



Funders' Day

9 December 2024





Welcome

Ian Ellis
Chairman





Agenda

- **Changes to the board**
- **Strategic progress report**
 - Better connections
 - Better homes
 - Better places
- **Strategic business plan**
- **Financials**
- **Governance and risk**
- **Conclusion and questions**





Changes to the board





Ian Ellis

Portman Settled Estates non exec director with 40-year real estate career

Chair of Notting Hill Genesis

Board H&S champion



Fred Angole

Social housing expert, group finance director at YMCA St Paul's Group

Chair of audit and risk committee



Courtney Huggins

Global treasurer for Jones Lang LaSalle

Chair of corporate finance and treasury committee

Replaced Alex Phillips



Claire Kober OBE

MD at Pinnacle Group and former leader of London Borough of Haringey

Senior Independent Director

Chair of operations committee



Ingrid Osborne

Divisional chair at Taylor Wimpey and environment advocate

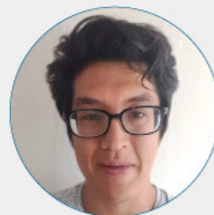
Chair of people committee



Richard Powell

Development expert, MD at Latchmoor Properties

Chair of homes committee



Will Sprunt

Will has built a 20-year career in tech startups, currently as VP in the technology group at Deliveroo and formerly at Zipcar.

Replaced Elaine Bucknor



Emma-Louise Stewart

Extensive career in business development and events management, with a strong focus on local communities

Chair of resident forum

NHG resident

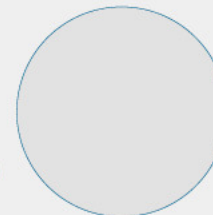


Symmie Swil

COO at Finverity and 15 years experience across banking and financial services

NHG resident

Replaced Arike Oke



New non-exec director

Seeking additional experience in social housing and regulatory compliance.

Recruitment underway

Group board

Executive board



Patrick Franco

Chief executive

COO Foxtons Plc, COO Credit Suisse Asset Management UK; 20+ yrs in real estate & financial services; trustee World Monument Fund Britain



Mark Smith

Chief financial officer

30 years private and public sector experience. Across telco, IT, property and services.



Katie Bond

Chief operating officer

17 years' experience in the housing sector at G15 organisations with leadership roles across operations, building safety, development and sales



Rajiv Peter

Chief information officer

Over 20 years of multi-sector experience in digital innovation and business transformation across private and public sector organisations. NED at Golding Homes and NeoPropTech.



Craig Wilcockson

Chief people officer

Experienced executive and non-executive director who has worked across public and private companies, including in the housing sector. Non-executive director and chair of the people and culture committee at Nottingham University NHS Trust.



Matthew Cornwall-Jones

Chief homes officer

Chartered surveyor with 16 year career at NHG in development, housing and asset management roles, building upon 14 years of real estate experience in valuation and commercial property management roles.



Vipul Thacker

Chief organisational effectiveness officer

25 years' experience leading housing service provision and 8 years with national regulator inspecting local authorities, housing providers and other public bodies. Current board and committee member with two housing providers and executive lead for central services with NHG since 2018.



Tabitha Kassem

Starts April 2025

Chief governance and risk officer

Extensive executive and non-executive level experience across both not-for-profit and private housing providers as well as in the charitable sector. A qualified solicitor, her career spans corporate governance, including compliance and assurance, as well as legal and regulatory functions.



Strategic progress report

Patrick Franco
Chief Executive Officer



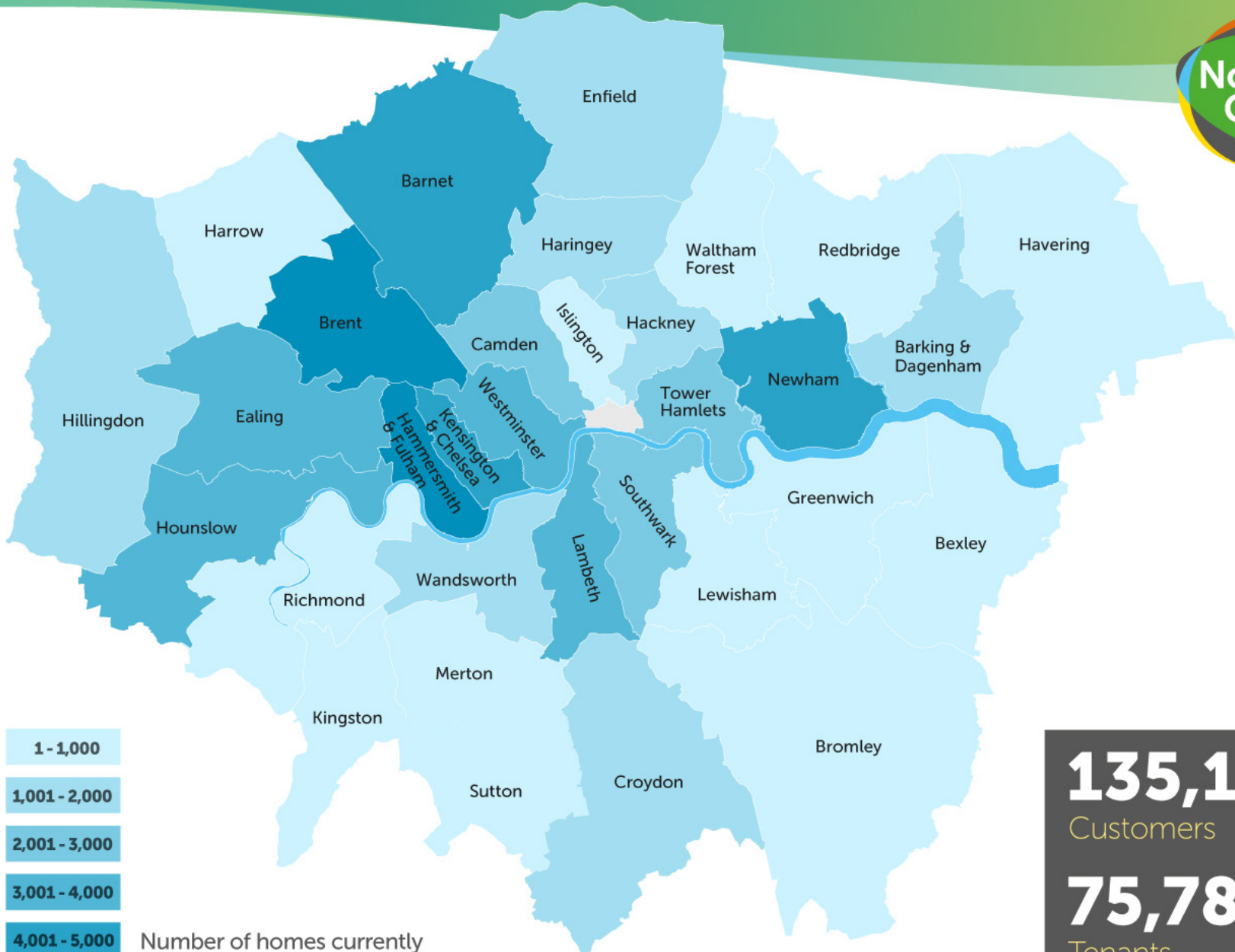
67,636
 Total properties owned
 or under management

61,399 In London

6,237 Outside London

General needs
28,942

Leasehold 9,914		Shared ownership 9,053	
Afordable rent 5,320	Market rent 4,377	Temporary housing 2,845	
	Supported Housing 4,134	IMR 2,288	
		Student 839	



Number of homes currently under management in each London borough

135,171
 Customers

75,783
 Tenants

Making London home

Working better together for our residents



Better connections



Better homes



Better places



Finances and value-for-money



Technology, digital transformation and data



People

Key enablers

Risk management

Good governance

Making London home

Notting Hill
Genesis

Working better together for our residents

Guiding principles

- 1 We provide quality homes and offer a brilliant service, so that our residents truly feel like customers, and our colleagues are proud to work for NHG.
- 2 We design our service based on customer needs, including easy to use technology for those that wish to self-serve. This helps our colleagues focus on customers with more complex needs.
- 3 We are financially sustainable through all market cycles and reinvest surplus to build more affordable homes in London.
- 4 We do this by doing the “basics” well, harnessing technology and data, to continuously improve our operations in key areas like repairs and service charges, to reduce waste and improve efficiency. If we can’t offer a great service, we partner with specialist providers that can.
- 5 We only serve customers and operate business lines, where we can provide a great service, operate at scale, are financially sustainable and within our risk tolerance.

