

Embargoed for release at 0700 hours

13 May 2014

**Cambria Automobiles plc**  
("Cambria" or the "Group")

**Unaudited Interim Results 2014**

Cambria Automobiles plc (AIM: CAMB), the franchised motor retailer, is pleased to announce its unaudited interim results for the six months ended 28 February 2014, which show revenue and profits well ahead of the comparable period in the prior year.

**Financial highlights:**

- Revenue increased to £204.8m (H1 2013: £179.1m) - up 14.3%
- Underlying profit before tax\* at £2.02m (H1 2013: £1.39m) - up 45%
- Underlying earnings per share\* increased to 1.56p (H1 2013: 1.04p) - up 50%
- Strong operational cash flows, resulting in a cash position of £12.99m (H1 2013: £9.67m) and net debt of £0.7m (H1 2013: £3.0m) after £6.7m of capital expenditure
- Strong balance sheet with net assets of £25.8m
- Interim dividend maintained at 0.1p

\* *These items exclude non-recurring expenses of £nil (2013:£0.08m)*

**Operational highlights:**

- New vehicle sales up 17.1% - well ahead of overall growth in the UK market at 10.3%
- Used vehicle sales up 9% with a 3.7% improvement in profit per unit
- Aftersales accounted for 13.3% and 44.4% of Group revenue and gross profit respectively
- £6.3m invested in the property estate, reducing annual rental costs by £0.3m
  - Acquisition of freehold interest in Fiat and Nissan dealership in Warrington for £2.3m
  - Acquisition of freehold interest in Ford dealership in Croydon plus additional land for future franchise expansion opportunity for £4m

**Mark Lavery, Chief Executive of Cambria, said:**

"This is a pleasing result for the Group. We have improved performance across all areas of the business and outperformed a growing UK new car market. Post period end, trading results in the key month of March were ahead of plan and the previous year and the Board is confident of maintaining momentum in the second half.

"In line with our strategy to improve the favourable mix of Cambria's portfolio, we continue to focus on further strengthening the Group's position in luxury and premium brands and are actively exploring acquisition opportunities which have the potential to fulfil our ambitions."

**-Ends-**

**For further information, contact:**

**Cambria Automobiles plc** 01707 280 851  
Mark Lavery, Chief Executive  
James Mullins, Finance Director

**N+1 Singer - NOMAD & Joint Broker** 020 7496 3000  
Jonny Franklin-Adams / Nick Owen / Jen Boorer

**Panmure Gordon - Joint Broker**  
Joanne Lake / Peter Steel 0113 357 1150  
Adam Pollock 020 7886 2500

**Tavistock Communications** 020 7920 3150  
Catriona Valentine / Keeley Clarke / Emma Blinkhorn

**About Cambria - [www.cambriaautomobilesplc.com](http://www.cambriaautomobilesplc.com)**

Cambria was established in 2006 with a strategy to build a balanced motor retail group, through close cooperation with its manufacturer partners and the acquisition and turnaround of underperforming businesses.

The Group now comprises 27 dealerships, representing 42 franchises and 17 brands, in a balanced portfolio spanning the high luxury, premium and volume segments.

The Group operates dealerships across England with a geographical spread from the North West through the Midlands, down to Kent in the South East and across as far as Exeter in the South West, trading under local brand names, including, County Motor Works, Dees, Doves, Grange, Invicta, Motorparks and Pure Triumph.

Cambria's brand portfolio currently comprises Abarth, Alfa Romeo, Aston Martin, Chrysler Jeep, Citroen, Dacia, Ford, Fiat, Honda, Jaguar, Mazda, Nissan, Renault, Seat, Triumph, Vauxhall and Volvo.

The Group's success in turning around underperforming dealerships has enabled Cambria to build a strong balance sheet. As a result, the Group is now in a position to consider acquisitions which are earnings enhancing from the outset, further strengthening Cambria's brand portfolio mix and progressing towards its stated ambition to create a Group with annual revenues of over £1 billion.

