



# Investor Update

November 2024

# Presenting team



**Sarah Thomas**  
**Chief Executive**

- ▶ Joined RHP in April 2023
- ▶ 12 years' experience in the housing sector at Executive level, most recently as Chief Operating Officer at Peabody, and Interim Chief Executive and Chief Operating Officer at Catalyst
- ▶ Prior to roles in housing, Sarah worked in the commercial sector including over eight years' experience at a senior level at Eurostar
- ▶ Sarah's roles have covered a wide range of business activities including strategic planning, transformation, operations, customer experience and corporate services



**Corinna Bishopp BAFCa**  
**Executive Director of Financial and Commercial Services, and Deputy CEO**

- ▶ Joined RHP in July 2017
- ▶ Previously Interim Executive Director of Finance at Thames Valley Housing and consultant on Thames Valley Housing merger
- ▶ Led IPO at McCarthy and Stone
- ▶ Interim Executive Director of Finance for Eversholt Rail 2013-2015
- ▶ Consultant leading on finance transformation at Centrica
- ▶ 10 years in Bupa, latterly Finance Director Bupa Latin America
- ▶ Qualified in 1997 at PwC



**Julian Chun**  
**Executive Director of Homes**

- ▶ Joined RHP in June 2022 from VIVID Homes, where he was Director of Property & Strategic Services
- ▶ Chartered Member of the Chartered Institute of Housing (CMCIH)
- ▶ Spent most of his career leading service improvements across asset and housing management for several local, regional and national housing providers



**Chris Majewski**  
**Head of Business Planning, Treasury and Risk**

- ▶ Joined RHP in January 2014
- ▶ Previous roles at RHP include customer services, leasehold finance, financial accounting and development accounting
- ▶ Part qualified CIMA, ACCA and ACT. Risk Management accreditation through London School of Economics

Introduction	4
Strategy	10
ESG	16
Operating Review	20
Development Strategy Overview	24
Financial Review	29
Treasury Management	32
Conclusion	35
Appendix – Board, Executive and Corporate Structure	37



A group of ten people, including nine women and one man, are standing outdoors in a garden or park-like setting. They are arranged in two rows, with some standing on a paved path and others slightly behind. The background features green foliage and a brick building. A large, semi-circular pink graphic is overlaid at the bottom of the image. The word "Introduction" is written in a stylized, pink-outlined font across the center of the group.

# Introduction

## G1/V1 rating



### Strong regulatory endorsement and stringent governance

G1/V1 rating from the regulator reconfirmed in December 2023 following annual stability check. Refreshed Governance and Risk Management frameworks implemented in 2024. Strong controls including internal audit, continually improved stress testing and mitigation planning of business plan, and excellent health & safety management.

## Financial capacity to invest



### Fully funded until December 2027

Strong liquidity (£120m available loan facilities, fully secured), and no major repairs linked covenants in portfolio.

## High value, focused geography



### Operations concentrated in areas with high property demand & property values

RHP solely operates in South West London, where demand and property values are consistently higher than average (MV £3bn, EUV-SH £670m). Recent stock purchase of 201 homes increased density in existing borough.

## Delivering against refreshed strategy



### Refreshed strategy with an emphasis on our social purpose

Focused on delivering high performing services to our customers and better understanding our customers' needs, extending our reach and economies of scale through growth and partnerships. We continue to have no market sale activity. Growth and community connection both making great progress in the year.

## Sector leading financial performance



### Sector leading financial performance

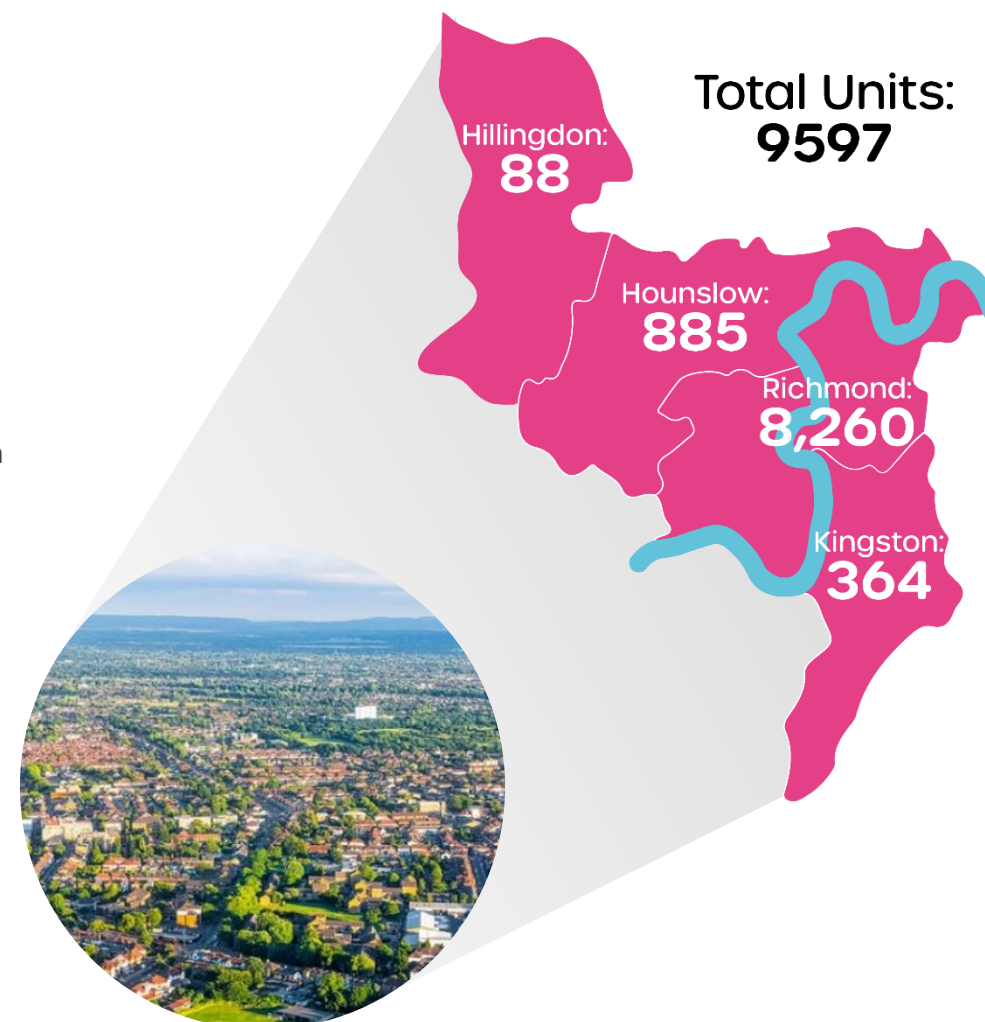
Operating margin and interest cover remains above our London peer group median benchmark\* as the sector invests more in their stock and managing additional regulatory and consumer pressures.

\*Based on audited results for 23/24. Benchmark provided by HouseMark.

