



**PENDRAGON  
PLC**

**PENDRAGON PLC INTERIM MANAGEMENT STATEMENT  
(ISSUED 26 October 2018)**

This Interim Management Statement for Pendragon PLC, the leading automotive online retailer in the UK, covers the period from 1 July 2018 to 25 October 2018. Unless otherwise stated, figures quoted in this statement are for the three months ended 30 September 2018.

- **Group Revenue -7.2% L4L (-6.4% total)** – Decline in UK Motor Used and New revenue.
- **Used Revenue -6.3% L4L (-4.1% total)** – Growth in inventory, implementation of additional sites and re-engineering of processes is underway to support future growth in revenue.
- **Used Gross Profit +13.7% L4L (+20.0% total)** – Strong recovery in Used gross margin in the period from 5.7% to 6.9%.
- **New Revenue -9.1% L4L (-9.7% total)** – We were impacted by the WLTP changes.
- **New Gross Profit +0.0% L4L (-0.3% total)** – New margin has improved from 6.5% to 7.1%.
- **Aftersales Revenue -2.9% L4L (-3.5% total)** – Reduction due to discontinued low margin parts activities.
- **Aftersales Gross Profit -2.4% L4L (-3.1% total)** – Reduction due to discontinued low margin parts activities.
- **Software Revenue +5.1%** – Gross profit up 2.9%.
- **Leasing Revenue -6.6%** – Gross profit up 17.9%.
- **Operating Cost +0.5% L4L (+1.2% total)**
- **Underlying Profit Before Tax £1.1m** – Underlying profit before tax up £3.0 million on quarter 3 2017.
- **Robust Balance Sheet** – Strong balance sheet with Net Debt : Underlying EBITDA below our target range of 1.0 to 1.5.

### **Outlook**

Given the introduction of the WLTP legislation in the new car business and our continued investment in our Used Car business in new start up locations and “used car factories”, this has had a short term dilutive effect on profitability. We anticipate that our full year underlying profit before tax will be approximately £50m.

We are encouraged by the improving used performance across the Group in quarter 3 of this year and this will be a key growth area for the business in 2019.

<b>Enquiries</b>			
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