



IN THE DRIVING SEAT: SPOTLIGHT ON AMERICAS

30 June 2022

Accelerate strategic framework

Our Growth Drivers

Distribution Excellence



Vehicle Lifecycle Services



Our Enablers

Culture and Capabilities



Digital, Data & Analytics



Efficient Scale Operations



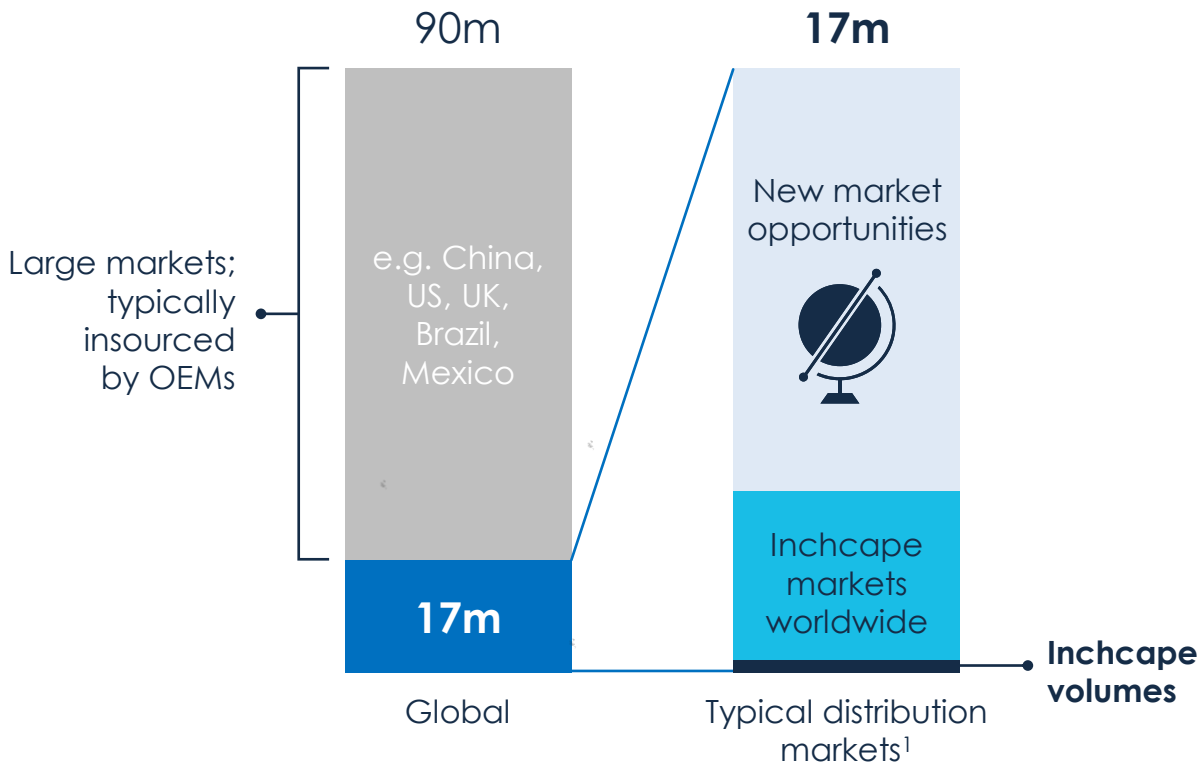
Responsible Business



Considerable opportunities for an ambitious Inchcape

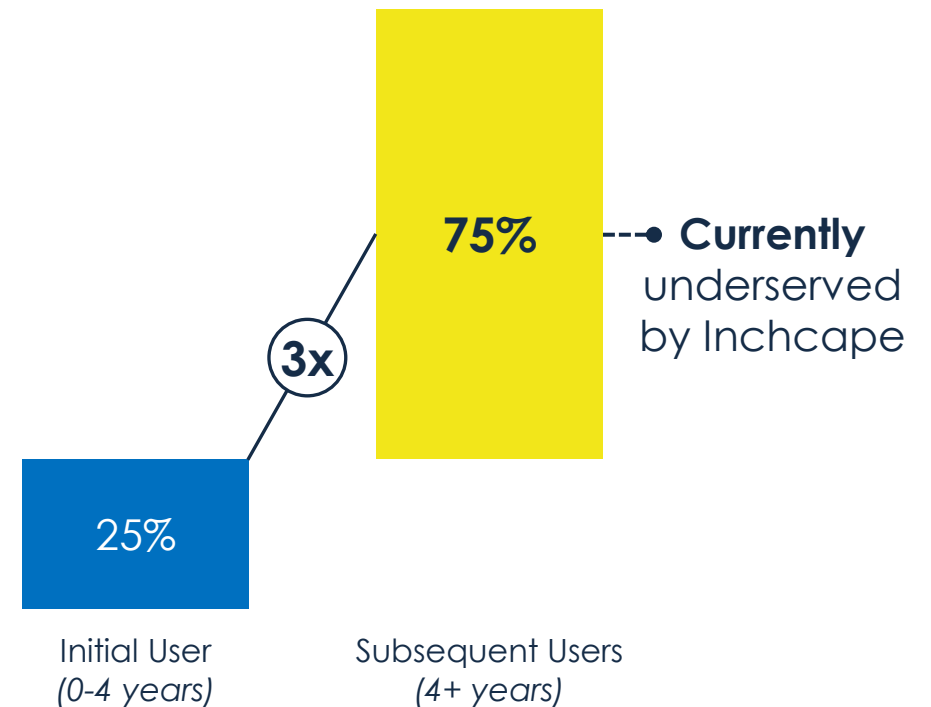
Distribution Excellence

Annual new car volumes (units)



Vehicle Lifecycle Services

Vehicle lifecycle value profit split²



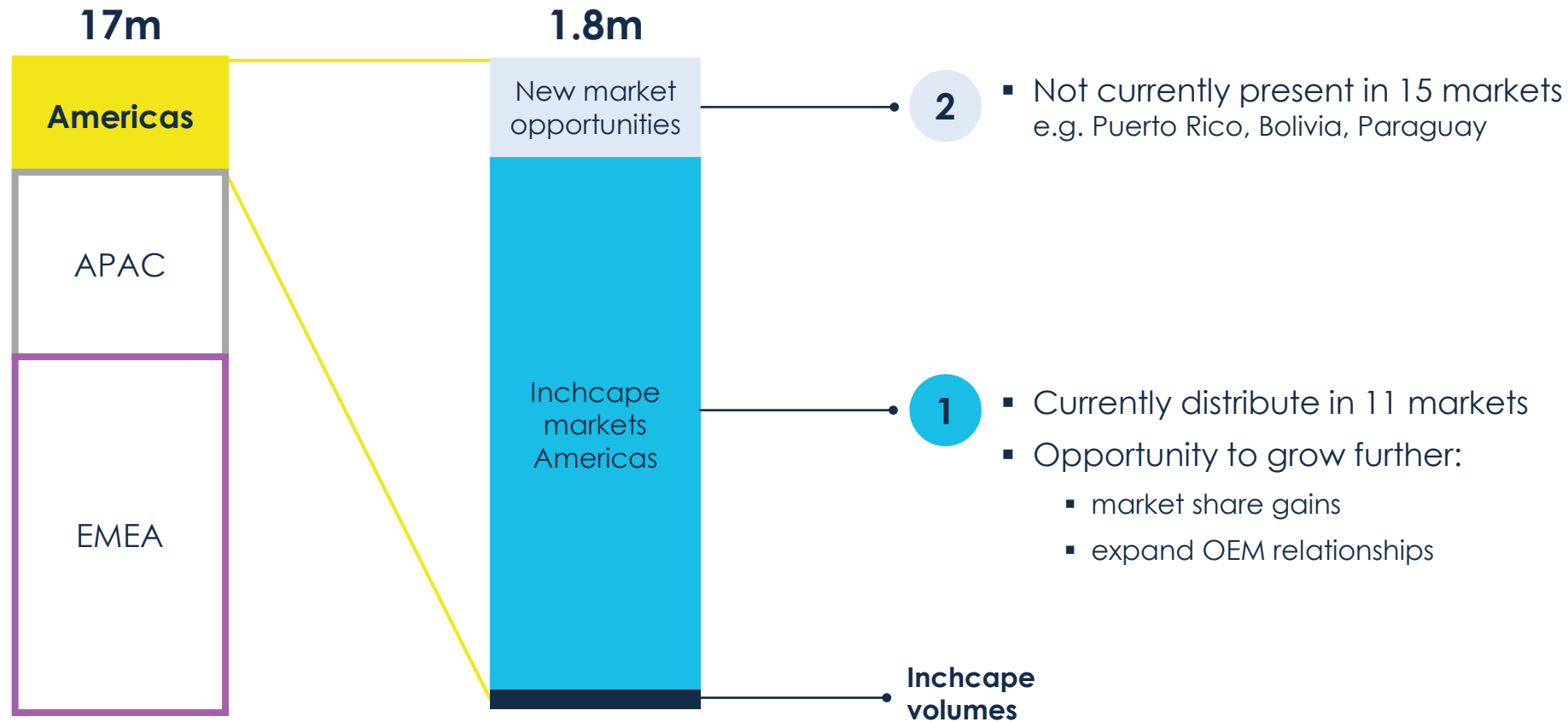
1: Defined as those markets with annual new car volumes of less than 1m units

