MOTR XLON Motorpoint Group plc

Interims Results · RNS 6195C · 11 November 2026

Motorpoint confirms 80.6% rise in half-year profit and sets 120,000-unit medium-term targets

Share price	138p
Market cap	£115m
52-week range	111p - 157.4p
Shares in issue	83.6m
12-month change	-9.4%

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SHARE PRICE, 12 MONTHS



SUMMARY

Motorpoint's interim results today confirmed profit before tax of £6.5m for the six months to 30 September 2026, up 80.6%, on record retail volumes of 35.43k cars, up 7.6% against a used car market that grew 0.6%. Retail gross profit per unit rose to £1,431 and the interim dividend doubles to 2.0p. Most of this was flagged in the 9 October trading update, and FY27 expectations are unchanged after September's upgrade. The new material is October volume growth of 9.7% and a set of medium-term targets, including 120,000+ retail units from 30 to 35 stores, with no timetable attached. The shares were 138.00p on 11 November, down 5.48% on the day. Against the improved trading sit £204.5m of inventory, £149.7m of drawn stocking finance and a UK Bank Rate now at 4.00%.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Profit before tax	£6.5m	H1 FY27 (six months to 30 September 2026)	+80.6% (H1 FY26: £3.6m)
Revenue	£686.7m	H1 FY27	+6.0% (H1 FY26: £647.7m)
Retail units sold	35.43k	H1 FY27	+7.6% (H1 FY26: 32.94k)
Retail gross profit per unit	£1,431	H1 FY27	+£82 (H1 FY26: £1,349)
Metal margin per unit	£1,266	H1 FY27	Record (H1 FY26: £1,063)
Interim dividend	2.0p	H1 FY27	+1.0p (H1 FY26: 1.0p)
Inventory	£204.5m	30 September 2026	Up from £194.1m at 31 March 2026
Stocking finance drawn	£149.7m	30 September 2026	31 March 2026: £145.8m
Net debt (excluding lease liabilities)	£(14.3)m	30 September 2026	-£13.8m (H1 FY26: £(0.5)m)
FY27 profit before tax guidance	£9.8m-£10.8m	Year to 31 March 2027	Unchanged since raised on 2 September 2026

Sources: Interim Results RNS, 11 Nov 2026; Half Year Trading Update, 9 Oct 2026

THE ANNOUNCEMENT

- Profit before tax rose 80.6% to £6.5m and basic earnings per share 84.4% to 5.9p, on revenue up 6.0% to £686.7m. Gross profit grew 11.9% to £55.4m, roughly twice the rate of revenue.
- Retail volumes reached a record 35.43k, up 7.6% against market growth of 0.6%. Metal margin (the profit on the car itself) hit a record £1,266 per unit, which offset lower finance commission after the customer APR was cut to 10.9% from 12.9%.
- New medium-term targets: more than 120,000 retail units, 30 to 35 large format stores, retail gross profit per unit above £1,550, EBITDA per retail unit above £550 and ROCE above 100%. No date is given for reaching them.
- Retail volumes grew 9.7% in October and FY27 expectations remain unchanged following September's upgrade. Stock has been built ahead of the busy fourth quarter.
- The interim dividend is 2.0p (H1 FY26: 1.0p), payable on 11 December 2026 with a record date of 20 November 2026.
- Leeds opened in July and is trading ahead of plan. Ipswich, a smaller and less profitable store, closed after the period end, and a further store is due to open in Spring 2027.

AGAINST GUIDANCE

The half-year numbers match what the company pre-announced. The 9 October trading update guided to underlying profit before tax of c.£6.5m and ROCE of c.80%, against reported figures of £6.5m and 81.0%. Full-year guidance of £9.8m-£10.8m, raised on 2 September 2026 above the then market consensus of £9.1m-£10.0m, is reiterated and not raised. With FY26 profit before tax of £7.5m following an H1 FY26 of £3.6m, the FY27 range asks for a second half broadly similar to last year's. The medium-term targets are new and carry no timetable.

BULL CASE

- Motorpoint is taking share in a flat market: retail volumes rose 7.6% against market growth of 0.6%, then 9.7% in October. With a 2.50% share of a 0-6 year old market of about 2.4 million cars a year, the company sees considerable room to grow.
- Unit economics have improved even after funding a cut in customer APR to 10.9% from 12.9%. Metal margin reached a record £1,266. Customers also became cheaper to win (£143 each against £149), and more of them took finance, 47% against 42% a year earlier.
- The new store model is concrete: a mature store is expected to sell around 4,000 retail units a year and contribute approximately £3.0m of profit before tax, repaying fit-out costs within two and a half years. Leeds is trading ahead of plan and expected to be profitable in its first year.
- Near-term guidance has been delivered: the FY26 profit rise of 82.9%, the September upgrade and the October pre-announcement have all been matched by reported figures.

BEAR CASE

- The balance sheet carries a lot of stock funded by short-term facilities. Inventory is £204.5m and days in stock rose to 54 from 49. The £149.7m of stocking finance that funds much of it sits in payables, so it falls outside the £14.3m headline net debt, as do £63.0m of lease liabilities. Bank Rate rose to 4.00% in the three months to 6 November.
- Cash after investment was thin. Net cash from operating activities of £6.3m was more than used by £5.0m of capital expenditure and £2.7m of lease repayments, before £3.2m of Employee Benefit Trust share purchases and the £1.0m dividend. Net current assets turned negative at £(1.6)m.
- The margin gains may owe as much to buying and pricing conditions as to the company's AI tools, and the record does not yet separate the two. Interest of £5.3m still absorbs a large share of £11.8m operating profit. Headcount has also outpaced the business, with 915 full-time staff against 787 while vehicles sold grew 8.2%.
- The 81.0% ROCE is measured against average net assets of under £30m, so it overstates the return on all the capital the rollout ties up in stock and leases. The medium-term targets have no timetable, and with a market value of £115m the shares can move sharply on modest trading.

WHAT TO WATCH

- The next trading update covering the third quarter and peak season: whether the stock built for H2 sells through, days in stock fall back from 54 and retail gross profit per unit holds near £1,431.
- Delivery against FY27 guidance of £9.8m-£10.8m profit before tax for the year to 31 March 2027, given higher interest rates and the drag from lower finance commission.
- Evidence on store economics: Leeds' progress towards the 4,000-unit, £3.0m mature profile, the Spring 2027 opening on time, and any store-level detail on central costs, leases and cannibalisation behind the 30 to 35 store target.
- Stocking facility drawings and interest costs relative to volume growth, including use of the £20.0m Lombard increase agreed after the period end.

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