



2024-25 Performance to Dec 2024

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Key messages and highlights

- G1/V1 Regulator of Social Housing grading reaffirmed in December 2024.
- A (stable outlook) Standard & Poor's credit rating affirmed in October 2024. The rating reflects the expectation that FHG's increased investments in existing homes will keep S&P Global Ratings-adjusted EBITDA margins from strengthening past 20% over the next two years. They expect that management's solid strategic planning and prudent risk management, alongside very strong liquidity, will support a gradual recovery, though not to levels previously forecast.
- All financial covenants have been met with sufficient headroom for future risks.
- Sufficient cash reserves and undrawn facilities.

Financial highlights for the period: April to December 2024

- Turnover for the period is £56.9m (2023-24 unaudited: £49.0m)
- Social housing contributed to 85% of total turnover (2023-24 unaudited: 88%)
- Operating surplus for the period was £16.3m (2023-24 unaudited: £14.5m)
- Operating margin on social housing lettings was 30% (2023-24 unaudited: 30%)
- Overall operating margin was 29% (2023-24 unaudited: 30%)
- Overall operating margin (excluding asset sales) was 29% (2023-24 unaudited: 32%)
- The overall surplus for the period was £10.2m (2023-24 unaudited: £8.9m)
- Funders' EDITDA to interest cover forecast for 2024-25 is 3.13 (covenant 1.40) (2023-24 unaudited: 3.00)
- Gearing forecast for 2024-25 is 60% (covenant 75%) (2023-24 unaudited: 56%)



Financial performance: April to December 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Apr - Dec Budget	Apr - Dec Actual	Variance
	£000's	£000's	£000's
Income			
Social housing lettings	48,818	48,389	(429)
Other social housing activities	4,520	6,312	1,792
Non social housing activities	2,212	2,178	(34)
	55,550	56,879	1,329
Expenditure			
Social housing lettings	(35,637)	(33,812)	1,825
Other social housing activity	(4,489)	(5,601)	(1,112)
Non-social housing activity	(1,146)	(1,186)	(40)
	(41,271)	(40,599)	672
Operating Profit	14,279	16,280	2,001
Operating profit %	26%	29%	3%
EBITDA MRI as % Revenue	18%	17%	-1%
Gain or (loss) on disposals	1,027	747	(280)
Net interest (payable)/receivable	(6,747)	(6,808)	(61)
Tax	0	0	0
Total comprehensive income for the year	8,559	10,219	1,660

Financial performance April 2024 to December 2024: variance to budget

Operating profit of £16.3m is £2.0m higher than budget and the operating margin is higher at 29%, compared to budget of 26%. This is due to a combination of factors:

Income was £1.3m higher than budget mainly due to timing of grant receipts and sales income.

Expenditure was £0.7m lower than budget, the main variance being due to delayed planned and works during year-to-date, however these are expected to catchup by year-end.

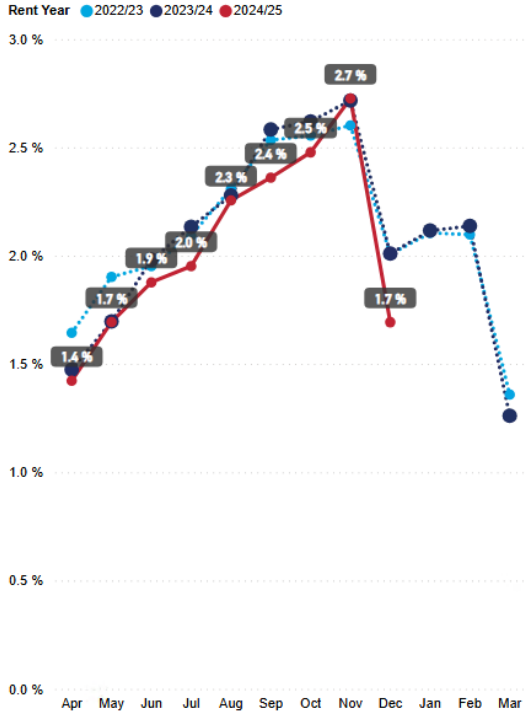
Overall, total comprehensive income of £10.2m is £1.7m higher than budget. This is mainly due to the reduced costs to date and increased income. Overall full year forecast looks to be c£1m higher than budget mainly due to increased shared ownership sales income.



