



MOTORPOINT

THERE'S NO CAR LIKE A MOTORPOINT CAR



Motorpoint Group Plc

Half year 2024 results and strategy update



Agenda

Half year 2024 highlights

Mark Carpenter, CEO

Financial highlights and ESG update

Chris Morgan, CFO

Strategic update and outlook

Mark Carpenter, CEO



Half year 2024 highlights

Mark Carpenter, CEO

“Focusing on Brilliant Basics in FY24
– lean cost base, faster stock turn
and lower prices”

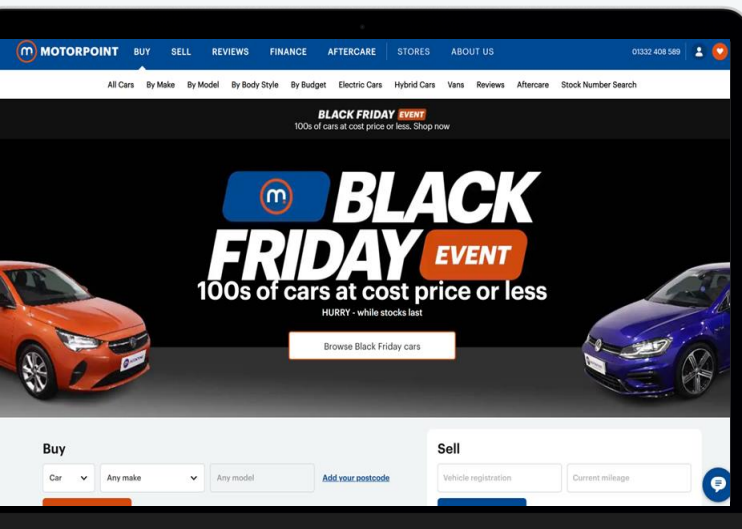
A group focused on growth through two distinct channels



Motorpoint

The UK's leading omnichannel used vehicle retailer

- Cars and vans
- Online and In-Store



Sell Your Car (C2B)

< 5 years*

< 50,000 miles*

Part Exchange

< 5 years*

< 50,000 miles*

Auction4Cars.com

The UK's leading independent Trade car auction site

- Cars and Vans
- Online only

Sell Your Car (C2B)

