Mid-Year Update – AA Limited

For the six months to 31 July 2025

Date: 8 October 2025

General overview

Strong performance in our business has delivered growth in all our financial metrics, including a 54% improvement in profit before tax. Paying down of debt has further strengthened the balance sheet making a positive start to FY26.

Highlights

Strong trading performance

- Net revenue increased by 5% to £623m (H1 25: £592m) driven by growth in holdings and average income per customer.
- Total customer holdings[1] have risen by 0.9m (6%) to 17.0m (H1 25: 16.1m), confirming us as the UK's largest driving services' provider.
- Roadside paid personal holdings increased by 45k (1%) to 3,322k (H1 25: 3,277k), and business holdings increased by 0.8m (7%) to 11.9m (H1 25: 11.1m) re-confirming our position as the UK's largest provider of breakdown assistance.
- Completion of our Insurance replatform and further investment in our proposition has seen Broker motor policies in force increasing by 51k (5%) to 1,000k (H1 25: 949k).
- Adjusted EBITDA[2] rose by 8% to £243m (H1 25: £225m), with growth in both the Road (6%) and Insurance (20%) divisions, demonstrating strong cost control and a resilient operating model benefiting from our investment in data, technology and AI.
- Strong trading results and reduced finance costs led to a 54% increase in PBT to £60m (H1 25: £39m).

Strengthened balance sheet

- Group leverage decreased to 4.1x (FY25: 4.4x) and is tracking towards our medium-term target of below 4.0x.
- With senior leverage at 5.2x, and following the £62m Class B3 redemption in May, a notice of redemption has been issued for the remaining £48m B3 Notes, completing this within FY26.
- We successfully refinanced our £165m Senior Term facility and £56m Working Capital Facility, including a new US Private Placement transaction to diversify our funding sources.
- Finance costs reduced by 21% as a result of decreases in both ongoing and adjusting debt finance expenses.
- Our Class A rating was re-affirmed at BBB.

Delivering for our customers

- Customer growth has been supported by strong performance in key operating and service metrics including our Trustpilot rating reaching 4.7 (H1 25: 4.5) supported by our continued high repair rates maintained. Repair rates for electric vehicles are higher still, reflecting early investment in comprehensive training of patrols.
- Our app, relaunched in March, has driven stronger customer engagement, with active users increasing by 11% to 1.2m and users engaging more frequently with the app (+8% vs H1 25). This is supporting customer retention, cross selling our broader offer and delivering operating cost efficiency.
- £31m of capital investment in H1 (H1 25: £34m), providing ongoing innovation in our customer proposition and efficiency including leveraging data, technology and AI.

[1] Includes Roadside B2C and B2B holdings and brokered motor and home insurance policies in force
[2] Defined on next page.

	Six months ended July 25 (H1 26)	Six months ended July 24 (H1 25)
Net Revenue[1] (£m)		
Roadside business division	**527**	497
Insurance business division	**96**	95
Total Net Revenue	**623**	592
Revenue (£m)		
Roadside business division	**527**	497
Insurance business division	**212**	215
Total Revenue	**739**	712
Adjusted EBITDA[2] (£m)		
Roadside business division	**207**	195
Insurance business division	**36**	30
Total Adjusted EBITDA	**243**	225
Reported EBITDA[3] (£m)		
Roadside business division	**187**	176
Insurance business division	**20**	16
Total Reported EBITDA	**207**	192
Profit before tax (£m)	**60**	39
Cash		
Adjusted operating cash flow[4] (£m)	**200**	190
Cash and cash equivalents (£m)	**223**	194
Membership		
Paid personal holdings (B2C) (000s)	**3,322**	3,277
Business holdings (B2B) (m)	**11.9**	11.1
Total Motor policies (000s)	**1,000**	949
Number of patrols	**2,741**	2,759

[1] Total revenue net of amounts due to reinsurer.

[2] Profit after tax on a continuing basis as reported, adjusted for depreciation, amortisation of insurance acquisition cash flows, amortisation of other intangible assets, 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.

[4] Net cash flow after amortisation of insurance acquisition cash flows, pension payments, movement in working capital and other non-cash movements.

Capital expenditure

- Cash capital expenditure of £31m in H1 (H1 25: £34m) includes developing new digital propositions, enhancing our existing digital propositions and making upgrades to our data and operational infrastructure.

Financing position

The table below sets out the current funding position as at 31 July 2025:

	Expected maturity date	Interest rate %	Principal £m
Senior Term Facility 2025	19 March 2030	6.56	95
USPP	17 March 2030	6.67	70
Class A8 Notes	31 July 2027	5.50	325
Class A9 Notes	31 July 2028	3.25	270
Class A10 Notes	31 July 2029	7.38	385
Class A11 Notes	31 January 2028	8.45	400
Class A12 Notes	31 July 2031	6.85	435
Class B3 Notes	31 January 2026	6.50	48
Total loan notes			**2,028**

- The Group Leverage ratio was 4.1x as at 31 July 2025 (4.4x at 31 January 2025)
- The Senior Leverage ratio was 5.2x as at 31 July 2025 (5.3x as at 31 January 2025)
- The Class B Leverage Ratio was 5.6x as at 31 July 2025 (5.9x as at 31 January 2025)
- Class A FCF:DSCR ratio was 2.8x as at 31 July 2025 (2.7x as at 31 January 2025)
- We successfully refinanced our £165m Senior Term Facility and £56m Working Capital Facility well ahead of the scheduled maturity and in line with the ongoing maturity management programme.
- £62m of B3 Notes redeemed at par in May 2025 and notice of redemption has been issued for the remaining £48m.
- The Group has fully hedged all its exposure to variable interest rates and its forecast diesel usage for the years ending 31 January 2026 and 31 January 2027.

AA Intermediate Co Limited group

Consolidated interim financial statements for the AA Intermediate Co Limited for the period ended 31 July 2025 have been published in line with the requirements of our debt documents and contain more detail on the trading performance of that group.

The whole business securitization (WBS) financing structure applies to the AA Intermediate Co. group. The AA Limited group is larger than the AA Intermediate Co. group as it includes Insurance Underwriting activities. Other than these trading activities and associated consolidation adjustments there are only immaterial differences between Revenue and Adjusted EBITDA for the two groups. In addition, there are differences in the balance sheets due to intercompany, working capital and cash balances.

Outlook

We remain confident in our proven, successful strategy and continue to focus on driving our underlying trading performance. Despite persistent macroeconomic headwinds, our disciplined execution and solid first-half results reinforce the resilience of our operating model. We remain committed to our long-term growth ambition and are well positioned to sustain our strong momentum for the rest of the year.

Jakob Pfaudler
Chief Executive Officer

Tom Mackay
Chief Financial Officer