AM 100

REVEALED AND ANALYSED

The **2019** financial performance of the UK's top 100 dealer groups

EDITOR'S LETTER

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Welcome to the 2019 AM100. Our research over the next few dozen pages shows that the industry has remained resilient in what certainly was not a great year.

Despite the pressures of stock shortages, rising payroll costs and economic uncertainty, the vast majority of the AM100 stayed in the black. But record returns are in the past. The AM100's turnover continues to grow, by the equivalent of a reasonable national group, but the same cannot be said about its profitability.

You will see in this supplement that transactions have driven some change across the AM100. Acquisitions have propelled a few groups up the rankings – in particular the top 25 has welcomed a new member – and simultaneously removed a couple of long-lived dealer brands. But one consequence is that the entry threshold of the AM100 has fallen from last year's figure of £132 million.

The number of £1bn-plus turnover businesses in the AM100 continues to increase year-on-year. Once a segment dominated by national groups holding lots of premium brands, it is becoming more balanced as a number of large regionals have joined the clan. And more look set to do so in the next few years as mainstream brand networks consolidate and those regionals look to build larger-scale relationships. A study of the tables ahead should help you identify the ones to watch.

Tim Rose
Editor

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Black Horse – headline sponsor – exclusive finance sponsor

Black Horse is delighted to be sponsoring the AM100, which recognises the best performers in our great industry. Well done to all those listed this evening.

As a holistic financial partner to the UK automotive sector, providing retail finance, wholesale stock lending and fleet finance solutions, Black Horse operates across more than 6,000 dealers.

A key part of the Black Horse approach is to build and nurture strong relationships with our dealer partners. Our skilled team of account managers are finance specialists, experienced within the motor trade, who can share insight and help you to respond to ever-changing customer needs and regulations.

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■ **Find out about these and more at blackhorse.co.uk**

carwow – providing innovative solutions to age-old problems

carwow is excited to be returning as the AM100 new car sponsor this year. We now also offer leasing and used car retailing, but after spending six years becoming 'the easiest way to find and buy a new car', we will always have a soft spot for new car retailing.

Despite a declining market, enquiries and sales have grown and our bigger partners have significantly increased new car sales compared with 2018. This is great news – it shows they are adapting to changes in the marketplace, allowing them to not only survive, but to thrive.

On average, car buyers now configure five cars across three brands and contact 2.5 retailers. Today's car consumer is empowered, informed and awash with options. By collecting two million data points a day, we can stay on top of the latest consumer trends and pass this information on to our industry network. Our aim is to help our partners adapt to changes in consumer behaviour as fast as possible. The way people buy cars has changed, the question is how have you adjusted your business, in particular your marketing, in line with this? Partner with carwow to have up-to-date data, actionable insights and marketing expertise at your disposal.

TOTAL Lubricants – delighted to support the AM100 Dinner 2019

As a leading supplier of advanced lubricants, TOTAL's dedication to continuous improvement and product innovation has powered the introduction of value-adding business solutions, as well as the doubling of investments made in pioneering R&D to support the formulation and testing of tomorrow's products.

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Engineering to the highest standards and using only premium-quality raw materials, TOTAL applies the same cutting-edge developments that have led its automotive partners to win multiple motorsport world titles.

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UK'S MOTOR RETAILERS ARE LIVING IN INTERESTING TIMES

AM100 groups have proved resilient against a cocktail of negative influences. But will it last?

'May you live in interesting times' is a saying sometimes known as 'The Chinese Curse', although there is no known equivalent expression in Chinese.

Whatever its origin, it may be appropriate to apply the saying to 2018 and, by all accounts, to the current year so far.

We have had GDPR, WLTP, and the 'B' word. On top of the unsettling effects of those three, world trade has been thrown a few curve balls by the administration across the Atlantic. Consumer confidence is low. Regulation is increasing. And no one knows when or where it will all end.

Not content with that toxic cocktail, pundits are inviting retailers to conclude that they are faced with disruption and drastic change, on a scale previously unknown – from the connected car, autonomous vehicles, mobility/cars/transport-as-a-service, and the pressure to change from internal combustion engines to electric or hybrid or fuel cell or a mixture of all three.

Faced with all this, you may expect the spring 2019 analysis of the AM100 would show much doom and gloom, and that the majority of retailers had called it a day, packed up their tents and gone fishing.

TURNOVER GROWTH BY PERCENTAGE AND VOLUME

Rank 2019	Group	Turnover growth (%)
48	Heritage Automotive	125.3%
17	Hendy Group	63.6%
75	Endeavour Automotive Group	50.4%
15	Stoneacre	32.0%
37	Johnsons Cars	28.2%
77	Bowker BMW	26.6%
44	Steven Eagell	24.8%
46	Snows Motor Group	19.3%
79	JCB Medway	18.9%
70	Citygate Automotive	18.6%
72	Brindley Garages	16.9%
22	Eastern Holdings	15.5%
83	Cotswold Motor Group	15.3%
47	BMW Retail	14.1%
97	Arbury	13.3%
85	Marsh Wall	12.3%
64	Barretts of Canterbury	12.0%
78	Vines Group	11.9%
20	Rybrook Holdings	11.6%
55	Hatfields	11.3%
51	Vantage Motor Group	10.3%
33	Pentagon Motor Holdings	10.2%
66	CEM Day	10.1%
94	Howards Group	9.9%

Rank 2019	Group	Turnover growth (£)
2	Lookers	435,000
4	Arnold Clark Automobiles	385,286
17	Hendy Group	352,576
15	Stoneacre	256,655
1	Sytner Group	250,000
5	Vertu Motors	239,894
48	Heritage Automotive	194,253
9	Group 1 Automotive	113,676
37	Johnsons Cars	101,522
22	Eastern Holdings	94,000
44	Steven Eagell	83,338
20	Rybrook Holdings	78,206
75	Endeavour Automotive Group	69,000
46	Snows Motor Group	59,957
14	Greenhous Group	57,449
8	Jardine Motors Group	55,091
10	TrustFord	52,542
29	RRG Group and Norton Way Motors	51,753
33	Pentagon Motor Holdings	51,000
47	BMW Retail	45,000
77	Bowker BMW	41,000
23	Motorline	38,299
70	Citygate Automotive	34,154
38	TG Holdcroft	33,388

Well, it hasn't been a good year. Profits are almost universally down on the previous year and all the anecdotal evidence points to very uncomfortable trading in 2018, with supply issues and margin pressure and B-word uncertainty topping most peoples' lists of challenges.

However, as has been seen time and again, year after year, the resilience of the industry shines through. Only a small handful of groups admit to making losses, and no more than did in 2017 or the year before. The top performers have seen their return on sales (RoS) fall, but still make a respectable return.

It is true that a number of well known names have disappeared through acquisitions, but most of the transactions appear to be planned rather than driven by distressed circumstances.

> WELL KNOWN NAMES HAVE DISAPPEARED THROUGH ACQUISITIONS, BUT MOST OF THE TRANSACTIONS APPEAR TO BE PLANNED

Transactions have driven some change across the AM100. Sytner, propelled largely by its strategy of increasing its presence in used cars, crossed the £6 billion barrier and is almost £1bn ahead of its nearest rival. Lookers rationalised its portfolio and also made a significant acquisition, Jennings Group, to leapfrog Pendragon into second place.

Arnold Clark remains in fourth place, after it added Phoenix Group, and continued its growth in used cars, both organically and from a new Motorstore in Wolverhampton.

Vertu moved up one place after it took over Hughes Group and Inchcape moved down one place after rationalisation resulted in a reduction in turnover. Pendragon and Inchcape were the only top 10 groups to contract.

Marshall, which disposed of its leasing business but added sites from Progress Motor Group and Sandicliffe, showed a small increase and retained its seventh place.

The biggest move, however, was by Hendy Group, which moved up 12 places to number 17, entering the top 20 for the first time. Hendy has been adding scale for some time and its recent purchase of Westover continued that trend. It was a key strategic move and should be earnings-enhancing.

Stoneacre, by adding Mill Garages after acquisitions from Burrows and Variava, joined the £1bn turnover club.

But it is not all about the top 20. Elsewhere in the AM100, small- to medium-sized

PROFIT BEFORE TAX – TOP PERFORMERS

Rank 2019	Group	PBT (£'000)
1	Sytner Group	129,000
4	Arnold Clark Automobiles	113,500
2	Lookers	54,800
3	Pendragon	47,800
7	Marshall Motor Holdings	25,667
5	Vertu Motors	23,533
11	JCT600	17,079
15	Stoneacre	14,207
12	Listers Group	13,439
10	TrustFord	12,358
17	Hendy Group	11,336
8	Jardine Motors Group	11,319
26	Helston Garages Group	10,571
22	Eastern Holdings	10,500
25	Cambria Automobiles	9,827
32	Lloyd Motors	9,819
55	Hatfields	9,647
28	Allen Ford	9,527
29	RRG Group and Norton Way Motors	8,558
24	Harwoods	8,426

Rank 2018	Group	PBT (£'000)
1	Sytner Group	115,000
4	Arnold Clark Automobiles	106,605
3	Lookers	65,300
2	Pendragon	60,400
7	Marshall Motor Holdings	30,021
6	Vertu Motors	26,860
10	TrustFord	19,273
12	JCT600	17,074
27	Helston Garages Group	11,870
13	Listers Group	11,801
23	Cambria Automobiles	11,265
22	Allen Ford Group (Super Group)	9,632
49	Porsche Retail Group	9,575
28	Eastern Holdings	9,500
32	Lloyd Motors	8,329
29	Hendy Group	8,087
59	Hatfields	7,921
17	Stoneacre	7,887
30	RRG Group and Norton Way Motors	7,504
37	Peter Vardy	7,281

Rank 2017	Group	PBT (£'000)
4	Arnold Clark Automobiles	125,351
1	Sytner Group	121,000
3	Lookers	77,100
2	Pendragon	75,400
5	Inchcape Retail	49,476
6	Vertu Motors	32,516
7	Marshall Motor Holdings	25,400
9	TrustFord	18,975
11	Listers Group	16,027
12	JCT600	13,604
23	Helston Garages Group	12,600
21	Cambria Automobiles	10,605
56	Hatfields	10,544
28	Dick Lovett	10,224
22	Harwoods	9,781
52	Porsche Retail Group	9,562
26	Eastern Holdings	9,500
36	Peter Vardy	9,092
34	Glyn Hopkin	9,080
64	CEM Day	8,760

C groups have made moves. Endeavour Automotive (see our interview on page 22) continued its rapid growth by adding Volvo sites from HSF, taking it to 75 on this year's table, from 97 last year. Johnsons grew by nearly 30% after it acquired the last of TH White's operations and other single-site acquisitions. Stephen Eagell, which took over seven Toyota sites from Jardine, adds 25% to its turnover.

The fastest mover in the latest AM100 is Heritage Automotive, however, which doubled in size after it acquired Blade. Heritage moved up 38 places to 46.

There are four new entrants: Richmond Motor Group; Riverside Motor Group, Howards Group and Arbury Motor Group.

Richmond grew from a single Hyundai operation in Portsmouth, and turnover of about £60m five years ago, to a multi-site group with just more than £140m turnover.

Riverside, a Yorkshire-based 'local hero' has entered the AM100 for the first time, and immediately moved into seventh place in the RoS% table.

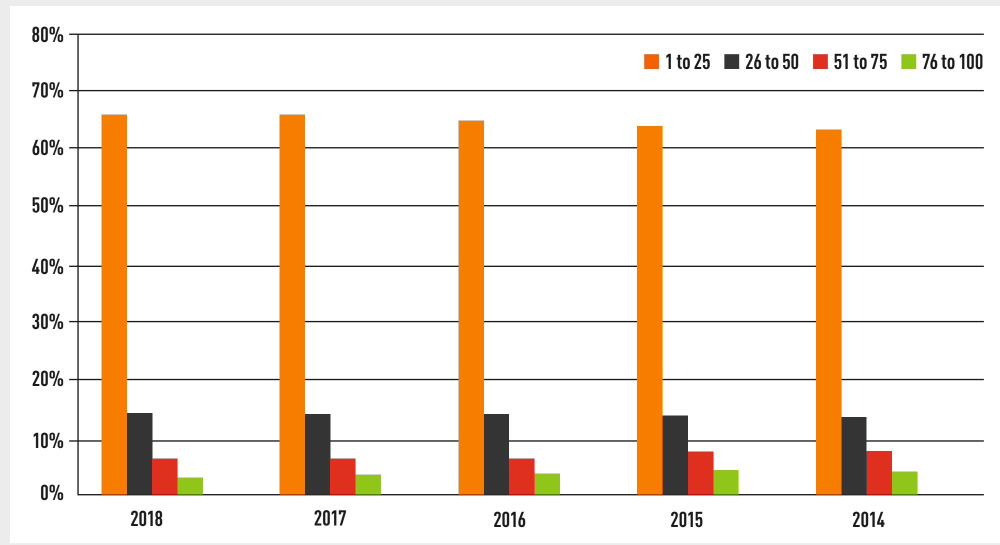
Arbury was just below the threshold for the AM100 for some time, but this year it cleared that hurdle and, like Riverside, jumped immediately into the RoS% top 20, taking fifth place.

Returning to the statistics of the AM100, despite the difficulties of Dieselgate, WLTP and new car supply problems, the AM100 continued to grow. Total turnover was up nearly £2.5bn, from £67.13bn in 2017 to £69.61bn in 2018.

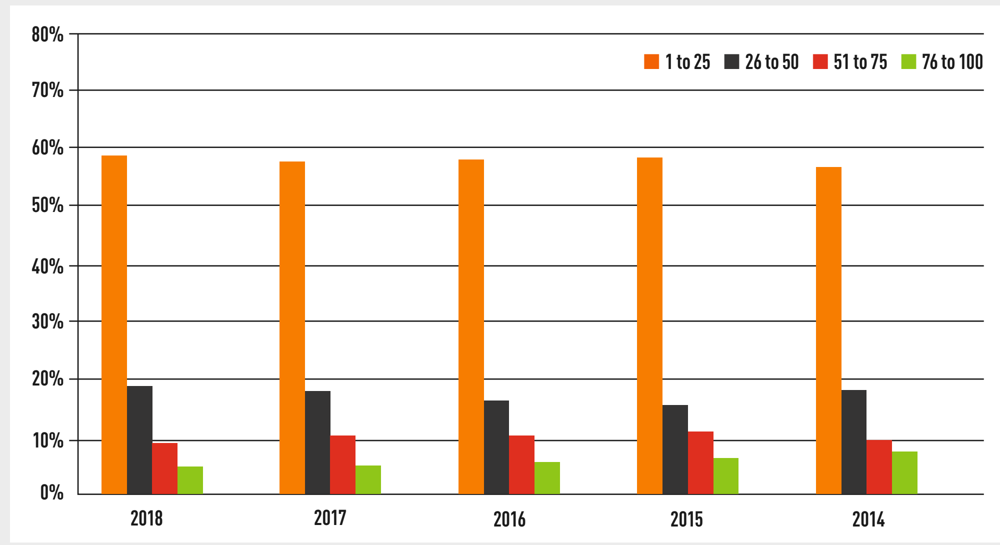
The AM100's share of total outlets also increased, after a fall last year. Some 64% of franchised sales points were controlled by the AM100 this time, compared with 59% last year and 61% the year before. The share controlled by the top 20 groups rose to 35% from a stubbornly uniform 30% to 31% over the past five years. The needle may finally be moving on the much exaggerated concept of consolidation.

The share of total industry volume (TIV) controlled by AM100 groups finally hit 60%, up from 46% 10 years ago. However this may be the peak, if manufacturers, as predicted, increase their direct deals and move more towards an agency model.

AM100 SHARE OF TOTAL TURNOVER BY QUARTILE



AM100 SHARE OF FRANCHISED OUTLETS BY QUARTILE



> THE SHARE OF TOTAL INDUSTRY VOLUME CONTROLLED BY AM100 GROUPS FINALLY HIT 60%, UP FROM 46% 10 YEARS AGO. HOWEVER THIS MAY BE THE PEAK

SPOT THE DIFFERENCE!

Against these individual statistics however, the broad picture of AM100 turnover by quartile, shown above, was strangely unchanged.

The picture in terms of outlet control is only slightly different. Look closely and you can see a slight shift from the last quartile to the top 25.

The AM100 may be slowly taking a greater share of the total market, but it is a fragmented, not a consolidated, marketplace and despite the headline-grabbing transactions, it is not changing much – yet. But what direction will change take in the future? Will the move finally be towards consolidation, or will it be the reverse? Everyone seems to agree that there is potential disruption from technology-driven changes in both customer and manufacturer behaviour. PIERS TRENEAR-THOMAS

Notes on the AM100

- **Information in the AM100 is derived from responses to our questionnaire or from statutory accounts. Where no questionnaire has been returned and statutory accounts are not sufficiently current, an estimate is made.**
- **Profits are adjusted, where information is available, to eliminate exceptional items. Profit percentages are calculated on the unadjusted turnover numbers. Turnover is net of VAT.**
- **In order for the table to be as current as possible, information in the public domain, principally relating to acquisitions and disposals, is used to update questionnaire responses or statutory accounts.**

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DEALERS ARE NOT COMPETING WITH ANYONE BUT THEMSELVES

Motor retailers should drop the crystal ball and start building agile, problem-solving businesses

In a time of great uncertainty [see Page 7], you may expect acquisition activity to slow until the outlook improves, or that most deals were 'arranged' to avoid insolvency. But the experience from this year's AM100 is quite the opposite.

While some of the deals were likely driven by performance issues, most of the activity seems to have had a positive strategic motive.

Profitability is also not a total picture of gloom. The average RoS% for the 20 best groups has declined by a minuscule 0.004%. Top-of-the-table Hatfields, while 0.1% lower than last year's champion, CEM Day, has actually improved on its prior year figure. While Days may have slipped a little, 3% is still admirable. Entry to the top 20 has even increased marginally, from 1.4% to 1.5%.

Percentages and averages tell one story, monetary amounts tell another. The total profit made by the 20 most profitable groups over the past two years is separated by less than £300,000 – £550.9 million in 2018 vs £551.2m in 2017.

These statistics obscure a more unsettling question. There has been a shift from new cars to used, an inherently more profitable segment, and also an increase in aftersales hours sold, the key to increasing absorption. So why has there not been a measurable improvement in profits?

Some of the shift towards used cars has been driven by the WLTP supply issue. If you can't get new cars, what do you sell? However, much of the increase in volume has been strategic. Across the AM100, the used:new ratio has steadily increased over the past few years.

For some individual groups, the ratio has moved substantially. Arnold Clark sold 3.5 used cars for every 1 new car. Eden Motor Group, 2.7. Peter Vardy, with two new concept CarStores, sold 2.6:1. Lloyd, Drive and Sytner all perform around the one-time target of 2:1.

> **THERE HAS BEEN A SHIFT FROM NEW CARS TO USED... SO WHY HAS THERE NOT BEEN A MEASURABLE IMPROVEMENT IN PROFITS?**

Unsurprisingly, all these groups are in the top 20 by RoS%.

It would be nice if life was that simple – just switch to used cars. However, there are a number of groups with admirable used:new ratios that do not perform so well. Which simply goes to show that what we have concluded in many of these analyses in the past is still true. It is much more a matter of how you do it, than what you do it with. However, it must be sensible, for many reasons, to continue to shift the emphasis to used cars.

