

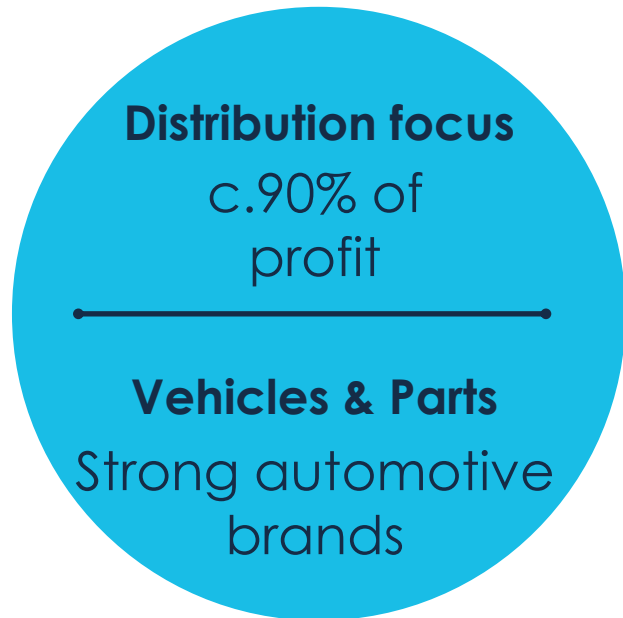


# INVESTOR PRESENTATION

May 2022

# Inchcape: Group overview

## Our business



Leading global automotive distributor

Long-term relationships with global OEMs

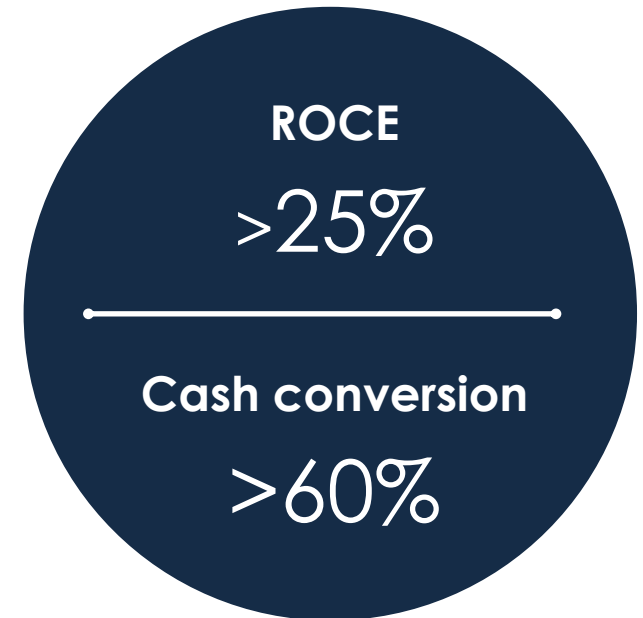
## Our differentiators



Specialist in higher growth markets

Leveraging technological capability

## Our financials



Strong financial position (M&A firepower)

Attractive capital allocation framework

# 2021 headline KPIs

## Topline

Revenue

£7.6bn

+21%

Organic growth (YoY%)

## Profitability

Operating margin

4.3%  
(2019: 4.0%)