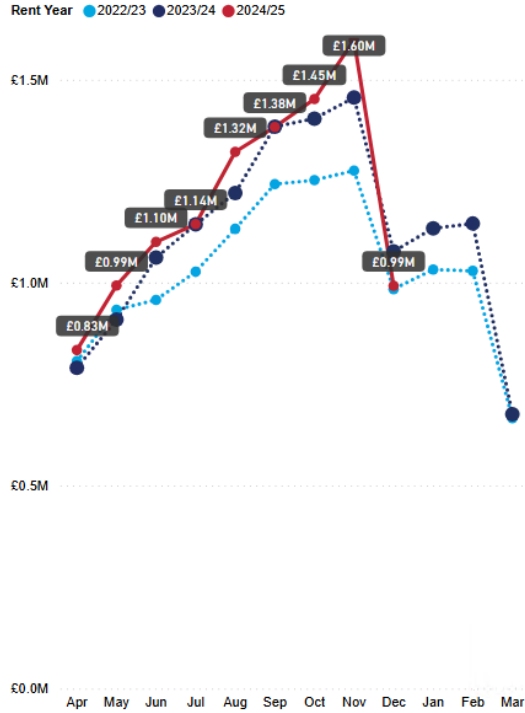
Arrears: social and affordable homes

Futures Housing Group SOCIAL & AFFORDABLE TENANCIES ONLY

Rent Arrears as % of Rent Roll



Total Rent Arrears



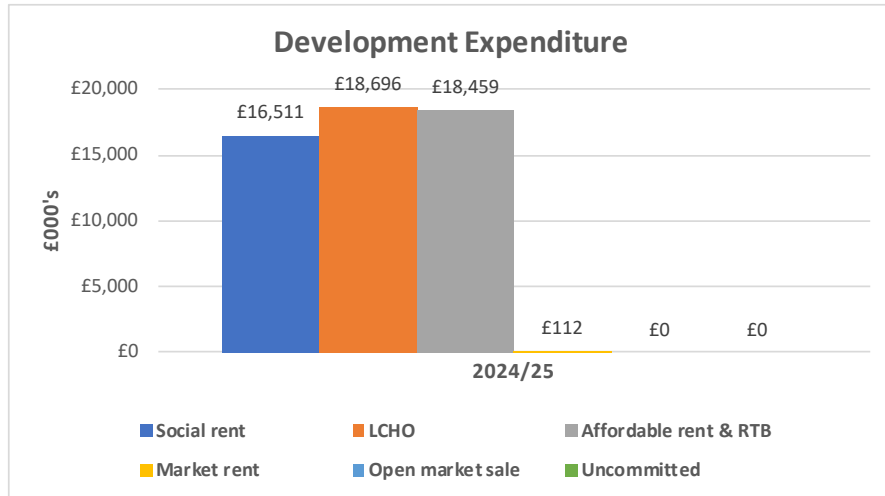
December 2024 arrears position

Rent arrears as a percentage of rent roll in December was 1.7%. This is below that in the previous two financial years. The year is forecast to end on trend with that in previous years.

Total rent arrears was £0.99m, on trend with the previous two financial years.



Development performance



Development forecast performance to December 2024

Total forecast spend in 2024-25 of £53.8m is higher than budget (£51.7m) due to phasing of schemes across the whole programme. 220 homes were handed over between April to December, and the forecast for the year is 297 homes compared to budget of 248.

Sales activity to December generated £6.2m. More shared ownership properties have been sold than budgeted YTD. Sales income is forecast to be on budget for full year.

As at the 31 December, 608 units are secured and committed, and 265 units are in the pipeline. 33% of approved development expenditure is committed and 24% is awaiting approval.

Business plans are built with prudent assumptions to effectively manage risks associated with new development such as falling property values, rent values and sales risk.

Homes England has awarded £171m of grant under the Affordable Homes Programme to a joint bid between Futures, Midland Heart and EMH. This provides the Group with an additional £32m in funding which contributes towards delivering 400 homes. As part of the Autumn Budget Statement, the government is adding a further £500m to the Affordable Housing Programme in 2025-26. Our business plan assumes current grant rates to continue as part of the extended programme.

No reliance on sales income and/or grant income to meet financial covenants so business plans can operate effectively within their funding facilities.

