Longhurst Group

INVESTOR UPDATE

NOVEMBER 2023

Rob Griffiths – Deputy CEO and CFO

Yasmin Holley – Director of Finance

AGENDA

1. Introduction

2. Environmental, Social and Governance

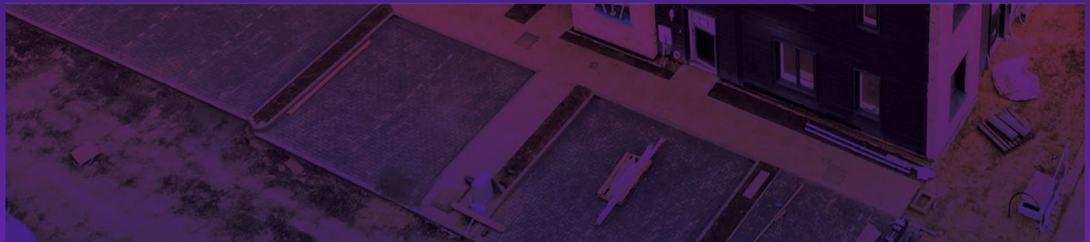
3. Operational performance

4. Growth

5. Financial results

6. Treasury and financial plans



PRESENTER BIOGRAPHIES

Rob Griffiths

Deputy Chief Executive
and Chief Financial Officer

Rob became Deputy Chief Executive in 2015 and has been the Group's Chief Financial Officer since 2006, having joined the organisation in 1994. Rob leads the Group's Operational Finance and Corporate Finance Teams and has responsibility for audit, risk management and procurement.

Elsewhere, Rob is a member of the Financial Reporting Council's Advisory Panel on UK GAAP. Rob also served as an employer representative to the Social Housing Pension Scheme (SHPS) from 2018 to September 2023.

Yasmin Holley

Director of Finance

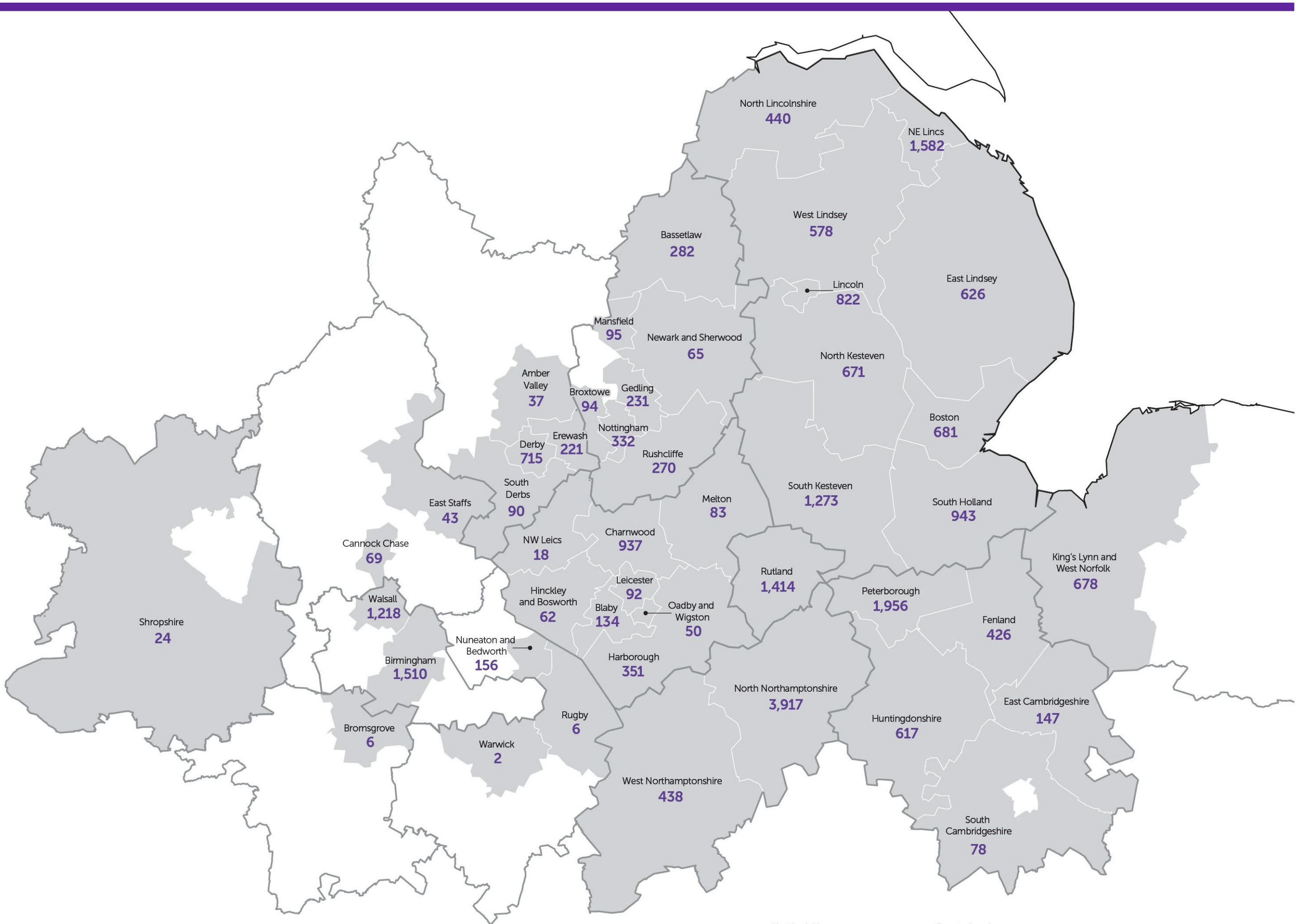
Yasmin joined the Group in 2020 as Head of Financial Reporting and became the Director of Finance in July 2022, with accountability for Accounting, Financial Reporting, Business Planning, Treasury, Compliance and Payroll.

Elsewhere, Yasmin represents the Group as a housing association member of the ICAEW Social Housing Sub-Committee, which is responsible for reviewing legislative, regulatory and practical changes impacting on the Social Housing sector.

Yasmin has a background of audit and assurance, qualifying as an accountant with the Association of Chartered Certified Accountants at PwC.

OVERVIEW

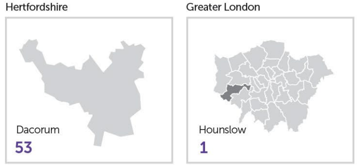
- Longhurst Group Limited ("the Group") is one of the leading housing groups in the Midlands and East of England, providing more than **24,000 homes**.
- We have a strong track record in delivering our development programme, forecasting over **600 handovers and over 200 first tranche shared ownership sales** this year.
- The Group is guided by a core set of shared values, with a vision to **improve the lives of our customers and communities**.
- We are committed to maintaining our consistent credit performance. In October Moody's affirmed our **A3** credit rating and revised the outlook from negative to **stable**, and in November the Regulator of Social Housing reconfirmed our **G1/V2** gradings.



Our homes

Local Authority

24 Number of Longhurst Group homes



LONGHURST GROUP IN NUMBERS

CUSTOMER SATISFACTION	78%
PORTFOLIO VALUE	£1.33bn
NEW HOMES STARTED	511
INVESTMENT IN NEW HOMES	£87.8m
HOMES WE OWN AND MANAGE	26,762
NUMBER OF COLLEAGUES	1,136
NEW HOMES COMPLETED	578
OUR TURNOVER	£157.4m

Data from 2022/23 audited annual report and financial statements.

EXTERNAL ASSESSMENTS

Moody's

Regulator of Social Housing

Homes England

CREDIT RATING

Moody's credit opinion was published October 2023 with the credit profile of Longhurst Group Ltd changing to A3 (stable) from A3 (negative).

The stable outlook reflects the expected gradual reduction in inflation and associated cost pressures, as well as the proactive actions taken by the Group to mitigate the adverse effects of the weaker operating environment.

REGULATION

In November 2023, the Regulator of Social Housing published its refreshed assessment of the Group's compliance with the Governance and Financial Viability Standard of the Regulatory Framework.

We have retained ratings of G1 for governance and V2 for financial viability.

DEVELOPMENT COMPLIANCE

- Passed all Homes England Scheme Audits.

MINDFUL EMPLOYER

disability confident EMPLOYER

BEST COMPANY 2019

CURRENT SECTOR CHALLENGES

ECONOMIC EFFECTS

Inflation

Costs have continued to rise during the year across key areas of expenditure, particularly repairs and maintenance, though there are signs that development costs are stabilising.

Cost of living

Arrears have stayed at below 2%, though cost of living remains a concern for customers and colleagues

Interest rates

Rising interest rates have made the development of new homes more challenging.

