



Vertu
Motors plc

INTERIM RESULTS

For the six months ended 31 August 2025

CHAIRMAN'S STATEMENT

The Group once again showed its adaptability and high levels of operational excellence during the period ended 31 August 2025. The Group faced a challenging new car market driven by continued pressure from the Zero Emission Vehicle ("ZEV") Mandate and a weak general consumer environment and macro-economic uncertainty. Adjusted¹ profit before tax of £20.0m was below the levels achieved in the prior period largely due to the new car market conditions.

On 31 August 2025, one of the Group's major Manufacturer partners, Jaguar Land Rover (JLR), was impacted by global system outages, following a cyber-attack. The loss of systems has been extensively reported and has had a significant impact on JLR, halting vehicle production, vehicle deliveries and parts distribution across the UK. The Group has 10 JLR dealerships and the impact of the system outage has been significant with September trading profit impacted by £2.0m. The Board currently anticipate the impact on Group adjusted profit before tax for FY26 to be a one-off reduction of up to £5.5m, depending on the timing of full restoration of JLR systems and normal trading. Excluding this impact of the JLR cyber-attack, the underlying profit before tax of the Group for the full year is expected to be in line with market expectations².

The Group has an insurance policy which includes business interruption coverage arising from third-party system outages. We are currently in the process of reviewing the extent of losses or increased costs of working that may be covered under this policy. The Group's insurance advisor is Willis Towers Watson. The Board will update shareholders in due course on the extent of the impact and whether losses can be claimed under this policy.

The following are pertinent in assessing the performance of the Group in the Period.

- The Group faced a number of external challenges impacting trading. The new car market was negatively impacted by continued pressure around the UK Government's ZEV mandate, as well as economic and political uncertainty weighing on consumer confidence. It is, however, encouraging to see the developments of amendments to the ZEV mandate announced in April 2025 and the announcement in July 2025, of Government battery electric vehicle ("BEV") grants which benefit many of the Group's franchises and are expected to improve demand for new BEV cars in H2.
- The Group also faced cost headwinds following the Government's Autumn 2024 Statement, increasing National Minimum Wage and Employer National Insurance, putting pressure on the Group's operating cost base. The Group navigated this pressure proactively by executing cost reductions to offset the Government related cost pressures and, therefore, keeping costs stable. Cost control through deployment of technology and innovative thinking remains critical, given pressures in the cost base continue. The key here is to reduce costs without impacting gross profit generation or customer experience and future retention.
- The Group focused on achieving operational excellence in more controllable areas of the business. As a result, the Group saw a resilient performance from its used car department with increased like-for-like gross profit generation, a strong result given supply constraints in the Group's core used car age cohorts and the demand impact of lower consumer confidence. In the aftersales arena, the Group focused on initiatives to increase average invoice values, and improved pricing resulting in growth from the high margin aftersales business.

¹ Adjusted to remove non-underlying items.

² According to compiled data at 7 October 2025, the current consensus of three sell side analysts' expectations for FY26. Adjusted profit before tax is £27.2m, with a range of £26.5m to £27.5m.

CHAIRMAN'S STATEMENT (CONTINUED)

- Between February and April, the Group undertook a major project to rebrand all Group outlets (except Ferrari) under the Vertu brand. This saw the end of the Macklin Motors and Bristol Street Motors brands. This major project was well executed and the Group has already seen national prompted brand awareness for the Vertu brand increase from 11% in March, to 19% in September. There are clear benefits to accrue from a single, concentrated brand such as simplified systems and processes and higher marketing return on investment. For example, in July 2025 a ten-day used car sale event was executed across all outlets using a varied media mix. The event was highly successful and led to a significant growth in sales and a strong return on investment from marketing.

Senior management structure

The Group is underpinned by a stable leadership structure which is at the core of delivery of operational and financial results, especially during periods of market volatility. To further enhance the senior leadership team, two new roles are being created with two internal promotions from Group Operations Directors to Managing Directors, effective from 1 January 2026. This will have multiple benefits for the Group. Leon Caruso and Anthony Masterson are currently Group Operations Directors overseeing the Group's JLR and BMW divisions. They have been with the Group seven and five years respectively and have been key members of the Group's Next Generation senior leadership development programme. The Managing Directors will oversee Group dealership operations providing resource and dedication to maximise focus. This will reduce the CEO's span of control to enable Robert as CEO to concentrate on Manufacturer relationships and execution of Group strategy and to spend more time in the Group's dealerships and operations. It will also allow more of his time to be spent on acquisitions, portfolio management, capital allocation and growth and senior management development.

Capital allocation and growth

Ensuring appropriate returns to shareholders through the use of capital allocation is critical to the long-term success of the Group and remains at the top of the Board's agenda. In February 2025, the Group announced a significant £12.0m Share Buyback programme to be spent over the period to 28 February 2026. The Group has continued to deploy capital in respect of this programme throughout the Period with £7.0m of the £12.0m authority having been expended to 30 September 2025.

Since the share buyback programmes began in July 2017, over £42m has been returned to shareholders through the repurchase of shares, reducing the Group's shares in issue by over 19%.

In the Period, the Group also returned £3.7m to shareholders by the payment of a final dividend in respect of FY25, with a further dividend of 0.9p per share in respect of H1 FY26 to be paid in January 2026.

The Group has always been growth-focused and undertaken acquisitions. Growth has never been uniform, with significant acquisitions completed during and following the Global Financial Crisis and Covid. At the present time, the Board is focused on maximising the current portfolio's performance and ensuring the franchise mix reflects changes in the likely future structure of the sector, such as the rise of Chinese brands.

CHAIRMAN'S STATEMENT (CONTINUED)

Capital allocation and growth (continued)

Sector trends are likely to create opportunities for the Group which will be assessed, and future significant growth is likely to be undertaken once the sector outlook clears, economic stability is more certain and investment returns can be assessed with greater clarity. The Board remains committed to ensuring the Group is one of the major scaled automotive retailers in the UK. There are now six supergroups in the UK with revenues over £4bn and the Group is firmly one of them.

It's rewarding to see on my dealership visits and those undertaken by the Board, how each colleague has contributed to the success of the Group, and I would like to thank them for their efforts. The dedication they continue to demonstrate is both exemplary and humbling. Whilst the new car market challenges remain, the Board is pleased with the delivery of strategy and performance.

Andy Goss, Chairman

CHIEF EXECUTIVE'S REVIEW

Current Trading and Outlook

JLR disruption

On 31 August 2025, one of the Group's Manufacturer partners, Jaguar Land Rover ('JLR'), suffered a major cyber-attack that forced a global JLR IT systems shutdown. The attack halted production at key UK plants and disrupted operations worldwide. This has clearly had a material impact on the Manufacturer's UK operations and their entire supply chain. Retail operations were also affected, with dealerships unable to register or deliver new vehicles, which was especially disruptive during the key plate change month of September. The system outage has also impacted on aftersales operations within the Group's dealerships. Diagnostic and parts ordering systems have been offline which has impacted vehicle servicing and repair capability. The Group has a significant portfolio of 10 JLR dealerships and September trading profit was impacted by £2.0m as a result of this rare event. The Board currently anticipate the impact on Group adjusted profit before tax for FY26 will be a one-off reduction of up to £5.5m, depending on the timing of full restoration of JLR systems and resumption of normal trading. The Group remains in regular dialogue with JLR and notes an easing of the situation in recent days.

The Group holds an insurance policy which includes business interruption coverage for third-party system outages. We are reviewing the extent of losses and increased costs of working that may be covered under this policy. The Group's insurance advisor is Willis Towers Watson. The Board will update shareholders in due course on the extent of the losses and whether losses can be claimed under this policy.

September trading and outlook

The Group's September performance delivered profits above prior year levels, excluding the one-off impact of the JLR cyber-attack.

Like-for-like new retail car sales growth of 1.8% was delivered including significant sales of BEV product aided by the new Government grants and increased discounting in the market. Gross margins were lower as a result of retailers contributing to strong consumer offers promoted by some Manufacturers. Volume growth was below the SMMT reported 8.9% increase in UK retail registrations year-on-year with the figures enhanced by a significant increase in tactical pre-registration activity. Combined new retail and Motability gross profit generated (excluding JLR) was lower than last year predominantly due to a 14.8% like-for-like reduction in Motability volumes. These volumes are likely to stabilise in the coming months then rise next year due to the timing of Motability renewals.

The Group's like-for-like fleet and commercial volumes increased by 25.0% and 1.5% respectively in September with increased gross profit generation (excluding JLR).

Like-for-like used car volumes grew strongly by 5.8%, a good result given continued supply constraints and subdued consumer sentiment. This result was aided by good inventory holding levels at 31 August 2025 coming into September. Used vehicle margins in the Core Group strengthened to 7.0% (September 2024: 6.7%) reflecting strong pricing disciplines in the Group supported by our Vertu Insights analytics, the Group's used car pricing algorithm.

Aftersales demand remained strong, and profitability was aided by one additional working day year-on-year and enhanced pricing. These factors drove improved gross profit generation (excluding JLR) compared to prior period.

CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Current Trading and Outlook (continued)

September trading and outlook (continued)

The Board remains cautious on outlook due to the weak consumer and business confidence and uncertain macroeconomic conditions. The Board notes that there is considerable uncertainty ahead of the Autumn Statement at the end of November which could impact consumer and business confidence further. Despite this, underlying profit before tax is expected to be in line with market expectations, excluding the one-off impact of the JLR cyber-attack. The Group is very clear of its strategic priorities including further growth in sales outlets, delivering enhanced returns from acquisitions and start-up outlets, tight control of costs and the continued share buyback programme to drive shareholder value creation.

