



*Inchcape plc, the leading global automotive distributor, announces its preliminary results for the twelve months to 31 December 2024*

## Another year of progress; medium term target of >10% EPS CAGR and new £250m share buyback programme

### • New Medium Term targets for FY 2025 to FY 2030, through-the-cycle:

- Free Cash Flow<sup>2</sup> of £2.5bn to be generated and deployed, driving >10% EPS CAGR
- Key medium term, through-the-cycle, financial drivers
  - Organic volume CAGR of 3% to 5%
  - Resilient operating margins<sup>2</sup> of c.6%
  - FCF / PAT conversion<sup>2</sup> of c.100%
- Updated capital allocation policy - dividends, commitment to on-going share buybacks and value-accretive acquisitions

### • Strategic, operational and financial progress in FY 2024:

- Accelerate+ strategy launched - growth drivers of scale and optimise
  - Scale: 22 distribution contracts won
  - Optimise: 4 contract exits and disposal of non-core retail assets in the UK and Americas, with net cash proceeds of £391m
- Further geographic scale and diversification
  - APAC: growth from acquisitions, resilient margins
  - Americas: improved performance in H2 2024
  - Europe & Africa: strong growth and market outperformance
- Inchcape delivered growth, at constant currency
  - Revenue to £9.3bn, up 4% in constant currency, (1)% on a reported basis
    - Organic growth<sup>2</sup> of 2%, acquisition contribution of 2%, offset by translational FX impact of (5)%
  - Stable gross margins and resilient adjusted operating margins<sup>2</sup> of 6.3% supported by cost discipline
  - Adjusted PBT<sup>2</sup> up 5% in constant currency, down (5)%, including impact of translational FX, to £444m. Statutory PBT up 10% to £414m. Statutory total profit up 54% to £435m
  - Adjusted basic EPS<sup>2</sup> of 71.3p, down (7)%, due to the impact of translational FX, offset by underlying growth and share buyback accretion of 1p. Reported basic EPS up 16% to 66.4p

### • Substantially reduced leverage, disciplined approach to capital allocation:

- Free cash flow<sup>2</sup> generation of £462m, with FCF:PAT<sup>2</sup> conversion of 151%
  - Driven by working capital improvements
- Strengthened financial position, with leverage reduced to 0.3x
- Share buyback of £150m, completed in January 2025, with c.5% of the company's shares in issue purchased
- Full year dividend per share of 28.5p (2023: 33.9p)

### • FY 2025 - expectation of continued growth and new share buyback programme of £250m:

- In the context of new medium term targets, another year of growth expected in FY 2025
  - Product cycles and ramp-up of new contracts skewing growth to H2 2025
- Higher EPS growth, driven by
  - Profit growth
  - New share buyback programme of £250m

### Duncan Tait, Group CEO, commented:

"Inchcape delivered continued strategic, operational and financial progress in FY 2024, with revenue and profit growth in-line with our expectations at the start of the year. This resilient performance reflects our diversified and scaled global market leadership position, our long-standing and valuable OEM relationships, our high performance culture and our differentiated technology capabilities. In FY 2024, we completed our strategic transformation, supported by a record year of Distribution contract wins. As part of this transformation, we rolled out an evolved strategic approach, Accelerate+, and disposed of several non-core retail assets, which generated net cash proceeds of £391m.

"Looking ahead, we expect to continue growing the business and, by the end of FY 2030, we anticipate generating £2.5 billion in free cash flow. We will deploy this free cash flow to drive shareholder returns through both on-going share buybacks and value-accretive acquisitions, resulting in a target of >10% EPS CAGR, through-the-cycle, underpinned by ROCE of between 25% and 30%. In FY 2025, we are guiding to another year of revenue and profit growth, with higher EPS growth consistent with our medium-term targets. We have also announced a £250m share buyback programme, reflecting our cash generative business model, strong balance sheet and underlining our confidence in the Group's long-term prospects."

|  | 2024 | 2023 | % change<br>reported | % change<br>constant FX <sup>2</sup> | % change<br>organic <sup>1</sup> |
|--|------|------|----------------------|--------------------------------------|----------------------------------|
| Key financials (continuing operations) |      |      |                      |                                      |                                  |

|  |         |         |         |   |         |   |    |   |
|--|---------|---------|---------|---|---------|---|----|---|
| Key measures (continuing operations)         |         |         |         |   |         |   |    |   |
| Revenue                                      | £9,263m | £9,382m | (1)     | % | +4      | % | +2 | % |
| Adjusted Operating Profit <sup>2</sup>       | £584m   | £620m   | (6)     | % | +2      | % |    |   |
| Adjusted Operating Margin <sup>2</sup>       | 6.3 %   | 6.6 %   | (30)bps |   | (20)bps |   |    |   |
| Adjusted Profit Before Tax <sup>2</sup>      | £444m   | £467m   | (5)     | % | +5      | % |    |   |
| Adjusted Basic EPS <sup>2</sup>              | 71.3p   | 76.3p   | (7)     | % |         |   |    |   |
| Dividend Per Share                           | 28.5p   | 33.9p   | (16)    | % |         |   |    |   |
| Free Cash Flow <sup>2</sup>                  | £462m   | £492m   | (6)     | % |         |   |    |   |
| Reported financials                          |         |         |         |   |         |   |    |   |
| Operating Profit (continuing operations)     | £562m   | £570m   | (1)     | % |         |   |    |   |
| Profit Before Tax (continuing operations)    | £414m   | £378m   | +10     | % |         |   |    |   |
| Total profit for the period                  | £435m   | £283m   | +54     | % |         |   |    |   |
| Basic EPS (continuing operations)            | 66.4p   | 57.1p   | +16     | % |         |   |    |   |
| Net cash generated from operating activities | £586m   | £593m   | (1)     | % |         |   |    |   |

1. 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

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

#### Market abuse regulation statement

This announcement contains inside information.

#### Results presentations

A presentation for analysts and investors will be held today, Tuesday 4<sup>th</sup> March 2025, 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](http://www.inchcape.com) later today.

Management will also be hosting a live interaction presentation for investors on the Engage Investor platform on 7<sup>th</sup> March 2025, 09:00 GMT. Inchcape plc welcomes all current shareholders and interested investor to join and 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](#).

#### Financial calendar

|  |                               |
|--|-------------------------------|
| Ex-dividend date for 2024 full year dividend | 1 <sup>st</sup> May 2025      |
| Record date                                  | 2 <sup>nd</sup> May 2025      |
| Last election date                           | 23 <sup>rd</sup> May 2025     |
| Payment date                                 | 16 <sup>th</sup> June 2025    |
| Q1 trading update                            | 24 <sup>th</sup> April 2025   |
| AGM  | 15 <sup>th</sup> May 2025     |
| 2025 interim results                         | 29 <sup>th</sup> July 2025    |
| Q3 trading update                            | 23 <sup>rd</sup> October 2025 |

#### Contacts

##### Inchcape plc (investor enquiries):

Rob Gurner +44 (0)7825 189 088 investors@inchcape.com  
 Krishma Arora

##### DGA Group (media enquiries):

James Melville Ross +44 (0)20 7038 7419 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. Delivering for our partners, our customers and our people - so they can realise their ambitions in the new world of mobility. The Group is headquartered in London and employs over 18,000 people globally.

In 2024, Inchcape hosted two "In the Driving Seat" webinar sessions to provide investors and analysts a further understanding of the dynamics of the Group's Distribution commercial model, Accelerate+ strategy and a deep dive on our APAC region. A recording of these webinars and those from previous years are available on the Inchcape website: [Investor Webinars](#)

[www.inchcape.com](http://www.inchcape.com)

thereby isolating the impact of translational exchange rate effects. Following the disposal of our UK Retail business, all figures quoted in the 'Operational' and 'Operating and financial' reviews are on a 'continuing operations' basis and therefore exclude any contribution from UK Retail in the current and comparative years.

## Operational review

### Key performance indicators

| Key financials (continuing operations)  | 2024    | 2023    | % change reported | % change constant FX <sup>2</sup> | % change organic <sup>1</sup> |
|---|---------|---------|-------------------|-----------------------------------|-------------------------------|
| Revenue                                 | £9,263m | £9,382m | (1) %             | +4 %                              | +2 %                          |
| Adjusted Operating Profit <sup>2</sup>  | £584m   | £620m   | (6) %             | +2 %                              |                               |
| Adjusted Operating Margin <sup>2</sup>  | 6.3 %   | 6.6 %   | (30)bps           | (20)bps                           |                               |
| Adjusted Profit Before Tax <sup>2</sup> | £444m   | £467m   | (5) %             | +5 %                              |                               |
| Free Cash Flow <sup>2</sup>             | £462m   | £492m   | (6) %             |                                   |                               |
| Return on Capital Employed <sup>2</sup> | 26.9 %  | 27.3 %  | (40)bps           |                                   |                               |

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

### FY 2024 results - performance review

The Group delivered a resilient financial performance in FY 2024, driven by strong top line growth, with resilient margins supported by continued cost discipline across the Group.

**Group revenue** of £9.3bn, increased by 4% in constant currency, supported by organic growth of 2% and a contribution from acquisitions of 2%. This was offset by translational currency headwinds of (5)%, which meant that revenues were down (1)% on a reported basis.

The Group delivered **adjusted operating profit**<sup>2</sup> of £584m up 2% in constant currency, offset by (8)% translational currency headwinds. Resilient **adjusted operating margins**<sup>2</sup> of 6.3% were supported by cost discipline. Overheads were stable, with the ratio of adjusted net operating expenses to revenue of 11.0% during the year (2023: 11.1%). Reported operating profit was down (1)%.

**Adjusted net finance costs**<sup>2</sup> reduced to £142m (2023: £154m), driven by the positive impact of a reduction in average net debt on net interest costs. This was partly offset by an increase in inventory financing costs associated with a more stable working capital profile, which resulted in an expense of £56m (2023: £38m).

**Adjusted profit before tax**<sup>2</sup> grew 5% on a constant currency basis, offset by (10)% translational currency headwinds.

**Adjusted basic EPS**<sup>2</sup> was down (7)% to 71.3p, also driven by translational currency headwinds, as well as a higher effective tax rate, partly offset by profit growth and the impact of the share buyback programme, which delivered 1p EPS accretion.

During the year, **pre-tax adjusting items** amounted to an expense of £30m (2023: £89m). This was primarily driven by one-off costs related to acquisition and integration costs of £42m (2023: £50m), mainly in relation to Derco, and non-cash, non-operational losses arising from hyperinflation accounting relating to Ethiopia of £8m (2023: £29m). These factors were partly offset by a gain on disposal of a non-core retail aftersales business in the Americas of £6m (2023: nil), and non-cash, net impairment reversals of distribution agreements of £14m (2023: nil). After adjusting items, reported profit before tax was £414m (2023: £378m).

