DIGNITY PLC
INVESTOR PRESENTATION

For the 26 week period ended 1 July 2022

INTERIM 2022 YTD RESULTS

Interim 2022 Financial Performance

	26 week period ended 1 July 2022	26 week period ended 25 June **2021**	Decrease per cent
Underlying revenue (£ million)	**141.2**	169.4	17
Underlying operating profit (£ million)	**14.7**	37.8	61
Underlying profit before tax (£ million)	**0.6**	23.2	97
Underlying (loss)/earnings per share (pence)	**(1.2)**	36.2	
Underlying cash generated from operations (£ million)	**24.4**	56.6	57
Revenue (£million)	**166.9**	189.0	12
Operating (loss)/profit (£million)	**(48.3)**	40.8	
(Loss)/ profit before tax (£ million)	**(156.0)**	50.5	
Basic (loss)/earnings per share (pence)	**(258.6)**	62.4	
Cash (used in)/ generated from operations (£ million)	**(3.7)**	49.0	
Number of Deaths	**319,000**	**340,000**	6

Alternative performance measures (APMs)

All measures marked as underlying in the table above and throughout this presentation are alternative performance measures. The Board believes that whilst statutory reporting measures provide financial performance of the Group under IFRS, APMs are necessary to enable users of the financial statements to fully understand the trading performance and financial position of the Group. The APMs provided are aligned with those used in the day-to-day management of the Group and allow for greater comparability across periods. For this reason, the APMs provided exclude the impact of consolidating the Trusts and the changes which relate to the application of IFRS 15, as well as non-underlying items comprising certain non-recurring and non-trading transactions.

H1 2022 YTD key points

- We continue to implement our new strategy and are seeing early signs of this coming through in market share, whilst also recognising the initial adverse impact on profitability

- As explained in the 2021 Annual Report, the Company reported a potential adverse impact on underlying revenue and underlying operating profit. This is due to a combination of factors, including fluctuations in the death rate, partnered with a change in our pricing strategy and introduction of a direct cremation service through our funeral network

- Delivered our regulatory programme in achieving authorisation by the Financial Conduct Authority (‘FCA’) under new funeral plan rules, which came into effect on 29 July 2022

- Development and launch of our innovative new funeral plan proposition, and the creation of a new trust to support this

- Organisational restructure continues, supported by the new brand strategy

- Confirmed our commitment to be net zero across the Dignity network by 2038

- Launched and now embedding our new guiding principles, which will be the framework for culture change at the Company, including ensuring salaries are industry competitive for client facing roles

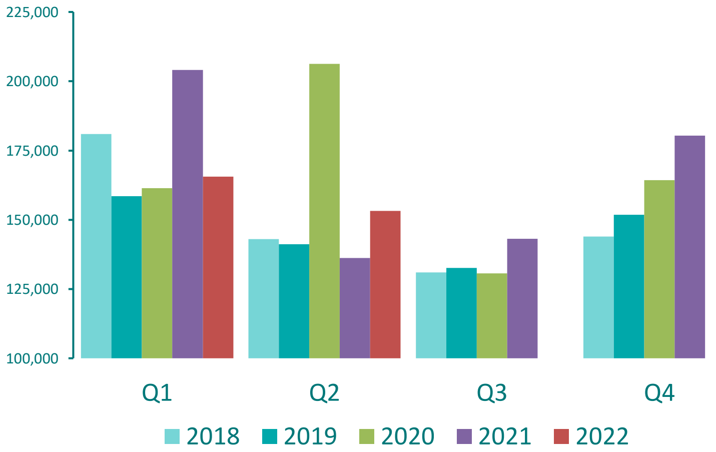
- Continuation of a large capital expenditure programme linked to delayed works from previous years during the pandemic as well as a property portfolio programme that is prioritising key investment needs across our estate

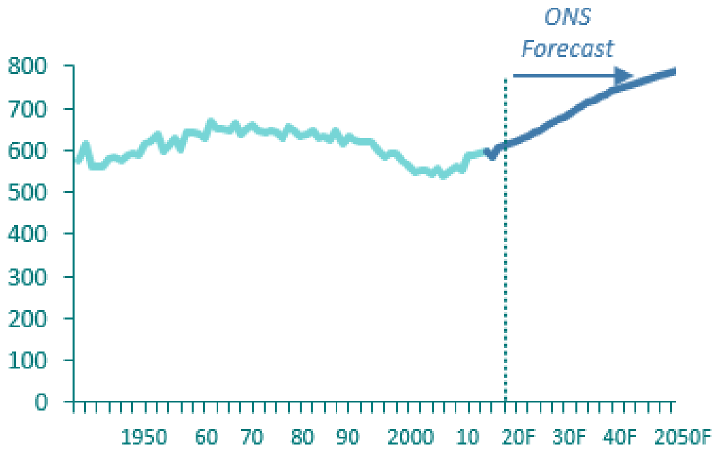
- Total impairment of £62.9 million of the Group’s non-current assets following slower funeral market share growth combined with more branch direct cremations rather than full adult funerals being performed than originally anticipated

