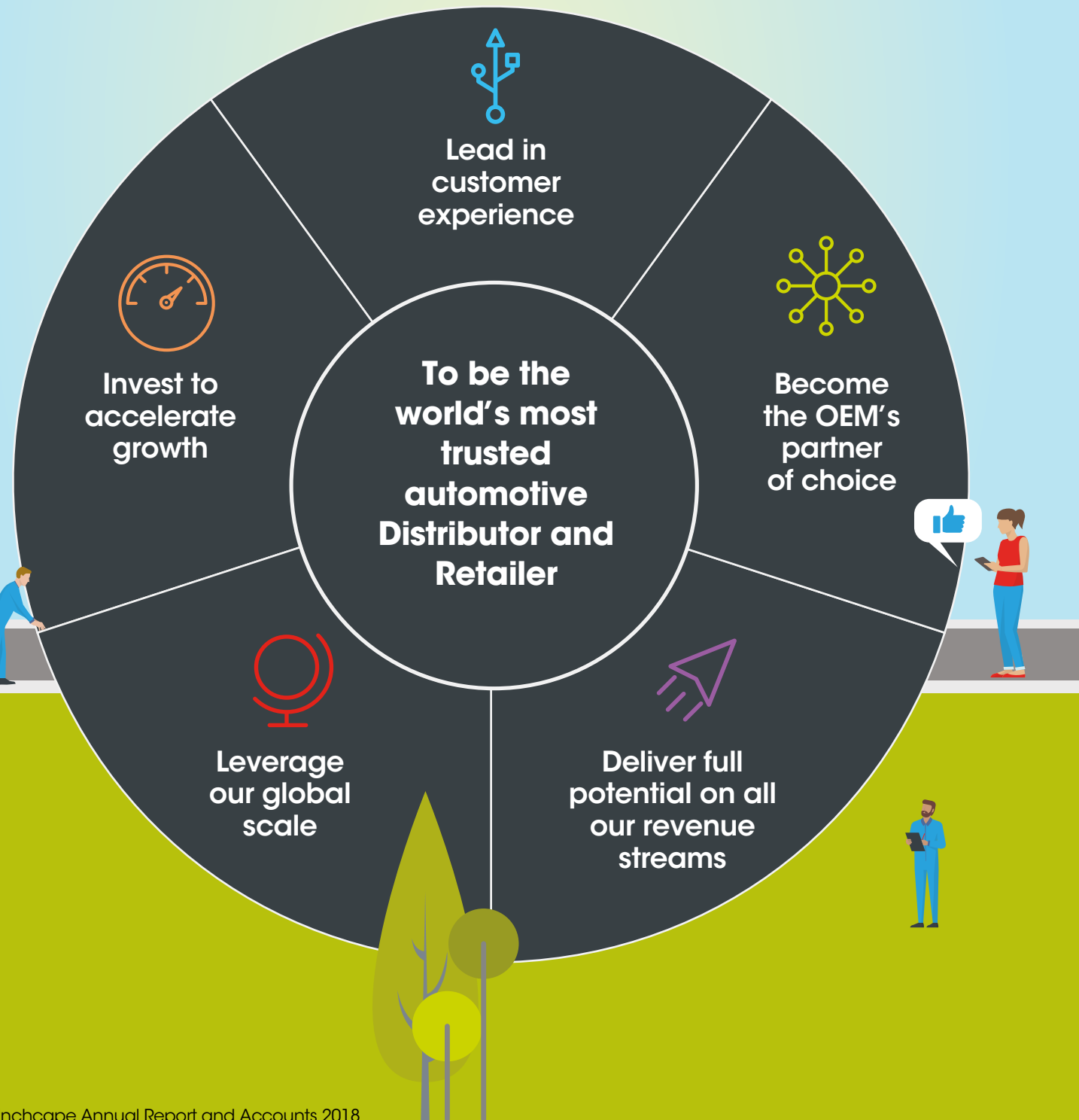


IGNITE STRATEGY DRIVING OUR GROWTH



Inchcape's strategic objectives are what drives the business. With the twin focal points of our customers and OEM partners at the heart of the strategy, Ignite combines five objectives to bring to life our vision to become the world's most trusted automotive Distributor and Retailer.

Our strategy was developed to drive operational excellence across our markets; to consolidate markets with high-growth potential in our fragmented industry; to innovate to take advantage of our scale and expertise; and to build a sustainable business model for the long term.

Ignite is structured to drive continual improvement and the spread of best practice across all our revenue streams, powering our defence against fluctuating market conditions. And within this structure the strategy has room to evolve to ensure that the business can react with agility, to keep pace with and anticipate the changing automotive industry.

DELIVERING OUR STRATEGY: OUR GLOBAL LEADERSHIP TEAM

Our Group Executive Committee is a global team of business leaders that combines a strong focus on operational excellence with a wealth of experience in automotive and a wide range of other industries, including FMCG, management services, utilities and finance. The executive team drives the strategic vision and operational direction of the Company on behalf of the Board.



