



2016 INTERIM RESULTS

28 JULY 2016



H1 2016 HIGHLIGHTS



Good performance across our portfolio of markets



New £100m share buyback over the next 12 months



Strong cash generation and continued balance sheet strength

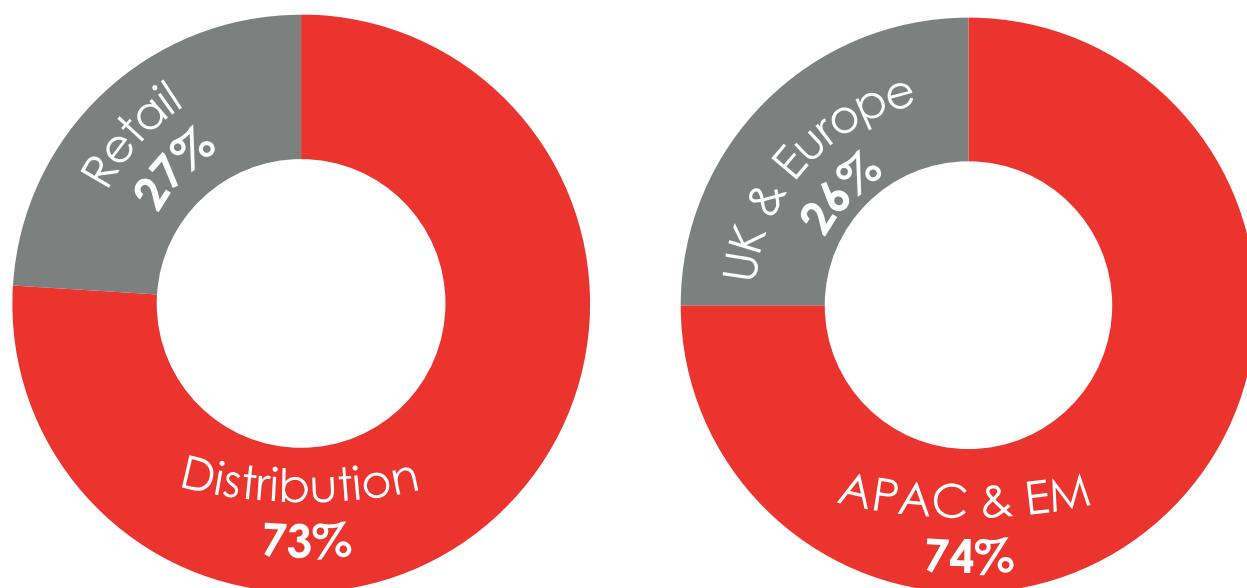


Distribution contract win for Jaguar Land Rover in Thailand

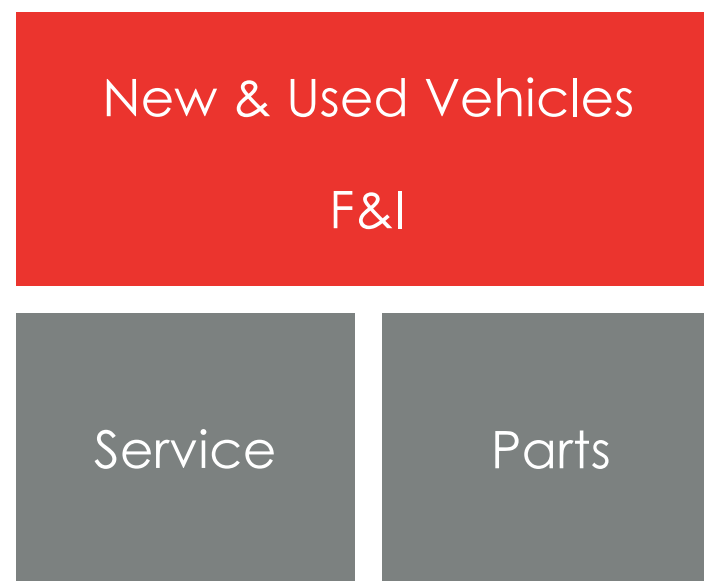
H1 EPS +9% YoY

ATTRACTIVELY POSITIONED

