

13 May 2026



Vertu Motors plc ('Vertu', 'Group')

Final results for the year ended 28 February 2026

Strong aftersales profits; robust asset backing; positive current trading

Vertu Motors plc, the major UK automotive retailer with a network of 191 sales and aftersales outlets, announces its final results for the year ended 28 February 2026 ('Year').

Commenting on the results, Robert Forrester, Chief Executive Officer, said:

"The Group has delivered solid results against the backdrop of sector pressures from the Government's ZEV mandate on new car profitability, as we have focused on controlling the controllables, such as aftersales and cost. The Group is benefiting from stable management, a highly trained and committed workforce, strong cashflows funding a maintained dividend, another £12m share buyback and significant asset backing. The Group is therefore excellently positioned to take advantage of the inevitable opportunities that will arise as the sector continues to consolidate. I am delighted that the trading performance in March and April has been strong and ahead of the prior year period, which is a testament to the quality and hard work of the excellent Vertu team, whom I would like to thank."

FINANCIAL SUMMARY

Years ended 28 February	2026	2025
Revenue	£4,833.8m	£4,763.9m
Adjusted ¹ profit before tax	£24.5m	£29.3m
Non-underlying items	£4.2m	£4.6m
Profit before tax	£20.3m	£24.8m
Basic Adjusted ¹ EPS	5.71p	6.58p
Dividends per share	2.05p	2.05p
Free Cash Flow	£30.7m	£37.3m
Net Debt ²	£61.3m	£66.6m

HIGHLIGHTS

- Adjusted¹ profit before tax of £24.5m ahead of market expectations³ delivered despite weak new vehicle markets due to the Government's Zero Emission Mandate (ZEV) and related margin pressure.
- £3.4m of insurance proceeds recognised as other income in FY26 in underlying earnings offsetting losses from the JLR cyber-attack of £3.9m.
- Aftersales delivered strong growth, with like-for-like revenue and gross profit growth, now generating over 46% of Group gross profit and underpinning earnings resilience.
- Modest used car volume growth, with pricing stability and stable gross profit per unit.
- Disciplined cost control, with Core Group⁴ operating costs up just 1.1% year-on-year despite wage inflation, and a further £10m cost efficiency programme delivered to aid FY27 results.
- Robust cash generation, with £30.7m of free cash flow, bolstering an already strong balance sheet.
- Net debt² of £61.3m as at 28 February 2026 (FY25: Net debt: £66.6m).
- Capital returns maintained, with final dividend of 1.15p per share recommended holding full-year dividend flat at 2.05p per share (FY25: 2.05p) and £10.7m returned through

share buybacks during the year. A total of £46.5m expended on the repurchase of over 21% of the Group's issued shares since the programmes began in FY18. Further £12m share buyback programme announced in March.

- Non-underlying costs of £5.1m arose as a result of dealership closures and restructuring costs to reduce the cost base of the Group. This is offset by £0.9m of non-underlying income relating to profit on disposal of surplus freehold properties and disposal of businesses.
- Surplus freehold property disposals generated cash proceeds of £5.1m and were sold at an aggregate £0.6m premium to book value in FY26. FY27 has already seen surplus property disposals of £1.5m at a premium to book value of £0.5m. Glasgow disposal, announced in Pre-close Trading update as expected to complete in March is delayed.
- Net tangible assets per share of 75.9p (FY25: 72.9p)
- Group awarded 2025 Retailer of the Year and Customer Experience award by Autotrader.
- Programme to enhance portfolio with new Chinese entrant brands implemented and set to continue: Jaecoo, Omoda, Lepas, Chery and Leapmotor to be added to portfolio.

CURRENT TRADING AND OUTLOOK

- Strong start to FY27, trading profit for March and April 2026 was ahead of the prior year.
- The Group's resilient Aftersales operations delivered record performance and a £2.9m uplift in Core Group gross profit in March and April compared to the prior year period.
- On 1 April the Group launched Value Cars by Vertu, an initiative to increase market share in the 7-to-14-year-old used car market. Initial indications are that this will add incremental profits.
- The ZEV mandate is distorting volumes, margins and channel mix for new car and commercial vehicles, alongside elevated discounting and potential non-BEV supply constraints. The ratcheting of targets creates more intense pressure and the Group has asked the Government to urgently bring forward its review of the ZEV mandate from 2027 to 2026.
- The impact of the Middle East conflict driving fuel price volatility, pressuring consumer confidence, disposable income and vehicle demand is being monitored. No material adverse consumer trends are visible today. BEV and hybrid vehicles are showing higher interest from customers as expected. A prolonged conflict could drive up inflation.
- Group remains well positioned, with scale advantages, disciplined execution and a strong financial position to navigate structural market adjustment and capture opportunities.

¹ Adjusted to remove non-underlying items

² Excludes lease liabilities, includes used vehicle stocking loans

³ According to compiled data at 30 April 2026, the current consensus of three sell side analysts' expectations for FY26 adjusted profit before tax is £24.0m with a range of £23.4m to £24.4m.

⁴ Core Group represents dealerships that have traded for the full period from 1 March 2024.

Webcast details

Vertu management will make a webcast available for analysts and investors this morning on the Group's website <https://investors.vertumotors.com/results/>

For further information please contact:**Vertu Motors plc**

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

Tel: 0191 491 2121
Tel: 0191 491 2121
PClark@vertumotors.com

Stifel (Nominated Advisor and Broker)

Matthew Blawat
Callum Stewart

Tel: 0207 710 7688

Shore Capital (Joint Broker)

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

Tel: 0207 408 4090

Blackdown Partners (Corporate Finance Advisor)

Peter Tracey
Tom Fryson

Tel: +44 (0) 754 995 4255

Camarco

Billy Clegg
Tom Huddart
Letaba Rimell

Tel: 020 3757 4980

CHAIRMAN'S STATEMENT

The Group demonstrated resilience and strong operational discipline during the year ended 28 February 2026, navigating a highly challenging period for the UK automotive sector. Adjusted¹ profit before tax of £24.5m was slightly ahead of market expectations², reflecting effective execution against a backdrop of continuing regulatory disruption leading to weak new vehicle retail conditions and margin pressure. The cyber-attack on Jaguar Land Rover ('JLR') also impacted the Group's operations in the second half.

New vehicle market conditions were heavily influenced by the Government's ZEV mandate, which continued to distort Manufacturer behaviour, suppress retail margins and shift volume into lower-return channels. Consumer and business confidence also remained subdued generally. The Board is also mindful of wider geopolitical risks, including ongoing instability in the Middle East, which could increase energy price volatility and further pressure consumer confidence and household disposable income.

From September onwards, the Group's operations were impacted by the cyber-attack at JLR, which temporarily disrupted vehicle supply and aftersales activity across the JLR network. Management responded decisively to mitigate the financial impact and maintain operational continuity. The Group recovered a substantial amount of the losses incurred through receipts from its insurance policy, which have been recognised in the Year.

Against this backdrop, the Group focused on what it could control. Aftersales delivered a strong performance, disciplined cost actions were implemented, and robust cash generation was achieved, underpinning a strong balance sheet. Gearing is low at 17% and this provides the Board with comfort as to the resilience of the Group in an uncertain market.

The Group continued to execute its growth strategy through selective acquisitions and portfolio development, including further expansion with fast-growing Chinese Manufacturers.

Active portfolio management also resulted in continued trends for the disposal of surplus property assets at a premium to book value. This reflects the conservative nature of the Group's property book values which underpin tangible asset values.

In April 2025, the Group completed its transition to operating under a single retail brand, Vertu. This simplification has been well received by Manufacturers and customers and is expected to deliver marketing efficiencies and operational benefits in FY27. Alongside this, the Group continued to invest in proprietary systems and digital capability, improving efficiency, customer experience and scalability.

Capital allocation remains a core Board priority. Strong cash generation enabled continued investment in the business alongside delivering shareholder return strategies, including dividends and share buybacks. Since the commencement of the buyback programme in 2018, over £46.5m has been returned to shareholders through these programmes with over 21% of issued shares now repurchased. The Board was pleased to announce another £12m share buyback programme in March 2026.

The Board also benefited from continued strength and stability in governance and leadership. The experience and commitment of the executive team, supported by a strong and well-balanced Board, positions the Group well to navigate ongoing structural change in the automotive sector. The Group was founded 20 years ago as an AIM-Listed cash shell flotation. It has grown its asset base and scale of operations consistently with 19 years of continuous profitability.

The Group is very well positioned from a management, financial capacity and Manufacturer relationship standpoint to undertake further substantial growth as opportunities arise.

Finally, I would like to thank our more than 7,200 colleagues for their professionalism, resilience and dedication throughout a demanding year. Their commitment remains fundamental to the Group's long-term success.

Andy Goss, Chairman

¹ Adjusted to remove non-underlying items

² According to compiled data at 30 April 2026, the current consensus of three sell side analysts' expectations for FY26 adjusted profit before tax is £24.0m with a range of £23.4m to £24.4m.

CHIEF EXECUTIVE'S REVIEW

Overview

The Group's key long-term strategic goal is: To deliver growing, sustainable cashflows from operational excellence in the automotive retail sector. The strategic objectives of the Group, are summarised below:

- To grow as a major scaled franchised dealership group and to develop our portfolio of Manufacturer partners, while being mindful of industry development trends, to maximise long-run return.
- To be at the forefront of digitalisation in the sector, delivering a cohesive 'bricks and clicks' strategy, together with a focus on cost optimisation and efficiency.
- To develop and motivate the Group's colleagues to ensure operational excellence is delivered constantly across the business.

Within a most challenging year for the sector, the Group focused on what it could control and on delivery of these long-term strategic goals. Aftersales delivered strong growth and margin expansion, portfolio rebalancing progressed and decisive cost actions were taken to mitigate structural cost pressures. These actions underpinned robust cash generation and a strong balance sheet, positioning the Group well entering the new financial year.

The Group continues to drive productivity through technology, supported by a significant in-house development team spanning systems integration, automation, digital products and emerging AI use cases.

Market Dynamics and Structural Shifts

The UK automotive market in FY26 remained heavily shaped by regulatory intervention rather than underlying consumer demand. The UK retains one of the most ambitious BEV transition trajectories among major automotive markets, with Manufacturers of cars required to achieve a 28% BEV mix in 2025 and 33% in 2026, facing fines of £12,000 per vehicle for non-compliance. Future targets ratchet up significantly to an 80% mix in 2030. BEVs accounted for only 23.4% of car registrations in 2025, achieved largely through financially unsustainable Manufacturer discounting. The SMMT highlight that current market conditions differ materially from those assumed when the mandate was set out, battery, industrial energy and public charging costs are all significantly higher than was then anticipated. The SMMT estimates discounting of BEV vehicles exceeded £5 billion in 2025 (at least £11,000 per BEV), distorting both new and used car markets and creating sustained margin pressure across the sector. By the end of April 2026, BEV share stood at 23.1% calendar year to date, leaving uptake short of the 33% share required.

