

**Results for
the year
ended
31 March
2023**

25 July 2023

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Presenting Team



Elizabeth Froude
Group Chief Executive

- Elizabeth joined Platform Housing as Group Chief Executive in July 2019. She has 16 years' experience in the social housing sector. This includes being Deputy Chief Executive and Executive Director of Resources at Genesis Housing Association (now part of Notting Hill Genesis) from 2011 to 2018. She was also involved in the creation of Radian via the only 3-way merger in social housing to this day
- Prior to the housing association sector, Elizabeth gained extensive business change experience working for a variety of large FTSE companies both in the UK and across Europe, mostly in operationally focussed roles involving process improvement, mergers and buy outs, including Carlton Communications, Kingfisher and Diageo



Rosemary Farrar
Chief Finance Officer

- Rosemary joined Platform Housing as Chief Finance Officer in March 2020. She has over 35 years' experience in the social housing sector. This includes being Group Finance Director and Resources Director of Notting Hill Housing Trust (now part of Notting Hill Genesis), Circle Anglia (now part of Clarion Housing), Watford Community Housing Trust and Southern Housing Group between 1991 and 2016
- Immediately prior to joining Platform, she spent four years primarily in various interim Chief Financial Officer roles, including for Riverside and Southern Housing Group

Highlights

- **Turnover growth** supported by increase in core social housing lettings activity
- **Resilient sales performance** - margins of 18% (2022: 20%)
- Over **1,100 new homes** with all developed homes **EPC B and above**
- **Investment in sustainability** and maintenance of existing homes up 55%
- **Support for customers** - cost of living crisis
- **Investment in customer experience** – recruitment in front line teams
- Credit ratings affirmed at **A+/A+; G1/V1** maintained with regulator



Strategic priorities – 2021-26 mid-term review

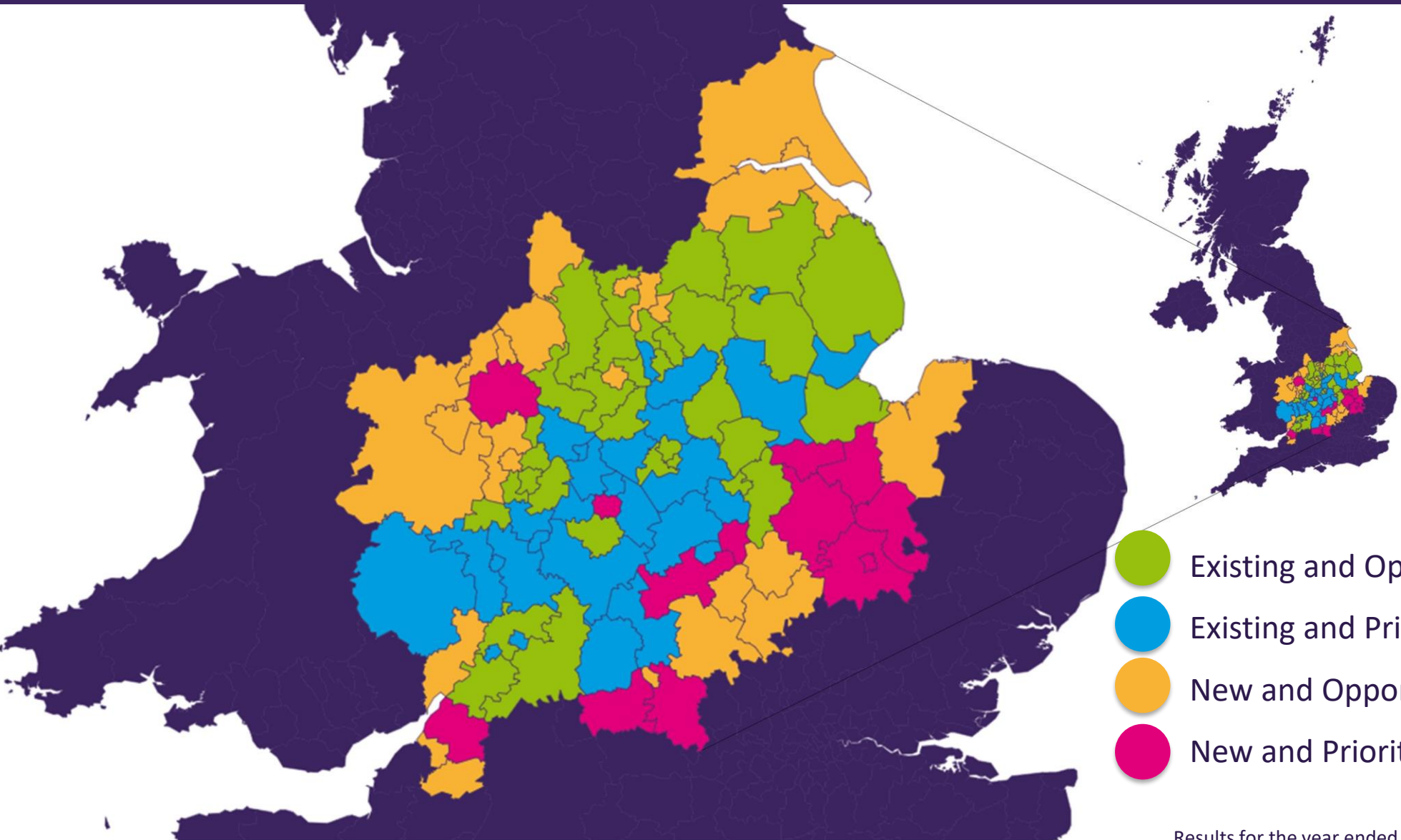
- Investment in quality of homes, sustainability and carbon neutral targets, including EPC C by 2030
- Improving customer services - satisfaction and complaints
- Compliance with Tenant Satisfaction Measures
- Completion of transformation processes
- Employee retention, engagement and well-being
- Continue to develop to tackle the housing shortage



A central graphic consisting of a dark purple circle with a thick lime green border. Three small colored circles (cyan, magenta, and orange) are positioned on the border. The background features large, overlapping curved shapes in teal, dark blue, and magenta.

