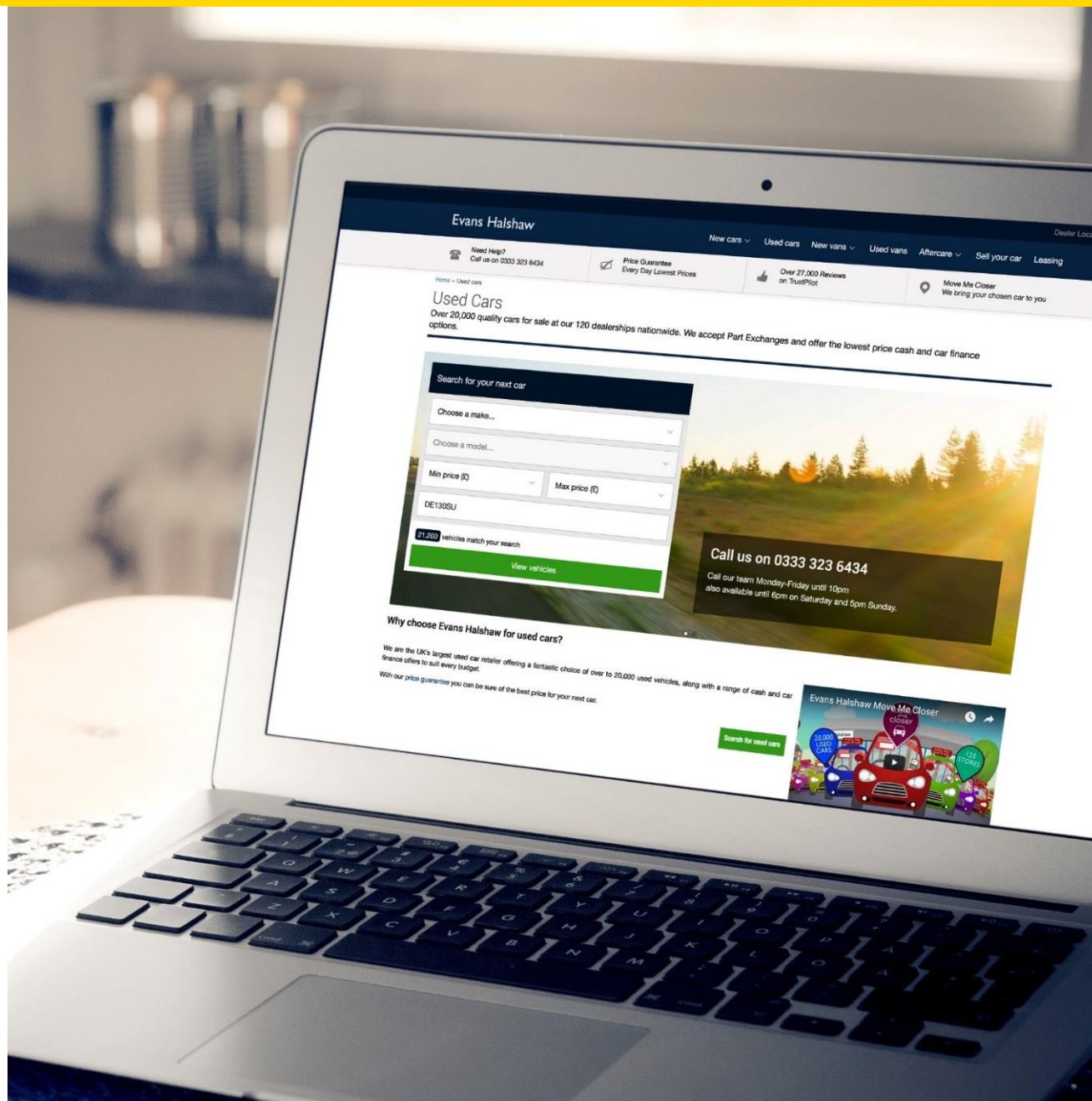


Pendragon | PLC

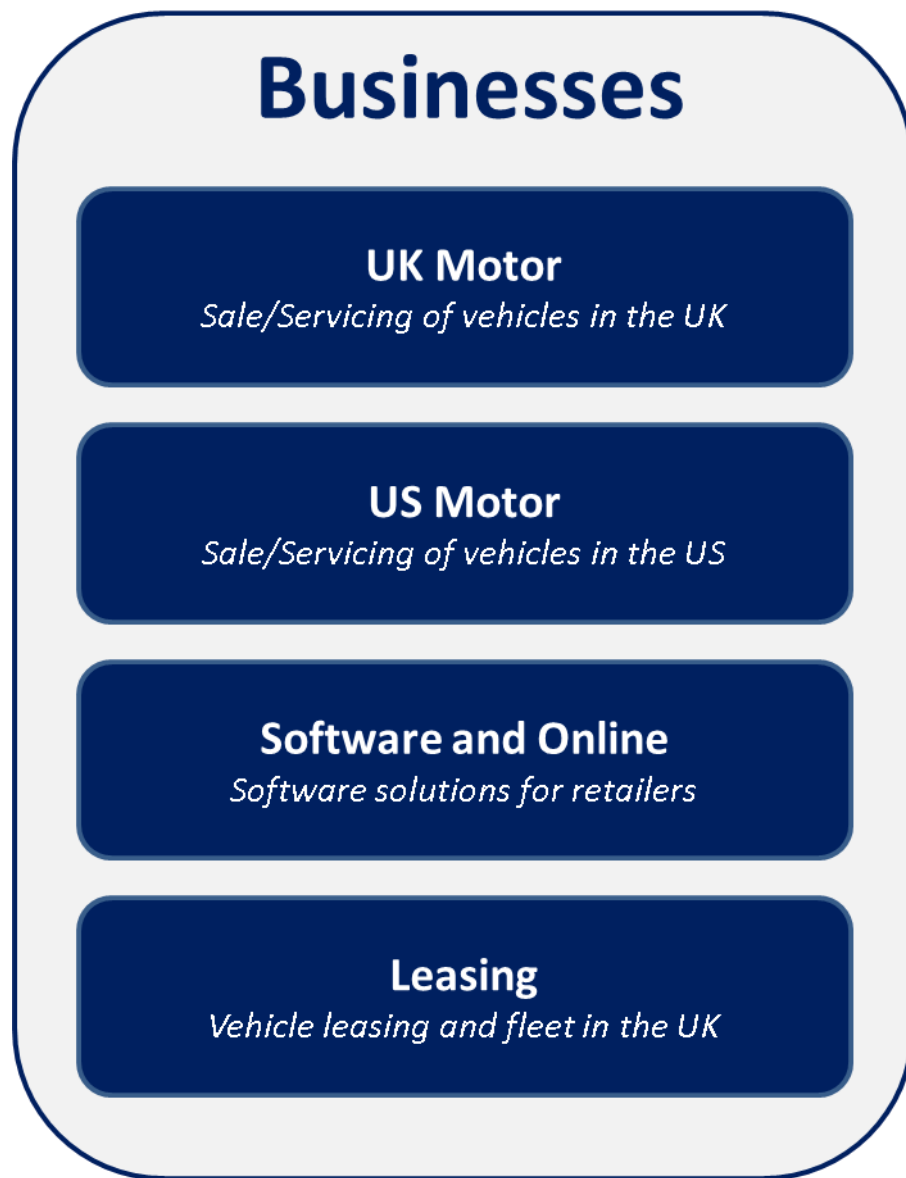


2017 PennyHill Investor Briefing & Strategy Update

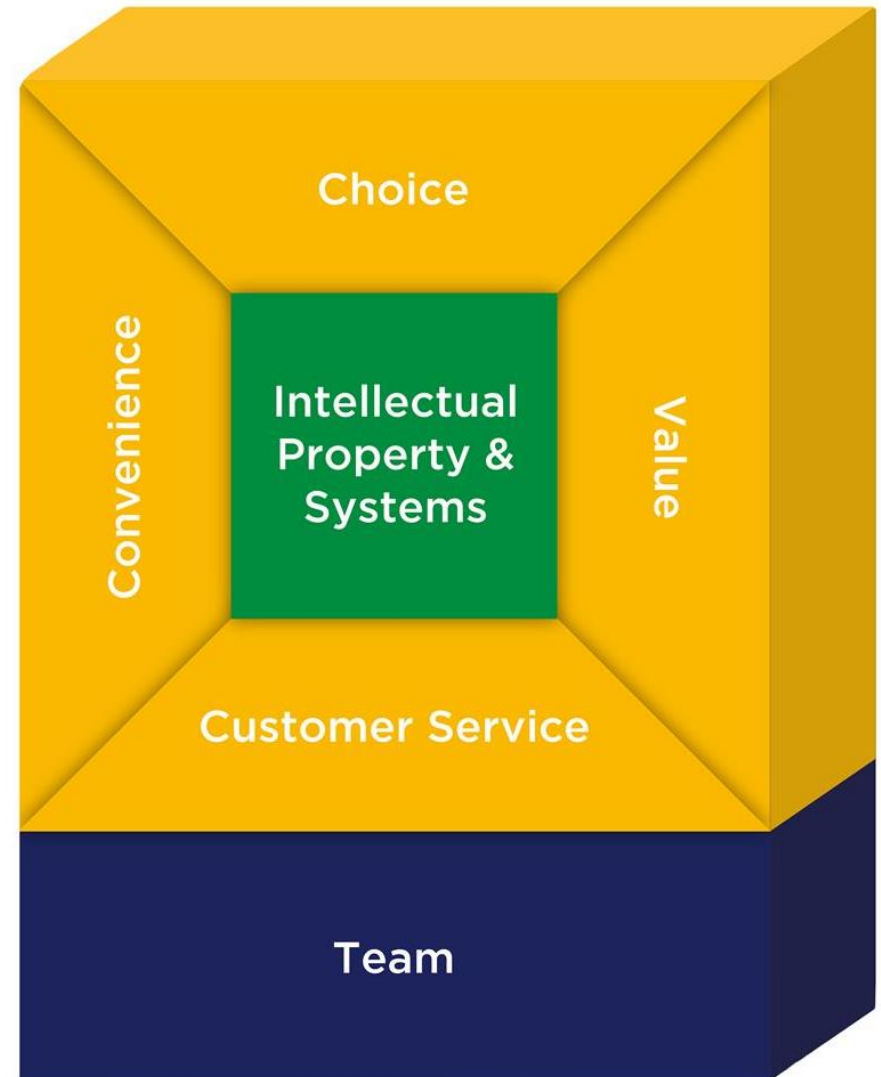


THE LEADING AUTOMOTIVE ONLINE RETAILER

Pendragon PLC

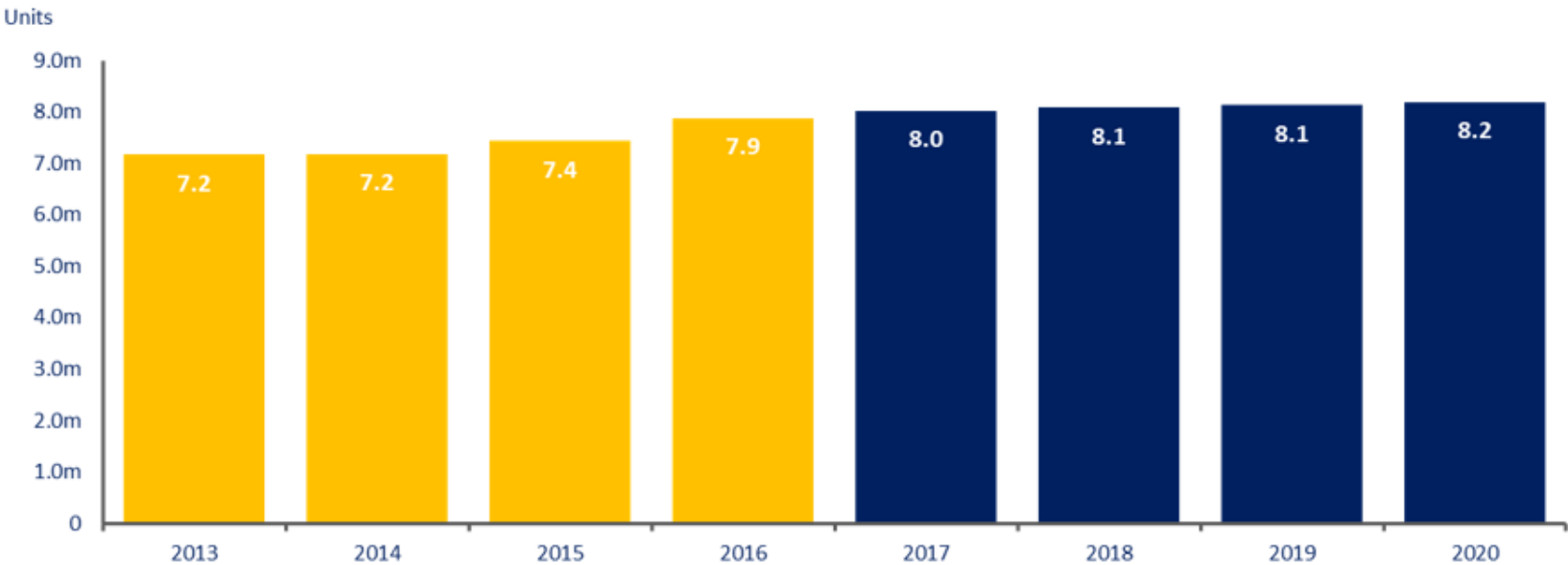


Online Customer Promise



Industry Insight - Used

