



# INVESTOR PRESENTATION

December 2021



# Inchcape: Group overview

## Who we are

-  Largest independent global automotive distributor
  - Distribution accounts for vast majority of profits
-  Operating in 36 markets, across six continents
-  Long-term relationships with strong OEM brands
-  Highly cash generative with a disciplined capital allocation policy
-  Strong financial position (Jun-21 net cash: £435m<sup>1</sup>)
  - Significant M&A firepower
-  Solid track record of through-cycle resilience

## Global presence: 36 markets, with an EM focus

Key: Distribution Retail

### APAC

Australia  
Hong Kong  
Singapore  
Brunei, Guam, Saipan

### UK & Europe

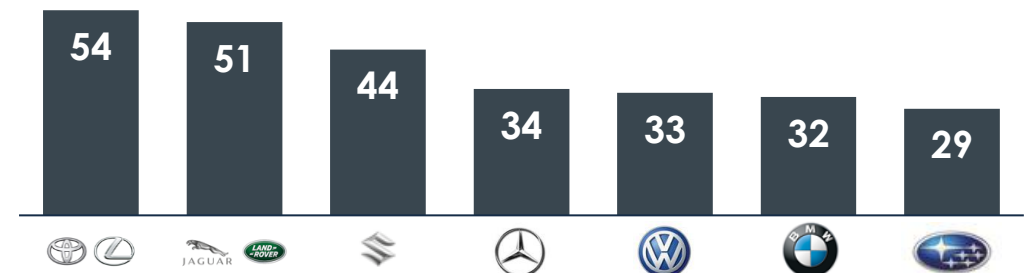
Belgium  
Greece  
Romania, Bulgaria  
Baltics  
UK, Russia, Poland

