

S&U

FCA redress proposals give certainty

S&U has issued a statement regarding the Financial Conduct Authority's (FCA) motor finance redress scheme. The company confirmed that the motor finance business, Advantage, will not have a material exposure to claims, and limited redress should be payable. This additional clarity reinforces our long-standing view that Advantage acted in its customers' best interests having never offered discretionary commission arrangements (DCA) or engaged in tied commissions. The market reacted positively with S&U shares up c 8% immediately following the statement. This should put to rest any existential worries about Advantage, allowing trend growth to resume and further support earnings for the broader business.

Year end	Revenue (£m)	PBT (£m)	EPS (£)	DPS (£)	P/E (x)	Yield (%)
1/24	115.4	33.6	2.09	1.20	9.1	6.3
1/25	115.6	26.7	1.47	1.00	12.9	5.3
1/26e	115.4	31.3	1.93	1.10	9.8	5.8
1/27e	121.9	34.4	2.12	1.20	8.9	6.3

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

On a P/E of c 10x FY26e earnings, the shares are still 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 continue to subside. The dividend yield of c 6% offers attractive income support, while awaiting a recovery in earnings. The company will announce full-year results on 21 April 2026.

Company update

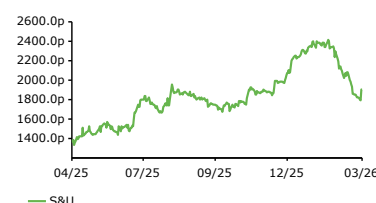
Financial services

1 April 2026

Price 1,900.00p
Market cap £217m

Gross borrowing as at 5 February 2026 £241.0m
 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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