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# Investor presentation

March 2021

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# Inchcape: Group overview

## Who we are

-  Largest independent global automotive distributor and retailer
  - Distribution accounts for vast majority of Group profits
-  Operating in 34 markets; focused on high-growth markets
-  Long-term relationships with strong OEM brands
-  Highly cash generative with a disciplined capital allocation policy
  - Strengthened financial position (Dec-20 net cash: £266m<sup>1</sup>)
  - Returned to the dividend list (FY20: 6.9p)
-  Strong track record of through-cycle resilience

1: Excluding lease liabilities. Compares to £103m as of Dec-19

## Global presence: 34 markets, with an EM focus

Key: Distribution Retail

### APAC

Australia  
Hong Kong  
Singapore  
Brunei, Guam, Saipan

### UK & Europe

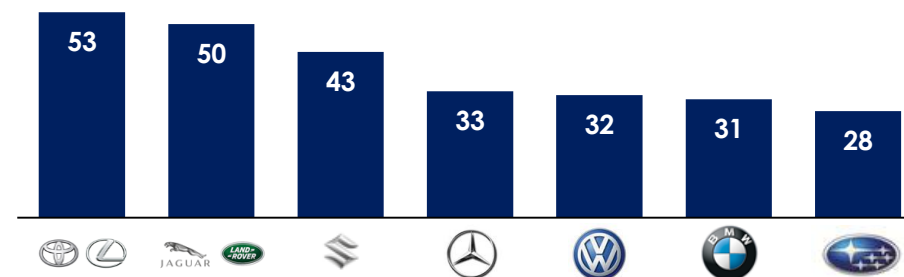
Belgium  
Greece  
Romania, Bulgaria  
Baltics  
UK, Russia, Poland

### Americas & Africa

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

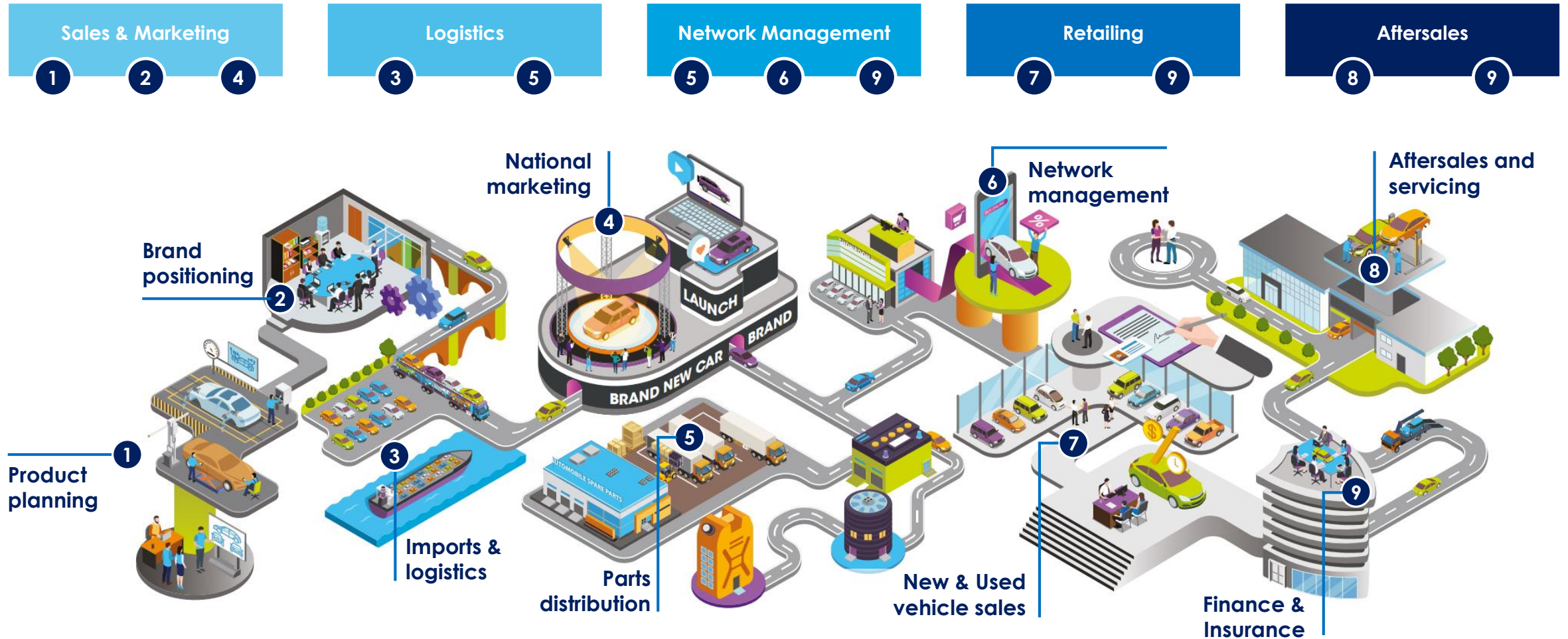
## Long-term OEM partnerships & strong brand portfolio