GOVERNMENT POLICIES

The 2024/25 rent increase set by the government is currently unknown and there is no certainty on the rent formula for social housing beyond 2025. There is also uncertainty around the requirements for Decent Homes 2.

BUILDING SAFETY

Decent homes, with a particular focus on damp and mould, and building safety – fire safety remediation.

ENVIRONMENTAL TARGETS

Costs associated with achieving net zero.

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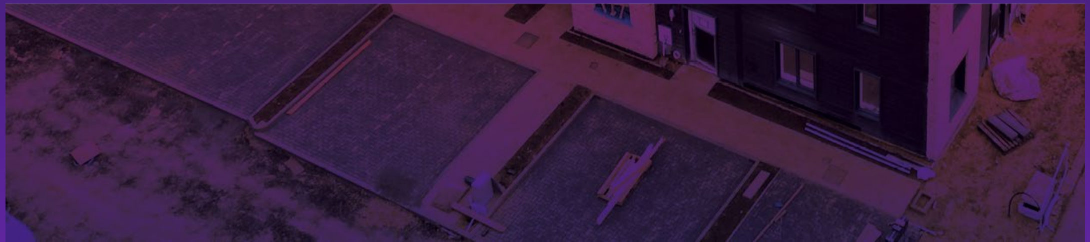


MEASURING OUR ENVIRONMENTAL IMPACT

CLIMATE CHANGE

We're ensuring that as many of our newbuild properties as possible are developed to EPC C or above, to minimise climate impact and maximise energy efficiency for our customers. The Group has set a target of ensuring all homes have a minimum EPC band C by 2030, currently 78 percent, to help reduce our carbon footprint and fuel poverty. Our business plan includes £19m of expenditure for works to properties to bring them up to a minimum of EPC band C by 2030. This is in addition to £14m of expenditure partially funded by the Social Housing Decarbonisation Fund. We are committed to net zero by 2050 and, although not included in the business plan due to there being some uncertainty around the level of required expenditure to reach net zero, we have stress tested the estimated costs within the current business plan.

	2022/23	2021/22
EPC rating A	0.03%	0.03%
EPC rating B	16.20%	14.51%
EPC rating C	62.00%	56.16%
EPC rating D	19.90%	26.00%
EPC rating E/below	1.82%	3.30%
Unknown	0.05%	–

	2022/23	2021/22
EPC rating A	–	–
EPC rating B	100%	98.67%
EPC rating C	–	1.33%
EPC rating D	–	–
EPC rating E/below	–	–
Unknown	–	–

MEASURING OUR ENVIRONMENTAL IMPACT

ECOLOGY

As part of Our Improving Lives 2025 strategy, we're focused on the importance of green space in our development plans.

This is underpinned and measured by a requirement to incorporate Building for Life 12 (BfL12) into our developments.

We're also increasing Biodiversity Net Gain (BNG) in line with the changing planning requirements.

	2022/23	2021/22
EPC rating A	0.03%	0.03%
EPC rating B	16.20%	14.51%
EPC rating C	62.00%	56.16%
EPC rating D	19.90%	26.00%
EPC rating E/below	1.82%	3.30%
Unknown	0.05%	–

	2022/23	2021/22
EPC rating A	–	–
EPC rating B	100%	98.67%
EPC rating C	–	1.33%
EPC rating D	–	–
EPC rating E/below	–	–
Unknown	–	–

OUR SOCIAL INFLUENCE

AFFORDABILITY AND SECURITY

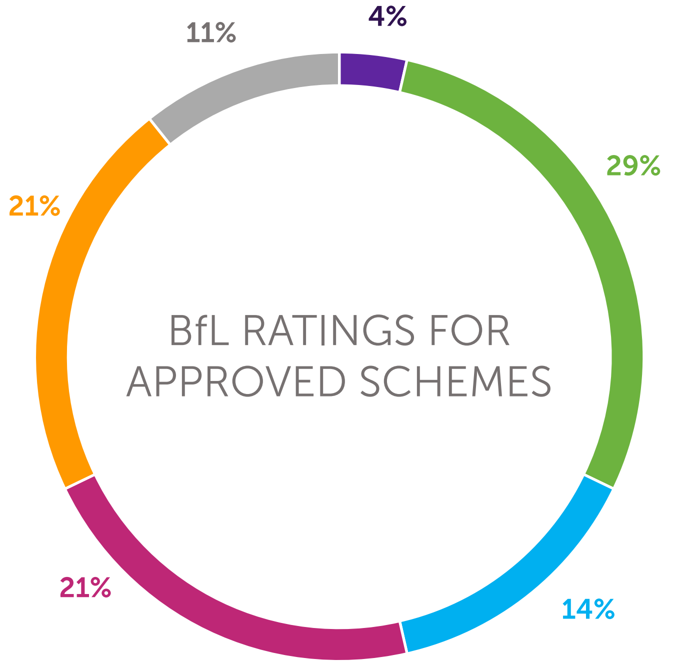
The Group's weekly average rent is significantly below that of the Local Housing Allowance (LHA) and private market rents for the local authority areas in which we operate. Our rents are, on average, 74% of LHA and 58% of private market rents.

RESIDENT VOICE

We have a Customer Forum and local scrutiny groups. The Customer Forum meets monthly to support our Group Board by providing assurance that the consumer standards of the Regulatory Regime for Social Housing in England are being met, that value for money is being achieved in our service and we're in line with our vision of 'improving lives'.

PLACEMAKING

With all new development opportunities, the Group assesses the design of a scheme and how it will suit the needs of our customers and the community, using the BfL12 design tool.



	Schemes	Units
8/12 or less	1	54
9/12	8	211
10/12	4	152
11/12	6	149
12/12	6	223
Not rated (at concept stage)	3	145

Longhurst Group ESG report 2022/23.

OUR SOCIAL INFLUENCE

BUILDING SAFETY AND QUALITY

- It's important to say that our housing stock is comprised predominately of low-level family homes and that **none of our properties have any required remedial fire safety work linked to cladding**.
- The safety of our customers is our main priority. To underline this, as of 31 March 2023, our **gas safety and fire risk compliance stood at 99.98 percent and 99.74 percent** respectively.
- The quality of our homes is of key importance, and we're pleased to say that **99.7 percent of our properties meet the Decent Homes Standard**.
- We completed a significant programme of major works throughout the 2022/23 financial year. This was achieved against a backdrop of challenging external factors for the housing and repairs sector.
- The Group submitted an application to the Social Housing Decarbonisation Fund (SHDF) in Autumn 2022. The application was successful, with £6m of funding secured from the SHDF. **We'll spend a total of £14m upgrading 581 homes over the next two years**.

OUR SOCIAL INFLUENCE

SUPPORTING OUR CUSTOMERS

Our Community Investment initiative is key to delivering our Improving Lives vision.

It underlines our commitment to supporting our customers with their mental and physical wellbeing and economic resilience.

Despite several colleagues being temporarily seconded to support other areas of our business this year, we're proud to report that we made over 6,000 interventions – with 94 percent achieving a positive outcome.

Social value generated exclusively through Community Investment activity totalled over £7.9million in 2022/23.*

In total, 2,903 customers were supported to improve their health and wellbeing while 2,659 were supported with their economic resilience.

As part of our laptop gifting initiative, Longhurst Group donated six laptops to Encompass – a company providing rehabilitation services in Northamptonshire.

Over the last 12 months, we've supported 110 customers to move closer to the labour market, by either gaining first-time employment, re-entering the workforce or enhancing their skills. We also donated thousands of pounds to customers and communities through the various funds we provide.

**Social value generated exclusively through our Community Investment services. Calculated using a blended and proportionate approach to identify social value, which has included HACTs, UK Social Value Bank and Insight tools, alongside unit cost databases and a range of publicly available financial proxies.*

OUR BOARD

JENNY BROWN

Group Board Chair

Appointed 2019

ANGIE MORRIS

Chair of People, Remuneration and Nominations Committee

Appointed 2019

PARMJIT DHANDA

Chair of Keystone Developments

Appointed 2016

DAMIEN RÉGENT

Chair of Audit and Risk Committee

Appointed 2022

PAT BRANDUM

Chair of Development and Asset Investment Committee

Appointed 2016

CLIVE BARNETT

Chair of Finance and Treasury Committee, Libra 1 and 2 Boards

Appointed 2016

PETER HAY CBE

Non-Executive Director

Appointed 2022

DAVID THOMPSON

Non-Executive Director

Appointed 2022

PHILIP MORRIS

Non-Executive Director

Appointed 2022

CHRIS TYSON

Non-Executive Director

Appointed 2022

EXECUTIVE TEAM

JULIE DOYLE

Chief Executive

Since taking on the role of Chief Executive, Julie has ensured a strong platform for future success by reshaping the organisation, achieving considerable value for money savings and delivering substantial growth.