The highly cash-generative nature of our business model was again highlighted during the year, with **free cash flow**<sup>2</sup> generation of £462m (2023: £492m), representing a conversion of profit after tax of 151% (2023: 150%). This was supported by a net working capital inflow of £195m (2023: inflow £169m) driven by strong inventory management and a continued alignment of supplier terms at acquired businesses. Inventory fell to £1,935m (FY 2023: £2,718m), driven by the impact of translational FX, the disposal of the UK Retail business, accounting for £336m of the reduction, the disposal of a non-core retail aftersales business in the Americas of £19m and an improvement in inventory efficiency across the Group. Net interest payments in the period increased to £128m (2023: £118m), excluding payment for leases in both periods, due to the timing of cash payments relating to inventory finance. Net cash generated from operations down (1)% to £586m.

As at 31 December 2024, Group **adjusted net debt**<sup>2</sup> amounted to £190m, a significant reduction from FY 2023 when net debt was £601m (excluding lease liabilities). This was achieved due to a strong free cash flow performance of £462m and net proceeds from non-core asset disposals of £391m, set against cash outflows of £294m relating to dividends and share buybacks, and £153m relating to FX and other items. Including lease liabilities, the Group ended the period with net debt of £492m (FY 2023: net debt of £1,041m). Group leverage on a proforma basis<sup>1</sup> was approximately 0.3x at 31 December 2024, down from 0.8x at the end of FY 2023.

**Return on capital employed**<sup>2</sup> during the year was 27%, in line with FY 2023 on a continuing operations basis, but higher than previous years, highlighting the benefits of Inchcape becoming an automotive Distribution business.

### Q4 2024 performance

Q4 2024 Group revenue was £2.4bn, with flat **organic growth**<sup>2</sup>, offset by currency headwinds of (6)%. This was driven by positive organic growth in the Americas and a robust performance across the Europe & Africa region, offset by mixed market momentum in APAC.

## Strategic overview - FY 2024: a transformative year for Inchcape

In FY 2024, Inchcape consolidated its position as leading global automotive Distributor. As a focused business, Inchcape will continue to develop its Distribution platform in smaller scale and more complex markets.

During the year, the Group launched an evolved strategic approach, Accelerate+, designed to help scale our organisation and optimise key elements of our business, enabling Inchcape to drive towards our ambition of growing towards 10% market share in our markets.

### Scaling to drive market share growth

A key element of Accelerate+ is driving scale. This will enable Inchcape to grow market share in passenger cars in both existing and new markets and deliver growth through extending our distribution capabilities into adjacent vehicle categories, like light commercial vehicles and premium motorcycles. Scale will be achieved through executing and integrating value-accretive acquisitions and by winning and embedding new Distribution contracts with our OEM partners. Building scale will be supported by our market-leading technology capabilities.

### Acquisitions and Distribution contract wins

Inchcape operates in a fragmented independent distribution landscape, where there are many opportunities to consolidate. Since 2019, the Group has executed 8 acquisitions and Inchcape will remain disciplined around investing in value-accretive bolt-on M&A opportunities.

Over the last five years, Inchcape has built up a portfolio of around 230 Distribution contracts with over 60 OEM partners. FY 2024 was a record year for Distribution contract awards to Inchcape, with 22 won during the year. These included Deepal, a Changan SUV brand, and Foton, a light commercial vehicle brand, in Australia. In addition, Inchcape won 14 new contracts in the Americas, including various Changan brands in a range of markets and Great Wall Motors in Colombia, with 6 contract wins in Europe and Africa, including BYD across a number of markets.

Furthermore, the 40+ Distribution contracts won between FY 2021 and FY 2024, are expected to contribute, on an average per contract basis at maturity (which tends to be during year 5 of a contract), of between £20m and £30m in revenue and between £1m and £2m in adjusted operating profit, with an anticipated increase in market share of at least 2%.

#### ***Our differentiated technology***

As a result of our on-going investment, Inchcape has developed a market-leading approach in the use of technology and data to support our OEM partners. We have developed a 'plug and play' model with DXP (Digital Experience Platform) and DAP (Data Analytics Platform) which provide us with insight and analytics that helps us to make smarter decisions and provide end-customers with an enhanced experience.

In 2024, we rolled out latest versions of DXP and DAP into more markets with more OEMs. In addition, we utilised new technologies to drive efficiencies across our business, for example in the development of an AI-based forecasting algorithm for parts which helps to ensure our OEMs' parts are competitively priced across our distribution channels

#### ***Optimising to support resilient margins***

Our Accelerate+ strategy is also focused on optimising key elements of our business, to ensure Inchcape remains the most efficient and effective Distribution partner for our OEMs.

#### ***Discipline around contract exits***

As the Group scales and grows, we aim to ensure that we have an optimal portfolio of brands which is best suited to our business and our markets. To that end, we periodically conduct a limited level of portfolio rationalisation, to help us optimise our market presence and leverage our infrastructure in the most efficient way.

In FY 2024, we mutually agreed to end 4 immaterial and dilutive Distribution contracts with certain OEM partners. We expect this dynamic to continue in future years, as we further rationalise our contract portfolio, to ensure we drive value for both Inchcape and our OEM partners.

#### ***Non-core asset disposals***

We are optimising our business through the divestment of non-core assets, particularly retail-only businesses. Since 2019, we have disposed of a number of non-core retail assets, generating approximately £750m in net cash proceeds, including, in FY 2024, our UK retail business and a retail aftersales business in the Americas.

This track record of non-core asset disposal of retail-only assets has ensured that Inchcape is now fully focused on Distribution, which is capital-light, more cash generative, higher growth and higher margin than retail-only businesses.

#### ***Value-Added Services***

The Group will also optimise through Value-Added Services, which provide an opportunity to grow in key areas, including:

- The distribution of relatively high margin, OEM-certified parts, including through our Digital Parts Platform in APAC;
- Developing and delivering Finance & Insurance products, by utilising our global scale and strategic partnership;
- Supporting the New Energy Vehicle transition with early-stage, specialist capabilities;
- Continuing to develop our used car proposition, leveraging our strong third party independent retail network.

#### ***Our Sustainability approach***

Underpinning Accelerate+, the Group has enhanced its Sustainability Framework to address an evolving environment, with an ambition to accelerate the global mobility transition. Through virtual seminars, the Group built an understanding across senior leaders and colleagues in relation to a refreshed Sustainability narrative, which garnered over 7,000 views during FY 2024.

As evidence of Inchcape's ambition to accelerate the global mobility transition, in FY 2024, over 1,000 technicians enrolled in our Battery Repair Training Program. In addition, the Group initiated a partnership with the Singapore Polytechnic Academy, launching EV training courses, which were completed by around 260 employees, helping them to gain the essential skills to excel in the fast-evolving EV landscape.

The Group made progress against each of its four Sustainability pillars - Planet, People, Places and Practices, as highlighted by a number of key initiatives in FY 2024. On Planet, the Group achieved a 37% reduction in Scope 1 and 2 emissions since the 2019 baseline. On People, Inchcape achieved a 83% score in Inclusion & Diversity in our employee survey and rolled out an Inclusive Hiring Training Program for over 90% of hiring managers. On Places, we developed our Women Mechanics Training Programme in Uruguay, with planned expansion across the Americas. On Practices, over 16,000 colleagues were engaged through our annual Code of Conduct attestation.

#### ***New medium term targets, FY 2025 - FY 2030***

Over the medium term, the Group will continue to deliver value for shareholders, supported by its key value drivers, highly cash generative and capital-light business model and a disciplined approach to capital allocation, the policy for which has been updated today to focus on dividends at 40% of adjusted basic EPS, a commitment to on-going share buybacks and value-accretive acquisitions.

Across FY 2025 to FY 2030, the Group expects to generate £2.5 billion in free cash flow. This will be achieved by the Group delivering against its key value drivers, through-the-cycle:

- Organic volume CAGR of 3% to 5%, through market growth and market outperformance;
- Resilient operating margins of c.6%, driven by scale and cost discipline;
- FCF: PAT conversion of c.100%, highlighting the highly cash generative nature of the Group;

The £2.5 billion in free cash flow will be deployed through disciplined capital allocation to deliver shareholder value of >10% EPS CAGR, underpinned by consistently high ROCE of 25% to 30%.

Inchcape's medium term growth prospects will be supported by our diversified and scaled global market leadership position, with our long-standing and valuable OEM relationships and our differentiated technology capabilities.

#### ***Expectation of continued growth in FY 2025, with new share buyback of £250m***

In the context of the Group's new medium term targets, FY 2025 is expected to be another year of growth for Inchcape, at prevailing foreign exchange rates, with product cycles and the ramp-up of new contracts skewing growth towards the second half of the year.

The Group expects to deliver higher EPS growth in FY 2025, driven by profit growth and share buybacks.

In line with the Group's updated capital allocation policy, Inchcape is initiating a new share buyback programme of £250m, which will commence on 4 March 2025 and is expected to conclude within the next 12 months. This follows the completion of the Group's most recent share buyback of £150m in Q1 2025.

The Board is declaring a final dividend of 17.2p (2023: 24.3p) for FY 2024.

## Operating and financial review

|  | 2024         | 2023         | % change reported |          | % change constant FX |          | % change organic <sup>2</sup> |          |
|--|--------------|--------------|-------------------|----------|----------------------|----------|-------------------------------|----------|
| <b>Revenue</b>                               |              |              |                   |          |                      |          |                               |          |
| APAC   | 2,995        | 2,827        | 6                 | %        | 9                    | %        | -                             | %        |
| Europe & Africa                              | 3,003        | 2,809        | 7                 | %        | 11                   | %        | 11                            | %        |
| Americas                                     | 3,265        | 3,746        | (13)              | %        | (4)                  | %        | (4)                           | %        |
| <b>Total</b>                                 | <b>9,263</b> | <b>9,382</b> | <b>(1)</b>        | <b>%</b> | <b>4</b>             | <b>%</b> | <b>2</b>                      | <b>%</b> |
| <b>Adjusted operating profit<sup>1</sup></b> |              |              |                   |          |                      |          |                               |          |
| APAC   | 235          | 229          | 3                 | %        | 6                    | %        |                               |          |
| Europe & Africa                              | 142          | 135          | 5                 | %        | 15                   | %        |                               |          |
| Americas                                     | 207          | 256          | (19)              | %        | (9)                  | %        |                               |          |
| <b>Total</b>                                 | <b>584</b>   | <b>620</b>   | <b>(6)</b>        | <b>%</b> | <b>2</b>             | <b>%</b> |                               |          |
| <b>Adjusted operating margin<sup>1</sup></b> |              |              |                   |          |                      |          |                               |          |
| APAC   | 7.8 %        | 8.1 %        | (30)bps           |          | (30)bps              |          |                               |          |
| Europe & Africa                              | 4.7 %        | 4.8 %        | (10)bps           |          | 20bps                |          |                               |          |
| Americas                                     | 6.3 %        | 6.8 %        | (50)bps           |          | (30)bps              |          |                               |          |
| <b>Total</b>                                 | <b>6.3 %</b> | <b>6.6 %</b> | <b>(30)bps</b>    |          | <b>(20)bps</b>       |          |                               |          |

Segments have been redefined following the UK Retail business being classified as a discontinued operation. See Note 2 for segmental definitions.

