

Platform Housing Group Limited

Presentation to Fixed
Income Investors

April 2024



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Presenting team



Elizabeth Froude
Group Chief Executive

- Elizabeth joined Platform Housing as Group Chief Executive in July 2019. She has 19 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.

Key credit strengths

> 48,500
Homes
Owned

31.7%
Social
Housing
Lettings
Margin

2.0x
EBITDA-
MRI
Interest
Cover

45.1%
Gearing

A+ / A+
(Stable/Negative)
S&P &
Fitch Credit
Ratings

G1 / V1
Regulatory
Rating

Efficient and Low Risk Social Housing Focused Model

- >80% of turnover from social housing letting activities
- No outright sales in prior year, current year and nominal exposure in coming years

Deep Regional Focus With Significant Scale

- Exclusive Midlands focus, making a difference for over 50 years
- Density enables differentiated local knowledge and sector leading cost position

External Endorsement

- G1 / V1 regulatory grading
- A+ (stable outlook) by S&P and A+ (negative outlook) by Fitch
- One of the largest Homes England strategic partners

Sector Leading Financials

- Strong EBITDA MRI interest cover and low gearing
- Social housing lettings margin consistently > 30%

Sustainable Growth Ambitions

- Developments delivered without compromising financial strength
- New homes targeted for 'no gas' and minimum EPC B rating

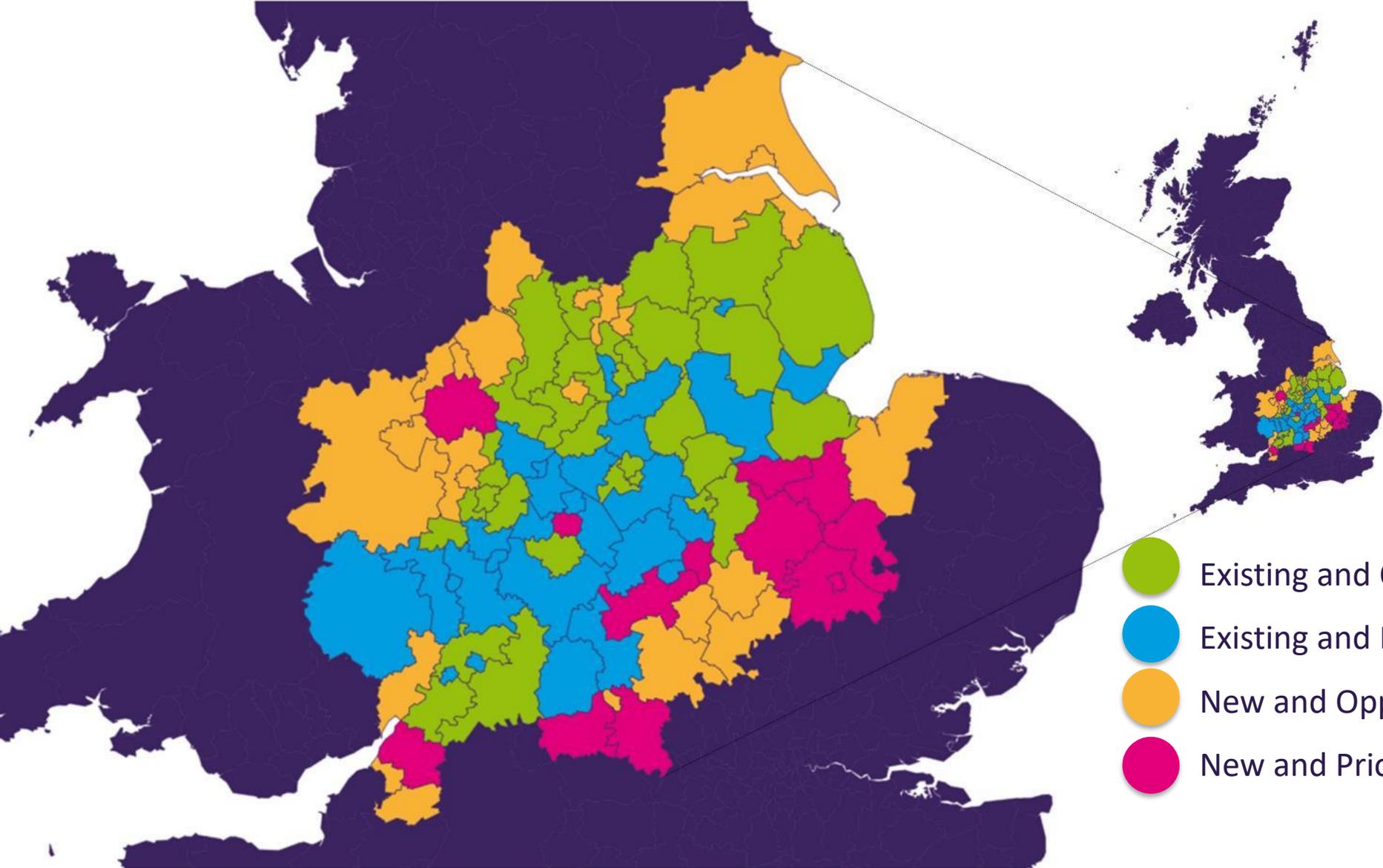
Experienced Board & Executive Team

- Strong leadership team with the mix of commercial and sector skills to deliver strategic plan



