SAGA XLON SAGA PLC

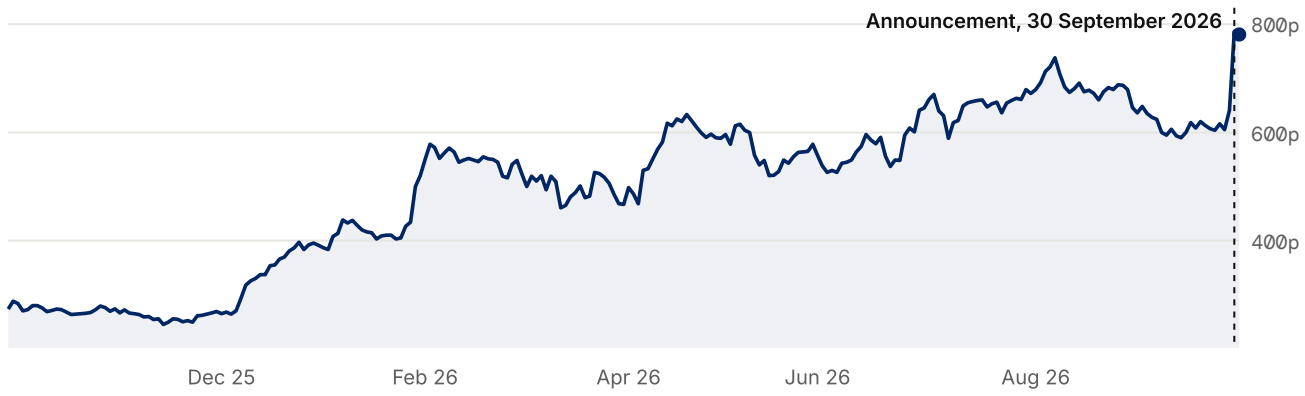
Interim results for the six months ended 31 July · RNS 8616W · 30 September 2026

Saga's first-half underlying profit nearly doubles and full-year guidance is raised to £65-70m

Share price	770.3p
Market cap	£1.13bn
52-week range	237p - 795p
Shares in issue	146.3m
12-month change	+185.6%

Ticker Data API, as at 2 Oct 2026, 10:24

SHARE PRICE, 12 MONTHS



SUMMARY

Saga's interim results today showed underlying profit before tax up 98% to £46.6m for the six months to 31 July 2026. Underlying revenue rose 14% to £366.3m. Net debt fell £70.4m since January to £429.1m, cutting the leverage ratio from 3.7x to 2.7x. The company raised full-year underlying profit guidance to £65-70m and now expects to hit its £100.0m profit and sub-2.0x leverage targets before January 2030. Two points qualify the good news. The guidance implies a much lighter second half, and net debt is now expected to be broadly flat for the year, having been expected in April to fall further. Earnings and cash also rest heavily on two ocean cruise ships, while river cruise and holidays bookings are softening. With the shares at 645p, much of the recovery looks reflected in the price.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Underlying Profit Before Tax	£46.6m	Six months to 31 July 2026	+98% from £23.5m
Full-year Underlying Profit Before Tax guidance	£65-70m	Year to January 2027	Upgraded; prior year £44.2m
Net Debt	£429.1m	31 July 2026	£70.4m lower than £499.5m at 31 January 2026
Leverage Ratio	2.7x	31 July 2026	From 3.7x at 31 January 2026; covenant limit 8.0x
Underlying Available Operating Cash Flow	£101.0m	Six months to 31 July 2026	+27%; Ocean Cruise contributed £83.3m
Ocean Cruise per diem	£440	Six months to 31 July 2026	From £391; load factor 92%, down 2 points
Next-year Ocean Cruise booked revenue	£190.6m	At 27 September 2026	+16.4%
Next-year Holidays booked revenue	£64.7m	At 27 September 2026	-10.0%
Exceptional items	£18.6m	Six months to 31 July 2026	From £19.8m
Market capitalisation	£944m	Share price 645.00p	