### APAC (32% of revenue and 40% of adjusted operating profit) - growth from acquisitions, resilient margins

**Revenue** grew 9% in constant currency, including flat organic revenue growth, supported by a contribution from the acquisitions made in FY 2023, the integration of which are on track. Performance in the region was broadly in line with the market, in the context of mixed market momentum. In the second half, certain markets were weaker, with tough comparators. Adjusted operating profit<sup>1</sup> was up 6%, with adjusted **operating margins<sup>1</sup>**, down (30)bps to 7.8% (excluding a £16m property disposal in FY 2023, operating margins were up 30bps in FY 2024). For **FY 2025**, mixed market momentum is expected to continue, with competitive dynamics in certain markets, against tough comparators in H1 2025. Growth is expected to be H2-weighted in FY 2025, driven by the timing of planned launches of key models and the ramp-up of new contracts. Margins are expected to remain resilient, supported by continued cost discipline.

### Europe & Africa (33% of revenue and 24% of adjusted operating profit) - strong growth and market outperformance

**Revenue** grew 11% in constant currency, driven by excellent operational delivery across the region. Europe achieved a record year in market share, with substantial progress made in diversifying the region's OEM partner portfolio. Organic growth in Europe normalised in H2 2024, reflecting the order bank unwind in the region. Performance in Africa remained resilient. Adjusted operating profit<sup>1</sup> was up 15%, with continued elevated adjusted **operating margins<sup>1</sup>** of 4.7%. In H2 2024, operating margins returned to historic levels, driven by the effect of the order bank unwind, some dilution from the acceleration of contract win momentum in Europe and the translational currency impact relating to Ethiopia. For **FY 2025**, lower revenue levels are expected, against tough comparators, with operating margins expected to moderate towards historic levels.

### Americas (35% of revenue and 36% of adjusted operating profit) - improved performance in H2 2024

**Revenue** fell (4)% in constant currency, with a robust performance across the region, including positive organic growth in H2 2024. The region delivered an excellent year in Distribution contract wins, with 14 contract awards, driven by the strength of Derco's relationships. Adjusted operating profit<sup>1</sup> was down (9)%, with adjusted **operating margins<sup>1</sup>** down (50)bps from FY 2023 to 6.3%, with the deleveraging effect of reduced market volumes, particularly in H1 2024, and an improved operating margin exit rate in H2 2024 of 6.6%. This was driven by better operating efficiency across the region, supported by Derco cost synergies. For **FY 2025**, we have prudent expectations for a strong market recovery, with the Group expecting to continue delivering margin resilience. In addition, the region's revenue will be impacted by the sale of a dilutive, non-core retail aftersales business, and some owned-retail sites, in FY 2024 (which generated annual revenue of c.£80m).

For financial performance, cash flow information and balance sheet information on our **UK Retail business**, classified as a discontinued operation, see note 9 Acquisitions and Disposals, in this report.

1. Operating profit and operating margin stated before adjusting items

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 the associated income from finance and insurance products; and
- Gross profit attributable to Aftersales: Service and Parts

|                     | 2024 | 2023 | % change reported | % change constant FX |
|---------------------|------|------|-------------------|----------------------|
|                     | £m   | £m   |                   |                      |
| <b>Gross Profit</b> |      |      |                   |                      |

| Gross Profit |              |              |            |          |          |          |
|--------------|--------------|--------------|------------|----------|----------|----------|
| Vehicles     | 1,120        | 1,191        | (6)        | %        | -        | %        |
| Aftersales   | 486          | 469          | 4          | %        | 12       | %        |
| <b>Total</b> | <b>1,606</b> | <b>1,660</b> | <b>(3)</b> | <b>%</b> | <b>4</b> | <b>%</b> |

During the year, we generated 30% of gross profit through Aftersales (2023: 28%).

## Other financial items

**Adjusting items:** During the year, **pre-tax adjusting items** amounted to an expense of £30m (2023: £89m). This was primarily driven by one-off costs related to acquisition and integration costs of £42m (2023: £50m), mainly in relation to Derco, and non-cash, non-operational losses arising from hyperinflation accounting relating to Ethiopia of £8m (2023: £29m). These factors were partly offset by a gain on disposal of a non-core retail aftersales business in the Americas of £6m (2023: nil), and non-cash, net impairment reversals of distribution agreements of £14m (2023: nil). After adjusting items, reported profit before tax was £414m (2023: £378m).

**Net financing costs:** Adjusted net finance costs reduced to £142m (2023: £154m), driven by the positive impact of a reduction in average net debt on net interest costs. This was partly offset by an increase in inventory financing costs associated with a more stable working capital profile, which resulted in an expense of £56m (2023: £38m). Reported net finance costs were £150m (2023: £193m). This includes £8m (2023: £29m) of adjusting items relating to non cash, non-operational losses arising from hyperinflationary accounting in Ethiopia.

**Tax:** On a continuing basis, the effective tax rate on adjusted profit before tax is 31.3% (2023: 30.0%), and on statutory profit before tax is 31.2% (2023: 34.4%). The increase in the effective tax rate on adjusted profit includes the impact of Pillar Two regulations which are relevant from 2024.

**Non-controlling interests:** Profits attributable to our non-controlling interests increased to £14m (2023: £13m). 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 ordinary dividend of 17.2p, which is subject to the approval of shareholders at the 2025 Annual general meeting, and if approved will be paid on 16<sup>th</sup> June 2025. This follows an interim dividend of 11.3p, and takes the total dividend in respect of FY 2024 to 28.5p. The Dividend Reinvestment Plan is available to ordinary shareholders and the final date for receipt of elections to participate is 23<sup>rd</sup> May 2025.

**Capital expenditure:** During 2024, the Group incurred net capital expenditure of £70m (2023: £62m), consisting of £79m gross capital expenditure (2023: £93m) and £9m of proceeds from the sale of property (2023: £31m). In 2025, we continue to expect net capital expenditure of less than 1% of Group revenue.

**Financing:** As at 31 December 2024, the funding structure of the Group is comprised of a committed syndicated revolving credit facility of £900m (2023: £900m), sterling Private Placement Loan Notes totalling £140m (2023: £210m), and a 5 year bond of £350m, at a fixed coupon of 6.5%. During the year, the term facility of £250m was repaid, following the disposal of the UK Retail business, together with the debt acquired from acquisitions in 2022 and 2023. As at 31 December 2024 the syndicated revolving credit facility was drawn £55m (2023: £150m). Excluding our Revolving Credit Facility, 100% of the Group's corporate debt is at fixed rates and is not due to be repaid for at least 2 years. The Group remains well within its debt covenants.

**Pensions:** As at 31 December 2024, the IAS 19 net post-retirement surplus was £23m (2023: £67m), with the decrease driven largely by lower than expected returns on scheme assets partially offset by movements in corporate bond yields affecting the discount rate assumption used to determine the value of scheme liabilities. In line with the funding programme agreed with the Trustees, the Group made an additional cash contributions to the UK pension schemes of £1m, (FY 2023: £2m). In November 2024, the Trustee of Inchcape Motor Pension Schemes completed a buy-in transaction whereby the assets of the scheme were used to acquire a bulk purchase annuity policy under which the benefits payable to the members of the scheme are now fully insured. The insurance policy was purchased using the existing assets of the scheme with no additional funding required from the Group.

**Foreign currency translation:** The impact of foreign currency translation on profit before tax was (10)%, driven by the strengthening of the GBP and the devaluation of the Ethiopian Birr during the year. The impact of foreign currency translation on the assets and liabilities of the Group's foreign operations resulted in a loss of £245m (2023: £133m) 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 2025, 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 2025, 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 contribute around 80% of the Group's adjusted profit before tax.

## RISKS

### PRINCIPAL BUSINESS RISKS

The Board has reassessed the principal business risks which could impact the performance of the Group. These include:

#### Tier 1:

- Strategy delivery and transformation;
- EV transition;
- Margin pressure;
- Cybersecurity incident;
- Macro-economic conditions;
- HSE: Health, safety or environmental incident; and
- Political risk;

#### Tier 2:

- Acquisition execution;
- Business interruption (pandemic, natural hazards);



- Financial reporting, fraud;
- Foreign exchange volatility;
- Legal/regulatory compliance;
- Loss of material Distribution contract;
- Loss of technology systems (non-cyber);
- People engagement and retention;
- People future skills;
- Inventory optimisation

The materialisation of these risks could have an adverse effect on the Group's results or financial condition. If more than one of these risks occur, the combined overall effect of such events may be compounded. The Group faces many other risks which, although important and subject to regular review, have been assessed as less significant and are not listed here. These include, for example, supply chain risks and certain financial risks.

The Group has defined and implemented systems of risk management and internal control designed to address these risks. These systems can offer reasonable, but not absolute assurance, regarding the management of these risks to an acceptable level. In particular, the effectiveness of these systems may change over time, for example with acquisitions or disposals or as the business implements major change programmes. The effectiveness of these systems are reviewed annually by the Audit Committee and improvements are made as required.

In 2024, 'New market entrants: business models or technology' and 'Derco integration' were removed from our Tier 2 risks, however, 'business as usual' aspects of these risks continue to be monitored through our list of principal risks such as, Strategy Delivery and Transformation, Acquisition Execution and Margin Pressure. We have also introduced a new principal risk of 'Inventory Optimisation' which replaces 'Supply Chain Disruption', and although still monitored through our list of emerging risks, the Group's focus going forward will be on potential risks around over-supply and over-capacity, particularly in relation to vehicles.

Also arising in the period are potential tariff tensions following the US administration imposing incremental tariffs on Canada, Mexico and China. Although early days, the interconnectivity of the global automotive supply chain could be impacted in the future, resulting in rising costs for our OEMs which in turn could impact on our margins and customer base. We will monitor the evolution of this geopolitical risk across the group, whilst also continuing to ensure risks to our product portfolio mix are managed including effective and nimble sales and operational planning.

