FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Platform Housing Group Limited at 'A+'; Outlook Negative

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Fitch Ratings - London - 14 Oct 2025: Fitch Ratings has affirmed Platform Housing Group Ltd's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'A+' and Short-Term Foreign-Currency IDR at 'F1+'. The Outlooks on the Long-Term IDRs are Negative. Fitch has also affirmed the senior secured bonds issued by subsidiary Platform HG Financing Plc at 'A+'.

A full list of ratings is below.

The affirmation reflects continuing 'Strong Expectations' of support from the state for Platform. This, combined with its 'a' Standalone Credit Profile (SCP), which is two notches below the sovereign IDR, leads to a one-notch uplift. Continuing high demand for social and affordable housing and ongoing cash flow from rented properties continue to support Platform's credit despite a challenging economic environment. The Negative Outlook reflects a deterioration in Platform's financial profile.

KEY RATING DRIVERS

Support Score Assessment 'Strong expectations'

Our 'Strong Expectations' of extraordinary support from the UK for Platform are reflected in a support score of 20, out of a maximum 60, under Fitch's Government-Related Entities Criteria. This reflects a combination of responsibility-to-support and incentive-to-support factors assessment as below.

Responsibility to Support

Decision Making and Oversight 'Strong'

Platform is a private not-for-profit social housing registered provider (RP), and has no legal owner. All surpluses are reinvested to provide social housing. We consider the regulatory framework for English social housing to have a robust legal basis, and the overseeing Regulator of Social Housing (RSH) to maintain sound control and tight monitoring of RPs. The regulator's history of oversight and non-financial intervention in rare cases of distress is a key factor behind the sector's solidity. In the event of financial distress, a transfer of assets and liabilities to another RP within the sector under the direction of the RSH would be likely.

Precedents of Support 'Strong'

Platform receives ongoing financial support through varying grants from Homes England for social, affordable and shared ownership development. This is to support additional subsidised housing, not to finance debt or prevent default. Fitch takes into account the support mechanisms the RPs can benefit from, or have benefited from, through the UK government. Policy influence is supportive of financial stability, with very few RPs entering financial difficulties and none defaulting. Regulatory restrictions on government support are unlikely to prevent timely intervention in exceptional circumstances.

Incentives to Support

Preservation of Government Policy Role 'Strong'

Social housing is a crucial public service. We see no immediate impact on the service from an RP default, as other RPs can act as substitutes with only temporary disruption to their service. However, there would be a medium-term impact on the provision of service by hampering RPs' access to external financing for their maintenance capex and new investments and reducing their financial resilience.

Contagion Risk 'Not Strong Enough'

An RP default would have only a minimal impact on the availability or cost of domestic financing for the UK. Fitch considers that a default would be treated as an isolated case of mismanagement or viability concerns; this therefore should not affect the sector at large. However, it could raise questions about the role of the regulator and sponsor in protecting social housing RPs.

Standalone Credit Profile

Platform's SCP reflects the combination of a 'Stronger' risk profile and 'bbb' financial profile. The 'a' SCP is in line with that of stronger peers in the sector.

Risk Profile: 'Stronger'

Platform's 'Stronger' risk profile reflects the combination of assessments below:

Revenue Risk: 'Stronger'

Demand for social and affordable housing across England remains very strong, with more than 1.3 million applicants still on the waiting list and macroeconomic factors making market rents more unaffordable for many. Platform's provision of social and affordable homes continues to deliver a key public policy mission for the UK government when spending power for both customers and government is diminished. The wide geographic spread of Platform's properties in the UK significantly limits the risk of value fluctuation in specific regions.

Expenditure Risk: 'Stronger'

Platform has well-identified cost drivers and low potential volatility in major items. Platform Property Care, which provides repairs and maintenance, enables Platform to continue reinvesting in existing stock at competitive rates. Platform's staff costs are broadly in line with those of peers that also undertake repairs in house, at about 40% of the total.

Platform has adequate mechanisms for capital planning and funding and has demonstrated generally effective management. The RSH closely monitors these mechanisms through a 30-year financial forecast requirement and regulatory judgements. Platform developed more than 1,000 units in FY25 (FY24: 1,200) and aims to develop more than 6,500 units in the next five years.

