

# Annual Review

S&P Global

27<sup>th</sup> February 2025



# Introduction and agenda

- Susan Hickey
- Stephen King
- Alix Green
- Jo Barrett
- Karen Forbes-Jackson
- Edwin Gyamfi
- Overview, Key Facts & Figures
- Governance and Risk Management
- Operations and Asset Management
- ESG
- Development and Sales
- Financial Update & Treasury



# Overview, Key Facts & Figures

Susan Hickey  
Chief Executive



# Our Purpose

Thrive exists to provide and manage housing that helps individuals and families secure a good quality, safe home that they can afford.

## Our Principles

### Customers

We are committed to building open and honest relationships.

### Colleagues

Working together, we are a forward-thinking employer creating a culture where everyone feels valued.

### Environment

We are committed to minimising our impact on the environment.

### Communities

In partnership with others, we contribute to the wellbeing of the communities we work within.

## Strategic Objectives

### Resilient, with a strong financial base

By focusing on the basics of effective business management, we can deliver our ambitions for growth.

### Fair Deal for Customers

Providing good quality homes and services for customers across a range of tenures.

### Growth

Increasing access to a range of affordable homes within our existing operating areas.

### Great Place to Work

Attracting and retaining the right talent to deliver now and in the future.

**How we  
work**

Tuned-in

Curious

Smart,  
can do

Ownership

Pride

A purple right-angled triangle in the top-left corner.

# Thrive Homes - Key Highlights

- Focused Regional Operator – understand our stock
- Strong Finance Performance & Financially Resilient
- Good Governance
- Strong Credit & Regulatory Ratings
- Long-Term Funding in Place
- Strong Organic Growth Pipeline
- Increasing Investment in existing stock

**RESILIENT AND WELL PLACED FOR FUTURE PERFORMANCE AND GROWTH**

A teal right-angled triangle in the bottom-right corner.

# Key facts and figures

A leading provider of social and affordable homes in the Northern Home Counties



Established in 2008 with 4,183 homes from a large-scale voluntary transfer with Three Rivers District Council.

 5,859 homes

 77 new homes Data from 31 Mar. '24

 176 colleagues

 Over 7,000 customers

£ Strong margins, VFM and liquidity

 G1/V2 rating published in Nov. 2024, following a stability check

 Credit rating - S&P 'A+' (stable outlook) affirmed Mar. '24



# Current Environment and Challenges

- Economic Environment
  - Inflation
  - Geopolitical Impacts
  - Devolution
- Financial
  - Lack of grant
  - Cross subsidy to build
  - Increasing operational and funding costs
- Maintenance Challenges
  - Damp and mould
  - Stock improvements
- Regulatory Challenges
  - Increasing and changing Legislation
  - Customer Framework
  - Complaints
- Compliance
- Planning

**THRIVE IS WELL PLACED TO ADDRESS CHALLENGING ENVIRONMENT AND  
INCREASING REGULATION**



# Performance Overview

## Year 3 sub-strategic plan

### Resilient with a strong financial base

On  
target

- **Maintaining financial covenants and golden rules with headroom**
- Consistent turnover of £46.5m FY 2024 (£48.3m in FY 2023).
- Strengthened the balance sheet increasing development capital spend by a total of £38m during year.
- Refreshed the Asset Appraisal Model and delivering key AMS strategies.
- Implementation of new IT system due mid 2025..

### Fair deal for customers

On  
target

#### **Continued to deliver safe compliant homes and a responsive repairs service.**

- 45% of customers have joined Thrive Customer Voice to have their say on our services.
- Invested £6.8m pa in our existing stock.
- Over 50% of households are registered on our customer portal – myThrivehub.
- Ongoing investment in technology will ensure that we continue to be accessible to our customers

### Growth

On  
target

- **We are a key delivery partner for the Accent Strategic Partnership. Our £20 million initial allocation of Homes England funding will support schemes starting on site before March 2026.**
- Delivered 285 new-build properties in FY 22/23 - 24/25, with 256 homes due to be completed over the next 2 years.
- Refurbished and converted 112 properties since 22/23 for shared ownership, making the best use of assets to generate return on investment to help us grow the business.

### Great place to work

Above  
target

- **Retained Investors in People 'We invest in people' gold accreditation and have been awarded 'We invest in wellbeing' gold accreditation.**
- Our 'smart working' approach, uses technology to provide greater flexibility in our working practices.
- Provide a wide range of benefits and incentives focused on the health and wellbeing of colleagues.
- Volunteering opportunities.



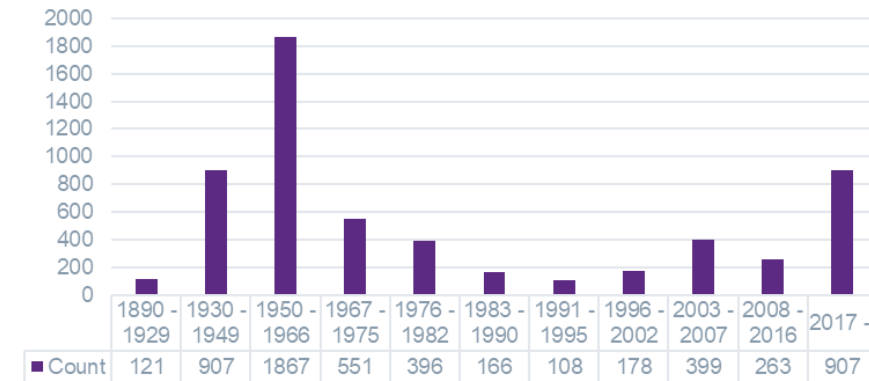
# Our portfolio

Tenure	Mar '21 units	Mar '22 units	Mar '23 units	Mar '24 units	Mar '24 %
Social Rent	3,759	3,707	<b>3,982</b>	<b>3,934</b>	67%
Leaseholders	499	504	<b>631</b>	<b>634</b>	11%
Shared Ownership	199	182	<b>322</b>	<b>441</b>	8%
Affordable	281	285	<b>310</b>	<b>310</b>	5%
Managed Properties	27	233	<b>239</b>	<b>242</b>	4%
Intermediate	100	100	<b>99</b>	<b>99</b>	2%
Rent to Homebuy		72	<b>88</b>	<b>87</b>	1%
Market Rent	47	61	<b>61</b>	<b>61</b>	1%
Units of out of rent debit	33	30	<b>30</b>	<b>33</b>	1%
Others - Non dwellings	0	0	<b>18</b>	<b>18</b>	0%
<b>Total</b>	<b>4,945</b>	<b>5,174</b>	<b>5,780</b>	<b>5,859</b>	

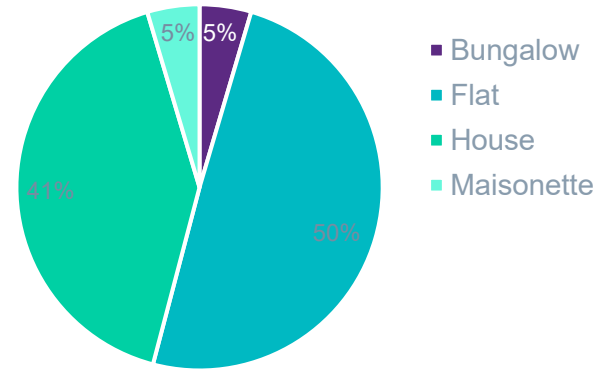


**2** new build high-rise  
apartment blocks  
No cladding issues

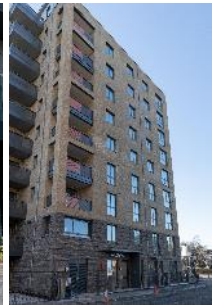
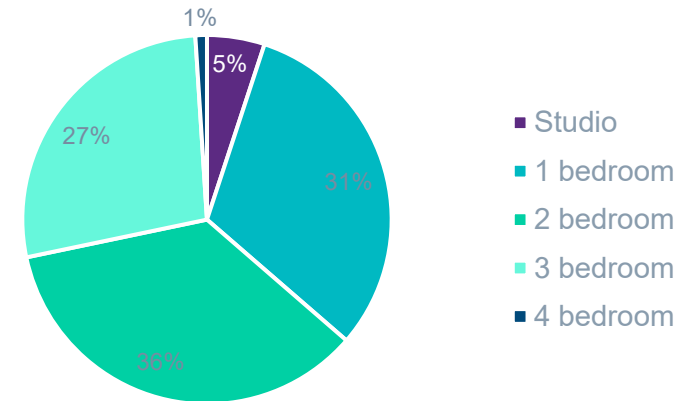
Age profile of portfolio



Stock by property type

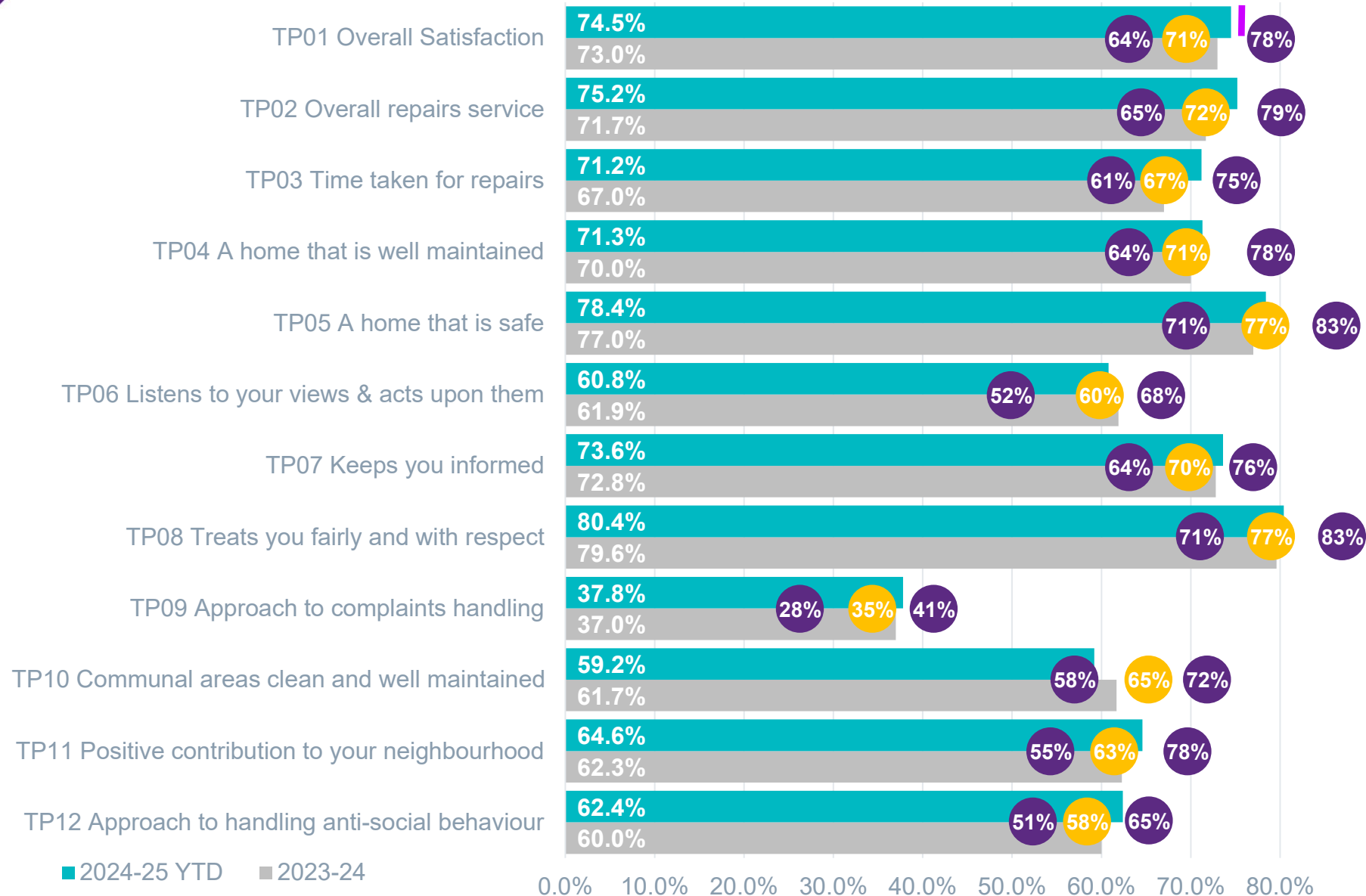


Stock by bedrooms





# LCRA Thrive Vs. RSH Annual Review 2023-24



### Direction of Travel

Thrive is performing the same or higher than last year in most areas. There is a 3% decrease in communal area satisfaction, which is likely attributed to the quality of the cleaning/GM contracts.

