



Investor Update

Q3 December 2024



Key highlights Q3 December 2024

whg continues to maintain G1/V1 regulator rating with an addition of C1 in the Consumer Standard

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

£17.2m invested in capital improvements for existing homes YTD

£20.1m spent on repairs and maintenance services YTD

Liquidity position of £223m at the end of Q3

369 new homes from developments have been completed along with 149 started YTD

Shared ownership first tranche sales achieved 68 YTD with income of £9m and a profit margin on sales of 9%

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

£144.3m

turnover
FYF 24/25

26%

operating margin
FYF 24/25

£36.9m

operating surplus
FYF 24/25

39%

gearing (HPAC)
FYF 24/25

2.2

interest cover
FYF 24/25

67%

EPC C and above



Operating Performance



Voids

- + The Group Executive approved additional budget to continue the delivery of the voids service through a contractor supported model.
- + 20 trades colleagues that were supporting the repairs service with reducing their work in progress number returned to the void service in November 2024. Void numbers continue to be monitored to ensure that resource requirements meet demand and continue to reduce cumulative void rent loss.
- + Monthly void rent loss is on a downward trend and is expected to be within target by the end of Q4 of 2024/25.

Recent evolution of voids performance

	March 2022	March 2023	March 2024	Q1 June 2024	Q2 Sept 2024	Q3 Dec 2024
Number of void properties	92	158	99	113	98	144
Void rent loss (%)	0.66	0.67	1.14	1.02	0.95	0.97
Void rent loss (£000)	689	726	1,301	316	593	911



Asset Management Repairs

- + 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	Q2 Sept 2024	Q3 Dec 2024	Target
Customer satisfaction with repairs (%)	78	84	94	95	95	95	84
Repairs appointments made and kept (%)	91	94	96	96	97	96	98
Average days to complete a repair	23	29	28	15	13	15	35



Asset Management Compliance – Customer Safety

Gas safety: We are 100% legally complaint, with 8 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

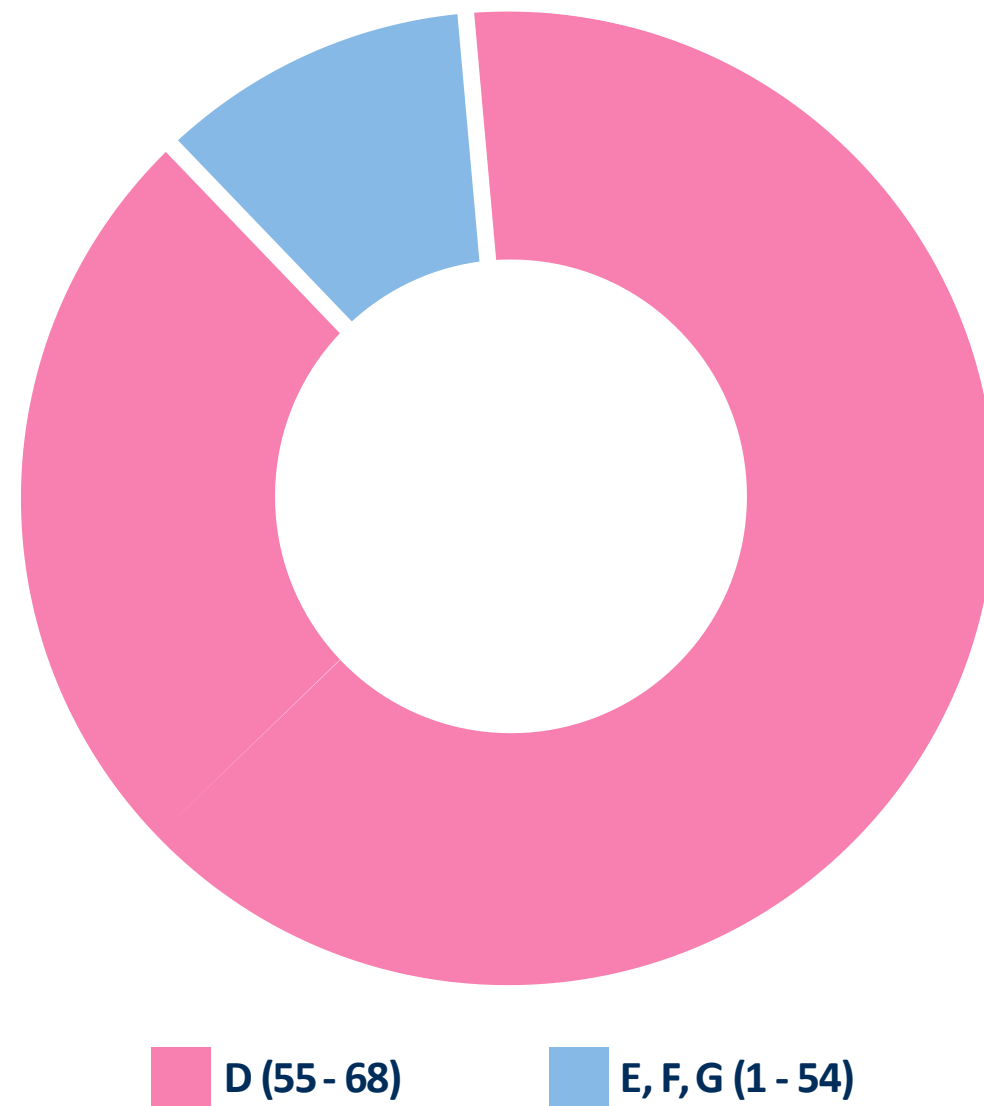
Components delivered to date	Price £000s	Number completed quantity
Kitchens	(6,093)	476
Bathrooms	(135)	14
Rewires	(524)	34
Elemental heating	(1,980)	406
Fire Doors	(23)	22
Roofing	(3,110)	146
Windows	(458)	65
Door Entry	(20)	0
Lifts	(21)	0
Block eletrical infrastructure	(288)	0

*Price includes work in progress.

