



INVESTOR PRESENTATION

FEBRUARY 2018

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Inchcape SUMMARY

KEY BUSINESS FACTS

- Automotive Distributor and retailer across 29 markets
 - APAC/EMs c.80% group profit
 - Distribution c.80% group profit
- Predominantly Distribution with attractive characteristics: higher margins, higher returns, exclusive contracts
- Strongly cash generative. Group ROCE c.30%
- Significant growth opportunities through our Ignite strategy (organic and inorganic)
- Focus on creating value for shareholders, and disciplined capital allocation

SUMMARY FINANCIALS

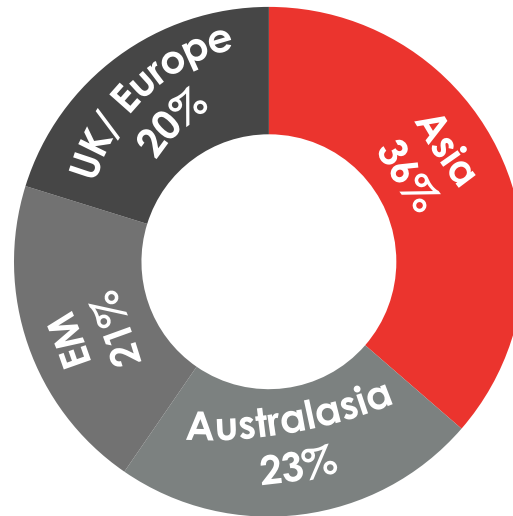
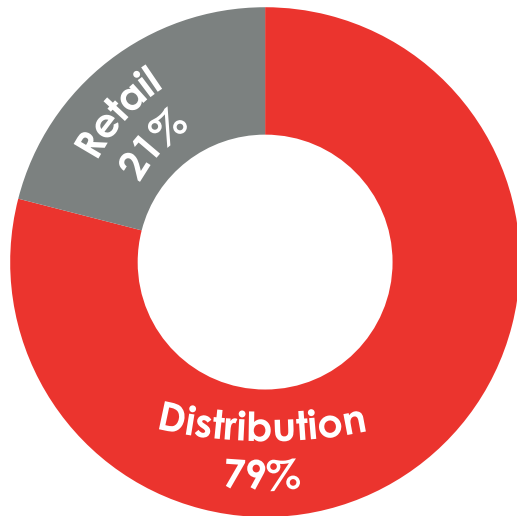
	FY17 £M	% chg (yoy)
Revenue	8,949	+14%
Operating profit	408	+14%
Margin %	4.6%	
Adj. EPS	67.0	+12%
DPS	26.8	+13%
FCF	314	
FCF conversion	77%	
ROCE	30%	