Subdued business confidence and economic headwinds, together with very aspirational targets under the ZEV mandate for light commercial vehicles contributed to an 8.6% reduction in registrations of light commercial vehicles ('LCV') in the UK in the Year. Change cycles have been extended, particularly in the 2.0 to 2.5 tonne small van category which showed an 18.4% market decline. There are several structural challenges to wider electric LCV adoption in the UK that are more acute than for cars. Charging infrastructure limitations, payload limitations, residual value concerns of major funders and affordability concerns are all limiting BEV adoption in the van market. A separate ZEV mandate applies to LCV in the UK, with a target BEV mix in 2026 of 24% against an actual UK LCV registration BEV mix of 9.4% in 2025. BEV registrations to April calendar year to date remained at the same level with no growth. The fines for missing the mandated targets on vans are £15,000 per van, which is above the £12,000 fine for cars. The ZEV mandate looks certain to continue to disrupt the LCV market significantly in the coming periods as Manufacturers seek to avoid fines.

The LCV market was also impacted by taxation changes for double cab pickups. In April 2025 such vehicles were reclassified as 'cars' rather than 'vans' in terms of their taxation treatment, becoming substantially more expensive to operate as company vehicles due to higher benefits in kind, reduced capital allowances and higher applicable Employers' National Insurance costs. Overall, fewer pickups were registered in the Year because of this change, despite a significant spike in registrations in March 2025 as users bought ahead of the tax changes.

A further structural shift in the UK market has been the rapid growth of Chinese Original Equipment Manufacturers ('OEMs'). New Chinese³ brands have increased UK market share at pace with a 5.5% share in 2025 (2024: 0.7%) supported by competitive pricing, strong technology

propositions and an ability to supply both pure BEV and hybrid powertrains at scale. As Chinese vehicle production increasingly exceeds domestic demand and with Chinese factories running far below capacity, the UK has become a strategically attractive export market, particularly given the absence of significant tariffs on Chinese EV imports in contrast to other key markets. This has intensified competition across key segments, accelerated price pressure on other Manufacturers and contributed to the erosion of traditional brand loyalty. While Chinese brands remain relatively immature from an aftersales perspective and therefore currently generate lower returns, their growing presence represents a material and likely lasting change to the UK automotive landscape. The Group is working with a number of these new Manufacturers to grow its share of sales outlets operated.

During the Year, the Government confirmed changes to the Motability Scheme, which will take effect from 1 July 2026. These measures removed some long-standing tax exemptions and increase the cost of operating the Scheme. Motability also removed access to the Scheme for certain premium Manufacturer brands such as Audi, BMW and Mercedes from the end of 2025. These brands represented 4.7% of the Scheme in 2025. Existing leases are not affected, and eligibility for the Scheme remains unchanged. The Motability Scheme continues to play an important role in supporting customers with mobility and independence needs. The Group's position as the programme's largest retailer, managing over 50,700 vehicles, provides a resilient and recurring source of aftersales revenue, as each vehicle requires an annual service funded by Motability throughout the lease period.

³Source: SMMT, includes BYD, Jaecoo, Omoda, Chery, Leapmotor, Xpeng, GWM, Geely and Changan.

Financial Conduct Authority: Motor Finance Redress

On 30 March 2026 the Financial Conduct Authority published the details of its Motor Finance Commission Redress Scheme ('Scheme'). This is an industry wide scheme to address historic unfairness in motor finance in the period from April 2007 to November 2024. This followed a consultation process that began in October 2025 and which the Group took an active part in.

The Scheme requires lenders to pay redress to consumers if the finance contracts they entered into meet specific detailed criteria. The FCA estimate that circa 12 million agreements will meet the criteria for redress. There is a 3-month period for lenders to prepare their systems and procedures in order to identify the agreements that are in scope.

The Group acts as credit brokers for the lenders and we will have been involved in broking agreements that will qualify for redress. The Group's responsibilities as brokers are explicitly detailed in the FCA scheme rules. These are limited in the Scheme to providing the lenders with information they may ask us for in order to determine if a particular consumer agreement qualifies for redress. Extensive preparatory work has already been carried out on Group data in this area so that information can be provided to lenders within the one-month timescale defined by the Scheme. The Group is currently working with lenders to understand the data they require and intend to provide that in a bulk data share wherever possible. Given the scale of the Scheme the Group may need to invest in additional resource to meet this regulatory requirement.

The expected sums of the redress scheme as a whole are substantial and estimated by the FCA at c. £9bn for the UK. One financial institution (covering 10% of the used car finance market) has expressed its intention to exit the market as a result of the impact of the redress scheme. Others have already exited. There is a risk that the market for consumer finance will contract in the future given the retrospective regulatory actions and this may lead to increased costs to consumers and reduce the Group's income as a credit broker in the future.

On 1 May 2026 the FCA confirmed the Scheme has been formally challenged by one claims management company and three lenders. The Scheme will now be referred to the Upper Tribunal, where it will be subject to a further Judge led review. The Scheme has therefore been postponed.

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 should that position change.

Group Operational Performance

New Vehicles

The Group's new vehicle profitability declined significantly for a second consecutive year. Reduced Motability volumes, weaker retail margins driven by increased upfront discounting, and lower Manufacturer support contributed to a reduction in Core Group new vehicle gross profit compared to the prior year of £8.7m. Over the last 24 months, Core Group new retail vehicle departmental gross profit has declined by £19.6m putting significant pressure on Group profitability. While like-for-like new retail sales volumes increased modestly, this lagged the wider market, which was supported by elevated pre-registration activity.

Despite these headwinds, Core Group new car gross margin percentages improved slightly, reflecting a more favourable sales mix as Motability volumes reduced and the Group saw increased activity under agency arrangements where the Group receives a handling fee. Group like-for-like BEV new retail volumes increased 71.0% compared to FY25, representing a meaningful outperformance, compared to the UK private BEV market which grew 50.2%.

Fleet and commercial gross profit in the Core Group declined £4.2m compared to the prior year. Reduced LCV volumes, driven by the weaker market for the commercial vehicles in the UK, the impact of the JLR cyber-attack and reduced margins all had an effect on Group profitability in this segment.

Aftersales

The UK market for aftersales is benefitting from the highest number of cars and vans on the road in UK history. Aftersales once again demonstrated its importance to the Group's earnings resilience. Like-for-like aftersales gross profit and revenues increased across all major channels, supported by strong customer retention, good technician availability, an increase in internal rates charged to the vehicle departments in preparing vehicles for sale and effective operational execution. Group initiatives such as Pay Later (where additional work identified and sold can be paid for over a number of months) continued to enhance conversion of identified repairs at strong margins.

With approximately 160,000 live service plans and more than 50,700 Motability vehicles under contract, the Group has a highly resilient aftersales revenue base. Aftersales generates over 46% of total Group gross profit and remains a core pillar of profitability and cash generation, supported by continued strategic development across service, parts and repair operations.

Used Vehicles

The UK used vehicle market was resilient in 2025, growing 2.2% year-on-year in terms of number of transactions. However, demand was uneven by age bracket, with older vehicles attracting stronger interest reflecting affordability and value-seeking behaviour by consumers. Used vehicle supply remained a structural constraint in the market throughout 2025, as the lingering impact of post-pandemic new car shortages continued to suppress the availability of 3-5-year-old used vehicles – a core market for franchised dealerships. Wholesale prices of used vehicles have been resilient and have remained broadly stable throughout the year. Retail and wholesale pricing came under pressure in nearly new vehicles, where prices were constrained by both heavy Manufacturer discounting of new vehicles and more muted consumer demand. This resulted in margin pressure in younger used cars offset by stronger margins in older cars.

From April 2026, the Group has rolled out a new initiative focused on the retailing of used vehicles in the 7-14-year-old range, opening a new segment leveraging the Vertu brand, distribution and data expertise in used vehicle pricing. Value Cars by Vertu reflects changing customer affordability dynamics and value-seeking behaviour in the UK used car market, driving this segment to be the strongest part of the current used car market. This initiative has the potential to enhance volumes, margins and overall profits for the Group.

Management

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 were created with internal promotions from Group Operations Directors to Managing Directors, effective from 1 January 2026. Leon Caruso and Anthony Masterson were previously 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 now oversee Group dealership operations providing resource and dedication to maximise focus. This has reduced the CEO's span of control and enabled me as CEO to concentrate on Manufacturer relationships, the execution of Group strategy and to spend more time in the Group's dealerships and operations.

To provide additional focus on the Group's substantial and profitable parts business, a further internal appointment into a newly created role of Group Parts Director was made on 1 September 2025. Since appointment, Gregor Mackie has developed a clear growth strategy for the Group's parts operations, strengthening commercial focus and operational alignment across wholesale, retail and internal channels. A key element of this strategy is the implementation of an after-market parts solution to support the servicing and preparation of older vehicles. This initiative is designed to capture sales previously lost where Manufacturer parts are priced above what customers are willing to pay, ensuring the Group can offer competitively priced repair options without compromising quality. The development of this after-market offering complements the Group's increasing focus on retailing older used vehicles, broadening customer appeal and supporting margin resilience across the aftersales and used vehicle operations.

Cost Discipline

The Group completed the transition to a single retail brand, Vertu, across all dealerships. This strategic consolidation is expected to deliver material marketing efficiencies and operational benefits.

In parallel, the Group undertook decisive cost actions to mitigate rising structural cost pressures and the impact of reduced new vehicle profitability. Management implemented a comprehensive cost reduction programme for the second consecutive year in late 2025 and early 2026, focused on areas within the Group's control, including headcount rationalisation, selective dealership closures where return hurdles were not being met, and tighter control of discretionary expenditure. These actions were complemented by continued investment in automation and process efficiency and are expected to save £10m of annualised cost going forward.

Digitalisation Developments

The Group's 60-strong in-house development team continues to drive digitalisation across the business, enhancing the customer proposition, improving operational efficiency and supporting profitability. This in-house capability enables the Group to rapidly design, develop and deploy proprietary systems while maintaining tight control of cost, data and intellectual property, increasingly positioning the Group as one of the most technologically advanced automotive retailers in the UK.

Investment in systems and operational development enables the Group to standardise processes, strengthen controls and access real-time management information, supporting faster and more informed decision-making across the business.

These initiatives form part of a broader multi-year programme to modernise the Group's digital platforms, data infrastructure and operational processes.

The following highlights some of the key areas of digitalisation progress delivered in the Year:

- *Artificial Intelligence Adoption and Digital Productivity*

The Group continues to explore the practical application of Artificial Intelligence ('AI') and advanced digital tools to improve productivity, enhance customer engagement and support operational efficiency. The focus remains on targeted deployments where clear business benefit and return on investment can be materially demonstrated. Great care is being taken to ensure the application of such technologies is secure and appropriate.

During the Year, AI-driven call analysis technology was successfully rolled out across the Group's central contact centre operations. All phone and internet enquiries for all outlets are handled by these centres based in Gateshead, North East England for sales and service. The technology automatically reviews and summarises customer calls, providing improved management insight into call quality, customer needs and training opportunities for colleagues. This deployment significantly reduces the manual effort previously required to monitor calls while enabling more consistent quality assurance across customer interactions.

