


DRIVING SCALE  
AND OPTIMISING.  
***POWERED BY ACCELERATE+***

Annual Report and Accounts 2025

# DRIVING SCALE AND OPTIMISING. **POWERED BY ACCELERATE+**

We are consolidating our position as the world's leading independent automotive Distributor, as we continue to execute our Accelerate+ strategy, further diversifying our business across geographies and strengthening our OEM partnerships. We remain focused on driving growth and value for stakeholders.

 [Read more p2](#)



Please scan the QR codes throughout the Report to find out more information

OEM: Original equipment manufacturers in the automotive sector

## Strategic report

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HIGHLIGHTS

Financial

£9.1bn

Revenue  
(2024: £9.3bn)

£315m

Free cash flow<sup>1</sup>  
(2024: £462m)

6.2%

Adjusted operating margin<sup>1</sup>  
(2024: 6.3%)

29%

Return on capital employed<sup>1</sup>  
(2024: 27%)

£443m

Profit before tax and adjusting items<sup>1</sup>  
(2024: £444m)

Statutory financial measures

£526m

Operating profit  
(2024: £562m)

£406m

Profit before tax (continuing operations)  
(2024: £414m)

£273m

Total profit for the period  
(2024: £435m)

£385m

Net cash generated from operating activities  
(2024: £586m)

Non-financial

3.0%

Battery electric vehicles sold  
(2024: 2.3%)

43%

Reduction in scope 1 and 2 greenhouse gas emissions<sup>3</sup>

808

Reputation.com score  
(2024: 761)

26%

Women in Senior Leadership positions<sup>2</sup>  
(2024: 28%)

81%

Global Colleague engagement  
(2024: 77%)

Our financial metrics

Metric	£m	Use of metric
Gross profit	1,550	Direct profit contribution from value drivers (e.g. Vehicles and Aftersales)
Add back: Adjusting items charged to gross profit	—	
Adjusted gross profit from continuing operations	1,550	Direct profit contribution from value drivers (e.g. Vehicles and Aftersales)
Less: segment operating expenses	(987)	
Adjusted operating profit from continuing operations	563	Operating profit generated by the Group after operating expenses
Less: adjusting items in operating expenses	(37)	
Operating profit	526	Statutory measure of operating profit
Less: net finance costs and JV profits/losses	(120)	
Profit before tax	406	Statutory measure of profit after the costs of financing the Group
Add: total adjusting items	37	
Adjusted profit before tax from continuing operations	443	

1. APM (alternative performance measure), see page 174.  
 2. Includes the Group Executive Team and its direct reports.  
 3. Reduction against 2019 revised baseline.

Find out more how we are driving value



POWERED BY OUR ENABLERS

Capabilities, data, partnerships and discipline delivering our strategy

[Read more p6](#)



POWERED BY OUR CAPABILITIES

Our end-to-end Distribution model connects every stage of the value chain

[Read more p7](#)



POWERED BY STRONG LEADERSHIP

Effective governance ensuring strategic focus, capability and delivery

[Read more p52](#)

AT A GLANCE

# DRIVING GROWTH THROUGH...

## our purpose...



Bringing mobility to the world's communities - for today, for tomorrow and for the better.

Inchcape is the leading global automotive Distributor operating in over 40 markets. We drive sustainable growth and strong returns by partnering with OEM brands, leveraging our people, technology, and data-driven insights. Our purpose reflects the vital role we play in shaping the future of mobility - one that is more inclusive, sustainable, and connected.



## our partnerships...



Our trusted partnerships with OEMs continue to grow, providing us with a globally scaled, diversified portfolio that is unrivalled across the automotive distribution industry.

# 60+

OEM partners worldwide



## and our global reach.

We collaborate with leading OEMs worldwide to provide access to their products in smaller, more complex markets. By combining our global scale with deep local expertise, we ensure seamless delivery of their products from factory floor to retail sites and customers.

Americas  
Revenue  
£3.3bn

# 40+

markets across  
three regions



Europe & Africa  
Revenue  
£3.3bn

Asia Pacific (APAC)  
Revenue  
£2.5bn

Read more in our Appendix on p19

OUR STRATEGY: OVERVIEW

# POWERED BY OUR ACCELERATE+ STRATEGY

Effective delivery of our Accelerate+ strategy continues to strengthen our position as the world's leading independent automotive Distributor, enhancing OEM partnerships and customer experiences.

## Accelerate+



### SCALE

Passenger Cars

Adjacent Vehicle Categories

[Read more about how we are achieving scale on p4](#)



### OPTIMISE

Distribution Excellence

Value Added Services

[Read more about how we are optimising our business on p5](#)

### Our enablers

Culture and Capabilities



Digital, Data and Analytics



OEM Relationships



M&A and Integration



## SUSTAINABILITY



[Read more about our sustainability strategy and progress on p24](#)

## OUR STRATEGY: SCALE

We are focused on growing our passenger car market share in existing and new markets, expanding into new segments, like premium motorcycles, light commercial vehicles and heavy construction and machinery vehicles, and driving growth through organic expansion, new OEM contracts, and acquisitions.

# DRIVING SCALE



## Passenger cars

In 2025, Inchcape volumes were up 3%, with market share gains in multiple markets, supported by Distribution contract wins.

## Adjacent vehicles categories

We aim to build on our strong market position by expanding into commercial vehicles, construction and machinery vehicles and premium motorcycles across current and new markets. In Chile, Harley-Davidson sales have shown strong growth since 2024. BMW Motorrad has a strong share of the premium market in Chile as a result of our partnership, leading to further Distribution contracts in Peru, Kenya, Poland and Latvia.

### Case study

## POWERED BY LOCAL EXPERTISE

### Acquiring Iceland's leading automotive distributor

In 2025, we successfully completed the acquisition of Askja and its associated businesses, which has a 15% market share. This bolt-on acquisition represents an exciting new market for Inchcape, offering strong growth potential and growing our presence in the Europe & Africa region. It exemplifies our Accelerate+ strategy by further scaling and diversifying both our geographic reach and our OEM partner portfolio.

Over the past 20 years, Askja has built a diversified portfolio of leading OEM partnerships in Iceland, where it is the exclusive distributor for brands such as Mercedes-Benz Cars and Vans, and Kia - a new OEM partner for Inchcape. Combining Askja's local expertise with Inchcape's global, market-leading technology and capabilities, will enhance performance and drive value for all stakeholders.



## OUR STRATEGY: OPTIMISE

We are focused on maximising the efficiency of our unique global distribution platform, strengthening OEM partnerships, and enhancing customer satisfaction and loyalty through our Value Added Services offering.

# DRIVING OPTIMISATION



## Distribution Excellence

Our Distribution Excellence approach connects our OEM partners' products with customers by managing every stage of the value chain in small to medium size, complex, high-growth markets. We do this in two ways: our Distributor Model, where we manage OEM brands end-to-end, from the factory, to logistics, and customer delivery; and our Vertical Integration Model, where we also own and operate dealerships, controlling every stage of distribution directly.

## Value Added Services

We offer Value Added Services to enhance customer value throughout the vehicle lifecycle. Through parts, finance, insurance, used cars, and new energy mobility services, we leverage our digital platforms and analytics to optimise sales, aftersales, and customer experiences for OEM partners and drivers alike.

### Case study

## POWERED BY TECHNOLOGY AND PEOPLE

### Enhancing customer satisfaction

Inchcape delivers exceptional customer experiences at scale by combining advanced digital tools, data-driven platforms, and deep local expertise. Our digital ecosystem creates seamless, connected journeys for customers, from intuitive online interactions to personalised in-store experiences tailored to individual preferences.

Benchmarking tools like Reputation.com enable our teams to measure feedback, benchmark performance, and drive continuous improvement. In recognition of this commitment, over 660 Inchcape and retail partner sites worldwide achieved the prestigious Reputation 800 Award in 2025.

This integrated approach, combining technology, data, and people, demonstrates Inchcape's ability to maintain exceptional standards globally while adapting to local markets, ensuring customers experience excellence at every stage of their journey.



OUR STRATEGY: OUR ENABLERS

# POWERED BY OUR ENABLERS



Culture and Capabilities

We are continuously cultivating a culture based on high performance, fresh thinking, and collaboration to attract and retain the very best talent.

Our annual Be Heard global engagement survey invites our 16,000 colleagues to share how they feel about their experience of working at Inchcape. In 2025, 96% of colleagues shared their feedback, with global engagement increasing by 4%, with our 2025 score reaching 81% - ranking us in the top 25% of companies using the Qualtrics engagement measurement platform. This reflects our commitment to fostering a highly engaged workforce to deliver our strategy, Accelerate+.



Digital, Data and Analytics

We are investing in our technological capabilities so that we can continue to deliver outstanding experiences for customers, and growth for our OEM partners.

Sales and Operations Planning is a critical function to the performance of our business. We use AI to generate statistical forecasts of new car market size, giving us an accurate baseline statistical prediction for the coming two to three years. Built by our in-house data team, the solution has added value to our M&A teams to help them understand the likely market evolution of potential acquisitions, and was used as part of our recent acquisition process for Askja in Iceland. A growing number of Inchcape's markets are now receiving AI market forecasts, which are refreshed quarterly.



OEM Relationships

We are developing an even deeper understanding of the global OEM landscape to ensure outstanding long-term value for our OEM partners.

We have long-term relationships with our OEM partners and we continue to look for opportunities to grow our OEM portfolio. In 2025, we secured ten new contracts, while mutually exiting four. We have a disciplined approach to managing our portfolio and our long-term partnerships with our OEM partners, which ensures we represent the right brands in the right markets, sustaining competitive advantage and value creation.



M&A and Integration

We are ensuring acquisitions are in line with our capital allocation framework and are integrated in a disciplined and effective way.

Our strategy is supported by disciplined M&A activity, with a particular focus on targeted bolt-on acquisitions. Led by our Global Head of M&A, we combine central oversight and governance with deep regional and local market expertise to evaluate market trends, identify opportunities and integrate acquisitions effectively. This balanced approach ensures we pursue value-accretive opportunities that strengthen our market position, drive our market share and support the delivery of Accelerate+.



OUR BUSINESS MODEL

# DELIVERING DISTRIBUTION EXCELLENCE

By connecting every stage of the value chain, our end-to-end Distribution model underpins Accelerate+

**DXP** DXP is an omnichannel platform and provides OEM partners with valuable data-driven insights to optimise sales and customer experiences.

**DAP** DAP leverages advanced analytics and AI to support decision-making across the automotive distribution value chain.



**1**  
**Product planning**

We use our local market expertise to inform certification and vehicle ordering decisions, around elements like model types and specification.

**DAP**



**2**  
**Logistics**

We deliver vehicles and parts to markets in each of our regions.

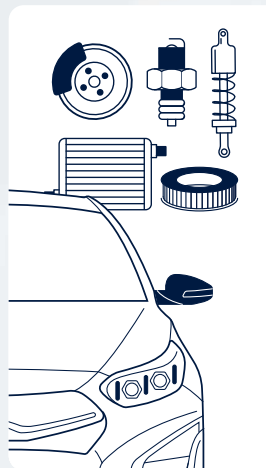
**DAP**



**3**  
**Brand and marketing**

We work on brand proposition development and positioning, price setting and marketing, maximising market share for our partners.

**DAP DXP**



**4**  
**Value Added Services**

This includes the exclusive distribution of original vehicle parts, maintenance, finance and insurance.

**DAP DXP**



**5**  
**Digital retail**

We bring our omni-channel platform to customers to deliver world-class, digital-first experiences for consumers through DXP.

**DXP**



**6**  
**Channel management**

We recommend the optimal channels to reach consumers and businesses covering network management, digital, and omni-channel and including the selection and management of independent third-party dealers, where appropriate.

**DAP DXP**

## CHAIRMAN'S STATEMENT

# Driving growth, returns and shareholder value in 2025

## Dear Shareholders,

2025 was another year of progress for Inchcape, as we further consolidated our position as the world's leading independent player in automotive distribution - a highly cash generative sector, which continues to offer attractive long-term returns.

Our performance in 2025 was in the context of a transforming industry, with our continued execution against our Accelerate+ strategy resulting in more value being delivered for shareholders. This was supported by our disciplined approach to capital allocation, with dividend payments at 40% of adjusted EPS, investment in value-accretive bolt-on acquisitions and a commitment to ongoing share buybacks.

As a result, between 2019 and 2025, the Group has returned around £1.3 billion to shareholders, through dividends and share buybacks, including around £340m in 2025. This was in the context of the Group's strong balance sheet, with leverage of 0.4x at the end of the year.



## Strategic and operational progress

We achieved strategic progress during the year against our Accelerate+ strategy, which has been designed to drive our market share, by scaling and optimising our business.

As evidence of our progress to scale the business, 2025 saw the Group further diversify and expand our global footprint and OEM portfolio, with ten new Distribution contracts from our OEM partners. In addition, having been focused on acquisition integration over the last two years, we executed our first acquisition in that time, with the leading automotive distributor in Iceland, Askja, now part of the Group.

As we scale and optimise our business, we remain committed to doing so responsibly. To that end, sustainability underpins our Accelerate+ strategy, shaping how we deliver long-term, resilient growth across the Group. In this area, we continue to support our OEM partners in the transition to new energy vehicles, in an inclusive manner, to help shape the future of mobility. Our approach is based on delivering unique insights to our stakeholders, enabling a faster transition to new technologies, and ensuring we remain a sustainable Distribution partner for our OEM partners.

Supported by our execution against Accelerate+, we delivered a consistent operational performance throughout 2025, highlighted by excellent cash generation, as we ended the year with a strong balance sheet.

## An engaged and strengthened Board

We operate a highly engaged Board model, with two regional Board visits per annum. This has helped to bring our Board closer to the business, driving enhanced engagement with our Group Executive Team and ensuring the Board is even more effective in providing

oversight of the Group's high-performance culture. I am grateful to our Board members for their ongoing commitment and contribution.

In April 2025, Sarah Kuijlaars stepped down from our Board and I would like to thank Sarah for her contribution over the last three years. At that time, Stuart Rowley was appointed as Chair of the Audit Committee, replacing Sarah, and he brings many years of invaluable industry experience to this role.

I had the pleasure of welcoming Tracy Clarke to the Board in December 2025, and she is already proving to be a valuable addition. Tracy brings with her a wealth of experience, particularly in financial services and emerging markets, having held senior executive positions at Standard Chartered Bank for 35 years. She also has a wide breadth of experience as a non-executive director in the UK listed environment.

## Confidence in Inchcape's future

Inchcape's performance during 2025 demonstrates our ability to execute against our Accelerate+ strategy, for the benefit of our stakeholders. Supported by our engaged Board and our high-performing Group Executive Team, I am confident that Inchcape can achieve our target of EPS CAGR of more than 10% over the medium term.

Finally, I would like to acknowledge the efforts of our senior executive leadership, Duncan Tait our CEO, Adrian Lewis our CFO, and our colleagues in each of our Regions. The Board is very grateful to them for another year of hard work and dedication in ensuring Inchcape offers the best service for our OEM partners and customers, which ultimately helps to deliver value for our shareholders.

**Jerry Buhlmann**  
Chairman

## GROUP CHIEF EXECUTIVE'S STATEMENT

# Our Accelerate+ strategy is focused on capitalising on the most exciting growth opportunities for Inchcape

# 13%

Growth in adjusted EPS in FY 2025



## You have been Group Chief Executive for over five years. During that time, what are you most proud of?

With over 175 years of worldwide trading experience, Inchcape is a company with a prestigious history and a bright future. I am extremely proud of both of those important dynamics.

As an example of our long heritage, in 2025 we celebrated the 100-year anniversary of our business in Singapore – this is a notable achievement and testament to the depth of local expertise of our colleagues there. We also celebrated our 50-year anniversaries in Brunei, Guam and Saipan during the year. These milestones, and the achievements of the Group over the last five years, are testament to our 16,000 people across our organisation. With an 81% employee engagement rate, up 4% from 2024, they continue to deliver consistently excellent service to our OEM partners and customers, resulting in an industry-leading 808 score on Reputation.com. Under the leadership of my colleagues on the Board and our Group Executive Team, alongside our energetic regional, local and Group teams, our high-performing culture is one I am proud to be a part of.

I am also proud of how we have seamlessly evolved our strategy to fully focus on the highly cash generative business of automotive distribution. Supported by the development of our proprietary data-based technology capabilities, including our data analytics and customer experience platforms, DAP and DXP (see page 7 for a description of DAP and DXP) respectively, which are managed centrally and implemented locally across our markets.

These last five years have brought change to both our organisation, our industry and the market environment. Despite this, Inchcape has continued to deliver a consistent strategic and operational performance, signing new Distribution contracts and successfully acquiring and integrating value-accretive businesses. This has helped us to deliver healthy returns for our shareholders, with £1.3 billion returned to them, through dividends and share buybacks, since the start of 2019.

## Inchcape's Accelerate+ strategy was launched 18 months ago – can you remind us of its key elements?

We launched Accelerate+ in November 2024 and it is now embedded in everything we do. The strategy is focused on two pillars: Scale and Optimise, supported by four Enablers and underpinned by Sustainability.

Scale is focused on helping to grow our market share through value-accretive acquisitions, new Distribution contracts and our expansion into adjacent vehicle categories, such as premium motorcycles and light commercial vehicles.

Optimise is about ensuring we are the most efficient and effective route to market for ourselves and our OEM partners. This includes leveraging our Value Added Services, like Parts and Finance & Insurance products.

Powered by Accelerate+, we will continue to strengthen our position as the leading global automotive Distributor as we work towards our ambition of achieving 10% market share in our markets.

## GROUP CHIEF EXECUTIVE'S STATEMENT

## Distribution contract dynamics



### Can you give an example of Accelerate+ in action in 2025?

I think a great example of how we executed against our strategy last year was by winning more Distribution contracts from our OEM partners. In addition, contracts from previous years made a meaningful contribution to growth during the year.

Over the last four years, we have been awarded over 50 Distribution contracts by our OEM partners. This is a major step-up from the previous four years.

The majority of our recent Distribution contract wins have been awarded to us by Chinese OEMs, as they look to expand their geographic footprint internationally. As result, we now have a strong portfolio of Chinese brands in each of our Regions. 2025 exemplified our success in winning contracts with Chinese OEMs, including BYD in

Lithuania and Latvia, XPENG in Colombia and GAC AION in Greece.

In line with our Accelerate+ strategy, we also secured contracts in adjacent vehicle segments, including Iveco in Hong Kong, a commercial vehicle brand, and New Holland in Ethiopia and Kenya.

### You have also exited some distribution contracts over the last two years. Can you explain the rationale here?

Given the volume of contract wins in recent years, we are taking the opportunity to optimise our Distribution contract portfolio, in line with Accelerate+. More specifically, in 2025, in collaboration with our OEM partners, we decided to exit four immaterial contracts, in several of our smaller markets. Ultimately, we took the view that these contracts are unlikely to provide the opportunity for a mutually viable commercial operation in the future.

We expect to exit further immaterial contracts going forward, as we look to prioritise those Distribution contracts which we believe will provide the best value for our business and our stakeholders.

### Can you talk about your M&A approach and explain the rationale behind the acquisition in Iceland?

M&A is an integral element of Accelerate+, as one of our four Enablers. It is also a key element of our future growth profile and our disciplined approach to capital allocation, which aims to optimise returns for shareholders. To that end, we will continue to balance our investment in acquisitions with our ongoing commitment to buying back Inchcape shares. Both dynamics will help us to deliver EPS CAGR of 10% or more over the medium term.

We have a strong M&A capability, with a central team leading our sourcing and execution of deals, supported by regional M&A specialists. Our local management teams are then responsible for integrating acquisitions working in partnership with both teams.

We regularly assess our healthy pipeline of potential acquisitions, with strict diligence in a number of key areas such as valuation, cultural alignment and strategic fit.

This stringent review process led us to acquire Askja, Iceland's leading automotive distributor, in September 2025 (for more information, see page 4). Iceland is an exciting new market for Inchcape, with the acquisition further scaling our geographic footprint and strengthening our OEM partner portfolio, including Mercedes-Benz – a new OEM partner for us in Europe – and Kia, a new OEM partner for us globally. As I look to the future, you can expect us to assess and execute more bolt-on acquisitions in line with our strategy.

### Can you discuss Inchcape's operational performance during 2025?

Against a backdrop of industry disruption, Inchcape consistently delivered against key metrics during FY 2025, executing in line with our Accelerate+ strategy, with higher volumes being driven by market share gains across multiple markets and a meaningful contribution from Distribution contract wins.

Our performance in 2025 highlighted the strength of our diversified and scaled business. We delivered against our medium-term targets during the year, generating revenues of £9.1bn, up 1% organically, with adjusted operating margins of 6.2%. We also delivered another great performance on cash generation, producing 104% FCF to PAT conversion.

Adjusted basic EPS was up 13% to 80.8p, supported by our £250m share buyback programme, which was completed in March 2026.

### Tell us about the Group's performance in each of your Regions in 2025.

We have a diversified and scaled geographic footprint across our three Regions, which provides a natural hedge to market challenges across our operating entities.

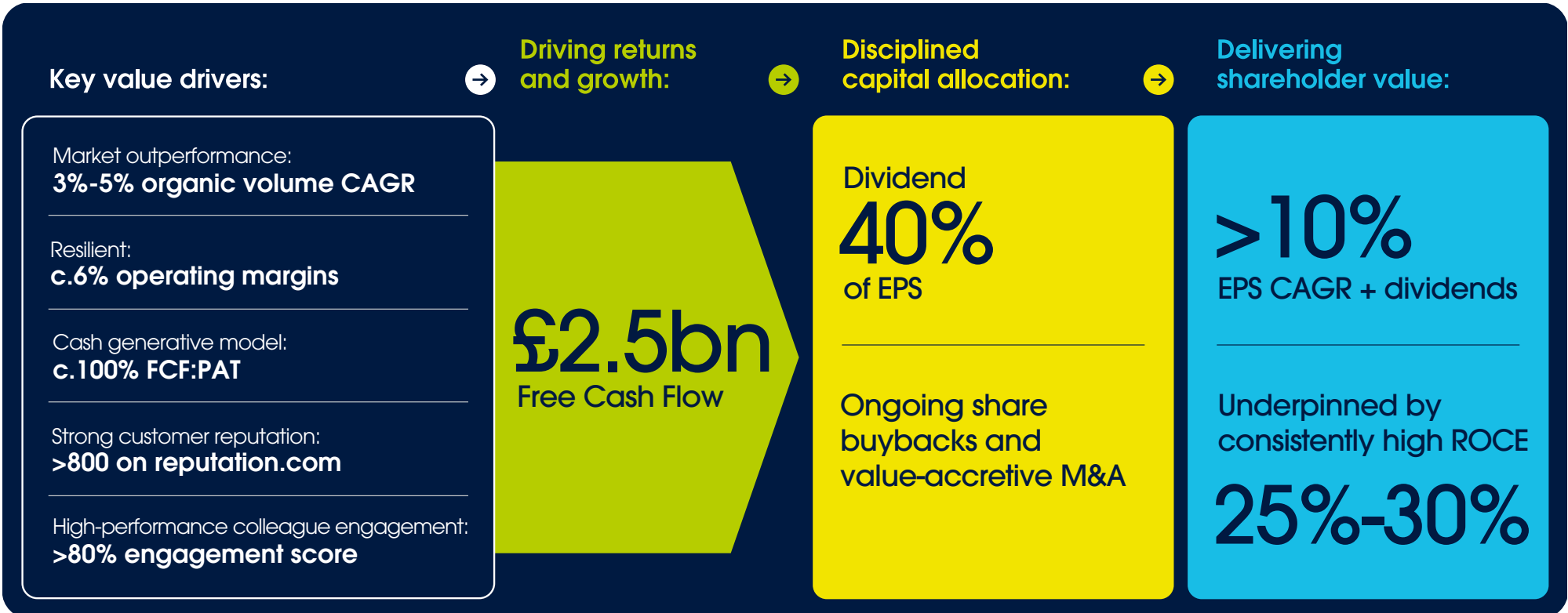
Last year in the Americas, momentum continued to build, with our scaled businesses in Chile, Colombia and Peru delivering strong performances. Certain markets were weaker, including Costa Rica.

In the Asia Pacific Region, while our business in Australia remained resilient, challenges in other markets in the region continued, and we are taking action to address these challenges, as outlined in our regional review of the year later in this Report.

Our business in the Europe and Africa Region performed strongly, supported by the contribution from the new contracts awarded in recent years.

GROUP CHIEF EXECUTIVE'S STATEMENT

Our medium term growth ambition to 2030



Where appropriate, figures stated before adjusting items.

POWERED BY **Accelerate+**

**Can you discuss the various management changes that you implemented during the year?**

To strengthen our strategic and operational delivery, we implemented several changes to our Global Executive Team.

Romeo Lacerda, previously Americas CEO, was appointed to the newly created role of Chief Commercial Officer.

He is responsible for leading our enhanced approach to technology and driving our Optimise pillar across the Group. Mike Bowers, previously Group General Counsel and Chief Sustainability Officer, became the new Americas CEO. We also promoted Rajvi Kothari to our Global Executive Team, as our Group General Counsel. Rajvi has been with the business for over eight years, having most recently been our Legal Director in APAC.

These internal management changes are testament to the talent, expertise and capability that already exist within Inchcape.

In APAC, after 10 successful years with the Group, Ruslan Kinebas stepped down as APAC CEO to pursue new opportunities. He was replaced on an interim basis by Phil Jenkins, previously Global Head of M&A.

I would like to thank Ruslan for his tremendous work in building our business in APAC and, in his previous role, in the Americas. I wish him the best of luck for the future.

This refreshed Global Executive Team is already having a positive impact on our business, with our operational performance in 2025 reflecting our consistent focus on executing – despite a fast-moving market backdrop – with strong strategic progress made.

## GROUP CHIEF EXECUTIVE'S STATEMENT

**What progress did the business make in executing against its Sustainability strategy during 2025?**

We remain focused on bringing mobility to the communities in which we operate, to deliver economic benefits and social inclusion in those communities.

As an independent automotive Distributor, our role is focused on delivering the global mobility transition locally, by delivering insights, enabling new technologies and providing the most sustainable route to market, across our four key pillars of People, Planet, Places and Practices.

I am particularly pleased at the progress we have made reducing our Scope 1 and 2 emissions. In 2025, we delivered a 10% year-on-year reduction and we have now achieved a 43% reduction in Scope 1 and 2 emissions from our 2019 baseline.

**What does the future look like for Inchcape and what are the key drivers of the Group's future success?**

Inchcape has a very bright future. Our business is characterised by long-term relationships with our OEM partners in smaller scale and more complex markets, where we value our long-term collaboration with them.

We remain committed to supporting them through the provision of insights and analysis of our markets, driven by our market-leading and differentiated technology capabilities.

As a highly diversified and scaled business, we are powered by the determination and dedication of our 16,000+ people around the world. I am extremely grateful to them for their continued diligence and commitment to ensuring Inchcape remains at the apex of our industry. As a result of this, we are well positioned to deliver our medium-term growth ambitions, to the end of 2030. These ambitions include producing organic volume CAGR of 3%-5%, driving resilient operating margins of c.6% and converting around 100% of our profit after tax to free cash flow. By delivering against these ambitions, we aim to produce EPS CAGR of 10% or more over the medium term.

I am confident that by focusing on scaling and optimising our business, powered by Accelerate+, driven by our high-performing people and supported by our disciplined capital allocation approach, Inchcape will continue to drive growth and value for all stakeholders.

**Duncan Tait**  
Group Chief Executive



RESPONDING TO GLOBAL TRENDS

# THE AUTOMOTIVE INDUSTRY AND THE MARKETS WE OPERATE IN ARE TRANSFORMING

## INDUSTRY TRENDS...

### Dynamic global environment

A shifting global macro environment, rising inflation and higher interest rates, along with a complex tariff landscape and mixed consumer demands are increasing pressure on OEMs. This heightens the need for trusted partners who deliver certainty, resilience and value, reinforcing Inchcape's role through changing market dynamics.

### Evolving OEM needs

OEMs are sharpening their focus on cost, efficiency and performance. They increasingly seek partners with scalable, high-quality distribution capabilities that enhance profitability, improve service levels and deliver greater value across diverse markets and operating models.

### Competitive OEM landscape

The OEM landscape is shifting, with Chinese manufacturers accelerating international expansion. These emerging players are seeking growth beyond their home markets, increasing competition and creating new partnership opportunities for distributors with global scale and proven, local market expertise.

### Increased Sustainability focus

Sustainability is priority for OEMs, who seek partners that support their environmental goals, accelerate new energy vehicle (NEV) adoption and provide efficient, lower-impact routes-to-market across diverse regions and regulatory environments.

### Ongoing New Energy Vehicle transition

The shift to NEVs, including Electric, continues, albeit more gradually than expected. Hybrid drivetrains remain central as markets adapt at different speeds, keeping the transition firmly underway rather than paused.

## AND HOW INCHCAPE IS RESPONDING.

### Global capabilities, local expertise

Our global business is powered by local expertise built on over 175 years of insight, execution and trust. Our people and platforms turn data into smarter decisions, enabling us to adapt quickly and with agility to shifting global macro conditions.

### Agile, efficient distribution

Inchcape enables OEMs to capture share in complex, mid-sized markets through the most cost efficient route. Our agile Distribution model scales seamlessly with demand, supporting profitability, service excellence and maximum value from every Distribution partnership.

### Driving growth together

Operating across 40+ markets with expertise in complex geographies, we deliver OEMs cost-efficient international growth. In the last three years, we have secured over 35 Chinese contracts, proving our ability to accelerate expansion and build competitive positions, globally, outside their home market.

### Sustainability Framework

We have a Sustainability Framework that focusses on delivering insights to our stakeholders, enabling new technologies to accelerate the adoption of NEVs and provide the most sustainable route-to-market for OEM partners.

### Drivers of Change

Released in August 2025, our survey of nearly 6,000 consumers across 13 countries revealed regional differences, hybrid preferences, and perceived barriers to NEV adoption. These insights support OEMs, policymakers and partners to shape tailored strategies that accelerate electrification.

HOW WE CREATE VALUE

# TRUSTED BY OUR STAKEHOLDERS

Inchcape's success is dependent on the continued trust and support of all its stakeholders. Strong relationships are fundamental to the long-term ambitions of the Group.



### About our stakeholders

Inchcape's stakeholders - from shareholders and colleagues, to customers, OEM partners and the communities in which we operate - all have a shared interest in our success. Their insight, collaboration, and commitment help us to deliver sustainable growth, strengthen trust, and create long-term value. By engaging openly and working together, we ensure our business continues to thrive responsibly and make a positive impact across every market we serve.



### OEM partners

We enable OEM partners to reach customers efficiently and sustainably across the value chain, strengthening partnerships and driving growth through our market-leading digital, data and analytics capabilities.

### 2025 activities

We continue to deepen existing partnerships and open new routes to market for OEM partners. In 2025, we secured ten new Distribution contracts and completed the acquisition of Askja and its associated businesses, Iceland's market leader, strengthening our presence in Europe & Africa.



### Customers

We design experiences for customers through our omni-channel offering. Enabling ownership, parts and service solutions that foster loyalty, sustainable growth, and trusted relationships across the vehicle lifecycle.

### 2025 activities

In Chile we simplified car buying and ownership for customers by bringing multiple brands, financing, insurance and aftersales together under one trusted name. Our omnichannel, multi-brand model provides choice, convenience and confidence, online and in-store, delivering a seamless, customer-first experience that builds trust, drives satisfaction and redefines how people buy and own cars.

[Read more p7](#)

HOW WE CREATE VALUE



**Colleagues**

We empower our colleagues to grow and thrive through learning, inclusion and collaboration, fostering a culture that drives performance, engagement and sustainable success.

**2025 activities**

We strengthened our people focus with refreshed hiring practices to ensure focus on delivering diverse, balanced shortlists, resulting in 31% female leader hires. Over 600 leaders completed seven global programmes, including our new Female Leader Sponsorship Programme. We also launched the Global Inchcape Academy and advanced colleague capability in areas such as Electric Vehicle safety and M&A integration.

[Read more p25](#)



**Shareholders**

We create sustainable value for shareholders through our disciplined capital allocation policy and by executing against our medium-term targets, with a view to delivering consistent shareholder returns and long-term strategic and operational performance.

**2025 activities**

We held over 200 meetings with investors and attended seven investor conferences in 2025. We continued in our efforts to geographically diversify our investor base, meeting investors in a range of territories, including the US and in various countries across Europe and APAC. We launched a new Medium Term Plan, with a refreshed capital allocation policy. Furthermore, we continued to deliver on our capital allocation framework, returning £339m to shareholders through dividends and buybacks in 2025.



**Communities**

We invest in the communities where we operate, combining local ownership with Group support to deliver meaningful social impact and long-term shared value, unlocking access to mobility as a driver of inclusion and economic opportunity.

**2025 activities**

Across our markets, we reached more than 2,000 people through road safety programmes spanning the Americas, APAC and Europe and Africa. We supported the mobility transition by training 15 women through technical skills programmes, expanded access to affordable mobility via two new financing partnerships in Kenya and Peru, mobilised over 1,700 employee volunteers globally, and positively impacted more than 10,000 community members through our Places initiatives.

[Read more p25](#)

## OPERATING AND FINANCIAL REVIEW

# Consistent delivery against key metrics, supporting our returns-focused approach to capital allocation



During FY 2025, market volumes across our markets grew by 2%, with indirect impact of tariff-related disruption affecting demand in the first half of the year. The macro environment improved in the second half in a number of our markets, particularly in the Americas and the Europe and Africa Regions, offsetting a more challenging backdrop in APAC.

### Further progress against Accelerate+ strategy

In this market environment, we continued to execute against our Accelerate+ strategy in FY 2025, by scaling and optimising across our regions. Our objective is to develop our OEM partner portfolio and geographic footprint, and thereby enhance the resilience in our earnings profile, and drive progress against our ambition to achieve 10% market share in our markets.

### Scaling our distribution contract portfolio

We have continued to grow our base of distribution contracts through acquisitions and contract wins. In FY 2025, we continued to grow volumes from contracts won in previous years, with these contracts being a key driver of our organic revenue growth in FY 2025. In addition, we were awarded ten new distribution contracts during the year, with existing OEM brands including New Holland in Kenya and Ethiopia, BYD in Lithuania and Latvia, XPENG in Colombia and GAC AION in Greece, as well as new partners Smart in Colombia, Uruguay and Ecuador and Iveco in Hong Kong.

These wins demonstrate the essential role that Inchcape plays in the automotive industry as a critical partner for OEMs in smaller, more complex markets, where we drive market share and volume growth for our brand partners. However, BYD continues to in-source automotive distribution in medium to large scale markets in Europe. Despite Inchcape performing well for BYD in Belux since our

appointment as their automotive distributor in 2022, we do not anticipate that this financially immaterial contract will be renewed (expiration - Q3 2027). We are not seeing any similar in-sourcing of automotive distribution by any other OEMs.

### Optimising across our business

To drive operational execution, we continued to optimise our business in a number of ways during the year. Firstly, we rationalised our brand portfolio, mutually exiting four immaterial contracts with Komatsu in Ethiopia and three Geely contracts in smaller markets in the Americas.

In addition, we continued to recycle capital by divesting non-core assets and we grew our third-party retail network, enabling broader geographic coverage within our markets in a capital-efficient way. We also optimised our business by further collaborating with our OEM partners on product and inventory management, supported by our consistent execution and differentiated technology-based Sales and Operational Planning processes. In addition, during the year, we initiated a cost reduction programme, particularly focused on the APAC region. We also continued to drive the penetration of Value-Added Services, in particular aftersales and Finance & Insurance capabilities across each of our regions.

## OPERATING AND FINANCIAL REVIEW

**Capital allocation - our disciplined, returns-based, approach**

Inchcape's capital allocation policy remains focused on creating shareholder value in a disciplined and returns-focused way, with dividends at 40% of adjusted basic EPS, a commitment to ongoing share buybacks and value-accretive acquisitions. We have delivered against all of these capital allocation elements in FY 2025.

During the year, we completed a £150m share buyback programme, announced in August 2024. We also purchased shares under the subsequent £250m share buyback programme, announced in March 2025 (the latter programme completed on 2 March 2026). With the completion of these two programmes, the Group has re-purchased c.13% of its shares in issue since August 2024. To underline our ongoing commitment to share buybacks, and in light of the capacity

on our balance sheet, we launched a new £175m share buyback programme in March 2026.

In total, between FY 2019 and FY 2025, the Group returned approximately £1.3 billion in cash to shareholders in dividends and buybacks.

During Q3 2025, the Group invested £35m, in cash, in acquiring 100% of the shares of the leading Icelandic automotive distributor, Askja and its associated companies, which represents our entry into an exciting new market for the Group. Looking ahead, our bolt-on acquisition pipeline remains healthy, and will continue to provide opportunities for Inchcape to access future growth, and we remain disciplined in our approach to valuations.

The Board is proposing a final dividend for the year of 22.8p, bringing the full-year dividend to 32.3p (2024: 28.5p).

**Outlook - a year of growth in FY 2026, at constant currency, in line with our medium term guidance**

Inchcape expects to deliver a year of growth in FY 2026, in line with our medium-term guidance. This will be achieved by the delivery of organic volume growth towards the lower end of our 3% - 5% guidance range, supported by the contribution from Distribution contract wins. We expect continued momentum in the Americas and Europe and Africa Regions, while we are addressing the challenges in APAC.

In FY 2026, we expect resilient adjusted operating margins of c.6%, in line with our medium-term guidance, to be supported by further penetration in aftersales and Finance & Insurance, enhanced collaboration with our OEM partners on product line-up and positioning, and management actions on cost reduction.

We also expect to deliver free cashflow conversion of c.100% during the year, with EPS growth of >10%. Our performance in FY 2026 will be skewed towards the second half, due to the usual seasonality in the Americas and supply phasing in APAC.

We reiterate our medium-term targets, which will be delivered through our highly cash generative and capital-light business model and a disciplined approach to capital allocation. To that end, from the start of FY 2025 to the end of 2030, we continue to expect to generate £2.5 billion in free cash flow, which will be deployed through disciplined capital allocation to deliver >10% EPS CAGR.

**Adrian Lewis**  
Group Chief Financial Officer

	2025	2024	% change reported	% change constant FX <sup>1</sup>	% change organic <sup>1</sup>
<b>Key financials (continuing operations)</b>					
Revenue	<b>£9,100m</b>	£9,263m	(2)%	—%	+1%
Adjusted Operating Profit <sup>1</sup>	<b>£563m</b>	£584m	(4)%	(1)%	
Adjusted Operating Margin <sup>1</sup>	<b>6.2%</b>	6.3%	(10)bps	(10)bps	
Adjusted Profit Before Tax <sup>1</sup>	<b>£443m</b>	£444m	—%	+3%	
Adjusted Basic EPS <sup>1</sup>	<b>80.8p</b>	71.3p	+13%		
Dividend Per Share	<b>32.3p</b>	28.5p	+13%		
Free Cash Flow <sup>1</sup>	<b>£315m</b>	£462m	(32)%		
<b>Reported financials</b>					
Operating Profit (continuing operations)	<b>£526m</b>	£562m	(6)%		
Operating Margin (continuing operations)	<b>5.8%</b>	6.1%	(30)bps		
Profit Before Tax (continuing operations)	<b>£406m</b>	£414m	(2)%		
Total profit for the period	<b>£273m</b>	£435m	(37)%		
Basic EPS (continuing operations)	<b>72.5p</b>	66.4p	+9%		
Net cash generated from operating activities	<b>£385m</b>	£586m	(34)%		

**Highlights****£9.1bn**Revenue  
(2024: £9.3bn)**£315m**Free cash flow<sup>1</sup>  
(2024: £462m)**6.2%**Adjusted operating margin<sup>1</sup>  
(2024: 6.3%)**29%**Return on capital employed<sup>1</sup>  
(2024: 27%)**£443m**Profit before tax and adjusting items<sup>1</sup>  
(2024: £444m)**32.3p**Dividend per share  
(2024: 28.5p)

1. These measures are Alternative Performance Measures, see pages 174 to 177

## OPERATING AND FINANCIAL REVIEW

# PERFORMANCE REVIEW

Against a backdrop of a transforming industry, Inchcape delivered against key metrics during FY 2025, executing in line with the Group's Accelerate+ strategy, with higher volumes in H2. Our performance was driven by market share gains across multiple markets and a meaningful contribution from Distribution contract wins, partially offset by the impact of challenges in APAC. This operational and financial delivery was enhanced by management actions on cost reduction, which underpinned resilient operating margins.

**Group revenue** of £9.1bn, was up 1% organically, and flat compared to the prior year in constant currency, with a meaningful contribution from Distribution contract wins, and improved momentum during the second half of the year. Translational currency headwinds of (2)% meant that Group revenues were down (2)% on a reported basis.

**Adjusted operating profit<sup>1</sup>** of £563m was down (1)% in constant currency. The impact of regional mix on gross margins was largely offset by cost discipline, with **adjusted operating margins<sup>1</sup>** resilient at 6.2% (2024: 6.3%). As part of the Group's capital recycling strategy, the divestment of non-core assets contributed c.£17m to adjusted operating profit and, subsequently, adjusted profit before tax. Overheads, represented as the ratio of adjusted net operating expenses to revenue, were lower at 10.8% (2024: 11.0%). As a result of the adverse impact of translational currency movements, reported adjusted operating profit was down (4)% and reported operating profit was down (6)%.

**Adjusted net finance costs<sup>1</sup>** decreased to £123m (2024: £142m), driven by lower average net debt and a more favourable interest rate environment.

**Adjusted profit before tax<sup>1</sup>** was up 3% in constant currency to £443m, and after the effect of currency translation, was flat on the prior year, tracking revenue performance.

**Adjusted basic EPS<sup>1</sup>** was up 13% to 80.8p, ahead of the Group's medium-term target, supported by a reduced number of shares in issue, as a result of share buyback programmes executed during the year and the effect of averaging the previous year's share buyback programme.

**Pre-tax adjusting items** amounted to an expense of £(37)m (2024: £(30)m). This was primarily driven by one-off costs related to acquisition and integration of £(10)m (2024: £(42)m), mainly in relation to the final stages of the Derco integration, and restructuring costs of £(23)m (2024: £nil) which predominantly related to cost reduction actions initiated during the year. A loss of £(4)m was recorded on the finalisation of the completion accounts relating to the 2024 disposal of the non-genuine parts business in Chile (2024: gain of £6m). After adjusting items, reported profit before tax was £406m (2024: £414m). Ethiopia ceased to be recognised as a hyperinflation economy during the year, eliminating the non-operational losses arising from hyperinflationary accounting when compared to the previous year.

**Free cash flow<sup>1</sup>** generation was £315m (2024: £462m), representing a conversion of adjusted profit after tax to free cash flow of 104% (2024: 151%), in line with the Group's medium-term target. This was supported by a working capital inflow of £31m (2024: inflow of £195m), reflecting a reversal in H2 of the majority of the build-up of inventory from certain OEMs during H1, to support supply phasing ahead of planned production outages due to assembly line upgrades. As a result of these short-term supply dynamics, as well as inventory from the Iceland acquisition, inventory increased to £2,043m (2024: £1,935m).

As at 31 December 2025, Group **adjusted net debt<sup>1</sup>** amounted to £264m (excluding lease liabilities). Free cash flow of £315m was offset by cash outflows of £(339)m relating to dividends and share buybacks, £(29)m of net M&A spend and £(21)m related to FX and other items. Including lease liabilities, the Group ended the year with net debt of £607m (2024: net debt of £492m). Inchcape's balance sheet remains robust, with Group leverage of approximately 0.4x at 31 December 2025, down from 0.6x at 30 June 2025 and up from 0.3x at the end of 2024 (following receipt of the proceeds from the disposal of the UK retail business in August 2024).

**Return on capital employed<sup>1</sup>** during the year was 29%, an increase of 2% from 2024.

1. These measures are Alternative Performance Measures, see pages 174 to 177.

OPERATING AND FINANCIAL REVIEW

# REGIONAL REVIEW

**Americas (36% of revenue and 41% of adjusted operating profit) – positive momentum building, with supportive market conditions**

Market volumes and organic revenue were both up 8%, with growth in Inchcape volumes and revenues weighted towards the second half of the year, supported by a recovery in key markets and the usual seasonal H2-weighting across the region. Core brand growth offset the impact from recently exited brands, resulting in stable market share across the Region. There was a strong performance in our scaled markets, including Chile, Colombia and Peru, offsetting weakness in certain markets, like Costa Rica. Adjusted operating margins<sup>1</sup> were up +70bps from FY 2024 to 7.0% reflecting resilient gross margins, operating leverage from higher volumes and the efficient scaling of our business through cost discipline and capital recycling, with £8m contribution to profits from non-core asset divestments. For FY 2026, the Group expects the market environment to remain supportive, with the typical seasonal weighting towards the second half, resulting in profitable growth for the full year.

**APAC (28% of revenue and 32% of adjusted operating profit) – Australia resilient, management actions to address challenges in APAC**

Market volumes were down (1%), while Inchcape's organic revenue declined (12%), with an improved H2 performance supported by product launches. Markets were highly competitive across the APAC region, while the premium segment remained weak. Australia, our largest business in the region, was resilient, but our Asian markets underperformed during the year. As a result of lower revenues, adjusted operating margins<sup>1</sup> contracted by (60)bps to 7.2%, despite a £9m contribution to profits from non-core asset divestments in H2. Actions were instigated during the year to protect margins, including a cost reduction programme and enhanced OEM collaboration on product positioning and inventory management. For FY 2026, it is expected that Australia remains stable but challenges in other markets in the region are expected to continue, with production disruption impacting certain APAC markets in H1. We expect operating margins to be supported through the ongoing implementation of management actions.

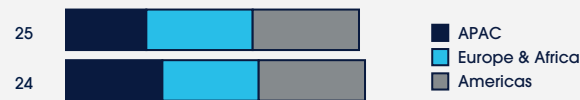
**Europe & Africa (36% of revenue and 27% of adjusted operating profit) – continued market outperformance**

Market volumes were up 3%, with organic revenue growth ahead of the market at 6%, supported by Distribution contracts won in recent years, with BYD Belux contributing <5% of regional revenue. The group's acquisition in Iceland is performing well, while there was a particularly strong performance across the Group's businesses in Southern Europe, supported by consumer take-up of a range of hybrid products. Africa continued to grow through Distribution contract expansion. Adjusted operating margins<sup>1</sup> were down 10bps to 4.6%, with gross margin resilience and operating leverage from scale offsetting initial dilution from new Distribution contracts, as expected. During FY 2026, growth rates are set to slow in certain markets, which will be partly offset by the full year contribution of Iceland and continued operational execution and momentum across the region, as well as the growing contribution from the multiple distribution contracts in recent years.

**Gross profit split**

During the year, the Group generated 30% of gross profit from aftersales (2024: 30%), which was a resilient performance, given Inchcape disposed of a non-core retail aftersales business in Chile during the year. Excluding this divestment, aftersales gross profit grew 4%, on a constant currency basis, in FY 2025.

**Distribution regional breakdown Revenue**



**Adjusted operating profit<sup>1</sup>**



**Adjusted operating margin<sup>1</sup>**

6.2%  
2025

6.3%  
2024

1. Operating profit and operating margin stated before adjusting items

**Gross profit split**

We provide disclosure on the split behind the Group's gross profit. This includes:

- Gross profit attributable to Vehicles: New Vehicles, Used Vehicles and the associated income from F&I products; and
- Gross profit attributable to Aftersales: Service and Parts.

**Vehicles**



**Aftersales**



## OPERATING AND FINANCIAL REVIEW

## OTHER FINANCIAL ITEMS

**Adjusting items:** During the year, pre-tax adjusting items amounted to an expense of £(37)m (2024: £(30)m). This was primarily driven by one-off costs related to acquisition and integration of £(10)m (2024: £(42)m), mainly relating to the final stages of the Derco integration, restructuring costs of £(23)m (2024: £nil), predominantly relating to cost reduction actions initiated during the year, and adjustments in relation to the finalisation of the 2024 disposal of the non-genuine parts business in Chile of £(4)m (2024: £6m gain). After adjusting items, reported profit before tax was £406m (2024: £414m).

**Net financing costs:** Adjusted net finance costs reduced to £123m (2024: £142m), driven by lower average net debt and a more favourable interest rate environment.

**Tax:** The income tax charge of £133m (2024: £129m) represented an effective tax rate of 32.8% (2024: 31.2%). The effective tax rate on adjusted profit before tax is 31.4% (2024: 31.3%).

**Non-controlling interests:** Profits attributable to our non-controlling interests decreased to £1m (2024: £14m), which was impacted by underperformance in the Philippines and Indonesia. The Group's non-controlling interests comprise a 40% interest in the Group's Distribution operations in the Philippines and a 30% holding in the Mercedes-Benz distribution business in Indonesia. Other significant non-controlling interests include a 30% share in NBT Brunei and a 10% share of Subaru Australia.

**Dividend:** The Board has proposed a final dividend of 22.8p, which is subject to the approval of shareholders at the 2026 Annual general meeting, and if approved will be paid on 15 June 2026 to shareholders on the register at close of business on 8 May 2026. This follows an interim dividend of 9.5p, and takes the total full year dividend in respect of FY 2025 to 32.3p, up 13% from the prior year. The Dividend Reinvestment Plan is available to ordinary shareholders and the final date for receipt of elections to participate is 22 May 2026.

**Capital expenditure:** During 2025, the Group incurred net capital expenditure of £22m (2024: £70m), consisting of £48m gross capital expenditure (2024: £79m) and £26m of proceeds from the sale of property (2024: £9m). This reduction in capital expenditure is a result of the Group's continued optimisation of its third party retail network, which enables its capital-light business model.

**Financing:** As at 31 December 2025, the funding structure of the Group is comprised of a committed syndicated revolving credit facility of £900m (2024: £900m), sterling Private Placement Loan Notes totalling £140m (2024: £140m), and a five-year bond of £350m, at a fixed coupon of 6.5%. As at 31 December 2025 the syndicated revolving credit facility was drawn £20m (2024: £55m). Excluding the Revolving Credit Facility, all of the Group's corporate debt is fixed rate and is not due to be repaid before May 2027. The Group continues to operate comfortably within its debt covenants.

**Pensions:** As at 31 December 2025, the IAS 19 net post-retirement surplus was £21m (2024: £23m), with the decrease driven largely by lower than expected returns on scheme assets partially offset by changes in demographic and financial assumptions affecting the scheme liabilities. In line with the funding programme agreed with the Trustees, the Group made additional cash contributions to the UK pension schemes of £1m (2024: £1m).

**Foreign currency translation:** The impact of foreign currency translation on adjusted profit before tax was (3)%, driven by the strengthening of the GBP against the majority of the Group's currencies. The impact of foreign currency translation on the assets and liabilities of the Group's foreign operations resulted in a loss of £(13)m (2024: £(245)m) which has been reported within other comprehensive income.

### Key translational foreign exchange pairings and underlying adjusted profit before tax sensitivity:

The Group operates in around 40 markets globally and therefore has a broad range of translational currency exposures against GBP, its reporting currency. The Group's major currency pairs are the Euro, the Australian Dollar, the US Dollar and the Chilean Peso. At prevailing rates, for FY 2026, a 1% movement in any of these currencies would have an impact on the Group's annual underlying adjusted profit before tax of approximately £1m. Other key currency pairs are the Hong Kong Dollar, the Singaporean Dollar, the Colombian Peso and the Peruvian Sol. At prevailing rates, for FY 2026, a 1% movement in any of these currencies would have an impact on the Group's annual underlying adjusted profit before tax of less than £0.5m. Adjusted profit before tax from all of these currencies contributes around 80% of the Group's adjusted profit before tax.



## OPERATING AND FINANCIAL REVIEW

## APPENDIX—REGIONAL BUSINESS MODELS

## Americas

Country	Brands
<b>Argentina</b>	Subaru, Suzuki
<b>Barbados<sup>1</sup></b>	Changan, Chrysler, Daimler Trucks, Dodge, Freightliner, FUSO, Isuzu, JCB, Jeep, John Deere, Mercedes-Benz, Mitsubishi, Peugeot, Subaru, Suzuki, Western Star
<b>Bolivia</b>	Avatr, Changan, Deepal, JAC Motors, Joylong, Komatsu, Mazda, Renault, Subaru, Suzuki
<b>Chile</b>	Avatr, BMW, BMW Motorrad, Deepal, DFSK, Changan, Great Wall, Hangcha, Harley-Davidson, Haval, Hino, Jaguar, JCB, Komatsu, Land Rover, Landini, Massey Ferguson, Mazda, MINI, Porsche, Renault, Rolls-Royce, Seres, Still, Subaru, Suzuki, Volvo
<b>Colombia</b>	Citroen, Develon, DFSK, Dieci, Doosan, DS Automobiles, Great Wall, Hangcha, Hino, JAC Trucks, Jaguar, Komatsu, Land Rover, Liebherr, Linde, Mack, Mercedes-Benz, Seres, smart, Still, Subaru, Suzuki, XCMG, XPENG
<b>Costa Rica</b>	Avatr, Changan, Deepal, JAC, Suzuki
<b>Ecuador</b>	Freightliner, Forland, Mercedes-Benz, smart, Subaru, Western Star
<b>El Salvador</b>	Freightliner, Mercedes-Benz, Western Star
<b>Guatemala</b>	Freightliner, Mercedes-Benz, Western Star
<b>Honduras</b>	Freightliner, Mercedes-Benz, Western Star
<b>Panama</b>	Suzuki
<b>Peru</b>	Avatr, BMW, BMW Motorrad, Changan, Deepal, DFSK, Great Wall, Haval, JAC Motors, Komatsu, Mazda, MINI, Renault, Seres, Still, Subaru, Suzuki, XCMG
<b>Uruguay</b>	Freightliner, Fuso, Mercedes-Benz, smart

1. Distribution agreements for these brands across a range of Caribbean islands, centred in Barbados.

## APAC

Country	Brands
<b>Brunei</b>	Lexus, Toyota
<b>Guam<sup>2</sup></b>	BMW, Chevrolet, Lexus, Toyota, Morrico heavy equipment
<b>Hong Kong</b>	Daihatsu, Hino, Iveco, Jaguar, Land Rover, Lexus, Maxus, ORA, Toyota
<b>Indonesia</b>	Great Wall, Harley-Davidson, Jaguar, Land Rover, Mercedes-Benz
<b>Macau</b>	Daihatsu, Hino, Jaguar, Land Rover, Lexus, ORA, Toyota
<b>Saipan</b>	Toyota, Lexus
<b>Singapore</b>	BYD Commercial Vehicles, Hino, Lexus, Suzuki, Toyota
<b>Philippines</b>	Changan, Harley Davidson, Jaguar, Land Rover, Mazda, Mercedes-Benz, Ram
<b>Thailand</b>	Jaguar, Land Rover, Tata Motors
<b>Australia</b>	Deepal, Citroen, Foton, Peugeot, Subaru
<b>New Zealand</b>	KGM, Maxus, Subaru

2. Distribution agreements for these brands across a range of Pacific islands, centred in Guam.

## Europe &amp; Africa

Country	Brands
<b>Belgium</b>	BYD, Lexus, Toyota
<b>Bulgaria<sup>3</sup></b>	Lexus, Toyota
<b>Estonia</b>	BMW, BMW Motorrad, BYD, Ford, Jaguar, Land Rover, Mazda, MINI
<b>Finland</b>	GAC, Jaguar, Land Rover, Mazda, XPENG
<b>Greece</b>	GAC AION, Lexus, Toyota
<b>Iceland</b>	Honda, Kia, Mercedes-Benz, smart, XPENG
<b>Latvia</b>	BYD, BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI
<b>Lithuania</b>	BYD, BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI
<b>Luxembourg</b>	BYD, Lexus, Toyota
<b>North Macedonia</b>	Lexus, Toyota
<b>Poland</b>	Distribution: Jaguar, Land Rover, XPENG; Retail only: BMW, BMW Motorrad, MINI
<b>Romania</b>	Lexus, Toyota
<b>Djibouti</b>	Changan
<b>Ethiopia</b>	BYD, Hino, New Holland, Suzuki, Toyota
<b>Kenya<sup>4</sup></b>	BMW, BMW Motorrad, Changan, Jaguar, Land Rover, New Holland

3. Distribution agreement for Toyota & Lexus also distributed to Albania, centred in Bulgaria.

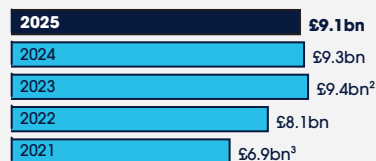
4. Distribution agreement for Changan also distributed to Tanzania, centred in Kenya. Distribution agreement for BMW also distributed to Djibouti, centred in Kenya and Distribution agreement for Jaguar, Land Rover also distributed to Uganda, centred in Kenya.

KEY PERFORMANCE INDICATORS

# FINANCIAL KPIs

Key performance indicators (KPIs) provide insight into how the Board and Group Executive Team monitor the Group’s strategic and financial performance, as well as directly linking to the key measures for Executive remuneration. KPIs are stated in actual rates of exchange and pages 174 to 177 provide definitions of KPIs and other alternative performance measures.

## Revenue



### Definition

Consideration receivable from the sale of goods and services. It is stated net of rebates and any discounts, and excludes sales-related taxes.

### Why we measure

Top-line growth is a key financial measure of success.

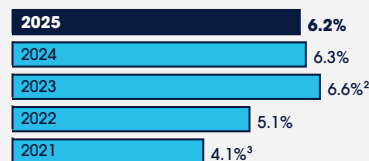
### 2025 performance

The Group delivered £9.1bn of revenue, flat in constant currency, supported by 1% organic growth (excluding currency effects). The contribution from acquisitions was offset by disposals. Currency headwinds were (2)%. Reported revenues were down (2%) versus prior year.

### Link to strategy

Remuneration

## Adjusted operating margin<sup>1</sup>



### Definition

Operating profit from continuing operations (before adjusting items) divided by sales.

### Why we measure

A key metric of operational efficiency, ensuring we are leveraging our scale to translate sales growth into profit.

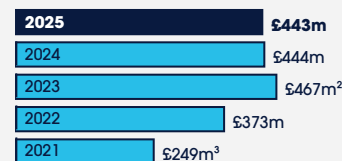
### 2025 performance

Operating margin is 6.2%, down (10)bps versus 2024 on both a reported and constant currency basis. Margins were supported by ongoing cost discipline. Our margins are consistent with our guidance of c. 6%.

### Link to strategy

Remuneration

## Profit before tax and adjusting items<sup>1</sup>



### Definition

Represents the profit made after operating and interest expense excluding the impact of adjusting items and before tax is charged.

### Why we measure

A key driver of delivering sustainable growth and growing earnings to shareholders.

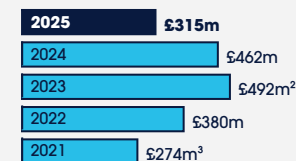
### 2025 performance

In 2025 this was stable at £443m on both a reported and constant currency basis, reflecting resilient margins and the contribution from acquisitions.

### Link to strategy

Remuneration

## Free cash flow<sup>1</sup>



### Definition

Net cash flows from operating activities, before adjusting cash flows, less net capital expenditure and dividends paid to non-controlling interests.

### Why we measure

A key driver of the Group’s ability to fund inorganic growth and to make distributions to shareholders.

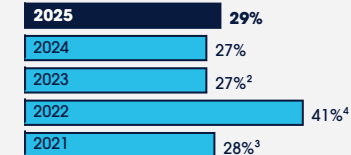
### 2025 performance

The Group delivered free cash flow (FCF) of £315m, a decrease of (32)% on 2024 and representing a conversion of adjusted profit after tax of 104% in line with our guidance of c.100%.

### Link to strategy

Remuneration

## Return on capital employed<sup>1</sup>



### Definition

Operating profit (before adjusting items) divided by the average of opening and closing capital employed where capital employed is defined as net assets add net debt/less net funds.

### Why we measure

ROCE is a measure of the Group’s ability to drive better returns for investors on the capital we invest.

### 2025 performance

ROCE for the period was 29%, compared to 27% in 2024, and remains in line with our guidance of 25%-30%.

### Link to strategy

Remuneration

1. Alternative performance measure, see page 174.

2. Performance in 2023 represented for UK Retail disposal.

3. Performance in 2021 represented for Russia disposal.

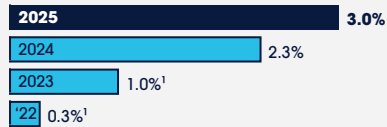
4. ROCE in 2022 has been adjusted to remove capital employed of Derco, which was acquired on the last day of 2022 and therefore did not contribute to operating profit during that year.

KEY PERFORMANCE INDICATORS

# NON-FINANCIAL KPIs

We have a number of non-financial KPIs which align to our business model as part of our Accelerate+ strategy and sustainability framework. Our focus on the customer whilst operating responsibly is at the heart of our business model. This is fundamental to our strategy, and maps the way Inchcape creates sustainable value for all our stakeholders.

## BEVs sold



### Definition

Percentage volumes of battery electric vehicles (BEVs) sold\*. BEVs are fully battery powered and run on electric power.

### Why we measure

This has been a KPI since 2022. A core element of our strategy is the deployment of BEVs, which underpins our core business model and is fundamental to the long-term sustainability of the business.

### 2025 performance

We continue to make progress on the number of BEVs sold. In 2025, the overall percentage as a Group has increased across key markets with electric vehicle offerings, aided by product launches across all Regions.

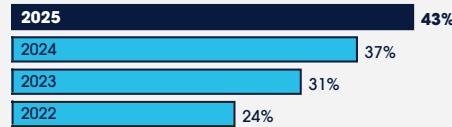
We will continue to see growth in this trend as electric vehicle transition accelerates across our Markets.

\*Outputs of models and processed data are likely to be affected by the quality of underlying data which include a number of judgements and assumptions.

### Link to strategy

Sustainability

## Reduction in scope 1 and 2 greenhouse gas emissions



### Definition

Aggregate Scope 1 and 2 greenhouse gas emissions in 2025 vs 2019 baseline.\*\*

Further information can be found in the Task Force on Climate-related Financial Disclosures on pages 26 to 41.

### Why we measure

This KPI was created in 2022. Reducing the emissions over which we have the greatest degree of control is a key sustainability priority for the Group. We have set targets for Scopes 1 and 2 using Science Based Targets methodology with the aim of reducing our emissions by 46% by 2030 and achieving net zero by 2040.

### 2025 performance

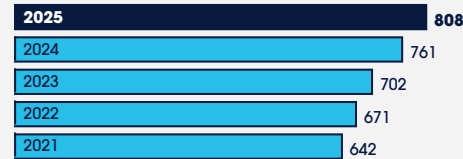
Against the revised 2019 baseline, Scope 1 and 2 emissions were reduced by over 3,600 tCO<sub>2</sub>e measured on a market basis and by over 6,200 tCO<sub>2</sub>e on a location basis. Greenhouse gas emission reductions is a strategic element of each Executive Directors' bonus – please see page 91 for further details.

\*\*2019 figures have been restated to reflect relevant disposals, acquisitions, and data rectification.

### Link to strategy

Sustainability and remuneration

## Reputation.com score



### Definition

A measure of the end customer experience in our dealerships (both Distribution and Retail), using Google Business Profile star ratings among other metrics. Score goes up to 1,000.

### Why we measure

Customer reputation score is a measure we introduced in 2018 which provides a commercially relevant customer experience measure using Google Business Profile and monitors customer sentiment.

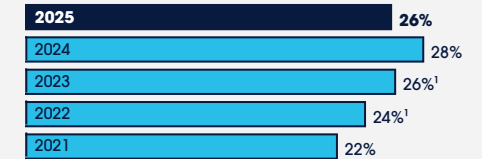
### 2025 performance

Adoption of Reputation continues to grow, with all regions achieving an improvement in score at the end of the year, and in over 70% of our locations we achieved a best in class score of 800 or more. We also increased both review volumes and response rates, enabling us to convert customer feedback into targeted service and operational improvements that enhance the end-to-end customer experience. As AI-driven search and large language model platforms are increasingly influencing customer discovery and consideration, the quality and credibility of online reviews are becoming an important driver of visibility, traffic quality and lead generation, reinforcing the importance of our reputation program.

### Link to strategy

Distribution excellence

## Women in senior leadership positions



### Definition

Percentage of women in senior leadership, which includes the Group Executive Team and its direct reports.

Please see page 66 for more information, including a complete breakdown of the gender diversity within the Group.

### Why we measure

We are committed to increasing the proportion of women in senior positions towards a new target of 36% by 2030. This is supported by dedicated initiatives which are designed to support career development and strengthen our leadership pipeline over time. Tracking this KPI allows us to measure progress, identify barriers, and drive meaningful action towards a more gender balanced leadership team.

### 2025 performance

The representation of women in senior positions decreased in comparison to 2024, with the outcome reflecting the divestment of our UK Retail business and the relatively small cohort of roles classified as women in leadership, where small changes in headcount can materially affect percentages. During 2025, there were three notable internal promotions of senior women within the business. Globally, women represent 31% of our workforce, exceeding our 2025 target of 30%.

### Link to strategy

Culture and capabilities

1. Represented for UK Retail disposal.

SUSTAINABILITY

# GLOBAL MOBILITY TRANSITION, DELIVERED LOCALLY

## OUR ROLE

We help to create a transition that is inclusive and long-lasting, with a commitment to work collaboratively with stakeholders to shape a future where sustainable mobility is a reality for all.

Our Sustainability Framework is built around our ambition to deliver the global mobility transition, locally.

This means:

- managing and mitigating the impacts of our own operations, while contributing positively to our people and the communities in which we operate;
- supporting and enabling our OEM partners as they transition towards more sustainable mobility solutions.

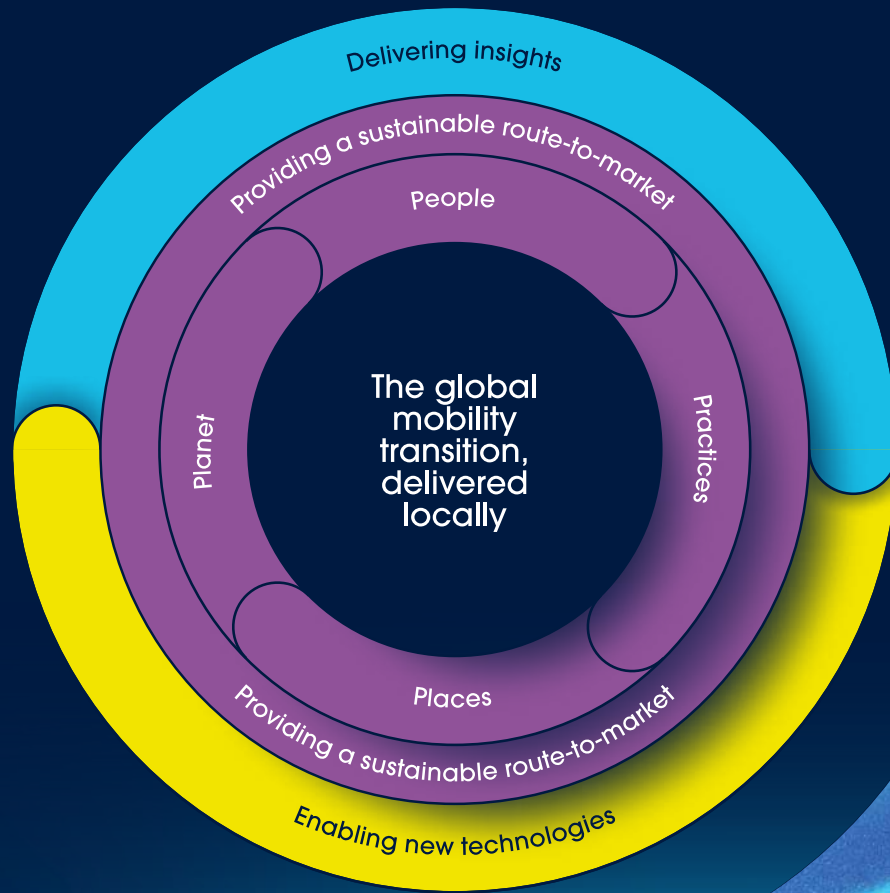
We manage our most significant impacts, risks and opportunities through four core pillars: **Planet**, **People**, **Places** and **Practices**. These pillars focus our efforts on the sustainability topics most relevant to Inchcape and our stakeholders, providing a clear structure for action, governance and accountability, while enabling a responsible and sustainable route to market for our OEM partners.

### Supporting the mobility transition

The mobility transition is progressing at different speeds across markets and depends on the right operating environment and effective collaboration between stakeholders. Our approach, built around Delivering Insights and Enabling Technologies, is designed to overcome barriers, unlock opportunity and accelerate progress.

Delivering Insights draws on our experience and scale to share data, market knowledge and best practice, while Enabling Technologies reflects how we support innovation and increase the adoption of new energy vehicles across our Markets.

Together, this framework and the actions we take support the mobility transition in a way that delivers against Inchcape’s Accelerate+ strategy and our long-term value creation objectives.



## SUSTAINABILITY

**Delivering insights**

- Published the Drivers of Change research examining mobility attitudes, ownership trends, and new energy vehicle (NEV) transition barriers across 13 markets in Asia-Pacific (APAC) and the Americas - providing insight for Inchcape and partners for strategic planning and to help address knowledge gaps.
- These insights supported commercial delivery, with APAC markets applying Drivers of Change insights across communications, product-launch activity, and NEV go-to-market strategies.
- They also strengthened industry engagement, offering data-led perspectives in major policy and mobility forums across Latin America, reaching and engaging more than 12,000 leaders, policymakers, and corporate decision-makers.

**Enabling new technologies**

- Expanded our NEV brand portfolio, adding partnerships across Regions, including the launch of XPENG in Iceland and Colombia, BYD in Latvia and Lithuania, GAC AION in Greece, alongside bringing SMART as a new NEV brand introduced in Colombia, Ecuador and Uruguay.
- Advanced NEV capability building, with training and upskilling programmes progressing across all Regions.
- Strengthened charging-infrastructure partnerships, signing agreements with Copec Voltex across the Americas and continuing our strategic collaboration with Schneider Electric in APAC. The Copec Voltex agreement (September 2025) creates a strategic alliance that integrates Inchcape's electric vehicle sales with Copec Voltex's home-charging solutions, providing customers with preferred access to chargers, energy advisory services, and benefits — making the transition to sustainable mobility easier and more connected.

**Planet - 2025 highlights**

- Achieved a 9.9% market-based reduction in Scope 1 and 2 emissions year-on-year.
- Reduced overall Scope 1 and 2 emissions by over 3,600 tCO<sub>2</sub>e on a market basis, representing a 43% reduction from our 2019 baseline.
- All Regions delivered year-on-year improvements in market-based emissions performance.
- Continued to scale four key programmes focused on decarbonisation and energy efficiency across Regions, driving operational efficiencies and reducing energy use.
- Updated our climate-risk and opportunity scenario analysis and refined our 2026 actions to reflect strengthened mitigation activities.

**Practices - 2025 highlights**

- Global launch of refreshed Code of Conduct, with associated training completed by over 13,000 colleagues.
- Embedded new issue management framework to ensure a clearer understanding of our cyber risks globally and better prioritise remediation.
- New training for colleagues on competition law and preventing the facilitation of tax evasion.

**People - 2025 highlights**

- Enhanced global Employee Support Service now in place, with a meaningful uplift in colleagues accessing support.
- In support of mental health, we delivered 30 global webinars with strong global participation.
- To enhance capability development and talent attraction:
  - We launched the Inchcape Academy - an online hub for learning & development.
  - Our annual 'Careers Week' engaged around 5,000 colleagues across events and webinars.
- To build a stronger, more diverse talent pipeline:
  - We launched a Female Leader Sponsorship Programme, pairing high potential female leader with senior leader to accelerate their career development.
  - We delivered Global Inclusive Hiring Standards and leader training.