### Americas & Africa

Chile, Peru  
Colombia, Ecuador, Uruguay  
Costa Rica, Panama  
Ethiopia, Kenya

## Long-term OEM partnerships & strong brand portfolio

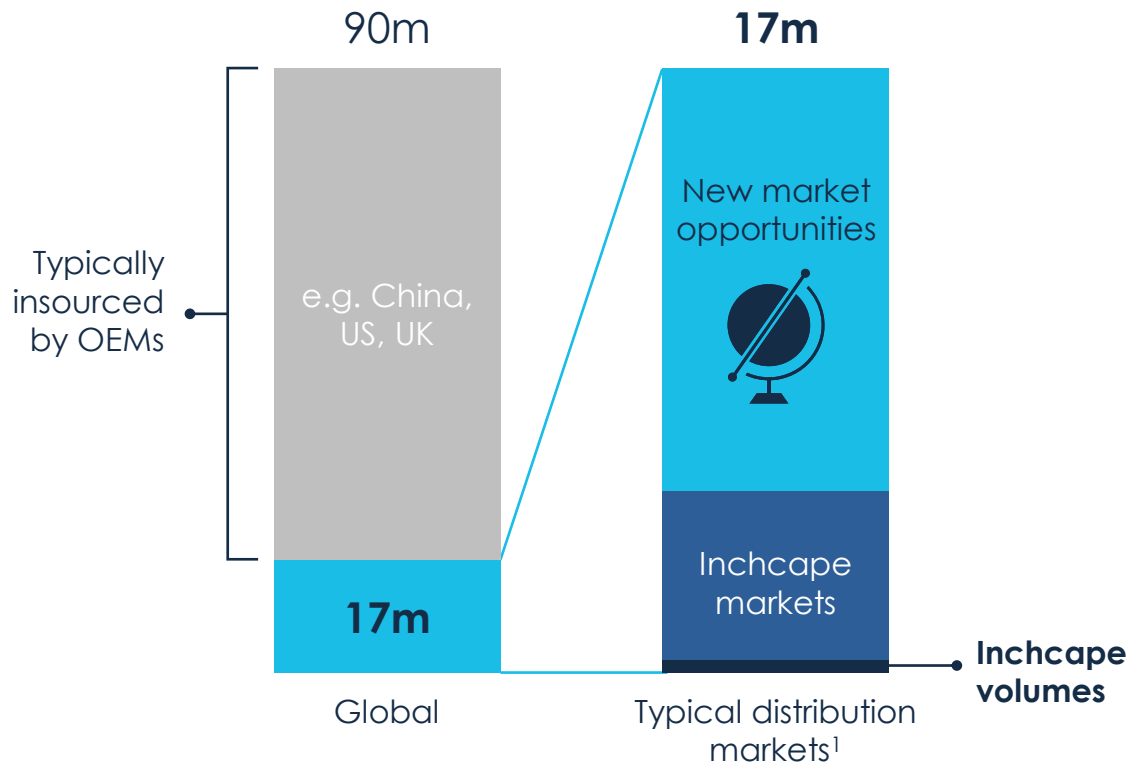
Number of years



1: Excluding lease liabilities. Compares to £266m as of Dec-20 and £103m as of Dec-19

# Considerable opportunities for an ambitious Inchcape

## Annual new car volumes (units)



## Vehicle lifetime value<sup>2</sup>

	Revenue	Profit
Initial User (0-4 years)	45%	25%
<b>Subsequent Users (4+ years)</b>	<b>55%</b>	<b>75%</b>

⋮  
**Currently underserved**

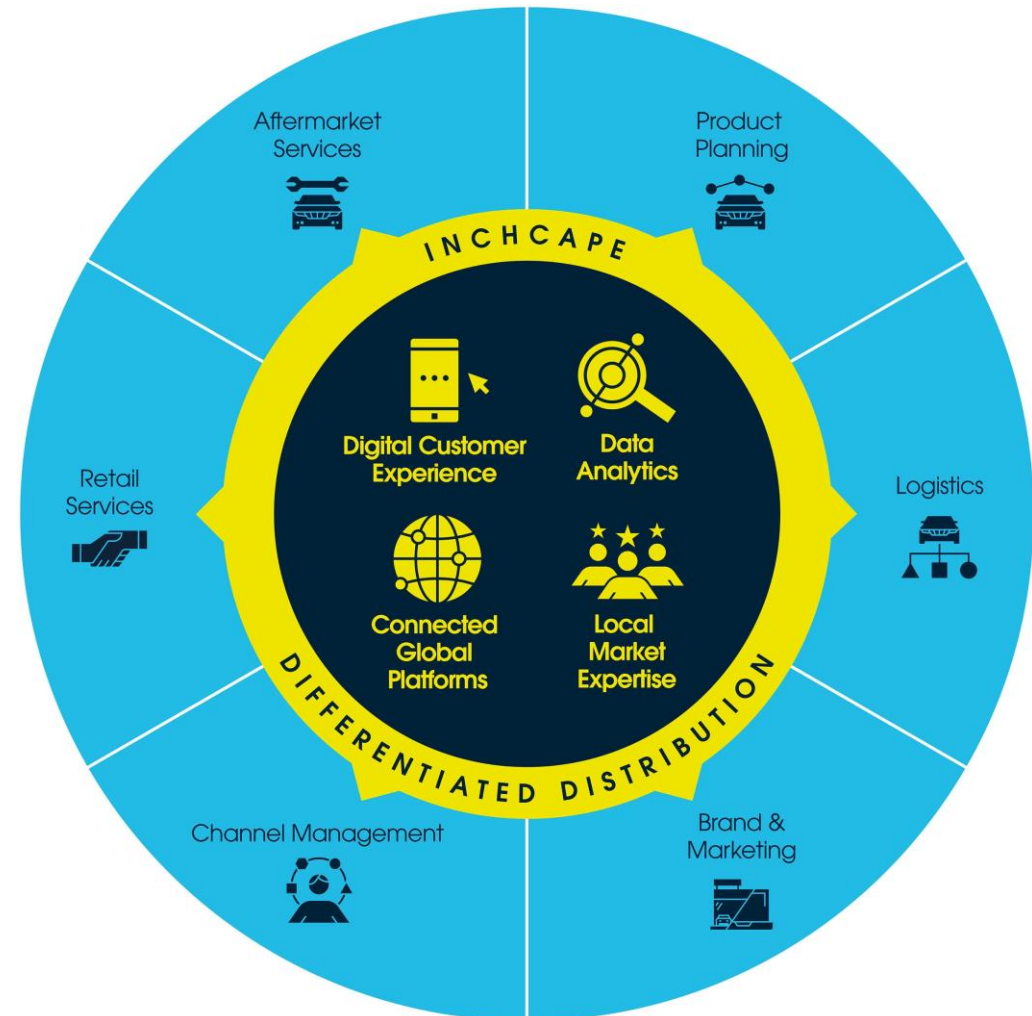
1: Defined as those markets with annual new car volumes of less than 1m units

