Registered in England and Wales: No. 09229824

RAC BIDCO LIMITED

UNAUDITED INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2026

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Highlights:

RAC Bidco Limited ("the Group") reports its results for the six months ended 30 June 2026 ("the period"):

- Memberships reached 15.9m (H1 2025: 15.0m), increasing by 0.4m in the period and 0.9m year on year
- Revenue increased 6% to £436m (H1 2025: £411m), with total annual recurring revenue also up 6%
- EBITDA increased 12% to £170m (H1 2025: £152m), on track for a 15th consecutive year of growth
- EBITDA margin increased 200bps to 39.0% (H1 2025: 37.0%), driven by strong operating leverage
- EBIT increased 10% to £126m (H1 2025: £115m), with EBIT margin up 90bps to 28.9% (H1 2025: 28.0%)
- Net cash flows from operating activities were £149m (H1 2025: £159m), cash conversion 86% (H1 2025: 110%)
- Leverage reduced to 3.8x (H1 2025: 4.6x)
- Maintained our "Excellent" Trustpilot rating for service across all three divisions
- Further strategic progress, strengthening RAC's position as a leading UK driving services provider

Key performance indicators:

	Six months ended 30 June	
	2026	**2025**
Revenue (£m)	436	411
Total annual recurring revenue (£m)[1]	742	698
EBITDA (£m)[1]	170	152
EBITDA margin (%)[1]	39.0	37.0
EBIT (£m)[1]	126	115
EBIT margin (%)[1]	28.9	28.0
Operating profit (£m)	121	109
Profit before tax (£m)	76	62
Net cash flows from operating activities (£m)	149	159
Cash conversion (%)[1]	86	110
Leverage[1]	3.8x	4.6x
Number of breakdown claims (m)	1.4	1.3
Total memberships (m)	15.9	15.0
- Consumer (m)	2.8	2.8
- Business (m)	12.3	11.5
- Insurance (m)	0.8	0.7
Mobile mechanic jobs (k)	114	78
myRAC accounts (m)	4.5	3.4

[1]. See note 22 for APM definitions

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Business performance

RAC delivered a strong first half performance, with growth in memberships, revenue, EBITDA and margin demonstrating the strength of its recurring membership model and the benefits of continued investment in digital capability and data-led decision making.

These results were delivered across RAC's "holy trinity" of Breakdown, Insurance and Service, Maintenance and Repair ("SMR"). The core Breakdown and Insurance businesses continued to grow, while SMR scaled rapidly, broadening RAC's addressable market and strengthening its position as a leading UK driving services provider.

Revenue increased by 6% to £436m (H1 2025: £411m), with growth across Breakdown, Insurance and SMR. EBITDA increased by 12% to £170m (H1 2025: £152m), with the Group on track to deliver its 15th consecutive year of EBITDA growth. This also marked the third consecutive half-year period of double-digit EBITDA growth.

EBITDA margin increased by 200bps to 39.0% (H1 2025: 37.0%) despite higher breakdown volumes and cost inflation, reflecting the benefits arising from the Group's ongoing investments in AI, data and digital tools, as well as other operational efficiencies.

Net cash flows from operating activities were £149m (H1 2025: £159m), with cash conversion of 86% (H1 2025: 110%). These decreases reflect the timing of a large annual Corporate Partner receipt, which was historically received in H1 but is now due in H2 as a result of a new contractual arrangement.

RAC continued to deliver complete peace of mind® for members, maintaining its "Excellent" Trustpilot rating. RAC was named one of the UK's Best Employers by the Financial Times and colleague engagement remained strong, with a Glassdoor score of 4.5 out of 5 (H1 2025: 4.5).

Strategic update

RAC's vision remains to become the UK's number one for driving services, underpinned by three strategic pillars:

1. **DRIVE** continued growth in core businesses of Breakdown and Insurance
2. **EXPAND** the addressable market into SMR
3. **ACCELERATE** growth through unique data assets and myRAC digital platform

Drive continued growth in core businesses of breakdown and insurance

Consumer Breakdown memberships increased by 22k in the last six months to 2.8m (H1 2025: 2.8m), supported by strong retention, acquisition volumes and ARPU growth. Performance was driven by pricing, channel and product developments, which also supported growth of the Group's total annual recurring revenue. These included a new affiliate partnership with Sky's VIP scheme and renewed affinity partnerships with the Camping and Caravanning Club and Tesco Clubcard, each providing customers with a direct route to purchase RAC breakdown cover. The range of Breakdown Extras was broadened to include Legal Care for members' homes and a premium European breakdown product, supporting a further increase in the number of products per member.

Business Breakdown memberships increased by 300k in the last six months to 12.3m (H1 2025: 11.5m). RAC renewed its partnership with Barclays for a further five years and welcomed Changan as a new partner, increasing RAC's presence with Chinese EV manufacturers. RAC also expanded its offering with Omoda and Jaecoo, providing vehicle off-road incident management as an extension to the existing breakdown relationship.

RAC received 1.4m breakdown claims in the period (H1 2025: 1.3m), with the increase driven by growth in memberships and weather-related demand, supported by an increase of c.100 in the number of RAC patrols. Operational efficiency continued to improve through AI-enabled triage, deployment and scheduling tools.

In Insurance, memberships increased by 60k in the last six months to 0.8m (H1 2025: 0.7m). Retention and acquisition performance were both strong, supported by pricing, panel and data initiatives alongside stable market conditions. New business volumes and commissions increased, with customer acquisitions growing by 37% compared to the prior year, contributing to 10% revenue growth for the division.