## CHIEF EXECUTIVE'S REVIEW

### Introduction

The substantial improvements in Cambria's operating and financial performance, as announced in the results for the full year ended 31 August 2013, have continued into the first half of the current financial year with the Group delivering strong results across all areas of the business. This performance was delivered against an increasingly supportive backdrop in the UK with a buoyant new car market and a consumer environment showing real signs of recovery.

### Financials

#### Highlights:

<b>All numbers are £m unless otherwise shown</b>	<b>Six months ended 28 February 2014</b>	Six months ended 28 February 2013
Revenue	<b>204.8</b>	179.1
Underlying EBITDA*	<b>3.0</b>	2.4
Underlying operating profit*	<b>2.2</b>	1.7
Underlying profit before tax*	<b>2.0</b>	1.4
Underlying net profit margin*	<b>0.98%</b>	0.78%
EBITDA	<b>3.0</b>	2.3
Operating profit	<b>2.2</b>	1.6
Profit before tax	<b>2.0</b>	1.3
Net profit margin	<b>0.98%</b>	0.73%
Underlying earnings per share*	<b>1.56p</b>	1.04p
Earnings per share	<b>1.56p</b>	0.97p
Net Assets	<b>25.8</b>	22.2

\* These items exclude non-recurring expenses of £nil (2013:£0.08m)

Revenue in the period increased by 14.3% to £204.8m (H1 2013: £179.1m). Underlying profit before tax increased by 45% to £2.0m (H1 2013: £1.4m). Underlying EBITDA in the period increased to £3.0m (H1 2013: £2.4m). Underlying operating profit was £2.2m (H1 2013: £1.7m), resulting in an operating margin of 1.1% (H1 2013: 0.9%). Underlying earnings per share were 1.56p per share (H1 2013: 1.04p), a significant increase of 50%.

Gross profit increased by 10.1% to £26.1m (H1 2013: £23.7m) but the overall gross profit margin across the Group for the period decreased to 12.7% (H1 2013: 13.2%). This is primarily due to the increased revenue derived from the new vehicle business, which operates at lower margins in comparison with both the used car and aftersales departments.

There were no expenses which the Board considered to be non-recurring in the period (2013: £0.08m relating primarily to acquisition costs). Net finance expenses for the period decreased to £0.23m (H1 2013: £0.30m). The tax charge for the period of £0.46m represented an effective tax rate of 22.95% (H1 2013: 25.8%).

Cambria has a robust balance sheet with net assets of £25.8m (H1 2013: £22.2m), underpinned by £31.6m of freehold and long leasehold property. The Group has only £0.3m of goodwill on the balance sheet, and the remaining intangible fixed assets related to software and software licences. Mortgages amounting to £13.7m are secured against the freehold and long leasehold properties.

The net debt of the Group as at 28 February 2014, was £0.7m (H1 2013: £3.0m), reflecting gross debt of £13.7m (H1 2013: £12.6m) and the cash position of £13.0m (H1 2013: £9.7m).

During this period, the Group generated an operating cash inflow of £3.6m (H1 2013: £2.1m). A total of £6.7m was invested in capital items, £6.3m of which was used to acquire the freehold interests of the Warrington Nissan and Fiat dealership and the Croydon Ford dealership. The purchase of these freeholds reduces external rent by £0.3m and, in the case of the Croydon purchase, secures additional adjoining land to that currently operated by the business which will assist franchise expansion opportunities in the future. The remaining £0.4m included some corporate identity requirements for ongoing franchise standards.

The Group drew down £2.6m of new term loan, secured against the freehold property in Croydon, and serviced debt with £0.8m of mortgage repayments and £0.14m of interest associated with the mortgages. A dividend of £0.4m, relating to the 2013 financial year, was paid in January 2014, following approval at the AGM. The net cash outflow for the period was £1.8m (H1 2013: £1.8m).

### **Dividend**

It is the Group's intention to maintain its policy of paying a dividend in respect of the full financial year, and the Board is pleased to announce the payment of an interim dividend of 0.1p per share. The dividend will be payable on 17 June 2014 to those shareholders on the register on 23 May 2014. The Board aims to maintain a progressive dividend policy, but intends to ensure that the payment of a dividend does not detract from its primary strategy to continue to buy-and-build and grow the Group.