Ratings

FitchRatings

A- (stable)

S&P Global
Ratings

A- (negative)

MOODY'S
RATINGS

A3 (stable)
(unsolicited)

- Strong liquidity
- Strong housing demand
- Modest sales exposure
- Scaled down development plans
- Large disposals & resulting debt reduction

Regulatory judgement



Regulator of
Social Housing

V2/C3/G3

- In-depth assessment (Aug 2022)
- Confirmed rating in stability check (Dec 22)
- Annual engagement visit (April 23)
- Regulatory inspection (Nov 24)

V2

- Financial governance evidenced
- Covenants are tight and requiring close management in 2024/25 and 2025/26
- Strategic disposals are being mitigated through pace of planned investment spend

C3

- Overdue FRA actions
- Repair backlogs
- Survey levels and resident safety implications
- 3rd party landlord compliance

G3

- Board visibility of H&S
- Risk framework
- Board skills

Next steps

- Part 1 voluntary undertaking agreed
- Altair (Fiona Underwood) appointed as Lead advisor on the remediation plan
- Remediation plan and detailed voluntary undertaking to be agreed by March 25
- Additional NED with regulatory remediation experience recruitment underway
- GLA already confirmed that we remain a strategic partner and funding continues



Better connections

Investing to improve customer experience and regulatory outcomes

Repairs / Safety

- £1.1m invested in new repairs hub to drive better contractor management and job quality
- Procuring new repairs contract to create healthy competition between contractors
- Proactive approach to disrepair; no HHSRS CAT 1 damp and mould cases; 59% reduction in CAT 2 YoY

Service charges

- Centralised support team in operations and key new senior appointments in finance
- Route and branch review (KPMG) and end-to-end process review (AdEsse)
- Better budget setting with new app; improved consultation along with increased (80%) accounts served on time

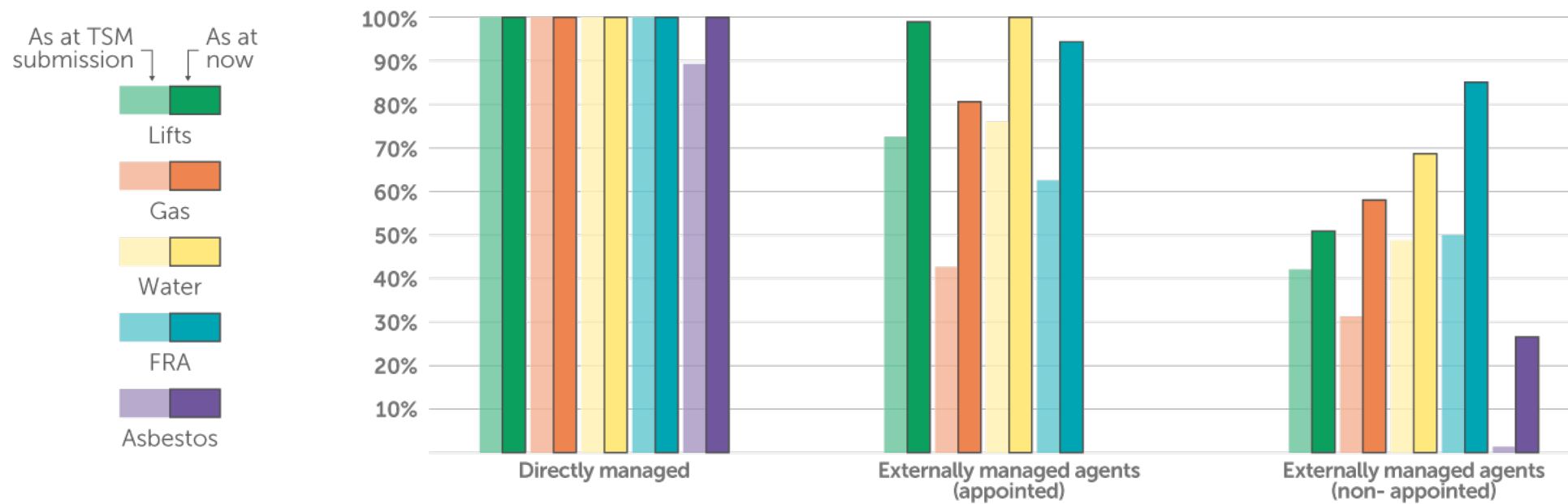
Customer insights

- £1.2m invested in new complaints, customer experience and insights, and involvement teams
- Learning from complaints to continuously improve customer service
- Leveraging data and analytics to know our customers better – especially identifying vulnerabilities

Tenant satisfaction measures

compliance progress

Progress against compliance measures



Appointed EMAs:
c.2% portfolio

Non Appointed EMAs:
c.12% portfolio

Scale of current non-compliant homes

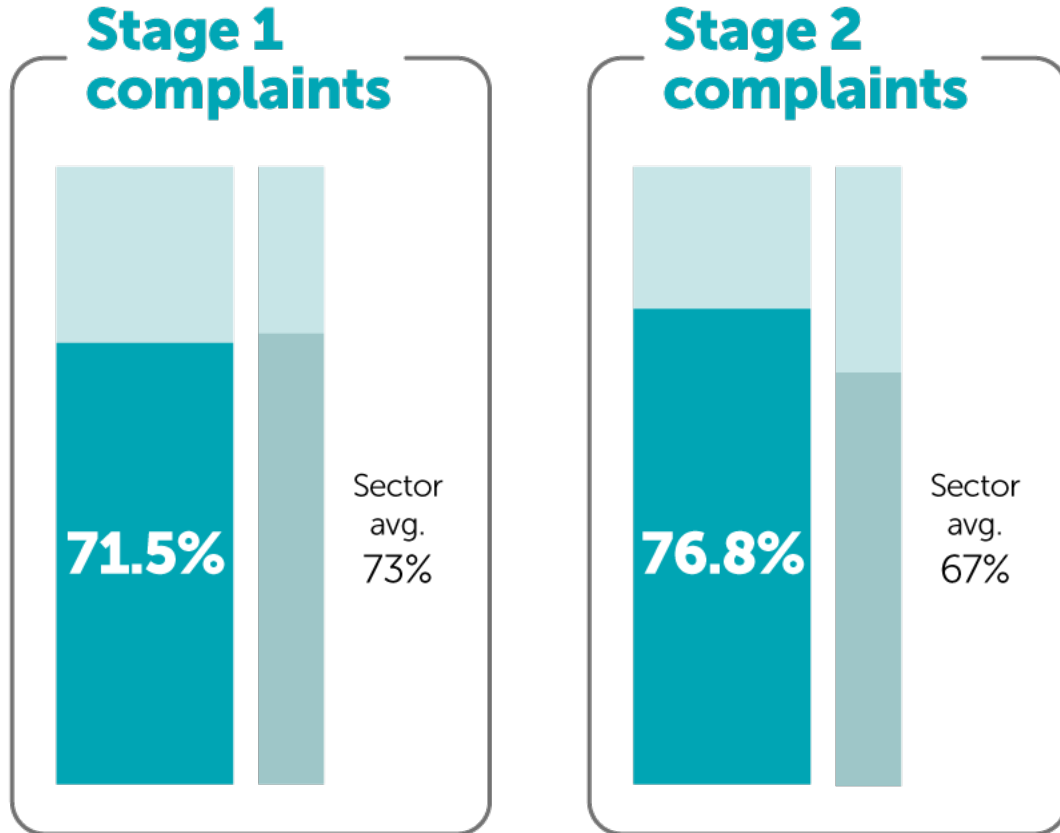
	Lifts	Gas	Water	FRA	Asbestos
Directly managed	0	18	0	0	0
EMA (appointed)	12	177	0	93	n/a
EMA (non-appointed)	1679	1019	977	553	162
Total	1691	1214	977	646	162

N.B – Non Compliance is assumed if we don't hold the physical certificate. It does not necessarily mean the compliance check has not been carried out.

