

Investor Update

Results for the year ended
31 March 2024



100
HATHERTON
STREET



Welcome
Opening times

Monday	09:00 - 17:00
Tuesday	09:00 - 17:00
Wednesday	09:00 - 17:00
Thursday	09:00 - 17:00
Friday	09:00 - 17:00

Head Office: 0203 151515
Riverside Wood: 01273 451111

Key highlights for the year ended March 2024

whg continues to maintain G1/V1 regulator rating and meets all financial covenants

Rated A2 with a stable outlook by Moody's

Amongst the first in the UK to be certified as a sustainable housing provider by Ritterwald

Achieved ISO 14001 accreditation

£31.5m invested in capital improvements for existing homes

£33.6m spent on repairs and maintenance services

Liquidity position of £250m at March 2024

502 new homes from developments have been completed along with 184 start on sites

Shared ownership first tranche sales achieved 115 to March 2024 with income of £12m and a profit margin on sales of 18%

Challenging operating backdrop, although whg has maintained its resilience through proactive measures, its robust and cautious risk appetite and strategic treasury management

£135.8m

turnover
(2023: £121.1m)

31%

operating margin
(2023: 32%)

£41.8m

operating surplus
(2023: £39.2m)

39%

gearing (HPAC)
(2023: 38%)

3.1

interest cover
(2023: 2.4)

55%

EPC C and above
(2023: 51%)

Operating Performance



Voids

- + In October 2023, our Board approved £4m investment in the Voids service, with the aim of reducing the number of outstanding voids to 100 by March 2024. This target was achieved and will be maintained moving forward with less reliance on subcontractors.
- + In 2023/24 several trades colleagues were transferred from the Voids team, to support with damp related remedial works, and later in the year, to support responsive repairs. This has impacted void rent loss performance.
- + Despite ending the year 0.49% outside of our target, monthly void rent loss is on a downward trend and is expected to be within target by the end of Q2 of 2024/25.

Recent evolution of voids performance

	March 2021	March 2022	March 2023	March 2024
Number of void properties	165	92	158	99
Void rent loss (%)	0.75	0.66	0.67	1.14
Void rent loss (£000)	740	689	726	1,301

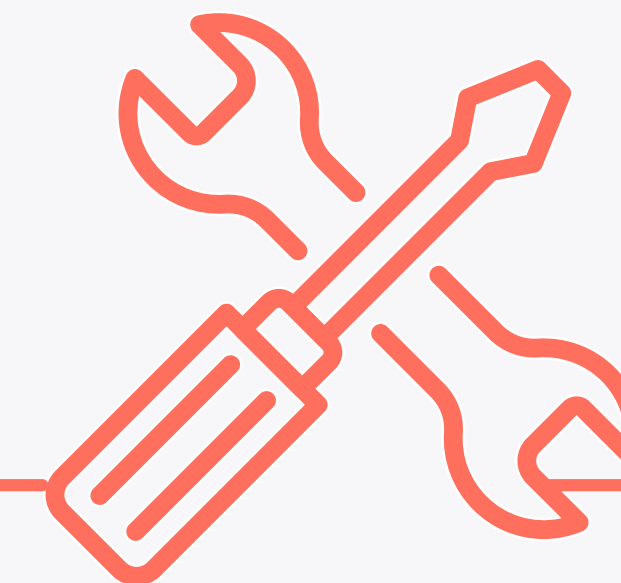


Asset Management Repairs

- + In 2023/24 we invested £5m in tackling our repairs backlog. We decided to do this in house by recruiting an additional 20 colleagues.
- + We also introduced two Repairs Booster Teams of multi-skilled trades people carrying out multiple jobs in a single visit. This has been hugely successful, and we strive to clear our backlog during 2024/25.
- + Customer satisfaction with repairs has improved significantly over the last 3 years and we are exceeding our target.
- + Repairs appointments made and kept has also improved, and the average days to complete a repair has reduced to 28.

Recent evolution of repairs metrics

	March 2021	March 2022	March 2023	March 2024	Target
Customer satisfaction with repairs (%)	83	78	84	94	84
Repairs appointments made and kept (%)	91	91	94	96	98
Average days to complete a repair	23	23	29	28	35



Asset Management Compliance – Customer Safety

Gas safety: We are 100% legally complaint, with 12 overdue homes with legal processes instigated.

Electrical Safety: 99.99% of our homes have an electrical condition report, with one overdue home. We are 100% compliant with regulations.

High Rise: We have 16 high rise buildings – no material remedial safety works required.

Fire safety: All fire risk actions fully provided for in existing business plan and covered by ‘business as usual’ budgets. 100% compliance remained at the end of the year, meaning all fire safety checks had been carried out within the required timescale in all required high and low-rise blocks, and community rooms. Performance has been maintained at 100% for all reporting points since February 2022.

Water Hygiene: 100% compliance remained at the end of the year. All required checks on assets (high and low-rise blocks and community rooms) where a water hygiene (legionella) check is required have been completed within the relevant best practice timescale that we have set for ourselves.

Asbestos (Regulation 4): The KPI shows compliance with legislation requirements for asbestos inspections in communal areas. 100% compliance remained at the end of the year which we have held for over two years.

Asset Management Investment in homes

Components delivered to date	Price £000s	Number completed quantity
Kitchens	(3,009)	269
Bathrooms	(192)	28
Rewires	(371)	40
Central heating/call off heating	(3,658)	975
Fire Doors	(754)	184
Roofing	(8,225)	419
Windows	(1,089)	150
Capitalised Salaries	(1,062)	
VAT Recovery	1,537	

