



**PENDRAGON  
PLC**

## **PENDRAGON PLC INTERIM MANAGEMENT STATEMENT (Issued 17 April 2019)**

This Interim Management Statement for Pendragon PLC, covers the three-month period from 1 January 2019 to 31 March 2019. Unless otherwise stated, figures quoted in this statement are for the three months ended 31 March 2019.

### Trading Update

- Group Revenue +4.6% L4L (+1.2% total)
- New Revenue +6.3% L4L (+2.6% total).
- Used Revenue +2.9% L4L (-0.2% total)
- Aftersales Revenue +5.5% L4L (+2.0% total)
- New Gross Profit -5.4% L4L (-9.1% total)
- Used Gross Profit -1.6% L4L (-1.6% total)
- Aftersales Gross Profit -5.0% L4L (-9.0% total)
- Operating Costs +6.2% L4L (+3.3% total)

Total Group revenue grew by 1.2% in the period, with like-for-like growth of 4.6%. Group like-for-like new revenue growth of 6.3% in the quarter compared to a decline in registrations in the overall new car market, of 2.4% vs the prior year. However, challenging trading conditions during the period resulted in a reduction in margins in new, used and aftersales, leading to a 5.4% fall in the like-for-like new gross profit, a 1.6% fall in the like-for-like used gross profit and a 5.0% fall in the like-for-like aftersales gross profit. This performance, combined with both a higher level of operating costs and increased losses within Car Store, arising from the ongoing development and maturation of the business (FY19 Q1: 34 stores, FY18 Q1: 26 stores), resulted in an underlying loss before tax of £2.8m. This is around £10m lower than our expectations for the period, comprised of c.£7m from the net impact of higher revenue and lower margins, c.£2m of additional operating costs and c.£1m from the lower than expected Car Store performance.

### **Operational and Financial Review**

In light of this trading update and given the recent appointments to the business of both Mark Herbert (Chief Executive Officer) and Mark Willis (Chief Financial Officer), a review of the operational and financial prospects of the Group is currently being undertaken. The results of this review will be communicated to the market during June. In addition, a strategic update will be provided with the Interim results.

<b>Enquiries</b>			
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This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) No 596/2014