Non complaint homes is the number of homes that are affected by not having the compliance certificate. e.g for appointed EMA, 12 homes are serviced by 1 lift which we are waiting for the certificate, we have 5 communal gas boilers that we need the certificate for and 3 blocks where we haven't received the FRA yet.

Complaints

responded to in time



Tenant satisfaction
measures benchmark

Complaints per 1,000 homes

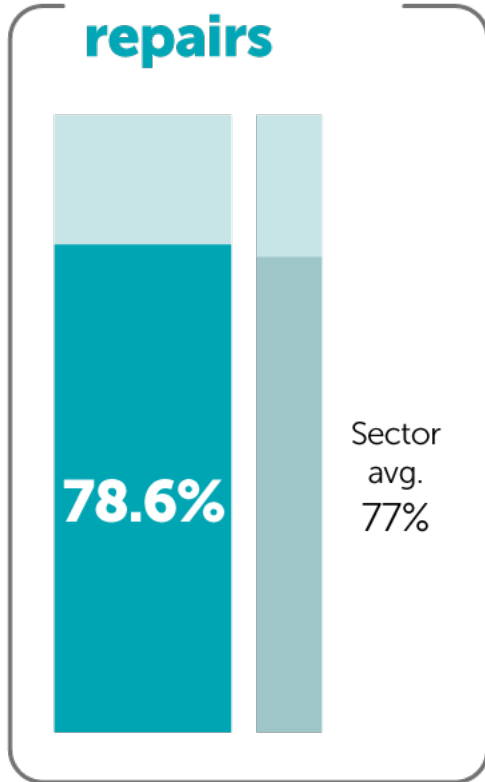
NHG: 57.5 **Sector average: 59.9**

- Centralised team recruited in July 2024
- 62% increase in recorded complaints (Q1-Q2) – increasing visibility and lessons learnt
- 928 ‘complaints’ resolved through triage and service recovery within 5 days.