Thrive dominates the median range identified in the RSH's 2023/24 Annual Review.



YTD, Thrive's overall satisfaction aligns with the UK Customer Satisfaction Index of 75.8% (Public Services UKCSI, January 2025).

*Due to volume of data available, LCHO benchmark will be provided at year end.*

**IMPROVING PERFORMANCE AND CONSISTENTLY MEDIAN OR ABOVE**



# Governance and Risk Management

Karen Forbes-Jackson

Executive Director – Corporate Services



# An experienced executive team



**Susan Hickey**  
**Interim Chief Executive**

With a portfolio combining executive and non-executive work, Susan has over 25 years of experience in leadership. A qualified chartered accountant her experience includes long term residential property ownership and management, banking and mortgage finance markets, investment and risk management.



**Jo Barrett**  
**Executive Director – Operations** MRICS, MARLA

Jo has worked in the housing sector for 36 years. She brings extensive experience of strategic asset management, day-to-day repairs and maintenance, and a focus on customer experience.



**Karen Forbes-Jackson,**  
**Executive Director – Corporate Services,** MCPD. With over 25 years of generalist HR experience at the strategic and operational level, Karen brings the ability to proactively meet business needs in a rapidly developing, customer-focused organisation.



**Stephen King**  
**Executive Director – Finance**

A chartered accountant, Stephen trained with PwC before moving to the commercial world. His last 15 years have been in senior financial positions within the social housing and charity sectors.



**Alix Green MRICS**  
**Executive Director – Investment & Growth**  
Alix has vast experience in real estate, development, and investment. She has built her reputation advising on and attracting investment in new growth areas – incl. Build-to-Rent (BTR) and affordable housing.

**SIGNIFICANT COMBINED EXPERIENCE OF SENIOR LEADERSHIP IN BOTH SOCIAL HOUSING AND COMMERCIAL SECTORS**



# Led by a multi-skilled Board



Kate Still  
Chair  
*CEO business transformation*



Rachel Harrison  
Vice Chair  
*CFO philanthropy focused funding organisation*  
● Chair



Craig O'Donnell  
Non-Executive  
*PropTech, Innovation & Strategy*  
■ Chair



Jessica Friend  
Non-Executive  
*Group Corporate FD in housing sector*  
▲ Chair



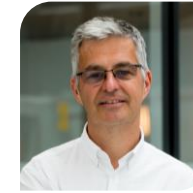
David Dahan  
Non-executive  
*Strategic Advisor in investment & environmental sustainability*  
● ▲



Rachel Hatfield  
Non-executive  
*International finance and corporate lawyer*  
■ ▲



James Invine  
Non-executive  
*Equity analyst*  
● ■



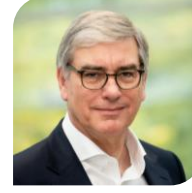
John Osborne  
Non-executive  
*Property fund manager*  
● ▲



Matthew Peake  
Non-executive  
*Exec Director Finance in charity sector*  
■ ▲



Graham Snell  
Non-executive  
*Marketing director and organisational change*  
● ■



John Tibbitts  
Non-executive  
*Strategic development, investment & asset management consultant*  
● ▲



Robert Abraham  
Associate Board Member  
*Managing Director investment company*  
● ▲

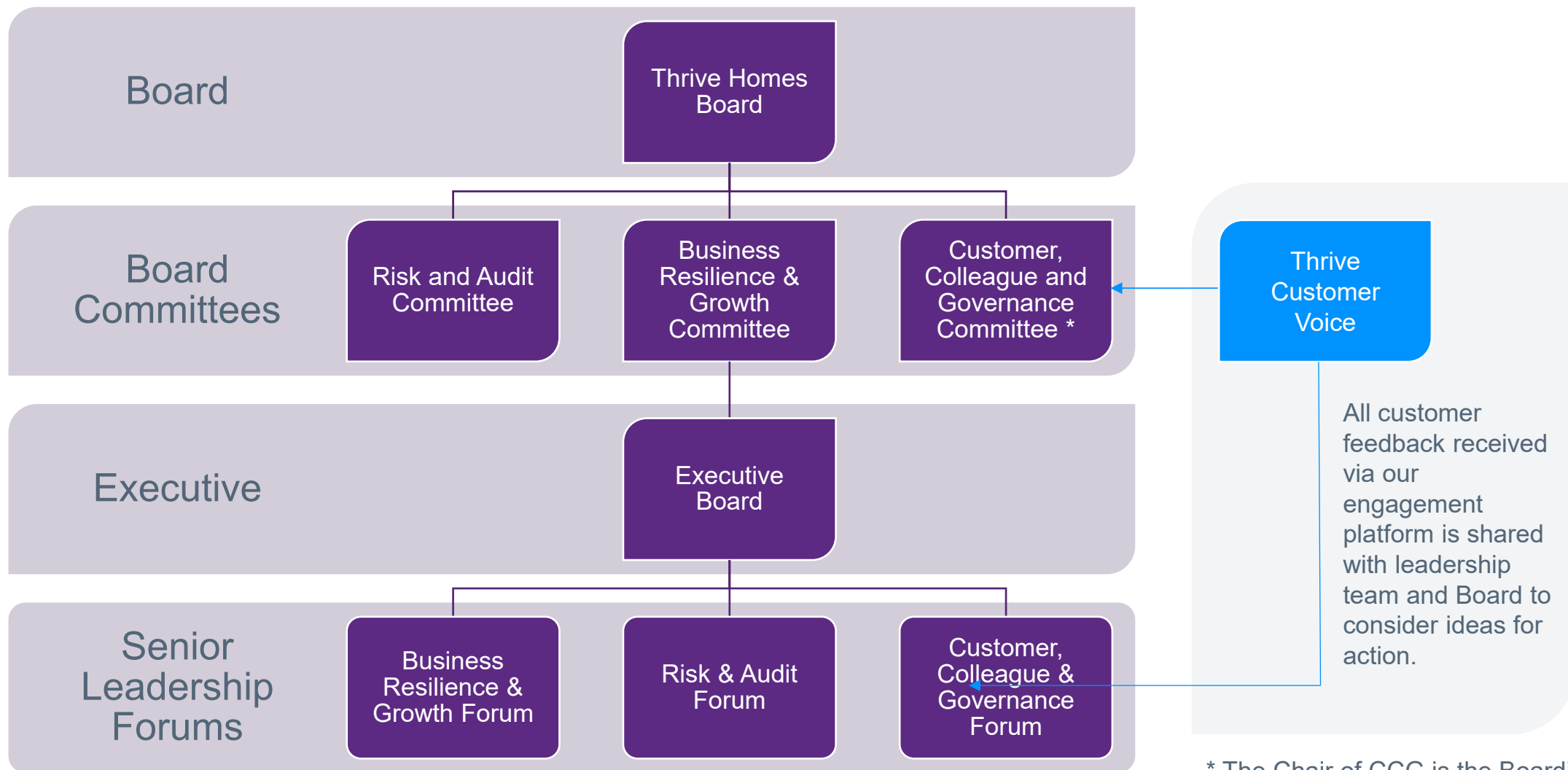


Yvonne Luu  
Associate Board Member  
*Director, social purpose strategy consultancy*  
● ■

## Committee Key

- Risk & Audit Committee
- Customer, Colleague & Governance
- ▲ Business Resilience & Growth

# Governance



\* The Chair of CCG is the Board's nominated Customer Complaints Champion

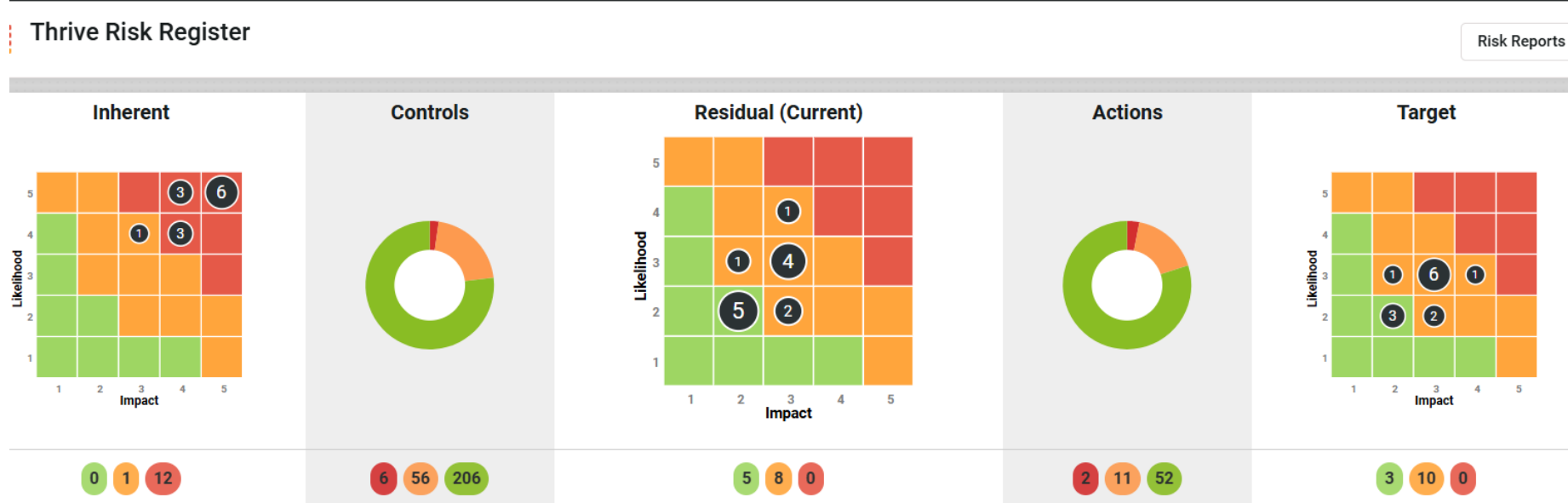
# Group Structure



NON-COMPLEX GROUP STRUCTURE FOR OPERATIONAL AND TAX EFFICIENCY

# Risk Management

- Risk and Assurance Framework signed off annually by Board: 9<sup>th</sup> December 2024
- Reports provided to every Risk & Audit Committee and Board meeting
- Monitored Monthly by Executive
- Risk Management Audit completed – Substantial Assurance





# Operations: Customer & Asset Management

Jo Barrett

Executive Director - Operations

# Who lives in our homes

## Gender

99.07% of data held

53.03%

Female

53.03% in 2023

45.96%

Male

46.84% in 2023

0.23%

Transgender

0.13% in 2023

0.0%\*

No information

0.0% in 2023

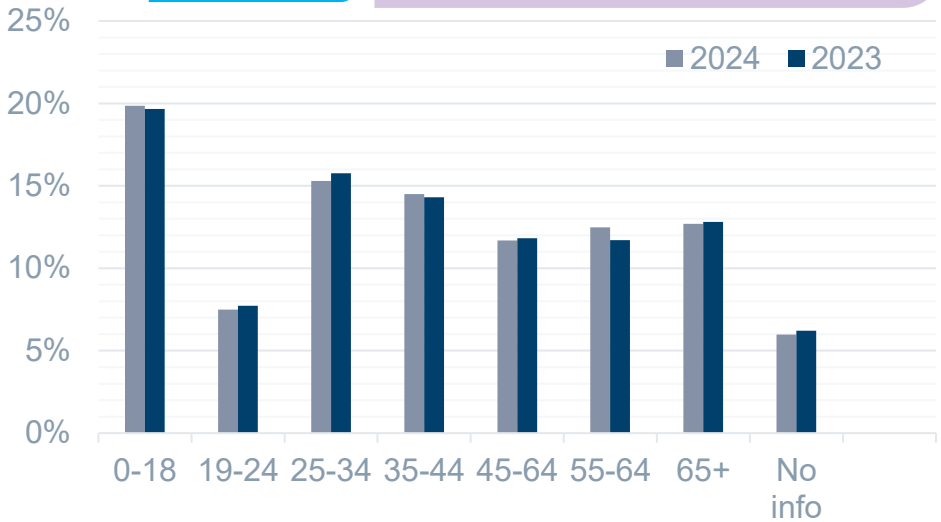
## Disability

17.3% of data held

	2024	2023
Hearing Disability	13	18
Learning Disability	4	3
Mobility Disability	17	19
Vision Disability	30	26
Mental Disability	145	92
Physical Disability	157	90
Other Disability	475	377
No Disability	1273	834
No information	10,465	10,771

## Age

94% of data held



Total customers in 2024

11,882\*

Total customers in 2023

12,230\*

## Ethnicity

52% of data held

	2024	2023
Asian	1.99%	1.57%
Black	2.39%	2.01%
Chinese	0.08%	0.06%
Mixed	1.04%	0.91%
White	45.17%	43.46%
No information	48.11%	51.77%
Other**	1.24%	0.22%

