



Investor presentation

November 2020

Inchcape: Group overview

Who we are

-  Largest independent global automotive distributor and retailer
 - Distribution accounts for >90% of Group profits
-  Long-term relationships with strong OEM brands
-  Operating in 34 markets; focused on high-growth markets
-  Highly cash generative with a disciplined capital allocation policy
-  Strong track record of through-cycle resilience
 - Encouraging bounce-back in Q3 2020

2019 financial highlights

£9.4bn

Revenue

£326m

PBT¹

59.9p

EPS¹

22%

ROCE

£213m

FCF

£103m

Net cash²

1) Pre exceptional items; 2) excluding lease liabilities (i.e. IAS17)

Inchcape: key characteristics

Global presence: 34 markets, with an EM focus

Key: Distribution Retail

APAC

Australia
Hong Kong
Singapore
Brunei, Guam, Saipan

Americas & Africa

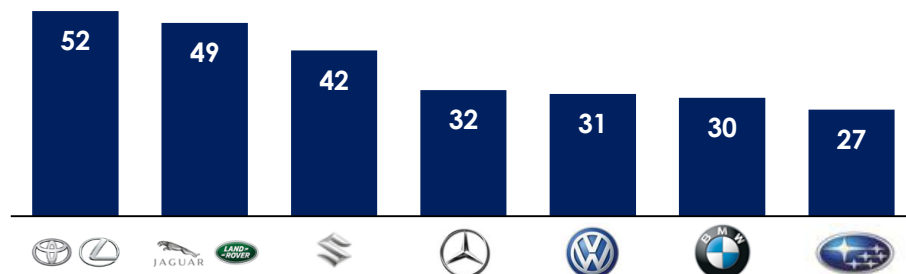
Chile, Peru
Colombia, Ecuador, Uruguay
Costa Rica, Panama
Ethiopia, Kenya

UK & Europe

Belgium
Greece
Romania, Bulgaria
Baltics
UK, Russia, Poland

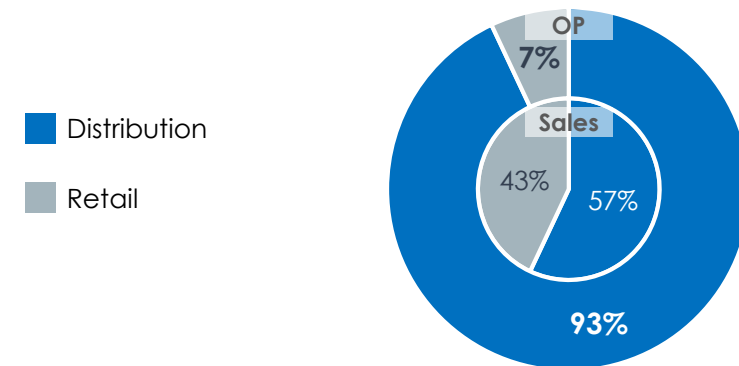
Long-term OEM partnerships & strong brand portfolio

Number of years of partnership



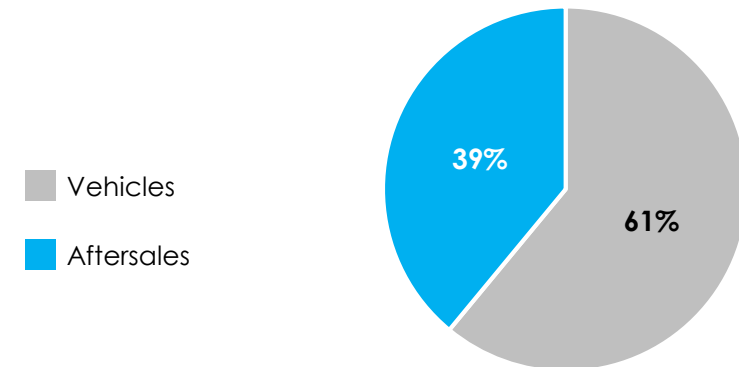
Distribution driven business

Sales and operating profit (2019)

