

Bromford.

Investor Presentation

August 2023

Robert Nettleton CEO

Paul Walsh CFO

Imran Mubeen Director of Treasury

Bromford.

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Our presenters.



Robert Nettleton – Chief Executive Officer

- Robert has led Bromford, and previously Merlin, as CEO for **over eight years**. He has successfully delivered the 2019-2023 corporate strategy, acquired Strategic Partner status with Homes England and established Bromford as a top three developer of social rented homes with sector leading financial performance.
- Robert launched Bromford's new 2023-2027 strategy earlier this year which will deliver over £1bn of new investment.
- Previously at Merlin, Robert led the organisation to double its operating margin and quadruple its surpluses. Prior to joining Merlin, Robert was Chief Executive at Coastline Housing.



Paul Walsh – Chief Financial Officer

- Paul joined Bromford in **June 2021**; and leads the finance, treasury and procurement functions.
- In Paul's two years at Bromford, he has consistently delivered margins above 30% and successfully introduced a £5m strategic cost review.
- Paul previously led the finance team at Coventry Building Society for over three years.
- He has a wealth of experience with over 25 years in senior finance roles in Financial Services, including roles at Lloyds Banking Group and Nationwide Building Society.



Imran Mubeen – Director of Treasury

- Imran has led Bromford's Treasury function for over **six years**; establishing its sector leading dual credit rating platform, and delivering over £1bn of new funding including its debut public bond and inaugural USPP.
- Imran has pioneered sustainable finance in social housing; establishing the first green and governance linked loans in the sector and expanding Bromford's trading updates to include its sustainability golden metrics. He published Bromford's accredited Sustainable Finance Framework and authors Bromford's annual Sustainability Impact Report.
- Imran is a qualified Chartered Accountant and previously led on national and international Corporate Finance transactions at PwC.

Our agenda.

- | | |
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Bromford Housing Group.
We invest in homes and relationships so people can thrive.

Bromford Housing Group.

We remain resolute to our purpose

46,437

Homes owned or managed

A+ (stable) / A2 (neg)

Dual rating commitment

G1 / V1

Affirmed regulatory rating (Sep 22)

Top three developer of social rented homes in England (554 of 1,265 new homes)

Proactive business planning to meet new challenges (£455m liquidity)

Pioneering approach to sustainability reporting (sustainability golden metrics)

De-risked new homes plan with 91% affordable (12,004 new homes by 2031)

Homes England Strategic Partner Wave 2 (3,300 grant funded homes)

Rebased Scope 1,2 & 3 carbon emissions (111,765 tonnes of CO₂e)

34%

SH operating margin

40%

Gearing

1.9x

EBITDA-MRI interest cover

2.0x

Liquidity ratio

87%

Homes at EPC C or higher

54%

Market-social rent diff.

83%

Customer advocacy

6.5%

Gender pay gap

Note: Financials are shown on a Group basis as at 31 March 2023 throughout the presentation unless otherwise referenced

Bromford.



**Our Strategic
Update.**

Our sector is facing multiple headwinds.

We continue to adjust to a challenging operating environment

Macro-economy.

- Inflation and rising prices impacting our customers
- Government imposed rent cap
- Global 'demand bounce back', rise in materials costs and supply
- Ukraine and energy crisis

»»» Impact unchanged

Demand for talent.

- Record employment levels
- Exit from employment market post covid
- Fewer EU workers

»»» Impact increased

Customer and colleague.

- Repairs backlog cleared
- Dedicated Condensation, Damp & Mould team
- Colleague wellbeing

»»» Impact reduced

Climate change.

- Net zero roadmap fully costed in 30 year plan
- Carbon baseline established
- Extreme weather conditions

»»» Impact increased

Housing crisis.

- Record HE funding
- Real focus on VfM
- Driving efficiency to build even more new affordable homes
- For the third year running, we are in the top three developers of social rented homes in England

»»» Impact unchanged

Fire and building safety.

- Limited impact on Bromford with only 3 high-rise buildings but big impact for wider sector

»»» Impact reduced

Our 2019-2023 strategy.

We invested in homes and relationships so people could thrive

We delivered our 2019-2023 corporate strategy



Our relationships with customers

- **Neighbourhood coaching:** ratio of 1:175
- **Customer advocacy:** 83% (80% in FY 2021/22)



Homes that enable customers to thrive

- **Commitment to Decent Homes Standard:** 99.99%
- **Bromford Home Standard:** narrowing the gap across our homes



Growing the business to enable even more customers to thrive

- **Strategic partner to Homes England (wave 2):** 3,300 grant funded homes
- **Top three developer of social rented homes:** for three consecutive years



Keeping Bromford future ready

- **Sustainability golden thread:** updated SFF, impact report and golden metrics
- **Transformation:** customer portal now live, and final phase (EAM) underway



Enabling colleagues to thrive

- **Reducing our gender pay gap:** from 7.2% to 6.5%
- **Female career accelerator programme:** supporting female colleagues into leadership roles

B









Our recent journey:

- ✓ Establishing our clarity of purpose
- ✓ Clear operating model for 2020s
- ✓ Integrated three businesses
- ✓ Sector leading technology platform

Our new 2023-2027 strategy.

We focus on our core strategic pillars of place, scale and impact

Our eight strategic objectives by 2027

 Place-based working	 Relationships that support customer aspiration	 Our move to scale	 Proactive maintenance and compliance
 Agile working to solve problems	 Place-based pipeline of talent	 Home Standard – closing the gap	 Known as a leader and influencer

Our guiding principles

 Build relationships	 Think community	 Places, not projects	 Invest for impact
 Data driven	 One Bromford	 Develop trust	 Seamless service



Place

85% customer advocacy



Scale

25% of new homes in large-scale new communities (2035)



Impact

Top 10 developer of affordable homes

Our core business.

We continue to focus on our core business in our core geographies



Core business

- Social rent
- Affordable rent
- Shared ownership
- Neighbourhood coaching



Value adding activity

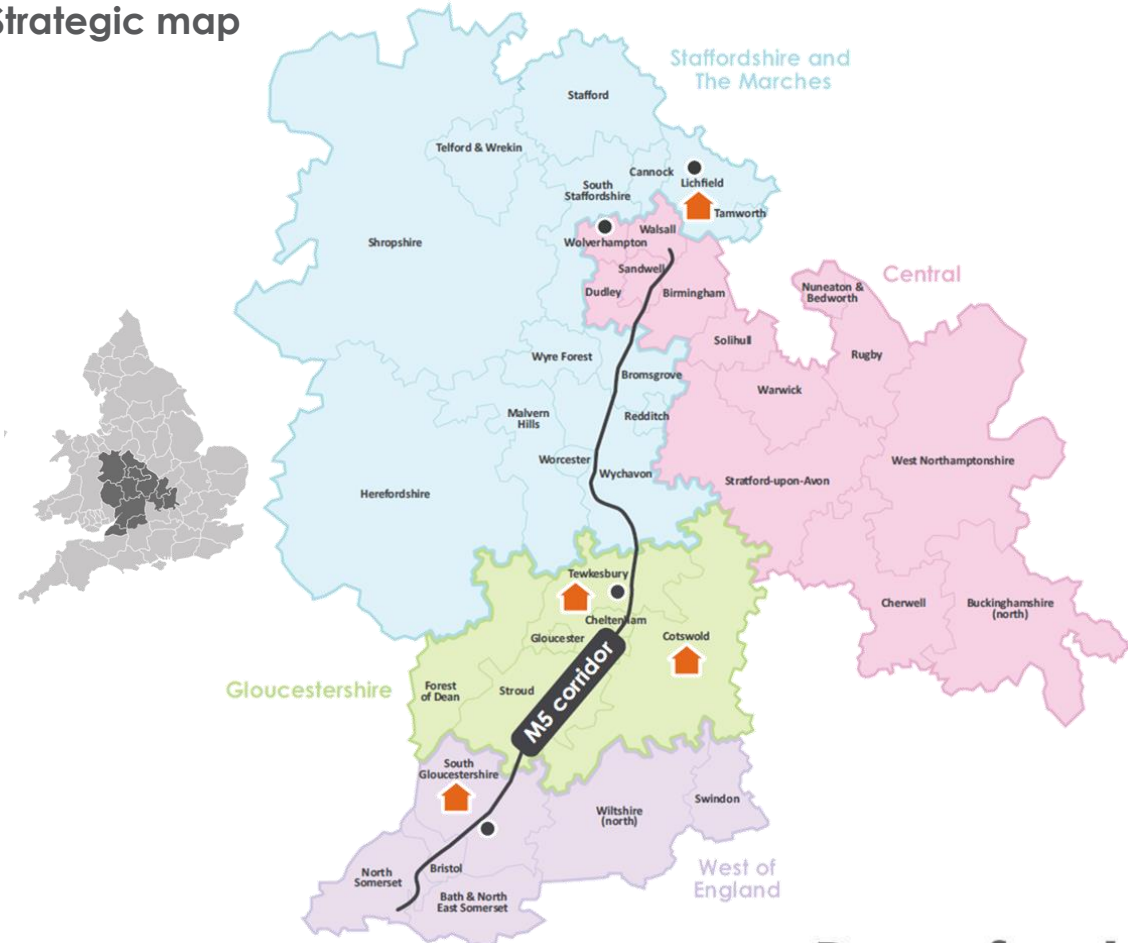
- Supported housing for the elderly
- Market sale in mixed tenure development
- Investment in health, wellbeing, employability



Proactive disposals

- Exiting market rent
- Portfolio rationalised for core geographies

Strategic map



Our top four areas account for **52%** of our total homes:

Top 4 Areas	% of total homes ¹	Waiting List ²
1. South Gloucestershire	20	4,309
2. Cotswold	11	1,707
3. Lichfield	12	404
4. Tewkesbury	9	1,763
Total Homes in Top 4 Areas	52%	8,183