EPC Position

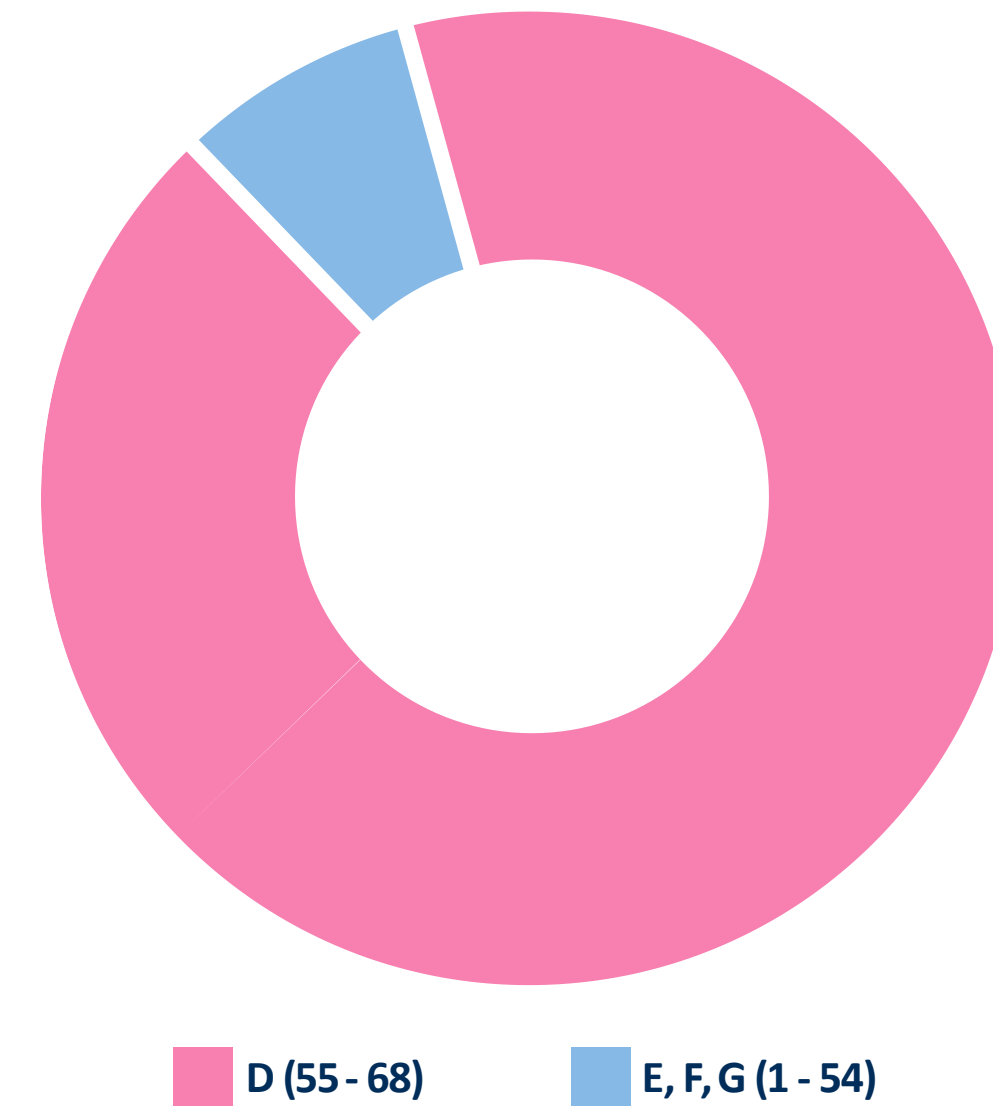
Of the 33% of our homes that are below EPC-C, 93% are D, with the remaining 7% E, F and G.

Homes below EPC-C as at 30 September 2024



After all the homes that are currently contracted for works are completed, 30% are expected to be below EPC-C, an improvement of 3%.

Homes forecast below EPC-C when current contractual commitments are complete





Sustainability



Sustainability

We have been working with Ritterwald on the Certified Sustainable Housing Label amongst a small group of peers. As one of the first to achieve this label in the UK, we have obtained Front Runner status for Social and Ambassador status for Environment & Governance for two consecutive years.



ENVIRONMENTAL
»AMBASSADOR«

SOCIAL
»FRONTRUNNER«

GOVERNANCE
»AMBASSADOR«

EPC ratings across the homes in 2023/24

Housing units with EPC rating of:	2022, %	2023, %	Year-on-year change
Class A	0.2	0.2	-
Class B	15.2	15.3	↑
Class C	26.3	39.4	↑
Class D	24.3	44.1	↑
Class E	4.2	0.8	↓
Class F	0.7	0.1	↓
No / expired EPC	29.1	0.0	↓
Average class of EPC	D	D	-



