INTERIM RESULTS

Lookers PLC
22 August 2023

22 August 2023

Lookers plc ("Lookers" or the "Group")

Unaudited Interim Results for the six months ended 30 June 2023

Good trading performance despite macroeconomic headwinds

Lookers plc, one of the leading UK integrated automotive retail and service groups, today announces its unaudited interim results for the six months ended 30 June 2023 ("H1" or "the period").

Highlights

- Revenue up 8.0% at £2,419m (H1 2022 (restated): £2,240m) with all revenue streams delivering growth and reflecting improved vehicle supply.
- Continued focus on cost control with underlying profit before tax* broadly in line with last year, despite £6.7m of additional interest expense.
- Like-for-like new unit growth +16.1%, used unit growth +3.5%, aftersales revenues +13.5%.
- Cash generation continues to be strong with net funds of £101.4m as at 30 June 2023 (30 June 2022: £78.5m; 31 December 2022: £66.5m).
- Interim dividend of 1.00p previously declared 17 August 2023, payable on 8 September 2023.
- An all-cash offer of 130p per share from Global Auto Holdings Limited, has been unanimously recommended by the Lookers Board of Directors. The offer is to be effected by a Scheme of Arrangement and meetings to approve the offer have been convened for 5 September 2023.

Financial Summary

	H1 2023	H1 2022 (restated)	FY 2022 (restated)
Revenue	£2,419m	£2,240m	£4,319m
Underlying profit before tax*	£46.1m	£47.2m	£82.7m
Statutory profit before tax	£40.4m	£49.9m	£84.4m
Underlying earnings per share*	9.02p	9.67p	18.21p
Basic earnings per share	7.92p	10.31p	18.87p
Dividend per share	1.00p	1.00p	3.00p
Net funds**	£101.4m	£78.5m	£66.5m

* Underlying profit before tax is profit before tax and non-underlying items. Underlying earnings per share is the earnings per share after tax and before non-underlying items (see Note 5).

** Cash and cash equivalents less bank loans and overdrafts, excluding stocking loans, vehicle rental liabilities and lease liabilities under IFRS 16 (see Note 7).

Mark Raban, Chief Executive Officer, said:

"Against significant macroeconomic headwinds the Group has once again delivered a good trading performance. I would like to thank the entire Lookers team for their amazing contribution and dedication to the company."

"The Board unanimously recommends the cash offer for Lookers by Global Auto Holdings Limited at 130p per share, which represents a premium of approximately 61%[1]. The Board believes that the offer is in the best interests of all shareholders and provides an opportunity to crystallise, in cash, the value of their investments."

Enquiries:

Lookers
Mark Raban, Chief Executive Officer 0161 291 0043
Oliver Laird, Chief Financial Officer

MHP Communications
Tim Rowntree / Charles Hirst 020 3128 8193
Lookers@mhpgroup.com

About Lookers plc (www.lookersplc.com)

The Group's principal activities are the sale of new and used cars, commercial vehicles and aftersales activities. The Group's businesses have a total of 148 franchised car and commercial vehicle dealerships representing 35 manufacturers, operating across the UK and Republic of Ireland.

The Company is registered in England at Lookers House, 3 Etchells Road, West Timperley, Altrincham WA14 5XS. Company registration number 00111876. LEI number 213800TSB8PJEACDAV33

Cautionary statement

This Interim Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Interim Report should not be relied on by any party or for any other purpose.

All statements other than statements of historical fact included in this document, including, without limitation, those regarding the financial condition, results, operations and businesses of Lookers plc and its strategy, plans and objectives and the markets and economies in which it operates, are forward-looking statements. Such forward-looking statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Such statements should be treated with caution due to the inherent uncertainties, known and unknown risks, and other important factors underlying any forward-looking information which could cause the actual results, performance or achievements of Lookers or the markets and economies in which it operates to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Lookers and its Directors accept no liability to third parties in respect of this report save as would arise under English law.

INTERIM MANAGEMENT REPORT

The Lookers Directors have recommended an all-cash offer of 130p per share from Global Auto Holdings Limited for the issued and to be issued share capital of Lookers plc. It is intended that the offer be implemented by way of a Court-sanctioned scheme of arrangement (the "Scheme") under Part 26 of the Companies Act. To become effective, among other things, the Scheme requires both approval from 75% of Lookers shareholders who are present and vote (either in person or by proxy), and receipt of approval from the FCA. For further details on the offer please see the "*Publication And Posting Of Scheme Document*" announcement published on our corporate website on 14 August 2023 at 07:00 (www.lookersplc.com/investors/regulatory-news).

We delivered a good financial performance for the first half of 2023, with underlying profits broadly in line with the comparative period in 2022. We continued to deliver against our strategic priorities which has allowed us to harness our market position and enhance our OEM brand partner relationships. The first half result is strong considering both the uplift in the Bank of England base rates which have materially increased finance costs, and the continued inflationary pressures on our cost bases across the business.

Update on strategic priorities

The Board continues to believe that our business model and the advancement of our strategic priorities place the Group at the forefront of integrated automotive retail in the UK. The diversity of our OEM relationships and the range of services we offer has supported the strong performance in H1. We provide an update on the progress against each of our strategic priorities below:

Operational optimisation:

- Increase in used finance penetration to 50.6% (H1 2022: 48.0%).
- The "Lookers Service Core Process" has been successfully piloted in H1 and will be rolled out more widely in H2 2023.
- Strong cost control with underlying cost growth restricted to 2.6%.
- Developed procurement team and processes resulting in robust underlying cost control.
- Excellent working capital management delivering c.£43.0m of cash flow benefit.

Leveraging technology and digitisation:

- Rigorous Sales Transformation user acceptance testing underway to ensure rollout commences in Q4 2023 and the project is delivered across the Group by Q2 2024.
- The customer journey will be streamlined with customers being able to start, pause, and continue the sales journey either in person, by telephone, or online. Reports are being developed to fully utilise the additional data that will be captured, with significant productivity improvements anticipated.

Expanding OEM relationships:

- Lotus is now operational in Belfast.
- Three ORA sites are now open in Wolverhampton, Belfast, and Braintree.
- Three sites agreed with Electric Brands to retail their XBUS and Evetta brands.
- Acquired the business and assets of Waterhouse Cars Limited, extending our Volvo footprint to four dealerships.
- Successfully deployed agency model across our Mercedes-Benz division in January and more recently at all our Volvo dealerships. Continuing work to harmonise the agency journey for both our customers and colleagues as advancements in the process become available.