Operational Update

Our areas of operation



-  Existing and Opportunity Led Growth Only
-  Existing and Priority Growth Area
-  New and Opportunity Led Growth Only
-  New and Priority Growth Area

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Social housing tenure focused portfolio

Total properties owned **48,082**

28,584
General needs housing

7,843
Affordable rent

6,199
Shared Ownership

1,145
Leasehold in management

425
Non social leased

3,309
Supported housing and housing for older people

466
Intermediate rent

111
Non Social rented



Supporting customers, welfare benefits and arrears

- Our **Well-being Fund** of £2m helped over 6,000 customers with essential items; the fund has been extended into 2023/24 with a provision of £1.75m
- **Advice on benefits:** over 6,300 customers supported and over £2.5m generated in additional benefits
- **Cost of Living Working Group** to identify ways we can help
- Arrangements with **Local Energy Action Partnerships** and **Money and Pensions Service**
- Current **tenant arrears** in line with prior years

Recent Evolution of Arrears

	31 March 2021	31 March 2022	31 March 2023
Current tenant arrears	2.7%	2.4%	2.6%

See page 34 for notes, sources and defined terms

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Customers | voids

- Improvement in voids as recruitment into maintenance division helped to clear backlog
- Focussed marketing efforts on small numbers of long-term voids in period had favourable impact
- Reduction in long term voids has impacted re-let days which averaged 71 in the year (2022: 55)
- Overall void losses down by >15% to £3.1m (2022: £3.7m)

Recent evolution of voids performance

As at or for the year ended	31 March 2021	31 March 2022	31 March 2023
Number of void properties (including unsold shared ownership homes)	422	524	410
Void losses (£000)	3,337	3,710	3,118
Void losses (%)	1.5%	1.6%	1.3%

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Operations | Asset Management

- **Backlog of jobs cleared** – over 9,000 jobs at a cost of £2.3m
- **Quality of void properties** – Lettable Standard enhanced
- **Repairs satisfaction** of 88% in line with prior year (Mar-22: 86%)
- **Stonewater** contract extended in year adding grounds maintenance to c6,000 homes
- **Damp and mould** – 2,400 cases in Jan-May (5% of stock), with declining trend; all cases actively managed to improve conditions
- **Damp and mould** – training for colleagues to help prevent, identify and treat cases
- **Switchee pilot** – smart devices in homes to identify and prevent damp and mould and track impact of retrofit works
- **Fleet** – first wave of 40 electric vans; introduction of lightfoot, improving driver behaviour, reducing costs and emissions



Operations | Asset Management continued

- Gas compliance outstanding due to access: fewer than 15 homes
- All EWS1 and internal inspections of mid and low rise buildings complete: no material remedial works identified
- Only six high rise buildings – no material remedial works / costs
- Fire risk actions to buildings below 18m due to be completed by October 2025 at a cost of c£6m
- All fire risk actions fully provided for in existing business plan and covered by ‘business as usual’ budgets



Recent evolution of gas safety and fire risk assessment compliance

As at or for the year ended	31 March 2021	31 March 2022	31 March 2023
Valid gas safety certificate	99.7%	99.96%	99.97%
Valid fire risk assessment	100%	100%	100%



