



Investor Update

January 2026

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Jonathan Layzell

Chief Executive

A respected sector leader, Jonathan brings deep expertise in affordable housing, customer service transformation, investment and strategic growth.



Anne Costain

Chief Financial Officer

A qualified chartered accountant and treasurer, Anne has over 30 years' experience in social housing and corporates. Experienced in supporting strengthened financial stability and long-term resilience.



David Ripley

Chief Operating Officer

An experienced executive with expertise in both the private and public sectors. David believes that customer service, engagement and empowerment, driven by legislation, should be in our DNA.



Lauren Fradgley

Assistant Director – Treasury

A qualified treasurer with considerable sector experience. Originally an investment banker, Lauren is passionate about supporting Stonewater's resilience via robust funding solutions.

Opening remarks

Management team focusing on reinforcing stability, clarity and deliverability

- Leadership changes
- Control
- Risk management
- Investment
- Consumer regulation
- Strategic planning process



Chief Officer Group

Experienced team representing the breadth of Stonewater's capabilities



Jonathan Layzell

Chief Executive



Anne Costain

Chief Financial Officer



David Ripley

Chief Operating Officer



Patrick Chauvin

Chief Officer, Safety, Assets & Sustainability



Ann-Marie Spencer

Chief Information Officer

- New leadership, underpinned by continuity
- Effective succession planning
 - Jonathan appointed Chief Executive on 24 June
 - David joined on 1 May
 - Ann-Marie joined on 15 December
- Derisked but no material shift in strategy
- Continuing to develop, in moderation
- What can you expect from this team?
 - Accountability
 - Collaboration
 - Communication

Highly skilled and experienced board

Ready to challenge, with robust oversight



Sheila Collins

Retired solicitor
Previously Chairman of the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust

CHAIRMAN



Jennifer Bennet

Retired solicitor
Previously Non-Exec Director of Portsmouth Hospitals NHS Trust

Chair of Nominations and Remuneration Committee
Chair of Governance and Assurance Challenge and Assurance Panel



Heather Bowman

Previously COO at Sovereign Housing.
Currently a Board member of Raven Housing Trust and Housing Plus

Trustee of Longleigh Foundation
Chair of Mount Green Board



Juliana Crowe

Senior Independent Director
Previously Housing Director for a Midlands-based housing group

Chair of Customer Experience Challenge & Assurance Panel
Member Responsible for Complaints, Inc.
Stonewater's rep on Mount Green Board



Hursh Shah

Head of Capital Markets at British Land

Chair of Stonewater's Funding PLC
Chair of Finance Challenge & Assurance Panel



Angus Michie

Experienced qualified chartered surveyor.
Previously with the Berkeley Group

Chair of Homes, Development Challenge & Assurance Panel,
Chair of Stonewater Developments Limited
Chair of Stonewater Commercial Limited
Chair of Stonewater Procurement Limited



Imran Mubeen

Chartered Accountant with extensive experience in financial leadership. A Director at Newbridge Advisors and previously a Director of Treasury for a large housing group.



Barry Hoffman

Experienced FTSE group HR Director with corporate governance expertise.
An experienced non-exec director.



Jane Scott

Experienced business leader with a specialist in information technology and digital transformation

Chair of Stonewater's Technology & Data Challenge & Assurance Panel.



Nicola Webber

Chartered accountant with a background in corporate finance, private equity, and investment management.

Key highlights

One of the UK's largest social housing providers, focused on our customers and financial resilience

Our business

c.40,000 Homes	c.93,000 Customers
132 Local authorities	A- (Stable) S&P Credit Rating
	G1 / V2 / C2 Regulatory rating

Our performance 2024/25

£306m ↑ Group turnover	19% Stable operating margin ¹
£70m ↑ Operating surplus	88% Stable revenues: SH Lettings
1,029 Delivery targets of homes built	52% Stable gearing (VfM)
£3.1bn² ↑ Housing properties	0.69x Pressured EBITDA MRI (VfM)

Operational focus

1. Seamless change of CEO, with increased control
2. Maintain governance rigour
3. Deliver the budget in 2025/26 and improve beyond
4. Deliver sustained EBITDA MRI (VfM) of min.1.0x
5. Build upon C2 Regulatory rating
6. Organisational agility to external risk environment

Current year performance (unaudited)

Improving results and firm control to deliver current year budget

Statement of comprehensive income	2025-26 Actuals HY £'000	2025-26 Budget FY £'000	2024-25 Actuals FY £'000
Turnover from social housing lettings	144,395	286,386	269,395
Total turnover	158,602	320,276	306,113
Operating surplus	39,279	79,639	70,058

Key financial ratios	2025-26 Actuals HY	2025-26 Budget FY	2024-25 Actuals FY
EBITDA MRI interest cover*	84.9%	97.9%	69.0%
Gearing*	51.6%	53.3%	51.9%

