THE Ardonagh GROUP

Q2 2018 Results

22 August 2018

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Executive Summary – Q2 2018

1. **Continued strong performance in Q2 2018 with growth accelerating vs. Q1**
   - Income growth for the quarter of +11.4% vs. comparable period prior year,[1] significant acceleration vs. Q1 growth of +6.8%
   - Adj. EBITDA up +21.4% for the quarter vs. prior year[1] and ahead of Q1 growth of +12.7%
   - Margin improvement +220 bps driven by the ongoing successful delivery of cost saving initiatives
   - The MGA business continues to impact overall Group performance, although remediation actions are now showing through in improved loss ratios, and Specialty & International has been impacted by investment in new hires
   - Organic growth and margin expansion in all other business units
2. **Further £5.5m investment in the quarter to drive future organic growth**
   - New producer hires in Specialty & International, MGA and Insurance Broking
   - Specialty & International margin temporarily impacted by investment in new hires
   - Revenue synergy initiatives underway
3. **Investment continues to complete the "Fix" for Towergate and to establish a scaleable efficient platform to support future growth**
   - £10.1m business transformation investment in the quarter: continued BSC roll-out on plan, 83% of sites now on new Acturis system; Finance Transformation Plan (FTP) re-plan now complete with further activities identified for transition to Accenture
   - "Fix" programmes nearing completion with full benefits expected to take a further 12-18 months, in line with expectations
   - All recent acquisitions in line or ahead of integration plans, with cost synergies starting to be delivered
4. **Fitch rating upgrade in May and successful private tap for £98.3m to increase fire power for further investment in the business**
   - Fitch SSN rating upgrade in May from B flat to B+ including bond tap
   - £98.3m bond raise completed in June 2018. Part of proceeds used to fully repay drawn RCF
   - Total Net Leverage post bond tap broadly flat at 5.6x, below average of relevant peers[2] of 6.0x-7.0x

1) Q2'17 numbers are pro forma for the pre-June'17 acquisitions of Autonet, Chase Templeton, Direct Group and Price Forbes only, and exclude M&A completed by The Ardonagh Group post June'17
2) Average peers total net leverage based on a selected sample of privately held insurance brokers

Ardonagh Group Segment Overview

Leading diversified independent UK insurance intermediary group with £2.8m GWP. Operating as six business units with individually strong business models and all segments delivering organic income growth(1) excluding MGA

Autonet & Carole Nash	Schemes & Programmes	Paymentshield	Insurance Broking	MGA	Specialty & International
Online specialist in Van, Car and Bike, underpinned by market leading technology, pricing capabilities and customer analytics	*Provider of bespoke specialist insurance products with an integrated online and offline proposition, through partners or direct to consumers*	*The UK's leading provider of Property Insurance solutions sold via Mortgage Broker channel*	*Leading UK network of advisors providing risk management solutions to UK SME and corporate clients*	*One of the UK's largest MGAs, specialising in selected commercial and personal lines niches*	*Independent London wholesale specialist, with multi-disciplinary expertise and true global reach*
£0.2bn GWP	£0.3bn GWP	£0.1bn GWP	£0.7bn GWP	£0.4bn GWP	£1.1bn GWP
+4.1% organic growth	**+0.1% organic growth**	**+4.7% organic growth**	**+2.0% organic growth**	**(6.2)% organic growth**	**+10.0% organic growth**
• UK's leading van and bike insurer • More than 15% of motorcycle and 10% of van market share • Market leading technology, analytics and scaleable digital platform • Strong new business growth and accretive book-buys	• Highly diversified product portfolio including non-standard property, marine, caravan, military, travel, pet, life & protection, car hire and ancillary products • Market leading positions in specialist niches • Significant product and system innovation underway	• #1 distributor in 9 of 10 networks, with access to c. 83% of all intermediated mortgages • Insuring c.325k households • Highly profitable and cash generative back-book at point of inflexion • Buildings & Contents insurance, MPPI (closed) and landlord & lettings products	• Leading presence across multiple specialist niches including caring professionals and haulage • Largest UK private medical insurance intermediary • Consolidation of +120 systems to single Acturis system, 83% sites now on new system • Extensive local footprint with 70 offices across the country serving local clients	• Increasing focus on niche and specialisms (including agriculture, non-standard home, political violence) now 57% of income • Investments made in systems, people and London Market/ European platforms including Agriculture SSP, RDT Personal Lines and Novus in Geo Specialty • 9 local offices serving local brokers	• Leading independent Lloyd's broker with globally recognised brand and reach • Rapidly growing international presence • Trading under multiple brands for alternative customer propositions • Bishopsgate has stepped up as a powerful disrupter • Significant investment in new producer hires to drive future growth

1) Organic growth YTD at constant forex, excludes impact of M&A, IFRS 15 and normalisation adjustments including adjusting for closed run off books in Paymentshield

Ardonagh Group Financial Overview – Q2 2018

Strong performance in the quarter continues to be primarily driven by accretive M&A completed in 2017, underlying organic growth and delivery of cost saving initiatives, partially offset by MGA decline and adverse forex movement

£m	Q2 2018[1]	Q2 2017[2]	Variance £m	Variance %	YTD 2018[1]	YTD 2017[2]	Variance £m	Variance %	LTM Jun 2018[1]
Income	**143.3**	**128.7**	**14.6**	**11.4%**	**275.0**	**252.0**	**23.0**	**9.1%**	**538.7**
Staff Expenses	(68.0)	(65.1)	(2.8)	(4.3%)	(137.0)	(131.3)	(5.7)	(4.4%)	(277.8)
Operating Expenses	(36.8)	(31.8)	(5.0)	(15.8%)	(71.4)	(64.1)	(7.3)	(11.4%)	(144.2)
Adj. EBITDA[3]	**38.5**	**31.7**	**6.8**	**21.4%**	**66.5**	**56.6**	**9.9**	**17.6%**	**116.8**
Margin %	*26.9%*	*24.6%*	*220 bps*		*24.2%*	*22.5%*	*170 bps*		*21.7%*
Staff Costs as % of Income	*47.4%*	*50.6%*	*320 bps*		*49.8%*	*52.1%*	*230 bps*		*51.6%*
Op. Expenses as % of Income	*25.7%*	*24.7%*	*(100 bps)*		*26.0%*	*25.4%*	*(50 bps)*		*26.8%*
Pro Forma Cost Adjustments									40.1
Pro Forma Adj. EBITDA									**156.9**
Margin %									*29.1%*