## APPENDIX - REGIONAL BUSINESS MODELS

### Americas

| Country               | Brands   |
|-----------------------|--|
| Argentina             | Subaru, Suzuki   |
| Barbados <sup>1</sup> | 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, 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, Still, Subaru, Suzuki, XCMG   |
| Costa Rica            | Avatr, Changan, Deepal, JAC, Suzuki  |
| Ecuador               | Freightliner, Forland, Geely, Mercedes-Benz, Subaru, Western Star  |
| El Salvador           | Freightliner, Geely, Mercedes-Benz, Western Star   |
| Guatemala             | Freightliner, Geely, Mercedes-Benz, Western Star   |
| Honduras              | Freightliner, Geely, Mercedes-Benz, Western Star   |
| Panama                | Suzuki   |
| Peru                  | Avatr, BMW, BMW Motorrad, Changan, Deepal, DFSK, Great Wall, Haval, Hino, JAC Motors, Komatsu, Mazda, MINI, Renault, Still, Subaru, Suzuki, XCMG   |
| Uruguay               | Freightliner, Fuso, Mercedes-Benz  |

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

### APAC

| Country           | Brands   |
|-------------------|--|
| Brunei            | Lexus, Toyota  |
| Guam <sup>2</sup> | BMW, Chevrolet, Lexus, Toyota, Morricco heavy equipment <sup>3</sup>   |
| Hong Kong         | Daihatsu, Hino, 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         | Distribution: Deepal, Citroen, Foton, Peugeot, Subaru<br>Retail only: Isuzu Ute, Jeep, Kia, Mitsubishi, Volkswagen |
| New Zealand       | Maxus, Subaru  |

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

3. Morricco heavy equipment - Bomag, CNHI International SA, Cummins, Daimler, Detroit Diesel International Direct, Dieci, DTNA, EL Industries, Fuso, Haulotte, Hyundai, Kohler, Load King, New Holland, Rosenbauer, Schwarze, Sullivan Palatek, Vac Con, WanCo

### Europe & Africa

| Country               | Brands  |
|-----------------------|---|
| Belgium               | BYD, Lexus, Toyota  |
| Bulgaria <sup>4</sup> | Lexus, Toyota   |
| Estonia               | BMW, BMW Motorrad, BYD, Ford, Jaguar, Land Rover, Mazda, MINI                   |
| Finland               | GAC, Jaguar, Land Rover, Mazda, XPeng   |
| Greece                | Lexus, Toyota   |
| Latvia                | BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI                        |
| Lithuania             | BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI                        |
| Luxembourg            | BYD, Lexus, Toyota  |
| North Macedonia       | Lexus, Toyota   |
| Poland                | Distribution: Jaguar, Land Rover, XPeng<br>Retail only: BMW, BMW Motorrad, MINI |
| Romania               | Lexus, Toyota   |
| Djibouti              | Changan, Komatsu, Toyota  |
| Ethiopia              | BYD, Hino, Komatsu, New Holland, Suzuki, Toyota                                 |
| Kenya <sup>5</sup>    | BMW, BMW Motorrad, Changan, Jaguar, Land Rover                                  |

4. Distribution agreement for Toyota & Lexus also distributed to Albania, centred in Bulgaria. 5. 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

|  |       | 2024<br>£m     | 2023<br>£m |
|--|-------|----------------|------------|
| <b>Continuing operations</b>                               | Notes |                |            |
| <b>Revenue</b>   | 2     | <b>9,263</b>   | 9,382      |
| Cost of sales  |       | <b>(7,657)</b> | (7,722)    |
| <b>Gross profit</b>  |       | <b>1,606</b>   | 1,660      |
| Net operating expenses                                     |       | <b>(1,044)</b> | (1,090)    |
| <b>Operating profit</b>                                    | 2     | <b>562</b>     | 570        |
| Share of profit after tax of joint ventures and associates |       | <b>2</b>       | 1          |
| <b>Profit before finance and tax</b>                       |       | <b>564</b>     | 571        |
| Finance income   | 4     | <b>71</b>      | 51         |
| Finance costs  | 4     | <b>(221)</b>   | (244)      |
| <b>Profit before tax from continuing operations</b>        |       | <b>414</b>     | 378        |
| Tax  | 5     | <b>(129)</b>   | (130)      |
| <b>Profit for the year from continuing operations</b>      |       | <b>285</b>     | 248        |
| Profit from discontinued operations                        |       | <b>150</b>     | 35         |
| <b>Total profit for the year</b>                           |       | <b>435</b>     | 283        |

**Profit attributable to:**

|                             |            |     |
|-----------------------------|------------|-----|
| - Owners of the parent      | <b>421</b> | 270 |
| - Non-controlling interests | <b>14</b>  | 13  |
|                             | <b>435</b> | 283 |

**Earnings per share from continuing operations attributable to the owners of the parent**

|                                    |   |              |       |
|------------------------------------|---|--------------|-------|
| Basic earnings per share (pence)   | 6 | <b>66.4p</b> | 57.1p |
| Diluted earnings per share (pence) | 6 | <b>65.6p</b> | 56.4p |

**Earnings per share attributable to the owners of the parent**

|                                    |   |               |       |
|------------------------------------|---|---------------|-------|
| Basic earnings per share (pence)   | 6 | <b>103.1p</b> | 65.6p |
| Diluted earnings per share (pence) | 6 | <b>101.9p</b> | 64.8p |

**Alternative performance measures**

|   |   |             |     |
|---|---|-------------|-----|
| <b>Operating profit from continuing operations</b>          |   | <b>562</b>  | 570 |
| Adjusting items within net operating expenses:              | 3 | <b>22</b>   | 50  |
| Acquisition and integration costs                           |   | <b>42</b>   | 50  |
| Disposal of businesses                                      |   | <b>(6)</b>  | -   |
| Derecognition of intangibles                                |   | <b>5</b>    | -   |
| Impairment reversals  |   | <b>(19)</b> | -   |
| <b>Adjusted operating profit from continuing operations</b> |   | <b>584</b>  | 620 |
| Share of profit after tax of joint ventures and associates  |   | <b>2</b>    | 1   |



|   |   |       |       |
|---|---|-------|-------|
| Adjusted profit before finance and tax from continuing operations |   | 586   | 621   |
| Net finance costs   |   | (150) | (193) |
| Adjusting items within net finance costs:                         | 3 | 8     | 39    |
| Net monetary loss on hyperinflation                               |   | 8     | 29    |
| Interest on deferred dividend payment                             |   | -     | 10    |
| Adjusted profit before tax from continuing operations             |   | 444   | 467   |
| Tax on adjusted profit  |   | (139) | (140) |
| Adjusted profit after tax from continuing operations              |   | 305   | 327   |
| Adjusted earnings per share from continuing operations            |   |       |       |
| Basic adjusted earnings per share                                 | 6 | 71.3p | 76.3p |
| Diluted adjusted earnings per share                               | 6 | 70.4p | 75.3p |

See note 12 on page 31 for further details of alternative performance measures.

The notes on pages 16 to 34 are an integral part of these condensed consolidated financial statements.

|  |            |            |
|--|------------|------------|
|  | 2024       | 2023       |
|  | £m         | £m         |
| <b>Profit for the year</b>   | <b>435</b> | <b>283</b> |
| <b>Other comprehensive income/(expense):</b>   |            |            |
| <i>Items that will not be reclassified to the consolidated income statement</i>                      |            |            |
| Retirement benefit schemes   |            |            |
| - net actuarial losses   | (46)       | (20)       |
| - deferred tax on actuarial losses   | (1)        | (1)        |
|  | (47)       | (21)       |
| <i>Items that may be or have been reclassified subsequently to the consolidated income statement</i> |            |            |
| Cash flow hedges   |            |            |
| - net fair value gains/(losses)  | 22         | (48)       |
| - tax on cash flow hedges <sup>1</sup>   | (14)       | 17         |
| Investments held at fair value   |            |            |
| - net fair value gains/(losses)  | 3          | (3)        |
| Deferred tax on taxation losses  | -          | -          |
| Foreign currency translation   |            |            |
| Exchange differences on translation of foreign operations  | (245)      | (133)      |
| Recycling of foreign currency reserve  | (4)        | (1)        |
| Adjustments for hyperinflation (including tax)   | (4)        | 36         |
|  | (242)      | (132)      |
| Other comprehensive expense for the year   | (289)      | (153)      |
| <b>Total comprehensive income for the year</b>   | <b>146</b> | <b>130</b> |
| <b>Total comprehensive income for the year attributable to:</b>                                      |            |            |
| - Owners of the parent   | 133        | 120        |
| - Non-controlling interests  | 13         | 10         |
|  | 146        | 130        |
| <b>Total comprehensive income attributable to owners of Inchcape plc arising from:</b>               |            |            |
| - Continuing operations  | (17)       | 85         |
| - Discontinued operations  | 150        | 35         |

1. Taxation in other comprehensive income in respect of cash flow hedges is comprised of a deferred tax charge of £13m (2023: credit of £18m) and a current tax charge of £1m (2023: charge of £1m).

The notes on pages 16 to 34 are an integral part of these condensed consolidated financial statements.

|   |       |       |
|---|-------|-------|
|   | 2024  | 2023  |
|   | £m    | £m    |
| <b>Non-current assets</b>   |       |       |
| Intangible assets   | 1,156 | 1,271 |
| Property, plant and equipment                                     | 589   | 893   |
| Right-of-use assets   | 271   | 364   |
| Investments in joint ventures and associates                      | 21    | 21    |
| Financial assets at fair value through other comprehensive income | 4     | 1     |
| Derivative financial instruments                                  | -     | 1     |

|  |    |                |                |
|--|----|----------------|----------------|
| Trade and other receivables                        |    | 34             | 49             |
| Deferred tax assets                                |    | 91             | 105            |
| Retirement benefit asset                           |    | 36             | 84             |
|  |    | <b>2,202</b>   | <b>2,789</b>   |
| <b>Current assets</b>                              |    |                |                |
| Inventories  |    | 1,935          | 2,718          |
| Trade and other receivables                        |    | 829            | 835            |
| Derivative financial instruments                   |    | 48             | 38             |
| Current tax assets                                 |    | 55             | 56             |
| Cash at bank and short term deposits               | 8b | 549            | 689            |
| Assets held for sale                               |    | 20             | 14             |
|  |    | <b>3,436</b>   | <b>4,350</b>   |
| <b>Total assets</b>                                |    | <b>5,638</b>   | <b>7,139</b>   |
| <b>Current liabilities</b>                         |    |                |                |
| Trade and other payables                           |    | (2,565)        | (3,150)        |
| Derivative financial instruments                   |    | (47)           | (88)           |
| Current tax liabilities                            |    | (70)           | (81)           |
| Provisions   |    | (50)           | (69)           |
| Lease liabilities                                  | 8b | (66)           | (81)           |
| Borrowings   | 8b | (195)          | (652)          |
|  |    | <b>(2,993)</b> | <b>(4,121)</b> |
| <b>Non-current liabilities</b>                     |    |                |                |
| Trade and other payables                           |    | (106)          | (69)           |
| Provisions   |    | (26)           | (39)           |
| Derivative financial instruments                   |    | -              | (9)            |
| Deferred tax liabilities                           |    | (246)          | (267)          |
| Lease liabilities                                  | 8b | (236)          | (359)          |
| Borrowings   | 8b | (544)          | (638)          |
| Retirement benefit liability                       |    | (13)           | (17)           |
|  |    | <b>(1,171)</b> | <b>(1,398)</b> |
| <b>Total liabilities</b>                           |    | <b>(4,164)</b> | <b>(5,519)</b> |
| <b>Net assets</b>                                  |    | <b>1,474</b>   | <b>1,620</b>   |
| <b>Equity</b>                                      |    |                |                |
| Share capital                                      |    | 40             | 42             |
| Share premium                                      |    | 147            | 147            |
| Capital redemption reserve                         |    | 145            | 143            |
| Merger reserve                                     |    | 312            | 312            |
| Other reserves                                     |    | (285)          | (63)           |
| Retained earnings                                  |    | 1,020          | 940            |
| <b>Equity attributable to owners of the parent</b> |    | <b>1,379</b>   | <b>1,521</b>   |
| Non-controlling interests                          |    | 95             | 99             |
| <b>Total equity</b>                                |    | <b>1,474</b>   | <b>1,620</b>   |

