

# Motorpoint Group PLC FY24 Full Year Results

13 June 2024

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

## Final Results

***A challenging year driven by macroeconomic headwinds. Return to profitability in Q4 and good momentum going into FY25***

Motorpoint Group PLC, the UK's leading independent omnichannel vehicle retailer, today announces its final results for the year ended 31 March 2024 ("FY24").

### Financial Summary

	Year ended 31 March 2024	Year ended 31 March 2023	Change
<b>Revenue</b>	<b>£1,086.6m</b>	£1,440.2m	-£353.6m
<b>Gross profit</b>	<b>£73.1m</b>	£85.7m	-£12.6m
<b>Gross profit margin</b>	<b>6.7%</b>	6.0%	+70 bps
<b>Underlying<sup>(1)</sup>:</b>			
<b>Operating expenditure</b>	<b>£(72.9)m</b>	£(79.2)m	+£6.3m
<b>Loss before taxation</b>	<b>£(8.2)m</b>	£(0.3)m	-£7.9m
<b>Loss for the period</b>	<b>£(6.4)m</b>	£(0.6)m	-£5.8m
<b>Reported:</b>			
<b>Operating expenditure</b>	<b>£(80.6)m</b>	£(79.2)m	-£1.4m
<b>Finance expense</b>	<b>£(9.8)m</b>	£(7.1)m	-£2.7m
<b>Loss before taxation</b>	<b>£(10.4)m</b>	£(0.3)m	-£10.1m
<b>Loss for the period</b>	<b>£(8.4)m</b>	£(0.6)m	-£7.8m
<b>Net cash<sup>(2)</sup></b>	<b>£9.2m</b>	£5.6m	+£3.6m

(1) Excluding exceptional operating expenses of £(7.7)m, exceptional other income of £5.6m, exceptional finance expense of £(0.1)m and exceptional income tax income of £0.2m (FY23: All £Nil)

(2) Cash less any borrowings, excluding lease liabilities

- Revenue decreased by 24.6% to £1,086.6m (FY23: £1,440.2m), influenced by market headwinds, stock mix and vehicle price deflation. Retail volumes declined by 8.2% in the year, but recovered strongly in the final quarter, growing 8.9% on equivalent quarter in FY23
- Gross profit declined by 14.7%, reflecting the volume decline and reduced finance commissions, which were influenced by the high interest rate environment. Gross profit accelerated in the final quarter due to strengthening volume growth and improved data driven vehicle pricing activity
- Underlying operating expenditure reduced by 8.0%, due to restructuring and lower marketing spend as performance marketing was prioritised
- Net exceptional costs before taxation of £2.2m (FY23: £Nil) related largely to the restructuring programme, with the balance relating to the costs of the previously announced Derby flood and related insurance receipts
- Increase in finance expense reflects interest rate rises, in part offset by lower stock levels, thus reducing funding requirements
- Total loss after taxation was £(8.4)m (FY23: £(0.6)m), with the main drivers being the volume decline and impact of high interest rates
- Strong improvement in cash, despite lower profitability, which reflects working capital management and reduced capital investment. No structural debt as at 31 March 2024

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## Operational and Strategic Highlights

- Prioritised improving unit metal margins, reducing operating costs and generating cash rather than pursuing continued market share growth, given the macroeconomic backdrop
- Returned to market share growth in Q4. Market share based on SMMT data (up to six year old cars) for the full year was 2.1% (FY23: 2.2%), but improved to 2.3% in Q4 versus 2.2% for the same quarter in FY23
- Increased retail margins supported by the use of data to optimise selling prices, streamlined organisational structure, paused new store roll-out and reduced strategic investment
- Focus on stock management, including clearing through aged vehicles, resulted in days in stock reducing by 12% to 45 days
- Technology investment focused on further tangible improvements to our website, enhancing customer experience and product information; estimated 10% increase in digitally led sales
- Automation benefits, including a portal to simplify vehicle handovers, a new open banking solution for faster payment and reduced bank fees, simplified Auction4Cars buying and financing, and new technology to verify vehicle mileage
- Continued strong progress against ESG objectives, and proudly recognised by the Financial Times as a leader in climate change across the European business sector
- Strong cash generation provided the Board with confidence to commence the share buyback programme (to purchase and cancel up to 5 million shares) in March 2024
- Recommitment to investments in new capabilities, digitally driven customer experiences and new stores in order to take a long term leadership role in the UK used car market

## Current Trading and Outlook

- Positive start to FY25; April and May both profitable:
  - Double digit growth in retail sales volumes
  - Metal margins remain strong and used car prices stable
- Successful execution of our Brilliant Basics restructuring programme during FY24 will stand the business in good stead moving forwards as the market continues to improve
- Our lean cost base, strong data driven focus on margins, faster stock turn and enhanced digital capabilities should enable us to continue the Q4 FY24 trend of profitable growth
- We envisage that 2023's difficult macro conditions will continue to ease with customer sentiment improving. Supply should increase following new car registration growth, and used car market expansion
- Therefore, we believe that there is substantial potential to realise strong profitable growth and cash generation as we leverage our lower cost base with increased volumes
- As performance improves we look forward to resetting and re-energising our strategic goals, including further new store opportunities, against our long term ambition to lead the UK used car market

## Mark Carpenter, Chief Executive Officer of Motorpoint Group PLC commented:

“The past financial year was the most difficult in our history, with multiple negative headwinds in the macro environment such as rising borrowing costs and subdued customer demand, coupled with industry specific issues such as lower inventory and deflation. The resilience of our cash generation evidences the strength of our business model and we now look forward to continuing our journey of profitable growth as the improving trends of Q4 have continued into Q1.

Following the rightsizing exercise of FY24, we now have a lean, technology-enabled business. I am very confident in our ability to scale profitability and cash generation as the market improves, which will allow us to invest further in growth.”

## Analyst & investor webinar

# Motorpoint Group PLC FY24 Full Year Results

There will be a webinar for sell-side analysts and investors at 9:00am BST today, the details of which can be obtained from FTI Consulting via [motorpoint@fticonsulting.com](mailto:motorpoint@fticonsulting.com).

## Enquiries:

### Motorpoint Group PLC

via FTI Consulting

Mark Carpenter, Chief Executive Officer

Chris Morgan, Chief Financial Officer

### FTI Consulting (Financial PR)

Alex Beagley

020 3727 1000

Harriet Jackson

Amy Goldup

**Forward looking statements:** The information in this release is based on management information. This report includes statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date of this report.

## Notes to editors

Motorpoint is the UK's leading independent 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](https://www.motorpoint.co.uk) and UK network of 20 stores, 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](https://www.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 choice, value, service and quality for customers.

## Non-Executive Chair's statement

### Strategic Opportunity

Three years ago, Motorpoint announced a departure from its historic approach by more aggressively embracing the role of technology and digital services in its business and setting forth more ambitious medium term goals to at least double its revenue to over £2bn by, among other things, growing its E-commerce revenue to over £1bn and opening 12 new stores. Reaching these goals would require transformative levels of investment in new capabilities including technology and automation, data and analytics, digital commerce, marketing, new sales and service stores and its omnichannel customer proposition.