Development



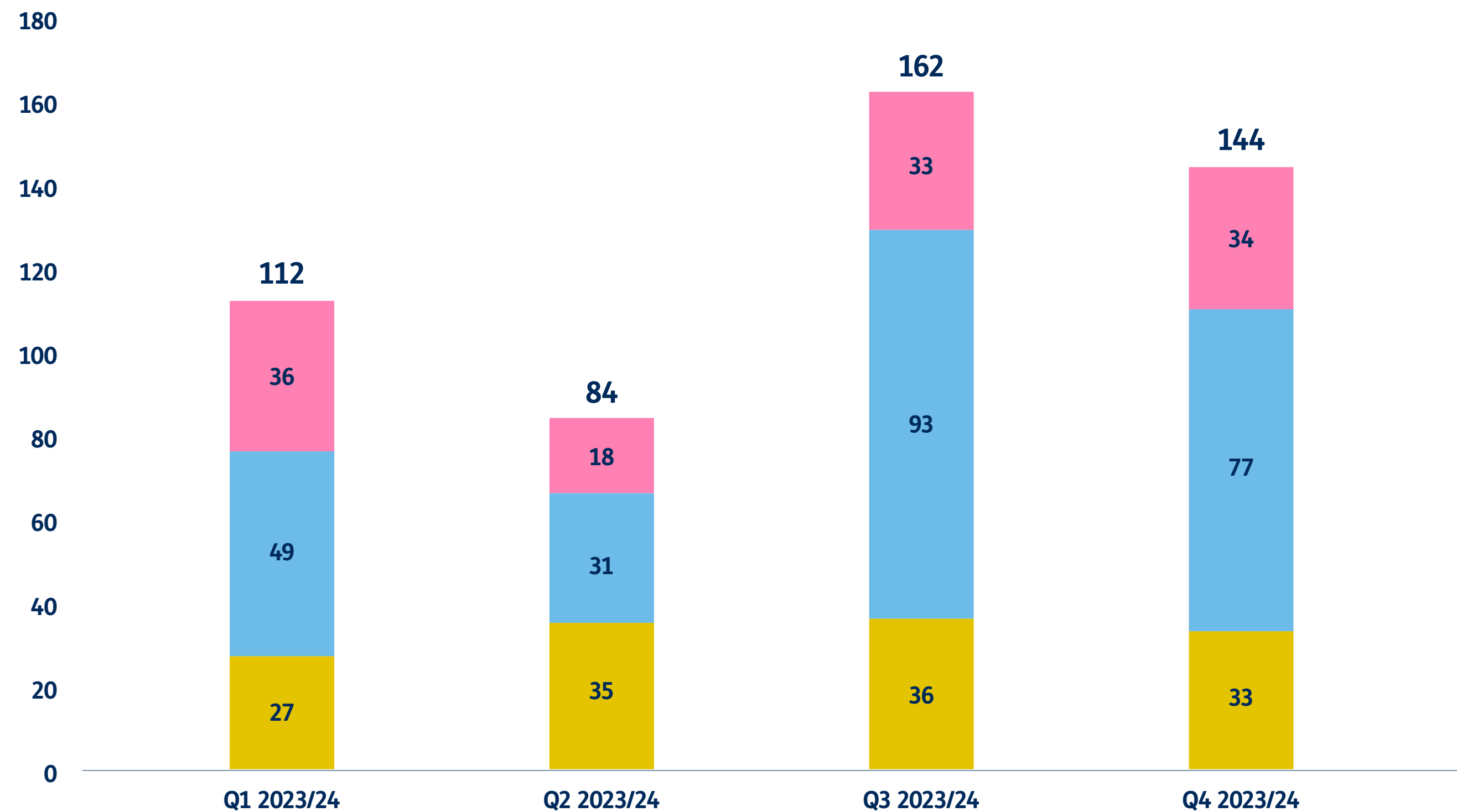
Development Performance

- + 502 new homes completed.
26% Social Rent, 50% Affordable Rent,
24% Shared Ownership.
- + Achieved 115 shared ownership first
tranche sales with income of £12m, with
121 shared ownership handovers.