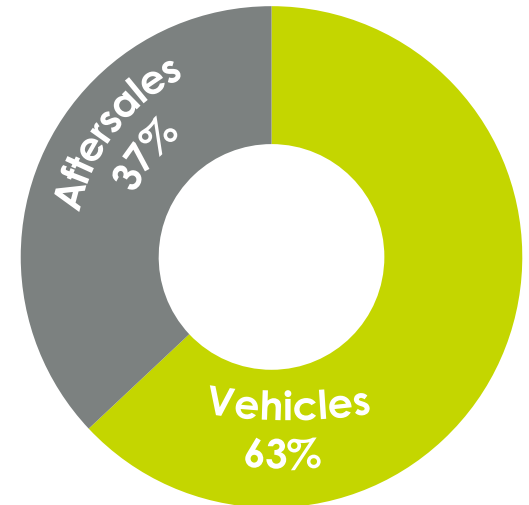
BUSINESS MODEL

BUSINESS MIX & GEOGRAPHY

FY 17 TRADING PROFIT MIX



FY 17 Gross profit mix



Globally Diversified Business

AUTOMOTIVE VALUE CHAIN

MANUFACTURER



OEMs

DISTRIBUTOR

Product Planning, Sales & Marketing, Logistics, Brand Management



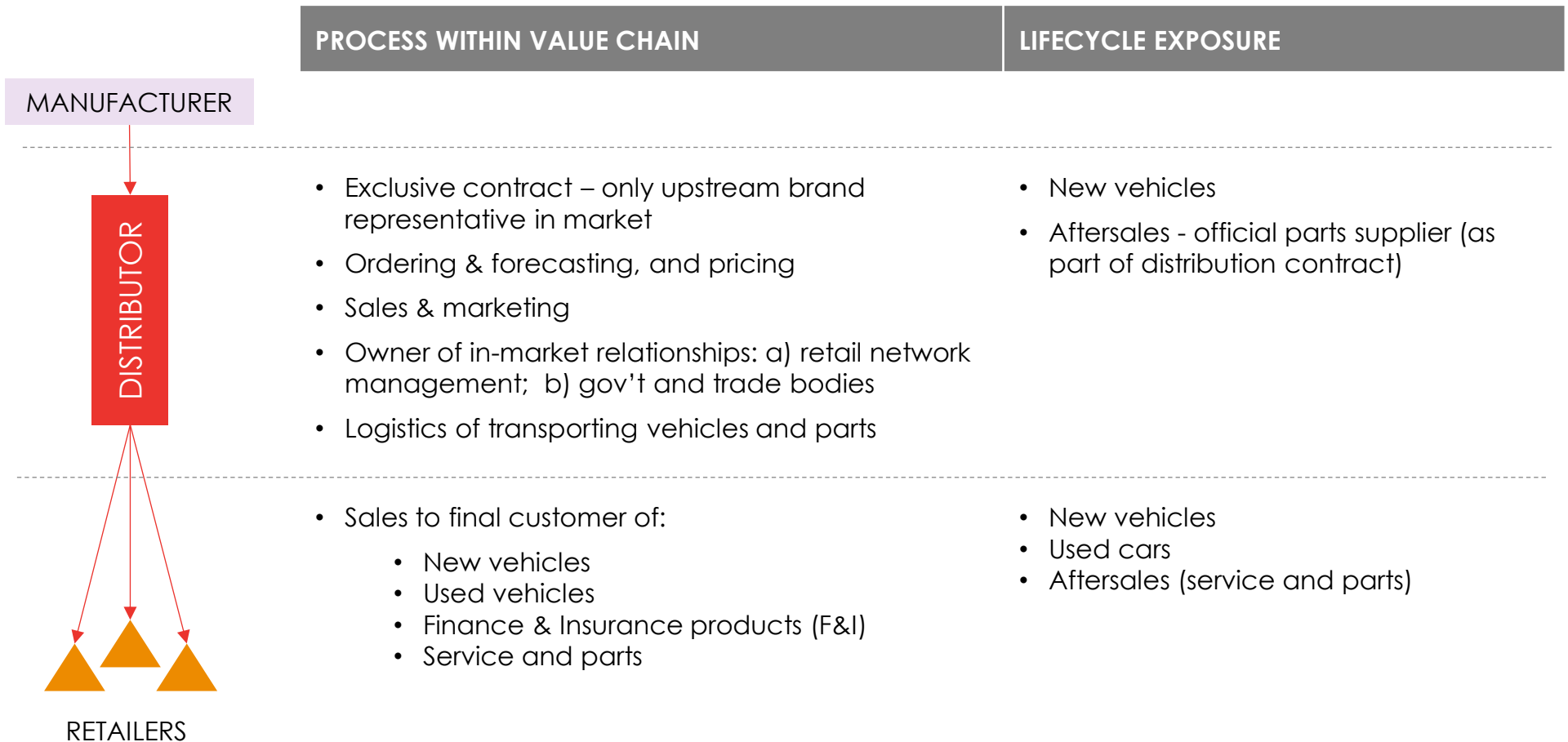
RETAILER

New and Used Car Retailing & Aftersales

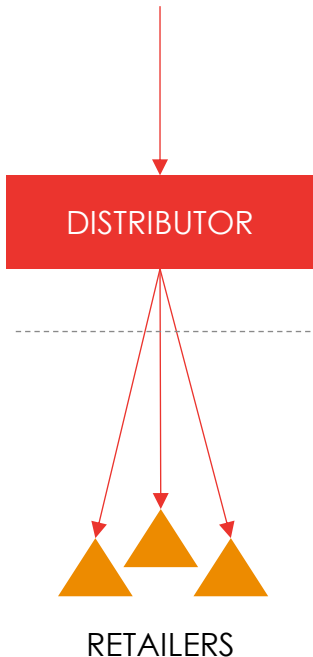


INCHCAPE

AUTOMOTIVE VALUE CHAIN (CONT'D)



CAPTURING MORE OF THE VALUE CHAIN



INCHCAPE PROFIT EXPOSURE

DISTRIBUTION MARKETS – c.80% EBIT

- Exclusive distribution contracts with OEMs (including Toyota, Subaru, BMW, JLR)
- Operate as a distributor in 25 markets

- Retail sites also run by Inchcape in Distribution markets
- 100% of retail sales captured in concentrated markets (e.g. Singapore, Hong Kong)
 - >50% of Distribution profit made through this 100% integration
- In bigger markets (e.g. Australia, Greece, Belgium) retail network split with selected third parties, with Inchcape generating c.10-15% of total retail sales in market

c.8% EBIT margin

RETAIL MARKETS – c.20% EBIT

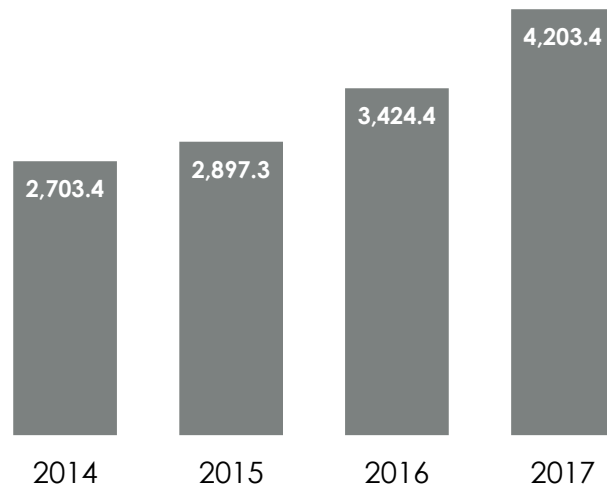
- Retailing of brands shared with other third party retailers
- Retail-only for brands in:
 - UK, Russia, Australia, Poland, China
- Retail sites operated by Inchcape, but with supply via OEM distributor

c.2% EBIT margin

DISTRIBUTION

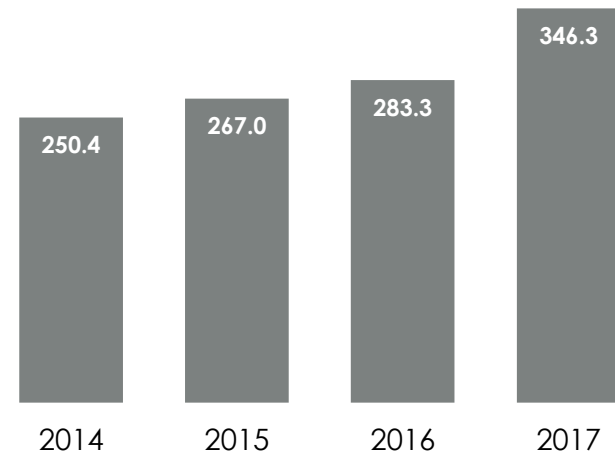
LEADING PRESENCE UNDERPINNED BY HIGH-MARGIN, CAPITAL-LIGHT MODEL IN SMALL, MEDIUM, AND EMERGING MARKETS

REVENUE (£ MILLIONS)



47% of Group Revenue*

TRADING PROFIT (£ MILLIONS)



