



2022 Investor Presentation

17 November 2022

- Carol Matthews, CEO
- Cris McGuinness, CFO
- Emma Turner, Director of Treasury and CF





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Combined Profile 2021/22



Homes owned and managed.

Customers living in our homes.



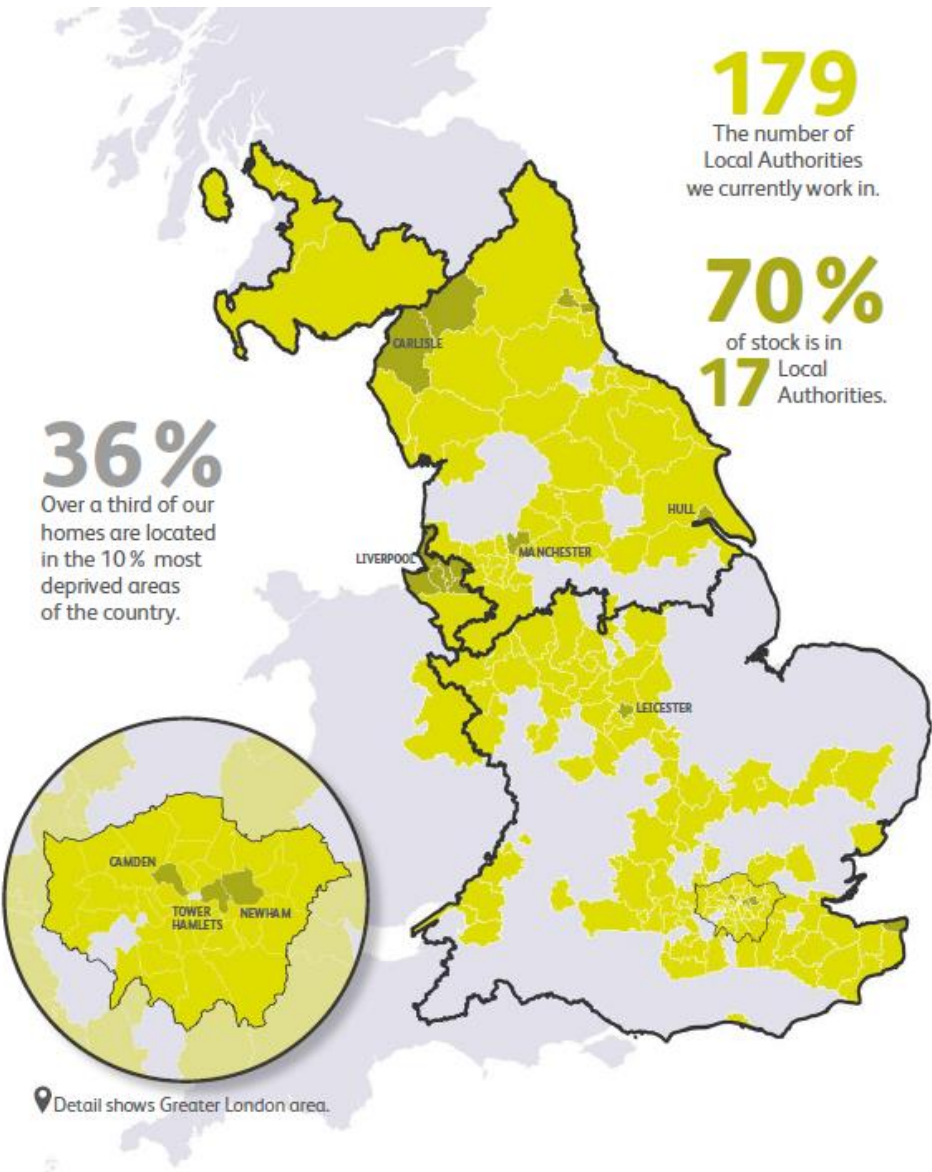
The split of our homes by business stream: general needs housing, housing for older people, supported housing and low cost home ownership and leasehold.



