



FY25

Annual Results

Supplementary materials to pre-recorded results

16 April 2025



INCOME STATEMENT

£m	FY25	FY24	YoY
Revenue	1,450	1,298	12%
Amounts due to reinsurer	(237)	(177)	(34%)
Net revenue¹	1,213	1,121	8%
Adjusted EBITDA²	450	424	6%
Amortisation of insurance acquisition cash flows	(68)	(63)	(8%)
Reported EBITDA³	382	361	6%
Fulfilment finance costs (included within operating profit)	(1)	(1)	0%
Share-based payments	(3)	(4)	25%
Pension adjustment	(6)	(6)	-
Amortisation and depreciation	(121)	(110)	(10%)
Adjusting operating items	(6)	(48)	88%
Operating profit	245	192	28%
Net finance costs	(161)	(150)	(7%)
Profit before tax	84	42	100%
Tax expense	(20)	(15)	(33%)
Profit for the period	64	27	137%

Notes:

1. Net revenue is total revenue less amounts due to reinsurer
2. Adjusted EBITDA is profit after tax on a continuing basis as reported, adjusted for depreciation, amortisation of intangible assets, amortisation of insurance acquisition cash flows, adjusting operating items, share-based payments, pension adjustments, impairment of property, plant and equipment, impairment of intangible assets, net finance costs and tax expense.
3. Reported EBITDA is defined as Adjusted EBITDA excluding the adjustment for amortisation of acquisition cash flows.

CASH FLOW

£m	FY25	FY24	YoY
Adjusted EBITDA	450	424	6%
Amortisation of insurance acquisition cash flows	(68)	(63)	(8%)
Pension payments	(29)	(31)	6%
Working capital	33	48	(31%)
Other items	(1)	(1)	-
Adjusted operating cash flow	385	377	2%
Tax paid	(22)	(18)	(22%)
Capital expenditure	(72)	(78)	8%
Proceeds from disposal of fixed assets	7	4	75%
Other investing activities	(1)	(1)	-
Payment of lease capital	(47)	(36)	(31%)
Operating free cash flow after CAPEX	250	248	1%
Net interest paid	(138)	(143)	3%
Operating free cash flow before adj. operating items	112	105	7%
Acquisition of subsidiary	(11)	-	-
Cash flows from adjusting operating items	(24)	(34)	29%
Free cash flow	77	71	8%
Refinancing transactions and debt buy back	(19)	(72)	74%
Net increase / (decrease) in cash and cash equivalents	58	(1)	>100%

NET DEBT

£m	FY25	FY24
Total Class A Notes	1,815	1,819
Senior Term Facility	165	165
Less: WBS Cash	(117)	(87)
Net Senior Secured Debt	1,863	1,897
Class B Notes	110	280
Lease obligations for covenant reporting	75	52
Net WBS Debt	2,048	2,229
IFRS16 lease adjustment for WBS	31	20
AA Limited lease obligations	2	2
Less: AA Limited cash	(105)	(77)
Total Group Net Debt	1,976	2,174

Key metrics	FY25	FY24
Net Debt/EBITDA ¹	4.4x	5.1x
WBS Senior Leverage Ratio ²	5.3x	5.7x
WBS Class B Leverage Ratio ³	5.9x	6.7x
Interest cover ⁴	3.1x	2.9x

Financial covenants	FY25	FY24
Class A FCF to DSCR ⁵ (covenant > 1.35x)	2.7x	2.7x

Notes

1. Total Group Net Debt to AA Limited Adjusted EBITDA for the last 12 months.
2. Ratio of Net Senior Secured Debt to Intermediate group Debt Covenant EBITDA for the last 12 months.
3. Ratio of Net WBS Debt to Intermediate group Debt Covenant EBITDA for the last 12 months.

4. Adjusted EBITDA for the last 12 months: AA Limited ongoing cash finance costs.
5. Ratio of last 12 months Intermediate group debt covenant free cash flow to proforma debt service relating to the Senior Term Facility and Class A Notes.

WBS RESULTS COMPARED TO GROUP REPORTING

£m	FY25	FY24
Group Revenue	1,450	1,298
Underwriter / other trading entities ¹ / consolidation adjustments	(308)	(231)
WBS Revenue	1,142	1,067
Group Adjusted EBITDA	450	424
Underwriter / other trading entities ¹ / consolidation adjustments	(53)	(44)
WBS Adjusted EBITDA	397	380
Amortisation of acquisition costs	(39)	(39)
WBS Reported EBITDA	358	341

Notes:

1. Includes Longacre, AA Technical Solutions and AA Limited parent company.

WBS CASH FLOW

£m	FY25	FY24	YoY
Adjusted EBITDA	397	380	4%
Amortisation of insurance acquisition cash flows	(39)	(39)	-
Pension cash flows	(29)	(31)	6%
Working capital	30	39	(23%)
Other items	-	(1)	100%
Adjusted operating cash flow	359	348	3%
Tax paid	(20)	(17)	(18%)
Capital expenditure	(72)	(78)	8%
Proceeds from disposal of fixed assets	7	4	75%
Other investing activities	-	2	(100%)
Payment of lease capital	(47)	(36)	(31%)
Operating free cash flow after CAPEX	227	223	2%
Net interest paid	(138)	(144)	4%
Operating free cash flow before adj. operating items	89	79	13%
Acquisition of subsidiary	(11)	-	-
Cash flows from adjusting operating items	(20)	(19)	(5%)
Free cash flow	58	60	(3%)
Refinancing transactions and debt buy back	(28)	(72)	61%
Net increase / (decrease) in cash and cash equivalents	30	(12)	>100%

CAPITALISATION

£m	FY25	FY24	Ratings (S&P)	Expected Maturity Date	Coupon
Cash in WBS	(117)	(87)			
Senior Term Facility	165	165		Mar-26	3.490% / 7.170%
Class A2 Notes ¹	-	439	BBB	Jul-25	6.269%
Class A8 Notes	325	325	BBB	Jul-27	5.500%
Class A9 Notes	270	270	BBB	Jul-28	3.250%
Class A10 Notes	385	385	BBB	Jul-29	7.375%
Class A11 Notes	400	400	BBB	Jan-28	8.450%
Class A12 Notes ²	435	-	BBB	Jul-31	6.850%
Class A Gross Debt	1,980	1,984			
Net Class A Debt	1,863	1,897			
Class B3 Notes ³	110	280	B+	Jan-26	6.500%
Lease adjustment	75	52			
WBS Total Gross Debt⁴	2,165	2,316			
WBS Net Debt⁴	2,048	2,229			

Notes

1. £429m A2 Notes redeemed May 2024. Remaining £10m redeemed July 2024.
2. £435m A12 Notes issued May 2024
3. £155m B3 Notes redeemed July 2024. A further £15m redeemed October 2024.
4. WBS debt as per covenant reporting requirements.

DEFINITIONS

The following definitions apply throughout the annual results:

- Total holdings is defined as covering Roadside B2C and B2B holdings and brokered motor and home insurance policies sold by the Group in the year.
- Net revenue is defined as total revenue net of amounts due to reinsurer. Total revenue also referred to as gross revenue. Where revenue is referenced, it means gross or total.
- Adjusted EBITDA is defined as profit after tax on a continuing basis as reported, adjusted for depreciation, amortisation of intangible assets, amortisation of insurance acquisition cash flows, adjusting operating items, share-based payments, pension adjustments, impairment of property, plant and equipment, impairment of intangible assets, net finance costs and tax expense.
- Reported EBITDA is defined as Adjusted EBITDA excluding the adjustment for amortisation of insurance acquisition cash flows.
- Net WBS Debt represents the borrowings and cash balances within the WBS structure headed by the Company. This includes the principal amounts of the Senior Term Facility, Class A notes, Class B3 notes and lease obligations for covenant reporting less cash and cash equivalents.
- Available liquidity is available cash and the amounts available to borrow under the Working Capital Facility (WCF).

DISCLAIMER

- This Presentation has been made available to you on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By viewing this document, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of this document, including by electronic transmission and (c) you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. This presentation has been prepared solely for information purposes, it does not purport to be a comprehensive overview of the AA group and it is not a commitment to enter into any transaction.
- No statement in this Presentation should be construed as a profit forecast. This Presentation contains “forward-looking statements” which are not based on historical facts, but rather on various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties.
- Such statements are therefore subject to risks and uncertainties which could cause actual results, developments or performance to differ materially from the future results expressed or implied by the forward-looking statements.
- Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “projects”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” or similar expressions (or their negative) identify certain of these forward-looking statements. Some of the aforementioned risks and uncertainties may be set out in the Company's annual report and accounts, which can be found on its website (<https://www.theaacorporate.com/investors>).
- Neither the Company nor any of its directors, officers, employees or advisors, nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the fairness, accuracy or completeness of the forward-looking information contained in the Presentation or of the views given or implied. Neither the Company nor any of its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of or reliance on any forward-looking information contained in or omitted from or otherwise arising in connection with this Presentation. Any Investor is required to make their own independent analysis and determination with respect to the forecasted periods.
- Other than in accordance with the Company's applicable legal or regulatory obligations, the Company is not under any obligation and does not assume any obligation to update, revise or correct any forward-looking statements, whether as a result of new information, future events or otherwise.
- This Presentation contains data sourced from and the views of independent third parties. In placing such data in this document, the Company makes no representation, whether expressed or implied, as to the accuracy of such data. The replication of third-party views in this Presentation should not necessarily be treated as an indication that the Company agrees or concurs with such views.