

Results for the year ended 31 March 2021

19 August 2021

Presentation also available at
<https://www.livewest.co.uk/about-us/for-investors>

LiveWest
A home for everyone

Disclaimer

This update includes certain statements, estimates and projections prepared and provided by the management of LiveWest or LiveWest Treasury plc with respect to the anticipated future performance of either LiveWest Treasury plc (the "Issuer") and/ or LiveWest (together, the "Relevant LiveWest Entities"). Actual results may vary from the projected results contained herein and financial results quoted are unaudited. This update is believed to be in all material respects accurate, although it has not been independently verified by the Relevant LiveWest Entities and does not purport to be all-inclusive. This update and its contents are intended for use by the recipient for information purposes only and may not be reproduced in any form or further distributed to any other person or published, in whole or in part, for any purpose. Neither the Relevant LiveWest Entities nor any of their representative directors, board members, officers, managers, agents, employees or advisers makes any representations or warranty (express or implied) or accepts any responsibility as to or in relation to the accuracy or completeness of the information in this update (and no one is authorised to do so on behalf of any of them) and (save in the case of fraud) any liability in respect of such information or any inaccuracy therein or omission therefrom is hereby expressly disclaimed.

None of the Relevant LiveWest Entities, nor any other person connected to them shall be liable (whether in negligence or otherwise) for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission contained in this update or any other information and any such liability is expressly disclaimed.

This update is neither recommendation nor advice. This is not an offer or solicitation to buy or sell any securities.

Sourcing – unless otherwise stated: LiveWest Financial Statements 2021, LiveWest Trading Statement March 2021, LiveWest Trading Statement September 2020



Melvyn Garrett, Deputy Chief Executive and Executive Director of Finance

- Joined LiveWest in 2013 (then Devon and Cornwall Housing (DCH))
- Previously Europe, Middle East and Africa Finance and Operations Director at Motorola Mobility
- Previously held finance, strategy and chief executive positions in the transport, electronics and distribution sectors; with eight years spent in the USA



Andrew Hart, Director of Corporate Finance

- Joined LiveWest in 2014 (then Devon and Cornwall Housing (DCH))
- 25 years' finance experience including 10 years in corporate finance consultancy
- Previously Managing Director at a consultancy specialising in housing sector treasury risk management

Agenda

- Key Highlights
- Operations Update
- Development Performance
- Financial Performance
- Conclusion

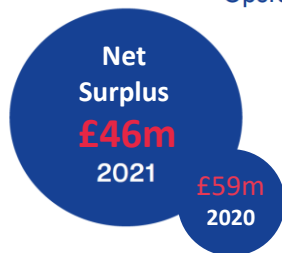
Key Highlights



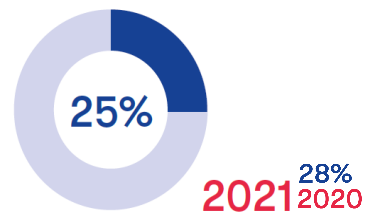
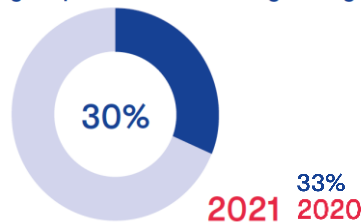
We remain committed to delivering new affordable housing during what is a challenging period of economic uncertainty.

Introduction: Key Highlights

Turnover

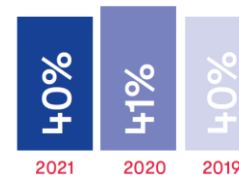


Operating surplus - social housing lettings Operating surplus (excluding property disposals)



Treasury

Gearing



Underlying EBITDA – MRI



A2

Moody's rating is one of the highest in our sector

Homes



Our colleagues



Our customers and communities



Operations Update

Our new environmental strategy will help to improve the energy efficiency of our homes.



A Geographically Focused Portfolio

New homes developed in 2020/21

General needs - social	211
General needs - affordable	264
Shared ownership	226
Total affordable homes	701