1) Pro forma for all M&A completed as at 30 June 2018
2) Pro forma for the pre-June'17 acquisitions of Autonet, Chase Templeton, Direct Group and Price Forbes only, and excludes M&A completed by The Ardonagh Group post June'17
3) Adj. EBITDA see page 23 of the appendix for full definition

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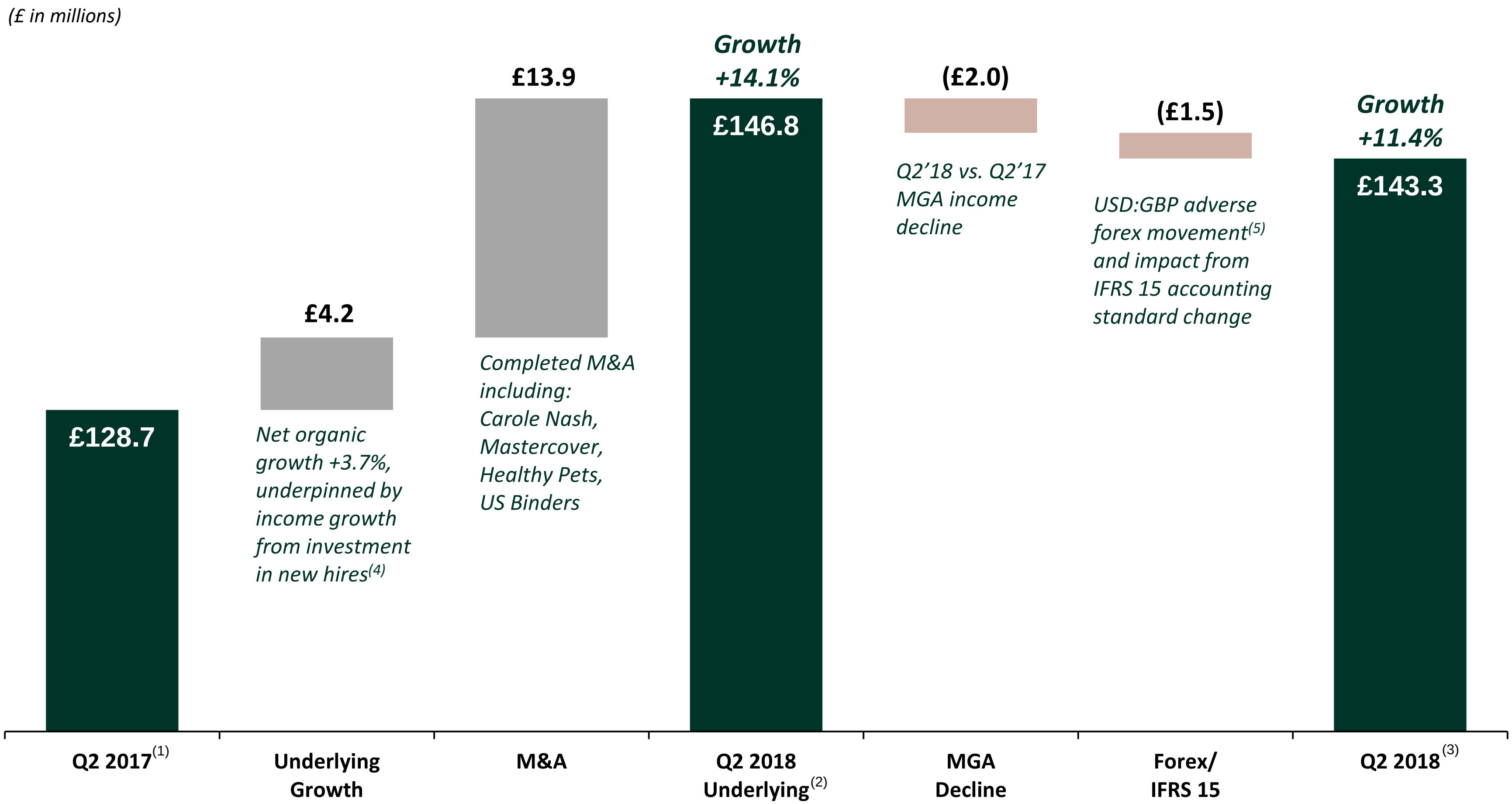
Q2 2018 vs. Q2 2017 Income Bridge

Income growth of +14.1% excluding impact of adverse forex movement in Price Forbes, IFRS 15 accounting standard change and MGA decline as the result of accelerated remedial actions aimed at refocusing the business