**Places - 2025 highlights**

- Community wellbeing and road-safety programmes, reaching thousands of pedestrians and road users.
- Strengthened road-safety programmes globally, including:
  - A\$1.2m raised in Australia for youth road-safety education.
  - 200 Bodaboda riders trained in Kenya to address a major mobility-safety challenge.
  - Hands-on safety education in Lithuania and driving skills training for Polish customers.
- Expanded the "Yo Me Muevo Seguro" road safety programme across the Americas, supported by more than 300 volunteers, reaching over 1,100 children.

Increased employee pride in Inchcape's sustainability efforts by 5 percentage points, reaching an upper-quartile score of 85%, driven by strong colleague participation in initiatives and improved communication and engagement.

## TCFD REPORT

# OUR APPROACH TO CLIMATE CHANGE BEING WELL PREPARED FOR FUTURE CHALLENGES.

The automotive industry, recognised as one of the most disrupted sectors globally, is undergoing substantial transformation driven by consumer preferences, regulatory requirements, technological innovation, and evolving supply chains. The imperative to reduce industry-wide emissions is being addressed through the adoption of low carbon technologies, infrastructure enhancements, and shifts in the modes through which transport is delivered. While this transition entails certain risks, it also presents significant opportunities for Inchcape.

These impacts are carefully considered in the formulation of our strategy and integrated into our risk analysis. We establish relevant metrics and targets within a comprehensive governance framework. This approach aligns with our commitment to facilitating mobility for global communities, both now and in the future, with a focus on continual improvement.

This Report details how we assess and report climate-related risks and opportunities (CROs), which are embedded in our governance, strategic planning, risk management processes, and the establishment of targets and metrics.

Inchcape plc's climate-related financial disclosures comply with the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Pursuant to the regulation's 'comply or explain' provision, we offer justifications in subsequent sections for any Task Force on Climate-related Financial Disclosures (TCFD) recommendations not met during this reporting period and outline our plans to enhance future disclosures.

## TCFD index

## TCFD disclosure

**Governance**

## Description of progress

- Describe the Board's oversight of climate-related risks and opportunities.
- Management's role in assessing and managing climate-related risks and opportunities.

## Page reference

 Go to pages 27 and 28

## TCFD disclosure

**Strategy**

## Description of progress

- Climate-related risks and opportunities over the short, medium and long term.
- Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.
- Describe the resilience of the organisation's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

## Page reference

 Go to pages 29 to 34

## TCFD disclosure

**Risk management**

## Description of progress

- Describe the process for identifying and assessing climate risk.
- Describe the process for managing climate-related risks.
- Describe how the processes for identifying and managing climate-related risks are integrated into overall risk management.

## Page reference

 Go to page 35

## TCFD disclosure

**Metrics & targets**

## Description of progress

- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, 2, and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.
- Disclose the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

## Page reference

 Go to pages 36 to 40

## TCFD REPORT



# GOVERNANCE

The Board has ultimate responsibility for the management and oversight of climate-related issues which are considered by the Board during its discussions on strategy, risk management, remuneration, financial performance, and environment, social, and governance matters. The Board is also responsible for approving and monitoring strategic programmes and expenditure.

The Board's responsibilities include:

- Overseeing the delivery of the Accelerate+ strategy.
- Ensuring there is an effective system of risk management and internal control.
- Approving risk appetite and policy.
- Agreeing emission reduction targets.

Whilst the Board has responsibility for overseeing strategic climate-related matters, other matters are delegated to its committees.

## Board Committees

The Audit Committee has delegated responsibility for assessing the Group's principal and emerging risks, including those impacted by climate change. The Audit Committee also considers the impact of climate change when assessing significant accounting judgements and the ongoing viability of the Group. The Audit Committee meets five times a year, with risks and significant accounting judgements considered at least twice a year. The Audit Committee provides an update to the Board following each meeting. Further information on the activities of the Audit Committee is given on pages **67** to **73**.

The Sustainability Committee also has delegated climate-related responsibilities from the Board. In addition to responsibility for the Group's overall sustainability strategy, the Sustainability Committee oversees climate-related reporting and monitors the setting and achievement of climate-related targets. The Sustainability Committee meets three times a year and provides an update on its activities to the Board following each meeting. The Sustainability Committee Report is given on pages **74** and **75**, and further information on climate-related activities is given in the standalone Sustainability Report which can be found on the Company's website at [www.inchcape.com/sustainability](http://www.inchcape.com/sustainability).

The Remuneration Committee has responsibility for considering the inclusion of climate-related metrics in the Group's incentive plans and approving and assessing achievement of targets for Executive

Directors. Further information is given on page **76**.

## Management committees

The Group Executive Team (GET) has primary responsibility for assessing and monitoring climate-related risks and opportunities, which are embedded into the day-to-day operations through a combination of: the development and implementation of the Accelerate+ strategy; and the design and implementation of the Group's enterprise risk management (ERM) framework.

The GET has several sub-committees which assist it in assessing climate-related risks and opportunities, including:

- the M&A Committee which consists of the Group Chief Executive, Group Chief Financial Officer, Chief Strategy & Sustainability Officer, Group General Counsel, and Group Head of M&A. Its remit is to consider new OEMs and M&A opportunities whilst taking into account the risk of misalignment between our product portfolio in a given Market and the pace of electric vehicle (EV) adoption in that Market; and
- the Investment Committee consists of the Group Chief Executive, Group Chief Financial Officer, Group General Counsel, and members of the finance, strategy, and legal teams. Its remit includes the review of capital expenditure in relation to climate-related projects, and the review of energy efficiency designs for new sites and refurbishments.

The GET also has responsibility for the Group's enterprise risk management (ERM) framework. Detailed ERM plans to mitigate short-term climate-related risks are developed by each Region with approval and oversight on progress by the GET on a quarterly basis. In addition, the members of the GET are responsible for identifying and managing risks in their own business areas and the GET as a whole determines the Group's principal risks at both the half year and year-end following a comprehensive risk management review process.

TCFD REPORT

During the year, the sustainability function moved into the strategy team under the leadership of the Chief Strategy & Sustainability Officer (CSO). This reflects the importance of linking the sustainability framework to the strategic priorities and business growth drivers to create value and support for the Accelerate+ strategy. The CSO is supported by a cross-organisational steering group: the Sustainability Reporting and Disclosure Committee (SRDC).

The SRDC consists of the CSO, Group Chief Financial Officer, Group General Counsel, Head of Internal Audit, Group Company Secretary, Group Strategy & OEM Business Development Director, Group Risk Manager, and the Group Sustainability Managers for finance and communications. The SRDC meets quarterly to monitor the main climate-related risks and opportunities, in the context of strategy, governance, and financial performance. It monitors:

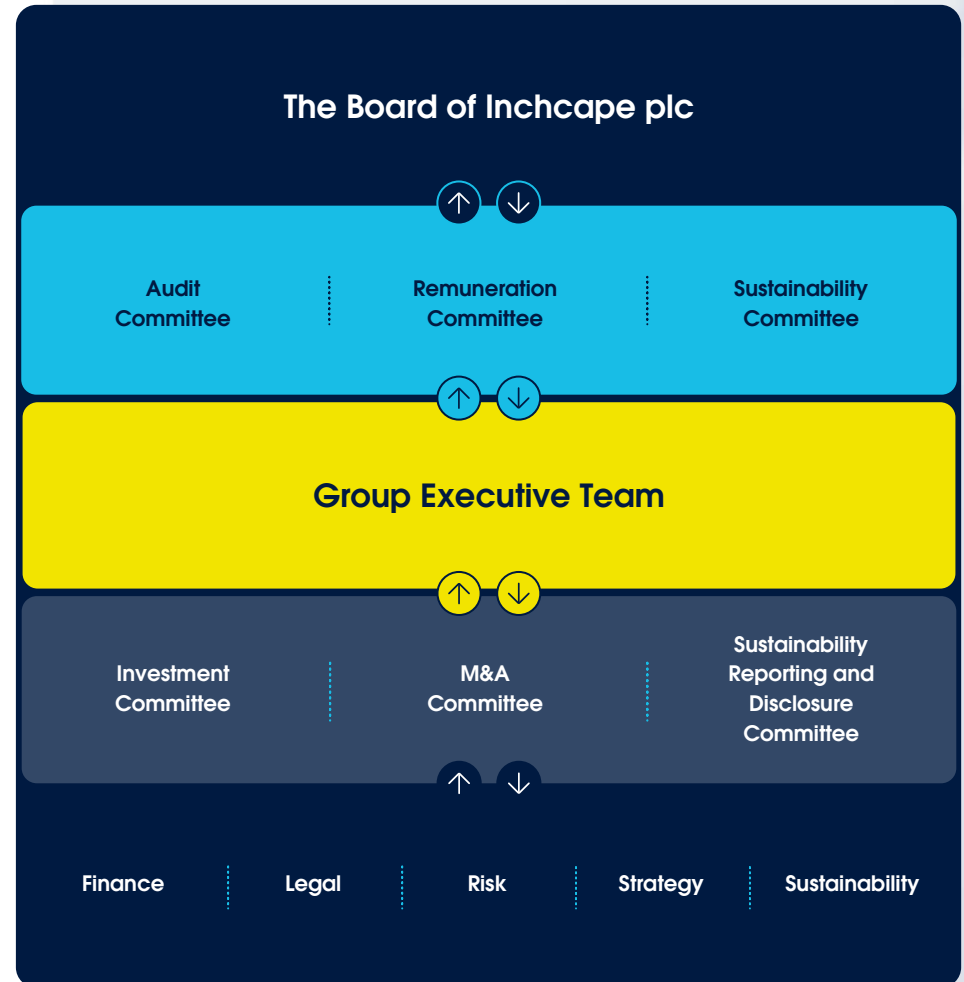
- regulations impacting the Group’s operations including the Corporate Sustainability Reporting Directive, the International Sustainability Standards Board, and the Transition Plan Taskforce, establishing a global approach to implementation;
- the climate-related risk assessments carried out by the Markets and Regions evaluating the impact of current and emerging climate-related risks;
- the impact of the Accelerate+ strategy including new OEM partners and new geographies in the contest of misalignment;
- the view of investors on climate-related risks and opportunities and how they see them impacting the business;
- progress against emissions reduction targets, and the implementation of energy efficiency measures across the Group; and
- the communication of climate-related risks and opportunities throughout the Group via colleague training, webinars, and other sustainability related programmes.

The Board, its Committees, and the GET are supported by colleagues throughout the organisation whose day-to-day actions contribute towards reducing the impact the business has on climate change. The SRDC also plays a key role in ensuring the flow of information within the business.

The Group’s functions are also critical in the measuring, monitoring, and implementation of climate-related processes:

- finance functions – responsibility for the Group-wide emissions reporting framework, and assessment of the financial impact of climate change on impairment;
- strategy functions – monitor changing EV environment in terms of OEM partners, customers, and the infrastructure in the Markets in which the Group operates;
- risk functions – responsibility for the integration, monitoring, and review of climate-related risks into the Group’s ERM framework. Monitoring and escalating Tier 2 and emerging risks as appropriate;
- legal and compliance functions – review existing and emerging regulatory obligations, and consideration of OEMs’ approach to climate-related risks and opportunities; and
- sustainability functions – monitor progress against Scope 1 and 2 emission reduction targets, monitor implementation of policies, tools and best practice, and design and roll out the Group’s energy efficiency plan.

Governance framework



## TCFD REPORT



## STRATEGY

The impacts of man-made climate change are material and are being felt today by the customers and communities that we serve. Those impacts will only grow over time. Inchcape and our OEM partners recognise this and are committed to decarbonising. A key part of our decarbonisation journey includes assessing climate-related risks and opportunities for our business to better execute our strategy.

We are aware that climate change will impact our business over the short, medium as well as long-term, with implications visible across our entire value chain. In recognition of this, we undertook a comprehensive assessment this year to evaluate the vulnerability of our business operations.

### Assessment of transition risks and opportunities

We reviewed a number of transition risks and opportunities, as part of our assessment, associated with changes to the way markets operate that may result from regulation or consumer habits as we transition to a low carbon economy.

The four transition risks and one opportunity identified as material for further detailed scenario modelling include:

- the risk of increased costs resulting from implementation of carbon tax and carbon pricing mechanisms;
- the risk of revenue loss driven by misalignment between demand for battery electric vehicles (BEVs) and OEM supply to each Market;
- the risk of profit margin erosion due to needing to discount BEVs to meet fuel and emissions efficiency standards on selected Markets;
- the risk of a loss of aftersales revenue driven by a transition for Internal Combustion Engine (ICE) vehicles to BEVs; and
- the opportunity to improve market share presented by alignment with market demand levels for BEVs vs ICEs.

The assessment also included exposure of our physical assets and associated implications on colleagues, supply-chain and service delivery linked to the effects of physical climate risks. From the long-list of physical climate risks reviewed, the most material risk that we identified for the detailed climate scenario modelling exercise was the risk of revenue loss and increasing costs due to disruption to Inchcape's supply chain and direct assets caused by extreme weather events.

We evaluated the implications of these climate risks and opportunities over the following time periods:

- short-term (2025 to 2027): a two-year period capturing impacts from our short-term decision-making, such as recent acquisitions or market allocation decisions;
- medium-term (2028 to 2030): this time period aligns with our interim climate-related targets and corresponds to when transition impacts from short-term decisions and recent market forces could also likely start to materialise; and
- long-term (2031 to 2050): this time period aligns with our long-term strategic planning while also capturing the period when chronic physical climate change impacts such as long-term rainfall, sea-level rise etc. can likely start to materialise.

Inchcape's key challenge in creating and adopting a transition plan at this time is the development of meaningful Scope 3 targets that are credible, feasible, aligned with our level of influence, and meet the pace of market transition. Such targets are being considered and an update on this will be disclosed in next year's Annual Report.

### Climate-related risk and opportunity risk identification – our approach

We have observed that transition risks and opportunities bring the most material climate-related impacts to our strategy. We identify these through:

- assessment of key external factors such as Market, technology, and political and social trends that could affect the business and/or our reputation. Our Strategy team specifically recognises climate change as an external factor linked to Market and technology risks;
- survey of internal stakeholders and operational factors that may be dependent on or affected by climate-related events; and
- review of existing transition risks and opportunities identified by some of our key peers in their recent public climate disclosures.

## TCFD REPORT

Our exposure to physical risks has been identified and monitored by assessing the financial impact of key physical hazards against our own and suppliers' assets out to 2050, given that most physical climate impacts are unlikely to materialise until the medium- or long-term. We screen our sites for insured value, stock value, and operational costs against physical hazards under different climate scenarios.

### Climate scenario analysis

For our climate scenario analysis this year, we calculated financial impacts against three scenarios taken from the Network for Greening the Financial System (NGFS), while also broadly aligning with the Intergovernmental Panel on Climate Change (IPCC)'s Representative Concentration Pathways (RCPs) and International Energy Agency (IEA) scenarios.

We considered both upstream and downstream value chain impacts along with impacts on our own operations as part of the scenario analyses in a manner that is proportionate to the nature, scale, and complexity of our business but also recognising the global uncertainty around climate action – with divergent pathways, timelines, and levels of ambition across Regions and sectors.

### Climate scenarios used

- **Net Zero (1.5°C):** Net Zero is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO<sub>2</sub> emissions around 2050. Physical risks are relatively low, but transition risks are high. This scenario broadly aligns to IPCC's RPC 2.6 and the IEA's Net Zero Energy scenario projections.

- **Delayed Transition (2.5°C):** Delayed Transition assumes new climate policies are not introduced until 2030 and the level of action differs across countries and Regions based on policies implemented today. This leads to higher physical risk than the Net Zero scenario. This scenario broadly aligns to IPCC's RPC 4.5 and the IEA's Announced Pledges scenario projections.
- **Current Policies (4°C):** Current Policies assumes that only currently implemented policies are preserved. Emissions grow until 2080 leading to about 3°C of warming, and 4°C by the end of century and severe physical risks and irreversible changes like sea level rise. This scenario broadly aligns to IPCC's RPC 7.5 and the IEA's Stated Policies scenario projections.

These scenarios were selected based on their relevance, plausibility, and usefulness – NGFS projection data was used directly for the majority of the model calculations, with certain quantitative and qualitative data and information leveraged from IPCC and IEA to supplement the assessment.

We selected the warming scenarios based on latest regulatory (ISSB and TCFD) expectations and in line with the latest science. The specific scenarios we utilised were the NGFS policy scenarios. These are broadly aligned with the IPCC and are widely used and considered best practice. The three scenarios will enhance the resiliency of the business and our analysis by exploring Inchcape's ability to adapt across different trajectories: 1.5°C degrees is aligned with an orderly net zero transition, 2.5°C degrees is a delayed transition, and 4°C degrees is a current policies scenario.

### Uncertainty and ongoing refinement

We also recognise that our diverse geographic footprint and broad portfolio of products further introduce some significant areas of uncertainty and volatility in assessing these risks and opportunities. These complexities mean that the calculation and evaluation of climate risks are subject to ongoing refinement. As such, Inchcape is committed to continuously evolving its climate risk analysis methodologies to ensure they remain robust, regionally relevant, and responsive to emerging data and insights across its global operations.

### Judgements and assumptions

In preparing the analysis, Inchcape has made a number of judgements and assumptions. The methodologies and issues involved are complex. The information in this report is subject to uncertainties, which may

include the methodology, collection and verification of data, various estimates and assumptions, and underlying data that is obtained from third parties.

### Summary table of risks and opportunities

The table on pages 31 to 33 sets out:

- a description and summary of the most material climate-related risks and opportunities to the Group's strategy;
- the financial impact to the business of each risk and opportunity over the short, medium and long-term;
- the Group's strategic response and resilience; and
- metrics used to measure and monitor the success of our strategic actions.



TCFD REPORT

**CRO description**

1. Misalignment between Inchcape OEM partners' pace and market demand for BEVs leading to market share decline

**Summary**

Misalignment between the speed at which Inchcape's OEM partners transition their model line-up and the pace of adoption of BEVs in the markets in which Inchcape operates may mean a misalignment in the market. The overall impact of this risk could lead to a decrease in revenue as Inchcape's OEM brands fail to meet demand in different Regions. Jurisdictions in which Inchcape operates have been setting mandates to accelerate the transition to BEVs, such as Australia's Fuel Efficiency Standards and Singapore's internal combustion engine (ICE) phase-out by 2040 mandate.

**Strategic response and resiliency**

As part of our broader strategy, our ambition is to form new partnerships with OEMs that have a diverse product range across all forms of new energy vehicles. This will help offset any potential misalignment identified within our current portfolio.

We are actively taking measures to facilitate the EV transition through:

- EV charging through product packages to enable customers to switch to EVs; and
- providing consumers knowledge of quantified carbon footprint savings for choosing hybrid or BEV.

Our plan to strengthen resiliency includes:

- Invest in advanced analytics to monitor regional BEV adoption trends, government policy changes, and competitor strategies.
- Conduct regular strategic portfolio reviews to optimise brand and market mix, ensuring that smaller Markets and niche brands are aligned with Inchcape's long-term growth ambitions and do not dilute focus or resources.
- Work closely with our OEM partners to align their model lineup and supply for key Markets by using internal modelling and analytics to highlight the risk posed to the OEM by continued misalignment.

**Measurement**

**Metric**

- NEV sales as a % of new vehicle sales

**Sensitivity**

- % Revenue CAGR
- % Gross margin
- % Long-term growth rate

**Scenario: Net Zero**



**Scenario: Delayed Transition**



**Scenario: Current Policies**



**CRO description**

2. Vehicle emissions and fuel efficiency regulations result in reduced profit margin

**Summary**

Regulatory changes around average fuel efficiency of vehicles could increase compliance costs and restrictions on sales of traditional vehicles in particular Markets. The rate of change in regulation could exceed both consumer demand and/or the ability of our OEM partners to meet that change. The financial impact is driven by the need to offset higher BEV costs without equivalent increases in consumer pricing, especially in Markets where demand elasticity is high.

**Strategic response and resiliency**

Our plan to strengthen resiliency includes:

- Engage with regulators and independently detect changes and take action to mitigate the risk of change.
- Dynamic modelling of our sales and average fuel efficiency to ensure tracking ahead of what the regulations require.

We monitor regulation that impacts our business across all our Markets, in particular fuel efficiency regulations, to monitor how changes may impact Inchcape, our OEM partners, and our ability to sell and distribute vehicles and in the process ensure we are best placed to navigate and mitigate these risks.

**Measurement**

**Metric**

- % of aftersales services revenue attributable to NEV

**Sensitivity**

- % Revenue CAGR
- % Gross margin
- % Long-term growth rate

**Scenario: Net Zero**



**Scenario: Delayed Transition**



**Scenario: Current Policies**



**Time horizon key:**

Short = short-term (up to 2027) Medium = medium-term (2028 to 2030) Long = long-term (2030 to 2050)

**Financial impact key:**

- L Low:** Impact to revenue: <£150m Impact to gross margin <£25m
- M Medium:** Impact to revenue: £150m-£350m Impact to gross margin £25m-£75m
- H High:** Impact to revenue: >£350m Impact to gross margin >£75m

TCFD REPORT

**CRO description**

**3. Implementation of carbon tax and carbon pricing mechanisms resulting in increased costs**

**Summary**

The shift towards implementing carbon pricing mechanisms, such as emissions trading schemes (ETS) and carbon taxes may increase our costs for logistics providers and the wider automotive sector.

We rely on extensive logistics operations to move vehicles and parts between OEMs, storage facilities, and dealerships, which is likely to be exposed to the existing and planned ETS and carbon taxes through both upstream and downstream transport activities, thereby resulting in increased operational costs.

Although carbon tax policies will vary across countries, we anticipate that such measures will affect all Markets and across our Scope 1, 2, and 3 emissions.

**Strategic response and resiliency**

We are actively aligning our actions with climate targets, demonstrating that early intervention can significantly reduce environmental impact. We are implementing decarbonisation levers across Scope 1 and Scope 2 emissions to meet their interim goal of a 46% reduction by 2030 and achieve net zero by 2040 and switching to renewable electricity and installing solar panels at larger sites.

Our plan to strengthen resilience includes:

- Evaluate the feasibility of setting Scope 3 reduction targets, with a view to establishing them in due course.
- Focus on collaborating with partners that have established reduction targets, particularly within Inchcape’s Markets.
- Invest in retrofitting existing infrastructure to improve energy efficiency.

**Measurement**

**Metric**

- Scope 1 and 2 absolute

**Sensitivity**

- % Revenue CAGR
- % Gross margin

**Scenario: Net Zero**



**Scenario: Delayed Transition**



**Scenario: Current Policies**



**Time horizon key:**

**Short** = short-term (up to 2027) **Medium** = medium-term (2028 to 2030) **Long** = long-term (2030 to 2050)

**CRO description**

**4. Increasing transition to BEVs leading to reduction in conventional aftersales services revenue**

**Summary**

Due to a reduced number of moving parts in a BEV compared to an ICE vehicle, we may experience a reduction in profits generated from the existing aftersales service we offer around repair, maintenance, and replacement of parts. This may affect our Retail businesses more than our Distribution businesses, especially in the areas of consumables and maintenance services.

**Strategic response and resiliency**

The low-impact outcome from this risk is largely driven by the relatively low global BEV volume in comparison to ICE in 2030 in a 1.5°C scenario. However, this exposure may affect us in the long-term as global BEV volumes increase. Therefore, we are considering an expansion of our proposition for aftersales services to include new BEV-specific services. Potential services could include battery diagnostics and transportation for end-of-life batteries. These additional services could help mitigate or fully offset any potential impact to revenue reduction from aftersales services.

Our plan to strengthen resilience includes:

- Improve data collection to better track/understand the financial impacts of the transition from ICE -> BEV on aftersales profits, capturing market and service type nuances.
- Adapt Accelerate+ strategy to address customers’ changing aftersales needs, including improved customer retention rates.
- Become best in class for EV aftersales by providing advanced technician training.

**Measurement**

**Metric**

- % of aftersales services revenue attributable to NEV

**Sensitivity**

- % Revenue CAGR
- % Gross margin

**Scenario: Net Zero**



**Scenario: Delayed Transition**



**Scenario: Current Policies**



**Financial impact key:**

- L Low:** Impact to revenue: <£150m  
Impact to gross margin <£25m
- M Medium:** Impact to revenue: £150m-£350m  
Impact to gross margin £25m-£75m
- H High:** Impact to revenue: >£350m  
Impact to gross margin >£75m

TCFD REPORT

**CRO description**

**5. Physical risk:**

Disruption of Inchcape’s supply chain and direct assets due to extreme weather events, impacting revenues and increasing costs

**Summary**

The increasing frequency and severity of extreme weather events such as hurricanes, flash floods, and storm surges, can pose a significant acute physical risk to our own operations and supply chain. These events can cause direct damage to our owned and leased assets, including vehicle storage yards, showrooms, service centres, and logistics hubs, as well as to critical upstream infrastructure such as OEM manufacturing sites and sea transport hubs. Disruptions to transport networks and supplier operations may delay vehicle shipments and reduce inventory availability, impacting sales and customer satisfaction.

Chronic physical risk is on the Group’s long list of CROs to monitor and assess. We will continue to evolve our understanding of potential impacts on our business.

**Strategic response and resiliency**

Overall, pluvial flooding (i.e. flooding due to rain) is the greatest hazard to Inchcape’s and our suppliers’ assets, although the overall risk is still low and costs incurred would be covered by insurance where applicable. All future sites, whether acquired through organic or inorganic growth, undergo physical risk assessments to ensure resilience and informed decision-making. To mitigate risk for future sites from new acquisitions we will include physical risk assessments in our consideration of organic and inorganic growth opportunities.

Our plan to strengthen resiliency includes:

- Ensure complete and accurate data on asset value and revenue for each individual asset.
- Invest in retrofitting existing infrastructure to enhance its resiliency (i.e. reinforced walls, roofs etc).

**Measurement**

**Metric**

- NEV sales as a % of new vehicle sales

**Sensitivity**

- % Revenue CAGR
- % Gross margin
- % Long-term growth rate

**Scenario: Net Zero**



**Scenario: Delayed Transition**



**Scenario: Current Policies**



**CRO description**

**6. Transition opportunity:**

Increasing demand for BEV leading to opportunity for Inchcape to increase market share through new OEMs or by OEMs meeting the powertrain demand

**Summary**

The growing demand for battery-electric vehicles (BEVs) presents a significant opportunity for Inchcape to expand its market share. This can be achieved either through partnerships with new OEMs or by supporting existing OEMs as they scale and diversify their powertrain offerings. Inchcape works with a diverse list of OEMs with product offerings and by partnering together, we can make the most of this opportunity.

**Strategic response and resiliency**

The impact is medium across all scenarios, which reflects a conservative increase in our market share via increased sales of new energy vehicles. If we are able to capture additional opportunities including applying learnings from faster adopting markets into slow adopting markets, then we may be able to further increase the opportunity size.

Our plan to realise value from the opportunity:

- Review OEM and product allocation, underpinned by Market modelling and analysis, to position ourselves effectively for the mobility transition.
- Strengthen our understanding of the mobility transition through the Delivering Insights workstream.
- Build the strongest commercial offering through cross selling products and services relevant to hybrid and BEVs.

**Measurement**

**Metric**

- NEV sales as a % of new vehicle sales

**Sensitivity**

- % Revenue CAGR
- % Gross margin
- % Long-term growth rate

**Scenario: Net Zero**



**Scenario: Delayed Transition**



**Scenario: Current Policies**



**Time horizon key:**

**Short** = short-term (up to 2027) **Medium** = medium-term (2028 to 2030) **Long** = long-term (2030 to 2050)

**Financial impact key:**

- L Low:** Impact to revenue: <£150m  
Impact to gross margin <£25m
- M Medium:** Impact to revenue: £150m-£350m  
Impact to gross margin £25m-£75m
- H High:** Impact to revenue: >£350m  
Impact to gross margin >£75m

## TCFD REPORT

**Integration into business planning**

Climate-related risks and opportunities are considered and integrated into our strategic, operational, and financial planning processes to ensure all key decisions related to climate risk management are aligned with the Group's overall purpose and business ambitions.

The Board takes into consideration several factors when making any business decision which may likely be affected by climate-related risks and opportunities.

Specifically, they consider:

- the misalignment risk analysis to inform OEM participation and consolidation strategy;
- new aftersales revenue streams;
- identification and development of alternative value pools to offset margin risk;
- decarbonisation actions to drive efficiencies and cut energy-related costs; and
- incorporation of transition and physical risk considerations in acquisitions and future growth plans.

**Climate change consideration within Inchcape's broader strategy and strategic partnerships**

Our Accelerate+ strategy has sustainability as a key pillar underpinning our actions and initiatives. The strategy has been designed to drive scale in new and existing Markets through acquisitions and contract wins and optimise our global Distribution operations through Value Added Services to deliver sustainable and profitable growth. These services include our opportunity to grow in vehicle parts and Finance & Insurance to support the new energy vehicle (NEV) transition and to continue to develop our used car proposition.

Accelerate+ has been derived based on an unbiased outlook into 2035 and with strategic guidelines in mind. To prioritise strategic opportunities, we use 'future-back' scenarios taking into consideration different dimensions, including sustainable technology-driven economies, social importance, effects on aspects of life, importance in decision-making, government intervention, and zero emission vehicles penetration.

One of the strategic guidelines under Accelerate+ is the route to decarbonisation, which paves a clear route to lowering Inchcape's emission intensity and helps to enable the NEV transition. In particular, the Scale pillar of Accelerate+ aims to increase portfolio diversification, which will assist with mitigating climate-related risks.

In order to limit global warming to less than 2°C above pre-industrialised levels, there would need to be an acceleration in the energy transition, including faster adoption of battery electric vehicles (BEVs). Misalignment between our OEMs BEV portfolio and the pace of adoption remains one of the most significant risk to the delivery of the Accelerate+ strategy. If not planned for appropriately this could lead to loss of market share in the Markets in which we operate.

The Group has focused on strengthening its strategic partnerships with OEMs who are well placed to succeed in the global mobility transition to mitigate the risk of misalignment.

In 2025, we conducted a refreshed analysis of this misalignment risk in our biggest Markets and for our key OEM partnerships. This has led to a considered approach to contract wins, mergers and acquisitions, with misalignment risk analysis being leveraged as a key input into the Board's consideration of OEM partners and consolidation strategy. Chinese OEM partners are playing an increasingly important role in the global automotive market, not least as a result of their leading position in BEV technology. We are continuing to develop our relationships with Chinese OEMs, in particular those that have a strong BEV offering. This includes BYD, SAIC, Changan, Great Wall Motors and XPENG.

During the year we continued to build a resilient strategy with several new contract wins that address the misalignment risk across various key Markets and expanding to a new Market with our recent acquisition of Askja, Iceland's leading automotive distributor.

The acquisition provides an established foothold in Iceland, a new Market for Inchcape, and broadens our electric vehicle portfolio through new OEMs such as XPENG and Kia.

With EV uptake projected to grow across several Markets (e.g. Australia and LATAM) over the coming years, we are continuing to strengthen partnerships with OEM partners that have strong BEV offerings and serve this growing demand, supporting the Accelerate+ strategy to deliver the mobility transition.

This includes winning the new Distribution contracts with BYD in Latvia and Lithuania, which builds on our existing agreements with BYD in Belgium, Luxembourg, Estonia, Ethiopia and BYD commercial vehicles in Singapore. New contracts were also entered into with smart in Colombia, Uruguay, and Ecuador in 2025.

**Addressing our resilience amid volatility and uncertainty**

The Board and Group Executive Team systematically review climate change factors that may influence the business plan over the short, medium, and long-term. This includes the scenario analyses assessing potential climate-related impacts, such as anticipated rates of change and the effects of transitioning to BEVs on operations related to servicing and repairs. The financial planning process ensures that base-case forward cash-flow assumptions remain robust and aligned with insights from scenario analysis. Additionally, sensitivity analysis is conducted to encompass all reasonably probable outcomes identified through these scenarios. Further information is given in the financial statements on page 146.

All our OEM partners are developing their BEV offerings at pace and we play an important role in helping them to understand the speed and characteristics of the transition in the Markets in which we operate.

This ensures we have a resilient strategy by ensuring that we have the right product available for our customers at the right time and in the right place.

When choosing to partner with new OEMs or continue existing partnerships for future growth, we consider how future-proof the OEM is, including its NEV commitments and line-up, among other parameters. When prioritising specific growth opportunities for both Markets and OEM partners, we consider the impact every choice has on our sustainability goals and on our ability to influence and support sustainability in Markets.

As a result of our approach, breadth of OEM relationships, and flexible business model, we believe that we have a high degree of resilience to a range of different climate-related scenarios, including a 2°C or lower scenario, and are well placed to respond to the risks and take advantage of the opportunities.

2025 saw the launch of our Drivers of Change report, a global study on consumer sentiment toward personal mobility and consumer readiness for NEVs. The report is the first edition from Centre for the Future of Mobility and delivers actionable insights into how the global mobility transition can only be achieved through a localised approach. Findings show that the transition can be achieved faster, more equitably and more effectively through collaboration among policymakers, OEMs, distributors and the energy industry.

The Centre for the Future of Mobility is a new knowledge platform dedicated to exploring how mobility transformation can be achieved sustainably, equitably, and effectively across the globe. This is in line with Inchcape's ambition of delivering solutions tailored to the real conditions of the communities we serve, bringing mobility to the world's communities – for today, for tomorrow and for the better.

TCFD REPORT

# RISK MANAGEMENT

Inchcape manages all its risks through its enterprise risk management framework (ERM) including climate-related risks. Risk thresholds are defined by geography (Market, Region, and Group) or strategic importance (project, programme, and portfolio). Risks are categorised depending on their impact, considering more than just financial risk, and each criteria overlaps so risks are escalated or demoted accordingly. The Group defines risk appetites as risk-averse, risk-tolerant, and risk-seeking. The appetite for each specific risk is decided by the Group.

We manage and monitor climate-related risks and opportunities (CRO) through both a top-down and bottom-up process. For each risk, our Markets consider the impact and risk appetite to determine the target risk level. To monitor and manage risks, each risk is assigned to a risk owner and action owners. This risk owner is accountable for the risks and holds action owners to account for progressing action that moves the risk to its target level.

On a quarterly basis the risk management team holds a risk review with each Market to understand their risks, monitor movements, and determine if risks are pervasive across Markets, which may require aggregation of risk impacts.

Our assessment of CROs is embedded in our enterprise risk management framework and includes an annual review and refresh of the CROs most relevant to our business.

In 2025, our CROs were refreshed with the support of an external consultant to ensure our CROs remain aligned with global and industry trends, considering our Accelerate+ ambitions and the Markets we operate in.

All Markets have considered the refreshed list of CROs as part of their annual CRO risk identification and assessment process, with any significant CROs added to the risk register for monitoring on an ongoing basis.

CROs included in Market-level risk registers are aggregated and if significant are included in the relevant regional risk register for further monitoring, which in turn informs our climate-related principal risks as indicated on pages 45 to 47.

These 'bottom-up' CRO assessments completed in 2025 have not identified any other significant CROs not already included in our financial impact scenario modelling included on pages 31 to 33, however, we are seeing more Markets recognising the potential impact of transition risks and climate opportunities to their business in the short term as they progress with their transition to EVs.

The continuous identification and assessment of emerging CROs is embedded in our risk management process, whereby any emerging climate-related risks and/or opportunities will be added to our list of CROs for assessment by our Markets.

The potential impact of CROs assessed through the risk management process is also used to inform the judgement on viability included on pages 48 and 49.

The misalignment risk analysis is used to inform the judgement on impairment, further details can be found in the financial statements on page 146.

## Risk management framework

The Group's principal and emerging risks are reviewed quarterly by the Group Executive Team.

The Board reviews risk appetite and the Group's principal and emerging risks twice a year.

The Audit Committee reviews the effectiveness of the risk management and internal control framework.



## What we monitor

### Principal risks

Risks which could materially impact delivery of Accelerate+

### Emerging risks

Emerging or lower-level risks which may materialise over time

### Risk information

- Trends and latest updates
- Impact and likelihood
- Mitigating controls and effectiveness
- Future action plans

### How

- Board review and approval of principal risks and risk appetite
- Audit Committee ongoing review of effectiveness of systems
- GET ongoing review of risks and mitigations
- Regional Risk Committees ongoing review of local risks and action plans



Risk assessment at Market, Region, function, and programme-level

Climate-related risk and opportunity assessments

Internal control assessments and internal audit findings

External reports, including analysts' reports and peer or suppliers' public disclosures on risk

## TCFD REPORT

# HOW WE ARE DRIVING ACTION TO REDUCE EMISSIONS

During the year we continued to develop our plan to reduce emissions supported by short, medium, and long-term actions. The plan is commensurate with the Accelerate+ strategy and demonstrates how we will continue to grow a sustainable and climate resilient business.

## Efficiency management

The majority of our Scope 1 and 2 emissions come from our buildings (location-based): our dealerships, our warehouses, our offices, and our call centres. Reducing the amount of energy that we use in our premises is therefore a key element of our decarbonisation programme. As well as reducing our carbon footprint, this also reduces cost and mitigates the impact of future energy price rises.

### One key achievement in 2025

A great example of how we focus our business in being more efficient to support emissions reductions are efficiency competitions in Americas. The Ruta Sostenible is a Market level competition with over 27 sites participating in Chile and Bolivia. These programmes drive engagement with our Market teams and allow them to share and contribute to our success in delivering a more sustainable route to market. We also have delivered e-learnings to colleagues in the Americas to help them understand fundamentals of carbon principles and in our colleague engagement programme sustainability was reinforced as a key enabler to how we deliver against our Accelerate+ strategy.

## Onsite generation

Onsite generation enables an immediate reduction of site CO<sub>2</sub> emissions. The benefits include the production of carbon-free electricity, reduction in electricity costs, and moderates impact of future electricity price rises. Onsite generation also provides security of supply. Generating renewable electricity at our premises means that we do not need to draw electricity from the grid. It reduces our carbon footprint, saves us money, and provides energy security for the future.

### One key achievement in 2025

As we open new sites to support growth in our Markets, solar is a great tool to continue achieving meaningful emissions reductions and sustainable growth. When we set up new sites, we consider whether adding solar is a viable option for the site. A good example of this in action is in Brunei Darussalam where we navigated local constraints such as limited suppliers to deliver solar at two sites. The solar installations should generate c. 328,000 kWh which could reduce our emissions by over 250 tCO<sub>2</sub>e per annum.

## Electrification

National grids are steadily decarbonising as they become increasingly reliant upon renewable sources of electricity. Using electricity rather than fossil fuels therefore helps us to reduce our emissions footprint.

### One key achievement in 2025

At our used car site in Romania, we relied heavily on diesel generators for power which made it an excellent opportunity to show our electrification programme in action to reduce diesel consumption and emissions as well as to improve the efficiency of the site overall. We replaced the diesel generators with electricity connections and solar as well as adding battery storage to better manage when and how we deploy electricity. Overall, we decreased our diesel consumption by over 9,000 litres at this one site.

Our paint booths are another example of our electrification in action. We are switching paint booth from fossil fuel to electricity reducing our combustion of fuels and driving reduction of emissions in aftersales facilities.

## Green tariffs

Buying electricity on green tariffs contributes to a reduction in carbon emissions.

TCFD REPORT

### Minimum requirements for all Inchcape businesses



#### Energy efficiency

Identifying opportunities to reduce energy consumption through efficient running of our buildings and investing in energy efficiency.

#### Green tariffs

To maintain and extend our green tariff procurement programme.

Identify other opportunities for renewable electricity procurements, such as power purchase agreements.

#### Electrification

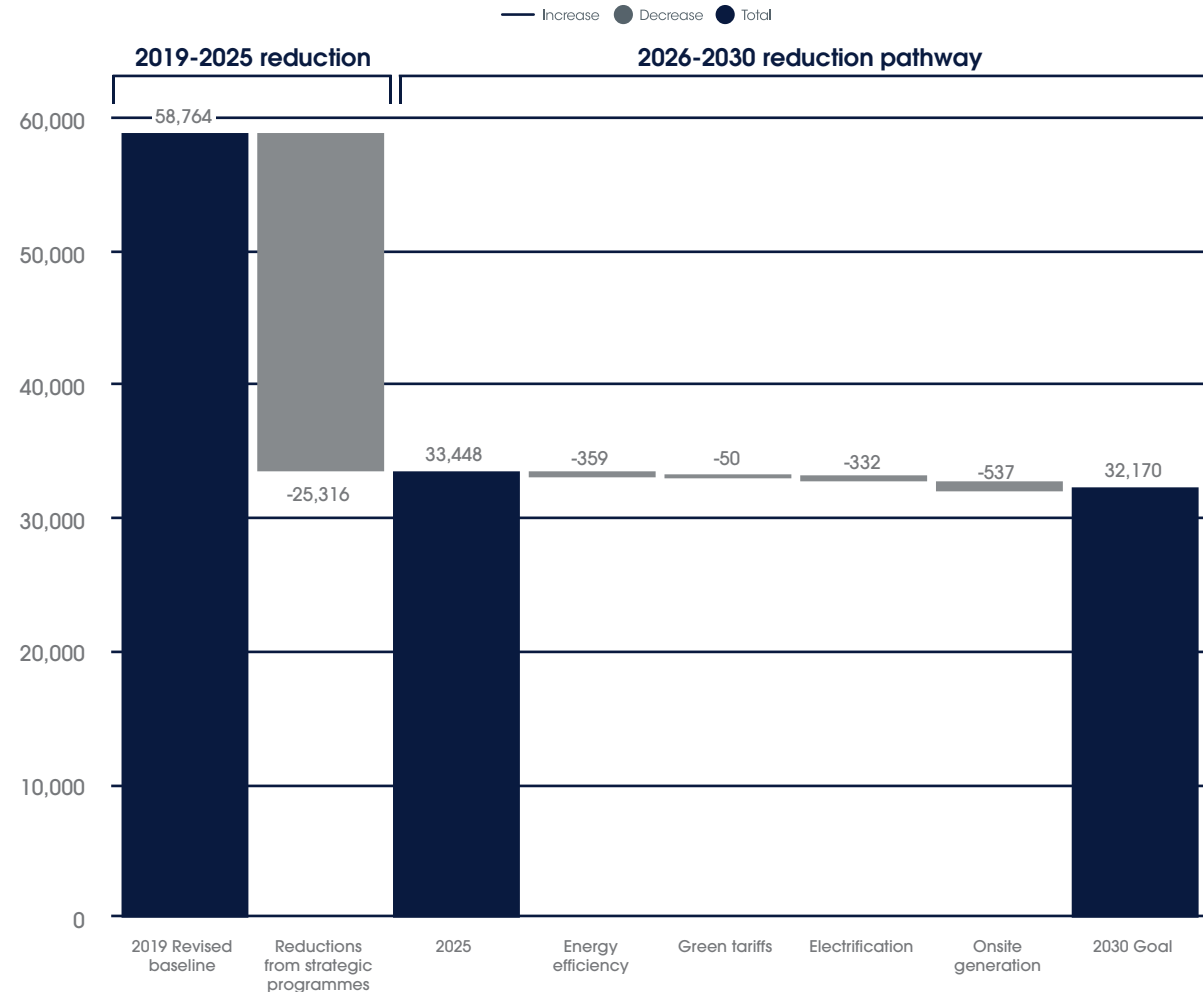
To plan for our locations to be all electric with the removal of fossil fuels, in normal operation.

To move our company car fleet to NEVs.

#### Onsite generation

To identify more opportunities to install solar panels as well as identify other onsite renewable technologies, such as ground source systems where possible.

Pathway to net zero Scope 1 and 2 target (tCO<sub>2</sub>e market-based)



TCFD REPORT



# METRICS AND TARGETS

The Group uses a variety of metrics to measure the current and potential impact of our climate-related risks and opportunities, including greenhouse gas (GHG) emissions and business specific metrics. Our metrics are laid out across the seven cross-industry metric categories defined by the TCFD.

Reduce our Scope 1 and 2 emissions by

# 46%

by 2030

In 2021, we established our GHG reduction target to reduce our Scope 1 and 2 emissions by 46% by 2030 and in the longer term we are committed to reaching net zero by 2040. The GHG emissions, capital deployment, and remuneration metrics are used to measure our progress to net zero. Pages 36 and 37 set out the actions being taken across the Group to reduce emissions. We measure the number of new energy vehicles (NEVs) sold to monitor the impact of misalignment risk and misalignment opportunity.

The Company has considered whether it would assist its emissions reduction efforts to introduce an internal carbon price. The Company believes that it has sufficient tools and opportunities available to enable it to continue to reduce its controllable emissions at the present time such that the introduction of an internal carbon price is not necessary. However, the position is regularly

monitored as management understand that this can be a powerful tool in driving sustainable practices.

### Greenhouse gas emissions

Direct GHG emissions are from our operations through combustion of fuels (Scope 1). We also purchase energy from the grid (Scope 2) and have indirect GHG emissions throughout the value chain mainly because of our purchase of goods and consumer use of vehicles together make up 95% of our total Scope 3 emissions. We are acting across all three scopes and working closely with our partners to reduce GHG emissions for our business, our customers, and our value chain. We report our greenhouse gas emissions according to the Greenhouse Gas Protocol, published by the World Business Council for Sustainable Development, and the World Resources Institute. Please see page 40 for our Streamline Energy and Carbon Emission reporting.

### Key metrics used to measure progress

Metric category	Status	Metric	2025 actual*	2024 actual	Objective
GHG emissions	●	Absolute Scope 1 and 2 emissions (tCO <sub>2</sub> e)	33,448	37,118	To track the reduction in our emissions, improvements in our energy efficiency and generation of our own renewable power
	●	% of sites at 100% renewable electricity	27%	24%	
	●	Energy intensity by revenue (tCO <sub>2</sub> e/£m)	3.7	4.0	
Physical risk	●	We do not have a physical risk metric in place			
Capital deployment	●	% of capex towards climate initiatives	4.5%	2.8%	To demonstrate the level of investment we are committing towards climate to achieve our strategy
Remuneration	●	Scope 1 and 2 emissions (tCO <sub>2</sub> e)	33,448	37,118	Incentivising leadership to deliver emissions reductions. Included in the short-term incentives
Transition risk	●	% of NEV sold	31%	13%	-% of NEV sold
Opportunities	●	% of NEV sold	31%	13%	-% of NEV sold
Internal carbon pricing	●	We do not have an internal carbon pricing in place			

**Key**

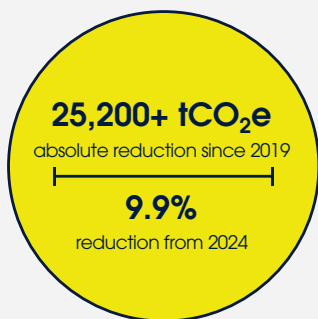
● Metric in place (market-based) ● No metric in place

TCFD REPORT

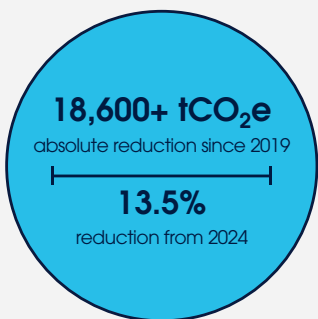
**Scope 1 and 2 emissions (tCO<sub>2</sub>e)**

The target is to reduce Scope 1 and 2 emissions by 46% by 2030. As at 31 December 2025, Inchcape has reduced its market-based Scope 1 and 2 emissions by 43% from its 2019 baseline.

Whilst there remain opportunities to reduce emissions, particularly around purchase of renewable energy, other parts of operational emissions are harder to abate. Therefore it will become increasingly challenging as we approach the 2030 target.



Market-based



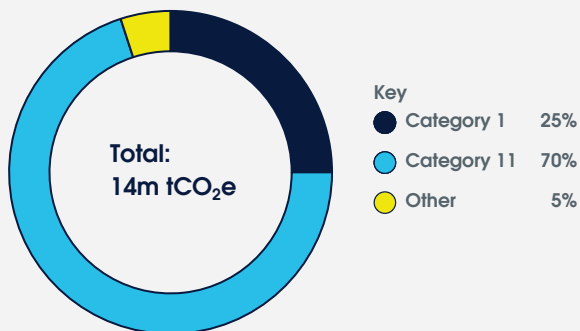
Location-based

The 2019 baseline has been adjusted in line with Inchcape policy derived from GHG Protocol Corporate Standard 'Tracking Emission Over Time' for structural changes in the business including M&A and divestitures, and for amendments for data gaps above a significant threshold.

**Scope 3 footprint**

The vast majority of the Group's Scope 3 are attributable to the vehicles and parts that we buy and sell. Inchcape's most material Scope 3 emissions come from category 1 (purchased goods and services) and category 11 (use of sold products).

**Scope 3 breakdown**



When considering whether to set Science Based Targets initiative (SBTi) aligned Scope 3 targets, five target options were taken into account:

- supplier engagement - all vehicles - categories 1 and 11;
- absolute emissions - all vehicles - category 11;
- absolute emissions - passenger vehicles - category 1 and 11;
- intensity (economic) - category 11 (per revenue); and
- intensity (physical) - category 11 and 11 (per vehicle).

The emissions footprint was modelled across two scenarios, most likely and accelerated transition. The analysis showed that Inchcape's absolute emissions rise due to growth in sales and whilst the intensity target brings Inchcape closest to SBTi reductions it is still not sufficient.

**Factors influencing the results**

OEMs – among Inchcape's main OEM partners, only three have targets relevant to Inchcape Markets, and some OEM partners targets exclude Inchcape markets.

Markets – Inchcape operates in Markets with a slower transition which typically have less ambitious EV policies.

Commercial vehicles – whilst HGVs see a drastic reduction to intensity owing to electrification projections, the contribution to absolute emissions rise due to an increase in sales.

SBTi constraints – Inchcape emissions breakdown means that a target cannot be set to cover category 11 emissions for passenger vehicles only as this would not meet the SBTi coverage threshold. If Inchcape only targets passenger vehicles, this would result in the inclusion of category 1 emissions which continue to grow due to lack of OEM targets and a rise in BEVs with more emission intensive batteries.

**Outcome**

The analysis shows that Inchcape is not projected to be able to achieve any of the SBTi aligned candidate targets at this time. The Sustainability Committee reported its assessment to the Board and it was agreed that Scope 3 targets would not be set due to the challenges in achieving them. The Board will continue to monitor the feasibility of setting targets on a regular basis.

Despite challenges in setting targets, the review of our value chain emissions was also an opportunity to further consider our role as a facilitator for the industry-wide changes required. As our OEM partners are at different stages of their sustainability journeys, we focus on enabling them to deliver their transition strategies sustainably and effectively.

Under our guiding principle, 'the global mobility transition, delivered locally', we remain committed to supporting both emerging and advanced Markets as they navigate the mobility transition. By working alongside OEMs to achieve meaningful and lasting outcomes, we play a vital role in driving emissions reductions across the industry – contributing to lower value chain emissions and creating a more sustainable future for mobility.

## TCFD REPORT

# STREAMLINED ENERGY AND CARBON REGULATIONS (SECR)

We collect data for all material emissions for which we deem ourselves to be responsible and look for ways in which to minimise our footprint. Data is collected for two key performance indicators: our use of gas and fuel in vehicles we own (Scope 1); and, our global energy usage (Scope 2). The table does not include Scope 3 intensity ratios or emissions data.

## Data collection and reporting period

Data has been collected for all Markets from 1 January 2025 to 31 December 2025. The level at which we report is by business unit for each Market. This covers our Retail operations, Distribution operations, and business service operations, which fall within our operational scope. Inchcape applies the operational control approach which includes emissions from all business operations and Markets in which Inchcape operates. Inchcape defines having operational control as where Inchcape or one of its subsidiaries has the full authority to introduce and implement its operating policies (regardless of financial ownership). The operational control approach is used to measure GHG emissions because it aligns with Inchcape's day-to-day operations. Operational controls allow Inchcape to reflect the emissions over which it has authority to manage and reduce.

## Intensity ratio

The Group's intensity ratio compares emissions data by dividing total tonnes of CO<sub>2</sub>e by revenue, an appropriate financial indicator. This allows for a fair comparison over time of CO<sub>2</sub>e emissions given the growth trajectory envisaged for the Group and cyclical variations in business activity. As required under SECR regulations the following information relates to the energy consumed in our operations. The list of UK entities is given on page 193.

Emissions data previously published in the 2024 Annual Report has been restated. This is because the prior year has been adjusted for structural changes in the business and amendments for data gaps.

## Carbon efficiency measures

The Group's controllable emissions management team developed its strategic programmes to reduce carbon emissions, focusing on four key areas: energy efficiency, on-site renewable energy generation, electrification, and renewable electricity purchasing. Our Markets are implementing the programmes to identify opportunities to reduce our carbon emissions.

Information on carbon efficiency measures introduced in 2025 can be found on page 36

Metric category	2025		2024	
	UK & offshore	Global	UK & offshore	Global
Total energy consumption (kWh)	147,689	140,467,335	301,954	152,073,291
Scope 1 (tCO <sub>2</sub> e)	24	18,907	46	20,190
Stationary combustion (tCO <sub>2</sub> e)	24	7,726	46	6,986
Vehicle fuel combustion (tCO <sub>2</sub> e)	—	10,726	—	12,056
Fugitive emissions (tCO <sub>2</sub> e)	—	455	—	1,148
Scope 2 (location-based, tCO <sub>2</sub> e)	3	21,209	10	26,211
Scope 2 (market-based, tCO <sub>2</sub> e)	3	14,541	10	16,928
Total scope 1 & 2 (location-based, tCO <sub>2</sub> e)	27	40,116	56	46,401
Scope 1 & 2 emissions intensity ratio (location-based, tCO <sub>2</sub> e/£m)	—	4.4	—	5.0
Total scope 1 & 2 (market-based, tCO <sub>2</sub> e)	27	33,448	56	37,118
Scope 1 & 2 emissions intensity ratio (market-based, tCO <sub>2</sub> e/£m)	—	3.7	—	4.0
Revenue (£m)	—	9,100	—	9,263
Methodologies used in calculation of disclosures	GHG Protocol Corporate Accounting and Reporting Standard GHG Protocol Corporate Value Chain Accounting and Reporting Standard GHG Protocol Scope 2 Guidance			

Inchcape applies the GHG Protocol Corporate Standard for tracking emissions over time to identify re-baselining events. Emissions data previously published in the 2024 Annual Report has been restated due to structural changes in the business. Examples of this include structural changes in the business such as the 2024 disposal of retail businesses in Australia, Chile, and the United Kingdom. The data disclosed in this table is not externally audited and Inchcape has actualised data for estimates.

## NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The table below forms part of this Strategic Report and is intended to help our stakeholders understand our position on key non-financial matters and climate-related financial disclosures in line with the reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006.

Fair review of our business	Summary	See pages
<b>Business model</b>	Description of the Company's business model which drives our strong financial profile	7
<b>Strategy</b>	Description of the Company's strategy	3 to 6
<b>Financial performance and stability</b>	The development, performance, and position of the Company's business during the financial year	16 to 20
<b>Key performance indicators</b>	Financial, environmental, and colleague metrics to measure the Company's performance effectively	22 to 23
<b>Section 172(1) statement</b>	Summary of how the success of the Company for the benefit of its members was promoted	60 to 62
Sustainability	Summary	See pages
<b>Our approach to sustainability</b>	Description of environmental matters and respect for human rights	24 to 25
<b>Culture and values</b>	Description of colleague related matters	15 and 58
<b>Colleague inclusion and diversity</b>	Description of initiatives and breakdown of gender and ethnic minority data across the Group	25 and 100
<b>Community activities</b>	Description of activities in the communities in which we operate	25
Environmental matters	Summary	See pages
<b>Task Force on Climate-related Financial Disclosures</b>	'Climate-related financial disclosures', as defined in section 414CB of the Companies Act 2006	26 to 40
<b>Streamlined Energy and Carbon Reporting regulations</b>	The Company's Scope 1, 2, and 3 greenhouse gas reporting for the financial year	40
Principal risks and uncertainties	Summary	See pages
<b>Risk management</b>	Main trends and factors likely to affect the future development position of the Company's business	42 to 49
<b>Governance</b>	How the Audit Committee manages principal risks	67 to 71
Group policies in relation to matters concerned above	Summary	See pages
<b>Anti-bribery and corruption</b>	Maintaining effective systems to counter bribery in all our business dealings and relationships. There were no material instances of this during 2025	60
<b>Code of conduct</b>	Outlines the standards of behaviour expected of all colleagues and suppliers across the Group	25, 59, 62, and 70
<b>Safety and wellbeing</b>	Health and safety is at the forefront of our organisational priorities and is integrated into our strategy	42 to 47
<b>Modern slavery</b>	A guide to ethical business conduct and the minimum standards of behaviour expected	56, 60, and 62
<b>Tax</b>	Explains the frameworks, processes, and controls required to meet the Group's tax responsibilities	70 and 141
<b>Whistleblowing</b>	Framework for disclosing concerns to any forms of wrongdoing or concealing wrongdoing	59, 62, and 71
<b>Inclusion &amp; Diversity</b>	Our Inclusion & Diversity Framework drives action on inclusive culture across Inchcape	58 and 100

All Group policies above are either available on our website or are summarised in the UK Corporate Governance Code Compliance Statement and Code of Conduct which is available at [www.inchcape.com](http://www.inchcape.com)

RISK MANAGEMENT

# ENABLING OUR GROWTH AMBITION

Through our proactive approach to risk management, we turn uncertainty into informed decision-making, enabling safe, compliant and resilient delivery of our strategy and protection of our OEM partners, investors, and colleagues.

### Risk management approach

Our risk management framework underpins execution of our Accelerate+ strategy and achievement of sustainable stakeholder value.

We believe that effective risk management plays a central role strengthening business decisions. By embedding risk management into our ways of working we enhance our ability to make informed choices and respond confidently to our ever changing operating environment. This enables us to proactively identify and embed mitigating actions for significant risks that could affect our current or future performance, sustainability, and/or our reputation.

### Three lines of defence model

The success of the risk management approach relies upon the effectiveness of the control frameworks in place to both manage risks and enable opportunities as they arise. On this basis our approach to governance, risk management, internal controls and sustainability initiatives follows a three lines of defence model, which is overseen by the Board and its Committees. This framework has been designed to ensure key risks associated with our strategy are effectively managed.

Accountability for managing risk is, however, fully embedded across our business. Each Region and function undertake quarterly risk assessments, establish mitigation plans, and monitor risk on a regular basis. These risks are consolidated into our Group’s principal risks and emerging risks and are reviewed by the Group Executive Team on a quarterly basis and by the Board bi-annually, or when new risks arise. The Board sets and reviews the risk appetite for each principal risk every six months, and the Audit Committee reviews the effectiveness of the risk management and internal control systems at least annually.

Our principal risks are the highest rated ‘net’ risks to our strategy, after mitigation has been applied. Risks are rated by impact (minimal, minor, moderate, major, or critical) and by likelihood (rare, unlikely, possible, likely, or almost certain).

Impact is estimated in terms of: financial; reporting, health, safety, and environment (HSE); reputational; operational; and strategic criteria. Data is used to inform assessments where available, which are largely qualitative, drawing on the insight and experience of leadership teams across the business.

## Third line of defence: oversight and assurance

The Board sets the risk policy and appetite for the Group and, through its sub-committees and independent assurance provider, reviews the Group risk profile, emerging risks and the effectiveness of the risk management system:

- Half-yearly Board Committee meetings
- Quarterly Audit Committee meetings
- Internal Audit
- Specialist assurance providers



## Second line of defence: functions

Provide policies, standards, tools, guidance, and monitor the compliance and effectiveness of the first line’s controls:

- Control compliance testing
- Group and Regional Risk Committee meetings
- Continuous improvement to policies, processes and systems



## First line of defence: management

Responsible for identifying, assessing, managing and mitigating risks arising from day-to-day activities enabling the achievement of Accelerate+:

- Monthly Market leadership meetings: identifying emerging risk, hazards and trends
- Quarterly Market risk reviews: Assess risk impact, likelihood, and the effectiveness of mitigations in line with risk appetite

RISK MANAGEMENT

**Overview of our principal risks**

The risks most likely to impact the delivery of our Accelerate+ objectives are reflected in our principal risks covering strategic, operational, financial, compliance and reporting risks facing our business.

**A refreshed profile:**

During the year, the Group Executive Team and Board approved the Company’s principal risk profile which was refreshed in Q1. The refresh was in response to ensuring our risks remained aligned to the changes in the external environment and the new Accelerate+ strategic priorities. Whilst the risks largely remain in substance, we have reduced the number of principal risks from 17 to 12 to better reflect the current risk landscape and related risks, ensuring a clearer and more integrated view of the challenges facing the business. These adjustments ensure that the Company remains resilient and well-positioned to achieve its objectives while responding proactively to new and changing risks. The key changes consisted mainly of a consolidation of people risks, external risk, i.e. macroeconomic and geopolitical uncertainties, cyber and systems risks, and compliance-related risks, i.e. legal, regulatory and financial reporting.

**Key areas of focus:**

During 2025, we have seen increased risk to the automotive industry due to changes in the macroeconomic and geopolitical environment driven largely by global tariff changes and tensions, the effects of macroeconomic uncertainty and increased pressure on our margins as a result of decreased consumer confidence, rising costs, and increased competition in the Markets we operate in, in particular from Chinese OEMs. Our continued delivery of Accelerate+ largely addresses these factors in addition to expanding our brand portfolio and global footprint, and maintaining a cost conscious

operating model to ensure we remain the lowest cost route-to-market. In addition, and in response to the global tariff tensions, a Tariff Task Force was activated during the year, consisting of regional and functional specialists, to support our Markets with navigating the potential implications of incremental tariffs.

With our growth ambition in mind, we also continued to evaluate and respond to our highest rated risks to ensure we can deliver safely and efficiently for our OEM partners, our customers, and our people through:

- Continued alignment between our Markets’ demand for electric vehicles and our OEM partners’ offering, considering local regulatory changes, and vehicle efficiency taxes and incentives.
- Further strengthening our Cybersecurity posture in light of recent and increasing cyber-attacks globally. Our response included tactical systems, vulnerability fixes and longer-term strategic actions to further mature our cybersecurity resilience.
- Improved capabilities to navigate disruptive events with the rollout of refreshed crisis management training across all our Markets and senior leadership teams as our OEM partners rely on us to be a continuous route-to-market for their products.
- The continued rollout of HSE and wellbeing risk management programmes, which in 2025 focused on health and safety risks associated with electric vehicles as our Markets continue to grow in this area.

Our risk management framework, although structured, has also been designed to be nimble, adapting to an ever-changing risk environment, whilst maintaining an appropriate risk culture that supports our growth ambitions and assists the Board in complying with obligations under the UK Corporate Governance Code.

**Principal risks and uncertainties**

Principal risk	Impact	Likelihood	Trend
1 Margin Pressure	Major	Likely	↑
2 Strategy Delivery and Transformation	Moderate	Likely	↓
3 People: Future skills, Engagement and Retention	Minor	Possible	↑
4 EV Transition	Moderate	Likely	→
5 OEM: Loss of Material Distribution Contract	Major	Rare	→
6 Acquisition Execution	Moderate	Possible	→
7 Supply Chain Management	Moderate	Possible	→
8 Cybersecurity Breach/Major Systems Outage	Major	Likely	↑
9 Business Interruption	Moderate	Possible	→
10 Health, Safety, Environment or Wellbeing Incident	Critical	Possible	↓
11 Legal, Regulatory and Financial Reporting Compliance	Minor	Possible	→
12 Macroeconomic and Geopolitical Uncertainty	Moderate	Likely	→

**Key**

- Climate-related
- Stable   ↓ Decreasing   ↑ Increasing

## RISK MANAGEMENT

**Emerging risks**

Emerging risks are those uncertain events for which timing, impact, or probability are difficult to quantify.

We identify emerging risks in various ways: through the strategic replanning process; external publication analysis (including peer reviews and OEM partner risk disclosures); the regular cadence of risk committees and Board meetings; and risk-related discussions and analysis. Through regular consideration and monitoring of these emerging risks early on, we can effectively respond to potential threats by preparing contingency plans, implementing mitigation actions and controls, or adjusting our operations and Group strategy as required.

Executing on our Accelerate+ Enablers supports the identification and mitigation of emerging risks and opportunities such as the continued evolution of the potential impact of AI software adoption and associated regulation, the introduction of self-driving technology, potential supply chain and raw material disruptions and the impact of dynamic electric vehicle (EV) adoption targets set by governments on our OEM partners and consumer demand.

**Material controls**

2025 has seen our preparations accelerate for compliance with the new requirements of the UK Corporate Governance Code 2024, ahead of the 2026 reporting period. Our principal risks have been a vital starting point to ensure that the Board's activities under Provision 29 have the right foundation and focus. Our risk refresh in Q1 confirmed that our risks are relevant to the sustainable existence of the business, that these have been assessed at an appropriate level and mitigation can be relied on by the Board. This approach will continue into 2026 to ensure we focus on those controls that are truly material in mitigating our highest rated risks.

**Risk appetite**

Risk appetite is the cornerstone of the Group's approach to risk management and is determined by the Board. Risk appetite provides direction to all areas of the Group on acceptable levels of risk and where further remediation is required to reduce risk to acceptable levels. Acceptable levels are determined by the target risk rating for each principal risk. The Board has considered its risk appetite in relation to the Group's principal risks in July and December 2025. Risks were allocated to one of three acceptable levels of exposure, indicating tolerable levels of risk:

**Risk-seeking**

We are prepared to accept higher levels of risk exposure in pursuit of our strategy and accept that these risks are typically driven by external factors over which preventative control is limited:

- Macroeconomic & Geopolitical Uncertainty

**Risk-tolerant**

We are prepared to tolerate a moderate level of risk exposure and will aim to limit these risks to a level that is not material to the organisation through the delivery of our strategy and internal control framework:

- Margin Pressure
- Strategy Delivery & Transformation
- People: Engagement, Retention & Future Skills
- EV Transition
- OEM: Loss of Material Distribution Contract
- Acquisition Execution
- Supply Chain Management
- Cybersecurity Breach or Major Systems Outage
- Business Interruption

**Risk-averse**

We will only accept minor levels of risk exposure. Risk above this level will have a detrimental impact on our reputation and performance.

We aim to keep these risk exposures to a minimum through strong controls, actions and/or insurance.

- Health, Safety, Environment or Wellbeing Incident
- Legal, Regulatory & Financial Reporting Compliance

PRINCIPAL RISKS

1

**Margin Pressure**

Pressure on our margins increases with the introduction of new routes to market and increased OEM competition in the Markets we operate in. This is further exacerbated by supply chain disruptions, the transition to electric vehicles and macroeconomic and geopolitical uncertainty as our OEM partners seek to maintain their own margins.

**Mitigating actions**

Actions to grow, and as a minimum, maintain current margins under Accelerate+ include:

- scaling our core passenger car Distribution business into the most attractive markets, with the most attractive and feasible OEMs;
- optimising our Distribution platform, looking for opportunities to improve effectiveness of our route-to-market strategy, to mitigate headwinds;
- extending the Distribution platform into new vehicle categories such as vans, premium two-wheelers, trucks, and construction equipment, supported by value chain activities that drive an effective Distribution platform;
- Distribution Excellence, by transforming the route-to-market via the development of a consistent, technologically advanced, low-cost, low-carbon Distribution and Retail offering;
- maintaining robust Sales and Operational Planning process and controls;
- developing price management initiatives in collaboration with OEMs; and
- executing on cost containment/optimisation strategies.

Link to strategy



Trend



2

**Strategy Delivery and Transformation**

Success of the Group’s strategic transformation priorities are dependent on the delivery of a number of key enabling programmes.

Failure to deliver these programmes on time and to the required quality, in line with anticipated business benefits, may have a negative impact on our business processes, operations and financial performance.

**Mitigating actions**

We actively monitor these programmes through:

- oversight by the Group Executive Team, supported by Portfolio Management tool to track status;
- ongoing reviews and re-prioritisation of initiatives and resourcing to ensure focus on strategic imperatives;
- risk and issue management; and
- system stabilisation programme.

Link to strategy



Trend



3

**People: Future skills, Engagement and Retention**

We need to attract and retain high-performing, engaged colleagues with the necessary skills and knowledge to deliver our strategic objectives. Failure to retain and engage high-performing talent with new or different skills in key positions may impact our ability to deliver and sustain our growth and transformation ambitions.

**Mitigating actions**

We aim to seek, engage and retain critical skills throughout Inchcape through:

- career development programmes, including MD Academy to support succession pipeline for strategic roles;
- creating visibility of career opportunities on our intranet and corporate website;
- operating fair reward principles with annual pay and bonus surveys/reviews including long-term incentive plans and benefits;
- global standards and inclusive hiring approach to attract the best candidates with standardised recruitment screening procedures;
- change management and leadership development programmes;
- Board and Group Executive Team talent reviews;
- continuous employee experience improvement (Be Heard surveys); and
- bonusable KPIs associated with continuous employee engagement.

Link to strategy



Trend



4

**EV Transition**

The transition to new energy vehicles increases our exposure to commercial and regulatory risks as a result of potential:

- misalignment between market uptake of EVs and our OEM partners’ EV offering. This may be caused by new or changing tax incentives and legislation; the level of market EV infrastructure or other factors; and
- increased carbon-related legislation or taxes and other indirect measures which price carbon emissions into our Markets. The introduction of these measures may impact our businesses in terms of product mix or allocation; loss of market share or margin; or additional financial obligations.

**Mitigating actions**

We address these risks through:

- monitoring and aligning to emerging EV-related legislation in each Market;
- Market-level risk assessment of EV infrastructure, legislative plans, mobility partners, and competitive capability;
- close liaison with OEM partners to understand their ambitions and feedback on the EV readiness of individual Markets, and to ensure optimal EV allocation;
- brand diversification – contracts with new OEM partners; and
- operational changes to marketing, pricing, customer service, and vehicle technician training.

Link to strategy



Trend



Link to Accelerate+

- Scale
- Optimise
- Culture & Capabilities
- Sustainability
- OEM Relationships
- M&A and Integration
- Digital, Data, Analytics

Trend

- Stable
- Decreasing
- Increasing
- Climate-related



PRINCIPAL RISKS

5

**OEM: Loss of Material Distribution Contract**

Building and maintaining long-standing partnerships with our OEM partners is the foundation for our ability to execute our strategy. Should we lose any of our long-standing material Distribution contracts it would have a significant impact on revenue and profit, as well as future growth opportunities and our reputation as the Distributor of choice.

**Mitigating actions**

We deliver value to our OEM partners through:

- scaling our Distribution business into the most attractive and feasible markets;
- efficient delivery of our value propositions by using global expertise while leveraging local market knowledge;
- capture more revenue streams through Value Added Services; and
- delivering on our ambition as the lowest cost and carbon route to market for our OEM partners.

Link to strategy



Trend



6

**Acquisition Execution**

Inorganic growth through M&A is a key Enabler of the Accelerate+ strategy and continues to play an important role in delivering scale. There is a risk that Inchcape may not achieve the targeted ROI on acquisitions due to various factors, including: changing market conditions, competitive pressure, changes to the regulatory environment, post-acquisition integration, and retention of employees.

**Mitigating actions**

We navigate the risk factors by:

- maintaining Regional-level M&A capability supported by a regularly updated Group M&A and integration playbook;
- detailed due, diligence, covering numerous workstreams by both local and global expert team;
- stress-testing the business plan;
- synergy evaluation and qualification;
- monitoring of risks and issues post-completion;
- post-merger reviews and audits; and
- Board review and oversight of larger transactions.

Link to strategy



Trend



7

**Supply Chain Management**

Regional or global interruption to 'normal' supply of vehicles and parts due to geopolitical tensions, trade wars, macroeconomic conditions, cyber events or natural hazards.

Maintaining optimal inventory levels contributes to our resilience, strategic and competitive value position, commercial and financial performance.