## Religion

9.45% of data held

11	878	104
Buddhist	Christian	Muslim
8 in 2023	670 in 2023	56 in 2023
10,759	130	
No information	Other	
11,383 in 2023	95 in 2023	

## Sexual orientation

20.38% of data held

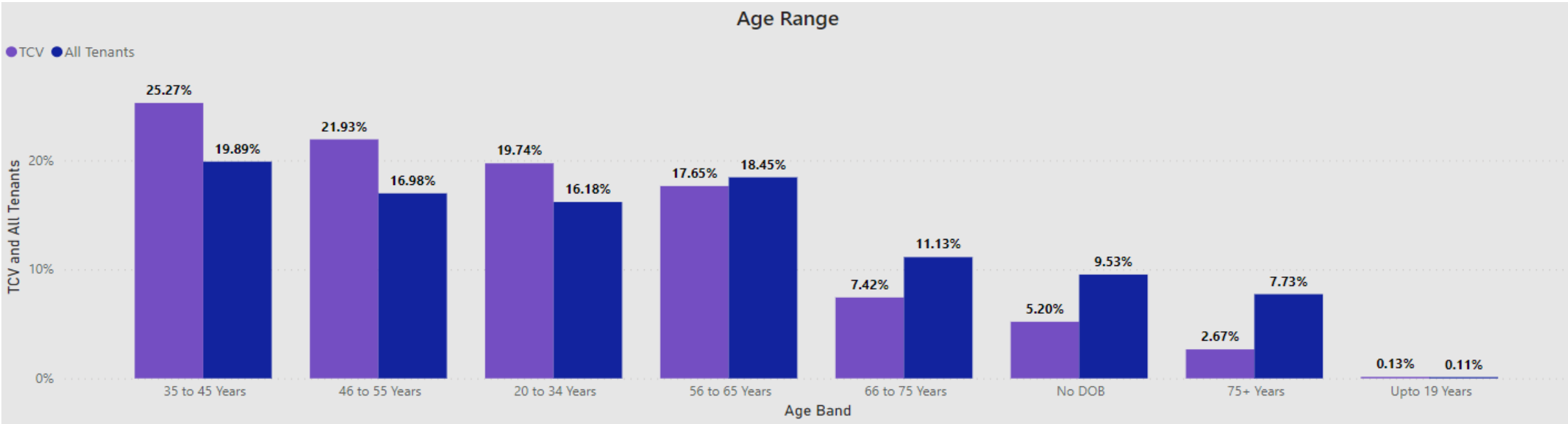
	2024	2023
Gay or Lesbian	30	12
Heterosexual or Straight	1974	1,470
No information	9460	10,726
Other	418	22

\*This total number of customers includes primary and joint tenants as well as household members. Gender doesn't add up to 100% as commercial properties are included. \*\* Other means prefer not to say.



# Thrive Customer Voice

- 45% households have at least one member signed up
- 43 offline members
- 22% (1,259 customers) participated in an activity, an 80% increase on 22/23
- Good diversity representation but dips on age after 65yrs



INCREASING FEEDBACK AND PARTICIPATION FROM OUR CUSTOMERS



# Tenancy Sustainment

## Anti-social behaviour (ASB)

**276** Total cases  
3.5% of customers

64 cases remain open  
Even male/female split  
£413 average cost per case

## Sustainment

**53** Total cases

23 cases remains open  
60% female/40% male  
£766 average cost per case

## Hate crime (all racial)

**7** Total cases

1 case remains open  
6 females, 1 male  
£413 average cost per case

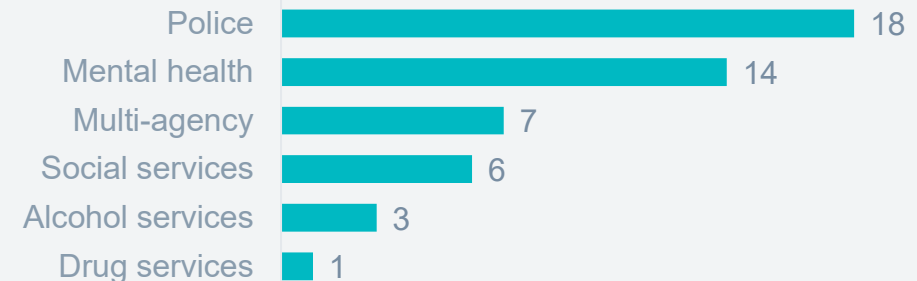
## Domestic Abuse

**12** Total cases

6 cases remain open  
92% female  
£413 average cost per case

## Other Referrals

- 49 referrals to other agencies
- 31% of cases are aged 25-35 but make up only 15% of customers
- 80% of safeguarding referrals made were for customers in aged 25-35
- Gender is representative of customer base



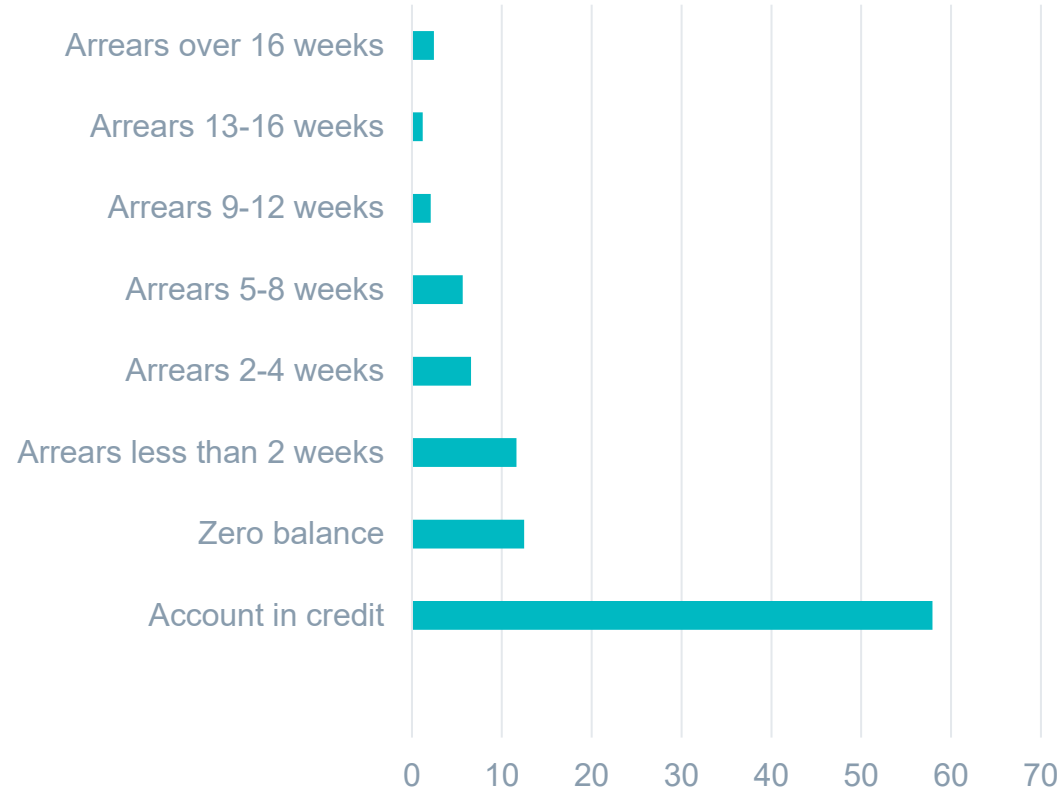
## Evictions

3 Non-payment of rent  
2 Anti-Social Behaviour  
2 No entitlement to succeed the tenancy

Average cost excludes legal fees and is estimated assuming all cases have the same level of input.  
Phoenix will allow more accurate costings.

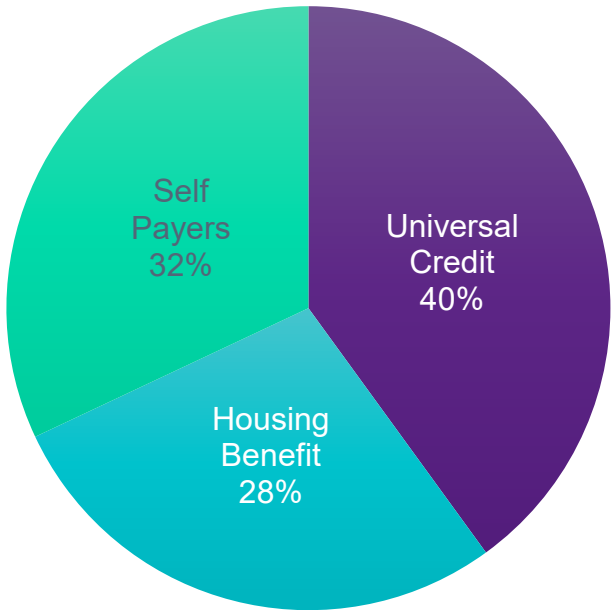
# Rent collection

Account balance brackets by %

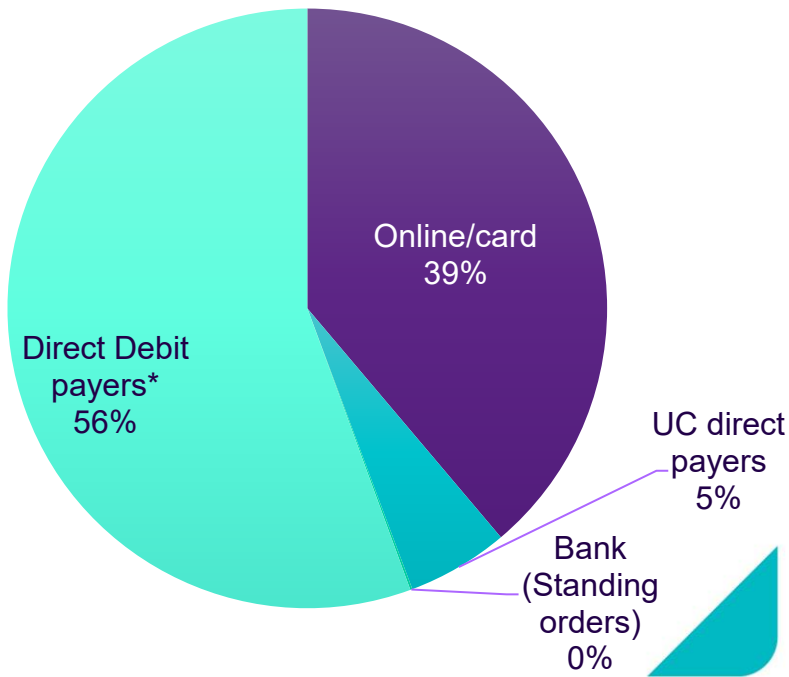


- 2.63% Arrears at end of 23-24
- Rent and service charge collection 99.72%
- 197 referrals made to Citizens Advice Service
- 11 referrals to local authorities for homeless support when at risk of eviction

Payment source



Payment methods



# Customer Feedback 23-24



Key theme:-

Do what we say we will

395 complaints received

185 compliments

95% handled in time

79% resolved at stage 1

5 cases referred to the Housing  
Ombudsman



*External Assurance of compliance with Consumer Standards and Housing Ombudsman Code*

# Assets Strategy on a page 2025-28

*Serving our customers well is entirely consistent with the requirements of operating efficiency*