- We successfully reached an agreement with bondholders in September which allows the Group to begin deleveraging and removes some restrictions from the securitisation

Number of deaths

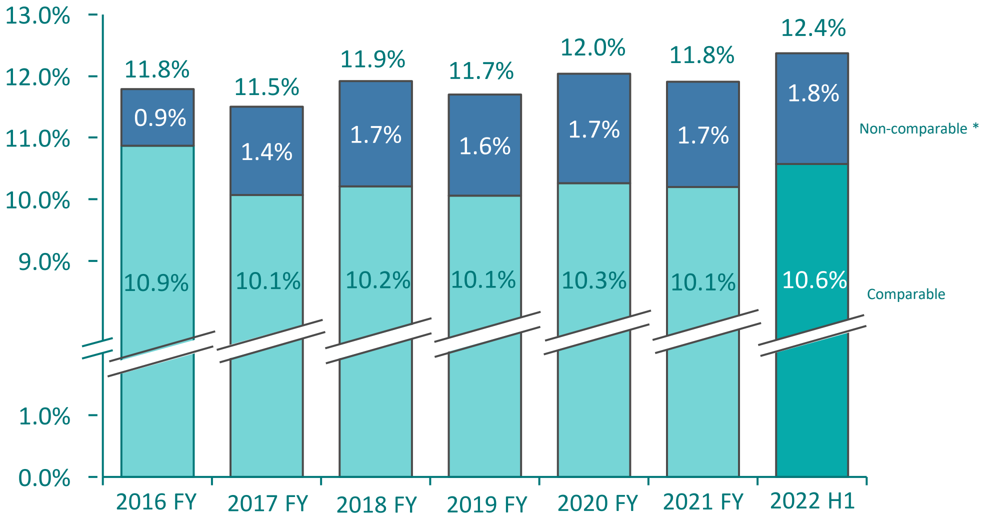
Number of deaths	2022	2021	(Decrease)/ increase per cent
Quarter 1	**166,000**	204,000	(19)
Quarter 2	**153,000**	136,000	13
First hafl of year	**319,000**	340,000	(6)