Number
of homes

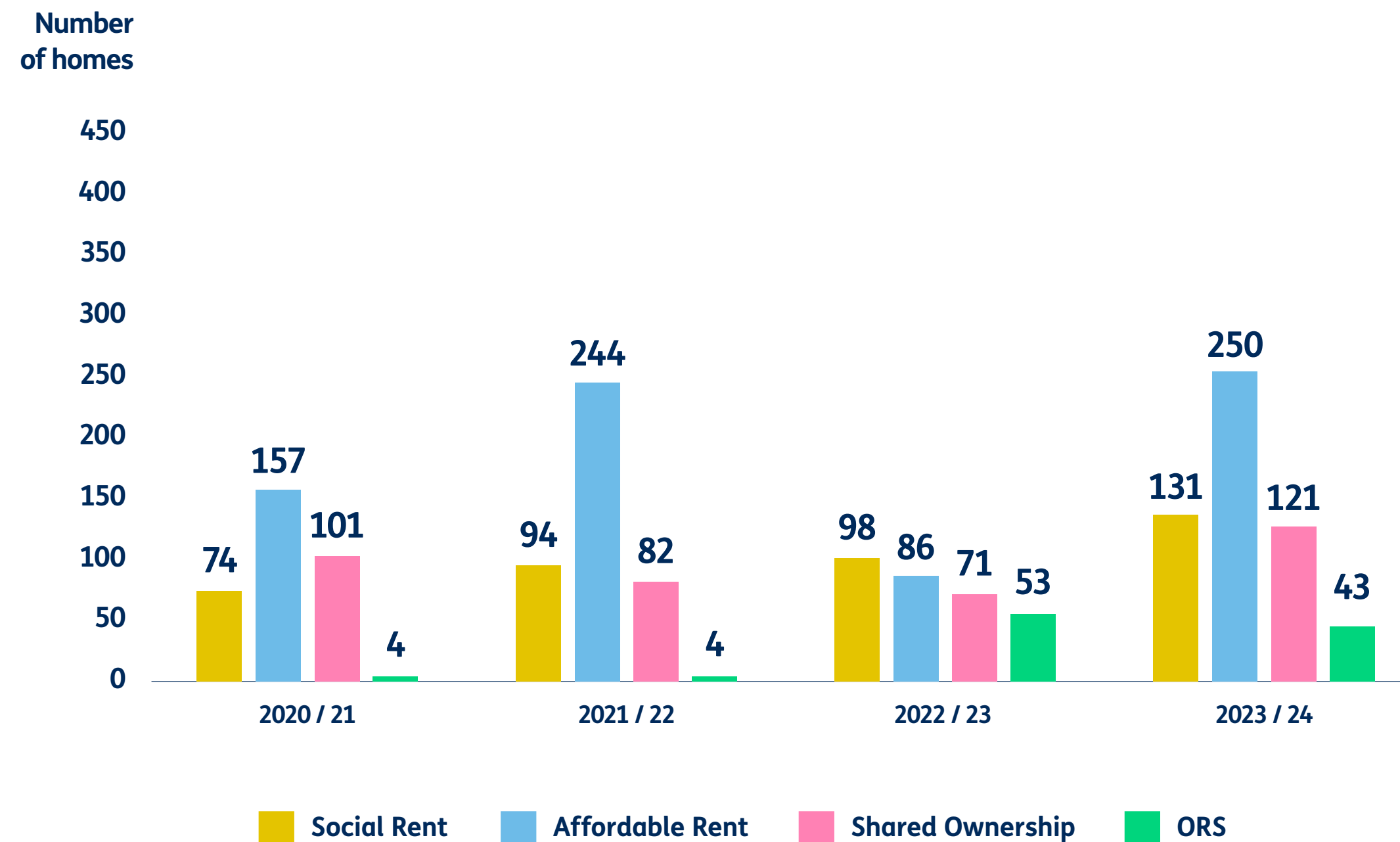
Quarterly new home completions



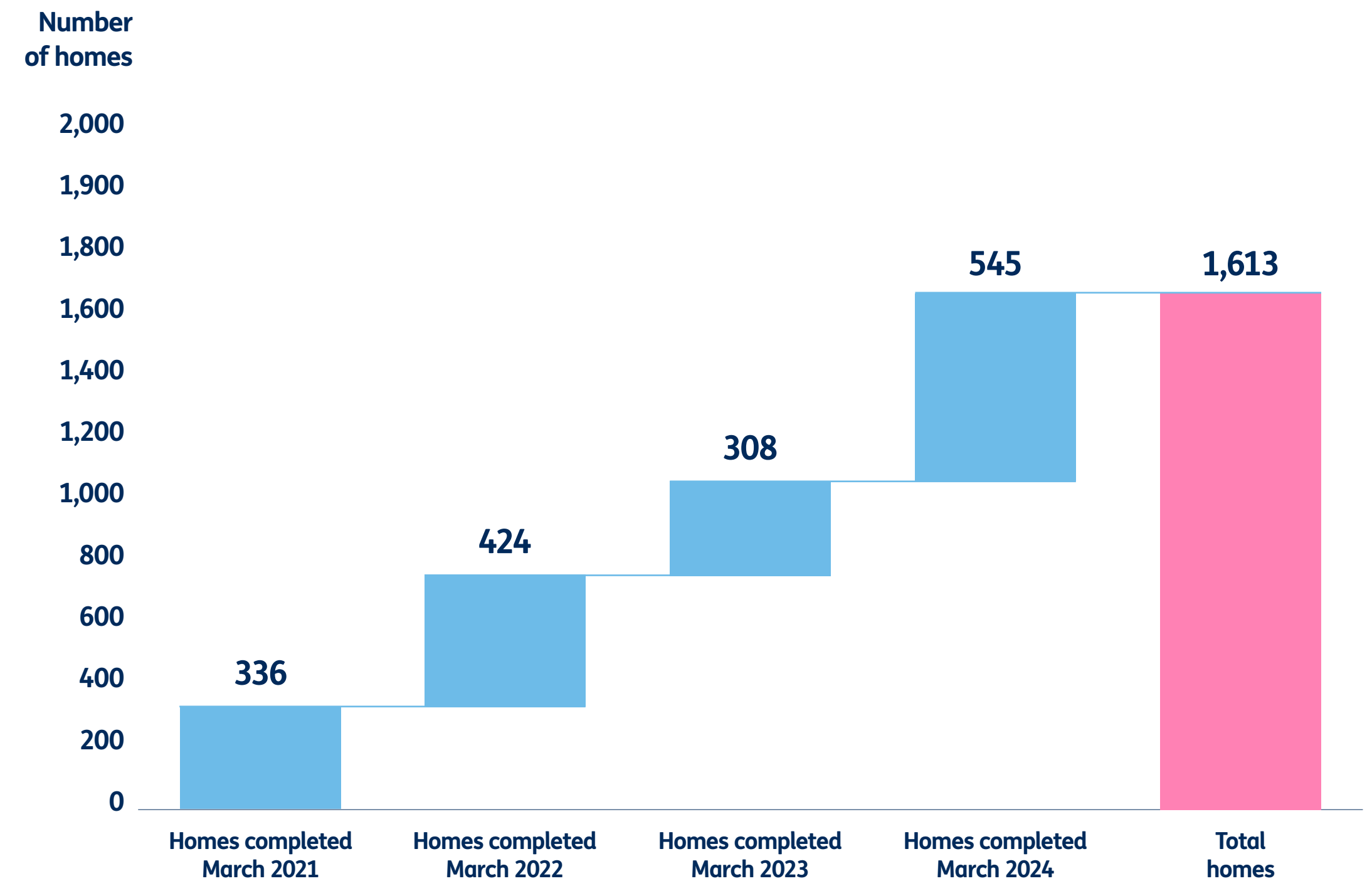
Development Performance against the Development Strategy

As at March 2024, we have completed 1,613 homes against our 2,200 homes target over the period April 2020 to March 2024.

