



H1 2017 RESULTS

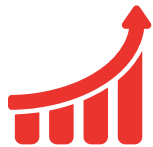
27 JULY 2017



STEFAN BOMHARD
GROUP CHIEF EXECUTIVE



H1 2017 HIGHLIGHTS



Broad-based
earnings
growth



Strong EM
performance &
return to profit
growth in Asia



Strong free cash
flow generation



Distribution M&A
momentum

Distribution
c.75% Group profit

Continuing to deliver on Ignite strategy

SUSTAINABLE PLATFORM FOR GROWTH

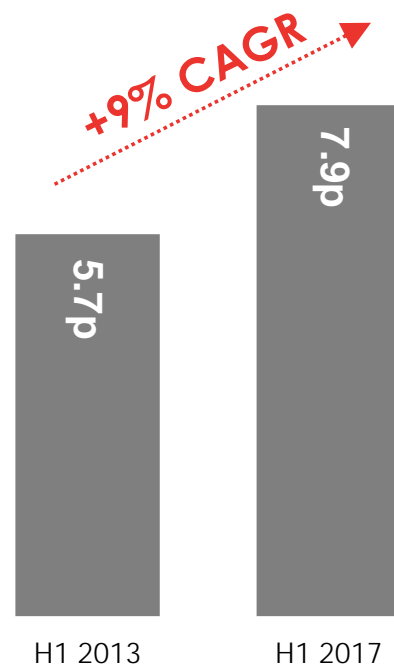
SUPPORTING TOTAL SHAREHOLDER RETURNS



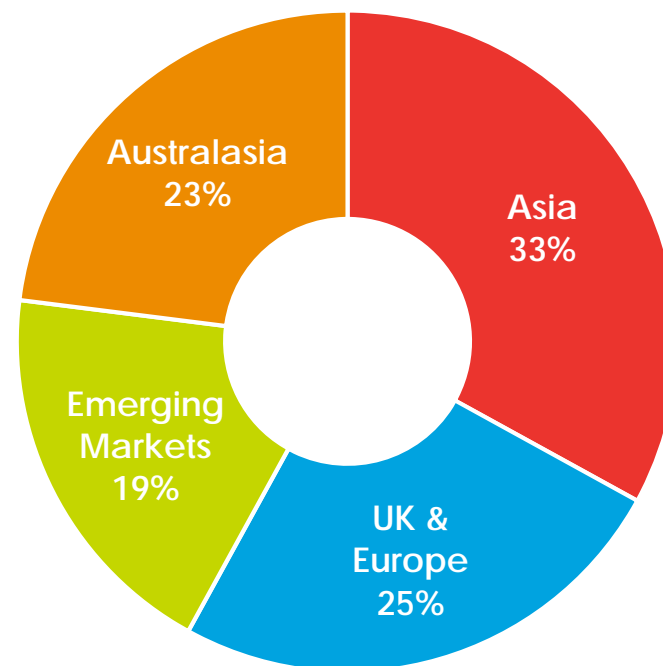
EBIT



DPS

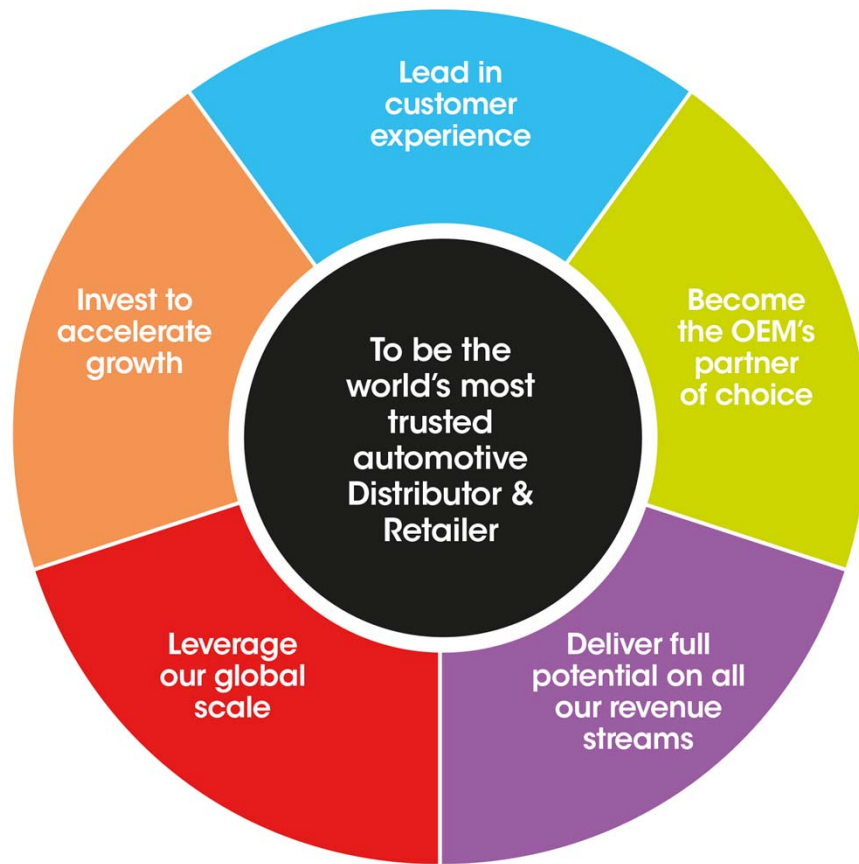


H1 2017 TRADING PROFIT MIX



- Emerging Markets mix +9% vs. H1 14
- UK down to c.15% of total

DELIVERING ON OUR IGNITE STRATEGY



- ✓ Robust Aftersales profit growth
- ✓ Further procurement savings achieved
- ✓ Distribution contract acquisitions with BMW in Estonia and addition of PSA in Australia
- ✓ South American acquisition performing in-line with expectations
- ✓ Business development and innovation supported by stronger OEM relationships



RICHARD HOWES
CHIEF FINANCIAL OFFICER

SUMMARY INCOME STATEMENT

STRONG PROFIT GROWTH

	H1 2017 £M	H1 2016 £M	CHANGE ACR	CHANGE CCR
Revenue	4,458.5	3,756.2	+18.7%	+9.5%
Operating profit	208.0	169.5	+22.7%	+10.8%
Profit before tax	196.8	165.0	+19.3%	+7.8%
Tax rate (%)*	25.5	25.8	-30bps	
Basic adjusted EPS (p)	34.1	27.6	23.6%	
Dividend per share (p)	7.9	7.0	+12.9%	

CCR EX S.
AMERICA**

+4.6%

+2.7%

Note: All numbers at actual exchange rates and pre exceptional items. * Effective tax rate. ** South American Acquisition H1 2017 Sales £198m, OP £15m