2: Analysis shows the split of profit attainable over an average vehicle's life, and assumes four different owners during that period  
 The analysis captures the vehicle sales, finance & insurance commission and the aftersales services (including independent aftermarket)

# Business model: a differentiated approach to distribution

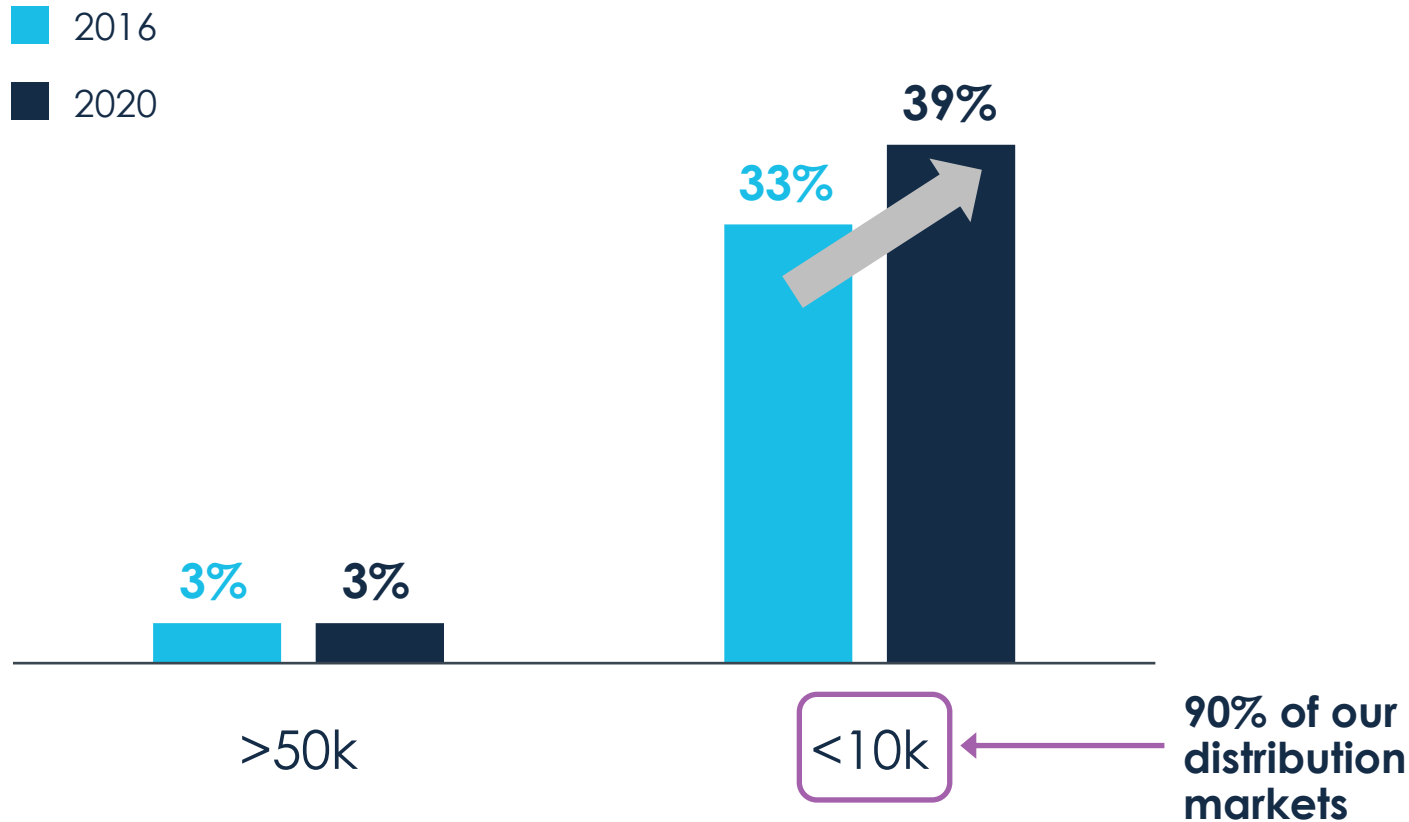
## Why our OEM partners need us?

