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Presenters





Helen Meehan, Chief Financial Officer

Appointed 2015



Steve Hallowell, Director of Treasury & Investor Relations

Appointed 1996



Chris Hopkins, Director of Finance

Appointed 2018

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- Key credit highlights
- Group overview and strategy
- Development and asset management update
- Sustainability / ESG update
- Operational update
- Financial update
- Treasury update
- Appendix governance and structure

Key credit highlights



Improving financials in a challenging time

- Increased surplus and operating margin*
- Substantial headroom over key covenants with clear golden rules
- **Strong liquidity** position at Dec-24 (£290m, 26 months*), plus £260m additional revolving credit facilities in March 2025



Risk focused approach to continued development programme

- Reduced exposure to direct outright sales with **focus** on development of **affordable homes**
- Strong governance around development activity with target KPIs
- Robust sales performance and healthy sales pipeline heading into 2025/26
- 41% of development pipeline is uncommitted



Regional focus with diverse geography

- Regional teams led by regional directors formed to drive regional performance
- Influential landlord with over 56,000 homes with geographical spread across the UK



Driven by social purpose

- > 90% of properties affordable, with rents on average at 72% of LHA
- Experienced financial inclusion team support nearly 5,000 customers p.a.
- Breadth of opportunities for customer involvement



Robust governance and positive external validation

- RSH G1:V2 (IDA March 2024) and S&P A- (stable outlook)
- Experienced, skilled and diverse board
- Top 10 ranking as UK Best Workplace in Great Places to Work (super large category) since 2018



Surplus before tax of £35.9m (2023: £26.2m)*

952 homes handed over (2023: 890)*

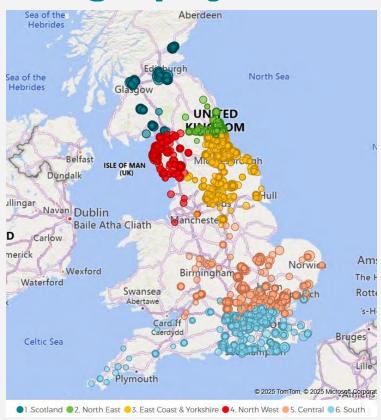
Customer's overall satisfaction 66.9%

(peer group median 66.7%)

* 9 months to 31st December (unaudited)



Geography



- Home Group houses over 125,000 people in our 56,000 homes, across over 180 Local Authority areas.
- **Geographic coverage** provides strong mitigation against local market / economic conditions.
- Head office based in Newcastle with regional focus. Regional Directors (RDs) are responsible for all regional performance and are supported by regional maintenance teams and dedicated asset colleagues.
- Geographic strategy is influenced by RD and considers:
 - Existing areas of operation.
 - Relationship with local authorities.
 - Supply and demand.
 - Development and regeneration opportunities.

Housing stock

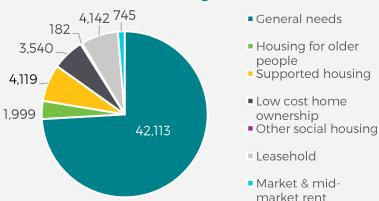
56,840 homes owned or managed (as at 31 March 2024) Geographically diverse stock, with >55% in North of England

>90% of stock is affordable housing

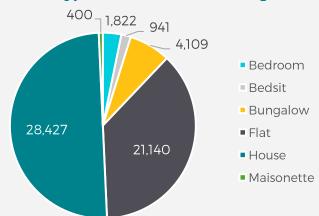
>57% of stock houses/bungalows. Flats typically **low rise**



Tenure split of homes (owned and/or managed)



Home Types (owned and/or managed)





Our strategy



- Our mission is to build homes, independence and aspirations.
- We are mid-way through our 5 year strategy, which is an 'evolution not revolution' of our previous strategy.
- Our 4 strategic goals are focussed on providing quality homes and quality services and support for our customers:
 - Delivering for our customers and communities
 - Providing the right homes in the right places
 - Evolving our model of care and support
 - Creating a vibrant, customer focused organisation
- We measure progress against these goals to ensure they are fully embedded and driving everything we do.

