



29 August 2025

## INVESTOR REPORT

To: Deutsche Trustee Company Limited as Obligor Security Trustee, Issuer Security Trustee and Class A Note Trustee  
Deutsche Bank AG, London as STF Facility Agent and WCF Agent  
RAC Bond Co PLC as Issuer  
Banco Santander S.A. (London Branch) and Barclays Bank PLC as Borrower Hedge Counterparties  
Standard & Poor's Credit Market Services Europe Limited as Rating Agency

From: RAC Group Limited as Holdco Group Agent

### General Overview

RAC Bond Co PLC has today reported the unaudited consolidated results of RAC Bidco Limited ("Group") for the six months ended 30 June 2025.

A summary of the Group's performance for the six months ended 30 June 2025 ("H1 2025") is set out below.

### Highlights

- Revenue up 8% to £411 million (H1 2024: £382 million) with growth across all three complementary offerings
- EBITDA up 12% to £152 million (H1 2024: £136 million) continuing our track record of uninterrupted growth
- EBITDA margin up 140 bps to 37.0% (H1 2024: 35.6%) driven by strong operating leverage
- Operating cash flow £159 million (2024: £130 million) resulting in cash conversion<sup>1</sup> of 105% (H1 2024: 96%)
- Membership reaches 15.0 million (H1 2024: 14.1 million), growing by 0.5 million in the last six months
- Refinanced two facilities, decreasing gross debt by £165 million and reducing leverage to 4.6x (2024: 5.4x)
- Continued progress towards our vision to be the UK's number one for driving services

### Outlook

We are uniquely positioned to be the "one stop shop" for Breakdown, Insurance and SMR, providing Complete Peace of Mind in a complex motoring ecosystem for our members and partners. Our winning strategy and recurring membership model creates predictable results that support sustainable earnings and cashflow and this gives us confidence in our outlook for the remainder of 2025 and beyond.

---

<sup>1</sup> Cash conversion defined as net cash flows from operating activities divided by EBITDA

## Regulatory and business update

### Business Update

- No changes in RAC Bidco Ltd Group structure in H1 2025, with no acquisitions or disposals
- No change in "Permitted Business"
- No changes to the Board of Directors in the period.

### Regulatory/Legislative Update

The Group includes regulated companies that are required to hold sufficient capital to meet acceptable solvency levels based on applicable regulations from both the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA"). The Group has complied with these solvency requirements throughout the period.

The Regulated Entities Boards provides ongoing oversight of adherence to the FCA's Consumer Duty principles, through annual reports and regular updates at each Board meeting. The annual report confirmed compliance with Consumer Duty and following proactive initiatives, demonstrated improvements in a range of customer outcomes experienced by our members. The Group delivered enhancements to its Operational Resilience capability and demonstrated operation within the impact tolerance thresholds ahead of the FCA and PRA's March 2025 deadline.

### Capital Expenditure

- Capital Investment totalled £37 million during the period (H1 2024: £38 million)
- Of this amount, £22 million (H1 2024: £20 million) relates to insurance acquisition cash flows and contract costs (i.e. includes commissions paid to third parties for sales)
- £15 million (H1 2024: £18 million) relates to investment in our strategic initiatives, digital offerings and improvements to service

### Financing Position

Interest rate risk on the floating rate Senior Term Facility is appropriately hedged in accordance with the Hedging Policy set out in the Common Terms Agreement through an interest rate swap and the hedge remains effective.

The table below sets out the current funding position as at 30 June 2025:

Facility	£million	Due	Coupon / Interest
Class A3 Notes	250	November 2028	8.250%
Class A4 Notes	400	November 2029	5.750%
Class B2 Notes	345	November 2027	5.250%
2021 Senior Term Facility	95	June 2028	2.500% + SONIA
2024 Senior Term Facility	205	January 2029	3.000% + SONIA
2025 Senior Term Facility	40	January 2029	3.000% + SONIA
US Private Placement	50	June 2030	6.490%
Drawn debt	<b>1,385</b>		
<u>Additional committed facilities:</u>			
Working Capital Facility	50	January 2029	3.000% + SONIA
Liquidity Facility	100	Annual renewal	2.250% + SONIA

The Group repaid £165 million of debt in the period, replacing the £485 million of Class A2 Notes and £170 million of 2021 Senior Term Facility with £400 million of new Class A4 Notes, a new £40 million 2025 Senior Term Facility and a new £50 million US Private Placement. Net interest paid was £50 million (2024: £44 million).

No other changes were made to the debt instruments.

## Ratios

We confirm that in respect of this investor report dated 29 August 2025, by reference to the most recent Financial Statements that we are obliged to deliver to you in accordance with paragraph 1 (Financial Statements) of Part A (Information Covenants) of Schedule 2 (Holdco Group Covenants) of the Common Terms Agreement:

- (a) the Class A FCF DSCR in respect of the relevant Test Period is equal to 4.27; and
- (b) the amount of Additional Financial Indebtedness raised since the date of the immediately preceding Investor Report was £490 million<sup>2</sup>;

(together the *Ratios*).

We confirm that each of the above Ratios has been calculated in respect of the Test Period(s) or as at the Test Dates for which it is required to be calculated under the Common Terms Agreement and is set out below:

### Class A FCF DSCR for the year ended 30 June 2025

Class A FCF has been calculated as:

	£m
EBITDA <sup>3</sup>	289.2
Cash tax paid	(31.7)
Increase in working capital	24.3
Minimum capital maintenance spend	(8.0)
Increase in restricted cash	(0.7)
Class A FCF	273.1

Class A Total Debt Service Charges has been calculated as:

	£m
Accrued interest	68.0
Commitment fees on WCF and LF	1.7
Interest received on cash equivalents	(5.8)
Class A Total Debt Service Charges	63.9

Ratio Class A FCF DSCR at 30 June 2025	4.27
--	------

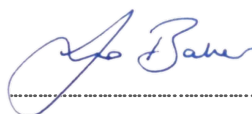
We confirm that:

- (a) no CTA Default or Trigger Event has occurred and is continuing;
- (b) the Borrower is in compliance with the Hedging Policy;
- (c) the amount of Retained Excess Cashflow as at the date of this Investor Report is £29.4 million;
- (d) the statements set out in this Investor Report are accurate in all material respects.

Yours faithfully



Dave Hobday, Chief Executive Officer  
For and on behalf of  
RAC Group Limited as Holdco Agent



Jo Baker, Chief Financial Officer

<sup>2</sup> All £490 million of Additional Financial Indebtedness constitutes refinancing Additional Financial Indebtedness being used, alongside held cash, to fully redeem £485 million of Class A2 Notes and £170 million of 2021 Senior Term Facility

<sup>3</sup> EBITDA of £289.2m is stated excluding the uplift in the consolidated operating profits of the Holdco Group for the relevant period arising as a result of the adoption of IFRS 16 'Leases' in the consolidated financial statements.