- Distribution is our specialism
- We are nimble, fast and efficient
- OEMs focus (capital and expertise) is on larger markets and powertrain evolution
- We have been helping car brands grow for decades
- We have developed market-leading technology
- Strong global governance for emerging markets



# OEMs outsourcing distribution has gathered momentum

## % of distribution outsourced to independents

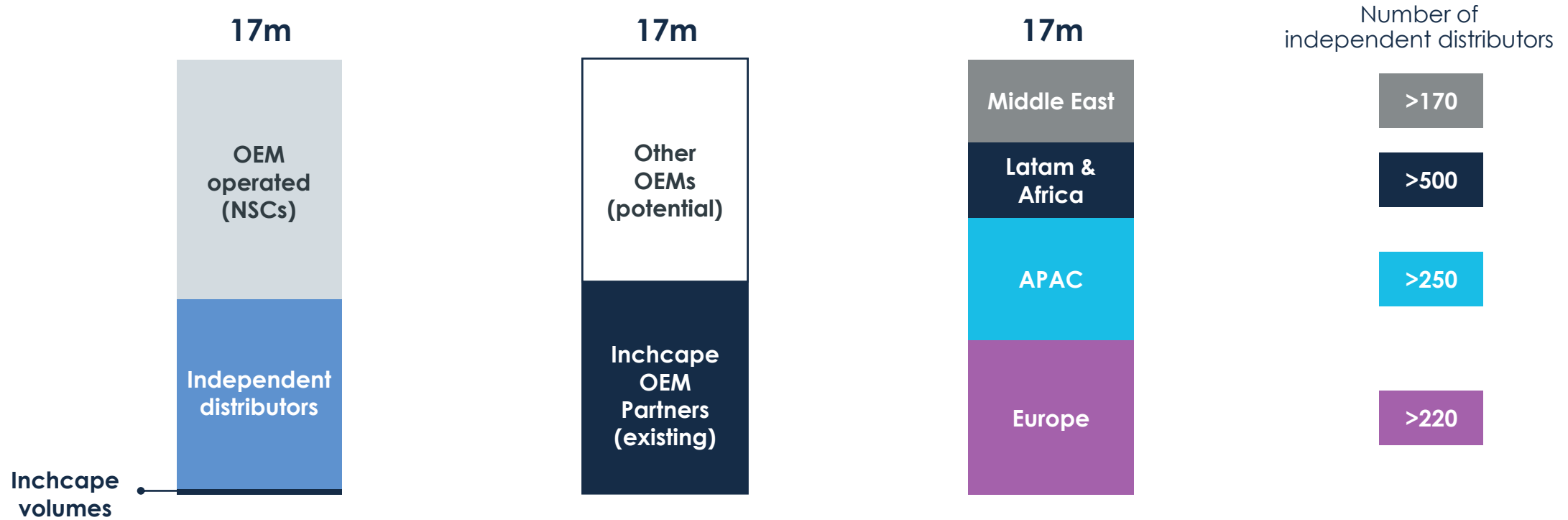


- OEMs are focused on the largest TIV markets
- OEMs are reallocating capital to CASE
- OEMs would like fewer partners