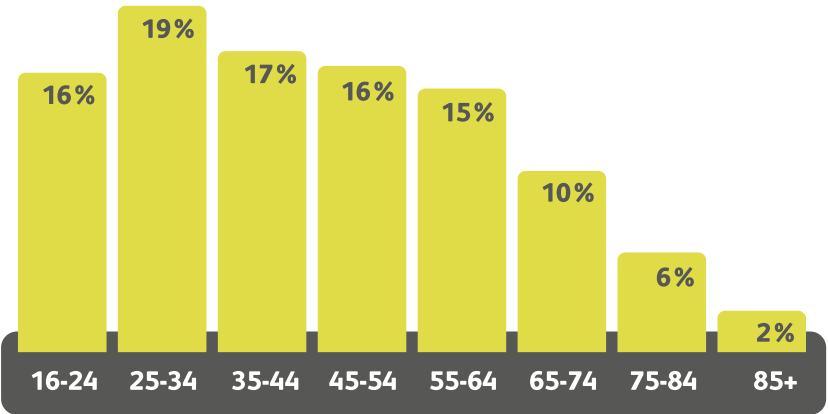
Based on publicly available information as at 31 March 2022



The number of homes built or acquired and disposed of in the past three years.



Customers

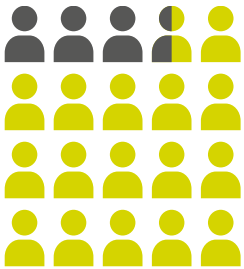


Age profile of our customers.



53%

of our customers live alone.



18%

of our customers identify as BAME.



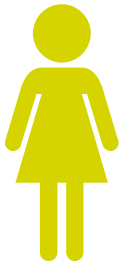
59%

The proportion of customers receiving benefits to support their housing costs



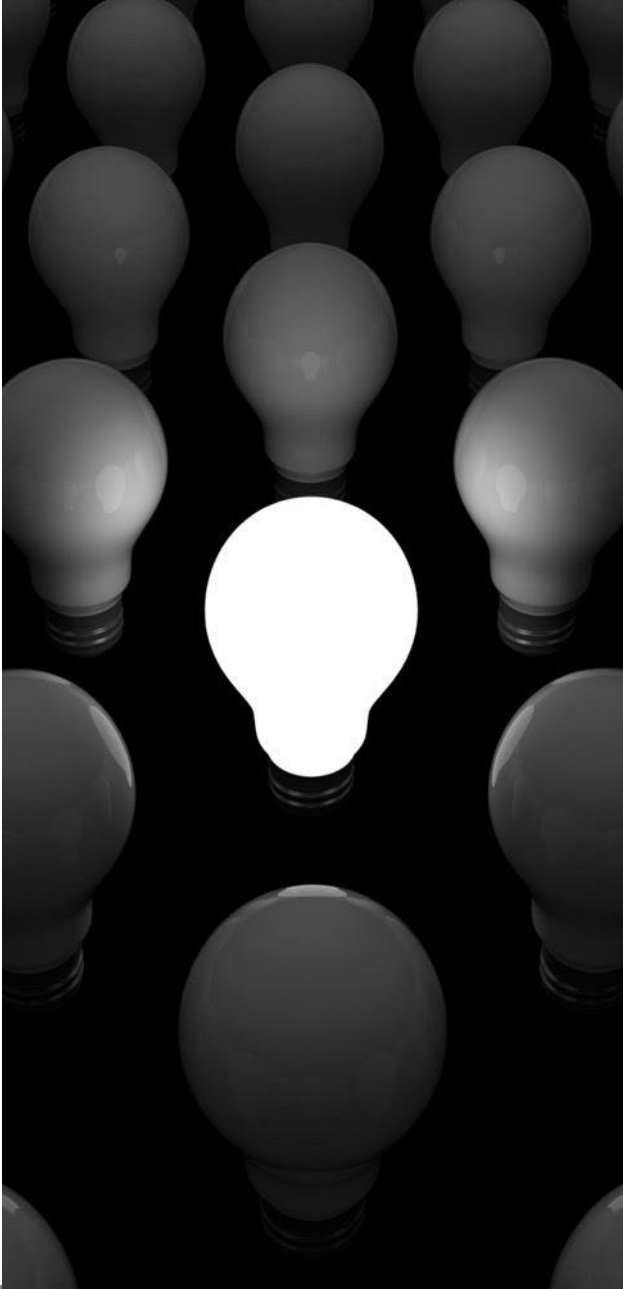
55%

More than half of working age customers are in employment.



57%

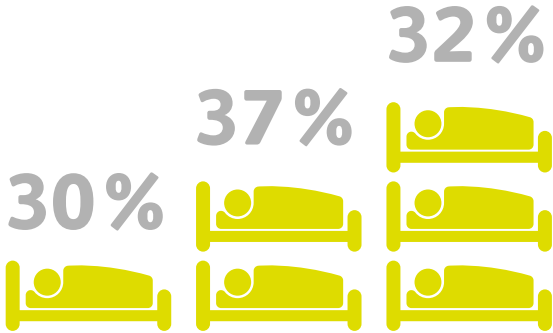
of lead customers are female



Homes



Our average rents (excluding services).