Number of years of partnership

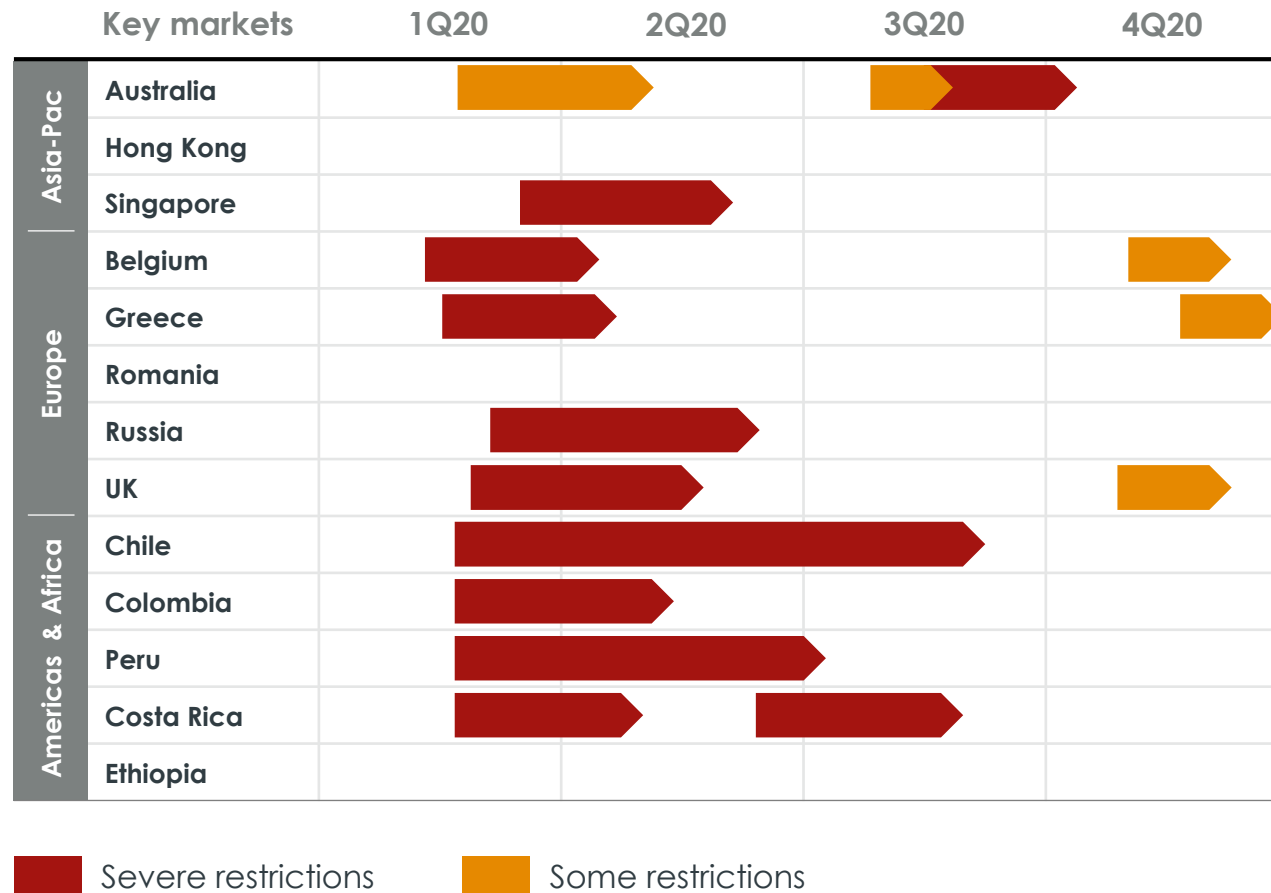




# Distribution business model



# Navigating Covid in 2020



## How we've adapted



Implemented click & collect; offering physically distanced delivery service



Added online payment capability (for both vehicles and aftersales)