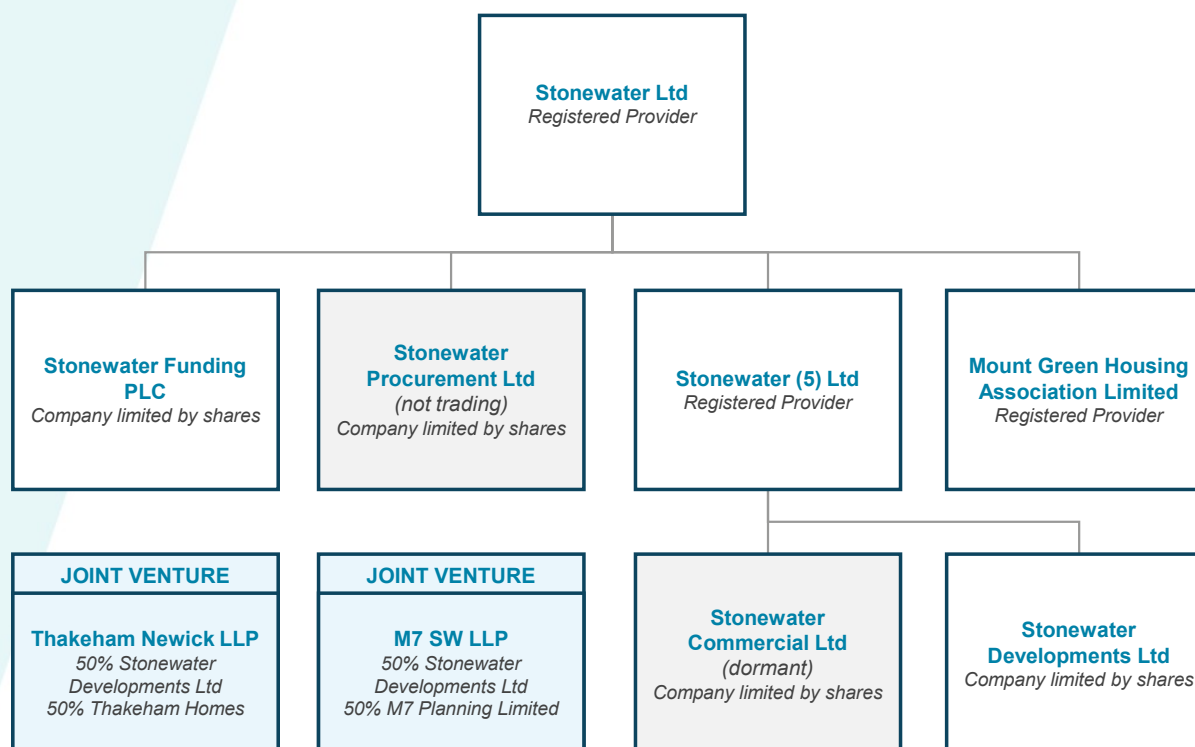
Operating margins	2025-26 Actuals HY	2025-26 Budget FY	2024-25 Actuals FY
Operating margin (overall)	23.0%	22.7%	18.9%
Operating margin on first tranche sales	13.5%	13.5%	13.3%
Operating margin on asset disposals	46.1%	56.3%	55.5%

Liquidity	2025-26 Actuals HY £m	2024-25 Actuals FY £m
Cash and undrawn facilities	373	401

Simple corporate structure

Streamlined structure with no imminent plans to change

- Simple corporate structure.
- Robust oversight from experienced boards.
- All capital market funding is raised through Stonewater Funding PLC with most bank funding raised through Stonewater Ltd.
- Standardised covenant package and strong relationships with funders.
- Stonewater would consider future simplification as appropriate.



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1: Our strategy, priorities and growth ambitions

Key strategic objectives



Quality Homes and Neighbourhoods

Supply, manage, and maintain homes and neighbourhoods that are safe, connected, efficient, affordable, and flexible



Maximising Value

Maximise the value we provide to our customers and communities through decision making and initiatives that support environmental and social sustainability



Customer-centred services

Provide customer-centred services that are proactive and efficient, and that help us to retain and attract customers

Delivering on our strategy

Clear control, clear delivery

- Performance against budget.
- Delivering for customers and delivering a focus on >1.00 EBITDA MRI metrics.
- Reduced development programme through close working with government to shape grant
- Target operating model with local accountability while reducing headcount
- Clearer communication for all and embedded local relationships
- Small-scale tactical disposals with EPC-C in mind and our 2030 time horizon
- A service our customers can trust at the times when they need it.



Key strategic risks and mitigants

All risks identified to board with mitigants in place. Reflects managed approach to risk

- Effective risk controls from board through committees and executive structure.
- Embedded into operations to ensure a golden thread of risk.
- 12 strategic risks currently being managed and mitigated.
- Key areas of focus:
 - Planning in a changing environment of government policy, priorities and regulatory expectations.
 - Resilience of our IT systems with regards to cyber attacks.
 - Managing partnerships and contractual relationships to achieve our objectives.