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)

Americas' distribution growth opportunities

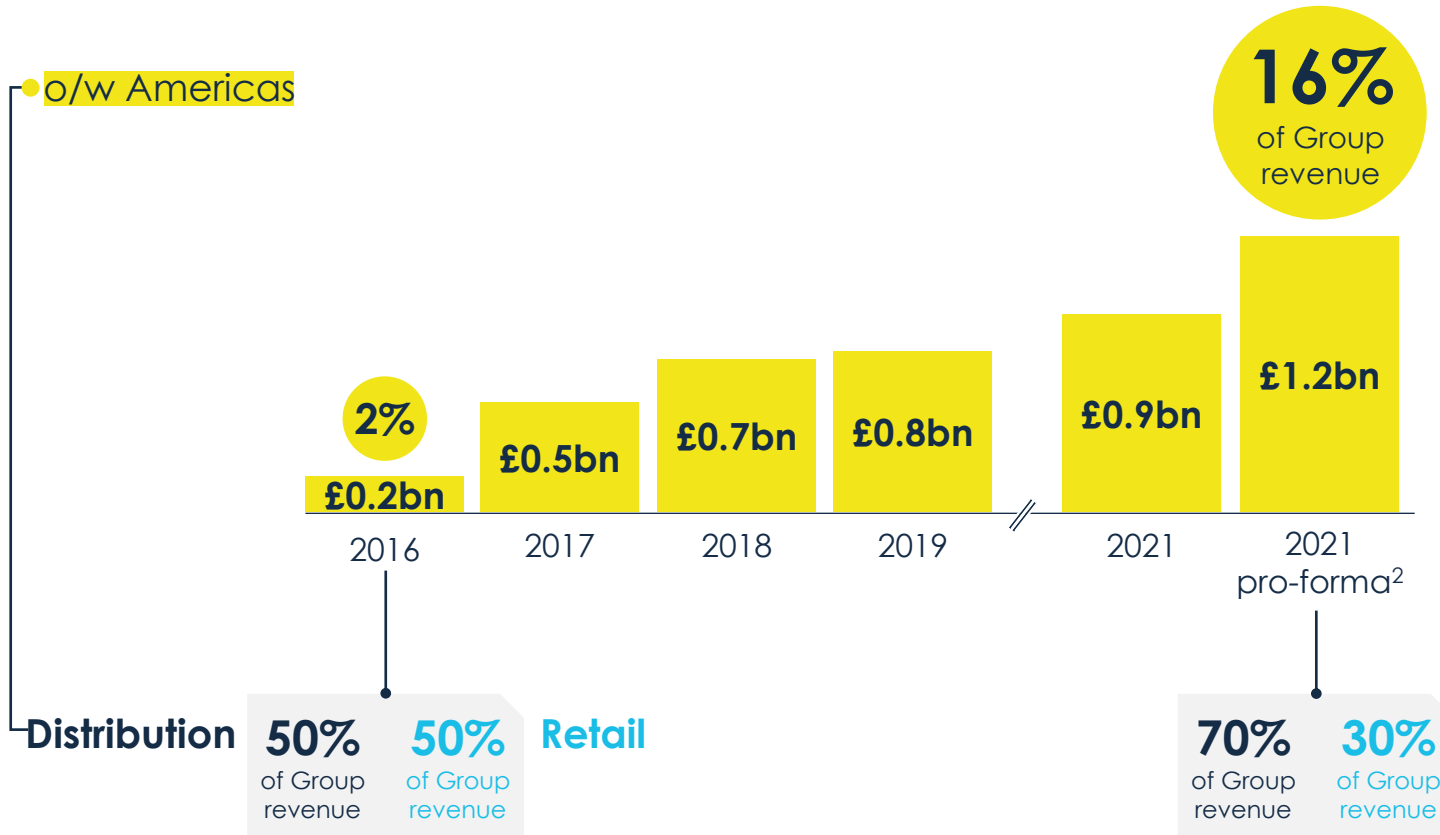
Typical distribution markets¹



1: Defined as those markets with annual new car volumes of less than 1m units. 2: national sales company

Inchcape Americas in context of the Inchcape Group

Revenue¹



Shifting into more attractive segments:

Distribution focus

- Significantly changed the shape of the Group
- Greater exposure to segment with higher margins and returns

More attractive markets

- Entering markets with lower motorisation rates
- Bolstering our presence in higher growth markets

Introducing Romeo: CEO of Americas & Africa

Romeo Lacerda



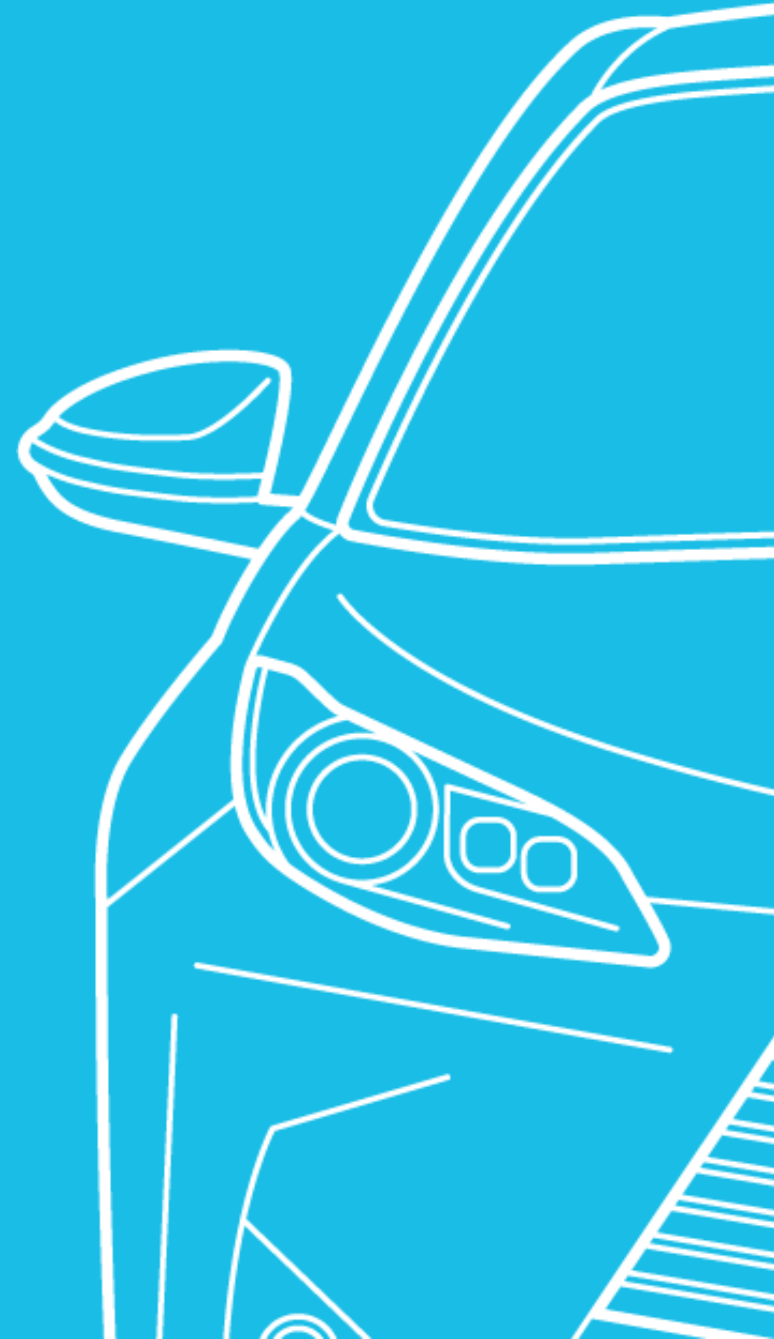
- 30+ years corporate experience spanning Latin America, Europe and Middle East
- Industry background: consumer goods
 - Mondelēz International Inc
 - Kraft Foods
 - Unilever plc
- Fluent in English, Spanish and Portuguese
- **Digital:** successfully developed and rolled-out an eCommerce channel across Europe
- **Data:** established strong relationships with technological powerhouses to identify unique consumer insights
- **M&A:** considerable experience in acquisitions of both small family-run businesses and larger scale transactions



