



# **INTERIM RESULTS**

for the six months ended 31 July 2022

**27 SEPTEMBER 2022**

**SAGA**

# AGENDA

Overview

**Euan Sutherland** Group CEO

Financial performance

**James Quin** Group CFO

Saga Travel

**John Constable** Saga Travel Group CEO

Strategy overview

**Euan Sutherland**

Conclusion



# OVERVIEW

Euan Sutherland  
Group CEO

SAGA

# RETURN TO UNDERLYING PROFIT AS CRUISE AND TRAVEL GROWTH BEGINS



- Return to underlying profit for the first half and expect to report underlying profit for the full year in the range of £20-30m
- Resilient performance within all business units:
  - On track to reach target Ocean Cruise load factor with per diems ahead of plan
  - Relunched Travel business with new touring and stays proposition
  - Revenue growth in Saga Money following launch of new equity release product and new CEO
  - Disciplined Insurance approach in difficult market; stable margins and enhanced product range
  - Reported loss before tax of £257.5m, reflecting impairment of Insurance goodwill
  - Robust financial position with £179.0m of Available Cash and resumption of ocean cruise ship repayments
- Good early progress against strategy with customer NPS growth and strengthened leadership team focused on delivery of Superbrand growth plan

# MAXIMISING OUR EXISTING BUSINESSES

## Cruise and Travel\*

Strong Ocean Cruise bookings and progress on River Cruise alongside launch of new digital Travel business

**66%**

Ocean  
Cruise load  
factor  
(HY 2021 – 56%)

**£318**

Ocean  
Cruise  
per diem  
(HY 2021 – £294)

**8.8**

Ocean Cruise  
guest  
satisfaction  
(out of 10)  
(HY 2021 – 9.0)

**36%**

Ocean  
Cruise first  
time buyers  
(HY 2021 – 48%)



Launched  
**new  
Travel  
offer**

**£2,241**

Travel ave.  
revenue per  
customer  
(HY 2021 – £2,000)

Launched  
**premium  
jet  
touring**

**27k**

River Cruise  
and Travel  
passengers  
(HY 2021 – 1k)

## Insurance

Challenging market conditions with steps taken to return to growth

**+3%**

total  
policies in  
force

**£74**

motor and  
home margin  
per policy  
(HY 2021 – £76)

**83%**

motor and  
home  
retention  
(HY 2021 – 81%)

**50%**

motor and  
home direct  
share  
(HY 2021 – 58%)



**(8%)**

motor and  
home policy  
sales  
(HY 2021 – +0.5%)

Launch of  
**standard  
one-year  
motor  
product**

**£18m**

prior-year  
reserve  
releases  
(HY 2021 – £18m)

**110%**

current year  
COR  
(HY 2021 – 88%)

\*Cruise refers to our Ocean Cruise and River Cruise businesses. Travel refers to Saga and Titan Travel's touring, stays and tailor-made products



# FINANCIAL PERFORMANCE

James Quin  
Group CFO

SAGA



# RETURN TO UNDERLYING PROFIT IN CHALLENGING MARKETS

	HY 2022	HY 2021	Variance
Revenue	£258.3m	£156.4m	65%
Underlying Profit/(Loss) Before Tax	£14.0m	(£2.8m)	600%
(Loss)/profit before tax	(£257.5m)	£0.7m	
Available Operating Cash Flow	£31.5m	£41.9m	(25%)
Net debt	£721.3m	£740.3m	(3%)
Leverage ratio	8.5x	12.3x	(3.8x)

- Significant increase in revenue and return to underlying profit, supported by the partial recovery of Cruise and Travel as we emerge from the pandemic
- Reported loss before tax includes £269m impairment of Insurance goodwill
- Operating cash in the prior year benefited from one-off working capital inflows
- Leverage ratio starting to reduce

# RESILIENT INSURANCE, CRUISE AND TRAVEL STARTING TO RECOVER

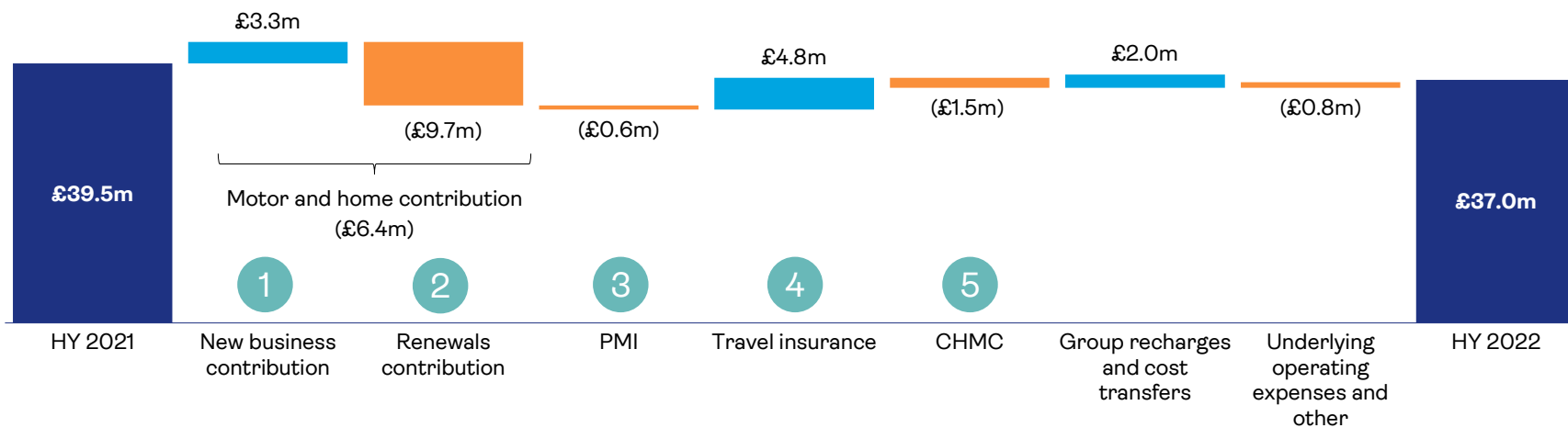
	HY 2022	HY 2021	Variance
Retail Broking (written)	£37.0m	£39.5m	(6%)
Written to earned adjustment	(£1.5m)	(£1.6m)	6%
Underwriting	£16.4m	£31.1m	(47%)
Insurance	£51.9m	£69.0m	(25%)
Ocean Cruise	(£6.9m)	(£35.4m)	81%
River Cruise and Travel	(£4.7m)	(£15.8m)	70%
Cruise and Travel	(£11.6m)	(£51.2m)	77%
Other Businesses	£0.4m	£1.1m	(64%)
Central Costs	(£26.7m)	(£21.7m)	(23%)
Underlying Profit/(Loss) Before Tax	£14.0m	(£2.8m)	600%

- Lower Insurance result mainly a function of higher current-year loss ratio in the Underwriting business
- Significantly improved Cruise and Travel result as businesses begin to return to more normal operating conditions
- Increase in Central Costs mainly due to lower group recharges and higher finance costs



# LOWER MOTOR AND HOME BROKING RESULT BUT IMPROVED TRAVEL INSURANCE SALES

## Year-on-year movement in written Retail Broking Underlying Profit Before Tax



- 1 Increased new business margins post FCA market study, partially offset by lower new business volumes and higher proportion through price-comparison websites
- 2 2ppt improvement in retention offset by reduced renewal margins post market study
- 3 Stable PMI sales, offset by renewal pricing actions and lower profit share post COVID-19 lockdowns
- 4 Return to pre-pandemic level of Travel insurance new business sales
- 5 One-off credit hire debt recovery in the prior year

