9 May 2019

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

Unaudited Interim Results 2019

Strong performance, Group well placed with enhanced franchised portfolio

Cambria Automobiles plc (AIM: CAMB), the franchised motor retailer, is pleased to announce its unaudited interim results for the six months ended 28 February 2019, which show that the Group has performed ahead of the prior year and ahead of management's expectations. The Group has continued to deliver on its Brand portfolio and property strategies in the period. Based on the results of the first half and the March performance, the Board expects that performance for the full financial year will be ahead of current market expectations.

Financial highlights:

- Revenue increased by 4.5% to £308.3m (H1 2018: £295.1m)
- Underlying profit before tax up 14.6% at £5.5m (H1 2018: £4.8m)
- Underlying earnings per share increased 18.1% to 4.51p (H1 2018: 3.82p)
- Underlying net profit margin of 1.79% (H1 2018: 1.63%)
- Positive operational cash flows maintained, with a cash position of £22.9m (H1 2018: £16.1m) and net debt of £3.2m (H1 2018 net debt: £0.4m) following £10.5m of capital investment (£8.6m in freehold property)
- Strong balance sheet with net assets of £60.6m (H1 2018: £53.2m)
- Rolling twelve month return on equity* of 14.99% (H1 2018: 17.38%)
- Interim dividend maintained at 0.25p (H1 2018: 0.25p)

Operational highlights:

- New unit sales to retail customers reduced 16.3% (like-for-like down 10.3%), although gross profit improved as a result of the 21.6% (like-for-like up 2.7%) increase in profit per unit following the improvement in the franchise portfolio mix
- Lower margin Fleet and commercial units reduced 53.1% and 60.8% respectively
- Overall units of new vehicle sales reduced by 23.4% (like-for-like down 19.4%). The unit impact was offset by the increase of 30.6% in average profit per unit resulting from the combination of the like-for-like profit improvement, the improved franchise portfolio mix and the reduction in lower margin fleet and commercial units
- Units of used vehicle sales down 8.8% (like-for like down 1.2%) although gross profit increased as a result of the 11.3% improvement in profit per unit
- Aftersales revenue increased by 6.5% (like-for-like up 2.7%) with improvement in gross profit
- H1 portfolio developments included:
    - September 2018: Opening of Peugeot dealership in Warrington

- November 2018: Opening of the Group's second Lamborghini dealership, enhancing High Luxury Segment representation which grew significantly in the previous financial year
    - December 2018: Occupation of the newly completed Hatfield Jaguar Land Rover Arch-Concept dealership
    - December 2018: Disposal of Royal Wootton Bassett freehold following relocation of Jaguar Land Rover to Swindon in previous financial year

- Post period portfolio developments included:
    - April 2019: Opening of Suzuki dealership in Maidstone
    - April 2019: Acquisition of land in Brentwood for development of dealership facilities
    - May 2019: Opening of Citroen dealership in Oldham
    - May 2019: Occupation of completed Hatfield Aston Martin and McLaren dealership

** underlying profit after tax as a proportion of Average Shareholder's funds*

Mark Lavery, Chief Executive of Cambria, said:

"I am pleased with the Group's financial results in the first half, which despite the economic backdrop, general consumer uncertainty, continued inconsistent messaging around diesel engines and cost pressures, were ahead of our expectations and substantially ahead of last year.

"The significant disruption incurred in the prior year as a result of the Group's refranchising activity is behind us and we are now starting to see the benefit of these changes coming through. Our level of activity undertaken with our property development and refranchising efforts should not be underestimated and whilst the new franchises are still in their infancy, the potential earnings streams from these businesses is encouraging. Aside from the High Luxury Segment additions, we are also making positive steps in refranchising some of the Group's underperforming franchises.

"Whilst the current economic environment remains uncertain, we are making good progress and remain well placed to accelerate the Group's growth as a result of our robust underlying business model and enhanced franchised portfolio. Based on the results of the first half and the March performance, the Board expects that performance for the full financial year will be ahead of current market expectations."

This announcement contains inside information.

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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.

CHIEF EXECUTIVE'S REVIEW

Introduction

I am pleased to report an improved set of results for the period, delivering underlying profit before tax of £5.5m, up 14.6% on the prior year. The results in the first half of our 2019 financial year have shown sustained improvement in our used car and aftersales businesses and a stabilisation in new car profitability notwithstanding the reduction in new car volumes.