Overview

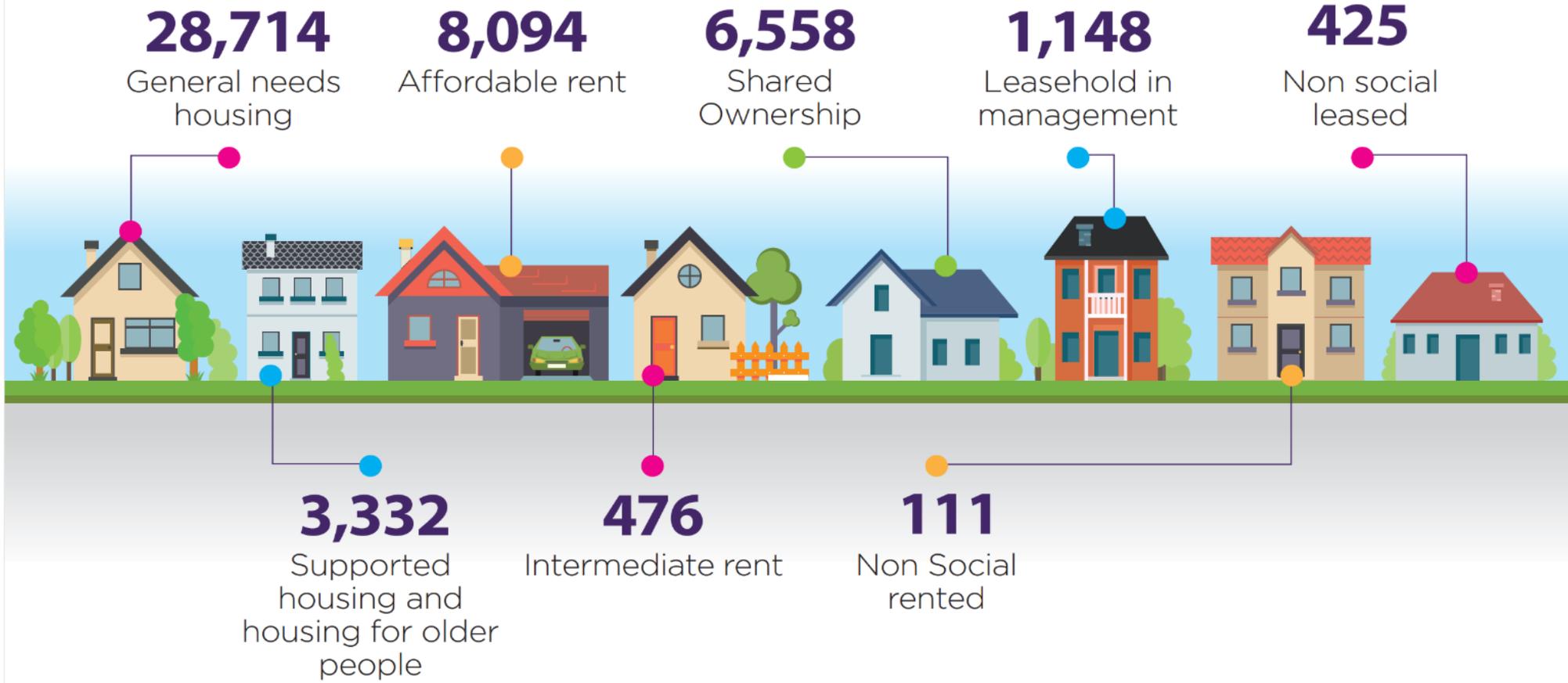
Our areas of operation



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

Social housing tenure focused portfolio

Total properties owned **48,858**

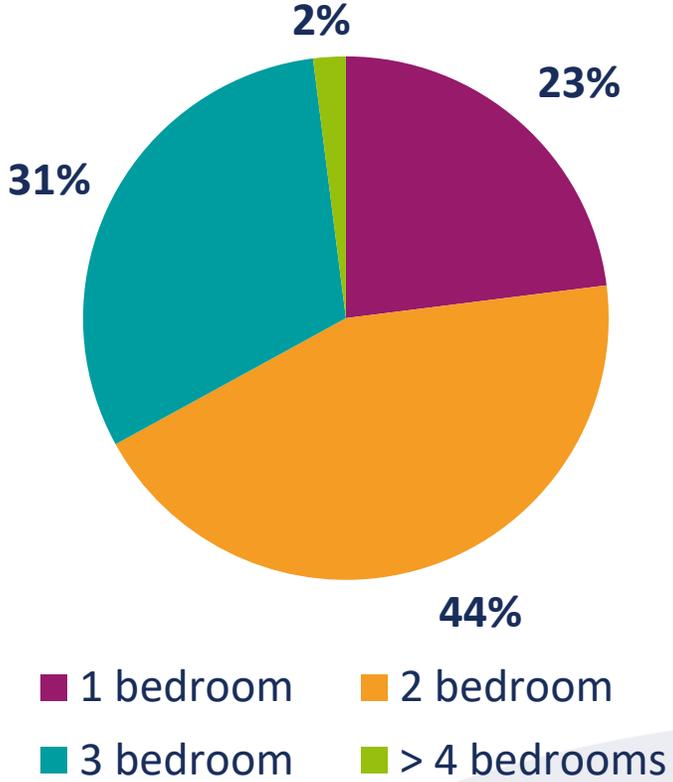


As at 31 December 2023

Strategic priorities – 2021-26 mid-term review

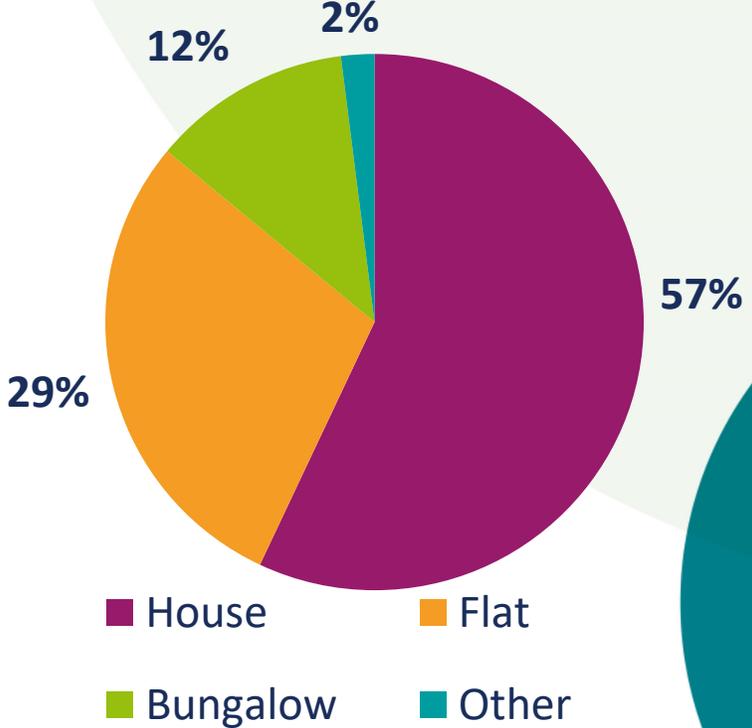
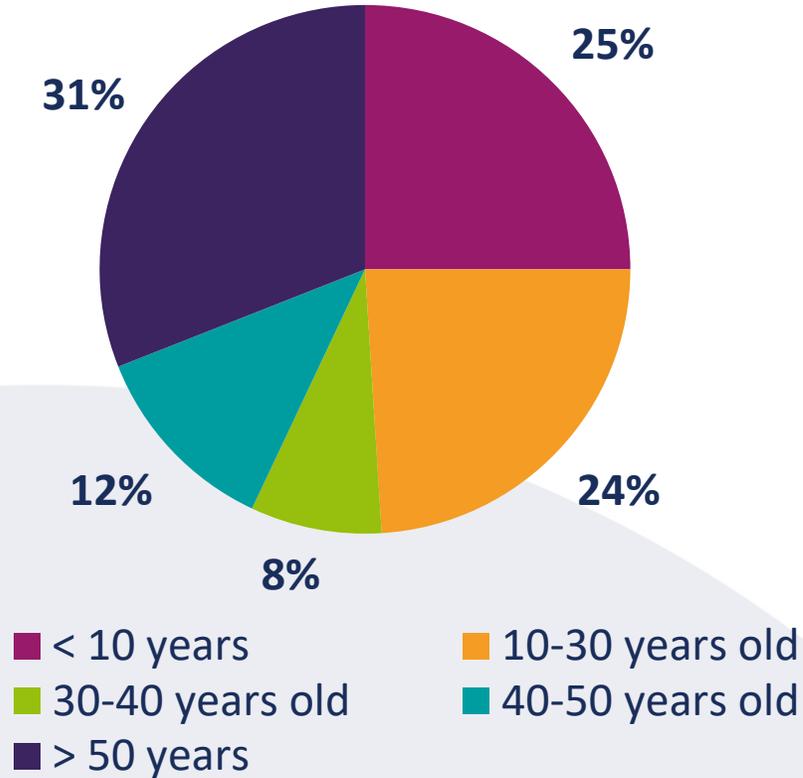