### **Financing acquisitions**

Cambria's strategy is to build on the favourable mix of its portfolio and maintain a good balance of high luxury, premium and volume brands as the Group grows. I am pleased to report that the Group has significant facilities available for further expansion and we have a number of opportunities under review.

## Operations

	Six months ended 28 February 2014				Six months ended 28 February 2013			
	Revenue	Revenue mix	Gross profit	Margin	Revenue	Revenue mix	Gross profit	Margin
	£m	%	£m	%	£m	%	£m	%
New Car	83.5	40.8	5.6	6.7	69.9	39.1	4.6	6.6
Used Car	98.6	48.2	8.9	9.0	85.4	47.7	7.9	9.2
Aftersales	27.3	13.3	11.6	42.4	28.2	15.7	11.2	39.7
Internal sales	(4.7)	(2.3)			(4.4)	(2.5)		
Total	204.8	100.0	26.1	12.7	179.1	100.0	23.7	13.2
Administrative expenses			(23.8)				(22.0)	
Operating profit before non-recurring expenses			2.2				1.7	
Non-recurring expenses			-				(0.1)	
Operating profit			2.2				1.6	

### New Vehicle Sales

	H1 2014	H1 2013	Year-on-year growth
New units	4,640	3,961	17.1%

New vehicle revenue increased by 19.4% to £83.5m (H1 2013: £69.9m) with total new vehicle sales volume up 17.1%. The new vehicle gross profit margin was 6.7% (H1 2013: 6.6%) and there was a £1.0m increase in gross profit.

This performance was delivered against a backdrop of a 10.3% year-on-year increase in new car registrations in the UK for the period 1 September 2013 to 28 February 2014. The private registrations element of the new car market increased 14% year-on-year. The Group's Brand Partners saw a combined 10% increase in their total registrations during the course of the period with some brands experiencing significant volume increases, whilst others experienced reductions. The Group's sale of new vehicles to private individuals was 18.8% higher year-on-year at 4,067 units, supported by strong consumer offers from the manufacturers. New commercial vehicle sales increased by 28.1% to 378 units and new fleet vehicle sales fell by 19.4% to 195 units, with both being transacted at lower margins than retail units.

### Used Vehicle Sales

	H1 2014	H1 2013	Year-on-year growth
Used units	6,906	6,333	9.0%

We have delivered another improved performance in used vehicle sales. Revenues increased by 15.5% to £98.6m (H1 2013: £85.4m) and the number of units sold rose by 9.0%. The gross profit on used vehicles increased by 12.7% to £8.9m (H1 2013: £7.9m), with the profit per unit sold increasing by 3.7%.

## **Aftersales**

	<b>H1 2014</b>	H1 2013	<b>Year-on-year growth</b>
Service hours	<b>155,608</b>	142,525	<b>9.2%</b>

Aftersales revenue decreased 3.2% year on year to £27.3m (H1 2013: £28.2m), and the related gross profit increased to £11.6m (H1 2013: £11.2m). This was due to a reduction in the sale of Parts and specifically one trade account, whereas revenue from the service and bodyshop business increased. The overall aftersales margin, however, increased from 39.7% to 44.4% as a result of this movement in mix towards the service element of the aftersales revenue. The aftersales departments contributed 44.4% of the Group's overall gross profit.

The Group continues to review its processes for ensuring that it engages with all its Guests to maximise the interaction opportunities through the Guest Relationship Management programme. This is Cambria's contact strategy which involves the sale of our Warranty for Life product, service plans and delivery of service and MOT reminders in a structured manner, utilising all forms of digital media and traditional communication methods.

## **Outlook**

The UK market has enjoyed over 24 months of year-on-year growth in new car registrations and this momentum was maintained during the crucial plate change month of March, which produced the largest number of new car registrations since 2004 - up 17.7% year-on-year. The stable financial outlook in the UK is allowing vehicle manufacturers to continue to deliver strong consumer offers, which represent attractive propositions for Guests to acquire new cars. Whilst manufacturers continue to have both vehicle availability and strong consumer offers, we expect the new car market in the UK to remain robust.

