

18 October 2022

Lookers plc

(“Lookers”, “the Group” or “the Company”)

LAUNCH OF SHARE BUYBACK PROGRAMME

Lookers, one of the leading UK integrated automotive retail and service groups, announces the commencement of a share buyback programme of up to £15m (the “Share Buyback Programme”).

Rationale for the Share Buyback Programme

The Board is focused on maintaining an appropriate capital structure aligned to our capital allocation framework. This provides a good balance of investing in the business and shareholder distributions, while maintaining a leverage ratio of +/- 0.5x Net Debt/EBITDA.

At 30 September 2022, the Group had a net cash balance of c.£86m compared to net cash of c.£33m at 30 September 2021.

The net book value of freehold and leasehold properties of c.£297m as at 30 September 2022 is a key underpin to our strong balance sheet as well as providing additional operational flexibility.

The combined value of our cash and property portfolio as at 30 September 2022 is equivalent to 98p per share (31 December 2021: 78p).

The Board considers that repurchasing the Company's shares at the current discount to our cash and property portfolio represents an attractive investment opportunity at this time and is in line with our capital allocation framework, and our stated aim to maintain a progressive dividend policy.

The purpose of the Share Buyback Programme is to reduce the capital of the Company and increase earnings per share.

Details of the Share Buyback Programme

The Company will commence a share buyback programme of up to £15m in respect of its ordinary shares of 5p each (“Ordinary Shares”).

Lookers has given irrevocable and non-discretionary instruction to Peel Hunt LLP and Numis Securities Limited (together, the “Brokers”) to conduct the Share Buyback Programme on its behalf in accordance with certain pre-set parameters. The Share Buyback Programme will commence on 19 October 2022 and will end no later than 31 May 2023. The Brokers will act as “riskless” or “matched” principals in relation to the Share Buyback Programme and will make their trading decisions concerning the Ordinary Shares independently of the Company.

The number of Ordinary Shares to be purchased under the Share Buyback Programme will not exceed 39,193,973 Ordinary Shares and is therefore within the general authority to make market purchases of Ordinary Shares granted by the Company's shareholders at its annual general meeting held on 31 May 2022 (the “General Authority”). Any market purchase of Ordinary Shares pursuant to the Share Buyback Programme will be announced no later than 7:30 a.m. on the business day following the calendar day on which the purchase occurred. All Ordinary Shares purchased pursuant to the Share Buyback Programme will be cancelled.

Any purchases of Ordinary Shares pursuant to the Share Buyback Programme will be effected within the above-mentioned pre-set parameters, including the maximum price payable for an Ordinary Share being the lower of (a) 105% of the average of the middle market quotation for Ordinary Shares as derived from the Daily Official List of London Stock Exchange plc for the five business days before the date on which the purchase is made and (b) an amount equal to the higher of the last independent trade and highest current independent purchase bid. These arrangements are in accordance with the General Authority, Chapter 12 of the Listing Rules, and those provisions of Article 5(1) of Regulation (EU) No. 596/2014 (as incorporated into UK domestic law by the European Union (Withdrawal) Act 2018) (as amended) (“UK MAR”) and the Commission Delegated Regulation (EU) 2016/1052 (as incorporated into UK domestic law by the European Union (Withdrawal) Act 2018) (as amended) (the “UK RTS”) dealing with buyback programmes.

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 (as amended). The person responsible for making this announcement is the Company Secretary.

Enquiries:

Lookers

Mark Raban, Chief Executive Officer 0161 291 0043
Oliver Laird, Chief Financial Officer

MHP Communications

Tim Rowntree 020 3128 8193
Simon Hockridge
Charles Hirst

Peel Hunt LLP (Joint Broker) 020 7418 8900

Adrian Trimmings, Andrew Clark, Lalit Bose

Numis Securities Limited (Joint Broker) 020 7260 1366

Stuart Dickson, Ollie Steele, Duncan Wilson