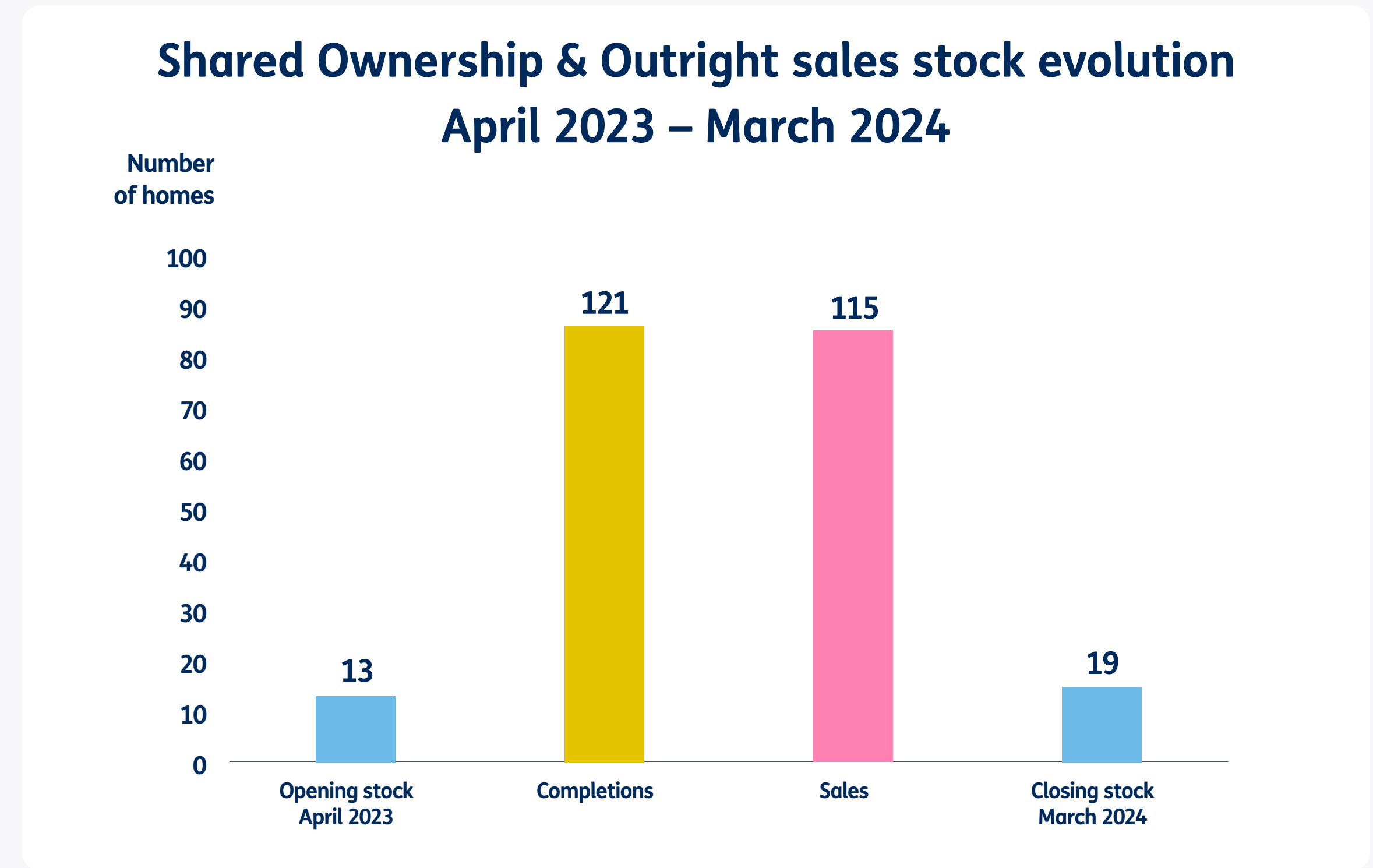
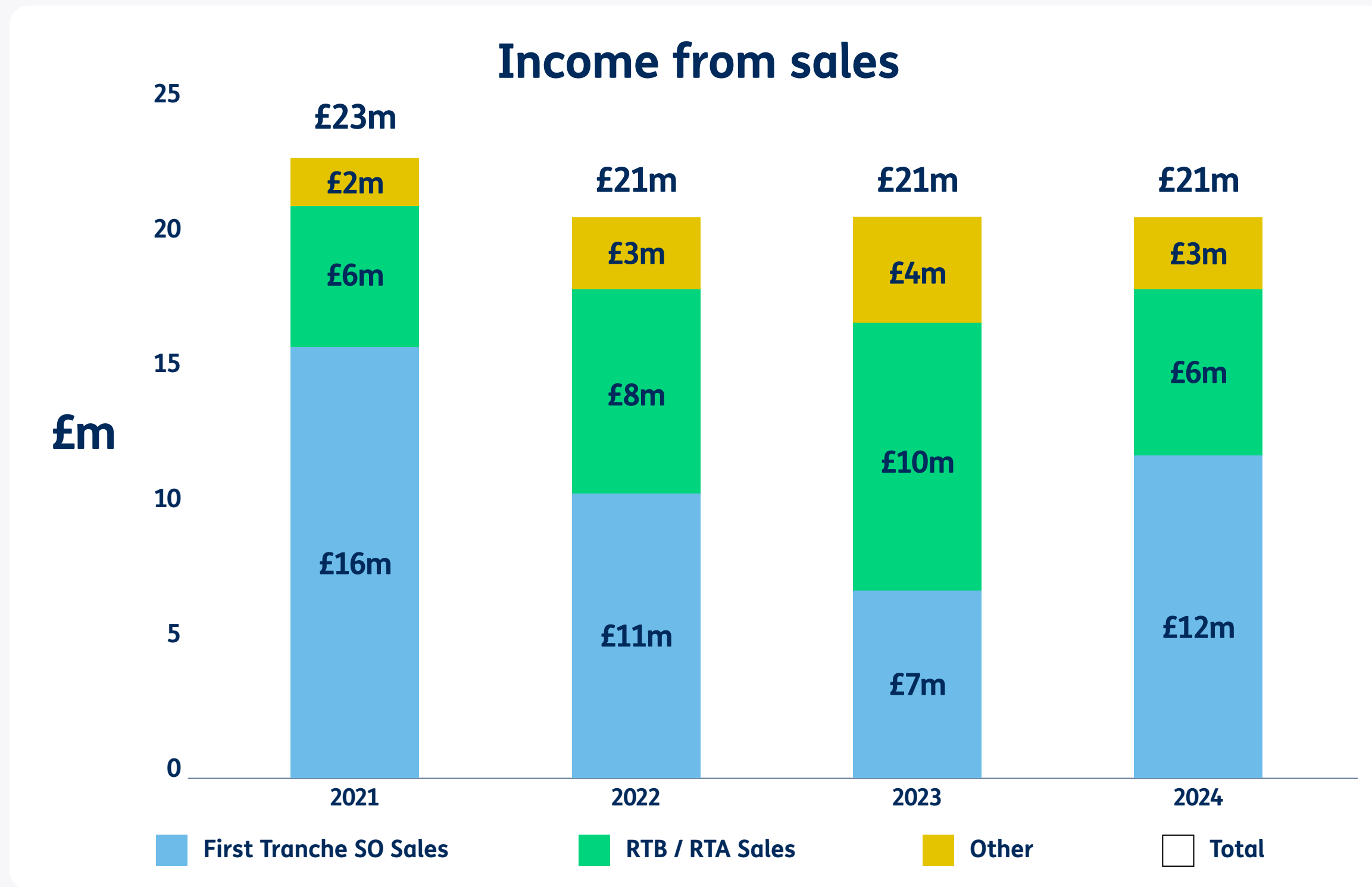
Yearly completions (1,613 homes)



Yearly completions



Sales



115 shared ownership first tranche sales
 66 right to acquire/right to buy (RTA/RTB) sales
 £21m sales income