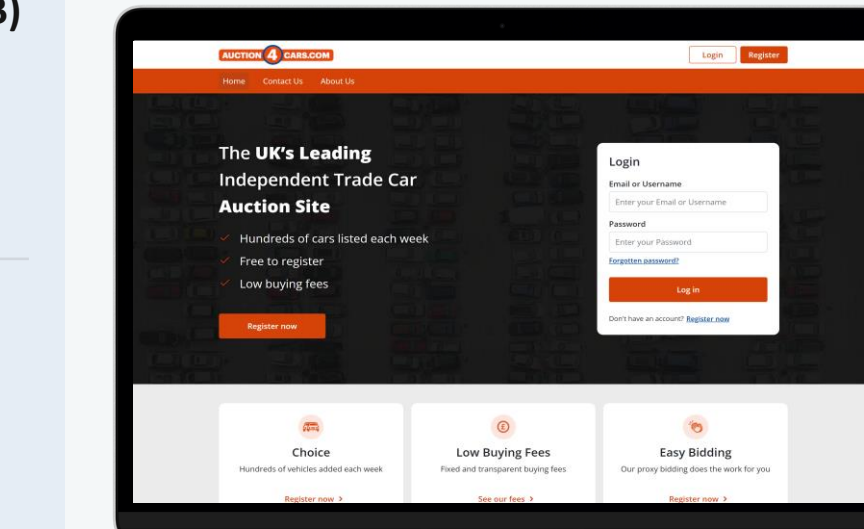
> 5 years*

> 50,000 miles*

Part Exchange

> 5 years*

> 50,000 miles*

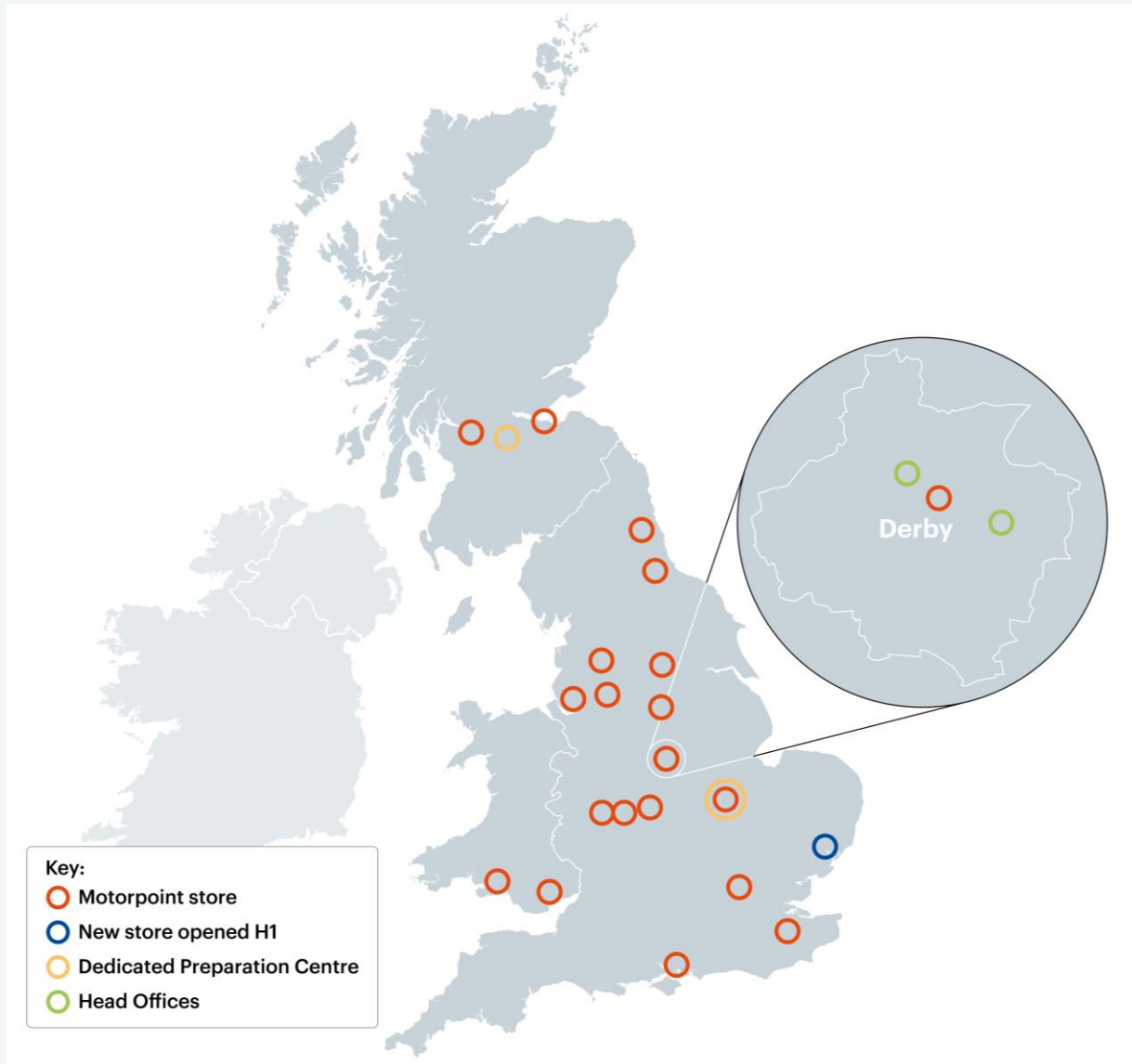


* General criteria – expanded retail criteria in H1 FY24

Motorpoint virtuous circle – remains at the core of what we do



National UK Coverage; Stores and Online



Ipswich store

- Ipswich opened May 2023
- 20 stores in total
- Target 10% market share in each area in which we operate
- Paused new store roll out due to macro headwinds

H1 FY24 headwinds and how we have responded



H1 FY24 headwinds

- Although supply has eased, a shortage of good quality, nearly-new vehicles remains
- Further reduction in nearly-new market size - 1.48m vs 1.57m
- High interest rates resulted in:
 - Higher APR% and lower attachment
 - Lower finance commission
 - Increased stock financing cost
- High market prices and APR% resulted in affordability of nearly-new used vehicles being negatively impacted
- In last six weeks we have seen an average 6% fall in market values

