

## **PENDRAGON PLC POST-CLOSE TRADING UPDATE (ISSUED 20 July 2023)**

Pendragon PLC (the "Group") today provides a post-close trading update covering the period from 1 January 2023 to 30 June 2023 and its outlook for the remainder of the year. Unless otherwise stated, figures quoted in this statement are for the six months ended 30 June 2023 and the comparative period being the six months ended 30 June 2022.

The Group delivered another robust performance in the first half of FY23, with growth in gross profit more than offsetting the underlying pressures of interest rate rises and ongoing cost inflation. As a result, the Group expects to report a c.9% increase in underlying profit before tax to c.£36.5m for the first half of FY23 (H1 FY22: £33.5m).

The UK Motor division continued to perform well during the first half of FY23. The Group delivered strong volume growth in new vehicles, which were up 18.3% on a like-for-like basis, outperforming the wider retail market which was up 1.7%, and in line with the total market which was up 18.4%. This volume growth was underpinned by strong margins, with new gross profit per unit ("GPU") c.£200 higher year-on-year. The Group also recorded strong used volume growth, up 7.2% on a like-for-like base, supported by used GPU remaining well above historic levels at c.£1,400 per unit. Aftersales also continued to perform well, recording like-for-like gross profit growth of c.14% during the first half. The Group continues to see benefits from its strategy to improve performance and unlock significant value from UK Motor, with a strong performance across the division.

Pinewood (the Group's dealer management software business) and Pendragon Vehicle Management (the Group's leasing business) also performed strongly in the first half, with both divisions delivering operating profit growth in excess of 10% year-on-year. These performances, combined with the increase in UK Motor gross profits, more than offset approximately £15m of cost pressure from the combined impact of cost inflation and higher interest rates. The Group remains focused on opportunities to mitigate cost and interest rate pressures.

Group adjusted net cash as at 30 June was c.£40m (31 December 22: net debt of £23.3m).

### **Outlook**

There were encouraging signs of improvement in production and supply of new vehicles during the first half, although used vehicle supply is expected to remain tight for the foreseeable future. The Board remains mindful of the influence that both high inflation and increased interest rates have on consumer sentiment, with the potential for these factors to impact demand in the second half. However, the Board believes Pendragon's strategy, market-leading proposition and mix of business models means it remains resilient in the face of these challenges and it continues to expect to deliver group underlying profit before tax in line with Board expectations.

### **Interim Results & Capital Markets Event**

The Group will report its FY23 interim results on 27 September 2023. There will be an in-person results presentation at 9am, which will also be accessible via audio webcast. On the same day and at the same location as the FY23 interim results, Pendragon will also host a Capital Markets Event for analysts and investors on Pinewood, the Group's dealer management software business.

### **Bill Berman, Chief Executive of Pendragon PLC, commented:**

"Pendragon has continued to perform well, demonstrating the continued success of our strategy. Increased sales across all divisions and higher profitability more than offset cost pressures, resulting in a strong cash

position. While we expect high inflation and interest rates to persist in the second half of the year, our resilient model means we are well-placed to perform in line with Boards expectations.”

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