Alongside this development, AI-driven voicemail services have been introduced which automatically transcribe and categorise customer messages before routing them to the

appropriate teams for follow-up. This functionality improves response times for customers while reducing administrative workload.

Building on the availability of AI-generated call transcripts and the Group's extensive operational data, new analytical models are also being developed to further enhance both customer experience and regulatory compliance. These include propensity models to better understand customer behaviour and risk models designed to identify potential indicators of vulnerability in line with FCA requirements and the Consumer Duty framework. These models combine customer interaction transcripts with historical sales and operational data to provide improved insight into customer journeys and support colleagues in delivering appropriate customer outcomes. The AI insights are used to help script and direct the next contact point for the customer such as bespoke scripting of the next sales call in the sales process. The capability entered pilot in April 2026 and is currently being tested across 16 dealership locations within the Group.

Within the Group's in-house development function, new development tools incorporating AI capabilities are being tested. This area of AI is particularly fast moving. These tools assist engineers with elements of coding, documentation and testing, enabling development teams to deliver system enhancements more efficiently and focus their time on higher-value engineering tasks.

The Board believes that the measured deployment of AI across customer contact handling, internal knowledge management and software development processes will continue to improve productivity and support the Group's operational efficiency going forward.

- *Website Re-Platforming and Digital Presence*

Following the transition to a single retail brand 'Vertu', the Group commenced a full rebuild of its core retail website platform. This modular programme, delivered entirely by the Group's in-house development team, continues to progress well and remains on track for completion in mid-2026. Modular changes to date have increased search engine optimisation visibility and effectiveness and increased website conversion. The Group was awarded 2025 Autotrader 'retailer of the year' and customer experience award, reflecting the strong focus on digital customer experience.

Alongside the re-platforming programme, the Group has continued to strengthen its Search Engine Optimisation ("SEO") capability. Visibility across key automotive search terms has improved significantly during the Year and the Group now consistently ranks first amongst automotive retail peers across a broad range of priority search categories. Visibility of the Vertu Motors website has increased from 4% to a sector leading level of over 18% over the Year.

The Group has also identified the growing importance of video content and YouTube channels as search behaviour evolves, particularly as AI-driven search becomes more prevalent. Work is underway to expand the Group's video content capability as part of its broader digital marketing strategy and the Group has seen some early successes in this area.

- *Customer Data Platform ("CDP")*

The Group continues to strengthen how it uses customer information stored in its Customer Data Platform ("CDP"), to support enhanced CRM with more effective marketing and improved customer engagement. During the year, changes were made to better connect customer communications and data, helping the Group teams work more efficiently and tailor messages more effectively.

These improvements supported increased customer contact activity and contributed to record levels of online and outbound service bookings in January and February 2026. Overall, the Group is using customer insight more effectively to support better decision-making and enhance the customer experience.

The Group continues to develop new CDP use cases, leveraging this platform to improve marketing effectiveness, optimise customer journeys and support better decision-making.

- *Finance Efficiency Through Automation*

The Group has made significant strides in automating finance and administrative processes, reinforcing our commitment to boosting productivity and driving down operating costs, whilst enhancing the quality and usefulness of its financial data.

Over the Year, we successfully introduced automated invoicing within Vertu Cosmetic Repair operations. This advancement now enables the automatic generation of around 21,500 sales ledger invoices each year, alongside seamlessly posting costs against more than 100,000 vehicle records annually. Not only does this system streamline the invoicing process, but it also manages the related intercompany payments without any manual intervention.

An enhanced Aftersales Dashboard has been rolled out across the Group's service departments. By integrating advanced payment technologies, including Open Banking, the dashboard has expanded the range of payment options available to customers. This move does not just enhance customer convenience but also results in notable transaction cost savings compared to traditional card processing methods.

Furthermore, the Aftersales Dashboard now automates the recording of nearly 500,000 receipt transactions into the Group's accounting system each year, virtually eliminating the need for manual data entry, reducing the risk of manual error and significantly improving operational efficiency.

Collectively, these automation initiatives have already produced substantial cost savings by reducing administrative workloads and transaction expenses. The Board remains confident that, as the Group continues to identify and implement further automation opportunities across the finance operations, this will unlock even greater control improvements, productivity gains and operational efficiencies.

Work has recently begun on using several AI tools to build an in-house "invoice to pay" system that will handle invoice recognition and authorisation. This initiative is expected to provide the next dimensional shift in the Group's finance function and will be delivered in FY27.

Developing the scale of the Group

The Board continued to actively manage the Group's dealership and property portfolio with disciplined capital allocation and a focus on long-term returns. Actions undertaken since 1 March 2025 reflect a strategy to reshape the Group's Manufacturer representation, expanding presence with fast-growing new entrants, and enhance overall portfolio performance through both investment and rationalisation activities:

Franchising developments and new brand representation

During the Year, the Group advanced its strategy to strengthen representation with Chinese Manufacturers expected to gain share in the UK market:

- The Group commenced its presence with the Chinese brand, BYD, in the year ended 28 February 2025, with two outlets opening in Worcester and Gloucester. The Group continued to review further opportunities with the BYD franchise and as a result, opened three new BYD sales outlets in the Year. Hartlepool and Macclesfield opened in former Ford outlets and Morpeth opened alongside Ford and Honda. This increased the number of BYD outlets in the Group to five.
- The Group opened its first Geely outlet in Glasgow in February 2026, converting an existing freehold Ford dealership, with two further outlets now operating in Glasgow and Birmingham and with Teesside planned to open in FY27.
- The Group intends to introduce further Chinese brands such as Leapmotor, Jaecoo, Omoda, Lepas and Chery into the Group's portfolio in the coming months.

Other franchising activity during the Year included:

- The opening of a Nissan sales outlet in July 2025, in the Group's MotorNation site in Tamworth.
- The launch of the Skoda franchise in Nottingham in November 2025 in the Group's former Citroen sales outlet in the city.
- On 1 November 2025 the Group acquired from Marshalls Motor Company Limited, the trade and assets of Leicester Skoda for £0.6m, including a payment in respect of goodwill of £50k. The outlet continues to operate from leasehold premises acquired. This acquisition brought the total number of Skoda outlets operated by the Group to five. The Group now has a strong Skoda presence in the East Midlands covering Derby, Nottingham and Leicester.

- On 1 March 2025, the Group acquired The Union Motor Company Limited, an authorised repairer for London Electric Vehicle Company (LEVC) based in Edinburgh. Consideration for this acquisition was £0.4m (net of cash acquired), including a £0.5m payment in respect of goodwill. This acquisition aligns with the Group's strategy to grow its ancillary businesses reinforcing its Taxi Centre operations. Taxi Centre operates the LEVC sales franchise in Scotland and this transaction now means the Group provides a unified sales and aftersales service in Scotland. The business has performed very well since acquisition and has been fully integrated into the Group.

Active Portfolio Management

Following a strategic review of returns, the Group decided to exit several businesses in the Year.

- The Group discontinued the Peugeot franchise from its Edinburgh dealership in May 2025; the location continues to operate the MG and Kia brands.
- In August 2025, the Group's final MotorNation used car sales outlet was closed. The outlet operated from a freehold site in Derby which also operates separate Nissan, Renault, Dacia, Peugeot and Skoda sales outlets. The closure improved the used car and aftersales capacity of the remaining franchised sales outlets on the site.
- In October 2025, the Group closed the Honda Motorcycles sales outlet in Nottingham. The site continues to represent the Honda Car franchise and an additional new franchise will be added in due course.
- In January 2026, the Group ceased Honda operations from Bradford, with the dealership becoming solus Kia and with an agreement to bring the Kia commercial vehicles (PBV) franchise to the Group for the first time.
- On 20 February 2026, the Group completed the sale of the Group's Honda dealership in Huddersfield to Riverside Motors, generating cash proceeds of £1.0m. This included a receipt in respect of goodwill of £0.4m and generated a profit on disposal compared to book value of £0.3m. The dealership was a leased property. This disposal was undertaken in coordination with the closure of Bradford Honda.
- Finally, in February 2026, the Group closed its Volvo and Peugeot sales outlets in Barnstaple and Launceston Peugeot. The freehold property at Barnstaple was very swiftly sold in March 2026 for £1.5m being £0.5m above book value. This profit will be treated as a non-underlying item in FY27 and again shows the conservative nature of Group property values stated as they are at depreciated historical cost.

Such active portfolio management has led to the Group generating surplus freehold properties for resale. On 1 March 2025 the Group held five surplus properties for resale, with a net book value of £7.9m. Disposals of four of these properties were completed in the financial year, generating total cash proceeds of £5.1m, 13% above net book value of the properties.

The sale of the final property, being surplus land held in Glasgow with residential planning permission, was exchanged during the Year; however, contractual completion, expected in March 2026 has not occurred. The Group is actively considering its legal options in relation to the transaction however, it is possible that the property will be remarketed for sale in FY27.

Strategic Positioning and Competitive Advantages

The Group's strategy is focused on building a resilient, scaled automotive retail platform capable of generating sustainable cashflows through market cycles. This Group is very well positioned to achieve this:

- Scale remains a core competitive advantage. The Group's national footprint supports investment in proprietary systems, data and digital capability that smaller operators cannot replicate. Platforms such as the Customer Data Platform, Vertu Insights (the Group's proprietary used vehicle pricing tool), the Group's internal vehicle auction and Vertu Transfer System (allowing the seamless transfer of vehicles between Group sites) enhance pricing discipline, inventory efficiency, marketing effectiveness and working capital management, while enabling rapid integration of acquisitions.
- The strength of the Group's aftersales operations further differentiates the business. A large vehicle parc, underpinned by service plans and Motability contracts, provides a recurring revenue base that stabilises earnings and cash generation when new vehicle profitability is under pressure.
- The Group has a strong cohort of management and colleagues aided by significant investment in training and development. Colleague engagement and satisfaction scores are at very high levels.
- Customer experience scores are significantly above sector averages and this is reflected in the Group being awarded in 2025 the Autotrader Retailer award for customer experience.
- The Vertu brand is now in place across the UK and gaining in brand awareness significantly in its first full year across the Group.

These attributes, combined with disciplined capital allocation and cost control, position the Group well to navigate ongoing structural change in the UK automotive market. The Group is ambitious to take advantage of opportunities that will arise.

CURRENT TRADING AND OUTLOOK

March and April 2026 Trading (the 'Period')

The Board is pleased to report a strong trading performance for the Group during the first two months of the new financial year, including the plate change month of March. Trading profit for March and April 2026 was ahead of the prior year.

