

1 November 2023

Vertu Motors plc ("Vertu Motors" or "Company")

Further Acquisition in the South West

Vertu further expands its footprint in the South West of England with the acquisition of Rowes Garage Limited

Vertu Motors, the UK Automotive retailer with a network of 193 sales and aftersales outlets across the UK and a sector leading online presence, is pleased to announce that on 31 October 2023 it has acquired the entire issued share capital of Rowes Garage Limited ("Rowes").

- Successful bolt-on acquisition of 4 sales outlets in South West of England, further strengthening Vertu Motors position in the region
- Expansion of relationship with Honda, now 17 outlets in the UK
- Acquisition funded by existing cash resources, reflecting ongoing execution of group strategy
- Acquisition to be EPS accretive in first full year of ownership, with strong asset backing of acquired business
- Small trading loss expected from acquisition, due to seasonality, in financial year to Feb 2024

Rowes has been trading for over 90 years, growing to become one of the most successful Honda dealer businesses in the UK. The outlets operated by Rowes represent the Honda franchise, and are located in Plymouth, Plymstock and Truro. The business also operates a Suzuki franchised outlet in Plymouth, which will continue to operate as a used car outlet and Suzuki authorised repairer on acquisition and will be refranchised in due course. The business will be rebranded to trade under the Vertu and Bristol Street Motors brands immediately augmenting the Group's representation in the South West. Following the successfully integrated Helston acquisition in December 2022, the Group operated 30 sales outlets in the South West and this latest acquisition, results in 34 outlets now being operated in the region representing considerable scale. This is the first time the Group has operated in the major Devon city of Plymouth. In addition, further scale is added to the relationship the Group has with Honda and will now operate 17 outlets for the brand. The Group was already Honda's largest retail partner in the UK.

For the year ended 31 December 2022, Rowes Garage Limited achieved revenue of £30.2m and an operating profit of £745,000. Consideration, net of cash acquired, is estimated at £6.2m, subject to finalisation of completion accounts. The consideration includes freehold properties with a value of £3.6m and a payment in respect of goodwill of £0.9m. This consideration will be paid from the Group's existing cash resources. Due to the seasonality of vehicle sales, the Business is expected to contribute a loss for the remaining four months of the financial year to 29 February 2024 and is expected to be earnings enhancing in its first full year of ownership.

Robert Forrester, CEO of Vertu Motors, commented:

"I am delighted to deliver further expansion for the Group in the South West of England following the successful and accretive Helston acquisition. The long standing successful Rowes business is a great addition to the Group's 14 existing Honda sales outlets and increases scale further in the South West where we will operate 34 outlets. We continue to execute our strategy to build a scaled business."

Vertu Motors plc

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Notes to Editors

Vertu Motors is the fourth largest automotive retailer in the UK with a network of 193 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 188 franchised sales outlets and 5 non-franchised sales operations from 144 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