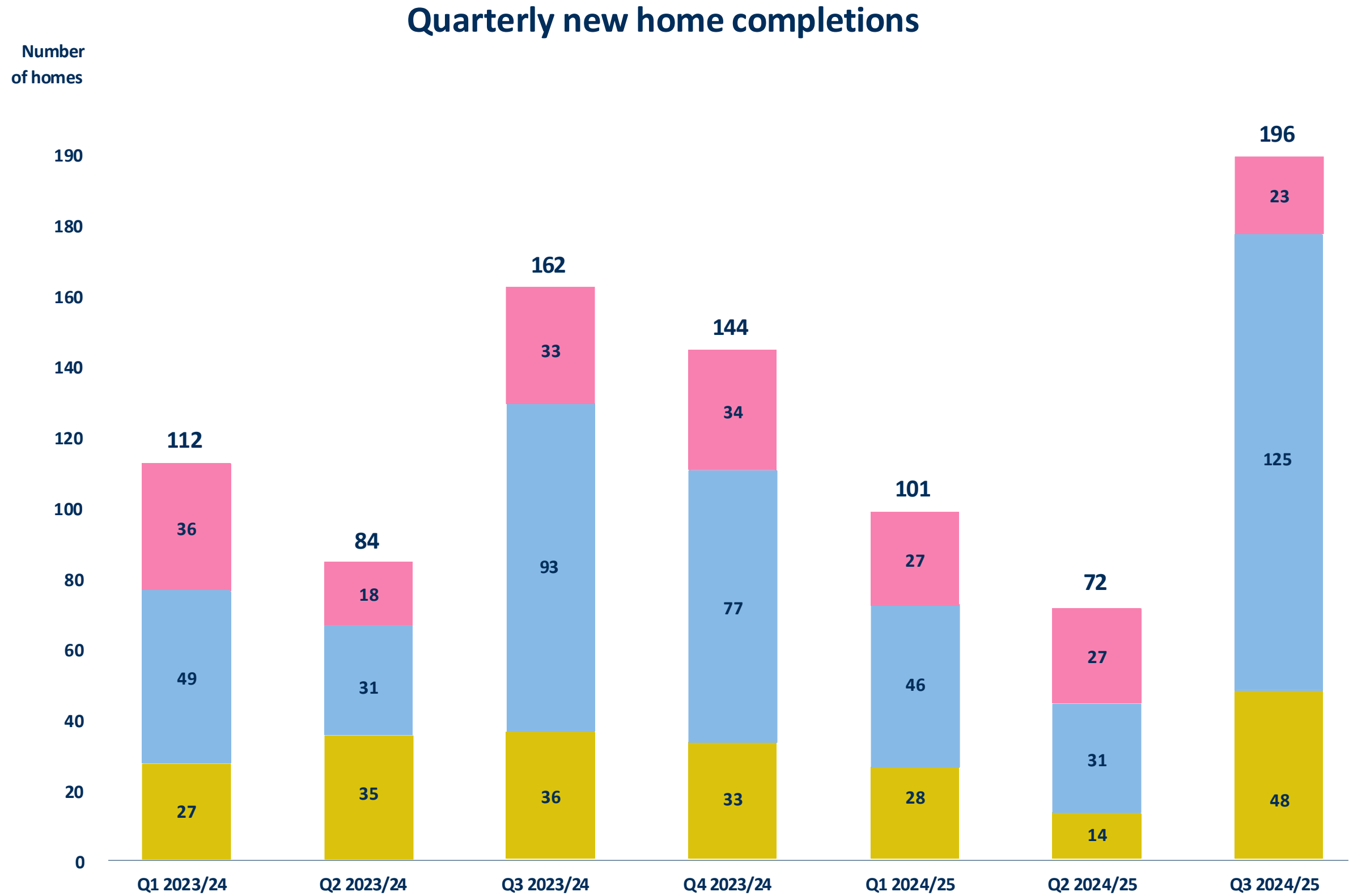


Development



Development Performance

- + 369 new homes completed year to date. 24% Social Rent, 55% Affordable Rent, 21% Shared Ownership.
- + Achieved 68 shared ownership first tranche sales year to date with income of £9m, with 77 shared ownership handovers.



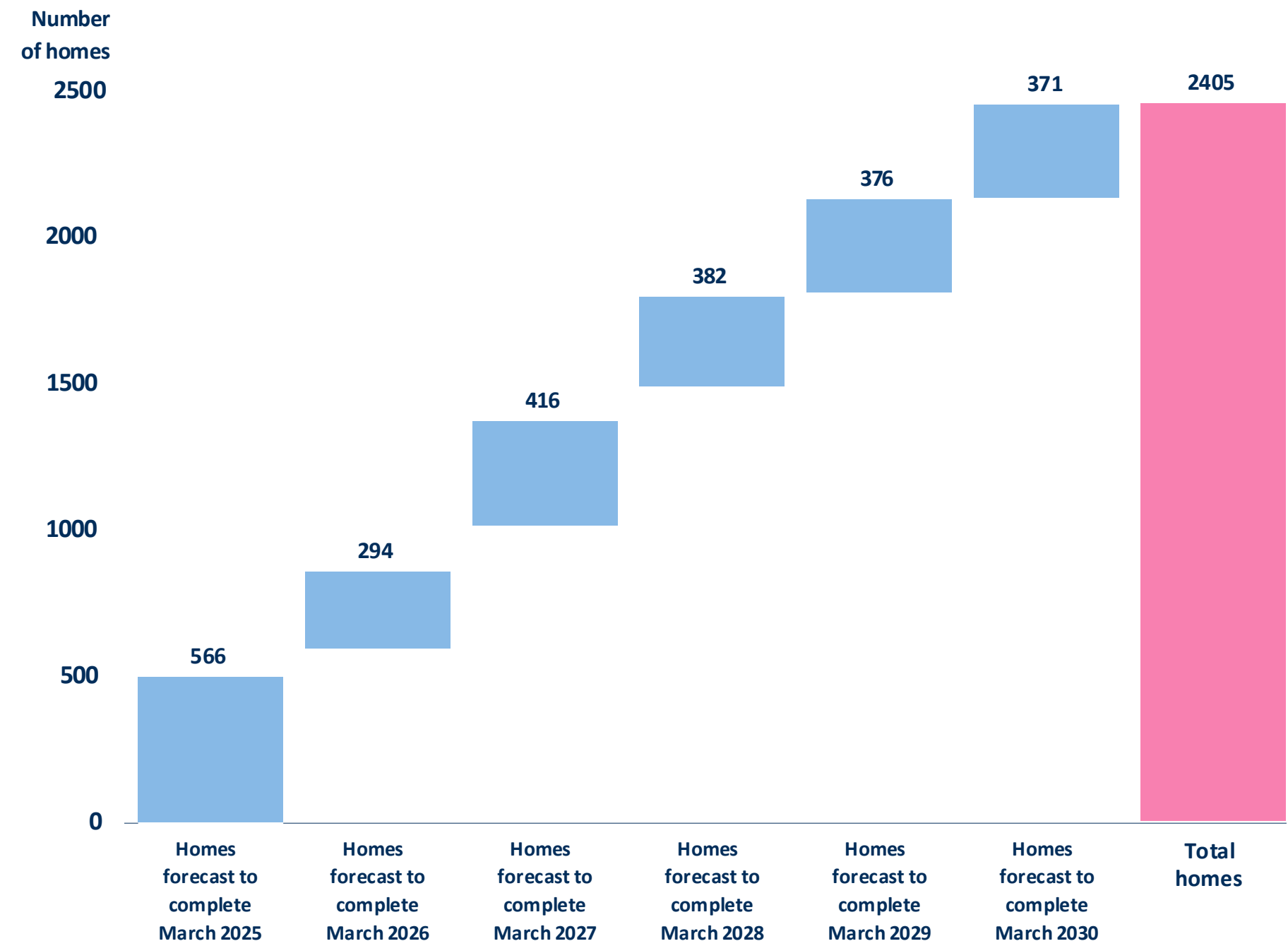
Development Performance against the Development Strategy

Our 6 year Development Strategy is forecasting to complete 2,405 homes.

