Vertu registers profit increase but warns of rising electricity bill

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ertu Motors said it is facing a rise in its electricity bill from the start of October, as it and many other companies see their fixed-price energy deals run out.

The business revealed that it is paying below market rate at the moment for its power, but this will change shortly.

“It should be noted that the business currently benefits from below market rate electricity costs under a fixed contract expiring at the end of September 2022,” it told investors on Tuesday.

“There will consequently be an increase in the group’s cost of energy in the second half of the financial year.”

There remains uncertainty around vehicle supply and the macro-environment for consumers which is likely to be affected by rising energy costs and inflation generally

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The company said it is focused on reducing energy usage “where appropriate” and and is trying to source “off-grid energy solutions in order to manage the group’s exposure to energy market price volatility risks.”

It comes at the end of a profitable period for car sellers. The business said gross profit in the six months to the end of August was ahead of the same period a year earlier.

This comes despite the number of cars it sold being lower. The margins for every car grew as the price of the vehicles rose.

Car prices soared in the last couple of years as a semiconductor shortage reduced supply.

And as customers could not get hold of new cars on time, they started snapping up used cars at increasing rates, pushing up the price of second-hand vehicles in the process.

“The group has performed strongly in the first half of the financial year, however, there remains uncertainty around vehicle supply and the macro-environment for consumers which is likely to be affected by rising energy costs and inflation generally,” Vertu said.

“Consequently, profitability is expected to be more weighted to the first half of the financial year.

“The board currently anticipates that trading performance for the full financial year will be in line with current market expectations.”