**Mitigating actions**

Our supply chain management controls include:

- robust and standardised Sales & Operational Planning procedures;
- close liaison with OEM partners and alignment of plans and strategies;
- monitoring consumer behaviour and proactive customer communications;
- brand and product diversification; and
- horizon scanning and early mitigation of macroeconomic and geopolitical events, i.e. tariffs, raw materials or key components supply disruptions.

Link to strategy



Trend



8

**Cybersecurity Breach/Major Systems Outage**

The centrally connected nature of our organisation, increasing geopolitical tensions, continued rise of AI and the digitalisation of our business increases the impact of a cyber attack. If these attacks are successful and coupled with poor IT resilience, it may result in loss or misappropriation of critical assets causing significant financial and reputational damage.

**Mitigating actions**

We protect our systems and data through:

- continuous alignment to a global cybersecurity control framework (NIST);
- Cybersecurity Risk Management;
- robust cybersecurity measures, including policies and controls, asset management, access control, data security and encryption, vulnerability management, network and cloud security and tested disaster recovery plans;
- third-party and Supply Chain Security assessments;
- cybersecurity awareness and training campaigns; and
- Group level security operations monitoring.

Link to strategy



Trend



Link to Accelerate+

- Scale
- Optimise
- Culture & Capabilities
- Sustainability
- OEM Relationships
- M&A and Integration
- Digital, Data, Analytics

Trend

- Stable
- Decreasing
- Increasing
- Climate-related



PRINCIPAL RISKS

9

**Business Interruption**

Significant interruption to our business due to external events, a global health emergency, or other natural hazard could negatively affect our operations and brands or pose a threat to the safety of our customers and colleagues; any of which could have a significant negative impact on our commercial and financial performance.

**Mitigating actions**

- We ensure continuity of our business through:
- a Group standard business resilience policy and framework;
  - formal Crisis Management training and exercises at all levels of the organisation;
  - Business Continuity and Disaster Recovery plans;
  - property and security risk assessments;
  - increased insurance coverage; and
  - financial headroom.

Link to strategy



Trend



10

**Health, Safety, Environment or Wellbeing Incident**

The operation of vehicles, machinery, and other manual activities across all our operations worldwide exposes our colleagues, customers, and the public to risks of serious injury or fatality. The use, and disposal, of harmful substances and chemicals in our operations poses a risk to the environment if not well controlled. These risks are exacerbated by the introduction of new technologies, such as EVs.

We recognise the physical and mental wellbeing risks faced by our people on a day-to-day basis and are included in our HSE risk management programmes.

We also operate in Markets where there may be a risk to personal security and safety, where there may be a direct or indirect risk from civil unrest, kidnapping, natural disasters or terrorism.

**Mitigating actions**

- Our global HSE management system supports:
- the global deployment of key health, safety, environmental and wellbeing risk management programmes;
  - functional and independent monitoring of compliance;
  - the adoption of new safety requirements and regulations, i.e. electric vehicles;
  - market threat assessments and site security reviews;
  - minimum personal, site and travel security standards; and
  - training and awareness.

Link to strategy



Trend



11

**Legal, Regulatory and Financial Reporting Compliance**

Non-compliance with legislation and other regulatory requirements in the Markets we operate including those specifically included in the UK Regulatory Framework could affect our reputation with OEM partners, customers, and wider stakeholders including our ability to meet the terms of our Distribution and Retail contracts and contractual risks assumed during acquisitions which could result in fraud, material fines, and/or significant director liability.

**Mitigating actions**

We ensure compliance through:

- a consistent 'tone from the top', a Code of Conduct and related training, including induction training and metrics;
- a Whistleblowing line;
- compliance policies and procedures (global and local) supported by Regional training as required;
- compliance risk assessments and heatmaps for material areas of legal and regulatory compliance;
- Group monitoring of local compliance status, legal review of Distribution agreements;
- Governance committees for Sustainability reporting and disclosures;
- Financial reporting and accounting policies and controls;
- Group and Regional control monitoring; and
- integration of financial controls into new businesses, with training, support, and hyper-care assurance.

Link to strategy



Trend



12

**Macroeconomic and Geopolitical Uncertainty**

Failure to react at pace to financial volatility, changing macroeconomic conditions and geopolitical forces could adversely impact financial performance. This may include lack of consumer confidence, changes in TIV/ growth rates, foreign exchange rate volatility, inflation, interest rates, international and domestic tensions, disputes, conflict, and unrest.

**Mitigating actions**

We navigate these external risk factors with our:

- global footprint and increased brand and product diversification;
- Business Resilience Framework;
- established Regional Treasury centres;
- Group hedging policy to mitigate transactional FX exposure;
- Group monitoring of FX impacts and hedging positions;
- Financial Budgeting & Forecasting including S&OP; and
- close liaison with OEM partners and alignment with plans and strategies.

Link to strategy



Trend



Link to Accelerate+

- Scale
- Optimise
- Culture & Capabilities
- Sustainability
- OEM Relationships
- M&A and Integration
- Digital, Data, Analytics

Trend

- Stable
- Decreasing
- Increasing
- Climate-related



## PRINCIPAL RISKS: VIABILITY STATEMENT

# VIABILITY STATEMENT

The Directors have assessed the viability of the Group by reference to the Group's current financial position, its recent performance and forecasts of future performance, its strategy (pages 3 to 6), business model (page 7), and the principal risks and mitigating factors (pages 42 to 47).

The Group's continued viability is dependent upon the continuation of its relationships with OEM partners. With many OEM partner contracts covering three-year terms, three years is considered a key timeline for new car changeover in mature retail markets with good personal finance penetration. In addition to this, the number of Units in Operation (UIO) up to three years old is also a key driver of our Aftersales business. However, as illustrated in the diagram over leaf, a variety of other time horizons are also relevant to the management of the business.

The Directors have determined three years to be the most appropriate period for the viability assessment as they believe that it strikes a balance between the different time horizons which are used to manage the business and is a reasonable period for a shareholder to expect a distribution business to be assessed over.

## Process and scenarios considered

Our financial planning process incorporates an Annual Operating Plan (AOP) for the next financial year (2026), together with financial forecasts/models for the remaining years covered by the Viability Assessment. These financial forecasts consider the Group's profitability, gearing, cash flows and other key financial metrics over the period to December 2028. These metrics are subjected to sensitivity analysis, in which a number of the main underlying assumptions are adjusted and tested to consider alternative risk-based scenarios. Using the Group's most significant risks, unlikely but realistic worse-case scenarios are created and their impact projected onto the three-year projections. These risks are (i) EV transition, (ii) a major cyber incident, (iii) margin pressure, (iv) strategy delivery & transition and (v) macro-economic conditions, incorporating the impact of a reduction in inventory financing, a reduction in revenue from economic downturns and foreign exchange risk. These risks have been modelled individually and concurrently, i.e. assuming all five materialise during the three-year period. The risks were chosen for viability modelling as they were considered to be of high likelihood and/or would have a major impact on the Group.

Modelling these risks tests the Group's ability to withstand a material reduction in revenue (EV transition, strategy delivery & transition and macro-economic conditions); a material degradation in margins (margin pressure), a material reduction in performance (foreign exchange risk) and the impact of an unexpected operational expense (cyber attack).

The models assume that a portion of uncommitted inventory financing facilities is also withdrawn. The testing recognises that some mitigating actions would remain available to management to partially mitigate the impact of these risks, including reductions in operational and capital expenditure and returns to shareholders.

In the most severe scenario modelled, the test indicates that the Company would not breach the single financial (interest) covenant on its committed facilities and would retain sufficient liquidity under existing facilities.

Details of the Company's financing arrangements can be found in note 22 to the financial statements on pages 157 to 158.

PRINCIPAL RISKS: VIABILITY STATEMENT

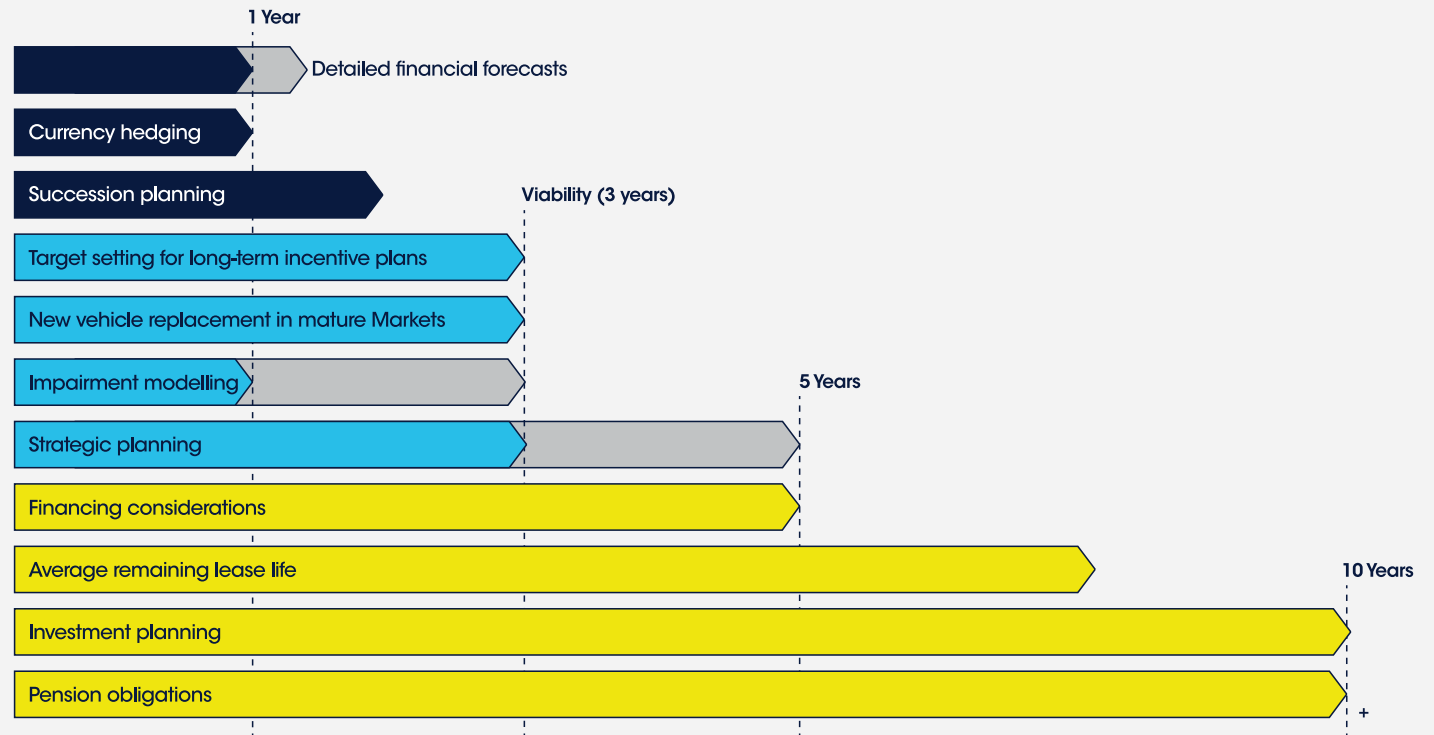
**Longer-term prospects**

The following factors are considered both in the formulation of the Group’s strategic plan, and in the longer-term assessment of the Group’s prospects:

- the principal risks and uncertainties faced by the Group, as well as emerging risks as they are identified, and the Group’s response to these;
- the prevailing economic climate and global economy, and changing customer behaviours; and
- any opportunities through operational simplification and leveraging technology.

**Viability statement**

Based on the outcomes of the scenarios and considering the Group’s financial position and principal risks, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Directors’ statement regarding the adoption of the going concern basis for the preparation of the financial statements can be found on page 103.



**Directors’ approval of the Strategic Report**

The 2025 Strategic Report, from pages 1 to 49, was reviewed and approved by the Board of Directors on 2 March 2026.

**Duncan Tait**

Group Chief Executive

## CORPORATE GOVERNANCE REPORT

**Dear Shareholder,**

I am pleased to present the Corporate Governance Report for the year ended 31 December 2025. This section of the Annual Report provides an overview of the work of the Board and its Committees over the last 12 months and explains how the Directors have discharged their duties.

This report should be read in conjunction with the Corporate Governance Statement which sets out how we have complied with the UK Corporate Governance Code 2024. The statement can be found on our website at [www.inchcape.com](http://www.inchcape.com)

**Overview of the year**

During the year the Board focused on disciplined execution of strategy, effective risk management, robust financial stewardship, and enhanced stakeholder engagement, against a backdrop of industry disruption and evolving regulatory expectations.

The impact of tariffs was a key consideration during the year with several ad hoc Board meetings held to assess the evolving situation. The Group Executive Team's Tariff Taskforce regularly updated the Board ensuring they had timely and relevant information to support prompt strategic decision-making. I am pleased that there has been no material direct impact on the Group's business from the tariff situation during 2025.



The acquisition of Askja in Iceland represents a key strategic decision for the Board as we advance our overall strategy. Entering this new Market introduces a new OEM partner for Inchcape and further illustrates how Accelerate+ supports market share growth through effective business scaling.

**Capital allocation and dividends**

Capital allocation was another key decision with the Board approving the capital allocation framework which balances disciplined M&A with continued share buybacks. The £250m programme announced in March 2025 completed in March 2026. A further buyback programme of £175m was announced on 3 March 2026.

The Board also recommends a final dividend payment of 22.8p for the year ended 31 December 2025 in line with the dividend policy of 40% of annual adjusted EPS. This brings the total dividend for 2025 to 32.3p.

**Overseas visits and engaging with stakeholders**

There were two overseas Board visits during 2025, to Singapore and Indonesia in January and to Chile and Peru in October. These visits give the Board the opportunity to obtain a deeper understanding of business operations, the nuances of delivering Accelerate+ globally, and to engage with colleagues at all levels.

These engagement opportunities enable the Board to monitor the culture of the organisation, and together with regular colleague surveys and Reward forums, allow the Board to gauge the sentiment within the businesses. Further information on colleague engagement is provided on pages 59 to 61.

I also had the opportunity to meet with major shareholders throughout the year to discuss strategy, capital allocation, and remuneration matters and I am pleased with the continued support from our investors both in Accelerate+ and the executive team. Byron Grote, the Chair of the Remuneration Committee, also carried out a comprehensive consultation with shareholders to understand the reasons for their vote on the Directors' Report on Remuneration at the 2025 annual general meeting, and to get their feedback on the 2026 Directors' Remuneration Policy proposals. Further details are given in the Directors' Report on Remuneration on page 79.

**Board changes**

I am delighted to welcome Tracy Clarke to the Board with effect from 31 December 2025. Tracy brings a wealth of financial and listed company experience as well as a broad range of knowledge and skills gained in a variety of senior roles held at Standard Chartered Bank and from her non-executive positions. Her biography is on page 55.

Stuart Rowley, who joined the Board in 2023, was appointed as Chair of the Audit Committee in April 2025. Stuart brings exceptional automotive, financial, and general management experience from a long and successful career at Ford Motor Company. Further information on Stuart's financial experience is given on page 67.

As announced in March 2026, Juan Pablo del Río will step down from the Board prior to the annual general meeting on 14 May 2026. He will be replaced by Felipe del Río who will seek election at this AGM. Please see the notice of meeting for further information.

**Jerry Buhlmann**  
Chairman

GOVERNANCE AT A GLANCE

The Board confirms that Inchcape plc complied with all provisions set out in the UK Corporate Governance Code 2024 (Code). Details on how we applied the Code are given in this Annual Report and in the Corporate Governance Statement which can be found on our website.



Principles of the Code

Code section	Page numbers
<b>1. Board leadership and Company purpose</b>	
Effective Board	51 to 57
Purpose, values, and strategy	58 and 59
Board decisions and outcomes	56 and 57, 61 and 62
Stakeholder engagement	60
<b>2. Division of responsibilities</b>	
The Chairman	50 and 53
The Board	51 to 55
Non-Executive Directors	53 to 55
<b>3. Composition, succession, and evaluation</b>	
Appointment, succession, and diversity	64 to 66
Skills, experience, and knowledge	52
Board performance review	63
<b>4. Audit, risk, and internal control</b>	
Internal audit	71
External audit	72 and 73
Financial reporting	69 and 70
Fair, balanced, and understandable	70
Risk management and internal control	42 to 49, 70 and 71
<b>5. Remuneration</b>	
Directors' Remuneration Policy	81 to 89
Executive remuneration	76 to 80
Remuneration outcomes	90 to 99

**Inchcape's governance framework**

The Board has ultimate responsibility for ensuring the long-term success of Inchcape. It sets the purpose, values, and strategy and ensures the appropriate culture is in place to achieve its strategic aims.

Certain authorities and accountabilities are delegated to the Board's Committees. Each Committee has its own terms of reference setting out its role and responsibility, the Board also has a formal Matters Reserved for the Board. These support decision-making and oversight and are reviewed annually to ensure they remain fit for purpose.

**The Board of Inchcape plc**  
Collectively responsible for the long-term success of the company

<p><b>Audit Committee</b></p> <p>Financial reporting Risk oversight Internal control External and internal audit</p> <p><a href="#">Go to page 67</a></p>	<p><b>Remuneration Committee</b></p> <p>Remuneration Policy Incentive plans Performance targets</p> <p><a href="#">Go to page 76</a></p>	<p><b>Group Executive Team</b></p> <p>Group strategy Operational management</p>	<p><b>Nomination Committee</b></p> <p>Board composition Diversity Succession planning</p> <p><a href="#">Go to page 64</a></p>	<p><b>Sustainability Committee</b></p> <p>Places and Planet pillars Colleague engagement Climate oversight</p> <p><a href="#">Go to page 74</a></p>
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**Group risk committee**

Enterprise risk management  
InControl standards

**Investment committee**

Oversight of Group capital expenditure

The Matters Reserved for the Board and all Committee terms of reference can be found at [www.inchcape.com](http://www.inchcape.com)

GOVERNANCE AT A GLANCE

Board skills, experience, and knowledge

The Board recognises the importance of the right mix of skills, experience, and diversity to deliver the Group’s strategic objectives and contribute towards long-term success.

	PLC governance	Strategy	Audit and finance	Mergers and acquisitions	Technology and digital	Automotive	Latin America	South East Asia	Emerging markets	CEO	Remuneration	People and culture	ESG
Duncan Tait	●	●	●	●	●	●	●	●	●	●	●	●	●
Adrian Lewis	●	●	●	●	●	●	●	●	●	●	●	●	●
Jerry Buhlmann	●	●	●	●	●	●	●	●	●	●	●	●	●
Alex Jensen	●	●	●	●	●	●	●	●	●	●	●	●	●
Nayantara Bali	●	●	●	●	●	●	●	●	●	●	●	●	●
Byron Grote	●	●	●	●	●	●	●	●	●	●	●	●	●
Juan Pablo del Rio	●	●	●	●	●	●	●	●	●	●	●	●	●
Stuart Rowley	●	●	●	●	●	●	●	●	●	●	●	●	●
Alison Platt	●	●	●	●	●	●	●	●	●	●	●	●	●
Tracy Clarke	●	●	●	●	●	●	●	●	●	●	●	●	●

● Expert ● Significant experience ● Comprehensive experience ● Limited experience

Notes on grading:

Expert grading is given for sector or geography in which the Board member have spent their executive career and is also given for UK-listed company chairs, or former chairs, senior independent directors, and for committee chairs in the respective area. Limited grading is given to Directors with no automotive experience until they have served their first three-year term.

Board attendance

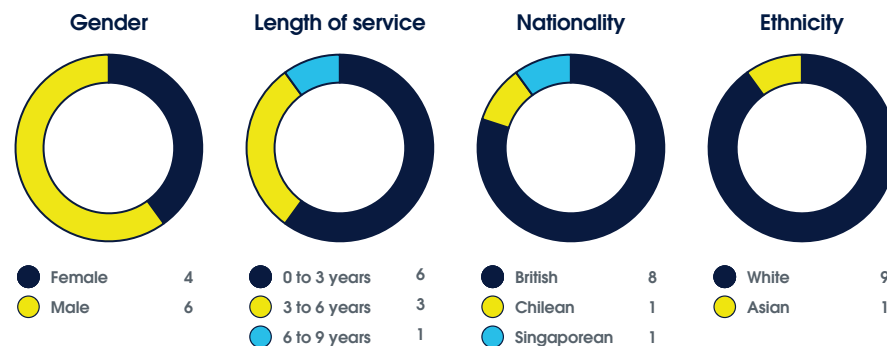
The table below shows attendance for Board meetings held during 2025.

	Scheduled	Attended	Ad hoc	Attended
Nayantara Bali	7	7	2	2
Jerry Buhlmann	7	7	2	2
Juan Pablo del Rio**	7	7	2	1
Byron Grote	7	7	2	2
Alex Jensen	7	7	2	2
Sarah Kuijlaars*	2	2		
Adrian Lewis	7	7	2	2
Alison Platt**	7	7	2	1
Stuart Rowley	7	7	2	2
Duncan Tait	7	7	2	2

\* Sarah Kuijlaars resigned from the Board in April 2025.

\*\* Alison Platt and Juan Pablo del Rio were unable to attend the ad hoc meetings scheduled during the year due to prior commitments.

Board composition and diversity as at 31 December 2025



The Board has strong gender and length of service balance. The breadth of nationalities bring meaningful international and cultural perspectives, and the Board also meets the UK guidance for minority ethnic representation. The Board’s composition demonstrates its commitment to promoting diversity.

BOARD OF DIRECTORS

# POWERED BY STRONG LEADERSHIP

The Board is collectively responsible for agreeing and continually reviewing progress of the Accelerate+ strategy to ensure it delivers long-term sustainable success.

The Non-Executive Directors provide constructive challenge, strategic advice and guidance, and hold management to account on the performance of the business. The Board also has responsible for ensuring the appropriate resources are in place to deliver the strategic objectives. The Nomination Committee conduct an annual review to ensure Non-Executive Directors have sufficient time to meet their Board responsibilities.

Committee membership

- A** Audit Committee
- N** Nomination Committee
- R** Remuneration Committee
- S** Sustainability Committee
- G** Group Executive Team
- C** Committee Chair



**NRS**



**Jerry Buhlmann**  
Chairman

**Appointed:**  
March 2017 (Board); May 2024 (Chairman)

**Current appointments:**

- Chairman of two private equity backed digital marketing agencies: Dept and Precisify.
- Member of the supervisory board of Serviceplan GmbH.

**Current appointments:**

- Jerry has over 40 years' experience in the advertising and media industries.
- Formerly CEO of Dentsu Aegis Network and Aegis Group plc.

**SG**



**Duncan Tait**  
Group Chief Executive

**Appointed:**  
July 2020

**Current appointments:**

- None.

**Prior experience:**

- On the board of Fujitsu, a global technology services company with 35,000 people.
- Senior roles at Unisys, Hewlett Packard, and Compaq in a technology focused career of over 30 years.

**G**



**Adrian Lewis**  
Group Chief Financial Officer

**Appointed:**  
May 2023

**Current appointments:**

- None.

**Prior experience:**

- Joined Inchcape in 2015, previously CFO for the Emerging Markets and Asia-Pacific regions.
- Led the finance function as Group Financial Controller before becoming CFO.
- Played a leading role with Indumotora and Derco acquisition and integrations.
- Held a number of senior finance positions at Tesco plc.
- Adrian is a chartered accountant.

## BOARD OF DIRECTORS

## Committee membership

- A Audit Committee   
 N Nomination Committee   
 R Remuneration Committee  
S Sustainability Committee   
 G Group Executive Team   
● Committee Chair



**ANRS**

## Alison Platt

Senior Independent Director

**Appointed:**  
January 2024 (Board); May 2024 (SID)

**Current appointments:**

- Chair for Ageas UK and Esure Group.
- Member of the Takeover Panel.

**Prior experience:**

- Significant business and international commercial experience from working for high-profile consumer-facing companies across the healthcare, insurance, and property sectors.
- Former chair of Hargreaves Lansdown plc and non-executive director of Tesco plc.



**NS**

## Nayantara Bali

Independent Non-Executive Director

**Appointed:**  
May 2021

**Current appointments:**

- Director and co-owner of ANV Consulting Pte.
- Independent director on the boards of Torrent Pharma, Starhub, and Marico.

**Prior experience:**

- Senior management positions in Procter & Gamble.
- Holds an Economics degree and a Post Graduate Diploma in Business Management from the Indian Institute of Management Ahmedabad.



**N**

## Juan Pablo del Río

Non-Executive Director

**Appointed:**  
January 2023

**Current appointments:**

- Board of Cruzados S.A.D.P.
- Chairman of Sodimac S.A.

**Prior experience:**

- Senior leadership roles across a range of companies within the automotive, real estate, and retail sectors.
- Served on the board of the Derco group.
- Formerly a board member of Falabella S.A.



**ANRS**

## Byron Grote

Independent Non-Executive Director

**Appointed:**  
January 2023

**Current appointments:**

- Non-executive director at InterContinental Hotels Group plc.

**Prior experience:**

- Chief Financial Officer at BP plc (2002–2011).
- Board member at Anglo-American plc, Standard Chartered plc, Tesco plc, Unilever plc, and Alzo Nobel N.V.
- Brings strategic focus and financial expertise from a range of leading international businesses.

BOARD OF DIRECTORS

Committee membership

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- G Group Executive Team
- Committee Chair

NRS



**Alex Jensen**  
Independent Non-Executive Director

**Appointed:**  
January 2020

**Current appointments:**

- CEO of Topps Tiles plc.

**Prior experience:**

- Designated Non-Executive Director for workforce engagement (2021–2024).
- Regional CEO of BP plc and National Express.
- Experience in transforming customer-facing businesses.
- MA in Chinese Studies, Oxford University and Master’s degree, Stanford University School of Business.

ANR



**Stuart Rowley**  
Independent Non-Executive Director

**Appointed:**  
July 2023

**Current appointments:**

- None.

**Prior experience:**

- President and chair, Ford Europe.
- Started career at Ford as a finance leader.
- Former non-executive board member, European Automobile Manufacturers’ Association.
- Deep understanding of the global automotive industry.
- Extensive international experience.

N



**Tracy Clarke**  
Independent Non-Executive Director

**Appointed:**  
December 2025

**Current appointments:**

- Non-executive director at Haleon plc and TP ICAP Group plc.
- Senior independent director of Starling Bank Ltd.

**Prior experience:**

- 35-year executive career with Standard Chartered Bank, leading operations in Europe and the Americas.
- Seasoned non-executive director with experience gained from a diverse range of organisations.
- Extensive knowledge of remuneration, M&A, and emerging markets.

**Group Executive Team**

The Group Executive Team (GET) drives the Accelerate+ strategy and is responsible for the day-to-day operations of the Group. It is a global team of business leaders that combines a strong focus on operational excellence with a wealth of experience in a wide range of industries.

**Duncan Tait**  
Group Chief Executive

**Adrian Lewis**  
Group Chief Financial Officer

**Mike Bowers**  
CEO Americas

**Liz Brown**  
Chief Strategy & Sustainability Officer

**Helen Cunningham**  
Chief People Officer

**Phil Jenkins**  
CEO APAC

**Rajvi Kothari-Barr**  
Group General Counsel

**Romeo Lacerda**  
Chief Commercial Officer

**Glafkos Persianis**  
CEO Europe & Africa



BOARD DECISIONS & ACTIVITIES

Board decisions and activities are central to shaping the strategic direction and ensuring effective governance. Through regular meetings, the Board oversees strategic planning, monitors performance, and makes key decisions that support the Group’s long-term goals.

**Key areas of focus during 2025**

The Board has seven scheduled meetings a year, with two Board meetings held at Group locations around the world.

Meeting agendas, agreed in advance by the Chairman, Group Chief Executive, and Group Company Secretary, combine a balance of standing items including strategy, governance, deep dives, and executive updates.

At each Board meeting, operational and financial performance is discussed and presentations are made by the Group Chief Executive and Group Chief Financial Officer. Management attend certain meetings by invitation to present on key topics within their respective area of expertise, and provide updates on all aspects of the business.

**January**

- **Event**
  - Overseas Board visits to Singapore and Indonesia
- **Deep dive**
  - Asia-Pacific Markets
- **Approval**
  - 2025 Annual Operating Plan
  - 2025 Board priorities
  - Matters Reserved for the Board



**April**

- **Approval**
  - Disposal of Australia Queensland retail operations
- **Discussion**
  - Impact of tariffs on Group
- **Announcement**
  - Q1 trading update

**February**

- **Approval**
  - 2024 Full Year results and Annual Report
  - Mid-term financial targets
  - Capital Allocation Policy
  - 2024 Final Dividend
  - £250m share buyback programme
  - 2024 Modern Slavery Statement
  - Tax strategy
- **Discussion**
  - Annual Board performance review
  - Annual governance update
  - Financial Conduct Authority historical motor finance commission review
- **Announcement**
  - Release of full year results
  - Publication of Annual Report and Accounts

**May**

- **Event**
  - Annual Strategy Review
  - 2025 Annual General Meeting
- **Approval**
  - 2024 Sustainability Report
- **Deep Dive**
  - Strategic review including:
    - Automotive industry disruption
    - Tariffs
    - Investor perspectives
    - Accelerate+ execution
    - M&A and integration
- **Discussion**
  - Acquisition of Askja business in Iceland

**June**

- **Approval**
  - Acquisition of Askja business
- **Deep dive**
  - Chinese OEMs, including:
    - Market dynamics
    - OEM developments
    - Inchcape relationships
    - Key OEM partners
    - Broader OEM dynamics and landscape
    - Chinese OEM disruption
    - Inchcape portfolio and priorities

## BOARD DECISIONS &amp; ACTIVITIES

## August

## Event

- Extraordinary General Meeting

## July

## Deep dive

- Digital and Distribution Excellence

## Approval

- 2025 HY results
- 2025 interim dividend
- 2025 Code of Conduct

## Discussion

- People update, including colleague survey results, women in leadership metrics, and pipeline succession at Market level
- Risk review, including principal risk refresh, request for a key event risk dashboard, and review of risk appetite positioning

## Announcement

- 2025 half year results
- Acquisition of Askja

## September

## Deep dive

- Europe & Africa Markets
- Derco post-investment review

## Discussion

- Health, safety, and environment:
  - electric vehicle technical and safety training
  - risk profile
  - culture assessment



## October

## Event

- Overseas Board visits to Chile and Peru

## Deep dive

- Americas Markets

## Discussion

- Mid-term financial plan
- Takeover defence approach

## Announcement

- Q3 trading update
- Appointment of Tracy Clarke

## November

## Discussion

- Principal risks and risk appetite
- Accelerate+ strategy update, including optimise deep dive and mid-term financial targets
- Organisational health check, including Be Heard survey results

## Announcement

- Update statement on shareholder feedback



PEOPLE AND CULTURE

# PEOPLE AND CULTURE

The One Inchcape culture is a big part of Group’s ongoing success. Culture is built by effective teamwork, fresh thinking, and a focus on delivery of the Accelerate+ strategy.

The One Inchcape Values & Behaviours are a guide for all colleagues at Inchcape, across all levels and locations of the organisation. They help drive our business performance by improving how we do things and helping us make better decisions.

## How our purpose and values drive strategy and culture

### Purpose

Bringing mobility to the world’s communities for today, for tomorrow, and for the better.



### Values



We deliver



Great experiences



Fresh thinking



Better together



### Strategy

Building a stronger, more diversified company that generates sustainable growth for our OEM partners and for our investors, and opportunities for our colleagues to grow and thrive.



### Culture

Our culture is built by effective teamwork, fresh thinking, a focus on delivery, and putting our colleagues, OEM partners, and customers at the centre of everything we do.



### We deliver

We deliver, ensuring everything we do meets the expectations of OEM partners, customers, and colleagues. We focus on what matters most and take accountability for what we do, always looking to see how we can improve the way we work.



### Great experiences

We want our customers and everyone we work and partner with to have a great experience. We do this by understanding their needs and designing industry-leading solutions that drive satisfaction and better commercial performance.



### Fresh thinking

We lead our industry by looking ahead and taking smart risks, anticipating changes in our markets to develop innovative and sustainable solutions that delight our customers. Our ambition and future focus will ensure our Company will grow and outperform our peers.



### Better together

We achieve more by developing stronger teams that work better together. We are inclusive and bring together a diverse set of thinking from across the One Inchcape team. We share our passion for what we do and celebrate our success. We care about our colleagues, partners, and communities, taking the time to understand each other and build mutual trust.

PEOPLE AND CULTURE

**Monitoring culture**

There are several mechanisms in place by which the Board monitors whether the culture aligns with the One Inchcape Values & Behaviours:

**Organisational health review**

The Board’s bi-annual organisational health check enables the Board to monitor and assess aspects of the workforce giving an insight into the culture within the organisation. The review goes beyond financial metrics to evaluate factors such as leadership effectiveness, colleague engagement, culture, and alignment with strategic goals.

The review covers: progress against prior year actions, key initiatives carried out during the year, and action plans for the coming year.

Prior to the review being discussed, individual meetings are held with the Board members to get their views on potential areas of focus and priority areas for future consideration and feedback over the previous year.

**Be Heard**

The annual Be Heard survey is the main mechanism for obtaining workforce views and is a key tool for monitoring culture. The results are presented to the Board who consider the outcomes by Region and function, discussing the key drivers and how these align with the action plans from the prior year. The Board reviews areas which have declined or where there are significant Market variations discussing the causes and agreeing action plans for improvement over the next 12 months.

**Speak Up**

The Group’s whistleblowing helpline and policy demonstrate the Group’s commitment to transparency, accountability, and integrity, fostering a positive speak up culture. The Board has delegated responsibility for monitoring reports to the Group’s Speak Up helpline to the Audit Committee. Colleagues and third parties are encouraged to raise concerns via the Speak Up line and an update on issues raised and actions taken to resolve issues are discussed at each Audit Committee meeting.

**Embedding culture**

The Board takes a proactive approach to ensuring culture is embedded throughout the organisation including:

**Training and development**

The Inchcape Code of Conduct is reviewed annually with full training rolled out every two years, with new joiners required to complete within the first four weeks of joining Inchcape. The 2025 training was completed by c.13,000 colleagues including all Board members.

**Inclusion and diversity**

Inclusion and diversity (I&D) is a critical element of creating a culture where everyone feels valued. The Directors participate in several I&D initiatives including the Women into Leadership and Aspire programmes which are designed to promote female talent within the organisation. The Board will assess how these programmes are being embedded by reviewing progress against targets, and the outcomes delivered.

**Engagement**

The Board also assesses culture through engagement with the workforce. Nayantara Bali is the designated Non-Executive Director for workforce engagement (DNED). The DNED engagement sessions take place in person during the overseas Board visits and in addition a dedicated Reward forum is held annually and is a virtual event. Colleagues from a broad range of business functions and operations are invited to ask questions, raise concerns, or comment on any area of the business or the Group. The sessions allow the Board to:

- Assess whether there is alignment between the One Inchcape values, strategy, and culture.
- Evaluate whether colleague experiences reflect Be Heard survey results.
- Obtain feedback on business practices by those who deliver them.
- Demonstrate that colleagues have a ‘voice at the Board’ to foster openness and trust.

**Outcomes of embedding culture**

**Diversity**

Percentage of female colleagues:

**31%**

**Code of Conduct**

Colleagues who completed Code of Conduct training:

**97%**

**Be Heard survey highlights**

Intent to stay:

**76%**

4% YoY increase

Engagement:

**81%**

4% YoY increase

Inclusion:

**84%**

2% YoY increase

BOARD CONSIDERATION OF STAKEHOLDER VIEWS AND SECTION 172

**Board consideration of stakeholder views**

The Group’s key stakeholders are shareholders, colleagues, and OEM partners. The Board considers these groups to be most impacted by, and have an impact on, the business. The Board is kept informed of their views through a combination of reports and briefings provided by management. These include individual meetings, consultations, forums, and industry updates from external experts. The views of stakeholders are considered by the Board as a whole during its meetings.

Generally, the Non-Executive Directors do not engage directly with Inchcape’s OEM partners as these relationships are managed by the Group Chief Executive and the Group Executive Team who regularly meet with key OEM partners throughout the year. The Group Chief Executive provides a detailed overview of these discussions, and the Board discusses the matters raised.

The Directors had direct engagement with colleagues and shareholders to consider their views through the following methods.

Stakeholder	How the Board engaged in 2025
Colleagues	<ul style="list-style-type: none"> <li>• Singapore and Indonesia Board visit including Asia-Pacific leadership team meeting, Indonesian leadership team meeting, informal session with Aspire cohort, and a DNED engagement session.</li> <li>• Chile and Peru Board visit including Chile leadership team meeting, Peru leadership team meeting, Accelerate+ ambassadors lunch with c. 30 colleagues, and a DNED engagement session.</li> <li>• Virtual Reward forum with c. 10 colleagues from various functions and geographies.</li> <li>• Individual Non-Executive Director site visits to Belgium and Bulgaria.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Annual general meeting held in May 2025.</li> <li>• Shareholder consultation on Directors’ Remuneration Policy and to obtain views on the vote against the 2024 Directors’ Report on Remuneration. The top 50 shareholders were contacted and followed with 25 subsequent calls with feedback received inputting into the final policy proposals.</li> <li>• The Remuneration Committee Chair reached out to the largest institutional shareholders to discuss the Group. Subsequent calls were held with six shareholders to discuss strategy, leadership, succession, and remuneration.</li> </ul>

**Section 172 statement**

The Directors have exercised their duties under the Companies Act 2006 throughout the year, including the duty to promote the success of the Company while having due regard for the factors under Sections 172(1).

Many of the decisions the Board makes today will shape the future of the Group, therefore consideration is given to the long-term implications and the impact on stakeholders. Agreeing and implementing the strategic objectives means considering how the Group will need to evolve in order to achieve its purpose of bringing mobility to the world’s communities – for today, tomorrow, and for the better.

Due to the changing nature of the industry and the evolution of strategy over the longer term, the Board has regard to the interests of colleagues to make sure they have the training, skills, and support to enable them to deliver the Accelerate+ strategy.

Our OEM partner relationships are of paramount importance and the length of these relationships is testament to their strength. The OEMs with which we partner are some of the most foremost drivers of technological innovation in the automotive industry, from advances in hybrid and battery electric drivetrains to future mobility. All these elements are taken into consideration by the Board when considering acquisitions and new partnerships as they will be fundamental to achieve the Group’s purpose.

The sustainability framework was designed collaboratively, and is owned and delivered by our colleagues around the Group. Their input has shaped the way the Board approaches sustainability and reviews the impact our operations have on communities and the environment. The Board’s risk management procedures identify the potential consequences of decisions in the short, medium, and long-term so that mitigation plans can be put in place to prevent, reduce, or eliminate risks to the business and wider stakeholders. Please see pages **42 to 44** for further details.

It is important to the Board to maintain a reputation for high standards of business conduct and our colleague and supplier Codes of Conduct set out the behaviours we expect which, combined with our policy statements on anti-bribery and corruption and modern slavery, provide a strong governance framework in which to do business. These Codes of Conduct and policy statements are available at [www.inchcape.com](http://www.inchcape.com)

All shareholders are invited to the Company’s annual general meetings and have the opportunity to speak or ask questions on any aspect of the Group, its leadership, strategy, and performance.

## SECTION 172

Duty to promote the success of the Company	Matters considered by the Board	Outcomes
<p><b>a) Likely consequences of any decision in the long-term</b></p> <p>When making decisions, the Board considers: what value will be created for shareholders; if appropriate resources are available; impact on current and future colleagues, customers, partners, and suppliers; the impacts these decisions will have on communities and the environment in which Inchcape operates; and the impact on the Group's reputation.</p> <p>Detailed papers and reports enable the Board to debate and constructively challenge management on the key issues facing the Group. The information provided allows the Board to offer perspective, advice, and strategic guidance to the stakeholder views provided. Consultants and advisors are also invited to Board meetings to provide an external view. This includes external regional experts invited to present at the overseas Board meetings.</p>	<p>Capital allocation priorities – balance between share buybacks, dividends, and M&amp;A.</p> <p>Accelerate+ strategic progress and operational execution.</p>	<p>£250m share buyback programme commenced in March 2025. Please see page <b>17</b> for further information.</p> <p>Acquisition of Askja Group in Iceland. Please see page <b>170</b> for further information.</p> <p>Disciplined approach to portfolio management – 10 new contract wins and four contract exits. Please see page <b>10</b> for further information.</p> <p>Restructuring activity and Group-wide transformation projects ensure the Group's operations are optimised to successfully deliver Accelerate+.</p>
<p><b>b) Interests of colleagues</b></p> <p>Developing a culture that attracts and retains talent and capabilities to deliver the Accelerate+ strategy is imperative and the Board recognises that a diverse and talented global team fosters an inclusive and collaborative culture to deliver for shareholders, OEM partners, and customers.</p> <p>The Board obtains the views of colleagues through a variety of direct and indirect methods. In addition to direct Board engagement, the Board seeks to understand their interests via the Be Heard survey and the bi-annual organisation health check which is presented by the Chief People Officer and Group Director of Talent.</p>	<p>Action plans to improve colleague engagement.</p> <p>Issues raised by colleagues during 2025 DNEC engagement sessions and Reward forums.</p> <p>Senior leader succession planning for key Markets.</p>	<p>All Be Heard KPIs are high performing, with significant improvements across every measure vs 2024. Please see page <b>59</b> for further information.</p> <p>The DNEC and Chair of the Remuneration Committee reported on the issues raised by colleagues in the engagement session and Reward forum. A list of actions and focus areas was agreed with management.</p> <p>The Board reviewed and approved a detailed assessment of key talent for all strategic Markets, possible global moves, and timescale for succession. Please see page <b>66</b> for further information.</p>
<p><b>c) Fostering business relationships</b></p> <p>Our OEM partner relationships are of paramount importance to the achievement of the Accelerate+ strategy and the length of these relationships is testament to their strength.</p> <p>Group Executive Team meetings took place with the management teams from Toyota, Subaru, Suzuki, BYD, and Mercedes-Benz. Their views and interests were reported to the Board and incorporated into strategic discussions.</p> <p>The Board undertook a series of deep dive sessions to develop further understanding of the global OEM landscape.</p>	<p>Deep dive on OEMs:</p> <ul style="list-style-type: none"> <li>• OEM landscape including global auto industry, competition and profitability, consolidation, traditional OEMs, and new entrants.</li> <li>• OEM priorities including review of key metrics for both passenger cars and light commercial vehicles.</li> <li>• Electric vehicle readiness.</li> <li>• Battery electric vehicle technology.</li> <li>• Tariff implications.</li> </ul>	<p>Identification of potential OEM partners to complement current portfolio.</p> <p>Broadening of OEM partnerships, including a new OEM relationship with Kia. Please see page <b>10</b> for further information.</p> <p>Measure customer satisfaction with reputation.com. In 2025, the Company received the prestigious Reputation 800 Award. Please see page <b>23</b> for further information.</p>

## SECTION 172

Duty to promote the success of the Company	Matters considered by the Board	Outcomes
<p><b>d) Impact of operations on communities and the environment</b> The Planet pillar assesses the impact the automotive industry has on the environment and the impact of climate change upon our business by focusing on understanding the Group's climate-related risks and opportunities and greenhouse gas emissions.</p>	<p>Sustainability Report, framework, and the link to strategy and business value drivers.</p> <p>Review of climate-related risks and opportunities.</p> <p>Scope 1 and 2 emissions and reduction targets.</p> <p>Setting Scope 3 emissions reduction targets.</p>	<p>Publication of Drivers of Change Report. Please see page <b>13</b> for further information.</p> <p>Refreshed climate-related risks and opportunities assessment completed in 2025. Please see pages <b>29</b> to <b>35</b> for further information.</p> <p>Achievement of CO<sub>2</sub> emissions reduction targets. Please see pages <b>36</b> to <b>40</b> for further information.</p> <p>The Board is aware that certain investors and other regulatory bodies are driving the requirement to set Scope 3 targets, however the Board determined that it is not possible to set credible and feasible targets at this time. Please see page <b>39</b> for further information.</p> <p>Strengthened road-safety programmes globally. Please see page <b>25</b> for further information.</p>
<p><b>e) High standards of business conduct</b> Maintaining a reputation for high standards of business conduct is taken into account by the Board throughout the year. The comprehensive frameworks in place to underpin the standards of business required by the Group's stakeholders include the Code of Conduct, Supplier Code of Conduct, Modern Slavery Statement, and Tax strategy.</p>	<p>Principal and emerging risks and the Board's risk appetite to achieving Accelerate+.</p> <p>Reports made to the Group's whistleblowing helpline, Speak Up.</p> <p>Approval of updated Code of Conduct and training.</p>	<p>Newly defined principal risks agreed, including further strengthening our cybersecurity posture and maturing our resilience. Please see page <b>43</b> for further information.</p> <p>Code of Conduct training completed by 97% of colleagues across the Group. Please see page <b>59</b> for further information.</p>
<p><b>f) Act fairly between shareholders</b> The Directors consider the fair treatment of shareholders and consider their interests in decision-making that support the long-term success.</p> <p>The Board receives regular updates from the Head of Investor Relations covering investor activity, share price performance, the latest market, investor and corporate sentiment, and the impact for Inchcape. They also review broker reports.</p>	<p>Engaged proxy solicitation services to obtain reasons for shareholders' voting decisions at the 2025 annual general meeting.</p> <p>Information published by the Company to enable shareholders to make informed investment decisions was agreed by the Board.</p>	<p>Update to the Directors' Report on Remuneration vote released. Please see page <b>99</b> for further information.</p> <p>Directors' Remuneration Policy proposals amended following shareholder feedback. Please see pages <b>77</b> to <b>79</b> for further information.</p> <p>Increased investor engagement including:</p> <ul style="list-style-type: none"> <li>• 200 meetings with investors.</li> <li>• Seven investor conferences attended.</li> </ul> <p>Please see page <b>15</b> for further information.</p>

BOARD PERFORMANCE REVIEW

In line with the UK Corporate Governance Code 2024, the Board undertakes a rigorous annual review of its performance, its Committees, and all individual Directors.

Outcomes from the 2024 performance review

Greater focus on Board priorities

The Chairman and Group Company Secretary ensured there was greater focus on strategic agenda matters during meetings. Deep dive sessions on the Group’s current and potential OEM partners were held outside of Board meetings to help the Board gain an enhanced understanding of key strategic stakeholders. The sessions covered OEM landscape, priorities, technical developments, relationships with Inchcape, and the portfolio.

Earlier visibility on talent pipeline

The annual organisational health check now includes a review of succession planning by strategic Market for regional senior leaders and their direct report. The Board also discussed opportunities available within the Group to facilitate colleague development and to continue to build on the capabilities required to deliver of Accelerate+.

Broaden colleague engagement

During overseas Board visits, the Board met with a wider range of colleagues at various events. In Peru, a lunch was held with 30 colleagues acting as Accelerate+ ambassadors where the Board was able to engage on a wide range of issues. Individual meetings with other regional colleagues also took place in addition to the regular colleague engagement sessions, and the NED participation in the Women into Leadership and Aspire programmes.

2025 performance review process and feedback

The Company appointed Gould Consulting to assist with the 2025 internal Board performance review. This process is summarised across the page. Overall, the Directors believe that the Board and all Committees are performing strongly.

The Chairman has created an inclusive culture, Board decisions are clearly defined, and there are effective touchpoints inside and outside meetings. The quality of debate and challenge is strong and improving, though Board packs remain dense.

Strategy and culture measures have improved since the last external Board performance review in 2023, aided by effective strategy days and alignment on purpose and values.

The review indicated all Committees are performing well.

Actions from the 2025 performance review

Board composition

Progress succession planning for Non-Executive Directors to reflect the Group’s global footprint and strengthen continuity. Ensuring the right international skills and perspectives are in place will build stakeholder and regulatory confidence.

Board papers

Improvements to signposting key topics and move more detailed data to appendices. Enhancing discussion on material issues will improve clarity, time efficiency, and support sharper debate and challenge by Directors.

Sustainability Committee

Have a deeper understanding of the Company’s supply chain so to allow further review of the Group’s Scope 3 emission targets. More clarification will improve managing the associated risks and ensuring disclosure obligations are met.

2025 review process

Preparation

Questionnaires for the Board and its Committees were developed by Gould Consulting following discussions with the Chairman and the Group Company Secretary. The questions covered the thematic areas of the Code and matters relating to last year’s Board performance review.



Completion of questionnaires

Questionnaires were distributed to each of the individual Board members for completion. The questionnaires sought feedback on the areas covered in relation to the Board and all of its Committees.



Collation of responses

Individual responses to the questionnaires were collated by Gould Consulting, who prepared anonymised summaries. These were then discussed with the Chairman before the main areas of feedback were reported to the Board, with suggested actions for 2026.



Board discussion

The findings of the performance review and proposed actions were discussed by the Board. The Board agreed a number of actions in response to the review that would be implemented and monitored over 2026.

NOMINATION COMMITTEE REPORT



“The role of the Committee is to ensure the organisation has the right people in place to meet the Accelerate+ strategic goals.”

Meeting attendance

	Scheduled	Attended
Jerry Buhlmann (Chair)	2	2
Nayantara Bali	2	2
Juan Pablo del Río	2	2
Byron Grote	2	2
Alex Jensen	2	2
Sarah Kuijlaars*	1	1
Allson Platt	2	2
Stuart Rowley	2	2

\*Sarah Kuijlaars resigned from the Board in April 2025.

The Committee’s terms of reference can be found at [www.inchcape.com](http://www.inchcape.com)

Dear Shareholder,

During the year the Committee has focused on maintaining an effective and balanced Board, overseeing orderly succession across the Board and its Committees. This was underpinned by a refreshed evaluation of the Board’s collective skills and experience, the outputs of which support the process for appointing Board members.

As noted in last year’s Annual Report, I will have served nine years on the Board in March 2026. This was taken into consideration when I was appointed Chairman in 2024 with the primary consideration ensuring continuity of leadership as the Group continued its execution of the Accelerate+ strategy. Following a robust review of my independence and performance, led by Alison Platt, Senior Independent Director, the Committee have supported my continued tenure beyond nine years. The position will be reviewed in 2026 and an update provided to shareholders accordingly.

Appointments to the Board and succession planning

Our process for new non-executive appointments remains rigorous and merit-based, with a clear emphasis on enhancing Board diversity and capability. The search and assessment steps during the year included targeted longlisting against the refreshed skills criteria, structured interviews with the Chair, the Senior Independent Director, the Group Chief Executive, and the Chief People Officer, consideration of potential time commitments and outside appointments, independence assessment under the UK Corporate Governance Code, and the taking of positive external references.

This process was followed during the recruitment of Tracy Clarke who joined the Board on 31 December 2025. The Committee recommended her appointment for Board approval on the basis of experience, cultural fit, independence, and the ability to contribute to long-term sustainable success. Tracy Clarke has had a 35-year executive career with Standard Chartered Bank in which time she held several senior positions across a variety of functions. During her tenure she led operations in Europe and the Americas, as well as private banking internationally. She is also a seasoned non-executive director with experience gained from a diverse range of organisations. She has extensive knowledge of remuneration, M&A, and emerging markets. I am delighted that Tracy has joined the Inchcape Board. Tracy’s extensive executive and non-executive experience will strengthen the skill set of the existing Board, and her energy and dynamism make her a strong cultural fit.

The Nomination Committee also oversaw Committee leadership succession, approving the appointment of Stuart Rowley to Audit Committee Chair following an in-year resignation by Sarah Kuijlaars due to the time commitments expected in her executive role. The recommendation to appoint Stuart Rowley was taken after one-to-one engagement with Board members and ensures continuity of oversight and alignment with the skills matrix. With these changes and additions we move into 2026 with a strong, talented, and committed Board of Directors with a wide range of experience and diverse skills.

NOMINATION COMMITTEE REPORT

Case study

# INDUCTION OF NON-EXECUTIVE DIRECTORS

Non-Executive Director inductions are tailored for each appointee, providing strategy, governance, culture, risk, and Group operations context to enable informed decisions and Board contributions.

At appointment, each Director is provided with access to all Board and Committee papers and minutes, key policies, subject deep dive materials, investor presentations, and access to the Directors resource library which contains the articles of association, broker notes, governance updates, and other relevant information.

In addition to meetings with other Directors, the Group Executive Team and other key executives, Directors also meet with external advisors. The auditors, remuneration consultants, brokers, and other key advisors provide independent and objective viewpoints and insights, which help the Directors fulfil their oversight duties effectively.

Market visits are organised as soon as possible however Directors are also encouraged to visit sites outside of the formal induction schedule.

Tracy Clarke began her induction process in November, meeting key individuals to learn about the business prior to joining the Board on its overseas visit to Australia in January 2026.

## Key team members

In addition to individual meetings held with the Chairman and other Non-Executive Directors, meetings are held with Group Executive Team and other key individuals covering the following:

<b>Chairman</b>	Inchcape’s purpose, strategy and values, overview of role and responsibilities, Board culture and composition, recent and relevant governance issues, and major shareholder views.
<b>Group Chief Executive</b>	Accelerate+ strategic aims and execution, Inchcape business model, key OEM partners, business operations, culture, external perspective, industry trends, and investor perspective.
<b>Group Chief Financial Officer</b>	Recent financial performance, finance strategy, current challenges, risk management and internal control framework financial, treasury and tax issues, and investor relations.
<b>Chief Strategy &amp; Sustainability Officer</b>	<b>Accelerate+ strategic ambition and framework:</b> Scale – passenger cars and new vehicle categories. Optimise – Distribution Excellence and Value Added Services. Enablers – Culture & Capabilities, Digital, Data and Analytics, OEM relationships, and M&A. <b>Sustainability strategy and framework:</b> Delivering insights and enabling new technologies, providing the most sustainable route to market.
<b>Chief People Officer</b>	Accelerate+ Enablers culture and capabilities – People agenda including Be Heard survey results, colleague engagement, senior leadership succession planning, remuneration, training and development, diversity initiatives, and the Code of Conduct.
<b>Chief Commercial Officer</b>	Accelerate+ Optimise covering Distribution Excellence and Value Added Services. Accelerate+ Enablers covering digital, cyber, digital delivery centres, and artificial intelligence.
<b>Regional CEOs : Americas, Europe &amp; Africa, and APAC</b>	Regional leadership teams, Markets, OEM partners, colleagues, financial contribution to Group, portfolio strategy, and value drivers.
<b>Group Company Secretary</b>	Board procedures, effectiveness reviews, training and development, Board calendar, expected time commitments, the AGM, matters reserved for the Board, policies, and obligations under the UK Market Abuse Regulation.
<b>Group General Counsel</b>	Overview of global legal and compliance framework, litigation reporting and issues raised with the Board, legal approach to M&A, relationship with external lawyers and other legal advisors, and detail of the Financial Conduct Authority review of historic motor finance commission arrangements.
<b>Head of M&amp;A</b>	Accelerate+ Scale: M&A strategy including recent Askja acquisition in Iceland, M&A pipeline development, valuation metrics, and integration.

## NOMINATION COMMITTEE REPORT

### Composition of the Board

The Committee undertook a comprehensive review of the Board's skills, experience, and diversity matrix to ensure it remains aligned to the Group's strategic priorities. An enhanced disclosure on the current composition is given on page 52. The matrix was updated to provide further granularity of the level of experience with 'expert' and 'limited' grading being added to reflect the range of knowledge, skills, and experience. Certain definitions were also refined to provide clear parameters as the level of knowledge required. These updates inform both medium-term succession planning and near-term appointment activity, enabling the Nomination Committee to address capability needs while supporting diversity of background, skills, and personal attributes.

### Independence

During the year the Nomination Committee kept under review Director independence and tenure, recommending reappointment where appropriate, and confirming the continuing independence of all Non-Executive Directors other than Juan Pablo del Río who, due to his family shareholding in Inchcape and ties to the Derco business, is not considered independent. The Nomination Committee, led by the Senior Independent Director, also assessed my continued independence given my tenure will exceed nine years in March 2026.

### Diversity and inclusion

The Committee's commitment to diversity and inclusion is integral to its mandate and underpins the Board's oversight of organisational culture and talent management. The Board and its Committees are subject to the Group's Global Inclusion & Diversity Policy, which is reviewed annually and is available on the Company's website at [www.inchcape.com](http://www.inchcape.com). The policy is implemented during the nomination process where all aspects of diversity are valued along with the range of skills, experience, and knowledge needed to enable the Board to make the right decisions to achieve the objectives of the Accelerate+ strategy and to create long-term sustainable success. The policy emphasises appointments on merit, assessed against objective criteria, while actively seeking candidates who broaden the Board's diversity across gender, ethnicity, nationality, skills, and professional experience.

The Committee reviewed progress against external benchmarks, including agreeing to make the Group's annual submission to the Parker Review and noting updated guidance to disclose UK-based senior management data so that responses support the Review's primary aim of encouraging ethnic diversity in a UK context. Our goal is to maintain or improve the representation of ethnic minorities in senior management, as well as to improve the proportional representation of ethnic minorities to better reflect the global communities in which we operate.

As at 31 December 2025, the Company meets the diversity targets under UK Listing Rule 6.6.6 where 40% of the Board were women, the Senior Independent Director role is held by a woman, and one member of the Board is from a minority ethnic background.

The representation of women in senior leadership positions decreased in 2025, reflecting the divestment of UK Retail and the relatively small cohort of roles classified as women in leadership. During 2025, there were three notable internal promotions of senior women with the Group. Globally, women represent 31% of the workforce, meeting our target of at least 30%.

We are committed to having at least 23% of senior leadership positions held by colleagues of an ethnic minority by 2027 and for 36% of senior positions to be held by women by 2030.

Diversity data is collected through our global HR system which enables self-identification through a multiple-choice dropdown with the same definitions as used under UK Listing Rule 6 Annex 1. Colleagues are also invited to submit their disability information, sexual orientation, and religion through the system. We roll out communications and campaigns annually to encourage full disclosure in Markets where we can ask and collect data.

The Committee remains focused on sustaining a diverse pipeline for both Board and senior leadership roles and will continue to ensure that search mandates, candidate sourcing, and performance review processes support the broadest possible range of candidates.

### Numerical diversity data

Gender identity	Number of colleagues	Percentage of colleagues	Number of Board members	Percentage of the Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
Men	11,236	69%	6	60%	3	46	74%
Women	4,965	31%	4	40%	1	16	26%
Other categories	3	0%	0	0%	0	0	0%
Not specified/ prefer not to say	5	0%	0	0%	0	0	0%

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	90%	4	42	68%
Mixed/Multiple ethnic groups	0	0%	0	3	5%
Asian/Asian British	1	10%	0	8	13%
Black/African/Caribbean/Black British	0	0%	0	1	2%
Other ethnic group	0	0%	0	4	6%
Not specified/prefer not to say	0	0%	0	4	6%

\* Senior positions include the Group Chief Executive, Group Chief Financial Officer, Senior Independent Director, and the Chairman.

### Jerry Buhlmann

Chair of the Nomination Committee

AUDIT COMMITTEE REPORT



“The role of the Committee is to ensure the processes and systems in place are robust and effective to enable delivery of Accelerate+ strategy.”

Meeting attendance

	Scheduled	Attended	Ad hoc	Attended
Stuart Rowley (Chair)	5	5	2	2
Byron Grote	5	5	2	2
Sarah Kujilaars*	2	2	—	—
Alison Platt	5	5	2	2

\*Sarah Kujilaars resigned from the Board in April 2025.

The Committee’s terms of reference can be found at [www.inchcape.com](http://www.inchcape.com)

Dear Shareholder,

I am delighted to present my first report to shareholders following my appointment as Chair of the Audit Committee in April 2025.

Before embarking on my non-executive career, I spent over thirty years with Ford Motor Company, until my retirement in 2022. I began my career at Ford holding finance roles in the UK, the US, the Philippines, and Australia before being appointed in 2005 as Senior Vice President, Chief Financial Officer, Volvo Car Corporation in Sweden. In 2010, I was appointed Chief Financial Officer and Vice President Strategic Planning, Ford Europe and finally as Vice President and Controller of Ford Motor Company for four years from 2012, after which I assumed senior strategy and general management roles in Europe and the United States.

It is this OEM experience and insight which allows me to provide specialist challenge to the Committee’s deliberations.

Activities of the Committee

The regular cadence of the Committee meetings covers financial reporting, risk management and internal control, and internal audit. Regular updates are received from the management team which allow the Committee to monitor, review, and assess effectiveness on an ongoing basis.

The Committee also reviews certain strategic and operational activities in greater detail to ensure that the system of controls in place is appropriate and operate effectively. In 2025, the Committee spent time considering IT general controls (ITGCs), the cyber environment, material controls and Provision 29 readiness, and received updates from the Americas and Asia-Pacific (APAC) Chief Financial Officers.

IT general controls

As the Group continues to grow its digital capabilities, two pillars of the Accelerate+ strategy, Optimise: Distribution Excellence and Value Added Services, and the Enabler Digital, Data and Analytics, are under the leadership of the Chief Commercial Officer, Romeo Lacerda. These are key elements of Accelerate+ and critical to the successful delivery of strategy.

Given the focus on the Digital, Data and Analytics remit, the commercial function has renewed focus on ITGCs. Following his appointment to the role, Romeo Lacerda presented in July his detailed plan to strengthen controls and compliance whilst delivering a digital transformation plan and optimise strategy throughout 2025 to 2027.

It is the role of the Committee to oversee the design, implementation, and effectiveness of the ITGC systems. The Committee spent time reviewing the plan to ensure the actions supported the implementation of the control framework. The Committee also challenged management on key actions to address critical issues, taking input from the external auditor, to ensure that management are taking appropriate action on the recommendations. The Committee also reported its activities to the Board, adding context to the Board’s discussions on the progress of Accelerate+ during the year.

Regular updates have been added to the Committee’s agenda for 2026 to allow the Committee to monitor progress against plans to ensure the controls are embedded and operating effectively.

## AUDIT COMMITTEE REPORT

### Cyber security

Cyber security remains a key risk for businesses and is a regular discussion topic for the Committee. The results of the annual NIST audit, which was carried out by EY, was presented to the Committee for review and the Group achieved its target maturity score against the NIST 2.0 framework. The Committee also provided oversight of the 2025 security roadmap and assessed the effectiveness of the Group's cyber risk management activities. This included a technical assessment of Inchcape's ability to mitigate threats likely to target our organisation to help us better understand areas for improvement. The exercise provided useful insights and data which will be used to identify and prioritise remediation efforts and the Committee will continue to monitor progress throughout 2026.

### Provision 29

As noted last year, the Committee has monitored the activities to achieve compliance with Provision 29 of the UK Corporate Governance Code 2024 which is effective from 1 January 2026. The Internal Controls team presented an update of progress against the plan at each meeting with key milestones being agreed by the Committee throughout the year.

An ad hoc Committee meeting was held in November to focus and agree on the definition of 'material controls' and readiness of the organisation for 2026 implementation. To assist the Committee in assessing the proposed material controls framework, cyber controls were selected as a pilot project during the year. This enabled the Committee to carry out a 'deep dive' into the proposed processes and to consider the resulting outcomes. The project also included benchmarking, provided an overview of effectiveness and monitoring measures to be provided to the Board, and the drafts of proposed declarations and supporting narratives.

Please see page 69 for our case study which sets out the work undertaken during the year by the Committee and the plan for 2026.

### Regional updates: APAC and the Americas

Regional Chief Financial Officer updates allow the Committee to obtain a deeper insight into Markets and Regions and annual reviews are provided to the Committee.

Both APAC and the Americas have seen significant M&A in recent years and the Committee spent time assessing integration progress, the control environment, and culture. The Committee is also able to review risks at a more granular level to understand how the local teams are implementing action plans and approaching emerging risks as they arise. The Committee also considers Internal Audit findings and how the local teams are addressing any issues identified.

### Inchcape Global Business Services

Inchcape Global Business Services (IGBS) requirements were reviewed following the exit from UK Retail in 2024 resulting in the leveraging of the Group's digital data centre infrastructure to build an in-house finance centre to deliver core financial services. The creation of IGBS provided a captive solution for finance support services in the Americas and during the year the Committee reviewed the proposal to align global processes under a global process owner (GPO) management structure. The Derco business, which was acquired in 2023, was incorporated into IGBS during the year, and the Committee monitored the implementation project throughout the year.

The Committee also received a report from the external audit partner who visited the iGBS offices as part of their interim procedures. Key observations on culture and processes were provided to the Committee along with an overview of the audit efficiencies which will be obtained from a centralised audit delivery model.

### Financial Reporting Council (FRC) review of annual report and accounts for the year ended 31 December 2024

In May 2025, we received a letter from the FRC requesting further information on two issues in the 2024 Annual Report and Accounts, these being; the disclosure in relation to the Financial Conduct Authority's (FCA) review into historic motor finance commission arrangements, and distributable profits and distributions.

The Audit Committee reviewed the request and provided the FRC with clarification on the Company's disclosure in relation to the FCA's review of motor finance commission arrangements. In respect of the availability of distributable reserves, the Company confirmed that whilst it did have sufficient reserves, interim accounts were not filed during the course of 2024 to support the position. This impacted the share buybacks carried out at the end of 2024 and beginning of 2025. A general meeting was held in August to obtain shareholder approval to rectify the purchase of shares during that period and to approve deeds of release between the Company and its Directors. A vote of 99.99% in favour was received. The FRC confirmed that they were satisfied with the Company's response which has enabled them to close their enquiries.

The FRC's review provides no assurance that our Annual Report and financial statements for the year ended 31 December 2024 are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

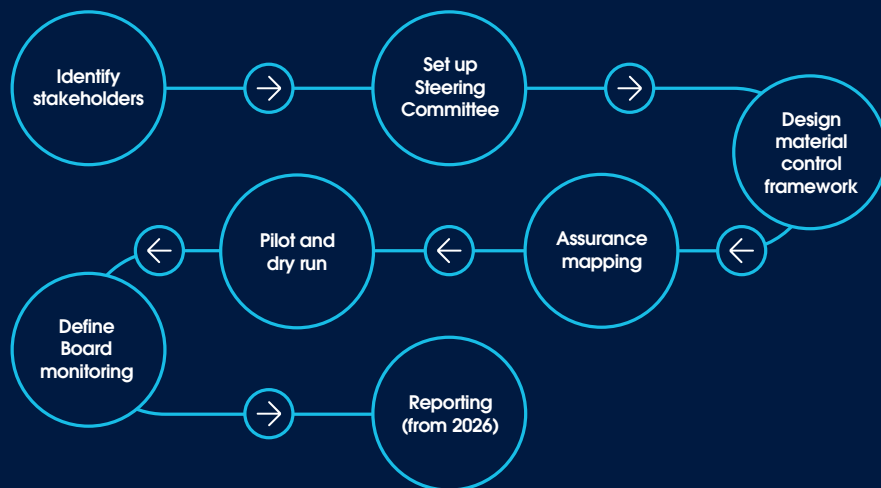
The FRC also raised further observations on the Annual Report, and a detailed response on how the matters will be addressed in this 2025 Annual Report was agreed by the Audit Committee. The management team also undertook a review of the most common governance and financial reporting failures as identified by the FRC to assess whether the current practices are appropriate or whether there needs to be an improvement in process and/or controls. The existing processes on the payment of dividends and proposing share buybacks were further strengthened to ensure a formal review of distributable reserves is carried out prior to any approval.

### Stuart Rowley

Chair of the Audit Committee

AUDIT COMMITTEE REPORT

**Powered by strong governance**  
**Overview of preparation for Provision 29 implementation**



A two-year readiness journey was undertaken to ensure the Group is fully aligned to comply with Provision 29 of the UK Corporate Governance Code 2024. The Committee assessed the approach taken by management which focused on the controls which are most important in mitigating key risks that threaten the long-term sustainability of the business and where these fail, may influence decisions made by the users of the information.

The Committee:

- considered and approved the definition of material controls and are satisfied that these have been correctly identified and are material to the business;
- approved the embedding of the material controls within the existing InControl Standards (ICS) framework which is well understood by colleagues across the Group;
- provided oversight of the assurance mapping and for the pilot held in the year, monitoring outcomes and effectiveness; and
- approved the ICS training programme developed to further embed the material controls ensuring colleagues have a clear understanding of the part they play in leading a controls and compliance culture.

**Plans for 2026**

The Committee will monitor the self-certifications provided as part of the ICS framework assessing the effectiveness of the controls, reviewing supporting evidence tested through a control's certification programme delivered by a mix of second and third lines of defence.

**Significant issues considered in relation to the financial statements**

The main areas of judgement considered by the Committee are given below. Detailed reports are provided by management and Deloitte on these matters. The Committee discussed the range of approaches with management and Deloitte and are satisfied that the judgements made by management are both robust and supportable and the treatments adopted in the financial statements are appropriate.

The Finance team provide the required information which allows the Committee to assess the quality and acceptability of accounting policies and practices, the clarity of the disclosures and compliance with financial reporting standards, and relevant financial and governance reporting requirements including the UK Corporate Governance Code 2024.

**Presentation of the financial statements, going concern, and viability**

The Committee considered the presentation of the half-year and annual financial statements reviewing material areas in which significant judgements have been applied or discussed with the external auditor. In particular the application of the Group's accounting policies, the recoverability of certain tax-related assets, the presentation of adjusting items, and the disclosures made in relation to contingencies. The Committee conducted its work using detailed reports provided by management outlining the terms of the policies and the judgements made in key areas.

The Committee challenged management on the assumptions used and the judgements that have been applied with further input from the external auditor on their view of the matters.

**Impairment**

Impairment reviews are conducted annually in respect of goodwill and indefinite life assets, and if there is an indicator of impairment, reviews are implemented more frequently. In addition, other intangible assets, property, plant and equipment, and right-of-use assets are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. This is a judgmental process which requires estimating future cash flows based on future business prospects, determining long-term growth rates, and discount rates.

The Committee received reports detailing the treatment of the cash generating units (CGUs) or groups of CGUs used for impairment and the allocation of assets and cash flows thereto, the cash flow projections used to calculate the value in use, considering whether these reflect a reasonable expectation of future performance, how management had determined the discount rates and long-term growth rates, the impact of climate change, including electrification, on impairment and the impact of electric vehicles on aftersales. The Committee also considered the disclosures made in the financial statements.

The Committee considered the challenges from the external auditor which included whether sufficient risk adjustment was made to cash flow forecasts, the expectation of returns to market norms, and planned efficiencies from restructuring activities. The Committee also assessed the reliability of data provided by external advisors and independent specialists used in key assumptions.

It is the Committee's view that management's approach to impairment is robust, based on reliable supporting data from external sources where relevant, and with appropriate challenge from the external auditor. After considering all available information and reviewing the findings, the Committee concluded that management's reviews of non-financial assets were appropriate.

See notes 10 to 12 on pages 142 to 149

## AUDIT COMMITTEE REPORT

### Going concern and viability statement

The Committee reviewed the assessment of viability over a period of three years considering whether three years is the appropriate measurement period for viability and whether there has been any material change to the outcomes modelled at the beginning of the year. In October 2025, the Board approved its three-year strategic plan which incorporated a three-year financial plan. See pages 49 and 120 for more details. The Committee assessed the use of this plan as a baseline to support going concern and viability assessments. The Committee supports management's view that the three-year period for the forward-looking viability statement strikes the right balance between the different time horizons used to manage the business and for which detailed forecasts are available.

The Committee also reviewed the risks determined to be of high likelihood and/or have a major impact on the Group and how these had been incorporated into the viability assessment.

### Fair, balanced, and understandable

The Audit Committee carried out its own assessment of the financial statements, and the Annual Report and Accounts (ARA) as a whole, and is satisfied that it provides the necessary information for shareholders. In carrying out this review the Committee considered:

- is the information disclosed open and honest?
- are any weaknesses or challenges disclosed as well as successes and opportunities?
- are issues that are considered significant risk by both the external auditor and the Committee aligned?
- are key performance indicators linked to strategy clearly explained and do they give a true indication of the health of the business?
- is the business model and strategy explained in a clear and concise manner?
- is the tone of the ARA consistent, the format easy to read, and any signposting to additional information clear?

