



# Investor Update

Q1 June 2024



# Key highlights for Q1 June 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

£5.1m at Q1 invested in capital improvements for existing homes

£6.6m at Q1 spent on repairs and maintenance services

Liquidity position of £235m at June 2024

At the end of June 2024, 101 new homes from developments have been completed along with 62 start on sites

Shared ownership first tranche sales achieved 32 to June 2024 with income of £3m and a profit margin on sales of 30%

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

**£139.1m**

turnover  
FYF 24/25

**26%**

operating margin  
FYF 24/25

**£35.6m**

operating surplus  
FYF 24/25

**39%**

gearing (HPAC)  
FYF 24/25

**2.2**

interest cover  
FYF 24/25

**64%**

EPC C and above



# 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 at the year end and will be maintained moving forward with less reliance on subcontractors.
- + The Group Executive have approved additional budget to continue the delivery of the voids service through a contractor supported model. This is initially until the end of September 2024.
- + 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 2022	March 2023	March 2024	Q1 June 2024
Number of void properties	92	158	99	113
Void rent loss (%)	0.66	0.67	1.14	1.02
Void rent loss (£000)	689	726	1,301	316



# 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 15 at the end of the quarter.

## Recent evolution of repairs metrics

	March 2022	March 2023	March 2024	Q1 June 2024	Target
Customer satisfaction with repairs (%)	78	84	94	95	84
Repairs appointments made and kept (%)	91	94	96	96	98
Average days to complete a repair	23	29	28	15	35



# Asset Management Compliance – Customer Safety

**Gas safety:** We are 100% legally compliant, with 5 overdue homes with legal processes instigated.

**Electrical Safety:** 100% of our homes have an electrical condition report. 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 quarter, 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 quarter. 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 quarter which we have held for over two years.

# Asset Management Investment in homes

Components delivered at the end of the quarter	Price £000s*	Number completed quantity
Kitchens	(1,601)	65
Bathrooms	(57)	3
Rewires	(97)	2
Central heating/call off heating	(927)	123
Fire Doors	(9)	4
Roofing	(1,715)	54
Windows	0	0
Capitalised Salaries	(300)	
VAT Recovery	334	

\*Price includes work in progress.