# TAKING THE RIGHT STEPS TO POSITION INSURANCE FOR THE FUTURE

## Market context

- Very competitive motor market as pricing adjusts to regulatory changes that require equalisation of pricing between motor and home new business and renewals
- High levels of claims inflation (estimated at 13%) is not fully being reflected in market pricing

## Our response

- Maintained pricing discipline, particularly in relation to three-year fixed-price policies which represent a significant proportion of our business
- Launched new one-year standard motor product, alongside multi-car and electric vehicle policies, aimed at providing customers with greater choice and allowing us to improve our competitive positioning

## Outcome

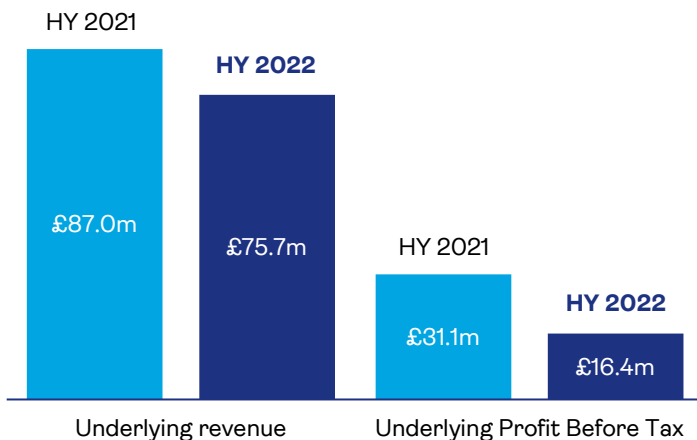
- Motor and home policy sales for the first half were 8% lower than the prior period
- Limited PBT impact to the current year as new business acquisition costs lead to a low year-one contribution; but, left unchecked and extrapolated, would lead to a significant reduction in future profits as renewal volumes decline
- Response actions will help us return to growth over time, but at a lower margin than previously anticipated, reducing PBT by c.£20m per annum
- Lower PBT leads to goodwill impairment, calculated on a prudent view of future cash flows

## Looking ahead

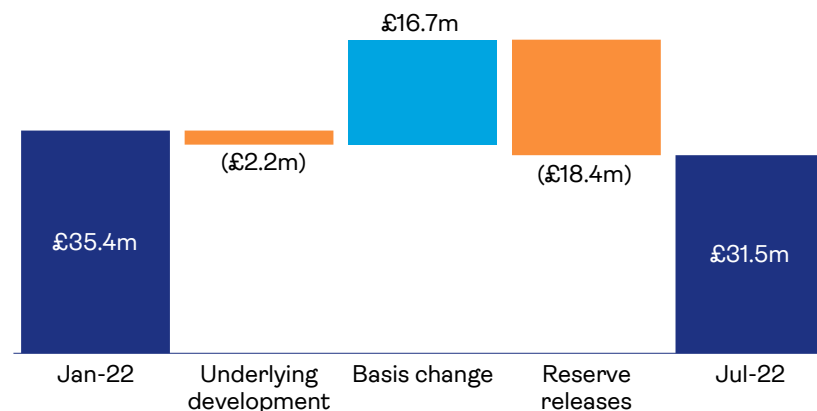
- Shift towards more standard one-year policies, alongside other changes, will allow us to return to growth over time
- Changes in business mix, including a growing proportion of standard policies, alongside price equalisation, likely to lead to lower future margins (estimated for 2023/24 at around £60 per policy for motor and home per our July Trading Update)

# UNDERWRITING BUSINESS NAVIGATING HIGH LEVELS OF CLAIMS INFLATION

## Claims frequency returning to normal



## Movement in reserve margin



- Underlying current-year combined ratio of 110% in H1, reflecting claims inflation of around 13%
- Expect similar current-year combined ratio in H2, albeit improving into 2023/24
- Prior year reserve releases of £18m include one-off £10m reduction in prudent view of 2020/21 accident year
- Basis change now aligns best estimate reserving with expected position post IFRS 17 adoption in 2023/24; future basis changes expected to be significantly smaller than in the past

# IMPACT OF CLAIMS INFLATION ON 2022/23 OUTLOOK

## What we're seeing

- Inflation pressures across the industry
- Latest view of inflation is around 13%
- Plus, secondary factors such as extended repair times and longer credit hire periods
- Market pricing is beginning to increase but has some way to go

## What we're doing

- More cautious prospective view of claims inflation
- Expected to continue at elevated levels for at least the next six months
- Reserves adjusted
- Net rates increased to price to technical profitability hurdles

## What's the impact?

- Some pressure on current year underwriting results in 2022/23 and, to a lesser extent, 2023/24
- UPBT guidance for 2022/23 reduced from £35-50m to £20-30m
- Three-year fixed-price broking margins remain robust
- Current and prospective inflationary pressures factored into goodwill assessment

# CRUISE AND TRAVEL RETURN DRIVES MUCH-IMPROVED RESULT

	HY 2022	HY 2021	Variance
Revenue	£136.2m	£10.0m	>1,000%
Gross profit /(loss)	£20.8m	(£18.2m)	214%
Underlying Loss Before Tax:			
Ocean Cruise	(£6.9m)	(£35.4m)	81%
River Cruise and Travel	(£4.7m)	(£15.8m)	70%
Total Underlying Loss Before Tax	(£11.6m)	(£51.2m)	77%

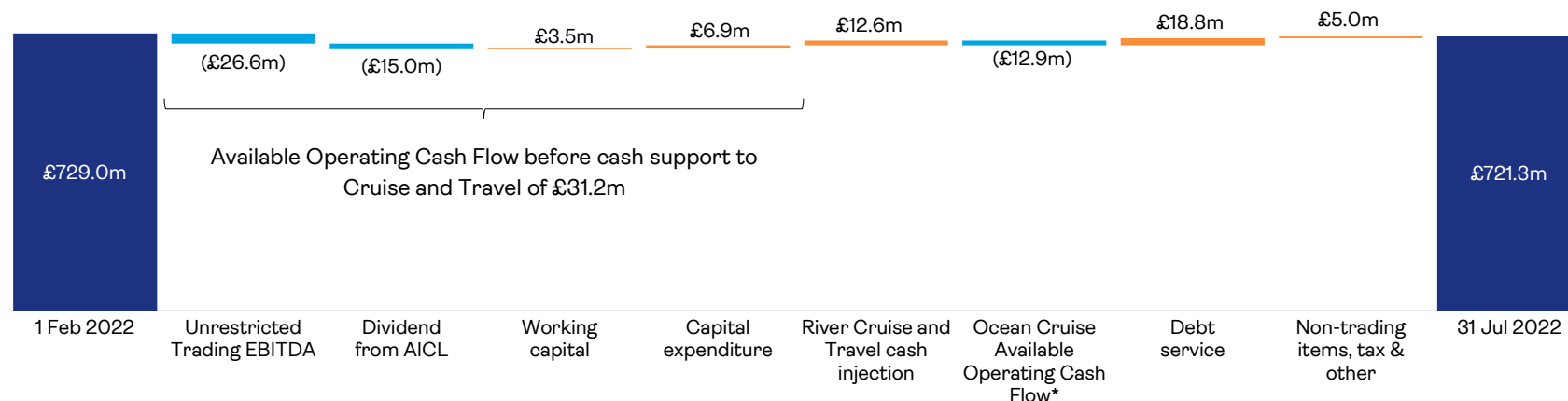
- Ocean Cruise EBITDA and cash positive for the first half, supporting resumption of ocean cruise ship repayments in June
- Small Ocean Cruise loss due to continued pandemic impact and other external challenges; expect to return to profit for the full year
- Much-improved River Cruise and Travel result following resumption of trading alongside cost actions; expect to report a small loss for the full year