Selling used cars does not suffer from the restrictive practices of manufacturers. Aftersales opportunities are greater. The customer base is broader. The supply marketplace is larger and more diverse. Penetration by the franchised sector is low, all of which simply demonstrate the scale of the opportunity.

But in order to benefit from these opportunities, businesses will have to understand their customers better, have robust processes for acquiring and preparing product, have more flexible, but thorough, sales processes and have appropriate financing and working capital management processes in place. Those are not necessarily givens for businesses that have focused mainly on new cars.

The change in aftersales hours sold is also quite dramatic. Not all groups provide the requested data, and not all those who responded this year also did so last year and the year before. But just over half of you did, so the picture we can draw is at least representative of the AM100.

The increase in hours sold in 2017 vs 2016 was minor, at 3%. But 2018 has seen a substantial increase of just more than 12%. Given that most commentators agree the aftersales market is shrinking, due to factors such as more reliable cars and a slowdown in new sales and therefore of parc growth, this

RETURN ON SALES %

Rank 2019	Group	RoS%
55	Hatfields	3.3%
66	CEM Day	3.0%
4	Arnold Clark Automobiles	2.7%
53	Porsche Retail Group	2.6%
98	Arbury	2.4%
1	Sytner Group	2.1%
97	Riverside Motors Group	2.1%
83	Cotswold Motor Group	2.0%
44	Steven Eagell	2.0%
50	City West Country	2.0%
59	Peoples	1.9%
82	Toomeys	1.8%
32	Lloyd Motors	1.7%
68	Drive Motor Retail	1.7%
26	Helston Garages Group	1.7%
60	Hartwell	1.6%
28	Allen Ford	1.6%
25	Cambria Automobiles	1.6%
73	Yeomans	1.6%
22	Eastern Holdings	1.5%

Rank 2018	Group	RoS%
72	CEM Day	3.4%
49	Porsche Retail Group	3.1%
59	Hatfields	3.0%
69	Yeomans	2.7%
4	Arnold Clark Automobiles	2.7%
22	Allen Group	2.4%
57	Peoples	2.3%
1	Sytner Group	2.1%
27	Helston Garages Group	2.0%
74	Stephen James Group	1.8%
23	Cambria Automobiles	1.7%
54	City West Country	1.7%
37	Peter Vardy	1.6%
28	Eastern Holdings	1.6%
96	Hughes Group	1.6%
32	Lloyd Motors	1.5%
98	Fish Brothers	1.5%
29	Hendy Group	1.5%
82	John Grose Group	1.5%
63	Robinsons Motor Group	1.4%

Rank 2017	Group	RoS%
56	Hatfields	3.8%
64	CEM Day	3.8%
4	Arnold Clark Automobiles	3.4%
52	Porsche Retail Group	3.3%
59	Peoples	2.7%
48	City West Country	2.6%
1	Sytner Group	2.5%
79	Steven Eagell	2.5%
76	Yeomans	2.4%
33	Allen Ford Group (Super Group)	2.3%
23	Helston Garages Group	2.2%
28	Dick Lovett Group	2.1%
36	Peter Vardy	2.1%
69	Stephen James Group	2.1%
42	Robinsons Motor Group	2.0%
82	John Grose Group	2.0%
86	Bestodeck	2.0%
34	Glyn Hopkin	2.0%
100	L&L Automotive	1.8%
45	Westover Group	1.8%

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must represent a shift in approach and emphasis. Some of the increase will come from the greater number of used car sales, but a measureable amount must come from greater attention to health checks, service plans and follow-ups.

Intriguingly, this should have moved the dial on profitability, but apparently it has not. A review of responses to the proportion of profit earned from aftersales is inconclusive. From a rather smaller population of responses, the results show the proportion of profits earned from aftersales increased by less than 1%.

So where has the benefit gone? Perhaps a continued increase in process complexity, non-productive staff numbers, or the cost of larger facilities and greater overheads has diluted the effect. Which, dare I say, should be avoidable. My observation from visiting many workshops over many years is that the level of waste is legendary. If you take offence at that comment, I invite you to divide the time technicians actually spend productively on cars (not the clocked-on time, but the time actually spent fixing things) by the time cars spend on your premises. I have absolutely no doubt that you will discover the number is less than 20%. Maybe even close to a single-figure percentage. That is a huge opportunity for process improvement.

> MY OBSERVATION FROM VISITING MANY WORKSHOPS OVER MANY YEARS IS THAT THE LEVEL OF WASTE IS LEGENDARY

There is always change. But what does it mean? At the recent *AM* Automotive Retail Congress, both ASE's Mike Jones and Barclaycard's Nick Kerigan quoted Bill Gates: "We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next 10."

This is human nature and reflects how survival has tuned our DNA – the nearest threat will be exaggerated, to ensure a suitable reaction. The downside of underestimating it could be catastrophic, so we have learnt to adjust upwards 'just in case'. Doing so has ensured survival and so we are now programmed to think that way.

By the same token, having survived the threat, we don't look back and calmly analyse our approach to that danger, we simply move on and do the same thing again. If we ever look 10 years ahead (doubtful, in terms of modifying current reactions to threats), it is a vague theoretical exercise and subsidiary to the need to focus on the next most pressing issue – how to survive tomorrow morning.

The result is that we never have the time or the inclination to add together the incremental changes of the past few years and extrapolate. We got through the last problem, we'll get through the next one, why indulge in complex arithmetic?

But is that at all significant? What matters is that we survive and change, every day, more quickly, better and more effectively than our competition. And herein lies the message.

There is much discussion about the lack of preparedness of dealers for what a number of commentators see as the main threats that are (or shortly will be) disrupting the current business model. While this may have happened before, it is happening more quickly now and therefore it is a more immediate threat. Inaction may be fatal – the remainder of the Bill Gates quote is: "Don't let yourself be lulled into inaction".

But what kind of action is appropriate? The common view appears to be that the main threats fall into four areas – the connected car and its attendant data; the electric car and the effect it will have on aftersales; the autonomous vehicle and the effect on... (I'm not too sure what); mobility services and their effect on ownership and public transport.

Taken separately, each one could seem like trouble for the dealer business model and to require a specific reaction.

The connected car opens up the data ownership debate and the prospect of dilution of dealers' ability to manage their customers.

Electric cars need less, and different, maintenance, so workshops will need to be reconfigured and technician resources rebalanced. Those changes will come at a cost and, at the same time, revenues will fall.

Shared mobility will result in fewer cars owned privately, maybe even fewer cars. Operators will be fleets looking for cost savings.

As for autonomous vehicles, most people seem to agree that this is a long way off and will have a bigger effect on urban public transport than on the motorist and on dealers.

But take all these together and some of the issues fall away. People will still want mobility. People will still have to pay for it. What is the difference between paying a monthly subscription to have your preferred mode of transport available and paying a monthly sum to 'own' it? I know of few people who think much about ownership whether they are using HP, PCP, PCH or whatever other definition of monthly payment you may want to throw in. So if our ever increasing population continues to want to get from A to B, someone has to provide the vehicle and maintain it.

If you live and work in town, where parking is difficult and congestion a major issue, you already find car ownership a drag. Outside dense urban areas, people still find that the convenience of the asset being available outweighs the cost. It may be idle most of the time, but the times you want it to be available are often not predictable. Customising a new vehicle to your usage requirements every time it

PROFIT PER FRANCHISED OUTLET

Rank 2019	Group	Profit per franchised outlet (£)
53	Porsche Retail Group	1,611,400
55	Hatfields	964,700
1	Sytner Group	928,058
83	Cotswold Motor Group	884,250
66	CEM Day	700,400
50	City West Country	603,000
59	Peoples	588,444
4	Arnold Clark Automobiles	504,444
32	Lloyd Motors	490,950
24	Harwoods	468,111
36	Peter Vardy	445,833
14	Greenhous Group	435,875
97	Riverside Motors Group	406,714
31	Dick Lovett	385,167
43	Halliwell Jones Group	380,200
44	Steven Eagell	372,545
11	JCT600	363,383
2	Lookers	326,190
22	Eastern Holdings	318,182
29	RRG Group & Norton Way Motors	305,643

Rank 2018	Group	Profit per franchised outlet (£)
49	Porsche Retail Group	1,941,200
72	CEM Day	912,455
1	Sytner Group	879,433
59	Hatfields	848,100
57	Peoples	703,000
89	Cotswold Motor Group	685,000
37	Peter Vardy	608,733
54	City West Country	550,000
4	Arnold Clark Automobiles	533,403
91	Ocean Automotive	522,667
41	Halliwell Jones Group	507,600
3	Lookers	502,597
25	Harwoods	490,824
10	TrustFord	457,040
74	Stephen James Group	450,857
12	JCT600	448,745
62	Sandown Motor Group	434,500
2	Pendragon	431,959
28	Eastern Holdings	429,630
32	Lloyd Motors	427,619

Rank 2017	Group	Profit per franchised outlet (£)
52	Porsche Retail Group	1,920,400
64	CEM Day	1,076,364
56	Hatfields	984,091
1	Sytner Group	923,077
39	Halliwell Jones Group	751,000
59	Peoples	705,100
28	Dick Lovett	702,938
69	Stephen James Group	701,143
22	Harwoods	687,941
48	City West Country	675,615
36	Peter Vardy	671,733
4	Arnold Clark Automobiles	646,752
67	Currie Motors	580,800
3	Lookers	577,439
71	William Morgan	517,333
5	Inchcape Retail	515,173
2	Pendragon	511,111
61	Sandown Motor Group	492,375
26	Eastern Holdings	479,167
9	TrustFord	444,778

turns up is irritating and time-consuming (i.e. not simple and easy – prime requirements for a successful relationship).

In any event, we already have mobility as a service (Maas). It is called Uber or Lyft or the local taxi service, trains, buses, daily rental, short-term rental, quick turn PCH. The only difference is making all the possible combinations available more simply and cost-effectively through a unifying app. And I don't see why moving in that direction excludes or changes the dealers' business model. But dealers will have to be more customer-centric – in real terms, not just the rhetoric.

When all is said and done, the principal threat seems to be one that has been identified many times before – new entrants. The way to deter new entrants, or to beat them, is to be better at what you do than they can be without spending a lot of money, and always staying ahead of them.

Which brings me back to Bill Gates and overestimating the current threat while underestimating long-term change.

Spending time speculating on what is to come is a must. Without a vision of where we want to be in the future, and what we might have to face along the way, we have no idea where we are going, let alone how to get there.

But obsessing about being prepared for some imagined future is wasteful. Competitive advantage is generated by being able to identify and quantify actual problems as soon as they arise, discover their root cause, propose and test counter-measures, and then further improve.

Real competitive advantage is represented by how quickly and effectively you can carry out that cycle and by how many people in your organisation can do that. All of this must be conducted through the eyes of the customer. Rapidly implementing ideas is one thing, but it must always be checked against the question as posed by a customer – "which of my problems does that solve?".

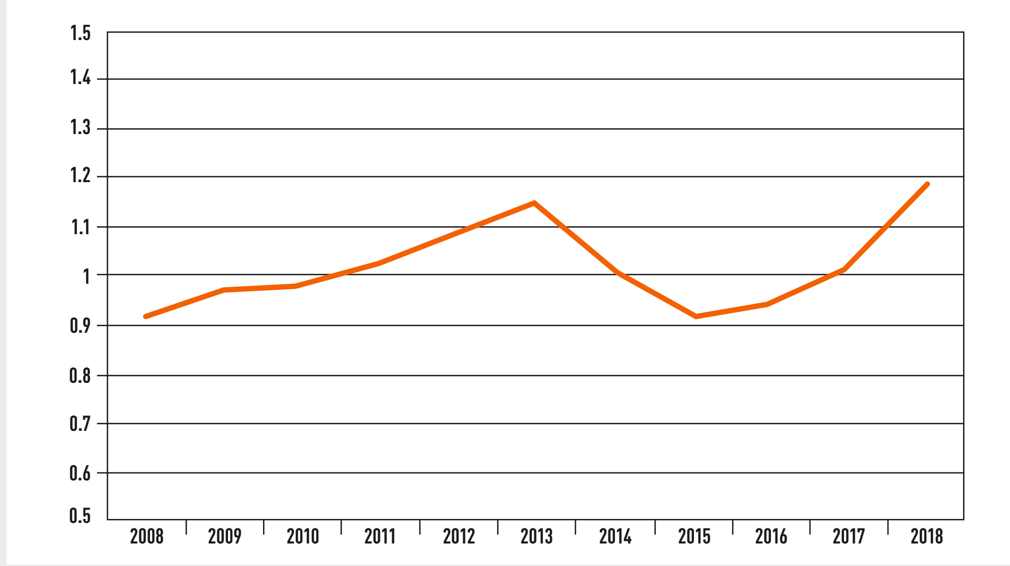
If you teach all your people to be structured problem-solvers, provide the environment where their countermeasures can be applied and sustained, and challenge how and why they are doing what they do, you will be more resilient and agile than your competition. You will survive where they don't. And scale is not necessarily a determinant. Smaller organisations can do this just as well, if not better, than large ones. Resilient, agile *and* large, though, could be hard to beat.

Another Bill Gates quote – "I am not in competition with anyone but myself. My goal is to improve myself continuously". The structured problem-solving cycle described above is also known as continuous improvement.

Continuous improvement by the whole organisation is the way to future-proof, crystal ball-gazing is not. PIERS TRENEAR-THOMAS

> SPENDING TIME SPECULATING ON WHAT IS TO COME IS A MUST... BUT OBSESSING ABOUT BEING PREPARED FOR SOME IMAGINED FUTURE IS WASTEFUL

AM100 USED TO NEW RATIO



PBIT PER EMPLOYEE

Rank 2019	Group	PBIT per employee (£)
53	Porsche Retail Group	27,810
55	Hatfields	24,186
82	Toomeys	16,924
97	Riverside Motors Group	16,650
50	City West Country	16,350
66	CEM Day	16,339
59	Peoples	13,430
1	Sytner Group	13,429
98	Arbury	13,254
24	Harwoods	11,583
44	Steven Eagell	11,396
32	Lloyd Motors	10,848
26	Helston Garages Group	10,637
4	Arnold Clark Automobiles	10,260
28	Allen Ford	9,793
21	Swansway	9,525
11	JCT600	9,430
25	Cambria Automobiles	9,358
2	Lookers	8,843
22	Eastern Holdings	8,588

Rank 2018	Group	PBIT per employee (£)
49	Porsche Retail Group	34,176
59	Hatfields	19,407
72	CEM Day	16,241
57	Peoples	15,394
22	Allen Ford	14,235
54	City West Country	13,750
70	Yeomans	13,500
1	Sytner Group	12,525
27	Helston Garages Group	12,123
37	Peter Vardy	10,655
4	Arnold Clark Automobiles	10,316
23	Cambria Automobiles	9,745
7	Marshall Motor Holdings	9,717
12	JCT600	9,653
32	Lloyd Motors	9,635
25	Harwoods	9,602
28	Eastern Holdings	9,477
29	Hendy Group	9,390
3	Lookers	9,001
76	Brindley Garages	8,819

Rank 2017	Group	PBIT per employee (£)
52	Porsche Retail Group	35,563
56	Hatfields	23,533
64	CEM Day	19,899
48	City West Country	19,693
59	Peoples	17,410
36	Peter Vardy	15,695
28	Dick Lovett	15,686
1	Sytner Group	15,529
100	L&L Group	14,730
39	Halliwell Jones Group	13,704
23	Helston Garages Group	13,650
34	Glyn Hopkin	13,395
33	Allen Ford	12,841
4	Arnold Clark Automobiles	12,727
42	Robinsons Motor Group	12,525
69	Stephen James Group	12,089
76	Yeomans	11,515
22	Harwoods	11,500
79	Steven Eagell	11,207
21	Cambria Automobiles	10,550

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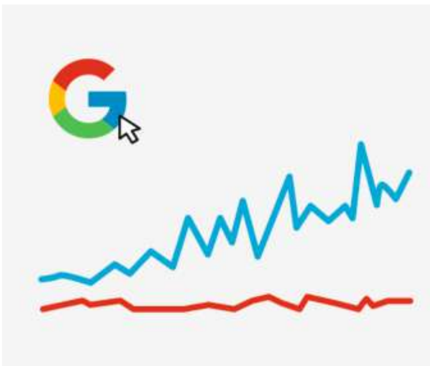

Exclusive information exchange partnership with Google providing a unique view of search behaviour

Tim Hesse
Director of Data at carwow

Data snapshot

Which customers are most likely to buy: messagers vs callers

In their lifecycle a customer may enquire once or multiple times. They may use one type of enquiry, for example a message, or they may use multiple types, for example a message and a call request. We label the way a customer has enquired (e.g. messaged) as an 'enquiry type'. By the way, the 'call requests' enquiry type includes test drive requests. We've researched how likely customers are to buy based on how many times and which enquiry types they use to enquire with partner retailers. Below you can see the different rates of conversion for different enquiry journeys that begin with a message.

So what?
This research shows that although customers who call first are traditionally viewed as the most likely to convert into a sale, messagers actually have the highest potential to convert on average.

Customer enquires via a message

Message | Call | Call request

Customer sends a message once only.
The conversion to sale is 2%.

Customer sends multiple messages.
The conversion to sale is 6%.

Customer sends a message first and follows up with another type of enquiry.
The conversion to sale is 24%.

Customer sends a message first and also enquirers via calls and call requests.
The conversion to sale is 35%.

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FACTFILE

TURNOVER: £156 million (2018)*
PROFIT BEFORE TAX: £834,000 (2018)*
NUMBER OF STAFF: 450
SALES FRANCHISES: Volvo, Hyundai, LEVC, Lotus
NUMBER OF LOCATIONS: 14

*Endeavour's higher turnover on the AM100 table includes an estimate of its 2019 acquisitions

Endeavour Automotive managing director, Adrian Wallington: 'These are testing times, but the relationships we have forged... put us in a really strong position'

AM100 75 RANK

FACE TO FACE: ENDEAVOUR AUTOMOTIVE

'WE ARE BLESSED WITH THE BRANDS WE REPRESENT'

Forward-thinking manufacturer partners and innovative business models are key to MD Adrian Wallington's assault on the capital and beyond, he tells Tom Sharpe

Endeavour Automotive managing director Adrian Wallington is no stranger to a challenge.

A year before he re-joined Endeavour chief executive John Caney – his former boss from Wayside Group – Wallington, then Jaguar Land Rover franchise director at Marshall Motor Group, took part in a JLR-organised 15-hour swim across the English Channel in aid of Ben.

"When I agreed to it, I was far from a good swimmer. If my kids fell in the pool on holiday I would have been able to jump in and get them, but that was about it," he said.

Now he faces the sink-or-swim challenge of helping Caney to lead a retail group based in the UK's toughest region – surrounding a capital city subject to sky-high property and staffing costs and measures aimed at eliminating harmful vehicle emissions.

The bulk of Endeavour's representation is with Hyundai and Volvo, considered by many to be two of the industry's most progressive brands. But the group has also forged stronger ties with Volvo's Chinese owners, Geely, with the opening of a new franchise for the manufacturer's London EV Company (LEVC), in Chiswick, West London, and a Lotus franchise in rural Colchester in November.

