

7 October 2021

Motorpoint Group PLC
("Motorpoint" or the "Group")

Half Year Trading Update and Notice of Results

Motorpoint Group PLC, the UK's leading independent omnichannel vehicle retailer, provides the following update on its trading performance for the half year ended 30 September 2021 ("H1 FY22").

Revenue

Group revenues grew by c.57% against H1 FY21 following continued strong consumer demand for used vehicles. Online Retail sales increased c.53% over the same period reflecting continued progress in our transformation to a digitally led business. As widely seen across the market, sales growth slowed from June due to the reduced supply of vehicles, following our record trading in April and May. The Society of Motor Manufacturers and Traders (SMMT) reported Q2 market growth of 109% (April to June 2021, versus same period 2020). Motorpoint significantly outperformed this, with growth of 242%.

Due to the reduced supply of vehicles in the market, we expanded our offering from our core market of vehicles under three years old, to include 3-4 year old vehicles. We quickly gained a 1.4% share of this market, again showing our agility to successfully adapt at pace to changing market conditions.

Auction4Cars.com revenue increased c.38% against H1 FY21, despite the Group selling more vehicles through the retail sales channel instead of feeding these vehicles onto the Auction4Cars.com platform.

Gross Profit and Operating Expenses

Throughout the first half, gross profit margins remained strong due to appreciation of vehicle values. Against H1 FY21, gross profit increased by c.58%. We continue to invest in our customer proposition, sharing our scale advantages and by expanding our Home Delivery fleet. Our APR finance rates were reduced further to 8.9% from 1 October as we look to maintain our 'best value' offering.

As planned, strategic costs increased in H1 FY22 as we further invest in future growth with technology and marketing investment rising by more than 150% vs H1 FY21. In particular, we have invested heavily in our infrastructure and talent capability as we continue our digital transformation journey. Despite this upweighted investment, Profit Before Tax grew over 30% against H1 FY21 to more than £13m.

Strategy Update

Good progress has been made on our medium term strategic targets:

The Motorpoint car buying service, purchasing cars direct from consumers, was successfully launched on 6 July 2021 and this is already an important enabler to increase the supply of retail vehicles and the volume of transactions through Auction4Cars.com. During H1, 12.5% of retail vehicles sold were sourced from consumers (H1 FY21 – 7.6%).

Our new branch in Manchester opened successfully on 1 October 2021, which followed the new preparation centre in Motherwell in August. In addition to the recently announced Maidstone branch, we have now also secured a new site in Milton Keynes, and further branches remain under negotiation.

It remains important to note that uncertainty in the market continues to persist, given:

- the well documented vehicle supply shortage;
- the potential for further disruption from COVID-19; and
- downward pressure on used vehicle margins as supply shortage gradually eases.

Trading continues to be in line with the Board's expectations for the full year and the Group is well placed to deal with these uncertain potential headwinds and invest further in growth. The Board looks to the future with confidence, as the Group transitions to a digitally led business with huge potential.

Interim Results

The Group expects to announce its Interim Results for the half year ended 30 September 2021 on 25 November 2021.

Mark Carpenter, CEO of Motorpoint, said:

"Since fully reopening in April our omnichannel proposition has excelled, providing the whole used vehicle market with our renowned choice, value, service and quality. With record revenues, employee engagement and customer service across the Group, Motorpoint continues to be the leading independent used vehicle retailer in the UK. Our business continues to be agile and agnostic, qualities that allow us to take advantage of strategic opportunities and our transition to E-commerce is just one example of this. We are firmly fixed on significant growth targets and the investments made to date in technology and marketing will continue to grow to realise our goal of doubling revenues in the medium term."

Enquiries:

Motorpoint Group PLC via FTI Consulting
Mark Carpenter, Chief Executive Officer
Chris Morgan, Chief Financial Officer

FTI Consulting (Financial PR) 020 3727 1000
Alex Beagley
James Styles
Sam Macpherson
Amy Goldup

Notes to editors

Motorpoint is the UK's leading independent E-commerce led omnichannel vehicle retailer, focused on giving retail and trade customers the easiest, most affordable and seamless way of buying, selling and financing their car whether online, in-store or a combination of both. Through its leading B2C platform Motorpoint.co.uk and UK network of 15 sales and collection branches, the Group provides an unrivalled offering in the nearly new car market, where consumers can effortlessly browse, buy or finance their next car and collect or have it delivered directly to their homes. Motorpoint's purely online wholesale platform Auction4Cars.com sells vehicles into the wholesale B2B market that have been part exchanged by retail customers, or purchased directly from them by the Group as part of its online car buying service. Motorpoint's diversified business model, underpinned by its established brand, industry leading technology and sophisticated marketing infrastructure, always delivers the best value, choice, quality and service for customers. The Group is proud to have been recognised for seven consecutive years as one of the Sunday Times' Top 100 Best Companies to Work For.