

Trading Update

Trading in-line with expectations; £100m buyback announced

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 January 2019 to 22 May 2019. Figures quoted in this statement are for the four months ended 30 April 2019.

TRADING FOR THE FOUR MONTHS TO 30 APRIL 2019

- Group revenue £3.1bn, up 3% in actual currency and 3% in constant currency
- Profit stabilisation in UK and Australia Retail operations
- Continued focus on capital allocation discipline; new £100m share buyback to be completed over 2019
- Progress on portfolio optimisation with the disposal of two retail sites in Australia

Revenue chg y-o-y	Actual currency	Constant currency *
Total Group	+3%	+3%
Distribution	+3%	+2%
Retail	+3%	+4%

* Group revenue excluding the Central America acquisition prior to its annualisation at the end of March was up 2% year-on-year in constant currency, and Distribution revenue was down 1% year-on-year in constant currency.

STEFAN BOMHARD, GROUP CEO OF INCHCAPE PLC, COMMENTED

“I am pleased with our performance over the first 4 months. We continued to grow revenue and trading is in-line with our expectations.

Distribution, which comprised more than 90% of our profit in 2018, saw good revenue growth across most markets, most notably Asia, where growth was led by Singapore, and Europe. The continued integration of the new Central America operations was a further benefit. However, as expected, the impact of temporary Subaru supply constraints in Australia offset the growth elsewhere in Distribution and has had an associated margin impact. Retail’s continued strength in Russia over the period, driven by Ignite, was somewhat offset by expected sales weakness in UK and Australia Retail. Encouragingly, and as a consequence of the actions we have taken, profit across these two more challenging Retail markets has been broadly stable year-on-year and we are confident this will be maintained for the rest of the year.

In-line with our recent comments, we have made progress optimising our Retail portfolio. We are today announcing the disposal of our Honda and Mitsubishi retail sites in Australia, for cash proceeds of £11m which will result in a profit on disposal. These sites have been marginally loss making year-to-date.

Given the continued strong cash flow generation of our business and in-line with our disciplined capital allocation policy we are today commencing a new £100m buyback to be completed over the remainder of 2019.”

OUTLOOK

Performance year to date has been in-line with our expectations, and, overall, both Retail and Distribution are on track to deliver the profit guidance that we set out in February. Our outlook for 2019 therefore remains unchanged, and we continue to expect a resilient constant currency profit performance, excluding the transactional Yen headwind. Within our guidance we expect the Group’s H1 profit to be impacted by the supply constraints highlighted, although this will have normalised moving into H2.

CHANNEL REVIEW

DISTRIBUTION

REVENUE +2%¹

ASIA

- Continued good revenue growth in Asia, driven by Singapore and in particular commercial vehicle sales
- Corresponding Asia profit progression over the period

AUSTRALASIA

- Sales materially affected by anticipated temporary Subaru supply constraints and a weak Australia market
- Profitability impacted by the short-term contraction in volumes and expected Yen pressure

UK & EUROPE

- Good trading in Baltics and Balkans
- Greece continues to demonstrate momentum for the year

EMERGING MARKETS

- Currency related supply constraints persisted in Ethiopia; currency availability improving materially into H2
- South America sales driven by strong growth in Colombia and Peru; Chile market weak

RETAIL

REVENUE +4%¹

AUSTRALASIA

- New car market remains pressured but performance in-line with expectations for a stable 2019
- Progress on portfolio optimisation with the sale of two sites

UK & EUROPE

- Profit in-line with expectations for a stable 2019 despite ongoing UK new car market weakness

EMERGING MARKETS

- Maintained strong momentum in Russia across revenue streams, driven by Ignite initiatives

Ends.

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. Inchcape is the leading independent multi-brand Automotive Distributor and Retailer, operating in 32 markets with a portfolio of the world's leading automotive brands. 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 18,700 people. www.inchcape.com
3. 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.
4. Conference call for Analysts and Investors at 7:45am on 23 May 2019 - For details please contact Rosie Driscoll at Instinctif on +44 20 7457 2856 and rosie.driscoll@instinctif.com.
5. The next update on trading is expected to be the Group's half year results announcement for the period ending 30 June 2019 on 25 July 2019.