



**whg QUARTERLY
UPDATE:
Q2 SEPT 2019**

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HIGHLIGHTS FOR PERIOD ENDED SEPT 2019

- Moody's Rating of A3 (stable), G1/V1 regulator rating
- 165 new homes from developments completed year to date (610 currently on-site with another 1,967 in pipeline)
- Income to date of £55m (6% increase year on year) despite the final year of -1% rent reduction
- Operating margin of 31%
- Shared ownership sales income of £6.5m, up 96% year on year, making up 12% of all income
- Cash and liquidity remains strong with £170m at September, covering the next 18 months of commitments 1.4 times

FINANCIAL HIGHLIGHTS

STRONG FINANCIAL PERFORMANCE TO SEPT 2019 WITH HEADROOM ON INTEREST COVER



		2020 Q2	2019 Q2	Movement
<i>Statement of Comprehensive Income (YTD)</i>				
Total Income	£'000	55,501	52,407	6%
Social Housing Lettings Turnover	£'000	47,057	47,028	0%
<i>Percentage Total Income from SHL</i>	%	85%	90%	
Shared Ownership Sales	£'000	6,513	3,321	96%
<i>Percentage of Total Income from Sales</i>	%	12%	6%	
Operating Surplus	£'000	17,205	19,792	-13%
<i>Operating Margin</i>	%	31%	38%	
Total Surplus	£'000	13,250	13,502	-2%
<i>Total Margin</i>	%	24%	26%	
<i>Key Financial Ratios</i>				
EBITDA MRI interest coverage	Times	3x	2.5x	
Covenant - Interest Coverage (<i>target >1.1x</i>)	Times	2.1x	2.5x	
Net Debt Per Unit (<i>target <£25,000</i>)	£	12,910	13,513	

