



MTVH Funders Day 2022





Agenda and Speakers

Welcome and Introductions – Althea Efunshile CBE, Chair of the TVHA Board

Operating Environment – Geeta Nanda OBE, Chief Executive

Financial Update – Ian Johnson, Chief Financial Officer

Development – Guy Burnett, Executive Director of Development

Property – Jules Bickers, Director of Property - Experience

Sustainability and ESG at MTVH – James Shallis, Head of Sustainability

Decarbonisation – Jules Bickers, Director of Property - Experience

The Social Housing difference – Ann Gibbons, Executive Director of Customer Services

Our Social impact - Dominic Briant, Head of Funding and Research, Lead for the MTVH Migration Foundation



Welcome and Introductions

Althea Efunshile CBE

Key Strategic Objectives

- **Customer Experience** – Ensuring residents voices are heard as we work together to provide the services and support that matter most to them
- **People's Homes** – making great places to live, building new homes and investing in our existing properties to ensure they're safe, warm and dry for all our residents
- **Living Well** - Helping to meet the challenges faced by communities, make the case for change where it is needed, and support people to live well
- **MTVH Way** – we are building a strong, customer focused culture in which everyone understands the important part they play in delivering the aims of the organisation
 - The MTVH way underpins how we will work to deliver the strategic priorities, capturing the essence of people powered living and our core values care, dare, and collaborate.



Operating Environment

Geeta Nanda OBE, Chief Executive

NHF People in Housing Need Report

December 2021



Ukraine Refugee Crisis

- Supporting residents to become sponsors
- MTVH as a corporate sponsor
- Fundraising
- Volunteering
- MTVH post to support resettlement
- Migration Foundation grant
- Working with government to increase effectiveness



Housing Futures report



Post Pandemic

- Care and Support Services
- Rent Collection – 5.5%
- Repairs – no backlog
- Development Delays – 2 Schemes
- Staff Turnover – less than G15
- Resident support needs are high



New Challenges

Building Safety

- 378 high risk buildings
- 90 surveyed

Decarbonisation

- NHF figures on expected spend by sector £36bn
- MTVH target of 75% EPC C by 2026

Levelling Up

- 80/20 rule for investment in London and South East moves investment to the North

Social Housing Bill

- Decent homes and quality repairs
- Tenant engagement

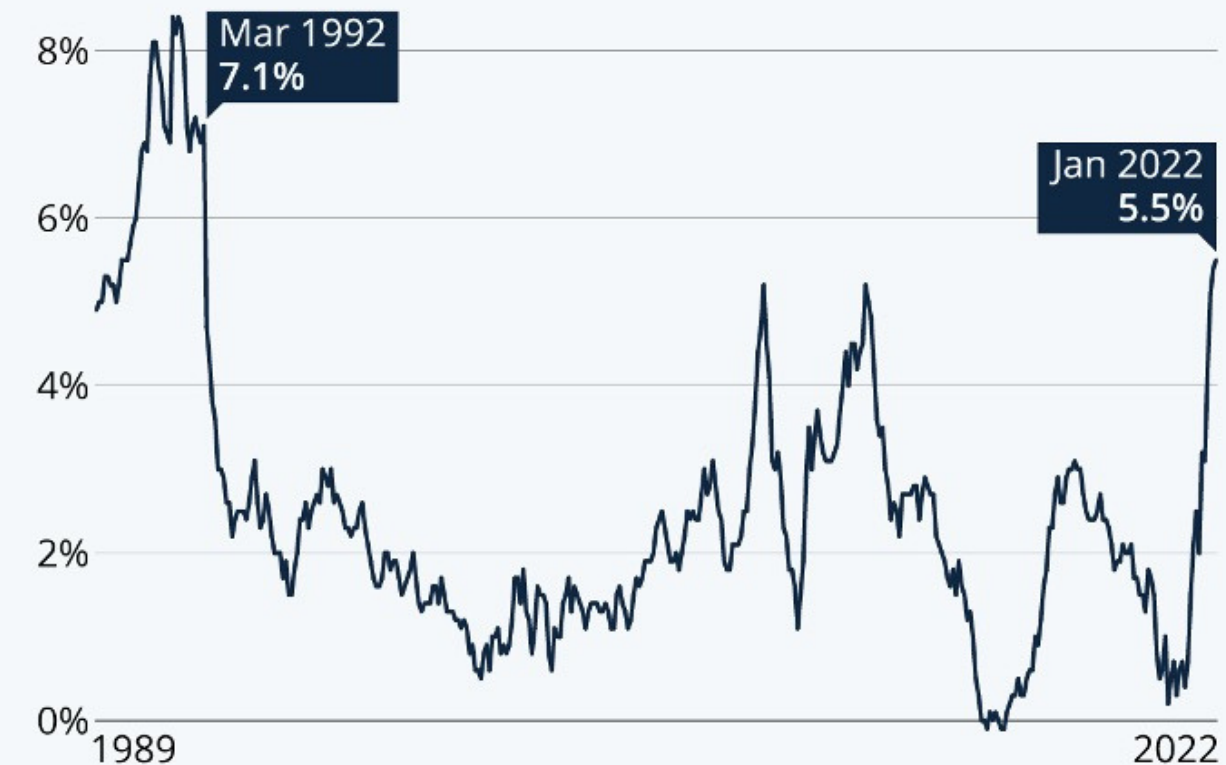


Economic Challenges

- Inflation
- Interest rates
- Fuel costs
- Supply chain
- Sales and land market

UK Inflation Hits 30-Year High

Year-over-year change of the Consumer Price Index in the UK from Jan 1989 to Jan 2022



Source: Office for National Statistics



statista

Partnership Changes

- Fizzy Sale
- Development and Sales services
- Countryside and Clapham Park JV
- Homes England strategic partner
- Travis Perkins





Financial Update

Ian Johnson, Chief Financial Officer

Introduction and key credit highlights - FY21

58,000+
Homes

67%
Turnover from SH lettings

£126m invested in existing stock

923 new homes delivered

40%
Gearing

32%
SH Letting margin

£266m cash generated from
operating activities

230%
EBITDA interest cover

S&P Rated A- Stable
Fitch Rating A Stable

RSH Straplines
G1 V2



Stock distribution

FY23 Financial Outlook – Key Issues

- Rent Increase 4.1% (Sept 21 CPI + 1%).
- Reduced development aspirations and sales exposures.
- Additional spend on asset and to meet Safer Buildings requirements. Impacts on MRI metrics.
- Period of high inflation, especially energy and raw material costs.
- Knock-on impact on wage inflation post Covid – Staff recruitment and retention issues.
- Increasing interest rates (impact despite 86% fixed) diluting key metrics.
- ‘Smart’ solutions required to manage spend and accounting.
- Identification of efficiencies and savings to counteract increased operating costs.