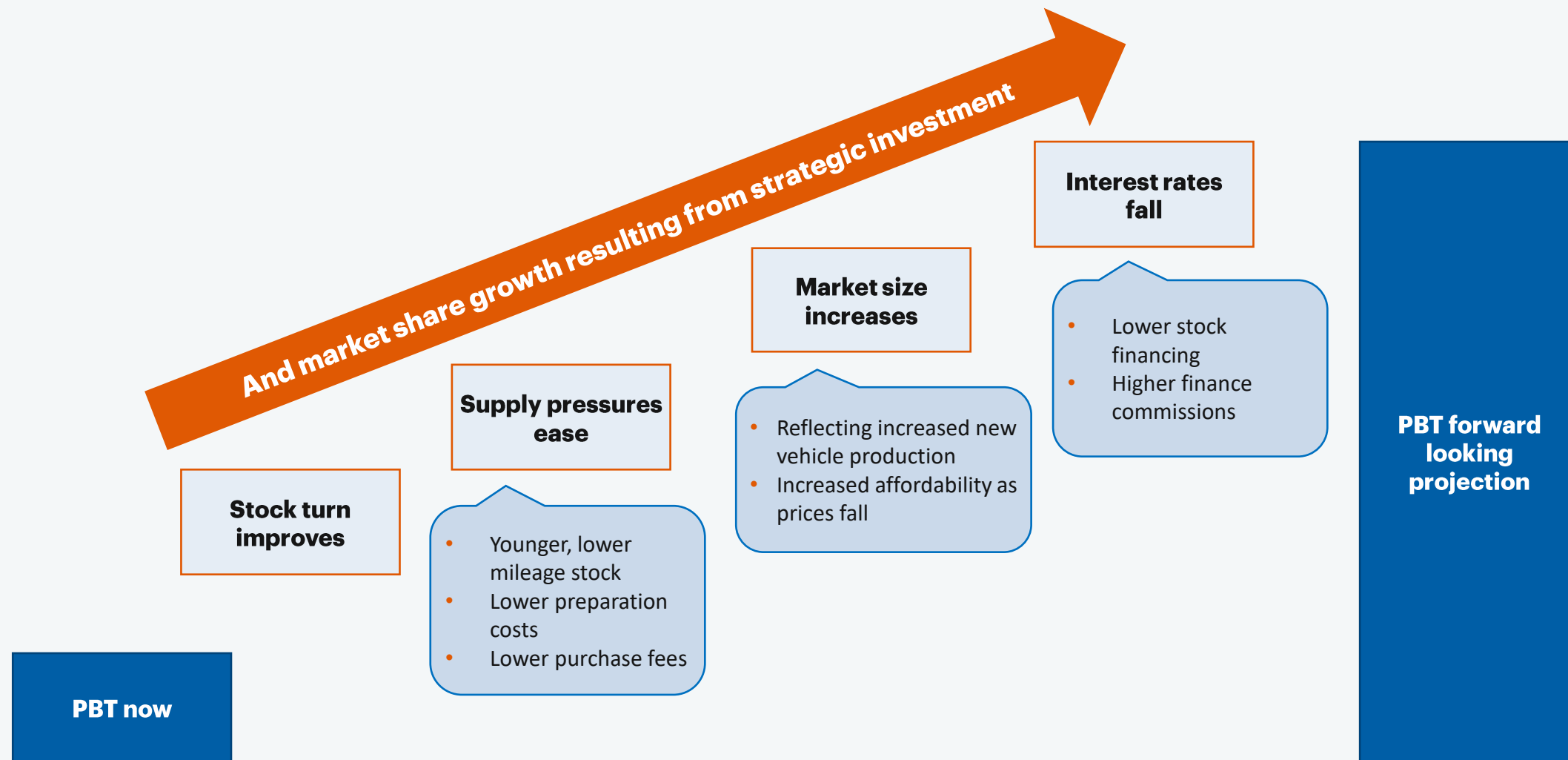
H1 FY24 proactive response

- Increased retail and trade metal margin through faster stock turn
- Increased APR rates to protect finance commission
- Reduced operating expenditure, including headcount right-sizing and lower marketing spend
- Conserved cash but continued capital investment with high ROI
- Broadened retail criteria to include vehicles up to five years old and 50k miles
- Focus on acquiring vehicles at the lower price end of market; with reduced exposure to expensive makes and models



Well documented macroeconomic headwinds meant that swift and decisive action was necessary to right-size the business – but, as expected, margin progression, cost reduction and increased cash generation has slowed market share growth

External headwind reduction will improve profitability

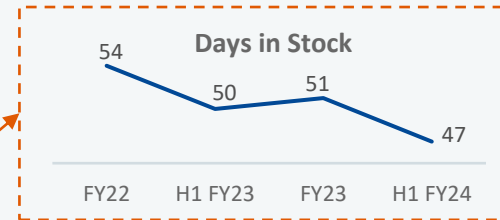
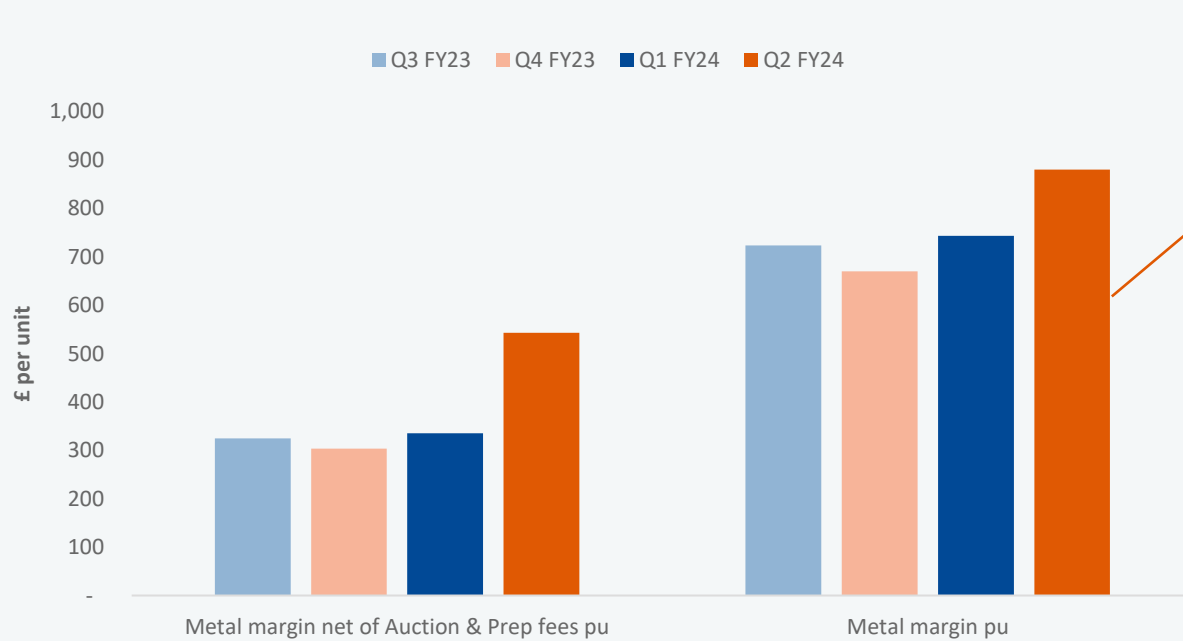


KPI progression hampered by right-sizing activity



KPI	H1 FY24	H1 FY23	FY23
Market share (0-5 year market)	2.5%	2.7%	2.7%
Total revenue	£607.2m	£786.7m	£1,440.2m
Total E-commerce revenue	£224.3m	£350.6m	£660.5m
Total units sold	39.3k	49.0k	89.7k
Units sourced from consumers (% of retail sales) - increased to 27.7% in Sep 2023	24.2%	22.6%	23.8%
(Loss) / Profit before tax & exceptional items	£(3.7m)	£3.0m	£(0.3m)
Customer acquisition cost per retail unit	£198	£250	£244
Net cash	£11.2m	£4.5m	£5.6m
Customer NPS	81	84	84