The notes on pages 16 to 34 are an integral part of these condensed consolidated financial statements.

| Notes   | Share capital<br>£m | Share Premium<br>£m | Capital redemption reserve<br>£m | Merger reserve<br>£m | Other reserves<br>£m | Retained earnings<br>£m | Total equity attributable to owners of the parent<br>£m | Non-controlling interests<br>£m | Total shareholders' equity<br>£m |
|---|---------------------|---------------------|----------------------------------|----------------------|----------------------|-------------------------|---|---------------------------------|----------------------------------|
| At 1 January 2023                                   | 38                  | 147                 | 143                              | 316                  | 69                   | 820                     | 1,533   | 34                              | 1,567                            |
| Profit for the year                                 | -                   | -                   | -                                | -                    | -                    | 270                     | 270   | 13                              | 283                              |
| Other comprehensive income/(expense) for the year   | -                   | -                   | -                                | -                    | (130)                | (20)                    | (150)   | (3)                             | (153)                            |
| Total comprehensive income for the year             | -                   | -                   | -                                | -                    | (130)                | 250                     | 120   | 10                              | 130                              |
| Hedging gains and (losses) transferred to inventory | -                   | -                   | -                                | -                    | (2)                  | -                       | (2)   | -                               | (2)                              |
| Written put option                                  | -                   | -                   | -                                | -                    | -                    | (1)                     | (1)   | -                               | (1)                              |
| Shares issued                                       | 4                   | -                   | -                                | (4)                  | -                    | -                       | -   | -                               | -                                |

Shareholders' equity

|  | Notes | Share capital<br>£m | Share Premium<br>£m | Capital redemption reserve<br>£m | Merger reserve<br>£m | Other reserves<br>£m | Retained earnings<br>£m | Total equity attributable to owners of the parent<br>£m | Non-controlling interests<br>£m | Total shareholders' equity<br>£m |
|--|-------|---------------------|---------------------|----------------------------------|----------------------|----------------------|-------------------------|---|---------------------------------|----------------------------------|
| Acquisition of non-controlling interests                 |       |                     |                     |                                  |                      |                      |                         |   |                                 |                                  |
| Non-controlling interests on acquisition of subsidiaries |       | -                   | -                   | -                                | -                    | -                    | -                       | -   | 64                              | 64                               |
| Share-based payments, net of tax                         |       | -                   | -                   | -                                | -                    | -                    | 15                      | 15  | -                               | 15                               |
| Purchase of own shares by the Inchcape Employee Trust    |       | -                   | -                   | -                                | -                    | -                    | (19)                    | (19)  | -                               | (19)                             |
| Dividends:   |       |                     |                     |                                  |                      |                      |                         |   |                                 |                                  |
| - Owners of the parent                                   |       | -                   | -                   | -                                | -                    | -                    | (128)                   | (128)   | -                               | (128)                            |
| - Non-controlling interests                              |       | -                   | -                   | -                                | -                    | -                    | -                       | -   | (6)                             | (6)                              |
| <b>At 1 January 2024</b>                                 |       | <b>42</b>           | <b>147</b>          | <b>143</b>                       | <b>312</b>           | <b>(63)</b>          | <b>940</b>              | <b>1,521</b>  | <b>99</b>                       | <b>1,620</b>                     |
| Profit for the year                                      |       | -                   | -                   | -                                | -                    | -                    | 421                     | 421   | 14                              | 435                              |
| Other comprehensive expense for the year                 |       | -                   | -                   | -                                | -                    | (241)                | (47)                    | (288)   | (1)                             | (289)                            |
| Total comprehensive income/(expense) 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                                   |       | -                   | -                   | -                                | -                    | -                    | (147)                   | (147)   | -                               | (147)                            |
| - Non-controlling interests                              |       | -                   | -                   | -                                | -                    | -                    | -                       | -   | (17)                            | (17)                             |
| <b>At 31 December 2024</b>                               |       | <b>40</b>           | <b>147</b>          | <b>145</b>                       | <b>312</b>           | <b>(285)</b>         | <b>1,020</b>            | <b>1,379</b>  | <b>95</b>                       | <b>1,474</b>                     |

The notes on pages 16 to 34 are an integral part of these condensed consolidated financial statements.

|  | Notes | 2024<br>£m   | 2023<br>£m   |
|--|-------|--------------|--------------|
| <b>Cash generated from operating activities</b>                        |       |              |              |
| Cash generated from operations   | 8a    | 873          | 900          |
| Tax paid   |       | (134)        | (156)        |
| Interest received  |       | 62           | 46           |
| Interest paid  |       | (215)        | (197)        |
| <b>Net cash generated from operating activities</b>                    |       | <b>586</b>   | <b>593</b>   |
| <b>Cash flows from investing activities</b>                            |       |              |              |
| Acquisition of businesses, net of cash and overdrafts acquired         | 9a    | 5            | (137)        |
| Net cash inflow from sale of businesses                                | 9b    | 391          | 1            |
| Proceeds from disposal of investments in joint ventures and associates |       | -            | 2            |
| Purchase of investments in joint ventures and associates               |       | -            | (3)          |
| Purchase of property, plant and equipment                              |       | (76)         | (88)         |
| Purchase of intangible assets  |       | (3)          | (5)          |
| Proceeds from disposal of property, plant and equipment                |       | 9            | 31           |
| Dividends received from joint ventures and associates                  |       | 1            | 1            |
| Receipt from finance sub-lease receivables                             |       | 2            | 3            |
| Lease payments prior to commencement date                              |       | (1)          | -            |
| <b>Net cash generated from/(used in) investing activities</b>          |       | <b>328</b>   | <b>(195)</b> |
| <b>Cash flows from financing activities</b>                            |       |              |              |
| Share buyback programme  |       | (147)        | -            |
| Purchase of own shares by the Inchcape Employee Trust                  |       | (14)         | (19)         |
| Repayment of acquisition financing term loan and bridge facilities     | 8b    | (250)        | (350)        |
| Repayment of Private Placement loan notes                              | 8b    | (70)         | -            |
| Cash (outflow)/inflow from revolving credit facility                   | 8b    | (95)         | 150          |
| Cash inflow from bond issuance   | 8b    | -            | 348          |
| Net cash outflow from other borrowings                                 | 8b    | (69)         | (560)        |
| Payments to former shareholders of Derco group                         |       | -            | (267)        |
| Payment of capital element of lease liabilities                        | 8b    | (81)         | (87)         |
| Equity dividends paid  | 7     | (147)        | (128)        |
| Acquisition of non-controlling interests                               |       | -            | (15)         |
| Dividends paid to non-controlling interests                            |       | (17)         | (6)          |
| <b>Net cash used in financing activities</b>                           |       | <b>(890)</b> | <b>(934)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>            | 8b    | <b>24</b>    | <b>(536)</b> |
| Cash and cash equivalents at beginning of the period                   |       | 440          | 1,050        |
| Effect of foreign exchange rate changes                                |       | (98)         | (74)         |
| <b>Cash and cash equivalents at end of the period</b>                  |       | <b>366</b>   | <b>440</b>   |

**Cash and cash equivalents consist of:**

|                     |       |       |
|---------------------|-------|-------|
| Cash at bank        | 458   | 610   |
| Short-term deposits | 91    | 79    |
| Bank overdrafts     | (183) | (249) |
|                     | 366   | 440   |

The notes on pages 16 to 34 are an integral part of these condensed consolidated financial statements.

**Basis of preparation**

The Group consolidated financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS.

The condensed set of financial information presented for the years ended 31 December 2024 and 2023 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 2023 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 2024 and the comparative information have been extracted from the audited consolidated financial statements for the year ended 31 December 2024 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 2024 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 2025 and 2026 cash flows, together with adjusted scenarios.

Committed bank facilities and Private Placement borrowings amount to £1,040m, of which £195m was drawn at 31 December 2024. 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 2025, resulting from decreasing consumer demand in response to fiscal tightening and resulting economic downturns;
- a reduction in reported GBP earnings from July to December 2025 resulting from the strengthening of the sterling relative to other currencies;
- a general liquidity reduction impacting working capital from January 2026;
- 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 2025 and 2026. 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 2024.

**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 2023 with the exception of the following standards, amendments and interpretations which have been newly adopted from 1 January 2024:

**Newly adopted accounting standards**

From 1 January 2024, the following standards become effective in the Group's consolidated financial statements:

- Amendments to IAS 1 - Non-current liabilities with covenants
- Amendments to IAS 1 - Classification of liabilities as current or non-current
- Amendments to IFRS 16 - Leases on sale and leaseback
- Amendments to IAS 7 and IFRS 7 - Supplier finance
- Amendments due to Finance (No. 2) Act 2023 for Pillar Two income inclusion (IIR)

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.

#### position or performance of the Group.

The Group has applied the amendments to IAS 7 and IFRS 7 for the first time in the current year. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The Group has entered into vehicle funding arrangements to fund the purchase of vehicles.

The Group has not early adopted other standards, amendments to standards or interpretations that have been issued but are not yet effective.

#### Designation of Ethiopia as a hyperinflationary economy

The Group financial statements include 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 Group's consolidated financial statements include the results and financial position of its Ethiopian operations restated to the purchasing power or inflationary measuring unit current at the end of the year, leading to a hyperinflationary loss in respect of monetary items being reported in finance costs, and treated as an adjusting item. The results of the Group's Ethiopian operations have been translated at the closing exchange rate, as required by IAS 21 The Effects of Changes in Foreign Exchange Rates for hyperinflationary foreign operations.

Whilst IAS 29 Financial Reporting in Hyperinflationary Economies is applied in individual financial statements as though the relevant economy was always hyperinflationary, comparative amounts are not restated in consolidated amounts already presented in a stable currency. The resulting difference in the opening Ethiopian net assets has been presented as a translation adjustment in other comprehensive income.

The inflationary factors used by the Group are the official price indices published by the Central Statistical Agency of Ethiopia. Hyperinflationary adjustments have been calculated using the price index prevailing at 31 December 2024, which was a CPI index of 495.4 (31 December 2023: CPI index 425.1). The adjusted results and financial position of Ethiopia were translated at the year-end closing rate before being included in the Group's consolidated financial statements.

#### Presentation of comparative amounts

Comparative amounts presented in the consolidated income statement, the consolidated statement of comprehensive income and relevant notes reflect the classification of the UK Retail business as a discontinued operation in 2023.

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 current period of the Group's retail operations in the UK as a discontinued operation, the Group's internal reporting has been 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. Reporting segment performance for 2023 has been restated for the re-allocation of central costs following the classification of the UK retail operations as a discontinued operation.