Endeavour seems keen to experiment with alternative retail platforms – it took over the operation of Hyundai's store at the Westfield Shopping Centre, in Stratford, in March, and also took part in talks with Geely's performance EV brand, Polestar, ahead of its development of a network of Polestar Spaces.

"We really are blessed with the brands we represent," said Wallington.

"In the South East, perhaps more than anywhere else, having Hyundai and Volvo – brands which give our customers access to the full range of hybrid, plug-in, hybrid, EV and even hydrogen fuel cell vehicles – is a massive strength.

"These are testing times, but the relationships we have forged and have strengthened with Hyundai and Geely put us in a really strong position."

BUILDING TOWARDS PROFIT

Endeavour has expanded rapidly in the seven years since Caney founded the operation by acquiring a then Hyundai-owned site on Edgware Road, Hendon.

A rapid succession of acquisitions followed as Caney pursued a goal of becoming a £100 million turnover regional dealer group within five years.

In 2014, Endeavour made a significant investment and added a new franchise by purchasing the entire share capital of Regent Automotive, acquiring six Volvo dealerships in and around London.

In February this year, the group followed the opening of its new LEVC and Lotus businesses by expanding into Berkshire with the acquisition of three Volvo sites in High Wycombe (aftersales-only), Maidenhead and Slough, from HSF Group.

Endeavour also opened a 14,000 sq ft trade parts distribution centre adjacent to its Hyundai franchise in New Southgate.

It now operates eight Volvo and five Hyundai dealerships across London, Buckinghamshire, Hertfordshire and Essex – as well as the Lotus and LEVC businesses – and plans to build significantly on this year's 75th place ranking in the AM100, with a £206m turnover for the full year 2018.

Wallington expects turnover to

Wallington says Hyundai's range of AFV options is an advantage in its urban locations

reach £260m in 2019, which would take Endeavour to 62nd place based on this year's table.

Investment is ongoing in the integration of new businesses, but the ambitious redevelopment and relocation of its Hyundai sites to meet the South Korean brand's latest corporate identity standards have taken their toll on profitability.

As it has continued to invest in growth, premises and its goal of becoming a strong regional operator, the group's return-on-sales (RoS) figure has barely tipped into positive figures in recent years (2014: 0.1%; 2015: 0.7%; 2016: -0.2% and 2017: 0%) , reaching 0.5% in 2018.

While gearing (debt to equity) remained at a high 218% in its financial results to December 31, 2017, an EBITDA-to-debt ratio of 2.6 suggests the business remains in sound financial shape.

Wallington insists there is no plan to grow exponentially from its recently expanded position.

"John's view was always very much about starting a regional group and that remains our focus," he said.

"We are not looking to grow the group on a national basis. I would say we are a London-based retailer, but actually now we have got more businesses outside of London."

Wallington said some of the businesses farther from the capital required a different approach to those within the M25. For example, the Hyundai franchise at Frinton-on-Sea focuses on retaining older customers in a territory where Endeavour said mail drops are still more effective than social media campaigns.

Within the M25, there are signs the future is arriving rather more quickly.

'A HARD CONCEPT TO IGNORE'

On March 1, the group took on Hyundai's Westfield Stratford City car retail store, just 13 months after Motorline took control of the operation from Rockar and Hyundai Motor UK.

It will be operated as a satellite facility of Endeavour's Hyundai North London showroom, 10 miles away, in a move that could pave the way for future store ventures for the group – including a possible tie-up with Polestar.

"It's a hard concept to ignore. They had 10,000 people through the door in January alone," said Wallington.

"You're in a shopping centre that has 52m people go through annually. You wouldn't have to get much conversion rate to make it a raving success.

"For us, it's a very simple bolt-on business to this business here [North London] and they are supporting it from here in terms of management, in terms of logistics, which absolutely makes sense."

Asked what financial support Hyundai Motor UK continued to lend the Stratford store concept, Wallington would only state that "Hyundai are very much involved in the business".

He added: "It is an expensive place to be and what it looks like today might be very different to what it looks like in 12 months."

Wallington would not comment on the number of sales the facility had achieved before Endeavour's tenure began, but said it would represent a new revenue stream for the group.

He added: "We're starting to do daily rental with Hyundai, which we will be able to offer from the Stratford store, so it will represent a different income model and revenue stream for us.

"It also gives us an insight into what is likely to happen in terms of motor retail in major places."

Endeavour already operates a daily rental fleet of about 150 Volvos in and around London. Wallington said it was an area of the business he hoped to see expand with the help of a new strategic focus from Hyundai.

He also said the group was in discussions with Polestar about the opening of a 'Polestar Space' retail outlet in the South East.

Endeavour is ideally located for the brand, which will focus on major urban environments and will retail cars under various funding platforms, including subscription models, from early 2020.

Wallington said conversations with Polestar were "at a very early stage", but added: "It's a new retail platform with the Polestar Spaces in very high footfall places, so our experience with

Hyundai could help us learn a lot in that regard."

BEATING TAXES WITH TAXIS

Endeavour's bond with the London market strengthened with the opening of its first LEVC franchise last year, capitalising on the city's new ultra-low emissions zone (ULEZ).

Transport for London's ruling on vehicles eligible to dodge stringent daily penalties gave cab drivers no choice but to invest in a TX eCity, a six-seater cab that gives drivers a range of 80 miles on pure electric, and up to 400 miles with its petrol range-extender.

Endeavour installed the LEVC franchise in a building the group already owned on the same road as its West London Volvo business. Wallington described it as "a good move", as technicians trained on the Volvo technology that underpins the taxis would be able to switch brands if required.

The demands on delivering excellent customer satisfaction may be even tougher than in the retail sector, however.

The group is offering five years free servicing and the option of a pay-as-you-drive finance offer in an attempt to entice cabbies.

Generally, the cabs are funded by a PCP priced at £194 a week.

Close ties and regular dialogue between taxi operators meant Endeavour had to be prepared to go far beyond the driver's expectations to establish a strong reputation, said Wallington.

THE OPPORTUNITY IS CLEAR, THOUGH.

"There are 24,000 black cabs in London and all of those vehicles will be changed," said Wallington.

"There are also lots of incentives from a

> WHERE A RETAIL CUSTOMER MIGHT COME IN AND LEAVE THEIR CAR WITH US, IT'S HIGHLY LIKELY THAT A TAXI DRIVER WILL SIT AND WAIT
>
> ADRIAN WALLINGTON, ENDEAVOUR

grant perspective to encourage people to change from their non-Euro 6 compliant taxis into the new ones."

The LEVC franchise is run on a straightforward margin structure and Wallington said it's not subject to running demos or opening expensive facilities.

After opening in August last year, the group sold 37 taxis. It expects this number to reach 250 this year.

Like a traditional fleet business, taxis often need repairs or servicing around the clock. Wallington said: "It's a new mindset for us, but these guys really do demand urgency.

"It's their livelihood. Where a retail customer might come in and leave their car with us, it's highly likely that a taxi driver will sit and wait."

OPERATING EFFICIENTLY

As well as keeping the most demanding customers content, Wallington has joined Endeavour with the intention of learning more about the mindset of its workforce, to improve retention and satisfaction.

The group's annual turnover of staff is about 30%, he said, and he wants to cut this to 20%.

Endeavour recently announced that all members of staff could have their birthday off as an additional holiday day and there are plans to deliver greater recognition of long service. Staff have also taken part in an anonymous survey about the business.

"We want to make it as much of a family-feel business as we possibly can," said Wallington. "We have about 400 colleagues now so it's hard to keep that, but actually that's what we need to set as a goal."

Operational developments have been very much at the heart of Wallington's early priorities.

In an attempt to streamline the business and boost RoS, Wallington has already centralised Endeavour's used car stock management and introduced a daily operational conference call, which he insisted was more about transparency than accountability.

But he conceded that there may be "an element of peer pressure" involved.

He said: "All of the Volvo businesses and all of the Hyundai businesses will dial into the same call and nobody wants to be the one saying we are the team

Endeavour's LEVC workshop will be able to share technicians with its Volvo site as the cabs are built on the same platform

Endeavour chief executive John Caney, left, was also Wallington's boss at Wayside Group that haven't managed to sell a car today."

It may be working – Wallington said like-for-like new car sales volumes were up 84% YTD and used cars up 24% alongside a "robust start" for aftersales.

He said: "I am really pleased about the used cars and aftersales. If you can get those two firing, as the new car market ebbs and flows, you know you can buck the trend and get your own fair share of the market.

"The cost base that you carry in London is a challenge in terms of absorption levels if you use that as a measurement."

Endeavour's group-wide overhead absorption rate of 42% is a direct consequence of the high occupancy costs of operating in London.

Improvements in the used car sector have been achieved with a data-led approach to stocking, according to Wallington, with a group used car manager and a used car analyst pricing vehicles.

The result is a stock turn "heading towards 10", he said.

Endeavour may struggle to achieve 100% overhead absorption in its location, but its trade parts business is gearing up to boost its aftersales-related profitability.

> ANYTHING THAT CAN HELP US DRIVE EFFICIENCY AND INCREASE OUR INFLUENCE IN THIS PART OF THE WORLD HAS TO BE EMBRACED
>
> ADRIAN WALLINGTON, ENDEAVOUR

Wallington said it made sense to bring the operations of five separate sites into its new trade parts distribution centre in New Southgate.

Now the movements of its five trade parts vans cause far less disruption and the site will soon double up as a PDI centre for Endeavour's Hyundai businesses.

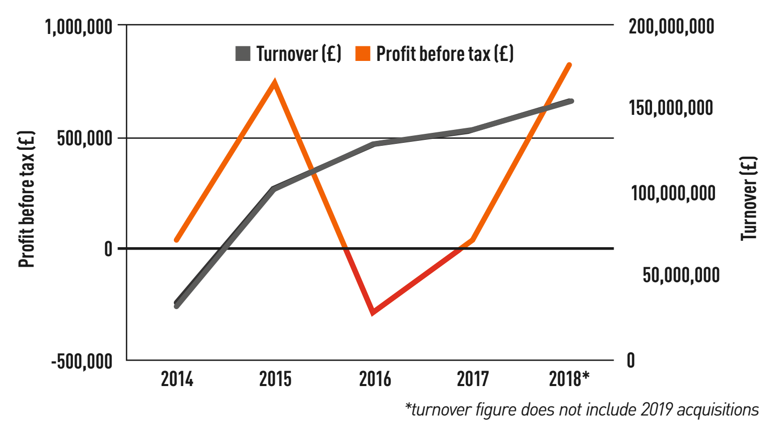
Led by group parts manager Earl Kelchure, the centre will offer three daily deliveries and trade parts revenue is expected to top £2m in 2019.

Wallington said: "It's huge, so it will definitely serve the businesses that we have got at the moment.

"It gives us lots of room for expansion and while we don't have plans to grow nationally, anything that can help us drive efficiency and increase our influence in this part of the world has to be embraced with both hands.

"This is one of the many things that is allowing us to do that."

ENDEAVOUR AUTOMOTIVE TURNOVER VS PBT 2014-2018



*turnover figure does not include 2019 acquisitions

LOOKING TO THE FUTURE WITH LOTUS

Endeavour Automotive is looking as much to the future with its Lotus franchise as with its Hyundai store, EV taxis and hydrogen car sales.

Wallington was one of a group of dealers from across the globe who were invited to Hethel, the sports car maker's Norfolk headquarters, for an event celebrating its 70th anniversary last summer. He found inspiration in what he saw of the brand's plans under Geely's ownership. Wallington said: "They have got some very bold plans."

At the Geneva Motor Show, Lotus unveiled an artist's impression of its Type 130 electric hypercar ahead of an official launch in London later this year.

The brand also plans to treble its total production to 5,000 vehicles after recruiting 289 staff in 2018 and announcing the recruitment of a further 200 staff in May this year.

Wallington said the investment needed to refurbish Endeavour's Colchester showroom, above, adjacent to the group's existing Hyundai franchise, "was not huge".

Responsibility for the operation of the site now sits under that franchise's head of business.

But as Lotus eyes a more concerted assault on bigger rivals such as Porsche and hatches plans to sell £1m-plus EVs, a degree of added focus may be required.

"We haven't got that business right yet," said Wallington. "We really need to make that a destination, but we are making sure that we have got people there passionate about doing it.

"If Lotus's plans come to fruition, getting in on the ground floor would prove to be a very wise decision."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BARCLAYS

Rank (2018)	Name	T/O 2019 (£,000)	T/O 2018 (£,000)	Outlets 2019	Outlets 2018	Total cars	Total LCV
1 (1)	Sytner Group	6,006,000	5,756,000	139	141	208,811	n/a
2 (3)	Lookers	5,131,300	4,696,300	168	154	195,350	23,237
3 (2)	Pendragon	4,627,000	4,739,100	188	194	256,000	n/a
4 (4)	Arnold Clark Automobiles	4,316,700	3,931,414	225	221	307,321	n/a
5 (6)	Vertu Motors	3,035,962	2,796,068	132	129	142,264	18,936
6 (5)	Inchcape Retail	2,832,266	2,996,152	113	114	127,070	10,659
7 (7)	Marshall Motor Holdings	2,250,301	2,231,979	110	105	89,515	n/a
8 (8)	Jardine Motors Group	2,117,885	2,062,794	66	65	67,852	730
9 (9)	Group 1 Automotive	2,025,357	1,911,681	63	65	70,682	n/a
10 (10)	TrustFord	1,738,456	1,685,914	76	50	69,606	35,462
11 (12)	JCT600	1,276,613	1,251,165	47	47	n/a	n/a
12 (13)	Listers Group	1,240,291	1,230,495	45	45	52,295	2,706
13 (11)	Mercedes-Benz Retail Group UK	1,150,000	1,265,024	20	19	n/a	n/a
14 (15)	Greenhous Group	1,109,300	1,051,851	8	11	51,715	16,136
15 (17)	Stoneacre	1,057,898	801,243	97	92	54,125	n/a
16 (14)	Robins & Day (PSA Retail)	1,057,757	1,078,494	62	62	45,164	22,077
17 (29)	Hendy Group	907,360	554,784	67	41	38,698	6,703
18 (16)	John Clark Motor Group	829,102	801,543	34	34	27,730	1,877
19 (19)	Park's Motor Group	770,000	780,000	63	58	n/a	n/a
20 (21)	Rybrook Holdings	750,032	671,826	24	22	17,762	n/a
21 (18)	Swansway	747,508	796,000	25	25	22,213	5,895
22 (28)	Eastern Holdings	700,000	606,000	33	27	n/a	n/a
23 (24)	Motorline	658,484	620,185	53	54	35,066	n/a
24 (25)	Harwoods	635,922	619,485	18	17	12,220	n/a
25 (23)	Cambria Automobiles	630,065	644,286	43	48	21,891	1,006

Rank (2018)	Name	T/O 2019 (£,000)	T/O 2018 (£,000)	Outlets 2019	Outlets 2018	Total cars	Total LCV
76 (75)	William Morgan	203,563	196,000	6	6	6,809	n/a
77 (88)	Bowker BMW	195,000	154,000	7	7	n/a	n/a
78 (81)	Vines Group	194,983	174,188	7	7	6,554	n/a
79 (85)	JCB Medway	186,599	156,916	17	16	8,979	1,925
80 (78)	Foray Motor Group	182,544	180,000	11	11	n/a	n/a
81 (80)	Specialist Cars Group	180,000	178,000	6	6	n/a	n/a
82 (73)	Toomeys	177,122	210,000	16	16	n/a	n/a
83 (89)	Cotswold Motor Group	173,352	150,288	4	4	8,387	n/a
84 (82)	John Grose Group	166,454	172,852	11	11	n/a	n/a
85 (87)	Partridge of Hampshire	165,000	154,634	2	2	n/a	n/a
86 (93)	Marsh Wall	164,000	146,000	6	6	4,957	n/a
87 (83)	Thurlow Nunn	155,000	162,744	12	12	n/a	n/a
88 (90)	SG Petch	151,000	149,492	20	20	n/a	n/a
89 (91)	Ocean Automotive (Po&Yeo Audi)	149,000	149,445	3	3	n/a	n/a
90 (94)	Parkway Motor Group	149,000	140,000	6	6	9,132	1,004
91 (92)	Sturgess Motor Group	147,000	146,139	10	10	n/a	n/a
92 (NEW)	Richmond Motor Group	141,250	112,757	6	n/a	n/a	n/a
93 (84)	Drift Bridge Garage	140,601	157,225	6	6	5,662	n/a
94 (NEW)	Howards Group	140,518	127,847	14	14	8,771	179
95 (95)	Sandal BMW	138,000	140,000	4	4	n/a	n/a
96 (98)	Fish Brothers	137,000	136,000	11	11	7,695	975
97 (NEW)	Riverside Motors Group	132,932	110,257	7	n/a	n/a	n/a
98 (NEW)	Arbury	132,148	116,659	13	12	9,019	310
99 (100)	Ancaster	130,965	132,313	13	14	6,542	63
100 (99)	Chorley Group	129,000	135,000	9	10	7,900	n/a

Rank (2018)	Name	T/O 2019 (£,000)	T/O 2018 (£,000)	Outlets 2019	Outlets 2018	Total cars	Total LCV
26 (27)	Helston Garages Group	620,000	608,667	37	38	19,492	528
27 (20)	Renault Retail Group	618,000	698,000	41	39	33,399	3,281
28 (22)	Allen Ford (Supergroup UK)	610,313	660,061	39	39	n/a	n/a
29 (30)	RRG Group & Norton Way Motors	605,401	553,648	28	27	36,990	1,910
30 (26)	Perrys Group	587,696	614,078	60	64	35,652	5,137
31 (31)	Dick Lovett	562,570	550,000	18	18	13,045	n/a
32 (32)	Lloyd Motors	562,020	541,807	20	21	22,961	n/a
33 (34)	Pentagon Motor Holdings	551,000	500,000	42	44	n/a	n/a
34 (33)	Williams Motor Co	470,000	500,000	13	13	n/a	n/a
35 (36)	Westway (Aprite)	468,382	455,000	15	15	27,257	n/a
36 (37)	Peter Vardy	468,336	450,156	12	15	24,093	475
37 (44)	Johnsons Cars	462,000	360,478	40	34	28,310	n/a
38 (42)	TG Holdcroft	451,897	418,509	23	23	23,040	n/a
39 (38)	LSH Auto UK	445,667	445,650	13	16	14,380	n/a
40 (35)	Sinclair Motor Holdings	445,287	464,794	21	20	18,154	1,527
41 (40)	Glyn Hopkin	436,778	426,788	45	50	22,040	326
42 (39)	HR Owen	425,000	440,000	17	17	n/a	n/a
43 (41)	Halliwell Jones	420,196	424,595	10	10	12,384	n/a
44 (47)	Steven Eagell	418,921	335,583	22	22	23,359	419
45 (43)	Vindis Group	383,450	416,954	14	14	15,307	942
46 (50)	Snows Motor Group	370,045	310,088	46	42	n/a	n/a
47 (48)	BMW Retail (Park Lane)	365,000	320,000	2	2	n/a	n/a
48 (86)	Heritage Automotive	349,253	155,000	32	11	n/a	n/a
49 (51)	Donnelly Group	316,000	305,723	37	39	n/a	n/a
50 (54)	City West Country	309,134	289,000	10	10	n/a	n/a