Cambria's continued cash generation and strong balance sheet leave the Group well positioned to protect and develop its balanced Brand portfolio. The Board continues to focus on opportunities to strengthen the Group's position in luxury and premium brands and is actively pursuing acquisition opportunities which have the potential to fulfil these ambitions.

The Group's performance in the all-important month of March was both ahead of our business plan and the previous year. The Board is confident that Cambria will maintain this momentum and continue to deliver improved performances across all its departments. The Company continues to trade in line with market expectations.

**Mark Lavery**  
**Chief Executive**  
**13 May 2014**

**Consolidated Statement of Comprehensive Income**  
for the six months ended 28 February 2014

	<i>Notes</i>	<b>6 months to 28 February 2014 £000</b>	<b>6 months to 28 February 2013 £000</b>	12 months to 31 August 2013 £000
Revenue		204,821	179,083	395,776
Cost of Sales		(178,748)	(155,385)	(344,550)
<b>Gross Profit</b>		<b>26,073</b>	<b>23,698</b>	51,226
Administrative expenses		(23,827)	(22,087)	(46,680)
<b>Results from operating activities</b>		<b>2,246</b>	<b>1,611</b>	4,546
Finance income		39	25	60
Finance expenses		(264)	(327)	(580)
<b>Net finance expenses</b>		<b>(225)</b>	<b>(302)</b>	(520)
<b>Profit before tax</b>				
<b>before non-recurring expenses</b>		<b>2,021</b>	<b>1,395</b>	4,128
<b>Non-recurring expenses</b>		-	(36)	(102)
<b>Transaction costs on Business Combinations</b>		-	(50)	-
<b>Profit before tax</b>		<b>2,021</b>	<b>1,309</b>	4,026
Taxation	5	(464)	(338)	(534)
<b>Profit and total comprehensive income for the period</b>		<b>1,557</b>	<b>971</b>	3,492
Basic and diluted earnings per share	4	<b>1.56p</b>	<b>0.97p</b>	3.49p

**Consolidated Statement of Changes in Equity**  
*for the six months ended 28 February 2014*

	Share Capital £000s	Share premium £000s	Retained earnings £000s	Total Equity £000s
<b>For the 6 months ended 28 February 2014</b>				
Balance at 31 August 2013	10,000	799	13,834	24,633
Profit for the period	-	-	1,557	1,557
Dividend paid	-	-	(400)	(400)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 28 February 2014</b>	<b>10,000</b>	<b>799</b>	<b>14,991</b>	<b>25,790</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>For the 12 months ended 31 August 2013</b>				
Balance at 31 August 2012	10,000	799	10,742	21,541
Profit for the period	-	-	3,492	3,492
Dividend paid	-	-	(400)	(400)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 August 2013</b>	<b>10,000</b>	<b>799</b>	<b>13,834</b>	<b>24,633</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>For the 6 months ended 28 February 2013</b>				
Balance at 31 August 2012	10,000	799	10,742	21,541
Profit for the period	-	-	971	971
Dividend paid	-	-	(300)	(300)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 28 February 2013</b>	<b>10,000</b>	<b>799</b>	<b>11,413</b>	<b>22,212</b>
	<hr/>	<hr/>	<hr/>	<hr/>



