

Friday 26 July 2024

### The AA announces completion of strategic investment from Stonepeak

**Basingstoke, England & New York, NY** – The AA has announced that the conditions of the acquisition of a minority non-controlling stake by Stonepeak have been satisfied in full, resulting in the completion of the transaction.

Under the terms of the agreement, which was originally announced on 27<sup>th</sup> December 2023, Stonepeak, a leading alternative investment firm specialising in infrastructure and real assets, is investing £450 million in The AA through a combination of common and preferred equity at an enterprise value of approximately £4 billion. Following the closure of the transaction, Warburg Pincus and TowerBrook Capital Partners remain the majority shareholders of The AA.

The investment underscores Stonepeak's confidence in the continued progress The AA has made since it was taken private in March 2021. As reported at the time of the company's FY24 results, The AA has completed the first phase of its strategy and is now focused on accelerating growth and profitability. The additional capital from Stonepeak is being used to strengthen the balance sheet, enabling The AA to repay £180 million of Class B3 Secured Notes due 2050, as announced on 27<sup>th</sup> December 2023.

**Jakob Pfadler, CEO of The AA, commented:** *"We are delighted to confirm the completion of Stonepeak's investment in The AA as we embark on the next phase of our strategy. We look forward to the next stage of our growth, supported by Stonepeak and our majority shareholders Warburg Pincus and TowerBrook. This investment has allowed us to further deleverage whilst continuing to invest in our customers and people as we expand our digitised service offer to create long-term value for all our stakeholders."*

**Nikolaus Woloszczuk, Senior Managing Director at Stonepeak, commented:** *"We are thrilled to have completed this investment – Stonepeak's fifth in Europe – in what we view as not only a provider of critical transport services, but also an essential component of the UK's transportation system as a whole. We look forward to partnering closely with The AA's leadership team, in conjunction with TowerBrook and Warburg Pincus, to accelerate the company's growth."*

#### About the AA

The AA is the UK's leading provider of roadside assistance serving 14 million members with approximately 2,700 patrols attending an average of 9,000 breakdowns daily. The AA has been recognised by Which? as a Recommended Provider for the last six years, and is rated by drivers as the first choice for electric vehicle breakdown.

The AA's mission is to create confidence for drivers now and for the future – anticipating drivers' needs since 1905 and striving to be always ahead. The AA provides services across its roadside businesses from AA Driving School and BSM, to DriveTech, the leader in driver education. In addition, AA Smart Care provides bookings for MOTs, maintenance, service and repair in AA certified garages. AA Cars is a trusted vendor of used cars with free history checks and breakdown cover. The AA's insurance broker offers motor and home policies, operating a diverse panel of underwriters including the AA's in-house underwriter, plus AA Financial Services and Accident Assist. The AA continues to invest in connected car innovation and digital services.

For more information, please visit [www.theaacorporate.com](http://www.theaacorporate.com).

## **About Stonepeak**

Stonepeak is a leading alternative investment firm specializing in infrastructure and real assets with approximately \$71.2 billion of assets under management. Through its investment in defensive, hard-asset businesses globally, Stonepeak aims to create value for its investors and portfolio companies, with a focus on downside protection and strong risk-adjusted returns. Stonepeak, as sponsor of private equity and credit investment vehicles, provides capital, operational support, and committed partnership to grow investments in its target sectors, which include communications, energy and energy transition, transport and logistics, and real estate. Stonepeak is headquartered in New York with offices in Hong Kong, Houston, London, Singapore, and Sydney.

For more information, please visit [www.stonepeak.com](http://www.stonepeak.com).

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