TRADING PROFIT MIX



DIVERSIFIED VALUE DRIVERS



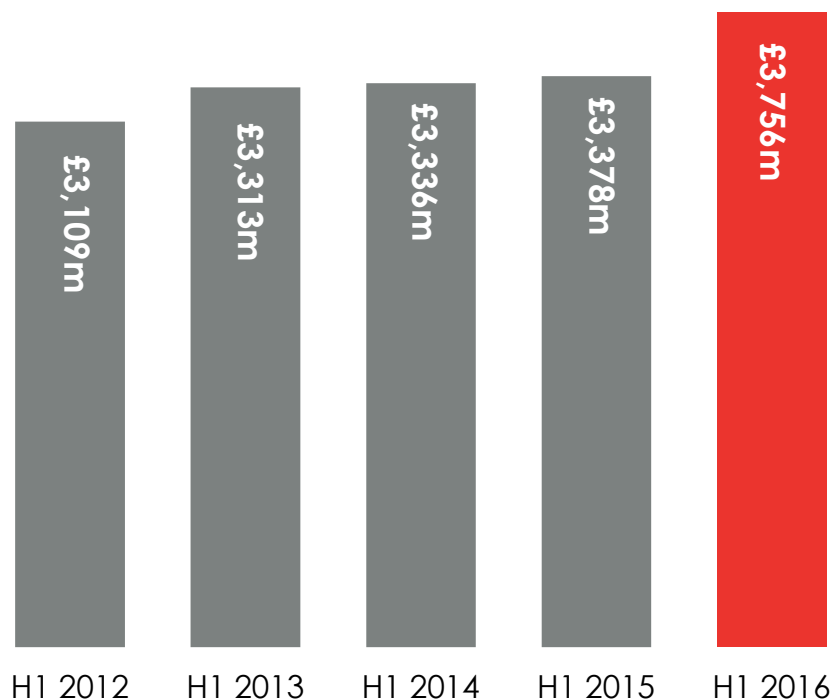
Cash Generative Business Model with Strong Balance Sheet

CONSISTENCY OF PERFORMANCE



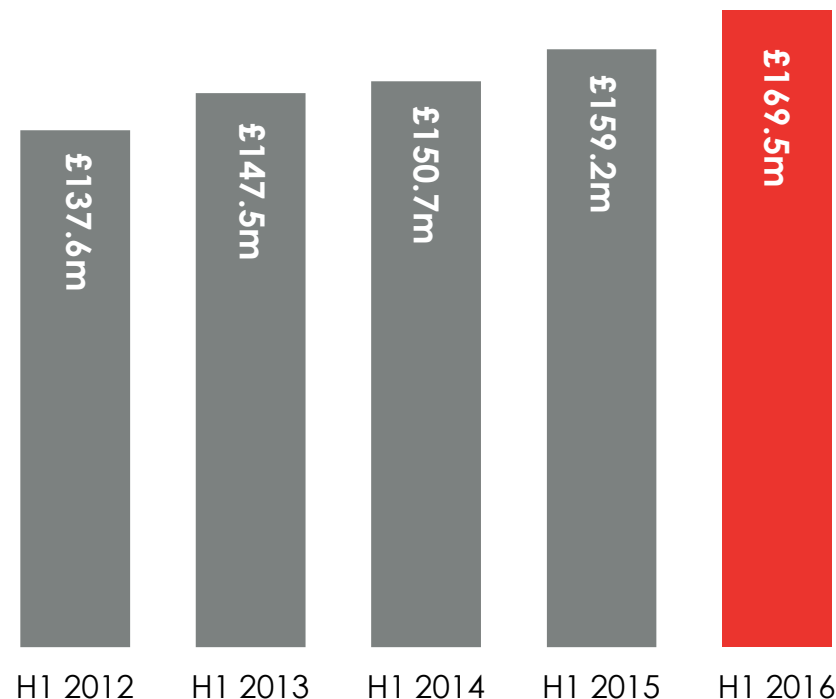
REVENUE

+11.2%



OPERATING PROFIT*

+6.5%



Note: * pre exceptional items and property profits of £17.3m in 2014 and £6.2m in 2013 and all numbers at actual exchange rates



