

PRELIMINARY RESULTS

for the year ended 31 January 2021

7 APRIL 2021

SAGA

AGENDA

Euan Sutherland Group Chief Executive Officer

James Quin Group Chief Financial Officer

Euan Sutherland Group Chief Executive Officer

Overview

Financial performance

Strategic update

Conclusion

Q&A



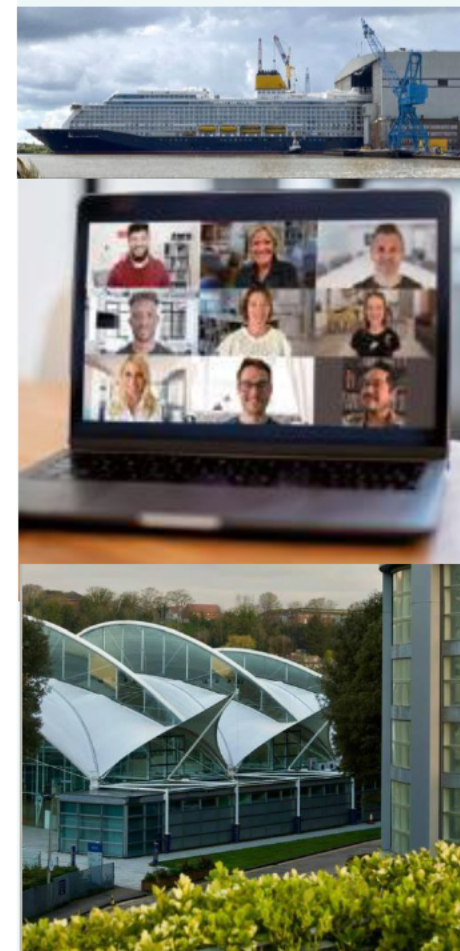
OVERVIEW

Euan Sutherland
Group Chief Executive Officer

SAGA

SIGNIFICANT PROGRESS IN A YEAR OF UNPRECEDENTED CHALLENGE

- Saga emerging stronger from the COVID-19 crisis
- Robust COVID-19 response; effective move to home working; focus on serving customers and keeping colleagues safe
- Exceptional customer care driving improvements in loyalty and retention
- Decisive actions taken to continue to strengthen financial position
 - Disposals of Bennetts, Destinology, Healthcare and Saga Sapphire
 - Reduced costs; renegotiated covenanted debt terms
 - Successful £150m capital raise underpinned by Sir Roger De Haan
- Launched compelling new strategy; good early progress against all five pillars
- Core market remains attractive and in growth
- Travel ready to resume operations; significant pent-up customer demand
- Resilient Insurance performance; return to policy growth, delivery against all key metrics and well placed for FCA market study outcome



2020/21 HIGHLIGHTS

Underlying Profit Before Tax of £17m despite the challenges of COVID-19



Insurance

- Return to Saga-branded motor & home policy growth of 1.1% after several years in decline
- 80.5% motor and home retention, 5ppts higher than 2019/20



Travel

- Completed ocean cruise transformation, with river cruise underway
- Cash burn rate at the lower end of the £6-8m per month guidance
- Cruise retention of 73%



Customer

- 6pt improvement in customer NPS to 44, reflecting 3 year fixed-price, savings product and claims process
- Improvements to digital experience



Colleagues

- Record participation in engagement survey with improved score of 7.3
- Health and wellbeing, management support & freedom of opinions highest scoring

Resilient balance sheet

- Net debt to EBITDA leverage ratio (excl. Cruise) of 2.7x, well within the 4.75x banking covenant
- Strong liquidity with available cash of £75.4m and £100m undrawn RCF

SAGA SUPPORT THROUGH A CHALLENGING YEAR

Delivering exceptional experiences every day whilst being a driver for positive change in our markets and communities

Colleagues

- £0.6m invested in working from home equipment
- £120 winter fuel payment for all front line colleagues
- £300 free shares awarded to all full-time colleagues
- Comprehensive Employee Assistance Programmes available to all colleagues
- 50 mental health first aiders trained
- Extended support to vulnerable colleagues, including the use of socially distanced office space
- All cruise crew repatriated within a week of lockdown 1 with additional severance pay
- Continuous COVID-19 crew testing
- Additional 2 days holiday for all colleagues

Customers

- £6.3m motor insurance price cuts for lower claims frequency
- £0.5m customer hardship fund established
- Free mid-term adjustments
- Free GP helpline for our most vulnerable customers
- Free spam and fraud helpline set up for all customers
- £0.9m pro-rata refunds for cut short holidays
- Peace of mind discounts for changing customer holiday plans
- No quibble cancellation policy for all holidays and cruises throughout the pandemic
- Policy that guests are fully vaccinated against COVID-19 before they travel

Communities

- Eurokent office available to the NHS as a vaccination centre
- Established COVID-19 community recovery fund, with customer votes determining how the fund will be distributed
- Saga Community Ambassadors, colleague volunteering programme launched
- Quarterly meetings with key members of the Folkestone community
- Donated IT and office equipment to local schools to support technology shortages

Our purpose underpins our plans to further strengthen our unique brand

UPDATE ON INSURANCE & TRAVEL PROGRESS

Insurance (Saga-branded Motor and Home)

✓	Policy growth after several years in decline	+1.1%
✓	Retention up 5ppts	80.5%
✓	Direct share up 2ppts	59%
✓	3-year fixed-price policy sales	610k
✓	Margin per policy in line with guidance	£74

Travel







✓	Monthly cash burn at the lower end of the £6-8m range
✓	Strong retention with 73% bookings retained during suspension period
✓	Cruise transformation completed with delivery of Spirit of Adventure
✓	On track for £40m EBITDA per ship (once operations resume)
✓	On track for 4% Tours revenue growth (once operations resume)

WE WILL RESUME CRUISING IN 2021

- Saga has reset initial cruise itineraries to round Britain and Norwegian fjords with strong demand, with European cruises from August
- Strong and significant customer loyalty and pent-up customer demand for restart
- All customers will have been vaccinated twice before end of May
- We believe that, if managed properly, cruise is a safer proposition than some other forms of international travel
- A number of European countries have already indicated they will welcome Saga ships in the summer
- If scheduled port stops are not possible, flexibility of cruise allows for itineraries to be modified

Resumption of international cruising remains subject to the easing of current government restrictions.

2021/22 Highlights

	Revenue booked* (of full year target)	78%
	Bookings vs. same point last year (incl. 2022/23)	↑ 20%
	Customer retention	73%
	Load factor* (specific cruises)	67%
	Per diem	£290
	First-time buyers (following announcement of government roadmap)	65%

** excluding bookings that have been cancelled where the customer has indicated that they want to rebook but have yet to do so on a specific cruise.*



FINANCIALS

James Quin
Group Chief Financial Officer

SAGA

UNDERLYING PROFIT AND POSITIVE OPERATING CASH GENERATION

	2020/21	2019/20	Variance
Revenue	£337.6m	£797.3m	(58%)
Underlying PBT	£17.1m	£109.9m	(84%)
Reported PBT	(£61.2m)	(£300.9m)	80%
Available operating cash flow	£3.4m	£92.7m	(96%)
Net debt (excl. Cruise)	£246.9m	£361.7m	(32%)
Debt ratio (excl. Cruise)	2.7x	2.4x	0.3x

- Revenue significantly impacted by the suspension of the Travel business and a reduction in travel insurance policies
- Underlying profit in both H1 and H2 despite zero Travel revenue from March
- Non-operating items mainly relate to H1, with limited impact on H2 results:
 - (£59.8m) goodwill impairment in H1; no further impairments in H2
 - (£30.8m) restructuring costs
 - Profit on non-core disposals of £8.6m
- Positive available operating cash despite £89m operating cash outflow in Travel
- £25m reduction in net debt (excl. Cruise) in H2 excluding the capital raise

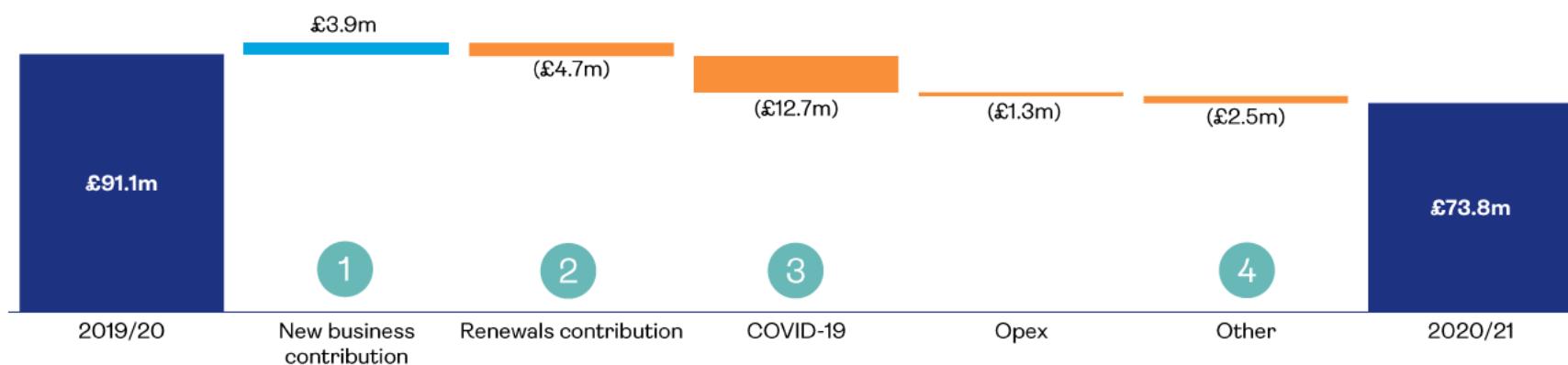
RESILIENT INSURANCE RESULTS, TRAVEL IN LINE WITH SCENARIO PLANNING

	2020/21	2019/20	Variance
Retail Broking (written)	£73.8m	£91.1m	(19%)
Written to earned adjustment	£2.1m	(£0.9m)	
Underwriting	£58.7m	£40.6m	45%
Insurance	£134.6m	£130.8m	3%
Travel	(£78.5m)	£19.8m	(496%)
Other Businesses	£2.8m	£4.6m	(39%)
Central Costs	(£41.8m)	(£45.3m)	8%
Underlying PBT	£17.1m	£109.9m	(84%)