Increasing used vehicle penetration:

- Physical building works on the Lookers CarHub have now commenced with completion expected in Q4 2023.
- Actively engaged in the identification of additional sites that will follow the Lookers CarHub blueprint.

Developing aftersales revenues:

- We now have 39 fixed cosmetic repair facilities operational and 22 dedicated vans on the road; we are making good progress in ensuring all our locations have the required cosmetic repair facilities to capitalise on the opportunity.
- Introduced new competitive service plans and improved the visibility in our reporting.
- Set up Battery Competence Centres on behalf of certain OEMs ensuring we are best placed to support our customers.

Leveraging corporate leasing and fleet capabilities:

- The restructuring of our fleet business in 2022 is showing positive results with improved sales efficiency. The centralisation of divisional salespeople and amended pay plans have also significantly improved collaboration with the leasing businesses through referrals.
- Acquired and integrated Fourways Vehicle Solutions Limited in the period. Operational platforms have been aligned with synergies already delivered.

Operating Review

Overview

H1 2023 Segmental analysis of revenue and gross profit:

Revenue	H1 2023 £m	H1 2022 (restated) £m	Variance	LFL Variance
New Vehicles	1,110.6	976.1	13.8%	13.3%
Used Vehicles	1,269.1	1,219.0	4.1%	5.1%
Aftersales	255.0	234.1	8.9%	13.5%
Leasing and Other	73.1	64.6	13.2%	11.0%
Less: intercompany	(288.9)	(254.0)		
Total	2,418.9	2,239.8	8.0%	8.5%

Gross Profit	H1 2023 £m	H1 2022 £m	Variance	LFL Variance
New Vehicles	93.7	84.3	11.2%	10.7%
Used Vehicles	83.7	88.5	(5.4)%	(5.3)%

Aftersales	102.7	97.9	4.9%	6.9%
Leasing and Other	14.1	12.1	16.5%	9.3%
Total	**294.2**	**282.8**	**4.0%**	**4.3%**
Gross margin	**12.2%**	**12.6%**	**-40 BPS**	**-50 BPS**

New vehicles

New vehicles	H1 2023	H1 2022	Variance	LFL Variance
Car retail unit sales	19,815	20,756	(4.5)%	(3.3)%
Car fleet unit sales	17,928	14,308	25.3%	25.3%
Total car unit sales	**37,743**	**35,064**	**7.6%**	**8.5%**
Commercial vehicles	9,841	6,193	58.9%	58.9%
Total unit sales	**47,584**	**41,257**	15.3%	16.1%
Gross margin %	**8.4%**	**8.6%**	**-20 BPS**	**-20 BPS**

The sale of new vehicles represented 41.0% (H1 2022: 39.1%) of total revenue and 31.8% (H1 2022: 29.8%) of total gross profit. LFL total car unit sales volume increased by 8.5% when compared to H1 2022.

There have been 11 consecutive months of growth in the new car market as production constraints continue to ease across the industry following the supply chain shortages that were prevalent in recent years. In H1 there were c.950,000 new cars registered in the UK, an increase of 18.4% versus last year (Retail +1.7%, Fleet +37.5%).

Demand for new vehicles remains resolute, with the Group carrying a retail order bank of 17,206 vehicles (31 December 2022: 17,321) into the second half of the year.

The electric vehicle (EV) market continued to expand in the period, with EVs now representing 16.1% (H1 2022: 14.4%) of UK new car registrations. Our volume of EVs sold has increased by 27.3%. EVs represent 20.8% of our new vehicles sold, outperforming the market by 470 BPS.

Used vehicles

Used vehicles	H1 2023	H1 2022	Variance	LFL Variance
Retail unit sales	43,579	42,543	2.4%	3.5%
Gross margin	**6.6%**	**7.3%**	**-70 BPS**	**-70 BPS**

The sale of used vehicles represented 46.9% (H1 2022: 48.9%) of total revenue and 28.5% (H1 2022: 31.3%) of total gross profit. Like-for-like unit sales increased by 3.5%. Lookers' increase in unit sales volumes follows the same upward trend of the UK used car market which rose by 4.1% in H1.

The UK used car market saw its best start to a year since 2020 as the increased supply in the new car market drove growth in used car availability. The increased supply to the used market has resulted in used car values softening and the gross margin reducing by 70 BPS to 6.6%, when compared to H1 2022.

The gross profit per unit has fallen to c.£1,900, compared to c.£2,100 in H1 2022.

Aftersales

Aftersales	H1 2023	H1 2022 (restated)	Variance	LFL Variance
Revenue £m	255.0	234.1	8.9%	13.5%
Gross margin	**40.3%**	**41.8%**	**-150 BPS**	**-170 BPS**

Aftersales represented 9.4% (H1 2022: 9.4%) of total revenue and 34.9% (H1 2022: 34.6%) of total gross profit.

In H1 like-for-like aftersales revenue growth was 13.5% which drove increased gross profit of £4.8m. Gross margin was 40.3% (H1 2022: 41.8%). Gross margin eroded by necessary inflationary increases to technicians pay and a shift in revenue mix, with lower margin parts sales increasing at a greater rate than revenue from service labour and bodyshop.

We have maintained our focus on operational optimisation initiatives around customer conversion, IT platforms, customer propositions, staff retention, and digitising the customer aftersales journey. We also continued to roll out our cosmetic repair facilities, resulting in bodyshop revenue and gross profits increasing.

H1 2023 Financial Review

Revenue

H1 revenue of £2,419m was 8.0% higher than the comparative period (H1 2022 (restated): £2,240m). Like-for-like revenue increased by 8.5% with increased revenue from fleet, used, and aftersales being partially offset by reduced new retail vehicle revenue.

Gross profit

Gross profit increased by 4.0% to £294.2m (H1 2022: £282.8m). Gross profit margin at 12.2% was marginally behind the same period last year by 40 BPS. The increase in absolute gross profit was driven by the volume growth of fleet and aftersales. However, the margin percentage was slightly eroded by reductions in used and aftersales.

Operating expenses

Underlying net operating expenses of £229.8m (H1 2022: £224.0m) were 2.6% above the comparative period. This represents a significant reduction against the uplift observed in H1 2022, with this improvement driven by inflationary pressures reducing, and strong cost management (strengthened procurement team).

