FY19 RESULTS

27 FEBRUARY 2020

NIGEL STEIN
CHAIRMAN

STEFAN BOMHARD

GROUP CHIEF EXECUTIVE

FY19 HIGHLIGHTS

Resilience in business model	Meaningful strategic progress	Ignite continues to drive the business	Disciplined capital allocation
PBT flat y-o-y (excluding transactional Yen headwind)	Disposal of non-strategic retail assets in Australia, China & UK	First Daimler distribution contracts established	Buybacks: '19: £100M completed '20: £150M announced
Asia profits +2% y-o-y despite HK challenges & Singapore decline	New distribution businesses in Colombia, Ecuador, Uruguay, Kenya & Lithuania	F&I and procurement targets achieved £30M F&I income[1] £50M procurement savings[2]	DPS unchanged 2019 DPS: 26.8p

Note: Growth rates at CCR and excluding exceptionals; 1) incremental finance and insurance profit since 2018; 2) cumulative annualised procurement savings since 2016

UNDERLYING RESILIENCE
IN THE CONTEXT OF CHALLENGING MARKETS

IFRS 16	FY 2019	% chg	% chg (CCR)
Revenue[1]	£9,380M	+1.1%	+1.3%
PBT	£326M	(6.9%)	(7.4%)
EPS	59.9p	(6.1%)	
DPS	26.8p	+0%	
ROCE	22%	-	

- Continued Group revenue growth
- PBT flat y-o-y, excluding transactional Yen headwind[2]
- Strong profit growth in Europe, solid underlying Australasia and resilience in Asia
- Stable dividend
- Attractive ROCE: 22% (post IFRS 16)

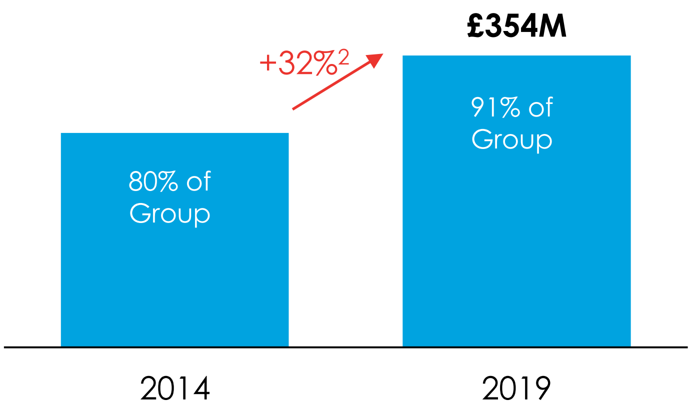
Note: PBT and EPS pre exceptional items; 1) Excluding the impact of disposals announced over 2019 revenue grew 3% CCR. The profit impact on 2019 results was immaterial; 2) £26m Yen headwind over 2019

MEANINGFUL STRATEGIC PROGRESS

PORTFOLIO IMPROVED FURTHER IN 2019

DISTRIBUTION MODEL ATTRACTIVE

Distribution trading profit[1]



- Attractive growth opportunities
- Exclusive contracts; low attrition
- Higher trading margin
- Strong ROCE

MEANINGFUL STRATEGIC PROGRESS OVER 2019

Disposal of multiple Retail only businesses

- Non-strategic assets in UK, Australia, China
- >£800m revenue disposed (c.9% of Group)
- 14x[3] EV/EBIT achieved

>£100m of announced acquisitions of new distribution contracts over last 12 months

- First Daimler contracts (into 3 LatAm markets)
- BMW portfolio expansion (East Africa, Baltics)
- c.8x[3] EV/EBIT purchase price

c£1bn revenue through Distribution businesses incorporated since 2016

1) 2014 profit excludes property profit gains; 2) 32% growth on a comparable accounting basis (i.e. IAS 17); 3) Blended average

GIJSBERT DE ZOETEN

CHIEF FINANCIAL OFFICER

SUMMARY INCOME STATEMENT

IFRS 16	FY 2019 £M	FY 2018 £M	CHANGE ACR	CHANGE CCR
Revenue[1]	9,380	9,277	+1.1%	+1.3%
Operating profit[2]	373	399	(6.4%)	(6.7%)
Profit before tax	326	351	(6.9%)	(7.4%)
Effective tax rate (%)	23.2	22.6	60bps	
Basic adjusted EPS (p)	59.9	63.8	(6.1%)	
Dividend per share (p)	26.8	26.8	-	

2019 PBT (EX-YEN):

Flat year-on-year

IFRS 16 ACCOUNTING

Fully retrospective

FY18 restated

EXCEPTIONAL PBT GAIN OF

£76M

Net gain on disposals

Note: All numbers at actual exchange rates and pre exceptional items; 1) Excluding the impact of disposals announced over 2019 revenue grew 3% CCR; 2) The profit impact from disposals on 2019 results was immaterial

DISTRIBUTION

UNDERLYING RESILIENCE DESPITE SUPPLY AND MARKET CHALLENGES

IFRS 16	FY 2019 £M	FY 2018 £M	CHANGE ACR	CHANGE CCR
Revenue[1]	5,041	4,988	+1.1%	+1.2%
Trading profit	354	383	(7.5%)	(7.8%)
Trading margin %	7.0%	7.7%	(70 bps)	

GROUP REVENUE

54%

57% proforma[2]