- Retail broking broadly in line with prior year, excluding £13m impact of COVID-19 and sale of Bennetts
- Underlying broking performance in line with expectations
- Underwriting ahead due to reduced claims frequency with reserve releases in line with 2019/20
- Travel loss before tax in line with the indicated 'drop through' rate
- Good cost control

HOME AND MOTOR BROKING IN LINE WITH PRIOR YEAR; OTHER BROKING IMPACTED BY COVID-19

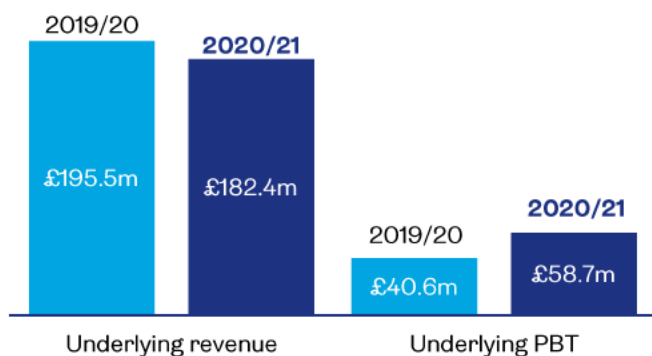
Year-on-year movement in written Retail Broking Underlying PBT



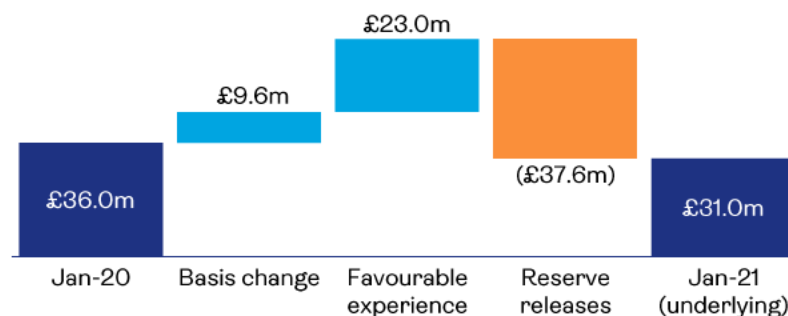
- 1 Home and Motor new business contribution improved mainly due to lower advertising spend
- 2 Full year impact of pricing actions implemented in July 2019 partially offset by the benefit of increased renewal volumes
- 3 Fewer travel insurance sales alongside reduced claims income following lower claims frequency
- 4 Disposal of Bennetts and slightly lower PMI contribution

UNDERWRITING AHEAD OF EXPECTATIONS

Performance ahead of expectations



Movement in reserve margin (excl. impact of reduced claims frequency)



- Net earned premiums reduced 7%, in line with earned policies
- Current year combined ratio of 91.4% (vs 103.4% in the prior year) with claims frequency significantly reduced as a result of lower miles driven
- Reserve releases of £38m, similar level to 2019/20 and benefitting from continued positive large bodily injury claims experience
- Still expect medium-term reported combined ratio of 97% but expect to see better result in 2021/22

TRAVEL RESULTS REFLECT IMPACT OF SUSPENSION FROM MARCH

Financials	2020/21	2019/20	Variance
Revenue	£51.6m	£464.1m	(89%)
Gross profit	(£16.5m)	£99.1m	(117%)
Underlying PBT:			
Cruise	(£41.6m)	£10.6m	(492%)
Tour Ops	(£36.9m)	£9.2m	(501%)

- Travel business was suspended in March 2020
- Operating and marketing costs (incl. depreciation) reduced by £24m vs. 2019/20, due to a combination of cost savings and lower activity based spend
- Cruise operating expenses (incl. within cost of sales but excl. depreciation) reduced by £42m vs. 2019/20
- 'Drop through' from lower revenues to Underlying PBT:
 - 20% Tour Operations, in line with 15-20% guidance
 - 46% Cruise, better than guidance of 50-55%

Bookings

- Cruise bookings for 2021/22 and 2022/23 are 20% ahead of the same point last year
- Tour Operations 39% behind

	As at 28 March 2021*			As at 28 March 2020**		
	2021/22	2022/23	Total	2020/21	2021/22	Total
Cruise	£79.3m	£74.9m	£154.2m	£99.6m	£28.8m	£128.4m
Tour Operations	£85.3m	£37.4m	£122.7m	£179.4m	£22.8m	£202.2m

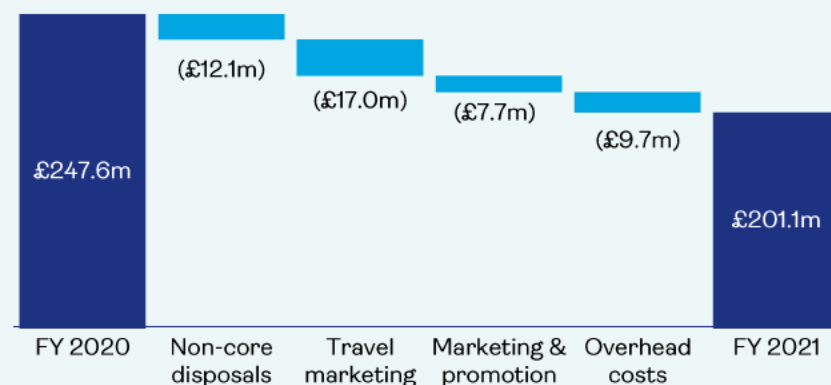
* excluding bookings that have been cancelled where the customer has indicated that they want to rebook but have yet to do so on a specific cruise.

** excluding Destinology bookings following the sale in 2020.

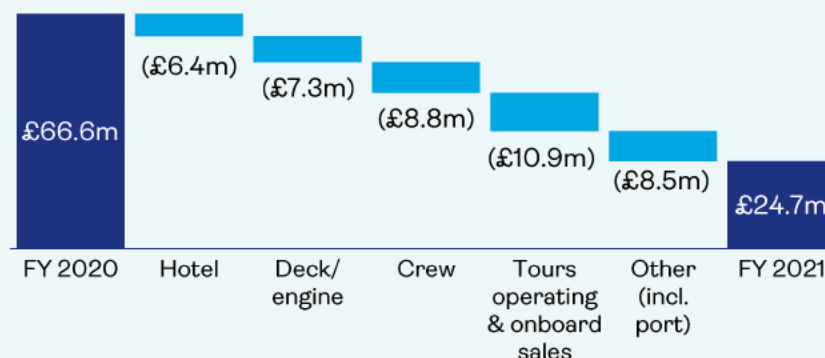
SIGNIFICANT REDUCTION IN COST BASE

- Marketing and overhead costs (excl. ship operating expenses and non-core disposals) reduced by £34m due to mix of short-term tactical and longer-term efficiency actions
- Ship operating expenses (incl. in cost of sales) reduced from £66.6m in 2019/20 to £24.7m in 2020/21 with prompt actions taken post travel suspension
- Efficiency programme expected to enable £20m of ongoing savings once property rationalisation completed

Underlying administration and marketing costs*



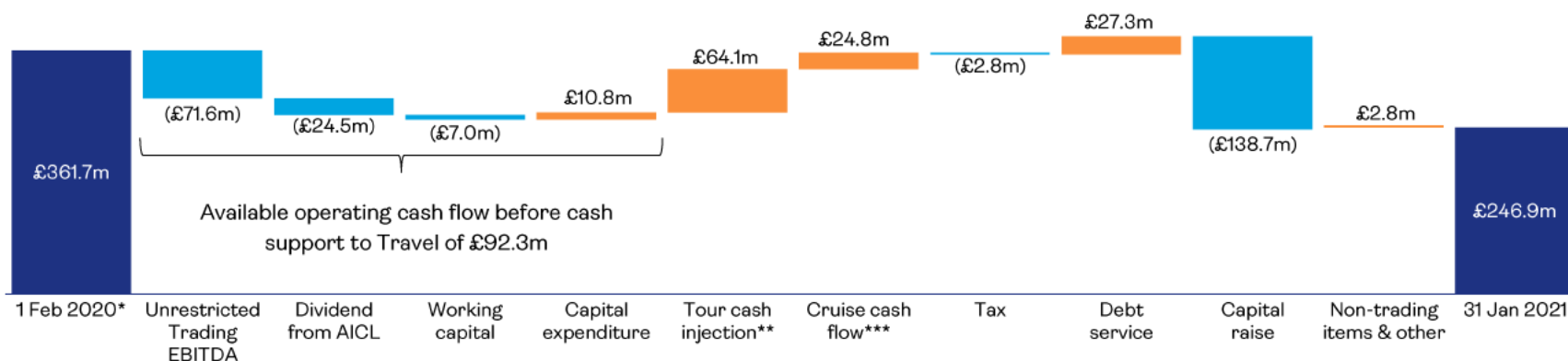
Ship operating costs* (excl. depreciation)



* Both administration and marketing costs and ship operating costs are reconciled to statutory definitions on page 47.