H1 2016 FINANCIALS

SUMMARY PROFIT & LOSS ACCOUNT

ROBUST PROFIT GROWTH

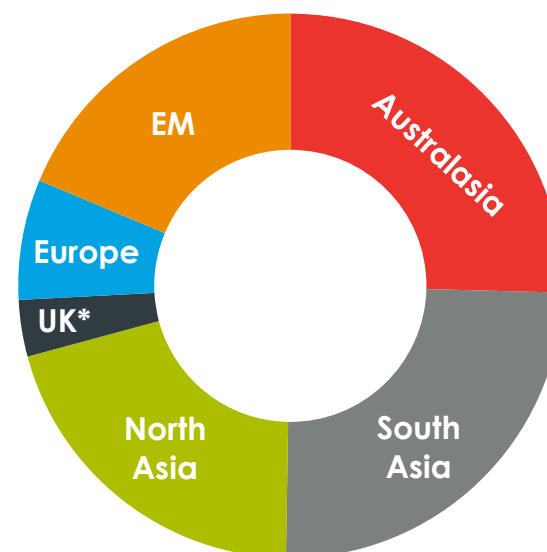
	H1 2016 £M	H1 2015 £M	CHANGE ACR	CHANGE CCR	
Sales	3,756.2	3,378.4	11.2%	9.6%	+1.6%
Operating profit	169.5	159.2	6.5%	3.3%	+3.2%
Profit before tax	165.0	153.0	7.8%	4.2%	
Tax rate (%)*	25.8	24.0	-180bps		
Basic adjusted EPS (p)	27.6	25.4	8.7%		
Dividend per share (p)	7.0	6.8	2.9%		

* Effective tax rate

DISTRIBUTION

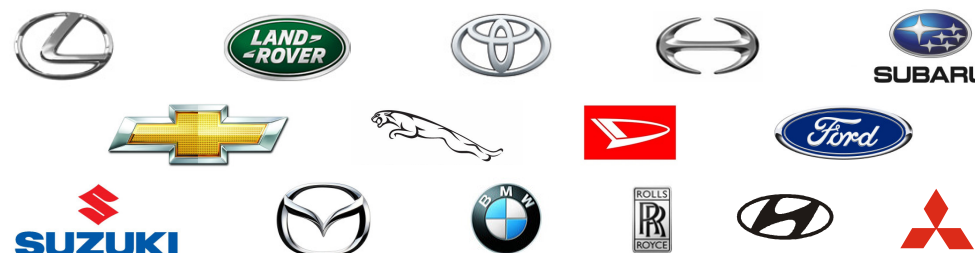
	H1 2016 £M	H1 2015 £M	CHANGE ACR	CHANGE CCR	
Revenue	1,462.5	1,322.4	10.6%	6.2%	+4.4%
Trading profit	134.3	124.9	7.5%	3.6%	+3.9%
Trading margin %	9.2%	9.4%	-20 bps		

TRADING PROFIT MIX



39% of Group
Revenue

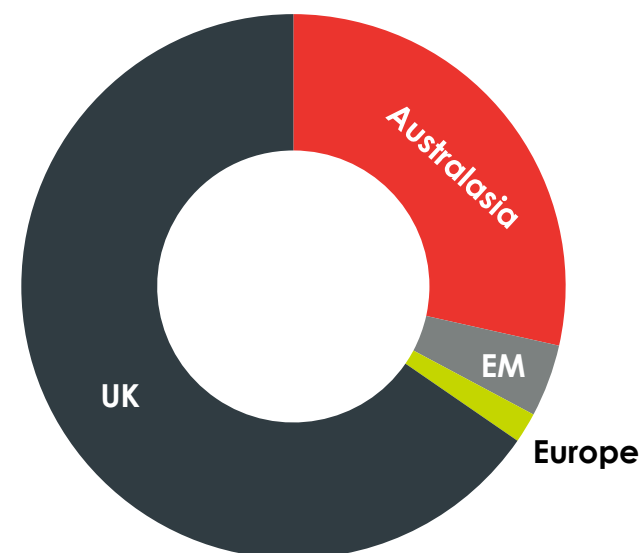
73% of Group
Trading profit



RETAIL

	H1 2016 £M	H1 2015 £M	CHANGE ACR	CHANGE CCR	
Revenue	2,293.7	2,056.0	11.6%	11.9%	(0.3%)
Trading profit	49.4	46.0	7.4%	6.7%	+0.7%
Trading margin %	2.2%	2.2%	-		