ROB GRIFFITHS

Deputy Chief Executive and Chief Financial Officer

Rob became Deputy Chief Executive in 2015 and has been the Group's Chief Financial Officer since 2006, having joined the organisation in 1994. Rob leads the Group's Operational Finance and Corporate Finance Teams and has responsibility for audit, risk management and procurement.

MARCUS KEYS

Executive Director of Assets, Growth and Development

Marcus joined Longhurst Group in May 2019 and is responsible for increasing our mixed tenure development across the Midlands and East of England and securing further growth and joint venture opportunities with public and private sector partners.

LYNN STUBBS

Executive Director of People and Performance

Lynn joined Longhurst Group in 1996 to lead on performance and quality initiatives within the organisation. Lynn was previously Director of Business Services at Spire Homes, responsible for operational areas such as property and customer services, customer and community involvement, along with quality assurance, regulation and marketing and communications.

GUV DHALIWAL

Chief Information Officer

Guv joined the Group in September 2023 as Chief Information Officer, leading on change, improvement and ICT development.

NEW ELT MEMBER

Executive Director of Customer Services

In early 2024 we will have a new executive lead for the customer directorate. This includes our contact centre, housing services, repairs and our care and support business.

OUR STRUCTURE

Longhurst Group Limited is a registered housing provider, regulated by the Regulator of Social Housing (RSH).

The Group holds governance and viability ratings of G1/V2.

We follow the National Housing Federation (NHF) Code of Governance 2020, and prior to that, we were fully compliant with the 2015 NHF Code.

Group Board

Keystone

Roles and responsibilities

- Act as a vehicle to develop new leasehold and outright sale homes
- Provide open market housing products for rent.

Libra/Libra 2

Roles and responsibilities

- Act as a loans manager and ensure distribution of funds in line with Group Treasury Strategy
- Provide funding advice to the Board.

Committees

Development and Asset Investment

Roles and responsibilities

- To have oversight of the landholding, development and sales activity of new homes of the Group; its subsidiaries and joint ventures.
- Oversees plans for active asset management and investment across all existing stock holding, including acquisition and disposal.

Audit and Risk

Roles and responsibilities

- Ensuring systems of internal control assurance and risk management are effective
- Scrutinising whether the Group is meeting its statutory and regulatory obligations
- Ensuring the Group is properly audited and reviewed.

Finance and Treasury

Roles and responsibilities

- Financial assumptions
- Targets and budgets
- Treasury Management Strategy.

People, Remuneration and Nominations

Roles and responsibilities

- Board and Committee Membership
- Framework for NED/Senior Executive remuneration
- Succession planning for CEO/Deputy CEO/Board
- Review People Strategy.

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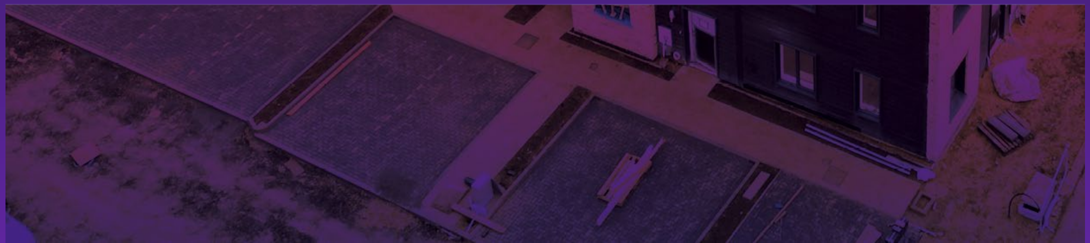


OPERATIONAL PERFORMANCE

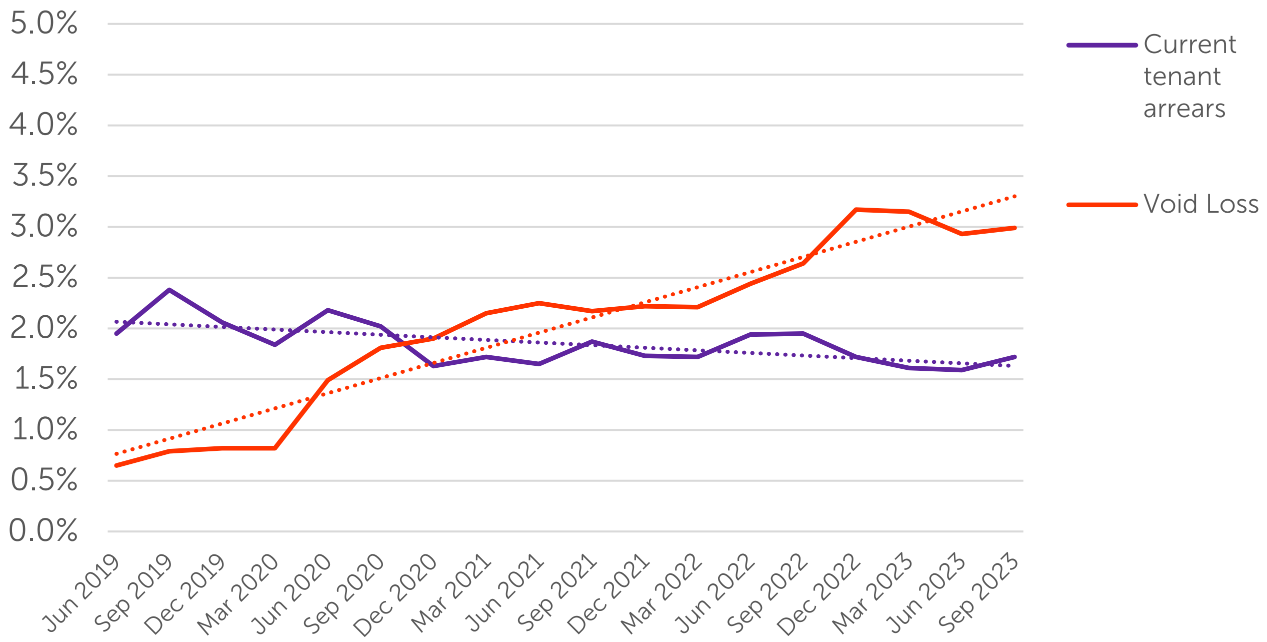
ARREARS

Our arrears performance continues to be strong, though we recognise the impact of the current economic environment on our customers. Our Community Investment Team provides a wide range of services that support the economic resilience, health and wellbeing of our customers and the wider community.

VOIDS

Our void loss is a key area of focus for the 2023/24 financial year. Although heightened, this has reduced from 3.17% at the end of 2022 to 2.97% at October 2023 (annualised). This is a priority area for the Group, with a new Senior Empty Homes Manager in post since the summer and void property numbers reducing during this time from 452 to 284.

The void loss is expected to reduce further over the next quarter, with continuing focus and investment in this area, covered in greater detail on the next slide.



CARE AND SUPPORT

During the 2023/24 financial year we have reduced our Care and Support activity, most notably exiting the delivery of Care and Support in the West Midlands which will have a favourable impact on our financial performance.

REPAIRS PERFORMANCE

Repairs and maintenance has been a key area of investment for the Group over the 2022/23 and 2023/24 financial years.

A backlog of repairs and void works built up because of contractor changes and the pandemic.

We are now working to eliminate the backlog with our focus on customer experience, whilst also tackling void works and efficiently bringing properties back into rent.

After peaking at over 8,300, our overdue repairs figure has reduced to 3,546 and is targeted to reduce by a further 1,000 by the end of December.