A modern, low-rise portfolio



>75% of homes have at least 2 bedrooms

**Modern Stock Portfolio:
Average Age of Stock – 35yrs**



Majority Houses – Simple & Efficient to Maintain

Source: As at 31 December 2023



Operational Update

Supporting customers, welfare benefits & arrears

- **Well-being Fund:** £0.85m issued in the 9 months to December 2023 to approximately 3,000 customers to help with essential items such as food bills, white goods and energy costs
- **Advice on benefits:** >4,500 customers supported; £2.2m generated in additional benefits for customers
- **Stay Nimble:** partnership continued to help support customers with skills, confidence and employment
- **Tenant arrears:** 2.9% as at December 2023 ~ helped by the support measures in place for customers



Recent Evolution of Arrears

	31 March 2022	31 March 2023	30 September 2023 (6 months)	31 December 2023 (9 months)
Current tenant arrears	2.4%	2.6%	3.2%	2.9%

Active void management strategy

- Voids ~ 1.5% consistent with prior year
- Number of voids affected by timing of development
- Improvement in void days for homes in repair: covid-19 backlog of jobs cleared
- Improvement in re-let days supported by reduced number of days in repair

Recent evolution of voids performance

As at or for the year ended	31 March 2022	31 March 2023	30 September 2023
Number of void properties (including unsold shared ownership homes)	524	410	616
Void losses (£000)	1,805	1,689	2,019
Void losses to social housing lettings turnover	1.6%	1.3%	1.5%
Void days for homes in repair	40	43	31
Re-let days	55	71	61

Asset Management

- **Investment in existing homes** – focus on improving existing homes, increase of 33% (£18.4m to Dec 23 vs. £13.8m to Dec-22)
- **RAAC** – homes built between 1950 and 1989 to be reviewed ~ no RAAC identified to date
- **Building Safety Act** – all six high rise blocks registered with the Building Safety Regulator ahead of deadline
- **Repairs satisfaction** – consistent with prior year (Mar-23: 88%)
- **Third party service delivery** – Platform Property Care continues to perform well
- **Damp and mould** – cases increased over the winter season, adding to costs, however seeing a reduction as we exit the winter period; no severe category one cases
- **Focus on compliance legislation**- compliance of 99.9% for gas and 100% for fire safety risk assessments
- **Fire risk actions** – all costed and contained within current Long Term Financial Plan

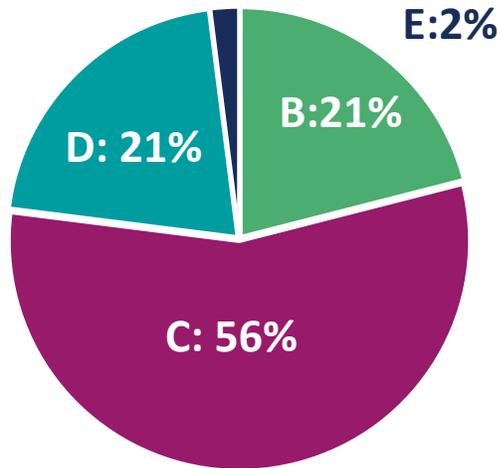


Environmental, social and governance (ESG)



Environment

EPC Ratings December 2023



- Provision in Long Term Financial Plan for all homes to EPC C by 2030 and net zero carbon by 2050:
 - Completed EPCs for ~95% of all homes
 - **77% of homes EPC C and above** and 98% D and above at Dec-23
 - **All new homes** built with **EPC of B or better** in year to date
 - New build specification revised, targeting greater proportion of EPC A and off-gas

- Consistent sustainability reporting under the SRS with annual reports published since 2021
- Established a Sustainable Finance Framework and issued £250m Sustainability bond in 2021. Have since arranged £510m of bank revolving credit facilities linked to sustainable targets
- £12m secured from the Social Housing Decarbonisation Fund Wave 2. This will support the retrofit of 995 homes between 2023-25

