



STRATEGIC DISTRIBUTION ACQUISITION IN CENTRAL AMERICA

26 MARCH 2018

STRATEGIC RATIONALE

HIGH-QUALITY CENTRAL AMERICAN DISTRIBUTION BUSINESS

Inchcape has acquired Grupo Rudelman for £201M on a cash-free and debt-free basis



Suzuki-led **Distribution business** in Costa Rica and Panama with a strong management team



Establishes a **scale presence** in two of the most attractive Central American markets, adjacent to South American expansion in 2016



Strategic **expansion of our partnership with Suzuki**, a brand which is well positioned for continued success in this growth region



Expands presence with **emerging brands**, including JAC, Changan, BAIC & Great Wall, whose automotive models are highly complementary to Suzuki's line-up



An attractive platform from which to **build and grow**

INVESTING TO ACCELERATE GROWTH

SUPPORTED BY OEM PARTNER OF CHOICE

IGNITE STRATEGY



- ✓ Further demonstration of continued delivery of Ignite strategy
- ✓ Marks 6th Distribution deal in 24 months
- ✓ Expansion in Latin America with an existing OEM partner; OEM Partner of Choice in action
- ✓ Consistent with disciplined approach to capital allocation
- ✓ Further evidence of our ability to leverage our unique position in a highly-fragmented industry

FINANCIAL RATIONALE

ATTRACTIVE PRICE; MID-SINGLE DIGIT ACCRETION IN YEAR 1

FINANCIALS

£M	Acquisition FY17E	Inchcape FY17
Sales	207	8,949
EBIT	21	408

GROUP FINANCIAL MODEL UPDATES

Tax	- FY18 guidance: c.26%
Interest	- FY18 guidance: c.£31M
Buyback	<ul style="list-style-type: none">- No longer intend to continue with the programme announced on 27 Feb 2018- Will continue to evaluate appropriate capital allocation over time