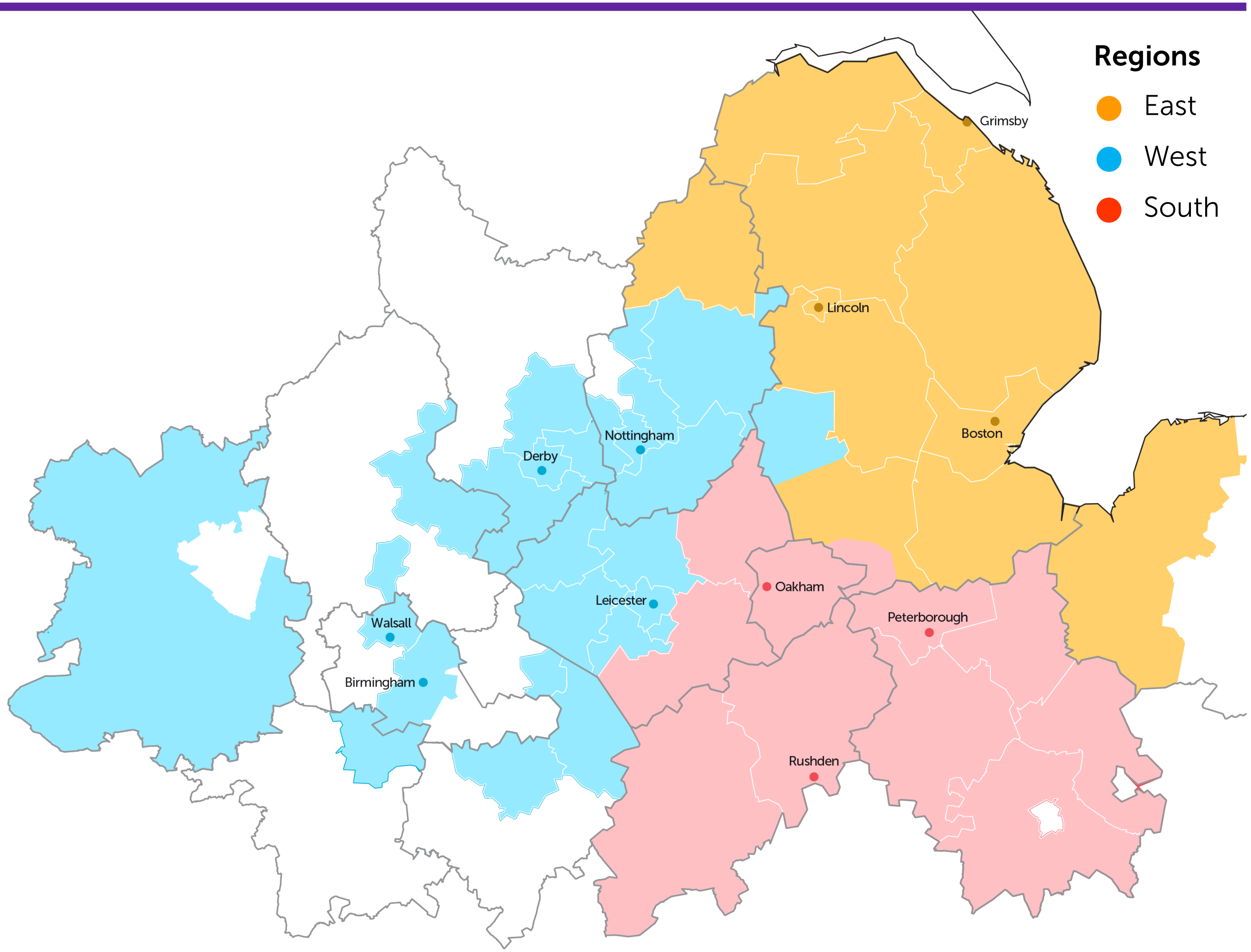
	Q2 2023/24	Q2 2022/23	Forecast 2023/24
	£m	£m	£m
Responsive maintenance	**8**	6	19
Void maintenance	**3**	2	7
Planned maintenance	**5**	4	10
	16	12	36

Longhurst Group income and expenditure reporting. Data as published in RNS trading updates and internal forecast outturn reports (unaudited).

REPAIRS PERFORMANCE

In July 2022 we appointed three contractors, one for each of our three regions, to provide a more local focus to the delivery of our repairs and maintenance.

We have further increased our investment in existing homes with six 'tier 2' contractors appointed in 2023 to support the three primary regional contractors with repairs and maintenance, and void works.

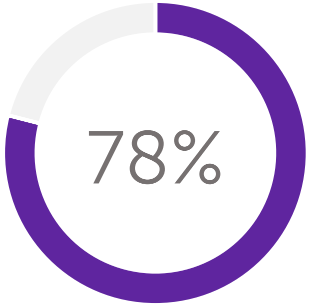


CUSTOMER FEEDBACK

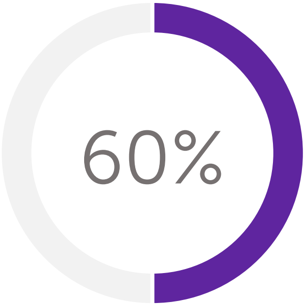
COMPLAINTS

The number of complaints we've received has continued to increase (2022/23: 2,239), which is to be expected with our ongoing repairs challenges and the increased regulatory, political and media scrutiny on the housing sector.

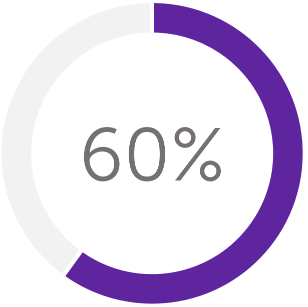
Our repairs service continues to be the main cause of dissatisfaction, particularly around delays and quality of work, and this is why we've invested significantly in additional resource as we do everything we can to address this issue.



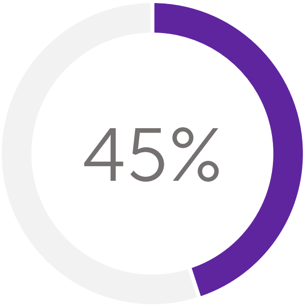
Customers satisfied with overall service
2021/22: 75%



Formal complaint responses within target
2021/22: 65%



Emergency repairs completed on time
2021/22: 84%



Routine repairs completed on time
2021/22: 33%

CUSTOMER FEEDBACK

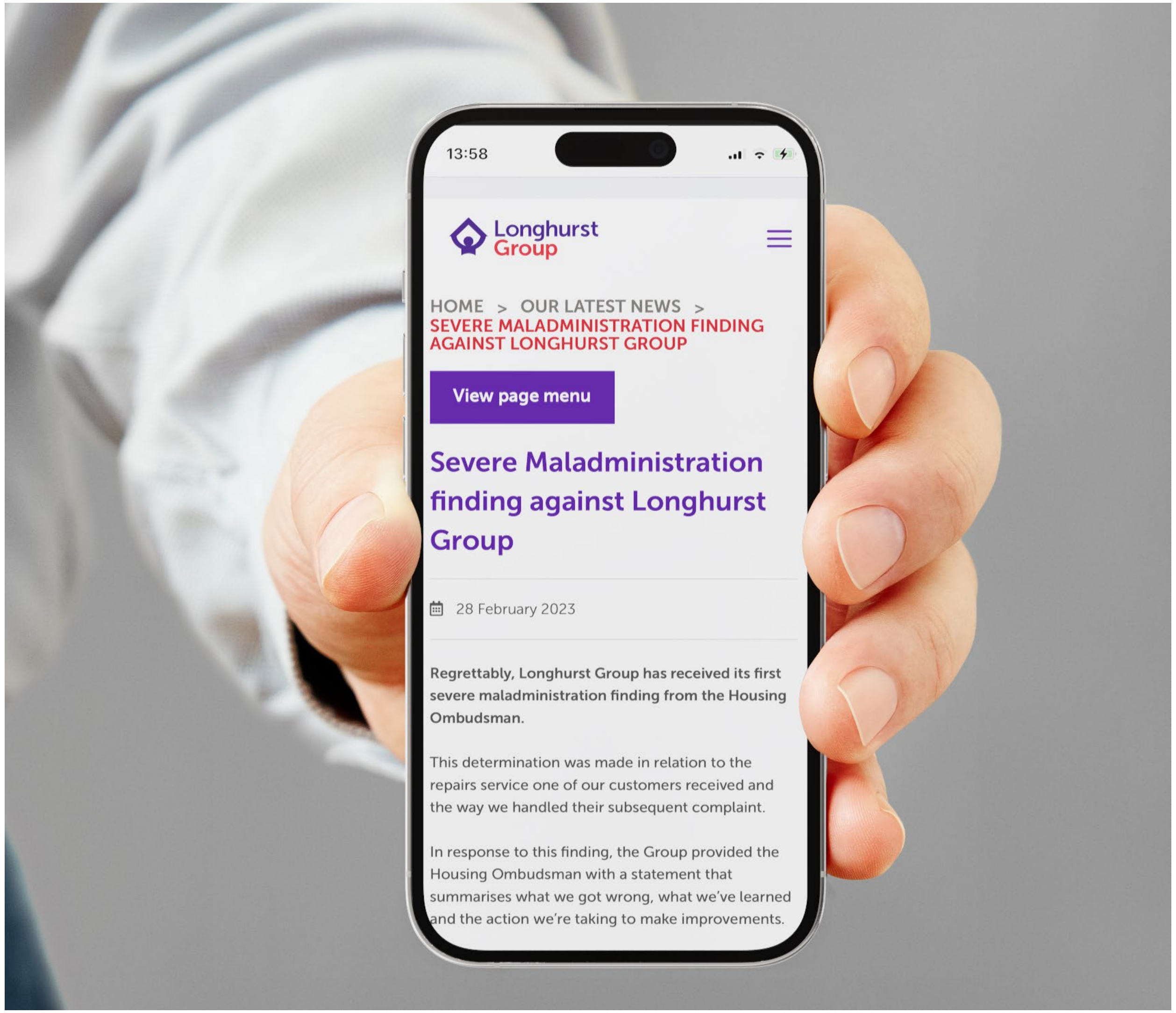
SEVERE MALADMINISTRATION

In February 2023 we were served our first ever severe maladministration finding by the Housing Ombudsman.