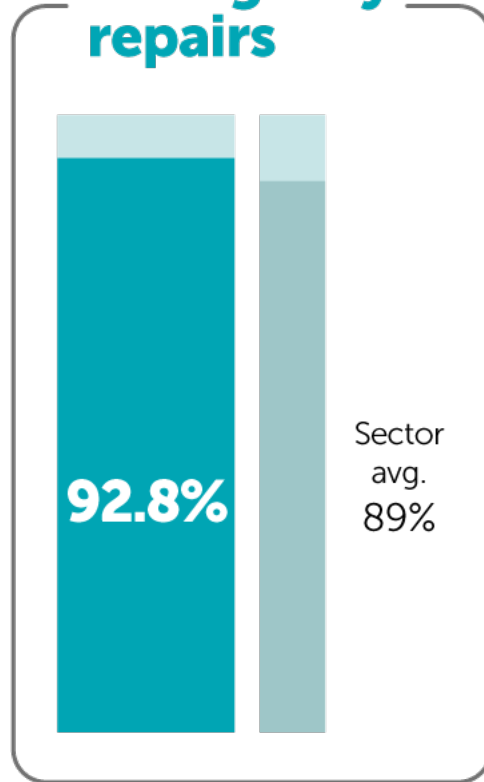
Repairs

completed in time

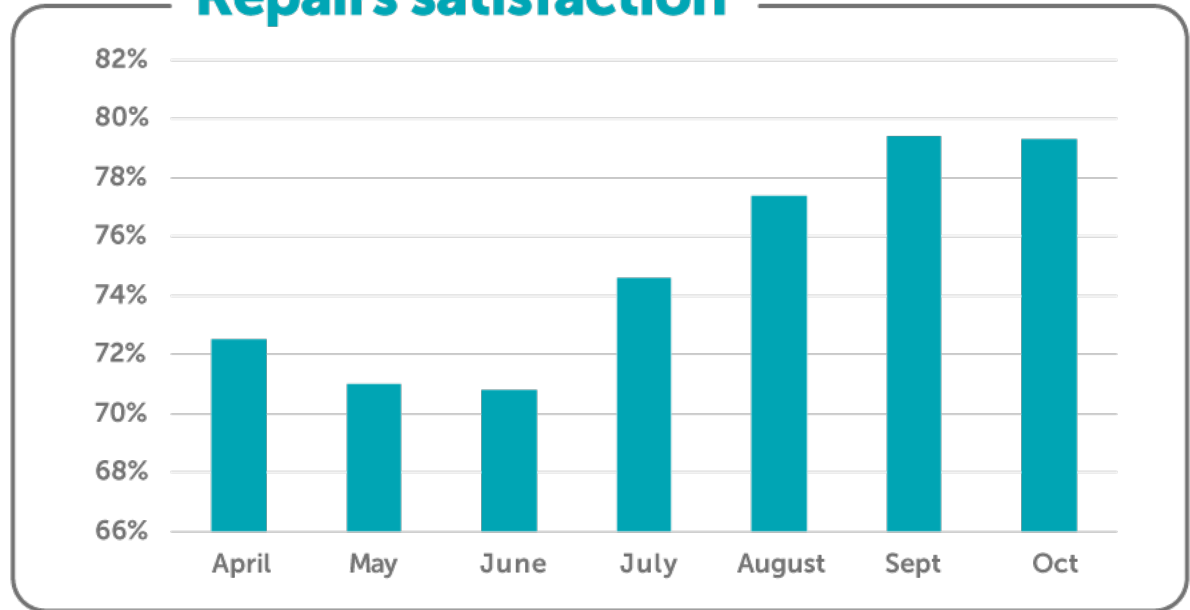
Standard repairs



Emergency repairs



Repairs satisfaction

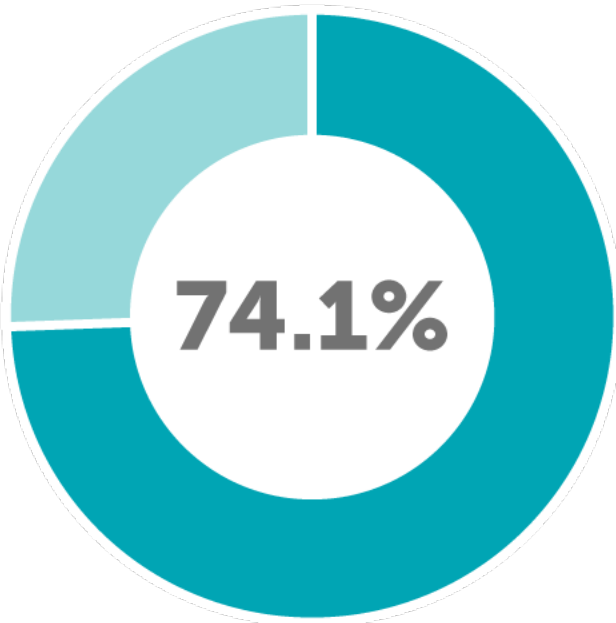


Tenant satisfaction measures benchmark

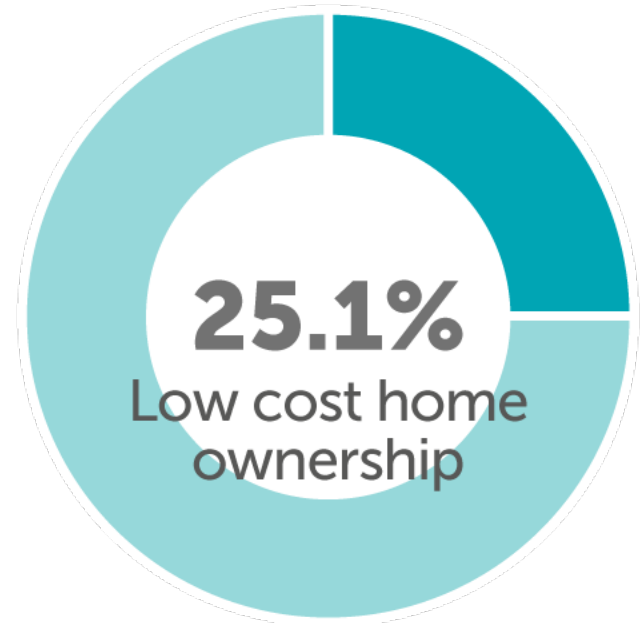
- New repairs hub established end of May 2024
- First time fix increased from 67.9% to 72.9% YoY and improving with repairs hub.
- Average time to complete a repair down from 18.9 days to 15.6 days
- 13% reduction in disrepair cases with outstanding works since peak in August.