£296m

PBT

## Cash

Free Cash Flow

£289m

88%

% FCF conversion

## Shareholders

Underlying EPS

56.2p

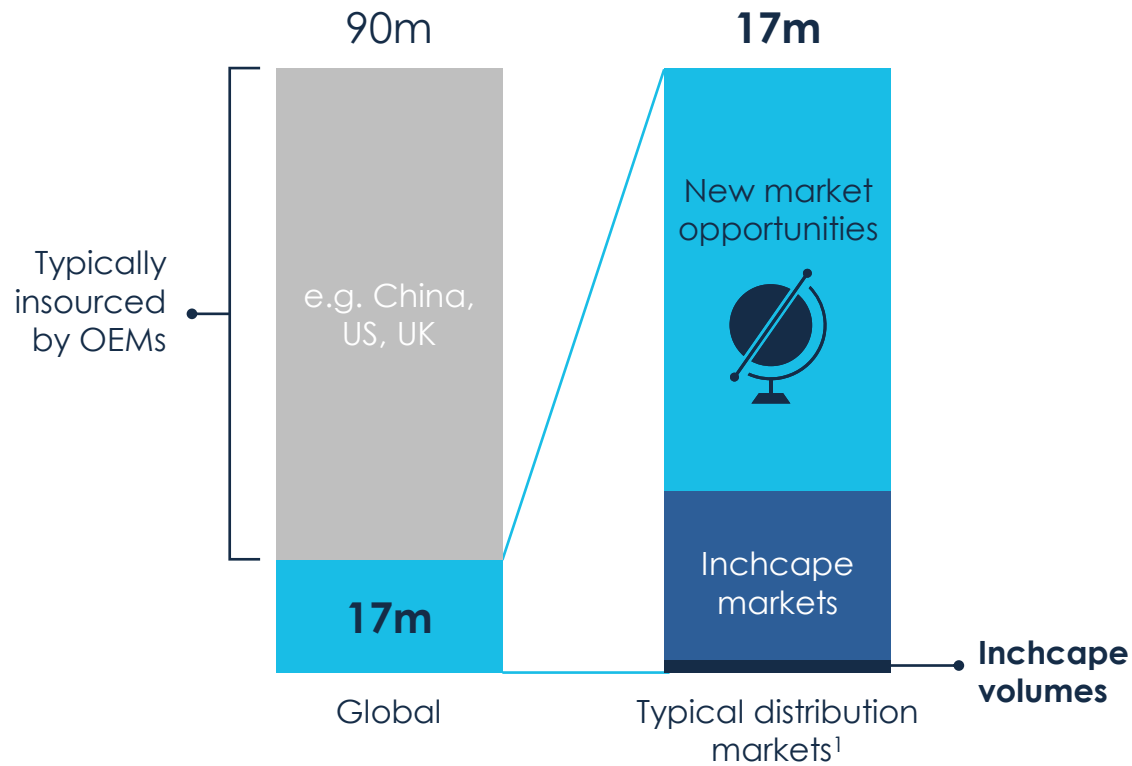
22.5p

DPS (proposed)

# Considerable opportunities for an ambitious Inchcape

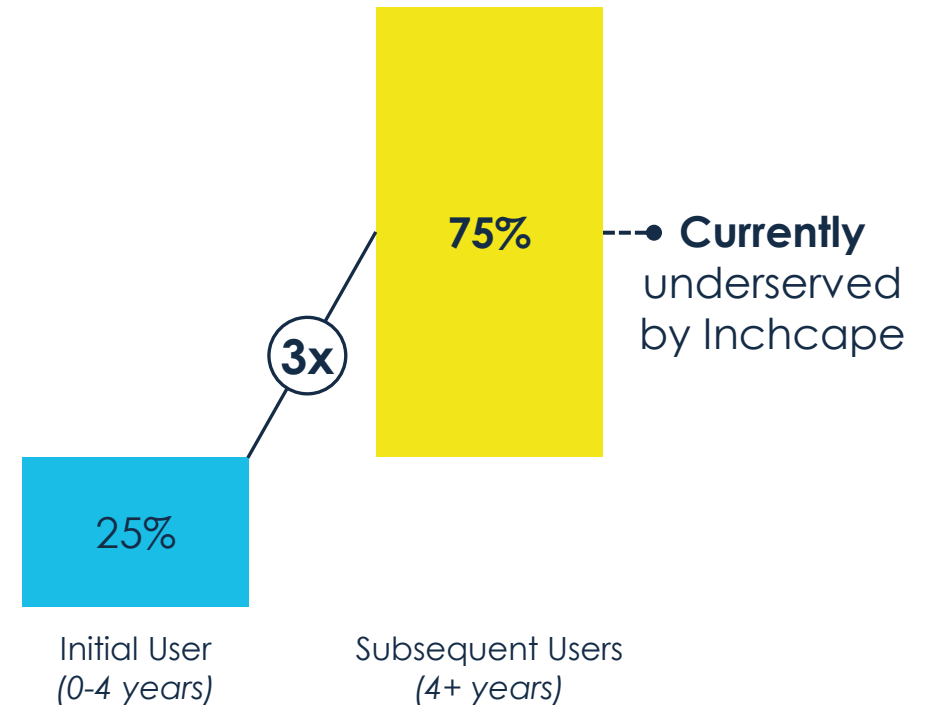
## Distribution Excellence

Annual new car volumes (units)