The determination was made in relation to the repairs service one of our customers received and the way we handled their subsequent complaint.

We undertook a full case review to understand what went wrong and identify the changes needed.

We've bolstered our Customer Care Team to ensure we're better equipped to resolve customer queries within 48 hours and have improved the way we manage information within our systems to better prioritise work and support our most vulnerable customers.



PROPERTY SALES PERFORMANCE

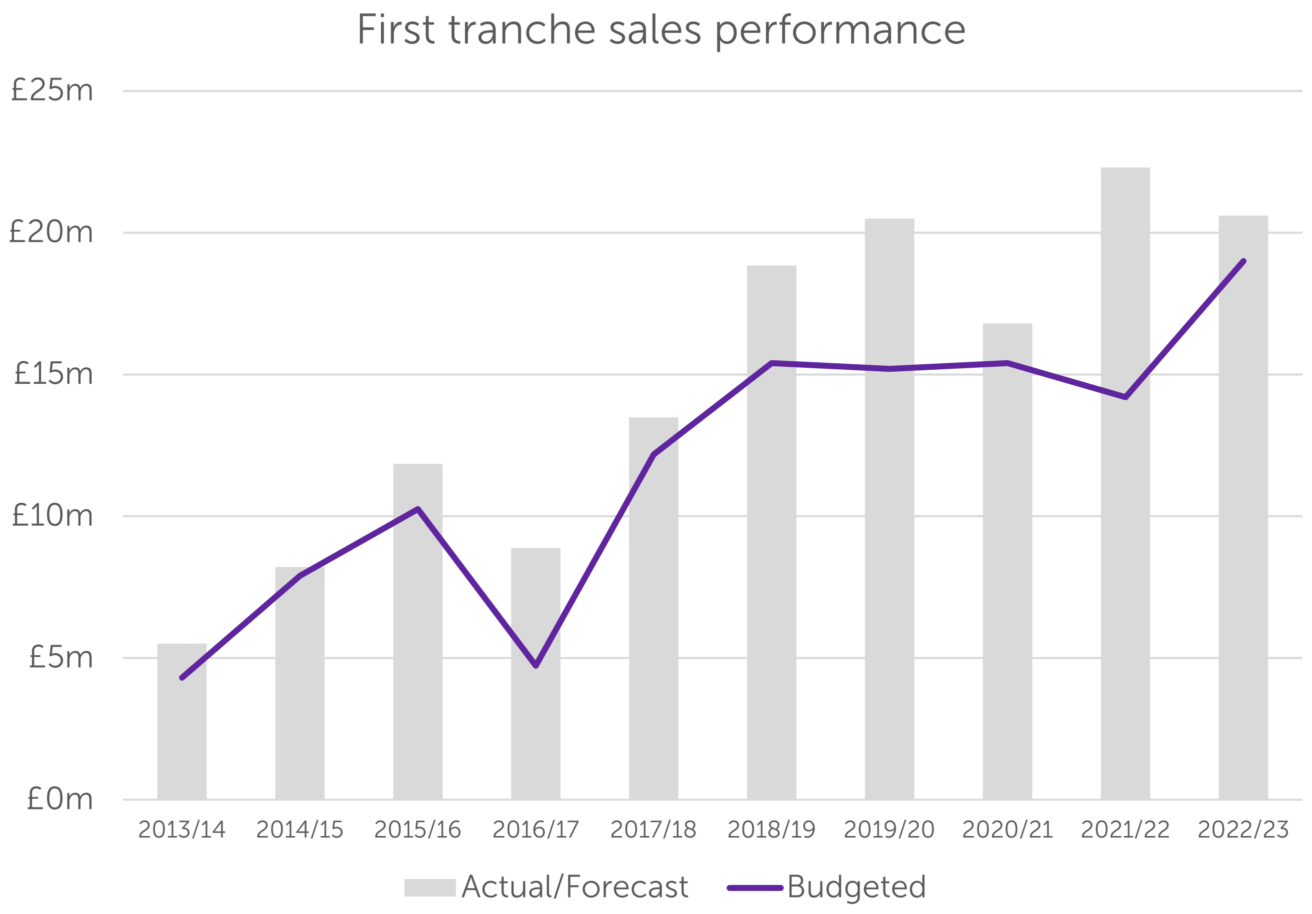
HANDOVERS

We achieved 239 handovers to the end of September 2023 (2022/23: 234), with our focus firmly on quality over quantity.

SHARED OWNERSHIP FIRST TRANCHE SALES

Although challenges with finding contractors who can complete work to the required standard has caused some delays, our financial performance on shared ownership first tranche sales has exceeded the business plan. We continue to see high demand for our shared ownership properties, which are predominantly 2/3 bedroom homes, with many properties being sold off-plan.

The average profit margin on shared ownership sales is 35 percent and the current average first tranche share is 43.8 percent.



PROPERTY SALES PERFORMANCE

OPEN MARKET SALES

There have been no market sales in the current financial year. We have units due for outright sale within Keystone, with handovers expected between December 2023 and March 2024, and as part of a Joint Venture (JV) at Littleport, Cambridgeshire.

Beyond this, there are no further outright sales included in our 30-year business plan and we have no plans to do any further market sale JVs.

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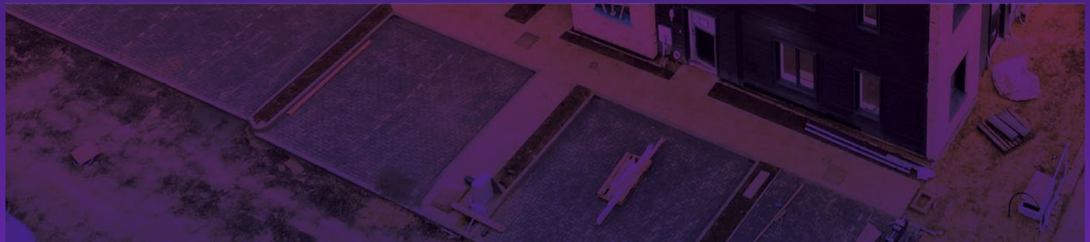