MHT £250m EMTN Programme

- July 2021 issued £250m 15-year Sustainable Bond
 - Supported by Sustainable Financing Framework
- 2021 - Issued £250m at Gilts +115. Coupon 1.875% - Yield 1.99%
 - UKT 4.25% 2035 at 0.83%
- Positioned the new issue away from the existing MF Plc £250m 4.125% 2048
 - The outstanding illiquid 2048s were quoted at a spread of G+141bps prior to announcement.
- Repriced existing curve - reset investor perceptions of the MTVH credit, >25bps inside 2048s
- Outlook - Secondary spreads wider but strong investor demand for selective credits including MTVH



Development

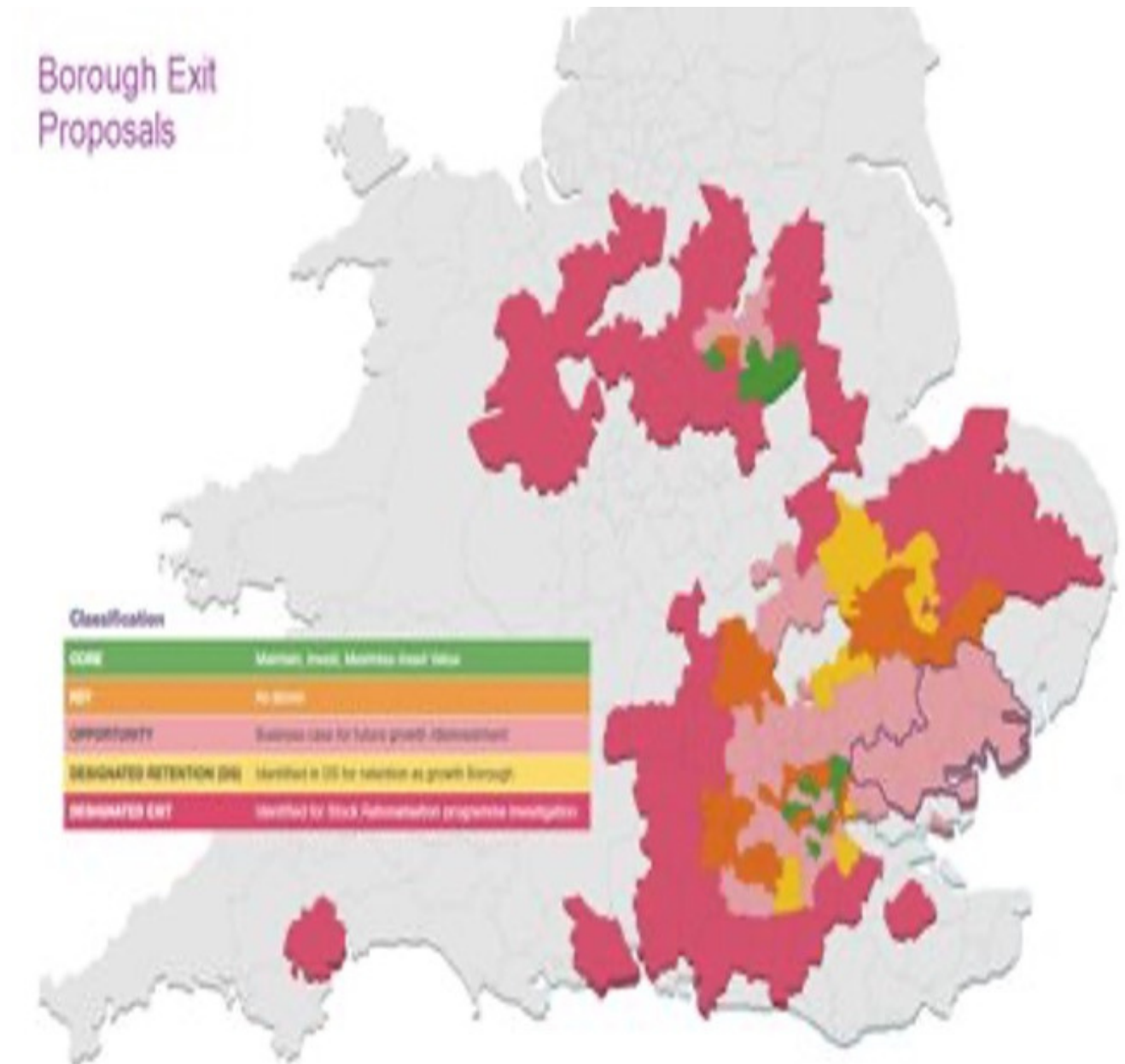
Guy Burnett, Executive Director of
Development

Development Strategy

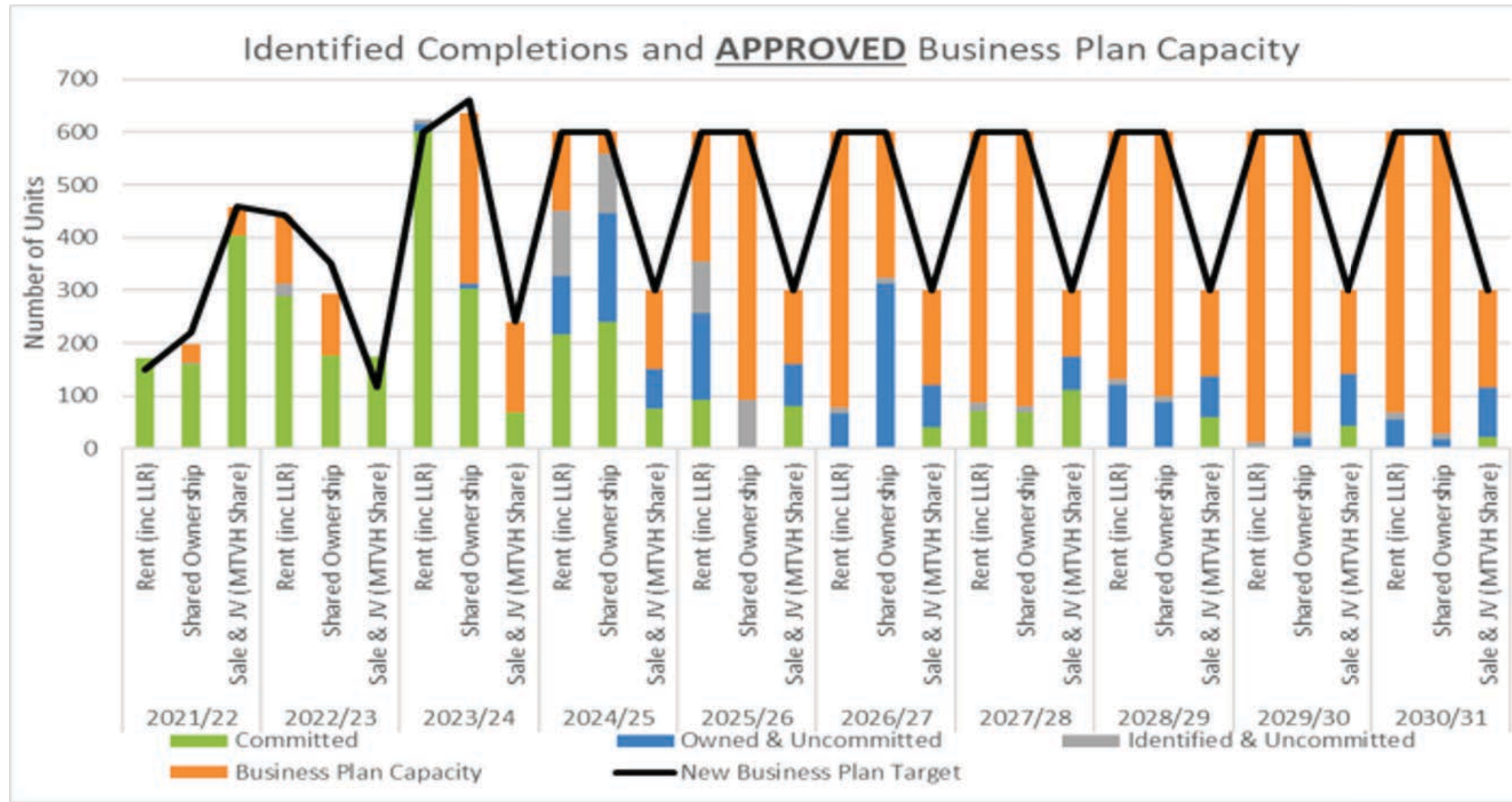
- **Business plan:** 11,716 homes to be developed over 10 years (80% affordable)
- **Tenure split:** 40% rent/40% shared ownership/20% sale
- **Geography:** 50% in London/25% Southeast/25% Midlands & Cambridge
- **Priority investment areas:** Aylesbury, Brent, Lambeth, Rushcliffe & South Cambridge
- **Procurement:** 35% land acquisition/15% regeneration/25% Section 106/25% joint venture
- **Measures of success:** Financial performance, Customer Satisfaction, Partners Feedback & Affordability for those we house