Current year			
Bookings	18 Sep 2022	19 Sept 2021	Change
Ocean Cruise load factor	74%	70%	4ppts
Ocean Cruise per diem	£319	£301	6%
River Cruise and Travel revenue	£137.6m	£16.0m	760%

Next year		
18 Sep 2022	19 Sept 2021	Change
42%	60%	(18ppts)
£325	£307	6%
£76.0m	£111.0m	(32%)

# NET DEBT REDUCING DESPITE HEADWINDS

## Movement in net debt



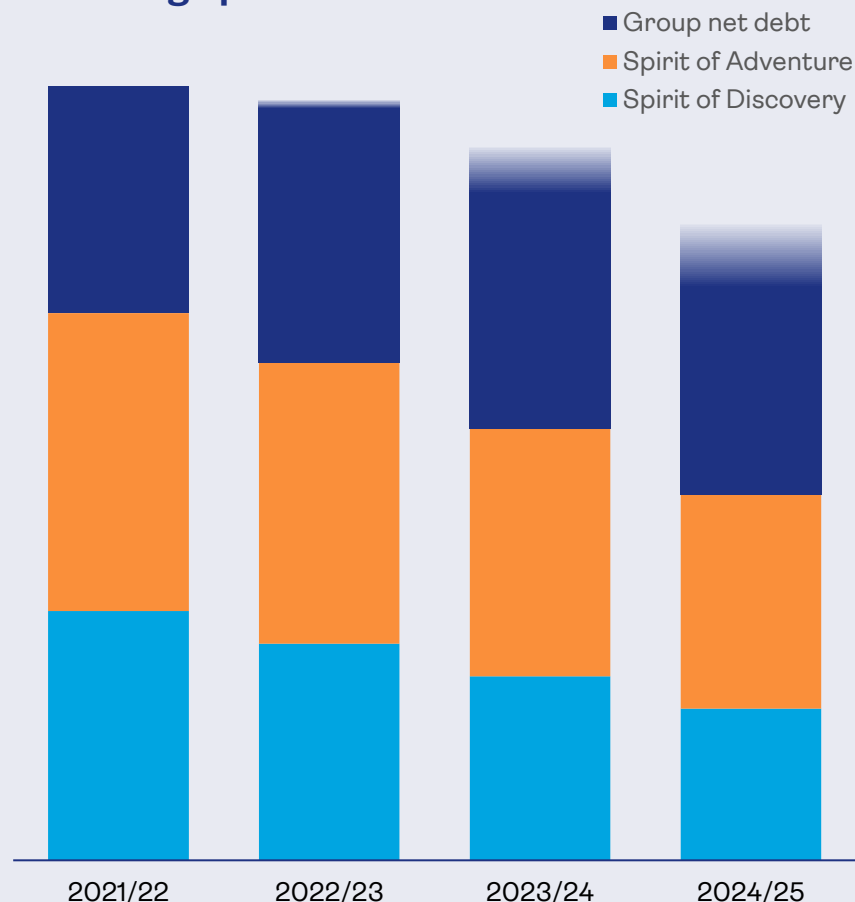
- Available Operating Cash Flow of £31.5m (vs. £41.9m in the prior year), mainly due to one-off positive working capital benefits in the prior year
- Lower level of cash support provided to River Cruise and Travel although, due to trust arrangement, small working capital outflow as business resumes closer-to-normal operations
- Improved Ocean Cruise cash flow, supporting resumption of ship repayments in June
- Reduced debt service costs with higher current-year bond interest offset by fees in the prior year in relation to the partial tender of the 2024 bond and issue of the 2026 bond
- Non-trading items largely reflect agreed deficit recovery plan payments to the defined benefit pension fund

\*Ocean Cruise cash flow represents net advance customer receipts, net trading income and capital expenditure as shown on page 46

# UPDATED NET DEBT OUTLOOK

- Chart to the right shows updated profile of net debt in a range of scenarios
- More positive travel outlook, but lower insurance profit expectations lead to a slightly slower pace of deleveraging
- Cruise debt reduces over time as instalments and deferred elements are repaid as they fall due
- We will maintain significant liquidity until the maturity of the 2024 bond
- Target of reducing total leverage to <3.5x remains but may take until 2025 or 2026

## Deleverage profile







# TRAVEL

John Constable  
Saga Travel Group CEO

# SAGA

# WE ARE BUILDING 'THE' TRAVEL COMPANY FOR THE EXPERIENCED MARKET



A dynamic and digital offering that allows us to penetrate a market that makes 52m trips per year



A world-class escorted touring business using both the Saga and Titan brands



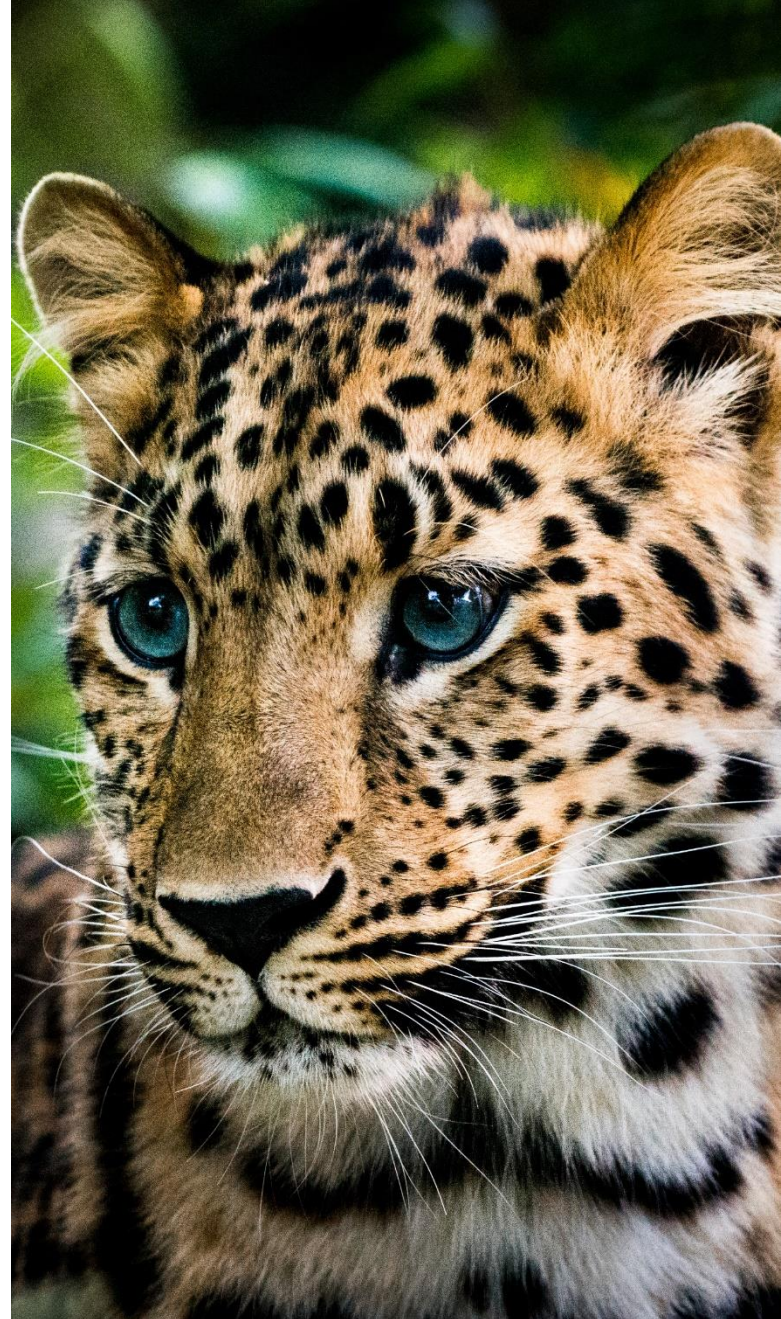
A product offering and service proposition that keeps travellers purchasing time and time again

## Significant market opportunity....

**15.8m**  
travellers over  
the age of 50...

...who each take  
**3.3 trips**  
per year...