GROUP TRADING PROFIT

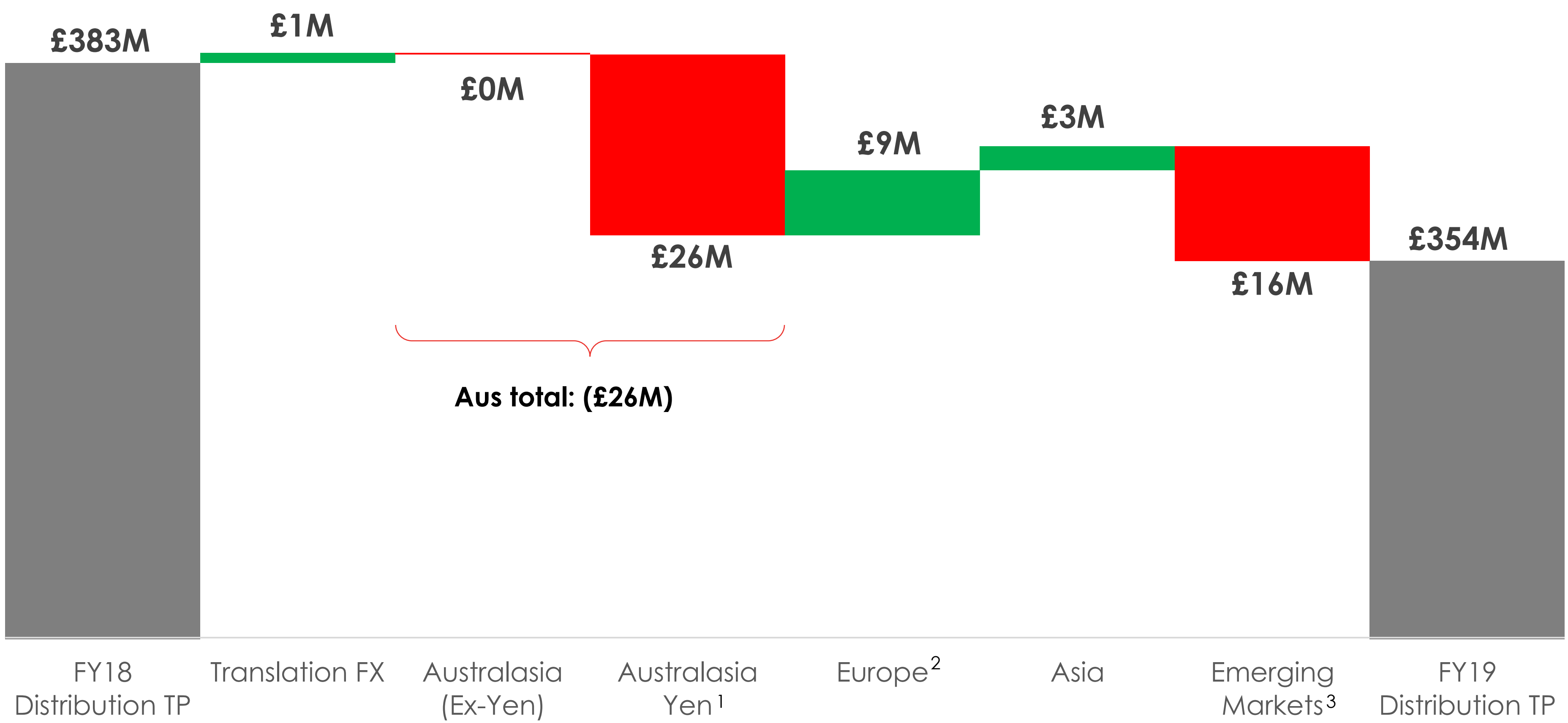
91%

93% proforma[2]

- Strong performance in Europe offset by LatAm-driven EM declines
- Small Asia profit growth supported by growth in Guam, Brunei and Thailand
- Australasia profits flat excluding Yen headwind[3], despite supply issues in 1H

Note: All numbers in the table at actual exchange and pre exceptional items; 1) The impact of disposals announced over 2019 had an immaterial impact on 2019 distribution revenue and profit; 2) proforma for a full year revenue and profit impact of announced acquisitions and disposals; 3) AUD/JPY headwind impacted FY 2019 by £26m

DISTRIBUTION BY REGION
TRADING PROFIT

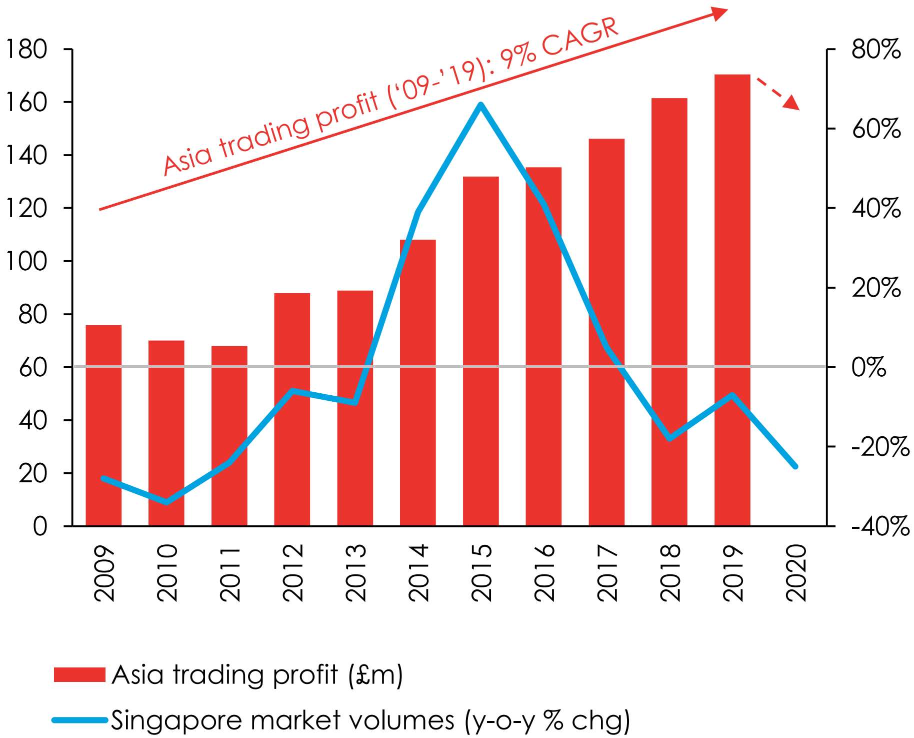


Note: 1) Yen transactional headwind given purchase of goods in Yen and sale in AUD; 2) Europe is categorised as 'UK & Europe' in our regional disclosure, but excludes our UK operations which fall into Retail; 3)Emerging Markets includes £3.5m year-on-year trading profit benefit from the Central America acquisition which was generated prior to its annualisation as part of the Group in April

ASIA: OPERATIONAL IMPROVEMENTS
STRONG PERFORMANCE THROUGH THE CYCLE

PROFIT IMPROVEMENT THROUGH THE CYCLE

Asia Trading Profit (Ex-China)



PROFITS WELL MANAGED IN ASIA

Progression over the cycle has been strong

- Expanded product offering
- Improved cost structure (fixed cost review; business efficiency programmes)
- Inherent variability of costs in Distribution
- Aftersales capacity improvements
- Reduced market peak to trough
- 2020 backdrop challenging

EM: MARKET CHALLENGES

ETHIOPIA MOMENTUM BETTER BUT CHILE WEAK

ETHIOPIA IMPROVEMENT SEEN IN 2H

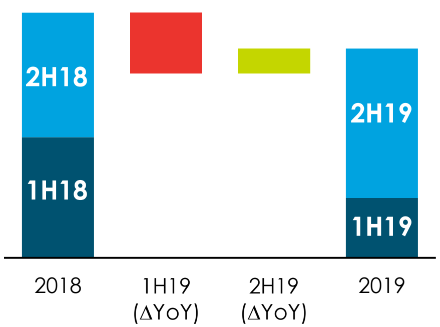
- ⊗ Currency-driven supply issues since 2017
- ✓ 2H 19 improved momentum, with:
  - Improved currency availability
  - Meaningful orders in 2H
- ✓ Ethiopia demand remains high and Inchcape is well placed
  - Double-digit GDP growth over ~10 years
  - Toyota share of cars c.60-70%

CHILE MARKET CHALLENGED IN 2019

- ⊗ Copper market decline (trade-war related)
- ⊗ Civil unrest in 2H; resulting in 2020 constitutional reform
- ⊗ Drove a sharp contraction of TIV

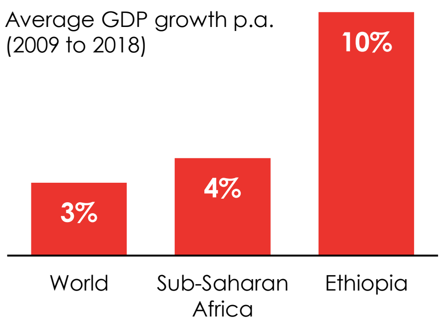
- ✓ Good cost control supported 2019
- ✓ A strong focus on Aftersales opportunity into 2020
- ✓ Low penetration drives future opportunities