Since this announcement, in spite of the significant economic challenges affecting the used car market and Motorpoint in particular, the Company has progressed towards its goals by hiring key strategic leaders, developing new technologies and digital capabilities, and refining its strategy to include specific further capabilities that will position Motorpoint uniquely in the market. Although this progress has been constrained by economic and market factors, nevertheless our belief in the strategic direction and the size of our opportunity has grown.

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The use of digital services is becoming universal amongst car buyers and sellers. This natural progression presents an opportunity for retailers to disintermediate portions of the used car market by selling direct to consumers through a lower cost, higher service model, by buying direct from consumers or via new online marketplaces, and by building brand leadership and market share through aggressive marketing. However we have learned, based on our customer data, that some degree of physical connection continues to be preferred by most customers to provide reassurance and trust in the transaction. Motorpoint, as a leading omnichannel retailer, is uniquely positioned to serve this need and is developing integrated consumer journeys across its digital, store, customer service and delivery channels that will meet changing consumer needs. This is Motorpoint's central strategic opportunity.

Underpinning Motorpoint's new capabilities will be contemporary technology and data practices. These will not only create unique cross channel customer journeys, but will improve efficiency in our key processes such as selling, vehicle preparation, logistics, pricing and inventory turnover.

### Leading With Agility and Responsibility

With its focus on the long term strategic growth opportunity, Motorpoint has faced very difficult markets which have challenged its near term performance and investment capacity. In Motorpoint's 2022 financial year (FY22), the Covid pandemic was over; however supply chain shortages continued to limit the manufacturing of new vehicles, used car prices were inflated due to constrained supply, and consumer confidence was declining as consumers began feeling the effects of general inflation and rising interest rates. Motorpoint performed strongly in that year with record revenue, growth in market share and strong operating profit. While many in the market were cautious, Motorpoint recommitted to its ambition to lead the UK's used car market by investing in new capabilities, digitally driven customer experiences and new stores.

During FY23, economic and market conditions deteriorated further, especially in the second half. Rising inflation and interest rates, coupled with constrained used car supply, inflated prices and a significant OEM induced cut in used electric vehicle values, made trading particularly challenging. Further, high interest rates affected several components of our profit model. High consumer finance rates reduced consumer demand and pinched unit profitability, Motorpoint's finance commissions reduced as it tried to hold consumer rates below market, and its finance expense on inventory borrowings increased. In the face of these challenges Motorpoint continued to make prudent strategic investments in order to progress towards its strategic ambition while attempting to remain profitable and preserve cash. Motorpoint's operating profit fell, its net profit before tax was roughly breakeven while it managed to again grow revenues and market share.

As the Company approached FY24, it believed that economic and market conditions would not improve and indeed could worsen further with no end in sight. In fact, economic conditions during FY24 were the most difficult in Motorpoint's 25 year history. High interest rates, price deflation, constrained used vehicle supply and depressed consumer demand intersected causing several industry consolidations, a high visibility administration and massive industry losses. For Motorpoint, it reacted early in the year to implement a rightsizing and margin improvement programme with an aim to limit losses and preserve cash in a smaller, persistently difficult market. It prioritised increasing unit margins, reducing operating expenses and generating cash over revenue and market share growth. It also tempered strategic investments and focused on efficiency, trading effectiveness and near term returns. Although the year was loss making, by the final quarter Motorpoint was back to growth and profitability.

I am pleased that Motorpoint has been agile and resilient through a tumultuous period and made sound decisions based on changing market conditions. It has also remained committed to its strategic plan in a manner that has balanced its investments responsibly and brought substantial new technology, digital, marketing and operational expertise into the business. Motorpoint is now well positioned to reverse the FY24 loss and extend its profitability and cash generation as the market improves further, to set new expectations for medium term growth, and to recommit to investments in new capabilities, digitally driven customer experiences and new stores in order to take a long term leadership role in the UK used car market.

I would like to thank the Motorpoint team for their extraordinary contributions over an extended period. I look forward to a positive future for the Company and all of our colleagues.

**John Walden**

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Non-Executive Chair, Motorpoint PLC  
13 June 2024

## Chief Executive's statement

### Overview

Difficult macroeconomic conditions hampered our growth and profitability for much of FY24. There was also a shortage of good quality, nearly new vehicles. We took decisive action to rightsize the business to reflect the reduced market size and ensure cash generative trading at lower levels of Group sales. The external headwinds did ease in Q4, and this, along with the results of our actions taken during the year, meant we returned to profitable growth in the last three months of FY24, with retail sales up 8.9%.

High interest rates and inflation were a key feature throughout FY24 and fuelled consumer uncertainty, and the market for our 0-4 year old sector reached a low point of 1.5m sales per annum, from a pre Covid high of 2.5m. This, along with deflation and stock mix, influenced our revenue fall to £1,086.6m (FY23: £1,440.2m) and retail units sold were 52.6k. (FY23: 57.3k), despite a strong final quarter with significant year on year growth. In addition, the high market prices and APR rates have reduced affordability for consumers. To counteract this, we expanded our retail criteria so that the majority of cars were less than five years old and 50,000 miles, to help customers find the right vehicle in accordance with more constrained household budgets.

These reduced retail volumes, pressure on finance attachment rates due to high APRs, and high stock interest expense, resulted in a drag on profitability, and the business returned a loss before taxation and exceptional items of £(8.2)m (FY23: loss before taxation £(0.3)m). As a consequence of actions taken, and an easing in headwinds, the business returned to profitability in the final quarter, which coincided with year on year retail volume growth.

For much of the year we prioritised protecting profit and cash. Helped by use of improved data analysis, we were able to improve unit margins, introduce an affordable administration fee and increase A4C fees (but still below the market norm). We also rightsized our headcount to reflect the lower volumes and reduced marketing costs. FTEs at 31 March 2024 were 710, significantly down from the high of almost 950 in the early part of FY23.

Despite the profitability pressures, the Group again demonstrated its resilience to end the year with net cash excluding lease liabilities of £9.2m (FY23: £5.6m). There is significant cash headroom, with the £20.0m (FY23: £35.0m) bank facility undrawn at year end. Of this, £6.0m (FY23: £6.0m) is available as an uncommitted overdraft and £14.0m (FY23: £29.0m) as a revolving credit facility.

### Focusing on Brilliant Basics in FY24

Our focus on driving operational excellence through a programme we call Brilliant Basics has resulted in a lean cost base, faster stock turn and lower prices, with the cumulative effect of consistent profitability in the final three months of the year.