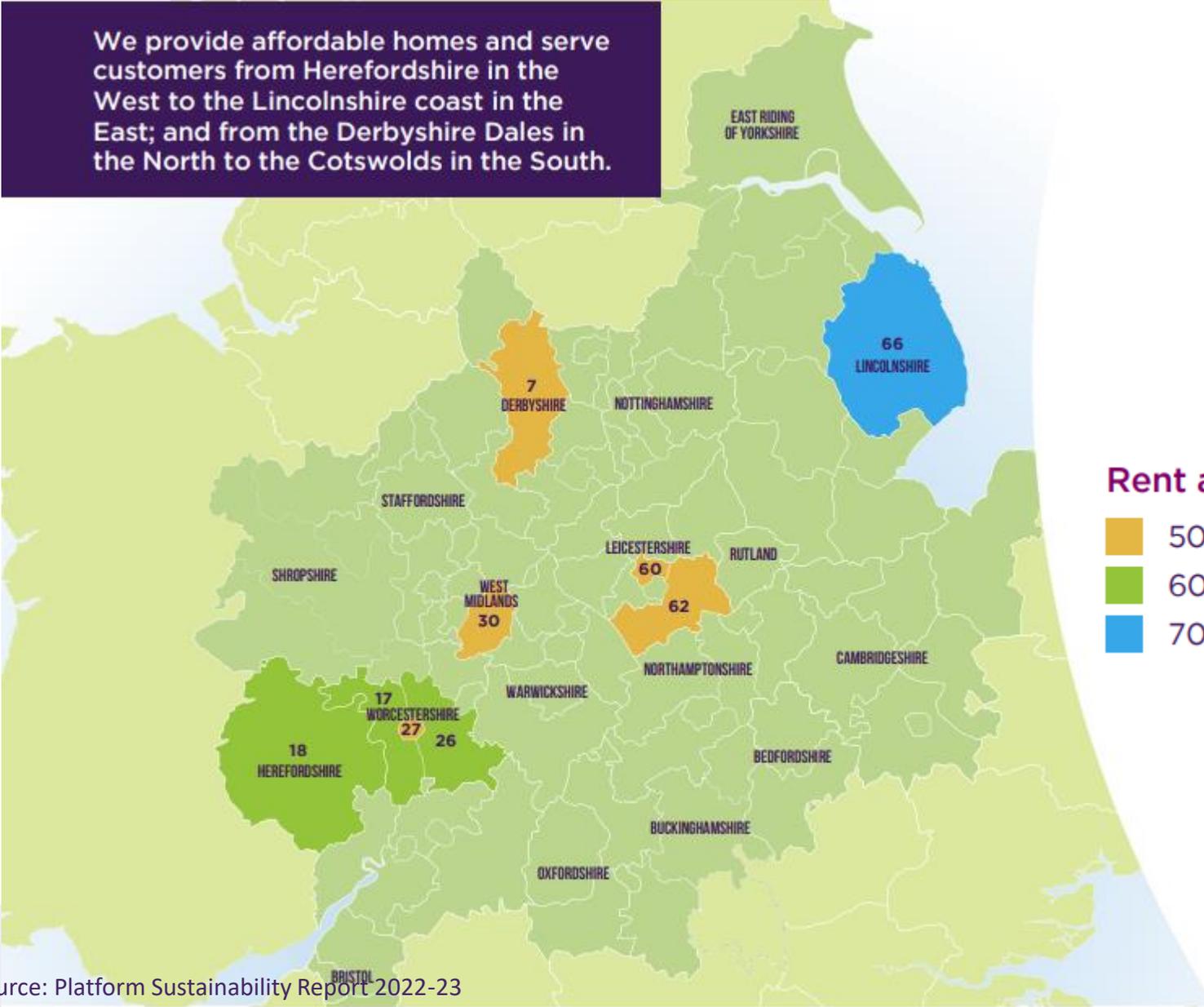
Social

- Strong focus on provision of **quality, sustainable and affordable housing**
- **>99% of homes** owned and all homes added in year **are affordable tenures**
- **Social and affordable rent** continues to be an integral part of development ~ **20% and 30% of completions** in year to Dec-23
- Continued investment in customer services
- HACT to model social impact of housing offerings to aid broader capture and better inform project appraisal
- Initiatives to support customers:
 - Enhanced Tenancy Healthchecks
 - Stay Nimble
 - Wellbeing Fund to help those in most acute need

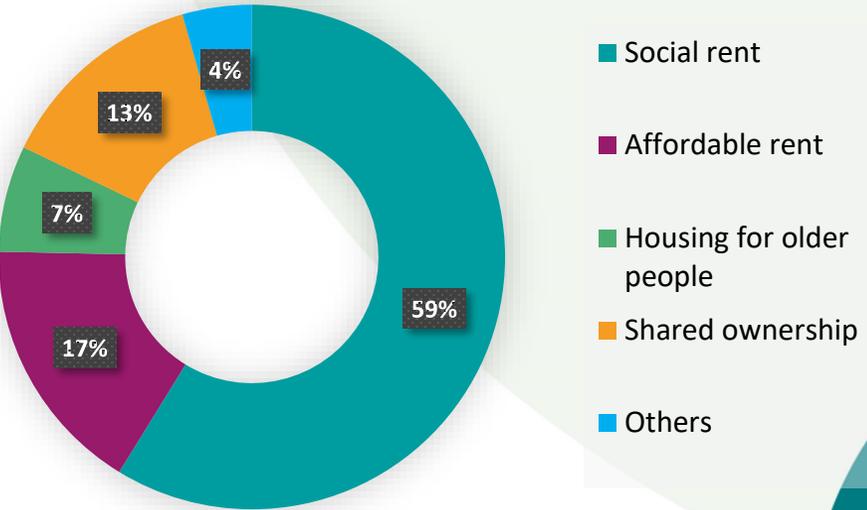


Our key areas of operation

We provide affordable homes and serve customers from Herefordshire in the West to the Lincolnshire coast in the East; and from the Derbyshire Dales in the North to the Cotswolds in the South.



Home tenure split: December 2023



Rent as % of market



Local Authority Area	Homes
66 East Lindsey	6,497
27 Worcester	5,216
17 Malvern Hills	4,185
26 Wychavon	3,812
7 Derbyshire Dales	3,297
62 Harborough	2,438
30 Birmingham	2,072
18 Herefordshire	1,783
60 Leicester	1,044



Source: Platform Sustainability Report 2022-23

Social: Placemaking

- Committed to being both a landlord and a developer of places where people want to live
- **Dedicated Community Engagement Team** have worked with residents in Droitwich, to help give the Westlands estate a make-over. This included:
 - **new play equipment** and surfacing for the play area
 - volunteers from Platform and the community joining forces to **repaint estate fencing** and benches
 - a **wildflower meadow** being sown along the estate's grass verges



Community garden project



Community improvement project



Community art project



Community tree planting project

Case Study: Apprenticeships



- Apprentices make up ~4.5% of our workforce
- We currently have 24 colleagues upskilling and 52 who started with us on an apprenticeship
- We work with 27 providers across our regions to deliver and support our apprenticeship training.
- We offer apprenticeship opportunities for all levels, from level two up to level seven and in a variety of areas from trades through to finance or HR
- During 2023, 12 people completed an apprenticeship - and every one was offered a permanent position
- We pay all level two and three apprentices the Real Living wage

Governance

- Highest governance and viability ratings (**G1/V1**) from the Regulator of Social Housing in England
- **A+ / A+** entity ratings affirmed by Fitch in Oct-23 and S&P in Jan-24
- **Simple corporate structure** (see slide 37)
- New board sub-committee solely focussed on assets and sustainability chaired by new board member, Jane Wynne
- Regulatory Tenant Satisfaction Measures – well prepared with surveys commenced ahead of start
- Continuation of innovative trainee board programme
- Relatively **equal gender pay** (-3% 2023, 1% 2022)