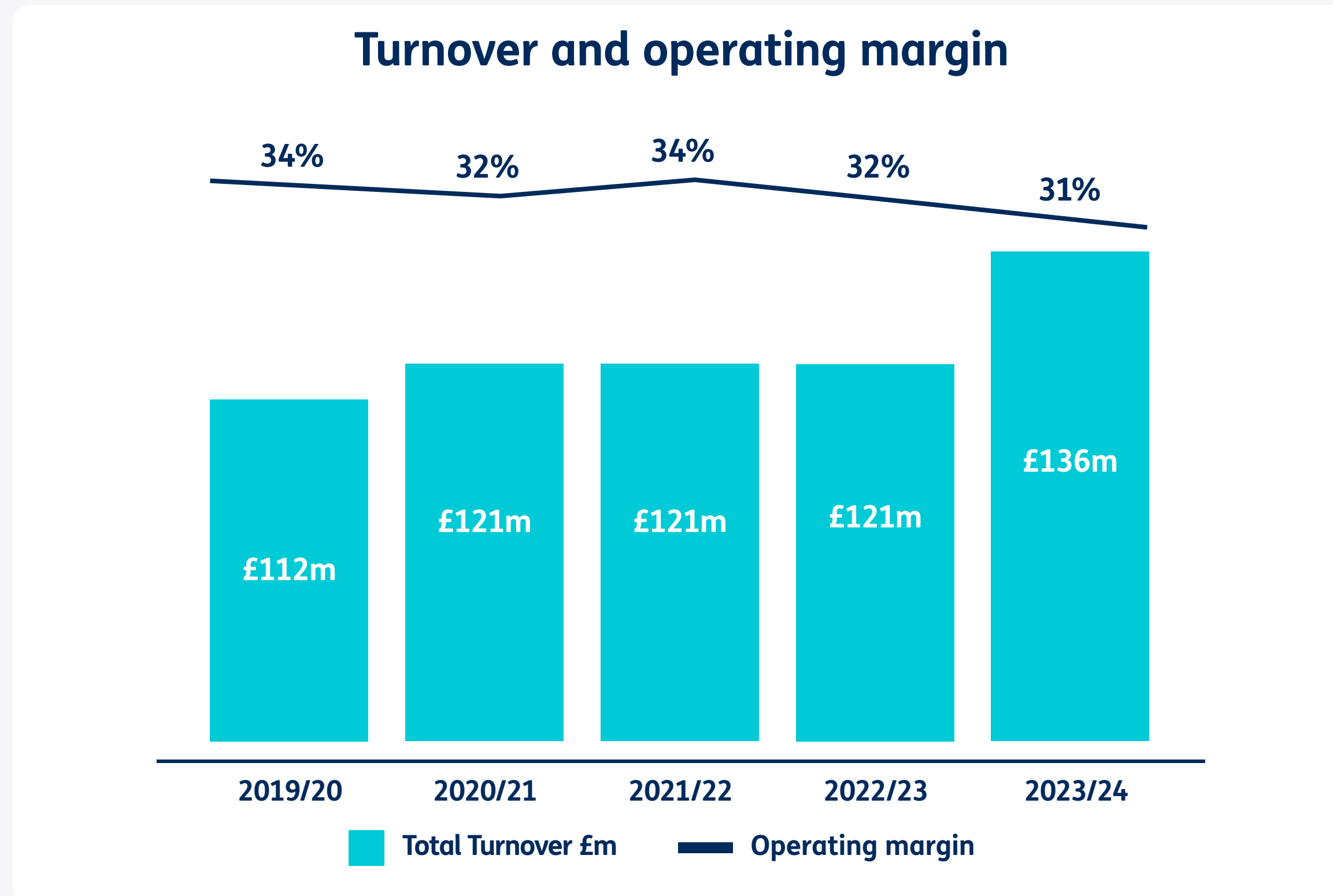
Shared Ownership stock status 31 March 2024

	Unsold	Reserved	Available
Total unsold	19	17	2
Unsold <6 months	18	17	1
Unsold >6months	1	0	1

