

29 July 2021

Lookers plc

First Half Trading Update

Strong performance continuing – increase in full year expectations

Lookers plc (“Lookers” or the “Group”), one of the leading UK motor retail and aftersales service groups, today provides a trading update covering the six month period ended 30 June 2021 (“H1” or the “Period”) and an increase in the Board’s expectations for underlying profit before tax for the full year.

Trading Update

The Group has delivered an excellent trading performance throughout the Period, despite continued disruption and uncertainty caused by Covid-19. This positive momentum has been driven by continued outperformance of the UK new retail car market combined with strong used volumes and margins, underpinned by Lookers’ improved hybrid, omni-channel customer experience. The results also reflect a resilient aftersales performance and the benefits of material cost reductions.

As a result of the above, underlying profit before tax in H1 is now expected to be approximately £50m compared to a £36.1m underlying loss last year.

Growth in new and used unit sales and aftersales revenue for the Period versus last year are estimated to be:

	SMMT	Lookers
	registrations	LFL
New Retail Units	31%	47%
New Fleet Units	47%	43%
<hr/> Total New Units	<hr/> 39%	<hr/> 45%
Used Units	-	38%
Aftersales Revenue	-	34%

H1 results include £13m of support from UK Government initiatives (Job Retention Scheme: £4m, business rates relief and grants: £9m.) We do not anticipate accessing any further Job Retention Scheme support in the second half of the year.

Financial Position

The Board retains its focus on cash management and liquidity. At 30 June 2021, the Group had a net cash balance of approximately £30m compared to net debt of £11.0m last year and £40.7m at 31 December 2020. The Group has a revolving credit facility for an initial £150m which was recently extended to 30 September 2023. The Group’s balance sheet remains underpinned by a valuable property portfolio of c£300m (77p per share).

Outlook

Whilst recognising that uncertainty remains in relation to Covid-19, consumer sentiment and increasing new and used supply constraints, in light of the strong H1 performance we now expect

underlying profit before tax for 2021 to exceed the Board's previous expectations. The Board also expects that the H1 profit contribution as a proportion of full year underlying profit before tax will be materially higher in 2021 than in previous years.

Dividends

The Board understands the importance of dividends to shareholders and, subject to a satisfactory trading outlook, intends to resume the payment of dividends as soon as possible. The Board will next review its position in 2022 when releasing its full year results for the period ended 31 December 2021.

Mark Raban, Chief Executive Officer, said:

"The business has delivered an outstanding performance in the first half of the year, despite the multiple difficulties presented by the pandemic.

The whole team has made extraordinary efforts to ensure our customers continue to receive an excellent service, however they choose to purchase a car through Lookers, and the enhancements made to our digital proposition have made a real difference.

There remains some uncertainty and challenges for the second half, but given the current momentum in the business, coupled with our focus on operational excellence and continuous development of our omni-channel customer experience, the Board is confident of delivering a strong result for the year."

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. The person responsible for making this announcement is the Company Secretary.

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