



Inchcape plc, the leading global automotive distributor, announces its preliminary results for the twelve months to 31 December 2025

Delivery against key metrics, +13% EPS growth, and new £175m share buyback programme

- **Delivery in FY 2025, against our medium term targets:**

- o Inchcape volumes* up 3%, driven by market share gains in multiple markets and distribution contract wins
- o 1% organic revenue growth to £9.1 billion, with improved momentum in H2; and reported revenue down (2)% due to impact of translational currency headwinds:
 - o Positive momentum building in the Americas, with supportive market conditions
 - o Australia resilient, management actions to address challenges in APAC
 - o Continued market outperformance in Europe and Africa
- o Resilient 6.2% operating margins¹, adjusted PBT¹ of £443m, reported PBT of £406m, and capital allocation driving adjusted basic EPS¹ growth of +13%
 - o Divestment of non-core assets contributed c.£17m to adjusted PBT¹ in FY 2025

- **Strong free cash flow conversion and robust balance sheet enables another year of significant shareholder returns:**

- o Cash generative and capital-light business model delivers free cashflow conversion¹ of 104% to adjusted PAT (FY 2024: 151%), free cash flow¹ of £315m and strong ROCE¹ of 29%
- o Robust balance sheet maintained - leverage of 0.4x net debt/EBITDA, with capacity to continue our disciplined approach to capital allocation
- o £250m buyback programme completed on 2 March 2026, acquiring approximately 9% of the company's equity
- o Full year DPS up 13% to 32.3p, in-line with dividend policy of 40% adjusted basic EPS¹ payout ratio
- o Disciplined approach to capital allocation continues with announcement today of new £175m buyback programme

- **Further execution against Accelerate+ strategy:**

- o Scaling efficiently, with 10 contract wins, as well as value-accretive acquisition in Iceland
 - o Contract wins include GAC AION in Greece, Iveco in Hong Kong and XPENG in Colombia; contract exits include Geely in three small Americas markets
 - o Renewal of financially immaterial BYD Belux contract not anticipated, as BYD continues to in-source distribution in medium to large scale markets in Europe
- o Continued optimisation of our business, with actions on cost reduction, capital recycling, contract portfolio optimisation, enhanced OEM collaboration and strong focus on cash generation

- **A year of growth in FY 2026**, in line with our medium term guidance:**

- o Organic volume growth towards the lower end of our 3% - 5% guidance range, with H2-weighted performance
- o Resilient operating margins of c.6%, free cashflow conversion of c.100% and EPS growth of >10%

Duncan Tait, Group Chief Executive, commented:

“During a transformative year in the automotive sector in FY 2025, Inchcape’s diversified and scaled business model delivered results in line with our medium-term targets, reporting double-digit EPS growth. Our performance in 2025 was driven by good momentum in our Americas and Europe and Africa regions and we are taking actions to address challenges in APAC.

“We made further strategic progress during the year, winning 10 new distribution contracts. In addition, we executed a value-accretive bolt-on acquisition in Iceland, a new market for Inchcape, enabled by our highly cash generative business model and strong balance sheet. We have a healthy pipeline of bolt-on acquisitions to help us access future growth. We also continue to deliver value for shareholders, with most of our £250m share buyback programme executed last year, and a new £175m programme for 2026, announced today.

“Looking ahead, we expect to deliver a year of growth in FY 2026, including adjusted EPS growth of >10%, with volume growth, resilient margins, supported by strong execution and discipline on costs, and cash conversion.”

* New vehicle registrations

** At constant currency

in £m, unless otherwise stated	2025	2024	% change reported	% change constant FX ¹	% change organic ²
Key financials (continuing operations)					
Revenue	9,100	9,263	(2)%	—%	+1 %
Adjusted Operating Profit ¹	563	584	(4)%	(1)%	
Adjusted Operating Margin ¹	6.2%	6.3%	(10)bps	(10)bps	
Adjusted Profit Before Tax ¹	443	444	—%	+3%	
Adjusted Basic EPS ¹	80.8p	71.3p	+13%	+17%	
Dividend Per Share	32.3p	28.5p	+13%		
Free Cash Flow ¹	315	462	(32)%		
Reported financials					
Operating Profit (continuing operations)	526	562	(6)%		
Operating Margin (continuing operations)	5.8%	6.1%	(30)bps		
Profit Before Tax (continuing operations)	406	414	(2)%		
Total profit for the period	273	435	(37)%		
Basic EPS (continuing operations)	72.5p	66.4p	+9%	+13%	
Net cash generated from operating activities	385	586	(34)%		

