



**whg QUARTERLY
UPDATE:
Q1 JUNE 2020**

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HIGHLIGHTS FOR PERIOD ENDED JUNE 2020

- Moody's Rating of A3 (stable), G1/V1 regulator rating
- 52 new homes from developments completed in the period (799 currently on-site with another 706 in the pipeline)
- Income to date of £27m (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 36%
- Shared ownership sales income of £2.4m, down 19% year on year but not unexpectedly, making up 9% of all income
- Cash and liquidity remains strong with £171m at June 20, providing 1.6 times cover for the next 18 months of forecast cash flow

FINANCIAL HIGHLIGHTS

STRONG FINANCIAL PERFORMANCE TO JUNE 2020



		2021 Q1	2020 Q1	Comparative Movement
<i>Statement of Comprehensive Income (full year)</i>				
Total Income	£'000	27,336	27,392	0%
Social Housing Lettings Turnover	£'000	23,880	23,521	2%
<i>Percentage Total Income from SHL</i>	%	87%	86%	
Shared Ownership Sales	£'000	2,493	3,087	-19%
<i>Percentage of Total Income from Sales</i>	%	9%	11%	
Operating Surplus excl disposals	£'000	9,864	8,847	11%
<i>Operating Margin</i>	%	36%	32%	
Total Surplus	£'000	5,787	7,588	-24%
<i>Total Margin</i>	%	21%	28%	
<i>Key Financial Ratios</i>				
EBITDA MRI interest coverage	Times	2.6x	2.1x	
Covenant - Interest Coverage (<i>target >1.1x</i>)	Times	2.7x	2.3x	
Net Debt Per Unit (<i>target <£25,000</i>)	£	13,663	13,593	

DEBT & LIQUIDITY

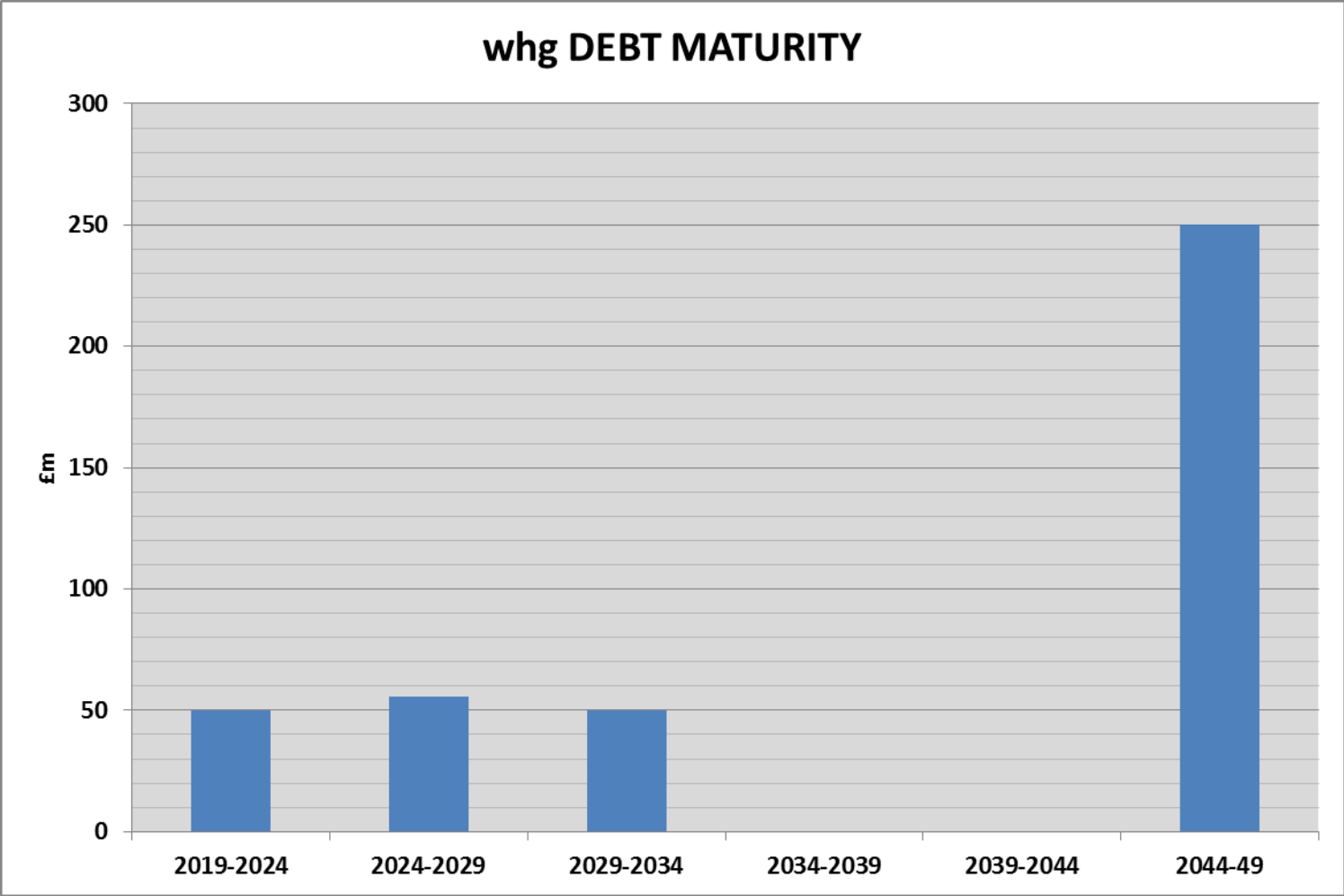
STRONG LIQUIDITY POSITION

		2021 Q1	2020 Q1
<i>Liquidity & Debt</i>			
Cash and undrawn facilities	£'000	171,494	169,630
18m cash requirement*	£'000	(109,917)	(93,096)
18m liquidity coverage	Times	1.6	1.8
Net borrowings capacity (based on NDPU)	£'000	100,535	103,344
Unencumbered security	Homes	6,279	6,142
Cash flow from Operating Activities	£'000	9,448	9,071
Cash conversion ratio**	%	96%	103%
Debt	£'000	412,215	404,385
Average cost of funds	%	4.81%	4.96%
Gearing - debt/assets	%	60%	60%
Debt to Revenue	Times	3.51x	4x

* 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 15 YEARS



DEVELOPMENT & SALES

DEVELOPMENT AND SHARED OWNERSHIP SALES

		2021 Q1	2020 Q1
<i>Development & Sales (full year)</i>			
New homes completed	Number	52	72
New home starts	Number	33	101
Shared ownership (first tranche) sales	Number	26	36
Shared ownership homes awaiting sale	Number	89	97
<i>Of which aged over 6 months</i>	<i>Number</i>	<i>54</i>	<i>68</i>
Shared ownership (first tranche) sales	£'000	2,493	3,087
<i>Shared Ownership (first tranche) net margin</i>	<i>%</i>	<i>22%</i>	<i>17%</i>

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



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	117,367	112,017	5%
Social Housing Lettings Turnover	£'000	98,392	96,267	2%
<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	35,739	37,584	-5%
<i>Operating Margin</i>	%	30%	34%	
Total Surplus	£'000	20,695	21,640	-4%
<i>Total Margin</i>	%	18%	12%	

- Strong performance expected for year end
- Operating surplus of £36m (30%) and total surplus of £21m (18%) show effects of COVID-19 when compared with prior year

CONTACT INFORMATION

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