

Bond Investor Annual Update

November 2025



PA Housing



Michael McDonagh, Chief Executive

Michael joined PA Housing in 2023 as our Chief Executive. Michael spent most of his career with KPMG where he was the UK Chief Operating Officer.

He has worked extensively across the social housing sector with over his 25 years experience. He is also an experienced Non-Executive Director providing valuable skills to ensure that we have an effective Board and Leadership Team in place at PA.



Jessica Friend, Chief Financial Officer

Jessica joined PA Housing in 2025 from Platform Housing Group. She has over 20 years experience with 15 years in investment banking.

Jessica is ACCA (Association of Chartered Certified Accountants) qualified and is also a Non-Executive Director at Thrive Homes and Chair of Thrive's Investment and Finance Committee.



Charles Ellis, Executive Director of Asset Management

Charles joined the former Paragon Community Housing in 1996 and is responsible for the delivery of our property investment work, gas safety, fire safety, and compliancy.

He has 25 years' experience working in social housing and asset management.



Suzannah Taylor, Executive Director of Development

Suzannah joined PA Housing in 2018. having worked in the Local Authority sector in housing policy, homelessness and temporary accommodation before development.

She is a Chartered Member of the Chartered Institute of Housing and a Board Member at OEHA – a small housing association providing low-cost homes for people working in education.



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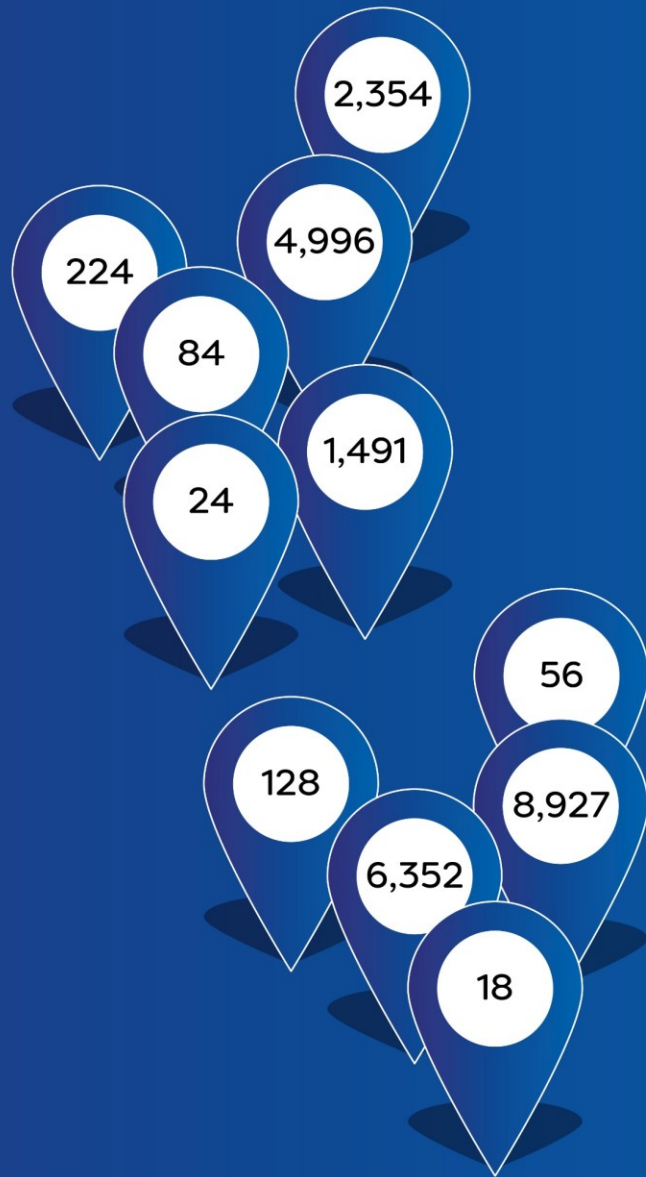
Our business is not about properties.

It's about the people who live in our homes and the neighbourhoods and communities they live in.



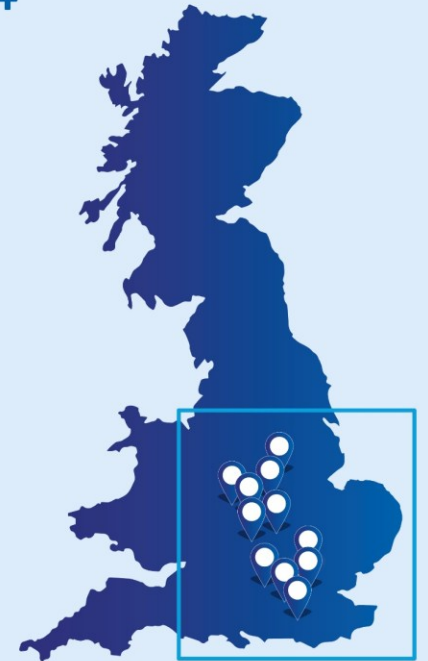
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Our homes by county



Berkshire - 128
Buckinghamshire - 24
Coventry - 84
Hertfordshire - 56
Leicestershire - 4,996
London - 8,927
Northamptonshire - 1,491
Nottinghamshire - 2,354
Surrey - 6,352
Sussex - 18
Warwickshire - 224
Other - 1

Total:
24,655



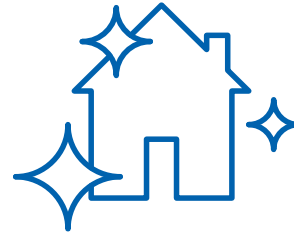
How are we doing?



Positive In-Depth
Assessment outcome
G1:V2:C2



Residents feel they're
treated fairly and with respect
81% (TSM 2025)



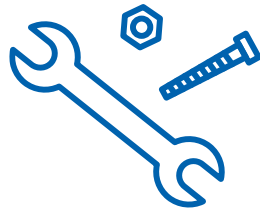
Decent Homes
Standard achieved
99.9%



Relentless focus
on compliance
All metrics over 99.9%



Lowest ever
arrears position
3.3% (£5.2m)