...but only 38% rate  
us as a  
**'brand for me'**





# BUILDING WHAT OUR CUSTOMERS WANT...

- A wider range, beyond hosted resort stays and tours, tailored to the wants of people over 50
- Saga offering a wider range – makes the brand more attractive and relevant to more customers
- Flexibility and the ability to tailor holidays, content and departure dates are appealing
- The support of Saga whilst travelling adds confidence



## ...AND CONCEPT FEEDBACK IS POSITIVE

“Saga is a  
**more up to date,  
more modern**  
company than perhaps  
I had thought”

“It looks like Saga is  
keeping **up with  
the trends**”

“There’s  
**more to Saga**  
than I thought”

“A **very  
thoughtful  
ground-  
breaking idea**”

“Takes Saga up  
to the  
**next level**”

“It’s a  
**good  
direction of  
travel**”

“Plenty of  
people like us  
**will want  
to do this**”



# THERE IS SIGNIFICANT OPPORTUNITY

**Our target customers continue to grow and their lifestyles are changing  
They are eager to travel and more confident than ever using technology**

## **The Saga Exceptional Departure Experience**

**Experience the world in luxury and with  
peace of mind, no matter what your  
budget...**

- Pick up from your front door
- Transport to the airport
- Airport terminal drop-off
- Fast-track through security
- Lounge access
- Locally provided representation service
- Return to your front door
- Plus, travel insurance for tours and hotel stays, visa service and 24/7 concierge service

### **Attract younger customers**

- UK 50+ market predicted to grow by 2.3m by 2030; focus on active retirement segment

### **Affluent audience**

- Median disposable income for retired households has grown by +7% since 2020 *(vs. 2% for all households)*

### **Become the 'go to' brand**

- 38% plan to travel more than in 2019
- 61% plan to spend £3,000+ on overseas travel *(12% happy to spend £10,000+)*

### **Online experience**

- Internet penetration for 65+ is now at 80%
- 65% shop online, 20% book travel online

### **Personalisation**

- 72% of 65+ consumers expect real-time service when purchasing online

# TRAVEL TRANSFORMATION FROM TODAY TO 2027

## We've already made significant operational simplifications...

- Three reservation systems consolidated into one
- Two phone systems combined into one
- Two web platforms reduced to one
- Introducing local travel advisor model
- Outsourced non-customer facing capability

- ✓ Lower operating cost base
- ✓ Higher margin opportunity
- ✓ Simpler and easier for customers

## Today

- Leverage market opportunity
  - 11m 55+ year-olds visit four European destinations
  - 2.6m 55+ year-olds visit 11 long haul destinations
- Value and choice with dynamic air content
- Ability to curate content, launching more destinations
- Develop flash and tactical sale opportunities alongside product development
- Enhance established touring offering

- Leverage consented database of 2.2m, growing at c.70k per month
- Attract new and existing customers to Saga
- Titan as the escorted tours specialist
- Quality service delivery
- Low-cost operational model
- Direct mail and web as a demand driver
- New and expanding product range positions Saga as the expert
- Growth ambition of 300k passengers by 2026/27

## Tomorrow



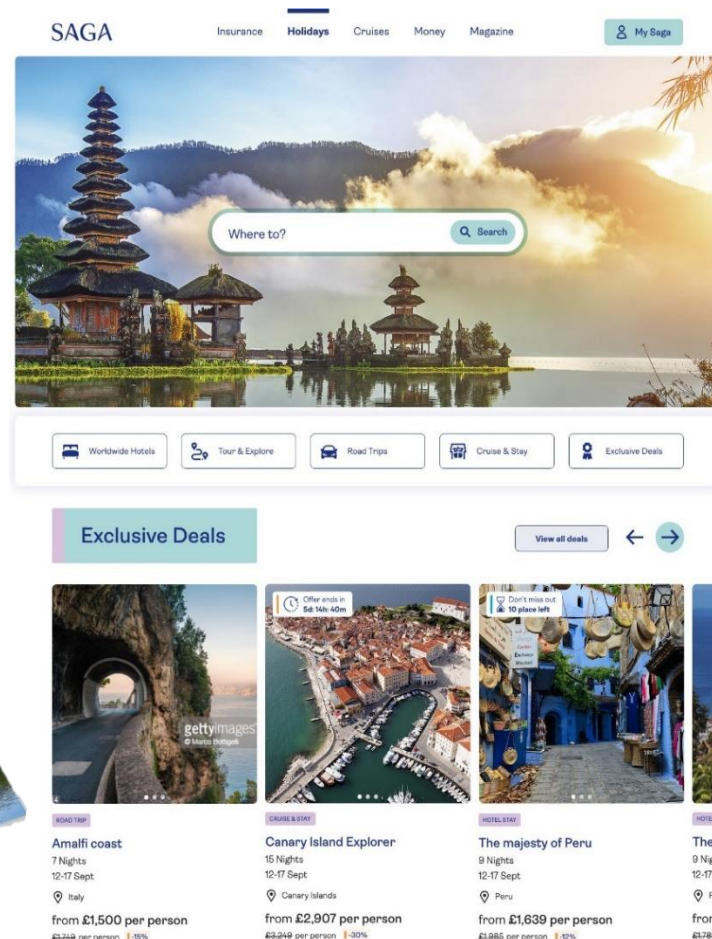
# TAILOR-MADE BY SAGA - DELIVERING GROWTH

A new dynamic, digital travel business, delivering innovative products and exclusive short term offers, improving speed to market and customer choice

- Curated product range
  - Independent and private touring
  - Self-drive itineraries
  - Motorhome holidays
  - Tailor-made
- Short term 'Exclusive Deals'

## Launched via

- New Travel website
- Leveraging our database via targeted and light direct mail
- New fresh styling and increased regular email interaction
- Increased social media focus
- Saga Magazine as a launch and ongoing platform



# TOURING – AN INSIGHT-LED STRATEGY FOCUSED ON FUTURE CUSTOMERS

- Touring appeals for many reasons:
  - Adventurous destinations
  - Hassle-free planning
  - Interesting itineraries
- Growth requires a much higher level of first-time bookers and lifetime values are high vs. acquisition costs
- Tour manager excellence is critical to repeat bookings

## Important drivers for first-time bookers are...



✓ Knowledgeable tour managers



✓ Everything taken care of



✓ Ability to see and do more

1

### Product innovation

- Premium jet tour launch
- Flexibility
- Regional flying strategy

3

### Commercial growth

- New distribution (Titan)
- Margin growth
- Channel management

2

### Brand fame

- World-class tour managers
- Supercharge first time bookers
- The sales journey

4

### Efficiency and simplification

- Leveraging our technology
- Constant challenge of our cost of operation and processes



# EARLY INNOVATION BEGAN WITH...

## ...our new premium jet service

- Stand-out tour proposition in an uncrowded space
- Inspiring innovating, challenging to replicate
- Sector leadership
- 1 tour delivers £1.9m revenue
- 70% sold 10 weeks after launch
- Full programme of premium jet tours will be released at the end of 2022
- £2-3m annual contribution to PBT from 2024/25



# ...AND PRODUCT DEVELOPMENT WILL BE CONSTANT



...the experienced gap year...

...destination expansion...



....and multi-generational travel

# WHAT DOES SUCCESS LOOK LIKE?

Saga is the **UK's number one travel provider** for the experienced generation...

