



**whg QUARTERLY  
UPDATE:  
Q4 MAR 2020**

# DISCLAIMER

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## HIGHLIGHTS FOR PERIOD ENDED MAR 2020

- Moody's Rating of A3 (stable), G1/V1 regulator rating
- 446 new homes from developments completed in 2019/20 (818 currently on-site with another 1,056 in the pipeline)
- Income for year of £112m (3% increase year on year) despite being the final year of -1% rent reduction
- Operating margin of 34%
- Shared ownership sales income of £11m, up 24% year on year, making up 11% of all income
- Cash and liquidity remains strong with £177m at March, providing 1.9 times cover for the next 18 months of forecast cash flow

# FINANCIAL HIGHLIGHTS

# STRONG FINANCIAL PERFORMANCE TO MAR 2020 WITH HEADROOM ON INTEREST COVER



		2020 Q4	2019 Q4	Comparative Movement
<b><i>Statement of Comprehensive Income (full year)</i></b>				
<b>Total Income</b>	<b>£'000</b>	<b>112,183</b>	<b>108,635</b>	<b>3%</b>
Social Housing Lettings Turnover	£'000	96,267	95,139	1%
<i>Percentage Total Income from SHL</i>	%	86%	88%	
Shared Ownership Sales	£'000	11,860	9,574	24%
<i>Percentage of Total Income from Sales</i>	%	11%	9%	
<b>Operating Surplus</b>	<b>£'000</b>	<b>37,584</b>	<b>37,586</b>	<b>0%</b>
<i>Operating Margin</i>	%	34%	35%	
<b>Total Surplus</b>	<b>£'000</b>	<b>21,640</b>	<b>19,413</b>	<b>11%</b>
<i>Total Margin</i>	%	19%	12%	

## ***Key Financial Ratios***

EBITDA MRI interest coverage	Times	1.8x	1.8x
Covenant - Interest Coverage ( <i>target &gt;1.1x</i> )	Times	2.0x	2.1x
Net Debt Per Unit ( <i>target &lt;£25,000</i> )	£	14,868	13,909