The market challenges in FY24 required decisive action to rightsize the business and refocus our priorities on the established basics which have served us so well historically. This included a thorough review of our headcount requirements, and a plan to ensure that all roles in the business have accountability measures, with strengthened reporting. We reviewed our margin performance, supported by the use of data, and stock mix, to ensure we have the right vehicles for customers at the right price. Our agile sourcing model allowed us to expand vehicle age and mileage criteria to offer lower price points to meet broader customer demand. We saw the benefits of this with strong performance in the final quarter. We also looked at our ancillary offering in Q4 and extended our warranty product to cover customers for an additional year (now up to three years). This quickly resulted in an uplift in revenue and profitability, and helped offset the impact of the removal of the asset protection product.

### Strategy Update

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We have made good progress against our strategic targets announced in June 2021. Despite the market challenges during FY24, we remain committed to our long term growth aspirations, whilst focusing in the short term on margin improvement, cost base management and cash generation, and strategic objectives that offer the best short term returns. The strong cash position allowed us to continue making targeted strategic investment, with further improvements in technology involving both our retail and wholesale businesses, and we opened our 20th store, in Ipswich, in May 2023.

During FY24, we continued to enhance our digital capability, and upscale our E-commerce offering. We made improvements to the website Product Detail Pages (PDPs) and introduced new imagery. These changes improved page views and the time customers spend on our site. Saved search and recommendation functionality was introduced. Email alerts are now in place to inform customers when the vehicle they are looking for has arrived. We experienced record levels of organic traffic, and website speed improved by 43.5% in March 2024 compared to April 2023.

The Group's use of data is fundamental to how we operate. As well as helping to inform vehicle pricing decisions, it supports the identification of what vehicles customers desire. As an example, it allowed us to identify that new customers are more likely to buy cheaper vehicles than returning ones, and this helped inform our decision to expand our retail criteria. In addition, we now send up to four emails a week to consumers, compared to just one historically.

We have strengthened our Data Insight team by recruiting external talent, and by harnessing the benefits of automation we have been able to continue to deliver operational improvements, from preparation speed and reduced stockholding to customer self-serve technology. Automation allowed us in the year to improve efficiency and reduce headcount.

Our priorities for the year ahead include strengthening our vehicle supply, pushing ahead with consumer digital engagement, using data to inform decision making and the introduction of new profit channels. We also expect to recommence our new store opening programme during FY25, now that we see the market returning.

### **The Motorpoint Virtuous Circle remains at the core of everything we do**

Our operating model of how our employees and stakeholders interact, the Motorpoint Virtuous Circle, combined with our Values of Proud, Happy, Honest and Supportive continue to provide a robust framework for explaining how we get things done and what factors to consider when decisions are required.

The Virtuous Circle begins with our employees. In the final quarter we conducted our Driving Seat survey for all team members, which highlighted strong satisfaction levels across the business. Our values scored highly, with 95% of the team who responded saying that they were Proud to work for Motorpoint.

We sponsor multiple initiatives to enhance our team's experience with Motorpoint. Our 'One Big Dream' initiative has been a huge success, with our people using two paid hours per month for their own fulfilment. Team retention levels improved over the year, with staff turnover falling from 32% in April 2023 to 27% in March 2024.

Our One Team ethos was perfectly highlighted when the Derby store was badly flooded in October 2023. This resulted in significant disruption for employees and customers, and required a major clean up operation. I am very proud of our employees from across the business (whether it be from the office, other locations or the Derby store itself) who all pulled together to ensure that the site was up and running again within four weeks, and that customers were not left disappointed.

We believe that the engagement of our team is directly correlated to our customers' satisfaction. As we innovate our omnichannel customer experiences, our highly engaged team continued to deliver what we believe is a market leading proposition of Choice, Value, Service and Quality to our loyal customers with an unerring focus on customer satisfaction. Our NPS for sold vehicles remains at industry leading levels at 82 (FY23: 84).

During the year, we introduced new products and services to enhance the customer experience. For example, we expanded our retail criteria to ensure we held more affordable vehicles, and improved our warranty product by extending the length of cover available. In the last few months of FY24, in response to increased customer

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demand, we recruited additional team members in our busier stores to ensure that the high standards of customer experience were maintained.

The final piece of our Virtuous Circle is delivering for our shareholders. The external headwinds did impact profitability in the year, although we improved cash generation and had the confidence to commence the share buyback, to benefit shareholders. The improvement in performance in the final quarter provides further confidence that we can look forward to delivering strong profitable growth and cash generation.

### Environmental, Social and Governance (ESG)

The Group's ESG Committee continues to be instrumental in setting out appropriate ESG targets. The Group wants to be viewed as the most environmentally friendly used car retailer and has made significant progress on its ESG strategic goals.

We are delighted that our progress was recognised by the Financial Times naming Motorpoint as one of Europe's Climate Leaders, who are most successful in reducing their core greenhouse gas emissions. We have championed our commitment to energy management through internal communication channels.

Due to the nature of our business, most emissions relate to Scope 3 and the use of sold products. However, Scope 3 emissions did decrease year on year by 21%, although much of this was driven by a reduction in products sold and mix of vehicles. Going forward, we remain dependent on original engine manufacturers (OEMs) in respect of increasing the supply of zero emission vehicles. We expect our Scope 3 emissions to decrease as the UK transitions to a lower carbon economy, particularly in relation to cessation of sales of new internal combustion engine (ICE) vehicles from 2035.

In terms of what we can directly control, we have made further, good progress in energy savings. Like for like Scope 1 and 2 emissions and business travel, are down 14% versus the previous year based on tonnes of carbon relative to the square foot area of the business. Waste collection costs are also down 15%, and less than 0.2% waste went to landfill.

We also have made further improvements to support inclusion and remove unconscious bias, and our gender pay gap has again reduced.

### Outlook

Successful execution of our Brilliant Basics restructuring programme during FY24 will stand the business in good stead moving forwards as the market continues to improve. Our lean cost base, strong data driven focus on margins, faster stock turn and enhanced digital capabilities should enable us to continue the Q4 FY24 trend of profitable growth. We envisage that 2023's difficult macro conditions will continue to ease with customer sentiment improving. Supply should increase following new car registration growth, and used car market expansion. Therefore, we believe that there is substantial potential to realise strong profitable growth and cash generation as we leverage our lower cost base with increased volumes. As performance improves, we look forward to resetting and re-energising our strategic goals, including further new store opportunities, against our long term ambition to lead the UK used car market.

### Mark Carpenter

Chief Executive Officer  
13 June 2024

## FINANCIAL REVIEW

**Strong final quarter with growth in retail units sold, improved margins and a subsequent return to profitability, following a challenging year influenced by economic headwinds**

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## Group financial performance headlines

Revenue reduced to £1,086.6m (FY23: £1,440.2m) reflecting the shrinkage of the nearly new used car market and economic headwinds. Retail units sold fell from 57.3k in FY23 to 52.6k, although we returned to year on year growth in the final quarter. Affordability became an increasingly big issue for consumers, and we prioritised stock mix with less expensive vehicles. Consequently, during FY24, we relaxed our age and mileage criteria to ensure that we have the vehicles that customers desire and can afford.