TRADING PROFIT MIX

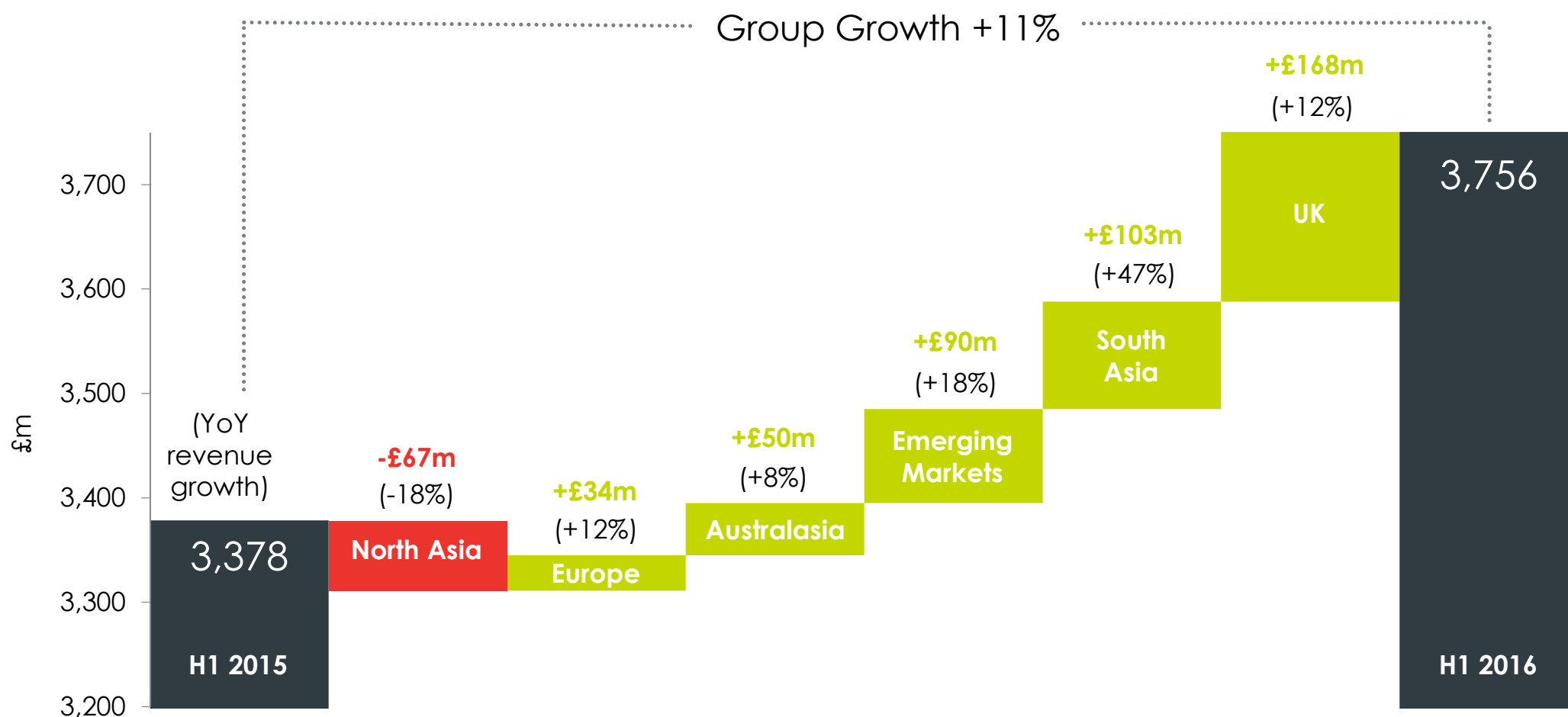


61% of Group
Revenue

27% of Group
Trading profit

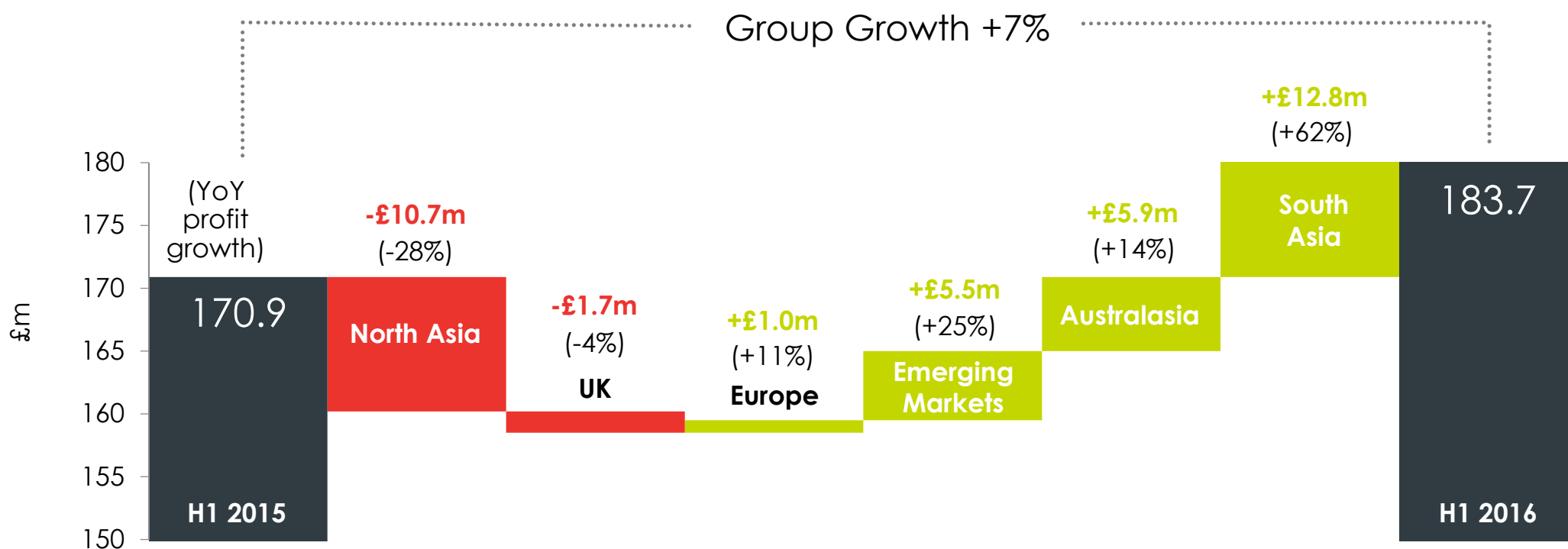


GROUP REVENUE GROWTH



Note: All numbers at actual exchange rates

GROUP TRADING PROFIT



Trading Margin	9.3%	2.4%	3.3%	4.6%	7.2%	10.4%	4.9%
	-120 bps	-40 bps	-10 bps	+30 bps	+40 bps	+100 bps	-20 bps