2: Business planning and control

Budgeting and business planning

Enhanced control, greater scrutiny and forecasting by management, more transparency

- New management control building resilience: monthly forecasting alongside performance review => delivering our 2025/26 budget.
- Rigour: integrated business planning and budgeting cycle => year two of the Business Plan shapes subsequent budget.
- Autumn update forms key planning tool => management decisions ahead of detailed budgeting.
- Enhanced focus of SLT on EBITDA-MRI interest cover.
- New five-year directorate business plan => enhanced accountability beyond the budget year. Previously only provided for Development, MR spend and multi-year projects.

Autumn update to Business Plan

Prudent, agile approach proactively informs decision making

- Autumn update provides assurance to the board and management.
- Operational changes made in response to changes in external factors.
- Excludes any upside from rent convergence.

Key updates to the May 2025 Business Plan

- Reduced investment in SPP2 and additional grant, equating to c.£70m less capital spend.
- Operational efficiencies (integration of Mount Green, headcount growth control).
- All efficiencies planned with commitment from SLT.
- Continued focus on minor stock cleansing < 150 per year.
- Updated component investment programme (reflecting impact of disposals).



Five-year directorate business plan

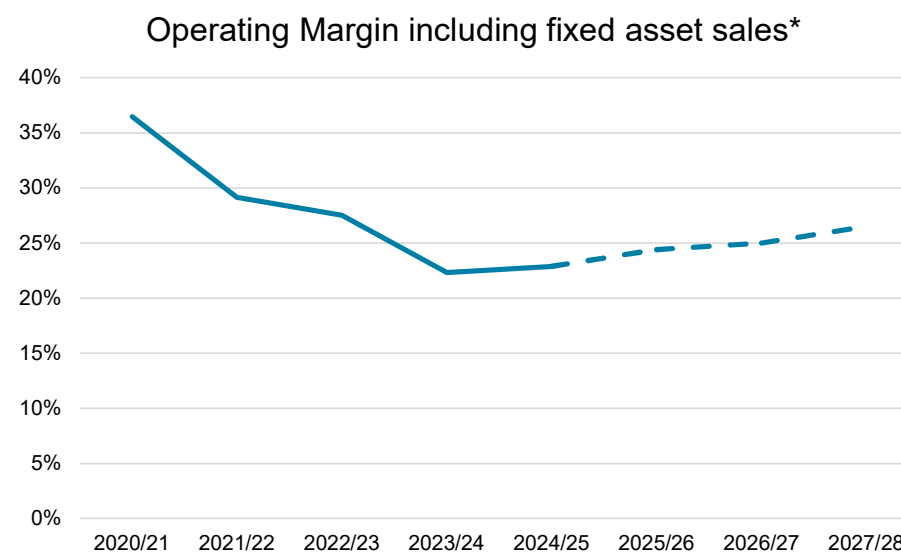
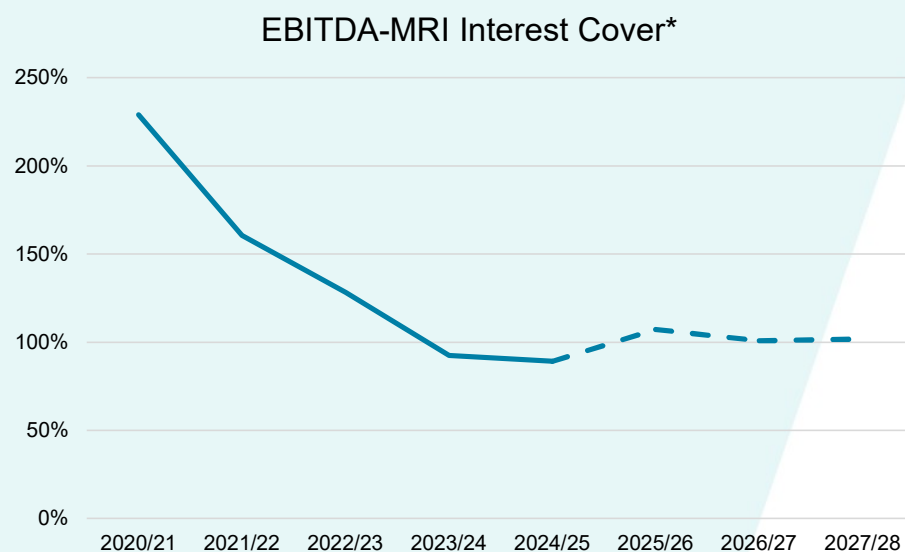
Ensures increased financial scrutiny and control

- Building out of five-year directorate plans.
- More granular than the Business Plan.
- Governance and control: integrated into approval processes.
- Supports accountability and informed decision-making: savings and value tracking.
- Earlier sight of financial metrics, risks and opportunities.
- Facilitates scenario planning at directorate level.