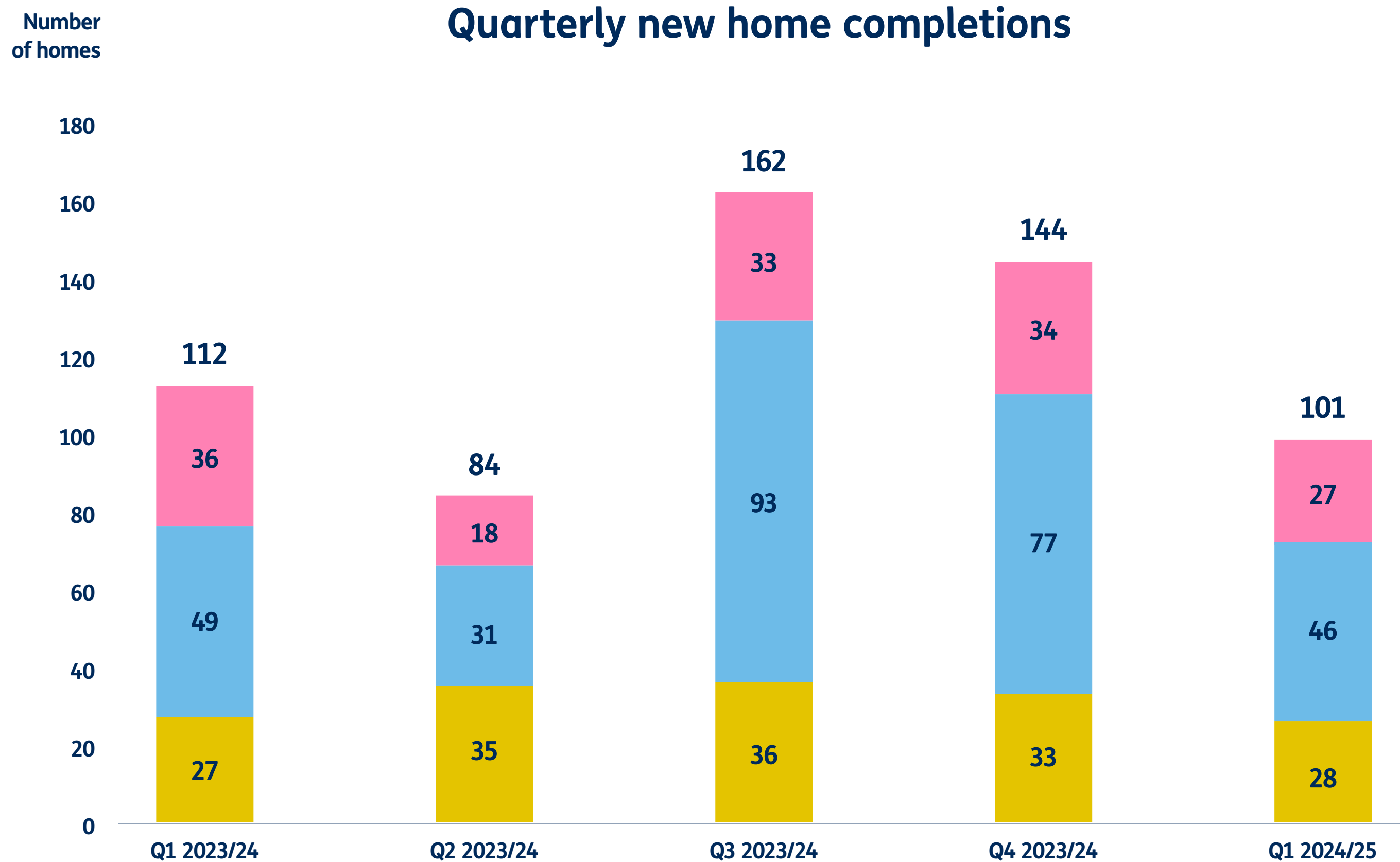


# Development



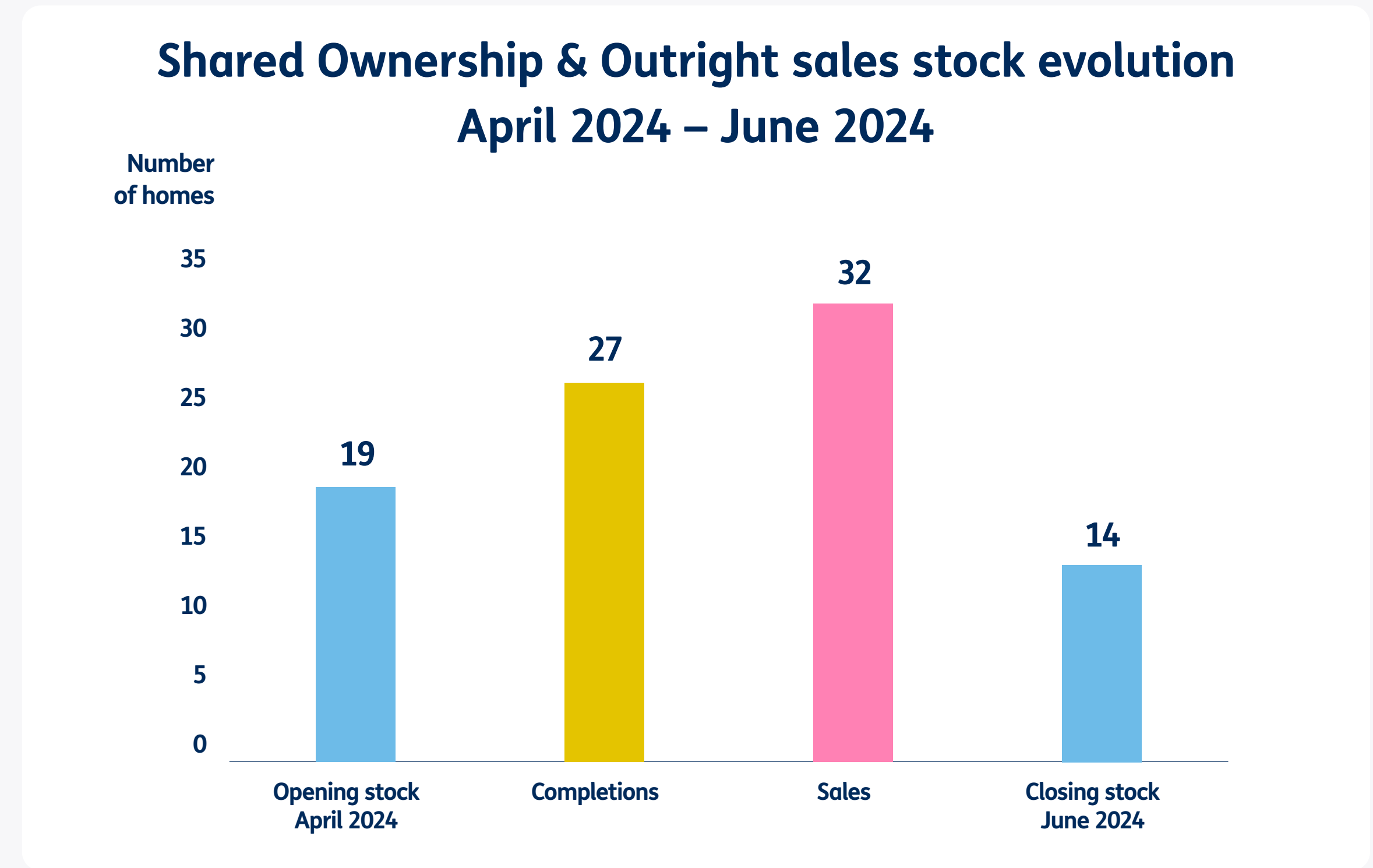