Strategic update (continued)

Expand the addressable market into SMR

SMR continued to scale at pace, with revenue increasing by 44% to £26m (H1 2025: £18m). The business ended the period with almost 400 mobile mechanics (H1 2025: 251) and 114k completed jobs (H1 2025: 78k). The division increased its margin to 19% (H1 2025: 17%) and maintained its five-star Trustpilot rating. This demonstrates the growing scale and profitability of RAC's mobile mechanic proposition across both consumers and fleets.

The results in the period were supported by growth across SMR's three go-to-market channels.

1. **Breakdown referrals:** increased patrol referrals through greater mechanic availability, more booking slots and the introduction of scheduled servicing alongside unplanned repairs.
2. **Digital:** the customer journey was simplified, with enhanced user experience and added functionality.
3. **Fleet partners:** increased penetration across partners including Motability, Novuna, Ayvens, Tusker and Lex, while supporting critical recall campaigns for Renault, Stellantis and Ford.

Accelerate growth through unique data assets and myRAC digital platform

myRAC remains central to RAC's digital strategy, strengthening member engagement whilst supporting loyalty, revenue growth and cost efficiency. The platform now has over 4.5m users (H1 2025: 3.4m), with more than 1.1m engaging each month (H1 2025: 0.9m). Its increasing uniqueness lies in bringing together a wide range of day-to-day driving needs in one seamless digital experience, helping drivers manage tasks such as parking, clean air zone charges, vehicle documents, service history and MOT records. By combining practical driver support with more personalised journeys, loyalty propositions and partner-related offers, myRAC enhances the value of RAC membership while creating further opportunities to improve efficiency and grow revenue.

RAC continued to scale AI across operations, customer service, retention and back-office processes, improving member outcomes, colleague effectiveness and efficiency. This included AI-powered call coaching and the introduction of an advanced patrol deployment system.

Outlook

RAC enters the second half of 2026 with strong momentum and is well positioned for sustainable growth. The Group has increased memberships and total annual recurring revenue, expanded margins, scaled SMR and continued to improve efficiency through disciplined pricing, digital investment and operational execution. Together with strong cash generation and reducing leverage, this supports confidence in the outlook for the remainder of 2026 and in delivering a 15th consecutive year of EBITDA growth.

Financial review

Revenue increased by 6% to £436m (H1 2025: £411m) and EBITDA increased by 12% to £170m (H1 2025: £152m), driven by revenue growth and improved operating leverage resulting in a 200bps increase in EBITDA margin (H1 2026: 39.0%, H1 2025: 37.0%).

£m	Revenue			EBITDA		
	H1 2026	H1 2025	Variance	H1 2026	H1 2025	Variance
Breakdown	367	354	4%	163	154	6%
Insurance	43	39	10%	33	25	32%
SMR	26	18	44%	5	3	67%
Head office	-	-	-	(31)	(30)	(3%)
Total	**436**	**411**	**6%**	**170**	**152**	**12%**

Financial review (continued)

Breakdown revenue increased by 4% to £367m (H1 2025: £354m) and EBITDA by 6% to £163m (H1 2025: £154m) despite managing higher breakdown volumes driven by weather volatility and poor road conditions. Adjusting for weather and membership growth, underlying volumes are in line with the previous year.

Insurance revenue grew by 10% to £43m (H1 2025: £39m) and EBITDA increased by 32% to £33m (H1 2025: £25m) supported by more stable market conditions and data-driven improvements in pricing, retention and product penetration.

SMR continued to grow rapidly, with revenue increasing by 44% to £26m (H1 2025: £18m) and EBITDA increasing by 67% to £5m (H1 2025: £3m), reflecting strong growth in RAC's mobile mechanic proposition for drivers and fleet partners.

Depreciation and amortisation of the Group's assets increased to £44m (H1 2025: £37m) reflecting higher sales volumes, particularly in the Insurance division, and the resulting increase in amortisation of contract costs.

Operating profit increased by 11% to £121m (H1 2025: £109m) and EBIT increased by 10% to £126m (H1 2025: £115m), both slightly below the EBITDA growth of 12% largely because of higher depreciation and amortisation charges.

Net finance expenses were £45m (H1 2025: £47m), reducing following the various refinancing activities undertaken in June 2025, when £165m of debt was repaid. This was partially offset by lower finance income, which decreased by £1m due to lower rates in the period. The tax charge increased to £19m (H1 2025: £15m), primarily due to higher taxable profits.

Net cash flows generated from operating activities were £149m (H1 2025: £159m). The period-on-period reduction reflects the renewal of a Corporate Partner contract and an associated change in payment terms, under which a large receivable will now be collected in H2 rather than H1, both in 2026 and in future periods.

Capital investment totalled £42m (H1 2025: £37m). £27m (H1 2025: £22m) of spend related to customer acquisition costs across Breakdown and Insurance, with the increase largely driven by the growth in insurance sales as discussed above. The remaining £15m (H1 2025: £15m) relates to ongoing investments in strategic initiatives, digital offerings and improvements to service.

As a result of the above, cash conversion reduced to 86% (H1 2025: 110%). As disclosed in the Annual Report, in 2025 the definition of cash conversion was refined to ensure greater alignment with the way the Group manages and monitors cash generation internally. The comparative metric presented here is calculated on the revised basis, as defined in note 22.

Interest paid decreased to £44m (H1 2025: £53m), reflecting the refinancing activity and the non-repeat of a one-off £4m payment made to HMRC in 2025.

Dividends

RAC Bidco Limited paid dividends of £nil during the period (H1 2025: £nil).

Regulatory

The Group includes regulated entities that are required to maintain sufficient capital to meet regulatory solvency requirements established by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA"). The Group complied with these requirements throughout the period.

During the period, the annual Consumer Duty report concluded that the Board could reasonably evidence delivery of good outcomes for retail customers and highlighted improvements in a range of customer outcomes achieved through proactive initiatives.

