21 August 2025

Platform HG Financing Plc

Platform Housing Group's Trading Statement for the Quarter to June 2025

The following report provides a trading update for Platform Housing Group (Platform), covering unaudited financial performance, development and treasury activities.

Highlights

- Core social housing turnover growth: social housing rental income growth of 6.6% to £78.7m (Jun-24: £73.8m)
- Cyclical shared ownership sales: sales turnover of £6.7m is down on the prior year due to timing of the development cycle (Jun-24: £13m)
- Overall turnover: in line with the prior-year period
- Quality improvements: home maintenance works accelerated to improve quality, affecting surpluses, (surpluses were £21.5m; Jun-24: £24.3m) and interest cover (EBITDA-MRI[2] was 139%; Jun-24: 168%)
- Delivering new homes: investment in new home development up 24% to £76.8m (Jun-24: £61.9m) and completions up 7% to 260 (Jun-24: 244) in spite of significant delays from Highways on some schemes
- Managing arrears: arrears of 2.5% down on prior year (Jun-24: 3%)
- Strong ratings: Credit ratings of A+ (stable) and A+ (negative) with S&P and Fitch
- Regulatory assurance: G1/V1 ratings with the Regulator for Social Housing

At or for the quarter to 30 June	2024	2025	Change
Turnover	£92.3m	£92.3m	-
Social housing lettings turnover	£73.8m	£78.7m	6.6%
Operating surplus(1)	£24.3m	£21.5m	-11.5%
New homes completed	244	260	6.6%
Investment in new homes	£61.9m	£76.8m	24.0%
Investment in existing homes(5)	£9.7m	£11.0m	13.7%
Share of turnover from social housing lettings	80.0%	85.2%	+5.2ppt
Social housing lettings margin(2)	32.8%	26.9%	-5.9ppt
Current tenant arrears(3)(4)	3.0%	2.5%	-0.5ppt
Gearing(2)(4)	45.6%	44.8%	-0.8ppt
EBITDA-MRI interest cover(2)	168%	139%	-29.0ppt

Notes
(1) Surplus excluding gains on disposal of property, plant and equipment
(2) Regulator for Social Housing Value for Money metric; for more information go to https://www.gov.uk/government/publications/value-for-money-metrics-technical-note
(3) Current tenant arrears includes all general needs tenants (this excludes shared ownership properties)

(4) Figures as at 30 June (as opposed to accumulated over the period to June)
(5) Investment in existing homes includes capital expenditure on maintenance and decarbonisation works

Elizabeth Froude, Platform's CEO commented:

"Investors will have seen the recent news that I will be leaving Platform in early 2026 to join SAGE as their Chief Executive Officer. It was a difficult decision to leave an organisation I have been so wholly involved in building and will always remain proud of. I saw this as a moment in time opportunity to find ways to build on the strengths of the For-Profit and Not-For-Profit sectors combined, to help deliver a strong social landlord and support the Government's agenda and need for a real step-up in house building.

As a result our Board took the decision to extend our Chairman, John Weguelin's tenure by up to a year and asked our Chief Finance Officer, Rosemary Farrar, to defer her previously agreed departure to the end of 2026. This should give Investors assurance that the management and stability at Platform will be protected in the transition.

Our report for quarter one shows a growth in rental income above that of base rent inflation due to the delivery of new homes, crystallising as additional rent. On top of that, we continue to see a strong market for shared ownership and existing owners staircasing to higher ownership levels, which complements our core rental income.

Our investment expenditures, whilst higher than last year, reflect the early mobilisation of our programme for the year and are not anticipated to be reflected in our full year performance.

We continue to control the controllable, prepare for the arrival of new legislation and push to sustain good customer satisfaction.

As always, we maintain strong financial oversight to ensure we deliver on the expectations of our investors."

Financial review

Turnover
In the quarter to 30 June 2025 total turnover of £92.3m was in line with the equivalent quarter in the prior year (Jun-24: £92.3m). Continued growth in core social housing lettings turnover of 6.6% to £78.7m (Jun-24: £73.8m) was netted against lower shared ownership first tranche sales of £6.7m (Jun-24: £13m). The lower number of sales were due to timing, with lower numbers of newly developed homes being completed for shared ownership sale. Demand for the shared ownership product remains strong in our areas of operation as outlined further in this report.

Turnover from all social housing activities of £86.3m (Jun-24: £87.4m) accounted for 94% (Jun-24: 95%) of Platform's total turnover in the period.

Surpluses and margins
Operating surpluses excluding fixed assets sales of £21.5m were 11.5% lower than the prior year period (Jun-24: £24.3m) and operating surpluses including fixed asset sales decreased by 1.2% to £24.8m (Jun-24: £25.1m). Surpluses from social housing lettings decreased by 12.4% to £21.2m (Jun-24: £24.2m).

Operating margins were 23.3% excluding fixed asset sales (Jun-24: 26.3%), 26.9% including fixed asset sales (Jun-24: 27.2%) and 26.9% from social housing lettings (Jun-24: 32.8%). Operating surpluses and associated margins have been affected by the timing of maintenance activity, which was accelerated in quarter one to enhance the quality of homes. This acceleration is a feature of the first quarter, with no plans to accelerate further over the remainder of the year.