UK USED CAR MARKET



Source: Callcredit (2013 to 2016) and Pendragon (2017 to 2020)

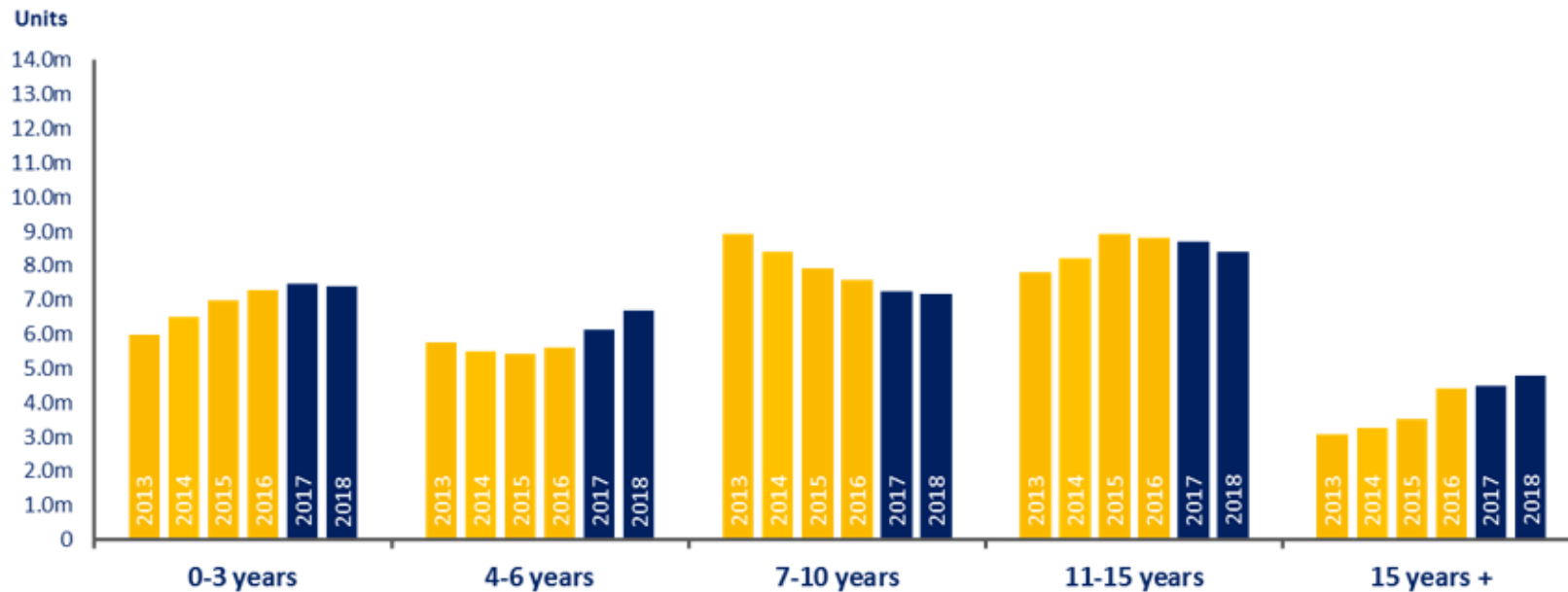
SUMMARY

- Used car market growth forecast from 2018 onwards
- Pendragon PLC grew used revenue by 21.1% for September 2017 Year to Date
- Greater return on investment than New
- Flexible operating model