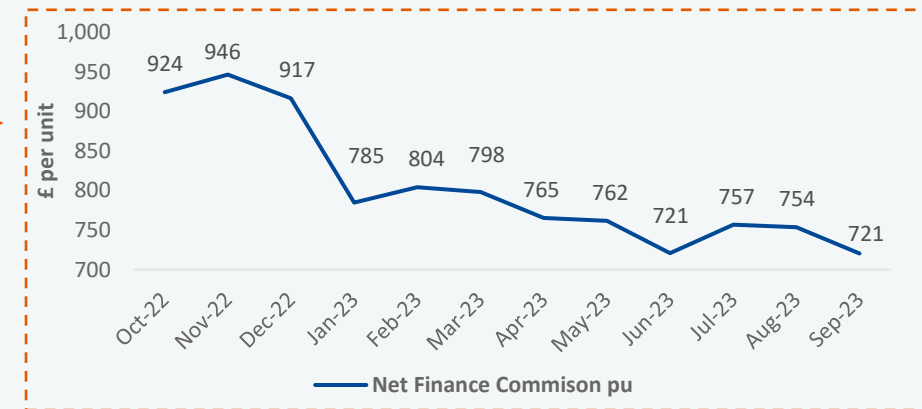
Improvement in Gross Profit driven by a proactive response to market challenges



- Days in Stock improvement has driven improved margin

- Increasing supply channels, including direct from consumer and less reliance on auctions
- Preparation cost efficiency maintained despite move to older vehicles
- Data informed purchasing decisions and pricing
- Reduced exposure to volatile Electric Vehicles

Margin improvement required to offset reduced finance commission



- Lower finance attachment due to higher interest rate environment

Tight control over operating expenditure, despite inflation

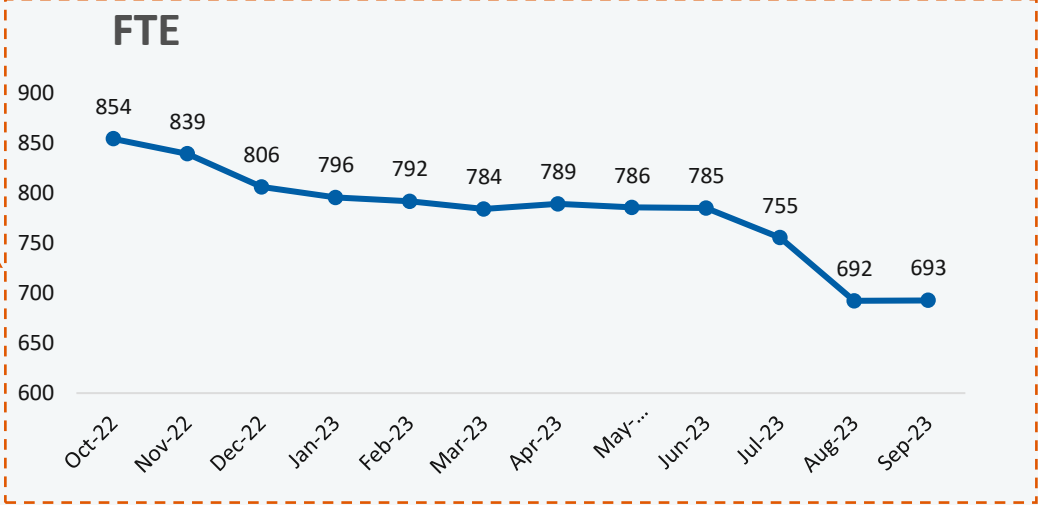
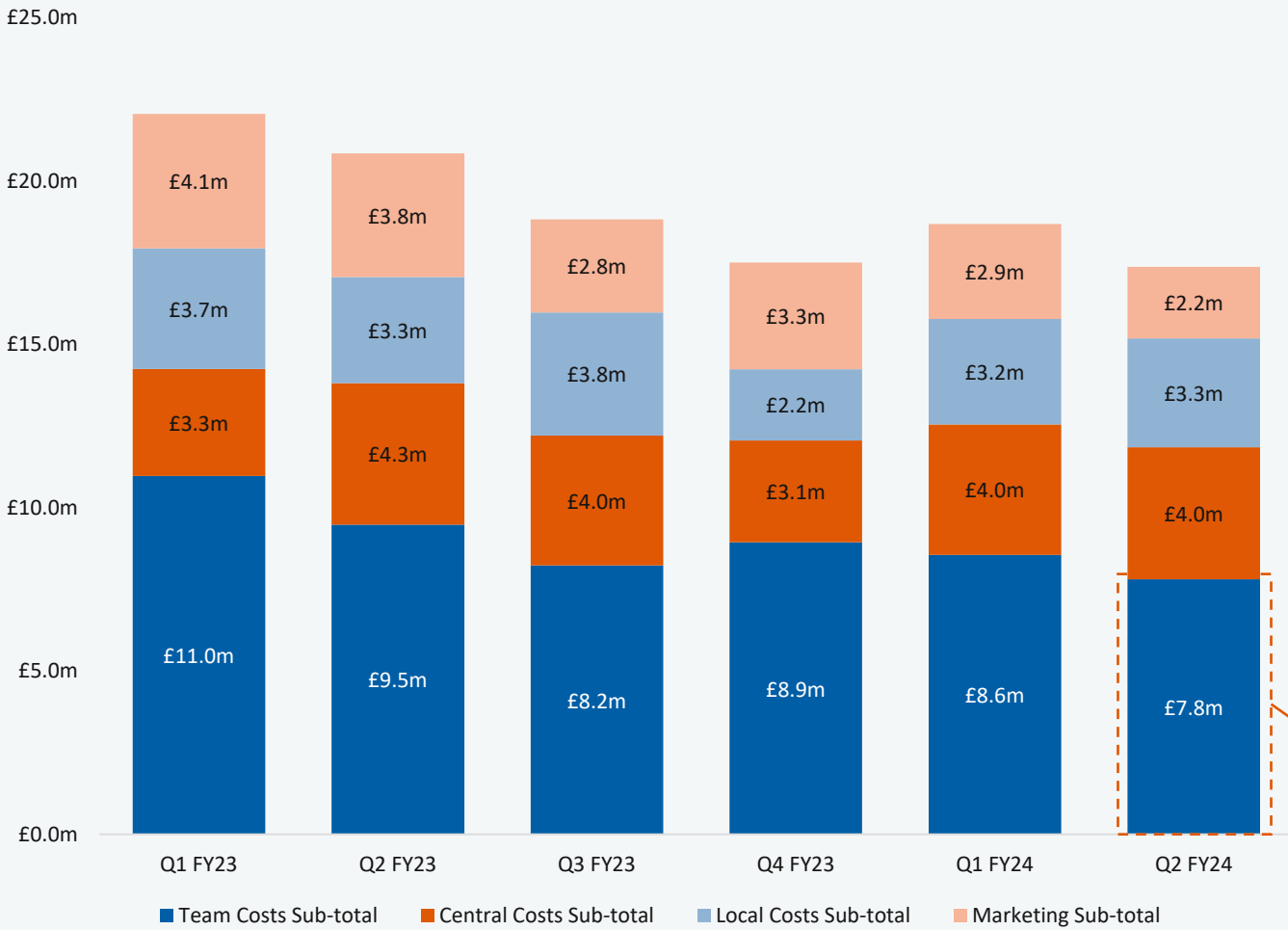