DEBT & LIQUIDITY

GOOD LIQUIDITY LEVELS PROVIDE HEADROOM ON COMMITMENTS, WITH CAPACITY WITHIN THE BUSINESS FOR ADDITIONAL GROWTH

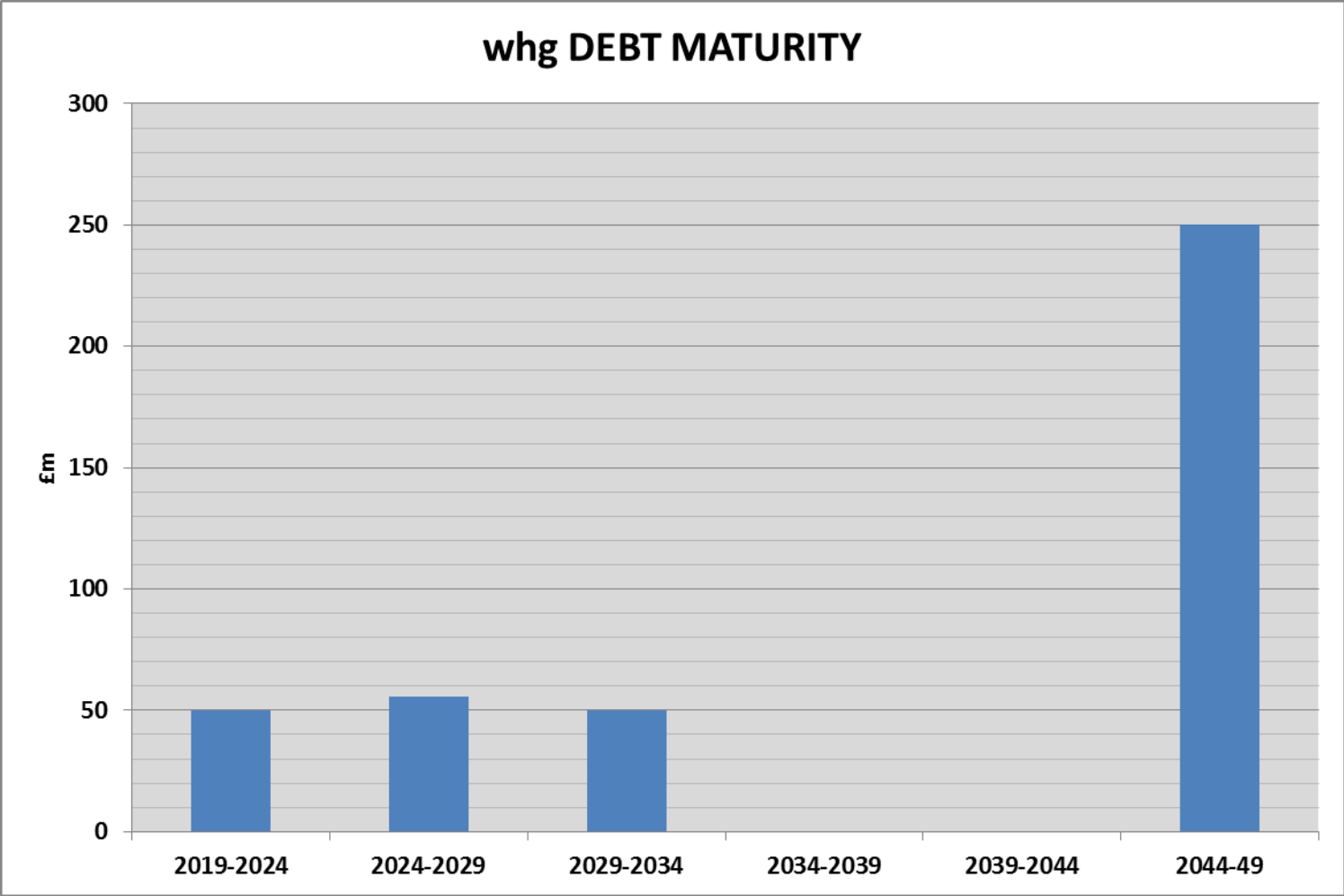


		2020 Q2	2019 Q2
<i>Liquidity & Debt</i>			
Cash and undrawn facilities	£'000	169,635	164,370
18m Cash Requirement*	£'000	(123,343)	(80,103)
18m Liquidity Coverage	Times	1.4	2.1
Debt Capacity	£'000	233,305	230,888
Unencumbered security	Homes	6,142	5,789
Cash flow from Operating Activities	£'000	21,768	24,628
Cash conversion ratio**	%	127%	124%
Debt	£'000	436,174	404,594
Average cost of funds	%	4.79%	4.96%
Gearing - Debt/assets	%	60%	60%
Debt to Revenue	Times	3.86x	3.81x

* Incorporating forecast net development spend and debt maturities

**Percentage of Operating Surplus that resulted in Cash Flow from Operating Activities

MAJORITY OF DEBT LONG-DATED, WITH BANK LOANS MATURING WITHIN NEXT 15 YEARS



DEVELOPMENT & SALES

SHARED OWNERSHIP SALES MAKE UP 12% OF INCOME TO DATE



		2020 Q2	2019 Q2
<i>Development & Sales (YTD)</i>			
New homes developed	Number	165	250
Shared ownership (first tranche) sales	Number	71	35
Shared ownership homes awaiting sale	Number	70	35
<i>Of which aged over 6 months</i>	<i>Number</i>	26	8
Shared ownership (first tranche) YTD sales	£'000	6,513	3,321
<i>Shared Ownership (first tranche) YTD net margin</i>	%	24%	19%

- Strong shared ownership sales performance to date, with no evidence of market slow down
- Margins are lower than other operating activities due to grant funded SO homes
- 18 outright sales homes awaiting sale



FORWARD GUIDANCE TO YEAR END

EXPECTED YEAR END FINANCIAL PERFORMANCE REMAINS STRONG



		Forecast 2019-20	Actual 2018-19	Movement
Statement of Comprehensive Income				
Total Income	£'000	111,321	108,635	2%
Social Housing Lettings Turnover	£'000	94,614	95,139	-1%
<i>Percentage Total Income from SHL</i>	%	85%	88%	
Shared Ownership Sales	£'000	10,726	9,574	12%
<i>Percentage of Total Income from Sales</i>	%	10%	9%	
Operating Surplus	£'000	32,628	31,667	3%
<i>Operating Margin</i>	%	29%	29%	
Total Surplus	£'000	22,462	18,788	20%
<i>Total Margin</i>	%	20%	12%	

- Strong performance expected for year end
- Operating surplus of £33m (29%) and total surplus of £22m (20%)

CONTACT INFORMATION

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