Improving routine
repairs performance
77%



Financial gains
for residents
£10.1 million



Supported residents
Over £600,000



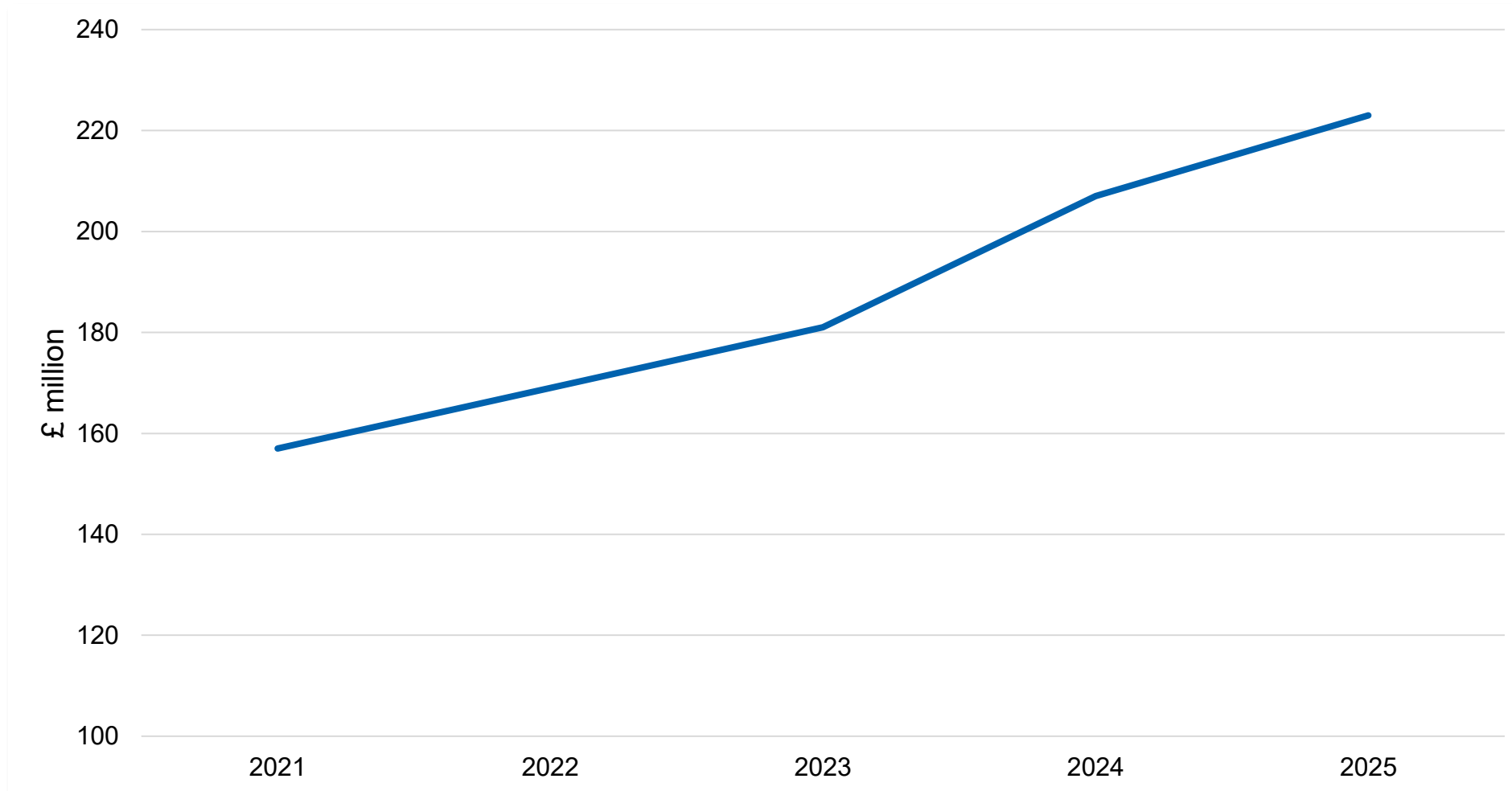
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Finance and treasury