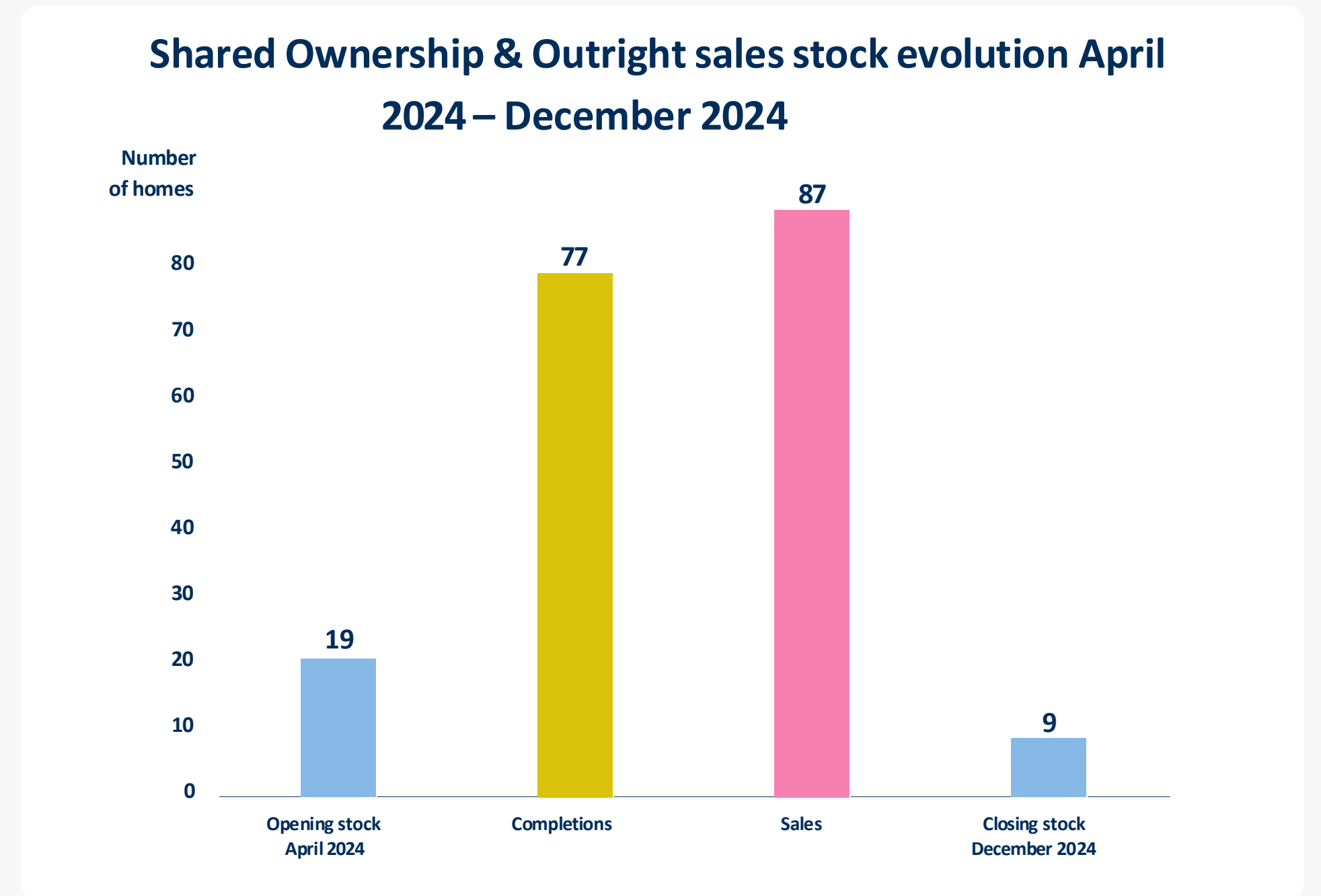
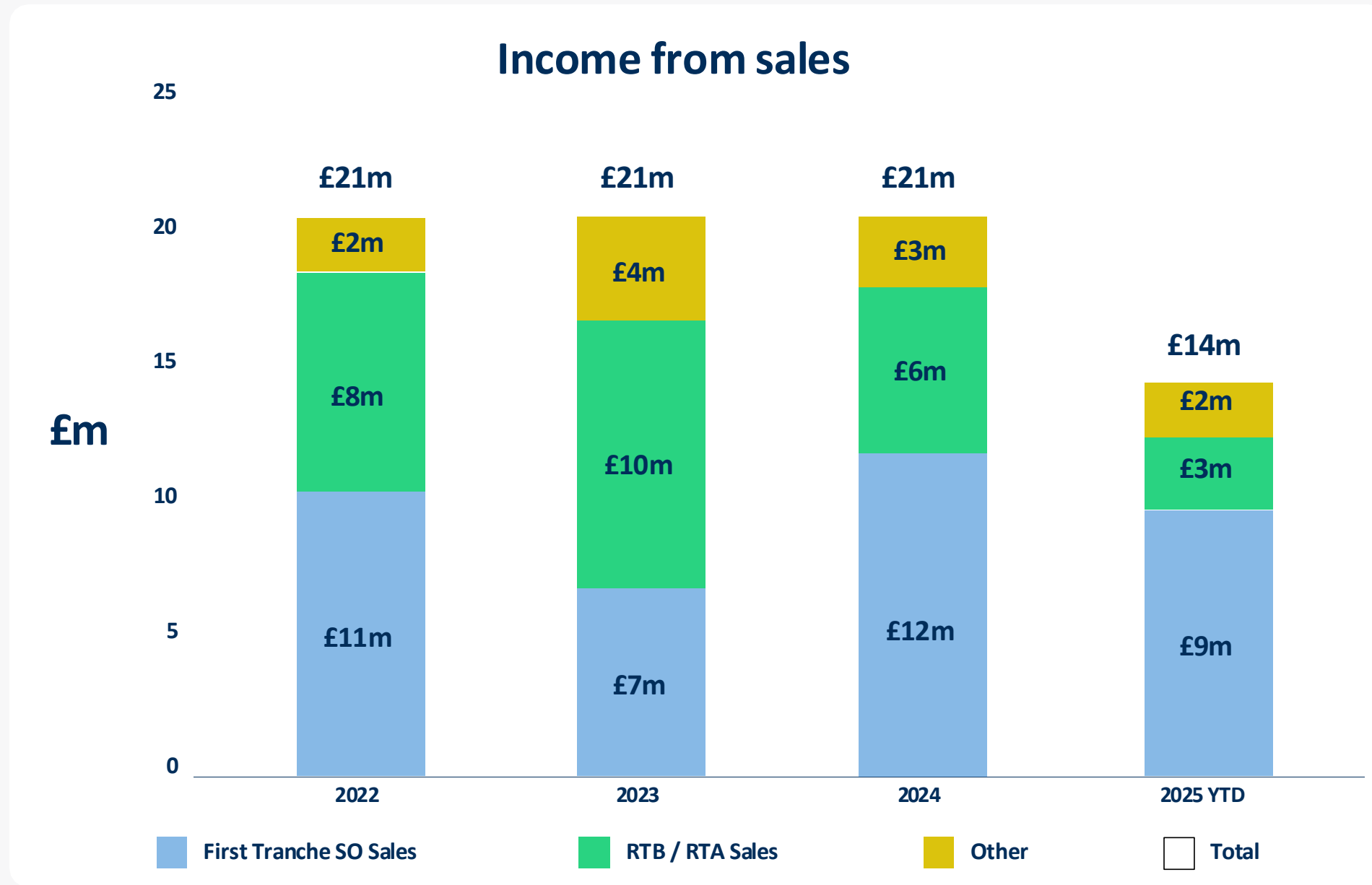
Yearly completions (2,405 homes)