ETHIOPIA PROFITS HAVE STABILISED, £M

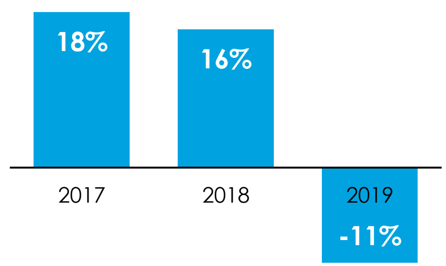


ETHIOPIA'S GDP GROWTH HAS BEEN VERY STRONG

Average GDP growth p.a. (2009 to 2018)

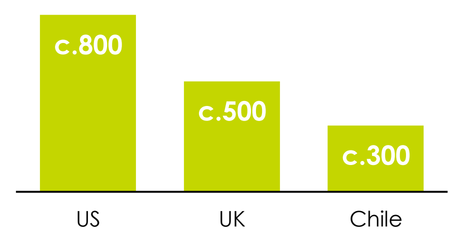


PASSENGER VEHICLE TIV DECLINE OVER 2019



LOW PENETRATION DRIVES OPPORTUNITY

Passenger vehicles and commercial vehicles per '000 ppl



RETAIL

IMPROVED PERFORMANCE FOLLOWING CHALLENGING 2018

IFRS 16	FY 2019 £M	FY 2018 £M	CHANGE ACR	CHANGE CCR
Revenue[1]	4,338	4,289	+1.2%	+1.4%
Trading profit	36	32	+12.5%	+12.1%
Trading margin %	0.8%	0.7%	+10 bps	

GROUP REVENUE

46%

43% proforma[2] for disposals

GROUP TRADING PROFIT

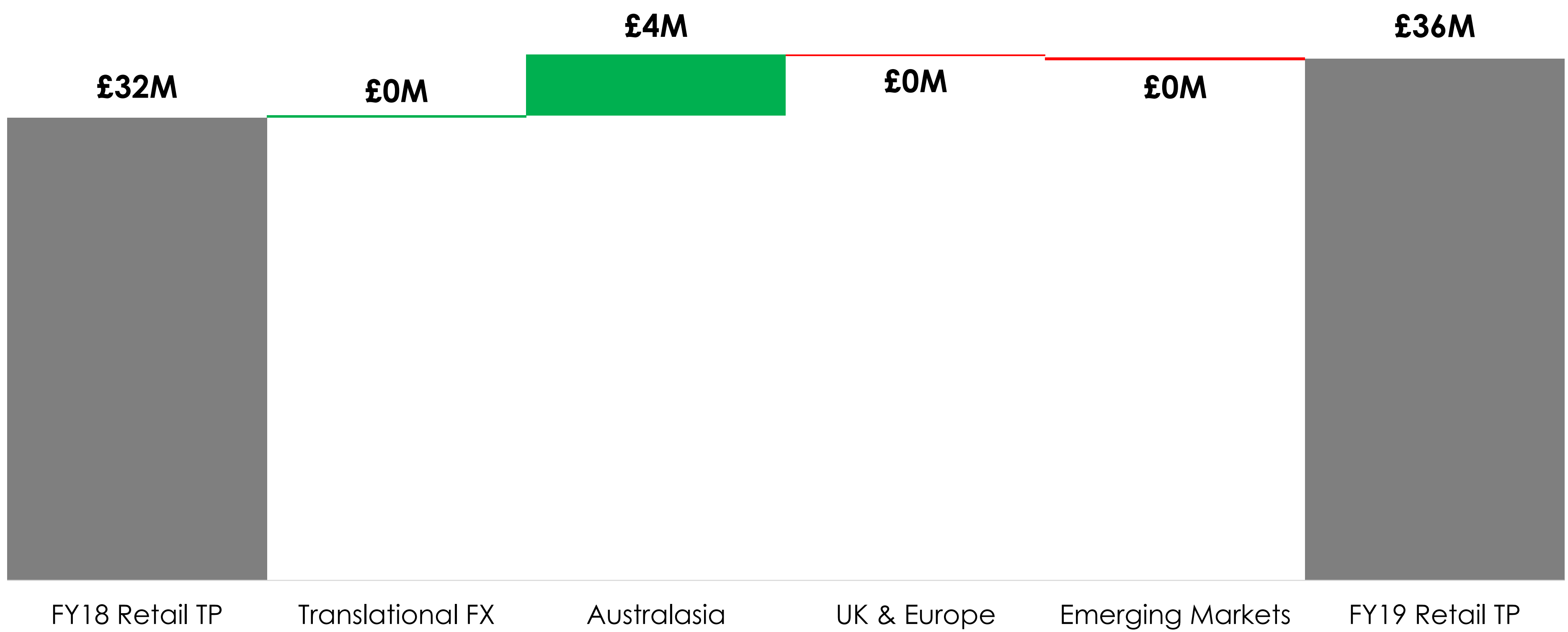
9%

7% proforma[2] for disposals

- Stable UK & Europe retail performance, as anticipated
- Russia growth impacted by competitive pressures; expected to be temporary
- Portfolio optimisation over period; Limited profit impact in 2019

Note: All numbers in the table at actual exchange and pre exceptional items; 1) Excluding the impact of disposals announced over 2019 revenue grew 5% CCR. The Trading profit impact on 2019 results was immaterial; 2) proforma for a full year revenue and profit impact of announced disposals

RETAIL BY REGION
TRADING PROFIT



INCOME STATEMENT REVIEW

IFRS 16	FY 2019 £M	FY 2018 £M
Trading profit	390	415
Central costs	(17)	(16)
Operating profit	373	399
Operating margin	4.0%	4.3%
Finance charges / JVs	(47)	(48)
Profit before tax	326	351
Tax	(76)	(79)
Effective tax rate %	23.2%	22.6%
Non-controlling interests (NCI)	(6)	(7)
Profit after NCI	245	265

2019 INTEREST

IFRS16: c.**£47m**

IAS17: c.**£28m**

2019 PBT FLAT EX YEN

AUD/JPY: £(26)m impact

2020 GUIDANCE

FY20 TAX RATE

24-25%

FY20 INTEREST COST

IFRS16: c.**£44m**

IAS17: c.**£29m**

Note: All numbers at actual exchange rates and pre exceptional items

CASH FLOW

GOOD UNDERLYING CASH CONVERSION

OPERATING CASH FLOW	FY 19 £M	FY 18 £M
Operating profit	373	399
Depreciation / amortisation	125	126
Working capital	(56)	38
Pension *	2	15
Other	12	8
Operating cash flow	**456**	**586**
Conversion	**122%**	**147%**

FREE CASH FLOW	FY 19 £M	FY 18 £M
Operating cash flow	456	586
Net interest	(25)	(27)
Taxation	(74)	(93)
Non controlling interest	(6)	(6)
Net capex	(54)	(99)
Net lease payments	(84)	(82)
Free cash flow	**213**	**279**
Conversion	**57%**	**70%**

WORKING CAPITAL

FY 19

Negative timing impact driven by acquisitions, disposals, and Ethiopia (government) receivables

CAPEX

FY 19

YoY reduction driven by lower UK investment

FY 20 GUIDANCE

£75m

NET CASH / (NET DEBT) – FY19

IFRS 16

£(250M) V. £(446M)