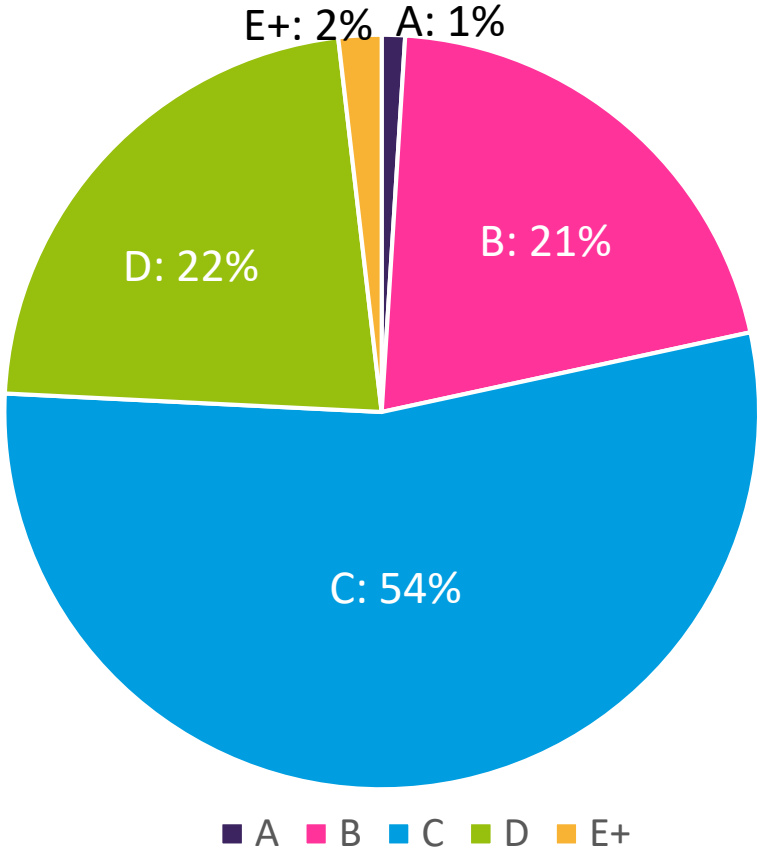


**Environmental,
social and
governance
(ESG)**

Environment

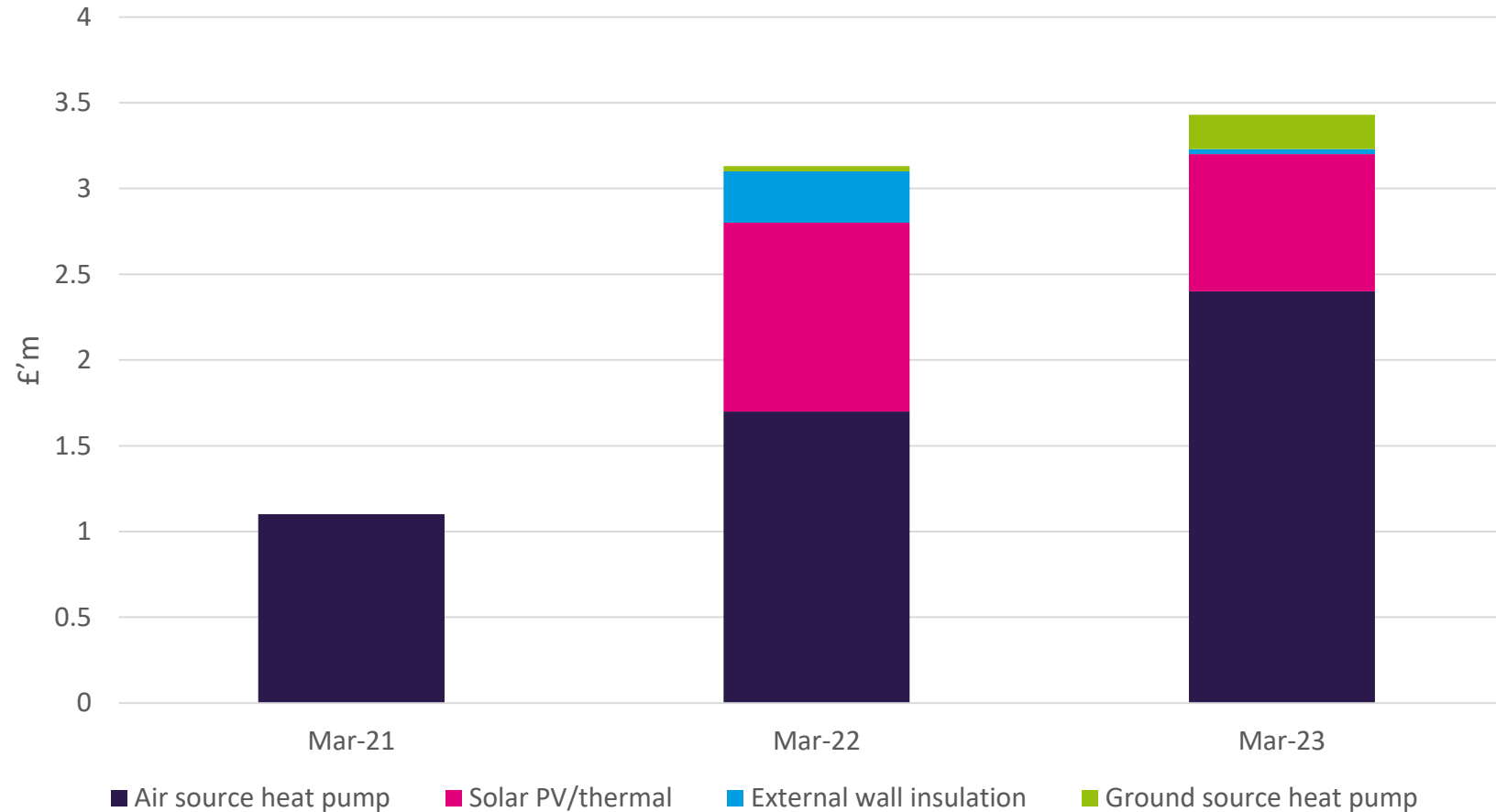
- Commitment to move **all homes to EPC C by 2030** and **net zero carbon by 2050**: provision in Long Term Financial Plan
- Completed EPCs for **>7,500 homes** in year giving **95% coverage**: 75% of homes EPC C and above
- All new homes built (c.1,000) with **EPC of B or better**
- Over **500 air/ground source heat pumps and PV panels retrofitted** in year, improving EPC ratings from E to C and saving customers **>50%** on energy bills
- Successful **£12m Social Housing Decarbonisation Fund bid** to support **retrofit of c.1,000 homes**

EPC Ratings: March 2023



Increase in focus on low carbon retrofit

Retrofit of air/ground source heat pumps, PV panels and external wall insulation



Example of a low carbon project:
Over £4m invested in low carbon heat and power system for 272 homes in 16 storey tower block in Leicester



Social

- Strong focus on provision of quality, sustainable and **affordable** housing
- >99% of homes owned and all homes added in year are **affordable tenures**
- Average rent of social/affordable homes **63% of open market**
- **Silent customers AI:** invisible customers identified if 'silent' for 12 months and contact triggered
- **Social value** of £6.2m created
- **Maintained equality in Gender pay gap**
- **Enhanced pay for apprentices** – Real Living Wage paid regardless of age



Governance

- **Highest governance and viability ratings (G1/V1)** from the Regulator of Social Housing in England
- **A+ ratings affirmed** by S&P and Fitch; outlook for Fitch rating amended to negative to reflect the UK Sovereign rating outlook change in Sep-22
- **Simple corporate structure** (see slide 33)
- Two **new Board Members** recruited to enhance assets and sustainability oversight
- **Independent review of Board performance by HQN:** ‘strong Board and Executive Teams’ reported
- **Trainee board** – recruiting next cohort to aid succession
- Regulatory **Tenant Satisfaction Measures** – well prepared with surveys commenced ahead of start
- Expanded **Customer Voice Panel**



External auditors: KPMG
Internal auditors: Mazars

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Development Update

Development Update

Background

- Strong focus on social housing tenures
- Delivered ~6,200 homes over 5 years to March 2023
- Focus on Midlands geography for development
- Key Strategic Partner to Homes England with £258m grant allocated as part of 2021-26 programme

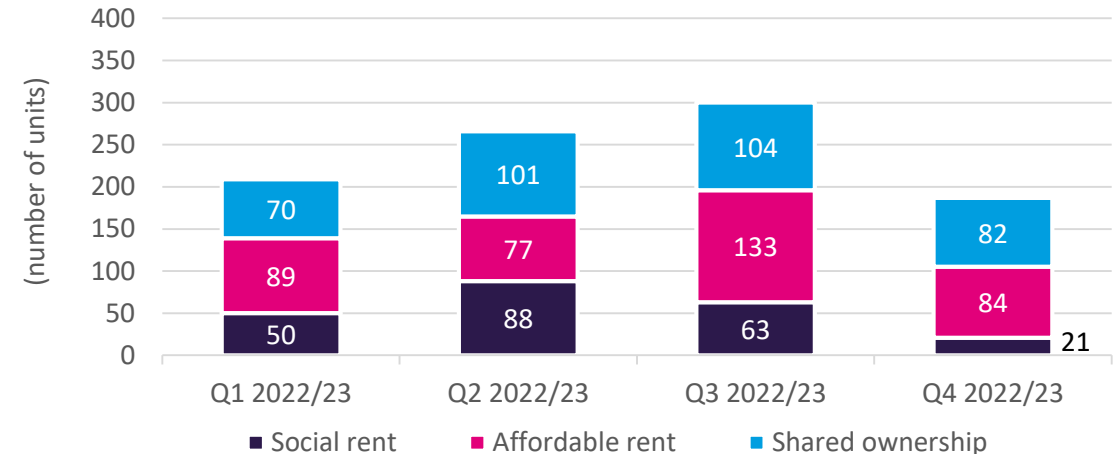
Strategy

- Current plan includes ~7,500 homes delivery 2023-2028
- Social tenures remain key with non-social tenures increasing modestly
- Modern methods of construction to improve energy efficiency – targeted 30% of programme by 2026