DISTRIBUTION

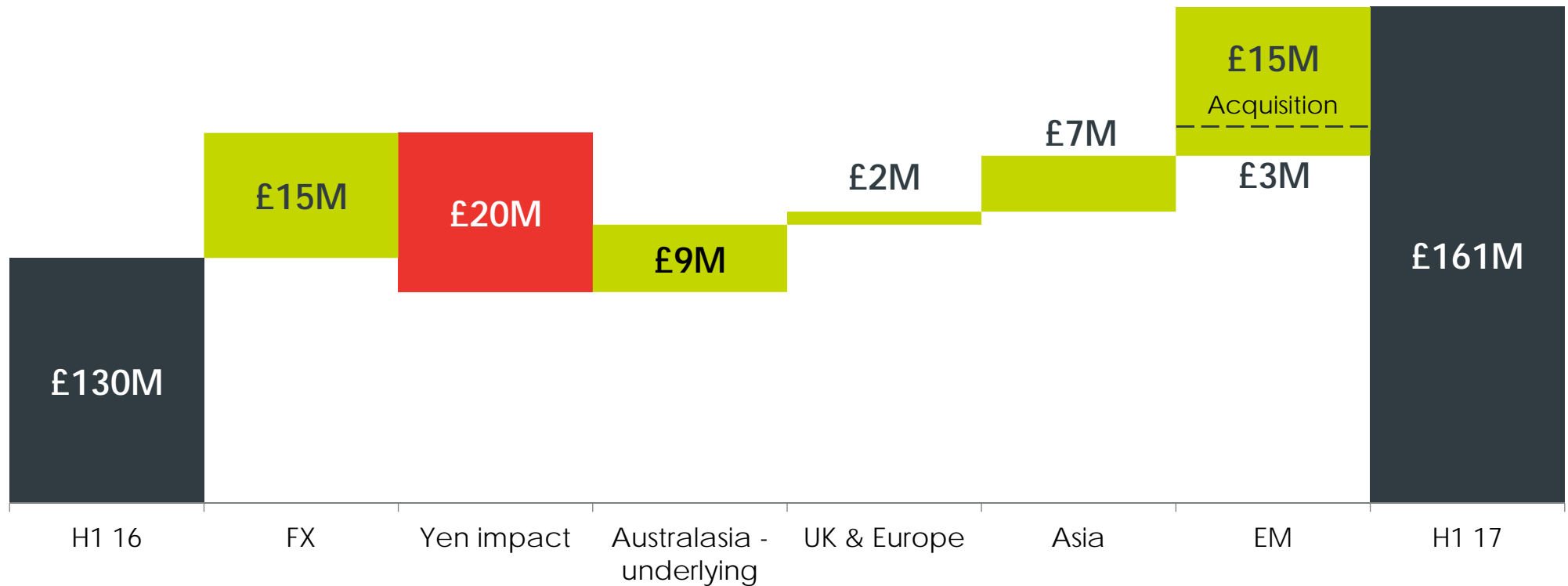
	H1 2017 £M	H1 2016 £M	CHANGE ACR	CHANGE CCR
Revenue	2,027.2	1,549.9	+30.8%	+16.7%
Trading profit	161.1	130.3	+23.6%	+10.7%
Trading margin %	7.9%	8.4%	-50 bps	

- ✓ Strong underlying profit growth, driven by Asia and Emerging Markets
- ✓ Indumotora acquisition profit accretive (£15m)
- ✓ Yen headwind in Australasia c.£20m
- ✓ Aftersales Gross Profit +17% CCR

45% of Group
Revenue

73% of Group
Trading profit

DISTRIBUTION – TRADING PROFIT



RETAIL

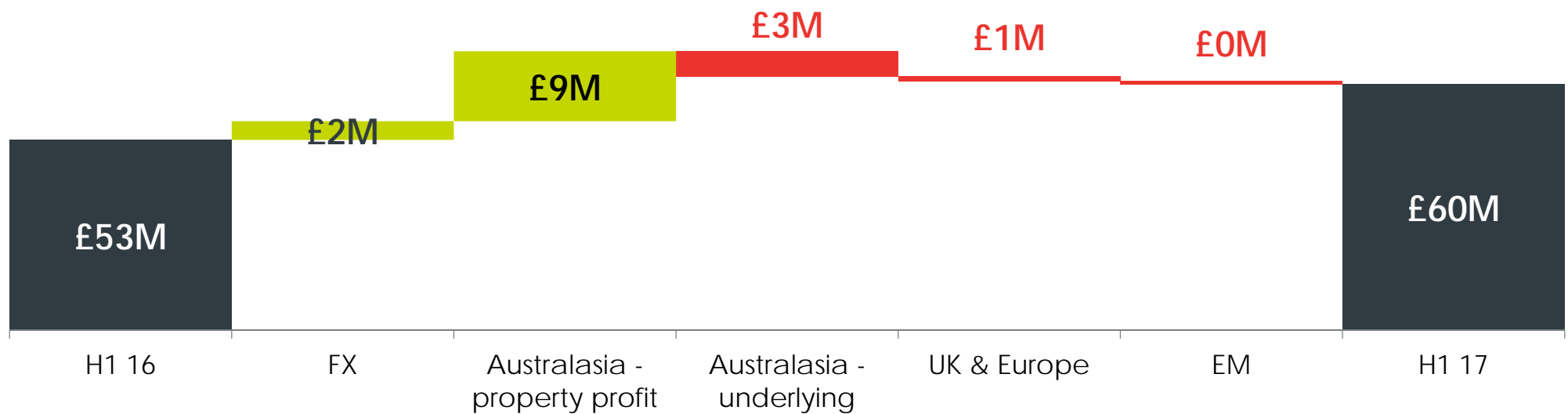
	H1 2017 £M	H1 2016 £M	CHANGE ACR	CHANGE CCR
Revenue	2,431.3	2,206.3	+10.2%	+4.1%
Trading profit	60.3	53.4	+12.9%	+8.1%
Trading margin %	2.5%	2.4%	+10 bps	

