

TRADING UPDATE

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 2018 to 30 September 2018.

TRADING FOR THE THREE MONTHS TO 30 SEPTEMBER 2018

- Group revenue £2.28bn, flat year-on-year at actual currency and up 2% at constant currency
- Distribution revenue up by 1% at actual currency and up 3% at constant currency
- Retail revenue down by 1% at actual currency and up 1% at constant currency
- Central America acquisition which closed 26 March contributed 2% to Group revenue growth

Q3 chg y-o-y	Actual currency	Constant currency*
Total Group	+0%	+2%
Distribution	+1%	+3%
Retail	-1%	+1%

* Group revenue excluding the Central America acquisition was flat year-on-year in constant currency, and Distribution revenue was flat year-on-year in constant currency

STEFAN BOMHARD, GROUP CEO OF INCHCAPE PLC, COMMENTED

"Our revenue performance over the third quarter has been stable on the prior year, with trends consistent with our comments throughout the year. Margin pressure in our Retail businesses also persisted.

Distribution, which comprised around 90% of our profitability in the first half, performed as we expected over the period. We are particularly pleased with our strength in South America over the quarter, and our profit performance and market share gains in Asia. Distribution is core to Inchcape, and we believe this higher return and cash generative business model will drive future growth opportunities for the Group.

In Retail, the easing of margin pressure in the UK and Australia has been slower than we had anticipated. Market dynamics remained similar to those seen in the first half and we were also impacted in the UK by the Worldwide Harmonised Light Vehicle Testing Procedure (WLTP). Pleasingly, our Ignite initiatives in Russia drove a stronger than expected performance.

Our Ignite strategy continues to optimise the business, with Aftersales revenue growth outperformance in most regions. Further, our Used car programme continues to roll out in several markets including Russia and South America and we continue to target Finance and Insurance sales and procurement opportunities, globally."

REGIONAL REVIEW

ASIA

REVENUE

(1%)¹

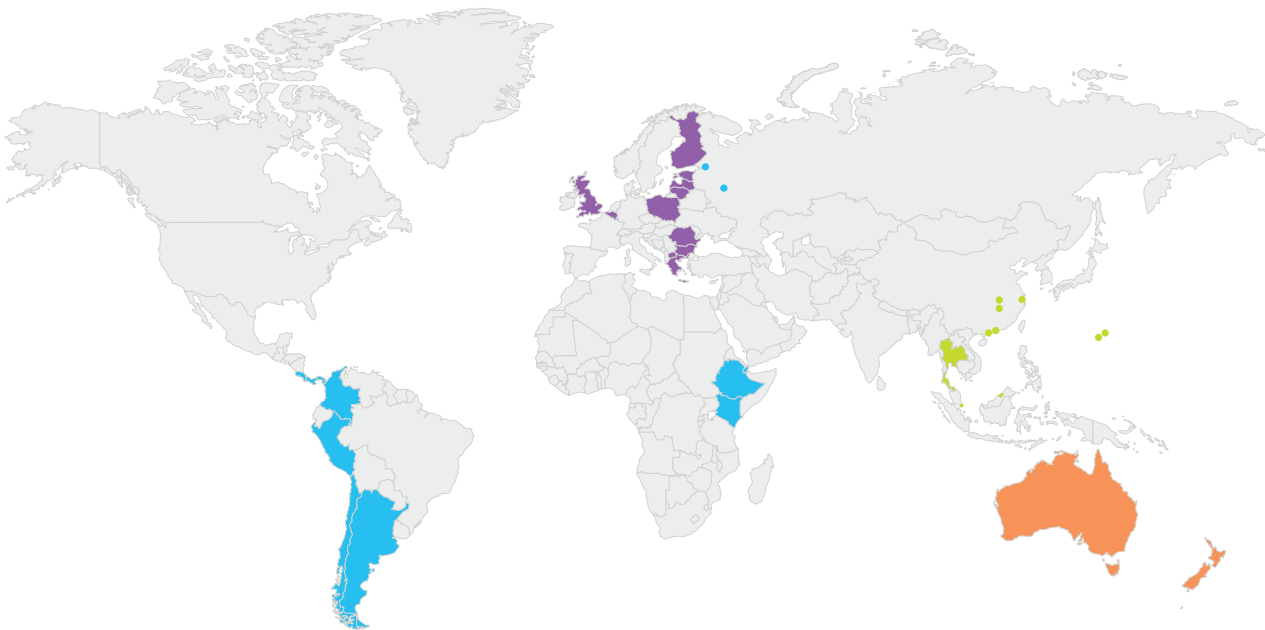
- Strong performance in Hong Kong with continued share gains against a broadly stable underlying market
- Singapore sales decline driven by anticipated reduced new vehicle permit availability
- Good profit management against the Singapore headwinds with strong profit growth in Hong Kong

AUSTRALASIA

REVENUE

(8%)¹

- Distribution profit growth with margin enhancement helped by transactional Yen tailwind
- Slower Subaru sales ahead of the new Forrester launch in late September
- Slowdown in Sydney and the wider market, and vehicle margin decline, continued to impact Retail profits



UK & EUROPE

REVENUE

(6%)¹

- UK market supply and demand imbalance remains, with WLTP a further pressure in Q3 and into Q4
- UK market challenges and negative operational gearing further weakened margins
- Greece volume recovery momentum continued, and Eastern Europe revenues grew well

EMERGING MARKETS

REVENUE

+44% (+32% EXCLUDING C. AMERICA ACQUISITION)¹

- Strong performance in Russia across revenue streams, driven by Ignite initiatives
- Good revenue growth in South America. Central America integrating well
- Ethiopia continued to be impacted by political disruption and corresponding supply constraint

Asia

Brunei
China
Guam
Hong Kong
Macau
Saipan

Singapore
Thailand

Australasia

Australia
New Zealand

UK & Europe

Belgium
Bulgaria
Estonia
Finland
Greece
Latvia

Lithuania
Luxembourg
Macedonia
Poland
Romania
UK

Emerging Markets

Argentina
Chile
Colombia
Costa Rica
Djibouti
Ethiopia

Kenya
Panama
Peru
Russia

OUTLOOK

Given trading over the quarter we now expect a resilient constant currency profit performance for 2018. We anticipate some easing of the current market pressures in 2019, although current spot rates suggest that there will be a transactional currency headwind in Australasia over the year.

We remain confident and excited about the medium-term growth prospects for the business. We have a multi-layered growth story, with our highly cash generative and attractive Distribution business at its core. We believe our Ignite business optimisation initiatives, our selective focus on distribution M&A opportunities, and plans to capitalise on future industry trends, position us to deliver growth for our shareholders through organic progress, industry consolidation and cash returns.

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. IFRS 15 has been implemented for the year ending 31 December 2018. We have adopted a fully retrospective approach to transition, with all comparatives restated within this statement.
3. 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 17,800 people. 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 at 7:45am on 8 November 2018
– For details please contact Rosie Driscoll at Instinctif on +44 20 7457 2856 and rosie.driscoll@instinctif.com.
6. The next update on trading is expected to be the Group's full year results announcement for the period ending 31 December 2018 on 28 February 2019.