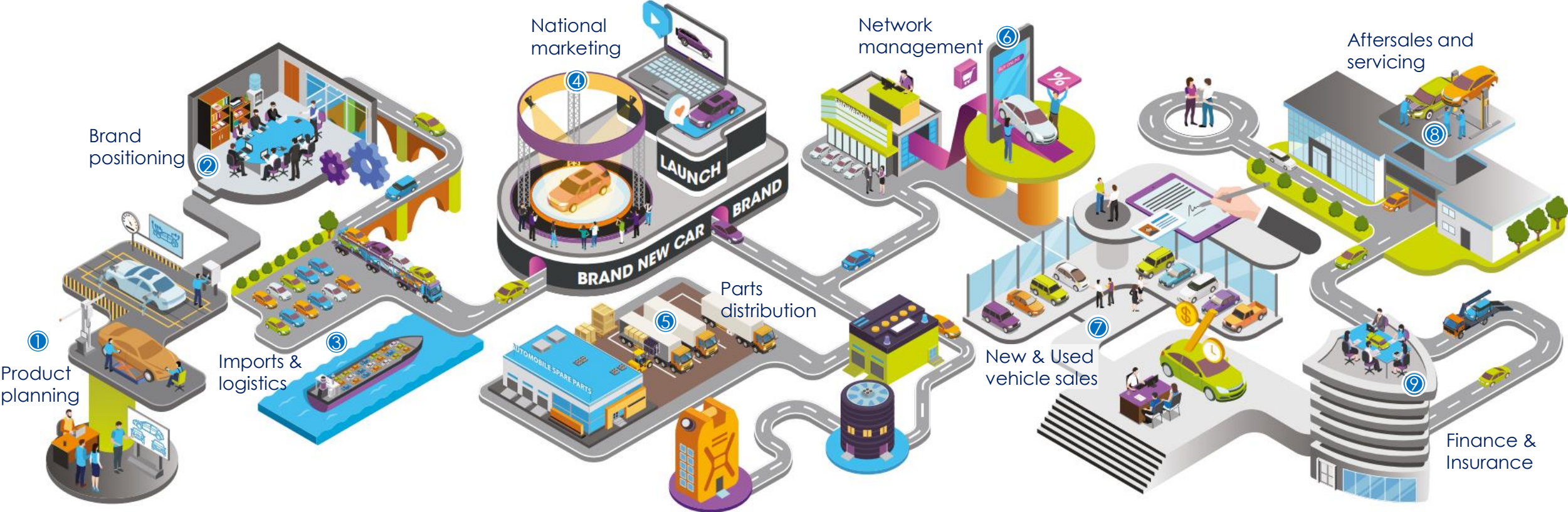


After-sales a stabilizer

Vehicles vs After-sales gross profit (2019)