Sources: Interim results RNS, 30 Sep 2026; Ticker company data

THE ANNOUNCEMENT

- Underlying profit before tax rose 98% to £46.6m, and statutory profit before tax from continuing operations rose from £3.7m to £28.0m. All core businesses grew: Travel underlying profit rose 45% to £60.3m and Insurance Broking rose 75% to £15.9m.
- Full-year underlying profit guidance is upgraded to £65-70m. Management expects second-half profit to be at least in line with the prior year, despite low European river levels, the Middle East conflict, an unwind of first-half insurance margins and continued motor and home pricing investment.
- Net debt fell to £429.1m and the leverage ratio to 2.7x, against an 8.0x covenant. Both measures are expected to stay broadly flat for the full year before falling again. No interim dividend is proposed, and none is currently permitted while deferred ship-debt amounts remain outstanding.
- Ocean Cruise per diems (average revenue per passenger per day) rose to £440 from £391. Booked revenue for next year's ocean departures is up 16.4%, with the load factor (share of berths sold) 3 points higher.
- Softer areas: the booked river cruise load factor for the current year is 81%, down 7 points. Next year's Holidays bookings are 10.0% lower by revenue and 13.1% lower by passenger numbers.
- Strategic progress: motor and home new business has moved to Ageas, with renewals due to follow around the financial year end. A £10.5m contingent payment was received from Ageas, and a pet insurance partnership with Allianz UK is due to launch. The NatWest Boxed savings partnership has attracted over £2.1bn of deposits.

AGAINST GUIDANCE

First-half results were described as ahead of expectations. Full-year underlying profit guidance was upgraded to £65-70m, having been described in April only as a further step forward from £44.2m. Management now expects to reach its £100.0m profit and sub-2.0x leverage targets before the original January 2030 date. On debt, the guidance has softened: in April the company expected further reductions in net debt and leverage in 2026/27, but it now expects both to be broadly flat for the full year. Ticker's earnings surprise model, which is an estimate, had leaned narrowly towards an in-line result.

BULL CASE

- Ocean Cruise pricing power is strong. Per diems rose from £391 to £440, and next year's booked per diem is 11.4% higher, with a load factor 3 points ahead.
- Management has a record of beating its guidance. It beat guidance for the year to January 2026 and has now upgraded again, which lends weight to its view that the £100.0m profit target will arrive early.
- Balance sheet risk has fallen sharply from the refinancing strains of 2022-24. Leverage is 2.7x against an 8.0x covenant, debt service cover is 2.3x against 1.2x, and the business holds £210.1m of available cash plus undrawn facilities. The term loan does not mature until 2031.
- The insurance business is moving to a lower-risk, commission-based partnership model with Ageas and Allianz UK. The pension deficit has also shrunk to £6.2m.

BEAR CASE

- First-half cash flow was boosted by timing. Movements in other assets and liabilities added £37.7m, and trust and escrow releases added £12.0m. Capital spending was only £3.4m, and net debt is now guided to be broadly flat for the year rather than to keep falling.
- Earnings and cash are concentrated. Ocean Cruise supplied £83.3m of the £101.0m underlying available cash flow from just two ships, while river cruise occupancy and next year's Holidays bookings are weakening.
- The accounting cushion is thin and one-off costs are persistent. Goodwill of £206.4m exceeds total equity of £123.5m, and exceptional charges were £18.6m in the half.
- The economic backdrop is less supportive. Brent crude is up 44.4% over three months and gilt yields have risen. Hedging to December 2027 protects costs but not customer demand.

WHAT TO WATCH

- Whether full-year profit lands in the upper part of the £65-70m range, and whether net debt genuinely holds near the January level of £499.5m.
- Ocean Cruise load factors as well as per diems. A slide towards the 88% used in the Board's downside scenario would signal that consumer pressure has reached the core business.
- A clean transfer of motor and home renewals to Ageas around the financial year end, without losing customers or earnings.
- Whether river cruise and Holidays bookings recover, and how far capital spending rises towards normal ship-maintenance levels.

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