Our 8 collective priorities for 2025/26

home

- Operating effectively at a regional level insight, ownership, action and accountability.
- Asset management a comprehensive view of our asset data and a strategy and function that proactively manages our assets and drives the business forward
- A high performing and efficient repairs and maintenance service.
- Data and reporting improving insight and analysis to drive performance.
- People strategy attract, recruit and retain.
- Deliver on our plans for care and supported.
- Development how we can deliver more.
- **Customer** improving their experience and engagement.

We have redefined last year's collective priorities as our business has evolved







Development

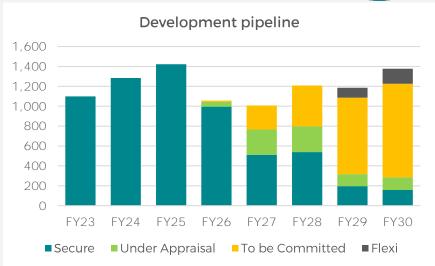
- home group
- **952 new build homes** handed over in the period to December 2024 (December 2023: 890).
- Build completions ahead of expectation through strong project management. The **targeted increase in affordable home ownership completions** has contributed to our sales success, year to date. The majority of homes delivered have been across **longer term projects**.
- Our development activity is subject to a robust risk management framework and schemes will only progress if target development KPIs are achieved.

Number of homes handed over	9 months ended 31 December 2024	9 months ended 31 December 2023
Social/affordable rent	306	552
Affordable home ownership	274	71
Outright sale	153	84
Joint ventures	219	183
Total	952	890

Development

- c.61% of our development pipeline continues to be affordable homes (2/3rd rented, 1/3rd shared ownership).
- 2% of the development pipeline is intended to be homes for **outright sale**, the proceeds of which help to subsidise development of affordable homes.
- The remaining 37% is homes that will be delivered by our joint ventures or through flexi-rent schemes (mix of market and sub-market), enabling us to limit our exposure while generating proceeds for reinvestment.
- We are focussed on our strategic goal of 'providing the right homes in the right places' and consider our current geographical footprint when considering new schemes.
- We maintain a diverse geographical spread which helps balance the Group's exposure to regional differences in market performance.
- Strong partnerships with Homes England (HE), the GLA and Scottish Government and multiple delivery mechanisms enable us to manage and monitor risk.





41% of the development pipeline is uncommitted giving us flexibility to commit to the right opportunities



Sales



- Strong sales performance YTD despite challenging market with 504 sales completed in the period to December 2024 (December 2023: 368).
- We have seen strong demand for the shared ownership product across all regions. Sale completions more than doubled in comparison to the period last year.
- The sales pipeline heading into **2025/26 is promising** where over 160 sales have been secured for affordable home ownership and outright sales. New schemes recently launched to the market have seen high demand and consistent sales rates, with new schemes still to launch offering further opportunities. We are also expecting a higher volume of sales from our joint ventures.

Number of sales completions	9 months ended 31 December 2024	9 months ended 30 December 2023
Affordable home ownership	217	103
Outright sale	98	119
Joint ventures	189	146
Total	504	368



Asset management and surveys



- As of 31 January 2025, we had completed **93%** (46,703 homes) **of our target** for all of our properties to have a valid stock survey within 5 years.
- For the remaining 7%, we are working with customers and housing colleagues to gain access to their homes.
- We are delivering our survey programme through a combination of internal and external providers with robust quality assurance processes in place.
- Our Asset Management Strategy is being refreshed and expected to be rolled out to the business by the end of Q2 which will provide clear direction and a comprehensive approach to managing our assets.
- We are delivering a number of key transformation projects over the next few years which will build on and refine the quality of our asset data and systems.



Building and fire safety



- We have 7 buildings that are 18m+ where Home Group are the Principle Accountable Person. 6 of these buildings were constructed after 2020.
- We have recently appointed two new Heads of Service Head of Fire Safety and Head of Building Safety - whose roles are focussed on ensuring our customers and buildings remain safe and fully compliant.
- Our Fire Safety and Building Safety Teams support and provide guidance and advice to our Regional Housing Directorates.
- We continue to **proactively manage** our Fire Risk Assessment programme in place across our whole portfolio and address remedial actions to ensure the safety of our customers.
- In the period to 31 December 2024, we incurred £8.0m (Dec-23: £8.3m) of building and fire safety costs.



