Global flexible working policies including hybrid working is well embedded across the group. • Insurance coverage. • Financial headroom and balance sheet strength.
FINANCIAL REPORTING, FRAUD MODERATE UNLIKELY	DE M&A VAS	The Group may be subjected to the risk of inaccurate or delayed financial reporting or fraud. These risks may increase as we integrate new acquisitions or transform established ways of working.	Stable	• Group Code of Conduct and relevant training. • Established financial policy and control framework. • Monthly monitoring of control performance. • Change management and staff retention arrangements to enable a smooth transition. • Internal Audit assurance reviews. • Group and Regional controls oversight. • Integration of financial controls into new businesses, with training, support, and hyper-care assurance.

RISK MANAGEMENT CONTINUED

Risk title	Strategic impact	Description and impact	Trend	Key mitigating actions
FOREIGN EXCHANGE VOLATILITY MODERATE UNLIKELY	DE M&A VAS	With a geographically diverse structure, Inchcape is exposed to movements in exchange rates at a transactional level within Markets and at a Group level when asset values are translated back to GBP for consolidated reporting purposes.	→	• Treasury Policy and hedging strategies. • Central treasury function and Regional treasury centres (in relevant Regions). • Monthly monitoring of foreign exchange impacts and hedging positions. • Increasing geographical footprint and profit pools under Accelerate+.
LEGAL AND REGULATORY COMPLIANCE MINOR POSSIBLE	DE M&A VAS	Non-compliance with legislation and other regulatory requirements in the Markets we operate including those relating to anti-bribery and corruption, data protection, competition, and anti-money laundering. This could affect our reputation with OEMs, customers, and wider stakeholders in addition to our ability to meet the terms of our distribution and retail contracts and contractual risks assumed during acquisitions.	→	• Consistent 'tone from the top', Code of Conduct and related training, including induction training and metrics. • Whistleblowing line. • Compliance policies and procedures (global and local) supported by Regional training as required. • Compliance risk assessments and heatmaps for material areas of legal and regulatory compliance. • Group monitoring of local compliance status, legal review of Distribution agreements, M&A and integration: approval procedures and legal team engagement. • Governance committees for Sustainability reporting and disclosures. • Nominated legal representative and/or retained counsel in major Markets to monitor existing and emerging legislation.

Risk title	Strategic impact	Description and impact	Trend	Key mitigating actions
LOSS OF MATERIAL DISTRIBUTION CONTRACT MAJOR RARE	DE	Building and maintaining long-standing partnerships with our OEMs is the foundation for our ability to execute our strategy. Should we lose any of our long-standing material distribution contracts this would have a significant impact on revenue and profit, as well as future growth opportunities.	→	The Group's Accelerate+ strategy is designed to mitigate this risk in the following ways: • maintaining strong relationships with OEM partners by delivering on our value proposition; • scaling our distribution business into the most attractive and feasible markets and OEMs; • capture more revenue streams through Value Added Services; and • operating responsibly is central to our mobility partnerships.
TECHNOLOGY SYSTEMS OUTAGE (NON-CYBER) MODERATE UNLIKELY	DE M&A VAS	There is a risk that we do not have timely or reliable access to business-critical information or information systems. This could be due to issues such as systems outages, software glitches, hardware failure, system complexity, and capacity or ineffective change management.	→	• Centralisation and cloud-hosting for critical systems, where possible. • Continuity plans and procedures, including disaster recovery plans and backups. • Third-party systems and services management. • Monitoring of incidents and alert thresholds. • Business continuity exercise and test for Digital Delivery Centres. • IT general controls in place and audited.

RISK MANAGEMENT CONTINUED

Risk title	Strategic impact	Description and impact	Trend	Key mitigating actions
PEOPLE: FUTURE SKILLS MINOR POSSIBLE	DE M&A VAS	In order to deliver Accelerate+ the Group needs to ensure that we possess the appropriate skills and knowledge to deliver on our objectives. As we venture into new parts of the strategy which requires new ways of working there is a risk that we are dependent on people with business-critical skill sets which are in demand and may become harder to recruit and retain. Our recruitment strategies continued to successfully deliver the skills required to deliver the Accelerate+ strategy. Although reduced, this risk remains under close consideration as we further build on the future capabilities required to achieve company success.	→	• Strategic resource planning. • Future skill sets defined; current gaps identified. • Specialist recruitment agencies used. • Reward and compensation packages. • Recruitment targets. • Established key skill sets. • Recruitment procedures. • Company profile and branding. • Development programmes, e.g. digital academy, digital literacy programmes, internal moves, and project opportunities.
INVENTORY OPTIMISATION MINOR POSSIBLE	DE	Risk that we have excess inventory that we cannot sell at acceptable margins; or that we must forego opportunities to sell at attractive margins due to a shortage of stock. This is particularly relevant to oversupply and capacity of new energy vehicles and parts.	→	• Sales and operation planning procedures. • Product mix optimisation. • Close management and monitoring of margins. • Portfolio management and close liaison with our OEMs.
PEOPLE: ENGAGEMENT AND RETENTION MINOR POSSIBLE	DE M&A VAS	If the Group is unable to recruit and retain qualified personnel in a timely manner, this could have an adverse impact on the achievement of strategic objectives. Our 2024 Colleague Experience Survey (Be Heard) highlighted continued opportunities for us to strengthen our employee engagement. The impact of our reinforced retention strategies will be reassessed through our Pulse survey in April 2025.	↑	• Colleague experience surveys followed by analysis and action planning at senior management level. • Colleague well-being frameworks, programmes, and support. • Global leadership and enhanced career development programmes and talent reviews. • Reformed change management and retention initiatives. • Pay and reward reviews and benchmarking.

Risk appetite

Risk appetite is the cornerstone of the Group's approach to risk management and is determined by the Board. Risk appetite provides direction to all areas of the Group on acceptable levels of risk and where further remediation is required to reduce the risk to acceptable levels. Acceptable levels are determined by the target risk rating for each principal risk. The Board has considered its risk appetite in relation to the Group's principal risks in July and December 2024. Risks were allocated to one of three acceptable levels of exposure, indicating tolerable levels of risk:

RISK-SEEKING/ ACCEPTANCE

We are prepared to (or may have to) accept elevated levels of risk in these areas:

- cybersecurity incident;
- macro-economic conditions; and
- political risk.

RISK-TOLERANT

We have a moderate appetite for these areas of risk. We will take action to reduce risk levels if they reach elevated levels.

- Acquisition execution.
- Business interruption (pandemic, natural hazards).
- EV transition.
- Foreign exchange volatility.
- Inventory optimisation.
- Loss of material distribution contract.
- Margin pressure.
- People: engagement, retention.
- People: future skills.
- Strategy delivery and transformation.

RISK-AVERSE

We have a low or very low level of tolerance for these risks. We will take action to keep them as low as reasonably practicable.

- HSE incident.
- Financial reporting, fraud.
- Legal, regulatory compliance.
- Loss of technology systems (non-cyber).

RISK MANAGEMENT CONTINUED

Emerging risks

Emerging risks are those uncertain events for which timing, impact, or probability are difficult to quantify. Our global footprint and our ambition to be the number one route-to-market for our OEMs exposes Inchcape to an ever-changing and dynamic environment of economic, political, environmental, social, legal, and technological risks.

We identify emerging risks in various ways: through the strategic replanning process; external publication analysis (including peer reviews and OEM partner risk disclosures); review of risk studies and publications; the regular cadence of risk committees and Board meetings; and risk-related discussions and analysis. Through regular consideration and monitoring of these emerging risks early on, we can effectively respond to potential threats by preparing contingency plans, implementing mitigation actions and controls, or adjusting our operations and Group strategy as required.

Executing on our Accelerate+ enablers support the identification and mitigation of emerging risks and opportunities such as:

- The continued adoption of AI software coupled with new AI regulation remains a key area of risk and opportunity that is emerging.
- The increase in OEM partners and new distribution contracts through our delivery of Accelerate+ could adversely impact existing and long-established relationships including the potential for investment losses due new OEM partners only seeking a temporary partnership with Inchcape.
- The increase of EV-related parts distribution, as we scale and optimise our business, continue to challenge our response to market demand and OEM supply, coupled with continuous changes in EV-related regulations and incentives.

Also arising in the period are tariff tensions following the US administration imposing potential incremental tariffs on Canada, Mexico and China. Although early days, the interconnectivity of the global automotive supply chain could be impacted in the future, resulting in rising costs for our OEMs which in turn could impact on our margins and customer base. We will monitor the evolution of this geopolitical risk across the Group, whilst also continuing to ensure risks to our product portfolio mix are managed including effective and nimble sales and operational planning.

Board and management risk oversight

The Board is ultimately accountable for establishing and maintaining the risk management and internal control framework, and for managing risks to be within acceptable levels. During 2024, The Board, Audit Committee, and Group Executive Team carried out the following reviews:

	Board	Audit Committee	Group Executive Team
Q1	• Legal and regulatory: FCA S166 • Materiality assessment • Risk policy review and approval	• Risk Management 2024 priorities • Internal Controls: financial reporting, fraud, technology systems • Viability • Vehicle repurchase framework • Legal & Regulatory: FCA S166	• Emerging risks review • Regional and Group risk profiles and mitigations • Derco integration
Q2	• Strategy: macro and automotive industry trends, electrification, customer behaviour, OEM landscape, Scale, Optimise, and new vehicle categories • Post-investment review: Morrico • Business continuity	• Risk management quarterly review • Internal controls: financial reporting, fraud, and technology systems • Business continuity • UK Retail separation • Cyber security • Regional update: Americas	• Regional and Group risk profiles and mitigations • HSE and well-being • Strategy delivery • Projects and programmes • Derco integration • Regional half year compliance certifications
Q3	• Half year risk review • Emerging risks • Risk appetite • Digital strategy • HSE	• Half year risk effectiveness review: processes, identification, mitigation, and emerging risks • Internal controls: financial reporting, fraud, and technology systems • Legal & regulatory: litigation • DXP review	• Regional and Group risk profiles • EV transition: carbon related regulatory and incentives changes • People: future skills and retention • Supply and demand: inventory optimisation and supply chain disruption • Emerging risks • Business resilience
Q4	• Crisis management • Post-investment review: Ditec and Simpsons • Legal & regulatory: CSRD readiness • Finance & Insurance • Full year risk review, emerging risks, and risk appetite • People review	• Full year risk management effectiveness review: processes, identification, mitigation, and emerging risks • Internal control: financial reporting, fraud, and technology systems • Ethiopia Market review • Cybersecurity • Material controls under provision 29 of the UK Corporate Governance Code 2024	• Regional and Group risk profiles and mitigations • Emerging risks • FX volatility • Risk management process effectiveness and improvement plan • Cybersecurity: AI and EV transition

RISK MANAGEMENT CONTINUED

VIABILITY STATEMENT

The Directors have assessed the viability of the Group by reference to the Group's current financial position, its recent performance and forecasts of future performance, its business model (pages 11 to 13), strategy (pages 16 to 22), and the principal risks and mitigating factors (pages 52 to 58).

The Group's continued viability is dependent upon the continuation of its relationships with OEM partners. With many OEM contracts covering three-year terms, three years is considered a key timeline for new car changeover in mature retail markets with good personal finance penetration. In addition to this, the number of Units in Operation up to three years old is also a key driver of our Aftersales business. However, as illustrated in the diagram on the next page, a variety of other time horizons are also relevant to the management of the business.

The Directors have determined three years to be the most appropriate period for the viability assessment as they believe that it strikes a balance between the different time horizons which are used to manage the business and is a reasonable period for a shareholder to expect a distribution business to be assessed over.

Process and scenarios considered

Our financial planning process incorporates an annual operating plan for the next financial year (2025), together with financial forecasts/models for the remaining years covered by the viability assessment. These financial forecasts consider the Group's profitability, gearing, cash flows, and other key financial metrics over the period to December 2027. These metrics are subjected to sensitivity analysis, in which a number of the main underlying assumptions are adjusted and tested to consider alternative risk-based scenarios. Using the Group's most significant risks, unlikely but realistic worse-case scenarios are created and their impact projected onto the three-year projections. These risks are: (i) loss of a material Distribution contract; (ii) a major cyber incident; (iii) margin pressure; (iv) macro-economic conditions incorporating the impact of a reduction in inventory financing; and (v) the foreign exchange risk. These risks have been modelled individually and concurrently, i.e. assuming all five materialise during the three-year period.

Modelling these risks tests the Group's ability to withstand a material reduction in revenue (Distribution contract and macro-economic conditions), a material degradation in margins (margin pressure), a material reduction in performance (foreign exchange risk), and the impact of an unexpected operational expense (cyber attack).

The models assume that a portion of uncommitted inventory financing facilities is also withdrawn. The testing recognises that some mitigating actions would remain available to management to partially mitigate the impact of these risks, including reductions in operational and capital expenditure.

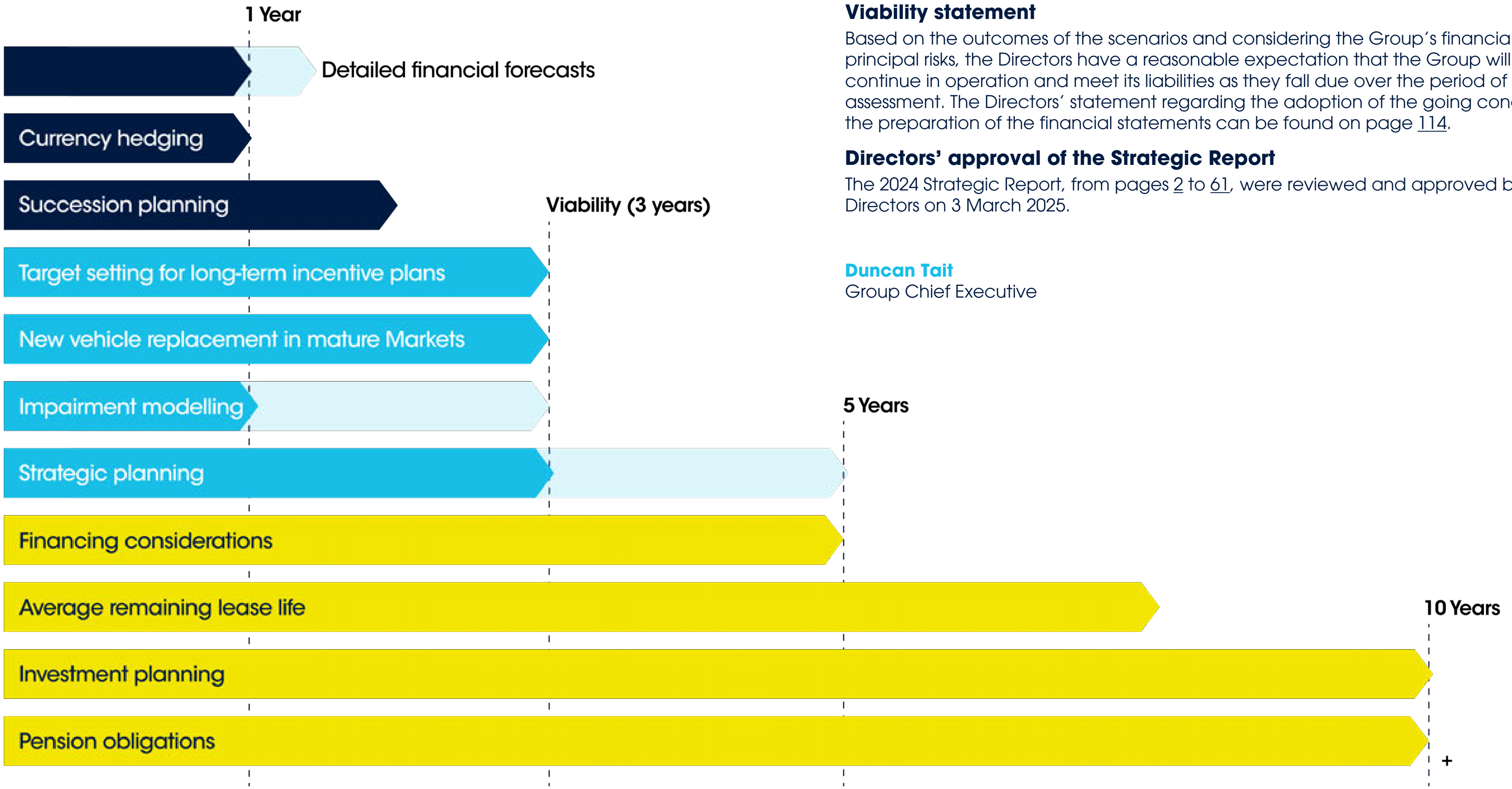
In the most severe scenario modelled, the test indicates that the Company would not breach the single financial (interest) covenant on its committed facilities. Details of the Company's financing arrangements can be found in note 22 to the financial statements on pages 171 to 173.

Longer-term prospects

The following factors are considered both in the formulation of the Group's strategic plan, and in the longer-term assessment of the Group's prospects:

- the principal risks and uncertainties faced by the Group, as well as emerging risks as they are identified, and the Group's response to these;
- the prevailing economic climate and global economy, and changing customer behaviours; and
- any opportunities through operational simplification and leveraging technology.

RISK MANAGEMENT CONTINUED



Viability statement

Based on the outcomes of the scenarios and considering the Group's financial position and principal risks, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Directors' statement regarding the adoption of the going concern basis for the preparation of the financial statements can be found on page 114.

Directors' approval of the Strategic Report

The 2024 Strategic Report, from pages 2 to 61, were reviewed and approved by the Board of Directors on 3 March 2025.

Duncan Tait
Group Chief Executive

CORPORATE GOVERNANCE REPORT

GOVERNANCE STATEMENT

Dear shareholder,

I am pleased to present my first Corporate Governance Report as Chairman of Inchcape plc. I assumed the role in May 2024 following the retirement of Nigel Stein and I would like to take this opportunity to thank Nigel for his dedicated leadership and wise counsel during his time at Inchcape.

Board changes

We welcomed Alison Platt to the Board in January 2024, with Alison taking over the role of Senior Independent Director in May. Alison brings a wealth of corporate experience from a wide range of sectors. Further details of her skills, knowledge, and experience are given in this report.

Jane Kingston also retired in 2024 after over five years on the Board and as Chair of the Remuneration Committee and I thank her for her contribution and support during this time. Byron Grote became Remuneration Committee Chair following Jane's departure.

Overview of the year

From a governance perspective it has been another busy year, with the publication of the new UK Corporate Governance Code in January 2024. which comes into effect from 1 January 2025. We reviewed the changes with the support of our external advisors at the beginning of 2024 and will report fully on our compliance in next year's Annual Report and Accounts. The most significant area of change relates to Internal Control and the Audit Committee have been focusing on compliance with the new provision, which comes into effect in 2026. Further information is given in the Audit Committee Report on page 81.

Several key strategic objectives were achieved in 2024 including several OEM contract wins, further integration of acquisitions made in 2022 and 2023, and the disposal of our UK Retail business. This disposal completed Inchcape's transition to a Distribution only model but in doing so ended our involvement in UK operations. Given the impact on many colleagues this decision was not taken lightly, and further information on the Board's approach is given in this report.

During the discussions on the UK disposal, the Board had due regard for the FCA's review into historical motor finance commission arrangements which were announced in 2021. The Board considered the court decisions and the legal proceedings which are still ongoing and, as part of the UK disposal, approved an indemnity to be given to Group 1 Automotive, although it remains highly uncertain that Inchcape will become liable.

Other key areas considered by the Board during the year include the refreshed Accelerate+ strategy, sustainability, culture, and pensions. The Board also carried out a programme of operational deep dives on Digital and Data to improve its knowledge and understanding in this key strategic area.

In October 2024, the Board visited Inchcape Hellas in Athens. The Toyota business has long been part of the Group and it was good to meet our colleagues, visit their new head office, and gain a deeper understanding of this successful market. Further insights into the Board activities are given in the case studies on pages 72 to 76.

Colleague engagement

During the overseas Board visit, two of our Non-Executive Directors (NEDs), Nayantara Bali and Byron Grote, facilitated a colleague engagement session. In addition, Byron Grote held a Reward Forum with our colleagues from the Americas. These engagement sessions allow the NEDs discuss the issues which are important to colleagues and, importantly, what could be done better.

As a Board, being able to engage with colleagues in this way gives insight into culture within the organisation. The NEDs also participated in the Women into Leadership and Aspire programmes. Further details are given on page 34.

Looking forward

I would like to take this opportunity to thank all Inchcape colleagues for their hard work during the year. I thank you for your support in 2024 and look forward to the coming year.

Jerry Buhlmann
Chairman

GOVERNANCE AT A GLANCE

UK CORPORATE GOVERNANCE CODE

This report describes the Board's approach to governance and how it has applied the UK Corporate Governance Code 2018 (Code). The disclosures provide details of the activities of the Board and its Committees throughout the year including outcomes of the key decisions taken.

A statement of compliance with the Code is given on pages 107 to 110. The statement provides cross referencing to where relevant information is located within the Annual Report and Accounts.

The new Code was published in January 2024 and is effective from 1 January 2025. The Company will report on its compliance with the new Code in next year's Annual Report and Accounts, except for Provision 29, which is effective from 1 January 2026.

Governance structure

THE BOARD OF INCHCAPE PLC
Collectively responsible for the long-term success of the Company

AUDIT COMMITTEE
- Financial reporting
- Risk oversight
- Internal control
- External and internal audit

COMMITTEE REPORT ON PAGES 81 TO 88.

REMUNERATION COMMITTEE
- Remuneration policy
- Incentive plans
- Performance targets

COMMITTEE REPORT ON PAGES 91 TO 106.

GROUP EXECUTIVE TEAM
- Group strategy
- Operational management

NOMINATION COMMITTEE
- Board composition
- Diversity
- Succession planning

COMMITTEE REPORT ON PAGES 78 TO 80.

SUSTAINABILITY COMMITTEE
- Places and Planet pillars
- Colleague engagement
- Climate oversight

COMMITTEE REPORT ON PAGES 89 TO 90.

GROUP RISK COMMITTEE
- Enterprise risk management
- InControl standards

INVESTMENT COMMITTEE
- Oversight of Group capital expenditure

Inchcape's governance framework

The Board has ultimate responsibility for ensuring the long-term success of Inchcape. It sets the purpose, values, and strategy and ensures the appropriate culture is in place to achieve its strategic aims.

Certain authorities and accountabilities are delegated to the Board's Committees. Each Committee has its own terms of reference setting out its role and responsibility, the Board also has a formal Matters Reserved for the Board. These support decision making and oversight and are reviewed annually to ensure they remain fit for purpose.

GOVERNANCE AT A GLANCE CONTINUED

Board skills, experience, and knowledge

The Board recognises the importance of the right mix of skills, experience, and diversity to deliver the Group's strategic objectives and contribute towards long-term success. Skills were enhanced in 2024 from the appointment of Alison Platt. During the year, the Board received updates from external advisors on particular topics, including corporate governance updates and developments, trends in the automotive industry, crisis management, and the Corporate Sustainability Reporting Directive.

EXPERIENCE WE BRING

- Automotive
- Digital
- Emerging markets
- Environmental, social, and governance
- Finance
- Multinational business
- Remuneration
- Technology

SKILLS ENHANCED IN 2024

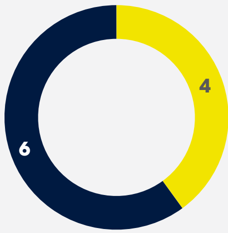
- International and UK Executive capabilities
- UK PLC experience
- Remuneration and reward

FUTURE SUCCESSION CONSIDERATIONS

- Automotive
- Environmental, social, and governance
- Digital
- Technology

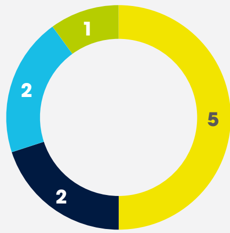
Board composition and diversity as at 31 December 2024

GENDER



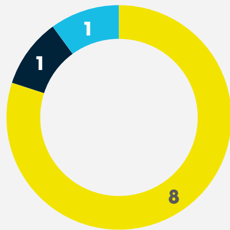
Female
Male

LENGTH OF SERVICE



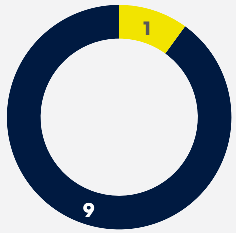
0 to 2 years
2 to 4 years
4 to 6 years
6+ years

NATIONALITY



British
Chilean
Singaporean

ETHNICITY



Asian
White

Board attendance

The table below shows the Board and Committee meetings held during 2024.

	Board		Audit Committee	Nomination Committee		Remuneration Committee		Sustainability Committee
	Scheduled	Ad hoc	Scheduled	Scheduled	Ad hoc	Scheduled	Ad hoc	Scheduled
Nayantara Bali*	6 7	1 1		2 2	2 2			3 3
Jerry Buhlmann***	7 7	1 1	2 2	2 2	1 2	4 4	1 1	3 3
Juan Pablo Del Río	7 7	1 1		2 2	2 2			
Byron Grote	7 7	1 1	5 5	2 2	2 2	4 4	1 1	3 3
Alex Jensen	7 7	1 1		2 2	2 2	4 4	1 1	3 3
Jane Kingston**	3 3	1 1		1 1	2 2	2 2		
Sarah Kuijlaars*	7 7	1 1	5 5	1 2	2 2			
Adrian Lewis	7 7	1 1						
Alison Platt*	6 7	1 1	5 5	2 2	2 2	4 4	0 1	2 3
Stuart Rowley****	7 7	1 1	5 5	2 2	2 2	1 1	1 1	
Nigel Stein**	3 3	1 1		1 1	2 2	2 2		1 1
Duncan Tait	7 7	1 1						3 3

* Nayantara Bali was unable to attend the July Board meeting due to personal circumstances. Alison Platt was unable to attend the overseas Board meeting in October, the Sustainability Committee in December, and the ad hoc Remuneration Committee meeting, and Sarah Kuijlaars was unable to attend the December Nomination Committee meeting due to prior commitments, respectively.

** Jane Kingston and Nigel Stein retired from the Board in May 2024.

*** Jerry Buhlmann was appointed as Chairman in May 2024, and therefore stepped down from being a member of the Audit Committee. Jerry was unable to attend the January ad hoc Nomination Committee due to a prior commitment.

**** Stuart Rowley was appointed as a member of the Remuneration Committee in November 2024.

DIVISION OF RESPONSIBILITIES

Board roles

The operation of the Board is supported by the collective experience of the Directors and the diverse skills and experience they possess. This enables the Board to reach decisions in a focused and balanced way, supported by independent thought and constructive debate.

Trust and mutual respect are the cornerstones of relationships between the Directors, with a Board dynamic that supports open and honest conversations to ensure decisions are taken for the long-term success of Inchcape in full consideration of the impact upon all stakeholders.

Chairman
Jerry Buhlmann

- Leads the Board and is responsible for its effectiveness and governance.
- Fosters a culture of inclusivity and transparency by demonstrating the Company's values, establishing the right 'tone from the top'.
- Guides the Board in shaping long-term strategy, ensuring alignment with the Company's purpose.
- Sets agendas and ensures timely dissemination of information to the Board, to support sound decision making and allow for constructive discussion, challenge and debate, in consultation with the Group Chief Executive, Group Chief Financial Officer, and Group Company Secretary.
- Responsible for scrutinising the performance of the Group Executive Team and overseeing the annual Board performance review process, including identifying required actions.
- Facilitates contribution from all Directors and ensures that effective relationships exist between them.

Group Chief Executive
Duncan Tait

- Represents Inchcape externally to all stakeholders.
- Sets the cultural tone of the organisation and ensures that the Group operates in a way that is consistent with its purpose and values.
- Facilitates a strong link between the business and the Board to support effective communication.
- Develops and implements the Group's long-term strategy, as approved by the Board, through leadership of the Group Executive Team.
- Responsible for overall delivery of all strategic objectives, ensuring that decisions made and actions taken support the Group's long-term sustainable purpose.
- Promotes and conducts Group affairs with the highest standards of integrity, probity, and corporate governance, in line with our strategic framework and values.

Non-Executive Directors (NEDs)

- Promote high standards of integrity and corporate governance.
- Uphold the cultural tone of the Company and monitor actions to support inclusion and diversity.
- Constructively challenge and assist in the development of long-term strategy by providing independent insight and support based on relevant experience.
- Monitor the delivery of strategy by the Group Executive Team and measure the performance of management within the risk and control framework set by the Board.
- Satisfy themselves that internal controls are robust and that the external audit is undertaken properly.
- Engage with internal and external stakeholders and feedback insights to the Board, including in relation to colleagues and the culture of the Company.

Senior Independent Director (SID)
Alison Platt

In addition to their responsibilities as a Non-Executive Director, the SID also carries out the following duties:

- supports the Chairman in the delivery of their objectives;
- acts as an alternative contact for shareholders; and
- leads the appraisal of the Chairman's performance with the Non-Executive Directors.

Group Chief Financial Officer
Adrian Lewis

- Develop and implement financial strategies to achieve the Group's strategic aims.
- Oversee capital structure and capital allocation policy.
- Lead financial planning and monitor KPIs on financial performance.
- Ensure accurate financial reporting and compliance.
- Maintain strong internal controls to prevent fraud and misstatements.
- Represent Inchcape to all stakeholders, including investors and analysts.
- Support in the implementation and achievement of the Group's strategic objectives.

Group Company Secretary
Tamsin Waterhouse

- Ensures sound information flows to the Board in order for the Board to function effectively and efficiently, in support of balanced decision making.
- Advises and keeps the Board updated on corporate requirements and on best practice corporate governance developments.
- Facilitates a comprehensive induction for newly appointed Directors, tailored to their individual requirements, and oversees the Board's professional development programme.

BOARD OF DIRECTORS

The Board is collectively responsible for agreeing and continually reviewing the Accelerate+ strategy to ensure it delivers long-term sustainable success. The Board is also responsible for ensuring the appropriate resources are in place to deliver the strategic objectives.

COMMITTEE KEY

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- Committee Chair

Jerry Buhlmann
Chairman

N R S

Appointed:
March 2017 (Board);
May 2024 (Chairman)

Skills and experience:
Jerry has over 40 years' experience in the advertising and media industries. Jerry joined Inchcape as Non-Executive Director in 2017, becoming Senior Independent Director in 2019, before becoming Chairman in May 2024. He was formerly CEO of Dentsu Aegis Network and Aegis Group plc. Jerry is currently chairman of three private equity backed digital marketing agencies: Croud Limited, Dept, and Hybrid. Jerry is also a member of the supervisory board of Serviceplan GmbH.

Duncan Tait
Group Chief Executive

S

Appointed:
July 2020

Skills and experience:
Duncan brings significant international experience and a wealth of digital and data experience, a key enabler of the Accelerate+ strategy. He played a pivotal role in the Group's digital strategy with the development and deployment of the Digital Experience Platform (DXP) and the Digital Analytics Platform (DAP), which are key differentiators for Inchcape. Duncan was previously on the board of Fujitsu, a global technology services company with 35,000 people. Duncan has also held senior roles at Unisys, Hewlett Packard, and Compaq in a technology focused career of over 30 years. Duncan is currently a non-executive director at Agilisys.

Adrian Lewis
Group Chief Financial Officer

Appointed:
May 2023

Skills and experience:
Adrian brings a wealth of financial expertise across the automotive, consumer, digital, and retail sectors. He has been instrumental in driving key acquisitions, transforming our finance function and developing the Accelerate+ strategy. Adrian became Group Chief Financial Officer in 2023 having joined Inchcape in 2015 as CFO for the Emerging Markets region and for APAC. In 2020, he returned to the UK as Group Financial Controller, before being appointed as CFO. Prior to his time at Inchcape, Adrian held a number of senior finance positions at Tesco plc. Adrian is a chartered accountant.

BOARD OF DIRECTORS CONTINUED

Alison Platt
Senior Independent Director

A N R S

Appointed:
January 2024 (Board); May 2024 (Senior Independent Director)

Skills and experience:
Alison has significant business and international commercial experience from working for high-profile consumer-facing companies across the healthcare, insurance, and property sectors. Her former membership of the steering group of the Hampton-Alexander Review provides strategic insights on inclusion and diversity. Alison serves as chair for Hargreaves Lansdown plc and Ageas UK. Alison is also a non-executive director and chair of the Remuneration Committee for Tesco plc.

Nayantara Bali
Independent Non-Executive Director

N S

Appointed:
May 2021

Skills and experience:
Nayantara is the designated NED responsible for workforce engagement. Nayantara previously held various senior management positions in Procter & Gamble over a 28-year period with extensive experience in APAC. Nayantara is director and co-owner of ANV Consulting Pte, and also an independent director on the boards of Torrent Pharma, Starhub, and Marico. Nayantara holds an Economics degree and a Post Graduate Diploma in Business Management from the Indian Institute of Management Ahmedabad.

Juan Pablo Del Río
Non-Executive Director

N

Appointed:
January 2023

Skills and experience:
Juan Pablo has held a number of senior leadership roles across a range of companies within the automotive, real estate, and retail sectors. He served on the board of the Derco group, the largest multi-brand automotive distributor in Latin America, until its acquisition by Inchcape in 2022. Juan Pablo is currently on the board of Cruzados S.A.D.P. (a company with shares listed on the Santiago Stock Exchange) and is chairman of Sodimac S.A. He was formerly a board member of Falabella S.A.

Byron Grote
Independent Non-Executive Director

A N R S

Appointed:
January 2023

Skills and experience:
Byron has extensive experience across a range of leading international businesses, bringing strategic focus and financial expertise to the Board. Byron is currently non-executive director at InterContinental Hotels Group plc, and deputy chairman of the supervisory board at Akzo Nobel NV. Byron was previously chief financial officer at BP plc between 2002 to 2011,and has previously served on the boards of Anglo-American plc, Standard Chartered plc, Tesco plc, and Unilever plc.

BOARD OF DIRECTORS CONTINUED

Alex Jensen
Independent Non-Executive Director

N R S

Appointed:
January 2020

Skills and experience:
Alex is Chair of the Sustainability Committee and was the designated Non-Executive Director responsible for workforce engagement between 2021 to 2024. She has considerable experience in transforming and growing customer-facing businesses. Alex is the CEO of National Express UK, Ireland, and Germany, and also serves on the board of the charity Mind. Alex was formerly regional CEO of mobility and convenience at BP plc. Alex holds an MA degree in Chinese Studies from Oxford University, and a Masters from Stanford University School of Business.

Sarah Kuijlaars
Independent Non-Executive Director

A N

Appointed:
January 2022

Skills and experience:
Sarah is an experienced international finance leader, currently serving as chief financial officer at Tate & Lyle plc. Sarah has previously been chief financial officer at De Beers Group and Arcadis NV, and has held senior financial leadership positions at Rolls-Royce Holdings plc and Royal Dutch Shell plc. Sarah has a Mathematics degree from Oxford University and is a Fellow of the Chartered Institute of Management Accountants.

Stuart Rowley
Independent Non-Executive Director

A N R

Appointed:
July 2023

Skills and experience:
Stuart has a deep understanding of the global automotive industry and has extensive international experience. Stuart recently departed Ford after more than 30 years' service, starting from a finance leader before transitioning to president and chair of Ford Europe, and chief transformation & quality officer. Stuart was formally a non-executive board member of the European Automobile Manufacturers' Association, a lobbying group representing Europe's major car manufacturers, which includes many of our original equipment manufacturer partners. Stuart holds a Master's degree in Business Administration.

COMMITTEE KEY
- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- Committee Chair

GROUP EXECUTIVE TEAM

The Group Executive Team (GET) drives the Accelerate+ strategy and is responsible for the day-to-day operations of the Group. It is a global team of business leaders that combines a strong focus on operational excellence with a wealth of experience in a wide range of industries.

Duncan Tait
Group Chief Executive

Appointed:
July 2020

Adrian Lewis
Group Chief Financial Officer

Appointed:
November 2022

Mike Bowers
Group General Counsel & Chief Sustainability Officer

Appointed:
October 2015

Skills and experience
Mike joined Inchcape in 2015 as Group General Counsel. He is a leading contributor to the Group's M&A strategy which has significantly reshaped the business over the last decade. Mike is also instrumental in reinforcing and strengthening legal and regulatory compliance across the Group. Mike was appointed Chief Sustainability Officer in 2023 and leads the Group's sustainability agenda including ensuring that this is fully integrated into Accelerate+, and that we are able to define and communicate Inchcape's role in the mobility transition.

On 1 April 2025, Mike will become CEO Americas.

Liz Brown
Chief Strategy Officer

Appointed:
February 2023

Skills and experience
Liz has over 20 years' experience in consulting, consumer goods, private equity, and retail. She joined Inchcape in 2023 from Diageo, the global drinks manufacturer and distributor, where she held the role of Group Strategy Director, leading the development and delivery of an ambitious strategic and M&A agenda, including managing over 15 acquisitions and disposals. Prior to Diageo, Liz held strategic and senior roles at Currys plc, Royal Bank of Scotland Group plc, and LEK Consulting LLC.

On 1 April 2025, Liz Brown will expand her role and become Chief Strategy & Sustainability Officer.

Phil Jenkins
Chief M&A Officer

Appointed:
October 2023

Skills and experience
Phil has over 25 years' business development and finance experience in global organisations across both the automotive and FMCG sectors. Phil joined Inchcape initially as Chief Financial Officer for our Americas & Africa region and has led our global M&A team since 2021. Under his leadership, the M&A team have developed a significant global pipeline executing multiple acquisitions and disposals across the Inchcape Regions.

GROUP EXECUTIVE TEAM CONTINUED

Helen Cunningham
Chief People Officer

Appointed:
September 2020

Skills and experience
Helen joined Inchcape in 2016 and has held various positions as Regional HR Director in the UK, Emerging Markets, and Americas & Africa, before being appointed Chief People Officer in 2020, bringing a combination of deep functional expertise and strong operational leadership to this key global role. Helen has significant M&A and integration capability playing a significant role within the business over several step-change acquisitions effectively onboarding new teams and leaders and integrating businesses. She is also the Executive leader for Global HSE and Colleague communications.

Ruslan Kinebas
CEO APAC

Appointed:
October 2015

Skills and experience
Ruslan has led key acquisitions with new and existing OEM partners, and has overseen the development of our global Digital Parts Platform. In 2023, he presided over successful market entries into the Philippines and Indonesia which further grew Inchcape's distribution businesses in APAC. In his tenure at Inchcape, he held strategic roles such as CEO Emerging Markets, and CEO Americas & Africa. A firm believer of Inclusion & Diversity, he is the Executive sponsor of the Inchcape Women into Leadership programme, helping to uplift and develop female colleagues into leadership roles.

Romeo Lacerda
CEO Americas

Appointed:
September 2021

Skills and experience
Romeo joined Inchcape in 2021 as CEO Americas & Africa. Since joining the Group, Romeo has overseen the acquisition of Ditec and Interamericana Trading Corporation which have strengthened the Group's geographic reach and broadened its relationships with original equipment manufacturer partners. Romeo was influential in the acquisition and led the integration of Derco, the largest automotive distributor in Latin America, increasing Inchcape's scale in the Americas with a footprint of over 30 OEMs across 13 markets.

On 1 April 2025, Romeo will become Chief Commercial Officer, leading the Digital & Data team and Distribution Excellence programme, as well as Value-Added Services.

Glafkos Persianis
CEO Europe & Africa

Appointed:
April 2020

Skills and experience
Glafkos joined Inchcape in 2020 as CEO Europe. Glafkos was instrumental with BYD becoming Inchcape's sales and aftersales partner in Belgium, Estonia, Ethiopia, and Luxembourg. In 2022, Glafkos also assumed responsibility for operations in Africa. Under Glafkos' leadership, the Europe & Africa business has experienced significant organic market share growth, driving very strong sales and profitability growth over the past four years.

BOARD EVALUATION

In line with the Corporate Governance Code 2018, the Board undertakes a rigorous annual review of its performance, its Committees, and all individual Directors. The review aims to identify the Board's strengths and any opportunities for improvement, as well as highlighting any training and development needs.

The Board follows a formal three-year cycle for an externally facilitated annual review. The 2023 Board evaluation was externally facilitated by Gould Consulting and therefore the 2024 and 2025 performance reviews will be facilitated internally by the Chairman and, in relation to the Chairman's performance, the Senior Independent Director.

2023 Board performance outcomes

M&A assessment

To focus discussions on the strategic rationale of M&A opportunities, the Board reports now include enhanced reporting on OEM partners by segment and geographical profile, with greater focus on integration synergies, culture, and risk mitigations. Lessons learned are also discussed by the Board with more focused post-investment reviews which include more non-financial information.

Strategic discussion and debate

The Board ensured there was increased time for Board members to give their thoughts on front-of-mind issues outside of the meeting agenda to which may shape strategic discussions. There was also increased focus on emerging risks during the Board's discussions on the Group's risk profile and appetite in 2024.

Sustainability Committee

The remit of the CSR Committee, and the Responsible Business framework, was reviewed resulting in a newly defined Sustainability Committee, whose key responsibilities include oversight of the Group's sustainability strategy and narrative. Further information is given in the Sustainability Committee Report on pages 89 and 90.

Flow of information from the Committees

The regular updates from the Committee chairs at Board meeting focus on the significant issues requiring full Board attention to enable more concise and focused decision making, and oversight structure.

2024 Board evaluation

For the 2024 internal Board performance review the Directors completed an anonymous questionnaire covering strategy, knowledge, succession, risk, culture, and effectiveness. The questionnaire also included questions relating to the prior year actions to ensure they have been resolved satisfactorily. The results of the questionnaire were discussed by the Board and development actions were agreed.

Overall, the directors considered there to be a good balance of challenge and support, with constructive discussion at meetings and the ability to voice differing viewpoints. The results also showed that the Directors are fully involved in the strategic direction of the business and there is a clear understanding of the risks facing the Group. Additional strategic deep dive sessions were held in 2024 which were well received by the Board and this programme of enhancing Board knowledge will continue in 2025

The evaluation of each of the Committees was positive with each Committee being considered well run, effective, and having good support from key external advisors. The Remuneration Committee will focus on the development of a new remuneration policy to support Accelerate+, and the newly appointed remuneration advisors will play a key role in supporting the Committee with this.

There are several key areas of focus for the Board and Committees in 2025 including monitoring the progress of Accelerate+ following the launch in 2024 and ensuring that the equity story is clearly understood externally.

Focus in 2025

Actions for 2025 include:

- define Board priorities for the year to allow greater focus or discussion during meetings;
- earlier visibility on succession and talent pipeline, including Board exposure to high performing colleagues; and
- broaden opportunities of the Board to engage with colleagues across all levels of the organisation.

An update on progress against these actions will be given in next year's Annual Report and Accounts.

Evaluation Process

PREPARATION

Questionnaires for the Board and its Committees were developed by the Group Company Secretary with the Chairman. The questions covered the thematic areas of the Code and matters relating to last year's Board performance review.

COMPLETION OF QUESTIONNAIRES

Online questionnaires were distributed to each of the individual Board members for completion. The questionnaires sought feedback on the areas covered in relation to the Board and all of its Committees.

COLLATION OF RESPONSES

Individual responses to the questionnaires were collated by the Group Company Secretary, who prepared anonymised summaries. These were then discussed with the Chairman before the main areas of feedback were reported to the Board, with suggested actions for 2025.

BOARD DISCUSSION

The findings of the performance review and proposed actions were discussed by the Board. The Board agreed a number of actions in response to the review that would be implemented and monitored over 2025.

BOARD ACTIVITIES AND DECISIONS

Section 172 statement

The Directors have exercised their duties under the Companies Act 2006 throughout the year, including the duty to promote the success of the Company while having due regard for the factors under Sections 172(1). The other factors taken into consideration by the Directors when making their decisions are outlined on this page.

Many of the decisions the Board make today will shape the future of the Group, therefore consideration is given to the long-term implications and the impact on stakeholders. Agreeing and implementing the strategic objectives means considering how the Group will need to evolve in order to achieve its purpose of bringing mobility to the world's communities – for today, for tomorrow, and for the better.

Key activities undertaken by the Board are given on pages 73 to 76. These case studies aim to demonstrate how the Board considers value creation for shareholders, interests of current and future colleagues, and the impacts of strategic decisions on communities and the environment in which Inchcape operates.

Due to the changing nature of the industry and the evolution of strategy over the longer term, the Board has regard to the interests of colleagues to make sure they have the training, skills, and support to enable them to deliver the Accelerate+ strategy. The Board has oversight of the People agenda which covers all aspects of the colleague value proposition.

Our OEM relationships are of paramount importance and the length of these relationships is testament to their strength. The OEMs with which we partner are some of the most foremost drivers of technological innovation in the automotive industry, from advances in hybrid and battery electric drivetrains to future mobility. All these elements are taken into consideration by the Board when considering acquisitions and new partnerships as they will be fundamental to achieve the Group's purpose.

The sustainability framework was designed collaboratively, and is owned and delivered by our colleagues around the Group. Their input has shaped the way the Board approaches sustainability and reviews the impact of our operations have on communities and the environment. The Board's risk management procedures identify the potential consequences of decisions in the short, medium, and long-term so that mitigation plans can be put in place to prevent, reduce, or eliminate risks to the business and wider stakeholders. Please see pages 52 to 61 for further details.

It is important to the Board to maintain a reputation for high standards of business conduct and our colleague and supplier Codes of Conduct set out the behaviours we expect which, combined with our Policy Statements on anti-bribery and corruption and modern slavery, provide a strong governance framework in which to do business. Both Codes of Conduct are available at www.inchcape.com.

All shareholders are invited to the Annual General Meeting and have the opportunity to speak or ask questions on any aspect of the Group, its leadership, strategy, and performance.

STRATEGY

- Accelerate+
- Digital strategy review
- Finance & Insurance review
- Capital allocation: share buyback and dividends
- Sustainability: materiality assessment, Sustainability Report, and preparation for the CSRD

READ MORE ABOUT LAUNCHING ACCELERATE+ ON **PAGE 74.**

M&A

- Post-investment reviews
- Acquisitions and contract wins
- UK disposal

READ ABOUT THE DIVESTMENT OF THE UK RETAIL BUSINESS ON **PAGE 73.**

OPERATIONS

- Business continuity and crisis management
- Regional updates: Americas, Europe & Africa, APAC
- People: organisational health and succession planning
- Transfer pricing
- HSE review
- Principal and emerging risks
- Pension review
- Review of historical commission arrangements
- Annual reviews: insurance, treasury, and tax

READ ABOUT THE OVERSEAS BOARD MEETING ON **PAGE 75.**

GOVERNANCE

- Matters reserved for the Board
- Board performance review
- Tax strategy
- Risk Policy
- Modern slavery
- Corporate governance updates
- Conflicts of Interest Policy

READ ABOUT COLLEAGUES AND CULTURE ON **PAGE 76.**

BOARD ACTIVITIES AND DECISIONS CONTINUED

DIVESTMENT OF UK RETAIL OPERATIONS

Supported by evolution of our Accelerate strategy.

During the year, the Board approved the sale of the Group`s UK Retail operations to Group 1 Automotive.

Strategic rationale

As part of its strategic considerations, the Board regularly reviews the structure of the Group, the Markets in which it operates, and the value this creates. The rationale for holding retail in the UK has been challenged by investors in the past as Inchcape has moved towards a distribution focused business.

As a Distribution business, Inchcape will generate higher returns, make Inchcape more capital-light, relatively higher margin, and highly cash generative.

Retail, however, still has a place in Inchcape as part of its distribution value chain. It adds commercial value and drives deeper market understanding and customer insights in certain Markets. The Group, however, remains focused on harnessing the capabilities of a differentiated distribution platform for our original equipment manufacturer (OEM) partners.

Consideration of stakeholders

When considering the sale, the Board and management engaged with key stakeholders impacted by the decision: UK colleagues, OEM partners, and shareholders. Their feedback was one of positive support for the Board's decision.

When considering the impact on our UK colleagues, a key consideration for the Board was to ensure the new owner shared our vision for excellence and growth and demonstrated commitment to the long-term success of the business. The Board is confident that Group 1 Automotive will be a great home for the UK colleagues.

For our OEMs, being able to provide scale operations is increasingly important. As Inchcape has increasingly focused on becoming distribution only, the Board believes a retail only focused business is better positioned to provide our OEM partners with a longer-term UK partner.

The Board considered the sale represents a good outcome for all stakeholders and as an important step in realising our ambition of being the leading distributor for our partners and customers worldwide.

The Board would like to express their sincere gratitude to our former UK colleagues for their service and commitment over the years, and we know the business will play an important part in further developing Group 1's position in the UK automotive retail market.

Principal decisions and outcomes

- Sale to a highly respected automotive retailer with proven operations in the UK.
- Proceeds from sale: £150m returned to shareholders with the remaining to invest in future growth, through organic investment and value-accretive acquisitions.
- Providing support to colleagues throughout the sale process to ensure a smooth transition including a clear and transparent communication process including town hall meetings for impacted colleagues.
- Indemnity in relation to historic motor finance commission.

January 2024	March 2024	April 2024	May 2024 to July 2024	August 2024
Inchcape announce strategic review of Retail operations	**Major shareholders and OEMs engaged on proposed disposal of UK Retail**	**Sale provisionally agreed with Group 1 for £345m, subject to regulatory approval**	**Colleague engagement and planned systems separation. Received FCA approval for the sale**	**Transaction completes**

BOARD ACTIVITIES AND DECISIONS CONTINUED

Accelerate+

LAUNCHING ACCELERATE+

Inchcape drives into the future with a refreshed strategy.

Activities of the Board

The Board approved the Accelerate+ strategy during 2024 following a comprehensive strategic review. Accelerate+ sees an evolution of Inchcape's strategic approach, setting out a clear framework to drive growth over the medium to long-term.

Strategic rationale

The automotive industry has transformed considerably since the Accelerate strategy was introduced in 2021. Against this fast-changing backdrop, the Accelerate+ strategy seeks to establish a stronger Inchcape, working across more markets with more OEMs. It will position the business to seize new growth opportunities and drive toward a target of 10% market share in certain Markets, to deliver enhanced value for our partners.

Consideration of stakeholders

All stakeholders are impacted by the Group's strategy and during the Board's decision making process consideration is given to whether the strategy supports the Group's purpose and culture, whether it will provide long-term sustainable success, the level of risk it is willing to take, resources available, or needed, and the capabilities required to deliver. The Board also received analysis from external advisors on macro and automotive trends, customer behaviour, OEMs, and competitive landscape. All of this is underpinned by Inchcape's sustainability ambition.

Principal decisions

- Priority OEMs and Markets.
- New vehicle categories.
- Distribution Excellence and Value Added Services.

SEE **PAGES 18** TO **22** FOR FURTHER DETAILS ON ACCELERATE+.

SUSTAINABILITY

Inchcape published its first Sustainability Report, reinforcing commitment to sustainable growth.

Activities of the Board

Operating and delivering a sustainable strategy is key to the Group's purpose. Over the past few years the Group has enhanced its approach to sustainability, including a focus on Inchcape's role in the mobility transition.

The Board and its Committees oversee the development and implementation of the Group's sustainability strategy and recognise the importance of sustainability to all stakeholders. At Board level, consideration of sustainable practices interlinked with the Accelerate+ strategy ensure sustainability is embedded in our strategic ambitions.

Consideration of stakeholders

Sustainability is increasingly important to stakeholders because it impacts their interests and long-term outcomes. The Board considers the impact on investors in terms of long-term value creation, risks, and market demand. For customers, the Board considers how our role in the mobility transition supports their needs. For colleagues, the Board considers whether they have the skills and capabilities to succeed in a rapidly-changing environment and when considering the communities in which we operate, the Board considers how to engage them in the mobility transition.

Principal decisions

- Agreeing sustainability ambition which underpins Accelerate+.
- First standalone Sustainability Report aligned with the global reporting initiative.
- Increased engagement and education programme for colleagues and investors.