The UK new car market returned to growth in 2026, with private registrations increasing by 12.9% in March and April. Over 70% of this growth was driven by Chinese OEM registrations, with their market share rising to 11.5% from 3.5% in the prior year period. It is likely a portion of this growth is the conversion of previous used car customers into affordable new Chinese-made cars. Against this backdrop, the Group delivered like-for-like retail new vehicle volume growth of 6.5%. UK Motability registrations increased by 4.7%, reflecting weak comparatives and the timing of scheme change cycles. The Group delivered like-for-like Motability volume growth of 5.3% growing market share. Gross profit per unit on new retail and Motability vehicles in the Core Group was slightly below the prior year. Nevertheless, the increase in volumes drove an improvement in Core Group profit from new vehicle retail and Motability sales of £1.0m year-on-year.

The Group's Fleet car operation delivered volume growth of 32.0%, significantly outperforming the wider UK fleet car market, which grew by 10.7% in the Period. Core Group commercial vehicle volumes increased by 8.5%, despite a 0.5% decline in UK light commercial vehicle registrations, resulting in market share gains. Notwithstanding this volume outperformance, Core Group gross profit in the fleet and commercial department declined by £0.4m year-on-year due to reduced margins of 4.6% (prior year period: 5.3%) arising from the mix of sales delivered.

The UK used vehicle market remained stable, with consistent consumer demand and pricing. The Group experienced a modest like-for-like decline in used vehicle volumes of 0.2%, partly reflecting customer migration into new car purchases due to enhanced Manufacturer offers on new vehicles.

Used vehicle gross margins were stable; consequently, Core Group used vehicle gross profit was £0.3m below the prior year.

The Group's resilient, high margin aftersales channels delivered a strong like-for-like gross profit increase of £2.9m year-on-year. Core Group service revenues increased by 4.5%, reflecting an additional working day compared to the prior year period, strong customer retention, good technician availability and effective operational execution.

Core Group operating expenses were broadly flat year-on-year, with cost savings delivered through restructuring programmes offsetting inflationary pressures. The cash payment in respect of business interruption insurance settlement was received in May.

Outlook

The Board is encouraged by the Group's strong start to FY27, which supports confidence in delivering market expectations for the financial year despite continued sector and macro-economic headwinds.

Manufacturers of new vehicles in the UK continue to face a challenging task in managing volumes and powertrain mix as the ZEV mandates accelerate ahead of underlying demand for BEVs, both car and vans. Elevated discounting and incentive activity remain necessary to drive compliance, placing sustained pressure on industry profitability. These distortions are expected to intensify in the year ahead, with ongoing implications for volumes, margins and channel mix.

In addition, the Board continues to monitor geopolitical developments, including the impact of the prolonged conflict in the Middle East. The disruption to global energy supply has the potential to drive fuel price volatility, and further pressure consumer confidence, disposable income and vehicle demand. In this context, the Deloitte Consumer Tracker published in mid-April showed overall UK consumer confidence has fallen to its lowest level since 2023. Notwithstanding this, no material adverse consumer trends are as yet visible in the Group's trading. BEV and hybrid vehicles are showing higher interest from customers as expected with higher fuel prices. The Group is impacted by higher oil prices in terms of oil sold to customers (which the Group intends to seek to pass on to customers) and fuel and energy costs. Whilst the latter is substantially hedged for FY27, overall exposure at current energy and fuel prices is c. £1m.

The Group will continue to control the controllables and has responded proactively to those headwinds where possible. Aftersales continues to deliver resilient revenue and profit growth, while a new strategic initiative has been launched within the used vehicle business in April, focused on retailing vehicles in the 7–14-year-old segment. This initiative targets the strongest area of current UK used car demand and leverages the Vertu brand, distribution capability and data-led pricing expertise to enhance volumes and margins.

In addition, following the successful delivery of cost savings actions implemented after the Autumn 2024 Budget to offset material wage cost pressures, the Group initiated a further £10m cost efficiency programme ahead of the new financial year. This programme included continued productivity improvements, increased use of AI-enabled technology, reduced planned marketing expenditure following the April 2025 rebrand and further headcount rationalisation.

The Group remains focused on navigating this period of structural adjustment in the sector, where consumer and business confidence remains subdued and Government intervention continues to shape market dynamics. As one of the largest and most scaled operators in the UK automotive retail sector, the Group is well positioned to benefit from scale advantages and disciplined execution. The long-term fundamentals of the Group's business remain intact. The Group continues to execute its strategy and is well placed to capitalise on opportunities that emerge during this period of market adjustment, supported by a strong financial position and a proven track record of delivery.

Robert Forrester, CEO

CHIEF FINANCIAL OFFICER'S REVIEW

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

	FY26 £'m	FY25 £'m	Variance %
Revenue	4,833.8	4,763.9	1.5%
Gross profit	540.0	532.9	1.3%
<i>Gross margin</i>	<i>11.2%</i>	<i>11.2%</i>	-
Underlying operating expenses	(493.5)	(480.5)	(2.7%)
<i>Operating expenses as a percentage of revenue</i>	<i>(10.2%)</i>	<i>(10.1%)</i>	<i>(0.1%)</i>
Adjusted operating profit	46.5	52.4	(11.3%)
Net finance charges	(22.0)	(23.1)	4.8%
Adjusted profit before tax	24.5	29.3	(16.4%)
Non-underlying items ⁴	(4.2)	(4.5)	6.7%
Profit before tax	20.3	24.8	(18.1%)
Taxation	(5.6)	(6.6)	15.2%
Profit after tax	14.7	18.2	(19.2%)

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

The Group generated an adjusted profit before tax of £24.5m (FY25: £29.3m). Underlying operating profitability declined due to the continued impact of the Zero Emission Vehicle ('ZEV') mandate on new vehicle volumes and margins and the impact of the cyber-attack on JLR in the second half of the Year with its consequent disruption of the Group's Land Rover operations. Gross profit losses from the impact of this cyber-attack amounted to approximately £3.9m, which have been mostly mitigated by the recognition of £3.4m settlement from insurers within operating expenses (other income).

Revenue was £4.8 billion, growing 1.5% compared to the prior year. Acquisitions completed after 1 March 2024 contributed additional revenue of £154.5m, £112.4m of this revenue growth from acquisitions is attributed to the acquisition of Burrows Motor Company Limited, completed on 29 October 2024. Dealerships disposed of or closed in the Year resulted in a £53.3m reduction in revenue.

Revenue in the Core Group decreased by £31.3m (0.7%) driven in part by the move to agency arrangements in the Group's MINI and Honda franchises during the Year. Under such agreements, the vehicle is invoiced direct to the customer by the Manufacturer and revenue in the dealership represents a handling fee for the transaction. This change reduced Group new vehicle turnover by approximately £70.0m for the Year. Excluding this agency effect, new vehicle margins would have fallen year-on-year by 0.4%, driven by increased Manufacturer discounting and reduced support in a highly pressured retail market. Overall, Core Group new vehicle revenue fell by £113.0m, reflecting the move to agency described above, a decline in Motability volumes delivered and a 1% reduction in the average selling price of new vehicles by the Group reflecting lower van sales.

Operating expenses increased as a percentage of revenue during the Year, reflecting the reduction in reported new vehicle revenue arising from the move to agency arrangements. Excluding the impact of new agency arrangements on revenue, total Group operating expenses would have remained stable as a percentage of revenue year-on-year. This demonstrates continued cost discipline across the Core Group, notwithstanding undoubted inflationary pressures, including those unavoidable increases, driven by Minimum Wage legislation and increases in Employer's National Insurance costs.

Net finance charges fell compared to last year as Manufacturer new vehicle stocking charges reduced as a result of lower interest rates.

Non-underlying costs of £5.1m arose as a result of dealership closures, impairment charges and restructuring costs to reduce the cost base of the Group. This is offset by £0.9m of exceptional income relating to profit on disposal of surplus freehold properties and disposal of a business.

Revenue and Gross Profit by Department

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

	TOTAL GROUP			CORE GROUP		
	FY26 £'m	FY25 £'m	Variance £'m	FY26 £'m	FY25 £'m	Variance £'m
Revenue						
New	1,375.9	1,439.9	(64.0)	1,281.3	1,394.3	(113.0)
Fleet & Commercial	1,094.0	1,054.8	39.2	1,088.1	1,050.4	37.7
Used	1,929.8	1,851.4	78.4	1,774.2	1,742.5	31.7
Aftersales	434.1	417.8	16.3	408.4	396.1	12.3
Total Group Revenue	4,833.8	4,763.9	69.9	4,552.0	4,583.3	(31.3)
Gross Profit						
New	105.0	110.2	(5.2)	98.2	106.9	(8.7)
Fleet & Commercial	52.2	55.7	(3.5)	51.3	55.5	(4.2)
Used	132.6	130.9	1.7	125.0	124.8	0.2
Aftersales	250.2	236.1	14.1	234.0	225.6	8.4
Total Gross Profit	540.0	532.9	7.1	508.5	512.8	(4.3)
Gross Margin						
New	7.6%	7.7%	(0.1%)	7.7%	7.7%	-
Fleet & Commercial	4.8%	5.3%	(0.5%)	4.7%	5.3%	(0.6%)
Used	6.9%	7.1%	(0.2%)	7.0%	7.2%	(0.2%)
Aftersales ⁵	44.4%	43.7%	0.7%	44.2%	43.9%	0.3%
Total Gross Margin	11.2%	11.2%	-	11.2%	11.2%	-

⁵ Aftersales margin expressed on internal and external revenues

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

	Total Units Sold		% Variance	Like-for-Like Units Sold		% Variance
	FY26	FY25		FY26	FY25	
Used retail vehicles	91,287	88,851	2.7%	83,860	83,622	0.3%
Direct new retail cars	33,752	32,938	2.5%	30,614	31,001	(1.2%)
Agency new retail cars	4,068	2,846	42.9%	3,825	2,733	40.0%
Total new retail cars	37,820	35,784	5.7%	34,439	33,734	2.1%
Motability cars	16,901	19,693	(14.2%)	15,737	18,867	(16.6%)
Direct fleet cars	24,183	19,460	24.3%	23,202	18,201	27.5%
Agency fleet cars	9,237	9,075	1.8%	9,446	8,794	7.4%
Total fleet cars	33,420	28,535	17.1%	32,648	26,995	20.9%
Commercial vehicles	16,172	16,652	(2.9%)	15,470	17,217	(10.1%)
Total New vehicles	104,313	100,664	3.6%	98,294	96,813	1.5%
Total vehicles	195,600	189,515	3.2%	182,154	180,435	1.0%

	UK Market year-on-year change ⁶	Group year-on-year change v UK market ⁷
New Retail Car	5.3%	(3.2%)
Motability Car	(17.8%)	1.2%
Fleet Car	12.7%	8.2%
Commercial	(8.6%)	(1.5%)

⁶ Source SMMT

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

New retail cars and Motability sales

Overall, the UK new car market in 2025 remained heavily shaped by regulatory intervention, significant Manufacturer subsidies of BEV product and shifting brand dynamics, particularly the accelerated growth of new Chinese entrants. While headline UK registration volumes improved, underlying industry profitability remained under pressure.