Sector Trends

The automotive sector is undergoing a period of major change as a result of a number of sector and wider macro-economic factors, representing both challenges and opportunities for the Group. The key themes which have had an impact on the Group in the Period are identified and discussed below:

- ***Electrification***

The UK Government continues to lead globally in its push for Battery Electric Vehicle (BEV) adoption. The Zero Emission Vehicle (ZEV) mandate requires 28% of UK new car sales to be BEVs in 2025, rising to 80% by 2030. Vans are subject to similar targets, albeit on a slower trajectory. BEV registrations accounted for 21.9% of new passenger car sales in the first eight months of 2025, up from 19.6% the previous year, with the expectation that the 28% 2025 target will almost certainly be missed. Manufacturers have responded by heavily discounting BEVs and prioritising fleet channels to boost volumes, often at the expense of profitability, and, in some cases, by restricting availability of non-BEV models.

Affordability is improving significantly, with over 40 BEV models now available under £30,000 and some sub-£20,000 options from brands like Hyundai and Dacia. The average price gap between BEVs and internal combustion engine (ICE) vehicles has narrowed to just 20%, compared to over 50% five years ago. These developments are helping to accelerate consumer adoption, albeit not at the pace of ZEV mandate targets. Reflecting this momentum and a strong focus on the importance of BEV sales, the Group's like-for-like retail BEV sales volumes grew by 82.4% in H1 2025, well ahead of the UK BEV market growth of 55.2%. This market share gain exhibits the Group's ability to deliver on focused strategies across a scaled business.

Retailers are under pressure from Manufacturers, who tie BEV mix targets to bonus eligibility and are reducing margins to make new car consumer offers more attractive. These Manufacturer actions reflect the pressure they are under to drive the BEV market to avoid fines and to compete with competitors who now have access to Government grants. Legislative changes announced in April 2025, including a reduction in fines from £15,000 to £12,000 per excess non-BEV sold and an extension for hybrid vehicle sales beyond 2030, have provided some relief. However, the ZEV mandate continues to weigh heavily on both Manufacturers and retailers and has resulted in low overall volumes in the new vehicle market in the UK. Within this smaller market, the share of fleet registrations remains very high, driven in part by strong fiscal incentives for BEV for corporate users and subdued retail demand.

CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Sector Trends (continued)

- ***Electrification (continued)***

In July 2025, the Government introduced a series of grants to stimulate BEV demand across all channels. Although some customers delayed purchases pending clarity on model eligibility and pricing, the confirmed availability of grants across many brands is expected to drive incremental volumes into H2. This, combined with manufacturer-led discounts, has contributed to stronger BEV retail sales in September.

- ***Chinese Brands***

A key feature of the UK car market in the Period has been the expansion of representation from Chinese Manufacturers with Chinese brands nearly doubling their market share in the first half of 2025. This is no doubt aided by the increasing interest in, and adoption of BEV. It should be noted that Chinese Manufacturers have not qualified for the UK BEV grants.

MG, SMART and LEVC have been established in the UK for several years and are represented by the Group. Other Chinese new entrants into the UK car market include Omoda, Jaecoo, Leapmotor, GWM and Xpeng with more expected to follow. The UK, as the fourth-largest BEV market globally and one of the major economies without significant tariffs on Chinese BEV imports, presents a highly attractive opportunity for Chinese Manufacturers. These cars are well designed and have excellent technology, both in terms of connected car capability and battery technology. In addition, many Chinese Manufacturers are selling both pure BEV and the more popular hybrid vehicles.

The Group began representing BYD in 2024 with two sales outlets currently in operation and a further three to be opened in November 2025. The Group continues to consider and evaluate investment opportunities to ensure that it has suitable representation of these growing brands, in an aim to reflect the changing shape of the UK market, always mindful of likely returns on any incremental investments.

- ***Financial Conduct Authority***

In August 2025, the Supreme Court issued its judgement relating to Court of Appeal rulings in October 2024 around historic finance commissions in the sector. The Supreme Court dismissed the claims regarding bribery and fiduciary duties owed by automotive retailers to customers. It upheld one of the Court of Appeal decisions relating to an unfair relationship between the customer and the lender, albeit based on the facts of that specific case alone.

Following the judgement, the Financial Conduct Authority (FCA) issued a consultation document on 7 October 2025 regarding a proposed redress scheme for motor finance customers, with payments to consumers expected to start in 2026. The consultation will run for six-weeks, and the Group will provide structured feedback within the required timescales.

Although the structure and details of any redress scheme are not final, redress is proposed to be based on a definition of unfair relationships between some customers and lenders. Any redress payable is proposed to be initially levied on lenders, rather than on automotive retailers as credit brokers.

The Board does not currently consider that provisions are required to be made in respect of any exposures in this area and will update shareholders as the position becomes clearer.

CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Sector Trends (continued)

- **Other Regulatory Changes**

The Group is actively involved with consultation with HM Treasury, including attending a bi-lateral meeting with the Treasury on the matter on 30 September 2025, following publication of draft legislation by HMRC on Employee Car Ownership Schemes ("ECOS") in July 2025.

The HMRC draft legislation fundamentally changes the tax treatment of ECOS whereby such vehicles will be treated as company cars subject to benefit in kind taxation. The Group currently has almost 250 colleagues on an ECOS scheme, which is a well-established structure that supports around 5% of UK new vehicle registrations, underpinning a large share of the nearly-new car market, including significant numbers of UK produced cars.

The Group believes that the proposals will have a significant macro-economic impact as changing the taxation of such schemes will lead to Manufacturers not producing those vehicles, damaging both the new and used UK car markets. Furthermore, the Group has estimated the changes would reduce taxation income into HMRC by over £7.0m per annum for the Group's volumes alone, primarily in lost VAT. The changes, which were initially planned to be implemented in April 2026 have been delayed until October 2026.

As well as vehicle market impacts, if implemented, the Board estimates a rise in Group vehicle costs and employment costs of up to £2.5m could be incurred. Primarily, this would be due to a move to contract hire vehicles for the Group's internal fleet, with monthly lease payments and increased employment taxes arising. Clearly, should they arise, the Group will seek to minimise these costs where possible.

Execution of Group Strategy

The Group has made significant progress in the Period on progression towards its strategic goals. Key highlights include the following:

Developing the scale of the Group through active portfolio management

The Group has an excellent platform of management, colleagues, processes and systems, allowing it to capitalise on growth opportunities and deliver scale benefits. It is one of the six motor retail 'supergroups' in the UK, each with revenues in excess of £4bn. The franchised retail market in the UK remains very fragmented with the Group representing just over 5% of sector activity.

The Board remains actively engaged in the management of the Group's portfolio, continuously assessing growth opportunities and the long-term potential of existing businesses. Investment and retrenchment decisions are guided by strict return metrics to ensure disciplined capital allocation. Further limited dealership closures and refranchising actions are likely.

The Group commenced its presence with the Chinese Brand BYD in the year ended 28 February 2025, with outlets opening in Worcester and Gloucester. The Group has continued to review further opportunities with the BYD franchise in the Period and as a result, will open three new BYD sales outlets, by November 2025, in Hartlepool, Macclesfield and Morpeth. This increases the number of BYD outlets in the Group to five. This initiative is part of the Group's strategy to reflect the likely increase in market share taken by Chinese Manufacturers in the years ahead.

The Group's existing Motornation dealership in Tamworth was refranchised during the Period and since 1 July 2025 now operates the Nissan franchise.

CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Execution of Group Strategy (continued)

Developing the scale of the Group through active portfolio management (continued)

Following a strategic review of returns, the Group exited two businesses in the Period. In June 2025 the Group closed a Citroen sales outlet which operated from leasehold premises in Nottingham. This will be refranchised to the Skoda franchise in November 2025.

In August 2025, the Group closed the Group's final Motornation used car sales outlet which operated from a freehold site in Derby on which the Group also operates separate Nissan, Renault, Dacia, Peugeot and Skoda sales outlets. This closure will improve the used car and aftersales capacity of the remaining franchised sales outlets on the site.

The Group announced in October 2025 the closure of Nottingham Honda Motorcycles. The business has not been delivering appropriate returns for a number of years. The Group will aim to identify a new franchise car opportunity for the showroom capacity alongside Honda cars, which will remain on the site.

Following the closure of two underperforming dealerships in Dorchester and Barnstaple in the year ended 28 February 2025, sales of both vacant freehold properties classified as held for sale at 28 February 2025, were completed during the Period. In addition, a further surplus property in Sittingbourne which was previously used as a parts storage facility, also classified as held for sale at 28 February 2025, was sold in the Period. Each property generated sales proceeds equal to, or in excess of book value, realising total cash consideration of £3.3m, 10.7% above book value. Progress is being made on realising additional properties held for resale.

Cost Control

The Group has a proven track record of maintaining a strong focus on cost control. This was particularly important in the Period given the cost headwinds faced by the Group as a result of the UK economic environment and Government actions. The Group maintained a like-for-like operating cost base of just 0.3% (£0.7m) above the prior year which was very pleasing given the aforementioned cost headwinds. This was the result of decisive action taken by the Group on cost, following the Autumn 2024 statement. Digitisation was a major component of how the Group has, and will, pursue further productivity increases and cost efficiencies.