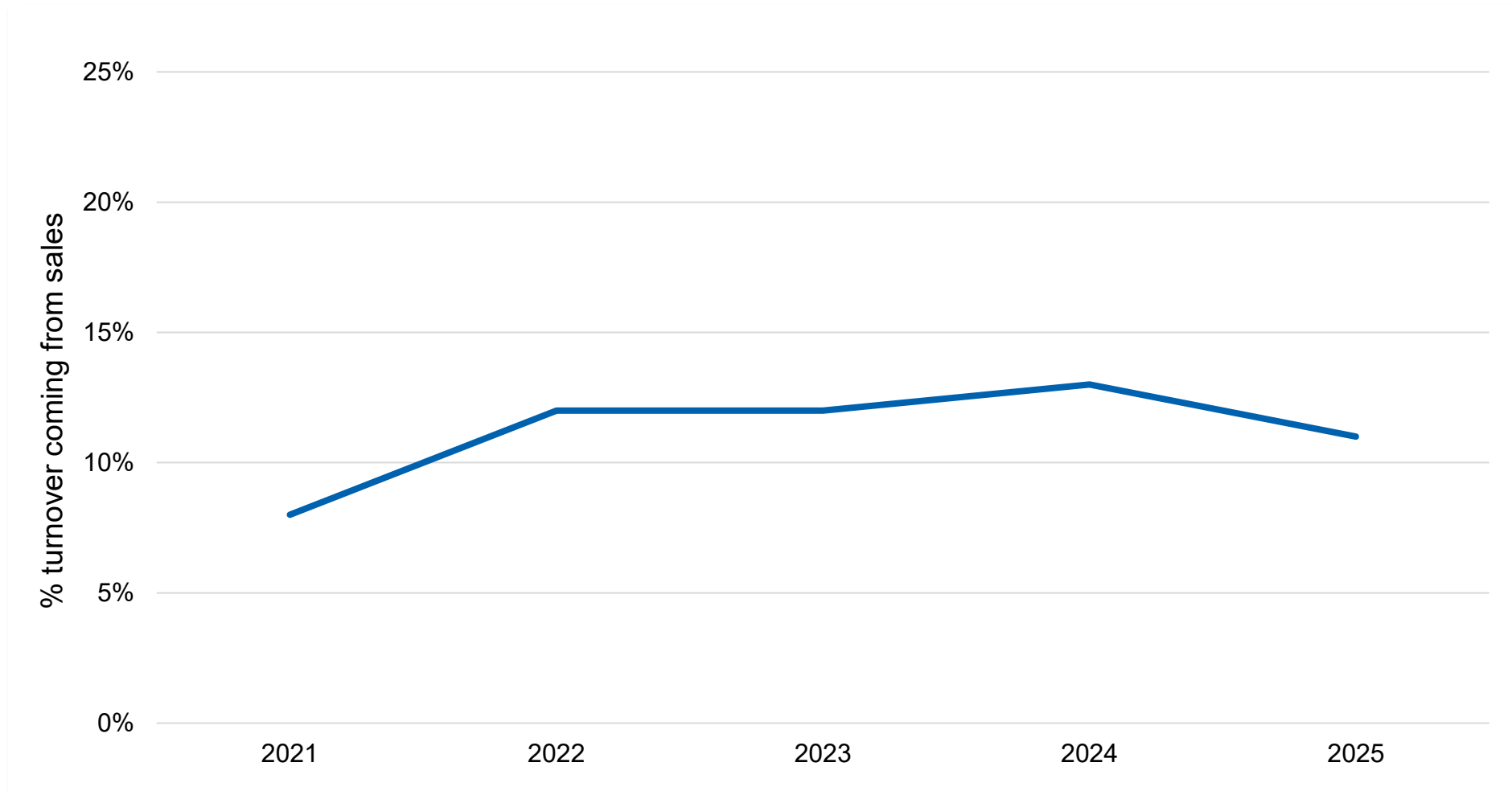
Jessica Friend, Chief Financial Officer



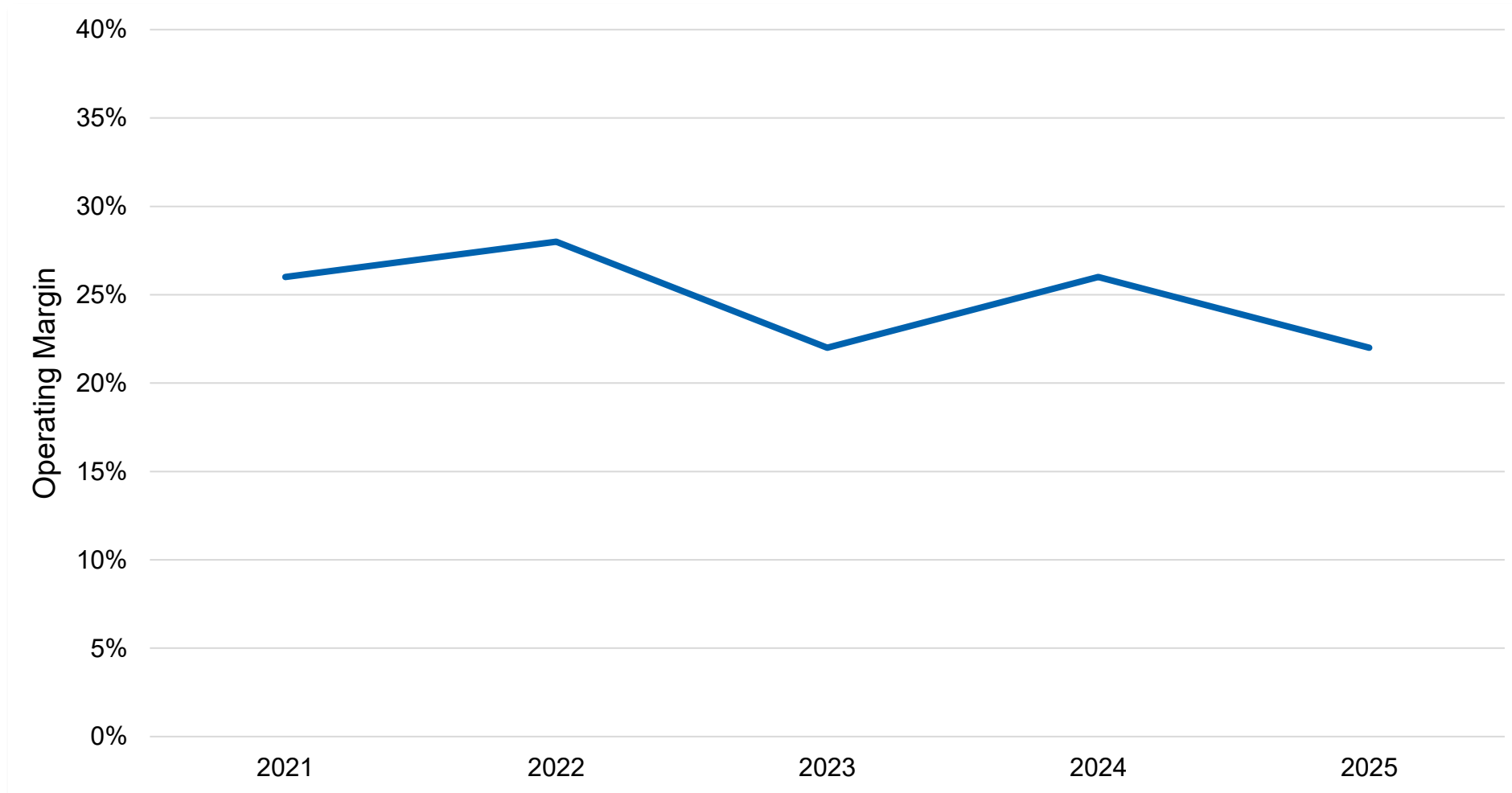
Turnover Growth



Consistently Modest Sales Exposure

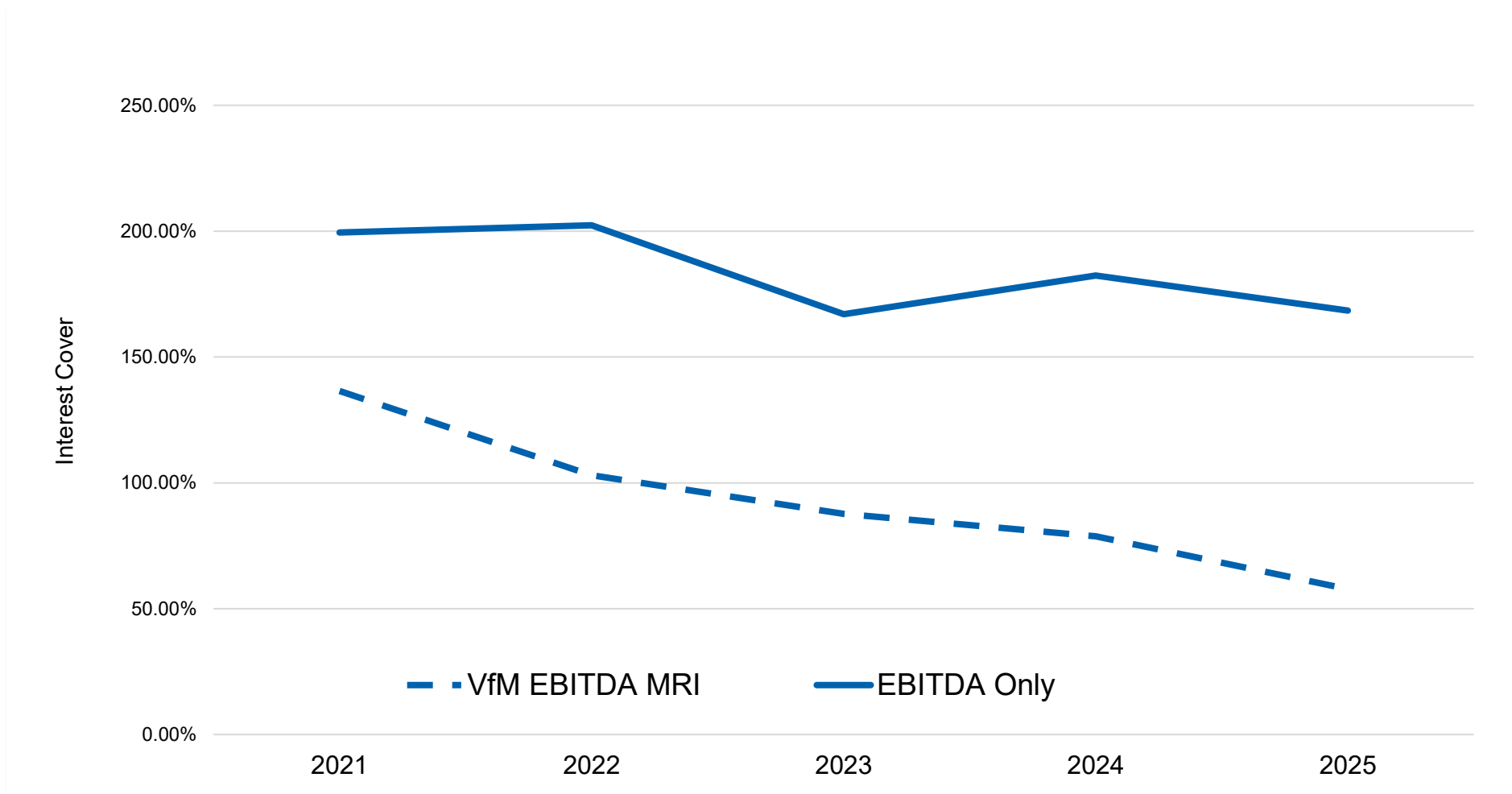


Operating Margin



Note: Excludes impairment

Interest Cover Journey



Embedded financial KPIs

	Golden Rule	Target
Operating Margin (SH Lettings)	-	> 25%
Interest Cover (headroom to covenant)	+20%	+50%
Gearing	-	< 55%
Liquidity (begin discussions)	24 months before expiration	-
Liquidity (complete transaction)	12 months before expiration	18 months before expiration
Hedging	-	> 60%
Sales % of turnover	-	< 15%



2024/25 Headlines

- Turnover of £224m generating £49m operating surplus (pre impairment).
- 98% of turnover comes from social housing activities.
- Increased capital investment into existing homes (£29m capex, vs £16m 23/24) and delivery of development programme meant increase in housing assets to £2.34bn (from £2.24bn March 2024)
- Sales risk well mitigated – full year shared ownership sales surplus budget was reached in December (£23m proceeds, £5m surplus over full year).
- Operating margin (22%) impacted by increased costs for responsive repairs, void repairs and decants.
- Retained strong liquidity following PP financing in March 2024 and deferred draw in June 2024.

H1 25/26 Performance

	H1 25/26	H1 24/25
Rent and service charges income	97.5	92.7
Shared ownership first tranche sales	8.3	11.1
Other income	1.6	1.7
Amortisation of Social Housing Grant	2.8	2.8
Turnover	110.2	108.3
Core operating costs	(68.4)	(67.0)
Depreciation	(12.7)	(11.9)
Cost of first tranche sales	(5.8)	(8.0)