A working group consisting of Group Finance, Company Secretariat, Investor Relations, Communications, Reward, and Sustainability colleagues prepare the ARA with input from the Executive Directors on key elements. Drafts are reviewed by the Chairman, Committee Chairs, Executive Directors, and Group Company Secretary with any feedback being incorporated. The external auditor, and their specialist teams, review the ARA as a whole at key points providing feedback and recommendations and any reviewer comments and questions addressed by the ARA team. The ARA is also reviewed as a whole to ensure consistent messaging, clear presentation, and to ensure the narrative is reflective of the information provided in the financial statements. The Disclosure Committee considers the fair, balanced, and understandable assessment prior to the approval of the ARA and the release of the results.

The processes and procedures in place to satisfy the Board of the integrity of the financial and narrative statements include a robust disclosure verification process, regular financial performance updates, and meetings with the internal and external audit functions without the presence of management.

Following its review, the Committee confirmed to the Board that the 2025 Annual Report is fair, balanced, and provides sufficient clarity for shareholders to understand our business model, strategy, financial position, and performance.

### Internal control and risk management

The Board has delegated responsibility for reviewing the effectiveness of the Group's risk management and internal control framework to the Audit Committee. This includes financial and non-financial reporting, operational and compliance controls, and risk management systems.

#### Risk management

The Committee monitors how risk is managed and the mitigations in place throughout the year under the enterprise risk management (ERM) framework. Updates are provided at each meeting by the Group Head of Internal Audit.

During the year, the Committee monitored the ERM priorities for 2025, business resilience management, the Group's quarterly cycle of risk review and action planning including the assessment of climate change risks and opportunities, and half yearly effectiveness review. Further details on how the Group manages its risks, which include consideration of both current and emerging risks and issues, are given in the Risk Management Report on pages 42 to 49. The Board determines the Group's risk appetite on an annual basis.

The Group's risk management systems are designed to support the business in actively managing risk to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. It is designed to manage, rather than eliminate, the significant risks the Group may face. These systems are also designed to be sufficiently agile to respond to changes in circumstances such as the consequences of new acquisitions, changes triggered by new legislation, and significant external events.

#### Internal control

In addition to the ERM framework, the key features of the Group's internal control environment that underpin the accuracy and reliability of financial reporting include: clearly defined lines of accountability and delegation of authority; the Group's Code of Conduct; policies and procedures that cover financial planning and reporting; preparing consolidated financial accounts; capital expenditure; project governance; and information security. This framework works as an integral element of the Group's control environment.

InControl Standards (ICS), is the framework used to establish, assess, and enhance strong and consistent risk and control governance. The framework is regularly reviewed and updated in line with emerging Group risks, in response to emerging Internal Audit issues, and following any investigation activity. The ICS has been designed to mitigate the most significant risks across the Group providing robust governance and sound controls.

The Group and regional Internal Controls teams support the business by providing the framework, tools, and training, and ongoing support to embed the ICS across the business. The Internal Control function is separate from the Internal Audit function and works with management teams to design controls that are proportionate to the level of risk, supported by systems, and are easy to follow. The Internal Control teams carry out testing on a quarterly basis, with progress reported to management and the Audit Committee throughout the year. This includes implementation of management actions to remediate issues identified.

At each Audit Committee meeting, the Head of Controls & Compliance updates the Committee on internal control and assurance activities, the self-assessment scores for each Region, control gaps identified and remedial action plans, and controls automation plans. To provide further granularity on the control environment, the Regional Chief Financial Officer's provide specific updates on their Markets annually.

## AUDIT COMMITTEE REPORT

### Monitoring the effectiveness of risk management and internal control systems

The Committee monitors the effectiveness of the internal control and risk management systems through various sources of assurance including reports from the Group Head of Internal Audit on the ICS framework, the ERM framework, and the status of internal audits.

When reviewing the effectiveness of the ERM framework, the Committee considered the design of the ERM process, whether it had been applied to all material areas of the business, whether the process had identified the most material risks to the Group, and any new or additional mitigation actions to address the principal risks. The Audit Committee also receives reports on principal risk descriptions and risk footprint, as well as receiving regular updates on the status of the Group's principal and emerging risks.

When assessing the effectiveness of the internal control framework, the Committee considers the independent assessment of the effectiveness of risk management and internal control systems provided by the Group Head of Internal Audit. The Audit Committee also receives regular reports on the status of the controls assurance plan which covers controls in each Market and function, and monitors compliance with and effective operation of the ICS framework. The Committee also considered the actions taken to enhance controls design and effectiveness, testing results and trends analysis derived from the Group's integrated risk management system. In addition, the Committee also considers the control findings raised by Deloitte and other observations made on the control environment during the audit.

Any significant control failings or weaknesses are reported to the Board, along with a detailed review of the findings and mitigation plans being put in place. The Board monitors progress against plans until it is satisfied that such matters are resolved appropriately. The Board has determined that there were no significant failings or weaknesses identified during the review of risk management and internal control processes during the year and further confirms that these systems were in place during 2025 and to the date of this Report.

### Internal Audit

A primary source of assurance for the Committee is through the delivery of the risk-based Internal Audit plan (IA Plan) which is structured to align with the Group's strategic priorities. The IA Plan is updated on an annual basis to ensure that it is aligned to the changing risk profile of the Group, the external environment, and the needs of both management and the Audit Committee. The Group Head of Internal Audit presents the IA Plan to the Committee for review and approval on an annual basis. The Committee assesses the IA Plan to ensure that it is fully aligned with the Group's Accelerate+ strategy and principal risks. The Committee also reviews and approves the Internal Audit Charter on an annual basis.

The Audit Committee assesses the effectiveness of Internal Audit by reviewing the IA Plan at the start of the financial year, monitoring its ongoing quality throughout the year, and assessing completion rates and feedback provided following completion of the audits. Having conducted this assessment for 2025, the Audit Committee is of the view that the quality, experience, and expertise of Internal Audit is appropriate for the business.

The outcomes of Internal Audit assignments are reviewed by the Committee throughout the year. The audit reports provide an overall rating, reasons for the rating, and any actions to be taken within a specific timeframe. Any significant reports issued during the period are monitored by the Committee until all actions have been closed satisfactorily.

The 2026 IA Plan was approved by the Committee in November 2025. When approving the IA Plan, the Committee assessed the alignment to the Accelerate+ strategy and principal risk profile, proposed audits, and audit coverage.

### Effectiveness of the Internal Audit function

An Internal Audit External Quality Assessment was carried out during the year by Grant Thornton UK Advisory and Tax LLP, who reported their findings to the Audit Committee.

The assessment concluded the Group Internal Audit (GIA) function has established a strong profile and is valued for providing independent assurance to the Audit Committee and Group Executive Team. The GIA team are respected in the business with strong stakeholder relationships supported by a clear tone from the top. The GIA has a clear mandate, a detailed methodology, and is delivered by an experienced team.

The assessment also found a strong level of compliance with the Global Internal Audit Standards with priority actions related to the new and expanded requirements which became effective in January 2025. A set of key actions were identified to align the continued evolution and maturing of GIA to drive further efficiencies and the Committee will monitor progress over the next 12 months.

### Functional assurance

A broad range of assurance activities have been designed and established across the business to target key risk areas, such as finance, legal and regulatory, digital, cyber, and health, safety, & environment (HSE). While reporting lines for these activities are directly to the respective business areas, the processes and controls of these functions are periodically tested by Internal Audit and discussed with the Audit Committee. The Chief Information Security Officer and Group Tax Director provide regular reports to the Audit Committee on their areas of expertise.

### Operational oversight

Senior management forums and committees provide oversight and challenge on key risk areas within individual businesses, cross-business programmes, or activities, such as transformation programmes, acquisitions, sustainability, digital, People, HSE, cyber, and other areas of change. The output from these discussions forms part of the updates provided to the Audit Committee or assured through the Internal Audit and ICS programme.

### Whistleblowing

Colleagues and third-party business partners are encouraged to raise concerns about potential breaches of the Code of Conduct or other policies, either to their line managers, Legal, People, Internal Audit and Risk colleagues, or to Speak Up, a confidential whistleblowing mechanism. Speak Up is a global service administered by an independent provider, accessible online by QR code or by telephone. Independent Inchcape teams investigate allegations, with progress being monitored by Internal Audit. When allegations are substantiated, appropriate disciplinary and corrective actions are taken.

The Head of Internal Audit provides an update on fraud and whistleblowing cases at each meeting which includes new reports made throughout the year and open cases still under investigation. The cases which are reported to the Audit Committee are those of sufficient significance to warrant attention; however, a list of all reports is also provided to the Audit Committee for its review along with a breakdown by Market, report type, and source. The Audit Committee Chair reports to the Board on any significant whistleblowing cases, and remediation plans, as they arise.

The Audit Committee and the Board consider the whistleblowing cases resolved during the year, including any actions taken, and are satisfied there were no significant concerns.

## AUDIT COMMITTEE REPORT

### External audit

In accordance with Provision 25 of the UK Corporate Governance Code 2024, the Committee has complied with the FRC's Audit Committees and the External Audit: Minimum Standard issued in May 2023. The activities undertaken to meet the requirements of the Standard are outlined throughout this Audit Committee Report.

### Audit tender

Following an audit tender process during 2017, Deloitte LLP was appointed as the Group's auditor with shareholder support for the appointment given at the 2018 Annual General Meeting. David Griffin is the lead Audit Partner and has been in position since July 2023.

The Company complies with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Responsibilities) Order 2014, which relates to the frequency and governance of external audit tenders and the setting of a policy on the provision of non-audit services. The Committee reviews and makes a recommendation to the Board with regard to the reappointment of the current external auditor. In making this recommendation, the Committee monitored and assessed their effectiveness, objectivity, independence, lead partner rotation, and any other factors that may impact the Committee's judgement regarding the external auditor.

The Committee has concluded that it remains satisfied with the effectiveness and quality of the audit work. The Committee also remains satisfied with the capabilities of Deloitte, its knowledge of the business, and its relationship with Inchcape. The Committee believes that it is in the best interests of shareholders to continue to recommend Deloitte as the external auditor.

The Committee commenced the tender process for the external audit in late 2025. An overview of the tender process, the number of firms invited to participate, and the rationale for the Committee's final decision will be provided in next year's Annual Report and Accounts.

### Auditor effectiveness, independence, and objectivity

A high-quality audit provides stakeholders with assurance that the financial statements give a true and fair view of the business. Assessing whether the external audit process provides this is a key activity of the Audit Committee during the year.

The Committee carries out its assessment on an ongoing basis by considering its interactions with the auditor, its observations of the auditor, and the relationship between the Audit Committee, the auditor, and management. The Committee also considers interactions with the Head of Internal Audit and external regulators, such as the FRC.

The auditor's report to the Committee sets out the audit plan, materiality, scoping, the risk assessment process, significant risks, other areas of focus, the purpose of the report, and responsibility statement. The Committee reviews at each stage of the audit to ensure whether it is satisfied that the audit plan is appropriate, if the auditor is meeting its obligations, and to agree any changes to the audit if they arise.

The Committee encourages a culture of open communication and debate, and the Committee believes that it is able to ask questions on key issues and to challenge it when it feels more information is needed. The Committee also looks at how management responds to requests from the auditor and carefully reviews the auditor's findings and recommendations at each meeting.

When the auditor supports management's approach, the Committee considers the evidence supplied by the auditor to support its decision to ensure that the auditor is not compromised and remains objective. Where the auditor has challenged management, the Committee considers the feedback from management, whether the issues are addressed satisfactorily, and whether agreed positions are appropriate.

The auditor also meets with the Committee without the presence of management on a regular basis, usually following each meeting. This gives the auditor an opportunity to confirm its view that management are addressing any issues raised appropriately or to raise any concerns they may have.

External evidence of the quality of the audit is also vital in assisting the Audit Committee in its review of the effectiveness of the audit, with the audit quality inspection reports being a key source of external evidence of audit quality.

### Annual effectiveness review of the external auditor

#### Mindset and culture

The ethical and professional principles adhered to by the auditor; whether the auditor has any personal or commercial interests in the Group; and how they have demonstrated high standards of independence, integrity, objectivity, and challenge throughout the year.

#### Skills, character and knowledge

The auditing skills of the audit team; level of knowledge of the automotive distribution and retail industry possessed by the audit team; the auditor's understanding of its obligations to users of the financial statements; and an ability to challenge where appropriate whilst maintaining strong relationships.

#### Quality control

The processes the auditor has in place to identify and address risks to the audit and assessing the steps taken to complete the annual audit plan.

#### Feedback from business

The Committee receives feedback from management on the quality of the auditor's delivery, communication, and interaction with the various finance teams across the Group, which is communicated back to the external auditor.

## AUDIT COMMITTEE REPORT

### Non-audit services

Implementing a Non-Audit Services Policy (Policy) is also key to ensuring the independence of the external auditor. The Policy sets out the permitted and non-permitted non-audit services as well as the approval levels required by the Audit Committee and is designed to ensure that the external auditor's objectivity is not compromised by earning a disproportionate level of fees for non-audit services or by performing work that, by its nature, may compromise the auditor's independence.

However, using advisors who understand the Group's business can be a benefit and the Audit Committee will consider non-audit services supplied on an ongoing basis.

The Audit Committee review the non-audit services provided by the external auditor twice a year.

The Policy to be provided by the Group's auditor defines two types of non-audit services that may be performed:

- regulatory services, which are services undertaken as auditor or reporting accountant which are outside the scope of the statutory audit, but which are consistent with the role of statutory auditor; and
- permitted non-audit services, which are services that the auditor may be permitted to undertake subject to the appropriate level of approval.

The aggregate fees incurred for permitted non-audit services relative to the audit fee should not exceed 70% of the average audit fee over the previous three years, with such cap applicable to both Group and UK audit fees.

The provision of permitted non-audit services will only be approved by the Audit Committee if:

- engagement of the auditor to provide the services does not impair the independence or objectivity of the external auditor;
- the skills and experience of the external auditor make it the most suitable supplier of the non-audit service;
- the auditor does not have a conflict of interest due to a relationship with another entity; and
- the aggregate fees incurred for permitted non-audit services relative to the audit fee do not exceed 70% of the average audit fee over the previous three years.

Permitted non-audit services above a certain level are approved on a case-by-case basis by the Audit Committee.

### Permitted non-audit services carried out during the year

The following non-audit fees incurred with Deloitte were:

	2025 £'000	2024 £'000	2023 £'000
Group audit fees (three-year average)	7,300	6,300	4,899
Regulatory services	-	-	120
Permitted non-audit services	280	264	279
Ratio of non-audit fees to audit fees	0.04:1	0.04:1	0.06:1

The permitted non-audit services in 2025 included reviewing the Company's 2025 interim financial statements, audit work of sustainability reporting in Australia, and a review of the 2024 statutory financial statements of the Company's subsidiary in the Netherlands.

After considering all of the elements detailed in this Report, the conclusion of the Audit Committee is that the auditor carried out its audit effectively and that the auditor is independent and objective.

The Audit Committee is proposing that Deloitte be reappointed as external auditor to the Company at the 2026 Annual General Meeting. There are no contractual obligations that restrict the Committee's choice of auditor and the recommendation is free from third-party influence.

SUSTAINABILITY COMMITTEE REPORT



“The role of the Committee is to ensure the sustainability framework and targets align with the Accelerate+ strategy to deliver long-term sustainable success.”

Meeting attendance

	Scheduled	Attended
Alex Jensen (Chair)	3	3
Nayantara Bali	3	3
Jerry Buhlmann	3	3
Byron Grote	3	3
Alison Platt	3	3
Duncan Tait	3	3

The Committee’s terms of reference can be found at [www.inchcape.com](http://www.inchcape.com)

Dear Shareholder,

The Sustainability Committee is responsible for overseeing the Group’s sustainability strategy and reporting, and for ensuring that sustainability is embedded in the Company’s decision-making and delivery of Accelerate+.

Over the year, the Committee focused on enhancing the clarity and impact of the Group’s sustainability narrative, strengthening stakeholder engagement, progressing climate and broader ESG initiatives across our operations, and maintaining robust governance and reporting readiness in a rapidly evolving regulatory landscape.

Sustainability strategy

The Company’s business model supports a sustainable mobility transition by combining insights, technology, and route-to-market capabilities, delivered through four sustainability pillars: People, Planet, Places, and Practices.

During the year, the Committee reviewed and approved the 2024 Sustainability Report, the Group’s second standalone report, endorsing the refined strategic sustainability narrative which articulates Inchcape’s role in enabling low-emission technologies and inclusive mobility. The Report has been a useful engagement tool for colleagues, OEM partners, and investors. External and internal engagement was exceptionally strong, with high engagement from colleagues and other stakeholders.

A further demonstration of the Group’s approach to sustainability is the Drivers of Change insights report which was approved by the Committee in July. This report provides data on consumer readiness for the electric vehicle (EV) transition in our Markets and assists OEM partners and policy-makers to understand unique market characteristics in our territories and the implications for EV adoption, affordability, and infrastructure – key Enablers for a just and inclusive mobility transition. The insights were shared with key OEM partners including GWM, Volvo, JLR, Mercedes-Benz, and Changan. In Asia-Pacific the Markets integrated the insights into their communications and product launch strategies, supporting local new energy vehicle (NEV) introductions.

The Committee also endorsed the creation of the Centre for the Future of Mobility, a collaborative platform to build thought leadership and strengthen global and business insights. It will serve as the core pillar of delivering insights within Inchcape’s sustainability strategy, driving visibility and engagement with key stakeholders, reinforcing leadership in sustainable mobility. Bi-annual global studies, and yearly Market readiness benchmarks and forecasts will provide stakeholders with invaluable data insights on emerging trends, priority themes, or selected Markets.

Colleague engagement

Two colleague engagement sessions were held during the year, one in Singapore and one in Peru. These informal sessions allow colleagues to ask questions or raise issues on any matters which are of importance to them. There were several topics raised by colleagues in both Regions which reflect the changing nature of the organisation, which included digital transformation, systems and systems integration, sustainability, global automotive trends, and the impact of EVs. Nayantara Bali, the designated Non-Executive Director, and Byron Grote, Chair of the Remuneration Committee, facilitated the sessions and provided feedback to the Board and management.

SUSTAINABILITY COMMITTEE REPORT

**Climate strategy and targets**

The Committee commissioned a refresh of the Group’s climate-related risks and opportunities (CRO) assessment, updating the 2022 outcomes with the latest climate science, market data and strategic alignment. We reviewed scenario planning, supply chain criticality and vulnerability, and the evolving regulatory and consumer landscape. The outcomes of the 2025 CRO refresh are given on pages 31 to 33.

Under the Planet pillar, the Committee considers operational emissions, performance, and CROs. The Committee monitored progress against Scope 1 and 2 emissions targets and the Group remains on track to meet its 2030 targets, with strong performance through 2025 and into 2026. Further reductions are expected in 2026, however as these become more challenging the Committee debated where further opportunities can be utilised and will review the approach.

Last year the Committee considered a comprehensive feasibility analysis on Scope 3 emissions and the Science Based Targets initiative (SBTi) frameworks. While Scope 3 constitutes the majority of the Group’s footprint, the Committee continues to conclude that it is not feasible or appropriate to set SBTi Scope 3 targets as based on projected drivetrain mix and revenue growth, we would not meet the SBTi glide path under either most-likely or accelerated scenarios. The Committee will continue to keep the position under review as SBTi approaches evolve and market dynamics change.

 Please see the TCFD Report on pages 26 to 40 for further information

**Social impact**

Under the Places pillar, the Committee considered the progression of initiatives focused on safe mobility and social inclusion, with an emphasis on alignment to strategy and measurable KPIs. 10 markets now deliver road safety programmes with strong local execution looking to reduce road accidents. Other initiatives include increasing capabilities in communities to enable safe and inclusive NEV adoption and reducing barriers to vehicle ownership. Please see page 25 for further information.

**Regulatory readiness**

The Committee monitored developments in the EU omnibus package, including the delay of mandatory disclosures under the Corporate Sustainability Reporting Directive (CSRD), simplification of elements of CSRD and EU Taxonomy, and the later implementation of the Corporate Sustainability Due Diligence Directive. The Committee agreed that the Group should continue to build reporting capability and data quality, to ensure we are in position to report in due course.

**Alex Jensen**

Chair of the Sustainability Committee

**Powered by sustainability**  
How the Committee approached the climate-risk and opportunities review



The Committee’s objectives for the project were to provide refreshed analysis for a more up-to-date assessment of our most material climate-related risks and opportunities (CROs), using the latest climate science and scenario data. The scope and granularity of the physical risk analysis was also expanded across operations and supply chain. This enables a new assessment of the alignment between sustainability strategy and climate risk exposure and enhances the climate disclosures which are given on pages 29 to 33.

The Committee evaluated the actual and potential impacts on the business model over the short, medium and long-term and assessed whether the CROs were still appropriately embedded into the risk management process.

Wider benefits of the refreshed assessment include:

- a deeper understanding on how climate change could materially impact the organisation;
- up to date financial information which enhances risk management, mitigate emerging risks and identifies actions;
- informing strategic decision-making and governance; and
- shaping future strategic initiatives.

DIRECTORS' REPORT ON REMUNERATION



“The role of the Committee is to ensure reward supports the delivery of Accelerate+ strategy, and aligns values and shareholder interests.”

Meeting attendance

	Scheduled	Attended
Byron Grote (Chair)	5	5
Jerry Buhlmann	5	5
Alex Jensen	5	5
Alison Platt	5	5
Stuart Rowley	5	5

The Group Chief Executive, Group Chief Financial Officer, Chief People Officer, Group Reward and Pensions Director, and the remuneration advisors also attend as requested.

The Committee’s terms of reference can be found at [www.inchcape.com](http://www.inchcape.com)

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors’ Report on Remuneration for the year ended 31 December 2025. The aim of this Report is to demonstrate how the Committee has discharged its duties during the year and I hope you find it informative.

The Company is required to put the Directors’ Remuneration Policy to a vote at the Annual General Meeting (AGM) in 2026 and as such, the Committee undertook a comprehensive review of the current policy and agreed several amendments to ensure the policy links reward with Company performance and strategy, shareholder expectations, and is in line with current market practice. Please see pages 81 to 85 for further details.

The Committee carried out an extensive shareholder consultation to obtain feedback on the new remuneration proposals. We are extremely grateful for the time and valuable insights many of our shareholders provided during this consultation phase and further details on the process, feedback received and the final proposals are given on page 79.

During the year, the Committee also reviewed performance against targets for incentive awards and approved vesting outcomes, and recommended remuneration for the Executive Directors and senior management under the current policy taking into account the shareholder experience and expectations. Details are provided throughout this Report.

Business performance and remuneration in 2025

Performance context

During 2025, the Group has delivered against a number of metrics including:

- 10 Distribution contact wins across all Regions with a range of OEM partners;
- £250m share buyback programme completed in early 2026; and
- dividends for 2025 of £101m.

The Group’s continued strategic, operational, and financial delivery ensured there is a strong link between pay and performance.

As detailed in the Strategic Report, the Group delivered revenue of £9.1bn, adjusted profit before tax of £443m, earnings per share of 80.8p (basic adjusted), and adjusted return on capital employed of 29%.

2025 salary increases

As disclosed in last year’s Directors’ Report on Remuneration, the Group Chief Executive was awarded a salary increase of 7% in 2025 giving an annual salary of \$952,965. This increase was above the UK workforce average, however the Committee took into account his strong performance and leadership, significant contribution to the previous Accelerate strategy, and the ongoing commitment to the Accelerate+ strategy which was rolled out in 2024. The Committee believes the increase reflects the attractiveness of his skill set in the market and the challenges Inchcape faces in recruiting and retaining executives noting its unique position as the world’s leading automotive Distributor.

The increase for the Group Chief Financial Officer was 2.7% giving an annual salary of £507,749. This increase was below the UK workforce average increase.

The Chairman and the Non-Executive Directors received a fee increase of 3% with effect from 1 April 2025.

## DIRECTORS' REPORT ON REMUNERATION

### 2025 bonus

The 2025 bonus was based on a matrix of profit before tax and revenue in addition to a working capital metric and the achievement of personal strategic objectives. Working capital reinforces disciplined management of working capital throughout the year which is fundamental to the aims of the Accelerate+ strategy. Vesting of the working capital portion is subject to meeting the threshold level of performance for revenue and profit before tax. Consistent with historical practice, the revenue target was adjusted to consider strategic acquisitions and disposals during the year, to ensure target and performance outcomes are assessed on a like for like basis. For 2025, an adjustment was made to reflect the acquisition of the Askja business in Iceland.

As a result, the Group Chief Executive received a bonus of 71% of salary, and the Group Chief Financial Officer received a bonus of 78% of salary. Please see page 91 for further details.

### 2023 Performance Share Plan (PSP) and Co-Investment Plan (CIP)

The 2023 awards will vest based on EPS, ROCE, and cash performance targets over the three years ending 31 December 2025. The cumulative EPS (40% of award) was 253p, the average ROCE (40% of award) was 27% and the average cash conversion (20% of award) was 69%, resulting in the 2023 awards vesting at 83% of maximum. See page 92 for further details.

### Vote on the 2025 Directors' Report on Remuneration

Although the resolution to approve the Directors' Report on Remuneration was passed by a majority of shareholders at the 2025 AGM, the Committee recognises that a significant number of shareholders felt unable to support the resolution. Following the publication of our Directors' Report on Remuneration in March 2025, I had the opportunity to speak with a number of shareholders and heard divergent views but also recurring themes which included the 7% salary increase awarded to the Group Chief Executive, the overlap between the CIP and PSP, a desire to see the introduction of a total shareholder return (TSR) metric and the stretch associated with the EPS targets attaching to the enhanced PSP award.

The Committee believes its approach to Directors' remuneration in 2025 was appropriate, and that the Group Chief Executive salary is correctly positioned taking into account his experience, the complexity associated with leading Inchcape, the world's leading independent automotive distributor and his significant contribution to delivery of Accelerate+. However the Committee values shareholder feedback and seeks to respond to it. I hope that the proposal to withdraw the CIP and introduce a TSR metric demonstrates this commitment.

### Malus and clawback

The Committee considers whether there are potential 'trigger' events for malus and clawback which the Group Head of Internal Audit, Head of Group Reporting, Group HSE Director, and Chief Security Information Officer have been made aware of. The Committee is satisfied that there have been no instances which would require an adjustment to the outcome of the incentive plans for the Executive Directors.

The Company complies with Provision 37 and 38 of the UK Corporate Governance Code and further details of the Group's malus and clawback policy can be found on page 84.

### Overall remuneration

The Committee is satisfied that the total remuneration received by the Executive Directors' in 2025 appropriately reflects the Company's underlying business performance over the year and three-year PSP/CIP performance period and, as such, no discretion was exercised by the Committee to adjust the bonus or long-term incentive outcomes.

The Committee believes that the Policy has operated as intended.

### 2026 Remuneration Policy (Policy)

As we activate our Accelerate+ strategy and further consolidate our position as the world's leading automotive distributor, it is important that we can attract and retain individuals of the right calibre. The Group Chief Executive, Group Chief Financial Officer, and the Group Executive Team are central to the successful execution of the Accelerate+ strategy due to their experience in role and deep relationships that they have built with our key OEM partners.

The Committee believes a well-designed Policy should reward the successful execution of Accelerate+ and remain relevant to the needs of the business and its leadership. The Policy should also provide strong alignment between executives and shareholders. As such, following a comprehensive review of Policy, the Committee is proposing changes that increase shareholder alignment and respond to shareholder feedback, such as introducing a TSR performance metric and adopting the PSP as the sole long-term incentive. When reviewing and agreeing the proposals for the Policy, the Committee considered current policy vs current market practice, emerging trends and governance expectations to ensure it remains appropriate and retains flexibility to operate effectively over the next three years.

As part of the benchmarking exercise, the Committee reviewed positioning against the FTSE 51-150 and a tailored group of FTSE 51-150 peers. The tailored peers included businesses with a UK listing but with mostly international revenues and those with growth ambitions that most closely reflect that of Inchcape. The Committee believes the FTSE 51-150 is the most appropriate benchmarking group as it is the primary peer group for talent and aligns with the Group's long-term ambition to move into the FTSE 100.

The Directors' Remuneration Policy applies to Executive Directors and the Non-Executive Directors (as well as any individual who may become Directors or cease to be Directors whilst the Policy is in effect) and is set out on pages 81 to 85. Changes to the components of pay have been indicated in the policy table. Other minor changes have been made to some of the other Policy wording to improve clarity or to update for recent regulatory or market practice developments.

### Withdrawal of the Co-Investment Plan (CIP)

The CIP has been in operation for many years with the intention of encouraging our most senior leaders to invest their own monies in Inchcape shares, demonstrating belief in our long-term strategy and promoting alignment with shareholders. However, with the Group Chief Executive now holding 579% of salary in shares and the Group Chief Financial Officer now holding 208% of salary in shares, achieving the current share ownership guideline well within five years of his appointment, the primary purpose of the CIP has diminished. The Committee also heard from some investors that operating two long-term incentives adds complexity to the Policy and that the CIP duplicates the PSP, which is the primary long-term incentive for senior leadership.

Given the voluntary nature of the CIP, participation in the scheme is also heavily influenced by affordability which inadvertently means that many eligible senior leaders are unable to participate. The Committee believes that by relocating the value of the CIP into the PSP, we will increase levels of shareholding for the wider senior executive population which will ultimately strengthen shareholder alignment compared to continuing with the underutilised CIP.

Therefore, the CIP will be withdrawn and the PSP will be used as the sole long-term incentive. As withdrawal of CIP will reduce the maximum earnings potential of Executive Directors by 100% of salary, had they deferred the maximum 50% of salary and been awarded matching shares (as our Group Chief Executive has in the previous five years) the Committee is proposing to increase the annual bonus and PSP opportunity.

## DIRECTORS' REPORT ON REMUNERATION

### Annual bonus and PSP opportunity

To offset the loss of earnings potential through the CIP, and ensure it remains performance dependent, the following changes are being proposed:

- Maximum annual bonus opportunity is increased from 150% to 200% of salary.
- Ordinary maximum PSP opportunity is increased from 180% of salary to 250% of salary.

This accommodates the withdrawal of the CIP and provides a very modest increase in maximum earnings potential of 20% of salary, which the Committee considers to be sufficient to maintain competitiveness over the three-year Policy period. The Committee will continue to set stretching performance targets for annual bonus and PSP awards.

To ensure flexibility, the Committee intends to also maintain headroom and increase the absolute Policy maximum for PSP awards from 300% to 350% of salary. The headroom is not intended for routine use but is specifically reserved to address exceptional, non-recurring circumstances critical to the immediate and long-term success of the business, for example, in recruitment or retention, or to reflect a major strategic acquisition that significantly enlarges the Group.

### Introduction of mandatory bonus deferral

Withdrawal of the CIP also removes the requirement to defer any bonus earned above 100% of salary into shares for three years. Consequently, the Committee intends to introduce a requirement that one-third of any annual bonus earned by Executive Directors is deferred into shares for three years.

As the withdrawal of the CIP also impacts the wider senior leadership team, a corresponding adjustment to incentive levels for this population will be implemented.

The Committee will have discretion to reduce the level of deferral to a lower amount, but not to zero, if the Executive Director has achieved (and continues to maintain) their share ownership guideline.

### Share ownership guideline

Considering the increase in PSP award level and as a signal of continued commitment to our Accelerate+ strategy, the Committee intends to increase the share ownership guideline for both the Group Chief Executive and Group Chief Financial Officer from 200% to 250% of salary. The requirement to retain shares equal to the lower of the share ownership guideline, or value of shares held, for two years post-cessation of employment will continue to apply. Should the PSP be increased on an ongoing basis, the share ownership guideline would be similarly increased.

The share ownership guideline will be cascaded to all members of the Group Executive Team, who will be required to hold 100% of salary within five years, to further strengthen senior leader reward and shareholder alignment.

### Introduction of TSR metric

The Committee has considered at length the challenges associated with introducing a relative TSR metric given the unique nature of Inchcape's international operations. At the same time, the Committee recognises TSR is a very common long-term incentive metric, and a number of our shareholders have expressed a preference for its adoption.

The Committee has considered several potential peer groups including existing auto and parts indices but noted most contained irrelevant companies which, due to their size, could potentially skew performance outcomes. Consequently, a TSR peer group comprising companies ranked FTSE 51-150 (excluding financial services) will be used which aligns with the primary remuneration benchmarking peer group.

The 2026 PSP awards will be weighted 20% on relative TSR with 25% of this element only vesting if Inchcape's TSR is at the median of this peer group and 100% vesting if it is positioned at the upper quartile. The remaining PSP award will be weighted 40% EPS, 20% ROCE and 20% cash conversion. Performance targets for the 2026 PSP award are given on page 98.

### Reflecting ESG priorities in our incentive framework

The Committee recognises the importance of environment, social, and governance (ESG) factors in driving long-term business success. For several years carbon reduction has been incentivised through the annual bonus scheme. This approach allowed us to drive immediate progress on our environmental goals, gather valuable data and insights on the effectiveness of our carbon reduction initiatives, and refine our understanding of how ESG factors can best be integrated into our approach to executive compensation.

The Group has reduced carbon emissions by 43%, ahead of our 2030 targets. The focus will now shift to setting stretching targets beyond 2030 and to gaining a more detailed understanding of the opportunities available in reducing Scope 3 emissions. As such, carbon reduction targets will be included as non-bonusable objectives for the Executive Directors in 2026. The Committee will continue to review the inclusion of ESG targets in the incentive framework on an annual basis.

### Engagement with the workforce

I chair a dedicated Reward forum at least annually and also attend the engagement session with the designated Non-Executive Director to address any remuneration-related queries from colleagues. During 2025, a virtual Reward forum was held with participants from Group, Europe & Africa, the Americas, and Asia-Pacific (APAC). Issues raised included the communications to remind employees about available benefits such as life assurance and the employee support programme, and the approach to recognising long service.

No issues of concern were raised by colleagues, and I fed back to the Board and management on the areas discussed.

### Wider workforce remuneration

Consideration of wider workforce remuneration continues to improve with the Group's Fair Reward Principles embedded in all Markets. Regional remuneration committees are also in place to oversee the implementation of the principles and processes for Group-wide remuneration and to provide a strong governance framework throughout the Group.

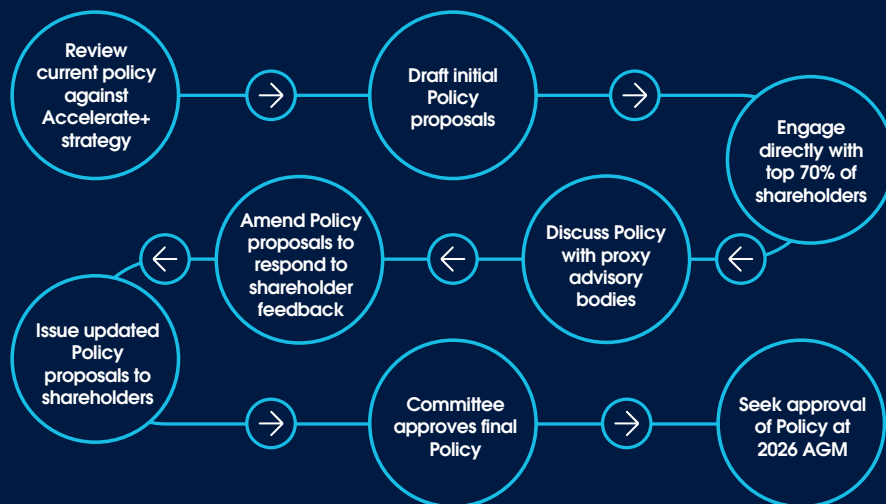
### Byron Grote

Chair of the Remuneration Committee

OVERVIEW OF REMUNERATION POLICY CONSULTATION

Powered by stakeholder engagement

How the Committee reviewed remuneration



The Committee believes a well-designed Policy should reward the successful execution of the Accelerate+ strategy and remain relevant to the needs of the business and its leadership. It should also provide strong alignment between executives and shareholders. During the year, the Committee reviewed the current policy against market practice, emerging trends and governance expectations and agreed a set of changes that increase shareholder alignment, such as introducing a TSR performance metric, and which respond to shareholder feedback, such as the Performance Share Plan (PSP) becoming the sole long-term incentive.

A consultation process commenced in August 2025, with the proposals communicated to the top 50 shareholders, representing c. 70% of the issued share capital, and to the proxy advisors, to obtain their feedback or views. Responses were received from 26 investors and of those nine investors requested calls or asked for further information via email, 10 investors indicated they were broadly supportive of the proposals and seven investors acknowledged receipt of the proposals. Of the shareholders who responded, one investor, who previously voted against the 2025 Directors' Report on Remuneration, indicated they may not support the new proposals. Calls were also held with the Investment Association, ISS, and Glass Lewis to obtain their feedback on the proposals.

Summary of consultation feedback and key decisions

We were pleased that there was general support for the direction of the proposed changes which have been introduced to enhance shareholder alignment and simplify the Policy. During our discussions with shareholders, we heard the following themes:

Withdrawal of the CIP

There was strong support for simplifying the long-term incentive structure by withdrawing the CIP, eliminating the complexity of operating two long-term incentive schemes and duplication with the PSP.

Revised incentive opportunities

The increase in the ordinary annual bonus award (from 150% to 200% of salary) and the ordinary maximum PSP opportunity (from 180% to 250% of salary) was generally accepted as an appropriate offset for the loss of earnings potential from the removal of the CIP.

Use of PSP headroom

In response to shareholder requests for more detail on the circumstances in which the Committee would consider utilising the additional headroom, the Committee confirms that it will maintain a conservative and disciplined approach to the use of the additional share award headroom (increasing from 300% to 350% of salary) in the proposed PSP policy. The headroom is not intended for routine use but is specifically reserved to address exceptional, non-recurring circumstances critical to the immediate and long-term success of the business, for example, in recruitment or retention, or to reflect a major strategic acquisition that significantly enlarges the Group. Should the PSP be increased on an ongoing basis, the Share Ownership Guideline would be similarly increased. The Committee will consult with shareholders prior to utilising the additional headroom.

Introduction of TSR

Shareholders have universally welcomed the proposed introduction of a relative TSR metric into the PSP to strengthen alignment between incentive outcomes and the shareholder experience. The proposed peer group comprising companies ranked FTSE 51-150 (excluding financial services) was considered an appropriate way to measure performance against Inchcape's ambition to enter the FTSE 100.

Increased share ownership guideline

The proposal to increase the Share Ownership Guideline for the Group Chief Executive and Group Chief Financial Officer from 200% to 250% of salary and the cascading of similar guidelines to senior leaders was viewed positively to strengthen shareholder alignment.

Mandatory bonus deferral revised proposal

In response to shareholder feedback, the Committee increased the mandatory deferral period to three years, up from two years in the original proposal. While the Committee wishes to retain the flexibility to reduce the level of deferral if the Executive Director has achieved and maintained their Share Ownership Guideline, the deferral amount will not be reduced to zero as per the original proposal. This means that there will always be an element of mandatory deferral. Any reduction to the 1/3 deferral and the accompanying rationale will be disclosed in the relevant Directors' Report on Remuneration.

REMUNERATION AT A GLANCE

# WHAT DID EXECUTIVE DIRECTORS EARN DURING 2025



## Single figure remuneration at a glance

Duncan Tait: £3,976,566



Adrian Lewis: £1,695,656



● Salary ● Benefits ● Pension ● Bonus ● PSP/CIP

## Performance against annual bonus targets (% of maximum)

Financial performance matrix (revenue and PBT 60%)



Working capital (20%)



Personal objectives (20%)



0% Actual Maximum 100%

## Performance against PSP/CIP targets

Three-year cumulative EPS (40%)



Three-year average ROCE (40%)



Cash conversion (20%)



0% Actual Maximum 100%

### Bonus outcome

Duncan Tait

**47.5%**

of maximum

Adrian Lewis

**52%**

of maximum

### LTIP outcome

Duncan Tait

**83%**

of maximum

Adrian Lewis

**83%**

of maximum

# HOW WILL EXECUTIVE DIRECTORS BE PAID IN 2026



## Fixed pay

**£972,025**

Group Chief Executive salary

**£517,904**

Group Chief Financial Officer salary

Benefits package remains unchanged – includes car allowance, medical cover, and mileage allowance.

Pension allowance of 10% of salary in line with wider UK workforce.

## Annual bonus

Up to 200% of salary and at least one-third of bonus deferred into shares.

Bonus metrics in 2026

**60%**

Financial performance matrix (revenue & PBT)

**20%**

Working capital

**20%**

Strategic objectives

## PSP

250% of salary.

PSP metrics in 2026

**40%**

EPS

**20%**

ROCE

**20%**

Cash Conversion

**20%**

TSR

Malus and clawback provisions allow the Committee in certain circumstances (such as gross misconduct or a material misstatement of the Group financial statements, reputational damage, or corporate failure) the discretion to reduce bonus, PSP vest, cancel entitlement of a bonus, prevent vesting of the PSP, or allow the Company within two years of payment/vesting of award to claim back up to 100% of the award.

## REMUNERATION POLICY

## Remuneration Policy

The Directors' Remuneration Policy (Policy) is to be approved by shareholders at the Annual General Meeting on 14 May 2026 and becomes effective on the date it is approved. The Policy replaces the previous policy approved by shareholders at the Annual General Meeting held on 18 May 2023 (2023 Policy). We have indicated the changes to the components of pay in the Policy table and have made minor changes to some of the other Policy wording to improve clarity or to update for recent regulatory or market practice developments.

### Remuneration policy for Executive Directors

Element and link to strategy	Operation	Performance metrics	Opportunity
<p><b>Base salary</b></p> <p>To pay a competitive salary which attracts, retains, and motivates talent to make decisions which drive the Company's strategy and create value for stakeholders.</p>	<p>Salaries are normally reviewed annually, and any increases normally take effect from 1 April of each year.</p> <p>Adjustments to salary will take account of:</p> <ul style="list-style-type: none"> <li>• increases awarded across the Group as a whole, and conditions elsewhere in the Group;</li> <li>• experience and performance of the individual;</li> <li>• pay levels at organisations of a similar size, complexity, and type; and</li> <li>• changes in responsibilities or scope of the role.</li> </ul>	<p>Not applicable.</p>	<p>There is no prescribed maximum salary level or salary increase. Salary increases are not expected to exceed the average increase for colleagues in the country in which the Executive Director is based, higher increases may be made under certain circumstances, at the Committee's discretion. For example, this may include: increase in the scope and/or responsibility of the individual's role; and development of the individual within the role.</p>
<p><b>Change to the 2023 Policy: Minor updates to the wording around the opportunity available.</b></p>			
<p><b>Annual bonus</b></p> <p>To motivate and reward Executive Directors for the achievement of the Company's strategic annual objectives.</p> <p>Mandatory deferral enhances alignment with shareholders by encouraging longer-term focus and sustainable performance.</p>	<p>The Group operates a discretionary bonus scheme. At least one-third of the annual bonus awarded in any year will be deferred into shares for three years where an Executive Director has not achieved the shareholding guideline. If the Executive Director has exceeded their in-employment shareholding guideline, the deferral level may be reduced at the discretion of the Committee but shall not be reduced to zero.</p> <p>The amount deferred may be used (net of tax) to acquire shares which must be held during the three-year deferral period.</p> <p>Alternatively, the Committee may decide to defer bonuses via the grant of a deferred share award.</p> <p>Executive Directors will be entitled to dividends paid during the deferral period (or, if a deferred share award is granted, to dividend equivalents over that period, which can be paid in cash or shares).</p> <p>The Committee retains the discretion, acting fairly and reasonably, to alter the annual bonus outcome (negatively or positively) in light of the underlying performance of the Group, taking account of any factors it considers relevant.</p> <p>Bonus payouts are subject to malus and clawback provisions.</p>	<p>The annual bonus may be based on a combination of financial, operational and individual measures which the Committee will review on an annual basis.</p> <p>The majority of the award to be based on financial performance measures.</p> <p>The precise allocation between financial and non-financial measures, as well as weightings within these metrics, will depend on the strategic focus of the Group from year-to-year.</p> <p>The Committee shall determine the extent to which the performance measures and targets have been met. The Committee may make adjustments to performance measures or targets if an event occurs or circumstances arise which cause the Committee to determine that performance measures or targets are no longer appropriate. The performance targets will be at least as challenging as the ones originally set.</p>	<p>Maximum of 200% of salary payable for achieving stretch performance against all measures.</p> <p>50% of maximum payable for target performance. 10% of maximum payable for entry level performance.</p>

**Change to the 2023 Policy: Increase in annual bonus opportunity from 150% to 200% of salary to partly offset the Co-investment Plan withdrawal and the introduction of mandatory deferral of any bonus earned. Removal of 70% minimum threshold for financial measures.**

## REMUNERATION POLICY

Element and link to strategy	Operation	Performance metrics	Opportunity
<p><b>Performance Share Plan (PSP)</b></p> <p>To provide a meaningful reward to Executive Directors linked to the long-term success of the business and alignment with shareholder value.</p>	<p>PSP awards normally vest after three years subject to meeting performance measures linked to the Group's strategic priorities which may vary year-on-year, and on continued employment. Vested awards will normally be subject to an additional two-year holding period.</p> <p>Dividend equivalents would accrue over the vesting (and, for nil-cost options, holding) period and would be paid only on those shares that vest. Dividend equivalents can be paid in cash or shares. Current practice is for dividend equivalents to be paid as shares.</p> <p>The Committee retains the discretion, acting fairly and reasonably, to alter the vesting outcome (negatively or positively) in light of the underlying performance of the Group, and/or taking account of such other factors it considers relevant.</p> <p>PSP awards are subject to malus and clawback provisions.</p>	<p>The Committee determines performance measures each year and will ensure that the targets are stretching and support value creation for shareholders while remaining motivational for management.</p> <p>The precise measures and weightings will be determined by the Committee on an annual basis and will depend on the strategic focus of the Group year-to-year.</p> <p>The Committee shall determine the extent to which the performance measures and targets have been met. The Committee may make adjustments to performance measures and targets if an event occurs or circumstances arise which causes the Committee to determine that performance measures and targets are no longer appropriate. The performance targets will be at least as challenging as the ones originally set.</p>	<p>Normal PSP opportunities will be 250% of salary. Award levels are subject to a maximum individual limit of 350% of salary.</p> <p>The Committee will maintain a conservative and disciplined approach to the use of the additional share award headroom. The headroom is not intended for routine use but is specifically reserved to address exceptional, non-recurring circumstances critical to the immediate and long-term success of the business, for example, in recruitment or retention situations, or to reflect a major strategic acquisition that significantly enlarges the Group.</p> <p>Threshold level performance will result in 25% vesting of the PSP award.</p>

**Change to the 2023 Policy: The normal PSP opportunity has increased from 180% of salary to 250% of salary to partly offset the Co-investment Plan withdrawal and the maximum opportunity has increased from 300% of salary to 350% of salary.**

<p><b>Save As You Earn (SAYE)</b></p> <p>To encourage share ownership.</p>	<p>United Kingdom employees are able to make monthly savings, in accordance with the terms of the HM Revenue and Customs (HMRC) tax-advantaged plan. At the end of the savings period, the funds are used to purchase shares under option.</p>	<p>As this is an all-employee scheme and Executive Directors participate on the same terms as other employees, the acquisition of shares is not subject to the satisfaction of a performance target.</p>	<p>Participation limits are those set by HMRC from time to time.</p>
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**Change to the 2023 Policy: None**

<p><b>Pension</b></p> <p>To provide market competitive pension benefits where it is cost effective and tax-efficient to do so.</p>	<p>Executive Directors are eligible to receive employer contributions to the Company's pension plan (which is a defined contribution plan) or an allowance in lieu of pension benefits.</p> <p>The policy is for the Executive Directors' employer contribution on appointment to be aligned with that of the workforce.</p>	<p>Not applicable.</p>	<p>Executive Directors are entitled to an employer contribution or allowance aligned to the rate applicable to employees in the country in which they are based. For United Kingdom-based Executive Directors, this is currently 10% of salary.</p>
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**Change to the 2023 Policy: None**

## REMUNERATION POLICY

Element and link to strategy	Operation	Performance metrics	Opportunity
<p><b>Other benefits</b></p> <p>To provide market competitive benefits where it is cost-effective and tax-efficient to do so.</p>	<p>Benefits currently include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• car allowance;</li> <li>• medical care; and</li> <li>• life assurance premiums.</li> </ul> <p>Executive Directors may become eligible for other benefits in the future where the Committee deems it appropriate. Where additional benefits are introduced for the wider workforce the Executive Director may participate on broadly similar terms.</p> <p>Executive Directors may be reimbursed for all reasonable expenses and the Company may settle any tax incurred in relation to these.</p> <p>Where an Executive Director is required to relocate to perform their role, they may be provided with reasonable benefits as determined by the Committee in connection with this relocation.</p>	Not applicable.	<p>There is no formal maximum prescribed value for benefits.</p> <p>The cost of benefits is not predetermined, reflecting the need to allow for increases associated with the provision of benefits. Benefit costs are reviewed regularly to ensure they remain cost-effective.</p> <p>However, the Committee retains the discretion to approve one-off benefits in exceptional circumstances (e.g. relocation).</p>

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**Change to the 2023 Policy: Removal of the indicative cost of benefits not normally exceeding 5% of salary.**


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<p><b>Share ownership guidelines</b></p> <p>To encourage share ownership and alignment of Executive Director interests with those of shareholders including for a period post-employment.</p>	<p>Executive Directors are required to accumulate shares with a value equivalent to 250% of base salary. This is expected to be normally achieved within five years from the date of appointment.</p> <p>The Committee will increase the share ownership guideline should the additional PSP headroom be used to make awards above the normal level for a sustained period.</p> <p>Shares held beneficially by the Executive Director's spouse, civil partner or children under 18 years of age count towards the guideline.</p> <p>A departing Executive Director is required to maintain a shareholding for two years post-cessation, set at the lower of the actual shareholding on exit and the in-post shareholding guideline.</p> <p>The post-cessation holding requirement applies to shares acquired from share-based incentive awards granted to the Executive Directors (shares purchased through own funds are excluded).</p> <p>Enforcement is facilitated through the vesting of share-based incentive awards into nominee accounts.</p>	Not applicable.	Not applicable.
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**Change to the 2023 Policy: The in-employment and post-cessation shareholding guideline has been increased from 200% to 250% of salary and will apply from the date Policy is approved.**


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## REMUNERATION POLICY

**Notes to the Policy****Payments from existing awards**

Executive Directors are eligible to receive payment from any award made prior to appointment to the Board or the approval and implementation of the Policy detailed in this Report provided that the terms of the payment were: (i) consistent with the shareholder-approved policy in force at the time they were agreed; or (ii) set at a time when the relevant individual was not an Executive Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming an Executive Director of the Company.

**Amendments to the Policy**

The Committee may make minor amendments to the Policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation, where it would, in the opinion of the Committee, be inappropriate to seek or await shareholder approval.

**Selection of performance measures and target setting**

The Committee places considerable emphasis on ensuring a strong and demonstrable link between actual remuneration received and the delivery of Company strategy. The measures and weightings used under the annual bonus are selected annually to reflect the Group's key strategic initiatives for the year and may reflect both financial and non-financial objectives.

The annual bonus measures have been selected to incentivise sustainable growth in profits. The matrix structure continues to provide a balanced focus between commercial and financial objectives. A mix of strategic measures will continue to be selected each year to reinforce the Group's strategic objectives.

The PSP provides a focus on delivering superior returns to shareholders by providing rewards for long-term sustainable value creation. The Committee reviews annually whether the performance measures, weightings and calibration of targets remain appropriate and sufficiently challenging taking into account the Company's strategic objectives and shareholder interests.

Incentive targets are set by reference to the Company's strategy and internal budgets as well as the external context at the time the targets are being set. This approach seeks to ensure that the targets are appropriately stretching, yet achievable.

The Committee believes that EPS and ROCE continue to be suitable measures of long-term performance for the Group. EPS is consistent with the Group's long-term strategy focusing on sustainable growth while ROCE supports the control of working capital and capital expenditure. When ROCE is used in combination with EPS, it ensures there is a balance between growth and returns. The cash conversion measure reflects the criticality of cash generation for Inchcape, which is required to support its continued evolution.

Responding to shareholder feedback, new for 2026 is the inclusion of a relative TSR performance measure within the PSP. Shareholders have universally welcomed the introduction of a relative TSR metric into the PSP to strengthen alignment between incentive outcomes and the shareholder experience. The peer group comprising companies ranked FTSE 51-150 (excluding financial services) was considered an appropriate way to measure performance against Inchcape's ambition to enter the FTSE 100.

Targets are set taking into account a range of external and internal reference points including investor feedback. The Committee believes that the performance targets set are appropriately stretching and that the maximum will be achievable only for truly outstanding performance. Please see page 98 for further details on the 2026 performance target ranges.

**Malus and clawback**

The Committee may apply malus and clawback in certain circumstances, including:

- financial restatements;
- errors in calculation in the number of shares in respect of which awards were granted or in assessing the extent to which performance targets were met;
- dismissal of the Executive Director on grounds of misconduct (or misconduct which could have justified such dismissal);
- where the Executive Director contributed to circumstances which give rise to a negative impact on the reputation of any Group company;
- actions by the Executive Director which could bring any Group company into material disrepute or are materially adverse to the interests of any Group company;
- material breaches of (i) the terms and conditions of their employment with any Group company, or (ii) any fiduciary duties owed to any group company; and/or
- if any Group company becomes insolvent or the Board determines that there has been a 'corporate failure' in respect of any group company.

Under malus, unvested deferred share awards and unvested PSP awards can be reduced (including down to zero) or be made subject to additional conditions. Clawback allows for the repayment of previously paid cash bonuses or shares vested or received under deferred share arrangements and PSP awards until (i) the third anniversary of payment of any cash bonus or the grant of a deferred share award (ii) for a period of two years after the vesting date of a PSP award (or at any time in the case of misconduct which occurs before the end of those periods).

The clawback periods align with both the bonus deferral period and PSP holding period. This period is deemed most appropriate because it offers a balanced approach that aligns executive incentives with long-term performance, and is not excessively punitive or difficult to enforce. These timeframes are considered appropriate to enable the Committee to review whether any trigger events have occurred and take such action as it considers applicable.

Participants are informed about the malus and clawback conditions applying to their incentive awards at the start of each year and are required to confirm acceptance of malus and clawback provisions applicable to their incentive awards upon grant.

## REMUNERATION POLICY

### Committee discretions

The Committee operates the Group's various incentive plans in accordance with the relevant plan rules, the Listing Rules and applicable legislation where relevant. To ensure effective operation of the plans, the Committee retains a number of discretions which are consistent with standard market practice, and include (but are not limited to) the following:

- selecting the participants in the incentive plans;
- determining the timing of grants of incentives;
- determining the size of grants and/or payments of incentives (within the limits set out in the Policy and rules of each plan);
- selecting performance measures and their weightings, and setting of targets for the discretionary incentive plans from year to year;
- determining the extent of incentive vesting based on the assessment of performance;
- overriding formulaic annual bonus outcomes, and PSP vesting outcomes, taking account of overall or underlying Company performance;
- determining 'good leaver' and 'bad leaver' status for leavers and, where relevant, the extent and timing of vesting in the case of share-based plans and the application of any post-vesting holding period;
- determining whether malus and clawback shall be applied to any award in the relevant circumstances and, if so, the extent to which they shall be applied;
- determining the treatment of incentives in exceptional circumstances such as a change of control;
- application of the post-vesting holding period and bonus deferral;
- making appropriate adjustments required in certain circumstances (e.g., rights issues, corporate restructuring events, variation of capital and special dividends); and
- application and enforcement of the in-post and post-employment shareholding guidelines.

As outlined in the Policy table the Committee may make adjustments to performance targets if an event occurs or circumstances arise which cause the Committee to determine that the original performance targets are no longer appropriate. The revised performance targets will be at least as challenging as the ones originally set.

Any discretion exercised by the Committee would be fully explained to shareholders in the relevant Annual Report. If the discretion is material and upwards, the Committee would consult with major shareholders in advance.

### Remuneration policy for other employees

Our approach to salary reviews is consistent across the Group, with consideration given to the level of responsibility, experience, individual performance, salary levels in comparable companies (using remuneration surveys, where appropriate) and the Company's ability to pay.

Senior employees participate in an annual bonus scheme which has similar performance targets to those of the Executive Directors. Below this level, local incentive schemes are in place for management and non-management employees. Opportunities and performance conditions vary by country and organisational level, with business unit-specific metrics incorporated where appropriate. Commission-based arrangements are also operated for certain roles.

Senior managers also receive PSP awards. Award sizes vary by organisational level, whilst performance measures are consistent for all participants and are aligned to the performance measures of Executive Directors. Explicit in-post and post-employment shareholding guidelines apply to Executive Directors and Group Executive Team members only, although share ownership is encouraged at lower levels.

All United Kingdom employees with greater than three months tenure are eligible to participate in the SAYE scheme on the same terms.

Pension and benefits arrangements are tailored to local market conditions, and so various arrangements are in place for different populations within the Group. Pension of 10% of base salary is available to United Kingdom employees, aligned to the rate provided to Executive Directors.

### Service contracts

The Company's policy is for Executive Directors' service contract notice periods to be no longer than 12 months, except in exceptional circumstances. All current contracts contain notice periods of 12 months.

Name	Date of contract	Notice period	Unexpired term
Duncan Tait	1 June 2020	12 months	To retirement
Adrian Lewis	24 May 2023	12 months	To retirement

All Executive Director service contracts are available to view at the Company's registered office.

## REMUNERATION POLICY

## Remuneration Policy for Non-Executive Directors

Element and link to strategy	Operation	Performance metrics	Opportunity
<p><b>Non-Executive Director fees</b></p> <p>To provide fair remuneration, reflecting the time commitment and responsibilities of the role.</p>	<p>Non-Executive Directors receive a fixed fee and do not participate in any incentive schemes, or receive any other benefits, except the Chairman who receives medical cover. Non-Executive Directors may be reimbursed for all reasonable business-related expenses and the Company may settle any tax incurred in relation to these. Limited benefits may also be provided at the discretion of the Committee, including, but not limited to, travel, accommodation, meals, and medical cover, with the tax arising being paid by the Company.</p> <p>Fee levels are normally reviewed annually, with any adjustments typically effective from 1 April each year. Fees may be paid in cash, shares, or a combination.</p> <p>Additional fees are payable for acting as Senior Independent Director and as Chair of any of the Board's Committees, or similar, or where a material additional time commitment is required.</p> <p>The Chairman's fee is determined by the Remuneration Committee and the fees for other Non-Executive Directors are determined by the Chairman and the Executive Directors.</p>	Not applicable.	<p>No set maximum. Fees paid to Non-Executive Directors in aggregate are within the limits approved by shareholders.</p> <p>Appropriate adjustments may be made to fee levels, taking account of:</p> <ul style="list-style-type: none"> <li>• increases awarded across the Group as a whole and conditions elsewhere in the Group;</li> <li>• fee levels within organisations of a similar size, complexity, and type; and</li> <li>• changes in complexity, responsibility or time commitment required for the role.</li> </ul>

**Change to the 2023 Policy: Reference is made to limited benefits that may also be provided at the discretion of the Committee.**

Fees paid to Non-Executive Directors are within the limits approved by shareholders. This limit, currently at an aggregate of £1,200,000, was last approved by shareholders at the annual general meeting held on 27 May 2021.

### Non-Executive Directors' term of appointment

The Non-Executive Directors are appointed for an initial three-year term which can be terminated by either party on one month's notice (six months for the Chairman).

Name	Date of contract	Notice period
Jerry Buhlmann	1 March 2017	Six months
Alex Jensen	29 January 2020	One month
Nayantara Bali	27 May 2021	One month
Byron Grote	3 January 2023	One month
Juan Pablo del Río	4 January 2023	One month
Stuart Rowley	17 July 2023	One month
Alison Platt	2 January 2024	One month
Tracy Clarke	31 December 2025	One month

All Non-Executive Director letters of appointment are available to view at the Company's registered office.

## REMUNERATION POLICY

### Consideration of conditions elsewhere in the Group

The Committee reviews and approves all remuneration arrangements for the Group Executive Team, Group Company Secretary and Head of Internal Audit. The Committee also reviews the pay budgets and benefit structures across the general population which are considered when determining remuneration for Executive Directors and the Group Executive Team.

The approach to determining the compensation for employees globally follows the same principles as for Executive Directors. Consideration is given to the level of experience, responsibility, individual performance and remuneration paid for comparable roles within the market. The Committee considers data on pay trends and practices, such as gender pay gap information, and the Group Chief Executive pay ratio. Elements of the Policy such as bonus and long-term incentive plans are cascaded as appropriate through the organisation.

The Company has a diverse, international spread of businesses and pay levels and structures therefore vary to reflect local market conditions.

### Consideration of shareholder views

The Committee is mindful of shareholder views when setting and evaluating ongoing remuneration principles and commits to consulting with shareholders prior to any significant changes to the Policy.

In formulating the revised Policy, we consulted extensively with shareholders representing c.70% of Inchcape’s voting rights, and proxy agencies. We are grateful for the valuable input provided by everyone we engaged with during this process, which informed the detail of our revised Policy. Please see page 79 for further details on the Policy consultation.

The Committee will keep the Policy under regular review so as to ensure that it continues to relate to the Company’s long-term strategy and aligns the interests of the Executive Directors with those of the shareholders. In addition, the Committee will continue to monitor trends and developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate.

### Consideration of employee views

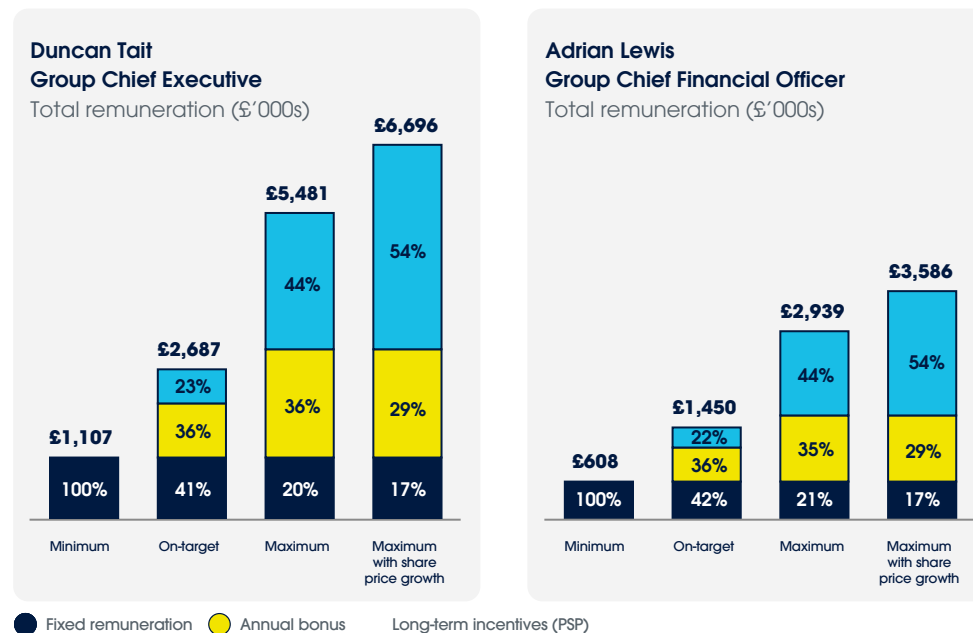
Whilst employees are not consulted on the Policy, it is published in the Annual Report and Accounts and is available to all employees to review.

The Committee is available to answer any questions employees may have about the Policy or to provide clarification on any remuneration matters via the Reward forums, People team, or Group Company Secretary.

The Chair of the Remuneration Committee facilitated a colleague forum on Executive remuneration during 2025. Further details are given on page 78.

### Performance scenarios

The charts below show the remuneration that the Group Chief Executive and Group Chief Financial Officer could expect to obtain based on varying performance scenarios. These illustrations are intended to provide further information to shareholders regarding the pay-for-performance relationship. However, actual pay delivered will be influenced by actual changes in share price and the vesting periods of awards.



### Notes on the performance scenarios:

Element	Assumptions			
<b>Fixed remuneration</b>	<ul style="list-style-type: none"> <li>Fixed remuneration comprises base salary, benefits, and pensions.</li> <li>Base salary – effective from 1 April 2026.</li> <li>Benefits – as provided in the single figure table on page 90.</li> <li>Pension – Duncan Tait received £87,058 in lieu of pension.</li> </ul>			
Variable pay	Minimum	On-target	Maximum	Maximum with share price growth
Annual bonus	No payout	Target payout (50% of maximum)	Maximum payout	Maximum payout
PSP	No vesting	25% of maximum vesting	Maximum vesting	Maximum vesting +50% share price growth

- Incentive levels reflect the normal PSP award of 250% of salary.
- On-target assumes 50% annual bonus and 25% PSP vest.
- Benefit levels reflect 2025 actuals.
- Share price growth assumes 50% increase.

## REMUNERATION POLICY

**Approach to recruitment remuneration****External appointments**

When appointing a new Executive Director, the Committee may make use of any of the existing components of remuneration, as follows:

Component	Approach	Maximum annual grant value
<b>Base salary</b>	The base salaries of new appointees will be determined by reference to the scope of the role, experience of the individual, pay levels at organisations of a similar size, complexity, and type, pay and conditions elsewhere in the Group, implications for total remuneration, internal relativities, and the candidate's current base salary.	n/a
<b>Pension</b>	New appointees will be eligible to receive employer contributions to the Company's pension plan (which is a defined contribution plan) or a cash allowance in lieu of pension benefits; contribution rates (as a % of salary) to be aligned to those available at the time of appointment to the majority of colleagues in the country in which the Executive Director is based.	n/a
<b>Benefits</b>	New appointees will be eligible to receive normal benefits available to senior management, including (but not limited to) company cars, medical care, life assurance and relocation allowance.	n/a
<b>Annual bonus</b>	The annual bonus described in the Policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of employment over the year. In the year of appointment, the Committee retains the discretion to set different performance measures, taking into account the responsibilities of the individual, and the point in the financial year that they joined the Company.	200% of salary
<b>PSP</b>	New appointees will be granted awards on the same terms as other Executive Directors as described in the Policy table.	Up to 350% of salary
<b>Other</b>	<p>The Committee will consider on a case by case basis if all or some of the variable remuneration forfeited on leaving a previous employer will be 'bought out'.</p> <p>If the Committee decides to provide a 'buyout', the award will be structured on a comparable basis, taking into account the method of payment, any performance conditions attached, time to vesting and, if applicable, the share price at the time of buyout. The Committee retains the discretion to make use of the relevant Listing Rule to facilitate the use of a share-based award.</p> <p>The Committee may also determine that it would be appropriate to grant recruitment-related awards. The award would normally be granted as an equity-based award (but may instead be granted as a cash award), subject to such vesting and/or performance conditions as the Committee determines to be appropriate, either under a one-off arrangement or under the terms of the PSP.</p>	n/a

**Notes to Recruitment Remuneration Policy**

In determining the appropriate remuneration for a new Executive Director, the Committee will take into consideration all relevant factors to ensure that arrangements are in the best interests of the Group and its shareholders.

**Internal appointments**

In cases of internal promotions to the Board, the Committee will determine remuneration in line with the Policy for external appointees as detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honour these arrangements. Incentive opportunities for employees below Board level are typically no higher than for Executive Directors.

**Non-Executive Directors**

In recruiting a new Non-Executive Director, the Committee will use the policy as set out in the table on page 86. A base fee in line with the prevailing fee schedule would be payable for Board membership, with additional fees payable for acting as Senior Independent Director or as Chair of any of the Board's Committees, or similar, as appropriate.

**Exit payment policy, service contracts, and change of control**

The Company's policy is to limit severance payments on termination to pre-established contractual arrangements. However, the Company retains discretion to make other reasonable payments. For example, the Company may enter into new contractual arrangements with a departing Executive Director in connection with their cessation of office or employment, including (but not limited to) in respect of settlement of claims, confidentiality, restrictive covenants and/or consultancy arrangements, where the Committee determines it necessary or appropriate to do so. The Company may also settle reasonable legal fees incurred by the Executive Director in connection with the termination of employment (where the Company wishes to enter into a settlement agreement and the individual must seek independent legal advice), or provide outplacement services or, in the case of departure due to ill health, to extend medical benefits for a period post-employment. The Company may agree to provide other ancillary or non-material benefits, payments or similar to a departing Executive Director.

In the event that the employment of an Executive Director is terminated, any compensation payable will be determined in accordance with the terms of the service contract between the Company and the employee as well as the rules of any incentive plans. When considering exit payments, the Committee reviews all potential incentive outcomes to ensure they are fair to both shareholders and participants.

## REMUNERATION POLICY

The table below summarises how the awards under the annual bonus and PSP are typically treated in specific circumstances, with the final treatment remaining subject to the rules of the relevant plans.

Component	Circumstance	Treatment	Payment/vesting date (if relevant)
<b>Annual bonus</b>	Resignation or dismissal.	Bonus entitlement will lapse.	Not applicable.
	Injury, disability, ill-health, redundancy, sale of the employer or business out of the Group or any other reason which the Committee may, in its absolute discretion permit (e.g., retirement).	A bonus will only be paid to the extent the targets set at the beginning of the year have been achieved. Unless the Committee determines otherwise, any bonus payment will be pro-rated for time served during the year. At the discretion of the Committee, payments may be made in cash only with no deferral.	At the normal time unless the Committee determines otherwise.
	Death.	The bonus is assessed against the applicable performance targets over the period up to death.	Payout is made at time of death unless the Committee determines otherwise.
	Change of control.	The bonus will be paid only to the extent the targets set at the beginning of the year have been achieved. Unless the Committee determines otherwise, any bonus payment will be pro-rated for time served during the year where payment is accelerated. Payment will usually be made in cash only with no deferral.	At the normal time unless the Committee determines otherwise.
<b>Deferred Bonus Shares</b>	Resignation or dismissal.	Any deferred bonus shares will be retained. The Committee shall have discretion to apply malus or clawback in cases of misconduct arising before the end of the deferral period leading to (or which would have justified) summary dismissal.	At the end of the deferral period (unless the Committee exercises its discretion to determine earlier vesting).
	Change of control.	The deferral period ends.	At the time of change of control.
<b>PSP and CIP (legacy scheme)</b>	Resignation or dismissal.	Unvested awards will lapse on date of leaving or such earlier date as the Committee may determine following the giving of notice. Any vested awards can be exercised.	For vested awards, the two-year post-vesting holding period will remain in force, unless the Committee, in its absolute discretion, determines otherwise.
	Injury, disability, ill-health, redundancy, sale of the employer or business out of the Group or any other reason which the Committee may, in its absolute discretion permit (e.g. retirement).	Any unvested awards will be assessed for performance, and unless the Committee determines otherwise, time pro-rated.	At the normal vesting date (unless the Committee exercises its discretion to determine earlier vesting). The two-year post-vesting holding period will remain in force, unless the Committee, in its absolute discretion, determines otherwise.
	Death.	Any unvested awards will be assessed for performance and, unless the Committee determines otherwise, time pro-rated.	Vest at the time of death.
	Change of control.	Any unvested awards will be assessed for performance, and unless the Committee determines otherwise, time pro-rated.	At the time of change of control.

In relation to the Save As You Earn (SAYE) plan, as a United Kingdom tax-advantaged plan, where an Executive Director leaves or a change of control occurs, the treatment of any outstanding options will be in line with the plan rules and HMRC guidance.

## DIRECTORS' REPORT ON REMUNERATION

## Annual Report on Remuneration

The following section provides details of how the Company's Directors' Remuneration Policy was implemented during the financial year to 31 December 2025 and how it will be implemented in the financial year to 31 December 2026 (subject to shareholder approval at the 2026 AGM). The table below sets out the total remuneration received by the Directors for the year ended 31 December 2025.

