6 March 2019

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 2019:

The Group's trading performance in the first five months of the current financial year to January 2019 has been ahead of the corresponding period in 2018, both on a total and like-for-like basis.

Franchise and Property update

During the course of 2018, the Group was able to capitalise on the opportunity to deliver a number of franchise changes and subsequently six new franchise developments, with two Bentley, two Lamborghini, one McLaren and one Peugeot franchise added to the Group's operations. These new franchise points are still in their infancy but show clear potential for the future as they become more mature. To make way for the refranchising of the new facilities, the Group closed the operations that previously occupied these premises and also closed the loss-making Blackburn site which previously represented Alfa Romeo, Fiat, Renault and Volvo. The franchise changes outlined above have impacted the dynamics of the earnings streams given the value of the new cars being sold in the High Luxury Segment dealerships.

As previously announced, the major property development for Jaguar Land Rover in Hatfield was completed in December 2018 and the relocation of the separate Jaguar and Land Rover facilities was also concluded in December. The operations are bedding well into the new facility. The completion of the Aston Martin and McLaren facilities at Hatfield is progressing, although it is behind schedule with occupation now timetabled for early April to avoid any impact on the important March trading.

Trading update

During the 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) and the negative impact of the weak sterling position on the imported price of the cars which has led to price increases for many manufacturers. In the five-month period the total new car market was down 10.1%. The diesel segment of the market has been worst hit, continuing its decline in share, with diesel registrations down another 30% in the period as a result of the continued negative sentiment and Government policy towards diesel engine technology. Diesel engines now accounts for 29.3% 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 partially offset by improved gross profit per unit in the like-for-like businesses and fully offset 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 franchised outlets (Bentley, Lamborghini and McLaren).

New vehicle unit sales for the period were down 23.2% (like-for-like down 19.5%) although the prior year comparative included a low margin commercial vehicle deal which has not been repeated. The sales of new retail cars to private guests was down 16.2% (like-for-like down 11.0%). Certain of our volume manufacturer franchises continue to be the largest cause of the reduction in unit sales.

Used vehicle sales continued to perform well. Total used unit sales were down 11.2% (like-for-like units down 3.8%) compared with the same period in the prior year, however this unit reduction was offset by continued improvement in gross profit per unit. The significant changes to our franchise portfolio mix and closure of the Blackburn site in the prior year had a material impact on sales volumes. As a result of the 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 6.67% (like-for-like up 2.6%), gross profit up 4.3% year on year (like-for-like up 2.1%) and aftersales contribution up 9.7% (like-for-like up 7.0%).

Outlook

Whilst challenges remain given the ongoing uncertainty around Brexit and the terms of the UK's departure from the EU, the Group's ongoing franchising and property development activities have enhanced Cambria's excellent dealership portfolio mix and the changes made in the prior year have further benefitted the Group. These new businesses are still in their infancy, though as they mature, their potential is exciting.

The Group will announce its Interim Results for the six months to 28 February 2019 on 9 May 2019.

-Ends-

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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, 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.