Surplus on fixed asset disposals	4.1	1.8
Operating surplus	27.4	23.2
Net interest	(22.2)	(22.3)
Total comprehensive income (before gift aid, tax, fair value adjustments)	5.2	0.9

2025/26 H1 headlines

- Operating surplus: £27.4m H1 25/26 (H1 24/25 £23.2m).
- Operating margin (overall, including sales): **24.9% H1 25/26**.
- Social housing operating margin (exc. fire safety): **23.5% H1 25/26** (H1 24/25 24%).
- Shared ownership sales margin of **30.3% H1 25/26** (H1 24/25 28%).
- Liquidity: Net liquidity covers 29 months.
- 85% of drawn debt is at fixed rates.

Note: unaudited

Treasury summary as at 30 Sept 2025

85%
Fixed rate

4.3%
WACC

11 years
WAM

£344m
Liquidity
(29 months)

MOODY'S

A3 (neg)
22 Oct 25

S&P Global

BBB+ (stable)
24 June 25



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Investment priorities

- **Residents' homes:** increased expenditure in assets (£29m capital investment in existing homes 24/25).
- **Energy efficient assets:** Deliver EPC C in 2029, ahead of national target and then net zero carbon (both fully costed in latest business plan).
- **Growth:** committed to pipeline development programme (reduced programme overall to support financial performance) and completion of existing sites.
- **People:** attract and develop best colleagues (support for L&D and Culture Action Plan).
- **Comms:** rebuilding trust with residents (regular open days, vastly enhanced neighbourhood coverage).
- **Technology:** investing in tech and transformation (identified implementation projects fully costed, e.g. asset database update).
- **Value for Money:** commitment to enhance VfM through operations .