Rank (2018)	Name	T/O 2019 (£,000)	T/O 2018 (£,000)	Outlets 2019	Outlets 2018	Total cars	Total LCV
51 (56)	Vantage Motor Group	309,000	280,119	24	24	21,097	776
52 (55)	TC Harrison	304,812	287,691	13	12	9,261	1,784
53 (49)	Porsche Retail Group	304,092	311,262	5	5	3,659	n/a
54 (53)	Eden Motor Group	297,700	300,000	20	20	23,334	742
55 (59)	Hatfields	294,190	264,376	10	10	6,772	n/a
56 (45)	Mon Motors	286,000	340,000	12	12	n/a	n/a
57 (60)	Jemca	284,940	263,928	11	11	16,458	234
58 (61)	VT Holdings	281,762	263,088	24	25	15,776	n/a
59 (57)	Peoples	274,411	276,570	9	9	13,694	3,500
60 (58)	Hartwell	272,939	272,547	27	24	n/a	n/a
61 (62)	Sandown Motor Group	260,923	259,147	8	8	7,675	n/a
62 (64)	Vospers	248,175	236,887	28	28	12,220	3,353
63 (63)	Robinsons Motor Group	245,632	239,031	10	10	12,028	759
64 (67)	Barretts of Canterbury	240,653	214,889	11	10	n/a	n/a
65 (52)	Sandicliffe Motor Group	239,461	302,154	17	17	16,656	1,778
66 (72)	CEM Day	231,315	210,120	10	11	9,275	4,000
67 (74)	Stephen James Group	226,093	206,935	7	7	6,762	n/a
68 (68)	Drive Motor Retail	222,496	214,721	16	13	12,960	1,533
69 (77)	Citygate Automotive	218,244	184,090	10	10	8,705	1,364
70 (71)	Gates Group	218,000	213,708	11	14	n/a	n/a
71 (65)	Marriott Motor Group	217,514	219,516	13	13	9,478	516
72 (76)	Brindley Garages	217,260	185,927	12	12	11,641	n/a
73 (69)	Yeomans	211,172	214,327	19	21	12,336	282
74 (70)	Caffyns	209,246	213,725	12	13	9,400	n/a
75 (97)	Endeavour Automotive	206,000	137,000	12	9	5,870	n/a

A

Allen Ford
Franchises: Fi 1 For 24 For LCV 7 Kia 4 Maz 1 Suz 2
Key executives: Mike Phillips, managing director. Paula Wood, finance director

Ancaster
Franchises: Abar 2 AR 1 Fi 2 Hy 1 Jeep 1 Niss 6
Key executives: Robert Cole. chairman. Stephen Wood, managing director. Simon Hill, ops director. Robert Smith, aftersales director. David Bourne, finance director

Arbury
Franchises: Abar 1 Cit 1 DS Cit 1 Fi 1 Niss 2 Peu 5 Seat 1 Sk 1
Key executives: Paul Goodwin, managing director. Neil Barrett, finance director. Ben Archer, operations director. David Stenning, non exec director. Anthony Archer, chairman

Arnold Clark Automobiles
Franchises: Abar 18 AR 3 BMW 4 Cit 10 Dac 18 DS Cit 9 Fi 17 For 19 For LCV 4 Ho 1 Hy 6 Jeep 6 Kia 11 Maz 5 MB Car 5 MG 1 Min 4 Mits 2 Peu 8 Ren 18 Seat 6 Sk 3 Sm 4 To 8 Vx 22 VW 9 Vo 3 Other fr 1
Key executives: Lady Philomena Clark, director. Eddie Hawthorne, chief executive. Kenneth McLean, finance director. Scott Willis, sales director. John Clark, franchise director

B

Barretts of Canterbury
Franchises: BMW 2 Cit 1 DS Cit 1 Ho 1 Jag 2 LR 2 Min 2
Key executives: Paul Barrett, managing director. John Miller, finance director

BMW Retail
Franchises: BMW 1 Min 1
Key executives: Chris Learmonth, director. Richard Price, director

Bowker BMW
Franchises: BMW 2 Mas 1 Min 2 Other fr 2
Key executives: Anthony Bowker, chief executive. Thomas Fox, managing director. Christopher Eccles, managing director. Andy Gee, finance director. Jonathan Rogan, aftersales director

Brindley Garages
Franchises: Ho 3 Hy 2 Kia 2 Maz 1 Mits 1 Niss 1 Vx 1 Vo 1
Key executives: Robert Brindley, chairman. Che Watson, managing director. Paul Ashcroft, finance director

C

Caffyns
Franchises: Au 3 Seat 1 Sk 2 Vx 1 VW 4 Vo 1
Key executives: Simon Caffyn, chief executive. Mike Warren, finance director. Sarah Caffyn, HR director. Richard Wright, non exec

Cambria Automobiles
Franchises: Abar 2 AM 3 Bn 2 Fi 3 For 5 For LCV 1 Ho 1 Jag 5 Jeep 1 Lambo 2 LR 4 Maz 3 McL 1 Niss 1 Peu 1 Vx 2 Vo 4 Other fr 2
Key executives: Mark Lavery, chief executive. James Mullins, finance director. Tim Duckers, managing director

CEM Day
Franchises: Fi 1 Fi LCV 1 For 4 For LCV 1 Iv 1 Peu 2
Key executives: Graham Day, chairman and chief executive. Emrys Rees, vice chairman. Russell Day, managing director. Jill Day, director

Chorley Group
Franchises: Hy 1 Kia 1 MG 2 Niss 5
Key executives: Andrew Turner, chairman. Pauline Turner, managing director. Adam Turner, sales director. Stacy Turner, HR/legal director. Hilary Nicol, finance director

Citygate Automotive
Franchises: Kia 1 Seat 2 Sk 2 VW 3 VW LCV 2
Key executives: Jonathan Smith, chief executive. Simon McLaughlin, managing director. Peter Dickey, commercial director. Simon Poole, retail operations director. Rao Akinepally, finance director

City West Country
Franchises: MB Car 5 MB LCV 1 Sm 4
Key executives: Anthony Wickens, chairman. Mike Wickens, managing director. Gavin Walker, finance director

Cotswold Motor Group
Franchises: BMW 2 Min 2
Key executives: Paul Neale, director. Andrew Hulcoop, director

D

Dick Lovett
Franchises: AM 1 BMW 4 Fe 1 Jag 1 LR 1 Mas 1 Min 4 Por 4 Other fr 1
Key executives: Peter Lovett, chairman. Lynn Campbell, managing director. Julian Winterburn, finance director

Donnelly Group
Franchises: Abar 1 AR 1 Cit 2 Dac 2 Fi 3 Fi LCV 1 Ho 4 Jag 1 LR 1 Mits 3 Peu 2 Ren 2 Seat 1 Suz 3 To 1 Vx 2 Vx LCV 2 VW 2 VW LCV 3
Key executives: Terence Donnelly, executive chair. Raymond Donnelly, director. Dave Sheeran, group managing director. Philip Jordan, finance director

Drift Bridge Garage
Franchises: Au 2 Ho 2 Maz 1 VW 1
Key executives: John Frost, chairman. Michael Frost, director. Philip Cue, managing director. Jonathan Shaw, finance director

Drive Motor Retail
Franchises: Vx 15 Other fr 1
Key executives: Paul Manning, joint chairman. Stephen Bessex, joint chairman. Rob Keenan, operations director. Stuart Harrison, finance director

E

Eastern Holdings
Franchises: BMW 2 Ho 3 Lex 2 Maz 2 MB Car 3 MB LCV 3 MB Truck 1 Min 2 Niss 5 Sm 2 To 3 VW 4 Other fr 1
Key executives: Douglas Brown, group managing director. Nasser Mohammed, group finance director. Peter Collin, joint managing director. Keith Duncan, joint managing director. Kenny Robb, finance director

Eden Motor Group
Franchises: Fi 1 Hy 3 Maz 2 Peu 1 Vx 13
Key executives: Graeme Potts, managing director. Nicola Hadley, finance director

Endeavour Automotive
Franchises: Hy 4 Lo 1 Vo 7
Key executives: John Caney, chief executive. Adrian Wallington, managing director. Andrew Shackleton, finance director. Andy Dick, director

F

Foray Motor Group
Franchises: For 9 For LCV 2
Key executives: Chris Yoxon, managing director. Helen Edwards, finance director

Fish Brothers
Franchises: Dac 1 Ho 1 Kia 1 Lex 1 Niss 1 Peu 1 Ren 1 Seat 1 Sk 1 To 1 VW LCV 1
Key executives: Michael Fish, joint managing director. Timothy Fish, joint managing director. Keith Butler, finance director

G

Gates Group
Franchises: For 8 For LCV 3
Key executives: Heath Greenall, managing director. Phil Benson, finance director. Suzanne Greenall, director

Glyn Hopkin
Franchises: Abar 4 AR 2 Dac 3 Fi 8 Ho 3 Jeep 4 MG 1 Mits 1 Niss 13 Ren 3 Suz 3
Key executives: Glyn Hopkin, chairman. Fraser Cohen, managing director. Hady Laba, finance director. Stuart Hodson, operations director

Greenhous Group
Franchises: DAF 2 For 1 For LCV 1 Niss 1 Vx 1 Vx LCV 1 VW LCV 1
Key executives: Derek Passant, joint chief executive. Kerry Finnon, joint chief executive. Mike Pawson, finance director

Group 1 Automotive
Franchises: Au 9 BMW 10 For 7 For LCV 3 Jag 3 Kia 2 LR 3 MB Car 5 Min 10 Seat 1 Sk 2 To 2 VW 4 VW LCV 2
Key executives: Darren Guiver, managing director. Daniel McHenry, group finance director

H

Halliwell Jones
Franchises: BMW 5 Min 5
Key executives: Philip Jones, managing director. Jim Houghton, group sales director. Glyn Howes, group finance director

Harwoods
Franchises: AM 1 Au 3 Bn 2 Jag 5 LR 6 McL 1
Key executives: Guy Harwood, chairman. Archie Harwood, chief executive. Paul Suter, finance director. Scott Paddock, operations director

Hatfields
Franchises: Jag 5 LR 4 Vo 1
Key executives: Gareth Williams, managing director. Philip Bennett, head of finance. Craig Petty, sales director. Stuart Baldwin, aftersales director. Kevin Walter, group parts manager

Hartwell
Franchises: Abar 3 Dac 3 Fi 2 For 9 For LCV 3 MG 2 Ren 3 Seat 2
Key executives: Kevin Godfrey, managing director. Andrew Lemon, director. Atiq Rehman, director

Hendy Group
Franchises: Abar 1 AR 1 Dac 7 Fi 2 For 11 For LCV 6 Ho 3 Iv 2 Jag 1 Jeep 1 Kia 5 LR 2 Lex 1 Lo 1 Maz 5 MG 1 Niss 2 Ren 7 Seat 1 Sk 2 Suz 3 To 2
Key executives: Paul Hendy, managing director. Jonathan Moritz, finance director. Simon Bottomley, chief operating officer

Heritage Automotive
Franchises: Au 2 Ho 1 Jag 1 LR 1 Seat 2 Sk 4 VW 7 VW LCV 2 Other fr 12
Key executives: Paul Hrachovec, managing director. Nick Hinallas, director. Richard Neulaender, director. John Walsh, director.

Helston Garages Group
Franchises: Au 1 BMW 4 Fe 1 Jag 3 LR 4 Mas 1 Min 4 Peu 5 Por 1 Sk 4 VW 2 VW LCV 2 Vo 5

Key to franchise abbreviations: Abar **Abarth;** AM **Aston Martin;** AR **Alfa Romeo;** Au **Audi;** Bn **Bentley;** Bug **Bugatti;** BMW **BMW;** Cit **Citroën;** Cit LCV **Citroën Vans;** Dac **Dacia;** DAF **DAF;** Fe **Ferrari;** Fi **Fiat;** Fi LCV **Fiat Vans;** For **Ford;** For LCV **Ford Vans;** Ho **Honda;** Hy **Hyundai;** Inf **Infiniti;** Iv **Iveco;** Isz **Isuzu;** Jag **Jaguar;** Jeep **Jeep;** Kia **Kia;** Lambo **Lamborghini;** LR **Land Rover;** Lex **Lexus;** Lo **Lotus;** Mas **Maserati;** Maz **Mazda;** McL **McLaren;** MB Car **Mercedes-Benz;** MB Truck **Mercedes-Benz Trucks;** MB LCV **Mercedes-Benz Vans;** MG **MG;** Min **Mini;** Mits **Mitsubishi;** Mits LCV **Mitsubishi Vans;** Mor **Morgan;** Niss **Nissan;** Niss LCV **Nissan Vans;** Peu **Peugeot;** Peu LCV **Peugeot Vans;** Por **Porsche;** Ren **Renault;** Ren LCV **Renault Vans;** Ren Truck **Renault Trucks;** RR **Rolls-Royce;** Seat **Seat;** Sk **Škoda;** Sm **Smart;** SsY **SsangYong;** Sub **Subaru;** Suz **Suzuki;** To **Toyota;** To LCV **Toyota Vans;** Vo **Volvo;** VoT **Volvo Trucks;** VW **Volkswagen;** VW LCV **Volkswagen Vans;** Vx **Vauxhall;** Vx LCV **Vauxhall Vans**

Key executives: David Carr, chairman. Betty Carr, director. Andrew Barrett, group managing director. Craig Glanville, financial director. Sarah Burley, HR director

Howards Group
Cit 2 DS Cit 1 Ho 2 Hy 1 Kia 1 Lo 1 Niss 1 Peu 4 To 1
Key executives: Peter Coleman, managing director. David Backes, finance director. Peter Haynes, operations director

HR Owen
Franchises: AM 2 Bn 4 Bug 1 Fe 2 Lambo 3 Mas 3 RR 1 Other fr 1
Key executives: Ken Choo, chief executive. Manish Patel, finance director. James Adams, company secretary

I

Inchcape Retail
Franchises: Au 9 BMW 16 Jag 7 LR 9 Lex 5 MB Car 12 Min 15 Por 2 Sm 5 To 7 VW 20 VW LCV 4 Other fr 2
Key executives: James Brearley, managing director. Dr Elizabeth Hancox, finance director. Louise Manzano, HR director. Rhys Alderman, commercial finance director

J

Jardine Motors Group
Franchises: AM 2 Au 14 BMW 2 Fe 1 Ho 4 Jag 6 Lambo 1 LR 6 Lex 1 Mas 1 McL 2 MB Car 5 Min 2 Por 4 Sk 1 Sm 3 To 2 VW 7 VW LCV 1 Other fr 1
Key executives: Neil Williamson, chief executive. David Muir, finance director. Jason Cranswick, commercial director

JCB Medway
Franchises: Cit 1 Ho 1 Kia 2 MB LCV 1 Mits 1 Seat 2 Sk 2 SsY 1 VW 2 VW LCV 4
Key executives: Jonathan Bischoff, managing director

JCT600
Franchises: AM 1 Au 7 Bn 2 Fe 1 Jag 1 Kia 1 LR 1 Lo 1 Mas 1 Maz 2 MB Car 5 Peu 2 Por 4 RR 1 Seat 3 Sm 2 Vx 2 VW 7 VW LCV 3
Key executives: Jack Tordoff, chairman. John Tordoff, chief executive. Ian Tordoff, director. Nigel Shaw, finance director. Richard Hargreaves, operations director

Jemca
Franchises: Lex 4 To 7
Key executives: Hiroyuki Niwa, chairman and chief executive. David Collis, president. Gary Brown, chief finance officer. Simon Boxall, operating officer

John Clark Motor Group
Franchises: Au 2 BMW 2 Dac 1 Jag 4 LR 6 Min 2 Niss 1 Peu 1 Ren 1 Seat 3 Sk 3 VW 2 VW LCV 2 Vo 2 Other fr 2
Key executives: John Clark, chairman. Christopher Clark, managing director. Alan McIntosh, finance director. Richard North, non exec. John O'Hanlon, non exec

John Grose Group
Franchises: Cit 1 DS Cit 1 For 5 For LCV 2 Kia 1 Peu 1
Key executives: Ian Twinley, chairman. Alister Leith, managing director. Pete Smith, finance director. Richard Howard, sales director

Johnsons Cars
Franchises: Abar 2 AR 2 For 1 Ho 4 Hy 7 Jeep 1 Lex 1 Maz 5 Seat 4 Sk 3 To 3 VW 5 Vo 2
Key executives: Martin Sumner, managing director. Mike Berwick, operations director. Richard Martin, finance director. Jonathan Dale, IT director. James Dale, director

L

Listers Group
Franchises: Au 4 BMW 2 Ho 4 Jag 2 LR 3 Lex 3 MB Car 4 Min 1 Seat 2 Sk 1 Sm 2 To 7 VW 7 VW LCV 2 Vo 1
Key executives: Geoff Lister, chief executive. Tim Bradshaw, operations director. Tony Dadd, director of finance. Keith Bradshaw, chairman. Terry Lister, managing director

Lloyd Motors
Franchises: BMW 6 Ho 1 Jag 1 LR 3 Min 6 Vo 1 Other fr 2
Key executives: Bryan Lloyd, managing director. Barry Lloyd, director

LSH Auto UK
Franchises: MB Car 9 Sm 4
Key executives: Martyn Webb, managing director. Lee Coleyshaw, chief financial officer. Paul McCreadie, market area director. Ian Williams, head of HR. Norman McKeown, head of IT

Lookers
Franchises: AM 1 Au 13 BMW 3 Bn 1 Cit 1 Dac 7 DS Cit 1 Fe 1 For 14 For LCV 7 Ho 1 Hy 2 Jag 5 Jeep 1 Kia 5 LR 10 Lex 1 Mas 1 Maz 2 MB Car 14 Min 3 Niss 8 Peu 1 Ren 7 Seat 3 Sk 6 Sm 8 To 3 Vx 12 VW 14 VW LCV 6 Vo 3 Other fr 3
Key executives: Phil White, chairman. Andy Bruce, chief executive. Robin Gregson, chief financial officer. Nigel McMinn, chief operating officer

M

Marriott Motor Group
Franchises: Au 3 Dac 1 Ren 1 Sk 2 SsY 1 VW 3 VW LCV 2
Key executives: Paul Barnard, managing director. Ian Woodward, operations director. Steven Bridges, finance director

Marshall Motor Holdings
Franchises: Au 9 BMW 5 For 3 For LCV 1 Ho 6 Hy 1 Jag 6 Kia 2 LR 8 Mas 1 MB Car 9 MB LCV 4 MB Truck 4 Min 4 Niss 2 Peu 3 Seat 3 Sk 11 Sm 4 Vx 3 VW 8 VW LCV 4 Vo 8 Other fr 1
Key executives: Daksh Gupta, chief executive. Richard Blumberger, chief financial officer. Prof Richard Parry-Jones, non-exec chairman. Jamie Crowther, operations director. Jon Head, commercial director. Helen Burrows, HR director

Marsh Wall
Franchises: BMW 3 Min 3
Key executives: Wayne Berry, chairman. Deborah Lowles, finance director. John Naylor, non-executive director

Mercedes-Benz Retail Group UK
Franchises: MB Car 12 MB LCV 1 Sm 7
Key executives: Vittorio Braguglia, chief executive. Marcel Ruoff, chief financial officer. Jim Robertson, sales director. Brian Hoey, customer service director. Frances Thompson, fleet director