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. |

|   | APAC  | Europe &<br>Africa | Americas | Total |
|---|-------|--------------------|----------|-------|
| 2024  | £m    | £m                 | £m       | £m    |
| <b>Revenue</b>  |       |                    |          |       |
| Total revenue   | 2,995 | 3,003              | 3,265    | 9,263 |
| Adjusted operating profit from continuing operations        | 235   | 142                | 207      | 584   |
| Operating adjusting items                                   |       |                    |          | (22)  |
| Operating profit from continuing operations                 |       |                    |          | 562   |
| Share of profits after tax of joint ventures and associates |       |                    |          | 2     |
| Profit before finance and tax                               |       |                    |          | 564   |
| Finance income  |       |                    |          | 71    |
| Finance costs   |       |                    |          | (221) |
| Profit before tax from continuing operations                |       |                    |          | 414   |
| Tax   |       |                    |          | (129) |
| Profit for the year from continuing operations              |       |                    |          | 285   |

The Group's reported segments are based on the location of the Group's assets. Revenue earned from sales is disclosed by origin and is not materially different from revenue by destination. Chile and Australia are presented separately as these comprise more than 10% of the Group's revenue. Revenue is further analysed as follows:

| 2023              | 2022         |
|-------------------|--------------|
| Chile             | 1,532        |
| Australia         | 1,142        |
| Rest of the world | 6,589        |
| <b>Group</b>      | <b>9,263</b> |

The Group's non-current assets by location comprise intangible assets, property, plant and equipment, right-of-use assets, investments in joint ventures and associates, and are analysed below. Chile is presented separately as it comprises more than 10% of the Group's non-current assets.

| 2024                      | £m           |
|---------------------------|--------------|
| <b>Non-current assets</b> |              |
| Chile                     | 590          |
| Rest of the world         | 1,447        |
| <b>Group</b>              | <b>2,037</b> |

|                                       | APAC    | Europe<br>& Africa | Americas | Total        |
|---------------------------------------|---------|--------------------|----------|--------------|
| 2024                                  | £m      | £m                 | £m       | £m           |
| <b>Segment assets and liabilities</b> |         |                    |          |              |
| Segment assets                        | 833     | 742                | 1,206    | 2,781        |
| Segment liabilities                   | (1,014) | (761)              | (855)    | (2,630)      |
| Other assets                          |         |                    |          | 2,856        |
| Other liabilities                     |         |                    |          | (1,533)      |
| <b>Total net assets</b>               |         |                    |          | <b>1,474</b> |

Segment assets and liabilities represent the Group's assets and liabilities that are regularly reviewed by the chief operating decision maker. They comprise of inventory, receivables, payables and derivative assets and liabilities that hedge trade payables.

|   | APAC      | Europe &<br>Africa | Americas   | Total     |
|---|-----------|--------------------|------------|-----------|
| 2024 from continuing operations   | £m        | £m                 | £m         | £m        |
| <b>Other segment items</b>  |           |                    |            |           |
| Capital expenditure:  |           |                    |            |           |
| - Property, plant and equipment   | 28        | 11                 | 21         | 60        |
| - Leased vehicles, rental machinery and equipment                             | 23        | 3                  | 12         | 38        |
| - Right-of-use assets   | 17        | 12                 | 10         | 39        |
| - Intangible assets   | 1         | 1                  | 1          | 3         |
| Depreciation and impairment   |           |                    |            |           |
| - Property, plant and equipment   | 16        | 8                  | 18         | 42        |
| - Leased vehicles, rental machinery and equipment                             | 6         | -                  | 12         | 18        |
| - Right-of-use assets   | 33        | 10                 | 31         | 74        |
| Amortisation of intangible assets   | 2         | 1                  | 6          | 9         |
| Derecognition of distribution agreements                                      | -         | -                  | 5          | 5         |
| Impairment reversal of distribution agreements                                | -         | -                  | (19)       | (19)      |
| Impairment of right of use assets   | 1         | -                  | -          | 1         |
| <b>Net provisions charged/(credited) to the consolidated income statement</b> | <b>23</b> | <b>(6)</b>         | <b>(4)</b> | <b>13</b> |

Net provisions include inventory, trade receivables impairment and other liability provisions.

|  | APAC  | Europe &<br>Africa | Americas | Total      |
|--|-------|--------------------|----------|------------|
| 2023   | £m    | £m                 | £m       | £m         |
| <b>Revenue</b>   |       |                    |          |            |
| Total revenue  | 2,827 | 2,809              | 3,746    | 9,382      |
| Adjusted operating profit from continuing operations       | 229   | 135                | 256      | 620        |
| Operating adjusting items                                  |       |                    |          | (50)       |
| Operating profit from continuing operations                |       |                    |          | 570        |
| Share of losses after tax of joint ventures and associates |       |                    |          | 1          |
| Profit before finance and tax                              |       |                    |          | 571        |
| Finance income   |       |                    |          | 51         |
| Finance costs  |       |                    |          | (244)      |
| Profit before tax from continuing operations               |       |                    |          | 378        |
| Tax  |       |                    |          | (130)      |
| <b>Profit for the year from continuing operations</b>      |       |                    |          | <b>248</b> |

The Group's reported segments are based on the location of the Group's assets. Revenue earned from sales is disclosed by origin and is not materially different from revenue by destination. Chile and Australia are presented separately as these comprise more than 10% of the Group's revenue. Revenue is further analysed as follows:

| 2023              | £m    |
|-------------------|-------|
| Chile             | 1,773 |
| Australia         | 1,310 |
| Rest of the world | 6,299 |
| Group             | 9,382 |

The Group's non-current assets by location comprise intangible assets, property, plant and equipment, right-of-use assets, joint ventures and associates, and are analysed as shown in the table below.

| 2023                      | £m    |
|---------------------------|-------|
| <b>Non-current assets</b> |       |
| UK                        | 297   |
| Rest of the world         | 2,252 |
| Group                     | 2,549 |

|   | APAC    | Europe<br>& Africa | Americas | Total   |
|---|---------|--------------------|----------|---------|
| 2023                                    | £m      | £m                 | £m       | £m      |
| <b>Segment assets and liabilities</b>   |         |                    |          |         |
| Segment assets                          | 914     | 854                | 1,409    | 3,177   |
| Segment liabilities                     | (1,171) | (805)              | (766)    | (2,742) |
| Other assets                            |         |                    |          | 3,210   |
| Other liabilities                       |         |                    |          | (2,249) |
| Net assets from continuing operations   |         |                    |          | 1,396   |
| Net assets from discontinued operations |         |                    |          | 224     |
| Total net assets                        |         |                    |          | 1,620   |

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<br>& Africa | Americas | Total |
|---|------|--------------------|----------|-------|
| 2023 from continuing operations                             | £m   | £m                 | £m       | £m    |
| Other segment items   |      |                    |          |       |
| Capital expenditure:  |      |                    |          |       |
| - Property, plant and equipment                             | 27   | 13                 | 27       | 67    |
| - Leased vehicles, rental machinery and equipment           | 20   | 26                 | 15       | 61    |
| - Right-of-use assets                                       | 12   | 8                  | 14       | 34    |
| - Intangible assets   | 1    | 1                  | 2        | 4     |
| Depreciation and impairment                                 |      |                    |          |       |
| - Property, plant and equipment                             | 11   | 7                  | 20       | 38    |
| - Leased vehicles, rental machinery and equipment           | 6    | 1                  | 13       | 20    |
| - Right-of-use assets                                       | 30   | 10                 | 35       | 75    |
| Amortisation of intangible assets                           | 2    | 1                  | 7        | 10    |
| Net provisions charged to the consolidated income statement | 8    | 8                  | 31       | 47    |

Net provisions include inventory, trade receivables, impairment and other liability provisions.

|   | 2024<br>£m | 2023<br>£m |
|---|------------|------------|
| From continuing operations                                    |            |            |
| Acquisition and integration costs                             | (42)       | (50)       |
| Gain on disposal of business (see note 9b)                    | 6          | -          |
| Impairment reversal of distribution agreements                | 19         | -          |
| Derecognition of distribution agreements                      | (5)        | -          |
| Gain on pension indexation                                    | -          | -          |
| Total adjusting items in operating profit                     | (22)       | (50)       |
| Adjusting items in finance costs:                             |            |            |
| Net monetary loss on hyperinflation                           | (8)        | (29)       |
| Interest on dividend payments to former shareholders of Derco | -          | (10)       |



|                                     |             |             |
|-------------------------------------|-------------|-------------|
| Total adjusting items before tax    | (30)        | (89)        |
| Tax on adjusting items (see note 5) | 10          | 10          |
| <b>Total adjusting items</b>        | <b>(20)</b> | <b>(79)</b> |

During the year, operating costs of £42m (2023: £50m) 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 the businesses acquired in Indonesia, the Philippines and New Zealand. The integration of the Derco group is a multi-year programme that is expected to complete in 2025.

Impairment reversal during the year of £19m (2023: £nil) relates to the Central America - Suzuki CGU and derecognition of intangibles of £5m (2023: £nil) relates to a distribution agreement in Bolivia.

In December 2024, the Group sold its share in its non-genuine spare parts business in Chile. The reported gain of £6m (2023: £nil) includes disposal costs and a gain relating to the recycling of cumulative exchange differences previously recognised in other comprehensive income.

The Group financial statements include 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 have been restated to include the effect of indexation and the resulting £8m net monetary loss on hyperinflation (2023: net monetary loss of £29m) has been recognised within net finance costs and reported as an adjusting item.

At 31 December 2022, a liability was acquired, as part of the Derco acquisition, for the payment of a pre-completion dividend to former shareholders. The payment of this dividend was agreed to be made in four tranches, throughout 2023, with interest accruing on the outstanding amounts. At 30 June 2023, three of the tranches had been paid and interest of £10m had been recognised. This interest expense was recognised within finance costs and reported as an adjusting item.

|  | 2024        | 2023        |
|--|-------------|-------------|
|  | £m          | £m          |
| From continuing operations   |             |             |
| Interest expense on bank and other borrowings                      | 122         | 124         |
| Finance costs on lease liabilities                                 | 19          | 19          |
| Interest on inventory financing                                    | 56          | 38          |
| Net monetary loss on hyperinflation (note 3)                       | 8           | 29          |
| Interest on deferred dividend payment                              | -           | 10          |
| Other finance costs  | 16          | 24          |
| <b>Finance costs</b>   | <b>221</b>  | <b>244</b>  |
| Bank and other interest receivable                                 | (64)        | (46)        |
| Net interest income on post-retirement plan assets and liabilities | (3)         | (4)         |
| Other finance income   | (4)         | (1)         |
| <b>Finance income</b>  | <b>(71)</b> | <b>(51)</b> |
| <b>Net finance costs</b>   | <b>150</b>  | <b>193</b>  |
| Analysed as:   |             |             |
| Net finance costs excluding adjusting finance costs                | 142         | 154         |
| Finance costs reported as adjusting items                          | 8           | 39          |
| <b>Net finance costs</b>   | <b>150</b>  | <b>193</b>  |

Other finance costs include fees, commissions and foreign exchange gains and losses.