CHOICE	✓	~26,000 vehicles in stock
VALUE	✓	EDLP, Sell Your Car (SYC)
SERVICE	✓	Website and BDC, Move Me Closer (MMC)
CONVENIENCE	✓	Investing to grow our geographical footprint

Industry Insight - Aftersales

UK CAR PARC BY AGE OF VEHICLE



Source: Callcredit (2013 to 2016) and Pendragon (2017 to 2018)

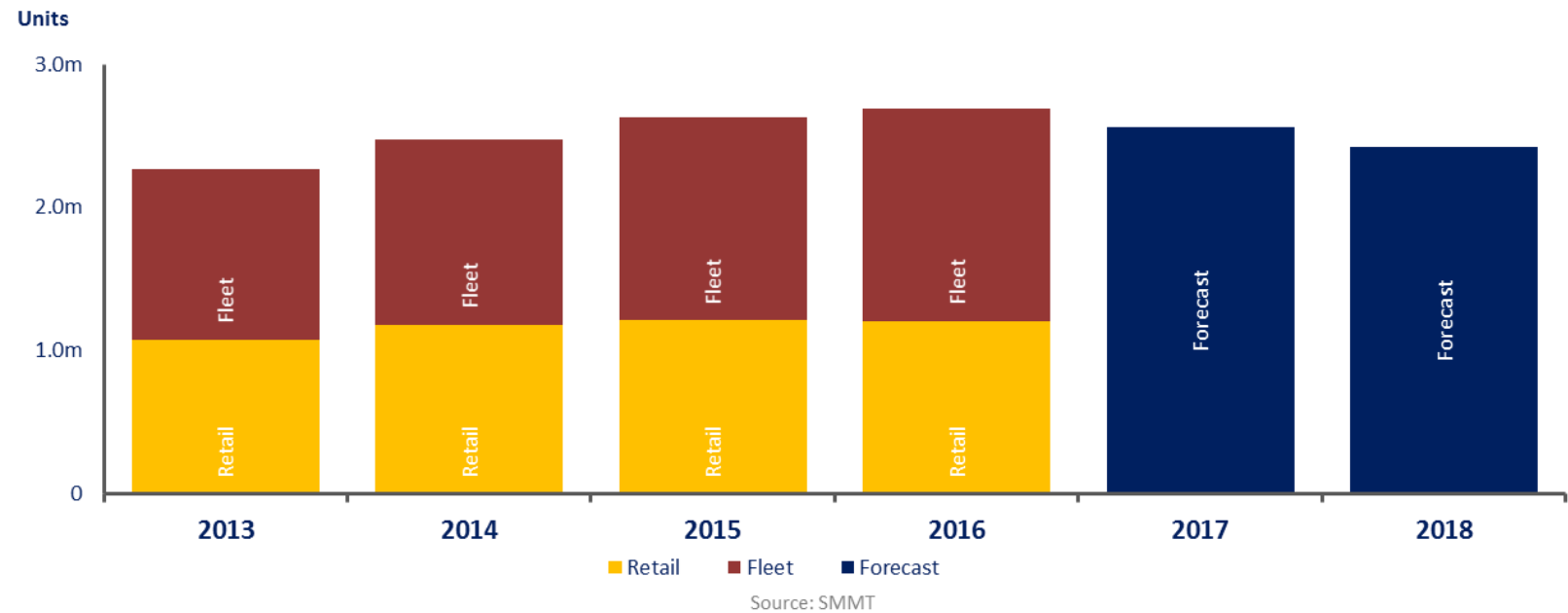
SUMMARY

- 4-6 year car parc forecast to continue growing until 2020
- Approximately 75% of our aftersales activity is in 0-6 year old vehicles
- High gross margin business
- Stable income stream

CHOICE	✓	Investing to grow our geographical footprint
VALUE	✓	Every Day Low Prices (EDLP)
SERVICE	✓	Website and Business Development Centre (BDC)
CONVENIENCE	✓	Investing to grow our geographical footprint

Industry Insight - New

UK NEW CAR MARKET



SUMMARY

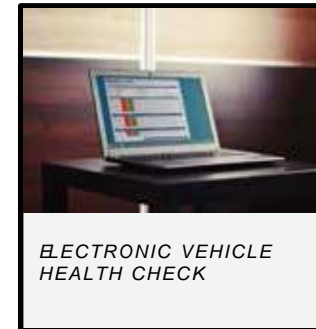
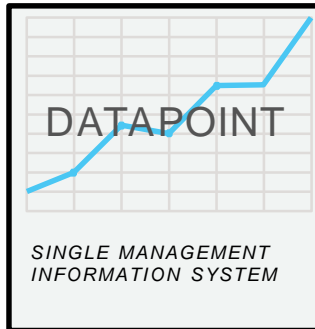
- The new UK market was down 4.6% October 2017 Year to Date
- October 2017 Year to Date the retail market was down 6.4% and the fleet market was down 3.0%. SMMT forecast the 2018 new UK market down 5.4% on 2017
- Capital intensive
- Little opportunity to outperform

CHOICE	✓	Franchise influence
VALUE	✓	Franchise influence
SERVICE	✓	Franchise influence
CONVENIENCE	✓	Franchise influence

CENTRALISATION

pinewood

Technology
infrastructure



Central Services

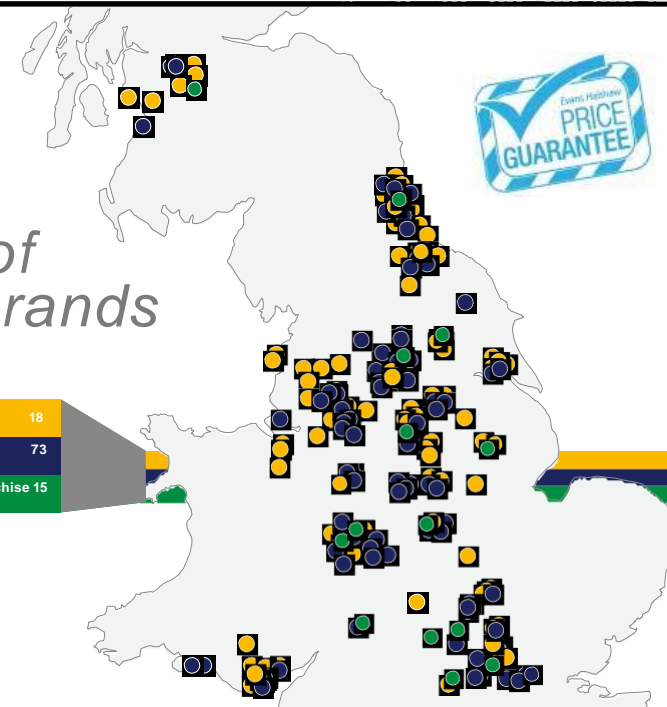
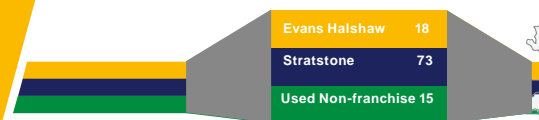
Used Car Pricing
Used Car Procurement
Used Car Logistics
BDC (Enquiry Management)
Resourcing
Finance and Insurance
Website
Marketing

"One website for
every screen"



STANDARDISATION

Creation of national brands



PROFIT PER SITE: INDUSTRY

2012 £200k

2016 £178k

PROFIT PER SITE: PENDRAGON

2012 £283k

2016 £466k

Innovation *Sell Your Car at a glance*

Evans Halshaw

New cars ▾ Used cars New vans ▾ Used vans Aftercare ▾ Sell your car Leasing ▾

Part Exchange Service
Find Out More

Price Guarantee
We Guarantee to Pay You More

Sell Your Car FAQ's
View Frequently Asked Questions

Need Assistance?
Contact Us

Home » Sell your car

Sell Your Car

Want to Get More for Your Car?

