

5 March 2026

## **Vertu Motors plc (“Vertu Motors” or the “Group”)**

### **Trading Update: New vehicle market challenged; aftersales robust, strong cost control and new £12m share buy-back programme**

Vertu Motors, a leading UK automotive retailer with a network of 188 sales outlets, is pleased to announce the following update with regards to the five-month period to 31 January 2026 (the “Period”) ahead of its preliminary results for the year ended 28 February 2026 to be announced on 13 May 2026.

#### **HIGHLIGHTS**

- New car market remains challenging due to the Zero Emission Vehicle (“ZEV”) mandate impacting Manufacturers and retailers alike.
- The Group’s new vehicle like-for-like order-take for the important plate change month of March is tracking well, in line with prior year levels.
- Used car performance solid, with like-for-like volume growth of 2.8% delivered in the Period, at slightly reduced margins.
- Group’s high margin aftersales operations delivered a very robust performance, with revenue and gross profit growth achieved.
- Further cost efficiency programme with £10m annualised cost savings delivered ahead of FY27. Exceptional costs of c£4-4.5m incurred in FY26 results to achieve these savings and resulting from a limited number of dealership closures.
- The Group continues to actively manage its portfolio with further expansion of Chinese brands delivered and planned.
- The Group’s Jaguar Land Rover (“JLR”) business has returned to normal operations after the reported cyber-attack on JLR in September 2025. The financial impact of the cyber-attack has been below what was originally anticipated, with an insurance claim progressing.
- Full year FY26 adjusted<sup>1</sup> profit before tax expected to be in line with market expectations<sup>2</sup>.
- New £12m share buyback programme launched. This follows the purchase of 18.8m shares for £11.3m under the existing £12m share buyback programme, which was launched in February 2025.
- The Group continues to dispose of surplus properties held for resale with proceeds of approx. £1.8m in the second half of the financial year and a further £3.5m receivable by mid-March. These disposals undertaken at above net book value.
- Year-end net debt<sup>3</sup> expected to be approximately £65m (FY25: £66.6m), reflecting strong working capital management and robust free cash flow generation.

<sup>1</sup> Adjusted for exceptional items

<sup>2</sup> According to compiled data at 27 February 2026, the current consensus of three sell side analysts' expectations for FY26. Adjusted profit before tax is £21.6m with a range of £21.0m to £22.0m.

<sup>3</sup> Excluding lease obligations

#### **Robert Forrester, Chief Executive of Vertu Motors said:**

*“We are pleased with the team’s performance as we control the controllables against a challenging market backdrop in the new vehicle segment in large part due to the Government’s ZEV mandate. Used vehicle sales were robust despite consumer uncertainty impacting retail demand. Our resilient aftersales business continues to thrive aided by higher technician numbers. The work that has gone*

into cost control, property disposals and optimising stock levels has contributed to an excellent cash performance.

“Despite the impact of the complex market dynamics on the short-term performance of the business, the sector presents opportunities for Vertu given our strong balance sheet, excellent Manufacturer partnerships and reputation, robust and scalable systems, and a great team.”

	5-month period ended 31 January 2026 Var to 2025		
	Total Group	Like-for-like	SMMT UK registrations
Group Revenues	3.3%	2.2%	
Service Revenues <sup>4</sup>	4.8%	3.7%	
Volumes:			
Used Retail Vehicles	3.6%	2.8%	
New Retail Vehicles <sup>5</sup>	2.4%	0.8%	5.6%
Motability Vehicles	(10.8%)	(12.7%)	(15.3%)
New Fleet Cars <sup>5</sup>	24.0%	25.8%	12.7%
New Commercial Vehicles	(7.5%)	(9.9%)	(8.5%)

<sup>4</sup> includes internal and external revenues

<sup>5</sup> includes agency volumes

## TRADING UPDATE

For the 5-month period ended 31 January 2026. All commentary below reflects the Period compared to the 5-month period ended 31 January 2025 unless stated.