Digitalisation Developments

Our 60-strong in-house development team drives the Group's digitalisation initiatives. These efforts consistently enhance our customer offering, maximise profitability, and improve operational efficiencies. Our investment in systems and operational developments has empowered the Group to standardise processes, improve controls, and access real-time management information for swift, data-driven decision-making. The Board is excited as how these activities can continue to improve the business going forward

The following highlights some of the key areas of digitalisation where the Group has made progress in the Period:

- **Artificial Intelligence ("AI") Adoption**

The Group's AI initiatives focus on practical applications that provide measurable business benefits, including cost efficiency and return on investment. The Executive team are directly involved in setting out goals and objectives in this area and directing AI strategy. To date, efforts have concentrated on improving telephony and customer contact handling efficiency. There are multiple

CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Execution of Group Strategy (continued)

Digitalisation Developments (continued)

- **Artificial Intelligence ("AI") Adoption (continued)**

pilot projects underway that are already demonstrating value, including AI-driven outbound service bookings and automation of some contact centre functionality. It is anticipated these AI deployments will lead to increased efficiencies in our central contact centre operations. Additionally, an "AI Dragons Den" competition encouraged colleagues amongst the Group's 60-strong software development team to propose AI-based proof of concept ideas. The winning project to automate personalised and timely responses to incoming leads from Manufacturer websites will be deployed before the end of the financial year.

- **Website Re-Platforming and developments**

In the February 2025 annual report and financial statements, the Group shared plans to rebuild our main retail website. This has been aided by the Group now operating a single website under the single Vertu brand. This project is progressing well on a modular basis and will be fully complete in mid-2026. All work is being undertaken in-house with costs tightly controlled.

The Group reviewed the Group's Search Engine Optimisation ("SEO") strategy 12-months ago and has boosted visibility of key search terms considerably, putting the Group ahead of our competitors for the Period. Website load speeds have substantially increased without reducing image quality.

The Group has identified that, whilst website functionality and search engine optimisation are well on the way to being sector leading, innovation and focus is required on greater video content and greater use of YouTube channels. This is particularly critical as AI search gathers pace. A new strategy is being developed and executed as a result.

- **Finance efficiency through automation**

The Group is dedicating significant resource to re-engineering and automating our finance functions to drive efficiency in process and productivity. Notable developments in the Period include:

- The rollout of automated invoicing in the Vertu Cosmetic Repair business, automating the production of 21,500 sales ledger invoices and the posting of costs to 100,000 vehicles per annum. The functionality developed in-house also automates the corresponding intercompany payments; and
- The implementation of an "Aftersales Dashboard" in service departments, integrating advanced payment methods and implementing Open Banking, which provides a saving versus traditional credit/debit card merchant fees. The dashboard also automates postings into the Group's accounting system aiding efficiency, removing manual keying in respect of nearly 500,000 receipt transactions annually.

Significant cost savings are being realised as a result of these incentives with a reduction in operating expenses delivered. The Board envisage further developments and cost savings will ensue.

Robert Forrester, CEO

CHIEF FINANCIAL OFFICER'S REVIEW

The Group's income statement for the Period is summarised below:

	H1 FY26 £'m	H1 FY25 (restated) ³ £'m	Variance %
Revenue	2,510.0	2,474.6	1.4%
Gross Profit	282.2	273.8	3.1%
Gross Margin %	11.2%	11.1%	0.1%
Operating Expenses ³	(251.2)	(240.8)	(4.3%)
Adjusted Operating Profit	31.0	33.0	(6.1%)
Net Finance Charges	(11.0)	(10.9)	(0.9%)
Adjusted Profit Before Tax	20.0	22.1	(9.5%)
Non-Underlying Items ⁴	(0.5)	-	-
Profit Before Tax	19.5	22.1	(11.8%)
Taxation	(5.3)	(6.1)	13.1%
Profit After Tax	14.2	16.0	(11.3%)

³ Operating expenses include share-based payments and amortisation charges previously categorised as non-underlying, revenue excludes parts revenue on vehicle preparation previously included as external revenue.

⁴ Non-underlying items represent reorganisation costs and other non-underlying charges.

The Group delivered an adjusted profit before tax of £20.0m in the Period. This performance was below that achieved in the prior year period, reflecting the relative strength of comparative profits in H1 last year compared to the year as a whole and relative weakness in the new car market.

Revenue grew by £35.4m to a new record level of £2.5bn in the Period driven by acquisitions (primarily the Burrows acquisition undertaken in October 2024) which contributed a £102.8m increase in revenue year-on-year. Core Group revenues declined by £49.2m. This reduction in Core revenue arose in the new vehicle department primarily as a result of reduced Motability volumes, accounting for approximately £55.0m of the reduction. In addition, the move to the agency model in the MINI franchise, from 1 March 2025, further reduced Core Group revenue by approximately £13.0m. The agency model replaces the selling price of the vehicle within revenue with a handling fee which also augments margins. Dealership closures resulted in a further £18.2m decline in revenue over the Period.

Gross profit growth was achieved as a result of a resilient used car performance and strong growth in the Group's high margin aftersales channels. The aftersales growth was a result of improved pricing and the benefits of a number of Group initiatives to enhance sales conversion and drive higher average invoice values. In addition, internal labour rates for preparation work undertaken in the service departments for the Group's vehicle sales departments also augmented aftersales margins. As a result of these trends, the overall Group gross margin increased to 11.2% in the Period (H1 FY25: 11.1%).

The increase in operating expenses was driven by acquisitions with Core Group operating expenses increasing just 0.3% (£0.7m) on H1 FY25 levels. This was a positive result given the cost headwinds in the Period, particularly in salary costs which increased just 0.2%, despite a significant rise in National Minimum Wage and employers National Insurance Contribution rates from 1 April 2025. The Group undertook headcount reductions post Autumn statement and prior to the commencement of the current financial year. This reduced the number of full-time equivalent colleagues by 290.

Net finance charges are just £0.1m above the prior year despite additional borrowing drawn as a result of the acquisition of Burrows Motor Company Limited in October 2024. Higher Manufacturer stocking charges and lease interest were partially offset by increased interest income on cash deposits and the impact of lower interest rates.

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

Revenue and Gross Profit by Department

An analysis of total revenue and gross profit by department is set out below:

	H1 FY26 £'m	H1 FY25 (As restated) ⁵ £'m	Variance £'m
Revenue			
New	740.8	771.8	(31.0)
Fleet & Commercial	549.4	545.5	3.9
Used	1,002.7	950.6	52.1
Aftersales	217.1	206.7	10.4
Total Group Revenue	2,510.0	2,474.6	35.4
Gross Profit			
New	56.6	58.4	(1.8)
Fleet & Commercial	27.5	28.2	(0.7)
Used	71.1	68.7	2.4
Aftersales	127.0	118.5	8.5
Total Gross Profit	282.2	273.8	8.4
Gross Margin			
New	7.6%	7.6%	-
Fleet & Commercial	5.0%	5.2%	(0.2%)
Used	7.1%	7.2%	(0.1%)
Aftersales ⁶	44.7%	43.8%	0.9%
Total Gross Margin	11.2%	11.1%	0.1%

⁵ Revenue excludes parts revenue on vehicle preparation previously included as external revenue

⁶ Aftersales margin expressed on internal and external revenues.

The total volumes of vehicles sold by the Group and like-for-like trends against market data are set out below:

	Total units sold			Like-for-like units sold		
	H1 FY26	H1 FY25	% Variance	H1 FY26	H1 FY25	% Variance
Used retail vehicles	47,799	46,073	3.7%	44,765	44,999	(0.5%)
Direct new retail cars	18,390	17,611	4.4%	16,999	17,302	(1.7%)
Agency new retail cars	1,860	1,236	50.5%	1,819	1,236	47.2%
Total new retail cars	20,250	18,847	7.4%	18,818	18,538	1.5%
Motability cars	8,638	10,688	(19.2%)	8,275	10,643	(22.2%)
Direct fleet cars	11,344	10,060	12.8%	11,018	9,823	12.2%
Agency fleet cars	5,312	3,612	47.1%	4,645	3,611	28.6%
Total fleet cars	16,656	13,672	21.8%	15,663	13,434	16.6%
Commercial vehicles	7,770	8,549	(9.1%)	7,733	8,540	(9.4%)
Total New vehicles	53,314	51,756	3.0%	50,489	51,155	(1.3%)
Total Vehicles	101,113	97,829	3.4%	95,254	96,154	(0.9%)

	Like-for-like volume variance to SMMT ⁷	UK Market (SMMT)
New Retail Car	(2.5%)	4.0%
Motability Car	(1.1%)	(21.1%)
Fleet Car	3.1%	13.5%
Commercial	-	(9.4%)

⁷ Represents the variance of like-for-like Group volumes to the UK trends reported by SMMT

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

New retail car and Motability sales

Overall from a very low base, UK retail car registrations increased 4.0%⁸ in the Period, despite continued pressure from the ZEV mandate and the impact of subdued consumer confidence. This follows 2024 being the lowest volume new retail market in 25 years. This market growth was undoubtedly aided by pre-registration activity as well as a significant uplift in Chinese brand vehicle registrations. The Group's like-for-like new retail volumes grew 1.5% in the Period. This growth was slower than the overall market growth, which reflects the Group's brand mix and the level of pre-registration in the market statistics not reflected in the Group's new retail volumes (with pre-registration activity subsequently being sold in the used car channel).

Motability registrations have significantly reduced, with the market seeing a 21.1% reduction year-on-year and the Group seeing a similar trend. The registrations via this channel were impacted by timing of renewals in the 3-year cycle and differing strategic appetite from this high-cost channel from a number of the Manufacturers which the Group represents. Some of the big traditional players have been losing market share. The Group remains Motability's largest partner in the UK. It is anticipated that Motability renewal levels will increase from March 2026.

As a result of the change in sales mix, with lower margin Motability sales accounting for a smaller proportion of the Group's total new car volumes in the Period, and more volume through agency arrangements, new car margins in the Core Group grew to 7.7% (H1 FY25: 7.5%).