Gross profit was £73.1m (FY23: £85.7m). Gross margin improved in the year to 6.7% (FY23: 6.0%), largely due to our focus on improving metal margin, which includes using data to determine optimum pricing at a given time, as well as the introduction of an administration fee, which is now in line with much of the market. Finance commission per vehicle sold reduced, following the fall in average selling prices and the impact of increased APRs.

Despite inflation, operating expenses before exceptional items reduced by 8.0% to £72.9m (FY23: £79.2m), largely reflecting a decrease in headcount and lower marketing spend.

Net exceptional expense before taxation of £2.2m (FY23: £Nil) largely relates to costs following a one-off restructuring review in the year with the balance relating to the costs of the previously announced Derby flood and related insurance receipts.

As a consequence of the challenging external conditions, loss before taxation and exceptional items was £(8.2)m (FY23: £(0.3)m).

Despite the lower profitability, and as management took decisive action, net cash excluding lease liabilities, improved to £9.2m at the year end (FY23: £5.6m).

## Trading performance

The Group has two key revenue streams, being (i) vehicles sold to retail customers via the Group's stores, call centre and digital channels, and (ii) vehicles sold to wholesale customers via the Group's Auction4Cars.com website.

	Retail customers		Wholesale customers		Total	
	FY24	FY23	FY24	FY23	FY24	FY23
	£m	£m	£m	£m	£m	£m
Revenue	<b>931.1</b>	1,175.7	<b>155.5</b>	264.5	<b>1,086.6</b>	1,440.2
Gross profit	<b>64.3</b>	74.5	<b>8.8</b>	11.2	<b>73.1</b>	85.7

## Retail

Revenue from retail customers was down 20.8% to £931.1m (FY23: £1,175.7m), with 52.6k (FY23: 57.3k) vehicles sold (a fall of 8.2%). The remainder of the revenue fall reflected the lower price of vehicles sold. The year on year trend improved from a fall of 18.4% in the first half, with growth of 8.9% in the final quarter. Consumer demand has picked up, and we have benefited from the numerous enhancements made to our digital presence during the past year which, among other things, is generating significantly more website traffic. In the year, 32.4% of vehicles were sold online and we continue to see around two thirds of customers wanting the store experience for their vehicle purchase.

Gross margin of 6.9% was a good improvement given the headwinds experienced (FY23: 6.3%), with the strengthening of metal margin offsetting the impact of higher APRs on finance commission. We have seen a fall



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in attachment rates due to the higher cost of finance. Finance per vehicle sold therefore decreased in the period, following this increase in interest rates and lower price points, reflecting mix and deflation. Penetration was 46% (FY23: 56%). Our APR finance rates continue to be competitive despite increasing from 11.9% to 12.9% at the start of October 2023.

We continue to develop our customer proposition and have added a new three year warranty product which has been well received by our customers and has offset the removal of our asset protection product following FCA instruction to all insurers to voluntarily withdraw the product.

Our 20th and newest store opened in May 2023 in Ipswich. During the year, we also disposed of the lease for our unopened property in Milton Keynes. This was a site we acquired in FY23 but had not incurred any material development costs.

### Wholesale

Wholesale revenue via Auction4Cars.com, which sells vehicles that have been part exchanged by retail customers, or directly purchased from consumers, decreased by 41.2%. With the relaxation of the retail age and mileage criteria, the number of vehicles sold through the wholesale channel significantly decreased. Around 25.4k vehicles were sold via this purely online platform. Gross margin of 5.7% (FY23: 4.2%) improved from the previous year with greater focus on reducing the number of loss making vehicles sold through this platform.

### Operating expenses before exceptional items

Our cost management remains tightly controlled, with notable savings achieved in people costs following FY24's rightsizing programme and efficiencies resulting from technology investment.

Operating expenses before exceptional items decreased from £79.2m in FY23 to £72.9m. Despite the new store opened, overall full time equivalent employees reduced to 710 at year end from 789 at 1 April 2023, as we continually focused on efficiency in stores, preparation and Head Office, and rightsized our headcount to reflect market conditions. Energy rates (for the property portfolio at the time) were fixed for two years in September 2021, and we experienced an increase in unit rates from October 2023, therefore. However, following a focused approach to managing usage, along with a milder winter, meant we experienced a reduction of 15% in electric and gas consumption compared to FY23 on a per square footage basis. Property costs increased by 9% and included the opening of the Ipswich store in May 2023, and the full year effect of FY23 openings. Marketing costs decreased from £14.0m to £10.0m as we target a more focused approach, as well as responding to the lower consumer demand for much of FY24.

### Other income before exceptional items

Other income before exceptionals of £1.3m (FY23: £0.3m) includes business interruption insurance proceeds in respect of the closure of the Derby site following the flooding in October 2023, and subsequent reduced trading with the opening of the temporary showroom.

### Exceptional items

Net exceptional items before taxation of £2.2m (FY23: £Nil) constituted restructuring costs for various redundancies associated with the headcount rightsizing programme (£1.1m), the write down of delivery vehicles which are being disposed of following the driver redundancies associated with the above (£0.2m), and cost relating to the disposal of the Milton Keynes lease (£0.5m), along with the net of assets written off following the Derby flood not covered by insurance.

On a gross basis, exceptional operating expenses were £7.7m (FY23: £Nil) which included the flood damaged assets written off and the restructuring costs. Exceptional other income of £5.6m (FY23: £Nil) included insurance receipts against those written off assets.

### Interest

The Group's finance expense was £9.8m (FY23: £7.1m); the increase reflects the sharp rise in cost of borrowing, despite lower inventory.

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Total interest charges on the stocking facilities in the period were £7.1m (FY23: £4.7m). Interest on lease liabilities was £2.0m (FY23: £2.0m) and on banking facilities £0.7m (FY23: £0.4m).

### Taxation

The tax credit (FY23: charge) in the period is for the amount assessable for UK corporation tax in the year net of prior year adjustments and deferred tax credits. The tax credit was £2.0m (FY23: £0.3m charge), reflecting the loss in the year.

### Earnings per share

Basic and diluted earnings per share were both (9.3)p (FY23: both (0.7)p).

### Dividends

No dividend was paid in the period (FY23: £Nil) and the Board has not recommended a dividend (FY23: £Nil).

### Capital expenditure

Cash capital expenditure reduced to £2.6m (FY23: £9.4m) as the business preserved cash and cut discretionary spend, with additions primarily relating to the new store in Ipswich and ongoing IT projects.

### Balance sheet

Net assets decreased in the year in line with the loss made. Working capital was proactively managed, in particular ensuring that stock purchasing was maximised through the funding facilities.

Non-current assets were £64.4m (31 March 2023: £75.2m) made up of £8.8m of property, plant and equipment, £50.5m of right-of-use assets, intangible assets of £3.7m and a deferred tax asset of £1.4m (31 March 2023: £13.1m, £58.4m, £3.7m and a deferred tax liability of £0.2m respectively). The Group currently owns one remaining freehold plot of land in Glasgow, which is being held for sale. All other properties are on leases of various lengths.