Proportion of our homes by bedroom sizes.

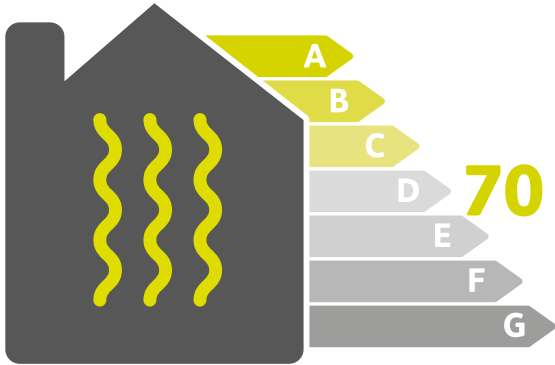


97%

Almost all supported housing properties are flats or bedsits.



Proportion of our homes that are houses or flats. Only 2 % are bedsits.



Energy efficiency - the overall Group average SAP rating is 70. This is a band C on an Energy Performance Certificate (EPC). Most English dwellings have an energy efficiency rating of D or C.



Introduction

A year of significant progress....





Better and Stronger Together

TIMING



Governance and structure



What we've achieved to date

- Alignment of a number of key policies between Riverside and One Housing, with TRGL policies generally being adopted.
- Alignment of Governance procedures and Committees; all OHG operational committees have been removed and replaced with Group level oversight.
- Group structure revisited with subsidiaries being closed down wherever possible for both TRGL and OHG. This is still work in progress but what has been achieved to date is still significant.
- Reduction in Executive senior management team at One Housing as services begin to be offered by Riverside on a group-wide basis, providing a significant cost saving per annum:
 - One Housing CFO
 - One Housing Company Secretary, Governance and Compliance
 - One Housing Director of Treasury and Corporate Finance.



Governance

Board with right mix of skills and experience



Terrie Alafat CBE
Group Chair



Pauline Davis
Co-Vice Chair



Caroline Corby
Co-Vice Chair



Rommel Pereira
Group Audit
Committee Chair



Goi Ashmore
Group Treasury
Committee Chair



Ingrid Fife
Care and Support
Committee Chair



Sam Scott
Customer Experience
Committee Chair



Nigel Holland
Group Development
Committee Chair



Sandy Murray
Board Member



Erfana Mahmood
Board Member



Olwen Lintott
Customer Board
Member



Carol Matthews CBE
Co-Optee



Brian Chiyama
Group Board
Observer

Governance

Further strengthening existing core Executive Team

- Stability with no change to key roles in the Executive Team:

- Carol Matthews, CEO
- Cris McGuinness, CFO
- Ian Gregg, Asset Services
- Patrick New, Customer Service
- John Glenton, Care and Support



Carol Matthews CBE
CEO



Cris McGuinness
CFO



Ian Gregg
Asset Services



Patrick New
Customer Service



John Glenton
Care and Support

- Additional expertise added by expanding Executive Team:

- Richard Hill, One Housing CEO
- Tony Blows, CIO

- The CIO role replaces the IT Executive role previously held by Jo Lucy and reflects the size and scale of the organisation now