POSITIVE OPERATING CASH GENERATION DESPITE SIGNIFICANT CASH SUPPORT TO TRAVEL

Movement in adjusted net debt (excl. cruise ship facilities)



- Strong operating cash generation of £92.3m (2019/20 £95.0m) before cash support provided to Travel
- Cruise operating cash outflow reduced from £23.8m in H1 to £1.0m in H2 due to increase in advance customer receipts and positive capital expenditure
- Debt servicing costs increased (2019/20 £19.8m) due to a full year of financing costs in relation to Spirit of Discovery alongside financing costs on Spirit of Adventure which was delivered in September 2020
- Non-trading items include cash received from disposals offset by restructuring and other costs

* Includes Cruise available cash of £2.6m.

** Note that the £64.1m cash injection to the Tour Operations business is net of £6.2m restructuring costs.

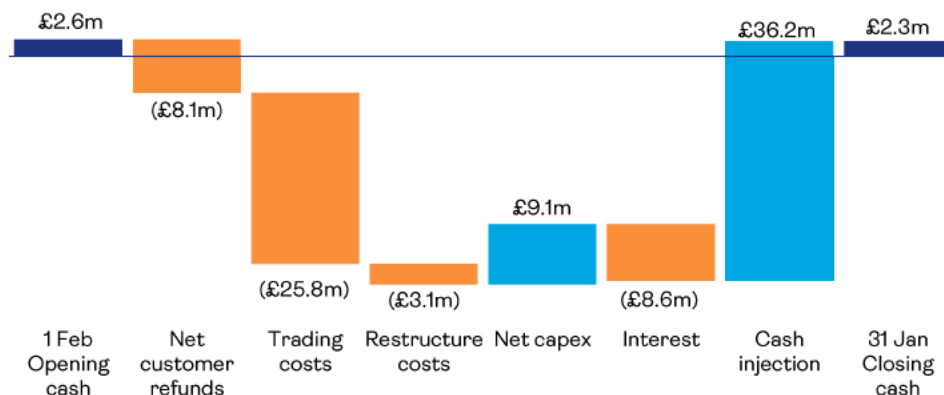
*** Cruise cash flow represents net customer refunds, trading costs and net capex as shown on the following page.

CASH SUPPORT PROVIDED TO TRAVEL

- Average H2 cash burn rate of £6.3m per month, at the lower end of the expected range of £6-8m
- Expected to be £7-9m per month in 2021/22 during period of suspension; two ships in place in addition to return to service costs

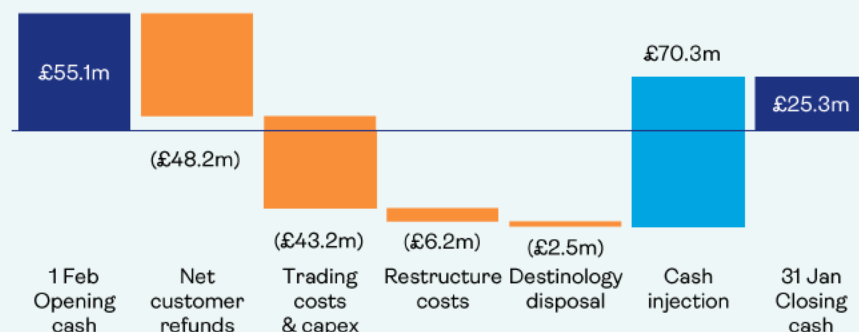
Cruise cash flow

- Cruise cash outflow of £36.5m (£24.8m operating, £11.7m non-operating)
- Net capex includes proceeds from sale of Saga Sapphire
- Lower cash outflow in H2 due to recovery of owners' supply payments on completion of SofA and increase in advance receipts



Tour Operations cash flow

- £70.3m cash support (incl. £6.2m non-operating)
- High cash outflow in H1 due to customer refunds and supplier payments; much reduced in H2
- Advance receipts >100% cash collateralised following establishment of trust in H2



MULTIPLE ACTIONS TAKEN TO ENHANCE FINANCIAL FLEXIBILITY

Actions already taken to enhance financial flexibility

- Completion of non-core disposals, including Bennetts, Healthcare and Destinology, generating £31m cash proceeds
- £150m capital raise, generating approximately £139m proceeds (net of costs)
- Agreement of further payment deferral on the two ship facilities, with no repayments due until June 2022
- Revision of covenants attached to the term loan and RCF, extension of the term loan to May 2023, and with no repayments due under bank facilities until maturity
- Suspension of dividend payments given disruption and uncertainty of COVID-19 and restrictions in place

Confidence in the current position

- 2.7x debt leverage, well within the 4.75x covenant
- £75m available cash at 31 January 2021 with £100m undrawn revolving credit facility (RCF) and additional £10m cruise facility with Sir Roger De Haan
- Further £25m of cash held within the ST&H ring-fenced group, supporting £21.4m of customer receipts
- Cruise working capital cash flow turns positive before resumption of travel as final balances are paid

INSURANCE CASH FLOWS A KEY SUPPORT TO GROUP RESILIENCE

Positives

- Broking EBITDA flows through to cash with modest capital expenditure and working capital movements
- AICL solvency at the top end of the target range (161% SCR coverage on 'economic' basis)
- Reduced motor claims frequency has continued into the first quarter of 2021
- Cautious approach to reserving for the 2020/21 accident year, holding additional component of reserve margin for increased uncertainty over claims development

Risks

- Uncertainty around the timing and rate of recovery of travel insurance sales
- Potential short-term impact of the FCA market study as market pricing equalizes and with less predictable short term trading strategies
- Outlook for claims inflation remains uncertain, with the full impact of COVID-19 not yet known

SOLID FINANCIAL POSITION WITH RAPID RECOVERY ONCE TRAVEL RESTARTS

Base case remains cruise resumption in the summer

- Resume Cruising in June/July and most Tour Operations activity in September
- Working capital improvement ahead of Cruise resumption
- Significant headroom to all elements of bank facilities and no need for any facility draw downs

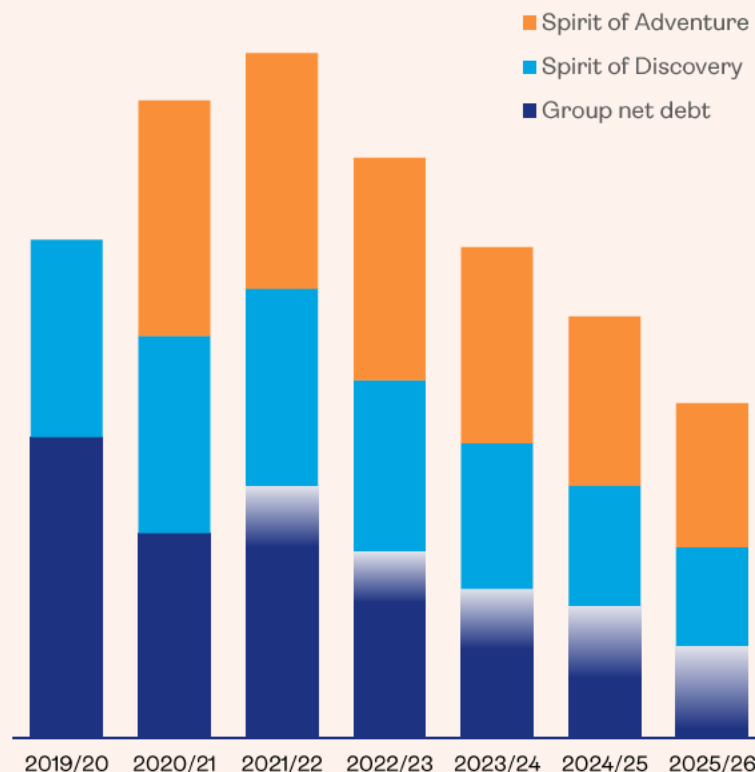
Well prepared for downside scenarios

- Range of downside scenarios modelled, from September restart for Cruise and two months of 'circuit breaker' lockdowns to highly conservative March 2022 restart
- Assume some offset from ongoing reduced motor claims frequency
- Expect to remain in compliance with bank facilities with no further management actions
- Further actions available in event of longest delays to travel restarting