ROMEO LACERDA

CEO

AMERICAS & AFRICA



Inchcape Americas at a glance

Headquarters:
Santiago, Chile



Oldest distribution contract:
1923
Mack in
Colombia



Existing portfolio: key facts¹

~3k
colleagues

11
markets

25
OEM brands

~£1.2bn
revenue

>40k
new vehicles
distributed

272
locations;
~25% operated
by Inchcape²

We have a diverse team, with broad expertise

Americas Executive Team



Romeo Lacerda
CEO Americas & Africa

- 1 Years in Inchcape
- 1 Years in Automotive
- H Hired



Esteban Garcia
Finance Director

- 2
- 2
- H



Karen Blanco
HR Director

- 3
- 3
- H



Ivan Abud
Operational Excellence Director

- 6
- 29
- A



Rodrigo Schmidt
Legal Director

- 4
- 9
- A



Ileana Rojas
IS Director

- 5
- 7
- A



Marcos Astudillo
Digital & Customer Experience Director

- 2
- 2
- H



Robert Delgado
MD Chile & Argentina

- 6
- 33
- A



Pedro Mejia
MD Colombia

- 6
- 9
- A



Jorge Maldonado
MD Peru

- 6
- 12
- A



Marco Garcia
MD Daimler

- 7
- 23
- H



Ivan Espino
MD COPA & Caribbean

- 4
- 20
- A

- Years in Inchcape
- Years in Automotive
- Joined via acquisition / Hired

Inchcape Americas has grown significantly since 2016

Revenue

2016

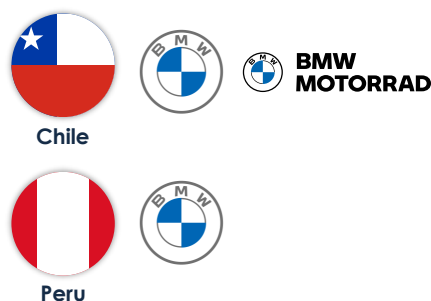
2021¹

£160m

£1.2bn

Revenue
~40% CAGR²

Profit
~50% CAGR²



+ 23 OEM brands



+ 9 Markets



1: 2021 revenue pro-forma for acquisitions announced to date | 2: CAGR at constant currency
+: indicates the base of the core distribution operations which also serves other neighbouring islands

The Americas has significant growth potential

	Inchcape markets Americas	Inchcape markets worldwide	Developed markets ¹
Population (total)	206m	911m	-
GDP/capita (average)	\$10k (from \$4k to \$17k)	\$23k (from \$1k to \$72k)	\$50k (from \$39k to \$69k)
GDP growth (2021-26)	3.3%	3.6%	1.8%
Motorisation² (average)	193 (from 89 to 314)	446 (from 33 to 767)	700 (from 543 to 805)
2021 TIV³ index 100 = 10 year average vols	78	87	89
Private debt % of GDP	64%	115%	177%
EV⁴ penetration 2030 forecast	~8%	~25%	~50%
Inflation (5 year average)	6.2%	2.7%	1.6%

- Attractive (short and) medium-term GDP growth prospects
- Our markets across Americas have a significantly underpenetrated car parc
- New car volumes are set to rebound from low levels
- Household credit has significant upside in our markets
- EV adoption to gradually rise
- Inchcape has a long-history of managing in inflationary markets

1: USA, UK, France, Germany, Japan | 2: vehicle penetration per thousand people (2019 data)

3: Total Industry Volume (new vehicles) | 4: EV = "electric vehicle" includes battery-electric (BEV) and plug-in hybrid vehicles (PHEV)

Source: IMF, World Bank, IHS, Fitch, Bloomberg NEF. 2021 data unless otherwise stated

Drivers of topline growth

Volume

Market TIV¹

- Exposure to higher growth markets, with rising rates of motorisation



Outperformance

Market share gains

- Omni-channel (DXP)
- Analytics platform (DAP)
- Finance & Insurance

VLS²: Used car and Aftermarket growth



M&A

Consolidation

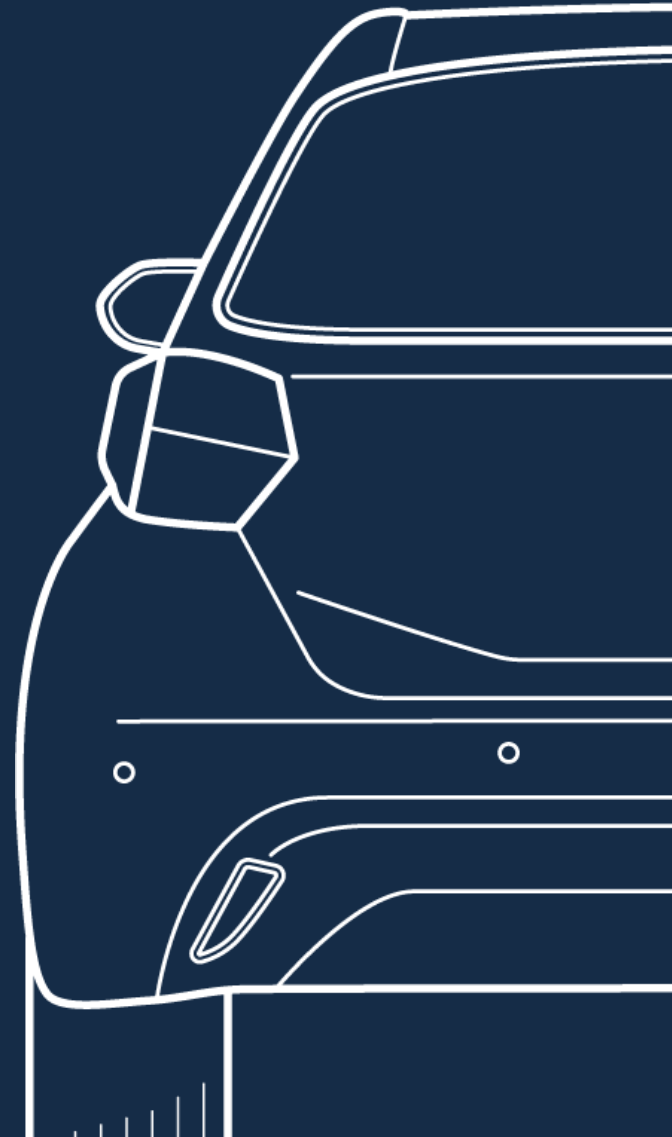
- Expand OEM relationships
- Broaden market footprint



