

25 June 2024

Vertu Motors plc (“Vertu Motors”, “Group”, “Company”)

AGM Trading Update

Vertu Motors, a leading UK automotive retailer with a network of 189 sales and aftersales outlets, is pleased to announce the following update with regards to the three-month period to 31 May 2024 (the “Period”). The Board anticipates that full year results for FY25 will be in line with current market expectations.

Trading Update

- New car retail and Motability like-for-like volume growth of 6.8% gaining market share.
- Like-for-like new vehicle margins were 7.4% (8.1% last year) with an increased Motability mix at lower margins and increased discounting.
- Fleet and commercial vehicle like-for-like volume growth of 6.4%, with focus on profitable fleet sales channels. Gross margins stable.
- Strong used vehicle like-for-like volumes grew 6.7%: used car prices following more normalised seasonal trends.
- Services revenues continue to show excellent growth with a 10.1% like-for-like increase compared to prior year, in part benefiting from investment in technician resource.
- Improved gross profit was delivered in all aftersales channels on a like-for-like basis. The Group continues to deliver new technologies to operations developed in house which will improve revenue and retention per customer and increase colleague productivity.

Outlook

The Board anticipates that full year results for FY25 will be in line with current market expectations.

The Board has been encouraged by the trading results for the Period. The Zero Emission Mandate to force the uptake of zero emission vehicles sold in the UK has the potential to create volatility in the new car market. This may include reduced supply of new petrol and diesel cars in the coming periods and would lead to a strengthening of petrol and diesel used car values.

The Group’s high margin aftersales businesses have strong growth potential due to additional resource levels and Group strategies around customer retention and increased average invoice value per customer.

Group Management remain focused on operational excellence and the delivery of the Group’s strategic objectives. A number of growth opportunities are being evaluated against the Group’s capital allocation metrics. The franchised retail market remains very fragmented with the Group representing around 5% of the sector.

Robert Forrester, Chief Executive Officer of Vertu Motors, said:

“I am pleased to report that trading remains positive. Used car pricing has remained stable and we have gained market share in the new retail and Motability car market and delivered strong like-for-like volume growth in used vehicles. The performance of our high margin aftersales business has remained strong.”

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Vertu Motors is the fourth largest automotive retailer in the UK with a network of 189 sales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu and Macklin Motors brand names.

Vertu Motors was established in November 2006 with the strategy to consolidate the UK motor retail sector. It is intended that the Group will continue to acquire motor retail operations to grow a scaled dealership group. The Group's acquisition strategy is supplemented by a focused organic growth strategy to drive operational efficiencies through its national dealership network. The Group currently operates 185 franchised sales outlets and 4 non-franchised sales operations from 143 locations across the UK.

Vertu's Mission Statement is to "deliver an outstanding customer motoring experience through honesty and trust".

Vertu Motors Group websites – <https://investors.vertumotors.com> / www.vertucareers.com

Vertu brand websites – www.vertumotors.com / www.bristolstreet.co.uk / www.vertuhonda.com / www.vertutoyota.com / www.macklinmotors.co.uk / www.vertumotorcycles.com