External auditors: KMPG
Internal Auditors: Mazars



Board diversity (Mar-23)



Our Sustainable Finance Framework

- Our Sustainable Finance Framework (established in 2021) aligns to our 2021-2026 Corporate Strategy'. It highlights sustainability successes and future plans, enabling Platform to fund aspirations through Green, Social and Sustainable debt instruments
- In 2021 DNV independently verified the framework and provided a Second Party Opinion on its alignment with relevant ICMA and LMA principles



Impact	Eligible Project Category	Description	UN SDG Alignment
Social	Affordable Housing	• Construction and acquisition of affordable housing in the UK	 
		• Refinancing of existing affordable housing in the UK	
Environmental	Green Buildings	• Construction of new homes with a minimum EPC Rating of B	
		• Re-financing of existing homes, subject to a minimum EPC rating of B	
		• Renovation of existing homes that improve unit EPC ratings by at least two bands or with an improvement to baseline energy output of 30% (measured by an improvement to EPC (SAP) scores of 30% or more)	  

1. Use of Proceeds

- Where the net proceeds are utilised for the construction or renovation of Eligible Projects (capex and opex), these will be originated in the 24 months preceding, or 24 months following, the issuance date of a specific debt instrument

2. Process for Project Evaluation and Selection

- Projects will be evaluated, selected and monitored by Platform's Investment Appraisal Panel ('IAP'), which meets at least once a month to consider proposals

3. Management of Proceeds

- Amounts equivalent to the net proceeds from Sustainable Financing Instruments issued under the Framework will be:
 - Separately recorded, reconciled and reported
 - Reported through the IAP

4. Reporting

- Reporting annually on the allocation and on the impact of the projects
- Impact report to leverage metrics aligned with the Sustainability Reporting Standard and embedded in its annual reporting cycle

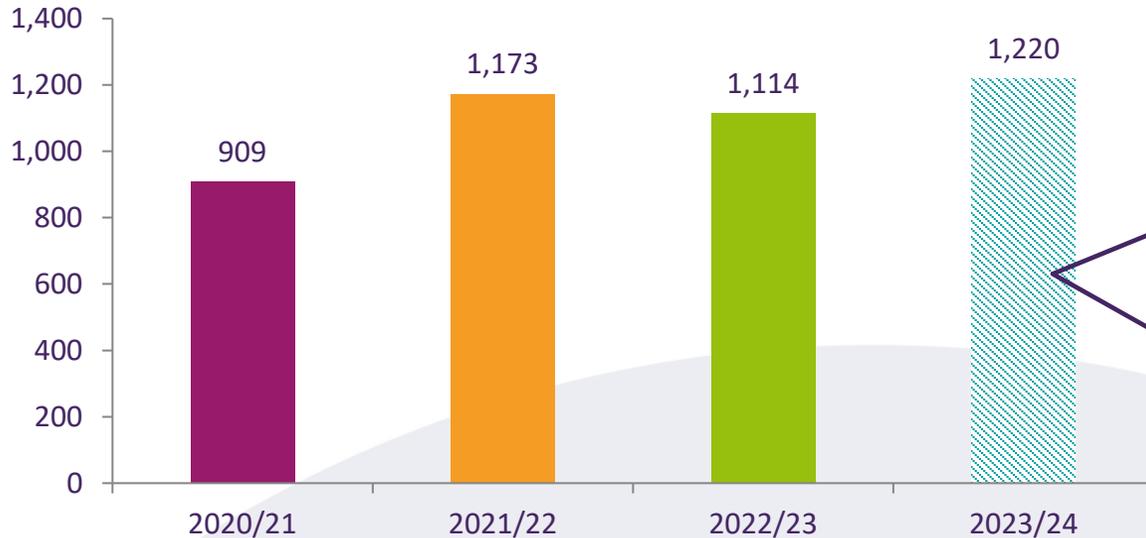


Development Update

Development Background & Historical Trends

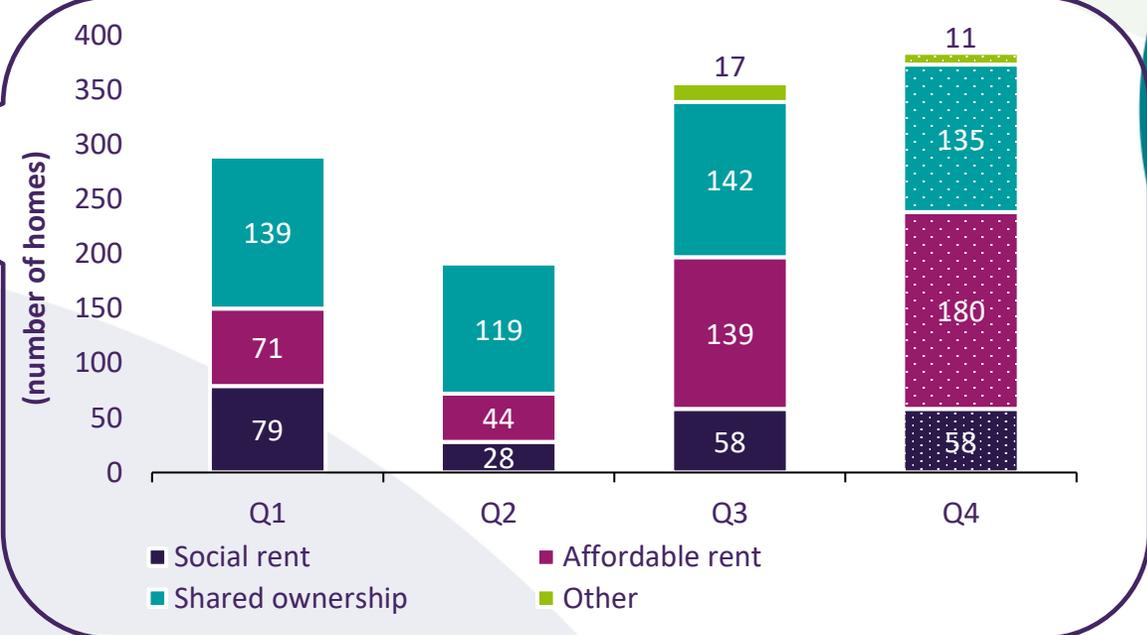
Development Trends

- Strong focus on social housing tenures
- No outright sales in current or prior year
- Delivered ~4,500 homes over 4 years to March 2024