May 2024

First Sustainability Report is published

www.inchcape.com/sustainability

BOARD ACTIVITIES AND DECISIONS CONTINUED

Board knowledge

To continually improve knowledge and understanding, the Directors undertake deep dive sessions on particular aspects of strategy. The aim of the sessions is to refresh and expand the Board's knowledge and skills. In doing so, the Directors can contribute to discussions on technical and regulatory matters more effectively. The sessions also serve as an opportunity for the Board to discuss strategy, performance, and risks with management below the Group Executive Team level and gain further direct insight into our businesses and management capability.

During 2024, the teach-in sessions focused on Digital, Data & Analytics which is a key enabler of Accelerate+. The sessions looked at the relationship between the value chain, the customer journey, and how the tech stack supports both. The sessions also provided a deep dive on the Inchcape Digital framework, current performance and underlying economics, and an overview of the route-to-market transformation journey which consists of Distribution Excellence and Value Added Services under the Optimise pillar.

- DXP and DAP covered the digital experience customer journey and digital analytics tools.
- Digital Marketing covered reputation.com and its importance as a measure of success for the business, product planning, and logistics.
- Digital Innovation covered finance and insurance, the use of AI in delivering customer experience, and digital tools to improve lead management.

Overseas meeting

The annual overseas Board meeting took place at Inchcape Hellas in Athens. Overseas Market visits are crucial for the Board as it allows the Directors to obtain a deeper understanding of local Market insights, strengthens relationships with local colleagues, helps inform decision making on key strategic areas, and aids observation of operational risks and opportunities.

During the Board's visit, updates were provided on financial performance and outlook, the strong relationship with Toyota, the dealer network, and an overview of the EU's new regulations on emissions performance standards. These updates allow the Board to assess alignment between the global strategy and local execution and are a pivotal part of the Board's calendar.

Pension buy-in

The Group sponsors several pension schemes that represent attractive benefits for existing and past colleagues, including the Inchcape Motors Pension Scheme (IMPS), a UK defined benefit scheme which is by far the most material.

The Board understands it is their responsibility to ensure the pension schemes are operated effectively for the benefit of members and shareholders.

During 2024, the Board endorsed a buy-in plan of IMPS which was successfully completed by the scheme trustee in November 2024.

When reaching its decision on whether the buy-in was in the best interests of stakeholders, the Board adhered to its core pension principles to:

- assure the delivery of scheme benefits to members;
- have an operating model that runs smoothly, efficiently, and effectively providing an excellent service to members;
- leverage Inchcape's covenant, and the scheme assets, for the benefit of all members and ensure they are treated equitably;
- minimise the risk of unexpected cash calls, whilst maintaining sufficient return to meet long-term objectives; and
- operate the scheme in a manner that is mindful of the Company's purpose and approach to environment, social, and governance matters and stewardship.

The Board understood that the buy-in should be endorsed as it would provide enhanced security for members while reducing balance sheet risk for the Company.

PEOPLE AND CULTURE

The One Inchcape Values & Behaviour culture is a big part of the Group's success. The values help drive business performance by improving how we do things and help us make better decisions.

Monitoring culture

There are several mechanisms in place by which the Board monitors the culture of the Group including:

Organisational health review

The Board agenda includes regular discussions on the Group's health. These reviews assess the organisation's capability to function effectively, adapt to change, and sustain high performance over time.

The Board reviews and evaluates:

- effectiveness of leadership;
- colleague engagement;
- talent and development; and
- Inclusion & Diversity.

Be Heard survey

The results of the 2024 Be Heard survey are presented to the Board on annual basis with a follow up during the year to enable the Board to monitor the progress being made on improvement action plans.

The Board considers the results compared to prior year giving consideration to those areas which have seen a decrease in satisfaction or engagement and analysing the root causes for any changes.

Speak Up

The Group's whistleblowing helpline is strong indicator of the Group's culture and reflects a commitment to transparency, accountability, and ethical behaviour. The Audit Committee reviews the reports made to the helpline at each meeting.

Embedding culture

The Board takes a proactive approach to ensuring culture is embedded throughout the organisation.

Inclusion and diversity (I&D) initiatives

All Non-Executive Directors have been, or are scheduled to be, guest speakers at the Women into Leadership programme. The Directors are able to talk about their careers, the challenges they have faced, and the personal journeys which have defined who they are.

The sessions are designed to be interactive with most of the time allocated to Q&A to allow the cohorts to share their experiences in a nurturing environment.

DNED engagement and reward forums

The designated Non-Executive Director engagement session takes place during the Board's overseas visits and consist of an open forum without management. As with the I&D programmes, the sessions are designed to be conversational so colleagues can speak about the issues which truly matter to them. It also provides the Non-Executive Directors to ask colleagues about whether they see their own experiences reflected in the Be Heard survey results and whether they feel the strategy is moving in the right direction.

Individual meetings

One-to-one sessions also take place with the People team to allow the Non-Executive Directors to discuss organisational topics outside of the Board agenda.

Purpose, vision and values

PURPOSE

Bringing mobility to the world's communities for today, for tomorrow, and for the better.

VALUES

We deliver | Fresh thinking | Great experiences | Better together

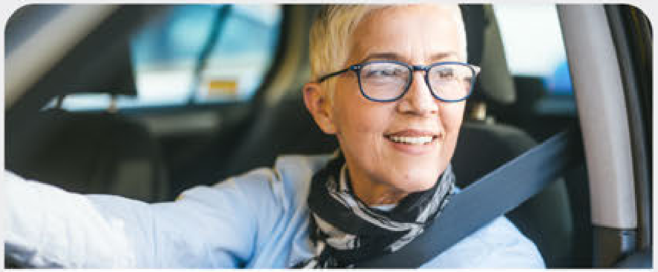
STRATEGY

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.

CULTURE

Our culture is built by effective teamwork, fresh thinking, a focus on delivery, and putting our colleagues, OEM partners, and customers at the centre of everything we do.

STAKEHOLDER ENGAGEMENT



OEMS & CUSTOMERS

How we engage

Engagement with OEMs and customers is primarily conducted by members of the Group Executive Team (GET) who provide updates to the Board. During 2024, the GET met with Toyota, Subaru, Suzuki, and Hino in Japan. The Group General Counsel & Chief Sustainability Officer also joined the visit which provided an opportunity to share Inchcape's sustainability strategy with the OEMs. This provided an opportunity for management to meet the OEMs sustainability teams and to gain a deeper understanding of their ambitions.

The purpose of the meetings is to share strategic objectives, local market insights, and best practice. The outcomes of the discussions input into the Board's strategic discussions. The strengthening of these relationships also leads to even more distribution opportunities as Inchcape proves itself to be a leading distribution partner in smaller more complex markets.

In addition to regular executive level engagement, a former executive from Mercedes-Benz joined the Board as a guest speaker at the annual Strategy Day. Discussions included approach to electrification, evolution of customer behaviour, and connected, autonomous, and shared mobility trends. This insight provides the Board with a well-rounded view of the automotive sector which is taken into account when setting strategy.

COLLEAGUES

How we engage

The GET is responsible for day-to-day engagement delivered through a comprehensive annual communications and engagement plan. Direct Board engagement consisted of sponsorship, mentoring, and colleague engagement sessions and forums. The sessions are designed to evaluate current engagement strategies, employee sentiment, and operational challenges. Themes raised during the 2024 Board engagement sessions will feed back into management's future engagement plans and include:

- Sustainability strategy: strong interest in understanding Inchcape's sustainability journey with a focus on its alignment with both current and future OEM product line-up versus incoming regulation.
- Brand identity and pride: clarity on Inchcape's brand identity with emphasis on internal and external brand alignment.
- Career development and global mobility: recognised potential to increase awareness and access to global career pathways within Inchcape's ecosystem.
- System alignment: feedback potential inefficiencies and highlighting areas for improvement in project follow-through and completion.

FURTHER INFORMATION ON PEOPLE AND CULTURE CAN BE FOUND ON **PAGE 76.**

SHAREHOLDERS

How we engage

During 2024, Jerry Buhlmann met with eight shareholders prior to his appointment as Chairman. These shareholders represent 27% of Group's share register, with the meetings providing shareholders with an opportunity to share views on the business and discuss relevant corporate governance matters. In addition, Byron Grote contacted shareholders upon his appointment to Chair of the Remuneration Committee asking for any views or comments on remuneration at Inchcape.

Feedback from these meetings are discussed with the Board, with shareholders remaining supportive of Inchcape's strategy, performance, and executive management.

The Board welcomes the opportunity to meet with shareholders at the Annual General Meeting, which provides the opportunity for all shareholders to ask questions to the Board on the matters put to the meeting, including the Annual Report and Accounts. The Notice of the AGM is sent to shareholders and is also available at www.inchcape.com.

The 'In the driving seat' webinars continued in 2024. The first session was on the Distribution model focused on commercial and financial dynamics, technology, OEM partners, and the benefits through Value Added Services, and the second was a live event providing a deep dive on the Accelerate+ strategy and the APAC region. These events were very well received by investors and can be found on our website.

NOMINATION COMMITTEE REPORT

Jerry Buhlmann
Chair of the Nomination Committee

Dear shareholder

I am pleased to present the report of the Nomination Committee for the year ended 31 December 2024. The aim of this report is to provide an overview of how the Committee has discharged its duties and I hope you find it useful.

Committee snapshot

What we did	Outcome
Inclusion & Diversity	Reviewed progress against plans for I&D initiatives and achievement of targets
Board composition and succession planning	Appointment of new Chair and Senior Independent Director
Board performance review	See page 71 for more information.

The Committee's terms of reference can be found at www.inchcape.com

Meeting attendance

	Scheduled		Ad Hoc	
Jerry Buhlmann (Chair)	2	2	1	2
Nayantara Bali	2	2	2	2
Juan Pablo Del Río	2	2	2	2
Byron Grote	2	2	2	2
Alex Jensen	2	2	2	2
Sarah Kuijlaars**	1	2	2	2
Alison Platt	2	2	2	2
Stuart Rowley	2	2	2	2
Jane Kingston*	1	1	1	1
Nigel Stein*	1	1	1	1

● Number of meetings attended (blue)
● Number of meetings (yellow)

* Jane Kingston and Nigel Stein retired from the Board in May 2024.
** Sarah Kuijlaars was unable to attend the December meeting and Jerry Buhlmann was unable to attend the ad hoc January meeting due to prior commitments, respectively.

Chair of the Board

The role of Chair is to provide leadership and guidance and to ensure the Board functions effectively. Therefore the recruitment and selection process for this role is a key responsibility for the Nomination Committee. As detailed in last year's Annual Report and Accounts, Byron Grote ran the Chair succession process following which, in May 2024, I was appointed to succeed Nigel Stein.

One of the primary considerations for the Committee was to ensure continuity of leadership as the Group continues to execute the Accelerate+ strategy. As I have been on the Board since 2017, and Senior Independent Director since 2019, the Committee felt that I had the requisite skills and experience to perform the role of Chair and I was delighted to accept the position.

Before making their recommendation to the Board, the Committee considered my length of service, and the provision of the UK Corporate Governance Code, noting that the maximum term of nine years preserves independence. The Committee agreed that retaining continuity and stability to help maintain stakeholder confidence is critical as the strategy evolves, therefore deemed that despite serving on the Board for over six years, this was not a factor in assessing my independence.

Board composition and succession planning

Alison Platt was appointed as Non-Executive Director in January 2024 and then become Senior Independent Director following my appointment as Chair. Alison brings significant business, commercial, and listed company experience from executive and non-executive roles in a range of sectors including healthcare, insurance, and property. Her former membership of the steering group of the Hampton-Alexander Review also provides the Committee and the Board with strategic insights on inclusion and diversity.

Following nearly six years on the Board, Jane Kingston stepped down from the Board prior to the 2024 Annual General Meeting. Following this retirement, the Nomination Committee proposed that Byron Grote be appointed as the next Chair of the Remuneration Committee with effect from May 2024. The Nomination Committee discussed the skills, knowledge, and experience required to lead the Remuneration Committee and agreed that Byron has the

NOMINATION COMMITTEE REPORT CONTINUED

requisite experience. Byron has been a member of the Remuneration Committee since January 2023 and also serves on the remuneration committee of Intercontinental Hotels Group plc, as well a previously being a member of the remuneration committee for Tesco plc. The Nomination Committee recommended this appointment to the Board, and this was approved in February 2024.

The Committee monitors Board composition and its succession plans on an on-going basis, and a key element of this review is the assessment of skills, experience, and knowledge. The appointments to the Board over the last two years have further strengthened financial, automotive, multinational, environment, social, and governance experience, and following the assessment of skills, experience, and knowledge during the year, the Committee determined digital and technology as a key knowledge area for consideration when determining suitable candidates to fill vacancies on the Board as they arise.

The Committee believes the composition enables the Board to optimally perform for the benefit of shareholders and ensures that the Board and its Committees are well equipped with the skills and capabilities needed to drive the future success at Inchcape.

The outcomes of the Board's performance review is given on page 71. The contributions of individual directors during the year are given in the notice of Annual General Meeting, accompanying the resolution to re-elect.

Length of service, time commitments, and other appointments

It is usual for Board members to serve a maximum of nine years on the Board, and length of service is taken into account when looking at succession planning. The Committee reviews length of service on an annual basis and recommends to the Board the appointment of Non-Executive Directors (NEDs) for a further three-year term as and when they arise. However, there may be occasions when a Director may resign before they have completed nine years' service. In these circumstances, a longlist of potential candidates is continually kept up to date so the appointment process can begin immediately to fill vacancies as they arise.

The Nomination Committee considers suitable candidates to fill vacancies or where it could be deemed that another NED would enhance the performance and experience of the Board on a continual basis.

The time commitment expected of NEDs is set out in their Letter of Appointment and is reviewed as part of the Board performance review process. The Board's policy on multiple Board appointments takes into account guidance from investors and proxy advisors, and provides the criteria of the type and of appointment considered acceptable and the approval process to be followed before accepting a further external directorship. The Committee reviews the policy annually.

Director independence

The Committee assesses the NEDs' independence on appointment and throughout the year. NEDs are required to inform the Committee of any situation which could impair their independence and report on any potential conflicts of interest at each meeting.

Juan Pablo Del Río is not considered independent as he has a significant shareholding in the Company and has close ties with the Derco business acquired in 2022. The Company acknowledges that Juan Pablo Del Río is not independent but the rationale behind the Derco acquisition, as stated in the 2022 Annual Report and Accounts, is of tremendous benefit to the Company in growing the Americas Region and bringing highly complementary OEM relationships. As he is not considered independent, Juan Pablo has no voting authority when it comes to making decisions concerning the Derco subsidiaries.

Appointments to the Board and induction process

When planning to fill future vacancies, an appropriate job specification is developed, along with specification of any other desirable attributes required. A longlist of candidates will be considered after which a shortlist is agreed, and the interview process begins.

Potential candidates meet with the Chair, Senior Independent Director, and other Board members. Once a preferred candidate has been identified, the Committee makes its recommendation to the Board for approval. During the recruitment process a comprehensive assessment is conducted to evaluate each candidate's capability, strengths, and personal attributes needed to complement and enhance the skills, experience, and knowledge of the Board members. The Lygon Group were appointed to assist with the recruitment of Alison Platt. Lygon Group are signatories of the standard voluntary code of conduct for executive search firms and has no other connection to the Company or any individual Director.

Induction of Non-Executive Directors

The induction process is designed to provide new Directors with a detailed understanding of the business and the Group's future strategic ambitions to enable them to perform their duties as Directors of the Company. This includes meetings with the Group Executive Team (GET), key management, and the Group's principal advisors. All Board members are provided with a comprehensive pack of documents setting out key information about the Company, including broker reports on the Company and industry sector.

As part of her induction, Alison Platt attended a site visit at the Mercedes-Benz dealership in Oxford. Visiting sites and meeting colleagues helps provide an overview of our operations as well as Inchcape's ways of working, culture, and values. Alison also had individual introductory sessions with GET members and other senior leaders to help understand each departments' role within the business. There were also meetings with external advisors, such as the external auditor prior to joining the Audit Committee, and the remuneration advisors in preparation of joining the Remuneration Committee.

Diversity

The Committee considers the recommendations under the Parker Review as part of its commitment to improving diversity throughout the organisation. There are several initiatives in place to support the achievement of diversity targets including the Women into Leadership programme and the newly launched Aspire programme which targets female talent deeper within the organisation at an earlier stage of their careers.

Jerry Buhlmann
Chair of the Nomination Committee

NOMINATION COMMITTEE REPORT CONTINUED

Diversity within Inchcape

We are passionately committed to promoting inclusion, diversity, and equality in the workplace and it is inextricably linked to our strategy. We value diversity in the broadest sense including, but not limited to age, disability, ethnicity, gender, sexual orientation, or educational, professional, and socio-economic backgrounds. The objective of ensuring a diverse Board is to provide fresh perspectives which enrich our decision making and the aim of the policy statement is to reflect this ethos.

As at 31 December 2024, 28% of senior leadership positions were held by women. The target is to achieve at least 30% female representation at senior leadership level by the end of 2025.

The Board and its Committees are subject to the Group's Global Inclusion & Diversity Policy, which is reviewed annually and is available on the Company's website at www.inchcape.com. The policy is implemented during the nomination process where all aspects of diversity are valued along with the range of skills, experience, and knowledge needed to enable the Board to make the right decisions to achieve the objectives of the Accelerate+ strategy and to create long-term sustainable success.

As at 31 December 2024, the Company meets the diversity targets under UK Listing Rule 6.6.6(9) where 40% of the Board were women, the Senior Independent Director role is held by a woman, and one member of the Board is from a minority ethnic background.

Our goal is to maintain or improve the representation of ethnic minorities in senior management, as well as to improve the proportional representation of ethnic minorities to better reflect the global communities in which we operate. One of our core themes for our Inclusion & Diversity strategy in 2025 is ethnicity and culture which aims to cultivate an environment that celebrates diverse cultural backgrounds and ethnicities, foster cross-cultural understanding, and explore the nuances of ethnicity within our global community.

Diversity data is collected through our global HR system which enables self-identification through a multiple-choice dropdown with the same definitions as used under UK Listing Rule 6 Annex 1. Colleagues are also invited to submit their disability information, sexual orientation, and religion through the system. We roll out communications and campaigns annually to encourage full disclosure in Markets where we can ask and collect data.

All Board directors are asked directly to confirm to submit their ethnicity data on an annual basis to enable the Group to make the necessary disclosures.

Gender identity or sex	Number of colleagues	Percentage of colleagues	Number of Board members	Percentage of the Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
Men	12,378	70%	6	60%	3	48	72%
Women	5,198	30%	4	40%	1	19	28%
Other categories	5	0%	0	0%	0	0	0%
Not specified/ prefer not to say	7	0%	0	0%	0	0	0%

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	90%	4	48	71%
Mixed/Multiple ethnic groups	0	0%	0	3	5%
Asian/Asian British	1	10%	0	9	13%
Black/African/Caribbean/Black British	0	0%	0	1	1%
Other ethnic group	0	0%	0	3	5%
Not specified/prefer not to say	0	0%	0	3	5%

* Senior positions include the Group Chief Executive, Group Chief Financial Officer, Senior Independent Director, and the Chairman.

AUDIT COMMITTEE REPORT

Sarah Kuijlaars
Chair of the Audit Committee

Dear Shareholder

I am pleased to present the Audit Committee Report for the year ended 31 December 2024. The aim of this report is to provide an overview of how the Committee has discharged its responsibilities during the year and to highlight the significant issues considered by the Committee.

Committee snapshot

What we did	Outcome
Financial reporting	Publication of full and half year results
Internal control	Improved control environment and Provision 29 readiness
Risk management	Focus on effectiveness of risk management framework
Internal audit	Monitoring of 2024 IA plan throughout the year
External audit	Review of effectiveness of external audit and assessment of auditor's independence

The Committee's terms of reference can be found at www.inchcape.com

Meeting attendance

	Scheduled
Sarah Kuijlaars (Chair)	5 5
Byron Grote	5 5
Alison Platt	5 5
Stuart Rowley	5 5
Jerry Buhlmann*	2 2

● Number of meetings attended
● Number of meetings

* Jerry Buhlmann was appointed as Chairman in May 2024 and stepped down from being a Committee member.

The Committee plays a key role in the Group's governance framework providing independent challenge and oversight across financial reporting and internal control procedures. The Committee members use their skills, knowledge, and experience to bring an independent mind-set to the deliberations which results in the collective view being expressed to the Board.

The Committee held five scheduled meetings throughout the year discussing its key areas of oversight: financial reporting, internal control and risk management, compliance, whistleblowing, and fraud, in addition to internal and external audit. The Committee consists solely of independent Non-Executive Directors, with the Chairman, Executive Directors, and members of the management team in attendance.

The performance and effectiveness of the Audit Committee was assessed during the 2024 Board evaluation. Please see page 71 for more information.

Changes to the Committee

I was delighted to welcome Alison Platt, who joined the Board in January 2024, to the Committee. As detailed on page 62 of the Corporate Governance Report, Alison has extensive corporate experience which will be a valuable contribution to our discussions.

With regards to recent and relevant experience on the Committee, I have held several senior finance roles, currently as chief financial officer of Tate and Lyle plc and I am a Fellow of the Chartered Institute of Management Accountants. Of the other Committee members, both Byron Grote and Stuart Rowley have a wealth of financial knowledge and experience gained in large multinational organisations in various sectors. Byron Grote also serves as the audit committee chair of InterContinental Hotels Group plc.

UK Corporate Governance Code (Code)

The FRC published the updated Code in January 2024 (effective from 1 January 2025). The Committee spent time during the year considering Provision 29 (effective from 1 January 2026) which requires the Board to monitor and review all material controls, including financial, operational, reporting, and compliance controls.

AUDIT COMMITTEE REPORT CONTINUED

The definition 'material control' is not given in the new Code, therefore it is for each individual company to determine. As such the Committee undertook a comprehensive review of material controls during the year which included an assessment of what Inchcape define as material controls, the process to identify these controls, and establishing a proposed framework to manage material controls. Leveraging on the Group's risk management matrix, the Committee reviewed the events which could impact the long-term sustainability and viability of the Group to assess whether the design of any material controls need to be amended or improved.

The plan for 2025 includes understanding the level of control monitoring currently undertaken by the Board or relevant Committee and alignment of roles and responsibilities to ensure that effectiveness of material controls are appropriately assessed and monitored to enable the Board to report on the effectiveness in compliance with the new Code. A further update will be given in next year's Annual Report and Accounts.

Other regulatory matters

The Committee also considers compliance with relevant accounting standards and other regulatory financial reporting requirements including the EU Corporate Sustainability Reporting Directive (CSRD).

Under CSRD, the Committee will have specific responsibilities on ensuring the integrity of sustainability reporting and oversight of any assurance over that reporting. Deloitte have been appointed to provide assurance over our CSRD reporting and a further update on the Committee's activities in relation to CSRD will be provided in next year's Annual Report and Accounts.

Regional updates

Regular updates from Regional CFOs have been added to the Committee's agenda, with an update received from the Americas in 2024. Regional updates allow the Committee to obtain deeper insight into regional issues, and to take a more granular view of risks and opportunities facing the Markets. The Americas have seen a significant amount of M&A in the past few years and the review provided a detailed assessment of the integration of the new businesses, the control environment, and the on-going systems implementation in the Markets.

The regional CFO from the Europe & Africa region provided an in-depth overview of the Ethiopian market during the year. The Committee considered Market expectations, financial performance, liberalisation of the market, and the accounting considerations and impacts in respect of hyperinflation and cash held in the Market.

Internal control

The Committee also considers the effectiveness and application of internal financial controls throughout the year, receiving reports on compliance, control gaps, new business integration, and controls improvement and a key focus area for the Committee during 2024 was IT General Controls.

With the progression of the Accelerate+ strategy, and the introduction of the Digital Delivery Centres (DDCs), the risk is shifting from local IT teams to global specialists. To ensure effective controls are in place, the Committee spent time reviewing the platform and market effectiveness certification and improvement programmes. I am pleased that good progress is being made in this area with the control framework refreshed and aligned with the NIST security framework.

Global Business Services (GBS)

In 2021, the Group began a finance function transformation programme which consisted of the formation of GBS. The implementation of GBS is to standardise and consolidate core accounting processes, add additional controls, and provide a platform to support M&A integration.

Following the sale of the UK Retail business, a review of the GBS requirements was carried out to ensure the scope and scale of the services were providing value for the Regions and Markets. The outcome of this review resulted in a project to leverage the Group's DDC infrastructure to build an in-house finance delivery centre to deliver core financial services. This programme has commenced for the Americas and will be followed by APAC in 2026.

The Committee will continue to monitor the design and implementation of the processes and controls to ensure the anticipated level of improvements and standardisation, and the expected cost reductions, are delivered. In addition, the Group Chief Financial Officer provides regular progress updates to the Board.

Cybersecurity

Cybersecurity continues to remain one of the most significant risks to the Accelerate+ strategy. The Chief Information Security Officer provides an update on cybersecurity twice a year, with ad hoc updates as needed. These reports provide the Committee with information on NIST progress, cyber monitoring, and any notable incidents. The cyber teams have continued to make good progress on the cybersecurity projects in 2024, and a NIST maturity rating of 3.1 has been achieved which demonstrates the strong progress being made in this area.

The Committee also reviews the controls in place to defend against cyber threats, to assess the cyber risks to the organisation, and to establish whether the controls in place are effective. During 2024, there were four cyber incidents of note, none of which resulted in a material impact on the business, and all of which have been resolved. The Committee reviewed each of the incidents in detail, including any subsequent mitigation plans agreed with the management teams. The Committee also spent time discussing the cyber roadmap for 2025 which includes continuing to mature the Group's cyber posture, assessment on ability to mitigate an attack and on-going security measures for the third party network.

Other areas of consideration

Further information on the responsibilities of the Committee can be found throughout this report:

- Significant issues;
- Fair, balanced, and understandable;
- Financial reporting;
- Risk management and internal control;
- Internal audit;
- Whistleblowing;
- External audit; and
- Non-audit services.

Sarah Kuijlaars
Chair of the Audit Committee

AUDIT COMMITTEE REPORT CONTINUED

Significant issues considered by the Committee during the year

Impairment
- see notes 10 to 12 on pages 156 to 162

Impairment reviews are conducted annually in respect of goodwill and indefinite life assets, and if there is an indicator of impairment, reviews are implemented more frequently. In addition, other intangible assets, property, plant and equipment, and right-of-use assets are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. This is a judgemental process which requires estimating future cash flows based on future business prospects, determining long-term growth rates, and discount rates.

It is the Committee's view that management's approach to impairment is robust, based on reliable supporting data from external sources where relevant, and with appropriate challenge from the external auditor.

During the year, the Committee considered the following:

- The appropriateness of the cash generating units (CGUs) or groups of CGUs used for impairment and the allocation of assets and cash flows thereto;
- The cash flow projections used to calculate the value in use, considering whether these reflect a reasonable expectation of future performance;
- How management had determined the discount rates and long-term growth rates;
- The impact of climate change, including electrification on impairment and the impact of electric vehicles on aftersales;
- The reliability of data provided by external advisors and independent specialists used in key assumptions; and
- The appropriateness of the disclosures to be made in the Annual Report and Accounts to satisfy itself that they provided users of the financial statements with sufficient information to understand the judgements made by the Group.

After considering all available information and reviewing the findings, the Committee concluded that management's impairment reviews of non-financial assets were appropriate.

Disposal of UK Retail
- see note 28 on page 186

The Group disposed of its UK Retail operations in August 2024 to Group 1 Automotive UK Limited, a wholly owned subsidiary of Group 1 Automotive, Inc. for cash consideration of approximately £345m.

During the year, the Committee considered the following judgements:

- The criteria required to be met to classify the UK Retail operation as a discontinued operation;
- The allocation of revenue and expenses to the discontinued operation, considering whether the Group would no longer be entitled to the revenue or incur the expense following the disposal;
- The consequences of the disposal on reporting segments; and
- The presentation of the results of the discontinued operation and the gain on disposal in the financial statements.

After reviewing the accounting judgements presented by management and considering the view of the external auditor, the Committee concluded that the disposal should be classified as a discontinued operation, and as the only remaining operation from the 'Retail' reporting segment is a relatively small operation in Poland, this be combined within 'Europe and Africa Distribution' segment and the Group will no longer report a 'Retail' segment.

Pension buy-in
- see note 5 on pages 148 to 152

In November 2024, the Trustees of the Inchcape Motors Pension Scheme completed a buy-in transaction whereby the assets of the scheme were used to acquire a bulk purchase annuity policy with Legal & General under which the benefits payable to the members of the scheme are now fully insured. The insurance policy was purchased using the existing assets of the scheme.

The Committee reviewed the reports provided by both management and the pension advisors for both the Company and the scheme trustee and considered the following accounting judgements:

- The asset value of insured benefits was set equal to the associated pension liabilities in accordance with IAS 19, Employee Benefits; and
- Whether the purchase of the annuity contract was a settlement as defined in paragraph 8 of IAS 19 which is a transaction that eliminates all further legal or constructive obligations for part or all the benefits provided under a defined benefit plan.

The Committee concluded that the buy-in, which had resulted in a reduction in the value of scheme assets, had been appropriately recognised as an asset loss through other comprehensive income as it was not considered a settlement but an investment decision by the scheme trustee which had not eliminated the obligation to provide benefits to members.

AUDIT COMMITTEE REPORT CONTINUED

Fair, balanced, and understandable

The Audit Committee carried out its own assessment of the financial statements, and the Annual Report and Accounts as a whole, and is satisfied that it provides the necessary information for shareholders. In carrying out this review the Committee considered:

- If the information disclosed is open and honest.
- Are any weaknesses or challenges disclosed as well as successes and opportunities.
- Are issues considered of significant risk by both the external auditor and the Committee aligned.
- Are key performance indicators linked to strategy clearly explained and give a true indication of the health of the business.
- Is the business model and strategy explained in a clear and concise manner.
- Is the tone of the Annual Report consistent, the format easy to read, and any signposting to additional information clear.

The processes and procedures in place to satisfy the Board of the integrity of the financial and narrative statements include a robust disclosure verification process, monthly financial performance updates, and meetings with the internal and external audit functions without the presence of management.

The Company's business model and strategy are set out on pages 11 to 22 and a statement of the Directors' responsibilities is set out on pages 114 to 115 which includes the going concern statement.

During the year the Committee:

- Considered the key audit issues, accounting treatment, and judgements in relation to the financial statements.
- Where risks were identified, either in relation to processes, key transaction, or colleagues, undertook a deeper dive review of matters, challenging management to improve the control environment, and tighten processes.
- Challenged management on the assumptions used and the judgements that have been applied, with assurances given from both external and internal sources.
- Assessed whether the Annual Report and Accounts are fair, balanced, and understandable.

Following its review, the Committee confirmed to the Board that the 2024 Annual Report is fair, balanced and provides sufficient clarity for shareholders to understand our business model, strategy, financial position, and performance

Financial reporting

The Committee provided oversight by reviewing the half-year and annual financial statements, taking into account:

- the quality and acceptability of accounting policies and practices;
- material areas in which significant judgements have been applied or discussed with the external auditor;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements including the Code;
- any correspondence from regulators in relation to the Group's financial reporting; and
- reviewing assumptions and assurance to support the long-term viability statement.

The Committee conducted its work using information supplied by management, the external auditor, and other advisors as appropriate. During the year, the Committee received reports from the Group Financial Controller and the Group Head of Reporting on impairment, adjusting items, acquisition and disposal accounting, and pension scheme liabilities.

Regular updates are also received from the Group Tax Director during which the Committee reviewed the Group's effective tax rate, deferred tax, and tax audits and settlements. The Committee also spent time considering the assessment of its exposure to the OECD's Pillar Two legislation, and the processes being implemented to comply with regulations. The processes are being developed by a cross functional working group to manage the implementation. Further information is given in the tax note on pages 153 to 154 of the financial statements.

The Committee also spent time reviewing the forecasts, projections, and assumptions used in determining whether the Group is able to adopt the going concern basis of accounting in preparing the financial statements.

AUDIT COMMITTEE REPORT CONTINUED

Risk management and internal control

The Board has overall responsibility for the Group's risk management and internal control framework including ensuring:

- there is an appropriate mechanism in place to identify the risks the Group faces;
- management teams focus on those risks and action plans are in place to mitigate or respond to those risks;
- a compliance programme is in place that meets or exceeds external benchmarks and is appropriate in terms of legal requirements, content, sector, cost, and resources;
- internal controls are appropriate, well designed, and operating consistently across the Group to manage risk effectively; and
- the Group's whistleblowing programme is appropriately managed to reduce the risk of fraud or respond quickly and decisively in the event the Group falls victim to fraud.

The Committee receives a report on the enterprise risk management framework (ERM) at each meeting from the Group Head of Internal Audit. During the year, the Committee monitored the ERM priorities for 2024, business continuity management, the Group's quarterly cycle of risk review and action planning including the assessment of climate change risks and opportunities, and half yearly effectiveness review. Following the sale of the UK Retail business, the Committee also monitored the risks associated with the UK separation. Further details on how the Group manages risk is given in the Risk Management Report on pages 52 to 61.

InControl Standards

InControl Standards (ICS), are designed to enable management to establish, assess, and enhance strong and consistent risk and control governance. The framework is regularly reviewed and updated in line with emerging Group risks, in response to emerging Internal Audit issues, and following any investigation activity. The ICS has been designed to mitigate the most significant risks across the Group providing robust governance and sound controls.

The central and regional Internal Controls teams support the business by providing the framework, tools, and training, and ongoing support to embed the ICS across the business. The Internal Control function is separate from the Internal Audit function and works with management teams to design controls that are proportionate to the level of risk, supported by systems, and are easy to follow.

During the year the Committee considered the self-assessment scores for each market, control gaps identified and remedial action plans, and controls automation plans.

Main features of internal control and risks management systems to financial reporting

The key features of the Group's internal control and risk management systems that underpin the accuracy and reliability of financial reporting include: clearly defined lines of accountability and delegation of authority; the Group's Code of Conduct; policies and procedures that cover financial planning and reporting; preparing consolidated financial accounts; capital expenditure; project governance; and information security.

Processes and systems in place include:

- annual approval of the Group's budget by the Board with regular updates on actual performance against plan, regional breakdowns, and analysis of variances;
- a comprehensive system of key control and oversight processes, including regular reconciliations;
- updates for the Committee on accounting developments, including draft and new accounting standards and legislation;
- reports from Internal Audit on matters relevant to the financial reporting process, including periodic assessments of internal controls, processes, and fraud risk;
- independent updates and reports from the external auditor on accounting developments, application of accounting standards, key accounting judgements, and observations on systems and controls;
- appointment of experienced and professional colleagues with requisite knowledge and skills to perform their duties; and
- appropriate Board oversight of external reporting.

In addition, the Group has established a dedicated Internal Controls team who carry out controls testing on a quarterly basis, with progress reported to management and the Audit Committee at regular intervals during the year. This includes implementation of management actions to remediate issues identified and make improvements.

Monitoring the effectiveness of the risk management and internal control systems

The Board, through delegated authority to the Audit Committee, has ultimate responsibility for the effective management of risk across the Group and for monitoring how each business area implements appropriate internal controls.

The Group's risk management systems are designed to support the business in actively managing risk to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. These systems are also designed to be sufficiently agile to respond to changes in circumstances such as the consequences of new acquisitions, changes triggered by new legislation, and significant external events.

The Committee monitors the effectiveness of the internal control and risk management systems through various sources of assurance including reports from the Group Head of Internal Audit on the ICS framework, the enterprise risk management framework, and the status of internal audits.

When reviewing the effectiveness of the ERM framework, the Committee considered the design of the ERM process, whether it had been applied to all material areas of the business, whether the process had identified the most material risks to the Group, and any new or additional mitigation actions to address the principal risks. The Audit Committee also receives reports on principal risk descriptions and risk footprint, as well as receiving regular updates on the status of the Group's principal and emerging risks. This year, these reviews have covered areas including cybersecurity and IT resilience.

When assessing the effectiveness of the internal control framework, the Committee considers the independent assessment of the effectiveness of risk management and internal control systems provided by the Group Head of Internal Audit. The Audit Committee also receives regular reports on the status of the controls assurance plan which covers controls in each Market and function, and monitors compliance with and effective operation of the ICS framework. The Committee also considered the actions taken to enhance controls design and effectiveness, testing results and trends analysis derived from the Group's integrated risk management system.

In addition, the Committee reviews the report presented by Deloitte during the year on control improvement recommendations and other observations made on the control environment during the audit.

Any significant control failings or weaknesses are reported to the Board, along with a detailed review of the findings and mitigation plans being put in place. The Board monitors progress against plans until it is satisfied that such matters are resolved appropriately.

The Board has determined that there were no significant failings or weaknesses identified during the review of risk management and internal control processes during the year and further confirms that these systems were in place during 2024 and to the date of this report.

Internal Audit

A primary source of assurance for the Committee is through the delivery of the Internal Audit plan (IA Plan) which is structured to align with the Group's strategic priorities. The internal audit strategy is updated on an annual basis to ensure that it is aligned to the changing risk profile of the Group, the external environment, and the needs of both management and the Audit Committee.

The Group Head of Internal Audit presents the IA Plan to the Committee for review and approval on an annual basis. The Committee assesses the IA Plan to ensure that it is fully aligned with the Group's Accelerate+ strategy and principal risks.

The Audit Committee assesses the effectiveness of Internal Audit by reviewing the IA Plan at the start of the financial year, monitoring its ongoing quality throughout the year, and assessing completion rates and feedback provided following completion of the audits. Having conducted this assessment for 2024, the Audit Committee is of the view that the quality, experience, and expertise of Internal Audit is appropriate for the business.

The outcomes of Internal Audit assignments are reviewed by the Committee throughout the year. The audit reports provide details of overall ratings, reasons for the rating, and any actions to be taken within a specific timeframe. Any significant reports issued during the period are monitored by the Committee until they have been closed satisfactorily. During the year, the Committee considered the findings of a number of audits including operational controls in Bolivia, payroll in Chile and Peru global travel audit, and integration of new business in the Philippines and DXP.

The 2025 IA Plan was approved by the Committee in December 2024. When approving the IA Plan, the Committee assessed the alignment to the Accelerate+ strategy and principal risk profile, proposed audits, and audit coverage.

Functional assurance

A broad range of assurance activities have been designed and established across the business to target key risk areas, such as finance, legal and regulatory, digital, cyber, and health, safety, & environment (HSE). While reporting lines for these activities are directly to the respective business areas, the processes and controls of these functions are periodically tested by Internal Audit and discussed with the Audit Committee. The Chief Information Security Officer and Group Tax Director provide regular reports to the Audit Committee on their areas of expertise.

Operational oversight

Senior management forums and committees provide oversight and challenge on key risk areas within individual businesses, cross-business programmes, or activities, such as transformation programmes, acquisitions, sustainability, Digital, People, HSE, Cyber, and other areas of change. The output from these discussions forms part of the updates provided to the Audit Committee or assured through the Internal Audit and ICS programme.

Whistleblowing

Colleagues and third-party business partners are encouraged to raise concerns about potential breaches of the Code of Conduct or other policies, either to their line managers, Legal, People, Internal Audit and Risk colleagues, or to Speak Up, a confidential whistleblowing mechanism. Speak Up is a global service administered by an independent provider, accessible online, by QR code or by telephone. Independent Inchcape teams investigate allegations, with progress being monitored by Internal Audit. When allegations are substantiated, appropriate disciplinary and corrective actions are taken.

The Head of Internal Audit provides an update on fraud and whistleblowing cases at each meeting which includes new reports made throughout the year and open cases still under investigation. The cases which are reported to the Audit Committee are those of sufficient significance to warrant attention; however, a list of all reports is also provided to the Audit Committee for its review along with a breakdown by Market, report type, and source. The Audit Committee Chair reports to the Board on any significant whistleblowing cases, and remediation plans, as they arise.

The Audit Committee and the Board consider the whistleblowing cases resolved during the year, including any actions taken, and are satisfied there were no significant concerns.

AUDIT COMMITTEE REPORT CONTINUED

External audit

The Committee has complied with the FRC's guidance, issued in May 2023, on Audit Committees and the External Audit: Minimum Standard. The activities undertaken to meet the requirements of the Standard are outlined throughout this Audit Committee Report.

Audit tender

Following an audit tender process during 2017, Deloitte LLP was appointed as the Group's auditor with shareholder support for the appointment given at the 2018 Annual General Meeting. David Griffin is the lead Audit Partner and has been in position since July 2023.

The Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Responsibilities) Order 2014, which relates to the frequency and governance of external audit tenders and the setting of a policy on the provision of non-audit services. The Committee reviews and makes a recommendation to the Board with regard to the reappointment of the current external auditor. In making this recommendation, the Committee monitored and assessed their effectiveness, objectivity, independence, lead partner rotation, and any other factors that may impact the Committee's judgement regarding the external auditor.

The Committee has concluded that it remains satisfied with the effectiveness and quality of the audit work. The Committee also remains satisfied with the capabilities of Deloitte, its knowledge of the business, and its relationship with Inchcape. The Committee believes that it is in the best interests of shareholders to continue to recommend Deloitte as the external auditor and it is not currently anticipated that a tender process is immediately required. In line with regulation, the Committee plans to initiate a competitive tender of the external audit contract in 2026.

Auditor effectiveness, independence, and objectivity

A high-quality audit provides stakeholders with assurance that the financial statements give a true and fair view of the business. Assessing whether the external audit process provides this is a key activity of the Audit Committee during the year.

The Committee carries out its assessment on an ongoing basis by considering its interactions with the auditor, its observations of the auditor, and the relationship between the Audit Committee, the auditor, and management. The Committee also considers interactions with the Head of Internal Audit and external regulators, such as the FRC. The Company had no interactions with the FRC during 2024.

The auditor's report to the Committee sets out the audit plan, materiality, scoping, the risk assessment process, significant risks, other areas of focus, the purpose of the report, and responsibility statement. The Committee reviews at each stage of the audit to ensure whether it is satisfied that the audit plan is appropriate, if the auditor is meeting its obligations, and to agree any changes to the audit if they arise.

The Committee encourages a culture of open communication and debate, and the Committee believes that it is able to ask questions on key issues and to challenge it when it feels more information is needed. The Committee also looks at how management responds to requests from the auditor and carefully reviews the auditor's findings and recommendations at each meeting.

When the auditor supports management's approach, the Committee considers the evidence supplied by the auditor to support its decision to ensure that the auditor is not compromised and remains objective. Where the auditor has challenged management, the Committee considers the feedback from management, whether the issues are addressed satisfactorily, and whether agreed positions are appropriate.

The auditor also meets with the Committee without the presence of management on a regular basis, usually following each meeting. This gives the auditor an opportunity to confirm its view that management are addressing any issues raised appropriately or to raise any concerns they may have.

External evidence of the quality of the audit is also vital in assisting the Committee in its review of the effectiveness of the audit, with the audit quality inspection reports being a key source of external evidence of audit quality.

ANNUAL EFFECTIVENESS REVIEW OF THE EXTERNAL AUDITOR

Mindset and culture

The ethical and professional principles adhered to by the auditor; whether the auditor has any personal or commercial interests in the Group; and how they have demonstrated high standards of independence, integrity, objectivity, and challenge throughout the year

Skills, character, and knowledge

The auditing skills of the audit team; level of knowledge of the automotive distribution and retail industry possessed by the audit team; the auditor's understanding of its obligations to users of the financial statements; and an ability to challenge where appropriate whilst maintaining strong relationships.

Quality control

The processes the auditor has in place to identify and address risks to the audit and assessing the steps taken to complete the annual audit plan.

Feedback from business

The Committee receives feedback from management on the quality of the auditor's delivery, communication, and interaction with the various finance teams across the Group, which is communicated back to the external auditor.

Auditor independence

Deloitte continually monitors its independence and ensures that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and staff and the involvement of other partners and staff to carry out reviews of the work performed and to otherwise advise if necessary.

AUDIT COMMITTEE REPORT CONTINUED

Non-audit services

Implementing a Non-Audit Services Policy (Policy) is also key to ensuring the independence of the external auditor. The Policy for non-audit services sets out the permitted and non-permitted non-audit services as well as the approval levels required by the Audit Committee and is designed to ensure that the external auditor's objectivity is not compromised by earning a disproportionate level of fees for non-audit services or by performing work that, by its nature, may compromise the auditor's independence.

However, using advisors who understand the Group's business can be a benefit and the Committee will consider non-audit services supplied on an ongoing basis.

The Audit Committee review the non-audit services provided by the external auditor twice a year.

The Group's Policy on non-audit services to be provided by the Group's auditor defines two types of non-audit services that may be performed:

- regulatory services, which are services undertaken as auditor or reporting accountant which are outside the scope of the statutory audit, but which are consistent with the role of statutory auditor; and
- permitted non-audit services, which are services that the auditor may be permitted to undertake subject to the appropriate level of approval.

The aggregate fees incurred for permitted non-audit services relative to the audit fee should not exceed 70% of the average audit fee over the previous three years, with such cap applicable to both Group and UK audit fees.

The provision of permitted non-audit services will only be approved by the Audit Committee if:

- engagement of the auditor to provide the services does not impair the independence or objectivity of the external auditor;
- the skills and experience of the external auditor make it the most suitable supplier of the non-audit service;
- the auditor does not have a conflict of interest due to a relationship with another entity; and
- the aggregate fees incurred for permitted non-audit services relative to the audit fee do not exceed 70% of the average audit fee over the previous three years.

Permitted non-audit services above a certain level are approved on a case-by-case basis by the Audit Committee.

Permitted non-audit services carried out during the year

The following non-audit fees incurred with Deloitte were:

	2024 £'000	2023 £'000	2022 £'000
Group audit fees (three-year average)	6,300	4,899	3,524
Regulatory services	—	120	5,421
Permitted non-audit services	262	279	819
Ratio of non-audit fees to audit fees	0.04:1	0.06:1	0.23:1

The permitted non-audit services in 2024 included review of the Group's Interim Financial Statements, providing readiness assurance for the Group's double materiality assessment, a review opinion on the 2023 financial statements for Inchcape International Group B.V., and specific procedures on the statement of contributions for the Hong Kong pension schemes for annual submission to the Mandatory Provident Fund Schemes Authority. For further information, please see note 3 to the consolidated financial statements on page 146.

The Group remained within the Audit Committee approved ratio of audit to non-audit fees throughout 2024. The non-audit fees were significantly higher in 2022 due to the services provided by Deloitte in respect of the Derco acquisition.

After considering all of the elements detailed in this report, the conclusion of the Committee is that the auditor carried out its audit effectively and that the auditor is independent and objective.

The Committee is proposing that Deloitte be re-appointed as external auditor to the Company at the 2025 Annual General Meeting. There are no contractual obligations that restrict the Committee's choice of auditor and the recommendation is free from third-party influence.

SUSTAINABILITY COMMITTEE REPORT

Alex Jensen
Chair of the Sustainability Committee

Dear Shareholder

I am pleased to present the Sustainability Committee Report for the year ended 31 December 2024. The aim of this report is to provide an overview of how the Committee has discharged its responsibilities and should be read in conjunction with pages 32 to 50, and the Sustainability Report available at www.inchcape.com.

Committee snapshot

What we did	Outcome
Review of sustainability strategy	Standalone Sustainability Report
Workforce engagement	Engagement session held at Inchcape Hellas
Regulatory planning	CSRD readiness project commenced
Review of CO_2 emissions targets	Decision on scope 3 emissions

The Committee's terms of reference can be found at www.inchcape.com

Meeting attendance

	Number of meetings attended	Number of meetings (Scheduled)
Alex Jensen (Chair)	3	3
Nayantara Bali	3	3
Jerry Buhlmann	3	3
Byron Grote	3	3
Alison Platt*	2	3
Duncan Tait	3	3
Nigel Stein**	1	1

* Alison Platt was unable to attend the December meeting due to prior commitments before joining Inchcape.
** Nigel Stein retired from the Board in May 2024.

The Committee held three meetings throughout the year covering key areas of its remit: sustainability strategy and reporting, Planet and Places, and workforce engagement. The Committee's responsibilities include agreeing the Group's sustainability narrative, monitoring on-going engagement, consideration of appropriate emissions targets and on-going assessment of performance against those targets, and oversight of the Planet and Places pillars.

The Committee consists of four Non-Executive Directors, the Chairman, and the Group Chief Executive.

Sustainability strategy

The Committee recognises that having a robust sustainability strategy in place to address environment, social, and governance matters (ESG) concerns is vital for ensuring long-term success of the Group. A key activity for the Committee during the year was the review and approval of the Group's sustainability strategy. Inchcape's approach to sustainability has been enhanced over recent years with an evolution of the Responsible Business framework to a stated sustainability ambition: 'the global mobility transition, delivered locally'. The ambition is supported by the four Responsible Business pillars: Planet, People, Places, and Practices, and is delivered through enabling new technologies and delivering insights.

I am delighted that the progress made on the sustainability agenda was highlighted in 2024 with the publication of the Group's first standalone Sustainability Report which can be found at www.inchcape.com.

Remit of the Sustainability Committee

To support the evolving sustainability framework, and in response to a recommendation from the 2023 Board performance review, the Committee undertook a comprehensive review of its remit and terms of reference. Under the previous Responsible Business framework the Committee had accountability for each of the four pillars: Planet, People, Places, and Practices, along with health, safety, and well-being.

The Committee debated the ESG issues most material to the Group, how these are communicated to the Board, and which Committee they might naturally fall to given the subject matter.

SUSTAINABILITY COMMITTEE REPORT CONTINUED

Environmental

As the Group's environmental strategy continues to mature, and with the increased regulatory burdens of climate-related reporting, the Committee retained oversight of the Planet pillar, with any financial reporting or climate-related remuneration also being considered by the Audit Committee and Remuneration Committee when appropriate.

Social

There are several issues grouped under 'social' which are reflected in the People, Places, and Practices pillars. The activities and initiatives under the People pillar are considered by the full Board, with the Nomination Committee having oversight of I&D regulatory obligations. Therefore it was agreed that People would be removed from the Committee remit. The purpose of the Places pillar has been refreshed following the materiality assessment in 2023 (see below), therefore oversight of Places remains a Committee responsibility.

Governance

The remit of the Practices pillar is focused on further developing the Group's approach to being an ethical business by continually monitoring and updating the principals and standards that guide the way we work and do business. The Committee agreed that this complements the responsibilities already undertaken by the Audit Committee.

Due to the nature of ESG issues and the natural overlap of duties between the Committees and the Board, the Chairs of the Audit and Remuneration Committee both attend at least one Sustainability Committee meeting to ensure that appropriate oversight is being given to the issues.

Places pillar: safe mobility and social inclusion

Following a series of internal workshops to formally embed the results of the materiality assessment and refreshed narrative on sustainability, the Committee considered the refresh of the purpose of the Places pillar. The new purpose is to actively contribute to our communities where we operate and engaging them in the mobility transition to create positive lasting change.

The Committee believes that the newly defined purpose is vital in supporting Accelerate+ and ensuring the Group is responsive to the changing needs of its communities.

The themes of the Places pillar have also been amended to safe mobility and social inclusion. Please see page 34 for further details.

Planet pillar: scope 3 target setting

The Committee reviewed the analysis of the Group's scope 3 footprint to ascertain whether it was feasible to set targets. The modelling work was carried out on category 1 and category 11 which account for 91% of the Group's scope 3 emissions.

The analysis showed that Inchcape would not meet an absolute SBTi emissions reduction target on basis of sales projections and was closest to being able to meet an intensity per revenue target limited to category 11. However, given that Inchcape is not projected to be able to achieve any of the SBTi-aligned candidate targets, the Committee recommended to the Board that scope 3 targets are not set at this time and focus should continue on actions we can take in our Markets, to accelerate the transition towards more sustainable mobility in line with our refreshed narrative. Further information is given in the TCFD report on page 49.