## Customer

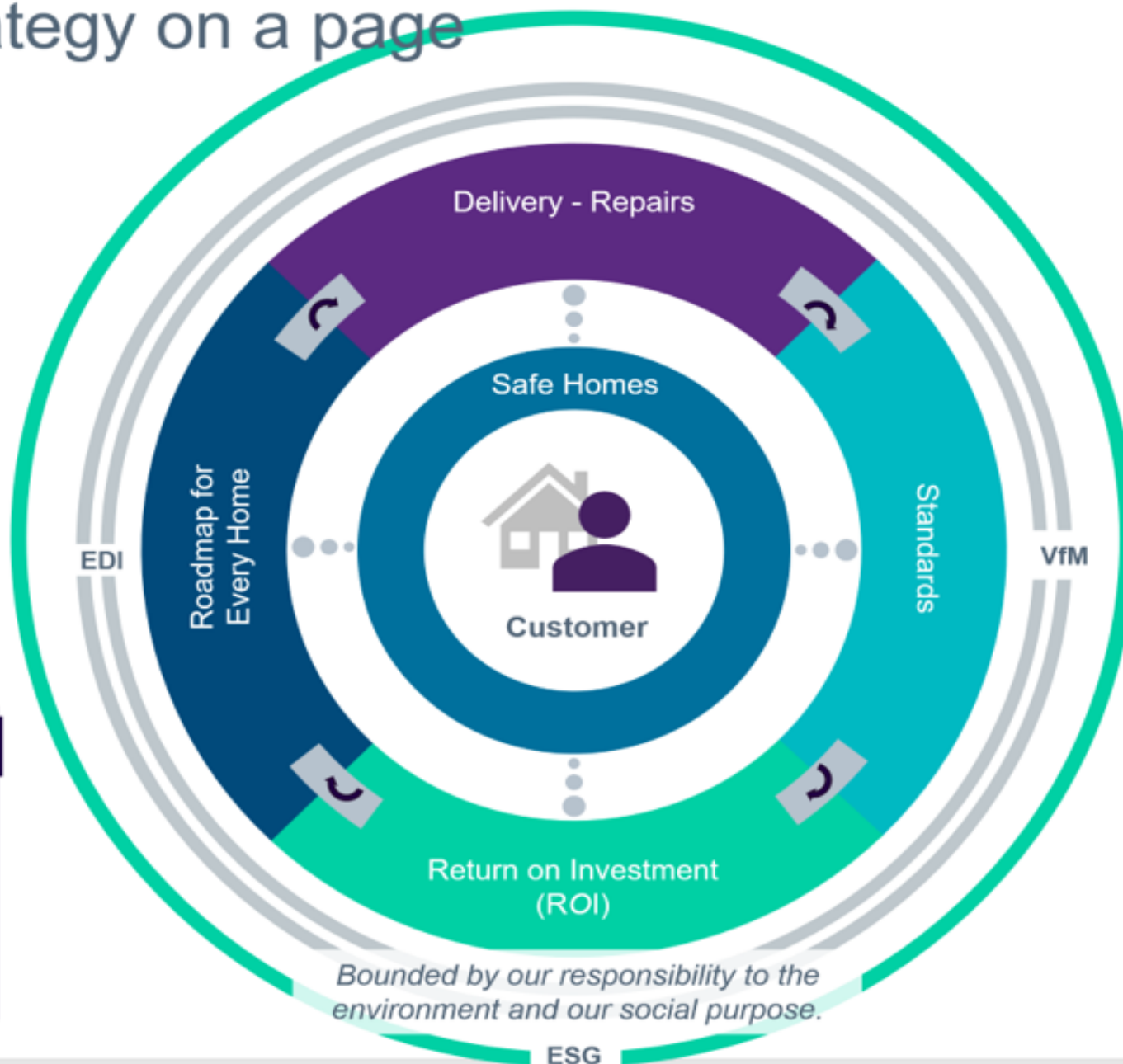
*Now central to strategy.*

- Communication
- Listening and shaping services
- Keeping our promises

## Safe Homes

*Fundamental to our offer.*

- Beyond the 'Big 6'
- Responding proactively to changing legislation
- Awaab + HHSRS



## Delivery - repairs

*Timely delivery delivered right first time works for customers and for Thrive*

- Not all repairs are created equal
- Operating efficiency

## Standards

*The changing strategic landscape, e.g.DHS2, safety*

- Newbuilds – Lifecycle costs
- Thrive's own standards

## Rol

*Knowing our homes and investing into them effectively.*

- Data, data & more data
- Procuring well
- Invest into components

## Roadmap

*Shaping our portfolio for the future*



# Delivering the Asset strategy

Keep our data up to date  
using stock condition and  
energy surveys

Introduced Make Every  
Visit Count – using other  
visits to gather key property  
and customer information,  
highlighting D&M early

HomePlan, our programme  
of inventory style, customer  
and property management  
inspections every 5 years.

Delivering the Decent  
Homes Plus

Planned cyclical and major  
works programmes

Deliver responsive repairs  
primarily through Thrive  
Homes Services (THS)

Damp and mould policy  
and process in preparation  
for October 25

Investment journey,  
Roadmap for every home,  
including energy efficiency  
improvements.

KPI's reported to the  
Board, DHS, EPC-C,  
investment delivery





# Asset Management

## Increasing Investment into existing stock

### 2023-24 Financial year

Increased our spend on components from £5.1m to £6.8m.

- Decent Homes Plus work – approximately 1,300 component renewals per year
- Includes a large energy efficiency program of grant assisted energy efficiency work
- £350k per annum on cyclical decoration as part of our 8-year cycle and £1.7m on compliance – gas, electrical, water, asbestos and fire safety

Spend budgeted to increase to £7.5m in 2025, aligned with the business plan

**53**   
Bathrooms

**310**   
Boilers & heating systems


**63**   
Kitchens

**147**   
Windows

**98**   
Roofs

**206**   
Doors

**44**   
Fire Doors

**232**   
Electrical

# Energy performance

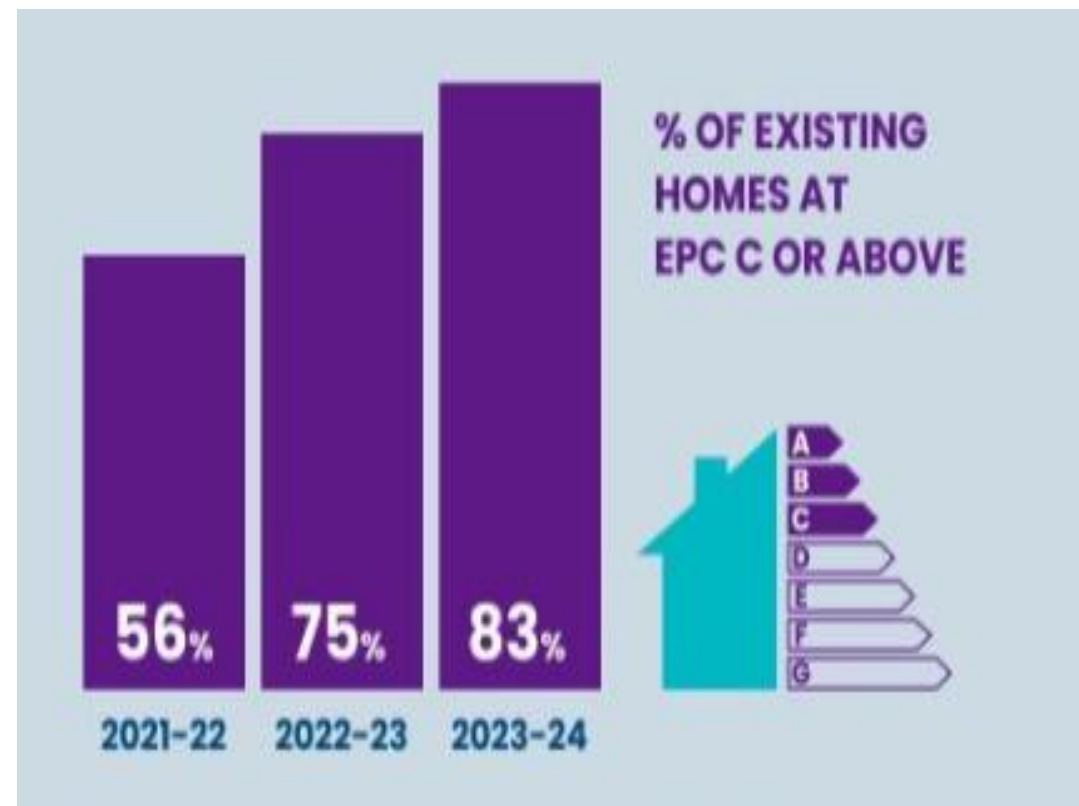
Thrive Homes has developed an asset roadmap with a plan for every home. This includes future investment and maximising grant funding to ensure our housing stock is improved.

We aim to achieve EPC C by 2030 and by adopting a 'fabric first' approach, we will move towards net zero carbon by 2050.

**700 homes** have had endotherm liquid added

**450 homes** checked to make sure loft insulation meets standard

**131 homes** due to receive External Wall insulation in 2024



**SIGNIFICANT INVESTMENT TO IMPROVE ENERGY PERFORMANCE OF OUR HOMES**  
**HOMES AT EPC C IN TOP QUARTILE**

# Environmental Social & Governance (ESG)

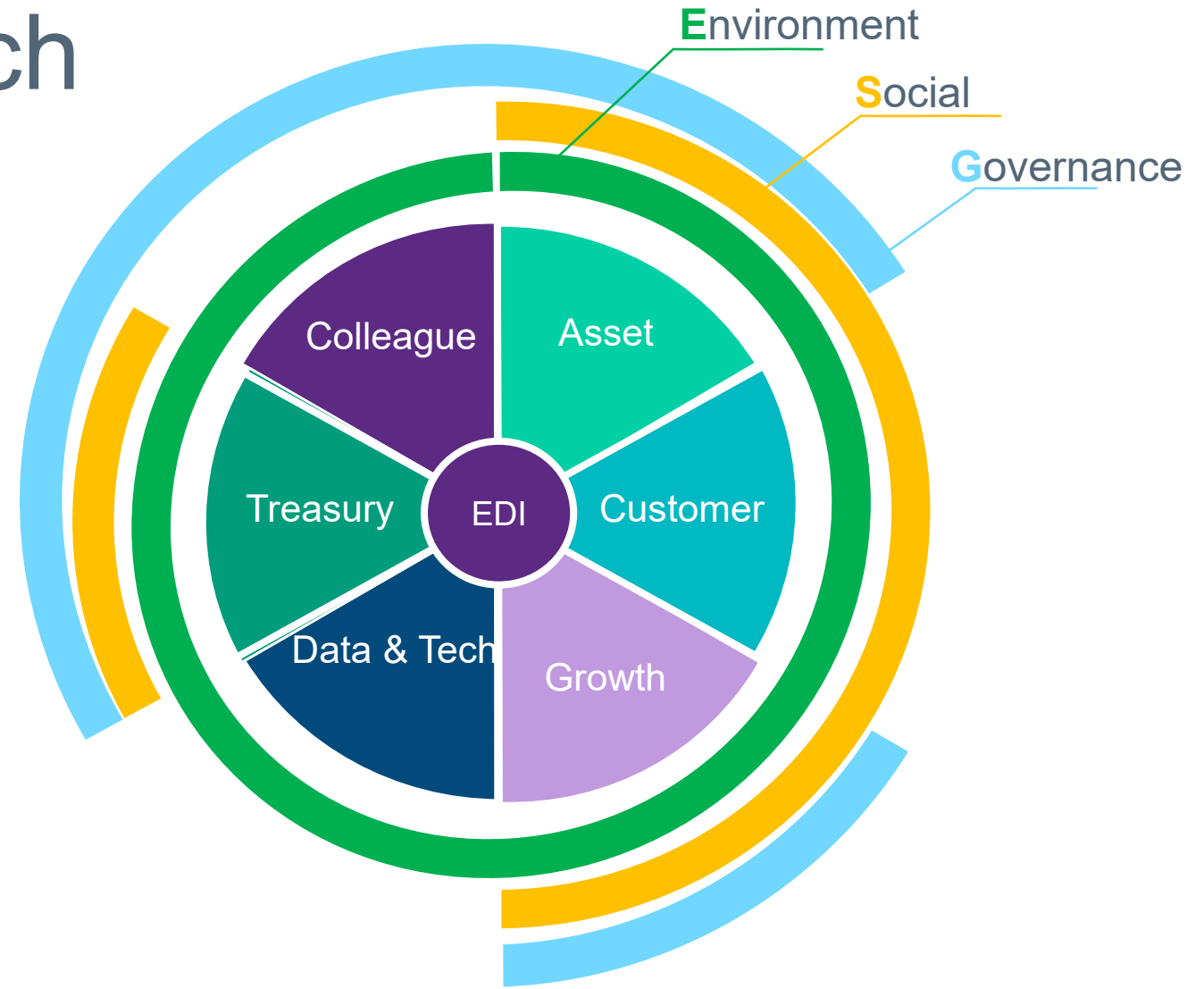
Alix Green

Executive Director – Investment & Growth



# ESG Our Approach

- ESG 'Healthcheck' underway to help the development of Thrive's ESG Statement of intent in the short-term, and over the longer term, ESG strategy.
- Thrive Homes is an early adopter of the Sustainability Reporting Standard (SRS) for Social Housing.
- The 48 SRS metrics have been overlayed across the six pillars of our Sub-Strategic Plans.
- Our annual report is published on our website at [www.thrivehomes.org.uk/esg](http://www.thrivehomes.org.uk/esg)



**CLEAR ESG STRATEGY WITH GOALS AND MEASUREMENT OF PROGRESS**



## Environment

- Understand our **carbon emissions** across scopes 1, 2, and 3.
- Using **Intelligent Energy software** model energy performance.
- Leveraging **grant funding**;
  - SDHF Wave 1 & 2 secured = £2.1m
  - HACT carbon credits c£82k
- Net zero pathway modelled for all homes.
- Five new homes built to be **carbon negative** in their operations.
- Inaugural SECR disclosure.
- Two applications for Heat Network Efficiency Scheme.