Since 2022, in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies, the results and financial position of the Group's operations in Ethiopia have been restated to the purchasing power or inflationary measuring unit current at the end of the reporting period. Therefore, finance costs include the loss on hyperinflation in respect of monetary items, which is also treated as an adjusting item.

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.

|                            | 2024 | 2023 |
|----------------------------|------|------|
|                            | £m   | £m   |
| From continuing operations |      |      |
| Current tax                |      |      |
| - United Kingdom tax       | -    | -    |
| - Overseas tax             | 131  | 146  |
| - Pillar 2 income taxes    | 2    | -    |

|                                       |   |            |            |
|---------------------------------------|---|------------|------------|
|                                       | Pillar Two income taxes                       | -          |            |
| Adjustments to prior year liabilities | - United Kingdom tax                          | (3)        | -          |
|                                       | - Overseas tax                                | (3)        | (6)        |
| Current tax                           |   | 127        | 140        |
| Deferred tax                          |   | 2          | (10)       |
| <b>Total tax charge</b>               |   | <b>129</b> | <b>130</b> |
|                                       | - Tax charge on profit before adjusting items | 139        | 140        |
|                                       | - Tax credit on adjusting items               | (10)       | (10)       |
| <b>Total tax charge</b>               |   | <b>129</b> | <b>130</b> |

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. In the current year, the tax credit on adjusting items includes the local tax effect of the disposal of the non-genuine spare parts business in Chile (see note 9a).

#### a) Factors affecting the tax expense for the year

The effective tax rate for the year is 31.2% (2023: 34.4%). The effective tax rate on adjusted profit before tax is 31.3% (2023: 30.0%). The weighted average tax rate is 23.0% (2023: 22.4%). 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 operate 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, payable by June 2026. The main jurisdictions in which exposure to this tax exists include Bulgaria and Macao.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

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

|  | 2024       | 2023       |
|--|------------|------------|
| From continuing operations   | £m         | £m         |
| Profit before tax  | 414        | 378        |
| Profit before tax multiplied by the weighted average tax rate of 23.0% (2023: 22.4%) | 95         | 85         |
| - Permanent differences  | 8          | 4          |
| - Non-taxable income   | (4)        | (4)        |
| - Prior year items   | 2          | (4)        |
| - Derecognition/(recognition) of deferred tax assets                                 | 21         | 35         |
| - Overseas tax audits and settlements  | 2          | 1          |
| - Taxes on undistributed earnings  | 1          | 2          |
| - Acquisition and integration costs  | 3          | 2          |
| - Net monetary loss on hyperinflation  | 3          | 9          |
| - Pillar Two income taxes  | 2          | -          |
| - Disposal of businesses   | (6)        | -          |
| - Tax rate changes   | 2          | -          |
| <b>Total tax charge</b>  | <b>129</b> | <b>130</b> |

#### 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 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 the recognition of deferred tax assets associated with such losses 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](http://www.inchcape.com) covering its tax strategy and governance framework in accordance with Schedule 19 Finance Act 2016.

|                              | 2024       | 2023       |
|------------------------------|------------|------------|
|                              | £m         | £m         |
| <b>Profit for the period</b> | <b>435</b> | <b>283</b> |

|  |            |            |
|--|------------|------------|
| Non-controlling interests  | (14)       | (13)       |
| <b>Basic earnings</b>  | <b>421</b> | <b>270</b> |
| Profit for the year from discontinued operations   | (150)      | (35)       |
| <b>Basic earnings from continuing operations attributable to owners of the parent</b>    | <b>271</b> | <b>235</b> |
| Adjusting items  | 20         | 79         |
| <b>Adjusted earnings from continuing operations attributable to owners of the parent</b> | <b>291</b> | <b>314</b> |

**Basic earnings per share**

|   |              |       |
|---|--------------|-------|
| Basic earnings per share from continuing operations   | <b>66.4p</b> | 57.1p |
| Basic earnings per share from discontinued operations | <b>36.7p</b> | 8.5p  |

|                                |               |       |
|--------------------------------|---------------|-------|
| Total basic earnings per share | <b>103.1p</b> | 65.6p |
|--------------------------------|---------------|-------|

**Diluted earnings per share**

|   |              |       |
|---|--------------|-------|
| Diluted earnings per share from continuing operations   | <b>65.6p</b> | 56.4p |
| Diluted earnings per share from discontinued operations | <b>36.3p</b> | 8.4p  |

|                                  |               |       |
|----------------------------------|---------------|-------|
| Total diluted earnings per share | <b>101.9p</b> | 64.8p |
|----------------------------------|---------------|-------|

**Adjusted earnings per share from continuing operations**

|  |              |       |
|--|--------------|-------|
| Basic Adjusted earnings per share from continuing operations   | <b>71.3p</b> | 76.3p |
| Diluted Adjusted earnings per share from continuing operations | <b>70.4p</b> | 75.3p |

|  | <b>2024</b>        | 2023        |
|--|--------------------|-------------|
|  | <b>number</b>      | number      |
| Weighted average number of fully paid ordinary shares in issue during the period   | <b>409,082,913</b> | 412,689,716 |
| Weighted average number of fully paid ordinary shares in issue during the period:<br>- Held by the Inchcape Employee Trust | <b>(794,779)</b>   | (1,131,983) |
| Weighted average number of fully paid ordinary shares for the purposes of basic EPS  | <b>408,288,134</b> | 411,557,733 |
| Dilutive effect of potential ordinary shares   | <b>4,816,968</b>   | 5,408,280   |
| Adjusted weighted average number of fully paid ordinary shares in issue during the period for the purposes of diluted EPS  | <b>413,105,102</b> | 416,966,013 |

Basic earnings/(loss) per share is calculated by dividing the Basic earnings/(loss) 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/(loss) per share is calculated on the same basis as Basic earnings/(loss) 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.

The following dividends were paid by the Group:

|  | <b>2024</b> | 2023 |
|--|-------------|------|
|  | <b>£m</b>   | £m   |
| Final dividend for the year ended 31 December 2023 of 24.3p per share (2022: 21.3p per share)            | <b>100</b>  | 88   |
| Interim dividend for the six months ended 30 June 2024 of 11.3p per share (30 June 2023: 9.6p per share) | <b>47</b>   | 40   |
|  | <b>147</b>  | 128  |

A final proposed dividend for the year ended 31 December 2024 of 17.2p 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 2024. 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 2024, Inchcape plc's company-only distributable reserves were £513m. 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**

|  | 2024<br>£m | 2023<br>£m |
|--|------------|------------|
| <b>Cash flows from operating activities</b>  |            |            |
| Operating profit - continuing operations   | 562        | 570        |
| Operating profit - discontinued operations   | 6          | 49         |
| Adjusting items  | 22         | 50         |
| Amortisation including non-adjusting impairment charges                                  | 9          | 11         |
| Depreciation of property, plant and equipment including non-adjusting impairment charges | 44         | 61         |
| Depreciation of right-of-use assets  | 76         | 81         |
| Profit on disposal of property, plant and equipment and intangible assets                | (1)        | (16)       |
| Gain on changes in right-of-use assets   | (3)        | -          |
| Share-based payments charge  | 18         | 15         |
| Decrease/(increase) in inventories   | 311        | (251)      |
| Increase in trade and other receivables  | (121)      | (9)        |
| Increase in trade and other payables   | 13         | 415        |
| Decrease in provisions   | (20)       | (1)        |
| Pension contributions more than pension charge for the period                            | -          | (1)        |
| Increase in interest in leased vehicles  | (8)        | (18)       |
| Payments in respect of operating adjusting items   | (36)       | (57)       |
| Other non-cash items   | 1          | 1          |
| <b>Cash generated from operations</b>  | <b>873</b> | <b>900</b> |

**B. Net debt reconciliation**

|                                     | Liabilities from financing activities |              |                 | Assets                        | Total          |
|-------------------------------------|---------------------------------------|--------------|-----------------|-------------------------------|----------------|
|                                     | Borrowings<br>£m                      | Leases<br>£m | Sub-total<br>£m | Cash/bank<br>overdrafts<br>£m | net debt<br>£m |
| <b>Net debt at 1 January 2023</b>   | (1,428)                               | (499)        | (1,927)         | 1,050                         | (877)          |
| Cash flows                          | 412                                   | 87           | 499             | (400)                         | 99             |
| Acquisitions                        | (23)                                  | (11)         | (34)            | (146)                         | (180)          |
| Period adjustments                  | (7)                                   | (1)          | (8)             | 9                             | 1              |
| Disposals                           | -                                     | -            | -               | 1                             | 1              |
| New lease liabilities               | -                                     | (37)         | (37)            | -                             | (37)           |
| Other non-cash movements            | (6)                                   | -            | (6)             | -                             | (6)            |
| Foreign exchange adjustments        | 11                                    | 21           | 32              | (74)                          | (42)           |
| <b>Net debt at 1 January 2024</b>   | <b>(1,041)</b>                        | <b>(440)</b> | <b>(1,481)</b>  | <b>440</b>                    | <b>(1,041)</b> |
| Cash flows                          | 484                                   | 81           | 565             | (372)                         | 193            |
| Acquisitions                        | -                                     | -            | -               | 5                             | 5              |
| Disposals                           | -                                     | 98           | 98              | 391                           | 489            |
| New lease liabilities               | -                                     | (62)         | (62)            | -                             | (62)           |
| Other non-cash movements            | (4)                                   | (1)          | (5)             | -                             | (5)            |
| Foreign exchange adjustments        | 5                                     | 22           | 27              | (98)                          | (71)           |
| <b>Net debt at 31 December 2024</b> | <b>(556)</b>                          | <b>(302)</b> | <b>(858)</b>    | <b>366</b>                    | <b>(492)</b>   |

Net debt is analysed as follows:

|   | 2024<br>£m   | 2023<br>£m     |
|---|--------------|----------------|
| Cash at bank and short term deposits as per the statement of financial position         | 549          | 689            |
| Borrowings - disclosed as current liabilities   | (195)        | (652)          |
| Add back: amounts treated as debt financing (see below)                                 | 12           | 403            |
| <b>Cash and cash equivalents as per the statement of cash flows</b>                     | <b>366</b>   | <b>440</b>     |
| <b>Debt financing</b>   |              |                |
| Borrowings - disclosed as current liabilities and treated as debt financing (see above) | (12)         | (403)          |
| Borrowings - disclosed as non-current liabilities                                       | (544)        | (638)          |
| Lease liabilities   | (302)        | (440)          |
| <b>Debt financing</b>   | <b>(858)</b> | <b>(1,481)</b> |
| <b>Net debt</b>   | <b>(492)</b> | <b>(1,041)</b> |
| Add back: lease liabilities   | 302          | 440            |
| <b>Adjusted net debt</b>  | <b>(190)</b> | <b>(601)</b>   |

**a) 2024 Disposals and discontinued operations**

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.