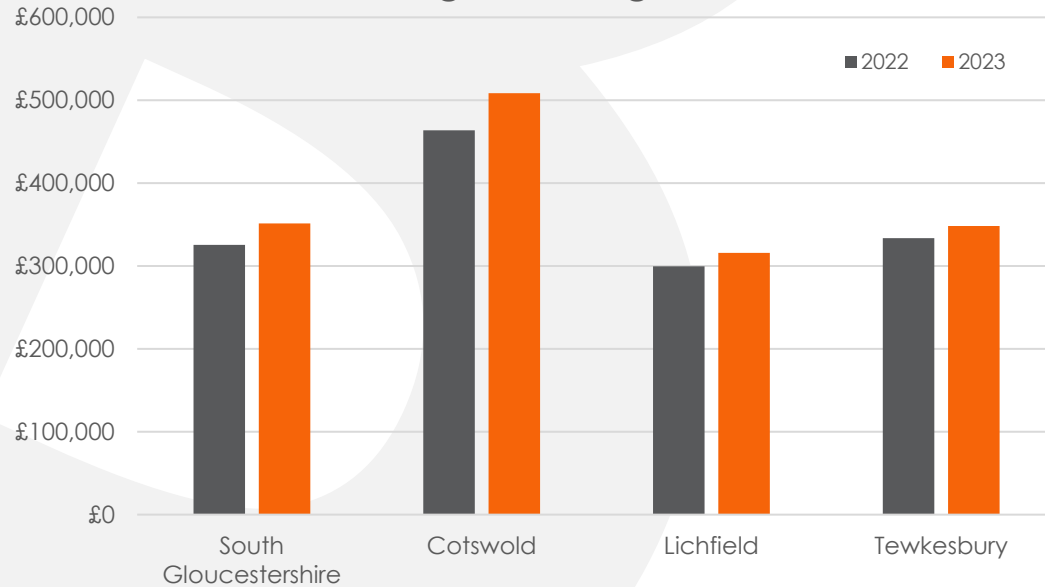
Reference¹: Bromford's unaudited internal management information

Reference²: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies>

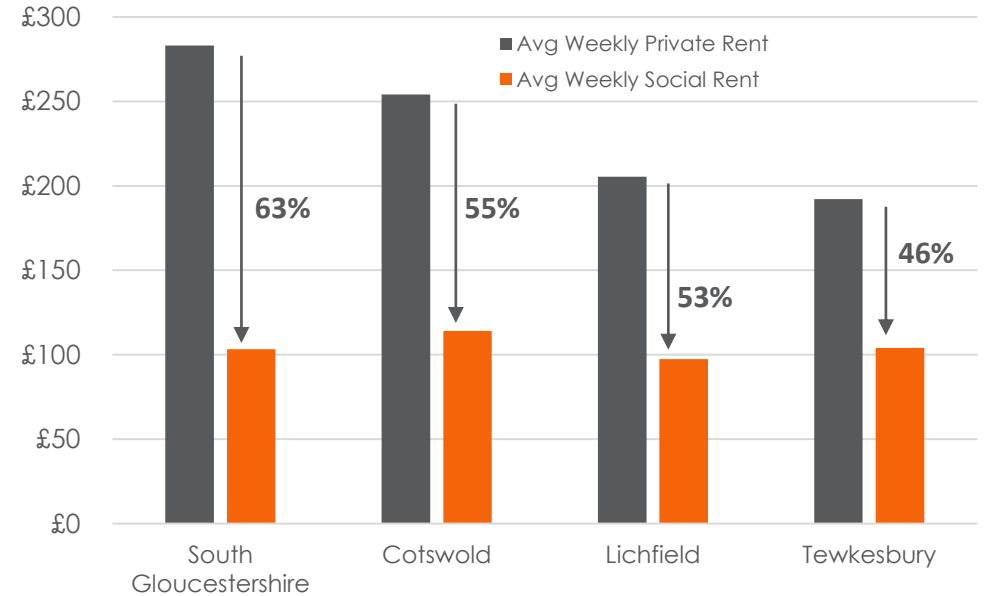
Our demand dynamics.

We continue to operate in areas with very high demand for affordable housing

Average Dwelling Prices¹



Social-Market Rent Differential^{2,3}



	South Gloucestershire	Cotswold	Lichfield	Tewkesbury	Top 4 Areas
% of Total Homes	20%	11%	12%	9%	52%
Waiting List	4,309	1,707	404	1,763	8,183

Reference¹: <https://landregistry.data.gov.uk/app/ukhpi/browse?from=2022-05-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Ftewkesbury&to=2023-05-01&lang=en>
 Reference²: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland>
 Reference³: Bromford's unaudited internal management information

Our three key frameworks.

We are governed by our financial, customer and sustainability frameworks



Financial Framework

Description	Golden rule	Target range
Overall operating margin	>25%	28% - 40%
Social housing operating margin	>30%	33% - 45%
Interest cover (EBITDA-MRI)	>1.5x	1.7x - 2.5x
Asset gearing	<50%	35% - 45%
Liquidity ratio	>1.5x	1.8x - 2.3x
Secured funding headroom	>10%	15% - 30%
Level of market sale WIP ¹	<£167m	£30m - £150m
Sales ²	<30%	10% - 27%



Customer Framework

Description	Golden rule	Target range
Landlord compliance	>99.97%	100%
Customer advocacy	>70%	80% - 90%
Percentage of live repair jobs less than 30 days old	>60%	80% - 90%
Complaints per 1000 homes	<68	58 - 35



Sustainability Framework

Description	Current	Golden rule	Aspiration
Scope 1,2,3 CO2 emissions	3.30t per home	4.00t per home	3.00t per home
Proportion of our homes rented to homeless	29%	15%	30%
Regulatory governance rating	G1	G1	G1

Reference¹: (includes land, market development and shared ownership)

Reference²: (land, market development and shared ownership)

Our golden thread of sustainability.

Our sustainability journey is now firmly established in our updated 2023 SFF

Evolution of our approach

- ✓ Sustainability ambitions continue to be **Bromford-led**
- ✓ Updated our **Sustainable Finance Framework** in line with 2023-2027 strategy
- ✓ Accredited by **DNV**
- ✓ Commitments aligned **SRS, ICMA, LMA** and seven of the **UN SDGs**

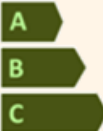


The relationship between finance and purpose

Eligible projects		Our projects
Affordable Housing		✓ Homelessness reduction ✓ Delivering affordable homes and regeneration
Employment generation		✓ Employment of apprenticeships and graduates
Socioeconomic advancements		✓ Equality, diversity and inclusion ✓ Neighbourhood coaching
Green buildings		✓ Carbon reduction: energy efficient new homes ✓ Modern Methods of Construction
Clean transport		✓ Carbon reduction: commercial and company car fleet
Energy efficiency		✓ Carbon reduction: existing homes ✓ Carbon reduction: green offices

Our sustainability golden metrics.

We publish the key drivers of our sustainability performance in our trading updates



87%
Homes at EPC C or above



111,765t
CO2 emissions (Scope 1, 2 & 3)




9:4
Board and Executive male:female ratio



6.5%
Gender pay gap



54%
Market-social rent differential



554
New social rent homes completed




4.4%
Ethnic pay gap



99.99%
Decent Homes Standard



27%
Proportion of our new lettings in the year let to the homeless



83%
Customer advocacy

B.



99.99%¹ Gas safety
100% Fire Safety



92 Complaints upheld by Ombudsman
Nil Adverse regulatory findings

Reference¹: One expired gas certificate at 31 March 2023 which has now been validated

Reference²: No adverse or severe maladministrations identified

Our sustainability work in action.

We remain committed to supporting our customers



Case Study:

How I found a new life and a new home



Losing a job is tough, especially if you've been working and loving it for ages. But when your job is tied to your home, you're also without a roof over your head. That's the situation Mark Hill found himself in after he lost his job as a school caretaker due to health reasons.

It sent him in a downward spiral mentally, but Mark was able to find a way back with the support of those around him. Since then, he's been focused on his recovery and finding a new place to live has played a big part in this. Mark and his family applied to move into a Bromford home in Gloucestershire and after meeting with their neighbourhood coach, were approved and moved in at the start of the year. They haven't looked back since. Sharing his story, Mark said: "I've gone from being suicidal...to actually feeling like me and I'm really looking forward." Hazel O'Halloran, head of homelessness & community investment, said: "Reducing homelessness is core business and social purpose, and one of the reasons why we get up in the morning. We pride ourselves on working in partnership with others to relieve the pressures of homelessness by building more, housing more, and helping more."

[Impact Report 31 March 2023 \(page 34\)](#)



Case Study:

Bringing customers on our sustainability journey



Truly sustainable outcomes improve the lived day-to-day experience of our customers – so it is vital that we enable customers to thrive through our sustainability journey. To kick this off, we held our inaugural customer sustainability workshop in January 2023.

Eight customers from a range of backgrounds across our geographies spoke with Laura Johnson, director of strategic property planning, Imran Mubeen, director of treasury, and Saoirse Fearn, head of communications and risk, on how we are embedding sustainability. Customers were very passionate about the neighbourhood coaching approach being part of Bromford's strategy, and discussed how it could be tailored further to ensure visibility of neighbourhood coaches on their patch and to focus their time on coaching, rather than supporting with the repairs process. Access to green spaces and Bromford's approach to biodiversity are areas customers are keen to hear more about. There was a view that Bromford could go beyond the current landscaping contracts to promote biodiversity through planting and customers were keen to understand how they could be involved in this.

[Impact Report 31 March 2023 \(page 44\)](#)



Our Homes.

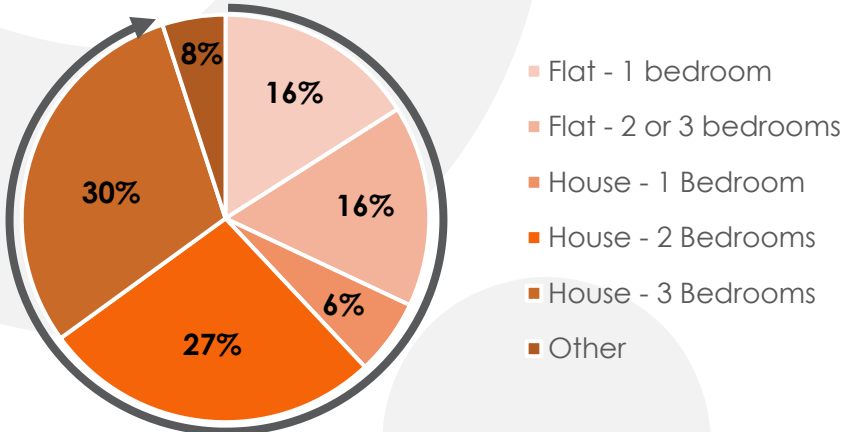
Our existing homes.

