



H1 2018 RESULTS

26 JULY 2018





STEFAN BOMHARD
GROUP CHIEF EXECUTIVE



H1 2018 HIGHLIGHTS



Stable underlying earnings

PBT at constant currency +2% y-o-y ex property profit¹



Distribution strength

Distribution c.90% of profit

Distribution trading profit +21% at constant currency



Delivery on Ignite

Four new business wins in Central America, Guam, Colombia, Kenya

Announcement of new F&I and procurement targets



Continuing focus on shareholder returns

ROCE of 28%²

DPS growth +13%

FY18 solid profit expectation unchanged

DISTRIBUTION DRIVING PERFORMANCE

OFFSETTING RETAIL CHALLENGES

	H1 2018	% chg	% chg (CCR)
Revenue	£4,614m	+3.8%	+6.8%
PBT	£179.5m	-8.5%	-2.9%
PBT ex property profit*		-4.0%	+2.0%
EPS	31.3p	-7.7%	
DPS	8.9p	+12.7%	

✓ Excluding property profit gain in H1 17 PBT CCR growth +2.0%

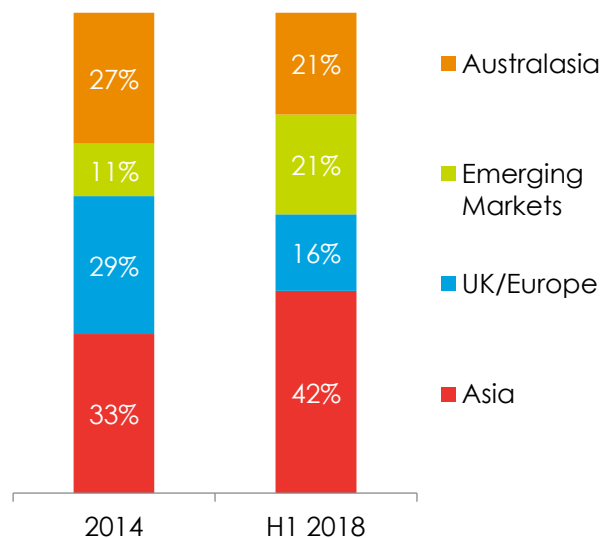
✓ £5m Trading Profit contribution from Central America acquisition

✓ Strong growth in Distribution profit offset by expected Retail market challenges

EVOLVING THE INCHCAPE FOOTPRINT

DISTRIBUTION C.90% OF TRADING PROFIT

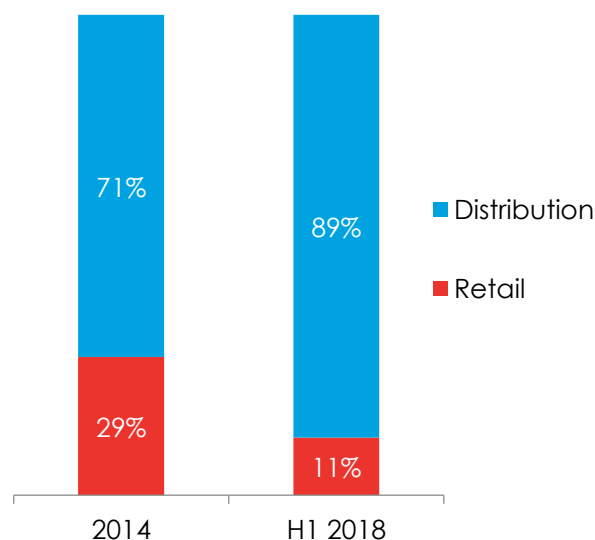
TRADING PROFIT: REGIONAL



EM mix +10% vs. FY 14

UK c.5% of profit

TRADING PROFIT: CHANNEL



Distribution growth supported by acquisitions

POSITIONS INCHCAPE WELL FOR:



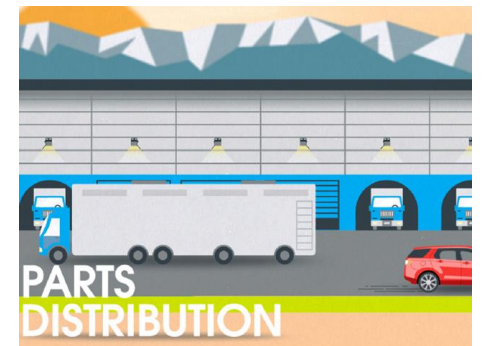
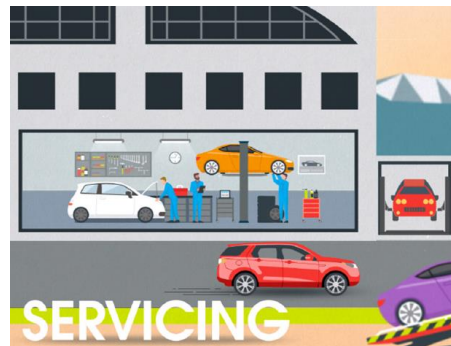
Growth



FCF conversion

DISTRIBUTION AN ATTRACTIVE BUSINESS

GREATER EXPOSURE ACROSS THE VALUE CHAIN



KENYA – JLR CONTRACT WIN

8TH DISTRIBUTION DEAL IN THE LAST 24 MONTHS



DEAL CONSIDERATIONS

- ✓ Contract awarded to Inchcape
- ✓ Enhances Inchcape's East Africa platform alongside Ethiopian business
- ✓ Expected TIV growth in Kenya +11% CAGR (2017-2022)
- ✓ Attractive outlook for premium SUV market
- ✓ Profit neutral in the near term



OEM PARTNER OF CHOICE IN ACTION

- ✓ Over 24 months awarded contracts in Thailand, Colombia and Kenya
- ✓ Inchcape now represents JLR in 12 markets globally
- ✓ Development of JLR business driven by focus on OEM partner of choice



RICHARD HOWES
CHIEF FINANCIAL OFFICER

SUMMARY INCOME STATEMENT

	H1 2018 £M	H1 2017 £M	CHANGE ACR	CHANGE CCR	CCR EX C. AMERICA*
Revenue	4,614	4,443	+3.8%	+6.8%	+5.5%
Operating profit	193.2	207.4	(6.9)%	(1.2)%	(4.0)%
Profit before tax	179.5	196.2	(8.5)%	(2.9)%	
Profit before tax ex PP**	179.5	186.9	(4.0)%	+2.0%	(0.4)%
<i>Reported Profit before tax</i>	<i>161.2</i>	<i>191.1</i>	<i>(15.6)%</i>		
Effective Tax rate (%)	25.5	25.7	-		
Basic adjusted EPS (p)	31.3	33.9	(7.7)%		
Dividend per share (p)	8.9	7.9	12.7%		

Note: All numbers at actual exchange rates and pre exceptional items, except for Reported PBT; 2017 restated for IFRS 15 implementation

*Central American Acquisition (Revenue £56m, Trading Profit £5.3m). **£9.3m Australia property profit in H1 2017

DISTRIBUTION H1 PERFORMANCE

	H1 2018 £M	H1 2017 £M	CHANGE ACR	CHANGE CCR	CCR EX C. AMERICA*
Revenue	2,109	2,012	+4.8%	+9.0%	+6.1%
Trading profit	180.9	160.6	+12.6%	+20.8%	+17.3%
Trading margin %	8.6%	8.0%	+60 bps		

- ✓ Strong underlying profit growth, driven by Asia
- ✓ Central American acquisition profit accretive (£5m)
- ✓ Yen tailwind in Australasia £13m
- ✓ Aftersales Gross Profit +9% CCR, +6% excluding C.America acquisition

