



Interim results for the six months ended 31 July 2019

Agenda

Lance Batchelor Chief Executive Officer

Overview

James Quin Chief Financial Officer

Financials

Gary Duggan CEO, Retail Insurance Broking

Retail Insurance Broking

Robin Shaw CEO, Travel

Travel

Lance Batchelor Chief Executive Officer

Brand and Membership

Conclusion

Q&A



Overview

Lance Batchelor
Chief Executive Officer

Good progress in strategic reset

Insurance

- Successful launch of 3-year fixed with over 175,000 policies sold
- Saga branded Home and Motor policies down 1.9%, with a challenging market backdrop
- Retention improved by 1ppt to 73%
- Direct new business now over 50%
- Motor and Home margins (after marketing) of £75.5, in line with expectations for first half

Travel

- Launch of Spirit of Discovery
- Full-year revenue targets achieved for FY 19/20 and forward bookings for next year of 55.7%
- This supports £40m of EBITDA per ship per annum
- Tour Operations is adapting to a challenging market, built on differentiated and higher margin tours and River Cruise

Full year guidance of Underlying Profit Before Tax of between £105m and £120m remains unchanged



Financials

James Quin
Chief Financial Officer

Group results

	HY 2019	HY 2018	
Customer spend	£617.2m	£627.2m	(1.6%)
Revenue	£395.9m	£431.9m	(8.3%)
Underlying PBT	£52.8m	£107.5m	(50.9%)
Profit before tax	£52.6m	£109.7m	(52.1%)
Available operating cash flow	£24.9m	£90.2m	(72.4%)
Debt ratio	2.2x	1.8x	0.4x
Dividend	1.3p	3.0p	(1.7p)

- Underlying Profit Before Tax in line with expectations
- Net debt tracking in line with expectations; well within 3.5x covenant applicable to term loan and RCF
- Excluding two one-offs highlighted in April, Group operating cash flow would have been c.75% of Trading EBITDA
- Interim DPS in line with rebased dividend policy
- No change to full year target of Underlying PBT between £105m and £120m

Divisional results

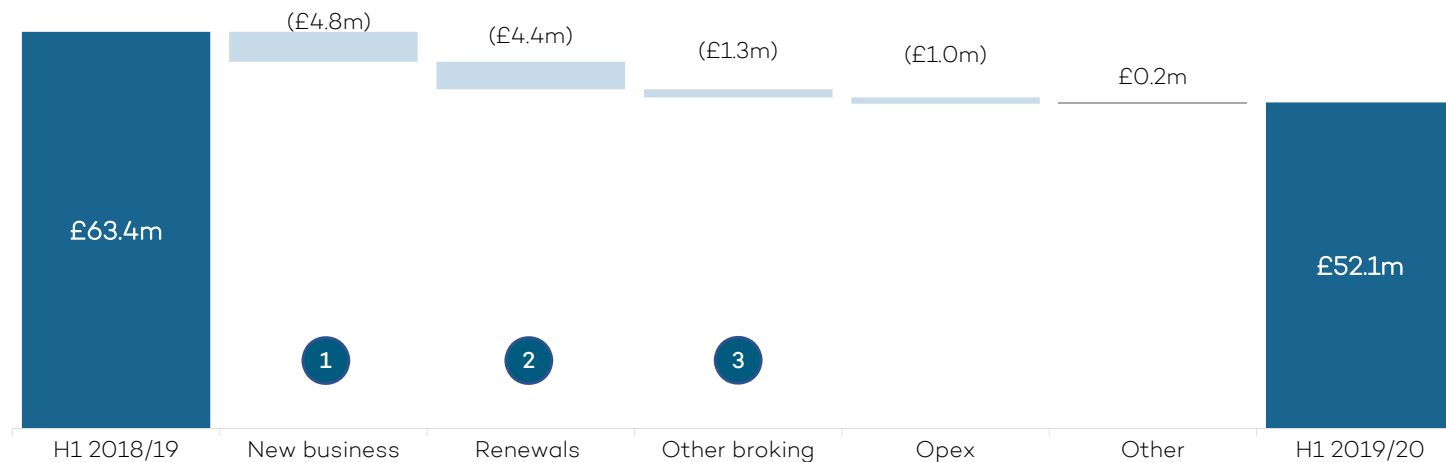
Underlying PBT

	HY 2019	HY 2018	
Retail Broking	£49.3m	£63.7m	(22.6%)
Underwriting	£21.3m	£45.6m	(53.3%)
Insurance	£70.6m	£109.3m	(35.4%)
Travel	£0.8m	£13.1m	(93.9%)
EB	£1.6m	£2.1m	(23.8%)
CC	£(20.2)m	£(17.0)m	(18.8%)

- Retail Broking Underlying PBT reduced by £14m, mainly due to reductions in margins, particularly in Home
- Underwriting profitability impacted by £20m reduction in reserve releases
- Travel earnings impacted by:
 - Short-term reduction in Cruise revenues following the exit of Saga Pearl II from service in April 2019. Financial benefits of Spirit of Discovery recognised from first cruise in July 2019
 - Challenging markets in Tour Operations where continued Brexit uncertainty has impacted customer demand

Retail Broking

Half-on-half movements in Retail Broking Underlying PBT, Written Basis



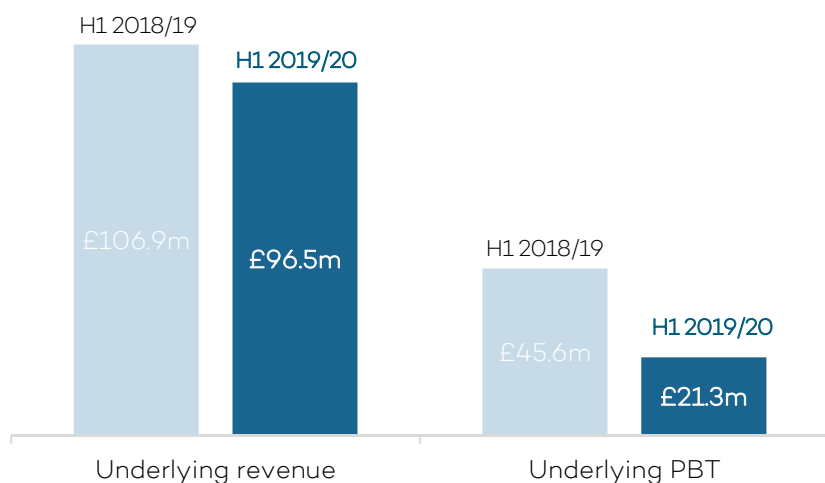
- 1 Decline in new business profitability is mainly due to a challenging market environment and shifting distribution trends, as well as increased advertising spend in H1
- 2 Reduction in renewal profitability is due to an increase in the proportion of lower margin policies sourced from PCWs in 2018/19 and higher Home net rates
- 3 Other broking impacted by decline in travel insurance due to competitive market and travel industry pressures