2022/23 Performance

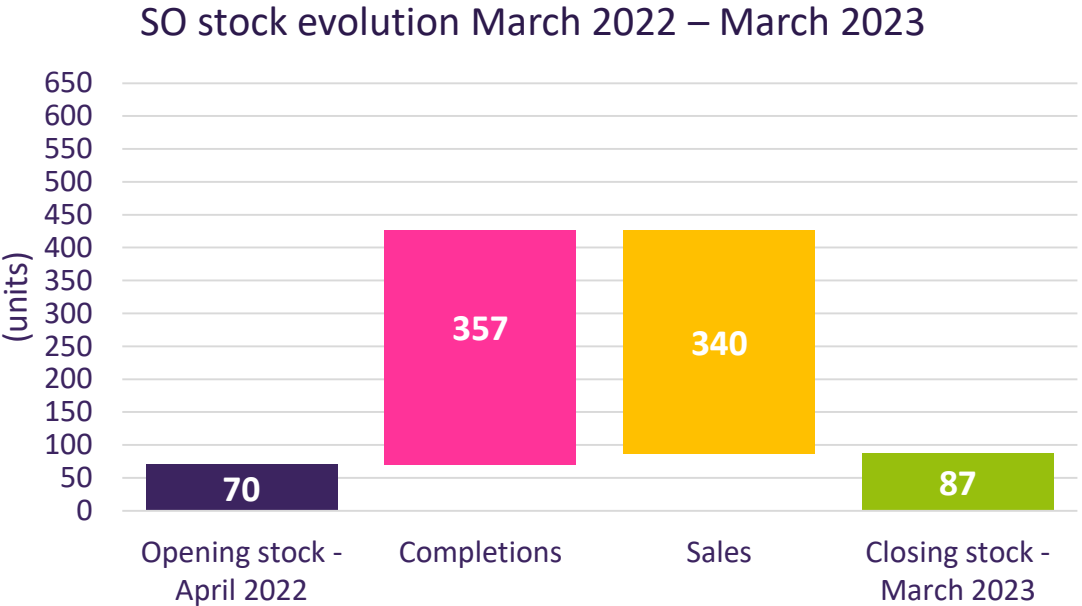
- 1,114 homes added to the portfolio in the year, including 152 homes as part of stock acquisitions
- Focus on affordable tenures: no outright sales / market rented
- Enhanced quality and planning delays resulted in some delays
- Strong pipeline: 1,949 units in contract and a further 1,240 approved by the Board at year end
- Enhanced grant levels as part of revised Homes England 2021-26 bid
- Completions of c.1,300 projected for the year to March 2024
- Recent development approvals gas free

Quarterly new home completions 2022/23



Strong housing market in areas of operation

340 total shared ownership (SO) sales (2021/22: 563)



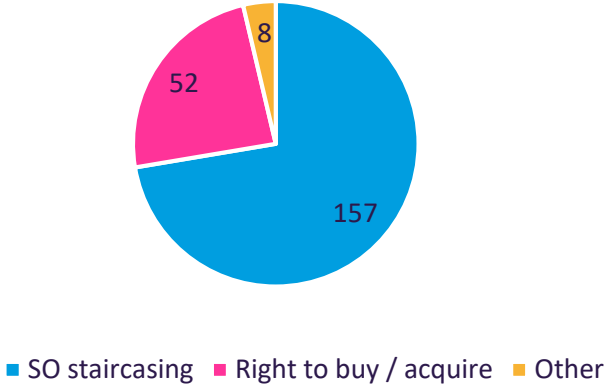
Unsold homes of 87 (March 2022: 70) reflects consistent demand

Shared ownership stock status (31 March 2023)

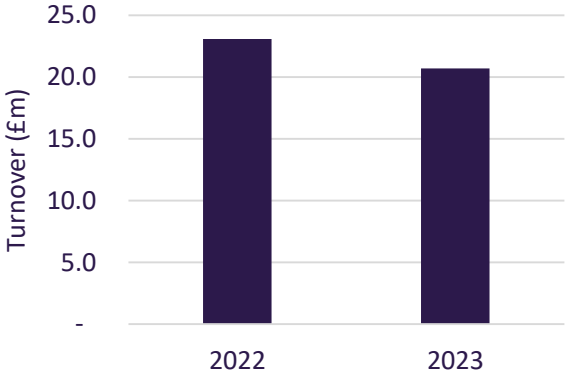
	Unsold	Reserved	Available
Total unsold	87	58	29
Unsold <6 months	82	57	25
Unsold >6 months	5	1	4

- 217 fixed asset housing sales (2021/22: 283)
- Turnover of £20.7m (2021/22 : £23.1m) and margins of 45% (2021/22 : 43%) demonstrate strength of market
- Sale of an office building for £2.3m with surplus of £1.1m on top of housing sales

Housing fixed asset sales 2022/23



Turnover from sale of housing fixed assets



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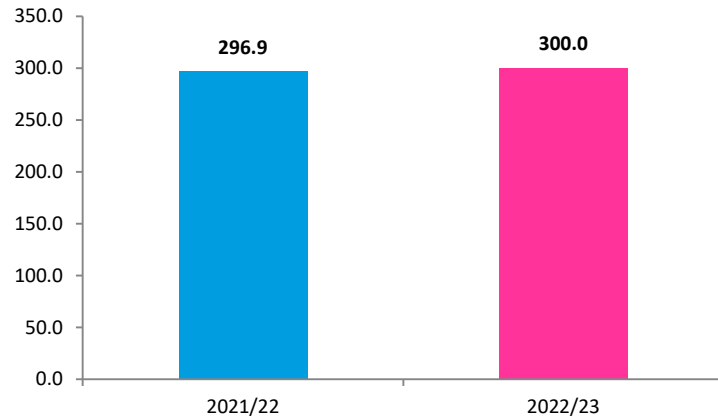