79% of Group Trading Profit*

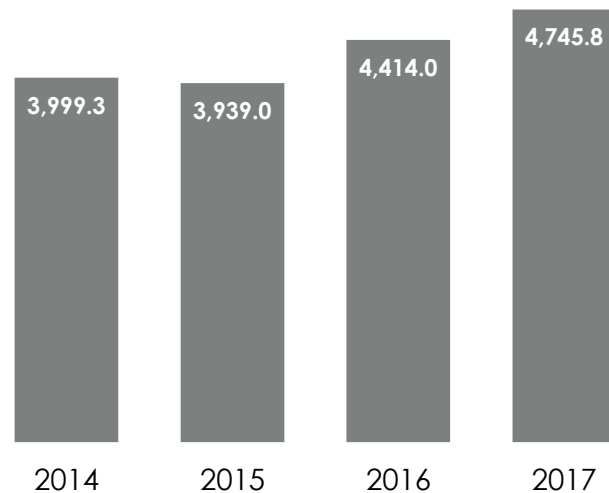


*Percentages are calculated on FY17 results

RETAIL

PRESENCE IN MEDIUM AND LARGE MARKETS
WITH A STRONG PORTFOLIO OF PREMIUM BRANDS

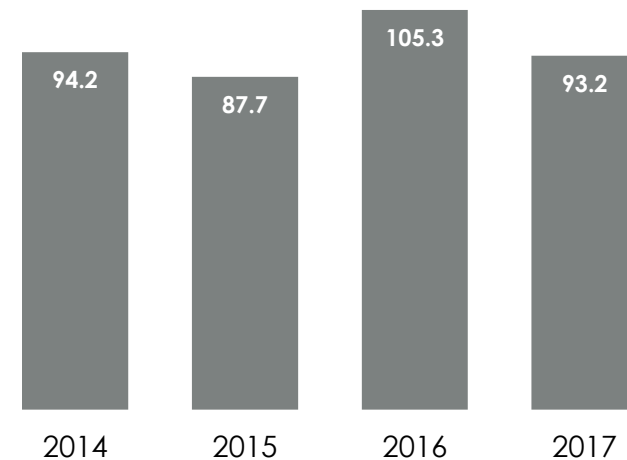
REVENUE (£ MILLIONS)



53% of Group
Revenue*

21% of Group
Trading Profit*

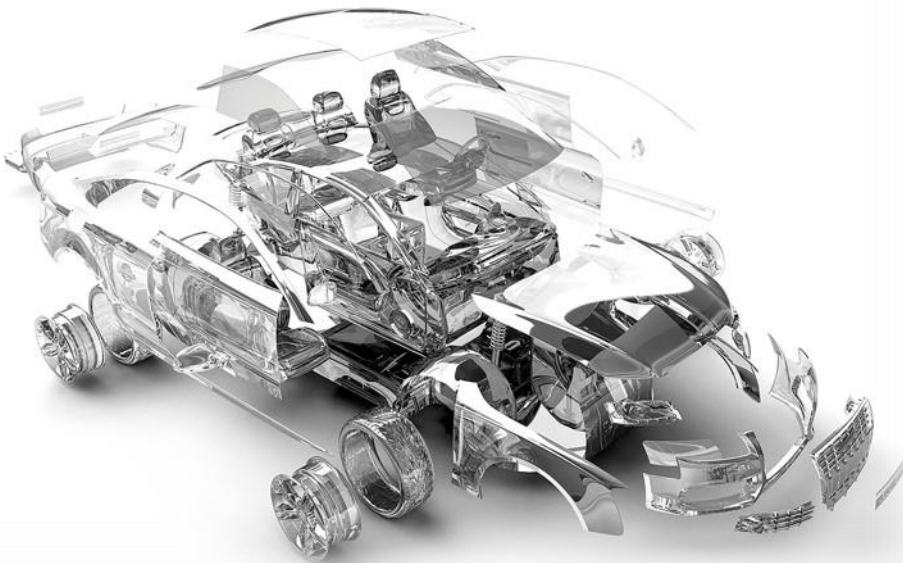
TRADING PROFIT (£ MILLIONS)



*Percentages are calculated on FY17 results

A FRAGMENTED INDUSTRY...

# of companies	4 companies	5 companies	26 companies	850+ companies
Category	> 20 markets	> 10 markets	> 3 markets	< 3 markets



Fragmented across
Distribution and **Retail**

Over 850 independent
distributors in **three**
markets or fewer

...WITH STRONG BARRIERS TO ENTRY



Exclusive distribution contracts -
one contract per brand per market



Long-standing relationships with
brand partners – very low attrition



Deep brand knowledge
leveraged across markets



Expertise in supply chain
and marketing coupled
with global controls



Well invested retail outlets



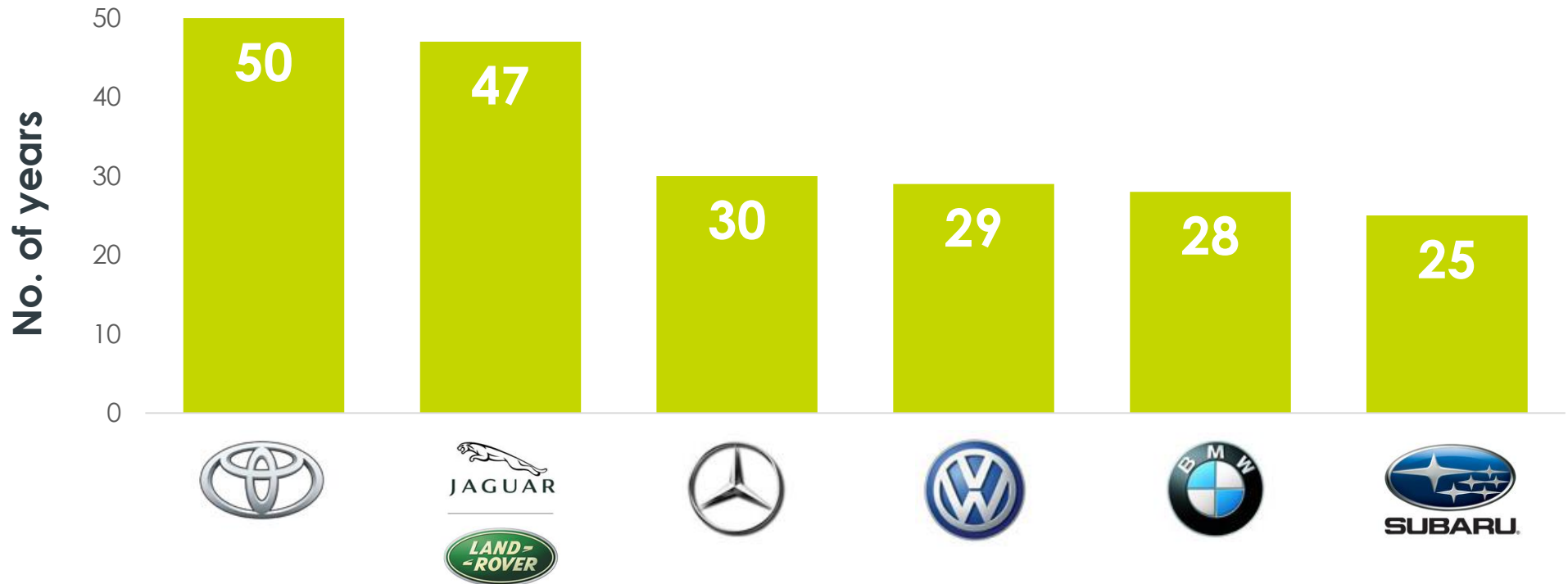
Track record of delivering
for our brand partners