Awaab's law



- We have a zero-tolerance approach to damp and mould, and are running a **pilot** to put our existing processes into a case management system.
- The pilot will allow us to **automate our processes** and have **enhanced insight** where we:
 - Have a detailed and customer-centric risk assessment making sure we consider customer circumstances alongside the severity of the damp and mould in the property.
 - Capture the full customer journey for all reports of damp and mould in one place to ensure we can easily monitor our customers' needs.
 - > Track inspection **outcomes, repairs, and timelines to completion**, aligned to timescales and required actions detailed in the law.
 - > Introduce a **dedicated role** responsible for keeping customers informed every step of the way, including seeking agreement that we have satisfactorily addressed their concerns.
- The learning in this pilot will be used to **inform** how we manage and respond to damp and mould **in readiness for 1 October 2025** when Awaab's Law is enforceable.



ESG snapshot

Environmental

- Into the 5th year of 30-year road map to green our homes and help UK reach net zero.
- Committed to EPC C by 2030.
- 71%* of homes have EPC rating C+ and 99.8%* of new homes have EPC rating B+.
- 100%* of waste generated from our offices was diverted from landfill.
- Sustainable Homes Index For Tomorrow (SHIFT) silver and ISO14001 accredited.

Social

- Customers are at the heart of our business.
- Regional model allows us to work more closely with customers and communities.
- Engage with over 3,700 customers, acting on their ideas.
- Invest over £1m per annum in employment costs for our customer apprentices and over £200k in their learning.
- 97% of our social housing rents are below or equal to Local Housing Allowances *.

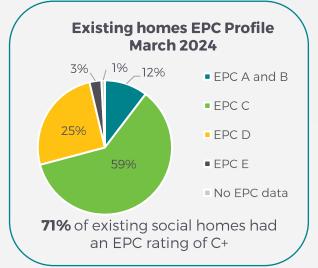
Governance

- G1:V2 rating from Regulator of Social Housing (IDA published March 2024).
- Diverse and skilled Board.
- Board updated on golden rules at every meeting and review thresholds annually.
- Strong focus on colleague wellbeing.
- Top 10 ranking as UK Best Workplace in Great Place to Work Results (super large category) since 2018.

^{*} Source: Home Group ESG Report 2023/24

Retrofit funding

- Aim to reduce energy costs for customers through retrofit and planned maintenance work.
- Awarded over £28m from the Warm Homes Fund in March 2025 the fifth largest amount given to a single housing association. In addition, we will invest close to £40m ourselves, allowing us to retrofit 3,500 homes.
- Previously retrofitted over 1,000 homes as part of Wave 1 and 2 of the Social Housing Decarbonisation fund, which preceded the Warm Homes Fund.
- Extensive customer engagement plan, including workshops to outline the works, technology and full training on how to use heat pumps effectively.
- Among customers whose homes were retrofitted was Queenie Fearon, who fed back "I'm so glad I agreed to have the modifications done to my house. Not only is it saving me money, it has really helped with my mental health."









Tenant Satisfaction Measures



We reported our performance under **Tenant Satisfaction Measures** for the first time in June 2024.

This slide summarises our performance for **Low Cost Rental Accommodation** ('LCRA', Rented + Supported) perception TSMs only. LCRA represents 85% of our portfolio in England.

We have considered our relative performance with reference to Housemark benchmarking data.

Where we perform well

- Overall satisfaction (66.9%)
- Safe homes (81.9%)
- ASB handling (61.0%)
- Respectful and helpful engagement (76.7%)

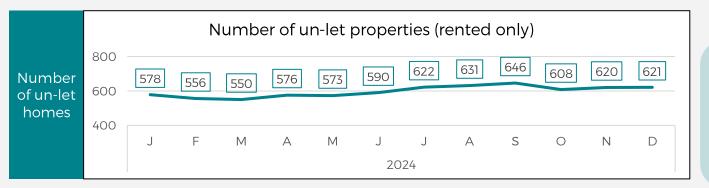
Where we perform less well

- Repairs satisfaction (64.1%)
- Communal areas (58.1%)
- Complaints handling (28.3%)

We recognise the need to improve services to our customers and our priorities for 2025 / 26 are very much customer focused.