Lower marketing spend in H1 FY24, and CAC below £200 per unit

Focus on variable spend to reduce local costs, despite inflation

Central costs less controllable as this includes fixed rent and rates

Decrease in headcount/ cost (despite 6% wage inflation) reflecting right-sizing exercise, and automation benefit



Motorpoint continues to offer the best value



Motorpoint

£8,748**

£161 per month

36,212 miles/69 plate

Hyundai I10

Cinch

£9,015**

£180 per month

39,268 miles/69 plate



Motorpoint

£13,999*

£249 per month

16,836 miles/69 plate

Vauxhall Grandland

Evans Halshaw

£14,420*

£260 per month

22,620 miles/69 plate



Motorpoint

£11,699*

£197 per month

14,630 miles/70 plate

Vauxhall Corsa

Eden Vauxhall

£12,495*

£215 per month


18,846 miles/70 plate

Price Leadership - 99.98% of stock priced Good, Great or Low

“From opening the door for us on arrival to complete dedication from the salesperson. It was a joy to walk around the car lots without being followed by a pushy salesperson. From us choosing the car to receiving our keys we have to say, ‘Well Done, Motorpoint’. We highly recommend you visit . . . you will not be disappointed.”

“Great quality cars. We’ve bought more from here than we can remember, and our family too. No pressured sales techniques, helpful and friendly staff.”

“The change over from my old car to the new was brilliant and the staff were very helpful. The transition of paperwork was hassle free. Would definitely recommend to anyone.”

Customers, Trustpilot 

* Details as displayed on website and correct as of 23/10/2023 ** and 17/11/2023

“AutoTrader price indicators compare the seller's asking price to the price of similar vehicles from the 450,000 vehicles advertised on the marketplace. AutoTrader valuations analyse data from millions of vehicles every day and this data is used to work out a vehicle's current market price, considering things like make, model, year, mileage, fuel type and optional extras.

Along with AutoTrader we have analysed advertised vehicles from April 23 to September 23. Over this period Good Price Indicator flags were applied to the stock 49.75% of the time; Great, 36.42% of the time; Low, 13.81% of the time and Fair, 0.01% of the time.”

Affordability challenges resulted in broadening retail criteria



Hyundai Tuscon

- £16,999 now versus £11,999 in 2021
- £329 per month now versus £220 per month

Based on an equivalent 3 year old SE 1.6 model. Monthly PCP costs with no deposit. Oct 2023 versus May 2021

Example vehicle 50% per month more expensive than in 2021

Vehicle price deflation has accelerated in recent weeks



Skoda Octavia

November 2023 * £16,500

October 2023 £19,100

13.6% drop in price



Nissan Qashqai

November 2023 ** £20,550

October 2023 £24,150

14.9% drop in price



MG HS

November 2023 ** £13,950

October 2023 £16,200

13.9% drop in price

* Price as of 14/11/23

** Price as of 15/11/23

Source: CAP



Since half year we experienced the largest monthly drop in values since 2011. Will improve affordability for consumers in near term



Financial highlights and ESG update

Chris Morgan, CFO

“Headwinds reduced profit and business right-sized. Strong cash generation”

Financial Highlights



£'m unless stated	H1 FY24	H1 FY23	Change
Revenue	607.2	786.7	-22.8%
(Loss) / profit before taxation & exceptional items	(3.7)	3.0	-6.7
Cash generated from operations	5.8	10.6	-4.8
Net cash	11.2	4.5	+6.7

Operating Results



£'m	H1 FY24	H1 FY23	Change
Revenue			
Retail	509.8	653.1	
Wholesale	97.4	133.6	
Total revenue	607.2	786.7	-22.8%
Gross profit	37.7	48.7	-22.6%
Operating expenses before exceptional items	(36.1)	(42.8)	-15.7%
Operating profit before exceptional items	1.6	5.9	-72.9%
Finance costs	(5.3)	(2.9)	+82.8%
(Loss) / profit before tax & exceptional items	(3.7)	3.0	-6.7
Exceptional items	(1.0)	-	+1.0