Liabilities and Liquidity Risk: 'Stronger'

Platform had about GBP1.6 billion drawn debt at FYE25. It participates in the fully developed UK financial market with full access to banks, debt capital and private placements. As at March 2025, 99% of drawn debt was fixed rate, limiting exposure to fluctuations in capital markets. The weighted average life of debt is greater than 20 years due to long-dated bonds, loans and private placements. Platform has no off-balance-sheet risks.

At FYE25 Platform had GBP2 billion agreed debt, with significant additional unallocated charged security available to issue under an EMTN programme. It has a liquidity policy that stipulates minimum cash holdings of GBP10 million and minimum cash and available facilities that are sufficient to finance the following 18 months of projected net cash requirements.

Financial Profile 'bbb'

Fitch's rating case expects Platform's operating turnover to average GBP450 million a year in FY26-FY30 (FY25: GBP369 million), with EBITDA averaging GBP177 million a year (FY25: GBP140 million). Our rating case forecasts Platform's net debt will increase to about GBP2.3 billion by FYE30 from GBP1.5 billion at FYE25.

Fitch believes Platform will continue to report strong financial performance in the medium term. Strong demand for low-cost housing, expected cost efficiencies and cross-subsidisation from shared-ownership sales should enable Platform to maintain consistent cash flow and sufficient revenue to service debts and support its development plan.

Platform has maintained adequate net adjusted debt/EBITDA, which our rating case forecasts on average at just above 11x. We expect leverage to peak in the near term before improving across the rating case, as revenue is realised from the development of new homes. Overall, we expect the leverage ratio to move across the rating case closer to the lower end of the 'bbb' category, indicating the SCP could fall to the lower end of the 'a' category, which underlines the Negative Outlook.

Other Rating Factors

We assess all asymmetric risk attributes as 'Neutral' due to a strong regulatory framework, transparent reporting of information and a risk-averse debt structure. Platform's debt is mostly fixed rate (99%) and vanilla in issuance (sterling bonds and bank debt). The RSH assesses governance and management at the highest level of G1. Platform operates under English law, which we consider strong, and the Country Ceiling is 'AAA'. Information quality is strong, with external publications internally and externally audited.

Short-Term Ratings

Platform's 'F1+' Short-Term IDR the higher of two options for a 'A+' Long-Term IDR, due to 'Stronger' liabilities and liquidity risk and a liquidity coverage score above 'a'.

PEER ANALYSIS

Platform's net adjusted debt/EBITDA is most comparable to those providers that have a similar SCP within the 'a' category, in particular Great Places Housing Group Limited (A/Negative), which is also based outside London. Both entities have similar revenue profiles and generate most of their revenues from social housing lettings. Great Places has a slightly higher leverage across the rating case, which results in its 'a-' SCP and 'A' Long-Term IDR. Both entities are on a Negative Outlook.

Issuer Profile

At end-March 2025, Platform owned and managed about 50,000 housing units, making it one of the largest social housing RPs in the UK.

KEY ASSUMPTIONS

Fitch's rating case is a "through-the-cycle" scenario, which incorporates a combination of revenue, cost and financial risk stresses. It is based on FY21-FY25 historical figures and FY26-FY30 assumptions.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A sustained deterioration of net debt/EBITDA towards 12x on a sustained basis or an adverse change to the assessment of the key rating factors would be negative for the ratings.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- We could revise the Outlook to Stable if net debt/EBITDA improved structurally towards 10x.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

References for Substantially Material Source Cited as Key Driver Rating

The principal sources of information used in the analysis are described in the Applicable Criteria.

RATING ACTIONS

ENTITY / DEBT ⬍	RATING ⬍	PRIOR ⬍

Platform HG Financing Plc				
senior secured	LT	A+	Affirmed	A+
Platform Housing Group Ltd	LT IDR	A+ Rating Outlook Negative	Affirmed	A+ Rating Outlook Negative
	ST IDR	F1+	Affirmed	F1+
	LC LT IDR	A+ Rating Outlook Negative	Affirmed	A+ Rating Outlook Negative
	LC ST IDR	F1+	Affirmed	F1+

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

Public Policy Revenue-Supported Entities Rating Criteria (pub. 12 Jan 2024) (including rating assumption sensitivity)

Government-Related Entities Rating Criteria (pub. 18 Jul 2025)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Platform HG Financing Plc	UK Issued, EU Endorsed
Platform Housing Group Ltd	UK Issued, EU Endorsed

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