The Group closed the period with £102.4m of inventory, down from £148.6m at 31 March 2023. Days In Stock for the year reduced to 45 days (FY23: 51 days).

As at 31 March 2024, the Group had £150.0m (31 March 2023: £195.0m) of stocking finance facilities available of which £74.5m (31 March 2023: £102.5m) was drawn. The Group had available stocking facilities with Black Horse Limited of £75.0m, and £75.0m with Lombard North Central Plc. During the year it was agreed with Black Horse Limited to reduce the amount available to £75.0m from £120.0m, to reflect the unused portion. In addition, the net asset covenant test was reduced from £30.0m to £20.0m.

The Group also has a £20.0m (FY23: £35.0m) facility with Santander UK Plc, split between £6.0m available as an uncommitted overdraft and £14.0m available as a revolving credit facility. During the period it was agreed with Santander UK Plc to reduce the revolving credit facility from £29.0m to £14.0m. The overdraft remained the same. As part of this negotiation the fixed charge covenant test was reduced from 1.25:1.00 cover to 1.00:1.00 until September 2025.

Trade and other receivables have slightly increased to £19.2m (31 March 2023: £18.4m), due to the timing of receipts over the year end, which coincided this year with the Easter Bank Holidays.

Trade and other payables, inclusive of the stock financing facilities, have reduced during the year to £107.1m (31 March 2023: £143.8m) mainly as a result of the reduction in stocking facility utilisation, reflecting lower inventory levels.

The decrease in total lease liabilities to £57.0m (31 March 2023: £63.6m) reflects the repayments made during the period, and the removal of the Milton Keynes lease.

# Motorpoint Group PLC FY24 Full Year Results

## Cash flow

Despite a loss for the year of £(8.4)m (FY23: £(0.6)m) cash increased by £3.6m. This included the benefit of working capital improvement and low capital expenditure. Cash flow generated from operations was £19.3m inflow (FY23: £41.3m inflow) and therefore remains strong.

## Capital structure and treasury

The Group's objective when managing working capital is to ensure adequate working capital for all operating activities and liquidity, including comfortable headroom to take advantage of opportunities, or to weather short term downturns. The Group also aims to operate an efficient capital structure to achieve its business plan.

In January 2024, we announced our intention to commence a share buyback programme of approximately 5% of the ordinary shares of the Company, and to cancel these shares. Even after taking into consideration the capital required to fund organic growth, the Company's cash generation and the strength of its balance sheet has led the Board to conclude that the programme is an attractive use of the Company's resources and beneficial for all shareholders.

As at 31 March 2024, 190,001 shares had been purchased and cancelled, representing 3.8% of the planned buyback programme. Accordingly, the Company's issued share capital at year end comprised 89,999,884 ordinary shares (31 March 2023: 90,189,885).

The Group's long term funding arrangements consist primarily of the stocking finance facilities with Black Horse Limited and Lombard North Central Plc (to a maximum of £150.0m) and an unsecured loan facility provided by Santander UK Plc, split between £6.0m available as an uncommitted overdraft and £14.0m available as a revolving credit facility. During FY24, the Group successfully extended its terms on the unsecured loan facility with Santander UK Plc. This agreement now runs until June 2026 with the option to extend for two further one year extensions if agreed by both parties.

## Chris Morgan

Chief Financial Officer

13 June 2024

# Motorpoint Group PLC FY24 Full Year Results

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 MARCH 2024

		2024	2024	2024	2023
	Note	£m	£m	£m	£m
		Before exceptional items	Exceptional items (1)	Total	
<b>Revenue</b>	3	<b>1,086.6</b>	-	<b>1,086.6</b>	1,440.2
Cost of sales	4	<b>(1,013.5)</b>	-	<b>(1,013.5)</b>	(1,354.5)
<b>Gross profit</b>		<b>73.1</b>	-	<b>73.1</b>	85.7
Operating expenses	4	<b>(72.9)</b>	<b>(7.7)</b>	<b>(80.6)</b>	(79.2)
Other income		<b>1.3</b>	<b>5.6</b>	<b>6.9</b>	0.3
<b>Operating profit / (loss)</b>		<b>1.5</b>	<b>(2.1)</b>	<b>(0.6)</b>	6.8
Finance expense		<b>(9.7)</b>	<b>(0.1)</b>	<b>(9.8)</b>	(7.1)
<b>Loss before income tax</b>		<b>(8.2)</b>	<b>(2.2)</b>	<b>(10.4)</b>	(0.3)
Income tax income / (expense)		<b>1.8</b>	<b>0.2</b>	<b>2.0</b>	(0.3)
<b>Loss for the year</b>		<b>(6.4)</b>	<b>(2.0)</b>	<b>(8.4)</b>	(0.6)
<b>Other comprehensive expenses:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Tax relating to items which will not be reclassified to profit or loss		<b>(0.1)</b>	-	<b>(0.1)</b>	(0.1)
<b>Other comprehensive expense</b>		<b>(0.1)</b>	-	<b>(0.1)</b>	(0.1)
<b>Total comprehensive expense for the year</b>		<b>(6.5)</b>	<b>(2.0)</b>	<b>(8.5)</b>	(0.7)
<b>Earnings per share attributable to equity holders of the parent</b>					
Basic	6			<b>(9.3p)</b>	(0.7p)
Diluted	6			<b>(9.3p)</b>	(0.7p)

(1) Detail on exceptional items is provided in note 5

The Group's activities all derive from continuing operations.

# Motorpoint Group PLC FY24 Full Year Results

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2024

	2024	2023
Note	£m	£m
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8.8	13.1
Right-of-use assets	50.5	58.4
Intangible assets	3.7	3.7
Deferred tax assets	1.4	-
<b>Total non-current assets</b>	<b>64.4</b>	<b>75.2</b>
<b>Current assets</b>		
Inventories	102.4	148.6
Trade and other receivables	19.2	18.4
Current tax receivable	-	1.3
Cash and cash equivalents	9.2	5.6
Assets held for sale	2.6	-
<b>Total current assets</b>	<b>133.4</b>	<b>173.9</b>
<b>TOTAL ASSETS</b>	<b>197.8</b>	<b>249.1</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables, excluding contract liabilities	(107.1)	(143.8)
Borrowings	-	-
Lease liabilities	(4.0)	(3.4)
<b>Total current liabilities</b>	<b>(111.1)</b>	<b>(147.2)</b>
<b>Net current assets</b>	<b>22.3</b>	<b>26.7</b>
<b>Non-current liabilities</b>		
Lease liabilities	(53.0)	(60.2)
Provisions	(2.6)	(2.6)
Deferred tax liabilities	-	(0.2)
<b>Total non-current liabilities</b>	<b>(55.6)</b>	<b>(63.0)</b>
<b>TOTAL LIABILITIES</b>	<b>(166.7)</b>	<b>(210.2)</b>
<b>NET ASSETS</b>	<b>31.1</b>	<b>38.9</b>