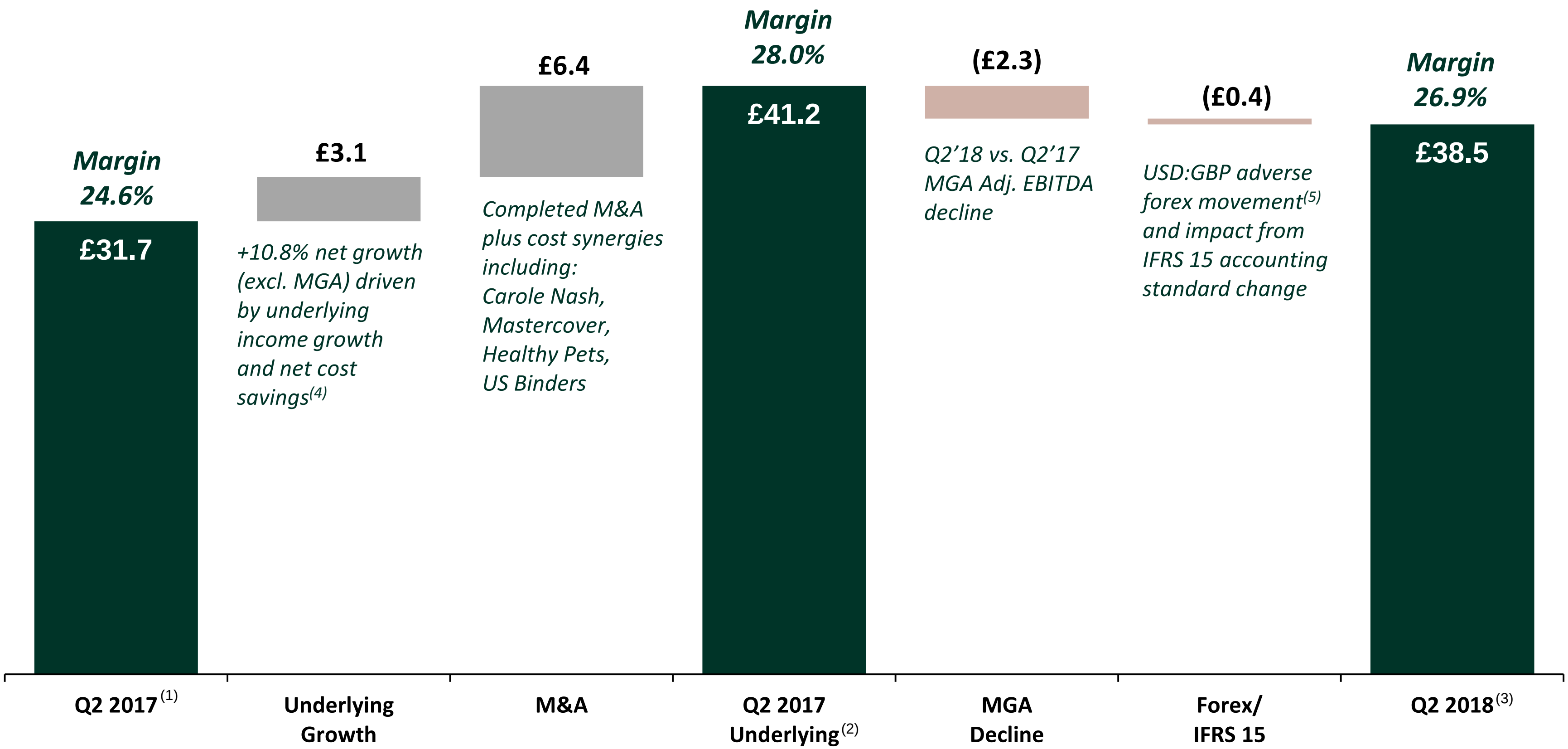


1) Q2'17 numbers are pro forma for the pre-June'17 acquisitions of Autonet, Chase Templeton, Direct Group and Price Forbes, and exclude M&A completed by The Ardonagh Group post June'17
2) Underlying Q2'18 pro forma for M&A completed as at 30 June 2018 and excluding impact from MGA decline year on year, impact from forex movement and IFRS 15 accounting standard change
3) Q2'18 pro forma for M&A completed as at 30 June 2018
4) Excludes M&A, MGA decline, IFRS 15 accounting adjustments and forex movement
5) Constant currency calculation based on average GBP:USD forex Q2'17 of 1.2947

Q2 2018 vs. Q2 2017 Adjusted EBITDA Bridge

Adj. EBITDA growth of +10.8% before acquisitions, excluding impact of adverse forex movement and MGA decline

(£ in millions)



1) Q2'17 numbers are pro forma for the pre-June'17 acquisitions of Autonet, Chase Templeton, Direct Group and Price Forbes, and exclude M&A completed by The Ardonagh Group post June'17
2) Underlying Q2'18 pro forma for M&A completed as at 30 June 2018 and excluding impact from MGA decline year on year, impact from forex movement and IFRS 15 accounting standard change
3) Q2'18 pro forma for M&A completed as at 30 June 2018
4) Excludes M&A, MGA decline, IFRS 15 accounting adjustments and forex
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Ardonagh Group Segment Highlights – Autonet & Carole Nash

Continued strong organic growth +4.1% YTD combined with strong cost control and delivery of synergy benefits have resulted in Adj. EBITDA margin increasing +650bps vs. prior year to 34.3%

Financial Highlights

	Q2'18 YTD	Q2'17 YTD	*Change*
Policies under Management	**545k**	**288k**	***+89.2%***
Income (£m)	**43.1**	**23.2**	***+85.8%***
Adj. EBITDA (£m)	**14.8**	**6.5**	***+129.0%***
Adj. EBITDA Margin	***34.3%***	***27.8%***	***+650bps***
Retention[2]	***72.3%***	***68.6%***	***+370bps***
New Business (£m)	***9.3***	***4.5***	***+106.7%***

Online specialist in van, car and bike, underpinned by market leading technology and pricing capabilities, customer analysis and technical expertise

Q2'18 YTD Key Highlights

- Strong income growth driven by Carole Nash and book-buy acquisitions, underpinned by strong organic income growth[1], accelerating vs. Q1 (+4.1% YTD) with van new business and renewals performing strongly
- Improvement in Autonet retention of +20bps and Carole Nash of +120bps vs. prior year
- Very strong growth in new business expected to continue given strong competitive position
- Strong improvement in profitability +650bps driven by income growth and tight control of costs, combined with successful integration of acquisitions and delivery of synergy benefits
- Further value expected through leveraging online capabilities, data analytics and pricing sophistication of Autonet across acquisitions
- Mark Coffey joined the team as Commercial Director in Q2, bringing a wealth of industry knowledge and experience, tasked with driving momentum with car and household insurer relations and placement

1) Organic growth at constant forex, excludes impact of M&A (Carole Nash and book-buy)
2) Retained policies vs. renewals available

Ardonagh Group Segment Highlights – Schemes & Programmes

Strong income and margin growth, primarily driven by Healthy Pets acquisition, Claims new business growth and service expansion, operational efficiency initiative and the start of the digitisation of the customer journey

Financial Highlights

	Q2'18 YTD	Q2'17 YTD	*Change*
Policies under Management	**1,652k**	**1,725k**	***(4.2%)***
Income (£m)	**42.7**	**40.5**	***+5.3%***
Adj. EBITDA (£m)	**8.1**	**7.2**	***+12.0%***
Adj. EBITDA Margin	**19.0%**	**17.8%**	**+110bps**
Retention[2]	***81.7%***	***77.6%***	***+410bps***
New Business (£m)	***6.8***	***6.8***	***-%***

Provider of bespoke specialist insurance products with an integrated online and offline service proposition