For the first time since the pandemic, UK new car registrations exceeded 2 million units in the 12 months to 31 December 2025. Nevertheless, volumes remained around 12% below pre-Covid levels and the market continued to shift towards lower margin fleet channels. Headline growth was supported by increased registrations from new Chinese brands and elevated pre-registrations, which flow through the used car channel rather than the Group's new retail performance. Against this backdrop, the Group delivered like-for-like new retail volume growth of 2.1% in the year to 28 February 2026, compared with 5.3% growth in UK private registrations. Total Group market share of the new retail market remained stable at 4.8% (FY25: 4.8%).

Motability volumes declined sharply during the Year, with UK market registrations falling 17.8% in the year ended 28 February 2026, driven by renewal timing within the three-year replacement cycle and a reduced appetite among several Manufacturers for this higher-cost channel. The Group saw a similar year-on-year reduction in like-for-like Motability volumes of 16.6%. Total Group market share in this channel improved to 5.8% (FY25: 5.6%). The volume decline improved in H2, falling 8.2%, an improvement on the 19.2% decline in H1.

Within the overall new retail volumes, the Group again increased its market share of the BEV retail car market. The Group's like-for-like BEV sales increased 71.0% compared to FY25. This compares to a 50.2% increase in UK private BEV registrations over the same period. The Group has consistently grown retail BEV sales ahead of the market for a prolonged period, gaining market share in this critical area and helping the Manufacturers to reduce the gap to their ZEV mandate targets.

The Group saw an £8.7m reduction (FY25: £10.9m reduction) in Core Group new car gross profit generation in the Year compared to FY25. A modest £0.1m reduction in gross profit arose from the impact of the JLR cyber-attack, with production coming back on stream quicker than originally expected.

The new car gross profit reduction marks the second consecutive year of material declines and reflected the combined impact of reduced Motability volumes and weaker margins. The Group delivered broadly stable new vehicle margin percentages, aided by the introduction of agency arrangements in more franchises (MINI and Honda), which reduce reported revenues and enhance percentage margins. Excluding the impact of the transition to agency, percentage margin reductions would have been more pronounced, reflective of the weaker market conditions.

Fleet & Commercial vehicle sales

In 2025, the UK new car market growth was achieved largely because of a growth in fleet sales. BEV vehicle sales saw strong growth in the fleet channel, as corporate sales remain the main driver of BEV adoption because of tax incentives for corporate users, the growth of salary sacrifice schemes and increase in personal leasing via the broker channel. Registration volumes in the UK car fleet market (excluding Motability) have consequently grown 12.7% year-on-year compared to FY25.

Like-for-like, the Group delivered over 32,000 fleet cars in the Year, representing an increase of 20.9% compared to FY25. The Group therefore outperformed the wider market trend, reflecting the strength of the Group's fleet operations. Total Group market share of the fleet car market was 3.7% (FY25: 3.5%). This performance was driven through increased contract hire supply by the Group including through the broker channel. The Group does not typically engage in fleet supply through the low margin daily rental channel which also saw strong UK growth.

The Group's like-for-like sales of new commercial vehicles declined by 10.1% over the Year. This performance slightly lagged the market decline of 8.6%. The Group's total market share of the LCV market was stable at 5.1% (FY25: 5.1%).

Overall, the Group saw a £4.2m reduction in gross profit generation from its Core Group combined fleet and commercial operations. Like-for-like fleet and commercial volumes increased 8.8% and almost 50,000 vehicles were sold by the Group in this channel. An average selling price in the Core Group of £28,592 (FY25: £29,840) reflected a shift in mix from van sales to more passenger cars. Gross profit per unit earned on fleet and commercial vehicle sales remained strong at over £1,000 per unit, however, this represented a reduction of almost £200 per unit in the Core Group

compared to last year. This decrease is reflective of both the reduced mix of commercial vehicle sales and the pressure on the market in terms of electrification and Manufacturer discounting of vehicles. The JLR cyber-attack also disrupted fleet vehicle supply in the second half, such that £1.3m of the reduction in Core Group gross profit in this channel relates to lower volumes of this higher margin premium fleet supply channel.

Used retail vehicles

The UK used vehicle market remained resilient, albeit with uneven demand by age segment. The Group maintained strong inventory management, high stock turn and disciplined pricing powered by the Group's Vertu Insights platform. Like-for-like used vehicle volumes were broadly flat, while gross profit per unit reduced slightly year-on-year, reflecting both the increase in charges from the Group's service departments in preparing vehicles for sale and some margin erosion, particularly in younger used cars which were impacted by discounting in the new vehicle channel.

Core Group gross profit from the sale of used vehicles totalled £125.0m for the Year, representing a £0.2m increase year-on-year. Like-for-like volume growth was delivered; however, retained gross profit declined slightly due to reduced margins. During the Year, the Group increased the internal labour rate charged by the service department to the vehicle sales departments for the preparation of vehicles for sale, reflecting higher underlying cost pressures in the aftersales area. This change increased aftersales profitability by approximately £4.3m, with much of the benefit reflected as an increased cost of sale within the used vehicle department. The JLR cyber-attack also had a direct impact on used vehicle profitability, resulting in a £1.7m loss of gross profit in the used vehicle department in the Group's JLR dealerships compared to normalised levels.

Group like-for-like used vehicle volumes grew 0.3% over the Year, with gross profit per unit of £1,501 achieved (FY25: £1,508). Gross margin achieved in the Core Group used vehicle department was 7.0% which was similar to last year's level of 7.2%.

Aftersales

The Group's aftersales operations are a major contributor to Group profit generating over 46% of total gross profit. The Group is delighted to report that it saw growth in gross profit generation in all major channels of aftersales on a like-for-like basis as set out below:

	Service	Parts	Accident & Smart Repair	Fuel Forecourt	Total
	£'m	£'m	£'m	£'m	£'m
Revenue ⁸	213.6	276.6	29.5	10.0	529.7
Revenue ⁸ change	7.6	9.3	(0.3)	(1.0)	15.6
Revenue ⁸ change (%)	3.7	3.5	(1.0)	(9.0)	3.0
Gross profit	156.8	57.7	18.7	0.8	234.0
Gross profit change	7.2	0.8	0.4	-	8.4
Gross margin ⁹ FY26 (%)	73.4	20.9	63.3	9.0	44.2
Gross margin ⁹ FY25 (%)	72.6	21.3	61.2	8.2	43.9
Margin change (%)	0.8	(0.4)	2.1	0.8	0.3

⁸ includes internal and external revenues

⁹ Aftersales margin expressed on internal and external revenues

- *Service*

Vehicle servicing and repair remains a key revenue stream for the Group, driven by strong demand and supported by effective customer retention and acquisition strategies. Service plans, through which customers pay monthly or upfront for their annual service, are a vital part of the Group's retention strategy. The Group's service plan and Motability customer databases create significant resilience to future aftersales revenue streams.

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 £4.3m of additional labour gross profit in the Core Group service department which has been absorbed by the vehicle sales departments, predominantly the used vehicle department. This represents 60% of the increase in like-for-like service gross profit.

The Group's Pay Later solution, which allows service customers to defer payments interest-free for up to five months on repair work identified, continued to deliver strong growth and enhance aftersales performance. Uptake increased significantly year-on-year, with the number of plans rising 73.2%, from approximately 19,400 in FY25 to 33,600 in FY26. This flexible payment option encourages more customers to approve essential repairs identified through the Group's Vehicle Health Check (VHC) process, which provides a thorough inspection of each vehicle, supported by technician video and a priced quotation that can be authorised remotely through digitalisation. The success of the use of this product contributed to record-high average invoice values in service of £360 (FY25: £335) during the Year. The balance due from customers at 28 February 2026 was £4.6m (FY25: £4.0m) and bad debt experience on this product has, to date, remained negligible.

Reflecting the trends set out above, like-for-like service revenue growth of £7.6m (3.7%) was delivered in the Year. Gross margin percentages on vehicle servicing increased to 73.4% (FY25: 72.6%) in the Core Group. Gross profit generation rose on a like-for-like basis by £7.2m in service reflecting both the increase in aftersales revenues, aided by increase in internal rates and improvement in margin achieved. This was partially offset by disruption from the JLR cyber-attack in the second half, which reduced service profit by £0.8m year-on-year.

- *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. Whilst the JLR cyber-attack disrupted parts supply in the short term, supply resumed quickly and revenues recovered, such that there was no material impact on parts profitability in the Year as a whole. The Core Group grew parts revenue by £9.3m year-on-year to £276.6m, driven by a growth in wholesale parts sales. This led to a £0.8m increase in gross profit generation in the Core Group's parts departments. Margins declined slightly to 20.9% in the Year (FY25: 21.3%) because of a shift in sales mix towards the lower margin wholesale activity as the Group was successful in winning a number of large contracts.

- *Accident and Smart Repair*

The Group's Accident Repair Centres are managed separately from the dealership businesses in a standalone division. The Group operates 15 Accident Repair Centres, from Sunderland in the Northeast to Truro in the Southwest of England. Accident Repair Centre performance during the year was impacted by lower activity levels, driven by significantly reduced UK accident volumes. This is likely linked to the growth of in car technology to aid the driver and reduce crash impacts. Strong margin retention helped to offset some of the impacts of the reduction in volume of repairs.

Within this segment the Group also operates cosmetic repair operations, serving the dealerships in preparing used vehicles cosmetically for resale with 115 vans for internal use. Vertu Repair Master, the retail facing part of the Group's cosmetic repair business, continued to develop during the year. The Group now operates 20 mobile repair vans nearly doubling capacity in the Year. Performance reflects the early-stage growth profile of this new operation. Activity increased as customer awareness and corporate relationships expanded, although profitability remained modest as the business invested in technician capacity and operating infrastructure. Vertu Repair Master is expected to contribute more meaningfully as scale and utilisation improve.

Overall, like-for-like gross profit generated from the Group's accident and smart repair businesses grew by £0.4m compared to last year.

- *Fuel Forecourt*

One fuel forecourt was operated by the Core Group in FY26, in Widnes, Cheshire. As a result of the tempering of fuel prices, this forecourt saw reduced revenues but improved margins of 9.0% in the Year (FY25: 8.2%). Overall, gross profit was level compared to the previous year.

Operating Expenses

A summary of Group operating expenses is set out below:

	FY26	FY25	FY26 variance to FY25	
	£'m	£'m	£'m	%
Salary costs	261.9	258.1	3.8	1.5%
Property costs and depreciation	57.1	55.3	1.8	3.3%
Vehicle and valeting costs	52.2	56.1	(3.9)	(7.0%)
Marketing costs	37.4	33.8	3.6	10.7%
Other (including IT)	48.2	49.6	(1.4)	(2.8%)
Share based payments and amortisation	3.7	2.7	1.0	37.0%
	460.5	455.6	4.9	1.1%
Insurance settlement (JLR cyber-attack)	(3.4)	-	(3.4)	-
Core Group operating expenses	457.1	455.6	1.5	0.3%
Core Group operating expenses as a % of Core Group revenues	10.0%	9.9%		0.1%
Acquisitions and start-up operations	28.3	10.3	18.0	
Disposals	8.1	14.6	(6.5)	
Group net underlying operating expenses	493.5	480.5	13.0	2.7%
Underlying operating expenses as a % of revenue	10.2%	10.1%		0.1%

Reported underlying operating expenses of £493.5m increased by 2.7% (£13.0m) compared to the year ended 28 February 2025. Dealerships acquired, started up, or sold in the period since 1 March 2023 generated a net £11.5m of this increase. Underlying Core Group operating expenses, excluding the JLR insurance receipt, grew by just 1.1% compared to last year, despite inflationary pressures in the UK economy including Minimum Wage increases and the significant rise in Employer's National Insurance which impacted the Group from 1 April 2025. This reflected a major focus on costs that could be controlled by the Group and the benefit of the cost reduction programmes delivered at the ends of FY25 and FY26.