E



## Social

- Rents are **47.12% cheaper** than the average private rental sector.
- 99.94% homes meet **Decent Homes** Standard.
- 100% of flat blocks have an in-date **Fire Risk** assessment.
- 99.95% compliant **gas safety**.
- 45% of customers are members of **Thrive Customer Voice**.
- 73.04% overall **satisfaction** with Thrive's services.
- 71.7% satisfaction with **repairs**.
- £125K **grants** given to community organisations over 3-year period.

S



## Governance

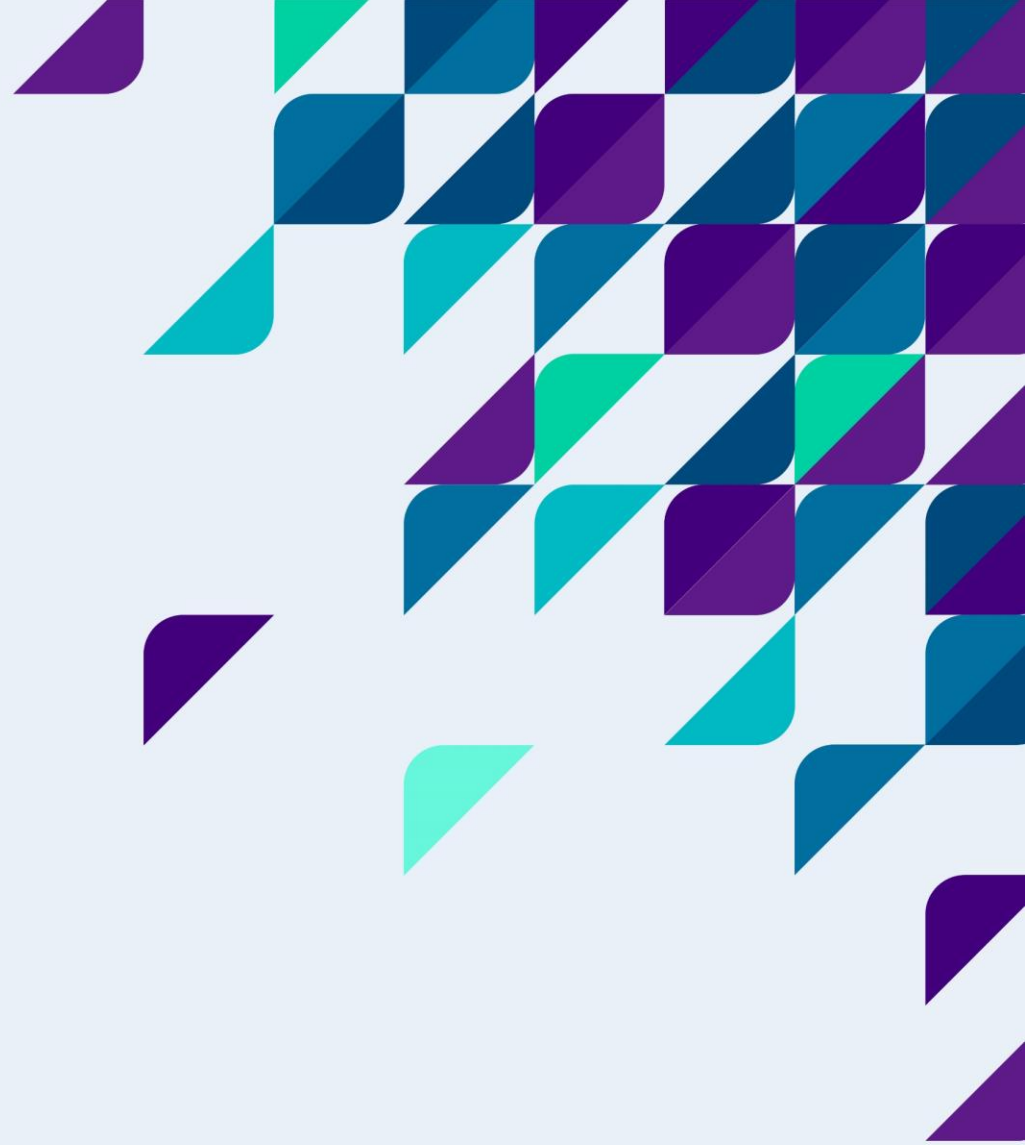
- Retained **G1/V2** rating in November '24.
- Compliant with the NHF Code of Governance 2020 and Housing Ombudsman's Complaint Handling Code.
- Signatory to the NHF Together with Tenants Charter.
- **IIP** 'We invest in people' and 'We invest in wellbeing' **gold** accreditation.
- **Membership of the Board** is based on an evaluation of skills and experience.

G

# Development and sales

Alix Green

Executive Director – Investment & Growth





# Development and Investment

- DILIGENCE, PROGRAMME RESET, BEST IN CLASS PARTNERSHIPS
- Growth through: Land Led Development Organic Growth; Acquisitions; Management; Partnerships
- A mix of land-led and s106 opportunities in the programme.
- Thrive's landbank gives Board the ability to both secure the future development programme and control the spend on development when managing risk both in development and in the wider organisation.
- Fully funded development programme through RCF and fixed facilities
- Tighter approval controls and resolution of legacy issues.
- New Development Procedures and gateway processes fully embedded
- Thorough review of Employers Requirements undertaken
- Reviewing Sales and Marketing Branding and Strategies for delivery of larger number of off-plan sales
- Several landbanked sites progressing through design and planning stages
- Derisking Thrive's financial exposure through partnerships with developers taking on planning and design risk (LB Garden Centre & Winslow)
- Working with 5\* developers with robust financial standing
- No exposure to private sales



**STRONG PIPELINE AND FULLY FUNDED DEVELOPMENT PROGRAM**

# Organic growth pipeline



2 schemes in  
contract  
24/25 delivering

74  
homes

63 rented  
11 intermediate  
(shared ownership)

By end of Q4, anticipated a further 131 homes (56 SO & 75 rented, thus 205 homes in total)

Over  
£11.7m

(24/25 year to date)  
received from  
shared ownership  
sales to reinvest, plus  
£1.7m proceeds from  
outright sales



A further £4.3m  
predicted for Q4  
with sales  
reserved and  
currently  
proceeding

**373** homes actively  
on site delivering or  
already completed with  
**£19.5m** Homes  
England funding  
& Local Authority  
funding of c.£0.2m



Homes  
England



Opportunities within land  
portfolio which can release

**760**  
HOMES



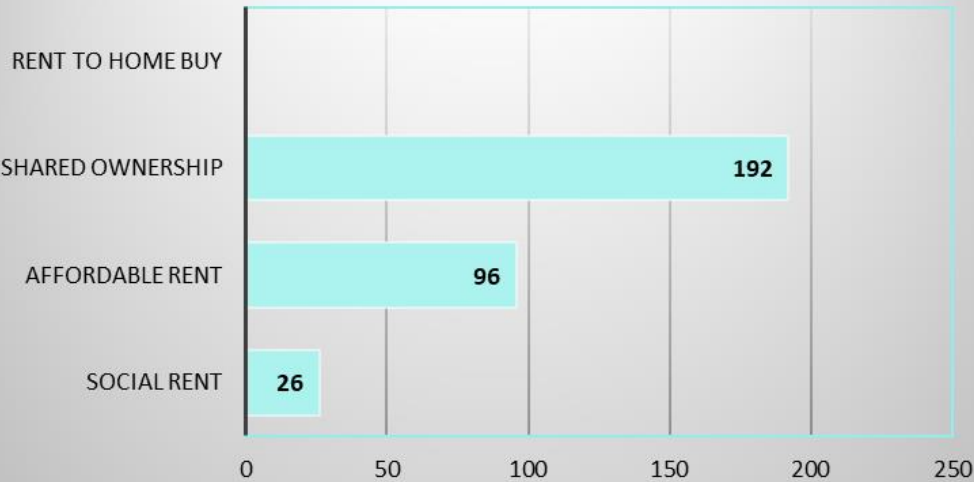
5 sites progressing with planning and due  
diligence to deliver 411 homes. The remaining are  
undergoing option appraisals for landbanked  
sites



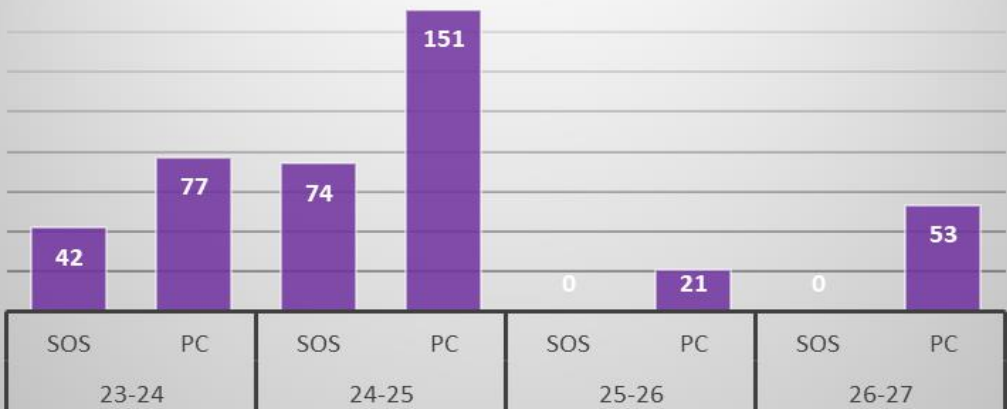


# Development Investment and Sales

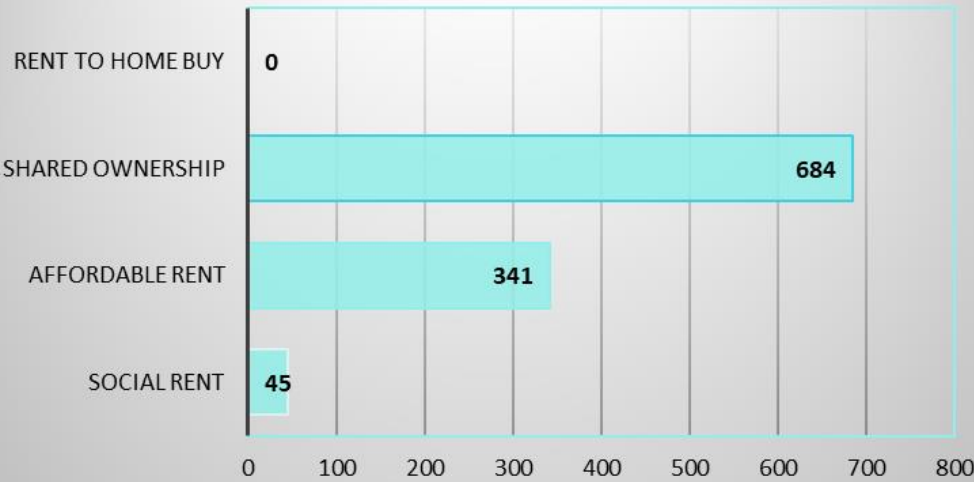
Committed schemes by tenure



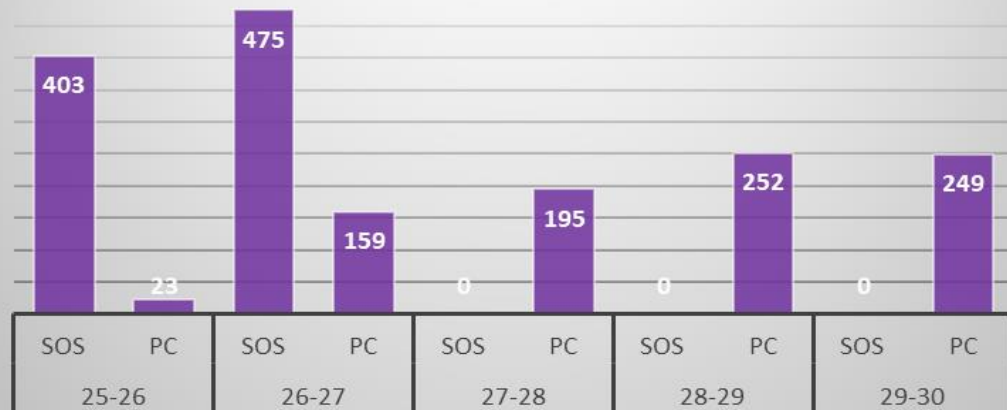
Committed schemes construction programme



Pipeline by tenure



Pipeline schemes construction programme



HEALTHY PIPELINE OF SCHEMES WITH PHASED DELIVERY



# Development: First Tranche Sales

	Completed & Forecast Sales	Average First Tranche Share completed YTD	Average Surplus Margin	Sales Forecast
	24/25	24/25	24/25	25/26
	No. Units	%	%	No. Units
New Builds & RTHB to SO	79	37%	28% Overall YTD	104
Conversions	18	45%		13
ALL UNITS	97	39%		117

CONSISTENT VOLUME OF NEWBUILD FIRST TRANCHE SALES UNITS WITH  
LESS EMPHASIS ON CONVERSION UNITS

# Development: Future Plans

- Focus on opportunities that provide optimum scale (typically larger, higher-quality schemes):
  - securing the programme for the longer term;
  - Better return on time invested in contracting
  - Better value for money through locking in delivery at today's prices and assumed rates.
- Rigorous approach to deal structure; minimizing third party risk (turnkey / payment profile in arrears)
- Building on strong relationships with Local Authorities.
- Continue to deliver high quality developments that are commercially viable and flexible.
- Currently reviewing development objectives linked to reducing carbon emissions and net carbon zero targets.
- Deliver a balanced mix of housing types and tenures to meet demand, aspiration and operational requirements, including regeneration.
- Preference for traditional build over full modular schemes – less risk in planning and construction.