Q2'18 YTD Key Highlights

- Income growth of +5.3% year on year driven by Healthy Pets acquisition, combined with strong Claims growth and growth in Travel and Touring Caravan, offset by selected business exits and SME (income growth excl. M&A of +2.2%, flat organic income growth[1])
- Strong growth in Adj. EBITDA driven by income growth and cost reduction initiatives delivering ahead of plan
- Ian Barclay joined the business as Property Managing Director to drive the future growth strategy in Property
- Online customer journey in Touring Caravan has delivered significant growth in new business volumes as part of the digital strategy
- Successfully launched business with Christie & Co (SME), L&G & CIS (Claims) and PH&P book transfer (Property)
- Achieved Gold Status for third year running in the Investing in Customers Award (IIC) and Claims awarded Insurance Times Claims Service Solution of the Year

1) Organic growth at constant forex, excludes impact of M&A (Healthy Pets) and the impact from normalisation adjustments which include changes to accounting treatment and profit commissions
2) Retained policy value vs. renewals available

Ardonagh Group Segment Highlights – Paymentshield

Stable retention across all products and strong new business growth driving overall growth in policies under management
Strong performance in Panel with record sales in the first half, building on the momentum gained in 2017

Financial Highlights

	Q2'18 YTD	Q2'17 YTD	*Change*
Policies under Management	**435k**	**430k**	***+1.2%***
Income (£m)	**27.6**	**28.6**	***(3.5)%***
Adj. EBITDA (£m)	**14.5**	**15.0**	***(3.2)%***
Retention(2)	***92.6%***	***93.4%***	***(80)bps***
New Business % Total(3)	***22.2%***	***20.1%***	***+210bps***
New Business (£m)	***2.7***	***2.6***	***+3.8%***

The UK's leading provider of Property Insurance solutions sold via Mortgage Broker channel

Q2'18 YTD Key Highlights

- Good growth in total policies under management and organic income growth(1) +4.7% YTD, driven by strong retention and new business acceleration (IFRS 15 adversely impacted income by £0.7m YTD)
  - Slight reduction in retention driven by mix
- Adj. EBITDA broadly stable year on year, excluding adverse impact of IFRS accounting standard change
- Maintained market leading status in core B&C market, short-term impact to income per policy due to growth in new business
- Completed operational simplification project, from 3 to 1 policy systems and reducing operations management layer
- Delivered several key initiatives that enhance the IFA/Adviser market proposition and continued focus on product development such as Landlords Panel refresh which was upgraded to 5* Defaqto rated and now gaining traction

1) Organic growth at constant forex, excludes impact of IFRS 15 accounting standard change and normalisation adjustments to exclude closed books and profit shares
2) Retained policies vs. renewals available
3) New policies as a percentage of total policies written YTD

Ardonagh Group Segment Highlights – Insurance Broking

Delivering an Adj. EBITDA margin increase of +680bps to 24.9% YTD
Supported by M&A strategy and benefit of Broker Systems Consolidation Project, 83% of sites now on Acturis

Financial Highlights

	Q2'18 YTD	Q2'17 YTD	*Change*
GWP (£m)	**414**	**408**	***+1.5%***
Income (£m)	**85.2**	**83.2**	***+2.4%***
Adj. EBITDA (£m)	**21.2**	**15.0**	***+40.9%***
Adj. EBITDA Margin	***24.9%***	***18.1%***	***+680bps***
Retention[(2)]	***88.3%***	***86.3%***	***+200bps***
New Business (£m)	***9.9***	***8.8***	***+13.3%***

Leading UK network of advisors providing risk management solutions to UK SME and corporate clients

Q2'18 YTD Key Highlights

- Income growth of +2.4% to £85.2m, underpinned by improved retention and investment in Account and Development Executive "AE/DE" hires driving new business (organic income growth[(1)] +2.0% YTD)
- Record new business win of over £4m GWP in Q2 despite highly competitive trading environment
- Adj. EBITDA +40.9% year on year driven by income growth, delivery of cost saving plans and timing of investments, margin expected to normalise in H2, 16 new AEs hired in the latter part of the quarter
- Completed further roll-out of Acturis, 83% sites now on new system with benefits materialising over next 12-18 months
- Mastercover integration complete and synergies fully delivered
- Significant client retention improvement with scope for further progress

1) Organic growth at constant forex, excludes impact of M&A (Mastercover and book-buys) and impact from normalisation adjustments which include changes to accounting treatment and trade deal income
2) Retained policies vs. renewals available

Ardonagh Group Segment Highlights – MGA

Significant improvement in loss ratio (down 720bps) as the business continues to refocus on niche and speciality markets with improved profitability and support from long standing relationships with insurers

Financial Highlights

	Q2'18 YTD	Q2'17 YTD	*Change*
GWP (£m)	**207.8**	**237.5**	***(12.5)%***
Income (£m)	**27.0**	**31.7**	***(14.7)%***
Adj. EBITDA (£m)	**(0.4)**	**4.5**	***(4.9)m***
Loss Ratio[(1)]	***53.8%***	***61.0%***	***(720)bps***
Specialist and Niche:			
As % of Total Income	***57.2%***	***45.9%***	***+1,130bps***
New Business GWP (£m)	***29.3***	***26.0***	***+12.6%***

One of the UK's largest MGAs, specialising in selected commercial and personal lines niches

Q2'18 YTD Key Highlights

- Total Income and Adj. EBITDA down year on year as a result of active portfolio management and strategic remediation actions (organic income decline[(2)] 6.2%):
  - Remediation in Commercial Lines addressed underperforming accounts
  - Actions agreed with carriers to improve loss ratio have been taken
- Reshaping business model with focus on specialist and niche propositions, including Agriculture, non-standard Personal Lines, Specialty and International
  - Exit of more standard lines with GWP down in this area by £24.7m vs. prior year
- Actively improving loss ratios – overall improvement of 720bps vs. prior year
- Strong growth in specialist/ niche new business (+12.6%) and significantly improved profitability in specialist lines
- Continued focus on increasing rates across portfolios and cost reduction plans, with benefits coming through in later periods

1) Loss ratios calculated on a calendar year basis with the same methodology applied across each year; excludes investment hire lines as insufficient claims experience to date
2) Organic growth at constant forex, excludes impact of normalisation adjustments including remediation and other non-recurring impacts

Ardonagh Group Segment Highlights – Specialty & International

Building growth momentum from the investment in new producers
Some adverse impact from forex and margin dilution impact of new hires yet to reach revenue maturity

