

Inchcape plc (“Inchcape” or the “Group”), the leading independent global automotive distributor, today releases its Q3 Trading Update covering the period from 1 July to 30 September 2021.

Q3 Trading Update

Strong Q3 performance drives increase in FY21 profit expectations

- Group revenue £1.9bn: up 10% YoY on an organic basis (2% below 3Q19), and down 2% reported
- 2021 PBT outlook upgraded to “at least £290m”, driven by a stronger margin performance
- Supply situation remains uncertain, with constraints expected to continue well into 2022
- Hosting a Capital Markets Day on 17th November 2021 in London from 2pm (UK)

Revenue YoY%	Reported	Constant FX	Organic ¹	
	Q3	Q3	Q3	YTD
Group	(2)%	+2%	+10%	+27%
Distribution	+17%	+23%	+20%	+28%
Retail	(21)%	(20)%	(2)%	+25%

1: Organic growth is defined as sales growth in operations that have been open for at least a year at constant foreign exchange rates

Duncan Tait, Group CEO, commented:

“The Group’s Q3 results were stronger than expected. The better performance was broad based, with all regions supporting the results in the quarter. The pandemic continues to cause uncertainty across the globe, although with largely localised restrictions, it had a relatively small impact on the Group in the period. While the ongoing supply shortages have had some impact on our topline performance, the Group has, to date, benefited from higher vehicle gross margins.

During the quarter, we signed a global strategic partnership with Geely, and with the integration well-progressed, the team is excited about the upcoming launch of the brand. We also continued to make good progress with our use of data and digital, and are looking forward to sharing more detail on our strategy and future growth prospects at our Capital Markets Day on the 17th November.

Looking ahead, the Group’s strong performance to date, supported by robust margins, will underpin an expected profit before tax for FY21 of at least £290m. Whilst the widely reported supply issues are not expected to improve until well into 2022, we are confident that margins will remain robust through this period, mitigating the likely impact on our topline.

The long-term growth prospects of the Group are attractive and exciting. Our ambition is to become the undisputed distributor of choice for OEMs. We will achieve this by further strengthening our OEM relationships and with more emphasis on capturing the lifetime value of both customers and vehicles.”

Channel review

The commentary that follows covers the period from 1 July to 30 September 2021. Unless otherwise stated, all figures are quoted on an organic basis¹.

During the quarter, Group revenue increased 10% year-on-year. Compared to the third quarter of 2019, revenue was 2% lower.

In Distribution, revenue increased 20% year-on-year, but was 5% below the equivalent period in 2019. While both the Europe and Americas & Africa regions generated revenue above 2019 levels, our business in APAC was weighed down by the known impact of the Singapore vehicle licence cycle, and Australasia faced pandemic related restrictions.

In Retail, revenue decreased 2% year-on-year, but was 5% above the equivalent period in 2019. This is a strong performance in the context of the supply constraints that continue to impact many of our OEM partners.

Distribution

Q3 organic revenue YoY: +20%

Asia

- Hong Kong revenue grew across all revenue streams (new, used and aftersales)
- Singapore revenue was stable versus Q2, supported by aftersales and used

Australasia

- Topline adversely impacted by supply constraints and localised pandemic related restrictions

Europe

- All markets delivered organic growth above 2019 levels; impact from supply issues towards the end of the quarter

Americas & Africa

- In Americas, our revenue was above 2019 levels with sales improving sequentially across all major markets
- Our businesses in Africa continued to perform well

Retail

Q3 organic revenue YoY: (2)%

UK & Europe

- Performance in the UK was relatively resilient against the backdrop of supply constraints
- Revenue in Russia was above 2019 levels, with growth across all revenue streams

Market abuse regulation statement

This announcement contains inside information.

Conference call today

A conference call for Analysts and Investors will be held today at 8:30am. For details please contact Penny Bainbridge at Instinctif on +44 20 7427 1402 and penny.bainbridge@instinctif.com.

Financial calendar

Capital Markets Day 17th November 2021

2021 full-year results 24th February 2022

Contacts

Inchcape plc:

Raghav Gupta-Chaudhary	Investor queries	+44 (0)7933 395 158	investors@inchcape.com
Finn Lawrence	Media queries	+44 (0)20 7546 0022	

Media enquiries:

Mark Garraway	+44 (0)7771 860 938	
Tim McCall / Galyna Kulachek	+44 (0)20 7457 2020	inchcape@instinctif.com

American Depositary Receipts

Inchcape American Depositary Receipts are traded in the US on the OTC Pink market: (OTC Pink: INCPY)

<http://www.otcmarkets.com/stock/INCPY/quote>

About Inchcape

Inchcape is the leading independent multi-brand global automotive distributor, operating in 36 markets with a portfolio of the world's leading automotive brands. Inchcape has diversified multi-channel revenue streams including sale of new and used vehicles, parts, service, finance and insurance. The Company has been listed on the London Stock Exchange (INCH) since 1958, is headquartered in London and employs around 15,000 people. www.inchcape.com.

Notes

1. References in the channel review are organic i.e. sales growth in operations that have been open for at least a year at constant foreign exchange rates. The difference between the 'constant currency' and 'organic' year-on-year rates relates to changes in consolidated operations in the past 12 months (i.e. Distribution acquisitions, Retail disposals).
2. Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences are 'forward-looking statements' within the meaning of the United States federal securities laws. These forward-looking statements reflect the Group's current expectations concerning future events and actual results may differ materially from current expectations or historical results.