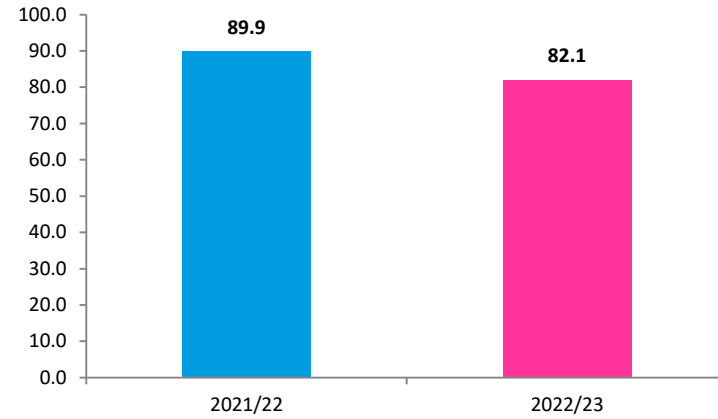
Financial Performance

Financial Performance | Historical Performance

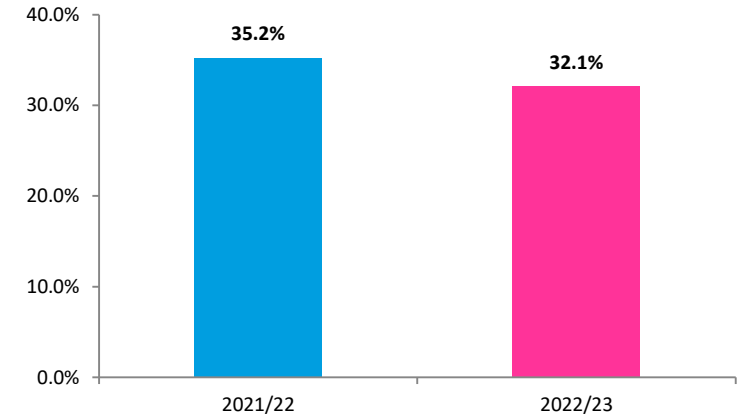
Turnover (£m)



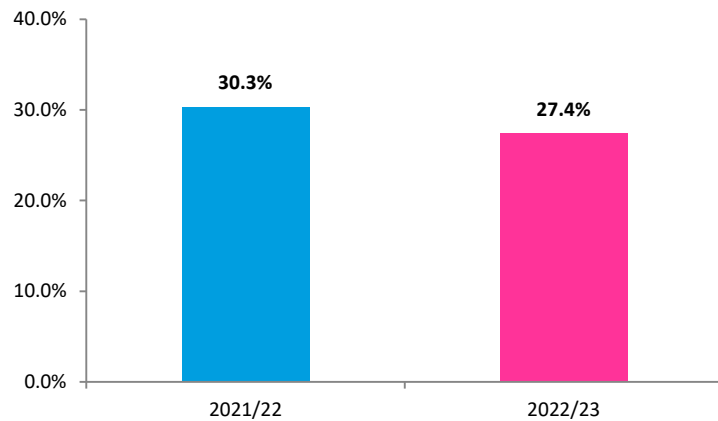
Operating Surplus (£m)