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Board of directors

The Directors who served in office during the period and subsequently to the date of this report are unchanged as set out in the Group's Annual Report and Financial Statements for the year ended 31 December 2025.

Principal risks and uncertainties

The Group regularly assesses the principal risks and uncertainties which could pose a threat to the delivery of its strategic objectives and takes appropriate steps to manage these risks, with oversight from the Executive and Board Risk & Audit Committees. The principal risks largely remain unchanged from those shown on pages 47 to 53 of the Annual Report and Financial Statements for the year ended 31 December 2025, however because of the increase in social media and AI use, the Group has added a new risk relating to brand/reputational damage. The full list of principal risks are:

- Strategy and business model
- Debt leverage
- People
- Information security and data protection/ governance
- Roadside service delivery
- Operational resilience
- Health and safety
- Conduct, regulatory and legal compliance
- Climate risk and related financial reporting requirements
- Brand/reputational damage

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Directors' responsibility statement

We confirm that to the best of our knowledge:

a) the unaudited Condensed Consolidated Financial Statements contained in this document have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), as adopted by the UK IFRS;
b) the Interim management report includes a fair review of the information required by IAS 34, namely an indication of important events that have occurred during the first six months and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
c) the Interim management report includes a fair review of the information required by IAS 34, namely disclosure of related-party transactions in the first six months and any changes in the related party transactions described in the Group's last Annual Report and Financial Statements.

By order of the Board

Dave Hobday
Chief Executive Officer
28 August 2026

Jo Baker
Chief Financial Officer
28 August 2026

Cautionary statement

This document contains various forward-looking statements that reflect management's current views with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Group's actual financial condition, results of operations and cash flows, and the development of the industry in which the Group operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this document. In addition, even if the Group's financial condition, results of operations and cash flows and the development of the industry in which it operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be provided that they will materialise or prove to be correct. Because these forward-looking statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements. These forward-looking statements speak only as at the date of this document. The Group expressly undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation.

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Condensed Consolidated Income Statement
For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026	2025
		£m	**£m**
Revenue - non-insurance related		160	154
Revenue - insurance related		276	257
Revenue	**1**	**436**	**411**
Expenses - non-insurance related		(140)	(144)
Insurance service expenses		(175)	(158)
Operating profit		**121**	**109**
EBITDA		**170**	**152**
Depreciation	**2**	(13)	(13)
Amortisation	**2**	(31)	(24)
Share-based payments charge	**2**	(2)	-
Exceptional items	**5**	(3)	(6)
Operating profit		**121**	**109**
Finance expenses	**3**	(49)	(52)
Finance income	**4**	4	5
Profit before tax		**76**	**62**
Tax charge	**6**	(19)	(15)
Profit for the period		**57**	**47**

The accompanying notes on pages 13 to 30 are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	**2025**
	£m	£m
Profit for the period	**57**	**47**
Other comprehensive income / (expense):		
Other comprehensive income / (expense) to be reclassified to profit or loss in subsequent periods:		
Net movement on cash flow hedges	-	(4)
Aggregate tax effect	-	1
Net other comprehensive expense to the reclassified to the profit or loss in subsequent periods	**-**	**(3)**
Total comprehensive income for the period	**57**	**44**

The accompanying notes on pages 13 to 30 are an integral part of these Condensed Consolidated Financial Statements.

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Condensed Consolidated Statement of Financial Position
As at 30 June 2026

	Note	30 June 2026	31 December 2025
		£m	£m
ASSETS			
Non-current assets			
Goodwill and intangible assets	**7**	1,687	1,683
Contract costs	**8**	53	50
Plant and equipment	**9**	23	26
Right of use assets	**10**	67	65
Other investments		24	24
Deferred tax assets		4	5
Derivative financial instruments	**12**	2	2
		1,860	**1,855**
Current assets			
Inventories		3	3
Trade and other receivables	**13**	86	90
Cash and cash equivalents	**14**	157	103
Current tax receivable		2	13
		248	**209**
LIABILITIES			
Current liabilities			
Borrowings	**18**	(9)	(10)
Provisions	**15**	(2)	(2)
Trade and other payables	**16**	(150)	(145)
Insurance contract liabilities	**17**	(85)	(106)
		(246)	**(263)**
Net current assets / (liabilities)		**2**	**(54)**
Non-current liabilities			
Borrowings	**18**	(1,373)	(1,372)
Employee benefit liability		(3)	(3)
Trade and other payables	**16**	(66)	(65)
Deferred tax liability		(204)	(204)
		(1,646)	**(1,644)**
Net assets		**216**	**157**
Equity			
Ordinary share capital	**19**	339	339
Hedging instruments reserve		1	1
Retained earnings		(124)	(183)
Total equity		**216**	**157**

The accompanying notes on pages 13 to 30 are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2026

	Ordinary share capital	Hedging instruments reserve	Retained earnings	Total equity
	£m	£m	£m	£m
Balance as at 1 January 2025	**339**	**5**	**(295)**	**49**
Profit for the period	-	-	47	47
Other comprehensive expense	-	(3)	-	(3)
Total comprehensive income	-	(3)	47	44
Balance as at 30 June 2025	**339**	**2**	**(248)**	**93**
Balance as at 1 January 2026	**339**	**1**	**(183)**	**157**
Profit for the period	-	-	57	57
Other comprehensive expense	-	-	-	-
Total comprehensive income	-	-	57	57
Equity-settled share-based payments	-	-	2	2
Balance as at 30 June 2026	**339**	**1**	**(124)**	**216**