- Come direct and get more for your car
- All cars accepted, no matter the condition
- Over 80 drop-off locations
- No purchase necessary

Sell My Car

How Can I Sell My Car to Evans Halshaw?

Simply enter your vehicle registration and a few contact details about yourself. Then, within minutes we'll email you an indicative valuation for your car. The email will direct you to your nearest Evans Halshaw dealership, where you can easily book a convenient appointment online and Sell Your Car to us.

We will guarantee to beat webuyanycar.com's online valuation (generated using a true report of condition) after deduction of their applicable fees. See our [Terms and Conditions](#) or view our [FAQ section](#) for more information.

Rather call us? No problem – speak to one of our advisors today on **0333 3239 173**

Get a Valuation & Sell Your Car

https://www.youtube.com/watch?v=fDwsdhg_9A0

**DOUBLED
NUMBER**
OF PURCHASES
YEAR ON YEAR

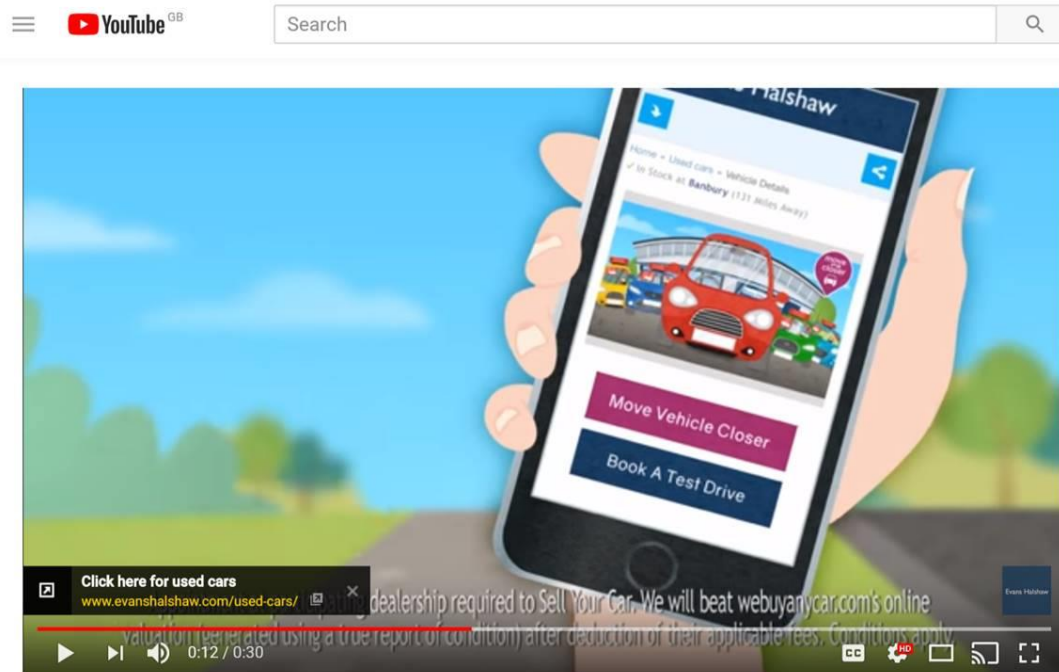
 **94**
SELL YOUR CAR POINTS



YOUTUBE ADVERT VIEWS

18.2m

Innovation *Move Me Closer*



<https://www.youtube.com/watch?v=N1uCdliU5Ls>

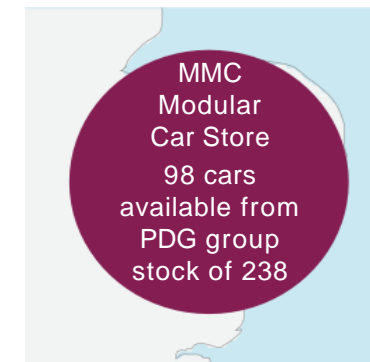
Example: Vauxhall Corsa Petrol, 5dr,
2 years old (14/15/16 reg year) in **Norwich**



Autotrader.com
38 Cars Available
within 40 miles of Norwich city centre 1,826 nationally



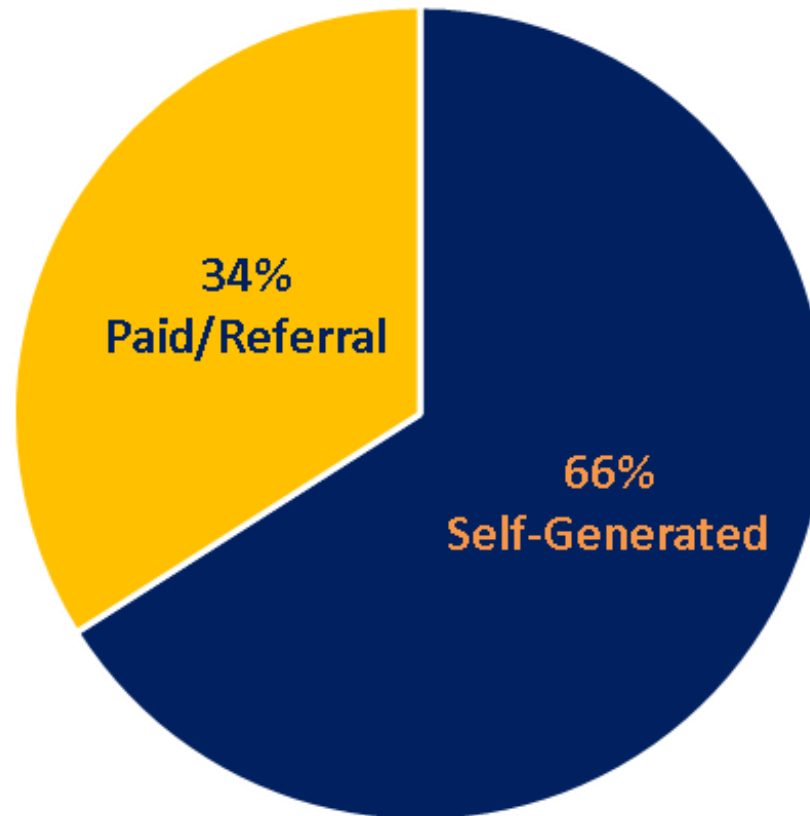
Evanshalshaw.com
98 Cars Available
13% of Autotrader stock



