

Trading Update

Trading in-line with expectations; FY19 Outlook reiterated

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 2019 to 30 September 2019.

TRADING FOR THE THREE MONTHS TO 30 SEPTEMBER 2019

- Good revenue growth; Group revenue £2.4bn, up 5% in actual currency and 3% in constant currency
- No change to overall FY profit expectations, with supply normalisation driving improvement compared to H1
- Meaningful strategic progress with the sale of non-core Retail-only assets for aggregate proceeds of c.£250m, and the announced acquisition of Daimler Distribution in Uruguay and Ecuador for £47m

Revenue chg y-o-y	Actual currency	Constant currency*
Total Group	+5%	+3%
Distribution	+8%	+5%
Retail	+2%	+1%

*Group revenue +5% in constant currency excluding impact of completed disposals; Retail revenue +6% excluding impact of completed disposals

STEFAN BOMHARD, GROUP CEO OF INCHCAPE PLC, COMMENTED

“I am pleased with the significant strategic progress we have made over the last three months. We have streamlined our business around our Distribution core, by releasing significant value from Retail-only businesses. We are tracking in line with full year profit expectations despite some unanticipated headwinds in our markets, demonstrating the resilience of our Distribution business model.

Distribution, which comprised 90% of our profit in the first half, saw revenue grow 5%, despite the disruption in the Hong Kong market. With Subaru supply constraints having normalised in Australasia, and with improved currency availability in Ethiopia, we have been able to deliver profit growth over the period, excluding the anticipated Yen headwind.

Distribution is Inchcape’s core focus and a review of our portfolio has driven the disposal of Retail-only assets in China, Australia, and the UK, which were sub-scale and non-core businesses and could not be leveraged to drive our Distribution business. I am pleased that we will generate cash proceeds of c.£250m from these disposals.

In addition, we have reinvested some of these proceeds into the acquisition of the Daimler Distributor in Uruguay and Ecuador. This represents our first Distribution contract with this key OEM partner following a 30-year UK Retail partnership. I’m pleased to see our strategy to be the OEM partner of choice continuing to deliver results.

We have continued to buyback shares under our previously announced £100m programme. We remain committed to a disciplined capital allocation framework.”

OUTLOOK

Performance year-to-date has been in-line with our expectations, with H2 underlying profit performance expected to be stronger than H1. We reiterate our expectation for a resilient constant currency profit performance for 2019, excluding the AUD/JPY headwind. Given the expected timing of disposal and acquisition completions we expect minimal profit impact in 2019.

CHANNEL REVIEW

The commentary that follows covers the period from 1 July 2019 to 30 September 2019.

DISTRIBUTION

REVENUE +5%¹

ASIA

- Small decline in revenue with a weaker Singapore commercial vehicle market and impact from HK protests
- Asia profit supported by aftersales growth and strong cost control

AUSTRALASIA

- Supply normalisation led to revenue performance materially improved on H1, but market remains weak
- Resilient profit excluding the JPY/AUD headwind; JPY mitigation actions starting to drive small benefit

UK & EUROPE

- Strong momentum across Europe supported by market growth and market share gains

EMERGING MARKETS

- Improved Ethiopia profit momentum reflecting currency availability; large orders on track for Q4 delivery
- South America sales strong despite weak Chile market; Central America sales stable in soft market

RETAIL

REVENUE +1% (+6% EXCLUDING DISPOSALS)¹

AUSTRALASIA

- Stable losses year-on-year; disposal of majority of operations due to complete in Q4

UK & EUROPE

- Profit in-line with expectations for a broadly stable 2019, but UK new car market remains challenging

EMERGING MARKETS

- Ignite initiatives continue to drive Russia revenues but profit pressure driven by competitor discounting

Ends.

MARKET ABUSE REGULATION STATEMENT

This announcement contains inside information.

ENQUIRIES

Group Communications, Inchcape plc	+44 (0) 20 7546 8426
Investor Relations, Inchcape plc	+44 (0) 20 7546 8225
Financial PR, Instinctif (Mark Garraway)	+44 (0) 77 7186 0938
Inchcape@instinctif.com	+44 (0) 20 7457 2020

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 18,600 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 07 November 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 full year results announcement for the period ending 31 December 2019 on 27 February 2020.