# Where we operate



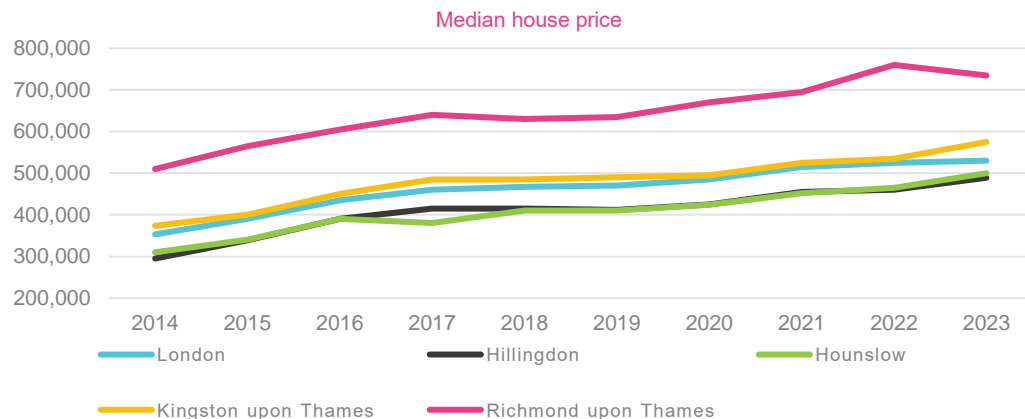
- ▶ RHP Group owns and manages a total of 11,017 properties at 30 September 2024.
  - RHP Ltd (parent) owns and manages a total of 9,597 properties (7,623 social, 10 market & 1,964 leasehold) in the London boroughs of Richmond, Kingston, Hillingdon and Hounslow (map on the right)
  - Co-op Homes joined RHP in 2005 (1,106 managed properties, 314 owned in addition to the 9,597 units above)
- ▶ Increase in property numbers during the year in part due to acquisition of 201 units from L&Q in existing areas of operation. An additional 108 homes exchanged in new adjacent borough.
- ▶ Our focus is on general needs and affordable properties in these outer London boroughs, which continue to sustain high property prices and levels of demand for affordable housing
- ▶ The majority of the portfolio was purchased from Richmond Council in an 8,000+ unit Large Scale Voluntary Transfer in July 2000



# Demand for homes in key localities



## House prices – Richmond consistently higher than London average



## Weekly rent levels – Average weekly rent (LBRuT) <50% of private market rent in local area

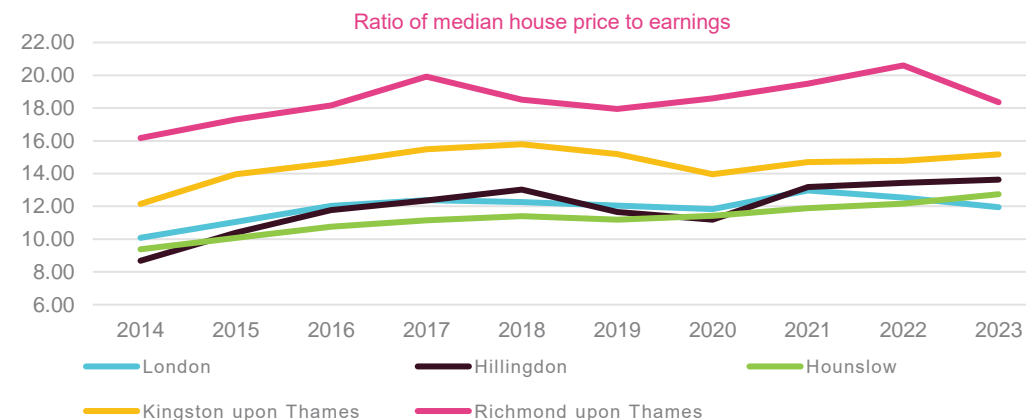
	Average RHP Rent (Weekly £)	Average Local Housing Allowance rate (Outer SW London) (Weekly £)	Average private rent (Weekly £)	RHP rent as % of private rent
1 bed	143.50	276.16	303.46	49%
2 bed	163.87	344.05	408.92	43%
3 bed	174.79	414.25	518.77	33%

## Waiting lists – remain exceptionally high in Richmond

* Source – London Borough of Richmond Council	1 bed	2 bed	3 bed +	Total
Richmond borough waiting list at March 2024	2,965	1,417	945	5,327*
Richmond borough waiting list at March 2023	3,081	1,344	960	5,385

\*At current annual void levels of c.300 per year, it would take c.17 years to exhaust this current waiting list

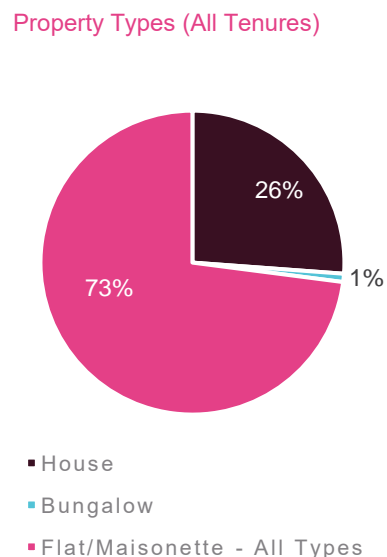
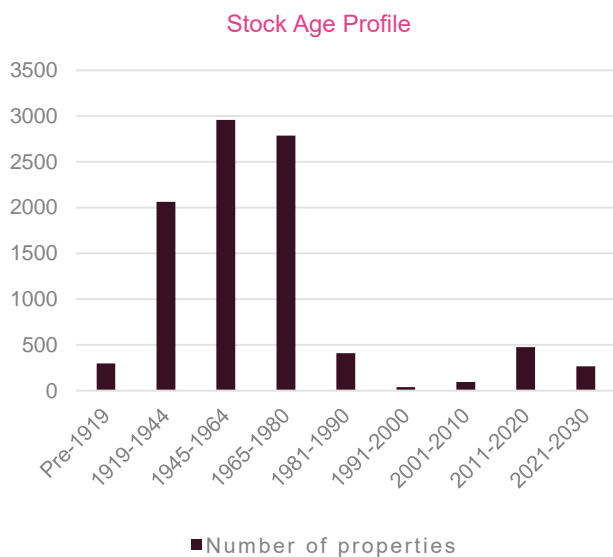
## Affordability – Richmond affordability issues even more pronounced than on average across London





## STOCK AGE AND CONDITION

- ▶ The majority of the portfolio was purchased from the London Borough of Richmond-upon-Thames in a Large-Scale Voluntary Transfer in 2000.
- ▶ RHP undertook limited development activity prior to 2017. We now have an experienced team in place, delivering a modest development programme.
- ▶ **99.9% of homes meeting Decent Home Standard** (2 not meeting standard due to access issues concerning hoarding).
- ▶ **78% of homes with accurate stock condition surveys** (on a rolling 5-year basis).



## DECARBONISATION

- ▶ Experienced in-house team delivering multi-million-pound refurbishments contracts, with skills in customer engagement.
- ▶ Targeting **100% of homes to EPC-C** or above by 2030. All fully funded in the business plan.
- ▶ **52% of homes at EPC-C** or above
- ▶ 89% of homes having been formally assessed with an EPC survey
- ▶ All **new homes built to EPC-B** or above
- ▶ We have secured **£2.62m SHDF grant** to support our retrofit programme in Barnes (the highest grant award relative to size in Wave 2)
- ▶ Submitted a further bid in Wave 3 in November 2024

