

# Accelerating and evolving our business

Over the past five years, we have pursued a successful growth strategy under Ignite, one which has seen the Group grow from 26 to 34 markets and add new OEM partners to its Distribution portfolio. Our opportunity moving forward is to make our operating model genuinely scalable. Scalable in our core business of automotive Distribution. Scalable to capture more of the vehicle lifecycle.

In that time, we have developed new ways of reaching our customers and for them to access our services, via on- and offline channels and in combinations of both. We have initiated collaborations with key partners and moved quickly into testing how we can participate in new areas of private, shared and public mobility. We have developed playbooks of best practice to begin establishing a 'one Inchcape' way of doing things, from integrating acquisitions to implementing back-end platforms for our support functions. And we have participated in the consolidation of our industry through selective value-accretive M&A in both new and established markets with both new and established partners.

The successes we have seen with this strategy have come from a pursuit of growth and forward momentum. Now, with much of this growth-driving activity firmly embedded in the business, we are reviewing and refreshing our strategy to prepare for the next stage of our journey.

We start this journey in a good place with strong foundations in place to support our future goals. Our new strategic priorities will be delivered through a scalable, standardised and digital operating model driven by centres of excellence, while retaining our proximity to market. By embracing a one Inchcape way of working, and by building on our strong foundations through technological and data-led solutions, we have the opportunity to transform Inchcape into a business that is ready to maximise the opportunities in front of us now and to underpin our long-term sustainability.

## Change is driving opportunity

Our world, our industry and our business are experiencing unprecedented change. This change represents an imperative in our existing markets, but also a once-in-a-generation opportunity for Inchcape to grow. This growth will come from three opportunities:

### 1. Generating more value from existing markets and customers through route to market transformation

Success in providing OEMs with an omni-channel route to market will mean we sell more goods and services to consumers while reducing the cost of taking a car to market for our partners.

### 2. Expanding into new and adjacent areas, capturing more value from our vehicles as well as others

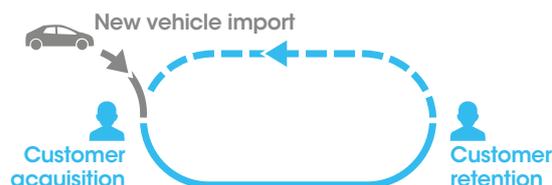
Adjacent markets like Used cars and parts are being disrupted. This provides opportunities for Inchcape to create new solutions or take proven solutions from other markets to capture a greater part of the vehicle value chain.

### 3. Using our core capabilities and market presence to expand and grow in new markets and with new partners

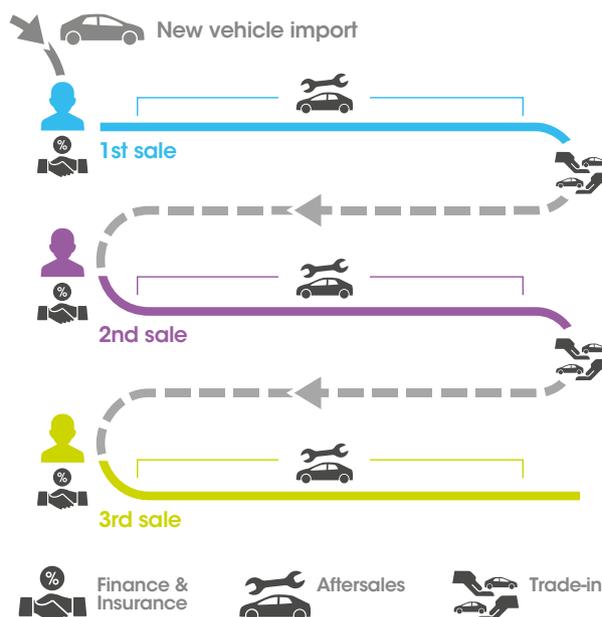
Manufacturers are now looking for partners in the markets they choose not to serve themselves, who have the scale to be able to exploit technology and data to deliver the omni-channel solution consumers are demanding.

## Our growth opportunities

### 1. Generating more value from existing markets and customers by transforming our route to market and operational efficiency



### 2. Developing products and services to capture new sources of value throughout the vehicle and customer lifetime



### 3. Growing in new markets and with new partners by demonstrating the value we bring to OEMs



### We must accelerate and evolve.

To realise these opportunities, we have identified two strategic priorities, supported by three enabling actions.

#### Priority #1: Transform our core business through Distribution Excellence

The urgent need to change our route to market model is well understood and already underway. We need to accelerate the speed and scale of our ambition to ensure we offer our OEM partners the omni-channel solution that serves the customer more effectively than they or a competitor can. The only way to do this is through a step-change in our digital capabilities, use of data and through the standardisation and relentless optimisation of our core processes.

This will provide the opportunity to expand our market presence and broaden our OEM partnerships.

#### Priority #2: Expand into new and adjacent Vehicle Lifecycle Services

The rise of digital business models in adjacent areas presents an opportunity for Inchcape to capture elements of the vehicle value chain currently under-exploited or not addressed. Digitalisation is removing barriers to entry and enabling competitors to create and scale businesses quickly. Inchcape's local market knowledge, access to digital capability and exposure to proven disruptive models in existing markets means that Inchcape has the right to play in these adjacencies, creating new revenue streams.

**Enabler #1: Develop the People, Culture, and Capabilities** we need to build on our core strengths of executional excellence and automotive knowledge and blend these with the digital, technological and process capabilities needed to succeed in the future.

**Enabler #2: Use Digital, Data and Analytics** to create the consumer experience relevant to each market based on data driven insights; make the business critical decisions that support efficient and effective execution using data; and ensure all of this data is totally secure.

**Enabler #3: Develop Efficient Scale Operations** to standardise our back office and core processes and apply 'one best way' to make us more efficient and more successful.

### Our strategy

Focus on two priorities to realise these opportunities

Distribution  
Excellence

Vehicle Lifecycle  
Services

People, Culture and Capabilities

Digital, Data and Analytics

Efficient Scale Operations

### We have clarified our purpose

Inchcape has a long and successful history of international trade based on a pioneering approach and spirit of innovation.

As a trading company, we have a strong track-record of successful expansion – developing new businesses in markets we know well and entering new geographies with familiar businesses.

Combined with considerable local freedom to innovate and pursue opportunities, these traits have grown Inchcape from its origins as a merchant trading company over two centuries ago to the international automotive services group we are today.

While the goods and services Inchcape provides have changed, our purpose retains this same pioneering spirit and ambitious global outlook:

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

#### Our purpose in more detail

Inchcape **brings** the mobility solutions provided by our automotive partners by providing the routes to market and access to customers through our Distribution and Retail expertise.

We enable access to a broad range of vehicles from passenger vehicles and motorbikes through to heavy trucks, commercial and municipal transport and we facilitate their continued use through Aftersales services. These products and services will evolve over time but our role and motivation to improve **mobility** for the customers and communities we work with will remain unchanged.

The brands we represent, the markets in which we operate and the customers we serve have unique characteristics. Borne of our heritage of trading throughout the world and embracing global diversity, Inchcape's ability to identify, understand and service the needs of our **communities** is one of our key strengths.

Our viability as an organisation is founded on how we perform **today** and how we embrace change and adapt to ensure our continued performance in the future. Inchcape has a rich history of surviving and thriving in our past; we aim to push into **tomorrow** with a continual focus on excellence and innovation.

**For better** has three meanings for Inchcape: capturing our pursuit of continuous improvement; reflecting our aspiration to be the trusted partner to OEMs; and outlining an ambition to achieve our goals while acting responsibly and sustainably for the benefit of all our stakeholders.