**Consolidated Statement of Financial Position**  
*as at 28 February 2014*

	As at 28 February 2014 £000	As at 28 February 2013 £000	As at 31 August 2013 £000
<b>Non-current assets</b>			
Property, Plant & equipment	34,305	28,860	28,353
Intangible assets	355	371	356
Deferred tax asset	618	626	618
	<hr/>	<hr/>	<hr/>
	<b>35,278</b>	29,857	29,327
	<hr/>	<hr/>	<hr/>
<b>Current assets</b>			
Inventories	78,942	69,059	66,248
Trade and other receivables	8,408	8,063	8,038
Cash & Cash equivalents	12,985	9,668	14,754
	<hr/>	<hr/>	<hr/>
	<b>100,335</b>	86,790	89,040
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>135,613</b>	116,647	118,367
	<hr/>	<hr/>	<hr/>
<b>Current liabilities</b>			
Other interest bearing loans and borrowings	(1,810)	(1,738)	(1,550)
Trade and other payables	(95,352)	(80,600)	(81,126)
Taxation	(306)	(683)	(251)
Provisions	(31)	(41)	(41)
	<hr/>	<hr/>	<hr/>
	<b>(97,499)</b>	(83,062)	(82,968)
	<hr/>	<hr/>	<hr/>
<b>Non-current liabilities</b>			
Other Interest Bearing loans and borrowings	(11,885)	(10,900)	(10,317)
Provisions	-	(34)	(10)
Other payables	(439)	(439)	(439)
	<hr/>	<hr/>	<hr/>
	<b>(12,324)</b>	(11,373)	(10,766)
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>(109,823)</b>	(94,435)	(93,734)
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>	<b>25,790</b>	22,212	24,633
	<hr/>	<hr/>	<hr/>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	10,000	10,000	10,000
Share premium	799	799	799
Retained earnings	14,991	11,413	13,834
	<hr/>	<hr/>	<hr/>
	<b>25,790</b>	22,212	24,633
	<hr/>	<hr/>	<hr/>

**Consolidated Cash flow statement**  
for the six months ended 28 February 2014

	6 months to 28 February 2014 £000	6 months to 28 February 2013 £000	12 months to 31 August 2013 £000
<b>Cash flows from operating activities</b>			
Profit for the period	1,557	971	3,492
Adjustments for:			
Depreciation, amortisation and impairment	731	685	1,429
Finance income	(39)	(25)	(60)
Finance expense	264	327	580
Loss on sale of property, plant and equipment	-	-	1
Taxation	464	338	534
Non recurring expenses	-	86	102
	<hr/> 2,977	<hr/> 2,382	<hr/> 6,078
(Increase) in trade and other receivables	(370)	(940)	(915)
(Increase) in inventories	(12,694)	(11,617)	(8,806)
Increase in trade and other payables	14,226	12,704	13,215
(Decrease)/increase in provisions	(20)	(20)	(44)
	<hr/> 4,119	<hr/> 2,509	<hr/> 9,528
Interest paid	(118)	(184)	(287)
Taxation paid	(409)	(114)	(735)
Non recurring expenses	-	(86)	(102)
	<hr/> 3,592	<hr/> 2,125	<hr/> 8,404
Net cash flow from operating activities	<hr/> 3,592	<hr/> 2,125	<hr/> 8,404
<b>Cash flows from investing activities</b>			
Interest received	39	25	60
Acquisition of branch by trade and assets purchase	-	(1,209)	(1,209)
Acquisition/purchase of property, plant and equipment	(6,683)	(3,598)	(3,806)
	<hr/> (6,644)	<hr/> (4,782)	<hr/> (4,955)
Net cash flow from investing activities	<hr/> (6,644)	<hr/> (4,782)	<hr/> (4,955)
<b>Cash flows from financing activities</b>			
Proceeds of new loan	2,600	1,960	1,980
Interest paid	(146)	(143)	(293)
Repayment of borrowings	(771)	(695)	(1,485)
Dividend paid	(400)	(300)	(400)
	<hr/> 1,283	<hr/> 822	<hr/> (198)
Net cash inflow/(outflow) from financing activities	<hr/> 1,283	<hr/> 822	<hr/> (198)
Net increase/(decrease) in cash and cash equivalents	(1,769)	(1,835)	3,251
Cash and cash equivalents at start of period	14,754	11,503	11,503
	<hr/> 12,985	<hr/> 9,668	<hr/> 14,754
Cash and cash equivalents at end of period	<hr/> 12,985	<hr/> 9,668	<hr/> 14,754

## **Notes**

### **1 General information**

Cambria Automobiles plc is a company which is listed on the Alternative Investment Market (AIM) and is incorporated and domiciled in the United Kingdom. The address of the registered office is Swindon Motor Park, Dorcan Way, Swindon, SN3 3RA. The registered number of the company is 05754547.

These interim financial statements as at and for the six months ended 28 February 2014 comprise the Company and its subsidiaries (together referred to as the "Group") and have been prepared in accordance with Adopted International Financial Reporting Standards as Adopted by the EU ("Adopted IFRS").