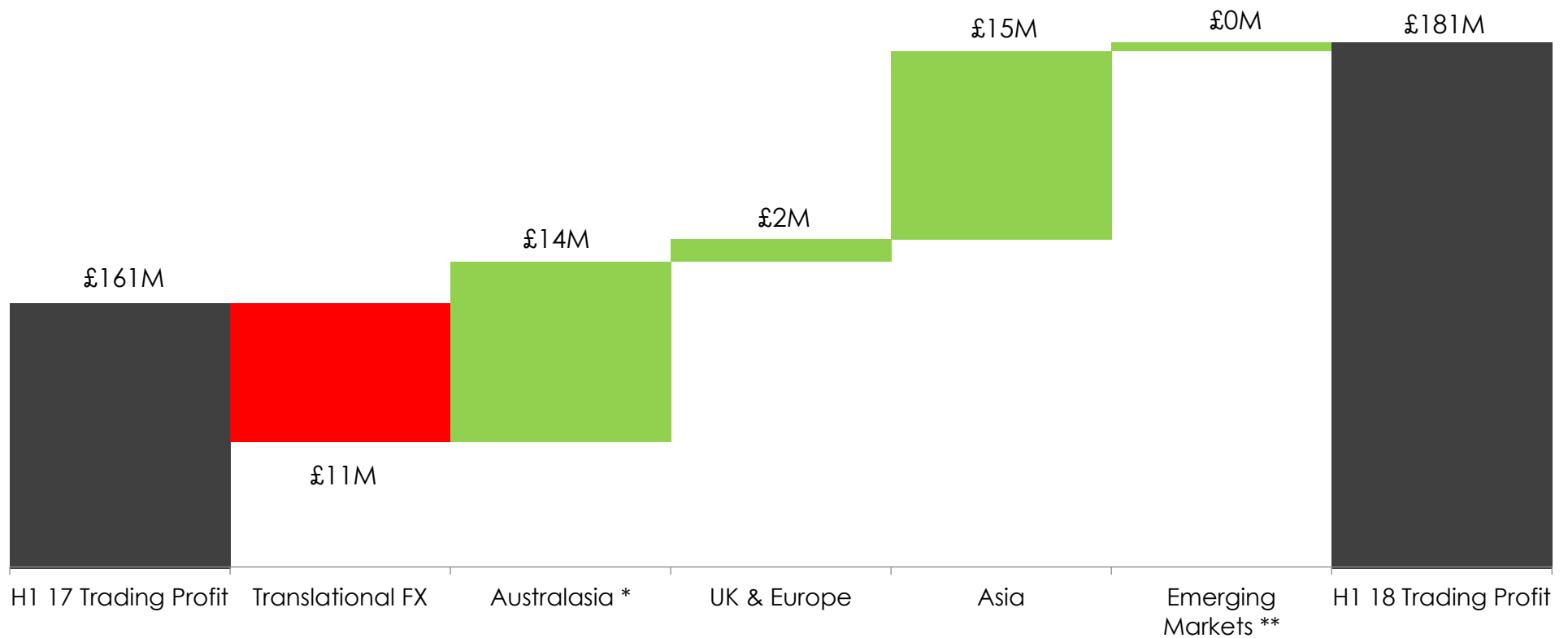
46% of Group
Revenue

89% of Group
Trading profit



DISTRIBUTION

TRADING PROFIT BRIDGE



Note: * Regional profit growth at CCR; Australasia includes £13m transactional FX gain y-o-y; ** Emerging Markets includes +£5m trading profit from C.America acquisition

RETAIL H1 PERFORMANCE

	H1 2018 £M	H1 2017 £M	CHANGE ACR	CHANGE CCR
Revenue	2,505	2,431	+3.1%	+4.9%
Trading profit	23.0	60.2	(61.8)%	(61.3)%
Trading margin %	0.9%	2.5%	(160) bps	

- ✓ UK and Australia markets difficult
- ✓ Strong Russia growth, driven by Ignite
- ✓ Aftersales Gross Profit +5% CCR
- ✓ UK Retail c.5% of Group profit