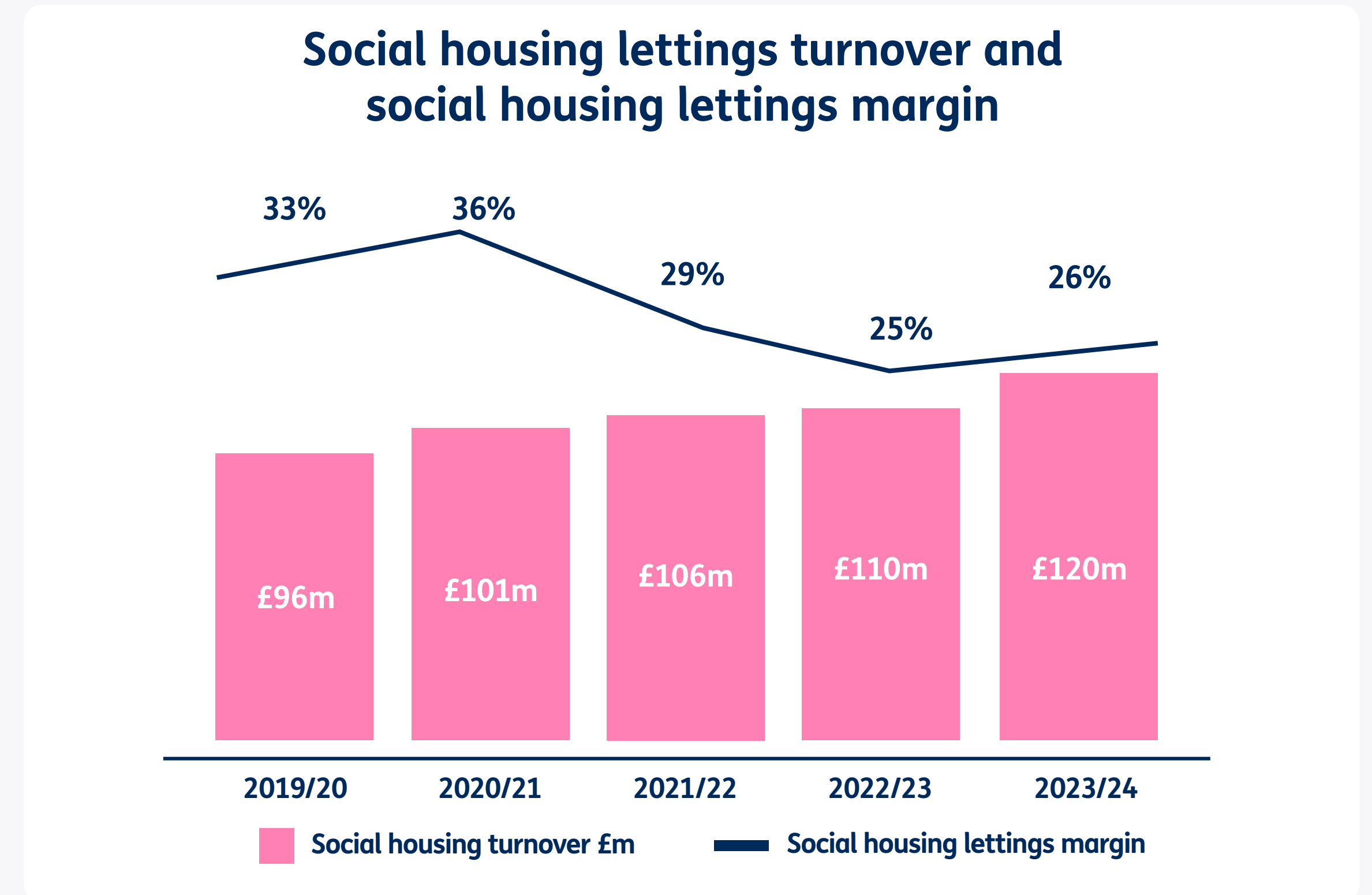
Financial Performance



Financial Performance – 5 year trend

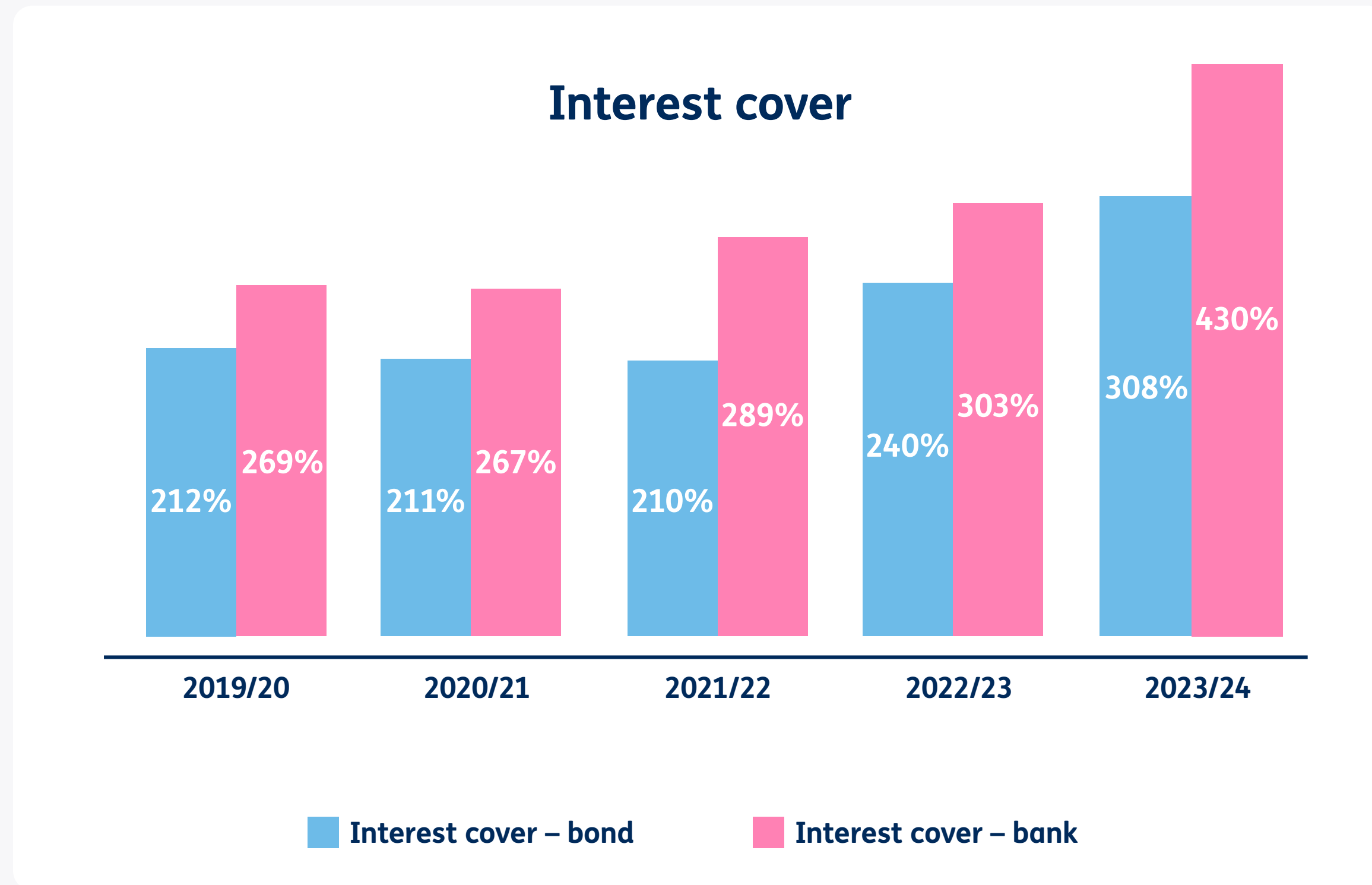


Consistent turnover growth through rent increases and new developments.