Shared ownership sales surpluses were £1.1m (Jun-24: £1.4m), representing 4.4% of total operating surplus (Jun-24: 5.6%), with associated margins of 16.4% (Jun-24: 10.8%).

Sales of fixed assets, which include (but not limited to) subsequent staircasing sales of shared ownership homes and homes acquired under the 'right to buy' scheme, had surpluses and margins of £3.3m and 51% (Jun-24: £0.8m / 41%).

Net interest costs increased by £0.7m to support additional net debt of £100m year-on-year.

The overall net surplus after tax, which incorporates interest costs, was £11.7m in comparison to £12.2m in the prior year, driven by the operating and fixed asset sales surplus movements outlined above.

Development review

Housing formed a key part of the UK Government's Spending Review on 11th June 2025, with several major initiatives announced to support the delivery of new affordable homes and help solve the UK's housing crisis, including a new 10-year Affordable Homes Programme (AHP) with £39 billion being committed. Platform has continued to deliver against the current AHP, placing it well for when the new programme is launched. In the quarter the Group benefitted from an additional £20m of grant from the current AHP to support the delivery of an additional 205 homes.

Our home building programme continues to produce new affordable homes for those in need across the Midlands, despite continued challenges, for example, significant delays from Highways on some schemes. There were 260 new homes completed in the quarter (Jun-24: 244), all of which were for affordable tenures. Of those completed, 89 (34%) were built for social rent, 66 (25%) for affordable rent, 89 (34%) for shared ownership and 16 (6%) for 'rent-to-buy' (where sub-market rent supports saving towards a deposit for home purchase). All new homes developed had an EPC rating of 'B' or better, with 32% having the highest EPC rating of 'A'. Development expenditures were £62m in the period (Jun-24: £57m) and total homes owned increased to 50,309 (Jun-24: 49,384).

We continue to focus on delivering a high-quality product for our customers, supported by excellent service. Customer satisfaction for quality of new homes remains high and work continues to maintain low levels of defects through our in-house quality team. It was pleasing to note that in one month during the quarter we achieved 100% satisfaction for the quality of new homes delivered.

There were 91 shared ownership sales in the quarter to June 2024 (Jun-24: 133). The number of unsold units at the end of the period was 86 (Jun-24: 198), of which 60 were reserved for sale. We continue to see robust demand for shared ownership homes in our areas of operation, as customers who can't afford to buy a home outright turn to the shared ownership product as a means to home ownership.

Platform does not invest in speculative land and has no material actual or expected impairment in development sites.

Existing Homes

Following sanctions imposed on Tri Fire by the Institute of Fire Engineers, Platform have reviewed all of its five high-rise buildings, all of which were subject to survey by Tri Fire. Following these initial reviews, three high rise buildings in Worcester were found to not fully meet building safety standards and required some mitigations in order to maintain the existing ‘stay put’ policy in the event of fire. These mitigations have been put in place and both our independent fire safety experts and Hereford & Worcester Fire Authority have confirmed that the buildings remain safe to live in. All customers have been informed about the re-assessments. Now that mitigating measures are in place and we have updated customers, our attention is on longer-term matters including developing and assessing remediation works. We are currently working with Hereford & Worcester Fire Authority and independent experts to understand what will be required to bring our buildings up to the most modern safety standards, with findings expected in the coming months. Tri Fire were also responsible for undertaking assessments of some of Platforms low and mid-rise buildings, which we will re-review going forwards, in accordance with the risks involved.

Treasury review

Ratings activity
Platform is rated A+ (stable outlook) by S&P and A+ (negative outlook) by Fitch, with the Fitch outlook being revised to ‘negative’ from ‘stable’ reflecting some downwards movement in the credit metrics that support the Fitch methodology. Platform retains the highest regulatory gradings of ‘G1/V1’ for governance and financial viability.

Debt and liquidity
Net debt at June 2025 was £1,578m (Jun-24: £1,478m). Net debt comprised nominal values of £1,120m in bond issues, £80m in private placements and £418m in term loan and revolving credit facilities, partially offset by cash and equivalents of £27m and non-cash accounting adjustments of £13m.

Platform’s weighted average cost of finance was 3.59% (Jun-24: 3.57%).

Liquidity of approximately £500m was available, including undrawn committed debt facilities, short term investments and cash and cash equivalents, which is sufficient to meet all forecast needs until into 2026 (on top of maintaining an 18-month liquidity buffer).

Financial ratios
Platform monitors its performance against various financial ratios, including value for money metrics reported to the Regulator of Social Housing and ratios it is required to comply with under its financing arrangements.

Gearing, measured as the ratio of net debt to the net book value of housing properties[1], was 44.8%, down from 45.6% at June 2024. The decrease reflects Platform’s prudent capital expenditure programmes, in combination with favourable timings of grant and sales receipts over the last year.

EBITDA-MRI interest cover was 139%[1] (Jun-24: 168%). The year-on-year movement is largely driven by an increase in investment into existing homes as Platform improves the quality and sustainability of homes.

(1) Regulator for Social Housing Value for Money metric; for more information go to https://www.gov.uk/government/publications/value-for-money-metrics-technical-note

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