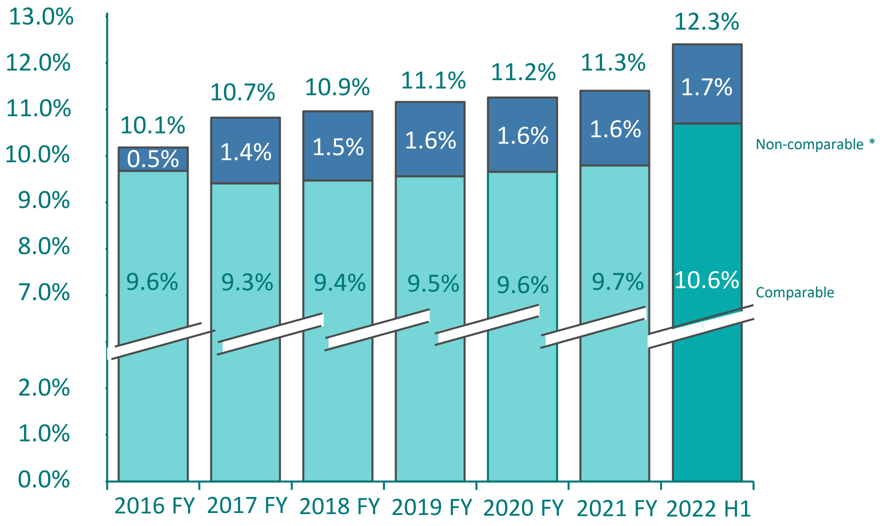


Market share

Funeral Comparable/non-comparable volume market share
Per cent



Cremation Comparable/non-comparable volume market share
Per cent



Note: * Non-comparable includes volumes from All Acquisitions 2015 to 2022

Funeral Services

- At 1 July 2022, the Group operated a network of 756 (June 2021: 789; December 2021: 776) funeral locations throughout the UK, generally operating under established local trading names. The change to the portfolio reflects 23 closures and three openings
- This forms part of our new local business strategies and closures occur where a branch is not deemed to be viable in its current location even with our new strategy. The timing of the closures can be impacted by the end dates of leases and of the 23 closures only five were freeholds
- In the first half of 2022 the Group conducted 40,000 funerals (26 week period ended June 2021: 41,400; 53 week period ended December 2021: 79,200) in the United Kingdom, a three per cent decrease on the prior period
- Approximately one per cent of the funerals in each period were performed in Northern Ireland. Excluding Northern Ireland, these funerals represented approximately 12.4 per cent (June 2021: 12.0 per cent; December 2021: 11.8 per cent) of total estimated deaths in Great Britain
- On a comparable basis, excluding any funerals from locations not contributing to the whole of the first half of 2022 and 2021 and any Safe Hands funerals, market share was 12.2 per cent, compared to 11.8 per cent in 2021
- Whilst funerals divided by estimated deaths is a reasonable measure of Dignity’s market share, the Group does not have a complete national presence and consequently, this calculation can only ever be an estimate
- Allied to this, market share is calculated based on a fixed assumption of one week between the registration of the death and the date of the funeral. Therefore, calculations of market share, particularly over shorter periods, may not be comparable

Funeral mix and underlying average income

	Funeral type	FY 2021 Actual	Q1 2022 Actual	Q2 2022 Actual	H1 2022 Actual	Q1 2021 Actual restated (1)	Q2 2021 Actual restated (1)	H1 2021 Actual restated (1)
Underlying average revenue (£)	Attended	2,855	2,486	2,439	2,464	2,903	3,064	2,959
	Unattended	1,063	1,044	1,037	1,041	1,010	944	980
	Pre-need	1,959	1,950	1,967	1,958	1,943	1,955	1,948
	Other (including Simplicity and 3rd party direct cremations)	904	608	522	668	1,004	982	982
Volume mix (%)	Attended	61	58	59	59	61	62	62
	Unattended	3	8	7	7	1	1	1
	Pre-need	28	28	28	28	29	28	28
	Other (including Simplicity and 3rd party direct cremations)	8	6	6	6	9	9	9
Underlying weighted average revenue (£)		2,394	2,108	2,093	2,115	2,434	2,545	2,478
Ancillary revenue (£)		154	165	174	155	131	168	150
Underlying average revenue (£)		2,548	2,273	2,267	2,270	2,565	2,713	2,628

(1) In September 2021, funeral services introduced an Attended Funeral at prices from £1,595 to £2,495 (excluding extras) across the network and implemented the Unattended Funeral (direct cremation), and the simple funeral was removed (apart from our location in Jersey). As such, the historical full service average and the simple and direct cremation average are no longer comparable. In order to have comparability the full-service and the simple averages have been blended to give a new Attended average and the direct cremation, previously included as simple and direct cremation, has been restated to Unattended to make both comparable

The average revenue for funerals has decreased from £2,478 (H1 2021) to £2,115 (H1 2022), (excluding the funerals delivered as part of our Safe Hands rescue support the average in H1 2022 was £2,129), which can be attributed to a combination of the change in our pricing strategy and the change in mix due to the provision of lower cost funeral options, such as direct cremations

This combined with reduced volumes has also impacted the contribution per branch which has decreased to £48,452 as an LTM at 1 July 2022 (June 2021 LTM: £75,547; December 2021: £75,000), which is calculated using underlying operating profit before IFRS 16 divided by the number of funeral locations

Crematoria Operations

- The Group remains the largest single independent operator of crematoria in Great Britain operating 46 crematoria (June 2021: 46; December 2021: 46)
- The Group performed 39,300 cremations (June 2021: 38,900; December 2021: 74,800) in the period
- These volumes represent approximately 12.3 per cent (June 2021: 11.4 per cent; December 2021: 11.3 per cent) of total estimated deaths in Great Britain
- Average price per cremation has decreased to £862 (June 2021: £892, December 2021: £887) and average ancillary revenue per cremation has decreased to £219 (June 2021: £272, December 2021: £269) which reflects an increase in the percentage of direct cremations being performed
- As the number of unattended cremations increases this will impact the averages when comparing to the prior period
- Crematoria remains a stable and cash generative aspect of the Group’s operations

Pre-arranged Operations

- Dignity continues to remain focused on selling high-quality funeral plans, in ways consistent with the strong reputation of the Group and the high standards expected by our customers

- During the first half of 2022, we have remained focused on being ready for the FCA regulation and on 29 July 2022 we were approved by the FCA so are now regulated and as such sales of the new Dignity funeral plan have commenced with focused distribution through our network of local branches