**DE-RISKING PROGRAMME BY FOCUSING ON LARGER SCHEMES AND  
WORKING WITH HIGH QUALITY PARTNERS**

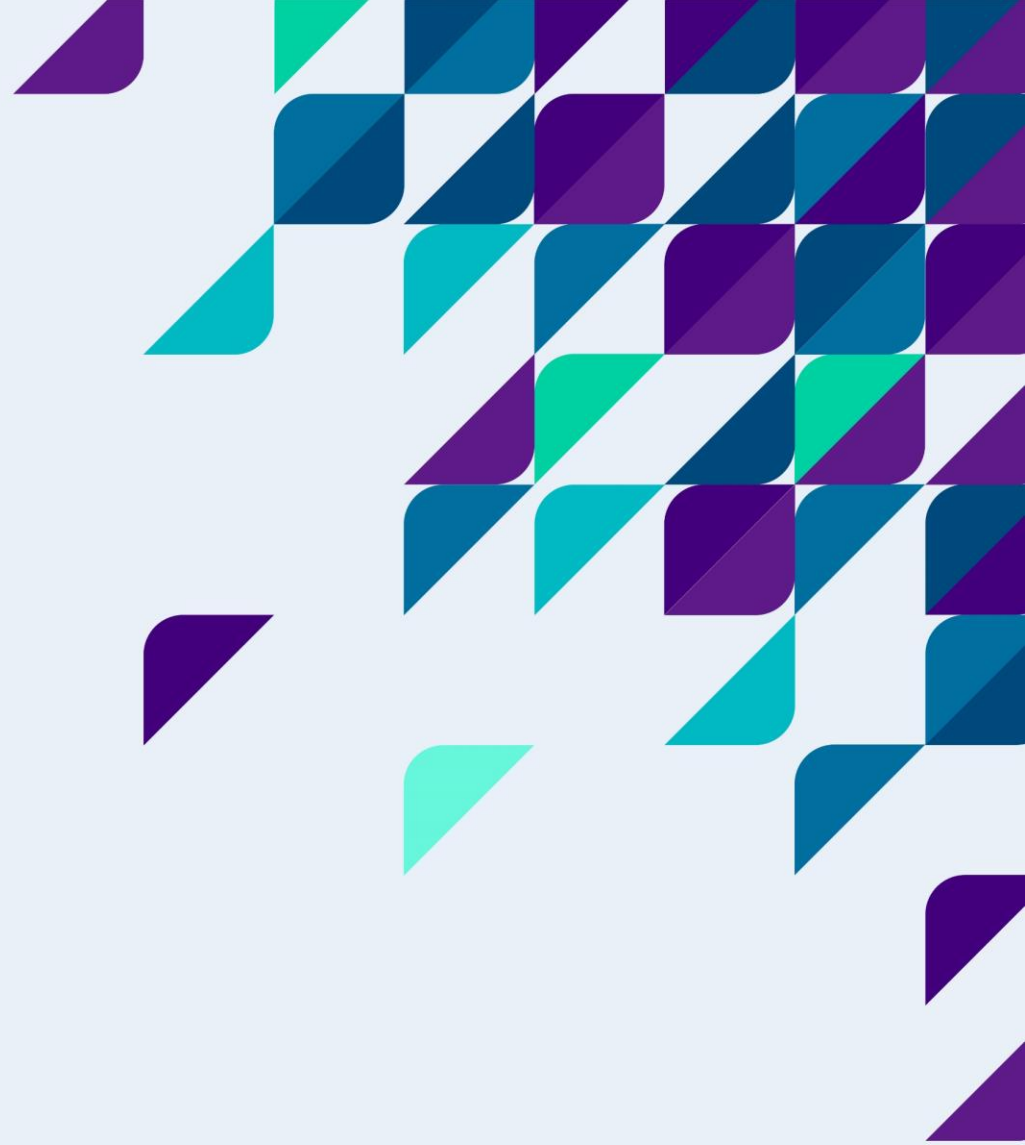




# Financial Update

Stephen King

Executive Director - Finance



# Financial Performance: Sector and Benchmarking

- Significant economic and social factors creating sector challenges on margins, cashflow and investment.
- Thrive Homes financial metrics show favourable performance against benchmarks.
- Strong financials metrics in excess of covenants.

## BENCHMARK DATA: Thrive v Peer v Sector

	31-Mar-23			31-Mar-24			31-Mar-25	31-Mar-26
	Actual	Peer	Sector	Actual	Peer	Sector	Forecast	Budget
1: Reinvestment %	18.4%	7.3%	7.1%	11.5%	7.8%	7.8%	6.1%	17.6%
2a: New supply of Social Housing units delivered %	1.0%	1.5%	1.3%	1.3%	1.5%	1.5%	2.0%	0.5%
2b: New supply of non-Social Housing units delivered %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3: Gearing %	68.8%	53.6%	45.4%	66.4%	53.0%	46.4%	66.3%	66.3%
4: EBITDA MRI Interest Cover %	140%	149%	129%	138%	141%	124%	141.9%	109.3%
5: Headline Social Housing cost per unit *	£4,881	£4,636	£4,586	£5,793	£4,976	£5,094	£5,746	£6,232
6a: Operating Margin (Social Housing Lettings) %	22.1%	24.7%	19.8%	27.9%	25.6%	21.0%	25.8%	24.8%
6b: Operating Margin (overall) %	27.1%	23.3%	18.2%	28.3%	22.7%	18.9%	28.2%	27.0%
7: Return on Capital Employed	4.2%	3.5%	2.8%	3.6%	2.96%	2.8%	3.8%	3.2%

Up to 31 March 2024: Thrive: Annual Financial Statements \*

31 March 2025 and 2026: Thrive management information

\* 2024 CPU number revised from Financial Statements number

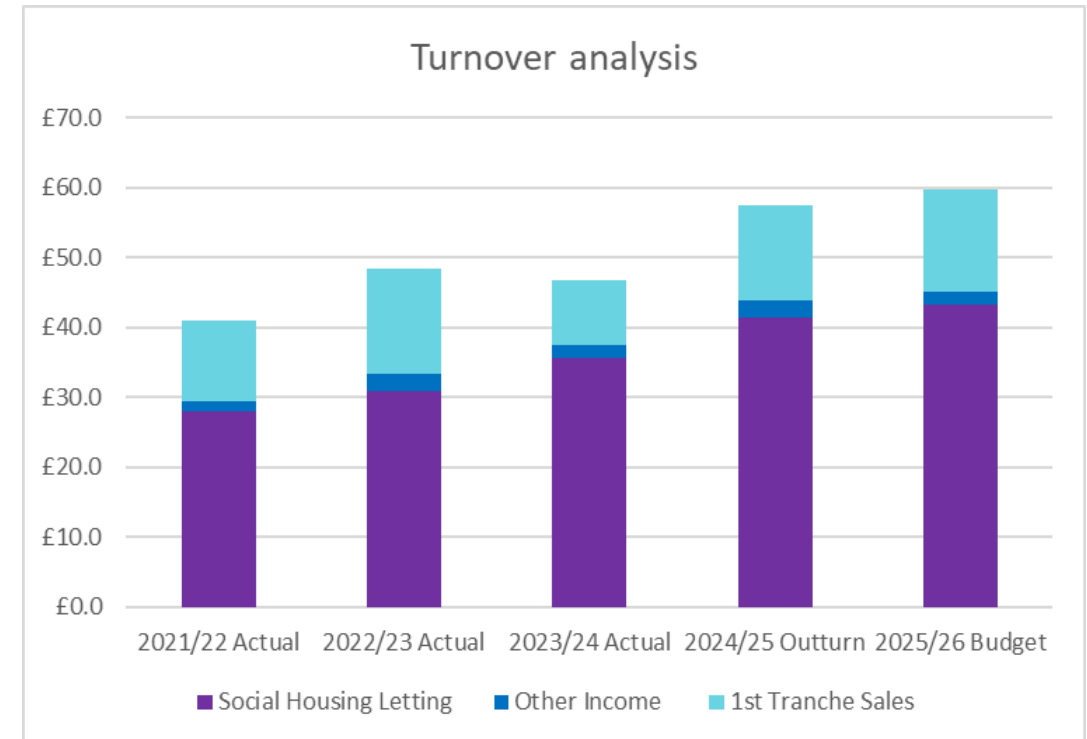
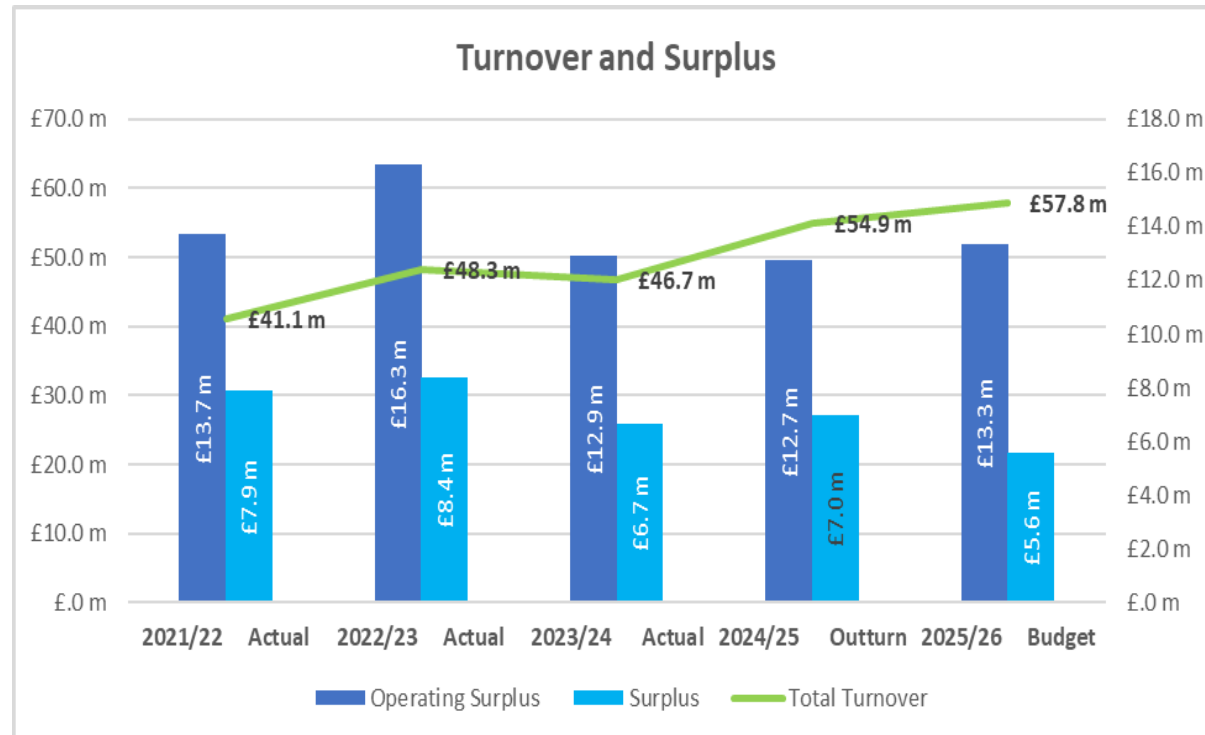
Peer & Sector: Housemark VFM reports

CPU estimated at £5,372 for 2025 from Housemark

## STRONG FINANCIAL PERFORMANCE FAVOURABLE TO SECTOR

# Year-end Financials

- Continued strong performance and metrics in the year as we continue to progress our strategic growth ambition.
- Significant investment in our own stock, inflationary pressures on labour and materials and financial impact of our go-live of our IT system update.
- Core business of Social Housing letting continues to increase year on year, reflecting higher stock numbers and rental increases.
- Increasing volume of First Tranche Sales in current year will continue into 25/26 as demand for tenure in this area remains strong.
- Increase in day-to-day repairs and major works program expenditure as we invest and maintain our stock have put pressures on margins in 24/25.
- Key challenges in 25/26 continue to be to manage performance through difficult economic climate whilst maintaining our standards of service.