Innovation

Brand Awareness

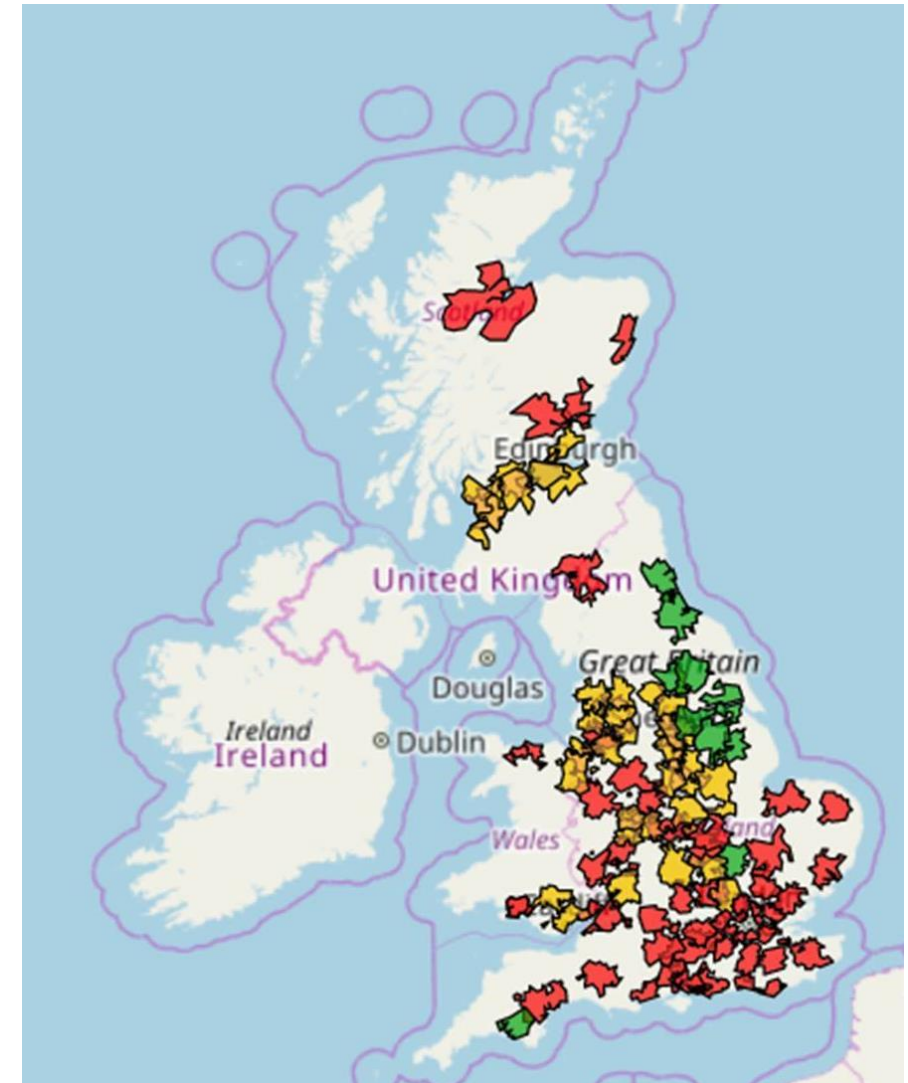
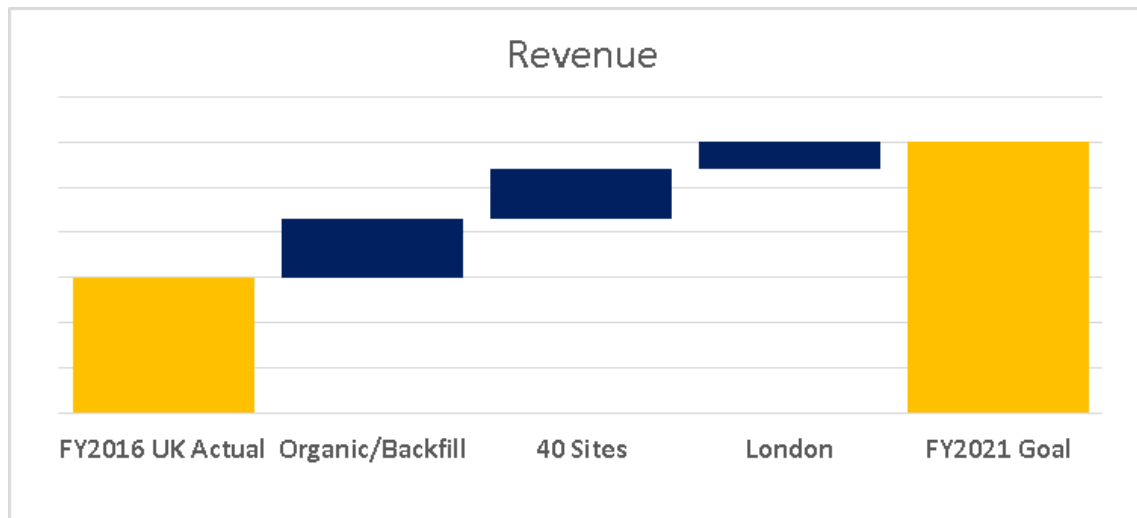
>26m **Stratstone.com and
Evanshalshaw.com annual web
visits (12 month rolling to 30-Jun-17)**



USED GROWTH AND INVESTMENT

Double Used Revenue by 2021

- 30 further sites by 2021
- Balance of planned Capex to complete is £75m
- London “capex lite” small leasehold sites



AFTERSALES GROWTH: Sell used cars- service used cars

Choice

- Range of propositions for customers

Value

- Daily monitoring of prices backed up by our price guarantee

Customer Service

- Personal Video Health checks
- Progress update portal

Convenience

- Online Service Booking
- Drop and collect options

Step 1: Vehicle Details
Registration Number
Mileage

Step 2: Choose Dealer

Step 3: Choose Service Type

Step 4: Select Date

Step 5: Personal Details

Get a Service/MOT Quote

Step 1: Vehicle Details

It's easy. Simply type your registration number, confirm your vehicle and enter your approximate mileage before choosing your preferred dealer.

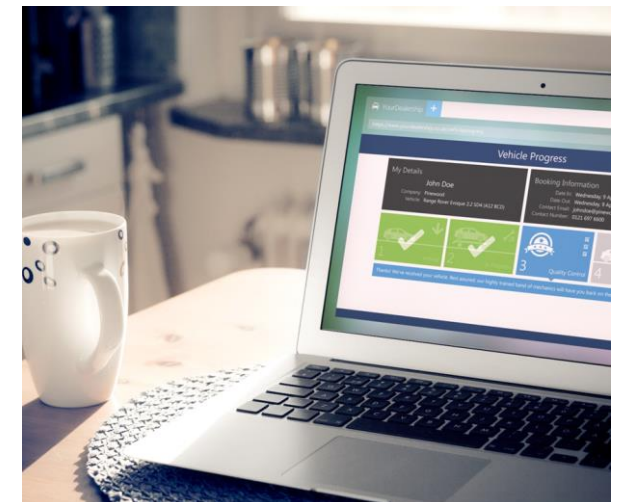
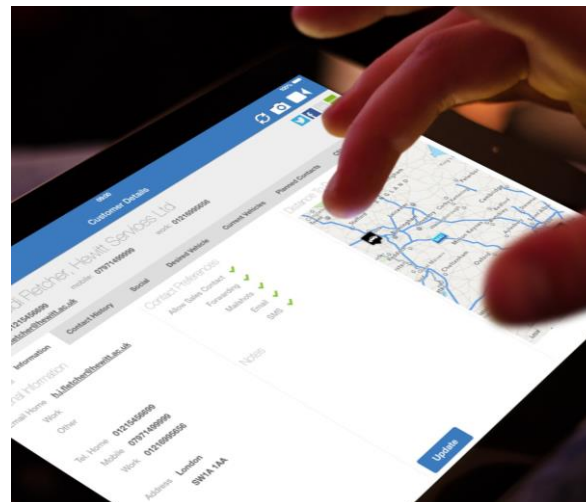