- As a result of the above, sales of pre-arranged funeral plans were low in the first half of 2022, resulting in low growth in the total number of active pre-arranged funeral plans of 582,000 compared to 581,000 at December 2021 and 580,000 at the end of June 2021

- The Group can claim a marketing and administration allowance from the trusts for plans sold in the period (up to a maximum amount per plan sold), which historically resulted in a profit in the pre-need division

- In 2019, the Group decided to restrict this allowance from the trusts to only recover the costs incurred in the selling of the funeral plans and therefore, the pre-need division has not contributed any profit or loss since 2019 due to these under recoveries

- However, as plan sales were low in the first half of 2022, the Group would not have been able to recover all of the costs incurred in the selling and administration from funeral plans sold in the current period but has been able to utilise under recoveries from previous years sales to cover the current year operating costs

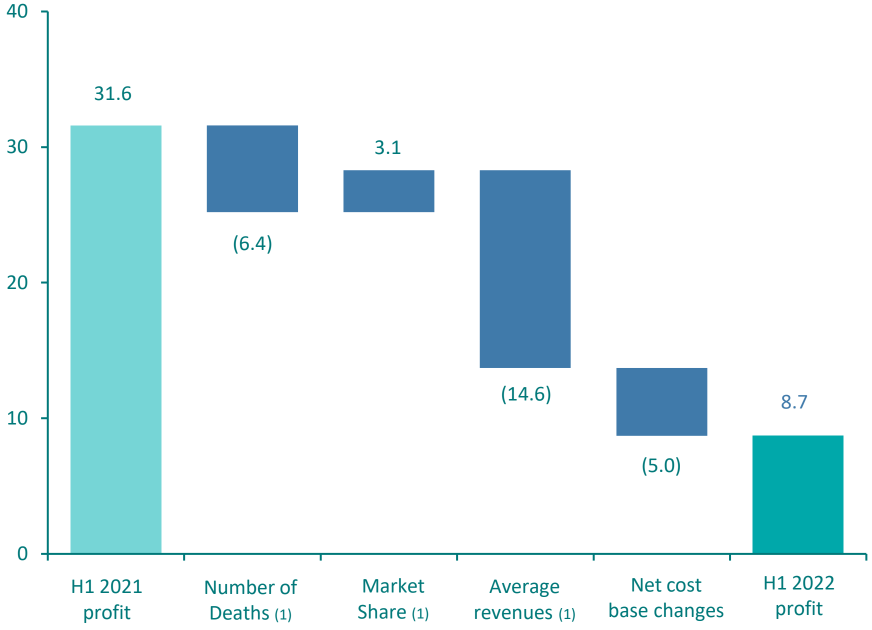
- We expect the sales of pre-arranged funeral plans to increase during the second half of 2022

- The financial position of the Trusts holding members' monies is crucial, given the Group ultimately guarantees the promises made to members. At the end of June 2022, the Trusts had average assets per plan of £3,405 (June 2021: £3,564; December 2021: £3,650) in respect of trust based funeral plans. Average assets per plan are greater than the amount currently received by the Trading Group for performing a funeral

Financial performance – Funeral services

Funeral services financial performance (H1 2021 – H1 2022)

Millions of pounds



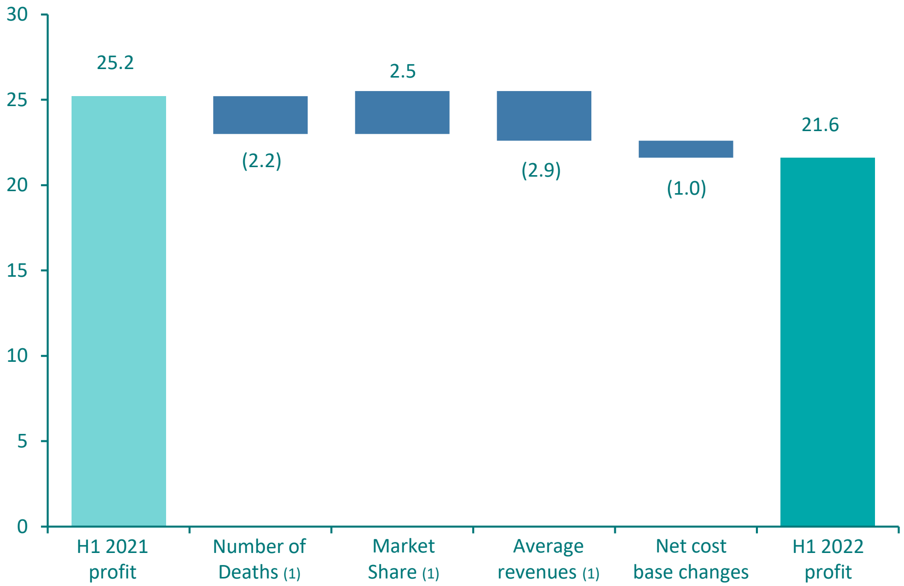
Financial summary	26 week period ended 1 July 2022	26 week period ended 25 June 2021	Decrease per cent
Underlying operating profit (£m)			
Funeral services	8.7	31.6	72.5
Crematoria	21.6	25.2	14.3
Pre-arranged funeral plans	-	-	-
Central overheads	(15.6)	(19.0)	17.9
Underlying operating profit (£m)	**14.7**	**37.8**	**61.1**