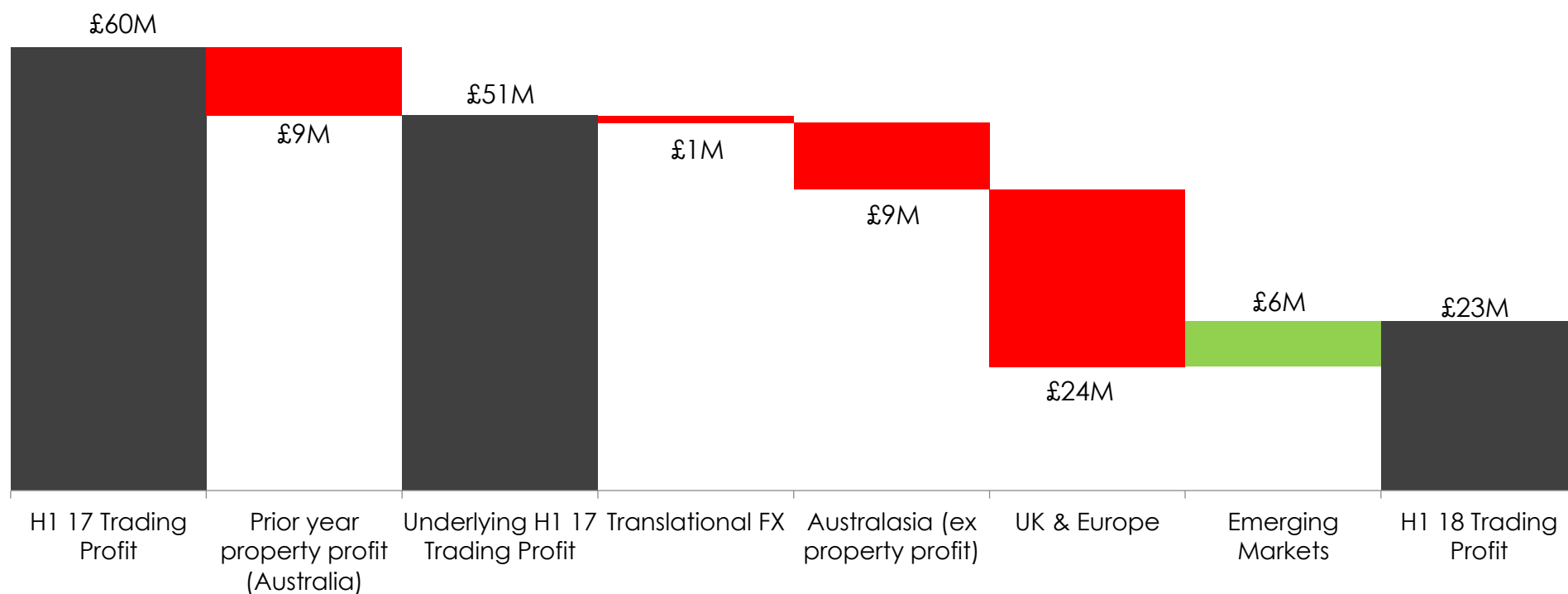
54% of Group
Revenue

11% of Group
Trading profit



RETAIL

TRADING PROFIT BRIDGE



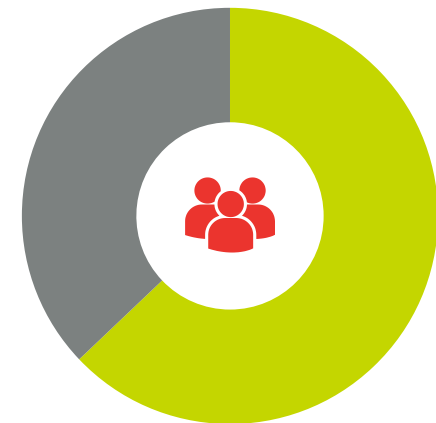
Note: Regional profit growth at CCR

VALUE DRIVER DISCLOSURE

AFTERSALES AND VEHICLES

	GROSS PROFIT (£M)	YoY CHANGE	YoY CHANGE
	H1 2018	CCR	Ex Acqn*
Vehicles	402.4	+9.3%	+7.5%
Aftersales	237.2	+7.0%	+5.2%

GROSS PROFIT MIX



INCOME STATEMENT REVIEW

£M	H1 2018 £M	H1 2017 £M
Trading profit	203.9	220.8
Central costs	(10.7)	(13.4)
Operating profit	193.2	207.4
Operating margin	4.2%	4.7%
Net finance costs	(13.7)	(11.2)
Profit before tax	179.5	196.2
Tax	(45.8)	(50.4)
Tax %	25.5%	25.7%
Minority interest (MI)	(3.9)	(4.0)
Profit after MI	129.8	141.8

2018 GUIDANCE

INTEREST COST

Unchanged guidance

c.£31m

Includes BOE announced interest rate increase

TAX RATE

Previous guidance: c.26%

25.5%

OPERATING & FREE CASH FLOW

OPERATING CASH FLOW	H1 2018 £M	H1 2017 £M	FREE CASH FLOW	H1 2018 £M	H1 2017 £M
Operating profit*	193.2	207.4	Operating cash flow	200.8	252.0
Depreciation / amortisation	27.5	31.1	Net interest	(13.9)	(11.2)
Working capital	(44.3)	22.4	Taxation	(56.7)	(51.1)
Pension	18.7	1.2	Non controlling interest	(5.7)	(6.5)
Other	5.7	(10.1)	Net capex	(55.3)	(33.4)
Operating cash flow *	200.8	252.0	Free cash flow	69.2	149.8
Conversion	104%	122%	Conversion	36%	72%