Like-for-like gross profits from the sale of new retail and Motability vehicles declined by £4.4m, principally as a result of reduced Motability volume. This was clearly a major headwind for the Group in the Period.

⁸ Source: SMMT

Fleet & Commercial vehicle sales

The Group remains a major player in the fleet and commercial market, selling over 24,000 vehicles via this channel in the Period. The Group has deep experience and capability in many of the different aspects of this channel.

The Group's like-for-like volumes in the fleet car channel grew by 16.6% in the Period, ahead of the market growth of 13.5%. UK fleet sales, particularly of BEV vehicles, remain strong, driven by fiscal incentives for corporate fleets of BEVs.

Conversely, there has been reduced demand in new commercial vehicle sales throughout 2025, with UK registrations down 9.4% in the Period, and the Group like-for-like sales volumes mirrored this trend. This market weakness in commercial vehicles is reflective of weakening business confidence in the UK and is a reliable lead indicator of economic health.

The Core Group's margins in this combined channel have declined slightly to 4.9% (H1 FY25: 5.2%) reflecting the Group's desire to increase volumes to reduce Manufacturer vehicle stocking charge levels. Overall, like-for-like gross profits generated from the fleet and commercial channel reduced by £1.2m.

Used retail vehicles

Due to the well-documented new car market supply constraints in recent years, there remain shortages of three-to five-year-old used vehicles in the UK market. There has been increasing supply of nearly new cars in the UK, coming from oversupply versus retail demand for new vehicles leading to pre-registration activity and more frequent daily rental change cycles. Over time, these trends will

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

Used retail vehicles (continued)

see the supply of cars in the critical 3-5 year cohort increase. Despite these current challenges, the Core Group delivered sales volumes in the Period just 0.5% below prior year. The Group benefitted from a highly successful ten-day Group-wide used car sales event in July that resulted in a significant boost to sales volumes despite tepid consumer demand.

Used car trade values in the UK market have shown considerable stability over the Period, driven by the shortage of desirable stock. Margin growth in used cars has been more muted than might be expected in this supply-constrained environment. Retail prices have not grown to the same degree as trade prices, reflecting a relatively subdued consumer and aggressive new car offers impacting on margins of younger used cars. Despite these market trends and discounting in the Group's July sales event, the Core Group over the Period saw stable margins, highlighting the benefits of the Group's "Insights" used car pricing algorithm and excellent used car stock management.

In March 2025 the Group increased its internal recovery rates which are charged from the service department in respect of used vehicle preparation. This increase was reflective of cost inflation in technician remuneration. This change resulted in an additional cost of £1.8m which has been absorbed into Core Group used car department gross profit in the Period. After absorbing this, overall Core Group used car gross profits rose £0.6m year-on-year on a like-for-like basis, with this increase driven by gross profit per unit sold growing by 1.2% compared to prior year. This is an excellent performance.

Aftersales

The Group's high margin aftersales operations are a vital contributor to Group profitability, generating over 44% of total gross profit. Overall, compared to the six-month period ended 31 August 2024, the following like-for-like trends in aftersales performance were seen, with like-for-like gross profit increasing £4.0m year-on-year. The majority of this growth came from the higher margin service department.

	Service	Parts	Accident & Smart Repair	Forecourt	Total
	£'m	£'m	£'m	£'m	£'m
Revenue ⁹	110.0	139.9	15.1	5.2	270.2
Revenue ⁹ change (%)	3.7%	2.9%	(1.7%)	(10.1%)	2.7%
Gross profit	81.1	29.6	9.4	0.4	120.5
Gross profit change	3.6	0.5	(0.1)	-	4.0
Gross margin ¹⁰ H1 FY25 (%)	73.7%	21.2%	62.2%	8.7%	44.6%
Margin change (%)	0.6%	(0.3%)	0.6%	0.2%	0.3%

⁹ includes internal and external revenues

¹⁰ Aftersales margin expressed on internal and external revenues

• Service

Vehicle service and repair remains a key revenue stream for the Group, with like-for-like service revenue increasing by £4.0m (3.7%) during the Period. The Group has successfully executed initiatives to enhance average invoice value in the Period, including focus on the Group's vehicle health check ("VHC") process and increased use of the Group's Pay Later product, which allows service customers to defer payments interest-free for up to five months on repair work identified. This flexible payment option enables more customers to approve essential repairs identified through the Group's VHC process and has resulted in higher sales conversion and margin retention.

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

Aftersales (continued)

- *Service (continued)*

In addition, as noted above, in March 2025 the Group increased its internal preparation rates which are charged to the vehicle sales departments, to better reflect the upward pressure on costs since the prior year. This led to approximately £2.1m of additional labour gross profit in the Core Group service department which has been absorbed by the vehicle sales departments. This represents 58% of the increase in like-for-like service gross profit.

These initiatives combined with other upward pricing actions led to a year-on-year improvement in like-for-like labour sales and a rise in like-for-like service gross margins to 73.7% (H1 FY25: 73.1%). Consequently, service gross profit in the Core Group increased by £3.6m.

- *Parts*

The Group's extensive parts operations encompass traditional wholesale activities, agency distribution centres, online parts retailing, and accessory sales to dealership customers. These operations also supply parts to the Group's service and accident repair businesses. The Core Group grew Parts revenue by £4.0m year-on-year to £139.9m, driven by a growth in wholesale parts sales. This led to a £0.5m increase in gross profit generation in the Core Group's parts departments. Margins declined slightly to 21.2% in the Period (H1 FY25: 21.5%) as a result of a shift in sales mix towards lower margin wholesale activity.

In order to provide additional focus on the Group's profitable parts business, an internal appointment into a newly created role of Group Parts Director was made on 1 September 2025.

- *Accident and Smart Repair*

The Group's accident repair centres and smart repair operations are managed separately from the dealership businesses in a standalone division. Like-for-like revenue generated from this revenue stream declined £0.3m in the Period with gross profit declining £0.1m. This decline arose in the accident repair centres, with smart repair continuing to exhibit growth. Declining major accident repair activity reflects trends as vehicle technology improves and results in fewer and less severe accidents. Increased parts and labour costs resulted in increased numbers of vehicles being written off, rather than repaired. The Group delivered a gross margin improvement to 62.2% (H1 FY25: 61.6%) in this channel.

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

Acquisitions and Closures

Dealerships acquired or closed since 1 March 2024 have contributed an additional £0.3m of operating profit in the Period compared to prior year, as summarised below:

	Start-ups & Acquisitions £'m	Closures £'m	Total £'m
H1 FY26			
Revenue	111.2	9.7	120.9
Gross Profit	12.8	0.5	13.3
Operating Loss	(0.8)	(0.6)	(1.4)
H1 FY25			
Revenue	8.4	27.9	36.3
Gross Profit	0.9	3.0	3.9
Operating Loss	(0.6)	(0.5)	(1.1)
H1 FY26 variance to H1 FY25			
Revenue	102.8	(18.2)	84.6
Gross Profit	11.9	(2.5)	9.4
Operating (Loss)/Profit	(0.2)	(0.1)	(0.3)

Acquisitions include new start-up operations opened in the last 12-months by the Group. These have incurred, as anticipated, start-up losses. These operations are anticipated to see reduced losses in the next 12-months and a move to profitability. The dealership closures will also augment future profits and lead to improved cost structures in the Group since these operations have higher cost bases versus revenues than the Group as a whole.

Operating Expenses

A summary of Core Group operating expenses is set out below:

	H1 FY26 £'m	H1 FY25 £'m	H1 FY26 Var to H1 FY25 £'m	%
Salary costs	132.9	132.6	0.3	0.2%
Vehicle and valeting costs	27.0	28.9	(1.9)	(6.6%)
Property costs and depreciation	29.4	27.8	1.6	5.8%
Marketing costs	20.1	18.0	2.1	11.7%
Other (including IT costs)	25.2	27.1	(1.9)	(7.0%)
Share based payments and amortisation	1.9	1.4	0.5	35.7%
Core Group operating expenses	236.5	235.8	0.7	0.3%
Core Group operating expenses as a % of Core Group revenues	10.0%	9.7%		0.3%
Acquisitions	13.5	1.5	12.0	
Disposals	1.1	3.5	(2.4)	
Total Group underlying operating expenses	251.1	240.8	10.3	4.3%
Operating expenses as a % of revenue	10.0%	9.7%		0.3%

Core Group operating expenses totalled £236.5m in the Period, just 0.3% (£0.7m) up on H1 FY25 despite ongoing cost pressures in the UK economy, reflecting the success of the Group's strong focus on cost control in the Period. Dealerships acquired in the period since 1 March 2024, net of closures, contributed a further £9.5m of operating expenses in the Period such that, overall, total Group underlying operating expenses increased by £10.2m in the Period compared to H1 FY25. Despite this strong focus on cost control, operating expenses as a % of revenue increased by 0.2% in the total Group and by 0.3% in the Core Group. This reflects the reduced revenue as a result of a challenging new car market impacting vehicle volumes and the dilutive impact of dealership acquisitions and startups including those of Chinese brands. It is anticipated maturing businesses and the closure of loss-making businesses will aid operating expense trends going forward.

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

Operating Expenses (continued)

Salary costs represent over half of Core Group operating expenses and are the biggest single cost to the Group. Salary costs in the Core Group have increased just £0.3m year-on-year despite the increased costs enforced by the 2024 Autumn budget. The changes resulted in rises in National Minimum Wage and an increase in the rate of Employer's National Insurance which were enacted in April 2025 with a combined forecast annual impact of £10.0m. As previously reported, the Group took decisive action in H2 FY25, including a targeted headcount reduction programme to mitigate the impact of these rises. The impact of these actions is clear. The Group continues to strive for process efficiencies and progressed towards centralising a number of key finance functions into divisional hub structures. This action delivered a further headcount reduction in the Period and the resulting termination costs have been included in non-underlying items.