Regulatory landscape

A key responsibility of the Committee is monitoring the regulatory landscape in relation to ESG and how this may impact the Group. A significant piece of legislation is the EU's Corporate Social Responsibility Directive (CSRD) which is designed to enhance and standardise sustainability reporting requirements for companies operating in the EU. This regulation also impacts non-EU companies with parent companies required to report from 2028. With support from KPMG the Committee spent time reviewing the reporting scope for CSRD, debating whether it would be in the Group's and stakeholders best interests to report to Group level from 2025 and ultimately advised the Board that this would be appropriate.

CSRD readiness

An internal working group has been established to prepare the Group for its first CSRD disclosure. The Group is headed by the Group General Counsel & Chief Sustainability Officer and provides updates to the Committee on CSRD readiness and progress to compliance at each meeting. Agreeing the double materiality assessment and thresholds for reporting which was debated and agreed by the Board in October and a further update on the Committee and Board's CSRD activities will be given in next year's Annual Report and Accounts.

Colleague engagement

Accountability for colleague engagement as required under the UK Corporate Governance Code is part of the Sustainability Committee's remit. Following three years as the designated Non-Executive Director (DNED), I am delighted to pass the DNED role to Nayantara Bali. Nayantara has been a member of the Committee since joining the Board and facilitated the session in Athens in October along with Byron Grote.

The format of the session is informal, with colleagues from a wide range of business areas invited to participate. Colleagues are invited to ask questions on any topic they feel is of importance to them and subjects raised in 2024 ranged from sustainability, brand identity, and international mobility. Nayantara Bali and Byron Grote provided feedback to the Board and management and will feed into future engagement plans. Progress against plans is reviewed by the Committee annually to ensure the points raised by colleagues are being addressed appropriately. Further information on how the Board engages with colleagues and the outcomes of engagement is given on page 77.

Byron Grote also held a virtual reward engagement session and further details are given in the Directors' Report on Remuneration on page 93.

Alex Jensen
Chair of the Sustainability Committee

DIRECTORS' REPORT ON REMUNERATION

Byron Grote
Chair of the Remuneration Committee

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Report on Remuneration for the year ended 31 December 2024. The aim of this report is to demonstrate how the Committee has discharged its duties during the year and I hope you find it informative.

Committee snapshot

What we did	Outcome
Assessment of 2024 performance targets	Adjustment made for sale of UK business
Incentivising delivery of Accelerate+	Approved one-off award for 2025 to deliver Accelerate+
Review of remuneration advisors	New advisor appointed in 2024
Reviewed wider workforce remuneration	Support for UK workforce pension rate to increase to 10% of salary

The Committee's terms of reference can be found at www.inchcape.com

Meeting attendance

	Scheduled	Ad Hoc
Byron Grote (Chair)	4 4	1 1
Jerry Buhlmann	4 4	1 1
Alex Jensen	4 4	1 1
Alison Platt***	4 4	0 1
Stuart Rowley*	1 1	1 1
Jane Kingston**	2 2	
Nigel Stein**	2 2	

● Number of meetings attended
● Number of meetings

* Stuart Rowley joined the Committee in November 2024.
** Jane Kingston and Nigel Stein retired from the Board in May 2024.
*** Alison Platt was unable to attend the ad hoc meeting due to a prior commitment before joining Inchcape.

The Group Chief Executive, Group Chief Financial Officer, Chief People Officer, Group Reward and Pensions Director, and the remuneration advisors also attend as requested.

2024 was a transformational year for Inchcape with the successful sale of the UK business and the launch of the refreshed Accelerate+ strategy, combined with strong operational and financial performance.

Committee changes

I became Chair of the Committee in May 2024, taking over from Jane Kingston who retired from the Board. I would like to thank Jane for her dedication and commitment in leading the Committee over the last five years. During Jane's tenure, two successful remuneration policies were approved by shareholders providing a strong reward foundation for the Group.

I would also like to welcome Alison Platt and Stuart Rowley who joined the Committee in January and November 2024 respectively.

The Committee also appointed new remuneration advisors, WTW, during 2024. Further details are given on page 106.

Business performance and remuneration in 2024

Performance context

During 2024, the Group has delivered against a number of metrics including:

- 4% revenue growth in constant currency;
- 22 distribution contact wins across all Regions with a range of OEM partners;
- successful sale of the UK Retail business;
- £150m share buyback programme completed in early 2025; and
- dividends for 2024 of £147m.

The Group's continued strategic, operational, and financial delivery ensured there is a strong link between pay and performance.

As detailed in the Strategic Report, the Group delivered revenue of £9.3bn, adjusted profit before tax of £444m, EPS of 71.3p (basic adjusted), and adjusted ROCE of 27%.

2024 salary increases

The Committee reviewed the Group Chief Executive's salary in early 2024 and approved an increase of 2.5%. This increase was consistent with the increases made to other members of the senior leadership team and below the 2.8% average increases offered to the UK workforce.

In recognition of strong performance in his new role and to better align with market rate, the Group Chief Financial Officer was awarded a 3% salary increase for 2024.

The Chairman and the Non-Executive Directors received a fee increase of 2.5% with effect from 1 April 2024.

2024 bonus

The 2024 bonus was based on a matrix of profit before tax and revenue in addition to a working capital metric. Working capital was introduced to reinforce disciplined management of working capital throughout the year which is fundamental to the aims of the Accelerate+ strategy. Vesting of the working capital portion is subject to meeting the threshold level of performance for revenue and profit before tax.

Consistent with historical practice, the revenue and profit before tax targets for 2024 were adjusted to consider strategic acquisitions and disposals during the year, including the sale of the UK Retail business, to ensure target and performance outcomes were assessed on a like for like basis.

As a result, Duncan Tait received a bonus of 106.04% of salary, and Adrian Lewis received a bonus of 104.54% of salary. Please see pages 97 to 98 for further details.

2022 PSP/CIP

The 2022 awards will vest based on EPS, ROCE, and cash performance targets over the three years ending 31 December 2024. The cumulative EPS (40% of award) was 234p, the average ROCE (40% of award) was 31% and the average cash conversion (20% of award) was 82%, resulting in the 2022 awards vesting at 100% of maximum.

In light of the UK Retail business disposal, the Committee reviewed the targets for the 2022 long-term incentive plans. To ensure fairness, adjustments were made to account for the exclusion of UK profits from 1 August 2024, the interest earned on the sale proceeds and the impact of the resulting share buyback. The Committee determined that the ROCE targets were still appropriate and challenging, therefore no changes were made to these targets.

Malus and clawback

The Committee considers whether there are potential 'trigger' events for malus and clawback which the Group Head of Internal Audit, Head of Group Reporting, Group HSE Director, and Chief Security Information Officer have been made aware of.

The Committee are satisfied that there have been no instances which would require an adjustment to the outcome of the incentive plans for the Executive Directors.

The new UK Corporate Governance Code, which was published at the beginning of 2024, and is effective from 1 January 2025, contains amendments to the malus and clawback provisions. Provision 37 has been amended to include that Directors' contracts and/or other agreements or documents which cover director remuneration should include malus and clawback and Provision 38 asks companies to provide details of its malus and clawback provisions.

The Company is fully compliant with the provisions of the new Code and further details of the Group's malus and clawback policy can be found on page 106.

Overall remuneration

The Committee is satisfied that the total remuneration received by the Executive Directors' in 2024 appropriately reflects the Company's underlying business performance over the year and three-year PSP/CIP performance period and, as such, no discretion was exercised by the Committee to adjust the bonus or long-term incentive outcomes. The Committee believes that the Policy has operated as intended.

Implementation of policy in 2025

As we activate our Accelerate+ strategy and further consolidate our position as the world's leading automotive distributor, it is important that we can attract and retain individuals of the right calibre. The Group Chief Executive, Group Chief Financial Officer, and the Group Executive Team are central to the successful execution of the Accelerate+ strategy due to their experience in role and deep relationships that they have built with our key OEM partners.

The Committee has therefore made the following implementation decisions for Executive remuneration in 2025 within the current Remuneration Policy which we believe will further align our Executive Directors with the successful delivery of our long-term business plan.

Current remuneration policy

The Committee undertook a full review of the Remuneration Policy in 2022 which was subject to a binding vote at the Annual General Meeting (AGM) held on 18 May 2023. The Committee was delighted to receive 96.07% support for the resolution at the AGM and is confident that the policy continues to remain appropriate for Inchcape during 2025.

Given this strong support and the continued performance of the Company, our approach to remuneration in 2025 will be consistent with the policy already approved by shareholders. The Remuneration Policy is due for triennial renewal at the 2026 AGM. In advance of renewal, the Committee intends to undertake a comprehensive review of the Remuneration Policy to ensure that it remains fit for purpose, supports the Accelerate+ strategy, and aligns with the interests of our stakeholders. The Committee will be seeking to engage further with shareholders ahead of submitting a resolution to shareholders at the 2026 AGM.

As in previous years, shareholders will be able to vote on our Annual Report on Remuneration, which details both the execution of our policy in 2024 and the implementation for the coming year at our AGM in May 2025.

Base salary

Since joining Inchcape, the Group Chief Executive has successfully led on the execution of strategy and now embarks on delivering the ambitious objectives of Accelerate+ and delivering value for our shareholders. Since appointment, salary increases for the Group Chief Executive have been at or below the average of the UK workforce and the Committee felt it appropriate that his contribution, performance, and importance to delivery of Accelerate+ was recognised. The Committee has therefore approved a salary increase of 7% with effect from 1 April 2025.

DIRECTORS' REPORT ON REMUNERATION CONTINUED

Although this is higher than the average UK workforce increase of 3% in 2025, in determining the level of increase, the Committee's primary consideration was the performance of the Group Chief Executive, and the attractiveness of his unique skill set in the global automotive sector. The Committee also considered CEO salaries in the FTSE 51-150. Further, the sale of the UK retail business has resulted in less than 1% of the global workforce being UK based and as such Inchcape must increasingly consider pay competitiveness in an international context. The Committee believes the increase for the Group Chief Executive is appropriate and consistent with the pay principles for Inchcape's highest performers and critical talent.

The salary increase for the Group Chief Financial Officer of 2.7% is below the average workforce increase. The Chairman and the Non-Executive Directors will also receive a fee increase of 3% with effect from 1 April 2025.

Pension

Effective from 1 April 2025, the Executive Directors will receive a pension allowance, or employer pension contribution, of 10% of salary, an increase from the current 7% of salary. This increase aligns with the pension rate offered to the wider UK workforce, which is also increasing in 2025, in compliance with provision 39 of the 2024 UK Corporate Governance Code.

Long-term incentives

To support the delivery of the ambitious aims of the Accelerate+ strategy, the Committee has worked with the Executive Directors to design an incentive program for the wider leadership team to drive implementation and achievement of enhanced growth under Accelerate+. In doing so, the Committee feels that it is appropriate that the Executive Directors be similarly incentivised to provide alignment with the wider team.

For 2025, the Group Chief Executive and Group Chief Financial Officer will receive an incremental one-off PSP of 70% of salary tied to super-stretch earnings per share (EPS) performance. This is on-top of the normal PSP of 180% of salary based on performance metrics (40% EPS, 40% ROCE, and 20% cash conversion) which will continue. The overall PSP for 2025 only will thus be 250%. The proportionality of the one-off award is consistent across the leadership team of c. 300 participants.

The one-off award is subject to a super-stretch EPS performance target which will only begin to vest if Inchcape delivers significantly above the Board's most ambitious interpretation of the three-year plan and will only vest at maximum if performance equivalent to 15% CAGR growth if EPS is achieved between 2025-2027. The Committee has selected EPS for the one-off award as EPS performance is fundamental to the Accelerate+ strategy which includes enlarging the business through acquisitions, contract wins, and organic performance, whilst delivering a resilient operating margin. As an existing metric, EPS is well understood by management across the Group and there is a clear line of sight for management to influence EPS performance.

In determining the super-stretch target, the Committee reviewed EPS growth targets in the FTSE 51-150, historic levels of EPS performance for both Inchcape and relevant peers, and analyst forecasts at the time the super-stretch target was approved.

The performance targets are given on page 105.

Upon vesting the Committee will continue to consider the underlying financial and operational performance of the business to ensure that vesting outcomes appropriately reflect overarching performance and shareholder experience. The Committee retains the discretion to adjust vesting outcomes to ensure alignment with both performance and shareholder value creation over the period.

Reflecting ESG priorities in our incentive framework

The Committee recognises the importance of environment, social, and governance (ESG) factors in driving long-term business success. For 2025, we will continue to incentivise carbon reduction through the annual bonus scheme. This approach allows us to drive immediate progress on our environmental goals, gather valuable data and insights on the effectiveness of our carbon reduction initiatives, and refine our understanding of how ESG factors can best be integrated into our approach to executive compensation. The Committee will conduct a comprehensive review of our approach to incentivising ESG outcomes in the forthcoming review of policy.

Engagement with the workforce

In 2024, I chaired a reward forum with a range of colleagues from the Americas and Caribbean Markets. The forum gave an overview of the governance framework and guidelines in the UK and how this impacts reward and focused on reward structures and the fair pay principles.

Themes raised included the framework for benefits, and how the benefits offered may evolve with a changing workforce, how shareholder, and other stakeholder views, are taken into account when setting remuneration, benchmarking, industry specific reward, and attracting talent. No issues of concern were raised by colleagues, and I fedback to the Board and management on the areas discussed.

Wider workforce remuneration

Consideration of wider workforce remuneration continues to improve with the Group's Fair Reward Principles embedded in all markets. Regional remuneration committees are also in place to oversee the implementation of the principles processes and to provide a strong governance framework throughout the Group.

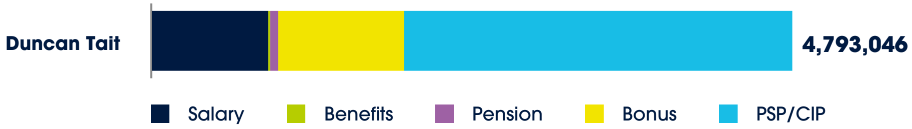
In 2024, the Group conducted a review of pension provisions across all Markets which highlighted that the Group generally offers a market competitive retirement provision. For the UK workforce, the Group is amending its pension provision by offering enhanced employer contributions on a matched basis of up to 10% of salary.

The Committee receives regular updates on the progress being made on the implementation of reward processes across the Group, all of which have led to increased satisfaction scores for pay and wellbeing in the 2024 Be Heard survey. Further details of the survey results are given in the Sustainability Report which is available at www.inchcape.com

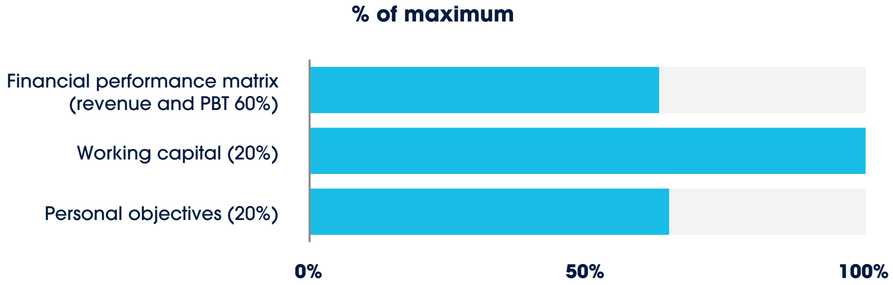
Byron Grote
Chair of the Remuneration Committee

WHAT DID EXECUTIVE DIRECTORS EARN DURING 2024

Single figure remuneration at a glance



Performance against annual bonus targets



Performance against PSP/CIP targets

Actual Maximum

Bonus outcome

Duncan Tait
71%
of maximum

Adrian Lewis
70%
of maximum

LTIP outcome

Duncan Tait
100%
of maximum

Adrian Lewis
100%
of maximum

Wider workforce in 2024

Bonus eligibility

c.
4,800
colleagues eligible for bonus

Pension eligibility

c.
6,000
colleagues eligible for pension

HOW WILL EXECUTIVES BE PAID IN 2025?

Fixed pay

CEO salary

£952,965

CFO salary

£507,749

Benefits package remains unchanged – includes car allowance, medical cover, and mileage allowance.

Pension rate increasing to 10% of salary in line with wider UK workforce.

Annual bonus

CEO and CFO: up to 150% of salary. Any bonus earned above 100% of salary is deferred and invested into the CIP.

Bonus metrics in 2025

60%	Financial performance matrix (revenue & PBT)
20%	Working capital
20%	Strategic objectives

PSP & CIP

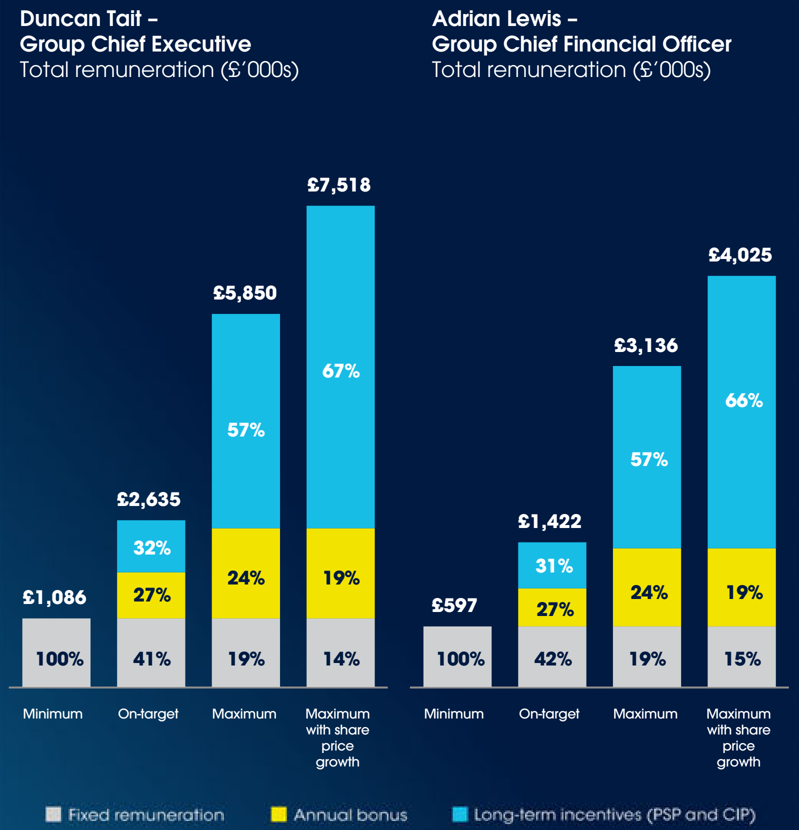
PSP: 180% of salary
One-off award: 70% of salary
CIP: up to 50% of salary with up to 2:1 match.

PSP / CIP metrics in 2023-2025

40%	EPS
40%	ROCE
20%	Cash conversion

Malus and clawback provisions allow the Committee in certain circumstances (such as gross misconduct or a material misstatement of the Group financial statements, reputational damage, or corporate failure) the discretion to reduce bonus, PSP and/or CIP vest, cancel entitlement of a bonus, prevent vesting of the PSP and/or CIP, or allow the Company within two years of payment/vesting of award to claim back up to 100% of the award.

Performance scenarios



1. Incentive levels reflect the normal and one-off PSP awards for 180% and 70% of salary respectively.
2. On-target assumes 50% annual bonus, 25% PSP vest, and CIP threshold match of 0.5:1.
3. Benefit levels reflect FY24 actuals.
4. Share price growth assumes 50% increase.

Annual Report on Remuneration

The current Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting held on 18 May 2023 and is available to view at www.inchcape.com. The Committee has considered the Policy in the context of provision 40 of the 2018 UK Corporate Governance Code:

- Clarity – The Committee regularly engages with shareholders, Executives, governance advisors, and employees, to explain the approach to remuneration.
- Simplicity – The objective and link to strategy are clearly laid out.
- Risk – There is a mix of fixed and variable pay, and long and short-term measures to mitigate risk. Incentive awards are also subject to malus and clawback provisions.
- Predictability – The vesting of bonus and long-term incentives is based on targets linked to the business strategy.
- Proportionality – The Committee assesses performance at the end of each period taking into account internal and external context to ensure payouts are appropriate and to help avoid payment for poor performance.
- Alignment to culture – There is an appropriate mix of financial and non-financial measures to reinforce the Company's purpose and values.

The following section provides details of how the Company's Directors' Remuneration Policy was implemented during the financial year to 31 December 2024 and how it will be implemented in the financial year to 31 December 2025.

Single total figure of remuneration (audited)

The table below sets out the total remuneration received by the Directors for the year ended 31 December 2024:

	Base salary/fees (a) £'000		Taxable benefits (b) £'000		Single-year variable (c) £'000		Multiple-year variable (d) £'000		Pension (e) £'000		Total £'000		Total fixed (a+b+e) £'000		Total variable (c+d) £'000	
Name	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Executive Directors																
Duncan Tait	**885**	859	**10**	4	**944**	866	**2,892**	2,476	**62**	83	**4,793**	4,288	**957**	946	**3,836**	3,342
Adrian Lewis	**491**	290	**12**	2	**517**	313	**396**	338	**33**	12	**1,449**	955	**536**	304	**913**	651
Non-Executive Directors																
Jerry Buhlmann	**270**	89	**—**	—	**—**	—	**—**	—	**—**	—	**270**	89	**270**	89	**—**	—
Sarah Kuijlaars	**87**	73	**—**	—	**—**	—	**—**	—	**—**	—	**87**	73	**87**	73	**—**	—
Alex Jensen	**84**	82	**—**	—	**—**	—	**—**	—	**—**	—	**84**	82	**84**	82	**—**	—
Alison Platt	**83**	—	**—**	—	**—**	—	**—**	—	**—**	—	**83**	—	**83**	—	**—**	—
Byron Grote	**81**	67	**—**	—	**—**	—	**—**	—	**—**	—	**81**	67	**81**	67	**—**	—
Juan Pablo Del Rio	**70**	67	**10**	15	**—**	—	**—**	—	**—**	—	**80**	82	**80**	82	**—**	—
Nayantara Bali	**70**	68	**2**	5	**—**	—	**—**	—	**—**	—	**72**	73	**72**	73	**—**	—
Stuart Rowley	**70**	31	**—**	—	**—**	—	**—**	—	**—**	—	**70**	31	**70**	31	**—**	—
Former Directors																
Nigel Stein	**130**	357	**1**	4	**—**	—	**—**	—	**—**	—	**131**	361	**131**	361	**—**	—
Jane Kingston	**31**	85	**—**	—	**—**	—	**—**	—	**—**	—	**31**	85	**31**	85	**—**	—
Total	**2,352**	2,068	**35**	30	**1,461**	1,179	**3,288**	2,814	**95**	95	**7,231**	6,186	**2,482**	2,193	**4,749**	3,993

DIRECTORS' REPORT ON REMUNERATION CONTINUED

Notes to the single total figure of remuneration

a. Base salary/fees. Due to an overpayment in 2023, which was reversed in 2024, the fees paid to Nayantara Bali in the single total figure of remuneration table reflect the amount due rather than the actual amounts paid during the year.

b Taxable benefits for the Executive Directors comprise car allowance, medical cover, and mileage allowance. For the Non-Executive Directors taxable benefits include accommodation, subsistence, and travel in connection with the attendance of Board and Committee meetings, which are deemed taxable by HM Revenue and Customs. The Group meets the associated tax costs. Non-taxable expense reimbursements have not been included. Car allowance started to be paid to Executive Directors from the last quarter of 2024.

c. Payment for performance under the annual bonus, including amounts paid in shares.

d. The 2024 figure incudes to 2022 PSP and CIP which will vest in April and May 2025 based on performance over a three-year period from 1 January 2022 to 31 December 2024. These awards are subject to a two-year holding period and will therefore be released in 2027. The figures have been valued using the three-month average share price from 1 October 2024 to 31 December 2024 of 763p. Actual performance against targets is given on page 99. The value for the Group Chief Executive includes a movement of £317,772 due to an increase in the share price over the period and £304,658 in respect of dividend shares accrued over the performance period. The value for the Group Chief Financial Officer includes a movement of £44,745 due to an increase in the share price over the period and £41,637 in respect of dividend shares accrued over the performance period.

The 2023 figures for the Executive Directors include the 2021 PSP and CIP which vested in June 2024 based on performance over a three-year period from 1 January 2021 to 31 December 2023. These awards are subject to an additional two-year holding period and therefore will be released in 2026. The figures have been restated using the actual share price on date of vesting of 789p. The Group Chief Executive value includes a movement of -£2834, due to a decrease in the share price over the period and £239,351 in respect of dividend shares accrued over the performance period. The Group Chief Financial Officer value includes a movement of -£387, due to a decrease in the share price over the period and £32,657 in respect of dividend shares accrued over the performance period.

e. Duncan Tait received a pension allowance of £61,963.44 during 2024. Adrian Lewis received a pension allowance of £31,556 during 2024, in addition to one month contribution of £1,458.33 under the Company's defined contribution scheme.

Base salary

Salaries are reviewed annually and typically take effect from 1 April each year. The quantum of total executive remuneration was reviewed relevant to size and sector peers. In considering the level of increase to be awarded the Committee also considered the remuneration arrangements for the wider workforce.

For 2024, Duncan Tait received a salary of £890,623 per annum and Adrian Lewis received a salary of £494,400 per annum.

Pension

For 2024, Duncan Tait received a pension allowance of 7% of salary. Adrian Lewis was a member of the Company's defined contribution scheme in January 2024, after which he left the scheme and moved to receiving a pension allowance of 7% of salary. The pension allowance is in line with the UK workforce average.

Bonus

For 2024, 80% of the bonus was based on financial performance via a matrix of revenue, profit before tax, and working capital, with the remaining 20% of the bonus based on strategic objectives therefore linking an individual's bonus outcome to their contribution to the Accelerate+ strategy. The maximum opportunity for Executive Directors was 150% of salary, which is payable for achieving stretch performance against all measures. Any bonus earned above 100% of salary is deferred and invested into the CIP.

Adjustments made during the year

On 1 August 2024, the UK Retail business was sold and has been treated as a discontinued operation throughout 2024. Consistent with the treatment of discontinued operations in prior years' the targets have been adjusted to exclude UK Retail disposal impacts not contemplated in the original targets.

The Committee approved the following adjustments:

- Revenue target of £9.8bn; excludes £2.1bn UK revenue contribution.
- Profit target of £474m: excludes £38m UK profit contribution offset by +£7m net interest improvements. These interest improvements have resulted from the proceeds on disposal net of share buyback initiated.
- Working capital group target of £574m average.

DIRECTORS' REPORT ON REMUNERATION CONTINUED

Actual performance against targets

Actual performance for determining bonus outcomes has been calculated using constant currency rates during the year, the same that are used to set the bonus targets. This approach helps ensure that the bonus is linked to underlying financial performance.

The Committee considered the bonus outcome in the context of overall business performance and determined the outturn was a fair reflection of business performance. Therefore no adjustment was made to the formulaic bonus outcome

	Targets				
Measure	Threshold	Target	Stretch	Actual performance	Weighting
Revenue	£9.1bn	£9.8bn	£10.0bn	£9.8bn	30 %
Adjusted profit before tax	£427m	£474m	£521m	£494m	30 %
Working capital	£724m	£574m	£424m	£425m	20 %

Achievement of strategic objectives

We provide as much detail below as commercially appropriate on the objectives linked to the strategic element of the 2024 bonus and the resulting outcomes, which have been independently verified by the Head of Internal Audit.

Duncan Tait

Strategic objective and % weighting of bonus	Objective details	Outcome	Outcome % of salary
Strategic optimisation **5%**	Optimise route-to-market effectiveness and improve overhead costs.	67% of our Distribution Excellence platforms and processes were deployed across major Markets. Overheads remained flat on prior year.	3 %
Contract wins, M&A and integration **10%**	Grow through contract wins and ensure Derco synergies exceed target.	22 contract wins during 2024. Synergies exceeded target by 10%.	9 %
Planet **5%**	Reduce CO_2 emissions to support our 2030 target of 46% reductions vs 2019.	Emissions reduced by 3,017 tCO_2e in 2024 vs a target of 1,840 tCO_2e.	8 %

Adrian Lewis

Strategic objective and % weighting of bonus	Objective details	Outcome	Outcome % of salary
Global Finance Operating Model **5%**	Ensure the Inchcape finance operating model is deployed consistently across the Group.	Strong SAP coverage was delivered during the year and the control environment has remained robust throughout.	5 %
Planet **5%**	Reduce carbon emissions by 2,000 tCO_2e. Implement a broad-based data collection and reporting process compliant with CSRD requirements.	Emissions reduced by 3,017 tCO_2e in 2024 vs a target of 1,840 tCO_2e. Data collection and reporting framework developed, resulting in a reduction in errors. CSRD compliance on track for disclosure in 2026 on FY2025.	8 %
Reduce costs of route-to-market **10%**	Define and deploy the Inchcape route-to-market cost model	Overheads were 11.03% of revenue for 2024.	6 %

Overall 2024 bonus outcome

The Committee concluded that the overall bonus outcome was reflective of the Company's financial and operational performance and therefore did not make any discretionary adjustments. As a result, the Committee approved the overall 2024 bonus as follows:

	2024 base salary	Max bonus opportunity (% of salary)	Bonus outcome (% of salary)	Bonus amount (£)	Deferred into CIP
Duncan Tait	£890,623	150%	106.04 %	£944,413	£53,791
Adrian Lewis	£494,400	150%	104.54 %	£516,844	£22,444

Any bonus earned above 100% of salary is deferred and invested into the CIP.

PSP and CIP awards vesting in respect of the year

In 2022, awards were granted under the PSP and CIP schemes which vested dependent on certain performance targets measured over three years to 31 December 2024. These awards are also subject to an additional post-vest two-year holding period.

2022 performance targets

Three-year EPS cumulative growth p.a. (40% weighting)	Vesting %
Less than 191p	0%
191p	25%
211p	100%
Between 191p and 211p	Straight line basis

Three-year average ROCE (40% weighting)	Vesting %
Less than 21%	0%
21%	25%
26%	100%
Between 21% and 26%	Straight line basis

Cash conversion (20% weighting)	Vesting %
Less than 50%	0%
50%	25%
65%	100%
Between 50% and 65%	Straight line basis

Over the 2022 - 2024 performance period, cumulative EPS of 234p, three-year average ROCE of 31%, and cash conversion of 82% were achieved resulting in the following vesting outcomes:

Award	Performance measure	Wtg.	Vesting outcome (% of element)
PSP/CIP	EPS	40%	40%
	ROCE	40%	40%
	Cash conversion	20%	20%
Total (overall vesting outcome)			100%

Adjustments made to performance targets

Consistent with the Committee's policy, the Committee considered the impact of the disposal of the UK Retail business and share buybacks on the performance targets on a constant currency basis and made adjustments to EPS to reflect this. No adjustments were made for ROCE and cash conversion.

2022 PSP and CIP awards vested

The Group Chief Executive was granted a PSP award of 180% of salary and a CIP award of 100% of salary. As a result, the following awards will vest.

	Grant date	Number of awards granted	Number of awards vesting	Number of awards lapsing	Vesting date	Estimated value of awards vesting (£)*
Duncan Tait						
PSP	8 April 2022	222,342	222,342	0	8 April 2025	£1,696,469
CIP	6 May 2022	116,711	116,711	0	6 May 2025	£890,606
Adrian Lewis**						
PSP	8 April 2022	32,676	32,676	0	8 April 2025	£249,318
CIP	6 May 2022	13,722	13,722	0	6 May 2025	£104,699

* Estimated value calculated using the three-month share price average from 1 October 2024 to 31 December 2024 of 763p. The average share price is above the prevailing share price at the time the 2022 awards were granted of 650p for the PSP and 706p for the CIP.

** Adrian Lewis was granted his 2022 awards before his appointment as Group Chief Financial Officer.

PSP and CIP awards granted during the year

During 2024, the awards granted under the PSP and CIP schemes vest dependent on certain performance targets measured over three years to 31 December 2026. These awards are also subject to an additional post-vest two-year holding period.

Threshold performance will result in 25% of the PSP and CIP award vesting.

2024 PSP / CIP performance targets

Three-year cumulative EPS (40% weighting)	Vesting %
Less than 246p	0 %
246p	25 %
277p	100 %
Between 246p and 277p	Straight line basis

Three-year average ROCE (40% weighting)	Vesting %
Less than 21%	0 %
21%	25 %
28%	100 %
Between 21% and 28%	Straight line basis

Cash conversion (20% weighting)	Vesting %
Less than 60%	0 %
60%	25 %
70%	100 %
Between 60% and 70%	Straight line basis

The target assumes no share buybacks and is on a constant currency basis. Adjustments to targets will be made for the impact of currency movements and share buybacks.

2024 PSP/CIP awards granted

PSP awards were granted to the Executive Directors at 180% of salary. Under the CIP, the Executive Directors invested 50% of salary (including mandatory bonus deferral) and were granted a matching award of 100% of salary.

	Date of grant	Share price (p)[1]	Awards granted	Face value at grant (£)[2]	Performance period	Exercise period[3]
Duncan Tait						
PSP	11 April 2024	718p	216,608	£1,555,245	Jan 2024 – Dec 2026	Apr 2027 – Apr 2028
CIP	11 April 2024	718p	120,338	£864,027	Jan 2024 – Dec 2026	Apr 2027 – Oct 2027
Adrian Lewis						
PSP	11 April 2024	718p	120,243	£863,345	Jan 2024 – Dec 2026	Apr 2027 – Apr 2028
CIP	11 April 2024	718p	66,330	£476,249	Jan 2024 – Dec 2026	Apr 2027 – Oct 2027

1. Mid-market share price on date of grant.
2. Face value has been calculated using the share price at date of grant.
3. The awards are structured as a £nil-cost option. Any shares vesting and exercised under the PSP and CIP (net of tax) are required to be held (until the fifth anniversary of grant).

PSP and CIP awards exercised during the year

Duncan Tait and Adrian Lewis exercised the 2021 PSP and CIP awards during the year. They sold sufficient shares to cover costs and tax and retained the remaining shares in line with policy.

	Plan	Awards exercised	Dividend shares	Share price (p)*	Shares sold	Shares retained
Duncan Tait	PSP	182,210	19,502	764p	100,134	101,578
	CIP	101,228	10,834	763p	55,630	56,432
Adrian Lewis	PSP	26,778	2,866	788p	14,721	14,923
	CIP	11,900	1,273	768p	6,542	6,631

* Share sale price.

Exit payments during the year

None.

Payments to past Directors

No payments were made to past Directors in 2024.

DIRECTORS' REPORT ON REMUNERATION CONTINUED

Pay for performance

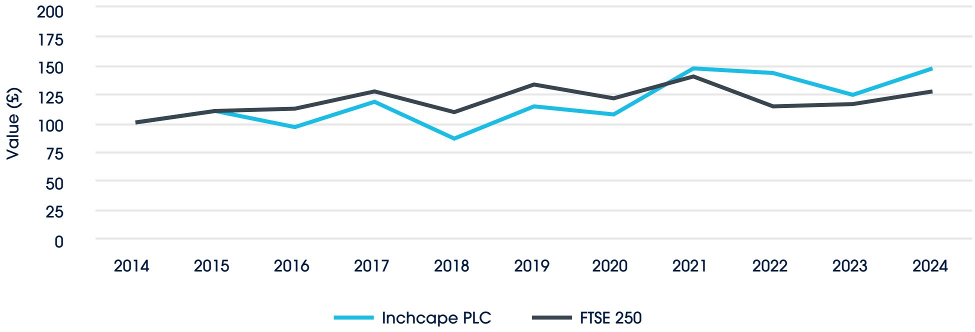
The graph below shows the total shareholder return (TSR) of the Company over the 10-year period to 31 December 2024.

The FTSE 250 Excluding Investment Trust Index has been chosen as the most suitable comparator group as it is the general market index in which the Company appears. The table details the Group Chief Executive's single figure remuneration and actual variable pay outcomes over the same period.

Historical TSR performance

Growth in the value of a hypothetical £100 holding over the 10 years to 31 December 2024.

Value of £100 invested at 31 December 2014



	Group Chief Executive	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Group Chief Executive single figure of remuneration (£'000)	André Lacroix	294[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Stefan Bomhard	2,906	1,403	3,006	2,430	1,522	471[2]	n/a	n/a	n/a	n/a
	Duncan Tait	n/a	n/a	n/a	n/a	n/a	468	2,054	4,098	4,288	4,793
Annual bonus outcome (% of maximum)		57 %	40 %	68 %	39 %	n/a[5]	— %	98 %	100 %	67 %	71 %
LTI vesting outcome (% of maximum)		n/a[3]	n/a[4]	80 %	58 %	40 %	n/a[6]	n/a[7]	60 %	100 %	100 %

1. The amount for André Lacroix reflects remuneration received until he left the Group in March 2015.
2. The amount for Stefan Bomhard reflects remuneration received until he left the Group in June 2020.
3. Neither André Lacroix nor Stefan Bomhard received a vested award under the 2013 PSP or CIP. However, for those participants who did receive an award, 65.5% of the 2013 normal PSP vested and there was a 1.31 match for each share invested into the 2013 CIP.
4. Stefan Bomhard did not receive an award under the 2014 PSP or CIP. However, for those participants who did receive an award, 86.5% of the normal PSP vested and there was a 1.73:1 match for each share invested into the CIP.
5. Stefan Bomhard did not receive a bonus in 2019.
6. Neither Stefan Bomhard nor Duncan Tait received a vested award under the 2018 PSP or CIP. However, for those participants who did receive an award, 28.5% of the 2018 PSP vested and there was a 0.57:1 match for each share invested into the 2018 CIP.
7. Duncan Tait did not receive an award under the 2019 PSP or CIP. However, for those participants who did receive an award, 40% of the PSP vested and there was a 0.8:1 match for each share invested into the 2019 CIP.

DIRECTORS' REPORT ON REMUNERATION CONTINUED

Group Chief Executive pay ratio

The pay ratio is based on comparing the Group Chief Executive's pay to that of Inchcape's UK-based colleague population. During 2024 Inchcape completed the disposal of its UK Retail operations, which employed most of its UK workforce, around 3,600 people. The remaining UK colleagues are in head office roles and therefore the remuneration profile has shifted away from customer facing commission driven reward. The Committee anticipates that the ratios are likely to be more stable over time as the Group Chief Executive's incentive outcomes and colleague pay will both be dependent on Group-wide results. The ratios have decreased significantly due to the change in workforce profile.

The ratios have decreased due to the decrease in share price (used for valuing PSP and CIP awards) and bonus performance.

Financial year	Calculation methodology	P25 (Lower quartile)	P50 (median)	P75 (Upper quartile)
2024	C	48:1	32:1	19:1
2023	C	128:1	95:1	70:1
2022	C	154:1	109:1	74:1
2021	C	75:1	55:1	38:1
2020	C	40:1	28:1	19:1
2019	C	67:1	48:1	32:1

Consistent with previous years, calculation methodology C was used.

Full-time equivalent remuneration was calculated for all UK colleagues as of 31 December 2024 using the single total figure valuation methodology, with two amendments: using 2023 bonus outcomes as a proxy for 2024 bonus outcomes and excluding SAYE grants. The colleagues at the 25th, 50th, and 75th percentile (P25, P50, P75) were identified. The total remuneration for 2024 of the three colleagues identified was updated after the year-end to include any annual bonus and SAYE values (if applicable).

This method was chosen as it is in line as much as possible with methodology A, which is the Government's preferred approach while taking account of operational constraints. The Committee is satisfied that the selected colleagues are representative.

The table below sets out the remuneration details for the individuals identified:

Year	Salary	CEO	P25	P50	P75
2024	Basic salary (£'000)	£885	£61	£81	£142
	Total remuneration (£'000)	£4,793	£100	£149	£248
2023	Basic salary (£'000)	£859	£28	£31	£32
	Total remuneration (£'000)	£4,288	£30	£41	£55
2022	Basic salary (£'000)	£820	£23	£16	£41
	Total remuneration (£'000)	£4,098	£26	£38	£55
2021	Basic salary (£'000)	£799	£22	£26	£21
	Total remuneration (£'000)	£2,054	£28	£37	£54
2020	Basic salary (£'000)	£759	£23	£32	£34
	Total remuneration (£'000)	£939	£24	£33	£49
2019	Basic salary (£'000)	£757	£15	£28	£28
	Total remuneration (£'000)	£1,639	£24	£34	£52

For 2024, the colleague at P50 is in a Finance systems role which participates in the Group bonus plan. The Committee is satisfied that the overall picture presented by the 2024 pay ratios is consistent with the reward policies for the new profile of Inchcape's UK colleagues. The Committee considers these ratios when making decisions around the Executive Director pay packages, and Inchcape takes seriously the need to ensure competitive pay packages across the organisation.

DIRECTORS' REPORT ON REMUNERATION CONTINUED

Executive share ownership and Directors' interests (audited)

The table below shows the total number of shares, options, and awards held by each Director at 31 December 2024 or at the date of leaving if earlier. There have been no changes to this between 31 December 2024 and 3 March 2025.

		PSP/CIP awards held		SAYE options held			
	Shares held at 31 December 2024	Subject to performance conditions	Subject to deferral	Subject to performance targets	Subject to deferral	Vested but not yet exercised	Guideline met
Juan Pablo Del Río*	12,837,702	n/a	n/a	n/a	n/a	n/a	n/a
Duncan Tait	491,222	997,813	0	0	3,036	0	Yes
Nigel Stein**	93,152	n/a	n/a	n/a	n/a	n/a	n/a
Adrian Lewis	73,747	335,248	0	0	4,094	0	No
Byron Grote	67,000	n/a	n/a	n/a	n/a	n/a	n/a
Jerry Buhlmann	30,783	n/a	n/a	n/a	n/a	n/a	n/a
Alison Platt	12,143	n/a	n/a	n/a	n/a	n/a	n/a
Stuart Rowley	11,000	n/a	n/a	n/a	n/a	n/a	n/a
Sarah Kuijlaars	8,000	n/a	n/a	n/a	n/a	n/a	n/a
Jane Kingston**	3,500	n/a	n/a	n/a	n/a	n/a	n/a
Alex Jensen	1,034	n/a	n/a	n/a	n/a	n/a	n/a
Nayantara Bali	0	n/a	n/a	n/a	n/a	n/a	n/a

* Juan Pablo Del Río was appointed to the Board following the acquisition of the Derco business. As part of the agreement, the Del Río family acquired 38,513,102 shares of which Juan Pablo Del Río is the beneficial owner of 12,837,702.

** Nigel Stein and Jane Kingston left the Group on 9 May 2024.

Share ownership policies

The Executive Directors are required to hold a fixed number of shares equivalent to 200% of base salary. They have five years from the date of appointment to reach this shareholding. As at 31 December 2024, using the average share price from 1 October 2024 to 31 December 2024 of 763p, Duncan Tait held 423% of salary (his date of appointment was June 2020) and Adrian Lewis held 113% of salary (his date of appointment was May 2023).

Other directorships

The Executive Directors are generally permitted to take one non-executive directorship as long as it does not lead to conflicts of interest or undue time commitment and is approved in advance by the Nomination Committee and the Board.

Duncan Tait currently serves as a non-executive director on the board of Agilisys Ltd for which he received a fee of £25,000 during 2024.

Service contracts

The Company's policy is for Executive Directors' service contract notice periods to be no longer than 12 months, except in exceptional circumstances. All current contracts contain notice periods of 12 months.

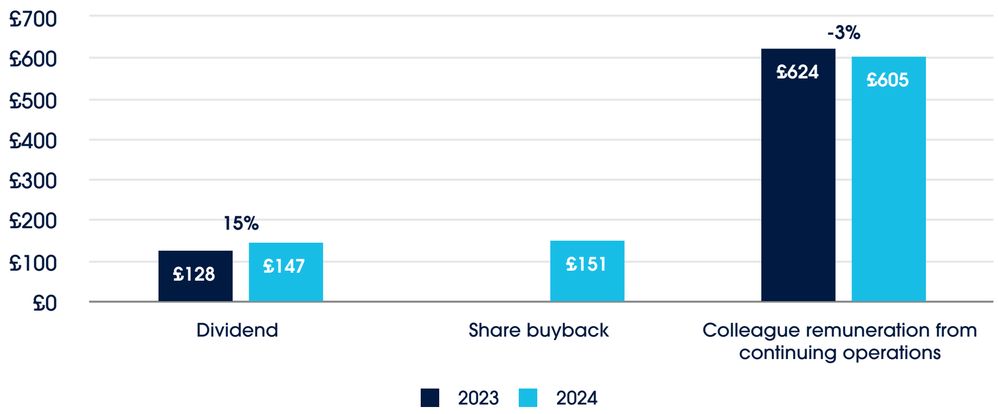
Name	Date of contract	Notice period	Unexpired term
Duncan Tait	1 June 2020	12 months	To retirement
Adrian Lewis	24 May 2023	12 months	To retirement

The Company may, at its discretion, and in certain circumstances, pay a sum equal to the outstanding notice period. Service contracts are available to view at the Company's registered office.

Relative importance of spend on pay

The chart shows the percentage change in total colleague pay expenditure and shareholder distributions (i.e. dividends and share buybacks) from 2023 to 2024.

Relative importance of spend on pay (£m)



The Directors are proposing a final dividend for 2024 of 17.2p per share (2023: 24.3p).

DIRECTORS' REPORT ON REMUNERATION CONTINUED

Percentage change in Board remuneration

The table shows the percentage change in Board remuneration, compared with the average percentage change in remuneration for senior management. For the purposes of this disclosure, remuneration comprises salary, benefits (excluding pension), and annual bonus only. The increase for Non-Executive Directors relates to base fees only. There were no changes to the additional fees for chairing a Committee.

	% change for 2020			% change for 2021			% change for 2022			% change for 2023			% change for 2024		
	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
Executive Directors															
Duncan Tait	n/a	n/a	n/a	2.5 %	0 %	100 %	3.5 %	0 %	5.5 %	5 %	0 %	(30) %	**2.5 %**	**0 %**	**9 %**
Adrian Lewis	-	-	-	-	-	-	-	-	-	n/a	n/a	n/a	**3 %**	**0 %**	**14 %**
Non-Executive Directors															
Nigel Stein	2 %	0 %	n/a	2.5 %	0 %	n/a	3.5 %	0 %	n/a	4 %	0 %	n/a	**2.5 %**	**n/a**	**n/a**
Jerry Buhlmann*	0 %	n/a	n/a	2.5 %	n/a	n/a	3.5 %	n/a	n/a	4 %	n/a	n/a	**313 %**	**100 %**	**n/a**
Alex Jensen	0 %	n/a	n/a	2.5 %	n/a	n/a	3.5 %	n/a	n/a	4 %	n/a	n/a	**2.5 %**	**n/a**	**n/a**
Jane Kingston	0 %	n/a	n/a	2.5 %	n/a	n/a	3.5 %	n/a	n/a	4 %	n/a	n/a	**2.5 %**	**n/a**	**n/a**
Nayantara Bali	n/a	n/a	n/a	0 %	n/a	n/a	3.5 %	n/a	n/a	4 %	n/a	n/a	**2.5 %**	**n/a**	**n/a**
Sarah Kuijlaars	-	-	-	-	-	-	3.5 %	n/a	n/a	4 %	n/a	n/a	**2.5 %**	**n/a**	**n/a**
Juan P. Del Río	-	-	-	-	-	-	-	-	-	4 %	n/a	n/a	**2.5 %**	**n/a**	**n/a**
Byron Grote	-	-	-	-	-	-	-	-	-	4 %	n/a	n/a	**2.5 %**	**n/a**	**n/a**
Stuart Rowley	-	-	-	-	-	-	-	-	-	n/a	n/a	n/a	**2.5 %**	**n/a**	**n/a**
Alison Platt	-	-	-	-	-	-	-	-	-	-	-	-	**n/a**	**n/a**	**n/a**
Average senior manager pay	3.2 %	0 %	82.9 %	3.3 %	0 %	73.2 %	5.8 %	0 %	9.5 %	7.7 %	0 %	(35.2) %	**3 %**	**0 %**	**14.9 %**

*In May 2024, Jerry Buhlmann changed role from Senior Independent Director to Chairman which resulted in an annual fee increase, as well as being eligible for medical cover.

As Inchcape plc has no direct employees, colleagues representing the most senior Executives have been selected as this group is large enough to provide a robust comparison, while also providing data that is readily available on a matched sample basis. These colleagues also participate in bonus schemes of a similar nature to the Executive Directors and therefore remuneration will be similarly influenced by Company performance.

Statement of implementation for 2025

This section provides an overview of how the Committee is proposing to implement the Policy in 2025. Further details on the Committee's rationale is given in the letter of shareholders on pages 91 to 93 of this report.

Base salary

Salaries are reviewed annually and increases usually take effect from 1 April. For 2025, the Group Chief Executive will receive an increase of 7% giving an annual salary of £952,965 and the Group Chief Financial Officer will receive an increase of 2.7%, giving an annual salary of £507,749.

In determining the increase for the Group Chief Executive, which is above the UK workforce average, the Committee considered his strong performance and leaderships and significant contribution to the Accelerate strategy, and the ongoing commitment to achievement of the Accelerate+ strategy. The Committee also believes that the increase reflects the attractiveness of his skill set in the market and the challenges Inchcape faces in recruiting and retaining executives, noting its unique position as the world's leading automotive Distributor.

The increase for the Group Chief Financial Officer is below the average UK workforce salary increase.

Pension

Proposed pension is 10% of salary in line with UK workforce average.

Annual bonus

The maximum bonus opportunity for will remain unchanged from previous years at 150% of salary. For the Executive Directors, 60% of the bonus will be based on a financial performance matrix, linked to revenue and profit before tax, 20% will be based on working capital, and 20% will be based on specific, measurable objectives that relate to the Group's strategy, including a stretching carbon reduction target linked to the Group's responsible business framework.

Any payments of the working capital and strategic objectives is subject to the revenue and profit before tax thresholds being met. For target performance, the payout will be 50% of the maximum bonus opportunity.

Long-term incentives

For 2025, the Executive Directors will receive a normal PSP award of 180% of salary based on performance metrics of 40% EPS, 40% ROCE, and 20% cash conversion. An incremental one-off PSP of 70% of salary tied to EPS performance will also be granted in 2025. The overall PSP for 2025 only will thus be 250%.

No changes are being proposed for the CIP award level in 2025.

Performance targets for 2025
Normal PSP and CIP

Three-year cumulative EPS (40% weighting)	Vesting %
Less than 228p	0 %
228p	25 %
256p	100 %
Between 228p and 256p	Straight line basis

Three-year average ROCE (40% weighting)	Vesting %
Less than 23%	0 %
23%	25 %
30%	100 %
Between 23% and 30%	Straight line basis

Cash conversion (20% weighting)	Vesting %
Less than 85%	0 %
85%	25 %
105%	100 %
Between 85% and 105%	Straight line basis

The one-off PSP award is subject to a significantly more stretching EPS performance target which will only begin to vest if superior EPS growth over the next three years is delivered. The Committee will continue to consider the underlying financial performance of the business, as well as the value added to shareholders when assessing performance.

One-off PSP award

Three-year cumulative EPS (40% weighting)	Vesting %
Less than 256p	0 %
256p	25 %
277p	100 %
Between 256p and 277p	Straight line basis

Chairman and Non-Executive Director fees

For 2025, a fee increase of 3% is being proposed giving the Chairman an annual fee of £380,197, the Senior Independent Director an annual fee of £93,705, and Non-Executive Directors an annual fee of £72,219. The Chairs of the Audit, Remuneration, and Sustainability Committees receive an additional fee of £17,500 per annum.

DIRECTORS' REPORT ON REMUNERATION CONTINUED

Governance matters

Shareholder context

The table below shows the advisory vote on the Directors' Remuneration Report at the Annual General Meeting held on 9 May 2024:

	Total number of votes	% of votes cast
For (including discretionary)	347,950,560	98.75 %
Against	4,396,635	1.25 %
Total votes cast (excluding votes withheld)	352,347,195	100.00 %
Votes withheld	3,034,553	
Total votes cast including votes withheld	355,381,748	

The table below shows the binding vote on the Directors' Remuneration Policy at the Annual General Meeting held on 18 May 2023:

	Total of votes	% of votes cast
For (including discretionary)	349,306,482	96.07 %
Against	14,288,011	3.93 %
Total votes cast (excluding votes withheld)	363,594,493	100.00 %
Votes withheld	197,020	
Total votes cast including votes withheld	363,791,513	

Withheld votes are not included in the final proxy figures as they are not recognised as a vote in law.