Financial strength



LONG STANDING OEM PARTNERSHIPS

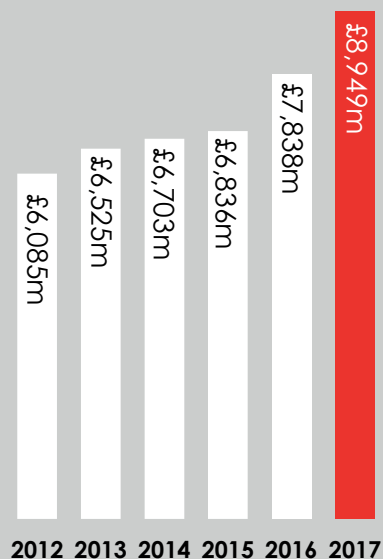




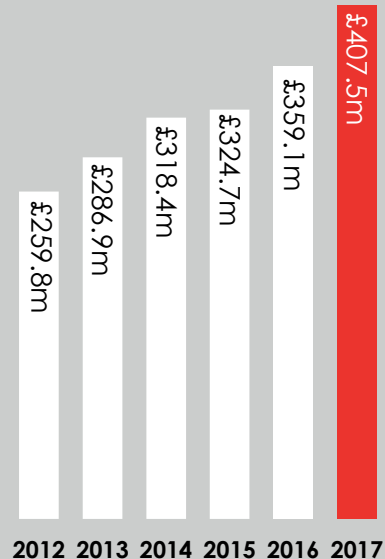
PERFORMANCE OVERVIEW

CONSISTENT PERFORMANCE

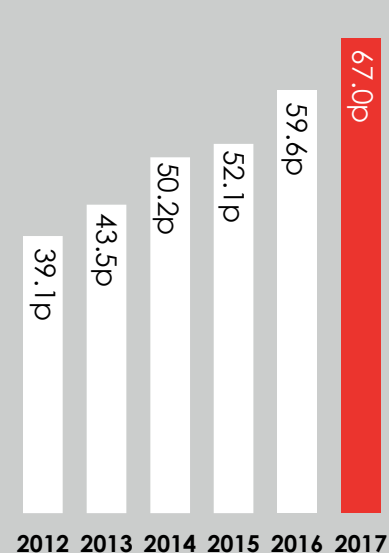
REVENUE



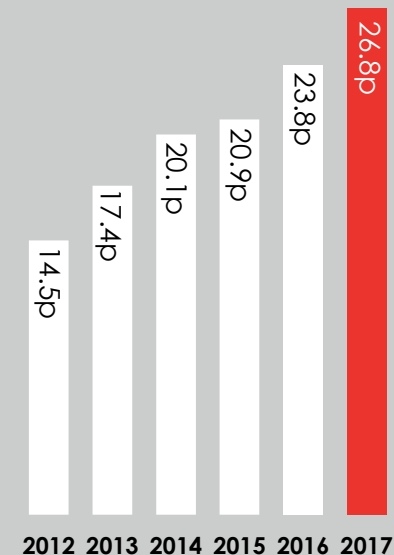
OPERATING PROFIT*



ADJUSTED EPS*

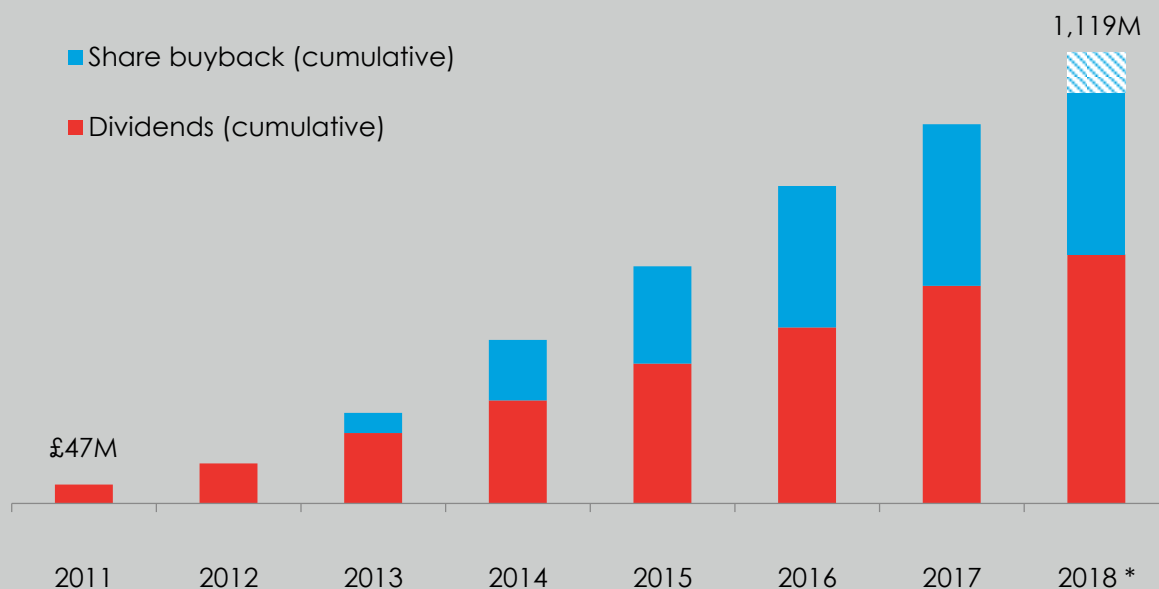


DIVIDEND PER SHARE

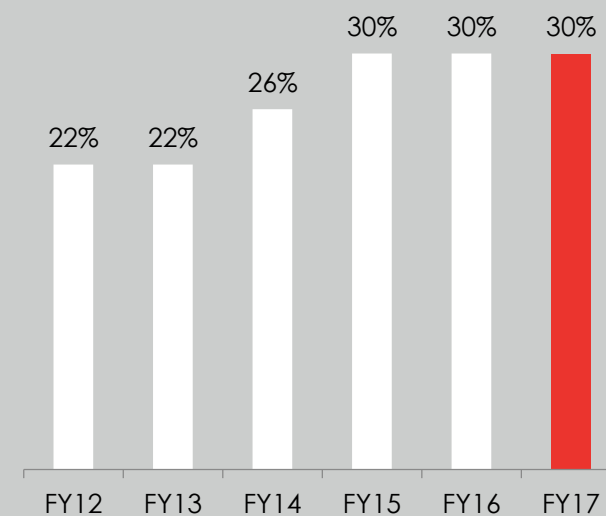


SOLID RETURNS

CUMULATIVE CASH RETURNS (£m) *



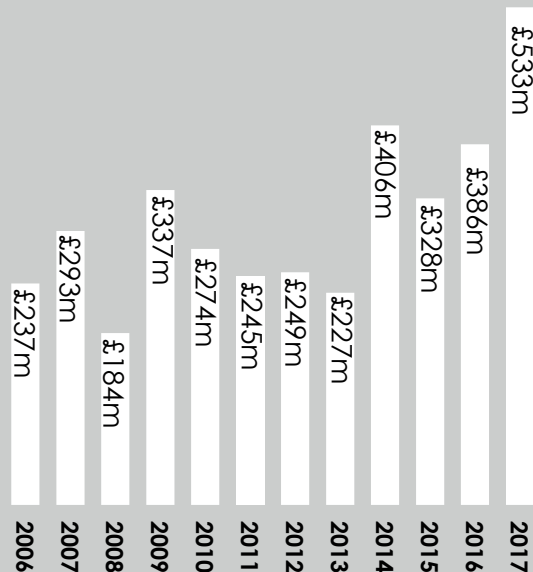
ROCE



Solid ROCE and cash returns

RESILIENT PERFORMANCE

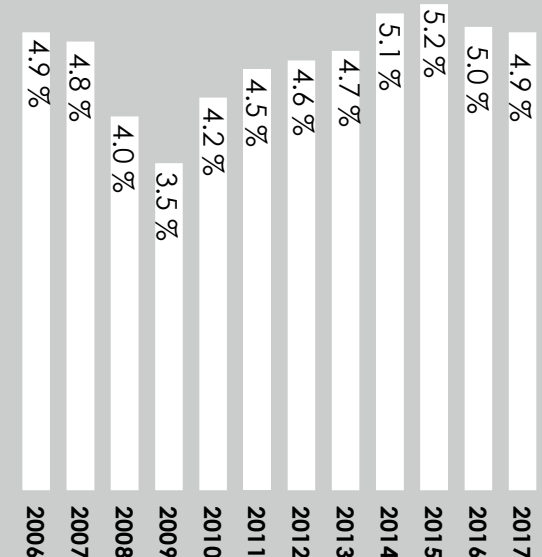
CASH GENERATED FROM OPERATIONS



OPERATING CASH CONVERSION



TRADING MARGIN



Cash generative and profitable over the past 10 years



IGNITE STRATEGY



STRATEGY

TO BE THE WORLD'S MOST TRUSTED AUTOMOTIVE DISTRIBUTOR & RETAILER

Lead in customer experience

- Invest to maintain leadership in customer service innovation
- Digital a key priority, as well as evolving existing sales models
- Opportunity to lead industry developments

Become the OEM's partner of choice

- Build on and strengthen our working relationships with our OEM partners