### UK New Car sales

For the first time since the pandemic, the 12 months to 31 December 2025 saw UK new car registrations reach over 2 million units (Source: SMMT). The market remains substantially below pre-pandemic levels with the mix between retail and fleet far more fleet-orientated in recent years. The uplift in registrations has been achieved at the expense of significant Manufacturer subsidy of Battery Electric Vehicle (“BEV”) sales, reported by the SMMT to have cost more than £5 billion in 2025 and averaging at least £11,000 per car. Discounting of this magnitude is clearly financially unsustainable for the Manufacturers. The need for discounting is being driven by the UK Government’s ZEV mandate as part of its decarbonisation drive. The UK has the most ambitious transition trajectory of the major markets, backed up by fines of £12,000 per car for breaching the targets. The UK Government have also adopted policies which are sending mixed signals to consumers on the benefit of electric vehicles, for example, combining grant subsidies and the proposed implementation of the new electric vehicle pay as you drive charges from 2028. BEV cars represented 23.4% of all car registrations in the UK in 2025, a figure well below the 28% required by the ZEV mandate. The ZEV mandate target in 2026 is 33% rising to 80% by 2030.

### New retail car and Motability sales

SMMT data showed a 5.6% increase in UK private registrations in the Period with this growth concentrated in Chinese new entrants into the UK market, which have grown share quickly. New Chinese Manufacturers represented approximately 5.5%<sup>6</sup> of the 2025 new car market (2024: 0.7%). The Group’s like-for-like volumes of new retail vehicles grew by 0.8%, which exclude much of the Group’s recent expansion into Chinese brands. Total new retail registrations for the Group rose 2.4%. During the Period, the Group has augmented its portfolio, opening three BYD and one Geely sales

outlets, with a further three Geely outlets scheduled to open in the next six months. Advanced discussions are ongoing to deliver further expansion with Chinese brands as the Group actively manages its brand portfolio.

<sup>6</sup> Source: SMMT, includes BYD, Jaecoo, Omoda, Chery, Leapmotor, Xpeng, GWM, Geely and Changan.

### **Fleet & Commercial vehicle sales**

The growth in UK vehicle registrations in 2025 was predominantly driven by fleet car volume, with this channel including the growth in corporate sales channels such as salary sacrifice schemes for company car users to acquire BEV vehicles and broker leasing channels. The SMMT reported an 12.7% increase in fleet car volume in the Period. The Group's like-for-like fleet car volumes grew by 25.8% in the Period.

In contrast, the commercial vehicle market in the UK has shown signs of continued weakness. Driven by weaker business confidence throughout the Period, UK van registrations were down 8.5%. The Group's like-for-like volume of commercial vehicle sales declined by 9.9% in the Period, slightly behind the national market. There is also a ZEV Mandate for van sales in the UK which is having a negative impact on the market. A structural challenge in increasing BEV adoption in commercial vehicles is the increasing caution being demonstrated by major vehicle funders. Concern over residual values is impacting the appetite of funders to place BEV vans on their balance sheets. The target BEV mix in 2026 is 24% against an actual UK van registration BEV mix of 9.4% in 2025. This clearly has the potential for market disruption.

### **Used vehicle sales**

The SMMT highlighted that UK used vehicle transactions grew 2.2% in 2025. Within this growth, the older, lower value cars in the used vehicle market performed best. This is reflective of subdued consumer confidence and continued cost of living pressure.

Group like-for-like used vehicle volumes grew 2.8% in the Period which the Board believes represents out performance versus franchise retailers in general. This growth in volume was delivered at slightly reduced margins. albeit margins absorbed higher labour charges from the service channel in the preparation of used cars.

### **Aftersales**

Aftersales remains a vital contributor to overall Group profitability. The Group was successful in delivering growth in turnover and gross profit in each of its key aftersales streams in the Period. This performance was aided by strong technician resource levels, higher internal labour recovery rates and good execution of the Group's customer retention and conversion strategies.