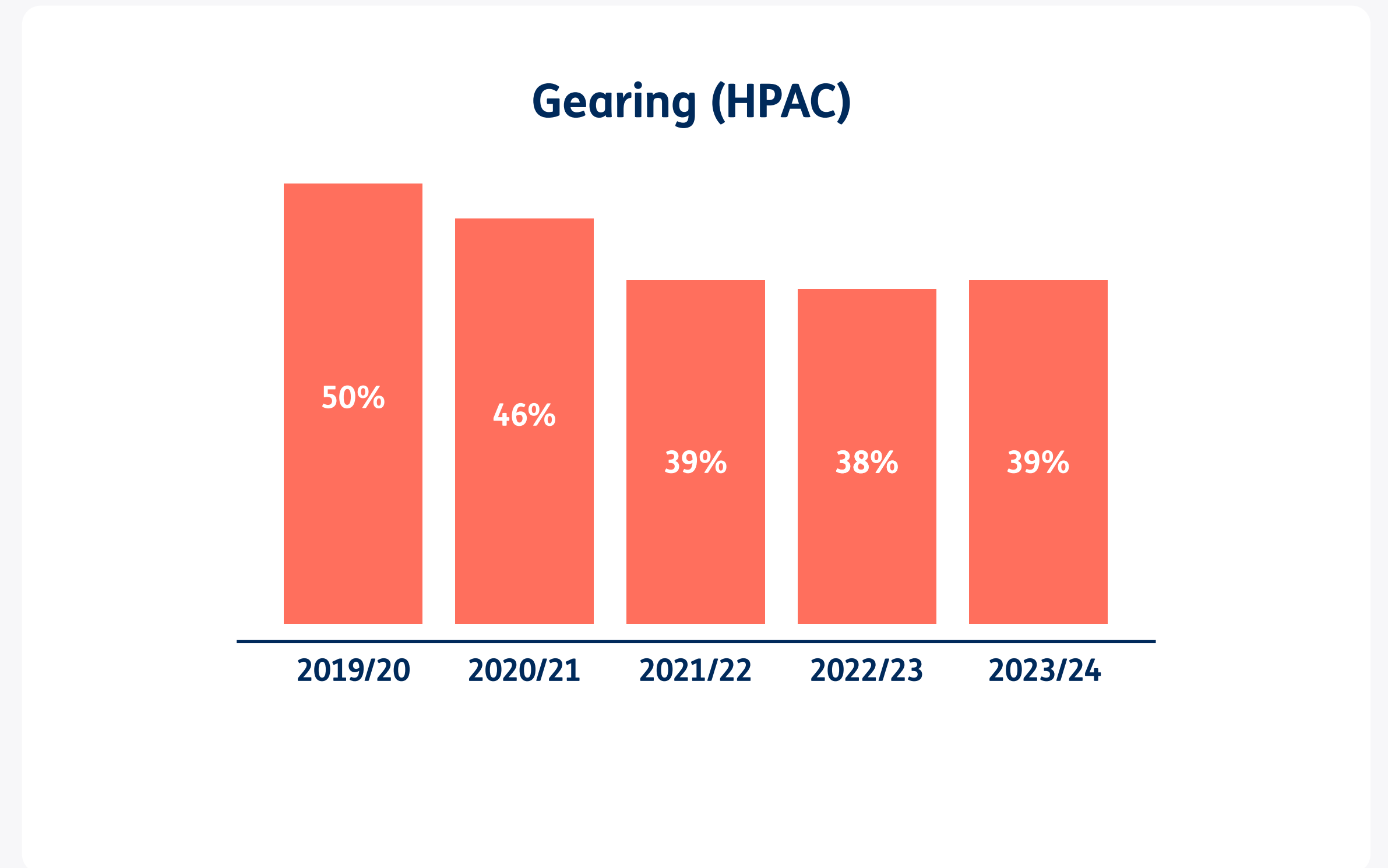


Strong social housing lettings turnover that increases year on year.

Financial Performance – 5 year trend



Sufficient headroom on bank interest cover however less flexibility to access interest cover capacity due to restrictive bond covenant.



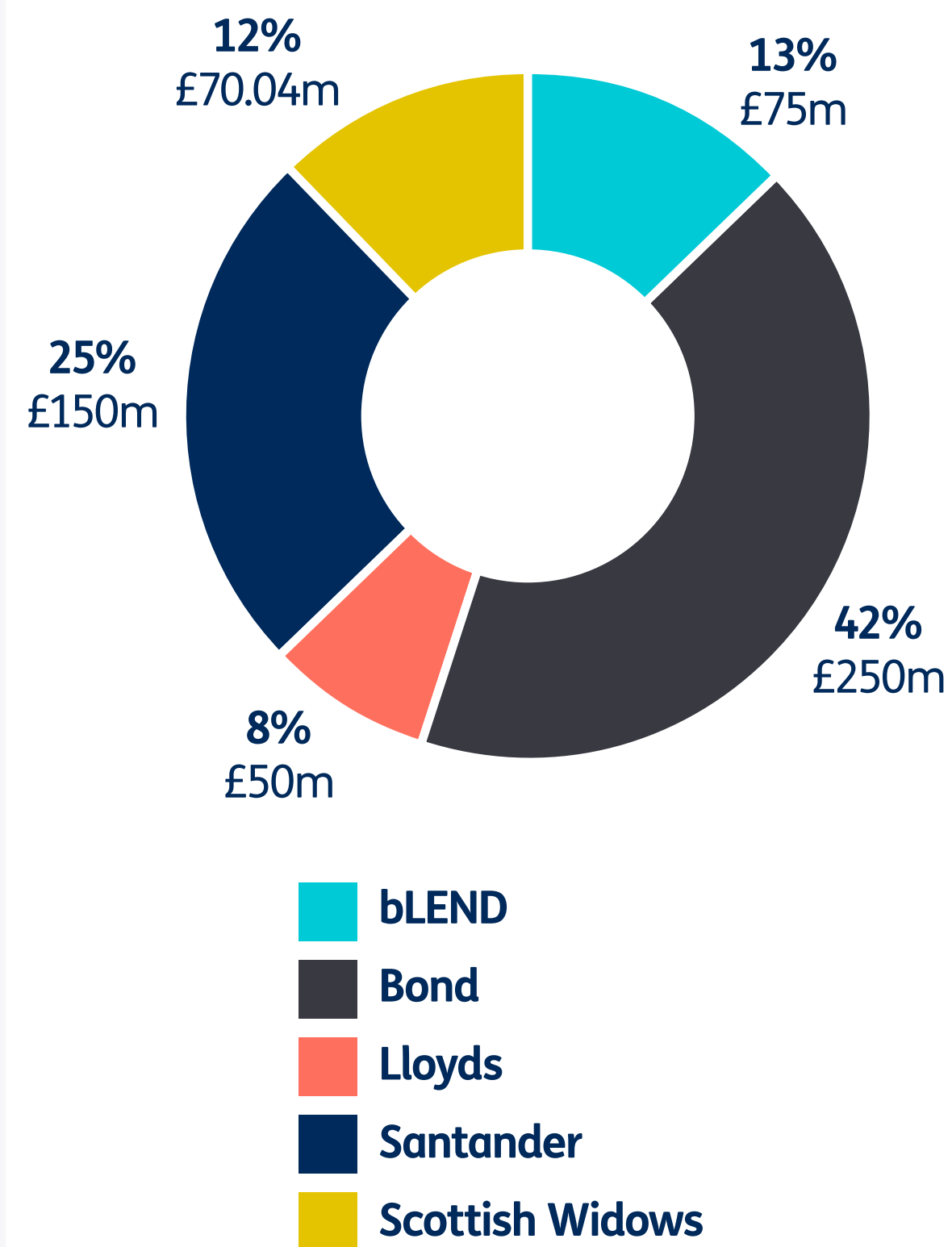
Sufficient gearing capacity to continue to develop new homes.