(1) Represents revenue impact

Financial performance – Crematoria

Crematoria financial performance (H1 2021 – H1 2022)

Millions of pounds



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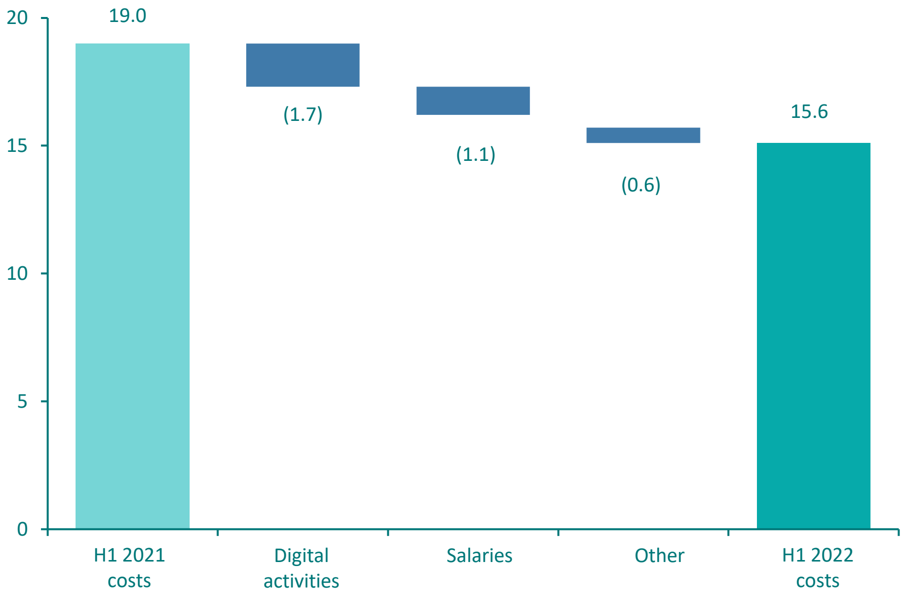
(1) Represents revenue impact

Financial performance – Central overheads

Central overheads financial performance (H1 2021 – H1 2022)

Millions of pounds



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Cash conversion

Cash generation summary £m (except for amounts per share)	26 week period ended 1 July 2022 Profit	26 week period ended 1 July 2022 Cash	26 week period ended 25 June 2021 Profit	26 week period ended 25 June 2021 Cash
Underlying EBITDA	**29.6**		**52.3**	
Underlying cash generated from operations		24.4		56.6
Underlying depreciation and amortisation	(14.9)		(14.5)	
Maintenance capital expenditure		(10.5)		(8.0)
Underlying operating profit	**14.7**		**37.8**	
Underlying operating cash flow after capital expenditure		**13.9**		**48.6**
Underlying net finance costs	(14.1)		(14.6)	
Net finance payments		(13.9)		(14.2)
Underlying profit before tax	**0.6**		**23.2**	
Underlying cash generated before tax		**-**		**34.4**
Tax on underlying earnings	(1.2)		(5.1)	
Tax paid		(1.1)		(12.4)
Underlying earnings	**(0.6)**		**18.1**	
Underlying cash after tax		**(1.1)**		**22.0**
Weighted average number of ordinary shares in issue during the period (million)	50.0	50.0	50.0	50.0
Underlying (loss)/earnings per share *(pence)*	**(1.2)**		**36.2**	
Cash per share *(pence)*		**(2.2)**		**44.0**