The Core Group saw a £2.1m (11.7%) increase in marketing costs in the Period. This reflects the Group's investment in the move to a single brand "Vertu". This strategy is anticipated to yield process efficiencies and cost savings going forward from the reduction in websites and brand complexity. Marketing activity was augmented in the changeover from Bristol Street Motors to Vertu in April and, in addition, marketing costs include the cost of the Group wide sale event in July, for which there was no comparative event last year. This significantly aided the resilient performance of the used car department in the Period.

Vehicle and valeting costs in the Core Group have reduced by £1.9m (6.6%) in the Period as action was taken to reduce costs in this area. The Group has applied behavioural science to encourage customers to opt out of a "wash and vac" in the service department following customer visits and introduced charging for this service in several divisions. Further cost savings will arise as the strategy is rolled out to a number of the Group's other divisions and are annualised. A profit enhancement of approximately £0.4m in the Period arose. The remaining saving in this area has been driven by active management of the Group's courtesy and demonstrator fleets to minimise costs where possible.

Other costs have decreased by £1.9m (7.0%) year-on-year reflecting the Group's sharp focus on all aspects of its cost base in the Period. This includes a £0.6m reduction in energy costs partly due to the Group's effective buying strategy and use of self-generated solar powered energy. The Group continues to invest in solar panel installation, with a second phase planned costing £0.9m at a further 18 dealerships in H2 FY26 after stringent consideration of the applicable return on investment.

Share based payments and amortisation, which are now included within underlying expenses, have increased by £0.5m year-on-year as a result of the continued use of share award schemes as a key element of remuneration packages for senior managers, which includes the impact of managers in businesses acquired.

Net Finance Charges

The movement in net finance charges is analysed below:

	H1 FY26	H1 FY25	H1 FY26 Var to H1 FY25
	£'m	£'m	£'m
Interest on bank borrowings	4.8	4.8	-
New vehicle Manufacturer stocking interest	4.7	4.5	0.2
Interest on lease liabilities	2.0	1.8	0.2
Used vehicle stock funding interest	0.2	0.3	(0.1)
Interest on bank deposits	(0.6)	(0.4)	(0.2)
Net finance income relating to defined benefit pension scheme	(0.1)	(0.1)	-
Net Finance Charges	11.0	10.9	0.1

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

Net Finance Charges (continued)

The overall increase in net finance charges of £0.1m is driven by increased numbers of outlets in the Group following the Burrows acquisition, new vehicle stocking charges and interest on lease liabilities. The movement in lease interest of £0.2m in the Period is a result of lease extensions negotiated on certain Group properties and an increase in the number of contract hire courtesy vehicles, as part of the strategy to reduce vehicle running costs. The £0.2m year-on-year increase in Manufacturer stocking charges is as a result of higher new car stocking levels despite reduced interest rates. In part, this is due to oversupply in the retail new car channel in some franchises and additional numbers of dealerships. In addition, higher fleet volumes from tactical registration activity in the Period have also led to increased stocking charges.

Interest on bank borrowings includes the cost of the 20-year mortgage facilities from BMW Financial Services, where £74.3m remains outstanding at 31 August 2025 (28 February 2025: £76.4m) and a 10-year mortgage facility with Toyota Financial Services, where £7.0m remains outstanding at 31 August 2025 (28 February 2025: £7.4m), as well as interest on the £56m drawn on the Group's Revolving Credit Facility ("RCF") with three major banks.

£12.0m of the RCF was drawn in October 2024 to fund the acquisition of Burrows Motor Company Limited, which also brought the Toyota Financial Services mortgage into the Group. The growth in interest costs as a result of this increase in funding has been offset by reduced mortgage interest as the balance has reduced due to the monthly principal repayments.

Non-underlying items

	H1 FY26 £'m	H1 FY25 (re-stated) £'m
Redundancy costs	0.3	-
Site closure costs	0.2	-
	0.5	-

The Group continued its strong focus on cost control in the Period, taking several actions to remove avoidable cost from the business.

Firstly, the Group made progress in delivering its finance efficiency programme, centralising a number of finance processing functions into divisional hubs. As a consequence, the Group incurred redundancy costs in respect of 45 colleagues in the Period with headcount reductions partially off-set by recruitment in other geographical areas. The associated termination costs of £0.3m have been included in non-underlying costs due to the scale and one-off nature of this initiative.

In addition, following a strategic review of returns in the Period, the Group closed a Citroen dealership in Nottingham and the Group's last used car sales outlet in Derby. The associated closure costs in respect of these outlets of £0.2m have been included in non-underlying costs.

As previously highlighted, the share-based payment charge and amortisation costs were reclassified in the full year report and accounts to 28 February 2025 from non-underlying items into underlying items, restating the comparatives on the same basis. As a result, £1.4m has been reclassified from non-underlying items to underlying items for the period ended 31 August 2024.

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

Tax

The Group's underlying effective rate of tax for the Period was 26.8% (H1 FY25: 27.7%). This is higher than the headline rate of corporation tax in the UK of 25% as a result of non-qualifying depreciation. The total tax charge for the Period was £5.3m (H1 FY25: £6.1m). The Group continues to be classified as "low risk" and takes a pro-active approach to minimising tax liabilities whilst ensuring it pays the appropriate level of tax to the UK Government.

Dividend

An interim dividend of 0.90p per share (H1 FY25: 0.90p) in respect of FY26 will be paid on 16 January 2026. The ex-dividend date will be 11 December 2025 and the associated record date 12 December 2025.

Cash Flows

A cash outflow from working capital in the Period of £21.0m reflects an increase in used vehicle inventory levels and reduced vehicle deposits compared to the position at 28 February 2025.

As a result of the continued market weakness in new cars, and September being a smaller plate change month than March, the Group did not reduce its used car stock holding to the same extent that it did at 28 February 2025. This decision aided a strong growth in September used vehicle sales. £14.5m of cash has been absorbed in used car inventory in the Period as a result. It should be noted used car stock levels declined from 31 August 2024 to 2025 despite acquisition growth.

Vehicle deposits taken in advance of delivery were £11.2m lower at 31 August 2025 than 28 February 2025 as a result of the strong new car market in March 2025, ahead of Vehicle Excise Duty changes in April 2025 compared to September. In contrast, ordertake into September reflected some deferral in consumer activity as consumers awaited clarity on eligibility for government grants on electric vehicles. As a result, £11.2m was absorbed in the Period from lower deposits.

Despite the net cash outflow from working capital described above, the Group generated a broadly neutral Free Cash Flow in the Period with an inflow of £0.4m compared to a Free Cash Outflow of £14.3m in H1 FY25.

In the Period, the Group successfully disposed of three of the properties held for resale at 28 February 2025, delivering a cash inflow of £3.3m and generating a profit on disposal of £0.3m. This included two former BMW dealerships in Dorchester and Barnstaple which were closed in the year ended 28 February 2025 and a former parts storage warehouse in Sittingbourne. All three properties were included within properties held for sale at 28 February 2025. These sales proceeds have been deducted in arriving at net capital expenditure of £7.6m incurred in the Period. £2.5m of this net expenditure was incurred in respect of projects which add additional capacity to the Group, including investments in additional capacity at Chesterfield Toyota and Plymouth Honda as well as the completion of a new off-site vehicle preparation centre at York BMW. This £2.5m has therefore been excluded from the calculation of Cash Flow in the Period.

The Group announced a £12.0m share buy-back programme on 6 February 2025 and began deploying capital under this programme immediately. In the financial year to date, the Group has continued to buy back shares, repurchasing approximately 9.4m shares, representing 2.8% of opening shares in issue, for a total cost of £5.6m. The total expended under the current authority to 30 September 2025 was £7.0m, leaving £5.0m remaining to deploy. The Board believes that this is an attractive use of capital and will continue its programme of buy-backs as a relevant element of returns to shareholders,

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

alongside dividend payments. The Group has now purchased over 19% of its share capital because of buyback programmes operating since FY18. £3.7m was spent on dividends in the Period in respect of the final dividend paid in respect of the year ended 28 February 2025.

The Group has operated a very successful service plan offering for customers, with customers paying monthly amounts towards future servicing and receiving fixed or discounted pricing in return, with flexibility to withdraw and obtain a refund at any time. From 1 January 2026, the Digital Markets, Competition and Consumers Act 2024 brings into force new rules for “consumer savings schemes contracts”. Although not specifically aimed at service plan arrangements, there is potential that the service plan amounts paid by customers and not yet spent by them on servicing will be caught by these new rules. If applicable, the Group will be required to obtain an insurance policy to protect service plan customers’ money or to hold the associated funds in an external trust account. In this latter case, the cash balances held would cease to form part of the net debt undertaken. The Group is currently exploring the optimum route to take. The amount of service plan monies held within the net debt of the Group at 31 August 2025 was £14.0m.

