

Mid-year performance update

Released: 30 11 2022
RNS Number: 13701
Stonewater Funding plc
30 November 2022

Stonewater Funding plc **STONEWATER H1 2022/23 PERFORMANCE UPDATE** **Stonewater's Mid-Year Performance Update covering the period to 30** **September 2022**

Financial performance

The Group is pleased to report a continuing strong financial performance. The unaudited management accounts for the six months to 30 September 2022 show

- Turnover of £118 million (H1 2021/22: £113 million), delivering an operating surplus of £41 million (H1 2021/22: £40 million)
- Interest cover was 244% (H1 2021/22: 251%)
- Operating surplus for the year to March 2023 is forecast to be in line with expectations
- The Group's total capital investment in existing homes during the period was £10.6 million, an increase from £4.7 million for the same period last year (which reflected the impact of Covid-19-related restrictions at the time)
- Total capital investment in new homes during the period was £114 million (H1 2021/22: £76 million)
- Housing Fixed Assets stood at £2,306 million, up from £2,221 million as at 31 March 2022
- Drawn debt was £1,240 million, the same as 31 March 2022. Cash and available facilities stood at £517 million (31 March 2022: £600 million) with committed and fully secured loan facilities at £1,707 million (31 March 2022: £1,719 million)
- In May 2022 S&P Global Ratings affirmed its rating of Stonewater as A+ with a Negative Outlook.
- Our G1/V1 rating was reaffirmed by the Regulator of Social Housing (RSH) on 30 November 2022

Operational performance

- Overall customer satisfaction (year to date) at the end of September 2022 was 83%, slightly lower than the 84% target. Within this figure, we have seen good improvement in satisfaction with our repairs service, 84.4% against a target of

84% (and compared to 82.7% for the same period last year). A key challenge this year has been recruitment and retention within our Customer Service Centre which we have given significant focus to and consequently expect greater stability for the second half of the year.

- Rent arrears are stable at 5.4% (March 22: 5.4%) and remain below our target of 6%. We continue to provide a range of well-used support services to help our residents sustain their tenancies as outlined in our ESG report published earlier this year <https://www.stonewater.org/media/6005/stonewater-esg-report-2021-22.pdf>.
- The Group completed 384 new homes during the first half of the year (H1 2021/22: 430), all of which were for affordable tenures, and started work on 463 new homes, all of which are affordable tenures. With the progress in the development programme, the pipeline is now for a further 4,954 homes by March 2026. Shared ownership sales generated an income of £14.4 million (H1 2021/22: £18.0 million) with a margin of 16% (H1 2021/22: 17%).
- On 21 June 2022 Stonewater announced that it is in discussions with Greenoak Housing Association Limited (Greenoak), a community benefit society with registration number 20859R and a registered provider of social housing with registration number L1393. The current intention, subject to, amongst other things, completion of due diligence, regulator and funder and consents, is for Greenoak to join the Stonewater Group as a direct subsidiary of Stonewater (5) Limited on or before 31 March 2023. Greenoak owns and manages approximately 550 affordable homes across Surrey and Sussex.

Supporting our residents and communities

The Group continues to support our customers in a range of ways. For instance, our charity partner, Longleigh Foundation, <https://longleigh.org/>, continues to offer grants that make a huge difference to people facing severe financial hardship. In addition to this, we continue to send Stonewater's financial inclusion offer to all customers to highlight the support available.

On cutting carbon emissions, Stonewater is committed to improving the efficiency of homes and we are pursuing a carbon-neutral approach to new developments. The Group is also leading the way with energy efficiency, through projects such as constructing an EPC A-rated affordable housing development in Worcestershire and working with Boutique Modern to deliver modular homes in East Sussex.

Board and Management

Stonewater appointed Darren Martin in September 2022 as Chief Information and Transformation Officer to lead Stonewater's innovation and people capability, with responsibility for technology and data, corporate communications, people and transformation.

In October 2022, Stonewater appointed Barry Hoffman and Hursh Shah to the organisation's board.

Rent Cap

Following the announcement in the Autumn Statement 2022 that social rents in England are to be capped at 7% in 2023/24, Stonewater has provided a response which can be found on our website <https://www.stonewater.org/news/press-releases/autumn-statement-2022/>.

ENDS

For more information, please contact:

Isabelle Kirk, Assistant Director of Treasury, Stonewater - 0118 909 9316 / Isabelle.kirk@stonewater.org
Wendie Gardiner, Head of Communications, Stonewater – 0118 909 9301 / Wendie.gardiner@stonewater.org

Disclaimer

The information contained herein (the "Trading Update") has been prepared by Stonewater Limited (the "Parent") and its subsidiaries (the "Group"), including Stonewater Funding plc, (the "Issuer") and is for information purposes only.

The Trading Update should not be construed as an offer or solicitation to buy or sell any securities issued by the Parent, the Issuer or any other member of the Group, or any interest in any such securities, and nothing herein should be construed as a recommendation or advice to invest in any such securities.

Statements in the Trading Update, including those regarding possible or assumed future or other performance of the Group as a whole or any member of it, industry growth or other trend projections may constitute forward-looking statements and as such involve risks and uncertainties that may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have been correct. They speak only as at the date of the Trading Update and neither the Parent nor any other member of the Group undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, occurrence of unanticipated events or otherwise.

None of the Parent, any member of the Group or anyone else is under any obligation to update or keep current the information contained in the Trading Update. The information in the Trading Update is subject to verification, does not purport to be comprehensive, is provided as at the date of the Trading Update and is subject to change without notice. No reliance should be placed on the information or any projections, targets, estimates or forecasts and nothing in the Trading Update is or should be relied on as a promise or representation as to the future. No statement in the Trading Update is intended to be an estimate or forecast. No representation or warranty, express or implied, is given by or on behalf of the Parent, any other member of the Group or any of their respective directors, officers, employees, advisers, agents or any other persons as to the accuracy or validity of the information or opinions contained in the Trading Update (and whether any information has been omitted from the Trading Update). The Trading Update does not constitute legal, tax, accounting or investment advice.

www.stonewater.org

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com. RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the

London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END