Financial Highlights

	Q2'18 YTD	Q2'17 YTD	*Change*
GWP (£m)	**520**	**395**	***+31.6%***
Income[2] (£m)	**48.1**	**44.1**	***+9.1%***
Adj. EBITDA[2] (£m)	**9.5**	**11.0**	***(13.0)%***
Adj. EBITDA Margin	***19.8%***	***24.9%***	***(500)bps***
At Constant Forex:			
Income (£m)	**50.8**	**44.1**	***+15.2%***
Adj. EBITDA (£m)	**12.2**	**11.0**	***+10.9%***
Adj. EBITDA Margin	***24.0%***	***24.9%***	***(90)bps***
Headcount	***472***	***409***	***+15.4%***

Independent London wholesale specialist, with multi-disciplinary expertise and true global reach. Trading under multiple brands for alternative customer propositions

Q2'18 YTD Key Highlights

- Strong income growth +9.1% driven by US Binders acquisition which has hit the ground running, and organic income growth[1] of +10.0% underpinned by investment in new hires and success in Latin American and Aviation
- Margin deterioration driven by adverse forex movement and investment in new hires which take time to reach revenue maturity (Q2'18 YTD Adj. EBITDA Margin +24.0% excl. forex)
    - Adverse forex movement of £2.7m YTD
- Price Forbes and Bishopsgate working together on combined initiatives across multiple classes
- Launched new reinsurance broking entity – Price Forbes Risk Solutions, to create an independent reinsurance and specialty insurance intermediary
- Industry leading talent has joined the segment bringing new skills and country expertise to the businesses to drive future growth

1) Organic growth at constant forex, excludes impact of M&A (US Binders)
2) At actual forex

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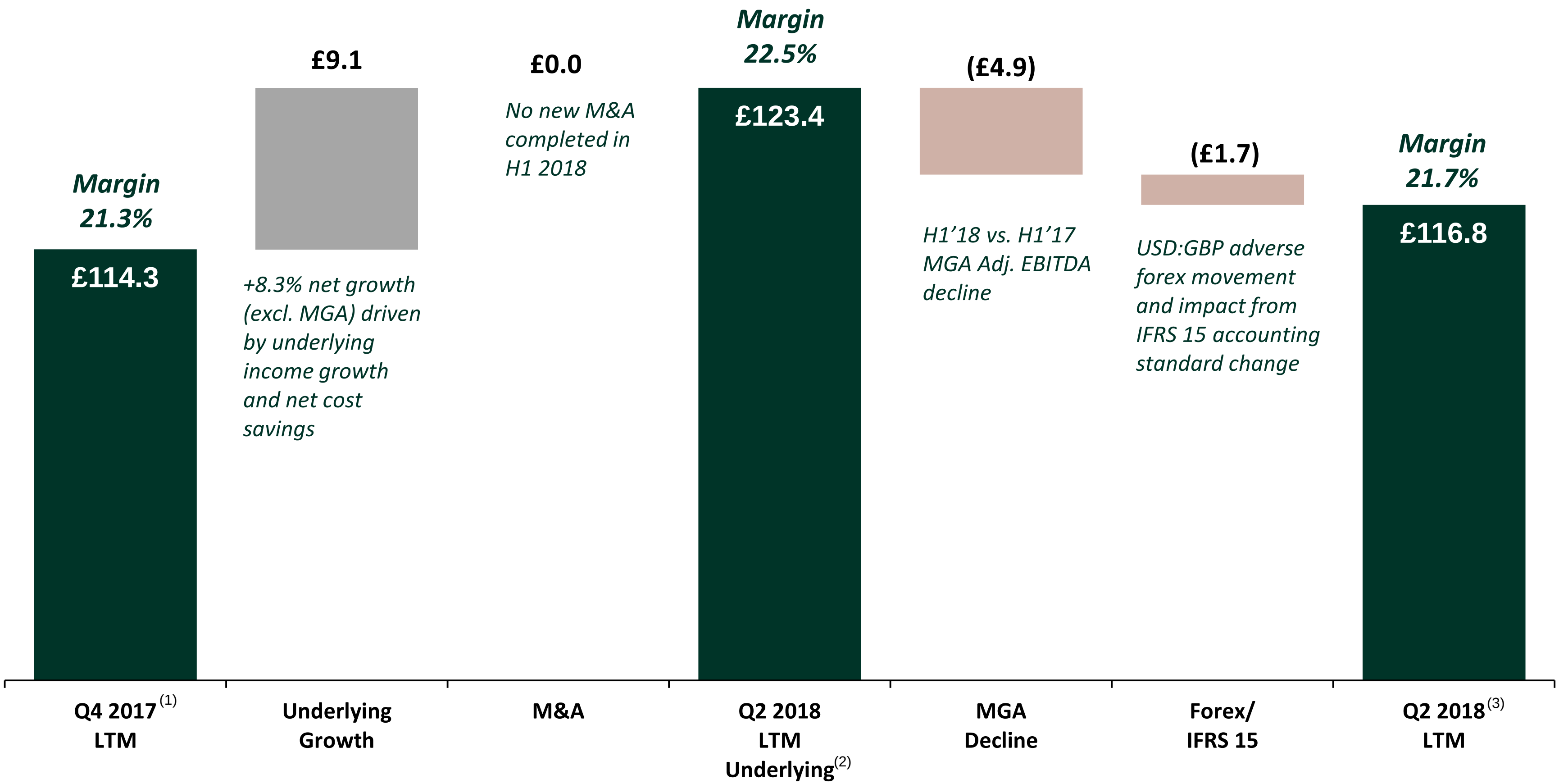
Q2 2018 LTM vs. Q4 2017 LTM Adjusted EBITDA Bridge

Underlying[2] LTM Adj. EBITDA of £123.4m excluding impact of adverse forex movement and MGA decline in the quarter

(£ in millions)



1) Pro forma for all M&A signed and / or complete as at 31 March 2018
2) Underlying Q2'18 pro forma for M&A completed as at 30 June 2018 and excluding impact from MGA decline year on year, impact from forex movement and IFRS 15 accounting standard change
3) Pro forma for all M&A completed as at 30 June 2018

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Significant Investment in the Ardonagh Platform – Q2 2018

Continued investment in the business driving a scaleable, efficient platform conducive to future growth

