4 September 2018

Cambria Automobiles plc

("Cambria" or the "Group")

AIM: CAMB

Trading Update and Notice of Preliminary Results

The Board of Cambria is pleased to announce its trading for the 11 months to 31 July 2018.

The Group maintained its solid financial performance that was delivered in the first half and its trading in the 11 months to 31 July 2018 was in line with management's expectations. This performance was delivered alongside significant franchising additions, changes and site developments which have made good progress during the period. Whilst the results are behind prior year, as previously flagged due to the pressures in the new car market, the Board is confident of delivering a full year result in line with market expectations.

Franchise and Property Portfolio Update

The Group has had a busy 2018, opening two fully refurbished Bentley dealerships and one Lamborghini site, while also establishing McLaren in a start-up facility at the Group's Hatfield location.

Management are also delighted to announce that the Group's second Lamborghini dealership, which has been developed at Royal Tunbridge Wells, is scheduled to officially open on 6 November 2018. This showroom sits alongside the newly developed Bentley dealership and enhances an existing Group freehold property. This new opening increases the Group's representation in the High Luxury Segment to three Aston Martin, two Bentley, two Lamborghini and one McLaren franchise.

The Group is also pleased to announce that in September 2018, it will be opening its first Peugeot dealership in Warrington to replace the Fiat franchise on this site.

To facilitate the opening of the two Bentley and two Lamborghini businesses, the Group has closed the Alfa Romeo and Jeep operations and bodyshop in Chelmsford and the Honda and Mazda operations and bodyshop in Royal Tunbridge Wells.

In June 2018 the Group closed its loss-making Blackburn location which previously represented Fiat, Alfa Romeo, Renault and Volvo. The freehold element of the site is now being marketed for sale.

During the period, eight franchised outlets and two bodyshops, representing approximately 18% of the Group's operations, were either closed or re-franchised which caused significant disruption in day to day activity.

In July 2018 the Group completed the Jaguar Land Rover Arch concept development in Swindon and relocated its Jaguar dealership from the adjoining facility and the Land Rover operation from its previous site in Royal Wootton Bassett. The freehold of the Royal Wootton Bassett facility is in the process of being sold subject to planning consent for change of use.

The construction of the Group's Jaguar, Land Rover, Aston Martin and McLaren dealership on one site in Hatfield commenced in February 2018. The development is progressing well and the Group will take occupation of the Jaguar Land Rover dealership in mid-December and the Aston Martin and McLaren dealerships in January 2019.

Trading Update

The Group's adjusted profit for the 11 months to 31 July 2018 is behind that achieved in the prior year, consistent with the first half to 28 February 2018 being 14.3% down year on year. The Board is pleased that despite continued pressure in the new car market seen during the second half, the Group continued to deliver a solid financial performance with used car and aftersales performing well. Focusing on the like-for-like businesses for the 11 months, the trading performance is down 6.4% year on year with the reduced new car performance partially offset by improvements in used cars and aftersales.

Used vehicle sales continued to perform well and whilst unit sales were down 6.6% (like-for-like unit sales down 2.6%) following the closure of Swindon Motor Park part way through last year and the franchising changes outlined above, the marginal reduction in units has been more than offset by improved profit retention with gross profit per unit on both a total and like-for-like basis continuing to increase significantly. This performance has again enhanced the profit from the used car segment of the business year on year.

The Group's aftersales operations increased revenue by 2.5% (like-for-like up 5.1%), with gross profit up by 3.8% year on year (like-for-like up 7.1%).

Whilst new vehicle unit sales for the 11 months were down 16.8% (like-for-like down 14.6%), the gross profit per retail unit improved over the same period as a result of mix shift to the premium and high luxury businesses, however in the Group's like-for-like businesses the new gross profit per unit was down 3.2% against the background of margin pressure in the market.

The government's clean air policy narrative and the inconsistent messaging around the forward-looking position on diesel engines has created a reduction in consumer demand for diesel vehicles which formed 47.7% of the new car market in 2016 and 42% in 2017. This figure has now reduced to 32.5% for the seven months to July 2018. The new car market in 2017 was down 5.7% to 2.54m units from the 2016 record registration levels of 2.69m and in the seven months to the end of July the new car market was down 5.5% on 2017.

The changes in the emissions testing regulations to Worldwide Harmonised Light Vehicle Testing Procedures ("WLTP") which is effective from 1 September has led to each manufacturer assessing its vehicle production or import strategy and this has created some volatility in new car vehicle supply heading towards 1 September. The potential for vehicle supply constraints with certain manufacturers is anticipated to extend into quarters 3 and 4 in 2018.

Heading into the important September trading period, the new car order book is building in line with our expectations.

Outlook

The general uncertainty in the consumer environment remains, as does the pressure that vehicle manufacturers are under as a result of the current Sterling exchange rate and new car supply volatility. The Board is confident that the franchising changes and property developments delivered in the period will add value and lead to growth in the coming year.

The Group will announce its Preliminary Results for the year to 31 August 2018 on 21 November 2018.

Mark Lavery, Chief Executive of Cambria Automobiles plc, commented:

"I am pleased that we continue to deliver solid financial results in a difficult market which has not been helped by the government's inconsistent messaging around its forward-looking position on diesel engines. Whilst the Group's financial results are behind prior year, as previously flagged due to the pressures in the new car market, the Board is confident of delivering a full year result in line with market expectations.

"The team has had a busy 2018 thus far with a number of franchising changes and delivery of major property refurbishments and developments. Whilst the property and franchising initiatives have impacted the current financial year, they leave the Group well placed with a significantly enhanced property portfolio and an increase in representation in the High Luxury Segment. The addition of two Bentley, two Lamborghini and one McLaren franchise have helped diversify the Group's brand portfolio while also providing a significant opportunity as these businesses mature in their new sites. The Board is confident the platform is now in place to drive future growth."

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About Cambria - www.cambriaautomobilesplc.com

Cambria Automobiles ("Cambria") was established in 2006 and has built a balanced portfolio of high luxury, premium and volume car dealerships, representing major brands across the UK. The Group's businesses are autonomous and trade under local brand names, including County Motor Works, Dees, Doves, Grange, Invicta, Motorparks and Pure Triumph.

The Group's strategy is to complement its existing franchise and brand portfolio by acquiring earnings enhancing operations, using its strong balance sheet and disciplined approach to capital allocation.

Cambria's medium term ambition is to create a £1 billion turnover business with a balanced Brand portfolio producing attractive returns on capital.