Non-underlying items

The Group recorded a net non-underlying charge of £5.7m (H1 2022: net credit £2.7m). The largest element of this is professional services costs incurred in relation to the potential transaction (£3.6m). We have also incurred £1.5m of non-underlying cost relating to the implementation of the Sales Transformation project.

Net finance costs

Net finance costs were higher than the comparative period at £18.3m (H1 2022: £11.6m). This has been driven by increases to the Bank of England base rate, which has been increased in 14 consecutive periods by the Monetary Policy Committee.

Taxation

The Group's tax charge was £10.0m (H1 2022: £9.5m), an effective tax rate of 24.8% (H1 2022: 19.0%).

The increase in the effective rate is predominantly due to the increase in UK corporation tax rate from 19% to 25% on 1 April 2023.

Earnings per share (EPS)

Underlying EPS decreased by 6.7% to 9.02p per share (H1 2022: 9.67p per share). Basic EPS decreased by 23.2% to 7.92p per share (H1 2022: 10.31p per share).

Dividend

The Board has declared an interim dividend of 1.00p per ordinary share which will be paid on 8 September 2023 to shareholders on the register at the close of business on 25 August 2023.

A dividend of £7.7m relating to the 2022 financial year was paid in June 2023.

Cash flow and net debt

Throughout H1 the Group maintained a strong focus on operational cash flow. The net cash inflow from operating activities in H1 was £62.8m (H1 2022: £80.2m), largely as a result of the strong trading performance and ongoing working capital focus. We expect some of the working capital benefit to unwind into H2. The Group was also able to return £8.1m to shareholders as part of the share buyback programme. At the balance sheet date stocking loans totalled £231.3m (31 December 2022: £247.2m), equivalent to 75% of goods for resale (31 December 2021: 82%). Property, plant and equipment capital expenditure totalled £14.4m (2022: £8.0m).

Net funds at 30 June 2022 were £101.4m (30 June 2022: £78.5m; 31 December 2022: £66.5m).

Financing

The RCF facility which was renegotiated and extended in June 2022 remains undrawn at 30 June 2023. The facility is subject to quarterly covenant tests on leverage and interest cover.

Pension schemes

The Group's actuary has assessed the IAS 19 valuation of both the Lookers Pension Plan and Benfield Pension Plan as at 30 June 2023.

At 30 June 2023, the IAS 19 pension valuation showed a total deficit of £16.5m (30 June 2022: £24.3m; 31 December 2022: £23.5m). The reduction in the deficit is predominately due to the Group's continued contributions to the schemes. Over the period, lower than expected returns were achieved on scheme assets, but this was mostly offset by the impact of an increased net discount rate on the scheme liabilities. We are pleased to announce that the triennial review valuation for the Lookers Pension Plan, including the funding strategy, was agreed during the period.

Risks and uncertainties

As with any business, there are a number of potential risks and uncertainties which could have a material impact on the Group's future performance and could cause actual results to differ materially from both expected and historical results. The Board believes the wider risks and uncertainties to be materially consistent with those described on pages 39 to 43 in the 2022 Annual Report and Accounts.

In addition, the Board continues to manage and robustly monitor the change agenda that supports the implementation of the Group's strategic priorities. An update on these priorities is provided in the Strategy Update earlier in this document.

We continue to be mindful of a number of external factors that are subject to ongoing close monitoring. These include inflationary pressures and interest rate rises that can impact the Group's operating costs and potentially affect consumer confidence.

Summary and outlook

We are encouraged by our good H1 performance, particularly the resilience of the Group in the face of rapidly increasing interest rates and persistent cost pressures. We maintain a strong new vehicle order bank moving into the second half of 2023 but remain cognisant of continuing macroeconomic pressures.

The Board continues to believe that our business model and the advancement of our strategic priorities place the Group at the forefront of integrated automotive retail in the UK. We expect inflationary cost pressures to continue and that the Bank of England base rate will stabilise in the near future. However, the Board are confident that the business is well placed to respond to the continued challenging trading environment and maximise the strategic change opportunities ahead.

The Board unanimously recommends the cash offer for Lookers by Global Auto Holdings Limited at 130p per share, which represents a premium of approximately 61%[2]. The Board believes that the offer is in the best interests of all shareholders and provides an opportunity to crystallise, in cash, the value of their investments.

Mark Raban

Chief Executive Officer

21 August 2023

INDEPENDENT REVIEW REPORT TO LOOKERS PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and the notes to the interim results.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in the basis of preparation, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Material uncertainty relating to going concern

We draw attention to the matter disclosed in the basis of preparation section of this report, which indicates that there is some doubt as to whether the Group will continue to operate in its current form following the receipt of a cash offer made by Global Auto Holdings Limited.

As stated in the basis of preparation section, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern in its current form. Our opinion is not modified in respect of this matter.

Based on our review procedures, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the interim report is appropriate.

Our responsibilities, and the responsibilities of the directors, with respect to going concern are described in the relevant sections of this report. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
Manchester, UK
21 August 2023
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Condensed Consolidated Statement of Total Comprehensive Income

	Note	Unaudited six months ended 30 June 2023 £m	Unaudited six months ended 30 June 2022 (restated) £m	Audited year ended 31 December 2022 (restated) £m
Revenue	1	2,418.9	2,239.8	4,318.9
Cost of sales		(2,124.7)	(1,957.0)	(3,768.7)
Gross profit		294.2	282.8	550.2
Net operating expenses		(235.5)	(221.3)	(441.3)
Operating profit		58.7	61.5	108.9
Underlying operating profit		64.4	58.8	107.2
Non-underlying items	2	(5.7)	2.7	1.7
Finance costs	4	(18.3)	(11.6)	(24.5)
Profit before taxation		40.4	49.9	84.4
Underlying profit before taxation		46.1	47.2	82.7
Non-underlying items	2	(5.7)	2.7	1.7
Tax charge		(10.0)	(9.5)	(10.5)
Profit for the period/year (attributable to shareholders of the Company)		30.4	40.4	73.9
Exchange differences on translation of foreign operation (may be recycled to profit and loss)		(0.5)	0.3	0.8
Actuarial (losses)/gains on pension scheme obligations (not recycled to profit and loss)		(1.0)	12.2	6.9
Deferred tax on pension scheme obligations (not recycled to profit and loss)		0.3	(3.0)	(1.7)
Total other comprehensive (expense)/income for the period/year		(1.2)	9.5	6.0
Total comprehensive income for the period/year (attributable to shareholders of the Company)		29.2	49.9	79.9
Earnings per share:				
Basic earnings per share (p)	5	7.92	10.31	18.87
Diluted earnings per share (p)	5	7.84	10.19	18.64