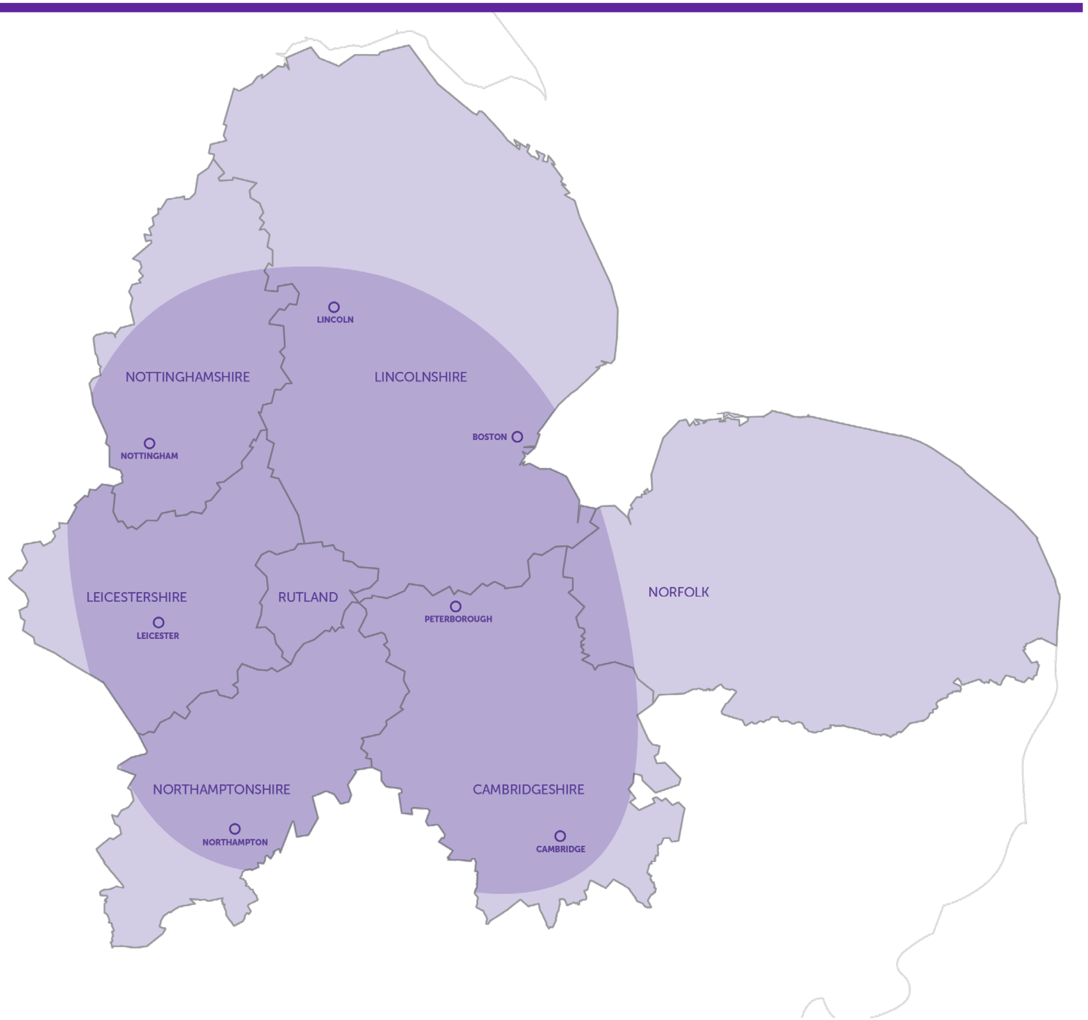
DEVELOPMENT PERFORMANCE

Our development strategy is unchanged and focuses on delivering quality homes where they're needed the most. We're one of the leading housing developers in the Midlands and East of England and were ranked at number 29 in the 2023 Inside Housing 'Biggest Builders' survey.

2022/23 was another strong year of growth. Working across the Midlands and East of England we:

- Completed 584 new homes
- Generated a sales income of nearly £21 million, from the sale of 195 shared ownership homes and a further £13 million from asset sales, right to buy and staircasing
- Approved 19 new sites which will deliver over 550 new homes.

The business plan includes £597m of development expenditure, of which £107m is grant funded and only £158m is currently contractually committed. This ensures the Group maintains resilience by giving the flexibility to react to economic changes.



The map above shows our key geographic priority areas for development within the East Midlands and East of England.

GROWTH AND DEVELOPMENT

Longhurst Group customer Stephen Butland, who lives on Springvale in Gayton, King's Lynn, is one of the first customers to benefit from our SHDF programme.

He said he was pleased to find out his home qualified for the work, which could save him hundreds of pounds a year on his energy bills.

The initial improvements to homes will see new storage heaters, loft insulation, new water immersion tanks and new or enhanced windows or doors being installed.

SOCIAL HOUSING DECARBONISATION FUND

Our successful application for the Social Housing Decarbonisation Fund (SHDF) programme will enable us to do even more. We'll receive a £6.3m grant, which will be used to help upgrade the energy efficiency of 581 homes located throughout the East Midlands, North Lincolnshire and West Norfolk over the next two years, helping to reduce carbon emissions and running costs for our customers.

MANAGEMENT AGREEMENTS

Our relationship with MAN Group goes from strength to strength as we take over the lettings and management of their developments in Alconbury Weald (Cambridgeshire) and Dysart Road (Lincolnshire).

GROWTH AND DEVELOPMENT

MODERN METHODS OF CONSTRUCTION

We've delivered homes under the Strategic Partnership using Modern Methods of Construction (MMC). This involves timber-framed panels being manufactured in factory conditions before being transported to the site and craned into place. The panels are built using sustainably-sourced timber and are delivered to site as complete wall panels with insulation and external cladding. Whilst we have used MMC to increase our sustainable housebuilding, we are not been a leader in the field and have had no exposure to the failures that have impacted on others in the sector.

OTHER OPPORTUNITIES

We remain open to opportunities where there is a good strategic fit.

All 56 of the homes at Longhurst Group's California Meadows development under construction in Huntingdon, Cambridgeshire are being built using innovative Modern Methods of Construction (MMC). These homes will also benefit from energy-efficient heating provided by Ground Source Heat Pumps (GSHPs).

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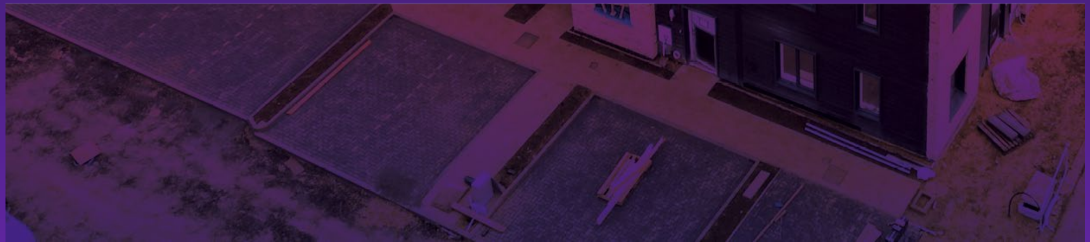


VALUE FOR MONEY METRICS

METRIC	LG	LG	PEER 1	PEER 2	PEER 3	PEER 4	PEER 5
	2022/23	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22
Reinvestment	**6.9%**	6.0%	8.6%	7.7%	6.6%	6.3%	10.0%
New supply delivered	**2.4%**	2.8%	2.7%	2.3%	1.7%	1.4%	3.3%
Gearing	**51.2%**	49.1%	44.0%	29.6%	49.0%	48.6%	49.4%
EBITDA MRI interest cover	**117.1%**	126.9%	169.0%	274.0%	13.0%	103.0%	144.0%
Social housing cost per unit	**£4,418**	£4,159	£3,723	£3,711	£7,598	£5,412	£3,560
Operating margin social housing lettings	**23.1%**	27.1%	36.1%	30.2%	9.0%	22.2%	28.3%
Operating margin overall	**20.7%**	23.8%	31.5%	28.8%	10.3%	23.0%	24.3%
Return on capital employed	**2.7%**	3.0%	3.8%	3.9%	1.5%	2.3%	2.8%

Value for money metrics track the sector scorecard, peers independently selected based upon geography, stock size and comparable business activity. Longhurst Group Value for Money reporting. Data from audited annual report and financial statements documents.

AUDITED FINANCIAL STATEMENTS

TO 31 MARCH 2023

Increase in turnover in 2022/23 is the net impact of rent increases, shared ownership first tranche sales reduced (although still in excess of business plan) and reduced outright sales activity.

Increase in operating costs in 2022/23 is the result of the challenges faced around repairs and maintenance and the additional investment required in this area.

	2023	2022
	£'000	£'000
Turnover	**157,425**	156,134
Cost of sales	**(17,612)**	(20,323)
Operating costs	**(107,256)**	(98,579)
Surplus on disposal of housing properties	**4,454**	3,106
Operating surplus	**37,011**	40,338
(Loss)/surplus on disposal of other fixed assets	**(267)**	334
Share of deficit in joint ventures	**(449)**	(225)
Interest receivable	**1,370**	274
Interest and financing costs	**(30,170)**	(29,758)
Change in fair value of investments	**—**	2
Movement in fair value of investment properties	**(50)**	585
Surplus before taxation	**7,445**	11,550
Taxation on surplus	**—**	133
Surplus for the financial year	**7,445**	11,683
Other comprehensive income		
Actuarial gains/(losses) on defined benefit pension scheme	**1,010**	(69)
Cash flow hedge reserve recycled to other comprehensive income	**1,611**	3,321
Movement in fair value of hedged financial instruments	**8,371**	4,928
Total comprehensive income for year	**18,437**	19,863

Longhurst Group income and expenditure reporting.
Data from 2022/23 audited annual report and financial statements.

Q2 2023/24 TRADING UPDATE

The slight increase in turnover is the net impact of increased Social Housing Lettings turnover and decreased income from shared ownership first tranche sales, which exceeded the business plan significantly in the prior year.

The Group's increased operating costs reflect the current economic environment and our investment in property repairs and maintenance, with the rise in cost inflation impacting on our operating margin.