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 we are encouraged by their potential for the future as they 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 positively impacted the dynamics of the earnings streams given the value of the new cars being sold in the High Luxury Segment dealerships.

Subsequent to the end of the first half, the Group has continued to review its franchise mix and has added the Citroen franchise in Oldham, the Suzuki franchise in Maidstone and the Vauxhall franchise in Warrington alongside its Peugeot franchise.

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 at that time. The operations are bedding well into the new facility. The completion of the Aston Martin and McLaren facilities at Hatfield has also been achieved with Aston Martin taking occupation in early April and McLaren taking occupation in early May.

Financial highlights:

	Six months ended 28 February 2019	*Six months ended 28 February 2018*	*Change*
Revenue	**£308.3m**	£295.1m	+4.5%
Underlying EBITDA*	**£7.7m**	£6.4m	+20.3%
Underlying operating profit*	**£6.1m**	£5.3m	+15.1%
Underlying profit before tax*	**£5.5m**	£4.8m	+14.6%
Underlying net profit margin*	**1.79%**	1.63%	+16bps
Underlying earnings per share*	**4.51p**	3.82p	+18.1%
Non-recurring income/(expense)*	**£0.2m**	(£0.3m)	
EBITDA	**£7.9m**	£6.1m	+29.5%
Operating profit	**£6.4m**	£5.0m	+28.0%
Profit before tax	**£5.8m**	£4.5m	+28.8%
Net profit margin	**1.87%**	1.54%	+33bps
Earnings per share	**4.72p**	3.61p	+30.7%

**Underlying numbers exclude non-recurring net income of £0.2m in 2019 relating to the profit on sale of Royal Wootton Bassett less closure cost of Blackburn. In 2018 they exclude an expense of £0.3m relating to the closure of businesses for the redevelopment and refranchising of sites.*

Underlying profit before tax was up 14.6% to £5.5m (H1 2018: £4.8m) with the Group's net profit margin at 1.79%. Removing the impact of the closed businesses and newly opened businesses gives a like-for-like underlying profit before tax of £5.8m (H1 2018: £5.6m).

Underlying operating profit increased 15.1% to £6.1m (H1 2018: £5.3m), which resulted in an operating margin of 1.98% (H1 2018: 1.8%). Underlying earnings per share were 4.51p (H1 2018: 3.82p).

Gross profit increased by 1.9% to £35.8m (H1 2018: £35.2m) with the new car division down £0.1m; used cars up £0.2m and aftersales up £0.5m. The overall gross profit margin across the Group showed a modest reduction over the previous period, as expected, to 11.6% (H1 2018: 11.9%) as a result of the increased revenue in the new and used car department from increased average transaction prices.

The Board considers the net profit from sales of freehold properties and expenses associated with the business closures, acquisition fees and refranchising activity of £0.2m (H1 2018: expense £0.3m) to be non-recurring.

Net finance expenses for the period increased to £0.62m (H1 2018: £0.46m), partly due to the increased level of borrowing against the enhanced property assets and partly as a result of the increased consignment stock costs. The tax charge for the period of £1m represents an effective tax rate of 18.19% (H1 2018: 20.37%).

Balance sheet

Cambria has a robust balance sheet with net assets of £60.6m (H1 2018: £53.2m), underpinned by £69.7m of freehold and long leasehold property. At the balance sheet date, mortgages amounting to £26.1m were drawn.

The Group had a net debt position as at 28 February 2019 of £3.2m (H1 2018, net debt: £0.4m), reflecting gross debt of £26.1m (H1 2018: £16.5m) and the cash position of £22.9m (H1 2018: £16.1m).

Cash flow

Operating cash generation continues to be a key strength of the business and during the period the Group generated an operating cash inflow of £10.9m (H1 2018: £5.8m). There was a positive £4.6m movement in working capital in the period, £4.5m of which was a result of strong new vehicle deposits ahead of the March plate change month and increased service and warranty plan reserves.