Condensed Consolidated Statement of Financial Position

	Note	Unaudited 30 June 2023 £m	Unaudited 30 June 2022 £m	Audited 31 December 2022 £m
Non-current assets				
Goodwill		80.1	79.3	79.3
Intangible assets		104.1	106.6	105.2
Property, plant and equipment		425.6	396.7	404.4
Right of use assets		115.9	113.1	114.9
		725.7	695.7	703.8
Current assets				
Inventories		683.9	489.9	664.6
Trade and other receivables		161.5	139.5	125.4
Current tax receivable		4.0	-	8.8
Rental fleet vehicles		43.4	32.9	51.9
Cash and cash equivalents		177.6	153.8	111.8
Assets held for sale	6	1.5	4.0	2.6
		1,071.9	820.1	965.1

Total assets		1,797.6	1,515.8	1,668.9
Current liabilities				
Bank loans and overdrafts	7	76.2	68.5	45.3
Trade and other payables		980.6	770.7	905.9
Lease liabilities	7	23.3	21.8	22.3
Current tax payable		-	1.6	-
		1,080.1	862.6	973.5
Net current liabilities		(8.2)	(42.5)	(8.4)
Non-current liabilities				
Bank loans	7	-	6.8	-
Trade and other payables		86.8	38.9	74.3
Lease liabilities	7	120.2	125.1	120.7
Pension scheme obligations		16.5	24.3	23.5
Deferred tax liabilities		46.3	48.0	45.0
		269.8	243.1	263.5
Total liabilities		1,349.9	1,105.7	1,237.0
Net assets		447.7	410.1	431.9
Shareholders' equity				
Ordinary share capital		19.1	19.6	19.3
Share premium		79.9	78.4	78.4
Capital redemption reserve		15.9	15.1	15.4
Retained earnings		332.8	297.0	318.8
Total equity		447.7	410.1	431.9

Condensed Consolidated Statement of Changes in Equity

Period ended 30 June 2022 (unaudited)	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
As at 1 January 2022		19.6	78.4	15.1	256.5	369.6
Profit for the period		-	-	-	40.4	40.4
Total other comprehensive income for the period		-	-	-	9.5	9.5
Total comprehensive income for the period		-	-	-	49.9	49.9
Share based compensation		-	-	-	0.4	0.4
Dividends paid to shareholders	3	-	-	-	(9.8)	(9.8)
As at 30 June 2022		19.6	78.4	15.1	297.0	410.1
Year ended 31 December 2022 (audited)						
As at 1 January 2022		19.6	78.4	15.1	256.5	369.6
Profit for the year		-	-	-	73.9	73.9
Total other comprehensive income for the year		-	-	-	6.0	6.0
Total comprehensive income for the year		-	-	-	79.9	79.9
Share-based compensation		-	-	-	0.7	0.7
Own shares purchased for cancellation		(0.3)	-	0.3	(4.6)	(4.6)
Dividends paid to shareholders	3	-	-	-	(13.7)	(13.7)
As at 31 December 2022		19.3	78.4	15.4	318.8	431.9
Period ended 30 June 2023 (unaudited)						
As at 1 January 2023		19.3	78.4	15.4	318.8	431.9
Profit for the period		-	-	-	30.4	30.4
Total other comprehensive income for the period		-	-	-	(1.2)	(1.2)
Total comprehensive income for the period		-	-	-	29.2	29.2
New shares issued		0.3	1.5	-	-	1.8
Share-based compensation		-	-	-	0.6	0.6
Own shares purchased for cancellation		(0.5)	-	0.5	(8.1)	(8.1)
Dividends paid to shareholders	3	-	-	-	(7.7)	(7.7)
As at 30 June 2023		19.1	79.9	15.9	332.8	447.7

Condensed Consolidated Statement of Cash Flow

	Note	Unaudited six months ended 30 June 2023 £m	Unaudited six months ended 30 June 2022 £m	Audited year ended 31 December 2022 £m
Cash flows from operating activities				
Profit for the period/year		30.4	40.4	73.9
Tax charge		10.0	9.5	10.5
Depreciation of property, plant and equipment, rental fleet and right of use assets		26.9	23.8	49.9
Gain on disposal of property, plant and equipment		(0.3)	(5.5)	(6.4)
Gain on disposal of leases		-	(0.8)	(1.9)

Gain on modification of leases		-	-	(0.1)
Gain on disposal of right of use asset associated with rental fleet assets		(0.3)	(0.3)	(0.4)
Amortisation of intangible assets		2.1	2.4	4.7
Loss on disposal of intangibles		-	-	0.3
Share-based compensation		0.6	0.4	0.7
Impairment/(impairment reversal) of property, plant and equipment		-	0.2	(0.2)
Impairment of right of use assets	2	-	1.2	1.1
Finance costs excluding pension related finance costs and debt issue costs	4	17.4	10.5	22.7
Amortisation of debt issue costs	4	0.4	0.7	1.2
Difference between pension charge and cash contributions		(8.0)	(6.7)	(12.8)
Purchase of rental fleet vehicles		(7.7)	(13.5)	(22.6)
Purchase of right of use assets associated with rental fleet assets		(0.3)	(0.3)	(0.3)
Purchase of vehicles for long term leasing		(30.7)	(27.7)	(52.8)
Changes in inventories		1.5	42.0	(139.7)
Changes in receivables		(35.7)	(29.4)	(14.1)
Changes in payables		77.2	50.6	185.9
Cash generated from operations		83.5	97.5	99.6
Finance costs paid		(14.2)	(7.4)	(16.5)
Finance costs paid- lease liabilities		(3.2)	(3.1)	(6.2)
Tax paid		(3.3)	(6.8)	(19.8)
Net cash inflow from operating activities		62.8	80.2	57.1
Cash flows from investing activities				
Purchase of property, plant and equipment and own use vehicles		(14.4)	(8.0)	(16.8)
Purchase of intangibles		(0.9)	(1.2)	(2.3)
Acquisition of businesses, net of cash acquired	8	(1.9)	-	-
Amounts paid to surrender leases		-	-	(0.2)
Finance lease rentals collected		0.6	1.0	1.5
Proceeds from disposal of property, plant and equipment		1.8	29.4	32.9
Net cash (outflow)/inflow from investing activities		(14.8)	21.2	15.1
Cash flows from financing activities				
Receipt of funding advanced for vehicle leasing arrangements	7	38.4	41.2	75.4
Repayment of funding advanced for vehicle leasing arrangements	7	(29.1)	(47.2)	(45.9)
Payment of loan arrangement fees	7	-	-	(1.1)
Repayment of loans	7	-	(0.4)	(8.3)
Repayment on revolving credit facility	7	-	(12.5)	(12.5)
Repayment of lease liabilities	7	(8.4)	(7.6)	(16.3)
Proceeds from issue of ordinary shares		1.8	-	-
Purchase of own shares		(8.1)	-	(4.6)
Dividends paid	3	(7.7)	(9.8)	(13.7)
Net cash outflow from financing activities		(13.1)	(36.3)	(27.0)
Increase in cash and cash equivalents		34.9	65.1	45.2
Cash and cash equivalents at 1 January		66.5	21.3	21.3
Cash and cash equivalents at 30 June/31 December		101.4	86.4	66.5