SAM Plan

- Aim is to prioritise the geographic footprint of MTVH stock in key, core and opportunity / growth areas; exiting from distant areas.
- SAM Plan also provides the overarching framework of assessing and optimising asset performance and disposing of assets that do not provide long term ROI to the business.
- Stock Rationalisation and Disposal programme represents c.1,400 disposals over 10 years.
- In FY 23 MTVH completed the sale of Lincoln City (116) stock to Ongo Housing and Grantham (34) stock to Nottingham Community Housing Association.



Completions profile



Clapham Park

- Clapham Park is one of London's largest residential led regeneration projects; over 4,000 (50% affordable) new and refurbished homes, new community spaces, green areas, district heat network and sustainability transport infrastructure.
- To date over 750 homes refurbished, and 800 new homes built; a further 2,600 to be delivered over the next 13 years – all benefiting from detailed planning permission.
- MTVH have selected Countryside Partnerships, the leading mixed tenure and regeneration specialist as Joint Venture partner to deliver all remaining phases at Clapham Park.
- Phase 1 works have commenced on site, this will deliver 520 new homes, 282 of which are for existing MTVH tenants.
- Phase drawdowns are subject to conditions e.g. MTVH approval of business plan, viability margin hurdle, vacant possession.
- MTVH benefit from largely fixed land premium from the JVLLP, subject to deferred interest. Land premium fully covers MTVH current holding costs with additional profit generation.
- Land premium payment timing is partially fixed and partially linked to market sales.

Regeneration Scheme – Clapham Park



Regeneration Scheme – Clapham Park



Westthorpe Gardens

- London's first successful resident regeneration ballot under the Mayors Policy (adopted July 2018).
- 1960s residential estate consisting of 103 rented homes past their economic life. MTVH as leaseholder consolidated ownership through acquisition of the freehold from Barnet Council to redevelop the estate.
- Detailed planning permission secured in 2019 to redevelop for 251 new homes for rent, shared ownership and retirement living (rent and sale). A hybrid district heating network, consisting of air source heat pumps, combined heat & power boiler and solar panels will be installed.
- Hill Group appointed contractor; Phase 1 (79 homes) works commenced on site in December 2020; Phase 2 will commence in May 2023 (172 homes).
- All existing residents have been offered / allocated a new homes within the development.
- Drone footage



Hendon Riverside – Joint Venture with Barratt Plc



Quality Assurance

Fire Safety Standards

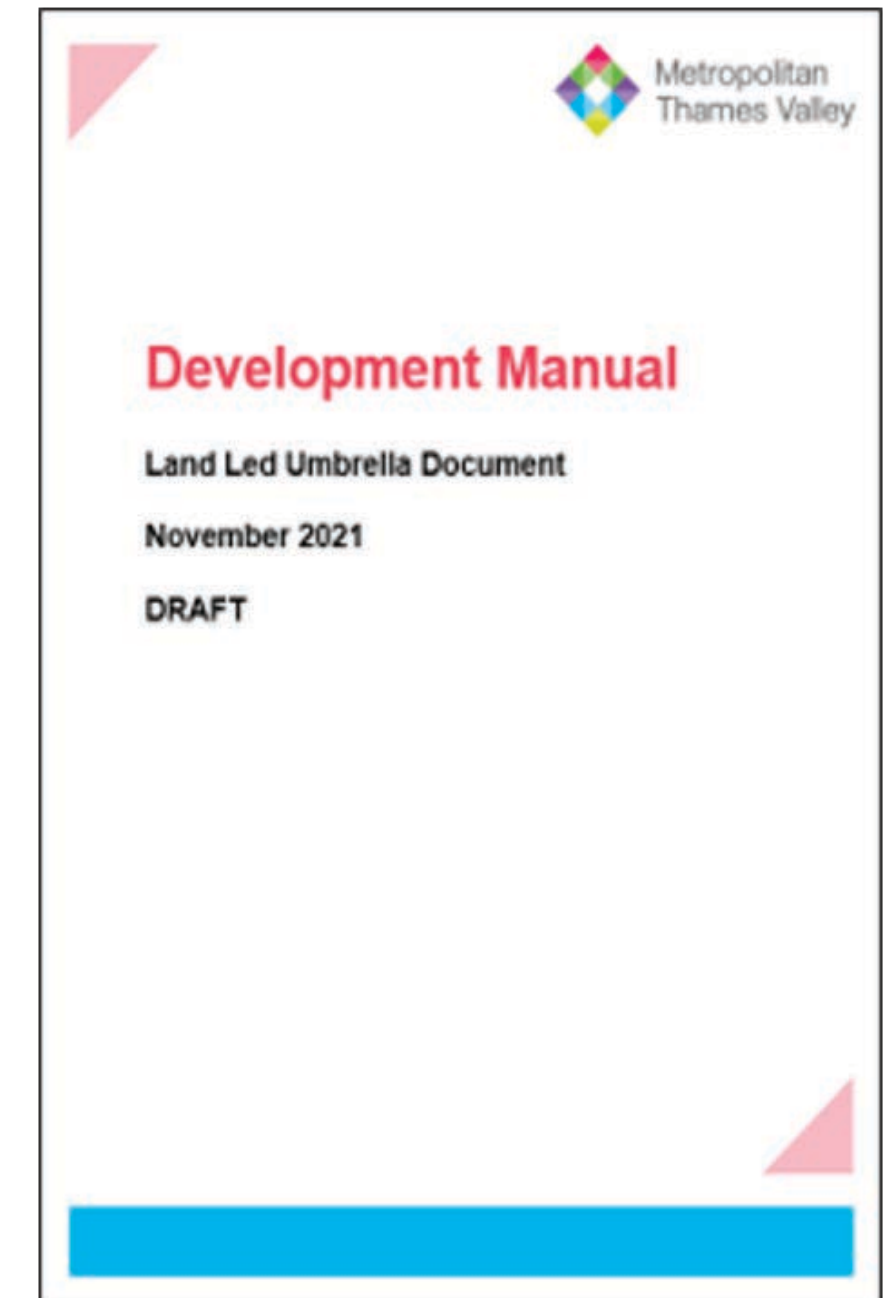
- The document sets out the organisations fire standards for all construction projects. It goes over and above the current requirements of Building Regulations Approved Document B (fire safety) by appointing third party fire consultants to all projects and only specifying non-combustible materials to all external wall structures

BIM Policy

- We recognise the value of collecting data to assist with the performance and management of assets. Therefore, all construction projects containing blocks comply with Level 2 BIM.

