

28 July 2025

Market Announcement
NZX:2CC

2 Cheap Cars Group Updates Performance Outlook for FY26

2 Cheap Cars Group Limited (NZX:2CC) today announced an update on its performance outlook for the 2026 financial year.

While vehicle sales still are projected to exceed FY25 levels, the company does not anticipate FY26 net profit after tax (NPAT) reaching the previous year's level, based on first quarter results.

The first quarter of FY26 saw performance below expectations, with both sales volumes and gross margins falling short of budgeted targets. The company successfully achieved cost savings, however these were not sufficient to fully offset the decline in gross margin.

The company has seen an improvement in sales performance in July and expects to exceed its monthly budget for the first time this financial year. However, the market remains uncertain and inconsistent.

As 2 Cheap Cars advances its vertical integration strategy, including expanding its internal reconditioning capabilities, there are short-term pressures on both its supply chain and workforce. As a result, maintaining optimal inventory levels across the network has become a challenge.

Measures are currently being implemented that are expected to increase car acquisition and boost reconditioning throughput. These initiatives include refining the operational structure, upskilling staff, and using reliable external partners to maintain throughput and flexibility while vehicle volumes exceed internal capacity.

The company's new flagship site at Clemow Drive, Sylvia Park, remains on schedule to open in August 2025 and is expected to boost performance in the second half of FY26.

While the Company's strategic direction remains unchanged, there is additional emphasis on enhancing supply chain responsiveness. This will assist the company to take advantage of opportunities in the market as it improves.

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

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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 12 dealerships across the country. Our mission is to deliver on our promise... 2 Cheap Cars, driving better deals, every day.