



Half Year Performance Update

for the 6 months to 30 September 2021

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Our Performance in 2021/22

The Guinness Partnership Limited (TGPL) is pleased to report our results for the Half Year to 30 September 2021. These results are based upon unaudited management accounts and operational performance reports.

Our Annual Financial Statements and our Annual Report for the year to 31 March 2021, are both available on our website.

Half Year Performance update

In the half year to 30 September we have continued to deliver services to our customers and our new homes programme against a backdrop of the ongoing Covid pandemic, as well as rising inflation and labour market challenges.

£26.3m
total surplus

25.1%
Operating margin

157
new, affordable
homes completed

Performance highlights for The Guinness Partnership Limited for the half-year to 30 September 2021 include:

- Turnover of £187.1m
- Total surplus of £26.3m - £5.1m higher than at September 2020
- Operating surplus of £46.9m - £3.3m lower at September 2020
- Operating margin of 25.1%
- Surplus on sales of existing homes of £5.5m
- Proceeds from sale of first tranche shared ownership homes of £15.8m
- High levels of liquidity retained - £987m of cash and available loan facilities
- Current tenant arrears of 3.37%
- 157 new affordable homes were completed
- 293 homes started on site

Key Financial Results

Financial Indicators	Q2 2021/22	Year Ending 31 Mar 2021	Q2 2020/21
Operating Surplus	£46.9m	£169.1m	£50.2m
Operating Margin	25.1%	21.6%	29.4%
Total Surplus	£26.3m	£71.7m	£21.2m
Net Margin	14.1%	20.4%	10.1%
EBITDA-MRI Interest Cover	165.2%	145.4%	183.1%
Gearing	42.8%	44.5%	42.2%

Performance update

TGPL's operating surplus of £46.9m is lower than that reported in 2020/21. This reflects a range of pressures including the costs of addressing post-lockdown backlogs in responsive repairs service and increased insurance premiums.

Net interest costs of £26.9m were incurred in the period on total drawn debt of £1.3bn.

The overall surplus of £26.3m includes shared ownership staircasing with 75 transactions completing in the first 6 months of the year which have generated a surplus of £4.7m.

During the period £94.7m has been invested in our development programme and a further £25.2m of invested in existing homes. This includes building safety related expenditure of £7.9m.

Closing cash balances at the end of September were £65.1m. Our liquidity position remained strong with total available funds standing at £987m (undrawn loans and cash), covering 59 months of projected cash flow.

£94.7m

spent on our development programme

£7.9m

building safety expenditure

Development and business update

Our Strategy targets delivery of 5,500 new homes by March 2025 with a significant proportion delivered with the support of Homes England and GLA funding through Strategic Partnerships.

We are currently on site with over 3,300 of these homes with 157 being completed in the first 6 months of the year.

During the year we were successful in our applications for funding from Homes England and the GLA under extended Strategic Partnerships. This additional funding will support development of 1,800 new affordable homes by 2029.

An increasing proportion of the new homes that we deliver will incorporate some form of Modern Methods of Construction (MMC). In August 2021 our subsidiary, Guinness Developments Limited, acquired a minority shareholding in Ilke Homes Holdings, an established MMC manufacturer.

During October 2021 we completed the transfer of 432 homes in Liverpool to Riverside Housing Group. We took transfer of 115 homes in Chesterfield and 356 homes in Derby from Clarion Housing Group in October and November respectively.

5,500

new homes by March 2025

Credit and regulatory ratings

Our credit ratings with Standard & Poors and Moody's remained unchanged during the period at A- (stable) and A3 (stable) respectively.

On the 27 October 2021 the Regulator of Social Housing confirmed our regulatory ratings were unchanged at G1 for Governance and V2 for Viability.

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great homes
a great place to work
and a great business**

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