



Inchcape plc, the leading global automotive distributor, announces its Q3 trading update covering the period from 1 July to 30 September 2023

Q3 2023 trading update: continued growth and strategic progress

- **Q3 trading - continued growth, supported by our resilient and diversified business:**
 - Revenue of £2.8bn, with 35% reported growth and 10% organic revenue growth¹.
 - Another strong performance in Distribution, with 13% organic revenue growth¹.
 - Continued momentum in APAC, with broad-based growth across our markets.
 - Strong performance in Europe supported by continued order bank unwind, while new consumer demand remains muted.
 - Growth in the majority of markets, market share gains and accelerated cost synergies in the Americas, offsetting softer markets in Chile and Colombia.
- **Strategic objectives - further progress:**
 - Five new distribution contracts signed with Changan in the Philippines and across East Africa, with continued development of future contract pipeline.
 - Acquisitions completed in Indonesia, the Philippines and New Zealand².
 - Inchcape's digital and data capabilities continue to support optimisation of the core business and development of Vehicle Lifecycle Services initiatives.
- **Derco – integration on track:**
 - Accelerated cost and cost-related annualised synergies in FY 2023 of up to £20 million, on track for at least £40 million by the end of FY 2024.
 - Continue to expect operating margins to be towards top-end of 5% – 7% range, pre-synergies, in FY 2023.
 - Excellent progress in improving Derco's working capital position, with excess inventory reduced by 50%.
- **Outlook – FY 2023 guidance reiterated:**
 - Based on prevailing market conditions, and considering accelerated cost synergies and the contribution from acquisitions, expectations for the Group's results for FY 2023 remain unchanged, as outlined at Inchcape's H1 2023 results on 27 July 2023³.

Duncan Tait, Group CEO, commented:

"Inchcape produced another strong performance in the third quarter. We delivered continued momentum across APAC, supported by acquisitions, while our business in Europe and Africa performed well. In the Americas, we are gaining share in key markets and the integration of Derco remains on track.

"Driven by the highly cash generative and capital-light characteristics of our business, Inchcape will continue to be a key consolidator in a highly fragmented market. As a result of our market leadership positions, diversified business and digital and data capabilities to support our OEM partners, we remain confident about the medium to long term outlook for the Group."

Q3 2023 revenue YoY%	Reported	Constant FX	Organic ¹	
	Q3	Q3	Q3	YTD
Group	+35%	+37%	+10%	+12%
Distribution	+47%	+52%	+13%	+16%
Retail	+2%	+1%	+1%	+3%

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

2: These acquisitions, which are expected to contribute a combined annualised revenue of around £400m, are Mercedes-Benz's distribution operations in Indonesia, CATS, a leading distributor of luxury vehicles in the Philippines and Great Lake Motor Distributors, which distributes SAIC's Maxus brand in New Zealand.

3: Previous guidance, as disclosed at Inchcape's H1 2023 results on 27 July 2023, was that FY 2023 results were expected to be towards the top end of the range of published market consensus, as at 12 May 2023. At that time, the range of 2023 Adjusted PBT analysts' consensus was between £470m and £506m.

Q3 2023 trading overview

The following commentary covers the period from 1 July to 30 September 2023. Unless otherwise stated, all figures are quoted on an organic basis.

During the quarter, **Group** revenue increased 35% on a reported basis, reflecting both the benefit of acquisitions, and strong organic growth of +10%.

In **Distribution**, revenue increased 47% on a reported basis, with organic growth of 13%:

- The Group delivered a resilient performance in the **Americas**, with growth in the majority of markets, market share gains and accelerated cost synergies offsetting softer markets in Chile and Colombia;
- There was continued momentum across **APAC**, with broad-based growth across our markets, including in Hong Kong and Singapore. There was on-going momentum in Australia where market share continues to improve. The region is further supported by the completion of three acquisitions during the quarter;
- The **Europe and Africa** region was driven by a stronger Europe, supported by continued order bank unwind. New consumer demand remains muted across the region.

In **Retail**, reported revenue increased 2%, with organic growth of 1%, supported by volume growth in new vehicles from a stronger fleet market offsetting muted consumer demand. Excluding the impact of the agency model in the UK, Retail organic growth was 12%.

Market abuse regulation statement

This announcement contains inside information.

Conference call today

A conference call for analysts and investors will be held today, Thursday 26 October, at 08:30 (UK time).

Dial-in details: +44 (0)330 551 0200

Password (if prompted): Quote 'Inchcape Q3 Results' when prompted by the operator.

Webcast details: To register for the webcast of the event please follow [this link](#). A replay of the call will be available via the Company's website, www.inchcape.com later today.

Financial calendar

2023 Full year results

5th March 2024

Contacts

Inchcape plc (Investor queries):

Rob Gurner

+44 (0)7825 189 088

investors@inchcape.com

Krishma Arora

Brunswick Group (Media queries):

Kate Holgate / Helen Smith

+44 (0)20 7404 5959

inchcape@brunswickgroup.com

About Inchcape

Inchcape is the leading global automotive distributor, with operations across six continents.

By combining our in-market expertise with our unique technology and advanced data analytics, we create innovative customer experiences that deliver outstanding performance for our partners – building stronger automotive brands and creating sustainable growth.

Our distribution platform connects the products of mobility companies with customers, and our responsibilities span product planning and pricing, import and logistics, brand and marketing to operating digital sales, managing physical sales and aftermarket service channels.

Delivering for our partners, our customers and our people – so they can realise their ambitions in the new world of mobility.

The Group is headquartered in London and employs over 21,000 people globally.

www.inchcape.com