PRIORITY REMAINS TO REDUCE DEBT

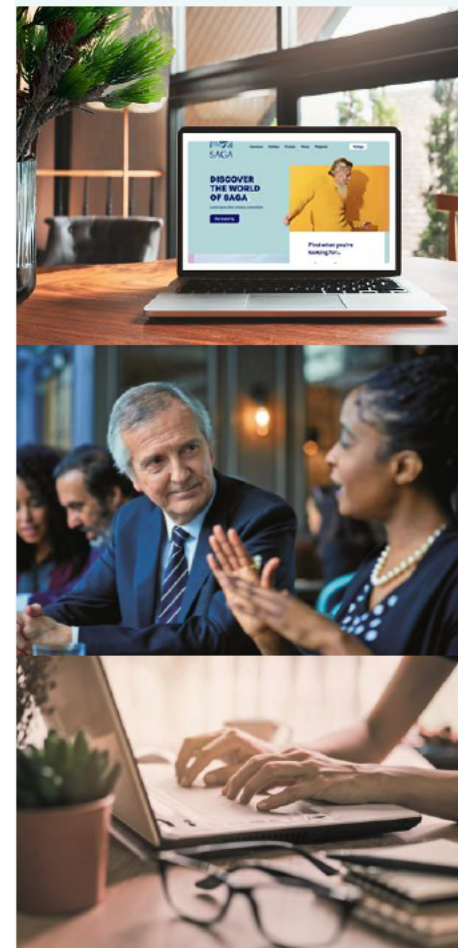
- Chart on the right shows expected profile of debt reduction in our main scenarios for the resumption of travel
- Assumes capital repayments on cruise debt from June 2022 including 'catch up' payments on amounts deferred (over 5 years)
- Includes a reasonably prudent view of the impact of the market study
- Current refinancing assumption is that bank facilities will be repaid in May 2023 and that the bond will be refinanced in 2024
- Expect to achieve goal of reducing total debt/EBITDA below 3.5x by 2024

Deleverage profile with updated stress test applied



CHALLENGING YEAR BUT GOOD PROGRESS

- Good results for 2020/21 given no travel revenues for > 10 months
 - Progress in insurance
 - Travel in line with scenario planning
 - Good cost control
- Business profitable and cash generative in H2, even with zero travel revenues
- Resilient financial position given multiple actions taken in the last 12 months
- Aim for travel resumption in the summer while planning for a range of downside scenarios
- Financial flexibility in place to support the Group through adverse scenarios



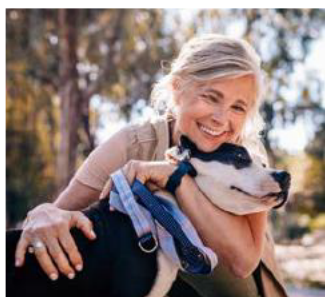


STRATEGY UPDATE

Euan Sutherland
Group Chief Executive Officer

SAGA

OUR MARKET CONTINUES TO BE HIGHLY ATTRACTIVE AND IN GROWTH



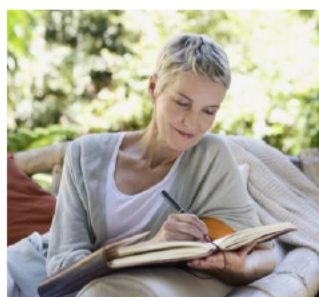
25.5m

Individuals in the UK aged over 50, expected to increase to 27.9m by 2030



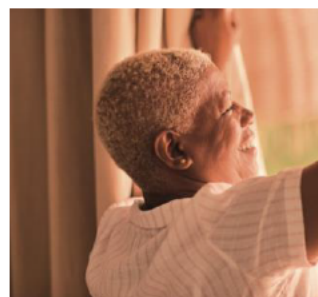
38%

of the UK population, who are fitter, wealthier and more digitally focused than ever



57%

of the UK's wealth (over 55s), reflecting life experience and high standards



22%

of over 65 households have household wealth of £1m or greater



1.5m

Saga customers as at 31 January 2021

Significant opportunity for growth in the largest, wealthiest and fastest growing segment in the UK

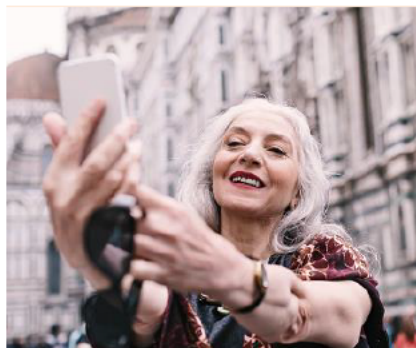
Source: Office for National Statistics.

OUR CUSTOMERS – THE RESILIENT GENERATION

Health

The resilient generation

- Only 23% of over 70s and **31% of over 50s** say they are **struggling to cope mentally**; this compares to 55% of under 50s
- They were **less likely to say they felt bored** and even **fewer reported feeling lonely**



The over 50s are desperate for a holiday and are lining up a trip of a lifetime

- **31% of over 50s have missed holidays abroad** most, second only to seeing friends and family
- **Significant interest in staycations**, with 60% saying their first holiday is more likely to be at home
- Having a **bigger holiday than usual is a top choice** for those who have saved more, chosen by 33% of those giving an answer

Holidays are likely to be lengthy

- **45% say two weeks or more**, and suggested they are **planning the trip of a lifetime**

The internet has been a life saver

- Forget the Fortnite generation, **10% of over 50s have become gamers**
- **61% using the internet more** for online shopping and 35% more for social media
- 10% are using the internet more for online gaming – both women and men



Other changes

- About 10% of those with kids have seen them return home at some point during lockdown
- **Still a lot of hesitancy about general behaviour**, even after restrictions lift. 60% say there are things that they will still avoid / not go back to

Findings taken from an online survey conducted by PWC Research, 15-19 March 2021.

A nationally representative UK sample of 1,022 under 50s and 2,060 over 50s (3,082 in total) were surveyed.

EXCEPTIONAL EXPERIENCES FOR CUSTOMERS IN 2020

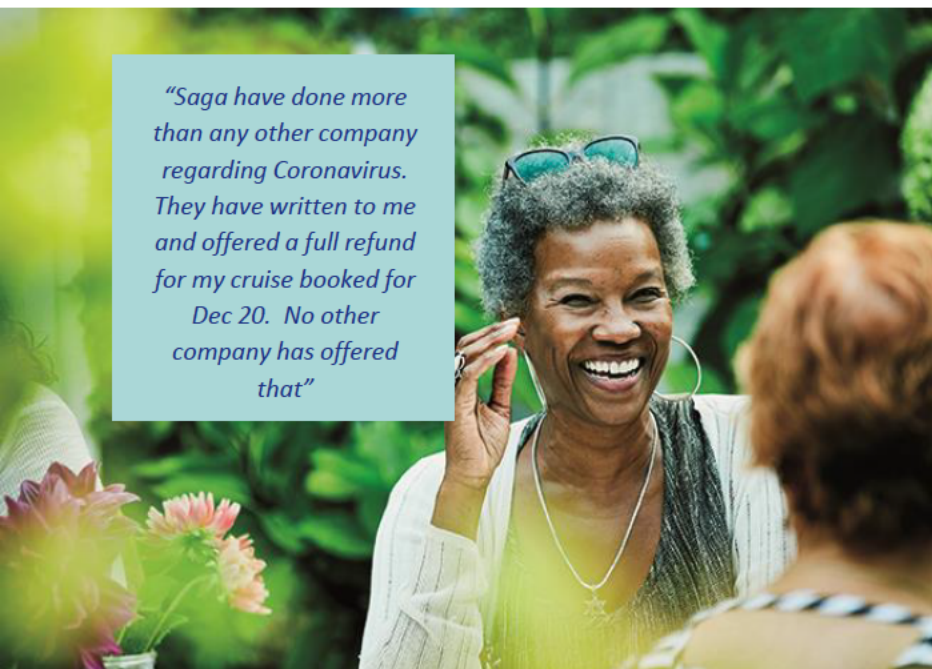
1.5m customers, **68%** classified as ABC1