The accompanying notes on pages 13 to 30 are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026	2025
		£m	£m
Operating activities			
Profit before tax		76	62
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation	**2**	13	13
Amortisation	**2**	31	24
Share based payment charge		2	-
Exceptional items	**5**	3	6
Finance expenses	**3**	49	52
Finance income	**4**	(4)	(5)
Working capital adjustments:			
(Increase) / decrease in trade and other receivables		(7)	4
Increase in provisions		-	2
(Decrease) / increase in trade and other payables		(2)	16
Operating cash impact of exceptional items		(4)	-
Taxation paid		(8)	(15)
Net cash flows generated from operating activities		**149**	**159**
Investing activities			
Purchase of plant and equipment	**9**	(1)	(2)
Purchase of intangible assets	**7, 8 & 17**	(41)	(35)
Interest received		2	3
Net cash flows used in investing activities		**(40)**	**(34)**
Financing activities			
Repurchase of bonds	**18**	-	(485)
Repayment of bank debt	**18**	-	(170)
Proceeds from new bonds	**18**	-	400
Proceeds from new bank debt	**18**	-	90
Transaction costs		-	(3)
Repayment of obligations under leases		(11)	(10)
Interest paid		(44)	(53)
Net cash flows used in financing activities		**(55)**	**(231)**
Net increase / (decrease) in cash and cash equivalents		**54**	**(106)**
Cash and cash equivalents brought forward	**14**	103	152
Cash and cash equivalents carried forward		**157**	**46**

The accompanying notes on pages 13 to 30 are an integral part of these Condensed Consolidated Financial Statements.

Accounting policies

(a) Basis of preparation

The accompanying unaudited condensed consolidated financial information for RAC Bidco Limited ("the Company") and its subsidiaries (together "the Group") has been prepared in accordance with IAS 34 'Interim Financial Reporting', in accordance with the UK adopted International Financial Reporting Standards ("IFRS"). It should be read in conjunction with the Group's Annual Report and Financial Statements for the year ended 31 December 2025, which were prepared in accordance with applicable law and International Financial Reporting Standards as adopted by the United Kingdom.

The information for the period ended 30 June 2026 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. Financial Statements for the year ended 31 December 2025 were approved by the Board of Directors on 5 March 2026 and have been delivered to the Registrar of Companies. The auditors reported on these accounts; their report was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The significant accounting policies adopted are consistent with those described in the Group's Annual Report and Financial Statements for the year ended 31 December 2025.

(b) Going concern

The Directors have assessed the financial position and the future prospects and funding requirements of the Group and compared them to the level of available committed borrowing facilities. Details of borrowing facilities are set out in note 18 of the Interim Report and Financial Statements. The Directors' assessment included a review of the Group's financial forecasts and strategic plans, including banking and financing arrangements for the 12 month period from the date of signing the Interim Report and Financial Statements.

Having undertaken this assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and so determine that it is appropriate for the unaudited interim condensed consolidated financial information to be prepared on a going concern basis.

Notes to the Condensed Consolidated Financial Statements

1 Revenue

	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 £m
Sale of products - transferred at a point in time	16	18
Sale of services - transferred at a point in time	133	115
Sale of services - subscription services	287	278
	436	**411**

Sale of products - transferred at a point in time includes revenue from batteries and parts at the roadside by Breakdown patrols which are not typically included within the entitlement of a Breakdown policy.

Sale of services - transferred at a point in time includes revenue from Breakdown pay on use, Service, Maintenance and Repair and Insurance broking commissions.

Sales of services - subscription services includes revenue from Breakdown subscription contracts for both Consumer and Business memberships.

Revenue is generated from the sale of products and services primarily in the UK.

	Six months ended 30 June 2026		2025	
	Non-Insurance Related £m	Insurance Related £m	Non-Insurance Related £m	Insurance Related £m
Breakdown	91	276	97	257
Insurance	43	-	39	-
Service, Maintenance and Repair	26	-	18	-
	160	**276**	**154**	**257**

Revenue - non-insurance related is defined as revenue under the scope of IFRS 15 Revenue from Contracts with Customers and includes all revenue from Service, Maintenance and Repair and Insurance segments (see note 2), plus Breakdown pay on use, branded services, online retail, accident management services and telematics devices.

Revenue - insurance related is defined as revenue under the scope of IFRS 17 Insurance Contracts. The £276m (2025: £257m) includes Consumer and Business Breakdown subscription contracts, plus legal expenses insurance contracts.

Notes to the Condensed Consolidated Financial Statements (continued)

2 Operating segments

The Group is primarily UK based and is a Driving Services subscription business providing a differentiated range of products and services. Management has determined the operating segments based on the management accounts reviewed by the Board of Directors, which are used to assess the performance of the Group. The Board of Directors has been identified by management to reflect the chief operating decision maker ("CODM") in accordance with the requirements of IFRS 8 Operating Segments.

As disclosed in the 2025 Annual Report, during 2025 the Group reviewed the structure of its operating segments to ensure alignment with the way performance and strategic priorities are maintained by the CODM.

As such, the Group now has three operating and reportable segments as described below.

Breakdown

Breakdown is the largest operating segment of the Group, offering breakdown cover and related products to individual members, SMEs and Corporate Partners. In addition, this segment includes the other products and services such as, accident management, branded services, telematics devices, online retail and legal advisory services (including legal expenses insurance).

Insurance

The Insurance segment predominantly acts as an insurance intermediary with no underwriting risk. A range of insurance products are offered and the majority of the revenue generated from this operating segment is from motor insurance products. The Insurance segment is not to be confused with "Revenue – insurance related" as disclosed in the Consolidated Income Statement which relates to revenue within the scope of IFRS 17 Insurance Contracts.