Accelerated roll-out of online platforms



Colleagues working in split teams

# 2020 results: encouraging bounce-back in H2

	H1		H2		FY	
	2019	2020	2019	2020	2019	2020
Revenue	£4.7bn	£3.0bn	£4.7bn	£3.8bn	£9.4bn	£6.8bn
Organic growth %		(29)%		(9)%		(19)%
Operating margin %	3.8%	0.9%	4.2%	3.6%	4.0%	2.4%
PBT	£156m	£9m	£170m	£120m	£326m	£129m
Free cash flow	£25m	£(5)m	£188m	£182m	£213m	£177m



**“Bringing Mobility to the world’s communities  
- for today, for tomorrow and for the better”**

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**Strategic priorities**

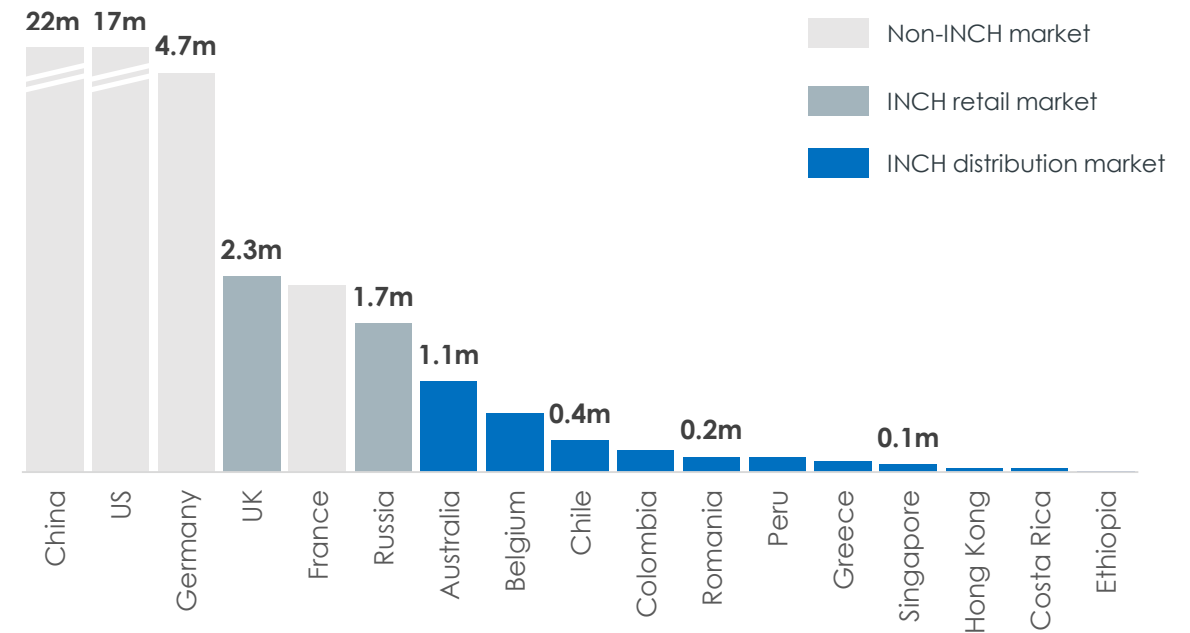
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# Opportunities for an ambitious Inchcape

## Why our OEM partners need us?

- Distribution is our specialism
- We are more nimble, faster and efficient
- Majority of our investments are distribution-specific
- We have developed market-leading technology
- We've been helping car brands grow for decades

## Inchcape key market TIVs vs Typical 'retail market' TIV<sup>1</sup>



OEMs focusing their attention on largest markets (>1m units p.a.)