1. These measures are Alternative Performance Measures, see Note12

2. Organic growth is defined as revenue growth in operations that have been open for at least a year at constant foreign exchange rates. See Note 12 APMs

Results presentations

A presentation for analysts and investors will be held today, Tuesday 3rd March 2026, at 08:30 GMT. The presentation will be held at the London Stock Exchange, 10 Paternoster Square, London EC4M 7LS. To register for the webcast of the event please follow [this link](#), or to register for conference call access please follow [this link](#). A replay of the analyst presentation will be available via the Company's website, www.inchcape.com later today.

Management will also be hosting a presentation for investors on the Engage Investor platform on Monday 9th March 2026, at 14:00 GMT. Questions can be pre-submitted on the platform or at any time during the live presentation. Investors can sign up to Engage Investor at no cost and follow Inchcape plc from their personalised investor hub. To register for the event please follow [this link](#).

Dividend timetable

Ex-dividend date for 2025 full year dividend	7 May 2026
Record date	8 May 2026
Last election date	22 May 2026
Payment date	15 June 2026

Financial calendar

Q1 trading update	30 April 2026
AGM	14 May 2026
2026 interim results	28 July 2026
Q3 trading update	22 October 2026

Contacts

Inchcape plc (investor enquiries):

Rob Gurner	+44 (0)7825 189 088	investors@inchcape.com
Rachel Masser		

DGA Group (media enquiries):

Emma Walsh	+44 (0)7510 385 554	inchcape@dgagroup.com
James Styles		

About Inchcape

Inchcape is the leading global automotive distributor, with operations across six continents. Inchcape works with our mobility company partners in smaller, more complex and harder-to-reach markets, which tend to be higher growth with low motorisation rates. By combining our in-market expertise with our unique technology and advanced data analytics, we create innovative customer experiences that deliver outstanding performance for our partners – building stronger automotive brands and creating sustainable growth.

Our distribution platform connects the products of mobility company partners with customers, and our responsibilities span product planning and pricing, import and logistics, brand and marketing to operating digital sales, managing physical sales and aftermarket service channels. Our ambition is to deliver for our partners, our customers and our people – so they can realise their ambitions in the new world of mobility. The Group is headquartered in London and employs over 16,000 people globally.

www.inchcape.com

Our results are stated at actual exchange rates. However, to enhance comparability we also present year-on-year changes in revenue, adjusted operating profit and adjusted profit before tax in constant currency, thereby isolating the impact of translational exchange rate effects.

Operational review

Key performance indicators

in £m, unless otherwise stated

Key financials (continuing operations)	2025	2024	% change reported	% change constant FX ¹	% change organic ²
Revenue	9,100	9,263	(2)%	—%	+1%
Adjusted Operating Profit ¹	563	584	(4)%	(1)%	
Adjusted Operating Margin ¹	6.2%	6.3%	(10)bps	(10)bps	
Adjusted Profit Before Tax ¹	443	444	—%	—%	
Free Cash Flow ¹	315	462	(32)%		
Return on Capital Employed ¹	29%	27%	190bps		

1. These measures are Alternative Performance Measures, see Note 12

2. Organic growth is defined as revenue growth in operations that have been open for at least a year at constant foreign exchange rates, see Note 12 APMs

FY 2025 results – 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 profit¹ 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 margins¹** 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 costs¹** decreased to £123m (2024: £142m), driven by lower average net debt and a more favourable interest rate environment.

Adjusted profit before tax¹ 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 EPS¹** 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 flow¹ 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 debt¹** 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 employed¹** during the year was 29%, an increase of 2% from 2024.

Q4 2025 performance

Q4 2025 Group revenue was up 4% on a reported basis, and up 3% in constant currency, to £2.4bn, including 2% **organic growth²**. This was supported by continued positive momentum in the Americas and a strong performance in Europe and Africa, partly offset by challenges in APAC.

1. These measures are Alternative Performance Measures, see Note 12

Strategic overview

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.

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 are launching a new £175m share buyback programme, which will commence immediately and is expected to complete over the next 12 months.