Processes & Procedures

- We are updating our processes and procedures to ensure construction projects comply with the forthcoming Building Safety Bill.



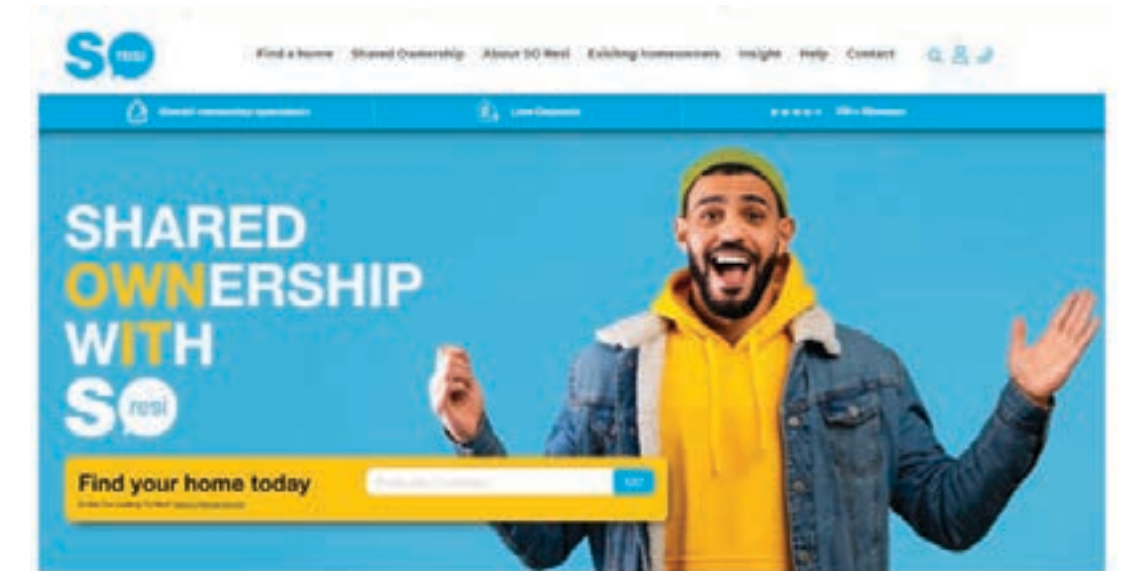
Sustained sales performance

Since the merger, we...

- sold 1863 new homes and housed a further 1,000 customers through shared ownership resales.
- generated £338.5m of new build sales income across 46 local authority areas.
- launched SO Partnerships sales agency with £2m of fees generated in year 1 with a pipeline of £2m already for next year.

This year

	Budget	YTD	Traffic Light
NB Sales income	£63.5m	£51.4m	●
NB Sales Surplus	£7.3m	£7.7m	●
After Sales Income	£57.3m	£67.3m	●
After Sales Surplus	£19.8m	£25.2m	●



Continued demand for Shared Ownership Housing

- MTVH are one of England's largest shared ownership providers, with over 8.5k homes under management housing over 1000 people year through new and resale homes.
- Sites across all regions and property types continue to demonstrate sales rates of at least 5 sales a month
- The average age of a SO Resi buyer was 31 vs UK FTB average age of 33
- Average full market value of home sold by SO Resi - £360K
- Average share purchased - 30%.



SO Resi is rated
Excellent

Based on 632 reviews



★ Trustpilot

SO Resi

Premier House, 52 London Rd, Twickenham

4.6 ★★★★★ 179 reviews

People often mention

All

property 54

team 51

questions 48

sales 42

+6

Brunel Street Works - Joint Venture with Vistry Partnerships



Safer Buildings – Risk Prioritisation

Visual survey data collection in line with MHCLG requirements.

Engaged with Fire Safety Expert to develop criteria and review process.

Prioritisation criteria included:

- Height
- Cladding types & areas
- Balconies/walkways
- Contiguous nature of cladding
- Year built
- Occupancy

90 intrusive surveys completed to highest risk blocks.

Freeholder by height range		
Freeholder	18m+	11-18m
MTVH	26	233
MTVH - Virtual FH	4	0
3rd Party	42	59
BMLLP	11	3
Totals	83	295

Safer Buildings – Progress to Date

- Department established in April 2020
- 90 Intrusive surveys completed to highest risk blocks
- Robust resident engagement;
- Single point of contact for all blocks & regular Zoom updates
- Website pages, leaflets and Q&A
- Quick responses and complaints well managed
- Engagement with external stakeholders
- Main RP influencer of next iteration of Simultaneous Evacuation Guidance
- Applied for Building Safety Fund
- Collaborative engagement with developers for blocks within 12-year warranty period.
- Programme of remediation works



Property

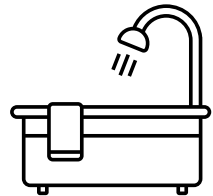
Jules Bickers, Director of Property -
Experience