We proactively manage investment in our existing homes

Property by tenure

Social	31,126	67%
Affordable	4,196	9%
Shared ownership	4,249	9%
Supported	3,530	8%
Leasehold	1,919	4%
Other	1,417	3%
Total Homes	46,437	100%

Property type (Average life under 40 years)¹



Empty homes standard

- ✓ Now rolled out to all localities
- ✓ **1,800²** homes have been brought up to the new standard

Building safety

High Rise
Only three blocks over five storeys

Fire Safety Bill
Full compliance with Fire Safety (England) Regulations 2022

Building Safety
Full compliance with Building Safety Act 2022

Gas and Electric
Full compliance². Performance monitored twice a week

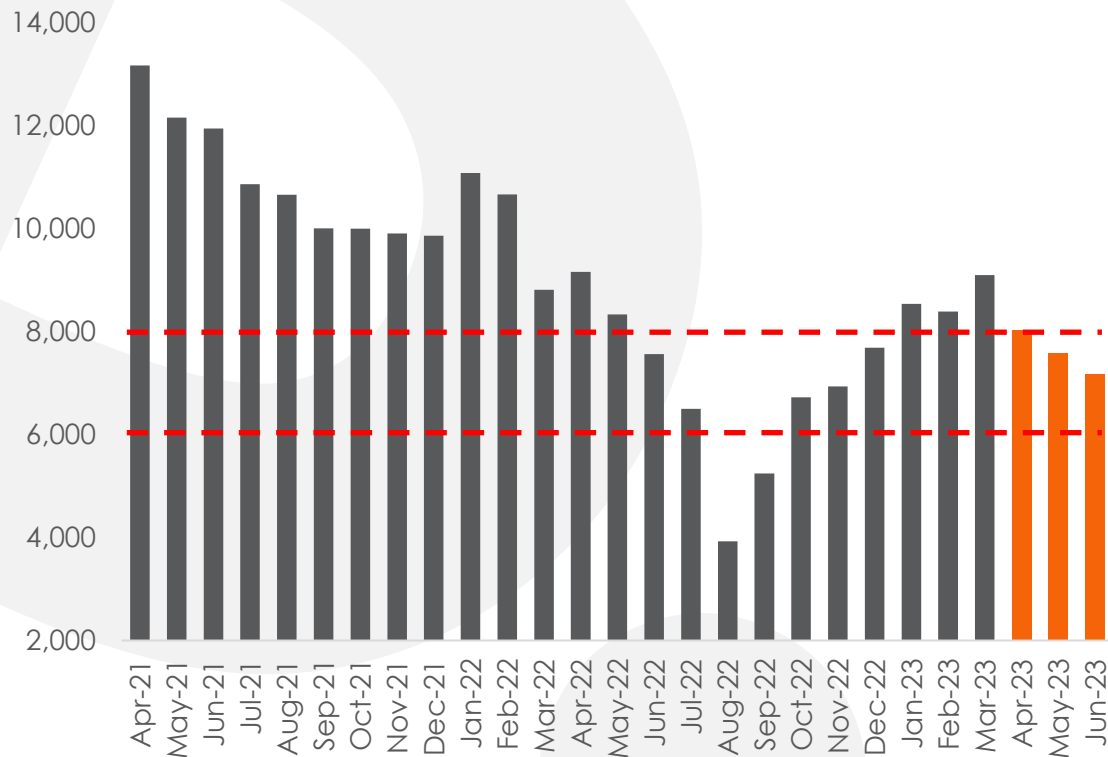
Reference¹: Bromford's unaudited internal management information
 Reference²: Bromford's unaudited internal management information. As at 31st July 2023

Our existing homes.

We proactively manage our investment in our existing homes

In FY 2022/23, we continued to step up our investment in our existing homes to £56m (FY 2021/22: £50m)

Backlog of repairs cleared in Summer 2022¹



Reference¹: Bromford's unaudited internal management information

In FY 2022/23, we invested in c.6,000 home improvements

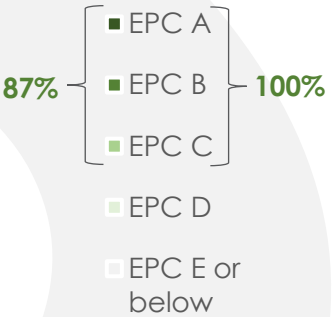
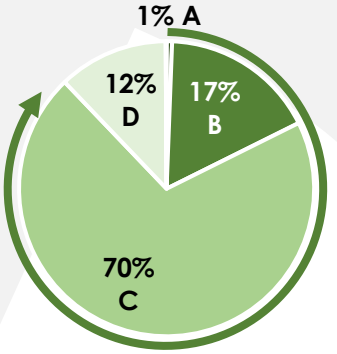


Our sustainability work in action.

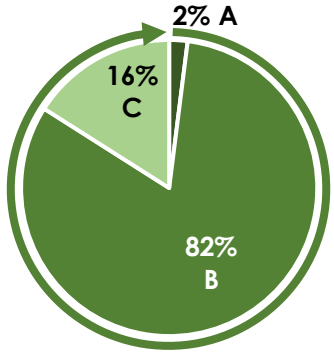
We deliver warm homes, reducing our CO₂ footprint and improving customer experience

EPC breakdown for New and Existing homes

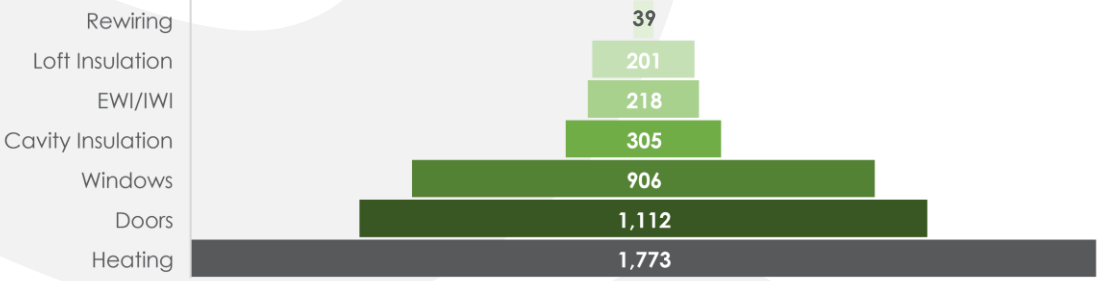
Existing Homes:



New Homes:



Energy efficient actions across 4,554 homes in FY 2022/23¹



'Getting to C'
by 2028

CO₂ specialists
engaged

Level 5 retrofitting
training

Reference¹: Bromford's unaudited internal management information



Case Study:

Our first factory built homes arrive on site in Gloucestershire



The first of our factory-built homes at our groundbreaking development in Gloucestershire began to be craned into place in February 2023. All 28 of the new homes we are building at Stockwells in Moreton-in-Marsh have been built in sections by modern methods of construction (MMC) in a factory.

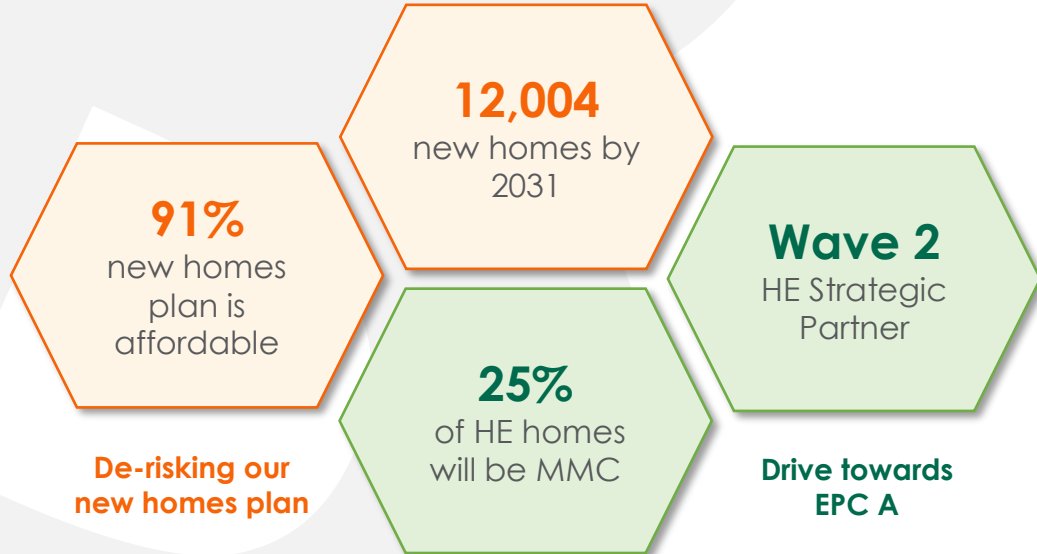
The modules were then transported to Gloucestershire and craned into place over the course of a six-week period. Millie Nicholls, regeneration project manager at Bromford said: "It's been so exciting to see the first of these modular homes being lowered into place here in Moreton-in-Marsh. With high energy prices continuing to fuel the cost-of-living crisis, it's never been more important to build energy efficient affordable housing. Not only will customers benefit from living in A-rated homes which require less energy to run, it is another step for us to making sure all of our homes have at least a C Energy Performance Certificate rating by 2028."

In addition to being built in modules offsite, the finished homes will also benefit from additional sustainable features such as solar panels, battery storage and air source heat pumps, making them some of the most energy efficient in the country.