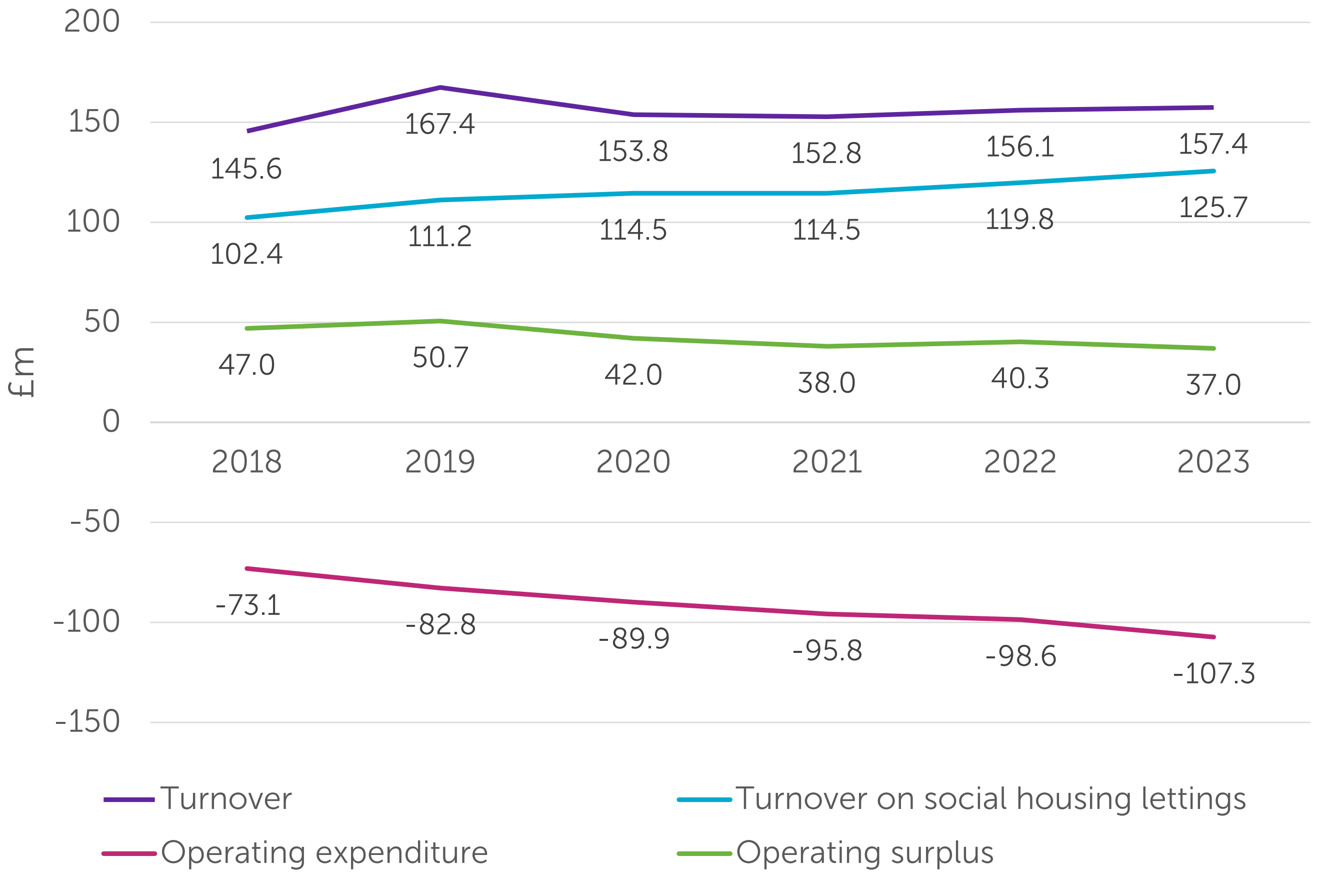
Interest and financing costs have remained reasonably in line despite the increased interest rates in response to high inflation. This is due to the level of fixed debt being 96%.

Longhurst Group income and expenditure reporting. Data as published in RNS trading updates and internal forecast outturn reports (unaudited).

	Q2 2023/24	Q2 2022/23	Forecast 2023/24
	£m	£m	£m
Turnover	**83**	81	170
Cost of sales	**(5)**	(10)	(15)
Operating costs	**(58)**	(50)	(118)
Operating surplus	**20**	**21**	**37**
Surplus on sale of properties not developed for outright sale	**1**	3	3
Interest receivable	**1**		3
Interest payable and financing costs	**(16)**	(15)	(31)
Net surplus	**6**	**9**	**12**

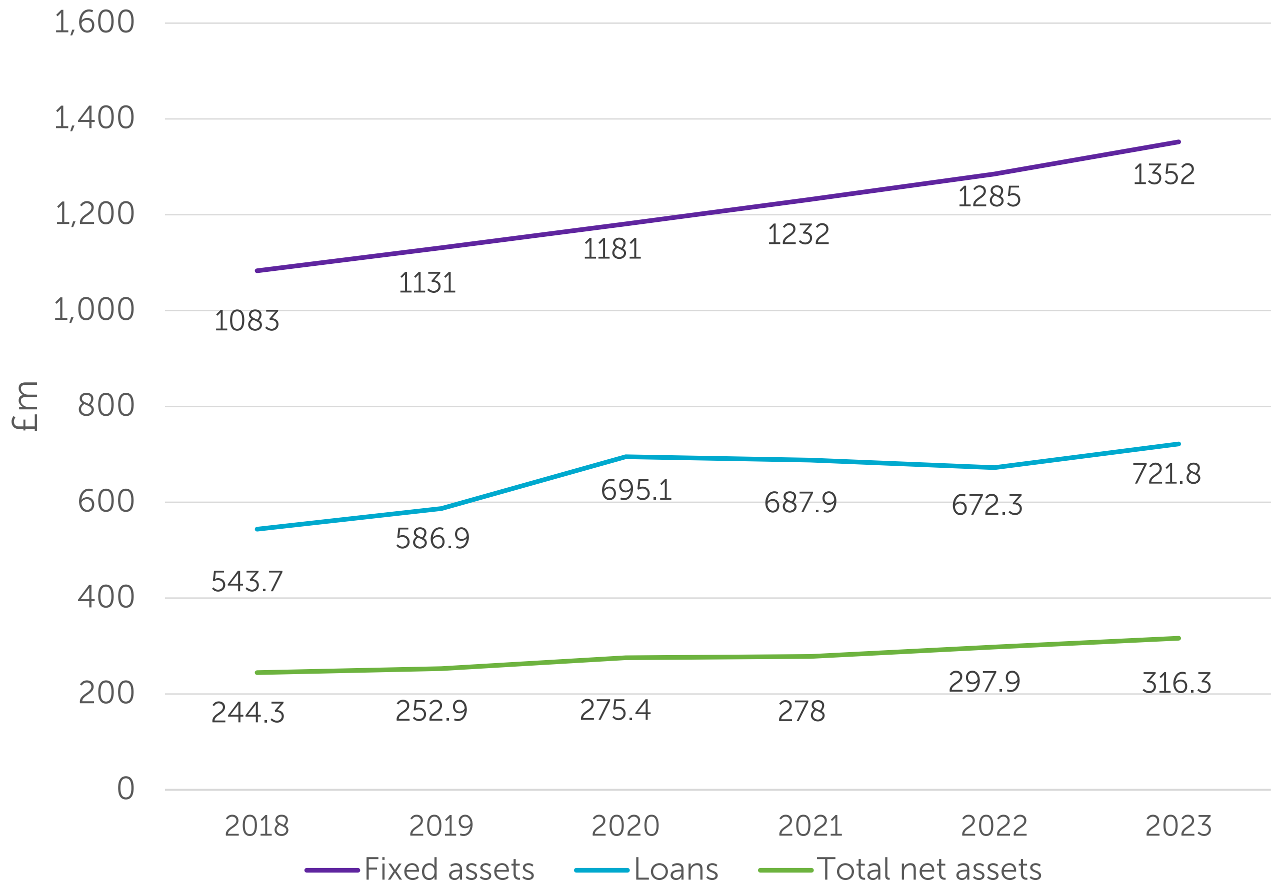
FINANCIAL PERFORMANCE 2018–2023

- Turnover increased by 8% (+£11.8m) from 2018.
- Turnover on social housing lettings increased by 22% (+£23.3m) from 2019.
- Operating surplus decreased by 21% (-£10.0m) from 2018.
- The Group's operating expenditure has risen by 47% (-£34.2m) from 2018.



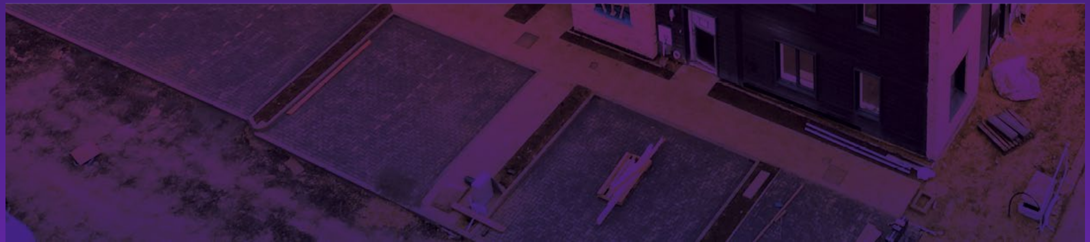
FINANCIAL STRENGTH 2018–2023

- Net book value of fixed assets held on the balance sheet has risen 25% (+£269m) from 2018.
- The Group's total net assets held on the balance sheet have risen 29% (+£72m) from 2018.
- Loans and debt recorded on the Group's accounts have risen 33% (+£178m) from 2018.
- The Group has a total insured rebuild value for property owned of £3.75bn.