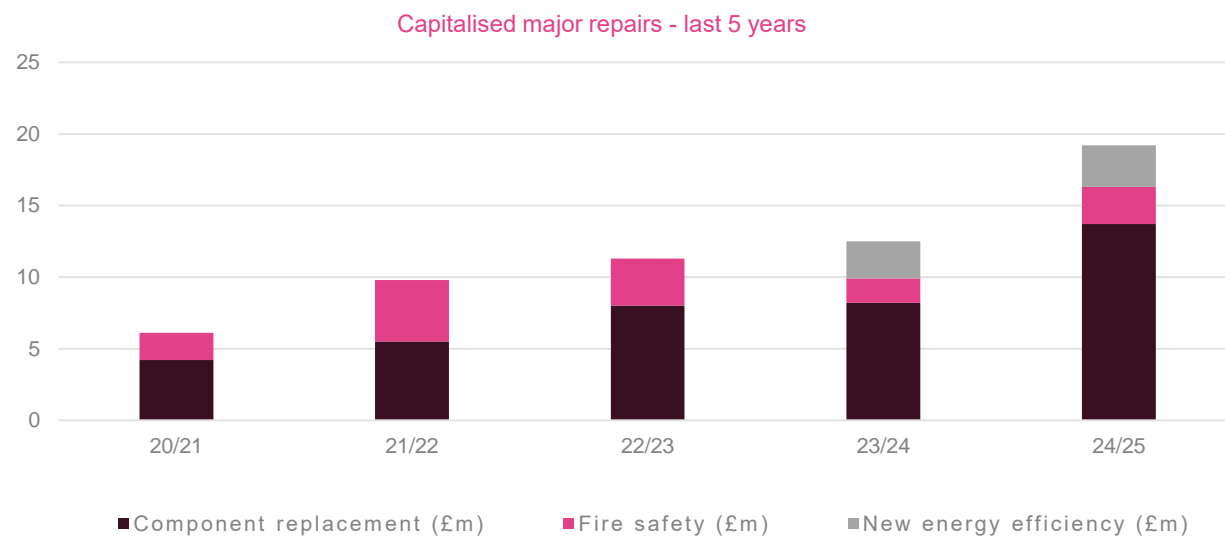
## BUILDING SAFETY

- ▶ **7 buildings above 18 metres** and therefore "In-scope" with the Building Safety Regulator
- ▶ **No ACM/HPL cladding** on these, with the Building Safety Case in process of being completed
- ▶ **100% of blocks have in date fire risk assessments**
- ▶ 1st Housing association in South England and 2nd in the country to be awarded BS9997 accreditation (first to transfer from PAS7) of our fire safety management system, certified for another 3 years



## APPROACH TO ASSET MANAGEMENT

- ▶ Detailed rolling 5-year stock investment plan including costed energy performance improvements to EPC-C 2030 in our business plan.
- ▶ New asset management system under implementation enabling us to identify proactively assets and their net present value analysis for options appraisal.
- ▶ Investment in stock has steadily increased over the last 5 years with our focus on fire safety and energy efficiency.
- ▶ Highly experienced and technically capable team in place to deliver a range of stock improvements.
- ▶ Additional investment (above peer group) in ensuring all re-let homes are comfortable, including carpets and decorations when customer moves in.
- ▶ Limited targeted disposals strategy as properties become vacant if high value or where substantial capital expenditure is required – limited to <5 per year. Proceeds from sale to be reinvested in development projects in Richmond.



A group of five people (three men and two women) are standing outdoors in a garden or yard. They are all wearing dark-colored sweatshirts with a small logo on the chest. The man on the far left is holding a long-handled tool, possibly a shovel or a rake. The background shows a brick house and some foliage. A large, semi-transparent pink curved shape is overlaid on the bottom half of the image. The word "Strategy" is written in a stylized, outlined font across the center of the image.

# Strategy



## OUR PURPOSE:

We provide safe, secure homes - opening the door to life opportunities

*Our purpose is why we exist. It's what drives us to provide our customers with homes they can be proud of and services they can trust.*



## OUR VISION:

Our vision is to be trusted as a socially responsible housing provider which is high performing, community-connected and values based.

*Our vision describes our long-term aspirations and ultimately where we want our work to lead us.*

## OUR VALUES:

### WE KNOW OUR STUFF



We build trust and confidence by being experts in what we do. Our knowledge and skills enable us to get the most important stuff right – providing an excellent service and keeping our customers, our homes and each other safe. We embrace change and recognise when we need to adapt, learn and develop new skills.

### WE MAKE IT HAPPEN



We show accountability, energy and passion for finding speedy resolutions and people will trust that we'll do what we say we will. We'll use collaboration and creativity to work together to find better ways of doing things. We don't stand on the sidelines and get involved in a way that's meaningful for us. We find joy in what we do and will have fun along the way.

### WE CARE



We care about providing an amazing service to our customers and each other. We treat people as individuals and show empathy by putting ourselves in their shoes. We really listen, being present for both customers and colleagues – making them feel in safe hands. We care about what happens today and tomorrow for our people, communities, homes and the planet.

## OUR FOUR STRATEGIC PILLARS:



### **Socially responsible:**

providing safe, secure homes in a way that's environmentally sustainable. Investing in housing for those who cannot access the private market. Exploring strategic partnerships and growth opportunities to enable us to add value and protect homes for local communities.



### **High-performing:**

delivering efficient, reliable services. A proactively managed, commercially astute business, which maximises value and reduces waste. A reputation for knowing our stuff and making it happen.



### **Community-connected:**

strongly connected to communities, whether local, or through a common purpose. A positive presence working with similar-minded organisations. Understanding our customers, their individual and collective needs, and using our influence to voice their priorities.



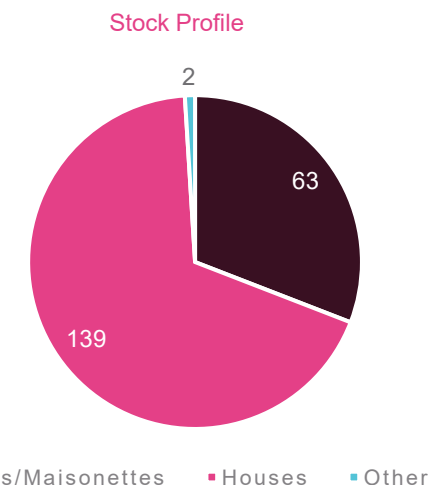
### **Values-based:**

guided by our values in our decision-making. Working with customers to deliver outcomes which matter. Creating an environment where talented people who care can make a difference. An ethical and inclusive organisation which people love working with and for.





- ▶ In September 2024, we completed a stock transfer with L&Q to acquire 201 homes across the boroughs in Richmond and Hounslow. The acquisition also included a freehold property with services, a playground and a plot of land.
- ▶ The homes are in areas that RHP already operates in, with many next to our existing properties. This means we have been able to take over the management of homes and services with little disruption to residents.



- ▶ The stock profile is a mixture of houses and low-rise flats and maisonettes, all at social or affordable rents.
- ▶ As this stock is in our core geography, we have been able to integrate into existing operations with little impact to our cost base.
- ▶ We were able to fund the purchase using available cash. This, combined with the additional rent receipts, has had a positive impact to EBITDA-MRI Interest Cover, improving the metric by 10 percentage points in 24/25.
- ▶ We have also exchanged on 108 properties in our neighbouring borough of Spelthorne. This portfolio of properties also improve our financial strength. Expected completion date 27 January 2025.

# How we have been recognised



Proud to be a member of  
**PlaceShapers**  
Together we help communities thrive



**INVESTORS IN PEOPLE®**  
**We invest in people** Platinum





The background image shows two workers in safety gear installing solar panels on a residential roof. A large, semi-circular pink graphic element is overlaid on the bottom half of the image. The text 'Environmental, Social and Governance (ESG)' is centered in the upper half of the image, rendered in a pink, outlined font.

# Environmental, Social and Governance (ESG)



ESG has always been a feature of our organisation and the Sustainable Finance Framework we published in March 2023 allows us to embed ESG principles across our entire business. The framework is aligned to ICMA and LMA principles on a Use of Proceeds basis.

## ENVIRONMENTAL

Our **3 key areas of focus** with respect to the environmental impact that we have are:

We believe in the need for sustainability, resilience and the importance of ESG considerations. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities. Our approach to ESG components is essential to how we create a better business and a better society, and we believe in demonstrating excellence in these areas.

### 1 Green Buildings



- ▶ Development of green buildings which meet a minimum EPC Rating of B or above on:
  - construction of new homes
  - regeneration of communities
- ▶ Retrofit pilot in Barnes to deliver EPC “C” targets – £2.62m SHDF secured.
- ▶ BREEAM certified office building.



### 2 Renewable Energy



- ▶ Investing in projects aimed at integrating renewables into the energy system for buildings. This includes using photovoltaics to generate clean energy.
- ▶ Pitched roofing renewals programme including installation of photovoltaics by default.