A highly attractive revenue growth trajectory

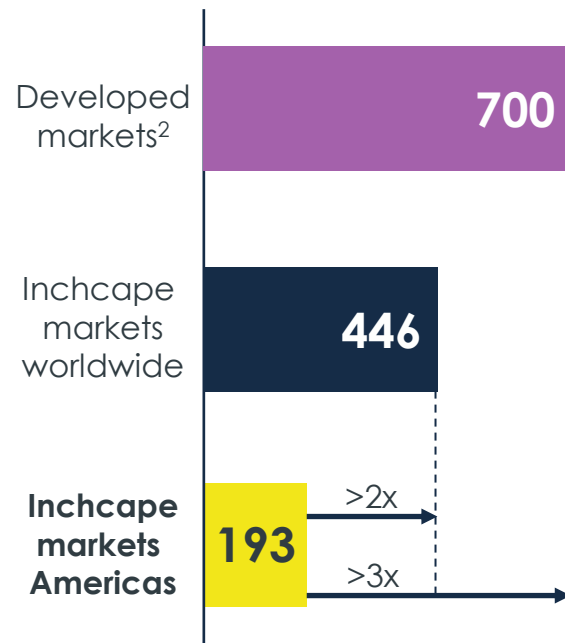


ORGANIC DRIVERS



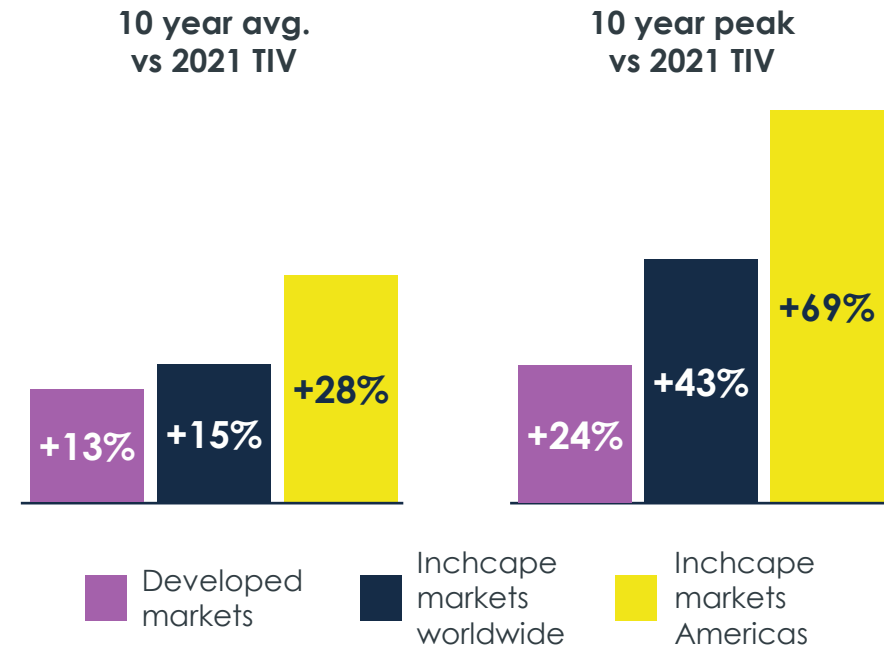
The Americas has exciting growth prospects

Naturally higher growth markets



Vehicle motorisation rate¹

Huge upside to today's volumes





New vehicle volumes (TIV³)

Digital & Data: harnessing our differentiation

DXP Digital Experience Platform

Inchcape Latam vs Other distributors¹

	Online shopping	Online service	User experience
	1.9x	2.4x	1.8x
	∞	2.0x	2.3x

DAP Data Analytics Platform



Parts pricing optimisation

Objective: ensure parts pricing reflects optimum value

Solution: AI-based parts pricing algorithm applicable across SKUs

Pilot results: increased profitability

¹: internal assessment of customer experience of Inchcape operated OEM websites in Latam compared to other distributors in the region

Finance Insurance Products: further expansion ahead

FIP: driving greater customer loyalty and retention



Improves vehicle purchase accessibility



Deepens customer relationships



An enhanced digital proposition

An Americas success story

Chile: partnership with FORUM



>**3x** increase in GFV contracts in 10 years



>**30%** increase in GFV contracts since 2016¹

Current priorities

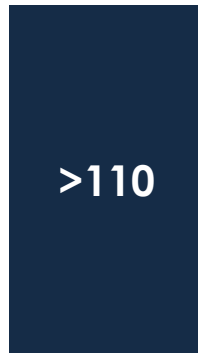
- Develop partnerships with local financiers in other markets
- Continue to build greater awareness of GFV product (& training)
- Expanded warranty offerings

Aftermarket: a broader focus has supported our success

Inchcape's acquisition in 2018 catalysed aftermarket improvement



2016/17



2019-21

Aftermarket profit

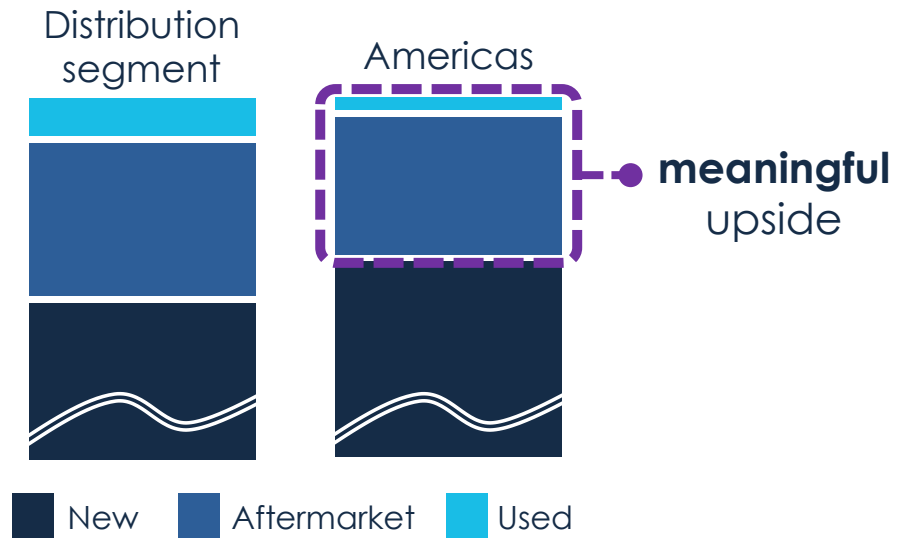


Building global leadership in aftermarket services

- **Insourced Parts call centre:**
greater conquest of new leads
- **Dedicated bodyshop facility opened to other brands:**
developed relationships with insurance companies
- **Launched a tiered service plan:**
improved retention rates

Vehicle Lifecycle Services: unlocking untapped potential

Gross profit split



- Used and aftermarket: more stable and higher gross margin
- Americas exposure to Used and Aftermarket lags the Distribution segment (& Group)

bravoauto



Initial Americas launch: Colombia in 2H22

- >1m used cars sold per annum
- Highly fragmented market
- Low-cost leads via listing platforms

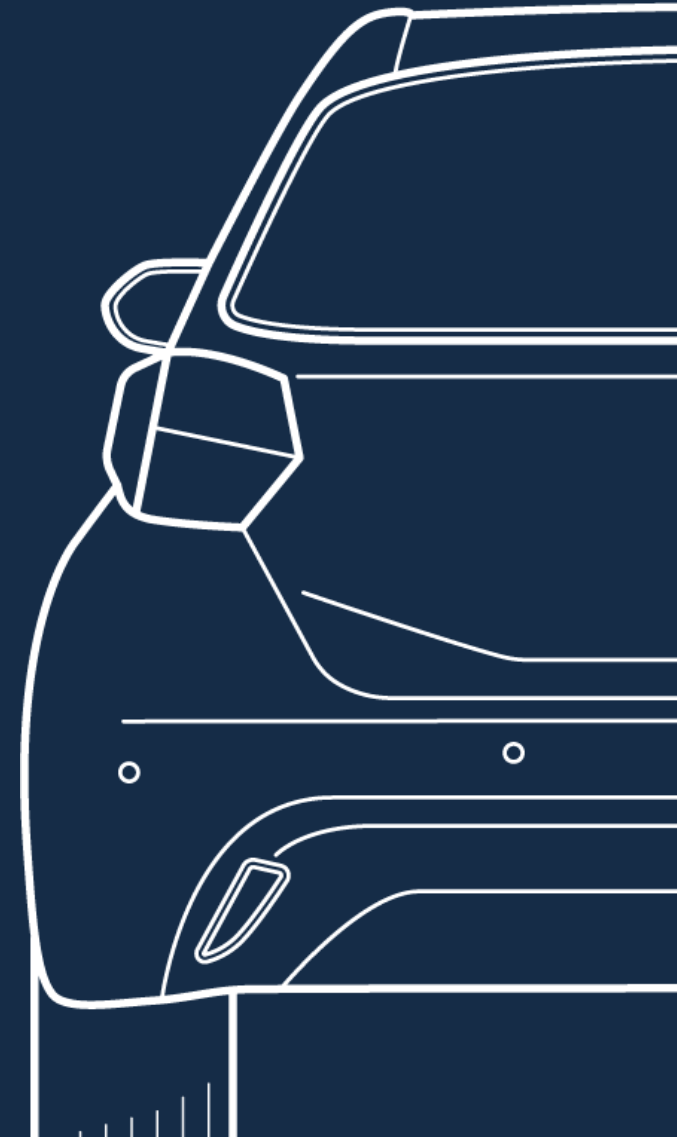


Aim: to address consumer pain-points

- Lack of transparency
- Simplification of the buying process
- Access to finance products