Mon Motors
Franchises: Au 3 For 4 For LCV 1 Seat 1 Sk 1 VW 2
Key executives: Jeff Cleverly, managing director. Roger Moore, finance and commercial director. Gavin Cleverly, brand director. Gareth Cleverly, director. Daryl Kirk, group aftersales manager

Motorline
Franchises: Au 1 Dac 3 Hy 7 Lex 5 Mas 1 Niss 9 Peu 4 Ren 3 Sk 3 To 13 VW 4
Key executives: Glen Obee, chairman. Gary Obee, joint managing director. Thomas Obee, joint managing director. Paul Betts, finance director

O

Ocean Automotive (Portsmouth and Yeovil Audi)
Franchises: Au 2 Vo 1
Key executives: David Kelly, managing director. Gail Ninnim, commercial director

P

Pendragon
Franchises: AM 3 BMW 7 Cit 15 Dac 6 DAF 4 DS Cit 2 Fe 1 For 39 Hy 4 Jag 13 Kia 3 LR 15 MB Car 8 Min 7 Niss 4 Peu 6 Por 5 Ren 6 Seat 1 Sm 6 Vx 30 Other fr 3
Key executives: Chris Chambers, non-exec chairman. Mark Herbert, chief executive. Martin Casha, chief operating officer. Mark Willis, finance director

Park's Motor Group
Franchises: Abar 1 BMW 3 Bn 1 Cit 2 Dac 6 Fi 3 For 4 For LCV 3 Ho 5 Hy 1 Jag 2 Kia 3 LR 2 Mas 1 Maz 2 McL 1 Min 3 Mits 2 Niss 3 Peu 2 Ren 6 Sk 1 Suz 3 To 1 Vo 1 Other fr 1
Key executives: Douglas Park, chairman & managing director. Alasdair Noble, finance director. William Cumming, aftersales director. Graeme Park, director. Ross Park, director

Parkway Motor Group
Franchises: VW 4 VW LCV 2
Key executives: Sean Booth, managing director. Mark Barrow, head of group retail sales. Wayne Michael, head of group aftersales

Partridge of Hampshire
Franchises: BMW 1 Min 1
Key executives: Toby Partridge, managing director. Steven Soper, director

Pentagon Motor Holdings
Franchises: AR 1 Cit 1 Dac 1 Fi 2 Fi LCV 1 For 3 For LCV 1 Jeep 3 Kia 1 Maz 1 Mits 1 Niss 2 Peu 2 Ren 1 Seat 3 Vx 12 Vx LCV 6
Key executives: David Lewis, managing director

Peoples
Franchises: For 6 For LCV 3
Key executives: Brian Gilda, chairman & managing director. Stewart Ramsay, group finance director

Perrys Group
Franchises: Abar 1 Cit 4 Dac 1 Fi 1 Fi LCV 1 For 7 For LCV 4 Hy 1 Kia 4 Maz 6 Niss 1 Peu 5 Ren 1 Seat 3 Vx 15 Vx LCV 5
Key executives: Ken Savage, commercial director. Darren Ardron, managing director. Neil Taylor, finance director. Richard Ingram, chairman. Denise Millard, director

Peter Vardy
Franchises: BMW 1 Jag 1 LR 1 Min 1 Por 2 Vx 6
Key executives: Peter Vardy, chief executive. Lady Margaret Vardy, director

Porsche Retail Group
Franchises: Por 5
Key executives: Ade Smith, managing director. Andrew Coates, head of finance

R

Renault Retail Group
Franchises: Dac 16 Niss 5 Ren 16 Other fr 4
Key executives: Barry Jones, managing director. Scott Kilbourne, company secretary & director. Mark Fellows, director

Richmond Motor Group
Franchises: Cit 1 DS Cit 1 Hy 3 MG 1

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Key executives: Michael Nobes, managing director. Samuel Nobes, operations director

Riverside Motors Group
Franchises: Mits 2 Seat 2 Vo 3
Key executives: Mark Denton, managing director. Stephen Wright, operations director

Robins & Day
Franchises: Cit 16 DS Cit 9 Peu 27 Vx 10
Key executives: James Weston, chief executive. Simon Lawrence, finance director. Richard Garbutt, sales director. Simon Tarrant, aftersales director

Robinsons Motor Group
Franchises: Au 1 Cit 1 Seat 2 Sk 1 VW 3 VW LCV 2
Key executives: Martin Wallace, managing director. David Bonfield, finance director

RRG Group and Norton Way Motors
Franchises: Ho 3 Kia 2 Lex 3 Maz 2 Niss 2 Peu 3 Sk 2 To 11
Key executives: Toru Masuyama, chairman Marubeni Auto Investments. Arran Bangham, vice chairman RRG Group. David Grainger, managing director Norton Way Motors. Tony Cliff, managing director RRG Group

Rybrook Holdings
Franchises: BMW 4 Bn 1 Jag 3 Lambo 1 LR 4 McL 2 Min 4 Por 1 RR 1 Vo 2 Other fr 1
Key executives: Peter Whale, chairman. Henry Whale, managing director. Jatinder Nurpuri, finance director

S

Sandal BMW
Franchises: BMW 2 Min 2
Key executives: David Bosomworth, director. Tim Simons, director

Sandicliffe Motor Group
Franchises: For 5 For LCV 2 Kia 3 Maz 3 Niss 2 Sk 2
Key executives: Andrew Woodhouse, chairman. Paul Woodhouse, managing director. Tom Barton, director. Nicholas Woodhouse, director. Darren Beddard, finance director

Sandown Motor Group
Franchises: MB Car 5 Sm 3
Key executives: Gavin McAllister, managing director. Gareth Copling, group financial director

SG Petch
Franchises: Abar 2 AR 1 Fi 3 Fi LCV 1 Hy 3 Isz 1 Jeep 1 Kia 3 Maz 2 Niss 1 Peu 1 Seat 1
Key executives: Stephen Petch, director. Samantha Petch, sales director. Simon Rees, finance director. Andrew Hodgson, aftersales director

Sinclair Motor Holdings
Franchises: Au 3 LR 1 MB Car 4 MB LCV 1 Seat 1 Sk 1 Sm 2 VW 6 VW LCV 2
Key executives: Gerald Sinclair, chairman. Andrew Sinclair, managing director. Jonathan Sinclair, director. Leanne Smith, head of finance. Jeremy Philips, head of business Mercedes-Benz

Snows Motor Group
Franchises: Abar 1 AR 1 BMW 2 Cit 1 Fi 4 Jeep 1 Kia 3 Lex 3 Lo 1 Maz 2 MB LCV 1 Min 2 Peu 5 Seat 6 Suz 2 To 8 VW LCV 1 Vo 2
Key executives: Stephen Snow, chairman. Mark Trapani, managing director. Shawn Gates, finance director. Neil McCue, director

Specialist Cars Group
Franchises: BMW 3 Min 3
Clive Fletcher, head of business. Michael Donovan, aftersales director. Julian Bourne, head of business. Clive James, finance director. Manjit Singh Aluwalia, head of business

Stephen James Group
Franchises: BMW 4 Min 3
Key executives: Richard Ennis, managing director. Peter Williams, group finance director

Steven Eagell
Franchises: Lex 4 To 18
Key executives: Steven Eagell, managing director. Gary Smith, group operations director. Bryan Portsmouth, operations director. David Sheriff, finance director

Stoneacre
Franchises: Abar 7 AM 1 AR 2 Cit 2 Dac 2 Fi 17 For 7 For LCV 2 Ho 3 Hy 2 Jeep 3 Kia 5 Maz 3 MG 1 Mits 3 Niss 1 Peu 7 Ren 2 Seat 4 Suz 10 Vx 2 Vo 8 Other fr 3
Key executives: Richard Teatum, chairman. Shaun Foweather, managing director. Nigel Wood, finance director. Ken Craig, sales director. Gerry George, aftersales director. Phil Wade, franchise and development director

Sturgess Motor Group
Franchises: Abar 1 AR 1 Fi 1 Hy 2 Jag 1 Jeep 1 LR 1 Suz 1 Vo 1
Key executives: Chris Sturgess, chairman. Barney Sturgess, managing director. Ian Smith, finance director. Amanda Binner, ops director

Swansway
Franchises: Abar 1 AR 1 Au 6 Cit 1 DS Cit 1 Fi 1 Ho 3 Jag 1 Jeep 1 LR 1 Peu 1 Seat 1 VW 2 VW LCV 4
Key executives: Michael Smyth, chairman. Peter Smyth, director. John Smyth, director. David Smyth, director. Richard Marsland, finance director

Sytner Group
Franchises: AM 1 Au 16 BMW 18 Bn 4 Fe 4 Jag 7 Lambo 3 LR 12 Mas 4 McL 1 MB Car 15 Min 15 Por 7 RR 2 Seat 4 Sk 1 Sm 9 VW 12 VW LCV 1 Vo 2 Other fr 1
Key executives: Darren Edwards, chief executive. Adam Collinson, group finance director

T

TC Harrison
Franchises: For 7 Other fr 6
Key executives: James Harrison, chairman and chief executive. Jonathan Harrison, joint deputy chairman. William Harrison, joint deputy chairman. Anthony Coar, group finance director

T.G. Holdcroft
Franchises: Dac 2 Ho 4 Hy 7 Isz 1 Maz 2 Mits 1 Niss 3 Ren 2 Vo 1
Key executives: Darren Holdcroft, managing director. Neil Rudge, operations director. Martin McCormick, finance director

Thurlow Nunn
Franchises: Vx 12
Key executives: Philip Addinall, group finance director. Simon Grylls, regional director and head of sales. Gary Osbom, regional director and head of aftersales

Toomeys
Franchises: Cit 1 Dac 2 DS Cit 2 MG 1 Niss 2 Peu 2 Ren 2 Vx 2 Vx LCV 2
Key executives: Michael Toomey, director. Jonathan Brook, director. Paul Plant, director. Neil Rickwood, finance director

TrustFord
Franchises: For 57 For LCV 19
Key executives: Stuart Foulds, chairman & chief executive. Stuart Mustoe, finance director. John Leeman, operations director. Sharon Ashcroft, HR director. Mark Wilkie, fleet and CV director

V

Vantage Motor Group
Franchises: Cit 2 Ho 2 Kia 2 Lex 4 Sk 1 To 13
Key executives: Phil White, chief executive. Mark Robinson, managing director. Tim Swindin, finance director. Andrew Mallory, operations director

Vertu Motors
Franchises: Au 1 Cit 4 Dac 6 DS Cit 1 For 22 For LCV 1 Ho 14 Hy 8 Jag 3 Jeep 1 LR 6 Maz 2 MB Car 5 MB LCV 1 Niss 11 Peu 5 Ren 6 Seat 4 Sk 4 Sm 3 To 1 Vx 14 Vx LCV 1 VW 5 VW LCV 1 Vo 1 Other fr 1
Key executives: Peter Jones, non-exec chairman. Robert Forrester, chief executive. Michael Sherwin, chief financial officer. David Crane, chief operating officer

Vindis Group
Franchises: Au 5 Bn 1 Seat 1 Sk 2 VW 3 VW LCV 2
Key executives: Gary Vindis, chairman. Jamie Vindis, managing director. Steve Fossey, finance director

Vines Group
Franchises: BMW 3 Min 3 Other fr 1
Key executives: Sean Kelly, managing director. Steyn Muller, group financial controller

Vospers
Franchises: Abar 3 AR 1 Dac 1 Fi 3 Fi LCV 3 For 5 For LCV 3 Jeep 1 Maz 3 Niss 1 Peu 2 Ren 1 Seat 1
Key executives: Peter Vosper, chairman. Nick Vosper, managing director. Paul Rogers, finance director. Mark Haslam, contact and communications director. Jonathan Tremain, new vehicle director

VT Holdings
Franchises: Abar 1 Dac 3 Fi 1 Hy 2 Kia 5 Maz 1 Mits 3 Niss 4 Peu 1 Ren 3
Key executives: Tim Bagnall, managing director. Koichi Yoshida, director. Keith Brock, director. Mark Pardoe, director

W

William Morgan
Franchises: BMW 2 Min 2 Other fr 2
Key executives: William Lefevre, managing director. Paul Newsome, finance director. Martin Allord, director. Terry Bramall, chairman

Williams Motor Co
Franchises: BMW 5 Jag 1 LR 1 Min 5 Other fr 1
Key executives: Margaret Orton Williams, chair. Nick Cook, managing director. Nicholas Dunning, director. Jeffrey Fairbotham, finance director. Alexandra Dunning, director

Westway
Franchises: Niss 15
Key executives: Tony Lewis, managing director. David Wheatley, finance director. Mike Powell, operations director. Kevin Gaughan, after sales director. Sara Harris, marketing director

Y

Yeomans
Franchises: Cit 4 Ho 4 Hy 1 Niss 4 Peu 3 To 3
Key executives: James Smith, chairman & managing director. Anthony Brooks, finance director. Tom Lander, operations director. Kevin Newitt, operations director. David Hamilton Brown, director

Key to franchise abbreviations: Abar **Abarth;** AM **Aston Martin;** AR **Alfa Romeo;** Au **Audi;** Bn **Bentley;** Bug **Bugatti;** BMW **BMW;** Cit **Citroën;** Cit LCV **Citroën Vans;** Dac **Dacia;** DAF **DAF;** Fe **Ferrari;** Fi **Fiat;** Fi LCV **Fiat Vans;** For **Ford;** For LCV **Ford Vans;** Ho **Honda;** Hy **Hyundai;** Inf **Infiniti;** Iv **Iveco;** Isz **Isuzu;** Jag **Jaguar;** Jeep **Jeep;** Kia **Kia;** Lambo **Lamborghini;** LR **Land Rover;** Lex **Lexus;** Lo **Lotus;** Mas **Maserati;** Maz **Mazda;** McL **McLaren;** MB Car **Mercedes-Benz;** MB Truck **Mercedes-Benz Trucks;** MB LCV **Mercedes-Benz Vans;** MG **MG;** Min **Mini;** Mits **Mitsubishi;** Mits LCV **Mitsubishi Vans;** Mor **Morgan;** Niss **Nissan;** Niss LCV **Nissan Vans;** Peu **Peugeot;** Peu LCV **Peugeot Vans;** Por **Porsche;** Ren **Renault;** Ren LCV **Renault Vans;** Ren Truck **Renault Trucks;** RR **Rolls-Royce;** Seat **Seat;** Sk **Škoda;** Sm **Smart;** SsY **SsangYong;** Sub **Subaru;** Suz **Suzuki;** To **Toyota;** To LCV **Toyota Vans;** Vo **Volvo;** VoT **Volvo Trucks;** VW **Volkswagen;** VW LCV **Volkswagen Vans;** Vx **Vauxhall;** Vx LCV **Vauxhall Vans**

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Darren Edwards, chief executive, Sytner Group

Andy Bruce, chief executive, Lookers

Darren Guiver, managing director, Group 1 Automotive UK

'THERE IS NO SILVER BULLET'

WLTP, Brexit and the new car downturn have taken their toll, but five of the UK's top motor retailers tell Tim Rose how they adapted to a changed market and why they remain optimistic

HOW PLEASED ARE YOU WITH YOUR GROUP'S 2018 PERFORMANCE?

Darren Edwards: It was our best year from a revenue and PBT point of view. Our used car business contributed a fair amount to our performance, but I also think the work we started to do in aftersales with our Mission 100 initiative, which we launched last June, started to show fruit in a couple of the divisions and that has continued into this year. It's about asking every dealership to develop and implement a plan to get them to become 100% absorbed, i.e. their aftersales profitability covers their overheads.

For some, that represents a big challenge, but others are almost there. It incorporates things such as looking at capacity, optimising electronic vehicle health checks (eVHC), looking at resources and shift patterns and the like, trying to make the most of the opportunity that exists in the car parc, which is large and has been growing over the past few years. It's making sure we're able to deal with recalls without affecting retail. It's growing retail by targeting the cars we have sold and looking at the older car parc as well, and trying to get to the point where we have zero lead time, so we can take jobs in immediately, which has been quite attractive to some customers, and reduce the reliance on loan cars or collection and delivery by offering more immediate appointments.

That has all helped and is continuing through 2019. We are able to increase revenue and gross profit, but also decrease some operational costs – except the cost of putting in more people to get the capacity and resource.

Some of our sites now open 24 hours with three shifts. We have invested in these ramps that sit there 24 hours, but traditionally, we have used them for only a third of that time, which is quite irrational.

Every dealership has a plan. In true Sytner style, we said this is where we want to get to, and the teams at ground level have come up with the plans to make it happen.

On the sales side, our focus is making sure our volume objectives from the manufacturers are achievable. That becomes harder every year. In 2018, it was ensuring targets were achievable so we weren't having to force cars into used car stock. We are also trying to maximise our used car potential, looking at

John Tordoff, chief executive, JCT600

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> JAMES WESTON, PSA RETAIL

James Weston, chief executive, PSA Retail

how we can grow used car sales, looking at the population area and identifying how many used cars could be sold there if we had the right level of resource and thinking about how we can create the capacity.

WLTP definitely had an impact – with some brands not at all, but others suffered a huge impact. It could have been an even better year if we had had full supply from those brands. We merged some of the sales teams because there weren't enough new cars to sell, but that was a temporary situation and seems to have settled down now.

Andy Bruce: I was pleased with our performance in the context of a difficult market. With a new car market declining and cost pressures going up, to broadly maintain our profits was seen as a resilient performance.

WLTP wasn't a significantly negative influence, but it was slightly more disruptive than we anticipated. We had thought WLTP would impact the rhythm of the business, but that by the end of the year it would be net neutral.

Darren Guiver: 2018 was a good year for us. Our drive on used cars and aftersales, the things we have most control over, was really key. WLTP brought negatives and positives, but the balance was pretty even. Clearly there was an impact of less vehicles to sell because of supply constraints, but the residual values of the demos we were running and our used stock improved as a result, therefore we made savings around vehicle write-downs, which muted the effect. Some of the cars didn't drop (in value) month on month.

John Tordoff: Our view of the year was probably one of frustration above all else, around WLTP. Some of our German brands had significant supply problems that we are still experiencing to some degree today. Our frustration is borne out as it could have been so much better without that. It astonishes me how some brands seemed to navigate through it with very little impact, and for others it was a complete car crash.

I think we navigated our way through the year as well, if not better, than most. Quite early in the year, we sensed what was happening in the marketplace with regards to the impact of WLTP and the decline in new car sales, so we accelerated our focus on used cars. It wasn't a new initiative, it was probably two or three years old, but we really put some weight behind it. We reaped the reward with a really strong used car performance, growing volume significantly and improving margins. So that helped us ride the wave of the WLTP supply shocks.

James Weston: We went through a huge transition in 2018 from the very start with the acquisition and integration of Go Vauxhall and then Now Vauxhall, which changed our portfolio from three PSA brands to include the fourth brand. There was a lot of change within the organisation as to how we would cope with the additional sites and generate the best return for the business, and bring them into the fold of the Robins & Day by PSA Retail brand.

WLTP was a bit of a wake-up call for sites in terms of the extra level of knowledge and pressure, but it didn't cause us a world of pain.