The largest operating cost of the Group is salary costs, which have increased by just £3.8m (1.5%) in the Core Group, compared to last year. Salary costs shown in operating expenses exclude the productive cost of the Group's aftersales technicians, which are included in cost of sales. The rise in the Employer's National Insurance cost in April 2025 led to additional costs of £6.5m in the Core Group compared to prior year. The proactive actions that the Group took to mitigate such non-discretionary significant cost increase is apparent in the more modest increase in salary costs overall.

The cost of the Core Group's demonstrator and courtesy vehicle fleet reduced in the Year, reflecting tighter controls over demonstrator vehicles ensuring achievement of minimum demonstrator requirements for our Manufacturers and optimising our courtesy vehicle fleet to ensure the lowest cost options have been used where practical. In parallel, valet costs were significantly reduced, following the successful extension of a trial to charge service customers for vehicle wash and vacuum services in the Group's volume dealerships when customers visited for a service. Customer opt-out rates increased materially under this approach, delivering a meaningful reduction in costs. The Group has seen no significant change in customer satisfaction levels because of this change and as such the programme has been rolled out to all of the Group's volume dealerships from 1 March 2026.

Property costs in the Core Group increased as a result of the growth in business rates. Business rates remain a significant cost to the Group, with costs in the Core Group of £17.4m in FY26, compared to £15.7m in FY25. This cost increased as anticipated, as several refunds had been received in FY25 following successful rating appeals and the level of rates refunds received in FY26 was lower.

Other costs have decreased by £1.4m (2.8%) year-on-year reflecting the Group's sharp focus on all aspects of its cost base in the Period. This includes a reduction in energy costs due to the Group's effective buying strategy and use of self-generated solar powered energy. Solar power is now in place at 52 locations. The Group continues to assess other energy saving measures such as building energy management systems and early indications from pilots is that investment in this area may deliver further substantial energy savings. The Group's buying strategy on energy ensures that approximately 80% of energy purchases for FY27 have already been purchased at pre-February 2026 prices so limiting the impact of an energy crisis in the near term.

Core Group marketing costs increased by £3.6m in the Year, reflecting targeted investment to support the transition to operating under a single retail brand, Vertu, from April 2025. This included increased brand awareness activity to establish the Vertu brand nationally, alongside the delivery of three Group-wide sales events during the Year, comprising two used vehicle events and, for the first time, a Group-wide new vehicle event. These initiatives drove higher marketing expenditure in the Year but were undertaken with a clear focus on return on investment and supported Group sales volumes. The New car event in February supported by TV marketing was a major success and helped to underpin a successful March result in 2026. UK Vertu brand awareness rose from 14% to 19% in the Year.

The settlement of £3.4m, in respect of the Group's insurance claim around the losses incurred as a result of the JLR cyber-attack has been reflected in other operating expenses in the Year. The cash in respect of this settlement was received subsequent to the Year end.

Non-Underlying Operating Expenses

	FY26 £'m	FY25 £'m	FY26 Var to FY25 £'m	Anticipated annual cost saving in FY27 £'m
Redundancy costs	1.9	2.8	(0.9)	7.0
Impairment charges	1.4	0.5	0.9	-
Dealership closure costs	1.1	0.1	1.0	0.4
Property remediation provision	0.7	-	0.7	-
Rebrand costs	-	0.8	(0.8)	1.2
Acquisition fees	-	0.3	(0.3)	-
Non-underlying operating expenses	5.1	4.5	0.6	8.6
Profit on sale of properties and businesses	(0.9)	-	(0.9)	-
Net non-underlying operating expenses	4.2	4.5	(0.3)	-
<i>Other cost savings</i>				1.4
				10.0

Non-underlying operating expenses in FY26 comprised £1.9m of redundancy and headcount rationalisation costs as the Group again sought to reduce its cost base, reflecting a reduction of approximately 280 colleagues in late FY26, supported partly by increased productivity through continued technology deployment. These changes were made with the aim that gross profit generation and customer experience levels were not compromised. This recent headcount change follows a similar reduction of approximately 290 colleagues undertaken in FY25 following the changes to the Minimum Wage and Employer's National Insurance contributions in the October 2024 Autumn budget. Annual net cost savings of £7.0m are anticipated as a result of these headcount reductions.

The Group also incurred £1.1m of dealership closure costs as it exited certain dealership operations as part of its ongoing programme to prune locations with lower than required returns. Net annual savings of £0.4m will arise as a result of these closures in avoided trading losses. These actions also generated positive cash inflows of £6.2m in the Year through property disposals and release of working capital.

£1.4m of impairment charges were recognised, including a goodwill write-off of £0.6m in respect of the Group's Motorrad bike businesses where performance has been below required return levels. A strategy has been formulated to increase returns from these operations going forward. In addition, impairments of property and right-of-use assets in locations where franchise representation has changed have arisen.

A £0.7m provision was recognised for property repair following a significant failure of the roof at one dealership, with expert reports obtained in the Year and the estimated cost of remediation provided for. The Board is evaluating whether a legal claim can be undertaken in respect of this.

Finally, the Group recognised £0.3m of exceptional income on the disposal of the trade and assets of Huddersfield Honda in February 2026. A further £0.6m has been generated in profits from the sale of surplus properties in the year and this has been classified as non-underlying.

Savings of £1.2m are anticipated in FY27 as a result of the Group's move to a single brand as efficiency gains and reduced marketing expenses arise. Additional savings of £1.4m are expected following the successful negotiation of Group supply contract renewals, the benefit of additional solar panel installations in several of the Group's dealership portfolio and reduced

vehicle cleaning costs as charging for service wash and vacuum is rolled out across the Group's volume dealerships.

In total, £10m of cost benefits are expected in FY27 compared to FY26.

Net Finance Charges

Net finance charges are analysed below:

	FY26 £'m	FY25 £'m	FY26 Var to FY25 £'m
New vehicle Manufacturer stocking interest	8.9	9.1	(0.2)
Mortgage interest	5.4	6.2	(0.8)
Interest on bank borrowings	4.1	4.1	-
Used vehicle stock funding interest	0.4	0.7	(0.3)
Interest on lease liabilities	4.5	4.1	0.4
Interest income	(1.3)	(1.1)	(0.2)
Net Finance Charges	22.0	23.1	(1.1)

The Group saw a small reduction in interest charged by Manufacturers on funded new vehicle inventory. Total Group new vehicle stock as at 28 February 2026 was £579m (2025: £577m), including the impact of acquisitions. Reduced interest rates provided the favourable year-on-year variances in interest costs.

Mortgage interest has fallen as the capital amount outstanding has reduced as scheduled repayments are made.

To minimise the interest rate risk to the Group, derivative contracts have been entered into. An interest rate swap over £30m of the Group's Revolving Credit Facility borrowing fixes the underlying SONIA rate charged at 3.82%. The largest of the Group's mortgages with BMW Financial Services with a balance at 28 February 2026 of £63.3m operates on a fixed all-in rate of 7.03%.

Interest on lease liabilities increased year-on-year, as newer leases, lease extensions and the acquisition of leasehold dealerships are subject to higher interest rates than those applied to historic right-of-use liabilities, reflecting the rise in applicable base rates in the intervening period.

Pension Costs

The Group operates a closed defined benefit pension scheme. The latest actuarial valuation, carried out as at 5 April 2024, confirmed that the scheme was in a funding surplus of £2.0m. Accordingly, no contributions are required from the Company in respect of accrued benefits, with scheme expenses met from scheme assets. No contribution payments are expected for the accounting period beginning 1 March 2026.

The scheme invests in an asset portfolio designed to fully hedge interest rate and inflation risks, supporting the maintenance of its fully funded position. On an accounting valuation basis, the scheme remained in surplus during the Year. A small reduction in the surplus arose, reflecting experience movements that were less favourable than previously assumed. Overall, a net actuarial loss of £0.3m was recognised in the Statement of Comprehensive Income for the Year. The accounting surplus decreased to £3.6m as at 28 February 2026 (2025: £3.9m).

Tax Payments

The Group's underlying effective rate of tax for the Year was 26.2% (FY25: 25.8%). The overall effective tax rate, increased to 27.8% (FY25: 26.9%) as a result of an increase in non-qualifying depreciation. The total tax charge for the Year reduced to £5.6m (FY25: £6.6m). The Group continues to be classified as 'low risk' in a recent review 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.

Cash Flows

Free Cash Flow of £30.7m (FY25: £37.3m) was generated in the Year:

	FY26 £'m	FY25 £'m
Operating profit	42.3	47.8
Depreciation, amortisation, share based payments & other	44.4	40.2
Movement in working capital	1.3	7.0
Interest and tax payments	(27.3)	(28.4)
Net Cash Inflow from operating activities	60.7	66.6
Sustaining capital expenditure	(13.0)	(14.9)
Proceeds from sale of property, plant and equipment	5.3	5.6
Lease principal repayments	(22.3)	(20.0)
Free Cash Flow	30.7	37.3

Net cash inflow from operating activities of £60.7m was delivered with a minimal movement in working capital, an inflow of £1.3m (FY25: £7.0m). The working capital movement included an outflow of £8.0m in respect of an increase in used vehicle inventory, a further outflow of approximately £5.0m in respect of customer deposits for vehicles, with part of this reduction related to the move to the Agency model in some franchises. These outflows were more than offset by an inflow in respect of trade receivables reflecting the timing of fleet customer receipts.

Financing and Capital Structure

The Group has a balance sheet with shareholders' funds of £357.5m (2025: £357.6m) underpinned by a freehold and long leasehold portfolio of £327.1m (2025: £330.9m) and net debt (excluding lease liabilities) of £61.3m as at 28 February 2026. The Group's conservative financing and capital structure resulted in a strong tangible net assets position of £235.1m as at 28 February 2026, representing 75.9p per share.

The Group has a committed acquisition debt facility of £93m, expiring in December 2027, of which £56m was drawn at 28 February 2026, leaving £37m undrawn. The Group operated comfortably within all applicable covenants during the Year. The Board intends to refinance the revolving credit facility in the summer of 2026, well in advance of maturity, to enhance flexibility around the permitted uses of the facility. Lenders have confirmed their appetite to continue to support the Group and good progress has been made to date in discussions.