- Invest time in understanding OEM needs, seeking greater opportunities for collaboration
- OEM partnership a key enabler for other ignite objectives

Deliver full potential on all revenue streams

- Increase focus on Used vehicles and Aftersales activities across the organisation
- Optimise Inchcape's exposure across the vehicle lifecycle
- Deepen reporting and analysis to support and drive this enhanced performance

Leverage our global scale

- Leverage the Group's unique diversity and size into competitive advantage
- Procurement savings on c.£400m cost base identified (targeted saving of 5-10%)
- Further F&I opportunity evolving

Invest to accelerate growth

- Fragmented industry provides opportunity for consolidation
- Active work to identify potential targets and develop key enabling relationships
- Optimal allocation of capital considered against acquisition opportunities and cash returns



SOUTH AMERICA ACQUISITION

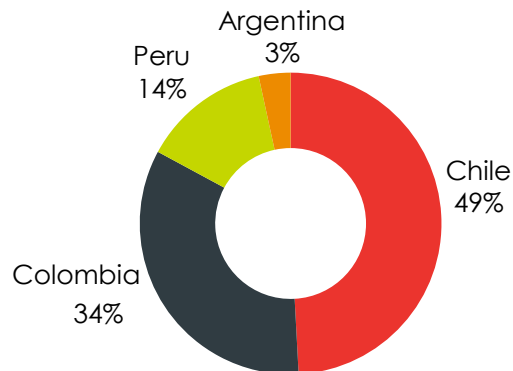
ATTRACTIVE ACQUISITION

- High-quality South American Automotive Distributor/ Retailer operating since 1977. Acquired Dec 2016.
- Purchased for £231m (7.1x 2017 EBITDA)
- Positive mix impact to Group margin
- FY 2017 Trading Margin 7.4%