Discretion

The Committee retains discretion to adjust the annual bonus outcome up or down to ensure that it is a fair reflection of the Group's underlying performance. The Committee also has the ability to adjust the number of shares vesting under the PSP and CIP to ensure it is a fair reflection of underlying performance during the performance period and to adjust the performance conditions for long-term incentive plans in exceptional circumstances, provided the new conditions are no tougher or easier than the original conditions.

Any discretion exercised by the Committee in the adjustment of performance conditions will be fully explained to shareholders in the relevant Annual Report on Remuneration. If the discretion is material and upwards, the Committee will consult with major shareholders in advance.

Malus and clawback

The Group's malus and clawback policy is designed to provide guidance and define whether malus and/or clawback events have been triggered and how and when discretion would be applied to the outcomes of the Inchcape incentive plans. The Committee has discretion to reduce bonus, PSP and/or CIP, cancel entitlement of bonus, prevent vesting of PSP and/or CIP, or allow the Company to claim back up to 100% of the award.

Malus can be applied at any point period to the payment or vesting date for long-term incentives and clawback can be applied up to two years from the payment date for a cash payment or from the vesting of a share award.

The following events may trigger a malus or clawback include:

- Ceases to be a director or employee by reason of misconduct.
- Financial restatements.
- Error in the calculation.
- Material violations of Company policies or codes of conduct.
- Breach of fiduciary duty or employment terms and conditions.
- Corporate failure as a result of the misuse of Company assets or resources.

There have been no events during 2024 which would trigger the malus and clawback provisions for the Executive Directors.

Advisors to the Committee

The Committee decided to carry out a tender for a new remuneration advisor during the year to ensure that the Committee's approach to executive compensation remains competitive, compliant, aligned to stakeholder interests, and support the delivery of the Accelerate+ strategy. Four providers were invited to present to the Committee each providing a written proposal, with supporting documents including case studies to demonstrate their knowledge, experience, and expertise. Following the process WTW were appointed with effect from September 2024. Prior to that Ellason LLP was the Committee's advisor.

WTW was paid a fee of £126,606 and Ellason LLP was paid a fee of £63,760 for its services relating to directors' remuneration during 2024. Ellason LLP did not provide advice or services to the Company on any others matters. Both WTW and Ellason LLP are signatories to the Remuneration Consultant Group's Code of Conduct which sets out guidelines to ensure that any advice is independent and free of undue influence (this can be found at www.remunerationconsultantsgroup.com). None of the individual Directors has a personal connection with WTW or Ellason LLP.

The Committee is satisfied that the advice it receives is objective and independent and confirms that WTW does not have any connection with the Company that may impair their independence. The Committee's advisors attend Committee meetings as required and provide advice on remuneration for Executives, analysis of the Directors' Remuneration Policy, and regular market and best practice updates. The advisors report directly to the Committee Chair. Fees are charged at an hourly rate in accordance with the terms and conditions set out in the relevant engagement letter.

The Directors' Report on Remuneration was approved by the Board and has been signed by Byron Grote on its behalf.

Byron Grote
Chair of the Remuneration Committee

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The 2024 Annual Report and Accounts is prepared with reference to the UK Corporate Governance Code 2018 (Code) which is published by the Financial Reporting Council (FRC) and available at www.frc.org.uk.

The Corporate Governance Report on pages 62 to 115, and the compliance statement on the following pages, gives details of how the Code has been complied with throughout the year and gives references to where key content can be found elsewhere in the Annual Report.

We have complied with all Code provisions throughout the year ended 31 December 2024.

1. BOARD LEADERSHIP AND COMPANY PURPOSE

A. Board's role

The primary role of the Board is to lead Inchcape in a way that ensures long-term success whilst generating value for shareholders and contributing to wider society. To achieve this goal the Board considers how the business model creates sustainable value and what risks or opportunities could impact future success over the short, medium and long-term.

The Board's governance framework is designed to provide clear accountability for the Board, support the Board's oversight of internal and external developments, enable it to take informed decisions, and to provide effective challenge which ensures the long-term success of the Group.

BOARD ACTIVITIES, SEE **PAGES 72** TO **77.**

SUSTAINABILITY, SEE **PAGES 32** TO **34.**

GOVERNANCE FRAMEWORK, SEE **PAGE 63.**

B. Purpose, culture, and strategy

The Board is responsible for defining the Company's purpose and setting strategy to deliver it. The Group's purpose is well defined, and is clearly understood by both investors and colleagues. This purpose of bringing mobility to the world's communities for today, for tomorrow, and for the better is integral to the development of the Group's strategy.

The Board meets to review and define strategy annually at its dedicated strategy event. When defining strategy the Board has regard for trends and factors which may impact the strategic objectives which included discussions on the role of automotive distributors and OEM relationships, the ability to support the mobility transition, and whether the practices and behaviours within the Group are aligned to the purpose. The Board also carries out a six monthly assessment of strategy to consider whether there are any material developments in the trends and factors which may impact the strategic goals.

The Board is updated on strategic progress against an agreed set of key performance indicators throughout the year which include both financial and non-financial metrics such as colleague experience, data and analytics, and M&A growth.

Achievement of strategy is underpinned by the One Inchcape Values & Behaviours which define the Group's culture. The Board sets the tone from the top and there is a strong programme of colleague engagement from both the Group Executive Team and the Non-Executive Directors (NEDs).

The Board monitors culture through a variety of channels throughout the year to develop further insight into behaviours including NED engagement sessions, compliance and Internal Audit reports, and during its dedicated People Board session during which the results of the Be Heard survey are analysed.

STRATEGY, SEE **PAGES 18** TO **22.**

PEOPLE AND CULTURE, SEE **PAGE 76.**

C. Resources and controls

When setting strategy, and during its monitoring activities throughout the year, the Board considers whether there are the necessary resources in place to meet the strategic objectives. This includes considering the skills and capabilities of the workforce needed to deliver strategy as well as the financial needs of the Group. To operate effectively there is a framework of controls in place, and the Board considers their effectiveness of a continual basis.

The Board sets the risk appetite the Group is willing to take to meet its strategic objectives, agrees the principal risks to the strategy, and oversees the system of internal control. The Audit Committee has delegated authority for ensuring the effectiveness of the risk management and internal control framework and reports to the Board as appropriate.

D. Stakeholder engagement

Dialogue with key stakeholders is vital for the Board to ensure that the Group's purpose, strategy, and culture are clearly understood and is delivering value. The directors have an annual schedule of investor, colleague and OEM engagement events which range from one to one meetings, webinars, conferences, and the 'in the driving seat' investor events.

The Board receive regular updates from the Investor Relations team and analysts reports are also circulated for review. Feedback from investors is communicated to the Board so they are aware of the shareholder view of the Group's strategy and business performance.

The Chair met with eight of the 16 largest shareholders to discuss the Board's governance and the strategic ambitions. The Chair of the Remuneration Committee also contacted the Company's largest shareholders to discuss approach to remuneration and reward performance.

It is challenging to meet all shareholders and the Board encourages attendance at the Annual General meeting as the forum for shareholders to engage with the full Board.

STAKEHOLDER ENGAGEMENT, SEE **PAGES 14, 15,** AND **75.**

E. Workplace policies

The Group's culture is embedded through the policy framework. This framework includes reward policies and incentive schemes, health, safety, and wellbeing, Speak Up! and a comprehensive annual training programme, which together reinforce the desired culture allowing colleagues to thrive. The Code of Conduct sets out the behaviours expected of our colleagues. The Board approves the Code of Conduct every two years to ensure that it remains in line with the One Inchcape Values & Behaviours and monitors the completion rates of the mandatory training. The Directors also complete the Code of Conduct training. The Board has delegated oversight of Speak Up!, the Company's external hosted whistleblowing hotline to the Audit Committee who receive updates throughout the year. Any significant issues are reported by the Chair of the Audit Committee to the Board.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE CONTINUED

2. DIVISION OF RESPONSIBILITIES

F. Chair

The Chair leads the Board and nurtures a culture in which informed and transparent decision-making takes place. He sets the tone from the top and Board meetings are designed to encourage constructive debate and promote a culture of openness and inclusion.

G. Board composition, independence, and division of responsibilities

As at 31 December 2024, the Board comprised the Chairman, seven NEDs, and two Executive Directors.

There are clear divisions between Executive and Non-Executive responsibilities. The roles of Chairman and Group Chief Executive are separately held and their responsibilities are well defined. The Chairman and the Group Chief Executive maintain regular dialogue to ensure information flows to the Board effectively. The Chairman and the other NEDs meet outside of the formal Board meeting schedule in order to obtain further insight into the Group's day-to-day operations.

The Senior Independent Director acts as a sounding board for the Chairman, to serve as an intermediary to other Board members, and is available to shareholders should they wish. The Senior Independent Director leads the annual NED only meeting during which they appraise the performance of the Chairman.

NEDs can obtain independent professional advice, at the Company's expense, in the performance of their duties. All Directors have access to the advice and services of the Group Company Secretary, whose appointment and removal are matters reserved for the Board.

Where Directors have a concern about the operation of the Board or management, it will be formally recorded in the minutes. No such concerns arose in 2024.

The independence of the Board is a matter of utmost importance given the vital role NEDs play in scrutinising the performance of management and holding individual Executive Directors to account against agreed performance objectives. The independence of each NED is formally reviewed by the Nomination Committee on an annual basis. Particular focus is applied to Directors who have served over six years on the Board, to ensure that these Directors continue to demonstrate independent character, judgment, and objectivity.

The Chairman was considered to be independent upon appointment and all of the NEDs who served during 2024 were considered by the Board to be independent for the purposes of the Code, except for Juan Pablo Del Río who holds a significant shareholding in the Company and has close ties with the Derco business acquired in 2023.

Alison Platt and Byron Grote both served on the board of Inchcape and Tesco plc for the first half of 2024. Byron Grote stepped down from the board of Tesco plc in June 2024 and Alison Platt will step down in 2025. The Nomination Committee considered this prior to recommending the appointment of the Directors and the Board were satisfied that there were no conflicts of interest which could have impeded their independence.

The Board has a Conflicts of Interest Policy to identify, authorise, and manage conflicts of interest. A Director is required to give notice to the Company of any conflict or potential conflict which is duly recorded in the Conflicts of Interest Register. The policy was operated throughout the year and no conflicts were recorded.

The Group Company Secretary manages the Conflicts of Interest Register which is regularly reviewed by the Board. New Directors are informed of the process during the induction, and briefed on potential conflicts such as those presented by Directors having roles on the boards of other companies.

The Nomination Committee and Board consider that there is no business or other circumstances that are likely to affect the independence of any NED and that all Directors continue to demonstrate independence.

DIVISION OF RESPONSIBILITIES, SEE **PAGE 65.**

NOMINATION COMMITTEE REPORT, SEE **PAGES 78** TO **80.**

H. NEDs' role and time commitment

Directors are permitted to hold external directorships and other outside business interests as greater boardroom exposure provides significant benefit to the skills, experience, and knowledge of the Board.

The nature and number of external positions is governed by the Board's Policy on Multiple Board Appointments to ensure that any additional appointments will not adversely impact the time commitment to their role at Inchcape, and to ensure that all of our Board members remain compliant with applicable shareholder advisory groups' guidance on 'overboarding'.

Approvals were sought during the year for Directors and due consideration was given to any potential conflicts of interest and ability to devote sufficient time to the Company before consent was granted. Details of the Directors' external directorships can be found in their biographies.

The Nomination Committee also reviews the time commitment required of the NEDs on an annual basis and has concluded that they continue to have sufficient time to discharge their responsibilities. The NEDs also spent time outside of the scheduled Board meetings to meet with management and other colleagues, provided mentoring, and also participated as guest speakers at various initiatives including the Women into Leadership programme.

BOARD BIOGRAPHIES, SEE **PAGES 66** TO **68.**

NOMINATION COMMITTEE REPORT, SEE **PAGES 78** TO **80.**

I. Company Secretary

The Group Company Secretary ensures the Board comply with its governance framework, supports the development of the annual board schedule and meeting agendas with the Chairman and Group Chief Executive, and ensures there is sufficient time and resource to allow the Board to discharge its duties effectively. The Group Company Secretary is also responsible for coordinating the effectiveness evaluation of the Board in conjunction with the Chairman.

DIVISION OF RESPONSIBILITIES, SEE **PAGE 65.**

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE CONTINUED

3. COMPOSITION, SUCCESSION AND EVALUATION

J. Appointments and succession planning

The Chairman, Senior Independent Director, and NEDs are each appointed for a three-year term, subject to annual re-election by shareholders. Following each three-year term, the contribution of each director is considered by the Nomination Committee to ensure their appointment remains appropriate for the Board and the Group. Directors serving over six years on the Board are subject to a particularly rigorous review.

Ensuring there is the right mix of individuals on the Board to support, and challenge, management, to avoid group think and to make the right decisions to facilitate the long-term success of the Group is a key element of the succession planning process.

The composition and effectiveness of the Board are subject to regular review by the Nomination Committee which, in particular, considers the balance of skills, tenure, experience, and independence of the Board, in accordance with the Board Diversity Policy, which is available at www.inchcape.com.

The Chair carried out individual evaluations with each Director to discuss their contribution, effectiveness, and development needs. The Senior Independent Director led the discussion on the Chairman's performance and provided feedback on themes to be addressed in 2025.

Any new appointments to the Board result from a formal, rigorous, and transparent procedure, responsibility for which is delegated to the Nomination Committee.

NOMINATION COMMITTEE REPORT, SEE **PAGES 78** TO **80.**

K. Skills, experience, and knowledge

An appropriate combination of skills, knowledge, and experience is imperative to ensuring the Board is effective in leading the Company and overseeing the successful execution of strategy.

The Board consists of several Board members from outside the traditional UK plc environment and from a variety of different sectors with a good balance of new and longer serving directors. This combination of knowledge and experience adds to diversity of thought during the Board's deliberations on strategy and enables the Board to fully understand the business and the risks associated with the Regions in which Inchcape operates.

To continually improve knowledge and understanding, the Directors undertake deep dive sessions on particular aspects of strategy throughout the year. During 2024, these sessions focused on Digital, Data and Analytics. The aim of the training sessions is to refresh and expand the Board's knowledge and skills. In doing so, the Directors can contribute to discussions on technical and regulatory matters more effectively. The sessions also serve as an opportunity for the Board to discuss strategy, performance, and risks with management below the Group Executive Team level and gain further direct insight into our businesses and management capability.

Professional advisers and subject matter experts are also invited to provide in-depth updates on certain aspects of the business or strategy throughout the year. These updates aim to cover a range of strategic issues including, but not limited to, environmental deep dives, the economic and political environment, sustainability, technology and innovation. The Group Company Secretary also provides regular updates to the Board and its Committees on regulatory and corporate governance matters.

BIOGRAPHIES, SEE **PAGES 66** TO **68.**

SKILLS, SEE **PAGE 64.**

KNOWLEDGE, SEE **PAGE 75.**

L. Board performance evaluation

The Board monitors and improves performance by reflecting on the continuing effectiveness of its activities, the quality of its decisions, and by considering the individual and collective contribution made by each Board member.

The NEDs, led by the Senior Independent Director, reviews the performance of the Chairman. They concluded his leadership, performance, and contribution to be of a high standard since he assumed the role.

PERFORMANCE, SEE **PAGE 71.**

4. AUDIT, RISK AND INTERNAL CONTROL

M. Internal and external audit

The Internal Audit function plays an important role by providing independent and objective assurance to management, the Audit Committee, and Board on the effectiveness of the Group's risk management activities, internal controls, and corporate governance framework. The Audit Committee assesses the effectiveness of Internal Audit on a continual basis and reviews the outcomes of the annual Internal Audit effectiveness review. The Head of Internal Audit reports directly to the Chair of the Audit Committee to ensure independence.

The Audit Committee further oversees Inchcape's relationship with the External Auditor to ensure that the independence, quality, rigour, and challenge of the external audit process is maintained. The Committee regularly meets with the External Auditor without the presence of management to discuss any areas of concern they might have.

The Audit Committee reviews significant financial judgements prior to the release of the full year and half year results to assess the integrity of the financial and narrative statements made.

AUDIT COMMITTEE REPORT, SEE **PAGES 81** TO **88.**

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE CONTINUED

N. Fair, balanced, and understandable assessment

The Board considers the weight given to published information to ensure that it is balanced and there are no omissions. The Board also ensures that the narrative reporting is consistent with the financial statements.

This assessment is supported by internal and external assurance which the Board and Audit Committee consider throughout the year.

The Board is satisfied that the Annual Report taken as a whole is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model, and strategy.

FAIR, BALANCED, & UNDERSTANDABLE STATEMENT, SEE **PAGES 84** AND **115.**

O. Risk management

Inchcape's Risk Management Framework is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only therefore provide reasonable and not absolute assurance against material misstatement or loss.

The Board has a risk review process which consists of:

- annual review and approval of the Risk Policy;
- six monthly assessments of the Group's principal and emerging risks; and
- annual review of the risk appetite.

In establishing and reviewing the system of internal control, the Directors have regard for the nature and extent of relevant risks, the likelihood of loss being incurred, and the costs of control. The system can only provide reasonable, but not absolute, assurance against material misstatement or loss and cannot eliminate business risk.

The Audit Committee carry out a review of the effectiveness of risk management and internal control, on behalf of the Board, with any significant control failings or weaknesses reported to the Board, with a detailed review of the findings and mitigation plans being put in place. The Board monitor progress against plans until it is satisfied that the matter has been resolved appropriately.

The Directors are satisfied that the Group's risk management and internal control systems accord with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

PRINCIPAL RISKS, SEE **PAGES 52** TO **58.**

5. REMUNERATION

P. Remuneration policies and practices

The Remuneration Committee is responsible for determining and agreeing the Remuneration Policy (Policy) for Executive remuneration and reviewing its ongoing appropriateness and relevance.

When considering the Policy, the Committee ensures remuneration is strongly aligned to Inchcape's purpose and strategy, encourages the right behaviours, and rewards individual contributions towards the success of Inchcape.

The Chair of the Remuneration Committee reports to the Board following each meeting.

The Policy was approved with over 96% of shareholders support at the Annual General Meeting held on 18 May 2023. The Policy applies for a three year period, after which a Policy review will carried out by the Remuneration Committee. The revised Policy will be submitted for shareholder approval at the 2026 Annual General Meeting. The current Policy is provided in full in the 2023 Annual Report.

DIRECTORS' REPORT ON REMUNERATION, SEE **PAGES 91** TO **106.**

Q. Developing Executive Remuneration Policy

There is a clear procedure in place to develop the Policy which takes into account shareholder expectations, market best practice, and benchmarking. The Remuneration Committee is supported by external advisors to provide guidance on the development of the Policy and to provide an independent view to aid the Committee's discussions.

The Policy is structured to ensure that Inchcape has enough flexibility to attract and retain appropriate talent to deliver the Accelerate+ strategy and takes into account the evolution of the Group's strategic direction as it moves into new Markets and technologies.

In setting the Policy, the Remuneration Committee obtains the views of a range of stakeholders through a combination of consultation, individual meetings, and colleague engagement sessions.

No Director determines their own remuneration.

DIRECTORS' REPORT ON REMUNERATION, SEE **PAGES 91** TO **106.**

R. Remuneration outcomes and independent judgement

The Remuneration Committee is comprised of independent NEDs to ensure independence. When agreeing Executive remuneration outcomes, the Remuneration Committee uses its independent judgement to reach its decisions taking into account financial performance, personal objectives, wider business context, and long-term impacts.

The Remuneration Committee will review the appropriateness of the targets on a continual basis and will make any adjustments it feels necessary to reflect the impact of business decisions, such as M&A. At the end of each performance period, the Remuneration Committee will consider remuneration outcomes to ensure that reward is not being received for formulaic outcomes rather than performance. Advice is received from internal and external sources which aid the Committee's decision making process.

The external remuneration advisors adhere to the Remuneration Consultants' Group Code of Conduct.

DIRECTORS' REPORT ON REMUNERATION, SEE **PAGES 91** TO **106.**

DIRECTORS' REPORT

The Directors' Report for the year ended 31 December 2024 comprises pages 111 to 115 of this report together with sections incorporated by reference.

Information required in the Management Report under DTR 4.1.8 can be found in the following sections: a review of the business and future developments on pages 2 to 51; principal risks and uncertainties on pages 52 to 61; a description of the Board's activities and the structure of its Committees is given on pages 62 to 77; and, a description of the Group's internal control and risk management framework is given on pages 81 to 88.

Corporate governance statement

The statement of compliance with the UK Corporate Governance Code 2018 (Code) is given on pages 107 to 110 . The Code is published on the Financial Reporting Council's website www.frc.org.uk. Information required under DTR 7 is given in the Corporate Governance Report on pages 62 to 115.

Board of Directors

The Directors of the Company below were in office during the year and up to the date of signing the financial statements:

- Nayantara Bali
- Jerry Buhlmann
- Juan Pablo Del Río
- Byron Grote
- Alex Jensen
- Jane Kingston (left May 2024)
- Sarah Kuijlaars
- Adrian Lewis
- Alison Platt (joined January 2024)
- Stuart Rowley
- Nigel Stein (left May 2024)
- Duncan Tait

In accordance with the Code, as at the date of this report, all Directors will stand for re-election at the Annual General Meeting (AGM) on 15 May 2025. The Chairman has reviewed the performance of each Director and is satisfied that each continues to be effective and demonstrates commitment to the role. The appointment and replacement of Directors is governed by the Company's Articles of Association (Articles), the Code, the Companies Act 2006, and related legislation. The Articles are available on the Company's website. The Articles were not amended during the year.

Subject to the Articles, the Code, and relevant legislation, the business of the Company is managed by the Board which may exercise all the powers of the Company.

Global Inclusion & Diversity (I&D) standards are upheld through policy development and committing to regularly tracking and measuring the impact of related initiatives and programmes. An extended Inclusive Leadership Programme is ran for our senior leaders to ensure inclusivity is embedded right across management. A range of I&D toolkits are developed to empower our colleagues right across the business in creating an inclusive environment. These have been developed in partnership with our colleagues and enable everyone to consider I&D within their daily actions and decisions. The Board and its Committees act in accordance with the Board Diversity Policy.

In 2024, the Company set a target of having 23% of its senior management team working in the UK to be from ethnic minority backgrounds by 2027.

Shareholders

Engagement with shareholders is important to the Company so that we are able to understand the key issues of importance to them and get their views on the business. Any updates regarding the business, including presentations by the Group Chief Executive, are available at www.inchcape.com so that all shareholders have access to the same Company information at the same time. Further information on stakeholder engagement can be found on pages 14 to 15.

As our 20 largest shareholders own over 69% of the business, shareholder consultations, such as the Directors' Remuneration Policy, are carried out with this group. Extending the consultation to all shareholders would not be cost effective, and shareholders not involved in the consultation process are encouraged to use the AGM forum to express their views either by asking questions or voting on the relevant resolutions.

Conflicts of interest

The Articles permit the Board to authorise any matter which would otherwise involve a Director breaching their duty under the Companies Act 2006 to avoid conflicts of interest. When authorising a conflict of interest, the Board must do so without the conflicting Director counting as part of the quorum. In the event that the Board considers it appropriate, the conflicted Director may be permitted to participate in the debate but will be permitted neither to vote nor count in the quorum when the decision is being agreed. The Directors are aware that it is their responsibility to inform the Board of any potential conflicts as soon as possible and procedures are in place to facilitate disclosure.

Directors' indemnity

A qualifying third-party indemnity (QTPI), as permitted by the Articles and sections 232 and 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company.

Under the provisions of the QTPI, the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgement is given against the Director. The indemnity has been in force for the year ended 31 December 2024 and until the date of approval of this report. The indemnity also covers the statutory directors of the Group's subsidiaries.

DIRECTORS' REPORT CONTINUED

Results and dividends

The Group's audited consolidated financial statements for the year ended 31 December 2024 are shown on pages 116 to 210. The level of distributable reserves is sufficient to pay a dividend.

The Board recommends a final ordinary dividend of 17.2p per ordinary share. If approved at the 2025 AGM, the final ordinary dividend will be paid on 16 June 2025 to shareholders registered in the books of the Company at the close of business on 2 May 2025.

The Company may, by ordinary resolution, declare a dividend not exceeding the amount recommended by the Board. Subject to the Companies Act 2006, the Board may pay interim dividends when the financial position of the Company, in the opinion of the Board, justifies its payment.

Share capital

As at 31 December 2024, the Company's issued share capital of £39,443,652.80 comprised 394,436,528 ordinary shares of 10p. Holders of ordinary shares are entitled to receive the Company's Annual Report and Accounts, to attend and speak at General Meetings, and to appoint proxies and exercise voting rights. The shares do not carry any special rights with regard to control of the Company. The rights are set out in the Articles.

Restrictions on transfer of securities

There are no restrictions or limitations on the holding of ordinary shares and no requirements for prior approval of any transfers. There are no known arrangements under which financial rights are held by a person other than the holder of the shares. Shares acquired through the Company share schemes rank pari passu with the shares in issue and have no special rights.

Authority to purchase shares

At the Company's AGM on 9 May 2024, the Company was authorised to make market purchases of up to 41,300,713 ordinary shares, representing approximately 10% of its issued share capital.

In the year ended 31 December 2024, the Company purchased for cancellation 18,673,960 ordinary shares of 10p each at a cost of £146,682,138.83, representing 4.7% of the issued share capital as at that date.

The Directors have authority to issue and allot ordinary shares pursuant to the Articles and shareholder authority is requested at each AGM. The Directors have authority to make market purchases for ordinary shares and this authority is also renewed annually at the AGM.

Interests in voting rights

Notifications received by the Company in accordance with DTR 5 are published on a regulatory information service and are available on the Company's website. During the year, the Company received notifications in accordance with the Financial Conduct Authority Disclosure and Transparency Rules of the following notifiable interests in the voting rights in the Company's issued share capital:

	As at 31 December 2024		As at 3 March 2025	
Shareholder	Number of voting rights held	Percentage of voting rights held	Number of voting rights held	Percentage of voting rights held
FMR LLC	20,228,539	5.09 %	22,785,750	5.78 %
The Capital Group Companies, Inc	20,683,111	5.00 %	20,683,111	5.00 %
BlackRock, Inc	16,719,949	4.24 %	16,719,949	4.24 %
Polaris Capital Management LLC	11,973,849	2.90 %	11,973,849	2.90 %

Restrictions on voting rights

There are no restrictions on voting rights.

Employee benefit trust

The Executive Directors of the Company, together with other colleagues of the Group, are potential beneficiaries of the Inchcape Employee Trust (Trust) and, as such, are deemed to be interested in any ordinary shares held by the Trust. At 31 December 2024, the Trust's shareholding totalled 322,859 ordinary shares.

All authorised requests to exercise shares are processed by the Trust on behalf of the relevant employees.

In respect of UK Listing Rule 6.6.1, the trustee of the Trust agrees to waive dividends payable on the shares it holds for satisfying awards under the various share plans in 2024 and for future dividends in the foreseeable future.

Directors' interests

The table showing the beneficial interests, including family interests, in the ordinary shares of the Company of the persons who were Directors at 31 December 2024 is shown in the Directors' Report on Remuneration on page 103. There have been no changes to the interests or number of shares held by each Director between 31 December 2024 and 3 March 2025.

Change of control

The Company is not party to any significant agreements that would take effect, alter, or terminate upon a change of control of the Company following a takeover bid apart from certain of the Group's third-party funding arrangements which would terminate upon a change of control of the Company, such as the Group's revolving credit facility agreement. Further details are given in note 22 to the financial statements on pages 171 to 173.

The Group's relationships with its OEMs are managed at Group level, but the relevant contracts are entered into at a local level with day-to-day management being led by each operating business. Certain contracts may terminate on a change of control of the local contracting company.

The Company does not have agreements with any Director or colleague providing compensation for loss of office or employment that occurs because of a takeover bid, except for provisions in the rules of the Company's share schemes which may result in options or awards granted to colleagues to vest on a takeover.

DIRECTORS' REPORT CONTINUED

Transactions with Directors

No transaction, arrangement, or agreement, other than remuneration, required to be disclosed in terms of the Companies Act 2006 and IAS 24, 'Related Parties' was outstanding at 31 December 2024, or was entered into during the year for any Director and/or connected person other than lease payments of £7m (2023: £7m) which were made to companies connected with Juan Pablo Del Río.

Streamlined Energy and Carbon Reporting Regulations

The annual quantity of emissions of carbon dioxide equivalent from activities for which the Company is responsible, and the methodologies and ratios used to calculate this, are shown on page 50.

Principal financial risk factors

These risks are shown on pages 52 to 58.

Other information – Listing Rules

The information required to be disclosed by UK Listing Rule 6.6.1 can be found on the pages set out below:

Section	Information	Page
(1)	Interest capitalised	Not material to the Group
(2)	Publication of unaudited financial information	101 (historical TSR performance)
(3)	Details of long-term incentive schemes	99 to 100
(4)	Waiver of emoluments by a director	Not applicable
(5)	Waiver of future emoluments by a director	Not applicable
(6)	Non pre-emptive issues of equity for cash	Not applicable
(7)	Non pre-emptive issue by a major subsidiary undertaking	Not applicable
(8)	Parent participation in a placing by a listed subsidiary	Not applicable
(9)	Contracts of significance	Not applicable
(10)	Provision of services by a controlling shareholder	Not applicable
(11)	Shareholder waiver of dividends	112
(12)	Shareholder waiver of future dividends	112
(13)	Agreements with controlling shareholders	Not applicable

Financial instruments

The information required under Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in respect of financial instruments is given in note 23 to the financial statements on pages 173 to 181.

Branches outside the UK

The Company does not have any branches outside the UK.

Events after the reporting period

None. Please see Note 33 on page 189.

Business relationships

Having positive relationships with our OEM partners, our main suppliers, and our customers is imperative for the long-term success of the Company. Our OEM relationships are key to every part of our value chain and the length of these relationships, which are given on page 12, is testament to this strength.

We provide access to automotive ownership and support services throughout the customer journey and aim to deliver the best experiences for customers in our industry globally. The Board and management engage with customers through:

- receiving daily reporting of customer feedback on www.reputation.com;
- analysing sales force customer journey management platform; and
- ongoing surveys at Market level.

These help impact the principal decisions taken by the Company, as seen on pages 72 to 76.

Political donations

The Company did not make any political donations in 2024 and does not intend to make any political donations in 2025.

DIRECTORS' REPORT CONTINUED

Colleagues and colleague involvement

The Company is committed to a policy of treating all its colleagues and job applicants equally. We are committed to the employment of people with disabilities and will interview those candidates who meet the minimum selection criteria.

We provide training and career development for our colleagues, tailored where appropriate to their specific needs, to ensure they achieve their potential. If an individual becomes disabled while in our employment, we will do our best to ensure continued development in their role, including consulting them about their requirements, making appropriate adjustments, and providing suitable alternative positions if required.

Successfully delivering the Accelerate+ strategy requires us to evolve both what we do and how we do things. This includes continuing to build the winning culture we need to help deliver on our ambitions, a culture that is built through effective teamwork, fresh thinking, a focus on delivery, and putting our customers at the centre of everything we do.

In support of this, our performance framework, called One Inchcape Values & Behaviours, sets out the values and behaviours we all need to live by at Inchcape. The Company also has various colleague policies in place covering a wide range of issues, such as family friendly policies, employment rights, and equal opportunities. Policies are implemented at a local level and comply with any relevant legislation in that Market. All policies are available on the Group's intranet and compliance is monitored at local level.

The Group's bonus and long-term incentive schemes are designed to encourage involvement in the Company's performance. UK colleagues are eligible to join the SAYE scheme, which is offered annually. Further details can be found in the Directors' Report on Remuneration on pages 91 to 106.

Further information on colleague interests and principle decisions made by the Board are given throughout this Annual Report and Accounts and in the standalone Sustainability Report available at www.inchcape.com.

Colleague communication

Town hall meetings are held in each Region on a regular basis and also following the release of any financial updates by the Company. These meetings provide colleagues with information on the Group's performance and an opportunity for consulting colleagues on new initiatives or other matters that concern them. The Group's global intranet also provides a means of communicating important issues to colleagues.

The colleague experience survey is the primary tool for obtaining the views of colleagues and the results of the survey are reported to the Board on an annual basis. Following Alex Jensen serving three years as the designated Non-Executive Director (DNED) for colleague engagement, in December 2024, Nayantara Bali was appointed as the DNED for the next three years to communicate the views of colleagues to the Board and reports findings to the Board at each meeting.

Colleague consultations enables the Board to gain an understanding of how the colleague experience is perceived and what actions can be taken to enhance this experience so colleagues feel challenged, excited, engaged, and supported in their roles. Further details can be found in the Sustainability Committee Report on pages 89 to 90.

Going concern

Having assessed the principal risks and the other matters discussed in connection with the viability statement on pages 60 to 61, the Directors consider it appropriate to adopt the going concern basis of accounting in the financial statements for the next 12 months.

Auditor and disclosure of information to the auditor

The auditor, Deloitte LLP, has indicated its willingness to continue in office. A resolution to reappoint Deloitte as auditor will be proposed at the AGM. As far as the Directors are aware there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Annual General Meeting

The AGM will be held at 11.00 a.m. on Thursday 15 May 2025 at the Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS. The notice convening the meeting and the resolutions to be put to the meeting, together with the explanatory notes, are given in the Circular to all shareholders.

The Directors' Report was approved by the Board and has been signed by the Group Company Secretary of the Company.

Tamsin Waterhouse
Group Company Secretary

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and parent company financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group and parent company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and accounting estimates that are reasonable and prudent; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions. The Directors are also responsible for disclosing with reasonable accuracy at any time the financial position of the Group and parent company, and enabling them to ensure that the financial statements and the Directors' Report on Remuneration comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group and parent company's performance, business model and strategy. Each of the Directors, whose names and functions are listed in the Board of Directors, confirm that, to the best of their knowledge:

- the parent company financial statements, which have been prepared in accordance with UK Accepted Accounting Practice (UK Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law), give a true and fair view of the assets, liabilities, financial position, and loss of the Company;
- the Group financial statements, which have been properly prepared in accordance with UK adopted international accounting standards and IFRS Accounting Standards as issued by the IASB, give a true and fair view of the assets, liabilities, financial position, and profit of the Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that it faces.

The Directors considered the key messages contained in the Strategic Report along with the disclosures made throughout to ensure that they are consistent, transparent and a true reflection of the business. The Directors also reviewed supporting documentation which addresses specific statements made in the report and the evidence to support those statements. Following this review, the Directors consider, when taken as a whole, that the Annual Report is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board

Duncan Tait
Group Chief Executive

Adrian Lewis
Group Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT
to the members of Inchcape Plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Inchcape plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and Parent Company statements of financial position;
- the consolidated and Parent Company statements of changes in equity;
- the consolidated statement of cash flows;
- the accounting policies; and
- the related Notes 1 to 33 to the consolidated financial statements and the related notes 1 to 12 to the Parent Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent Company for the year are disclosed in Note 3 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Revenue cut-off; and • Disposal of the UK Retail business. Both key audit matters were newly identified in the year.
Materiality	The materiality that we used for the Group financial statements was £23.7m (2023: £25.0m), which was determined on the basis of profit before tax from continuing operations adjusted for adjusting items as defined in note 2 ("adjusted profit before tax"). This represented 5.3% of adjusted profit before tax from continuing operations.
Scoping	Components subject to audit procedures in the current period comprised 89% (2023: 86%) of Group revenue, 91% (2023: 87%) of Group profit before tax from continuing operations and 82% (2023: 82%) of Group total assets.
Significant changes in our approach	Significant changes to our approach included: • Identification of revenue cut-off as a new key audit matter due to the heightened risk posed by the current business and economic environment; • Identification of disposal of the UK Retail business as a new key audit matter due to its material impact on the Group's financial statements; and • Removal of UK used vehicle inventory valuation and the integration of the Derco Group as key audit matters. The UK Retail business has been disposed and the integration of the Derco Group has been finalised.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Inchcape Plc

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the Group's process and related controls in the assessment of going concern;
- Assessing the Group's available committed financing facilities including the nature of facilities, repayment terms and covenants;
- Assessing the impact of short-term fluctuations in local market trading conditions, the impact of Electric Vehicle (EV) transition, inflation and political uncertainties on the forecast cashflows;
- Evaluating the reasonableness of assumptions used in the forecasts;
- Assessing the appropriateness of the sensitivities performed by management, including performing additional sensitivities as part of our challenge thereon;
- Performing consistency and accuracy checks over the going concern model including checking the mathematical and clerical accuracy;
- Testing the consistency of the forecast cash flows with the forecasts prepared for the impairment models; and
- Assessing the disclosures relating to going concern in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue cut-off

Key audit matter description	**Class of transaction: Revenue. Refer to the Audit Committee report page 84, Revenue policy in the Accounting Policies section on page 133, Note 1 on page 142 and Note 3 on page 146.** The Group generated revenue of £9,263 million during the year (2023: £9,382 million) from the sale of vehicles and parts, and provision of services. The current business and economic environment and the susceptibility to fraud in respect of achieving bonus performance targets, particularly through fleet sales near the year end, elevates the risk of revenue manipulation or error, particularly in the cut-off of vehicle sales. In applying IFRS 15 Revenue from Contracts with Customers there is judgement required in determining the timing of the transfer of control of products and services to customers, which impacts the amount of revenue recognised in the Group's financial statements. The judgement could be subject to management bias or error and so we considered the timing of the cut-off of revenue recognition as a key audit matter, and a risk of potential fraud in respect of revenue recognition. The determination of whether control has passed to a customer requires the consideration of several factors, which include consideration of the specific delivery terms of the arrangement, length of time required to ship to customer locations and whether certain criteria have been met to evidence the passing of control. The circumstances where most judgement is required are when the vehicles are yet to be despatched to the customer (known as bill-and-hold sales).

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Inchcape Plc

How the scope of our audit responded to the key audit matter	Our procedures in response to the key audit matter included: • Obtaining an understanding of and testing the relevant controls in place to address the risk that revenue is recorded in an inappropriate period; • Obtaining an understanding of the relevant shipping terms used by the Group for the delivery of goods as well as assessing the likely length of time required to ship to customer locations, and how this impacts the timing of revenue recognition; • Performing analytical procedures on revenue movements to assess whether the revenue is in line with expectations and understanding of the business performance; • Performing procedures on understanding whether management has met their bonus performance targets for revenue and whether this was met due to increased sales towards year end by assessing the sales at year end and comparing those to the previous months and year ends; • For selected samples of transactions: – Inspecting a combination of purchase orders, invoices, despatch notes, shipping terms, delivery notes and customer agreements to assess the appropriateness of revenue recognition timing based on the status of vehicles at year end; and – Specifically in the case of bill-and-hold sales assessing the extent to which there is evidence the customer controlled the vehicle before year end including whether there was a substantive reason for the customer requesting the arrangement.
Key observations	Based on our procedures we concluded that the revenue is not materially misstated.

5.2. Disposal of the UK Retail business

Key audit matter description	**Class of transaction: Gain from discontinued operations. Refer to the Audit Committee report page 83 and Acquisitions and disposals note 28a on page 186.** As detailed in Note 28a (Acquisitions and Disposals), the Group completed the sale of the UK Retail business to Group 1 Automotive UK Limited, a wholly-owned subsidiary of Group 1 Automotive, Inc., on 1 August 2024. The UK Retail business has been reported in the current period as a discontinued operation in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. A gain on disposal of £146m has been recorded and net assets disposed of totalled £250m, with disposal costs of £12m, as disclosed within Note 28a (Acquisitions and Disposals). We identified the disposal of the UK Retail business as a key audit matter in the current year due to the size and nature of the transaction and its material impact on the Group's financial statements including: • The application of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," to this complex disposal required significant management judgement and assumptions related to the remeasurement of the UK Retail business' net assets to the lower of carrying value or fair value less costs to sell. The key assumption being on the discount rate and long-term growth rate used in the impairment assessment; • Identification and separation of assets, liabilities, and cash flows attributable to the UK Retail business from those of the continuing operations, in accordance with IFRS 5 and IFRS 8 "Operating Segments" was critical to the measurement and presentation of the disposal. The inherent judgement required in this process increased the risk of misstatements that could materially impact the reported financial performance of both the discontinued and continuing operations; • The determination of the gain or loss on disposal, the selection of the appropriate disposal date, the allocation of costs between continuing and discontinued operations; • The assessment of whether a provision is required, or if disclosure as a contingent liability is more appropriate, is crucial for determining the appropriate accounting treatment of potential exposures arising from the Financial Conduct Authority's (FCA) review into motor finance commission arrangements. This assessment depends on the outcome of the FCA review into motor finance commission arrangements and practices previously employed by the Group and other automotive dealers. The FCA review, initiated following consumer complaints, aims to determine the extent of any misconduct and the potential need for consumer compensation; • The disposal had significant and complex tax implications, requiring management to make judgements regarding the recognition and measurement of tax liabilities or benefits, as well as the related disclosures.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Inchcape Plc

How the scope of our audit responded to the key audit matter	Our procedures in response to the key audit matter included: • Obtaining an understanding of relevant controls, including the Group's controls over the application of relevant accounting principles; • Inquiring of management about the completeness of recording the disposal and identifying any subsequent events that may have an impact; • Reviewing the Share Purchase Agreement (SPA) to assess the appropriateness of the disposal date and verify the agreed-upon terms, including any potential liabilities arising from the transaction; • Assessing whether the UK Retail business had been deconsolidated from the date control passed by evaluating the relevant SPA; • Evaluating the reasonableness of key assumptions used in the Group's pre-disposal impairment assessment of the disposal of UK Retail business; • Testing the accuracy of cost allocations by selecting a sample of costs and verifying their assignment to the appropriate category (discontinued or continuing) based on supporting documentation; • Performing analytical review procedures on the UK Retail business's financial results and performance leading up to the disposal date to assess for accurate measurement of its assets and liabilities; • Reviewing the identification, disclosure, and presentation of reportable segments, including the impact of the UK disposal, to assess compliance with IFRS 8 "Operating Segments" and the accurate reflection of segment performance; • Assessing the accuracy and completeness of the tax accounting for tax liabilities or benefits and impacts arising from the disposal, with the involvement of our tax specialists; • Addressing the FCA matter by: – Examining the terms of the indemnification associated with the Share Purchase Agreement between the Group and buyer. – Inquiring with external lawyers and legal counsel to understand the matter's current status and potential implications for the transaction. – Reviewing relevant correspondence and documentation related to the FCA matter. • Evaluating the relevant disclosures regarding the disposal of the UK Retail business within Note 28a (Acquisitions and Disposals).
Key observations	Based on our procedures we are satisfied with the results of our audit procedures in respect of the disposal of the UK Retail business.

6. Our application of materiality

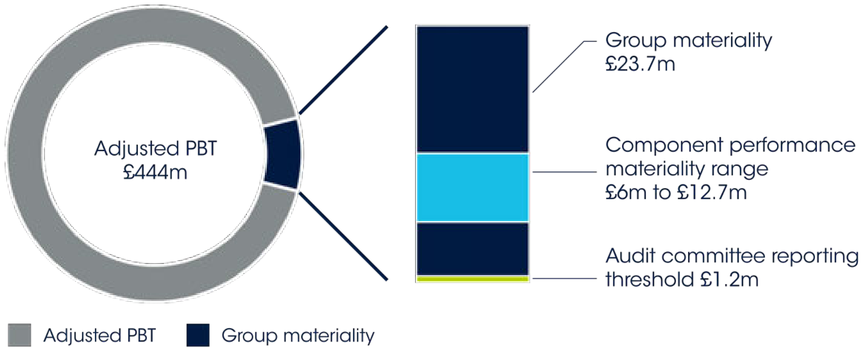
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£23.7 million (2023: £25.0 million)	£12.7 million (2023: £9.4 million)
Basis for determining materiality	Materiality was determined on the basis of 5.3% (2023: 5.0%) of adjusted profit before tax from continuing operations. Refer to Note 2 Adjusting Items for further details of adjusting items and Alternative Performance Measures on page 192 for the management's reconciliation of this alternative performance measure to the Group's statutory measure.	Parent Company materiality was determined on the basis of 1.0% of net assets (2023: 1.0% of net assets).
Rationale for the benchmark applied	Adjusted profit before tax from continuing operations, a key metric communicated by management in the Group's results announcements, provides users of the financial statements with a more comparable measure of the Group's underlying performance as it excludes the impact of potentially distortive adjusting items, such as the acquisition and disposal cost. We therefore consider adjusted profit before tax an appropriate benchmark for determining materiality.	As the Parent Company is non-trading, operates primarily as a holding company for the Group's trading entities, and is not profit orientated, we consider the net asset position to be the most appropriate benchmark to use.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Inchcape Plc



6.2. Performance materiality
We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	65% (2023: 65%) of Group materiality	70% (2023: 70%) of Parent Company materiality
Basis for determining materiality	In determining performance materiality, we considered the following factors: • our cumulative experience from prior year audits, and management's willingness to correct misstatements identified; • our risk assessment, including our understanding of the entity and its environment; • our risk assessment on the inherent complexities and financial impact of disposal of UK Retail business; and • our assessment of the Group's control environment and whether we were able to reply on controls.	In determining performance materiality, we considered the following factors: • our cumulative experience from prior year audits, and management's willingness to correct misstatements identified; • our risk assessment, including our understanding of the entity and its environment; and • our assessment of the Parent Company's control environment.

6.3. Error reporting threshold
We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.2m (2023: £1.3 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit
7.1. Identification and scoping of components
In line with ISA (UK) 600 (Revised), we have adopted a risk-based approach to the audit of the Group financial statements. This revised standard emphasises the development of a tailored audit plan for each significant account, shifting from the previous approach focus on individually significant components.

In selecting the components which are in scope for audit procedures to be performed as part of the Group audit, we considered:

- the inherent risk in each of the markets that the Group operates;
- the Group's control environment;
- the significance of identified risks in each of the components;
- the component's contribution to the Group's revenue, profit and total assets;
- the specific qualitative factors, including external risks, management identified risks, and those identified through statistical analysis;
- the nature of any acquisitions and disposals within the year; and
- the importance of introducing variability and unpredictability into our audit scoping.

The components which were subject to audit procedures were in:

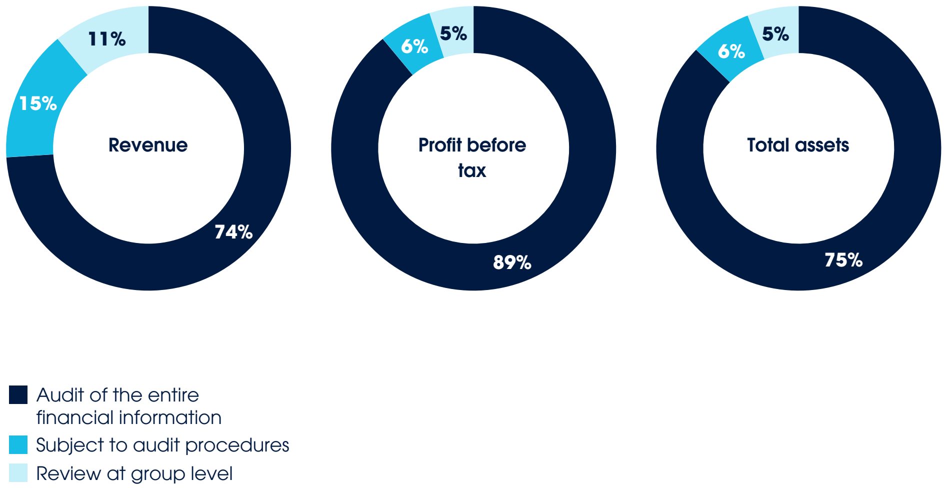
- Australia
- Barbados
- Belgium
- Bolivia
- Bulgaria
- Chile
- Colombia
- Costa Rica
- Ethiopia
- Greece
- Guam
- Hong Kong
- Indonesia
- Panama
- Peru
- Philippines
- Poland
- Romania
- Singapore

In addition to the work performed at a component level, the Group audit team performed audit procedures on the Parent Company and consolidated financial statements relating to corporate activities such as the Group's treasury operations, pension obligations, impairment reviews of goodwill and indefinite-life intangible assets, the disposal of UK Retail business, litigation provisions, the Group consolidation, the going concern assessment and financial statement disclosures. The Group audit team also performed residual balance analysis, evaluating the coverage achieved across significant accounts and key metrics and considering its proportion to Group materiality to ensure the risk of material misstatement in the residual population is remote.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Inchcape Plc

The range of component performance materialities applied was £6m to £12.7m (2023: £7m to £10m). The components which were scoped in for procedures on audit of entire financial information, audit procedures on one or more classes of transactions, account balance or disclosures, or specified procedures together represent 89% (2023: 86%) of revenue from continuing operations, 91% (2023: %87) of profit before tax and 82% (2023: 82%) of total assets.



7.2. Our consideration of the control environment

We have considered the control environment of the Group, which is also discussed within the Audit Committee Report on page 81, and encompasses controls relating to the financial reporting process, preparation of consolidated Group accounts, operational and compliance controls and risk management processes.

We have also tested the General Information Technology Controls (GITC) in place designed to address the IT risks relating to the Group and how these relate to the entity's financial reporting processes. Management have continued to consolidate and centralise key IT systems and support functions across the Group. We have reflected this in our centralised testing approach of IT controls where practicable.

For all components we obtained an understanding of the relevant controls for in scope balances. This included understanding the impact of in-year system migrations, where applicable, and testing data transfer processes. Where components determined that reliance on controls was appropriate, procedures were designed and performed to evaluate the operating effectiveness of those controls at the component level.

Our consideration of climate-related risks

The Group is exposed to the impacts of climate change on its business and operations as highlighted in the Task Force on Climate-Related Financial Disclosures (TCFD) report on page 35, viability statement on page 60, the principal risks on page 52, and in Accounting Policies (Key Sources of Estimation Uncertainty) on page 140. Management has concluded there to be no material impact arising from climate change on the judgements and estimates made in the financial statements on page 133.

We have obtained management's climate-related risk assessment and held discussions with management to understand the process of identifying and quantifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. We have engaged our climate specialists in our assessment to consider broader industry and market-wide practice.We completed an independent climate- based risk assessment to consider the potential impact of climate change on the Group's financial statements, incorporating both business specific knowledge and wider industry awareness, including the extent to which climate change considerations have been included in the Group's forecast financial information. We used this"to assess the completeness of the Group's identified risks and to develop audit procedures to respond to these risks as part of our work in relation to impairment and long-term viability, as well as considering climate- related risks throughout our risk assessments on each financial statement account balance.

In considering the disclosures presented as part of the Strategic Report, we engaged our climate specialists to review the TCFD disclosures in the financial statements and recommendations made by both the Task Force and FRC as set out in their thematic reviews. We have also assessed whether these disclosures reflect our understanding of the Group's approach to climate.

7.3. Working with other auditors

We engaged component auditors to perform procedures at the components under our direction and supervision. We issued detailed instructions to the component auditors and held planning meetings, interim update meetings and year end close meetings with each component team.

We have continued our component visits on a risk focused and rotational basis to oversee the work performed by our component auditors. The component audit teams visited in their location in the current period were: Chile, Peru, Barbados, Singapore, Indonesia, Australia, Greece, Bulgaria and Belgium.

In conjunction with the on-site visits, frequent calls were held between the Group and component teams throughout the year and remote access to relevant documents was provided. Senior members of the Group audit team were focused on overseeing the role of the component audit teams, so that a consistent audit approach is applied to the operations in the Group's businesses.