Service, Maintenance and Repair

Service, Maintenance and Repair (SMR) comprises the Group's mobile vehicle servicing, maintenance and repair activities, delivered by RAC qualified technicians at customers' homes or workplaces alongside the RAC's approved garage network.

Assets and Liabilities

For the purpose of monitoring segment performance, working capital analysis is presented to and monitored by the Board of Directors at a Group level, to enable a meaningful review of the economic position of the Group as a whole. As such, segmental analysis of assets and liabilities by function is not regularly provided to the Board of Directors and therefore has not been presented within the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements (continued)

2 Operating segments (continued)

The following is an analysis of the Group's revenue and results by operating segment. During all periods reported on, there were no inter segment sales and no individual customer contributed 10% or more to the Group's revenue.

	Six months ended 30 June	
	2026	**2025**
	£m	**£m**
Segmental Revenue		
Breakdown	367	354
Insurance	43	39
Service, Maintenance and Repair	26	18
Revenue	**436**	**411**
Segmental EBITDA before head office costs		
Breakdown	163	154
Insurance	33	25
Service, Maintenance and Repair	5	3
EBITDA before head office costs	**201**	**182**
Head office costs*	(31)	(30)
EBITDA	**170**	**152**
Depreciation of owned tangible assets*	(4)	(5)
Depreciation of right of use assets*	(9)	(8)
Amortisation of insurance acquisition cash flows*	(4)	(3)
Amortisation of contract costs*	(17)	(13)
Amortisation of other intangible assets*	(10)	(8)
Share-based payments charge*	(2)	-
Exceptional items*	(3)	(6)
Operating profit	**121**	**109**
Finance expenses	(49)	(52)
Finance income	4	5
Profit before tax	**76**	**62**

* These costs are not internally analysed into separate operating segments.

Notes to the Condensed Consolidated Financial Statements (continued)

3 Finance expenses

	Six months ended 30 June	
	2026	**2025**
	£m	**£m**
Interest payable - third parties	44	47
Interest payable - lease liabilities	3	3
Amortisation of capitalised finance costs	2	2
	49	**52**

Interest payable to third parties relates to finance expenses in respect of third-party borrowings. All finance expenses relate to financial liabilities held at amortised cost.

4 Finance income

	Six months ended 30 June	
	2026	**2025**
	£m	**£m**
Interest receivable - related parties	2	2
Interest receivable - third parties	2	3
	4	**5**

Interest receivable to third parties relates to finance income in respect of cash held in banks or money market deposits.

Notes to the Condensed Consolidated Financial Statements (continued)

5 Exceptional items

	Six months ended 30 June	
	2026	2025
	£m	£m
Loss on disposal	-	6
Strategic projects	3	-
	3	**6**

In March 2025, the Group sold certain policy books in respect of its non-motor insurance business. This resulted in a loss on disposal of £6m, which included the write off of certain equipment and intangible assets and onerous costs related to ongoing third party supplier commitments.

During the period, the Group incurred £3m of non-recurring costs in respect of strategic projects.

6 Tax

The major components of the tax charge in the Condensed Consolidated Income Statement are as follows:

	Six months ended 30 June	
	2026	2025
	£m	£m
Current tax	19	13
Deferred tax	-	2
	19	**15**

Current tax is charged at 25.0% for the six months ended 30 June 2026 (2025: 25.0%), representing the best estimate of the annual effective tax rate expected for the full year, applied to the pre-tax profits for the six-month period.

Under IAS 12 deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Therefore, deferred tax balances have been reflected at the 25% corporation tax rate they are expected to be realised or settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Notes to the Condensed Consolidated Financial Statements (continued)

7 Goodwill and intangible assets

	Goodwill	Brand	IT development	Total
	£m	£m	£m	£m
Cost				
At 1 January 2025	878	864	119	1,861
Additions	-	-	13	13
Disposals	-	-	(1)	(1)
At 30 June 2025	**878**	**864**	**131**	**1,873**
At 1 January 2026	878	864	141	1,883
Additions	-	-	14	14
At 30 June 2026	**878**	**864**	**155**	**1,897**
Amortisation				
At 1 January 2025	118	27	37	182
Charge for the period	-	-	8	8
Disposals	-	-	(1)	(1)
At 30 June 2025	**118**	**27**	**44**	**189**
At 1 January 2026	118	27	55	200
Charge for the period	-	-	10	10
At 30 June 2026	**118**	**27**	**65**	**210**
Net book value				
At 30 June 2026	**760**	**837**	**90**	**1,687**
At 31 December 2025	**760**	**837**	**86**	**1,683**

Goodwill and brand are held at cost less impairment losses. All other intangible assets are stated at cost less accumulated amortisation and impairment losses. No impairment losses have been recognised in the period ended 30 June 2026 (2025: £nil).

Included within the additions balance is £2m (2025: £2m) of expenditure for which the Group has not yet paid and is included in accruals.

Notes to the Condensed Consolidated Financial Statements (continued)

8 Contract costs

	Contract costs
	£m
Cost	
At 1 January 2025	110
Additions	15
Disposals	(9)
At 30 June 2025	**116**
At 1 January 2026	132
Additions	20
At 30 June 2026	**152**
Amortisation	
At 1 January 2025	62
Charge for the period	13
Disposals	(7)
At 30 June 2025	**68**
At 1 January 2026	82
Charge for the period	17
At 30 June 2026	**99**
Net book value	
At 30 June 2026	**53**
At 31 December 2025	**50**

Notes to the Condensed Consolidated Financial Statements (continued)