holding **1.9m** products

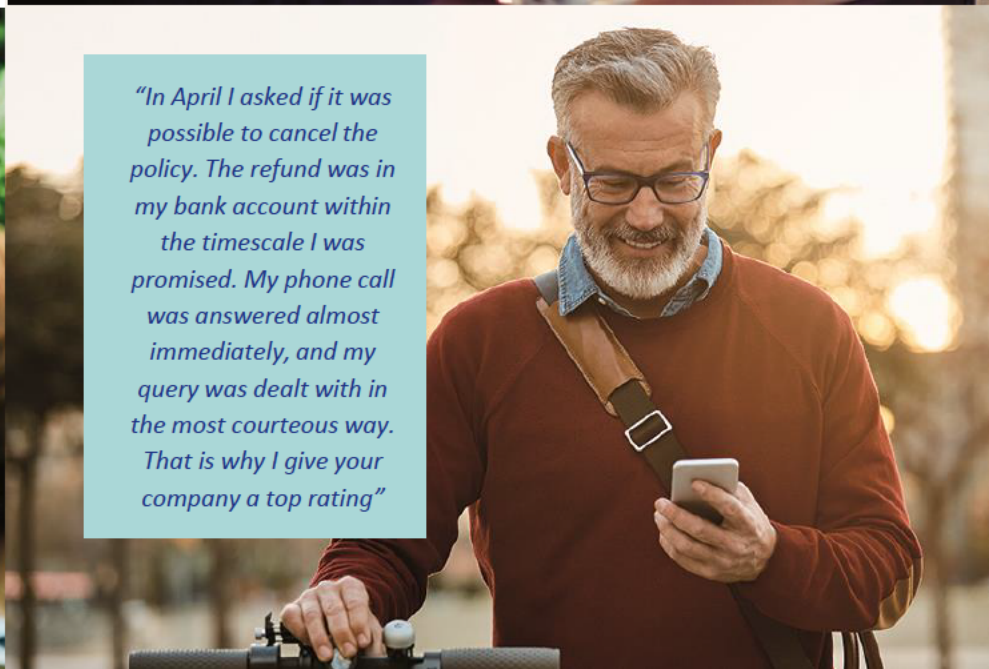
22m web visits, from 14m web visitors



"Saga has allowed us to postpone our trip and have provided excellent support and advice. They have dealt with the transfer with complete professionalism, and we have had no hassle or worries whatsoever"



"Saga have done more than any other company regarding Coronavirus. They have written to me and offered a full refund for my cruise booked for Dec 20. No other company has offered that"



"In April I asked if it was possible to cancel the policy. The refund was in my bank account within the timescale I was promised. My phone call was answered almost immediately, and my query was dealt with in the most courteous way. That is why I give your company a top rating"

WE RESET OUR PURPOSE & STRATEGY TO DELIVER FOR OUR CUSTOMERS

Exceptional experiences every day whilst being a driver for positive change in our markets and communities

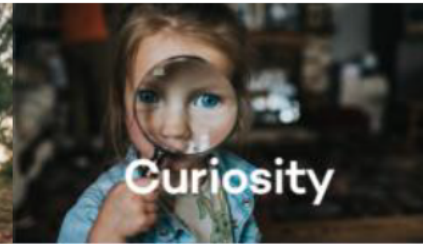
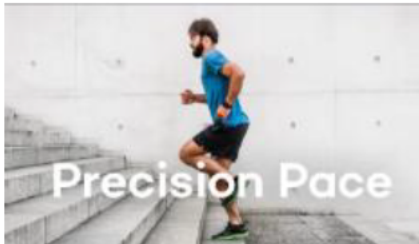
People &
culture step change

Data, digital
& brand
transformation

Optimising
our
businesses

Driving
simplicity
& efficiency

Reducing
our
debt



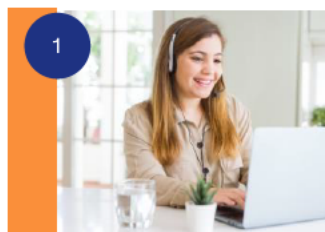
With three clear outcomes...

Exceptional
for customers

Simpler for
colleagues

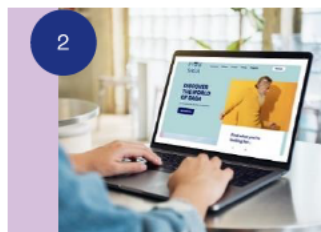
Maximising
our cash

STRONG PROGRESS ON OUR 5 STRATEGIC PILLARS



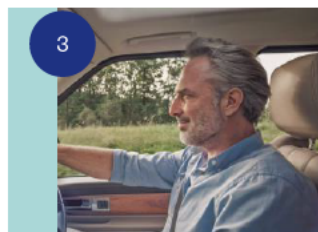
1 People & culture step change

Reset and launch Saga's new purpose, values and leadership behaviours to engage colleagues in the true Saga spirit and create a culture to deliver and maintain Saga's transformation.



2 Data, digital and brand transformation

Transform the digital experience for our customers, focusing on a faster, easier and simpler service. Develop data solutions to create a single customer view. Enhance brand awareness and optimise marketing through the relaunch of our new Saga brand.



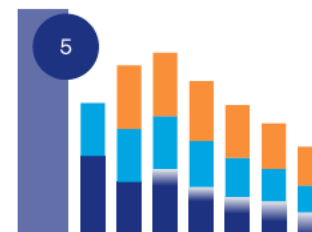
3 Optimising our businesses

Re-establish Saga through exceptional service and by building differentiated propositions for our customers. Strengthen the foundations of our core businesses by simplifying processes and addressing customer concerns while keeping costs down.



4 Driving simplicity and efficiency

Maximise efficiency by continuing to reduce cost and complexity across the Group.



5 Reducing our debt

Continue to reduce debt, taking action to strengthen the balance sheet and maintain financial resilience.

On track across all five priorities

DELIVERING EXCEPTIONAL EXPERIENCES FOR CUSTOMERS TO DRIVE LONG-TERM GROWTH

01

Drive Brand Relevance



- Demonstrate we uniquely understand over 50s
- Change age perception and constant reinvention of the brand
- Strengthen aspirational message
- Increase Reach

02

Drive Brand Differentiation



- Deliver differentiated experiences for 50+
- De-commoditise the brand where possible
- Build personalised experiences

03

Connect Our Portfolio



- Enable customers to see the whole portfolio in a simple way
- Connect parts of the portfolio together intuitively

04

Increase Volume of Customers



- Generates new marketable leads
- Enables increased consent across our database

05

Increase 'Everyday' Engagement



- Enables everyday interaction with Saga through digital touchpoints
- Generates a data-rich, 360 view of the customers
- Creates incentives to engage
- Enables exploration of the portfolio & cross-sell

06

Drive Commercials



- Drive strong commercial upsides
- Increases Lifetime Value of Customer

1. PEOPLE AND CULTURE STEP CHANGE

Progress in 2020/21

- ✓ Successfully launched purpose and values
- ✓ Record levels of colleague participation in engagement surveys with engagement growing
- ✓ New channels of communication including multiple colleague surveys, listening groups and staying in touch events
- ✓ Defined DI&B strategy on gender, age, ethnicity, LGBTQ+ and disability

- ✓ Simplified operating model, reducing management layers from 17 to 5
- ✓ Moved to successful home-based working, investing in new equipment and technology

- ✓ Extensive mental wellbeing support through #sagamindsmatter
- ✓ Additional Mental Health First Aiders and Wellbeing Manager
- ✓ Investment in Unmind digital platform
- ✓ All managers trained to support vulnerable colleagues and provide access to employee assistance programmes

- ✓ Strengthened reward frameworks, aligning to risk and SMCR
- ✓ One off winter fuel payment of £120 to frontline colleagues

Looking ahead to 2021/22

Culture & Engagement

- Maintain high levels of colleague engagement through exceptional experiences
- Successfully embed and live new values
- Sustain and advance digital communications
- Build cultural intelligence to accelerate awareness of what it takes to be an inclusive and age friendly employer

Working@Saga

- Rationalisation of office space
- Refurbish remaining space to collaborative hub
- Invest in latest technology enablers

Perform Learn Grow

- Continue to make wellbeing a strategic priority
- Build a new performance and talent culture
- Deliver programme of core skills to all colleagues to enable simpler and better ways of working

Reward & Recognition

- Launch of new recognition program
- Launch of new reward framework for frontline colleagues, focused on exceptional experience

2. DATA, DIGITAL AND BRAND TRANSFORMATION

Progress in 2020/21

- ✓ Launched digital self-serve portal for Insurance, customers allowing common policy amendments to be made online
- ✓ Relunched the Saga app with easy login, access to product and bookings, and web chat customer service
- ✓ Removed membership registration and activation process, making it easier for customer to sign-up to Saga and simplifying marketing consent for all of Saga's services
- ✓ Launched digital edition of the Saga Magazine, with an Apple App Store rating of 4.7★
- ✓ Commenced migration of vast Saga customer data from legacy platforms to new, modern data architecture
- ✓ Completed development of new brand positioning and identity, tested with customers and ready for launch in 2021

Looking ahead to 2021/22

- Launch new Saga brand identity online and offline, modernising the brand to coincide with Saga's 70th anniversary
- Relaunch of Saga website with a new design, and easier navigation
- Using customer data, NPS measurement and benchmarking to deliver Exceptional Experiences for customers across all Saga touchpoints
- Continued migration of data from legacy platforms – focus on insurance pricing and marketing to optimise decisions and investment
- Continue to build digitally registered and engaged customers through Saga Magazine, expanded digital services and targeted digital marketing

3. OPTIMISING INSURANCE

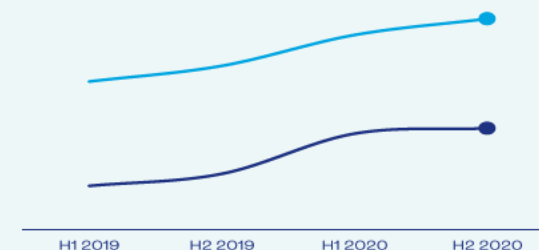
Progress in 2020/21

- ✓ 610,000 three-year fixed-price policies sold
- ✓ Implementation of enhanced travel insurance to include COVID-19 cover
- ✓ Launch of our new Motor price-comparison website proposition
- ✓ Migration of our home product to the Guidewire platform
- ✓ Implementation of Radar live pricing system completed
- ✓ Continued detailed work in preparation for the final outcome of the market study

Looking ahead to 2021/22

- New Motor and Home product-set expected to launch in 2021/22
- Innovation in personal finance product set expected to launch during 2021/22
- Future Operations Programme underway to step change customer facing capability
- Legacy programme development expected to be completed by half year
- Search well progressed for Insurance CEO
- Final preparations in advance of the market study implementation

Motor and Home retention



Call answer rate vs. prior year



Three-year fixed-price policy sales



INSURANCE CUSTOMER IMPACTS IN 2020

“First claim on travel I ever made due to COVID-19 issues causing cancellation of my holiday. Saga settled the claim with little hassle, all done online. Very happy with the help and service I received. Thank you.”