Prior to the commencement of our detailed audit work we held virtual or physical planning meetings with our component teams on a regional basis, led by the Group audit team. The purpose of these planning meetings was to ensure a good level of understanding of the Group's businesses, its core strategy and a discussion of the significant risks and workshops on our planned audit approach.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Inchcape Plc

The component visits and other communications by the Group audit team were timed to enable us to be involved during the planning and risk assessment process in addition to the execution of detailed audit procedures. During our visits we attended key meetings with component management and auditors, reviewed and challenged component auditor working papers in the underlying audit files and component reporting. In addition, we attended component audit closing calls and other key meetings with management throughout the 2024 audit process.

As the Group has diversified geographically, the Group audit team has enhanced the activities performed to direct and supervise component audit teams by:

- identifying components of greater risk and increasing the seniority of the audit team and oversight at the component level including having dedicated Spanish-speaking senior team members performing oversight of the Americas segment;
- holding sessions to refresh component audit teams on key areas of focus and extended component visits by the Group audit team; and
- providing additional guidance, provided to all component audit teams, to identify areas of judgement and improve the quality and consistency of the audit procedures performed.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact."

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Inchcape Plc

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non- compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- the results of our enquiries of management, internal audit, in house legal counsel, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance and including those subject to the FCA investigation;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, IT, pension, climate and valuation specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue cut-off. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation, environmental and vehicle legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue cut-off as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with tax authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit."

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Inchcape Plc

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 114;
- the Directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 60;
- the Directors' statement on fair, balanced and understandable set out on page 115;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 52;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 85; and
- the section describing the work of the Audit Committee set out on page 81.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by members on 25 May 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is seven years, covering the years ending 31 December 2018 to 31 December 2024.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

David Griffin FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
3 March 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

Continuing operations	Notes	2024 £m	2023 £m
Revenue	1, 3	**9,263**	9,382
Cost of sales		**(7,657)**	(7,722)
Gross profit		**1,606**	1,660
Net operating expenses	3	**(1,044)**	(1,090)
Operating profit		**562**	570
Share of profit after tax of joint ventures and associates	13	**2**	1
Profit before finance and tax		**564**	571
Finance income	6	**71**	51
Finance costs	6	**(221)**	(244)
Profit before tax from continuing operations		**414**	378
Tax	7	**(129)**	(130)
Profit for the year from continuing operations		**285**	248
Profit from discontinued operations	28c	**150**	35
Total profit for the year		**435**	283
Profit attributable to:			
– Owners of the parent		**421**	270
– Non-controlling interests		**14**	13
		435	283
Earnings per share from continuing operations attributable to the owners of the parent			
Basic earnings per share (pence)	8	**66.4p**	57.1p
Diluted earnings per share (pence)	8	**65.6p**	56.4p
Earnings per share attributable to the owners of the parent			
Basic earnings per share (pence)	8	**103.1p**	65.6p
Diluted earnings per share (pence)	8	**101.9p**	64.8p

Continuing operations	Notes	2024 £m	2023 £m
Alternative performance measures			
Operating profit from continuing operations		**562**	570
Adjusting items within net operating expenses:	2	**22**	50
Acquisition and integration costs		**42**	50
Disposal of businesses		**(6)**	—
Derecognition of intangibles	10	**5**	—
Impairment reversals	10	**(19)**	—
Adjusted operating profit from continuing operations		**584**	620
Share of profit after tax of joint ventures and associates		**2**	1
Adjusted profit before finance and tax from continuing operations		**586**	621
Net finance costs		**(150)**	(193)
Adjusting items within net finance costs:	2	**8**	39
Net monetary loss on hyperinflation		**8**	29
Interest on deferred dividend payment		**—**	10
Adjusted profit before tax from continuing operations		**444**	467
Tax on adjusted profit		**(139)**	(140)
Adjusted profit after tax from continuing operations		**305**	327
Adjusted earnings per share from continuing operations	8		
Basic adjusted earnings per share		**71.3p**	76.3p
Diluted adjusted earnings per share		**70.4p**	75.3p

The notes on pages 131 to 189 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Profit for the year		**435**	283
Other comprehensive income/(expense):			
Items that will not be reclassified to the consolidated income statement			
Retirement benefit schemes			
– net actuarial losses	5	**(46)**	(20)
– deferred tax on actuarial losses	16	**(1)**	(1)
		(47)	(21)
Items that may be or have been reclassified subsequently to the consolidated income statement			
Cash flow hedges			
– net fair value gains/(losses)	25	**22**	(48)
– tax on cash flow hedges[1]	16	**(14)**	17
Investments held at fair value			
– net fair value gains/(losses)	14	**3**	(3)
Deferred tax on taxation losses	16	**—**	—
Foreign currency translation			
Exchange differences on translation of foreign operations	25	**(245)**	(133)
Recycling of foreign currency reserve	25	**(4)**	(1)
Adjustments for hyperinflation (including tax)	25	**(4)**	36
		(242)	(132)
Other comprehensive expense for the year		**(289)**	(153)
Total comprehensive income for the year		**146**	130

	Notes	2024 £m	2023 £m
Total comprehensive income for the year attributable to:			
– Owners of the parent		**133**	120
– Non-controlling interests		**13**	10
		146	130
Total comprehensive income attributable to owners of Inchcape plc arising from:			
– Continuing operations		**(17)**	85
– Discontinued operations		**150**	35

1. Taxation in other comprehensive income in respect of cash flow hedges is comprised of a deferred tax charge of £13m (2023: credit of £18m) and a current tax charge of £1m (2023: charge of £1m).

The notes on pages 131 to 189 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Intangible assets	10	**1,156**	1,271
Property, plant and equipment	11	**589**	893
Right-of-use assets	12	**271**	364
Investments in joint ventures and associates	13	**21**	21
Financial assets at fair value through other comprehensive income	14	**4**	1
Derivative financial instruments	23	**—**	1
Trade and other receivables	15	**34**	49
Deferred tax assets	16	**91**	105
Retirement benefit asset	5	**36**	84
		2,202	2,789
Current assets			
Inventories	17	**1,935**	2,718
Trade and other receivables	15	**829**	835
Derivative financial instruments	23	**48**	38
Current tax assets		**55**	56
Cash at bank and short term deposits		**549**	689
Assets held for sale	19	**20**	14
		3,436	4,350
Total assets		**5,638**	7,139
Current liabilities			
Trade and other payables	20	**(2,565)**	(3,150)
Derivative financial instruments	23	**(47)**	(88)
Current tax liabilities		**(70)**	(81)
Provisions	21	**(50)**	(69)
Lease liabilities	12	**(66)**	(81)
Borrowings	22	**(195)**	(652)
		(2,993)	(4,121)

	Notes	2024 £m	2023 £m
Non-current liabilities			
Trade and other payables	20	**(106)**	(69)
Provisions	21	**(26)**	(39)
Derivative financial instruments	23	**—**	(9)
Deferred tax liabilities	16	**(246)**	(267)
Lease liabilities	12	**(236)**	(359)
Borrowings	22	**(544)**	(638)
Retirement benefit liability	5	**(13)**	(17)
		(1,171)	(1,398)
Total liabilities		**(4,164)**	(5,519)
Net assets		**1,474**	1,620
Equity			
Share capital	24	**40**	42
Share premium		**147**	147
Capital redemption reserve		**145**	143
Merger reserve	25	**312**	312
Other reserves	25	**(285)**	(63)
Retained earnings	26	**1,020**	940
Equity attributable to owners of the parent		**1,379**	1,521
Non-controlling interests		**95**	99
Total equity		**1,474**	1,620

The notes on pages 131 to 189 are an integral part of these consolidated financial statements. The consolidated financial statements on pages 125 to 130 were approved by the Board of Directors on 3 March 2025 and were signed on its behalf by:

Duncan Tait
Group Chief Executive

Adrian Lewis
Group Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Notes	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Equity attributable to owners of the parent £m	Non-controlling interests £m	Total shareholders' equity £m
At 1 January 2023		38	147	143	316	69	820	1,533	34	1,567
Profit for the year		—	—	—	—	—	270	270	13	283
Other comprehensive expense for the year		—	—	—	—	(130)	(20)	(150)	(3)	(153)
Total comprehensive income/ (expense) for the year		—	—	—	—	(130)	250	120	10	130
Hedging gains and (losses) transferred to inventory		—	—	—	—	(2)	—	(2)	—	(2)
Written put option		—	—	—	—	—	(1)	(1)	—	(1)
Shares issued		4	—	—	(4)	—	—	—	—	—
Acquisition of non-controlling interests		—	—	—	—	—	3	3	(3)	—
Non-controlling interests on acquisition of subsidiaries		—	—	—	—	—	—	—	64	64
Share-based payments, net of tax	4, 16	—	—	—	—	—	15	15	—	15
Purchase of own shares by the Inchcape Employee Trust	24	—	—	—	—	—	(19)	(19)	—	(19)
Dividends:										
– Owners of the parent	9	—	—	—	—	—	(128)	(128)	—	(128)
– Non-controlling interests		—	—	—	—	—	—	—	(6)	(6)
At 31 December 2023		42	147	143	312	(63)	940	1,521	99	1,620

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

For the year ended 31 December 2024

	Notes	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total equity attributable to owners of the parent £m	Non-controlling interests £m	Total shareholders' equity £m
At 1 January 2024		42	147	143	312	(63)	940	1,521	99	1,620
Profit for the year		—	—	—	—	—	421	421	14	435
Other comprehensive expense for the year		—	—	—	—	(241)	(47)	(288)	(1)	(289)
Total comprehensive income/(expense) for the year		—	—	—	—	(241)	374	133	13	146
Hedging gains and (losses) transferred to inventory		—	—	—	—	19	—	19	—	19
Share buyback programme		(2)	—	2	—	—	(151)	(151)	—	(151)
Share-based payments, net of tax	4, 16	—	—	—	—	—	18	18	—	18
Purchase of own shares by the Inchcape Employee Trust	24	—	—	—	—	—	(14)	(14)	—	(14)
Dividends:										
– Owners of the parent	9	—	—	—	—	—	(147)	(147)	—	(147)
– Non-controlling interests		—	—	—	—	—	—	—	(17)	(17)
At 31 December 2024		40	147	145	312	(285)	1,020	1,379	95	1,474

The notes on pages 131 to 189 are an integral part of these consolidated financial statements. Share-based payments include a net tax credit of £nil (2023: net tax credit of £nil).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Cash generated from operating activities			
Cash generated from operations	27a	**873**	900
Tax paid		**(134)**	(156)
Interest received		**62**	46
Interest paid		**(215)**	(197)
Net cash generated from operating activities		**586**	593
Cash flows from investing activities			
Acquisition of businesses, net of cash and overdrafts acquired	28b	**5**	(137)
Net cash inflow from sale of businesses	28a	**391**	1
Proceeds from disposal of investments in joint ventures and associates		**—**	2
Purchase of investments in joint ventures and associates		**—**	(3)
Purchase of property, plant and equipment		**(76)**	(88)
Purchase of intangible assets		**(3)**	(5)
Proceeds from disposal of property, plant and equipment		**9**	31
Dividends received from joint ventures and associates		**1**	1
Receipt from finance sub-lease receivables		**2**	3
Lease payments prior to commencement date		**(1)**	—
Net cash generated from/(used in) investing activities		**328**	(195)

	Notes	2024 £m	2023 £m
Cash flows from financing activities			
Share buyback programme	24a	**(147)**	—
Purchase of own shares by the Inchcape Employee Trust		**(14)**	(19)
Repayment of acquisition financing term loan and bridge facilities	22	**(250)**	(350)
Repayment of Private Placement loan notes	22	**(70)**	—
Cash (outflow)/inflow from revolving credit facility		**(95)**	150
Cash inflow from bond issuance		**—**	348
Net cash outflow from other borrowings		**(69)**	(560)
Payments to former shareholders of Derco group		**—**	(267)
Payment of capital element of lease liabilities		**(81)**	(87)
Equity dividends paid	9	**(147)**	(128)
Acquisition of non-controlling interests		**—**	(15)
Dividends paid to non-controlling interests		**(17)**	(6)
Net cash used in financing activities		**(890)**	(934)
Net increase/(decrease) in cash and cash equivalents	27b	**24**	(536)
Cash and cash equivalents at beginning of the period		**440**	1,050
Effect of foreign exchange rate changes		**(98)**	(74)
Cash and cash equivalents at end of the period		**366**	440
Cash and cash equivalents consist of:			
Cash at bank	18	**458**	610
Short-term deposits	18	**91**	79
Bank overdrafts	22	**(183)**	(249)
		366	440

The notes on pages 131 to 189 are an integral part of these consolidated financial statements.

ACCOUNTING POLICIES

General information

Inchcape plc is a public company limited by shares, domiciled and incorporated in the UK, and registered in England and Wales. The address of the registered office is 22a St James's Square, London, SW1Y 5LP. The nature of the Group's operations and principal activities are set out in note 1 and on pages 2 to 61.

The Group consolidated financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS.

Accounting convention

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, and those financial assets and financial liabilities (including derivative instruments) held at fair value through profit or loss, which are measured at fair value.

Going concern

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will operate within the level of its committed facilities for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing its financial statements. In making this assessment, the Group has considered available liquidity in relation to net debt and committed facilities, the Group's latest forecasts for 2025 and 2026 cash flows, together with adjusted scenarios.

Committed bank facilities and Private Placement borrowings amount to £1,040m, of which £195m was drawn at 31 December 2024. In June 2023, the Group issued a £350m bond offering with a coupon of 6.5%, due to mature in June 2028.

The Private Placement loan notes are subject to an interest cover covenant based on an adjusted EBITA measure to interest on consolidated borrowings measured on a trailing 12-month basis at June and December.

The latest Group forecasts for 2025 and 2026 indicate that the Group is expected to be compliant with this covenant throughout the forecast period and have sufficient liquidity to continue operating throughout that period.

A range of sensitivities has been applied to the forecasts to assess the Group's compliance with its covenant requirements over the forecast period. These sensitivities included:

- a 12-month reduction in New and Used revenue from July 2025, resulting from decreasing consumer demand in response to fiscal tightening and resulting economic downturns;
- a reduction in reported GBP earnings from July to December 2025 resulting from the strengthening of the sterling relative to other currencies;
- a general liquidity reduction impacting working capital from January 2026;
- with no mitigating actions applied in relation to the sensitivities described above.

In a scenario where all of the above sensitivities occur at the same time, the Group has modelled the possibility of the interest cover covenant being breached in 2025 and 2026. With the interest cover covenant measured on a trailing 12-month basis, the sensitised forecasts indicate that the Group is not expected to breach any covenants and would be compliant with the interest cover requirements throughout the forecast period. Additionally, under these circumstances, the Group expects to have sufficient funds to meet cash flow requirements.

A reverse stress test scenario analysis, concluded that a set of circumstances in which the Group would breach its covenant or have insufficient funds to meet cash flow requirements are considered to be remote, relative to the sensitivities referred to above.

Therefore, the board concluded that the Group will be able to operate within the level of its committed facilities for the foreseeable future. The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements for the year ending 31 December 2024.

Newly adopted accounting standards

From 1 January 2024, the following standards become effective in the Group's consolidated financial statements:

- Amendments to IAS 1 - Non-current liabilities with covenants
- Amendments to IAS 1 - Classification of liabilities as current or non-current
- Amendments to IFRS 16 - Leases on sale and leaseback
- Amendments to IAS 7 and IFRS 7 - Supplier finance
- Amendments due to Finance (No. 2) Act 2023 for Pillar Two income inclusion (IIR)

The adoption of the standards and interpretations listed above has not led to any material impact on the financial position or performance of the Group.

The Group has applied the amendments to IAS7 and IFRS 7 for the first time in the current year. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The Group has entered into vehicle funding arrangements to fund the purchase of vehicles (see note 20).

The Group has not early adopted other standards, amendments to standards or interpretations that have been issued but are not yet effective.

ACCOUNTING POLICIES CONTINUED

Standards not effective at the balance sheet date

The following standards were in issue but were not yet effective at the balance sheet date. These standards have not yet been early adopted by the Group, and will be applied for the Group's financial years commencing on or after 1 January 2025:

- Amendments to IAS 21 - Lack of exchangeability;
- IFRS 18 - Presentation and Disclosure in Financial Statements; and
- IFRS 19 - Subsidiaries without public accountability.

Management are currently reviewing the new standards to assess the impact that they may have on the Group's reported position and performance. Management do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company (Inchcape plc) and all of its subsidiary undertakings (defined as those where the Group has control), together with the Group's share of the results of its joint ventures (defined as those where the Group has joint control) and associates (defined as those where the Group has significant influence but not control). The results of subsidiaries are consolidated and the Group's share of results of its joint ventures and associates is equity accounted for as of the same reporting date as the parent company, using consistent accounting policies.

The results of newly acquired subsidiaries are consolidated using the acquisition method of accounting from the date on which control of the net assets and operations of the acquired company are effectively transferred to the Group. Similarly, the results of subsidiaries disposed of cease to be consolidated from the date on which control of the net assets and operations is transferred out of the Group.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Investments in joint ventures and associates are accounted for using the equity method, whereby the Group's share of post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in shareholders' equity is recognised in shareholders' equity. If the Group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the Group does not recognise further losses, unless it has contractual obligations or made payments on behalf of the joint venture or associate.

Intercompany balances and transactions and any unrealised profits arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Foreign currency translation

Transactions included in the results of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in sterling, which is the functional currency of the parent company, Inchcape plc, and the presentation currency of the Group.

In the individual entities, transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the dates of the individual transactions. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the consolidated income statement, except those exchange differences arising on long-term foreign currency borrowings that form part of a net investment in a foreign investment, which on consolidation are taken directly to other comprehensive income.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the end of the reporting period. The income statements and cash flows of foreign operations are translated into sterling at the average rates of exchange for the period, except for subsidiaries in hyperinflationary economies that are translated at the closing rate of exchange at the end of the period. Exchange differences arising from 1 January 2004 are recognised as a separate component of shareholders' equity. On disposal of a foreign operation, any cumulative exchange differences held in shareholders' equity are transferred to the consolidated income statement.

Presentation of comparative amounts

Comparative amounts presented in the consolidated income statement, the consolidated statement of comprehensive income and relevant notes reflect the classification of the UK Retail business as a discontinued operation in 2023. Additionally, prior year amounts have been represented in notes 3(e) and 29 for consistency with the disclosure in the current year. Prior year figures in note 3(e) have been represented to correct for previously omitted amounts. There is no impact on prior year primary financial statements from these adjustments.

ACCOUNTING POLICIES CONTINUED

Designation of Ethiopia as a hyperinflationary economy

The Group financial statements include adjustments for hyperinflation, following the application of IAS 29 Financial Reporting in Hyperinflationary Economies in relation to the Group's operations with a functional currency of Ethiopian Birr.

The Group's consolidated financial statements include the results and financial position of its Ethiopian operations restated to the purchasing power or inflationary measuring unit current at the end of the year, leading to a hyperinflationary loss in respect of monetary items being reported in finance costs, and treated as an adjusting item. The results of the Group's Ethiopian operations have been translated at the closing exchange rate, as required by IAS 21 The Effects of Changes in Foreign Exchange Rates for hyperinflationary foreign operations.

Whilst IAS 29 Financial Reporting in Hyperinflationary Economies is applied in individual financial statements as though the relevant economy was always hyperinflationary, comparative amounts are not restated in consolidated amounts already presented in a stable currency. The resulting difference in the opening Ethiopian net assets has been presented as a translation adjustment in other comprehensive income.

The inflationary factors used by the Group are the official price indices published by the Central Statistical Agency of Ethiopia. Hyperinflationary adjustments have been calculated using the price index prevailing at 31 December 2024, which was a CPI index of 495.4 (31 December 2023: CPI index 425.1). The adjusted results and financial position of Ethiopia were translated at the year-end closing rate before being included in the Group's consolidated financial statements.

Climate change

In preparing the Group's financial statements consideration has been given to the impact of both physical and transition climate-related risks, as described in the Task Force on Climate-related Financial Disclosures (TCFD) section on page 35. Based on the TCFD recommendations, in 2022, the Group performed an assessment of the five most critical climate related risks and opportunities that were considered to have a potential financial impact on the financial statements.

Climate scenario analysis was used as a tool to identify and assess a potential range of future outcomes, by capturing different assumptions about policies and physical climate conditions. Scenario analysis was applied to the five most material risks and opportunities, being the transition risk of misalignment, increased carbon tax, aftersales revenues, margin pressure risk, and physical risks (due to the direct impacts to property and inventories from extreme weather conditions). There is inherent uncertainty over the assumptions used within these scenarios and how they will impact the Group's operations, cash flows and profit projections.

The policy, technology, and market changes in response to climate change are still developing, and consequently the financial statements cannot capture all possible future outcomes as these are not yet known.

The climate-related estimates and assumptions were applied primarily to going concern, impairment of non-financial assets, property, plant and equipment, indefinite life intangible assets and provisions. Management has concluded there to be no material impact arising from climate change on the judgements and estimates made in the financial statements.

Revenue and other income

IFRS 15 Revenue from Contracts with Customers provides a single, principles-based, five-step model to be applied to all sales contracts. It is based on the transfer of control of goods and services to customers and requires the identification and assessment of the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue. Where separate performance obligations are identified in a single contract, total revenue is allocated on the basis of relative stand-alone selling prices to each performance obligation, or management's best estimate of relative value where stand-alone selling prices do not exist.

Revenue is measured at the fair value of consideration receivable, net of any discounts, rebates, trade allowances, incentives, or amounts collected on behalf of third parties. It is recognised to the extent that the transfer of promised goods or services to a customer has been satisfied and the revenue can be reliably measured. Revenue excludes sales-related taxes and intra-group transactions. In practice this means that:

Revenue from sale of goods

Revenue from the sale of goods is recognised when the control, risks and rewards of ownership of the goods have been transferred to the customer. The performance obligation to transfer goods to the customer is considered to have been satisfied when the vehicles or parts are invoiced and physically dispatched or collected. Revenue is also recognised in circumstances where goods are available for delivery, but the customer has requested that delivery does not take place, has confirmed ownership of the goods and assumed responsibility for the associated risks. Consideration received in advance of transfer of goods is recognised as deferred revenue on the balance sheet and is subsequently recognised as revenue when the transfer of goods occurs.

Revenue from rendering of services

Revenue from the rendering of services to the customer is considered to have been satisfied when the service has been performed.

Group acts as an agent

Where the Group acts as an agent on behalf of a principal in relation to finance, insurance, and similar products, the associated commission income is recognised within revenue in the period in which the activity which generated the commission was performed.

ACCOUNTING POLICIES CONTINUED

Sales with a repurchase commitment

Where a vehicle is sold to a customer subject to a repurchase commitment and the possibility of the buyback being exercised by the customer is highly likely, as the customer has a significant economic incentive to exercise the buyback, the transaction is recognised as a lease transaction with the Group acting as a lessor. Consequently, such vehicles are recognised within 'property, plant and equipment' in the consolidated statement of financial position at cost and are depreciated to their residual value over the period of the repurchase commitment. The difference between the initial amounts received from the customer and the repurchase commitment is recognised as deferred income in the consolidated statement of financial position and is released to the consolidated income statement on a straight-line basis over the life of the arrangement. The repurchase commitment, which reflects the price at which the vehicle will be bought back, is held within 'trade and other payables', according to the date of the commitment.

Where a vehicle is sold to a customer subject to a repurchase commitment and the possibility of the buyback being exercised by the customer is not highly likely, revenue is recognised in full when the vehicle is sold, less the expected value of the buyback payments to be made which is recorded as a liability in the consolidated statement of financial position. Similarly, an estimate of the value of the vehicles to be returned is deducted from cost of sales and recognised as an asset in the consolidated statement of financial position

Sale of additional services

Where additional services are included in the sale of a vehicle to a customer as part of the total vehicle package (e.g. extended warranty, free servicing, roadside assistance, fuel coupons etc) and the Group is acting as a principal in the fulfilment of the service, the value of the additional services is separately identified, deducted from consideration receivable, recognised as deferred revenue on the balance sheet and subsequently recognised as revenue when the service is provided, or recognised on an input basis with reference to the amount of time elapsed under the contract to which the service relates. These balances are considered to be contract liabilities. The consideration allocated to additional services is based on the relative stand-alone selling price of the additional services within the contract. The value assigned to the additional service is set equal to the value of the additional service being provided, being the expected cost to the entity plus an appropriate profit margin.

Accrued income

Amounts relating to accrued income are balances primarily due from manufacturers in relation to volume/ target related bonuses or commissions or warranty related where the work has been completed prior to being invoiced. Any amount previously recognised as accrued income is reclassified to trade receivables after invoicing.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Cost of sales

Cost of sales includes the expense relating to the estimated cost of self-insured product warranties offered to customers. These warranties form part of the package of goods and services provided to the customer when purchasing a vehicle and are not a separable product.

The Group receives income in the form of various incentives which are determined by our brand partners. The amount the Group receives is generally based on achieving specific objectives, such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

Share-based payments

The Group operates various share-based award schemes. The fair value at the date at which the share-based awards are granted is recognised in the consolidated income statement (together with a corresponding credit in shareholders' equity) on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. At the end of each reporting period, the Group revises its estimates of the number of awards that are expected to vest. The impact of any revision is recognised in the consolidated income statement with a corresponding adjustment to equity.

For equity-settled share-based awards, the services received from employees are measured by reference to the fair value of the awards granted. With the exception of the Group Save As You Earn scheme, the vesting of all share-based awards under all schemes is solely reliant upon non-market conditions, therefore no expense is recognised for awards that do not ultimately vest. Where an employee or the Company cancels an award, the charge for that award is recognised as an expense immediately, even though the award does not vest.

Finance income

Finance income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. It is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Finance costs

Finance costs are recognised as an expense, calculated using the effective interest rate method, in the period in which they are incurred.

ACCOUNTING POLICIES CONTINUED

Income tax

The charge for current income tax is based on the results for the period as adjusted for items which are not taxed or are disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Group recognises provisions for uncertain tax positions in line with IFRIC 23 Uncertainty over Income Tax Treatments when it is not probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, in its income tax filings. Uncertain tax positions are assessed and measured using management's estimate of the most likely outcome including an assessment of whether uncertain tax positions should be considered separately or as a group.

Deferred income tax is accounted for using the liability method in respect of temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference is due to the initial recognition of goodwill arising on a business combination, or to an asset or liability, the initial recognition of which does not affect either taxable or accounting income.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures, and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled using rates enacted or substantively enacted at the end of the reporting period. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items credited or charged directly to shareholders' equity, in which case the deferred tax is also dealt with in shareholders' equity. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset of current tax assets against current tax liabilities and if the deferred tax relates to income taxes levied by the same tax authority.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Adjusting items

The Group makes certain adjustments to the statutory profit measures in order to derive certain alternative performance measures. Certain items which are material are presented as adjusting items within their relevant consolidated income statement category. The separate reporting of adjusting items helps provide additional useful information regarding the Group's underlying financial performance and is used by management to facilitate internal performance analysis.

Management applies an adjusting items policy that is regularly discussed and approved by the Audit Committee. The policy applied in identifying adjusting items is balanced when assessing gains and losses, clearly disclosed, and applied consistently from one year to the next.

Adjusting items are deemed to be those items that, in the judgement of the Group, need to be disclosed separately by virtue of their nature, size or incidence. In determining the facts and circumstances, management considers key factors such as:

- where the same category of items recurs each year and in similar amounts (for example, restructuring costs), consideration is given as to whether such amounts should be included as part of underlying profit;
- where significant items are likely to be finalised over more than one year, the effect of such items is applied uniformly; and
- ensuring the treatment of favourable and unfavourable transactions are treated consistently.

Items that may be considered adjusting in nature could include gains or losses on the disposal of businesses, restructuring of businesses, acquisition and integration costs, asset impairments, recognition of monetary gains or losses on hyperinflation and the tax effects of these items. Any reversal of an amount previously recognised as an adjusting item would also be recognised as an adjusting item in a subsequent period.

Business combinations and goodwill

The acquisition of subsidiaries is accounted for using the acquisition method (at the point the Group gains control over a business as defined by IFRS 3 Business Combinations). The cost of the acquisition is measured as the cash paid and the aggregate of the fair values, at the date of exchange, of other assets transferred, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement at the acquisition date.

Acquisition-related costs are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair value at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of acquiree's identifiable net assets.

Goodwill represents the excess of the cost of acquisition of a business combination over the Group's share of the fair value of identifiable net assets of the business acquired at the date of acquisition. Goodwill is initially recognised at cost and is held in the functional currency of the acquired entity and revalued at the closing exchange rate at the end of each reporting period.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. At the date of acquisition, the goodwill is allocated to cash generating units for the purpose of impairment testing and is tested at least annually for impairment.

Gains and losses on disposal of a business include the carrying amount of goodwill relating to the business sold except for goodwill arising on business combinations on or before 31 December 1997 which has been deducted from shareholders' equity and remains indefinitely in shareholders' equity.

Other intangible assets

Intangible assets, when acquired separately from a business (including computer software), are carried at cost less accumulated amortisation and impairment losses. Cost comprises the purchase price from third parties as well as internally generated development costs where relevant. Amortisation is provided on a straight-line basis to allocate the cost of the asset over its estimated useful life, which in the case of computer software is three to eight years. Amortisation is recognised in the consolidated income statement within 'net operating expenses'. Software customisation and configuration costs relating to software not controlled by the Group are expensed over the period such services are received.

Intangible assets acquired as part of a business combination are capitalised separately from goodwill if the benefit of the intangible asset is obtained through contractual or other legal rights and the fair value can be measured reliably on initial recognition. The principal intangible assets are agreements with manufacturers for the distribution of new vehicles and parts, which represent the estimated value of distribution rights acquired in business combinations. Such agreements have varying terms and periods of renewal and have historically been renewed without substantial cost. The Group therefore expects these agreements to be renewed on a regular basis and accordingly no amortisation is charged on these assets. The Group assesses these distribution rights for impairment on an annual basis.

Other intangible assets acquired in a business combination may include order banks and customer contracts. These intangible assets are amortised on a straight-line basis over their estimated useful life, which is between one and ten years.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and directly attributable costs of the asset and includes, where relevant, capitalised borrowing costs. Depreciation is based on cost less estimated residual value and is included within 'net operating expenses' in the consolidated income statement, with the exception of depreciation on 'leased vehicles, rental machinery and equipment' which is charged to 'cost of sales'. It is provided on a straight-line basis over the estimated useful life of the asset, except for freehold land which is not depreciated. For the following categories, the annual rates used are:

Freehold buildings and long leasehold buildings	2.0%
Short leasehold buildings	shorter of lease term or useful life
Plant, machinery and equipment	5.0% – 33.3%
Leased vehicles, rental machinery and equipment	over the lease term

The residual values and useful lives of all assets are reviewed at least at the end of each reporting period and adjusted if necessary.

Leases

The Group assesses whether a contract is, or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

The group as a lessee

Lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate by market and currency;
- applies a credit risk, based on yields of comparable entities, to the determined risk-free interest rate by market; and
- where applicable, makes adjustments specific to the lease, e.g. country, currency, security, and term.

Lease liabilities are remeasured when there is a change in future lease payments as a result of an index or rate change, or if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if there is a change in the assessment of whether a purchase, lease-term extension or termination option will be exercised. When lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ACCOUNTING POLICIES CONTINUED

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets comprising mainly land and buildings are measured at cost less accumulated depreciation and impairment losses. The costs include the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less lease incentives received, any direct costs and an estimate of dismantling costs. The carrying amount is further adjusted for any remeasurement of the lease liability. Depreciation is expensed to the income statement on a straight-line basis over the lease term. The lease term includes the noncancellable period of lease together with any extension or termination options that are reasonably certain to be exercised.

Payments associated with short-term leases and all leases of low-value assets (under £5,000) are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise largely small items of office equipment.

The group as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases. Where the Group is an intermediate lessor, the sublease classification is assessed with reference to the head lease right-of-use asset. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment in the lease. Rental income from operating leases is recognised on a straight-line basis over the lease term.

Impairment of non-financial assets

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Any impairment losses are included within 'net operating expenses' in the consolidated income statement.

In addition, goodwill is not subject to amortisation but is tested at least annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, the latter being the higher of the asset's fair value less costs to sell and value in use. Value in use calculations are performed using cash flow projections, discounted at a pre-tax rate which reflects the asset specific risks and the time value of money. Impairment losses are recognised on goodwill within the cash generating unit.

Non-financial assets, other than goodwill, which have previously been impaired, are reviewed for possible reversal of the impairment at each reporting date. Impairment of inventories are considered separately. Impairment losses are recognised against goodwill within the cash generating units before non-financial assets are impaired.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in bringing inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Used vehicles are carried at the lower of cost or fair value less costs to sell, generally based on external market data available for used vehicles. Parts inventory is valued at weighted average cost.

Vehicles held on consignment are included within inventories as the Group is considered to have the risks and rewards of ownership. The corresponding liability is included within 'trade and other payables'.

Inventory can be held on deferred payment terms. All costs associated with this deferral are expensed to finance costs over the period of the financing.

An inventory provision is recognised in situations where net realisable value is likely to be less than cost (such as obsolescence, deterioration, fall in selling price). When calculating the provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability, determined on conditions that exist at the end of the reporting period. With the exception of parts, generally net realisable value adjustments are applied on an item-by-item basis.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. These are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established based on an expected credit loss model under IFRS 9 Financial Instruments. The amount of the provision is the difference between the asset's carrying amount and the expected value of the amounts to be received.

The provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historic credit loss experience, adjusted for factors specific to the receivable and company. The amount of the loss is recognised in the consolidated income statement within 'net operating expenses'. When a trade receivable is not collectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'net operating expenses' in the consolidated income statement.

ACCOUNTING POLICIES CONTINUED

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. These are classified as current liabilities if payment is due in one year or less. If payment is due at a later date, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables include the liability for vehicles held on consignment, with the corresponding asset included within inventories. Included within trade and other payables are payments received on account. These are deposits received from customers, in relation to orders taken but not yet delivered, and represent an obligation to deliver a vehicle to a customer.

Pensions and other post-retirement benefits

The Group operates a number of retirement benefit schemes.

The major schemes are defined benefit pension funds with assets held separately from the Group. The cost of providing benefits under the plans is determined separately for each plan using the projected unit credit actuarial valuation method.

The current service cost and gains and losses on settlements and curtailments are included in 'cost of sales' or 'net operating expenses' in the consolidated income statement. Past service costs are similarly recognised in the consolidated income statement. Administrative scheme expenses associated with the plans are recorded within 'net operating expenses' when incurred, in line with IAS 19 Employee Benefits (revised). Net interest income or interest cost relating to the funded defined benefit pension plans is included within 'finance income' or 'finance costs', as relevant, in the consolidated income statement.

Changes in the retirement benefit obligation or asset due to experience and changes in actuarial assumptions are included in the consolidated statement of comprehensive income, as actuarial gains and losses, in full in the period in which they arise.

Where scheme assets exceed the defined benefit obligation, a net asset is only recognised to the extent that an economic benefit is available to the Group, in accordance with the terms of the scheme and, where relevant, statutory requirements.

The Group's contributions to defined contribution plans are charged to the consolidated income statement in the period to which the contributions relate.

The Group also has a liability in respect of past employees under post-retirement healthcare schemes which have been closed to new entrants. These schemes are accounted for on a similar basis to that for defined benefit pension plans in accordance with the advice of independent qualified actuaries.

Following the scheme merger which is now referred to as the 'Combined section', and sits alongside the Group section, a change was made to the trustees deeds whereby it was stipulated, in the event of a wind-up any pension surplus belonging to the Group section would be returned to the Combined section in the first instance instead of being directly returned to the principal employer. The Group takes the view that any surplus in the Combined section ultimately belongs to the Principal employer, therefore judgement has been taken to recognise the pension surplus for the scheme in full.

Provisions

Provisions are recognised when the Group has a present obligation in respect of a past event, when it is more likely than not that an outflow of resources will be required to settle the obligation and where the amount can be reliably estimated. Provisions are discounted when the time value of money is considered to be material, using an appropriate risk-free rate on government bonds.

Product warranty provision

A product warranty provision corresponds to warranties provided as part of the sale of a vehicle and provide assurance to the customer that the product will work as sold. Provision is made for the expected cost of labour and parts based on historical claims experience and expected future trends.

Leasehold property provision

A leasehold property provision is recognised when the Group is committed to certain leasehold premises for which it no longer has a commercial use. It is made to the extent of the estimated future net cost, excluding the lease liability already recognised under IFRS 16 Leases. A leasehold property provision is also recognised when there is future obligation relating to the maintenance of leasehold properties. The provision is based on management's best estimate of the obligation which forms part of the Group's unavoidable cost of meeting its obligations under the lease contracts.

Litigation provision

A litigation provision is recognised when a litigation case is outstanding at the end of the reporting period and there is a likelihood that the legal claim will be settled.

Restructuring provision

A restructuring provision is recognised when a detailed formal plan for the restructuring has been developed and a valid expectation has been raised in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the Group.

ACCOUNTING POLICIES CONTINUED

Disposal group and assets held for sale

Where the Group is committed to a plan to sell and is actively marketing a business and disposal is expected within one year of the date of classification as held for sale, the assets and liabilities of the associated businesses are separately disclosed in the consolidated statement of financial position as a disposal group. Assets and liabilities are classified as assets held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. Both disposal groups and assets and liabilities held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

Segmental reporting

Segment information is reported in accordance with IFRS 8 Operating Segments, which requires segmental reporting to be presented on the same basis as the internal management reporting. The Group's operating segments are groups of countries and the market channel, Distribution. These operating segments are then aggregated into reporting segments to combine those with similar characteristics. The accounting policies of the reportable segments are the same as the Group's accounting policies described in this note. Comparative amounts have been reclassified as explained in note 1.

Financial instruments

The Group classifies its financial assets in the following categories: measured at amortised cost; measured at fair value through profit and loss; and measured at fair value through other comprehensive income. Classification and subsequent remeasurement depends on the Group's business model for managing the financial asset and its cash flow characteristics. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Measured at amortised cost includes non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Financial assets are included in current assets, except where the maturity date is more than 12 months after the end of the reporting period. They are initially recorded at fair value and subsequently recorded at amortised cost. Financial liabilities are included in current liabilities, except where the maturity date is more than 12 months after the end of the reporting period. Financial liabilities with a maturity date that is more than 12 months after the end of the reporting period and subject to a covenant are classified as non-current where the Group is compliant with that covenant at the reporting date.

Measured at fair value through profit and loss includes derivative financial assets and liabilities, which are further explained below. They are classified according to maturity date, within current and non-current assets and liabilities respectively.

Measured at fair value through other comprehensive income includes certain financial assets at fair value such as bonds and equity investments. These financial assets are included in current assets, except where the maturity date is more than 12 months after the end of the reporting period. Financial assets at fair value through other comprehensive income are classified as non-current assets unless management intends to dispose of them within 12 months of the end of the reporting period and are held at fair value.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand, short-term bank deposits and cash and cash equivalents included in disposal groups held for sale. Short-term bank deposits have a maturity of less than three months from the date at which the investment is acquired. In the consolidated statement of cash flows, cash and cash equivalents comprise cash and cash equivalents, as defined above, net of bank overdrafts.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are primarily equity instruments that are recognised initially at fair value (including costs to acquire) and re-measured subsequently with gains and losses recognised directly in other comprehensive income. Cumulative gains and losses are recycled to the Group income statement on disposal.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings, using the effective interest method.

Offsetting

Netting in the consolidated statement of financial position only occurs to the extent that there is the legal ability and intention to settle net. As such, bank overdrafts are presented in current liabilities to the extent that there is no intention to offset with the cash balance.

Derivative financial instruments

An outline of the objectives, policies and strategies pursued by the Group in relation to its financial instruments is set out in note 23 to the consolidated financial statements.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivative financial instruments are derecognised when they are settled. The Group designates certain derivatives as:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

ACCOUNTING POLICIES CONTINUED

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings and future fixed amount currency liabilities (on its cross-currency interest rate swaps). The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings and changes in the fair value of those borrowings is recognised in the consolidated income statement within 'finance costs'. The gain or loss relating to the ineffective portion is also recognised in the consolidated income statement within 'finance costs'.

Cash flow hedge

For cash flow hedges that meet the conditions for hedge accounting, the portion of the gains or losses on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion is recognised within 'net operating expenses' in the consolidated income statement. When the hedged forecast transaction results in the recognition of a non-financial asset or liability then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in other comprehensive income are transferred to the consolidated income statement in the same period in which the hedged forecast transaction affects the consolidated income statement.

Share capital

Ordinary shares are classified as equity. Where the Group purchases the Group's equity share capital (treasury shares), the consideration paid is deducted from shareholders' equity until the shares are cancelled, reissued, or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

Dividends

Final dividends proposed by the Board of Directors and unpaid at the year-end are not recognised in the consolidated financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid.

Critical accounting judgements and sources of estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The Directors have made a number of estimates and assumptions regarding the future, and made some significant judgements in applying the Group's accounting policies. These are discussed below:

Sources of estimation uncertainty

The key assumptions about the future, and other key sources of estimation uncertainties at the reporting period end that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next period are discussed below:

Impairment of goodwill and indefinite life intangible assets

Goodwill and other indefinite life intangible assets are tested at least annually for impairment. When an impairment review is carried out, the recoverable value is determined based on value in use calculations which require the use of estimates, including projected future cash flows (see note 10).

The value in use calculations mainly use cash flow projections based on three-year financial forecasts prepared by management. The key assumptions for these forecasts are those relating to volumes, revenue, gross margins, the level of working capital required to support trading, discount rates, long-term growth rate and capital expenditure. For all CGU groups, cash flows after the three-year period are extrapolated for a further seven years using declining growth rates which reduces the year three growth rate down to the long-term growth rate appropriate for each CGU or CGU group, to better reflect the medium-term growth expectations for those markets. A terminal value calculation is used to estimate the cash flows after year 10 using these long-term growth rates.

The assumptions used in the value in use calculations are based on past experience, recent trading, and forecasts of operational performance in the relevant markets. They also reflect expectations about continuing relationships with key mobility partners and the impact climate change may have on its operations. Whilst at this stage there is significant uncertainty regarding what the long-term impact of climate change initiatives may be on the markets in which we operate, the forecasts reflect our best estimate. Key assumptions and sensitivities are disclosed in note 10.

ACCOUNTING POLICIES CONTINUED

Pensions and other post-retirement benefits – assumptions

Pension and other post-retirement benefit liabilities are determined based on the actuarial assumptions detailed in note 5. A number of these assumptions require estimates to be made, including the rate of inflation and expected mortality rates. These assumptions are subject to a review on an annual basis and are determined in conjunction with an external actuary. The use of different assumptions could have a material effect on the value of the relevant liabilities and could result in a material change to amounts recognised in the income statement over time. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in note 5.

Pensions – discount rate

The Group's defined benefit obligations are discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in note 5.

Critical accounting judgements

Right-of-use assets and lease liabilities – extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group has several retail, distribution and office property lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. All relevant factors are considered that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the Group's operations; and the costs and business disruption required to replace the leased asset.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. Refer to note 12 for additional disclosures relating to leases.

Adjusting items

The Group believes that adjusted profit and earnings per share measures provide additional useful information to shareholders on the performance of the business. These measures are consistent with how business performance is measured internally by the Board and Executive Committee. Alternative performance measures, such as the operating profit before adjusting items and profit before tax and adjusting items, are not recognised profit measures under IFRS and may not be directly comparable with such profit measures used by other companies. They may also exclude significant recurring business transactions that impact financial performance and cash flows. The classification of adjusting items requires significant management judgement after considering the nature and intentions of a transaction. The Group's definitions of adjusting items are outlined within the Group accounting policies and note 2 provides further details on current year adjusting items and their adherence to Group policy.

Classification of vehicle funding arrangements

The Group finances the purchase of vehicles using vehicle funding facilities provided by various lenders including the captive finance companies associated with mobility partners. In assessing whether the liabilities arising under these arrangements should be classified within trade and other payables rather than as an additional component of the Group's net debt within borrowings, the Group considers a number of factors including whether the arrangement is a requirement of the relationship with the mobility company partner, in relation to specific, separately identifiable vehicles held as inventory and whether payment terms are consistent with the normal working capital cycle or until the specific vehicle being funded is sold to the end customer. Each agreement entered into has its own terms and conditions and determining whether a new or renewed arrangement should be classified within trade and other payables requires significant management judgement. See also note 20.

Assignment of an indefinite useful life to distribution agreements

The Group's principal intangible assets relate to relationships with manufacturers for the distribution of new vehicles and parts. As at 31 December 2024, these distribution agreements were assigned an indefinite useful life as although these agreements have limited terms, they have historically been renewed by the Group without substantial cost and the Group's history shows that mobility company partners have not terminated any material distribution agreements. Following the announcement of the Accelerate+ strategy the Group is considering what impact, if any, this may have on the judgement to assign an indefinite useful life to distribution agreement assets for the financial year ended 31 December 2025. Should any change arise, this will be made prospectively and be accounted for as a change in accounting estimate. Refer to note 10 for details of indefinite-life distribution agreement intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

1 Segmental analysis

The Group has three reportable segments which have been identified based on the operating segments of the Group that are regularly reviewed by the chief operating decision-maker, which has been determined to be the Group Executive Team, in order to assess performance and allocate resources. Operating segments are then aggregated into reporting segments to combine those with similar economic characteristics. Following the classification in the current period of the Group's retail operations in the UK as a discontinued operation, the Group's internal reporting has been updated to no longer distinguish between 'Distribution' and 'Retail'. As a result the Group's remaining retail operation in Europe has been combined with the Europe & Africa distribution business to form a single reportable segment.

The Group reports the performance of its reporting segments after the allocation of central costs. These represent costs of Group functions. Reporting segment performance for 2023 has been restated for the re-allocation of central costs following the classification of the UK retail operations as a discontinued operation.

The following summary describes the operations of each of the Group's reportable segments:

APAC Europe & Africa Americas	Exclusive distribution, sales and marketing activities of New Vehicles and Parts. Sale of New and Used Vehicles together with logistics services where the Group may also be the exclusive distributor, alongside associated Aftersales activities of service, body shop repairs and parts sales.

2024	APAC £m	Europe & Africa £m	Americas £m	Total £m
Revenue				
Total revenue	**2,995**	**3,003**	**3,265**	**9,263**
Adjusted operating profit from continuing operations	**235**	**142**	**207**	**584**
Operating adjusting items				**(22)**
Operating profit from continuing operations				**562**
Share of profits after tax of joint ventures and associates				**2**
Profit before finance and tax				**564**
Finance income				**71**
Finance costs				**(221)**
Profit before tax from continuing operations				**414**
Tax				**(129)**
Profit for the year from continuing operations				**285**

The Group's reported segments are based on the location of the Group's assets. Revenue earned from sales is disclosed by origin and is not materially different from revenue by destination. Chile and Australia are presented separately as these comprise more than 10% of the Group's revenue. Revenue is further analysed as follows:

2024	£m
Revenue	
Chile	**1,532**
Australia	**1,142**
Rest of the world	**6,589**
Group	**9,263**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 Segmental analysis continued

The Group's non-current assets by location comprise intangible assets, property, plant and equipment, right-of-use assets, investments in joint ventures and associates, and are analysed below. Chile is presented separately as it comprises more than 10% of the Group's non-current assets.

2024	£m
Non-current assets	
Chile	590
Rest of the world	1,447
Group	2,037

2024	APAC £m	Europe & Africa £m	Americas £m	Total £m
Segment assets and liabilities				
Segment assets	833	742	1,206	2,781
Segment liabilities	(1,014)	(761)	(855)	(2,630)
Other assets				2,856
Other liabilities				(1,533)
Total net assets				1,474

Segment assets and liabilities represent the Group's assets and liabilities that are regularly reviewed by the chief operating decision maker. They comprise of inventory, receivables, payables and derivative assets and liabilities that hedge trade payables.

2024 from continuing operations	APAC £m	Europe & Africa £m	Americas £m	Total £m
Other segment items				
Capital expenditure:				
– Property, plant and equipment	28	11	21	60
– Leased vehicles, rental machinery and equipment	23	3	12	38
– Right-of-use assets	17	12	10	39
– Intangible assets	1	1	1	3
Depreciation and impairment				
– Property, plant and equipment	16	8	18	42
– Leased vehicles, rental machinery and equipment	6	—	12	18
– Right-of-use assets	33	10	31	74
Amortisation of intangible assets	2	1	6	9
Derecognition of distribution agreements	—	—	5	5
Impairment reversal of distribution agreements	—	—	(19)	(19)
Impairment of right of use assets	1	—	—	1
Net provisions charged/(credited) to the consolidated income statement	23	(6)	(4)	13

Net provisions include inventory, trade receivables impairment and other liability provisions.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 Segmental analysis continued

2023	APAC £m	Europe & Africa £m	Americas £m	Total £m
Revenue				
Total revenue	2,827	2,809	3,746	9,382
Adjusted operating profit from continuing operations	229	135	256	620
Operating adjusting items				(50)
Operating profit from continuing operations				570
Share of losses after tax of joint ventures and associates				1
Profit before finance and tax				571
Finance income				51
Finance costs				(244)
Profit before tax from continuing operations				378
Tax				(130)
Profit for the year from continuing operations				248

The Group's reported segments are based on the location of the Group's assets. Revenue earned from sales is disclosed by origin and is not materially different from revenue by destination. Chile and Australia are presented separately as these comprise more than 10% of the Group's revenue. Revenue is further analysed as follows:

2023	£m
Revenue	
Chile	1,773
Australia	1,310
Rest of the world	6,299
Group	9,382

The Group's non-current assets by location comprise intangible assets, property, plant and equipment, right-of-use assets, joint ventures and associates, and are analysed as shown in the table below.

2023	£m
Non-current assets	
UK	297
Rest of the world	2,252
Group	2,549

2023	APAC £m	Europe & Africa £m	Americas £m	Total £m
Segment assets and liabilities				
Segment assets	914	854	1,409	3,177
Segment liabilities	(1,171)	(805)	(766)	(2,742)
Other assets				3,210
Other liabilities				(2,249)
Net assets from continuing operations				1,396
Net assets from discontinued operations				224
Total net assets				1,620

Segment assets and liabilities represent the Group's assets and liabilities that are regularly reviewed by the chief operating decision maker. They comprise of inventory, receivables, payables and derivative assets and liabilities that hedge trade payables.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 Segmental analysis continued

2023 from continuing operations	APAC £m	Europe & Africa £m	Americas £m	Total £m
Other segment items				
Capital expenditure:				
– Property, plant and equipment	27	13	27	67
– Leased vehicles, rental machinery and equipment	20	26	15	61
– Right-of-use assets	12	8	14	34
– Intangible assets	1	1	2	4
Depreciation and impairment				
– Property, plant and equipment	11	7	20	38
– Leased vehicles, rental machinery and equipment	6	1	13	20
– Right-of-use assets	30	10	35	75
Amortisation of intangible assets	2	1	7	10
Net provisions charged to the consolidated income statement	8	8	31	47

Net provisions include inventory, trade receivables, impairment and other liability provisions.

2 Adjusting items

From continuing operations	2024 £m	2023 £m
Acquisition and integration costs	**(42)**	(50)
Gain on disposal of business (see note 28)	**6**	—
Impairment reversal of distribution agreements (see note 10)	**19**	—
Derecognition of distribution agreements (see note 10)	**(5)**	—
Total adjusting items in operating profit	**(22)**	(50)
Adjusting items in finance costs:		
Net monetary loss on hyperinflation	**(8)**	(29)
Interest on dividend payments to former shareholders of Derco	**—**	(10)
Total adjusting items before tax	**(30)**	(89)
Tax on adjusting items (see note 7)	**10**	10
Total adjusting items	**(20)**	(79)

During the year, operating costs of £42m (2023: £50m) were incurred in connection with the acquisition and integration of businesses. These costs have been reported as adjusting items to better reflect the underlying performance of the business. These primarily relate to the acquisition and integration of the Derco group and the businesses acquired in Indonesia, the Philippines and New Zealand. The integration of the Derco group is a multi-year programme that is expected to complete in 2025.