9 Plant and equipment

	Fixtures, fittings and other equipment	Computer equipment	Total
	£m	£m	£m
Cost			
At 1 January 2025	61	9	70
Additions	2	-	2
Disposals	(10)	-	(10)
At 30 June 2025	**53**	**9**	**62**
At 1 January 2026	56	11	67
Additions	1	-	1
At 30 June 2026	**57**	**11**	**68**
Depreciation			
At 1 January 2025	36	4	40
Charge for the period	4	1	5
Disposals	(7)	-	(7)
At 30 June 2025	**33**	**5**	**38**
At 1 January 2026	36	5	41
Charge for the period	3	1	4
At 30 June 2026	**39**	**6**	**45**
Net book value			
At 30 June 2026	**18**	**5**	**23**
At 31 December 2025	**20**	**6**	**26**

Notes to the Condensed Consolidated Financial Statements (continued)

10 Right of use assets

	Property	Vehicles	Other	Total
	£m	£m	£m	£m
Cost				
At 1 January 2025	46	69	-	115
Additions	-	4	-	4
Disposals	-	(4)	-	(4)
At 30 June 2025	**46**	**69**	**-**	**115**
At 1 January 2026	47	73	-	120
Additions	-	7	4	11
Disposals	-	(4)	-	(4)
At 30 June 2026	**47**	**76**	**4**	**127**
Depreciation				
At 1 January 2025	14	27	-	41
Charge for the period	1	7	-	8
Disposals	-	(4)	-	(4)
At 30 June 2025	**15**	**30**	**-**	**45**
At 1 January 2026	16	39	-	55
Charge for the period	1	8	-	9
Disposals	-	(4)	-	(4)
At 30 June 2026	**17**	**43**	**-**	**60**
Net book value				
At 30 June 2026	**30**	**33**	**4**	**67**
At 31 December 2025	**31**	**34**	**-**	**65**

Notes to the Condensed Consolidated Financial Statements (continued)

11 Group information

(a) Information about subsidiaries

The Condensed Consolidated Financial Statements of the Group include the following subsidiaries:

Company	Type of business	Class of share	Proportion held
Directly held:			
RAC Limited	Holding company	Ordinary	100%
RAC Bond Co PLC	Funding vehicle	Ordinary	100%
Indirectly held:			
RAC Group Limited	Holding company	Ordinary	100%
RAC Motoring Services (Holdings) Limited	Holding company	Ordinary	100%
RAC Motoring Services	Motor breakdown cover	Ordinary	100%
RACMS (Ireland) Limited	Dormant	Ordinary	100%
RAC Financial Services Limited	Insurance intermediary	Ordinary	100%
RAC Insurance Limited	General insurance business	Ordinary	100%
RAC Brand Enterprises LLP	Licensing and management of intangible assets	Members' capital	100%
RAC Cars Limited	Online motoring services	Ordinary	100%
Risk Telematics UK Limited	Software development	Ordinary	100%

All subsidiaries are registered in England and Wales and operate in the United Kingdom, except RACMS (Ireland) Limited which is registered in Ireland. All subsidiaries, except RACMS (Ireland) Limited, have the same registered office as the Company, being RAC House, Brockhurst Crescent, Walsall, West Midlands, United Kingdom, WS5 4AW. The registered office of RACMS (Ireland) Limited is C/O Cronin & Company, 1 Terenure Place, Terenure, Dublin, Ireland, D6W FN23.

The Condensed Consolidated Financial Statements of the Group also include the financial performance and position of the RAC Employee Benefit Trust ("EBT"). In accordance with the IFRS 10 Consolidated Financial Statements, the Group is deemed to control the EBT by virtue of RAC Limited, a direct subsidiary of the Company, having power over the EBT.

(b) The Parent Company

The immediate controlling entity of RAC Bidco Limited is RAC Midco II Limited. The ultimate controlling entity of RAC Bidco Limited is RAC Group (Holdings) Limited.

Notes to the Condensed Consolidated Financial Statements (continued)

12 Derivative financial instruments

The Group has used interest rate swap agreements in order to hedge the cash flows associated with its variable rate borrowings. The notional value and fair values of these are as follows:

	30 June 2026	31 December 2025
	£m	£m
Contract / notional value	288	171
Total derivative financial instrument asset	**2**	**2**

The hedges were effective during the six months ended 30 June 2026 (2025: effective) and therefore the full movement in the fair value of cash flow hedges has been recognised in other comprehensive income (2025: recognised in other comprehensive income).

The hedges are achieved through using interest rate swap contracts to pay fixed and receive SONIA. The interest rate swaps settle on a quarterly basis. As all the Senior Term Facilities and the interest rate swap contracts against which the Senior Term Facilities are hedged contain floating rates linked to SONIA, the Group expects the value of these items to systematically change in opposite directions in response to movements in underlying interest rates. As such, the Group's hedge ratio is expected to remain within Group policy.

On 23 January 2026, the Group entered into a hedge for an amount of £117m, effective from 30 January 2026 with the fixed element of the hedge set to 3.552% until 31 January 2027.

13 Trade and other receivables

	30 June 2026	31 December 2025
	£m	£m
Trade and other receivables	16	16
Prepayments and accrued income	29	35
Amounts due from related parties	41	39
Total	**86**	**90**
Expected to be recoverable within one year	86	90

Receivables are measured at amortised cost net of any impairment losses which are based on a loss allowance for expected credit losses. No material impairment losses have been recognised in 2026 (2025: £nil).

14 Cash and cash equivalents

	30 June 2026	31 December 2025
	£m	£m
Cash and cash equivalents comprise:		
Unrestricted cash at bank and in hand	147	93
Restricted cash at bank and in hand	10	10
Total	**157**	**103**

Restricted cash is the amount of cash RAC Insurance Limited is required to hold to meet regulatory Solvency UK requirements.