**FCF CONVERSION ON TRACK FOR
NORMAL STRONG FULL YEAR LEVELS**

WORKING CAPITAL

H1 2018 Some expected unwind
FY 2018 Also reflective of some
unwind y-o-y

CAPEX

FY 2018 Similar magnitude to 2017
£75m underlying
£25m additional

NET DEBT

H1 2018 £164M Net Debt

CAPITAL ALLOCATION

DISCIPLINED APPROACH



**Excess cash post
capex, working
capital, dividend**

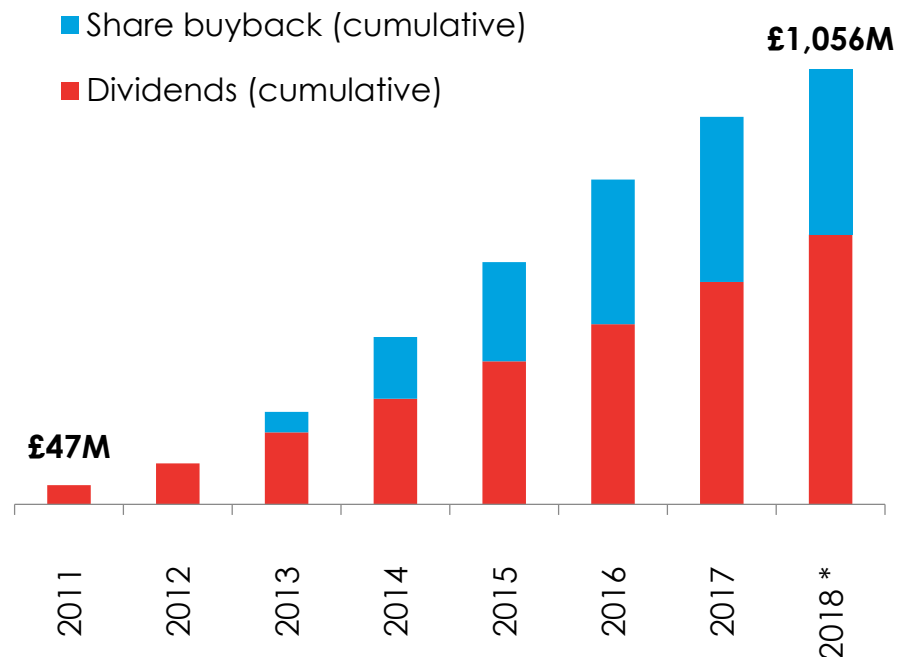


**Value-accretive
M&A opportunities**



**Remaining excess
FCF distributed
through buybacks**

CUMULATIVE CASH RETURNS



Plus **+5%**
H1 PBT
CAGR
(‘11-18)

Note: * 2018 cumulative cash returns inclusive of 2017 final dividend and announced 2018 interim dividend. There is no current buyback programme in place for 2018.



IGNITE UPDATE

IGNITE INITIATIVES UPDATE

SUPPORTING OUR GROWTH



	Medium-term Aim	H1 2018 Update
Deliver full potential of revenue streams: Aftersales	To outperform the market	<ul style="list-style-type: none"> – Aftersales H1 gross profit growth +7%¹
Deliver full potential of revenue streams: Used cars	To achieve 1:1 ratio of Used to New car sales in key territories	<ul style="list-style-type: none"> – Russia Used H1 gross profit >+200% – Improved Group year-on-year used to new ratio
Deliver full potential of revenue streams: F&I	Incremental profit of £30m	<ul style="list-style-type: none"> – Progress on track – Early wins (e.g. Guardx in Russia, tender benefits in South America and Asia)
Leveraging our global scale: Procurement savings	Target cost saving of £50m	<ul style="list-style-type: none"> – On track for annualised c.£30m savings by the end of 2018
Invest to accelerate growth: Consolidation	Continue to drive consolidation in a highly fragmented industry	<ul style="list-style-type: none"> – New contracts in Costa Rica, Panama, Guam, Colombia, Kenya – C. America integration progressing to plan – Active pipeline remains
Lead in customer experience: Digital	Implement an innovative digital solution for Distribution markets	<ul style="list-style-type: none"> – Longer-term digital transformation plan formulated – First market ready for pilot