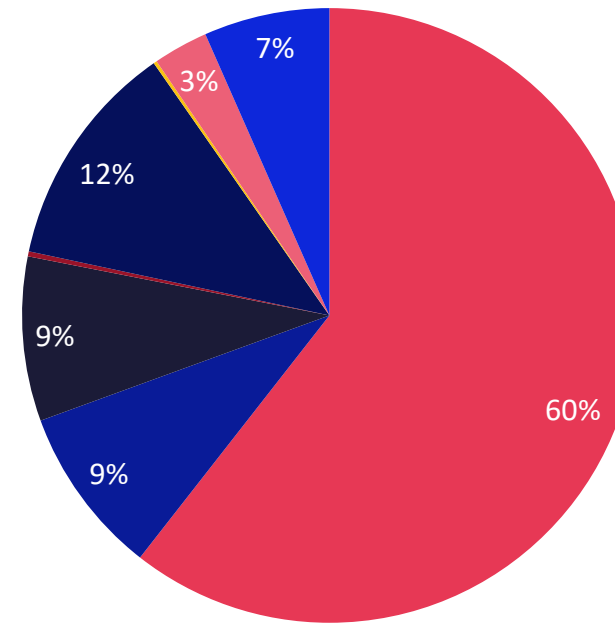
LiveWest housing stock

2019	36,222
2020	37,384
2021	37,820

Local authority

Local authority	Affordable housing completions 2020/2021	Affordable housing under development at 31/03/2021	Homes owned and managed
Bath and North East Somerset	8	5	1,009
Bristol	35	196	2,581
Cornwall	170	361	9,947
East Devon	104	168	1,968
Exeter	-	283	980
Mendtp	-	26	1,078
Mid Devon	18	51	411
North Devon	20	31	1,048
North Somerset	14	49	1,613
Plymouth	36	69	3,133
Sedgemoor	8	27	1,113
Somerset West and Taunton	26	451	1,936
South Gloucestershire	110	130	1,660
South Hams	73	121	3,921
South Somerset	11	117	813
Teignbridge	47	278	868
Torbay	4	10	568
Torrldge	-	-	798
West Devon	17	121	1,900
West Dorset	-	10	58
Other	-	-	417
Total	701	2,504	37,820

Total Stock – 93% affordable tenures



- General Needs (Social Rent)
- Affordable Rent
- Supported Housing
- Housing for Older People (<1%)
- Low Cost Home Ownership
- Care Homes (<1%)
- Other Social
- Private Rented/Leasehold

- LiveWest rents below 70% of Private Rented Sector across all local authorities in our operating area indicating long term demand for stock
- All rents are below LHA (30th centile)

Early adopter of the Sustainability Reporting Standard – first report in October 2021

Environmental Initiatives undertaken in the year:

- taking a fabric first approach with renewable technology on all of our land led schemes
- all new own build scheme homes to be in the range of high EPC B to high EPC A
- energy ratings to reach a minimum EPC C energy rating on all of our homes by 2028
- procure and maintain a green energy supply in all of our offices
- planting two trees for every one removed
- reduce our business mileage by 15% of 'pre-covid' volumes
- developing a Fleet Strategy to reduce the carbon impact of our 360 vans
- an electric and ultra-low emission employee car benefit scheme
- Introduction of hybrid working for our colleagues to reduce mileage and promote a healthy work/life balance



Average energy efficiency rating of our homes



Tonnes CO₂ on green electricity tariff for our offices and communal areas

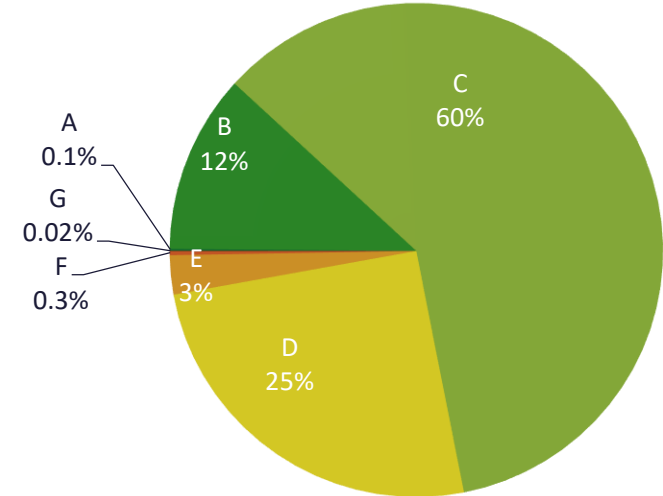


Tonnes CO₂ stored within our tree portfolio

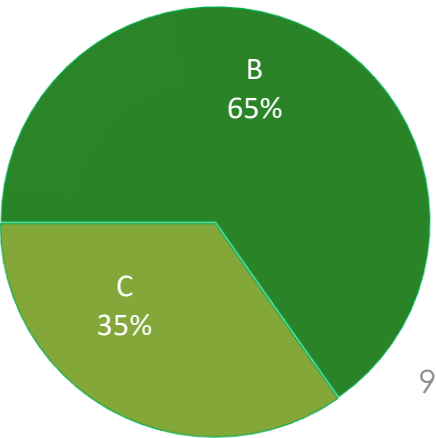


Electric and ultra-low emission scheme for staff implemented

EPC Rating Total Stock



EPC Rating of New Rented Units Delivered in FY20/21



Case Study: Ringswell Avenue Exeter

- Start on Site November 2020
- 60 Unit scheme (35 Rented, 25 Shared Ownership)
- All Homes will be fitted with solar photovoltaic panels to generate their own electricity
- Electric car charging ports
- Public cycle parking, with spaces available for use by a car club.

