



**whg QUARTERLY
UPDATE:
Q2 SEPT 2020**

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HIGHLIGHTS FOR PERIOD ENDED SEPT 2020

- Moody's Rating of A3 (stable), G1/V1 regulator rating
- 146 new homes from developments completed in the period (705 currently on-site with another 882 in the pipeline)
- Income to date of £58m (which is comparable to prior year) despite the pressure on income collection as a result of COVID-19
- Operating margin (excluding fixed asset disposals) of 32%
- Shared ownership sales income of £7m, up 8% year on year, making up 12% of all income
- Cash and liquidity remains strong with £169m at Sept 20, providing 1.8 times cover for the next 18 months of forecast cash flow

FINANCIAL HIGHLIGHTS

STRONG FINANCIAL PERFORMANCE TO SEPT 2020



		2021 Q2	2020 Q2	Comparative Movement
<i>Statement of Comprehensive Income (full year)</i>				
Total Income	£'000	58,172	55,501	5%
Social Housing Lettings Turnover	£'000	48,727	47,057	4%
<i>Percentage Total Income from SHL</i>	%	84%	85%	
Shared Ownership Sales	£'000	7,042	6,513	8%
<i>Percentage of Total Income from Sales</i>	%	12%	12%	
Operating Surplus excl disposals	£'000	19,147	17,205	11%
<i>Operating Margin</i>	%	33%	31%	
Total Surplus	£'000	10,701	13,250	-19%
<i>Total Margin</i>	%	18%	24%	

Key Financial Ratios

EBITDA MRI interest coverage	Times	2.3x	2.1x
Covenant - Interest Coverage (<i>target >1.1x</i>)	Times	2.4x	2.3x
Net Debt Per Unit (<i>target <£25,000</i>)	£	13,721	13,670