Encouraging progress in the first half

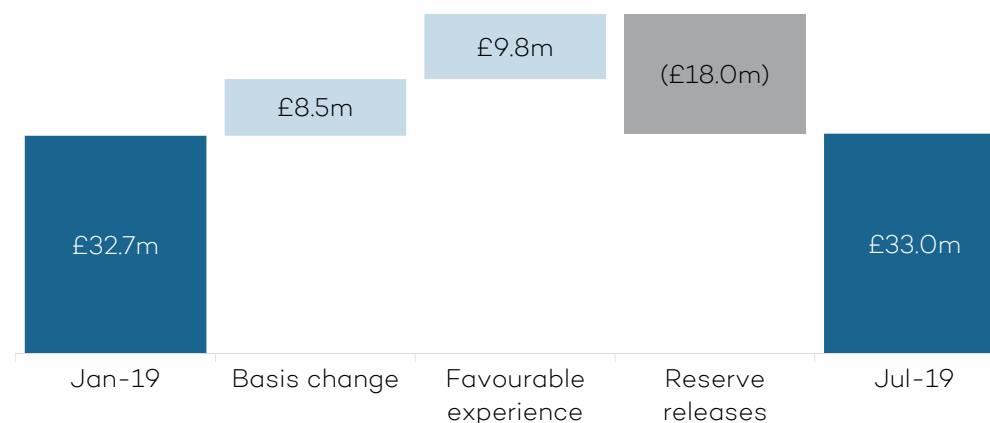
	FY2019/20 guidance	H1 2019/20	H2 2019/20 outlook
Policy count	<ul style="list-style-type: none"> Fairly stable core policy count 	<ul style="list-style-type: none"> 4.4% decline in core policies 1.9% decline in Saga branded Home and Motor policies 	<ul style="list-style-type: none"> H2 expected to be similar to H1
Direct/PCW mix	<ul style="list-style-type: none"> >50% direct 	<ul style="list-style-type: none"> 53% direct 	<ul style="list-style-type: none"> >53% direct
Retention	<ul style="list-style-type: none"> >73% 	<ul style="list-style-type: none"> 73% 	<ul style="list-style-type: none"> >73%
Gross margins (less marketing costs)	<ul style="list-style-type: none"> £71-£74/policy for Motor and Home 	<ul style="list-style-type: none"> £75/policy for Motor and Home 	<ul style="list-style-type: none"> £71-£74/policy for Motor and Home
Costs & WTE	<ul style="list-style-type: none"> Overheads ~£98m WTE -£5m 	<ul style="list-style-type: none"> Overhead costs and WTE tracking ahead of our expectations 	<ul style="list-style-type: none"> Expect similar trend in H2

Underwriting

Performance in line with expectations



YOY movement in reserve margin

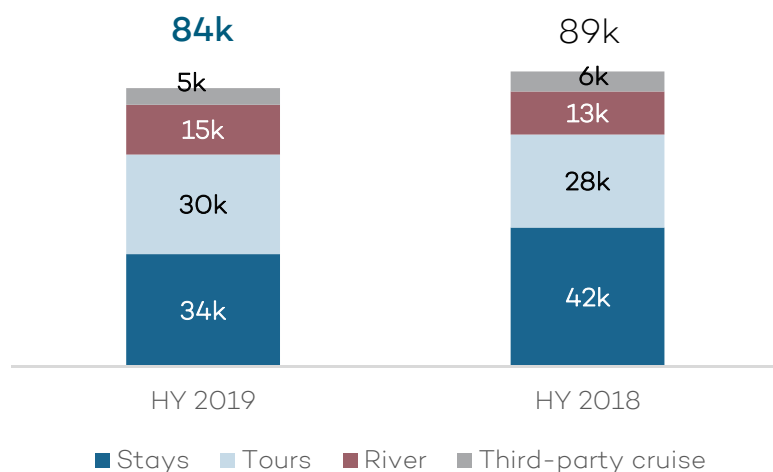


- Net earned premiums decreased 8.7% driven by a loss of panel share in H2 2018/19, partially offset by an increase in policies written by AICL as a result of actions to align pricing to target returns
- Reserve releases of £18m (H1 2018: £38m) in line with expectations
- Movement in reserve margin driven by:
 - Recognition of improved development patterns within actuarial ‘best estimate’ reserving methodology
 - A reduction in the Ogden discount rate from -0.75% to -0.25%
- AICL remains a critical enabler of the Group’s insurance strategy; continued focus on improving pricing sophistication and supporting footprint expansion

Travel

	HY 2019	HY 2018
Revenue	£219.0m	£230.0m
Gross profit	£40.0m	£49.0m
Underlying PBT – Cruise	£(3.4)m	£4.7m
Underlying PBT – Tour Operations	£4.2m	£8.4m

Tour passengers by product mix



Cruise

- Successful delivery of Spirit of Discovery on time and on budget
- Underlying loss of £(3.4)m in line with guidance. Driven by:
 - Sale of Saga Pearl II and consequent short term reduction in revenue;
 - Training, launch, marketing and finance costs supporting Spirit of Discovery
- Cruise bookings for 2019/20 for Spirit of Discovery and for 2020/21 for the two new ships reflect strong demand generation and support £40m EBITDA target per ship per annum

Tour Operations

- Modest performance in challenging market
- Benefits of product mix shift reflected in 3.2% increase in average selling price
- Margin impacted by competitive pricing across the sector, lower volumes and fixed cost commitments

Emerging businesses and central costs

	H1 2019	H1 2018	
Revenue	£15.3m	£16.2m	(5.6%)
Underlying PBT – (EB)	£1.6m	£2.1m	(23.8%)
Central costs	£(15.4)m	£(10.9)m	(41.2%)
IAS19R	£(0.1)m	£(0.2)m	50%
Net finance costs	£(6.4)m	£(6.1)m	(4.9%)
Underlying loss before tax	£(18.6)m	£(14.9)m	(24.8%)

Emerging businesses

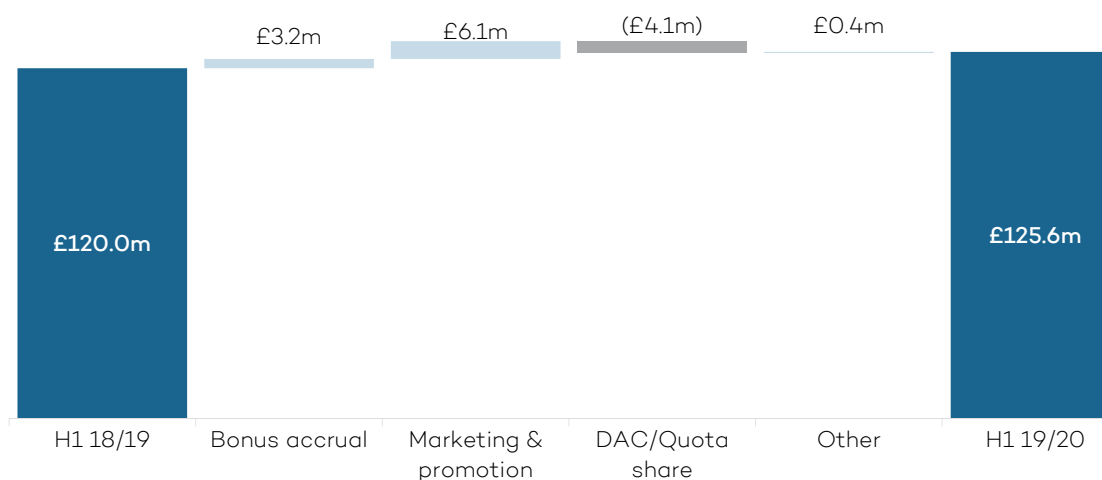
- Includes the Group's Personal Finance, Healthcare Services and Media, Mailing and Printing businesses
- Decrease in Underlying PBT reflects competitive pressures in the Group's printing business

Central costs

- Increase of £4.5m due in part to investments in brand, membership and IT capabilities
- These costs benefit the Group's trading divisions and are centrally managed and only partially allocated out as internal recharges

