

## **PENDRAGON PLC INTERIM MANAGEMENT STATEMENT (ISSUED 21 April 2021)**

This Interim Management Statement covers the period from 1 January 2021 to 31 March 2021. Unless otherwise stated, figures quoted in this statement are for the three months ended 31 March 2021 and the comparative period being the three months ended 31 March 2020.

- **Underlying Profit Before Tax of £10.8m – an increase of £13.1m vs. Q1 2020 (Loss of £2.3m)**
- **Like-for-like Operating Profit of £19.5m up 68.5% (up 136.8% total reported)**
- **Like-for-like Gross Profit down 0.9% (down 6.2% total reported)**
- **Like-for-like Operating Costs & Interest down 11.6% (down 18.4% total reported)**

The Group delivered an underlying profit before tax of £10.8m, an improvement of £13.1m compared to the prior year, representing a strong performance given the COVID-related restrictions in place. All of the Group's dealerships were closed throughout the period and reopened on 12 April 2021.

Franchised UK Motor demonstrated a high level of resilience to these restricted trading conditions, with the omni-channel capabilities of the Group supporting good continuity of sales across both new and used cars, fulfilled through home delivery or click and collect. Operating profit in Franchised UK Motor grew by 240.6% to £13.0m compared to Q1 FY20 and Car Store operating loss was flat at £0.7m vs Q1 FY20.

In addition, our Technology and Leasing businesses also performed strongly. Pinewood operating profit was £3.4m, up 13.7% vs Q1 FY20 driven by a combination of increased user numbers and improved gross margins. Pendragon Vehicle Management was up 35.1% vs Q1 FY20 at £3.7m, with growth largely driven by improved residual values on end of lease disposals.

The development of the Group's digital capabilities provided a high degree of protection against the physical closure of stores, with over 40,000 vehicles delivered in the quarter against a prior year like-for-like comparison of approximately 45,000 vehicles. Franchised UK New vehicle volumes were down 8.4% on a like-for-like basis (total reported down 11.2%) in the quarter, ahead of the overall market which was down 12.0%. Group Used volumes were down 14.2% on a like-for-like basis.

Gross margins also proved to be robust despite the challenges to demand presented by the lock-down, with like-for-like UK new gross profit per unit ("GPU") improving to £1,481 (Q1 FY20: £1,207), which more than offset the lower volumes and resulted in a like-for-like increase in new gross profit of 12.4%. Group like-for-like used GPU was broadly flat at £1,095 (Q1 FY20 £1,103), resulting in a 14.9% reduction in Group like-for-like used gross profit (total reported down 20.4%).

Aftersales facilities remained open during the quarter and delivered a good performance, with like-for-like revenue down just 2.0%, and which was more than offset by improved gross margin rates benefitting from ongoing efficiency gains, resulting in an increase of 0.3% in like-for-like gross profit.

As a result of these movements, combined with the improvements in both Pinewood and PVM, The Group was able to largely mitigate the impact of the store closures, with overall like-for-like gross profit for the Group down just 0.9% (total reported down 6.2%).

The combined impact of the Group's cost reduction programmes and store closures resulted in a like-for-like operating cost reduction of 10.7% in the quarter (total reported operating costs down 18.3%). Interest costs were down 19.1%.

### **Outlook**

We remain cautiously optimistic about the outlook for the remainder of the financial year given the ongoing levels of macro-economic uncertainty but continue to believe the business is well positioned to respond to

any opportunities or challenges that may arise. We continue to withhold guidance for FY21 until we have more certainty over the economic environment.

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

“We have delivered a strong performance in the first quarter, demonstrating the benefits of our omni-channel offering. Building on the progress made in 2020, our online capabilities continue to gain momentum as we advance our strategy and this has contributed to a resilient sales performance in the period.

“I am particularly proud of how our associates have responded to the changing environment, displaying their commitment to deliver a high-quality customer experience despite the difficult environment. With the easing of COVID-19 restrictions and the reopening of non-essential retail last week, we are delighted to be welcoming back customers to our dealerships and we are well positioned for the important trading period we have ahead of us.”

Enquiries		
Henry Wallers	Headland	07876 562436
Jack Gault	Headland	07799 089357