The UK Retail operation is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

**Financial performance and cash flow information**

The financial performance and cash flow information presented below is for the seven months ended 31 July 2024.

|   | 2024    | 2023    |
|---|---------|---------|
|   | £m      | £m      |
| Revenue                                     | 1,199   | 2,065   |
| Expenses                                    | (1,193) | (2,016) |
| Operating profit                            | 6       | 49      |
| Finance costs                               | (9)     | (14)    |
| Profit before tax                           | (3)     | 35      |
| Tax   | 7       | -       |
| Profit after tax of discontinued operations | 4       | 35      |
| Gain on disposal                            | 146     | -       |
| Profit from discontinued operation          | 150     | 35      |

|  | 2024 | 2023 |
|--|------|------|
|  | £m   | £m   |
| Net cash inflow from operating activities                                | 6    | 30   |
| Net cash outflow from investing activities                               | (10) | (15) |
| Net cash outflow from financing activities                               | (3)  | (7)  |
| Net (decrease)/increase from cash generated from discontinued operations | (7)  | 8    |

|                                     | 2024       |
|-------------------------------------|------------|
|                                     | £m         |
| Disposal proceeds                   | 345        |
| Settlement of intercompany facility | 63         |
| Disposal costs                      | (12)       |
| Net assets disposed of              | (250)      |
| <b>Gain on disposal</b>             | <b>146</b> |

|   | 2024       |
|---|------------|
|   | £m         |
| Total consideration, net of disposal costs paid | 396        |
| Consideration outstanding                       | (4)        |
| Cash & cash equivalents disposed of             | (20)       |
| <b>Net cash inflow on disposal of business</b>  | <b>372</b> |

**FCA review of Motor Finance commission**

In January 2024, the FCA announced a review into historical motor finance commission arrangements. This investigation is ongoing. In the meantime, there have also been a number of relevant court decisions with the Supreme Court expected to deliver a definitive statement of the law following a hearing listed for April 2025. We look forward to the outcome of the review, and of the Supreme Court hearing, and the clarity that this will bring 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 court process and the s166 review.

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 has been classified as an adjusting item (see note 3), includes disposal costs and a gain relating to the recycling of cumulative exchange differences previously recognised in other comprehensive income.

## b) 2023 Acquisitions

During the year, net cash inflows of £5m were received as purchase price adjustments were finalised in relation to acquisitions which completed in the second half of 2023. The accounting standards allow a period of up to a year to finalise the accounting for an acquisition. During 2024, acquisition adjustments were made, in relation to businesses acquired in 2023, which, combined with purchase price adjustments, had the net effect of decreasing goodwill by £1m. As the acquisition adjustments were not material, the prior year statement of financial position has not been restated.

## 10 FOREIGN CURRENCY TRANSLATION

The main exchange rates used for translation purposes are as follows:

|                               | Average rates |          | Year-end rates |          |
|-------------------------------|---------------|----------|----------------|----------|
|                               | 2024          | 2023     | 2024           | 2023     |
| Australian dollar             | 1.94          | 1.88     | 2.02           | 1.87     |
| Bolivian bolivar <sup>1</sup> | 12.43         | 8.60     | 14.24          | 8.83     |
| Chilean peso                  | 1,209.30      | 1,044.70 | 1,252.30       | 1,130.41 |
| Ethiopian birr <sup>2</sup>   | 157.95        | 71.84    | 157.95         | 71.84    |
| Euro                          | 1.18          | 1.15     | 1.21           | 1.15     |
| Hong Kong dollar              | 9.99          | 9.75     | 9.75           | 9.98     |
| Singapore dollar              | 1.71          | 1.67     | 1.71           | 1.68     |
| US dollar                     | 1.28          | 1.25     | 1.26           | 1.28     |

1. In 2024, a parallel rate has been used due to limitations in accessing currency at official rates of exchange.

2. In 2024, the results for Ethiopia are 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 4 March 2025, the Board approved a £250m share buyback programme which will commence on 4 March 2025 and is expected to conclude within the next 12 months.

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 Executive Committee monitor the Group's strategic and financial performance, and provide useful information on the trends, performance, and position of the Group.

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.<br>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.<br>Refer to the consolidated income statement. | A key metric of the Group's business performance.   |
| Adjusted operating efficiency | Adjusted operating profit divided by revenue  | A key metric of operational efficiency.   |

| Adjusted operating Performance measure margin                         | Adjusted operating profit divided by revenue.<br>Definition   | A key metric of operational efficiency, ensuring that we are leveraging global scale to translate sales growth into profit.<br>Why we measure it   |
|---|---|--|
| 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 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, and excluding the impact of adjusting items.   | 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 Executive Committee.   |
| Adjusted earnings   | Represents profit after tax, excluding the impact of adjusting items and non-controlling interest. Refer to 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.  |
| 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.   | A key driver of the Group's ability to 'Invest to Accelerate Growth' and to make distributions to shareholders.  |
| Free cash flow conversion   | Free cash flow divided by adjusted profit after tax.  | A key driver of the Group's ability to 'Invest to Accelerate Growth' and to make distributions to shareholders.  |
| 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.<br>Organic revenue growth: <ul style="list-style-type: none"> <li>excludes revenue from businesses acquired in the current year;</li> <li>includes revenue from businesses acquired in the prior year from the anniversary of the date of acquisition;</li> <li>excludes revenue from businesses disposed of on a pro rata basis; and</li> <li>includes revenue from distribution contracts acquired together with the impact of arrangements where the Group no longer acts as the distributor.</li> </ul> | Organic revenue growth presents performance on a comparable basis, excluding the impact of foreign currency translation and the impact of acquisition and disposals in the period. Organic revenue growth is a measure of underlying business performance and the Group's ability to grow other than through acquisitions. |



**APMs: Reconciliation of statement of comprehensive income measures**

|  | 2024          | 2023          |
|--|---------------|---------------|
|  | £m            | £m            |
| <b>Adjusted profit before tax (from continuing operations)</b> |               |               |
| <b>Gross Profit</b>  | <b>1,606</b>  | <b>1,660</b>  |
| Add back: Adjusting items charged to gross profit              | -             | -             |
| <b>Adjusted Gross Profit from continuing operations</b>        | <b>1,606</b>  | <b>1,660</b>  |
| Less: Segment operating expenses                               | (1,022)       | (1,040)       |
| <b>Adjusted Operating Profit from continuing operations</b>    | <b>584</b>    | <b>620</b>    |
| Less: Adjusting items in operating expenses                    | (22)          | (50)          |
| <b>Operating Profit</b>  | <b>562</b>    | <b>570</b>    |
| Less: Net Finance Costs and JV profits/losses                  | (148)         | (192)         |
| <b>Profit Before Tax</b>                                       | <b>414</b>    | <b>378</b>    |
| Add: Total adjusting Items                                     | 30            | 89            |
| <b>Adjusted profit before tax from continuing operations</b>   | <b>444</b>    | <b>467</b>    |
| Tax on adjusted profit   | (139)         | (140)         |
| <b>Adjusted profit after tax from continuing operations</b>    | <b>305</b>    | <b>327</b>    |
|  |               |               |
|  | 2024          | 2023          |
|  | £m            | £m            |
| <b>Ratio of adjusted net operating expenses to revenue</b>     |               |               |
| Revenue  | 9,263         | 9,382         |
| Adjusted net operating expenses                                | 1,022         | 1,040         |
| <b>Ratio of adjusted net operating expenses to revenue</b>     | <b>11.0 %</b> | <b>11.1 %</b> |

**APMs: Reconciliation of statement of cash flows measures**

|   | 2024 | 2024        | 2023 | 2023        |
|---|------|-------------|------|-------------|
|   | £m   | £m          | £m   | £m          |
| <b>Free cash flow (from continuing operations)</b>                          |      |             |      |             |
| Net cash generated from total operating activities                          |      | 586         |      | 593         |
| Add back: Payments in respect of adjusting items                            |      | 36          |      | 57          |
| <b>Net cash generated from operating activities, before adjusting items</b> |      | <b>622</b>  |      | <b>650</b>  |
| Purchase of property, plant and equipment                                   | (76) |             | (88) |             |
| Purchase of intangible assets   | (3)  |             | (5)  |             |
| Proceeds from disposal of property, plant and equipment                     | 9    |             | 31   |             |
| <b>Net capital expenditure</b>  |      | <b>(70)</b> |      | <b>(62)</b> |
| Net payment in relation to leases   |      | (80)        |      | (84)        |
| Dividends paid to non-controlling interests                                 |      | (17)        |      | (6)         |
| <b>Free cash flow</b>   |      | <b>455</b>  |      | <b>498</b>  |
| Add/(less): Free cash outflow/(inflow) from discontinued operations         |      | 7           |      | (6)         |
| <b>Free cash flow from continuing operations</b>                            |      | <b>462</b>  |      | <b>492</b>  |

**APMs: Reconciliation of statement of financial position measures**

|   | 2024          | 2023          |
|---|---------------|---------------|
|   | £m            | £m            |
| <b>Return on capital employed (from continuing operations)</b>        |               |               |
| Adjusted operating profit   | 584           | 620           |
| <b>Net assets</b>   | <b>1,474</b>  | <b>1,620</b>  |
| Less: Net assets from discontinued operations                         | -             | (224)         |
| <b>Net assets from continuing operations</b>                          | <b>1,474</b>  | <b>1,396</b>  |
| Add: net debt   | 492           | 1,041         |
| Less: net debt from discontinued operations                           | -             | (58)          |
| <b>Capital employed - continuing operations</b>                       | <b>1,966</b>  | <b>2,379</b>  |
| Effect of averaging   | 207           | (108)         |
| <b>Average capital employed</b>                                       | <b>2,173</b>  | <b>2,271</b>  |
| <b>Return on capital employed</b>                                     | <b>26.9 %</b> | <b>27.3 %</b> |
|   |               |               |
|   | 2024          | 2023          |
|   | £m            | £m            |
| <b>Adjusted net debt and leverage</b>                                 |               |               |
| <b>Net debt</b>   | <b>492</b>    | <b>1,041</b>  |
| Less: lease liabilities   | (302)         | (440)         |
| <b>Adjusted net debt</b>  | <b>190</b>    | <b>601</b>    |
| Adjusted earnings before interest, tax, depreciation and amortisation | 634           | 738           |
| <b>Leverage</b>   | <b>0.3</b>    | <b>0.8</b>    |
|   |               |               |
|   | 2024          | 2023          |
|   | £m            | £m            |
| <b>Adjusted earnings per share (from continuing operations)</b>       |               |               |
| Adjusted profit after tax   | 305           | 327           |

|                                       |            |            |
|---------------------------------------|------------|------------|
| Less: non-controlling interests       | (14)       | (13)       |
| <b>Adjusted earnings</b>              | <b>291</b> | <b>314</b> |
| Weighted average number of shares (m) | 408        | 412        |
| Diluted effect (m)                    | 5          | 5          |
| Basic adjusted earnings per share     | 71.3p      | 76.3p      |
| Diluted adjusted earnings per share   | 70.4p      | 75.3p      |

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