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*, 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.

* At constant currency

Operating and financial review

in £m, unless otherwise stated

	2025	2024	% change reported	% change constant FX	% change organic ²
Revenue					
APAC	2,541	2,995	(15)%	(12)%	(12)%
Europe & Africa	3,255	3,003	+8%	+7%	+6%
Americas	3,304	3,265	+1%	+5%	+8%
Total	9,100	9,263	(2)%	—%	+1%
Adjusted operating profit¹					
APAC	182	235	(23)%	(19)%	
Europe & Africa	151	142	+6%	+6%	
Americas	230	207	+11%	+16%	
Total	563	584	(4)%	(1)%	
Adjusted operating margin¹					
APAC	7.2%	7.8%	(60)bps	(60)bps	
Europe & Africa	4.6%	4.7%	(10)bps	—bps	
Americas	7.0%	6.3%	+70bps	+70bps	
Total	6.2%	6.3%	(10)bps	(10)bps	

See Note 2 for segmental definitions.

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 margins¹** 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 margins¹** 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.

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 margins¹** were up 70 basis points 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.

1. Operating profit and operating margin are stated before adjusting items. Adjusted operating margins are stated at constant currency

2. Organic growth is defined as revenue growth in operations that have been open for at least a year at constant foreign exchange rates. Note 12 APMs

Gross profit split

We provide disclosure on the split of our gross profit, including:

- Gross profit attributable to Vehicles: New Vehicles, Used Vehicles and income from finance and insurance products; and
- Gross profit attributable to Aftersales: Service and Parts

	2025 £m	2024 £m	% change reported	% change constant FX
Gross Profit				
Vehicles	1,090	1,120	(3)%	—%
Aftersales	460	486	(5)%	(2)%
Total	1,550	1,606	(3)%	(1)%

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.

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 (see following page for sensitivity analysis) 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.

RISKS

The Group operates in a dynamic global environment and is exposed to a range of principal risks, including margin pressure, macroeconomic and geopolitical uncertainty, supply chain disruption, cyber and IT resilience, people and skills, transformation delivery, health and safety, regulatory compliance, and the ongoing transition to electric vehicles. Whilst operating with competitive pressures and external economic uncertainty, these risks are actively managed through delivery of the Group's Accelerate + strategy, including optimising the product and brand mix, expanding our global footprint, and maintaining a disciplined, cost-conscious operating model. Wider HSE, legal, regulatory, cyber and compliance risks are mitigated through robust governance arrangements and established control frameworks.

During the year, the Group Executive Team and Board approved the Company's principal risk profile which was refreshed in Q1 2025. 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.

The Group's risk management framework is embedded across all levels of the organisation and is designed to provide reasonable, though not absolute, assurance against material loss or misstatement. The framework remains agile and responsive to change, as demonstrated by the establishment of a Tariff Task Force in early 2025. Ongoing monitoring and enhancement of risk management practices support the Group in addressing emerging risks associated with acquisitions, regulatory change, and significant external events.

APPENDIX – REGIONAL BUSINESS MODELS

Americas

Country	Brands
Argentina	Subaru, Suzuki
Barbados ¹	Changan, Chrysler, Daimler Trucks, Dodge, Freightliner, FUSO, Isuzu, JCB, Jeep, John Deere, Mercedes-Benz, Mitsubishi, Peugeot, Subaru, Suzuki, Western Star
Bolivia	Avatr, Changan, Deepal, JAC Motors, Joylong, Komatsu, Mazda, Renault, Subaru, Suzuki
Chile	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
Colombia	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
Costa Rica	Avatr, Changan, Deepal, JAC, Suzuki
Ecuador	Freightliner, Forland, Mercedes-Benz, smart, Subaru, Western Star
El Salvador	Freightliner, Mercedes-Benz, Western Star
Guatemala	Freightliner, Mercedes-Benz, Western Star
Honduras	Freightliner, Mercedes-Benz, Western Star
Panama	Suzuki
Peru	Avatr, BMW, BMW Motorrad, Changan, Deepal, DFSK, Great Wall, Haval, JAC Motors, Komatsu, Mazda, MINI, Renault, Seres, Still, Subaru, Suzuki, XCMG
Uruguay	Freightliner, Fuso, Mercedes-Benz, smart