ENTER REG **Find Your Vehicle**

Value Service

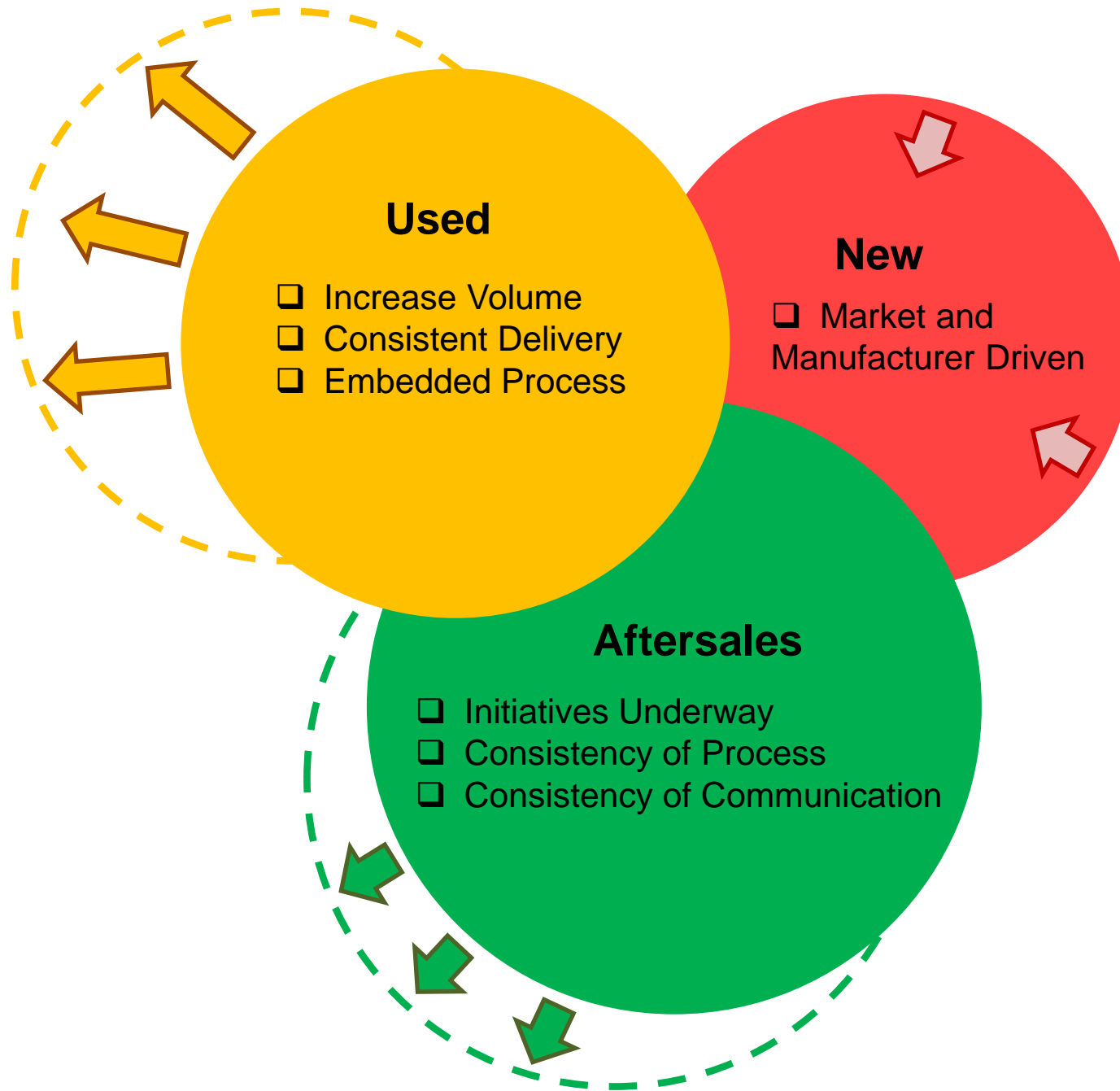
- >>> Oil change
- >>> Oil filter
- >>> Vehicle Health Check

Book online or call us on 0333 323 7156

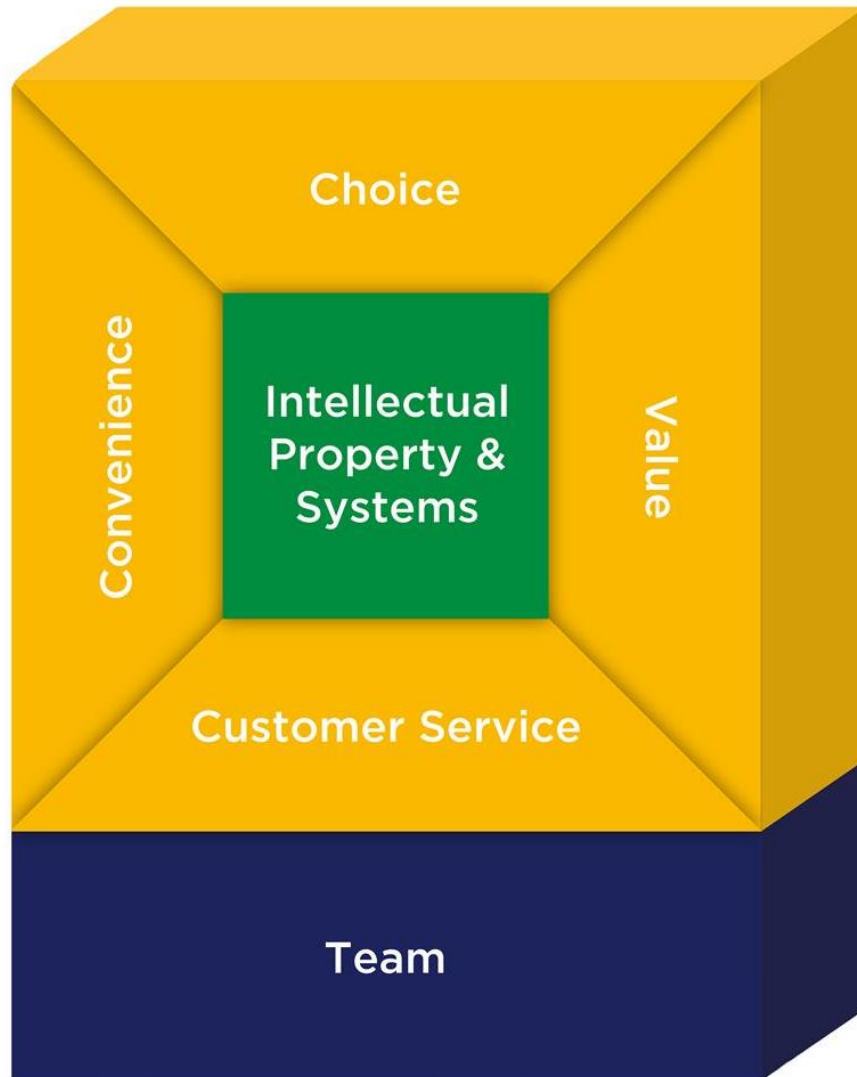
[Find out more](#)



EVOLUTION- deploy capital into growth areas



Pendragon PLC- Website and online



- Our Software business is a unique asset in our industry with a global opportunity.
- It is an online fulfilment platform for the sale and servicing of vehicles for retailers and manufacturers.
- We are placing this asset at the heart of our business as a strategic priority and as such the senior management with technology expertise will play a larger part in the development of the business as a whole.

Pendragon PLC- Strategy update 4 December 2017

"Following our strategic review, we have focussed on reshaping the business to accelerate transformation and ensure capital allocation is optimised across the group."

UK New car business

- Review of capital allocation of Premium Brands completed.
- Premium brand franchise locations will be reduced over a three year period.
- £100m capital released through a mixture of disposal proceeds and investment not deployed over the next three years.

US Motor Group

- Given the strong performance of this division, we have concluded it is economically right to sell the business at this time to realise its value.
- Industry leading sell-side adviser appointed.
- Early indications from adviser to anticipate proceeds in excess of £100m before tax.

Pendragon PLC- Strategy update 4 December 2017

"Following our strategic review, we have focussed on reshaping the business to accelerate transformation and ensure capital allocation is optimised across the group."