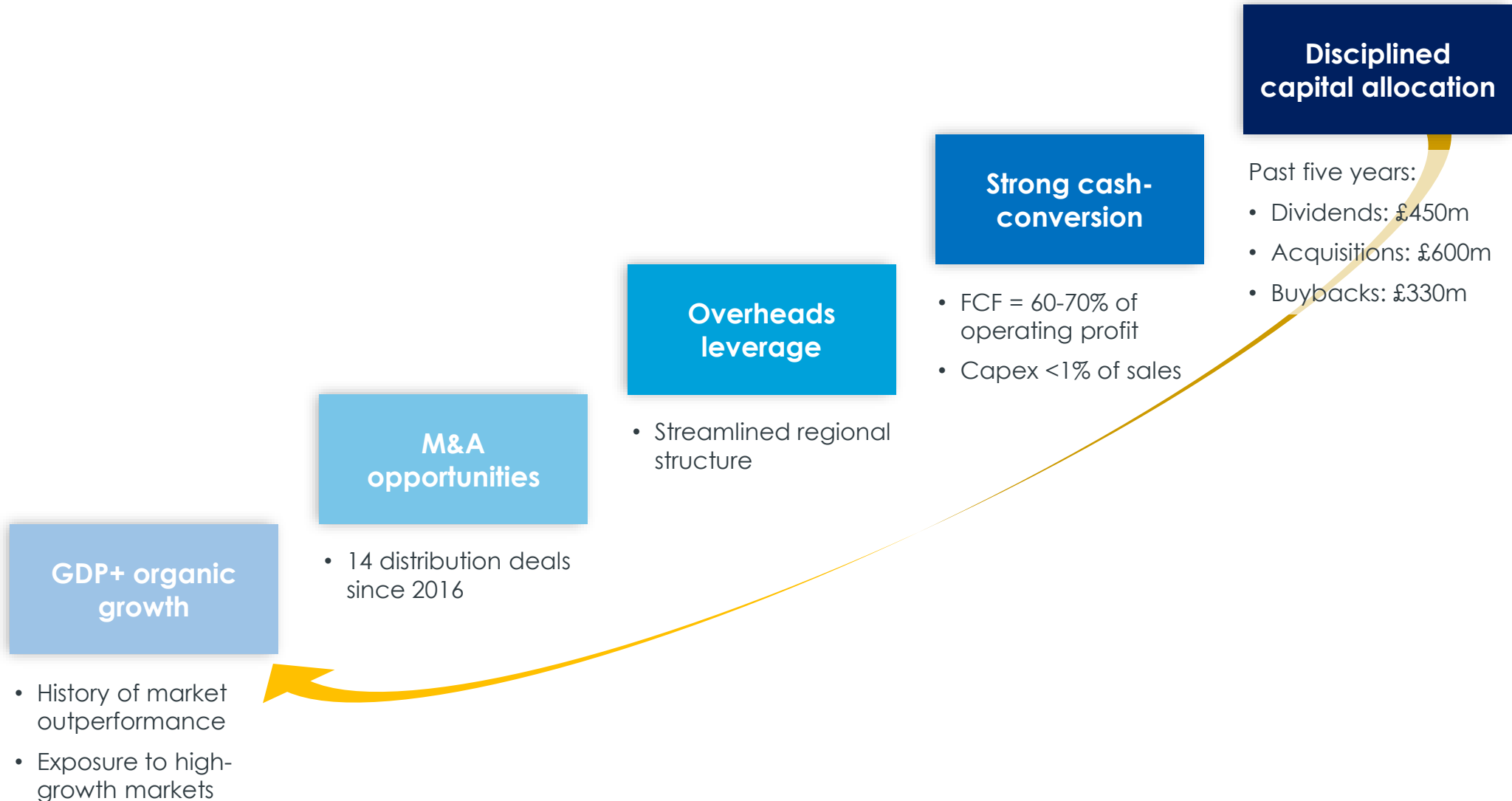
Distribution business model



Retail business model

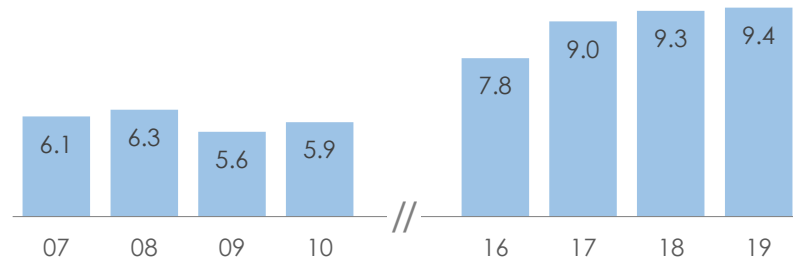


A highly cash-generative business



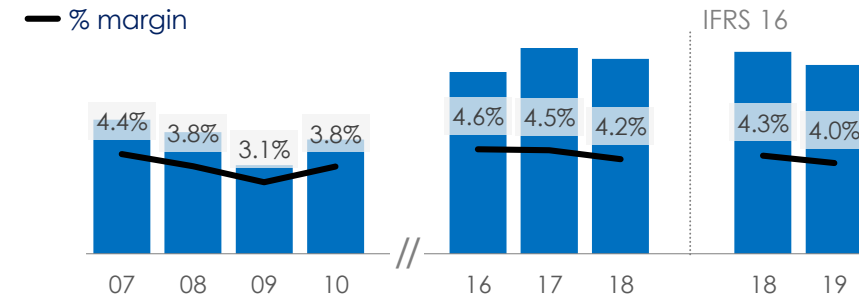
Delivering a resilient through-cycle performance

Revenue (£bn)



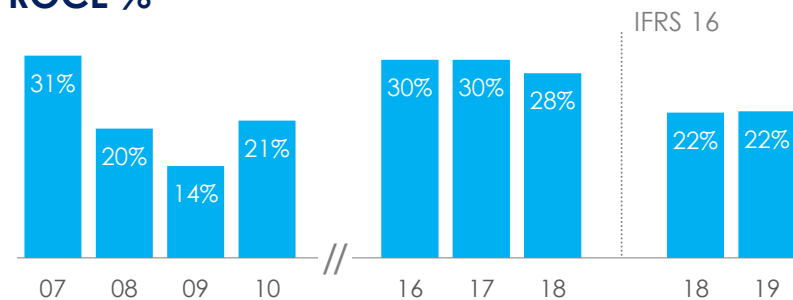
- 4% revenue CAGR (2007 to 2019)

Operating Profit (£m)



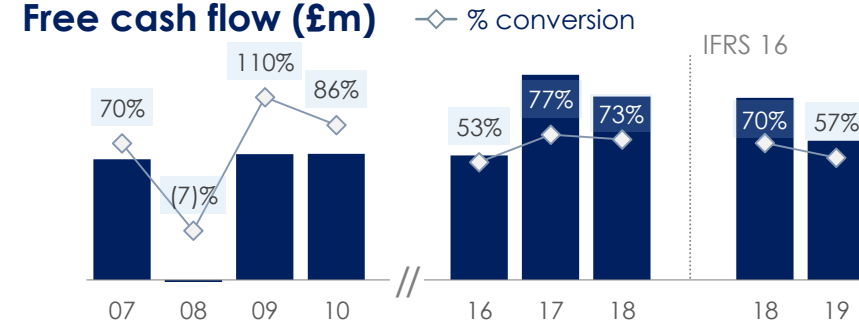
- Operating margin range: 3.1% to 4.7%¹

ROCE %



- Consistently delivered double-digit ROCE

Free cash flow (£m)