## Vehicle Lifecycle Services

Vehicle lifecycle value profit split<sup>2</sup>

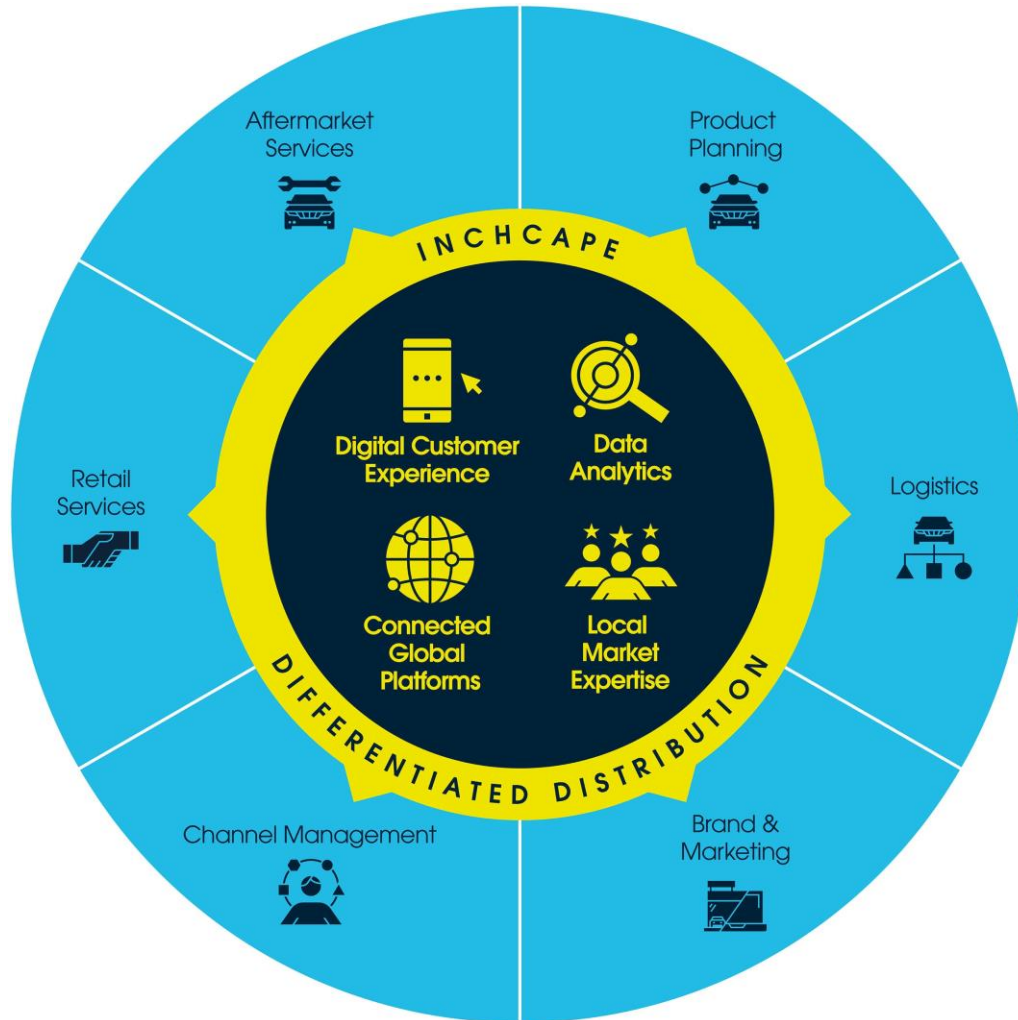


1: Defined as those markets with annual new car volumes of less than 1m units

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)