## EQUITY

## Motorpoint Group PLC FY24 Full Year Results

Called up share capital	8	<b>0.9</b>	0.9
Capital redemption reserve		<b>0.1</b>	0.1
Capital reorganisation reserve		<b>(0.8)</b>	(0.8)
EBT reserve		<b>(5.1)</b>	(5.3)
Retained earnings		<b>36.0</b>	44.0
<b>TOTAL EQUITY</b>		<b>31.1</b>	38.9

# Motorpoint Group PLC FY24 Full Year Results

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 MARCH 2024

	Called up share capital	Capital redemption reserve	Capital reorganisation reserve	EBT reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
<b>Balance at 1 April 2022</b>	0.9	0.1	(0.8)	(4.7)	43.9	39.4
Loss for the year	-	-	-	-	(0.6)	(0.6)
Other comprehensive expense for the year	-	-	-	-	(0.1)	(0.1)
Total comprehensive expense for the year	-	-	-	-	(0.7)	(0.7)
<b>Transactions with owners in their capacity as owners:</b>						
Share-based payments	-	-	-	-	0.9	0.9
EBT share purchases and commitments	-	-	-	(0.7)	-	(0.7)
Share-based compensation options satisfied through the EBT	-	-	-	0.1	(0.1)	-
	-	-	-	(0.6)	0.8	0.2
<b>Balance at 31 March 2023</b>	0.9	0.1	(0.8)	(5.3)	44.0	38.9
Loss for the year	-	-	-	-	(8.4)	(8.4)
Other comprehensive expense for the year	-	-	-	-	(0.1)	(0.1)
Total comprehensive expense for the year	-	-	-	-	(8.5)	(8.5)
<b>Transactions with owners in their capacity as owners:</b>						
Share-based payments	-	-	-	-	1.0	1.0
Buyback and cancellation of shares	-	-	-	-	(0.3)	(0.3)
EBT share purchases and commitments	-	-	-	-	-	-
Share-based compensation options satisfied through the EBT	-	-	-	0.2	(0.2)	-
	-	-	-	0.2	0.5	0.7
<b>Balance at 31 March 2024</b>	0.9	0.1	(0.8)	(5.1)	36.0	31.1

# Motorpoint Group PLC FY24 Full Year Results

## CONSOLIDATED CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£m	£m
<b>Loss for the year attributable to equity shareholders</b>	<b>(8.4)</b>	<b>(0.6)</b>
Adjustments for:		
Taxation (credit) / charge	<b>(2.0)</b>	0.3
Finance expense	<b>9.8</b>	7.1
<b>Operating (loss) / profit</b>	<b>(0.6)</b>	6.8
Share-based payments	<b>1.0</b>	0.1
Impairment of assets held for sale	<b>0.2</b>	-
Loss made on assignment of lease	<b>0.2</b>	-
Depreciation and amortisation charges	<b>9.9</b>	9.4
<b>Cash flow from operations before movement in working capital</b>	<b>10.7</b>	16.3
Decrease in inventory	<b>46.2</b>	79.8
Increase in trade and other receivables	<b>(0.8)</b>	(4.8)
Decrease in trade and other payables	<b>(36.8)</b>	(50.0)
<b>Cash generated from operations</b>	<b>19.3</b>	41.3
Interest paid on borrowings and financing facilities	<b>(7.8)</b>	(5.1)
Interest paid on lease liabilities	<b>(2.0)</b>	(2.0)
Income tax received / (paid)	<b>1.6</b>	(1.1)
<b>Net cash generated from operating activities</b>	<b>11.1</b>	33.1
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	<b>(2.6)</b>	(9.4)
Proceeds from disposal of property, plant and equipment and right-of-use assets	-	9.7
<b>Net cash (used in) / generated from investing activities</b>	<b>(2.6)</b>	0.3
<b>Cash flows from financing activities</b>		
Payments to acquire own shares	<b>(0.3)</b>	-
Payments to satisfy employee share plan obligations	-	(0.7)
Repayment of principal element of leases	<b>(4.6)</b>	(5.9)
Repayment of borrowings	<b>(24.0)</b>	(57.0)
Proceeds from borrowings	<b>24.0</b>	28.0
<b>Net cash used in financing activities</b>	<b>(4.9)</b>	(35.6)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3.6</b>	(2.2)
Cash and cash equivalents at the beginning of the year	<b>5.6</b>	7.8



# Motorpoint Group PLC FY24 Full Year Results

Cash and cash equivalents at end of year	9.2	5.6
Net cash and cash equivalents comprises: Cash at bank	9.2	5.6

## 1. General information

Motorpoint Group Plc (the 'Company') is incorporated and domiciled in the United Kingdom under the Companies Act 2006.

The Company is a public company limited by shares and is listed on the London Stock Exchange; the address of the registered office is Champion House, Stephenson's Way, Derby, England, United Kingdom, DE21 6LY. The consolidated financial statements of the Group as at and for the year ended 31 March 2024 comprise the Company, all of its subsidiaries and the Motorpoint Group Plc Employee Benefit Trust (the 'EBT'), together referred to as the 'Group'. The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

### Going concern

In accordance with the UK Corporate Governance Code 2018, the Board has assessed the prospects of the Group over a period in excess of 12 months from the date of signing the Group financial statements as required by the 'Going Concern' provision, by selecting the period to the end of December 2025.

The Group has managed its net debt comfortably, with headroom at the year end of £14.0m on the Revolving Credit Facility, which was undrawn at the year end. Total headroom, including the stocking facilities, undrawn facilities and available cash, was in excess of £100.0m at the year end. During the year the Company renegotiated the terms of both its Revolving Credit Facility, and stocking facilities, reducing available headroom from £29.0m and £195.0m to £14.0m and £150.0m respectively. The renegotiation secured improved terms for the Group's financial covenants, following the challenging economic circumstances experienced in FY24, and reflected the Group's current lower financing requirements. The Board considers that the available headroom, coupled with the cash generative nature of the business and the available cash levers provide a strong degree of financial resilience and flexibility.

### Scenarios:

In making their assessment the Directors considered the Group's current balance sheet and operational cash flows, the availability of facilities, and stress testing of the key trading assumptions within the Group's plan. A range of scenarios have been assessed by the Directors, including various possible downside scenarios against the base case. The Directors opted to model a specific scenario designed to create the conditions required to breach covenants within the going concern period as well as a plausible downturn on the base case.