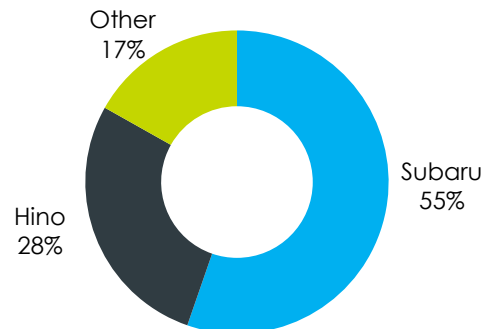
AREAS OF OPPORTUNITY

- Subaru & Hino market share growth
- Leveraging scale across larger South American platform
- Working capital optimisation

2016 Revenue by Market



2016 Vehicle units by Brand



INTEGRATION SUCCESS

- Integration process going well
- Strong Subaru growth over FY17
- On track to beat project-WACC in year 2/3



INVEST TO ACCELERATE GROWTH

M&A

SMALL BOLT-ON ACQUISITIONS CAN GENERATE SIGNIFICANT RETURNS AND BENEFITS THROUGH:

Earnings uplift (synergies, Ignite benefits)

Working capital optimisation

MEANINGFUL STRATEGIC BENEFITS

Stronger BMW Platform in Eastern Europe

New PSA Brand relationship

New Entry into Thailand with
existing partner, JLR

Thailand (JLR), Estonia (BMW), Australasia (PSA)

£M (Combined)	Year 1*	Year 3 (EST)
Trading profit	2	10
Investment		24
Working Capital improvements		(9)
Return on investment *		67%



REGIONS

AUSTRALASIA

Main businesses

Distribution - Subaru

Australia and New Zealand



Distribution - PSA

Australia



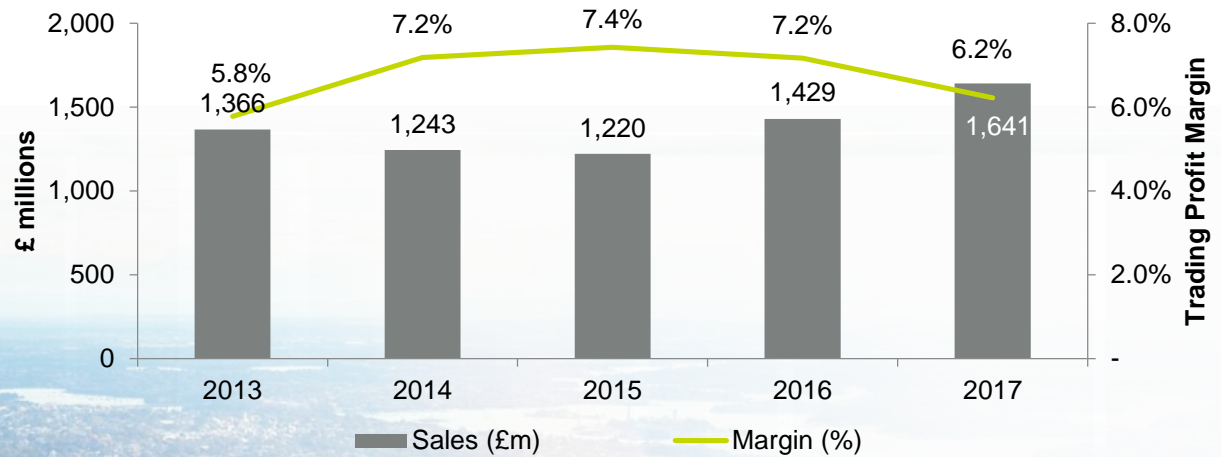
Retail – Multi-brand

Australia

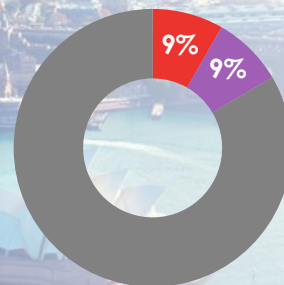


Key Points

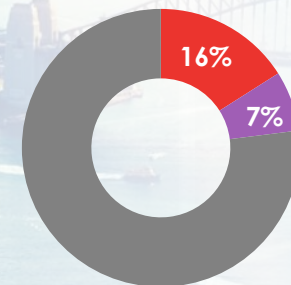
Subaru market share c.4.4% vs. 2.8% in 2009



2017 CONTRIBUTION TO GROUP



SALES



TRADING PROFIT

■ Distribution
■ Retail

ASIA

Distribution businesses (unless stated)

Hong Kong/
Macau



Singapore



Brunei



Guam



Saipan



China (Retail)

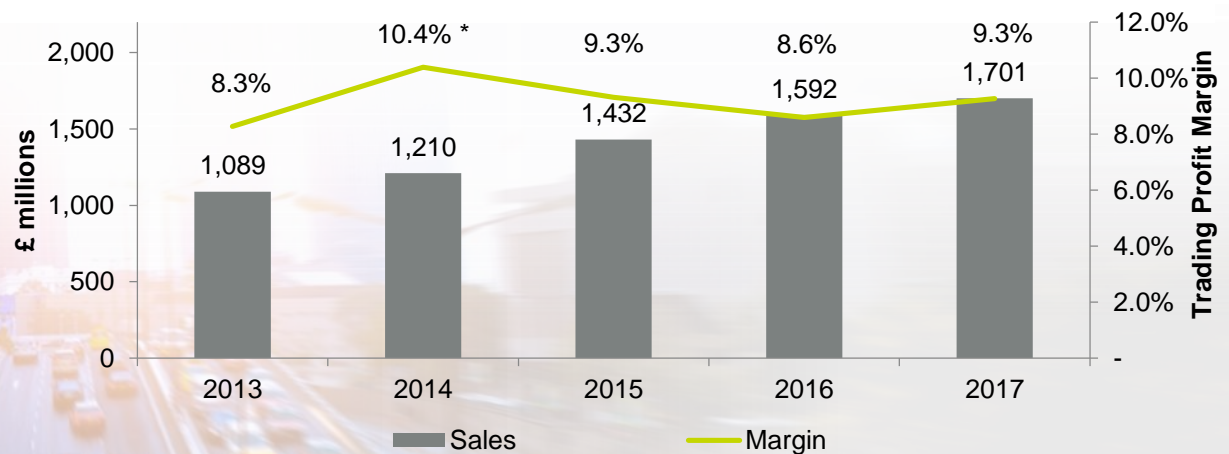


Thailand

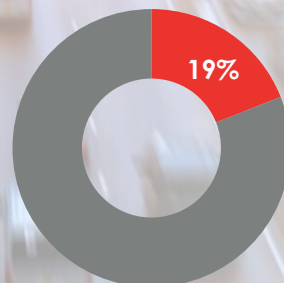


Key Points

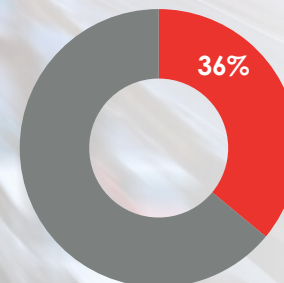
Hong Kong and Singapore the majority of regional profit