Social Initiatives:

- Aim to create long-term sustainable communities where people want to live and where there are opportunities to thrive and become resilient to increasing local and global impacts
- Ensuring affordability, security and safety through substantial discounts to market rates, all rented tenancies are long term with the majority on lifetime tenancies and a comprehensive above compliance approach to safety
- Early adopters of the National Housing Federation “Together with Tenants” charter
- Signed the Time to Change Employer Pledge which supports those facing mental health issues
- InFocus customer scrutiny group has membership across our housing geography to ensure our customers views are heard and acted upon
- Customer portal established providing 24/7 self-service functionality and partnering with Sign Video, ensuring customers can engage with us using sign language

Key Social Achievements:



Governance:

- Highest possible Governance and Viability rating (G1 / V1) - reaffirmed by the regulator in January 2021
- Board and Executive team comprise experienced members with a balance of skills and recognise importance of effective succession planning
- Gender Ratio of the Male: Female in the Board is 73:27
- Adopted and comply with the National Housing Federation’s 2020 Code of Governance
- 89% Overall Customer Satisfaction and we continue to strive to improve in all aspects of our offering to our customers

BUILDING SAFETY

- Customer Safety is our top priority, ensuring that our customers are safe in their homes through appropriate servicing of components and risk assessments
- No buildings with ACMs (Aluminium Composite Materials)
- 8 blocks over six storeys one of which is nine storeys
- Dedicated building safety team recruited to ensure we meet the requirements of the Fire Safety Act and Building Safety Bill
- We have used criteria (such as the number of storeys, quantity of cladding, the nature of the residents, the presence of a fire detection system) to prioritise remedial action
- New developments include consultation with fire specialists at an early stage of our design process

	March 2021	March 2020	March 2019
Valid Gas Safety Certificates	99.98%	100%	99.98%
Fire Risk Assessments Complete	100%	99.45%	99.93%
% of homes meet the Decent Homes Standard	99.99%	99.91%	100%

RENT COLLECTION

- Historically low void rent loss levels
- Rent arrears returning to pre Covid-19 levels
- Increasing numbers of tenants claiming Universal credit
 - Our Tenancy sustainment team have helped our customers claim an additional £1.9m in income which has helped them pay their rent and household bills

	March 2021	Sept 2020	March 2020	March 2019
Rent arrears	2.02%	2.54%	1.93%	1.83%
Void rent loss (general needs)	0.47%	0.53%	0.64%	0.51%
Average days to re-let	24.8		29.6	22.8
No. of tenants in receipt of Universal Credit (% rented tenants)	9,474 (31%)		6,960 (23%)	4,010 (14%)

Development Performance

As a provider of almost 38,000 homes across the South West, we continue to grow and develop services for our customers. We believe in a home for everyone.

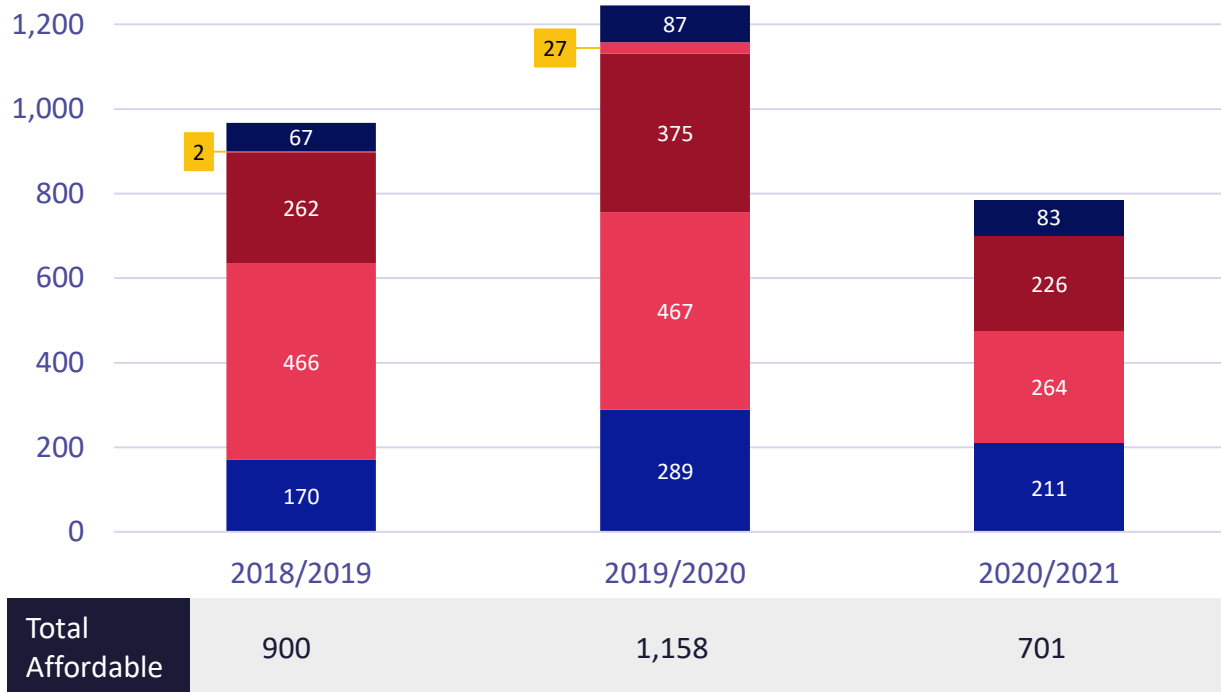


Development: Delivery & Sales

March 2021 performance

- 701 affordable homes completed, higher than initial target of 600 set at the outbreak of the pandemic
- £100m invested in delivery of our affordable housing programme
- Strong sales margins and low stock levels
- Sales as % of Turnover – 21% well within Internal Financial Framework limit of 30%