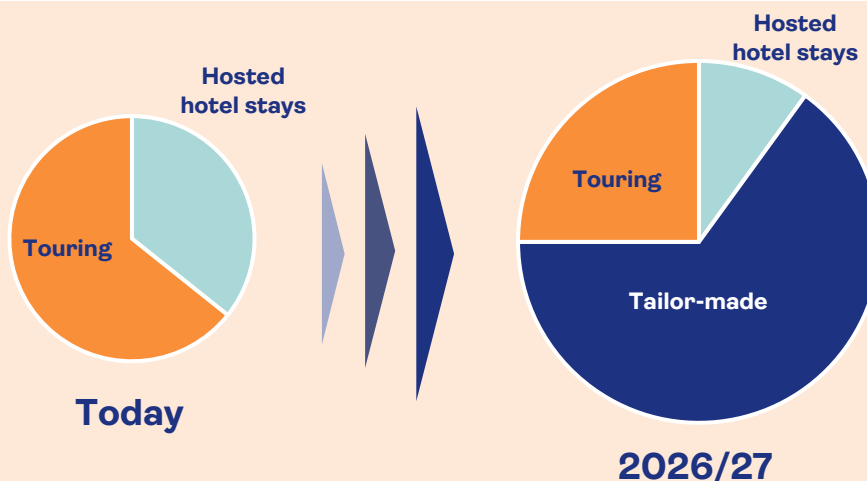


...with a proposition that is  
**100% personal, local,  
completely door-to-door**  
and complimented by  
**exceptional service...**



...and constant  
**innovation**  
that delivers  
**Exceptional  
Experiences  
Every day**  
for our customers...

...resulting in  
**significant  
growth in  
passenger  
numbers**  
from a  
**diversified  
business**





# STRATEGY OVERVIEW

Euan Sutherland  
Group CEO

SAGA



# THE SAGA VISION



Our formula is simple:

$$E^3 = R^2$$

Delivering  
**Exceptional**  
**Experiences**  
**Every day**

leads to

customers always  
**Returning** and  
**Recommending** us

By 2027, our ambition is to be

**The largest and fastest growing commercial network for older people in the UK,**

...with the

**largest active pool of the most insightful data on the fastest growing and wealthiest demographic**



Our priority is  
**to move to higher frequency,**  
**higher engagement**  
**products and services for**  
**our customers**

# FOCUSED ON OUR THREE-STEP GROWTH PLAN

## 1.

### Maximising our existing businesses

Specific growth plans for each business enabling growth, accountability, efficiency and delivery of a common brand purpose:

- Cruise
- Travel
- Money
- Insurance

## 2.

### Step-changing our ability to scale while reducing debt

- Grow existing businesses while reducing debt
- Developing new businesses through innovation in a capital-light way

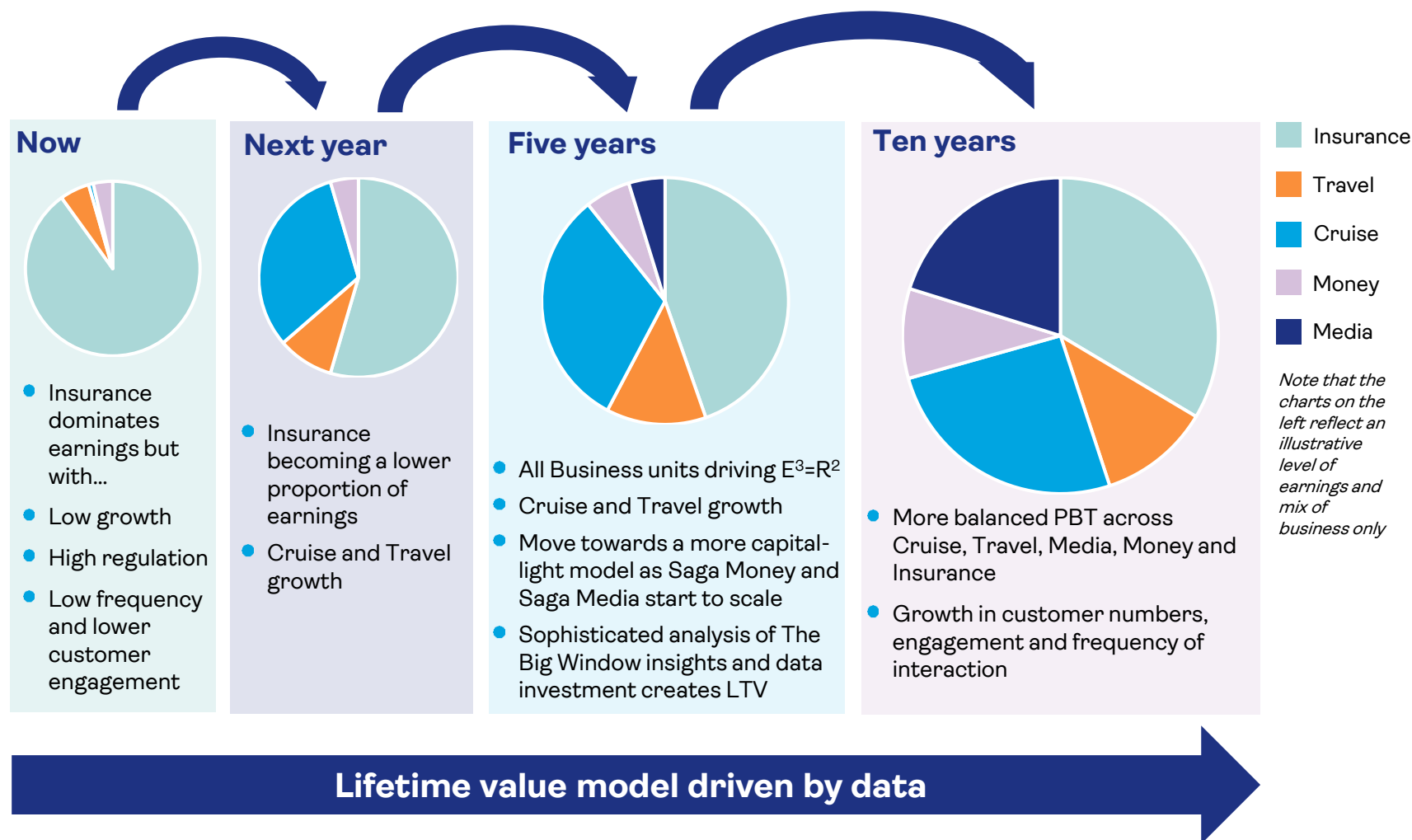
## 3.

### Creating THE Superbrand for older people in the UK

- Re-position the brand to challenge perceptions of age
- Commercialise and grow our database
- Build exceptional insights, supported by the Big Window
- Develop higher frequency, higher engagement business models through Saga Media

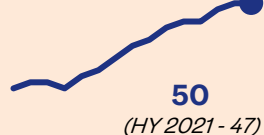
**Create an exceptional customer and colleague experience every day**

# WE SEE SIGNIFICANT OPPORTUNITY TO CREATE A DIVERSIFIED GROWTH BUSINESS



# GOOD EARLY PROGRESS IN H1 2022

Continued improvement in  
**customer NPS**

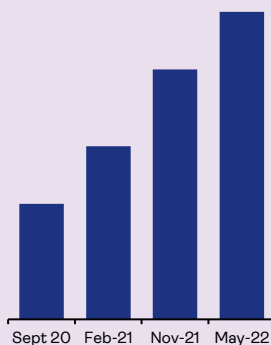


Revenue growth in Saga Money and appointment of CEO

**Jerry Toher**

Colleague engagement grew again to

**8.0 out of 10**  
(HY 2021 - 7.5)



Weekly email Saga Magazine reaching

**over 500k readers**  
every week



Building exceptional customer insights through the Big Window with

**customer segment research**

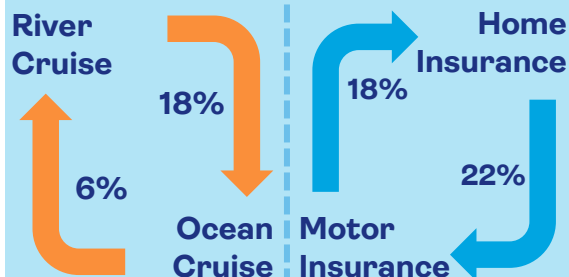


**Michael O'Donohue**

appointed as Chief Data Officer to grow and drive commercial value from our database