Steady performance but more work to do

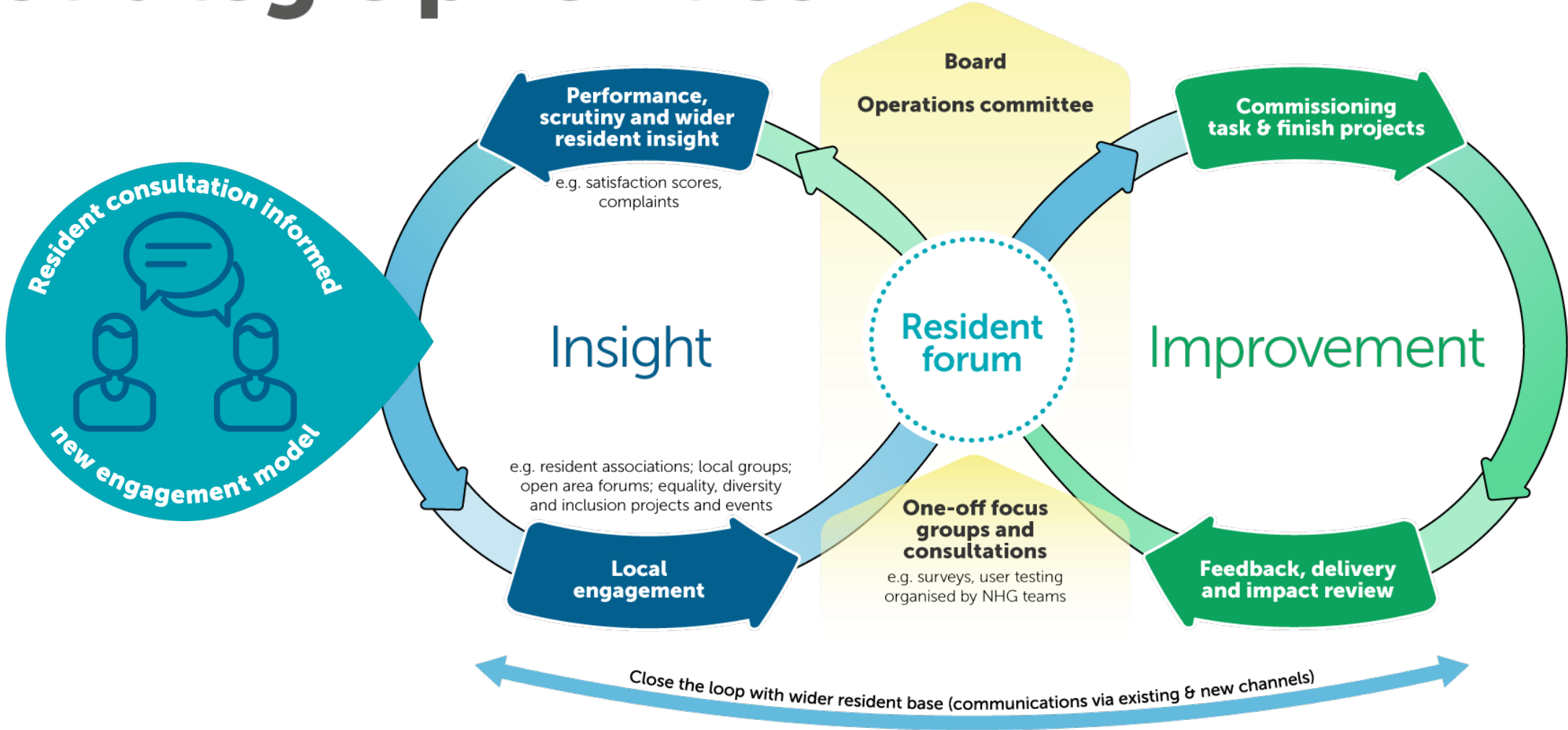
CSAT Q2 2024/25
Transactional



TSM Q2 2024/25
Perception



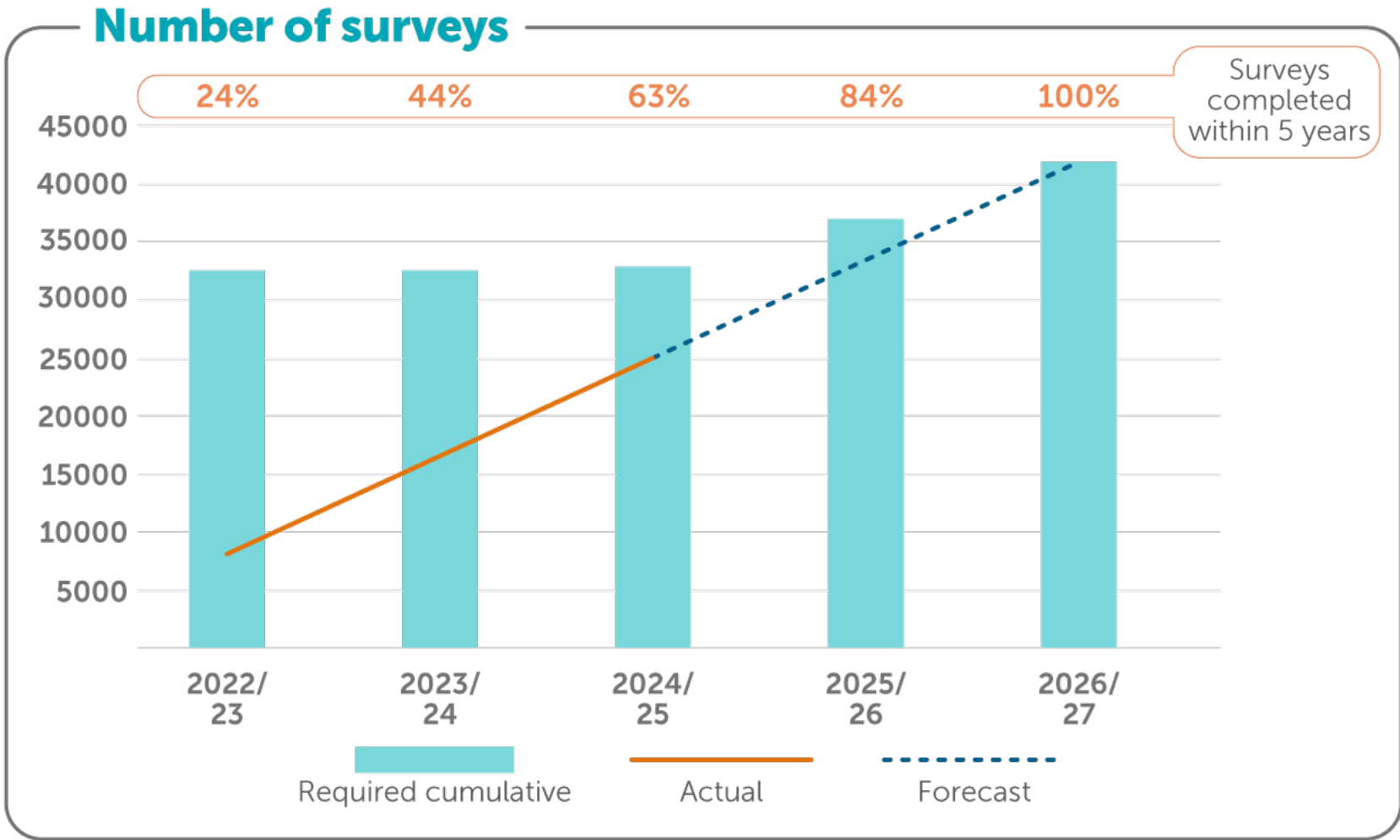
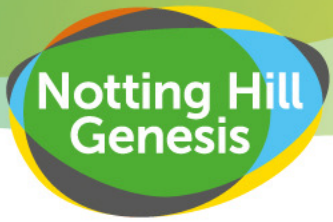
Resident voice informing strategic priorities



Better homes



Stock condition survey



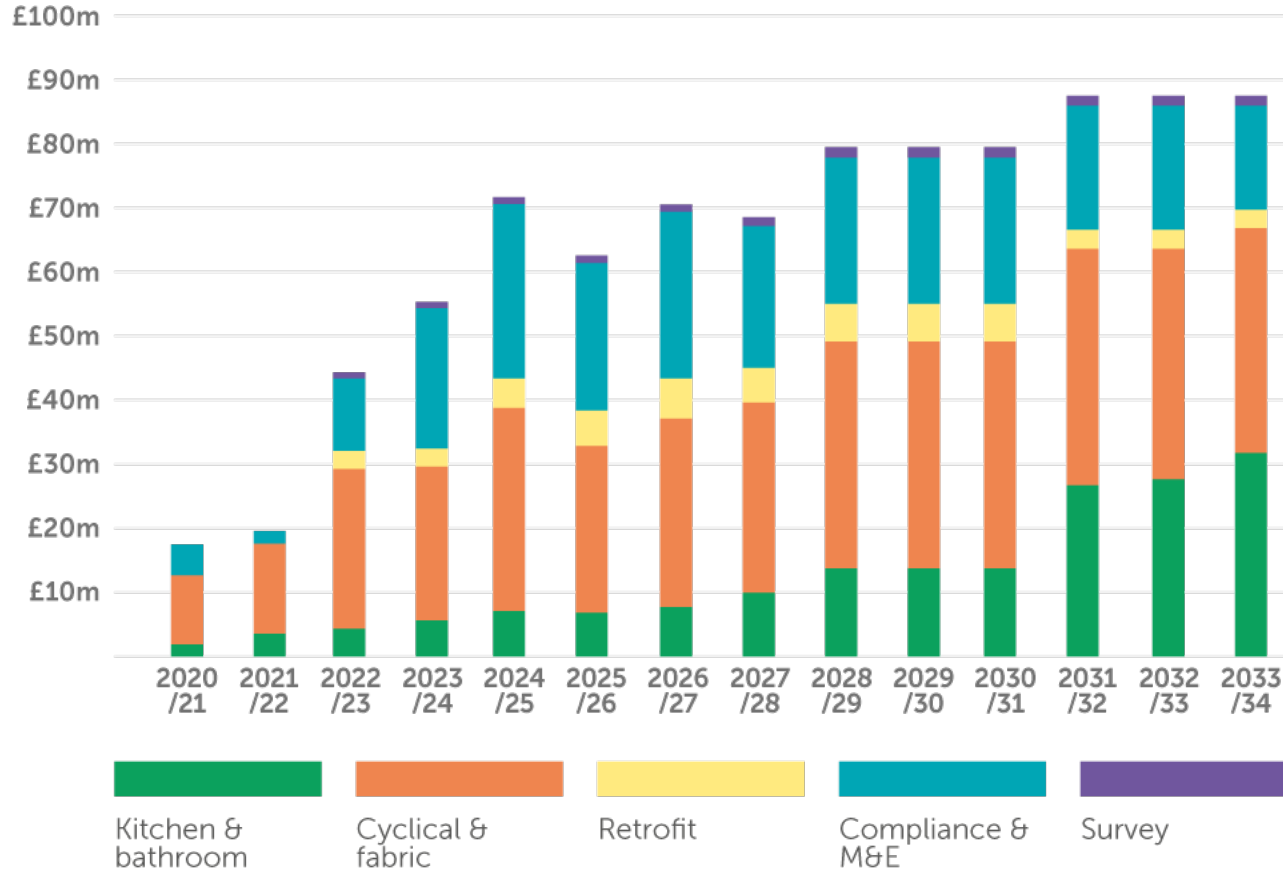
Data confidence

66.32% April 2022

97.54% November 2024

Investment priorities

£770m planned investment spend over the next 10 years – 50% increase on 2023 plan



- Programme reflects stock data and current regulatory expectations. Costed by AECOM
- Funded by an always on strategic asset management programme
- Prudent assumptions that don't include any future procurement or wider efficiency assumptions

More sustainable and greener homes

Marcus Garvey Mews

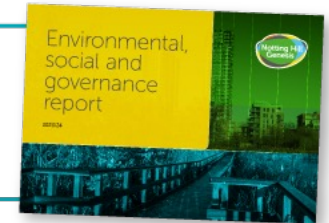


EPC D-G



- 1,984 homes uplifted to EPC C in 2023/24 – 17.8% reduction in EPC D-G
- 694 homes uplifted to EPC C in 2024/25 YTD
- Committed to all rented homes achieving EPC C by 2030; all new build homes to achieve EPC B
- £8.1m SHDF funding secured from Wave 2.1 Application for Wave 3 submitted in November