2017 CONTRIBUTION TO GROUP



SALES



TRADING PROFIT

■ Distribution

* 2014 Asia trading profit included 17m of property profit

UK & EUROPE

Main businesses

Distribution – Toyota/ Lexus

Balkans (Romania, Albania, Bulgaria, Macedonia)
Continental Europe (Belgium, Greece, Luxembourg)



Distribution – BMW

Estonia, Latvia



Distribution – JLR

Nordics (Finland, Latvia, Lithuania, Estonia)



Distribution – Mazda

Nordics (Finland, Latvia, Lithuania, Estonia)



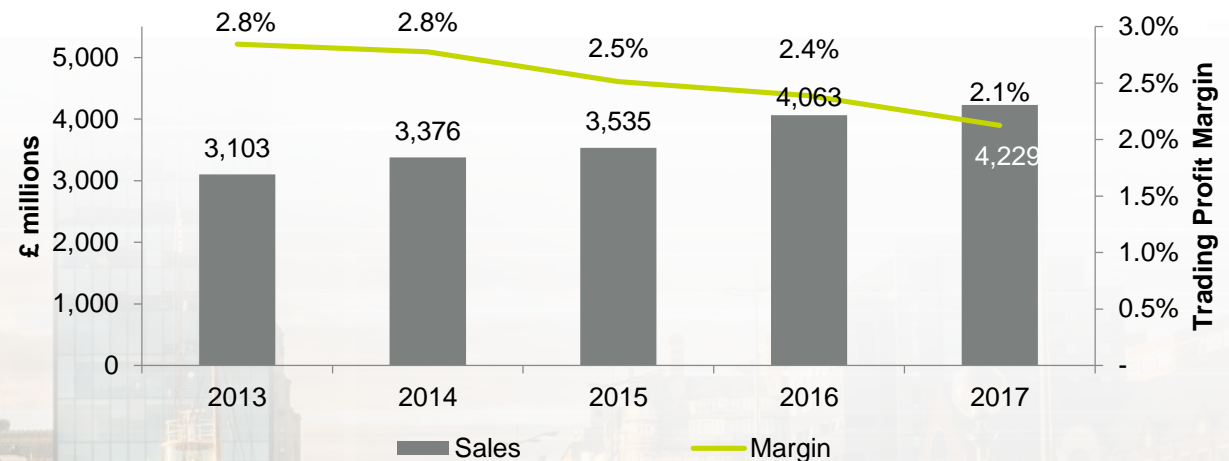
Retail – Multi-brand

UK, Poland, Nordics

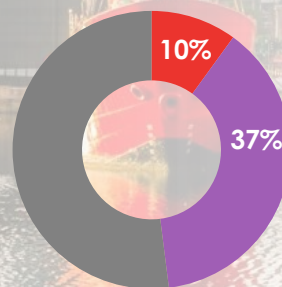


Key Points

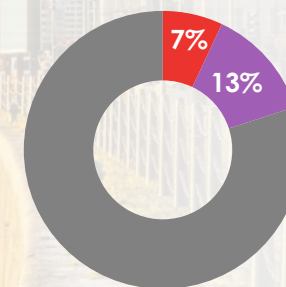
UK c.10% of Group profit



2017 CONTRIBUTION TO GROUP



SALES



TRADING PROFIT

■ Distribution
■ Retail

EMERGING MARKETS

Main businesses

Distribution – South America

Peru

Chile

Argentina

Colombia



Distribution – Africa

Ethiopia



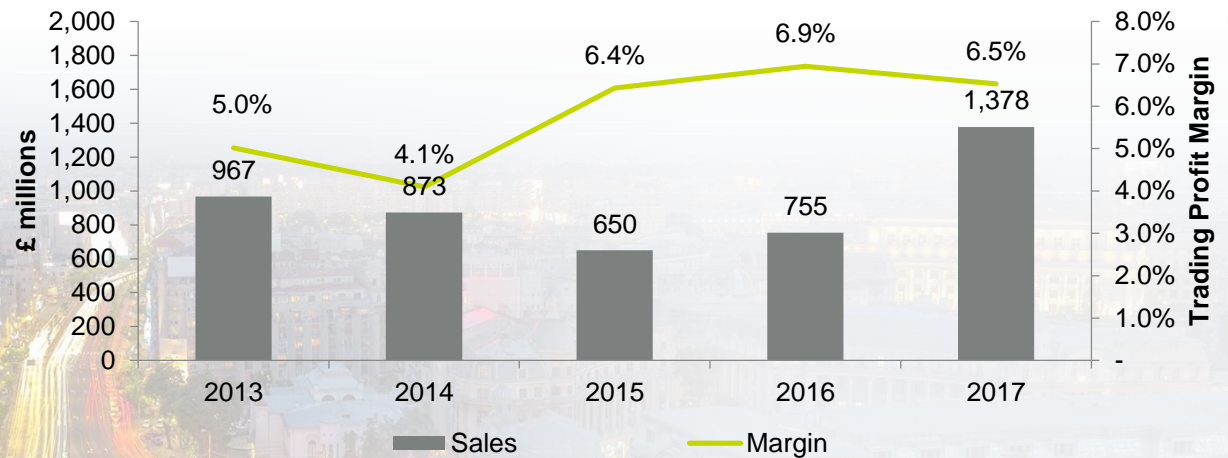
Retail – Russia

Multi-brand

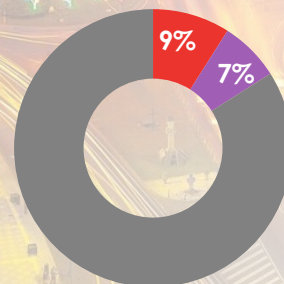


Key Points

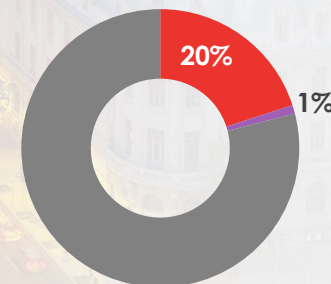
South America acquisition in Dec 2016*.