### 3 Energy Efficiency



- ▶ SMART technology: installation of energy saving technology aimed at delivering savings in residents homes and improving energy usage.
- ▶ Pool car fleet to all electric, trial of electric vehicle charging points on estates and “Amazon” style lockers to reduce travel journeys in the Borough.



## SOCIAL

Our **2 key areas of focus** with respect to the social impact we have are:

1

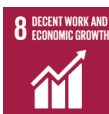
### Affordable Housing:



- ▶ Financing the construction of new Social and Affordable Housing. This also includes refinancing of existing Social or Affordable Housing. Homes comply with the Government definition of Social or Affordable Housing (including Shared Ownership with relevant income thresholds) and include other forms of supported or sheltered housing. As our rents are less than 50% of market value, our value to society is c. £77m.

2

### Socio-economic advancement and empowerment:



- ▶ Support services aimed at enhancing the lives of our customers, employees and communities. This includes promoting equal opportunities, improving wellbeing and offering financial support to ensure healthy lives and promote wellbeing for all.
  - ▶ **New Neighbourhood and Communities team (case study)**
  - ▶ **5 apprentices directly employed – another 9 via social value clauses with repairs and compliance partners delivering real value to our local communities**
  - ▶ Financial support services
  - ▶ Commercial & entrepreneurial support and work skills
  - ▶ Mental and physical health support

## GOVERNANCE

Our **key areas of focus** with respect to governance are:

### We have a strong approach to the governance of the organisation



- ▶ Since our inception in 2000 we have retained a G1/V1 governance and viability rating from the regulator (or equivalent), most recently confirmed in December 2023 following the annual stability check.
- ▶ Revised Governance Framework adopted in 2024 with strengthened committee structure and clarity on oversight of subsidiaries.
- ▶ Strong controls including internal audit, continually improved stress testing and mitigation planning of business plan, and excellent health & safety management.

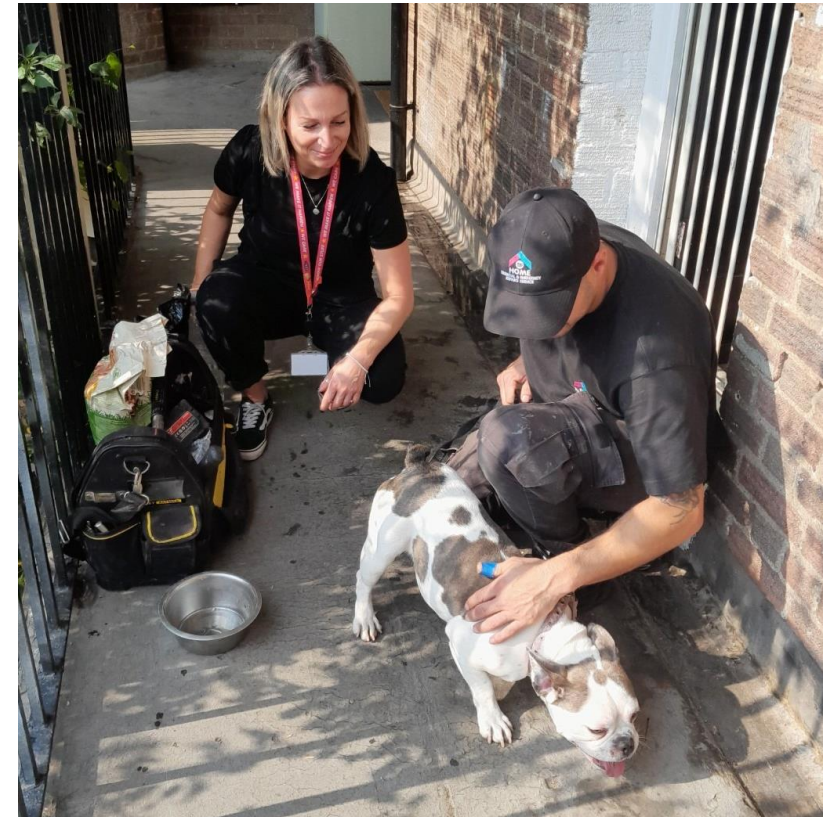
## CASE STUDY: NEIGHBOURHOOD AND COMMUNITIES TEAM



Our Neighbourhood and Communities Team (including community engagement, caretaking, and retirement housing), continue to help us build a stronger presence in the communities we serve. In addition to regularly going out to local neighbourhoods, they've been visiting homes to clear communal areas and look after green spaces.

We have recruited 3 specific roles to provide enhanced community engagement services and particular examples that have made a significant difference to our communities include:

- ▶ Brightened the day for residents at another retirement scheme with a delivery of new garden furniture.
- ▶ The Community Engagement Team worked with our Caretakers to clean up Butts Farm and Ripley House.
- ▶ At Ripley House, the team also discovered abandoned animals inside a vacated property, including a dog, guinea pig and some fish. The team organised a forced entry and changed the locks. They also bought food for the animals whilst they waited for the RSPCA to arrive. Josh from RHP Home, who had come to help get into the property, even took the dog to the vet.
- ▶ The Community Engagement Team have also been visiting local neighbourhoods to give customers the opportunity to speak to them about any RHP-related queries or to tell us what they think. So far, drop-in sessions have been held in Barnes, Castlenau, Ham, Hanworth, New Malden, Teddington, West Sheen and Whitton. This excellent cross-team working is helping us make a real difference in our local neighbourhoods, and increase our connections with the community.



The image features three individuals—two women and one man—smiling and wearing white polo shirts with a red circular logo on the left chest. They are positioned in front of a blurred background of a residential street with houses and parked cars. A large, semi-circular pink gradient overlay covers the bottom half of the image. The text "Operating Review" is centered in the upper half, rendered in a pink, outlined, sans-serif font.

# Operating Review



## Operational performance:

- ▶ 17 months into new contracts with repairs and maintenance provider Kier and compliance provider Smith and Byford.
- ▶ **Compliance:** contract for gas and electrical health and safety compliance with Smith and Byford embedded well with good and stable performance.
- ▶ **Repairs:** Ongoing sector wide challenges with repairs backlogs from the Covid period still prevailing resulting in an increase in complaints.
  - Steadily increasing tenant satisfaction metric scores with overall satisfaction at 61%
  - Repairs satisfaction improved by 8% in 12 months (62%)
  - Focus teams delivering improvements in repairs backlogs and complaints handling
  - New contractors brought in to tackle specific areas of backlogs
- ▶ **Damp and mould:** proactive communication with customers, scrutiny of all data, new improved contractors, weekly reporting to Executive Committee for oversight. Only 1 severe case at 20 November, no extreme cases.
- ▶ **Caretaking:** Satisfaction score at 69% and great feedback on service provided to new customers as a result of stock transfer.
- ▶ **Voids:** significant improvement over last 18 months – turnaround time moved from >200 days to <100 days.
- ▶ Progress maintained in our systems and data transformation programmes including delivery of first phase of new data platform to provide centralised 'single source of truth'
- ▶ We retain sector leading levels of engagement – 86% (September 2024) of employees satisfied with working at RHP, 4.5/5 Glassdoor rating.



# Ongoing challenges facing the sector



## FINANCIAL VIABILITY



- ▶ Increased investment in existing stock coupled with capped rents and higher interest rates leading to declines in EBITDA-MRI Interest Cover
- ▶ RHP consistently outperforming peer group, however performance has declined over the last few years
- ▶ Retained V1 status since inception.

## STOCK QUALITY, SAFETY AND COMPLIANCE



- ▶ Continued emphasis on tenant safety and compliance
- ▶ Increased media coverage in wake of Grenfell and Awaab Ishak tragedies
- ▶ RHP has improved its approach to damp and mould, while the business plan includes record levels of stock investment as we strive to ensure our stock is of high safety standards and quality, in line with our purpose.