Analysis of cash and cash equivalents			
Cash and cash equivalents	177.6	153.8	111.8
Bank overdraft	(76.2)	(67.4)	(45.3)
Cash and cash equivalents at 30 June/31 December	101.4	86.4	66.5

Notes to the Financial Information

General information

Lookers plc is a public limited company incorporated in the United Kingdom under the Companies Act 2006, with registered number 111876 in England and Wales and a registered office of Lookers House, 3 Etchells Road, West Timperley, Altrincham, WA14 5XS.

Basis of preparation

These condensed consolidated interim financial statements for the six months to 30 June 2023 have been prepared in accordance with IAS 34 'Interim financial reporting' and also in accordance with the measurement and recognition principles of UK adopted international accounting standards. They do not include all of the information required for full annual financial statements and should be read in conjunction with the 2022 Annual Report and Accounts, which were prepared in accordance with UK Adopted International Accounting Standards.

These condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022 were approved by the Board of Directors on 4 April 2023 and have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified. It did not contain any statement under section 498 of the Companies Act 2006.

The financial information for the periods ended 30 June 2023 and 30 June 2022 is unaudited but has been externally reviewed by BDO. The financial information for the year ended 31 December 2022 has been based on the audited financial statements for that year.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in the 2022 Annual Report & Accounts. Corporation tax in the interim periods is accrued using the estimated tax rate that is expected be applicable to total annual earnings.

Critical accounting estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022. There have been no material revisions to either the nature or amount of estimates reported in prior periods. The Group has used up to date financial forecasts in considering its ability to continue as a going concern, and the carrying value of its goodwill balance.

Going concern

At 30 June 2023 the Group is in a net current liabilities position of £8.2m (31 December 2022: £8.4m, 30 June 2022: £42.5m). The Group has considerable financial resources together with long-standing relationships with OEMs and a good reputation within the motor-trade industry. In their consideration of going concern, the Board have considered the future prospects and performance of the Group, considering the Group's cash and liquidity position, current performance and outlook. The latter was subjected to various sensitivities and stress testing which assessed the potential future downside risks including, but not limited to: worsening supply restrictions caused by macro-economic factors, reduced consumer demand due to the cost of living crisis, and increases to the Group's cost base due to inflationary pressures.

The Group's revolving credit facility provides £100m of credit and expires on 30 September 2025. The facility is subject to quarterly covenant tests on leverage and interest cover. At 30 June 2023 £Nil (31 December 2022: £Nil, 30 June 2022: £Nil) was drawn down against this facility, giving the Group significant liquidity.

In view of the various sensitivities, additional stress testing, strong cash holding, and significant RCF headroom, the Board concludes that the Group has sufficient liquidity for at least 12 months from the date of this announcement and therefore that preparing the accounts on the basis of going concern is appropriate.

Material uncertainty in relation to going concern

As set out in the post balance sheet events disclosure, the Group is the subject of an all-cash offer from Global Auto Holdings Limited (the "Offeror") that, if successful, is expected to complete in H2 2023. The Directors note the intentions of the Offeror as set out in the Scheme circular, however while they do not have any reason to believe that the Offeror would not continue to support the Group or would materially change its activities in the next 12 months, they are not party to the detailed intentions of the acquirer. Although this does not change the Directors' conclusion as to the appropriateness of preparing the financial statements of the Group on a going concern basis, it is considered, on the assumption that the deal has completed, to create a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Alternative Performance Measures

The Group uses a number of Alternative Performance Measures (APMs) which are non-IFRS measures in establishing their financial performance. The Group believes the APMs provide useful, historical financial information to assist investors and other stakeholders to evaluate the performance of the business and are measures commonly used by certain investors for evaluating the performance of the Group. APMs should be considered in addition to IFRS measures and are not intended to be a substitute for IFRS measurements.

More details of the APMs and a reconciliation of the IFRS measures used in the Interim Report to those APMs used for KPI monitoring are including in Note 12.

Like-for-like is the collection of dealerships and other trading businesses that have both a full period of trading activity in the current and prior periods.

1. Segmental reporting

	Unaudited six months ended 30 June 2023 £m	Mix*	Unaudited six months ended 30 June 2022 (restated) £m	Mix*	Audited year ended 31 December 2022 (restated) £m	Mix*
New vehicles	1,110.6	41.0%	976.1	39.1%	1,980.0	41.0%
Used vehicles	1,269.1	46.9%	1,219.0	48.9%	2,255.2	46.8%
Aftersales	255.0	9.4%	234.1	9.4%	461.9	9.6%
Leasing and other	73.1	2.7%	64.6	2.6%	126.6	2.6%
Less: intercompany	(288.9)	-	(254.0)	-	(504.8)	-
Revenue	2,418.9	100%	2,239.8	100%	4,318.9	100%

*Mix calculation excludes the effect of intercompany revenues.

2. Non-underlying items

Non-underlying items relate to (costs) or incomes which are not incurred in the normal course of business or due to their size, nature and irregularity are not included in the assessment of financial performance in order to reflect management's view of the core-trading performance of the Group.

The following details items of income and expenditure that the Group has classified as non-underlying in its statement of total comprehensive income.