**CONTINUED GROWTH OF CORE RENTAL INCOME WITH STEADY INCOME FROM FIRST TRANCHE SALES**

# Financial Projections

- Key metrics remain strong with improved surplus and increased investment in our stock
- Growth in turnover from social housing activities and organic development and sales.
- Capital investment in line with component replacement and energy efficiency programmes

	25/26	26/27	27/28	28/29
	BUDGET	BUSINESS PLAN		
1: Reinvestment %	17.6%	8.2%	6.6%	4.9%
2a: New supply of Social Housing units delivered %	0.5%	4.5%	5.5%	2.5%
2b: New supply of non-Social Housing units delivered %	0.0%	0.0%	0.0%	0.0%
3: Gearing %	66.3%	66.0%	62.9%	61.4%
4: EBITDA MRI Interest Cover %	109.3%	112.2%	110.1%	111.2%
5: Headline Social Housing cost per unit	£6,232	£6,083	£6,424	£6,260
6a: Operating Margin (Social Housing Lettings) %	25%	25%	29%	31%
6b: Operating Margin (overall) %	27%	29%	33%	34%
7: Return on Capital Employed	3.2%	3.1%	3.8%	3.6%
Turnover (m)	£57.8	£61.6	£62.4	£67.5
Operating Surplus (m)	£15.2	£14.1	£19.3	£19.3
Housing Assets - cost (m)	£440.5	£501.8	£531.7	£552.1
Net Assets (m)	£89.5	£96.9	£105.8	£114.6

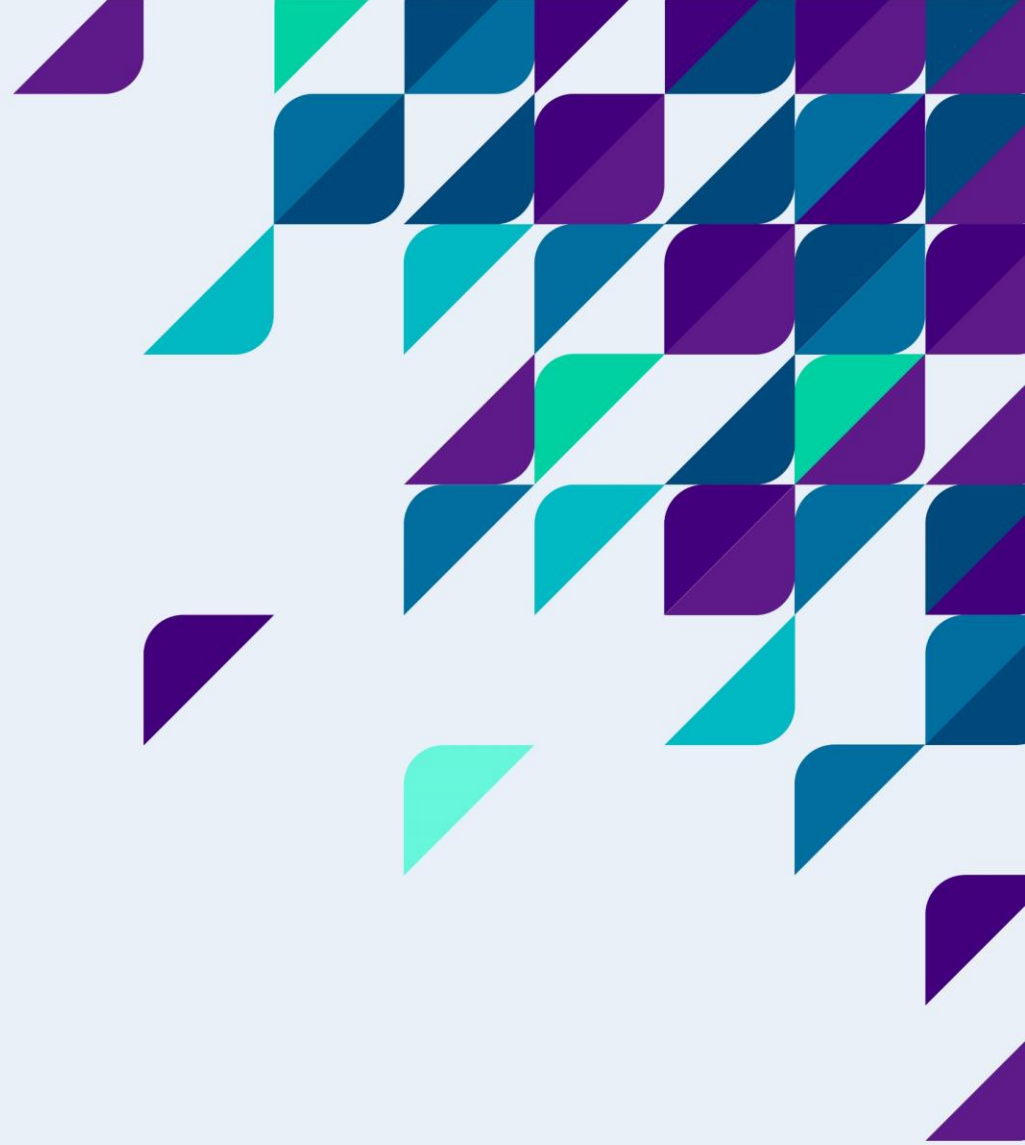
**GROWTH THROUGH CAREFUL DEPLOYMENT OF CAPITAL**



# Treasury Overview

Stephen King

Executive Director - Finance



# Treasury Management Strategy

## Summary

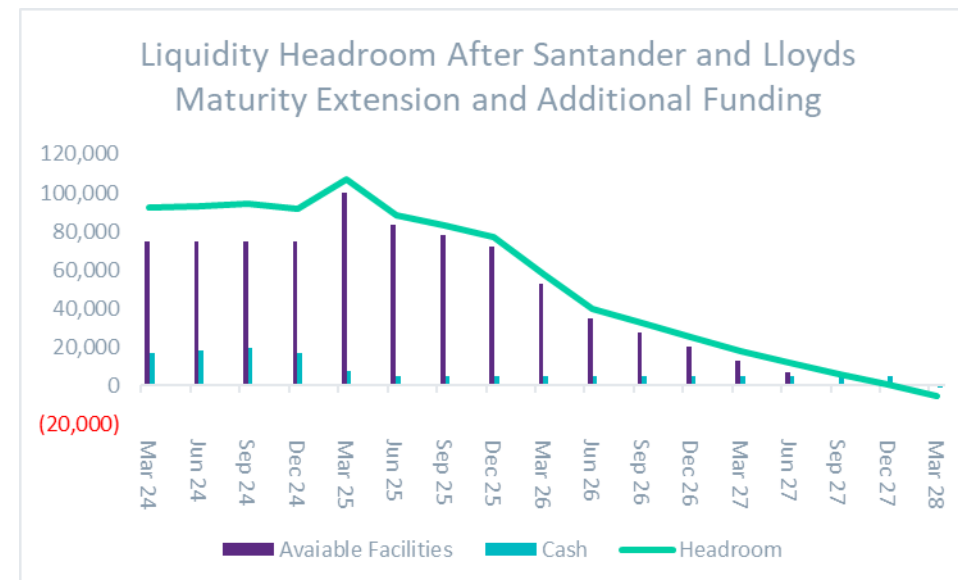
- Simple portfolio structure with low interest rate risk and current WACC of 4.32%
- Recent refinancing of short-term bank debt for liquidity, flexibility and to utilise more favourable short term rates
- Well balanced portfolio – short dated banking portfolio and low-cost longer term capital funding
- Covenant risk low with significant headroom over EBITDA/Interest

## Security

- Thrive has 5,896 chargeable properties, valued at £954m MV-ST (31 December 2024).
- 4,103 units are charged to existing lenders. Of the remaining unencumbered units, 1,332 can be used for security, with a total indicative EUV-SH valuation of £119m and MV-T value of £266m.

## Liquidity Risk management

- Sufficient liquidity headroom (2.5 years for our committed development) in excess of the 18 months policy requirement
- Additional funding will be sought later in 25/26 to complete Business Plan development.



**GOOD LIQUIDITY WITH HISTORICAL LOW COST OF CAPITAL**

# Treasury Management Policy

## Covenant compliance

Lender/Investor	Interest cover Ratio	Q3 24/25	Budget 24/25
	<b>Interest Cover Ratio</b>		
Bond	Net Annual Income - <i>min</i> 100%	168%	108%
Lloyds	EBITDA MRI - <i>min</i> 100%	176%	152%
Santander	EBITDA to Net Interest Payable - <i>min</i> 130%	253%	227%
	<b>Gearing Ratio</b>		
Lloyds	Net Debt to Historic property cost < 85%	57%	63%
Santander	Net Debt to Historic property cost < 85%	57%	63%
	<b>Asset Cover Ratio</b>		
Bond	EUV-SH (105%) MV-ST (115%) <i>min</i>	218%	167%
Lloyds	EUV-SH (105%) MV-ST (125%) <i>min</i>	334%	259%
MorHomes	MV-ST (115%) <i>minimum</i>	188%	181%
Santander	105%/125% (EUV-SH/MV-ST) SO 125% <i>minimum</i>	143%	143%

## Interest rate risk management

Lender	Total facility £m	Drawn facility £m	Fixed/Variable	Repayment dates	Comments
THF Bond	200	200	Fixed	24 March 2039/43/47/51	Bullet repayments
Lloyds	25	25	Fixed	16-Oct-25	Term loan
MorHomes	25	25	Fixed	19-Feb-38	Bullet repayments
Santander	75	0	Variable	24-Feb-30	RCF - fully secured
<b>Total</b>	<b>325</b>	<b>250</b>			

**SIGNIFICANT HEADROOM OVER COVENANT LEVELS**

# Treasury Summary

## Summary

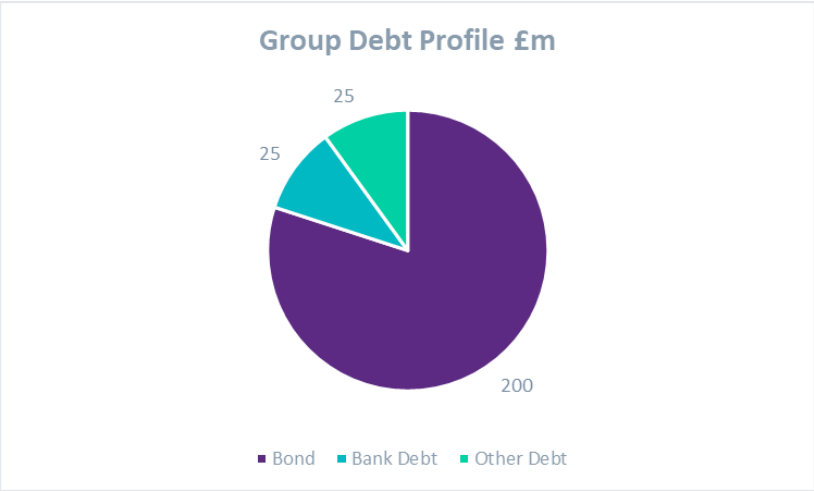
- Bond provides stability and long-term funding

## Group Treasury Policies

- Minimum 18-month forward cash commitment
- £5m minimum cash holding
- Gearing less than 85%
- Fixed debt at least 60%
- 20% margin above key banking covenants (ie EBITDA/Interest covenants of 130%)