## DEVELOPMENT SLOWDOWN



- ▶ Sector output has waned due to investment trade offs
- ▶ Scheme viability without cross-subsidy increasingly challenging due to higher build costs and interest rates
- ▶ Increased financial performance thresholds implemented for scheme approval
- ▶ No plans to develop homes for market sale or private rent.

## DATA INTEGRITY AND CYBER SECURITY



- ▶ Accurate and robust data systems are a critical focus
- ▶ Ability to manage data effectively is increasingly tied to governance and regulatory performance
- ▶ Cyber remains a constant threat with major attacks seen recently in the sector
- ▶ RHP suffered a recent breach which was quickly identified and shut down, with no systems downtime and no customer or employee data accessed.

## LABOUR SHORTAGES CONTINUE TO STRAIN SERVICE DELIVERY



- ▶ Labour shortages in skilled trades needed to meet growing demand for repairs and maintenance
- ▶ Impacts our new employed labour force and in sourcing of qualified, price competitive specialists in areas such as building safety and damp and mould
- ▶ Our legacy investment in employee welfare and employee engagement however has mitigated the worst of this impact resulting in substantial volumes of applications for many roles.

## INCREASED REGULATION



- ▶ New Consumer Standards now in force
- ▶ Changes to regulatory and oversight regimes leading to increased investment in resources
- ▶ Law review into Community Benefit Societies could mean further regulation

# Operating performance statistics



TENANT SATISFACTION MEASURES	22/23	23/24	24/25 YTD	23/24 London peer group median benchmark
Tenant satisfaction	59%*	59%*	61%	59%
Homeowner satisfaction	90%	86%	87%	N/A
Satisfaction with communal areas – new*	71%*	71%*	69%	64%
Tenant satisfaction with repairs service – new*	52%*	54%*	62%	63%
Occupancy rate	99.8%	99.5%	N/A	99.5%
Rent collected from current and former tenants as % rent due	99.3%	99.1%	98.9%	99.4%
Employee satisfaction	86%	80%	87%	80%
Compliance with the Decent Homes Standard	100%	99.72%	99.9%	96.3%
Gas safety compliance	99.97%	100%	99.4%	99.8%

Although our repairs service is not yet at the standard we would expect, we are seeing improvements as a result of our focus on better communication, community engagement and improving our repairs service.

Occupancy rate only calculated at the year end.



# Development Strategy Overview



# Overview of our development strategy



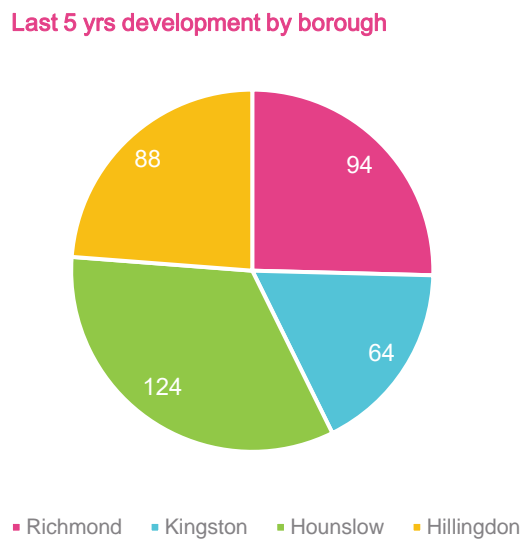
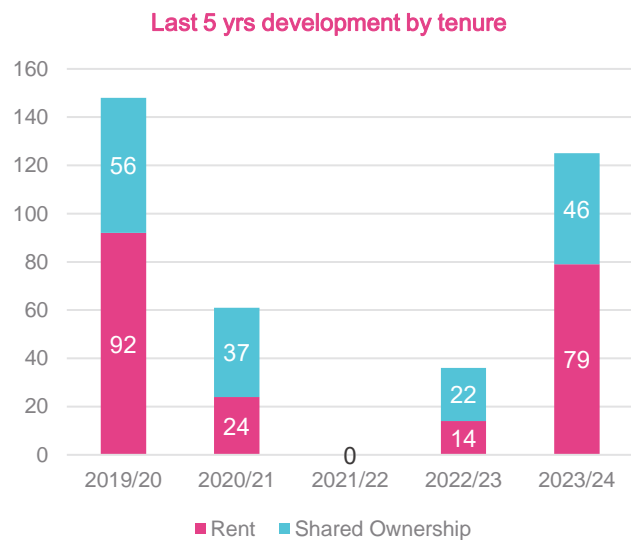
- ▶ We will build 600 homes between 2023-28
- ▶ We will continue to focus on Richmond, Kingston and Hounslow, but we are also exploring opportunities in Hillingdon and Ealing.
- ▶ Continue to be opportunity led with a consistent pipeline of regeneration schemes including retirement housing.
- ▶ Balance tenures on a project-by-project basis, utilising London Living Rent tenures to generate higher returns on investment
- ▶ Keep a small percentage of our developments as Section 106
- ▶ Over the next 5 years, four existing retirement schemes are prioritised for redevelopment
- ▶ We are being more selective with the developments we proceed with in response to wider market conditions. This ensures we maintain our financial strength and provides better resilience against financial shocks.
- ▶ Carefully consider where we build shared ownership properties, using previous experience of sales demand and using knowledgeable partners
- ▶ We carry out additional solvency checks to protect us against contractor failure.



# Recent completed developments



- ▶ 370 homes delivered over last five years (125 in 23/24 and 24 so far in 24/25), 414 on site or in contract (including Ham Close regeneration and new homes), and further 63 in the pipeline
- ▶ Ham Close in contract and achieved start-on-site deadline to claim GLA grant, currently nearing Golden Brick for first phase.
- ▶ No market sale or new homes developed for Private Rental Sector (PRS)
- ▶ Limited exposure on shared ownership in 24/25 and 25/26 .
- ▶ Exploring opportunities in adjoining boroughs



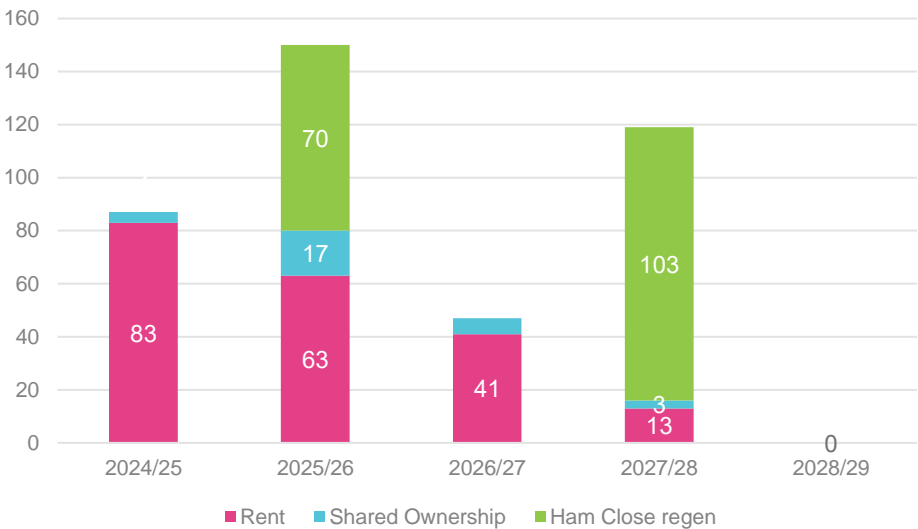


## NEW BUSINESS OPPORTUNITIES AND CHALLENGES

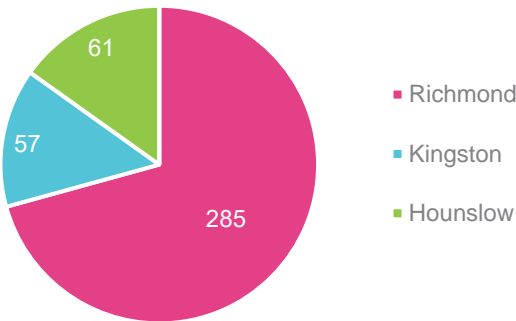
- ▶ During 23/24 offers to deliver 1,600+ new homes across 37 sites were made across Richmond, Wandsworth, Kingston, Ealing and Hillingdon.
- ▶ The majority of these were package deals.
- ▶ Most unsuccessful due to seller expectations above our own.
- ▶ We currently have the largest programme of new homes in Richmond since the stock transfer and delivered the only affordable rented houses in the Borough.
- ▶ Like others in the sector, we have experienced increase delays on site, requests for increases in contract payments and failure of contracts. We remain able to manage these within our business plan.



