



**whg QUARTERLY  
UPDATE:  
Q4 MAR 2021**

# DISCLAIMER

*This publication of unaudited financial results is for information purposes only, to aid the funders and stakeholders of Walsall Housing Group Limited in coming to their own evaluation of the Group.*

*The information is believed to be in all material respects accurate, although its accuracy is not guaranteed. This information has not been independently verified and does not purport to contain all the information required by an investor to make an investment decision, and is not intended to provide the primary basis for any investment-related decision.*

*The information in this publication is subject to change without notice.*

*Any future looking statement is based on current reasonable assumptions by whg. The accuracy and completeness of all such statements is not warranted or guaranteed. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. Actual outcomes and results may differ and investors are cautioned not to place undue reliance on forward looking statements.*

## HIGHLIGHTS FOR YEAR ENDED MAR 2021

- Moody's reconfirm rating of A3 (stable)
- IDA reconfirms our G1/V1 regulator rating
- 332 new homes from developments completed during the year (with work underway on 15 sites and 679 homes under construction)
- Income of £121m (which is 8% higher to prior year partly due to Shared Ownership sales income) and cash collection rates remaining strong
- Operating margin of 31%
- Strong liquidity position with £152m at Mar 2021, providing 2.3 times cover for the next 18 months of forecast cash flow
- Deferred £75m new funding agreed through bLEND for October

# FINANCIAL HIGHLIGHTS

# STRONG FINANCIAL PERFORMANCE TO MAR 2021 WITH HEADROOM ON INTEREST COVER



		2021 Q4	2020 Q4	Comparative Movement
<b><i>Statement of Comprehensive Income (full year)</i></b>				
<b>Total Income</b>	<b>£'000</b>	<b>120,808</b>	<b>112,183</b>	<b>8%</b>
Social Housing Lettings Turnover	£'000	101,294	96,267	5%
<i>Percentage Total Income from SHL</i>	%	84%	86%	
Shared Ownership Sales	£'000	15,967	11,860	35%
<i>Percentage of Total Income from Sales</i>	%	13%	11%	
<b>Operating Surplus</b>	<b>£'000</b>	<b>37,650</b>	<b>37,584</b>	<b>0%</b>
<i>Operating Margin</i>	%	31%	34%	
<b>Total Surplus</b>	<b>£'000</b>	<b>27,329</b>	<b>17,466</b>	<b>56%</b>
<i>Total Margin</i>	%	23%	16%	
<b><i>Key Financial Ratios</i></b>				
EBITDA MRI interest coverage	Times	1.6x	1.4x	
Covenant - Interest Coverage ( <i>target &gt;1.1x</i> )	Times	2.1x	2.1x	
Net Debt Per Unit ( <i>target &lt;£25,000</i> )	£	15,128	14,868	