Capital structure

Securitisation	

Securitisation

- Main source of debt funding continues to be from the Group's securitisation structure, which was restructured in 2014
  - £521.4 million principal outstanding publicly traded investment grade securitised debt in issue, £238.9 million issued at c.3.5% and £356.4 million issued at c.4.7%, overall cost c.4.2%
  - Fixed coupon and fully amortising – equates to annual cash debt service of £33.2 million per annum
  - Governed by EBITDA: DSCR ratio – at least 1.5:1
  - 12 month waiver for 2022 sought and granted in March 2022
  - Waiver allows for an equity cure by Dignity plc should there be a shortfall in EBITDA of the Securitisation Group at any covenant measurement point up to and including 31 December 2022
  - Any cash transferred into the Securitisation Group during this period is included within the EBITDA for the purpose of calculating the EBITDA:DSCR ratio for the following 12 months

  - On 7 September 2022 a consent solicitation with approximately 61 per cent support from its class A Noteholders was launched
  - This sought certain consents from Noteholders for a potential transaction involving the realisation of value from selected crematoria assets, with the expected proceeds of such a transaction being applied in a partial redemption of the Class A Notes, the necessary quorum was achieved on 29 September 2022 and the consents referred to above apply for 12 month period to 29 September 2023
  - Dignity will be required to inject a minimum of £70.0 million into the Securitisation Group companies to partially repay some of the Class A Notes outstanding in consideration for assets leaving the Securitisation group
  - If the transaction completes in Q2 2023 and £70m is the net realisation then this will result in a deleveraging of the Group and a positive impact of £5.7 million on the DSCR covenant calculations, i.e., a reduction of the DSCR from c.£51 million to c.£45.3 million in 2023
  - If the transaction takes longer to complete and is completed in Q3 2023 there will be no positive impact in 2023 as the first possible date for repayment will be 29 December 2023
  - It would have a full year impact of £11.7 million on the DSCR covenant calculations, i.e., a reduction of the DSCR from c.£51 million to c.£39.3 million in 2024
  - In addition, upon completion of the proposed transaction within the timeframe permitted by the noteholder consent, there are amendments to the documents that will allow further equity cures, with restrictions, to be made going forward should they be required. This can be used to supplement any EBITDA shortfall at 31 December 2023

Net debt

	1 July 2022 £m	25 Jun 2021 £m	31 Dec 2021 £m
Net amounts owing on Secured Notes per financial statements	(521.4)	(536.7)	(526.6)
Add: unamortised issue costs	(0.4)	(0.5)	(0.5)
Gross amounts owing	**(521.8)**	**(537.2)**	**(527.1)**
Accrued interest on Secured Notes	-	(11.9)	-
Cash and cash equivalents - Trading Group	32.9	81.7	55.9
Net debt	**(488.9)**	**(467.4)**	**(471.2)**

Funeral Plan Regulation

FCA Regulation of the pre-paid funeral sector

- We are pleased to confirm that Dignity achieved authorisation by the Financial Conduct Authority (FCA) under the new regulatory regime for pre-paid funeral plans, which came into force on 29 July 2022

- Funeral plan providers in the UK must now be regulated by the FCA to continue to sell or carry out funeral plans. Dignity has long called for statutory oversight of the sector to remove bad actors and to improve the outcome for customers, so it is extremely positive to have seen the regulations come into effect

- The regulation has impacted almost every corner of our business; from compliance and governance, an enhanced focus on customer vulnerability and consumer redress processes, training and people development, as well as a new approach to how we market and sell our products

- We have established the UK Funerals (2022) Trust, operated by trustees independent to Dignity, which commenced selling pre-arranged funeral plans on 8 August 2022. The Dignity Trading Group also transferred £1.0 million cash into this new Trust on 11 July 2022 in order to meet a requirement of the new regulation. This requirement means that we must ensure the trust always remains adequately funded to meet the funeral plan liabilities. A process is underway to combine our existing trusts into this new one

- We have also stood by our commitment to help customers of other plan providers where we can, and as we have with the customers of Safe Hands, we have engaged a number of firms who will not be regulated to understand any opportunity to help customers. Following Safe Hands going into administration, we have delivered 188 funerals as at 1 July 2022 on behalf of bereaved people impacted by the collapse, at no cost to the family. Had these funerals been delivered at Dignity's current at-need prices, additional revenue of £0.5 million would have been generated

- I would like to thank all of our colleagues that have been involved with the strategic and operational effort that has enabled the delivery of our authorisation. We are proud of what we have achieved to date and recognise the responsibility Dignity has as a market leader to ensure we continue to deliver the high standards expected by the regulator. It is our expectation that FCA regulation will introduce stability to the pre-need sector which will be beneficial for all stakeholders

Outlook

Outlook

We set out at our AGM the impact and progress made towards our strategy, but with the unpredictability of the death rate in 2022, the impact of our strategy implementation, regulatory change and our new funeral plan proposition, we will continue to refrain from giving guidance.