Administration and marketing costs

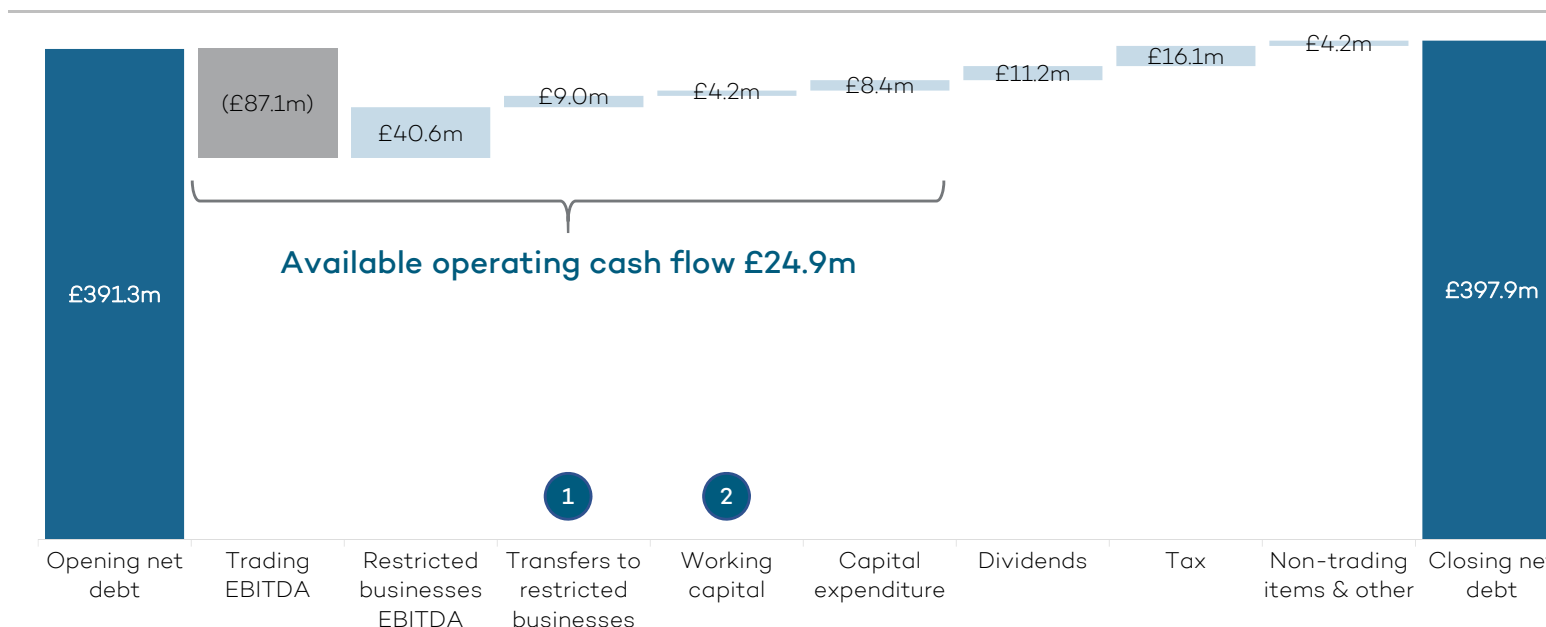
Half-on-half movement in administration and marketing costs



- Total administration and marketing costs (excluding internal recharges) increased £5.6m:
 - £3.2m in bonuses accrued for the first six months of the year. These were previously accrued at year end
 - £6.1m investment in brand, 3-year fixed price launch and the launch of Spirit of Discovery
 - (£4.1)m relating to higher deferrals on the Group's WTE adjustment and quota share treaty
- Net of these items, administration and marketing costs were broadly flat

Available operating cash flow

Movement in net debt Jan 2019 to July 2019

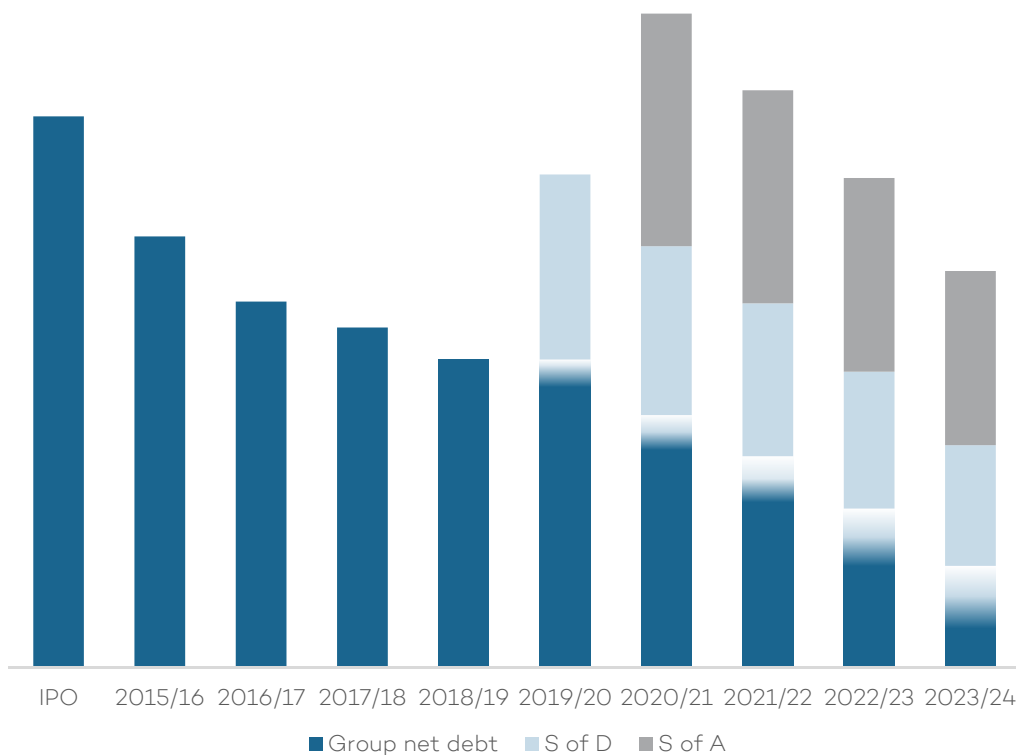


- Movement driven by a reduction in Retail Broking earnings and a decrease in dividends from AICL as well as two non-recurring effects
 - 1 £25m subordinated loan to the Travel business to fund the final instalments for Spirit of Adventure
 - 2 Reversal of a £15m positive working capital inflow from the prior year
- Available operating cash flow represented 28.6% of Trading EBITDA. Adjusted to exclude the two non-recurring items, underlying operating cash flow would have been about 75% of Trading EBITDA

Note: Closing net debt stated above excludes ship loan of £245.0m

Net debt continues to trend in line with our expectations

Group debt ex-Cruise expected to continue reducing over time



- Net debt in line with expectations at 31 July
- Banking facilities provide financial flexibility for delivery of strategy:
 - Covenant definitions on term loan and RCF exclude new Cruise ship debt and EBITDA
 - Ex-ships covenant of 3.5x until 1 August 2021, then 3x
 - Bond has no financial covenants
 - Extra Cruise covenant requires Cruise cash flows to cover Cruise debt service costs, but only relevant when Group within 0.5x of ex-ships covenant
- Expect to retain at least 0.5x headroom to new ex-Cruise covenant

No change to full year profit guidance

- Retail Broking Saga branded Home & Motor policy count for the full year to be similar to trends seen in the first half, with margins in line with the indicative range of £71-£74 per policy
- AICL profitability expected to be broadly in line with our experience in the first half
- Travel benefiting in the second half from:
 - An improved gross margin in Tour Operations given visibility of forward bookings, focus on differentiation and strong cost control
 - A full contribution from Spirit of Discovery
- Central costs are expected to be around £5m higher in the second half due to the timing of certain IT and membership investments

Full year guidance of Underlying Profit Before Tax of between £105m and £120m remains unchanged



**Retail Insurance
Broking**

**Gary Duggan
CEO Retail Broking**

Continued focus on three strategic priorities

Deliver a compelling direct proposition

Retain more customers

Become more efficient

Deliver a compelling direct proposition for our target market

3-year fixed price Home and Motor insurance launched in April 2019

Strong consumer demand for fixed price

>60% of our current direct new business sales are for the fixed price product.
112k fixed price policies sold in H1

Growing direct share

A higher proportion of our sales are coming direct. Direct share of new business is up 8ppt on H2 18/19

Increasing Revenue per policy

Home and Motor combined new business revenue per policy is up £6pp overall from H1 18/19

Advertising has improved brand metrics

Carried out first Saga insurance advertising campaign for a decade to promote the launch of fixed price

Brand consideration for Home and Motor insurance is +9ppt since Feb 2019

Motor Advert



3 year fixed premium if renewed. Price may change for claims or changes to IPT, policy and personal details. Over 50s only, T+C's apply. Underwritten by various insurers.