# DEBT & LIQUIDITY

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



2021 Q4      2020 Q4

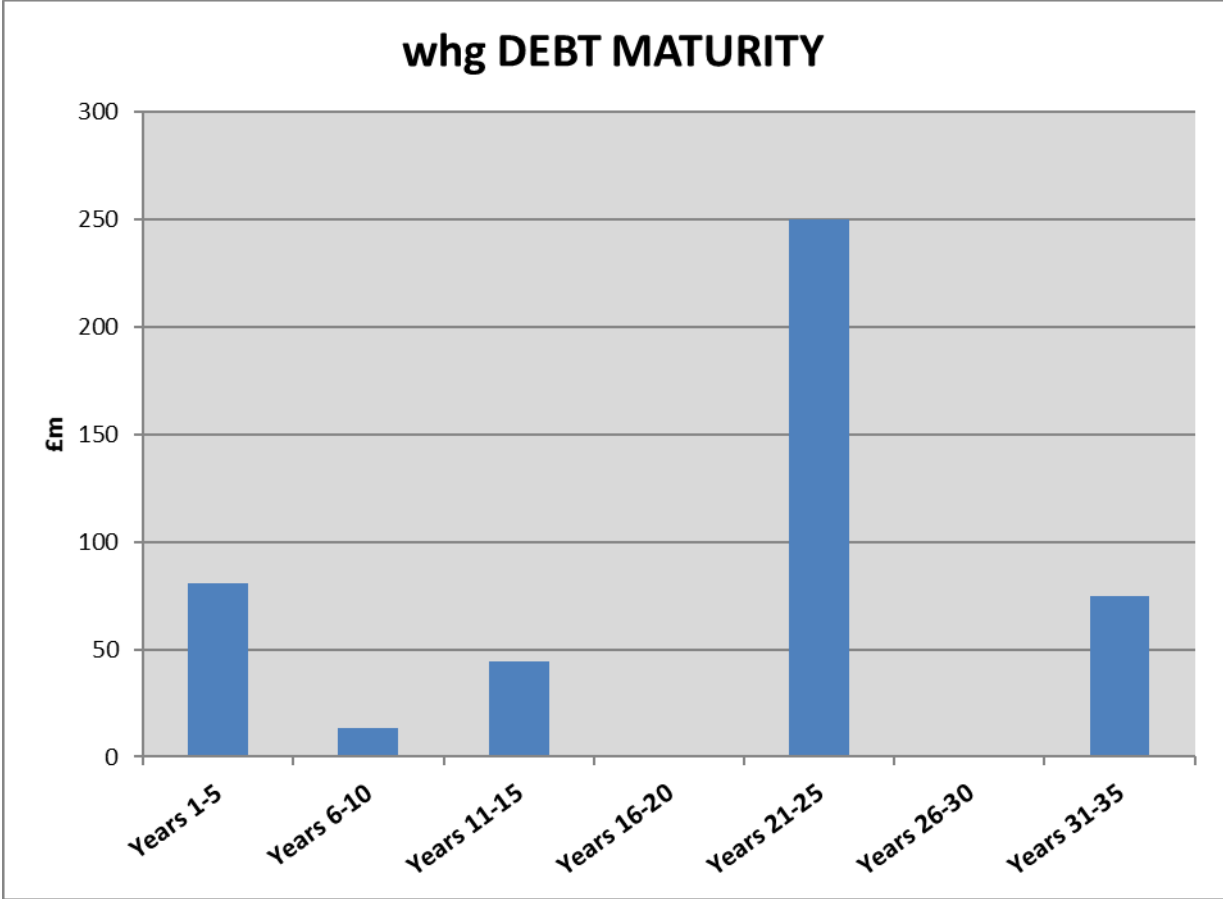
## ***Liquidity & Debt***

Cash and undrawn facilities	£'000	152,117	176,529
18m cash requirement*	£'000	(66,963)	(93,011)
18m liquidity coverage	Times	2.3	1.9
Debt capacity	£'000	115,876	75,788
Unencumbered security	Homes	6,544	6,234
Cash flow from Operating Activities	£'000	50,428	44,710
Cash conversion ratio**	%	134%	119%
Debt	£'000	401,099	437,290
Average cost of funds	%	4.81%	4.85%
Gearing - Moody's methodology	%	60%	60%
Debt to Revenue	Times	3.32x	3.93x

*\* 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 25 YEARS






# DEVELOPMENT & SALES

## DEVELOPMENT AND SHARED OWNERSHIP SALES

- Strong Shared Ownership sales performance in 2020/21, with no evidence of market slow down
- Margins are lower than other operating activities due to grant funded SO homes

		2021 Q4	2020 Q4
<b><i>Development &amp; Sales (full year)</i></b>			
New homes completed	Number	332	446
New home starts	Number	325	677
Shared ownership (first tranche) sales	Number	168	127
Shared ownership homes awaiting sale	Number	32	99
<i>Of which aged over 6 months</i>	<i>Number</i>	<i>6</i>	<i>19</i>
Shared ownership (first tranche) sales	£'000	15,967	11,860
<i>Shared Ownership (first tranche) net margin</i>	<i>%</i>	<i>22%</i>	<i>22%</i>



# ANNUAL HISTORICAL COMPARATIVES

# YEAR END FINANCIAL PERFORMANCE

		Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021
<b><i>Statement of Comprehensive Income</i></b>						
Turnover	£'000	99,056	105,635	108,635	112,183	120,808
Social Housing Lettings Turnover	£'000	92,979	94,554	95,139	96,267	101,294
Percentage of SHL in Total Turnover	%	94%	90%	88%	86%	84%
Operating Surplus	£'000	34,223	37,420	37,586	37,584	37,650
Surplus after tax	£'000	21,992	34,309	18,788	17,466	27,329
<b><i>Margins</i></b>						
Operating Margin	%	34.5%	35.4%	34.6%	33.4%	31.1%
Social Housing Operating Margin	%	37.3%	40.5%	35.7%	32.5%	35.9%
Net Margin	%	22.2%	32.5%	17.3%	14.7%	22.7%
<b><i>Key Financial Ratios</i></b>						
EBITDA MRI interest coverage	Times	1.9x	1.9x	1.5x	1.4x	1.6x
Covenant - Interest Coverage	Times	2.5x	2.7x	2.5x	2.1x	2.1x
Social Housing Lettings Interest Coverage	Times	1.9x	2.0x	1.7x	1.6x	1.8x
Net Debt Per Unit	£	13,871	13,217	13,909	14,868	15,128

# YEAR END PERFORMANCE – DEBT, LIQUIDITY, DEVELOPMENT ACTIVITY



		Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021
<b><i>Liquidity &amp; Debt</i></b>						
Cash and undrawn facilities	£'000	101,704	170,000	171,790	176,529	152,117
Unencumbered stock	Homes	3,869	5,545	6,081	6,234	6,544
Cash flow from Operating Activities	£'000	46,787	45,817	45,457	44,710	50,428
Cash conversion ratio	%	137%	122%	121%	119%	134%
Debt	£'000	350,499	404,676	404,413	437,290	401,099
Average cost of funds	%	5.34%	5.06%	4.96%	4.85%	4.81%
Gearing - Debt/assets	%	70%	67%	65%	63%	60%
Debt to turnover	Times	3.5x	3.8x	3.7x	3.9x	3.3x
<b><i>Development &amp; Sales</i></b>						
New homes developed	Number	377	497	551	446	332
Shared ownership (first tranche) sales	Number	33	80	101	127	168
Shared ownership (first tranche) income	£'000	2,495	6,910	9,574	11,860	15,967
Shared Ownership (first tranche) net margin	%	34%	32%	22%	21%	22%

# CONTACT INFORMATION

## CONTACT INFORMATION

Adam Wagner, Director of Finance:

[adam.wagner@whgrp.co.uk](mailto:adam.wagner@whgrp.co.uk)

01922 426846

Debbie Banner, Group Treasury Manager:

[debbie.banner@whgrp.co.uk](mailto:debbie.banner@whgrp.co.uk)

07902 400 756