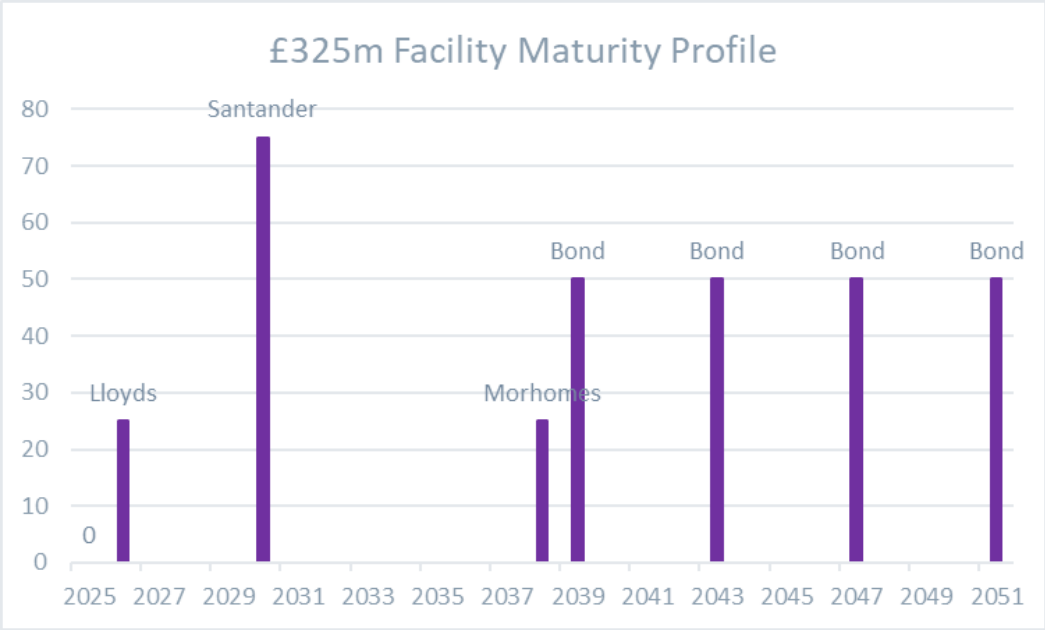
## Fixed / Floating mix

- All drawn debt currently fixed
- Undrawn facilities at variable (Sonia) rate



## Group Debt profile

- Repayments evenly spread to reduce refinancing risk



# Risk management and business plan stress testing

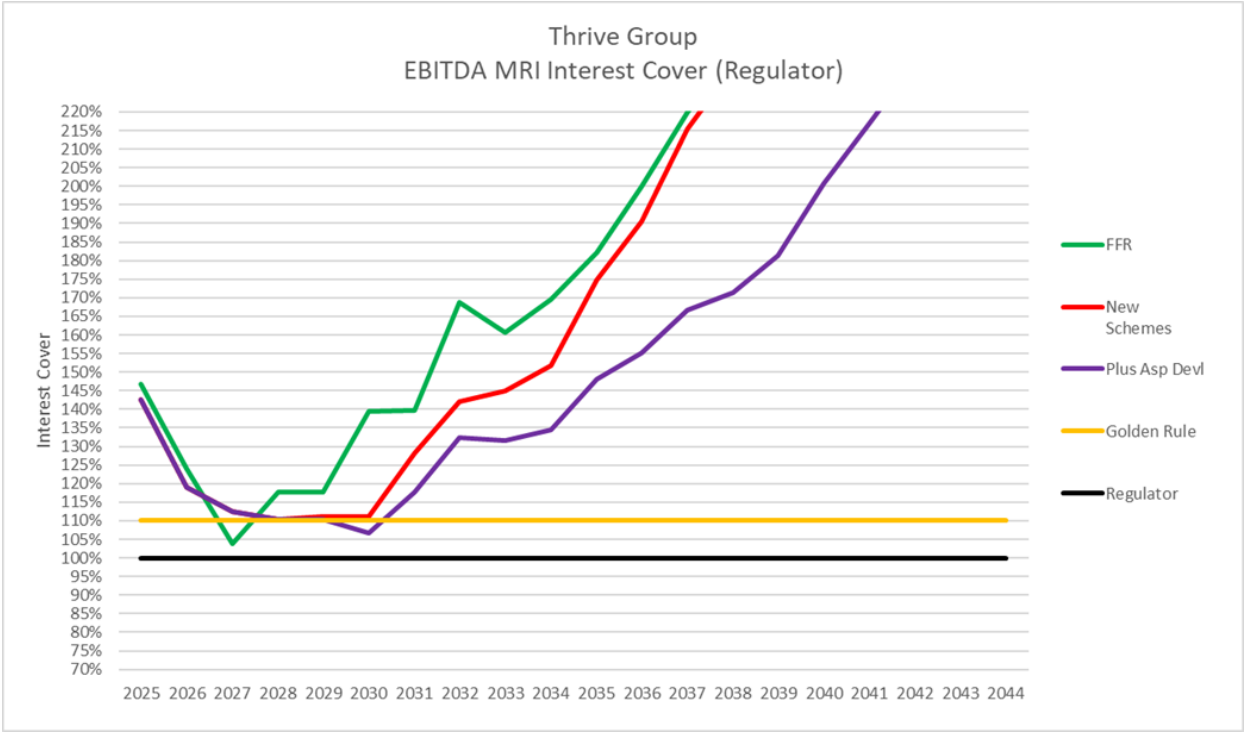
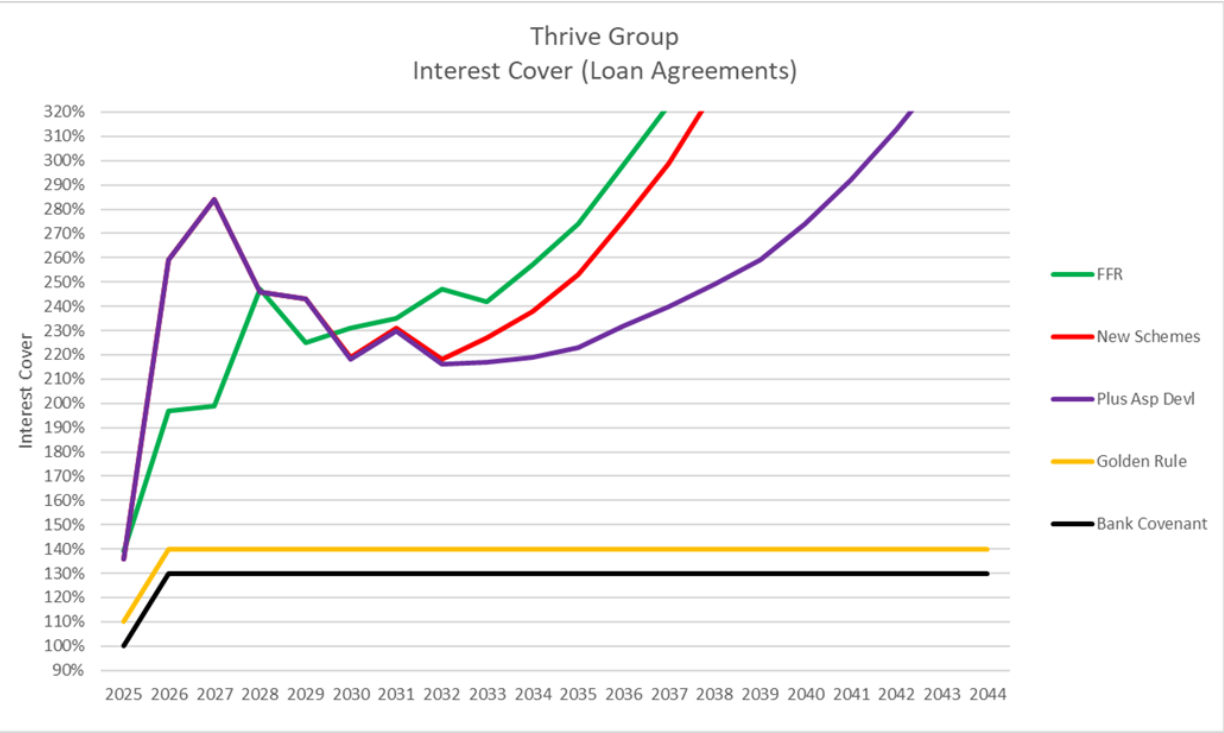
Stephen King



# Headroom to covenant – EBITDA MRI & EBITDA

## Headroom to tightest lenders covenant – EBITDA MRI & EBITDA

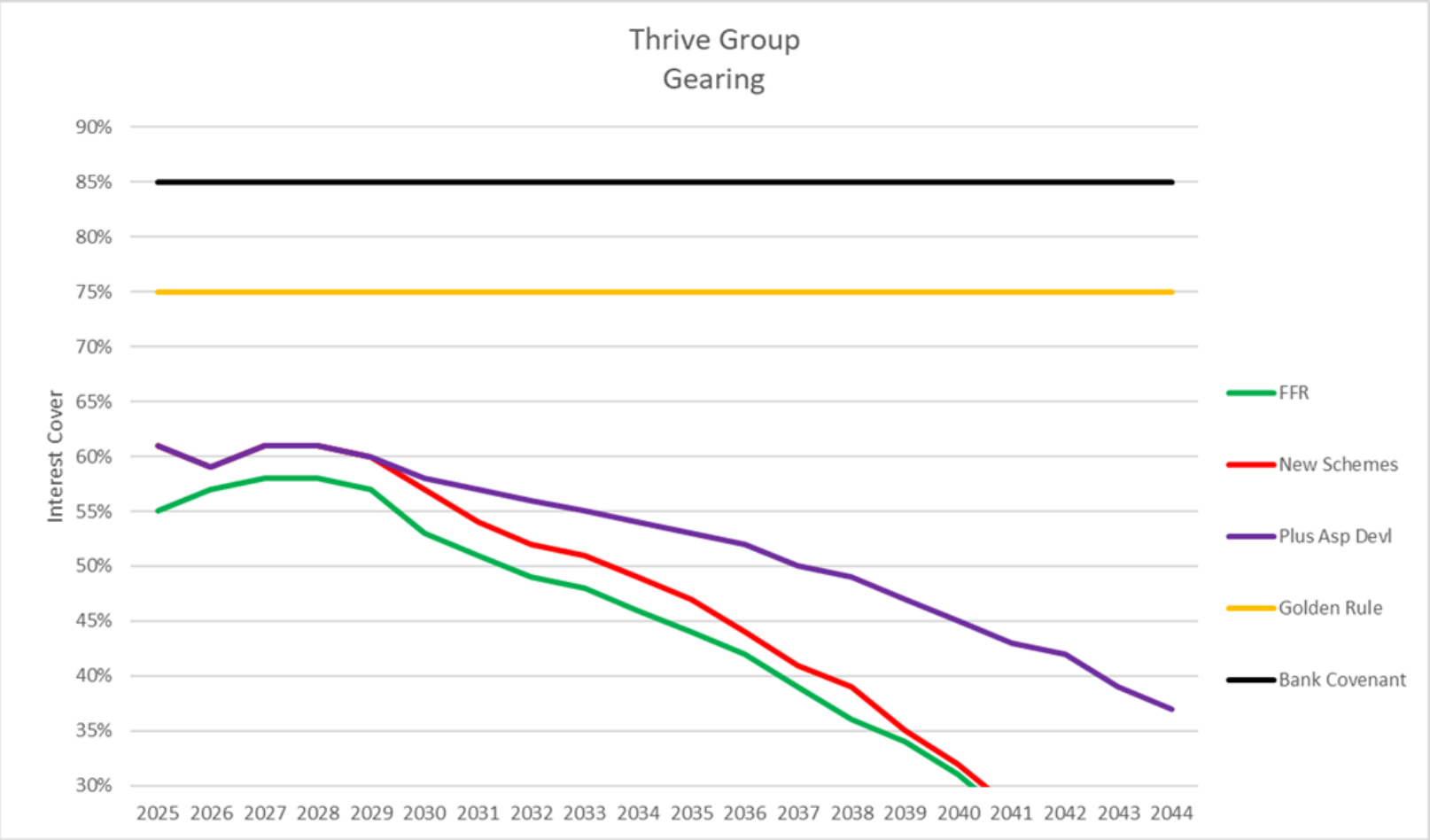
## EBITDA MRI Interest Cover – Regulator





# Headroom to covenant – Gearing

## Headroom to Gearing Covenant





# Stress Test and Mitigation Process

Stress Tests are determined by checking against Thrive's Risk Register, Centrus (specific and sector) guidance and BR&G Committee Feedback



Through the Business Plan Process these are modelled and impacts on key metrics published and reviewed



Mitigations are updated and developed to ensure plans to bring cash and covenants back in line



Mitigation Section in all Business Plans  
Mitigations papers updated regularly and included in the Risk Register



Many of the stresses (i.e. interest rates and inflation) have materialised to a degree. Status on stresses and mitigations are continually modelled and discussed in the Business Plan item at EMT and updated quarterly at Committee

**The economic environment Thrive is operating within requires that modelling and stress testing becomes part of our business as usual (BAU).**

**Thrive**  
Homes