Forecast completions by tenure



Forecast completions 23-28 by geography (excl Ham)



- ▶ Ham Close, Ham, Richmond. An estate of 192 homes acquired as part of original stock transfer from London Borough of Richmond upon Thames in July 2000
- ▶ Poor quality construction, combined with 'liveability' issues – larger family homes on upper floors with no lifts, accessibility problems for people in wheelchairs which was identified by the Council as priority in their 'uplift' programme
- ▶ To replace with 452 new homes, with approx. 50% affordable (includes replacement of existing affordable and new affordable homes), two new community facilities and public realm



- ▶ Experienced development partner in contract – Hill. The first phase commenced early 2024, with the first 60 homes due to have foundations completed by the end of 2024/25.
- ▶ They are taking construction and market risk. RHP will simply acquire the new affordable homes from them at a pre-agreed price.
- ▶ Financial metrics performing well, with land receipt at c.£17.3m and affordable housing cost at c.£35.3m.
- ▶ RHP will retain the freehold of the estate retaining maintenance and management of all the homes (except freehold houses).
- ▶ Overall an 8-year build programme, which is currently on track.



The background features a dark blue grid with a glowing orange sine wave that oscillates across the frame. The bottom portion of the image is a solid, vibrant pink. The text 'Financial Review' is centered in the upper half, rendered in a pink, outlined font.

# Financial Review

# Financial results - Group headlines



	2021/22	2022/23	2023/24
Turnover	£63m	£67m	£71m
Of which first tranche sales	£2m (3%)	£3m (4%)	£3m (4%)
Operating surplus	£16m	£19m	£16m
Overall operating margin	22%	25%	21%
Net surplus	£13m***	£13m**	£9m*
Major repairs spend	£10m	£12m	£13m
EBITDA-MRI Interest Cover (pre-impairment)	142%	132%	137%
Drawn Debt	£273m	£273m	£273m
Gearing	58%	57%	55%
EUV-SH value	£582m	£617m	£639m
New homes completed	0	36	125

## Key Points to Note:

- ▶ Continued pressure on operating margin due to ongoing pressure on costs - investment in health and safety, inflation and investment in service levels.
- ▶ Continue to see an increase in stock investment spend as previously detailed, and fully endorsed as strategic decision by the Board.
- ▶ Legacy focus on efficiency continues to ensure operating margins support investment.

\* 23/24 - £1.0m actuarial loss on pensions and £1.1m adverse movement in fair value of investment properties

\*\* 22/23 - £1.7m actuarial gain on pensions

\*\*\* 21/22 - £2.2m impairment at Onslow Mills, £4m actuarial gain on pensions

# Summary Financial metrics - RHP Group

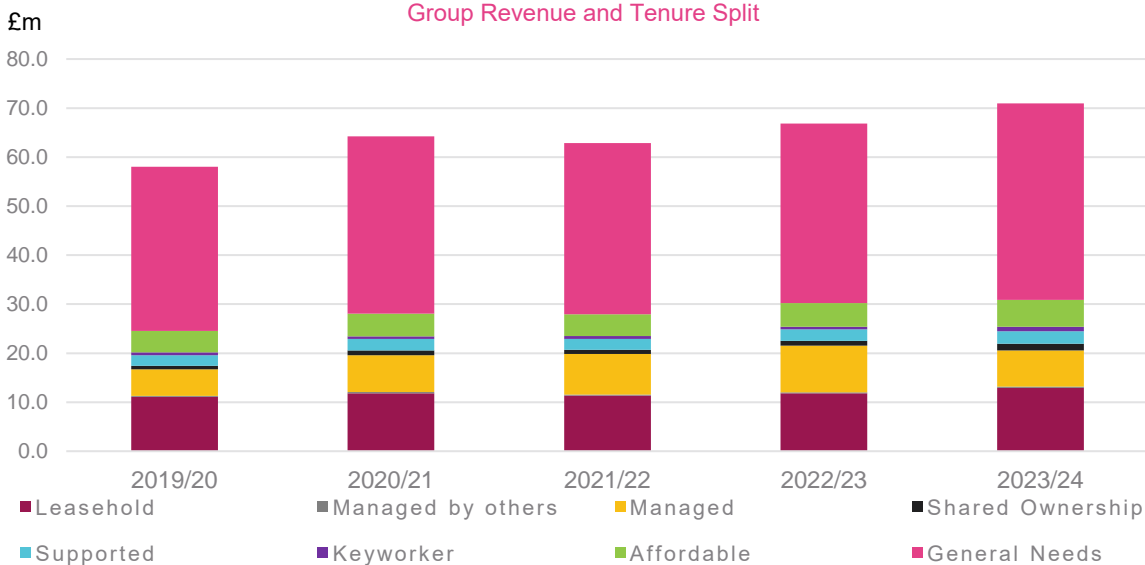


## OUR FINANCIAL PERFORMANCE REMAINS CONSISTENTLY ABOVE OUR PEER GROUP\*:

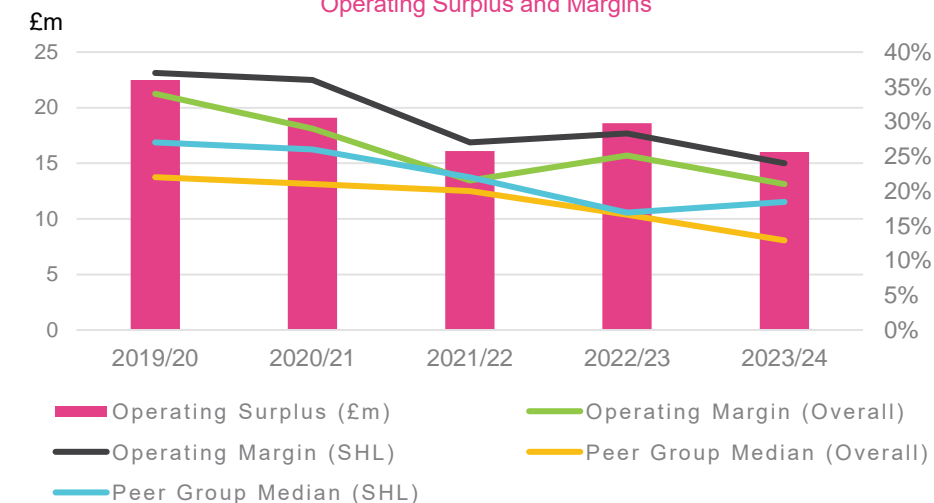
- ▶ Global inflation and supply chain and labour shortages affecting revenue and capital spend
- ▶ Substantial increase in stock investment for fire safety and energy efficiency

