

29 June 2022

## **LOOKERS plc (“Lookers” or the “Group”)**

### **H1 Trading Update**

#### ***Trading ahead of expectations***

Lookers plc, one of the UK’s leading integrated automotive retail and service groups, today provides a first half (the “Period” or “H1”) trading update and its outlook for the remainder of the year.

#### **Summary**

Trading in the Period has continued to be strong and the Group now expects to report underlying profit before tax for H1 of approximately £45m (H1 2021: £50.3m).

#### **Trading Update**

The momentum seen in 2021 has continued into H1 2022 against a relatively strong comparable period in 2021, particularly during Q2 in 2021 when lockdown restrictions were lifted.

In the five month period ended 31 May 2022 the UK passenger car market declined by 8.7%, significantly impacted by OEM supply restrictions and logistics disruption. The Group performed broadly in line with the total market but outperformed the market in the brands which it represents.

In the five month period ended 31 May 2022 the Group’s used vehicle volumes declined by 8.1%.

New and used vehicle margins remained strong throughout the Period driven primarily by vehicle supply shortages.

Aftersales revenues remained resilient showing good growth throughout the Period.

The trading performance reflects our relentless focus on operational optimisation. This has helped to offset some material increases in operating expenses, particularly within utility and staff costs where we have experienced significant inflationary pressures.

#### **Financial Position**

The Board retains its focus on cash management. At 31 May 2022 the Group had net cash balances of £62.4m (31/12/21: £3.0m). In addition the Group has recently agreed a new £100m revolving credit facility which expires on 30 September 2025.

The Group’s balance sheet remains underpinned by its valuable and flexible property portfolio net book value circa £295m as at 31 May 2022.

The Group now holds property and cash equivalent to circa 91p per share.

#### **Outlook**

We are pleased with our strong H1 performance and have a good order book going into the second half, albeit uncertainties remain on the availability of these vehicles and we are yet to fully understand how inflationary pressures may impact both consumer demand and our operating costs. We anticipate that the new and used vehicle supply restrictions will continue for the remainder of 2022 and beyond. Despite these factors, the Board believes the Group’s scale, strength of OEM relationships, robust financial position and omnichannel model leave us well placed to navigate these challenges.

Given the unique trading conditions we are seeing across the market and in light of the performance to date, the Board anticipates the year will be substantially H1 weighted and that underlying profit before tax will be ahead of its previous expectations.

**Mark Raban, CEO said:**

“Following a record year in 2021 we have maintained strong trading momentum whilst continuing to make progress with our key strategic initiatives. I would like to thank all my Lookers colleagues, our customers and our brand partners for their patience and understanding during these uncertain trading conditions. There is no doubt that challenges lie ahead but with continued operational optimisation Lookers is extremely well positioned to continue to maximise its multiple growth opportunities.”

*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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