

**19 September 2024**

Market Announcement  
**NZX:2CC**

### **Market update**

2 Cheap Cars Group Limited (NZX:2CC) today advised that due to rapidly changing market conditions, the Company no longer expects to match the net profit after tax (NPAT) levels achieved in FY24. The Company remains confident that initiatives planned for the second half year will improve NPAT compared to the first half, however the challenging economic environment means it will not be possible to repeat FY24's record-breaking performance.

The Company notes that while the lower value used car market has proven resilient and overall sales volumes are largely stable, consumers are spending less and that has an impact on margins.

CEO David Sena said that the business remains well positioned and is trading well.

"The demand for cheaper cars rises as the economy declines and consumers feel the pinch. People still need vehicles but have less to spend. 2 Cheap Cars is well positioned in this respect. But there is no escaping the fact that the cost of living crisis is cutting deep and until recently, interest rates have also impacted customers' ability to get finance," he said.

The Company is optimistic that declining interest rates will help ease customers' financial strain and support an eventual recovery in demand in the second half year.

The Company will provide a further trading update at the Annual Shareholder Meeting on 27<sup>th</sup> September.

### **Ends**

This announcement has been authorised by 2 Cheap Cars Group Chair, Michael Stiassny.

For shareholder enquiries, please contact:

**Angus Guerin**

**CFO**

Mobile: +64 21 998 708

Email: [angus.guerin@2ccgroup.co.nz](mailto:angus.guerin@2ccgroup.co.nz)

### **About 2 Cheap Cars Group (2CC)**

2 Cheap Cars Group is an integrated used automotive group. We are vertically integrated from procurement in Japan through to our retail branches nationwide. Operating under the "2 Cheap Cars" brand, our Automotive Retail company is one of the largest used vehicle sellers in New Zealand with 13 dealerships across the country. Our mission is to deliver on our promise... 2 Cheap Cars, driving better deals, every day.