\* Peer Group – Housemark London housing providers with more than 1,000 units

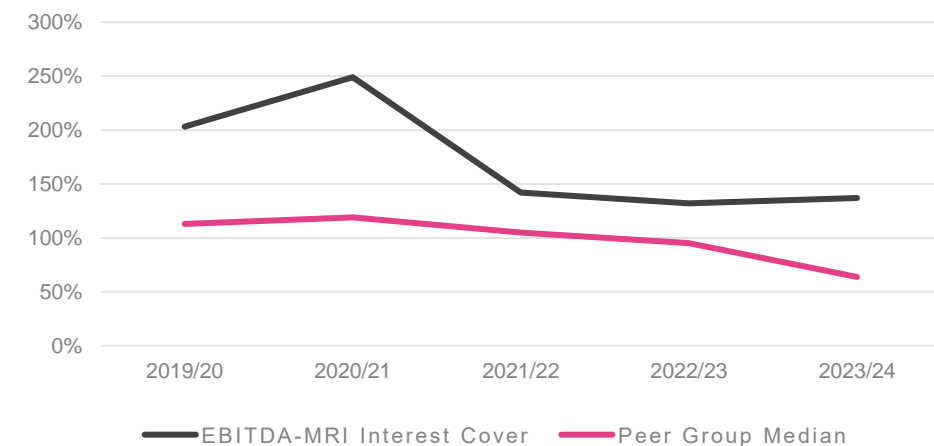
## Group Revenue and Tenure Split



## Operating Surplus and Margins



## EBITDA-MRI Interest Cover

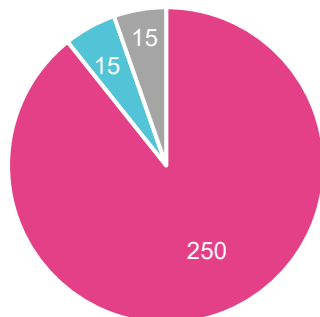


# Treasury Management

The background of the slide is a dark, moody image featuring a blurred view of a modern building at night. Overlaid on this are faint, glowing pink and purple lines representing various financial charts, including a line graph and a bar chart. On the right side, there is a stack of coins. The title 'Treasury Management' is centered in a large, white, serif font with a pink outline.

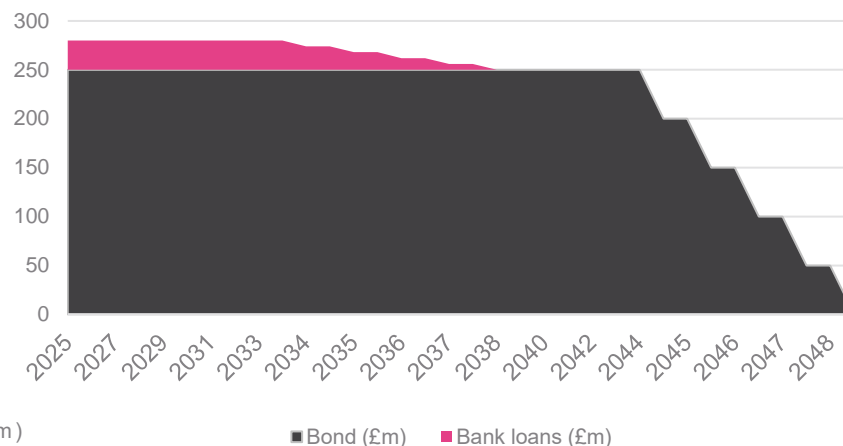


Debt Profile at 30 September 2024



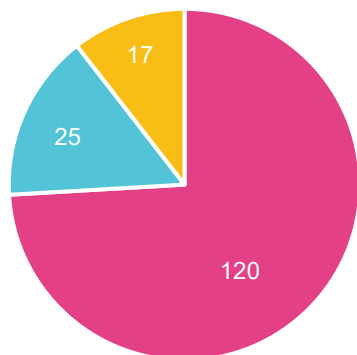
■ Bond (Fixed, £m) ■ Bank (Collar, £m) ■ Bank (Floating, £m)

Committed Debt Repayment Schedule



■ Bond (£m) ■ Bank loans (£m)

Liquidity at 30 September 2024



■ Available RCFs (£m) ■ Retained Bonds (£m) ■ Cash (£m)

Security management at 30 September 2024	Units	£m
Bond	4,850	320
Banks	2,567	192
Trustee Unallocated	696	53
<b>TOTAL CHARGED</b>	<b>8,113</b>	<b>565</b>
Available for charging	1,111	77
Unsuitable for charging	157	17
Discharged for regeneration	216	11
<b>TOTAL SECURITY</b>	<b>9,597</b>	<b>670</b>

## RHP FUNDING PORTFOLIO COMPRISES BOND AND BANK DEBT

- ▶ First change in debt profile since September 2020 bond tap following drawdown of NatWest £30m term loan in August 2024
- ▶ Setup ISDA with NatWest and executed interest rate collar to mitigate risk of higher rates
- ▶ 95% of debt held at fixed rates of interest (of which 5% is at collar cap). 5% of debt at floating rate.
- ▶ Weighted average cost of borrowing 3.53%
- ▶ £275m RHP Finance PLC Bond (due 2048), £25m retained bonds available for future sale
- ▶ Security in place to draw on available facilities immediately, including £25m retained bond
- ▶ EUV-SH value of properties £670m (as at 30 September 2024) and market value of £3bn

## PRUDENT APPROACH TO BUSINESS PLANNING:

Board reconsidered its risk appetite, spending considerations and strategic trade-offs during the year.

Internal golden rules designed to ensure financial resilience, while allowing capacity to invest more in our stock.

### Focus on:

- ▶ No EBITDA-MRI linked loan covenants
- ▶ Extensive stress testing and mitigation planning
- ▶ Legacy financial prudence ensures strong financial position over the long term

\* Audited results for RHP only

Financial Metric	Covenant	Golden rules	Year ended 31 March 2024 performance*
<b>Loan covenants:</b>			
1-year interest cover (EBITDA only)	>160%	>190%	<b>413%</b>
Minimum EBITDA	>£15m	>£18m	<b>£22m</b>
Gearing	<75%	<65%	<b>49%</b>
Asset cover (all debt)	>105%	>115%	<b>202%</b>
<b>Other metrics (S&amp;P methodology):</b>			
EBITDA/Revenues		>32%	<b>33%</b>
EBITDA-MRI/Revenues		>12%	<b>14%</b>
EBITDA Interest cover		>200%	<b>267%</b>
EBITDA-MRI Interest Cover		>110%	<b>112%</b>
Debt/EBITDA		<15	<b>12</b>
Debt/EBITDA MRI		<30	<b>29</b>
Sales exposure (first tranche shared ownership)		<20%	<b>4%</b>

# Conclusion

An architectural rendering of a modern, multi-story brick apartment building at dusk. The building features large windows, balconies with glass railings, and a flat roof with a series of small, square skylights. The word "Conclusion" is overlaid in the center in a glowing, pink, outlined font. The foreground shows a street with a few people walking, and the background is a dark, twilight sky. The overall color palette is dominated by the warm tones of the brick and the cool blues of the evening sky, with a prominent pink overlay at the bottom.



## STRONG REGULATORY ENDORSEMENT

- ▶ G1/V1 rating from the regulator reconfirmed in December 2023 following annual stability check
- ▶ Strong controls and refreshed governance framework



## FULLY FUNDED UNTIL DECEMBER 2027

- ▶ Strong liquidity (£120m available loan facilities, £25m retained bond, fully secured), and no major repairs linked covenants in portfolio



## OPERATIONS CONCENTRATED IN AREAS WITH HIGH PROPERTY DEMAND AND PROPERTY VALUES

- ▶ RHP solely operates in South West London, where demand and property values are consistently higher than average (MV £3bn, EUV-SH £670m)
- ▶ Recent stock purchase



## REFRESHED STRATEGY WITH EMPHASIS ON OUR SOCIAL PURPOSE

- ▶ Focused on delivering high performing services and better understanding our customers' needs.
- ▶ Extending our reach and economies of scale through growth and partnerships.
- ▶ We continue to have no market sale activity.