2023/24 Home Building Programme

- Approximately 1,200 completions for the year to March 2024 and continue to look towards more land led housing development sites to support quality & control
- Strong pipeline of homes over the next three years and ~1,500 start on sites in 2023/24
- Secured significant bid to build ~3,750 homes as part of Homes England Affordable Homes grant funded 2021-26 programme with grant >£250m



 = forecast assumptions

Case study: Boots Enterprise Zone, Nottingham

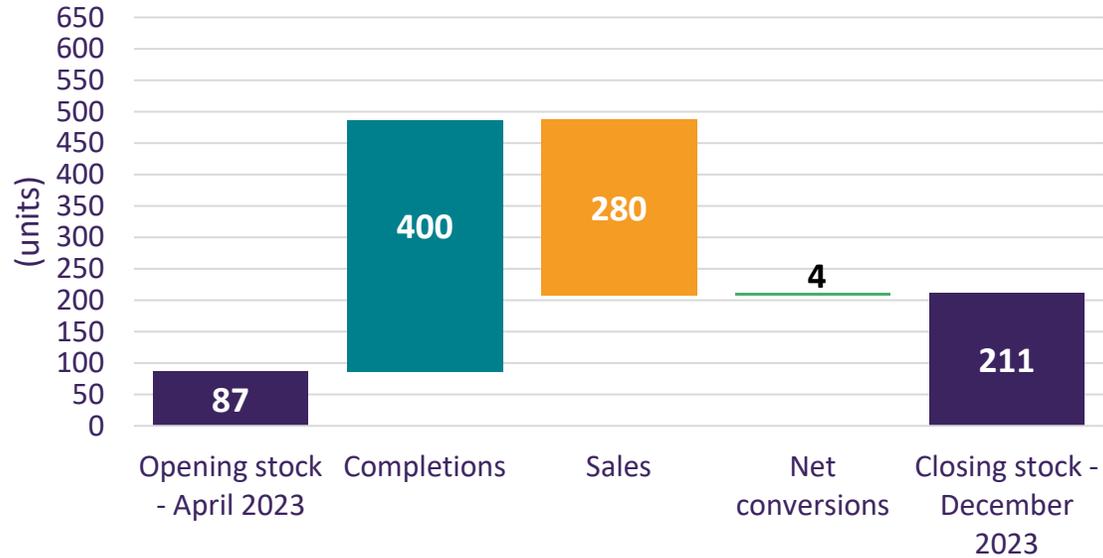


- Platform to deliver 319 new homes at an investment of over £100m
- Work expected to complete in Autumn 2025
- Scheme will have a mix of affordable rent and shared ownership homes
- Expected to be highly energy efficient – some homes expected to be net zero carbon
- Partnership with Octopus to deliver some homes with ‘zero bills’

Strong housing market in areas of operation: Dec-23

280 shared ownership (SO) sales to Dec-23 (Dec-22: 279)

SO stock evolution March 2023 – December 2023



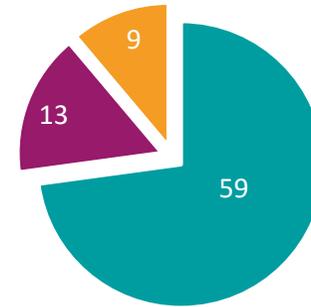
Unsold homes of 211 (March 2023: 87) reflects large number of stock plots in period

Shared ownership stock status (31 December 2023)

	Unsold	Reserved	Available
Total unsold	211	102	109
Unsold <6 months	169	75	94
Unsold >6 months	42	27	15

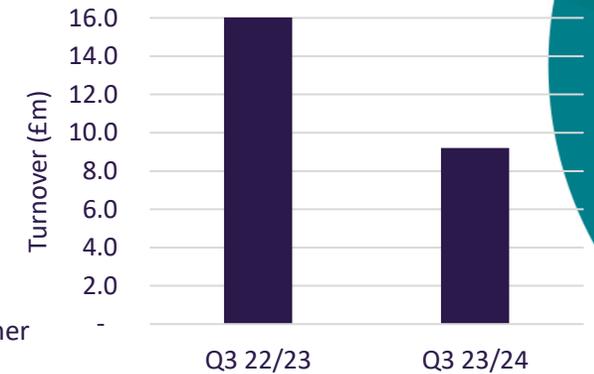
- SO sales affected by completed 'stock plots' acquired from developers; underlying adjusted performance robust with margins ~20% (Dec-22: ~20%)
- Fixed asset housing sales generated £4m surplus and margins of 44%, highlight strength of the market but high mortgage rates affecting quantum

Housing fixed asset sales to Dec-2023



■ SO staircasing ■ Right to buy / acquire ■ Other

Turnover from sale of housing fixed assets

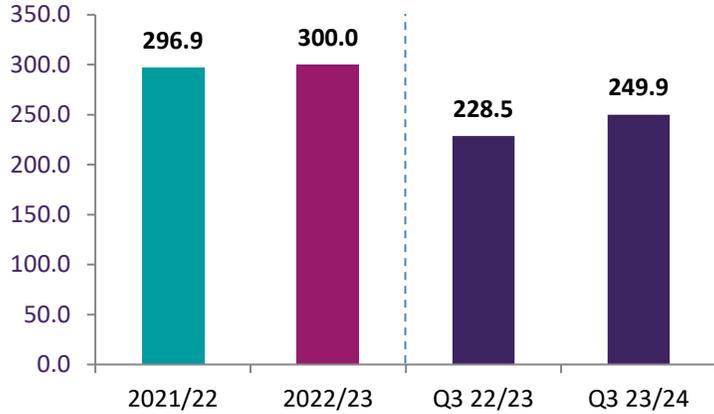


Finance and Treasury Update

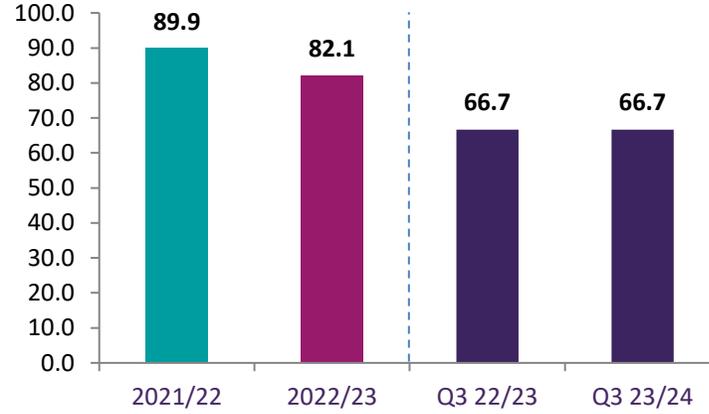


Historical Financial Performance

Turnover (£m)