X: Vehicles distributed by a single distributor in a market  
Y: % of distribution outsourced to independents

# Consolidation: plotting the landscape of opportunity

## Typical distribution markets<sup>1</sup>



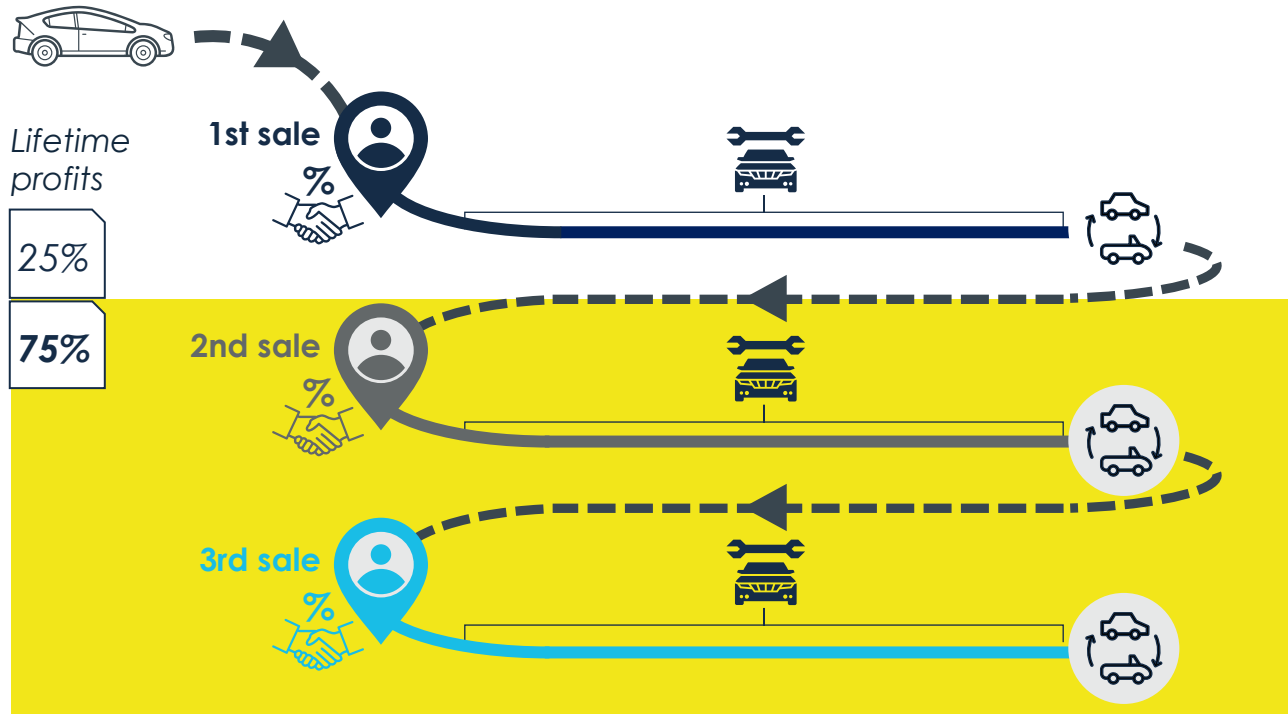
**Huge growth potential...      ...with new & existing OEMs...      ...across all regions...      ...in a highly fragmented industry**

<sup>1</sup>: Defined as those markets with annual new car volumes of less than 1m units