Scenario	Outcome
<p><b>Base Case</b></p> <p>Based upon the Group's most recent approved forecasts.</p> <p>The base model assumes a recovery of profitability and unit volumes in FY25, based on current run rates of year on year unit volume growth, and a prudent estimate based on growth in the used car market. Thereafter, modest growth is applied as the business resumes its strategic goal of taking more market share.</p>	<p>The Group is not in breach of any financial covenants and is not in a drawdown position on the Revolving Credit Facility at the end of the going concern period. The Group is able to meet all forecast obligations as they fall due.</p>
<p><b>Plausible Downturn</b></p> <p>Top down stress testing was applied to the base case model, taking into account a plausible downturn in business performance, relative to possible economic pressure and stagnation in the growth of the used car market.</p> <p>This included volume and margin pressure, reducing revenue by 15% and an overall gross profit reduction compared to the base case of 21%. Fixed costs were inflated in this scenario by three percent in each year.</p>	<p>The Group is not in breach of any financial covenants and is not in a drawdown position on the Revolving Credit Facility at the end of the going concern period. The Group is able to meet all forecast obligations as they fall due.</p>
<p><b>Reverse Stress Test</b></p> <p>A scenario created to model the circumstances required to breach the Group's covenants within the going concern period.</p> <p>The Board considered the potential impacts in preparing the stress test. The below scenario was analysed:</p> <p>Reducing revenue (32% decrease from the base case) and decreasing gross profit overall by 38% through additional margin pressure.</p>	<p>This scenario is designed to result in a covenant breach within the assessed going concern period.</p> <p>Management believes that the combination of severe downsides to be remote, and that there are mitigating factors over and above those built into the reverse stress test modelling which the Board would consider to avoid a covenant breach.</p>

# Motorpoint Group PLC FY24 Full Year Results

The selection of the assumptions for the sensitised case is inherently subjective, and whilst the Board considered these assumptions to reflect a downside scenario, the future impact of economic downturn, interest rate rises or inflating overhead costs is impossible to predict with absolute accuracy.

Whilst the same applies to the reverse stress test, we note that this scenario is specifically designed to demonstrate the point at which the covenants breach during the going concern period. The reverse stress test reflects, in the Board's opinion, a remote circumstance and mitigating factors could be implemented to avoid a covenant breach in this scenario.

Scenario modelling has been considered throughout the year and at year end by management to formulate response options against moderate or severe downturns in sales volumes, potential margin pressures and possible cost challenges.

The Group's available headroom stands at £14.0m (FY23: £29.0m) through its Revolving Credit Facility "RCF" agreement. The Group also has an uncommitted overdraft facility of £6.0m which remains in place and was undrawn at the year end. Both are in place until June 2026 with the option to extend for two further one year extensions if both parties are agreed. With respect to the Group's stocking facilities, these have reduced from £195.0m to £150.0m during the year which the Board deem appropriate given current market conditions.

The Directors took action in the year to obtain covenant relief for its RCF agreement and for one of its stocking loan arrangements, reflecting a response to the reduction in overall headroom against covenants in FY24. The relief obtained has been agreed until September 2025 for the RCF and an indefinite relaxation was agreed on the net assets covenant with Black Horse Limited in relation to its stocking loan facility.

In the eventuality of a period of prolonged economic downturn resulting in material reductions in sales volume or prices, as well as rising overhead costs, it is possible that the Group would need to negotiate changes to its current banking covenants, but such an extreme downturn is not currently considered plausible.

The Group continues to consider and monitor further potential mitigation actions it could take to strengthen its cash position and reduce operating costs in the event of a more severe downside scenario. Such cost reduction and cash preservation actions would include but are not limited to: reducing spend on specific variable cost lines including marketing and store trading expenses; team costs, most notably sales commissions; pausing new stock commitments; and reviewing expansionary capital spend, dividends and share buyback activity.

The Group has continued to demonstrate a flexible approach to trading and despite the constriction in the supply of nearly new vehicles, which is expected to slowly ease, the Group has been able to use its market position to access more stock to satisfy customer demand, both online and in store.

The Directors have also made use of the post year end trading performance to confirm that performance is in line with expectation. Whilst only a short period has passed since the year end, this evidence suggests that this is the case. Based on this assessment, the Board confirms that it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2025.

The Board has determined that the period to December 2025 constitutes an appropriate period over which to provide its going concern assessment. This is the period detailed in our base case model which we approve each year as part of the strategic review. Whilst the Board has no reason to believe the Group will not be viable over a longer period, given the inherent uncertainty involved we believe this presents users of the Annual Report and Accounts with a reasonable degree of confidence while still providing a medium term perspective.

## **New standards, amendments and interpretations**

The Group has not early adopted standards, interpretations or amendments that have been issued but are not mandatory for 31 March 2024 reporting periods.

The following amended standards and interpretations effective for the current financial year, have been applied and have not had a significant impact on the Group's consolidated financial statements in the current or future reporting periods and on foreseeable future transactions.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8

## **Basis of preparation**

The financial information set out in this document does not constitute the statutory financial statements of the Group for the year end 31 March 2024 within the meaning of Section 435 of the Companies Act 2006 but is derived from the Annual Report and Accounts 2024. This financial information is prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The auditor has reported on the annual financial statements included within the Annual Report and Accounts 2024 and issued an unqualified opinion and the auditor's report did not contain a statement under section 498 of the Companies Act 2006.

The financial statements for the year ended 31 March 2023 have been delivered to the Registrar of Companies and the auditor's report was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

# Motorpoint Group PLC FY24 Full Year Results

## Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, entities controlled by the Company (its subsidiaries) and the Motorpoint Group Plc Employee Benefit Trust made up to 31 March each year.

The EBT is consolidated on the basis that the Company has control, thus the assets and liabilities of the EBT are included in the balance sheet and shares held by the EBT in the Company are presented as a deduction from equity. The EBT has been solely set up for the purpose of issuing shares to Group employees to satisfy awards under the various share-based schemes and has no ability to access or use assets, or settle liabilities, of the Group.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions and balances between Group companies are eliminated on consolidation.

## 2. Segmental reporting

The Group has prepared segmental reporting in accordance with IFRS 8 'Operating Segments'. The Group's chief operating decision maker is considered to be the Board of Directors. Segmental information is presented on the same basis as the management reporting. An operating segment is a component of the business where discrete financial information is available and the operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

Operating segments are aggregated into reporting segments to combine those with similar characteristics.

The Group operates its omnichannel vehicle retailer offering through a store network and separate financial information is prepared for these individual store operations. These stores are considered separate 'cash generating units' for impairment purposes. However, it is considered that the nature of the operations and products is similar and they all have similar long term economic characteristics and the Group has applied the aggregation criteria of IFRS 8. In addition, the Group operates an independent trade car auction site offering a business-to-business entirely online auction market place platform which is assessed by the Board as a separate operation and thus there are two reportable segments: retail (Motorpoint) and wholesale (Auction4Cars).

	<b>Retail</b>	Retail	<b>Wholesale</b>	Wholesale	<b>Total</b>	Total
	<b>2024</b>	2023	<b>2024</b>	2023	<b>2024</b>	2023
	<b>£m</b>	£m	<b>£m</b>	£m	<b>£m</b>	£m
Revenue	<b>931.1</b>	1,175.7	<b>155.5</b>	264.5	<b>1,086.6</b>	1,440.2
Cost of sales	<b>(866.8)</b>	(1,101.2)	<b>(146.7)</b>	(253.3)	<b>(1,013.5)</b>	(1,354.5)
<b>Gross profit</b>	<b>64.3</b>	74.5	<b>8.8</b>	11.2	<b>73.1</b>	85.7

## 3. Revenue recognition

Revenue represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers. Revenue is measured at the fair value of the consideration receivable, when it can be reliably measured, and the specified recognition criteria for the sales type has been met. The transaction price is determined based on periodically reviewed prices and are separately identified on the customer's invoice. There are no estimates of variable consideration.