LOOKING AHEAD

2018 OUTLOOK



Regions

- Continued Distribution momentum
 - Benefit from Subaru launches
 - Potential continued Ethiopia disruption
- Year-on-year Retail vehicle margin pressure easing into H2 with easier comparatives



Ignite

- Consolidation of Central America acquisition
- Synergy and trading improvements expected for South America acquisition
- Continued focus on Aftersales and Used Vehicles
- More procurement savings; Implementation of F&I product initiatives



FX

- Neutral transactional Yen impact in H2

2018: SOLID CONSTANT CURRENCY PERFORMANCE EXPECTED

INVESTMENT PROPOSITION

GROWTH AND CASH RETURNS



Distribution at our core: A highly cash generative and sustainable business model



Strong and increasing weighting to **high growth markets**



Ignite strategy driving **organic performance** ahead of market growth



Continued **consolidation** a material driver of value creation



Sustainable business model well placed to benefit from future industry developments

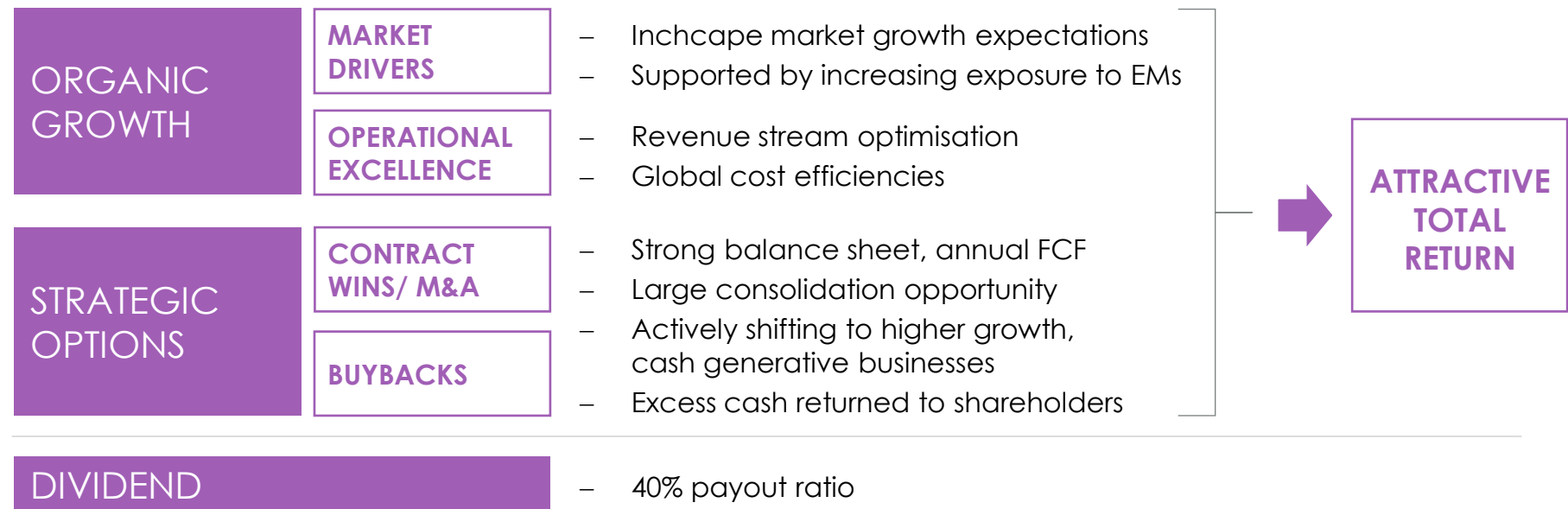
Well positioned to deliver shareholder value through organic growth, consolidation and cash returns



