RNS Number : 3034S
S & U PLC
10 February 2026

10th February 2026

S&U plc
("S&U" or "the Group")

TRADING STATEMENT AND NOTICE OF RESULTS

S&U PLC, the specialist motor and property financier, today issues its trading update for the period from its statement of 11th December 2025 to its year end on 5th February 2026. S&U's full year results will be announced on 21st April 2026.

The upsurge in S&U's fortunes predicted in December has continued strongly. We confidently expect this to be reflected in our forthcoming results. All this despite a British economy showing few signs of buoyancy under a shaky and vacillating government. Ironically, this appears to have stimulated international investor interest attracted by substantial recent reductions in private commercial and personal debt.

It is heartening to see our assertion in the last trading statement that "investors are increasingly aware of the value inherent in family-controlled SME businesses with rewarding dividend policies" being vindicated. Our share price has increased by 20% since then.

That re-rating is reflected in Group trading. Group net receivables now stand at c.£495m against £436m last year. Advantage Finance, our motor finance business, continues to increase market share within the used car market with improving margins and credit quality.

Aspen Bridging, our property investment and development lender, has delivered a record year, despite the recent misguided regulation of the private residential market in which many borrowers are invested. Looking ahead, longer-term products and small-scale development finance offer exciting opportunities.

Whether these opportunities are accompanied by a more pragmatic, proportionate and less costly regulatory approach, as encouraged by government policy and reflected in FCA priorities, remains to be seen. A meeting we attended with senior members of the FCA last month was positive and pragmatic, however it remains to be seen if this percolates down through the organisation. Advantage and others, via the Finance and Leasing Association (FLA) have recently made representations to ensure that the FCA's proposed redress scheme on finance commissions is manageable and affordable. The FCA's response is still awaited. This matter is likely to be raised when FCA leaders are called before the House of Lords Regulatory Select Committee to review its report of June last year entitled - "Growing pains- clarity and cultural change required." We travel hopefully.

Advantage Finance

Advantage Finance has continued its strong revival under the leadership of Karl Werner and his experienced team and produced excellent results over the period. Loan advances for the year are over 65% ahead of last year. Capital receivables are now c.£385m whilst customer accounts now number 58,000. Although slightly less than last year, these numbers reflect an improvement in customer quality, arrears and therefore in overall margins.

Latest collection statistics stand at 93% of due compared to 87% last year, above budget and evidence of excellent customer relations and our regulatory alignment.

We continue to improve our underwriting and distribution capabilities, and our credit scorecard and affordability assessments are continuously updated. Additional ways to distribute Advantage's loan products are well advanced. AI is being tested, with third party expertise, to further refine Advantage's capabilities.

Adding lustre to an excellent performance, the year has concluded with the sale of long-term written off accounts which has yielded £3.4m of proceeds. Again, the team are to be congratulated on still more vigorous paddling which made this possible.

An Advantage awards ceremony took place very recently and the brand-new break out area for staff is now being enthusiastically used. The resultant high morale and low staff turnover are essential to achieving still greater progress this year.

Aspen Bridging

Aspen our property lending business, has had its most successful year since its founding in 2017. In a UK housing market best described in price and activity as sluggish, Aspen's speed and quality of service have enabled deal numbers to reach a record 267, over a third higher than last year and comprising £212m of lending, another record.

As a result, capital receivables are now at c.£188m, a 21% increase on last year. The difference between increases in deal numbers and receivables is explained in two ways. First, a record level of recoveries in the year at £188m and, second, a trend towards smaller loan sizes in a more cautious and tentative market for borrowers. This trend has recently been partially reversed, whilst average blended yields across all Aspen's products have remained above budget. In addition, it is significant that this reduction in loan size has been confined to our standard bridging products and has not impacted the newly introduced longer-term products most favoured by more expert and experienced customers.

As record recoveries at £188m for the year indicate, credit quality at Aspen remains high. Of the £790m of loans written since its founding, Aspen has suffered capital loss of just £150k, a remarkable record. At present just 19 deals of 243 are beyond term. This provides a solid foundation for growth in the gradually reviving UK residential market expected this year. Thus, whilst house prices have increased by an average of just under 2% in the last year, average earnings and mortgage availability have risen faster. A more flexible planning regime should also stimulate demand from smaller developer customers.

Funding

Although Group borrowing has been steady over the past two months at £241m, existing rates of growth are predicted to require additional investment of near £100m next year. As a result, additional funding extending the Groups existing RCF facilities from £230m to £280m was secured in early January, for which Chris Freckelton, S&U's new CFO was instrumental. At the same time the Group is in the process of arranging longer-term facilities, which will substantially increase our ability to finance the growth we envisage for the next five years.

Dividend

S&U's consistent dividend policy seeks to ensure that the interests of our shareholders are aligned with those of our other stakeholders - customers, staff, the environment and the "wider community" - whose position, rightly or wrongly seems to have attracted higher priority over recent years. Therefore, based upon the Group's trading performance and especially its prospects for future growth, we propose a second interim dividend of 35p per share (2025: 30p) payable on 6th March 2026 to shareholders on the register on 20th February 2026.

Governance

I am delighted to welcome Karl Werner, CEO of Advantage Finance, to the S&U Board. Over the past two years, Karl has made a sterling contribution in steering Advantage through a period of unprecedented regulatory turbulence whilst both improving profitability and reviving morale. His good humour, balance and "ice in the veins" have been quite remarkable. He will be a valuable boardroom addition in the years to come.

Commenting on the Group's performance and outlook, S&U Chairman, Anthony Coombs, said:
"As Robert Frost, the great American poet reminded us: - "the best way out is always through."
The travails of the past two years, faced particularly by Advantage, and occasioned in part by a period of intensified regulatory scrutiny, have been unprecedented. Happily, it is now clear that, in overcoming them, S&U and its loyal people are building the foundations for an even more successful future. I thank and pay tribute to them."

For further information, please contact:

Enquiries Anthony Coombs	S&U plc	c/o SEC Newgate
Financial Public Relations Bob Huxford, Harry Handyside, Aqsa Ali	SEC Newgate	020 7653 9848
Broker Andrew Buchanan, Rob Parker	Peel Hunt LLP	020 7418 8900
Broker James Felix, John Welch, Daniel Gee-Summons	Berenberg	020 3207 7800

TSTUPUUWPUPQGQB