55% of Group
Revenue

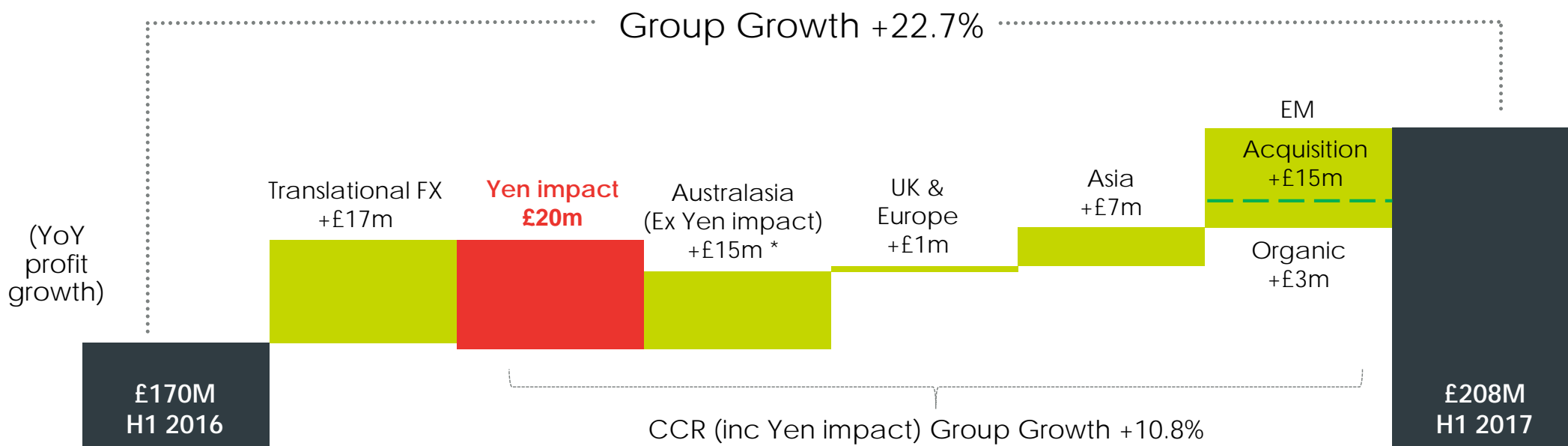
27% of Group
Trading profit

- ✓ Retail decreasing in the mix
- ✓ Continue to optimise property portfolio
- ✓ Aftersales Gross Profit +8% CCR

RETAIL – TRADING PROFIT



GROUP OPERATING PROFIT



MARGIN	6.3%	2.5%	9.3%	6.3%	4.7%
	-90 bps	-10 bps	+80 bps	-30 bps	+20 bps
PROFIT YOY CHANGE (CCR)	-10.3% (+9% ex Yen impact/ property)	+1.8%	+10.1%	+76.5% (+12% ex Acqn)	+10.8%

Note: Regional profit growth at CCR; Acqn. refers to South American acquisition in Dec 2016; * Australasia (ex Yen impact) includes £9.3m property profit.