Increased focus on **cross-sell**



**Aaron Asadi**

appointed as CEO to create content platform and drive forward Saga Media vision



Consent and re-consent up by  
**more than 350%**  
compared to previous year

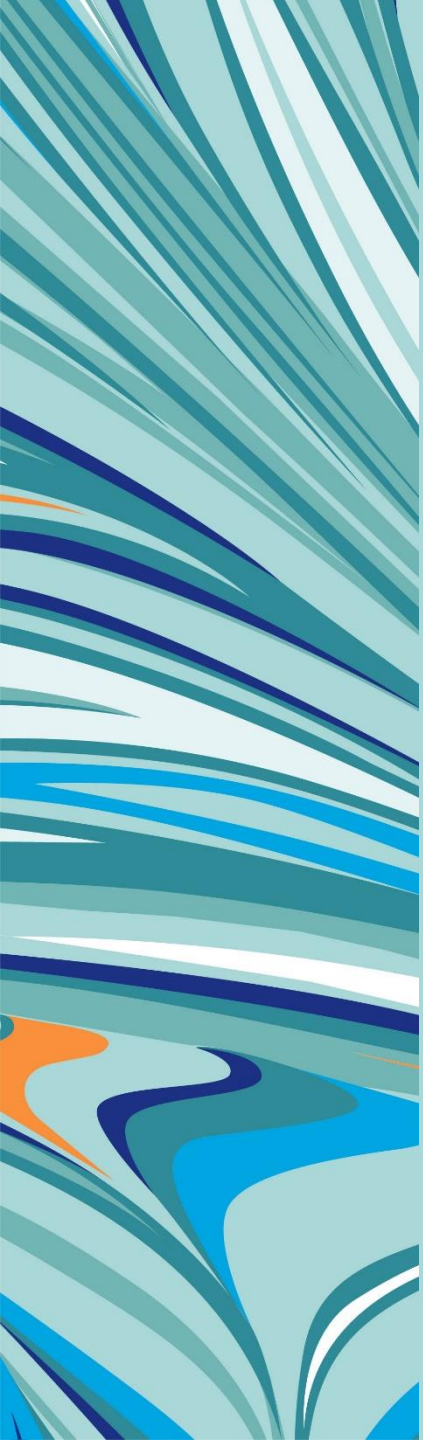




# WHAT'S NEXT FOR H2 2022/23?



Next update – **24 January 2022 - Trading Update and Capital Markets Event** (spotlight on Media, Money and Data)



# CONCLUSION


Euan Sutherland  
Group CEO

SAGA

# ON TRACK TO BUILD SAGA INTO THE SUPERBRAND FOR OLDER PEOPLE



- Expect to see improved operating performance in 2023/24, with growth in Saga Cruise, Travel and Money, a stabilised Insurance business and scale-up opportunity in Saga Media
- Expected accelerated delivery of our three-step growth plan with the new strengthened leadership team in place
- Making a strategic pivot to become a marketing, content and distribution business
- On track to build Saga into the largest and fastest growing commercial network, creating THE Superbrand for older people in the UK



**Q&A**

**SAGA**





## **DATES FOR THE DIARY**

### **2022**


10-14 October – Interim results roadshow

### **2023**

24 January - Trading Update

24 January - Capital markets event  
(Media, Money and Data)

TBC March – 2022/23 Preliminary results










## **APPENDIX**

**SAGA**

# SUMMARY OF GUIDANCE FOR 2022/23

 <b>Group financials</b>	<ul style="list-style-type: none"> <li>• Full year underlying profit to be in the range of £20-30m (compared with previous guidance of £35-50m)</li> <li>• Expect net debt to continue to reduce, despite challenging markets</li> </ul>
 <b>Insurance</b>	<ul style="list-style-type: none"> <li>• Motor and home policy sales like to be similar to H1</li> <li>• Motor and home margin per policy slightly lower than the first half</li> <li>• Current-year combined operating ratio similar to H1</li> <li>• Reserve releases materially lower than in the first half</li> </ul>
 <b>Ocean Cruise</b>	<ul style="list-style-type: none"> <li>• 75% load factor (84% in H2)</li> <li>• Per diem of £319 (£320 in H2)</li> <li>• £8m one-off COVID-19 discounts and safety protocols (per preliminary results)</li> </ul>
 <b>River Cruise and Travel</b>	<ul style="list-style-type: none"> <li>• Small Underlying Loss Before Tax, in line with previous guidance</li> </ul>
 <b>Other Businesses and Central Costs</b>	<ul style="list-style-type: none"> <li>• Central costs likely to be around £6m higher in H2 due investment in capability and innovation</li> </ul>



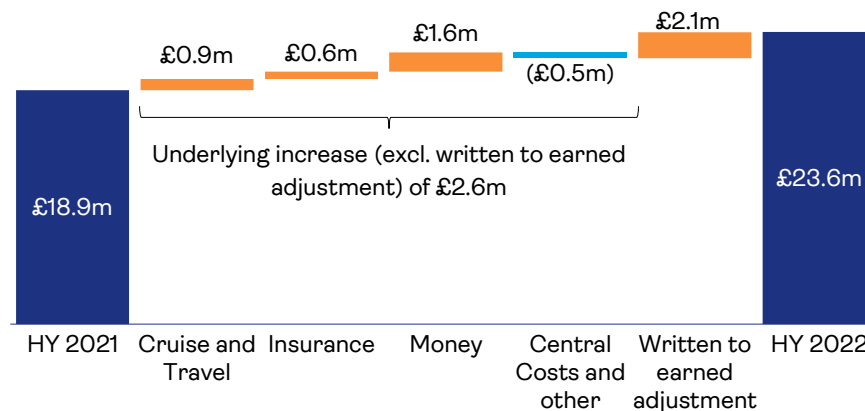
# SAGA PLC CONSOLIDATED INCOME STATEMENT

	HY 2022	Change	HY 2021
Revenue	£258.3m	65%	£156.4m
Underlying Profit/(Loss) Before Tax			
Retail Broking (earned)	£35.5m	(6%)	£37.9m
Underwriting	£16.4m	(47%)	£31.1m
Insurance	£51.9m	(25%)	£69.0m
Ocean Cruise	(£6.9m)	81%	(£35.4m)
River Cruise and Holidays	(£4.7m)	70%	(£15.8m)
Cruise and Travel	(£11.6m)	77%	(£51.2m)
Other Businesses and Central Costs	(£15.0m)	(35%)	(£11.1m)
Net finance costs	(£11.3m)	(19%)	(£9.5m)
Total Underlying Profit/(Loss) Before Tax	£14.0m	600%	(£2.8m)
Net fair value gains/(losses) on derivatives	£0.9m		(£3.2m)
Profit on disposal of assets	-		£7.1m
Impairment of Insurance goodwill	(£269.0m)		-
The Big Window acquisition costs	(£0.6m)		-
Restructuring costs	(£2.1m)		(£0.4m)
Foreign exchange losses on river cruise ship leases	(£0.3m)		-
ST&H River Cruise IFRS 16 adjustment	(£0.4m)		-
(Loss)/profit before tax	(£257.5m)	(>1,000%)	£0.7m
Tax expense	(£5.6m)	(47%)	(£3.8m)
Loss after tax	(£263.1m)	(>1,000%)	(£3.1m)
Basic earnings/(loss) per share:			
Underlying Earnings/(Loss) Per Share	6.1p	326%	(2.7p)
Loss per share	(189.0p)	(>1,000%)	(2.2p)