APPENDIX

MULTI-LAYERED GROWTH PROPOSITION

ANNUAL RETURN CONSIDERATION

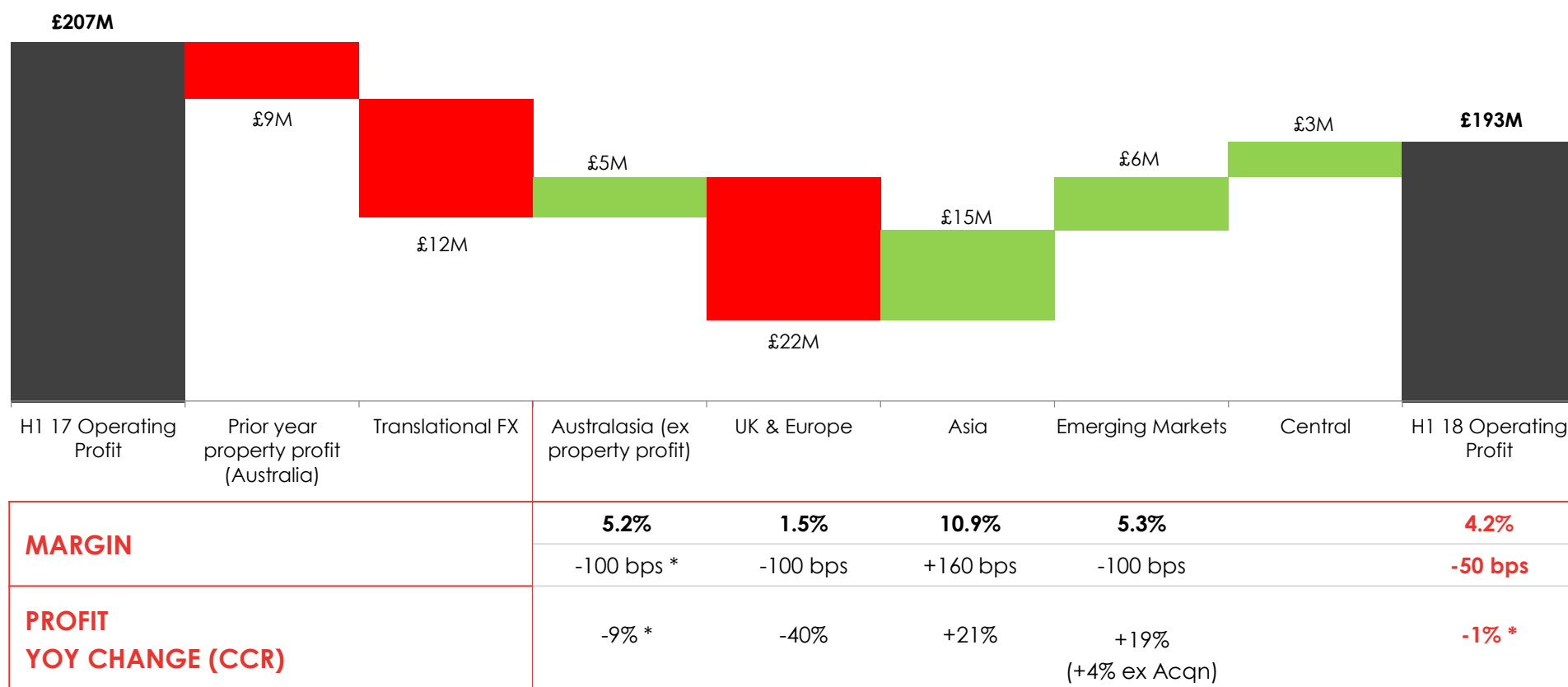


REGIONAL TIV SUMMARY

REGION	2015 Actual	2016 Actual	2017 Actual	2018 Est
Australia	4%	2%	1%	1%
UK	6%	2%	(6)%	(5)%
Greece	7%	4%	12%	19%
Belgium	2%	8%	3%	0%
Eastern Europe	6%	19%	14%	10%
Singapore	66%	41%	5%	(15)%
Hong Kong	10%	(21)%	6%	0%
South America*	(12)%	(1)%	7%	8%
Russia	(36)%	(11)%	12%	14%

Note: TIV = Total Industry Volume, * Chile, Colombia & Peru (PC & LCV)

GROUP OPERATING PROFIT



Note: Regional profit growth at CCR; * including impact from property profit in base

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