



**whg QUARTERLY
UPDATE:
Q3 DEC 2019**

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HIGHLIGHTS FOR PERIOD ENDED DEC 2019

- Moody's Rating of A3 (stable), G1/V1 regulator rating
- 349 new homes from developments completed year to date (612 currently on-site with another 1,303 in pipeline)
- Income to date of £83m (3% increase year on year) despite being the final year of -1% rent reduction
- Operating margin of 31%
- Shared ownership sales income of £9m, up 23% year on year, making up 11% of all income
- Cash and liquidity remains strong with £179m at December, providing 1.5 times cover for the next 18 months of commitments

FINANCIAL HIGHLIGHTS

STRONG FINANCIAL PERFORMANCE TO DEC 2019 WITH HEADROOM ON INTEREST COVER



		2020 Q3	2019 Q3	Movement
<i>Statement of Comprehensive Income (YTD)</i>				
Total Income	£'000	83,481	81,385	3%
Social Housing Lettings Turnover	£'000	70,760	70,573	0%
<i>Percentage Total Income from SHL</i>	%	85%	87%	
Shared Ownership Sales	£'000	9,017	7,339	23%
<i>Percentage of Total Income from Sales</i>	%	11%	9%	
Operating Surplus	£'000	25,800	28,263	-9%
<i>Operating Margin</i>	%	31%	35%	
Total Surplus	£'000	19,184	18,889	2%
<i>Total Margin</i>	%	23%	17%	
<i>Key Financial Ratios</i>				
EBITDA MRI interest coverage	Times	1.7x	1.9x	
Covenant - Interest Coverage (<i>target >1.1x</i>)	Times	2.2x	2.5x	
Net Debt Per Unit (<i>target <£25,000</i>)	£	14,548	13,562	