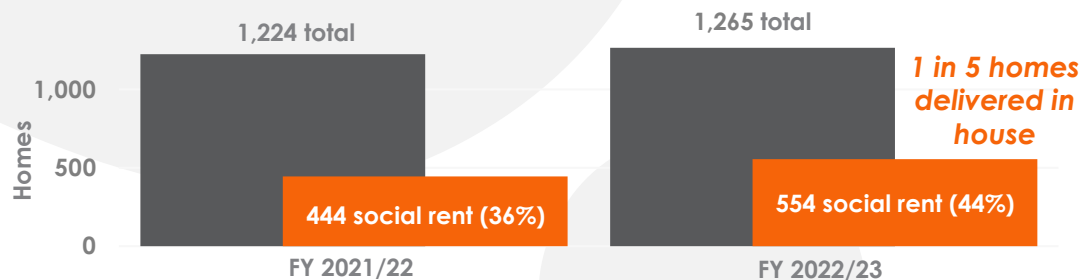
[Impact Report 31 March 2023 \(page 22\)](#)

Our new homes investment.

We continue with our low risk approach to new homes



We remain a top three developer of social rented homes¹



Reference¹: Bromford's unaudited internal management information



Case Study:

Councilors approve plans for our biggest ever development



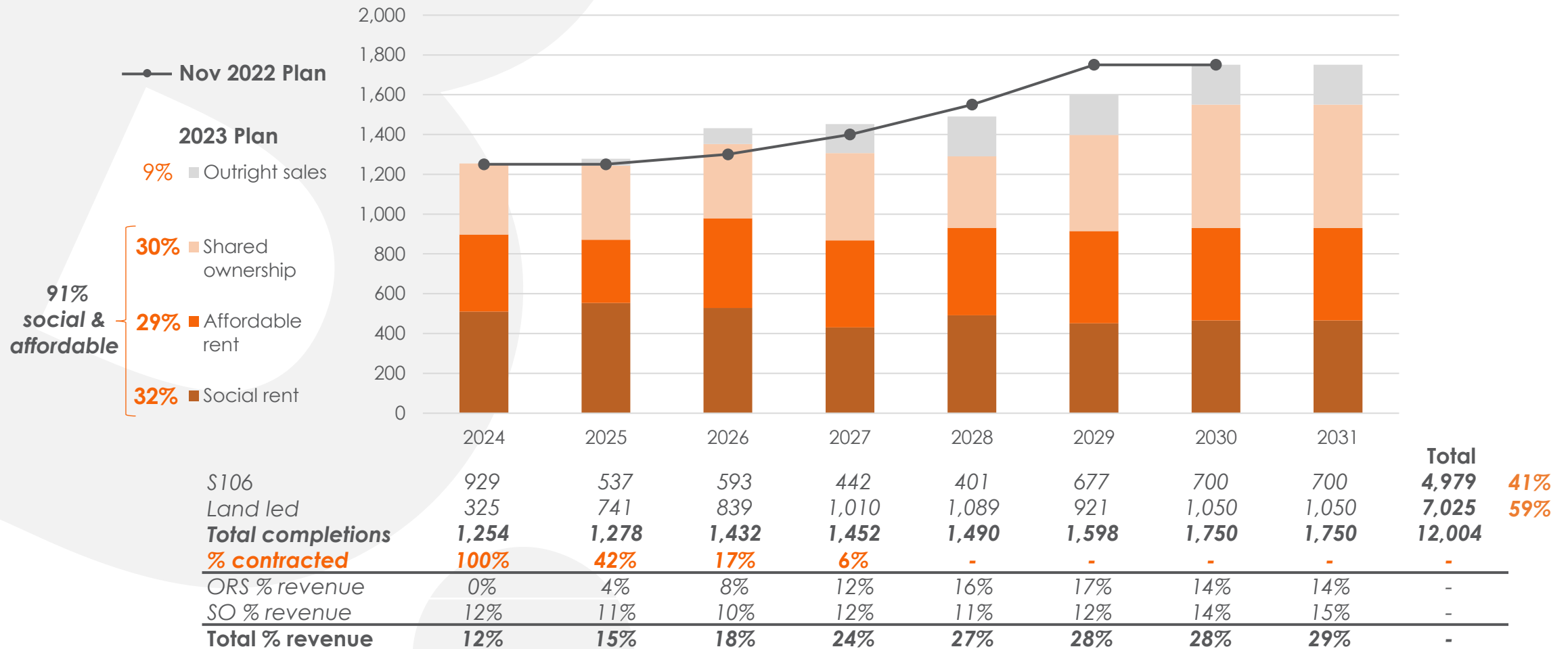
Gloucester City Council's planning committee gave it the green light to proceed on our biggest ever development. The 180 homes, which will be built by our in-house construction team, will be a mixture of 77 homes for social rent, 59 shared ownership and 44 for sale.

The homes will include features to improve their energy efficiency such as air source heat pumps and solar panels. At the heart of the development will be an open meadow, with a medieval moat, which we will preserve and enhance through the provision of new footpaths and information boards, so visitors will be able to fully appreciate the historic landmark. Operations director Robin Smith said: "We're delighted to have received permission to build these new homes at Matson. It's a unique site, with a historic moat at its heart which will be preserved and enhanced as part of this development, but also with its opportunity to provide a life-changing affordable home for hundreds of people."

"We have listened to and worked with the local community in Matson to develop these plans and I can honestly say that in 35 years of working in the industry I have never had a scheme which has had so much local support. It's going to provide job opportunities while the homes are being built, improved access to the area's largest employer and the chance for lasting links with community groups. There's still some work to do before we're ready to start construction, but we're hoping to start on site next year."

Our new homes plan.

We have de-risked our new homes plan¹ which remains 91% social & affordable

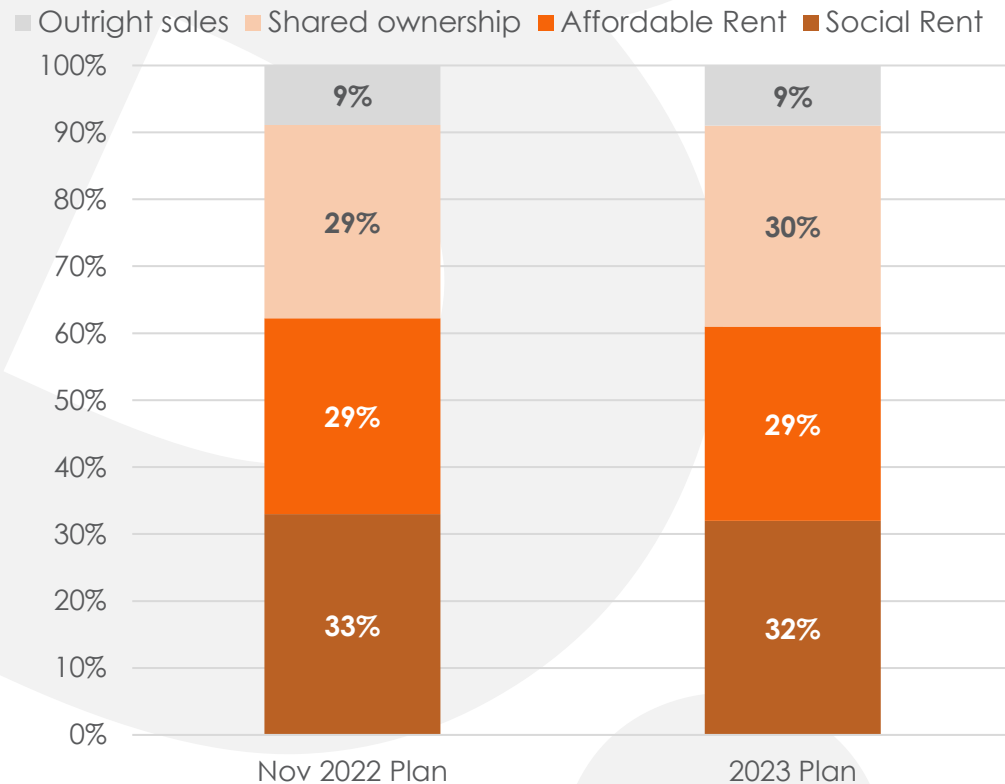


Reference¹: Bromford's unaudited internal management information as at 31 July 2023

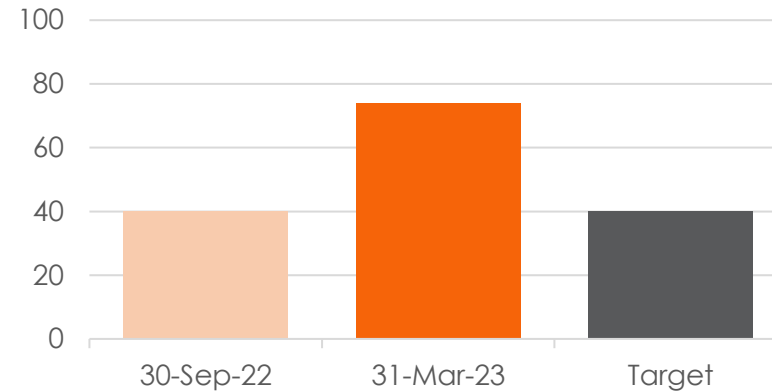
Our new homes plan.

We have de-risked our new homes plan¹ which remains 91% social & affordable

We maintain a consistent and de-risked tenure profile



Number of unsold homes²



We held **74** unsold homes at 31st March 2023. **59** of these homes were only completed in March 2023, and:

- ✓ **54%** (40 homes) were reserved
- ✓ **5%** (4 homes) were exchanged
- ✓ Just **one home** was unsold for over six months

Reference¹: Bromford's unaudited internal management information as at 31 July 2023

Reference²: Bromford's unaudited Trading Update March 2023

Our sustainability work in action.