(Response from customer survey)

“We were pleased with the outcome of the claim we had to make when our cruise was abandoned because of COVID-19”

(Response from customer survey)

“Given the trying circumstances for all concerned, the staff were brilliant at handling calls and waiting while all the documentation was gathered to support my claim. This was settled in full and to me, was exactly the reason for choosing a quality product.”

(Response from customer survey)



Claims notification support remained open 24 hours a day



Coronavirus covered
Saga Travel Insurance now includes cover for coronavirus in a medical emergency while you're away, or if you need to cancel or abandon your trip due to a positive test result.

Save money on car insurance

From an award-winning provider

[Get a quote >](#)



3. OPTIMISING TRAVEL

Progress in 2020/21

- ✓ Safe repatriation of all customers and crew ahead of the first lockdown
- ✓ Created the safest environment to see the world through health protocols, vaccine requirement and Lloyd's Register Shield+ accreditation
- ✓ Exceptional customer care drove loyalty and retention, through the flexibility offered on consolidations (option for a full refund, voucher or the opportunity to transfer the booking at no cost)
- ✓ Completed Cruise transformation programme with delivery of Spirit of Adventure & Reset Tours Operations to focus on a smaller, higher-quality, differentiated product offering

Looking ahead to 2021/22

- Our first priority is the safe resumption of operations when government restrictions allow
- Secured 75% of the cruise revenue target for 2021/22 and 35% of 2022/23 ahead of plan
- Extension of our Tour Operations proposition to include two new purpose-built river vessels, Spirit of the Rhine and Spirit of the Danube



Lloyd's Register
SHIELD+ ACCREDITATION



TRAVEL CUSTOMER IMPACTS IN 2020

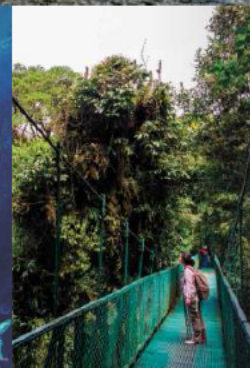
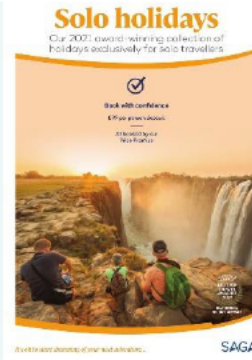
“Saga are wonderful, we cannot praise you highly enough and think you have made a brilliant decision re vaccine – we constantly tell anyone who will listen how wonderful you are”

“Just spoken to one of your advisers about a cancelled cruise and to discuss our options. To say I was extremely impressed would be a gross understatement! You explained all of our options in detail to us and I would just like to thank Saga for everything they are doing to handle this current crisis. We can't wait to go cruising with you again as soon as is possible and we wouldn't go with anyone else”

“Saga have taken an absolutely wonderful approach to the COVID-19 vaccination and we fully support you.

We have always been very impressed with Saga and this has given us confidence to book for 2021”

(Response from customer survey)



LOOKING AHEAD TO 2021/22 - EMBED OUR TRANSFORMATION FOR LONG-TERM BENEFIT

	Travel	Insurance
Optimising our businesses	<p>Relaunch Cruise safely and profitably</p> <p>Relaunch Saga Holidays proposition</p>	<p>Further develop exceptional products and services</p> <p>Complete foundations for growth</p>
People and culture step change	<p>Embed and live the values</p> <p>Implement new reward frameworks</p> <p>Exceptional experiences for colleagues</p> <p>Exceptional risk culture and mindset</p>	
Data, digital and brand transformation	<p>Launch a consistent and contemporary brand for colleagues and customers</p> <p>Connect data and provide access to improve data-driven performance and capability</p> <p>Deliver a faster, easier-to-use and unified website</p> <p>Embed the blueprint for exceptional experiences for customers</p>	
Driving simplicity and efficiency	<p>Implement exceptional operations</p> <p>Deliver our new ways of Working@Saga</p> <p>Completion of our 2021 big technology programmes</p>	
Reducing our debt	<p>Resume Cruise cash flows</p> <p>Maximise Insurance cash flows</p> <p>Continue to optimise debt funding</p>	

THANK YOU TO OUR COLLEAGUES



POWERING THROUGH LOCKDOWN TOGETHER

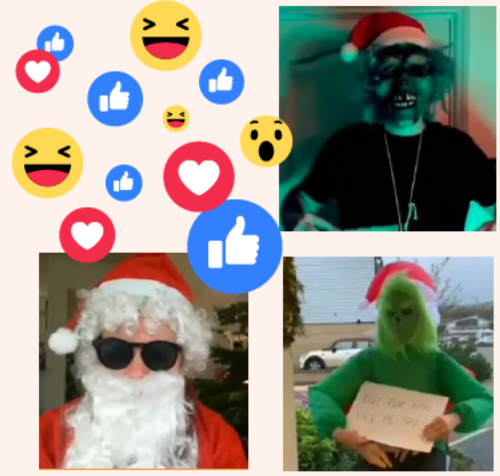
- The Hannay Family Step Up Challenge
- Weekly fitness classes for colleagues
- Unmind wellbeing campaign
- Skills workshops for colleagues
- Valentine's Day art competition
- World Book Day competition
- Half term activities for kids
- Cook-along and cocktails from the ship



VOLUNTEERING



HAVING FUN



1,575

COLLEAGUE SHOUT OUTS on Workplace

SAGA'S festive FINALE

165 reactions

497 comments

2.2k seen by

BE KIND

SUPPORT OTHERS

festive FAIR

Photo of three people sitting in front of a Christmas tree

220,000 reactions on Workplace

Like icon

Love icon

Wow icon

185 million steps

STEPPING UP FOR CHARITY

Photo of a woman and a man cycling

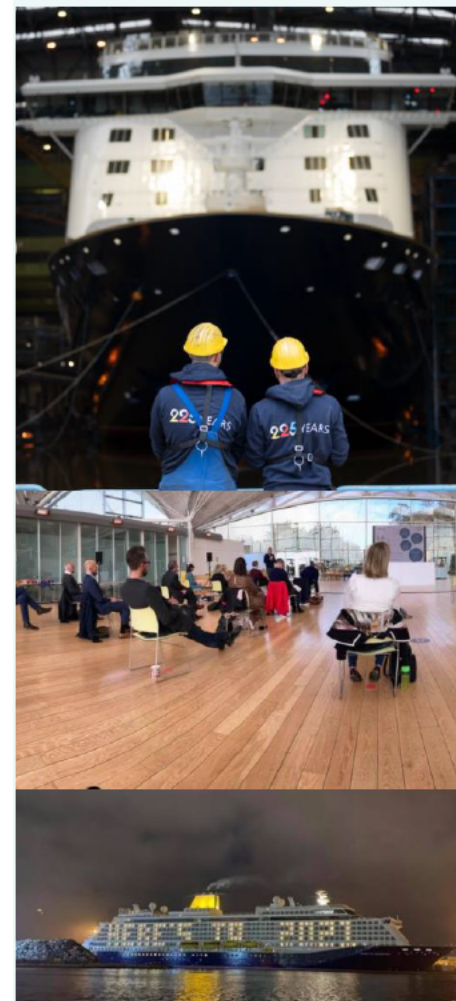


Workplace has been a **game changer** for recognising individuals and teams

The introduction of Mental Health First Aiders, Saga's Staying In and other groups on Workplace have demonstrated a refreshing concern about **colleague wellbeing**

SIGNIFICANT PROGRESS IN A YEAR OF UNPRECEDENTED CHALLENGE

- Saga emerging stronger from the COVID-19 crisis
- Robust COVID-19 response; effective move to home working; focus on serving customers and keeping colleagues safe
- Exceptional customer care driving improvements in loyalty and retention
- Decisive actions taken to continue to strengthen financial position
 - Disposals of Bennetts, Destinology, Healthcare and Saga Sapphire
 - Reduced costs; renegotiated covenanted debt terms
 - Successful £150m capital raise underpinned by Sir Roger De Haan
- Launched compelling new strategy; good early progress against all five pillars
- Core market remains attractive and in growth
- Travel ready to resume operations; significant pent-up customer demand
- Resilient Insurance performance; return to policy growth, delivery against all key metrics and well placed for FCA market study outcome
- On track against the targets set in September 2021