CONSOLIDATION & EXPANSION



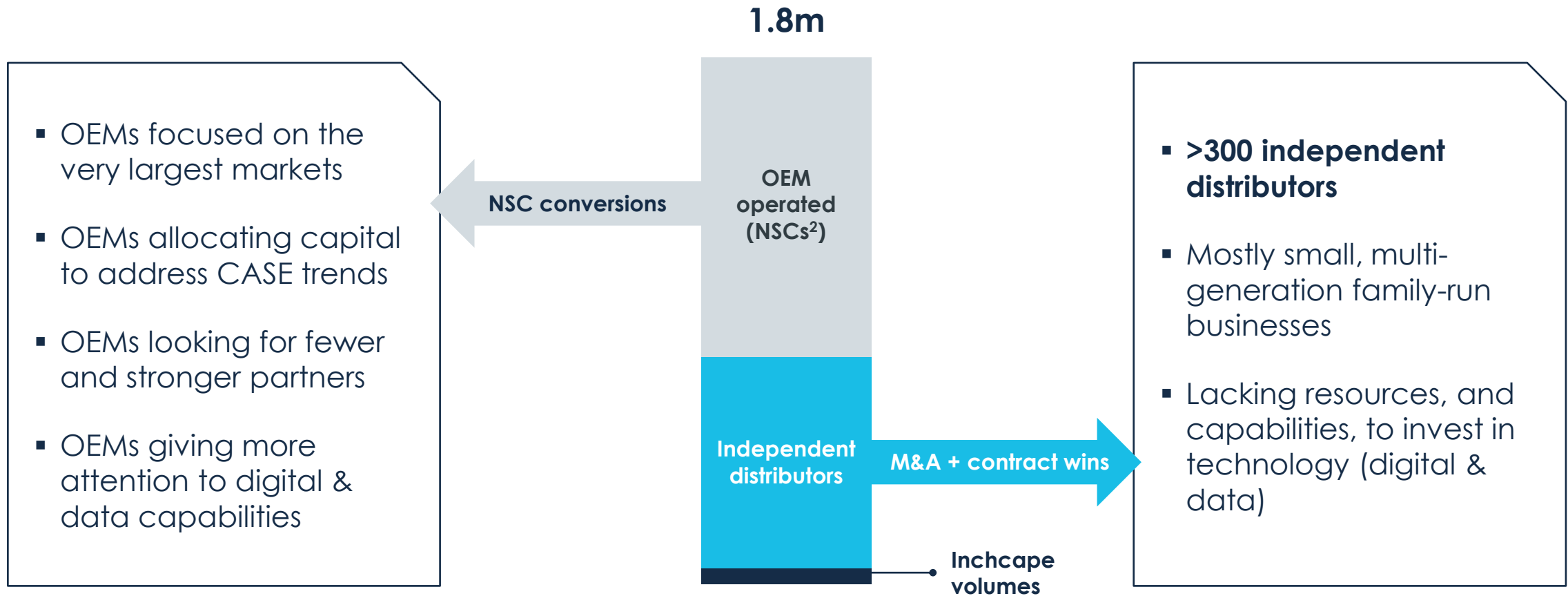
Added several new OEMs and markets in the Americas

				New markets Strategic move to enter a new geography	Existing markets Leveraging existing market and regional infrastructure
2010-2015				-	-
2016	Chile, Colombia, Peru & Argentina	Subaru, Hino	 	✓	✓
2018	Costa Rica & Panama	Suzuki		✓	
2019	Ecuador & Uruguay	Mercedes-Benz, Fuso	  	✓	
2020	Colombia	Mercedes-Benz, JLR	  		✓
	Chile & Peru	Mini, Motorrad	 		✓
	El Salvador	Mercedes-Benz		✓	
2021	Guatemala	Mercedes-Benz		✓	
	Chile	Geely			✓
2022	Caribbean (Barbados+)	Suzuki, Mercedes-Benz, Chrysler, Subaru	   	✓	
	Chile	Porsche, Volvo, JLR	   		✓
Revenue added				c.£500 m	c.£500 m

+: indicates the base of the core distribution operations which also serves other neighbouring islands

Consolidating a highly fragmented market

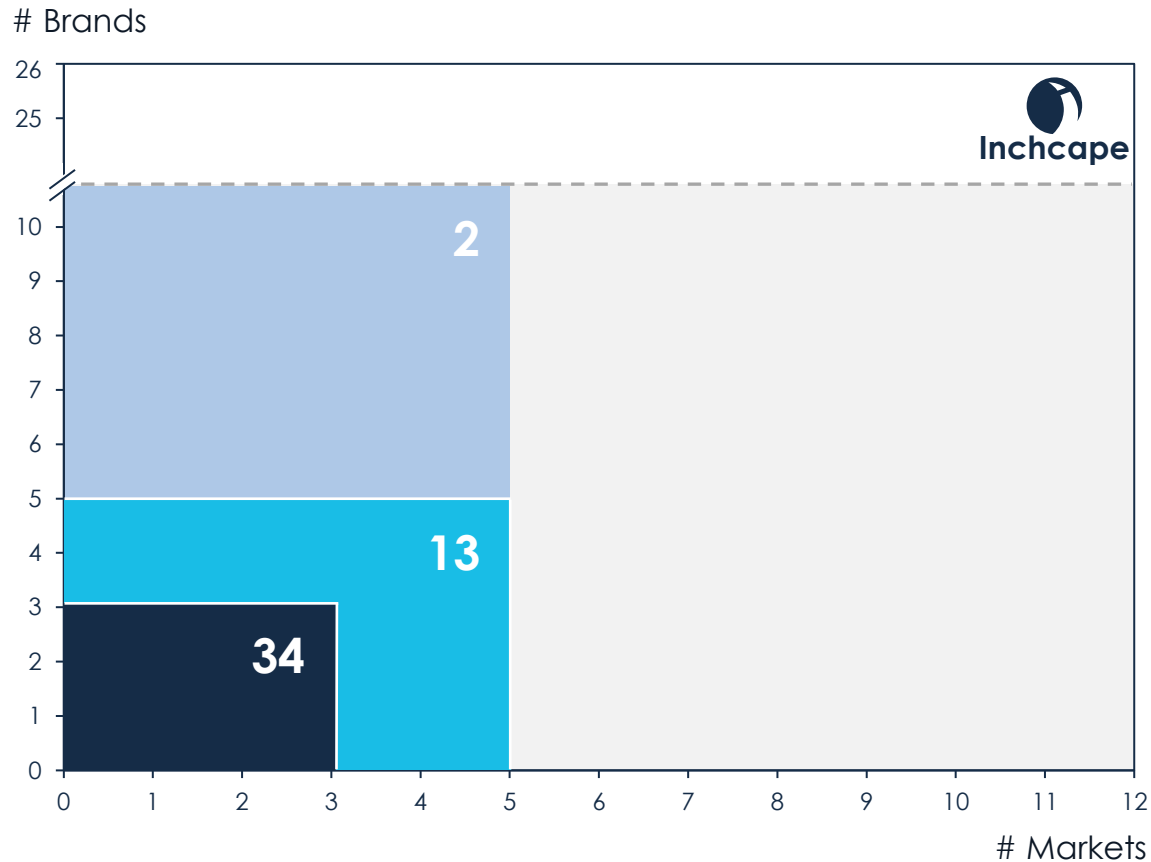
Americas opportunity: typical distribution markets¹



1: Defined as those markets with annual new car volumes of less than 1m units. 2: national sales company

The leading distributor by some distance

Market presence and brand partners of top 50 distributors in Americas



Benefits of regional scale:

- Leverage investment in technology (i.e. digital & data)
- Knowledge generation and sharing of best practices
- Aligned with OEM organization
- Cost-efficiencies (back-office and other overheads)

Mercedes-Benz: a strong start to our relationship

Our expanding Mercedes-Benz footprint



Uruguay



El Salvador



Ecuador



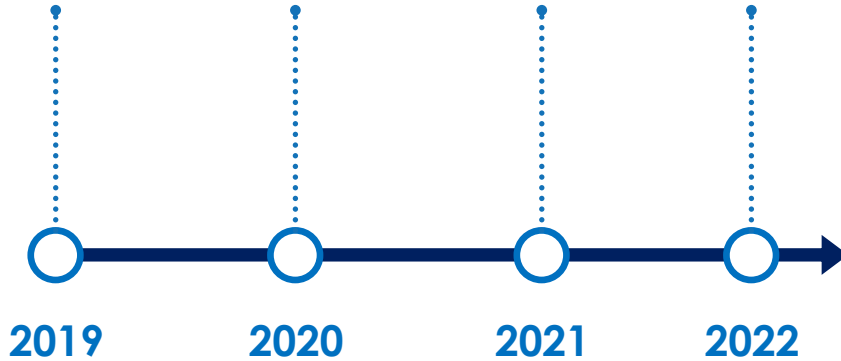
Colombia



Guatemala



Barbados+



Leveraging our distribution capabilities in Colombia



- **Greater focus on finance products:** broadened our partners, increasing financing penetration
- **Capturing new revenue streams:** Mercedes-Benz Certified used cars; emphasis on accessories
- **Integrated into our existing operations:** shared logistics costs and infrastructure

Ditec: entering the next phase of its growth journey



A mutually beneficial acquisition: enables Ditec to plug into Inchcape's global footprint and digital capabilities, while further broadening Inchcape's OEM footprint

Geely: substantial improvement post our contract-win

2021: signed a global strategic partnership¹

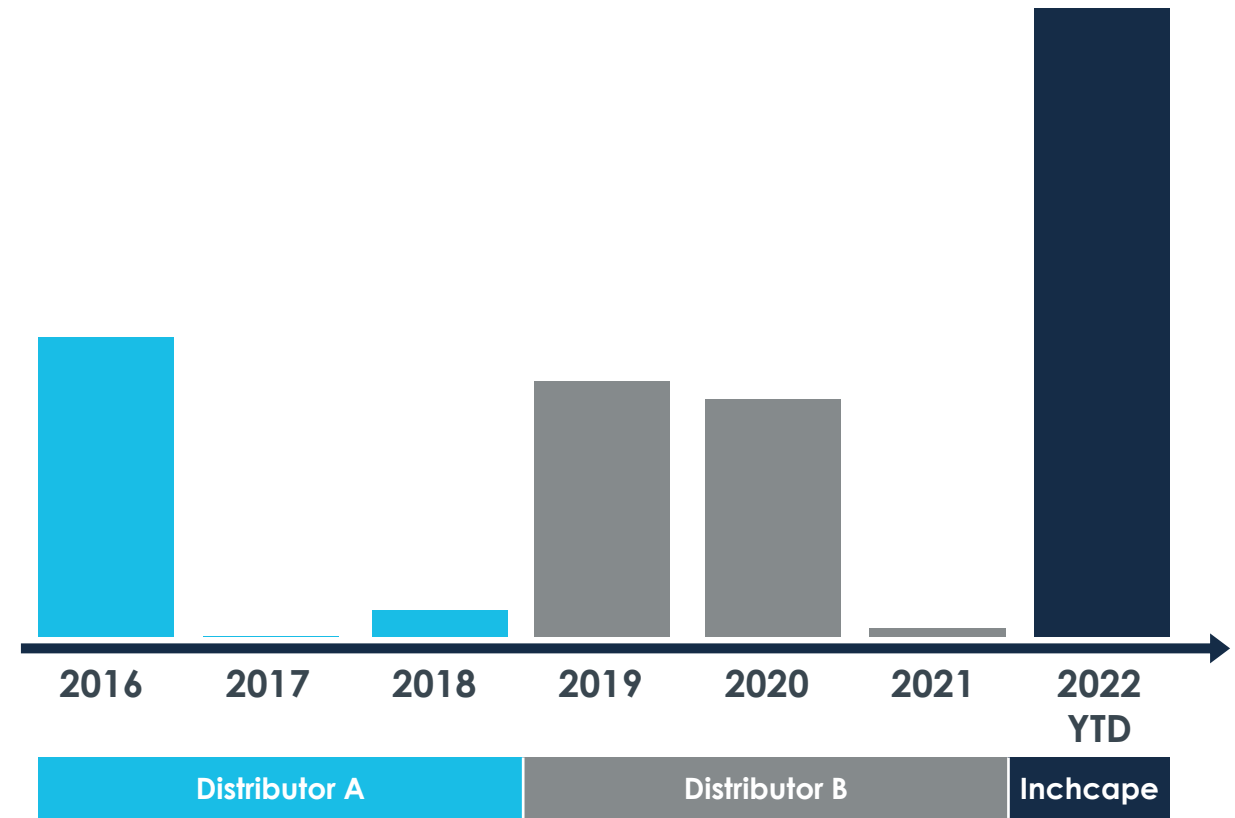


Leading
brand in China

>1.3m
vehicles sold in 2021

Parent company owns
Volvo, Lotus & LEVC

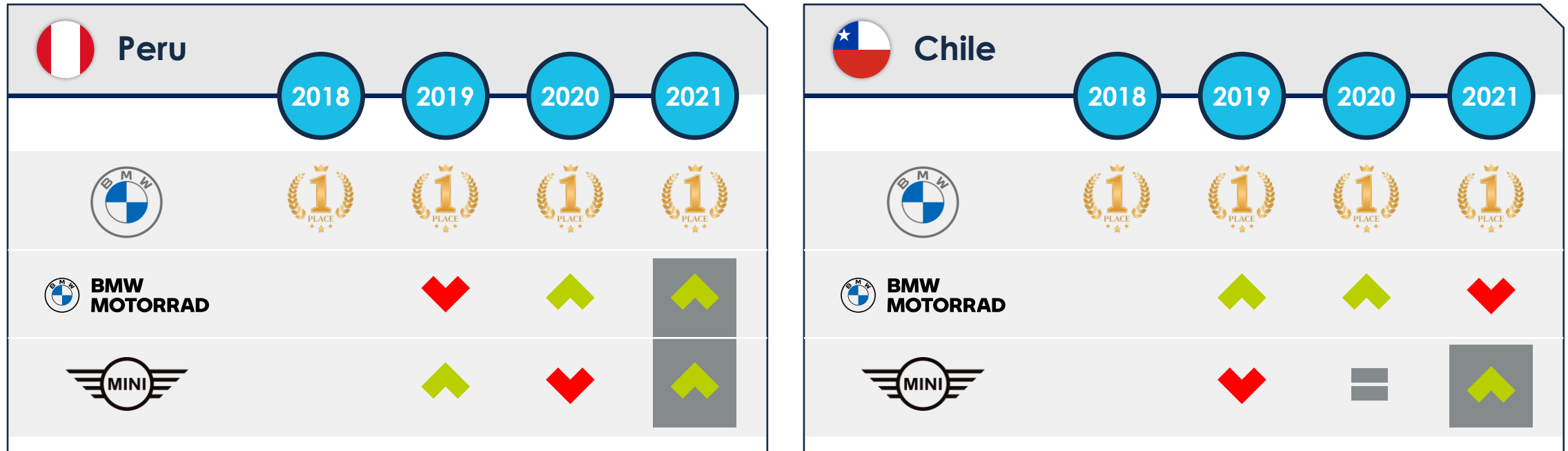
Driving Geely new car volumes in Chile to a record level



¹: The partnership, launched with a market distribution agreement for Chile, will be a long-term relationship that will be developed on a country-by-country basis