PRE LEASES (IAS17)

£103M V. £15M

Note: All numbers at actual exchange rates and pre exceptional items; *Pension inflow in 2018 includes £11m surplus release from the TKM scheme net of tax

Inchcape

GIJSBERT DE ZOETEN

2020 - LOOKING AHEAD

2020 OUTLOOK

MARKET OUTLOOK

Market weighted TIV to remain challenging

- Singapore TIV est -25%
- Hong Kong, Chile, Australia expected to remain challenging
- European growth remains supportive
- Improved Ethiopian supply

STRATEGIC FOCUS

Driving Inchcape forward

- Aftersales revenue opportunities
- Cost and efficiency improvements
- Continue the digital roll-out
- Maintain focus on inorganic growth

PROFIT GUIDANCE (EX AUD/JPY, EX DISPOSALS)[1]

Modest decline in group profit

- Asia down (Singapore cycle, HK protests)
- Australia weak (market weakness)
- Strong Europe
- Solid Emerging Markets

OTHER CONSIDERATIONS

- Net c.£15m AUD/JPY profit impact (post mitigation items)
- Trading profit reduced by £18M for announced disposals
- Coronavirus impacts being monitored

1) Guidance excludes potential Coronavirus impact

A STRONG PORTFOLIO
SUPPORTING RESILIENCE IN THE BUSINESS

2019 MARKET CONTEXT

INCHCAPE REVENUE-WEIGHTED TIV:

-4%

2019 PBT (EX-YEN):

Flat y-o-y

PORTFOLIO DIVERSIFICATION

MARKET COVERAGE

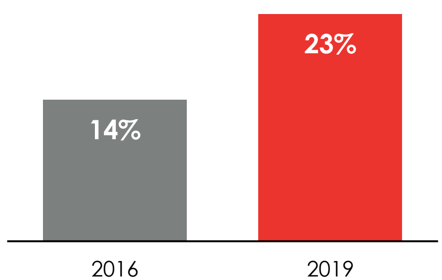
- EM share of group profits +9ppts since 2016
- Profit reliance on top 5 markets reduced by 16ppts since 2016

AFTERSALES vs. VEHICLES

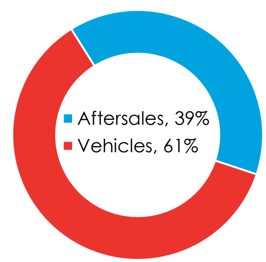
- Aftersales market: c.0-5 year old cars
- Aftersales more stable

OEM EXPOSURE

- Acquisitions have helped us diversify
- Deep, long-standing relationships with attractive OEM partners



2019 vs 2016
EM Share of Trading profit



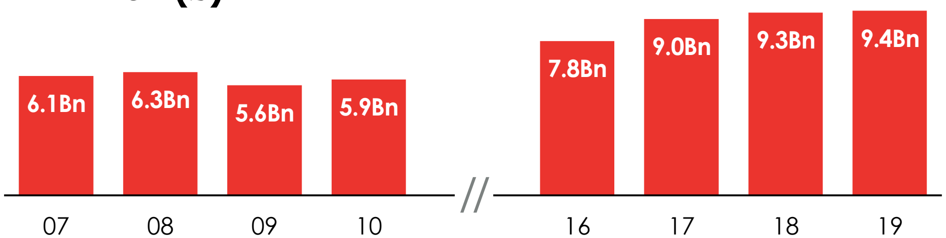
2019
Gross profit by value-driver

2019
Revenue by OEM

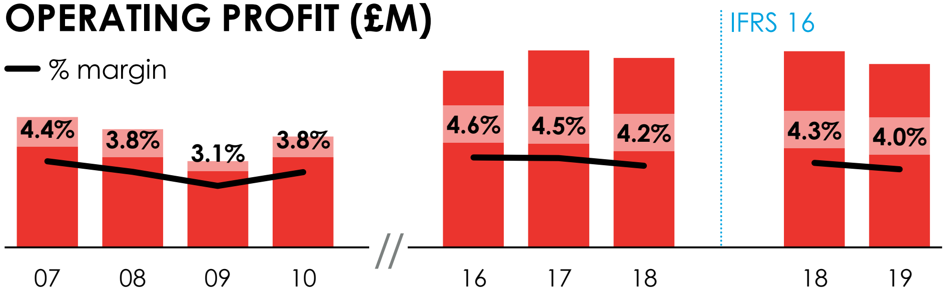
RESILIENT BUSINESS MODEL

STRENGTH THROUGH THE CYCLE

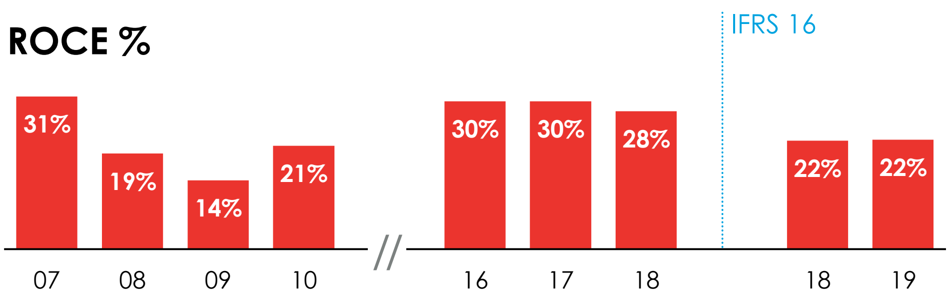
REVENUE (£)



OPERATING PROFIT (£M)



ROCE %



1) 4.7% margin achieved in 2015

STRONG TRACK RECORD OF WEATHERING CYCLES

- 4% revenue CAGR (2007 to 2019)
- Revenue growth 8% p.a. since 2015
- EBIT margin 12-year range: 3.1% to 4.7%[1]
- Consistently delivered double-digit ROCE

AND IGNITE HAS STRENGHTENED INCHCAPE FURTHER SINCE 2016

CAPITAL ALLOCATION

MAINTAINING OUR DISCIPLINED APPROACH

DIVIDEND POLICY

Progressive dividend policy

- FY19 DPS unchanged
- c£500m returned since 2016[1]

ACQUISITIONS

12 acquisitions under Ignite

- c£550M spent since 2016
- £1BN revenue added[2]

BUYBACK

Disciplined approach

- £150M announced for 2020
- c£400M returned since 2016[1]

LEVERAGE RATIO

Max 1x Net Debt to EBITDA
(Pre-IFRS16)

