

4 September 2019

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

Pre-close Trading Update, Appointment of Auditor and Notice of Preliminary Results

The Board of Cambria provides the following update on its franchising developments and trading for the eleven-months to 31 July 2019:

The Group's trading performance in the first eleven-months of the current financial year to July 2019 has been significantly ahead of the corresponding period in 2018 and is therefore expected to be ahead of current market expectations for the financial year ended 31 August 2019.

Franchise and Property update

During the course of the 2018 financial year and into the 2019 financial year, the Group was able to capitalise on the opportunity to deliver the following franchise changes across its portfolio:

Financial year 2018 changes:

- Addition of two Bentley dealerships
- Addition of one Lamborghini dealership
- Addition of one McLaren dealership
- To make way for the refranchising of the new facilities, the Group closed the operations that previously occupied these premises
- The Group closed the loss-making Blackburn site which previously represented Alfa Romeo, Fiat, Renault and Volvo
- The franchise changes outlined above have positively impacted the dynamics of the earnings streams given the value of the new cars being sold in the High Luxury Segment (HLS) dealerships in FY19

Financial year 2019 changes:

- September 2018: Opening of Peugeot dealership in Warrington (replacing Fiat)
- November 2018: Opening of the Group's second Lamborghini dealership in Tunbridge Wells, further enhancing its HLS representation (replacing Mazda)
- December 2018: Occupation of the newly completed Hatfield Jaguar Land Rover Arch concept dealership
- December 2018: Disposal of Royal Wootton Bassett freehold following the relocation of Jaguar Land Rover to Swindon in the previous year
- April 2019: Opening of Suzuki dealership in Maidstone (replacing Honda)
- April 2019: Acquisition of land in Brentwood for development of dealership facilities
- May 2019: Opening of Citroen dealership in Oldham (replacing Fiat)
- May 2019: Occupation of Hatfield Aston Martin and McLaren dealership
- June 2019: Opening of Vauxhall dealership in Warrington (replacing Nissan) alongside Peugeot and enhancing the PSA relationship

Trading update

During the trading period, the new car market has been significantly affected by a number of factors including the impact of the changes in the emissions testing regime to WLTP (Worldwide Harmonised Light Vehicle Test Procedure) in the first quarter of the Group's financial year. Sterling weakness has also negatively impacted the imported price of the cars which has led to price increases for many manufacturers.

In the eleven-month period the total new car market was down 6.6%. The diesel segment of the market has been worst hit, continuing its decline in share, with diesel registrations down another 24.4% in the

period as a result of the continued negative sentiment and Government policy towards diesel engine technology. Diesel engines now account for 27.0% of the market compared to 42% in 2017.

Supply side market influences have contributed to a reduction in the Group's new vehicle sales, although this was fully offset by improved gross profit per unit in the like-for-like businesses and further outweighed by the improved gross profit per unit across the total Group. The gross profit per retail unit improved significantly on a total basis as a result of the stronger mix from the new HLS franchised outlets having a full year in the Group (Bentley, Lamborghini and McLaren). The disruption experienced in the previous financial year during the significant refranchising activity has not been experienced in this financial year.

Sales of new retail cars to private guests were down 11.7% (like-for-like down 7.8%). Total New vehicle unit sales for the period were down 18.3% (like-for-like down 15.5%) although the prior year comparative included a low margin commercial vehicle deal which has not been repeated. The change in franchise mix has significantly enhanced the profit per unit. As a result of the improved profit per unit, the total profit from the new car department of the business improved significantly year on year.

Used vehicle sales continued to perform well. The like-for-like units were up 0.8% although the total used unit sales were down 5.1% compared with the same period in the prior year impacted by the significant changes in franchise portfolio mix and closure of the Blackburn site in the prior year. This unit reduction was offset by continued improvement in gross profit per unit. As a result of this improved profit per unit, both the total and the like-for-like profit from the used car department of the business improved year on year.

Overall, the Group's aftersales operations delivered a good performance, with revenue increasing by 4.7% (like-for-like up 1.8%), gross profit up 2.6% year on year (like-for-like up 1.1%) and aftersales contribution up 4.9% (like-for-like up 1.9%).

Change of Auditor

Following a competitive tender process, the Group announces the appointment of UHY Hacker Young as the Group's auditor with immediate effect. During the tender process, the Group's previous auditor, KPMG, was unsuccessful and subsequently resigned as auditor. The Board would like to thank KPMG for their service and looks forward to working with UHY Hacker Young.

Outlook

Whilst challenges remain given the ongoing uncertainty around Brexit and the terms of the UK's departure from the EU, the Group has delivered positive franchising and property development activities over the past two years that have enhanced Cambria's excellent dealership portfolio mix and boosted its earnings capacity. The disruption experienced in the prior year is behind us and we have seen the benefits coming through in the current year performance. These new businesses are still in their infancy, though as they mature, their potential is encouraging.

The Group will announce its Preliminary Results for the year 31 August 2019 on 20 November 2019.

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

"As a Group we have had a successful year, reaping the benefits of our significantly enhanced property portfolio and our excellent, diversified brand mix. The franchising changes undertaken in previous years have given us a strong platform from which to build, with our increased representation in the High Luxury Segment positioning the Group for future growth. Whilst the current economic environment remains uncertain, we continue to make good progress and remain well placed to take advantage of any opportunities to accelerate the Group's growth."

-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.