# Capturing more of the lifetime value of a vehicle

## Vehicle Lifecycle Value

New vehicle import



## Three opportunities in focus

Timeline

- bravoauto** (2021/22)  
 Digital first, multi-brand, used car platform  
 B2C
- Digital Parts Platform (2023/24)  
 Digital platform connecting parts distributors with workshops  
 B2B
- Used car listing platform (TBC)  
 Build the leading aggregator in less developed markets  
 B2B



Finance & Insurance



Aftermarket



Trade-in



Currently underserved by Inchcape

Note: Analysis shows the split of profit attainable over an average vehicle's life, and assumes four different owners during that period  
 The analysis captures the vehicle sales, finance & insurance commission and the aftersales services (including independent aftermarket)

# Medium-term financial outlook



## Distribution Excellence

### Organic

- TIV: 3+% growth p.a.
- Outperformance: 1+% p.a.
- Higher operating margin than historical average

**Mid-to-high single digit profit CAGR**

### M&A

- Continue to bolt-on new distribution businesses
- Attractive pipeline of larger scale opportunities



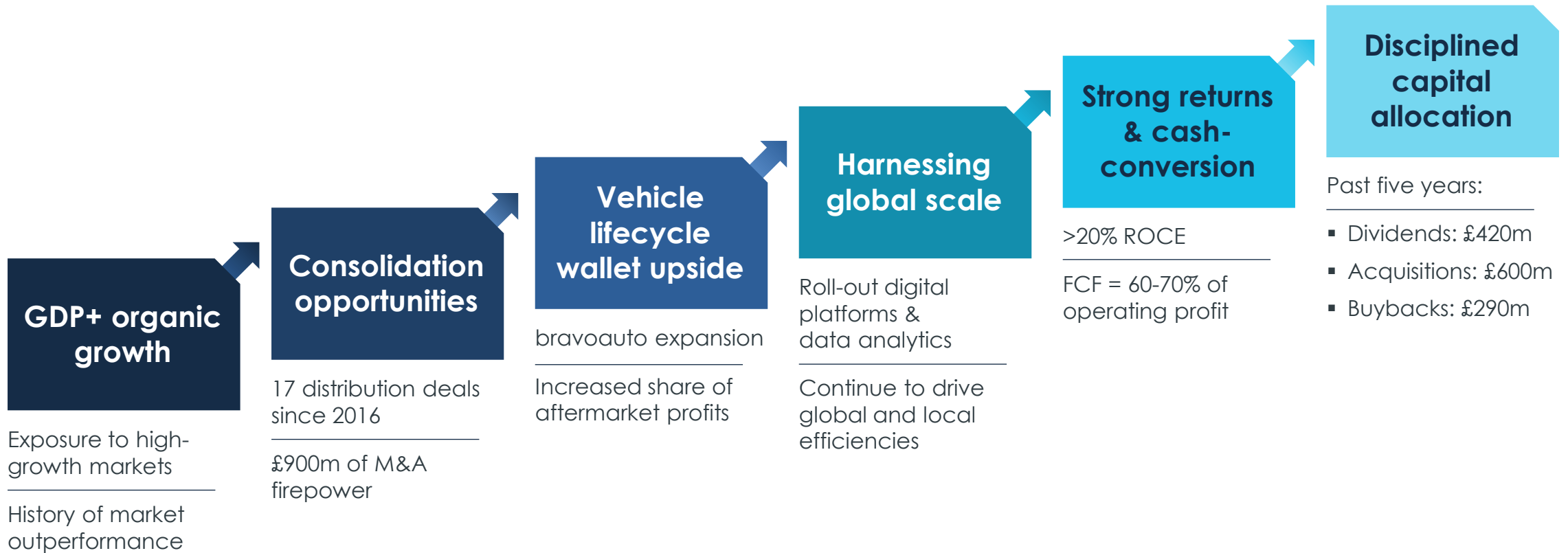
## Vehicle Lifecycle Services<sup>1</sup>