BMW: expanding our footprint and improving performance

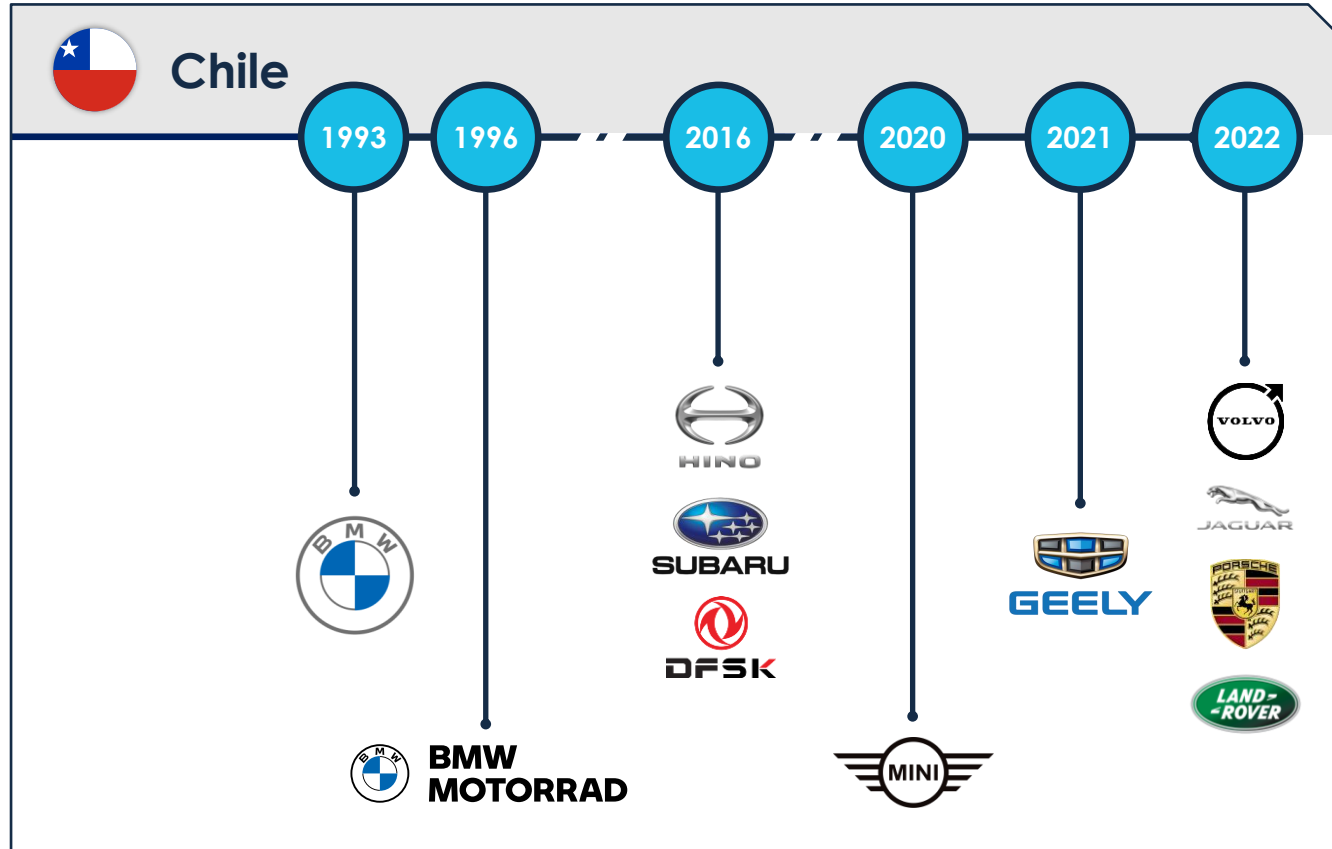
2020: awarded Mini¹ and Motorrad² contracts



- **BMW Group:** consolidated distribution for all three marques in the BMW Group
- **BMW:** distributing in Chile and Peru since 1990s. Leading market position for several years
- **BMW Motorrad:** long-term leadership in Chile, strong first year in Peru
- **Mini:** appointed during 2020; gained share in first year in both markets

Chile: the playbook for distribution expansion

Expanding our distribution footprint



Financial performance since 2016¹

Revenue

~3x

Profit

>>5x

- Added several OEM brands since 2016
- Indumotora (2016) a catalyst for our Americas expansion
- Overhead savings from consolidating back-office

¹: Financial performance reflects the period following the expansion of the OEM brand footprint in Chile, beyond just BMW

Expanding our brand presence optimises performance

Typical brand structure in a market



A proven track record of successful integration

2016



- Combined with our existing business and consolidated back-office, driving savings
- Retained and developed employees, some in key leadership roles

2018



- Invested in a best-in-class aftersales centre
- Provided customer service workshop training to staff

2020



- Created a Mercedes-Benz centre of excellence to support all six markets
- Retained and transitioned existing employees

Impact:

Catalyst for Latam expansion

Suzuki's aftersales award: Costa Rica (#1) and Panama (#2):

Became Mercedes-Benz's leading distribution partner in Americas in 2021

Accelerate strategy: Responsible Business plan

Planet



- Set carbon reduction initiatives
- Recycling practices in parts distribution

People



- Created an I&D dashboard
- Launched online training programs for all colleagues

Places



- Safe driving awareness training
- Initiative launched to recycle parts to make prosthetics