The Group also has long-term debt funding in the form of 20-year amortising mortgages, with no financial covenants applicable, totalling £77.1m (FY25: £77.1m) provided by BMW Financial Services, together with a further 10-year mortgage of £7.5m (FY25: £7.5m) from Toyota Financial Services. These facilities have combined annual capital repayments of £5.0m.

The Group makes use of used vehicle stocking loans provided by third party banks, subject to interest and secured on the related used vehicle inventories. While, during the Year, there was some utilisation of the facility, as at 28 February 2026 and 2025, no amounts were drawn. The Group has a £70.0m facility under these arrangements and held £174.3m of unencumbered used vehicle inventory at 28 February 2026. Stocking loans on used vehicles by third party banks are classified as debt by the Group if they arise.

Capital Allocation

Capital allocation remains central to the Board's decision-making. The Board is committed to maintaining a conservative and resilient funding structure, while selectively deploying the Group's debt facilities to support organic investment and acquisitions that meet disciplined return metrics.

Cash returns to shareholders remain a core priority of the Board's capital allocation framework. The Group's dividend policy is to target dividend cover compared to adjusted diluted earnings per share of 2.5 to 3.5 times.

An interim dividend of 0.90p per share was paid in January 2026. The Board recommends a final dividend in respect of the year ended 28 February 2026 of 1.15p per share to be approved at the Annual General Meeting on 24 June 2026. This dividend will be paid, subject to shareholder approval, on 24 July 2026. The ex-dividend date will be 25 June 2026 and the associated record date 26 June 2026. This final dividend brings the total dividend in respect of FY26 to 2.05p per

share (FY25: 2.05p). Against adjusted, fully diluted EPS of 5.30p, the total dividend for the year is covered 2.6 times.

During the Year, the Group purchased 17.4m shares for cancellation, representing 5.3% of opening issued share capital, at a cost of £10.6m. The Board considers the Company's shares to be materially undervalued relative to intrinsic value and tangible net asset value per share and continues to deploy capital through share buybacks where this creates long-term value for shareholders. Since the commencement of the buyback programme in October 2018, and up to 10 March 2026, the Group has reduced its issued share capital by 21.4%. In March 2026, the Board announced a further £12.0m share buyback programme running to 28 February 2027.

At 28 February 2026, the Group held 2.7m shares in its Employee Benefit Trust ('EBT') (treated as treasury shares) for the purpose of satisfying exercises of shares under the Group's share ownership plans, such as Partnership Share Options. Subsequent to 28 February 2026 and to 30 April 2026 4.3m shares have been purchased into the EBT for £2.6m.

The Group spent £2.5m on acquisitions during the Year, invested £2.1m in new build locations or land and building purchases, and incurred £3.2m on multi-franchising or the expansion of capacity at existing dealerships, collectively 'expansion capital expenditure'. These cash outflows are excluded from sustaining capital expenditure utilised in the calculation of Free Cash Flow.

The Group also deploys capital on its extensive franchised dealership network, expending a net £13.0m (FY25: £19.2m) on asset additions in FY26. Proceeds of £5.3m (FY25: £5.6m) in respect of sale of surplus properties and assets have been offset from expenditure in these net numbers. Expenditure included the £5.3m of non-sustaining 'expansion capital expenditure' referenced above. The balance of £7.7m is considered sustaining capital expenditure. For FY27, sustaining capital expenditure is anticipated to be approximately £16.0m, which includes some redevelopment projects to meet revised Manufacturer standards which do not necessarily increase Group capacity. A further £3.6m of expenditure is currently anticipated in respect of expansion capital expenditure. The introduction of new franchises to the Group in FY27 will increase FY27 expansion capex above the £3.6m with costs currently being assessed by the Group. Updates to shareholders will be made when the capital expenditure and trading impact of new franchises is finalised.

Karen Anderson, CFO

CONSOLIDATED INCOME STATEMENT (AUDITED)

For the year ended 28 February 2026

	Underlying items 2026	Non- underlying items 2026 (Note 2)	Total 2026	Underlying items 2025	Non- underlying items 2025 (Note 2)	Total 2025
Note	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	4,833,796	-	4,833,796	4,763,926	-	4,763,926
Cost of sales	(4,293,787)	-	(4,293,787)	(4,230,992)	-	(4,230,992)
Gross profit	540,009	-	540,009	532,934	-	532,934
Operating expenses	(493,523)	(4,228)	(497,751)	(480,528)	(4,569)	(485,097)
Operating profit / (loss)	46,486	(4,228)	42,258	52,406	(4,569)	47,837
Finance income	3 1,343	-	1,343	1,103	-	1,103
Finance costs	3 (23,359)	-	(23,359)	(24,190)	-	(24,190)
Profit / (loss) before tax	24,470	(4,228)	20,242	29,319	(4,569)	24,750
Taxation	4 (6,408)	789	(5,619)	(7,576)	929	(6,647)
Profit / (loss) for the year attributable to equity holders	18,062	(3,439)	14,623	21,743	(3,640)	18,103
Basic earnings per share (p)	5		4.62			5.48
Diluted earnings per share (p)	5		4.29			5.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (AUDITED)*For the year ended 28 February 2026*

	2026	2025
	£'000	£'000
Profit for the year	14,623	18,103
Other comprehensive (expense) / income		
Items that will not be reclassified to profit or loss:		
Actuarial (losses) / gains on retirement benefit obligations	(280)	1,471
Deferred tax relating to actuarial losses / (gains) on retirement benefit obligations	70	(368)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	(239)	(187)
Deferred tax relating to cash flow hedges	60	47
Other comprehensive (expense) / income for the year, net of tax	(389)	963
Total comprehensive income for the year attributable to equity holders	14,234	19,066

CONSOLIDATED BALANCE SHEET (AUDITED)

As at 28 February 2026

	2026	2025
	£'000	£'000
Non-current assets		
Goodwill and other indefinite life assets	135,447	135,506
Other intangible assets	1,129	1,557
Retirement benefit asset	3,639	3,895
Property, plant and equipment	354,029	357,453
Right-of-use assets	88,665	83,734
Derivative financial instruments	-	147
Total non-current assets	582,909	582,292
Current assets		
Inventories	819,995	816,939
Trade and other receivables	78,629	98,951
Cash and cash equivalents	73,076	72,647
	971,700	988,537
Property assets held for sale	4,535	7,921
Total current assets	976,235	996,458
Total assets	1,559,144	1,578,750
Current liabilities		
Trade and other payables	(922,585)	(940,541)
Current tax liabilities	(794)	(148)
Deferred consideration	-	(1,000)
Contract liabilities	(10,749)	(11,753)
Borrowings	(5,120)	(5,081)
Lease liabilities	(19,240)	(19,182)
Total current liabilities	(958,488)	(977,705)
Non-current liabilities		
Deferred income tax liabilities	(26,403)	(26,097)
Contract liabilities	(8,738)	(8,435)
Borrowings	(129,271)	(134,133)
Lease liabilities	(78,711)	(74,829)
Total non-current liabilities	(243,123)	(243,494)
Total liabilities	(1,201,611)	(1,221,199)
Net assets	357,533	357,551
Capital and reserves attributable to equity holders of the Group		
Ordinary share capital	31,270	33,010
Share premium	124,939	124,939
Other reserve	10,645	10,645
Hedging reserve	(99)	80
Treasury share reserve	(1,678)	(4,812)
Capital redemption reserve	8,457	6,717
Retained earnings	183,999	186,972
Total equity	357,533	357,551

CONSOLIDATED CASH FLOW STATEMENT (AUDITED)*For the year ended 28 February 2026*

	Note	2026 £'000	2025 £'000
Cash flows from operating activities			
Operating profit		42,258	47,837
Loss / (profit) on sale of property, plant and equipment		73	(1,168)
Profit on sale of assets previously held for sale		(579)	-
Profit on sale of business		(310)	-
Profit on lease modification		(1,528)	(47)
Amortisation of other intangible assets		528	558
Depreciation of property, plant and equipment		19,355	18,201
Depreciation of right-of-use assets		22,877	20,239
Impairment of property, plant and equipment		454	524
Impairment of goodwill		609	-
Impairment of right-of-use assets		351	-
Movement in working capital		1,301	6,986
Share based payments charge		2,603	1,890
Cash inflow from operations		87,992	95,020
Tax received		810	1,328
Tax paid		(5,572)	(6,462)
Finance income received		1,134	984
Finance costs paid		(23,645)	(24,233)
Net cash inflow from operating activities		60,719	66,637
Cash flows from investing activities			
Acquisition of businesses, net of cash, overdrafts and borrowings acquired		(2,031)	(10,961)
Acquisition of freehold and long leasehold land and buildings		(1,874)	(2,230)
Purchases of intangible assets		(116)	(145)
Purchases of other property, plant and equipment		(18,094)	(24,611)
Proceeds from disposal of business		973	-
Proceeds from disposal of property, plant and equipment		5,257	5,575
Net cash outflow from investing activities		(15,885)	(32,372)
Cash flows from financing activities			
Proceeds from borrowings	7	-	12,526
Repayment of borrowings	7	(5,126)	(8,097)
Principal element of lease repayments		(22,339)	(19,954)
Purchase of treasury shares		-	(4,000)
Sale of treasury shares		260	46
Repurchase of own shares		(10,727)	(4,784)
Dividends paid to equity holders		(6,473)	(7,954)
Net cash outflow from financing activities		(44,405)	(32,217)
Net increase in cash and cash equivalents	7	429	2,048
Cash and cash equivalents at beginning of year		72,647	70,599
Cash and cash equivalents at end of year		73,076	72,647

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (AUDITED)

For the year ended 28 February 2026

	Ordinary share capital £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 March 2025	33,010	124,939	10,645	80	(4,812)	6,717	186,972	357,551
Profit for the year	-	-	-	-	-	-	14,623	14,623
Actuarial loss on retirement benefit obligations	-	-	-	-	-	-	(280)	(280)
Tax on items taken directly to equity	-	-	-	60	-	-	70	130
Fair value losses	-	-	-	(239)	-	-	-	(239)
Total comprehensive income for the year	-	-	-	(179)	-	-	14,413	14,234
Sale of treasury shares	-	-	-	-	3,134	-	(2,874)	260
Repurchase of own shares	-	-	-	-	-	-	(10,641)	(10,641)
Cancellation of repurchased shares	(1,740)	-	-	-	-	1,740	-	-
Dividends paid	-	-	-	-	-	-	(6,473)	(6,473)
Share based payments charge	-	-	-	-	-	-	2,602	2,602
As at 28 February 2026	31,270	124,939	10,645	(99)	(1,678)	8,457	183,999	357,533

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

The treasury share reserve relates to shares acquired by Ocorian Limited, the Trustee of Vertu Motors plc's Employee Benefit Trust ("EBT"). The shares were purchased by the Trustee to be held for the purposes of the EBT and may be used to transfer shares to individuals when options are exercised. This could include the Company Share Option Plan ("CSOP") or Partnership Share Options ("PSO"), under which each of the Executive Directors of the Company, the Company's other PDMRs and certain other senior managers are potential participants and is therefore regarded as having a notional interest in these shares.