Investment

£40m capital investment 2021/22



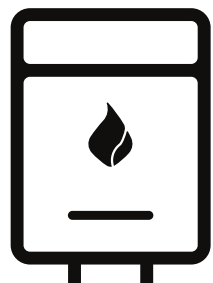
1640 new kitchens



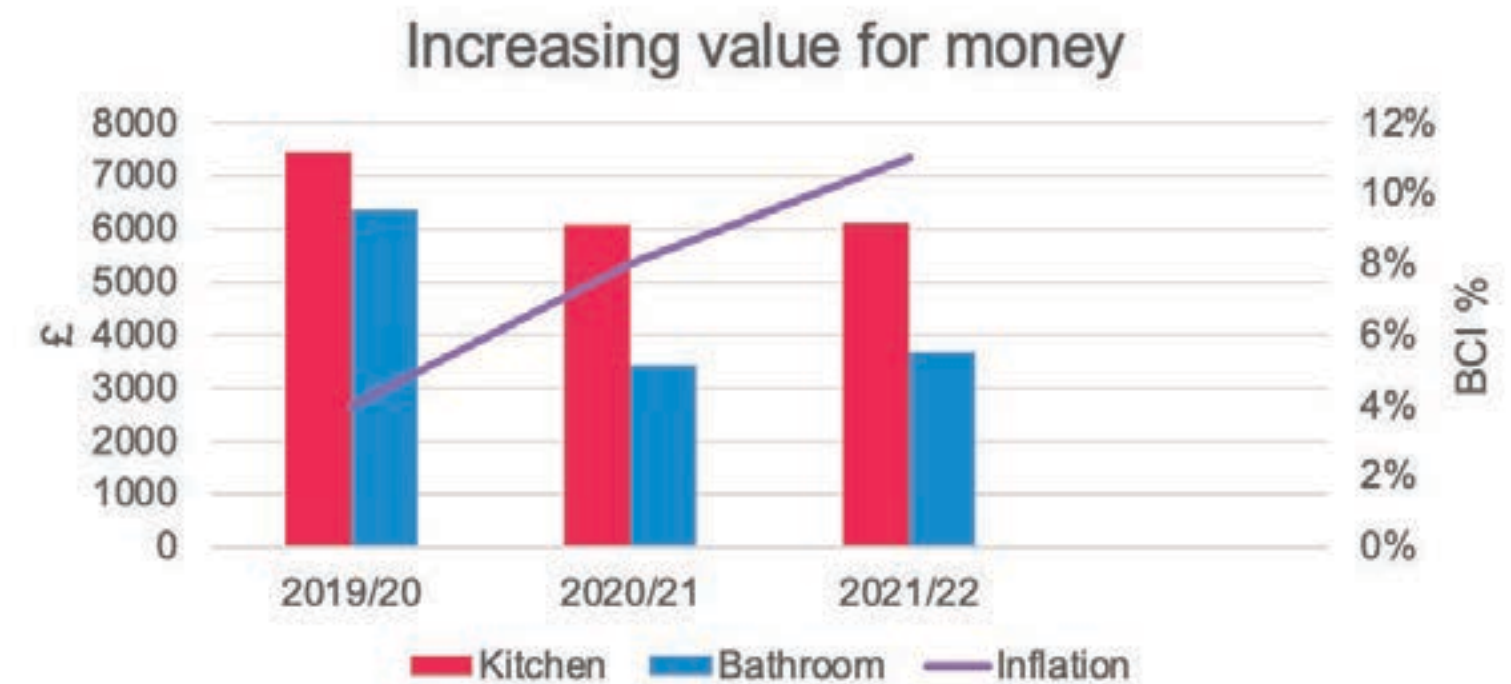
2045 new bathrooms



171 new roofs



609 new boilers



Safety Compliance

Fire Risk Assessment Actions

- 100% compliance with urgent actions
- 14,611 new actions raised in year
- 4073 FRA Actions open at Apr 21
- 2946 FRA Actions open Feb 22

True Compliance

- OCR data storage
- Contractor interface
- 100% validation
- External verification
- Assurance focus



