

4 March 2020

Cambria Automobiles plc
("Cambria" or the "Group")
AIM: CAMB

Pre-close Trading Update and notice of Interim Results

The Board of Cambria provides the following update on its franchising developments and trading for the five months to 31 January 2020:

The Group's trading performance in the first five months of the current financial year has been in line with the Boards' expectations and ahead of the previous year.

Trading update

During the trading period, the new car market has been significantly affected by a number of factors including the impact of recent changes to the emissions regulations. The manufacturers are adjusting vehicle production and supply in order to meet the challenging emissions objectives and minimise the fines that will be levied upon them for exceeding those targets.

The total new car market was down 1.5% during the period with private registrations down 5.3%. The diesel segment has been worst hit, continuing its decline in share, with registrations down another 18.6% for the period as a result of the continued negative sentiment and Government policy towards diesel engine technology. Diesel engines now account for 26.6% of the market compared to 42% in 2017.

The Group's sales of new retail units to private guests in the period were down 9.8% while total new vehicle unit sales, including fleet and commercial, were down 11%. The Group's change in franchise mix towards the High Luxury Segment continued to help enhance the profit per unit on each vehicle supplied during the period. As a result, the total profit from the new car department of the business was in line with previous year.

Used vehicle unit sales continued to perform well, up 4.4% compared with the same period in the prior year and have been well supported by continued improvement in gross profit per unit.

Overall, the Group's aftersales operations delivered a stable performance, with revenue increasing by 2.0%.

Franchise and Property update

During the first five months of the financial year, the Group has been able to capitalise on the opportunity to deliver the following franchise changes and acquisitions across its portfolio:

- January 2020: Acquisition of one Aston Martin dealership in Edinburgh
- January 2020: Acquisition of one Rolls-Royce dealership in Edinburgh
- February 2020: Refranchising of Volvo Preston into Alfa Romeo and Jeep to create FCA Brand centre in Preston

Outlook

The new car market remains challenging with a number of disruptive factors impacting new car sales. Uncertainty in the lead up to the general election along with the uncertainty around Brexit and the terms of the UK's departure from the EU were two of the main contributing factors. Whilst not a factor in the period, the spread of Coronavirus could have an impact on both new car supply and on new car manufacture in the UK where there is reliance on parts supply, particularly from China. The manufacturers continue to assess the mix of cars that they want to sell in the UK as a result of the challenging emissions regulations and impending fines for emissions in excess of their targets. If the emissions targets for each manufacturer are assessed solely on registrations in the UK post Brexit,

rather than being averaged across Europe, then the challenge for the manufacturers to hit the targets in the UK only becomes even more difficult.

At the time of writing, the March new car order bank is building slower than in the previous year.

The Group will announce its Interim Results for the six months to 29 February 2020 on 6 May 2020.

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

“The performance in the first five months of the financial year has been good despite the significant challenges that the UK consumer sector faces. We have made further progress with our franchising strategy adding our fourth Aston Martin dealership and our first Rolls-Royce dealership, both in Edinburgh. We are delighted to have been successful in acquiring these businesses and look forward to developing our presence in this important market.

“While the new car market remains difficult, our superior brand representation, excellent franchise portfolio and strong balance sheet means that the Group remains well positioned and able to take advantage of any opportunities that may arise.”

-Ends-

Enquiries:

Cambria Automobiles

Mark Lavery, Chief Executive
James Mullins, Finance Director

www.cambriaautomobilesplc.com

Tel: 01707 280851

N+1 Singer - NOMAD & Joint Broker

Mark Taylor

Tel: 020 7496 3000

Zeus Capital - Joint Broker

Dominic King

Tel: 020 7533 7727

FTI Consulting

Alex Beagley / James Styles / Sam Macpherson

Tel: 020 3727 1000

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, comprising over 40 franchises 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 producing attractive returns on capital.