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S & U PLC
19 September 2024

This announcement contains inside information

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

Trading Update

S&U PLC, the specialist motor and property finance lender, today issues an update for its expectations for the financial year ending 31 January 2025.

Advantage Finance

As previously referenced in the Group's announcement on 12 August the cautious approach and business retrenchment adopted by Advantage Finance, the Group's motor finance division, since the imposition of the Financial Conduct Authority's ("FCA") Section 166 notice have continued to impact the performance of the division, primarily resulting from restrictions on its collections capabilities.

Whilst Advantage continues to actively pursue a conclusion of negotiations with the FCA for a removal of the restrictions soon, their cumulative impact on Advantage Finance's profitability has caused Advantage's first half profitability to fall below expectations. As a result, Group profits in H1 are expected to be c.£12.8m and this is likely to cause the Group's financial year profitability to 31 January 2025 to fall below market expectations.

However, the Group still anticipates improvements in Advantage Finance's performance in the second half brought about by a plan to be implemented upon the anticipated removal of the FCA's restrictions and appropriate modifications as a result. The timing of these nevertheless remains uncertain.

Aspen Bridging

Aspen Bridging, S&U's property lending division, continues to deliver strong and profitable growth driven by robust business momentum and excellent credit quality whilst the outlook for the division remains exciting owing to a healthy deal pipeline, its talented and entrepreneurial team and the backdrop of falling interest rates.

S&U will announce its half year results on 8 October 2024 at which point it anticipates providing additional detail on Group and divisional performance and an update on the outlook for the full year.

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

"Although operating conditions at our motor finance business remain challenging, we are confident in our plan to improve performance once it is set in motion in the second half. Aspen continues to deliver healthy

results and faces a bright future."

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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