Operational performance - voids





Temporary increase in relet times from Mar-24 to Sep-24 due to transitioning maintenance in the North-West from a contractor led approach to our direct work force and contractor challenges in the South.

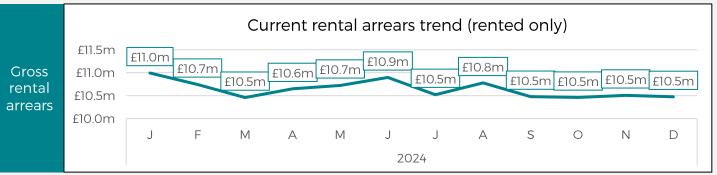


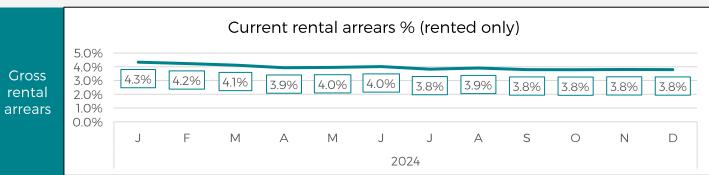
to move into available properties once the void works are complete

Expecting a significant improvement in voids by year end.

Operational performance - arrears







Arrears of £10.5million at end of December 2024. (Dec 2023: £11.4m)

Continued focus has resulted in reduction in arrears.

Further reduction in arrears expected at year end.



Historical FY financial summary

	Group				
Statement of comprehensive income	2021 £'000	2022 £'000	2023 £'000	2024 £'000	
Turnover	429,893	420,051	453,786	493,189	
Other operating income	-	-	6,805	450	
Cost of sales	(93,196)	(67,979)	(76,890)	(79,664)	
Operating expenditure	(277,271)	(297,316)	(334,482)	(351,068)	
Surplus on disposal of housing properties	9,520	11,487	19,412	9,036	
Operating surplus	68,946	66,243	68,631	71,943	
Share of profit/(loss) in JVs/associates	938	4,177	3,782	2,163	
Impairment of loan to associate	-	(419)	(1,466)	(1,473)	
Interest receivable	2,728	2,064	2,830	5,557	
Interest payable and financing costs	(43,843)	(43,936)	(48,922)	(55,014)	
Surplus before taxation (on ordinary activities)	28,769	28,129	24,855	23,530	
Total comprehensive income for the vear	18,611	46,767	51,650	21,663	



Performance to 31 December 2024



Surplus before tax

£35.9 million (Dec-23: £26.2 million)

Operating margin for social housing lettings

22.7% (Dec-23: 21.5%)

Considerable covenant headroom

Gearing: 51.5% (Dec-23 50.3%) ICR: 232% (Dec-23 234%)

Significant pool of unencumbered assets Dec-24: £4.5bn MV-VP: £2.4bn MV-STT

Standard & Poor's rating

A- (stable outlook)

41% of development pipeline is uncommitted

Liquidity (undrawn facilities and cash) £290 million (Dec-23: £342 million) and an additional £260 million secured in Mar-25

> Rental arrears (rented only) 3.8% (Dec-23: 4.5%)



Key financials

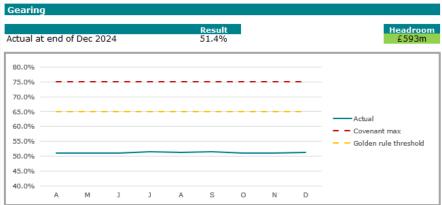


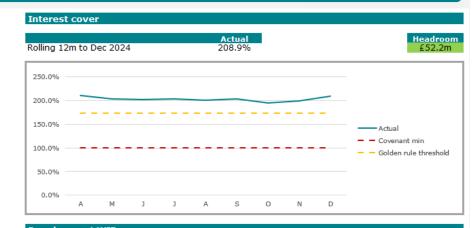
Key financial indicators	9 months ended 31 December 2023	9 months ended 31 December 2024
Turnover £000	368,735	380,340
Operating surplus £000	61,980	76,646
Operating margin (Overall)	14.9%	18.4%
Operating margin (Social housing lettings)	21.5%	22.7%
Surplus before tax £000	26,236	35,933
Gearing (maximum 75%) Note 1	50.3%	51.5%
Interest cover (minimum 100%) Notes 1 and 2	234%	232%
Net debt £million	1,207	1,287
Net debt per unit £	23,557	25,052