Note: All numbers at actual exchange rates

OVERHEADS AND GROSS MARGIN

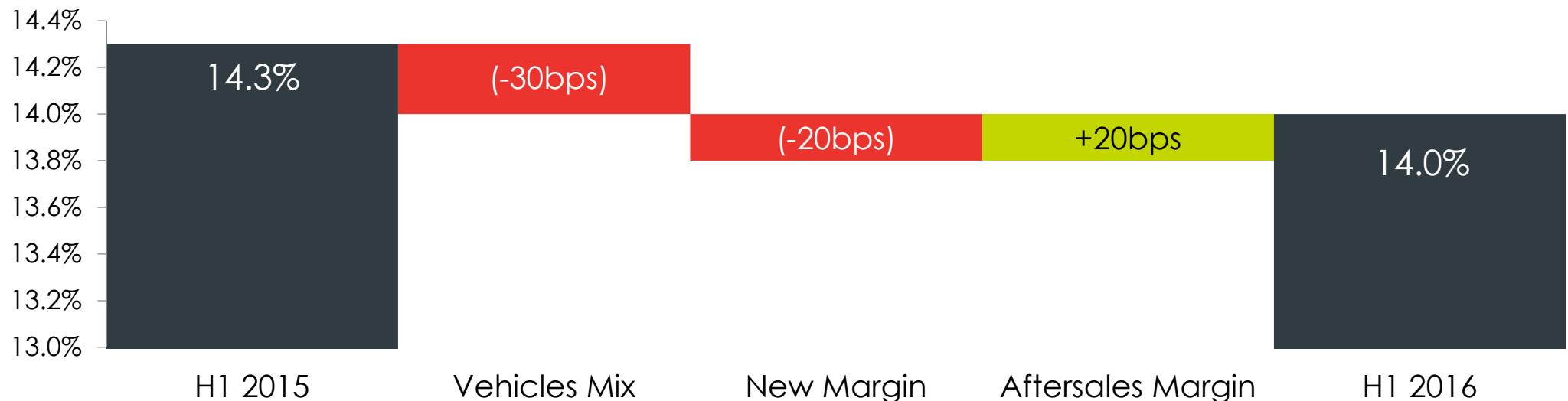
VEHICLES VALUE DRIVER MIX EFFECT

OVERHEADS **9.5%**
OF SALES, -10 bps YoY

Fixed cost
leverage

Site / IT
investments

Gross Margin Bridge



PROFIT & LOSS REVIEW

	H1 2016 £M	H1 2015 £M
Trading profit	183.7	170.9
Central costs	(14.2)	(11.7)
Net interest	(4.5)	(6.2)
Profit before tax	165.0	153.0
Tax	(42.6)	(36.7)
Tax %	25.8	24.0
Minority interest (MI)	(3.7)	(3.6)
Profit after MI	118.7	112.7

Note: All numbers at actual exchange rates

2016 GUIDANCE

Tax rate
25%

Interest cost
up to **£13m**
(excl. mark to market)

OPERATING & FREE CASH FLOW

OPERATING CASH FLOW	H1 2016 £M	H1 2015 £M
Operating profit	169.5	159.2
Depreciation / amortisation	26.2	24.0
Working capital	(62.8)	(45.2)
Pension	0.6	0.6
Other	1.3	(0.6)

Operating cash flow **134.8** **138.0**

Conversion **79.5%** **86.7%**

FREE CASH FLOW	H1 2016 £M	H1 2015 £M
Operating cash flow	134.8	138.0
Net interest	(5.2)	(7.7)
Taxation	(52.5)	(39.0)
Non controlling interest	(6.5)	(4.8)
Net capex	(27.4)	(21.7)

Free cash flow **43.2** **64.8**

Conversion **25.5%** **40.7%**

2016 GUIDANCE

Capital
expenditure
up to **£85m**

YE NWC
£50-60m

Note: All numbers at actual exchange rates



CAPITAL ALLOCATION

DISCIPLINED APPROACH

01 Organic investment

- Capex and Working Capital
- Key H1 investments: Singapore and UK

02 Selective M&A leveraging our unique position

- Contract win - JLR Thailand
- Focused on Distribution

03 Maximising cash returns

- 40% dividend payout ratio
- £300m returned to shareholders through share buybacks since 2013
- New £100m buyback announced

Strong balance sheet – Prudent & retaining firepower for M&A



BUSINESS UPDATE



DISTRIBUTION

Strong new vehicle trends: revenue and profit growth across majority of markets

Gross margin expansion

73% of trading profit

RETAIL

Robust New & Used vehicle revenue trends. Lower Vehicles & higher Aftersales gross margin

Car Parc growth supporting Aftersales

27% of trading profit



STRATEGIC UPDATE

ADAPTING TO LEVERAGE OUR STRENGTH



EXAMPLES

Australian Salesforce.com marketing-engine pilot going live in August

1st OEM global strategy and performance discussion held H1 2016

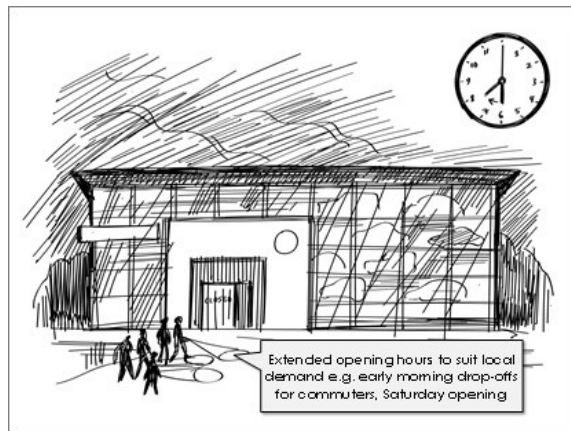
Global and local procurement teams in place: global headcount expanded by four



DELIVERING THE FULL POTENTIAL ON ALL OUR REVENUE STREAMS

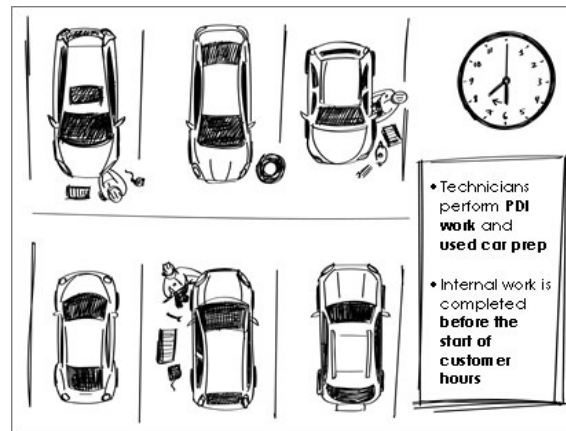
Multiple options to drive better Aftersales asset utilisation

