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Our Q1 business update

We're pleased to present the highlights of the 3 months ending 30 June 2023.

- Operating surplus from core social housing lettings was £26.2m (margin 45%)
- Our arrears remain stable at 4%. We continue to support our customers to secure unclaimed benefits/income, securing nearly £6m last year.
- We built 312 new homes.
- We have available liquidity¹ of £535m.

Key metrics

	<i>Def.</i>	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Turnover		75.4m	84.0m	89.0m	84.4m	76.9m
Operating margin		35%	31%	35%	27%	39%
Operating margin (social housing lettings)		43%	38%	42%	35%	45%
Operating cost per unit		£3,634	£4,066	£3,753	£4,168	£3,779
New homes completed		176	342	254	618	312
Investment in new homes	2	74.2m	62.9m	87.8m	119.2m	143.1m
Investment in existing homes	3	6.5m	9.4m	10.1m	12.8m	9.1m
Number of shared ownership first tranche sales	4	62	126	122	159	95
Number of outright sales		36	49	38	30	17
Gearing	5	45%	45%	47%	48%	47%
EBITDA MRI interest cover		218%	183%	184%	130%	163%
Current tenant arrears		4.0%	4.1%	4.4%	4.1%	4.0%
Void loss		1.0%	1.1%	1.1%	1.2%	1.3%

Business performance

	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
	£m	£m	£m	£m	£m
Core business surplus					
Rental income	50.7	52.1	51.9	51.6	56.2
Other income	2.1	2.2	2.1	2.3	2.3
Staff costs (<i>excl repairs</i>)	(5.7)	(6.1)	(6.6)	(7.6)	(6.2)
Property costs	(10.6)	(10.6)	(11.2)	(10.9)	(11.0)
Other operating costs	(13.8)	(17.2)	(13.5)	(16.3)	(15.1)
	22.7	20.4	22.7	19.1	26.2
Operating margin (social housing lettings)	43%	38%	42%	35%	45%
Sales profits	6.4	8.2	10.3	5.3	4.5
Interest costs	(10.1)	(10.4)	(11.9)	(10.7)	(13.9)
Surplus before tax	19.0	18.2	21.1	13.7	16.8
Tax & investment FV	0.1	(0.1)	-	0.7	(0.1)
Net surplus	19.1	18.1	21.1	14.4	16.7

Customer satisfaction

We ask customers to rate the service they receive out of 10. We're facing challenges with increased demand in repairs and rising customer expectations. We are focusing on improving areas that are most important to our customers to make their overall experience better. These areas are: speed of repairs, ease of contact and keeping customers informed.

Touchpoint	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Contact into Customer Experience team	8.7	8.7	8.6	8.8	8.6
Repairs	8.7	8.7	8.7	8.7	8.8
Complaints handling	5.5	5.9	5.2	4.6	4.6
ASB case handling	5.9	6.3	5.9	6.0	5.6
Planned maintenance	7.5	7.7	7.4	8.0	7.6
Move in (lettings)	8.7	8.2	8.7	8.9	8.6
Move in (sales)	8.6	8.1	7.2	9.5	8.1

N.B Scores are out of 10

Total homes

Here's a table showing movements in total homes. We've handed over 295 homes in Q1 2024.

Total homes	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Opening position	33,355	33,405	33,692	33,881	34,325
Acquisitions	0	0	0	0	0
Handovers	86	305	208	500	295
Disposals	(36)	(18)	(19)	(56)	(31)
Closing	33,405	33,692	33,881	34,325	34,589

Changes to our Board

- Margaret Dodwell will join us in October as our new Chief Operating Officer. Margaret's primary focus will be to continue improving services for our customers. Margaret has spent more than 5 years as CEO of Lewisham Homes and previously worked with us as Interim Operations Director in 2018/19. Jonathan Cowie will be leaving us at the end of August.
- Lynda Shillaw retired as Senior Independent Director of our Board.
- Jo Moran was appointed as Non-Executive Director of our Board.
- For a profile of all of our Board members follow this link <https://www.vividhomes.co.uk/about-us/governance/board>

Definitions

If not defined, terms can be found in the Programme Admission Particulars to VIVID's EMTN programme.

- 1** Liquidity includes cash, available revolving credit facilities and shelf facilities (pro-rated to 50%).
- 2** Cashflow investment in new homes.
- 3** Investment in existing homes represents capitalised expenditure.
- 4** Number of low cost home ownership (shared ownership) first tranche sales in the period.
- 5** Loans falling due within one year adding loans falling due after more than one year deducting cash and cash equivalents, divided by housing assets at historic cost.

Disclaimer

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