	Unaudited six months ended 30 June 2023 £m	Unaudited six months ended 30 June 2022 £m	Audited year ended 31 December 2022 £m
Non-underlying items in operating profit			
1- Gain on sale and leaseback	-	6.0	6.0
2- Gain on property disposals	0.7	0.1	1.7
3- Impairment of property, plant and equipment	-	(0.4)	(1.8)
3- Impairment of right of use assets	-	(1.2)	(1.1)
3- Other property exit and restructuring costs	(1.3)	(1.8)	(3.0)
4- Impairment reversal of property, plant and equipment	-	-	2.0
5- Sales transformation project	(1.5)	-	(2.1)
6- Proposed transaction costs	(3.6)	-	-
Non-underlying items in operating profit	(5.7)	2.7	1.7

1- In March 2022 the Group completed the sale and leaseback of the VW dealership in Battersea. The net gain on sale has been deemed non-underlying by its size and nature.

2- Property disposals relate to the net gains on the sale of a number of freehold and leasehold properties during the current period and prior year. These items have been deemed non-underlying by nature.

3- During the prior year a number of sites were exited as part of Group-wide restructuring. This has continued into the current period where we have closed or announced our intention to close one site (FY 2022: six sites). Items include site closure costs, restructuring costs, and impairment losses. These items have been deemed non-underlying by irregularity.

4- In 2020 we classified a site as an asset held for sale and at this point it was impaired in line with IAS 36. In 2022 we secured a new franchise for this site and it is due to re-open in 2023, therefore the value in use significantly increased and we reversed the impairment. Both the original impairment and subsequent reversal have been included within non-underlying items.

5- In the prior year we have commenced a Sales transformation project which has continued throughout the current period. Costs incurred include external and internal incremental resource required to implement the new sales system. These items are considered non-underlying due to their irregularity.
6- Professional fees incurred in connection with the all-cash offer from Global Auto Holdings Limited for the issued and to be issued share capital of Lookers plc. As detailed in the Scheme Document additional fees are expected to be incurred in the second half of 2023. These costs have been considered non-underlying due to their size and irregularity.

The net cash flow from operating activities associated with non-underlying items is an outflow of £0.8m (H1 2022: inflow of £29.3m, FY 2022: inflow of £25.1m).

3. Dividends

	Unaudited six months ended 30 June 2023 £m	Unaudited six months ended 30 June 2022 £m	Audited year ended 31 December 2022 £m
Final dividend for the year ended 31 December 2021 2.5p	-	9.8	9.8
Interim dividend for the year ended 31 December 2022 1.0p	-	-	3.9
Final dividend for the year ended 31 December 2022 2.0p	7.7	-	-
	7.7	9.8	13.7

Following approval at the Annual General Meeting a final dividend of £7.7m for the year ended 31 December 2022 was paid in June 2023 and represented a payment of 2.0p per ordinary share in issue at the time. An interim dividend of 1.0p per ordinary share has been declared by the Board but not recorded as a financial liability in these interim statements. The dividend will be paid on 8 September 2023 to those shareholders on the register on 25 August 2023. The shares will go ex-dividend on 24 August 2023 and the last date for elections to be made under the dividend reinvestment plan is 25 August 2023.

4. Finance costs

	Unaudited six months ended 30 June 2023 £m	Unaudited six months ended 30 June 2022 £m	Audited year ended 31 December 2022 £m
Finance costs:			
On revolving credit facility	(0.3)	(0.8)	(0.9)
On other bank borrowings	-	(0.3)	(0.4)
On consignment, repurchase vehicle liabilities and stocking loans	(11.7)	(5.2)	(12.7)
On vehicle rental finance liabilities	(2.2)	(1.1)	(2.5)
On lease liabilities	(3.2)	(3.1)	(6.2)
Debt issue costs	(0.4)	(0.7)	(1.2)
	(17.8)	(11.2)	(23.9)
Net pension costs:			
On defined benefit pension obligation	(4.6)	(2.8)	(5.6)
On pension scheme assets	4.1	2.4	5.0
	(0.5)	(0.4)	(0.6)
Finance costs	(18.3)	(11.6)	(24.5)

5. Earnings per share

	Note	Unaudited six months ended 30 June 2023 £m	Unaudited six months ended 30 June 2022 £m	Audited year ended 31 December 2022 £m
Profit attributable to ordinary shareholders (£m)		30.4	40.4	73.9
Weighted average number of shares in issue		383,700,479	392,021,146	391,627,955
Basic earnings per share (p)		7.92	10.31	18.87
Profit attributable to ordinary shareholders (£m)		30.4	40.4	73.9
Dilutive effect of share-based compensation options and weighted average number of shares in issue		387,566,856	396,603,368	396,385,849
Diluted earnings per share (p)		7.84	10.19	18.64
Profit before tax (£m)		40.4	49.9	84.4
Add: Non-underlying items (£m)	2	5.7	(2.7)	(1.7)
Underlying profit before tax (£m)		46.1	47.2	82.7
Underlying tax* (£m)		(11.5)	(9.3)	(11.4)
Underlying earnings attributable to ordinary shareholders (£m)		34.6	37.9	71.3
Weighted average number of shares in issue		383,700,479	392,021,146	391,627,955
Underlying basic earnings per share (p)		9.02	9.67	18.21

* Underlying tax is calculated as the tax charge per condensed statement of total comprehensive income (£10.0m (30 June 2022: £9.5m; 31 December 2022: £10.5m)) excluding tax relating to non-underlying items ((£1.5m) (30 June 2022: £0.2m; 31 December 2022: (£0.9m)).

6. Assets held for sale

Lower of carrying amount and fair value less cost to sell	Unaudited six months ended 30 June 2023 £m	Unaudited six months ended 30 June 2022 £m	Audited year ended 31 December 2022 £m
At 1 January	2.6	5.0	5.0
Net transfers from property, plant and equipment	-	0.3	1.1

Disposals	(1.1)	(1.3)	(3.5)
At 30 June/31 December	1.5	4.0	2.6

All items included in the analysis above relate to properties held by the Group and have been transferred into assets held for sale following the cessation of trade at certain dealerships and the subsequent commencement of procedures to dispose of these vacant properties from the Group's portfolio. Properties held within assets held for sale are being actively marketed for disposal and there is an expectation that such properties will be disposed of within 12 months of the balance sheet date. Where necessary, provision for impairment to bring the assets' carrying value in line with their estimated fair value less costs of disposal has been recorded whilst the assets were held within property, plant and equipment and prior to their subsequent transfer into assets held for sale.