Units Developed



■ Social Rented ■ Affordable Rented ■ Shared Ownership ■ Supported ■ Non Social

Sales Performance	2021			2020
	Shared Ownership	Open Market	Total	Total
Sales (£000s)	23,649	26,816	50,465	60,749
Units Sold	256	79	335	451
Sales as % of Turnover	10%	11%	21%	24%
Stock	100	8	108	133
of which, unreserved	32	4	36	74
of which, unreserved > 3 mths	3	2	5	16
Gross Profit (£000)	5,479	5,451	10,930	13,859
Gross Profit Margin	23%	20%	22%	23%
Profit (£000)	3,746	3,933	7,679	10,484
Profit Margin	16%	15%*	15%	17%

*Profit on Open Market Sales is before an accrual for additional work required on an historical scheme. The Margin falls to 9% with this included.

- Target of 6,955 new homes for development in the next 5 years (60% rented, 30% shared ownership, 10% open market)
- Contracted pipeline of 2,504 affordable and 1,027 open market homes

Financial Performance



When Carly found herself facing financial pressures, the last thing she thought she'd be doing was going to university. But now she's planning to start a career in law.

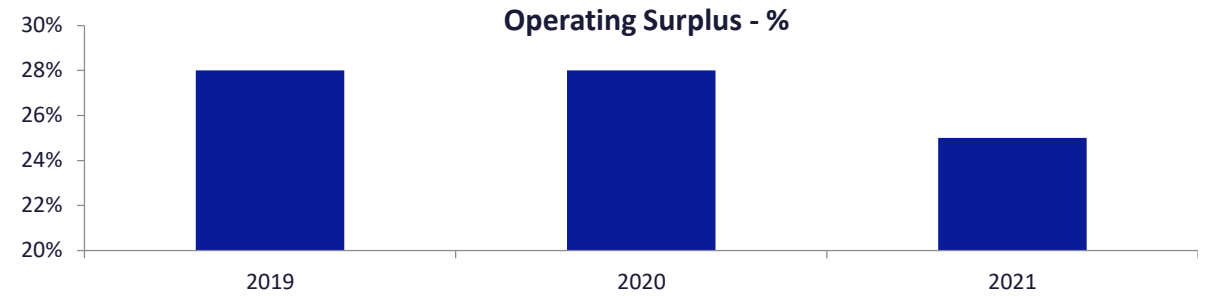
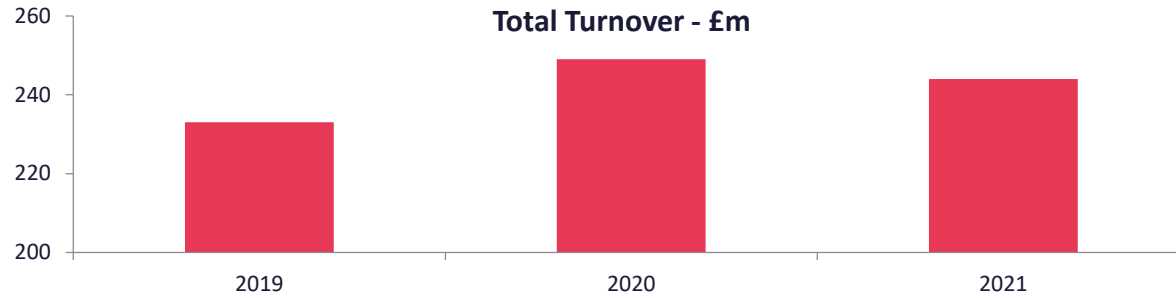
Carly, 20, said: "In the first year, after a very rocky start where I almost gave up, I managed to find my feet and finished the year with some positive results.

"[LiveWest's] funding was an absolute lifeline for me."

