

Average price of car at Lookers grows by a quarter as semiconductor shortage disrupts automotive market

Car giant Lookers says the shortage of semiconductors has helped push up demand for vehicles as it said the average price of a used car had grown by more than a quarter.

The Cheshire group said used car prices rose 27% in the first half of 2022, compared to the same period in 2021. That meant that even though it sold fewer new cars than a year ago, it managed to make almost £200m more in revenue from them, up 17% on 2021.

Lookers said it had 22,000 orders from retail customers at the end of June, compared to 9,000 in June 2021.

The revenue the group got from new vehicles dropped 5.6% to £970.2m.

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Pre-tax profit hit £49.9m in the first half, from £50.4m a year before, when Lookers had benefited from £12.7m of Government Covid-19 support. Overall revenue rose 3.6% to £2.2bn. The company said that it would repay business rates relief of £1.5m it got during the pandemic.

Chief executive Mark Raban said: "Our first half financial performance was very strong, against an exceptional comparative period, despite ongoing inflationary pressure and vehicle supply disruption.

"We have also made excellent progress with our strategic priorities.

“We remain focused on our customers and improving our proposition to ensure the process of buying or leasing a car is as easy and simple as possible, particularly in the current challenging economic environment.”

He added: “Whilst mindful of the pressures facing consumers, we are confident in our strategic direction and retain our expectations for the remainder of the year.”

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