### **Operating expenses**

Costs remain well controlled, with like-for-like Core Group expenses marginally ahead of prior year over the Period despite well publicised cost pressures for UK retailers.

To offset the ongoing profitability headwinds in the new vehicle market due to the ZEV mandate, the Group has again sought to reduce headcount and undertake other cost actions on a proactive basis. This has been achieved in advance of the new financial year through various measures, including the deployment of efficiency initiatives aided by technology, a further targeted headcount reduction programme and the closure of four sales outlets in the Period. Associated reorganisation and closure costs of approximately £4-4.5m will be included in non-underlying costs in the year to 28 February

2026 due to the scale and one-off nature of the actions taken. The exceptional item includes offsetting gains on disposal of properties and businesses.

### **JLR Cyber-Attack**

The Group's Jaguar Land Rover ("JLR") business has returned to normal operations after the reported cyber-attack on JLR in September 2025. The anticipated financial impact on the Group is expected to be less than the £5.5m previously estimated. In addition, the Group's insurance claim in relation to the losses is in progress and a £1.0m interim payment has been agreed and will be received in the coming days. The interim payment will be included in the financial results for the year ended 28 February 2026, partially offsetting the costs incurred in the Group's JLR operations as a result of the cyber-attack.

### **PORTFOLIO MANAGEMENT**

The Group continued to actively manage its dealership portfolio in the Period repositioning the Group for future success.

- On 1 November 2025 the Group acquired the trade and assets of Leicester Skoda for £0.6m including a £50k payment in respect of goodwill. The outlet continues to operate from the leasehold premises acquired.
- In November 2025 the Group opened Nottingham Skoda, in leasehold premises already held by the Group. This brought the total number of Skoda outlets operated by the Group to five.
- On 20 February 2026 the Group completed the sale of the Group's Honda dealership in Huddersfield, generating cash proceeds of approximately £1.0m. This included a payment in respect of goodwill of £0.4m and generated a profit on disposal compared to book value of c.£0.3m.
- In late 2025, the BYD franchise opened in Hartlepool and Macclesfield in former Ford outlets. Representation of the BYD brand by the Group was further augmented by the addition of the Morpeth outlet alongside Ford and Honda.
- In February 2026 the Group opened its first Geely sales outlet in Glasgow, in an existing freehold dealership, which was formerly a Ford dealership, with a further three outlets planned to open in the coming months in Birmingham and Teesside for this new Chinese brand.
- The Group intends to add the Chinese brand, Leapmotor, into a number of Stellantis existing operations in the coming months.

The start-up nature and timings of the above sales outlet openings and acquisitions had a dilutive impact on the Group's earnings in FY26 of approximately £0.8m.

The Group continued its pruning activities, to optimise capital allocation, closing its Volvo and Peugeot businesses in Barnstaple and a Peugeot dealership in Launceston in February 2026. The freehold property at Barnstaple is now being marketed as a surplus property disposal. The Group also ceased Honda operations from Bradford in January 2026 with the dealership becoming solus Kia and with an agreement to bring the Kia commercial vehicle (PBV) franchise to the Group for the first time in the coming weeks.

During the Period, the Group exchanged contracts to dispose on surplus land in Glasgow for £3.5m. The transaction is expected to complete on 16 March 2026 delivering a reduction in gearing. This disposal is being undertaken with a small profit on net book value. The Group completed on the disposal of a further surplus property on 27 February 2026 for £1.8m, which is above net book value.

The Board continues to actively manage the Group's portfolio of dealerships and assess further growth opportunities, utilising strict investment return metrics to ensure discipline in capital allocation.

### **Net Debt**

Year-end net debt (excluding lease obligations) is expected to be approximately £65.0m, (FY25: £66.6m), in line with market expectations. This performance reflects strong working capital management and absorbs the substantial share buyback programme undertaken. At the year-end date, the Group had no utilisation of used vehicle stocking loans and gearing is at a low level reflecting the Group's strong balance sheet.