Karen Anderson, CFO

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 31 August 2025

	Note	Six months ended 31 August 2025			Six months ended 31 August 2024 (as restated – Note 2)			Year ended 28 February 2025		
		Underlying items £'000	Non- underlying items (note 4) £'000	Total £'000	Underlying items £'000	Non- underlying items (note 4) £'000	Total £'000	Underlying items £'000	Non- underlying items (note 4) £'000	Total £'000
Revenue		2,510,027	-	2,510,027	2,474,639	-	2,474,639	4,763,926	-	4,763,926
Cost of sales		(2,227,836)	-	(2,227,836)	(2,200,813)	-	(2,200,813)	(4,230,992)	-	(4,230,992)
Gross profit		282,191	-	282,191	273,826	-	273,826	532,934	-	532,934
Operating expenses		(251,159)	(469)	(251,628)	(240,885)	-	(240,885)	(480,528)	(4,569)	(485,097)
Operating profit / (loss)		31,032	(469)	30,563	32,941	-	32,941	52,406	(4,569)	47,837
Finance income	5	808	-	808	555	-	555	1,103	-	1,103
Finance costs	5	(11,834)	-	(11,834)	(11,429)	-	(11,429)	(24,190)	-	(24,190)
Profit / (loss) before tax		20,006	(469)	19,537	22,067	-	22,067	29,319	(4,569)	24,750
Taxation		(5,359)	91	(5,268)	(6,112)	-	(6,112)	(7,576)	929	(6,647)
Profit / (loss) for the period attributed to equity holders		14,647	(378)	14,269	15,955	-	15,955	21,743	(3,640)	18,103
Basic earnings per share (p)	7			4.46			4.77			5.48
Diluted earnings per share (p)	7			4.11			4.44			5.10

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 31 August 2025

		Six months ended 31 August 2025 £'000	Six months ended 31 August 2024 £'000	Year ended 28 February 2025 £'000
	Note			
Profit for the period		14,269	15,955	18,103
Other comprehensive (expense) / income				
Items that will not be reclassified to profit or loss:				
Actuarial (losses) / gains on retirement benefit obligations	10	(149)	608	1,471
Deferred tax relating to actuarial losses / (gains) on retirement benefit obligations		37	(152)	(368)
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges		(138)	(248)	(187)
Deferred tax relating to cash flow hedges		35	45	47
Other comprehensive (expense) / income for the period, net of tax		(215)	253	963
Total comprehensive income for the period attributable to equity holders		14,054	16,208	19,066

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

For the six months ended 31 August 2025

		31 August 2025 £'000	31 August 2024 £'000	28 February 2025 £'000
	Note			
Non-current assets				
Goodwill and other indefinite life assets	12	136,006	129,332	135,506
Other intangible assets		1,294	1,705	1,557
Retirement benefit asset		3,753	3,060	3,895
Property, plant and equipment		357,787	339,024	357,453
Right-of-use assets		93,677	81,527	83,734
Derivative financial instruments		-	-	147
		592,517	554,648	582,292
Current assets				
Inventories		789,781	785,718	816,939
Trade and other receivables		93,880	86,897	98,951
Cash and cash equivalents		58,501	38,649	72,647
		942,162	911,264	988,537
Property assets held for sale		5,051	7,780	7,921
Total current assets		947,213	919,044	996,458
Total assets		1,539,730	1,473,692	1,578,750
Current liabilities				
Trade and other payables		(885,037)	(850,196)	(940,541)
Current tax liabilities		(2,739)	(1,547)	(148)
Deferred consideration		(1,000)	-	(1,000)
Contract liabilities		(11,764)	(11,662)	(11,753)
Borrowings		(5,087)	(4,395)	(5,081)
Lease liabilities		(21,854)	(19,272)	(19,182)
Total current liabilities		(927,481)	(887,072)	(977,705)
Non-current liabilities				
Deferred income tax liabilities		(25,986)	(23,036)	(26,097)
Contract liabilities		(8,527)	(9,956)	(8,435)
Borrowings		(131,751)	(118,129)	(134,133)
Lease liabilities		(82,013)	(72,250)	(74,829)
Total non-current liabilities		(248,277)	(223,371)	(243,494)
Total liabilities		(1,175,758)	(1,110,443)	(1,221,199)
Net assets		363,972	363,249	357,551
Capital and reserves attributable to equity holders of the Group				
Ordinary share capital		32,070	33,452	33,010
Share premium		124,939	124,939	124,939
Other reserve		10,645	10,645	10,645
Hedging reserve		(23)	17	80
Treasury share reserve		(2,337)	(3,175)	(4,812)
Capital redemption reserve		7,657	6,275	6,717
Retained earnings		191,021	191,096	186,972
Total equity		363,972	363,249	357,551

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 31 August 2025

		Six months ended 31 August 2025 £'000	Six months ended 31 August 2024 £'000	Year ended 28 February 2025 £'000
	Note			
Cash flows from operating activities				
Operating profit		30,563	32,941	47,837
Profit on sale of property, plant and equipment		(309)	(58)	(1,168)
(Profit) / loss on lease modification		(569)	67	(47)
Amortisation of intangible assets		261	284	558
Depreciation of property, plant and equipment		9,664	8,590	18,201
Depreciation of right of use assets		10,637	10,597	20,239
Impairment charges		-	-	524
Movement in working capital	11	(21,223)	(38,849)	6,986
Share based payments charge		1,451	900	1,890
Cash inflow from operations		30,475	14,472	95,020
Tax received		809	1,291	1,328
Tax paid		(3,541)	(4,748)	(6,462)
Finance income received		703	495	984
Finance costs paid		(12,481)	(11,198)	(24,233)
Net cash inflow from operating activities		15,965	312	66,637
Cash flows from investing activities				
Acquisition of businesses, net of cash, overdrafts and borrowings acquired	9	(370)	(1,030)	(10,961)
Acquisition of freehold and long leasehold land and buildings		-	-	(2,230)
Purchases of intangible assets		-	(19)	(145)
Purchases of other property, plant and equipment		(10,853)	(11,953)	(24,611)
Proceeds from disposal of property, plant and equipment		3,253	800	5,575
Net cash outflow from investing activities		(7,970)	(12,202)	(32,372)
Cash flows from financing activities				
Proceeds from borrowings	8	-	-	12,526
Repayment of borrowings	8	(2,563)	(2,188)	(8,097)
Principal elements of lease repayments		(10,421)	(10,640)	(19,954)
Sale of treasury shares		241	34	46
Purchase of treasury shares		-	-	(4,000)
Repurchase of own shares		(5,722)	(2,234)	(4,784)
Dividends paid to equity holders		(3,676)	(5,032)	(7,954)
Net cash outflow from financing activities		(22,141)	(20,060)	(32,217)
Net (decrease) / increase in cash and cash equivalents	8	(14,146)	(31,950)	2,048
Cash and cash equivalents at beginning of period		72,647	70,599	70,599
Cash and cash equivalents at end of period		58,501	38,649	72,647

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 31 August 2025

	Ordinary share capital	Share premium	Other reserve	Hedging reserve	Treasury share reserve	Capital redemption reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 March 2025	33,010	124,939	10,645	80	(4,812)	6,717	186,972	357,551
Profit for the period	-	-	-	-	-	-	14,269	14,269
Actuarial losses on retirement benefit obligations	-	-	-	-	-	-	(149)	(149)
Tax on items taken directly to equity	-	-	-	35	-	-	37	72
Fair value losses	-	-	-	(138)	-	-	-	(138)
Total comprehensive income for the period	-	-	-	(103)	-	-	14,157	14,054
Sale of treasury shares	-	-	-	-	2,475	-	(2,234)	241
Cancellation of repurchased shares	(940)	-	-	-	-	940	-	-
Repurchase of own shares	-	-	-	-	-	-	(5,649)	(5,649)
Dividends paid	-	-	-	-	-	-	(3,676)	(3,676)
Share based payments charge	-	-	-	-	-	-	1,451	1,451
As at 31 August 2025	32,070	124,939	10,645	(23)	(2,337)	7,657	191,021	363,972

The repurchase of own shares in the period was made pursuant to the share buyback programmes announced on 6 February 2025.

9,401,631 ordinary shares to the value of £5,649,000 had been repurchased in the six months ended 31 August 2025. These shares were cancelled immediately and accordingly, the nominal value of these shares has been transferred to the capital redemption reserve.

The 'Other reserve' is a merger reserve, arising from shares issued as consideration to the former shareholders of acquired companies.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
(CONTINUED)

For the six months ended 31 August 2024

	Ordinary share capital	Share premium	Other reserve	Hedging reserve	Treasury share reserve	Capital redemption reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 March 2024	33,760	124,939	10,645	220	(2,056)	5,967	179,898	353,373
Profit for the period	-	-	-	-	-	-	15,955	15,955
Actuarial gains on retirement benefit obligations	-	-	-	-	-	-	608	608
Tax on items taken directly to equity	-	-	-	45	-	-	(152)	(107)
Fair value losses	-	-	-	(248)	-	-	-	(248)
Total comprehensive income for the period	-	-	-	(203)	-	-	16,411	16,208
Sale of treasury shares	-	-	-	-	(1,119)	-	1,153	34
Cancellation of repurchased shares	(308)	-	-	-	-	308	-	-
Repurchase of own shares	-	-	-	-	-	-	(2,234)	(2,234)
Dividends paid	-	-	-	-	-	-	(5,032)	(5,032)
Share based payments charge	-	-	-	-	-	-	900	900
As at 31 August 2024	33,452	124,939	10,645	17	(3,175)	6,275	191,096	363,249

For the year ended 28 February 2025

	Ordinary share capital	Share premium	Other reserve	Hedging reserve	Treasury share reserve	Capital redemption reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 March 2024	33,760	124,939	10,645	220	(2,056)	5,967	179,898	353,373
Profit for the year	-	-	-	-	-	-	18,103	18,103
Actuarial gains on retirement benefit obligations	-	-	-	-	-	-	1,471	1,471
Tax on items taken directly to equity	-	-	-	47	-	-	(368)	(321)
Fair value losses	-	-	-	(187)	-	-	-	(187)
Total comprehensive income for the year	-	-	-	(140)	-	-	19,206	19,066
Sale of treasury shares	-	-	-	-	1,244	-	(1,198)	46
Purchase of treasury shares	-	-	-	-	(4,000)	-	-	(4,000)
Repurchase of own shares	-	-	-	-	-	-	(4,870)	(4,870)
Cancellation of repurchased shares	(750)	-	-	-	-	750	-	-
Dividends paid	-	-	-	-	-	-	(7,954)	(7,954)
Share based payments charge	-	-	-	-	-	-	1,890	1,890
As at 28 February 2025	33,010	124,939	10,645	80	(4,812)	6,717	186,972	357,551

NOTES

For the six months ended 31 August 2025

1. Basis of preparation

Vertu Motors plc is a Public Limited Company which is quoted on the AiM Market and is incorporated and domiciled in the United Kingdom. The address of the registered office is Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA. The registered number of the Company is 05984855.