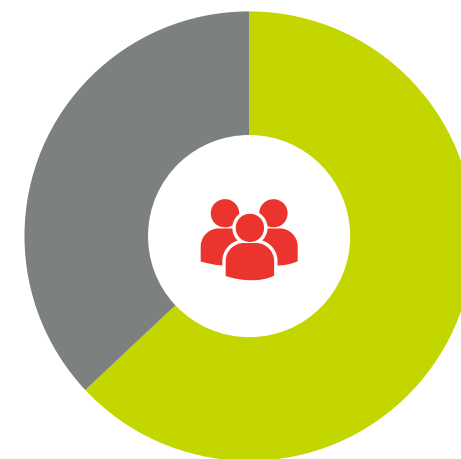
VALUE DRIVER DISCLOSURE AFTERSALES AND VEHICLES

	GROSS PROFIT (£M)	YoY CHANGE	YoY CHANGE Ex Acqn*
	H1 2017	CCR	
Vehicles	386.3	3.9%	(4.7)%
Aftersales	228.7	12.9%	+8.1%
GROUP Total	615.0	7.1%	-



GROUP

GROSS PROFIT MIX



- Vehicles 63% (-2% YoY)
- Aftersales 37% (+2% YoY)

Aftersales growing well, Yen pressure for Vehicle GP

OPERATING & FREE CASH FLOW

OPERATING CASH FLOW	H1 2017 £M	H1 2016 £M
Operating profit*	208.0	169.5
Depreciation / amortisation	31.1	26.2
Working capital	19.6	(62.8)
Pension	1.2	0.6
Other	(7.9)	1.3

FREE CASH FLOW	H1 2017 £M	H1 2016 £M
Operating cash flow	252.0	134.8
Net interest	(11.2)	(5.2)
Taxation	(51.1)	(52.5)
Non controlling interest	(6.5)	(6.5)
Net capex	(33.4)	(27.4)

Operating cash flow *	252.0	134.8
Conversion	121%	80%

Free cash flow	149.8	43.2
Conversion	72%	25%

2017 GUIDANCE UNCHANGED

Underlying capital expenditure £75m
£25m additional spend

FIXED COST REVIEW UPDATE

Progress on track
£10m 2017 exceptional

WORKING CAPITAL

2017 WC improvements and adverse
timing impact on 2016 WC movement

INCOME STATEMENT REVIEW

£M	H1 2017 £M	H1 2016 £M
Trading profit	221.4	183.7
Central costs	(13.4)	(14.2)
Operating profit	208.0	169.5
Operating margin	4.7%	4.5%
Finance charges / JVs	(11.2)	(4.5)
Profit before tax	196.8	165.0
Tax	(50.1)	(42.6)
Tax %	25.5%	25.8%
Minority interest (MI)	(4.0)	(3.7)
Profit after MI	142.7	118.7