## Single total figure of remuneration (audited)

Name	Base salary/fees (a)		Taxable benefits (b)		Single-year variable (c)		Multiple-year variable (d)		Pension (e)		Total		Total fixed (a+b+e)		Total variable (c+d)	
	£'000		£'000		£'000		£'000		£'000		£'000		£'000		£'000	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Executive Directors</b>																
Duncan Tait	937	885	38	10	680	944	2,235	2,567	87	62	3,977	4,468	1,062	957	2,915	3,511
Adrian Lewis	504	491	38	12	396	517	710	347	47	33	1,695	1,400	589	536	1,106	864
<b>Non-Executive Directors</b>																
Jerry Buhlmann	377	270	1	—	—	—	—	—	—	—	378	270	378	270	—	—
Alison Platt	93	83	—	—	—	—	—	—	—	—	93	83	93	83	—	—
Byron Grote	89	81	—	—	—	—	—	—	—	—	89	81	89	81	—	—
Alex Jensen	88	84	—	—	—	—	—	—	—	—	88	84	88	84	—	—
Juan Pablo Del Rio	72	70	14	10	—	—	—	—	—	—	86	80	86	80	—	—
Stuart Rowley	84	70	—	—	—	—	—	—	—	—	84	70	84	70	—	—
Nayantara Bali	72	70	4	2	—	—	—	—	—	—	76	72	76	72	—	—
<b>Former Directors</b>																
Sarah Kuijlaars	25	87	—	—	—	—	—	—	—	—	25	87	25	87	—	—
<b>Total</b>	<b>2,341</b>	<b>2,191</b>	<b>95</b>	<b>34</b>	<b>1,076</b>	<b>1,461</b>	<b>2,945</b>	<b>2,914</b>	<b>134</b>	<b>95</b>	<b>6,591</b>	<b>6,695</b>	<b>2,570</b>	<b>2,320</b>	<b>4,021</b>	<b>4,375</b>

## Notes to the single total figure of remuneration

- a. Base salary/fees. Salaries are reviewed annually and typically take effect from 1 April each year. The quantum of total executive remuneration was reviewed relative to size and sector peers. In considering the level of increase to be awarded the Committee also considered the remuneration arrangements for the wider workforce. For 2025, Duncan Tait received a salary of £952,965 per annum and Adrian Lewis received a salary of £507,749 per annum.
- b. Car allowance, medical cover, mileage allowance and other benefits deemed taxable by HM Revenue and Customs. For the Non-Executive Directors taxable benefits include accommodation in connection with the attendance of Board meetings, which are deemed taxable by HM Revenue and Customs. The Group meets the associated tax costs. Non-taxable expense reimbursements have not been included.
- c. Payment for performance under the annual bonus.
- d. The 2025 figures include the 2023 PSP and CIP awards which will vest in April 2026 based on performance over a three-year period from 1 January 2023 to 31 December 2025. These awards are subject to a two-year holding period and will therefore be released in 2028. The figures have been valued using the three-month average share price from 1 October 2025 to 31 December 2025 of 748p. Actual performance against targets is given on page 92.

The value for the Group Chief Executive includes a movement of £-8,962 due to a decrease in the share price over the period and £236,615 in respect of dividend shares accrued over the performance period. The value for the Group Chief Financial Officer includes a movement of £-2,848 due to a decrease in the share price over the period and £75,181 in respect of dividend shares accrued over the performance period.

The 2024 figures include the 2022 PSP and CIP awards which vested in April and May 2025 based on performance over a three-year period. These awards are subject to an additional two-year holding period and therefore will be released in 2027. The figures have been restated using the actual share price on the date of vesting of 659p for the PSP and 663p for the CIP. The Group Chief Executive value includes a movement of £-34,607, due to a decrease in the share price over the period and £328,228 in respect of dividend shares accrued over the performance period. The Group Chief Financial Officer value includes a movement of £-3,352, due to a decrease in the share price over the period and £40,568 in respect of dividend shares accrued over the performance period.

- e. For 2025, Duncan Tait and Adrian Lewis received a pension allowance of 10% of salary. The pension allowance is in line with the contributions offered to the UK workforce.

## DIRECTORS' REPORT ON REMUNERATION

## Annual bonus

For 2025, 80% of the bonus was based on financial performance via a matrix of revenue, profit before tax and working capital. The remaining 20% was based on strategic objectives therefore linking the Executive Directors bonus outcome to their contribution to the Accelerate+ strategy. The maximum opportunity was 150% of salary which is payable for achieving stretch performance against all measures.

## Performance against targets

Performance for determining bonus outcomes has been calculated using constant currency rates during the year, the same that are used to set the bonus targets. This approach helps ensure that the bonus is linked to underlying financial performance. The Committee also reviewed the bonus targets to take into account the subsequent acquisition of Askja and its associated businesses to ensure that the target set, and performance outcome, was on a like-for-like basis

The Committee considered the bonus outcomes in the context of overall business performance and determined the outcome was a fair reflection of business performance. Therefore no adjustment was made to the formulaic bonus outcomes.

Measure	Targets			Actual performance	Weighting
	Threshold	Target	Stretch		
Revenue	£8.6bn	£9.4bn	£10.1bn	£9.3bn	60%
Adjusted profit before tax	£423m	£470m	£516m	£463m	
Working capital	£482m	£357m	£232m	£298m	

## Overall 2025 bonus outcome

The Committee concluded that the overall bonus outcome was reflective of the Company's financial and operational performance and therefore did not make any discretionary adjustments. As a result, the Committee approved the overall 2025 bonus as follows:

	2025 base salary	Max bonus opportunity (% of salary)	Bonus outcome (% of salary)	Bonus amount (£)
Duncan Tait	£952,965	150%	71%	£679,569
Adrian Lewis	£507,749	150%	78%	£396,354

## Achievement of strategic objectives

We provide as much detail as commercially appropriate on the objectives linked to the strategic element of the 2025 bonus and the resulting outcomes which are given on the table opposite.

The outcomes for the Group Chief Executive and Chief Financial Officer were independently verified by the Head of Internal Audit and presented to the Remuneration Committee for consideration.

## Duncan Tait

Strategic objective and % weighting of bonus	Objective details	Outcome	Outcome % of salary
OEM and Growth 10%	Scale the Group by increasing market share, delivering increased value from contract wins and consolidation.	The Americas and Europe & Africa performed well however underperformance in APAC resulted in the measure not being met.	0%
Efficiency 5%	Ensure Accelerate+ optimise programmes and overhead control. Reduce carbon emissions.	The measure of delivering of operating margin of 6.3% has been met.  CO <sub>2</sub> emission reduction of 9.9% on a market basis and 13.5% on a location basis, exceeding target.	6%
People 5%	Improve Be Heard Survey engagement by 2%.  Execute electric vehicle (EV) health, safety, and environment programmes to reduce risk and improve Group Security posture.  Reduce risks to colleagues relating to external events.	The global Be Heard engagement score increased by 4%.  The EV risk matrix was reduced to medium impact and likelihood.  Threat assessments completed and appropriate action plans in place across the Group reducing security risks from external events.	6%

## Adrian Lewis

Strategic objective and % weighting of bonus	Objective details	Outcome	Outcome % of salary
Enablers 10%	Reduce carbon emissions.  Improve employment engagement scores across the Finance function.  Review and transform approach to investor engagement.	CO <sub>2</sub> emission reduction of 9.9% on a market basis and 13.5% on a location basis, exceeding target.  Be Heard engagement scores for Finance functions increased by 6% exceeding target.  The measure to increase the breadth and number of investors, and implement tools to support and improve investor engagement was met.	12%
Scale 5%	Scale the Group by increasing market share, delivering increased value from contract wins and consolidation.	The Americas and Europe & Africa Regions performed well however underperformance in APAC resulted in the measure not being met. The measure to deliver operating profit of at least 6.3% was met.	2.25%
Optimise 5%	Optimise the finance function and lay foundations for a globally scalable and intelligent global business services.	The measure to transition roles in the Americas and Europe to GBS, and approval of the Finance Functional Strategy and operating model for iGBS by the Audit Committee was met.	4.5%

## DIRECTORS' REPORT ON REMUNERATION

**PSP and CIP awards vesting in respect of the year**

In 2023, awards were granted under the PSP and CIP schemes which vested dependent on certain performance targets measured over three years to 31 December 2025. These awards are also subject to an additional post-vest two-year holding period.

**Adjustment made during the performance period**

The disposal of the UK business took place in August 2024. The EPS performance target was adjusted to reflect the impact of the exclusion of UK Retail, and the decrease in the number of shares associated with completion of the share buyback programme. This resulted in the Committee approving an adjustment of EPS target from 250p – 290p to 235p – 275p.

For ROCE, the Committee approved an increase in targets from 21% – 26% to 22% – 27% reflecting the dilutive ROCE % from the UK operations. No amendments were made to cash conversion performance targets. The Committee considered the adjusted targets to be no easier or difficult to satisfy than the original targets and as such the formulaic outcome to be a fair reflection of performance over the period.

**2023 performance targets**

Three-year EPS cumulative growth p.a. (40% weighting)	Vesting %
Less than 235p	0%
235p	25%
275p	100%
Between 235p and 275p	Straight-line basis

Three-year average ROCE (40% weighting)	Vesting %
Less than 22%	0%
22%	25%
27%	100%
Between 22% and 27%	Straight-line basis

Cash conversion (20% weighting)	Vesting %
Less than 60%	0%
60%	25%
70%	100%
Between 60% and 70%	Straight-line basis

**2023 PSP and CIP performance outcomes**

Over the 2023 – 2025 performance period, cumulative EPS of 253p, three-year average ROCE of 27% and cash conversion of 69% were achieved resulting in the following vesting outcomes:

Award	Performance measure	Weighting	Vesting outcome (% of element)
PSP/CIP	EPS	40%	24%
	ROCE	40%	40%
	Cash conversion	20%	19%
Total (overall vesting outcome)			83%

**2023 PSP and CIP awards vested**

The Group Chief Executive was granted a PSP award of 180% of salary and a CIP award of 100% of salary. As a result, the following awards will vest.

	Grant date	Number of awards granted	Number of awards vesting	Number of awards lapsing	Vesting date	Estimated value of awards vesting (£)*
<b>Duncan Tait</b>						
PSP	11 April 2023	206,880	171,710	35,170	11 April 2026	£1,284,391
CIP	11 April 2023	114,934	95,395	19,539	11 April 2026	£713,555
<b>Adrian Lewis**</b>						
PSP	11 April 2023	76,190	63,237	12,953	11 April 2026	£473,013
CIP	11 April 2023	26,087	21,652	4,435	11 April 2026	£161,957

\* Estimated value calculated using the three-month share price average from 1 October 2025 to 31 December 2025 of 748p. The average share price is below the prevailing share price at the time the 2023 awards were granted of 751p.

\*\* Adrian Lewis was granted his 2023 awards before his appointment as Group Chief Financial Officer.

## DIRECTORS' REPORT ON REMUNERATION

**PSP and CIP awards granted during the year (audited)**

During 2025, the awards granted under the PSP and CIP schemes vest dependent on certain performance targets measured over the three years to 31 December 2027. These awards are also subject to an additional post-vest two-year holding period.

Threshold performance will result in 25% of the PSP and CIP award vesting.

**2025 PSP/CIP performance targets**

Three-year cumulative EPS (40% weighting)	Vesting %
Less than 228p	0%
228p	25%
256p	100%
Between 228p and 256p	Straight-line basis

Three-year average ROCE (40% weighting)	Vesting %
Less than 23%	0%
23%	25%
30%	100%
Between 23% and 30%	Straight-line basis

Cash conversion (20% weighting)	Vesting %
Less than 85%	0%
85%	25%
105%	100%
Between 85% and 105%	Straight-line basis

**One-off Accelerate+ PSP award performance targets**

Three year cumulative EPS (100%)	Vesting %
Less than 256p	0%
256p	25%
277p	100%
Between 256p and 277p	Straight-line basis

The targets are set at an actual currency rate and will not be adjusted for share buybacks or bolt on M&A.

**2025 PSP/CIP awards granted**

Normal PSP awards were granted to the Executive Directors at 180% of salary and a one-off Accelerate+ PSP award at 70% of salary. Under the CIP, the Executive Directors invested 50% of salary (including mandatory bonus deferral) and were granted a matching award of 100% of salary.

	Date of grant	Share price (p) <sup>1</sup>	Awards granted	Face value at grant (£) <sup>2</sup>	Performance period	Exercise period <sup>3</sup>
<b>Duncan Tait</b>						
PSP	14 April 2025	695.5	259,899	£1,807,598	Jan 2025 – Dec 2027	Apr 2028 – Apr 2029
Accelerate+			101,071	£702,949		
CIP	14 April 2025	695.5	119,669	£832,298	Jan 2025 – Dec 2027	Apr 2028 – Oct 2028
<b>Adrian Lewis</b>						
PSP	14 April 2025	695.5	138,476	£963,101	Jan 2025 – Dec 2027	Apr 2028 – Apr 2029
Accelerate+			53,852	£374,541		
CIP	14 April 2025	695.5	72,778	£506,171	Jan 2025 – Dec 2027	Apr 2028 – Oct 2028

1. Mid-market share price on date of grant.
2. Face value has been calculated using the share price at date of grant.
3. The awards are structured as a nil-cost option. Any shares vesting and exercised under the PSP and CIP (net of tax) are required to be held until the fifth anniversary of grant.

**PSP and CIP awards exercised during the year**

Adrian Lewis exercised his 2022 PSP and CIP awards during the year selling sufficient shares to cover costs and tax and retained the remaining shares in line with Policy. These awards were granted to Adrian prior to his appointment to the Board.

Duncan Tait did not exercise any awards in 2025.

Executive Director	Plan	Awards exercised	Dividend shares	Share sale price (p)	Shares sold	Shares retained
Adrian Lewis	PSP	32,676	3,504	666p	17,406	18,774
	CIP	13,722	1,819	667p	7,477	8,064

Malus and clawback provisions apply to the PSP and CIP. Malus provisions relate to unvested PSP and CIP awards whilst clawback applies for the two years post-payment or vesting which is considered to be a reasonable length of time to discover and assess circumstances that would warrant use of these provisions.

The circumstances in which malus and clawback provisions can be used are given in the notes to the Directors' Remuneration Policy on page 84.

The malus and clawback provisions were not enacted during 2025.

DIRECTORS' REPORT ON REMUNERATION

Exit payments during the year

None.

Payments to past Directors

No payments were made to past Directors in 2025.

Pay for performance

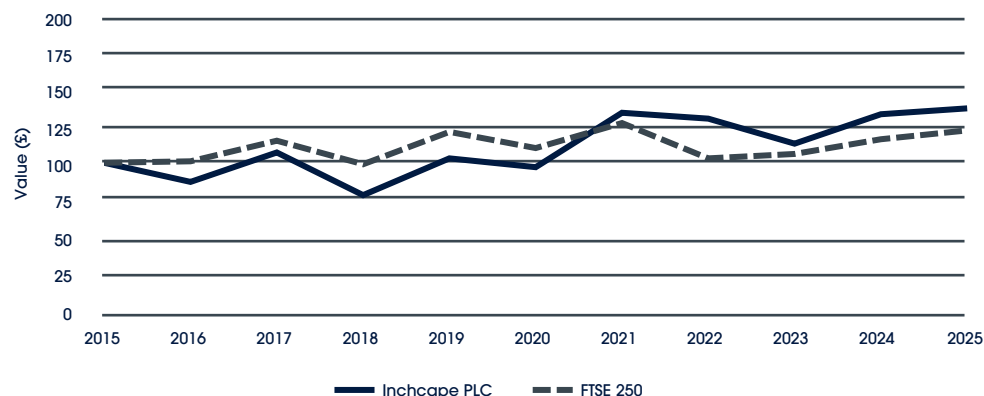
The graph below shows the total shareholder return (TSR) of the Company over the 10-year period to 31 December 2025.

The FTSE 250 Excluding Investment Trust Index has been chosen as the most suitable comparator group as it is the general market index in which the Company appears. The table details the Group Chief Executive's single figure remuneration and actual variable pay outcomes over the same period.

Historical TSR performance

Growth in the value of a hypothetical £100 holding over the 10 years to 31 December 2025.

Value of £100 invested at 31 December 2015



	Group Chief Executive	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Group Chief Executive single figure of remuneration (£'000)	Stefan Bomhard	1,403	3,006	2,430	1,522	471 <sup>1</sup>	n/a	n/a	n/a	n/a	n/a
	Duncan Tait	n/a	n/a	n/a	n/a	468	2,054	4,098	4,288	4,468	3,977
Annual bonus outcome (% of maximum)		40%	68%	39%	n/a <sup>3</sup>	0%	98%	100%	67%	71%	47.5%
LTI vesting outcome (% of maximum)		n/a <sup>2</sup>	80%	58%	40%	n/a <sup>4</sup>	n/a <sup>5</sup>	60%	100%	100%	83%

1. The amount for Stefan Bomhard reflects remuneration received until he left the Group in June 2020.
2. Stefan Bomhard did not receive an award under the 2014 PSP or CIP. However, for those participants who did receive an award, 86.5% of the normal PSP vested and there was a 1.73:1 match for each share invested into the CIP.
3. Stefan Bomhard did not receive a bonus in 2019.
4. Neither Stefan Bomhard nor Duncan Tait received a vested award under the 2018 PSP or CIP. However, for those participants who did receive an award, 28.5% of the 2018 PSP vested and there was a 0.57:1 match for each share invested into the 2018 CIP.
5. Duncan Tait did not receive an award under the 2019 PSP or CIP. However, for those participants who did receive an award, 40% of the PSP vested and there was a 0.8:1 match for each share invested into the 2019 CIP.

## DIRECTORS' REPORT ON REMUNERATION

**Group Chief Executive pay ratio**

The pay ratio is based on comparing the Group Chief Executive's pay to that of Inchcape's UK-based colleague population. During 2024 Inchcape completed the disposal of its UK Retail operations, which employed most of its UK workforce, around 3,600 people. The remaining UK colleagues are in head office roles and therefore the remuneration profile has shifted away from customer facing commission driven reward.

The Committee anticipates that the ratios are likely to be more stable over time as the Group Chief Executive's incentive outcomes and colleague pay will both be dependent on Group-wide results. The ratios have decreased significantly due to the change in workforce profile.

The ratios have remained broadly aligned to those in 2024, reflecting the expected stabilisation.

Financial year	Calculation methodology	P25 (Lower quartile)	P50 (median)	P75 (Upper quartile)
2025	C	41:1	31:1	17:1
2024	C	48:1	32:1	19:1
2023	C	128:1	95:1	70:1
2022	C	154:1	109:1	74:1
2021	C	75:1	55:1	38:1
2020	C	40:1	28:1	19:1
2019	C	67:1	48:1	32:1

Consistent with previous years, calculation methodology C was used.

Full-time equivalent remuneration was calculated for all United Kingdom based colleagues as of 31 December 2025 using the single total figure valuation methodology, with two amendments: using 2024 bonus outcomes as a proxy for 2025 bonus outcomes and excluding PSP grants. The colleagues at the 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentile (P25, P50, P75) were identified. The total remuneration for 2025 of the three colleagues identified was updated after the year-end to include annual bonus and PSP values (if applicable).

This method was chosen as it is in line as much as possible with methodology A, which is the Government's preferred approach while taking account of operational constraints. The Committee is satisfied that the selected colleagues are representative.

The table below sets out the remuneration details for the individuals identified:

Year	Salary	CEO	P25	P50	P75
2025	Basic salary (£'000)	£937	£59	£88	£147
	Total remuneration (£'000)	£3,977	£96	£128	£238
2024	Basic salary (£'000)	£885	£61	£81	£142
	Total remuneration (£'000)	£4,468	£100	£149	£248
2023	Basic salary (£'000)	£859	£28	£31	£32
	Total remuneration (£'000)	£4,288	£30	£41	£55
2022	Basic salary (£'000)	£820	£23	£16	£41
	Total remuneration (£'000)	£4,098	£26	£38	£55
2021	Basic salary (£'000)	£799	£22	£26	£21
	Total remuneration (£'000)	£2,054	£28	£37	£54
2020	Basic salary (£'000)	£759	£23	£32	£34
	Total remuneration (£'000)	£939	£24	£33	£49
2019	Basic salary (£'000)	£757	£15	£28	£28
	Total remuneration (£'000)	£1,639	£24	£34	£52

The roles selected as best equivalents are considered to be reasonably representative of the P25, P50, and P75 percentiles of the workforce pay distribution. This approach is consistent with the methodology applied in previous years and with established market practice.

The Remuneration Committee is satisfied that the overall picture presented by the 2025 pay ratios is consistent with the reward policies for the profile of Inchcape's UK colleagues. The Committee considers these ratios when making decisions around the Executive Director pay packages, and Inchcape takes seriously the need to ensure competitive pay packages across the organisation.

## DIRECTORS' REPORT ON REMUNERATION

**Executive share ownership and Directors' interests (audited)**

The table below shows the total number of shares, options, and awards held by each Director at 31 December 2025 or at the date of leaving if earlier. There have been no changes to this between 31 December 2025 and 2 March 2026.

	Shares held at 31 December 2025	PSP/CIP awards held		SAYE options held		Vested but not yet exercised	Guideline met
		Subject to performance conditions	Subject to deferral	Subject to performance targets	Subject to deferral		
Juan Pablo del Río*	12,837,700	n/a	n/a	n/a	n/a	n/a	n/a
Duncan Tait	531,079	1,139,399	0	0	3,036	206,041	Yes
Adrian Lewis	140,960	553,956	0	0	3,065	0	Yes
Byron Grote	87,500	n/a	n/a	n/a	n/a	n/a	n/a
Jerry Buhlmann	66,753	n/a	n/a	n/a	n/a	n/a	n/a
Alison Platt	19,314	n/a	n/a	n/a	n/a	n/a	n/a
Stuart Rowley	19,000	n/a	n/a	n/a	n/a	n/a	n/a
Sarah Kuijlaars**	16,000	n/a	n/a	n/a	n/a	n/a	n/a
Nayantara Bali	9,700	n/a	n/a	n/a	n/a	n/a	n/a
Alex Jensen	9,434	n/a	n/a	n/a	n/a	n/a	n/a
Tracy Clarke	0	n/a	n/a	n/a	n/a	n/a	n/a

\* Juan Pablo del Río was appointed to the Board following the acquisition of the Derco business. As part of the agreement, the del Río family acquired 38,513,102 shares of which Juan Pablo del Río is the beneficial owner of 12,837,700.

\*\* Sarah Kuijlaars resigned on 13 April 2025.

**Share ownership policies**

Under the 2023 remuneration policy, the Executive Directors are required to hold a fixed number of shares equivalent to 200% of base salary. They have five years from the date of appointment to reach this shareholding.

As at 31 December 2025, using the average share price from 1 October 2025 to 31 December 2025 of 748p and the 2025 salary, Duncan Tait held 579% of salary and Adrian Lewis held 208% of salary.

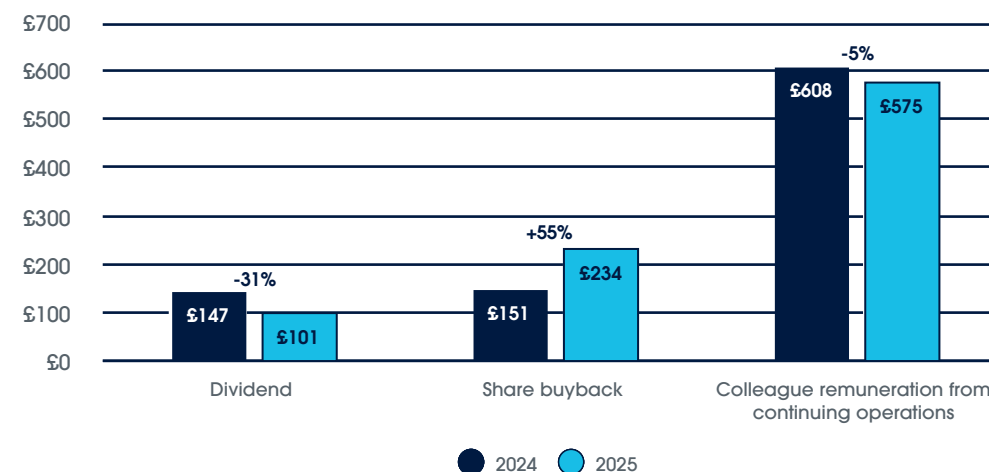
**Other directorships**

The Executive Directors are generally permitted to take one non-executive directorship as long as it does not lead to conflicts of interest or undue time commitment and is approved in advance by the Nomination Committee and the Board.

Duncan Tait served as a non-executive director on the board of Agilisys Ltd between 1 January 2025 to 30 September 2025 for which he received a fee of £12,500.

**Relative importance of spend on pay (£m)**

The chart shows the percentage change in total colleague pay expenditure and shareholder distributions (i.e. dividends and share buybacks) from 2024 to 2025.



The Directors are proposing a final dividend for 2025 of 22.8p per share (2024: 17.2p).

## DIRECTORS' REPORT ON REMUNERATION

## Percentage change in Board remuneration

The table shows the percentage change in Board remuneration, compared with the average percentage change in remuneration for senior management. For the purposes of this disclosure, remuneration comprises salary, benefits (excluding pension), and annual bonus only. The increase for Non-Executive Directors relates to base fees only. There were no changes to the additional fees for chairing a Committee.

	% change for 2021			% change for 2022			% change for 2023			% change for 2024			% change for 2025		
	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
<b>Executive Directors</b>															
Duncan Tait	2.5%	0%	100%	3.5%	0%	5.5%	5%	0%	(30)%	2.5%	0%	9%	<b>7%</b>	<b>0%</b>	<b>(28)%</b>
Adrian Lewis	-	-	-	-	-	-	n/a	n/a	n/a	3%	0%	14%	<b>2.7%</b>	<b>0%</b>	<b>(23)%</b>
<b>Non-Executive Directors</b>															
Jerry Buhlmann	2.5%	n/a	n/a	3.5%	n/a	n/a	4%	n/a	n/a	313%	100%	n/a	<b>3%</b>	<b>0%</b>	<b>n/a</b>
Alex Jensen	2.5%	n/a	n/a	3.5%	n/a	n/a	4%	n/a	n/a	2.5%	n/a	n/a	<b>3%</b>	<b>n/a</b>	<b>n/a</b>
Nayantara Bali	0%	n/a	n/a	3.5%	n/a	n/a	4%	n/a	n/a	2.5%	n/a	n/a	<b>3%</b>	<b>n/a</b>	<b>n/a</b>
Sarah Kuijlaars	-	-	-	3.5%	n/a	n/a	4%	n/a	n/a	2.5%	n/a	n/a	<b>3%</b>	<b>n/a</b>	<b>n/a</b>
Juan P. Del Río	-	-	-	-	-	-	4%	n/a	n/a	2.5%	n/a	n/a	<b>3%</b>	<b>n/a</b>	<b>n/a</b>
Byron Grote	-	-	-	-	-	-	4%	n/a	n/a	2.5%	n/a	n/a	<b>3%</b>	<b>n/a</b>	<b>n/a</b>
Stuart Rowley	-	-	-	-	-	-	n/a	n/a	n/a	2.5%	n/a	n/a	<b>3%</b>	<b>n/a</b>	<b>n/a</b>
Allison Platt	-	-	-	-	-	-	-	-	-	n/a	n/a	n/a	<b>3%</b>	<b>n/a</b>	<b>n/a</b>
Tracy Clarke	-	-	-	-	-	-	-	-	-	-	-	-	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Average senior manager</b>	<b>3.3%</b>	<b>0%</b>	<b>73.2%</b>	<b>5.8%</b>	<b>0%</b>	<b>9.5%</b>	<b>7.7%</b>	<b>0%</b>	<b>(35.2)%</b>	<b>3%</b>	<b>0%</b>	<b>14.9%</b>	<b>3%</b>	<b>0%</b>	<b>(20)%</b>

As Inchcape plc has no direct employees, colleagues representing the most senior Executives have been selected as this group is large enough to provide a robust comparison, while also providing data that is readily available on a matched sample basis. These colleagues also participate in bonus schemes of a similar nature to the Executive Directors and therefore remuneration will be similarly influenced by Company performance.

DIRECTORS' REPORT ON REMUNERATION

Statement of implementation for 2026

This section provides an overview of how the Committee is proposing to implement the Policy in 2026. Awards under the bonus and PSP are subject to shareholder approval of the 2026 Remuneration Policy at the Annual General Meeting on 14 May 2026.

If shareholder approval is not received for the 2026 Policy, awards for bonus, PSP, and CIP will be made under the 2023 Policy.

Base salary

Salaries are reviewed annually and increases usually take effect from 1 April. For 2026, The Group Chief Executive will receive an increase of 2% giving an annual salary of £972,025 and the Group Chief Financial Officer will receive an increase of 2%, giving an annual salary of £517,904. The increases are below the 2.5% increase the UK workforce average will receive.

Pension

The pension for Executive Directors is 10% of salary in line with UK workforce average.

Annual bonus

The maximum bonus opportunity will be 200% of salary.

For the Executive Directors, 60% of the bonus will be based on a financial performance matrix, linked to revenue and profit before tax.

Revenue			
Stretch	40%	120%	200%
Target	26%	100%	160%
Threshold	20%	60%	120%
	Threshold	Target	Stretch
Profit before tax			

20% will be based on working capital, and 20% will be based on specific, measurable objectives that relate to the Accelerate+ strategy.

Any payments of the working capital and strategic objectives is subject to the revenue and profit before tax thresholds being met. For target performance, the payout will be 50% of the maximum bonus opportunity.

As is typical market practice for reasons of commercial sensitivity, the 2026 performance targets will be disclosed in next year's Directors' Report on Remuneration.

Long-term incentives (LTIP)

The Executive Directors will receive a PSP award of 250% of salary based on performance metrics of 40% EPS, 20% ROCE, 20% cash conversion, and 20% total shareholder return.

The Committee wholly believes that effective shareholder alignment requires appropriately stretching targets. Performance targets are set following a rigorous process which includes several internal and external reference points. The Committee will continue to set targets to reflect a demanding yet achievable level of performance that aligns with our med-term strategic goals which include delivering EPS CAGR growth of >10%.

The Committee will also continue to consider the underlying financial performance of the business, as well as the value added to shareholders when assessing performance.

2026 LTIP performance targets

Three-year cumulative EPS (40% weighting)	Vesting %	Three-year average ROCE (20% weighting)	Vesting %
Less than 264p	0%	Less than 23%	0%
264p	25%	23%	25%
319p	100%	30%	100%
Between 264p and 319p	Straight-line basis	Between 23% and 30%	Straight-line basis

Cash conversion (20% weighting)	Vesting %	Total shareholder return (20% weighting)	Vesting %
Less than 90%	0%	Less than 50%	0%
90%	25%	50%	25%
115%	100%	75%	100%
Between 90% and 115%	Straight-line basis	Between 50% and 75%	Straight-line basis

Chairman and Non-Executive Director fees

For 2026, all Non-Executive Directors will receive a fee increase of 2.5% effective 1 April 2026 giving the Chairman a fee of £389,702 per annum, the Senior Independent Director a fee of £95,511 per annum, the designated Non-Executive Director for workforce engagement a fee of £85,025 per annum, and Non-Executive Directors a fee of £74,025 per annum.

The Chairs of the Audit, Remuneration, and Sustainability Committees will receive an additional fee of £19,500 per annum effective 1 April 2026.

## DIRECTORS' REPORT ON REMUNERATION

### Governance matters

#### Shareholder context

The table below shows the advisory vote on the Directors' Remuneration Report at the Annual General Meeting held on 15 May 2025:

	Total number of votes	% of votes cast
For (including discretionary)	214,337,281	64.55%
Against	117,695,055	35.45%
Total votes cast (excluding votes withheld)	332,032,336	100.00%
Votes withheld	4,200,781	
Total votes cast including votes withheld	336,233,117	

The table below shows the binding vote on the Directors' Remuneration Policy at the Annual General Meeting held on 18 May 2023:

	Total of votes	% of votes cast
For (including discretionary)	349,306,482	96.07%
Against	14,288,011	3.93%
Total votes cast (excluding votes withheld)	363,594,493	100.00%
Votes withheld	197,020	
Total votes cast including votes withheld	363,791,513	

Withheld votes are not included in the final proxy figures as they are not recognised as a vote in law.

#### Vote on 2025 Directors' Report on Remuneration

The Directors' Report on Remuneration received a vote of 64.55% in favour at the Annual General Meeting in May 2025. Whilst this resolution was passed by a majority, a number of shareholders did not support the resolution.

In January 2025, a letter was sent to shareholders setting out the Committee's planned implementation of policy for 2025 which was in line with current policy, following which calls were held with several shareholders and proxy advisors to discuss the Committee's rationale for the decisions made.

Following the Annual General Meeting, the top 50 shareholders representing c.70% of the issued share capital, and the proxy advisors were contacted to ask for feedback on the vote against where relevant, and to ask for input on the 2026 remuneration policy proposals.

In respect of the Directors' Report on Remuneration, shareholders expressed a concern with the salary increase for the Group Chief Executive, which was above workforce average, and the stretch in the performance targets for the one-off PSP award granted in 2025. Further rationale for the Remuneration Committee's decisions on these matters, including a detailed overview of the Group Chief Executive's strategic achievements, and the performance required for the one-off PSP targets over the next three years was provided. Having considered feedback received, the Board is satisfied with its decisions and has concluded that no further actions are necessary.

#### Advisors to the Committee

Willis Towers Watson (WTW) was appointed as the independent remuneration advisor to the Committee effective September 2024.

WTW was paid a fee of £253,316 for its services relating to Directors' remuneration during 2025. WTW did not provide advice or services to the Company on any other matters. WTW are signatories to the Remuneration Consultant Group's Code of Conduct which sets out guidelines to ensure that any advice is independent and free of undue influence (this can be found at [www.remunerationconsultantsgroup.com](http://www.remunerationconsultantsgroup.com)). None of the individual Directors has a personal connection with WTW.

The Committee is satisfied that the advice it receives is objective and independent and confirms that WTW does not have any connection with the Company that may impair their independence. The Committee's advisors attend Committee meetings as required and provide advice on remuneration for Executives, analysis of the Directors' Remuneration Policy, and regular market and best practice updates.

The advisors report directly to the Committee Chair. Fees are charged at an hourly rate in accordance with the terms and conditions set out in the relevant engagement letter.

The Directors' Report on Remuneration was approved by the Board and has been signed by Byron Grote on its behalf.

#### Byron Grote

Chair of the Remuneration Committee

## DIRECTORS' REPORT

The Directors' Report for the year ended 31 December 2025 comprises pages **100** to **104** of this Report together with sections incorporated by reference.

Information required in the Management Report under Disclosure Guidance and Transparency Rule (DTR) 4.1.8 can be found in the following sections: a review of the business and future developments on pages **1** to **41**; principal risks and uncertainties on pages **42** to **47**; a description of the Board's activities and the structure of its Committees is given on pages **50** to **57**; and, a description of the Group's internal control and risk management framework is given on pages **67** to **73**.

### Corporate governance statement

The statement of compliance with the UK Corporate Governance Code 2024 (Code) is given on page **51** with a breakdown of compliance with each provision being available on our website. The Code is published on the Financial Reporting Council's website [www.frc.org.uk](http://www.frc.org.uk). Information required under DTR 7 is given in the Corporate Governance Report on pages **50** to **104**.

### Board of Directors

The Directors of the Company below were in office during the year and up to the date of signing the financial statements:

- Nayantara Bali
- Jerry Buhlmann
- Tracy Clarke (appointed December 2025)
- Juan Pablo del Río
- Byron Grote
- Alex Jensen
- Sarah Kuijlaars (resigned April 2025)
- Adrian Lewis
- Alison Platt
- Stuart Rowley
- Duncan Tait

In accordance with the Code, as at the date of this Report, all Directors will stand for election or re-election except for Juan Pablo del Río at the annual general meeting on 14 May 2026 (AGM). The Chairman has reviewed the performance of each Director and is satisfied that each continues to be effective and demonstrates commitment to the role. The appointment and replacement of Directors is governed by the Company's Articles of Association (Articles), the Code, the Companies Act 2006, and related legislation. The Articles are available on the Company's website. The Articles were not amended during the year.

Subject to the Articles, the Code, and relevant legislation, the business of the Company is managed by the Board which may exercise all the powers of the Company.

### Inclusion and diversity

The Global Inclusion & Diversity Policy provides a standard approach across Inchcape and covers all aspects of working practices and environments. It reinforces our commitment to maintaining an inclusive culture of acceptance and respect for individuality within our business, enabling everyone to be themselves at work. The Policy enables everyone to uphold Inchcape's Code of Conduct which empowers our colleagues and communities to always do the right thing and act with honesty and integrity.

Inclusive hiring practices, including improvements to the interview process and training for managers with hiring responsibilities are in place so that we can reach and reflect the world's communities. Our training and development programmes aim to ensure our diverse talent can reach their potential. This includes our Women into Leadership Programme and Aspire Programme. Through our global inclusion and diversity (I&D) campaigns, communications, e-learning, and tracking data on diversity, we aim to create meaningful connections across the business. We are developing leaders to be authentic and inclusive in their approach to driving I&D action with our Inclusive Leadership Programmes.

A range of I&D toolkits empower our colleagues across the business to create an inclusive environment. The toolkits have been developed in partnership with colleagues and enable everyone to consider I&D within their daily actions and decisions.

The Board and its Committees act in accordance with the Global Inclusion & Diversity Policy.

The Company has a target of at least 23% of its global senior management team to be from ethnic minority backgrounds by 2027.

### Shareholders

Engagement with shareholders is important to the Company so that we are able to understand the key issues of importance to them and get their views on the business. Any updates regarding the business, including presentations by the Group Chief Executive, are available at [www.inchcape.com](http://www.inchcape.com) so that all shareholders have access to the same Company information at the same time. Further information on stakeholder engagement can be found on pages **61** and **62**.

As our 50 largest shareholders hold approximately 87% of the Company's shares, shareholder consultations, such as the Directors' Remuneration Policy, are carried out with this group. Extending the consultation to all shareholders would not be cost effective, and shareholders not involved in the consultation process are encouraged to use the AGM forum to express their views either by asking questions or voting on the relevant resolutions.

### Conflicts of interest

The Articles permit the Board to authorise any matter which would otherwise involve a Director breaching their duty under the Companies Act 2006 to avoid conflicts of interest. When authorising a conflict of interest, the Board must do so without the conflicting Director counting as part of the quorum. In the event that the Board considers it appropriate, the conflicted Director may be permitted to participate in the debate but will be permitted neither to vote nor count in the quorum when the decision is being agreed. The Directors are aware that it is their responsibility to inform the Board of any potential conflicts as soon as possible and procedures are in place to facilitate disclosure.

## DIRECTORS' REPORT

### Directors' indemnity

A qualifying third-party indemnity (QTPI), as permitted by the Articles and sections 232 and 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company.

Under the provisions of the QTPI, the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgement is given against the Director. The indemnity has been in force for the year ended 31 December 2025 and until the date of approval of this report. The indemnity also covers the statutory Directors of the Group's subsidiaries.

### Results and dividends

The Group's audited consolidated financial statements for the year ended 31 December 2025 are shown on pages 105 to 194. The level of distributable reserves is sufficient to pay a dividend.

The Board recommends a final ordinary dividend of 22.8p per ordinary share. If approved at the AGM, the final ordinary dividend will be paid on 15 June 2026 to shareholders registered in the books of the Company at the close of business on 8 May 2026.

The Company may, by ordinary resolution, declare a dividend not exceeding the amount recommended by the Board. Subject to the Companies Act 2006, the Board may pay interim dividends when the financial position of the Company, in the opinion of the Board, justifies its payment.

### Share capital

As at 31 December 2025, the Company's issued share capital of £36,082,881.60 comprised 360,828,816 ordinary shares of 10p. Holders of ordinary shares are entitled to receive the Company's Annual Report and Accounts, to attend and speak at General Meetings, and to appoint proxies and exercise voting rights. The shares do not carry any special rights with regard to control of the Company. The rights are set out in the Articles.

### Restrictions on transfer of securities

There are no restrictions or limitations on the holding of ordinary shares and no requirements for prior approval of any transfers. There are no known arrangements under which financial rights are held by a person other than the holder of the shares. Shares acquired through the Company share schemes rank pari passu with the shares in issue and have no special rights.

### Authority to purchase shares

At the Company's AGM on 15 May 2025, the Company was authorised to make market purchases of up to 58,939,196 ordinary shares, representing approximately 14.99% of its issued share capital.

In the year ended 31 December 2025, the Company purchased for cancellation 33,504,356 ordinary shares of 10p each at a cost of £231,656,252, representing 9% of the issued share capital as at that date. All shares purchased by the Company in 2025 have been cancelled.

The Directors have authority to issue and allot ordinary shares pursuant to the Articles and shareholder authority is requested at each AGM. The Directors have authority to make market purchases for ordinary shares and this authority is also renewed annually at the AGM.

### Interests in voting rights

Notifications received by the Company in accordance with DTR 5 are published on a regulatory information service and are available on the Company's website. During the year, the Company received notifications in accordance with the Financial Conduct Authority Disclosure and Transparency Rules of the following notifiable interests in the voting rights in the Company's issued share capital:

Shareholder	As at 31 December 2025		As at 2 March 2026	
	Number of voting rights held	Percentage of voting rights held	Number of voting rights held	Percentage of voting rights held
FMR LLC	22,785,750	5.78%	22,785,750	5.78%
BlackRock Inc	Not disclosable	<5.00%	18,029,204	5.00%
Union Motors Ltd	15,258,133	4.23%	8,204,175	2.27%
DT Peñuelas SpA	12,837,702	3.50%	12,837,702	3.50%
DT Carrera SpA	12,837,700	3.50%	12,837,700	3.50%
DT D y D SpA	12,837,700	3.50%	12,837,700	3.50%

### Restrictions on voting rights

There are no restrictions on voting rights.

### Employee Benefit Trust

The Executive Directors of the Company, together with other colleagues of the Group, are potential beneficiaries of the Inchcape Employee Trust (Trust) and, as such, are deemed to be interested in any ordinary shares held by the Trust. At 31 December 2025, the Trust's shareholdings totalled 1,021,959 ordinary shares.

All authorised requests to exercise shares are processed by the Trust on behalf of the relevant colleagues.

In respect of UK Listing Rule 6.6.1, the trustee of the Trust agrees to waive dividends payable on the shares it holds for satisfying awards under the various share plans in 2025 and for future dividends in the foreseeable future.

### Directors' interests

The table showing the beneficial interests, including family interests, in the ordinary shares of the Company of the persons who were Directors at 31 December 2025 is shown in the Directors' Report on Remuneration on page 96. There have been no changes to the interests or number of shares held by each Director between 31 December 2025 and 2 March 2026.

## DIRECTORS' REPORT

### Change of control

The Company is not party to any significant agreements that would take effect, alter, or terminate upon a change of control of the Company following a takeover bid apart from certain Group's third-party funding arrangements which would terminate upon a change of control of the Company, such as the Group's revolving credit facility agreement. Further details are given in note 22 to the financial statements on pages 157 and 158.

The Group's relationships with its OEM partners are managed at Group level, but the relevant contracts are entered into at a local level with day-to-day management being led by each operating business. Certain contracts may terminate on a change of control of the local contracting company.

The Company does not have agreements with any Director or colleague providing compensation for loss of office or employment that occurs because of a takeover bid, except for provisions in the rules of the Company's share schemes which may result in options or awards granted to colleagues to vest on a takeover.

### Transactions with Directors

No transaction, arrangement, or agreement, other than remuneration, required to be disclosed in terms of the Companies Act 2006 and IAS 24, 'Related Parties' was outstanding at 31 December 2025, or was entered into during the year for any Director and/or connected person other than lease payments of £6m (2024: £7m) which were made to companies connected with Juan Pablo del Río.

### Streamlined Energy and Carbon Reporting Regulations

The annual quantity of emissions of carbon dioxide equivalent from activities for which the Company is responsible, and the methodologies and ratios used to calculate this, are shown on page 40.

### Principal financial risk factors

These risks are shown on pages 42 to 47.

### Business relationships

Having positive relationships with our OEM partners, our main suppliers, and our customers is imperative for the long-term success of the Company. Our OEM relationships are key to every part of our value chain and the length of these relationships is testament to this strength.

We provide access to automotive ownership and support services throughout the customer journey and aim to deliver the best experiences for customers in our industry globally. The Board and management engage with customers through:

- receiving daily reporting of customer feedback on [www.reputation.com](http://www.reputation.com);
- analysing sales force customer journey management platform; and
- ongoing surveys at Market level.

These help impact the principal decisions taken by the Company, as seen on pages 56 and 57.

### Other information – UK Listing Rules

The information required to be disclosed by UK Listing Rule 6.6.1 can be found on the pages set out below:

Section	Information	Page
(1)	Interest capitalised	Not material to the Group
(2)	Publication of unaudited financial information	94 (historical TSR performance)
(3)	Details of long-term incentive schemes	92 and 93
(4)	Waiver of emoluments by a director	Not applicable
(5)	Waiver of future emoluments by a director	Not applicable
(6)	Non pre-emptive issues of equity for cash	Not applicable
(7)	Non pre-emptive issue by a major subsidiary undertaking	Not applicable
(8)	Parent participation in a placing by a listed subsidiary	Not applicable
(9)	Contracts of significance	Not applicable
(10)	Provision of services by a controlling shareholder	Not applicable
(11)	Shareholder waiver of dividends	101
(12)	Shareholder waiver of future dividends	101
(13)	Agreements with controlling shareholders	Not applicable

### Financial instruments

The information required under Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in respect of financial instruments is given in note 23 to the financial statements on pages 159 to 166.

### Branches outside the UK

The Company does not have any branches outside the UK.

### Events after the reporting period

Please see note 33 on page 173.

## DIRECTORS' REPORT

### Political donations

The Company did not make any political donations in 2025 and does not intend to make any political donations in 2026.

### Colleagues and colleague involvement

The Company is committed to a policy of treating all its colleagues and job applicants equally. We are committed to the employment of people with disabilities and will interview those candidates who meet the minimum selection criteria.

We provide training and career development for our colleagues, tailored where appropriate to their specific needs, to ensure they achieve their potential. If an individual becomes disabled while in our employment, we will do our best to ensure continued development in their role, including consulting them about their requirements, making appropriate adjustments, and providing suitable alternative positions if required.

Successfully delivering the Accelerate+ strategy requires us to evolve both what we do and how we do things. This includes continuing to build the winning culture we need to help deliver on our ambitions, a culture that is built through effective teamwork, fresh thinking, a focus on delivery, and putting our customers at the centre of everything we do.

In support of this, our performance framework, called One Inchcape Values & Behaviours, is a guide for all colleagues at Inchcape, across all levels and locations of our organisation. It helps drive our business performance by improving how we do things and helping us make better decisions. The Company also has various colleague policies in place covering a wide range of issues, such as family friendly policies, employment rights, and equal opportunities. Policies are implemented at a local level and comply with any relevant legislation in that Market. All policies are available on the Group's intranet and compliance is monitored at local level.

Share schemes are a long-established and successful part of colleagues' total reward packages, encouraging and supporting colleague share ownership. The Group's bonus and long-term incentive schemes are designed to encourage involvement in the Company's performance. UK workforce colleagues are eligible to join the SAYE scheme, which is offered annually. The Company monitors the number of shares issued under these schemes and their impact on dilution limits. Further details can be found in the Directors' Report on Remuneration on pages 90 to 99.

Further information on colleague interests and principal decisions made by the Board are given throughout this Annual Report and Accounts and in the standalone Sustainability Report available at [www.inchcape.com](http://www.inchcape.com)

### Colleague communication

Town hall meetings are held in each Region on a regular basis and also following the release of any financial updates by the Company. These meetings provide colleagues with information on the Group's performance and an opportunity for consulting colleagues on new initiatives or other matters that concern them. The Group's global intranet also provides a means of communicating important issues to colleagues.

The colleague experience survey is the primary tool for obtaining the views of colleagues and the results of the survey are reported to the Board on an annual basis. Nayantara Bali is the designated Non-Executive Director for colleague engagement to communicate the views of colleagues to the Board and reports findings to the Board at each meeting.

Colleague consultations enable the Board to gain an understanding of how the colleague experience is perceived and what actions can be taken to enhance this experience so colleagues feel challenged, excited, engaged, and supported in their roles. Further details can be found in the Sustainability Committee Report on pages 74 and 75.

### Going concern

Having assessed the principal risks and the other matters discussed in connection with the viability statement on pages 48 and 49, the Directors consider it appropriate to adopt the going concern basis of accounting in the financial statements for the next 12 months.

### Auditor and disclosure of information to the auditor

The auditor, Deloitte LLP, has indicated its willingness to continue in office. A resolution to reappoint Deloitte as auditor will be proposed at the AGM. As far as the Directors are aware there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Annual general meeting

The AGM will be held at 11.00 a.m. on Thursday 14 May 2026 at the Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS. The notice convening the meeting and the resolutions to be put to the meeting, together with the explanatory notes, are given in the Circular to all shareholders.

The Directors' Report was approved by the Board and has been signed by the Group Company Secretary of the Company.

### Tamsin Waterhouse

Group Company Secretary

## DIRECTORS' REPORT

### Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Parent Company financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and accounting estimates that are reasonable and prudent; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain Inchcape plc and the Group's transactions. The Directors are also responsible for disclosing with reasonable accuracy at any time the financial position of the Group and Parent Company, and enabling them to ensure that the financial statements and the Directors' Report on Remuneration comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate website for Inchcape plc. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess Inchcape plc and the Group's performance, business model, and strategy. Each of the Directors, whose names and functions are listed on pages 53 to 55, confirm that, to the best of their knowledge:

- the Parent Company financial statements, which have been prepared in accordance with UK Accepted Accounting Practice (UK Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law), give a true and fair view of the assets, liabilities, financial position, and loss of the Company;
- the Group financial statements, which have been properly prepared in accordance with UK adopted international accounting standards and IFRS Accounting Standards as issued by the IASB, give a true and fair view of the assets, liabilities, financial position, and profit of the Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces.

The Directors considered the key messages contained in the Strategic Report along with the disclosures made throughout to ensure that they are consistent, transparent, and a true reflection of the business. The Directors also reviewed supporting documentation which addresses specific statements made in the report and the evidence to support those statements. Following this review, the Directors consider, when taken as a whole, that the Annual Report is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model, and strategy.

By order of the Board

**Duncan Tait**  
Group Chief Executive

**Adrian Lewis**  
Group Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCHCAPE PLC

**Report on the audit of the financial statements****1. Opinion****In our opinion:**

- the financial statements of Inchcape plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the related Notes 1 to 33 to the consolidated financial statements, which includes the material accounting policy information;
- the Parent Company statement of financial position;
- the Parent Company statement of changes in equity; and
- the related Notes 1 to 13 to the Parent Company financial statements, which includes the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**2. Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent Company for the year are disclosed in Note 3 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3. Summary of our audit approach**

<b>Key audit matters</b>	The key audit matter which we identified in the current year related to revenue cut-off.
<b>Materiality</b>	The materiality that we used for the Group financial statements was £20.0m (2024: £23.7m), which represents 4.5% (2024: 5.3%) profit before tax from continuing operations adjusted for adjusting items as defined in Note 2.
<b>Scoping</b>	Components subject to audit procedures in the current period comprised 85% (2024: 89%) of Group revenue, 93% (2024: 95%) of Group profit before tax from continuing operations and 81% (2024: 81%) of Group total assets.
<b>Significant changes in our approach</b>	The disposal of the UK Retail business is no longer a key audit matter as the disposal has been completed and there is no material impact to the financial statements in the current year.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCHCAPE PLC

**4. Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the Group's process and related controls in the assessment of going concern;
- Evaluating the reasonableness of assumptions used in the board-approved going concern model, including the cash forecast for the going concern period;
- Assessing the appropriateness of the sensitivities performed by management, including performing additional sensitivities as part of our challenge thereon;
- Performing consistency and accuracy checks over the going concern model including checking the mathematical and clerical accuracy;
- Reading analyst reports, industry data and other external information, including understanding the macroeconomic environment, to determine if it provided corroborative or contradictory evidence in relation to assumptions used;
- Testing the consistency of the forecast cash flows with the forecasts prepared for the impairment models;
- Assessing the Group's available committed financing facilities including the nature of facilities, repayment terms and covenants;
- Assessing the impact of short-term fluctuations in local market trading conditions, the impact of the growing trend of changes in consumer preferences for electrified and hybrid vehicles, inflation and political uncertainties on the forecast cashflows; and
- Assessing the disclosures relating to going concern in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**5. Key audit matters**

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. This includes any matters which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

**5.1. Revenue cut-off**

<b>Key audit matter description</b>	<b>Class of transaction: Revenue. Refer to the Audit Committee report page 69, Revenue policy in the Accounting Policies section on page 121, Note 1 on page 130 and Note 3 on page 133.</b>
	<p>The Group generated revenue of £9,100 million during the year (2024: £9,263 million) from the sale of vehicles and parts, and the provision of services.</p> <p>The current business and economic environment, and the focus on achieving bonus performance targets lead to revenue being susceptible to potential fraud by artificially overstating revenue to meet individual or Group financial targets, principally Adjusted Profit Before Tax and Adjusted EPS.</p> <p>This elevated risk is particularly evident through sales near the year-end, relating to the risk of revenue being recognised before the performance obligations have been satisfied.</p> <p>In applying IFRS 15 Revenue from Contracts with Customers, judgement is required by the Group in determining the timing of the transfer of control of products and services to customers. Determining whether control has passed to a customer requires the consideration of several factors, including specific delivery terms of sales arrangements, the length of time required to ship sales to customer locations, and whether certain criteria have been met to evidence the passing of control to the customer. The most judgement and complexity arise in instances where vehicles are sold and yet to be despatched to the customer (known as bill-and-hold sales).</p> <p>This judgement could be subject to management bias or error. We consider the timing and the cut-off of revenue recognition as a key audit matter, and a potential fraud risk in respect of revenue recognition.</p>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCHCAPE PLC

## 5.1. Revenue cut-off

**How the scope of our audit responded to the key audit matter**

Our procedures in response to the key audit matter included:

- obtaining an understanding of the Group's processes and controls relevant to the application and compliance with the Group's revenue recognition policies and IFRS 15;
- assessing the Group's relevant delivery shipping terms, and the likely length of time required to ship to customer locations, to determine the implications on the timing of revenue recognition;
- evaluating the significance of year-end sales with regards to management's achievement of bonus targets. This assessment included comparing current period year-end sales to both the monthly sales performance throughout the year and to year-end sales from previous periods;
- assessing Inchcape's Code of Conduct, the governance process, including the independence and objectivity of those charged with governance, the Speak Up Line, and Fraud risk management policies in order to evaluate the 'tone at the top';
- inquiring with personnel outside of the finance team, for example with sales and operational personnel, to identify any unusual arrangements or performance in the business;
- For selected samples of revenue transactions, we assessed whether they were recognised in the correct period by:
  - inspecting a combination of purchase orders, invoices, despatch notes, shipping terms, delivery notes and customer agreements to assess the appropriateness of revenue recognition timing based on the status of vehicles at year end; and
  - inspecting year-end sales for whether bill-and-hold arrangements exist, both contractually or in substance. Where bill-and-hold transactions were identified, we assessed whether there is evidence that control had passed to the customers by evaluating contractual arrangements, understanding whether a substantive reason existed for the bill-and-hold arrangement, inspecting vehicle storage logistics and costs, and inspecting financing arrangements.
- introducing unpredictability in our selection of components where we have inspected a sample of revenue cut-off;
- using data analytics to visualise trends and perform regression analysis on revenue balances to identify outliers to direct further audit procedures; and
- assessing financial statement disclosures against the requirements of IFRS 15.

**Key observations**

We concluded that revenue was appropriately recognised in accordance with the relevant accounting standards.

As part of our procedures, we noted no indication of material manipulation of revenue cut-off or management override.

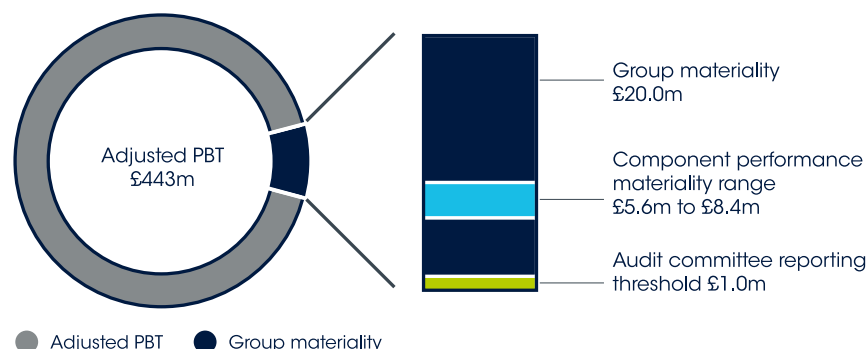
## 6. Our application of materiality

## 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
<b>Materiality</b>	£20.0 million (2024: £23.7 million)	£12.2 million (2024: £12.7 million)
<b>Basis for determining materiality</b>	Materiality was based on profit before tax from continuing operations adjusted for adjusting items as defined in Note 2 and represented 4.5% (2024: 5.3%) of that key performance metric.  Refer to Note 2 for further details of adjusting items and Alternative Performance Measures on page 176 for management's reconciliation of this alternative performance measure to the Group's statutory measure.	Parent Company materiality was determined on the basis of 1.0% of net assets (2024: 1.0% of net assets).
<b>Rationale for the benchmark applied</b>	Adjusted profit before tax from continuing operations is a key metric communicated by management in the Group's results announcements. It also provides users of the financial statements with a more comparable measure of the Group's underlying performance as it excludes the impact of potentially distortive adjusting items, such as the acquisition and disposal cost. We therefore consider adjusted profit before tax an appropriate benchmark for determining materiality.	As the Parent Company is non-trading, operates primarily as a holding company for the Group's trading entities, and is not profit orientated, we consider the net asset position to be the most appropriate benchmark to use.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCHCAPE PLC



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
<b>Performance materiality</b>	70% (2024: 65%) of Group materiality	70% (2024: 70%) of Parent Company materiality
<b>Basis for determining materiality</b>	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> <li>our cumulative experience from prior year audits, and management's willingness to correct misstatements identified;</li> <li>our risk assessment, including our understanding of the entity and its environment;</li> <li>our assessment of the Group's control environment and whether we were able to rely on controls; and</li> <li>the stability of the Group's business, reflected by the reduced acquisition and disposal activity in the current period, further integration of recently acquired businesses, and reduced IT system transformation activity.</li> </ul>	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.0 million (2024: £1.2 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

We adopted a risk-based approach to the audit of the Group financial statements. In selecting the components which are in scope for audit procedures to be performed as part of the Group audit, we considered:

- the inherent risk in each of the markets that the Group operates;
- the Group's control environment;
- the significance of identified risks in each of the components;
- the component's contribution to the Group's revenue, profit and total assets;
- the specific qualitative factors, including external risks, management identified risks, and analysing the results of prior period audit procedures to identify trends which may indicate heightened risk of misstatement;
- the nature of any acquisitions and disposals within the year; and
- incorporating variability and unpredictability into our audit scoping.

The components which were subject to audit procedures were located in:

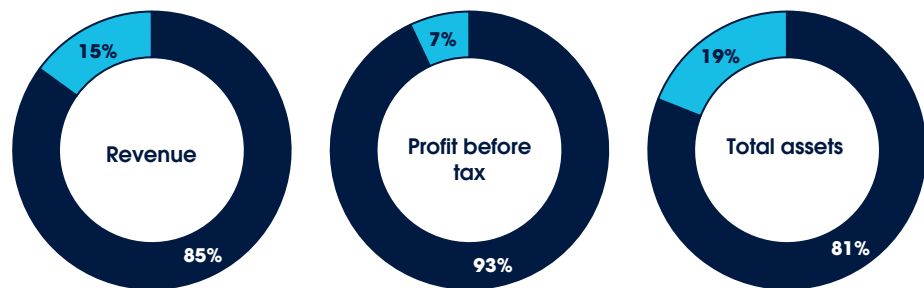
- Australia
- Colombia
- Lithuania
- Barbados
- Costa Rica
- Peru
- Belgium
- Ethiopia
- Philippines
- Bolivia
- Greece
- Poland
- Brunei
- Guam
- Romania
- Bulgaria
- Hong Kong
- Singapore
- Chile
- Indonesia

In addition to the work performed at a component level, the Group audit team performed audit procedures on the Parent Company and consolidated financial statements relating to corporate activities such as the Group's treasury operations, pension obligations, impairment reviews of goodwill and indefinite-life intangible assets, acquisition of Inchcape Iceland ehf, litigation provisions, the Group consolidation, the going concern assessment and financial statement disclosures.

The range of component performance materialities applied was \$5.6m to \$8.4m (2024: \$6.0m to \$12.7m). The components which were scoped in for specified audit procedures together represent 85% (2024: 89%) of Group revenue, 93% (2024: 95%) of Group profit before tax and 81% (2024: 81%) of Group total assets.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCHCAPE PLC

The Group audit team also evaluated the coverage achieved across significant accounts and key metrics; and performed a review at Group level of the residual balance not subject to audit procedures to reduce the risk of material misstatement in those significant accounts.



● Subject to audit procedures ● Review at group level

### 7.2. Our consideration of the control environment

We considered the control environment of the Group, which is also discussed within the Audit Committee Report on page 70, and encompasses controls relating to the financial reporting process, preparation of consolidated Group accounts, operational and compliance controls and risk management processes.

We also tested the General Information Technology Controls (GITC) in place, designed to address the IT risks relating to the Group and how these relate to the entity's financial reporting processes. Management continued to consolidate and centralise key IT systems and support functions across the Group. We reflected this in our centralised testing approach of IT controls where practicable.

We obtained an understanding of the relevant controls for in scope balances at each component, and those which are processed through the newly established Inchcape Global Business Services (iGBS). Where components determined that reliance on controls was appropriate, procedures were designed and performed to evaluate the operating effectiveness of those controls at the component level.

### 7.3. Our consideration of climate-related risks

The Group is exposed to the impacts of climate change on its business and operations as highlighted in the Task Force on Climate-Related Financial Disclosures (TCFD) report on page 26, viability statement on page 48, the principal risks on page 45, and in Accounting Policies (Key Sources of Estimation Uncertainty) on page 128. Management concluded there to be no material impact arising from climate change on the judgements and estimates made in the financial statements on page 121.

We obtained management's climate-related risk assessment and held discussions with management to understand the process of identifying and quantifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. We involved our climate specialists in our assessment to consider broader industry and market-wide practice. We completed an independent climate-based risk assessment to consider the potential impact of climate change on the Group's financial statements, incorporating both business specific knowledge and wider industry awareness, including the extent to which climate change considerations have been included in the Group's forecast financial information. We used this to assess the completeness of the Group's identified risks and to develop audit procedures to respond to these risks as part of our work in relation to impairment and long-term viability, as well as considering climate-related risks throughout our risk assessments on each financial statement account balance.

In considering the disclosures presented as part of the Strategic Report, we involved our climate specialists to assess the TCFD disclosures in the financial statements against the recommendations made by both the Task Force and FRC as set out in their thematic reviews. We also assessed whether these disclosures reflect our understanding of the Group's approach to climate.

### 7.4. Working with other auditors

We engaged component auditors to perform procedures at the components under our direction and supervision. We issued detailed instructions to the component auditors and held planning meetings, interim update meetings and year end close meetings with each component audit team.

Prior to the commencement of our detailed audit work we held virtual or physical planning meetings with our component audit teams on a regional basis, led by the Group audit team to establish a good level of understanding of the Group's businesses and its core strategy. We also discussed significant risks and our planned audit approach with our component audit teams in these meetings. We held specific workshops to discuss our key audit matter relating to revenue cut-off, and the audit approach to respond to the key audit matter identified.

We have continued our component visits on a risk focused and rotational basis to oversee the work performed by our component auditors. Senior members of the Group engagement team (including the Lead Audit Partner) visited eight of the Group's key locations in the current period.

In conjunction with the on-site visits, frequent calls were held between the Group and component audit teams throughout the year, and the Group audit team reviewed the work of the component audit teams directly. Senior members of the Group audit team were focused on overseeing the role of the component audit teams, so that a consistent audit approach is applied to the operations in the Group's businesses.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCHCAPE PLC

### 7.5. Use of technology

We embed technology throughout our audit to improve quality and effectiveness, including in the areas of planning and scoping, project management, risks and controls assessment, substantive testing and reporting insights to management and the Audit Committee.

- At planning stage, we use an automated scoping tool to identify any unusual trends or fluctuations within account balances and geographies, particularly within untested balances to reduce the risk of material misstatement to an acceptably low level;
- We developed a bespoke modelling analytic to benchmark to external data points and challenge management prepared-models;
- We used an analytics model to validate the accuracy and completeness of the consolidation through large dataset analysis of account mapping;
- We performed analytical procedures, including analytics-driven regression analysis, on revenue and cost of sales movements to identify any unusual patterns or trends in revenue margins.

### 8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**We have nothing to report in this regard.**

### 9. Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

### 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCHCAPE PLC

**11. Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**11.1. Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board;
- results of our enquiries of management, in-house legal counsel, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team, including component audit teams and relevant internal specialists, including tax, valuations, pensions, IT, climate and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in revenue cut-off. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

**11.2. Audit response to risks identified**

As a result of performing the above, we identified revenue cut-off as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Report on other legal and regulatory requirements****12. Opinions on other matters prescribed by the Companies Act 2006**

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCHCAPE PLC

**13. Corporate Governance Statement**

The UK Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page **103**
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page **49**
- the directors' statement on fair, balanced and understandable set out on page **104**
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page **43**
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page **70**; and
- the section describing the work of the Audit Committee set out on page **67**.

**14. Matters on which we are required to report by exception****14.1. Adequacy of explanations received and accounting records**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

**We have nothing to report in respect of these matters.**

**14.2. Directors' remuneration**

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

**We have nothing to report in respect of these matters.**

**15. Other matters which we are required to address****15.1. Auditor tenure**

Following the recommendation of the Audit Committee, we were appointed by members on 25 May 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is eight years, covering the years ending 31 December 2018 to 31 December 2025.

**15.2. Consistency of the audit report with the additional report to the Audit Committee**

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

**16. Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

**David Griffin FCA (Senior statutory auditor)**

For and on behalf of Deloitte LLP  
Statutory Auditor  
London, UK  
2 March 2026

CONSOLIDATED INCOME STATEMENT  
For the year ended 31 December 2025

Continuing operations	Notes	2025 £m	2024 £m
<b>Revenue</b>	1, 3	<b>9,100</b>	9,263
Cost of sales		<b>(7,550)</b>	(7,657)
<b>Gross profit</b>		<b>1,550</b>	1,606
Net operating expenses	3	<b>(1,024)</b>	(1,044)
<b>Operating profit</b>		<b>526</b>	562
Share of profit after tax of joint ventures and associates	13	<b>3</b>	2
<b>Profit before finance and tax</b>		<b>529</b>	564
Finance income	6	<b>72</b>	71
Finance costs	6	<b>(195)</b>	(221)
<b>Profit before tax from continuing operations</b>		<b>406</b>	414
Tax	7	<b>(133)</b>	(129)
<b>Profit for the year from continuing operations</b>		<b>273</b>	285
Profit from discontinued operations	28b	<b>—</b>	150
<b>Total profit for the year</b>		<b>273</b>	435
<b>Profit attributable to:</b>			
– Owners of the parent		<b>272</b>	421
– Non-controlling interests		<b>1</b>	14
		<b>273</b>	435
Earnings per share from continuing operations attributable to the owners of the parent			
Basic earnings per share (pence)	8	<b>72.5p</b>	66.4p
Diluted earnings per share (pence)	8	<b>71.6p</b>	65.6p
Earnings per share attributable to the owners of the parent			
Basic earnings per share (pence)	8	<b>72.5p</b>	103.1p
Diluted earnings per share (pence)	8	<b>71.6p</b>	101.9p

Continuing operations	Notes	2025 £m	2024 £m
<b>Alternative performance measures</b>			
<b>Operating profit from continuing operations</b>		<b>526</b>	562
Adjusting items within net operating expenses:	2	<b>37</b>	22
Acquisition and integration costs		<b>10</b>	42
Disposal of businesses		<b>4</b>	(6)
Restructuring costs		<b>23</b>	—
Derecognition of intangibles	10	<b>—</b>	5
Impairment reversals	10	<b>—</b>	(19)
<b>Adjusted operating profit from continuing operations</b>		<b>563</b>	584
Share of profit after tax of joint ventures and associates		<b>3</b>	2
<b>Adjusted profit before finance and tax from continuing operations</b>		<b>566</b>	586
Net finance costs		<b>(123)</b>	(150)
Adjusting items within net finance costs:	2	<b>—</b>	8
Net monetary loss on hyperinflation		<b>—</b>	8
<b>Adjusted profit before tax from continuing operations</b>		<b>443</b>	444
Tax on adjusted profit		<b>(139)</b>	(139)
<b>Adjusted profit after tax from continuing operations</b>		<b>304</b>	305
Adjusted earnings per share from continuing operations	8		
Basic adjusted earnings per share		<b>80.8p</b>	71.3p
Diluted adjusted earnings per share		<b>79.8p</b>	70.4p

The notes on pages 119 to 173 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

Notes	2025 £m	2024 £m
<b>Profit for the year</b>	<b>273</b>	435
<b>Other comprehensive income/(expense):</b>		
Items that will not be reclassified to the consolidated income statement		
Retirement benefit schemes		
- net actuarial losses	5	(46)
- deferred tax on actuarial losses	16	(1)
	<b>(8)</b>	(47)
Items that may be or have been reclassified subsequently to the consolidated income statement		
Cash flow hedges		
- net fair value losses	25	22
- tax on cash flow hedges <sup>1</sup>	16	(14)
Investments held at fair value		
- net fair value	14	3
Deferred tax on taxation losses	16	—
Foreign currency translation		
Exchange differences on translation of foreign operations	25	(245)
Recycling of foreign currency reserve	25	(4)
Adjustments for hyperinflation (including tax)	25	(4)
	<b>(80)</b>	(242)
Other comprehensive expense for the year	<b>(88)</b>	(289)
<b>Total comprehensive income for the year</b>	<b>185</b>	146

Notes	2025 £m	2024 £m
<b>Total comprehensive income/(expense) attributable to:</b>		
- Owners of the parent	<b>191</b>	133
- Non-controlling interests	<b>(6)</b>	13
	<b>185</b>	146
<b>Total comprehensive income/(expense) attributable to owners of Inchcape plc arising from:</b>		
- Continuing operations	<b>191</b>	(17)
- Discontinued operations	<b>—</b>	150

1. Taxation in other comprehensive income in respect of cash flow hedges is comprised of a deferred tax credit of £10m (2024: charge of £13m) and a current tax credit of £3m (2024: charge of £1m).