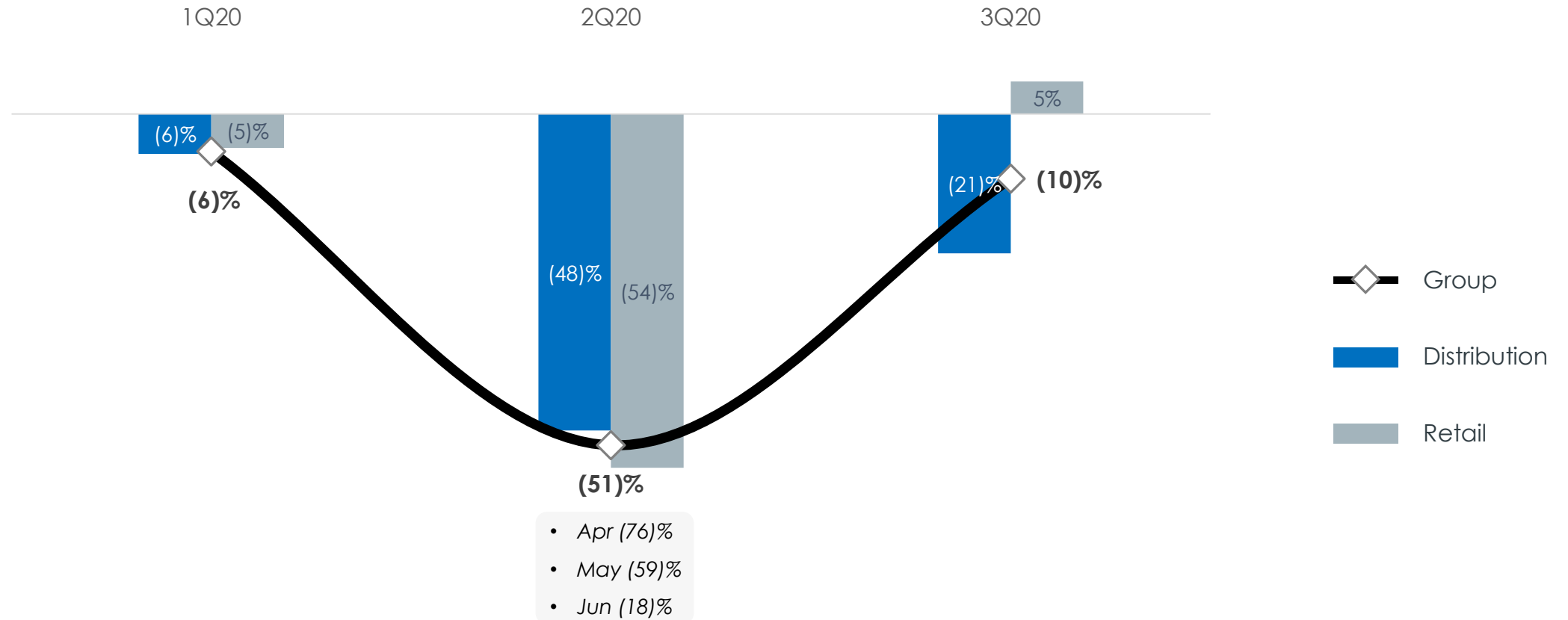


- Through-cycle FCF conversion of ~60%

1) 4.7% margin achieved in 2015

Quarterly trend: encouraging bounce-back

Organic revenue growth (yoy%)



3Q20 performance highlights

Topline
outperformance
continuing

Organic growth: (10)%
TIV¹: (16)%

Gross
margin YoY
stable

Quarter-on-quarter improvement
Stable despite geo-mix headwinds

Overheads
restructure
on-track

Targeting >£90m savings vs '19
c50% will be retained

Financial
position
strengthened

Working capital well-managed
Net cash @ Jun-20: £89m

Prepared for the future

Near-term

- Improved performance in lockdowns
 - Aftersales continuing
 - Online selling (click and collect)
- Continued strong financial position
- Becoming leaner and stronger

Strategic focus

- Further building our OEM relationships
- Continuing to outperform market volumes
- Targeting M&A opportunities
- Improving use of data and digital

Capital allocation: maintaining our discipline



Investment proposition: growth and cash returns



Distribution at our core: A highly cash generative and sustainable business model



Strong and increasing weighting to **higher growth markets** supports our diversification



Ignite strategy driving **organic performance** ahead of market growth



Continued **consolidation** a material driver of value creation



Sustainable business model well placed to benefit from future industry trends

Well positioned to deliver shareholder value through organic growth, consolidation and cash returns