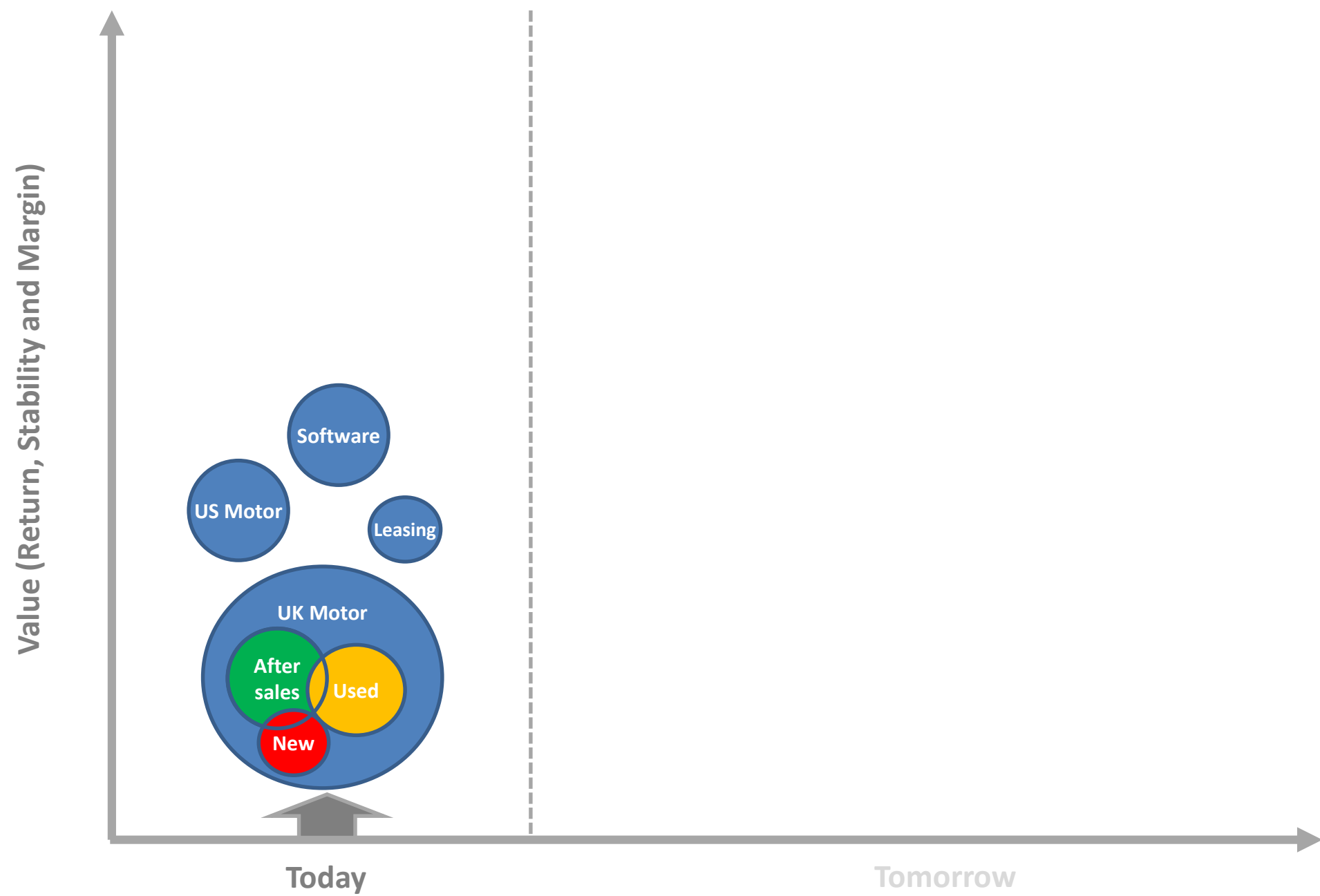
UK Used car business

- Our used car business, under pinned by our industry leading software platform, remains our focus for growth.
- Continued investment to complete our national network achieving our objective to double used car revenue by 2021.
- Senior executive to be recruited to lead all aspects of our UK used car operations, executive search company mandated.

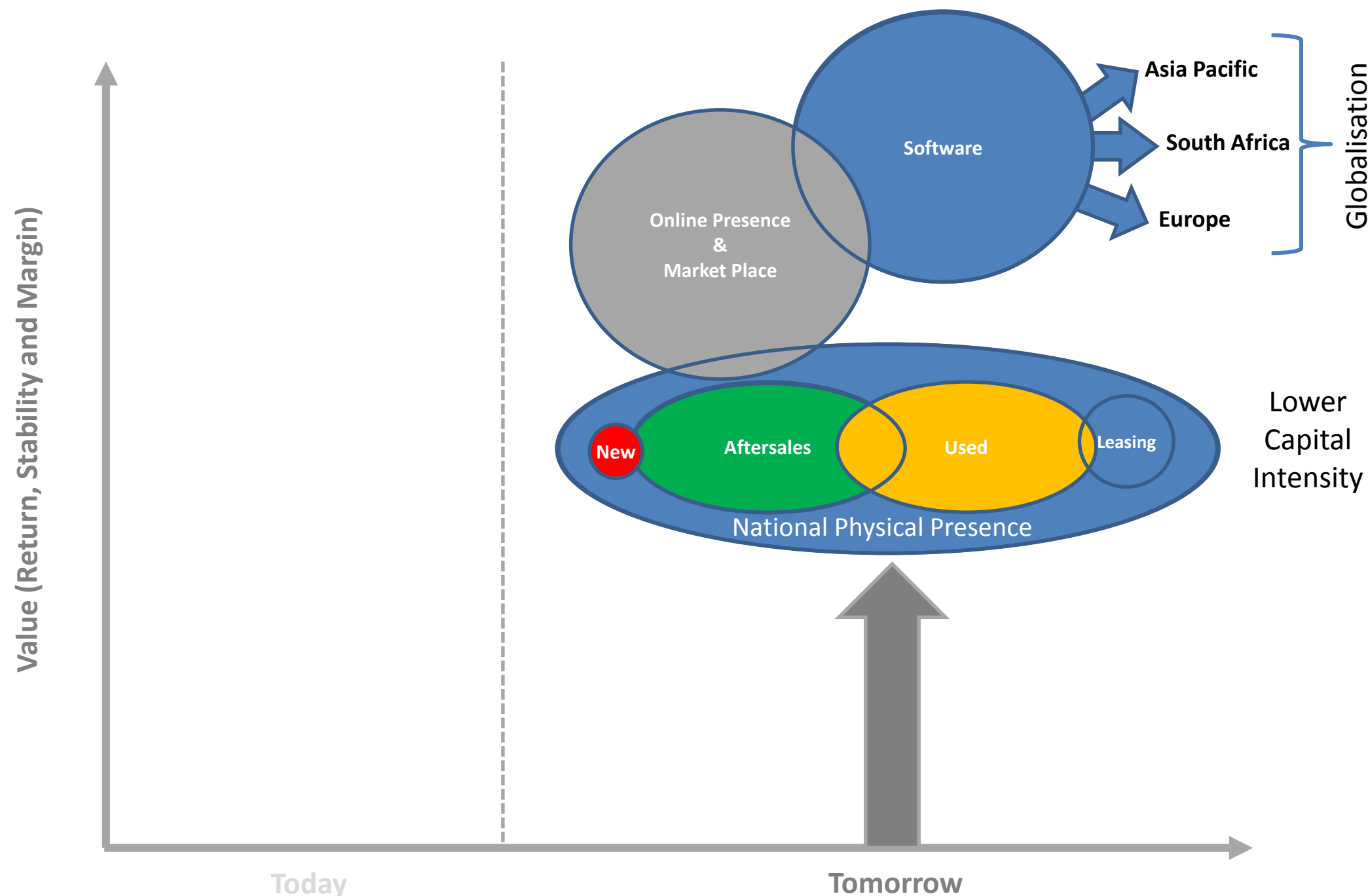
Resumption of share buyback

- Share buyback programme resumed.