Extended opening hours



Extending opening to suit local demand

PDI* outside customer hours



Internal work completed before customers arrive

30min "Express service"



2-3 technicians work on car simultaneously



DELIVERING THE FULL POTENTIAL ON ALL OUR REVENUE STREAMS: USED CARS

RIGA, LATVIA

Used Car space addition



HYDE, UK

Dedicated 'Approved Audi' site





THAILAND CONTRACT WIN

JAGUAR LAND ROVER DISTRIBUTION

Entry into our 27th market: A small but developing luxury car market

Long-standing and successful partnership with JLR spanning 46 years

Links to both **Investing** to **accelerate growth** & **Become the OEM's partner of choice**





REGIONAL PERFORMANCE REVIEW

AUSTRALASIA

STRONG H1 PERFORMANCE

OUTPERFORMING WITH SUBARU

Subaru Volume **+11.1%**

Market Share **+30 bps**

SUV & NON-MINING STATES DRIVING GROWTH

SUV Volume **+11.4%**

New South Wales **+7.3%**

TRANSACTIONAL FX

H1: Yen GM neutral

H2: Yen GM adverse

H1 LFL REVENUE

+10%

H1 TRADING PROFIT

+13%

7.2% Margin (+40 bps)

NORTH ASIA

VEHICLE MARKET DECLINE

WEAKER CONSUMER AND CORPORATE CONFIDENCE

(Hong Kong Mkt Vol -28%)

SOLID AFTERSALES PERFORMANCE

- Inchcape HK Car Parc >150k units

LOWER CV PHASE OUT IN 2016 vs. 2015

Multi-year CV scrappage scheme is a long-term benefit

**H1 LFL
REVENUE**

-24%

H1 TRADING PROFIT

-33%

9.3% Margin (-120 bps)

SOUTH ASIA

STRONG REVENUE & PROFIT GROWTH

GROWTH ACROSS VALUE DRIVERS

Profit growth led by Vehicles
but supported by all

MARKET SHARE LEADERSHIP MAINTAINED

GOOD VISIBILITY

Strong order bank into H2
New Toyota Sienta (Q3)

**H1 LFL
REVENUE**

+41%

H1 TRADING PROFIT

+55%

10.4% Margin (+100 bps)

UK

OPERATIONAL IMPROVEMENTS ON TRACK

Strong New Vehicle volume, GM% decline

Improved Used Vehicle performance

Robust Aftersales performance

Operational
and site
investments
to support
long-term
growth

2016E TIV

Uncertainty post
EU referendum

Flat YoY from +2%

H1 LFL REVENUE
+10%

H1 TRADING PROFIT
-4%

2.4% Margin (-40 bps)



EMERGING MKTS

STRENGTH FROM OUR DIVERSIFICATION

BROAD BASED GROWTH

Positive revenue trends across all EM countries in H1

STRONG PERFORMANCE IN EASTERN EUROPE – Romania, Bulgaria & Poland

BENEFITTING FROM STRUCTURAL AND CYCLICAL GROWTH

H1 LFL REVENUE
+20%

H1 TRADING PROFIT
+23%
4.6% Margin (+10 bps)

EUROPE

SOLID PERFORMANCE

Greek vehicle market +8%
Market share **11.7%** (+50 bps)

Belgian vehicle market +7%

Strong performance in Finland

H1 LFL REVENUE
+6%

H1 TRADING PROFIT
+4%
3.3% Margin (-10 bps)



Strength from
our diversified
portfolio of
markets



Broad based
growth across
our five value
drivers



Ignite strategy
narrowing in on
opportunities &
pilots starting



Distribution
contract win for
Jaguar Land
Rover in
Thailand





LOOKING AHEAD

2016 OUTLOOK

Attractive local level drivers across our revenue streams and some of our markets

Difficult trading environment in Hong Kong and uncertainty post EU referendum in UK

Growth in Aftersales: Expansion in 1-5 year Car Parc across the majority of our markets

YEN : AUS \$ will act as a transactional FX headwind

Strategic and operational focus to capture opportunities and build on our strong fundamentals