The financial statements for the period ended 28 February 2014 have neither been audited nor reviewed by the auditors. The financial information for the year ended 31 August 2013 has been based on information in the audited financial statements for that period.

This unaudited interim financial report does not comply with IAS 34 'Interim Financial Reporting' which is not required to be applied under the AIM rules.

### **2 Accounting policies**

The Group's principal activity is the sale and servicing of motor cars and the provision of ancillary services. The accounting policies adopted in this interim financial report are consistent with the Group's financial report for the year ended 31 August 2013 and can be found on our website:

[www.cambriaautomobilesplc.com](http://www.cambriaautomobilesplc.com).

**Notes (continued)**

**3 Operating Segments**

**Segmental reporting**

The Group complies with IFRS 8 'Operating Segments' which determines and presents operating segments based on information presented to the Groups Chief Operating Decision Maker ("CODM"), the Chief Executive. The Group is operated and managed on a Dealership by Dealership basis. The CODM receives information both on a dealership basis and by revenue stream (New, Used, Aftersales). Given the number of dealerships, it was deemed most appropriate to present the information by revenue stream for the purposes of segmental analysis.

	6 months ended 28 February 2014				6 months ended 28 February 2013			
	Revenue	Revenue mix	Gross Profit	Margin	Revenue	Revenue mix	Gross Profit	Margin
	£m	%	£m	%	£m	%	£m	%
New Car	83.5	40.8	5.6	6.7	69.9	39.1	4.6	6.6
Used Car	98.6	48.1	8.9	9.0	85.4	47.7	7.9	9.2
Aftersales	27.3	13.3	11.6	42.4	28.2	15.7	11.2	39.7
Internal sales	(4.7)	(2.3)			(4.4)	(2.5)		
Total	204.8	100.0	26.1	12.7	179.1	100.0	23.7	13.2
Administrative expenses			(23.8)				(22.0)	
Operating profit before non-recurring expenses			2.2				1.7	
Non-recurring expenses			-				(0.1)	
Operating profit			2.2				1.6	

The CODM reviews the performance of the business in terms of both net profit before tax and EBITDA, as such the following table shows a reconciliation of EBITDA to the Profit before tax.

	6 months to 28 February 2014	6 months to 28 February 2013
	£000	£000
Profit Before Tax	2,021	1,309
Net finance expense	225	302
Depreciation	731	685
	<hr/>	<hr/>
EBITDA	2,977	2,296
Non-recurring expenses	-	86
	<hr/>	<hr/>
Underlying EBITDA	2,977	2,382
	<hr/>	<hr/>

## Notes (continued)

### 4 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity shareholders by the number of ordinary shares in issue in the period. There is one class of ordinary share with 100,000,000 shares in issue.

There are no dilutive share options in issue.

	6 months to 28 February 2014 £'000	6 months to 28 February 2013 £'000	Year ended 31 August 2013 £'000
Profit attributable to shareholders	1,557	971	3,492
Non-recurring expenses	-	86	102
Tax on adjustments (at 22.95%) (H1 2013: 25.8%)	-	(22)	(24)
	<hr/>	<hr/>	<hr/>
Adjusted profit attributable to equity shareholders	1,557	1,035	3,570
	<hr/>	<hr/>	<hr/>
Adjusted number of share in issue ('000s)	100,000	100,000	100,000
	<hr/>	<hr/>	<hr/>
Basic earnings per share	1.56p	0.97p	3.49p
	<hr/>	<hr/>	<hr/>
Adjusted earnings per share	1.56p	1.04p	3.57p

### 5 Taxation

The tax charge for the six months ended 28 February 2014 has been provided at the effective rate of 22.95% (H1 2013: 25.8%).

The group has an arrangement with the vendors of Cambria Automobiles (South East) Limited, which was acquired in the year ended 31 August 2008, under which an amount equal to any tax benefit received by the Group in relation to tax losses that existed at the date of acquisition must be paid to the vendors as additional consideration. A liability for the contingent consideration payable to the vendors has been recognised at its fair value.