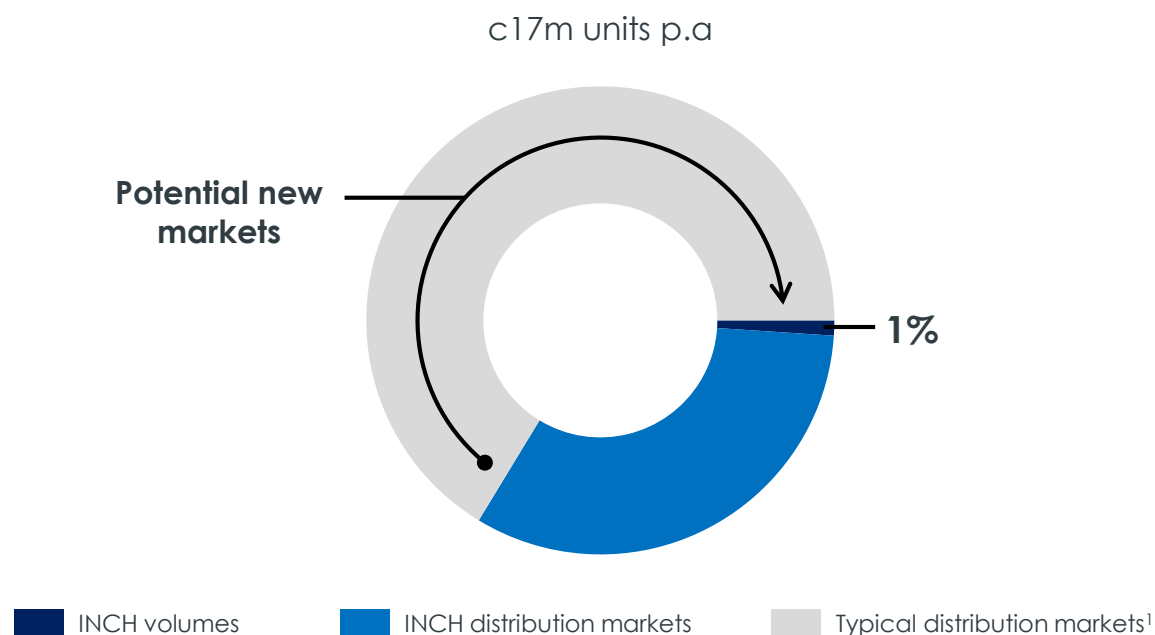
We specialise in distribution in smaller markets

1: TIV = total industry new car volumes (per annum)



# The market remains highly fragmented

## Our markets in context of the global auto distribution opportunity



Region	2019 TIV	2021-25 (CAGR%)
APAC	5m	4%
Europe	6m	3%
Africa & Middle East	4m	7%
Americas	2m	7%
Global	90m	3%

Our share of distribution markets is c1%

Our markets cover c30% of total global distribution volumes

Growth of typical distribution markets expected to exceed global auto volumes

1: defined as those markets with annual new car volumes of less than 1m units (2019 data)



# Strategic priorities: distribution is our beating heart

**Distribution Excellence**

**Vehicle Lifecycle Services**

**People, Culture & Capabilities**

**Digital, Data & Analytics**

**Efficient Scale Operations**

# Distribution Excellence

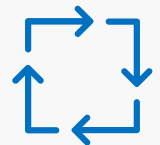
Becoming the undisputed number one choice for OEMs