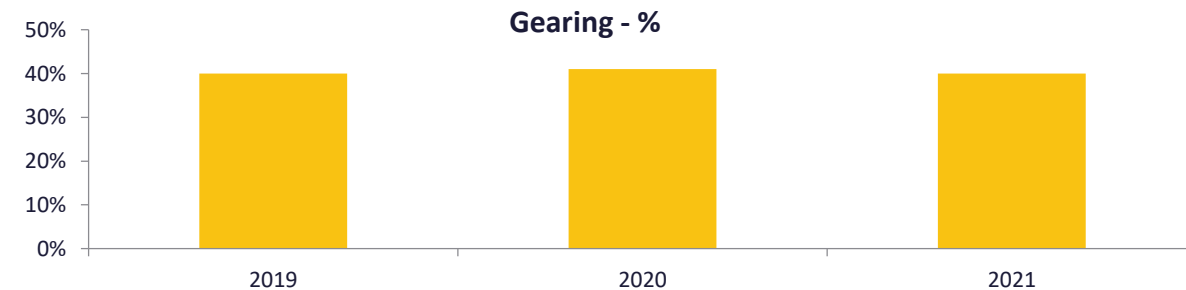
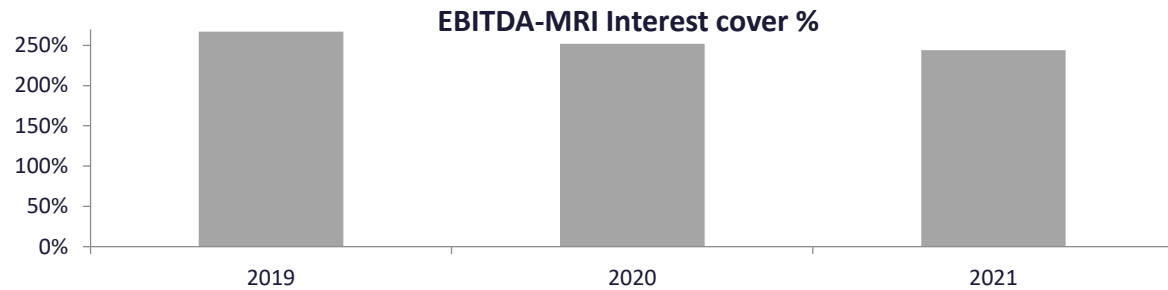
Financial Performance

	2021	2020	2019
Total Turnover - £m	244	249	233
Social Housing Lettings Turnover - £m	186	180	175
Social Housing Lettings Surplus - %	30%	33%	33%
First Tranche Shared Ownership Sales - £m	24	32	22
Open Market Sales - £m	27	29	29
Total Property Sales (S/O + OMS) as % of Turnover	21%	24%	22%
Operating Surplus - £m (pre asset disposals)	61	70	66
Operating Surplus - £m (post asset disposals)	82	90	81
Operating Margin % (pre asset disposals)	25%	28%	28%
Net Surplus - £m	46	59	56
Gearing %	40%	41%	40%
EBITDA-MRI Interest Cover %	244%	252%	267%
Housing & Investment Properties net of Depreciation - £m	2,164	2,083	1,978
Housing Loans - £m	936	900	806

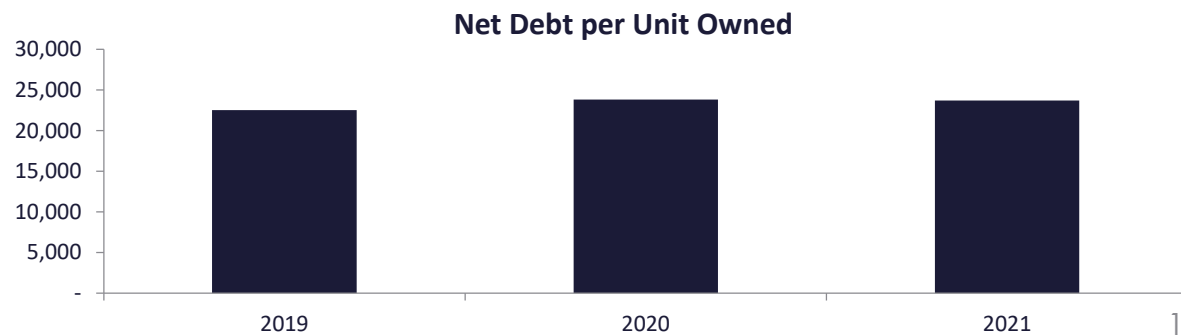
Financial Performance



- The impact of Covid-19 across all our business activities and additional fire safety costs resulted in our operating surplus reducing to £82m from £90m
- Turnover reduced by £5m. Social housing lettings income increased by £6m offset by lower sales volumes



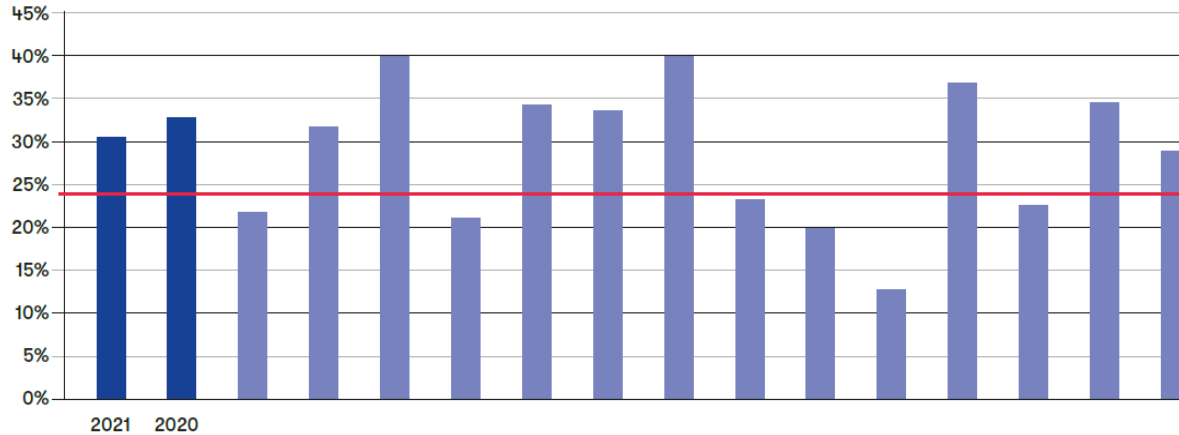
- Significant interest cover and gearing headroom compared with lenders covenants and internal warning levels
- 2021 Interest Cover excludes non-recurring interest rate swap restructure costs (187% with these included)