Chief Executive's statement

"Over the past few years our business has risen to the challenges presented by COVID-19. We have continued to deliver excellent customer service whilst also implementing our new strategy as well as preparing and achieving FCA regulatory approval for new funeral plan rules, whilst recognising the short-term adverse impact on our financial performance. Our people have risen to these challenges and, through the embedding of our Principles and values introduced earlier this year, we believe that we are well placed to achieve our key aims of becoming the leading end-of-life service provider in the UK and a deserving and rewarding employer."

Forward-looking statements

This Presentation and the Dignity plc investor website may contain certain ‘forward-looking statements’ with respect to Dignity plc (the “Company”) and the Group’s financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Group operates.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as ‘anticipates’, ‘aims’, ‘due’, ‘could’, ‘may’, ‘should’, ‘will’, ‘would’, ‘expects’, ‘believes’, ‘intends’, ‘plans’, ‘targets’, ‘goal’ or ‘estimates’ or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group’s ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Group operates; changes in the legal, regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; changes in accounting practices and interpretation of accounting standards under IFRS, and changes in interest and exchange rates.

Any forward-looking statements made in this Presentation or the Dignity plc investor website, or made subsequently, which are attributable to the Company or any other member of the Group, or persons acting on their behalf, are expressly qualified in their entirety by the factors referred to in this statement. Each forward-looking statement speaks only as of the date it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements.

Nothing in this Presentation or on the Dignity plc investor website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

APPENDICES

Alternative performance measures

Alternative performance measures (APMs)

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The APMs provided are aligned with those used in the day-to-day management of the Group and allow for greater comparability across periods.

For this reason, the APMs provided exclude the impact of consolidating the Trusts, the corporate interest restriction disallowance arising as a result of consolidating the Trusts and the changes which relate to the application of IFRS 15. In addition, the deferred tax rate change in 2021 arising on the deferred tax balances on consolidating the Trusts and application of IFRS 15 have also been excluded, as well as non-underlying items comprising certain non-recurring and non-trading transactions.

The exclusion of the impact of consolidating the Trusts and the application of IFRS 15 will continue for the foreseeable future. We will also assess whether it is right to exclude any future new accounting standards from alternative performance measures based on whether they are included in the measures used in the day-to-day management of the business.

All of these measures are highlighted as underlying throughout this Presentation.

Non-underlying items

Income statement

26 week period ended 1 July 2022	Funeral services £m	Crematoria £m	Pre-arranged funeral plans £m	Central overheads £m	Group £m
Non-trading					
Amortisation of acquisition related intangibles	**1.8**	**0.2**	**-**	**-**	**2.0**
External transaction costs in respect of completed, aborted and ongoing transactions (1)	**-**	**0.3**	**-**	**3.4**	**3.7**
Trade name impairment	**5.5**	**-**	**-**	**-**	**5.5**
Goodwill impairment	**42.7**	**-**	**-**	**-**	**42.7**
Right-of-use asset impairment	**10.3**	**-**	**-**	**-**	**10.3**
Property, plant and equipment impairment	**4.4**	**-**	**-**	**-**	**4.4**
Non-recurring					
Restructuring costs - redundancy	**-**	**-**	**-**	**2.3**	**2.3**
Restructuring costs - onerous provision	**-**	**-**	**-**	**0.3**	**0.3**
	64.7	**0.5**	**-**	**6.0**	**71.2**
Taxation impact on above adjustments (2)					**(3.9)**
					67.3

(1) External transaction costs include costs associated with the current capital structure work.

(2) All of the above items are subject to corporation tax, except for the trade name impairment, goodwill impairment, right-of-use asset impairment and external transactions costs.

26 week period ended 25 June 2021 - (restated) (3)	Funeral services £m	Crematoria £m	Pre-arranged funeral plans £m	Central overheads £m	Group £m
Non-trading					
Amortisation of acquisition related intangibles	1.8	0.2	0.1	-	2.1
External transaction costs in respect of completed and aborted transactions	-	0.6	-	-	0.6
Profit on sale of fixed assets (net of insurance proceeds) (4)	(0.1)	(0.1)	-	-	(0.2)
Non-recurring					
Marketing costs in relation to trials	-	-	-	0.6	0.6
	1.7	0.7	0.1	0.6	3.1
Taxation impact on above adjustments					(0.4)
Taxation - rate change					8.3
					11.0

(3) A presentational adjusment has been made in June 2021 to separately pull out the marketing costs in relation to trials as non-recurring.