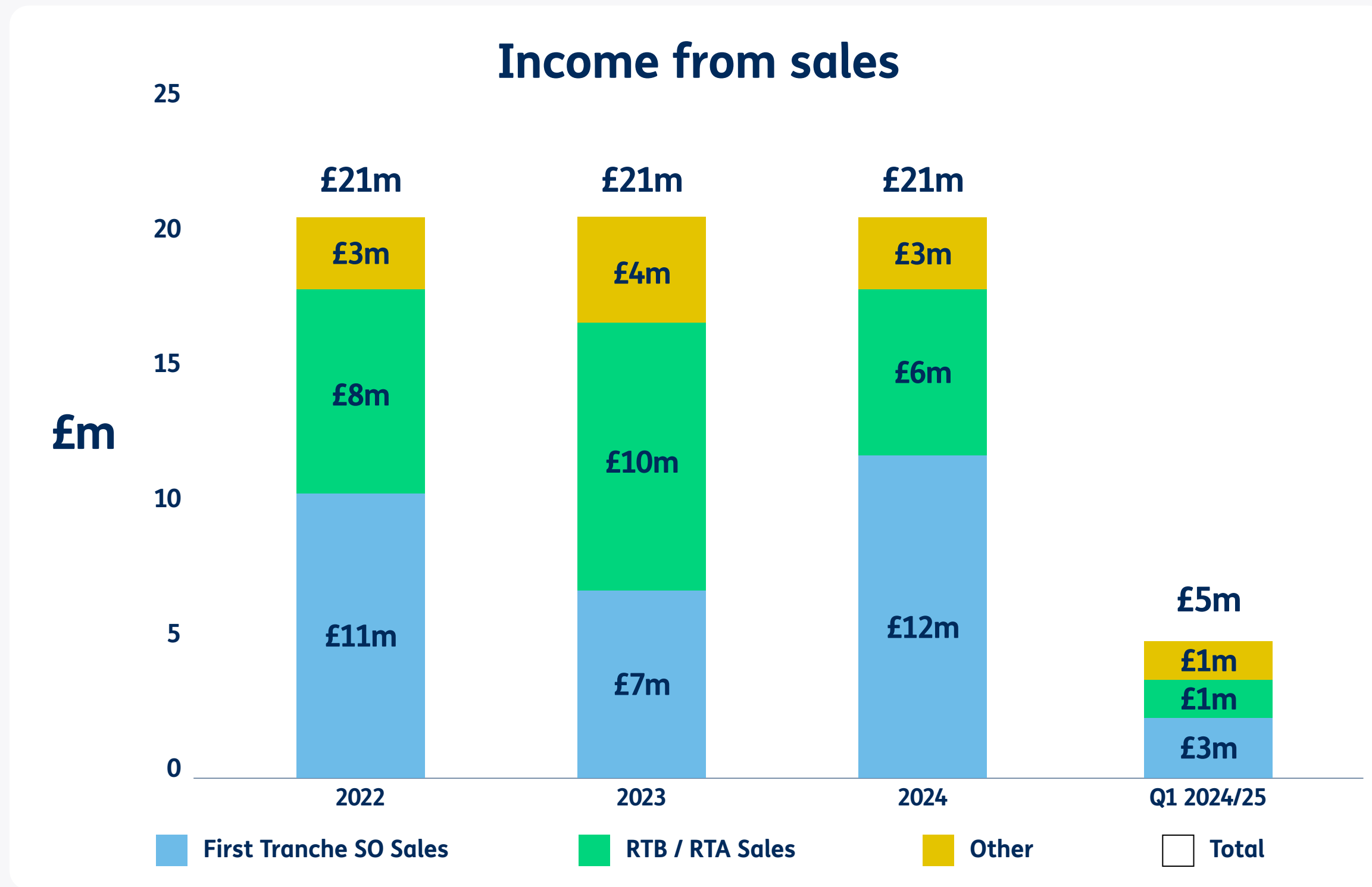
# Development Performance