- At least double used car volumes
- Digital Parts Platform: operational and profitable

**>£50m incremental profit contribution**



# Investment proposition: sustainable growth and cash returns

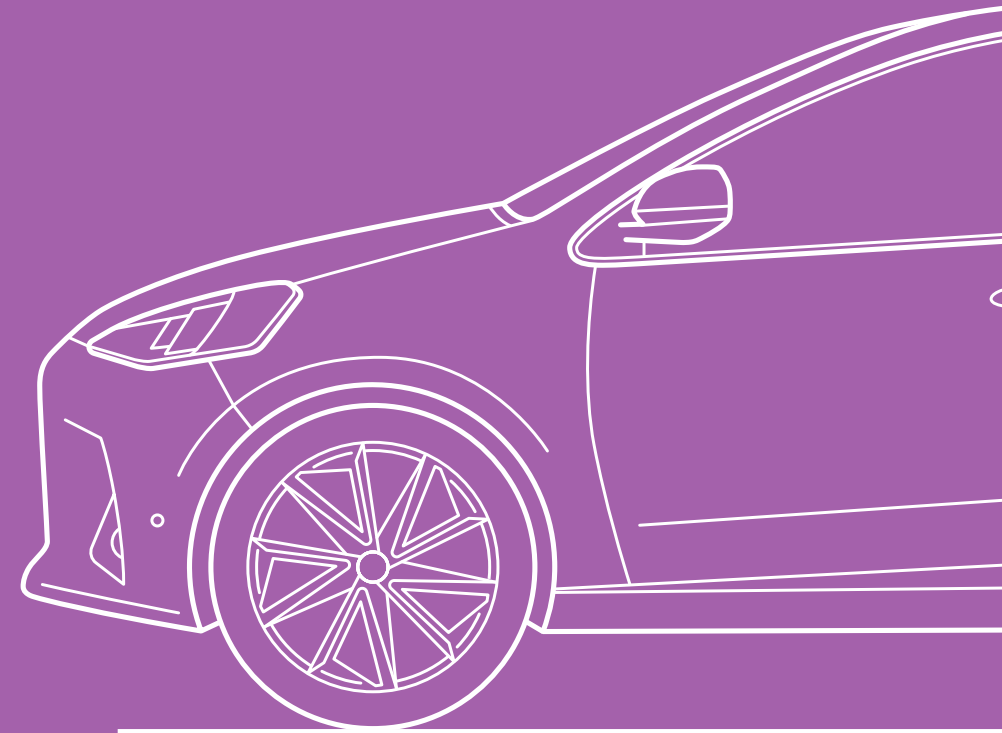


**Well-positioned to deliver significant value through organic growth, consolidation and cash returns**

The image is a composite of two scenes. The top-left scene shows a family of three—a woman, a man, and a young child—smiling and sitting in the open trunk of a white car. The bottom-right scene shows a man in a brown sweater plugging a charging cable into a dark-colored electric car. A woman in a black jacket stands next to the car, smiling and taking a selfie with her phone. The background of the bottom scene is a modern building with large windows.

**BRINGING MOBILITY TO  
THE WORLD'S COMMUNITIES -  
FOR TODAY, FOR TOMORROW  
& FOR THE BETTER**

# APPENDIX



# Accelerate strategic framework

## Our Growth Drivers

Distribution Excellence



Vehicle Lifecycle Services



## Our Enablers

Culture and Capabilities



Digital, Data & Analytics



Efficient Scale Operations



Responsible Business









































# Europe: OEM & market exposures

 Inchcape pre-2016
  New wins

	Passenger vehicles									
	Toyota	Lexus	Jaguar	Land Rover	BMW	Mini	Rolls Royce	Mazda	Ford	Hyundai
Lithuania										
Latvia										
Estonia										
Finland										
Belgium										
Luxembourg										
Greece										
Romania										
Bulgaria										
North Macedonia										
Poland			