

S&U

Robust delivery through FY26

S&U published an update on trading to 5 February (end-FY26) and will release its annual results on 21 April. Group performance continues to be characterised by robust growth in the property lending division and by recovery in the motor finance business. Group net receivables increased to c £495m, up c 14% y-o-y. The company has grown the business, added additional funding for future growth and increased the final dividend by c 17% to 35p. Shares have reacted positively, increasing more than 25% since December. We continue to see upside potential for the shares over the medium term.

Year end	Revenue (£m)	PBT (£m)	EPS (£)	DPS (£)	P/E (x)	Yield (%)
1/24	115.4	33.6	2.09	1.20	11.2	5.1
1/25	115.6	26.7	1.47	1.00	15.9	4.3
1/26e	115.4	31.3	1.93	1.10	12.2	4.7
1/27e	121.9	34.4	2.12	1.20	11.1	5.1

Note: All figures are on a reported basis.

Aspen Bridging and Advantage Finance

Aspen Bridging, the property lending business, grew lending to £212m and increased number of deals by c 40% to 267 in FY26, making it the most successful year since inception in 2017. Credit quality remains high, which provides a solid foundation for growth in the reviving UK residential market expected in FY27. The motor lending business, Advantage Finance, saw over a 65% y-o-y increase in loan advances. Motor lending recovery continues at pace under the experienced leadership of Karl Werner. Repayments were 93% of due compared to 87% for the most recent month, above budget and evidence of excellent customer relations and S&U's regulatory alignment. This should all feed into meaningful profitability growth.

Funding and dividend

Group borrowing has been steady over the past two months, at £241m. Existing rates of growth are predicted to require additional investment of c £100m for FY27. As a result, S&U sourced additional funding by extending the existing revolving credit facilities from £230m to £280m in January. The group is in the process of arranging longer-term facilities, which will substantially increase the ability to finance the growth over the next five years. S&U has a consistent dividend policy and, based on trading performance, the company has proposed a second interim dividend of 35p, a c 17% y-o-y increase, payable on 6 March to shareholders on the register on 20 February 2026.

Valuation: Re-rating story continues

Shares reacted positively, up c 3%, post the release of the results. On a FY26e P/E of c 12x the shares are trading significantly higher than recent history. We view the positive momentum as a driver for the continued re-rating of the shares. The dividend yield offers attractive income support, while awaiting a full recovery in earnings.

End-year trading update

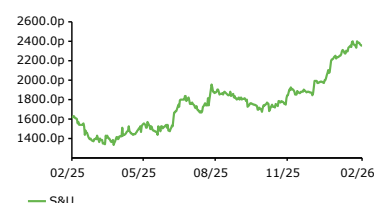
Financial services

10 February 2026

Price 2,350.00p
Market cap £286m

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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