We remain passionate about delivering for our customers



Case Study:

Working with customers to set a new Bromford Home Standard



We have been working with customers and colleagues to produce our Bromford Home Standard – a set of principles defining what is important to customers when living in a Bromford home, old or new. It guides how we invest in our new and existing homes and how we prioritise what is important when making investment decisions. Customers told us they wanted to feel proud of their home, so that theme runs throughout the standard. The principles are:

- Homes that work: ensuring we are building, repairing and maintaining homes using quality products that are built to last
- A place to thrive: taking into account individual needs for space, storage and accessibility
- Safe and sound: beyond the regulations, considering how customers feel safe in their homes and communities
- Affordable and sustainable: considering how people can afford to be comfortable in their homes and moving towards a sustainable future
- Community and wellbeing: considering the wider neighbourhood, place and sense of belonging

[Impact Report 31 March 2023 \(page 25\)](#)



Case Study:

Helping customers feel safer



New CCTV cameras are operating around the clock at a parade of shops in Lichfield with the aim of reducing antisocial behaviour. The equipment has been installed in response to incidents of drug and alcohol abuse which have led to fights, criminal damage, harassment and threats of violence to residents. Bromford and fellow housing association Midland Heart worked with Lichfield District Council and Lichfield Police to deliver the state-of-the-art equipment.

Jo Fieldhouse, associate director of localities for Bromford said: "This is a great example of organisations working together to find a solution to support local people. Many of our customers have already told us they've noticed a reduction in the number of incidents and feel safer thanks to the measures that have been put in place and hopefully this is a trend that will continue in the weeks and months ahead." Lichfield District Council's cabinet member for community engagement, councillor Richard Cox, said: "We are determined to reduce anti-social behaviour in the district and in response to reports of issues at this location, worked in partnership with the police and housing associations to see that improved CCTV cameras were installed."

[Impact Report 31 March 2023 \(page 50\)](#)



Our
Performance.

Our operational performance.

We continue to support our customers through the rising cost of living

New Initiatives

Customer portal: Now live

Cost of living working group: Established in June 2022, and by 31 March 2023 it delivered over **2,500 positive interventions** and **£250k of additional income**

The group supports customers who are at the highest risk of impact:



Financial Status



Home Efficiency



Personal vulnerabilities

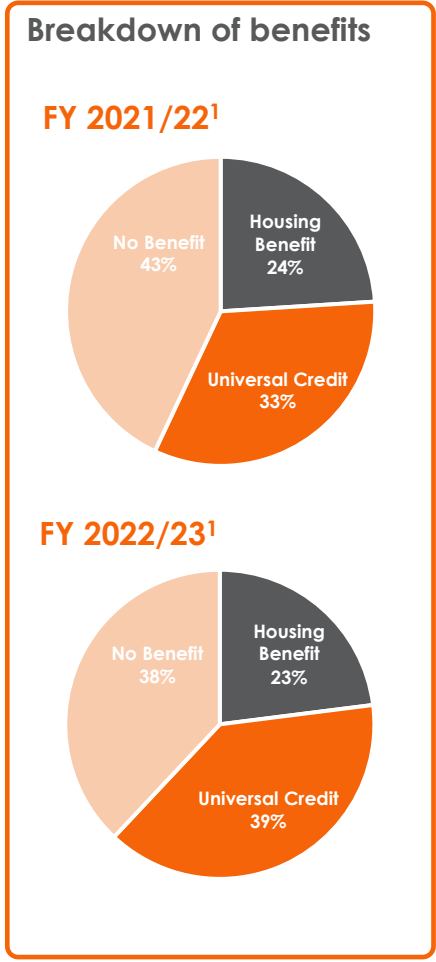
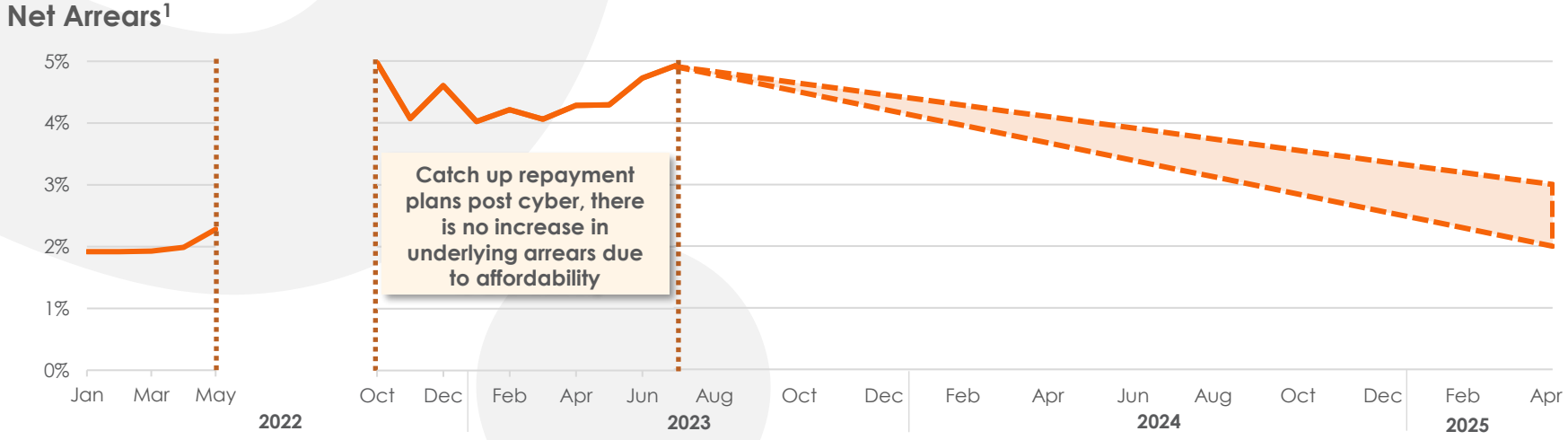
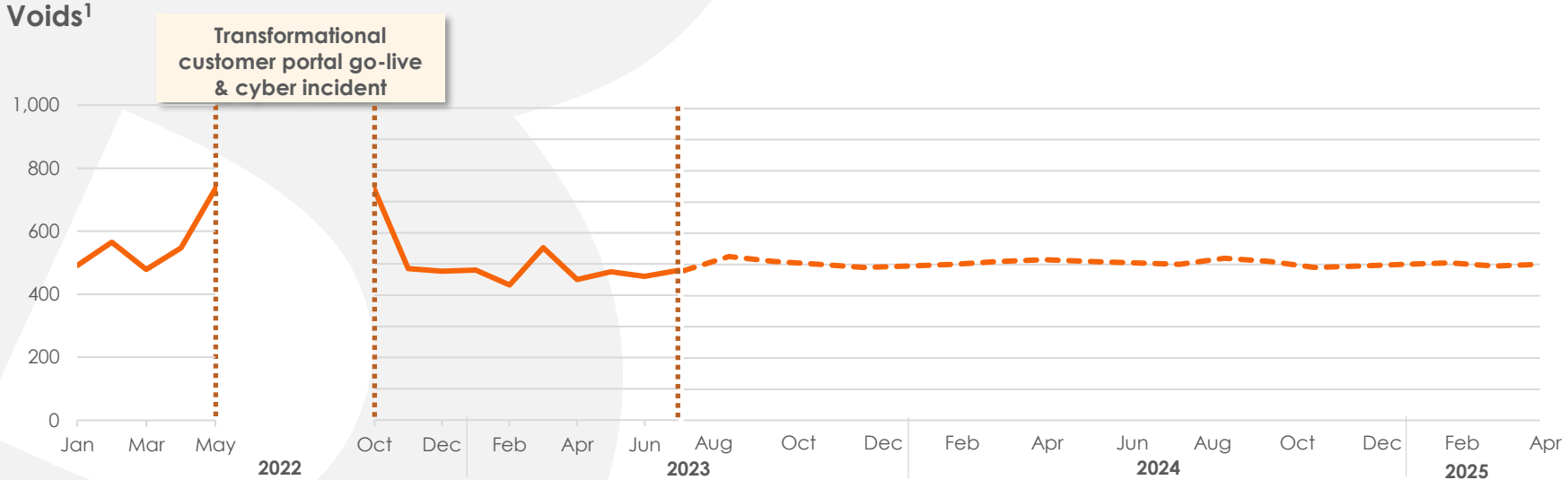
Customer performance measure	Mar-22	Mar-23
Customer advocacy	79%	83%
Customers rate our lettings standard	88%	92%
New home customer satisfaction	97%	95%



'With the right home and the right relationship, our customers can achieve amazing things'

Our operational performance.

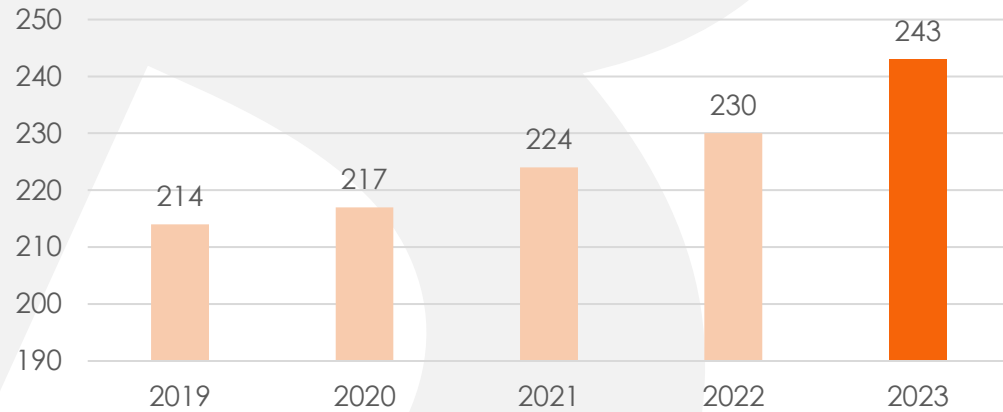
We continue to support our customers after cyber and customer portal go-live



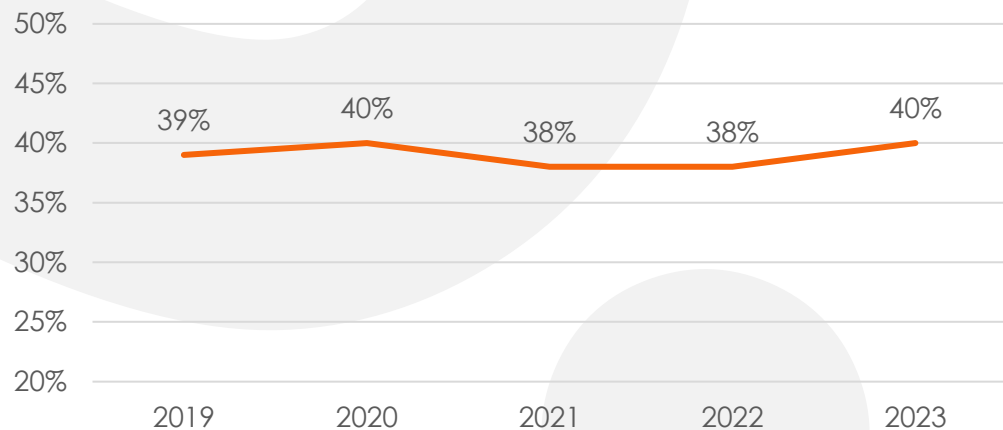
Our financial performance.