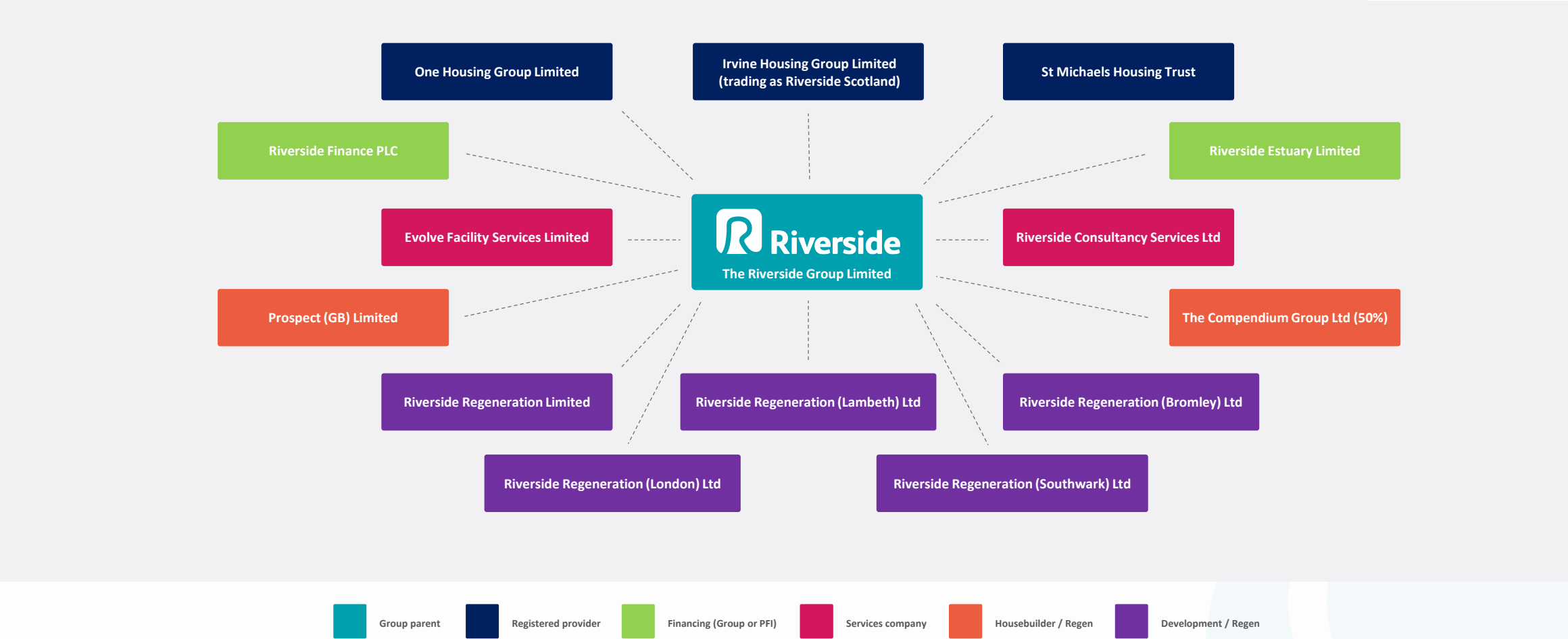


Tony Blows
CIO



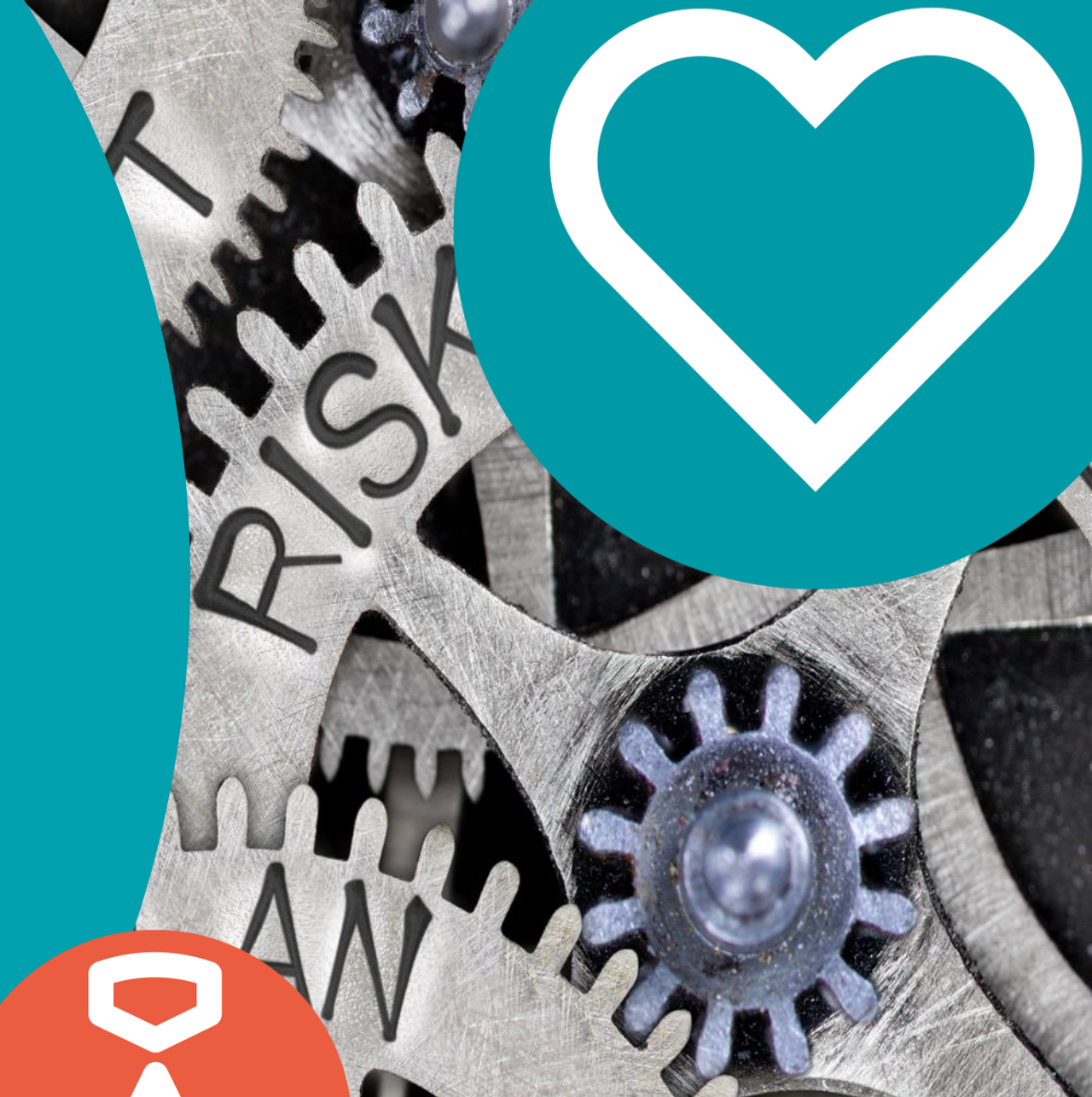
Richard Hill
One Housing CEO

Key subsidiaries

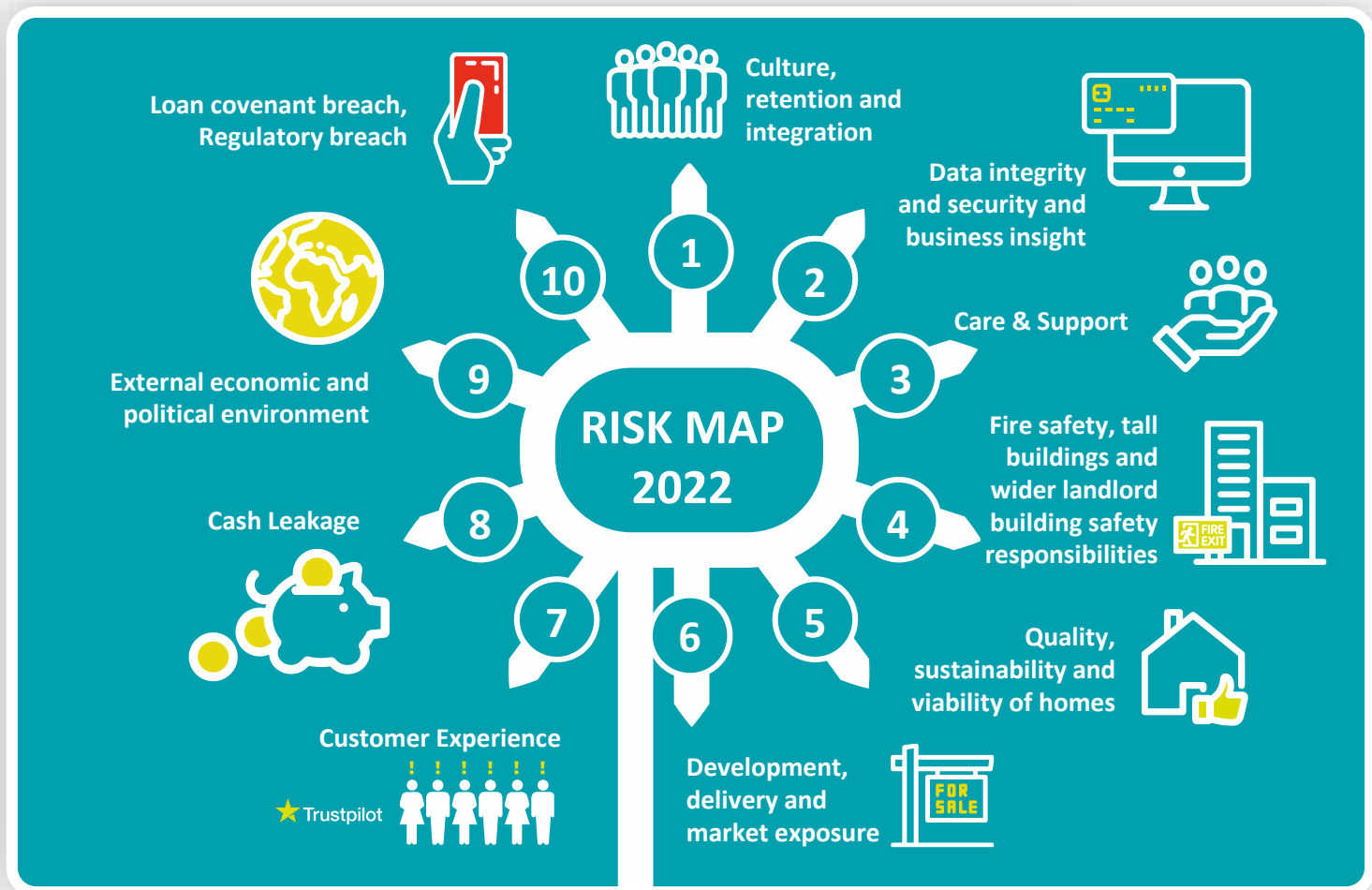




Operating environment



Risk map reminder



Rent cap readiness

- External environment seems to be deteriorating fast, although some improvement in the markets since the rolling back of the mini-budget measures.
- Results of the rent cap consultation not yet known (at the time of writing), but lots of modelling has already been done so we know what we need to do for each iteration.
- Mitigations are costed, with ease of implementation and time to implement also factored.