The notes on pages 119 to 173 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	As at 31 Dec 2025 £m	As at 31 Dec 2024 £m
<b>Non-current assets</b>			
Intangible assets	10	1,191	1,156
Property, plant and equipment	11	581	589
Right-of-use assets	12	309	271
Investments in joint ventures and associates	13	22	21
Financial assets at fair value through other comprehensive income	14	4	4
Trade and other receivables	15	62	34
Deferred tax assets	16	99	91
Retirement benefit asset	5	29	36
		<b>2,297</b>	2,202
<b>Current assets</b>			
Inventories	17	2,043	1,935
Trade and other receivables	15	772	829
Derivative financial instruments	23	15	48
Current tax assets		65	55
Cash at bank and short-term deposits	18	657	549
Assets held for sale	19	—	20
		<b>3,552</b>	3,436
<b>Total assets</b>		<b>5,849</b>	5,638
<b>Current liabilities</b>			
Trade and other payables	20	(2,647)	(2,565)
Derivative financial instruments	23	(102)	(47)
Current tax liabilities		(65)	(70)
Provisions	21	(42)	(50)
Lease liabilities	12	(67)	(66)
Borrowings	22	(412)	(195)
		<b>(3,335)</b>	(2,993)

	Notes	As at 31 Dec 2025 £m	As at 31 Dec 2024 £m
<b>Non-current liabilities</b>			
Trade and other payables	20	(114)	(106)
Provisions	21	(20)	(26)
Deferred tax liabilities	16	(247)	(246)
Lease liabilities	12	(276)	(236)
Borrowings	22	(509)	(544)
Retirement benefit liability	5	(8)	(13)
		<b>(1,174)</b>	(1,171)
<b>Total liabilities</b>		<b>(4,509)</b>	(4,164)
<b>Net assets</b>		<b>1,340</b>	1,474
<b>Equity</b>			
Share capital	24	37	40
Share premium		147	147
Capital redemption reserve		148	145
Merger reserve	25	312	312
Other reserves	25	(329)	(285)
Retained earnings	26	942	1,020
<b>Equity attributable to owners of the parent</b>		<b>1,257</b>	1,379
Non-controlling interests		83	95
<b>Total equity</b>		<b>1,340</b>	1,474

The notes on pages 119 to 173 are an integral part of these consolidated financial statements. The consolidated financial statements on pages 113 to 118 were approved by the Board of Directors on 2 March 2026 and were signed on its behalf by:

**Duncan Tait**  
Group Chief Executive

**Adrian Lewis**  
Group Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Notes	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Equity attributable to owners of the parent £m	Non-controlling interests £m	Total shareholders' equity £m
At 1 January 2024		42	147	143	312	(63)	940	1,521	99	1,620
Profit for the year		—	—	—	—	—	421	421	14	435
Other comprehensive expense for the year		—	—	—	—	(241)	(47)	(288)	(1)	(289)
Total comprehensive (expense)/ income for the year		—	—	—	—	(241)	374	133	13	146
Hedging gains and (losses) transferred to inventory		—	—	—	—	19	—	19	—	19
Share buyback programme		(2)	—	2	—	—	(151)	(151)	—	(151)
Share-based payments, net of tax	4, 16	—	—	—	—	—	18	18	—	18
Purchase of own shares by the Inchcape Employee Trust	24	—	—	—	—	—	(14)	(14)	—	(14)
Dividends:										
- Owners of the parent	9	—	—	—	—	—	(147)	(147)	—	(147)
- Non-controlling interests		—	—	—	—	—	—	—	(17)	(17)
At 31 December 2024		40	147	145	312	(285)	1,020	1,379	95	1,474

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Notes	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total equity attributable to owners of the parent £m	Non-controlling interests £m	Total shareholders' equity £m
<b>At 1 January 2025</b>		<b>40</b>	<b>147</b>	<b>145</b>	<b>312</b>	<b>(285)</b>	<b>1,020</b>	<b>1,379</b>	<b>95</b>	<b>1,474</b>
Profit for the year		—	—	—	—	—	272	272	1	273
Other comprehensive expense for the year		—	—	—	—	(73)	(8)	(81)	(7)	(88)
Total comprehensive (expense)/income for the year		—	—	—	—	(73)	264	191	(6)	185
Hedging gains and (losses) transferred to inventory		—	—	—	—	29	—	29	—	29
Share buyback programme		(3)	—	3	—	—	(234)	(234)	—	(234)
Share-based payments, net of tax	4, 16	—	—	—	—	—	15	15	—	15
Purchase of own shares by the Inchcape Employee Trust	24	—	—	—	—	—	(22)	(22)	—	(22)
Dividends:										
– Owners of the parent	9	—	—	—	—	—	(101)	(101)	—	(101)
– Non-controlling interests		—	—	—	—	—	—	—	(6)	(6)
<b>At 31 December 2025</b>		<b>37</b>	<b>147</b>	<b>148</b>	<b>312</b>	<b>(329)</b>	<b>942</b>	<b>1,257</b>	<b>83</b>	<b>1,340</b>

The notes on pages 119 to 173 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 £m	2024 £m
<b>Cash generated from operating activities</b>			
Cash generated from operations	27a	<b>648</b>	873
Tax paid		<b>(145)</b>	(134)
Interest received		<b>73</b>	62
Interest paid		<b>(191)</b>	(215)
<b>Net cash generated from operating activities</b>		<b>385</b>	586
<b>Cash flows from investing activities</b>			
Acquisition of businesses, net of cash and overdrafts acquired	28a	<b>(35)</b>	5
Net cash inflow from sale of businesses	28a	<b>6</b>	391
Purchase of property, plant and equipment		<b>(47)</b>	(76)
Purchase of intangible assets		<b>(1)</b>	(3)
Proceeds from disposal of property, plant and equipment		<b>26</b>	9
Dividends received from joint ventures and associates		<b>2</b>	1
Receipt from finance sub-lease receivables		<b>2</b>	2
Lease payments prior to commencement date		<b>—</b>	(1)
<b>Net cash (used in)/generated from investing activities</b>		<b>(47)</b>	328

	Notes	2025 £m	2024 £m
<b>Cash flows from financing activities</b>			
Share buyback programme	24a	<b>(238)</b>	(147)
Purchase of own shares by the Inchcape Employee Trust		<b>(22)</b>	(14)
Repayment of acquisition financing term loan and bridge facilities	22	<b>—</b>	(250)
Repayment of Private Placement loan notes	22	<b>—</b>	(70)
Cash outflow from revolving credit facility	22	<b>(35)</b>	(95)
Net cash inflow/(outflow) from other borrowings	22	<b>4</b>	(69)
Payment of capital element of lease liabilities		<b>(72)</b>	(81)
Equity dividends paid	9	<b>(101)</b>	(147)
Dividends paid to non-controlling interests		<b>(6)</b>	(17)
<b>Net cash used in financing activities</b>		<b>(470)</b>	(890)
<b>Net (decrease)/increase in cash and cash equivalents</b>			
	27b	<b>(132)</b>	24
Cash and cash equivalents at beginning of the period		<b>366</b>	440
Effect of foreign exchange rate changes		<b>27</b>	(98)
Cash and cash equivalents at end of the period		<b>261</b>	366
<b>Cash and cash equivalents consist of:</b>			
Cash at bank	18	<b>583</b>	458
Short-term deposits	18	<b>74</b>	91
Bank overdrafts	22	<b>(396)</b>	(183)
		<b>261</b>	366

The notes on pages 119 to 173 are an integral part of these consolidated financial statements.

## ACCOUNTING POLICIES

### General information

Inchcape plc is a public company limited by shares, domiciled and incorporated in the UK, and registered in England and Wales. The address of the registered office is 22a St James's Square, London, SW1Y 5LP. The nature of the Group's operations and principal activities are set out in note 1 and on pages 1 to 49.

The Group consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Accounting convention

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, and those financial assets and financial liabilities (including derivative instruments) held at fair value through profit or loss, which are measured at fair value.

### Going concern

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will operate within the level of its committed facilities for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing its financial statements. In making this assessment, the Group has considered available liquidity in relation to net debt and committed facilities, the Group's latest forecasts for 2026 and 2027 cash flows, together with adjusted scenarios.

Committed bank facilities and Private Placement borrowings amount to £1,040m, of which £160m was drawn at 31 December 2025. In June 2023, the Group issued a £350m bond offering with a coupon of 6.5%, due to mature in June 2028.

The Private Placement loan notes are subject to an interest cover covenant based on an adjusted EBITA measure to interest on consolidated borrowings measured on a trailing 12-month basis at June and December.

The latest Group forecasts for 2025 and 2026 indicate that the Group is expected to be compliant with this covenant throughout the forecast period and have sufficient liquidity to continue operating throughout that period.

A range of sensitivities has been applied to the forecasts to assess the Group's compliance with its covenant requirements over the forecast period. These sensitivities included:

- a 12-month reduction in New and Used revenue from July 2026, resulting from decreasing consumer demand in response to fiscal tightening and resulting economic downturns;
- a reduction in reported GBP earnings from July to December 2026 to December 2027 resulting from the strengthening of the sterling relative to other currencies;
- a general liquidity reduction impacting working capital from January 2027;
- with no mitigating actions applied in relation to the sensitivities described above.

In a scenario where all of the above sensitivities occur at the same time, the Group has modelled the possibility of the interest cover covenant being breached in 2026 and 2027. With the interest cover covenant measured on a trailing 12-month basis, the sensitised forecasts indicate that the Group is not expected to breach any covenants and would be compliant with the interest cover requirements throughout the forecast period. Additionally, under these circumstances, the Group expects to have sufficient funds to meet cash flow requirements.

A reverse stress test scenario analysis, concluded that a set of circumstances in which the Group would breach its covenant or have insufficient funds to meet cash flow requirements are considered to be remote, relative to the sensitivities referred to above.

Therefore, the Board concluded that the Group will be able to operate within the level of its committed facilities for the foreseeable future. The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements for the year ending 31 December 2025.

### Newly adopted accounting standards

From 1 January 2025, the following standards become effective in the Group's consolidated financial statements:

- Amendments to IAS 21 - Lack of Exchangeability

The adoption of the standards and interpretations listed above has not led to any material impact on the financial position or performance of the Group.

The Group has not early adopted other standards, amendments to standards or interpretations that have been issued but are not yet effective.

### Standards not effective at the balance sheet date

The following standards were in issue but were not yet effective at the balance sheet date. These standards have not yet been early adopted by the Group, and will be applied for the Group's financial years commencing on or after 1 January 2026:

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;
- IFRS 18 - Presentation and Disclosure in Financial Statements;
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures; and
- Annual improvements to IFRS - Volume 11.

Management is currently reviewing the new standards to assess the potential impact that they may have on the Group's reported position and performance.

## ACCOUNTING POLICIES CONTINUED

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of the parent company (Inchcape plc) and all of its subsidiary undertakings (defined as those where the Group has control), together with the Group's share of the results of its joint ventures (defined as those where the Group has joint control) and associates (defined as those where the Group has significant influence but not control). The results of subsidiaries are consolidated and the Group's share of results of its joint ventures and associates is equity accounted for as of the same reporting date as the parent company, using consistent accounting policies.

The results of newly acquired subsidiaries are consolidated using the acquisition method of accounting from the date on which control of the net assets and operations of the acquired company are effectively transferred to the Group. Similarly, the results of subsidiaries disposed of cease to be consolidated from the date on which control of the net assets and operations is transferred out of the Group.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Investments in joint ventures and associates are accounted for using the equity method, whereby the Group's share of post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in shareholders' equity is recognised in shareholders' equity. If the Group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the Group does not recognise further losses, unless it has contractual obligations or made payments on behalf of the joint venture or associate.

Intercompany balances and transactions and any unrealised profits arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

**Foreign currency translation**

Transactions included in the results of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in sterling, which is the functional currency of the parent company, Inchcape plc, and the presentation currency of the Group.

In the individual entities, transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the dates of the individual transactions. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the consolidated income statement, except those exchange differences arising on long-term foreign currency borrowings that form part of a net investment in a foreign investment, which on consolidation are taken directly to other comprehensive income.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the end of the reporting period. The income statements and cash flows of foreign operations are translated into sterling at the average rates of exchange for the period, except for subsidiaries in hyperinflationary economies that are translated at the closing rate of exchange at the end of the period. Exchange differences arising from 1 January 2004 are recognised as a separate component of shareholders' equity. On disposal of a foreign operation, any cumulative exchange differences held in shareholders' equity are transferred to the consolidated income statement.

**Presentation of comparative amounts**

Prior year amounts have been represented in note 3(e), note 15 and note 17 for consistency with the disclosure in the current year, and corrected for previously omitted amounts. There is no impact on prior year primary financial statements from these adjustments.

## ACCOUNTING POLICIES CONTINUED

**Ethiopia ceases to be a hyperinflationary economy**

The Group financial statements included adjustments for hyperinflation, following the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' in relation to the Group's operations with a functional currency of Ethiopian Birr since 2022.

For the year ending 31 December 2025, Ethiopia is no longer considered to be a hyperinflationary economy and therefore the Group has not recognised any adjustments in respect of hyperinflation. The Group ceased to apply IAS 29 from the beginning of the reporting period in which hyperinflation ceased, thus from 1 January 2025.

The Group's consolidated financial statements included the results and financial position of its Ethiopian operations restated to the purchasing power or inflationary measuring unit current up until 31 December 2024, leading to a hyperinflationary loss in respect of monetary items being reported in finance costs, and treated as an adjusting item from 2022 to 2024. During 2022 to 2024, the results of the Group's Ethiopian operations were translated at the closing exchange rate, as required by IAS 21 The Effects of Changes in Foreign Exchange Rates for hyperinflationary foreign operations.

**Climate change**

In preparing the Group's financial statements consideration has been given to the impact of both physical and transition climate-related risks, as described in the Task Force on Climate-related Financial Disclosures (TCFD) section on page 26. Based on the TCFD recommendations, in 2025, the Group performed an assessment of the five most critical climate-related risks and opportunities that were considered to have a potential financial impact on the financial statements.

Climate scenario analysis was used as a tool to identify and assess a potential range of future outcomes, by capturing different assumptions about policies and physical climate conditions. Scenario analysis was applied to the five most material risks and opportunities, being the risk of revenue loss driven by misalignment, risk of increased costs from implementation of carbon tax, risk of loss of aftersales revenues, risk of margin erosion, and physical risks (due to the direct impacts to property and inventories from extreme weather conditions). There is inherent uncertainty over the assumptions used within these scenarios and how they will impact the Group's operations, cash flows and profit projections.

The policy, technology, and market changes in response to climate change are still developing, and consequently the financial statements cannot capture all possible future outcomes as these are not yet known. Where legislative changes are known, these are reflected in the forecasts used for impairment modelling.

The climate-related estimates and assumptions were applied primarily to going concern, impairment of non-financial assets, property, plant and equipment, indefinite life intangible assets and provisions. Management has concluded there to be no material impact arising from climate change on the judgements and estimates made in the financial statements.

**Revenue and other income**

IFRS 15 Revenue from Contracts with Customers provides a single, principles-based, five-step model to be applied to all sales contracts. It is based on the transfer of control of goods and services to customers and requires the identification and assessment of the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue. Where separate performance obligations are identified in a single contract, total revenue is allocated on the basis of relative stand-alone selling prices to each performance obligation, or management's best estimate of relative value where stand-alone selling prices do not exist.

Revenue is measured at the fair value of consideration receivable, net of any discounts, rebates, trade allowances, incentives, or amounts collected on behalf of third parties. It is recognised to the extent that the transfer of promised goods or services to a customer has been satisfied and the revenue can be reliably measured. Revenue excludes sales-related taxes and intra-group transactions. In practice this means that:

**Revenue from sale of goods**

Revenue from the sale of goods is recognised when the control, risks and rewards of ownership of the goods have been transferred to the customer. The performance obligation to transfer goods to the customer is considered to have been satisfied when the vehicles or parts are invoiced and physically dispatched or collected. Revenue is also recognised in circumstances where goods are available for delivery, but the customer has requested that delivery does not take place, has confirmed ownership of the goods and assumed responsibility for the associated risks. Consideration received in advance of transfer of goods is recognised as deferred revenue on the balance sheet and is subsequently recognised as revenue when the transfer of goods occurs.

**Revenue from rendering of services**

Revenue from the rendering of services to the customer is considered to have been satisfied when the service has been performed.

**Group acts as an agent**

Where the Group acts as an agent on behalf of a principal in relation to finance, insurance, and similar products, the associated commission income is recognised within revenue in the period in which the activity which generated the commission was performed.

## ACCOUNTING POLICIES CONTINUED

**Sales with a repurchase commitment**

Where a vehicle is sold to a customer subject to a repurchase commitment and the possibility of the buyback being exercised by the customer is highly likely, as the customer has a significant economic incentive to exercise the buyback, the transaction is recognised as a lease transaction with the Group acting as a lessor. Consequently, such vehicles are recognised within 'property, plant and equipment' in the consolidated statement of financial position at cost and are depreciated to their residual value over the period of the repurchase commitment. The difference between the initial amounts received from the customer and the repurchase commitment is recognised as deferred income in the consolidated statement of financial position and is released to the consolidated income statement on a straight-line basis over the life of the arrangement. The repurchase commitment, which reflects the price at which the vehicle will be bought back, is held within 'trade and other payables', according to the date of the commitment.

Where a vehicle is sold to a customer subject to a repurchase commitment and the possibility of the buyback being exercised by the customer is not highly likely, revenue is recognised in full when the vehicle is sold, less the expected value of the buyback payments to be made which is recorded as a liability in the consolidated statement of financial position. Similarly, an estimate of the value of the vehicles to be returned is deducted from cost of sales and recognised as an asset in the consolidated statement of financial position.

**Sale of additional services**

Where additional services are included in the sale of a vehicle to a customer as part of the total vehicle package (e.g. extended warranty, free servicing, roadside assistance, fuel coupons etc) and the Group is acting as a principal in the fulfilment of the service, the value of the additional services is separately identified, deducted from consideration receivable, recognised as deferred revenue on the balance sheet and subsequently recognised as revenue when the service is provided, or recognised on an input basis with reference to the amount of time elapsed under the contract to which the service relates. These balances are considered to be contract liabilities. The consideration allocated to additional services is based on the relative stand-alone selling price of the additional services within the contract. The value assigned to the additional service is set equal to the value of the additional service being provided, being the expected cost to the entity plus an appropriate profit margin.

**Accrued income**

Amounts relating to accrued income are balances primarily due from manufacturers in relation to volume/target related bonuses or commissions or warranty related where the work has been completed prior to being invoiced. Any amount previously recognised as accrued income is reclassified to trade receivables after invoicing.

**Dividend income**

Dividend income is recognised when the right to receive payment is established.

**Cost of sales**

Cost of sales includes the expense relating to the estimated cost of self-insured product warranties offered to customers. These warranties form part of the package of goods and services provided to the customer when purchasing a vehicle and are not a separable product.

The Group receives income in the form of various incentives which are determined by our OEM partners. The amount the Group receives is generally based on achieving specific objectives, such as a specified sales volume, as well as other objectives including maintaining OEM partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

**Share-based payments**

The Group operates various share-based award schemes. The fair value at the date at which the share-based awards are granted is recognised in the consolidated income statement (together with a corresponding credit in shareholders' equity) on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. At the end of each reporting period, the Group revises its estimates of the number of awards that are expected to vest. The impact of any revision is recognised in the consolidated income statement with a corresponding adjustment to equity.

For equity-settled share-based awards, the services received from employees are measured by reference to the fair value of the awards granted. With the exception of the Group Save As You Earn scheme, the vesting of all share-based awards under all schemes is solely reliant upon non-market conditions, therefore no expense is recognised for awards that do not ultimately vest. Where an employee or the Company cancels an award, the charge for that award is recognised as an expense immediately, even though the award does not vest.

**Finance income**

Finance income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. It is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

**Finance costs**

Finance costs are recognised as an expense, calculated using the effective interest rate method, in the period in which they are incurred.

## ACCOUNTING POLICIES CONTINUED

**Income tax**

The charge for current income tax is based on the results for the period as adjusted for items which are not taxed or are disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Group recognises provisions for uncertain tax positions in line with IFRIC 23 Uncertainty over Income Tax Treatments when it is not probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, in its income tax filings. Uncertain tax positions are assessed and measured using management's estimate of the most likely outcome including an assessment of whether uncertain tax positions should be considered separately or as a group.

Deferred income tax is accounted for using the liability method in respect of temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference is due to the initial recognition of goodwill arising on a business combination, or to an asset or liability, the initial recognition of which does not affect either taxable or accounting income.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures, and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled using rates enacted or substantively enacted at the end of the reporting period. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items credited or charged directly to shareholders' equity, in which case the deferred tax is also dealt with in shareholders' equity. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset of current tax assets against current tax liabilities and if the deferred tax relates to income taxes levied by the same tax authority.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Adjusting items**

The Group makes certain adjustments to the statutory profit measures in order to derive certain alternative performance measures. Certain items which are material are presented as adjusting items within their relevant consolidated income statement category. The separate reporting of adjusting items helps provide additional useful information regarding the Group's financial performance and is used by management to facilitate internal performance analysis.

Management applies an adjusting items policy that is regularly discussed and approved by the Audit Committee. The policy applied in identifying adjusting items is balanced when assessing gains and losses, clearly disclosed, and applied consistently from one year to the next.

Adjusting items are deemed to be those items that, in the judgement of the Group, need to be disclosed separately by virtue of their nature, size or incidence. In determining the facts and circumstances, management considers key factors such as:

- where the same category of items recurs each year and in similar amounts (for example, restructuring costs), consideration is given as to whether such amounts should be included as part of underlying profit;
- where significant items are likely to be finalised over more than one year, the aggregate cost over the affected years is considered in determining whether such amounts should be reported as an adjusting item; and
- ensuring the treatment of favourable and unfavourable transactions are treated consistently.

Items that may be considered adjusting in nature could include gains or losses on the disposal of businesses, restructuring of businesses, acquisition and integration costs, asset impairments, recognition of monetary gains or losses on hyperinflation and the tax effects of these items. Any reversal of an amount previously recognised as an adjusting item would also be recognised as an adjusting item in a subsequent period.

**Business combinations and goodwill**

The acquisition of subsidiaries is accounted for using the acquisition method (at the point the Group gains control over a business as defined by IFRS 3 Business Combinations). The cost of the acquisition is measured as the cash paid and the aggregate of the fair values, at the date of exchange, of other assets transferred, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement at the acquisition date.

Acquisition-related costs are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair value at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of acquiree's identifiable net assets.

Goodwill represents the excess of the cost of acquisition of a business combination over the Group's share of the fair value of identifiable net assets of the business acquired at the date of acquisition. Goodwill is initially recognised at cost and is held in the functional currency of the acquired entity and revalued at the closing exchange rate at the end of each reporting period.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. At the date of acquisition, the goodwill is allocated to cash generating units for the purpose of impairment testing and is tested at least annually for impairment.

Gains and losses on disposal of a business include the carrying amount of goodwill relating to the business sold except for goodwill arising on business combinations on or before 31 December 1997 which has been deducted from shareholders' equity and remains indefinitely in shareholders' equity.

## ACCOUNTING POLICIES CONTINUED

**Other intangible assets**

Intangible assets, when acquired separately from a business (including computer software), are carried at cost less accumulated amortisation and impairment losses. Cost comprises the purchase price from third parties as well as internally generated development costs where relevant. Amortisation is provided on a straight-line basis to allocate the cost of the asset over its estimated useful life, which in the case of computer software is three to eight years. Amortisation is recognised in the consolidated income statement within 'net operating expenses'. Software customisation and configuration costs relating to software not controlled by the Group are expensed over the period such services are received.

Intangible assets acquired as part of a business combination are capitalised separately from goodwill if the benefit of the intangible asset is obtained through contractual or other legal rights and the fair value can be measured reliably on initial recognition. The principal intangible assets are agreements with manufacturers for the distribution of new vehicles and parts, which represent the estimated value of distribution rights acquired in business combinations. Such agreements have varying terms and periods of renewal and have historically been renewed without substantial cost. The Group therefore expects these agreements to be renewed on a regular basis and accordingly no amortisation is charged on these assets. The Group assesses these distribution rights for impairment on an annual basis.

Other intangible assets acquired in a business combination may include order banks and customer contracts. These intangible assets are amortised on a straight-line basis over their estimated useful life, which is between one and ten years.

**Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and directly attributable costs of the asset and includes, where relevant, capitalised borrowing costs. Depreciation is based on cost less estimated residual value and is included within 'net operating expenses' in the consolidated income statement, with the exception of depreciation on 'leased vehicles, rental machinery and equipment' which is charged to 'cost of sales'. It is provided on a straight-line basis over the estimated useful life of the asset, except for freehold land which is not depreciated. For the following categories, the annual rates used are:

Freehold buildings and long leasehold buildings	2.0%
Short leasehold buildings	shorter of lease term or useful life
Plant, machinery and equipment	5.0% – 33.3%
Leased vehicles, rental machinery and equipment	over the lease term

The residual values and useful lives of all assets are reviewed at least at the end of each reporting period and adjusted if necessary.

**Leases**

The Group assesses whether a contract is, or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

**The group as a lessee**

Lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate by market and currency;
- applies a credit risk, based on yields of comparable entities, to the determined risk-free interest rate by market; and
- where applicable, makes adjustments specific to the lease, e.g. country, currency, security, and term.

Lease liabilities are remeasured when there is a change in future lease payments as a result of an index or rate change, or if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if there is a change in the assessment of whether a purchase, lease-term extension or termination option will be exercised. When lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## ACCOUNTING POLICIES CONTINUED

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets comprising mainly land and buildings are measured at cost less accumulated depreciation and impairment losses. The costs include the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less lease incentives received, any direct costs and an estimate of dismantling costs. The carrying amount is further adjusted for any remeasurement of the lease liability. Depreciation is expensed to the income statement on a straight-line basis over the lease term. The lease term includes the noncancellable period of lease together with any extension or termination options that are reasonably certain to be exercised.

Payments associated with short-term leases and all leases of low-value assets (under £5,000) are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise largely small items of office equipment.

### The group as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases. Where the Group is an intermediate lessor, the sublease classification is assessed with reference to the head lease right-of-use asset. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment in the lease. Rental income from operating leases is recognised on a straight-line basis over the lease term.

### Impairment of non-financial assets

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Any impairment losses are included within 'net operating expenses' in the consolidated income statement.

In addition, goodwill is not subject to amortisation but is tested at least annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, the latter being the higher of the asset's fair value less costs to sell and value in use. Value in use calculations are performed using cash flow projections, discounted at a pre-tax rate which reflects the asset specific risks and the time value of money. Impairment losses are recognised on goodwill within the cash generating unit.

Non-financial assets, other than goodwill, which have previously been impaired, are reviewed for possible reversal of the impairment at each reporting date. Impairment of inventories are considered separately. Impairment losses are recognised against goodwill within the cash generating units before non-financial assets are impaired.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in bringing inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Used vehicles are carried at the lower of cost or fair value less costs to sell, generally based on external market data available for used vehicles. Parts inventory is valued at weighted average cost.

Vehicles held on consignment are included within inventories as the Group is considered to have the risks and rewards of ownership. The corresponding liability is included within 'trade and other payables'.

Inventory can be held on deferred payment terms. All costs associated with this deferral are expensed to finance costs over the period of the financing.

An inventory provision is recognised in situations where net realisable value is likely to be less than cost (such as obsolescence, deterioration, fall in selling price). When calculating the provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability, determined on conditions that exist at the end of the reporting period. With the exception of parts, generally net realisable value adjustments are applied on an item-by-item basis.

### Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. These are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established based on an expected credit loss model under IFRS 9 Financial Instruments. The amount of the provision is the difference between the asset's carrying amount and the expected value of the amounts to be received.

The provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historic credit loss experience, adjusted for factors specific to the receivable and company. The amount of the loss is recognised in the consolidated income statement within 'net operating expenses'. When a trade receivable is not collectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'net operating expenses' in the consolidated income statement.

## ACCOUNTING POLICIES CONTINUED

**Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. These are classified as current liabilities if payment is due in one year or less. If payment is due at a later date, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables include the liability for vehicles held on consignment, with the corresponding asset included within inventories. Included within trade and other payables are payments received on account. These are deposits received from customers, in relation to orders taken but not yet delivered, and represent an obligation to deliver a vehicle to a customer.

**Pensions and other post-retirement benefits**

The Group operates a number of retirement benefit schemes.

The major schemes are defined benefit pension funds with assets held separately from the Group. The cost of providing benefits under the plans is determined separately for each plan using the projected unit credit actuarial valuation method.

The current service cost and gains and losses on settlements and curtailments are included in 'cost of sales' or 'net operating expenses' in the consolidated income statement. Past service costs are similarly recognised in the consolidated income statement. Administrative scheme expenses associated with the plans are recorded within 'net operating expenses' when incurred, in line with IAS 19 Employee Benefits (revised). Net interest income or interest cost relating to the funded defined benefit pension plans is included within 'finance income' or 'finance costs', as relevant, in the consolidated income statement.

Changes in the retirement benefit obligation or asset due to experience and changes in actuarial assumptions are included in the consolidated statement of comprehensive income, as actuarial gains and losses, in full in the period in which they arise.

Where scheme assets exceed the defined benefit obligation, a net asset is only recognised to the extent that an economic benefit is available to the Group, in accordance with the terms of the scheme and, where relevant, statutory requirements.

The Group's contributions to defined contribution plans are charged to the consolidated income statement in the period to which the contributions relate.

The Group also has a liability in respect of past employees under post-retirement healthcare schemes which have been closed to new entrants. These schemes are accounted for on a similar basis to that for defined benefit pension plans in accordance with the advice of independent qualified actuaries.

Following the scheme merger which is now referred to as the 'Combined section', and sits alongside the Group section, a change was made to the trustees deeds whereby it was stipulated, in the event of a wind-up any pension surplus belonging to the Group section would be returned to the Combined section in the first instance instead of being directly returned to the principal employer. The Group takes the view that any surplus in the Combined section ultimately belongs to the Principal employer, therefore judgement has been taken to recognise the pension surplus for the scheme in full.

**Provisions**

Provisions are recognised when the Group has a present obligation in respect of a past event, when it is more likely than not that an outflow of resources will be required to settle the obligation and where the amount can be reliably estimated. Provisions are discounted when the time value of money is considered to be material, using an appropriate risk-free rate on government bonds.

**Product warranty provision**

A product warranty provision corresponds to warranties provided as part of the sale of a vehicle and provide assurance to the customer that the product will work as sold. Provision is made for the expected cost of labour and parts based on historical claims experience and expected future trends.

**Leasehold property provision**

A leasehold property provision is recognised when the Group is committed to certain leasehold premises for which it no longer has a commercial use. It is made to the extent of the estimated future net cost, excluding the lease liability already recognised under IFRS 16 Leases. A leasehold property provision is also recognised when there is future obligation relating to the maintenance of leasehold properties. The provision is based on management's best estimate of the obligation which forms part of the Group's unavoidable cost of meeting its obligations under the lease contracts.

**Litigation provision**

A litigation provision is recognised when a litigation case is outstanding at the end of the reporting period and there is a likelihood that the legal claim will be settled.

**Restructuring provision**

A restructuring provision is recognised when a detailed formal plan for the restructuring has been developed and a valid expectation has been raised in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the Group.

## ACCOUNTING POLICIES CONTINUED

**Disposal group and assets held for sale**

Where the Group is committed to a plan to sell and is actively marketing a business and disposal is expected within one year of the date of classification as held for sale, the assets and liabilities of the associated businesses are separately disclosed in the consolidated statement of financial position as a disposal group. Assets and liabilities are classified as assets held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. Both disposal groups and assets and liabilities held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

**Segmental reporting**

Segment information is reported in accordance with IFRS 8 Operating Segments, which requires segmental reporting to be presented on the same basis as the internal management reporting. The Group's operating segments are groups of countries and the market channel, Distribution. These operating segments are then aggregated into reporting segments to combine those with similar characteristics. The accounting policies of the reportable segments are the same as the Group's accounting policies described in this note. Comparative amounts have been reclassified as explained in note 1.

**Financial instruments**

The Group classifies its financial assets in the following categories: measured at amortised cost; measured at fair value through profit and loss; and measured at fair value through other comprehensive income. Classification and subsequent remeasurement depends on the Group's business model for managing the financial asset and its cash flow characteristics. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Measured at amortised cost includes non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Financial assets are included in current assets, except where the maturity date is more than 12 months after the end of the reporting period. They are initially recorded at fair value and subsequently recorded at amortised cost. Financial liabilities are included in current liabilities, except where the maturity date is more than 12 months after the end of the reporting period. Financial liabilities with a maturity date that is more than 12 months after the end of the reporting period and subject to a covenant are classified as non-current where the Group is compliant with that covenant at the reporting date.

Measured at fair value through profit and loss includes derivative financial assets and liabilities, which are further explained below. They are classified according to maturity date, within current and non-current assets and liabilities respectively.

Measured at fair value through other comprehensive income includes certain financial assets at fair value such as bonds and equity investments. These financial assets are included in current assets, except where the maturity date is more than 12 months after the end of the reporting period. Financial assets at fair value through other comprehensive income are classified as non-current assets unless management intends to dispose of them within 12 months of the end of the reporting period and are held at fair value.

**Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand, short-term bank deposits and cash and cash equivalents included in disposal groups held for sale. Short-term bank deposits have a maturity of less than three months from the date at which the investment is acquired. In the consolidated statement of cash flows, cash and cash equivalents comprise cash and cash equivalents, as defined above, net of bank overdrafts.

**Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are primarily equity instruments that are recognised initially at fair value (including costs to acquire) and re-measured subsequently with gains and losses recognised directly in other comprehensive income. Cumulative gains and losses are recycled to the Group income statement on disposal.

**Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings, using the effective interest method.

**Offsetting**

Netting in the consolidated statement of financial position only occurs to the extent that there is the legal ability and intention to settle net. As such, bank overdrafts are presented in current liabilities to the extent that there is no intention to offset with the cash balance.

**Derivative financial instruments**

An outline of the objectives, policies and strategies pursued by the Group in relation to its financial instruments is set out in note 23 to the consolidated financial statements.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivative financial instruments are derecognised when they are settled. The Group designates certain derivatives as:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

## ACCOUNTING POLICIES CONTINUED

**Fair value hedge**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group does not currently apply fair value hedge accounting. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings and changes in the fair value of those borrowings is recognised in the consolidated income statement within 'finance costs'. The gain or loss relating to the ineffective portion is also recognised in the consolidated income statement within 'finance costs'.

**Cash flow hedge**

For cash flow hedges that meet the conditions for hedge accounting, the portion of the gains or losses on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion is recognised within 'net operating expenses' in the consolidated income statement. When the hedged forecast transaction results in the recognition of a non-financial asset or liability then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in other comprehensive income are transferred to the consolidated income statement in the same period in which the hedged forecast transaction affects the consolidated income statement.

**Share capital**

Ordinary shares are classified as equity. Where the Group purchases the Group's equity share capital (treasury shares), the consideration paid is deducted from shareholders' equity until the shares are cancelled, reissued, or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

**Dividends**

Final dividends proposed by the Board of Directors and unpaid at the year-end are not recognised in the consolidated financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid.

**Critical accounting judgements and sources of estimation uncertainty**

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The Directors have made a number of estimates and assumptions regarding the future, and made some significant judgements in applying the Group's accounting policies. These are discussed below:

**Sources of estimation uncertainty**

The key assumptions about the future, and other key sources of estimation uncertainties at the reporting period end that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next period are discussed below:

**Impairment of goodwill and indefinite life intangible assets**

Goodwill and other indefinite life intangible assets are tested at least annually for impairment. When an impairment review is carried out, the recoverable value is determined based on value in use calculations which require the use of estimates, including projected future cash flows (see note 10).

The value in use calculations mainly use cash flow projections based on three-year financial forecasts prepared by management. While the forecasts incorporate a number of assumptions, those relating to revenue, discount rates and long-term growth rates are considered by management to be the key assumptions for impairment modelling. For all CGU groups, cash flows after the three-year period are extrapolated for a period of up to seven years using declining growth rates which reduces the year three growth rate down to the long-term growth rate appropriate for each CGU or CGU group, to better reflect the medium-term growth expectations for those markets. A terminal value calculation is used to estimate the cash flows after year 10 using these long-term growth rates.

The assumptions used in the value in use calculations are based on past experience, recent trading, and forecasts of operational performance in the relevant markets. They also reflect expectations about continuing relationships with key OEM partners and the impact that regulatory changes and climate change may have on its operations. Whilst at this stage there is significant uncertainty regarding what the long-term impact of climate change initiatives may be on the markets in which we operate, the forecasts reflect our best estimate. Key assumptions and sensitivities are disclosed in note 10.

## ACCOUNTING POLICIES CONTINUED

**Pensions and other post-retirement benefits – assumptions**

Pension and other post-retirement benefit liabilities are determined based on the actuarial assumptions detailed in note 5. A number of these assumptions require estimates to be made, including the rate of inflation and expected mortality rates. These assumptions are subject to a review on an annual basis and are determined in conjunction with an external actuary. The use of different assumptions could have a material effect on the value of the relevant liabilities and could result in a material change to amounts recognised in the income statement over time. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in note 5.

The Group's defined benefit obligations are discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in note 5.

**Right-of-use assets and lease liabilities – extension and termination options**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group has several retail, distribution and office property lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. All relevant factors are considered that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the Group's operations; and the costs and business disruption required to replace the leased asset.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. Refer to note 12 for additional disclosures relating to leases.

**Critical accounting judgements****Adjusting items**

The Group believes that adjusted profit and earnings per share measures provide additional useful information to shareholders on the performance of the business. These measures are consistent with how business performance is measured internally by the Board and the Group Executive Team. Alternative performance measures, such as the operating profit before adjusting items and profit before tax and adjusting items, are not recognised profit measures under IFRS and may not be directly comparable with such profit measures used by other companies. They may also exclude significant recurring business transactions that impact financial performance and cash flows. The classification of adjusting items requires significant management judgement after considering the nature and intentions of a transaction. The Group's definitions of adjusting items are outlined within the Group accounting policies and note 2 provides further details on current year adjusting items and their adherence to Group policy.

**Classification of vehicle funding arrangements**

The Group finances the purchase of vehicles using vehicle funding facilities provided by various lenders including the captive finance companies associated with OEM partners. In assessing whether the liabilities arising under these arrangements should be classified within trade and other payables rather than as an additional component of the Group's net debt within borrowings, the Group considers a number of factors including whether the arrangement is a requirement of the relationship with the OEM partner, in relation to specific, separately identifiable vehicles held as inventory and whether payment terms are consistent with the normal working capital cycle or until the specific vehicle being funded is sold to the end customer. Each agreement entered into has its own terms and conditions and determining whether a new or renewed arrangement should be classified within trade and other payables requires significant management judgement. See also note 20.

**Assignment of an indefinite useful life to distribution agreements**

The Group's principal intangible assets relate to relationships with manufacturers for the distribution of new vehicles and parts. As at 31 December 2025, these distribution agreements were assigned an indefinite useful life as although these agreements have limited terms, they have historically been renewed by the Group without substantial cost and the Group's history shows that OEM partners have not terminated any material distribution agreements. Refer to note 10 for details of indefinite-life distribution agreement intangible assets.

## NOTES TO THE FINANCIAL STATEMENTS

**1 Segmental analysis**

The Group has three reportable segments which have been identified based on the operating segments of the Group that are regularly reviewed by the chief operating decision-maker, which has been determined to be the Group Executive Team, in order to assess performance and allocate resources. Operating segments are then aggregated into reporting segments to combine those with similar economic characteristics. Following the classification in the prior period of the Group's retail operations in the UK as a discontinued operation, the Group's internal reporting was updated to no longer distinguish between 'Distribution' and 'Retail'. As a result the Group's remaining retail operation in Europe has been combined with the Europe & Africa distribution business to form a single reportable segment.

The Group reports the performance of its reporting segments after the allocation of central costs. These represent costs of Group functions.

The following summary describes the operations of each of the Group's reportable segments:

APAC Europe & Africa Americas	Exclusive distribution, sales and marketing activities of New Vehicles and Parts.
	Sale of New and Used Vehicles together with logistics services where the Group may also be the exclusive distributor, alongside associated Aftersales activities of service, body shop repairs and parts sales.

2025	APAC £m	Europe & Africa £m	Americas £m	Total £m
<b>Revenue</b>				
Total revenue	2,541	3,255	3,304	9,100
Adjusted operating profit from continuing operations	182	151	230	563
Operating adjusting items				(37)
Operating profit from continuing operations				526
Share of profits after tax of joint ventures and associates				3
Profit before finance and tax				529
Finance income				72
Finance costs				(195)
Profit before tax from continuing operations				406
Tax				(133)
<b>Profit for the year from continuing operations</b>				<b>273</b>

The Group's reported segments are based on the location of the Group's assets. Revenue earned from sales is disclosed by origin and is not materially different from revenue by destination. Chile and Australia are presented separately as these comprise more than 10% of the Group's revenue. Revenue is further analysed as follows:

2025	£m
<b>Revenue</b>	
Chile	1,420
Australia	1,018
Rest of the world	6,662
<b>Group</b>	<b>9,100</b>

The Group's non-current assets comprise intangible assets, property, plant and equipment, right-of-use assets and joint ventures and associates. These are analysed by location in the table below, with Chile presented separately as it comprises more than 10% of the Group's non-current assets.

2025	£m
<b>Non-current assets</b>	
Chile	615
Rest of the world	1,488
<b>Group</b>	<b>2,103</b>

2025	APAC £m	Europe & Africa £m	Americas £m	Total £m
<b>Segment assets and liabilities</b>				
Segment assets	777	822	1,248	2,847
Segment liabilities	(863)	(888)	(1,013)	(2,764)
Other assets				3,002
Other liabilities				(1,745)
<b>Total net assets</b>				<b>1,340</b>

Segment assets and liabilities represent the Group's assets and liabilities that are regularly reviewed by the chief operating decision-maker. They comprise of inventory, receivables, payables and derivative assets and liabilities that hedge trade payables.

## NOTES TO THE FINANCIAL STATEMENTS

## 1 Segmental analysis continued

2025 from continuing operations	APAC £m	Europe & Africa £m	Americas £m	Total £m
<b>Other segment items</b>				
Capital expenditure:				
– Property, plant and equipment	14	17	15	46
– Leased vehicles, rental machinery and equipment	22	4	14	40
– Right-of-use assets	14	15	8	37
– Intangible assets	—	1	1	2
Depreciation and impairment				
– Property, plant and equipment	17	9	18	44
– Leased vehicles, rental machinery and equipment	6	—	6	12
– Right-of-use assets	31	12	24	67
Amortisation of intangible assets	1	2	4	7
Net provisions charged/(credited) to the consolidated income statement	13	—	(2)	11

Net provisions include inventory, trade receivables impairment and other liability provisions.

2024	APAC £m	Europe & Africa £m	Americas £m	Total £m
<b>Revenue</b>				
Total revenue	2,995	3,003	3,265	9,263
Adjusted operating profit from continuing operations	235	142	207	584
Operating adjusting items				(22)
Operating profit from continuing operations				562
Share of profits after tax of joint ventures and associates				2
Profit before finance and tax				564
Finance income				71
Finance costs				(221)
Profit before tax from continuing operations				414
Tax				(129)
Profit for the year from continuing operations				285

The Group's reported segments are based on the location of the Group's assets. Revenue earned from sales is disclosed by origin and is not materially different from revenue by destination. Chile and Australia are presented separately as these comprise more than 10% of the Group's revenue. Revenue is further analysed as follows:

2024	£m
<b>Revenue</b>	
Chile	1,532
Australia	1,142
Rest of the world	6,589
Group	9,263

The Group's non-current assets comprise intangible assets, property, plant and equipment, right-of-use assets and joint ventures and associates. These are analysed by location in the table below, with Chile presented separately as it comprises more than 10% of the Group's non-current assets.

2024	£m
<b>Non-current assets</b>	
Chile	590
Rest of the world	1,447
Group	2,037

2024	APAC £m	Europe & Africa £m	Americas £m	Total £m
<b>Segment assets and liabilities</b>				
Segment assets	833	742	1,206	2,781
Segment liabilities	(1,014)	(761)	(855)	(2,630)
Other assets				2,856
Other liabilities				(1,533)
Total net assets				1,474

Segment assets and liabilities represent the Group's assets and liabilities that are regularly reviewed by the chief operating decision-maker. They comprise of inventory, receivables, payables and derivative assets and liabilities that hedge trade payables.

## NOTES TO THE FINANCIAL STATEMENTS

## 1 Segmental analysis continued

2024 from continuing operations	APAC £m	Europe & Africa £m	Americas £m	Total £m
<b>Other segment items</b>				
Capital expenditure:				
– Property, plant and equipment	28	11	21	60
– Leased vehicles, rental machinery and equipment	23	3	12	38
– Right-of-use assets	17	12	10	39
– Intangible assets	1	1	1	3
Depreciation and impairment				
– Property, plant and equipment	16	8	18	42
– Leased vehicles, rental machinery and equipment	6	—	12	18
– Right-of-use assets	33	10	31	74
Amortisation of intangible assets	2	1	6	9
Derecognition of distribution agreements	—	—	5	5
Impairment reversal of distribution agreements	—	—	(19)	(19)
Impairment of right of use assets	1	—	—	1
Net provisions charged/(credited) to the consolidated income statement	23	(6)	(4)	13

Net provisions include inventory, trade receivables, impairment and other liability provisions.

## 2 Adjusting items

From continuing operations	2025 £m	2024 £m
Acquisition and integration costs	(10)	(42)
(Loss)/profit on disposal of business (see note 28)	(4)	6
Restructuring costs	(23)	—
Impairment reversal of distribution agreements (see note 10)	—	19
Derecognition of distribution agreements (see note 10)	—	(5)
Total adjusting items in operating profit	(37)	(22)
Adjusting items in finance costs:		
Net monetary loss on hyperinflation	—	(8)
Total adjusting items before tax	(37)	(30)
Tax on adjusting items (see note 7)	6	10
<b>Total adjusting items</b>	<b>(31)</b>	<b>(20)</b>

During the year, operating costs of £10m (2024: £42m) were incurred in connection with the acquisition and integration of businesses. These costs have been reported as adjusting items to better reflect the underlying performance of the business. These primarily relate to the acquisition and integration of the Derco group and other businesses acquired. The integration of the Derco group was a multi-year programme that has now completed, with cumulative costs of £70m.

In December 2024, the Group sold its share in the non-genuine spare parts business in Chile and a gain on disposal of £6m was reported as an adjusting item. During 2025, following the finalisation of the completion accounts for the disposal, there was an adjustment of £4m in favour of the buyer. This adjustment to the sale proceeds has been reported as an adjusting item for consistency with the amount reported in 2024.

Restructuring activity is being undertaken by the Group, against a backdrop of change within the automotive industry, to optimise the Group's operations and the associated costs have been recognised as an adjusting item in line with the Group's policy. Restructuring costs have only been recognised once formal plans are in place and their implementation has commenced or been announced to those affected. Restructuring costs have also been recognised in relation to Group-wide transformation projects impacting back-office operations, including a review of organisational structures, internal processes and the physical location of certain operations. Execution of the Group-wide restructuring activities commenced in the first half of the year, with activities expected to continue into the first half of 2026.

In the prior year, the impairment reversal of £19m related to the Central America - Suzuki CGU and the derecognition of intangibles of £5m related to a distribution agreement in Bolivia.

The Group financial statements included adjustments for hyperinflation, following the application of IAS 29 Financial Reporting in Hyperinflationary Economies in relation to the Group's operations with a functional currency of Ethiopian Birr. The results and financial position of Ethiopia for the year ended 31 December 2024 were restated to include the effect of indexation and the resulting net monetary loss on hyperinflation of £8m was recognised within net finance costs and reported as an adjusting item. As at 31 December 2025, Ethiopia is no longer considered to be a hyperinflationary economy and therefore the Group has not recognised any adjustments in respect of hyperinflation for the year ended 31 December 2025. The Group ceased to apply IAS 29 from the beginning of the reporting period in which hyperinflation ceased, thus from 1 January 2025.

## NOTES TO THE FINANCIAL STATEMENTS

**3 Revenue and expenses****a. Revenue**

An analysis of the Group's revenue for the year is as follows:

	2025 £m	2024 £m
From continuing operations		
Sale of goods	8,687	8,840
Provision of services	413	423
	<b>9,100</b>	<b>9,263</b>

Sale of goods includes the sale of new and used vehicles and the sale of parts where they are sold directly to the customer. Provision of services includes financial services, as well as labour and parts provided in servicing vehicles.

**b. Analysis of net operating expenses**

	Net operating expenses before adjusting items 2025 £m	Adjusting items 2025 £m	Net operating expenses 2025 £m	Net operating expenses before adjusting items 2024 £m	Adjusting items 2024 £m	Net operating expenses 2024 £m
From continuing operations						
Distribution costs	484	—	484	516	—	516
Administrative expenses	530	33	563	511	42	553
Other operating (income)/ expenses	(27)	4	(23)	(5)	(20)	(25)
	<b>987</b>	<b>37</b>	<b>1,024</b>	<b>1,022</b>	<b>22</b>	<b>1,044</b>

**c. Profit/(loss) before tax is stated after the following charges/(credits):**

	2025 £m	2024 £m
From continuing operations		
Depreciation and impairment of tangible fixed assets:		
– Property, plant and equipment	44	42
– Leased vehicles, rental machinery and equipment	12	18
– Right-of-use assets	67	74
Amortisation of intangible assets	7	9
Impairment of trade receivables	7	1
Profit on sale of property, plant and equipment and intangibles	(10)	(1)

Profit on the sale of property, plant and equipment in 2025 mainly relates to the sale of surplus assets in the Americas and APAC (2024: profit on sale of property, plant and equipment of surplus assets in APAC).

**d. Auditor's remuneration**

During the year the Group (including its overseas subsidiaries) obtained the following services from the Group's auditor at costs as detailed below:

	2025 £m	2024 £m
Fees payable to the Company's auditor and its associates for the audit of the parent company and the consolidated financial statements	2	2
Fees payable to the Company's auditor and its associates for other services:		
– The audit of the Company's subsidiaries	4	5
Total fees payable to the Company's auditor	<b>6</b>	<b>7</b>

During the year, the Group incurred fees of £0.3m (2024: £0.3m) with the Group's auditor for audit-related assurance services.

## NOTES TO THE FINANCIAL STATEMENTS

**3 Revenue and expenses** continued**e. Staff costs**

From continuing operations	2025	2024
	£m	£m (represented) <sup>1</sup>
Wages and salaries	<b>505</b>	531
Social security costs	<b>42</b>	47
Other pension costs (see note 5)	<b>13</b>	12
Share-based payment charge (see note 4)	<b>15</b>	18
	<b>575</b>	608

1. Refer to presentation of comparative amounts in the accounting policies note.

Other pension costs correspond to the current and past service cost and contributions to the defined contribution schemes (see note 5).

Information on Directors' emoluments and interests which forms part of these audited consolidated financial statements is given in the Directors' Report on Remuneration which can be found on pages **76** to **99** of this Report. Information on compensation of key management personnel is set out in note 31b.

**f. Average monthly number of employees**

From continuing operations	Total	
	2025	2024
	Number	Number
APAC	<b>4,187</b>	4,492
Europe & Africa	<b>3,790</b>	3,493
Americas	<b>6,515</b>	7,821
Total Distribution	<b>14,492</b>	15,806
Central & Digital	<b>1,367</b>	1,606
	<b>15,859</b>	17,412

**4 Share based payments**

The terms and conditions of the Group's share-based payment plans are detailed in the Directors' Report on Remuneration.

The charge arising from awards granted under share-based payment plans was £15m (2024: £18m), all of which was equity-settled.

The Other Share Plan's disclosures below include other share-based incentive plans for senior executives and employees.

The following table sets out the movements in the number of share options and awards during the year:

2025	Weighted average exercise price*	Performance Share Plan	Save As You Earn Plan	Other Share Plans
Outstanding at 1 January	£6.29	5,755,394	318,886	1,583,291
Granted	£5.36	3,752,421	74,334	796,296
Exercised	£6.13	(1,536,152)	(156,047)	(608,873)
Lapsed	£6.21	(580,604)	(33,596)	(65,194)
<b>Outstanding at 31 December</b>	<b>£5.96</b>	<b>7,391,059</b>	<b>203,577</b>	<b>1,705,520</b>
Exercisable at 31 December	£6.05	493,125	36,862	154,870

2024	Weighted average exercise price*	Performance Share Plan	Save As You Earn Plan	Other Share Plans
Outstanding at 1 January	£5.78	5,497,087	1,847,522	1,599,836
Granted	£6.80	2,721,055	45,870	766,410
Exercised	£5.15	(1,508,833)	(663,789)	(609,993)
Lapsed	£6.11	(953,915)	(910,717)	(172,962)
<b>Outstanding at 31 December</b>	<b>£6.29</b>	<b>5,755,394</b>	<b>318,886</b>	<b>1,583,291</b>
Exercisable at 31 December	£6.27	609,811	199,952	62,033

\* The weighted average exercise price excludes nil cost awards made under the Performance Share Plan and Other Share Plans.

The weighted average share price at the date of exercise of options exercised during the year ended 31 December 2025 was £7.60 (2024: £8.12).

## NOTES TO THE FINANCIAL STATEMENTS

**4 Share based payments** continued

The weighted average remaining contractual life for the awards outstanding at 31 December 2025 is 1.4 years (2024: 1.2 years).

The range of exercise prices for options outstanding at the end of the year was £5.36 to £6.80 (2024: £6.00 to £7.31). See note 24 for further details.

The fair value of options granted under the Save As You Earn Plan and Other Share Plans is estimated as at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of nil cost awards granted under the Performance Share Plan and Other Share Plans is the market value of the related shares at the time of grant. The following table lists the main inputs to the model for awards granted during the years ended 31 December 2025 and 31 December 2024:

	Performance Share Plan		Save As You Earn Plan		Other Share Plans	
	2025	2024	2025	2024	2025	2024
Weighted average share price at grant date	<b>£6.93</b>	£7.25	<b>£6.70</b>	£8.49	<b>£6.96</b>	£7.30
Weighted average exercise price*	<b>n/a</b>	n/a	<b>£5.36</b>	£6.80	<b>n/a</b>	n/a
Vesting period	<b>3.0 years</b>	3.0 years	<b>3.0 years</b>	3.0 years	<b>2.1 years</b>	2.3 years
Expected volatility	<b>n/a</b>	n/a	<b>29.3%</b>	29.2%	<b>n/a</b>	n/a
Expected life of award	<b>3.0 years</b>	3.0 years	<b>3.3 years</b>	3.3 years	<b>2.1 years</b>	2.3 years
Weighted average risk-free rate	<b>n/a</b>	n/a	<b>3.9%</b>	3.7%	<b>n/a</b>	n/a
Expected dividend yield	<b>n/a</b>	n/a	<b>4.2%</b>	4.2%	<b>n/a</b>	n/a
Weighted average fair value per option	<b>£6.93</b>	£7.25	<b>£1.82</b>	£1.95	<b>£6.96</b>	£7.30

\* The weighted average exercise price excludes nil cost awards made under the Performance Share Plan and Other Share Plans.

No options were granted under the Executive Share Option Plan in 2025 or 2024.

The expected life and volatility of the options are based upon historical data.

**5 Pension and other post-retirement benefits**

The Group operates a number of pension and post-retirement benefit schemes for its employees in a number of its businesses, primarily in the UK.

**a. UK schemes: benefits, governance, cash flow obligations and investments**

The Group operates the following pension schemes in the UK:

- The Inchcape Motors Pension Scheme (IMPS) which is the Group's main defined benefit pension scheme; and
- The Inchcape Retirement Savings Plan, a defined contribution workplace personal pension scheme.

The Group also operates the Inchcape Overseas Pension Scheme, which is non-UK registered, and some minor unfunded arrangements relating to post-retirement health and medical plans in respect of past employees.

**Benefit structure**

IMPS, which provides benefits linked to the final salary of members, is closed to new members and closed to future benefit accrual on 31 December 2012. Final salary schemes provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on final salary at retirement (or leaving date, if earlier) and length of service. The Group bears risks in relation to its final salary schemes, notably relating to investment performance, interest rates, inflation, and members' life expectancies. There is potential for these risks to harm the funding position of the schemes. If the schemes were to be in deficit, then additional contributions may be required from the Group.

IMPS also includes a defined benefit cash balance scheme. Cash balance schemes allow members to accrue a percentage of their earnings each year which then grows to provide a lump sum payment on retirement. Members accrued benefits under this scheme with effect from 1 January 2013 up to 31 December 2020. The Group underwrites the investment and interest rate risk to normal retirement age (65). Inflation and mortality risks associated with benefits are borne solely by the members. Following a consultation process with relevant employees this section closed to future benefit accrual on 31 December 2020.

From 1 January 2021, UK employees were offered membership of the Inchcape Retirement Savings Plan, a defined contribution workplace personal pension scheme, which is designed to comply with auto enrolment legislation. Defined contribution schemes like the Inchcape Retirement Savings Plan, see members' individual accounts credited with employee and employer contributions which are then invested to provide a lump sum on retirement. The Group does not underwrite investment or other risks for this plan.

## NOTES TO THE FINANCIAL STATEMENTS

**5 Pension and other post-retirement benefits** continued**Governance**

Our UK schemes are registered with HM Revenue and Customs (HMRC) and comply fully with the regulatory framework published by the UK Pensions Regulator.

IMPS is established under trust law and has a trustee board that runs the scheme in accordance with the Trust Deed and Rules and relevant legislation. The trustee board comprises an independent sole trustee company appointed by the Group. The Trustee is required to act in the best interest of the members and have responsibility for the scheme's governance. The Trustee consults with the Group over decisions relating to matters such as funding and investments.

The Inchcape Retirement Savings Plan has an external pension provider with its own governance committee.

**Scheme specific cash obligation and investment detail**  
**Inchcape Motors Pension Scheme**

The Group considers two measures of the pension deficit. The accounting position is shown on the Group's balance sheet. The funding position, calculated at the triennial actuarial valuation, is used to agree contributions made to IMPS. The last completed actuarial valuations for IMPS was carried out as at 5 April 2022 on a market-related basis.

The value of accrued liabilities determined in accordance with the advice of the Scheme Actuary was based on the defined accrued benefit method. The actuarial valuation determined that the duration of the liabilities was approximately 11 years and that an aggregate surplus of £40m existed. As a consequence, the Group and the Trustee agreed that contributions to IMPS would cease with effect from April 2022.

In November 2024, the Trustee of IMPS completed a buy-in transaction whereby the assets of the scheme were used to acquire a bulk purchase annuity policy under which the benefits payable to the members of the scheme are now fully insured. The insurance policy was purchased using the existing assets of the scheme with no additional funding required from the Group. As at 31 December 2025, the bulk purchase annuity policy has been accounted for as an asset of the scheme and valued on the same basis as the liabilities that it matches as the legal responsibility to pay benefits remains with the Trustee. As at 31 December 2025, IMPS had an IAS 19 accounting surplus of £27m (2024: £36m).

The outcome of the case involving Virgin Media Limited and NTL Pension Trustees II Limited relating to the validity of certain historical pension changes could potentially lead to additional liabilities for some pension schemes and sponsors although there is uncertainty as to how the ruling would be applied in practice. The Group has undertaken an initial risk-based assessment of any potential impact on IMPS and the Group. The assessment has, to date, not identified any material matters that may give rise to an additional liability. In relation to this matter, the Government announced on 5 June 2025 that it will introduce legislation to allow retrospective confirmation that any historical pension changes made met the required standard. Management will continue to monitor developments in this regard and the implications, if any, for IMPS.

**Inchcape Overseas Pension Scheme (closed section)**

This scheme is managed from Guernsey and is subject to regulations similar to the UK. It is therefore reported under the United Kingdom in this note. The latest triennial actuarial valuation for this scheme was carried out at 31 March 2024 and based on the defined accrued benefit method. The actuarial valuation determined that the duration of the liabilities was approximately 8 years and that the scheme was approximately 90% funded on a prudent funding basis. To make good the funding deficit of £5m, it was agreed that deficit contributions of £1m p.a. would be paid by means of an annual lump sum, ending with the payment due in July 2028. In addition to the £1m deficit funding contributions, a contribution of £0.2m per annum is made in respect of advisory and administrative expenses.

**b. Overseas schemes**

There are a number of smaller defined benefit schemes overseas, the significant scheme being the Inchcape Motors Limited Retirement Scheme in Hong Kong. In general, these schemes offer a lump sum on retirement with no further obligation to the employee and assets are held in trust in separately administered funds. These schemes are typically subject to triennial valuations. The overseas defined contribution schemes are principally linked to local statutory arrangements.

**c. Defined contribution plans**

The total expense (from continuing operations) recognised in the consolidated income statement is £10m (2024: £9m). There are no outstanding contributions at 31 December 2025 (2024: £nil).

**d. Defined benefit plans**

As the Group's principal defined benefit schemes are in the UK, these have been reported separately from the overseas schemes. For the purposes of reporting, actuarial updates have been obtained for the Group's material schemes and these updates are reflected in the amounts reported in the following tables.

**e. Recognition of Pension Surplus 'IFRIC 14'**

The Group is not required to recognise any additional liabilities in relation to funding plans, or limit the recognition of any surpluses, as the Group retains an unconditional right to any future economic benefits available by way of future refunds or reduction in contributions.

## NOTES TO THE FINANCIAL STATEMENTS

**5 Pension and other post-retirement benefits** continued

The principal weighted average assumptions used by the actuaries were:

	United Kingdom		Overseas	
	2025 %	2024 %	2025 %	2024 %
Rate of increase in salaries	<b>n/a</b>	n/a	<b>3.5</b>	4.0
Rate of increase in pensions	<b>2.5</b>	2.7	<b>3.9</b>	3.1
Discount rate	<b>5.4</b>	5.4	<b>3.7</b>	4.3
Rate of inflation:				
– Retail price index	<b>2.9</b>	3.3	<b>2.0</b>	2.0
– Consumer price index	<b>2.5</b>	2.8	<b>n/a</b>	n/a

Assumptions regarding future mortality experience are set based on published statistics and experience. For the UK schemes, the average life expectancy of a pensioner retiring at age 65 is 22.0 years (2024: 21.7 years) for current pensioners and 23.3 years (2024: 23.0 years) for current non pensioners. Most of the overseas schemes only offer a lump sum on retirement and therefore mortality assumptions are not applicable.

The asset/(liability) recognised in the consolidated statement of financial position is determined as follows:

	United Kingdom		Overseas		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Present value of funded obligations	<b>(516)</b>	(517)	<b>(28)</b>	(33)	<b>(544)</b>	(550)
Fair value of plan assets	<b>539</b>	550	<b>29</b>	30	<b>568</b>	580
Net surplus/(deficit) in funded obligations	<b>23</b>	33	<b>1</b>	(3)	<b>24</b>	30
Present value of unfunded obligations	<b>—</b>	—	<b>(3)</b>	(7)	<b>(3)</b>	(7)
	<b>23</b>	33	<b>(2)</b>	(10)	<b>21</b>	23

The net pension asset is analysed as follows:

Schemes in surplus	<b>27</b>	36	<b>2</b>	—	<b>29</b>	36
Schemes in deficit	<b>(4)</b>	(3)	<b>(4)</b>	(10)	<b>(8)</b>	(13)
	<b>23</b>	33	<b>(2)</b>	(10)	<b>21</b>	23

The amounts recognised in the consolidated income statement are as follows:

	United Kingdom		Overseas		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Current service cost	<b>—</b>	—	<b>(2)</b>	(3)	<b>(2)</b>	(3)
Past service cost	<b>(1)</b>	—	<b>—</b>	—	<b>(1)</b>	—
Scheme expenses	<b>(1)</b>	(1)	<b>—</b>	—	<b>(1)</b>	(1)
Interest expense on plan liabilities	<b>(27)</b>	(25)	<b>(1)</b>	(1)	<b>(28)</b>	(26)
Interest income on plan assets	<b>29</b>	28	<b>1</b>	1	<b>30</b>	29
	<b>—</b>	2	<b>(2)</b>	(3)	<b>(2)</b>	(1)

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	United Kingdom		Overseas		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Actuarial (losses)/gains on liabilities:						
– Experience (losses)/gains	<b>(5)</b>	1	<b>—</b>	—	<b>(5)</b>	1
– Changes in demographic assumptions	<b>(4)</b>	(3)	<b>—</b>	—	<b>(4)</b>	(3)
– Changes in financial assumptions	<b>7</b>	53	<b>—</b>	2	<b>7</b>	55
Actuarial (losses)/gains on assets:						
– Experience (losses)/gains	<b>(9)</b>	(100)	<b>3</b>	1	<b>(6)</b>	(99)
	<b>(11)</b>	(49)	<b>3</b>	3	<b>(8)</b>	(46)

## NOTES TO THE FINANCIAL STATEMENTS

**5 Pension and other post-retirement benefits** continued

Analysis of the movement in the net asset/(liability):

	United Kingdom		Overseas		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
At 1 January	<b>33</b>	79	<b>(10)</b>	(12)	<b>23</b>	67
Amount recognised in the consolidated income statement	—	2	<b>(2)</b>	(3)	<b>(2)</b>	(1)
Contributions by employer	<b>1</b>	1	<b>8</b>	2	<b>9</b>	3
Actuarial (losses)/gains recognised in the year	<b>(11)</b>	(49)	<b>3</b>	3	<b>(8)</b>	(46)
Effect of foreign exchange rates	—	—	<b>(1)</b>	—	<b>(1)</b>	—
At 31 December	<b>23</b>	33	<b>(2)</b>	(10)	<b>21</b>	23

Changes in the present value of the defined benefit obligation are as follows:

	United Kingdom		Overseas		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
At 1 January	<b>(517)</b>	(576)	<b>(40)</b>	(42)	<b>(557)</b>	(618)
Current service cost	—	—	<b>(2)</b>	(3)	<b>(2)</b>	(3)
Past service cost	<b>(1)</b>	—	—	—	<b>(1)</b>	—
Interest expense on plan liabilities	<b>(27)</b>	(25)	<b>(1)</b>	(1)	<b>(28)</b>	(26)
Actuarial (losses)/gains:						
– Experience (losses)/gains	<b>(5)</b>	1	—	—	<b>(5)</b>	1
– Changes in demographic assumptions	<b>(4)</b>	(3)	—	—	<b>(4)</b>	(3)
– Changes in financial assumptions	<b>7</b>	53	—	2	<b>7</b>	55
Benefits paid	<b>31</b>	33	<b>10</b>	5	<b>41</b>	38
Effect of foreign exchange rate changes	—	—	<b>2</b>	(1)	<b>2</b>	(1)
At 31 December	<b>(516)</b>	(517)	<b>(31)</b>	(40)	<b>(547)</b>	(557)

Changes in the fair value of the defined benefit asset are as follows:

	United Kingdom		Overseas		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
At 1 January	<b>550</b>	655	<b>30</b>	30	<b>580</b>	685
Interest income on plan assets	<b>29</b>	28	<b>1</b>	1	<b>30</b>	29
Scheme expenses	<b>(1)</b>	(1)	—	—	<b>(1)</b>	(1)
Actuarial (losses)/gains:						
– Experience (losses)/gains	<b>(9)</b>	(100)	<b>3</b>	1	<b>(6)</b>	(99)
Contributions by employer	<b>1</b>	1	<b>8</b>	2	<b>9</b>	3
Benefits paid	<b>(31)</b>	(33)	<b>(10)</b>	(5)	<b>(41)</b>	(38)
Effect of foreign exchange rate changes	—	—	<b>(3)</b>	1	<b>(3)</b>	1
At 31 December	<b>539</b>	550	<b>29</b>	30	<b>568</b>	580

At the end of the reporting period, the percentages of the plan assets by category were as follows:

	United Kingdom		Overseas		Total	
	2025	2024	2025	2024	2025	2024
Equities	—	—	<b>55.2%</b>	53.4%	<b>2.8%</b>	2.8%
Bonds	—	—	<b>41.4%</b>	43.3%	<b>2.1%</b>	2.2%
Liability driven investment	<b>7.2%</b>	7.1%	—	—	<b>6.9%</b>	6.7%
Bulk purchase annuity	<b>86.6%</b>	85.4%	—	—	<b>82.2%</b>	81.0%
Other	<b>6.2%</b>	7.5%	<b>3.4%</b>	3.3%	<b>6.0%</b>	7.3%
	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%

## NOTES TO THE FINANCIAL STATEMENTS

**5 Pension and other post-retirement benefits** continued

The majority of investments shown as equities and bonds are held through funds where the underlying investments of the fund are quoted. Liability driven investment is a strategy commonly used by defined benefit pension schemes to reduce interest rate and inflation risk. It includes government bonds, derivative instruments, and cash. Virtually all the equities and bonds held within the investment funds have prices in active markets. Derivatives, property, and liability driven investment can be classified as level 2 instruments. The schemes had no directly held employer related investment during the reporting period.

The schemes' investment managers may potentially hold a small investment in Inchcape plc either through index weightings or stock selection (less than 0.5% of their respective fund values).

The following disclosures relate to the Group's defined benefit plans only.

**f. Risk management****Asset volatility**

Scheme liabilities are calculated on a discounted basis using a discount rate which is set with reference to corporate bond yields. If scheme assets underperform this yield, then this will create a deficit.

**Inflation risk**

The majority of the Group's defined benefit obligations are linked to inflation. Higher inflation will lead to higher liabilities, although in the majority of cases there are caps on the level of inflationary increases to be applied to pension obligations.

**Life expectancy**

Where relevant, the plans' obligations are to provide a pension for the life of the member, so increases in life expectancy will result in an increase in the plans' benefit payments. Future mortality rates cannot be predicted with certainty. The schemes conduct scheme-specific mortality investigations annually, where appropriate, to ensure the Group has a clear understanding of any potential increase in liability due to pensioners living for longer than assumed.

**Risk mitigation**

The investment by the IMPS Trustee in a bulk purchase annuity has removed investment, inflation and mortality risks for approximately 85% of liabilities and 80% of assets. The remaining risks are mitigated through liability driven investment strategies with investment in defensive and inflation-linked assets (liability driven investment solutions, absolute return bonds, government bonds, derivative instruments and cash).

**g. Sensitivity analysis**

The disclosures above are dependent on the assumptions used. The table below demonstrates the sensitivity of the defined benefit obligation to changes in the assumptions used for the UK schemes. Changes in assumptions have an immaterial effect on the overseas schemes.

**Impact on the defined benefit obligation**

	United Kingdom	
	2025	2024
	£m	£m
Discount rate -1%	+59	+61
Discount rate +1%	-49	-50
CPI Inflation -0.25%	-7	-7
CPI Inflation +0.25%	+7	+7
Life expectancy +1 year	+21	+20

The above analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The above variances have been used as they are believed to be reasonably possible changes in assumptions by reference to recent trends and experiences.

**h. Employer contributions**

The Group paid approximately £1m (2024: £1m) to its UK defined benefit plans in 2025 under the prevailing Schedules of Contributions (following the 5 April 2022 actuarial valuations for the Inchcape Motors Pension Scheme and 31 March 2024 valuation for the Inchcape Overseas Pension Scheme).

From 1 January 2021 (following the closure of the defined benefit cash balance scheme to future benefit accrual on 31 December 2020) the Group pays ongoing employer pension contributions into the Inchcape Retirement Savings Plan.

The defined benefit obligations are based on the current value of expected benefit payment cash flows to members over the next several decades. The average duration of the liabilities is approximately 11 years for the UK schemes.

## NOTES TO THE FINANCIAL STATEMENTS

**6 Net finance costs**

	2025 £m	2024 £m
From continuing operations		
Interest expense on bank and other borrowings	110	122
Finance costs on lease liabilities (note 12(b))	16	19
Interest on inventory financing	54	56
Net monetary loss on hyperinflation (note 2)	—	8
Other finance costs	15	16
<b>Finance costs</b>	<b>195</b>	<b>221</b>
Bank and other interest receivable	(68)	(64)
Net interest income on post-retirement plan assets and liabilities	(2)	(3)
Other finance income	(2)	(4)
Finance income	(72)	(71)
<b>Net finance costs</b>	<b>123</b>	<b>150</b>
Analysed as:		
Net finance costs excluding adjusting finance costs	123	142
Finance costs reported as adjusting items	—	8
<b>Net finance costs</b>	<b>123</b>	<b>150</b>

Other finance costs include fees, commissions and foreign exchange gains and losses.

Since 2022, in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies, the results and financial position of the Group's operations in Ethiopia have been restated to the purchasing power or inflationary measuring unit current at the end of the reporting period. The results and financial position of Ethiopia for the year ended 31 December 2024 were restated to include the effect of indexation and the resulting net monetary loss on hyperinflation of £8m was recognised within net finance costs and reported as an adjusting item. As at 31 December 2025, Ethiopia is no longer considered to be a hyperinflationary economy and therefore the Group has not recognised any adjustments in respect of hyperinflation for the year ended 31 December 2025. The Group ceased to apply IAS 29 from the beginning of the reporting period in which hyperinflation ceased, thus from 1 January 2025.