RESILIENT
CONSTANT
CURRENCY
PERFORMANCE
EXPECTED
IN **2016**



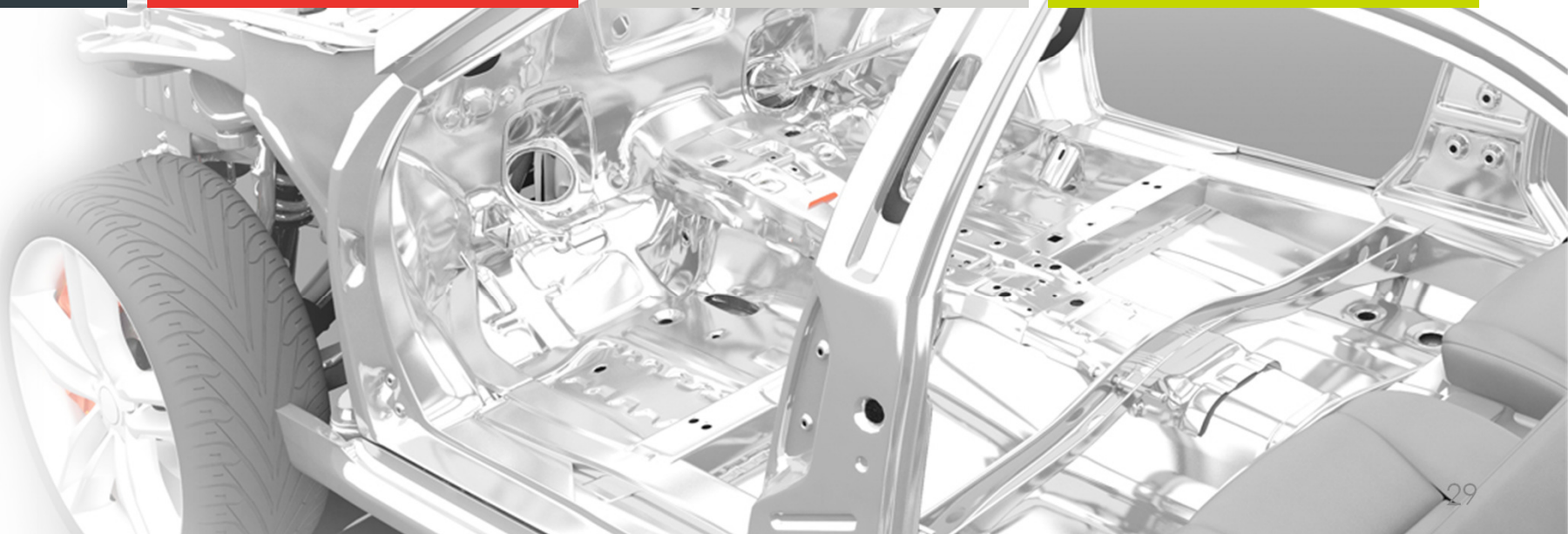
CONCLUSION

Predominantly
Distribution in
APAC & EM

Diversified
profit streams

Continuation
of our track
record of
delivering
growth

Strong cash
generation,
new £100m
buyback
announced





APPENDIX

DEFINITIONS

LIKE-FOR-LIKE

The following are excluded from like-for-like sales:

1. Businesses that are acquired, from the date of acquisition until the 13th month of ownership
2. Businesses that are sold or closed
3. Retail centres that are relocated from the date of opening until the 13th month of trading in the new location

EMERGING MARKETS

Emerging markets are those countries in which the Group operates that have yet to reach a mature stage of development and accordingly are in, or are expected to return to, the growth phase of the development cycle.

EMERGING MARKETS COVERS THE FOLLOWING COUNTRIES:

The Balkans

China

The Baltics

Africa

Poland

South America

Russia



CASH FLOW

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NET CASH	H1 2016 £M	H1 2015 £M
Free cash flow	43.2	64.8
Share buy back	(59.3)	(50.0)
Acquisitions	(4.6)	-
Disposals	2.0	-
Equity dividends	(60.3)	(61.1)
Other	(9.3)	(12.9)
Net cash flow	(88.3)	(59.2)
Opening net cash	166.4	210.2
Non cash movements**	57.5	(27.9)

Operating cash flow 134.8 138.0

Free cash flow 43.2 64.8

Closing net cash 135.6 123.1