Retain more customers

Both Home and Motor retention is up year on year

Improved documentation

Enhanced renewal packs in H1. Including working with Swiss Re to embed latest behavioural economics techniques into renewal documentation

Possibilities

Reinforcing the benefits of Saga membership to renewing customers

3-year fixed price

25% of existing Home and Motor customers have chosen to move on to the 3-year fixed price product

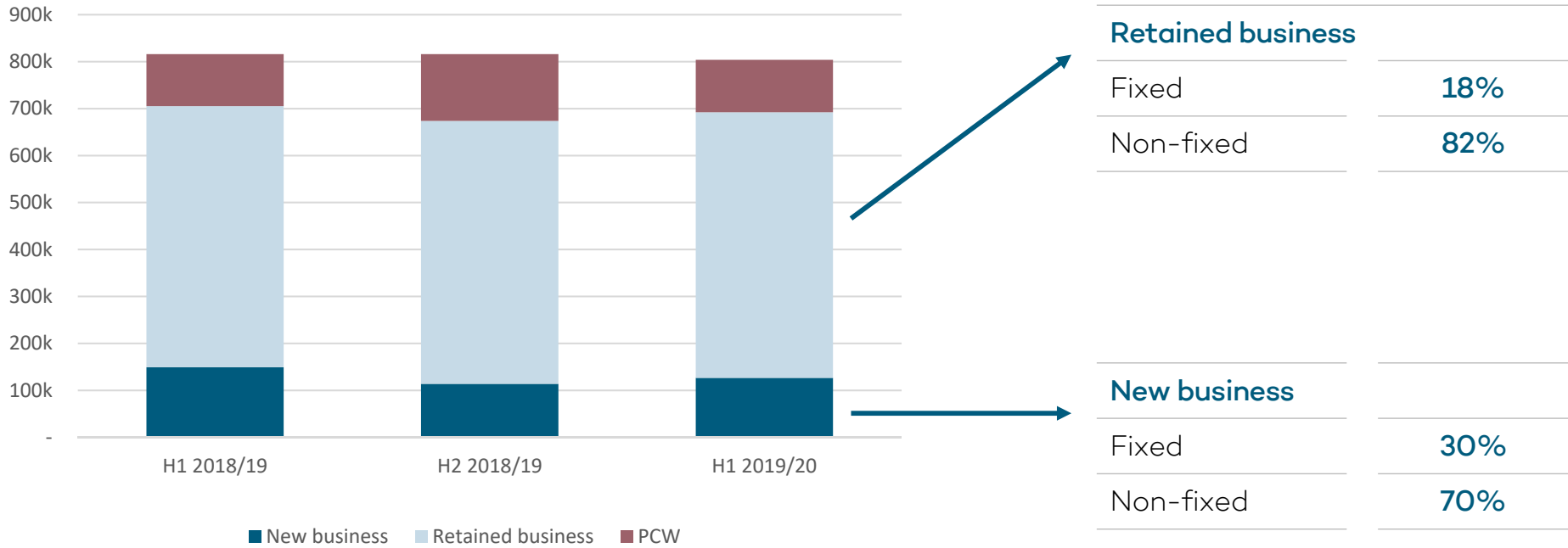
New pricing approach

Implemented new core pricing models across all products in H1

Recognising most valuable long-standing customers and rewarding their loyalty

Policy volumes are stabilising

Saga branded Motor and Home policy count



...and the mix is shifting to direct and fixed price policies

Become more efficient

Operational cost per policy down 1.3% compared to H1 2018/19

Expanding footprint and achieving better net rates

Utilising latest technology

Successful platform migration to Guidewire

New insurer partners

More competitive for more customers

Implemented a series of Robot Process Automation to reduce manual processing
Implemented webchat, with >1,000 webchat conversations per week

Motor insurance is fully migrated to Guidewire
Leveraging Guidewire's digital capabilities to improve customer journeys

Two new insurers added to the Home insurance panel (Geo Underwriting & Pen)
New breakdown proposition launched with RAC
Sabre agreement in place to join the Motor panel

Broadened acceptance criteria. Motor quotability up 4ppt since January 2019
Internal measure of net rate competitiveness has increased during H1 as a result of data enrichment and improved panel effectiveness

Focus for H2: Building on our early progress

Deliver a compelling direct proposition

- Continue to execute our programme of insurance innovation for the over 50s
- Refine our 3-year fixed price product following initial launch findings
- Carefully test advertising options to achieve best reach into our target audience

Retain more customers

- Building greater personalisation in our renewal communications and offers
- Increasingly use Possibilities Membership as a retention aid
- Build new pricing tools to enhance pricing engines and decision making

Become more efficient

- Implementation of additional footprint expansion initiatives in H2 2019
- Guidewire migration starts roll-out in Home Q4 2019
- Continue using latest technology and digital to transform existing process.



Travel

Robin Shaw
CEO Travel

Launch of Spirit of Discovery



Cruise

H1 Performance

- Spirit of Discovery delivered on time and on budget
- H1 operating loss in line with expectations reflecting exit of Saga Pearl II from service
- Step change in marketing response with the launch
- Sale of Saga Sapphire contracted and will exit service in mid June 2020

H2 Outlook

- Forward bookings reflect strong demand generation:
 - FY 19/20 99.3% revenues booked
 - FY 20/21 55.7% revenues booked
- Full six months of operations of new ship expected to deliver target EBITDA
- On track to be over 70% sold of full year 20/21 targets by January 2020

Tour Operations

H1 Performance

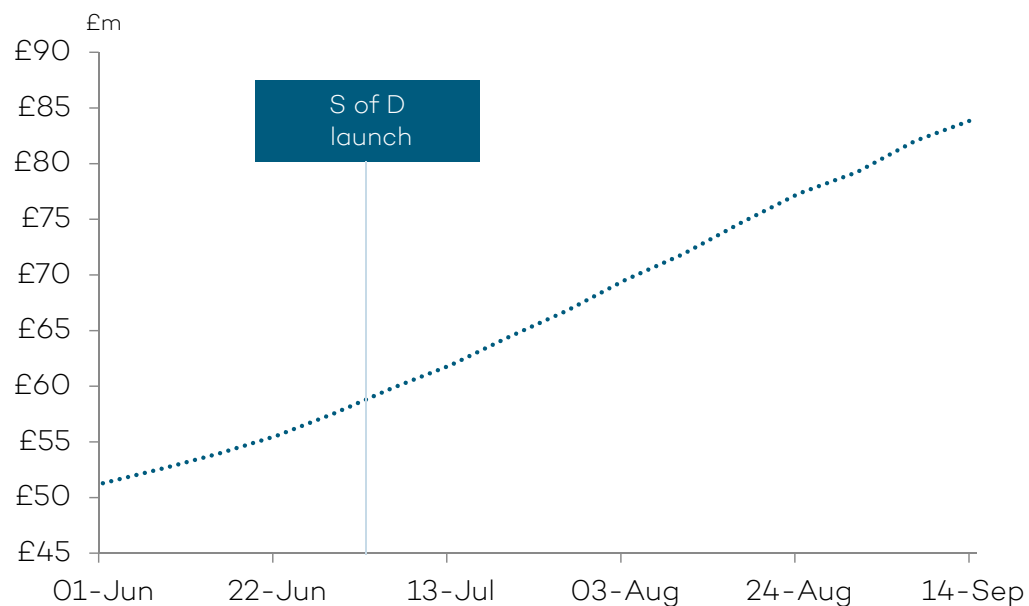
- Market conditions have contributed to decline in passenger numbers down 5.6% and revenues 3.0% lower
- Reduction in 'Stays' passengers reflecting our focus on other, more differentiated, segments
- Growth in Escorted Tours and River Cruise passengers with new capacity coming into operation
- Gross margin of 17.6% (H1 2018: 20.0%) reflecting competitive pricing, decline in passenger numbers and fixed cost commitments on River Cruise