Q&A

SAGA



APPENDIX

SAGA

SAGA PLC CONSOLIDATED INCOME STATEMENT

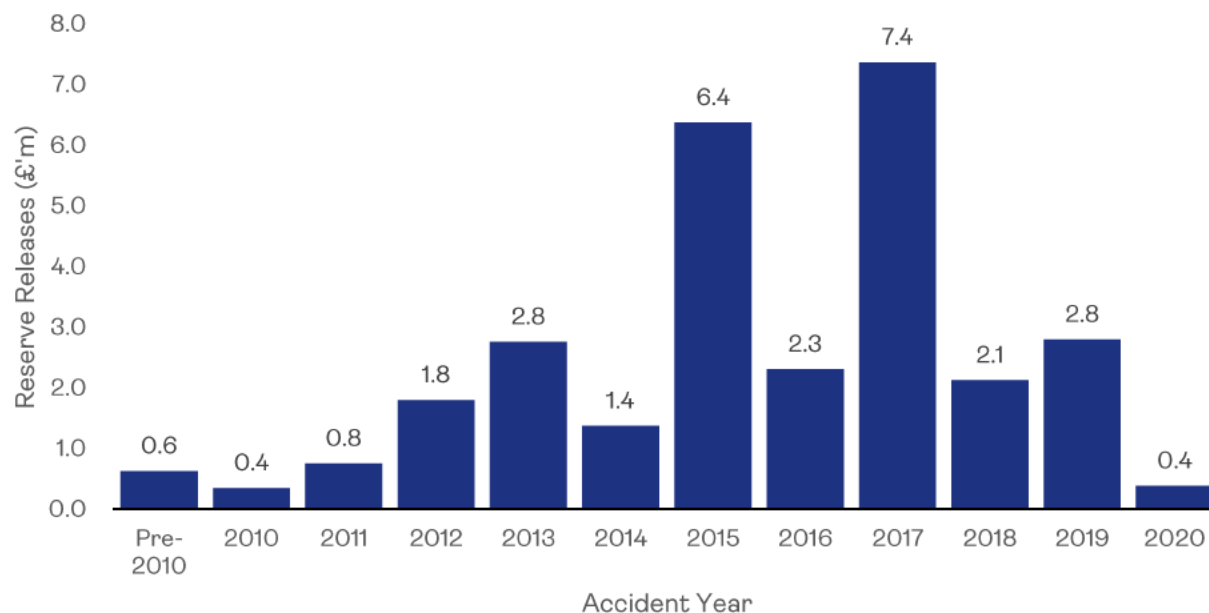
	2020/21	Growth	2019/20
Revenue	£337.6m	(57.7%)	£797.3m
Underlying Profit Before Tax			
Total Retail Broking (earned)	£75.9m	(15.9%)	£90.2m
Underwriting	£58.7m	44.6%	£40.6m
Total Insurance	£134.6m	2.9%	£130.8m
Travel	(£78.5m)	(496.5%)	£19.8m
Other Businesses and Central Costs	(£22.4m)	17.0%	(£27.0m)
Net finance costs	(£16.6m)	(21.2%)	(£13.7m)
Total Underlying Profit Before Tax	£17.1m	(84.4%)	£109.9m
Net fair value gains / (losses) on derivatives	£1.7m		(£1.1m)
Profit on disposal / (impairment) of assets	£2.0m		(£16.9m)
Thomas Cook insolvency	-		(£3.9m)
Restructuring costs	(£30.8m)		(£5.9m)
Net profit on disposal of businesses	£8.6m		-
Impairment of goodwill	(£59.8m)		(£383.0m)
Loss before tax	(£61.2m)	79.7%	(£300.9m)
Tax expense	(£6.6m)	44.5%	(£11.9m)
Loss after tax	(£67.8m)	78.3%	(£312.8m)
Basic earnings per share:			
Underlying earnings per share	13.2p	(89.1%)	121.0p
Loss per share	(67.0p)	82.4%	(381.7p)

INSURANCE UNDERWRITING INCOME STATEMENT

		2020/21	Quota Share	Underlying 2020/21	Growth	Underlying 2019/20
Net earned premium		£54.7m	(£128.7m)	£183.4m	(6.5%)	£196.2m
Other revenue		£19.7m	£20.7m	(£1.0m)	(42.9%)	(£0.7m)
Revenue	A	£74.4m	(£108.0m)	£182.4m	(6.7%)	£195.5m
Claims costs	B	(£42.2m)	£96.1m	(£138.3m)	22.1%	(£177.5m)
Reserve releases	C	£30.6m	(£7.0m)	£37.6m	(6.0%)	£40.0m
Other cost of sales	D	(£4.9m)	£12.9m	(£17.8m)	(0.6%)	(£17.7m)
	E	(£16.5m)	£102.0m	(£118.5m)	23.6%	(£155.2m)
Gross profit		£57.9m	(£6.0m)	£63.9m	58.6%	£40.3m
Operating expenses	F	(£2.9m)	£7.7m	(£10.6m)	(51.4%)	(£7.0m)
Investment return		£3.7m	(£4.6m)	£8.3m	(11.7%)	£9.4m
Quota share net cost		-	£2.9m	(£2.9m)	(38.1%)	(£2.1m)
Underlying Profit Before Tax		£58.7m	-	£58.7m	44.6%	£40.6m
Reported loss ratio	(B+C)/A	15.6%		55.2%	(15.1ppt)	70.3%
Expense ratio	(D+F)/A	10.5%		15.6%	3.0ppt	12.6%
Reported COR	(E+F)/A	26.1%		70.8%	(12.2ppt)	83.0%
Current year COR	(E+F-C)/A	67.2%		91.4%	(12.0ppt)	103.4%
Number of earned policies				764k	(6.5%)	817k

RESERVE RELEASES

2020/21 Total Group motor reduction in best estimate claim costs by accident year



Note that data shown reflects movements in the underlying actuarial best estimate for accident years up to the year ended 31 January 2020 and excludes the release of any margin associated with those years.

TRAVEL INCOME STATEMENT

	2020/21				2019/20		
	Tour Operations	Cruising	Total Travel	Growth	Tour Operations	Cruising	Total Travel
Revenue	£32.7m	£18.9m	£51.6m	(88.9%)	£346.1m	£118.0m	£464.1m
Gross profit	(£2.6m)	(£13.9m)	(£16.5m)	(116.6%)	£61.2m	£37.9m	£99.1m
Marketing expenses	(£7.8m)	(£7.1m)	(£14.9m)	53.3%	(£18.3m)	(£13.6m)	(£31.9m)
Other operating expenses	(£26.4m)	(£7.3m)	(£33.7m)	17.6%	(£33.6m)	(£7.3m)	(£40.9m)
Investment return	-	£0.2m	£0.2m	(50.0%)	£0.3m	£0.1m	£0.4m
Finance costs	(£0.1m)	(£13.5m)	(£13.6m)	97.1%	(£0.4m)	(£6.5m)	(£6.9m)
Underlying (Loss)/Profit Before Tax	(£36.9m)	(£41.6m)	(£78.5m)	(496.5%)	£9.2m	£10.6m	£19.8m
Ave. Revenue per passenger	£2,515	£3,150	£2,716	12.9%	£2,150	£3,688	£2,405
Holidays passengers ('000)							
Stays	8		8	(87.9%)	66		66
Tours	5		5	(91.9%)	62		62
River cruise	-		-	(100.0%)	25		25
Third-party ocean cruise	-		-	(100.0%)	8		8
	13		13	(91.9%)	161		161
Cruise passengers ('000)		6	6	(81.3%)		32	32
Cruise passenger days ('000)		61	61	(85.1%)		409	409
Load factor		83%	83%	(1.2ppt)		84%	84%
Per Diems		£241	£241	(6.9%)		£259	£259

OTHER BUSINESSES AND CENTRAL COSTS

	2020/21	2019/20	Variance
Revenue	£18.0m	£29.0m	(38%)
Underlying PBT – Other Businesses	£2.8m	£4.6m	(39%)
Central Costs	(£26.3m)	(£35.2m)	25%
Investment income	-	£0.1m	
IAS 19R	(£2.6m)	(£0.1m)	
Net finance costs	(£16.6m)	(£13.7m)	(21%)
Underlying loss before tax	(£39.0m)	(£40.7m)	4%

Other businesses

- Includes the Group's personal finance, and media, mailing and printing businesses.
- Reduction in Underlying PBT largely reflects the closure of the Group's Healthcare business, coupled with a one-off supplier contribution for the equity release product in the prior year.