Notes to the Condensed Consolidated Financial Statements (continued)

15 Provisions

	Total
	£m
At 1 January 2026	2
At 30 June 2026	**2**

Provisions include amounts payable at the end of vehicle leases to correct modifications made to vehicles, which are expected to be utilised at the end of each vehicle's lease term (usually five years), amounts provided for restructuring costs and amounts provided for onerous costs related to ongoing third-party supplier commitments following the disposal of policy books in respect of the non-motor insurance business.

16 Trade and other payables

	30 June 2026	31 December 2025
	£m	£m
Trade payables and accruals	57	66
Amounts due to related parties	23	23
Other payables	136	121
Total	**216**	**210**
Expected to be payable within one year	150	145
Expected to be payable in more than one year	66	65
	216	**210**

All payables are financial liabilities and are carried at amortised cost which is considered to be a reasonable approximation of the relevant fair value.

Included within other payables is £81m (2025: £79m) in relation to lease liabilities recognised as a result of IFRS 16 Leases. The contractual maturity dates of lease liabilities are:

	30 June 2026	31 December 2025
	£m	£m
Within 1 year	15	15
1 to 5 years	28	27
Over 5 years	38	37
	81	**79**

Notes to the Condensed Consolidated Financial Statements (continued)

17 Insurance contract liabilities

The Group principally issues non-life insurance contracts for breakdown assistance and legal expenses. The most significant risks arise from pricing and inflation risk. The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts and the ability to reprice at regular intervals. The Group is primarily UK based with a small number of contracts issued within Europe. The Group is not exposed to currency risk on its insurance contract liabilities as all reserves are in sterling.

The liability for incurred claims is not exposed to significant sensitivities due to the immediate or very soon after (within 60 days) nature of the settlement of claims for breakdown assistance and therefore there are no material outstanding claims at the Condensed Consolidated Statement of Financial Position date. For the legal expenses portfolio, while the settlement period will be greater, the liability is not considered material and there are no known risks which would have a significant impact on the valuation of the liability. The impact of a change in the discount rate is therefore not considered to be material.

For the reasons noted above, there are no material incurred claims outstanding in respect of either the breakdown assistance or legal expenses portfolios and therefore no claims development tables have been presented.

Notes to the Condensed Consolidated Financial Statements (continued)

17 Insurance contract liabilities (continued)

	Liability for remaining coverage	Liability for incurred claims	Insurance acquisition cash flows	Total
	£m	£m	£m	£m
As at 1 January 2025	**91**	**5**	**(25)**	**71**
Insurance service revenue	(257)	-	-	(257)
Insurance service expenses				
- incurred claims and other insurance service expenses	-	155	-	155
- amortisation of acquisition cash flows	-	-	3	3
Insurance service result	**(257)**	**155**	**3**	**(99)**
Premiums received	275	-	-	275
Claims costs paid	-	(148)	-	(148)
Insurance acquisition cash flows	-	-	(7)	(7)
Total cash flows	**275**	**(148)**	**(7)**	**120**
As at 30 June 2025	**109**	**12**	**(29)**	**92**
As at 1 January 2026	**125**	**13**	**(32)**	**106**
Insurance service revenue	(276)	-	-	(276)
Insurance service expenses				
- incurred claims and other insurance service expenses	-	171	-	171
- amortisation of acquisition cash flows	-	-	4	4
Insurance service result	**(276)**	**171**	**4**	**(101)**
Premiums received	257	-	-	257
Claims costs paid	-	(170)	-	(170)
Insurance acquisition cash flows	-	-	(7)	(7)
Total cash flows	**257**	**(170)**	**(7)**	**80**
As at 30 June 2026	**106**	**14**	**(35)**	**85**

The asset in respect of insurance acquisition cash flows is expected to be amortised to the income statement for a period of greater than 1 year.

Notes to the Condensed Consolidated Financial Statements (continued)

18 Borrowings

(a) Analysis of borrowings

	Bonds			Bank debt				
	Class A3 Notes	Class A4 Notes	Class B2 Notes	2021 Senior Term Facility	2024 Senior Term Facility	2025 Senior Term Facility	2025 USPP	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Interest rate	8.25%	5.75%	5.25%	SONIA + 2.50%	SONIA + 3.00%	SONIA + 3.00%	6.49%	
At 30 June 2026								
Fair value	297	484	370	106	236	46	62	**1,601**
Amounts falling due within one year	3	3	3	-	-	-	-	**9**
Amounts falling due in more than one year	247	397	342	94	203	40	50	**1,373**
Book value	**250**	**400**	**345**	**94**	**203**	**40**	**50**	**1,382**
Principal outstanding*	250	400	345	95	205	40	50	**1,385**
At 31 December 2025								
Fair value	307	496	379	111	248	48	63	**1,652**
Amounts falling due within one year	4	3	3	-	-	-	-	**10**
Amounts falling due in more than one year	246	397	342	94	203	40	50	**1,372**
Book value	**250**	**400**	**345**	**94**	**203**	**40**	**50**	**1,382**
Principal outstanding*	250	400	345	95	205	40	50	**1,385**

* Principal outstanding is the book value of borrowings excluding capitalised finance costs and accrued interest.

(b) Bonds

The Group's bonds comprise three tranches: Class A3 Notes, Class A4 Notes and Class B2 Notes. £250m of Class A3 Notes were issued at a coupon of 8.250%, and have an initial period to 6 November 2028, after which interest will be charged at 8.750% per annum. £400m of Class A4 Notes were issued on 20 May 2025 at a coupon of 5.750%, and have an initial period to 6 November 2029, after which interest will be charged at 6.250% per annum. £345m of Class B2 Notes were issued on 4 November 2021 at a coupon of 5.250%, and have an initial period to 4 November 2027 after which interest will be charged at 4.750% per annum. Interest is payable on the bonds semi-annually on 6 May and 6 November.