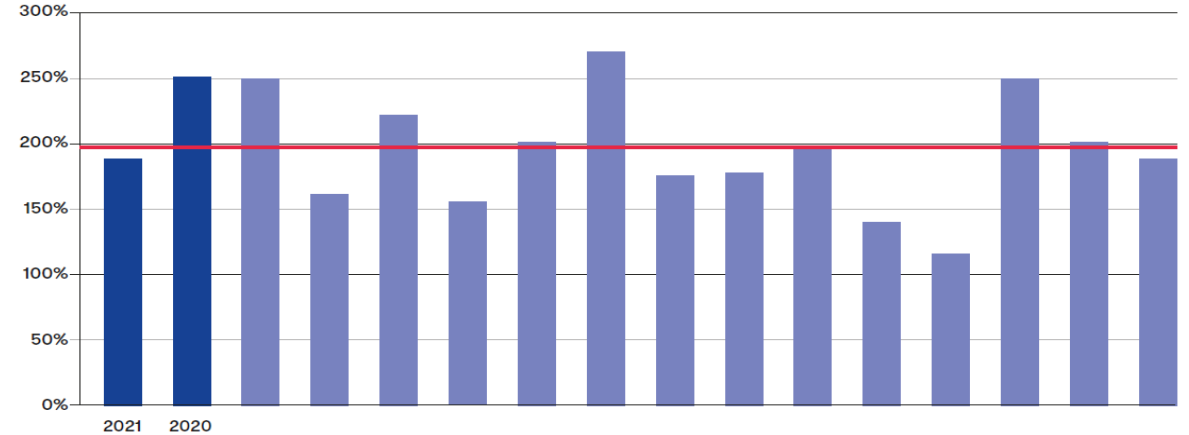
- Consistent debt per unit levels over the past three years

Benchmarking

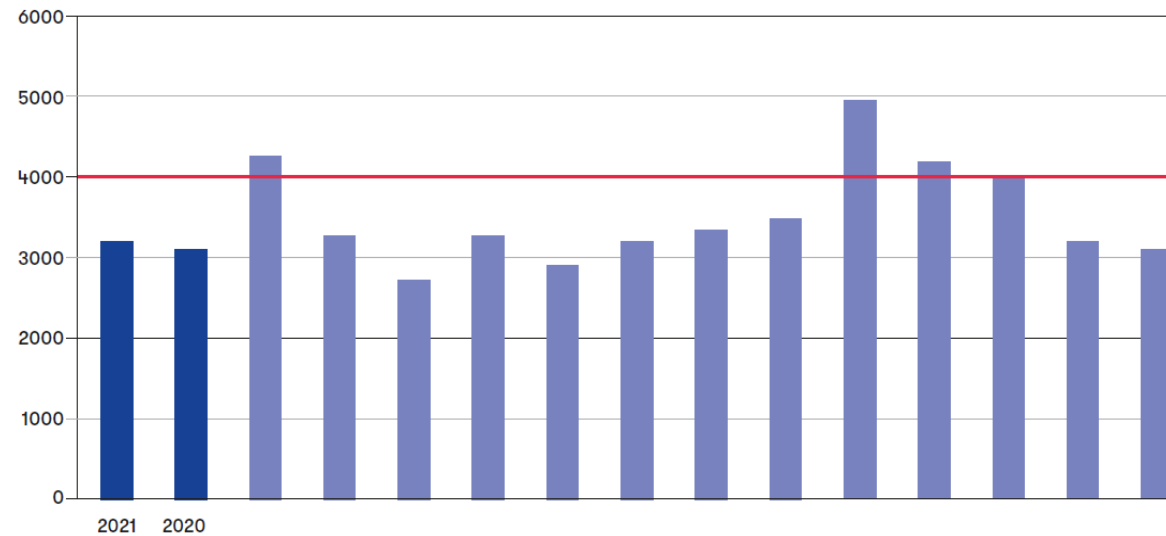
Operating margin – social housing lettings