During the year, 5,075,713 shares were transferred from the EBT on exercise of vested CSOP and PSO awards. 2,717,292 shares remain in the EBT at 28 February 2026.

All issued shares are fully paid.

For the year ended 28 February 2025

	Ordinary share capital £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'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 losses on retirement benefit obligations	-	-	-	-	-	-	1,471	1,471
Tax on items taken directly to equity	-	-	-	47	-	-	(368)	(321)
Fair value gains	-	-	-	(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 year ended 28 February 2026

1. Basis of preparation

Vertu Motors plc is a Public Limited Company which is listed on the AiM market and is incorporated and domiciled in England. 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.

Whilst the financial information included in this announcement has been computed in accordance with UK IFRS, this announcement does not itself contain sufficient information to comply with UK IFRS. The Group audited consolidated financial statements that comply with IFRS will be published on the Group's website, www.vertumotors.com.

The financial information presented for the years ended 28 February 2026 and 28 February 2025 does not constitute the Company's statutory accounts as defined in Section 434 of the Companies Act 2006 but is derived from those financial statements. The auditors' reports on the 2026 and 2025 financial statements were unqualified. A copy of the statutory accounts for 2025 has been delivered to the Registrar of Companies. Those for 2026 will be delivered following the Company's annual general meeting, which will be convened on 24 June 2026.

Going concern

The consolidated financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value.

In order to prepare the financial statements on the going concern basis, the Directors have considered detailed financial projections for a period of 12 months from the date of signing the financial statements ('Review Period'). These projections are based on the Group's detailed annual business plan for the year ending 28 February 2027 as well as the known financial performance of the Group in the period subsequent to 28 February 2026, projected forward to cover the Review Period ("Base Case"). The Directors have considered these financial projections in conjunction with the Group's available facilities.

The Directors have also considered sensitivity analysis performed in respect of these forecasts to model the impact of various severe but plausible downside scenarios including reduced volume of new and used car sales, reduced demand from aftersales customers and further increases in the Group's operating cost base. This analysis did not indicate any issues with the Group's ability to operate within its banking facilities during the Review Period.

Based on the forecast information available and the sensitivity analysis performed as set out above, the Directors believe it is appropriate to prepare these financial statements on the going concern basis.

Accounting policies

The annual consolidated financial statements of Vertu Motors plc are prepared in accordance with UK IFRS.

The accounting policies adopted in this report can be found on our website, www.vertumotors.com, and are consistent with those of the Group's financial statements for the year ended 28 February 2025.

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.

Year ended 28 February 2026

	Revenue	Revenue	Gross	Gross	Gross
	Revenue	Mix	Profit	Profit	Margin
	£'000	%	£'000	%	%
Aftersales *	434,165	9.0	250,241	46.3	44.4
Used cars	1,929,762	39.9	132,575	24.6	6.9
New car retail and Motability	1,375,882	28.5	105,012	19.4	7.6
New fleet and commercial	1,093,987	22.6	52,181	9.7	4.8
	4,833,796	100.0	540,009	100.0	11.2

Year ended 28 February 2025

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

* Margin in aftersales expressed on internal and external revenue. A significant part of the role of the service department is to support the vehicle sales department and therefore internal revenue is considered to be an important element of margin for the purpose of monitoring departmental performance.

2. Non-underlying items

	2026	2025
	£'000	£'000
Redundancy costs	1,871	2,817
Other site closure costs	1,132	106
Property remediation works	700	-
Impairment of goodwill	609	-
Impairment of property, plant and equipment	454	524
Impairment of right-of-use assets	351	-
Profit on disposal of business	(310)	-
Profit on sale of assets previously held for sale	(579)	-
Rebrand costs	-	794
Acquisition costs	-	328
Non-underlying loss before tax	4,228	4,569
Tax on non-underlying items	(789)	(929)
Non-underlying loss for the year attributable to equity holders	3,439	3,640

The Group have undertaken a redundancy and headcount rationalisation programme as the Group again sought to reduce its cost base, resulting in a reduction of approximately 280 colleagues, supported by increased productivity through continued technology deployment. The associated termination costs of £1,871,000 have been included in non-underlying costs due to the scale and nature of this initiative.

Part of this cost reduction exercise included the closure of sites with lower than required financial returns, any associated redundancy costs with site closures are included within redundancy costs. Other site closure costs included onerous lease and business rates provisions for void periods, dilapidations provisions and other associated costs with exiting these sites. Costs of £1,132,000 have been included in non-underlying costs.

A provision has been recognised in non-underlying items for £700,000 for property remediation following a significant failure of the roof at one dealership with expert reports obtained and the estimated cost of remediation provided for.

Impairment charges of £609,000 relating to goodwill were recognised as the goodwill in respect of two of the Group's Motorrad bike businesses were fully impaired, where outlet performance had been poor. Property, plant and equipment and right-of-use assets were impaired relating to two locations where franchise representation has changed and forecast financial returns triggered an impairment.

The Group disposed of its Honda dealership in Huddersfield in the year generating a profit on disposal of £310,000. Additionally, freehold properties that were previously held for sale and were sold in the year generated a profit on disposal of £579,000. These profits have been included in non-underlying items.

Non-underlying items are presented separately in the Consolidated Income Statement to enhance comparability of trading performance between periods.

3. Finance income and costs

	2026	2025
	£'000	£'000
Interest on short-term bank deposits	1,134	983
Net finance income relating to defined benefit pension scheme	209	120
Finance income	1,343	1,103
Bank loans and overdrafts	(9,534)	(10,277)
Vehicle stocking interest	(9,296)	(9,853)
Lease liability interest	(4,529)	(4,060)
Finance costs	(23,359)	(24,190)

4. Taxation

	2026	2025
	£'000	£'000
Current tax		
Current tax charge	5,841	5,896
Adjustment in respect of prior years	(658)	(943)
Total current tax	5,183	4,953
Deferred tax		
Origination and reversal of temporary differences	51	1,409
Adjustment in respect of prior years	385	285
Total deferred tax	436	1,694
Income tax expense	5,619	6,647
Profit before taxation	20,242	24,750
Profit before taxation multiplied by the rate of corporation tax in the UK of 25% (2025: 25%)	5,061	6,188
Non-qualifying depreciation	1,073	939
Non-deductible expenses	637	513
Lease accounting timing difference	(246)	59
Property adjustment	(348)	(323)
Permanent benefits	(285)	(71)
Adjustments in respect of prior years	(273)	(658)
Total tax expense included in the income statement	5,619	6,647

A summary of the Group's tax expense in respect of underlying and non-underlying items is as follows:

	Underlying items 2026 £'000	Non- underlying items 2026 £'000	Total 2026 £'000	Underlying items 2025 £'000	Non- underlying items 2025 £'000	Total 2025 £'000
Profit / (loss) before tax	24,470	(4,228)	20,242	29,319	(4,569)	24,750
Taxation	(6,408)	789	(5,619)	(7,576)	929	(6,647)
Profit / (loss) after tax	18,062	(3,439)	14,623	21,743	(3,640)	18,103
Effective tax rate	26.19%		27.76%	25.84%		26.86%

The Group's underlying effective rate of tax is 26.19% (2025: 25.84%) which is broadly in line with the standard rate of corporation tax in the UK.

The overall effective tax rate of 27.76% includes tax on non-underlying items (2025: 26.86%).

5. 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 year or the diluted weighted average number of ordinary shares in issue during the year.

For the purposes of calculating the weighted average shares in issue, shares held by the Group's employee benefit trust are excluded as rights to dividends on such shares have been waived.

Details of the shares held in the Group's employee benefit trust are included in the notes to the consolidated statement of changes in equity.

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 at 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 set out above, is compared with the number of shares that would have been issued assuming the exercise of the share options.

Underlying earnings per share is calculated by dividing underlying earnings attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

	2026 £'000	2025 £'000
Profit attributable to equity shareholders	14,623	18,103
Non-underlying loss after tax (note 4)	3,439	3,640
Underlying earnings attributable to equity shareholders	18,062	21,743
Weighted average number of shares in issue ('000s)	316,461	330,599
Potentially dilutive shares ('000s)	24,346	24,117
Diluted weighted average number of shares in issue ('000s)	340,807	354,716
Basic earnings per share	4.62p	5.48p
Diluted earnings per share	4.29p	5.10p
Basic underlying earnings per share	5.71p	6.58p
Diluted underlying earnings per share	5.30p	6.13p

6. Dividends per share

Dividends of £6,473,000 were paid in the year ended 28 February 2026 (2025: £7,954,000), 2.05p per share (2025: 2.40p).

A final dividend of 1.15p per share is to be proposed at the Annual General Meeting on 24 June 2026. The ex-dividend date will be 25 June 2026 and the associated record date 26 June 2026. The dividend will be paid, subject to shareholder approval, on 24 July 2026 and these financial statements do not reflect this final dividend payable.

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

	2026	2025
	£'000	£'000
Net increase in cash and cash equivalents	429	2,048
Cash inflow from proceeds of borrowings	-	(12,526)
Cash outflow from repayment of borrowings	5,126	8,097
Cash movement in net debt	5,555	(2,381)
Borrowings acquired	-	(10,569)
Capitalisation of loan arrangement fees	-	520
Amortisation of loan arrangement fees	(306)	(246)
Decrease in accrued loan interest	3	88
Non-cash movement in net debt	(303)	(10,207)
Movement in net debt (excluding lease liabilities)	5,252	(12,588)
Opening net debt (excluding lease liabilities)	(66,567)	(53,979)
Closing net debt (excluding lease liabilities)	(61,315)	(66,567)
Lease liabilities at 1 March	(94,011)	(82,924)
Capitalisation of new leases	(35,142)	(32,277)
Disposal of lease liabilities	8,863	1,236
Interest element of lease repayments (note 3)	(4,529)	(4,060)
Cash outflow from lease repayments	26,868	24,014
Lease liabilities at 28 February	(97,951)	(94,011)
Closing net debt (including lease liabilities)	(159,266)	(160,578)

8. Business combinations

On 1 March 2025, the Group acquired the entire issued share capital of The Union Motor Company Limited. Total consideration (net of cash acquired) of £426,000 was settled from the Group's existing cash resources.

On 1 November 2025, the Group acquired the trade and assets of a Skoda dealership in Leicester from Marshall Motor Group. Total consideration of £605,000 was settled from the Group's existing cash resources.

On 20 February 2026, the Group disposed of the trade and assets of its Honda dealership in Huddersfield to Riverside Motors. Consideration of £973,000 was received in cash on completion.

9. Post balance sheet events

On 5 March 2026, the board agreed a further share buyback programme running to 28 February 2027, for an amount up to £12,000,000.

On 27 March 2026, the Group disposed of a surplus property held for sale located in Barnstaple. The disposal generated cash proceeds of £1,510,000 at above net book value.

Subsequent to 28 February 2026, the employee benefit trust was requested to purchase shares up to £4m by the Company. The Trustee continues to action this order and as at 30 April 2026 held 5,809,133 shares.