- Revenue fall reflects reduction in nearly new market size and macro headwinds
- Proactive response to protect metal margin and offset reduction in finance commissions
- Operating expense fall of 15.7% despite wage inflation of 6% and new store costs
- FTE employees reduced to 693 at period end (H1 FY23: 893)
- Marketing costs £5.1m (H1 FY23: £7.9m) with customer acquisition cost per retail unit £198 (H1 FY23: £250)
- Increased finance costs reflect rising cost of borrowing
- Exceptional items reflect one-off restructuring exercise

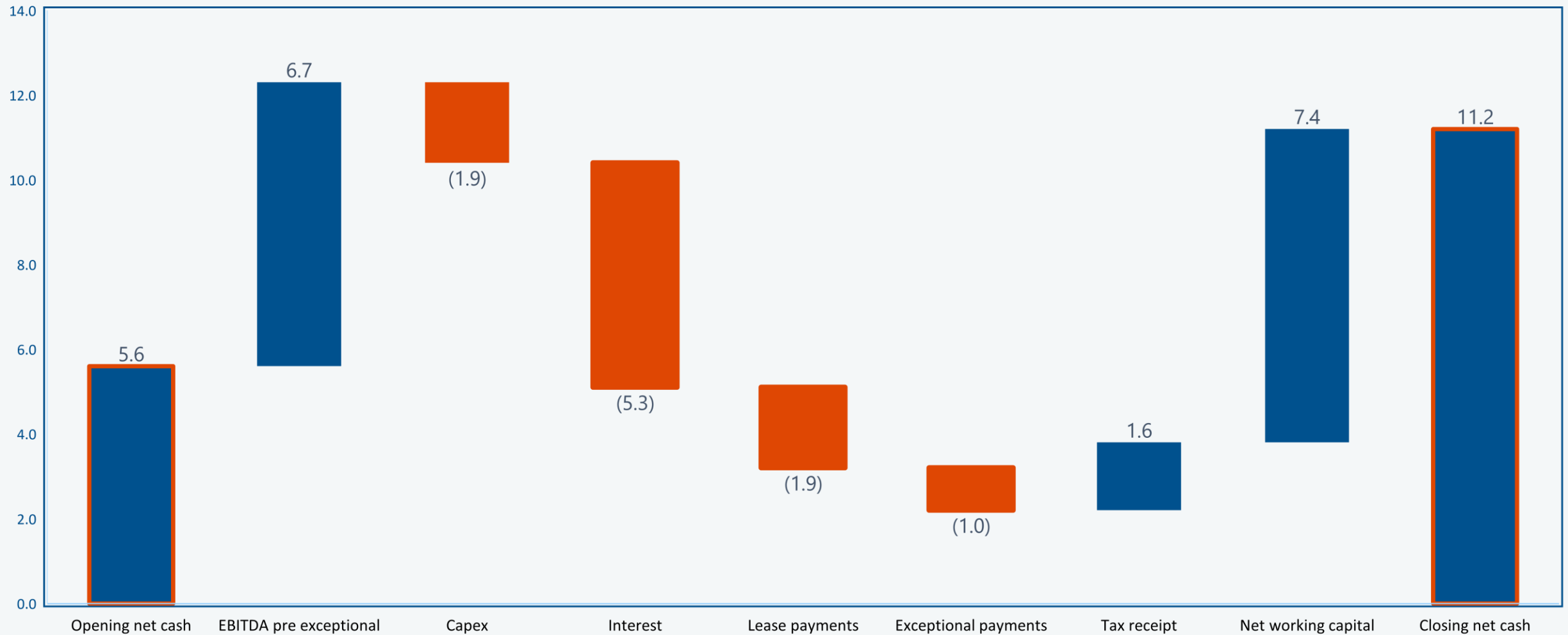
Balance Sheet



£'m	H1 FY24	H1 FY23	FY23
Fixed assets	12.4	13.3	13.1
Intangible assets	4.2	1.9	3.7
Right of use assets	55.4	57.8	58.4
Inventories	143.8	185.6	148.6
Cash	11.2	4.5	5.6
Trade and other receivables	18.1	19.9	18.4
RCF Borrowings	-	-	-
Trade and other payables	(145.6)	(175.7)	(143.8)
Lease liabilities	(61.7)	(63.6)	(63.6)
Other	(1.9)	(2.2)	(1.5)
Net assets	35.9	41.5	38.9

- One new store, Ipswich, opened in H1 FY24
- Intangible assets increase slow down, reflecting reduced strategic tech investment
- Inventory drop reflects right sizing to match customer demand. Improvement to 47 days in stock (H1 FY23: 50)
- Significant headroom in stocking facility availability; £102.3m drawn of the £195.0m
- Payables movement in line with the reduction in inventory since September 2022
- No net debt
- £35m loan facility extended to June 2026 (from May 2024), with option to extend for two further years
- Movement in lease liabilities reflects repayments in the period

Cash flow



Strong ESG progress confirmed by Financial Times Climate Leader accolade



By supporting our environment

- Recognised by the Financial Times as one of Europe's Climate Leaders (who are most successful in reducing their core greenhouse gas emissions)
- Championing commitment to energy management through internal communication channels
- Scope 1 and 2 emissions and business travel down c.10% versus previous period
- Waste collection costs down c.14% on previous period, and <0.2% to landfill



And our communities

- Partnership with Diversity Jobs Group to extend reach into diverse pools
- Anonymised applications to further support inclusion and removal of unconscious bias
- New charity partners selected
- Partnership with the Retail Trust, providing wellbeing, financial and emotional support to teams and family
- Team retention levels improved by 11% this calendar year
- Further gender pay gap reduction

We want to be viewed as the most environmentally friendly used car retailer



GoGreen[®]
Think green, Be green



Strategic update and outlook

Mark Carpenter, CEO

“Good progress on strategic objectives offering the best near term returns”