- Depending on the cap (0% - 7%), the impact is between £3m and £28m for one year.
- If services charges are also capped, and bad debts and responsive repairs continue to rise, the total impact could be as much as £40m.



Building safety update

- The Group currently monitors 170 tall buildings. 84 have no outstanding works.
- Of the remaining 86:
 - 27 are currently being surveyed
 - 19 are procured / have works on site
 - 26 are with our lawyers where the developers are still being pursued to correct the defects
 - 14 are not the responsibility of the Group to correct, but we are continuing to monitor progress as we have customers in these buildings under managed agent arrangements.
- £32m of Building Safety Fund grants have been received to date, with another £4.5m currently under appeal. A further £42m application has been made in the latest round.
- Our new risk matrix will incorporate the findings of the Government's recent Fire Safety Act Commencement Prioritisation Guidance. When fully implemented, this will reduce number of buildings with works outstanding that we need to continue to track from 86 to 54.



Cyber update

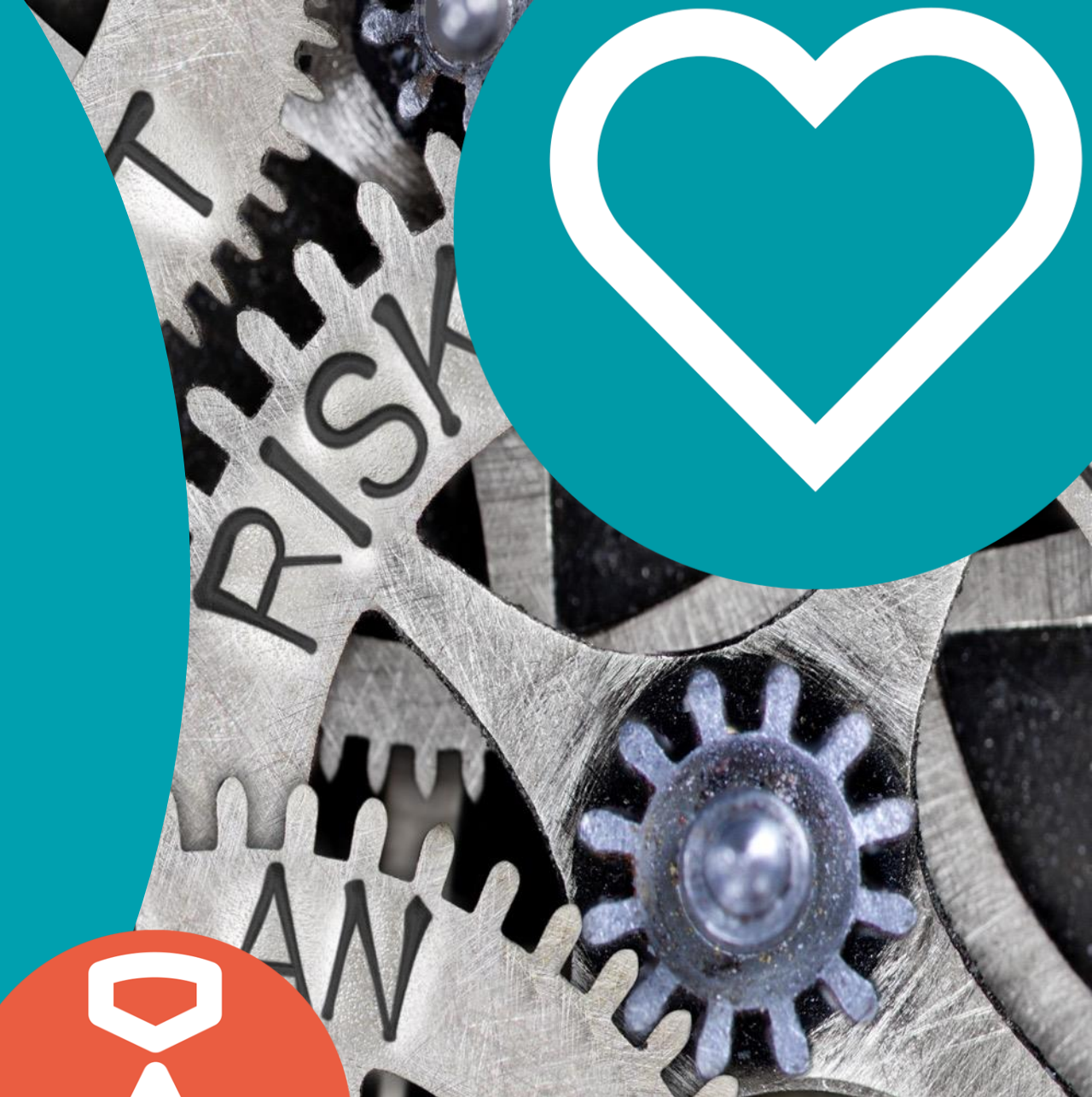
Constantly improving IT systems, hardware and security