We continue to deliver sector leading financial performance

Social Housing Turnover (£m)

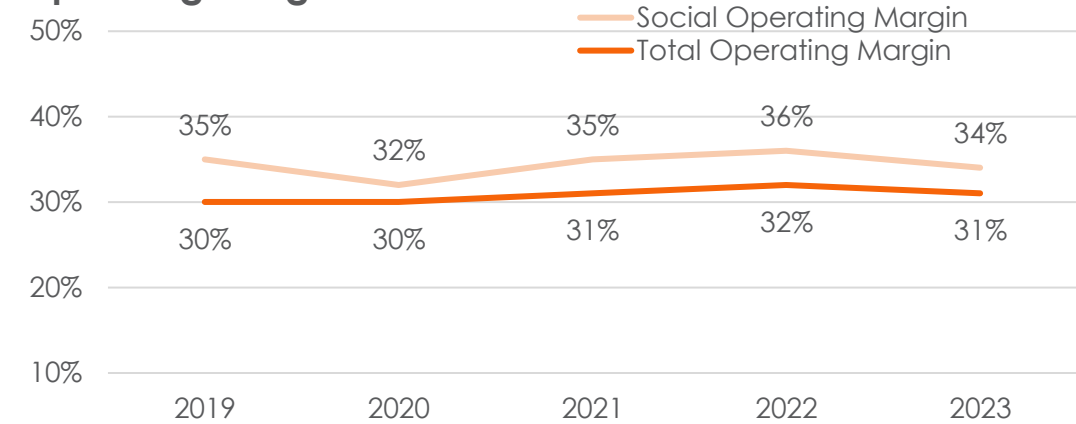


Asset Gearing

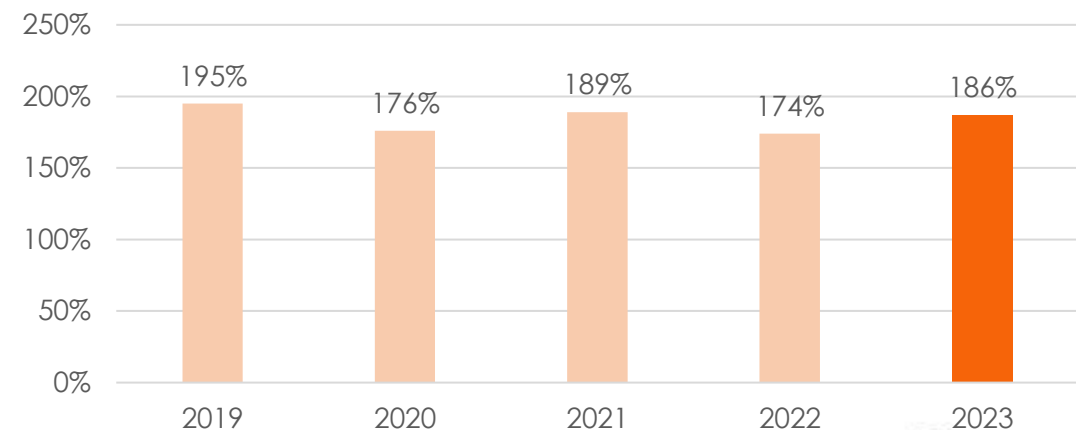


Note: Years represent each financial year

Operating Margin



EBITDA-MRI Interest Cover

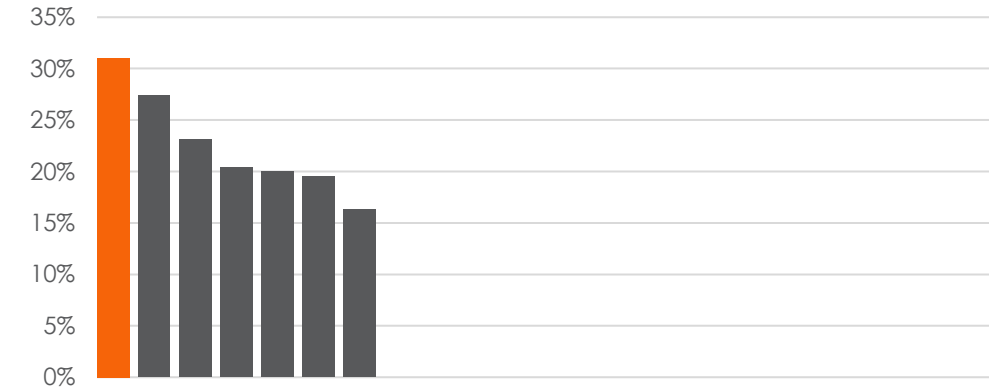


Our sector leading performance.

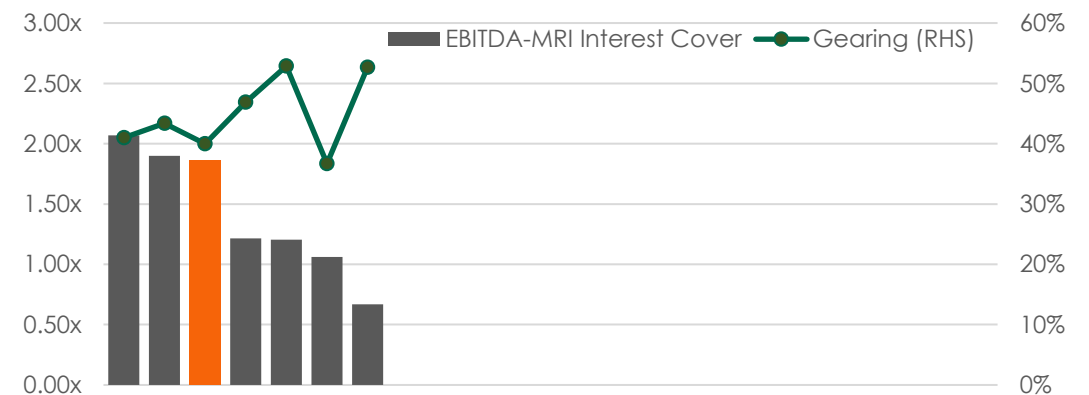
We consistently outperform our peer group

Metric	Bromford			Peer Group		
	FY 2022/23	FY 2021/22	FY 2020/21	FY 2022/23	FY 2021/22	FY 2020/21
Overall Operating Margin	31%	32%	31%	21%	22%	25%
SH Operating Margin	34%	36%	35%	26%	29%	31%
EBITDA-MRI Interest Cover	1.9x	1.7x	1.9x	1.4x	1.5x	1.7x
Gearing	40%	38%	39%	46%	48%	47%
Cash and undrawn facilities	£455m	£641m	£507m	£650m	£675m	£724m
New Homes	1,265	1,224	902	1,317	1,150	1,032

Overall margin FY 2022/23



EBITDA-MRI Interest Cover and Gearing FY 2022/23



Note: Peer group defined as housing associations with 30,000 units and above: 21 in total. Value for Money metrics as disclosed in financial year-end statements. FY 2022/23 peer group is less 6 due to delayed publication of 2022/23 financial year-end statements.

Our sustainability work in action.

We continue to place customers and colleagues at the heart of everything we do



Case Study:

Helping our customers through the cost of living crisis



In June 2022 we formed our Cost of Living Working Group to help customers who were struggling in the face of rising inflation and its impact on the price of food, fuel and utilities.

The group includes a range of colleagues from across the business, is chaired by Hazel O'Halloran, head of homelessness & community investment, and reports into our Customer Forum with visibility at Executive and Board level. In the three months to the end of March 2023, we recorded over 3,000 cost of living conversations with customers with over 2,500 positive interventions and actions to support our customers.

These interventions have resulted in access to food bank vouchers, referrals to internal income management advisors, referrals to external partners for Household Support funds, Warmer Homes Discount Scheme and other resources. In the six months to the end of March 2023, our income management colleagues helped secure £250,000 of additional income for customers.

[Impact Report 31 March 2023 \(page 8\)](#)



Case Study:

Creating an inclusive workplace



Our unique Bromford DNA sets us apart from our peers and is integral to helping colleagues achieve their individual and strategic goals. It is imperative that all colleagues feel that they truly belong at Bromford, which is why we have placed so much importance on ensuring we are an inclusive place to work where different life experiences, views and perspectives are welcomed and valued.

Each year, our Be.You group and inclusion champion groups identify events and activities. These range from religious festivals, such as Divali or Ramadan, to cultural awareness events such as Black History Month and LGBT+ History Month, which was marked for the first time this year, with a quiz, lunch and learn event and special Valentine's Day bake off. All the proceeds raised were donated to LGBT+ support line Switchboard. After February's event, Alice Phillips, a member of the LGBTQIA+ community and allies working group, said: "Hopefully by recognising this month at Bromford it's helped provide some new information to colleagues that they may be able to discuss and share. We're hoping to keep the conversation going all year round, ensuring that equality and diversity is celebrated across the business."

[Impact Report 31 March 2023 \(page 21\)](#)



**Our Treasury
Profile.**

Our credit ratings.