Yearly completions



Sales



68 shared ownership first tranche sales at Q3

31 right to acquire/right to buy (RTA/RTB) sales at Q3

£14m sales income at Q3

Shared Ownership stock status 31 December 2024

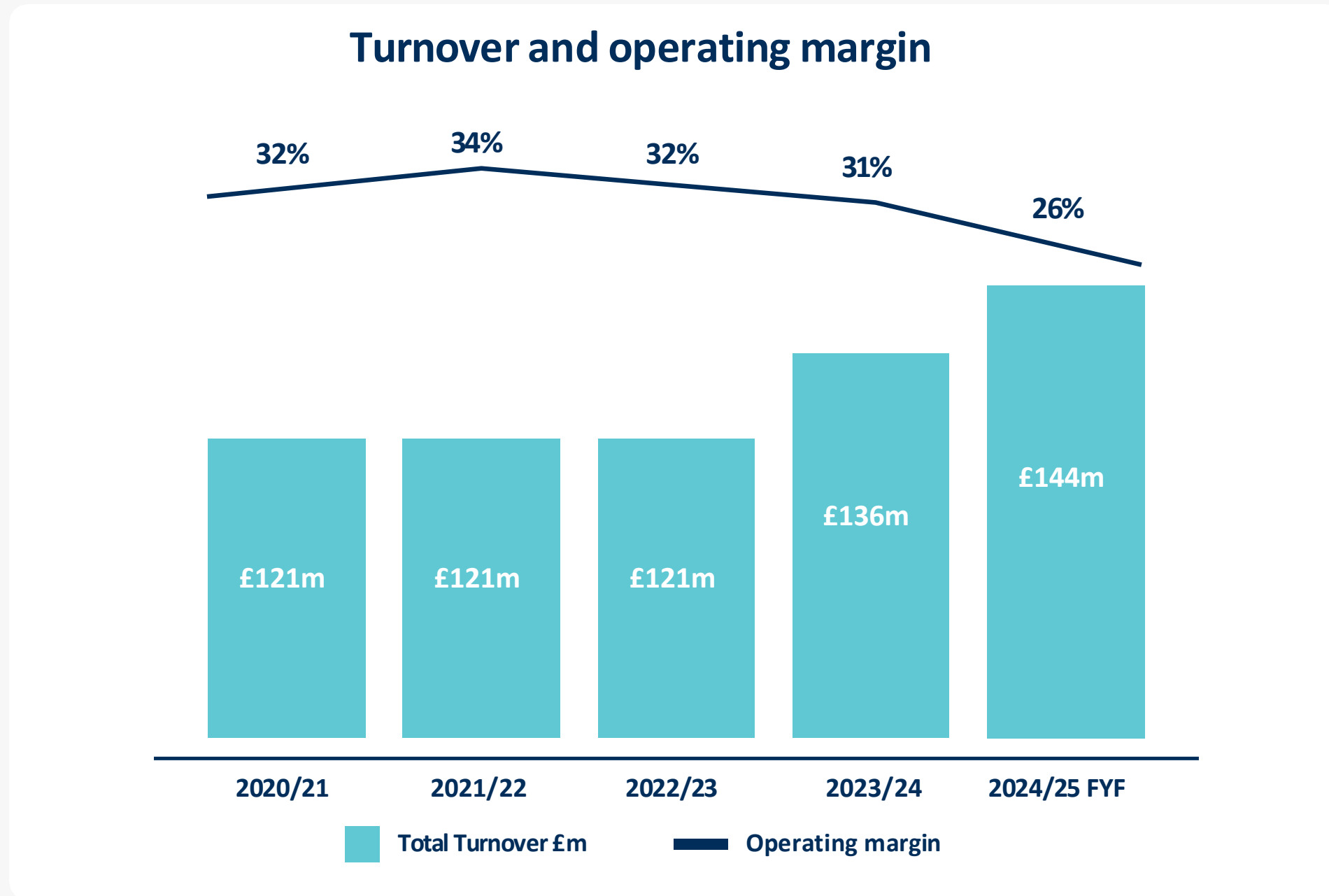
	Unsold	Reserved	Available
Total unsold	9	9	0
Unsold <6 months	9	9	0
Unsold >6months	0	0	0