- + 101 new homes completed at the end of the quarter.  
28% Social Rent, 45% Affordable Rent, 27% Shared Ownership.
- + Achieved 32 shared ownership first tranche sales in the quarter with income of £3m, with 27 shared ownership handovers.





# Sales



32 shared ownership first tranche sales at Q1

8 right to acquire/right to buy (RTA/RTB) sales at Q1

£5m sales income at Q1

### Shared Ownership stock status 30 June 2024

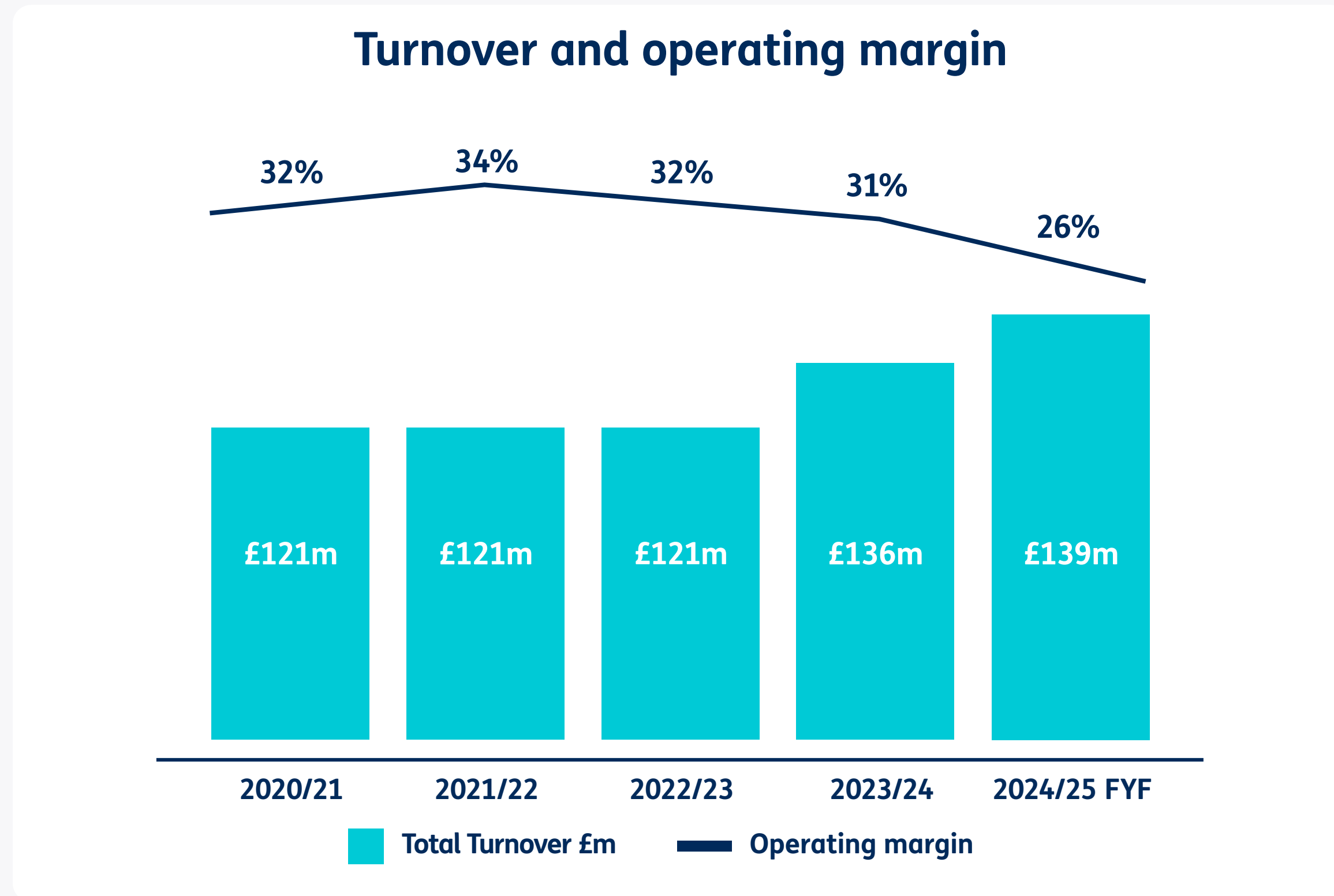
	Unsold	Reserved	Available
Total unsold	14	11	3
Unsold <6 months	12	11	1
Unsold >6months	2	0	2