DEBT & LIQUIDITY

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

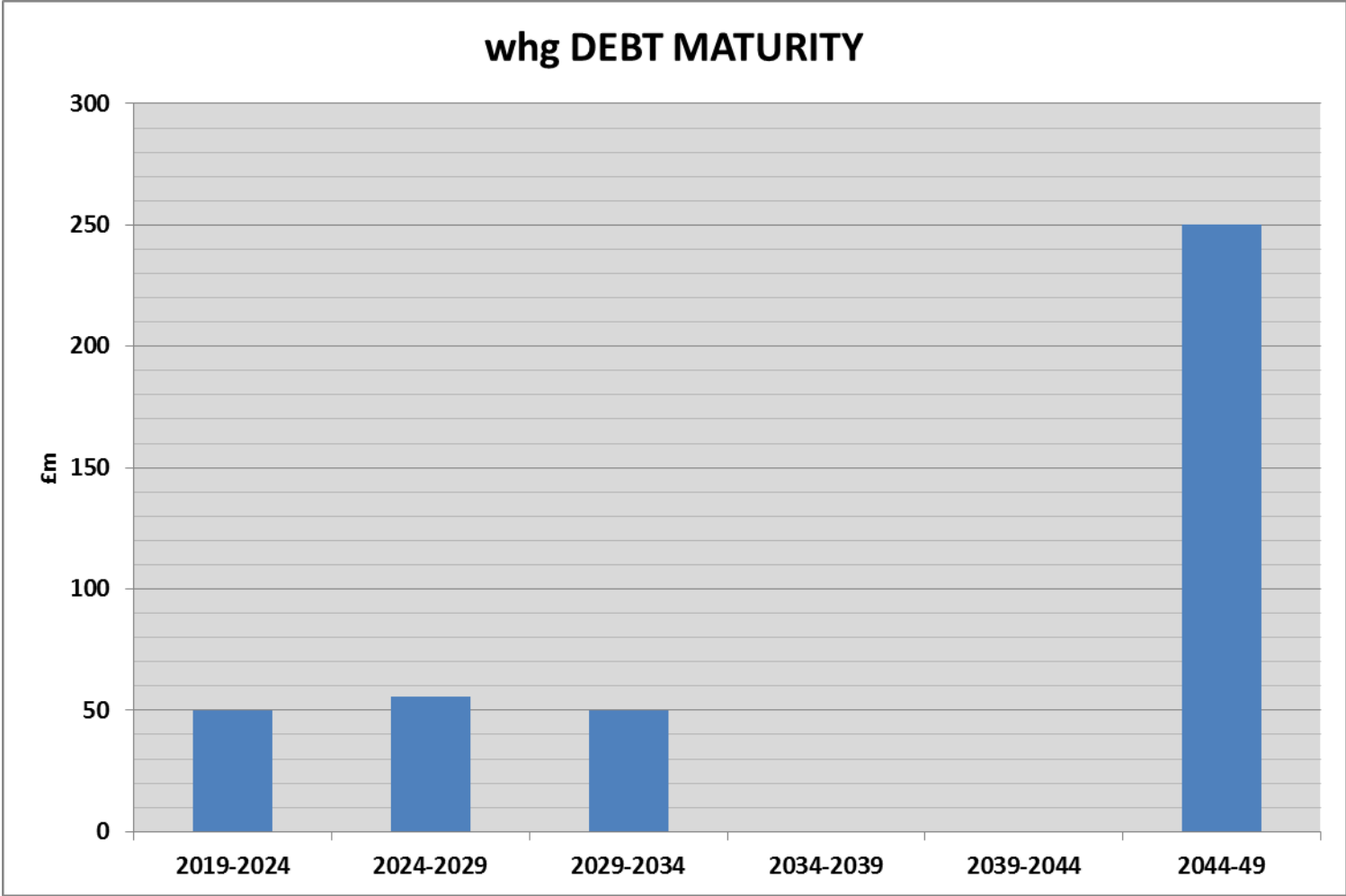


		2020 Q3	2019 Q3
<i>Liquidity & Debt</i>			
Cash and undrawn facilities	£'000	179,713	180,062
18m cash requirement*	£'000	(116,855)	(73,968)
18m liquidity coverage	Times	1.5	2.4
Debt capacity	£'000	215,847	230,765
Unencumbered security	Homes	6,142	5,943
Cash flow from Operating Activities	£'000	24,619	30,921
Cash conversion ratio**	%	95%	109%
Debt	£'000	436,100	404,552
Average cost of funds	%	4.79%	4.96%
Gearing - debt/assets	%	60%	60%
Debt to Revenue	Times	3.93x	3.73x

* Incorporating forecast net development spend and debt maturities

** 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

		2020 Q3	2019 Q3
<i>Development & Sales (YTD)</i>			
New homes completed	Number	349	411
New home starts	Number	565	582
Shared ownership (first tranche) sales	Number	98	79
Shared ownership homes awaiting sale	Number	87	91
<i>Of which aged over 6 months</i>	<i>Number</i>	<i>12</i>	<i>3</i>
Shared ownership (first tranche) YTD sales	£'000	9,017	7,339
<i>Shared Ownership (first tranche) YTD net margin</i>	<i>%</i>	<i>22%</i>	<i>17%</i>

- 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



FORWARD GUIDANCE TO YEAR END

EXPECTED YEAR END FINANCIAL PERFORMANCE REMAINS STRONG



		Forecast 2019-20	Actual 2018-19	Movement
<i>Statement of Comprehensive Income</i>				
Total Income	£'000	111,530	108,635	3%
Social Housing Lettings Turnover	£'000	94,930	95,139	0%
<i>Percentage Total Income from SHL</i>	%	85%	88%	
Shared Ownership Sales	£'000	10,817	9,574	13%
<i>Percentage of Total Income from Sales</i>	%	10%	9%	
Operating Surplus	£'000	32,697	31,667	3%
<i>Operating Margin</i>	%	29%	29%	
Total Surplus	£'000	24,133	18,788	28%
<i>Total Margin</i>	%	22%	12%	

- Strong performance expected for year end
- Operating surplus of £33m (29%) and total surplus of £24m (22%)

CONTACT INFORMATION

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