DEAL CONSIDERATIONS



Cash consideration of £201M, represents 9.6x 2017 EBIT multiple¹



Funded from cash & committed debt facilities

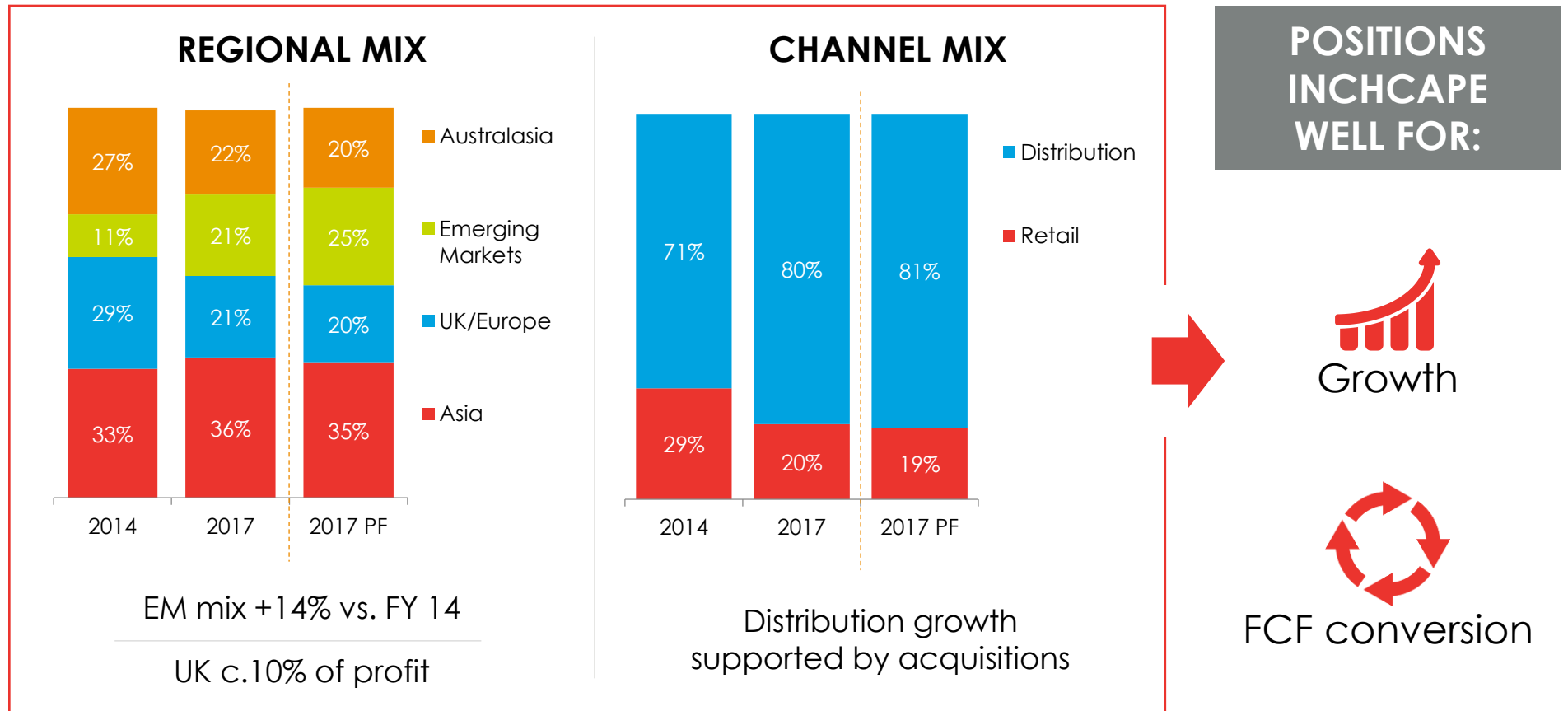


Accretive to earnings in first full year, by mid single digit %; enhances Group operating margin

1) For the 12 months to 31 Dec 2017 based on unaudited consolidated financial information on Grupo Rudelman's combined Costa Rica and Panama operating entities
Note: FX rate GBP:USD 1.41524 as of 22 March 2018

EVOLVING INCHCAPE FOOTPRINT

CONTINUED SHIFT TOWARDS HIGHER-GROWTH DISTRIBUTION MARKETS



Note: pre exceptional items; 2014 split excludes £17m of property profit in Asia (Distribution) and 2017 excludes £9m property profit in Australasia (Retail)

GRUPO RUDELMAN OVERVIEW

A LEADING AUTOMOTIVE DISTRIBUTOR IN CENTRAL AMERICA

KEY HIGHLIGHTS

Distributor and exclusive retailer of Suzuki passenger cars in Costa Rica & Panama

- High quality Distribution platform

Partnership with Suzuki for > 45 years

Leading market shares in strategically important markets for Suzuki

- # 2 in Costa Rica in 2017
- # 5 in Panama in 2017

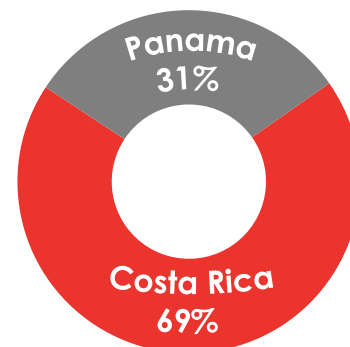
Vehicle sales of c.16,000 in 2017

Well-invested business with strong management with proven track record

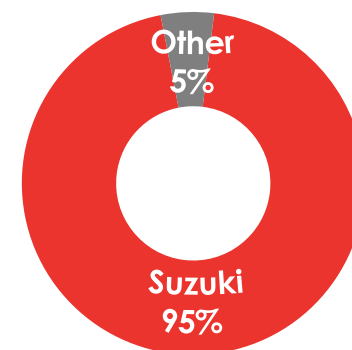
Complementary Distribution of emerging brands