**Accelerate**  
omni-channel



**Globalise**  
distribution processes



**Digitalise**  
processes

## Customer Lifetime Value

New vehicle import

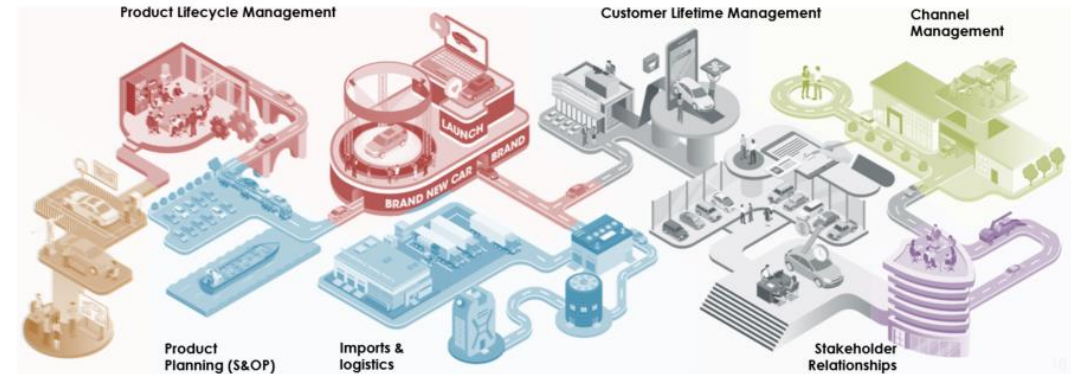


Customer  
acquisition

Customer  
retention



## Our six core distribution activities



# Vehicle Lifecycle Services

Simply capturing more value



## Expand

services & activities



## Leverage

existing infrastructure

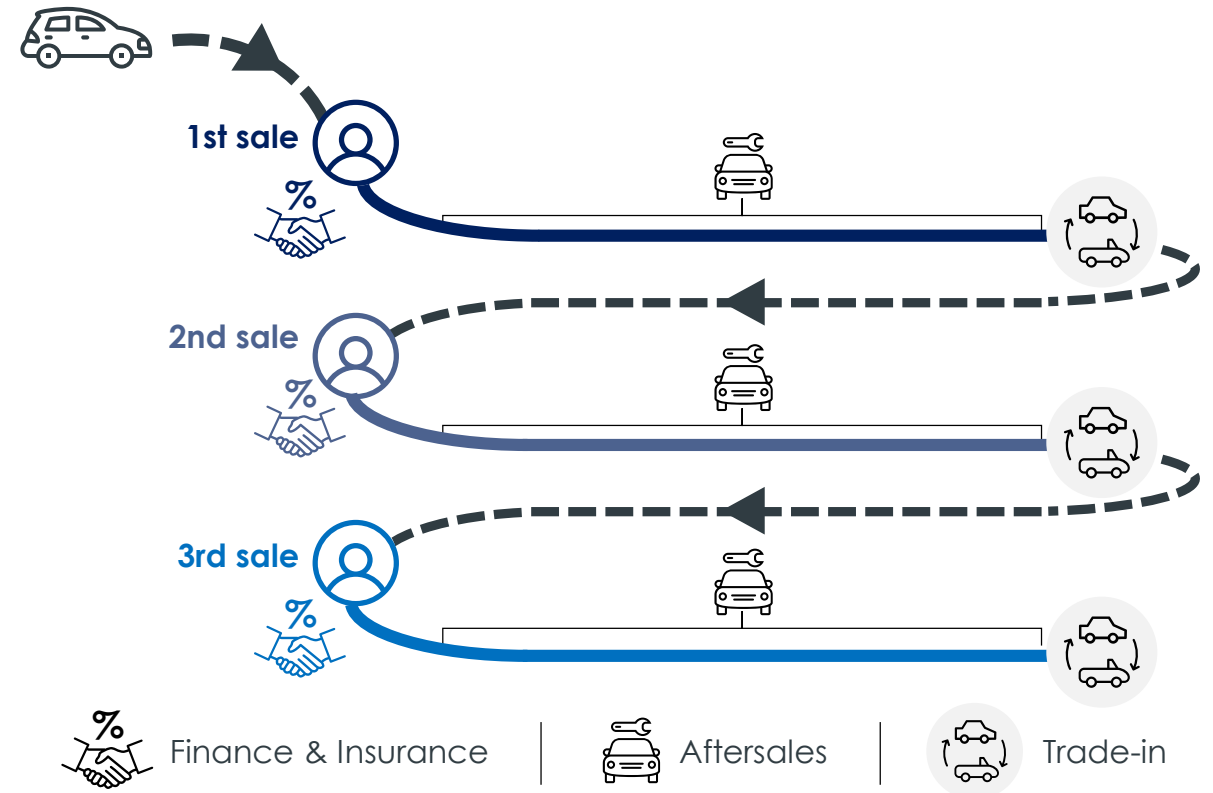


## Build-on

relationships

## Vehicle Lifecycle Value

New vehicle import





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**Looking ahead**

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# Outlook

## Near-term

- Encouraging bounce-back as restrictions eased
- Covid-19 situation remains dynamic
- Group supported by geographical diversification
- Vaccinations being rolled-out at varying pace

## Strategic-focus

- Distribution at our core; becoming the number 1
- Greater use of technology across our business
- Further building our OEM relationships
- Capturing more of a vehicle's value

### ▶ 2021 outlook:

- Material growth in profits
- Improved operating margin

# Investment proposition: growth and cash returns