Impairment reversal during the year of £19m (2023: £nil) relates to the Central America - Suzuki CGU and derecognition of intangibles of £5m (2023: £nil) relates to a distribution agreement in Bolivia (see note 10).

In December 2024, the Group sold its share in its non-genuine spare parts business in Chile. The reported gain of £6m (2023: £nil) includes disposal costs and a gain relating to the recycling of cumulative exchange differences previously recognised in other comprehensive income (see note 28).

The Group financial statements include adjustments for hyperinflation, following the application of IAS 29 Financial Reporting in Hyperinflationary Economies in relation to the Group's operations with a functional currency of Ethiopian Birr. The results and financial position of Ethiopia for the year ended 31 December 2024 have been restated to include the effect of indexation and the resulting £8m net monetary loss on hyperinflation (2023: net monetary loss of £29m) has been recognised within net finance costs and reported as an adjusting item.

At 31 December 2022, a liability was acquired, as part of the Derco acquisition, for the payment of a pre-completion dividend to former shareholders. The payment of this dividend was agreed to be made in four tranches, throughout 2023,with interest accruing on the outstanding amounts. At 30 June 2023, three of the tranches had been paid and interest of £10m had been recognised. This interest expense was recognised within finance costs and reported as an adjusting item.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Revenue and expenses

a) Revenue

An analysis of the Group's revenue for the year is as follows:

From continuing operations	2024 £m	2023 £m
Sale of goods	**8,840**	8,971
Provision of services	**423**	411
	9,263	9,382

Sale of goods includes the sale of new and used vehicles and the sale of parts where they are sold directly to the customer. Provision of services includes financial services, as well as labour and parts provided in servicing vehicles.

b) Analysis of net operating expenses

From continuing operations	Net operating expenses before adjusting items 2024 £m	Adjusting items 2024 £m	Net operating expenses 2024 £m	Net operating expenses before adjusting items 2023 £m	Adjusting items 2023 £m	Net operating expenses 2023 £m
Distribution costs	**516**	**—**	**516**	524	—	524
Administrative expenses	**511**	**42**	**553**	538	50	588
Other operating (income)/ expenses	**(5)**	**(20)**	**(25)**	(22)	—	(22)
	1,022	**22**	**1,044**	1,040	50	1,090

c) Profit/(loss) before tax is stated after the following charges/(credits):

From continuing operations	2024 £m	2023 £m
Depreciation and impairment of tangible fixed assets:		
– Property, plant and equipment	**42**	38
– Leased vehicles, rental machinery and equipment	**18**	20
– Right-of-use assets	**74**	75
Amortisation of intangible assets	**9**	10
Impairment of trade receivables	**1**	7
Profit on sale of property, plant and equipment and intangibles	**(1)**	(16)

Profit on the sale of property, plant and equipment in 2024 mainly relates to the sale of surplus assets in APAC (2023: profit on sale of property, plant and equipment of surplus assets in APAC).

d) Auditor's remuneration

During the year the Group (including its overseas subsidiaries) obtained the following services from the Group's auditor at costs as detailed below:

	2024 £m	2023 £m
Fees payable to the Company's auditor and its associates for the audit of the parent company and the consolidated financial statements	**2**	3
Fees payable to the Company's auditor and its associates for other services:		
– The audit of the Company's subsidiaries	**5**	4
Total fees payable to the Company's auditor	**7**	7

During the year, the Group incurred fees of £0.3m (2023: £0.4m) with the Group's auditor for audit-related assurance services.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Revenue and expenses continued

e) Staff costs

From continuing operations	2024 £m	2023 £m (represented)[1]
Wages and salaries	**531**	556
Social security costs	**47**	43
Other pension costs (see note 5)	**9**	10
Share-based payment charge (see note 4)	**18**	15
	605	624

1. Refer to presentation of comparative amounts in the accounting policies note.

Other pension costs correspond to the current and past service cost and contributions to the defined contribution schemes (see note 5).

Information on Directors' emoluments and interests which forms part of these audited consolidated financial statements is given in the Directors' Report on Remuneration which can be found on pages 91 to 106 of this report. Information on compensation of key management personnel is set out in note 31b.

f) Average monthly number of employees

From continuing operations	Total 2024 Number	2023 Number
APAC	**4,492**	3,815
Europe & Africa[1]	**3,493**	3,407
Americas	**7,821**	8,549
Total Distribution	**15,806**	15,771
Central & Digital	**1,606**	1,379
	17,412	17,150

1. Includes employee numbers for the Group's remaining retail operation in Europe.

4 Share based payments

The terms and conditions of the Group's share-based payment plans are detailed in the Directors' Report on Remuneration.

The charge arising from awards granted under share-based payment plans was £18m (2023: £15m), all of which was equity-settled.

The Other Share Plan's disclosures below include other share-based incentive plans for senior executives and employees.

The following table sets out the movements in the number of share options and awards during the year:

2024	Weighted average exercise price*	Performance Share Plan	Save As You Earn Plan	Other Share Plans
Outstanding at 1 January	£5.78	5,497,087	1,847,522	1,599,836
Granted	£6.80	2,721,055	45,870	766,410
Exercised	£5.15	(1,508,833)	(663,789)	(609,993)
Lapsed	£6.11	(953,915)	(910,717)	(172,962)
Outstanding at 31 December	**£6.29**	**5,755,394**	**318,886**	**1,583,291**
Exercisable at 31 December	£6.27	609,811	199,952	62,033

2023	Weighted average exercise price*	Performance Share Plan	Save As You Earn Plan	Other Share Plans
Outstanding at 1 January	£4.92	5,107,941	2,056,778	1,370,709
Granted	£6.11	2,237,809	923,833	705,070
Exercised	£3.81	(979,410)	(786,587)	(353,282)
Lapsed	£6.05	(869,253)	(346,502)	(122,661)
Outstanding at 31 December	**£5.78**	**5,497,087**	**1,847,522**	**1,599,836**
Exercisable at 31 December	£3.77	245,726	322,449	95,835

* The weighted average exercise price excludes nil cost awards made under the Performance Share Plan and Other Share Plans.
The weighted average share price at the date of exercise of options exercised during the year ended 31 December 2024 was £8.12 (2023: £7.76).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Share based payments continued

The weighted average remaining contractual life for the awards outstanding at 31 December 2024 is 1.2 years (2023: 1.4 years).

The range of exercise prices for options outstanding at the end of the year was £6.00 to £7.31 (2023: £3.77 to £7.31). See note 24 for further details.

The fair value of options granted under the Save As You Earn Plan and Other Share Plans is estimated as at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of nil cost awards granted under the Performance Share Plan and Other Share Plans is the market value of the related shares at the time of grant. The following table lists the main inputs to the model for awards granted during the years ended 31 December 2024 and 31 December 2023:

	Performance Share Plan		Save As You Earn Plan		Other Share Plans	
	2024	2023	**2024**	2023	**2024**	2023
Weighted average share price at grant date	**£7.25**	£7.53	**£8.49**	£7.64	**£7.30**	£7.54
Weighted average exercise price*	**n/a**	n/a	**£6.80**	£6.11	**n/a**	n/a
Vesting period	**3.0 years**	3.0 years	**3.0 years**	3.0 years	**2.3 years**	2.3 years
Expected volatility	**n/a**	n/a	**29.2 %**	31.0 %	**n/a**	n/a
Expected life of award	**3.0 years**	3.0 years	**3.3 years**	3.2 years	**2.3 years**	2.3 years
Weighted average risk-free rate	**n/a**	n/a	**3.7 %**	4.5 %	**n/a**	n/a
Expected dividend yield	**n/a**	n/a	**4.2 %**	4.3 %	**n/a**	n/a
Weighted average fair value per option	**£7.25**	£7.53	**£1.95**	£2.06	**£7.30**	£7.54

* The weighted average exercise price excludes nil cost awards made under the Performance Share Plan and Other Share Plans.

No options were granted under the Executive Share Option Plan in 2024 or 2023.

The expected life and volatility of the options are based upon historical data.

5 Pension and other post retirement benefits

The Group operates a number of pension and post-retirement benefit schemes for its employees in a number of its businesses, primarily in the UK.

a) UK schemes: benefits, governance, cash flow obligations and investments

The Inchcape Motors Pension Scheme (IMPS) in the UK is the Group's main defined benefit pension scheme.

The Group also operates the Inchcape Overseas Pension Scheme which is non-UK registered.

Benefit structure

IMPS, which provides benefits linked to the final salary of members, is closed to new members and closed to future benefit accrual. Final salary schemes provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on final salary at retirement (or leaving date, if earlier) and length of service. The Group bears risks in relation to its final salary schemes, notably relating to investment performance, interest rates, inflation, and members' life expectancies. There is potential for these risks to harm the funding position of the schemes. If the schemes were to be in deficit, then additional contributions may be required from the Group. A number of exercises have been undertaken to mitigate these key funding risks.

IMPS also includes a defined benefit cash balance scheme. Cash balance schemes allow members to accrue a percentage of their earnings each year which then grows to provide a lump sum payment on retirement. Members accrued benefits under this scheme with effect from 1 January 2013 up to 31 December 2020. The Group underwrites the investment and interest rate risk to normal retirement age (65). Inflation and mortality risks associated with benefits are borne solely by the members. Following a consultation process with relevant employees this section closed to future benefit accrual on 31 December 2020.

From 1 January 2021, UK employees were offered membership of the Inchcape Retirement Savings Plan, a defined contribution workplace personal pension scheme, which is designed to comply with auto enrolment legislation. Defined contribution schemes like the Inchcape Retirement Savings Plan, see members' individual accounts credited with employee and employer contributions which are then invested to provide a pension pot on retirement. The Group does not underwrite investment, or other risks for this plan.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Pension and other post retirement benefits continued

Governance

Our UK schemes are registered with HM Revenue and Customs (HMRC) and comply fully with the regulatory framework published by the UK Pensions Regulator.

IMPS is established under trust law and has a trustee board that runs the scheme in accordance with the Trust Deed and Rules and relevant legislation. The trustee board comprises an independent sole trustee company appointed by the Group. As part of good governance, the Group reviewed the provision of trustee services to IMPS and after a formal tender process it was decided to move to a Sole Trustee model from June 2021. The Trustee is required to act in the best interest of the members and have responsibility for the scheme's governance. The Trustee consults with the Group over decisions relating to matters such as funding and investments.

The Inchcape Retirement Savings Plan has an external pension provider with its own governance committee.

The Group also has some minor unfunded arrangements relating to post-retirement health and medical plans in respect of past employees.

Scheme specific cash obligation and investment detail

Inchcape Motors Pension Scheme

The Group considers two measures of the pension deficit. The accounting position is shown on the Group's balance sheet. The funding position, calculated at the triennial actuarial valuation, is used to agree contributions made to IMPS. The last completed actuarial valuations for IMPS was carried out as at 5 April 2022 on a market-related basis.

The value of accrued liabilities determined in accordance with the advice of the Scheme Actuary was based on the defined accrued benefit method. The actuarial valuation determined that the duration of the liabilities was approximately 14 years and that an aggregate surplus of £40m existed. As a consequence, the Group and the Trustee agreed that contributions to IMPS would cease with effect from April 2022.

In November 2024, the Trustee of IMPS completed a buy-in transaction whereby the assets of the scheme were used to acquire a bulk purchase annuity policy under which the benefits payable to the members of the scheme are now fully insured. The insurance policy was purchased using the existing assets of the scheme with no additional funding required from the Group. As at 31 December 2024, the bulk purchase annuity policy has been accounted for as an asset of the scheme and valued on the same basis as the liabilities that it matches as the legal responsibility to pay benefits remains with the Trustee. As at 31 December 2024, IMPS had an IAS 19 accounting surplus of £36m.

The Group is aware of a case involving Virgin Media Limited and NTL Pension Trustees II Limited relating to the validity of certain historical pension changes which could potentially lead to additional liabilities for some pension schemes and sponsors although there is uncertainty as to how the ruling would be applied in practice. The Group has undertaken an initial risk-based assessment of any potential impact on IMPS and the Group. The assessment has, to date, not identified any matters that may give rise to an additional liability. Management will continue to monitor developments in this regard and the implications, if any, for IMPS.

Inchcape Overseas Pension Scheme (closed section)

This scheme is managed from Guernsey and is subject to regulations similar to the UK. It is therefore reported under the United Kingdom in this note. The latest triennial actuarial valuation for this scheme was carried out at 31 March 2021 and based on the defined accrued benefit method. The actuarial valuation determined that the duration of the liabilities was approximately 12 years and that the scheme was approximately 80% funded on a prudent funding basis. To make good the funding deficit of £13m, it was agreed that deficit contributions of £1.5m p.a. would be paid by means of an annual lump sum, ending with the payment due in July 2028. The first payment at this new level was paid on 1 July 2020. Additional contributions in respect of expenses of £0.2m per annum are also made. In July 2024, in light of improvements to the funding position based on work undertaken at the end of 2023, it was agreed with the Trustee that the Group would pay £1m of the agreed deficit contributions in July 2024, with the remaining £0.5m being deferred and contingent on the results of the 31 March 2024 valuation.

b) Overseas schemes

There are a number of smaller defined benefit schemes overseas, the significant schemes being the Inchcape Motors Limited Retirement Scheme in Hong Kong and the acquired defined benefit scheme in Indonesia. In general, these schemes offer a lump sum on retirement with no further obligation to the employee and assets are held in trust in separately administered funds. These schemes are typically subject to triennial valuations. The overseas defined contribution schemes are principally linked to local statutory arrangements.

c) Defined contribution plans

The total expense (from continuing operations) recognised in the consolidated income statement is £9m (2023: £10m). There are no outstanding contributions at 31 December 2024 (2023: £nil).

d) Defined benefit plans

As the Group's principal defined benefit schemes are in the UK, these have been reported separately from the overseas schemes. For the purposes of reporting, actuarial updates have been obtained for the Group's material schemes and these updates are reflected in the amounts reported in the following tables.

e) Recognition of Pension Surplus 'IFRIC 14'

The Group is not required to recognise any additional liabilities in relation to funding plans, or limit the recognition of any surpluses, as the Group retains an unconditional right to any future economic benefits available by way of future refunds or reduction in contributions.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Pension and other post retirement benefits continued

The principal weighted average assumptions used by the actuaries were:

	United Kingdom		Overseas	
	2024	2023	**2024**	2023
	%	%	**%**	%
Rate of increase in salaries	**n/a**	n/a	**4.0**	3.4
Rate of increase in pensions	**2.7**	2.6	**3.1**	3.7
Discount rate	**5.4**	4.5	**4.3**	3.1
Rate of inflation:				
– Retail price index	**3.3**	3.2	**2.0**	2.0
– Consumer price index	**2.8**	2.6	**n/a**	n/a

Assumptions regarding future mortality experience are set based on published statistics and experience. For the UK schemes, the average life expectancy of a pensioner retiring at age 65 is 21.7 years (2023: 21.5 years) for current pensioners and 23.0 years (2023: 22.8 years) for current non pensioners. Most of the overseas schemes only offer a lump sum on retirement and therefore mortality assumptions are not applicable.

The asset/(liability) recognised in the consolidated statement of financial position is determined as follows:

	United Kingdom		Overseas		Total	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
Present value of funded obligations	**(517)**	(576)	**(33)**	(31)	**(550)**	(607)
Fair value of plan assets	**550**	655	**30**	30	**580**	685
Net surplus/(deficit) in funded obligations	**33**	79	**(3)**	(1)	**30**	78
Present value of unfunded obligations	**—**	—	**(7)**	(11)	**(7)**	(11)
	33	79	**(10)**	(12)	**23**	67
The net pension asset is analysed as follows:						
Schemes in surplus	**36**	84	**—**	—	**36**	84
Schemes in deficit	**(3)**	(5)	**(10)**	(12)	**(13)**	(17)
	33	79	**(10)**	(12)	**23**	67

The amounts recognised in the consolidated income statement are as follows:

	United Kingdom		Overseas		Total	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
Current service cost	**—**	—	**(3)**	(2)	**(3)**	(2)
Scheme expenses	**(1)**	(1)	**—**	—	**(1)**	(1)
Interest expense on plan liabilities	**(25)**	(27)	**(1)**	(1)	**(26)**	(28)
Interest income on plan assets	**28**	31	**1**	1	**29**	32
	2	3	**(3)**	(2)	**(1)**	1

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	United Kingdom		Overseas		Total	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
Actuarial (losses)/gains on liabilities:						
– Experience gains/(losses)	**1**	(6)	**—**	1	**1**	(5)
– Changes in demographic assumptions	**(3)**	22	**—**	—	**(3)**	22
– Changes in financial assumptions	**53**	(23)	**2**	1	**55**	(22)
Actuarial (losses)/gains on assets:						
– Experience (losses)/gains	**(100)**	(15)	**1**	—	**(99)**	(15)
	(49)	(22)	**3**	2	**(46)**	(20)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Pension and other post retirement benefits continued

Analysis of the movement in the net asset/(liability):

	United Kingdom		Overseas		Total	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
At 1 January	**79**	96	**(12)**	(3)	**67**	93
Business acquisitions (note 28(a))	**—**	—	**—**	(11)	**—**	(11)
Amount recognised in the consolidated income statement	**2**	3	**(3)**	(2)	**(1)**	1
Contributions by employer	**1**	2	**2**	1	**3**	3
Actuarial (losses)/gains recognised in the year	**(49)**	(22)	**3**	2	**(46)**	(20)
Effect of foreign exchange rates	**—**	—	**—**	1	**—**	1
At 31 December	**33**	79	**(10)**	(12)	**23**	67

Changes in the present value of the defined benefit obligation are as follows:

	United Kingdom		Overseas		Total	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
At 1 January	**(576)**	(572)	**(42)**	(36)	**(618)**	(608)
Business acquisitions (note 28(a))	**—**	—	**—**	(11)	**—**	(11)
Current service cost	**—**	—	**(3)**	(2)	**(3)**	(2)
Interest expense on plan liabilities	**(25)**	(27)	**(1)**	(1)	**(26)**	(28)
Actuarial (losses)/gains:						
– Experience (losses)/gains	**1**	(6)	**—**	1	**1**	(5)
– Changes in demographic assumptions	**(3)**	22	**—**	—	**(3)**	22
– Changes in financial assumptions	**53**	(23)	**2**	1	**55**	(22)
Benefits paid	**33**	30	**5**	3	**38**	33
Effect of foreign exchange rate changes	**—**	—	**(1)**	3	**(1)**	3
At 31 December	**(517)**	(576)	**(40)**	(42)	**(557)**	(618)

Changes in the fair value of the defined benefit asset are as follows:

	United Kingdom		Overseas		Total	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
At 1 January	**655**	668	**30**	33	**685**	701
Interest income on plan assets	**28**	31	**1**	1	**29**	32
Scheme expenses	**(1)**	(1)	**—**	—	**(1)**	(1)
Actuarial (losses)/gains:						
– Experience (losses)/gains	**(100)**	(15)	**1**	—	**(99)**	(15)
Contributions by employer	**1**	2	**2**	1	**3**	3
Benefits paid	**(33)**	(30)	**(5)**	(3)	**(38)**	(33)
Effect of foreign exchange rate changes	**—**	—	**1**	(2)	**1**	(2)
At 31 December	**550**	655	**30**	30	**580**	685

At the end of the reporting period, the percentages of the plan assets by category were as follows:

	United Kingdom		Overseas		Total	
	2024	2023	**2024**	2023	**2024**	2023
Equities	**—**	5.2 %	**53.4 %**	50.0 %	**2.8 %**	7.2 %
Bonds	**—**	32.1 %	**43.3 %**	43.3 %	**2.2 %**	32.6 %
Liability driven investment	**7.1 %**	55.6 %	**—**	—	**6.7 %**	53.1 %
Bulk purchase annuity	**85.4 %**	—	**—**	—	**81.0 %**	—
Long lease property	**—**	7.1 %	**—**	—	**—**	6.9 %
Other	**7.5 %**	—	**3.3 %**	6.7 %	**7.3 %**	0.2 %
	100.0 %	100.0 %	**100.0 %**	100.0 %	**100.0 %**	100.0 %

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Pension and other post retirement benefits continued

The majority of investments shown as equities and bonds are held through funds where the underlying investments of the fund are quoted. Liability driven investment is a strategy commonly used by defined benefit pension schemes to reduce interest rate and inflation risk. It includes government bonds, derivative instruments, and cash. Virtually all the equities and bonds held within the investment funds have prices in active markets. Derivatives, property, and liability driven investment can be classified as level 2 instruments. The schemes had no directly held employer related investment during the reporting period.

The schemes' investment managers may potentially hold a small investment in Inchcape plc either through index weightings or stock selection (less than 0.5% of their respective fund values).

The following disclosures relate to the Group's defined benefit plans only.

f) Risk management

Asset volatility
Scheme liabilities are calculated on a discounted basis using a discount rate which is set with reference to corporate bond yields. If scheme assets underperform this yield, then this will create a deficit.

Inflation risk
The majority of the Group's defined benefit obligations are linked to inflation. Higher inflation will lead to higher liabilities, although in the majority of cases there are caps on the level of inflationary increases to be applied to pension obligations.

Life expectancy
Where relevant, the plans' obligations are to provide a pension for the life of the member, so increases in life expectancy will result in an increase in the plans' benefit payments. Future mortality rates cannot be predicted with certainty. All of the schemes conduct scheme-specific mortality investigations annually, to ensure the Group has a clear understanding of any potential increase in liability due to pensioners living for longer than assumed.

Risk mitigation
The investment by the IMPS Trustee in a bulk purchase annuity has removed investment, inflation and mortality risks for approximately 85% of liabilities and 80% of assets. The remaining risks are mitigated through liability driven investment strategies with investment in defensive and inflation-linked assets (liability driven investment solutions, absolute return bonds, government bonds, derivative instruments and cash).

g) Sensitivity analysis

The disclosures above are dependent on the assumptions used. The table below demonstrates the sensitivity of the defined benefit obligation to changes in the assumptions used for the UK schemes. Changes in assumptions have an immaterial effect on the overseas schemes.

Impact on the defined benefit obligation

	United Kingdom	
	2024 **£m**	2023 £m
Discount rate -1%	**+61**	+75
Discount rate +1%	**-50**	-61
CPI Inflation -0.25%	**-7**	-9
CPI Inflation +0.25%	**+7**	+9
Life expectancy +1 year	**+20**	+23

The above analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The above variances have been used as they are believed to be reasonably possible changes in assumptions by reference to recent trends and experiences.

h) Expected future cash flows

The Group paid approximately £1m (2023: £2m) to its UK defined benefit plans in 2024 under the prevailing Schedules of Contributions (following the 5 April 2022 actuarial valuations for the Inchcape Motors Pension Scheme and 31 March 2021 valuation for the Inchcape Overseas Pension Scheme).

From 1 January 2021 (following the closure of the defined benefit cash balance scheme to future benefit accrual on 31 December 2020) the Group pays ongoing employer pension contributions into the Inchcape Retirement Savings Plan (a defined contribution plan).

The defined benefit obligations are based on the current value of expected benefit payment cash flows to members over the next several decades. The average duration of the liabilities is approximately 13 years for the UK schemes.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 Net finance costs

From continuing operations	2024 £m	2023 £m
Interest expense on bank and other borrowings	**122**	124
Finance costs on lease liabilities (note 12(b))	**19**	19
Interest on inventory financing	**56**	38
Net monetary loss on hyperinflation (note 2)	**8**	29
Interest on deferred dividend payment	**—**	10
Other finance costs	**16**	24
Finance costs	**221**	244
Bank and other interest receivable	**(64)**	(46)
Net interest income on post-retirement plan assets and liabilities	**(3)**	(4)
Other finance income	**(4)**	(1)
Finance income	**(71)**	(51)
Net finance costs	**150**	193
Analysed as:		
Net finance costs excluding adjusting finance costs	**142**	154
Finance costs reported as adjusting items	**8**	39
Net finance costs	**150**	193

Other finance costs include fees, commissions and foreign exchange gains and losses.

Since 2022, in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies, the results and financial position of the Group's operations in Ethiopia have been restated to the purchasing power or inflationary measuring unit current at the end of the reporting period. Therefore, finance costs include the loss on hyperinflation in respect of monetary items, which is also treated as an adjusting item.

7 Tax

This note only provides information about corporate income taxes under IFRS . The Group has subsidiaries in over 40 territories across the world. The Group pays and collects many different taxes in addition to corporate income taxes including: payroll taxes, value added and sales taxes, property taxes, product-specific taxes and environmental taxes. Such taxes borne by the Group are included in profit before tax.

From continuing operations		2024 £m	2023 £m
Current tax	– United Kingdom tax	**—**	—
	– Overseas tax	**131**	146
	– Pillar 2 income taxes	**2**	—
Adjustments to prior year liabilities	– United Kingdom tax	**(3)**	—
	– Overseas tax	**(3)**	(6)
Current tax		**127**	140
Deferred tax		**2**	(10)
Total tax charge		**129**	130
	– Tax charge on profit before adjusting items	**139**	140
	– Tax credit on adjusting items	**(10)**	(10)
Total tax charge		**129**	130

Details of the adjusting items for the year can be found in note 2. Not all of the adjusting items will be taxable or deductible for tax purposes. Therefore, the tax credit on adjusting items represents the total of the current and deferred tax on only those elements that are assessed as taxable or deductible. In the current year, the tax credit on adjusting items includes the local tax effect of the disposal of the non-genuine spare parts business in Chile (see note 28a).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7 Tax continued

a) Factors affecting the tax expense for the year

The effective tax rate for the year is 31.2% (2023: 34.4%). The effective tax rate on adjusted profit before tax is 31.3% (2023: 30.0%). The weighted average tax rate is 23.0% (2023: 22.4%). The weighted average tax rate comprises the average statutory rates across the Group, weighted in proportion to accounting profits and losses before tax.

The Group is within the scope of Pillar Two with effect from 1 January 2024 under UK legislation. Pillar Two legislation has also been enacted in other jurisdictions where Inchcape operate and may affect computation of top-up taxes for those markets. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Pillar Two effective tax rate per jurisdiction and the 15% minimum rate. Included within the current tax charge for the year is a Pillar Two income tax charge of £2m, payable by June 2026. The main jurisdictions in which exposure to this tax exists include Bulgaria and Macao.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The table below explains the differences between the expected tax charge at the weighted average tax rate and the Group's total tax charge.

From continuing operations	2024 £m	2023 £m
Profit before tax	**414**	378
Profit before tax multiplied by the weighted average tax rate of 23.0% (2023: 22.4%)	**95**	85
– Permanent differences	**8**	4
– Non-taxable income	**(4)**	(4)
– Prior year items	**2**	(4)
– Derecognition/(recognition) of deferred tax assets	**21**	35
– Overseas tax audits and settlements	**2**	1
– Taxes on undistributed earnings	**1**	2
– Acquisition and integration costs	**3**	2
– Net monetary loss on hyperinflation	**3**	9
– Pillar Two income taxes	**2**	—
– Disposal of businesses	**(6)**	—
– Tax rate changes	**2**	—
Total tax charge	**129**	130

b) Factors affecting the tax expense of future years

The Group's future tax charge, and effective tax rate, could be affected by several factors including; the resolution of audits and disputes, changes in tax laws or tax rates, repatriation of cash from overseas markets to the UK, the ability to utilise brought forward losses and business acquisitions and disposals. In addition, a change in profit mix between low and high taxed jurisdictions will impact the Group's future tax charge.

The utilisation of brought forward tax losses or the recognition of deferred tax assets associated with such losses may also give rise to tax charges or credits. The recognition of deferred tax assets, particularly in respect of tax losses, is based upon an assessment of whether it is probable that there will be sufficient and suitable taxable profits in the relevant legal entity or tax group against which to utilise the assets in the future. Judgement is required when determining probable future taxable profits. In the event that actual taxable profits are different to those forecast, the Group's future tax charge and effective tax rate could be affected. Information about the Group's tax losses and deferred tax assets can be found in note 16.

The Group has published its approach to tax on www.inchcape.com covering its tax strategy and governance framework in accordance with Schedule 19 Finance Act 2016.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Earnings per share

	2024 £m	2023 £m
Profit for the period	**435**	283
Non-controlling interests	**(14)**	(13)
Basic earnings	**421**	270
Profit for the year from discontinued operations	**(150)**	(35)
Basic earnings from continuing operations attributable to owners of the parent	**271**	235
Adjusting items	**20**	79
Adjusted earnings from continuing operations attributable to owners of the parent	**291**	314
Basic earnings per share		
Basic earnings per share from continuing operations	**66.4p**	57.1p
Basic earnings per share from discontinued operations	**36.7p**	8.5p
Total basic earnings per share	**103.1p**	65.6p
Diluted earnings per share		
Diluted earnings per share from continuing operations	**65.6p**	56.4p
Diluted earnings per share from discontinued operations	**36.3p**	8.4p
Total diluted earnings per share	**101.9p**	64.8p
Adjusted earnings per share from continuing operations		
Basic Adjusted earnings per share from continuing operations	**71.3p**	76.3p
Diluted Adjusted earnings per share from continuing operations	**70.4p**	75.3p

	2024 number	2023 number
Weighted average number of fully paid ordinary shares in issue during the period	**409,082,913**	412,689,716
Weighted average number of fully paid ordinary shares in issue during the period:		
– Held by the Inchcape Employee Trust	**(794,779)**	(1,131,983)
Weighted average number of fully paid ordinary shares for the purposes of basic EPS	**408,288,134**	411,557,733
Dilutive effect of potential ordinary shares	**4,816,968**	5,408,280
Adjusted weighted average number of fully paid ordinary shares in issue during the period for the purposes of diluted EPS	**413,105,102**	416,966,013

Basic earnings/(loss) per share is calculated by dividing the Basic earnings/(loss) for the year by the weighted average number of fully paid ordinary shares in issue during the year, less those shares held by the Inchcape Employee Trust.

Diluted earnings/(loss) per share is calculated on the same basis as Basic earnings/(loss) per share with a further adjustment to the weighted average number of fully paid ordinary shares to reflect the effect of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise share options and other share-based awards.

Basic Adjusted earnings (which excludes adjusting items) is adopted to assist the reader in providing an additional performance measure of the Group. Basic Adjusted earnings per share is calculated by dividing the Adjusted earnings for the year by the weighted average number of fully paid ordinary shares in issue during the year, less those shares held by the Inchcape Employee Trust.

Diluted Adjusted earnings per share is calculated on the same basis as the Basic Adjusted earnings per share with a further adjustment to the weighted average number of fully paid ordinary shares to reflect the effect of all dilutive potential ordinary shares. Information presented for diluted and diluted adjusted earnings per ordinary share uses the weighted average number of shares as adjusted for potentially dilutive ordinary shares as the denominator.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9 Dividends

The following dividends were paid by the Group:

	2024 £m	2023 £m
Final dividend for the year ended 31 December 2023 of 24.3p per share (2022: 21.3p per share)	**100**	88
Interim dividend for the six months ended 30 June 2024 of 11.3p per share (30 June 2023: 9.6p per share)	**47**	40
	147	128

A final proposed dividend for the year ended 31 December 2024 of 17.2p per share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability as at 31 December 2024. The Group has sufficient distributable reserves to pay dividends to its ultimate shareholders. Distributable reserves are calculated on an individual legal entity basis and the ultimate parent company, Inchcape plc, currently has adequate levels of realised profits within its retained earnings to support dividend payments.

At 31 December 2024, Inchcape plc's company-only distributable reserves were £513m. On an annual basis, the distributable reserve levels of the Group's subsidiary undertakings are reviewed and dividends paid up to Inchcape plc where it is appropriate to do so.

10 Intangible assets

Cost	Goodwill £m	Indefinite-life intangible assets[1] £m	Computer software & Other[2] £m	Total £m
At 1 January 2023	648	878	132	1,658
Businesses acquired	39	113	—	152
Acquisition adjustments	5	—	—	5
Additions	—	—	5	5
Effect of foreign exchange rate changes	(15)	(43)	(3)	(61)
At 1 January 2024	**677**	**948**	**134**	**1,759**
Acquisition adjustments (note 28b)	**(1)**	**—**	**—**	**(1)**
Businesses sold (note 28a)	**(272)**	**—**	**(36)**	**(308)**
Additions	**—**	**—**	**3**	**3**
Disposals	**—**	**—**	**(1)**	**(1)**
Derecognition	**—**	**(5)**	**—**	**(5)**
Retirements	**—**	**—**	**(12)**	**(12)**
Effect of foreign exchange rate changes	**(29)**	**(91)**	**—**	**(120)**
At 31 December 2024	**375**	**852**	**88**	**1,315**
Accumulated amortisation and impairment				
At 31 December 2023	(378)	(20)	(86)	(484)
Amortisation charge for the year	—	—	(11)	(11)
Effect of foreign exchange rate changes	3	1	3	7
At 1 January 2024	**(375)**	**(19)**	**(94)**	**(488)**
Amortisation charge for the year (note 3)	**—**	**—**	**(9)**	**(9)**
Businesses sold (note 28a)	**268**	**—**	**34**	**302**
Disposals	**—**	**—**	**1**	**1**
Retirements	**—**	**—**	**12**	**12**
Impairment (charge)/reversal for the year	**—**	**19**	**—**	**19**
Effect of foreign exchange rate changes	**4**	**—**	**—**	**4**
At 31 December 2024	**(103)**	**—**	**(56)**	**(159)**
Net book value at 31 December 2024	**272**	**852**	**32**	**1,156**
Net book value at 31 December 2023	302	929	40	1,271

1. Indefinite-life intangible assets comprise distribution agreements and acquired brands for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows.
2. Included in computer software and other is acquired customer relationships.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Intangible assets continued

Impairment reversals during the year of £19m (2023: £nil) relate to the reversal of previous impairment charges against the distribution agreement intangible asset attributable to the Central America - Suzuki CGU. The derecognition of £5m is in respect of a distribution agreement intangible asset acquired in Bolivia as part of the acquisition of the Derco group of companies in 2022. At 31 December 2024, computer software under development was £nil (2023: £4m).

Goodwill and indefinite-life intangible assets

Goodwill acquired in a business combination has been allocated to the cash generating units (CGUs) or group of CGUs (hereafter collectively referred to as 'CGU groups') that are expected to benefit from the synergies associated with that business combination. The CGUs for goodwill testing are aligned with the operating segments, Asia, Australasia, Europe, Africa, and Americas, which represent the CGU groups that are expected to benefit from the synergies of the business combination in which the goodwill arose and which represent the lowest level at which information about goodwill is available and monitored for internal management purposes.

Indefinite-life intangible assets, principally distribution agreements acquired in a business combination, are also allocated to the CGU groups that are expected to benefit from the cash flows associated with the relevant agreements.

The carrying amount of goodwill has been allocated to CGU groups representing the following reporting segments:

Goodwill	2024 £m	2023 £m
Americas	**182**	207
APAC	**75**	79
Other	**15**	16
	272	302

The carrying amount of indefinite-life intangible assets has been allocated to CGU groups within the following geographical areas:

Indefinite-life intangible assets	2024 £m	2023 £m
Europe & Africa	**27**	28
Americas – Derco	**428**	506
Americas – Subaru	**79**	86
Americas – Hino	**37**	41
Central Americas – Suzuki	**90**	70
Americas – Other	**81**	84
APAC	**110**	114
	852	929

In accordance with the Group's accounting policies, goodwill and other indefinite-life intangible assets are tested at least annually for impairment and whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment tests were performed for all CGU groups during the year ended 31 December 2024. The recoverable amounts of all CGU groups were determined based on the higher of the fair value less costs to sell and value in use calculations.

The recoverable amount is determined firstly through value in use calculations. Where this is insufficient to cover the carrying value of the relevant asset being tested, fair value less costs to sell is also determined.

Site-based assets (property, plant and equipment and right-of-use assets) are first tested for impairment individually before being included in the aforementioned impairment tests as a component of the carrying value of a CGU group. If the carrying amount of a CGU group exceeds its recoverable amount, an impairment loss is recognised and allocated between the assets of the CGU group to reduce the carrying amount. This allocation is initially applied to the carrying amount of any goodwill allocated to the CGU group. If a further impairment charge still remains, then this is allocated to other assets in the CGU group on a pro-rata basis.

The value in use calculations mainly use cash flow projections based on three-year financial projections prepared by management. The key assumptions for these projections are those relating to volumes, revenue, gross margins, overheads, the level of working capital required to support trading and capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Intangible assets continued

Forecast revenue is based on past experience and expectations for near-term growth in the relevant markets. Key assumptions used to determine revenue are expectations of market size, represented by Total Industry Volume (TIV) and Units in Operation (UIO), estimates of product availability from mobility partners and market share, based on external sources where appropriate. Operating profits are forecast based on historical experience of gross and operating margins, adjusted for the impact of changes to product mix and cost-saving initiatives that had been implemented at the reporting date. Cash flows are forecast based on operating profit adjusted for the level of working capital required to support trading and capital expenditure. The assumptions used in the value in use calculations are based on past experience, recent trading, and forecasts of operational performance in the relevant markets including expectations about continuing relationships with key mobility partners.

The impact of climate risks and opportunities are considered during the strategic, operational and financial planning processes. As part of this, management reviews the climate change factors that could impact the business plan over the short, medium and long-term and the scenarios relating to the impacts of climate change including the pace of transition to battery electric vehicles and how this will impact future operations. Short-term financial forecasts used for the purpose of testing intangible assets for impairment reflect, where appropriate, short-term climate risks and opportunities. In the medium to long-term, such risks and opportunities are factored into the growth rates used for modelling purposes where reasonably quantifiable.

For all CGU groups, cash flows after the three-year period are extrapolated for a further seven years using declining growth rates which reduces the year three growth rate down to the long-term growth rate appropriate for each CGU group, to better reflect the medium-term growth expectations for those markets. A terminal value calculation is used to estimate the cash flows after year 10 using these long-term growth rates.

Cash flows are discounted back to present value using a discount rate specific to each CGU group. The discount rates used are calculated using the capital asset pricing model to derive a cost of equity which is then weighted with an estimated cost of debt and lease liabilities based on an optimal market gearing structure. The Group uses several inputs to calculate a range for each discount rate from which an absolute measure is determined for use in the value in use calculations. Key inputs include benchmark risk-free rates, inflation differentials, equity risk premium, country risk premium and a risk adjustment (beta) calculated by reference to comparable companies with similar retail and distribution operations. The Group applies post-tax discount rates to post-tax cash flows as the valuation calculated using this method closely approximates to applying pre-tax discount rates to pre-tax cash flows, therefore the equivalent pre-tax discount rate assumptions have been presented below.

Key assumptions used

Pre-tax discount rates and long-term discount rates used in the value in use calculations for each of the Group’s significant CGU groups and significant indefinite-life intangible assets are shown below:

Goodwill:

2024	**Americas**	**Asia**
Pre-tax discount rate (%)	**11.1**	**8.8**
Long-term growth rate (%)	**3.0**	**2.4**

2023	Americas	Asia
Pre-tax discount rate (%)	12.6	9.3
Long-term growth rate (%)	2.8	2.2

Indefinite-life intangible assets:

2024	**Americas – Hino**	**Central America – Suzuki**	**Derco**
Pre-tax discount rate (%)	**12.3**	**11.7**	**11.0**
Long-term growth rate (%)	**3.1**	**3.3**	**3.0**

2023	Americas – Hino	Central America – Suzuki	Derco
Pre-tax discount rate (%)	14.3	12.6	12.5
Long-term growth rate (%)	2.7	2.9	2.9

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Intangible assets continued

Central America – Suzuki

At 31 December 2024, the value in use for the Central America – Suzuki CGU group had a recoverable amount in excess of the carrying value as the forecast assumptions indicated that the business would continue to improve its profitability and associated cash flows. The Central America - Suzuki distribution agreement asset had previously been impaired and therefore an impairment reversal of £19m has been recognised in the year and disclosed as an adjusting item, consistent with the disclosure of the original impairment charge.

The recoverable value of the Central America - Suzuki CGU group was £167m and, after the recognition of the impairment reversal, exceeded the carrying value of the CGU group by £13m (8%). The recoverable value of the CGU group was determined based on value in use calculations, consistent with the approach used as at 31 December 2023. Cash flows were discounted back to present value using a pre-tax discount rate of 11.7% (2023: 12.6%).

The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and small movements in these assumptions could lead to an impairment. Management have performed sensitivity analysis on the key assumptions in the indefinite-life intangible asset impairment model for Central America – Suzuki using reasonably possible changes in these key assumptions. The sensitivities have been selected based on the inherent business volatility and the metrics that closely align to the consequences of climate change risks and opportunities detailed on pages 35 to 50.

	Increase/ (decrease) in assumption	Decrease in value in use £m	Impact on carrying value £m
Revenue CAGR (%)	**(1.0)%**	**(21)**	**(8)**
Average gross margin (%)	**(0.5)%**	**(11)**	**—**
Pre-tax discount rate (%)[1]	**1.0 %**	**(25)**	**(12)**
Long-term growth rate (%)	**(0.5)%**	**(8)**	**—**

1. The recoverable amount would equal the carrying value if the discount rate was increased by 0.5% throughout the forecasting period.

Americas - Derco

Following the non-renewal of a distribution agreement acquired as part of the acquisition of the Derco group of companies in 2022, a distribution agreement asset in Bolivia of £5m has been derecognised in the current year and disclosed as an adjusting item.

Americas - Hino

The Americas – Hino CGU group includes the Group's Hino businesses in Chile and Colombia. The business in Colombia has been affected by the availability of new vehicles to meet local emissions regulations. As at 31 December 2024, the Americas – Hino CGU group had a carrying value of £57m (2023: £41m) and the value in use calculations indicated that there was limited headroom. The cash flows for the Americas – Hino CGU group are sensitive to any change in assumption, with the timing of resumption of supply being of particular significance to the cash flow forecasts. Management have performed sensitivity analysis on the key assumptions in the indefinite-life intangible asset impairment model for Americas - Hino using reasonably possible changes in key assumptions.

	Increase/ (decrease) in assumption	Decrease in value in use £m	Impact on carrying value £m
Supply constraint	**1 year**	**(6)**	**(5)**
Average gross margin (%)	**(0.5)%**	**(4)**	**(3)**
Pre-tax discount rate (%)	**1.0 %**	**(8)**	**(7)**
Long-term growth rate (%)	**(0.5)%**	**(2)**	**(1)**

Other CGUs

The Group's value in use calculations are sensitive to changes in the key assumptions used. However, a reasonably possible change, based on historical experience, in a key assumption would not cause a material impairment of indefinite-life intangible assets for any other CGU group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Property, Plant and Equipment

Cost	Land and buildings £m	Plant, machinery and equipment £m	Subtotal £m	Leased vehicles, rental machinery and equipment £m	Total £m
At 1 January 2023	745	299	1,044	88	1,132
Opening balance hyperinflation adjustment	9	9	18	—	18
Businesses acquired	79	16	95	3	98
Additions	45	43	88	84	172
Disposals	(10)	(8)	(18)	—	(18)
Transferred from/(to) inventory	—	(1)	(1)	(21)	(22)
Other[1]	4	(1)	3	1	4
Transferred from/(to) assets held for sale	(6)	(1)	(7)	—	(7)
Effect of foreign exchange rate changes	(24)	(12)	(36)	(4)	(40)
At 1 January 2024	**842**	**344**	**1,186**	**151**	**1,337**
Opening balance hyperinflation adjustment	**4**	**8**	**12**	**—**	**12**
Acquisition adjustments (note 28b)	**—**	**(1)**	**(1)**	**—**	**(1)**
Businesses sold (note 28a)	**(294)**	**(71)**	**(365)**	**(24)**	**(389)**
Additions	**49**	**26**	**75**	**38**	**113**
Disposals	**(13)**	**(15)**	**(28)**	**—**	**(28)**
Transferred from/(to) inventory	**—**	**3**	**3**	**(36)**	**(33)**
Retirement of fully depreciated assets	**—**	**(1)**	**(1)**	**—**	**(1)**
Effect of foreign exchange rate changes	**(51)**	**(32)**	**(83)**	**(5)**	**(88)**
At 31 December 2024	**537**	**261**	**798**	**124**	**922**

impairment	Land and buildings £m	Plant, machinery and equipment £m	Subtotal £m	Leased vehicles, rental machinery and equipment £m	Total £m
At 1 January 2023	(191)	(191)	(382)	(13)	(395)
Opening balance hyperinflation adjustment	(1)	(4)	(5)	—	(5)
Depreciation charge for the year	(22)	(28)	(50)	(20)	(70)
Impairment charge for the year	(9)	(2)	(11)	—	(11)
Disposals	6	6	12	—	12
Transferred to/(from) inventory	—	1	1	10	11
Other[1]	(4)	1	(3)	(1)	(4)
Transferred to/(from) assets held for sale	2	1	3	—	3
Effect of foreign exchange rate changes	5	9	14	1	15
At 1 January 2024	**(214)**	**(207)**	**(421)**	**(23)**	**(444)**
Opening balance hyperinflation adjustment	**(1)**	**(3)**	**(4)**	**—**	**(4)**
Businesses sold (note 28a)	**71**	**55**	**126**	**—**	**126**
Depreciation charge for the year	**(17)**	**(27)**	**(44)**	**(18)**	**(62)**
Disposals	**6**	**14**	**20**	**—**	**20**
Transferred to/(from) inventory	**—**	**—**	**—**	**9**	**9**
Retirement of fully depreciated assets	**—**	**1**	**1**	**—**	**1**
Effect of foreign exchange rate changes	**11**	**9**	**20**	**1**	**21**
At 31 December 2024	**(144)**	**(158)**	**(302)**	**(31)**	**(333)**
Net book value at 31 December 2024	**393**	**103**	**496**	**93**	**589**
Net book value at 31 December 2023	628	137	765	128	893

1. This represents a correction of a historic adjustment to cost and accumulated depreciation on acquired property, plant, machinery and equipment. It has no net impact on net book value at any balance sheet date presented.

11 Property, Plant and Equipment continued

Where a vehicle is sold to a customer subject to a repurchase commitment and the possibility of the buyback being exercised by the customer is highly likely, the transaction is recognised as a lease transaction with the Group acting as a lessor. Consequently, such vehicles are included in 'leased vehicles, rental machinery and equipment' in the table above.

The book value of land and buildings is analysed between:

	2024 £m	2023 £m
Freehold	**309**	469
Leasehold with over fifty years unexpired	**19**	58
Short leasehold	**54**	87
Assets under construction	**11**	14
	393	628

At 31 December 2024, land and buildings include properties with a net book value of £nil (2023: £4m) that are let to third parties on a short-term basis.

Property, plant, machinery & equipment includes assets under construction with a net book value of £11m (2023: £14m).

Impairment of computer software, property, plant and equipment and right-of-use assets

Computer software, property, plant and equipment and right-of-use assets are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out, the recoverable value is determined based on the higher of value in use calculations, which require estimates to be made of future cash flows, or fair value less costs of disposal. Impairment triggers were identified in a limited number of markets and tests for impairment were carried out, where appropriate. As part of the assessment, the Group also assessed whether there was any indication that previously recognised impairment losses for an asset no longer exist or may have decreased which would result in an impairment reversal being recognised.

The approach to test computer software, property, plant and equipment and right-of-use assets for impairment was consistent with the approach used to test goodwill and other indefinite-life intangible assets. The value in use calculations use cash flow projections based on three-year financial forecasts prepared by management. The key assumptions for these forecasts are those relating to volumes, revenue, gross margins, overheads, the level of working capital required to support trading and capital expenditure. Where the value in use calculations did not support the carrying value of an asset, an estimate for fair value less costs of disposal was determined by obtaining property valuations for the relevant locations.

The results of the testing indicated that there were no net impairment charges in the year (2023: £11m net impairment charges in the UK).

	2024 £m	2023 £m
Property, plant and equipment	**—**	11
Right-of-use assets	**—**	—
At 31 December	**—**	11

The presence of potential physical risks arising from climate change to the Group's key operational sites in the short to medium term has been reviewed and no assets have been impaired as a result of this exercise.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Right-of-use assets and lease liabilities

The Group leases various retail dealerships, distribution, and office properties, primarily in Australia, Hong Kong, and South America. Rental contracts are typically made for fixed periods of 2 to 25 years and may have extension options as described in the accounting policies note. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

a) Amounts recognised on the consolidated statement of financial position

Cost	Land and buildings £m	Other £m	Total £m
At 1 January 2023	800	3	803
Opening balance hyperinflation adjustment	1	—	1
Businesses acquired	11	—	11
Acquisition adjustments	(7)	—	(7)
Additions	35	1	36
Derecognition	(38)	(1)	(39)
Remeasurement	7	—	7
Reclassified to assets held for sale	(2)	—	(2)
Effect of foreign exchange rate changes	(32)	—	(32)
At 1 January 2024	**775**	**3**	**778**
Businesses sold (note 28a)	**(138)**	**—**	**(138)**
Additions	**42**	**—**	**42**
Derecognition	**(49)**	**(2)**	**(51)**
Remeasurement	**35**	**—**	**35**
Effect of foreign exchange rate changes	**(31)**	**1**	**(30)**
At 31 December 2024	**634**	**2**	**636**

Accumulated depreciation and impairment	Land and buildings £m	Other £m	Total £m
At 1 January 2023	(383)	(1)	(384)
Depreciation charge for the year	(80)	(1)	(81)
Derecognition	33	1	34
Remeasurement	3	—	3
Effect of foreign exchange rate changes	14	—	14
At 1 January 2024	**(413)**	**(1)**	**(414)**
Businesses sold (note 28a)	**64**	**—**	**64**
Depreciation charge for the year	**(75)**	**—**	**(75)**
Impairment losses recognised	**(1)**	**—**	**(1)**
Derecognition	**49**	**—**	**49**
Effect of foreign exchange rate changes	**13**	**(1)**	**12**
At 31 December 2024	**(363)**	**(2)**	**(365)**
Net book value at 31 December 2024	**271**	**—**	**271**
Net book value at 31 December 2023	362	2	364

Asset impairment charges amount to £1m (2023: impairment charge of £nil).

Remeasurements of £35m were made to leases during the year, due to either a change in the lease term or a change in an index or rate applicable to the underlying lease (2023: £10m, primarily in the UK, South America and APAC). Lease liabilities are also remeasured if there is a change in the assessment of whether a purchase, lease term extension or termination option will be exercised, exposure to potential variable lease payments during the life of the lease together with any additional liability being present as a result of entering new lease commitments which have not commenced as at the balance sheet date.

	2024 £m	2023 £m
Lease liabilities		
Current	**(66)**	(81)
Non-current	**(236)**	(359)
At 31 December	**(302)**	(440)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Right-of-use assets and lease liabilities continued

b) Amounts recognised in the consolidated income statement

	2024 £m	2023 £m
Depreciation of right-of-use assets	**74**	75
Impairment charge for right-of-use assets	**1**	—
Finance costs on lease liabilities (included in finance costs)	**19**	19
Lease rentals – short-term leases	**5**	7
Lease rentals – variable lease payments	**1**	1
Sub-lease income from right-of-use assets	**—**	(1)

c) Amounts recognised in the consolidated statement of cash flows

	2024 £m	2023 £m
Lease interest paid	**19**	21
Payment of capital element of lease liabilities	**81**	87

13 Investments in joint ventures and associates

Details of the interests held by the Group in joint ventures and associates can be found in note 12 to the Inchcape plc Company financial statements on pages 204 to 210.

