

Wednesday 24 April 2024

The AA: FY24 Results – Milestone third consecutive year of growth; moving into next phase of strategy with accelerating momentum

Financial highlights

- Milestone third consecutive year of accelerating growth with revenue up 11% and adjusted EBITDA up +4%.
- Further growth across the customer base, demonstrating accelerating momentum despite continued external pressures: Roadside up +3%, Insurance motor book flat, Insurance underwriter up +15%.
- Operating profit of £192m (FY23: £198m); adjusted operating items for FY24 include £15m of Stonepeak transaction fees and investment in innovation and our connected car capability.
- Improved financial health: Group leverage reduced to 5.1x, £550m AA Bonds successfully refinanced, £61m debt repaid.

Strategy update

- Completion of Horizon 1 and transformation of the core business, with progress reflected by planned investment from new shareholder Stonepeak.
- Moving into the next phase of growth strategy, building on achievements under Horizon 1:
 - Growth from the core: continued profitable growth driven by unrivalled service and brand trust.
 - Expanding into a broader offer: accelerating growth in priority developing businesses, and driving data-driven cross-sell opportunities.
 - Preparing The AA for a connected future: focus on monetising data and vehicle connectivity reflected in launch of first data-based connected vehicle proposition for customers this year.

Commenting on the FY24 performance, Jakob Pfaudler, CEO, said:

“FY24 was a milestone year for The AA, with strong financial results, the completion of the first phase of our strategy and investment from a new shareholder. The achievement of a third year of membership, revenue, and EBITDA growth reflects the transformation of our business since FY21 and showcases our momentum, despite continued external pressures.”

“We have continued to improve our financial health and the planned investment from Stonepeak reflects the progress we have made. We are delivering against our extended strategy for accelerating growth, focused on driving continued profitable growth from the core business, expanding into a broader range of Driving Services, and enhancing our use of data and digital to ensure that we continue to serve our customers’ evolving needs.”

Group			
(£m)	FY24	FY23	Change (%)
Revenue	1,298	1,173	11%
Adjusted EBITDA	424	409	4%
Operating profit before adjusted operating items	240	228	5%
Profit before tax	42	71	-41%
Net cash flow from operating activities	325	263	24%

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About The AA: The AA is the UK's leading provider of roadside assistance, with approximately 2,700 patrols attending an average of around 9,400 breakdowns daily. The Roadside business includes many other services, which enrich membership, including Driving Services through the AA's Driving School and BSM platforms, and DriveTech, the market leader in driver education. AA Smart Care provides peace of mind when booking a MOT, maintenance, service and repair by only using AA inspected and approved garages. The AA's insurance broker focuses primarily on motor and home policies, operating a diverse panel of underwriters including the AA's in-house underwriter. The Insurance division also includes the AA's Financial Services