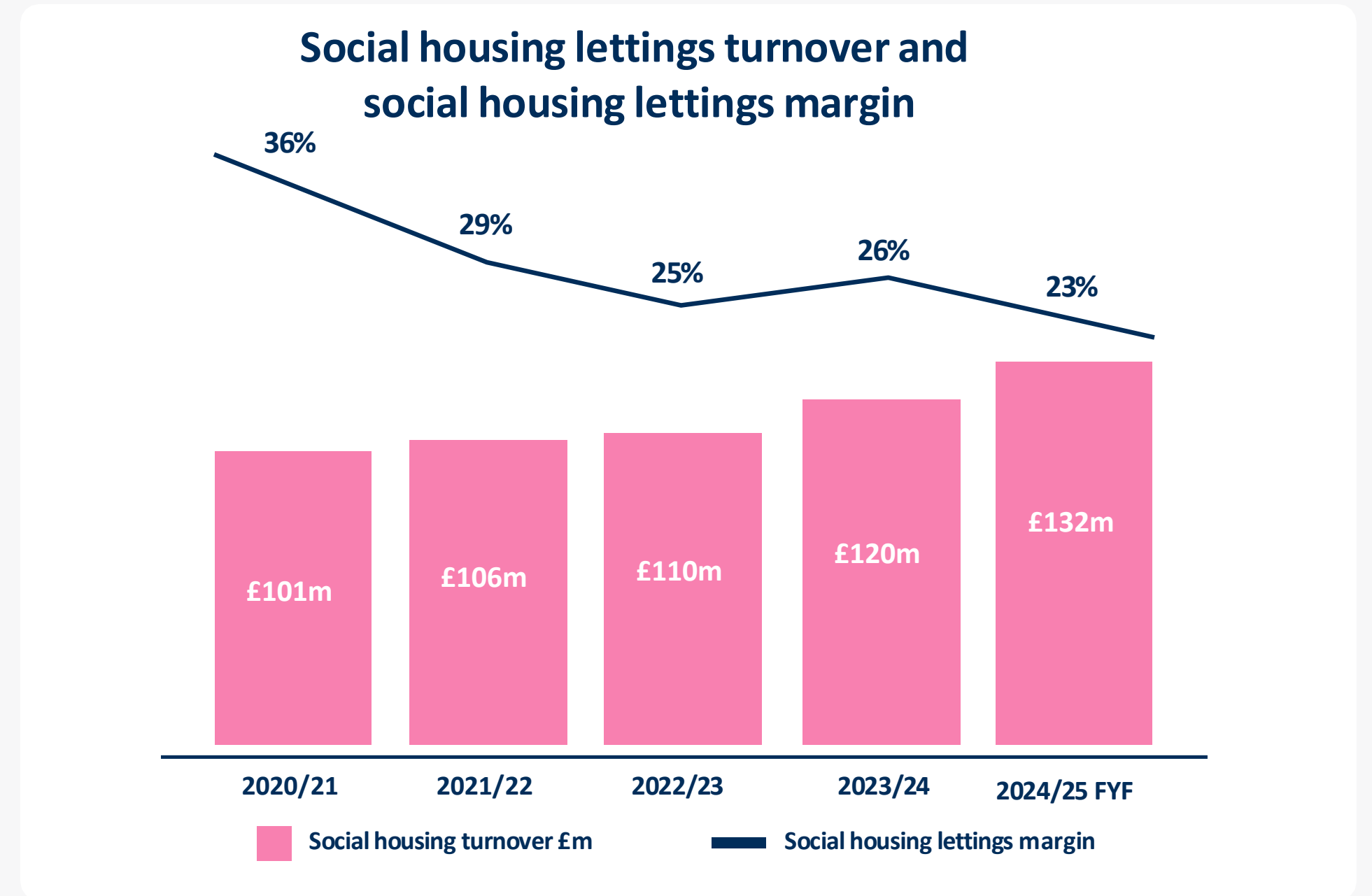
Financial Performance



Financial Performance – 5 year trend

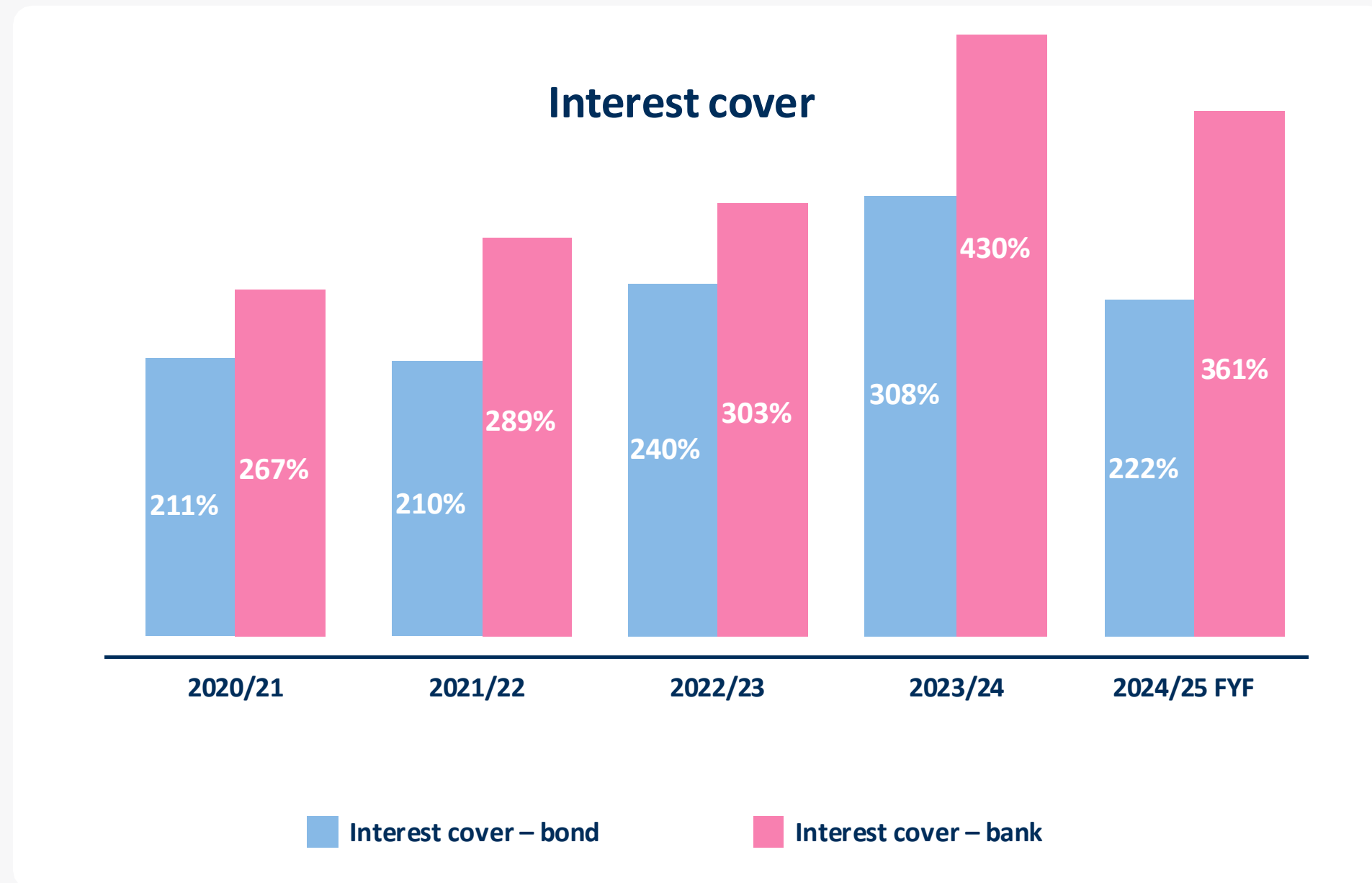


Consistent turnover growth through rent increases and new developments.