The financial information for the period ended 31 August 2025 and similarly the period ended 31 August 2024 has neither been audited nor reviewed by the auditors. The financial information for the year ended 28 February 2025 has been based on information contained in the audited financial statements for that year.

The information for the year ended 28 February 2025 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The Auditors' Report on those accounts was not qualified under section 498 of the Companies Act 2006.

2. Accounting policies

In line with International Accounting Standard 34 and the Disclosure and Transparency Rules of the Financial Conduct Authority, these condensed interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 28 February 2023.

In line with International Accounting Standard 34 and the Disclosure and Transparency Rules of the Financial Conduct Authority, these condensed interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 28 February 2025.

Classification of items in the Income Statement

As set out in the consolidated financial statements for the year ended 28 February 2025, the following reclassifications have been made to the Income Statement:

- The Group's share-based payment charge and amortisation charges have been reclassified from non-underlying items into underlying items. As a result of these changes, previously reported underlying operating expenses in the six months ended 31 August 2024 have increased by £1,394,000 and non-underlying operating expenses have decreased by £1,394,000.
- Revenue in relation to parts used in the preparation of vehicles for sale has been reclassified due to certain intercompany transactions not eliminating on consolidation. Consequently, such income is no longer presented within external revenue. As a result, previously reported turnover and cost of sales have both decreased by £17,793,000 for the six months ended 31 August 2024.

NOTES (CONTINUED)

3. Segmental information

The Group adopts IFRS 8 “Operating Segments”, which determines and presents operating segments based on information provided to the Group’s Chief Operating Decision Maker (“CODM”), Robert Forrester, Chief Executive Officer. The CODM receives information about the Group overall and therefore there is one operating segment.

The CODM assesses the performance of the operating segment based on a measure of both revenue and gross margin. However, to increase transparency, the Group has included below an additional voluntary disclosure analysing revenue and gross margin within the reportable segment.

Six months ended 31 August 2025	Revenue £'000	Revenue Mix %	Gross Profit £'000	Gross Profit Mix %	Gross Margin %
Aftersales ¹¹	217,161	8.7	127,042	45.0	44.7
Used vehicles	1,002,675	39.9	71,081	25.2	7.1
New retail and Motability	740,829	29.5	56,587	20.1	7.6
New fleet & commercial	549,362	21.9	27,481	9.7	5.0
Total	2,510,027	100.0	282,191	100.0	11.2

Six months ended 31 August 2024 (as restated (Note 2))	Revenue £'000	Revenue Mix %	Gross Profit £'000	Gross Profit Mix %	Gross Margin %
Aftersales ¹¹	206,752	8.4	118,572	43.3	43.8
Used vehicles	950,648	38.4	68,637	25.1	7.2
New retail and Motability	771,759	31.2	58,411	21.3	7.6
New fleet & commercial	545,480	22.0	28,206	10.3	5.2
Total	2,474,639	100.0	273,826	100.0	11.1

Year ended 28 February 2025	Revenue £'000	Revenue Mix %	Gross Profit £'m	Gross Profit Mix %	Gross Margin %
Aftersales ¹¹	417,799	8.8	236,145	44.3	43.7
Used vehicles	1,851,429	38.9	130,886	24.6	7.1
New retail and Motability	1,439,922	30.2	110,174	20.7	7.7
New fleet & commercial	1,054,776	22.1	55,729	10.4	5.3
Total	4,763,926	100.0	532,934	100.0	11.2

¹¹ Aftersales margin expressed on internal and external revenue

NOTES (CONTINUED)

4. Non-underlying items

	Six months ended 31 August 2025	Six months ended 31 August 2024 (as restated – Note 2)	Year ended 28 February 2025
	£'000	£'000	£,000
Redundancy costs	(325)	-	(2,817)
Other site closure costs	(144)	-	(106)
Rebrand costs	-	-	(794)
Acquisition costs	-	-	(328)
Impairment of freehold land and buildings	-	-	(524)
Non-underlying loss before tax	(469)	-	(4,569)
Non-underlying taxation credit	91	-	929
Non-underlying loss after tax	(378)	-	(3,640)

The Group continued its strong focus on cost control in the Period taking several actions to remove avoidable cost from the business.

Firstly, the Group made progress towards its finance efficiency programme, centralising a number of finance processing functions into divisional hubs. As a consequence, the Group incurred redundancy costs in respect of 45 colleagues in the Period. The associated termination costs of £325,000 have been included in non-underlying costs due to the scale and one-off nature of this initiative.

In addition, following a strategic review of returns in the Period, the Group closed a Citroen dealership in Nottingham and announced the closure of a used car sales outlet in Derby. The associated closure costs in respect of these outlets of £144,000 have been included in non-underlying costs.

As previously highlighted, the share-based payment charge and amortisation costs were reclassified in the full year report and accounts to 28 February 2025 from non-underlying items into underlying items, restating the comparatives on the same basis. As a result, £1,394,000 has been reclassified from previously reported non-underlying items to underlying items for the period ended 31 August 2024.

5. Finance income and costs

	Six months ended 31 August 2025	Six months ended 31 August 2024	Year ended 28 February 2025
	£'000	£'000	£'000
Interest on short-term bank deposits	637	413	983
Net finance income relating to Group pension scheme	105	60	120
Other interest	66	82	-
Finance income	808	555	1,103
Bank loans and overdrafts	(4,858)	(4,897)	(10,277)
Vehicle stocking interest	(4,840)	(4,693)	(9,853)
Lease liability interest	(2,136)	(1,839)	(4,060)
Finance costs	(11,834)	(11,429)	(24,190)

NOTES (CONTINUED)

6. Taxation

The Group's underlying effective rate of tax is 26.8% (H1 FY25 (as restated – Note 2): 27.7%), which is higher than the standard rate of corporation tax in the UK as a result of the impact of non-qualifying depreciation and non-deductible expenses. The overall effective tax rate of 27.0% (H1 FY25: 27.7%) includes tax on non-underlying items. The Group continues to be classified as “low risk” by HMRC and takes a pro-active approach to minimising tax liabilities whilst ensuring it pays the appropriate level of tax to the UK Government.

7. Earnings per share

Basic and diluted earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of ordinary shares during the period or the diluted weighted average number of ordinary shares in issue in the period.

The Group only has one category of potentially dilutive ordinary shares, which are share options. A calculation has been undertaken to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Group's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Adjusted earnings per share is calculated by dividing the adjusted earnings attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period.

	Six months ended 31 August 2025	Six months ended 31 August 2024 (as restated – Note 2)	Year ended 28 February 2025
	£'000	£'000	£'000
Profit attributable to equity shareholders	14,269	15,955	18,103
Non-underlying loss after tax items	378	-	3,640
Underlying earnings attributable to equity shareholders	14,647	15,955	21,743
Weighted average number of shares in issue ('000s)	320,276	334,324	330,599
Potentially dilutive shares ('000s)	27,038	25,137	24,117
Diluted weighted average number of shares in issue ('000s)	347,314	359,461	354,716
Basic earnings per share	4.46p	4.77p	5.48p
Diluted earnings per share	4.11p	4.44p	5.10p
Underlying earnings per share	4.57p	4.77p	6.58p
Diluted underlying earnings per share	4.22p	4.44p	6.13p

At 31 August 2025, there were 320,700,132 shares in issue (including 3,784,108 held by the Group's employee benefit trust).

NOTES (CONTINUED)

8. Reconciliation of net cash flow to movement in net debt

	31 August 2025 £'000	31 August 2024 £'000	28 February 2025 £'000
Net (decrease) / increase in cash and cash equivalents	(14,146)	(31,950)	2,048
Cash inflow from proceeds of borrowings	-	-	(12,526)
Cash outflow from repayment of borrowings	2,563	2,188	8,097
Cash movement in net debt	(11,583)	(29,762)	(2,381)
Borrowings acquired	-	-	(10,569)
Capitalisation of loan arrangement fees	-	-	520
Amortisation of loan arrangement fees	(159)	(117)	(246)
Increase in accrued loan interest	(28)	(17)	88
Non-cash movement in net debt	(187)	(134)	(10,207)
Movement in net debt (excluding lease liabilities)	(11,770)	(29,896)	(12,588)
Opening net debt (excluding lease liabilities)	(66,567)	(53,979)	(53,979)
Closing net debt (excluding lease liabilities)	(78,337)	(83,875)	(66,567)
Opening lease liabilities	(94,011)	(82,924)	(82,924)
Capitalisation of new leases	(24,363)	(20,063)	(32,277)
Disposal of lease liabilities	4,086	825	1,236
Interest element of lease repayments	(2,136)	(1,839)	(4,060)
Cash outflow from lease repayments	12,557	12,479	24,014
Closing lease liabilities	(103,867)	(91,522)	(94,011)
Closing net debt (including lease liabilities)	(182,204)	(175,397)	(160,578)

9. Acquisitions

On 1 March 2025, the Group acquired the entire issued share capital of The Union Motor Company Limited, an authorised repairer for London Electric Vehicle Company (LEVC) based in Edinburgh. Total consideration of £370,000 (net of cash acquired) was settled from the Group's cash resources.