During the period the total carrying amount disposed from held for sale amounted to £1.1m (H1 2022: £1.3m, FY 2022: £3.5m). Total proceeds received amounted to £1.8m (H1 2022: £1.2m, FY 2022: £4.2m) resulting in a profit on property disposals of £0.7m (H1 2022: loss of £0.1m, FY 2022: gain of £0.7m).

7. Financial Instruments

Movement in liabilities arising from financing activities	At 1 Jan 2022 £m	Net RCF movement £m	Loan repayment £m	Lease repayment £m	Loan receipt £m	Non-cash movement £m	At 30 Jun 2022 £m
Other loans	8.3	-	(0.4)	-	-	-	7.9
RCF	10.0	(12.5)	-	-	-	2.5	-
Lease liabilities	136.8	-	-	(10.7)	-	20.8	146.9
Vehicle rental finance liabilities	84.1	-	(47.2)	-	41.2	-	78.1
	239.2	(12.5)	(47.6)	(10.7)	41.2	23.3	232.9
Cash and cash equivalents	(103.9)						(153.8)
Bank overdraft	82.6						67.4
Net funds excluding lease and vehicle rental liabilities	(3.0)						(78.5)
Net debt including lease and vehicle rental liabilities	217.9						146.5

Movement in liabilities arising from financing activities	At 1 Jan 2022 £m	Net RCF movement £m	Loan repayment £m	Lease repayment £m	Loan receipt £m	Non-cash movement £m	At 31 Dec 2022 £m
Other loans	8.3	-	(8.3)	-	-	-	-
RCF	10.0	(12.5)	-	-	-	2.5	-
Lease liabilities	136.8	-	-	(16.3)	-	22.5	143.0
Vehicle rental finance liabilities	84.1	-	(45.9)	-	75.4	-	113.6
	239.2	(12.5)	(54.2)	(16.3)	75.4	25.0	256.6
Cash and cash equivalents	(103.9)						(111.8)
Bank overdraft	82.6						45.3
Net funds excluding lease and vehicle rental liabilities	(3.0)						(66.5)
Net debt including lease and vehicle rental liabilities	217.9						190.1

Movement in liabilities arising from financing activities	At 1 Jan 2023 £m	Net RCF movement £m	Loan repayment £m	Lease repayment £m	Loan receipt £m	Non-cash movement £m	At 30 Jun 2023 £m
Lease liabilities	143.0	-	-	(8.4)	-	8.8	143.4
Vehicle rental finance liabilities	113.6	-	(29.1)	-	38.4	-	122.9
	256.6	-	(29.1)	(8.4)	38.4	8.8	266.3
Cash and cash equivalents	(111.8)						(177.6)
Bank overdraft	45.3						76.2
Net funds excluding lease and vehicle rental liabilities	(66.5)						(101.4)
Net debt including lease and vehicle rental liabilities	190.1						164.9

Non-cash movements in relation to lease liabilities relate to the recognition and de-recognition of lease liabilities and accrued and repaid interest. Non-cash movements in relation to the Group's RCF is the reclassification of unamortised debt issue costs to prepayments.

8. Business combinations

On 2 March 2023, Lookers plc acquired 100% of the share capital of Fourways Vehicle Solutions Limited, a leading vehicle hire and brokerage business. The acquisition is part of Lookers key strategic priorities to grow its corporate leasing, fleet, and rental capabilities.

On 28 April 2023, Lookers plc acquired the business and assets of Waterhouse Car Limited, which operated a Volvo dealership in Chelmsford, extending the Group's Volvo footprint to four dealerships.

The combined assets and liabilities recognised as a result of the acquisitions are as follows:

	£m
Property plant and equipment	0.3
Inventories	0.9
Trade and other receivables	0.8
Cash and cash equivalents	0.1
Trade and other payables	(0.8)
Tax liabilities	(0.1)
Net identifiable assets acquired	1.2
Goodwill	0.8

Total consideration satisfied by cash	**2.0**

Net cash outflow arising from acquisitions:	**£m**
Cash consideration	2.0
Less: cash and cash equivalents acquired	(0.1)
	1.9

The goodwill is attributable to the profitability of the acquired business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of the acquired trade and other receivables is £0.8m with a gross contractual amount of £0.8m. The best estimate at the acquisition dates of the contractual cash flows not to be collected was £Nil.

No contingent liabilities have been recognised as a result of the acquisitions.

Acquisition related costs included within the Lookers plc statement of total consolidated comprehensive income for the period ended 30 June 2023 amount to £0.1m.

The combined businesses acquired contributed £4.3m to revenue and £0.2m to the Group's profit for the period between the dates of acquisition and the 30 June 2023. If the acquisition of the businesses had been completed on 1 January 2023, contribution to Group revenues for the period would have been £10.6m and contribution to Group profit would have been £0.4m.

There were no acquisitions in the year ended 31 December 2022.

9. Subsequent events

On 20 June 2023, the boards of directors of Global Auto Holdings Limited (the "Offeror") and Lookers announced the recommended proposed cash offer by the Offeror for the entire issued and to be issued share capital of Lookers which was to be effected by way of a scheme arrangement under Part 26 of the Companies Act 2006.

On 27 July 2023, the boards of directors of the Offeror and Lookers announced that they had reached agreement on the terms of an increased recommended cash offer by the Offeror for the entire issued and to be issued share capital of Lookers at a price of 130 pence per Lookers Share and a switch from a Scheme to a takeover offer.

On 4 August 2023, it was announced that the increased offer would revert to being implemented by way of a scheme arrangement under Part 26 of the Companies Act 2006.

Scheme documentation has been issued to the shareholders, and a Court Meeting and General Meeting to vote on the scheme will be held on 5 September 2023.

10. Related parties

There have been no material changes to the Group's principal subsidiaries as listed in the 2022 Annual Report & Accounts except for the acquisition of Fourways Vehicle Solutions Limited as detailed in Note 8.

There have been no related party transactions in the period (H1 2022: none).