Cambria has continued to deliver on its property developments over the past two years. During the period there has been £10.5m of total capital expenditure incurred and a number of other development projects initiated. The Group was able to secure the freehold title to the land containing its Swindon Jaguar Land Rover long leasehold property for £2.4m. This was the last of the Group's properties held as long leasehold and therefore this asset has been transferred to freehold properties. The Hatfield freehold property development has incurred £5.9m in capital expenditure in H1 along with £1.2m of fixtures, fittings, plant and machinery costs. A further £1m was spent on completion of Tunbridge Wells, delivery of a specialist used car site in Swindon and other fixtures and fittings.

In December 2018, the Group sold the Freehold property in Royal Wootton Bassett for £2.76m generating a non-recurring profit of £0.4m. The site was the former Land Rover dealership, which has been held for re-sale since the relocation of the operation to the new Swindon Jaguar Land Rover dealership in July 2018.

To fund the capital expenditure in H1, the Group drew down £5m against its existing Revolving Credit Facility.

A dividend of £0.75m, relating to the 2018 financial year, was paid in January 2019 following approval at the Annual General Meeting.

The total net cash inflow for the period was £7.4m (H1 2018: outflow £6.9m).

Since the period end, the Group has completed on the purchase of land on Hatfield Business Park to develop a secure compound and preparation centre to support its Barnet and Hatfield operations. The cost of the land and purchase costs was £3.6m. The Group has also secured a development plot of land in Brentwood for £5m to deliver dealership facilities for Jaguar Land Rover, Aston Martin, Lamborghini and Bentley. The Group is working through the planning process for delivery of this development with a view to taking occupation in 2021. Over the next two years the Group intends to complete the following freehold property investments; Solihull Aston Martin at c.£5m and the Brentwood development outlined above at c.£16m. The developments will be funded through a combination of existing cash and draw down of the Revolving Credit Facility.

Dividend

The Board is pleased to declare an interim dividend of 0.25p per share (H1 2018: 0.25p per share). The dividend will be payable on 15 June 2019 to those shareholders on the register on 17 May 2019 (with an ex-dividend date of 16 May 2019). The Board intends to maintain the dividend for the full financial year. However, as previously stated, the Board will ensure that the payment of a dividend does not detract from its primary aim to utilise available funds to continue to grow the business through a buy-and-build strategy.

Acquisitions

Cambria's ongoing strategy is to build on the favourable mix of its brand portfolio and maintain a good balance of high luxury, premium and volume brands. It has made good progress over the past five years in delivering on this strategy by acquiring businesses and opening dealerships as follows:

- Barnet Jaguar Land Rover in July 2014
- Swindon Land Rover in April 2015
- Welwyn Garden City Land Rover in January 2016
- Aston Martin Birmingham in May 2016
- Woodford Jaguar Land Rover in July 2016
- Bentley in Essex and Kent in January 2018
- McLaren in Hatfield in January 2018
- Lamborghini in Chelmsford in April 2018
- Lamborghini in Tunbridge Wells in November 2018
- Peugeot in Warrington in October 2018
- Suzuki in Maidstone in April 2019
- Citroen in Oldham in May 2019
- Vauxhall in Warrington in May 2019

Operations

	Six months ended 28 February 2019				Six months ended 28 February 2018			
	Revenue	**Revenue mix**	**Gross profit**	**Margin**	Revenue	Revenue mix	Gross profit	Margin
	£m	%	£m	%	£m	%	£m	%
New Vehicles	**133.5**	**43.3**	**9.6**	**7.2**	134.3	45.5	9.7	7.2
Used Vehicles	**143.1**	**46.4**	**12.0**	**8.4**	131.6	44.6	11.8	9.0
Aftersales	**37.5**	**12.2**	**14.2**	**37.9**	35.2	11.9	13.7	38.9
Internal sales	**(5.8)**	**(1.9)**			(6.0)	(2.0)		
Total	**308.3**	**100.0**	**35.8**	**11.6**	295.1	100.0	35.2	11.9
Admin expenses			**(29.7)**				(29.9)	
Operating Profit			**6.1**				5.3	

New vehicles sales

	H1 2019	H1 2018	**Year-on-year**
New units	**3,432**	4,478	**(23.4 %)**

New vehicle revenue decreased by 0.6% to £133.5m (H1 2018: £134.3m) despite total new vehicle sales volumes being down 23.4%, illustrating the significant increase in average transaction price of the units sold. The new vehicle gross profit margin was 7.2% (H1 2018: 7.2%) and there was only a £0.1m reduction in gross profit. The average profit per unit sold increased by 30.6%, the significant increase was as a result of the combination of like-for-like increase in the profit of the retail units sold, a reduction in the sale of low margin commercial and fleet units and strengthening franchise mix from the businesses. On a like-for-like basis, excluding the impact of the closed businesses and the new businesses, our new volumes reduced by 19.4% with gross profit reducing by £0.9m as profit per unit increased by 12.2% on a like-for-like basis. Certain of the Group's volume manufacturer franchises continue to be the largest cause of the reduction in unit sales.