Asset management

Charles Ellis, Executive Director
of Asset Management



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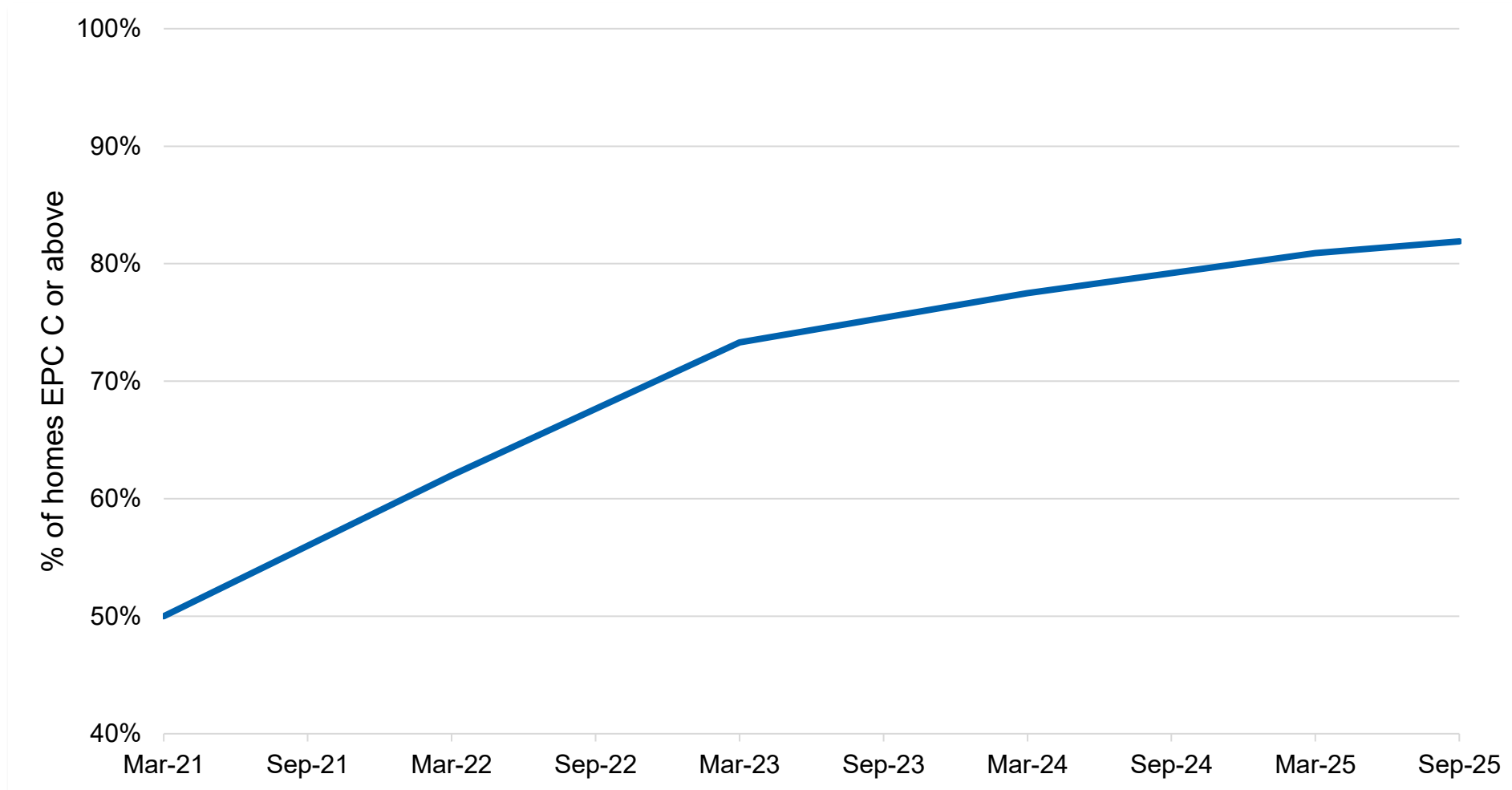
Repairs service

- **Continuing Asset Management Strategy**
 - Our homes will be safe, warm, and well maintained.
 - All homes will exceed the Decent Homes Standard.
 - Increased focus on Quality over Cost – ‘invest to save’ over the longer term.
 - Engage good suppliers and new ways to deliver the repairs service.
- **Changes to our repairs service**
 - Midlands – since 1 April 2024, delivered fully through expanded in-house team.
 - South – Single contractor Wates.

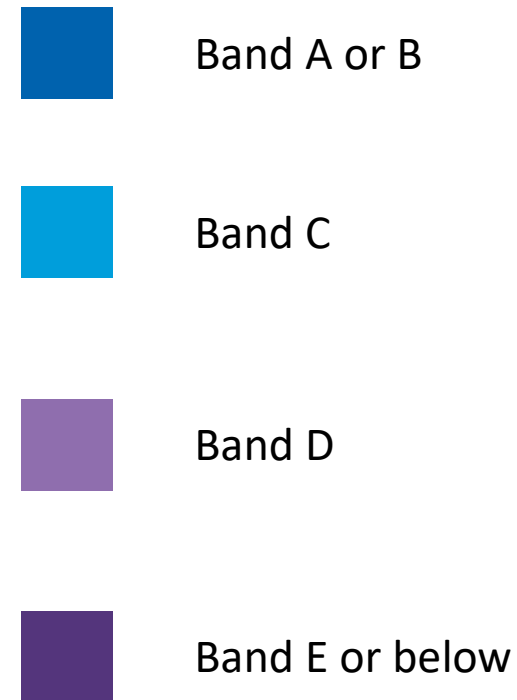
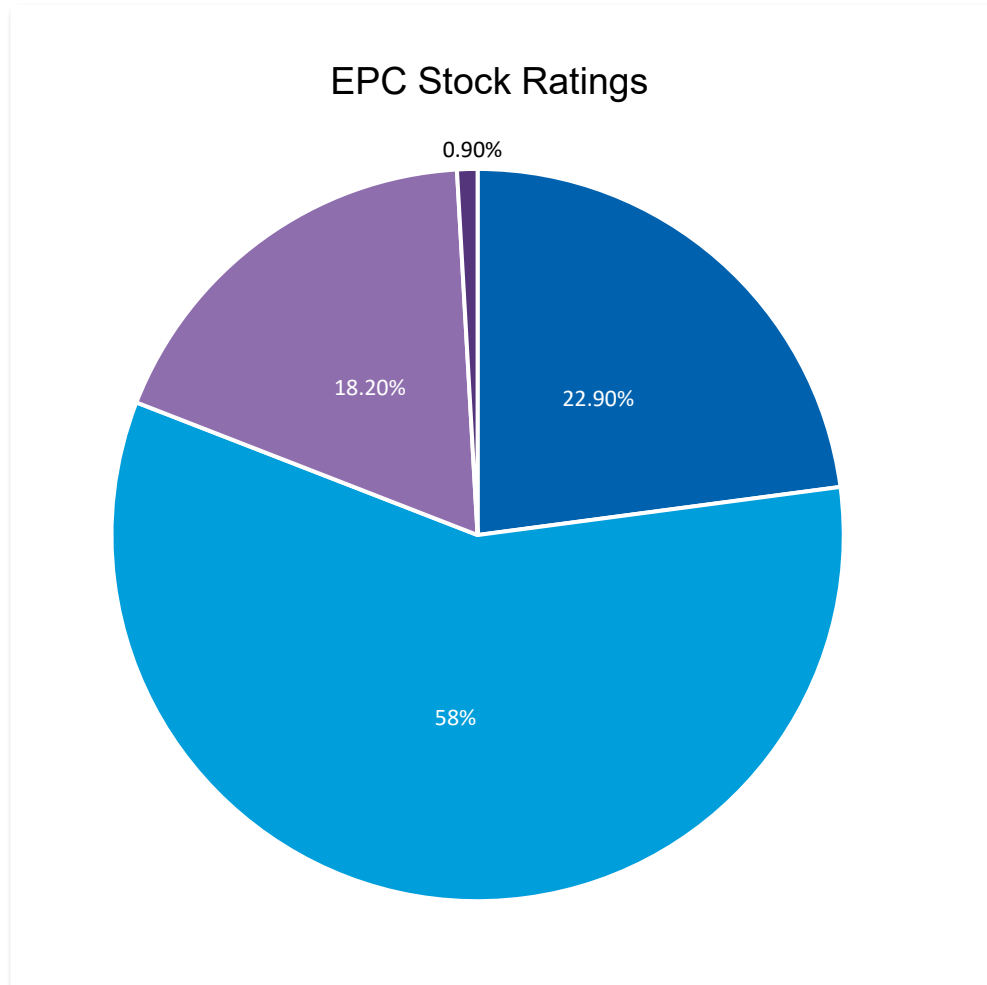
Improvements to our homes