# Inchcape: the leading automotive distributor



## Our competitive advantages:

- The global leading distributor: >40 markets across six continents
- Long-term relationships with strong OEM brands
- A plug-and-play distribution platform: unique digital and data analytics capabilities

# Distribution deals have accelerated over the past 5 years

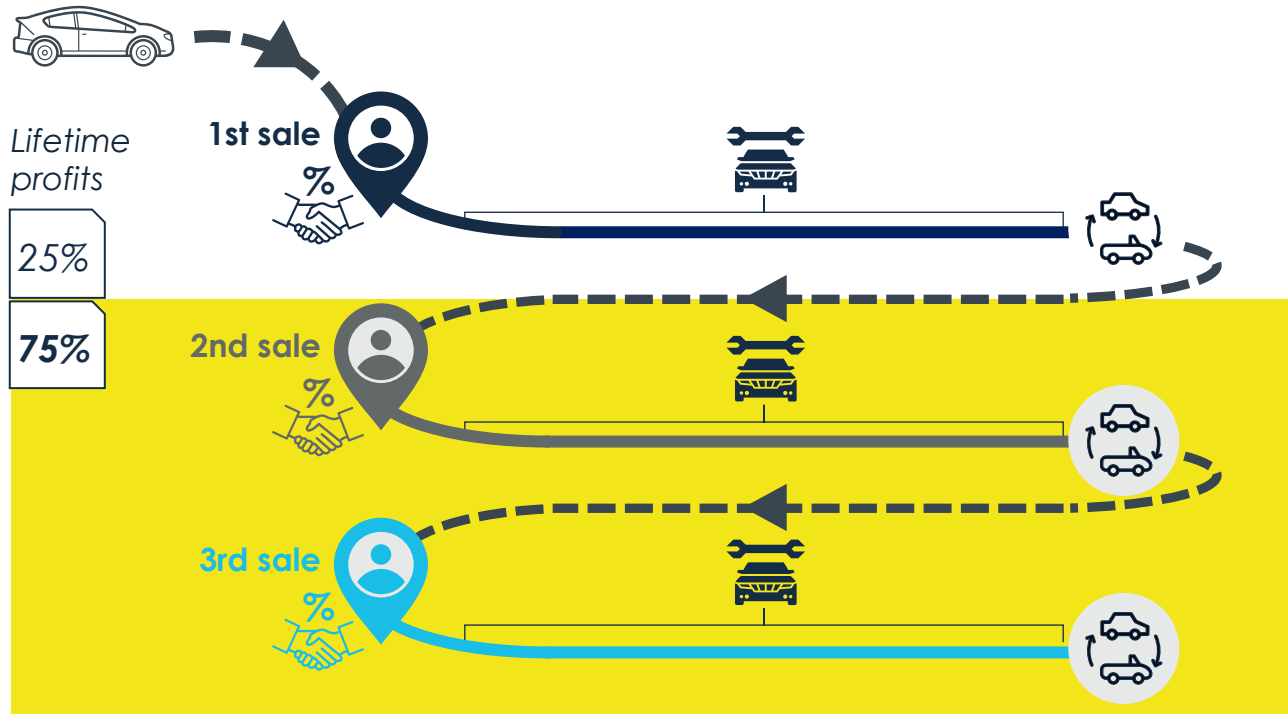


|                 |   |         |         |         |         |         |         |
|-----------------|---|---------|---------|---------|---------|---------|---------|
| Number of deals | 0 | 2       | 2       | 3       | 3       | 5       | 6       |
| Revenue added   | - | c.£400m | c.£100m | c.£250m | c.£150m | c.£200m | c.£350m |
| New OEMs        | - | 1       | 2       | 2       | 1       | 0       | 5       |
| New markets     | - | 3       | 0       | 3       | 2       | 2       | 3       |