### **Capital Allocation**

Throughout the financial year the Group has continued to buy back shares. Under the £12.0m authority announced on 6 February 2025, 18.8m shares (representing 5.7% per cent of opening shares) have been repurchased at a cost of £11.3m. The average share price paid was 60p which is substantially below tangible net asset per share levels. The Board believes that this is an attractive use of capital as a relevant element of returns to shareholders, alongside dividend payments, and today announces a further £12m continuation of its programme of buybacks. The Group has now purchased over 21% of its share capital through buyback programmes operating since FY18.

### **OUTLOOK**

Full year FY26 adjusted<sup>7</sup> profit before tax expected to be in line with market expectations<sup>8</sup>.

Manufacturers of new vehicles (cars and vans) selling in the UK continue to face a daunting task to manage volumes and mix of Internal Combustion Engine (ICE) and Battery Electric vehicles (BEV) in the light of the VETS legislation driving the ZEV mandate and ongoing lack of retail consumer demand for BEVs compared to accelerating targets. Manufacturers are responding with elevated discounting and incentives to sell BEVs, putting ongoing downward pressure on the industry profit pool. This disruptive impact is anticipated to be amplified further in the year ahead along with potential rationing of non-BEV product. These effects are likely to continue to impact volumes, profitability and channel mix.

The Group is not standing still against this headwind. The Group's aftersales business continues to see revenue and profit growth. A new strategic initiative will be launched in April with the Group's used vehicle business, generating more focus on older vehicle retailing in the 7–14-year-old range, opening a new segment, leveraging the Vertu brand, distribution and data expertise in used vehicle pricing. This is the strongest part of the current used car market and has the potential to enhance volumes and margins for the Group.

In addition, after successfully implementing a cost savings programme following the Autumn 2024 Budget to offset the material wage cost headwinds, the Group has undertaken a new £10m cost efficiency programme in recent months ahead of the new financial year. This includes continued efficiency savings including use of AI technology, reduced planned marketing activity following the April 2025 rebrand and further headcount reductions. The combined effect of these collective market dynamics and management actions is that adjusted profit before tax is expected to increase moderately in the year ahead.

The Group's current focus is on continuing to successfully manage this period of adjustment in the sector, where consumer and business confidence remains muted and Government impacts are material. The Group is one of the largest players in the sector gaining scale benefits and is well-placed for future success. Recent pressures on new vehicle market profitability have impacted the sector,

but they do not change the longer-term fundamentals of our business. We are delivering on our stated strategy and are well-positioned and ready to take advantage of opportunities that arise when the market is in an adjustment period, given the Group's track record of execution and strong financial position.

The Group will announce its preliminary results for the year ended 28 February 2026 on 13 May 2026.

<sup>7</sup> Adjusted for exceptional items.

<sup>8</sup> According to compiled data at 27 February 2026, the current consensus of three sell side analysts' expectations for FY26. Adjusted profit before tax is £21.6m with a range of £21.0m to £22.0m.

*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.*

### **Vertu Motors plc**

**Tel: +44 (0) 191 491 2121**

Robert Forrester, CEO  
Karen Anderson, CFO  
Phil Clark, Investor Relations

### **Stifel (Nominated Adviser and Joint Broker)**

**Tel: +44 (0) 207 710 7688**

Matthew Blawat  
Callum Stewart

### **Shore Capital (Joint Broker)**

**Tel: +44 (0) 20 7408 4090**

Mark Percy / Sophie Collins (Corporate Advisory)  
Isobel Jones (Corporate Broking)

### **Camarco**

**Tel: +44 (0) 203 757 4980**

Billy Clegg  
Tom Huddart

### **Notes to Editors**

Vertu Motors is the fourth largest automotive retailer in the UK with a network of 188 sales outlets across the UK.

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.

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](http://www.vertucareers.com)  
Vertu brand websites – [www.vertumotors.com](http://www.vertumotors.com)