- Reducing the number of physical servers and moving to a cloud based model (Azure); secondary data centre already transferred with the primary data centre (currently hosted at Speke HO) to migrate in November 2022.
- Seven Cyber Security audits have been completed with no issues noted.
- NCSCs Ten Steps to Cyber Security now being monitored and regularly reported to the Executive Team.
- Data Classification Policy approved in October 2022 and currently being rolled out.
- Intaforensics on site undertaking a follow up audit to confirm all of their recommendations have been implemented following the Malware attack in November 2021; results should be known by December 2022.





Sustainability



Climate actions

Four-year plan



1

Foundations

For example:

Model impact of net zero impact requirements and assign each a priority;

Recruit and train to have skills and knowledge required to deliver plan;

Develop a group wide approach to EV charge installations.

2

Develop

For example:

Explore opportunities for funding to retrofit stock to EPC B;

Introduce sustainability planning software to establish the 'energy refurbishment journey' for each home;

Customer engagement and energy champions.

3

Standardise

For example:

Ensure that our suppliers are delivering on their commitments;

Employ video technology to assist with repairs diagnosis to cut down travel and help with first time fixes;

Smart meter installations across schemes and offices.

4

Embed

For example:

Monitor performance to ensure sustainability targets are being met;

Provide more comprehensive sustainability living advice to customers;

Deliver initiatives that promote biodiversity and land reclamation.

Social Housing Decarbonisation Fund (SHDF) bid being made to underpin this, requesting £11m grant towards expected total costs of £25m, which will bring a further c1,100 homes to EPC C via fabric first measures

EPC to date

A journey still being travelled...

- Savills assessment of TRG stock undertaken in 2021 to assess the costs to EPC C and Net Carbon Zero for the organisation.
- Initial EPC assessment indicated 27,765 properties were EPC C or above with 15,117 EPC D or below (13,371 Ds).
- Relied on a lot of cloned data, so we are working on a further project to take data directly from the Energy Performance of Buildings Register to increase reliability and assess any gaps.
- Recently acquired Intelligent Energy, a system which draws directly from lodged EPCs. We can combine this Riverside property information to identify a modelled EPC score and the necessary interventions to work towards EPC C and Net Carbon Zero.
- This data allows us to submit a bid in the next wave of the Social Housing Decarbonisation Fund, where we are seeking grant to improve c1,100 properties to EPC C through fabric first measures. Total cost of these works is c£25m, with grant of £11m of this currently being applied for via the SHDF.
- Recently mobilised a new national EPC contract with Penningtons for EPC assessments to be undertaken on void or post completion of improvement works to properties.



Climate Responsibility Strategy 2022-26



Our first climate responsibility strategy, designed in collaboration with colleagues, customers and external partners, sets out the actions we will take over the next four year as part as of a long-term commitment to play our role in tackling climate change through reducing carbon emissions associated with our homes and operations

Our vision is to...