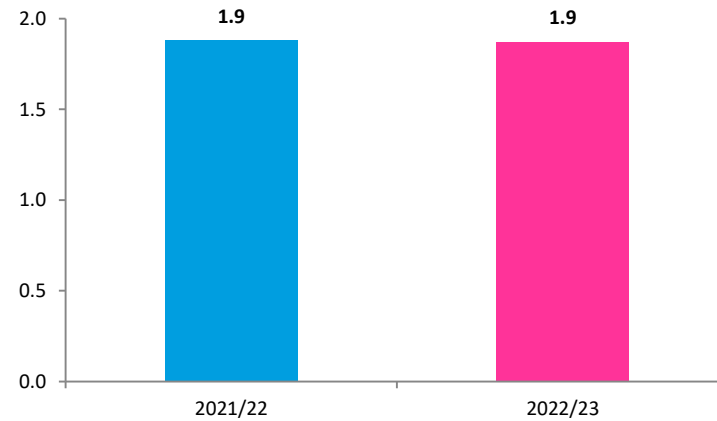
Social Housing Lettings Margin (%)¹



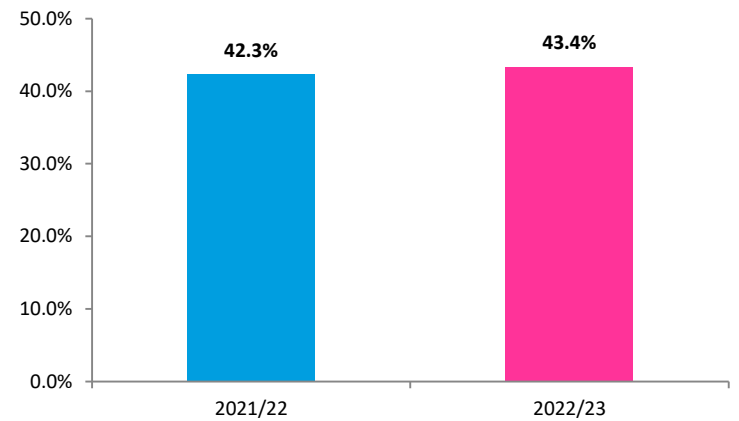
Operating Margin (%)¹



EBITDA MRI (x)¹

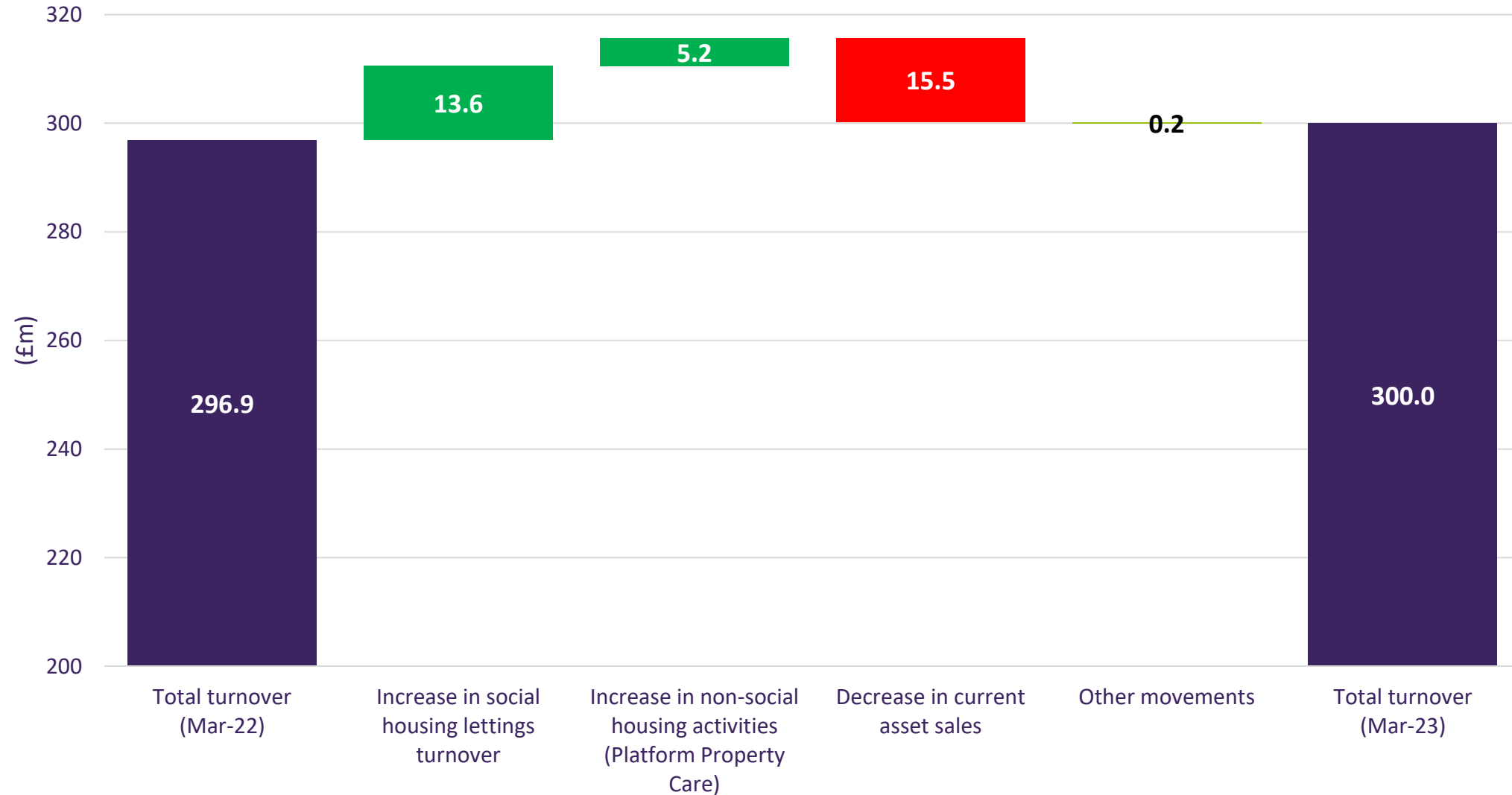


Gearing (%)¹

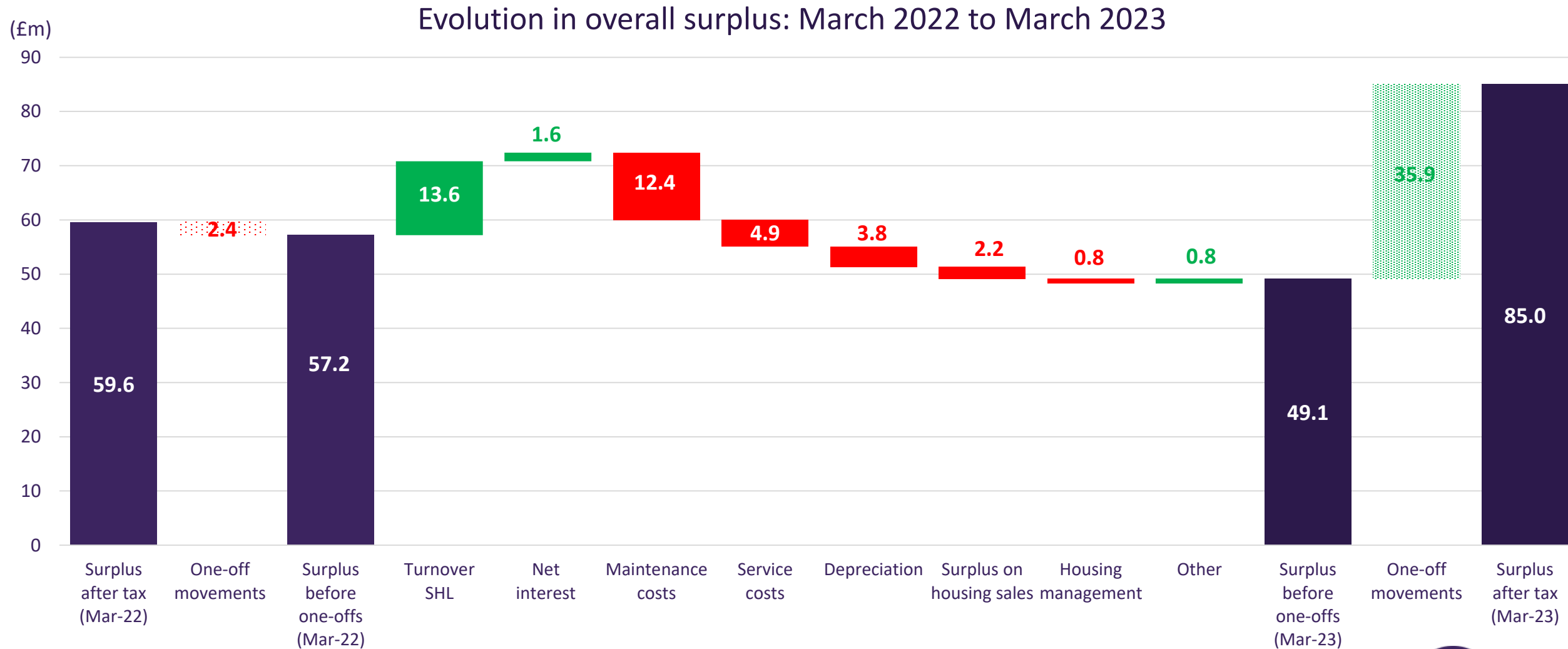


1. Calculated in accordance with the Regulator of Social Housings Value for Money Metrics Methodology

Total turnover growth facilitated by core lettings activity



Surplus after tax reconciliation

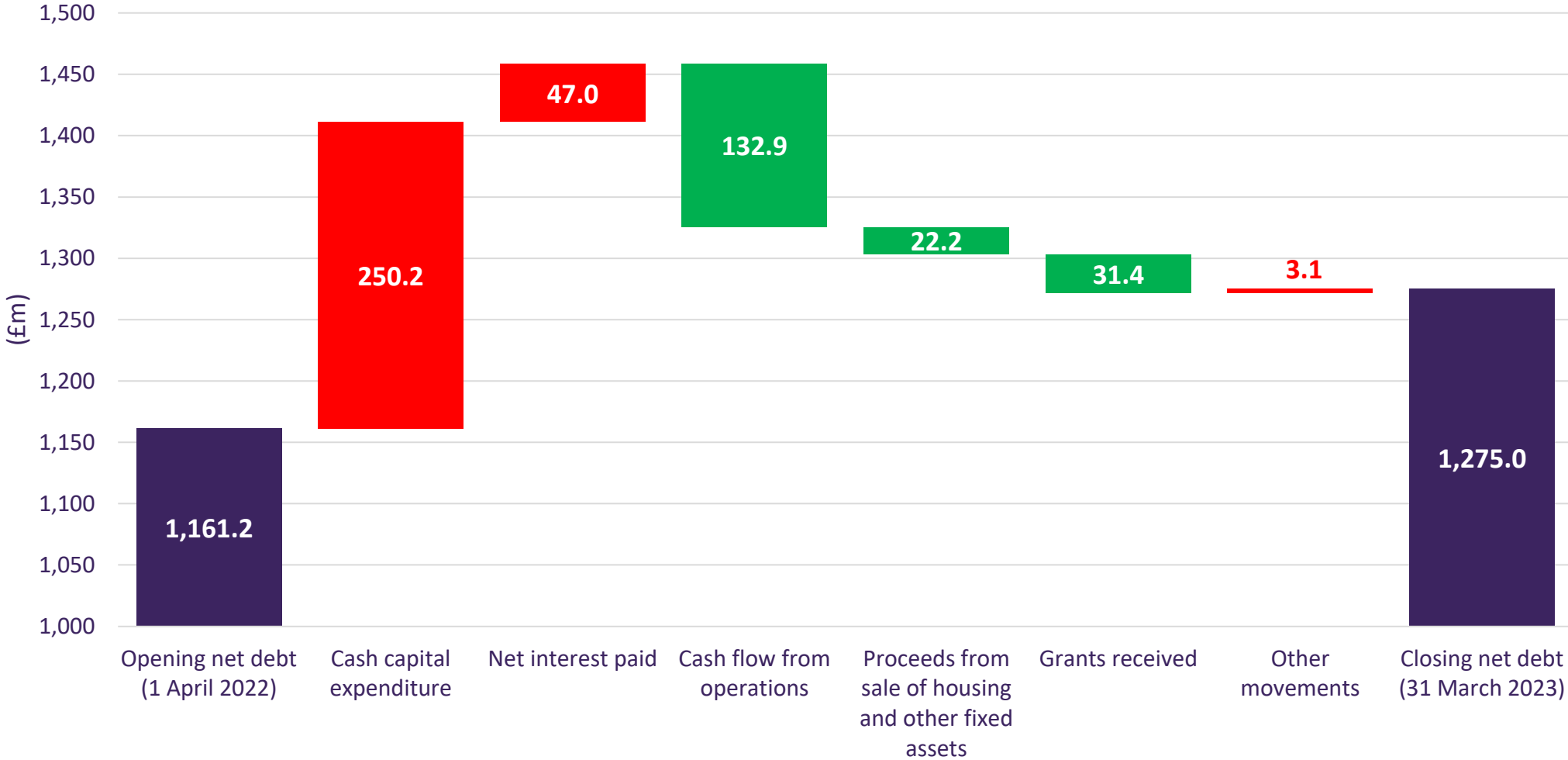


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Strong cash inflows – net debt evolution in half year



Treasury Overview

Robust Treasury Position

Substantial liquidity and flexibility

Cash & undrawn facilities > £520m
2026 liquidity horizon
> 16,000 unencumbered properties

Treasury strategy

Long-term DCM funding focus
£165m bank facilities voluntarily
prepaid to save interest & optimise
covenants

Strength and resilience

S&P A+ (stable)
Fitch A+ (negative)
Highest regulatory ratings 'G1 / V1'

Key treasury metrics (change from 31 March 2022)

187%
(-1ppt)

EBITDA-MRI
interest cover

43.4%
(+1.1ppt)

Gearing

23 years
(+1 year)

Average life of
drawn debt

3.33%
(+0.05ppt)

Average cost of
drawn debt

99%/1%
(-)

Fixed/floating
debt mix



Treasury | Golden Rules

- Financial Golden Rules set to support the delivery of strategy whilst maintaining strong investment grade credit and regulatory ratings