- **Delivered £29m of capital investment in 2024/25**
 - Delivered over 6,000 new replacements.
 - Some external and communal redecorations completed, and some delayed into 25/26.
 - Ambitious stretch target - delivery challenge.
- **Corporate Strategy commitment to complete investment catch-up by 2029.**
- **Making our homes more energy efficient**
 - EPC band C or better, current position 81.9% (2025 YE 80.9%, 2024: 77.5%).
 - Target of 100% by 2029.
 - Prioritising Fabric First approach.

EPC C Journey



Existing Homes (as at 31 March 2025)



Fire safety

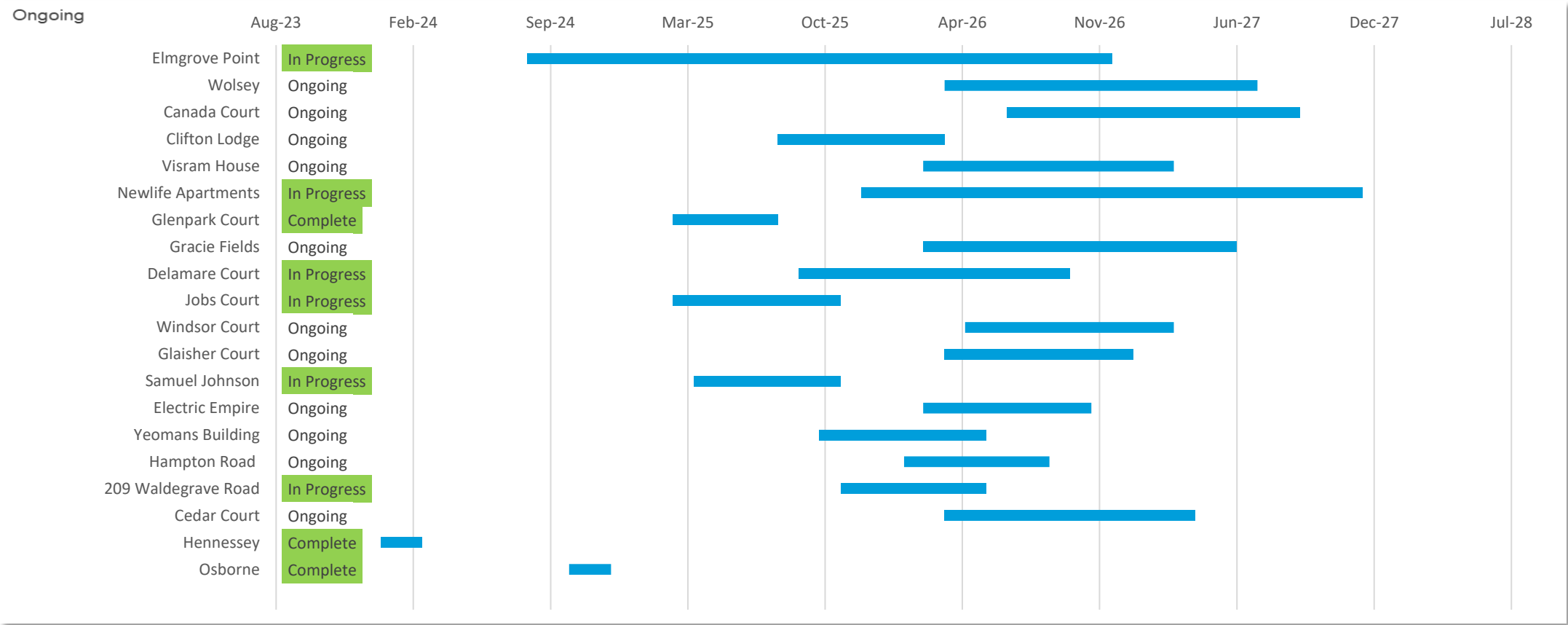
- 20 schemes confirmed with EW Defects:
- Total high-level cost £88.7m for remediation work.
 - Contractor liability/recovery £64.4m.
 - PA unrecoverable costs £24.3m.
 - Plus £7.5m on additional betterment work (better VfM to do this work at the same time).
 - 7 schemes now eligible for grant funding through the Cladding Safety Scheme.
- Of the 20 schemes:
 - 3 are complete
 - 4 are onsite and in progress (2 will complete in November).
 - 2 sites are ready and awaiting building control approval (Gateway 2).
 - 6 have contractors appointed and delivering the design phase.
 - 3 are going through procurements.
 - 2 in design phase.



Fire safety

- Increased cost certainty as procurements progress and cost of remedial work becomes more refined.
- Investing in betterment work where possible, £7.5M across Newlife and Elmgrove Point, and three smaller schemes.
- £3.4M recovered from contractors for Waking Watch costs, a further £2 million expected in 2025 – 2026.

Fire safety timeline



Development and sales

Suzannah Taylor, Executive Director
of Development



Growth and new homes

- Scaled back development risk in base case business plan.
- Selective approach.
- Maintain strong GLA / HE relationships.
- Priority boroughs identified.
- Focus on larger homes.
- Sales de-risking.
- Long-term view: sustainable assets and communities.
- Heavy internal stakeholder engagement.
- Lettings and nominations – maximise occupancy.
- Working with larger contractors: invest to save.