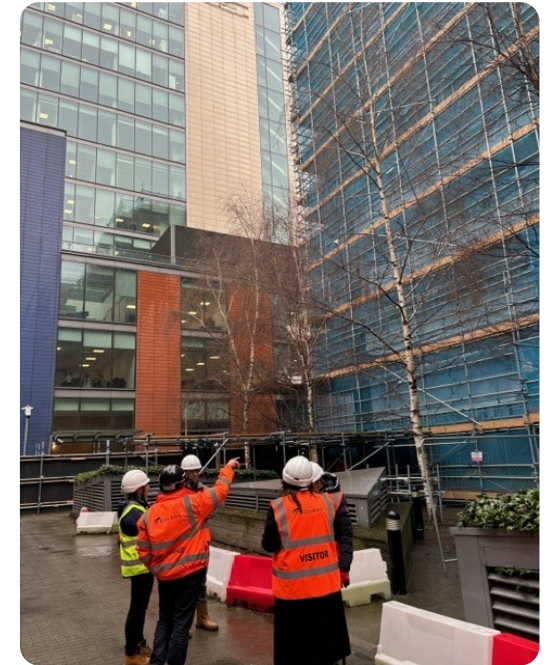
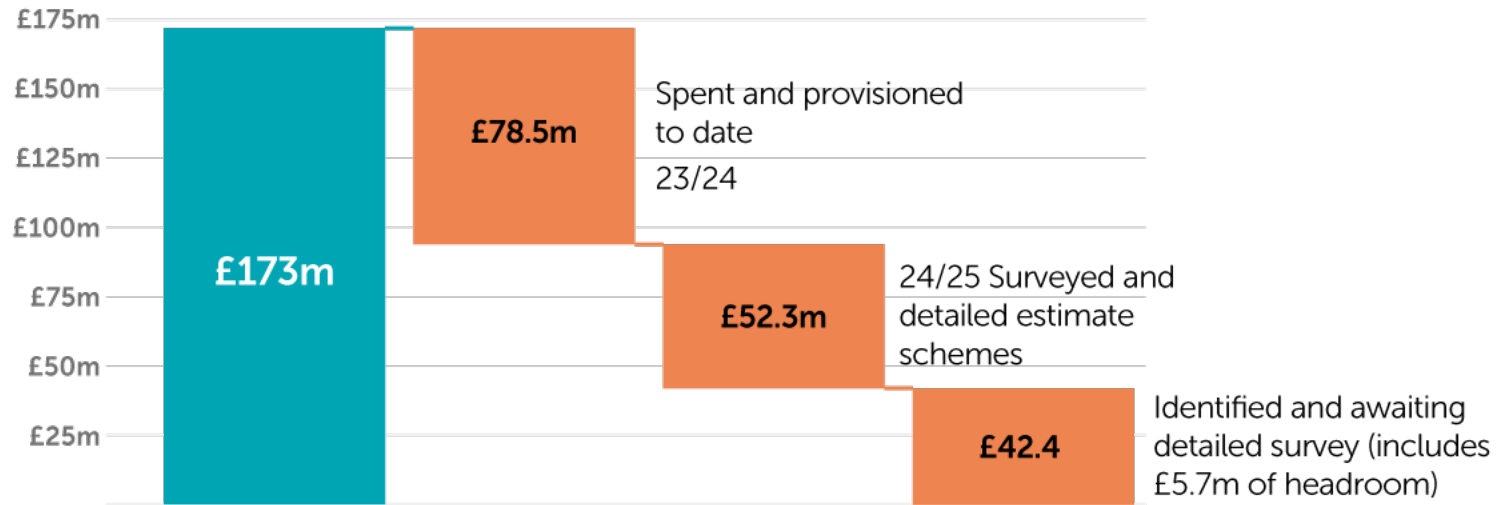
Download our sustainability strategy and ESG report



group.nhg.org.uk/sustainability

Ensuring safer homes

£173m building safety forecasted spend with growing certainty

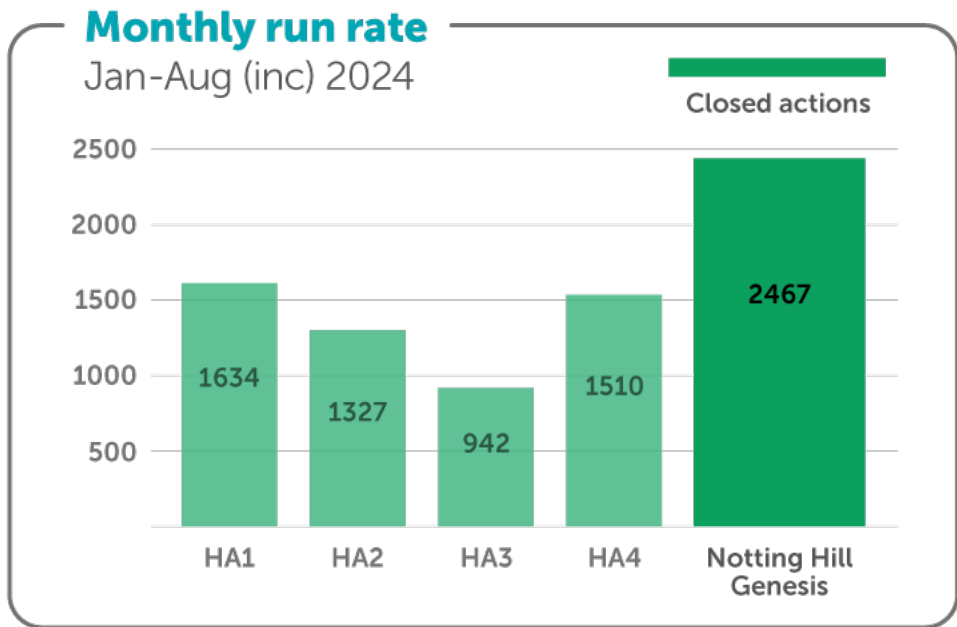
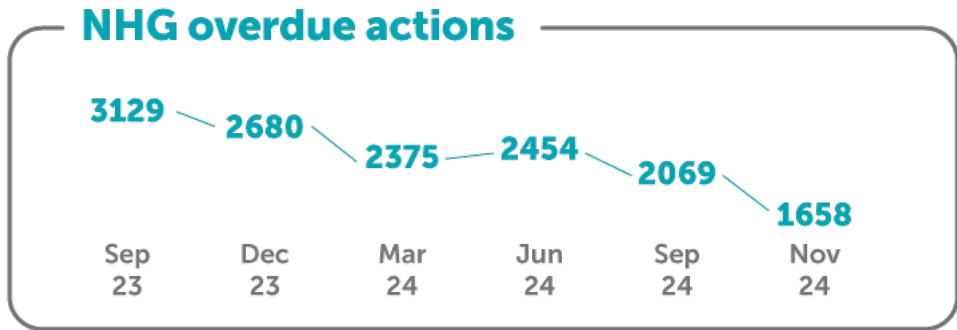
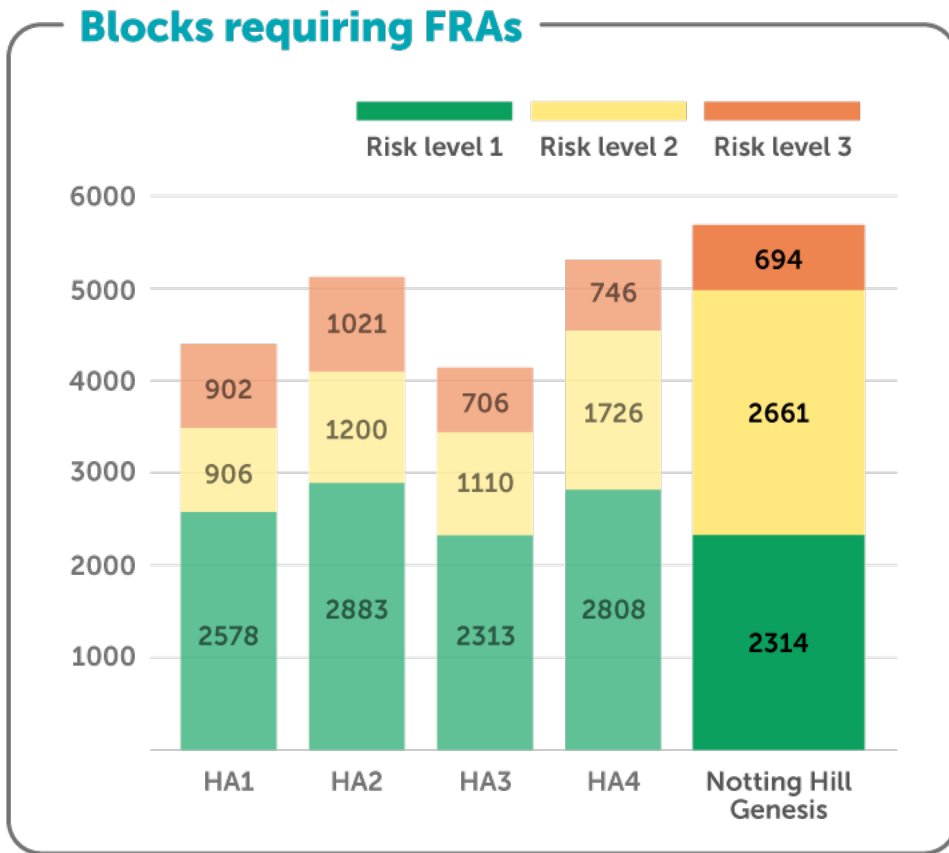