2017 GUIDANCE

Interest cost

c.£19m

Tax rate

25-26%

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

CAPITAL ALLOCATION

DISCIPLINED APPROACH

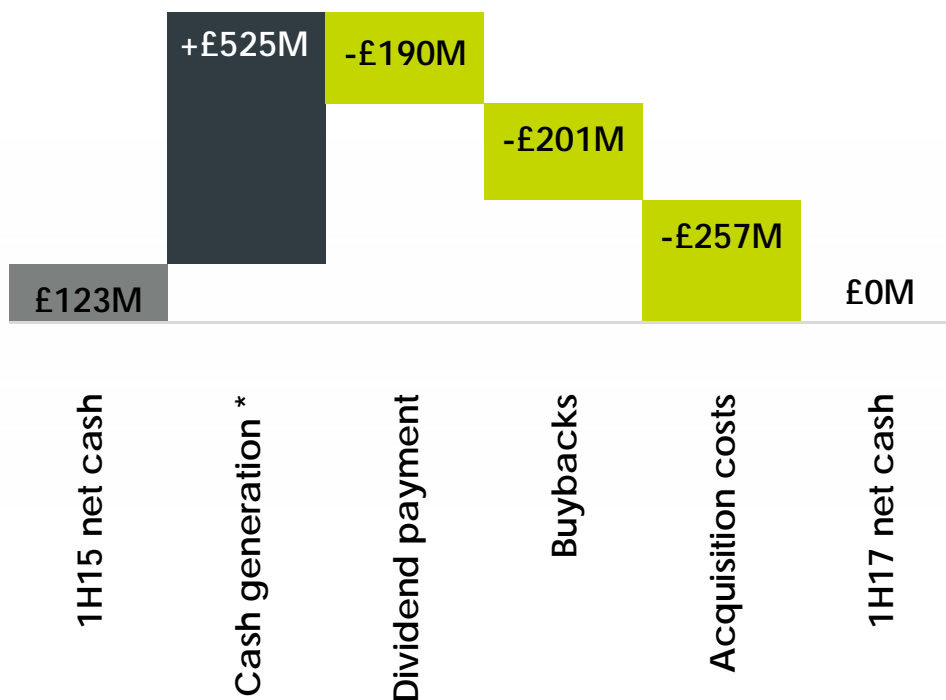


Strong balance sheet – Prudent & retaining firepower for M&A

CASH UTILISATION

STRONG PIPELINE OF M&A OPPORTUNITIES

CASH UTILISATION 1H 15 – 1H 17



Successful M&A deals over the past 12 months

Given attractive acquisition pipeline, no further buyback at this stage

Strong balance sheet, scope to lever to c.1x Net Debt/EBITDA for M&A

* Cash generation includes FCF , exceptional cash, impact of exchange rate movements

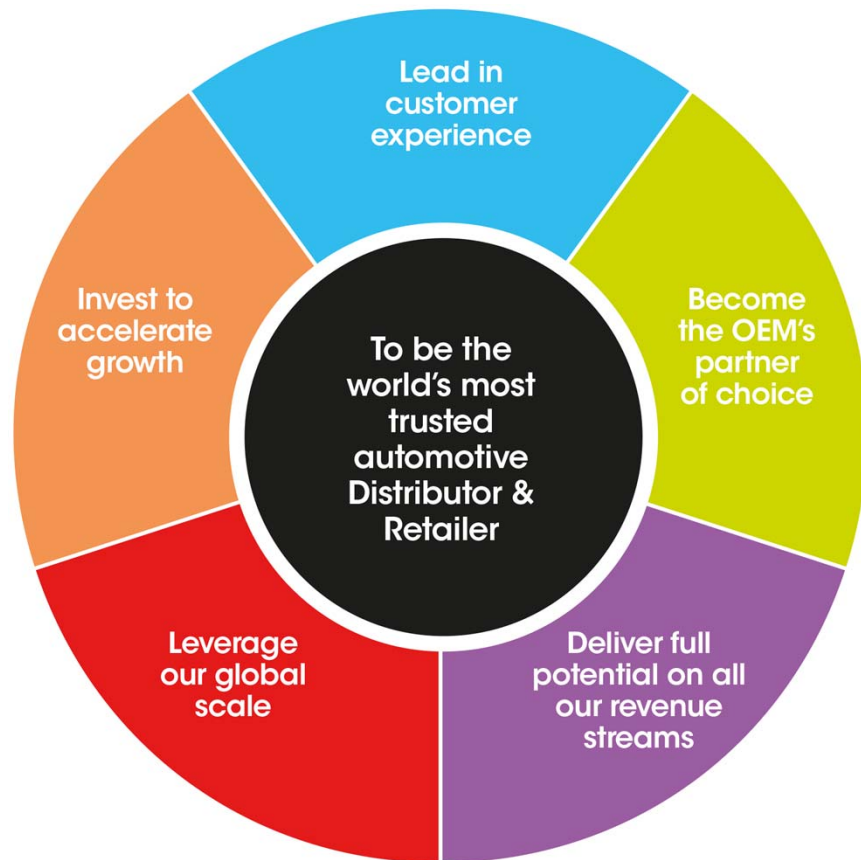


IGNITE STRATEGY UPDATE



STRATEGIC UPDATE

SUPPORTING OUR GROWTH



- ✓ Robust Aftersales profit growth
- ✓ Further procurement savings achieved
- ✓ Acquisition in Estonia with BMW and addition of PSA in Australia
- ✓ South American acquisition trading in-line with expectations
- ✓ Business development and innovation supported by stronger OEM relationships