- JAC, Changan, BAIC and Great Wall

2017 REVENUE BY MARKET



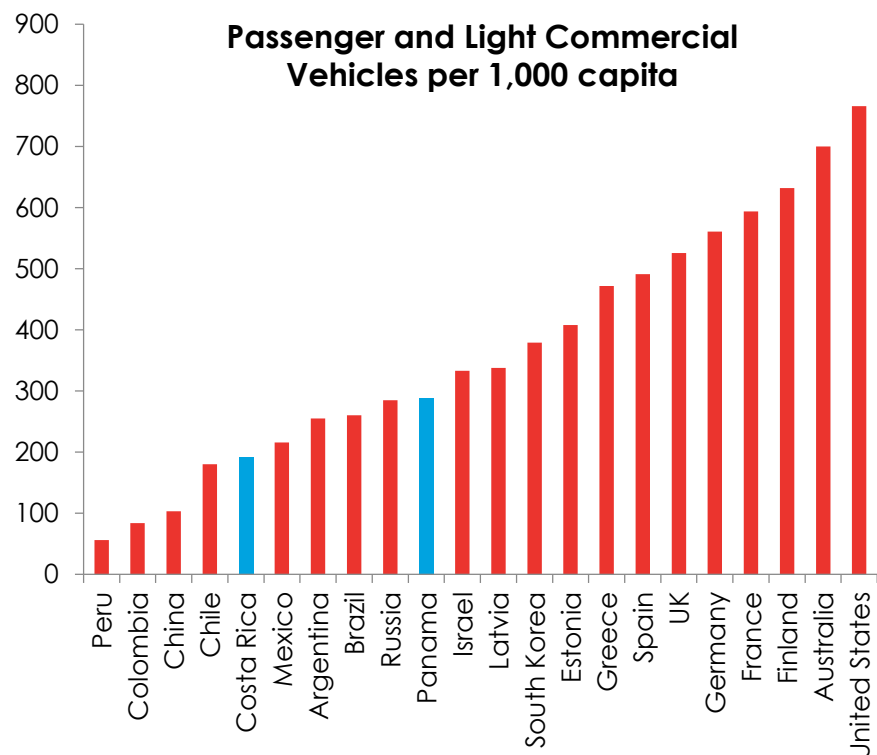
2017 NEW CAR BRAND MIX



GROWTH IN ATTRACTIVE MARKETS

SOLID FUNDAMENTALS DRIVE GROWTH OUTLOOK

STRUCTURAL GROWTH OPPORTUNITY



GDP GROWTH

	'12-'16 CAGR	'18-'22 CAGR
Costa Rica	+4%	+4%
Panama	+6%	+5%

TIV GROWTH

	'12-'16 CAGR	'18-'22 CAGR
Costa Rica	+11%	+5%
Panama	+7%	+5%

SUZUKI BRAND PORTFOLIO

WELL POSITIONED FOR EMERGING MARKET CONSUMERS

KEY HIGHLIGHTS

Suzuki has built and maintained **strong market positions** in Costa Rica and Panama

Complementary for **emerging markets**

Broad customer appeal driven by desirable, competitively-priced models defined by Japanese quality











Line-up led by SUVs and small-engine compact cars, **suited to local preferences**