Central costs

- Reduction in central costs due to increased recharges to the operating divisions and cost savings

OTHER BUSINESSES AND CENTRAL COSTS INCOME STATEMENT

	2020/21				2019/20		
	Other Businesses	Central Costs	Total	Growth	Other Businesses	Central Costs	Total
Revenue							
Personal Finance	£6.0m	-	£6.0m	(18.9%)	£7.4m	-	£7.4m
Healthcare	£0.9m	-	£0.9m	(85.2%)	£6.1m	-	£6.1m
Printing and media	£9.1m	-	£9.1m	(31.6%)	£13.3m	-	£13.3m
Other	-	£2.0m	£2.0m	(9.1%)	-	£2.2m	£2.2m
Total revenue	£16.0m	£2.0m	£18.0m	(37.9%)	£26.8m	£2.2m	£29.0m
Gross profit	£5.6m	£3.7m	£9.3m	(33.1%)	£10.3m	£3.6m	£13.9m
Operating expenses	(£2.8m)	(£26.3m)	(£29.1m)	28.9%	(£5.7m)	(£35.2m)	(£40.9m)
Investment income	-	-	-		-	£0.1m	£0.1m
IAS19R pension charge	-	(£2.6m)	(£2.6m)		-	(£0.1m)	(£0.1m)
Net finance costs	-	(£16.6m)	(£16.6m)	(21.2%)	-	(£13.7m)	(£13.7m)
Underlying Profit/(Loss) Before Tax	£2.8m	(£41.8m)	(£39.0m)	4.2%	£4.6m	(£45.3m)	(£40.7m)

COST BASE RECONCILIATIONS

Underlying to statutory administration and marketing costs

	2020/21	2019/20
Underlying administration and marketing costs (per page 15)	£201.1m	£247.6m
Restructuring costs	£28.2m	£2.0m
IAS 19 charge	£2.6m	£0.2m
Costs ceded under quote share reinsurance contracts	(£7.7m)	(£4.6m)
Amortisation of acquired intangibles	-	£3.0m
Thomas Cook insolvency	-	£3.9m
Other non-trading items	-	£0.5m
Statutory administration and marketing costs	£224.2m	£252.6m

Cruise to total Travel cost of sales

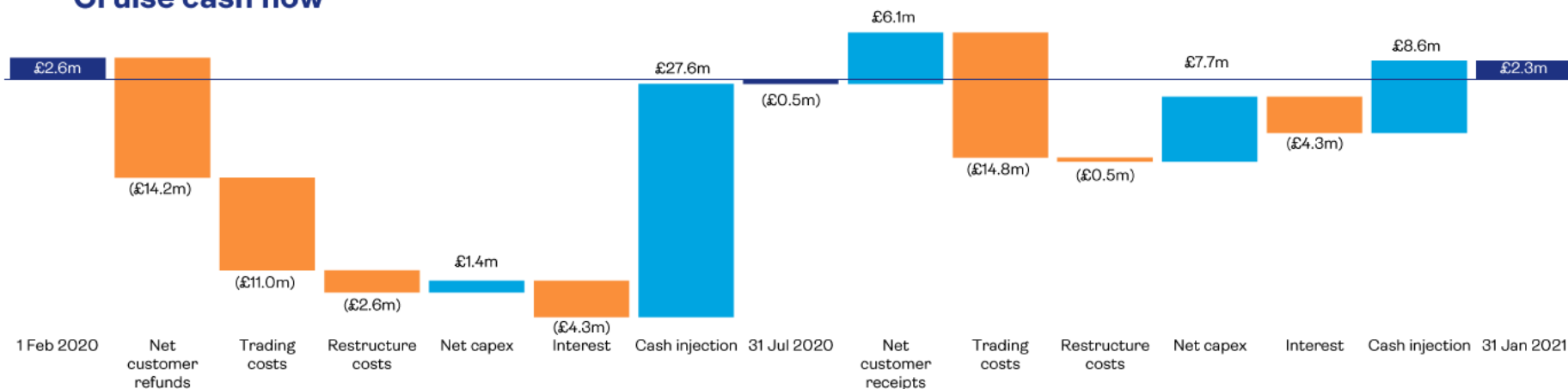
	2020/21	2019/20
Cruise (per page 15)	£24.7m	£66.6m
Depreciation of ships	£8.1m	£13.5m
Total Cruise	£32.8m	£80.1m
Tour Operations	£35.3m	£284.9m
Total Travel cost of sales	£68.1m	£365.0m

CASH FLOW AND LIQUIDITY

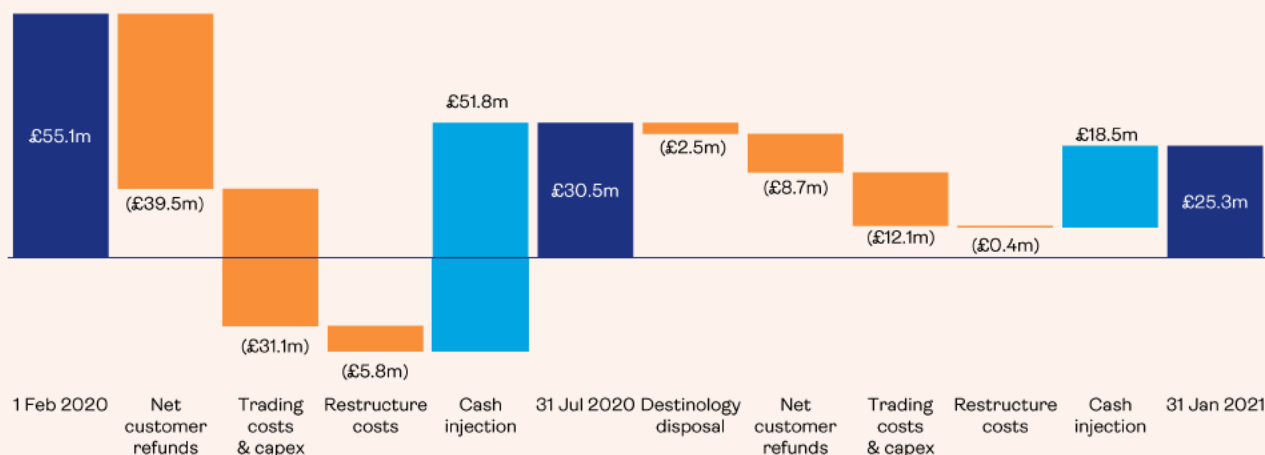
	2020/21	Growth	2019/20
Retail Broking Trading EBITDA	£81.6m	(16%)	£98.4m
Other Businesses and Central Costs Trading EBITDA	(£10.0m)	40%	(£16.7m)
Trading EBITDA from unrestricted entities	£71.6m	(11%)	£81.7m
Dividends paid by Underwriting business	£24.5m	(39%)	£40.0m
Working capital and non-cash items	£7.0m	174%	(£9.5m)
Capital expenditure funded with available cash	(£10.8m)	37%	(£17.2m)
Available operating cash flow before injections to Travel operations	£92.3m	(3%)	£95.0m
Cash injection into Tour Operations	(£64.1m)	(156%)	(£25.0m)
Cruise available operating cash flow	(£24.8m)	(209%)	£22.7m
Available operating cash flow	£3.4m	(96%)	£92.7m
Restructuring costs paid	(£23.0m)	(1,253%)	(£1.7m)
Interest and financing costs	(£27.3m)	(38%)	(£19.8m)
Business disposals	£30.1m	100%	-
Tax receipts / (payments)	£2.8m	127%	(£10.4m)
Other payments	(£10.2m)	(264%)	(£2.8m)
Dividends paid to shareholders	-		(£25.8m)
Change in cash from operations	(£24.2m)	175%	£32.2m
Net proceeds from capital raise	£138.7m	100%	-
Change in bank debt	(£80.0m)	(100%)	(£40.0m)
Cash at 1 February	£40.9m	(16%)	£48.7m
Available cash at 31 January	£75.4m	84%	£40.9m

CASH SUPPORT PROVIDED TO TRAVEL

Cruise cash flow



Tour Operations cash flow



Reconciliation to H2 burn cost

	H2 2020/21
Cruise trading costs (as above)	(£14.8m)
Cruise interest (accruals basis)	(£6.5m)
Total Cruise	(£21.3m)
Tour Operations EBITDA	(£16.3m)
Total Travel (per month)	(£37.6m) (£6.3m)

SUMMARY OF BANKING FACILITIES & COVENANTS

Summary of banking facilities

- No capital repayments due under the ship facilities until June 2022
- No plc dividends until deferred amounts repaid in full
- £40m minimum liquidity requirement under both ship and corporate facilities.
- £100m undrawn RCF

	Outstanding	Expiry
Corporate bond	£250m	May 2024
Spirit of Discovery	£235m	June 2031
Spirit of Adventure	£281m	September 2032
Term loan	£70m	May 2023
RCF	£100m available	

Covenants attached to the term loan & RCF

- £55m lending limit between Saga plc and the Cruise business (£30m from September 2022)
- No plc dividends if leverage* is greater than 3.0x EBITDA

	Leverage ratio	Interest cover
April 2021	4.75x	1.25x
July 2021	4.75x	1.25x
October 2021	4.50x	1.25x
January 2022	4.25x	1.50x
July 2022 & onwards	3.00x	3.50x

* Leverage ratio excluding the Cruise business.