Transformation Cost Savings Q2'18 investment: £2.2m	• Broker System Consolidation ("BSC") programme in Insurance Broking progressed well in Q2. Acturis rolled-out to 12 additional sites in Q2, 83% sites now on new Acturis system. 8 sites remaining for completion in H2 2018 • FTP progress has continued with further implementation of off-shoring roles. Onshore headcount reduced by 25% in the first half of 2018, still expected to complete Q1'19 • In Q2'18, the business deployed tools to fully automate insurer reconciliations and settlements
Synergies & New Cost Savings Q2'18 investment: £7.9m	• Carole Nash integration and synergy delivery proceeding ahead of plan • Direct Group/ Towergate synergies progressing in line with plan and Claims predominantly complete • Operational Excellence completed first roll-out in MGA while scoping phase continues to move forward in other areas, first wave of material actions expected in H1 2019 • Additional non-BAU investments to upgrade IT and other Group infrastructure (£1.5m capex spend in Q2'18)
Income Initiatives Q2'18 investment: £5.5m	• Continued to build on successful hiring strategy primarily in Specialty & International, MGA and Advisory • Ex-Lloyd's CEO Richard Ward has been appointed Executive Chairman of Specialty & International[1]. His presence will add substantially to our ability to both create and capitalise on future growth opportunities • Specialty & International: transformational spend expected to be predominantly complete in 2018, now leveraging both Price Forbes and Bishopsgate depth and breadth in the sector and starting to gain traction • MGA continued to invest in a number of initiatives to drive growth in niche and specialty lines. London based specialty business showing encouraging signs of growth • Insurance Broking continued to invest in AE/DEs to drive future organic growth

1) Subject to FCA approval

Ardonagh Group Cash Flow – Q2 2018

Investment continued, at a lower pace to prior year, to complete the "Fix" for Towergate and to establish a scalable efficient platform to support future growth

£m	Q2 2018	Q2 2017 (1)	Q2 Variance	YTD 2018	YTD 2017 (1)	YTD Variance
Adjusted EBITDA	**38.6**	**31.7**	**6.8**	**65.4**	**56.6**	**8.8**
Working Capital Movement	(21.9)	(3.4)	(18.5)	(40.3)	(22.2)	(18.2)
Maintenance Capex	(0.6)	(1.4)	0.8	(0.9)	(1.5)	0.6
Operating Cash Flow	**16.1**	**26.9**	**(10.9)**	**24.2**	**32.9**	**(8.7)**
Operating Cash Conversion %	*41.7%*	*84.9%*	*(43.2%)*	*37.0%*	*58.2%*	*(21.1%)*
Investments in Both Income and Cost Initiatives:						
M&A Investments	(1.4)	(3.4)	2.0	36.4	(5.6)	42.0
Transformational Hires	(5.5)	(4.4)	(1.1)	(10.7)	(6.4)	(4.2)
Project Capex	(3.5)	(8.2)	4.7	(9.1)	(18.0)	8.9
Business Transformation	(6.6)	(7.5)	0.9	(11.9)	(11.1)	(0.7)
Total Investments	**(17.0)**	**(23.5)**	**6.5**	**4.8**	**(41.2)**	**46.0**
Other Non-recurring	(8.6)	(10.3)	1.7	(10.5)	(27.2)	16.7
Tax	(0.3)	(0.9)	0.7	(3.6)	(2.2)	(1.4)
Cash Flow before Financing	**(9.8)**	**(7.9)**	**(2.0)**	**15.0**	**(37.6)**	**52.6**
Senior Secured Notes Issued	98.3			98.3		
RCF Drawdown / (Repayment)	(45.0)			(30.0)		
Interest & Other Financing Costs	(0.7)			(46.9)		
Net Cash Flow (2)	**42.8**			**36.4**		

- Cashflow conversion in H1 is driven by seasonality and timing of payments (including bonus payments)
- Overall H1 cash conversion is slightly below management expectations due to underperformance in collection activity which is being addressed by management
- Medium-term target operating cash flow conversion unchanged
- £5.5m investment in income initiatives represents continued investment in Specialty & International, MGA strategic hires and AE/DE tactical hires in Insurance Broking
- £10.1m Cost saving Capex and Exceptionals lower than last year and Q1 as Towergate Transformation now 90% complete (£2.2m), additional spend on cost synergy delivery (£2.2m), investments to upgrade IT (£1.5m), one-off lease exit cost (£1.7m), and other cost saving and restructuring initiatives
- Other non-recurring costs include legacy remediation, legacy LTIPs and regulatory costs
- Net financing primarily relates to issue of Senior Secured Notes and repayment of outstanding RCF net of interest payments

1) Q1'17 numbers are pro forma for the pre-June'17 acquisitions of Autonet, Chase Templeton, Direct Group and Price Forbes
2) Difference between YTD net cash flow and net movement in cash of £81.1m relates to £44.4m movement in fiduciary funds

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Ardonagh Group Capitalisation and Net Leverage – Q2 2018

£98.3m bond raise used to repay RCF in full with remaining cash held on the balance sheet for future investment
£120m RCF facility now entirely undrawn and Net Secured Leverage 5.5x as of June'18

Capitalisation (£m)	Dec-16	Jun-17	Dec-17	Mar-18	Jun-18
Operating Cash[1]	42.1	78.1	58.1	51.8	94.5
Adjustment	-	(21.1) [5]	(8.0) [6]	-	-
Adjusted Operating Cash	**42.1**	**56.9**	**50.2**	**51.8**	**94.5**
SSRCF (£120m)	-	-	30.0	45.0	-
GBP Senior Secured Notes	400.0	400.0	455.0	455.0	553.3
USD Senior Secured Notes[2]	408.1	408.1	408.1	408.1	408.1
Net Secured Debt	**766.0**	**751.2**	**842.9**	**856.3**	**866.9**
Other Debt	11.5	12.2	9.0	9.0	9.0
Total Net Debt	**777.5**	**763.3**	**852.0**	**865.3**	**875.9**
LTM Pro Forma Adjusted EBITDA	134.3	137.0	161.5	158.6	156.9
Interest on Senior Secured Notes & RCF[3]	68.3	67.2	73.1	73.7	80.1
x Net Secured Leverage	**5.7x** [4]	**5.5x**	**5.2x**	**5.4x**	**5.5x**
x Total Net Leverage	5.8x [4]	5.6x	5.3x	5.5x	5.6x
x Fixed Charge Coverage	2.0x	2.0x	2.2x	2.2x	2.0x
Undrawn SSRCF	*90.0*	*90.0*	*75.0*	*75.0*	*120.0* [7]