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

APAC

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

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

Europe & Africa

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Notes	£m	£m
Continuing operations			
Revenue	2	9,100	9,263
Cost of sales		(7,550)	(7,657)
Gross profit		1,550	1,606
Net operating expenses		(1,024)	(1,044)
Operating profit	2	526	562
Share of profit after tax of joint ventures and associates		3	2
Profit before finance and tax		529	564
Finance income	4	72	71
Finance costs	4	(195)	(221)
Profit before tax from continuing operations		406	414
Tax	5	(133)	(129)
Profit for the year from continuing operations		273	285
Profit from discontinued operations		—	150
Total profit for the year		273	435
Profit attributable to:			
– Owners of the parent		272	421
– Non-controlling interests		1	14
		273	435
Earnings per share from continuing operations attributable to the owners of the parent			
Basic earnings per share (pence)	6	72.5p	66.4p
Diluted earnings per share (pence)	6	71.6p	65.6p
Earnings per share attributable to the owners of the parent			
Basic earnings per share (pence)	6	72.5p	103.1p
Diluted earnings per share (pence)	6	71.6p	101.9p
Alternative performance measures			
Operating profit from continuing operations		526	562
Adjusting items within net operating expenses:	3	37	22
Acquisition and integration costs		10	42
Disposal of businesses		4	(6)
Restructuring costs		23	—
Derecognition of intangibles		—	5
Impairment reversals		—	(19)
Adjusted operating profit from continuing operations		563	584
Share of profit after tax of joint ventures and associates		3	2
Adjusted profit before finance and tax from continuing operations		566	586
Net finance costs		(123)	(150)
Adjusting items within net finance costs:	3	—	8
Net monetary loss on hyperinflation		—	8
Adjusted profit before tax from continuing operations		443	444
Tax on adjusted profit		(139)	(139)
Adjusted profit after tax from continuing operations		304	305
Adjusted earnings per share from continuing operations			
Basic adjusted earnings per share	6	80.8p	71.3p
Diluted adjusted earnings per share	6	79.8p	70.4p

See note 12 on page 30 for further details of alternative performance measures.
The notes on pages 15 to 34 are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	£m	£m
Profit for the year	273	435
Other comprehensive income/(expense):		
<i>Items that will not be reclassified to the consolidated income statement</i>		
Retirement benefit schemes		
– net actuarial losses	(8)	(46)
– deferred tax on actuarial losses	—	(1)
	(8)	(47)
<i>Items that may be or have been reclassified subsequently to the consolidated income statement</i>		
Cash flow hedges		
– net fair value losses	(83)	22
– tax on cash flow hedges ¹	13	(14)
Investments held at fair value		
– net fair value	—	3
Deferred tax on taxation losses	3	—
Foreign currency translation		
Exchange differences on translation of foreign operations	(13)	(245)
Recycling of foreign currency reserve	—	(4)
Adjustments for hyperinflation (including tax)	—	(4)
	(80)	(242)
Other comprehensive expense for the year	(88)	(289)
Total comprehensive income for the year	185	146
Total comprehensive income/(expense) attributable to:		
– Owners of the parent	191	133
– Non-controlling interests	(6)	13
	185	146
Total comprehensive income/(expense) attributable to owners of Inchcape plc arising from:		
– Continuing operations	191	(17)
– Discontinued operations	—	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 15 to 34 are an integral part of these condensed 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
Non-current assets			
Intangible assets		1,191	1,156
Property, plant and equipment		581	589
Right-of-use assets		309	271
Investments in joint ventures and associates		22	21
Financial assets at fair value through other comprehensive income		4	4
Trade and other receivables		62	34
Deferred tax assets		99	91
Retirement benefit asset		29	36
		2,297	2,202
Current assets			
Inventories		2,043	1,935
Trade and other receivables		772	829
Derivative financial instruments		15	48
Current tax assets		65	55
Cash at bank and short-term deposits	8b	657	549
Assets held for sale		—	20
		3,552	3,436
Total assets		5,849	5,638
Current liabilities			
Trade and other payables		(2,647)	(2,565)
Derivative financial instruments		(102)	(47)
Current tax liabilities		(65)	(70)
Provisions		(42)	(50)
Lease liabilities	8b	(67)	(66)
Borrowings	8b	(412)	(195)
		(3,335)	(2,993)
Non-current liabilities			
Trade and other payables		(114)	(106)
Provisions		(20)	(26)
Deferred tax liabilities		(247)	(246)
Lease liabilities	8b	(276)	(236)
Borrowings	8b	(509)	(544)
Retirement benefit liability		(8)	(13)
		(1,174)	(1,171)
Total liabilities		(4,509)	(4,164)
Net assets		1,340	1,474
Equity			
Share capital		37	40
Share premium		147	147
Capital redemption reserve		148	145
Merger reserve		312	312
Other reserves		(329)	(285)
Retained earnings		942	1,020
Equity attributable to owners of the parent		1,257	1,379
Non-controlling interests		83	95
Total equity		1,340	1,474