11. Condensed Consolidated Statement of Total Comprehensive Income (restated)

	As previously reported unaudited six months ended 30 June 2022 £m	Correction of errors £m	Unaudited six months ended 30 June 2022 (restated) £m	As previously reported audited year ended 31 December 2022 £m	Correction of errors £m	Audited year ended 31 December 2022 (restated) £m
Revenue	**2,230.0**	**9.8**	**2,239.8**	**4,300.9**	**18.0**	**4,318.9**
Cost of sales	(1,947.2)	(9.8)	(1,957.0)	(3,750.7)	(18.0)	(3,768.7)
Gross profit	**282.8**	**-**	**282.8**	**550.2**	**-**	**550.2**
Net operating expenses	(221.3)	-	(221.3)	(441.3)	-	(441.3)
Operating profit	**61.5**	**-**	**61.5**	**108.9**	**-**	**108.9**
Underlying operating profit	58.8	-	58.8	107.2	-	107.2
Non-underlying items	2.7	-	2.7	1.7	-	1.7
Finance costs	(11.6)	-	(11.6)	(24.5)	-	(24.5)
Profit before taxation	**49.9**	**-**	**49.9**	**84.4**	**-**	**84.4**
Underlying profit before taxation	47.2	-	47.2	82.7	-	82.7
Non-underlying items	2.7	-	2.7	1.7	-	1.7
Tax charge	**(9.5)**	**-**	**(9.5)**	**(10.5)**	**-**	**(10.5)**
Profit for the period/year (attributable to shareholders of the Company)	**40.4**	**-**	**40.4**	**73.9**	**-**	**73.9**
Exchange differences on translation of foreign operation (may be recycled to profit and loss)	0.3	-	0.3	0.8	-	0.8
Actuarial gains on pension scheme obligations (not recycled to profit and loss)	12.2	-	12.2	6.9	-	6.9
Deferred tax on pension scheme obligations (not recycled to profit and loss)	(3.0)	-	(3.0)	(1.7)	-	(1.7)
Total other comprehensive income for the period/year	**9.5**	**-**	**9.5**	**6.0**	**-**	**6.0**

Total comprehensive income for the period/year (attributable to shareholders of the Company)	49.9	-	49.9	79.9	-	79.9
Earnings per share:						
Basic earnings per share (p)	10.31	-	10.31	18.87	-	18.87
Diluted earnings per share (p)	10.19	-	10.19	18.64	-	18.64

As part of the transition to operating under an agency model with certain OEMs, a review of the accounting treatment for agency income has been undertaken. As a result of this, it has been identified that in the prior year some agency income had been incorrectly netted against cost of sales rather than recognised within revenue. As a consequence, in H1 2022 revenue and cost of sales were both understated by £9.8m. For FY 2022, revenue and cost of sales were both understated by £18.0m. There was no impact to the statement of financial position or the cash flow statement as a result of this correction. A prior period adjustment has been made to the statement of total consolidated comprehensive income presented in these financial statements to correct this error, as laid out above.

12. Reconciliation of Alternative Performance Measures

The Group uses a number of Alternative Performance Measures (APM) which are non-IFRS measures in establishing their financial performance. Like-for-like is the collection of dealerships and other trading businesses that have both a full year of trading activity in the current year and prior year. The Group's income statement identifies separately adjusted measures and non-underlying items. These adjusted measures reflect adjustments to IFRS measures. The Directors believe the APMs provide useful, historical financial information to assist investors and other stakeholders to evaluate the performance of the business and are measures commonly used by certain investors for evaluating the performance of the Group. Adjusted results are stated before exceptional items. Details of the definitions of APMs are made within the Glossary. A reconciliation of the statutory measures to the APM is set out below:

Like-for-like revenue	Note	Unaudited six months ended 30 June 2023	Unaudited six months ended 30 June 2022 (restated)	Audited year ended 31 December 2022 (restated)
Revenue (£m)	1	2,418.9	2,239.8	4,318.9
Less: Non like-for-like revenue (£m)		(22.7)	(30.9)	(29.7)
Like-for-like revenue (£m)		2,396.2	2,208.9	4,289.2
Gross profit margin				
Revenue (£m)	1	2,418.9	2,239.8	4,318.9
Gross profit (£m)		294.2	282.8	550.2
Gross profit margin (%)		12.2%	12.6%	12.7%
EBITDA and underlying EBITDA (£m)				
Operating profit (£m)		58.7	61.5	108.9
Add: Depreciation (£m)		26.9	23.8	49.9
Add: Amortisation (£m)		2.1	2.4	4.7
EBITDA (£m)		87.7	87.7	163.5
Add: Non-underlying items (£m)	2	5.7	(2.7)	(1.7)
Underlying EBITDA (£m)		93.4	85.0	161.8
Underlying operating profit (£m)				
Operating profit (£m)		58.7	61.5	108.9
Add: Non-underlying items (£m)	2	5.7	(2.7)	(1.7)
Underlying operating profit (£m)		64.4	58.8	107.2
Underlying profit before tax and underlying basic EPS				
Profit before tax (£m)		40.4	49.9	84.4
Add: Non-underlying items (£m)	2	5.7	(2.7)	(1.7)
Underlying profit before tax (£m)		46.1	47.2	82.7
Underlying tax (£m)	5	(11.5)	(9.3)	(11.4)
Underlying profit after tax (£m)		34.6	37.9	71.3
Weighted average number of shares in issue	5	383,700,479	392,021,146	391,627,955
Underlying basic EPS (p)		9.02	9.67	18.21
Net funds excluding lease liabilities and rental vehicle finance liabilities				
Cash and cash equivalents (£m)		177.6	153.8	111.8
Less: Bank loans and overdrafts (£m)		(76.2)	(75.3)	(45.3)
Net funds (£m)		101.4	78.5	66.5

13. Interim statement

Copies of this report and the last Annual Report and Accounts are available from the Company Secretary at the registered office of the company at Lookers House, 3 Etchells Road, West Timperley, Altrincham, WA14 5XS and can be viewed via the Group's website at www.lookersplc.com. Copies of this report have also been submitted to the UK Listing Authority and will shortly be available at the UK Listing Authority's Document Viewing Facility at 25 North Colonnade, Canary Wharf, London E14 5HS (Telephone +44 (0) 207 066 1000).

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- The interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting';
- The interim financial statements include a fair review of the information required by DTR 4.2.7R (identification of important events during the first six months and their impact on the condensed set of financial statements and description of principal risks and uncertainties for the remaining six months of the year); and
- The interim financial statements include a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and charges therein).

By order of the Board