**7 Tax**

This note only provides information about corporate income taxes under IFRS. The Group has subsidiaries in over 40 territories across the world. The Group pays and collects many different taxes in addition to corporate income taxes including; payroll taxes, value added and sales taxes, property taxes, product-specific taxes and environmental taxes. Such taxes borne by the Group are included in profit before tax.

		2025 £m	2024 £m
From continuing operations			
Current tax	– Overseas tax	130	131
	– Pillar 2 income taxes	2	2
Adjustments to prior year liabilities	– United Kingdom tax	—	(3)
	– Overseas tax	—	(3)
Current tax		132	127
Deferred tax		1	2
<b>Total tax charge</b>		<b>133</b>	<b>129</b>
	– Tax charge on profit before adjusting items	139	139
	– Tax credit on adjusting items	(6)	(10)
<b>Total tax charge</b>		<b>133</b>	<b>129</b>

Details of the adjusting items for the year can be found in note 2. Not all of the adjusting items will be taxable or deductible for tax purposes. Therefore, the tax credit on adjusting items represents the total of the current and deferred tax on only those elements that are assessed as taxable or deductible.

## NOTES TO THE FINANCIAL STATEMENTS

**7 Tax continued****a. Factors affecting the tax expense for the year**

The effective tax rate for the year is 32.8% (2024: 31.2%). The effective tax rate on adjusted profit before tax is 31.4% (2024: 31.3%). The weighted average tax rate is 24.4% (2024: 23.0%). The weighted average tax rate comprises the average statutory rates across the Group, weighted in proportion to accounting profits and losses before tax.

The Group is within the scope of Pillar Two with effect from 1 January 2024 under UK legislation. Pillar Two legislation has also been enacted in other jurisdictions where Inchcape operates and may affect computation of top-up taxes for those markets. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Pillar Two effective tax rate per jurisdiction and the 15% minimum rate. Included within the current tax charge for the year is a Pillar Two income tax charge of £2m (2024: £2m). The main jurisdictions in which exposure to this tax exists include Bulgaria and Barbados.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The table below explains the differences between the expected tax charge at the weighted average tax rate and the Group's total tax charge.

From continuing operations	2025 £m	2024 £m
Profit before tax	<b>406</b>	414
Profit before tax multiplied by the weighted average tax rate of 24.4% (2024: 23.0%)	<b>99</b>	95
– Permanent differences	<b>2</b>	8
– Non-taxable income	<b>(3)</b>	(4)
– Prior year items	<b>9</b>	2
– Derecognition/(recognition) of deferred tax assets	<b>24</b>	21
– Overseas tax audits and settlements	<b>(3)</b>	2
– Taxes on undistributed earnings	<b>2</b>	1
– Acquisition and integration costs	<b>—</b>	3
– Net monetary loss on hyperinflation	<b>—</b>	3
– Pillar Two income taxes	<b>2</b>	2
– Disposal of businesses	<b>—</b>	(6)
– Tax rate changes	<b>1</b>	2
<b>Total tax charge</b>	<b>133</b>	129

**b. Factors affecting the tax expense of future years**

The Group's future tax charge, and effective tax rate, could be affected by several factors including: the resolution of audits and disputes, changes in tax laws or tax rates, repatriation of cash from overseas markets to the UK, the ability to utilise brought forward losses, the impact of UK corporate interest restrictions and business acquisitions and disposals. In addition, a change in profit mix between low and high taxed jurisdictions will impact the Group's future tax charge.

The utilisation of brought forward tax losses or reactivation of previously disallowed interest deductions under the UK corporate interest restriction regulations and the recognition of deferred tax assets associated with them may also give rise to tax charges or credits. The recognition of deferred tax assets, particularly in respect of tax losses, is based upon an assessment of whether it is probable that there will be sufficient and suitable taxable profits in the relevant legal entity or tax group against which to utilise the assets in the future. Judgement is required when determining probable future taxable profits. In the event that actual taxable profits are different to those forecast, the Group's future tax charge and effective tax rate could be affected. Information about the Group's tax losses, UK corporate interest restrictions and deferred tax assets can be found in note 16.

The Group has published its approach to tax on [www.inchcape.com](http://www.inchcape.com) covering its tax strategy and governance framework in accordance with Schedule 19 Finance Act 2016.

## NOTES TO THE FINANCIAL STATEMENTS

## 8 Earnings per share

	2025 £m	2024 £m
<b>Profit for the year</b>	<b>273</b>	435
Non-controlling interests	(1)	(14)
<b>Basic earnings</b>	<b>272</b>	421
Profit for the year from discontinued operations	—	(150)
<b>Basic earnings from continuing operations attributable to owners of the parent</b>	<b>272</b>	271
Adjusting items	31	20
<b>Adjusted earnings from continuing operations attributable to owners of the parent</b>	<b>303</b>	291
<b>Basic earnings per share</b>		
Basic earnings per share from continuing operations	<b>72.5p</b>	66.4p
Basic earnings per share from discontinued operations	—p	36.7p
Total basic earnings per share	<b>72.5p</b>	103.1p
<b>Diluted earnings per share</b>		
Diluted earnings per share from continuing operations	<b>71.6p</b>	65.6p
Diluted earnings per share from discontinued operations	—p	36.3p
Total diluted earnings per share	<b>71.6p</b>	101.9p
<b>Adjusted earnings per share from continuing operations</b>		
Basic Adjusted earnings per share from continuing operations	<b>80.8p</b>	71.3p
Diluted Adjusted earnings per share from continuing operations	<b>79.8p</b>	70.4p

	2025 number	2024 number
Weighted average number of fully paid ordinary shares in issue during the year	<b>376,120,583</b>	409,082,913
Weighted average number of fully paid ordinary shares in issue during the year:		
– Held by the Inchcape Employee Trust	<b>(1,040,953)</b>	(794,779)
Weighted average number of fully paid ordinary shares for the purposes of basic EPS	<b>375,079,630</b>	408,288,134
Dilutive effect of potential ordinary shares	<b>4,738,282</b>	4,816,968
Adjusted weighted average number of fully paid ordinary shares in issue during the year for the purposes of diluted EPS	<b>379,817,912</b>	413,105,102

Basic earnings per share is calculated by dividing the Basic earnings for the year by the weighted average number of fully paid ordinary shares in issue during the year, less those shares held by the Inchcape Employee Trust.

Diluted earnings per share is calculated on the same basis as Basic earnings per share with a further adjustment to the weighted average number of fully paid ordinary shares to reflect the effect of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise share options and other share-based awards.

Basic Adjusted earnings (which excludes adjusting items) is adopted to assist the reader in providing an additional performance measure of the Group. Basic Adjusted earnings per share is calculated by dividing the Adjusted earnings for the year by the weighted average number of fully paid ordinary shares in issue during the year, less those shares held by the Inchcape Employee Trust.

Diluted Adjusted earnings per share is calculated on the same basis as the Basic Adjusted earnings per share with a further adjustment to the weighted average number of fully paid ordinary shares to reflect the effect of all dilutive potential ordinary shares. Information presented for diluted and diluted adjusted earnings per ordinary share uses the weighted average number of shares as adjusted for potentially dilutive ordinary shares as the denominator.

## NOTES TO THE FINANCIAL STATEMENTS

**9 Dividends**

The following dividends were paid by the Group:

	2025 £m	2024 £m
Final dividend for the year ended 31 December 2024 of 17.2p per share (2023: 24.3p per share)	66	100
Interim dividend for the six months ended 30 June 2025 of 9.5p per share (30 June 2024: 11.3p per share)	35	47
	<b>101</b>	<b>147</b>

A final proposed dividend for the year ended 31 December 2025 of 22.8p per share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability as at 31 December 2025. The Group has sufficient distributable reserves to pay dividends to its ultimate shareholders. Distributable reserves are calculated on an individual legal entity basis and the ultimate parent company, Inchcape plc, currently has adequate levels of realised profits within its retained earnings to support dividend payments.

At 31 December 2025, Inchcape plc's company-only distributable reserves were £577m. On an annual basis, the distributable reserve levels of the Group's subsidiary undertakings are reviewed and dividends paid up to Inchcape plc where it is appropriate to do so.

**10 Intangible assets**

Cost	Goodwill	Indefinite-life intangible assets <sup>1</sup>	Computer software & Other <sup>2</sup>	Total
	£m	£m	£m	£m
At 1 January 2024	677	948	134	1,759
Businesses acquired	(1)	—	—	(1)
Business sold	(272)	—	(36)	(308)
Additions	—	—	3	3
Disposals and retirements	—	—	(13)	(13)
Derecognition	—	(5)	—	(5)
Effect of foreign exchange rate changes	(29)	(91)	—	(120)
<b>At 1 January 2025</b>	<b>375</b>	<b>852</b>	<b>88</b>	<b>1,315</b>
Businesses acquired (note 28a)	15	24	—	39
Businesses sold (note 28b)	(2)	—	—	(2)
Additions	—	—	2	2
Disposals and retirements	—	—	(4)	(4)
Effect of foreign exchange rate changes	—	5	(2)	3
<b>At 31 December 2025</b>	<b>388</b>	<b>881</b>	<b>84</b>	<b>1,353</b>
<b>Accumulated amortisation and impairment</b>				
At 1 January 2024	(375)	(19)	(94)	(488)
Amortisation charge for the year	—	—	(9)	(9)
Business sold	268	—	34	302
Disposals and retirements	—	—	13	13
Impairment (charge)/reversal for the year	—	19	—	19
Effect of foreign exchange rate changes	4	—	—	4
<b>At 1 January 2025</b>	<b>(103)</b>	<b>—</b>	<b>(56)</b>	<b>(159)</b>
Amortisation charge for the year (note 3)	—	—	(7)	(7)
Businesses sold (note 28b)	2	—	—	2
Disposals and retirements	—	—	4	4
Effect of foreign exchange rate changes	(1)	—	(1)	(2)
<b>At 31 December 2025</b>	<b>(102)</b>	<b>—</b>	<b>(60)</b>	<b>(162)</b>
<b>Net book value at 31 December 2025</b>	<b>286</b>	<b>881</b>	<b>24</b>	<b>1,191</b>
Net book value at 31 December 2024	272	852	32	1,156

1. Indefinite-life intangible assets comprise distribution agreements and acquired brands for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

2. Included in computer software and other is acquired customer relationships.

## NOTES TO THE FINANCIAL STATEMENTS

**10 Intangible assets** continued

Impairment reversals of £19m in 2024 relate to the reversal of previous impairment charges against the distribution agreement intangible asset attributable to the Central America - Suzuki CGU. The derecognition of £5m in 2024 is in respect of a distribution agreement intangible asset acquired in Bolivia as part of the acquisition of the Derco group of companies in 2022. At 31 December 2025, computer software under development was £nil (2024: £nil).

**Goodwill and indefinite-life intangible assets**

Goodwill acquired in a business combination has been allocated to the cash generating units (CGUs) or group of CGUs (hereafter collectively referred to as 'CGU groups') that are expected to benefit from the synergies associated with that business combination. The CGUs for goodwill testing are aligned with the operating segments, Asia, Australasia, Europe, Africa, and Americas, which represent the CGU groups that are expected to benefit from the synergies of the business combination in which the goodwill arose and which represent the lowest level at which information about goodwill is available and monitored for internal management purposes.

Indefinite-life intangible assets, principally distribution agreements acquired in a business combination, are also allocated to the CGU groups that are expected to benefit from the cash flows associated with the relevant agreements.

The carrying amount of goodwill has been allocated to CGU groups representing the following reporting segments:

	2025	2024
	£m	£m
<b>Goodwill</b>		
Americas	186	182
APAC	70	75
Europe & Africa	30	15
	<b>286</b>	<b>272</b>

The carrying amount of indefinite-life intangible assets has been allocated to CGU groups within the following geographical areas:

	2025	2024
	£m	£m
<b>Indefinite-life intangible assets</b>		
Europe & Africa – Baltics	28	27
Europe & Africa – Iceland	24	—
Americas – Derco	444	428
Americas – Subaru	80	79
Americas – Hino	39	37
Central Americas – Suzuki	84	90
Americas – Other	81	81
APAC – Indonesia	25	27
APAC – Philippines	70	76
APAC – Other	6	7
	<b>881</b>	<b>852</b>

In accordance with the Group's accounting policies, goodwill and other indefinite-life intangible assets are tested at least annually for impairment and whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment tests were performed for all CGU groups during the year ended 31 December 2025. The recoverable amounts of all CGU groups were determined based on the higher of the fair value less costs to sell and value in use calculations.

The recoverable amount is determined firstly through value in use calculations. Where this is insufficient to cover the carrying value of the relevant asset being tested, fair value less costs to sell is also determined.

Site-based assets (property, plant and equipment and right-of-use assets) are first tested for impairment individually before being included in the aforementioned impairment tests as a component of the carrying value of a CGU group. If the carrying amount of a CGU group exceeds its recoverable amount, an impairment loss is recognised and allocated between the assets of the CGU group to reduce the carrying amount. This allocation is initially applied to the carrying amount of any goodwill allocated to the CGU group. If a further impairment charge still remains, then this is allocated to other assets in the CGU group on a pro-rata basis.

The value in use calculations mainly use cash flow projections based on three-year financial projections prepared by management. The key assumptions for these projections are those relating to volumes, revenue, gross margins, overheads, the level of working capital required to support trading and capital expenditure.

## NOTES TO THE FINANCIAL STATEMENTS

**10 Intangible assets** continued

Forecast revenue is based on past experience and expectations for near-term growth in the relevant markets. Key assumptions used to determine revenue are expectations of market size, represented by Total Industry Volume (TIV) and Units in Operation (UIO), estimates of product availability from OEM partners and market share, based on external sources where appropriate. Operating profits are forecast based on historical experience of gross and operating margins, adjusted for the impact of changes to product mix and cost-saving initiatives that had been implemented at the reporting date. Cash flows are forecast based on operating profit adjusted for the level of working capital required to support trading and capital expenditure. The assumptions used in the value in use calculations are based on past experience, recent trading, and forecasts of operational performance in the relevant markets including expectations about continuing relationships with key OEM partners.

The impact of climate risks and opportunities are considered during the strategic, operational and financial planning processes. As part of this, management reviews the climate change factors that could impact the business plan over the short, medium and long-term and the scenarios relating to the impacts of climate change including the pace of transition to battery electric vehicles and how this will impact future operations. Short-term financial forecasts used for the purpose of testing intangible assets for impairment reflect, where appropriate, short-term climate risks and opportunities. In the medium to long-term, such risks and opportunities are factored into the growth rates used for modelling purposes where reasonably quantifiable.

For all CGU groups, cash flows after the three-year period are extrapolated for up to seven years using declining growth rates which reduces the year three growth rate down to the long-term growth rate appropriate for each CGU group, to better reflect the medium-term growth expectations for those markets. A terminal value calculation is used to estimate the cash flows after year 10 using these long-term growth rates.

Cash flows are discounted back to present value using a discount rate specific to each CGU group. The discount rates used are calculated using the capital asset pricing model to derive a cost of equity which is then weighted with an estimated cost of debt and lease liabilities based on an optimal market gearing structure. The Group uses several inputs to calculate a range for each discount rate from which an absolute measure is determined for use in the value in use calculations. Key inputs include benchmark risk-free rates, inflation differentials, equity risk premium, country risk premium and a risk adjustment (beta) calculated by reference to comparable companies with similar retail and distribution operations. The Group applies post-tax discount rates to post-tax cash flows as the valuation calculated using this method closely approximates to applying pre-tax discount rates to pre-tax cash flows, therefore the equivalent pre-tax discount rate assumptions have been presented below.

**Key assumptions used**

Pre-tax discount rates and long-term discount rates used in the value in use calculations for each of the Group's significant CGU groups and significant indefinite-life intangible assets are shown below:

**Goodwill:**

2025	Americas	Asia
Pre-tax discount rate (%)	12.2	8.9
Long-term growth rate (%)	3.0	2.0

2024	Americas	Asia
Pre-tax discount rate (%)	11.1	8.8
Long-term growth rate (%)	3.0	2.4

**Indefinite-life intangible assets:**

2025	Pre-tax discount rate (%)	Long-term growth rate (%)	Revenue CAGR (%) <sup>1</sup>
Americas - Hino	12.6	2.9	13.5
Central America - Suzuki	12.2	2.7	6.1
Americas - Derco	12.5	3.0	7.4
Americas - Ditec	10.5	2.9	6.6
APAC - Indonesia	11.1	2.8	21.3
APAC - Philippines	10.9	3.0	10.5

1. Revenue CAGR is calculated over a three-year period for all CGUs, except for Americas - Hino, APAC Indonesia and APAC - Philippines, where it is calculated over a five-year period.

2024	Pre-tax discount rate (%)	Long-term growth rate (%)	Revenue CAGR (%) <sup>1</sup>
Americas - Hino	12.3	3.1	7.0
Central America - Suzuki	11.7	3.3	4.1
Americas - Derco	11.0	3.0	2.8
Americas - Ditec	10.8	3.0	3.8
APAC - Indonesia	11.6	3.9	13.0
APAC - Philippines	10.4	2.3	9.7

1. Revenue CAGR is calculated over a three-year period for all CGUs, except for Americas - Hino, APAC Indonesia and APAC - Philippines, where it is calculated over a five-year period.

## NOTES TO THE FINANCIAL STATEMENTS

**10 Intangible assets** continued**Impairment testing sensitivity analysis**

The excess of recoverable amount over the carrying value (headroom) of the indefinite-life intangible assets allocated to the following CGUs would be eliminated if any of the individual changes to the key assumptions used in the impairment model were applied.

Assumptions	Americas - Hino	Americas - Ditec	APAC - Indonesia	APAC - Philippines
Headroom (£m)	32	3	40	26
Decrease in revenue CAGR (bps)	(663)	(96)	(260)	(248)
Decrease in long-term growth rate (bps)	(562)	(27)	(385)	(151)
Increase in pre-tax discount rate (bps)	427	20	312	141

**Americas – Ditec**

The Americas – Ditec CGU group includes the Group’s premium vehicle business in Chile. As at 31 December 2025, the CGU group had a carrying value of £66m (2024: £77m). The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and small movements in these assumptions could lead to an impairment. Management have performed sensitivity analysis on the key assumptions in the indefinite-life intangible asset impairment model for America – Ditec using reasonably possible changes in these key assumptions.

	Increase/ (decrease) in assumption (bps)	Decrease in value in use £m	Impairment charge £m
Revenue CAGR	(250)	(18)	(15)
Post-tax discount rate	100	(12)	(9)
Long-term growth rate	(50)	(5)	(2)

**APAC – Indonesia**

The market in Indonesia is currently experiencing disruption driven by slowing GDP growth, a weaker currency and falling consumer sentiment, with the traditional premium market where the Group represents Mercedes Benz has declined faster than the overall market.

At 31 December 2025, the Indonesia CGU had a carrying value of £92m (2024: £124m). The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and small movements in these assumptions could lead to an impairment. Management have performed sensitivity analysis on the key assumptions in the indefinite-life intangible asset impairment model for Indonesia using reasonably possible changes in these key assumptions.

	Increase/ (decrease) in assumption (bps)	Decrease in value in use £m	Impairment charge £m
Revenue CAGR	(250)	(38)	—
Post-tax discount rate	100	(16)	—
Long-term growth rate	(50)	(7)	—

**APAC – Philippines**

The market in the Philippines has experienced disruption with a slowdown in the market due to weaker consumer spending amid uncertain economic conditions. The traditional premium market, where the Group represents Mercedes Benz and JLR, has declined.

At 31 December 2025, the Philippines CGU had a carrying value of £134m (2024: £99m). The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and small movements in these assumptions could lead to an impairment. Management have performed sensitivity analysis on the key assumptions in the indefinite-life intangible asset impairment model for Philippines using reasonably possible changes in these key assumptions.

	Increase/ (decrease) in assumption (bps)	Decrease in value in use £m	Impairment charge £m
Revenue CAGR	(250)	(26)	—
Post-tax discount rate	100	(19)	—
Long-term growth rate	(50)	(10)	—

**Americas – Hino**

The Americas – Hino CGU group includes the Group’s Hino businesses in Chile and Colombia where the availability of new vehicles to meet local emissions regulations will be a key driver of future performance. As at 31 December 2025, the Americas – Hino CGU group had a carrying value of £45m (2024: £57m). The cash flows for the Americas – Hino CGU group are sensitive to any change in assumption, with the timing of resumption of supply being of particular significance to the cash flow forecasts. Management has performed sensitivity analysis on the key assumptions in the indefinite-life intangible asset impairment model, including scenarios where the supply of new vehicles is delayed by one and two years, neither of which results in an impairment.

**Other CGUs**

The Group’s value in use calculations are sensitive to changes in the key assumptions used. However, a reasonably possible change, based on historical experience, in a key assumption would not cause a material impairment of indefinite-life intangible assets for any other CGU group.

## NOTES TO THE FINANCIAL STATEMENTS

## 11 Property, Plant and Equipment

Cost	Land and buildings £m	Plant, machinery and equipment £m	Subtotal £m	Leased vehicles, rental machinery and equipment £m	Total £m	Accumulated depreciation and impairment	Land and buildings £m	Plant, machinery and equipment £m	Subtotal £m	Leased vehicles, rental machinery and equipment £m	Total £m
At 1 January 2024	842	344	1,186	151	1,337	At 1 January 2024	(214)	(207)	(421)	(23)	(444)
Opening balance hyperinflation adjustment	4	8	12	—	12	Opening balance hyperinflation adjustment	(1)	(3)	(4)	—	(4)
Acquisition adjustment	—	(1)	(1)	—	(1)	Businesses sold	71	55	126	—	126
Businesses sold	(294)	(71)	(365)	(24)	(389)	Depreciation charge for the year	(17)	(27)	(44)	(18)	(62)
Additions	49	26	75	38	113	Disposals	6	14	20	—	20
Disposals	(13)	(15)	(28)	—	(28)	Transferred to/(from) inventory	—	—	—	9	9
Transferred from/(to) inventory	—	3	3	(36)	(33)	Retirement of fully depreciated assets	—	1	1	—	1
Retirement of fully depreciated assets	—	(1)	(1)	—	(1)	Effect of foreign exchange rate changes	11	9	20	1	21
Effect of foreign exchange rate changes	(51)	(32)	(83)	(5)	(88)	<b>At 1 January 2025</b>	<b>(144)</b>	<b>(158)</b>	<b>(302)</b>	<b>(31)</b>	<b>(333)</b>
<b>At 1 January 2025</b>	<b>537</b>	<b>261</b>	<b>798</b>	<b>124</b>	<b>922</b>	Businesses sold (note 28a)	—	3	3	—	3
Businesses acquired (note 28b)	2	5	7	—	7	Depreciation charge for the year	(18)	(26)	(44)	(12)	(56)
Businesses sold (note 28a)	(1)	(4)	(5)	—	(5)	Disposals	5	14	19	1	20
Additions	21	25	46	40	86	Transferred to/(from) inventory	—	1	1	10	11
Disposals	(12)	(18)	(30)	—	(30)	Retirement of fully depreciated assets	—	1	1	—	1
Transferred from/(to) inventory	—	6	6	(32)	(26)	Reclassifications	—	(1)	(1)	1	—
Retirement of fully depreciated assets	—	(1)	(1)	—	(1)	Effect of foreign exchange rate changes	1	3	4	—	4
Reclassifications	(3)	5	2	(2)	—	<b>At 31 December 2025</b>	<b>(156)</b>	<b>(163)</b>	<b>(319)</b>	<b>(31)</b>	<b>(350)</b>
Effect of foreign exchange rate changes	(16)	(7)	(23)	1	(22)	<b>Net book value at 31 December 2025</b>	<b>372</b>	<b>109</b>	<b>481</b>	<b>100</b>	<b>581</b>
<b>At 31 December 2025</b>	<b>528</b>	<b>272</b>	<b>800</b>	<b>131</b>	<b>931</b>	Net book value at 31 December 2024	393	103	496	93	589

## NOTES TO THE FINANCIAL STATEMENTS

**11 Property, Plant and Equipment** continued

The book value of land and buildings is analysed between:

	2025 £m	2024 £m
Freehold	271	309
Leasehold with over fifty years unexpired	15	19
Short leasehold	74	54
Assets under construction	12	11
	<b>372</b>	393

At 31 December 2025, land and buildings include properties with a net book value of £nil (2024: £nil) that are let to third parties on a short-term basis.

Property, plant, machinery & equipment includes assets under construction with a net book value of £12m (2024: £11m).

**Impairment of computer software, property, plant and equipment and right-of-use assets**

Computer software, property, plant and equipment and right-of-use assets are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out, the recoverable value is determined based on the higher of value in use calculations, which require estimates to be made of future cash flows, or fair value less costs of disposal. Impairment triggers were identified in a limited number of markets and tests for impairment were carried out, where appropriate. As part of the assessment, the Group also assessed whether there was any indication that previously recognised impairment losses for an asset no longer exist or may have decreased which would result in an impairment reversal being recognised.

The approach to test computer software, property, plant and equipment and right-of-use assets for impairment was consistent with the approach used to test goodwill and other indefinite-life intangible assets. The value in use calculations use cash flow projections based on three-year financial forecasts prepared by management. The key assumptions for these forecasts are those relating to volumes, revenue, gross margins, overheads, the level of working capital required to support trading and capital expenditure. Where the value in use calculations did not support the carrying value of an asset, an estimate for fair value less costs of disposal was determined by obtaining property valuations for the relevant locations.

The results of the testing indicated that there were no net impairment charges in the year (2024: £nil net impairment charge).

The presence of potential physical risks arising from climate change to the Group's key operational sites in the short to medium term has been reviewed and no assets have been impaired as a result of this exercise.

## NOTES TO THE FINANCIAL STATEMENTS

**12 Right-of-use assets and lease liabilities**

The Group leases various retail dealerships, distribution, and office properties, primarily in Australia, Hong Kong, and South America. Rental contracts are typically made for fixed periods of 2 to 25 years and may have extension options as described in the accounting policies note. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

**a. Amounts recognised on the consolidated statement of financial position**

Cost	Land and buildings £m	Other £m	Total £m
At 1 January 2024	775	3	778
Businesses sold (note 28b)	(138)	—	(138)
Additions	42	—	42
Derecognition	(49)	(2)	(51)
Remeasurement	35	—	35
Effect of foreign exchange rate changes	(31)	1	(30)
<b>At 1 January 2025</b>	<b>634</b>	<b>2</b>	<b>636</b>
Businesses acquired (note 28a)	39	—	39
Additions	37	—	37
Derecognition	(54)	(1)	(55)
Remeasurement	34	—	34
Effect of foreign exchange rate changes	(5)	2	(3)
<b>At 31 December 2025</b>	<b>685</b>	<b>3</b>	<b>688</b>
<b>Accumulated depreciation and impairment</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
At 1 January 2024	(413)	(1)	(414)
Businesses sold (note 28b)	64	—	64
Depreciation charge for the year	(75)	—	(75)
Impairment losses recognised	(1)	—	(1)
Derecognition	49	—	49
Effect of foreign exchange rate changes	13	(1)	12
<b>At 1 January 2025</b>	<b>(363)</b>	<b>(2)</b>	<b>(365)</b>
Depreciation charge for the year	(67)	—	(67)
Derecognition	48	1	49
Effect of foreign exchange rate changes	4	—	4
<b>At 31 December 2025</b>	<b>(378)</b>	<b>(1)</b>	<b>(379)</b>
<b>Net book value at 31 December 2025</b>	<b>307</b>	<b>2</b>	<b>309</b>
Net book value at 31 December 2024	271	—	271

Asset impairment charges amount to £nil (2024: impairment charge of £1m).

Remeasurements of £34m were made to leases during the year, due to either a change in the lease term or a change in an index or rate applicable to the underlying lease (2024: £35m), primarily in APAC and the Americas. Lease liabilities are also remeasured if there is a change in the assessment of whether a purchase, lease term extension or termination option will be exercised, exposure to potential variable lease payments during the life of the lease together with any additional liability being present as a result of entering new lease commitments which have not commenced as at the balance sheet date.

	2025 £m	2024 £m
<b>Lease liabilities</b>		
Current	(67)	(66)
Non-current	(276)	(236)
<b>At 31 December</b>	<b>(343)</b>	<b>(302)</b>

**b. Amounts recognised in the consolidated income statement**

	2025 £m	2024 £m
Depreciation of right-of-use assets	67	74
Impairment charge for right-of-use assets	—	1
Finance costs on lease liabilities (included in finance costs)	16	19
Lease rentals – short-term leases	6	5
Lease rentals – variable lease payments	1	1

**c. Amounts recognised in the consolidated statement of cash flows**

	2025 £m	2024 £m
Lease interest paid	15	19
Payment of capital element of lease liabilities	72	81

## NOTES TO THE FINANCIAL STATEMENTS

**13 Investments in joint ventures and associates**

Details of the interests held by the Group in joint ventures and associates can be found in note 13 to the Inchcape plc Company financial statements on pages 188 to 194.

Amounts recognised in the statement of financial position in respect of joint ventures and associates are as follows:

	2025 £m	2024 £m
At 1 January	21	21
Share of profit after tax of joint ventures and associates	3	2
Share of other comprehensive income of joint ventures and associates	—	—
Dividends received	(2)	—
Effect of foreign exchange rate changes	—	(2)
At 31 December	22	21
Net assets of joint ventures and associates:		
	2025 £m	2024 £m
Cash and cash equivalents	18	10
Other current assets	68	61
Non-current assets	248	247
Total assets	334	318
Current financial liabilities	(54)	(60)
Other current liabilities	(16)	(2)
Non-current financial liabilities	(220)	(214)
Total liabilities	(290)	(276)
Net assets	44	42

Results of joint ventures and associates:

	2025 £m	2024 £m
Revenue	74	71
Depreciation and amortisation	—	(1)
Interest income	9	9
Other expenses	(77)	(74)
Profit before tax	6	5
Tax	—	(1)
Profit after tax of joint ventures and associates	6	4

Summarised financial information of joint ventures and associates:

	2025 £m	2024 £m
Opening net assets at 1 January	42	42
Profit for the year	6	4
Other comprehensive expense for the year	(1)	—
Dividends received	(4)	—
Effect of foreign exchange rates	1	(4)
<b>Closing net assets at 31 December</b>	<b>44</b>	<b>42</b>
Carrying value of interest in joint ventures and associates	22	21

As at 31 December 2025, no guarantees were provided in respect of joint ventures and associates' borrowings (2024: £nil).

## NOTES TO THE FINANCIAL STATEMENTS

## 14 Financial assets at fair value through other comprehensive income

	2025	2024
	£m	£m
At 1 January	4	1
Net fair value gains recognised in other comprehensive income	—	3
<b>At 31 December</b>	<b>4</b>	<b>4</b>
Analysed as:		
	2025	2024
	£m	£m
Current	—	—
Non-current	4	4
	<b>4</b>	<b>4</b>
Assets held are analysed as follows:		
	2025	2024
	£m	£m
Equity securities	4	4
	<b>4</b>	<b>4</b>

Financial assets held at fair value through other comprehensive income relate to a 15% equity interest in Hino Motors Manufacturing Colombia S.A..

## 15 Trade and other receivables

	Current		Non-current	
	2025	2024	2025	2024
	£m	£m (represented) <sup>1</sup>	£m	£m
Trade receivables	390	440	17	18
Less: allowance for expected credit losses	(14)	(13)	(1)	—
Net trade receivables	376	427	16	18
Prepayments	167	180	4	3
Accrued income	69	43	4	2
Other taxation and social security	88	93	19	—
Other receivables	72	86	19	11
	<b>772</b>	<b>829</b>	<b>62</b>	<b>34</b>

1. Refer to presentation of comparative amounts in the accounting policies note.

Other receivables include buyback and indemnity assets, interest, sublease and sundry receivables, which include amounts receivable in respect of insurance claims, and rental and utilities deposits. The breakdown of other receivables is as follows:

	Current		Non-current	
	2025	2024	2025	2024
	£m	£m (represented) <sup>1</sup>	£m	£m
Buyback Assets	3	2	3	3
Indemnity Assets	16	16	—	—
Interest Receivable	3	7	—	—
Sublease receivables	2	2	6	1
Deferred Proceeds	2	7	5	—
Other	46	52	5	7
	<b>72</b>	<b>86</b>	<b>19</b>	<b>11</b>

1. Refer to presentation of comparative amounts in the accounting policies note.

## NOTES TO THE FINANCIAL STATEMENTS

**15 Trade and other receivables** continued

Trade receivables representing amounts due from customers, including finance houses, OEM partners, third-party dealers, and insurance companies are split by reporting segment as follows:

	2025 £m	2024 £m
APAC	114	148
Europe & Africa	99	100
Americas	194	210
	<b>407</b>	458
Less: allowance for expected credit losses	<b>(15)</b>	(13)
	<b>392</b>	445

At 31 December, the analysis of trade receivables is as follows:

2025	Total £m	Current £m	0 – 30 days £m	30 – 90 days £m	> 90 days £m
Gross trade receivables	407	237	92	32	46
Expected credit loss allowance	(15)	(5)	—	—	(10)
Net carrying amount	<b>392</b>	<b>232</b>	<b>92</b>	<b>32</b>	<b>36</b>

2024	Total £m	Current £m	0 – 30 days £m	30 – 90 days £m	> 90 days £m
Gross trade receivables	458	234	116	64	44
Expected credit loss allowance	(13)	(2)	—	—	(11)
Net carrying amount	445	232	116	64	33

Movements in the allowance for expected credit losses were as follows:

	2025 £m	2024 £m
At 1 January	(13)	(15)
Charge for the year	(7)	(1)
Amounts written off	6	—
Unused amounts reversed	—	2
Effect of foreign exchange rate changes	(1)	1
At 31 December	<b>(15)</b>	(13)

The expected credit loss for accrued income and other receivables is not significant.

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 60 days. Trade receivables are only written off where there is no reasonable expectation of recovery.

The concentration of credit risk with respect to trade receivables is limited due to the Group's broad customer base across a number of geographic regions and the default loss percentage incurred by the Group has customarily been low even if there have been significant changes in economic conditions experienced in markets in which the Group operates. Trade receivables include amounts due from a number of finance houses in respect of vehicles sold to customers on finance.

As a consequence, the risk associated with trade receivable balances past due but not impaired is not expected to be significant and as such does not contribute to a significant allowance for expected credit losses of receivables being recognised.

The allowance for expected credit losses for trade receivables and accrued income is based on an expected credit loss model that calculates the expected loss applicable to the receivable balance over its lifetime. For the Group, the simplified approach under IFRS 9 Financial Instruments is applied to all trade receivables and accrued income. Under this approach, the provision required against receivables is calculated by considering the cash shortfall that would be incurred in various default scenarios for prescribed future periods. Default rates are calculated initially by considering historical loss experience and applied to trade receivables within a provision matrix. The matrix approach allows application of different default rates to different groups of customers with similar characteristics. These groups will be determined by a number of factors including: the nature of the customer, the payment method selected and, where relevant, the sector in which they operate. The characteristics used to determine the groupings of receivables are the factors that have the greatest impact on the likelihood of default. The rate of default increases once the balance is 30 days past due and subsequently in 30-day increments.

Management considers the carrying amount of trade and other receivables to approximate to their fair value. Long-term receivables have been discounted where the time value of money is considered to be material.

## NOTES TO THE FINANCIAL STATEMENTS

## 16 Deferred tax

	Pension and other post-retirement benefits £m	Cash flow hedges £m	Share-based payments £m	Tax losses £m	Accelerated tax depreciation £m	Provisions and other temporary differences £m	Indefinite-life intangible assets £m	Leases £m	Total £m
<b>Net deferred tax (liability)/asset</b>									
At 1 January 2024	(26)	12	7	22	(36)	84	(240)	15	(162)
Opening balance reclassifications	8	—	(2)	—	1	(7)	—	—	—
Credited/(charged) to the consolidated income statement (continuing operations)	13	(2)	4	2	(2)	(12)	(7)	2	(2)
(Charged)/credited to the consolidated income statement (discontinued operations)	—	—	—	8	—	—	—	—	8
Credited/(charged) to equity and other comprehensive income	(1)	(12)	—	(1)	(1)	1	—	—	(14)
Businesses sold (note 28a)	(3)	—	(1)	—	(6)	9	—	(6)	(7)
Acquisition adjustments (note 28b)	—	—	—	—	—	2	—	—	2
Effect of foreign exchange rate changes	—	(1)	—	(1)	7	(8)	23	—	20
<b>At 1 January 2025</b>	<b>(9)</b>	<b>(3)</b>	<b>8</b>	<b>30</b>	<b>(37)</b>	<b>69</b>	<b>(224)</b>	<b>11</b>	<b>(155)</b>
Opening balance reclassifications	—	—	—	—	—	2	—	(2)	—
(Charged)/credited to the consolidated income statement (continuing operations)	1	1	(2)	12	1	(12)	—	(2)	(1)
(Charged)/credited to equity and other comprehensive income	—	10	—	3	—	—	—	—	13
Businesses acquired	—	—	—	—	(1)	—	(5)	—	(6)
Effect of foreign exchange rate changes	—	—	—	(1)	3	—	(1)	—	1
<b>At 31 December 2025</b>	<b>(8)</b>	<b>8</b>	<b>6</b>	<b>44</b>	<b>(34)</b>	<b>59</b>	<b>(230)</b>	<b>7</b>	<b>(148)</b>
	2025 £m	2024 £m							
Deferred tax assets	99	91							
Deferred tax liabilities	(247)	(246)							
	(148)	(155)							

## NOTES TO THE FINANCIAL STATEMENTS

**16 Deferred tax** continued**Unrecognised deferred tax**

Measured at relevant local statutory rates, the Group has an unrecognised deferred tax asset of £170m (2024: £149m) split as follows:

	2025		2024	
	Gross amount £m	Net amount £m	Gross amount £m	Net amount £m
<b>As at 31 December</b>				
Trading losses	296	75	259	66
Capital losses	158	39	158	39
UK corporate interest restriction	185	46	144	36
Other deductible temporary differences	39	10	30	8
<b>Total</b>	<b>678</b>	<b>170</b>	591	149

**Trading losses**

Measured at relevant local statutory rates, the Group has an unrecognised deferred tax asset of £75m (2024: £66m) relating to tax relief on trading losses.

The unrecognised asset represents £296m (2024: £259m) of losses which exist within legal entities where forecast taxable profits are not probable in the foreseeable future. Unrecognised deferred tax on trading losses includes £9m (2024: £6m) which will expire within 5 years and £1m (2024: £5m) which will expire in more than 5 years.

Of the £75m unrecognised deferred tax asset amount, £25m (2024: £26m) relates to post-April 2017 UK trading losses which can be utilised by legal entities in the Group's UK tax group and £10m (2024: £10m) relates to pre-April 2017 UK trading losses which can only be utilised by the UK legal entities in which they arose.

As at 31 December 2025, the Group has not recognised a deferred tax asset in respect of post-April 2017 UK trading losses beyond the extent of reversing taxable temporary differences in UK taxable entities. In reaching this judgement, and consistent with IAS 12, the Group assessed the probability of recovery and the weight of positive and negative evidence. Given recent UK losses and the UK tax profile, including withholding taxes and the priority of double tax relief which defer utilisation, compelling evidence of recovery beyond reversing taxable temporary differences is not available at the reporting date. This judgement will be closely monitored by the Group going forward. Any decision to recognise the deferred tax in the future will have a consequential impact on the Group effective tax rate.

**Capital losses**

The unrecognised deferred tax assets relating to capital losses are primarily held in the UK. These capital losses have no expiry.

**UK corporate interest restriction**

The Group has unrecognised deferred tax assets in relation to disallowed interest under the UK Corporate interest restriction regulations of £46m (2024: £36m). These interest restrictions have no expiry.

**Overall UK position**

The net deferred tax asset relating to the UK group of companies remains unrecognised as at 31 December 2025. Therefore, on a current year basis, no deferred tax charges or credits are recorded in the consolidated income statement or consolidated statement of other comprehensive income in the period for these companies (2024: no deferred tax charges or credits recorded).

**Recognised deferred tax**

The deferred tax asset on tax trading losses of £44m (2024: £30m) relates to territories and entities where future taxable profits are considered probable.

The net deferred tax asset on provisions and other temporary differences is principally made up of trade related accounting provisions and other items in the Group's operating companies £59m (2024: £69m).

The deferred tax liability of £230m (2024: £224m) on indefinite life intangible assets, comprising distribution agreements and acquired brands, has been recorded as a result of the business acquisitions in current and prior periods.

Relevant tax laws largely exempt receipt of dividends from tax. A tax liability is more likely to arise in respect of withholding taxes levied by overseas jurisdictions. No deferred tax liability has been recognised in respect of £523m (2024: £456m) of post-acquisition unremitted earnings of subsidiaries because the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the next 12 months. Deferred tax is provided when there is an intention to distribute earnings and a tax liability arises. It is not practicable to estimate the amount of unrecognised deferred tax liabilities in respect of these unremitted earnings.

**17 Inventories**

	2025	2024
	£m	£m (represented) <sup>1</sup>
Raw materials and work in progress	57	79
Finished goods and merchandise	1,986	1,856
	<b>2,043</b>	1,935

1. Refer to presentation of comparative amounts in the accounting policies note.

Vehicles held on consignment which are in substance assets of the Group amount to £nil (2024: £3m). These have been included in 'finished goods and merchandise' with the corresponding liability included within 'trade and other payables'. Payment becomes due when title passes to the Group, which is generally the earlier of a period of up to six months from delivery or the date of sale.

An amount of £80m (2024: £85m) has been provided against the gross cost of inventory at the year end. The cost of inventories recognised as an expense in the year is £7,445m (2024: £7,517m). The net write-down of inventory to net realisable value recognised as a net credit during the year was £4m (2024: net expense of £3m). All of these items have been included within 'cost of sales' in the consolidated income statement.

## NOTES TO THE FINANCIAL STATEMENTS

**18 Cash and cash equivalents**

	2025 £m	2024 £m
Cash at bank	<b>583</b>	458
Short-term deposits	<b>74</b>	91
	<b>657</b>	549

Cash and cash equivalents are generally subject to floating interest rates determined by reference to short-term benchmark rates applicable to the relevant currency or market (primarily SONIA or the local equivalent). At 31 December 2025, the weighted average floating rate was 3.5% (2024: 3.9%).

£22m (2024: £37m) of cash and cash equivalents is held in Ethiopia where currency may not be available locally to effect such transfers.

At 31 December 2025, short-term deposits have a weighted average period to maturity of 18 days (2024: 6 days).

**19 Assets held for sale**

	2025 £m	2024 £m
Assets classified as held for sale	<b>—</b>	20

Assets held for sale in the prior year related to retail sites in Australia, which were sold in 2025.

**20 Trade and other payables**

	Current		Non-current	
	2025 £m	2024 £m	2025 £m	2024 £m
Trade payables	<b>243</b>	260	—	—
Payments received on account	<b>81</b>	110	—	—
Vehicle funding agreements	<b>1,762</b>	1,582	—	—
Other taxation and social security payable	<b>96</b>	90	—	—
Accruals	<b>323</b>	374	<b>2</b>	1
Deferred income	<b>105</b>	87	<b>97</b>	101
Other payables	<b>37</b>	62	<b>15</b>	4
	<b>2,647</b>	2,565	<b>114</b>	106

Other payables includes deferred consideration, interest payable and buyback liabilities.

The Group finances the purchase of new vehicles for sale and a portion of used vehicle inventories using vehicle funding facilities provided by various lenders including the captive finance companies associated with OEM partners. Such arrangements generally are uncommitted facilities, have a maturity of 180 days or less and the Group repays the amounts outstanding either in line with the normal working capital cycle or on the earlier of the sale of the vehicles that have been funded under the facilities or the stated maturity date, depending on the facility. Some arrangements may also provide the lender with a security interest in the inventory until the amount drawn under the arrangement has been repaid. Related cash flows are reported within cash flows from operating activities within the consolidated statement of cash flows.

Vehicle funding facilities are subject to variable interest rates. The interest incurred under these arrangements is included within finance costs and classified as interest on inventory financing (see note 6). At 31 December 2025, amounts outstanding under vehicle funding facilities and on which interest was payable were subject to a weighted average interest rate of 3.5% (2024: 5.1%). Management considers the carrying amount of trade and other payables to approximate to their fair value. Long-term payables have been discounted where the time value of money is considered to be material.

## NOTES TO THE FINANCIAL STATEMENTS

**20 Trade and other payables** continued

As at 31 December, the analysis of vehicle funding arrangements is as follows:

	2025			2024		
	£m OEM	£m Non-OEM	£m Total	£m OEM	£m Non-OEM	£m Total
Carrying amount of vehicle funding arrangements	<b>458</b>	<b>1,304</b>	<b>1,762</b>	363	1,219	1,582
- of which suppliers have received payment	—	<b>1,304</b>	<b>1,304</b>	—	1,219	1,219
<b>Range of weighted average payment due dates</b>	<b>70-90 days</b>	<b>70-100 days</b>	<b>15-40 days</b>	80-100 days	60-120 days	20-50 days
Vehicle funding arrangements						
Trade payables						

Included within deferred income are the following balances:

	2025 £m	2024 £m
Extended warranties	<b>60</b>	59
Service packages	<b>89</b>	88
Other services	<b>53</b>	41
	<b>202</b>	188

Revenue recognised in 2025 that was included in deferred income at the beginning of the year was £101m (2024: £115m).

**Extended warranties**

Certain Group companies provide extended warranties to customers over and above those provided by the manufacturer and act as the principal in the supply of the warranty service. The periods covered are up to six years and/or specific mileage limits. A proportion of revenue is allocated to the extended warranty obligation and deferred to the balance sheet. The revenue is subsequently recognised over time along with the costs incurred in fulfilling any warranty obligations.

**Service packages**

Certain Group companies provide service packages to customers as part of the total vehicle package. Where the Group acts as principal, the value of the additional services is separately identified, deducted from revenue, and recognised as deferred income on the balance sheet. It is subsequently recognised as revenue when the service is provided or the package expires.

**Other services**

Certain Group companies provide other services as part of the total vehicle package (e.g. roadside assistance, fuel coupons etc.). Where the Group acts as principal, the value of the additional services is separately identified, deducted from revenue, and recognised as deferred income on the balance sheet. It is subsequently recognised as revenue over the period to which the service relates.

**21 Provisions**

Cost	Product warranty £m	Leasehold £m	Litigation £m	Other £m	Total £m
At 1 January 2025	<b>38</b>	<b>8</b>	<b>2</b>	<b>28</b>	<b>76</b>
Charged to the consolidated income statement	<b>15</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>22</b>
Released to the consolidated income statement	<b>(8)</b>	<b>(1)</b>	<b>(1)</b>	<b>(4)</b>	<b>(14)</b>
Utilised during the year	<b>(17)</b>	—	—	<b>(5)</b>	<b>(22)</b>
Effect of foreign exchange rate changes	—	—	—	—	—
<b>At 31 December 2025</b>	<b>28</b>	<b>8</b>	<b>2</b>	<b>24</b>	<b>62</b>

Inflation and expected future movements in prices have been considered in calculating provisions where relevant.

Analysed as:

	2025 £m	2024 £m
Current	<b>42</b>	50
Non-current	<b>20</b>	26
	<b>62</b>	76

## NOTES TO THE FINANCIAL STATEMENTS

**21 Provisions** continued**Product warranty**

Certain Group companies provide assurance warranties as part of the sale of a vehicle. These are not separable products. The warranty periods covered are up to five years and/or specific mileage limits. Provision is made for the expected cost of labour and parts based on historical claims experience and expected future trends. These assumptions are reviewed regularly.

**Leasehold**

The Group is committed to certain leasehold premises for which it no longer has a commercial use. These are principally located in Australia and Hong Kong. Provision has been made to the extent of the estimated future net cost, excluding the lease liability recognised under IFRS 16 Leases. This includes taking into account existing subtenant arrangements. The category also includes the future obligation relating to dilapidations of certain premises. The expected utilisation period of these provisions is generally over the next 10 years.

**Litigation**

This includes a number of litigation provisions in respect of claims that have been brought against various Group companies. The claims are generally expected to be concluded within the next three years.

**Other**

This category principally includes provisions relating to uncertain non-income taxes. It also includes provisions relating to restructuring activities of £1m (2024: £2m). Acquisition and disposal-related provisions amount to £14m (2024: £10m), of which there is an offsetting indemnity asset recognised in trade and other receivables. Other provisions also includes long-service provisions of £3m (2024: £5m). These provisions are expected to be utilised within three years except for those relating to long-service provisions.

**Climate change**

The Group has reviewed its provisions and concluded that no adjustments need to be made for climate change risks, nor that any new provisions need to be recognised for climate-related matters.

**22 Borrowings**

2025	Floating rate		Fixed rate		Total interest bearing £m	2025 Total £m
	£m	Weighted average effective interest rate %	£m	Weighted average effective interest rate %		
Current						
Bank overdrafts	396	5.1%	—	—%	396	396
Bank loans	4	7.9%	12	4.0%	16	16
	400	5.1%	12	4.0%	412	412
Non-current						
Bank loans	20	4.2%	—	—%	20	20
Public Bond	—	—%	349	6.5%	349	349
Private Placement	—	—%	140	3.1%	140	140
	20	4.2%	489	5.5%	509	509
<b>Total borrowings</b>	<b>420</b>	<b>5.1%</b>	<b>501</b>	<b>5.5%</b>	<b>921</b>	<b>921</b>

Bank overdrafts include £395m (2024: £177m) held in cash pooling arrangements which have not been offset in the consolidated statement of financial position (see note 23(b)).

2024	Floating rate		Fixed rate		Total interest bearing £m	2024 Total £m
	£m	Weighted average effective interest rate %	£m	Weighted average effective interest rate %		
Current						
Bank overdrafts	183	5.3%	—	—%	183	183
Bank loans	2	4.4%	10	5.5%	12	12
Private Placement	—	—%	—	—%	—	—
	185	5.3%	10	5.5%	195	195
Non-current						
Bank loans	55	5.6%	—	—%	55	55
Public Bond	—	—%	349	6.5%	349	349
Private Placement	—	—%	140	3.1%	140	140
	55	5.6%	489	5.5%	544	544
<b>Total borrowings</b>	<b>240</b>	<b>5.4%</b>	<b>499</b>	<b>5.5%</b>	<b>739</b>	<b>739</b>

## NOTES TO THE FINANCIAL STATEMENTS

**22 Borrowings** continued

Interest payments on floating rate financial liabilities are determined by reference to short-term benchmark rates applicable to the relevant currency or market (primarily SONIA or the local equivalent).

As at 31 December 2025, the funding structure of the Group was comprised of a committed syndicated revolving credit facility of £900m (2024: £900m), sterling Private Placement Loan Notes totalling £140m (2024: £140m) and a five-year bond of £350m, at a fixed coupon of 6.5% (2024: £350m). As at 31 December 2025, £20m of the syndicated revolving credit facility was drawn (2024: £55m).

The £350m public bond is held at amortised cost and had a fair value of £363m as at 31 December 2025 based on quoted prices, which is a level 1 valuation technique.

In December 2023, the Group's syndicated revolving credit facility was amended, increasing the facility to £900m and extending the maturity to December 2028. In November 2024, the maturity of the facility was extended to December 2029 with a reduction in the facility to £818m with effect from 1 December 2028. In November 2025, the maturity date was further extended to 29 November 2030.

The Group's bank loans are not secured by any term deposits placed under a standby letter of credit and related facility arrangements (2024: £nil secured). The Group's bank overdrafts are secured by related offsetting cash balances held under pooling arrangements. The Group's remaining borrowings are unsecured.

In December 2016, the Group concluded a Private Placement transaction raising £210m to refinance existing US dollar Private Placement borrowings which matured in May 2017. In May 2024, £70m of Private Placement borrowings were repaid.

Maturity date	May 2027	May 2027	May 2029
Amount drawn	£30m	£70m	£40m
Fixed rate coupon	3.02 %	3.12 %	3.10 %

The £140m sterling Private Placement loan notes are held at amortised cost. They have a fair value of £139m (calculated from discounted cash flow techniques obtained using discount rates from observable market data, which is a level 2 valuation technique). The fair values of the Group's other borrowings, other than the £350m public bond, are not considered to be materially different from their book value.

The table below sets out the maturity profile of the Group's existing borrowings that are exposed to interest rate risk.

	Less than 1 year £m	Between 1 and 2 years %	Between 2 and 3 years £m	Between 3 and 4 years %	Between 4 and 5 years £m	Greater than 5 years £m	Total interest bearing £m
<b>2025</b>							
<b>Fixed rate</b>							
Bank loans	12	—	—	—	—	—	12
Public Bond	—	—	349	—	—	—	349
Private Placement	—	100	—	40	—	—	140
	12	100	349	40	—	—	501
<b>Floating rate</b>							
Bank overdrafts	396	—	—	—	—	—	396
Bank loans	4	—	—	—	20	—	24
	400	—	—	—	20	—	420

	Less than 1 year £m	Between 1 and 2 years %	Between 2 and 3 years £m	Between 3 and 4 years %	Between 4 and 5 years £m	Greater than 5 years £m	Total interest bearing £m
<b>2024</b>							
<b>Fixed rate</b>							
Bank loans	10	—	—	—	—	—	10
Public Bond	—	—	—	349	—	—	349
Private Placement	—	—	100	—	40	—	140
	10	—	100	349	40	—	499
<b>Floating rate</b>							
Bank overdrafts	183	—	—	—	—	—	183
Bank loans	2	—	—	—	55	—	57
	185	—	—	—	55	—	240

## NOTES TO THE FINANCIAL STATEMENTS

**23 Financial instruments**

The Group's financial liabilities, other than derivatives, comprise borrowings, trade and other payables and lease liabilities. The main purpose of these instruments is to raise finance for the Group's operations.

The Group also has various financial assets such as trade and other receivables, cash and short-term deposits which arise from its trading operations. The Group's primary derivative transactions include forward and swap currency contracts. The purpose is to manage the currency and interest rate risks arising from the Group's trading operations and its sources of finance. Group policy is that there is no trading or speculation in derivatives. Cash flow hedge ineffectiveness can arise from changes to the timing and amounts of forecasted cash flows of hedged items. Fair value hedge ineffectiveness can arise from different yield curves linked to the hedged item and hedging instrument as well as changes to the counterparties credit risk.

The main risks arising from the Group's financial instruments are interest rate risk, currency risk, credit risk and liquidity risk.

The Group does not hedge for inflation risk and has not hedged for cross-currency interest rates risk in recent years.

**a. Classification of financial instruments**

2025	Measured at amortised cost £m	Fair value movements recognised in OCI £m	Fair value movements recognised in profit or loss £m	Total £m
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	—	4	—	4
Trade and other receivables	525	—	—	525
Derivative financial instruments	—	1	14	15
Cash and cash equivalents	657	—	—	657
<b>Total financial assets</b>	<b>1,182</b>	<b>5</b>	<b>14</b>	<b>1,201</b>
<b>Financial liabilities</b>				
Trade and other payables	(2,330)	—	—	(2,330)
Derivative financial instruments	—	(20)	(82)	(102)
Lease liabilities	(343)	—	—	(343)
Borrowings	(921)	—	—	(921)
<b>Total financial liabilities</b>	<b>(3,594)</b>	<b>(20)</b>	<b>(82)</b>	<b>(3,696)</b>
	<b>(2,412)</b>	<b>(15)</b>	<b>(68)</b>	<b>(2,495)</b>

2024	Measured at amortised cost £m	Measured at fair value through other comprehensive income £m	Measured at fair value through profit or loss £m	Total £m
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	—	4	—	4
Trade and other receivables	556	—	—	556
Derivative financial instruments	—	7	41	48
Cash and cash equivalents	549	—	—	549
<b>Total financial assets</b>	<b>1,105</b>	<b>11</b>	<b>41</b>	<b>1,157</b>
<b>Financial liabilities</b>				
Trade and other payables	(2,192)	—	—	(2,192)
Derivative financial instruments	—	(6)	(41)	(47)
Lease liabilities	(302)	—	—	(302)
Borrowings	(739)	—	—	(739)
<b>Total financial liabilities</b>	<b>(3,233)</b>	<b>(6)</b>	<b>(41)</b>	<b>(3,280)</b>
	<b>(2,128)</b>	<b>5</b>	<b>—</b>	<b>(2,123)</b>

## NOTES TO THE FINANCIAL STATEMENTS

**23 Financial instruments** continued**b. Offsetting financial assets and financial liabilities**

The following financial assets are subject to offsetting, enforceable netting arrangements and similar agreements:

	Gross amounts of financial assets £m	Gross amounts of financial liabilities set off in the statement of financial position £m	Net amounts of financial assets presented in the statement of financial position £m	Related amounts not set off in the statement of financial position		Net amount £m
				Financial instruments £m	Cash collateral received £m	
<b>As at 31 December 2025</b>						
Derivative financial assets	15	—	15	(14)	—	1
Cash and cash equivalents	657	—	657	(395)	—	262
	<b>672</b>	<b>—</b>	<b>672</b>	<b>(409)</b>	<b>—</b>	<b>263</b>
As at 31 December 2024						
Derivative financial assets	48	—	48	(19)	—	29
Cash and cash equivalents	549	—	549	(177)	—	372
	597	—	597	(196)	—	401

	Gross amounts of financial assets £m	Gross amounts of financial liabilities set off in the statement of financial position £m	Net amounts of financial assets presented in the statement of financial position £m	Related amounts not set off in the statement of financial position		Net amount £m
				Financial instruments £m	Cash collateral received £m	
<b>As at 31 December 2025</b>						
Derivative financial liabilities	(102)	—	(102)	14	—	(88)
Bank overdrafts	(396)	—	(396)	395	—	(1)
	<b>(498)</b>	<b>—</b>	<b>(498)</b>	<b>409</b>	<b>—</b>	<b>(89)</b>
As at 31 December 2024						
Derivative financial liabilities	(47)	—	(47)	19	—	(28)
Bank overdrafts	(183)	—	(183)	177	—	(6)
	(230)	—	(230)	196	—	(34)

For the financial assets and liabilities subject to enforceable netting arrangements or similar agreements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities. If the parties subject to the agreement do not elect to settle on a net basis, financial assets and liabilities will be settled on a gross basis. However, each party to the netting agreement will have the option to settle all such amounts on a net basis in the event of a default of the other party.

**c. Market risk and sensitivity analysis**

Financial instruments affected by market risk include borrowings, deposits, and derivative financial instruments. The Group is not exposed to commodity price risk. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity to changes in market variables, being primarily UK interest rates and the Australian dollar to Japanese yen exchange rate.

The following assumptions were made in calculating the sensitivity analysis:

- changes in the carrying value of derivative financial instruments designated as cash flow hedges from movements in interest rates are assumed to be recorded fully in equity;
- changes in the carrying value of derivative financial instruments designated as fair value hedges from movements in interest rates have an immaterial effect on the consolidated income statement and equity due to compensating adjustments in the carrying value of debt;
- changes in the carrying value of financial instruments designated as net investment hedges from movements in the US dollar to sterling exchange rate are recorded directly in equity; and
- changes in the carrying value of financial instruments not in hedging relationships only affect the consolidated income statement.

## NOTES TO THE FINANCIAL STATEMENTS

**23 Financial instruments** continued**d. Interest rate risk and sensitivity analysis**

The Group's interest rate policy has the objective of minimising net interest expense and protecting the Group from material adverse movements in interest rates.

Instruments approved for the purpose of hedging interest rate risk include interest rate swaps, forward rate agreements and options. The Group's exposure to the risk of changes in market interest rates arises primarily from the floating rate interest payable on the Group's bank borrowings, supplier-related finance, and the returns available on surplus cash.

**Interest rate risk table**

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change, based on recent experience, in interest rates on bank borrowings, supplier-related finance and cash balances as at 31 December 2025, with all other variables held constant.

	Decrease	Gain/(loss) on profit before tax £m	Increase	Gain/(loss) on profit before tax £m
	in basis points %		in basis points %	
<b>2025</b>				
Sterling	100	8	100	(8)
Euro	100	—	100	—
Chilean peso	250	(3)	250	3
Australian dollar	100	(1)	100	1
US dollar	100	6	100	(6)
<b>2024</b>				
Sterling	100	5	100	(5)
Euro	100	1	100	(1)
Chilean peso	250	(1)	250	1
Australian dollar	100	(2)	100	2
US dollar	100	5	100	(5)

**e. Foreign currency risk**

The Group publishes its consolidated financial statements in sterling and faces currency risk on the translation of its earnings and net assets, a significant proportion of which are in currencies other than sterling.

**Transaction exposure hedging**

The Group has transactional currency exposures, where sales or purchases by an operating unit are in currencies other than in that unit's reporting currency. For a significant proportion of the Group these exposures are removed as trading is denominated in the relevant local currency. In particular, local billing arrangements are in place for many of our businesses with our OEM partners. The principal exception is for our business in Australia which purchases vehicles in Japanese yen and our South and Central American businesses which purchase vehicles in Japanese yen and US dollars.

In this instance, the Group seeks to hedge forecast transactional foreign exchange rate risk using forward foreign currency exchange contracts. The effective portion of the gain or loss on the hedge is initially recognised in the consolidated statement of comprehensive income to the extent it is effective. When the hedged forecast transaction results in the recognition of a non-financial asset or liability then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

For all other cash flow hedges, the gains or losses that are recognised in other comprehensive income are transferred to the consolidated income statement in the same period in which the hedged forecast transaction affects the consolidated income statement. Under IFRS 9 Financial Instruments, hedges are documented and tested for the hedge effectiveness on an ongoing basis.

## NOTES TO THE FINANCIAL STATEMENTS

**23 Financial instruments** continued**Foreign currency risk table**

The following table shows the Group sensitivity to a reasonably possible change in foreign exchange rates on its Japanese yen financial instruments. In this table, financial instruments are only considered sensitive to foreign exchange rates when they are not in the functional currency of the entity that holds them.

	Increase/ (decrease) in exchange rate %	Effect on equity £m
<b>2025</b>		
Yen	+10%	—
Yen	-10%	—
USD	+10%	13
USD	-10%	(13)
<b>2024</b>		
Yen	+10%	3
Yen	-10%	(3)
USD	+10%	13
USD	-10%	(13)

**f. Credit risk**

The amount due from counterparties arising from cash deposits and the use of financial instruments creates credit risk. The Group monitors its credit exposure to its counterparties via their credit ratings (where applicable) and through its policy of limiting its exposure to any one party to ensure that they are within Board approved limits and that there are no significant concentrations of credit risk.

Group policy is to deposit cash and use financial instruments with counterparties with a long-term credit rating of A or better, where available. The notional amounts of financial instruments used in interest rate and foreign exchange management do not represent the credit risk arising through the use of these instruments. The immediate credit risk of these instruments is generally estimated by the fair value of contracts with a positive value. Credit limits are reviewed regularly.

The table below analyses the Group's derivative assets, cash at bank and short-term deposits by credit exposure:

Credit rating of counterparty	2025			2024		
	Derivative assets £m	Cash at bank £m	Short-term deposits £m	Derivative assets £m	Cash at bank £m	Short-term deposits £m
AA	—	1	—	—	1	—
AA-	—	210	6	4	181	1
A+	2	92	17	11	1	—
A	3	43	9	4	4	—
A-	1	7	—	21	29	17
BBB+	2	2	—	5	42	2
BBB	—	68	2	—	13	8
BBB-	—	—	—	—	29	4
BB+	2	81	11	—	10	—
BB	—	—	—	—	58	—
BB-	1	13	9	—	—	—
B+	—	3	—	—	—	—
No rating*	4	63	20	3	90	59
	<b>15</b>	<b>583</b>	<b>74</b>	48	458	91

\*Counterparties in certain markets in which the Group operates do not have a credit rating.

For those counterparties which do not have a credit rating, where possible the Group works with partner banks with a local presence to provide additional assurance. Additionally, the Group proactively repatriates cash through cash-pooling arrangements, loans between Group companies and dividends as well as regularly monitoring the spread of counterparties in-country, notably in Ethiopia.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties.

The maximum exposure to credit risk for cash at bank, receivables and other financial assets is represented by their carrying amount.

Total cash at bank of £583m (2024: £458m) includes cash in the Group's regional pooling arrangements which are offset against borrowings for interest purposes. Netting of cash and overdraft balances in the consolidated statement of financial position only occurs to the extent that there is the legal ability and intention to settle net. As such, overdrafts are presented in current liabilities to the extent that there is no intention to offset with the cash balance.

Trade receivables include amounts due from a number of finance houses in respect of vehicles sold to customers on finance arranged through the Group. An independent credit rating agency is used to assess the credit standing of each finance house. Limits for the maximum outstanding with each finance house are set accordingly.

## NOTES TO THE FINANCIAL STATEMENTS

**23 Financial instruments** continued**g. Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

The table below summarises the maturity profile of the Group's financial assets and liabilities at 31 December 2025 based on contractual expected undiscounted cash flows:

2025	Less than 3 months £m	Between 3 to 12 months £m	Between 1 to 5 years £m	Greater than 5 years £m	Total £m
<b>Financial assets</b>					
Cash and cash equivalents	657	—	—	—	657
Trade and other receivables	380	113	32	—	525
Financial assets at fair value through other comprehensive income	—	—	—	4	4
Derivative financial instruments	2,398	1,041	5	—	3,444
	<b>3,435</b>	<b>1,154</b>	<b>37</b>	<b>4</b>	<b>4,630</b>
<b>Financial liabilities</b>					
Interest bearing loans and borrowings	(396)	(43)	(547)	—	(986)
Lease liabilities	(22)	(61)	(217)	(116)	(416)
Trade and other payables	(1,549)	(764)	(16)	(1)	(2,330)
Derivative financial instruments	(2,446)	(1,096)	(5)	—	(3,547)
	<b>(4,413)</b>	<b>(1,964)</b>	<b>(785)</b>	<b>(117)</b>	<b>(7,279)</b>
<b>Net outflows</b>	<b>(978)</b>	<b>(810)</b>	<b>(748)</b>	<b>(113)</b>	<b>(2,649)</b>

2024	Less than 3 months £m	Between 3 to 12 months £m	Between 1 to 5 years £m	Greater than 5 years £m	Total £m
<b>Financial assets</b>					
Cash and cash equivalents	549	—	—	—	549
Trade and other receivables	415	120	21	—	556
Financial assets at fair value through other comprehensive income	—	—	3	1	4
Derivative financial instruments	2,501	1,227	7	—	3,735
	<b>3,465</b>	<b>1,347</b>	<b>31</b>	<b>1</b>	<b>4,844</b>
<b>Financial liabilities</b>					
Interest bearing loans and borrowings	(255)	(22)	(554)	—	(831)
Lease liabilities	(25)	(67)	(239)	(202)	(533)
Trade and other payables	(1,587)	(597)	(8)	—	(2,192)
Derivative financial instruments	(2,517)	(1,237)	(7)	—	(3,761)
	<b>(4,384)</b>	<b>(1,923)</b>	<b>(808)</b>	<b>(202)</b>	<b>(7,317)</b>
<b>Net outflows</b>	<b>(919)</b>	<b>(576)</b>	<b>(777)</b>	<b>(201)</b>	<b>(2,473)</b>

## NOTES TO THE FINANCIAL STATEMENTS

**23 Financial instruments** continued**h. Fair value measurement**

In accordance with IFRS 13 Fair Value Measurement, disclosure is required for financial instruments that are measured in the consolidated statement of financial position at fair value. This requires disclosure of fair value measurements by level for the following fair value measurement hierarchy:

- quoted prices in active markets (level 1);
- inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (level 2); or
- inputs for the asset or liability that are not based on observable market data (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value:

	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Assets</b>								
Derivatives used for hedging	—	15	—	15	—	48	—	48
Financial assets at fair value through other comprehensive income	—	—	4	4	—	—	4	4
	—	15	4	19	—	48	4	52
<b>Liabilities</b>								
Derivatives used for hedging	—	(102)	—	(102)	—	(47)	—	(47)

Level 1 represents the fair value of financial instruments that are traded in active markets and is based on quoted markets prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market (level 2) is determined by using valuation techniques which include the present value of estimated future cash flows. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Level 3 primarily represents the Group's equity interest in Hino Motors Manufacturing Colombia S.A. (see note 14). Fair value is based on discounted free cash flows, using the projection of annual income and expenses mainly based on historical financial figures.

Derivative financial instruments are carried at their fair values. The fair value of forward foreign exchange contracts and foreign exchange swaps represents the difference between the value of the outstanding contracts at their contracted rates and a valuation calculated using the spot rates of exchange prevailing at 31 December 2025.

The Group's derivative financial instruments comprise the following:

	Assets		Liabilities	
	2025	2024	2025	2024
	£m	£m	£m	£m
Forward foreign exchange contracts	15	48	(102)	(47)
	15	48	(102)	(47)

The ineffective portion recognised in the consolidated income statement that arises from fair value hedges amounts to £nil (2024: £nil). The ineffective portion recognised in the consolidated income statement that arises from cash flow hedges amounts to £nil (2024: £nil).

## NOTES TO THE FINANCIAL STATEMENTS

**23 Financial instruments** continued**Derivative financial instruments**

The Group principally uses forward foreign exchange contracts to hedge purchases in a non-functional currency against movements in exchange rates. The cash flows relating to these contracts are generally expected to occur within 12 months (2024: 12 months) of the end of the reporting period.

Net fair value gains and losses recognised in the hedging reserve in shareholders' equity (see note 25) on forward foreign exchange contracts as at 31 December 2025 are expected to be released to the consolidated income statement within 12 months of the end of the reporting period (2024: 12 months).

The below table illustrates the effects of hedge accounting on the consolidated statement of financial position and consolidated income statement through detailing separately by risk category and each type of hedge the details of the associated hedging instrument and hedged item.

2025 Hedging risk strategy	Current Cash flow hedges	Current Fair value hedges	Non-current Cash flow hedges
Notional/currency legs (£m)	1,862	1,577	5
Carrying amount net liabilities (£m)	(95)	8	—
Maturity date	to Dec 2026	to Dec 2026	to Jan 2027
Hedge ratio	1:1	1:1	1:1
Description of hedged item	High probable FX exposures	FX exposure on balance sheet	High probable FX exposures
Change in fair value of outstanding hedging instruments since 1 January (£m) <sup>1</sup>	(101)	13	—
Change in fair value of hedging item used to determine hedge effectiveness (£m)	101	(13)	—
Weighted average hedge rate of outstanding deals (AUD/JPY) <sup>2</sup>	99	—	—
Weighted average hedge rate of outstanding deals (USD/CLP)	940	919	907
Cash flow hedge reserve (net of tax) at 31 December (£m)	46	—	—

2024 Hedging risk strategy	Current Cash flow hedges	Current Fair value hedges	Non-current Cash flow hedges
Notional/currency legs (£m)	2,285	1,443	7
Carrying amount net liabilities (£m)	6	(5)	—
Maturity date	to Dec 2025	to Dec 2025	to Mar 2026
Hedge ratio	1:1	1:1	1:1

Description of hedged item	High probable FX exposures	FX exposure on balance sheet	High probable FX exposures
Change in fair value of outstanding hedging instruments since 1 January (£m) <sup>1</sup>	45	5	9
Change in fair value of hedging item used to determine hedge effectiveness (£m)	(45)	(5)	(9)
Weighted average hedge rate of outstanding deals (AUD/JPY) <sup>2</sup>	94	n/a	—
Amounts recognised within net finance costs (£m)	—	—	—
Cash flow hedge reserve (net of tax) at 31 December (£m)	9	—	—

1. Includes hedging derivatives for both actual and highly probable forecasted purchases. The movement presented in other comprehensive income only covers hedging derivatives relating to highly probable forecasted purchases.

2. Outstanding deals predominantly relate to our business in Australia which purchases vehicles in Japanese yen.

As at 31 December 2025, the accumulated balance of the cash flow hedge reserve was a loss of £46m (2024: loss of £9m). The above changes in fair value of hedging instruments will include hedge positions taken up for future foreign currency exposures and will also include amounts that would have been reclassified from the hedge reserve to the balance sheet as at 31 December 2025.