Autumn update KPIs

Financial resilience

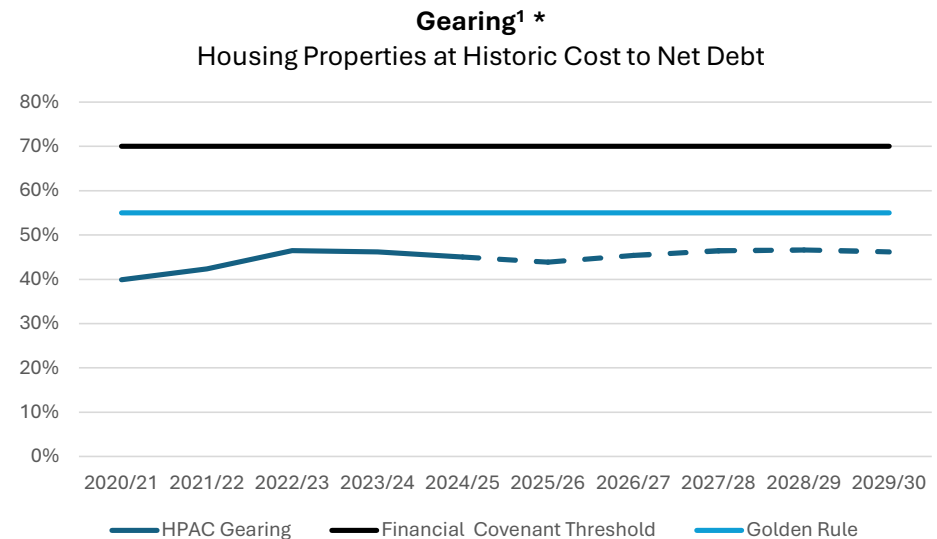
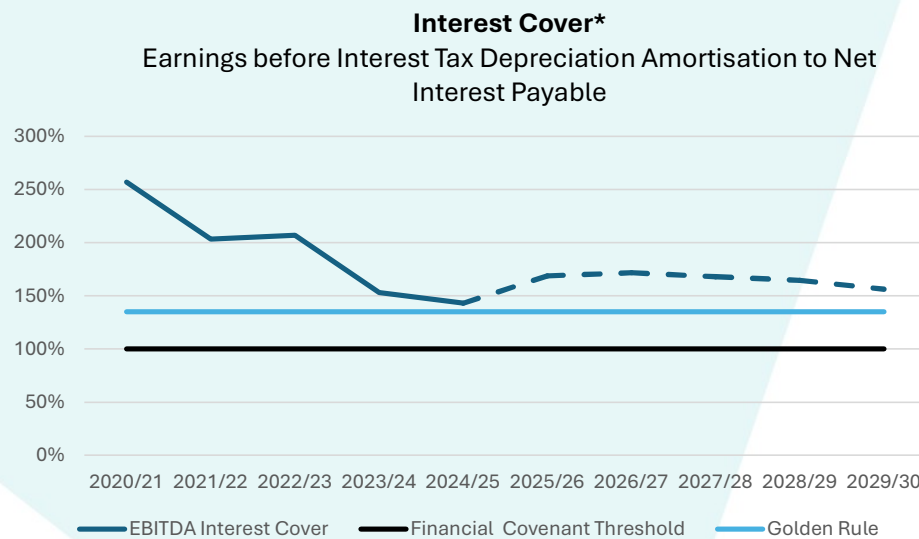


* Forward looking data taken from the Autumn Update to the Business Plan on 28 October 2025. These figures are unaudited.

Autumn update KPIs continued

Stabilisation and financial resilience: compliance with golden rules throughout the plan

Significant headroom to both our tightest funder covenants



* Forward looking data taken from the Autumn Update to the Business Plan on 28 October 2025. These figures are unaudited.