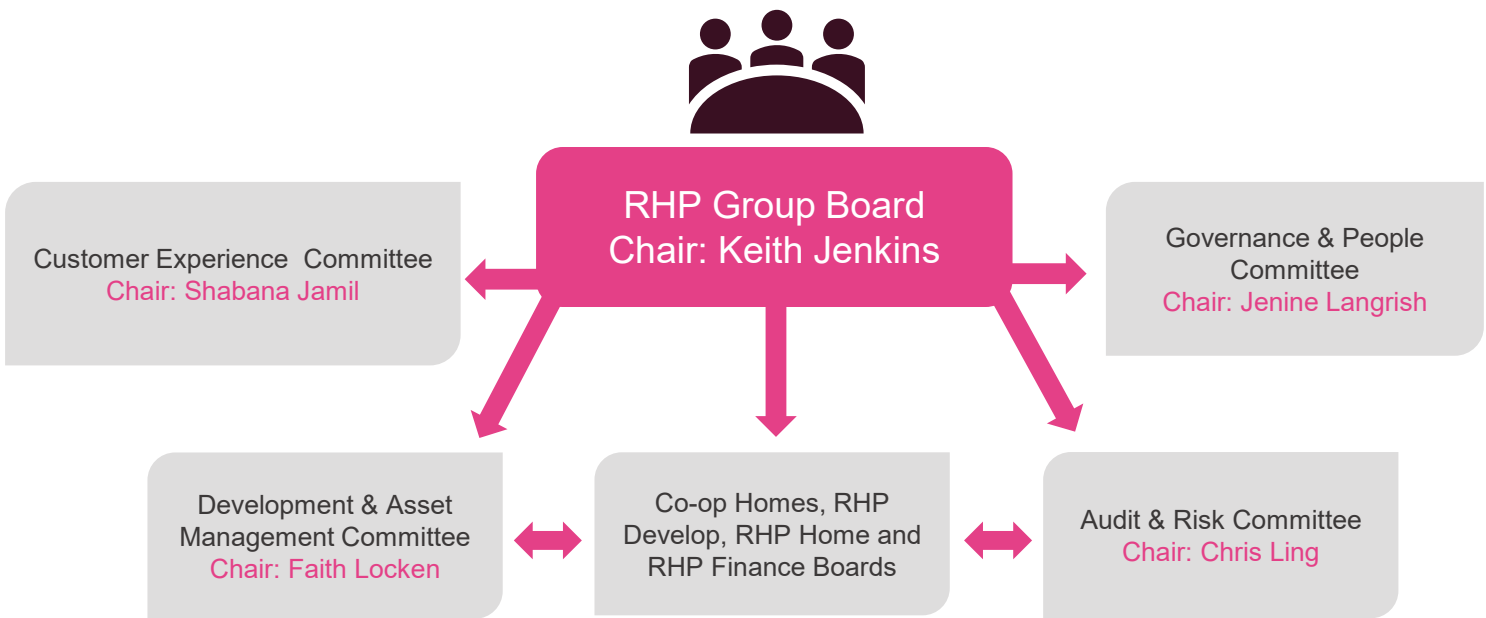
## ROBUST FINANCIAL PERFORMANCE

- ▶ Operating margin and interest cover consistently above our London peer group median benchmark, despite increased pressures on stock investment and additional regulatory and consumer requirements.








A photograph of three women sitting at a table, smiling at the camera. Their hands are clasped on the table. The image is overlaid with a semi-transparent pink circular graphic at the bottom. The text 'Appendix 1 Board & Executive' is centered over the image in a pink, outlined font.

# Appendix 1 Board & Executive



Wide range of skills on the Board including:

 ▶ Finance & Treasury	 ▶ Design and Development
 ▶ Risk Management	 ▶ Customer Service and Customer Perspective
	 ▶ Business and Property Management and Consultancy

- ▶ Group Board of 11 plus the Chief Executive – no constituency quotas since January 2015.
- ▶ New Chief Executive in post since 1<sup>st</sup> April 2023
- ▶ RHP Group Board new Chair joined in October 2022. Other Board recruitment includes achievement of our diversity and inclusion goals and the addition of strong property and customer experience.
- ▶ Robust controls and governance including internal audit, risk frameworks and detailed risk management, detailed stress testing of business plan, excellent health and safety management.

# Chair & Non-Executive Directors



**Keith Jenkins**

**Chairman & Non-Executive Director**

- ▶ A housing sector solicitor for 40 years
- ▶ Has been an NED of a number of charities and housing associations



**Jenine Langrish**

- ▶ SID of RHP Group Board and Chair of Governance and Reward Committee
- ▶ Previously equity fund manager and non-executive roles in variety of not for profit organisations.



**Chris Ling**

- ▶ Chair Audit and Risk Committee
- ▶ Highly experienced CFO
- ▶ Group CFO Park Holidays
- ▶ Previously FD Residential and commercial energy supply Centrica
- ▶ Chartered Accountant.



**Sarah Weller**

- ▶ Experienced leader in digital innovation
- ▶ Co-founder of OPENFORMAT
- ▶ Worked alongside the NHF on delivering the greenhouse programme.



**Faith Locken**

- ▶ A chartered commercial surveyor
- ▶ Most recently Development Manager at Countryside
- ▶ Founder of We Rise In, a business dedicated to improving diversity and inclusion.



**Maame-Yaa Bempah**

- ▶ 20 years' experience as a dual qualified Chartered Accountant and Chartered Tax Advisor with a focus on property and construction.
- ▶ A keen interest in equality, diversity and inclusion.
- ▶ Currently Finance Director at Ballymore Asset Management.



**Nilavra Mukerji**

- ▶ Extensive experience in asset and property management, having worked at senior level in local authorities and housing organisations.
- ▶ Committed to supporting communities and residents and the delivery of high quality safe, affordable and energy efficient homes.



**Shabana Jamil**

- ▶ Ten years working in strategy, finance and policy roles in central government
- ▶ Current work supports the UK's net-zero commitment
- ▶ An RHP leaseholder.



**Antonio Shabbir**

- ▶ 20 years in senior roles in telecommunications
- ▶ Expert in customer experience transformation
- ▶ Currently Customer Experience Director at Easyjet.



**Felice Webbe**

- ▶ RHP tenant for 7 years.
- ▶ 35 years working to support vulnerable and marginalised people.
- ▶ Currently working with MHLG rough sleepers initiative.



**Sarah Thomas**

**Chief Executive**

- ▶ Joined RHP in April 2023 from Peabody
- ▶ Previously worked at RHP as Executive Director of Customer Services
- ▶ Prior to roles in housing, Sarah worked in the commercial sector including over eight years' experience at a senior level at Eurostar.



**Corinna Bishopp**

**Executive Director of Financial and Commercial Services, and Deputy CEO**

- ▶ Joined RHP in July 2017 from Thames Valley Housing
- ▶ Fellow of the ICAEW
- ▶ Worked in Housing since 2016 following career at PwC, Bupa, Centrica, Eversholt Rail.



**Julian Chun**

**Executive Director of Homes**

- ▶ Joined in June 2022 from VIVID Homes.
- ▶ Chartered Member of the Chartered Institute of Housing (CMCIH)
- ▶ Spent most of his career leading service improvements across asset and housing management for several local, regional and national housing providers.



**Argiri Papathos**

**Executive Director of Corporate Services**

- ▶ Joined January 2024 from Peabody
- ▶ Led the legal and governance process for the Peabody and Catalyst merger
- ▶ Previous roles in registered providers leading corporate services and Company Secretariat
- ▶ Non-Executive Director with Origin Housing, member of the Audit Committee for the Royal College of Nursing.



**Annemarie Fenlon**

**Executive Director of Operations**

- ▶ Joined October 2024
- ▶ Housing professional with over 25 years' experience in the sector, including Peabody, Catalyst and Notting Hill
- ▶ Fellow of the Chartered Institute of Housing



A photograph of three women sitting at a table, smiling at the camera. The image is overlaid with a semi-transparent pink circular shape at the bottom. The text 'Appendix 2' and 'Corporate structure' is centered over the image in a pink, outlined font.

# Appendix 2

## Corporate structure