H2 Outlook

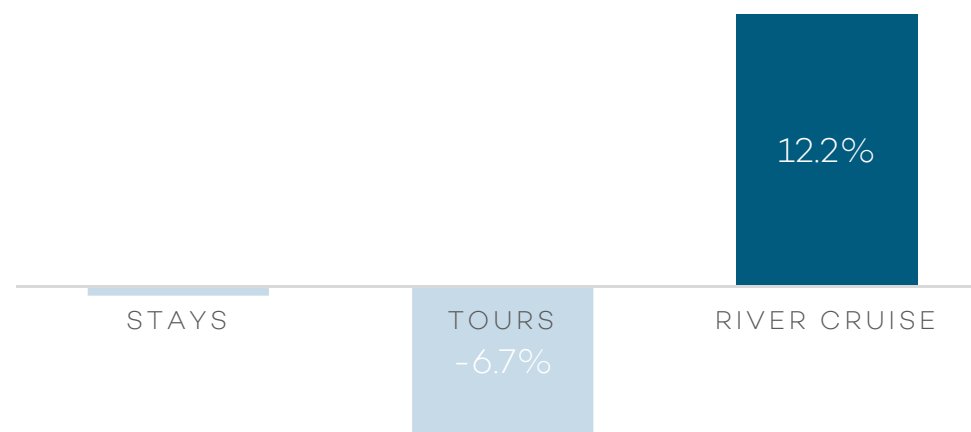
- Forward bookings reflect economic and political uncertainty
 - FY 19/20 now close to 100% sold
 - FY 20/21 revenues currently 4.3% lower than prior year
- Benefits of Holidays Transformation Plan already being delivered in H2
- Gross margins in H2 expected to improve given visibility of forward bookings, focus on differentiation, strong cost control and targeted marketing

FY20/21 Trading

FY 20/21 Cruise cumulative booked ticket revenue



FY 20/21 Tour Operations cumulative revenue vs PY



- Step change in sales since the launch of Spirit of Discovery in July 2019
- Forward bookings continue to support £40m EBITDA target
- FY 20/21 full year ticket revenue target of £151m vs £107m in FY 19/20

- FY 20/21 cumulative revenue currently 4.3% lower than PY
- Near-term Brexit risk and weak consumer confidence continue to dampen demand for FY 20/21 departures
- Focus is on optimising Tour Operations commercial performance

Spirit of Discovery widely acclaimed in consumer market and cruise specific media

DAILY EXPRESS

"From its bright yellow funnel to dark blue hull, Spirit of Discovery heralds a new era of sailing for the over 50's."

cruise news

BY DAVE MONK

"The passenger ship, which has a guest capacity of 999, is stylish like a boutique hotel with some stunning areas such as the soaring atrium staircase and the impressive two-level grand dining room."

THE TIMES

Saga at sea: cool art, jazz and a spa

"Cue the Spirit of Discovery, Saga's second ship and its first new-build, aimed at bringing back the romance of travel with a modern twist on what Saga is calling "Britain's first boutique hotel at sea."

"It turns out that Spirit of Discovery is pretty cool. Instead of an im-personal grand atrium that's all style and no substance, I walked into what Saga calls its Living Room, not a la granny, but with coffee shop, bar and pleasant niched seating areas. Here and through the ship they have nailed the contemporary chic décor."

Daily Mail

ROCKING THE BOAT!

Sara Macefield – Daily Mail.

"As I walk around, it's clear that Spirit of Discovery is a game-changer with chic interiors in a palette of cool shades"

"With its smart navy hull and distinctive canary-yellow funnel, Spirit of Discovery looks the part and I join the other cruisers to stroll along its wraparound promenade deck, a traditional feature often missing from modern cruise ships."

TRAVEL WEEKLY

"A super ship with several selling points having never been on a Saga ship I didn't really know what to expect. I, along with many of the agents on board, probably had some preconceived notions, but these were undone after two days. The decor is understated luxury. It's contemporary, with flashes of opulence."

Customer feedback



Despite challenging environment we remain on track with committed goals

	Goals	HY Update
All aspects of our Cruise transformation are on track	£40m of EBITDA per ship	<ul style="list-style-type: none"> Fully on track
Accelerating migration of Tour Operations into higher margin, differentiated products Optimise Tour Operations commercial performance	Broadly flat revenues, +2-3 ppts Underlying PBT margin by 2021/22	<ul style="list-style-type: none"> Currently revenue down 4.3% for FY 20/21 with Brexit concerns continuing to impact bookings
Continue to deliver market leading customer satisfaction	Cruise NPS from 61 to >65 Tour Operations NPS from 45 to > 50	<ul style="list-style-type: none"> Cruise NPS 61 Tour Ops NPS 46
Travel remains on track to deliver 4-5x 2016/17 Underlying PBT by 21/22	Underlying PBT between £60-75m by 2021/22	<ul style="list-style-type: none"> No change