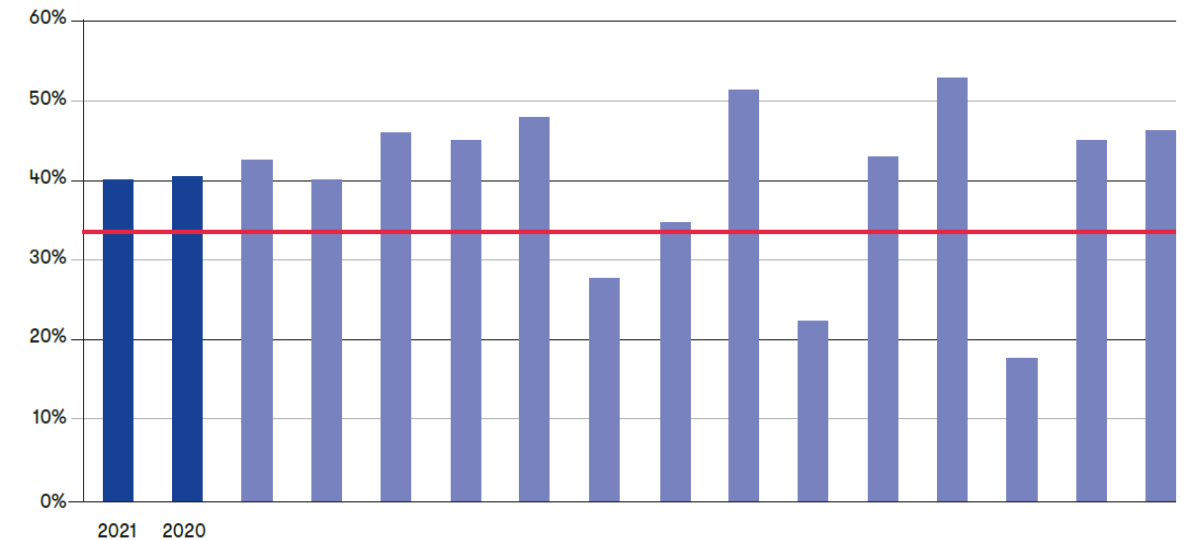
EBITDA – MRI Interest Cover %



Headline social housing Cost Per Unit (£)



Gearing %



- Comparing LiveWest against a selection of Moody’s rated housing associations using HouseMark data
- Comprises of current A2 or higher rated associations

Debt and Security: Portfolio – March 21

March 20	Loans	Swaps	Net loans	%
Fixed	667	245	912	97%
Floating	269	(265)	4	1%
Index linked	-	20	20	2%
Total Debt	936	-	936	100%
Cash and liquid investments	(85)	-	(85)	
Net Debt	851	-	851	

Available Security

Stock uncharged or held as excess security and available to secure future borrowings:

- 10,738 properties
- Security value of £0.9bn

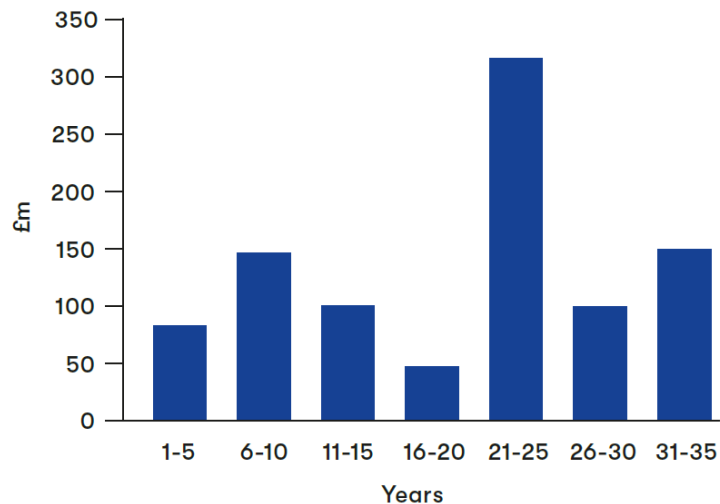
Swaps

MTM Liability - £83m (2020: £116m)

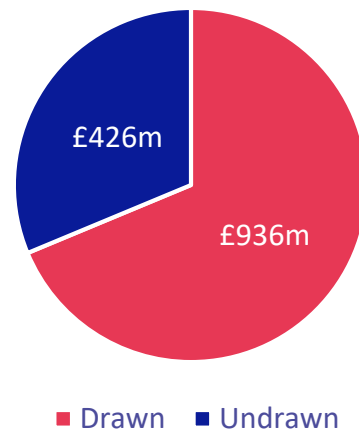
Liability is fully secured (Including buffer against rate movement)

Average Maturity – 9 years

Debt repayment profile



Debt Facilities

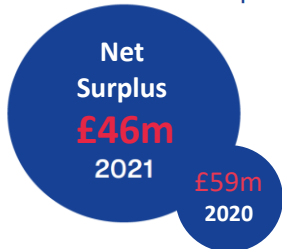


EMTN

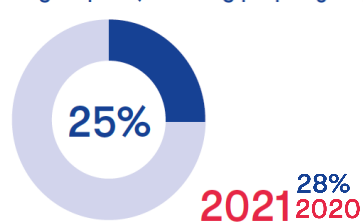
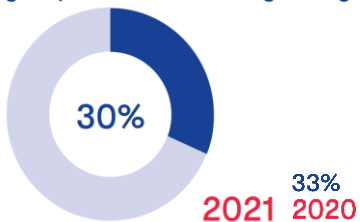
- Transferred £100m 2048 5.576% Bonds into EMTN Programme in June 2020 via solicitation process
- In February 2021 £250m 2056 1.875% Note of which £100m was retained, our third Note issued from the programme.