3,247
Fire Risk Assessments

100%
compliant



29,286
Gas safety services

99.8%
compliant



4,332
Asbestos inspections

99.7%
compliant



919
Water Risk Assessments

96.6%
compliant



744
Lift LOLER certificates

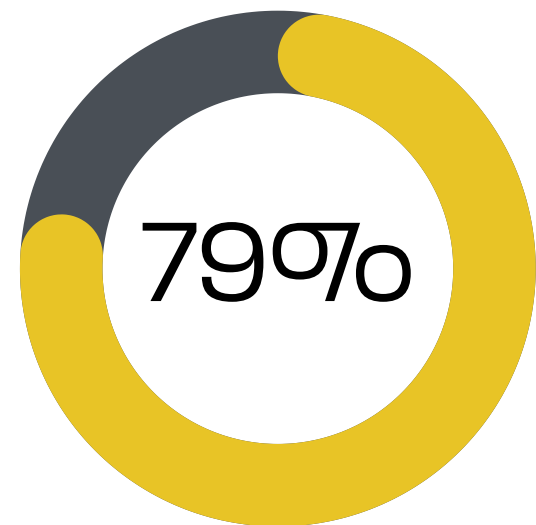
99.9%
compliant



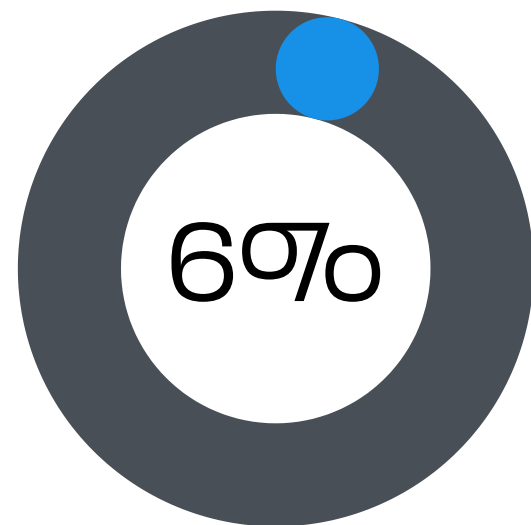
37,930
EICR tests

98.7%
compliant

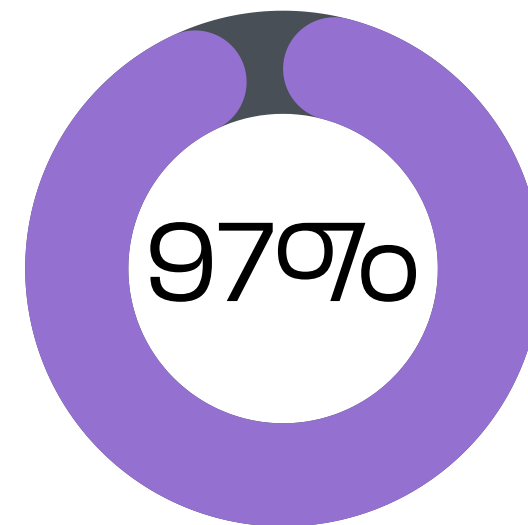
Repairs Delivery



Resident
satisfaction



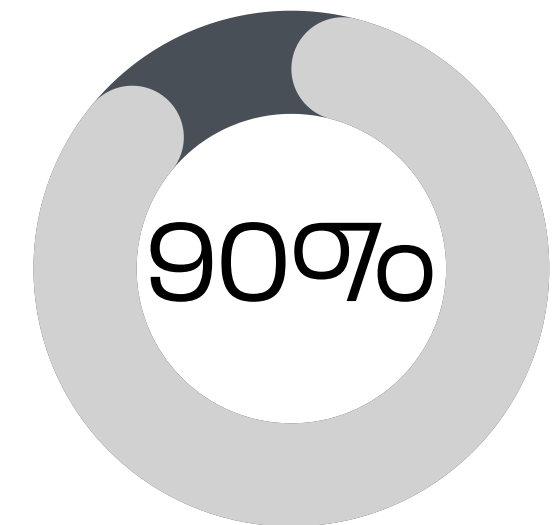
Overdue WIP



Jobs completed
on time



Emergencies
attended on
time



First time fix

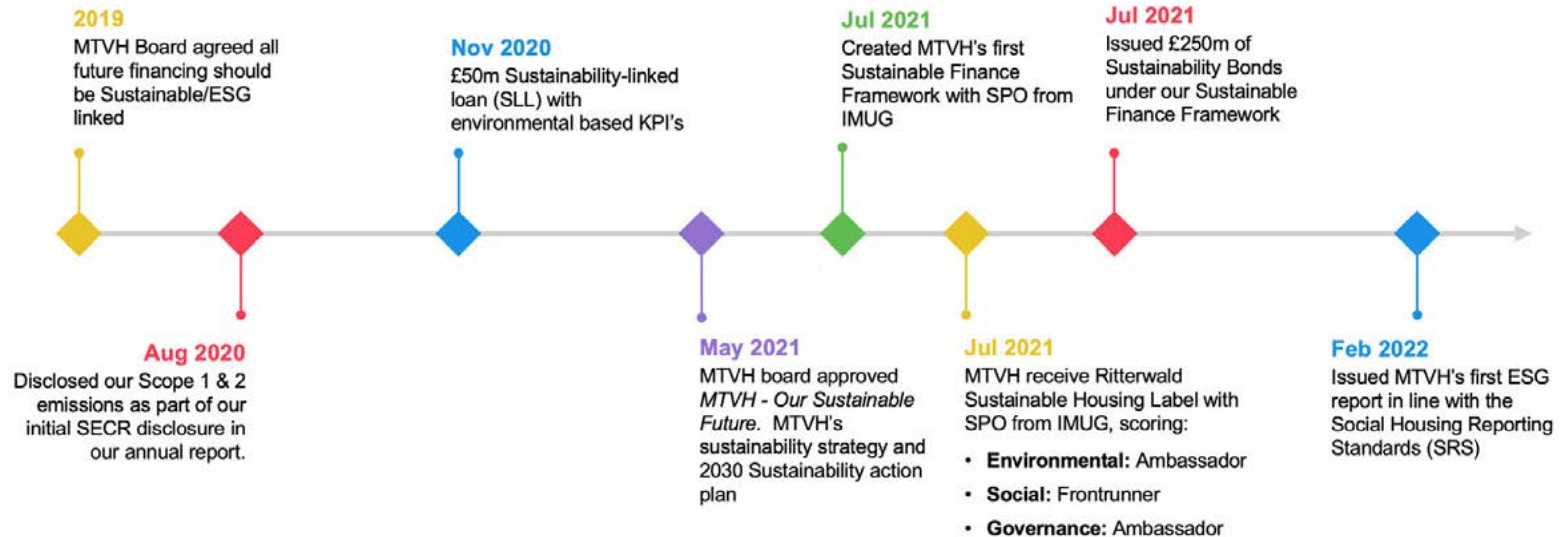


Sustainability & ESG

James Shallis, Head of Sustainability



Sustainability & ESG at MTVH



Sustainability Strategy

- Approved by MTVH board in May 2021
- Comprehensive strategy that addressing a broad range of MTVH activities
- Aligned to United Nations Sustainable Development Goals (UN SDG's)

Headline commitments:

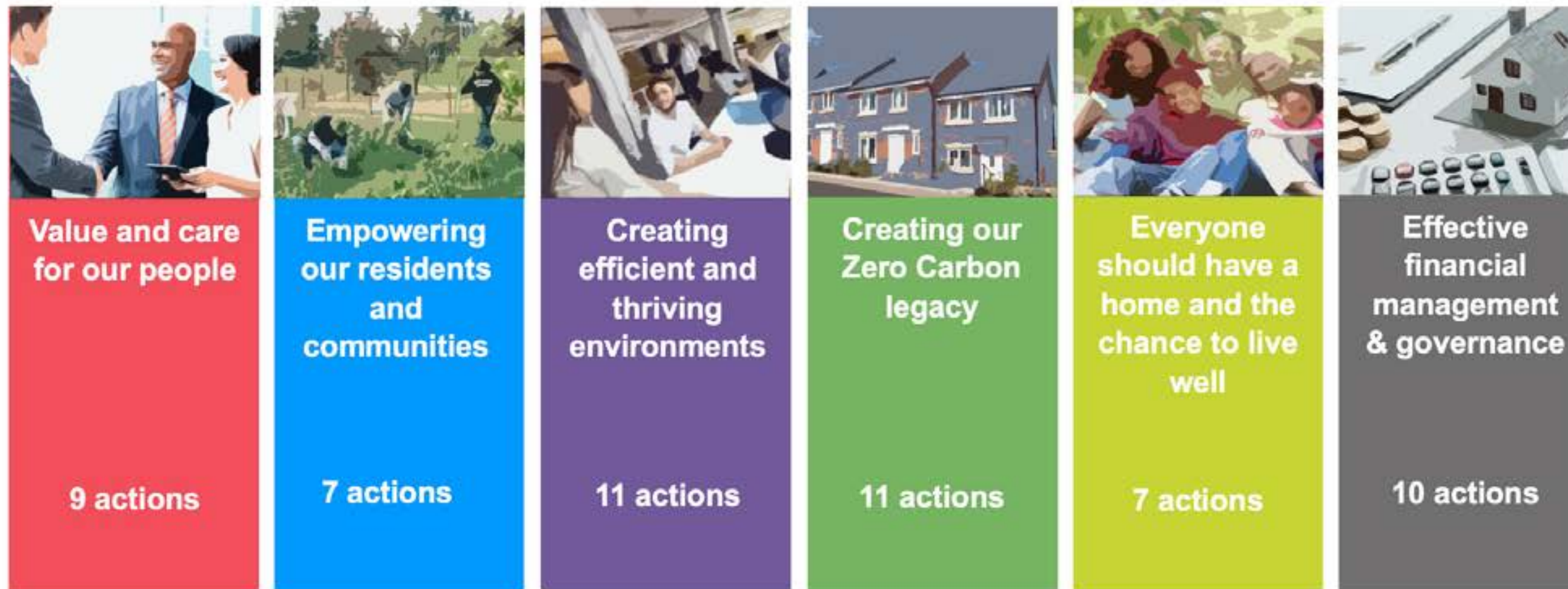
- Work towards net-zero by 2050
- Strive to improve the quality of life for our residents
- Continue to be a financially strong organisation
- Continue to support, protect and develop our colleagues



Sustainability Strategy

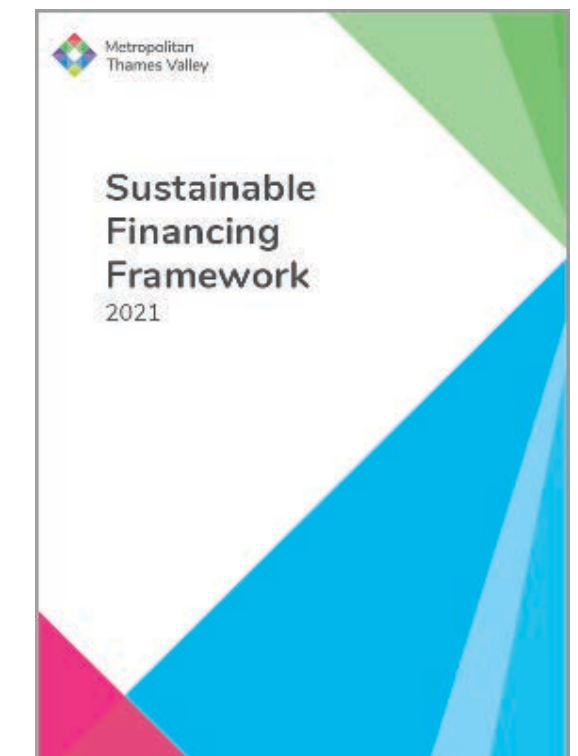


2030 Sustainability Action Plan



ESG & Sustainable Finance

- **MTVH £2bn EMTN programme**
 - To be spent on affordable housing, affordable infrastructure and services, green buildings, energy efficiency and clean transportation.
- **Annual Reporting Suite**
 - Ritterwald Sustainable Housing Accreditation refresh.
 - Sustainable Reporting Standards ESG report
 - MTVH Sustainability report
 - Use of Proceeds report
- **All future funding to be sustainable/ESG linked**
 - Use ESG report/Sustainability Update Reports/SECR to set real metrics and KPI's
- **Sustainable Investment decisions**
 - Cash deposits (inc. sinking funds) – supporting green & sustainable projects
 - Pensions – supporting green & sustainable projects



What next for Sustainability & ESG at MTVH

- **Sustainability Strategy**
 - Ongoing drive towards a more sustainable MTVH and Net-Zero by 2050.
- **Reporting Suite**
 - Issuing the annual reports and demonstrating improvement sustainability performance at MTVH
 - Improve our Ritterwald certification to Frontrunner across all three criteria groups.