## NOTES TO THE FINANCIAL STATEMENTS

**23 Financial instruments** continued**i. Capital management**

The Group's capital structure consists of equity and debt. Equity represents funds raised from shareholders and debt represents funds raised from banks and other financial institutions. The primary objective of the Group's management of debt and equity is to ensure that it maintains a strong credit rating and healthy capital ratios in order to finance the Group's activities, both now and in the future, and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Directors consider the Group's capital structure and dividend policy at least twice a year prior to the announcement of results, taking into account the Group's ability to continue as a going concern and the requirements of its business plan.

The Group uses return on capital employed (ROCE) as a measure of its ability to drive better returns on the capital invested in the Group's operations. See alternative performance measures on page 174.

	2025 £m	2024 £m
Return on capital employed	<b>28.8%</b>	26.9%

The committed bank facilities and Private Placement borrowings are subject to the same interest cover covenant based on an adjusted EBITA measure to interest on consolidated borrowings. The Group is required to maintain a ratio of not less than three to one and was compliant with this covenant throughout the year.

The Group monitors Group leverage by reference to two tests: adjusted EBITA interest cover and the ratio of adjusted net debt to EBITDA. The leverage tests are measured excluding the impact of IFRS 16 Leases.

	Threshold	2025 £m	2024 £m
Adjusted EBITA interest cover (times)*	> 3	<b>11.9</b>	8.8
Adjusted net debt to EBITDA (times)**	< 1	<b>0.4</b>	0.3

\* Calculated as Adjusted EBITA/interest on consolidated borrowings.

\*\* Calculated as Adjusted net debt/Adjusted earnings before interest, tax, depreciation, and amortisation.

**24 Share capital****Allotted, and fully paid share capital**

	2025 Number	2024 Number	2025 £m	2024 £m
<b>Issued and fully paid ordinary shares (nominal value of 10.0p each)</b>				
At 1 January	<b>394,333,172</b>	413,007,132	<b>40</b>	42
Cancelled under share buyback	<b>(33,504,356)</b>	(18,673,960)	<b>(3)</b>	(2)
<b>At 31 December</b>	<b>360,828,816</b>	394,333,172	<b>37</b>	40

The Company's ordinary shares are fully paid and no further contribution of capital may be required by the Company from the shareholders.

**a. Share buyback programme**

In 2025, 33,504,356 shares were repurchased under the Company's share buyback programme at a cost of £234m including costs of £2m associated with the transfer to the Company of the repurchased shares and their subsequent cancellation. The cost of the share buyback has been charged to retained earnings. An amount of £3m, equivalent to the nominal value of the cancelled shares, was transferred to the capital redemption reserve. In 2024, 18,673,960 shares were repurchased under the Company's share buyback programme at a cost of £147m, including costs of £1m.

**b. Substantial shareholdings**

Details of substantial interests in the Company's issued ordinary share capital received by the Company at 2 March 2026 under the provisions of the Companies Act 2006 have been disclosed in the significant shareholdings section of the Corporate Governance Report.

**c. Share options**

At 31 December 2025, options to acquire ordinary shares of 10.0p each in the Company up to the following numbers under the schemes below were outstanding as follows:

Number of ordinary shares of 10.0p each	Exercisable until	Option price (£)
<b>The Inchcape SAYE Share Option Scheme - approved</b>		
36,862	1 May 2026	6.20
52,198	1 May 2027	6.11
38,817	1 May 2028	6.78
75,700	1 May 2029	5.36

Included within the retained earnings reserve are 1,021,959 ordinary shares (2024: 322,859 ordinary shares) in the Company held by the Inchcape Employee Trust, a general discretionary trust whose beneficiaries include current and former employees of the Group and their dependants.

The book value of these shares at 31 December 2025 was £7m (2024: £3m).

The market value of these shares at 31 December 2025 and 2 March 2026 was £8m and £9m respectively (31 December 2024 and 3 March 2025: £2m).

## NOTES TO THE FINANCIAL STATEMENTS

## 25 Other reserves

	Merger reserve	Fair value through OCI reserve	Translation reserve	Hedging reserve	Total other reserves
	£m	£m	£m	£m	£m
At 1 January 2024	312	(5)	(24)	(34)	249
<b>Comprehensive income/(loss)</b>					
Cash flow hedges:					
- net fair value gains	—	—	—	20	20
- tax on cash flow hedges	—	—	—	(14)	(14)
Investments held at fair value:					
- net fair value gains	—	3	—	—	3
Exchange differences on translation of foreign operations	—	—	(242)	—	(242)
Recycling of foreign currency reserve	—	—	(4)	—	(4)
Adjustments in respect of hyperinflation (including tax)	—	—	(4)	—	(4)
<b>Other changes in equity</b>					
Cash flow hedges reclassified and reported in inventories	—	—	—	19	19
<b>At 1 January 2025</b>	<b>312</b>	<b>(2)</b>	<b>(274)</b>	<b>(9)</b>	<b>27</b>
<b>Comprehensive income/(loss)</b>					
Cash flow hedges:					
- net fair value losses	—	—	—	(81)	(81)
- tax on cash flow hedges	—	—	—	12	12
Deferred tax on taxation losses	—	—	—	3	3
Exchange differences on translation of foreign operations	—	—	(7)	—	(7)
<b>Other changes in equity</b>					
Cash flow hedges reclassified and reported in inventories	—	—	—	29	29
<b>At 31 December 2025</b>	<b>312</b>	<b>(2)</b>	<b>(281)</b>	<b>(46)</b>	<b>(17)</b>

## NOTES TO THE FINANCIAL STATEMENTS

**25 Other reserves** continued**Fair value through OCI reserve**

For investments in equity instruments that are measured at fair value through other comprehensive income, changes in fair value are recognised through other comprehensive income. Fair value movements are never recycled to the income statement, even if the underlying asset is sold, impaired or otherwise derecognised.

**Translation reserve**

The translation reserve is used to record foreign exchange rate changes relating to the translation of the results of foreign subsidiaries arising after 1 January 2004. It is also used to record foreign exchange differences arising on long-term foreign currency borrowings used to finance or hedge foreign currency investments. In 2024, the effect of foreign exchange rate changes included a gain of £4m on the sale and liquidation of overseas subsidiaries that was reclassified to the consolidated income statement and £4m in respect of hyperinflation relating to Ethiopia.

**Hedging reserve**

For cash flow hedges that meet the conditions for hedge accounting, the portion of the gains or losses on the hedging instrument that are determined to be an effective hedge are recognised directly in other comprehensive income. When the hedged firm commitment results in the recognition of a non-financial asset or liability then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in shareholders' equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

**Merger reserve**

As part of the acquisition of the Derco group of companies in 2022, Inchcape plc issued 38,513,102 shares in exchange for a greater than 90% equity holding in another company and merger relief was therefore applicable. Consequently, the excess of the fair value of the shares issued over their nominal value was recognised in a merger reserve within equity.

**26 Retained earnings**

	2025	2024
	£m	£m
At 1 January	1,020	940
Comprehensive income		
– Profit for the year	272	421
– Actuarial losses on defined pension benefits (including tax) (see note 5)	(8)	(47)
Total comprehensive income attributable to owners of the parent	264	374
Other changes in equity		
Share-based payments, net of tax	15	18
Share buyback programme	(234)	(151)
Purchase of own shares by Inchcape Employee Trust	(22)	(14)
Dividends paid (see note 9)	(101)	(147)
<b>At 31 December</b>	<b>942</b>	<b>1,020</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 27 Notes to the consolidated statement of cash flows

## a. Reconciliation of cash generated from operations

	2025	2024
	£m	£m
Cash flows from operating activities		
Operating profit – continuing operations	526	562
Operating profit – discontinued operations	—	6
Adjusting items	37	22
Amortisation including non-adjusting impairment charges	7	9
Depreciation of property, plant and equipment including non-adjusting impairment charges	44	44
Depreciation of right-of-use assets	67	76
Profit on disposal of businesses	(6)	—
Profit on disposal of property, plant and equipment and intangible assets	(10)	(1)
Gain on changes in right-of-use assets	(1)	(3)
Share-based payments charge	15	18
(Increase)/decrease in inventories	(76)	311
Decrease/(increase) in trade and other receivables	39	(121)
Increase in trade and other payables	68	13
Decrease in provisions	(14)	(20)
Pension contributions more than pension charge for the period	(6)	—
Increase in interest in leased vehicles	(14)	(8)
Payments in respect of operating adjusting items	(28)	(36)
Other non-cash items	—	1
Cash generated from operations	648	873

## b. Net debt reconciliation

	Liabilities from financing activities			Assets	Total net debt
	Borrowings	Leases	Sub-total	Cash/bank overdrafts	
	£m	£m	£m	£m	£m
<b>Net debt at 1 January 2024</b>	(1,041)	(440)	(1,481)	440	(1,041)
Cash flows	484	81	565	(372)	193
Acquisitions	—	—	—	5	5
Disposals	—	98	98	391	489
New lease liabilities	—	(62)	(62)	—	(62)
Other non-cash movements	(4)	(1)	(5)	—	(5)
Foreign exchange adjustments	5	22	27	(98)	(71)
<b>Net debt at 1 January 2025</b>	<b>(556)</b>	<b>(302)</b>	<b>(858)</b>	<b>366</b>	<b>(492)</b>
Cash flows	31	72	103	(103)	—
Acquisitions	—	(41)	(41)	(35)	(76)
Disposals	—	—	—	6	6
New lease liabilities	—	(71)	(71)	—	(71)
Foreign exchange adjustments	—	(1)	(1)	27	26
<b>Net debt at 31 December 2025</b>	<b>(525)</b>	<b>(343)</b>	<b>(868)</b>	<b>261</b>	<b>(607)</b>

## NOTES TO THE FINANCIAL STATEMENTS

**27 Notes to the consolidated statement of cash flows** continued

Net debt is analysed as follows:

	2025	2024
	£m	£m
Cash at bank and short-term deposits as per the statement of financial position	<b>657</b>	549
Borrowings – disclosed as current liabilities	<b>(412)</b>	(195)
Add back: amounts treated as debt financing (see below)	<b>16</b>	12
<b>Cash and cash equivalents as per the statement of cash flows</b>	<b>261</b>	366
<b>Debt financing</b>		
Borrowings – disclosed as current liabilities and treated as debt financing (see above)	<b>(16)</b>	(12)
Borrowings – disclosed as non-current liabilities	<b>(509)</b>	(544)
Lease liabilities	<b>(343)</b>	(302)
<b>Debt financing</b>	<b>(868)</b>	(858)
<b>Net debt</b>	<b>(607)</b>	(492)
Add back: lease liabilities	<b>343</b>	302
<b>Adjusted net debt</b>	<b>(264)</b>	(190)

**28 Acquisitions and disposals****a. Acquisitions**

On 1 September 2025, the Group completed the acquisition of Askja, a distributor of Mercedes-Benz, Kia and other brands in Iceland. The total consideration was £47m consisting of £35m initial cash consideration and £12m of contingent consideration. Provisional goodwill of £15m was recognised at the date of acquisition. These businesses were acquired to further expand the Group's footprint with both existing and new OEM partners and using our distribution business as a platform to capture more of a vehicle's lifecycle value. Askja contributed £58m of revenue for the year ended 31 December 2025.

Details of the provisional fair values of the identifiable assets and liabilities as at the date of acquisition are set out below:

	2025
	£m
<b>Assets and liabilities acquired, at provisional values</b>	
Intangible assets	<b>24</b>
Property, plant and equipment	<b>7</b>
Right-of-use assets	<b>39</b>
Inventories	<b>26</b>
Trade and other receivables	<b>9</b>
Trade and other payables	<b>(27)</b>
Deferred tax liabilities	<b>(5)</b>
Lease liabilities	<b>(41)</b>
Net identifiable assets acquired	<b>32</b>
Goodwill	<b>15</b>
<b>Net assets acquired</b>	<b>47</b>
Consideration comprises:	
Deferred consideration	<b>12</b>
Cash consideration	<b>35</b>
<b>Total consideration</b>	<b>47</b>

## NOTES TO THE FINANCIAL STATEMENTS

**28 Acquisitions and disposals** continued**b. Disposals**

During 2025, the Group has disposed of retail operations in the Americas, Europe and Australasia, generating net cash proceeds of £6m and a gain on disposal of £6m.

On 1 August 2024, the Group completed the sale of its UK Retail operations to Group 1 Automotive UK Limited, a wholly-owned subsidiary of Group 1 Automotive, Inc. for a cash consideration of £345m. During 2025, the Group received £4m of deferred consideration relating to the disposal of its UK Retail operations.

The UK Retail operation was reported as a discontinued operation in 2024. Financial information relating to the discontinued operation for the year ending 31 December 2024 is included in note 28a of the Group's 2024 Annual Report and Accounts.

In December 2024, the Group completed the sale of its non-genuine parts business in Chile for £30m, resulting in a £6m gain on disposal. The net gain, which was classified as an adjusting item, included disposal costs and a gain relating to the recycling of cumulative exchange differences previously recognised in other comprehensive income. During 2025, following the finalisation of the completion accounts for the disposal, an adjustment of £4m was made in favour of the buyer. This adjustment to the sale proceeds has been reported as an adjusting item, for consistency with the amount reported in 2024, and as a net cash outflow from sale of businesses in the consolidated statement of cash flows.

**29 Guarantees and contingencies**

	2025	2024
	£m	£m
Guarantees	5	7
Letters of credit	7	19
	<b>12</b>	<b>26</b>

Guarantees relate to performance guarantees provided in the ordinary course of business. Letters of credit act as a guarantee, from one of the Group's banking relationships to another bank, for payments made by the Group to a specified third party. The Group also has, in the ordinary course of business, commitments under foreign exchange instruments relating to the hedging of transactional exposures (see note 23).

**Franked Investment Income Group Litigation Order**

Inchcape is a participant in an action in the United Kingdom against HMRC in the Franked Investment Income Group Litigation Order ("FII GLO"). As at 31 December 2025, there were 13 corporate groups in the FII GLO. As previously reported, the High Court held in February 2024 that participants must have submitted their claims before 6 June 2006 in order to recover the unlawful tax for the entire period of their claims. Inchcape submitted a claim on 25 November 2003 and the High Court's judgment meant that Inchcape's claim was submitted in time to obtain recovery for the entire period. The Court of Appeal dismissed HMRC's appeal against the High Court's judgment on this limitation issue in October 2025. On 27 January 2026, the Supreme Court also refused HMRC permission to appeal the Court of Appeal's judgment on the grounds that HMRC's application did not raise an arguable point of law of general public importance.

However, there is still separate ongoing litigation with HMRC as part of the FII GLO about how claims should be computed and it is possible that further measures are taken by HMRC to attempt to reduce the value of participants' claims that may depend on the final outcome of that computational issue. Until all elements of the litigation have been concluded there remains ongoing uncertainty about the amounts and the eventual outcome of this litigation. Accordingly, Inchcape has not recognised an asset in respect of its claim.

**FCA review of Motor Finance commission**

In January 2024, the FCA announced a review into historical motor finance commission arrangements. The FCA indicated that it will take into account the Supreme Court ruling in the Johnson case, which was handed down on 1 August 2025, and on 7 October 2025 the FCA issued a consultation on a redress scheme for motor finance claims to be operated by lenders. The consultation closed on 12 December 2025. We look forward to the outcome of the consultation, and to the FCA bringing clarity for customers, lenders and dealers. Following the Group's disposal of its UK business, the Group's potential exposure to this matter arises from, and is limited to, the terms of the indemnity that it has given to the buyer of that business. It remains possible, though highly uncertain, that the Group may become liable to make certain payments under the terms of that indemnity. However, it is not currently practicable to estimate the quantum or timing of any such outflow given the inherent uncertainties associated with the FCA's review.

**Other contingencies**

There are also a number of other contingent liabilities that arise in the normal course of business, which if realised, are not expected to result in a material liability to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

**30 Commitments****a. Capital commitments**

Contracts placed for future capital expenditure at the balance sheet date but not yet incurred are as follows:

	2025	2024
	£m	£m
Property, plant and equipment	1	1

**b. Lease commitments****Short-term lease commitments – Group as lessee**

Future minimum lease payments for short-term leases under non-cancellable operating leases are as follows:

	2025	2024
	£m	£m
Within one year	1	1

**Operating leases – Group as lessor**

The Group has entered into non-cancellable operating leases on a number of its vehicles and certain properties. These leases have varying terms, escalation clauses and renewal rights and are not individually significant to the Group.

Future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2025	2024
	£m	£m
Within one year	6	5
Between one and five years	8	5
Total	14	10

**Sub-lease receivables – Group as lessor**

The Group has entered into sub-leases for a number of properties and other assets. As the lease term represents a major proportion of the underlying asset's useful life, the associated right-of-use asset has been derecognised and replaced with a sub-lease receivable. Future minimum lease payments receivable under sub-leases, together with the present value of the net minimum lease payments receivable (included within trade and other receivables), are as follows:

	2025	2024
	£m	£m
Minimum lease payments receivable:		
– Within one year	8	2
– Between one and five years	1	1
– After five years	—	—
Total minimum lease payments receivable	9	3
Less: Unearned finance income	—	—
Present value of sub-lease receivables	9	3

**c. Repurchase commitments**

The Group has entered into agreements with certain customers to repurchase vehicles for a specified value at a predetermined date as follows:

	2025	2024
	£m	£m
Vehicles subject to repurchase commitments	120	112

Repurchase commitments represent the total repurchase liability on all vehicles where the Group has a repurchase commitment. These commitments are largely expected to be settled over the next three years. £12m (2024: £17m) of the above repurchase commitments are included within 'trade and other payables' in the consolidated statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

**31 Related party disclosures****a. Trading transactions**

Intra-group transactions have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

	Transactions		Amounts outstanding	
	2025	2024	2025	2024
	£m	£m	£m	£m
Other income paid to related parties	—	1	—	—
Sales to related parties <sup>1</sup>	4	4	1	1
Lease payments made to related parties <sup>1,2</sup>	(6)	(7)	(38)	(41)
Other income received from joint ventures	21	21	4	5

1. These transactions are with entities connected to Non-Executive Directors.
2. Amounts outstanding in respect of lease payments to related parties include all undiscounted future payment commitments.

All of the transactions arise in the ordinary course of business and are on an arm's length basis. The amounts outstanding are unsecured and will be settled in cash. There have been no guarantees provided or received for any related party receivables. The Group has not raised any provision for doubtful debts relating to amounts owed by related parties (2024: £nil).

**b. Compensation of key management personnel**

The remuneration of the Board of Directors and the Group Executive Team was as follows:

	2025	2024
	£m	£m
Wages and salaries <sup>1</sup>	9	9
Share-based payments	7	8
	16	17

1. Other pension costs included in wages and salaries amount to £0.4m (2024: £0.3m).

The remuneration of the Directors and other key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends. Further details of emoluments paid to the Directors are included in the Directors' Report on Remuneration.

As reported in the Audit Committee Report, the FRC requested further information on distributable profits and distributions in relation to the 2024 Annual Report and Accounts. The Company confirmed that whilst it did have sufficient reserves, interim accounts were not filed during the course of 2024 to support this position. This impacted share repurchases carried out at the end of 2024 and beginning of 2025. Following approval at the general meeting in August 2025, the Company entered into deeds of release to remove any right it may have to claim from shareholders or directors present at the meeting.

**32 Foreign currency translation**

The main exchange rates used for translation purposes are as follows:

	Average rates		Period-end rates	
	2025	2024	2025	2024
Australian dollar	2.05	1.94	2.01	2.02
Bolivian boliviano <sup>1</sup>	17.61	12.43	14.27	14.24
Chilean peso	1,254.50	1,209.30	1,211.70	1,252.30
Ethiopian birr <sup>2</sup>	181.75	157.95	207.97	157.95
Euro	1.17	1.18	1.15	1.21
Hong Kong dollar	10.26	9.99	10.46	9.75
Singapore dollar	1.72	1.71	1.73	1.71
US dollar	1.32	1.28	1.34	1.26

1. A parallel rate was used due to limitations in accessing currency at official rates of exchange.
2. In 2024, the results for Ethiopia were translated at the closing rate as required by IAS 21 The Effects of Changes in Foreign Exchange Rates for hyperinflationary foreign operations.

**33 Events after the reporting period**

On 2 March 2026, the Board approved a £175m share buyback programme which will commence on 3 March 2026 and is expected to conclude within the next 12 months.

## ALTERNATIVE PERFORMANCE MEASURES

**Alternative Performance Measures (APMs)**

The Group assesses its performance using a variety of alternative performance measures which are not defined under International Financial Reporting Standards. These provide insight into how the Board and the Group Executive Team monitor the Group's strategic and financial performance, and provide useful information on the trends, performance, and position of the Group. These measures, which are not designed to be a substitute for any of the IFRS measures of performance, may not be directly comparable with other companies' alternative performance measures.

The Group's income statement and segmental analysis identify separately adjusted measures and adjusting items. These adjusted measures reflect adjustments to IFRS measures. The Directors consider these adjusted measures to be an informative additional measure of the ongoing trading performance of the Group. Adjusted results are stated before adjusting items and on a continuing operations basis.

Adjusting items can include gains or losses on the disposal of businesses, restructuring of businesses, acquisition costs, asset impairments and the tax effects of these items. Adjusting items excluded from adjusted results can evolve from one financial period to the next depending on the nature of adjusting items or one-off activities.

**Constant currency**

Some comparative performance measures are translated at constant exchange rates, called 'constant currency' measures. This restates the prior period results at a common exchange rate to the current period and therefore excludes the impact of changes in exchange rates used for translation.

Performance measure	Definition	Why we measure it
Adjusted gross profit	Gross profit before adjusting items. Refer to the consolidated income statement.	A key metric of the direct profit contribution from the Group's revenue streams (e.g. Vehicles and Aftersales).
Adjusted operating profit	Operating profit before adjusting items. Refer to the consolidated income statement.	A key metric of the Group's business performance.
Adjusted operating margin	Adjusted operating profit divided by revenue.	A key metric of operational efficiency, ensuring that we are leveraging global scale to translate sales growth into profit.
Adjusted profit before tax	Represents the profit made after operating and interest expense excluding the impact of adjusting items and before tax is charged. Refer to the consolidated income statement.	A key driver of delivering sustainable and growing earnings to shareholders.
Adjusted earnings before interest, tax, depreciation and amortisation	Represents the earnings before interest expense, taxation, depreciation and amortisation expenses, excluding the impact of adjusting items, as measured on a pre-IFRS 16 basis.	One of the key measures used in monitoring the Group's leverage and capital allocation. Refer to note 23.
Adjusting items	Items that are charged or credited in the consolidated income statement which are material and non-recurring in nature. Refer to note 2.	The separate reporting of adjusting items helps provide additional useful information regarding the Group's business performance and is consistent with the way that financial performance is measured by the Board and the Group Executive Team.
Adjusted earnings	Represents profit after tax, excluding the impact of adjusting items and non-controlling interest. Refer to the consolidated income statement.	A key driver of delivering sustainable and growing earnings to shareholders.
Adjusted earnings per share	Represents earnings per share excluding the impact of adjusting items. Refer to note 8.	A measure useful to shareholders and investors to understand the earnings attributable to shareholders without the impact of adjusting items.
Ratio of adjusted net operating expenses to revenue	Adjusted net operating expenses expressed as a proportion of revenue.	A measure of the net overheads of the Group with reference to Group revenue.
Net capital expenditure	Cash outflows from the purchase of property, plant and equipment and intangible assets less the proceeds from the disposal of property, plant and equipment and intangible assets.	A measure of the net amount invested in operational facilities in the period.

## ALTERNATIVE PERFORMANCE MEASURES

Performance measure	Definition	Why we measure it
Free cash flow and free cash flow from continuing operations	Net cash flows from operating activities, before adjusting cash flows, less normalised net capital expenditure and dividends paid to non-controlling interests. Free cash flow from continuing operations is derived by deducting free cash flow attributable to discontinued operations from total free cash flow.	Free cash flow is a measure of the Group's cash generating capability to pay dividends, carry out share buybacks and invest in value-accretive acquisitions.
Free cash flow conversion	Free cash flow divided by adjusted profit after tax.	Free cash flow conversion is a measure of the success of the Group in converting profit into free cash flow.
Net working capital inflow/ (outflow)	The aggregate movement in working capital from continuing operations during the period as measured by the (increase)/decrease in inventories, (increase)/decrease in trade and other receivables and the increase/ (decrease) in trade and other payables in the reconciliation of cash generated from operations, adjusted by the net working capital inflow/ (outflow) relating to discontinued operations.	A key driver of the Group's free cash flow conversion.
Return on capital employed (ROCE)	Operating profit (before adjusting items) divided by the average of opening and closing capital employed, where capital employed is defined as net assets add net debt/less net funds.	ROCE is a measure of the Group's ability to drive better returns for investors on the capital we invest.
Net (debt)/funds	Cash and cash equivalents less borrowings and lease liabilities adjusted for the fair value of derivatives that hedge interest rate or currency risk on borrowings. Refer to note 27.	A measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength.
Adjusted (net debt)/net cash	Cash and cash equivalents less borrowings adjusted for the fair value of derivatives that hedge interest rate or currency risk on borrowings and before the incremental impact of IFRS 16 lease liabilities. Refer to note 27.	A measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength and is widely used by external parties.
Leverage	Adjusted net debt divided by adjusted earnings before interest, tax, depreciation, and amortisation.	A measure of the Group's net indebtedness with reference to adjusted underlying earnings.
Constant currency % change	Presentation of reported results compared to prior period translated using constant rates of exchange.	A measure of business performance which excludes the impact of changes in exchange rates used for translation.
Organic revenue growth	Organic revenue growth is defined as the change in revenue adjusted for the impact of business acquisitions and disposals and currency translation effects, with prior year figures converted with current year exchange rates. Organic revenue growth: <ul style="list-style-type: none"> <li>• excludes revenue from businesses acquired in the current year;</li> <li>• includes revenue from businesses acquired in the prior year from the anniversary of the date of acquisition;</li> <li>• excludes revenue from businesses disposed of on a pro rata basis; and</li> <li>• includes revenue from distribution contracts acquired together with the impact of arrangements where the Group no longer acts as the distributor.</li> </ul>	Organic revenue growth presents performance on a comparable basis, excluding the impact of foreign currency translation and the impact of acquisition and disposals in the period. Organic revenue growth is a measure of underlying business performance and the Group's ability to grow other than through acquisitions.

## ALTERNATIVE PERFORMANCE MEASURES

## Alternative Performance Measures (APMs) continued

## APMs: Reconciliation of statement of comprehensive income measures

	2025	2024
	£m	£m
<b>Adjusted profit before tax (from continuing operations)</b>		
<b>Gross profit</b>	<b>1,550</b>	1,606
Add back: Adjusting items charged to gross profit	—	—
<b>Adjusted gross profit from continuing operations</b>	<b>1,550</b>	1,606
Less: Segment operating expenses	<b>(987)</b>	(1,022)
<b>Adjusted operating profit from continuing operations</b>	<b>563</b>	584
Less: Adjusting items in operating expenses	<b>(37)</b>	(22)
<b>Operating profit</b>	<b>526</b>	562
Less: Net finance costs and JV profits/losses	<b>(120)</b>	(148)
<b>Profit before tax</b>	<b>406</b>	414
Add: Total adjusting Items	<b>37</b>	30
<b>Adjusted profit before tax from continuing operations</b>	<b>443</b>	444
Tax on adjusted profit	<b>(139)</b>	(139)
<b>Adjusted profit after tax from continuing operations</b>	<b>304</b>	305
	2025	2024
	£m	£m
<b>Ratio of adjusted net operating expenses to revenue</b>		
<b>Revenue</b>	<b>9,100</b>	9,263
Adjusted net operating expenses	<b>987</b>	1,022
<b>Ratio of adjusted net operating expenses to revenue</b>	<b>10.8%</b>	11.0%

	2025	2024
	£m	£m
<b>Adjusted earnings before interest, tax, depreciation and amortisation</b>		
<b>Adjusted operating profit from continuing operations</b>	<b>563</b>	584
Add:		
Amortisation including non-adjusting impairment charges	<b>7</b>	9
Depreciation of property, plant and equipment including non-adjusting impairment charges	<b>44</b>	44
Depreciation of right-of-use assets	<b>67</b>	76
Depreciation of leased vehicles, rental machinery and equipment	<b>12</b>	18
Payment of capital element of lease liabilities	<b>(72)</b>	(81)
Receipt from finance sub-lease receivables	<b>2</b>	2
Lease interest paid	<b>(15)</b>	(18)
<b>Adjusted earnings before interest, tax, depreciation and amortisation</b>	<b>608</b>	634

	2025	2024	YoY%
	£m	£m	
<b>Organic growth and constant currency change</b>			
Revenue	<b>9,100</b>	9,263	<b>(2%)</b>
Retranslation at current year rates	—	(198)	
<b>Revenue in constant currency</b>	<b>9,100</b>	9,065	—%
Organic adjustments	<b>(58)</b>	(76)	
<b>Organic revenue</b>	<b>9,042</b>	8,989	<b>1%</b>

## ALTERNATIVE PERFORMANCE MEASURES

## Alternative Performance Measures (APMs) continued

## APMs: Reconciliation of statement of cash flows measures

	2025	2025	2024	2024
	£m	£m	£m	£m
<b>Free cash flow (from continuing operations)</b>				
<b>Net cash generated from total operating activities</b>		<b>385</b>		586
Add back: Payments in respect of adjusting items		<b>28</b>		36
<b>Net cash generated from operating activities, before adjusting items</b>		<b>413</b>		622
Purchase of property, plant and equipment	<b>(47)</b>		(76)	
Purchase of intangible assets	<b>(1)</b>		(3)	
Proceeds from disposal of property, plant and equipment	<b>26</b>		9	
<b>Net capital expenditure</b>		<b>(22)</b>		(70)
Net payment in relation to leases		<b>(70)</b>		(80)
Dividends paid to non-controlling interests		<b>(6)</b>		(17)
<b>Free cash flow</b>		<b>315</b>		455
Add: Free cash outflow from discontinued operations		—		7
<b>Free cash flow from continuing operations</b>		<b>315</b>		462
		2025		2024
		£m		£m
<b>Free cash flow conversion</b>		<b>315</b>		462
Free cash flow from continuing operations		<b>315</b>		462
Adjusted profit after tax from continuing operations		<b>304</b>		305
<b>Free cash flow conversion</b>		<b>104%</b>		151%
		2025		2024
		£m		£m
<b>Net working capital inflow/(outflow) (from continuing operations)</b>		<b>(76)</b>		311
(Increase)/decrease in inventories		<b>39</b>		(121)
Decrease/(increase) in trade and other receivables		<b>68</b>		13
Increase in trade and other payables		—		(8)
Less: net working capital inflow from discontinued operations		<b>31</b>		195
<b>Net working capital inflow (from continuing operations)</b>		<b>31</b>		195

## APMs: Reconciliation of statement of financial position measures

	2025	2024
	£m	£m
<b>Return on capital employed (from continuing operations)</b>		
<b>Adjusted operating profit</b>	<b>563</b>	584
Net assets	<b>1,340</b>	1,474
Net assets from continuing operations	<b>1,340</b>	1,474
Add: Net debt	<b>607</b>	492
Capital employed - continuing operations	<b>1,947</b>	1,966
Effect of averaging	<b>10</b>	207
<b>Average capital employed</b>	<b>1,957</b>	2,173
<b>Return on capital employed</b>	<b>28.8%</b>	26.9%
	2025	2024
	£m	£m
<b>Adjusted net debt and leverage</b>		
<b>Net debt</b>	<b>607</b>	492
Less: Lease liabilities	<b>(343)</b>	(302)
<b>Adjusted net debt</b>	<b>264</b>	190
Adjusted earnings before interest, tax, depreciation and amortisation	<b>608</b>	634
<b>Leverage (times)</b>	<b>0.4</b>	0.3
	2025	2024
	£m	£m
<b>APMs: Earnings per share measures</b>		
<b>Adjusted earnings per share (from continuing operations)</b>		
Adjusted profit after tax	<b>304</b>	305
Less: Non-controlling interests	<b>(1)</b>	(14)
<b>Adjusted earnings</b>	<b>303</b>	291
Weighted average number of shares (m)	<b>375</b>	408
Diluted effect (m)	<b>5</b>	5
Basic adjusted earnings per share	<b>80.8p</b>	71.3p
Diluted adjusted earnings per share	<b>79.8p</b>	70.4p

## FIVE YEAR RECORD

## Five year record

The information presented in the table below is prepared in accordance with IFRS, as in issue and effective at that year-end date. The information presented is on a continuing operations basis, however only years 2024 and 2023 have been adjusted to reflect the disposal of the UK Retail business.

	2025	2024	2023	2022	2021
	£m	£m	£m	£m	£m
<b>Consolidated income statement</b>					
<b>Revenue</b>	<b>9,100</b>	9,263	9,382	8,133	6,901
Adjusted operating profit	<b>563</b>	584	620	411	281
Operating adjusting items	<b>(37)</b>	(22)	(50)	(11)	(100)
Operating profit/(loss)	<b>526</b>	562	570	400	181
Share of profit after tax of joint ventures and associates	<b>3</b>	2	1	—	—
Profit/(loss) before finance and tax	<b>529</b>	564	571	400	181
Net finance costs before adjusting items	<b>(123)</b>	(142)	(154)	(38)	(32)
Adjusting finance costs	<b>—</b>	(8)	(39)	(29)	—
Profit/(loss) before tax	<b>406</b>	414	378	333	149
Tax on profit before adjusting items	<b>(139)</b>	(139)	(140)	(97)	(63)
Tax on adjusting items	<b>6</b>	10	10	(1)	(2)
Profit/(loss) after tax	<b>273</b>	285	248	235	84
(Loss)/profit from discontinued operations	<b>—</b>	150	35	(241)	38
Non-controlling interests	<b>(1)</b>	(14)	(13)	(5)	(5)
<b>Profit/(loss) for the year attributable to owners of the parent</b>	<b>272</b>	421	270	(11)	117

## Basic:

– Profit/(loss) for the year attributable to owners of the parent	<b>272</b>	421	270	(11)	117
– Earnings/(loss) per share (pence)	<b>72.5p</b>	66.4p	57.1p	(2.9)p	30.0p
Adjusted (before adjusting items):					
– Adjusted earnings from continuing operations	<b>304</b>	305	327	271	181
– Adjusted earnings per share (pence)	<b>80.8p</b>	71.3p	76.3p	72.0p	46.3p
Dividends per share – interim paid and final proposed (pence)	<b>32.3p</b>	28.5p	33.9p	28.8p	22.5p

	2025	2024	2023	2022	2021
	£m	£m	£m	£m	£m
<b>Consolidated statement of financial position</b>					
Non-current assets	<b>2,297</b>	2,202	2,789	2,610	1,464
Other net liabilities excluding net (debt)/funds	<b>(350)</b>	(236)	(128)	(166)	(388)
Capital employed	<b>1,947</b>	1,966	2,661	2,444	1,076
Net (debt)/funds	<b>(607)</b>	(492)	(1,041)	(877)	55
<b>Net assets</b>	<b>1,340</b>	1,474	1,620	1,567	1,131
Equity attributable to owners of the parent	<b>1,257</b>	1,379	1,521	1,533	1,109
Non-controlling interests	<b>83</b>	95	99	34	22

## COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 £m	2024 £m
<b>Non-current assets</b>			
Investment in subsidiaries	3	2,588	2,588
Deferred tax assets	8	2	3
		<b>2,590</b>	2,591
<b>Current assets</b>			
Current tax assets		11	2
Trade and other receivables	4	3	5
Cash and cash equivalents	5	9	7
		<b>23</b>	14
<b>Total assets</b>		<b>2,613</b>	2,605
<b>Current liabilities</b>			
Trade and other payables	6	(16)	(18)
Borrowings	7	—	(128)
		<b>(16)</b>	(146)
<b>Non-current liabilities</b>			
Trade and other payables	6	(887)	(813)
Borrowings	7	(489)	(489)
		<b>(1,376)</b>	(1,302)
<b>Total liabilities</b>		<b>(1,392)</b>	(1,448)
<b>Net assets</b>		<b>1,221</b>	1,157

	Notes	2025 £m	2024 £m
<b>Equity</b>			
Share capital	10	37	40
Share premium		147	147
Capital redemption reserve		148	145
Merger reserve		312	312
Retained earnings		577	513
<b>Total shareholders' funds</b>		<b>1,221</b>	1,157

The Company reported a profit for the financial year ended 31 December 2025 of £406m (2024: profit of £531m). The financial statements on pages 179 to 194 were approved by the Board of Directors on 2 March 2026 and were signed on its behalf by:

**Duncan Tait**

Group Chief Executive

**Adrian Lewis**

Group Chief Financial Officer

Registered Number: 609782

Inchcape plc

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Notes	Share capital £m	Share Premium £m	Capital redemption reserve £m	Merger reserve £m	Retained earnings £m	Total £m
<b>At 1 January 2024</b>		42	147	143	312	276	920
Profit for the year		—	—	—	—	531	531
Total comprehensive income for the year		—	—	—	—	531	531
Dividends	11	—	—	—	—	(147)	(147)
Share buyback programme	10	(2)	—	2	—	(151)	(151)
Net purchase of own shares by the Inchcape Employee Trust		—	—	—	—	(14)	(14)
Share-based payments, net of tax		—	—	—	—	18	18
<b>At 1 January 2025</b>		<b>40</b>	<b>147</b>	<b>145</b>	<b>312</b>	<b>513</b>	<b>1,157</b>
Profit for the year		—	—	—	—	406	406
Total comprehensive income for the year		—	—	—	—	406	406
Dividends	11	—	—	—	—	(101)	(101)
Share buyback programme	10	(3)	—	3	—	(234)	(234)
Net purchase of own shares by the Inchcape Employee Trust		—	—	—	—	(22)	(22)
Share-based payments, net of tax		—	—	—	—	15	15
<b>At 31 December 2025</b>		<b>37</b>	<b>147</b>	<b>148</b>	<b>312</b>	<b>577</b>	<b>1,221</b>

## ACCOUNTING POLICIES

### General information

These financial statements are prepared for Inchcape plc (the Company) for the year ended 31 December 2025. The Company is the ultimate parent entity of the Inchcape Group (the Group) and acts as the holding company of the Group. The parent company financial statements present information about the Company as a separate entity and not about the Group.

### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006. As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented for the Company.

The Company does not have any critical accounting judgements. The valuation of the Company's investments is a key source of estimation uncertainty. The Company's net assets were lower than its market capitalisation on 31 December 2024 and the estimates of the recoverable amounts of the individual investments were in excess of their carrying values. As a result, no impairment has been reflected. Other sources of estimation uncertainty most applicable to the Company do not give rise to a significant risk of material adjustment to the carrying value of the Company's assets and liabilities.

The Directors of Inchcape plc manage the Group's risks at a group level rather than an individual business unit or company level. Further information on these risks and uncertainties, in the context of the Group as a whole, are included within the Group disclosures on pages **42 to 49**.

In preparing these financial statements, the Company applies the recognition, measurement, and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure has been taken:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise price of share options, and how the fair value of goods and services received was determined);
- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
- paragraph 73(e) of IAS 16, 'Property, plant and equipment';
- paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

## ACCOUNTING POLICIES

### Going concern

Having assessed the principal risks and the other matters discussed in connection with the viability statement, the Directors have considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements, as described in the Directors' Report of the consolidated Group Financial Statements.

### Foreign currencies

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the dates of the individual transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at closing rates of exchange and differences are taken to the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

### Finance costs

Finance costs are recognised as an expense, calculated using the effective interest rate method, in the period in which they are incurred.

### Investments

Investments in subsidiaries are stated at cost, less provisions for impairment.

### Impairment

The Company's accounting policies in respect of the impairment of financial assets are consistent with those of the Group. The carrying values of investments in subsidiary undertakings are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company's impairment policies in relation to financial assets are consistent with those of the Group, with additional consideration given to amounts owed by Group undertakings. Any provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historical credit loss experience, adjusted for factors specific to the receivable and company.

### Deferred tax

Deferred income tax is accounted for using the liability method in respect of temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference is due to the initial recognition of goodwill arising on a business combination, or to an asset or liability, the initial recognition of which does not affect either taxable or accounting income.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled using rates enacted or substantively enacted at the end of the reporting period. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to shareholders' equity, in which case the deferred tax is also dealt with in shareholders' equity.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and if the deferred taxes relate to income taxes levied by the same taxation authority.

### Share capital

Ordinary shares are classified as equity.

Where the Company purchases its own equity share capital (treasury shares), the consideration paid is deducted from shareholders' funds until the shares are cancelled, reissued, or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' funds.

### Dividends

Final dividends proposed by the Board of Directors and unpaid at the year-end are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid.

## ACCOUNTING POLICIES

### Share-based payments

The Company operates various share-based award schemes. The fair value at the date at which the share-based awards are granted is recognised in the income statement (together with a corresponding credit in shareholders' equity) on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. At the end of each reporting period, the Company revises its estimates of the number of awards that are expected to vest. The impact of any revision is recognised in the income statement with a corresponding adjustment to equity.

For equity-settled share-based awards, the services received from employees are measured by reference to the fair value of the awards granted. With the exception of the Save As You Earn scheme, the vesting of all share-based awards under all schemes is solely reliant upon non-market conditions, therefore, no expense is recognised for awards that do not ultimately vest. Where an employee cancels a Save As You Earn award, the charge for that award is recognised as an expense immediately, even though the award does not vest.

The issue of shares by the Company to employees of its subsidiaries represents additional capital contributions. When these costs are recharged to the subsidiary undertaking, the investment balance is reduced accordingly.

### Financial instruments

The Company's policies on the recognition, measurement, and presentation of financial instruments under IFRS 7 are the same as those set out in the Group's accounting policies on pages 119 to 129.

### Financial guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

**1 Auditor's remuneration**

The Company incurred £0.1m (2024: £0.1m) in relation to UK statutory audit fees for the year ended 31 December 2025.

**2 Directors' remuneration**

	2025	2024
	£m	£m
Wages and salaries	3	3
Social security costs	1	1
	<b>4</b>	<b>4</b>

Further information on Executive Directors' emoluments and interests is given in the Directors' Report on Remuneration which can be found on pages 76 to 99.

**3 Investment in subsidiaries**

	2025	2024
	£m	£m
<b>Cost</b>		
At 1 January	2,746	2,641
Additions	—	105
At 31 December	<b>2,746</b>	2,746
<b>Provisions</b>		
At 1 January	(158)	(55)
Impairment charge	—	(103)
At 31 December	<b>(158)</b>	(158)
<b>Net book value</b>	<b>2,588</b>	2,588

The Directors believe that the carrying value of the individual investments is supported by their expected recoverable amount.

During 2024, the Company increased its investment in Inchcape Management (Services) Limited, which was then subsequently impaired to ensure the carrying value of the investment does not exceed its recoverable amount.

**4 Trade and other receivables**

	2025	2024
	£m	£m
<b>Amounts due within one year</b>		
Amounts owed by Group undertakings	2	3
Other debtors	1	2
	<b>3</b>	<b>5</b>
<b>Amounts due after more than one year</b>		
Amounts owed by Group undertakings	—	—
	<b>—</b>	<b>—</b>

Amounts owed by Group undertakings that are due within one year consist of current account balances that are interest free and repayable on demand, as well as intercompany loans that bear interest at rates linked to source currency base rates.

Amounts owed by Group undertakings that are due after more than one year bear interest at rates linked to source currency base rates.

**5 Cash and cash equivalents**

	2025	2024
	£m	£m
Cash and cash equivalents	9	7

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

**6 Trade and other payables**

	2025	2024
	£m	£m
<b>Amounts due within one year</b>		
Amounts owed to Group undertakings	6	—
Other creditors	10	18
	<b>16</b>	18
	2025	2024
	£m	£m
<b>Amounts due after more than one year</b>		
Amounts owed to Group undertakings	887	813
	<b>887</b>	813

Current amounts owed to Group undertakings are interest free and repayable on demand. Non-current amounts are repayable between one and five years and bear interest at rates linked to source currency base rates.

**7 Borrowings**

	2025	2024
	£m	£m
<b>Amounts due within one year</b>		
Private Placement	—	—
Borrowings	—	128
	<b>—</b>	128
<b>Amounts due after more than one year</b>		
Private Placement	140	140
Borrowings	349	349
	<b>489</b>	489

In December 2016, the Group concluded a Private Placement transaction raising £140m to refinance existing US dollar Private Placement borrowings which matured in May 2017. The amounts drawn under these facilities are as follows:

Maturity date	May 2027	May 2027	May 2029
Amount drawn	£30m	£70m	£40m
Fixed rate coupon	3.0%	3.1%	3.1%

As of 31 December 2025, the funding facilities of the Company consisted of sterling Private Placement Loan Notes amounting to £140m (2024: £140m), a five-year bond of £350m at a fixed coupon of 5% (2024: £350m) and a £1,200m revolving credit facility with a subsidiary. During 2024, a term loan facility of £250m was repaid following the disposal of the UK Retail business.

The £350m public bond is held at amortised cost and had a fair value of £363m as at 31 December 2025 (2024: £358m) based on quoted prices, which is a level 1 valuation technique. The £140m sterling Private Placement loan notes are held at amortised cost. They had a fair value of £139m as at 31 December 2025 (2024: £135m), calculated from discounted cash flow techniques obtained using discount rates from observable market data, which is a level 2 valuation technique.

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

**8 Deferred Tax**

	Tax losses
	£m
Net deferred tax asset/(liabilities)	<b>10</b>
At 1 January 2024	<b>(7)</b>
Charged to the income statement	<b>3</b>
At 1 January 2025	<b>(1)</b>
Charged to the income statement	<b>2</b>
<b>At 31 December 2025</b>	<b>2</b>

Deferred tax assets recognised are supported by those future taxable profits of the UK tax group, headed by the Company, which are associated with the reversal of taxable temporary differences.

**9 Guarantees**

The Company is party to composite cross guarantees between banks and its subsidiaries. The Company's exposure under these guarantees at 31 December 2025 was £9m (2024: £7m), equal to the carrying value of its cash and cash equivalents at the end of the period (see note 5). In addition, the Company has given performance guarantees in the normal course of business in respect of the obligations of Group undertakings amounting to £167m (2024: £174m).

**10 Share capital****a. Allotted, called up and fully paid up**

	2025	2024	2025	2024
	Number	Number	£m	£m
<b>Issued and fully paid ordinary shares (nominal value of 10.0p each)</b>				
At 1 January	<b>394,333,172</b>	413,007,132	<b>40</b>	42
Cancelled under share buyback	<b>(33,504,356)</b>	(18,673,960)	<b>(3)</b>	(2)
At 31 December	<b>360,828,816</b>	394,333,172	<b>37</b>	40

**b. Share buyback programme**

In 2025, 33,504,356 shares were repurchased under the Company's share buyback programme at a cost of £234m including costs of £2m associated with the transfer to the Company of the repurchased shares and their subsequent cancellation. The cost of the share buyback has been charged to retained earnings. An amount of £3m, equivalent to the nominal value of the cancelled shares, was transferred to the capital redemption reserve. In 2024, 18,673,960 shares were repurchased under the Company's share buyback programme at a cost of £147m, including costs of £1m.

**c. Substantial shareholdings**

Details of substantial interests in the Company's issued ordinary share capital received by the Company at 2 March 2026 under the provisions of the Companies Act 2006 have been disclosed in the significant shareholdings section of the Corporate Governance Report.

**d. Share options**

At 31 December 2025, options to acquire ordinary shares of 10.0p each in the Company up to the following numbers under the schemes below were outstanding as follows:

Number of ordinary shares of 10.0p each	Exercisable until	Option price (£)
<b>The Inchcape SAYE Share Option Scheme - approved</b>		
36,862	1 May 2026	6.20
52,198	1 May 2027	6.11
38,817	1 May 2028	6.78
75,700	1 May 2029	5.36

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

**10 Share capital** continued

Included within the retained earnings reserve are 1,021,959 ordinary shares (2024: 322,859 ordinary shares) in the Company held by the Inchcape Employee Trust, a general discretionary trust whose beneficiaries include current and former employees of the Group and their dependants. The book value of these shares at 31 December 2025 was £7m (2024: £3m). The market value of these shares at 31 December 2025 and 2 March 2026 was £8m and £9m respectively (31 December 2024 and 3 March 2025: £2m).

**e. Share-based remuneration**

During the year, Inchcape plc had two employees, the Group Chief Executive, and the Group Chief Financial Officer.

The terms and conditions of the Company's share-based payment plans are detailed in the Directors' Report on Remuneration.

The charge arising from share-based transactions during the year was £3m (2024: charge of £3m), all of which is equity-settled.

The weighted average exercise price of shares exercised during the period was £nil (2024: £nil).

The weighted average remaining contractual life for the share options outstanding at 31 December 2025 is 1.2 years (2024: 1.4 years) and the weighted average exercise price for options outstanding at the end of the year was £6.05 (2024: £6.57).

**11 Dividends**

The following dividends were paid by the Company:

	2025	2024
	£m	£m
Final dividend for the year ended 31 December 2024 of 17.2p per share (2023: 24.3p per share)	<b>66</b>	100
Interim dividend for the six months ended 30 June 2025 of 9.5p per share (2024: 11.3p per share)	<b>35</b>	47
	<b>101</b>	147

A final proposed dividend for the year ended 31 December 2025 of 22.8p per share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability as at 31 December 2025.

**12 Related parties**

As reported in the Audit Committee Report, the FRC requested further information on distributable profits and distributions in relation to the 2024 Annual Report and Accounts. The Company confirmed that whilst it did have sufficient reserves, interim accounts were not filed during the course of 2024 to support this position. This impacted share repurchases carried out at the end of 2024 and beginning of 2025. Following approval at the general meeting in August 2025, the Company entered into deeds of release to remove any right it may have to claim from shareholders or directors present at the meeting.

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

**13 Related undertakings**

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, associates, and joint ventures as at 31 December 2025 is shown below:

**Subsidiaries**

Name and registered address	Percentage owned	Percentage owned
<b>Argentina</b>		
<i>Torre Catalinas Plaza, Av. Eduardo Madero 900 Piso 17, Buenos Aires</i>		
Distribuidora Automotriz Argentina S.A.	100%	
Inchcape Argentina S.A.	100%	
<b>Australia</b>		
<i>Level 2, 4 Burbank Place, Baukham Hills, NSW 2153</i>		
AutoNexus Pty Limited	100%	
Bespoke Automotive Australia Pty Limited	100%	
Inchcape Australia Limited	(i) 100%	
Trivett Automotive Retail Pty Limited	100%	
Inchcape European Automotive Pty Limited	(ii) 100%	
SMLB Pty Limited	100%	
Subaru (Aust) Pty Limited	90%	
Trivett Automotive Group Pty Limited	100%	
Trivett Bespoke Automotive Pty Limited	100%	
Trivett Classic Garage Pty Limited	100%	
Trivett Classic Holdings Pty Limited	(iii) 100%	
Trivett Classic Pty Limited	(iv) 100%	
Trivett Pty Limited	100%	
Inchcape Automotive Australia Pty Limited	100%	
Inchcape Automotive Distribution Australia Pty Limited	100%	
PartsLane Pty Limited	100%	
<b>Barbados</b>		
<i>International Trading Centre, Warrens, St. Michael, BB22026</i>		
Inchcape Caribbean Inc	100%	
Inchcape (Barbados) Inc	100%	
<b>Belgium</b>		
<i>Leuvensesteenweg 369, 1932 Sint-Stevens-Woluwe</i>		
Autoproducts NV		100%
Car Security NV		100%
Toyota Belgium NV/SA		100%
Inchcape Belgium Retail (formerly Garage Francorchamps SA)		100%
Inchcape Belgium Distribution (formerly Inchcape Retail Belgium)		100%
<b>Bolivia</b>		
<i>Avenue Cristobal de Mendoza No. 164 UV:14 Mzno:5 Bldg. Imcruz, Santa Cruz</i>		
Imcruz Comercial S.A.		100%
Corporación de Inversiones Imcruz Corp. S.A.		100%
Imcruz Corredores de Seguros S.R.L.		100%
<b>Brunei Darussalam</b>		
<i>KM3.6, Jalan Gadong, Bandar Seri Begawan</i>		
Champion Motors (Brunei) Sdn Bhd		70%
NBT (Brunei) Sdn Bhd		70%
Inchcape (B) Sdn Bhd		100%
Inchcape Services Sdn Bhd		70%
<i>KM4, Jalan Gadong, Bandar Seri Begawan BE4119</i>		
Bravo Auto Sdn Bhd		100%
<b>Bulgaria</b>		
<i>163 Tsarigradsko Shosse Str, Sofia</i>		
Inchcape Brokerage Bulgaria EOOD		100%
TM Auto EOOD		100%
Toyota Balkans EOOD		100%
<b>Cayman Islands</b>		
<i>c/o JTC (Cayman) Limited P.O. Box 30745, 94 Solaris Avenue, 2nd Floor, Camana Bay, Grand Cayman, KY1-1203</i>		
Interamericana Trading Corp.		100%

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

Name and registered address	Percentage owned	Name and registered address	Percentage owned
<b>Chile</b>		<b>Chile (continued)</b>	
<i>Av. La Dehesa 265, Ciudad Santiago comuna Lo Barnechea Región Metropolitana</i>		<i>Av. Americo Vespucio 1842, Quilicura, Santiago</i>	
Universal Motors SpA	100%	Promac SpA	100%
Williamson Balfour Motors S.A.	100%	Importadora y Distribuidora Alameda SpA	100%
Williamson Balfour S.A.	100%	Dercomaq SpA	100%
Inchcape Digital Delivery Centre Santiago SpA	100%	Comesa S.A.	100%
		Inversiones Derco Internacional SpA	100%
<i>Ruta 5 Norte #19100 Ciudad Santiago comuna Lampa Región Metropolitana</i>		Derco Inversiones SpA	100%
Hino Chile S.A.	100%	Dercolatina SpA	100%
		Sociedad Corredora de Seguros Derco SpA	100%
<i>Avda. Las Condes 11774, Vitacura, Santiago</i>		Dercocenter SpA	100%
Inchcape Latam Internacional S.A.	100%	Derco SpA	100%
Inchcape Automotriz Chile S.A.	100%	Servicios Operacionales Comerciales y Administrativos SpA	100%
Indigo Chile Holdings SpA	100%		
		<b>Colombia</b>	
<i>Av. Vitacura #5410, Vitacura, Santiago</i>		<i>Calle 99 N° 69c - 41 Bogotá</i>	
Inchcape Commercial Chile SpA	100%	Inchcape Digital Delivery Centre Colombia S.A.S	100%
		Matrase S.A.S	100%
<i>Av. Raul Labbe #12981, comuna Lo Barnechea Región Metropolitana</i>		Inchcape Colombia S.A.S	100%
Comercializadora Ditec Automoviles SpA	100%	Inmobiliaria Inchcape Colombia S.A.S	100%
		Inchcape Global Business Services S.A.S	100%
<i>Alonso de Córdova 4125, office 403, Vitacura, Santiago</i>		<i>Vuelta Grande a 150 metros de la Glorieta de Siberia via Cota-Chia CLIS BG34</i>	
Dercorp CL SpA	100%	Distribuidora Hino de Colombia S.A.S.	100%
		<i>Chía, Cundinamarca, Colombia</i>	
		Derco Colombia S.A.S.	100%
		Derco Agencia de Seguros Ltda	100%
		<b>Cook Islands</b>	
		<i>First Floor, BCI House, Avarua, Rarotonga</i>	
		IB Enterprises Ltd	100%

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

Name and registered address	Percentage owned	Name and registered address	Percentage owned
<b>Costa Rica</b>		<b>Guam</b>	
<i>La Uruca, de la Pozuelo 200 metros oeste, frente al Hospital Mexico</i>		<i>443 South Marine Corps Drive, Tamuning, Guam 96913</i>	
Arienda Express S.A.	100%	Atkins Kroll Inc	100%
Inchcape Protection Express Sociedad Agencia de Seguros S.A.	100%		
Vehiculos de Trabajo S.A.	100%	<i>197 Ypao Road, Tamuning, Guam 96913</i>	
Vistas de Guanacaste Orquideas S.A.	100%	Morrice Equipment Holdings Inc	100%
<b>Djibouti</b>		Morrice Equipment LLC	100%
<i>Route de Venise – Djibouti Free Zone – PO Box 2645</i>		<b>Guatemala</b>	
Red Sea Automotive FZCO	100%	<i>20 Calle 10–91, Zona 10, Guatemala</i>	
Inchcape Djibouti Automotive SARL	98%	Inchcape Guatemala S.A.	100%
<b>Ecuador</b>		<b>Honduras</b>	
<i>Av. 10 de Agosto N36-226 y Naciones Unidas, Quito, 170507</i>		<i>Penthouse Edificio Torre Mayab, Colonia Loas del Mayab, Avenida Republica de Costa Rica, Tegucigalpa</i>	
Autolider Ecuador S.A.S	100%	Inchcape Honduras S.A.	100%
<b>El Salvador</b>		<b>Hong Kong</b>	
<i>Boulevard Luis Poma y Calle Llama del Bosque Pte. #1, Urb. Madre Selva, Antiguo Cuscatlán, La Libertad</i>		<i>11/F, Tower B, Manulife Financial Centre, 223–231 Wai Yip Street, Kwun Tong, Kowloon</i>	
Inchcape El Salvador, S.A. de C.V.	100%	British Motors Ltd	100%
<b>Estonia</b>		Crown Motors Ltd	100%
<i>Läike tee 38, Peetri küla, Rae vald, Harjumaa 75312</i>		Future Motors Ltd	100%
Inchcape Motors Estonia OÜ	100%	Inchcape Finance (HK) Ltd	100%
<b>Ethiopia</b>		Inchcape Hong Kong Ltd	100%
<i>Bole Sub City, Kebele 03, H.Nr. 2441, Addis Ababa</i>		Inchcape Mobility Ltd	100%
The Motor & Engineering Company Of Ethiopia (Moenco) S.C.	94%	Inchcape Motor Services Ltd	100%
<b>Finland</b>		Mega EV Ltd	100%
<i>Ansatie 6 a C, 01740 Vantaa, Kotipaikka, Helsinki</i>		Nova Motors Ltd	100%
Inchcape Motors Finland Oy	100%	<b>Iceland</b>	
Inchcape Retail Finland Oy	100%	<i>Efstaleiti 5, 103 Reykjavik</i>	
Inchcape JLR Finland Oy	70%	Bilaumbodid Askja ehf	100%
<b>Greece</b>		Bilaumbodid Una ehf	100%
<i>8 Androu St, GR 15354 Glyka Nera</i>		Dekkjahollin ehf	100%
Inchcape Insurance SA	100%	Inchcape Iceland ehf	100%
Eurolease Fleet Services SA	100%	Landfari ehf	100%
Inchcape Hellas SA	100%		
Toyota Hellas SA	100%		
Polis Inchcape Athens SA	100%		

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

Name and registered address	Percentage owned	Name and registered address	Percentage owned
<b>Indonesia</b>		<b>Macau</b>	
<i>Indomobil Tower, 19th Floor, Jl. Mt Haryono no 11, Bidara Cina, Jakarta, Timur</i>		<i>Avenida do Coronel Mesquita, No 48-48D, Edf. Industrial Man Kei R/C, Macau</i>	
PT JLM Auto Indonesia	60%	Future Motors (Macao) Ltd	100%
		Yat Fung Motors Ltd	100%
<i>Sequis Tower, 7th Floor, Jl. Jendral Sudirman Kav. 71, South Jakarta 12190</i>		<b>Netherlands</b>	
PT Inchcape Automotive Indonesia	100%	<i>Gustav Mahlerlaan 1212, 1081 LA Amsterdam</i>	
PT Inchcape Indomobil Distribution Indonesia	70%	Inchcape International Group BV	(i) 100%
PT Inchcape Indomobil Energi Baru	70%	<b>New Zealand</b>	
PT Inchcape Indomobil Energi Baru Distribusi	70%	<i>Bell Gully, Level 22, Vero Centre, 48 Shortland Street, Auckland, 1010</i>	
PT Inchcape GWM Retail Indonesia	100%	Inchcape Motors New Zealand Ltd	100%
		Inchcape Automotive Distribution (NZ) Ltd	100%
<i>Wanaherang, Gunung Putri, Bogor, West Java</i>		Inchcape Automotive Retail (NZ) Ltd	100%
PT Inchcape Indomobil Manufacturing Indonesia	70%	Inchcape New Zealand Ltd	100%
<b>Ivory Coast</b>		<b>North Macedonia</b>	
<i>01 BP 3893, Abidjan O1</i>		<i>21 8th September Boulevard, 1000 Skopje</i>	
Distribution Services Cote d'Ivoire SA	100%	Toyota Auto Center DOOEL	100%
Toyota Services Afrique SA	100%	<b>Panama</b>	
<b>Kenya</b>		<i>Vía General Nicanor A. de Obarrio (Street 50), Plaza Bancomer</i>	
<i>LR 1870/X/126, Ground Floor, Oracle Towers, Waiyaki Way, P.O. Box 2231-00606, Nairobi</i>		Ilaother S.A.	100%
Inchcape Kenya Ltd	100%	Ilachile S.A.	100%
<b>Latvia</b>		<i>Ciudad de Panamá, Vía Cincuentenario Andrés Mojica, Ave. 6ta B., Lote X 5B, Corregimiento de San Francisco, Distrito de Panamá, Provincia de Panamá</i>	
<i>4a Skanstes Street, Riga, LV-1013</i>		Arrendadora Automotriz S.A.	100%
Inchcape Insurance Services SIA	100%	Motores Japoneses S.A.	100%
Inchcape Motors Latvia SIA	100%	Inchcape Hub Center S.A.	100%
Inchcape JLR Baltics SIA	70%		
<b>Lithuania</b>		<i>Lopez, Lopez &amp; Associates, 53rd street Marbella, World Trade Center, 5th floor, suite 502, Panama City</i>	
<i>Laisves av. 137, Vilnius, LT-06118</i>		Isthmus Exchange S.A.	100%
UAB Autovista	67%		
UAB Inchcape Motors	67%		
<i>Ozo str. 10A, Vilnius, LT-08200</i>			
UAB Inchcape Auto	100%		
UAB Inchcape Insurance Broker	100%		

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

Name and registered address	Percentage owned	Name and registered address	Percentage owned
<b>Peru</b>		<b>Philippines (continued)</b>	
<i>Av. El Polo Nro. 1117, Santiago de Surco, Lima</i> Inchcape Motors Peru S.A.	100%	<i>1008 EDSA Greenhills, Second District, City of San Juan, NCR, 1502</i> ICATS British Motors Inc	60%
<i>Av. Republica de Panama Nro. 3330, San Isidro, Lima</i> IMP Distribuidora S.A.C	100%	ICATS Motorcycles Inc	60%
<i>Av. Morro Solar 812, Santiago de Surco, Lima</i> Inchcape Automotriz Perú S.A.	100%	ICATS Motors Inc	60%
Distribuidora Automotriz del Peru S.A.	100%	<i>Microtel Lane, LausGroup Complex, Jose Abad Santos Avenue, San Jose City of San Fernando, Pampanga, 2000</i> Milwaukee Icon Motors Inc	30%
Rentas e Inmobiliaria Sur Andina S.A.	100%	<b>Poland</b>	
<i>Av. Manuel Olguin 325, Santiago de Surco, Lima</i> Derco Perú S.A.	100%	<i>Al. Prymasa Tysiąclecia 64, 01-424 Warszawa</i> Inchcape Motor Polska Sp z.o.o	100%
Dercocenter S.A.C.	100%	<i>Al. Karkonoska 61, 53-015 Wrocław</i> Interim Cars Sp z.o.o	100%
Corporación Andina de Negocios S.A.	100%	<i>Ul. Lopuzanska 38 B, 02-232 Warszawa</i> Inchcape JLR Poland Sp. Z.o.o	70%
<b>Philippines</b>		<b>Puerto Rico</b>	
<i>28F Robinsons Cyberscape Gamma, Topaz and Ruby Roads, Ortigas Center, San Antonio, Pasig Cit, Second District, NCR, 1605</i> Inchcape Digital Delivery Center Philippines Inc.	100%	<i>Sabana Gardens Industrial Park Calle B Lotes 6 al 9a, Carolina, PR 00983 and PO Box 29718, San Juan, PR 00924-0092</i> Millenium Sales and Services, Inc.	100%
<i>257 Mckinley 25th Street Corner, 7th Avenue, Fort Bonifacio, Bonifacio Global City, Taguig City, Fourth District, National Capital Region 1630</i> Inchcape Global Business Services APAC, Inc	100%	K.I. Investments Inc.	100%
<i>Block 8, Lot 2, 5th Avenue corner 24th Street, Bonifacio Global City, Fort Bonifacio, Taguig City 1630</i> IC Automotive Inc	60%	Inchcape Puerto Rico, Inc	100%
IC Land Automotive Inc	60%	<b>Romania</b>	
IC Star Automotive Inc	60%	<i>Pipera Boulevard No 1, Voluntari, Ilfov, 077190</i> Inchcape Motors Srl	100%
<i>E. Rodríguez Jr. Avenue corner Carlo J. Caparas, Ugong, Pasig City 1604</i> ICATS Asian Motors Inc	60%	Toyota Romania Srl	100%
		Inchcape Broker de Asigurare Srl	100%
		Inchcape Bravoauto Srl	100%
		<b>Saipan</b>	
		<i>San Jose Village, 1 Chalan Monsignor Guerrero, Saipan, 96950, Northern Mariana Islands</i> Atkins Kroll (Saipan) Inc	100%

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

Name and registered address	Percentage owned	Name and registered address	Percentage owned
<b>Singapore</b>		<b>United Kingdom (continued)</b>	
<i>2 Pandan Crescent, Inchcape Centre, Singapore 128462</i>		Nexus Corporation Limited	100%
Borneo Motors (Singapore) Pte Ltd	100%	Notneeded No. 144 Limited	100%
Century Motors (Singapore) Pte Ltd	100%	Tozer International Holdings Limited	100%
Champion Motors (1975) Pte Ltd	100%	Tozer Kemsley and Millbourn Automotive Limited	100%
Inchcape Automotive Services Pte Ltd	100%	Inchcape Digital Limited	100%
Inchcape Motors Private Ltd	100%	Inchcape (Belgium) Limited	(vi) 100%
Inchcape+ Pte Ltd	100%	Inchcape Corporate Services Limited	100%
<b>Spain</b>		Inchcape Finance plc	100%
<i>Avenida Europa, 19, P2 Pozuelo de Alarcón, Madrid 28224</i>		<i>22a St James's Square, London, SW1Y 5LP</i>	
Inchcape Inversiones España S.L.	100%	Inchcape International Holdings Limited	100%
<b>Tanzania</b>		Inchcape JLR Europe Limited	70%
<i>AFED Business Park, JK Nyerere Rd, PO.Box 21885, Dar Es Salaam</i>		Inchcape Management (Services) Limited	100%
Inchcape Automotive Limited	100%	Inchcape Overseas Limited	100%
<b>Thailand</b>		Inchcape (Singapore) Limited	100%
<i>No. 4332 Rama IV Road, Prakhong Sub-District, Khlong Toei District, Bangkok</i>		St. Mary Axe Securities Limited	100%
Inchcape (Thailand) Company Ltd	100%	<i>PO Box 33, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 4AT</i>	
<i>No. 2133 New Petchburi Road, Bangkapi Sub-District, Huaykwang District, Bangkok 10310</i>		St James's Insurance Limited	100%
Inchcape Services (Thailand) Company Ltd	49%	<i>4th Floor 115 George Street, Edinburgh EH2 4JN</i>	
<b>Turks and Caicos Islands</b>		Inchcape Investments and Asset Management Limited	100%
<i>Market Place, Providenciales</i>		<b>Uruguay</b>	
Nagoya Marine & General Insurance Ltd	100%	<i>Rambla Baltasar Brum 3028, Montevideo</i>	
<b>United Kingdom</b>		Autolider Uruguay S.A.	100%
<i>22a St James's Square, London, SW1Y 5LP</i>		<b>United States of America</b>	
Armstrong Massey (York) Limited	100%	<i>The Corporation Company, 40600 Ann Arbor Road E., Suite 201, Plymouth, MI 48170</i>	
Autobyte UK Limited	100%	Baltic Motors Corporation	100%
Ferrari Concessionaires Limited	(v) 100%		
Inchcape Motors International Limited	100%		
Inchcape North West Limited	100%		
Inchcape Transition Limited	100%		
Inchcape UK Corporate Management Limited	100%		
Inchcape KMG Limited	100%		
Mann Egerton and Company Limited	100%		

## COMPANY NOTES TO THE FINANCIAL STATEMENTS

Name and registered address	Percentage owned
<b>Joint ventures</b>	
<b>Australia</b>	
<i>Level 6, 15 Talavera Road, Macquarie Park, NSW, 2113</i>	
IFSA Pty Ltd	50%
<b>Chile</b>	
<i>Av. Americo Vespucio 1842, Quilicura, Santiago</i>	
Sociedad Comercial e Inmobiliaria Autosshopping S.A.	50%
Sociedad Comercial Ecovalor S.A.	50%
<i>Av. Las Condes #11000, Oficina 301-A, Vitacura, Santiago</i>	
Sociedad de Creditos Automotrices S.A.	50%
<b>Peru</b>	
<i>Av. Emilio Cavenecia 151 Torre Cavenecia Oficina 701 Miraflores, Lima 15073</i>	
Sociedad de Creditos Automotrices Peru S.A.C.	50%

Unless stated below, all holdings have one type of ordinary share capital:

- (i) Ordinary A and Ordinary B shares.
- (ii) Ordinary shares, B Class shares, J Class shares and L Class shares.
- (iii) Ordinary shares and E Class shares.
- (iv) Ordinary shares, A Class shares, C Class shares, D Class shares and E Class shares.
- (v) Ordinary shares, Ordinary A shares and 8% non-cumulative redeemable preference shares.
- (vi) Ordinary shares and redeemable cumulative preference shares.

**Subsidiary audit exemptions**

The following UK subsidiary undertakings will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2025.

Name	Company number
Inchcape (Belgium) Limited	6006735
Inchcape (Singapore) Limited	6257211
Inchcape Corporate Services Limited	1235709
Inchcape International Holdings Limited	3580629
Inchcape Investments and Asset Management Limited	SC113224
Inchcape Motors International Limited	453390
Inchcape Overseas Limited	783712
Tozer Kemsley and Millbourn Automotive Limited	893104

The Company will guarantee the outstanding liabilities of the above UK subsidiary undertakings as at 31 December 2025, in accordance with section 479C of the Companies Act 2006.

## SHAREHOLDER INFORMATION

**Registered office**

Inchcape plc  
22a St James's Square  
London SW1Y 5LP

Tel: +44 (0) 20 7546 0022

Fax: +44 (0) 20 7546 0010

Registered number: 00609782

Registered in England and Wales

**Advisors****Independent Auditor**

**Deloitte LLP**

Chartered Accountants and Statutory Auditor

**Share Registrars****Computershare Investor Services PLC**

Registrar's Department

The Pavilions

Bridgwater Road

Bristol BS99 7NH

Tel: +44 (0) 370 707 1076

**Solicitors**

Herbert Smith Freehills Kramer LLP

**Corporate Brokers**

Jefferies Hoare Govett

UBS AG

**Inchcape ISA**

Inchcape has established a Corporate Individual Savings Account (ISA). This is managed by:

Equiniti Financial Services Limited

Aspect House

Spencer Road

Lancing

West Sussex

BN99 6DA

Tel: 0870 300 0430

**International callers:**

Tel: +44 121 441 7560

More information is available at [www.shareview.com](http://www.shareview.com)

**Financial Calendar****Annual General Meeting**

14 May 2026

**Announcement of 2026 Interim Results**

28 July 2026

## NOTES