Notes to the Condensed Consolidated Financial Statements (continued)

18 Borrowings (continued)

(c) Bank debt

On 30 June 2021, the Group entered into a 2021 Senior Term Facility for an amount of £265m. On 30 July 2021, the Group drew down upon this facility, of which £170m has a floating rate of 1.80% plus SONIA and matured on 30 June 2025 and £95 million has a floating rate of 2.50% plus SONIA and matures on 30 June 2028. On 2 June 2025, the £170m facility was repaid in full.

In January 2024, the Group entered into a 2024 Senior Term facility for an amount of £205m. On 7 March 2024, the Group drew down upon this facility with a floating rate of 3.00% plus SONIA which matures on 29 January 2029.

In May 2025, the Group entered into a 2025 Senior Term facility and a 2025 US Private Placement for the amounts of £40m and £50m respectively. On 2 June 2025, the Group drew down upon the Senior Term Facility with a floating rate of 3.00% plus SONIA which matures on 29 January 2029 and the US Private Placement with a fixed rate of 6.49% which matures on 2 June 2030.

The Group has also entered into agreements for a Working Capital Facility of £50m and a Liquidity Facility of £100m. The Working Capital Facility is subject to interest of SONIA plus 3.00% and matures on 29 January 2029. The Liquidity Facility is subject to annual review.

Interest rate risk arising under the Senior Term Facilities is hedged using interest rate swaps exchanging variable rate interest for fixed rate interest.

(d) Security, covenants and fees

The Class A Notes, Class B2 Notes, US Private Placement and Senior Term Facilities are secured by way of first ranking security in respect of the undertakings and assets of RAC Bidco Limited and its subsidiaries, excluding RAC Insurance Limited and RACMS (Ireland) Limited.

Fees relating to the Class A Notes, Class B2 Notes, US Private Placement and Senior Term Facilities have been capitalised and are being amortised over the lives of the borrowings to which they relate, in accordance with IFRS 9 'Financial Instruments'.

The Senior Term Facilities, Class A3 Notes, Class A4 Notes and US Private Placement (together "Class A Debt") are subject to one financial covenant, being the ratio of free cash flow to Class A Debt service charges. The Class B2 Notes ("Class B Debt") are also subject to one financial covenant, being the ratio of free cash flow to the aggregate of Class A Debt service charges and Class B Debt service charges. The Group has complied with these financial covenants throughout the periods since issue of the Class A Debt and Class B Debt.

19 Ordinary share capital

Details of RAC Bidco Limited's ordinary share capital are as follows:

	30 June 2026	31 December 2025
	£m	£m
Allocated, called-up and fully paid:		
339,131,773 ordinary shares of £1.00 each (2025: 339,131,773 of £1.00 each)	339	339
	339	**339**

Notes to the Condensed Consolidated Financial Statements (continued)

20 Fair value of financial assets and liabilities

The financial information set out below explains how the Group determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

1) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
2) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair Value Hierarchy	30 June 2026	31 December 2025
		£m	£m
Cash flow hedge asset (note 12)	Level 2	2	2

Valuations are performed by an external valuer in accordance with Group accounting policies.

The interest rate swap has been valued using market observable inputs of interest rate curves built using cash rates, swap rates and forward rates.

21 Related party transactions

The Group had the following transactions with related parties in the period:

Amounts due from related parties	30 June 2026	31 December 2025
	£m	£m
Other group companies - current account	35	33
Other related parties	6	6
	41	**39**

Of amounts due from Group companies, £35m (2025: £33m) was due from RAC Group (Holdings) Limited, the Company's ultimate parent company.

In the six month period ended 30 June 2026, RAC Bidco Limited received no dividends (2025: £nil) from its subsidiary companies.

Amounts due to related parties	30 June 2026	31 December 2025
	£m	£m
Other group companies - current account	(23)	(23)

Of amounts due to Group companies, £23m (2025: £23m) was due to RAC Midco Limited, the Company's indirect parent company.

In the six month period ended 30 June 2026, RAC Bidco Limited paid no dividends (2025: £nil) to RAC Midco II Limited, its immediate parent company.

Notes to the Condensed Consolidated Financial Statements (continued)

22 Alternative performance measures

Certain alternative performance measures ("APMs") have been included within the Interim Report and Financial Statements. These APMs are used by the management internally to monitor and manage the underlying business performance of the Group.

The table below details the definition of each APM.

APM	Definition
EBITDA	EBITDA is statutory operating profit before depreciation, amortisation, share-based payments charge and exceptional items.
EBITDA margin	EBITDA as a percentage of total revenue.
EBIT	Statutory operating profit before exceptional items.
EBIT margin	EBIT as a percentage of total revenue.
Exceptional items	Exceptional items are those which management consider to be material by size and/or nature. Events which give rise to a classification of items as exceptional include costs associated with corporate transactions and restructuring.
Capital expenditure	Aggregate of purchase of property, plant and equipment and purchase of intangible assets.
Cash conversion	EBITDA less working capital movements, capital expenditure (defined above) and repayment of obligations under leases as a percentage of EBIT (also defined above).
Customer acquisition intangibles	Amounts relating to contract costs and insurance acquisition cash flows as per notes 8 and 17 respectively.
Total annual recurring revenue	Represents the value of sales of Breakdown and Insurance products that are linked to ongoing membership contracts or policies, expressed on a 12-month basis, before the impact of any deferral required under IFRS.
Net debt	Gross value of borrowings, including interest and capitalised finance costs, plus lease liabilities less cash and cash equivalents.
Leverage	Ratio of net debt as a multiple of EBITDA.