The notes on pages 15 to 34 are an integral part of these condensed consolidated financial statements.

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
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		—	—	—	—	—	18	18	—	18
Purchase of own shares by the Inchcape Employee Trust		—	—	—	—	—	(14)	(14)	—	(14)
Dividends:										
– Owners of the parent	7	—	—	—	—	—	(147)	(147)	—	(147)
– Non-controlling interests		—	—	—	—	—	—	—	(17)	(17)
At 1 January 2025		40	147	145	312	(285)	1,020	1,379	95	1,474
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		—	—	—	—	—	15	15	—	15
Purchase of own shares by the Inchcape Employee Trust		—	—	—	—	—	(22)	(22)	—	(22)
Dividends:										
– Owners of the parent	7	—	—	—	—	—	(101)	(101)	—	(101)
– Non-controlling interests		—	—	—	—	—	—	—	(6)	(6)
At 31 December 2025		37	147	148	312	(329)	942	1,257	83	1,340

The notes on pages 15 to 34 are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £m	2024 £m
Cash generated from operating activities			
Cash generated from operations	8a	648	873
Tax paid		(145)	(134)
Interest received		73	62
Interest paid		(191)	(215)
Net cash generated from operating activities		385	586
Cash flows from investing activities			
Acquisition of businesses, net of cash and overdrafts acquired	9a	(35)	5
Net cash inflow from sale of businesses	9b	6	391
Purchase of property, plant and equipment		(47)	(76)
Purchase of intangible assets		(1)	(3)
Proceeds from disposal of property, plant and equipment		26	9
Dividends received from joint ventures and associates		2	1
Receipt from finance sub-lease receivables		2	2
Lease payments prior to commencement date		—	(1)
Net cash (used in)/generated from investing activities		(47)	328
Cash flows from financing activities			
Share buyback programme		(238)	(147)
Purchase of own shares by the Inchcape Employee Trust		(22)	(14)
Repayment of acquisition financing term loan and bridge facilities	8b	—	(250)
Repayment of Private Placement loan notes	8b	—	(70)
Cash outflow from revolving credit facility	8b	(35)	(95)
Net cash inflow/(outflow) from other borrowings	8b	4	(69)
Payment of capital element of lease liabilities	8b	(72)	(81)
Equity dividends paid	7	(101)	(147)
Dividends paid to non-controlling interests		(6)	(17)
Net cash used in financing activities		(470)	(890)
Net (decrease)/increase in cash and cash equivalents	8b	(132)	24
Cash and cash equivalents at beginning of the period		366	440
Effect of foreign exchange rate changes		27	(98)
Cash and cash equivalents at end of the period		261	366
Cash and cash equivalents consist of:			
Cash at bank		583	458
Short-term deposits		74	91
Bank overdrafts		(396)	(183)
		261	366

The notes on pages 15 to 34 are an integral part of these condensed consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Basis of preparation

The Group consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with UK-adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The condensed set of financial information presented for the years ended 31 December 2025 and 2024 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2024 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or (3) of the Companies Act 2006. The financial information for the year ended 31 December 2025 and the comparative information have been extracted from the audited consolidated financial statements for the year ended 31 December 2025 prepared under IFRS, which have not yet been approved by the shareholders and have not yet been delivered to the Registrar. The report of the auditors on the consolidated financial statements for 2025 was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

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.