Upscale E-commerce capability

- Upgrades to website Product Detail Pages (PDP) and new vehicle imagery – increased views and sessions, and lower bounce rates
- 'Saved Search Favourites' and 'Recommendations' functionality introduced and email stock alerts in place for stock that becomes available
- Record levels of organic traffic, with improvements to site speed (desktop, mobile, tablet all faster by more than 30%)
- Prominent visibility for overage stock and price reduction banners introduced
- Store landing page allows customers to see locations close to them and showcase their current stock

Customer acquisition and retention


- 20th store opened in May 2023 (Ipswich)
- Improving customer experience with creation of single customer view and integrated CRM platform
- Customer emails sent three times a week, with very low unsubscribe rates
- Better use of data:
 - Drill down on what customers desire, highlighting the need to move to older, cheaper vehicles for new customers
 - Data led pricing strategy
 - Focus on where each vehicle is in life cycle
- Improvement to online portal experience – reduce waiting time in store

Product Detail Page upgrades



Before

HOME DELIVERY AVAILABLE



Nissan Qashqai Diesel Hatchback
1.5 DCI 115 ACENTA PREMIUM 5DR | Stock Number: 1275533
Located at our **Birmingham** store

01332 227 227

£14,599 **£223** Per month
Save £9,696
Savings shown against new list price.

RESERVE THIS VEHICLE

ENQUIRE

VALUE MY PART EXCHANGE


FINANCE

LIVE CHAT

- 2018 (68 Plate)
- 5 Seats
- Manual
- Grey
- Diesel
- 20,902 miles
- Hatchback
- 3 months warranty
- 17" Wheels
- Electric Folding Mirrors
- Bluetooth
- Sat. Nav.
- Parking Sensors
- DAB Radio
- Alloy Wheels
- Solid paint
- Cloth Trim
- Reverse Parking Camera
- Cruise Control
- Climate Control

GALLERY

After



MOTORPOINT

3 months warranty | In transit to our Manchester store

AUDI A3 **Test drive**

35 TFSI S Line 5dr

★ **£575** of extra features included [Review features](#)

£1,000 OFF

£249 per month PCP + **£4,320** deposit (20%) OR **£21,599** was ~~£22,599~~

Plus **£149 admin fee** [Build your finance deal](#)

Reserve or Buy | Value your part exchange

01332 408 936 | Enquire

Stock No: 1404595

Gallery 41 images

View 360°

Wholesale and supply expansion

- Less reliance on stock attracting purchase fees - fees per unit dropped 20% from H1 FY23
- New A4C customer dashboards – unique personalised "central hubs"
- New automated funding provider options – A4C customers can activate their account in two clicks and proceed to bid and buy
- Automated A4C customer payments now trigger collection alert and secure code – customers can win auction, pay and collect almost immediately
- 500 new A4C customers in H1

Operational efficiency

- Continued automation yields further efficiency gains
- A4C days in stock improved from 13.1 to 9.9 days
- New open banking solution allows retail customers to pay by bank transfer, reducing card payment fees
- Further reduction in vehicle preparation time to 8.7 days, despite older mix
- Improved aftersales capability with planned introduction of MOT bays in selected locations
- Key partner API enhancements eliminate double key entry and rework
- Upgraded FAQs page improves customer experience and productivity

- Price leadership is vital; we continue to offer the best value for our customers through a leaner cost base and faster stock turn
- High inflation, elevated interest rates and consumer uncertainty continue to impact our market and profitability for FY24
- Proactive focus in FY24 on cash generation and improved stock turn
- In recent weeks we have experienced faster falls in vehicle values -good news in near term as this improves customer affordability
- Investment in technology to date has created efficiency; lowering non-strategic costs, creating a leaner and more agile business – better positioning the Group for the future
- Significant improvements to customer journey, both online and in store
- Motorpoint well placed to emerge from the current environment a highly profitable market leader



Selective strategic investment to ensure we are well positioned to seize the significant opportunity ahead



Appendix

Financial KPIs (1 of 2)



	H1 FY24	H1 FY23
Volumes		
Retail	25.8k	31.6k
Wholesale	13.5k	17.4k
Total	39.3k	49.0k
Online	8.5k	10.6k
Branch	17.3k	20.9k
Total Retail	25.8k	31.5k
Total GP per retail unit	£1,267	£1,373
Total GP per wholesale unit	£370	£304
Customer acquired vehicles (% of retail units)	24.2%	22.6%

Financial KPIs (2 of 2)