1) Excludes all TC2.4 cash but includes cash held for payment of ETV liabilities
2) USD Senior Secured Notes at hedged USD / GBP FX rate of 1.2742
3) Pro forma interest excludes RCF commitment fees of £1.5m
4) OM set out total net leverage of 5.75x and net secured leverage of 5.67x, which have been restated to account for USD SSN at hedged forex rate of 1.2742
5) The cash adjustment for June 2017 includes transaction costs payable after 30 June 2017, consideration for post-balance sheet acquisitions (including Healthy Pets) and additional equity proceeds from rights issue
6) Operating cash at December 2017 adjusted for consideration in relation to post balance sheet acquisitions
7) As at 30 June 2018, the Group has increased its RCF to £120m. Permissible drawings limited by credit facility basket and other arrangements that may be put in place to address ETV liabilities

Appendix

Ardonagh Group – Segmental Summary

Income (£m)	Q2 2018 (1)	Q2 2017 (2)	Variance £m	Variance %	YTD 2018 (1)	YTD 2017 (2)	Variance £m	Variance %	LTM Jun 2018 (1)	Organic Growth YTD 2018
Autonet & Carole Nash	22.8	11.4	11.4	99.8%	43.1	23.2	19.9	85.8%	79.7	4.1%
Schemes & Programs	22.0	21.3	0.7	3.4%	42.7	40.5	2.1	5.3%	86.3	0.1%
Paymentshield	14.5	15.3	(0.9) (3)	(5.6%)	27.6	28.6	(1.0) (3)	(3.5%)	58.7	4.7%
Insurance Broking	44.5	43.5	1.0	2.2%	85.2	83.2	2.0	2.4%	163.4	2.0%
MGA	15.0	17.0	(2.0)	(11.8%)	27.0	31.7	(4.6)	(14.7%)	56.2	(6.2%)
Specialty & International	23.3	19.6	3.8	19.3%	48.1	44.1	4.0	9.1%	92.7	10.0% (4)
Corporate	1.1	0.5	0.6	124.7%	1.3	0.7	0.6	82.3%	1.7	
Income	**143.3**	**128.7**	**14.6**	**11.4%**	**275.0**	**252.0**	**23.0**	**9.1%**	**538.7**	**2.9%**
Income (excl MGA)	**128.3**	**111.6**	**16.6**	**14.9%**	**247.9**	**220.3**	**27.6**	**12.5%**	**482.5**	**4.1%**

Adj. EBITDA (£m)	Q2 2018 (1)	Q2 2017 (2)	Variance £m	Variance %	YTD 2018 (1)	YTD 2017 (2)	Variance £m	Variance %	LTM Jun 2018 (1)
Autonet & Carole Nash	8.9	3.1	5.8	186.6%	14.8	6.5	8.3	129.0%	25.2
Schemes & Programs	4.3	5.0	(0.7)	(13.9%)	8.1	7.2	0.9	12.0%	17.5
Paymentshield	8.1	8.6	(0.5) (3)	(5.4%)	14.5	15.0	(0.5) (3)	(3.2%)	30.6
Insurance Broking	12.6	9.4	3.2	34.3%	21.2	15.0	6.2	40.9%	30.7
MGA	1.0	3.3	(2.3)	(68.8%)	(0.4)	4.5	(4.9)	n/m	(0.2)
Specialty & International	3.8	3.1	0.7	21.8%	9.5	11.0	(1.4)	(13.0%)	17.0
Corporate	(0.2)	(0.8)	0.6	n/m	(1.2)	(2.5)	1.4	n/m	(4.1)
Adj. EBITDA	**38.5**	**31.7**	**6.8**	**21.4%**	**66.5**	**56.6**	**9.9**	**17.6%**	**116.8**
Adj. EBITDA (excl MGA)	**37.5**	**28.4**	**9.1**	**32.0%**	**66.9**	**52.1**	**14.8**	**28.4%**	**117.0**

1) Pro forma for M&A completed as at 30 June 2018
2) Q2'17 numbers are pro forma for the pre-June'17 acquisitions of Autonet, Chase Templeton, Direct Group and Price Forbes, and exclude M&A completed by The Ardonagh Group post June'17
3) Excludes IFRS 15 impact of £0.3m reduction to Paymentshield income in Q2'18 and £0.7m YTD
4) Organic growth at constant forex

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Ardonagh Group Pro Forma Adjustments – Q2 2018

		Delivered Savings in EBITDA	Annualised Savings for Actions Complete Jun-18	Annualised Savings for Actions Complete Jun-19	Q2 2018 Pro Forma Adjustment	Spend to Jun'18[1]	Total Investment	Description / Progress
Completed	IT Transformation	£8m	£9m	£9m	£1m	£19m	£19m	Majority actions complete, with smaller contract renegotiations to complete e.g. license reductions
	SBU Turnaround	£7m	£7m	£7m	--	£4m	£4m	Completed
	Property Cost Reduction Phase 1	£5m	£5m	£5m	--	£1m	£1m	Completed
	Operational Efficiency	£15m	£16m	£17m	£1m	£2m	£2m	Large changes complete, smaller procurement savings coming through in BAU
	Finance Transformation Phase 1	£6m	£7m	£7m	£1m	£12m	£12m	Completion of system upgrades including new single general ledger, automation of manual processes and initial offshoring
	Subtotal	**£41m**	**£44m**	**£45m**	**£3m**	**£38m**	**£38m**	
In-Flight	Finance Transformation Phase 2	--	£2m	£5m	£5m	£4m	£12m	Complete offshoring and process efficiency. Re-plan complete with further activities identified for transition to Accenture. Expect to complete Q1'19
	Property Cost Reduction Phase 2	--	--	£1m	£1m	--	£2m	Further site consolidations identified for 2018 and 2019
	Broker Systems Consolidation	--	£4m	£5m	£5m	£7m	£12m	83% of targeted systems moved to single platform, 12 sites transferred in the quarter, 8 sites remaining
	Group Synergies and Other	£4m	£9m	£13m	£9m	£5m	£6m	Claims all moved to Direct Group. Price Forbes synergies delivered and others on track to be delivered in 2018
	Subtotal	**£4m**	**£16m**	**£24m**	**£20m**	**£16m**	**£32m**	
New	Cost Synergies with New M&A	£1m	£2m	£4m	£3m	£1m	£4m	Identifying cost savings once integrated with Ardonagh, primarily Carole Nash
	OE Programme	--	--	£5m	£5m	--	£14m	Implementing robotics to improve operational efficiencies
	Cost Reduction Plans	£2m	£5m	£12m	£10m	£1m	£4m	Further cost savings identified across every segment
	Subtotal	**£3m**	**£7m**	**£21m**	**£18m**	**£2m**	**£22m**	
	Total	**£49m**	**£67m**	**£89m**	**£40m**	**£56m**	**£92m**	

