

6 October 2021

## **LOOKERS plc**

### **Q3 Trading Update**

#### ***Strong performance in challenging conditions and increase in full year expectations***

Lookers plc, one of the leading UK motor retail and aftersales service groups, today provides a trading update covering the three month period ended 30 September 2021 ("Q3" or the "Period") and an increase in the Board's expectations for underlying profit before tax for the full year.

#### **Trading Update**

Trading in Q3 remained strong and above the Board's expectations driven by new vehicle market outperformance, excellent new and used vehicle margins and continued tight cost and working capital control.

The well documented global shortage of semi-conductors has continued to place increasing pressure throughout Q3 on the supply and availability of new vehicles, with used vehicles in strong demand as a consequence.

During the Period the UK new car market declined by 31.1%. The Group continued to outperform this by approximately 3.4 percentage points supported by the Group's significantly improved omni-channel customer experience. In the important registration plate change month of September, the UK new car market declined by 34.4%.

Supply of used vehicles also remained restricted during the Period. Like-for-like used unit sales were down 16.9% in Q3 versus strong comparatives. This was more than offset by unprecedented margin retention driven by ongoing strong customer demand and improvement to the Group's stock management processes.

Aftersales revenues in the Period remained robust and on a like-for-like basis were 3.5% below last year.

#### **Financial Position**

The Board retains its focus on cash management and liquidity. At 30 September 2021, the Group had a net cash balance of approximately £30.0m compared to net debt of £25.9m at 30 September last year. As previously announced the Board has undertaken to repay all CJRS receipts in 2021 and in this regard a £4.1m payment has now been made.

#### **Outlook**

The Group has a strong new car order bank which is above normalised levels. However there remains material and increasing uncertainty as to the availability of these vehicles which is dependent on specific brand and model related factors. The Group continues to work closely with all its OEM brand partners and customers to minimise the impact wherever possible, which is now widely expected to continue into next year.

Notwithstanding this considerable uncertainty for the final quarter of the year, given the strength of performance in the Period, the Board now expects underlying profit before tax for 2021 to be materially ahead of its previous expectations.

**Mark Raban, Chief Executive Officer, said:**

“The Group has built on its record first half result and performed strongly in a challenging market, underpinned by further enhancements to its omni-channel experience, which allows customers the flexibility to buy a car however they choose.

Interest in electric vehicles continues to grow, particularly in light of the UK wide fuel shortage, and the Group remains well positioned to benefit from this exciting growth opportunity moving forward.

Although supply restrictions remain, we continue to work with our OEM partners to minimise the impact and I would like to thank my colleagues and customers for their patience and understanding.”

**Enquiries:**

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*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.*

The Company is registered in England at Lookers House, 3 Etchells Road, West Timperley, Altrincham WA14 5XS. Company registration number 00111876. LEI number 213800TSB8PJEACDAV33