

30 January 2025

Saga plc
Trading Update

Significant strategic progress, alongside expected growth in underlying profit

Saga plc (**Saga** or the **Group**), the UK's specialist in products and services for people over 50, provides the following update on trading covering the period from 1 August 2024 to 29 January 2025.

Performance in 2024/25

- The Group expects to report an Underlying Profit Before Tax that is marginally higher than the prior year, on a like-for-like basis¹, and ahead of our previous guidance.
- Ocean Cruise has had another excellent year and, building on the momentum of 2023/24, delivered a load factor of 91%, 3ppts ahead of the 88% achieved in the prior year, and a per diem of £358, 8% ahead.
- River Cruise Underlying Profit Before Tax continued to grow, supported by a load factor of 89% and per diem of £327, 4ppts and 15% higher than the prior year.
- Travel is expected to report an Underlying Profit Before Tax in the high single-digit millions, compared with £1.5m in the prior year, reflecting revenue growth of around 15% and passenger growth of 9% on a comparable basis.
- The Insurance Broking trends, observed towards the end of the first half of the year, continued and were in line with guidance. Underlying Profit Before Tax will be materially lower than in 2023/24, with both the number of policies in force and policy sales across all products around 15% lower.
- We expect Insurance Underwriting¹ to report an Underlying Profit Before Tax in the high-single digit millions and a net current year reported combined operating ratio of just over 100%, compared with 117.1% in the prior year.
- As stated with our interim results, Available Cash is expected to be lower at 31 January 2025 than at 31 July 2024, in the range of £60-70m, excluding the £50m undrawn Revolving Credit Facility and £10m undrawn portion of the facility provided by Roger De Haan. Net Debt at the same date is expected to be slightly lower than the £614.6m reported at 31 July 2024.

Looking ahead to 2025/26

- The Ocean Cruise booked² load factor is 67%, 1ppt ahead of the same point in the prior year and the per diem of £393, is 7% ahead.
- The River Cruise booked² load factor, for the first half, is 77%, which compares with 74% in the prior year. We will continue to grow our River Cruise business, supported by the introduction of our new ship, Spirit of the Moselle, which will join our fleet in July 2025, increasing capacity. For the full year and including bookings for this new ship, the load factor is 55% and the per diem is £357, which compare with 59% and £335 respectively at the same time last year.
- Travel booked² revenue is £126m, 10% ahead of the same point in the prior year, and passengers of 39k, are 11% ahead.
- The preparation necessary for a successful transfer of our motor and home insurance operations to Ageas has commenced and is on track to allow the new arrangement to go live in Q4 2025. A significant proportion of our current home and motor insurance colleagues will transfer to Ageas as part of this migration, simplifying our insurance operations thereafter. In line with previous guidance and as a result of the transition, Insurance Broking Underlying Profit Before Tax is expected to fall in 2025/26, before partially recovering in 2026/27.
- Subject to the satisfaction of certain conditions, including the receipt of regulatory approvals, the sale of our Insurance Underwriting business, Acromas Insurance Company Limited (**AICL**), is expected to complete in Q2 2025. The transaction is expected to generate approximately £43m of net proceeds, which will be used to reduce the Group's leverage, and will also see the transfer of the colleagues assigned to claims handling services for AICL, to Ageas.
- Separately, we announced this morning that the Group has successfully refinanced its corporate debt in full, strengthening its financial position and enhancing liquidity. The new facilities, combined with the low-cost fixed-rate Ocean Cruise ship debt facilities which will be retained, will result in an initial pro forma blended interest rate of c.7.6%.
- Net Debt is expected to further reduce in 2025/26, supported by underlying cash generation and the net proceeds from the sale of AICL, with the reduction expected to accelerate thereafter.

Mike Hazell, Saga Group Chief Executive Officer, said:

"Throughout the last financial year, we made significant operational and financial progress. We concluded our review of opportunities that would optimise Saga's financial and strategic outlook and entered into the 20-year arrangement with Ageas for our motor and home Insurance Broking business and the sale of AICL, our Insurance Underwriting business. Alongside this, we successfully refinanced our corporate debt. We continued to generate strong demand for both our Cruise and Travel businesses and the Group expects to report an Underlying Profit Before Tax that is marginally higher than the prior year on a like-for-like basis¹ and ahead of our previous guidance.

"As we look ahead, we expect the momentum to continue to build in our Cruise and Travel businesses. As previously outlined, we anticipate that Insurance Broking earnings will fall in the short-term, ahead of the start of the partnership with Ageas, but are pleased that work on the transition is on track to allow the new arrangement to go live Q4 2025.

"We remain focused on Saga being the largest and most-trusted brand for older people in the UK, continuing to drive growth, reducing debt, growing our customer base and deepening the connections we have with our customers."

The Group's preliminary results for the year ending 31 January 2025 are scheduled for Wednesday 9 April 2025.

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Saga plc

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Notes to editors

Saga is a specialist in the provision of products and services for people over 50. The Saga brand is one of the most recognised and trusted brands in the UK and is known for its high level of customer service and its high quality, award-winning products and services including cruises and holidays, insurance, personal finance and publishing. www.saga.co.uk

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¹ Following agreement of the transaction with Ageas, Insurance Underwriting, our claims handling businesses and the associated accounting adjustments will be classified as discontinued operations for the year ended 31 January 2025

² Bookings at 26 January 2025

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