1) Capex spend represent balance sheet additions and not necessarily cash paid

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Reconciliation of Income and Adjusted EBITDA to the Accounts

Income	H1'18	H1'17	Change %
Reported Income per Accounts	**271.8**	**169.2**	**61%**
Pro forma for M&A pre-22 Jun'17	-	82.8	
Income pro forma for M&A pre-22 June'17	**271.8**	**252.0**	**8%**
Pro forma for M&A 22 Jun'17 to 30 Jun'18	2.1	22.9	
Income pro forma for M&A excluding small book buys	**273.9**	**274.9**	**(0%)**
Pro forma for completed small book buys	0.3	0.3	
Income pro forma for all M&A to 30 Jun'18	**274.2**(1)	**275.3**	**(0%)**

Adj. EBITDA	H1'18	H1'17	Change %
Adj. EBITDA pro forma for M&A pre-22 June'17	**66.4**	**56.6**	**17%**
Pro forma for M&A 22 Jun'17 to 30 Jun'18	-	7.4	
Adj. EBITDA pro forma for M&A excluding small book buys	**66.4**	**64.0**	**4%**
Pro forma for completed small book buys	0.1	0.1	
Adj. EBITDA pro forma for all M&A to 30 Jun'18	**66.5**	**64.1**	**4%**

As set out in the Q2'18 Interim Accounts

As set out in this presentation

1) Income set out in this presentation includes normalisation adjustment of £0.8m in H1 2018 which includes hedging losses, loss corridor and remediation adjustments

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Reconciliation of IFRS Loss to Alternative Performance Measures

Reconciliation of IFRS loss for The Ardonagh Group Limited for the period to Alternative Performance Measures	H1 2018	H1 2017
Reconciliation of the IFRS loss for the period to EBITDA and Adjusted EBITDA		
Adjusted EBITDA[1]	**66.4**	**64.0**
Transformational hires	(9.3)	(5.6)
Business transformation	(14.1)	(11.3)
Legacy costs	(9.0)	(7.0)
Regulatory costs	(0.3)	(1.7)
Acquisition and financing costs	(0.2)	(19.0)
Fair value gains on forward exchange contracts	-	4.0
EBITDA	**33.5**	**23.4**
Finance costs	(45.8)	(45.4)
Tax credit	5.4	2.4
Depreciation and amortisation charges	(36.7)	(35.0)
Other[2]	0.2	(5.8)
Pro Forma Loss for the period	**(43.4)**	**(60.5)**
Adjustments for acquisitions and disposals	10.6	15.3
Reported Loss for the period[3]	**(32.8)**	**(45.2)**

The Group presents results to investors using alternative performance measures ('APMs'). These seek to present the results as though the material acquisitions including Nevada, Direct Group, Chase Templeton, Carole Nash, MasterCover, Healthy Pets and a book-buy had occurred on 1 January 2017.

The Group presents EBITDA and Adjusted EBITDA as important APMs for both IFRS and pro forma results. The objective of presenting APMs is to facilitate readers' understanding of progress irrespective of the capital structure and before deduction of significant business investment and transformation costs, which have been a key element of the Group's fix, build and grow strategy in recent years.

This slide presents the reconciliations between the IFRS comprehensive gain/(loss) for the year and the key APMs. The full IFRS results can be found in the Report to Investors for The Ardonagh Group Limited on the website www.ardonagh.com.

EBITDA and Adjusted EBITDA measures may not be comparable to similarly titled measures used by other companies. EBITDA, Adjusted EBITDA and EBITDA margins are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of the Group's operating performance, cash flows or any other measure of performance derived in accordance with IFRS.

1) See reconciliation on previous page. Includes Autonet, Chase Templeton, Direct Group, Price Forbes, Carole Nash, MasterCover, Healthy Pets and a book-buy
2) Other includes foreign exchange movements, dividends received and income tax (charge)/credit
3) Above reconciles the investor presentation to the Ardonagh Group Limited Annual Report, the accounts of Ardonagh Midco 3 plc show a loss of £31.2m, the difference of £1.6m being due to costs that are incurred in Ardonagh Group Limited, primarily associated with acquisition & financing and board costs

Non-IFRS Financial Measures

This investor presentation contains non-IFRS measures and ratios, including Adjusted EBITDA and Pro Forma Adjusted EBITDA, that are not required by, or presented in accordance with, IFRS. Non-IFRS measures are defined by us as set out below.

We define "***Adjusted EBITDA***" or "***Adj. EBITDA***" as the profit or (loss) on ordinary activities before finance costs, income tax, depreciation and amortisation charges, share of loss from an associate and impairment of goodwill, adjusted for loss or (profit) on the disposal of businesses, related party bad debt provision, reduction in value on contingent consideration, group reorganisation costs, regulatory costs, asset write-downs in connection with business restructuring, business investment costs, consultancy on regulatory matters, levy costs and finance legacy review costs, as applicable. Adjusted EBITDA is stated before exceptional costs and one-off items as determined by management. This includes Towergate, Price Forbes, Autonet, Direct Group and Chase Templeton financial results as if owned for the full period shown in the current and prior financial year.

We define "***Pro Forma Adjusted EBITDA***" or "***Pro Forma Adj. EBITDA***" as the Adjusted EBITDA of each of Towergate, Price Forbes, Autonet, Direct Group and Chase Templeton, each as adjusted for overhead costs currently incurred by The Ardonagh Group, Atlanta Holdco and PF Holdco, certain cost saving initiatives and cost synergies, a USD/GBP FX adjustment related to Price Forbes and certain other transactions adjustments including certain UK GAAP to IFRS adjustments.

We define **"Operating Cash Conversion**" as operating and investing cash flow (as further defined as Adjusted EBITDA less working capital movement and maintenance capital expenditure), over Adjusted EBITDA. This excludes one-off costs, other capital expenditure and exceptional costs related to cost saving and income growth initiatives.

We define ***"Organic"*** as excluding the impact of acquired or exited businesses and other non-recurring items and is set out at constant FX.