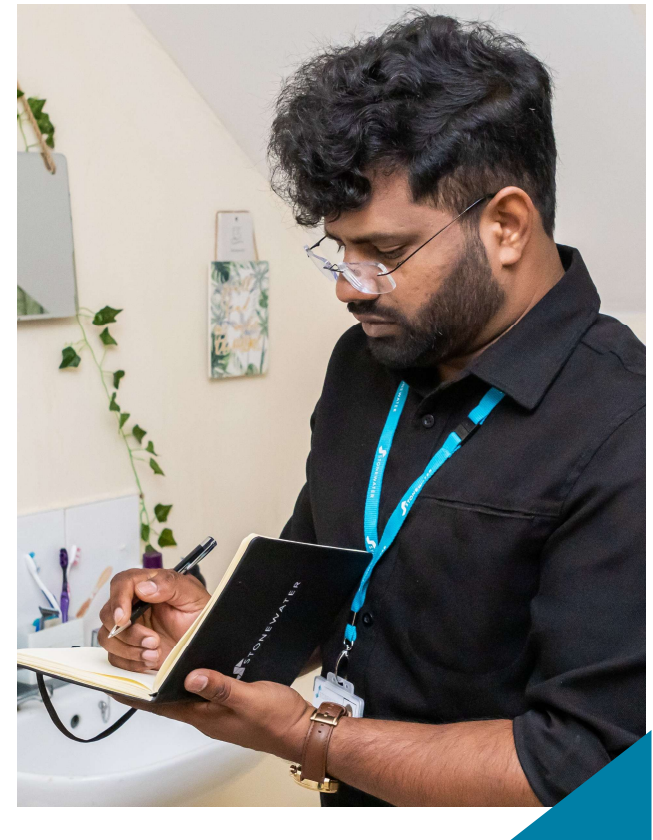
3: Our homes

Asset management strategy

Quality Homes, Smart Investment, Future Confidence

A strategy we are delivering

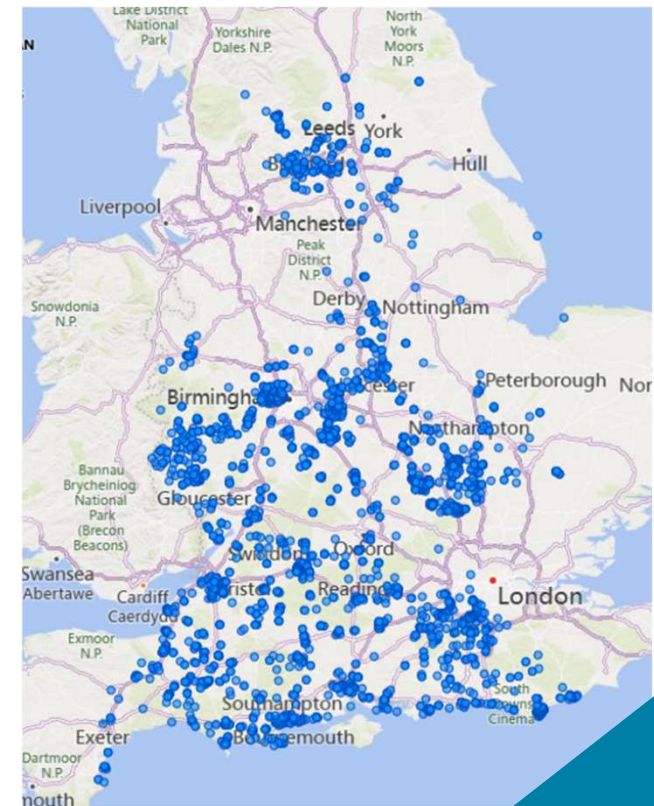
- **Modern, high quality homes** – average age 30 years vs. sector median of 60+ years.
- **Affordable, funded investment plan** – to maintain decency and achieve EPC C.
- **Limited tactical rationalisation required** – only ~0.25% of stock affected.
- **Consistent performance** – ~99% decency achieved year-on-year.
- **Reliable data** – 0% cloned stock data ensures confident investment decisions.
- **Proven funding success** – c.£28m DESNZ Warm Homes grants secured (one of the largest independent awards).
- **Future-proofed investment** – existing investment aligned with proposed regulatory changes.



Our homes and customers

National footprint, local voice

- Mostly houses and low rise flats.
- Only six buildings over 18 meters.
- Average age: 30 years.
- Homes EPC C or above: 81%.
- Customers: Mostly general needs.
- 49% customers in receipt of full HB/UC, 35% partial and 16% self-funders.
- Balanced portfolio including a limited number of home ownership properties.
- Average rent per week across all rent types is circa £202 p.w.
- Social rent c.50% of market rents.
- Affordable and intermediate rents are 80% of market rent.