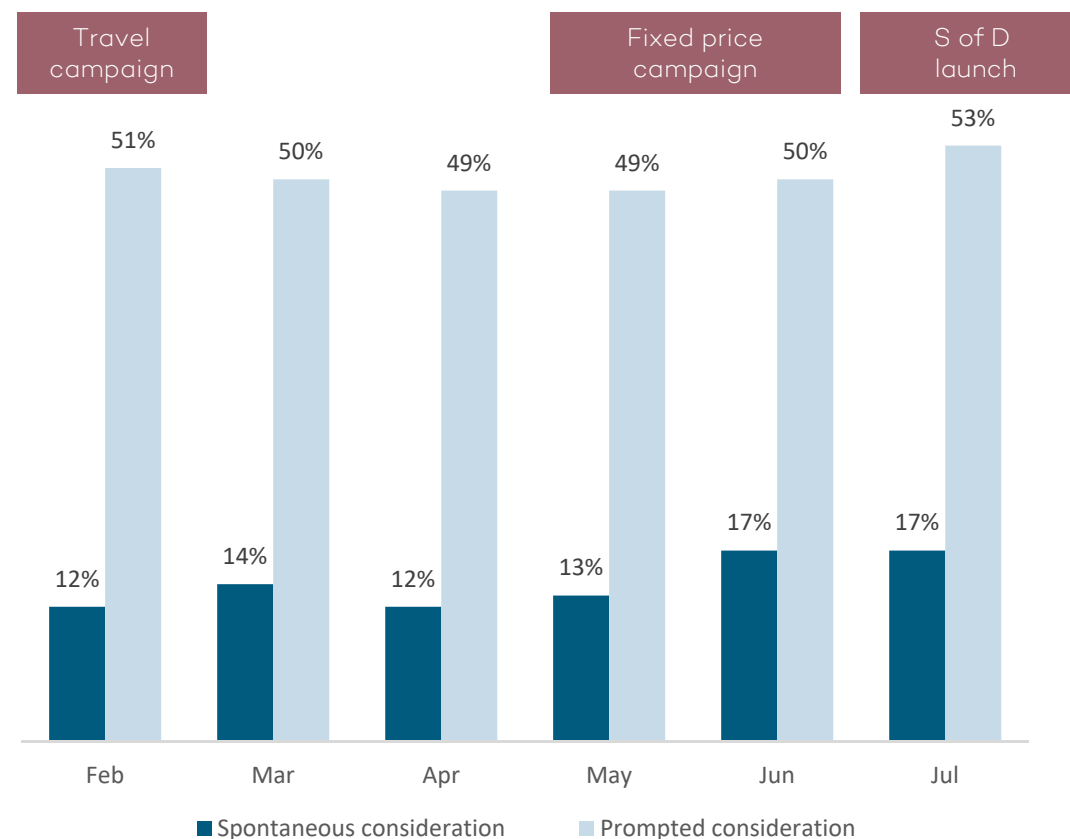
**Brand and
Membership**

**Lance Batchelor
Chief Executive Officer**

New Cruise and insurance products have driven growth in brand consideration

Saga Brand Consideration

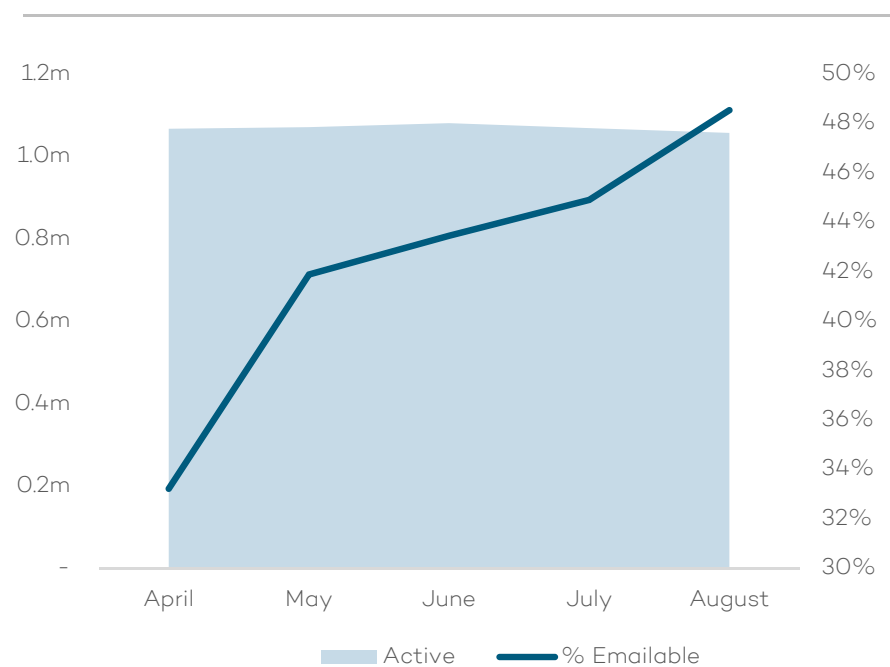
- Brand consideration scores in Cruise and Insurance are driving improvements in overall Saga brand image
- Spontaneous consideration has seen significant growth, aligning with key campaign periods
- Largest prompted consideration growth in July at the time of the new ship launch and following the fixed price insurance campaign



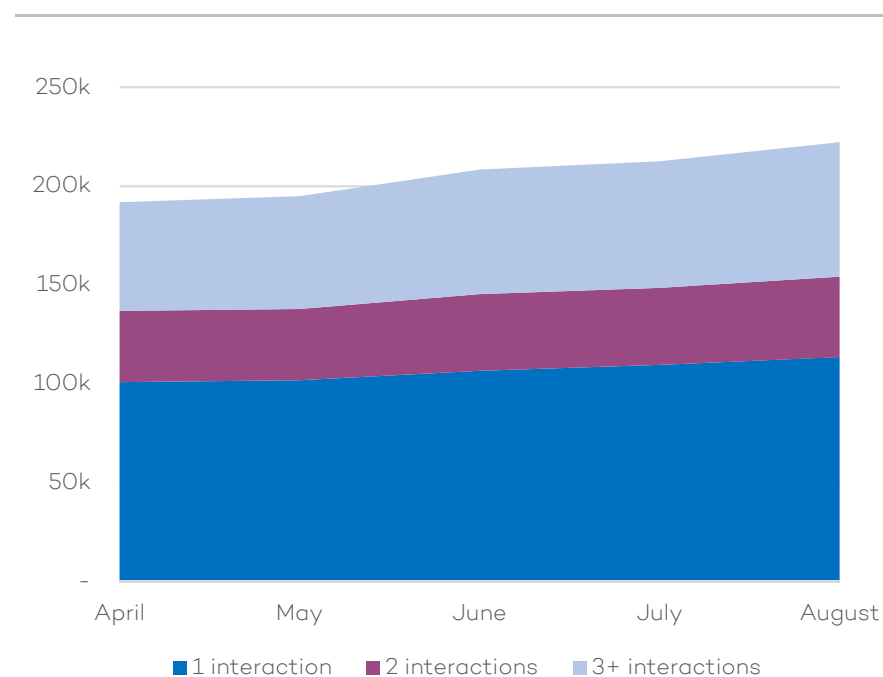
We continue to improve the member proposition and engagement

- Launch of Entertainment Possibilities
- Half of our 1.1m members are now emailable
- Engagement has risen by 61%, albeit from a low base

Membership growth



Engagement



Possibilities provides the lowest cost marketing channel for Cruise, with digital driving the Travel Possibilities bookings

3,900 Travel Bookings

Total direct passengers booked via Travel Possibilities of our full year target of 4,000

Cruise makes up 75% of total

Approximately 10% of our 2020/21 Cruise passengers

Over 65% Cruise first time bookers

High proportion of first time bookers is important with the increase in Cruise capacity



Conclusion

Lance Batchelor
Chief Executive Officer

Conclusion

- Good progress in strategic reset
 - Spirit of Discovery launch
 - Cruise forward bookings support £40m EBITDA per new ship per annum
 - 175,000 3-year fixed price policies sold
 - Stabilised broking business
- Net debt in line with our expectations
- Interim dividend of 1.3p

Full year guidance of Underlying Profit Before Tax of between £105m and £120m remains unchanged