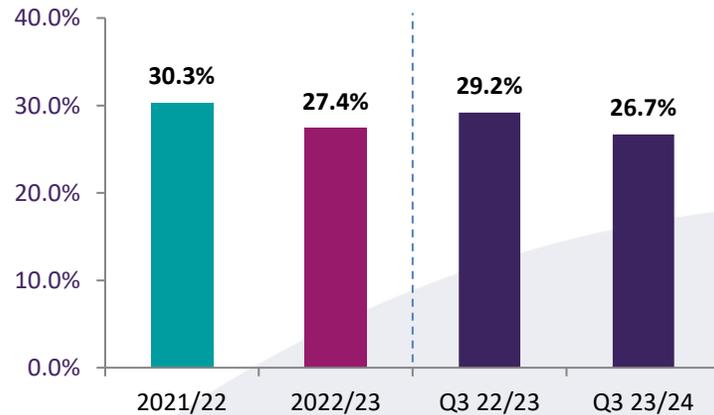
Operating Surplus (£m)



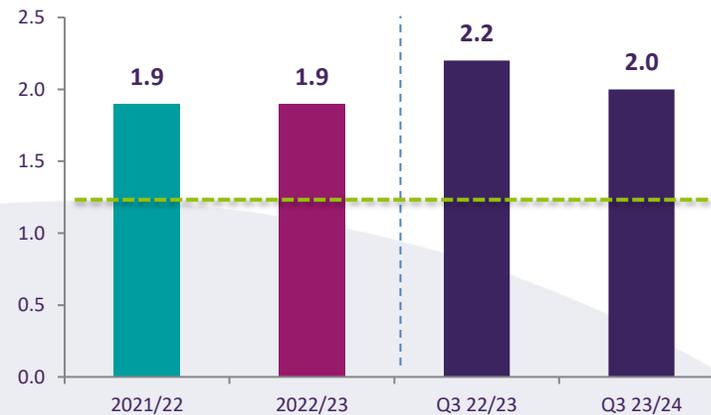
Social Housing Lettings Margin (%)¹



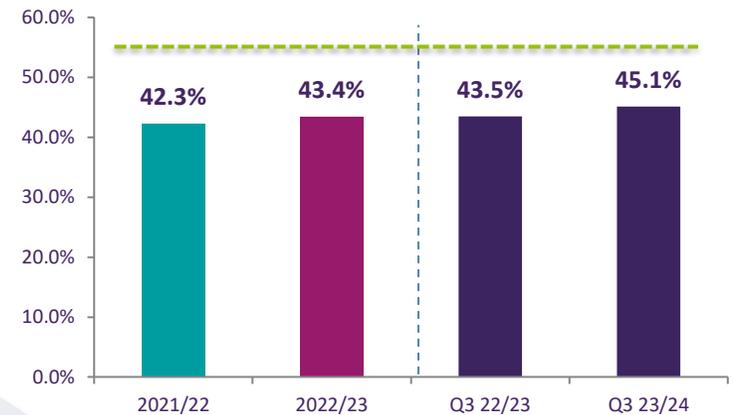
Operating Margin (%)¹



EBITDA MRI (x)¹



Gearing (%)¹



--- Platform Board golden rule

1. Calculated in accordance with the Regulator of Social Housing's Value for Money Metrics Methodology

Summary of Key Financial Metrics

Platform Housing Group Limited	2019	2020	2021	2022	2023	9 months to 31 Dec 2022	9 months to 31 Dec 2023
Turnover (£m)	273.6	257.1	269.9	296.9	300.0	228.5	249.9
Operating surplus (£m)	109.2	107.3	110.2	89.9	82.1	66.7	66.7
Operating margin ¹	37.6%	37.6%	37.2%	30.2%	27.4%	29.2%	26.7%
Operating margin – social housing lettings ¹	39.9%	41.7%	40.8%	35.2%	32.1%	33.9%	31.7%
Total Social Housing Cost per Unit (£)	2,361	2,458	2,463	2,855	3,436	-	-
Social Housing Management Cost per Unit (£)	506	595	619	647	651	-	-
EBITDA-MRI interest cover ¹	2.4x	2.0x	2.2x	1.9x	1.9x	2.2x	2.0x
Gearing ratio ¹	43.5%	43.5%	41.9%	42.3%	43.4%	43.5%	45.1%
Housing & other net assets (£m)	2,494	2,508	2,701	3,019	3,032	-	-
New homes added	1,598	1,449	911	1,173	1,114	775	713
New homes investment (£m)	201	208	198	201	251	163	244
Reinvestment ¹	9.4%	9.2%	8.0%	7.9%	9.4%	-	-
Void rent loss/turnover	1.3%	1.2%	1.5%	1.6%	1.3%	-	-
Bad debts/turnover	0.8%	1.1%	0.6%	0.7%	(0.1%)	-	-