Decarbonisation and net zero

Delivering affordable, comfortable and efficient homes

Environmental and Sustainability Strategy

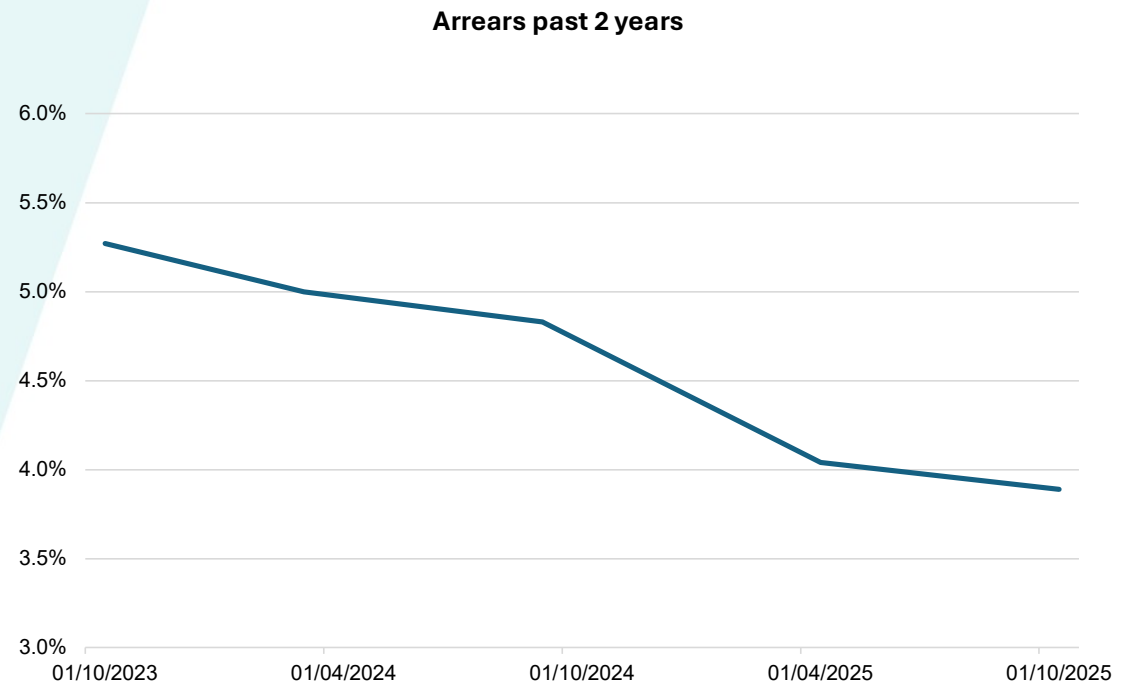
- 'Early adopter and recognised leader towards net zero'
- Average EPC rating and homes EPC C or better are above sector average.
- No homes with EPC below C (SAP 69) by 2030.
- EPC B by 2045 and Stonewater's net zero standard included in Business Plan, 50% grant assumed to 2030.
- Retrofit delivered to more than 800 homes through our SHDF Wave 2.1 project, utilising over **£9m in funding from the government**.
- **Further £18.7m** through Wave 3 of Warm Homes Social Housing Fund to deliver retrofit to over 1,600 homes by March 2028.
- Energy performance hierarchy into design brief for new homes
 - including options for net zero (operational emissions) new homes on land led developments.
- Non-carbon heating in all land-led schemes since April 2021.

	2024/25	2023/24
% Bands A-C	81.1	77.8
% Bands D-G	18.9	22.2



Rent arrears management

- Gross arrears trends have followed a positive trajectory over the past two years. FY board target is 3.9% with aspiration of 3.5%.
- Focus locally to enable collective improvement to be made.
- Further enhancements to come.



Lettings and turnover

- Every home is re-let in under 30 days on average. Meeting demand and turning homes around as efficiently as possible.
- Consistently less than 1.0% of total homes are currently void week on week based on SDR stock numbers.
- We are focussing on formal contract management, performance and productivity measures to ensure we keep improving. We have noted a reduction in turnover over the last 2.5 years.
- New customers leaving within their first two years of tenancy is consistently under five homes per annum.
- Overall turnover reductions are the equivalent of circa 200-300 homes not being re-let year on year.

	Week 26 23/24	Week 52 23/24	Week 26 24/25	Week 52 24/25	Week 26 25/26
Overall void numbers	272	262	272	303	251
Overall turnover		5.05%		4.78%	4.54%
New customer turnover within first two years of tenancy		0.43%		0.28%	0.28%

Building safety update

Low-risk portfolio. Prioritisation of building safety works. Low risk appetite.

Limited exposure to high-rise buildings

- 6 blocks >18m in management
- Retrofitted with sprinklers by end of 2027/28 for customer safety
- 23 more blocks over 11m
- PAS 9980 assessments on all 29
- 1 fully remediated in 2022-23
- 3 blocks over 11m identified with defects to be remediated in 26/27
- Do not develop new homes over 18m

Damp and mould

- Hazards in Social Housing Regulations 2025 ready
- Proactive approach: stock condition surveys
- Environmental monitors installed to gain data insights
- Ongoing training to all frontline staff

Reinforced autoclaved aerated concrete (RAAC)

- Thorough and immediate review of all stock
- Two schemes built in 1970s inspected, no RAAC present

Building safety continued

Compliance statistics

	2023/24	2024/25
Up to date gas safety checks	99.8%	99.9%
Fire risk assessments	1 outstanding	0 outstanding
Decent Homes Standard	99.8%	99.9%
Asbestos management surveys	99.4%	99.0%
Legionella risk assessments	87.3%	99.9%
Lift safety checks	88.9%	99.5%
Electrical safety checks	96.9%	97.0%

- Homes below Decent Homes Standard (or missing a check) actioned as priorities
- FRAs (and other statutory risk checks) undertaken on all eligible properties

Fire safety spend:

2023/24	2024/25	2025/26	2026/27	2027/28
£4.2m	£3.2m	£4.0m	£5.0m	£4.0m

- Harbour Sail and Harbour Court: Work complete
 - Capital remediation spend: £8.1m
 - £8.3m recovered from developers
 - Being sold to another housing association

4: Development

Development management

Strategic development, controlled risk: Delivering homes with confidence

- **Development programme** - reduced programmes based on current environment.
- **Project approval process and basis** – framework to scrutinise, utilising targets and thresholds.
- **Contractor selection process** – enhanced financial monitoring and contractor risk exposure.
- **Strategic growth areas** – ambition within the current constraints and commitments.