Amounts recognised in the statement of financial position in respect of joint ventures and associates are as follows:

	2024 £m	2023 £m
At 1 January	**21**	22
Additions	**—**	3
Share of profit after tax of joint ventures and associates	**2**	1
Return of investment following liquidation of joint venture	**—**	(2)
Dividends received	**—**	(1)
Effect of foreign exchange rate changes	**(2)**	(2)
At 31 December	**21**	21

Net assets of joint ventures and associates:

	2024 £m	2023 £m
Cash and cash equivalents	**10**	14
Other current assets	**61**	41
Non-current assets	**247**	222
Total assets	**318**	277
Current financial liabilities	**(60)**	(46)
Other current liabilities	**(2)**	(5)
Non-current financial liabilities	**(214)**	(184)
Total liabilities	**(276)**	(235)
Net assets	**42**	42

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 Investments in joint ventures and associates continued

Results of joint ventures and associates:

	2024 £m	2023 £m
Revenue	**71**	61
Depreciation and amortisation	**(1)**	(1)
Other expenses	**(65)**	(57)
Profit before tax	**5**	3
Tax	**(1)**	(1)
Profit after tax of joint ventures and associates	**4**	2

Summarised financial information of joint ventures and associates:

	2024 £m	2023 £m
Opening net assets at 1 January	**42**	44
Profit for the year	**4**	2
Additions	**—**	5
Return of investment following liquidation of joint venture	**—**	(4)
Other comprehensive expense for the year	**—**	(1)
Effect of foreign exchange rates	**(4)**	(4)
Closing net assets at 31 December	**42**	42
Carrying value of interest in joint ventures and associates	**21**	21

As at 31 December 2024, no guarantees were provided in respect of joint ventures and associates' borrowings (2023: £nil).

14 Financial assets at fair value through other comprehensive income

	2024 £m	2023 £m
At 1 January	**1**	3
Net fair value gains/(losses) recognised in other comprehensive income	**3**	(2)
At 31 December	**4**	1

Analysed as:

	2024 £m	2023 £m
Current	**—**	—
Non-current	**4**	1
	4	1

Assets held are analysed as follows:

	2024 £m	2023 £m
Equity securities	**4**	1
	4	1

Financial assets held at fair value through other comprehensive income relate to a 15% equity interest in Hino Motors Manufacturing Company SAS.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 Trade and other receivables

	Current		Non-current	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Trade receivables	**440**	455	**18**	17
Less: allowance for expected credit losses	**(13)**	(17)	**—**	—
Net trade receivables	**427**	438	**18**	17
Prepayments	**174**	148	**3**	10
Accrued income	**35**	36	**2**	1
Other taxation and social security	**93**	84	**—**	—
Other receivables	**100**	129	**11**	21
	829	835	**34**	49

Other receivables include buyback and indemnity assets, interest, sublease and sundry receivables, which include amounts receivable in respect of insurance claims, and rental and utilities deposits. The breakdown of other receivables is as follows:

	Current		Non-current	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Buyback Assets	**2**	2	**3**	7
Indemnity Assets	**16**	16	**—**	—
Interest Receivable	**7**	2	**—**	—
Sublease receivables	**2**	3	**1**	7
Other	**73**	106	**7**	7
	100	129	**11**	21

Trade receivables representing amounts due from customers, including finance houses, mobility company partners, third-party dealers, and insurance companies are split by reporting segment as follows:

	2024 £m	2023 £m[1]
APAC	**148**	117
Europe & Africa	**100**	114
Americas	**210**	211
Discontinued operations	**—**	30
	458	472
Less: allowance for expected credit losses	**(13)**	(17)
	445	455

1. Prior year figures have been updated to align with the current year regional allocation.

At 31 December, the analysis of trade receivables is as follows:

2024	**Total £m**	**Current £m**	**0 – 30 days £m**	**30 – 90 days £m**	**> 90 days £m**
Gross trade receivables	**458**	**234**	**116**	**64**	**44**
Expected credit loss allowance	**(13)**	**(2)**	**—**	**—**	**(11)**
Net carrying amount	**445**	**231**	**116**	**64**	**33**

2023	Total £m	Current £m	0 – 30 days £m	30 – 90 days £m	> 90 days £m
Gross trade receivables	472	250	105	66	51
Expected credit loss allowance	(17)	(4)	—	—	(13)
Net carrying amount	455	246	105	66	38

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 Trade and other receivables continued

Movements in the allowance for expected credit losses were as follows:

	2024 £m	2023 £m
At 1 January	**(15)**	(17)
Charge for the year	**(1)**	(9)
Amounts written off	**—**	3
Business sold	**—**	—
Unused amounts reversed	**2**	6
Effect of foreign exchange rate changes	**1**	—
At 31 December	**(13)**	(17)

The expected credit loss for accrued income and other receivables is not significant.

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 60 days. Trade receivables are only written off where there is no reasonable expectation of recovery.

The concentration of credit risk with respect to trade receivables is limited due to the Group's broad customer base across a number of geographic regions and the default loss percentage incurred by the Group has customarily been low even if there have been significant changes in economic conditions experienced in markets in which the Group operates. Trade receivables include amounts due from a number of finance houses in respect of vehicles sold to customers on finance.

As a consequence, the risk associated with trade receivable balances past due but not impaired is not expected to be significant and as such does not contribute to a significant allowance for expected credit losses of receivables being recognised.

The allowance for expected credit losses for trade receivables and accrued income is based on an expected credit loss model that calculates the expected loss applicable to the receivable balance over its lifetime. For the Group, the simplified approach under IFRS 9 Financial Instruments is applied to all trade receivables and accrued income. Under this approach, the provision required against receivables is calculated by considering the cash shortfall that would be incurred in various default scenarios for prescribed future periods. Default rates are calculated initially by considering historical loss experience and applied to trade receivables within a provision matrix. The matrix approach allows application of different default rates to different groups of customers with similar characteristics. These groups will be determined by a number of factors including: the nature of the customer, the payment method selected and, where relevant, the sector in which they operate. The characteristics used to determine the groupings of receivables are the factors that have the greatest impact on the likelihood of default. The rate of default increases once the balance is 30 days past due and subsequently in 30-day increments.

Management considers the carrying amount of trade and other receivables to approximate to their fair value. Long-term receivables have been discounted where the time value of money is considered to be material.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 Deferred tax

Net deferred tax (liability)/asset	Pension and other post-retirement benefits £m	Cash flow hedges £m	Share-based payments £m	Tax losses £m	Accelerated tax depreciation £m	Provisions and other temporary differences £m	Indefinite-life intangible assets £m	Leases £m	Total £m
At 1 January 2023	(28)	(8)	6	20	(9)	53	(226)	17	(175)
Credited/(charged) to the consolidated income statement (continuing operations)	—	2	1	2	(7)	15	(1)	(2)	10
Credited/(charged) to equity and other comprehensive income	—	18	—	(1)	(5)	3	—	—	15
Businesses acquired	2	—	—	—	(16)	14	(29)	—	(29)
Acquisition adjustments (note 28b)	—	—	—	—	—	2	—	—	2
Effect of foreign exchange rate changes	—	—	—	1	1	(3)	16	—	15
At 1 January 2024	**(26)**	**12**	**7**	**22**	**(36)**	**84**	**(240)**	**15**	**(162)**
Opening balance reclassifications	**8**	**—**	**(2)**	**—**	**1**	**(7)**	**—**	**—**	**—**
(Charged)/credited to the consolidated income statement (continuing operations)	**13**	**(2)**	**4**	**2**	**(2)**	**(12)**	**(7)**	**2**	**(2)**
Credited/(charged) to the consolidated income statement (discontinued operations)	**—**	**—**	**—**	**8**	**—**	**—**	**—**	**—**	**8**
(Charged)/credited to equity and other comprehensive income	**(1)**	**(12)**	**—**	**(1)**	**(1)**	**1**	**—**	**—**	**(14)**
Businesses sold (note 28a)	**(3)**	**—**	**(1)**	**—**	**(6)**	**9**	**—**	**(6)**	**(7)**
Acquisition adjustments (note 28b)	**—**	**—**	**—**	**—**	**—**	**2**	**—**	**—**	**2**
Effect of foreign exchange rate changes	**—**	**(1)**	**—**	**(1)**	**7**	**(8)**	**23**	**—**	**20**
At 31 December 2024	**(9)**	**(3)**	**8**	**30**	**(37)**	**69**	**(224)**	**11**	**(155)**

	2024 £m	2023 £m
Deferred tax assets	**91**	105
Deferred tax liabilities	**(246)**	(267)
	(155)	(162)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 Deferred tax continued

Unrecognised deferred tax

Measured at relevant local statutory rates, the Group has an unrecognised deferred tax asset of £149m (2023: £132m) split as follows:

	2024		2023	
	Gross amount	Net amount	Gross amount	Net amount
As at 31 December	£m	£m	£m	£m
Trading losses	259	66	229	59
Capital losses	158	39	179	45
UK corporate interest restriction	144	36	92	23
Other deductible temporary differences	30	8	20	5
Total	591	149	520	132

Measured at relevant local statutory rates, the Group has an unrecognised deferred tax asset of £66m (2023: £59m) relating to tax relief on trading losses. The unrecognised asset represents £259m (2023: £229m) of losses which exist within legal entities where forecast taxable profits are not probable in the foreseeable future. Unrecognised deferred tax on trading losses includes £6m (2023: £8m) which will expire within 5 years and £5m (2023: £4m) which will expire in more than 5 years.

The unrecognised deferred tax assets relating to capital losses are primarily held in the UK.

The Group has unrecognised deferred tax assets in relation to disallowed interest under the UK Corporate interest restriction regulations of £36m (2023: £23m).

The net deferred tax asset relating to the remaining UK group of companies, following the disposal of the UK Retail operations (note 28), remains unrecognised as at 31 December 2024. Therefore, on a continuing basis, no deferred tax charges or credits are recorded in the consolidated income statement or consolidated statement of other comprehensive income in relation to temporary differences arising in the period for these companies (2023: no deferred tax charges or credits recorded in relation to temporary differences).

Recognised deferred tax

The deferred tax asset on tax trading losses of £30m (2023: £22m) relates to territories and entities where future taxable profits are considered probable.

The net deferred tax asset on provisions and other temporary differences is principally made up of trade related accounting provisions and other items in the Group's operating companies £69m (2023: £91m), offset by a deferred tax liability on non-qualifying property £nil (2023: £7m).

The deferred tax liability of £224m (2023: £240m) on indefinite life intangible assets, comprising distribution agreements and acquired brands, has been recorded as a result of the business acquisitions in prior periods.

Relevant tax laws largely exempt receipt of dividends from tax. A tax liability is more likely to arise in respect of withholding taxes levied by overseas jurisdictions. No deferred tax liability has been recognised in respect of £456m (2023: £304m) of post-acquisition unremitted earnings of subsidiaries because the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the next 12 months. Deferred tax is provided when there is an intention to distribute earnings and a tax liability arises. It is not practicable to estimate the amount of unrecognised deferred tax liabilities in respect of these unremitted earnings.

17 Inventories

	2024	2023
	£m	£m
Raw materials and work in progress	160	124
Finished goods and merchandise	1,775	2,594
	1,935	2,718

Vehicles held on consignment which are in substance assets of the Group amount to £3m (2023: £65m), with the year-on-year reduction due to the disposal of the UK Retail business. These have been included in 'finished goods and merchandise' with the corresponding liability included within 'trade and other payables'. Payment becomes due when title passes to the Group, which is generally the earlier of a period of up to six months from delivery or the date of sale.

An amount of £85m (2023: £99m) has been provided against the gross cost of inventory at the year end. The cost of inventories recognised as an expense in the year is £7,517m (2023: £7,494m). The net write-down of inventory to net realisable value recognised as an expense during the year was £3m (2023: expense of £28m). All of these items have been included within 'cost of sales' in the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 Cash and cash equivalents

	2024 £m	2023 £m
Cash at bank	**458**	610
Short-term deposits	**91**	79
	549	689

Cash and cash equivalents are generally subject to floating interest rates determined by reference to short-term benchmark rates applicable to the relevant currency or market (primarily SONIA or the local equivalent). At 31 December 2024, the weighted average floating rate was 3.9% (2023: 3.6%).

£37m (2023: £95m) of cash and cash equivalents is held in Ethiopia where currency may not be available locally to effect such transfers.

At 31 December 2024, short-term deposits have a weighted average period to maturity of 6 days (2023: 24 days).

19 Assets held for sale

	2024 £m	2023 £m
Assets classified as held for sale	**20**	14

As at 31 December 2024 assets held for sale relate to retail sites in Australia which are actively marketed with a view to sale within 12 months of the balance sheet date.

20 Trade and other payables

	Current		Non-current	
	2024 £m	2023 £m	2024 £m	2023 £m
Trade payables	**260**	358	**—**	—
Payments received on account	**110**	120	**—**	8
Vehicle funding agreements	**1,582**	1,877	**—**	—
Other taxation and social security payable	**90**	97	**—**	—
Accruals	**374**	467	**1**	1
Deferred income	**87**	144	**101**	53
Other payables	**62**	87	**4**	7
	2,565	3,150	**106**	69

Other payables includes deferred consideration, interest payable and buyback liabilities.

The Group finances the purchase of new vehicles for sale and a portion of used vehicle inventories using vehicle funding facilities provided by various lenders including the captive finance companies associated with brand partners. Such arrangements generally are uncommitted facilities, have a maturity of 180 days or less and the Group repays the amounts outstanding either in line with the normal working capital cycle or on the earlier of the sale of the vehicles that have been funded under the facilities or the stated maturity date, depending on the facility. Some arrangements may also provide the lender with a security interest in the inventory until the amount drawn under the arrangement has been repaid. Related cash flows are reported within cash flows from operating activities within the consolidated statement of cash flows.

Vehicle funding facilities are subject to variable interest rates. The interest incurred under these arrangements is included within finance costs and classified as interest on inventory financing (see note 6). At 31 December 2024, amounts outstanding under vehicle funding facilities and on which interest was payable were subject to a weighted average interest rate of 5.1% (2023: 4.7%). Management considers the carrying amount of trade and other payables to approximate to their fair value. Long-term payables have been discounted where the time value of money is considered to be material.

20 Trade and other payables continued

As at 31 December, the analysis of vehicle funding arrangements is as follows:

	2024			2023		
	£m	£m	£m	£m	£m	£m
	OEM	Non-OEM	Total	OEM	Non-OEM	Total
Carrying amount of vehicle funding arrangements	**363**	**1,219**	**1,582**	559	1,318	1,877
-of which suppliers have received payment	**—**	**1,219**	**1,219**	—	1,318	1,318
Range of weighted average payment due dates						
Vehicle funding arrangements	**80-100 days**	**60-120 days**		50-70 days	60-110 days	
Trade payables			**20-50 days**			20-50 days

Included within deferred income are the following balances:

	2024	2023
	£m	£m
Extended warranties	**59**	42
Service packages	**88**	78
Other services	**41**	77
	188	197

Revenue recognised in 2024 that was included in deferred income at the beginning of the year was £115m (2023: £124m).

Extended warranties

Certain Group companies provide extended warranties to customers over and above those provided by the manufacturer and act as the principal in the supply of the warranty service. The periods covered are up to six years and/or specific mileage limits. A proportion of revenue is allocated to the extended warranty obligation and deferred to the balance sheet. The revenue is subsequently recognised over time along with the costs incurred in fulfilling any warranty obligations.

Service packages

Certain Group companies provide service packages to customers as part of the total vehicle package. Where the Group acts as principal, the value of the additional services is separately identified, deducted from revenue, and recognised as deferred income on the balance sheet. It is subsequently recognised as revenue when the service is provided or the package expires.

Other services

Certain Group companies provide other services as part of the total vehicle package (e.g. roadside assistance, fuel coupons etc.). Where the Group acts as principal, the value of the additional services is separately identified, deducted from revenue, and recognised as deferred income on the balance sheet. It is subsequently recognised as revenue over the period to which the service relates.

21 Provisions

	Product warranty	Leasehold	Litigation	Other	Total
Cost	£m	£m	£m	£m	£m
At 1 January 2024	**50**	**8**	**3**	**47**	**108**
Acquisition adjustment (note 28b)	**5**	**—**	**—**	**—**	**5**
Businesses sold (note 28a)	**—**	**(1)**	**—**	**(1)**	**(2)**
Charged to the consolidated income statement	**20**	**4**	**1**	**9**	**34**
Released to the consolidated income statement	**(7)**	**(1)**	**(1)**	**(12)**	**(21)**
Utilised during the year	**(27)**	**(2)**	**—**	**(4)**	**(33)**
Effect of foreign exchange rate changes	**(3)**	**—**	**(1)**	**(11)**	**(15)**
At 31 December 2024	**38**	**8**	**2**	**28**	**76**

Inflation and expected future movements in prices have been considered in calculating provisions where relevant.

Analysed as:

	2024	2023
	£m	£m
Current	**50**	69
Non-current	**26**	39
	76	108

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21 Provisions continued

Product warranty

Certain Group companies provide assurance warranties as part of the sale of a vehicle. These are not separable products. The warranty periods covered are up to five years and/or specific mileage limits. Provision is made for the expected cost of labour and parts based on historical claims experience and expected future trends. These assumptions are reviewed regularly.

Leasehold

The Group is committed to certain leasehold premises for which it no longer has a commercial use. These are principally located in Australia and Hong Kong. Provision has been made to the extent of the estimated future net cost, excluding the lease liability recognised under IFRS 16 Leases. This includes taking into account existing subtenant arrangements. The category also includes the future obligation relating to dilapidations of certain premises. The expected utilisation period of these provisions is generally over the next 10 years.

Litigation

This includes a number of litigation provisions in respect of claims that have been brought against various Group companies. The claims are generally expected to be concluded within the next three years.

Other

This category principally includes provisions relating to uncertain non-income taxes. It also includes provisions relating to restructuring activities of £2m (2023:£2m). Acquisition and disposal related provisions amount to £10m (2023(represented): £10m), of which there is an offsetting indemnity asset recognised in trade and other receivables. Other provisions also includes long-service provisions of £5m (2023: £8m). These provisions are expected to be utilised within three years except for those relating to long-service provisions.

Climate change

The Group has reviewed its provisions and concluded that no adjustments need to be made for climate change risks, nor that any new provisions need to be recognised for climate-related matters.

22 Borrowings

	Floating rate		Fixed rate			
		Weighted average effective interest rate		Weighted average effective interest rate	Total interest bearing	2024 Total
2024	£m	%	£m	%	£m	£m
Current						
Bank overdrafts	183	5.3 %	—	— %	183	183
Bank loans	2	4.4 %	10	5.5 %	12	12
Private Placement	—	— %	—	— %	—	—
	185	5.3 %	10	5.5 %	195	195
Non-current						
Bank loans	55	5.6 %	349	6.5 %	404	404
Private Placement	—	— %	140	3.1 %	140	140
	55	5.6 %	489	5.5 %	544	544
Total borrowings	240	5.4 %	499	5.5 %	739	739

Bank overdrafts include £177m (2023: £245m) held in cash pooling arrangements which have not been offset in the consolidated statement of financial position (see note 23(b)).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22 Borrowings continued

	Floating rate		Fixed rate			
		Weighted average effective interest rate		Weighted average effective interest rate	Total interest bearing	2023 Total
2023	£m	%	£m	%	£m	£m
Current						
Bank overdrafts	249	5.9 %	—	— %	249	249
Bank loans	298	6.2 %	35	7.8 %	333	333
Private Placement	—	— %	70	3.0 %	70	70
	547	6.1 %	105	4.6 %	652	652
Non-current						
Bank loans	150	5.5 %	348	6.5 %	498	498
Private Placement	—	— %	140	3.0 %	140	140
	150	5.5 %	488	5.5 %	638	638
Total borrowings	697	5.9 %	593	5.4 %	1,290	1,290

Interest payments on floating rate financial liabilities are determined by reference to short-term benchmark rates applicable to the relevant currency or market (primarily SONIA or the local equivalent).

As at 31 December 2024, the funding structure of the Group was comprised of a committed syndicated revolving credit facility of £900m (2023: £900m), sterling Private Placement Loan Notes totalling £140m (2023: £210m) and a five-year bond of £350m, at a fixed coupon of 6.5%. (2023: £350m). During the year, the term facility of £250m was repaid, following the disposal of the UK Retail business, together with the debt acquired from acquisitions in 2022 and 2023. As at 31 December 2024, £55m of the syndicated revolving credit facility was drawn (2023: £150m).

The £350m public bond is held at amortised cost and had a fair value of £358m as at 31 December 2024 based on quoted prices, which is a level 1 valuation technique.

In December 2023, the Group's syndicated revolving credit facility was amended, increasing the facility to £900m and extending the maturity to December 2028. In November 2024, the maturity of the facility was extended to December 2029 with a reduction in the facility to £818m with effect from 1 December 2028.

The Group's bank loans are not secured by any term deposits placed under a standby letter of credit and related facility arrangements (2023: £nil secured). The Group's bank overdrafts are secured by related offsetting cash balances held under pooling arrangements. The Group's remaining borrowings are unsecured.

In December 2016, the Group concluded a Private Placement transaction raising £210m to refinance existing US dollar Private Placement borrowings which matured in May 2017. In May 2024, £70m of Private Placement borrowings were repaid.

Maturity date	May 2027	May 2027	May 2029
Amount drawn	£30m	£70m	£40m
Fixed rate coupon	3.02 %	3.12 %	3.10 %

The £140m sterling Private Placement loan notes are held at amortised cost. They have a fair value of £135m (calculated from discounted cash flow techniques obtained using discount rates from observable market data, which is a level 2 valuation technique. The fair values of the Group's other borrowings, other than the £350m public bond, are not considered to be materially different from their book value.

The table below sets out the maturity profile of the Group's existing borrowings that are exposed to interest rate risk.

2024	Less than 1 year £m	Between 1 and 2 years %	Between 2 and 3 years £m	Between 3 and 4 years %	Between 4 and 5 years £m	Greater than 5 years £m	Total interest bearing £m
Fixed rate							
Bank loans	**10**	**—**	**—**	**349**	**—**	**—**	**359**
Private Placement	**—**	**—**	**100**	**—**	**40**	**—**	**140**
	10	**—**	**100**	**349**	**40**	**—**	**499**
Floating rate							
Bank overdrafts	**183**	**—**	**—**	**—**	**—**	**—**	**183**
Bank loans	**2**	**—**	**—**	**—**	**55**	**—**	**57**
	185	**—**	**—**	**—**	**55**	**—**	**240**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22 Borrowings continued

2023	Less than 1 year £m	Between 1 and 2 years %	Between 2 and 3 years £m	Between 3 and 4 years %	Between 4 and 5 years £m	Greater than 5 years £m	Total interest bearing £m
Fixed rate							
Bank loans	35	—	—	—	348	—	383
Private Placement	70	—	—	100	—	40	210
	105	—	—	100	348	40	593
Floating rate							
Bank overdrafts	249	—	—	—	—	—	249
Bank loans	298	—	—	—	150	—	448
	547	—	—	—	150	—	697

23 Financial instruments

The Group's financial liabilities, other than derivatives, comprise borrowings, trade and other payables and lease liabilities. The main purpose of these instruments is to raise finance for the Group's operations.

The Group also has various financial assets such as trade and other receivables, cash and short-term deposits which arise from its trading operations. The Group's primary derivative transactions include forward and swap currency contracts. The purpose is to manage the currency and interest rate risks arising from the Group's trading operations and its sources of finance. Group policy is that there is no trading or speculation in derivatives. Cash flow hedge ineffectiveness can arise from changes to the timing and amounts of forecasted cash flows of hedged items. Fair value hedge ineffectiveness can arise from different yield curves linked to the hedged item and hedging instrument as well as changes to the counterparties credit risk.

The main risks arising from the Group's financial instruments are interest rate risk, currency risk, credit risk and liquidity risk.

The Group does not hedge for inflation risk and has not hedged for cross-currency interest rates risk in recent years.

a) Classification of financial instruments

2024	Measured at amortised cost £m	Measured at fair value through other comprehensive income £m	Measured at fair value through profit or loss £m	Total £m
Financial assets				
Financial assets at fair value through other comprehensive income	—	4	—	4
Trade and other receivables	556	—	—	556
Derivative financial instruments	—	7	41	48
Cash and cash equivalents	549	—	—	549
Total financial assets	1,105	11	41	1,157
Financial liabilities				
Trade and other payables	(2,192)	—	—	(2,192)
Derivative financial instruments	—	(6)	(41)	(47)
Lease liabilities	(302)	—	—	(302)
Borrowings	(739)	—	—	(739)
Total financial liabilities	(3,233)	(6)	(41)	(3,280)
	(2,128)	5	—	(2,123)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Financial instruments continued

2023	Measured at amortised cost £m	Measured at fair value through other comprehensive income £m	Measured at fair value through profit or loss £m	Total £m
Financial assets				
Financial assets at fair value through other comprehensive income	—	1	—	1
Trade and other receivables	613	—	—	613
Derivative financial instruments	—	4	35	39
Cash and cash equivalents	689	—	—	689
Total financial assets	1,302	5	35	1,342
Financial liabilities				
Trade and other payables	(2,754)	—	—	(2,754)
Derivative financial instruments	—	(58)	(39)	(97)
Lease liabilities	(440)	—	—	(440)
Borrowings	(1,290)	—	—	(1,290)
Total financial liabilities	(4,484)	(58)	(39)	(4,581)
	(3,182)	(53)	(4)	(3,239)

b) Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting, enforceable netting arrangements and similar agreements:

	Gross amounts of financial assets £m	Gross amounts of financial liabilities set off in the statement of financial position £m	Net amounts of financial assets presented in the statement of financial position £m	Related amounts not set off in the statement of financial position: Financial instruments £m	Related amounts not set off in the statement of financial position: Cash collateral received £m	Net amount £m
As at 31 December 2024						
Derivative financial assets	**48**	**—**	**48**	**(19)**	**—**	**29**
Cash and cash equivalents	**549**	**—**	**549**	**(177)**	**—**	**372**
	597	**—**	**597**	**(196)**	**—**	**401**
As at 31 December 2023						
Derivative financial assets	39	—	39	(24)	—	15
Cash and cash equivalents	689	—	689	(245)	—	444
	728	—	728	(269)	—	459

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Financial instruments continued

	Gross amounts of financial assets	Gross amounts of financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set off in the statement of financial position: Financial instruments	Cash collateral received	Net amount
	£m	£m	£m	£m	£m	£m
As at 31 December 2024						
Derivative financial liabilities	**(47)**	**—**	**(47)**	**19**	**—**	**(28)**
Bank overdrafts	**(183)**	**—**	**(183)**	**177**	**—**	**(6)**
	(230)	**—**	**(230)**	**196**	**—**	**(34)**
As at 31 December 2023						
Derivative financial liabilities	(97)	—	(97)	24	—	(73)
Bank overdrafts	(249)	—	(249)	245	—	(4)
	(346)	—	(346)	269	—	(77)

For the financial assets and liabilities subject to enforceable netting arrangements or similar agreements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities. If the parties subject to the agreement do not elect to settle on a net basis, financial assets and liabilities will be settled on a gross basis. However, each party to the netting agreement will have the option to settle all such amounts on a net basis in the event of a default of the other party.

c) Market risk and sensitivity analysis

Financial instruments affected by market risk include borrowings, deposits, and derivative financial instruments. The Group is not exposed to commodity price risk. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity to changes in market variables, being primarily UK interest rates and the Australian dollar to Japanese yen exchange rate.

The following assumptions were made in calculating the sensitivity analysis:

- changes in the carrying value of derivative financial instruments designated as cash flow hedges from movements in interest rates are assumed to be recorded fully in equity;
- changes in the carrying value of derivative financial instruments designated as fair value hedges from movements in interest rates have an immaterial effect on the consolidated income statement and equity due to compensating adjustments in the carrying value of debt;
- changes in the carrying value of financial instruments designated as net investment hedges from movements in the US dollar to sterling exchange rate are recorded directly in equity; and
- changes in the carrying value of financial instruments not in hedging relationships only affect the consolidated income statement.

d) Interest rate risk and sensitivity analysis

The Group's interest rate policy has the objective of minimising net interest expense and protecting the Group from material adverse movements in interest rates.

Instruments approved for the purpose of hedging interest rate risk include interest rate swaps, forward rate agreements and options. The Group's exposure to the risk of changes in market interest rates arises primarily from the floating rate interest payable on the Group's bank borrowings, supplier-related finance, and the returns available on surplus cash.

Interest rate risk table

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change, based on recent experience, in interest rates on bank borrowings, supplier-related finance and cash balances as at 31 December 2024, with all other variables held constant.

	Decrease in basis points	Gain/(loss) on profit before tax	Increase in basis points	Gain/(loss) on profit before tax
	%	£m	%	£m
2024				
Sterling	**100**	**5**	**100**	**(5)**
Euro	**100**	**1**	**100**	**(1)**
Chilean peso	**250**	**(1)**	**250**	**1**
Australian dollar	**100**	**(2)**	**100**	**2**
US dollar	**100**	**5**	**100**	**(5)**
2023				
Sterling	100	**11**	100	**(11)**
Euro	100	**2**	100	**(2)**
Chilean peso	250	**2**	250	**(2)**
Australian dollar	100	**(1)**	100	**1**
US dollar	100	**3**	100	**(3)**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Financial instruments continued

e) Foreign currency risk

The Group publishes its consolidated financial statements in sterling and faces currency risk on the translation of its earnings and net assets, a significant proportion of which are in currencies other than sterling.

Transaction exposure hedging

The Group has transactional currency exposures, where sales or purchases by an operating unit are in currencies other than in that unit's reporting currency. For a significant proportion of the Group these exposures are removed as trading is denominated in the relevant local currency. In particular, local billing arrangements are in place for many of our businesses with our brand partners. The principal exception is for our business in Australia which purchases vehicles in Japanese yen and our South and Central American businesses which purchase vehicles in Japanese yen and US dollars.

In this instance, the Group seeks to hedge forecast transactional foreign exchange rate risk using forward foreign currency exchange contracts. The effective portion of the gain or loss on the hedge is initially recognised in the consolidated statement of comprehensive income to the extent it is effective. When the hedged forecast transaction results in the recognition of a non-financial asset or liability then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

For all other cash flow hedges, the gains or losses that are recognised in other comprehensive income are transferred to the consolidated income statement in the same period in which the hedged forecast transaction affects the consolidated income statement. Under IFRS 9 Financial Instruments, hedges are documented and tested for the hedge effectiveness on an ongoing basis.

Foreign currency risk table

The following table shows the Group sensitivity to a reasonably possible change in foreign exchange rates on its Japanese yen financial instruments. In this table, financial instruments are only considered sensitive to foreign exchange rates when they are not in the functional currency of the entity that holds them.

	Increase/ (decrease) in exchange rate %	Effect on equity £m
2024		
Yen	**+10%**	**3**
Yen	**-10%**	**(3)**
2023		
Yen	+10%	3
Yen	-10%	(3)

f) Credit risk

The amount due from counterparties arising from cash deposits and the use of financial instruments creates credit risk. The Group monitors its credit exposure to its counterparties via their credit ratings (where applicable) and through its policy of limiting its exposure to any one party to ensure that they are within Board approved limits and that there are no significant concentrations of credit risk.

Group policy is to deposit cash and use financial instruments with counterparties with a long-term credit rating of A or better, where available. The notional amounts of financial instruments used in interest rate and foreign exchange management do not represent the credit risk arising through the use of these instruments. The immediate credit risk of these instruments is generally estimated by the fair value of contracts with a positive value. Credit limits are reviewed regularly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Financial instruments continued

The table below analyses the Group's derivative assets, cash at bank and short-term deposits by credit exposure:

	2024			2023		
	Derivative assets	Cash at bank	Short-term deposits	Derivative assets	Cash at bank	Short-term deposits
Credit rating of counterparty	£m	£m	£m	£m	£m	£m
AA	—	1	—	—	—	—
AA-	4	181	1	1	198	—
A+	11	1	—	8	33	—
A	4	4	—	7	170	—
A-	21	29	17	9	21	—
BBB+	5	42	2	8	35	—
BBB	—	13	8	2	6	—
BBB-	—	29	4	—	5	1
BB+	—	10	—	—	3	—
BB	—	58	—	—	—	—
BB-	—	—	—	—	14	—
No rating*	3	90	59	4	125	78
	48	458	91	39	610	79

Counterparties in certain markets in which the Group operates do not have a credit rating.

For those counterparties which do not have a credit rating, where possible the Group works with partner banks with a local presence to provide additional assurance. Additionally, the Group proactively repatriates cash through cash-pooling arrangements, loans between Group companies and dividends as well as regularly monitoring the spread of counterparties in-country, notably in Ethiopia.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties.

The maximum exposure to credit risk for cash at bank, receivables and other financial assets is represented by their carrying amount.

Total cash at bank of £458m (2023: £610m) includes cash in the Group's regional pooling arrangements which are offset against borrowings for interest purposes. Netting of cash and overdraft balances in the consolidated statement of financial position only occurs to the extent that there is the legal ability and intention to settle net. As such, overdrafts are presented in current liabilities to the extent that there is no intention to offset with the cash balance.

Trade receivables include amounts due from a number of finance houses in respect of vehicles sold to customers on finance arranged through the Group. An independent credit rating agency is used to assess the credit standing of each finance house. Limits for the maximum outstanding with each finance house are set accordingly.

g) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

The table below summarises the maturity profile of the Group's financial assets and liabilities at 31 December 2024 based on contractual expected undiscounted cash flows:

	Less than 3 months	Between 3 to 12 months	Between 1 to 5 years	Greater than 5 years	Total
2024	£m	£m	£m	£m	£m
Financial assets					
Cash and cash equivalents	549	—	—	—	549
Trade and other receivables	415	120	21	—	556
Financial assets at fair value through other comprehensive income	—	—	3	1	4
Derivative financial instruments	2,501	1,227	7	—	3,735
	3,465	1,347	31	1	4,844
Financial liabilities					
Interest bearing loans and borrowings	(255)	(22)	(554)	—	(831)
Lease liabilities	(25)	(67)	(239)	(202)	(533)
Trade and other payables	(1,587)	(597)	(8)	—	(2,192)
Derivative financial instruments	(2,517)	(1,237)	(7)	—	(3,761)
	(4,384)	(1,923)	(808)	(202)	(7,317)
Net outflows	(919)	(576)	(777)	(201)	(2,473)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Financial instruments continued

2023	Less than 3 months £m	Between 3 to 12 months £m	Between 1 to 5 years £m	Greater than 5 years £m	Total £m
Financial assets					
Cash and cash equivalents	689	—	—	—	689
Trade and other receivables	428	156	25	4	613
Financial assets at fair value through other comprehensive income	—	—	—	1	1
Derivative financial instruments	2,720	1,288	264	—	4,272
	3,837	1,444	289	5	5,575
Financial liabilities					
Interest bearing loans and borrowings	(444)	(398)	(545)	(41)	(1,428)
Lease liabilities	(27)	(74)	(253)	(205)	(559)
Trade and other payables	(2,178)	(565)	(10)	(2)	(2,755)
Derivative financial instruments	(2,739)	(1,347)	(285)	—	(4,371)
	(5,388)	(2,384)	(1,093)	(248)	(9,113)
Net outflows	(1,551)	(940)	(804)	(243)	(3,538)

h) Fair value measurement

In accordance with IFRS 13 Fair Value Measurement, disclosure is required for financial instruments that are measured in the consolidated statement of financial position at fair value. This requires disclosure of fair value measurements by level for the following fair value measurement hierarchy:

- quoted prices in active markets (level 1);
- inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (level 2); or
- inputs for the asset or liability that are not based on observable market data (level 3).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Financial instruments continued

The following table presents the Group's assets and liabilities that are measured at fair value:

	2024				2023			
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets								
Derivatives used for hedging	**—**	**48**	**—**	**48**	—	39	—	39
Financial assets at fair value through other comprehensive income	**—**	**—**	**4**	**4**	—	—	1	1
	—	**48**	**4**	**52**	—	39	1	40
Liabilities					—	(97)	—	(97)
Derivatives used for hedging	**—**	**(47)**	**—**	**(47)**	—	(97)	—	(97)

Level 1 represents the fair value of financial instruments that are traded in active markets and is based on quoted markets prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market (level 2) is determined by using valuation techniques which include the present value of estimated future cash flows. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Level 3 primarily represents the Group's equity interest in Hino Motors Manufacturing Company SAS (see note 14). Fair value is based on discounted free cash flows, using the projection of annual income and expenses mainly based on historical financial figures.

Derivative financial instruments are carried at their fair values. The fair value of forward foreign exchange contracts and foreign exchange swaps represents the difference between the value of the outstanding contracts at their contracted rates and a valuation calculated using the spot rates of exchange prevailing at 31 December 2024.

The Group's derivative financial instruments comprise the following:

	Assets		Liabilities	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Forward foreign exchange contracts	**48**	39	**(47)**	(97)
	48	39	**(47)**	(97)

The ineffective portion recognised in the consolidated income statement that arises from fair value hedges amounts to £nil (2023: £nil). The ineffective portion recognised in the consolidated income statement that arises from cash flow hedges amounts to £nil (2023: £nil).

Derivative financial instruments

The Group principally uses forward foreign exchange contracts to hedge purchases in a non-functional currency against movements in exchange rates. The cash flows relating to these contracts are generally expected to occur within 12 months (2023: 12 months) of the end of the reporting period.

Net fair value gains and losses recognised in the hedging reserve in shareholders' equity (see note 25) on forward foreign exchange contracts as at 31 December 2024 are expected to be released to the consolidated income statement within 12 months of the end of the reporting period (2023: 12 months).

The below table illustrates the effects of hedge accounting on the consolidated statement of financial position and consolidated income statement through detailing separately by risk category and each type of hedge the details of the associated hedging instrument and hedged item.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Financial instruments continued

2024 Hedging risk strategy	Current Cash flow hedges	Current Fair value hedges	Non-current Cash flow hedges
Notional/currency legs (£m)	**2,285**	**1,443**	**7**
Carrying amount net liabilities (£m)	**6**	**(5)**	**—**
Maturity date	**to Dec 2025**	**to Dec 2025**	**to Mar 2026**
Hedge ratio	**1:1**	**1:1**	**1:1**

Description of hedged item	High probable FX exposures	FX exposure on balance sheet	High probable FX exposures
Change in fair value of outstanding hedging instruments since 1 January (£m)[1]	**45**	**5**	**9**
Change in fair value of hedging item used to determine hedge effectiveness (£m)	**(45)**	**(5)**	**(9)**
Weighted average hedge rate of outstanding deals (AUD/JPY)[2]	**94**	**n/a**	**—**
Amounts recognised within net finance costs (£m)	**—**	**—**	**—**
Cash flow hedge reserve (net of tax) at 31 December (£m)	**9**	**—**	**—**

2023 Hedging risk strategy	Current Cash flow hedges	Current Fair value hedges	Non-current Cash flow hedges
Notional/currency legs (£m)	2,422	1,585	264
Carrying amount net liabilities (£m)	(39)	(10)	(9)
Maturity date	to Dec 2024	to Dec 2024	to Mar 2026
Hedge ratio	1:1	1:1	1:1

Description of hedged item	High probable FX exposures	FX exposure on balance sheet	High probable FX exposures
Change in fair value of outstanding hedging instruments since 1 January (£m)[1]	(22)	(26)	(25)
Change in fair value of hedging item used to determine hedge effectiveness (£m)	22	26	25
Weighted average hedge rate of outstanding deals (AUD/JPY)[2]	89	n/a	—
Amounts recognised within net finance costs (£m)	—	—	—
Cash flow hedge reserve (net of tax) at 31 December (£m)	34	—	—

1. Includes hedging derivatives for both actual and highly probable forecasted purchases. The movement presented in other comprehensive income only covers hedging derivatives relating to highly probable forecasted purchases.
2. Outstanding deals predominantly relate to our business in Australia which purchases vehicles in Japanese yen.

As at 31 December 2024, the accumulated balance of the cash flow hedge reserve was a loss of £9m (2023: loss of £34m). The above changes in fair value of hedging instruments will include hedge positions taken up for future foreign currency exposures and will also include amounts that would have been reclassified from the hedge reserve to the balance sheet as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Financial instruments continued

i) Capital management

The Group's capital structure consists of equity and debt. Equity represents funds raised from shareholders and debt represents funds raised from banks and other financial institutions. The primary objective of the Group's management of debt and equity is to ensure that it maintains a strong credit rating and healthy capital ratios in order to finance the Group's activities, both now and in the future, and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Directors consider the Group's capital structure and dividend policy at least twice a year prior to the announcement of results, taking into account the Group's ability to continue as a going concern and the requirements of its business plan.

The Group uses return on capital employed (ROCE) as a measure of its ability to drive better returns on the capital invested in the Group's operations. See alternative performance measures on page 190.

	2024 £m	2023 £m
Return on capital employed	**27 %**	27 %

The committed bank facilities and Private Placement borrowings are subject to the same interest cover covenant based on an adjusted EBITA measure to interest on consolidated borrowings. The Group is required to maintain a ratio of not less than three to one and was compliant with this covenant throughout the year.

The Group monitors Group leverage by reference to two tests: adjusted EBITA interest cover and the ratio of adjusted net debt to EBITDA. The leverage tests are measured excluding the impact of IFRS 16 Leases.

	Threshold	2024 £m	2023 £m
Adjusted EBITA interest cover (times)*	> 3	**8.8**	7.9
Adjusted net debt to EBITDA (times)**	< 1	**0.3**	0.8

* Calculated as Adjusted EBITA/interest on consolidated borrowings.
** Calculated as adjusted net debt/adjusted earnings before interest, tax, depreciation, and amortisation.

24 Share capital

Allotted, and fully paid share capital

	2024 Number	2023 Number	2024 £m	2023 £m
Issued and fully paid ordinary shares (nominal value of 10.0p each)				
At 1 January	**413,007,132**	374,494,030	**42**	38
Shares issued	**—**	38,513,102	**—**	4
Cancelled under share buyback	**(18,673,960)**	—	**(2)**	—
At 31 December	**394,333,172**	413,007,132	**40**	42

The Company's ordinary shares are fully paid and no further contribution of capital may be required by the Company from the shareholders.

a) Share buyback programme

In 2024, 18,673,960 shares were repurchased under the Company's share buyback programme at a cost of £147m, including costs of £1m associated with the transfer to the Company of the repurchased shares and their subsequent cancellation. The cost of the share buyback has been charged to retained earnings. An amount of £2m, equivalent to the nominal value of the cancelled shares, was transferred to the capital redemption reserve. In 2023, no shares were repurchased under the Company's share buyback programme.

The Group had a contract in place with a broker to purchase its own shares for cash in connection with the £150m buyback announced on 30 July 2024. The non-cancellable component of the contract gives rise to an additional financial liability as at 31 December 2024 of £4m (2023: £nil) which has been charged to retained earnings.

b) Substantial shareholdings

Details of substantial interests in the Company's issued ordinary share capital received by the Company at 3 March 2025 under the provisions of the Companies Act 2006 have been disclosed in the significant shareholdings section of the Corporate Governance Report.

24 Share capital continued

c) Share options

At 31 December 2024, options to acquire ordinary shares of 10.0p each in the Company up to the following numbers under the schemes below were outstanding as follows:

Number of ordinary shares of 10.0p each	Exercisable until	Option price (£)
The Inchcape SAYE Share Option Scheme - approved		
32,884	1 May 2025	7.31
120,187	1 May 2026	6.00
119,945	1 May 2027	6.11
45,870	1 May 2028	6.80

Included within the retained earnings reserve are 322,859 ordinary shares (2023: 1,008,058 ordinary shares) in the Company held by the Inchcape Employee Trust, a general discretionary trust whose beneficiaries include current and former employees of the Group and their dependants.

The book value of these shares at 31 December 2024 was £3m (2023: £7m).

The market value of these shares at 31 December 2024 and 3 March 2025 was £2m and £2m respectively (31 December 2023 and 4 March 2024: £7m).

d) Issue of Derco shares

On 4 January 2023, 38,513,102 ordinary shares of 10p each in the capital of the Company were issued in connection with the acquisition of the Derco group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25 Other reserves

	Merger reserve £m	Fair value through OCI reserve £m	Translation reserve £m	Hedging reserve £m	Total other reserves £m
At 1 January 2023	316	(2)	74	(3)	385
Comprehensive income/(loss)					
Cash flow hedges:					
– net fair value losses	—	—	—	(45)	(45)
– tax on cash flow hedges	—	—	—	17	17
Investments held at fair value:					
– net fair value losses	—	(3)	—	—	(3)
Deferred tax on taxation losses	—	—	—	(1)	(1)
Exchange differences on translation of foreign operations	—	—	(131)	—	(131)
Recycling of foreign currency reserve	—	—	(1)	—	(1)
Adjustments in respect of hyperinflation	—	—	34	—	34
Other changes in equity					
Shares issued	(4)	—	—	—	(4)
Cash flow hedges reclassified and reported in inventories	—	—	—	(2)	(2)
At 1 January 2024	**312**	**(5)**	**(24)**	**(34)**	**249**
Comprehensive income/(loss)					**—**
Cash flow hedges:					
– net fair value gains	**—**	**—**	**—**	**20**	**20**
– tax on cash flow hedges	**—**	**—**	**—**	**(14)**	**(14)**
Investments held at fair value:					
– net fair value gains	**—**	**3**	**—**	**—**	**3**
Deferred tax on taxation losses	**—**	**—**	**—**	**—**	**—**
Exchange differences on translation of foreign operations	**—**	**—**	**(242)**	**—**	**(242)**
Recycling of foreign currency reserve	**—**	**—**	**(4)**	**—**	**(4)**
Adjustments for hyperinflation (including tax)	**—**	**—**	**(4)**	**—**	**(4)**
Other changes in equity					
Cash flow hedges reclassified and reported in inventories	**—**	**—**	**—**	**19**	**19**
At 31 December 2024	**312**	**(2)**	**(274)**	**(9)**	**27**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25 Other reserves continued

Fair value through OCI reserve

For investments in equity instruments that are measured at fair value through other comprehensive income, changes in fair value are recognised through other comprehensive income. Fair value movements are never recycled to the income statement, even if the underlying asset is sold, impaired or otherwise derecognised.

Translation reserve

The translation reserve is used to record foreign exchange rate changes relating to the translation of the results of foreign subsidiaries arising after 1 January 2004. It is also used to record foreign exchange differences arising on long-term foreign currency borrowings used to finance or hedge foreign currency investments. The effect of foreign exchange rate changes includes a gain of £4m (2023: £1m) on the sale and liquidation of overseas subsidiaries that has been reclassified to the consolidated income statement in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates. The adjustments in respect of hyperinflation relate to the application of IAS 29 Financial Reporting in Hyperinflationary Economies to the Group's operations in Ethiopia. The indexation and translational impact (net of tax) to opening share capital and retained earnings of £4m (2023: £34m) has been included in translation reserves above.

Hedging reserve

For cash flow hedges that meet the conditions for hedge accounting, the portion of the gains or losses on the hedging instrument that are determined to be an effective hedge are recognised directly in other comprehensive income. When the hedged firm commitment results in the recognition of a non-financial asset or liability then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in shareholders' equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Merger reserve

As part of the acquisition of the Derco group of companies in 2022, Inchcape plc issued 38,513,102 shares in exchange for a greater than 90% equity holding in another company and merger relief was therefore applicable. Consequently, the excess of the fair value of the shares issued over their nominal value was recognised in a merger reserve within equity.

26 Retained earnings

	2024 £m	2023 £m
At 1 January	**940**	820
Comprehensive income/(loss)		
– Profit for the year	**421**	270
– Actuarial losses on defined pension benefits (including tax) (see note 5)	**(47)**	(20)
Total comprehensive income attributable to owners of the parent	**374**	250
Other changes in equity		
Written put option	**—**	(1)
Acquisition of non-controlling interests	**—**	3
Share-based payments, net of tax	**18**	15
Share buyback programme	**(151)**	—
Purchase of own shares by Inchcape Employee Trust	**(14)**	(19)
Dividends paid (see note 9)	**(147)**	(128)
At 31 December	**1,020**	940

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

27 Notes to the consolidated statement of cash flows

a) Reconciliation of cash generated from operations

	2024 £m	2023 £m
Cash flows from operating activities		
Operating profit – continuing operations	**562**	570
Operating profit – discontinued operations	**6**	49
Adjusting items	**22**	50
Amortisation including non-adjusting impairment charges	**9**	11
Depreciation of property, plant and equipment including non-adjusting impairment charges	**44**	61
Depreciation of right-of-use assets	**76**	81
Profit on disposal of property, plant and equipment and intangible assets	**(1)**	(16)
Gain on changes in right-of-use assets	**(3)**	—
Share-based payments charge	**18**	15
Decrease/(increase) in inventories	**311**	(251)
Increase in trade and other receivables	**(121)**	(9)
Increase in trade and other payables	**13**	415
Decrease in provisions	**(20)**	(1)
Pension contributions more than pension charge for the period	**—**	(1)
Increase in interest in leased vehicles	**(8)**	(18)
Payments in respect of operating adjusting items	**(36)**	(57)
Other non-cash items	**1**	1
Cash generated from operations	**873**	900

b) Net debt reconciliation

	Liabilities from financing activities			Assets	
	Borrowings £m	Leases £m	Sub-total £m	Cash/bank overdrafts £m	Total net debt £m
Net debt at 1 January 2023	(1,428)	(499)	(1,927)	1,050	(877)
Cash flows	412	87	499	(400)	99
Acquisitions	(23)	(11)	(34)	(146)	(180)
Period adjustments	(7)	(1)	(8)	9	1
Disposals	—	—	—	1	1
New lease liabilities	—	(37)	(37)	—	(37)
Other non-cash movements	(6)	—	(6)	—	(6)
Foreign exchange adjustments	11	21	32	(74)	(42)
Net debt at 1 January 2024	**(1,041)**	**(440)**	**(1,481)**	**440**	**(1,041)**
Cash flows	**484**	**81**	**565**	**(372)**	**193**
Acquisitions	**—**	**—**	**—**	**5**	**5**
Disposals	**—**	**98**	**98**	**391**	**489**
New lease liabilities	**—**	**(62)**	**(62)**	**—**	**(62)**
Other non-cash movements	**(4)**	**(1)**	**(5)**	**—**	**(5)**
Foreign exchange adjustments	**5**	**22**	**27**	**(98)**	**(71)**
Net debt at 31 December 2024	**(556)**	**(302)**	**(858)**	**366**	**(492)**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

27 Notes to the consolidated statement of cash flows continued

Net debt is analysed as follows:

	2024 £m	2023 £m
Cash at bank and short term deposits as per the statement of financial position	**549**	689
Cash and cash equivalents included in disposal groups held for sale		—
Borrowings – disclosed as current liabilities	**(195)**	(652)
Add back: amounts treated as debt financing (see below)	**12**	403
Cash and cash equivalents as per the statement of cash flows	**366**	440
Debt financing		
Borrowings – disclosed as current liabilities and treated as debt financing (see above)	**(12)**	(403)
Borrowings – disclosed as non-current liabilities	**(544)**	(638)
Lease liabilities	**(302)**	(440)
Debt financing	**(858)**	(1,481)
Net debt	**(492)**	(1,041)
Add back: lease liabilities	**302**	440
Adjusted net debt	**(190)**	(601)

28 Acquisitions and disposals

a) 2024 Disposals and discontinued operations

On 1 August 2024 the Group completed the sale of its UK Retail operations to Group 1 Automotive UK Limited, a wholly-owned subsidiary of Group 1 Automotive, Inc. for a cash consideration of £345m.

The UK Retail operation is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented below is for the seven months ended 31 July 2024.