TELL US ABOUT ANY INITIATIVES THAT PARTICULARLY HELPED

AB: There is no silver bullet. I don't think anybody has got anything game-changing. It's a highly formatted business. The reality is it comes back to a number of things – picking the right brands in the right locations is always a good starting point. Over the past few years, we have refined the portfolio to have this. It's naturally more resilient under any market conditions if you are operating high-performing brands in large centres of population, which is our basic strategy. That's the bedrock, but execution is the other part of it. The sporting analogy I sometimes use internally is 'the right brands is the game you choose to play, the right locations is where you choose to play it, and the operational execution is how well you play. Executing well is

AS OPPOSED TO WORKING ON THE GROSS PROFIT AT THE TOP END, WE LOOKED AT THE BOTTOM END AND IDENTIFIED THAT WE NEEDED TO MAKE £X PER CAR AND FOCUSED ON THAT

DARREN GUIVER, GROUP 1 AUTOMOTIVE

all about managing the multiple KPIs and having a good team that is motivated.

DG: We focused the teams on a net return position effectively. As opposed to working on the gross profit at the top end, we looked at the bottom end and identified that we needed to make £X per car and focused on that. Similarly, in aftersales we looked at what we make per hour sold. Then we freed up some capacity in the workshops, being flexible around technician working hours – at some sites the teams were happy to switch to a four-day shift pattern.

JT: We increased our used car stocks and the marketing around them, particularly online. We drove some efficiencies in preparation to get the cars to market a bit quicker. We applied a bit more science to pricing, getting cars to market at a sensible price from day one rather than trying to hold out for a high price and then repricing. In fairness, we've had these tools for a few years, but we had kind of played at it before, so we put a bit of discipline back into the process. We're fortunate to have some really talented sales managers but they still need a degree of discipline to not go off on a tangent.

We increased our focus on aftersales, increased our technician population, recruited more apprentices and that all added to the improvement there. The big thing for us was getting our central call centre up and running in Chesterfield last spring. We have about 70 operatives there now. We have centralised all outbound bookings across all group brands, and we are now in a position where almost all inbound bookings are taken by the call centre. That is relieving pressure on service receptions in our centres and they can focus on customers in front of them and the upsell. It has added cost into the business, but it has released the pressure point and we are seeing improvements across the board in customer satisfaction, efficiencies, labour rate achieved, in the amount of upsell. Prior to that, we had smaller brand operatives dotted around the group.

It takes a lot of management. We are still learning, fine-tuning, but every week we are seeing massive improvements on the previous year.

JW: The thing that has worked the best for us, with bringing in more than 300 additional employees, has been employee engagement. We have a very clear vision of what we want to achieve – to break into the AM100 top 10. That's quite a challenge from where we are now, but if we grow our volume of Vauxhall points and continue to increase our turnover across all our departments... it won't be next year, but our vision has to be five years forward.

We want to exceed customers' expectations, industry KPIs, be at the forefront of technology and to live our values – people, pride, praise and profit. Two years ago, we launched an initiative to promote a real engagement culture. We are sharing results and objectives to employees at each site, so they could see what their site is responsible for, and help them feel part of it. We created an employee website, with video blogs from me and our directors about where we are, why we have acquired businesses, our charitable support, etc. It's almost social media. It detracts from the industry mind-set of "targets, targets, targets" and focuses more on where the employee can make a difference.

We have created 'Connect' working groups, with representatives in each site, who will support the general manager and are happy to speak to more senior people in the company to help steer it. We also have a 'huddle board' displaying the vision and values. Every couple of weeks, the general manager or line manager huddles the team around the board for a 10-minute briefing on, for example, who has joined us, who has won an award or hit the top level of sales. It is less about formalities and statistics and more about 'this is a team, this is where we're at'.

We have created a standardised reporting suite. It lets sites see their performance against peers in their division, and group performance.

You cannot budget for the value of employee engagement, but if you don't have it, sites struggle. The attractiveness of our group as an employer has improved, because they [potential employees] have heard what we do.

WHAT OPPORTUNITIES CAN YOU MAXIMISE IN THE MONTHS AHEAD?

DE: Finding efficiencies through technology utilisation is going to be a big point. Thinking about our challenges, our cost base goes

> LEGISLATION BROUGHT IN DURING THE PAST FIVE YEARS HAS BEEN SIGNIFICANT, AND WE HAVE PUT COST IN TO MAKE SURE WE COMPLY... BUT IT DOESN'T SELL ANY MORE CARS OR PARTS OR LABOUR HOURS
>
> DARREN EDWARDS, SYTNER

up every year – wage increases, legislation and regulation compliance, property costs, the apprentice levy, software licences – so our costs go up at the same time as our margins are compressed through transparency, market data becoming more available, and volume pressures.

To keep profit growing, we have to find ways to become more efficient, looking at technology solutions that help, for instance, digital deal file registries, so we are not spending as much on printing and paper and administration. The average cost per unit sold is a big four-figure sum now and we need to try to reduce that where possible.

AB: The big issue in our sector is that it is so highly formatted. To some extent, it's a formula that you are given. The big thing that can separate dealers is the used car volumes you can generate. A 2:1 ratio versus a 1:1 ratio is a game-changing metric. Outperforming on used cars is the other big lever you can pull.

I think that the market is becoming more unpredictable and volatile. May's wider retail sales across the whole spectrum had dropped by the highest amount since 2008. I'm no economist, but I have a strong feeling that things have slowed up. Now more than ever, you have to execute well, and don't make the mistakes every business makes. Drive up the averages. In a rising market, you get lazy and hire too many people, but I do sense we need to brace ourselves, look at costs and avoid any own goals through simple underperformance.

DG: We still have more to do in used cars and aftersales. We have some new sites being built. That gives us more capacity, which we do need. The four-day work week is building momentum in some sites, and we are seeing the benefit of that.

JT: All our focus will remain around used cars and aftersales, and we will do the new car job as best we can relevant to the targets we set. With used cars and aftersales, we can make it as good as it can be, provided we invest in the resource.

JW: Because everyone has the same tools, such as health checks, video etc., we are trying to drive a real customer-centric approach through our aftersales teams. If you look at the KPIs that drive profitability, it's happy customers, dealing with people they trust, and you will want to retain them because you want to make the money over the lifetime of the customer. So we have been building specific action plans around the three 'E's – ease, effectiveness and emotion. The idea is we make the customer journey as easy as possible, we make each touchpoint effective, so it's adding value, and we deliver on the emotion. This is a work in progress, but it has also led us to look at our organisation, to question whether we are delivering the same to our employees.

WHAT'S THE BIGGEST CHALLENGE YOUR GROUP MAY FACE IN THE COMING MONTHS?

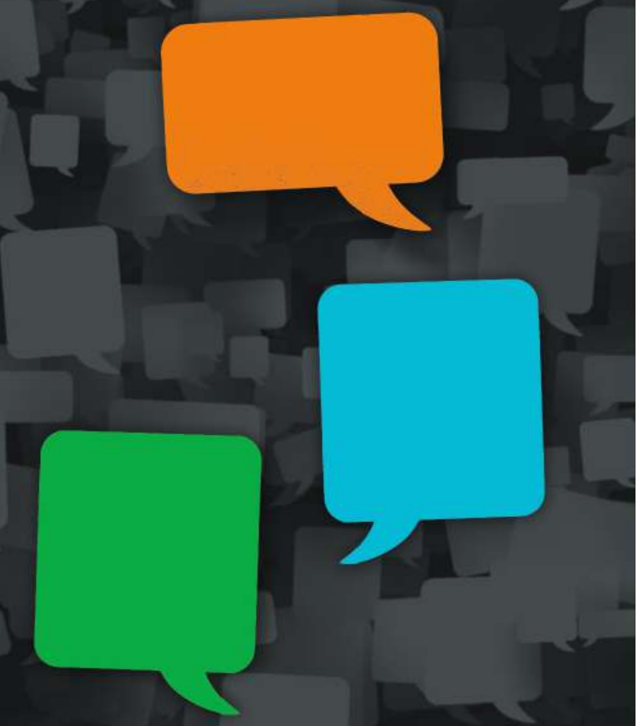
DE: It's that combination of reduced gross profit and increased costs. Transparency is a good thing, because it creates trust with customers who have more access to data and information, but that can mean profit margins get reduced, and you need to manage the cost, but that's not always easy to do. In a competitive market where manufacturers now take market share more through affordability than they do through the substance of their products – they all make fantastic cars – the dealer is unfortunately often expected to make that point of difference in affordability by compressing margins.

More regulation could affect margins as well, so I think there are challenges we will face in the next few years. If you don't tackle them through efficiency savings, you will see return on sales and return on capital employed compressed. The legislation brought in during the past five years has been significant, and we have put cost in to make sure we comply with training, documentation, and responsible people to manage the processes, but it doesn't sell any more cars or parts or labour hours.

AB: Brexit and employment costs. Our like-for-like costs are going to keep rising. Two thirds of our costs are people-related, through things such as living wage, pension enrolment, apprenticeship levy. We make about £60m profit, but our payroll is £300m, so every 1% rise in payroll is £3m off that. We are having to run faster and faster to stand still at a gross profit level.

DG: We have the sequel to WLTP coming, but having been there before, everyone will be able to cope with it in a more prepared way than we were before. The political environment is the thing we all want resolved.

JT: When you read the headlines about the FCA motor finance review, they cause concern, but when you get into the detail there is probably less to be concerned about. We consider ourselves to be very compliant – we are



"[ARE ACQUISITIONS PART OF OUR PLANS?] YES, WE ARE A CONSOLIDATOR, AND WE THINK THE SECTOR WILL CONSOLIDATE MUCH FURTHER AND WE WANT TO TAKE PART IN THAT

ANDY BRUCE, LOOKERS

responsible lenders, not reckless lenders. From a process point of view, I think we have little to fear. The interesting change is going to be in how lenders choose to pay commissions. Suffice to say, they will have to pay dealers somehow.

You can only imagine that when lenders get their heads around where this is going, they will come out with programmes and packages that reward dealers that are responsible and compliant and penalise those that are not. Everyone has known this is coming, but some chose to bury their heads in the sand.

JW: Evolving the level of knowledge and skillset of our frontline staff to have a broader and deeper level of knowledge than the customer. We are trying to look at what parts of a role can be improved through digitalisation, to free time for the sales adviser to increase their knowledge and expertise. Very quickly, it won't be the car that is the selling point, it will be the agent the customer is dealing with. How we through our digital tools create the most efficient journey for the customer, and how many systems the sales advisers have, and how we can create a simpler approach for advisors and link up the tools they have.

Customers come in with a far greater knowledge, but the catch can be that they walk in and the sales adviser then talks to them about the stuff they have spent the past 10 nights researching online, and the adviser has no idea of the journey they have been through. It's inefficient. We are an industry too infatuated with growing leads rather than actually looking at how we help a customer in the right way through a buying cycle. There's a lot of change to come from that.

Ultimately, the costs and demands of operating always increase, so we need to look at new avenues and niches where we can find expansion.

ARE ACQUISITIONS PART OF YOUR PLANS?

DE: For us, no. We feel the right thing to do is to maximise our current portfolio, doing a great job in execution, and making sure the gap between our best and worst is reduced, bringing up our worst performers to the level of our best.

AB: Yes, we are a consolidator, and we think the sector will consolidate much further and we want to take part in that.

DG: If the right brand and the right location [arise]. But with caution.

JT: If the right opportunities present themselves, definitely. We are looking at a few little things at the moment. I think there will be more consolidation over the next few years, with probably fewer dealers and fewer partners.

We have reasonable scale with most of our manufacturer partners. That puts us in a safe place, and in a place where we are likely to be presented with opportunities to expand. But we are also having good conversations with brands we do not currently represent.

JW: Yes, they are.

IN THE NEXT 18 MONTHS, HOW ARE YOU GEARING UP FOR EV AND HYBRID SALES?

DE: We are investing about £5m in EV infrastructure. I think we are seeing the premium brands coming out with more EVs than the volume brands because it still gives them margin in a £70,000 or £80,000 car despite the cost of the battery. So the cost of our investment as a premium brand group is probably higher than some others.

AB: Much of this is determined by our brand partners. But just in the past few weeks, my perception of how quickly electric cars will be adopted has changed. It will be quicker than I expected. The movement around climate change seems to be gaining traction, so the need will be greater and that will influence the pace of change.

DG: Infrastructure mainly, and the products mean more education for sales teams because they are talking about range and wattage with customers. We are getting some success with it, and it will become the norm pretty quickly, I'm sure.

JT: We are embracing it. We are investing significantly in installing charging infrastructure across most of our sites, we are training our staff, and we have a dedicated area of our website about electric vehicles. We are one of the founder members of the NFDA EVA scheme, with one site approved already and another about to go through the process. As momentum grows, we want to be on the crest of the wave.

I do get the feeling some people are in fear of [EVs]. Look at the future business model, and the impact it will have on aftersales and I get that, but I genuinely think it will be a long time yet before that happens. By then, the network infrastructure, the franchise model, and a whole load of things will have changed.

JW: We are driven to make the most of everything that comes from that world, through the right facilities, resources and people to do that.

In association with SECURE automotive support

Moving beyond the valet to total support services

As the demands of the car retail market begin to take a toll on suppliers who have failed to move with the times, Secure Valeting has shifted its sights to become an all-encompassing, technology-led outsourcing provider.

Where valeting was the sole focus of the business when it was founded by managing director George Gray back in 1998, it now prides itself on the ability to provide a flexible workforce for the UK's car retailers and a suite of technology to remove time, stress and frustrating inconsistencies from the vehicle preparation and marketing process.

With the advent of its Secure Online booking system, Progress Tracker and Auto Imaging applications, the group is growing into new areas and now has expansion in Europe and further afield in its sights.

Michaela Gunney, sales director, Secure Automotive, said: "From our roots as a very traditional valeting contractor when we started out some 20 years ago, we are now providing total contract support services – everything from 'meet and greet' staff, showroom cleaners, drivers, yard staff and technicians and, increasingly, with our Auto Imaging app becoming a real USP.

"The shift in focus for us is evident in the company name, Secure Automotive Support, which is the brand that we are more widely known as now."

Secure has seen the business grow in each of its 21 years in operation. It is now run with about 1,400 operatives completing the variety of duties.

Its operational solutions fulfil the needs of retailers and remarketers at more than 400 locations across the UK, with five regional managers ensuring client satisfaction.

Secure is one of the biggest valeting suppliers to top 100 groups and auction sites.

The breadth of solutions that Secure can offer its clients is central to its success.

> "WE ARE FINDING RETAILERS ARE MARKETING STOCK 48 OR 72 HOURS FASTER THAN THEY HAD IN THE PAST
>
> CHRISTOPHER GRAY, SECURE AUTO IMAGING

The Secure Online booking system allows retailers to manage workflow and cost control in every department, while the business will also take care of health and safety audits and Control of Substances Hazardous to Health (COSHH) requirements, along with all aspects of current legislation on modern slavery, ID checks, GDPR and anti-bribery law.

A fully managed digital vehicle preparation service can also be provided, with support operatives managing all aspects of site logistics, valeting and – with the advent of the new Auto Imaging app – high-quality photography delivered by the valeting team.

Vehicle preparation still accounts for about 70% of the business's operations, but Auto Imaging is where the real growth opportunity lies.

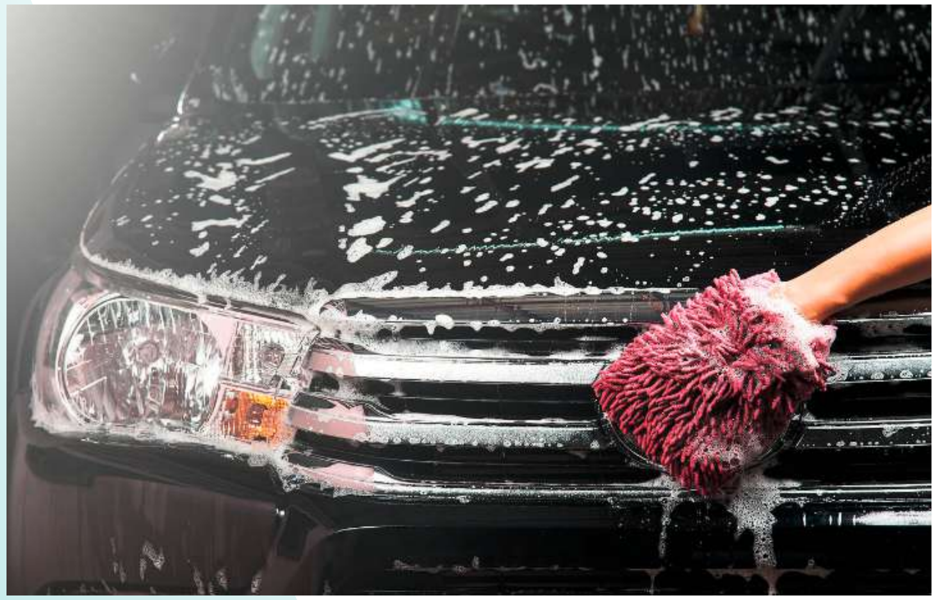
Christopher Gray is director of the Auto Imaging business and is confident that it is giving car retailers what they want – a fully integrated solution for marketing images, which are quality-controlled to guarantee consistently high standards.

"It's a year since we got the app up and running and since then we have launched it with 100 dealerships," said Gray, who is already talking to car retailers in Germany, Holland and the UAE who are keen to sample the system.

"The thing that they all say they like about the system is that they can upload images straight away and there's no need to rename or manually upload them into the DMS separately.

"We've worked really hard on achieving integration to various DMS systems and also the online retail sites such as Auto Trader and Motors.

"Because images are being taken and synced into all these various different platforms right after a valet, when the car is looking at its best – and not two or three days later when someone can sit down at a



desktop and input everything – we are finding retailers are marketing stock 48 or 72 hours faster than they had in the past."

While speed is clearly of the essence with Secure Valeting's new imaging app, strict policies and procedures have been put in place to ensure the resulting marketing material remains of a consistently high standard.

Not only does the app guide the user to create a consistent number of pre-determined images with the vehicle at various angles, but real-time feedback is provided to the app's user via the system and all images are put through a quality control (QC) process by the Secure Valeting team.

A choice of backdrops – with an image of the dealership recommended to deliver a prominent and consistent marketing message – can also be added behind the vehicle within 12 hours, said Gray.

"Our ability to feed back in real time has meant that many retailers see the system as an ideal way to train their team on how to properly capture marketing images."

He said the quality of images produced by valeting teams remotely trained by the Auto Imaging App is evident among the top AM100 retailers who have adopted the system so far.

A major group adopted the app in its Ford, Nissan, Renault and Jaguar Land Rover businesses in March last year and more groups have launched it across their JLR sites.

Despite the inherent efficiency delivered by the Auto Imaging system's fully integrated app, one concern that Gray was keen to address among potential retail clients was the perception that having valeters capturing marketing images could slow the preparation process.

Secure Valeting is the only business in its field with its own Progress Chaser software solution. Integrated into the app, this allows real-time sight of a vehicle's progress through the valeting bay and workshop and will also identify cars that have come into a retail site, but are without images and are available for imaging.