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PRESENTATION AND ACCOUNTING POLICIES CONTINUED

Accounting policies

The condensed set of consolidated financial information has been prepared using accounting policies consistent with those in the Group's Annual Report and Accounts 2024 with the exception of the following standards, amendments and interpretations which have been newly adopted from 1 January 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 yet 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2 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	Exclusive distribution, sales and marketing activities of New Vehicles and Parts.
Europe & Africa	
Americas	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	Europe & Africa	Americas	Total
	£m	£m	£m	£m
Revenue				
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)
Profit for the year from continuing operations				273

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
Chile	1,420
Australia	1,018
Rest of the world	6,662
Group	9,100

NOTES TO THE FINANCIAL STATEMENTS

2 SEGMENTAL ANALYSIS CONTINUED

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
Non-current assets	
Chile	615
Rest of the world	1,488
Group	2,103

2025	APAC £m	Europe & Africa £m	Americas £m	Total £m
Segment assets and liabilities				
Segment assets	777	822	1,248	2,847
Segment liabilities	(863)	(888)	(1,013)	(2,764)
Other assets				3,002
Other liabilities				(1,745)
Total net assets				1,340

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.

2025 from continuing operations	APAC £m	Europe & Africa £m	Americas £m	Total £m
Other segment items				
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.

NOTES TO THE FINANCIAL STATEMENTS

2 SEGMENTAL ANALYSIS CONTINUED

2024	APAC £m	Europe & Africa £m	Americas £m	Total £m
Revenue				
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
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
Non-current assets	
Chile	590
Rest of the world	1,447
Group	2,037

2024	APAC £m	Europe & Africa £m	Americas £m	Total £m
Segment assets and liabilities				
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

NOTES TO THE FINANCIAL STATEMENTS

2 SEGMENTAL ANALYSIS CONTINUED

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.

	APAC	Europe & Africa	Americas	Total
	£m	£m	£m	£m
2024 from continuing operations				
Other segment items				
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.

NOTES TO THE FINANCIAL STATEMENTS

3 ADJUSTING ITEMS

	2025	2024
	£m	£m
From continuing operations		
Acquisition and integration costs	(10)	(42)
(Loss)/profit on disposal of business (see note 9b)	(4)	6
Restructuring costs	(23)	—
Impairment reversal of distribution agreements	—	19
Derecognition of distribution agreements	—	(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 5)	6	10
Total adjusting items	(31)	(20)

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

4 NET FINANCE COSTS

	2025	2024
	£m	£m
From continuing operations		
Interest expense on bank and other borrowings	110	122
Finance costs on lease liabilities	16	19
Interest on inventory financing	54	56
Net monetary loss on hyperinflation (note 3)	—	8
Other finance costs	15	16
Finance costs	195	221
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)
Net finance costs	123	150
Analysed as:		
Net finance costs excluding adjusting finance costs	123	142
Finance costs reported as adjusting items	—	8
Net finance costs	123	150

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.

NOTES TO THE FINANCIAL STATEMENTS

5 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	2024
		£m	£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
Total tax charge		133	129
	– Tax charge on profit before adjusting items	139	139
	– Tax credit on adjusting items	(6)	(10)
Total tax charge		133	129

Details of the adjusting items for the year can be found in note 3. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

5 TAX

The table below explains the differences between the expected tax charge at the weighted average tax rate and the Group's total tax charge.

	2025	2024
From continuing operations	£m	£m
Profit before tax	406	414
Profit before tax multiplied by the weighted average tax rate of 24.4% (2024: 23.0%)	99	95
– Permanent differences	2	8
– Non-taxable income	(3)	(4)
– Prior year items	9	2
– Derecognition/(recognition) of deferred tax assets	24	21
– Overseas tax audits and settlements	(3)	2
– Taxes on undistributed earnings	2	1
– Acquisition and integration costs	—	3
– Net monetary loss on hyperinflation	—	3
– Pillar Two income taxes	2	2
– Disposal of businesses	—	(6)
– Tax rate changes	1	2
Total tax charge	133	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.

The Group has published its approach to tax on www.inchcape.com covering its tax strategy and governance framework in accordance with Schedule 19 Finance Act 2016.