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

Robust Treasury position

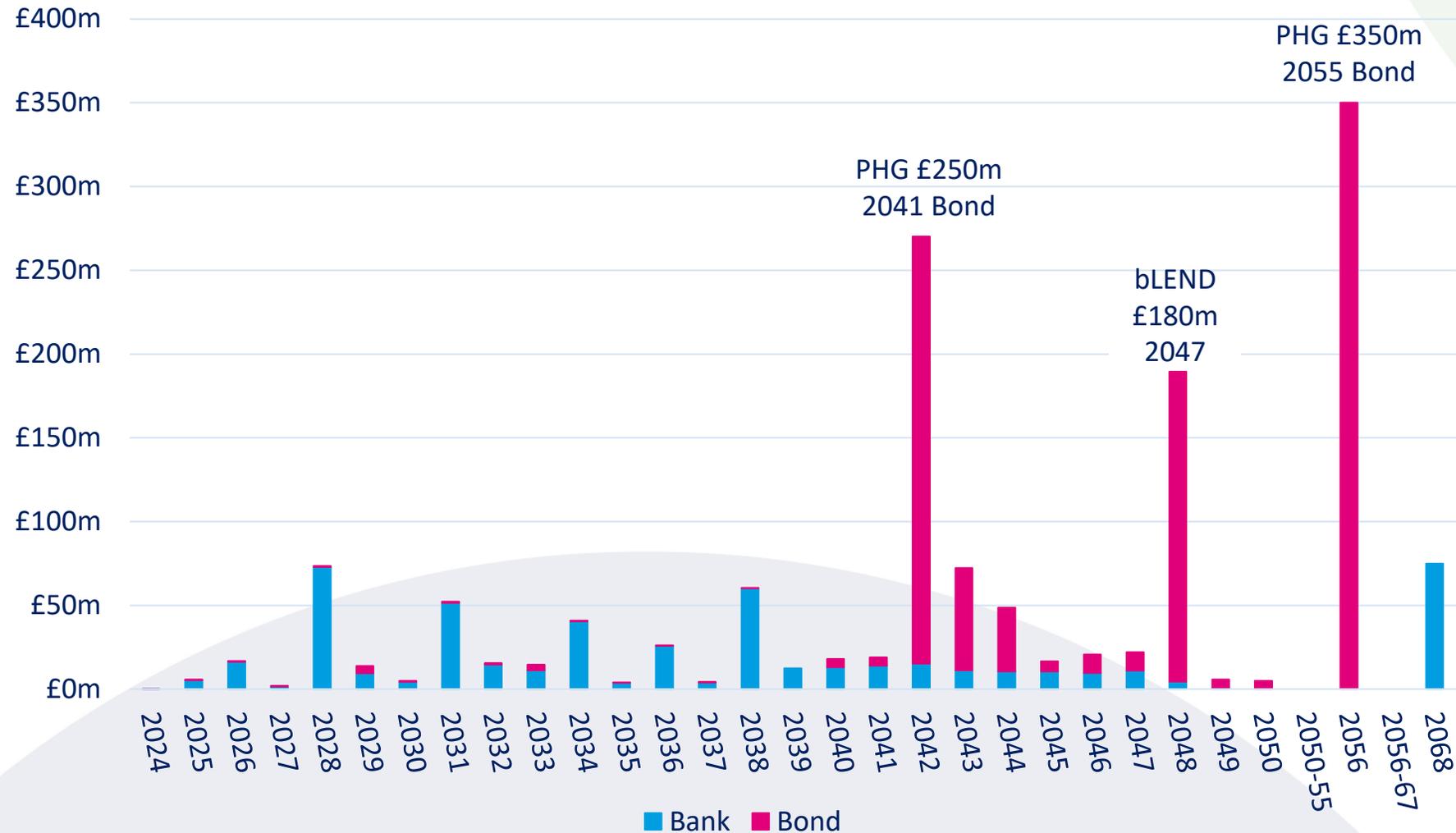
Substantial liquidity and flexibility	Treasury strategy	Strength and resilience
As at Dec-23: Cash & undrawn facilities ~£295m > 19,000 unencumbered properties	Long-term DCM funding focus Supported by bank facilities – new £275m revolving facilities established Jan-24	S&P A+ (stable) Fitch A+ (negative) Highest regulatory ratings 'G1 / V1'

Key treasury metrics as at 31 December 2023



Debt Maturity & Mix

Debt Maturity Profile at 31 December 2023



Treasury Golden Rules

- Financial Golden Rules set to support the delivery of strategy whilst maintaining strong investment grade credit and regulatory ratings
- Resilient and well tested plan with commitment to investment

Metric	Golden rules	2022/23 actual	Q3 2023/24 actual
Operating margin – social housing lettings	> 33%	32.1%	31.7%
Proportion of turnover from sales	< 25%	11.1%	-
EBITDA-MRI interest cover	> 120%	187%	201%
Gearing	< 55%	43.4%	45.1%
Asset cover	> 5% over minimum	59%	-
Liquidity horizon (committed and forecast cash flows)	> 18 months	33	-

Retained very strong RSH VfM metrics

RSH VfM metric	Platform peer group comparison						
	Lowest	Average (unweighted)	Highest	Platform March-22	Platform ranking March-22	Platform March-23	Platform ranking March-23
Reinvestment	3.1%	7.5%	9.5%	7.9%	4	9.4%	3
New supply (social housing units)	0.8%	2.0%	3.1%	2.5%	4	2.2%	5
New supply (non-social housing units)	0.0%	0.2%	1.0%	0%	1	0.0%	1
Gearing	30.2%	46.7%	57.3%	42.3%	5	43.4%	4
EBITDA-MRI interest cover	42%	132%	238%	188%	4	187%	3
Headline social housing cost per unit (£'s)	3,436	4,744	7,330	2,855	1	3,436	1
Operating margin (social housing lettings)	5.3%	24.4%	35.0%	35.2%	4	32.1%	4
Operating margin (total)	5.1%	20.5%	31.4%	30.2%	2	27.4%	2
Return on capital employed	1.2%	2.9%	4.2%	3.3%	6	3.0%	5

Conclusion



Key Credit Strengths

> 48,500

Homes
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Social
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Lettings
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EBITDA-MRI
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Sector Leading Financials

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Sustainable Growth Ambitions

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Experienced Board & Executive Team

- Strong leadership team with the mix of commercial and sector skills to deliver strategic plan

Conclusion | Transaction Summary

Issuer	Platform HG Financing plc
Original Borrower	Platform Housing Limited
Rating	A+ by Standard & Poor's / A+ by Fitch
Format	Fixed rate, senior, secured, Reg S, Bearer, NGN
Currency / size	GBP sustainability benchmark
Tenor	26 years
Repayment	Bullet
Asset Cover Covenant	1.05x EUV-SH, 1.15x MV-ST (plus charged cash)
Use of proceeds	To be used by the Issuer and/or the Original Borrower for sustainable purposes to finance or refinance, in whole or in part, eligible projects in accordance with the Sustainable Finance Framework
Bookrunners	Barclays Bank PLC, Lloyds Bank Corporate Markets & NAB
Listing	London Stock Exchange (ISM and SBM)
Documentation	The Programme Admission Particulars for the Secured Note Programme dated 23 February 2024

Appendices



Corporate Structure



Notes, sources and defined terms

Page number Comments

Financial data throughout this document relates to Platform Housing Group Limited

Page 11	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 12	Number of void properties includes unsold shared ownership stock.
Page 23	Unit numbers presented for the year to March 2024 have been updated from those included in Platform’s Quarter Three Trading Statement.
Page 25	Surplus on housing sales includes housing fixed assets sales related 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 28	Voids and bad debts as a percentage of turnover is in reference to social housing lettings activities.
Page 32	Sample of social housing providers includes Platform Housing, Bromford, Citizen, Guinness Partnership, Home Group, Jigsaw Homes, Longhurst, Midland Heart, Southern, 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 37	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.

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Purpose

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