2017 CONTRIBUTION TO GROUP



SALES



TRADING PROFIT

■ Distribution
■ Retail

* Trading profit of £30m achieved in the 12 months to 31 December 2017



APPENDIX

LEADERSHIP TEAM



Stefan Bomhard, CEO

Stefan was appointed Inchcape Group Chief Executive in April 2015. Before joining Inchcape, Stefan was President of Bacardi Limited's European region and was also responsible for Bacardi's Global commercial organisation and Global Travel Retail

Stefan has a PhD in Marketing and has accrued a wealth of experience in the retail and consumer sectors during his career. He served as Chief Commercial Officer of Cadbury plc; Chief Operating Officer of Foodsolutions, Europe, a division of Unilever plc together with general management, retail and franchise experience at Diageo, (Burger King) and Procter & Gamble. Stefan is also a Non-executive Director on the Board of Compass PLC, the world's leading contract caterer



Richard Howes, CFO

Richard was appointed as Inchcape's Chief Financial Officer in April 2016. Prior to joining Inchcape, Richard was CFO at Coats Group plc, the leading industrial thread and consumer textiles business

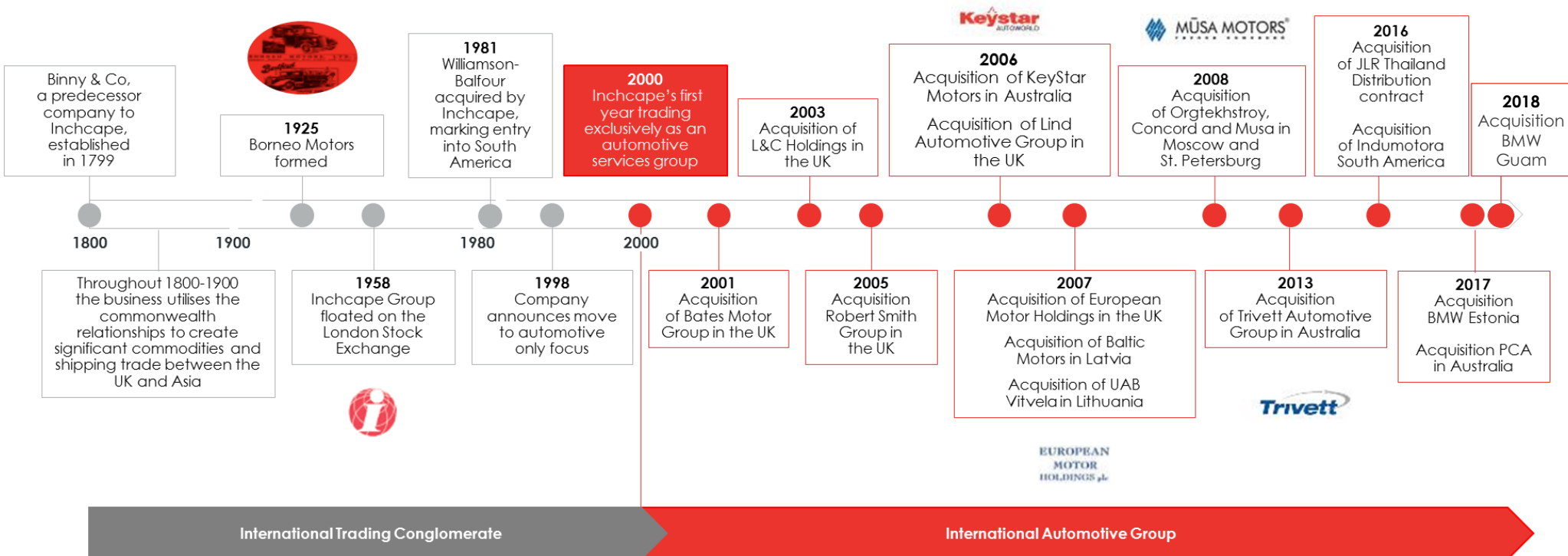
Richard is a chartered accountant who began his career at Ernst & Young, before moving to the investment bankers Dresdner Kleinwort Benson, where his focus was on M&A. Previous to Coats Group, Richard was Chief Financial Officer at Topaz Energy and Marine, and he also worked for former FTSE 250 company Geest plc, an international food manufacturer



Ken Hanna, Chairman

Prior to becoming Inchcape's Chairman, Ken was an Executive Director and Chief Financial Officer of Cadbury plc. He was previously a Partner of Compass Partners International and Group Finance Director and Chief Executive of Dalgety plc. He has previous experience with Guinness plc (now Diageo plc), Avis Europe and Black & Decker. Ken is Chairman of Aggreko plc

INCHCAPE HISTORY



INCHCAPE ADR

Inchcape has established a sponsored Level 1 ADR program for which Deutsche Bank are the depositary bank. Inchcape ADRs trade on the U.S. OTC market.

Ticker: INCPY

Exchange: OTC

CUSIP: 45326V202

ISIN: US45326V2025

Ratio: 1 ADR : 1 Ordinary Share

ADR key benefits

- Convenient means of trading/holding foreign shares
- USD-denominated security – reducing custody costs
- Trade, clear and settle like other US securities
- Dividends (when declared by the Board) paid in USD
- Purchased or sold through US brokers

For assistance with converting Ordinary Shares into ADRs (or vice versa), please contact Deutsche Bank's ADR broker helpline:

New York: +1 212 250 9100

London: +44 207 547 6500

Hong Kong: +852 2203 7854

e-mail: adr@db.com

ADR website: www.adr.db.com

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