DEBT & LIQUIDITY

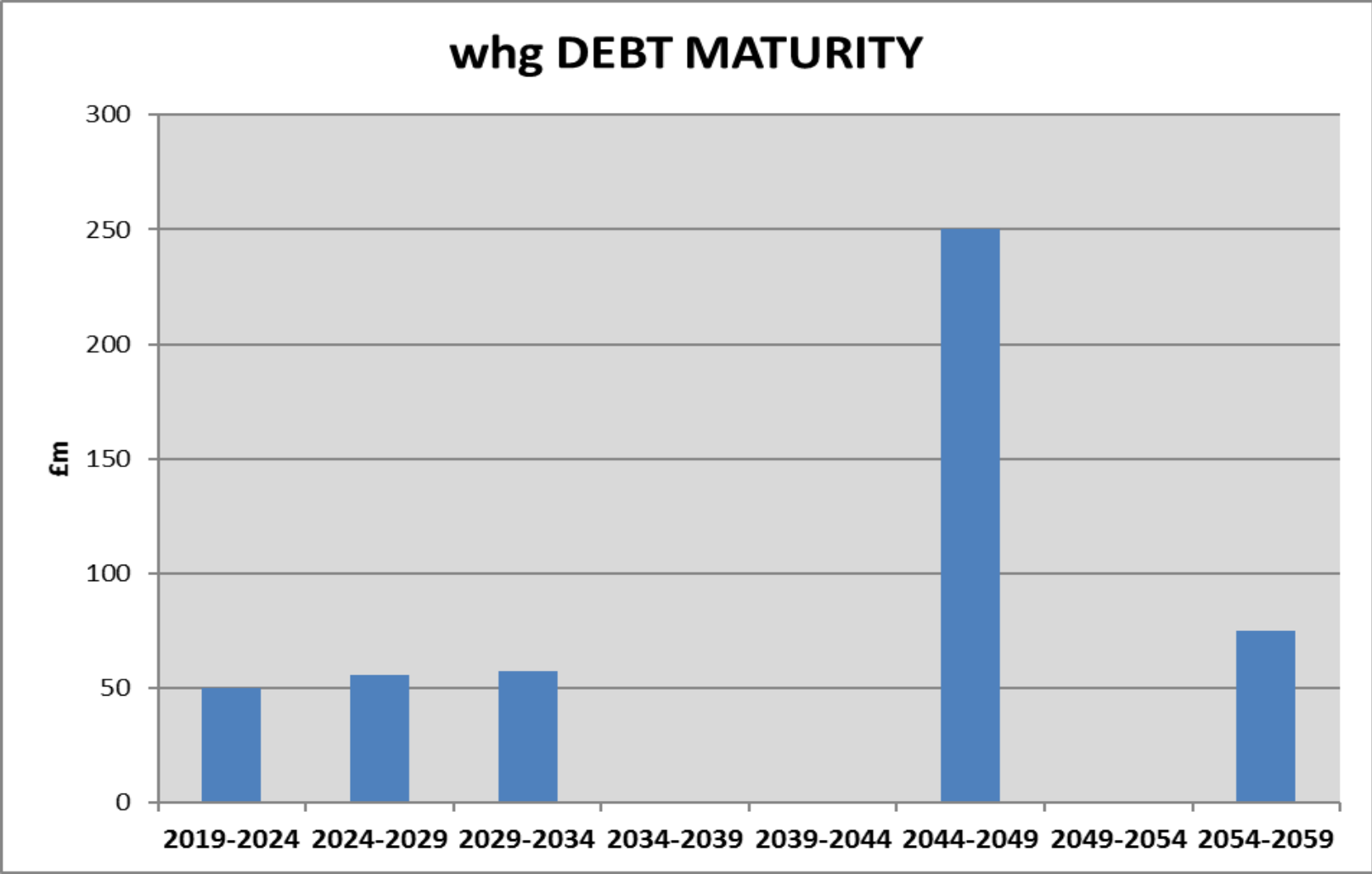
STRONG LIQUIDITY POSITION

		2021 Q2	2020 Q2
<i>Liquidity & Debt</i>			
Cash and undrawn facilities	£'000	169,271	199,383
18m cash requirement*	£'000	(96,436)	(144,497)
18m liquidity coverage	Times	1.8	1.4
Net borrowings capacity (based on NDPU)	£'000	102,374	72,212
Unencumbered security	Homes	6,370	5,964
Cash flow from Operating Activities	£'000	25,082	21,768
Cash conversion ratio**	%	134%	127%
Debt	£'000	412,139	436,174
Average cost of funds	%	4.81%	4.96%
Gearing - debt/assets	%	60%	60%
Debt to Revenue	Times	3.52x	3.86x

* Incorporating total net cash movements for the Group

** Cash Conversion Ratio is the amount of Operating Surplus that translates into Cash Flow from Operating Activities

DEBT MATURITY – BANK DEBT MATURING IN NEXT 40 YEARS



DEVELOPMENT & SALES

DEVELOPMENT AND SHARED OWNERSHIP SALES

		2021 Q2	2020 Q2
<i>Development & Sales (full year)</i>			
New homes completed	Number	146	165
New home starts	Number	33	188
Shared ownership (first tranche) sales	Number	71	35
Shared ownership homes awaiting sale	Number	62	70
<i>Of which aged over 6 months</i>	<i>Number</i>	<i>40</i>	<i>26</i>
Shared ownership (first tranche) sales	£'000	7,042	6,513
<i>Shared Ownership (first tranche) net margin</i>	%	17%	24%

- Strong shared ownership sales performance for the period despite a more challenging housing market environment
- Margins are lower than other operating activities due to grant funded SO schemes



FORWARD GUIDANCE TO YEAR END

EXPECTED YEAR END FINANCIAL PERFORMANCE

		Forecast 2020-21	Actual 2019-20	Movement
<i>Statement of Comprehensive Income</i>				
Total Income	£'000	117,784	112,017	5%
Social Housing Lettings Turnover	£'000	98,789	96,267	3%
<i>Percentage Total Income from SHL</i>	%	84%	86%	
Shared Ownership Sales	£'000	13,341	11,860	12%
<i>Percentage of Total Income from Sales</i>	%	11%	11%	
Operating Surplus	£'000	36,154	37,584	-4%
<i>Operating Margin</i>	%	31%	34%	
Total Surplus	£'000	20,611	21,640	-5%
<i>Total Margin</i>	%	17%	12%	

- Strong performance expected for year end
- Operating surplus of £36m (31%) and total surplus of £21m (17%) show minimal effects of COVID-19 when compared with prior year

CONTACT INFORMATION

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Adam Wagner, Corporate Director of Finance:

adam.wagner@whgrp.co.uk

01922 426846

Andy Howarth, Interim Director of Finance:

andy.howarth@whgrp.co.uk

01922 424033

Richard Nowell, Group Treasury Manager:

richard.nowell@whgrp.co.uk

01922 426812