Decarbonisation

Jules Bickers, Director of Property - Experience

Decarbonisation Strategy

- Fabric First
- Decarbonise Heating
- Make it a just transition



UK Net-Zero Targets



61%

EPC C or better

25.2%

EPC D or worse

38,000

homes generate
153,000 t/CO₂/year

£5000

to move from
EPC D to EPC C

5,300

homes to EPC C to
meet 2026 target

14%

where we don't have
EPC certificate

3tCO₂/year

= EPC C

Over 4m

energy data points on
our portfolio

Retrofit Data

- Software used by many of the G15, local authorities and HAs across the UK.
- 71 data points on each property modelling impact of retrofit changes, heat demand kWh/m²/year, energy costs, fuel bills etc.,
- Models the impact of any given change to a property from loft insulation to ASHP to whole house retrofit
- This is a model – costs data is being updated and refined
- Notice the order of magnitude change between EPC C costs and EPC B costs



EPC	Homes	Cost of getting to EPC C	Cost of getting to EPC B
C	29457	0	£133.2m
D	8393	£18.5m	£58.1m
E	1092	£4.2m	£10.3m
F	339	£1.6m	£3.4m
G	14	£0.1m	£0.2m
Total	39295	£24.4m	£205m

Grant funding opportunity

- Funding follows strategy
- £10m external funding 21-23
- 4,000 homes upgraded to EPC C
- £500k saved in tenant fuel bills
- 4700 annual tonnes of carbon saved

	 ECO3	Social Housing Decarbonisation Fund Lambeth Partnership	Social Housing Decarbonisation Fund Midlands Partnership
£	£3.9m	£2.7m	£3.0m
🏠	3,134	715	504
📄	£351,000	£150,000	£ 76,000
CO ₂	1719	1833	1279

£800m
SHDF Wave II
May 2022 –
Mar 2025

£1bn
ECO 4
April 2022 -
March 2026

£6m
LEA
2022-23



The Social Housing difference

Ann Gibbons, Executive Director of Customer Services

Ukraine Crisis Response

Our residents

- Public statement, social media and guidance for all tenure types.
- Easy way to contact us.
- Sharing and coordinating across the G15

Our colleagues

- Two days volunteering leave for MTVH colleagues sponsoring refugees, helping local groups or visiting homes.
- Fundraising campaign.
- Invested in an operational lead for Migration

Our homes

- £20,000 donated to organisations supporting Ukrainian community in the UK.
- Preparing to register as an Organisation Sponsor using property outside of local authority lettings policies.

MTVH

Migration Foundation



We are proud to have migration in our DNA. From our Windrush origins, through to our combined response to the Ukraine Refugee Crisis.

We help make migration work for migrants and the communities they live in.



The Social Housing difference

Sustainable tenure from the start

- Affordable rent and minimal eviction.
- Payment plans, proactive support and safe transition to Universal Credit.
- Supported tenancies and transitions for those with additional needs.
- Adapting to a changing world.

Coordination of tenancy support

- Expanded the MTVH Covid-19 support hub to a permanent Assessment and Support Team
- Triage
- Safeguarding and coordination of care throughout.
- Underpinned by regulated debt and money advice.

Targeted community investment

- Targeted ESF Employment Support Programmes in London and Nottingham.
- Place-based plans for the most populous and most struggling MTVH communities.
- Partnerships with residents and local authorities on grant funding and complex issues like serious violence affecting young people.

**63 Care & Support
Services**

**3,147 residents who
have received
intensive support**

**Strategic
community
centre review**

**Proactive
response to food
and fuel poverty**

**94% outstanding
or Good as rated
by CQC**

**£1.7m of financial
gains to residents
and arrears below
5.5%**

**£200k of further
investment to
enhance Hubs in
key locations**

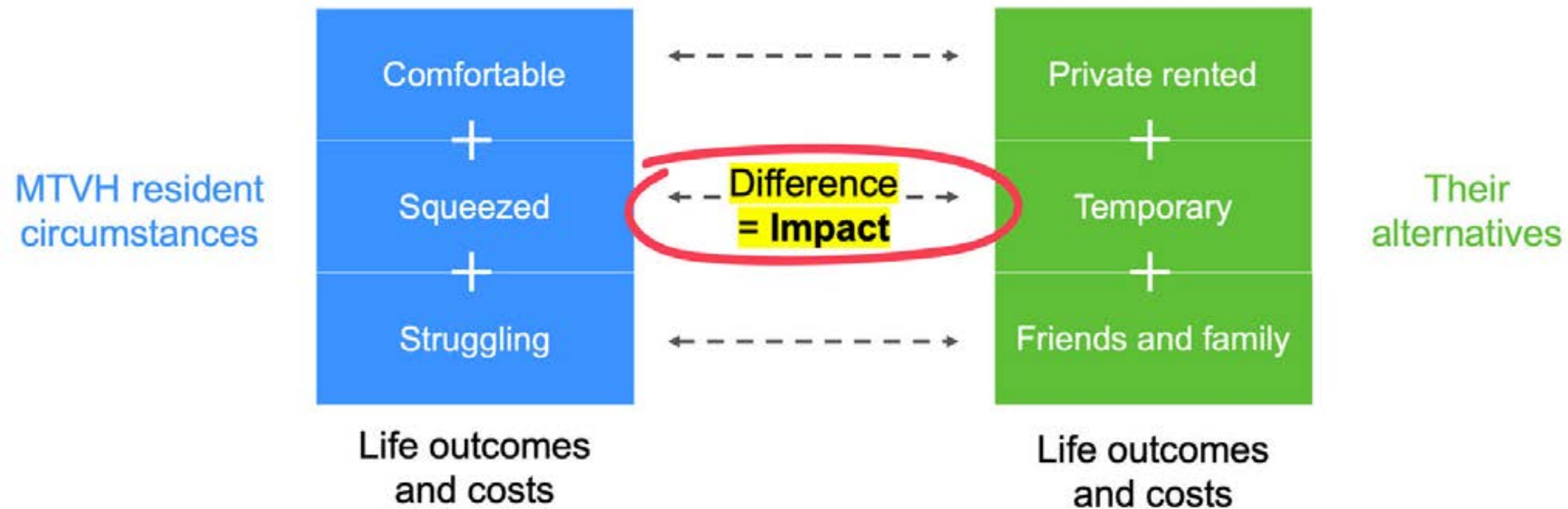
**Over £150k of community
grants drawn in for
residents and 690
residents supported with
Christmas hampers**



Our Social Impact

Dominic Briant, Head of Funding and Research
Lead for the MTVH Migration Foundation

What's the story of social housing in MTVH?