- Significant headroom

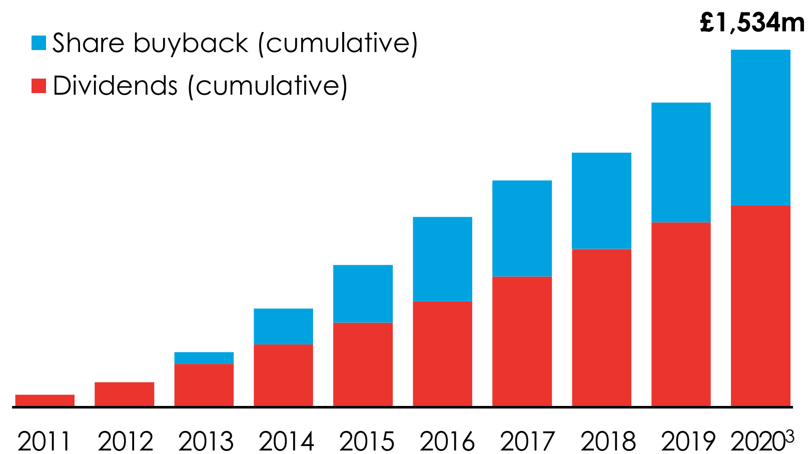
FREE CASH FLOW UTILISATION

Excess cash post capex, working capital, dividend

Value-accretive M&A opportunities

Remaining excess FCF distributed through buybacks

CUMULATIVE CASH RETURNS



PLUS PBT GROWTH

PBT CAGR ('11 – 19)

+5%

Note: 1) Inclusive of the buyback announced for 2020 and the final dividend for 2019; 2)£1bn annualised revenue through new contracts operated since 2016, inclusive of recent acquisitions in Latin America; 3) 2020 cumulative cash returns inclusive of announced 2019 final dividend and the announced £150m buyback.

MULTI-LAYERED GROWTH PROPOSITION

ATTRACTIVE TOTAL RETURN OPPORTUNITY

ANNUAL RETURN CONSIDERATION

ORGANIC GROWTH	MARKET DRIVERS	• Inchcape market growth expectations	ATTRACTIVE TOTAL RETURN
	OPERATIONAL EXCELLENCE	• Revenue stream optimisation • Global cost efficiencies and best practices	
STRATEGIC OPTIONS	CONTRACT WINS/ M&A	• Strong balance sheet, annual FCF • Large consolidation opportunity • Actively shifting to higher growth, cash generative Distribution businesses	
	BUYBACKS	• Excess cash returned to shareholders	
DIVIDEND		• Target 40% payout ratio	

Inchcape

STEFAN BOMHARD

STRATEGY UPDATE

IGNITE STRATEGY TO DRIVE GROWTH

IGNITE FRAMES INCHCAPE'S STRATEGIC FOCUS

IGNITE STRATEGY

OPERATIONAL EXCELLENCE:
MAXIMISING PROFIT AGAINST UNDERLYING MARKET TRENDS

CONSOLIDATION:
VALUE-ACCRETIVE OPPORTUNITY IN FRAGMENTED MARKET

INNOVATION:
TAKING ADVANTAGE OF OUR SKILLS AND SIZE TO LEAD

SUCCESS TO DATE

- Implemented industry-leading tools to evolve the customer journey digitally
- Strengthened OEM relationships; new contracts with 6 strategic OEM partners
- Improved processes and product offerings to diversify revenue streams
- Organisational developments to support global and regional coordination
- 12 Distribution acquisitions; £1bn of revenue achieved through these today

IGNITE: DRIVING THE CUSTOMER EXPERIENCE

IMPROVING THE ONLINE AND IN-STORE EXPERIENCE

GLOBAL WEBSITE STATISTICS	FY19 vs. FY18
Listing views[1]	**>3x**
Actions from listings	**+80%**

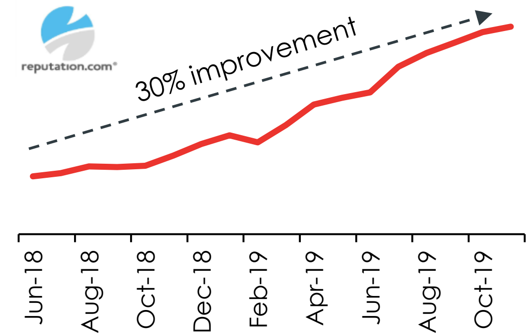
PLATFORM PROVIDES INSIGHT AND TARGETED MARKETING

- **reputation.com** – external scoring system that provides transparency on the total customer experience and generates invaluable insights
- **Salesforce** (CRM and Marketing Automation) – enables a data driven customer acquisition and nurture journey

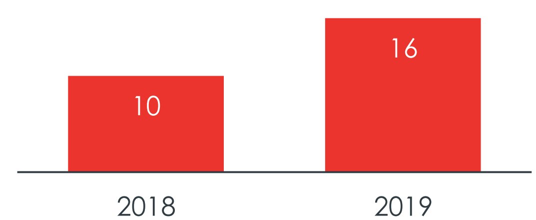
IMPLEMENTATION OF PLATFORM DRIVES CONVERSION

- Improvement website listing conversion, and the retail experience and advocacy by 30% in 18 months
- Generating 26% growth in Inchcape's marketable customer base y-o-y

AVERAGE GROUP REPUTATION.COM SCORE ACROSS LFL INCHCAPE SITES



MARKETS USING SALESFORCE



1) A listing contains information about businesses, such as name, phone number, address, hours of operation, photos, and reviews & ratings

IGNITE: BEING THE OEM PARTNER OF CHOICE

MILESTONES ACHIEVED IN 2019

DAIMLER

- First distribution contracts with Daimler after 30 year Retail-only partnership
- Acquired OEM's own distribution operations in Colombia
- Acquired third-party competitor in Ecuador and Uruguay

BMW

- OEM-led Baltics consolidation completed with the acquisition of Lithuania contract
- Inchcape Poland: won six awards (incl. FS and E-mobility dealer of 2019)
- Awarded distribution contract for Kenya

SUZUKI

- Costa Rica and Panama operations awarded Suzuki global Aftersales awards
- Turned Costa Rica's used-car business to profitability in first full year of operation

TOYOTA GROUP

- Grab-Toyota service partnership expanded in Singapore
- Ethiopia: highest ever fleet sales to Ministries of Defence and Health

JAGUAR LAND ROVER

- JLR Kenya operating for one year
- Opened new sites in Bogota and Hong Kong

SUBARU

- Developing an omnichannel proposition in Australia with Subaru
- Started selling cars into Bolivia as of Q4-2019

IGNITE: FOCUSING ON ALL REVENUE STREAMS

GROWING DIVERSIFICATION OF PROFIT DRIVERS

USED INITIATIVES

Growth in Emerging Markets key to group progress

KEY SUCCESS

Costa Rica:

- Used car operations turned to profit in first year of ownership
- Inchcape process implemented, including improved stock levels

Inchcape Used Car Centre

AFTERSALES INITIATIVES

Group gross profit growth +2%

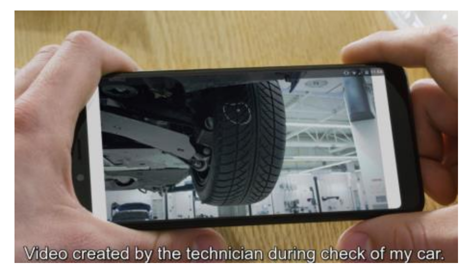
KEY SUCCESSES

Northern Europe[1]
2019 Gross Profit
+14%

- Centralised call centre in Poland implemented
- Further roll-out of video diagnostics utilisation and campaigning

Australasia[2]
2019 Gross Profit
+9%

- Greater accessory sales achieved through improved selling processes



1) Excludes BMW Lithuania purchased in 2019; 2) Australasia Subaru

IGNITE: LEVERAGING OUR GLOBAL SCALE

ACHIEVEMENT OF TARGETS IN 2019

FINANCE & INSURANCE

£30M incremental income target achieved

Achieved over 24 months

Key 2019 achievements:

- F&I profit growth ahead of vehicle sales growth
- Continued success in expanding vehicle care insurance products

Finance retention tool rolled out to 10 markets

PROCUREMENT

£50M annualised savings achieved

Achieved since 2016 launch

Key areas of saving over 2019:

- >20% 2019 Group savings from vehicle storage and logistics costs
- Oil and lubricants global view enabled:
  - Average 30% saving in Latam;
  - 20% reduction in number of suppliers;
  - Asia aggregation planned for 2020

Global procurement system roll-out ongoing

- c.50% of spend covered; c.85% by end 2020
- Multi-year savings driver

IGNITE: INVESTING TO ACCELERATE GROWTH

12 DISTRIBUTION DEALS SINCE 2016

CONSOLIDATION THEMES

PLATFORM CREATION

Acquisitions that enable further contract growth

Indumotora (2016)
- Meaningful expansion on existing S.America business
- First Subaru operations outside Australasia
- Expanded Hino CV exposure

Rudelman (2018)
- Entry into Central America
- First large-scale Suzuki operations

REGIONAL CONSOLIDATION

OEM-led consolidation with Inchcape preferred partner

BMW Eastern Europe:
- Latvia (existing business)
- Estonia (2017)
- Lithuania (2019)

BMW East Africa:
- Kenya (2019)
- Intended extension of East Africa presence with BMW

Daimler LatAm:
- Uruguay, Ecuador (2019)
- Colombia (2020) - OEM distribution operations

BOLT-ONS

Small business wins supported by existing infrastructure

JLR Thailand (2016)
PSA Australia (2017)
BMW Guam (2018)
JLR Colombia (2018)
JLR Kenya (2018)

Acquisitions enabled by focus on OEM Partner of Choice

Inchcape's global market share of Distribution markets

c.1%

IGNITE: INVESTING FOR GROWTH (LATAM)

CREATING A MEANINGFUL LATAM PRESENCE

DEVELOPMENT OF LATAM THROUGH IGNITE

FROM - 2016	TO – 2019 PF
2 countries	**8** countries
1 strategic OEM	**6** strategic OEMs and selected emerging OEMs
c. £200M sales	**c. £1BN** sales
c. 5,000 new vehicles sold	**c.40,000** new vehicles sold
c. 500 colleagues	**c. 3,400** colleagues

Platform for continued growth

MARKET	SUBARU	HINO	SUZUKI	BMW	JLR	DAIMLER	CHINESE BRANDS
Costa Rica			Rudelman				Rudelman
Panama			Rudelman				Rudelman
Peru	Indumotora			Business pre 2016			
Chile	Indumotora	Indumotora		Business pre 2016			Indumotora
Colombia	Indumotora	Indumotora			New bolt-on business	New bolt-on business	Indumotora
Argentina	Indumotora		Indumotora				
Ecuador						New bolt-on business	
Uruguay						New bolt-on business	

Business pre 2016 | Rudelman | New bolt-on business | Indumotora

FUTURE TRENDS: DIGITAL CUSTOMER
TRANSFORMING THE CUSTOMER JOURNEY

OMNICHANNEL DEVELOPMENT - MELBOURNE

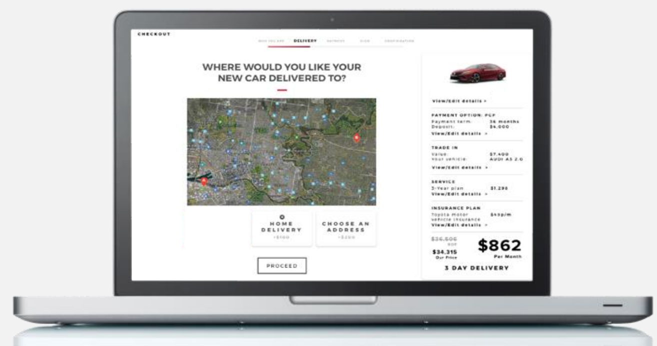
- Data-driven Used car trade-in valuation tool implemented in all physical and online stores
  - Q4: 51% conversion of valuations offered with tool

- Additional customer journeys launched in December:
  1. Continued sales journey from online to dealership
  2. Finance functions (indicative quote, pricing)
  3. Cash reservation online

- **2020 Digital focus:**
  - <u>Melbourne:</u>
    - Launch new car configurator with stock search
    - Launch dealer functionality to pick-up customer journeys from where they left them remotely
  - <u>Global:</u>
    - Roll-out of Melbourne trial to other markets

OMNICHANNEL PILOT FOCUS

- Integrated omni-channel platform
- Customer-centric sales staff
- Data analytics and automation
- Optimised store formats
- Building for global scale



FUTURE TRENDS: MOBILITY
DEVELOPING NEW PARTNERSHIPS

PRIVATE HIRE VEHICLE SERVICING - SINGAPORE

- Trial: quick service proposition for fleet cars launched in 2018
- Connected car technology utilised to optimise maintenance
- Inchcape promised reduction in vehicle downtime and cost achieved
- **2020: Plan to service a greater proportion of the fleet**

TAXI FLEET SERVICING – HONG KONG

- Taxi market nearly exclusively Toyota (i.e. Inchcape)
- New service retention product launched on new taxis
- **2020 trial: telematic devices introduced** to optimise service of local fleet operations

AUTOMONOUS VEHICLES - SINGAPORE

- Autonomous Singapore University shuttle service launched in 2019; In partnership with Comfort DelGro (a taxi company) and EasyMile (OEM)
- **First operation to achieve 'Milestone 1' certification in Singapore,** i.e. operating a mixed traffic route on private roads (i.e. Singapore University)
- **2020 route progression:** public roads and residential pick-ups to be added

STEFAN BOMHARD
CONCLUSION

INVESTMENT PROPOSITION
GROWTH AND CASH RETURNS

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

Strong and increasing weighting to **higher growth markets** supports our diversification

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 trends

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

APPENDIX

REGIONAL TIV SUMMARY

REGION	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 EST
Australia	2%	1%	**(3%)**	**(8%)**	**(4%)**
UK	2%	(6%)	**(7%)**	**(2%)**	**(3%)**
Greece	4%	12%	**17%**	**10%**	**7%**
Belgium	8%	1%	**1%**	**0%**	**(7%)**
Eastern Europe	19%	14%	**11%**	**3%**	**3%**
Singapore	41%	5%	**(18%)**	**(5%)**	**(25%)**
Hong Kong	(21%)	6%	**(7%) *** **	**(10%)**	**(20%)**
South America*	(1%)	7%	**7%**	**(4%)**	**(9%)**
Russia	(11%)	12%	**13%**	**(1%)**	**(8%)**
Central America **	9%	(14%)	**(13%)**	**(11%)**	**(9%)**

Note: TIV = Total Industry Volume, * Chile, Colombia & Peru; **Costa Rica and Panama, ***+0% excluding EV incentivised sales in 2017 which since fell away post government incentive changes

DISPOSAL IMPACT IN 2020

DISTRIBUTION DISPOSAL IMPACT

- China Retail was included in Asia Distribution
  - China: c.£170m revenue; £9m trading profit
- **Remaining distribution operations: £345m trading profit (2019-PF)**