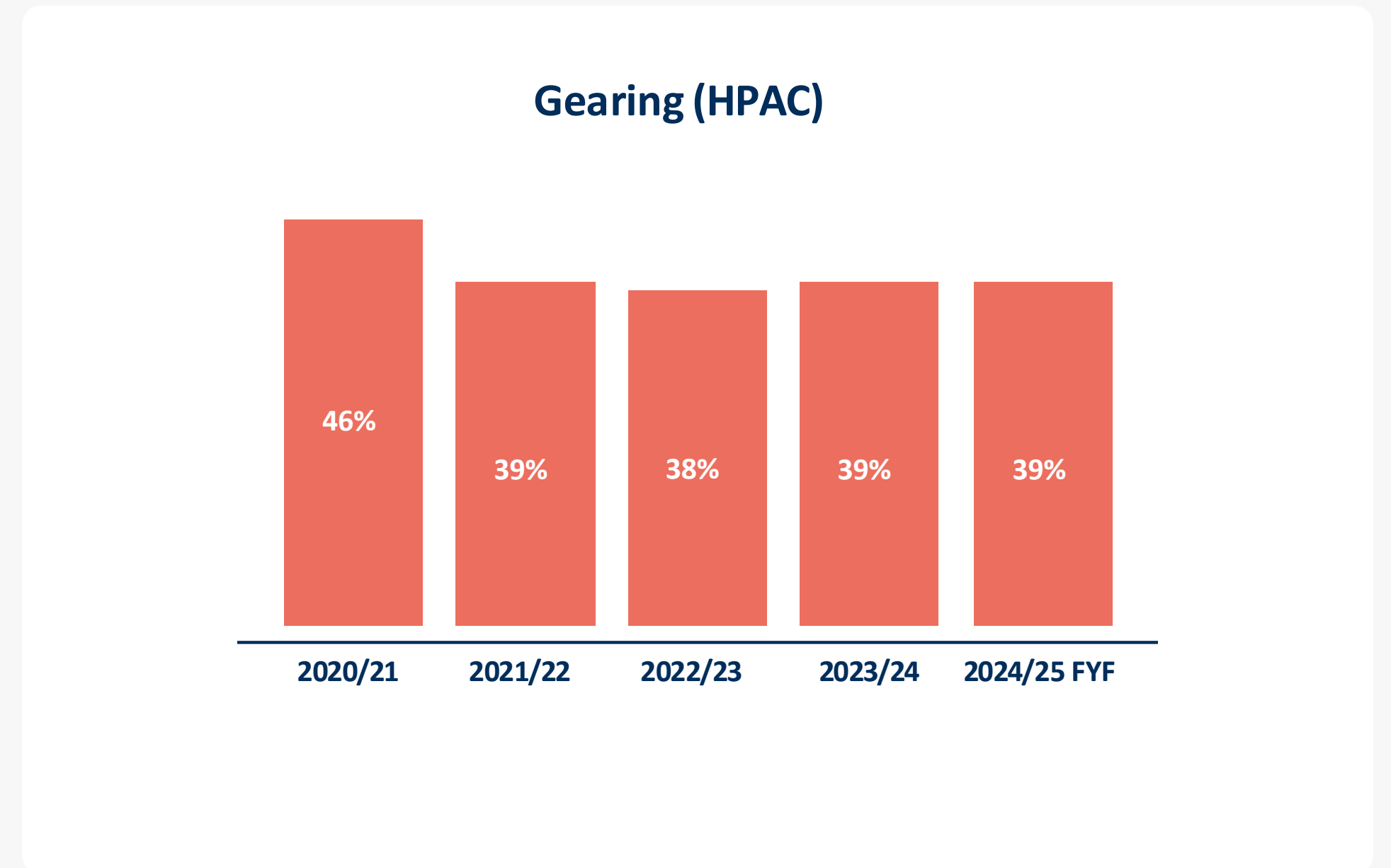


Strong social housing lettings turnover that increases year on year.

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.