OPPORTUNITY FOR CONSOLIDATION

INCHCAPE SHARE OF THIS ADDRESSABLE MARKET <1%

8 FOCUS REGIONS WITH c.15M TIV, c.20% OF GLOBAL TOTAL





SOUTH AMERICA UPDATE

INTEGRATION SUCCESS

- Integration process going well
- Subaru Chile growth over H1 +8% YoY
- On track to deliver project-WACC in year 2/3

AREAS OF OPPORTUNITY

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

ATTRACTIVE ACQUISITION

- Positive mix impact to Group margin
- H1 2017 Trading Margin 7.6%
- 8.6x multiple of adjusted 2016 EBITDA*

* Adjusted EBITDA of £27m for the 12 months to 31 December 2016 is stated on an unaudited basis



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%



BECOME THE OEM'S PARTNER OF CHOICE

ACHIEVEMENTS OVER PAST 12 MONTHS



Hino in 2 new markets
Celebrating 50 years
of partnership



Subaru in 4 new markets
Strong market share gain
in Australia



Awarded distribution for
Thailand
UK investment to support growth



Entry into Estonia
BMW Peru awarded No. 1 position for LatAm



UK Parts & Service Award for 2016
'Dealer of the Year' in UK



ROBUST AFTERSALES GROWTH

UK



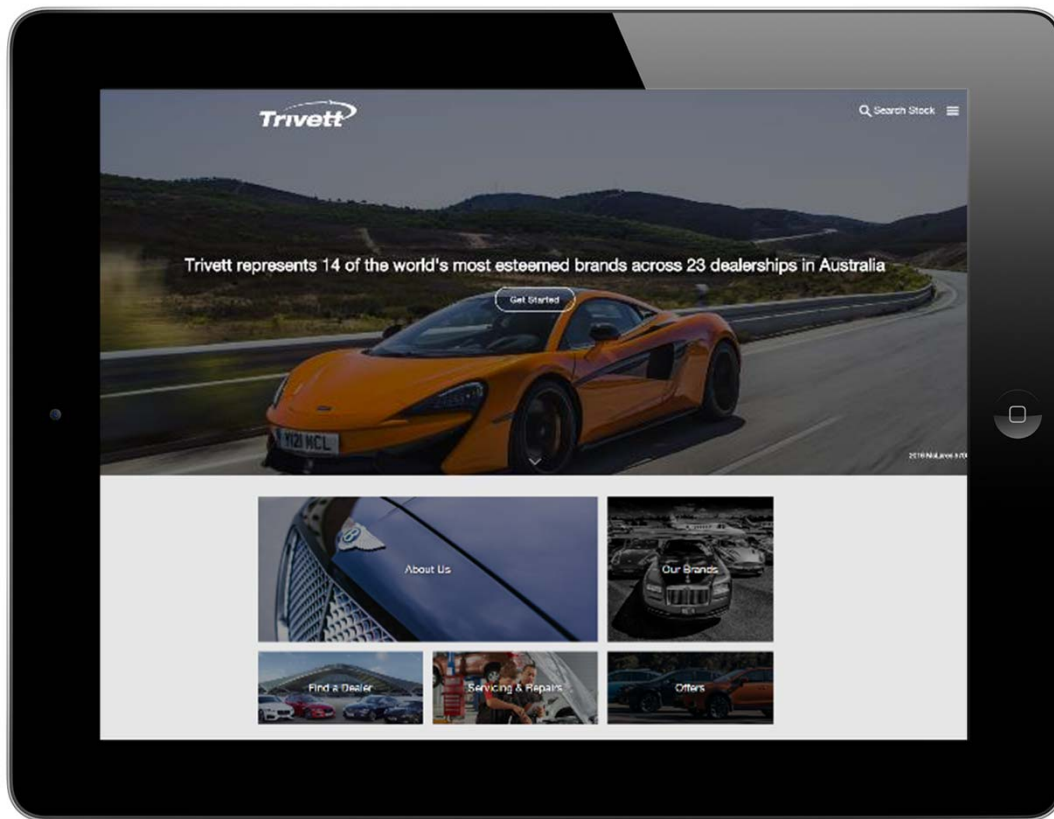
- Capacity increases
- UK technician recruitment drive
 - Ignite diagnostic tool highlighted technician shortage
 - Over > 100 technicians recruited in last 2 months
 - New pay-plan and clear career progression to attract and retain the best technicians
- Continued process improvements
- H1 UK Service GP +5% YoY