	2024 £m	2023 £m
Revenue	**1,199**	2,065
Expenses	**(1,193)**	(2,016)
Operating profit	**6**	49
Finance costs	**(9)**	(14)
Profit before tax	**(3)**	35
Tax	**7**	—
Profit after tax of discontinued operations	**4**	35
Gain on disposal	**146**	—
Profit from discontinued operation	**150**	35

	2024 £m	2023 £m
Net cash inflow from operating activities	**6**	30
Net cash outflow from investing activities	**(10)**	(15)
Net cash outflow from financing activities	**(3)**	(7)
Net (decrease)/increase from cash generated from discontinued operations	**(7)**	8

	2024 £m
Disposal proceeds	**345**
Settlement of intercompany facility	**63**
Disposal costs	**(12)**
Net assets disposed of	**(250)**
Gain on disposal	**146**

	2024 £m
Total consideration, net of disposal costs paid	**396**
Consideration outstanding	**(4)**
Cash & cash equivalents disposed of	**(20)**
Net cash inflow on disposal of business	**372**

28 Acquisitions and disposals continued

In December 2024, the Group completed the sale of its non-genuine parts business in Chile for £30m, resulting in a £6m gain on disposal. The net gain, which has been classified as an adjusting item (see note 2), includes disposal costs and a gain relating to the recycling of cumulative exchange differences previously recognised in other comprehensive income.

b) 2023 Acquisitions

During the year, net cash inflows of £5m were received as purchase price adjustments were finalised in relation to acquisitions which completed in the second half of 2023. The accounting standards allow a period of up to a year to finalise the accounting for an acquisition. During 2024, acquisition adjustments were made, in relation to businesses acquired in 2023, which, combined with purchase price adjustments, had the net effect of decreasing goodwill by £1m. As the acquisition adjustments were not material, the prior year statement of financial position has not been restated.

29 Guarantees and contingencies

	2024 £m	2023 £m (represented)[1]
Guarantees	**7**	16
Letters of credit	**19**	24
	26	40

1. Prior year amounts have been represented for consistency with the current year disclosure and exclude amounts already recognised on the statement of financial position.

Guarantees relate to performance guarantees provided in the ordinary course of business. Letters of credit act as a guarantee, from one of the Group's banking relationships to another bank, for payments made by the Group to a specified third party. The Group also has, in the ordinary course of business, commitments under foreign exchange instruments relating to the hedging of transactional exposures (see note 23).

Franked Investment Income Group Litigation Order

The Group is a participant in an action in the United Kingdom against HMRC in the Franked Investment Income Group Litigation Order ("FII GLO"). As at 31 December 2024, there were 15 corporate groups in the FII GLO. As previously reported, the High Court held in February 2024 that for claims for a refund of the unlawfully paid tax to cover the entire period of claims they must have been submitted before 6 June 2006. The Group submitted a claim on 25 November 2003 and the High Court's judgment means that the Group's claim is within time to cover the entire period of its claim. However, the Court of Appeal has granted HMRC leave to appeal the High Court's decision and this hearing has been scheduled for May 2025.

In view of the significant uncertainty about the eventual outcome of the appeals process, the Group has not recognised a contingent asset in respect of this litigation.

FCA review of Motor Finance commission

In January 2024, the FCA announced a review into historical motor finance commission arrangements. This investigation is ongoing. In the meantime, there have also been a number of relevant court decisions with the Supreme Court expected to deliver a definitive statement of the law following a hearing listed for April 2025. We look forward to the outcome of the review, and of the Supreme Court hearing, and the clarity that this will bring for customers, lenders and dealers. Following the Group's disposal of its UK business, the Group's potential exposure to this matter arises from, and is limited to, the terms of the indemnity that it has given to the buyer of that business. It remains possible, though highly uncertain, that the Group may become liable to make certain payments under the terms of that indemnity. However, it is not currently practicable to estimate the quantum or timing of any such outflow given the inherent uncertainties associated with the court process and the s166 review.

Other contingencies

There are also a number of other contingent liabilities that arise in the normal course of business, which if realised, are not expected to result in a material liability to the Group.

30 Commitments

a) Capital commitments

Contracts placed for future capital expenditure at the balance sheet date but not yet incurred are as follows:

	2024 £m	2023 £m
Property, plant and equipment	**1**	19

b) Lease commitments

Short-term lease commitments – Group as lessee

Future minimum lease payments for short-term leases under non-cancellable operating leases are as follows:

	2024 £m	2023 £m
Within one year	**1**	3

Operating leases – Group as lessor

The Group has entered into non-cancellable operating leases on a number of its vehicles and certain properties. These leases have varying terms, escalation clauses and renewal rights and are not individually significant to the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

30 Commitments continued

Future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2024 £m	2023 £m
Within one year	5	4
Between one and five years	5	5
Total	10	9

Sub-lease receivables – Group as lessor

The Group has entered into sub-leases for a number of properties and other assets. As the lease term represents a major proportion of the underlying asset's useful life, the associated right-of-use asset has been derecognised and replaced with a sub-lease receivable. Future minimum lease payments receivable under sub-leases, together with the present value of the net minimum lease payments receivable (included within trade and other receivables), are as follows:

	2024 £m	2023 £m
Minimum lease payments receivable:		
– Within one year	2	3
– Between one and five years	1	5
– After five years	—	2
Total minimum lease payments receivable	3	10
Less: Unearned finance income	—	—
Present value of sub-lease receivables	3	10

c) Repurchase commitments

The Group has entered into agreements with certain customers to repurchase vehicles for a specified value at a predetermined date as follows:

	2024 £m	2023 £m
Vehicles subject to repurchase commitments	112	151

Repurchase commitments represent the total repurchase liability on all vehicles where the Group has a repurchase commitment. These commitments are largely expected to be settled over the next three years. £17m (2023: £42m) of the above repurchase commitments are included within 'trade and other payables' in the consolidated statement of financial position.

31 Related party disclosures

a) Trading transactions

Intra-group transactions have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

	Transactions		Amounts outstanding	
	2024 £m	2023 £m	2024 £m	2023 £m
Other income paid to related parties	1	1	—	—
Sales to related parties[1]	4	—	1	—
Lease payments made to related parties[1,2]	(7)	(7)	(41)	(46)
Other income received from joint ventures	21	18	5	2

1. These transactions are with entities connected to Non-Executive Directors.
2. Amounts outstanding in respect of lease payments to related parties include all undiscounted future payment commitments.

All of the transactions arise in the ordinary course of business and are on an arm's length basis. The amounts outstanding are unsecured and will be settled in cash. There have been no guarantees provided or received for any related party receivables. The Group has not raised any provision for doubtful debts relating to amounts owed by related parties (2023: £nil).

b) Compensation of key management personnel

The remuneration of the Board of Directors and the Executive Committee was as follows:

	2024 £m	2023 £m
Wages and salaries[1]	9	9
Share-based payments	8	6
	17	15

1. Other pension costs included in wages and salaries amount to £0.3m (2023: £0.3m).

The remuneration of the Directors and other key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends. Further details of emoluments paid to the Directors are included in the Directors' Report on Remuneration.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

32 Foreign currency translation

The main exchange rates used for translation purposes are as follows:

	Average rates		Year-end rates	
	2024 **£m**	2023 £m	**2024** **£m**	2023 £m
Australian dollar	**1.94**	1.88	**2.02**	1.87
Bolivian bolivar[1]	**12.43**	8.60	**14.24**	8.83
Chilean peso	**1,209.30**	1,044.70	**1,252.30**	1,130.41
Ethiopian birr[2]	**157.95**	71.84	**157.95**	71.84
Euro	**1.18**	1.15	**1.21**	1.15
Hong Kong dollar	**9.99**	9.75	**9.75**	9.98
Singapore dollar	**1.71**	1.67	**1.71**	1.68
US dollar	**1.28**	1.25	**1.26**	1.28

1. In 2024, a parallel rate has been used due to limitations in accessing currency at official rates of exchange.
2. In 2024, the results for Ethiopia are translated at the closing rate as required by IAS 21 The Effects of Changes in Foreign Exchange Rates for hyperinflationary foreign operations.

33 Events after the reporting period

On 4 March 2025, the Board approved a £250m share buyback programme which will commence on 4 March 2025 and is expected to conclude within the next 12 months.

ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures (APMs)

The Group assesses its performance using a variety of alternative performance measures which are not defined under International Financial Reporting Standards. These provide insight into how the Board and Executive Committee monitor the Group's strategic and financial performance, and provide useful information on the trends, performance, and position of the Group.

The Group's income statement and segmental analysis identify separately adjusted measures and adjusting items. These adjusted measures reflect adjustments to IFRS measures. The Directors consider these adjusted measures to be an informative additional measure of the ongoing trading performance of the Group. Adjusted results are stated before adjusting items and on a continuing operations basis.

Adjusting items can include gains or losses on the disposal of businesses, restructuring of businesses, acquisition costs, asset impairments and the tax effects of these items. Adjusting items excluded from adjusted results can evolve from one financial period to the next depending on the nature of adjusting items or one-off activities.

Constant currency

Some comparative performance measures are translated at constant exchange rates, called 'constant currency' measures. This restates the prior period results at a common exchange rate to the current period and therefore excludes the impact of changes in exchange rates used for translation.

Performance measure	Definition	Why we measure it
Adjusted gross profit	Gross profit before adjusting items. Refer to the consolidated income statement	A key metric of the direct profit contribution from the Group's revenue streams (e.g. Vehicles and Aftersales).
Adjusted operating profit	Operating profit before adjusting items. Refer to the consolidated income statement.	A key metric of the Group's business performance.
Adjusted operating margin	Adjusted operating profit divided by revenue.	A key metric of operational efficiency, ensuring that we are leveraging global scale to translate sales growth into profit.
Adjusted profit before tax	Represents the profit made after operating and interest expense excluding the impact of adjusting items and before tax is charged. Refer to consolidated income statement.	A key driver of delivering sustainable and growing earnings to shareholders.
Adjusted earnings before interest, tax, depreciation and amortisation	Represents the earnings before interest expense, taxation, depreciation and amortisation expenses, and excluding the impact of adjusting items.	One of the key measures used in monitoring the Group's leverage and capital allocation. Refer to note 23.
Adjusting items	Items that are charged or credited in the consolidated income statement which are material and non-recurring in nature. Refer to note 2.	The separate reporting of adjusting items helps provide additional useful information regarding the Group's business performance and is consistent with the way that financial performance is measured by the Board and the Executive Committee.
Adjusted earnings	Represents profit after tax, excluding the impact of adjusting items and non-controlling interest. Refer to consolidated income statement.	A key driver of delivering sustainable and growing earnings to shareholders.
Adjusted earnings per share	Represents earnings per share excluding the impact of adjusting items. Refer to note 8.	A measure useful to shareholders and investors to understand the earnings attributable to shareholders without the impact of adjusting items.
Ratio of adjusted net operating expenses to revenue	Adjusted net operating expenses expressed as a proportion of revenue.	A measure of the net overheads of the Group with reference to Group revenue.

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Performance measure	Definition	Why we measure it
Net capital expenditure	Cash outflows from the purchase of property, plant and equipment and intangible assets less the proceeds from the disposal of property, plant and equipment and intangible assets.	A measure of the net amount invested in operational facilities in the period.
Free cash flow and free cash flow from continuing operations	Net cash flows from operating activities, before adjusting cash flows, less normalised net capital expenditure and dividends paid to non-controlling interests. Free cash flow from continuing operations is derived by deducting free cash flow attributable to discontinued operations from total free cash flow.	A key driver of the Group's ability to 'Invest to Accelerate Growth' and to make distributions to shareholders.
Free cash flow conversion	Free cash flow divided by adjusted profit after tax.	A key driver of the Group's ability to 'Invest to Accelerate Growth' and to make distributions to shareholders.
Return on capital employed (ROCE)	Operating profit (before adjusting items) divided by the average of opening and closing capital employed, where capital employed is defined as net assets add net debt/less net funds.	ROCE is a measure of the Group's ability to drive better returns for investors on the capital we invest.
Net (debt)/funds	Cash and cash equivalents less borrowings and lease liabilities adjusted for the fair value of derivatives that hedge interest rate or currency risk on borrowings. Refer to note 27.	A measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength.
Adjusted (net debt)/net cash	Cash and cash equivalents less borrowings adjusted for the fair value of derivatives that hedge interest rate or currency risk on borrowings and before the incremental impact of IFRS 16 lease liabilities. Refer to note 27.	A measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength and is widely used by external parties.
Leverage	Adjusted net debt divided by adjusted earnings before interest, tax, depreciation, and amortisation.	A measure of the Group's net indebtedness with reference to adjusted underlying earnings.
Constant currency % change	Presentation of reported results compared to prior period translated using constant rates of exchange.	A measure of business performance which excludes the impact of changes in exchange rates used for translation.
Organic revenue growth	Organic revenue growth is defined as the change in revenue adjusted for the impact of business acquisitions and disposals and currency translation effects, with prior year figures converted with current year exchange rates. Organic revenue growth: • excludes revenue from businesses acquired in the current year; • includes revenue from businesses acquired in the prior year from the anniversary of the date of acquisition; • excludes revenue from businesses disposed of on a pro rata basis; and • includes revenue from distribution contracts acquired together with the impact of arrangements where the Group no longer acts as the distributor.	Organic revenue growth presents performance on a comparable basis, excluding the impact of foreign currency translation and the impact of acquisition and disposals in the period. Organic revenue growth is a measure of underlying business performance and the Group's ability to grow other than through acquisitions.

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Alternative Performance Measures (APMs) continued

Adjusted profit before tax (from continuing operations)	2024 £m	2023 £m
Gross Profit	**1,606**	1,660
Add back: Adjusting items charged to gross profit	**—**	—
Adjusted Gross Profit from continuing operations	**1,606**	1,660
Less: Segment operating expenses	**(1,022)**	(1,040)
Adjusted Operating Profit from continuing operations	**584**	620
Less: Adjusting items in operating expenses	**(22)**	(50)
Operating Profit	**562**	570
Less: Net Finance Costs and JV profits/losses	**(148)**	(192)
Profit Before Tax	**414**	378
Add: Total adjusting Items	**30**	89
Adjusted profit before tax from continuing operations	**444**	467
Tax on adjusted profit	**(139)**	(140)
Adjusted profit after tax from continuing operations	**305**	327

Ratio of adjusted net operating expenses to revenue	2024 £m	2023 £m
Revenue	**9,263**	9,382
Adjusted net operating expenses	**1,022**	1,040
Ratio of adjusted net operating expenses to revenue	**11.0 %**	11.1 %

Free cash flow (from continuing operations)	2024 £m	2024 £m	2023 £m	2023 £m
Net cash generated from total operating activities		**586**		593
Add back: Payments in respect of adjusting items		**36**		57
Net cash generated from operating activities, before adjusting items		**622**		650
Purchase of property, plant and equipment	**(76)**		(88)	
Purchase of intangible assets	**(3)**		(5)	
Proceeds from disposal of property, plant and equipment	**9**		31	
Net capital expenditure		**(70)**		(62)
Net payment in relation to leases		**(80)**		(84)
Dividends paid to non-controlling interests		**(17)**		(6)
Free cash flow		**455**		498
Add/(less): Free cash outflow/(inflow) from discontinued operations		**7**		(6)
Free cash flow from continuing operations		**462**		492

Return on capital employed (from continuing operations)	2024 £m	2023 £m
Adjusted operating profit	**584**	620
Net assets	**1,474**	1,620
Less: Net assets from discontinued operations	**—**	(224)
Net assets from continuing operations	**1,474**	1,396
Add: net debt	**492**	1,041
Less: net debt from discontinued operations	**—**	(58)
Capital employed - continuing operations	**1,966**	2,379
Effect of averaging	**207**	(108)
Average capital employed	**2,173**	2,271
Return on capital employed	**26.9 %**	27.3 %

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Alternative Performance Measures (APMs) continued

Adjusted net debt and leverage	2024 £m	2023 £m
Net debt	**492**	1,041
Less: lease liabilities	**(302)**	(440)
Adjusted net debt	**190**	601
Adjusted earnings before interest, tax, depreciation and amortisation	**634**	738
Leverage	**0.3**	0.8

Adjusted earnings per share (from continuing operations)	2024 £m	2023 £m
Adjusted profit after tax	**305**	327
Less: non-controlling interests	**(14)**	(13)
Adjusted earnings	**291**	314
Weighted average number of shares (m)	**408**	412
Diluted effect (m)	**5**	5
Basic adjusted earnings per share	**71.3p**	76.3p
Diluted adjusted earnings per share	**70.4p**	75.3p

FIVE YEAR RECORD

Five year record

The information presented in the table below is prepared in accordance with IFRS, as in issue and effective at that year end date. The information presented is on a continuing operations basis, however only years 2024 and 2023 have been adjusted to reflect the disposal of the UK Retail business.

Consolidated income statement	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Revenue	**9,263**	9,382	8,133	6,901	6,838
Adjusted operating profit	**584**	620	411	281	164
Operating adjusting items	**(22)**	(50)	(11)	(100)	(257)
Operating profit/(loss)	**562**	570	400	181	(93)
Share of profit after tax of joint ventures and associates	**2**	1	—	—	—
Profit/(loss) before finance and tax	**564**	571	400	181	(93)
Net finance costs before adjusting items	**(142)**	(154)	(38)	(32)	(37)
Adjusting finance costs	**(8)**	(39)	(29)	—	—
Profit/(loss) before tax	**414**	378	333	149	(130)
Tax on profit before adjusting items	**(139)**	(140)	(97)	(63)	(33)
Tax on adjusting items	**10**	10	(1)	(2)	24
Profit/(loss) after tax	**285**	248	235	84	(139)
(Loss)/profit from discontinued operations	**150**	35	(241)	38	—
Non-controlling interests	**(14)**	(13)	(5)	(5)	(3)
Profit/(loss) for the year attributable to owners of the parent	**421**	270	(11)	117	(142)
Basic:					
– Profit/(loss) for the year attributable to owners of the parent	**421**	270	(11)	117	(130)
– Earnings/(loss) per share (pence)	**66.4p**	57.1p	(2.9)p	30.0p	(36.0)p
Adjusted (before adjusting items):					
– Adjusted profit from continuing operations	**305**	327	271	181	128
– Adjusted earnings per share (pence)	**71.3p**	76.3p	72.0p	46.3p	23.1p
Dividends per share – interim paid and final proposed (pence)	**28.5p**	33.9p	28.8p	22.5p	6.9p

Consolidated statement of financial position	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Non-current assets	**2,202**	2,789	2,610	1,464	1,480
Other net liabilities excluding net (debt)/funds	**(236)**	(128)	(166)	(388)	(352)
Capital employed	**1,966**	2,661	2,444	1,076	1,128
Net (debt)/funds	**(492)**	(1,041)	(877)	55	(67)
Net assets	**1,474**	1,620	1,567	1,131	1,061
Equity attributable to owners of the parent	**1,379**	1,521	1,533	1,109	1,042
Non-controlling interests	**95**	99	34	22	19

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Investment in subsidiaries	3	**2,588**	2,586
Deferred tax assets	8	**3**	10
Trade and other receivables	4	**—**	140
		2,591	2,736
Current assets			
Current tax assets		**2**	17
Trade and other receivables	4	**5**	81
Cash and cash equivalents	5	**7**	1
		14	99
Total assets		**2,605**	2,835
Current liabilities			
Trade and other payables	6	**(18)**	(22)
Borrowings	7	**(128)**	(320)
		(146)	(342)
Non-current liabilities			
Trade and other payables	6	**(813)**	(1,085)
Borrowings	7	**(489)**	(488)
		(1,302)	(1,573)
Total liabilities		**(1,448)**	(1,915)
Net assets		**1,157**	920
Equity			
Share capital	10	**40**	42
Share premium		**147**	147
Capital redemption reserve		**145**	143
Merger reserve		**312**	312
Retained earnings		**513**	276
Total shareholders' funds		**1,157**	920

The Company reported a profit for the financial year ended 31 December 2024 of £531m (2023: loss of £112m). The financial statements on pages 195 to 210 were approved by the Board of Directors on 3 March 2025 and were signed on its behalf by:

Duncan Tait
Group Chief Executive

Adrian Lewis
Group Chief Financial Officer

Registered Number: 609782

Inchcape plc

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Notes	Share capital £m	Share Premium £m	Capital redemption reserve £m	Merger reserve £m	Retained earnings £m	Total £m
At 1 January 2023		38	147	143	316	520	1,164
Loss for the year		—	—	—	—	(112)	(112)
Total comprehensive expense for the year		—	—	—	—	(112)	(112)
Dividends	11	—	—	—	—	(128)	(128)
Net purchase of own shares by the Inchcape Employee Trust		—	—	—	—	(19)	(19)
Share-based payments, net of tax		—	—	—	—	15	15
Shares issued		4	—	—	(4)	—	—
At 1 January 2024		**42**	**147**	**143**	**312**	**276**	**920**
Profit for the year		**—**	**—**	**—**	**—**	**531**	**531**
Total comprehensive income for the year		**—**	**—**	**—**	**—**	**531**	**531**
Dividends	11	**—**	**—**	**—**	**—**	**(147)**	**(147)**
Share buyback programme	10	**(2)**	**—**	**2**	**—**	**(151)**	**(151)**
Net purchase of own shares by the Inchcape Employee Trust		**—**	**—**	**—**	**—**	**(14)**	**(14)**
Share-based payments, net of tax		**—**	**—**	**—**	**—**	**18**	**18**
At 31 December 2024		**40**	**147**	**145**	**312**	**513**	**1,157**

Share-based payments include a net tax charge of £nil (2023: £nil).

ACCOUNTING POLICIES

General information

These financial statements are prepared for Inchcape plc (the Company) for the year ended 31 December 2024. The Company is the ultimate parent entity of the Inchcape Group (the Group) and acts as the holding company of the Group. The parent company financial statements present information about the Company as a separate entity and not about the Group.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006. As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented for the Company.

The Company does not have any critical accounting judgements. The valuation of the Company's investments is a key source of estimation uncertainty. The Company's net assets were lower than its market capitalisation on 31 December 2024 and the estimates of the recoverable amounts of the individual investments were in excess of their carrying values. As a result, no impairment has been reflected. Other sources of estimation uncertainty most applicable to the Company do not give rise to a significant risk of material adjustment to the carrying value of the Company's assets and liabilities.

The Directors of Inchcape plc manage the Group's risks at a group level rather than an individual business unit or company level. Further information on these risks and uncertainties, in the context of the Group as a whole, are included within the Group disclosures on pages 52 to 61.

In preparing these financial statements, the Company applies the recognition, measurement, and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure has been taken:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise price of share options, and how the fair value of goods and services received was determined);
- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
- paragraph 73(e) of IAS 16, 'Property, plant and equipment';
- paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
- 10(d) (statement of cash flows),
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position),
  - 111 (cash flow statement information), and
- 134–136 (capital management disclosures)
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

ACCOUNTING POLICIES CONTINUED

Going concern

Having assessed the principal risks and the other matters discussed in connection with the viability statement, the Directors have considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements, as described in the Directors' Report of the consolidated Group Financial Statements.

Foreign currencies

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the dates of the individual transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at closing rates of exchange and differences are taken to the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Finance costs

Finance costs are recognised as an expense, calculated using the effective interest rate method, in the period in which they are incurred.

Investments

Investments in subsidiaries are stated at cost, less provisions for impairment.

Impairment

The Company's accounting policies in respect of the impairment of financial assets are consistent with those of the Group. The carrying values of investments in subsidiary undertakings are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company's impairment policies in relation to financial assets are consistent with those of the Group, with additional consideration given to amounts owed by Group undertakings. Any provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historical credit loss experience, adjusted for factors specific to the receivable and company.

Deferred tax

Deferred income tax is accounted for using the liability method in respect of temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference is due to the initial recognition of goodwill arising on a business combination, or to an asset or liability, the initial recognition of which does not affect either taxable or accounting income.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled using rates enacted or substantively enacted at the end of the reporting period. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to shareholders' equity, in which case the deferred tax is also dealt with in shareholders' equity.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and if the deferred taxes relate to income taxes levied by the same taxation authority.

Share capital

Ordinary shares are classified as equity.

Where the Company purchases its own equity share capital (treasury shares), the consideration paid is deducted from shareholders' funds until the shares are cancelled, reissued, or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' funds.

Dividends

Final dividends proposed by the Board of Directors and unpaid at the year-end are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid.

ACCOUNTING POLICIES CONTINUED

Share-based payments

The Company operates various share-based award schemes. The fair value at the date at which the share-based awards are granted is recognised in the income statement (together with a corresponding credit in shareholders' equity) on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. At the end of each reporting period, the Company revises its estimates of the number of awards that are expected to vest. The impact of any revision is recognised in the income statement with a corresponding adjustment to equity.

For equity-settled share-based awards, the services received from employees are measured by reference to the fair value of the awards granted. With the exception of the Save As You Earn scheme, the vesting of all share-based awards under all schemes is solely reliant upon non-market conditions, therefore, no expense is recognised for awards that do not ultimately vest. Where an employee cancels a Save As You Earn award, the charge for that award is recognised as an expense immediately, even though the award does not vest.

The issue of shares by the Company to employees of its subsidiaries represents additional capital contributions. When these costs are recharged to the subsidiary undertaking, the investment balance is reduced accordingly.

Financial instruments

The Company's policies on the recognition, measurement, and presentation of financial instruments under IFRS 7 are the same as those set out in the Group's accounting policies on pages 131 to 141.

Financial guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

NOTES TO THE FINANCIAL STATEMENTS

1 Auditor's remuneration

The Company incurred £0.1m (2023: £0.1m) in relation to UK statutory audit fees for the year ended 31 December 2024.

2 Directors' remuneration

	2024 £m	2023 £m
Wages and salaries	**3**	3
Social security costs	**1**	1
	4	4

Further information on Executive Directors' emoluments and interests is given in the Directors' Report on Remuneration which can be found on pages 91 to106.

3 Investment in subsidiaries

	2024 £m	2023 £m
Cost		
At 1 January	**2,641**	2,402
Additions	**105**	239
At 31 December	**2,746**	2,641
Provisions		
At 1 January	**(55)**	(55)
Impairment charge	**(103)**	—
At 31 December	**(158)**	(55)
Net book value	**2,588**	2,586

The Directors believe that the carrying value of the individual investments is supported by their expected recoverable amount.

During 2024, the Company increased its investment in Inchcape Management (Services) Limited, which was then subsequently impaired to ensure the carrying value of the investment does not exceed its recoverable amount.

During 2023, the Company increased its investment in Inchcape International Holdings Limited and St James's Insurance Limited.

4 Trade and other receivables

	2024 £m	2023 £m
Amounts due within one year		
Amounts owed by Group undertakings	**3**	79
Other debtors	**2**	2
	5	81
Amounts due after more than one year		
Amounts owed by Group undertakings	**—**	140
	—	140

Amounts owed by Group undertakings that are due within one year consist of current account balances that are interest free and repayable on demand, as well as intercompany loans that bear interest at rates linked to source currency base rates.

Amounts owed by Group undertakings that are due after more than one year bear interest at rates linked to source currency base rates.

5 Cash and cash equivalents

	2024 £m	2023 £m
Cash and cash equivalents	**7**	1

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 Trade and other payables

	2024 £m	2023 £m
Amounts due within one year		
Amounts owed to Group undertakings	—	14
Other creditors	**18**	8
	18	22

	2024 £m	2023 £m
Amounts due after more than one year		
Amounts owed to Group undertakings	**813**	1,085
	813	1,085

Current amounts owed to Group undertakings are interest free and repayable on demand. Non-current amounts are repayable between one and five years and bear interest at rates linked to source currency base rates.

7 Borrowings

	2024 £m	2023 £m
Amounts due within one year		
Private placement	—	70
Borrowings	**128**	250
	128	320
Amounts due after more than one year		
Private placement	**140**	140
Borrowings	**349**	348
	489	488

In December 2016, the Group concluded a Private Placement transaction raising £140m to refinance existing US dollar Private Placement borrowings which matured in May 2017. The amounts drawn under these facilities are as follows:

Maturity date	May 2027	May 2027	May 2029
Amount drawn	£30m	£70m	£40m
Fixed rate coupon	3.0%	3.1%	3.1%

As of 31 December 2024, the funding facilities of the Company consisted of sterling Private Placement Loan Notes amounting to £140m (2023: £210m), a five-year bond of £350m at a fixed coupon of 5% (2023: £50m) and a £1,200m revolving credit facility with a subsidiary. During the year, the term loan facility of £250m was repaid following the disposal of the UK Retail business.

The £350m public bond is held at amortised cost and had a fair value of £358m as at 31 December 2024 based on quoted prices, which is a level 1 valuation technique. The £140m sterling Private Placement loan notes are held at amortised cost. They have a fair value of £135m (calculated from discounted cash flow techniques obtained using discount rates from observable market data, which is a level 2 valuation technique.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Deferred tax

Net deferred tax asset/(liabilities)	Tax losses £m
At 1 January 2023	10
Charged to the income statement	—
At 1 January 2024	10
Charged to the income statement	(7)
At 31 December 2024	**3**

Deferred tax assets recognised are supported by those future taxable profits of the UK tax group, headed by the Company, which are associated with the reversal of taxable temporary differences.

9 Guarantees

The Company is party to composite cross guarantees between banks and its subsidiaries. The Company's exposure under these guarantees at 31 December 2024 was £7m (2023: £1m), equal to the carrying value of its cash and cash equivalents at the end of the period (see note 5). In addition, the Company has given performance guarantees in the normal course of business in respect of the obligations of Group undertakings amounting to £174m (2023: £170m).

10 Share capital

a) Allotted, called up and fully paid up

	2024 Number	2023 Number	2024 £m	2023 £m
Issued and fully paid ordinary shares (nominal value of 10.0p each)				
At 1 January	**413,007,132**	374,494,030	**42**	38
Shares issued	**—**	38,513,102	**—**	4
Cancelled under share buyback	**(18,673,960)**	—	**(2)**	—
At 31 December	**394,333,172**	413,007,132	**40**	42

b) Share buyback programme

In 2024, 18,673,960 shares were repurchased under the Company's share buyback programme at a cost of £147m, including costs of £1m associated with the transfer to the Company of the repurchased shares and their subsequent cancellation. The cost of the share buyback has been charged to retained earnings. An amount of £2m, equivalent to the nominal value of the cancelled shares, was transferred to the capital redemption reserve. In 2023, no shares were repurchased under the Company's share buyback programme.

The Group had a contract in place with a broker to purchase its own shares for cash in connection with the £150m buyback announced on 30 July 2024. The non-cancellable component of the contract gives rise to an additional financial liability as at 31 December 2024 of £4m (2023: £nil) which has been charged to retained earnings.

c) Substantial shareholdings

Details of substantial interests in the Company's issued ordinary share capital received by the Company at 3 March 2025 under the provisions of the Companies Act 2006 have been disclosed in the significant shareholdings section of the Corporate Governance Report.

d) Share options

At 31 December 2024, options to acquire ordinary shares of 10.0p each in the Company up to the following numbers under the schemes below were outstanding as follows:

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Share capital continued

Number of ordinary shares of 10.0p each	Exercisable until	Option price (£)
The Inchcape SAYE Share Option Scheme – approved		
32,884	1 May 2025	7.31
120,187	1 May 2026	6.00
119,945	1 May 2027	6.11
45,870	1 May 2028	6.80

Included within the retained earnings reserve are 322,859 ordinary shares (2023: 1,008,058 ordinary shares) in the Company held by the Inchcape Employee Trust, a general discretionary trust whose beneficiaries include current and former employees of the Group and their dependants. The book value of these shares at 31 December 2024 was £3m (2023: £7m). The market value of these shares at 31 December 2024 and 3 March 2025 was £2m (31 December 2023 and 4 March 2024: £7m).

e) Issue of Derco shares

On 4 January 2023, 38,513,102 ordinary shares of 10p each in the capital of the Company were issued in connection with the acquisition of the Derco group.

f) Share-based remuneration

During the year, Inchcape plc had two employees, the Group Chief Executive, and the Group Chief Financial Officer.

The terms and conditions of the Company's share-based payment plans are detailed in the Directors' Report on Remuneration.

The charge arising from share-based transactions during the year was £3m (2023: charge of £2m), all of which is equity-settled.

The weighted average exercise price of shares exercised during the period was £nil (2023: £7.61).

The weighted average remaining contractual life for the share options outstanding at 31 December 2024 is 1.4 years (2023: 1.4 years) and the weighted average exercise price for options outstanding at the end of the year was £6.57 (2023: £5.17).

11 Dividends

The following dividends were paid by the Company:

	2024 £m	2023 £m
Final dividend for the year ended 31 December 2023 of 24.3p per share (2022: 21.3p per share)	**100**	40
Interim dividend for the six months ended 30 June 2024 of 11.3p per share (30 June 2023: 9.6p per share)	**47**	88
	147	128

A final proposed dividend for the year ended 31 December 2024 of 17.2p per share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Related undertakings

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, associates, and joint ventures as at 31 December 2024 is shown below:

Subsidiaries

Name and registered address		Percentage owned
Argentina		
Torre Catalinas Plaza, Av. Eduardo Madero 900 Piso 17, Buenos Aires		
Distribuidora Automotriz Argentina S.A.		100 %
Inchcape Argentina S.A.		100 %
Australia		
Level 2, 4 Burbank Place, Baulkham Hills, NSW 2153		
AutoNexus Pty Ltd		100 %
Bespoke Automotive Australia Pty Ltd		100 %
Inchcape Australia Ltd	(i)	100 %
Trivett Automotive Retail Pty Ltd		100 %
Inchcape European Automotive Pty Ltd	(ii)	100 %
SMLB Pty Ltd		100 %
Subaru (Aust) Pty Ltd		90 %
Trivett Automotive Group Pty Ltd		100 %
Trivett Bespoke Automotive Pty Ltd		100 %
Trivett Classic Garage Pty Ltd		100 %
Trivett Classic Holdings Pty Ltd	(iii)	100 %
Trivett Classic Pty Ltd	(iv)	100 %
Trivett Pty Ltd		100 %
Inchcape Automotive Australia Pty Limited		100 %
Inchcape Automotive Distribution Australia Pty Limited		100 %
PartsLane Pty Limited		100 %
Barbados		
International Trading Centre, Warrens, St. Michael, Barbados, BB22026		
Inchcape Caribbean Inc		100 %
Inchcape (Barbados) Inc		100 %

Name and registered address	Percentage owned
Belgium	
Leuvensesteenweg 369, 1932 Sint-Stevens-Woluwe	
Autoproducts NV	100 %
Car Security NV	100 %
Toyota Belgium NV/SA	100 %
Inchcape Belgium Retail (formerly Garage Francorchamps SA)	100 %
Inchcape Belgium Distribution (formerly Inchcape Retail Belgium)	100 %
Bolivia	
Avenue Cristobal de Mendoza No. 164 UV:14 Mzno:5 Bldg. Imcruz, Santa Cruz	
Imcruz Comercial S.A.	100 %
Corporación de Inversiones Imcruz Corp. S.A.	100 %
Inversiones Piraí S.R.L.	100 %
Imcruz Corredores de Seguros S.R.L.	100 %
Brunei Darussalam	
KM3.6, Jalan Gadong, Bandar Seri Begawan	
Champion Motors (Brunei) Sdn Bhd	70 %
NBT (Brunei) Sdn Bhd	70 %
Inchcape (B) Sdn Bhd	100 %
Bravoauto Sdn Bhd	100 %
Inchcape Services Sdn Bhd	70 %
Bulgaria	
163 Tsarigradsko Shosse Str, Sofia	
Inchcape Brokerage Bulgaria EOOD	100 %
TM Auto EOOD	100 %
Toyota Balkans EOOD	100 %

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 RELATED UNDERTAKINGS continued

Name and registered address	Percentage owned
Cayman Islands	
c/o JTC (Cayman) Limited P.O. Box 30745, 94 Solaris Avenue, 2nd Floor, Camana Bay, Grand Cayman, KY1-1203	
Interamericana Trading Corp.	100 %
Chile	
Av. La Dehesa 265, Ciudad Santiago comuna Lo Barnechea Región Metropolitana	
Universal Motors SpA	100 %
Williamson Balfour Motors S.A.	100 %
Williamson Balfour S.A.	100 %
Inchcape Digital Delivery Centre Santiago SpA	100 %
Ruta 5 Norte #19100 Ciudad Santiago comuna Lampa Región Metropolitana	
Hino Chile S.A.	100 %
Inchcape Camiones y Buses Chile S.A.	100 %
Avda. Las Condes 11774, Vitacura, Santiago	
Inchcape Latam Internacional S.A.	100 %
Inchcape Automotriz Chile S.A.	100 %
Indigo Chile Holdings SpA	100 %
Av. Vitacura #5410, Vitacura, Santiago	
Inchcape Commercial Chile S.A.	100 %
Av. Raul Labbe #12981, comuna Lo Barnechea Región Metropolitana	
Comercializadora Ditec Automoviles S.A.	100 %
Comercial Automoviles Raul Labbe S.A.	100 %
Alonso de Córdova 4125, office 403, Vitacura, Santiago	
Dercorp CL SpA	100 %

Name and registered address	Percentage owned
Chile (continued)	
Av. Americo Vespucio 1842, Quilicura, Santiago	
Promac SpA	100 %
Importadora y Distribuidora Alameda SpA	100 %
Dercomaq SpA	100 %
Comesa S.A.	100 %
Inversiones Derco Internacional SpA	100 %
Derco Inversiones SpA	100 %
Dercolatina SpA	100 %
Sociedad Corredora de Seguros Derco SpA	100 %
Dercocenter SpA	100 %
Derco SpA	100 %
Servicios Operacionales Comerciales y Administrativos SpA	100 %
Colombia	
Calle 99 N° 69c – 41 Bogotá	
Inchcape Digital Delivery Centre Colombia S.A.S	100 %
Matrase S.A.S	100 %
Inchcape Colombia S.A.S	100 %
Inmobiliaria Inchcape Colombia S.A.S	100 %
Inchcape Global Business Services S.A.S	100 %
Vuelta Grande a 150 metros de la Glorieta de Siberia via Cota-Chia CLIS BG34	
Distribuidora Hino de Colombia S.A.S.	100 %
Chía, Cundinamarca, Colombia	
Derco Colombia S.A.S.	100 %
Derco Agencia de Seguros LTDA	100 %

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 RELATED UNDERTAKINGS continued

Name and registered address	Percentage owned
Cook Islands	
First Floor, BCI House, Avarua, Rarotonga	
IB Enterprises Ltd	100 %
Costa Rica	
La Uruca, de la Pozuelo 200 metros oeste, frente al Hospital Mexico	
Arienda Express S.A.	100 %
Inchcape Protection Express Sociedad Agencia de Seguros S.A.	100 %
Vehiculos de Trabajo S.A.	100 %
Vistas de Guanacaste Orquideas S.A.	100 %
Djibouti	
Route de Venise – Djibouti Free Zone – PO Box 2645	
Red Sea Automotive FZCO	100 %
Inchcape Djibouti Automotive SARL	98 %
Ecuador	
Av. 10 de Agosto N36-226 y Naciones Unidas, Quito, 170507	
Autolider Ecuador S.A.S	100 %
El Salvador	
Boulevard Luis Poma y Calle Llama del Bosque Pte. #1, Urb. Madreselva, Antiguo Cuscatlán, La Libertad	
Inchcape El Salvador, S.A. de C.V.	100 %
Estonia	
Läike tee 38, Peetri küla, Rae vald, Harjumaa 75312	
Inchcape Motors Estonia OÜ	100 %
Ethiopia	
Bole Sub City, Kebele 03, H.Nr. 2441, Addis Ababa	
The Motor & Engineering Company Of Ethiopia (Moenco) S.C.	94 %
Finland	
Ansatie 6 a C, 01740 Vantaa, Kotipaikka, Helsinki	
Inchcape Motors Finland Oy	100 %
Inchcape Retail Finland Oy	100 %
Inchcape JLR Finland Oy	70 %

Name and registered address	Percentage owned
Greece	
48 Ethnikis Antistaseos Street, Halandri 15231	
British Providence SA	100 %
Eurolease Fleet Services SA	100 %
Toyota Hellas SA	100 %
Polis Inchcape Athens SA	100 %
Guam	
443 South Marine Corps Drive, Tamuning, Guam 96913	
Atkins Kroll Inc	100 %
197 Ypao Road, Tamuning , Guam 96913	
Morrico Holdings, Inc	100 %
Morrico Equipment LLC	100 %
Guatemala	
20 Calle 10-91, Zona 10, Guatemala, Guatemala	
Inchcape Guatemala S.A.	100 %
Honduras	
Penthouse Edificio Torre Mayab, Colonia Loas del Mayab, Avenida Republica de Costa Rica,Tegucigalpa	
Inchcape Honduras S.A.	100 %
Hong Kong	
11/F, Tower B, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon	100 %
British Motors Ltd	100 %
Crown Motors Ltd	100 %
Future Motors Ltd	100 %
Inchcape Finance (HK) Ltd	100 %
Inchcape Hong Kong Ltd	100 %
Inchcape Mobility Limited	100 %
Inchcape Motor Services Ltd	100 %
Mega EV Ltd	100 %
Nova Motors Ltd	100 %

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 RELATED UNDERTAKINGS continued

Name and registered address		Percentage owned
Indonesia		
Indomobil Tower, 19th Floor, Jl. Mt Haryono no 11, Bidara Cina, Jakarta, Timur		
PT JLM Auto Indonesia		60 %
Sequis Tower, 7th Floor, Jl. Jendral Sudirman Kav. 71, South Jakarta 12190		
PT Inchcape Automotive Indonesia		100 %
PT Inchcape Indomobil Distribution Indonesia		70 %
PT Inchcape Indomobil Energi Baru		70 %
PT Inchcape Indomobil Energi Baru Distribusi		70 %
Wanaherang, Gunung Putri, Bogor, West Java		
PT Inchcape Indomobil Manufacturing Indonesia		70 %
Ivory Coast		
01 BP 3893, Abidjan O1		
Distribution Services Cote d'Ivoire SA		100 %
Toyota Services Afrique SA		100 %
Kenya		
LR 1870/X/126, Ground Floor, Oracle Towers, Waiyaki Way, P.O. Box 2231–00606, Nairobi		
Inchcape Kenya Ltd		100 %
Latvia		
4a Skanstes Street, Riga, LV–1013		
Inchcape Insurance Services SIA		100 %
Inchcape Motors Latvia SIA		100 %
Inchcape JLR Baltics SIA		70 %
Lithuania		
Laisves av. 137, Vilnius, LT–06118		
UAB Autovista		67 %
UAB Inchcape Motors		67 %
Ozo str. 10A, Vilnius, LT–08200		
UAB Krasta Auto		100 %
Macau		
Avenida do Coronel Mesquita, No 48–48D, Edf. Industrial Man Kei R/C, Macau		
Future Motors (Macao) Ltd		100 %
Yat Fung Motors Ltd		100 %
Netherlands		
Gustav Mahlerlaan 1212, 1081 LA Amsterdam, the Netherlands		
Inchcape International Group BV	(i)	100 %
New Zealand		
Bell Gully, Level 22, Vero Centre, 48 Shortland Street, Auckland, 1010, New Zealand		
Inchcape Motors New Zealand Ltd		100 %
Inchcape Automotive Distribution (NZ) Ltd		100 %
Inchcape Automotive Retail (NZ) Ltd		100 %
Inchcape New Zealand Ltd		100 %
North Macedonia		
21 8th September Boulevard, 1000 Skopje		
Toyota Auto Center DOOEL		100 %
Panama		
Vía General Nicanor A. de Obarrio (Street 50), Plaza Bancomer		
Ilaother S.A.		100 %
Ilachile S.A.		100 %
Ciudad de Panamá, Vía Cincuentenario Andrés Mojica, Ave. 6ta B., Lote X 5B, Corregimiento de San Francisco, Distrito de Panamá, Provincia de Panamá		
Arrendadora Automotriz S.A.		100 %
Motores Japoneses S.A.		100 %
Lopez, Lopez & Associates, 53rd street Marbella, World Trade Center, 5th floor, suite 502, Panama City		
Isthmus Exchange S.A.		100 %

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 RELATED UNDERTAKINGS continued

Name and registered address	Percentage owned
Peru	
Av. El Polo Nro. 1117, Santiago de Surco, Lima	
Inchcape Motors Peru S.A.	100 %
Av. Republica de Panama Nro. 3330, San Isidro, Lima	
IMP Distribuidora S.A.	100 %
Av. Morro Solar 812, Santiago de Surco, Lima	
Autocar del Peru S.A.	100 %
Distribuidora Automotriz del Peru S.A.	100 %
Inchcape Latam Peru S.A.	100 %
Rentas e Inmobiliaria Sur Andina S.A.	100 %
Av. Manuel Olguin 325, Santiago de Surco, Lima	
Derco Perú S.A.	100 %
Dercocenter S.A.C.	100 %
Corporación Andina de Negocios S.A.	100 %
Philippines	
28F Robinsons Cyberscape Gamma, Topaz and Ruby Roads, Ortigas Center, San Antonio, Pasig Cit, Second District, NCR, 1605	
Inchcape Digital Delivery Center Philippines Inc.	100 %
Block 8, Lot 2, 5th Avenue corner 24th Street, Bonifacio Global City, Fort Bonifacio, Taguig City 1630	
IC Automotive Inc	60 %
IC Land Automotive Inc	60 %
IC Star Automotive Inc	60 %
E. Rogriguez Jr. Avenue corner Carlo J. Caparas, Ugong, Pasig City 1604	
ICATS Asian Motors Inc	60 %

Name and registered address	Percentage owned
Philippines (continued)	
1008 EDSA Greenhills, Second District, City of San Juan, NCR, 1502	
ICATS British Motors Inc	60 %
ICATS Motorcycles Inc	60 %
ICATS Motors Inc	60 %
Poland	
Al. Prymasa Tysiąclecia 64, 01-424 Warszawa	
Inchcape Motors Polska Sp z.o.o	100 %
Al. Karkonoska 61, 53-015 Wroclaw	
Interim Cars Sp z.o.o	100 %
Ul. Lopuzanska 38 B, 02-232 Warszawa	
Inchcape JLR Poland Sp. Z.o.o	70 %
Puerto Rico	
Sabana Gardens Industrial Park Calle B Lotes 6 al 9a, Carolina, PR 00983 and PO Box 29718, San Juan, PR 00924-0092	
Millenium Sales and Services, Inc.	100 %
K.I. Investments Inc.	100 %
Inchcape Puerto Rico, Inc	100 %
Romania	
Pipera Boulevard No 1, Voluntari, Ilfov, 077190	
Inchcape Motors Srl	100 %
Toyota Romania Srl	100 %
Inchcape Broker de Asigurare Srl	100 %
Inchcape Bravoauto Srl	100 %
Saipan	
San Jose Village, 1 Chalan Monsignor Guerrero, Saipan, 96950, Northern Mariana Islands	
Atkins Kroll (Saipan) Inc	100 %

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 RELATED UNDERTAKINGS continued

Name and registered address		Percentage owned
Singapore		
2 Pandan Crescent, Inchcape Centre, Singapore 128462		
Borneo Motors (Singapore) Pte Ltd		100 %
Century Motors (Singapore) Pte Ltd		100 %
Champion Motors (1975) Pte Ltd		100 %
Inchcape Automotive Services Pte Ltd		100 %
Inchcape Motors Private Ltd		100 %
Inchcape+ Pte Ltd		100 %
Spain		
C. De Don Ramon de la Cruz, 38, 28001 Madrid		
Inchcape Inversiones España S.L.		100 %
Tanzania		
AFED Business Park, JK Nyerere Rd, PO.Box 21885, Dar Es Salaam		
Inchcape Automotive Limited		100 %
Thailand		
No. 4332 Rama IV Road, Prakhanong Sub-District, Klongtoey District, Bangkok		
Inchcape (Thailand) Company Ltd		100 %
No. 2133 New Petchburi Road, Bangkapi Sub-District, Huaykwang District, Bangkok 10310		
Inchcape Services (Thailand) Co Ltd		49 %
Turks and Caicos Islands		
Market Place, Providenciales		
Nagoya Marine & General Insurance Ltd		100 %
United Kingdom		
22a St James's Square, London, SW1Y 5LP		
Armstrong Massey (York) Limited		100 %
Autobytel UK Limited		100 %
Ferrari Concessionaires Limited	(v)	100 %
Inchcape Motors International Limited		100 %
Inchcape North West Limited		100 %
Inchcape Transition Limited		100 %

Name and registered address		Percentage owned
United Kingdom (continued)		
Inchcape UK Corporate Management Limited		100 %
Inchcape KMG Limited		100 %
Mann Egerton & Co Limited		100 %
Nexus Corporation Limited		100 %
Notneeded No. 144 Limited		100 %
Tozer International Holdings Limited		100 %
Tozer Kemsley and Millbourn Automotive Limited		100 %
Inchcape Digital Limited		100 %
Inchcape (Belgium) Limited	(vi)	100 %
Inchcape Corporate Services Limited		100 %
Inchcape Finance plc		100 %
Inchcape International Holdings Limited		100 %
Inchcape JLR Europe Limited		70 %
Inchcape Management (Services) Limited		100 %
Inchcape Overseas Limited		100 %
Inchcape (Singapore) Limited		100 %
St Mary Axe Securities Limited		100 %
PO Box 33, Dorey Court, Admiral Park, St Peter Port, GUERNSEY GY1 4AT		
St James's Insurance Limited		100 %
4th Floor 115 George Street, Edinburgh EH2 4JN		
Inchcape Investments and Asset Management Limited		100 %
Uruguay		
Rambla Baltasar Brum 3028, Montevideo		
Autolider Uruguay S.A.		100 %
United States of America		
The Corporation Company, 30600 Telegraph Road Bingham Farms, MI 48025		
Baltic Motors Corporation		100 %

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 RELATED UNDERTAKINGS continued

Name and registered address	Percentage owned
Joint ventures	
Australia	
Level 6, 15 Talavera Road, Macquarie Park, NSW, 2113	
IFSA Pty Ltd	50 %
Chile	
Av. Americo Vespucio 1842, Quilicura, Santiago	
Sociedad Comercial e Inmobiliaria Autoshopping S.A.	50 %
Sociedad Comercial Ecovalor S.A.	50 %
Av. Las Condes #11000, Oficina 301-A, Vitacura, Santiago	
Sociedad de Creditos Automotrices S.A.	50 %
Peru	
Av. Manuel Olguin 325, Santiago de Surco, Lima	
Sociedad de Creditos Automotrices Peru S.A.C.	50 %
Philippines	
City of San Fernando, Pampanga, 2000	
Milwaukee Icon Motors Inc	30 %

Unless stated below, all holdings have one type of ordinary share capital:

(i) Ordinary A and Ordinary B shares.
(ii) Ordinary shares, B Class shares, J Class shares and L Class shares.
(iii) Ordinary shares and E Class shares.
(iv) Ordinary shares, A Class shares, C Class shares, D Class shares and E Class shares.
(v) Ordinary shares, Ordinary A shares and 8% non-cumulative redeemable preference shares.
(vi) Ordinary shares and redeemable cumulative preference shares.

Subsidiary audit exemptions

The following UK subsidiary undertakings will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2024.

Name	Company number
Inchcape (Belgium) Limited	6006735
Inchcape (Singapore) Limited	6257211
Inchcape Corporate Services Limited	1235709
Inchcape International Holdings Limited	3580629
Inchcape Investments and Asset Management Limited	SC113224
Inchcape Motors International Limited	453390
Inchcape Overseas Limited	783712
Tozer Kemsley and Millbourn Automotive Limited	893104

The Company will guarantee the outstanding liabilities of the above UK subsidiary undertakings as at 31 December 2024, in accordance with section 479C of the Companies Act 2006.

SHAREHOLDER INFORMATION

REGISTERED OFFICE

Inchcape plc
22a St James's Square
London SW1Y 5LP

Tel: +44 (0) 20 7546 0022
Fax: +44 (0) 20 7546 0010
Registered number: 00609782
Registered in England and Wales

ADVISORS

Independent Auditor
Deloitte LLP
Chartered Accountants and Statutory Auditor

SHARE REGISTRARS

Computershare Investor Services PLC
Registrar's Department,
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Tel: +44 (0) 370 707 1076

SOLICITORS

Herbert Smith Freehills

CORPORATE BROKERS

Jefferies Hoare Govett
UBS AG

INCHCAPE ISA

Inchcape has established a Corporate Individual Savings Account (ISA).
This is managed by Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
Tel: 0870 300 0430

International callers:

Tel: +44 121 441 7560
More information is available at www.shareview.com

FINANCIAL CALENDAR

Annual General Meeting
15 May 2025

Announcement of 2025 Interim Results
29 July 2025

NOTES

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