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

AGM Statement and Trading Update

S&U, the motor finance and bridging lender, issues a trading update for the period 1 February 2018 to 17 May 2018, prior to its AGM being held today.

Trading at Advantage Finance, S&U's motor finance business, remains strong following previous record expansion of both customers and receivables. We continue to focus on debt quality which will underpin the consistency and sustainability of anticipated future profits. New loan transactions during the period were at similar levels to last year's record performance.

Loan applications have reached record levels of over 80,000 per month, of which c.25% are accepted and c.10% of acceptances are transacted. The successful introduction of Advantage's paperless Dealflo system has been well received by customers, improves service and allows a greater focus on quality whilst maintaining comparable volumes year-on-year. Advantage's net receivables book has grown to £258m, which comprises over 56,000 customers, an increase of 21% on last year.

Although rolling 12 months impairment to revenue has increased slightly to 25.8% versus 24.6% at year-end, this is still comfortably within the average for the previous ten years of 26.4%. New customer quality and early repayment performance continues to improve and we anticipate this will lead to a reduction in impairment to revenue in due course. April's monthly collections increased by 22% to £11.4m compared to the same month last year.

Our bridging finance pilot, Aspen Bridging, continues to confirm our confidence in its launch. Aspen's net receivables book has increased to £14m from £11m at year-end, with early repayments on track. Aspen's current profitability and growing reputation amongst its broker partners bodes well for a successful future. We look forward to updating the market with a full report on future plans for Aspen in H2 2018.

Demand for the Group's products and the quality of our businesses is reflected in a further £8.5m investment in the first quarter, taking Group borrowing to £113.5m. An additional £20m of banking facilities arranged in the period brought total committed facilities to £135m and provides headroom for further expansion.

Commenting on S&U's trading and outlook, **Anthony Coombs, S&U Chairman**, said:

"Despite a slowing UK economy, the value used car and residential markets in which we operate remain strong and resilient. Our continuing focus on customer selection and excellent service gives us great confidence for sustainable future growth."

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