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Stalled Sites Progress



Surrey Street, Croydon



Now back on track



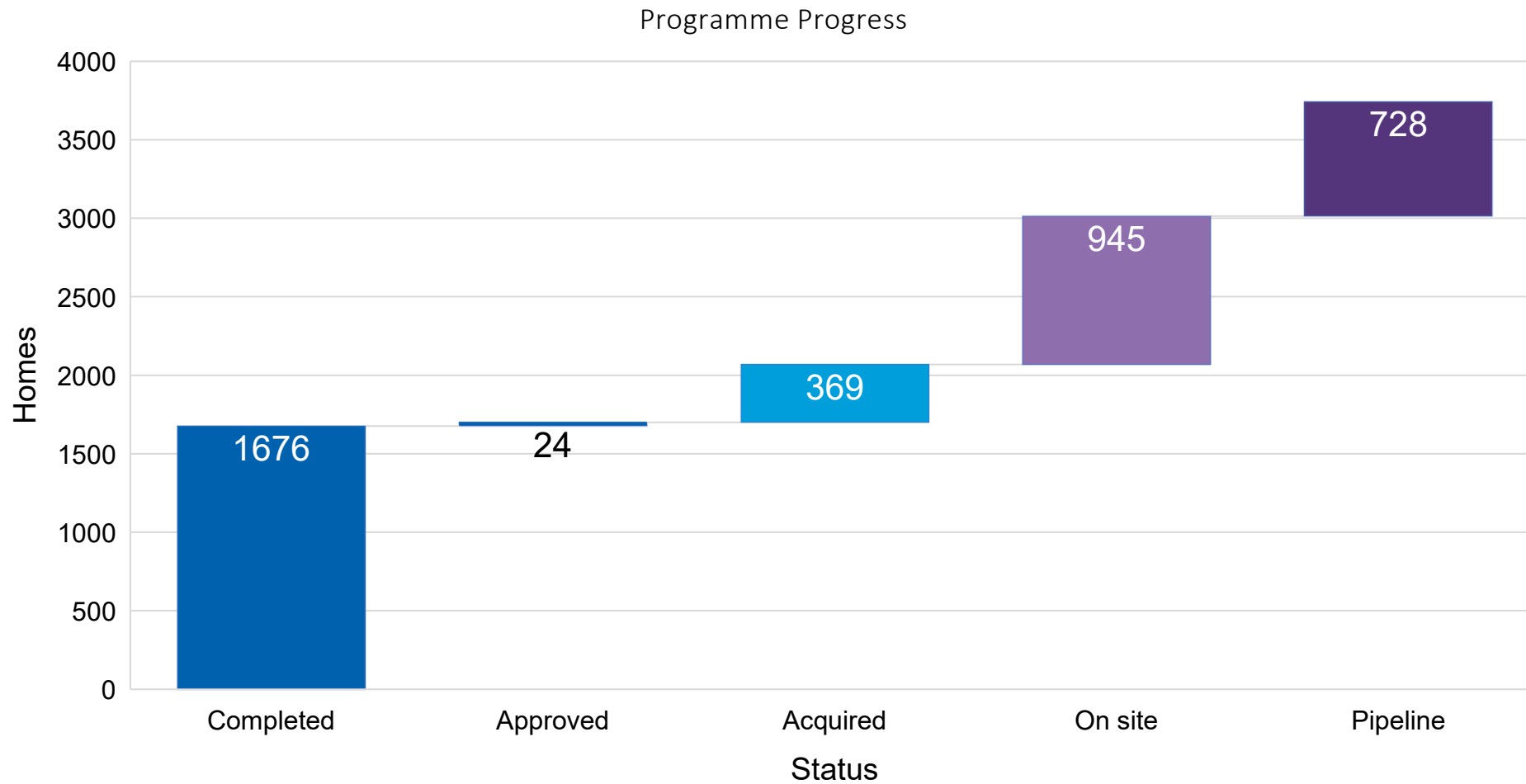
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Recent Completions



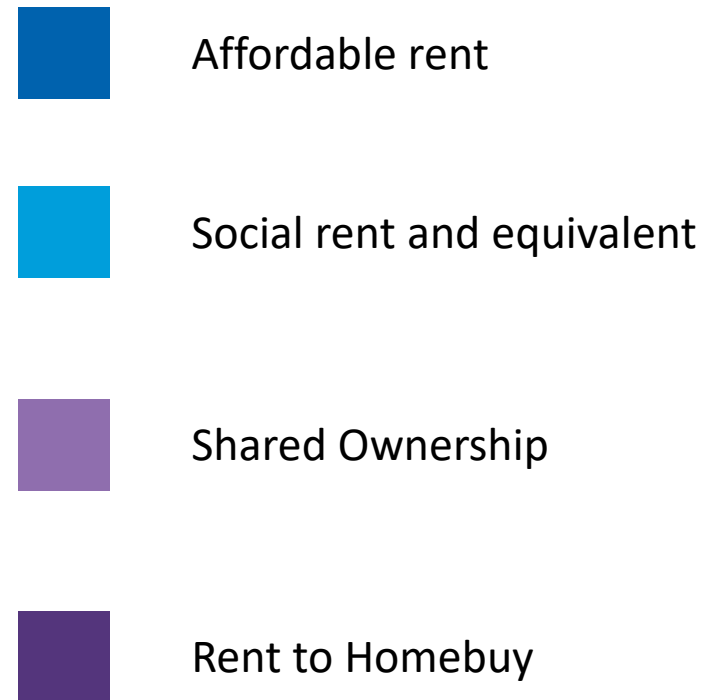
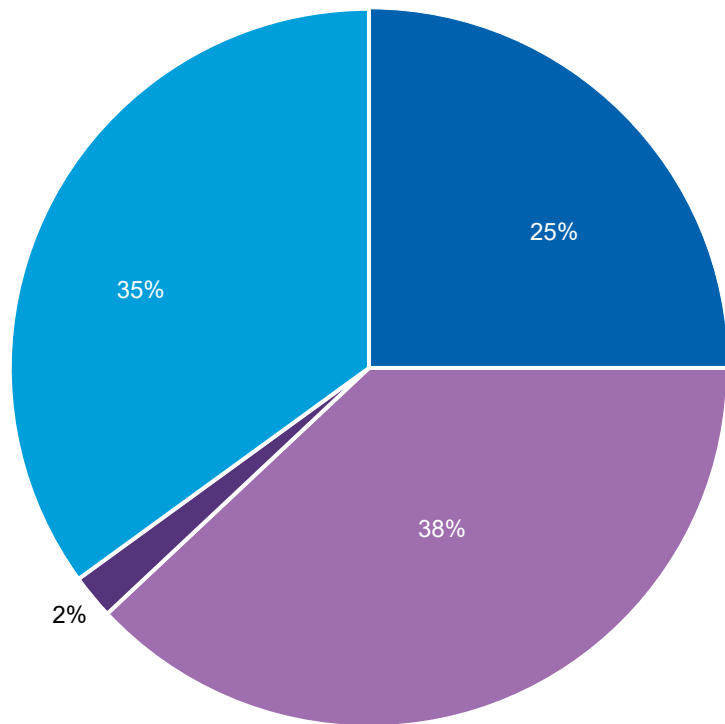
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10-year programme overview