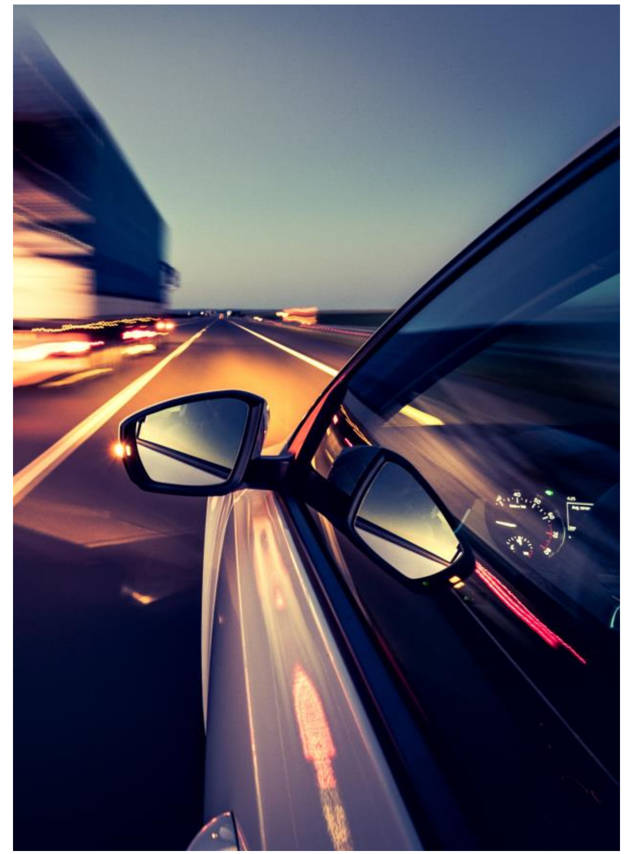
RETAIL DISPOSAL IMPACT

- UK IFS and retail sites: c.£300m revenue; £9m trading profit
- Australia retail: c.£330m revenue, neutral profit
- **Remaining retail operations: £27m trading profit (2019-PF)**

GROUP DISPOSAL IMPACT

DISPOSAL OF c.£800M OF REVENUE, £18M TRADING PROFIT

- **Remaining operations: £372m trading profit**



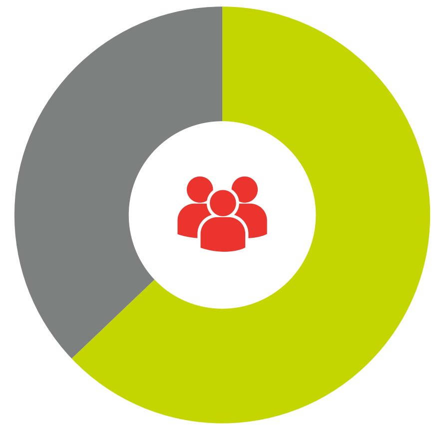
Note: Revenue and profit detail above provide an annualised view of the impact from disposals. c.£150m of the c.£800m of revenue impact was already experienced in 2019 but £0m of the c.£18m trading profit impact was experienced in 2019. The timing is due to the more profitable disposals completing in December.

AFTERSALES VS. VEHICLE PROFIT

AFTERSALES A STABILISER

	GROSS PROFIT (£M) FY 2019	YoY CHANGE CCR
Vehicles	772	(4.8%)
Aftersales	500	+1.5%

GROSS PROFIT MIX



Vehicles 61%

Aftersales 39%

NET DEBT

BALANCE SHEET REMAINS STRONG

	FY 19 £M
Free cash flow	**213**
Exceptional cash	(11)
Acquisitions and disposals	189
Equity dividends	(110)
Share repurchases	(109)
Other cash flows	1
Net cash flow	**173**

	FY 19 £M
Opening net funds/debt	(446)
Net cash flow	173
Net movement in fair value	(0)
Net debt on M&A/ disposals	6
Lease adjustment	65
New lease liabilities	(0)
FX movements	(48)
Closing net funds/debt	**(250)**
Net funds ex leases	**103**

BUYBACK

£100M completed over 2019

£150M announced for 2020

ACQUISITIONS AND DISPOSALS

c.£150M net proceeds
inclusive of announced Colombia acquisition

DISPOSALS:

c.£250M cash inflow over 2019

ACQUISITIONS:

BMW: Lithuania
Daimler: Uruguay, Ecuador, Colombia

Note: All numbers at actual exchange rates

IFRS 16 – FY18 RESTATED

FULLY RETROSPECTIVE APPROACH

FY 2018, £M[1]	Pre-IFRS 16	Adjustment	IFRS 16
Revenue	9,277	-	9,277
Gross profit	1,301	-	1,301
Operating lease rentals	(86)	82	(4)
Depreciation	(44)	(68)	(112)
Other operating costs	(786)	-	(786)
Operating profit	**385**	**14**	**399**
Margin	**4.2%**		**4.3%**
Distribution trading profit	*375*	*8*	*383*
Retail trading profit	*26*	*6*	*32*
Central costs	*(16)*	*-*	*(16)*
Net interest	**(28)**	**(20)**	**(48)**
PBT	**357**	**(6)**	**351**
EPS (basic)	**65.0p**	**(1.2p)**	**63.8p**
DPS	26.8p	-	26.8p
Payout ratio	41%		42%
Net cash/ (debt)	**13**	**(459)**	**(446)**
EBITDA	443	82	525
Net debt/ EBITDA	NM		0.8x
Adjusted FCF	**281**	**(2)**	**279**
FCF conversion	73%		70%
ROCE	**28%**		**22%**

Fully retrospective

- Restatement of the prior year
- Year-on-year statements are LFL accounting treatment

IFRS 16 on a FY18 basis reduced operating expenses by £14M and increased interest expense by £20M

