

7 January 2019

Vertu Motors plc ("Vertu" or the "Group")

Acquisition of Vans Direct Limited, the award winning independent online retailer of new vans

Vertu, the automotive retailer with a network of 125 sales and aftersales outlets across the UK, announces that it has acquired the entire share capital of Vans Direct Ltd ("Vans Direct") which is a well-established on-line retailer of new vans (www.vansdirect.co.uk) based in Newport, South Wales for an estimated total consideration of £7.5m.

Acquisition Highlights:

- Well established independent on-line light commercial vehicle broker business.
- Business brings significant know-how and accelerates the Group's presence in multi-channel retailing through its high ranking website domain.
- Synergy opportunities with existing Vertu light commercial vehicle businesses.
- Immediately earnings enhancing.

The Vans Direct business has built a successful on-line, van retailing business, putting customers first and winning the 'Best Van Leasing Broker' award from the Leasing Broker Federation for the last three years (2016, 2017 and 2018).

The Vans Direct business was founded in 1999, but flourished following the appointments of Jane Pocock as Managing Director and Richard Simmonds, as Operations Director, of the business in 2009. Richard Simmonds will be joining the Group along with their team of 42 colleagues and Jane Pocock will remain a non-executive director of Vans Direct following the acquisition.

Total consideration is estimated at £7.5m, this includes an estimated amount in respect of an earn-out arrangement rewarding an on target performance over a two year period. The terms of this earn out may result in additional consideration, up to an amount of £2m, being paid in the event that future profit targets are exceeded. This consideration includes an initial payment for goodwill of £6m together with estimated net assets of £1m (including cash of £0.6m). The initial payment of £7.0m has been settled in cash from the Group's existing resources.

For the year ended 31 October 2017, Vans Direct reported revenues of £34.6m, a gross margin of 11.7% and EBITDA of £1.2m. The Board expects this acquisition to be immediately earnings enhancing.

Robert Forrester, CEO of Vertu Motors said:

"This is an exciting development in a growing space, which is synergistic and parallel to our core motor retail business and which strengthens our multi-channel offering. We expect Vans Direct to generate an earnings stream with higher gross and net margins than those typically earned by the Group, and we believe that the future growth prospects for this new business are significant. By working with the complementary skills of the Vans Direct team and the Group's existing operations, we believe that we can build a significant business which will meet the needs of a wider range of customers."

- Ends -

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Notes to Editors

Vertu Motors is the sixth largest automotive retailer in the UK with a network of 125 sales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu, Farnell and Macklin Motors brand names.

Vertu Motors was established in November 2006 with the strategy to consolidate the UK motor retail sector. It is intended that the Group will continue to acquire motor retail operations to grow a scaled dealership group. The Group's acquisition strategy is supplemented by a focused organic growth strategy to drive operational efficiencies through its national dealership network. The Group currently operates 122 franchised sales outlets and 3 non-franchised sales operations from 106 locations across the UK.

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

Vertu Motors Group websites – www.vertumotors.com / www.vertucareers.com

Vertu brand websites – www.bristolstreet.co.uk / www.vertuhonda.com / www.vertutoyota.com / www.macklinmotors.co.uk / www.farnellandrover.com / www.farnelljaguar.com / www.vertuvolkswagen.com / www.vertumercedes-benz.com / www.hughes-group.net