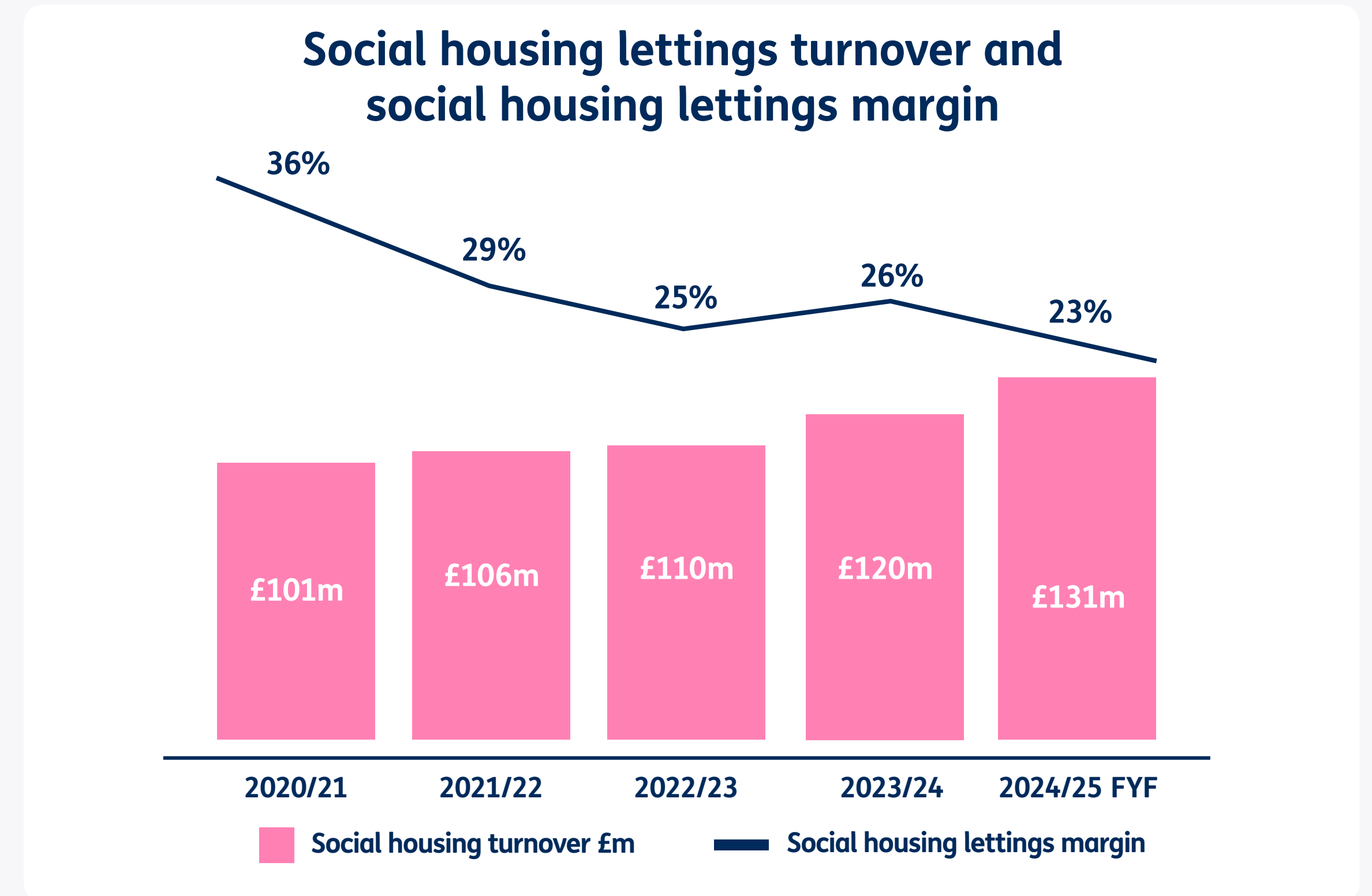
# Financial Performance



# Financial Performance – 5 year trend

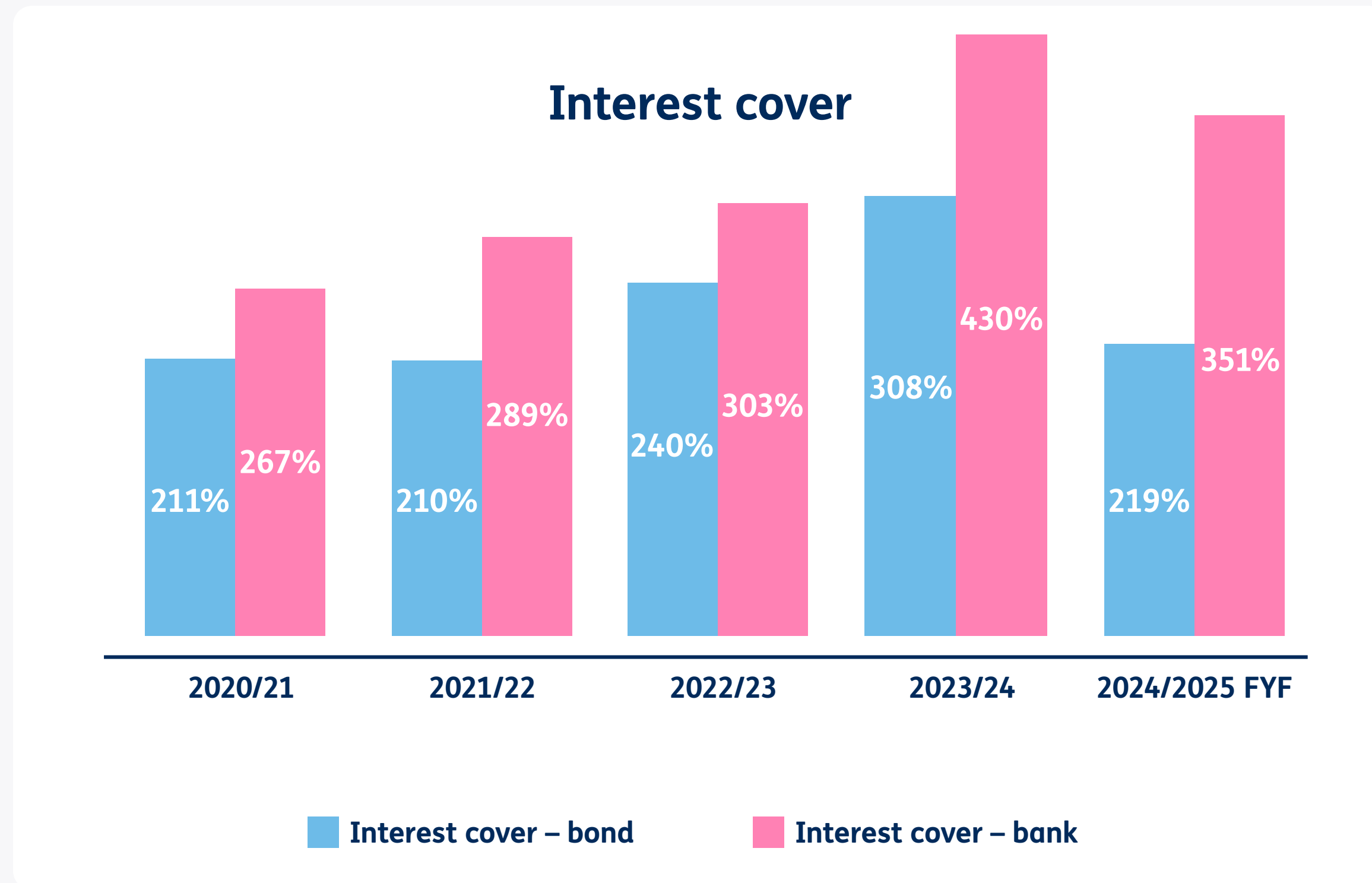