- PBT is 2% lower than its prior presentation under IAS 17

Operating profit margin increases 10bps

Dividend payout ratio increases to 42% from 41%

- No need to change dividend policy

FCF (consistent Inchcape definition) reduces to 70% from 73%

- No absolute cash change

Net debt/EBITDA increases 0.9 turns to 0.8x

- No impact on financial covenants

ROCE restated to 22% from 28%

- Strong return remains evident

1) Pre exceptional items

THE INCHCAPE WORLD TODAY

UNIQUE GLOBAL DISTRIBUTOR AND RETAILER

GLOBAL DISTRIBUTOR AND RETAILER

33 Markets

Distribution

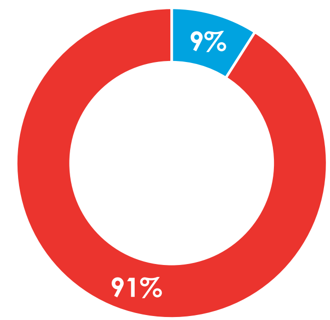
Retail only

2019 PROFIT BY CHANNEL

Distribution at the core

Retail

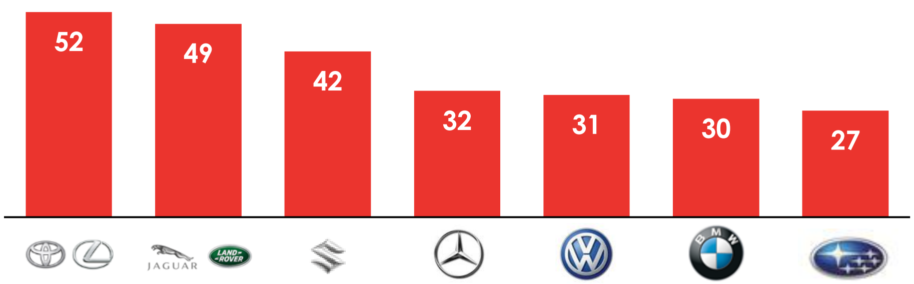
Distribution



LONG-TERM PARTNERSHIPS

Strong brand portfolio

Number of years of partnership



2019 PROFIT BY REGION

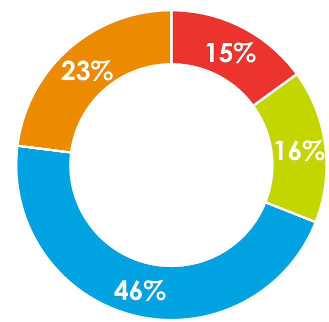
Regionally diverse

Australia

UK / Europe

Asia

EM



DISTRIBUTION: ATTRACTIVE ECONOMICS

HIGHER GROSS MARGIN, LOWER FIXED COSTS, HIGHER ROCE VS. RETAIL

BRAND CUSTODIAN IN MARKET

Distributor responsibilities:

- Product planning
- Brand positioning
- National marketing
- Logistics
- Customer experience
- Parts distribution
- Servicing
- Retail network management

HIGH BARRIERS TO ENTRY

- **Exclusive distribution contracts:** one Distribution contract per brand awarded in each market
- Long-standing relationships with brand partners – **very low attrition**
- Partners require **track record of delivery** – difficult to enter industry
- **Strength and expertise** across areas, from logistics to brand development
- **Financial capability** to execute and invest in assets and talent

DISTRIBUTION MODEL

- **Higher margin** business driven by gross margin
- Greater **variability of overheads**
  - Greater allocation of costs to A&P
  - Fewer sites reduces exposure to property occupancy costs
- High **margin protection**

FIXED / VARIABLE BASE

- **Distribution** overheads **c. 50/ 50 (Fixed/ variable)**
- **Retail** overheads **c. 65/35 (Fixed/ variable)** on fully rented basis

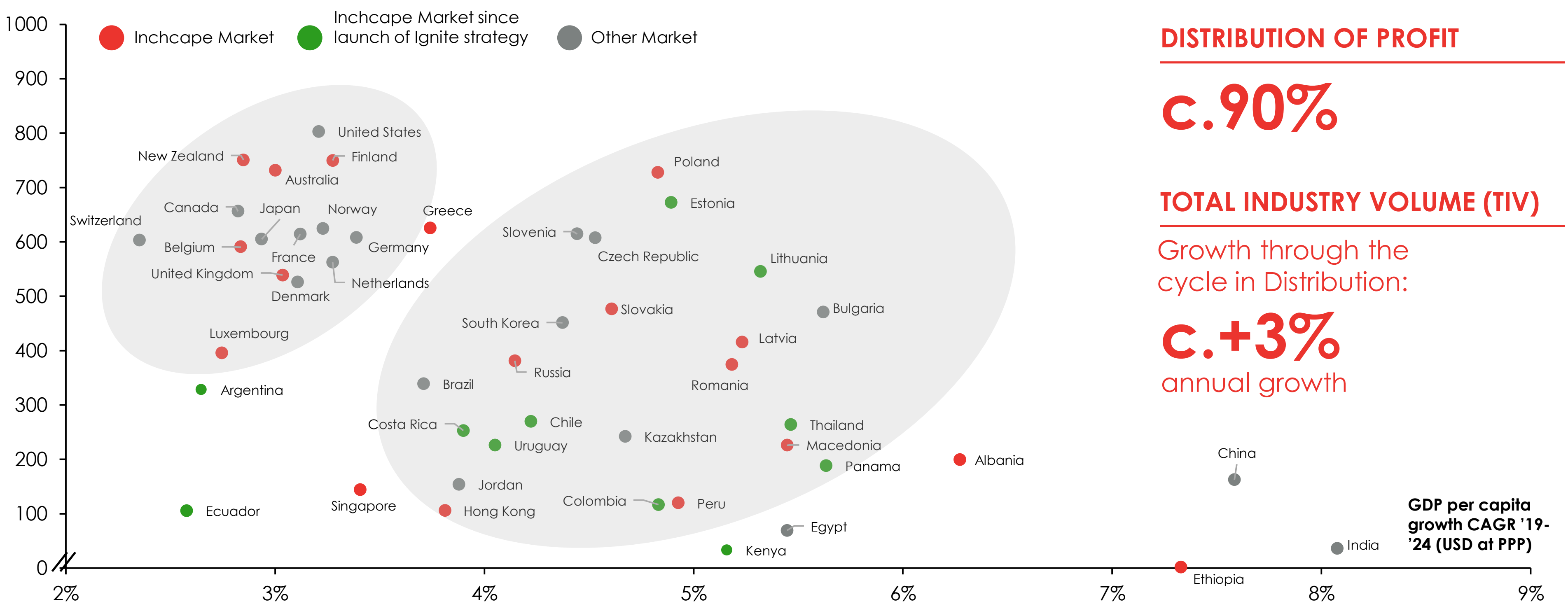
CAPITAL INTENSITY

- Distribution is **capital light**

MARKETS WITH GROWTH OPPORTUNITY

GROWTH OF INCHCAPE MARKETS HIGHER THAN GLOBAL AUTO

PASSENGER VEHICLE AND COMMERCIAL VEHICLE PER '000 PPL



DISTRIBUTION OF PROFIT

c.90%

TOTAL INDUSTRY VOLUME (TIV)

Growth through the cycle in Distribution:

c.+3%

annual growth

DISTRIBUTION: HIGHLY FRAGMENTED

MOSTLY SMALL FAMILY-RUN BUSINESSES

FRAGMENTED INDUSTRY STRUCTURE

CATEGORY	# OF COMPANIES *
> 3 markets	c.25 companies *(incl. Inchcape)*
< 3 markets	850+ companies

Inchcape well placed to consolidate

Majority of industry: small players with limited resources

INCHCAPE DEAL MOMENTUM

IGNITE STRATEGY LAUNCHED 2016

● Large-scale deals

DISTRIBUTION

- **1993:** Subaru Australia (TKM)
- **2007:** Baltics multi-OEM
- **2016:** Indumotora; JLR Thailand
- **2017:** BMW Estonia; PSA Australia
- **2018:** BMW Guam; Rudelman; JLR Colombia; JLR Kenya
- **2019:** BMW Lithuania; BMW Kenya; Daimler Uruguay, Ecuador; Daimler Colombia[1]

RETAIL

- **2006-08:** UK Retail: Meaningful bolt-ons (Lind, EMH); Russia Retail: Entry and expansion
- **2013:** Australia Retail (Trivett)

DISPOSALS:
2019
- Australia Retail
- UK – Fleet (IFS)
- China Retail

* Cumulative number of companies. 1: announced January 2020

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