Conclusion

Turnover

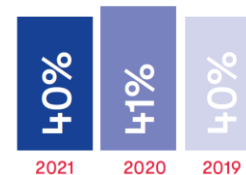


Operating surplus - social housing lettings Operating surplus (excluding property disposals)



Treasury

Gearing



Underlying EBITDA – MRI



A2

Moody's rating is one of the highest in our sector

Homes



Our colleagues



Our customers and communities

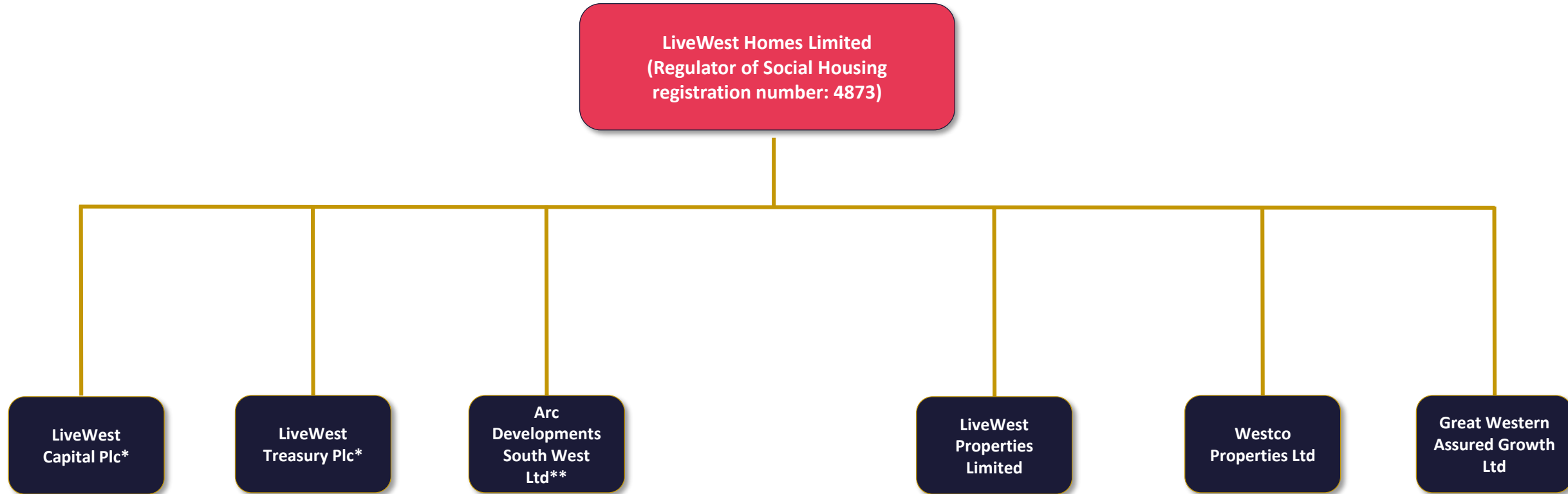


Appendix: Organisational Structure & Governance



Through the Vulnerable Persons Resettlement Programme, we support people forced to flee war-torn countries in search of a safer life.

Appendix: Corporate Structure and Funding



*Parent Company Guarantee
from LiveWest Homes

** Company Limited
by Guarantee

- Completed consent solicitation process transferring £100m LiveWest Capital Bond into the LiveWest Treasury EMTN Programme
- LiveWest Capital Plc and Arc Developments South West will become inactive and dormant

Appendix: Board Membership

- **Board comprises 11 members:**
 - 9 independent members, 2 executives
 - ❖ LiveWest board is led by Linda Nash
 - ❖ LiveWest CEO is Paul Crawford
- **Treasury Committee includes specialist banking co-opted member**
- **We are not-for-profit and comply with the National Housing Federation’s Code of Governance 2020 edition**
- **InFocus customer scrutiny group of over 40 members who help ensure customer views are heard and acted upon and review performance**

Board Statistics	
Gender Ratio Male : Female	73:27
Average Age	62
Average Tenure	4 years
Maximum Tenure (non-executives)	9 years
Percentage Non-Executive	82%
Regulator Grading	G1/V1
CEO/Worker Median Pay Ratio	8.12



ARC = Audit and Risk committee DC = Development committee TC = Treasury committee
 CSC = Customer Services committee RC = Remuneration and Nominations committee

Appendix: Executive Team



Melvyn Garrett
Deputy CEO/Executive Director of
Finance



Paul Crawford
Chief Executive



Russell Baldwinson
Executive Director of
Development



Ian Fisher
Executive Director of Business and
Digital Change



Suzanne Brown
Executive Director of Operations