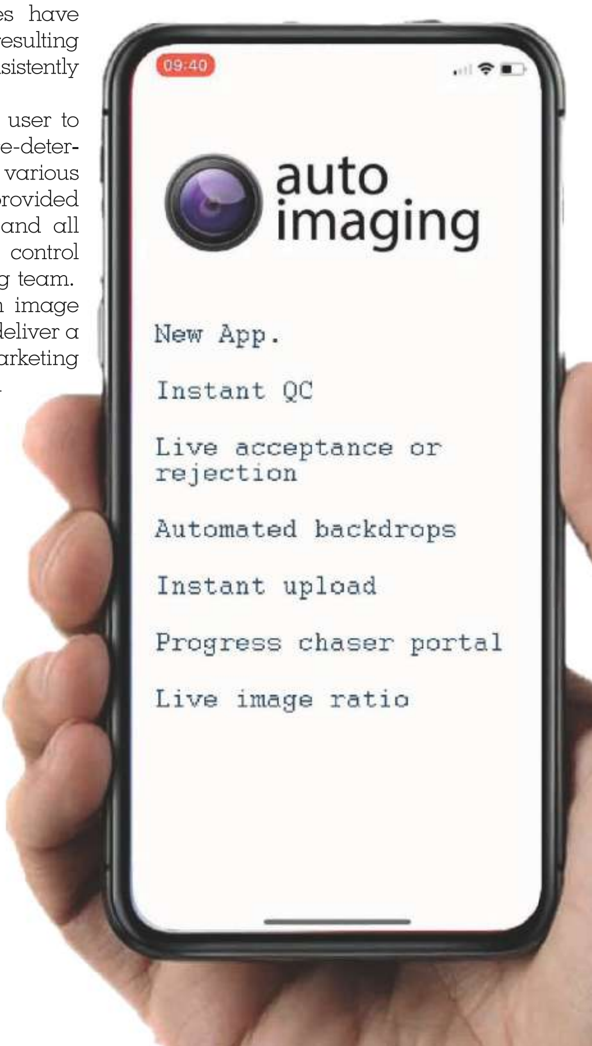
Gray said the workflow management side of Secure's software had persuaded many retailers to opt for its "total service solution".

Since the development of the software portal, growth has been rapid and Auto Imaging is now processing more than three million images a year, with continued expansion of services to retail, fleet, inspection and workshop clients.

"I'm really encouraged that we are already competing with the sector's more established players and I want us to continue to get a really good foothold in the UK," he said.

"These big groups have done their due diligence on Auto Imaging and it has come out extremely well.

"My hope is that by the end of this year, we will have 500 sites using the app".



PLCs SEEK STABLE PROFITS IN USED CARS AND AFTERSALES

Like many of their privately owned peers, the UK's market-listed motor retail groups have suffered an overall decline in profit and turnover thanks to Brexit, WLTP and diesel concerns

Declining new car sales and ever slimmer margins on used cars have not been kind to balance sheets at the seven publicly listed members of the AM100.

Although a dramatic drop in profitability at Inchcape and Pendragon accounts for the lion's share of the PLCs' average 60% plunge in profit before tax (PBT), average turnover was also down 0.39% year-on-year at the UK's seven stock-market listed motor retail groups in 2018.

Many market analysts suggested Brexit uncertainty was partly to blame – consumer confidence last year dropped to its lowest point since 2014 – along with ongoing concern about diesel-fuelled vehicles.

The AM100's top retailers also cited the September introduction of the Worldwide harmonised Light vehicle Test Procedure (WLTP) and its effect on new car supplies as a depressing influence on their sales.

What emerges from analysis of the PLCs' performance throughout last year – and, in some cases, the start of 2019 – is that turning away from the new car sector in pursuit of more stable sources of income provided by used cars and aftersales seems to have been an essential strategy to mitigate the impact of the currently unsettled trading climate.

The comments of Nigel McMinn, the chief operating officer of Lookers, were typical of many retailers in the sector.

He said: "It's a mixed story. There is a challenging market backdrop, but we have been largely able to encourage growth through our used cars and aftersales operations.

"What we are trying to do is push harder in the areas that we can control. It's very easy to talk about Brexit, diesel and WLTP and drops in the new car market and you are very soon consumed by the things that you can't do very much about."

TURNOVER

Vertu Motors' acquisitions – of Mercedes-Benz dealerships in Beaconsfield and Aylesbury, its first Mercedes-Benz Commercial Van franchise and a further Škoda outlet from Hughes Group in June 2018 – combined with increases in its used car selling prices and volumes ensured it was the biggest winner among the PLCs in terms of turnover.

Of the listed PLCs, only Vertu and Lookers registered turnover growth, with the former generating a 6.7% increase to £2.98 billion (2017: £2.77bn), while Lookers posted a 4% rise to £4.88 billion (2017: £4.7bn).

Robert Forrester, Vertu's chief executive, will be keen to see that top-line result converted into profit after a fall in PBT in its latest results.

After closing Retford Honda and selling Hughes Group's Peugeot High Wycombe franchise to Eden Group, Forrester is eyeing new franchise partners to help make this happen.

In a move that will appeal to his desire to drive efficiencies within the group, Forrester said it was also likely that dealership locations may see "increased levels of multi-franchising to provide sales and service functions in a territory, but with a lower operating cost base".

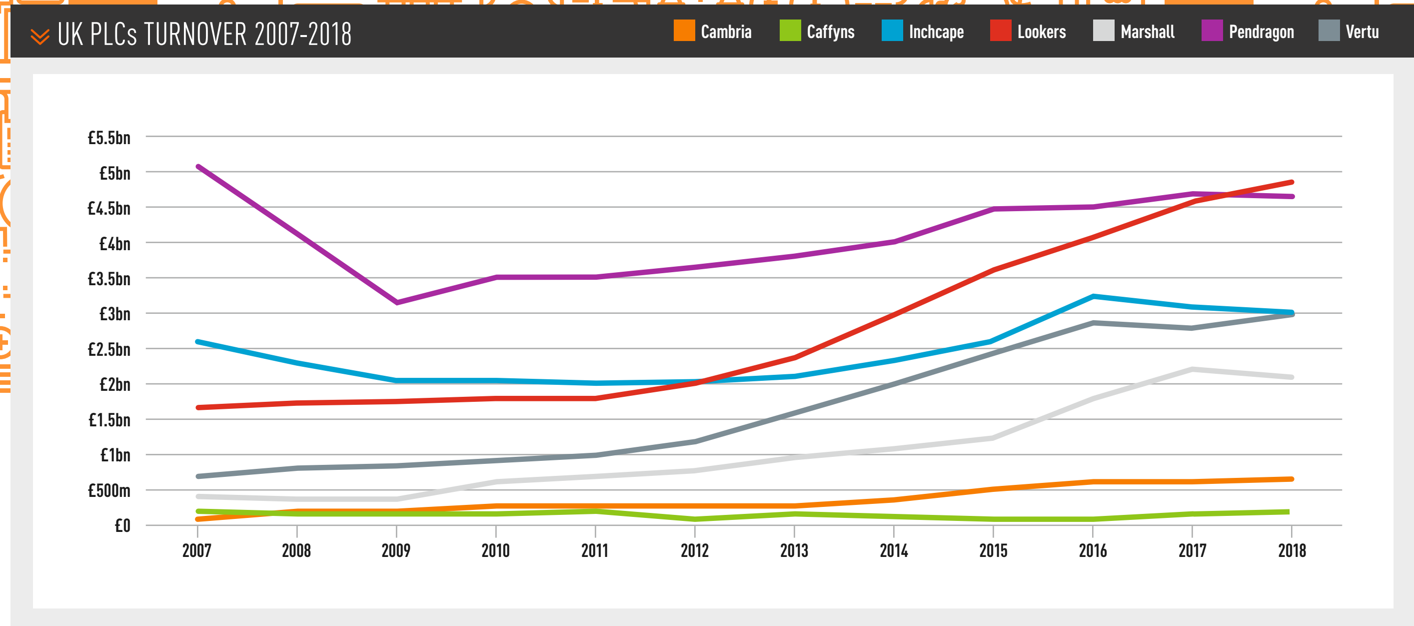
Pendragon and Inchcape suffered the worst turnover and profit results among the AM100's PLCs in 2018.

Former AM100 number one Pendragon still managed to register its second-largest turnover since 2007 last year, despite a 2.4% decline to £4.63bn (2017: £4.74bn).

It continued its strategy of shedding expensive new car franchises in favour of expanding its Evans Halshaw Car Store supermarkets, finishing its financial year having reduced its franchised sites by eight, to 177, and with 32 Car Store sites.

According to Inchcape's regional results for the retail side of its business, the group's UK and Europe turnover fell 3.7% to £3.06bn (2017: £3.17bn). Stefan Bomhard, group chief executive, blamed an imbalance of supply and demand due to WLTP.

> **"THERE IS A CHALLENGING MARKET BACKDROP, BUT WE HAVE BEEN LARGELY ABLE TO ENCOURAGE GROWTH THROUGH OUR USED CARS AND AFTERSALES OPERATIONS**
> NIGEL MCMINN, LOOKERS



PROFIT BEFORE TAX

Pendragon's £44.4 million pre-tax losses in 2018 – incurred after writing down the value of its assets by £95.8m – have been followed by a set of Q1 2019 results that prompted "a review of the operational and financial prospects of the group".

The arrival of new chief executive, Mark Herbert, and its new chief financial officer, Mark Willis, at the start of April prompted the action, following pre-tax profits that were £10m lower than expected for the quarter.

Pendragon's 2018 losses marked its worst profitability since the 2008 economic crash.

Trevor Finn, its former chief executive, blamed negativity about the economy, which he termed "macro newsflow", for the group's 168% slump in PBT. The group's latest interim statement cited a reduction in both new and used car margins "combined with both a higher level of operating costs and increased losses within Car Store".

The day after Pendragon's interim statement, issued by the London Stock Exchange, highlighted its "lower-than-expected Car Store performance", *AM* discovered that Car Store's divisional director, Chris Caygill, was away from the business on "gardening leave".

Inchcape's PBT decline in 2018 was also significant, slumping 71.5% year-on-year, from £52m to £14.8m.

Marshall Motor Holdings was the only PLC that improved profits during the period of its latest annual financial results (to December 31, 2018).

Marshall achieved 1.2% growth in underlying PBT to £18.7m (2017: £12.6m) as Cambria (-19.3%), Vertu (-16.8%) and Lookers (-9%) all saw their PBT figures falter.

OPERATIONAL RESULTS AND CHANGES

CAFFYNS

Franchised sites: 12
Employees: 450

Caffyns did well to maintain a 2018 turnover just 3.1% down on the prior year as its new car volumes fell 10% as a result of WLTP.

In its annual financial results (to March 31, 2019), the Eastbourne-based group said its supply of Audis had been "significantly constrained". It recorded £209.2m revenues in the period, alongside underlying PBT of £1.45m – up 4% on 2017's £1.39m.

Used sales volumes grew by 5.9%, and were accompanied by a growth in margin, as service and parts revenues rose by 7.7% and 7.3% respectively.

However, on a non-underlying basis a pre-tax loss of £428,000 resulted from "several non-underlying items", the most significant being a £900,000 charge for equalising guaranteed minimum pensions for men and women in its now closed defined-benefit pension scheme.

Caffyns said one of its principal manufacturer partners had implemented an agency sales arrangement for certain classes of new car sales from April 2018.

"Excluding this one manufacturer, our new car sales would have shown growth of 2.2% against the prior year," it said.

Caffyns' chief executive, Simon Caffyn, said the effects of the switch to WLTP lingered well into H2 2018 and had proved to be "a significant drag on both turnover and profits".

Despite declining new car sales, Caffyns' board declared an unchanged final dividend of 15p per ordinary share, taking the total dividend for the year to 22.5p per ordinary share (2018: 22.5 pence).

CAMBRIA AUTOMOBILES

Franchised sites: 42
Employees: 1,160

Cambria Automobiles opened new Aston Martin and McLaren dealerships in May as it continued to transform the make-up of its franchise portfolio to add emphasis to its supercar dealerships.

The group has also opened new Citroën (Oldham), Suzuki (Maidstone), Peugeot (Warrington) and Jaguar Land Rover (Hatfield) in what continues to be a dramatic reappraisal of the business in the pursuit of improved profitability.

In the group's last full financial year (to August 31, 2018), revenues fell 2.2% and PBT by 19.7%. Cambria said these resulted from "significant disruption" caused by earlier investment in the overhaul of its franchise representation.

Revenues declined to £630m (2017: £644.3m) and PBT to £9.1m (2017: £11.3m) during a period of change in which eight of the group's 42 outlets either changed franchises or closed to accommodate a shift into the luxury car retail segment.

Mark Lavery, Cambria's chief executive, told *AM* at the time that he had been "pleased with the progress that has been made", but conceded: "The changes made in the brand portfolio have led to significant disruption in our day-to-day operations as we have closed these businesses and developed the new facilities for the new franchises."

The group added three luxury brand franchises during the period to the end of August last year, with a temporary McLaren dealership opened in Hatfield and Bentley dealerships in Essex and Kent opened in January 2018. It also opened Lamborghini dealerships in Essex and Kent in April and November 2018.

Cambria's franchise closures included Fiat in Warrington and a loss-making Blackburn location that previously represented Fiat, Alfa Romeo, Renault and Volvo.

It also closed two sites, Alfa Romeo and Jeep in Chelmsford and Mazda and Honda in Tunbridge Wells, plus bodyshop operations at each site, to facilitate the addition of Bentley and Lamborghini in both locations.

Changes to the group's portfolio contributed to a 17.2%

SUPPLIER SPOTLIGHT

In association with 1link Disposal Network

To find out more, visit 1linkDisposalNetwork.co.uk, or call 01676 591 085

Make buying stock faster and more efficient

With the UK's used car sales volumes still at historically high levels, there remains great appetite among franchised and independent dealers for quality stock for their forecourts.

Time-pressed motor retail managers can now spend fewer hours and pounds securing the stock they desire, with the support of 1link Disposal Network from epyx.

With buyers' fees set at £95 per vehicle, and no subscription contract required – although one is available for dealers buying stock in volume, to reduce their costs further – 1link Disposal Network is well placed at a time when dealers are looking for efficiencies and cost control, according to Vicky Gardner, epyx's head of remarketing.

She said epyx's system stands ahead of rivals in its accessibility, the levels of stock constantly available and the value it offers to buyers.

"Our very low buyer fees are a unique selling point – we're one of the cheapest out there."

> “ANY TIME A BUYER LOGS ON, THERE WILL BE VEHICLES AVAILABLE... THEY DON'T HAVE TO TRAVEL ANYWHERE TO BUY VEHICLES
>
> VICKY GARDNER, EPYX

One benefit is that the platform, and the vehicles upon it, are available 24 hours a day, seven days a week. There will typically be a choice of about 1,000 vehicles at any one time. They are refreshed regularly, given that cars tend to be sold within three to five days.

"Any time a buyer logs on, there will be vehicles available, so it's really convenient to them, they don't have to travel anywhere to buy vehicles," she said.

"Also, dealers can be at a physical auction, but buying through our app as well."

Dealers using 1link Disposal Network can set up alerts, to instantly get a text message or email to inform them that a type of vehicle they seek has become available on the system. Depending on the choice of the vendor, stock is generally listed as a fixed price or auction with a buy-now price also provided. There are also open-ended auctions or timed auctions.

She said the majority of stock displayed on epyx's system is exclusive to the platform, as most of the vendors are full users of epyx's 1link platform, who use it end-to-end, from procuring vehicles to maintaining them and remarketing them at the end of their replacement cycle.

"We want to enable our dealer network to buy stock really quickly and easily, to have instant visibility of whether their purchase has been successful, to be invoiced instantly for it and have that delivered as soon as possible.

"Essentially, we can reduce that time from when they click to buy to when that vehicle arrives on their forecourt. That's the reasoning behind the automated services we are supplying to the dealer network."

Support for dealers comes in two forms – an office-based team of seven account managers, and a two-strong field team, which Gardner expects to expand later this year.

Independent to these is a claims team, which handles any complaints. It means that when any issues arise over a vehicle's description or quality, epyx can act as an intermediary between the buyer and vendor.

There is a wide variety of stock available at any point – different ages, makes and models – and from a broad spread of vendors, including major leasing companies, fleets, manufacturers, dealers and rental companies. Fleet is the largest source.

1link Disposal Network already guides vendors to display plenty of images, provide very detailed briefs and to publish inspection reports, to make the vehicles they are selling as attractive as possible.

Some vehicles will have been maintained on 1link Service Network, so that history can be pulled through the system for potential buyers to see. Equally, where cars were originally ordered by fleets through 1link Vehicle Network, their data carries through so buyers can be completely confident that the vehicle specification they are viewing is accurate.

"Our aim is to make the buying process as quick and efficient as we can. We want to improve our platform over time, and we take any feedback from our dealer network and make changes where we can to make it better and better."

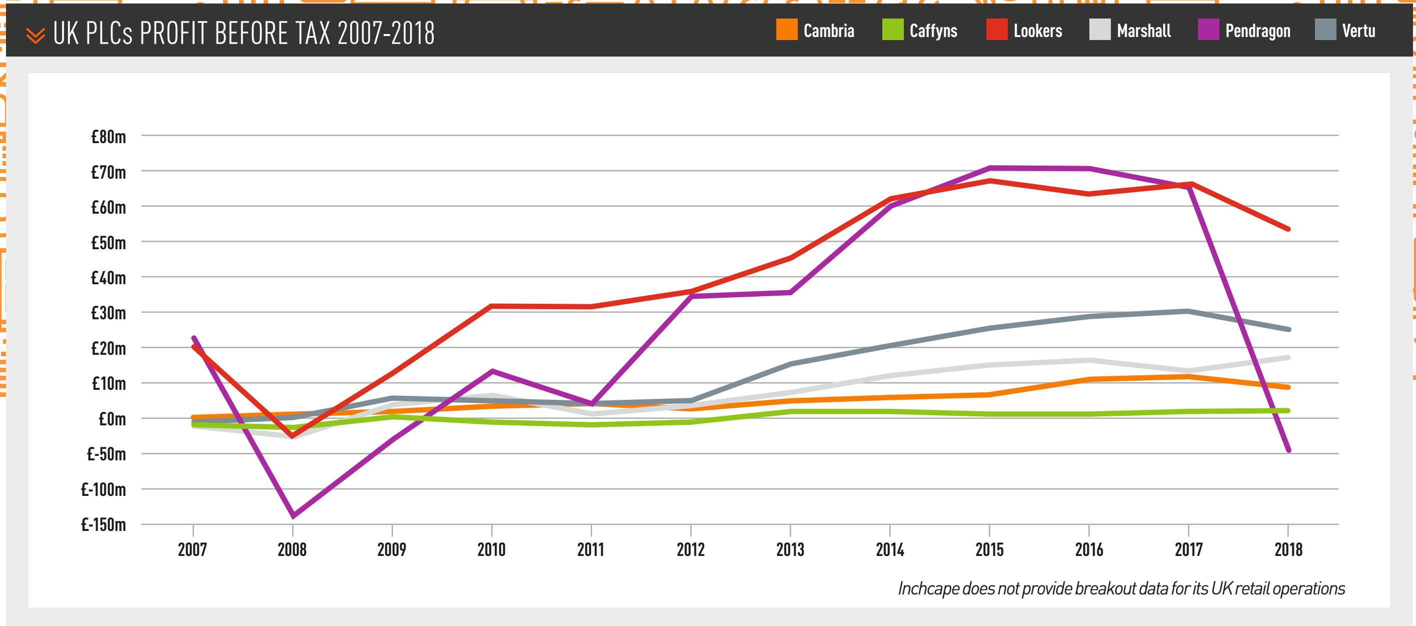
The optional annual subscription costs £395 and suits regular purchasers, as it reduces the buyers' fee from £95 per unit to £75. New clients can opt in when the time is right. "We explain to dealers at the sign-up stage, and if they're buying enough to warrant the annual subscription we can just switch them over," said Gardner.