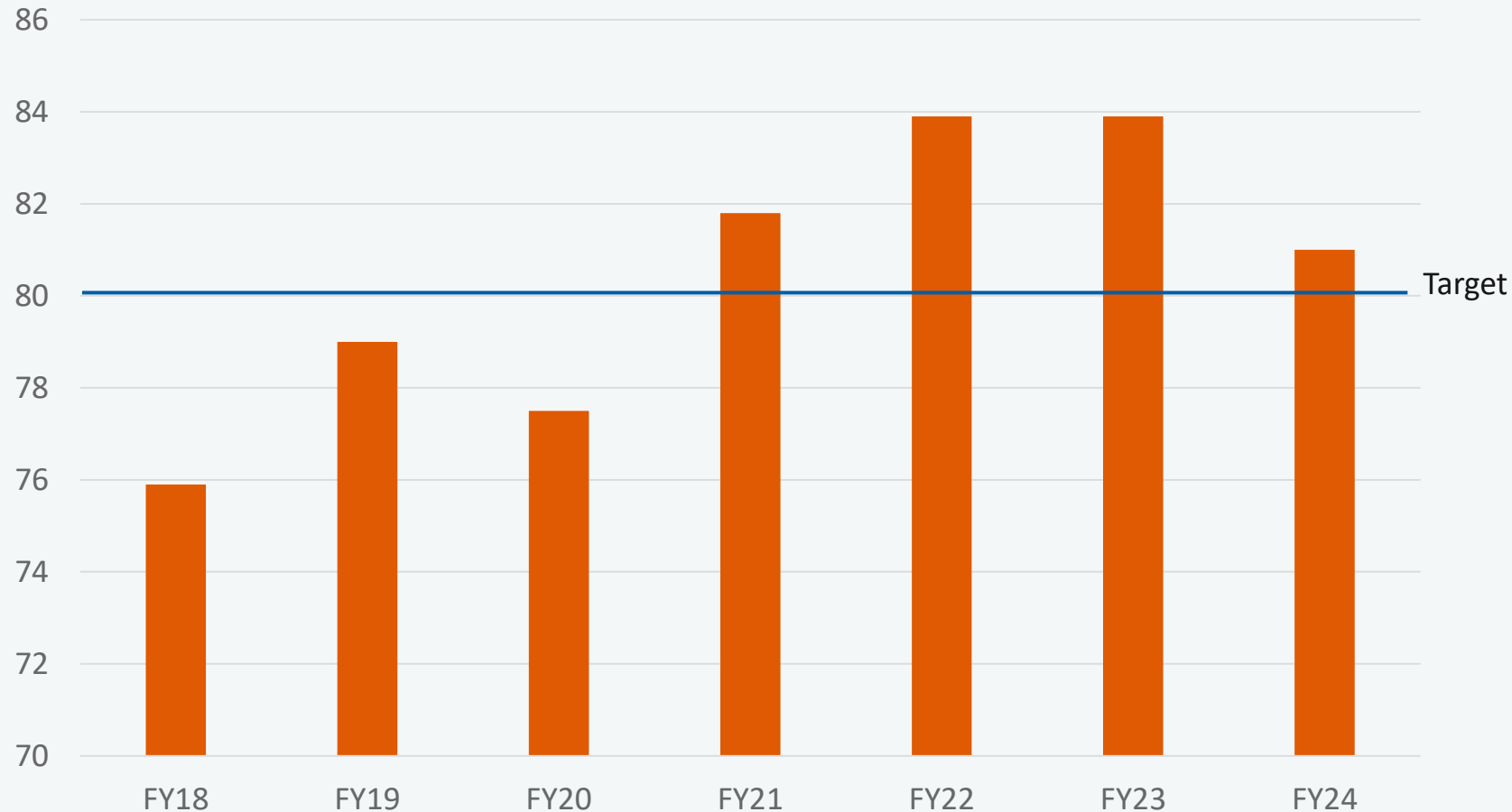


	H1 FY24	H1 FY23
Days to prepare a car	8.7	8.8
Transport pu £	123	109
Marketing £	5.1m	7.9m
Marketing pu (CAC) £	198	250
People costs £	16.4m	20.5m
People costs pu £	636	649
Central costs £	8.0m	7.6m
Central costs pu £	310	241
Other Operating Expenses £	6.6m	6.8m
Total Operating Expenses £	36.1m	42.8m
Rent (pro forma) £	3.9m	3.5m

NPS maintained at industry-leading high



NPS sold since 2018



Key Motorpoint benefits

- ✓ Award winning service
- ✓ Extensive choice
- ✓ Great value backed by price promise
- ✓ Quality control and operational excellence
- ✓ Flexible finance options
- ✓ Competitive part exchange prices
- ✓ Test drives readily available
- ✓ Home delivery
- ✓ Same day driveaway
- ✓ Contactless collections
- ✓ Online & in branch, or combination of both

The information, opinions and statements contained in this presentation and any associated discussion (this “Presentation”) has been prepared by Motorpoint Group PLC (the “Company”) and has not been independently verified. The Presentation is only intended for information and reference purposes as at the date of the Presentation which does not purport to be comprehensive, nor offer any form of accounting, financial, investment, tax or other type of advice. Neither the Company and its subsidiaries, nor the directors, officers, employees or agents of the Company and its subsidiaries (each an “Identified Party”) accepts any responsibility, obligation or liability (whether in contract, tort or otherwise) in relation to the Presentation (including its completeness, adequacy or accuracy) or any related written or oral information based on or relating to the reader's use of the Presentation. No representation or warranty, express or implied is made by any Identified Party, as to the accuracy, reasonableness or completeness of the information contained in the Presentation and no reliance should be placed upon it including any oral or written information provided in connection with the Presentation or any data which may be generated therefrom. The Presentation is not a prospectus and does not constitute or form part of an offer or invitation to subscribe for, underwrite, purchase or sell securities, nor shall it (or any part of it) form the basis of, or be relied upon, in any way in connection with any investment decision or other evaluation relating to any securities. This Presentation may contain estimates, forecasts, projections, targets and forward looking statements including statements regarding our intent, belief or current expectations with respect to the Company’s businesses and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices (together, “forward looking statements”). No assurance that any matters in the forward looking statements are achievable can be made because they relate to future events and are based on various assumptions made by the Company, which assumptions may not prove to be correct and/or are outside of the Company’s control. The Company’s business and operations are subject to a variety of risks and uncertainties, many of which are beyond its control and, consequently, actual results may differ materially from those expressed or implied by any forward looking statements and projections. Nothing contained within this Presentation should be construed as a profit forecast or profit estimate. The Company does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date of this Presentation to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forward looking statements, actual results may vary in a materially positive or negative manner. Past performance is not a reliable indication of future performance and recipients should not place any reliance on any forward looking statements.