



## ON TRACK FOR 2016

Inchcape plc ("Inchcape" or the "Group"), the leading independent multi-brand Automotive Distributor and Retailer with global scale, today releases its Trading Update covering the period from 1 July 2016 to 26 October 2016.

Unless otherwise stated, figures quoted in this statement are for the quarter ended 30 September 2016.

## TRADING FOR THE THREE MONTHS TO 30 SEPTEMBER 2016

- Group revenue £2.01bn, increasing by 15.3% at actual currency and 4.8% at constant currency
- Like for like (LFL) revenue was up by 14.6% at actual currency and 4.3% at constant currency
- Distribution revenue was up by 19.5% at actual currency and 1.8% at constant currency
- Retail revenue was up by 12.5% at actual currency and 7.0% at constant currency

## STEFAN BOMHARD, GROUP CEO OF INCHCAPE PLC, COMMENTED

"Our solid third quarter revenue performance is consistent with our expectation for growth across the majority of our regions and for moderation from the growth rate seen in the first half of 2016. Pleasingly, the Group saw growth across all five of our revenue streams in the third quarter.

Notwithstanding the adverse exchange rate between the Japanese yen and the Australian dollar and the difficult trading environment in our North Asia region, we continue to expect to deliver a resilient constant currency performance in 2016.

Inchcape benefits from a high quality Distribution and Retail footprint and partnerships with the world's leading premium OEMs. Our global scale enables us to leverage organic and inorganic

opportunities, our operational expertise within a competitive industry and our local knowledge to deliver a differentiated customer experience.

I am excited about the long-term growth potential of Inchcape as we deliver on our five 'Ignite' strategic objectives: leading in customer experience, delivering the full potential from all of our revenue streams, becoming the OEMs' partner of choice, leveraging our global scale and investing to accelerate growth. 2016 has seen the creation of these objectives and the start of our actions to realise our full potential. I am pleased with our progress so far and look forward to delivering against each in the coming years."

# REGIONAL REVIEW

## AUSTRALASIA LFL REVENUE

**-0.2%**

- Q3 supply constraint for Subaru, easing into Q4
- As expected, adverse transactional currency impacting our Subaru margin
- New Subaru Impreza model scheduled for December launch

## SOUTH ASIA LFL REVENUE

**+16.9%**

- New market growth rate moderating into the second half of 2016
- Competitive pricing environment, against this backdrop
- Construction of the new Pandan facility on track to capture the growth in Aftersales opportunity

## UK LFL REVENUE

**+7.3%**

- Robust revenue growth supported by the increased operational focus on Used cars
- Good growth in Aftersales, in line with our strategic focus, following multi-year New car growth
- Slowing private New car market trend, lower gross margin for New Vehicles

## EUROPE LFL REVENUE

**+24.5%**

- Strong revenue performances across Belgium, Greece and Finland
- Belgian trend supported by deliveries against the H1 order bank
- Greek New Vehicle market continuing to recover and Toyota gaining share

## EMERGING MARKETS LFL REVENUE

**+3.4%**

- Resilient growth rate, following strong H1
- Eastern European operations continue to perform well
- Political unrest in Ethiopia impacting trading performance

## NORTH ASIA LFL REVENUE

**-17.7%**

- Continuation of a difficult trading environment in Hong Kong (HK)
- HK consumer and corporate confidence remains subdued but stable
- No 1. market share position retained, targeting 25th consecutive year of leadership

**Australasia**  
Australia  
New Zealand

**South Asia**  
Brunei  
Singapore

**UK**  
United Kingdom

**Europe**  
Belgium  
Finland  
Greece  
Luxembourg

**Emerging Markets**  
Bulgaria  
Chile  
China  
Djibouti  
Estonia  
Ethiopia  
Latvia

Lithuania  
Macedonia  
Peru  
Poland  
Romania  
Russia

**North Asia**  
Guam  
Hong Kong  
Macau  
Saipan  
Thailand

# OUTLOOK

Our performance this year remains in line with expectations and we continue to expect to deliver a resilient constant currency performance in 2016. With over three quarters of profits denominated in currencies other than Sterling, our reported actual currency performance is benefiting from Sterling's weakness.

An anticipated slower top-line environment, the transactional currency pressure in Australia and uncertainty on the timing of a market recovery in North Asia impact the trading outlook for 2017. As such and as we increasingly look to leverage our global scale under the Ignite strategy, the Group is reviewing its fixed cost base to ensure we are appropriately positioned for the future.

The Group is committed to delivering on our five 'Ignite' strategic objectives. These will enable us to adapt and find growth opportunities as our industry evolves, while fully leveraging the strategic assets we have from our unique position as the leading independent multi-brand Distributor and Retailer with global scale.

## MARKET ABUSE REGULATION STATEMENT

This announcement contains inside information.

## ENQUIRIES

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## NOTES

1. References in the regional review are at constant currency.
2. Consistent with previous years, Q3 actual currency growth has been calculated by deducting published first half actual currency results from the 9-month year to date actual currency results.
3. About Inchcape: Inchcape is a leading global premium automotive group, operating in 27 markets with a portfolio of the world's leading car brands in the fast-growing luxury and premium segments. Inchcape has diversified multi-channel revenue streams including sale of new and used vehicles, parts, service, finance and insurance. The Company has been listed on the London Stock Exchange since 1958, is headquartered in London and employs around 14,500 people. [www.inchcape.com](http://www.inchcape.com)
4. Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences are 'forward-looking statements' within the meaning of the United States federal securities laws. These forward-looking statements reflect the Group's current expectations concerning future events and actual results may differ materially from current expectations or historical results.
5. Conference call for Analysts and Investors-For details please contact Fiona Walker at FTI Consulting on +44 (0)203 727 1509.
6. The next update on trading is expected to be the Group's final results announcement for the year ending 31 December 2016 on 1 March 2017.