10-year programme overview

Development Tenure Split (2021-2030)



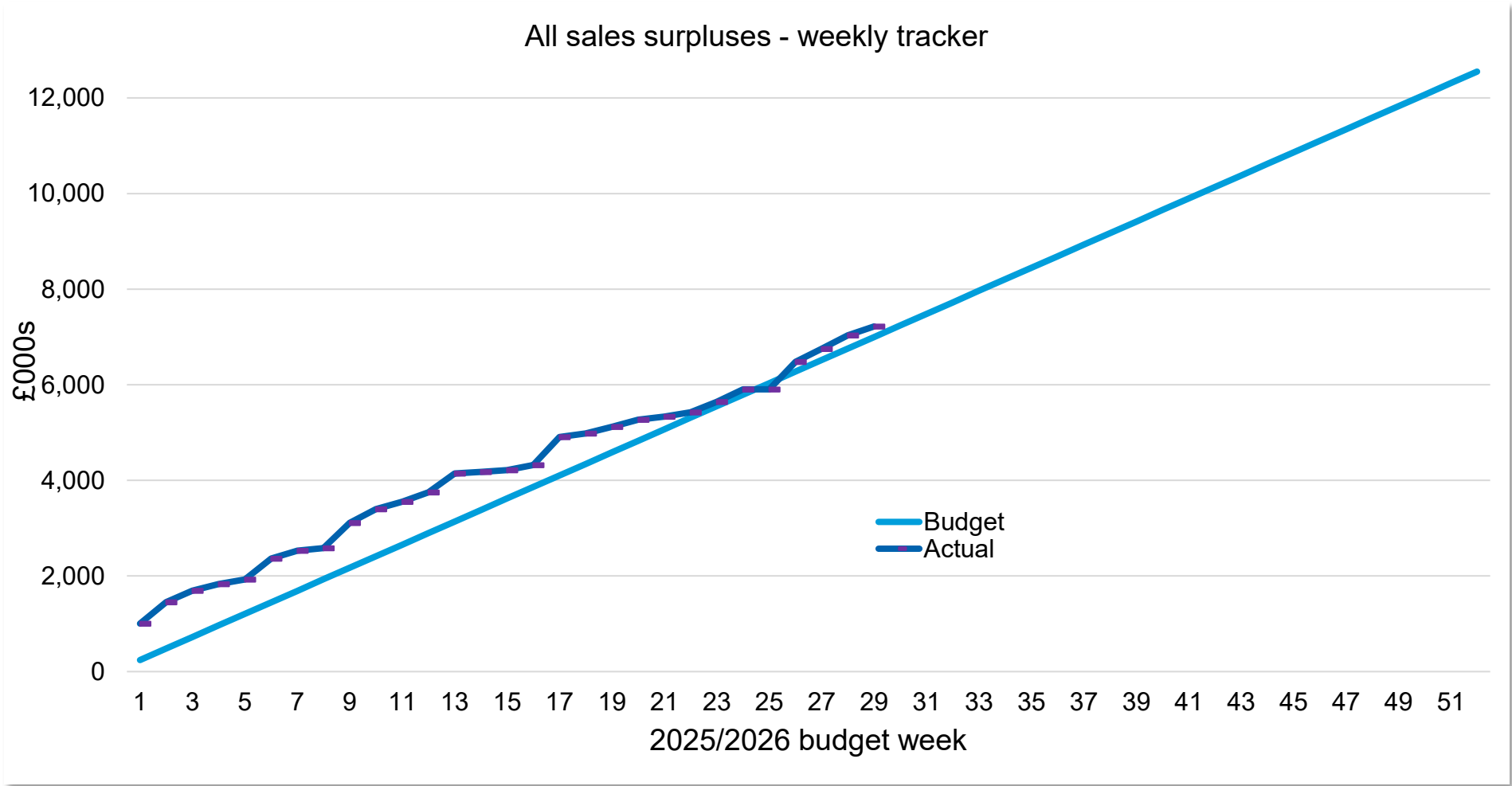
Sales - 2024/2025 and H1 2025/2026

- 175 first tranche shared ownership sale completions 2024/25 (176 23/24), 65 in H1 25/26.

	24/25 Budget	24/25 Actual
Proceeds	£26.9m	£23m
Profits	£4.5m	£4.9m
Margin	16.6%	21.5%

- 142 unsold homes at year end (mainly due to timing of handovers).
- 295 shared ownership homes under construction.
- 2024/25 asset disposal surplus £5m – £1.5m above budget.
- Cautious budgeting posture carried forward into 2025/26
 - Budget profit (all sales types) £12.5m (£6.5m delivered in H1 25/26)
 - Including budget SO sales surplus £5.5m (£2.5m delivered in H1 25/2)

Sales – 2025/2026



Our Journey



Our Journey

- Focus on people- residents and colleagues.
- Open about the challenges we face.
- Prioritising investment in existing homes.
- Scaled back development in base plan to provide greater capacity.
- Good progress on fire safety work and commercial negotiations with contractors.
- Managing risk transparently and effectively.
- Very strong liquidity position.
- Ample additional security and granular approach to unlocking value in low-risk way.

Appendices



Definitions

Interest Cover Definitions (page 11)

- EBITDA only interest cover: EBITDA/Interest, calculated using information in PA Housing statutory accounts for each year.
 - EBITDA: operating surplus, adding back depreciation on housing properties, adding back impairment on housing properties, excluding non cash movement on investment properties, deducting amortisation of public sector grant.
 - Interest: interest payable gross, deduct capitalised interest, deduct non-cash interest expense on basic financial instruments, deduct interest received.
- VfM EBITDA MRI: As defined by the regulator for social housing ([Value for Money metrics Technical note guidance 2025](#)), as relevant and reported in PA Housing statutory accounts for each year.

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