We are committed to a strong single A dual credit rating

S&P A+
stable outlook
(July 2023)

*Delinked and therefore insulated
from sovereign rating changes*

Continuous and proactive
dialogue with rating agencies

Moody's A2
negative outlook
(Jan 2023)

Shadow credit rating analysis
embedded in business plan

Continued acknowledgement of our ESG strength:

- ✓ **S&P:** Management continues to strongly emphasize asset quality and sustainability targets, such as energy efficiency and carbon reduction. This is apparent in about 87% of its stock already meeting EPC C standards (or higher), which is relatively more favorable than sector peers
- ✓ **Moody's (CIS-2):** Bromford's exposure to this [environmental] risk is low because a high proportion of its stock is already at the required standard, leaving limited expenditure remaining.

"The outlook revision [negative to stable] reflects our view of Bromford's strengthened intrinsic credit quality. We think that management's sound ability to deliver cost efficiencies will help balance pressure from inflation, high investment needs in existing assets, and tighter funding conditions. This should support the strengthening of the group's EBITDA, in turn improving the group's financial headroom"

S&P Report July 2023

"Bromford does have a good track record of implementing efficiencies and is relatively insulated from the sector pressures of increased fire safety and decarbonisation costs which will help contain costs. Over fiscal 2023 to 2025, the majority of sales exposure relates to first tranche shared ownership for which Bromford has a strong history of performance [3 year average margin of 22%]... first tranche shared ownership is expected to account for 10% of turnover on average, with only 3% turnover from outright sales."

Moody's Report January 2023

Our treasury profile.

We continue to optimise our loanbook

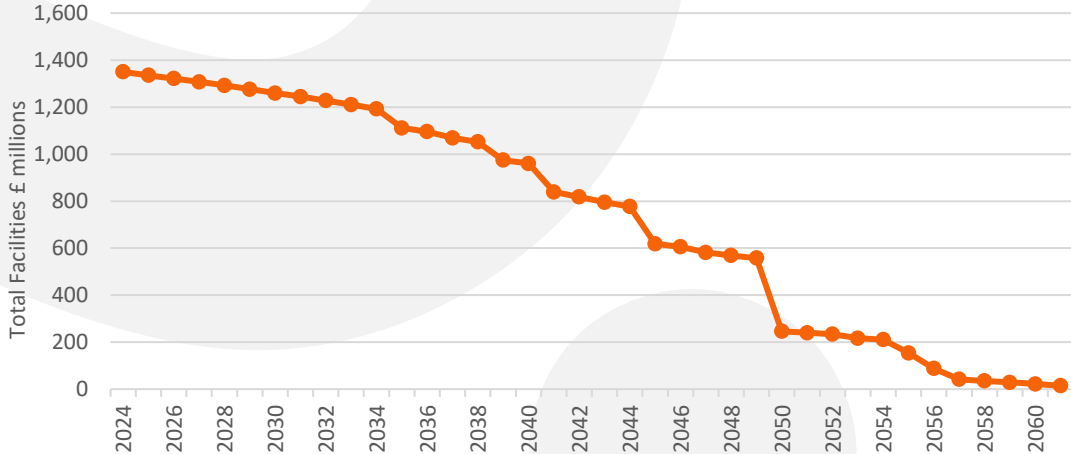


Debt profile

>23 years
Weighted average life

3.55%
WACD (Mar 22: 3.74%)

99% fixed
At March 2023



Reference¹: Bromford's unaudited internal treasury management information as at 31 July 2023. Years represent each financial year



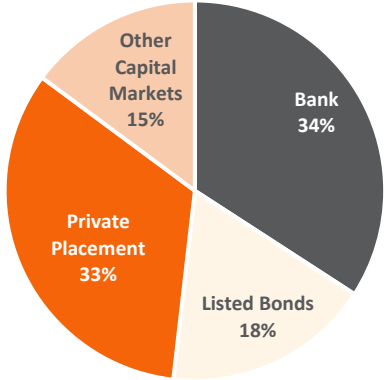
Managing refinancing risk

Treasury management policy
remains agile and current

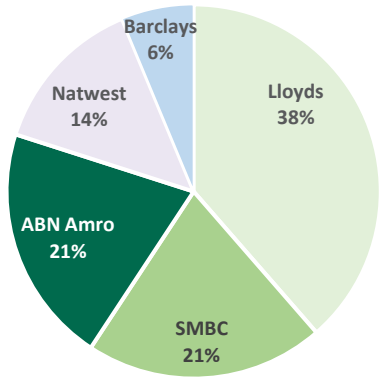
Single year policy
Maturities limited to 20%

Five year policy:
Maturities limited to 40%

Funding Sources¹



RCF Portfolio¹



Key milestones:

- Refinanced legacy debt
- Removed all RPI linkage
- Cancellation of £32.5m of swaps
- Proactive RCF extension: £338m growing to £450m (six providers)

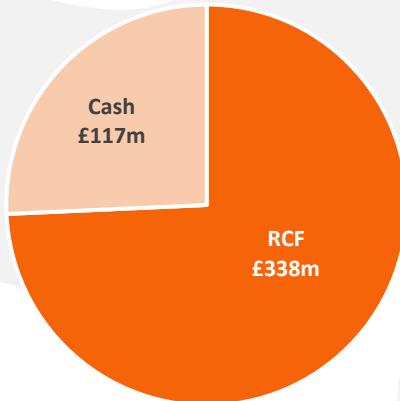
Our liquidity policy.

We have a prudent approach to liquidity management

We maintain the following minimum levels of liquidity to cover:

- ✓ **18 months** cash-flow requirement (committed and uncommitted) plus
- ✓ **20%** sales slippage plus
- ✓ **£25m** opportunity fund

Maintain a minimum cash balance of three months committed cashflow¹



**2.0x
Liquidity Ratio**

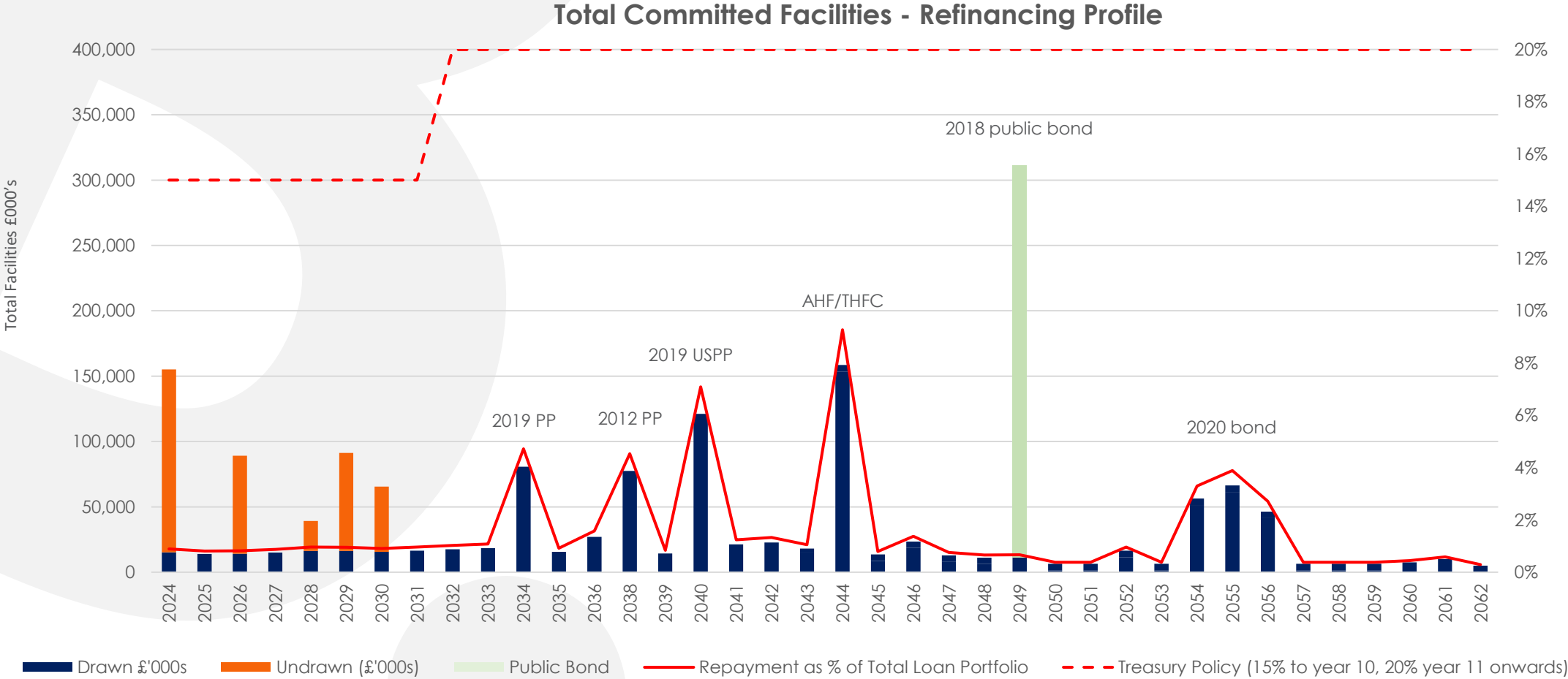
Forecasts	Cash flows	Frequency
Medium term	36 month cash flow schedule based on monthly management accounts showing cashflow requirement	Monthly
Long term	30 year cash flow schedule based on the latest Board approved 30 year financial plan showing annual cashflow requirement to be included in Annual Treasury Strategy	At least 3 times a year

We monitor organisational cash balances on a **daily basis** and prepare the cash flow forecasts as per above

Reference¹: The minimum cash balance must be split between at least three counterparties and available on a same day basis

Our refinancing curve.