# Capturing more of the lifetime value of a vehicle

## Vehicle Lifecycle Value

New vehicle import



## Three opportunities in focus

Timeline

- 1. bravoauto** (2021/22)  
 Digital first, multi-brand, used car platform  
 B2C
- 2. Digital Parts Platform** (2023/24)  
 Digital platform connecting parts distributors with workshops  
 B2B
- 3. 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)

# Capital allocation policy: highly attractive and disciplined

|                                |   |   |  |   |
|--------------------------------|---|---|--|---|
|                                | <b>01 Invest in the business</b><br><br>Capex for organic growth and technological investment | <b>02 Dividends</b><br><br>Policy: 40% annual payout of basic EPS (pre- exceptionals) | <b>03 Value accretive M&amp;A</b><br><br>Disciplined approach to valuation | <b>04 Share buybacks</b><br><br>Consider appropriateness of share buybacks<br><br> |
| <b>Cumulative 2016 to 2021</b> | £400m capex spend (<1% of sales)  | £470m of dividends  | £620m of distribution acquisitions   | £370m of share buybacks   |

**Strong balance sheet**  
**Net debt to EBITDA of max 1x (pre IFRS16)**



# Investment case: well-positioned to deliver significant value



**Medium-term financial outlook**

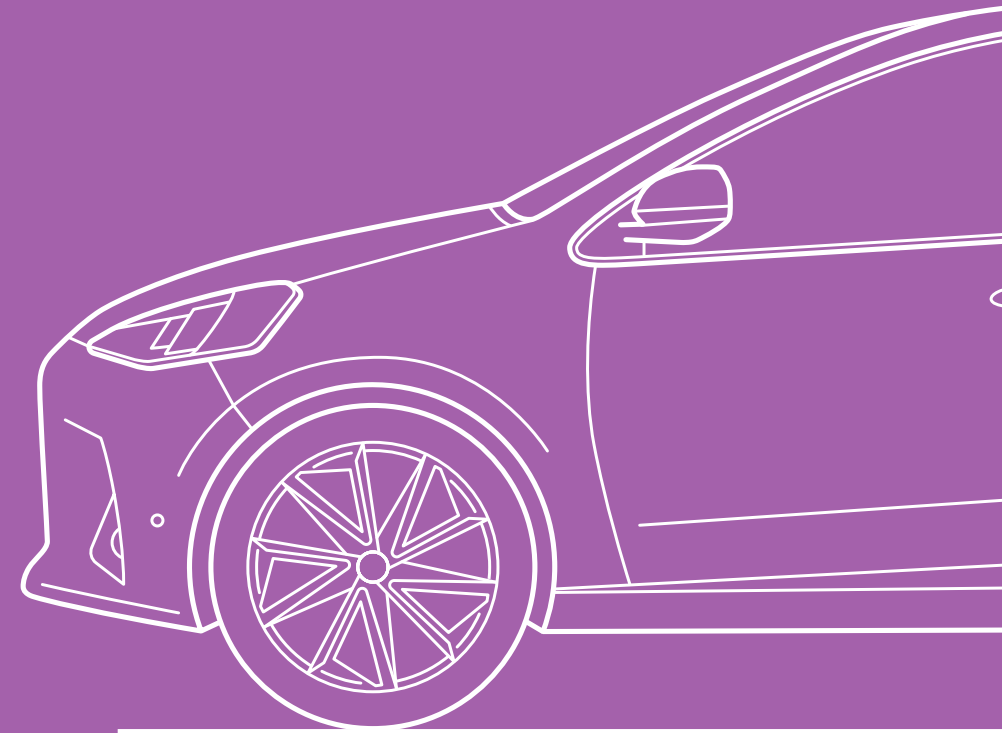
**Distribution Excellence:**  
mid-to-high single digit profit CAGR *plus* M&A

**Vehicle Lifecycle Services:**  
>£50m incremental profit contribution

The image is a composite of two scenes. On the left, a family of three—a woman, a man, and a young child—are sitting in the open trunk of a white car, smiling and looking towards the right. On the right, a man in a brown sweater is plugging a charging cable into the side of 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 shows a building and trees with autumn foliage.