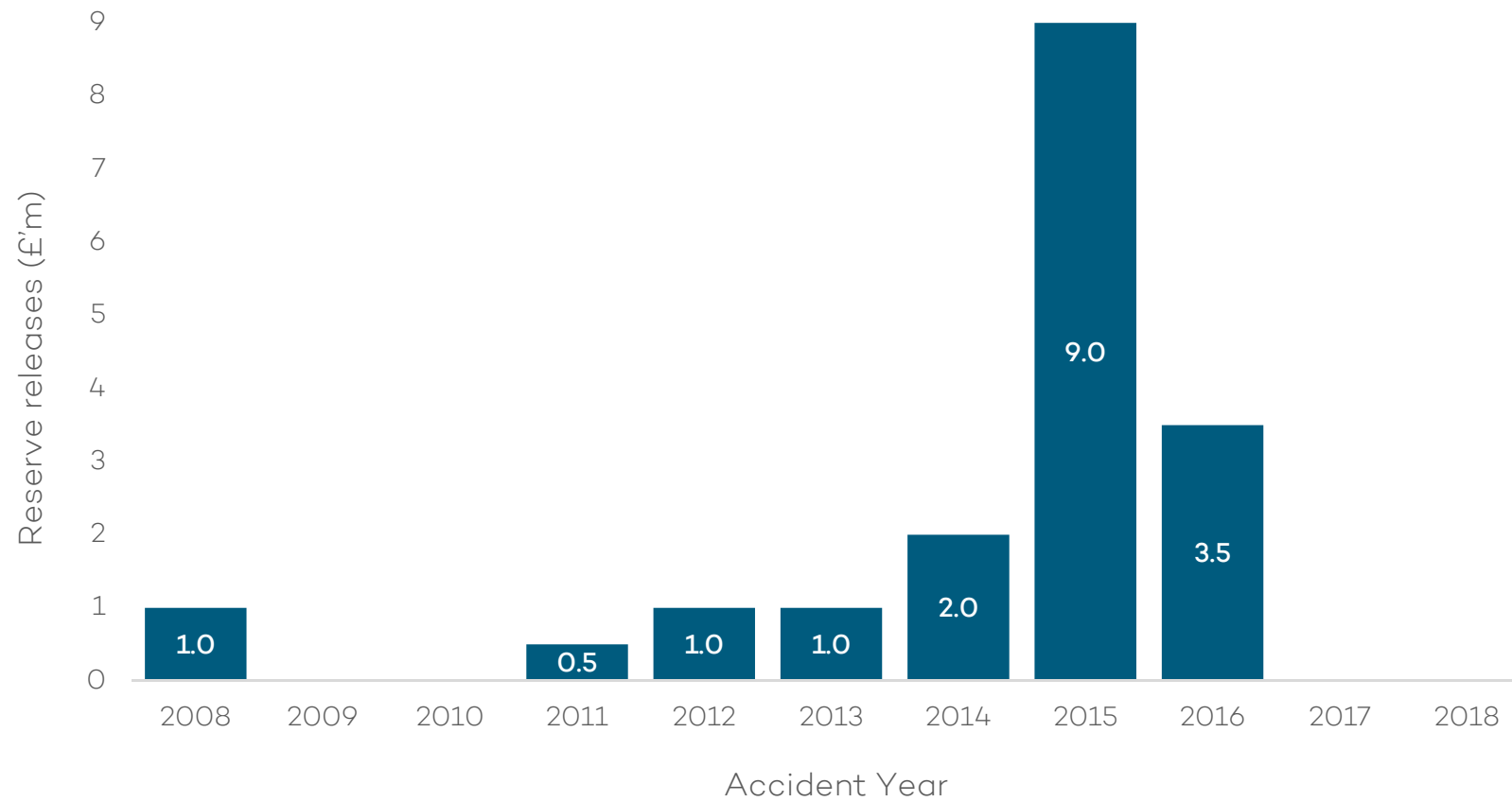
Q&A



Appendix

Reserve releases

HY 2019/20 Total Group Reserve Releases by Accident Year



Saga plc consolidated income statement

	HY 2019	Growth	HY 2018
Revenue	£395.9m	(8.3%)	£431.9m
Underlying Profit Before Tax			
Total Retail Broking (earned)	£49.3m	(22.6%)	£63.7m
Underwriting	£21.3m	(53.3%)	£45.6m
Total Insurance	£70.6m	(35.4%)	£109.3m
Travel	£0.8m	(93.9%)	£13.1m
Emerging Businesses and Central Costs	(£12.2m)	(38.6%)	(£8.8m)
Net finance costs	(£6.4m)	(27.9%)	(£6.1m)
	£52.8m	(50.9%)	£107.5m
Net fair value gains/(losses) on derivatives	£2.3m		£2.2m
Impairment of PPE	(£0.3m)		-
Restructuring costs	(£2.2m)		-
Profit before tax	£52.6m	(52.1%)	£109.7m
Tax expense	(£6.8m)	68.1%	(£21.3m)
Profit after tax	£45.8m	(48.2%)	£88.4m
Basic earnings per share:			
Underlying earnings per share	4.1p	(47.4%)	7.8p
Earnings per share	4.1p	(48.1%)	7.9p

Insurance underwriting income statement

		6m to Jul 19	Quota Share	Underlying	Growth	Underlying 6m to Jul 18
Net earned premium		£31.6m	(£64.3m)	£95.9m	(8.7%)	£105.0m
Other revenue		£5.8m	£5.2m	£0.6m	(68.4%)	£1.9m
Revenue	A	£37.4m	(£59.1m)	£96.5m	(9.7%)	£106.9m
Claims costs	B	(£28.8m)	£55.7m	(£84.5m)	5.8%	(£89.7m)
Reserve releases	C	£14.2m	(£3.8m)	£18.0m	(52.6%)	£38.0m
Claims handling and levies	D	(£1.9m)	£6.9m	(£8.8m)	23.5%	(£11.5m)
	E	(£16.5m)	£58.8m	(£75.3m)	(19.1%)	(£63.2m)
Gross profit		£20.9m	(£0.3m)	£21.2m	(51.5%)	£43.7m
Operating expenses	F	(£1.4m)	£1.9m	(£3.3m)	(32.0%)	(£2.5m)
Investment return		£1.8m	(£2.6m)	£4.4m	(17.0%)	£5.3m
Quota share net cost		-	£1.0m	(£1.0m)	(11.1%)	(£0.9m)
Underlying profit before tax		£21.3m	-	£21.3m	(53.3%)	£45.6m
Reported loss ratio	(B+C)/A	39.0%		68.9%	20.5%	48.4%
Expense ratio	(D+F)/A	8.8%		12.5%	(0.6%)	13.1%
Reported COR	(E+F)/A	47.9%		81.5%	20.0%	61.5%
Pure COR	(E+F-C)/A	85.8%		100.1%	3.1%	97.0%
Number of earned policies				402k	(5.6%)	426k

Travel income statement

	6m to Jul 2019				6m to Jul 2018		
	Tour Operating	Cruising	Total Travel	Growth	Tour Operating	Cruising	Total Travel
Revenue	£176.9m	£42.1m	£219m	(4.8%)	£182.4m	£47.6m	£230.0m
Gross profit	£31.2m	£8.8m	£40.0m	(18.4%)	£36.4m	£12.6m	£49.0m
Marketing expenses	(£9.7m)	(£7.5m)	(£17.2m)	(18.6%)	(£10.0m)	(£4.5m)	(£14.5m)
Other operating expenses	(£17.2m)	(£3.6m)	(£20.8m)	3.3%	(£18.1m)	(£3.4m)	(£21.5m)
Investment return	£0.2m	-	£0.2m	100.0%	£0.1m	-	£0.1m
Finance costs	(£0.3m)	(£1.1m)	(£1.4m)	(100.0%)	-	-	-
Underlying profit before tax	£4.2m	(£3.4m)	£0.8m	(93.9%)	£8.4m	£4.7m	£13.1m
Ave. Revenue per passenger	£2,106	£3,827	£2,305	3.2%	£2,049	£3,400	£2,233
Holidays passengers ('000)							
Stays	34		34	(19.0%)	42		42
Tours	30		30	7.1%	28		28
River cruise	15		15	15.4%	13		13
Third-party ocean cruise	5		5	(16.7%)	6		6
	84		84	(5.6%)	89		89
Cruise passengers ('000)		11	11	(21.4%)		14	14
Cruise passenger days ('000)		145	145	(13.2%)		167	167
Load factor		82%	82%	0.0%		82%	82%
Per Diems		£256	£256	(3.0%)		£264	£264