Consistent turnover growth through rent increases and new developments.

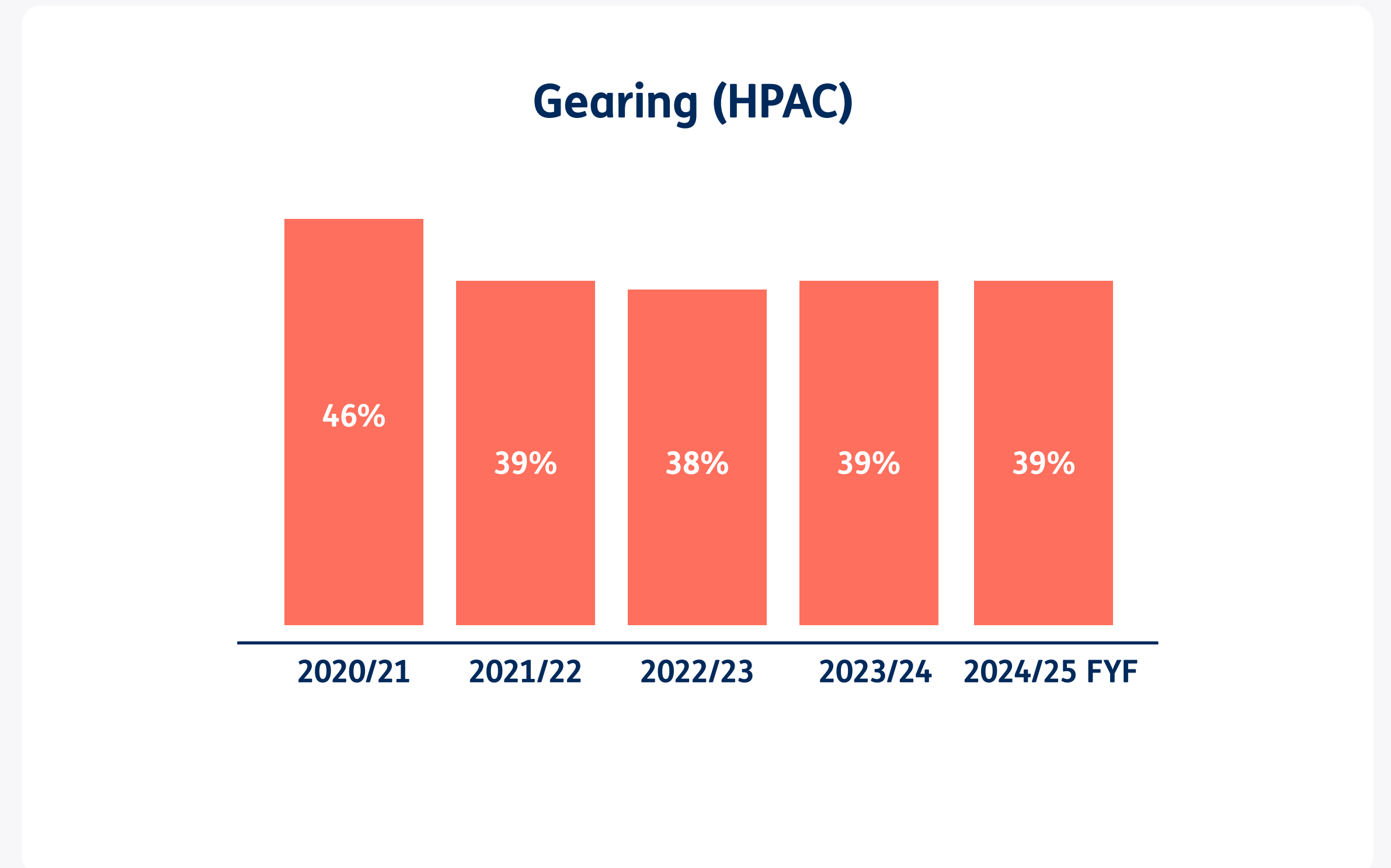


Strong social housing lettings turnover that increases year on year.