# DEBT & LIQUIDITY

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

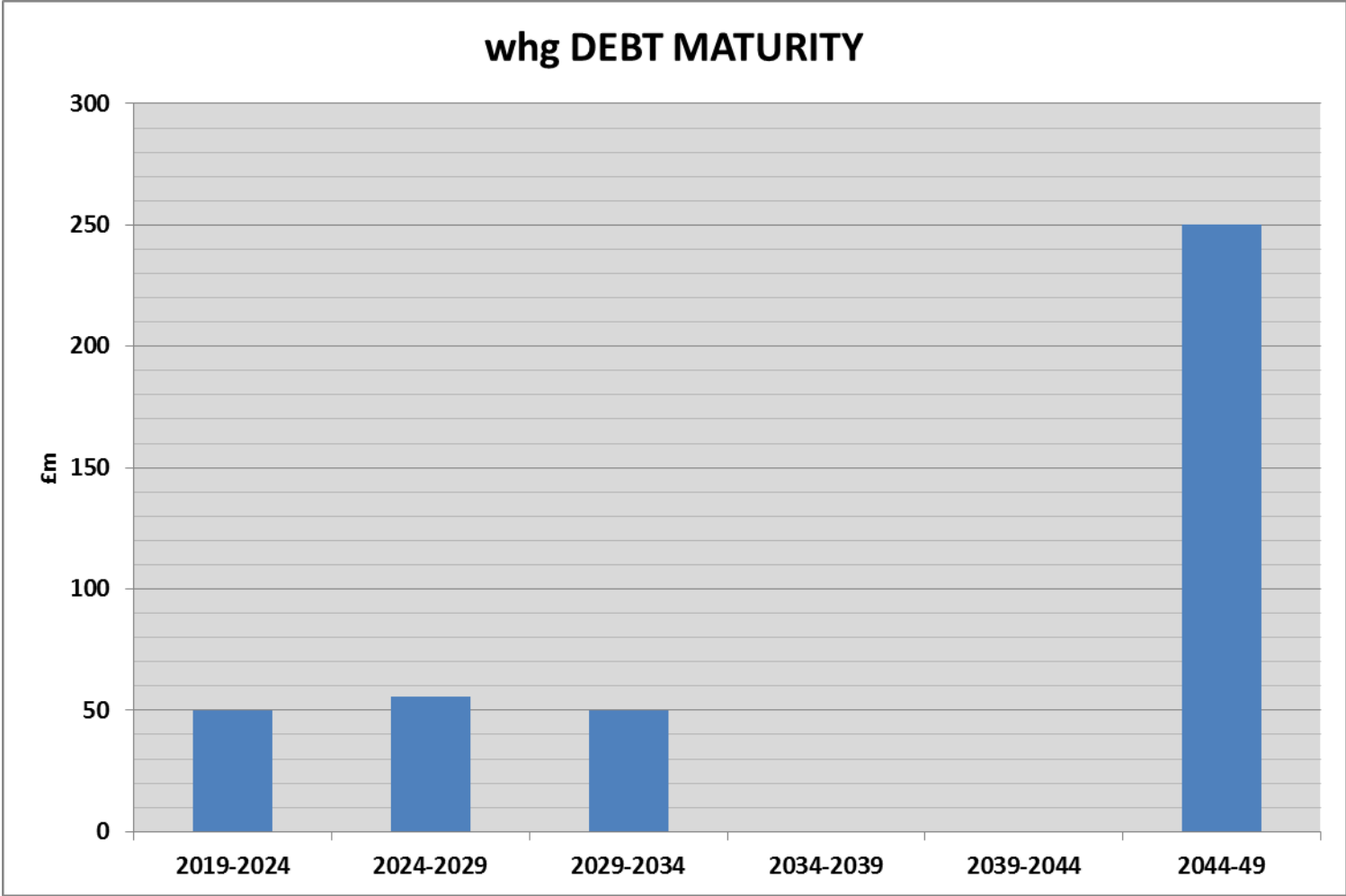


		2020 Q4	2019 Q4
<b><i>Liquidity &amp; Debt</i></b>			
Cash and undrawn facilities	£'000	176,529	171,790
18m cash requirement*	£'000	(93,011)	(66,986)
18m liquidity coverage	Times	1.9	2.6
Debt capacity	£'000	214,641	224,636
Unencumbered security	Homes	6,234	6,081
Cash flow from Operating Activities	£'000	44,710	45,457
Cash conversion ratio**	%	119%	121%
Debt	£'000	437,290	404,413
Average cost of funds	%	4.85%	4.96%
Gearing - debt/assets	%	60%	60%
Debt to Revenue	Times	3.93x	3.72x

\* 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

		2020 Q4	2019 Q4
<b><i>Development &amp; Sales (full year)</i></b>			
New homes completed	Number	446	551
New home starts	Number	677	592
Shared ownership (first tranche) sales	Number	127	101
Shared ownership homes awaiting sale	Number	99	117
<i>Of which aged over 6 months</i>	<i>Number</i>	<i>19</i>	<i>16</i>
Shared ownership (first tranche) sales	£'000	11,860	9,574
<i>Shared Ownership (first tranche) net margin</i>	<i>%</i>	<i>22%</i>	<i>17%</i>

- Strong shared ownership sales performance in 2019/20, with no evidence of market slow down
- Margins are lower than other operating activities due to grant funded SO homes



# ANNUAL HISTORICAL COMPARATIVES

# YEAR END FINANCIAL PERFORMANCE

		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Draft 2020
<b><i>Statement of Comprehensive Income</i></b>						
Turnover	£'000	97,256	99,056	105,635	108,635	112,017
Social Housing Lettings Turnover	£'000	91,657	92,979	94,554	95,139	96,267
Percentage of SHL in Total Turnover	%	94%	94%	90%	88%	86%
Operating Surplus	£'000	30,639	34,223	37,420	37,586	37,584
Surplus after tax	£'000	18,136	21,992	34,309	19,413	21,640

## ***Margins***

Operating Margin	%	31.5%	34.5%	35.4%	34.6%	33.5%
Social Housing Operating Margin	%	34.3%	37.3%	40.5%	35.7%	32.5%
Net Margin	%	18.6%	22.2%	32.5%	17.3%	14.7%

## ***Key Financial Ratios***

EBITDA MRI interest coverage	Times	1.6x	1.9x	1.9x	1.5x	1.4x
Covenant - Interest Coverage	Times	2.1x	2.5x	2.7x	2.5x	2.0x
Social Housing Lettings Interest Coverage	Times	1.8x	1.9x	2.0x	1.7x	1.6x
Net Debt Per Unit	£	12,910	13,871	13,217	13,909	14,646

- Financial Statements for March 2020 awaiting audit completion
- Performance indicates continues financial strength

# YEAR END PERFORMANCE – DEBT, LIQUIDITY, DEVELOPMENT ACTIVITY



		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Draft 2020
<b><i>Liquidity &amp; Debt</i></b>						
Cash and undrawn facilities	£'000	141,681	101,704	170,000	171,790	176,529
Unencumbered stock	Homes	3,553	3,869	5,545	6,081	6,234
Cash flow from Operating Activities	£'000	42,440	46,787	45,817	45,457	44,710
Cash conversion ratio	%	139%	137%	122%	121%	119%
Debt	£'000	368,900	350,499	404,676	404,413	437,290
Average cost of funds	%	5.35%	5.34%	5.06%	4.96%	4.85%
Gearing - Debt/assets	%	74%	70%	67%	65%	63%
Debt to turnover	Times	3.8x	3.5x	3.8x	3.7x	3.9x

## ***Development & Sales***

New homes developed	Number	299	377	497	551	446
Shared ownership (first tranche) sales	Number	5	33	80	101	127
Shared ownership (first tranche) income	£'000	413	2,495	6,910	9,574	11,860
Shared Ownership (first tranche) net margin	%	34%	34%	32%	22%	21%

# CONTACT INFORMATION

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