# CONTINUED INVESTMENT FOR THE FUTURE

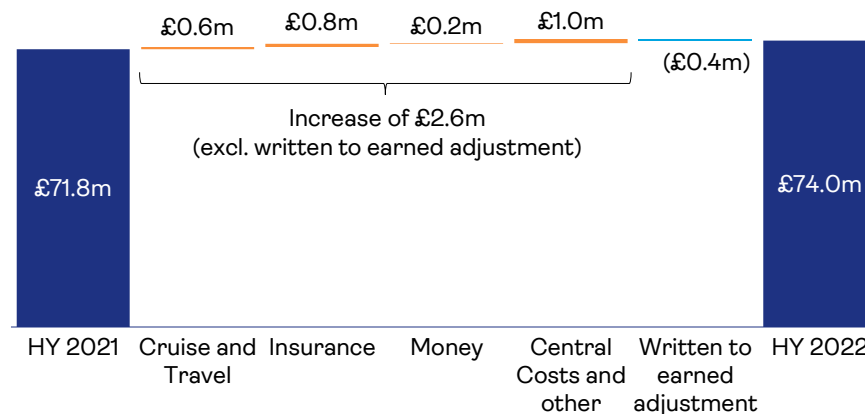
## Underlying marketing costs\*

- £2.6m underlying increase vs. the prior year:
  - £0.9m incremental Cruise and Travel spend to support future bookings as operations begin to normalise
  - £0.6m Insurance reflects TV advertising, partially offset by lower volume-related spend
  - £1.6m within Saga Money to support launch of new equity release product



## Underlying administration costs\*

- £4.4m underlying increase in incremental overheads:
  - Resumption of Cruise and Travel trading
  - Investment in Insurance and other capability, in senior team and in contact centres
- Partially offset by £1.8m reduced bonus accrual



\* Administration and marketing costs are reconciled to statutory definitions on page 39

# UNDERLYING TO STATUTORY MARKETING AND ADMINISTRATION COSTS

	HY 2022	HY 2021
Underlying marketing costs (page 38)	£23.6m	£18.9m
Underlying administration costs (page 38)	£74.0m	£71.8m
Total underlying marketing and administration costs	£97.6m	£90.7m
Restructuring costs	£2.2m	£0.4m
IAS 19 charge	-	£1.2m
FX movement on leases	£0.3m	-
Statutory administration and marketing costs	£100.1m	£92.3m

# INSURANCE RETAIL BROKING INCOME STATEMENT

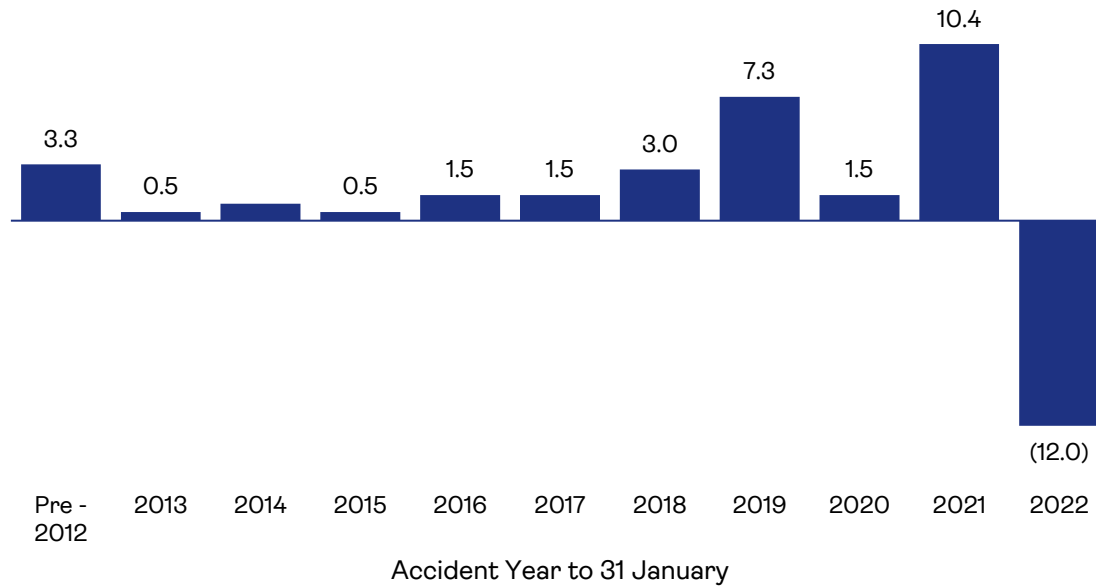
	Motor Broking	Home Broking	Other Broking	Total HY 2022	Change	Total HY 2021
Broked	£45.3m	£71.9m	£61.6m	£178.8m	2%	£175.8m
Underwritten	£97.1m	-	£1.8m	£98.9m	(7%)	£106.9m
Gross written premiums	£142.4m	£71.9m	£63.4m	£277.7m	(2%)	£282.7m
Broker revenue	£19.9m	£11.9m	£21.1m	£52.9m	-	£52.7m
Instalment revenue	£3.2m	£1.5m	-	£4.7m	-	£4.7m
Add-on revenue	£4.6m	£5.2m	-	£9.8m	(15%)	£11.5m
Other revenue	£13.6m	£8.6m	£0.3m	£22.5m	(10%)	£24.9m
Written revenue	£41.3m	£27.2m	£21.4m	£89.9m	(4%)	£93.8m
Written gross profit	£39.5m	£27.2m	£23.0m	£89.7m	(3%)	£92.8m
Marketing expenses	(£6.6m)	(£3.4m)	(£2.4m)	(£12.4m)	(5%)	(£11.8m)
Written gross profit after marketing expenses	£32.9m	£23.8m	£20.6m	£77.3m	(5%)	£81.0m
Other operating expenses	(£19.0m)	(£13.5m)	(£7.8m)	(£40.3m)	3%	(£41.5m)
Written Underlying PBT	£13.9m	£10.3m	£12.8m	£37.0m	(6%)	£39.5m
Written to earned adjustment	(£1.5m)	-	-	(£1.5m)	6%	(£1.6m)
Earned Underlying PBT	£12.4m	£10.3m	£12.8m	£35.5m	(6%)	£37.9m
Policies in force	840k	658k	189k	1,687k	3%	1,637k
Policies sold	433k	333k	109k	875k	(1%)	884k
Third-party panel share	27.7%				(3.1ppts)	30.8%