**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

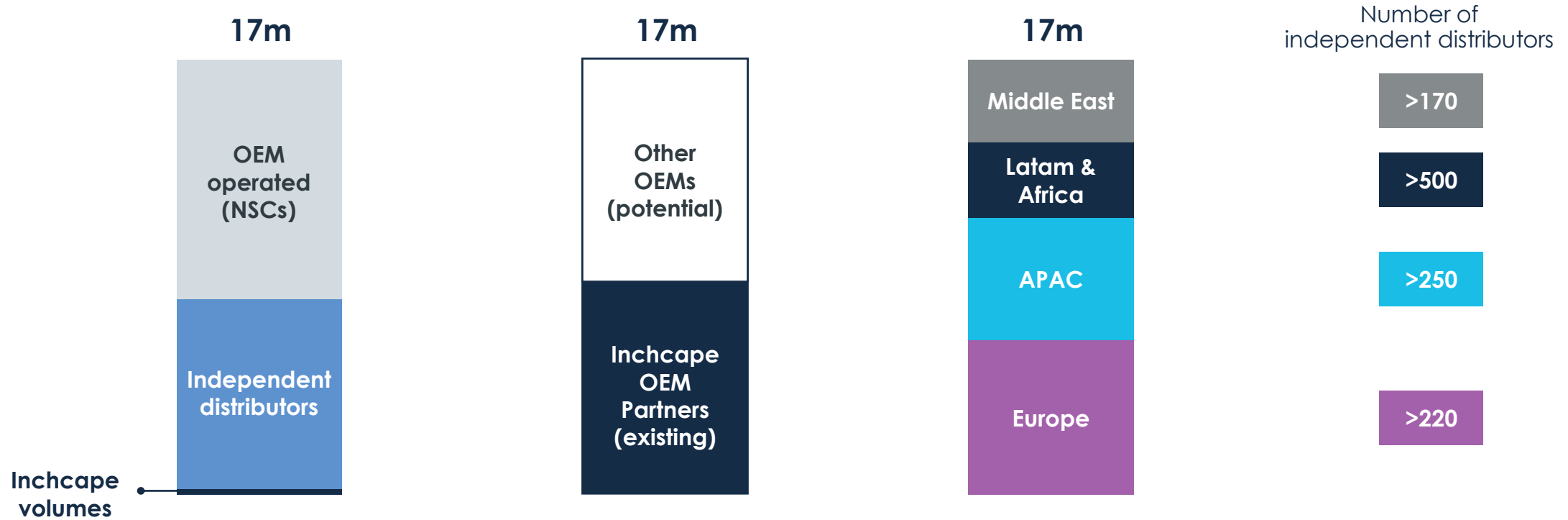


Responsible Business



# 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

# A strategic Responsible Business framework

## Planet



- Mapping the **risks and opportunities of climate change**
- Setting **GHG targets**
- **Reducing waste**

## People



- Prioritising **safety and wellbeing**
- Creating an **inclusive and diverse** colleague base

## Places



- Positively impacting **local communities**
- Supporting **safer roads**
- Facilitating **mobility solutions** for people with disabilities

## Practices



- Strengthening our **governance policies**, reflecting our standing as an international plc

### Key milestones achieved in FY21

- **Board approval** of our ESG strategy
- **Global workstreams established** for each pillar
- **Science-based targets set:** reducing scope 1 and 2 emissions by 46% by 2030, in line with a 1.5°C target
- **Climate-related risks and opportunities identified**
- Workstreams started on **Inclusion & Diversity and wellbeing**

### Next steps

- **TCFD-aligned reporting** in our 2021 ARA
- **2022 priorities towards our science-based targets:**
  - Switch to renewable tariffs
  - Invest in solar PV
  - Reduce base energy usage
- **Scope 3 emissions to be published in 2022**



**We work responsibly and impact the world for the better,  
to the benefit of our stakeholders**