Current position:

- Total 62 schemes (171) buildings
- 16 schemes (45 buildings) completed (our highest risk buildings)
- 6 schemes on site (16 buildings), latest completion October 2025
- 21 schemes (51 buildings) to start within the next 12 months
- Remaining 19 schemes in pipeline (42 buildings) represent lower risk to be completed by 2029/30
- 11 schemes (17 buildings) require intrusive survey

Fire risk assessment (FRA) actions

Benchmarking data from Savills.



Reinvesting in our social mission

Always-on strategic asset management programme to improve value for money, focus on competitive advantage and core competencies, maintain financial resilience, and fund investment.

Asset sales

Identification and sale of poor performing void homes and surplus offices.



Out-of-London transfer

Implementation of stock rationalisation strategy underway. Focus on transferring homes in Herts & Essex to better placed providers. Sale of Herts care & support portfolio completed this year.



PRS portfolio

Strategic review of £1bn+ market rent portfolio underway.



Better places



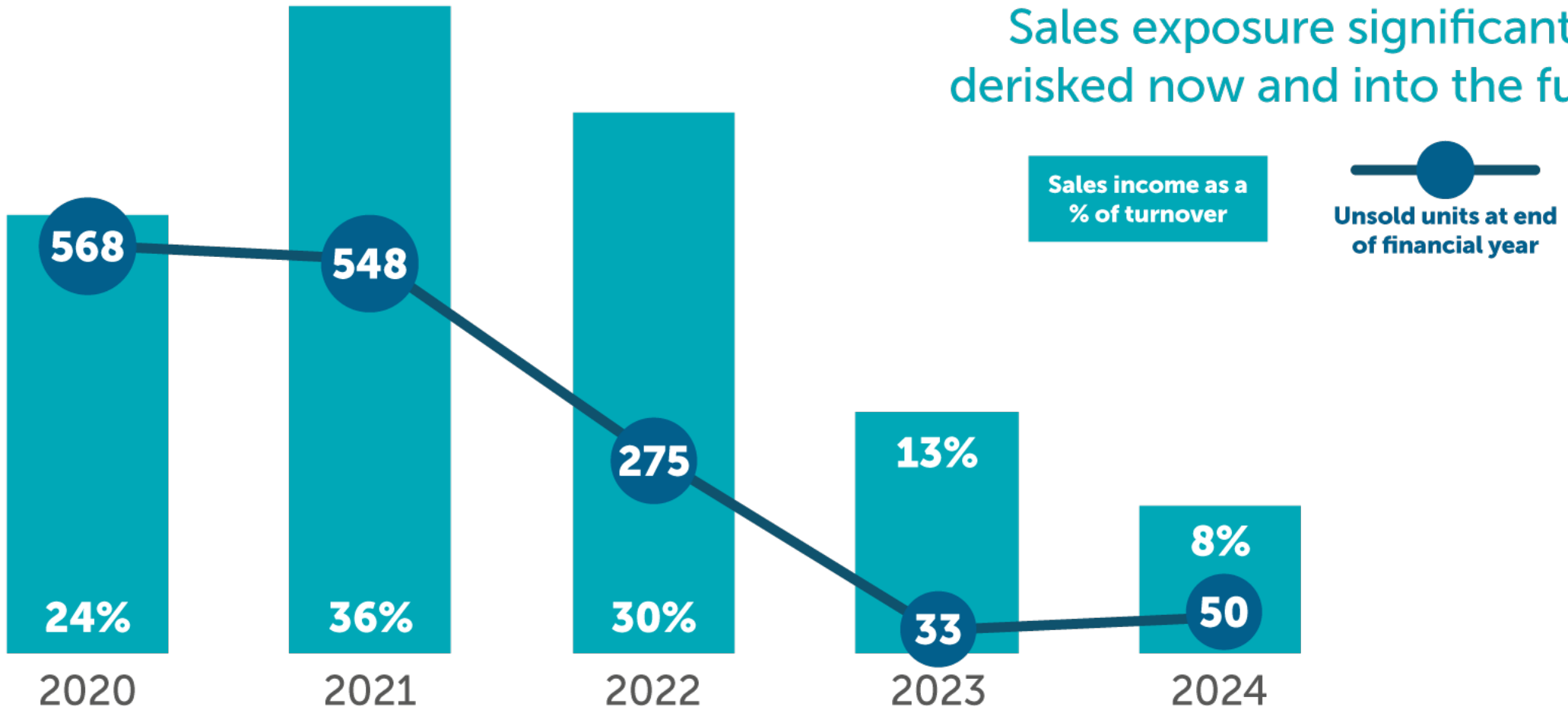
Building more homes

- Strategic review of development and sales programme
- Sustain a programme of 500 new homes per year over 10 years of which 60% affordable
 - 1,455 social rental homes
 - 1,558 shared ownership homes
- All projects identified and already modelled in strategic plan
- Land bank rationalised, no further acquisitions planned
- Sales programme average 400 homes per year for next three years



Sales exposure

Sales exposure significantly derisked now and into the future





Strategic business plan

Mark Smith
Chief financial officer

Strategic business plan

the next 10 years in numbers

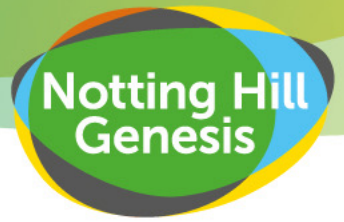
- With the material lift in inflation and interest rates, coupled with regulatory requirements increases. Our previous plan was simply unaffordable.
 - Our commitment to our mission, vision, and strategy remains. But the new strategic business plan has required us to balance our clear social purpose with the economic reality of things right now.
 - Overall, this plan gives us a sustainable platform to build from. And our ambition remains to get back to building at levels we have in the past remains.
 - The regulatory outcome does not introduce any material cost increases. Nor does it trigger a material change to the plan.
- Five strategic portfolio sales **+£1bn receipts** market rent, Homebuy loan, DIYSO, Out of London, Paragon (student accommodation)
 - **£770m investment** in the homes of our existing 130k residents (additional £250m from the last plan)
 - Challenged ourselves to move to average unit cost in our peer group.
 - **£35m annualised cost reduction** in three years' time
 - An average of **500 new homes per year**
 - **+£1bn debt reduction**
 - Retaining our **£173m spend on building safety**



Financials

Mark Smith
Chief financial officer

NHG group position



Underlying surplus and cash position remains stable

Early signs of effective cost control and improvement

Long term financial plan remains solid

Liquidity and balance sheet resilience is strong

2024 Performance – I&E

Underlying surplus stay stable

Macro walk - surplus	2024	2023	2022
Operational surplus	128	127	155
Finance cost (excl derivatives)	(132)	(132)	(129)
Disposals, development services, and landbank sales	21	52	60
Exceptionals	(102)	(5)	11
Operational one offs	(19)	-	-
Joint ventures	15	8	1
Derivatives	9	21	11
Fair value	(10)	36	5
Before Tax	(90)	106	113
Tax	-	(12)	(11)
After Tax	(90)	94	103

- Last year was materially impacted by £(102)m of exceptional items (most of which were accounting or non-cash) and £(19)m of operational one offs.
- The underlying surplus of the organisation remained stable, and the ongoing plan is to continue to de-risk any reliance on sales and lower the debt burden.
- 2024 one offs were mainly driven by the write offs from the sale of our WorkWise technology and the flood insurance costs from 2021.