# INSURANCE UNDERWRITING INCOME STATEMENT

		Reported	Quota share	Underlying HY 2022	Change	Underlying HY 2021
Net earned premium		£24.2m	(£50.2m)	£74.4m	(12%)	£84.1m
Other revenue		£1.3m	-	£1.3m	(55%)	£2.9m
Revenue	A	£25.5m	(£50.2m)	£75.7m	(13%)	£87.0m
Claims costs	B	(£23.2m)	£47.0m	(£70.2m)	(10%)	(£64.1m)
Reserve releases	C	£16.1m	(£2.3m)	£18.4m	2%	£18.0m
Other cost of sales	D	(£1.7m)	£6.3m	(£8.0m)	(3%)	(£7.8m)
	E	(£8.8m)	£51.0m	(£59.8m)	(11%)	(£53.9m)
Gross profit		£16.7m	£0.8m	£15.9m	(52%)	£33.1m
Operating expenses	F	(£1.5m)	£3.7m	(£5.2m)	(4%)	(£5.0m)
Investment return		£1.2m	(£2.1m)	£3.3m	(20%)	£4.1m
Quota share net income/(cost)		-	(£2.4m)	£2.4m	318%	(£1.1m)
Underlying Profit Before Tax		£16.4m	-	£16.4m	(47%)	£31.1m
Reported loss ratio	(B+C)/A	27.8%		68.4%	(15.4ppts)	53.0%
Expense ratio	(D+F)/A	12.5%		17.4%	(2.7ppts)	14.7%
Reported COR	(E+F)/A	40.4%		85.9%	(18.2ppts)	67.7%
Current year COR	(E+F-C)/A	103.5%		110.2%	(21.8ppts)	88.4%
Number of earned policies				337k	(5%)	356k
Policies in force – Saga motor				599k	(1%)	607k

# RESERVE RELEASES

## HY 2022 prior year reserve releases by accident year (£'m)



# CRUISE AND TRAVEL INCOME STATEMENT

	HY 2022				HY 2021		
	Ocean Cruise	River Cruise and Travel	Total Cruise and Travel	Change	Ocean Cruise	River Cruise and Travel	Total Cruise and Travel
Revenue	£75.7m	£60.5m	£136.2m	>1,000%	£8.0m	£2.0m	£10.0m
Gross profit/(loss)	£11.9m	£8.9m	£20.8m	214%	(£17.0m)	(£1.2m)	(£18.2m)
Marketing expenses	(£4.7m)	(£4.7m)	(£9.4m)	(11%)	(£4.4m)	(£4.1m)	(£8.5m)
Other operating expenses	(£4.8m)	(£8.6m)	(£13.4m)	11%	(£4.5m)	(£10.5m)	(£15.0m)
Investment return	-	-	-	(100%)	£0.1m	-	£0.1m
Finance costs	(£9.3m)	(£0.3m)	(£9.6m)	-	(£9.6m)	-	(£9.6m)
Underlying Loss Before Tax	(£6.9m)	(£4.7m)	(£11.6m)	77%	(£35.4m)	(£15.8m)	(£51.2m)
Average revenue per passenger	£4,731	£2,241	£3,167	27%	£2,667	£2,000	£2,500
Ocean Cruise passengers	16k		16k	433%	3k	-	3k
Ocean Cruise passenger days	231k		231k	904%	23k		23k
Load factor	66%		66%	10ppts	56%		56%
Per diem	£318		£318	8%	£294		£294
River Cruise passengers		6k	6k	100%		-	-
Travel passengers		21k	21k	>1,000%		1	1

# OTHER BUSINESSES AND CENTRAL COSTS INCOME STATEMENT

	HY 2022				HY 2021		
	Other Businesses	Central Costs	Total	Change	Other Businesses	Central Costs	Total
Revenue							
Money	£4.1m	-	£4.1m	46%	£2.8m	-	£2.8m
Media and printing	£5.1m	-	£5.1m	4%	£4.9m	-	£4.9m
Other	-	£0.8m	£0.8m	-	-	£0.8m	£0.8m
Total revenue	£9.2m	£0.8m	£10.0m	18%	£7.7m	£0.8m	£8.5m
Gross profit	£4.2m	£1.6m	£5.8m	26%	£2.8m	£1.8m	£4.6m
Operating expenses	(£3.8m)	(£17.2m)	(£21.0m)	(45%)	(£1.7m)	(£12.8m)	(£14.5m)
Investment income	-	£0.2m	£0.2m	100%	-	-	-
IAS 19R pension charge	-	-	-	100%	-	(£1.2m)	(£1.2m)
Net finance costs	-	(£11.3m)	(£11.3m)	(19%)	-	(£9.5m)	(£9.5m)
Underlying Profit/(Loss) Before Tax	£0.4m	(£26.7m)	£26.3m	(28%)	£1.1m	(£21.7m)	(£20.6m)



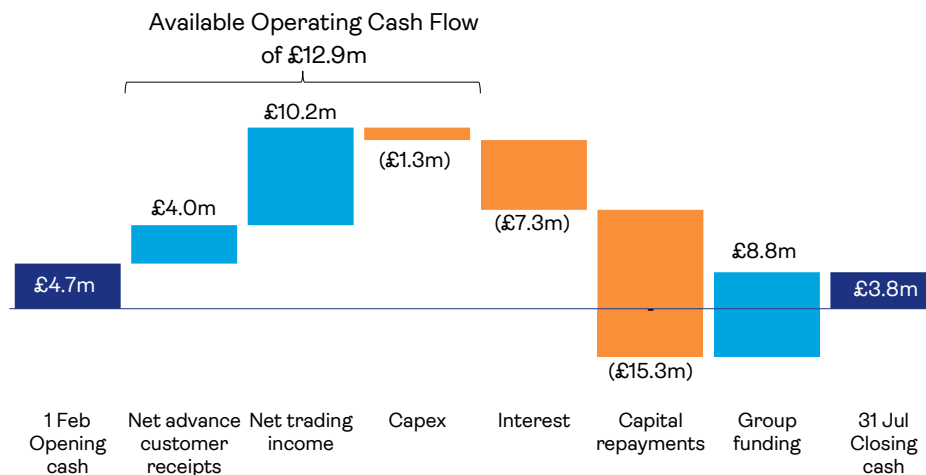
# CASH FLOW AND LIQUIDITY

	HY 2022	Change	HY 2021
Retail Broking Trading EBITDA	£38.8m	(5%)	£40.9m
Other Businesses and Central Costs Trading EBITDA	(£12.2m)	(85%)	(£6.6m)
Trading EBITDA from unrestricted entities	£26.6m	(22%)	£34.3m
Dividends paid by Underwriting business	£15.0m	25%	£12.0m
Working capital and non-cash items	(£3.5m)	(128%)	£12.5m
Capital expenditure funded with available cash	(£6.9m)	(3%)	(£6.7m)
Available Operating Cash Flow before injections to Travel operations	£31.2m	(40%)	£52.1m
Cash injection into River Cruise and Travel businesses	(£12.6m)	37%	(£19.9m)
Ocean Cruise Available Operating Cash Flow	£12.9m	33%	£9.7m
Available Operating Cash Flow	£31.5m	(25%)	£41.9m
Restructuring costs paid	(£0.7m)	(40%)	(£0.5m)
Interest and financing costs	(£18.8m)	17%	(£22.7m)
Business and property (acquisitions)/disposals	(£0.9m)	(120%)	£4.5m
Tax receipts	£2.4m	167%	£0.9m
Other payments	(£5.8m)	(38%)	(£4.2m)
Change in cash flow from operations	£7.7m	(61%)	£19.9m
Change in bond debt	-	(100%)	£150.0m
Change in bank debt	-	(100%)	(£70.0m)
Change in ship debt	(£15.3m)	(100%)	-
Cash at 1 February	£186.6m	148%	£75.4m
Available Cash at 31 July	£179.0m	2%	£175.3m

# CRUISE AND TRAVEL CASH FLOWS

## Ocean Cruise

- Increase in advance customer receipts as bookings increase
- Net trading income represents cash received on departed cruises, partially offset by running costs associated of those cruises
- £15.3m repayment of ocean cruise ship facilities in June
- Intercompany creditor of £18.8m remaining between Cruise and Saga Group at 31 July



## River Cruise and Travel

- Significant increase in net customer receipts as passenger numbers increase
- £12.6m cash support provided to support with supplier and trading payments in advance of cash being released from the ring-fence
- £68.3m ring-fenced cash supports £56.8m advanced customer receipts