NOTES TO THE FINANCIAL STATEMENTS

6 EARNINGS PER SHARE

	2025	2024
	£m	£m
Profit for the year	273	435
Non-controlling interests	(1)	(14)
Basic earnings	272	421
Profit for the year from discontinued operations	—	(150)
Basic earnings from continuing operations attributable to owners of the parent	272	271
Adjusting items	31	20
Adjusted earnings from continuing operations attributable to owners of the parent	303	291
Basic earnings per share		
Basic earnings per share from continuing operations	72.5p	66.4p
Basic earnings per share from discontinued operations	—p	36.7p
Total basic earnings per share	72.5p	103.1p
Diluted earnings per share		
Diluted earnings per share from continuing operations	71.6p	65.6p
Diluted earnings per share from discontinued operations	—p	36.3p
Total diluted earnings per share	71.6p	101.9p
Adjusted earnings per share from continuing operations		
Basic Adjusted earnings per share from continuing operations	80.8p	71.3p
Diluted Adjusted earnings per share from continuing operations	79.8p	70.4p
	2025	2024
	number	number
Weighted average number of fully paid ordinary shares in issue during the year	376,120,583	409,082,913
Weighted average number of fully paid ordinary shares in issue during the year:		
– Held by the Inchcape Employee Trust	(1,040,953)	(794,779)
Weighted average number of fully paid ordinary shares for the purposes of basic EPS	375,079,630	408,288,134
Dilutive effect of potential ordinary shares	4,738,282	4,816,968
Adjusted weighted average number of fully paid ordinary shares in issue during the year for the purposes of diluted EPS	379,817,912	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

7 DIVIDENDS

The following dividends were paid by the Group:

	2025	2024
	£m	£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 (2024: 11.3p per share)	35	47
	101	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. 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.

8 NOTES TO THE 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

NOTES TO THE FINANCIAL STATEMENTS

8 NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

B. Net debt reconciliation

	Liabilities from financing activities			Assets	Total net debt £m
	Borrowings £m	Leases £m	Sub-total £m	Cash/bank overdrafts £m	
Net debt at 1 January 2024	(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)
Net debt at 1 January 2025	(556)	(302)	(858)	366	(492)
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
Net debt at 31 December 2025	(525)	(343)	(868)	261	(607)

Net debt is analysed as follows:

	2025 £m	2024 £m
Cash at bank and short-term deposits as per the statement of financial position	657	549
Borrowings – disclosed as current liabilities	(412)	(195)
Add back: amounts treated as debt financing (see below)	16	12
Cash and cash equivalents as per the statement of cash flows	261	366
Debt financing		
Borrowings – disclosed as current liabilities and treated as debt financing (see above)	(16)	(12)
Borrowings – disclosed as non-current liabilities	(509)	(544)
Lease liabilities	(343)	(302)
Debt financing	(868)	(858)
Net debt	(607)	(492)
Add back: lease liabilities	343	302
Adjusted net debt	(264)	(190)

NOTES TO THE FINANCIAL STATEMENTS

9 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
Assets and liabilities acquired, at provisional values	
Intangible assets	24
Property, plant and equipment	7
Right-of-use assets	39
Inventories	26
Trade and other receivables	9
Trade and other payables	(27)
Deferred tax liabilities	(5)
Lease liabilities	(41)
Net identifiable assets acquired	32
Goodwill	15
Net assets acquired	47
Consideration comprises:	
Deferred consideration	12
Cash consideration	35
Total consideration	47

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.

NOTES TO THE FINANCIAL STATEMENTS

9 ACQUISITIONS AND DISPOSALS CONTINUED

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.

10 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 ¹	17.61	12.43	14.27	14.24
Chilean peso	1,254.50	1,209.30	1,211.70	1,252.30
Ethiopian birr ²	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.

11 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

12 ALTERNATIVE PERFORMANCE MEASURES

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.
Adjusting items	Items that are charged or credited in the consolidated income statement which are material and non-recurring in nature. Refer to note 3.	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 6.	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

12 ALTERNATIVE PERFORMANCE MEASURES CONTINUED

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 8.	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 8.	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"> excludes revenue from businesses acquired in the current year; includes revenue from businesses acquired in the prior year from the anniversary of the date of acquisition; excludes revenue from businesses disposed of on a pro rata basis; and includes revenue from distribution contracts acquired together with the impact of arrangements where the Group no longer acts as the distributor. 	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