Treasury

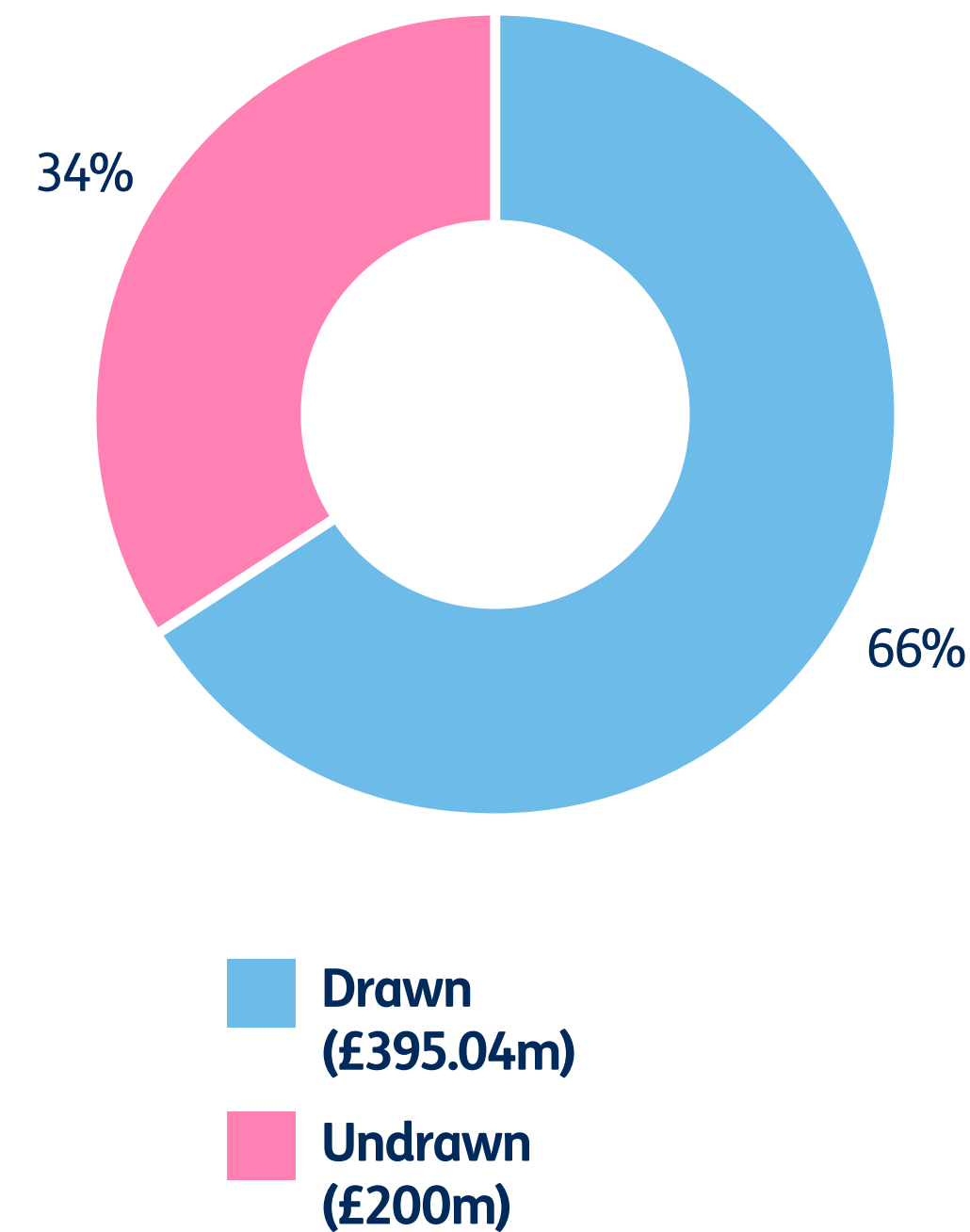


Treasury Position

Total facilities (£595.04m)



Drawn vs Undrawn



The Group has a cautious risk appetite in relation to its debt portfolio and seeks to ensure that sufficient liquidity is available to meet foreseeable needs. Treasury activities are also supported by independent professional advice.

The Group finances its activities using facilities of £595m, made up of several funding sources as shown in the chart. Strong liquidity is also in place as 34% (£200m) of secured facilities are currently undrawn.

Key Treasury Metrics

The dashboard below shows that all golden rules are complied with and no triggers have been activated in the year ended 31 March 2024.

1. Interest cover



a. Headroom on bond 110% covenant

Golden rule:	Trigger:	Current:
130%	135%	308%

b. Trigger and golden rule (a) still complies if all profit from property sales is removed

Current: **243%**

c. Social housing lettings interest cover

Golden rule:	Trigger:	Current:
1.5x	1.6x	2.1x

2. Sales exposure



a. Turnover from sales as a % of total turnover

Golden rule:	Trigger:	Current:
20%	15%	14%

b. Capital committed to open market sales

Golden rule:	Trigger:	Current:
£20m	£17.5m	£4.6m

3. Security



a. Asset cover for charged homes

Golden rule:	Trigger:	Current:
7.5%	10%	21%
above covenant	above covenant	above covenant

b. Encumbered plus unencumbered homes as a percentage of debt requirement

Golden rule:	Trigger:	Current:
110%	115%	183%

4. Liquidity



a. Cash plus undrawn facility balances

Golden rule:	Trigger:	Current:
minimum	minimum	
£20m	£30m	£250m

b. Liquidity period

Golden rule:	Trigger:	Current:
minimum	minimum	
18months	24months	45months

5. Development exposure



a. Net development costs as a % of turnover

Golden rule:	Trigger:	Current:
75%	70%	54%

6. Gearing



a. HPAC to be maintained below funder's 65% covenant

Golden rule:	Trigger:	Current:
60%	55%	39%

Contact Information



Contact Information

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