EDISON

S&U

H1 results review

H1 results provide positive momentum

Financial services

10 October 2025

S&U has issued interim results confirming the recovery of the business and momentum supporting full-year profit expectations. Group PBT of £15.6m was 22% higher than the prior year, driven by lower impairments and financing costs. The motor finance business, Advantage, is in a strong recovery phase and positive resolution of regulatory matters is scheduled for the beginning of 2026. Aspen, the property lender, continues to grow robustly, generating record PBT of £5m in H1. We view S&U's trajectory positively and believe the company will meet our FY26 PBT forecast of £31.3m. The market reacted positively to the results, with the shares up 2% following the announcement.

Year end	Revenue (£m)	PBT (£m)	EPS (£)	DPS (£)	P/E (x)	Yield (%)
1/24	115.4	33.6	2.09	1.20	8.0	7.2
1/25	115.6	26.7	1.47	1.00	11.3	6.0
1/26e	115.4	31.3	1.93	1.10	8.6	6.6
1/27e	121.9	34.4	2.12	1.20	7.9	7.2

Note: All figures are on a reported basis. FY25 PBT excludes £2.7m exceptional charge in the year.

The Financial Conduct Authority (FCA) is currently consulting on the motor finance compensation scheme, and it expects to publish a policy statement and final rules by early 2026. Given the ruling by the Supreme Court in August 2025, we expect S&U's potential liability to be small, with confirmation not coming until the final rules are made public early next year. In H1, Advantage posted PBT of £10.8m (+15% year-on-year), principally driven by a lower impairment charge of £8m and higher repayments of 90%. Looking forward, Advantage has written a strong amount of business in August and September, maintaining the positive momentum achieved in the first half.

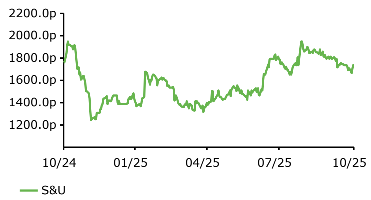
Aspen, the property bridging company, continues its excellent progress, especially given the competitive UK residential market. In H1, Aspen posted PBT of £5m, representing 47% growth year-on-year and a record for the company. Strong revenues of £12.5m were 12% higher than the previous year and impairments of £0.2m were minimal. Strong collections of £113m were up 55% y-o-y, but should taper off in the second half of the year.

The company believes profitability is trending ahead of FY25 at the half year and expects an acceleration in H226 consistent with our unchanged forecasts. Net borrowings at the end of H1 were c £180m against current funding facilities of £280m, providing sufficient headroom for growth in the upcoming periods.

On a P/E of c 9x FY26e earnings, the shares are trading at a significant discount to historical valuation levels and imply a discount to book value, with potential for a re-rating as regulatory risks subside early next year. The dividend yield of c 6% offers attractive income support, while awaiting a recovery in earnings.

Price	**1,670.00p**
Market cap	**£205m**
Net cash/(debt) as at 31 January 2025	£192.6m
Shares in issue	12.2m
Free float	25.0%
Code	SUS
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



Business description

S&U's Advantage motor finance business lends on a simple hire purchase basis to lower- and middle-income groups that may have impaired credit records restricting access to mainstream products. It has more than 50,000 customers. The Aspen property bridging business has been developing since its launch in 2017.

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