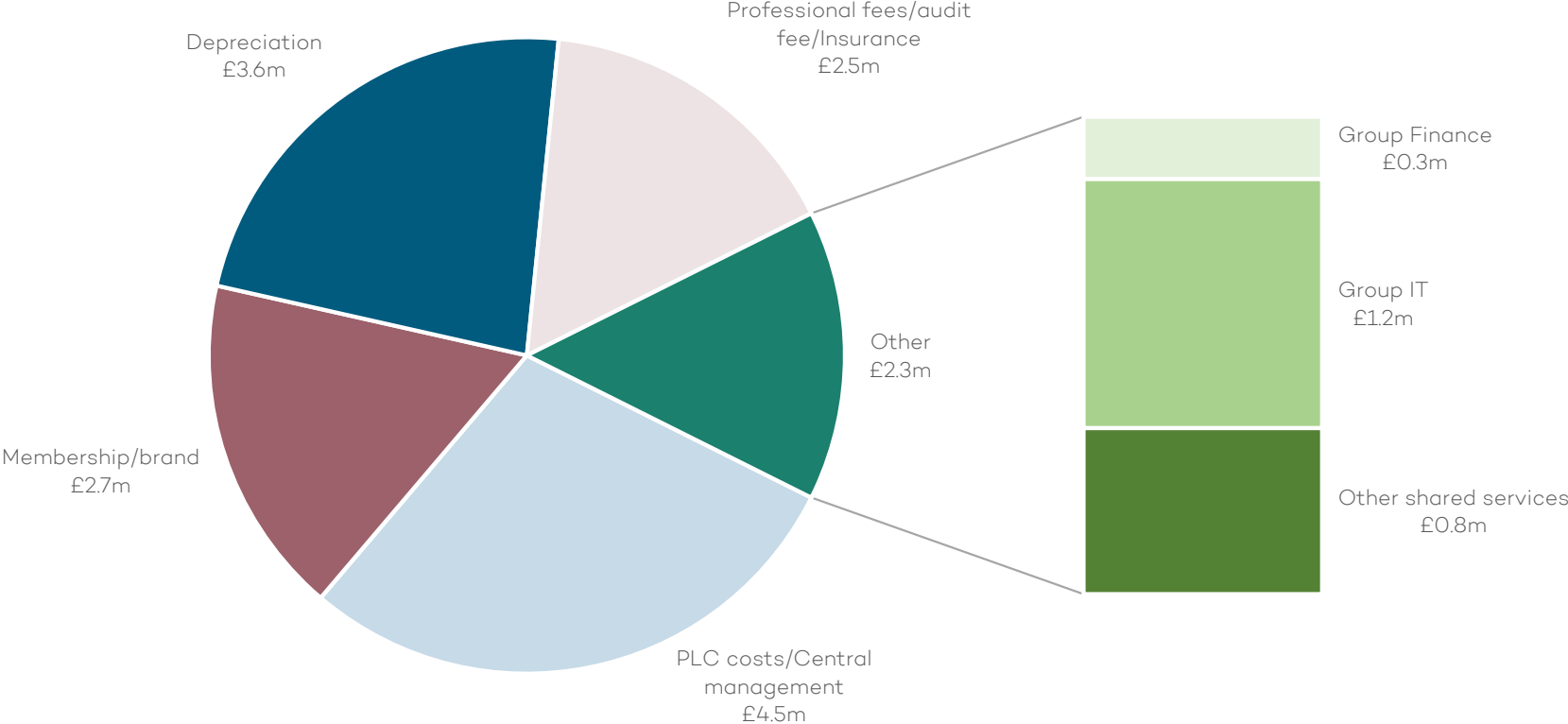
Emerging businesses and central costs income statement

	6m to Jul 2019				6m to Jul 2018		
	Emerging Businesses	Central Costs	Total	Growth	Emerging Businesses	Central Costs	Total
Revenue							
Personal Finance	£3.8m	-	£3.8m	(7.3%)	£4.1m	-	£4.1m
Healthcare	£3.0m	-	£3.0m	0.0%	£3.0m	-	£3.0m
Media, mailing and printing	£7.6m	-	£7.6m	(10.6%)	£8.5m	-	£8.5m
Other	-	£0.9m	£0.9m	50.0%	-	£0.6m	£0.6m
Total revenue	£14.4m	£0.9m	£15.3m	(5.6%)	£15.6m	£0.6m	£16.2m
Gross profit	£5.3m	£1.7m	£7.0m	(11.4%)	£6.8m	£1.1m	£7.9m
Operating expenses	(£3.7m)	(£15.6m)	(£19.3m)	(23.7%)	(£4.7m)	(£10.9m)	(£15.6m)
Non-trading items	-	-	-	100.0%	-	(£0.9m)	(£0.9m)
IAS19R pension charge	-	£0.1m	£0.1m	150.0%	-	(£0.2m)	(£0.2m)
Net finance costs	-	(£6.4m)	(£6.4m)	(4.9%)	-	(£6.1m)	(£6.1m)
Underlying profit/(loss) before tax	£1.6m	(£20.2m)	(£18.6m)	(24.8%)	£2.1m	(£17.0m)	(£14.9m)

Cash flow and liquidity

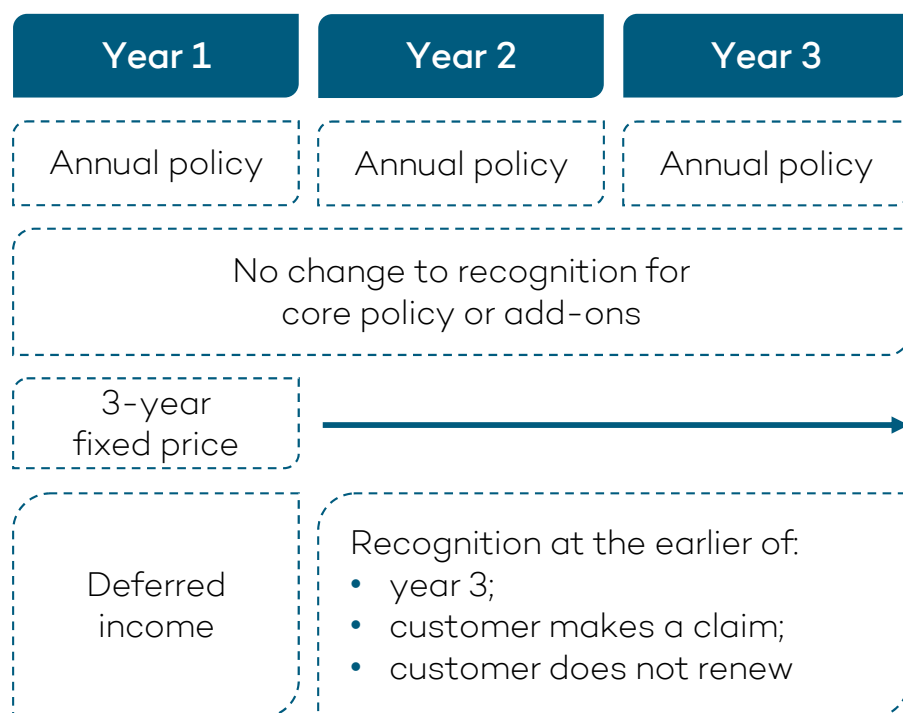
	6m to Jul 2019	Growth	6m to Jul 2018
Retail Broking Trading EBITDA	£53.5m	(22.6%)	£69.1m
Underwriting Trading EBITDA	£21.9m	(52.5%)	£46.1m
Travel Trading EBITDA	£18.8m	(32.6%)	£27.9m
Emerging Businesses and Central Costs Trading EBITDA	(£7.1m)	(255.0%)	(£2.0m)
Group Trading EBITDA	£87.1m	(38.3%)	£141.1m
Less Trading EBITDA relating to restricted businesses	(£40.6m)	45.2%	(£74.1m)
Intra-group transfers (paid to)/released from restricted businesses	(£9.0m)	(118.0%)	£50.0m
Working capital and non-cash items	(£4.2m)	74.9%	(£16.7m)
Capital expenditure funded with available cash	(£8.4m)	16.8%	(£10.1m)
Available operating cash flow	£24.9m	(72.4%)	£90.2m
Available operating cash flow %	28.6%		63.9%

Break down of central costs



3-year fixed price inflation risks are well understood

Conservative approach to inflation risk



- Customer is buying a standard annual policy and is free to move at any point
- 3-year fixed price is treated as an option for the customer to fix the price in years 2 and 3 for an additional fee. The option is conditional on no claims being made during the three years, and no increase in IPT
- Income deferral based on estimated cost of price guarantee
- Prudent inflation assumptions in planning
- Over the long-term, we will look at risk-sharing opportunities with insurers and reinsurers

Multiple product holdings

	HY 2019	HY 2018	
Multiple product holdings			
Number of customers with one core product only	1,153,567	1,163,761	(0.9%)
Number of customers with more than one core product	376,102	414,581	(9.3%)

Capital payments on fleet renewal

Capital payments on fleet renewal

	SofD	SofA	Total
Stage payments made	£52.9m	£46.4m	£99.3m
Stage payments to come:			
H2 2019/20	-	£15.8m	£15.8m
Future cash outflow	-	£15.8m	£15.8m
Total equity cost	£52.9m	£62.2m	£115.1m

Written to earned adjustment

WTE	HY 2019	HY 2018
Motor	(£2.8m)	£0.3m
Home	-	-
	(£2.8m)	£0.3m