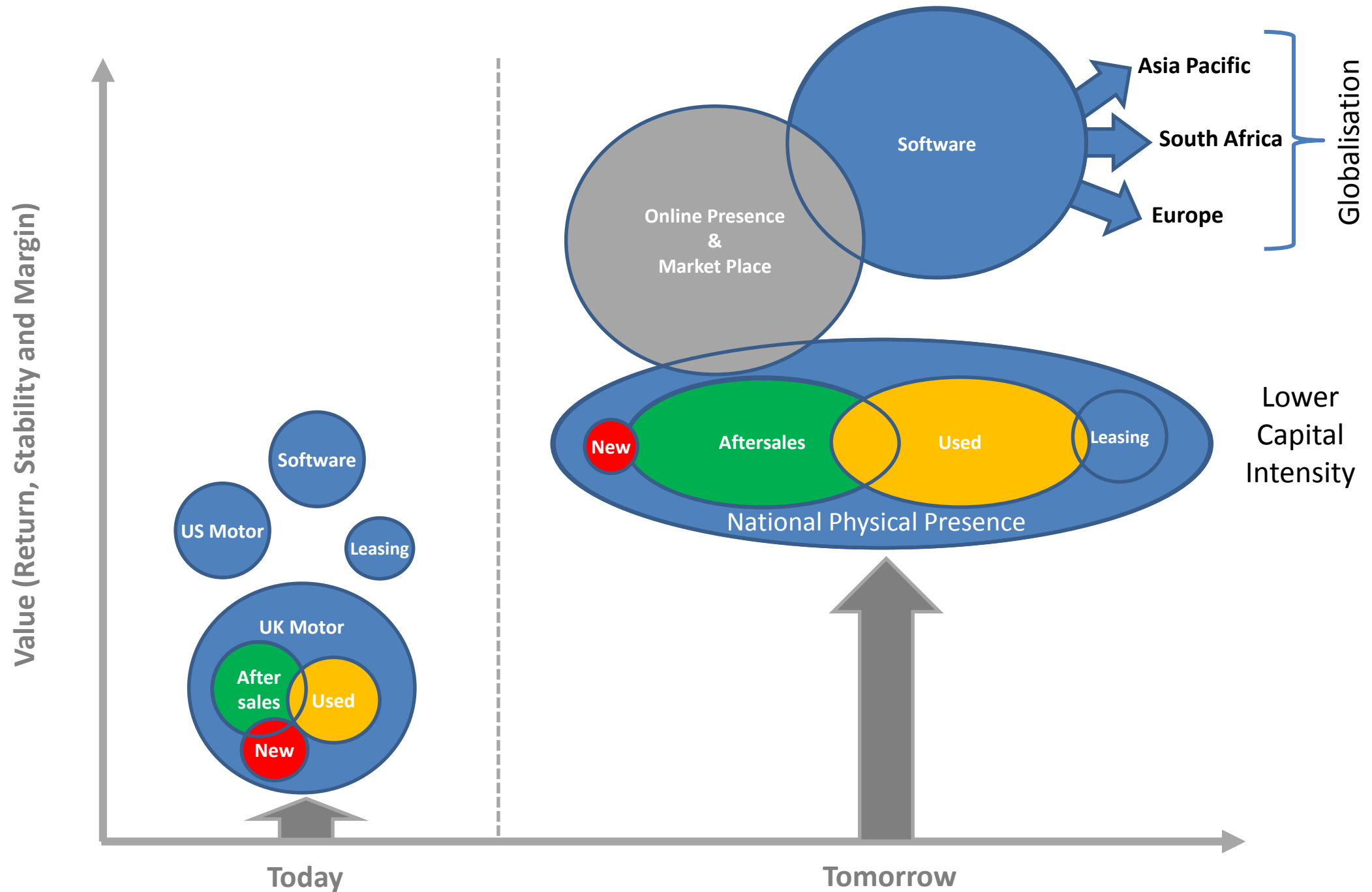
Business Transformation



Business Transformation

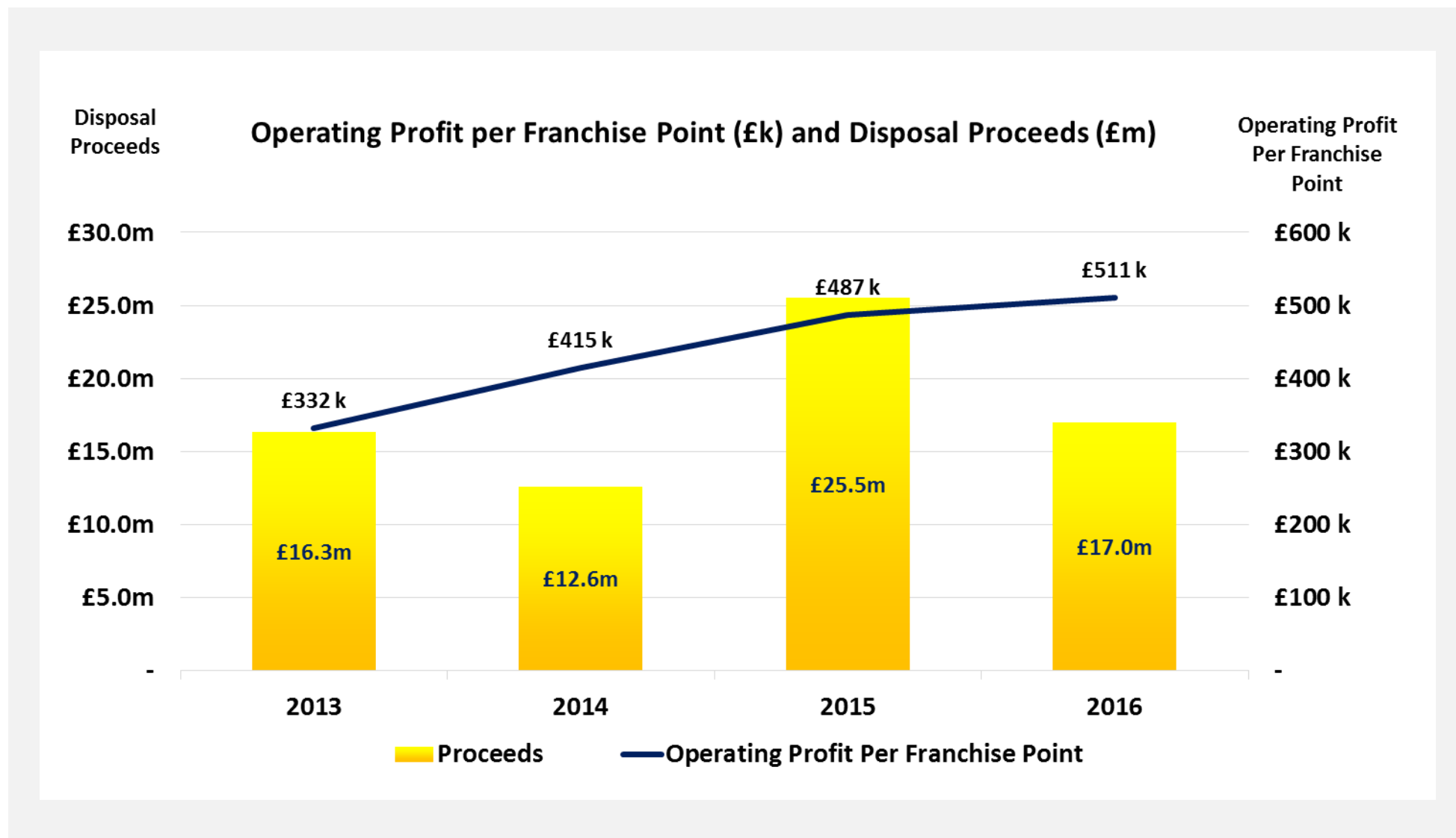


Business Transformation



Operating profit per franchise point and Disposal Proceeds

Historic execution: £71.4m gross proceeds over 4 years



Business Transformation