# 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.

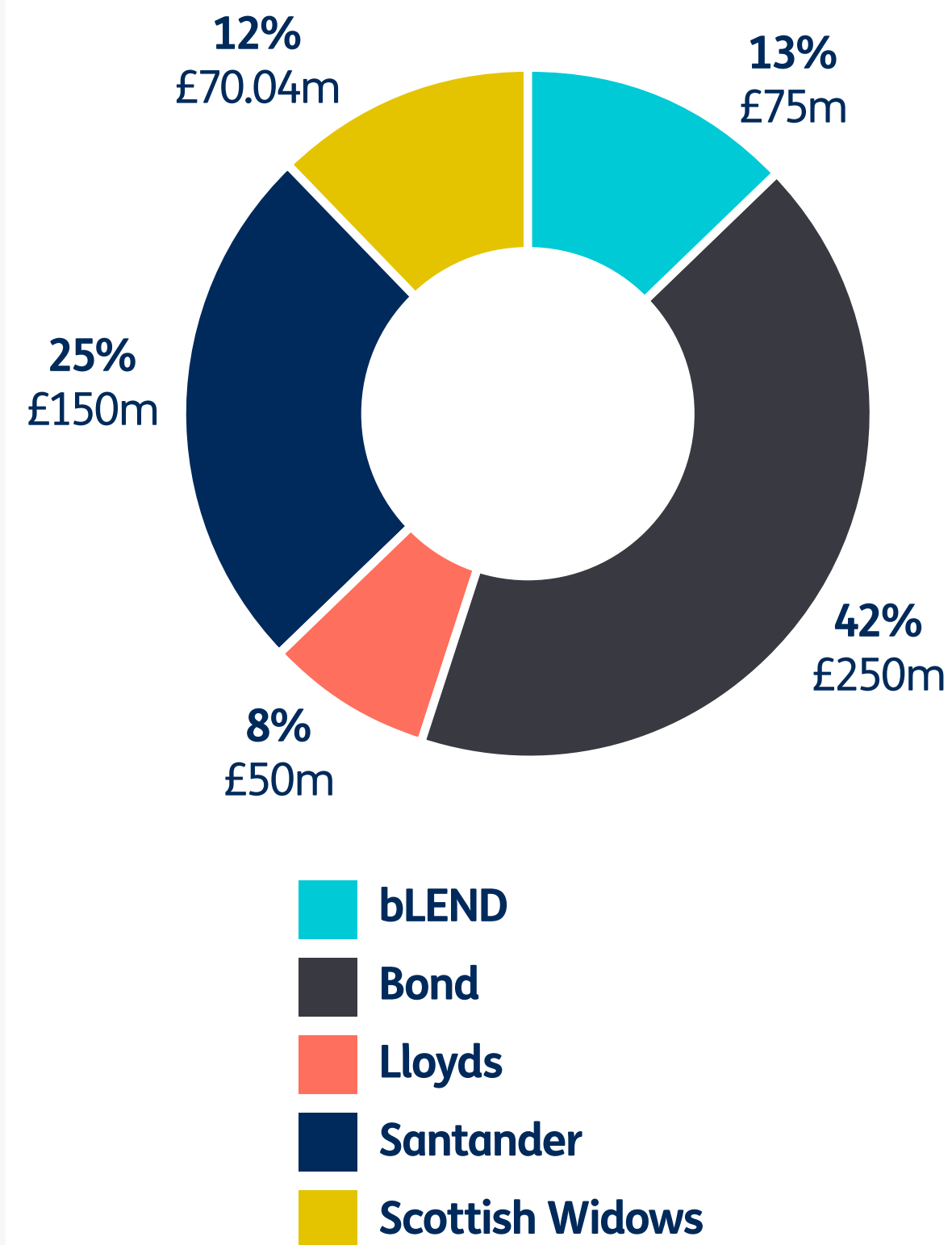


# Treasury

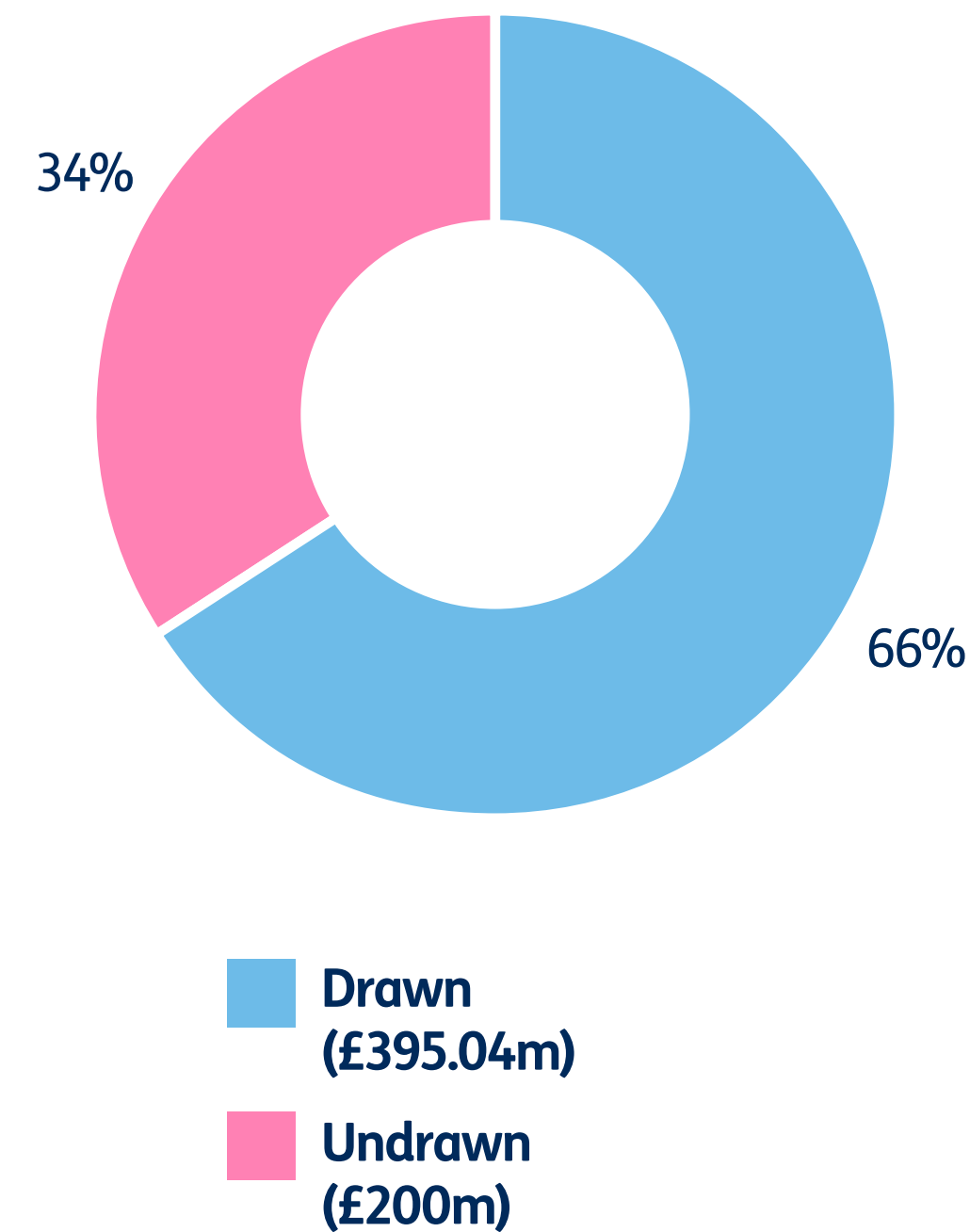


# Treasury Position

## 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. Current reflects the forecast position at 31 March 2025.

## 1. Interest cover



### a. Headroom on bond 110% covenant

Golden rule:	Trigger:	Current:
<b>130%</b>	<b>135%</b>	<b>219%</b>

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

Current: **189%**

### c. Social housing lettings interest cover

Golden rule:	Trigger:	Current:
<b>1.5x</b>	<b>1.6x</b>	<b>1.9x</b>

## 2. Sales exposure



### a. Turnover from sales as a % of total turnover

Golden rule:	Trigger:	Current:
<b>20%</b>	<b>15%</b>	<b>7%</b>

### b. Capital committed to open market sales

Golden rule:	Trigger:	Current:
<b>£20m</b>	<b>£17.5m</b>	<b>£3.3m</b>

## 3. Security



### a. Asset cover for charged homes

Golden rule:	Trigger:	Current:
<b>7.5%</b>	<b>10%</b>	<b>20%</b>
above covenant	above covenant	above covenant

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

Golden rule:	Trigger:	Current:
<b>110%</b>	<b>115%</b>	<b>181%</b>

## 4. Liquidity



### a. Cash plus undrawn facility balances

Golden rule:	Trigger:	Current:
minimum	minimum	
<b>£20m</b>	<b>£30m</b>	<b>£217m</b>

### b. Liquidity period

Golden rule:	Trigger:	Current:
minimum	minimum	
<b>18months</b>	<b>24months</b>	<b>42months</b>

## 5. Development exposure



### a. Net development costs as a % of turnover

Golden rule:	Trigger:	Current:
<b>75%</b>	<b>70%</b>	<b>38%</b>

## 6. Gearing



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

Golden rule:	Trigger:	Current:
<b>60%</b>	<b>55%</b>	<b>39%</b>



# Contact Information





# Contact Information

**Sangita SurrIDGE**  
Corporate Director of Finance

sangita.surrIDGE@whgrp.co.uk  
07842 322 136

**Adam Wagner**  
Director of Treasury & Strategic Financial Planning

adam.wagner@whgrp.co.uk  
07793 666 140

**Amy Wilkinson**  
Financial Planning Analyst

amy.wilkinson@whgrp.co.uk  
07513 485 007





Thank you