Some dealer groups have signed up to epyx to use 1link Disposal Network to sell over-age or unwanted vehicles. It enables them to publish these vehicles online at any point and promote them to trade buyers.

"There will always be a place for physical auctions, because it's good for some dealers to network, discuss the industry and see vehicles, but as time goes on the online stock acquisitions will be greater and greater. We have seen a huge increase year-on-year and we will again this year.

In 2018, 1link Disposal Network experienced substantial growth, with the buyer base increasing by 23% and the volume of vehicles sold rising by 15%.

"As time goes on, more people are finding it convenient. And once you've bought one, and you feel comfortable, it's much easier to buy another."



decline in new vehicle sales (like-for-like down 14.8%) and used car sales down by 6.9% (like-for like down 2.6%).

However, Cambria said the financial impact of the decline in new car sales had been "slightly offset" by a 1.2% increase in profit per unit as a result of the premium mix shift. The like-for-like units saw margin pressure with profit per unit down 2.6%.

The group said its used car sales decline was offset by an 11.6% (like-for like 6.3%) improvement in profit per unit, reflecting its portfolio changes and the additional new luxury brands.

Cambria reported that it maintained a "robust balance sheet" despite its franchise restructure.

It increased its net assets to £56.6m (2016/17: £50.4m) and made a significant investment in property during the year, spending £20m to secure full ownership of £64.3m (2016/17: £45.2m) of freehold and long-leasehold properties.

Its net debt declined from £6.1m to £5.5m in the year and refinancing included a new £40m, five-year revolving credit facility, arranged in November 2017.

Speaking to *AM* following publication of H1 financial results (to February 28), which included a 4.5% increase in turnover and 14.6% rise in underlying PBT, Lavery said: "Seven or eight of our 27 franchised sites are now very immature", adding: "We're confident that there's a lot more to come."

"WE REMAIN MINDFUL OF A PROLONGED PERIOD OF POLITICAL AND ECONOMIC UNCERTAINTY, BUT WE BELIEVE WE ARE WELL POSITIONED TO STRENGTHEN OUR POSITION

ANDY BRUCE, LOOKERS

INCHCAPE

Franchised sites: 114
Employees: 5,749

Distribution continues to be the key profit driver for Inchcape's global business, but the group is developing its retail proposition in the UK despite its reports of "significant market pressure".

Growing profitability from the group's global vehicle distribution business during its financial year to December 31, 2018, was offset by a challenging retail sector in the UK and Europe, where Inchcape reported a 3.7% fall in turnover and 71.5% PBT decline from its retail operations.

Revenues declined from £3.17bn to £3.06bn as PBT dropped from £52m to £14.8m.

Mike Allen, market analyst at Zeus Capital, said that weakness in the retail business had taken its toll. He said: "Key markets such as the UK and Australia have caused significant margin pressure and a 59.2% decline in retail trading profit."

Stefan Bomhard, group chief executive at Inchcape, said: "Margins in our retail channel came under further pressure due to the continued UK market supply and demand imbalance, the incremental impact of the new WLTP regulation, and a slowing Australia market."

Inchcape shows no signs of stepping back from its challenges in the UK, however.

In June last year, it opened the largest Volkswagen Commercial Vehicle service centre in the UK – a 21,000 sq ft facility at Trafford Park, Manchester – and in November the followed others into the used car supermarket sector with the opening of its first Used Car Centre in Burton-upon-Trent.

Inchcape continues to invest in premium brands, particularly JLR.

In November, the group opened a new 'Dual Arch' showroom in Southampton and gained planning approval to develop another 60,000 sq-ft, two-storey facility on Derby's former cattle market.

LOOKERS

Franchised sites: 164
Employees: 8,323

Lookers' turnover increased by 4%, to £4.88bn, during the year to December 31, 2018, as PBT declined by 9% to £53.1m (2017: £58.4m).

Lookers cited WLTP as one reason why its turnover from new cars declined by 3.3% (to £2.4bn) as volumes dipped 6.1% from 104,331 to 97,641 and gross profit from new car sales fell 2%, to £161m.

In line with the group's strategic goal to grow its used to new sales ratio to 2:1, turnover from used cars increased by 14% (to £1.94bn) as volumes increased by 6% (from 92,105 to 97,709) and gross profit increased 1.5% to make up 26% of the group's total figure.

Aftersales turnover also grew 6%, to £433m (2017: £409) and gross profit by 7%, to £203m (2017: £189) – amounting to 39% of the group's total.

Lookers said it had embarked on "a period of significant transformation" in its retail business as part of a drive to represent the major automotive brands in the main centres of population in the UK and its acquisitions continued during 2018.

In March this year, Lookers opened a 90,000 square foot, £10m flagship Volkswagen showroom in Battersea.

In March 2018, it closed two Vauxhall dealerships, at Warrington and Yardley, as part of the rationalisation of its UK dealer network, and seven months later it closed its Hyundai and Nissan dealerships in Motherwell.

In July, Lookers bought a Ford dealership in Essex ahead of September's acquisition of the £216.6m turnover (2017) Jennings Group for a gross payment of £10.1m. Lookers said: "Given the timing of the acquisition, it has been earnings-neutral this year, but has now been successfully integrated and we expect a modest contribution to earnings in 2019."

Andy Bruce, Lookers' chief executive, described the 2018 financial results as "resilient". He added: "We remain mindful of a prolonged period of political and economic uncertainty, but we believe we are well positioned to strengthen our position to deliver growth and enhance shareholder value over the medium to long term."

MARSHALL MOTOR HOLDINGS

Franchised sites: 106
Employees: 3,749

According to chief executive Daksh Gupta, Marshall is in a good position to buy another Ridgeway-sized business.

Highlighting a strong balance sheet and a 1.2% rise in underlying PBT, to £25.7m, despite a 2% decline in turnover to £2.19bn (2017: £2.23bn) in the year ended December 31, 2018, Gupta said: "In the last decade, we have bought and sold 146 businesses through 25 acquisitions and sales.

"The Ridgeway deal was a ballsy move for us at the time and we have taken time to properly integrate that into the business, but we are now very well placed to make another Ridgeway-style acquisition if the opportunity presents itself."

Gupta described the group's 2018 financial results as "fantastic", adding that they were "all the more impressive when you consider that they have come on the back of four record years since our IPO".

Richard Blumberger, who joined the group in January, told *AM* that EBITDA of 0.12x and freehold and long-leasehold assets of more than £100m provided strong asset backing to the group, adding: "There is just £5.1m net debt, so we are very well placed."

Marshall did acknowledge the impact of WLTP and the political

"THE RIDGEWAY DEAL WAS A BALLSY MOVE FOR US AT THE TIME... WE ARE NOW VERY WELL PLACED TO MAKE ANOTHER RIDGEWAY-STYLE ACQUISITION

DAKSH GUPTA, MARSHALL MOTOR HOLDINGS

uncertainty caused by Brexit as it announced that new car volumes had dropped 13.3% during 2018, falling from 53,308 to 46,213.

Used car sales also dropped 2.1%, to 43,302 (2017: 44,237), during the period.

Aftersales revenues rose 1.3%, to £246.1m (2017: £243.1m), but the group said the increase had been offset by margin pressure as a result of reduced pre-delivery inspection (PDI) revenue caused by fewer new vehicle sales and a higher proportion of lower-margin parts sales.

PENDRAGON

Franchised sites: 177
Employees: 9,989

Pendragon's PBT slipped to a £44.4m loss in 2018 as revenues declined by 2.4%, to £4.63bn, in its annual results to December 31, 2018.

The group incurred the deficit after writing down the value of its assets by £95.8m, which it deemed necessary "following assessments of the carrying value of those assets which have been calculated by taking into account trading and market conditions on future cash flows".

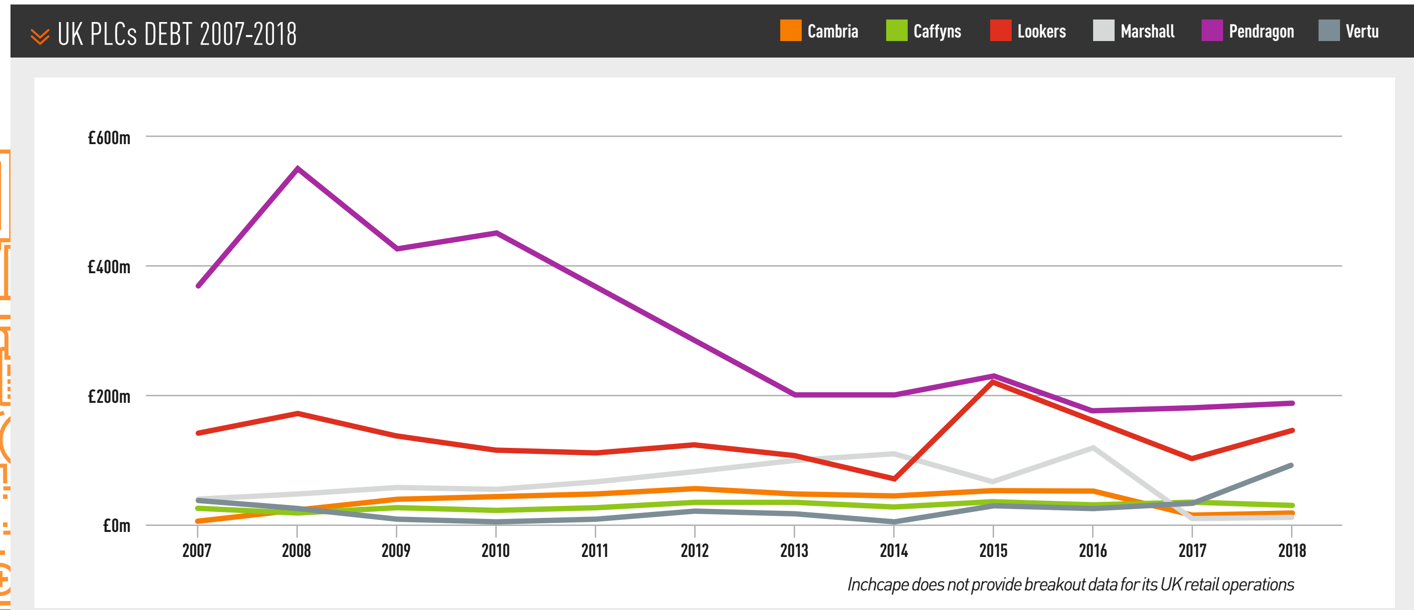
The period saw new car revenues decline by 3.8% in total (5.2% like-for-like) as gross profit fell 8.3%.

Aftersales revenue declined 1.8% in total (0.5% like-for-like), with gross profit down 1.5% amid falling margins. The group's leasing revenues were down 11.7%.

At the time, and with former chief executive Trevor Finn still at the helm, Pendragon said it remained committed to a three-year plan to reduce the capital deployed on its premium brands and US business.

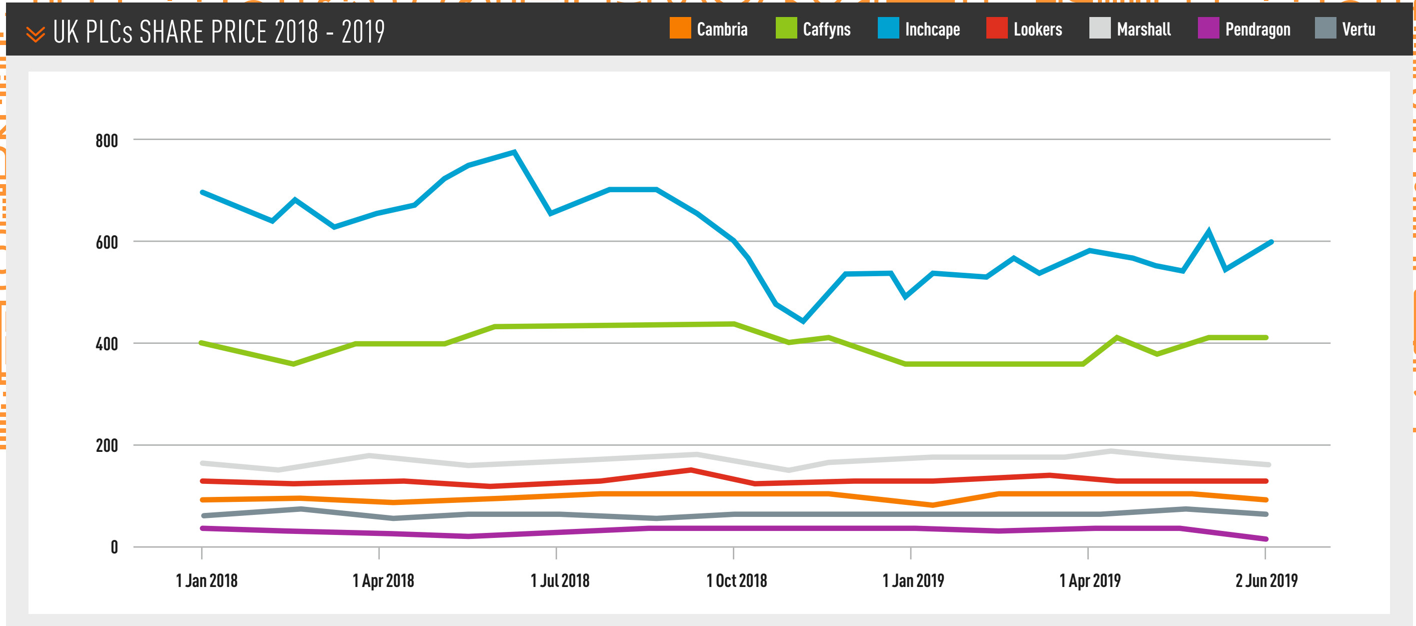
It had sold six premium brand franchises (including two in February, 2019) for a total consideration of £11.4m when the results were published – avoiding £25.5m capital expenditure in the process – and has since agreed to sell two Jaguar Land Rover dealerships in California for a combined consideration of £60m.

Finn was also determined to press ahead with his plan to



Headline sponsors blackhorse carwow TOTAL QUARTZ LUBRICANTS

UK PLCs SHARE PRICE 2018 - 2019



grow the Car Store network and drive volume through the group's PDI "factories" in pursuit of doubling used car revenues by 2021.

However, new chief executive Mark Herbert's review of the business may yet identify a new strategy.

The group said in its interim statement, issued on April 17: "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."

VERTU MOTORS
Franchised sites: 125
Employees: 5,500

Peter Jones, the departing chairman of Vertu Motors, described the group's 2018 financial performance as "a credible result", despite a 16.8% decline in PBT.

In results for the year to December 31, 2018, the Gateshead-based group said its cash generation gave it the continued ability to grow, despite a 5% decline in new car sales on a like-for-like basis.

A 5.8% increase in used car volumes and 7% growth in aftersales revenues were unable to arrest an overall decline in PBT to £25.3m (2018: £30.4m) as turnover increased 6.7% to £2.98bn.

Total used car revenues rose by 11.6% to £1.2bn as the group sold 82,576 units at an average price of £14,203 each, 6% greater than 2017 (£13,396). As a result, like-for-like gross profit from used vehicles increased by £2.5m (2.5%)

Aftersales revenues rose to £257.1m, with gross profit up 6.4% at £136m.

However, shrinking margins from new car sales and a decline in Motability, fleet and commercial sales took their toll.

Jones said the weaker pound and WLTP-prompted supply issues, along with political uncertainty affecting consumer confidence, had hit new car sales.

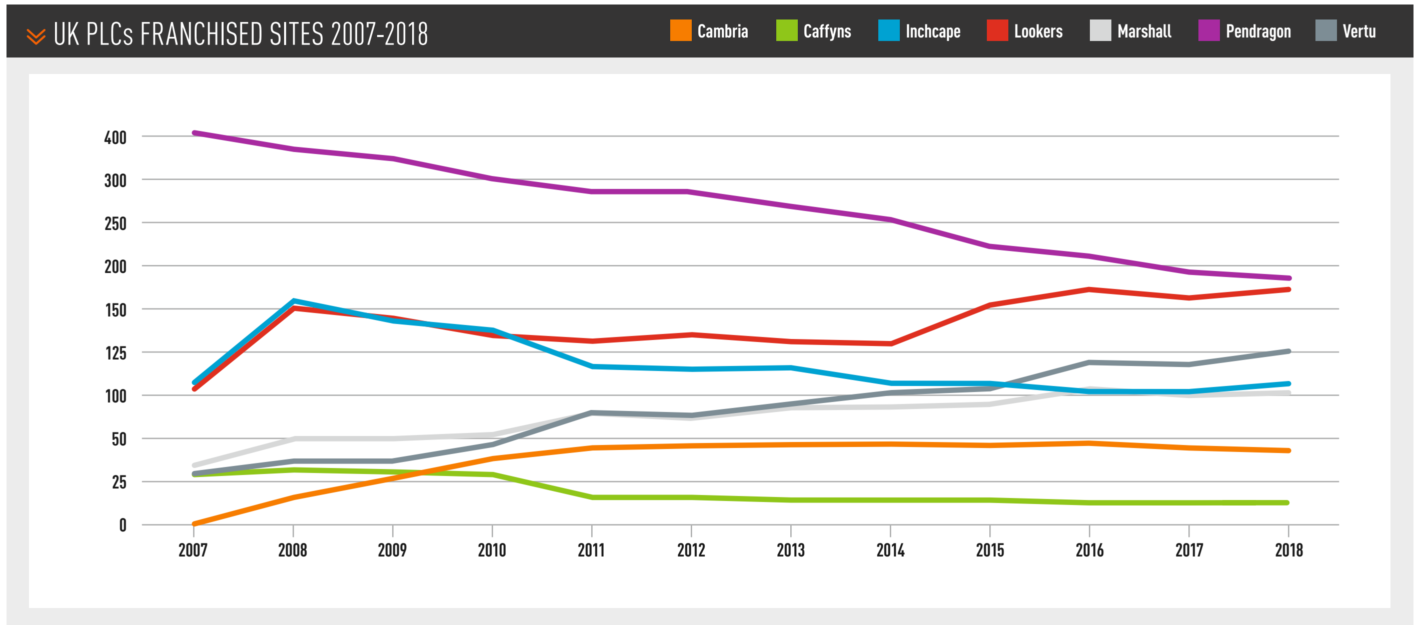
Despite this, he said: "The Group generated free cash flow of £21.2m and £9.3m was returned to shareholders through a combination of ordinary dividend payments (£5.7m) and share buy-backs (£3.6m)."

He added: "Net debt, inclusive of used vehicle stocking facilities, is negligible at just £0.3m at the balance sheet date and this means the group has considerable firepower for future investment."

Following its financial year end, the group demonstrated early signs of its intentions to grow, with the acquisition in January of online new vans retailer Vans Direct, based in Newport, South Wales.

TOM SHARPE

UK PLCs FRANCHISED SITES 2007-2018



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