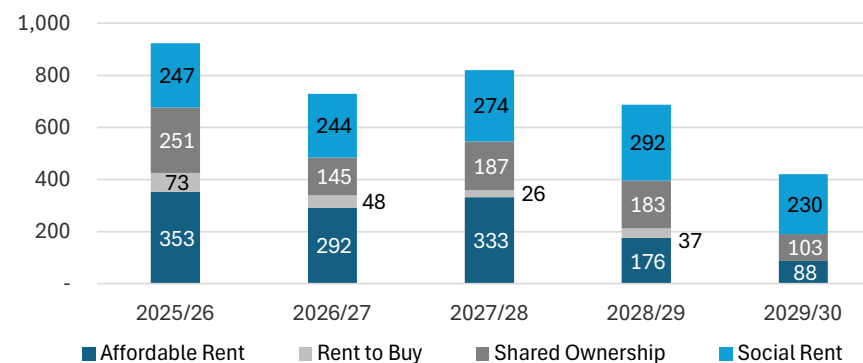


Development programme delivery

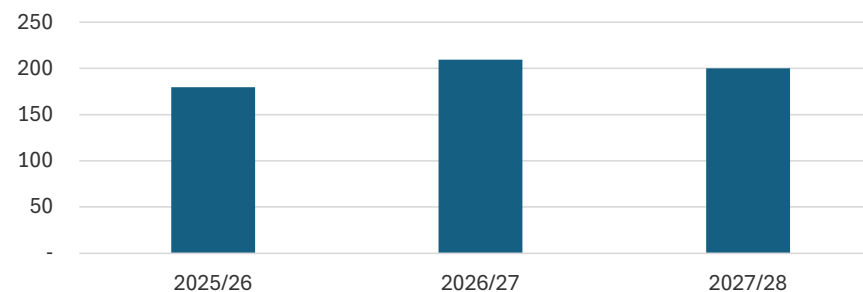
Delivering affordable homes with strategic focus and measured ambition

- **Development programme delivery:** Pragmatic approach to development with focus on committed schemes with increased grant.
- **Strategic partnership programmes:** Delivery aligned to programme requirements.
- **Development strategy:** Targeting delivery of 5,700 homes by 2028 – reduced from prior target of 7,500 by 2028.
- **Shared Ownership Sales:** Revised proposal to Homes England has a reduced number of shared ownership homes, from 670 to 583.

Homes by tenure over next 5 years



Expenditure budget - 3 years (£m)



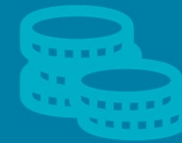
Strategic partnership programmes

Key delivery partner: Homes England

£247m to deliver
2,547 homes



Secured **additional**
£11k grant per home,
to £96k per home



Liability reduced
by **c.£70m**



Relationship with Homes
England and proven
delivery track record has
allowed us to do this



5: Growth plans

Partnerships continuing to shape us

Equipped to grow, selective with partners

- **Strong track record in mergers and partnerships**
 - Board-approved approach to measured and strategic growth through joint ventures and M&A
 - Key is to enhance Stonewater's financial value and operational resilience
- **Organisational capability gained from experience of prior mergers and transfers of engagements**
- **Selective on future partnerships**
 - Careful due diligence to assess opportunities in terms of impact on operations and on the financial plan

Summary of recent activity



6: Future funding requirements

Current & future funding requirements

High liquidity levels with strong, proven access to funding, supported by rigorous yet agile governance

Business Plan fully funded to March 2029

- Liquidity policy = funding in place at least 18 months before
- Significant access to bank and both private and public debt capital markets in own name, aggregated and government guaranteed form
- £1.0bn EMTN Programme is live and readily accessible
- Proven access in the USPP market
- 3.375% 2045 bond: £72m remaining as retained bonds