- Two-year relaxation of SHL margin to 33% for 2023/24 and 2024/25 in order to maintain investment in services and existing homes
- Resilient and well tested plan with commitment to investment

Metric	Golden rules	2022/23 actual
Operating margin – social housing lettings	> 33%	32.1%
Proportion of turnover from sales	< 25%	11.1%
EBITDA-MRI interest cover	> 120%	187%
Gearing	< 55%	43.4%
Asset cover	> 5% over minimum	59%
Liquidity horizon (committed and forecast cash flows)	> 18 months	33



Strong RSH VfM metrics – additional investment

RSH VfM metric	Platform peer group comparison (31 March 2023 data for peer group not yet available, so 2022 detailed)					
	Lowest March-22	Average (unweighted) March-22	Highest March-22	Platform March-22	Platform ranking March-22	Platform March-23
	Reinvestment	4.0%	7.3%	9.5%	7.9%	4
New supply (social housing units)	0.6%	1.8%	2.8%	2.5%	4	2%
New supply (non-social housing units)	0.0%	0.1%	0.6%	0%	1	0%
Gearing	29.6%	45.0%	54.1%	42.3%	5	43.4%
EBITDA-MRI interest cover	98%	159%	274%	188%	4	187%
Headline social housing cost per unit	2,855	4,038	5,451	2,855	1	3,436
Operating margin (social housing lettings)	12.3%	28.2%	37.0%	35.2%	4	32.1%
Operating margin (total)	13.0%	24.3%	32.0%	30.2%	2	27.4%
Return on capital employed	2.5%	3.2%	4.2%	3.3%	6	3%