The Group's sale of new vehicles to private individuals was 16.3% lower year-on-year at 3,115 units (like-for-like down 10.8%), the profit per unit for these sales improved by 21.6% (like-for-like up 2.7%). New commercial vehicle sales transacted at low profit per unit decreased by 60.8% from 498 to 195 units in the period. The commercial vehicle fleet sales concluded in the prior year had a dilutive effect on the Group's average profit per unit in the prior year. New fleet unit vehicle sales decreased by 53.1% to 122 units, but the average profit on these units improved by 77.5%.

The new car volume reduction that has been experienced reflects a challenging and uncertain consumer outlook which is impacting the new car market.

Used vehicle sales

	H1 2019	H1 2018	**Year-on-year**
Used units	**6,235**	6,833	**(8.8%)**

We have delivered another good performance in used vehicle sales. Revenues increased by 8.7% to £143.1m (H1 2018: £131.6m) whilst the number of units sold decreased by 8.8% primarily as a result of the closure of our loss-making Blackburn site and the refranchising of volume businesses into High Luxury businesses. The gross profit on used vehicles increased by 1.7% to £12m (H1 2018: £11.8m), with the profit per unit sold increasing by 11.3%. On a like-for-like basis, excluding the impact of the site closures and new additions, our used volumes decreased 1.2% but was more than offset by a profit per unit increase of 7.4%.

We have continued our focused strategy in the used car department of increasing the efficiency with which we source, prepare and market our used vehicles in order to drive the Group's Velocity trading principles. This approach has produced pleasing results, increasing the profitability of the used car department from an already strong base.

Aftersales

	H1 2019	H1 2018	**Year-on-year**
Aftersales Revenue	**£37.5m**	£35.2m	**6.5%**

Aftersales revenue increased by 6.5% year on year to £37.5m (H1 2018: £35.2m), and the related gross profit increased to £14.2m (H1 2018: £13.7m). Like-for-like aftersales revenue was 2.7% higher year on year, with gross profit up £0.2m. The aftersales department contributed 39.7% of the Group's overall gross profit.

Guest experience

The Group continues to review its processes for ensuring that it engages with all 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 4 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

During the period, as has been well documented, the new car market was 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. During the period the total new car market was down 9.3%. The diesel segment of the market has been worst hit, continuing its decline in market share, with diesel registrations down another 29% in the period as a result of the continued negative sentiment and inconsistent Government policy towards diesel engine technology. Diesel engines now account for 29.6% of the market compared to 42% in 2017.

The Board therefore remains cautious about the new car market as there are a number of external factors that influence the sale of cars in the UK. The Group continues to take action in the used car and aftersales departments and this is helping to offset some of the gross profit pressures in new car sales. The Group has also added exciting new franchises that will make a positive and potentially significant contribution to earnings once established in their respective locations and we are pleased with the early contributions from these developments.

The steps taken in relation to the National Minimum Wage, increases in business rates, pension contributions, the apprenticeship levy, debit and credit card charges are all creating inflationary pressures in the administrative expenses of the business. The Group has taken proactive steps to mitigate cost increases and ensure that the cost base of the business is controlled in line with the gross profit generation.

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.

Cambria has an experienced management team with a strong track record and remains focused on delivering value for its associates, Guests, brand partners and shareholders. As a result of the hard work undertaken to further enhance the Group's portfolio and brand mix over the period, we remain confident that Cambria will maintain its momentum in the second half and the Board expects that performance for the full financial year will be ahead of current market expectations.