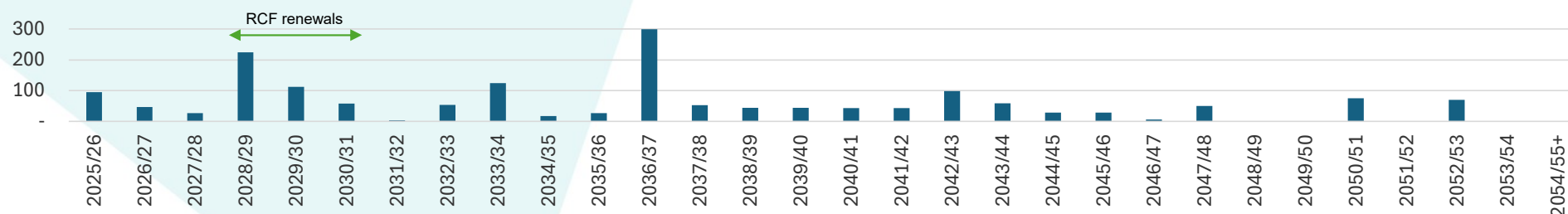
Supportive group of bank funders

- Successful recent funding round of £100m new bank funding
- Price tension from competitive tender process
- Over £1.0bn of offers from new and current lenders
- Issued at tenors of seven and eight years to manage refinancing risk and smooth maturity profile

Plan for over £100-200m in 2026/27

- Further potential access to government supported funding – e.g. AHGS and National Wealth Fund.

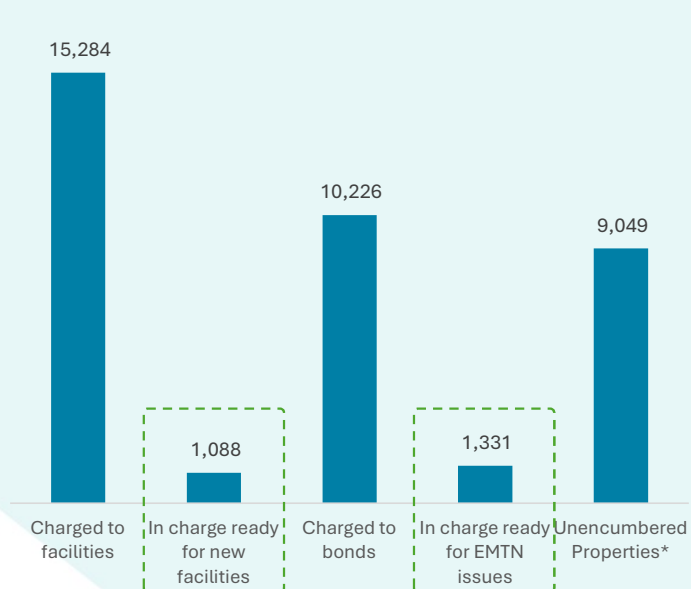
Maturity profile¹



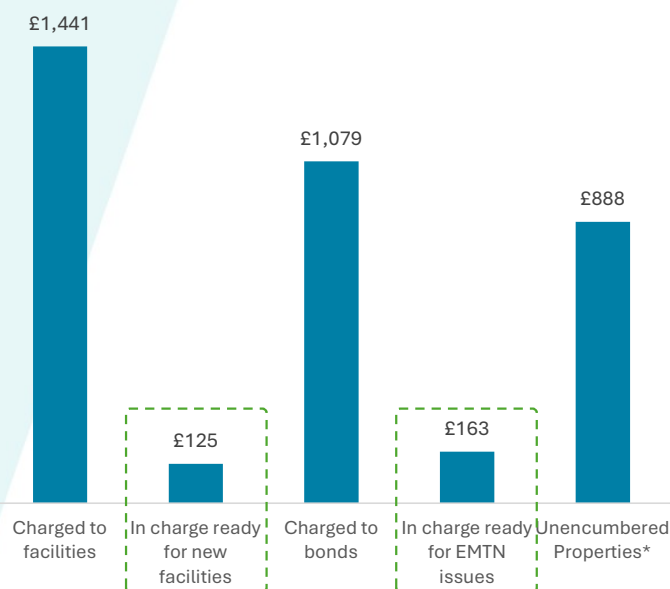
Security overview

Actively managed portfolio with potentially chargeable assets of c.£800m in lending value

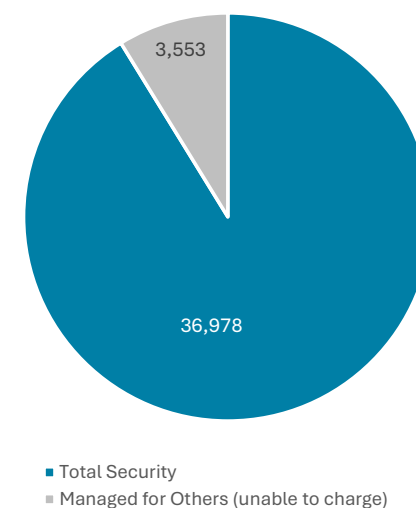
36,978 Units of Security



£3,696 in Value (in millions)



40,531 Units of Owned & Managed Accommodation



* Unencumbered properties are those in the process of getting ready for charging

Closing remarks

Management team focusing on reinforcing stability, clarity and deliverability

- Leadership changes
- Control
- Risk management
- Investment
- Consumer regulation
- Strategic planning process



Thank you