AGENDA

1. Introduction
2. Environmental, Social and Governance
3. Operational performance
4. Growth
5. Financial results
6. **Treasury and financial plans**



GOLDEN RULES

The Group's consolidated 30-year financial plan has undergone a thorough and robust review. Extensive stress testing of the plan has been undertaken with the Executive team and the Group Board, with actions proposed to mitigate the adverse effect of the scenarios on the financial plan.

Financial performance against the golden rules and loan covenants is monitored monthly as part of the Group's internal financial reporting.

The increased investment in repairs and maintenance has impacted upon interest cover and margins and is expected to continue to do so into the 2024/25 financial year. Headroom on all loan covenants is sufficient.

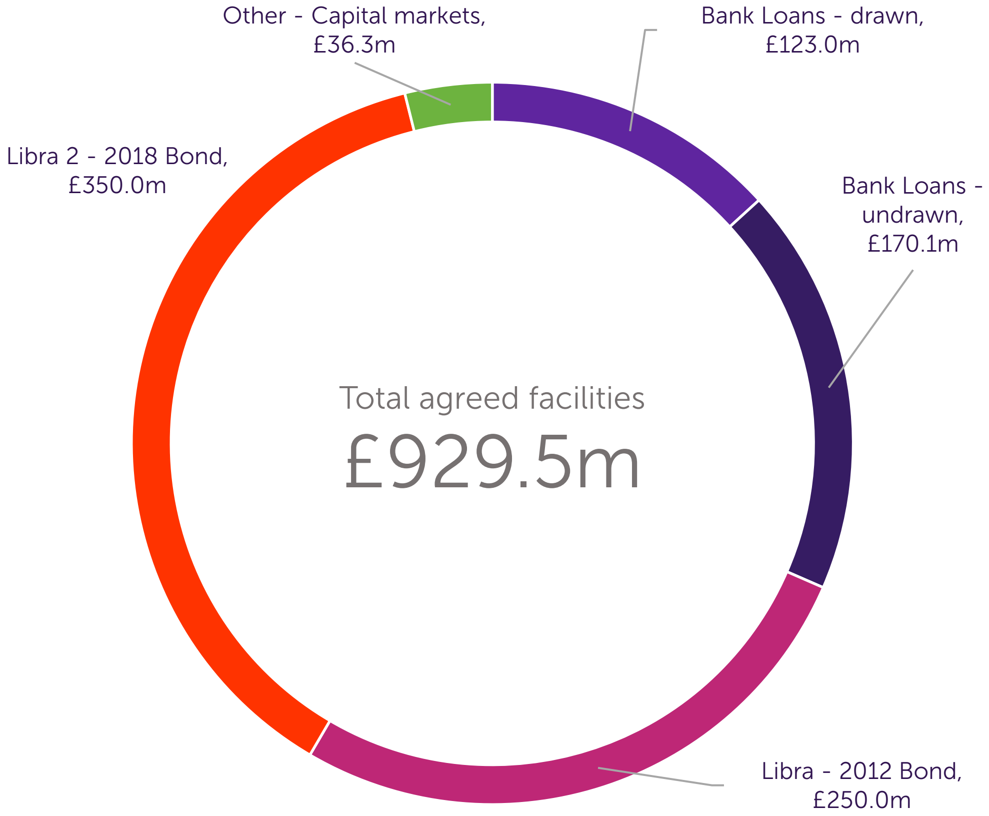
We are well resourced financially, with liquidity of 36 months following the restatement of two of our rolling credit facilities in the last 12 months.

	Q2 2023/24	Actual 2022/23	Financial golden rules		Tightest loan covenant
			Amber	Red	
Loan gearing	52%	51%	62%	64%	64.4%
Interest cover - EBITDA MRI	134%	147%	130%	115%	110%
Interest cover - EBITDA	205%	185%	150%	130%	120%
Operating margin - SHL	24%	27.1%	35%	32%	N/A
Operating margin	24%	23.8%	30%	26%	N/A
Liquidity	36 mths	25 mths	21 mths	18 mths	N/A

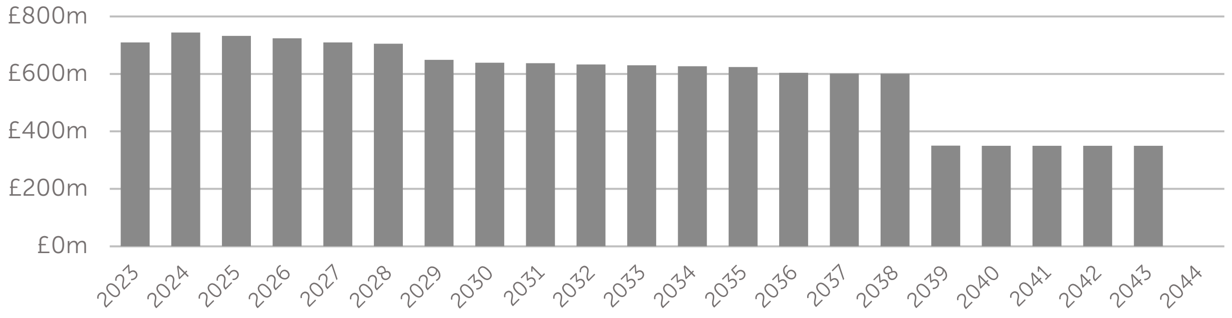
Longhurst Group internal financial reporting.
Data at 30 September 2023 (unaudited) and 31 March 2023 (audited).

TREASURY

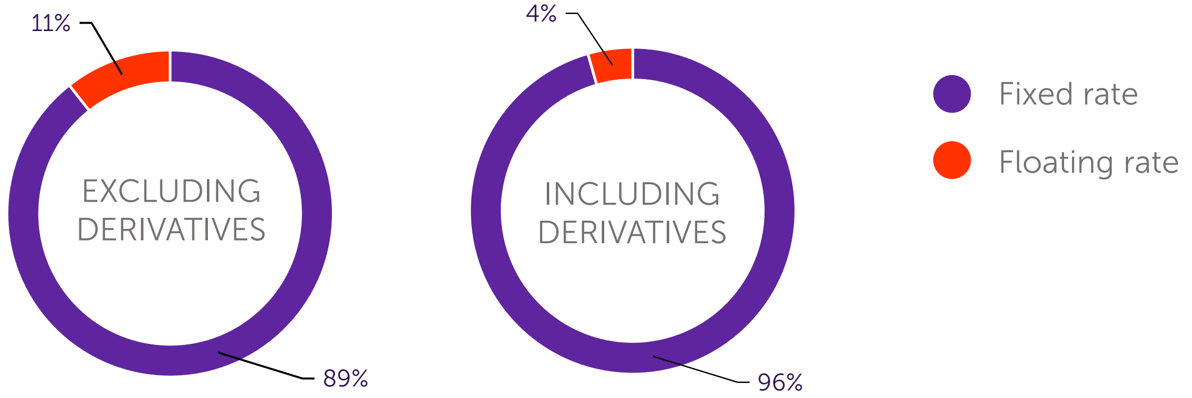
LOANS DRAWN/UNDRAWN



OUTSTANDING DEBT BALANCE



FIXED/FLOATING RATE LOANS



Longhurst Group internal treasury management reporting. Data at 30 September 2023.

PROPERTY SECURITY

SECURED

Portfolio analysis

Number of properties	**24,366**
Number of titles	**4,201**
Number of funders	**8**
Loan amount	**£929m**
Valuation	**£1,950m**
Headroom %	**37%**

Longhurst Group internal security charging reporting.
Data at 30 September 2023.

UNSECURED

Uncharged stock analysis

Number of titles	**865**
Number of properties	**6,305**
EUV-SH	**£342m**
MV-T	**£321m**

UPDATE HIGHLIGHTS

- The Group's back to basics approach focusing on core social housing lettings operations.
- The Group continues to be a leading housing provider across the Midlands and East of England, with over 24,000 homes owned and managed.
- An experienced, highly effective and well-established management team.
- Strong track record in delivering our development programme and no reduced demand being experienced.
- We remain committed to our aim of improving lives and delivering quality homes where they're needed the most.
- We're committed to an environmentally sustainable approach to social housing.
- Rated A3 (stable) by Moody's (October 2023).
- Rated G1/V2 by the Regulator of Social Housing (November 2023).

Longhurst Group

longhurst-group.org.uk/investors