NHG group year-ended 31 March 2024



- Underlying surplus position stable
- Overall position mainly driven by building safety provision and associated impairments
- Existing development programme continues, facilitated by existing debt facilities

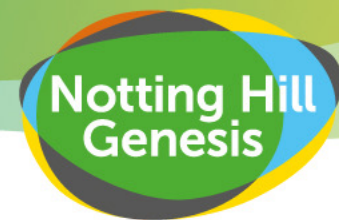
Statement of comprehensive income

	2024 £m	2023 £m
Turnover	711.8	728.1
Operating costs	(610.8)	(605.5)
Net surplus on operations (inc sales)	101.0	122.6
Exceptionals	(101.5)	-
Surplus on disposal of fixed assets	29.0	50.8
Gains from joint ventures	14.6	8.2
Movements in investment properties	(10.1)	36.3
Operating surplus	33.0	217.9
Net interest payable	(143.1)	(132.4)
Movements in financial derivatives	8.7	20.6
Surplus before tax	(90.2)	106.1

Statement of financial position

	2024 £m	2023 £m
Housing properties	6,921.8	6,815.4
Other assets	85.7	77.3
Investments	1,213.5	1,214.7
Net current assets	322.5	183.9
Total assets less current liabilities	8,543.5	8,291.3
Loans due in more than one year	3,585.0	3,305.2
Unamortised grant liability	1,101.5	1,088.1
Other long-term liabilities	214.0	154.6
Capital and reserves	3,643.0	3,743.4
Total funding	8,543.5	8,291.3

NHG group half-year 30 September 2024



- Growth in operational surplus due to solid cost control
- Development continues

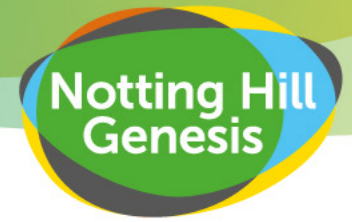
Statement of comprehensive income

	2024/25 HY £m	2023/24 HY £m
Turnover	363.1	330.6
Operating costs	(279.4)	(264.2)
Net surplus on operations (inc sales)	83.7	66.4
Exceptionals	-	-
Surplus on disposal of fixed assets	15.2	11.0
Gains from joint ventures	1.8	0.7
Movements in investment properties	-	-
Operating surplus	100.7	78.1
Net interest payable	(64.7)	(66.5)
Movements in financial derivatives	1.5	6.7
Surplus before tax	37.4	18.3

Statement of financial position

	Sept 2024 £m	Mar 2024 £m
Housing properties	6,981.7	6,921.8
Other assets	77.3	75.9
Investments	1,249.5	1,223.3
Net current assets	283.3	322.5
Total assets less current liabilities	8,591.8	8,543.5
Loans due in more than one year	3,599.9	3,585.0
Unamortised grant liability	1,099.3	1,101.5
Other long-term liabilities	216.0	214.0
Capital and reserves	3,676.6	3,643.0
Total funding	8,591.8	8,543.5

Other key metrics



Year-end / £m		Including exceptional items	Excluding exceptional items	
	2023	2024	2024	HY 2025
Adjusted operating revenue	715	710	710	325
Adjusted EBITDA	144	29	101	78
Non-sales adjusted EBITDA	130	-2	89	77
Capital expense	248	339	339	215
Debt (net of loan costs & premium)	3,305	3,585	3,585	3,600
Interest expense	149	165	165	79
Adjusted EBITDA / Adjusted operating revenue (%)	20.1	4.1	14.3	24.1
Debt / Non-sales adjusted EBITDA	25.4	0.0	40.2	46.7
Non-sales adjusted EBITDA/interest coverage	0.9	0.0	0.5	1.0

Moving forwards

- Metrics continually improve for 2027 and onwards as:
 - the burden of building safety is reduced, and our efficiency programme delivers bottom line savings
 - & our strategic disposals enable debt to be paid down
- Resulting in a sustainable move to:
 - Adjusted EBITDA % above 20%
 - Non-sales adjusted EBITDA above 1.0
 - 3-year MRI above our 120% golden rule
 - Gearing below 75%
- Continue to retain a healthy liquidity position that is well above minimum expectations

Treasury overview

as of September 2024

Drawn Debt
£3.6bn

Average life = 12.0 years
Average cost = 4.28%

Available Liquidity
£760.2m

Undrawn facilities: £725.0m
Cash: £33.2m

Debt reduction

Debt is forecast to reduce from £3.6bn to £2.5bn by 2029. This is expected to reduce annual finance costs by £60m by year 5.

92% fixed

Floating: 6%
Inflation-linked: 2%

Liquidity coverage
51 months
(December 2028)

No immediate material
refinancing required

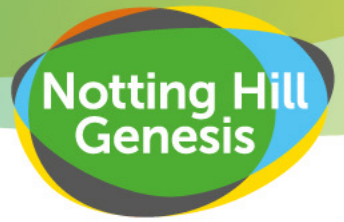


Governance and risk

Patrick Franco
Chief Executive Officer



Governance and risk



Where we are now

- **Simplifying our corporate entity structure** with 5 entities closed in 2023/24 as planned
- **Embedding our new resident involvement model**
- Improving our board and committees' ways of working, **simplifying reporting and line of sight to support insight, oversight and assurance**
- Part way through our **enterprise risk management framework implementation** with substantial assurance on design received from internal auditors
- Annual board effectiveness and skills cycle completed, **clear succession plan in place**
- **New roles including chief governance & risk officer, head of risk & assurance** along with additional specialists to support delivery

Where we will be in 2025

- **7 entity closures in the period**, with additional 5 by 2027
- **Amplified voice of the customer** through the organisation and at board. Engagement model externally validated
- **Independent governance review completed**, recommendations implemented
- **Risk and assurance framework in place and externally validated** with robust risk culture embedded
- **New chairperson, non-executive directors and independent committee members** in line with succession planning - continued strong capabilities and capacity
- **Increased investment in risk, governance and compliance**

Conclusions



Strong liquidity and robust business plan able to withstand range of adverse scenarios

Focused on ensuring financial sustainability and deleveraging to withstand all market cycles

Good progress on Better Together strategy which is addressing recent regulatory judgement and improving the service for our residents

Committed to increasing investment in existing homes to improve quality, safety and sustainability and developing affordable homes when financial headroom allows

New senior leadership team continues to deliver at pace

The logo for Notting Hill Genesis is a stylized oval shape composed of several overlapping curved bands in shades of green, yellow, and blue. The text "Notting Hill Genesis" is written in white, sans-serif font across the center of the logo.

Notting Hill
Genesis

A woman with short grey hair and glasses is smiling and looking to her right. She is wearing a dark grey sweatshirt with the words "LOVE ALWAYS" printed in white, bold, capital letters. The background is a doorway with a "BEWARE OF THE LABRADOR" sign and a "LOST SCOTCH" sign. The entire image is overlaid with a semi-transparent teal and blue gradient.

Thank you and questions