Stefan Bomhard
Group Chief Executive Officer



Richard Howes
Chief Financial Officer



Aris Aravanis
CEO Continental Europe



George Ashford
CEO Asia



Stéphane Chatal
Chief Information Officer



Alison Clarke
Chief Human Resources Officer



James Brearley
CEO Inchcape UK












Ruslan Kinebas
CEO Emerging Markets



Bertrand Mallet
Chief Development Officer



Nick Senior
CEO Australasia

OBJECTIVE	WHAT IT MEANS	PRIORITIES	PROGRESS IN 2018
<p>LEAD IN CUSTOMER EXPERIENCE</p> 	<p>As the global automotive industry rapidly evolves, the purchasing behaviour and service-level expectations of consumers are clearly changing. We will invest to maintain our position as leader in customer service innovation in automotive Distribution and Retail, with digital a key priority</p>	<ul style="list-style-type: none"> - Build digital and data capabilities at Group and market levels - Improve mobile performance to better reflect customers' preferences - Optimise digital traffic to improve online performance - Introduce structured measurement to improve customer experience 	<ul style="list-style-type: none"> - Developed omni-channel platform, launching in Australia in 2019 - Increasing proportion of annual capex spend to support digitisation - Continued rollout of Salesforce CRM (customer relationship marketing), Brightedge SEO (search engine optimisation) and reputation.com, creating a 360° view of the customer journey and enabling us to deliver the experiences that customers are seeking 
<p>BECOME THE OEM PARTNER OF CHOICE</p> 	<p>We have a very strong portfolio of brands. We now need to build on our OEM partnerships to ensure that we thoroughly deserve to achieve the status of 'partner of choice' across all our relationships, and then to robustly defend that position</p>	<ul style="list-style-type: none"> - Understand and support our OEM partners' objectives - Ensure we maintain and reinforce contact with OEM partners - Maintain and grow market share for existing partners - Partner with OEMs to consolidate regional Distribution markets 	<ul style="list-style-type: none"> - Meaningful expansion of relationship with Suzuki, new to our core set of OEMs - Consolidation of regional markets with BMW and Jaguar Land Rover - Regular contact through strategic 'top-to-top' and regular operational meetings - Market share growth in 15 territories that had TIV (total industry volume) growth vs 2017 
<p>DELIVER THE FULL POTENTIAL ON ALL OUR REVENUE STREAMS</p> 	<p>The addressable market for Aftersales is set to grow faster than New car sales. The Used car market, which is typically a multiple of that of New cars in most of our territories, is a further growth opportunity. Finance and Insurance (F&I) is another significant focus for growth</p>	<ul style="list-style-type: none"> - Implementation of Aftersales playbooks in all territories including new markets - Strong focus on extending F&I product coverage to more of portfolio - Deploying proven Used car initiatives to grow GPU 	<ul style="list-style-type: none"> - Good growth in Aftersales gross profit driven by increased capacity in Singapore and leveraging processes in South America - Used car initiatives drove double digit growth in Russia and South America - F&I programmes delivering ahead of plan, profit growth at twice rate of vehicle sales: incremental £15m in 2018 
<p>LEVERAGE OUR GLOBAL SCALE</p> 	<p>We aim to maximise the opportunity of our unique position in the automotive industry to share more expertise and best practice across our organisation, leveraging our global scale to improve collaborative working and cost optimisation</p>	<ul style="list-style-type: none"> - Development and initial implementation of procure-to-payment (P2P) programme - Continue to drive savings through extension of procurement initiatives to new opportunities for centralised purchasing - Demonstrate shared best practice globally through extending rollout of commercially successful initiatives 	<ul style="list-style-type: none"> - Cumulative procurement savings £32m to date - Key 2018 initiatives include tyre distribution, vehicle storage and transportation, parts - Began rollout of P2P platform to enable global savings in 2019+ - Expanded rollout of vehicle protection product GardX demonstrates shared best practice and leveraged scale 
<p>INVEST TO ACCELERATE GROWTH</p> 	<p>The automotive Distribution and Retail markets are highly fragmented; we apply a disciplined use of capital to fuel further growth through selective participation in market consolidation</p>	<ul style="list-style-type: none"> - Continue to develop rich pipeline of relevant M&A opportunities - Focus on acquisitions in strong growth potential, small- to medium-sized markets - Build regional platforms of consolidated Distribution contracts to support OEMs, leverage our scale and drive improvements in customer experience 	<ul style="list-style-type: none"> - Scale acquisition in Costa Rica and Panama including Distribution contract for Suzuki - South America business acquired in 2016 achieved target ROIC in 2018, one year early - Contract wins with JLR in Kenya, BMW in Guam - In early 2019 consolidated all Baltic countries for BMW with addition of Lithuania - Award of BMW contract in Kenya to extend east Africa representation 