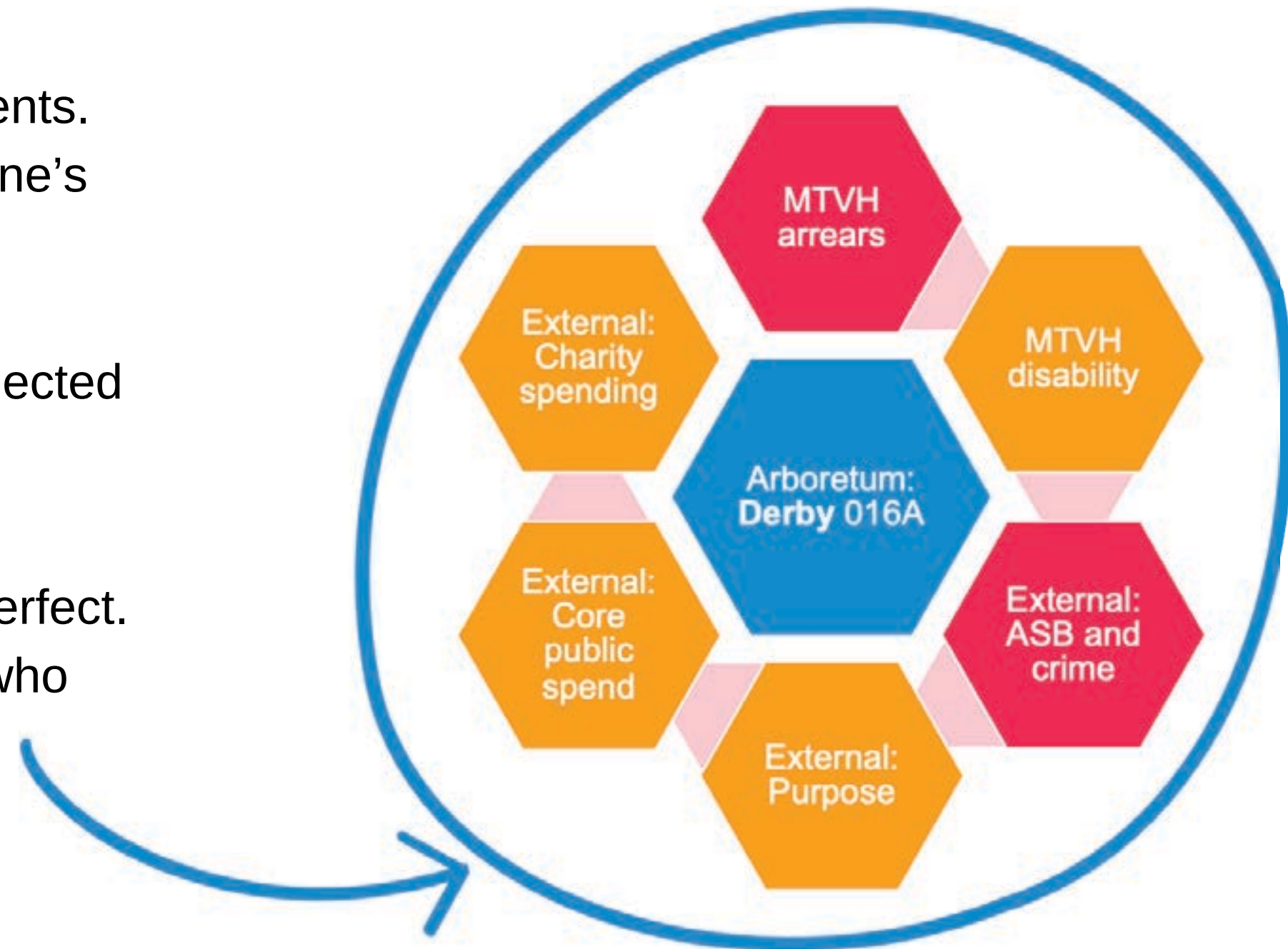


Segmentation: Roughly right over precisely wrong

Option 1: Paid for market research on residents. 10,000 people surveyed and used as everyone's answers. **Precisely wrong.**

Option 2: Our own data. Limited and not collected for the reasons of segmenting.

Option 3: Build a new blended model. Not perfect. **Roughly right** and makes sense to people who live in our homes.

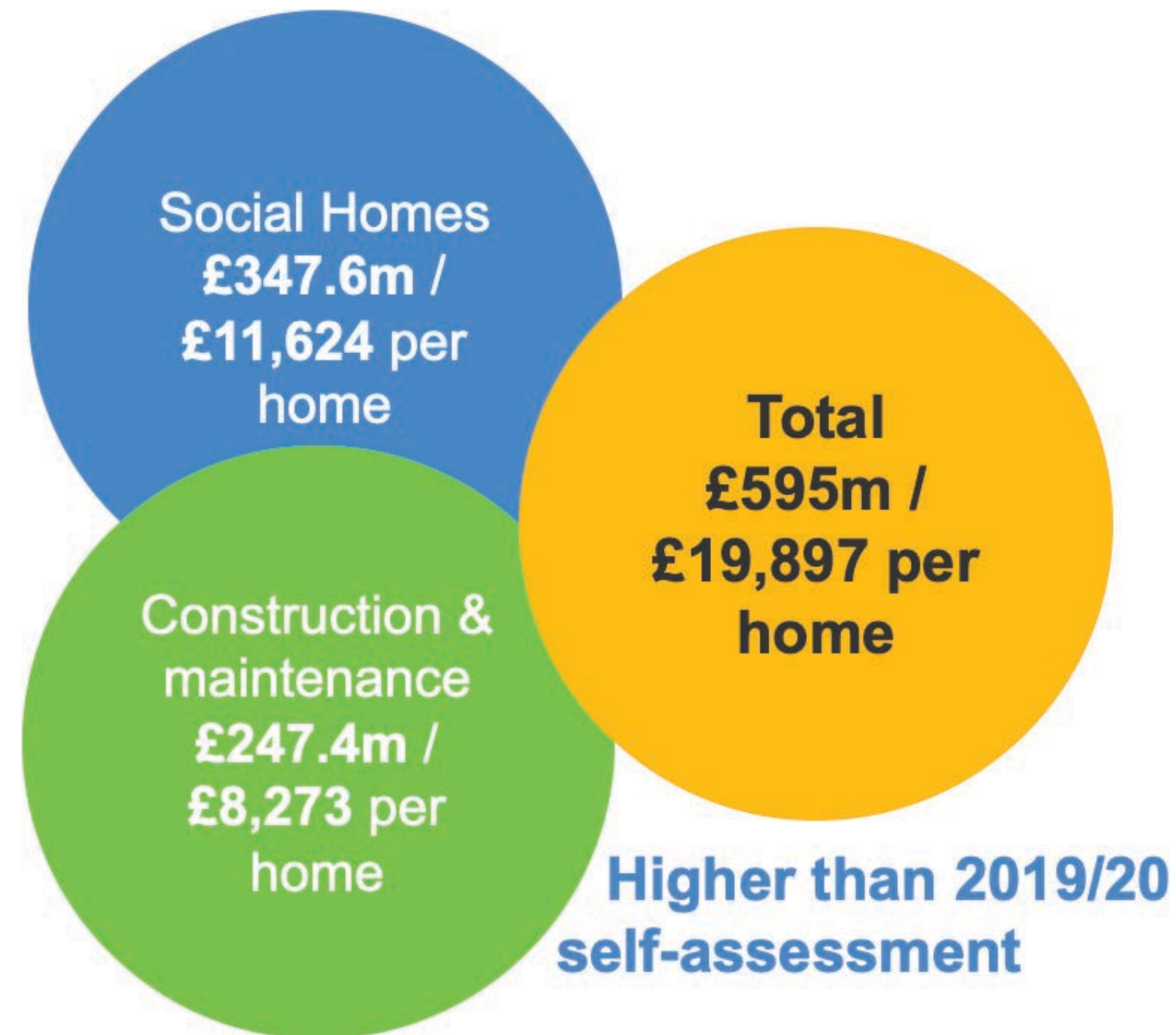




£347.6m potential savings from providing social homes



Full results and insights 2020/21



- Residents starting a social tenancy in 2020/21 were in poorer circumstances. Premium on the value of a secure social tenancy.
- Large disparity between circumstances in the East Midlands (most struggling and most comfortable).
- Opportunity to go much further by including Powercurve™ data. From lagging to leading indicators of resident financial crisis.
- Opportunity go further on purpose by including datasets on community assets from Young Foundation.

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