The transaction price for motor vehicles and motor related services is at fair value as if each of those products are sold individually.

### (i) Sales of motor vehicles

Revenue from the sale of retail motor vehicles is recognised when the control has passed; that is, when the vehicle has been collected by, or delivered to, the customer. Payment of the transaction price is due immediately when the customer purchases the vehicle. Sales of accessories, such as mats, are recognised in the same way.

Revenue from the sale of wholesale vehicles is recognised when the control has passed; that is, when full payment has been made for the vehicle.

The Group operates a return policy which is consistent with the relevant consumer protection regulations. This is offered in the form of a seven day exchange guarantee to all retail customers and a 14 day money back guarantee for home delivery customers.

# Motorpoint Group PLC FY24 Full Year Results

## (ii) Sales of motor related services and commissions

Motor related services sales include commissions on finance introductions, extended guarantees and vehicle asset protection as well as the sale of paint protection products. Sales of paint protection products are recognised when the control has passed; that is, the protection has been applied and the product is supplied to the customer.

Vehicle extended guarantees and asset protection ('GAP insurance') where the Group is not contractually responsible for future claims, are accounted for by recognising the commissions attributable to Motorpoint at the point of sale to the customer.

Where the Group receives finance commission income, primarily arising when the customer uses third-party finance to purchase the vehicle, the Group recognises such income on an 'as earned' basis.

The assessment is based on whether the Group controls the specific goods and services before transferring them to the end customer, rather than whether it has exposure to significant risks and rewards associated with the sale of goods or services.

	2024	2023
	£m	£m
<b>Revenue analysis</b>		
Revenue from sale of motor vehicles	<b>1,037.5</b>	1,370.7
Revenue from motor related services and commissions	<b>45.9</b>	62.6
Revenue recognised that was included in deferred income at the beginning of the year – Sale of motor vehicles	<b>0.2</b>	3.9
Revenue recognised that was included in deferred income at the beginning of the year – Motor related services and commissions	<b>3.0</b>	3.0
<b>Total revenue</b>	<b>1,086.6</b>	1,440.2

## 4. Operating profit / loss

Analysed as:

	2024	2023
	£m	£m
Operating profit / loss includes the effect of charging:		
Inventory recognised as expense	<b>1,007.8</b>	1,345.0
Movement in provision against inventory	<b>0.2</b>	(0.1)
Employee benefit expense	<b>33.1</b>	36.2
Depreciation of property, plant and equipment and right-of-use assets	<b>8.8</b>	9.0
Amortisation of intangible assets	<b>1.1</b>	0.4
Expense on short term and low value leases	<b>0.4</b>	0.4
Exceptional income	<b>(5.6)</b>	-
Exceptional costs	<b>7.7</b>	-

## Motorpoint Group PLC FY24 Full Year Results

	2024	2023
	£m	£m
Total expenses before exceptional items comprise:		
Cost of sales	1,013.5	1,354.5
Operating expenses:		
Selling and distribution expenses	19.4	23.5
Administrative expenses	53.5	55.7
Total operating expenses before exceptional items:	72.9	79.2
Total expenses before exceptional items	1,086.4	1,433.7

### 5. Exceptional items

	2024	2023
	£m	£m
Restructuring costs	1.7	-
Asset write off	6.0	-
Insurance proceeds	(5.6)	-
<b>Total exceptional items before finance expense and income tax</b>	<b>2.1</b>	<b>-</b>

### 6. Earnings per share

Basic and diluted EPS are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of ordinary shares during the year.

	2024	2023
Loss attributable to ordinary shareholders (£m)	(8.4)	(0.6)
Weighted average number of ordinary shares in Issue ('000)	90,180	90,190
Basic EPS (pence)	(9.3)	(0.7)
Diluted weighted average number of ordinary shares in Issue ('000)	90,180	90,190
Diluted EPS (pence)	(9.3)	(0.7)

The difference between the basic and diluted weighted average number of shares represents the dilutive effect of the currently operating schemes and the vested but not yet exercised options. This is shown in the reconciliation below. No dilution in FY24 due to the Group making a loss for the year.

There is a maximum of 1,440,453 additional options which have not been included in the dilutive calculation in relation to these schemes.

2024	2023
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## Motorpoint Group PLC FY24 Full Year Results

Weighted average number of Ordinary Shares in Issue ('000)	<b>90,180</b>	90,190
Adjustment for share options ('000)	-	-
Weighted average number of Ordinary Shares for diluted earnings per share ('000)	<b>90,180</b>	90,190

### 7. Borrowings

During the year the Company renegotiated the terms of both its revolving credit facility and stocking facilities, reducing available headroom from £29.0m and £195.0m to £14.0m and £150.0m respectively. As at the reporting date £Nil of the revolving credit facility (FY23: £Nil) and £Nil of the overdraft (FY23: £Nil) was drawn down. The terms of the Revolving Credit Facility and overdraft require a full repayment for a period of at least one day or more in each financial year and half year with no less than one month between repayments.

The finance charge for utilising the facility was dependent on the Group's borrowing ratios as well as the base rate of interest in effect. During the year ended 31 March 2024 interest was charged at 6.0% (FY23: 2.4%) per annum. The interest charged for the year of £0.7m (FY23: £0.4m) has been expensed as a finance cost.

### 8. Share capital

	2024		2023	
	Number	Amount	Number	Amount
	'000	£m	'000	£m
<b>Allotted, called up and fully paid Ordinary Shares of 1p each</b>				
Balance at the beginning of the year	<b>90,190</b>	<b>0.9</b>	90,190	0.9
Bought back and held as treasury shares during the year	<b>(30)</b>	-	-	-
Released from treasury to satisfy employee share plan obligations	-	-	-	-
Bought back and cancelled during the year	<b>(190)</b>	-	-	-
<b>Balance at the end of the year <sup>(1)</sup></b>	<b>89,970</b>	<b>0.9</b>	90,190	0.9

1 During the year 220,255 shares were purchased by the Company in accordance with the terms of its share buyback programme, as announced on 26 January 2024. Of these, 190,001 were cancelled as at 31 March 2024. The shares were acquired at an average price of 131.0p per share, with prices ranging from 133.0p to 129.0p. In the period from 1 April 2024 to 31 May 2024 972,280 shares were purchased by the Company

The 190,001 shares bought back and cancelled represent 0.2% of the issued Ordinary Shares, at a purchase cost of £0.3m.

There are currently 30,000 shares held in treasury which were cancelled post year end. Shares are held on behalf of employees within the employee benefit trust (EBT).

The Group does not have a limited amount of authorised capital.