Strong underlying **customer base**

Strong **product pipeline**

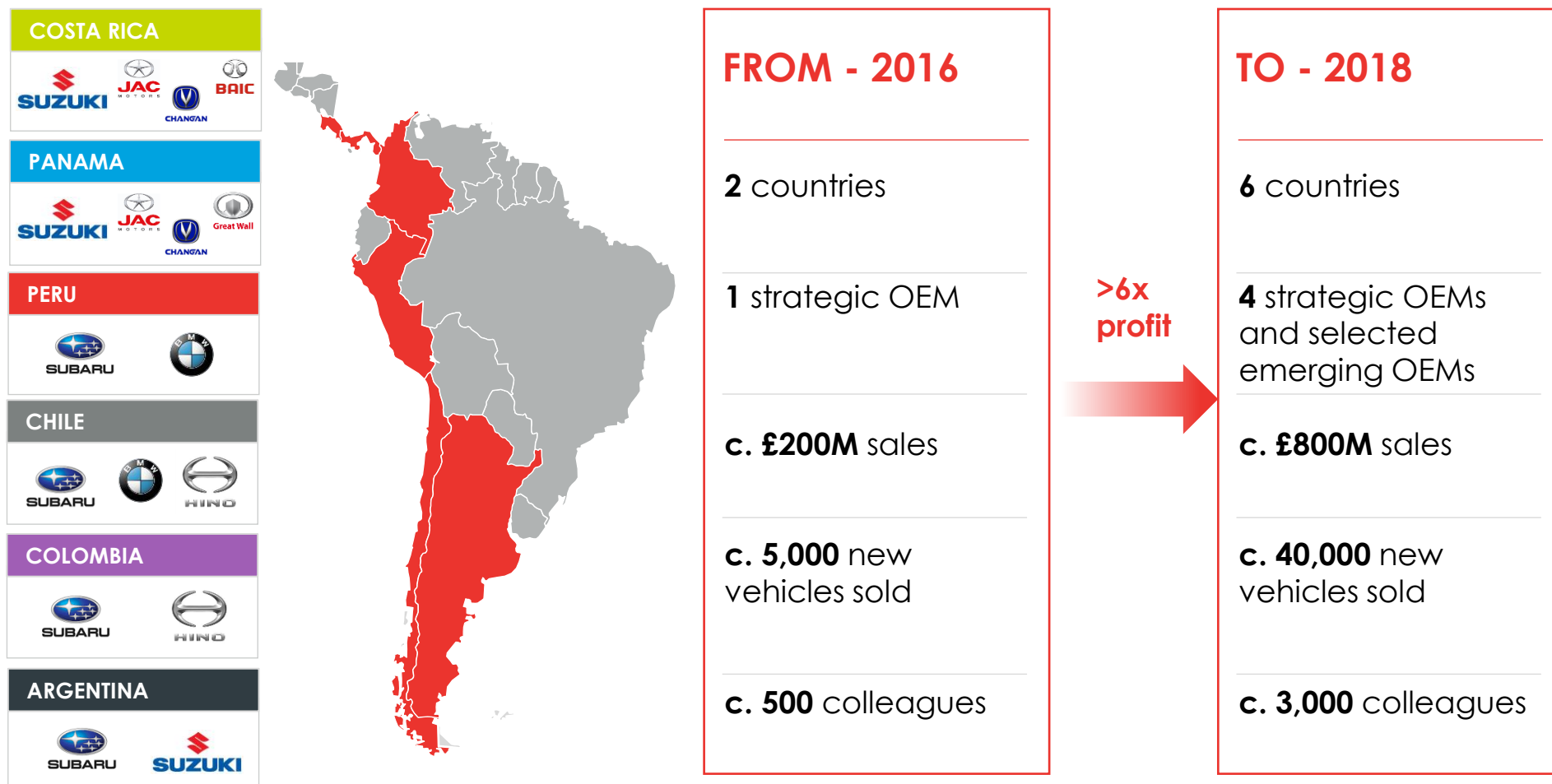
BRAND PORTFOLIO



City cars				
	Celerio	Alto K10	Alto 800	
Hatch-backs				
	Swift Sport	Swift Revolution	Ignis	Baleno
Sedans				
	Ciaz	Dzire		
Mini-vans				
	Ertiga	APV		
SUVs				
	Vitara Turbo	S-Cross	Vitara	Grand Vitara
				
				Jimny

EVOLVING LATIN AMERICA BUSINESS

SCALE PLATFORM WELL POSITIONED FOR FURTHER GROWTH





Establishes a strong Central American presence in attractive growth markets



Suzuki-led Distribution business

Well positioned, Japanese quality brand with broad customer appeal



Delivery of our Ignite strategy

Significant opportunities to drive future growth



Creating value for shareholders and our partners

Accretive to earnings
Enhances Group margins

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