(4) Includes £0.1 million of incurance proceeds in respect of a Crematoria fire which occurred in 2020.

Cash Flow

	26 week period ended 1 Jul 2022 £m	26 week period ended 25 Jul 2021 £m	53 week period ended 31 Dec 2021 £m
Cash flows from operating activities	**(3.7)**	**49.0**	68.3
Cash flows of other adjustments	**18.2**	**5.8**	16.1
Cash flows from operating activities – Trading Group	**14.5**	54.8	84.4
External transaction costs	**4.0**	0.2	1.6
Payment for historical informal pre-need funerals (1)	**3.6**	-	-
Restructuring costs - redundancy	**2.3**	-	-
Marketing costs in relation to trials	-	0.5	0.9
Directors' severance pay	-	0.9	0.9
Operating and competition review costs	-	0.2	0.5
Underlying cash generated from operations	**24.4**	56.6	88.3

(1) As part of the FCA requirements, the Group is required to ensure all active funeral plans are backed by pre-need arrangement held in an appropriate trust. As a result of prior acquisitions, the Group had committed to perform 1,600 funerals for which there are no formal pre-need arrangements in place. In order to comply with the FCA regulations and to ensure the customers of these plans are receiving the best possible outcome, the Group has transferred these funeral plans at the cost of today's prices to reflect the most appropriate level of cover required, totalling £3.6 million. The Trading Group does not anticipate any further cash being transferred to the pre-need Trust in relation to these informal arrangements.

Secured Notes amortisation

	2022 £m	2023 £m	2024 £m	2025 £m	2026 £m	2027 £m	2028 £m	2029 £m	2030 £m	2031 £m	2032 £m	2033 £m	2034 £m	2035 £m
Capital structure														
Interest on Class A & B Notes	22.7	22.3	21.9	21.5	21.1	20.7	20.2	19.8	19.3	18.8	18.3	17.7	17.2	16.5
Principal repayments on Class A & B Notes	10.5	10.9	11.3	11.7	12.1	12.6	13.0	13.5	14.0	14.5	15.0	15.5	16.0	16.9
Cash cost	**33.2**	**33.2**	**33.2**	**33.2**	**33.2**	**33.3**	**33.2**	**33.3**	**33.3**	**33.3**	**33.3**	**33.2**	**33.2**	**33.4**

	2036 £m	2037 £m	2038 £m	2039 £m	2040 £m	2041 £m	2042 £m	2043 £m	2044 £m	2045 £m	2046 £m	2047 £m	2048 £m	2049 £m
Capital structure														
Interest on Class A & B Notes	15.7	14.9	14.0	13.1	12.1	11.1	10.1	9.0	7.8	6.6	5.3	4.0	2.6	1.1
Principal repayments on Class A & B Notes	17.7	18.5	19.4	20.3	21.3	22.3	23.3	24.4	25.5	26.7	28.0	29.3	30.7	32.1
Cash cost	**33.4**	**33.4**	**33.4**	**33.4**	**33.4**	**33.4**	**33.4**	**33.4**	**33.3**	**33.3**	**33.3**	**33.3**	**33.3**	**33.2**

EBITDA reconciliation

	H1 1 Jul 2022 £m	LTM 1 Jul 2022 £m	LTM 31 Dec 2021 restated (b) £m
EBITDA per covenant calculation - Securitisation Group	**36.9**	**63.2**	72.4
Less: Total cash transferred into Securitisation Group	**(15.1)**	**(15.1)**	-
Add: EBITDA of entities outside Securitisation Group	**1.8**	**2.7**	1.3
Add: Impact of IFRS 16	**6.2**	**12.1**	12.5
Less: Non cash items (a)	**(0.2)**	**(0.7)**	(1.3)
Underlying operating profit before depreciation and amortisation – Group	**29.6**	**62.2**	84.9
Underlying depreciation and amortisation	**(14.9)**	**(29.5)**	(29.1)
Non-underlying items	**(71.2)**	**(116.4)**	(48.3)
Impact of Trust consolidation and IFRS 15	**8.2**	**14.1**	12.0
Operating (loss)/profit	**(48.3)**	**(69.6)**	19.5

(a) The terms of the securitisation require items (such as pensions, Save As You Earn Scheme and Long-Term incentive Plan Scheme costs) to be adjusted from an accounting basis to a cash basis.
(b) Prior year comparatives have been restated for the 53 week period ended 31 December 2021 due to a reclassification of foreign exchange movements.