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Conclusion

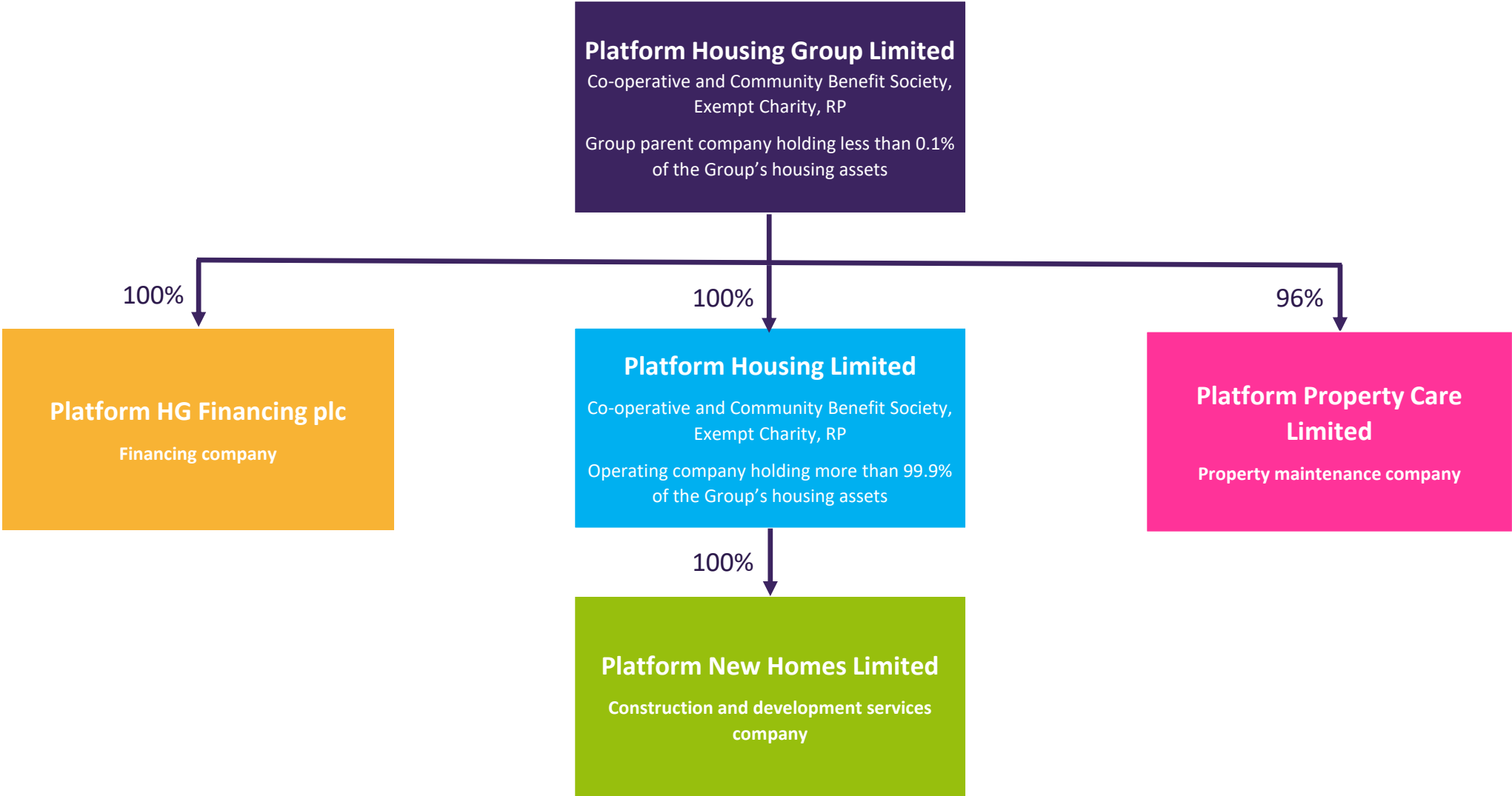
Highlights

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- **Resilient sales performance** - margins of 18% (2022: 20%)
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Appendices

Corporate Structure



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Notes, sources and defined terms

Page number Comments

Financial data throughout this document relates to Platform Housing Group Limited

Page 9 Current tenant arrears relate to general needs tenants primarily in social and affordable rented homes and includes shared ownership properties. It takes into account all tenant payment methods, The arrears figure is before provisions made for bad debts.

Page 10 Number of void properties includes unsold shared ownership stock.

Page 20 Housing fixed assets sales relate to rented homes that are purchased by the incumbent tenant and further purchases of shared ownership homes where the existing tenant part owns the home already.

Page 24 Surplus on housing sales includes sales of first tranche shared ownership homes and other housing fixed asset sales.

Page 29 Sample of social housing providers includes Platform Housing, Bromford, Citizen, Guinness Partnership, Home Group, Jigsaw Homes, Longhurst, Midland Heart, Optivo, Orbit, Riverside, Sanctuary, Sovereign Housing and Stonewater. The sample of peers is based on those with similar operating models, geography and size. We may evolve the make-up of the sample in future.

For more information on calculation of Regulator for Social Housing Value for Money metrics go to:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1066373/20220404_Value-for-Money-metrics-Technical-note-guidance_FINAL.pdf

A low level of new supply (non-social housing units) is considered to be favourable given the risks inherent within non-social housing development.

Page 33 The remaining 4% shareholding in Platform Property Care Limited is held by Rooftop Housing Association (3%) and Stonewater Limited (1%) (organisations unrelated to Platform Housing) as part of a cost sharing arrangement. The structure shown excludes Waterloo Homes Limited, a dormant company 100% owned by Platform.

Page 35 Voids and bad debts as a percentage of turnover is in reference to social housing lettings activities.



Summary of Key Financial Metrics

	Platform Housing Group Limited	
<i>As at or for the year ending 31 March</i>	2022	2023
Turnover (£m)	296.9	300
Operating surplus (£m)	89.9	82.1
Operating margin ¹	30.2%	27.4%
Operating margin – social housing lettings ¹	35.2%	32.1%
EBITDA-MRI interest cover ¹	1.9x	1.9x
Gearing ratio ¹	42.3%	43.4%
Housing & other net assets (£m)	3,019	3,032
New homes added	1,171	1,114
New homes investment (£m)	201.3	250.6
Reinvestment ¹	7.9%	9.4%
Void rent loss/turnover	1.6%	1.3%
Bad debts/turnover	0.7%	-0.1%

¹Value for Money metric in accordance with the English Regulator for Social Housing

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