H1 Gross Profit
+8% (ex Acqn*)





USED GROWTH OPPORTUNITY



UK PILOTS TRIALS



- UK Used Gross profit +10%
- Pilots complete in Audi Swindon and Cheshire Oaks
- Successful start, rolling out across brands
- Centralised pricing, dynamic to market

AUSTRALIA – TRIVETT DIRECT



- Warehouse location
- Low overhead model
- Average GP Margin 12.2%



ENHANCING THE CUSTOMER EXPERIENCE

INCHCAPE EXPERIENCE

DIGITAL

- Global framework created
- Detailed guidelines for regions

SATISFACTION MONITORING

- Enhanced NPS measurement
- Supplemented by external reviews

EVOLUTION OF SALES PROCESS

- Proprietary research conducted on global 'pinch-points' for customers
- Countermeasures developed for global implementation

PILOTS

SHOWROOM EXPERIENCE



- Mall-based showroom (Australia)
- Experience-led retail sales process (UK)

OWNERSHIP EXPERIENCE



- Global implementation in coordination with OEM partners



LEVERAGE GLOBAL SCALE



COST BASE

DRIVING EFFICIENCY FROM OUR 29 MARKETS

Procurement savings on c.£400m cost base progressing well

£14m annualised savings achieved (vs. £7m at FY16)*



REVENUE AND GROSS MARGIN

BETTER SHARING OF KNOWLEDGE

Finance & Insurance (F&I) global review on product opportunity conducted

Multi-year opportunity



LOOKING AHEAD

2017 OUTLOOK

Portfolio of markets support growth opportunity

- Increased Emerging Markets presence
- Slower New Vehicle trend expected in some mature markets

Ignite strategy contributing well to growth

- Annualised procurement savings
- Strong pipeline of M&A opportunities
- Further consolidation of Indumotora profit
- Continued growth in Aftersales and Used Vehicles

Fixed cost savings continuing to accrue (Asia, Europe/UK)

Yen H1 transactional headwind of c.£20m becomes a c.£10m tailwind in H2

SOLID
CONSTANT
CURRENCY
PERFORMANCE
EXPECTED
IN 2017



CONCLUSION



Predominantly
Distribution in
Asia Pacific &
Emerging Markets



Strongly cash
generative
business model



Driving performance
for our partners and
creating value for
shareholders



Significant growth
opportunities from
our Ignite strategy



APPENDIX

REGIONAL TIV SUMMARY

REGION	2014 Actual	2015 Actual	2016 Actual	2017 Est
Australia	(2)%	4%	2%	1%
Greece	23%	7%	4%	5%
Belgium	0%	2%	8%	3%
Eastern Europe	13%	6%	19%	10%
Singapore	39%	66%	41%	(5)%
Hong Kong	12%	10%	(21)%	0%
South America*	(4)%	(12)%	(1)%	5%
Russia	(10)%	(36)%	(11)%	0%

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

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