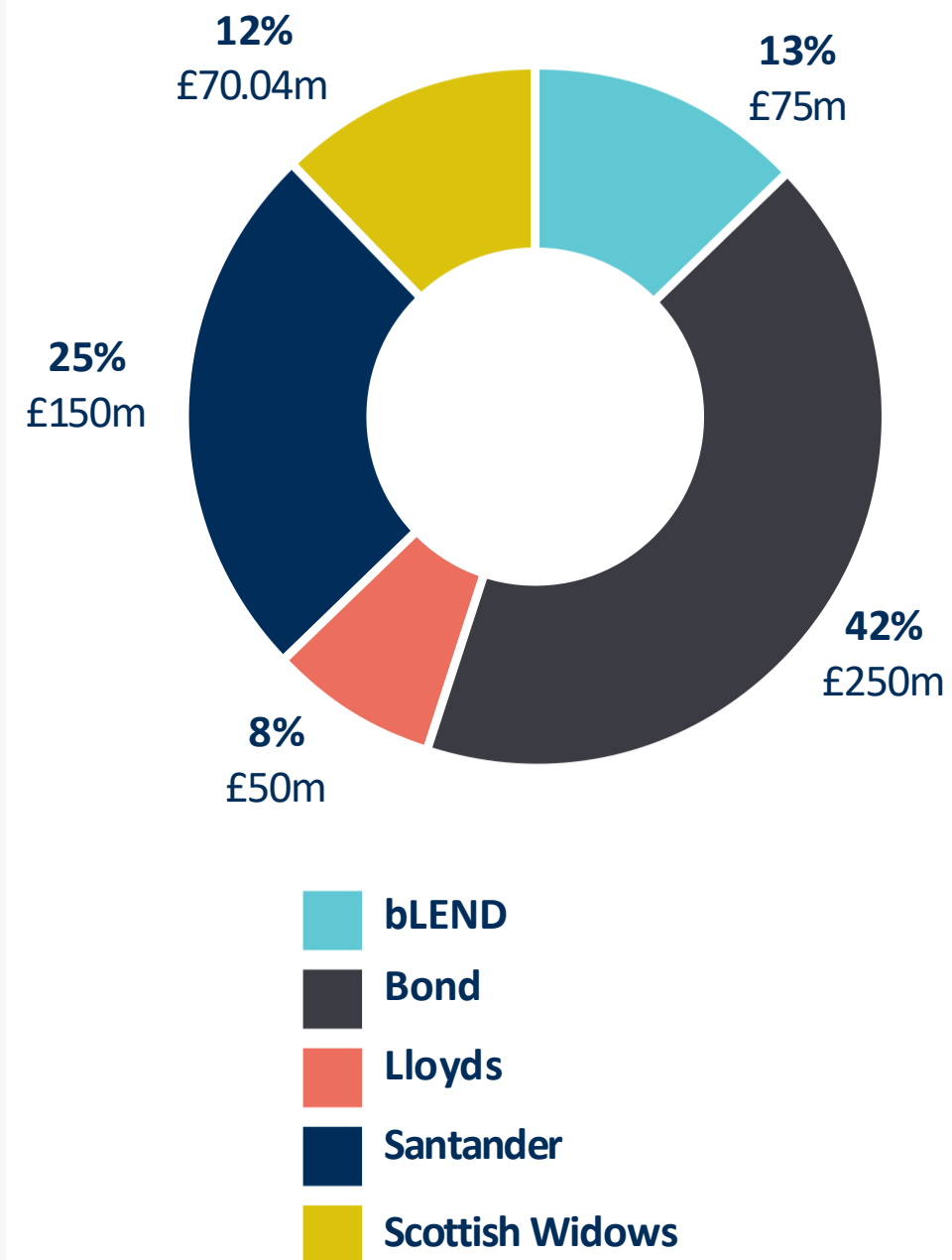


Treasury

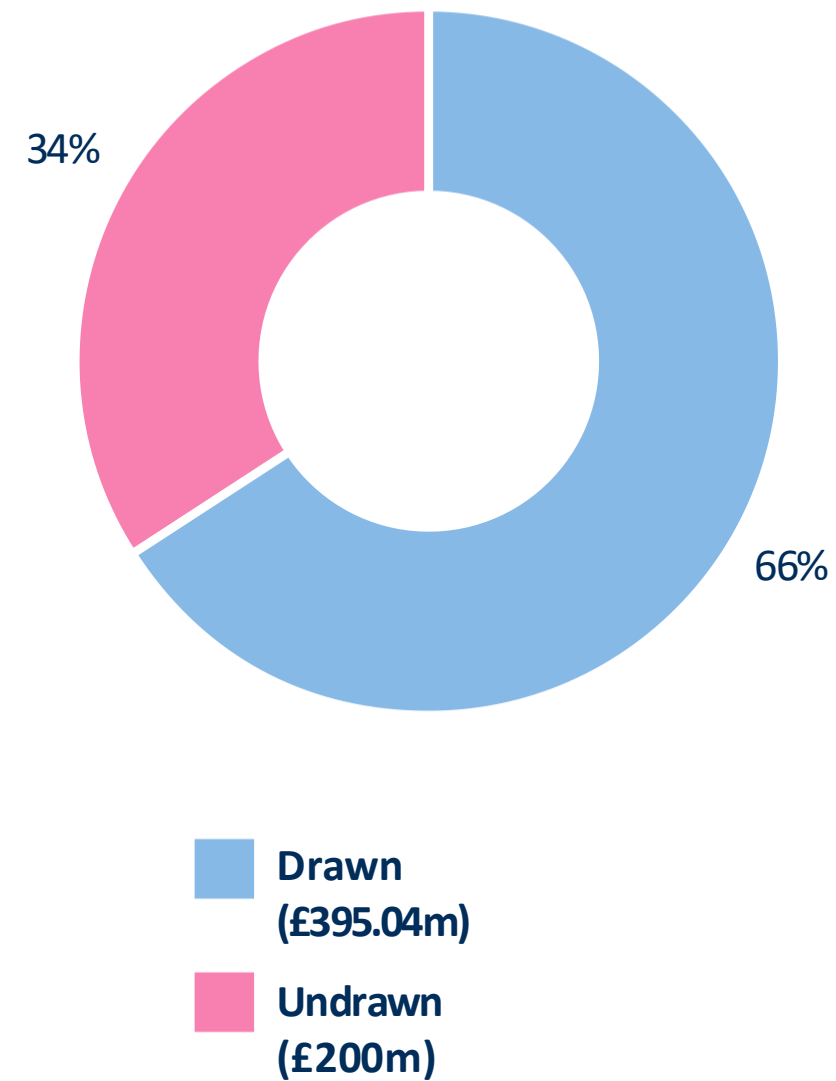


Treasury Position

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 and financial covenants were complied with and no triggers were activated.

1. Interest cover



a. Headroom on bond 110% covenant

Golden rule:	Trigger:	Current:
130%	135%	222%

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

Current: **180% (£6.4m headroom)**

c. Social housing lettings interest cover

Golden rule:	Trigger:	Current:
1.5x	1.6x	1.8x

2. Sales exposure



a. Turnover from sales as a % of total turnover

Golden rule:	Trigger:	Current:
20%	15%	11%

b. Capital committed to open market sales

Golden rule:	Trigger:	Current:
£20m	£17.5m	£2.3m

3. Security



a. Asset cover for charged homes

Golden rule:	Trigger:	Current:
7.5%	10%	19%
above covenant	above covenant	above covenant

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

Golden rule:	Trigger:	Current:
110%	115%	182%

4. Liquidity



a. Cash plus undrawn facility balances

Golden rule:	Trigger:	Current:
minimum	minimum	
£20m	£30m	£217m

b. Liquidity period

Golden rule:	Trigger:	Current:
minimum	minimum	
18months	24months	36months

5. Development exposure



a. Net development costs as a % of turnover

Golden rule:	Trigger:	Current:
75%	70%	38%

6. Gearing



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

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



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Thank you