Mark Lavery
Chief Executive
9 May 2019

Consolidated Statement of Comprehensive Income
for the six months ended 28 February 2019

	Notes	**6 months to 28 February 2019 £000**	6 months to 29 February 2018 £000	12 months to 31 August 2018 £000
Revenue		**308,258**	295,056	630,065
Cost of Sales		**(272,404)**	(259,863)	(558,944)
Gross Profit		**35,854**	35,193	71,121
Administrative expenses		**(29,720)**	(29,936)	(60,266)
Exceptional items	*4*	**248**	(263)	(703)
Results from operating activities		**6,382**	4,994	10,152
Finance income		**34**	55	74
Finance expenses		**(651)**	(510)	(1,102)
Net finance expenses		**(617)**	(455)	(1,028)
Profit before tax from operations before non-recurring (expense)/income		**5,517**	4,802	9,827
Non-recurring income/(expense)	*4*	**248**	(263)	(703)
Profit before tax		**5,765**	4,539	9,124
Taxation	*6*	**(1,049)**	(925)	(1,853)
Profit and total comprehensive income for the period		**4,716**	3,614	7,271
Basic and diluted earnings per share	*5*	**4.72p**	3.61P	7.27p

Consolidated Statement of Changes in Equity

for the six months ended 28 February 2019

	Share Capital £000s	Share premium £000s	Retained earnings £000s	Total Equity £000s
For the 6 months ended 28 February 2019				
Balance at 31 August 2018	10,000	799	45,828	56,627
Profit for the period	-	-	4,716	4,716
Dividend paid	-	-	(750)	(750)
Balance at 28 February 2019	**10,000**	**799**	**49,794**	**60,593**
For the 12 months ended 31 August 2018				
Balance at 31 August 2017	10,000	799	39.557	50,356
Profit for the period	-	-	7,271	7,271
Dividend paid	-	-	(1,000)	(1,000)
Balance at 31 August 2018	**10,000**	**799**	**45,828**	**56,627**
For the 6 months ended 28 February 2018				
Balance at 31 August 2017	10,000	799	39.557	50,356
Profit for the period	-	-	3,614	3,614
Dividend paid	-	-	(750)	(750)
Balance at 28 February 2018	**10,000**	**799**	**42,421**	**53,220**

Consolidated Statement of Financial Position

as at 28 February 2019

	As at 28 February 2019 £000	As at 28 February 2018 £000	As at 31 August 2018 £000
Non-current assets			
Property, Plant & equipment	**75,894**	59,705	67,050
Intangible assets	**21,487**	21,346	21,501
	97,381	81,051	88,551
Current assets			
Inventories	**120,602**	108,314	89,675
Trade and other receivables	**16,791**	13,282	11,442
Cash & Cash equivalents	**22,895**	16,145	15,517
Property assets classified as held for resale	**890**	-	3,195
	161,178	137,741	119,829
Total assets	**258,559**	218,792	208,380
Current liabilities			
Trade and other payables	**(169,669)**	(147,172)	(128,794)
Taxation	**(1,042)**	(864)	(721)
	(170,711)	(148,036)	(129,515)
Non-current liabilities			
Other Interest Bearing loans and borrowings	**(26,070)**	(16,536)	(21,053)
Provisions	**(1,000)**	(1,000)	(1,000)
Deferred tax liability	**(185)**	-	(185)
	(27,255)	(17,536)	(22,238)
Total liabilities	**(197,966)**	(165,572)	(151,753)
Net assets	**60,593**	53,220	56,627
Equity attributable to equity holders of the parent			
Share capital	**10,000**	10,000	10,000
Share premium	**799**	799	799
Retained earnings	**49,794**	42,421	45,828
	60,593	53,220	56,627

