

Mid-Year Update – AA Limited

For the six months to 31 July 2026

Date: 14 October 2026

General overview

Strong overall performance across the business has delivered growth in our financial metrics, including a 10% improvement in Adjusted EBIT. Positive cash generation has further strengthened the balance sheet with our Group leverage ratio reducing to 3.7x.

Highlights

Positive momentum across the Group reflected in a strong H1

- Net revenue increased 5% to £656m (H1 26: £623m) with growth across all business divisions.
- Total customer holdings¹ have increased by 0.3m to 16.7m (FY 26: 16.4m), maintaining our position as the UK's largest driving services provider.
- Adjusted EBITDA rose 8% to £262m (H1 26: £243m) and Operating Profit increased 12% to £144m (H1 26: £129m).
- Group leverage decreased to 3.7x (FY 26: 4.0x) after payment of £18m dividend funded by available group cash.
- Senior leverage reduced to 5.0x (FY 26: 5.2x) and we successfully issued £400m of Class A14 Notes at a fixed rate of 5.95% with the proceeds used to redeem in full the £400m 8.45% Class A11 Notes following the half year end.
- Customer growth has been supported by strong performance in key operating and service metrics reflected in our leading Trustpilot rating of 4.8 for breakdown cover (FY 26: 4.8).
- Investment in technology and AI resulting in positive customer outcomes with material growth in online chat volumes, remote fix and Chat & Voice Bot containment.

Delivering strong performance in core roadside

- Customer growth, coupled with strong income per customer, delivered a 3% increase in net revenue to £477m (H1 26: £465m).
- Roadside paid personal holdings increased by 21k (1%) to 3,353k (FY 26: 3,332k), and business holdings increased by 0.2m (2%) to 11.3m (FY 26: 11.1m).
- Adjusted EBITDA grew 3% to £217m (H1 26: £210m), despite challenging weather conditions during the period – a demonstration of our resilient operating model.
- Continued to deliver exceptional customer service, including outstanding repair rates, demonstrated through our strong NPS scores.

Accelerating growth in insurance

- Net revenue growth of 12% to £83m (H1 26: £74m) reflecting volume growth and higher market premiums.
- Exceeded 2m policies in force with total numbers growing 6% to 2,054k (FY26: 1,936), realising enhanced capability of the new platform.
- Adjusted EBITDA rose 14% to £40m (H1 26: £35m) driven by strong policy volumes, platform and AI investment, and improving retention.

Accelerating SMR momentum in our driving services portfolio

- Momentum across our Driving Services business, delivering growth in net revenue of 14% to £96m (H1 26: £84m) and Adjusted EBITDA growth of 25% to £25m (H1 26: £20m).
- Growth driven by our SMR (Service, Maintenance and Repair) business following investment in mobile mechanics and strong performance in Accident Assist.
- Total SMR jobs² increased by 39% to 79k (H1 26: 57k) and Accident Assist total claims increased by 14% to 42k (H1 26: 37k).

¹ Includes Roadside B2C and B2B holdings and brokered motor and home insurance policies in force.

² Excludes B2B inspections.

	Six months ended July 26 (H1 27)	Six months ended July 25 (H1 26)
Net Revenue^{1,6} (£m)		
Roadside business division	477	465
Insurance business division	83	74
Driving services business division	96	84
Total Net Revenue	656	623
Revenue⁶ (£m)		
Roadside business division	477	465
Insurance business division	200	190
Driving services business division	96	84
Total Revenue	773	739
Adjusted EBITDA^{2,6} (£m)		
Roadside business division	217	210
Insurance business division	40	35
Driving services business division	25	20
Central costs	(20)	(22)
Total Adjusted EBITDA	262	243
Adjusted EBIT³ (£m)	155	141
Operating Profit (£m)	144	129
Operating free cash flow before working capital⁴ (£m)	165	152
	31 July 2026	31 January 2026
Balance sheet (£m)		
Cash and cash equivalents ⁵	679	247
Net debt	(1,862)	(1,906)
Membership		
Paid personal holdings (B2C) (000s)	3,353	3,332
Business holdings (B2B) (m)	11.3	11.1
Insurance policies (000s)	2,054	1,936
Number of patrols	2,819	2,753

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 Adjusted EBITDA excluding the adjustments for amortisation and depreciation and pension adjustments.

⁴ Net cash flow pre working capital, other non-cash items, tax, pensions, cash flows from fixed asset disposals, other investing activities, net interest paid, acquisition of subsidiaries, adjusting operating items, refinancing transactions and dividends paid.

⁵ 31 July 2026 includes £398m of net proceeds from the issuance of Class A14 Notes on 30 July 2026 held in the mandatory prepayment account. This was used towards the redemption in full of the £400m Class A11 Notes on 6 August 2026.

⁶ The Group has revised its segments in the period with Driving Services presented as a separate segment and central costs presented separately. Comparatives have been restated.

Capital expenditure

Cash capital expenditure of £33m in H1 (H1 26: £31m) includes development of new digital customer propositions, investment in Roadside operations and investment in the transformation of our SMR business.

Financing position

The table below sets out the current funding position as at 31 July 2026:

	Expected maturity date	Interest rate %	Principal £m
Senior Term Facility 2025	19 March 2030	6.56	95
USPP	18 March 2030	6.67	70
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 A13 Notes	31 July 2032	5.50	375
Class A14 Notes	31 July 2030	5.95	400
Total loan notes			2,430

- The Group Leverage ratio was 3.7x as at 31 July 2026 (4.0x as at 31 January 2026)
- The Senior Leverage ratio was 5.0x as at 31 July 2026 (5.2x as at 31 January 2026)
- Class A FCF:DSCR ratio was 2.4x as at 31 July 2026 (2.6x as at 31 January 2026)
- In February 2026, the Group completed the annual renewal of its £200m Liquidity Facility with an effective date of 4 March 2026 and an expiry date of 3 March 2027.
- On 30 July 2026, the Group issued £400m of Class A14 Notes with a fixed rate of 5.95% and a maturity date of 31 July 2030. The issuance proceeds were used to redeem in full the £400m of Class A11 Notes through an optional redemption on 6 August 2026.
- The Group has fully hedged all its exposure to variable interest rates and substantially all of its forecast diesel usage for the years ending 31 January 2027 and 31 January 2028.

AA Intermediate Co Limited group

Consolidated interim financial statements for the AA Intermediate Co Limited for the period ended 31 July 2026 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