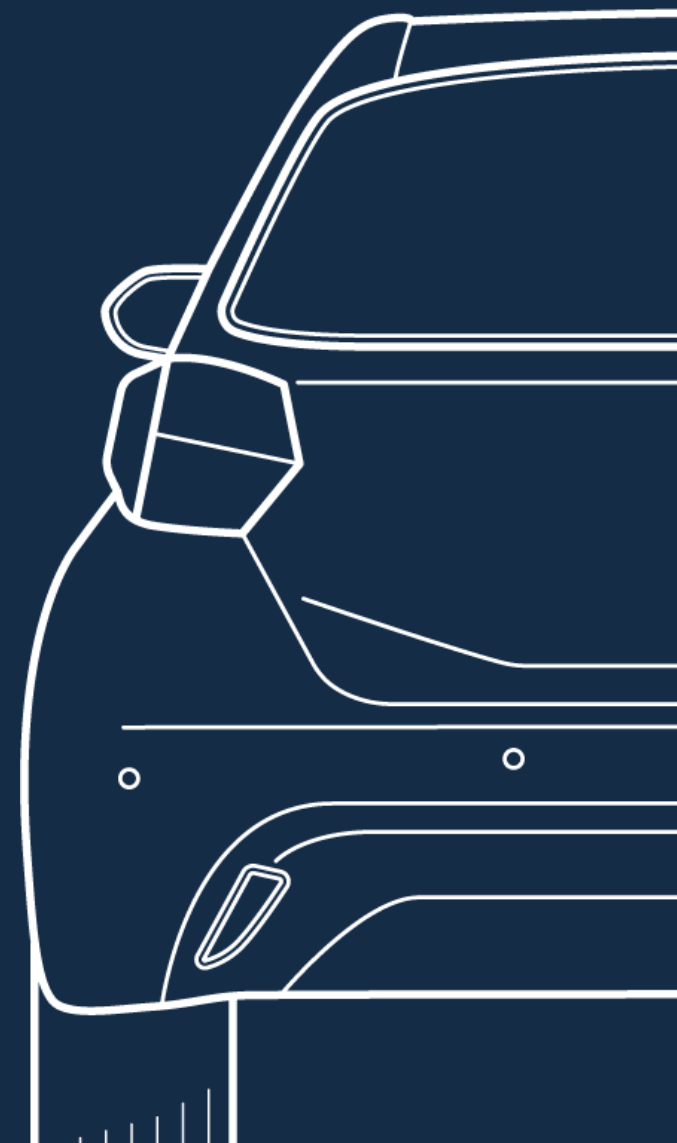
Practices



- Re-written and centralised policies
- Created greater whistleblowing awareness

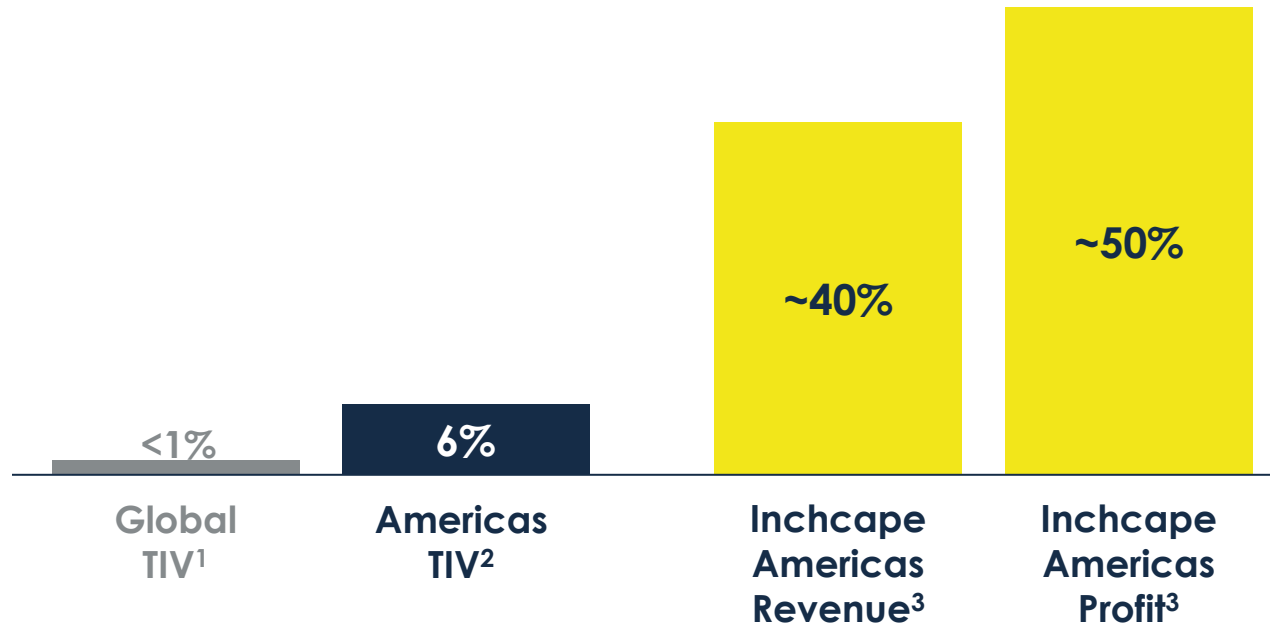
**We work responsibly and impact the world for the better,
to the benefit of our stakeholders**

SUMMARY



Americas: an excellent track-record of performance

Inchcape Americas has grown significantly since 2016



Revenue (and profit) growth supported by market share gains, aftermarket growth and acquisitions

A strong business with an excellent track record of...

- **...improving business performance:** profit grown faster than revenue
- **...managing volatility:** be that inflation, political or supply-chains
- **...integrating new businesses:** 10 deals completed since 2016
- **...executing Group strategy:** Accelerate has been embraced across our markets

1: Average growth rate from 2016 to 2021 inclusive | 2: Inchcape revenue weighted
3: 2016 to 2021-PF CAGR at constant currency and inclusive of acquisitions announced to date
TIV = "total industry volumes" (new car units) | New car volume data sourced from IHS

Excited about the growth prospects of our business

The Americas is a **large and attractive region** with compelling characteristics



Our **digital and data investments** sets us apart from our competition



A **plug-and-play global distribution platform**; helping drive expansion for OEM partners across the globe



We are leveraging our **capabilities, and global presence**, to drive new growth opportunities **(VLS)** and efficiencies



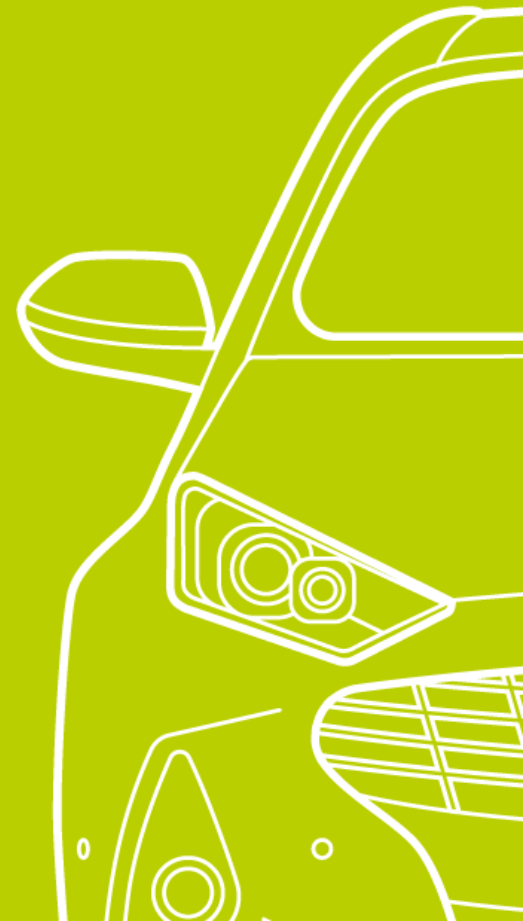
A professional plc, trusted as brand representatives, guided by our **Responsible Business approach**



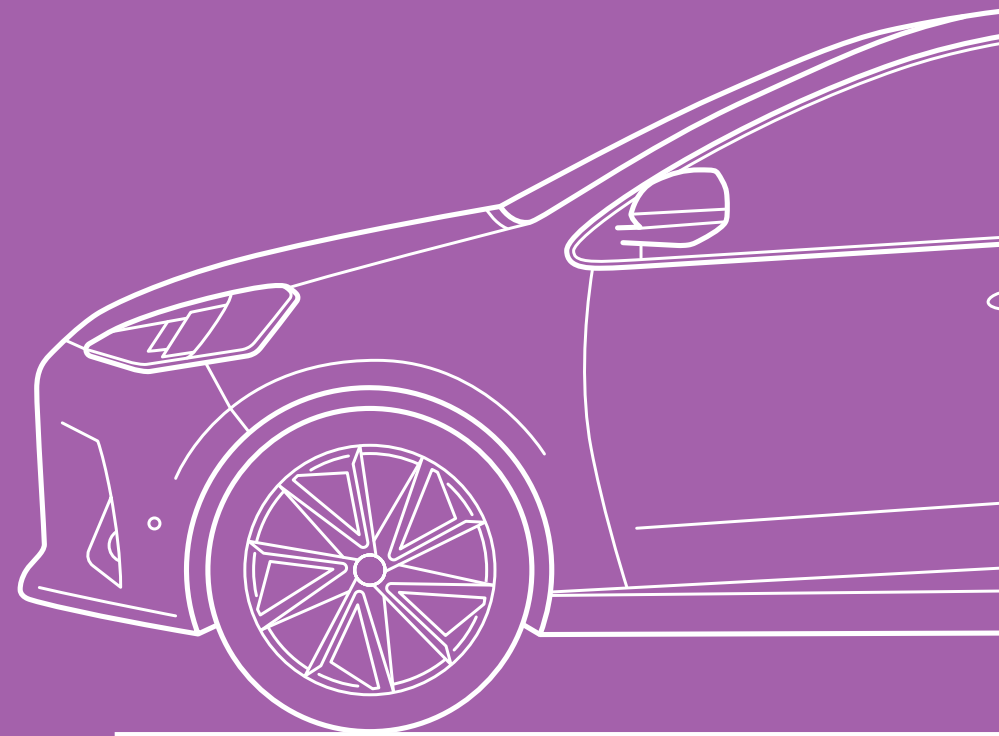
Confident the Americas will continue to be a **strong and profitable growth driver** for Inchcape



Q&A



APPENDIX



Inchcape Americas: OEM & market exposures























Passenger vehicles																	
	BMW	Mercedes-Benz	Subaru	Suzuki	DFSK	BMW-Motorrad	Mini	Jaguar	Land Rover	Rolls Royce	Geely	Changan	BYD	Porsche	Volvo	Chrysler	Jeep
Chile																	
Colombia																	
Peru																	
Uruguay																	
Ecuador																	
El Salvador																	
Guatemala																	
Argentina																	
Costa Rica																	
Panama																	
Barbados(+)																	

+: indicates the base of the core distribution operations which also serves other neighbouring islands

Inchcape Americas: OEM & market exposures



Commercial vehicles								
	Freightliner	Western Star	Hino	Fuso	JAC	Doosan	Mack	Dieci
Chile								
Colombia								
Peru								
Uruguay								
Ecuador								
El Salvador								
Guatemala								
Argentina								
Costa Rica								
Panama								
Barbados(+)								

+: indicates the base of the core distribution operations which also serves other neighbouring islands