Notes

- (1) Based on 9 months of the financial year (as opposed to rolling 12 months)
- (2) Tightest Group covenants.

Golden rule performance as at 31 December 2024







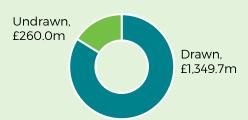




Capital structure and borrowing

S&P credit rating A- (stable outlook)

Committed facilities



Liquidity position (Dec 24): £260m undrawn facilities plus £30m cash balance

Policy is to maintain liquidity to cover at least 18 months' cash requirements (current position: 26 months).

Additional funding completed in Mar-25 that will increase undrawn facilities by £260m when ongoing security work is completed.

Security



Significant pool of unencumbered assets (£4.5bn MV-VP; £2.4bn MV-STT)* to support future growth strategy.

Valuation is based on internal assessment using market data as at 31 Dec 2024.

*Includes assets of £0.2bn that will be used to secure funding completed in Mar-25

Fixed / floating



No fixed standalone derivatives are currently in place, only fixed rate debt and fixings using embedded options within loan arrangements although standalone derivatives being explored.

Policy is to **aim** to maintain 65-80% of borrowings on a fixed rate basis. Data as at 31 Dec 24.



Recent treasury activity



- Refreshed treasury strategy in line with overall group strategy and current business plan considering:
 - Current facilities
 - Liquidity requirement
 - Market conditions
- Conclusion: seek to increase pool of available revolving credit facilities (RCFs) by £260m
- Outcome: loan agreements signed in March 2025
 - 3 existing facilities increased, one new lender
 - Covenant simplification and alignment
 - Spread refinance risk
 - Strong commercial terms negotiated

We expect to return to the capital markets periodically for longer dated funding to repay drawn facilities.



£50m increase to £250m



£50m increase to £175m



£50m increase to £140m



New £110m facility



Credit rating overview



S&P: A- (Stable Outlook) – Reaffirmed 22 August 2024:

- "The stable outlook reflects our view that the group's strategy to de-risk its development programme, along with its expanding rental asset base and flexibility in plans will help mitigate cost and investment pressures."
- "We continue to believe that the **demand** for the group's supported housing tenure **remains strong**."
- "Home Group's strategy and targets align well with its operations capabilities."
- "Home Group's strategic decision to reduce its market sales exposure... will add resilience to its business model."
- "We assess Home Group's **liquidity** position as **very strong**."

S&P Global Ratings



Key credit highlights



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952 homes handed over (2023: 890)*

Customer's overall satisfaction 66.9%

(peer group median 66.7%)

* 9 months to 31st December (unaudited)



Our board





John Cridland, CBE (Chair)



Ken Gillespie



Susan Deacon, CBE



Brian Walsh



Linda Cullen



Duncan Cumberland



Chris Vallis



Lara Joisce



Zoe Hingston



Indra Mudie



Mark Henderson



Helen Meehan

Our Board have a variety of experience and skills. Their background ranges from housing, CQC and social care services to construction and finance. Two of our board members are customers. Please visit our website for further information.

Our executive team





Mark Henderson Chief Executive



Helen Meehan Chief Financial Officer



Will Gardner
Executive Director - Asset and
Development



Paul Walker Executive Director - Repairs and Maintenance



Nusheen HussainExecutive Director - Customer and Communities

Our Executive Team is a group of experienced leaders responsible for driving our organisation forward and engaging with the board on strategic issues. They have over 50 years of working at Home Group and a variety of experience within previous roles. Our website includes details of their previous experience.

Our group structure

Key



