

29 July 2021

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

Trading Update

As a consequence of the continuing strong trading performance, the Group is providing an update on current trading and an upgrade to the full year outlook.

Exceptional UK used car market conditions have resulted in the Group experiencing strong gross margin retention, which has had a material positive impact on profitability and cash flow. Whilst used vehicle supply remains tight, particularly in the premium segment, the Group has been successful in maintaining inventory and sales volumes at higher levels than previously anticipated. New vehicle supply constraints, due to semi-conductor shortages, have had no material impact on the Group's trading performance to the end of June 2021. New vehicle volumes and margins have remained strong. Service revenues and profits have, as expected, strengthened in recent weeks as the impact of the timing of annual service and MOT work mirrors the prior year's lockdown and release.

The Board now anticipates that the Group's adjusted profit before tax for the six-month period ending 31 August 2021 will be no less than £40m.

Uncertainty remains around the remainder of the financial year. New vehicle supply levels will be constrained in the coming months potentially impacting profitability. As a consequence of reduced new vehicle supply, used vehicle supply may also be restricted.

Uncertainty also remains around the possible impact of COVID-19 from potential future restrictions and colleague absence. The current UK wide labour shortages, high vacancy levels and upward pressure on employment costs remain a risk for the business.

At this stage, despite the exceptional performance during the first half of the year, the Board retains a cautious outlook but nevertheless now anticipates that the Group's adjusted profit before tax for the current financial year ending 28 February 2022 will be in the range of £40m - £45m (previously £28m - £32m). The Board remains very confident in the prospects for the Group, which is strategically well placed to capitalise on the changes and opportunities in the UK motor retail sector.

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

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Notes to Editors

Vertu Motors is the fifth largest automotive retailer in the UK with a network of 154 sales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu and Macklin Motors brand names.

Vertu Motors was established in November 2006 with the strategy to consolidate the UK motor retail sector. It is intended that the Group will continue to acquire motor retail operations to grow a scaled dealership group. The Group's acquisition strategy is supplemented by a focused organic growth strategy to drive operational efficiencies through its national dealership network. The Group currently operates 150 franchised sales outlets and 4 non-franchised sales operations from 116 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.investors.vertumotors.com / www.vertucareers.com

Vertu brand websites – www.vertumotors.com / www.bristolstreet.co.uk / www.macklinmotors.co.uk