Consolidated Cash flow statement

for the six months ended 28 February 2019

	6 months to 28 February 2019 £000	6 months to 28 February 2018 £000	12 months to 31 August 2018 £000
Cash flows from operating activities			
Profit for the period	**4,716**	3,614	7,271
Adjustments for:			
Depreciation, amortisation and impairment	**1,521**	1,114	2,481
Finance income	**(34)**	(55)	(74)
Finance expense	**651**	510	1,102
Non-recurring (Profit)/loss on sale of property, plant and equipment	**(414)**	4	74
Taxation	**1,049**	925	1,853
Non-recurring expenses	**166**	263	703
	7,655	6,375	13, 410
Decrease/(Increase) in trade and other receivables	**(5,349)**	(854)	986
(Increase) / decrease in inventories	**(30,927)**	(2,895)	15,744
Increase in trade and other payables	**40,875**	4,633	(13,704)
(Decrease)/increase in provisions	**-**	-	-
	12,254	7,259	16,436
Interest paid	**(437)**	(361)	(785)
Taxation paid	**(728)**	(862)	(1,790)
Non-recurring income/(expenses)	**(166)**	(263)	(703)
Net cash flow from operating activities	**10,923**	5,773	(13158)
Cash flows from investing activities			
Interest received	**34**	55	74
Proceeds from sale of property, plant and equipment	**2,874**	-	136
Acquisition/purchase of property, plant and equipment	**(10,506)**	(11,483)	(23,750)
Net cash flow from investing activities	**(7,598)**	(11,428)	(23,540)
Cash flows from financing activities			
Proceeds for new loan	**5,017**	-	4,500
Interest paid	**(214)**	(149)	(317)
Repayment of borrowings	**-**	(347)	(330)
Dividend paid	**(750)**	(750)	(1,000)
Net cash (outflow)/inflow from financing activities	**4,053**	(1,246)	2,853
Net increase/(decrease) in cash and cash equivalents	**7,378**	(6,901)	(7,529)
Cash and cash equivalents at start of period	**15,517**	23,046	23,046
Cash and cash equivalents at end of period	**22,895**	16,145	15,517

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 2019 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 2019 have neither been audited nor reviewed by the auditors. The financial information for the year ended 31 August 2018 has been based on information in the audited financial statements for that period.

2 Accounting policies

The Group's principal activity is the sale and servicing of motor vehicles 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 2018 and can be found on our website:

www.cambriaautomobilesplc.com.

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 Officer. 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.

	Six months ended 28 February 2019				Six months ended 28 February 2018			
	Revenue	**Revenue mix**	**Gross profit**	**Margin**	Revenue	Revenue mix	Gross profit	Margin
	£m	%	£m	%	£m	%	£m	%
New Vehicles	**133.5**	**43.3**	**9.6**	**7.2**	134.3	45.5	9.7	7.2
Used Vehicles	**143.1**	**46.4**	**12.0**	**8.4**	131.6	44.6	11.8	9.0
Aftersales	**37.5**	**12.2**	**14.2**	**37.9**	35.2	11.9	13.7	38.9
Internal sales	**(5.8)**	**(1.9)**			(6.0)	(2.0)		
Total	**308.3**	**100.0**	**35.8**	**11.6**	295.1	100.0	35.2	11.9
Admin expenses			**(29.7)**				(29.9)	
Operating Profit			**6.1**				5.3	

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 2019 £000	6 months to 28 February 2018 £000
Profit Before Tax	**5,765**	4,539
Net finance expense	**617**	455
Depreciation	**1,521**	1,114
EBITDA	**7,903**	6,108
Non-recurring Expenses/(Income)	**(248)**	263
Underlying EBITDA	**7,655**	6,371

4 Non-recurring Income / (Expense)

	6 months to 28 February 2019 £000	6 months to 28 February 2018 £000
Site closures and refranchising cost	**(166)**	(263)
Profit on sale of Freehold property	**414**	-
Net non-recurring income / (expense)	**248**	(263)

5 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.

The share options in issue are not dilutive because the performance conditions are not yet met. Details of the options in issue are contained within the Annual Report to 31 August 2018.

	6 months to 28 February 2019 £'000	6 months to 28 February 2018 £'000	Year ended 31 August 2018 £'000
Profit attributable to shareholders	**4,716**	3,614	7,271
Non-recurring income and expenses	**(248)**	263	703
Tax on adjustments (at 18.19 %) (2017: 20.37%)	**45**	(53)	(134)
Adjusted profit attributable to equity shareholders	**4,513**	3,824	7,840
Adjusted number of share in issue ('000s)	**100,000**	100,000	100,000
Basic earnings per share	**4.72p**	3.61p	7.27p
Adjusted earnings per share	**4.51p**	3.82p	7.84p

6 Taxation

The tax charge for the six months ended 28 February 2019 has been provided at the effective rate of 18.19% *(H1 2018: 20.37%)*.