

whg QUARTERLY UPDATE

Q1 June 2022



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.

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KEY HIGHLIGHTS FOR THE PERIOD ENDED JUNE 2022

- whg continues to maintain G1/V1 regulator rating, meets all financial covenants with significant headroom and retains Moody's credit rating of A3 positive outlook
- Turnover for quarter April 2022 to June 2022 was £30.3m (2021: £28.8m)
- Operating surplus for the quarter was £12.4m (2021: £10.5m)
- Operating Margin for the quarter was 41% (2021: 37%)
- Strong liquidity position with £233m at June 2022, providing 1.6 times cover for the next 18 months of forecast cash flow
- 57 new homes from developments completed during the quarter and 66 start on sites
- Shared ownership first tranche achieved 13 sales with income £1.3m
- JV on-lending is currently £12.3m, repayments are expected to commence in September 2022

FINANCIAL HIGHLIGHTS

STRONG FINANCIAL PERFORMANCE TO June 2022 WITH HEADROOM ON INTEREST COVER

		June 22 - 2023 Q1	June 21 - 2022 Q1	Comparative Movement
<i>Statement of Comprehensive Income (YTD)</i>				
Total Income	£'000	30,281	28,786	5%
Social Housing Lettings Turnover	£'000	28,018	23,400	20%
<i>Percentage Total Income from SHL</i>	%	93%	81%	
Shared Ownership Sales	£'000	1,293	3,128	-59%
<i>Percentage of Total Income from Sales</i>	%	4%	11%	
Operating Surplus	£'000	12,439	10,553	18%
<i>Operating Margin</i>	%	41%	37%	
Total Surplus	£'000	7,772	5,866	32%
<i>Total Margin</i>	%	26%	20%	
<i>Key Financial Ratios</i>				
EBITDA MRI interest coverage	Times	2.5x	2.1x	
Covenant - Interest Coverage (<i>target >1.1x</i>)	Times	3.15x	2.07x	
Net Debt Per Unit (<i>target <£25,000</i>)	£	14,511	15,234	

DEBT & LIQUIDITY

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

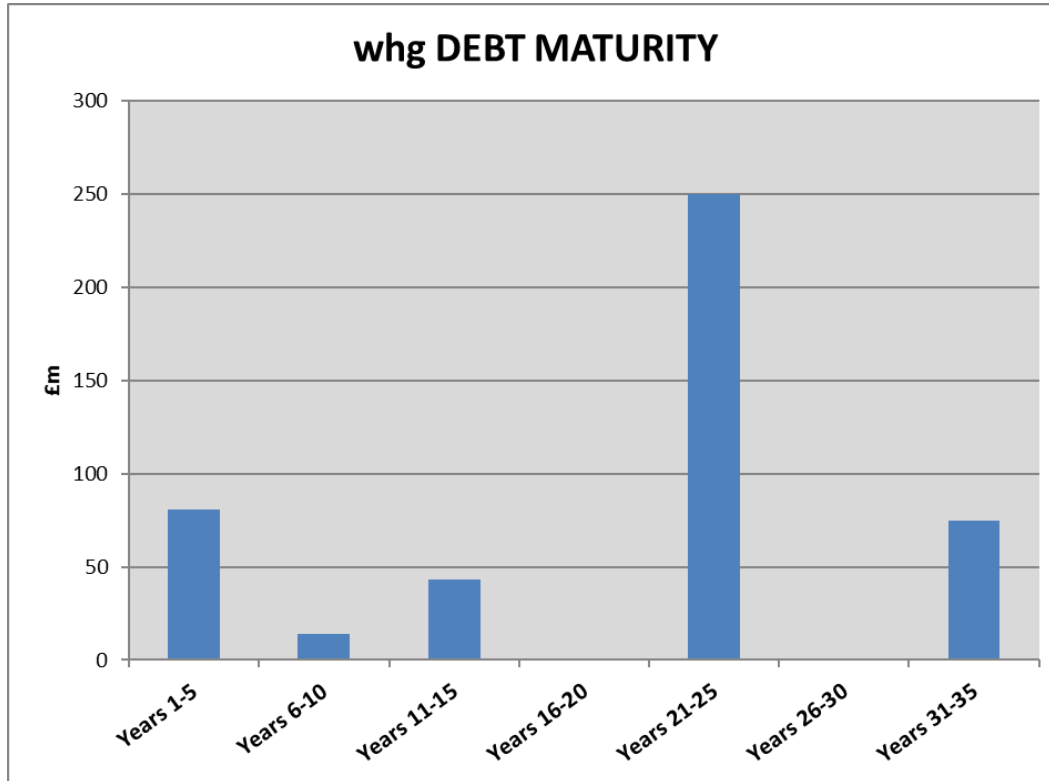


		2023 Q1	2022 Q1
<i>Liquidity & Debt</i>			
Cash and undrawn facilities	£'000	232,812	146,883
18m cash requirement*	£'000	(142,772)	(84,785)
18m liquidity coverage	Times	1.6	1.7
Debt capacity	£'000	161,536	117,267
Unencumbered security	Homes	4,710	6,078
Cash flow from Operating Activities	£'000	11,215	12,166
Cash conversion ratio**	%	90%	115%
Debt	£'000	474,329	401,133
Average cost of funds	%	4.69%	4.71%
Gearing - Moody's methodology	%	49%	55%
Debt to Revenue	Times	3.9x	3.2x

* 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 – DEBT MATURING IN NEXT 35 YEARS



DEVELOPMENT & SALES

DEVELOPMENT & SHARED OWNERSHIP SALES

		2023 Q1	2022 Q1
<i>Development & Sales (YTD)</i>			
New homes completed	Number	57	97
New home starts	Number	66	0
Shared ownership (first tranche) sales	Number	13	31
Shared ownership homes awaiting sale	Number	7	33
<i>Of which aged over 6 months</i>	<i>Number</i>	3	4
Shared ownership (first tranche) sales	£'000	1,293	3,128
<i>Shared Ownership (first tranche) net margin</i>	%	13%	22%

FORWARD GUIDANCE TO YEAR END

EXPECTED YEAR END FINANCIAL PERFORMANCE

		Forecast 2022-23	Actual 2021-22	Movement
<i>Statement of Comprehensive Income</i>				
Total Income	£'000	120,942	120,560	0%
Social Housing Lettings Turnover	£'000	110,159	105,694	4%
<i>Percentage Total Income from SHL</i>	%	91%	88%	
Shared Ownership Sales	£'000	6,987	10,728	-35%
<i>Percentage of Total Income from Sales</i>	%	6%	9%	
Operating Surplus	£'000	38,116	40,533	-6%
<i>Operating Margin</i>	%	32%	34%	
Total Surplus	£'000	18,495	20,801	-11%
<i>Total Margin</i>	%	15%	17%	

CONTACT INFORMATION

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