10. Retirement benefit asset

The Group operates a trust based defined benefit pension scheme, "Bristol Street Pension Scheme", which has three defined benefit sections which were closed to new entrants and future accrual on 31 May 2003, with another section closed to new entrants in July 2003 and future accrual in October 2013. The Group has applied IAS 19 (revised) to the scheme. The scheme remains fully funded and in surplus on the accounting basis.

During the six month period ended 31 August 2025, there have been changes in the financial and demographic assumptions underlying the calculation of the liabilities. In particular, the discount rate has increased, inflation assumptions have decreased and life expectancy assumptions have been modified. The effect of these changes in assumptions was a decrease in liabilities of £1,272,000. The liability hedging strategy within the scheme investment portfolio meant that the period also saw a decrease in the market value of scheme assets of £1,414,000. In total, an actuarial loss of £149,000 was recognised in the Consolidated Statement of Comprehensive Income.

NOTES (CONTINUED)

11. Cash flow from movement in working capital

The following table reconciles the movement in balance sheet headings to the movement in working capital as presented in the Consolidated Cash Flow Statement.

For the six months ended 31 August 2025

	Inventories £'000	Trade and other receivables £'000	Trade and other payables £'000	Total working capital movement £'000
Trade and other payables			(885,037)	
Contract liabilities			(20,291)	
At 31 August 2025	789,781	93,880	(905,328)	
At 28 February 2025	816,939	98,951	(960,729)	
Balance sheet movement	27,158	5,071	(55,401)	
Acquisitions	33	62	(252)	
Movement excluding business combinations	27,191	5,133	(55,653)	(23,329)
Pension related balances				98
Decrease in capital creditor				1,093
Decrease in interest accrual				500
Derivative financial instruments				9
Decrease in share buyback accrual				72
Decrease in loan acceptance fee accrual				334
Movement in working capital				(21,223)

For the six months ended 31 August 2024

	Inventories £'000	Trade and other receivables £'000	Trade and other payables £'000	Total working capital movement £'000
Trade and other payables			(850,196)	
Contract liabilities			(21,618)	
At 31 August 2024	785,718	86,897	(871,814)	
At 29 February 2024	761,996	93,702	(893,407)	
Balance sheet movement	(23,722)	6,805	(21,593)	
Acquisitions	734	48	(24)	
Movement excluding business combinations	(22,988)	6,853	(21,617)	(37,752)
Pension related balances				85
Increase in capital creditor				(1,039)
Increase in interest accrual				(16)
Derivative financial instruments				(127)
Movement in working capital				(38,849)

NOTES (CONTINUED)

11. Cash flow from movement in working capital (continued)

For the year ended 28 February 2025

	Inventories £'000	Trade and other receivables £'000	Trade and other payables £'000	Total working capital movement £'000
Trade and other payables			(940,541)	
Contract liabilities			(20,188)	
At 28 February 2025	816,939	98,951	(960,729)	
At 29 February 2024	761,996	93,702	(893,406)	
Balance sheet movement	(54,943)	(5,249)	67,323	
Acquisitions	16,017	2,082	(16,933)	
Disposals	-	-	(929)	
Movement excluding business combinations	(38,926)	(3,167)	49,461	7,368
Pension related balances				173
Increase in capital creditor				(22)
Decrease in interest accrual				169
Derivative financial instruments				(282)
Increase in share buyback accrual				(86)
Increase in loan acceptance fee accrual				(334)
Movement in working capital				6,986

12. Goodwill and other indefinite life assets

	31 August 2025 £'000	31 August 2024 £'000	28 February 2025 £'000
Goodwill	90,314	85,429	89,814
Other indefinite life assets – Franchise relationships	45,692	43,903	45,692
At end of period	136,006	129,332	135,506

13. Risks and uncertainties

There are certain risk factors which could result in the actual results of the Group differing materially from expected results. These factors include: failure to deliver on the strategic goal of the Group to acquire and consolidate UK motor retail businesses, failure to meet competitive challenges to our business model or sector, advances in vehicle technology providing customers with mobility solutions which bypass the dealer network, inability to maintain current high quality relationships with Manufacturer partners, economic conditions impacting trading, market and environmental considerations impact on vehicle supply and values, litigation and regulatory risk, failure to comply with health and safety policy, failure to attract, develop and retain talent, failure of Group information and telecommunication systems, malicious cyber-attack, availability of credit and vehicle financing, use of estimates, currency risk, impact of the transition to lower emission alternatives, changes in cost base driven by climate goals and other climate related physical risks.

All of the above principal risks are consistent with those detailed in the Annual Report for the year ended 28 February 2025.

The Board continually review the risk factors which could impact on the Group achieving its expected results and confirm that the above principal factors will remain relevant for the final six months of the financial year ending 28 February 2026.

ALTERNATIVE PERFORMANCE MEASURES

Set out below are the definitions and sources of various alternative performance measures which are referred to throughout the Interim Financial Report. All financial information provided is in respect of the Vertu Motors plc Group.

Definitions

Like-for-like	Dealerships that have comparable trading periods in two consecutive financial years, only the comparable period is measured as “like-for-like”.
H1 FY26	The six month period ended 31 August 2025.
H1 FY25	The six month period ended 31 August 2024.
Adjusted	Adjusted for non-underlying items as these are unconnected with the ordinary business of the Group. This definition has been amended during the year ended 28 February 2025 to exclude share-based payment charges and amortisation which were previously included in non-underlying items. Share-based payments and amortisation are included in underlying items in both the current and the comparative period.
Aftersales gross margin	Aftersales gross margin compares the gross profit earned from aftersales activities to total aftersales revenues, including internal revenue relating to service and vehicle preparation work performed on the Group’s own vehicles. This is to properly reflect the real activity of the Group’s aftersales departments.

Alternative Performance Measures

Adjusted Profit Before Tax (PBT)

	Six months ended 31 August 2025 £'000	Six months ended 31 August 2024 £'000
Profit before tax	19,537	22,067
Redundancy costs	325	-
Other site closure costs	144	-
Adjusted PBT	20,006	22,067

Free Cash Flow

	Six months ended 31 August 2025 £'000	Six months ended 31 August 2024 £'000
Net cash inflow from operating activities	15,965	312
Purchase of other property, plant and equipment	(10,853)	(11,953)
Enhancement capital expenditure included in above	2,455	7,174
Purchase of intangible assets	-	(19)
Proceeds from disposal of property, plant and equipment	3,253	800
Principal elements of lease repayments	(10,421)	(10,640)
Free Cash Flow	399	(14,326)

ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

<u>Tangible net assets per share</u>	31 August 2025	28 February 2025
	£'000	£'000
Net assets	363,972	357,551
Less:		
Goodwill and other indefinite life assets (note 12)	(136,006)	(135,506)
Other intangible assets	(1,294)	(1,557)
Add:		
Deferred tax on above adjustments	14,587	14,318
Tangible net assets	241,259	234,806
Tangible net assets per share	76.1p	72.9p

At 31 August 2025 there were 320,700,132 shares in issue (28 February 2025: 330,101,763) of which 3,784,108 were held by the Group's employee benefit trust (28 February 2025: 7,793,005). Rights to dividends on shares held in the Group's employee benefit must have been waived and, therefore, such shares are not included in the tangible net assets per share calculation.

Like-for-like reconciliations:

Revenue by department

	H1 FY26			H1 FY26
	Group	Acquisitions	Disposals	Like-for-like
	revenue	revenue	revenue	revenue
	£'m	£'m	£'m	£'m
New car retail and Motability	740.8	(41.2)	(1.1)	698.5
New fleet and commercial	549.4	(3.0)	(0.5)	545.9
Used vehicles	1,002.7	(57.3)	(7.5)	937.9
Aftersales	217.1	(9.7)	(0.6)	206.8
Total revenue	2,510.0	(111.2)	(9.7)	2,389.1

	H1 FY25			H1 FY25
	Group	Acquisitions	Disposals	Like-for-like
	revenue	revenue	revenue	revenue
	£'m	£'m	£'m	£'m
New car retail and Motability	771.8	(0.6)	(1.8)	769.4
New fleet and commercial	545.5	(0.3)	(0.9)	544.3
Used vehicles	950.6	(7.1)	(19.2)	924.3
Aftersales	206.7	(0.4)	(6.0)	200.3
Total revenue	2,474.6	(8.4)	(27.9)	2,438.3

ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

Like-for-like reconciliations (continued):

Gross profit by department

	H1 FY26			H1 FY26
	Group gross	Acquisitions	Disposals	Like-for-like
	profit	gross profit	gross profit	gross profit
	£'m	£'m	£'m	£'m
New car retail and Motability	56.6	(2.9)	(0.1)	53.6
New fleet and commercial	27.5	(0.5)	-	27.0
Used vehicles	71.1	(3.2)	(0.1)	67.8
Aftersales	127.0	(6.2)	(0.3)	120.5
Total gross profit	282.2	(12.8)	(0.5)	268.9

	H1 FY25			H1 FY25
	Group gross	Acquisitions	Disposals	Like-for-like
	profit	gross profit	gross profit	gross profit
	£'m	£'m	£'m	£'m
New car retail and Motability	58.4	-	(0.4)	58.0
New fleet and commercial	28.2	-	-	28.2
Used vehicles	68.7	(0.5)	(1.0)	67.2
Aftersales	118.5	(0.4)	(1.6)	116.5
Total gross profit	273.8	(0.9)	(3.0)	269.9

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