12 ALTERNATIVE PERFORMANCE MEASURES CONTINUED

APMs: Reconciliation of statement of comprehensive income measures

	2025	2024
	£m	£m
Adjusted profit before tax (from continuing operations)		
Gross profit	1,550	1,606
Add back: Adjusting items charged to gross profit	—	—
Adjusted gross profit from continuing operations	1,550	1,606
Less: Segment operating expenses	(987)	(1,022)
Adjusted operating profit from continuing operations	563	584
Less: Adjusting items in operating expenses	(37)	(22)
Operating profit	526	562
Less: Net finance costs and JV profits/losses	(120)	(148)
Profit before tax	406	414
Add: Total adjusting Items	37	30
Adjusted profit before tax from continuing operations	443	444
Tax on adjusted profit	(139)	(139)
Adjusted profit after tax from continuing operations	304	305
Ratio of adjusted net operating expenses to revenue	£m	£m
Revenue	9,100	9,263
Adjusted net operating expenses	987	1,022
Ratio of adjusted net operating expenses to revenue	10.8 %	11.0 %
Adjusted earnings before interest, tax, depreciation and amortisation	£m	£m
Adjusted operating profit from continuing operations	563	584
Add:		
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
Depreciation of leased vehicles, rental machinery and equipment	12	18
Payment of capital element of lease liabilities	(72)	(81)
Receipt from finance sub-lease receivables	2	2
Lease interest paid	(15)	(18)
Adjusted earnings before interest, tax, depreciation and amortisation	608	634

ALTERNATIVE PERFORMANCE MEASURES

12 ALTERNATIVE PERFORMANCE MEASURES CONTINUED

APMs: Reconciliation of statement of comprehensive income measures continued

	2025	2024	
Organic growth and constant currency change	£m	£m	YoY%
Revenue	9,100	9,263	(2)%
Retranslation at current year rates	—	(198)	
Revenue in constant currency	9,100	9,065	— %
Organic adjustments	(58)	(76)	
Organic revenue	9,042	8,989	1 %

APMs: Reconciliation of statement of cash flows measures

	2025	2025	2024	2024
	£m	£m	£m	£m
Free cash flow (from continuing operations)				
Net cash generated from total operating activities		385		586
Add back: Payments in respect of adjusting items		28		36
Net cash generated from operating activities, before adjusting items		413		622
Purchase of property, plant and equipment	(47)		(76)	
Purchase of intangible assets	(1)		(3)	
Proceeds from disposal of property, plant and equipment	26		9	
Net capital expenditure		(22)		(70)
Net payment in relation to leases		(70)		(80)
Dividends paid to non-controlling interests		(6)		(17)
Free cash flow		315		455
Add: Free cash outflow from discontinued operations		—		7
Free cash flow from continuing operations		315		462
		2025		2024
Free cash flow conversion		£m		£m
Free cash flow from continuing operations		315		462
Adjusted profit after tax from continuing operations		304		305
Free cash flow conversion		104 %		151 %

	2025	2024
Net working capital inflow/(outflow) (from continuing operations)	£m	£m
(Increase)/decrease in inventories	(76)	311
Decrease/(increase) in trade and other receivables	39	(121)
Increase in trade and other payables	68	13
Less: net working capital inflow from discontinued operations	—	(8)
Net working capital inflow (from continuing operations)	31	195

ALTERNATIVE PERFORMANCE MEASURES

12 ALTERNATIVE PERFORMANCE MEASURES CONTINUED

APMs: Reconciliation of statement of financial position measures

	2025	2024
	£m	£m
Return on capital employed (from continuing operations)		
Adjusted operating profit	563	584
Net assets	1,340	1,474
Net assets from continuing operations	1,340	1,474
Add: Net debt	607	492
Capital employed - continuing operations	1,947	1,966
Effect of averaging	10	207
Average capital employed	1,957	2,173
Return on capital employed	28.8 %	26.9 %

	2025	2024
	£m	£m
Adjusted net debt and leverage		
Net debt	607	492
Less: Lease liabilities	(343)	(302)
Adjusted net debt	264	190
Adjusted earnings before interest, tax, depreciation and amortisation	608	634
Leverage (times)	0.4	0.3

APMs: Earnings per share measures

	2025	2024
	£m	£m
Adjusted earnings per share (from continuing operations)		
Adjusted profit after tax	304	305
Less: Non-controlling interests	(1)	(14)
Adjusted earnings	303	291
Weighted average number of shares (m)	375	408
Diluted effect (m)	5	5
Basic adjusted earnings per share	80.8p	71.3p
Diluted adjusted earnings per share	79.8p	70.4p