We offer tenor flexibility across the curve¹

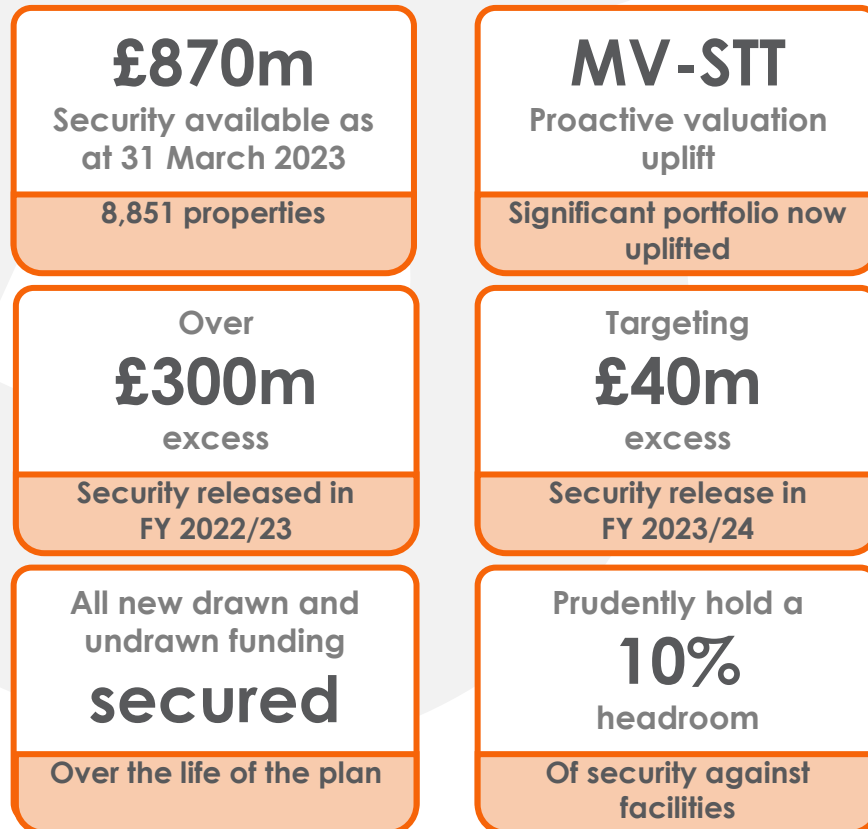


Reference¹: Bromford's unaudited internal treasury management information as at 31 July 2023. Years represent each financial year

Our security optimised.

Our security is optimised: we have over 8,000 available homes to charge for funding

Security efficiencies continue to be delivered



As at 31 March 2023	Homes	Value (£m)
Security allocated to existing loans	28,082	£2,309m
Security allocated to swaps	129	£12m
Total security charged	28,211	£2,321m
Homes available to charge	8,851¹	£870m¹

Reference¹: Bromford's unaudited internal treasury management information as at 31 March 2023

Our sustainability linked loans.

We deliver more than savings: we drive the right discussions and outcomes

NatWest 2020 (E)



£50m 10yr RCF
linked to meeting EPC C
on existing homes

First green loan in the sector

SLL KPI Performance

1,303

Number of homes improved from below EPC C to **EPC C and above** since 1st April 2020

Target: 1,175

SMBC 2021 (S)



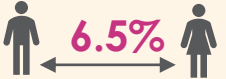
£75m 5yr RCF
linked to the gender pay gap

First loan in the sector to link to a governance metric

SLL KPI Performance

Year on year reduction

31st March 2023



31st March 2022



ABN-AMRO 2023 (S) (G)



£75m 5yr RCF
linked to colleague wellbeing
and customer employment

First loan in the sector to link to colleague sick days

SLL KPI Targets

0 → **1,400**

Customers coached to secure work or training by 2028

9.0 → **6.5**

Average number of **employee sick days** by 2028

Our sustainability work in action.

We reinvest SLL savings back into our communities



Case Study:

Supporting our customers through hard times through our sustainability-linked loans

We're helping some of our most vulnerable customers feel more secure in their homes thanks to the funding secured through our two sustainability-linked loans with NatWest and SMBC.

The loans set targets around improving the energy efficiency of our homes and reducing our gender pay gap, which if met, reduces our interest cost and allows us to reinvest these savings back into our communities.

We have allocated the second year of savings from these loans and are building on the work we're doing to improve the lives of domestic abuse victims. Making customers feel safer in their homes reduces the risk of them deciding to flee and make themselves homeless.

Our first year of interest savings was reinvested in a partnership with The Safe Partnership to support some of our most vulnerable customers who have suffered from domestic abuse. Our second year of interest savings is being reinvested with Orbis to further enhance the support offered to these vulnerable customers.

[Impact Report 31 March 2023 \(page 31\)](#)



We are working with Orbis to provide a broader package of enhanced security protection measures and support than available with The Safe Partnership. This enables us to support even more vulnerable customers who have been impacted by domestic abuse with a range of safety and security measures including security lighting, CCTV, camera doorbells and alarms. We are still in the early stages of the partnership which went live in January 2023, with 17 referrals to the end of March 2023.

Community safety team manager Donna Scott said: "We want all our customers to feel safe in their homes, but those who have been experiencing domestic abuse may need additional features in their home to get that feeling of safety. Working together with Orbis we are now arranging for these features to be added to homes to ensure customers can continue living safely without the fear of domestic abuse, when they might otherwise have felt that they would have to flee their home." Hazel O'Halloran, head of homelessness & community investment, added "The process is very much customer-led, with relevant support from any specialist services, on what will enable them to feel safe in their home".

Bromford Housing Group.

We remain resolute to our purpose

46,437

Homes owned or managed

A+ (stable) / A2 (neg)

Dual rating commitment

G1 / V1

Affirmed regulatory rating (Sep 22)

Top three developer of social rented homes in England (554 of 1,265 new homes)

Proactive business planning to meet new challenges (£455m liquidity)

Pioneering approach to sustainability reporting (sustainability golden metrics)

De-risked new homes plan with 91% affordable (12,004 new homes by 2031)

Homes England Strategic Partner Wave 2 (3,300 grant funded homes)

Rebased Scope 1,2 & 3 carbon emissions (111,765 tonnes of CO₂e)

34%

SH operating margin

40%

Gearing

1.9x

EBITDA-MRI interest cover

2.0x

Liquidity ratio

87%

Homes at EPC C or higher

54%

Market-social rent diff.

83%

Customer advocacy

6.5%

Gender pay gap

Note: Financials are shown on a Group basis as at 31 March 2023 throughout the presentation unless otherwise referenced

Bromford.

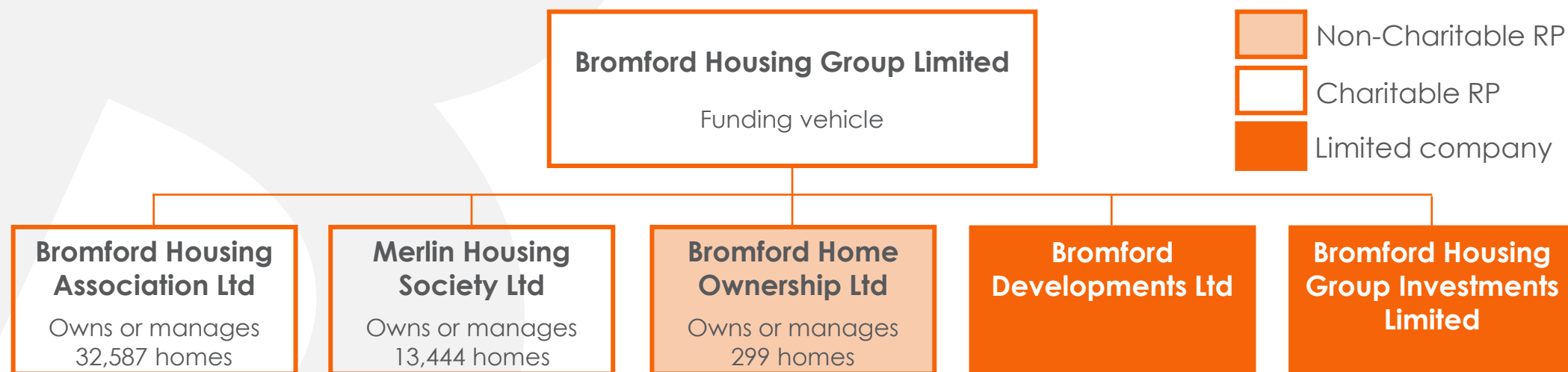
Appendix.

Internal



Our group.

We have optimised our corporate structure



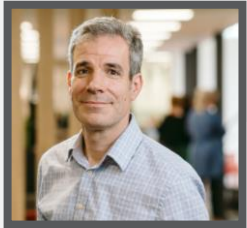
- **BHG** is the Group's funding vehicle and issues all new bonds and private placements
- **BHG** is governed by a Group Board and separate subsidiary Boards. All subsidiaries are 100% owned and controlled by BHG
- **BHA** and **MHS** are charitable Registered Providers (RP): these are the two main asset-holding entities
- **BHO** is the group's development vehicle; **BDL** the Group's design and build vehicle
- **BHGIL** is 100% owned by BHG, and will drive future Joint Venture activity for the Group

We acknowledge and comply with the latest Regulatory Framework for Social Housing and have adopted the UK Corporate Governance Code in all matter of financial and treasury governance

Note: 107 homes currently owned by Bromford Assured Homes Ltd due to legacy position; BAH is being rationalised into BHA and its homes will transfer across

Our group board.

We have strengthened our Board with crisis living experience



Steve Dando
Chair

- CFO of Punch Taverns plc
- Previously held senior finance roles with Courtaulds plc



Neil Rimmer
Senior NED

- Founder of a retirement village development & MD of care home group
- 25 years commercial experience and strong background in tech



Jerry Toher
Chair of Treasury Committee

- CEO Saga Personal Finance
- Previously CEO of the Consumer Division at Royal London Group
- Also led the launch on MINT.com and egg.com



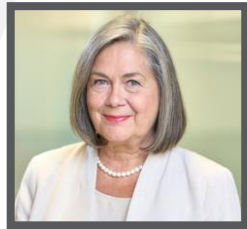
Charles Hutton-Potts
Chair of Audit & Risk Committee

- Chartered accountant who spent 21 years as an audit partner
- Charles is a director of Allpay Holdings which is a payment solutions business



Richard Bird

- Former Divisional Managing Director at Taylor Woodrow
- Involved in housing and development industry for over 40 years



Dame Sandra Horley

- For 37 years she was Chief Executive of Refuge
- Advised Governments, nationally and internationally, at the highest levels on gender-based violence



Vacancy

- All female shortlist



Robert Nettleton
Chief Executive



Paul Walsh
Chief Finance Officer