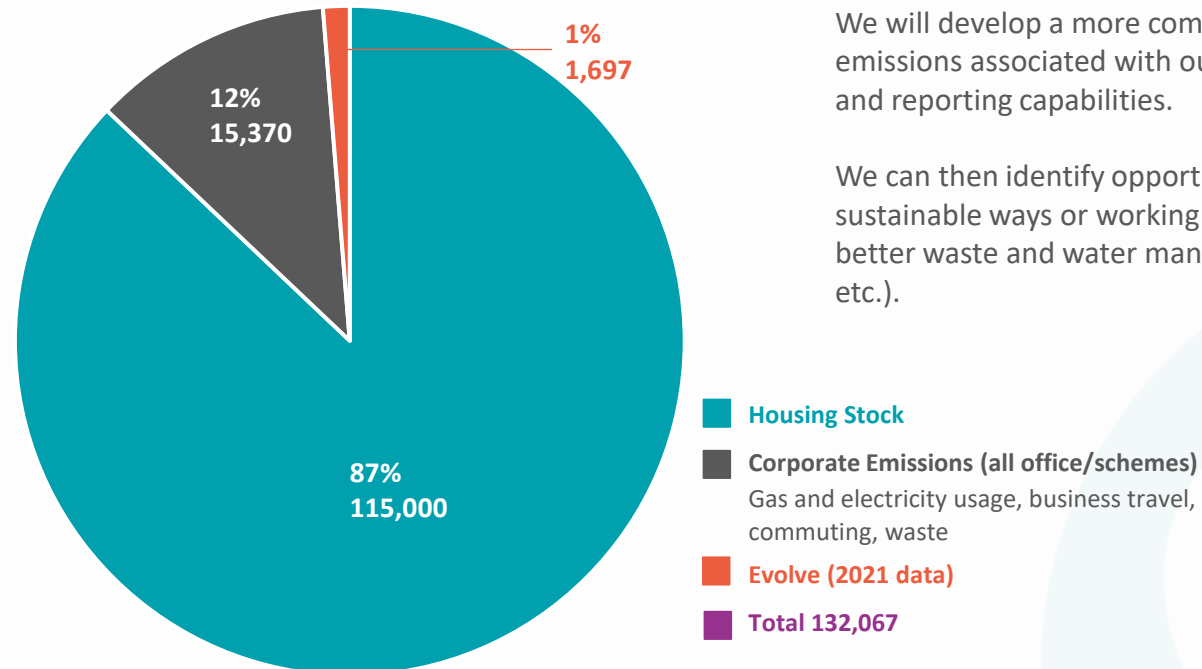
Deliver a measurable reduction in carbon emissions and develop a long-term plan to improve the energy efficiency of our homes, establish more sustainable working practices and create cleaner, safer neighbourhoods on our journey to net zero carbon.

We need to deal with things like:

- Upgrading the energy efficiency of thousands of homes through a retrofit programme
- The policies and legislation of government
- The current cost of living crisis
- The challenges presented by a shortage of skills
- Emerging trends and technology

Current CO2 emissions... As at March 2022 (Riverside only)

Figures reflect tonnes p.a.



But we also want to become a greener, more environmentally friendly organisation

We will develop a more comprehensive understanding of emissions associated with our business by improving data and reporting capabilities.

We can then identify opportunities to implement more sustainable ways or working (e.g. greener energy supplies, better waste and water management, improved recycling etc.).

Climate Responsibility Strategy 2022-26 (continued)



What are our objectives



Homes

We will engage with customers to plan and commence a long-term retrofit programme, delivered by engaged, skilled and fulfilled colleagues. We will build to higher energy-efficiency standards and do more to improve the quality of works.



Places

We will create greener neighbourhoods for the benefit of people living in them. We will invest in smaller-scale environmental projects to make a real impact



Working Practices

We will reduce energy consumption and waste at office and schemes, improve reporting and deliver more sustainable services. We will reduce fleet emissions and offset business travel

Existing

- Enhance energy performance data
- Increase capacity to plan and commence delivery of retrofit works
- Develop stock acquisition and nationalization plans

New

- Build high-quality, energy efficient homes in accordance with regulatory standards
- Increase the provision of new homes developed using modern methods of construction (MMC)
- Explore options to delivery a net-zero carbon new build pilot scheme

Placemaking

- Deliver a range of climate-related benefits as part of long-term regeneration plans in Runcorn
- Develop a Group-wide 'green space plan' and promote biodiversity in our neighbourhoods
- Ensure that climate-related issues remain a key part of our influencing agenda

Support Services

- Provide targeted affordable warmth and sustainable living advice services supported by the Riverside Foundation
- Deliver a smart meter installation programme to increase the accuracy of energy-use data and customer billing in schemes with communal areas

Offices

- Achieve and retain Environmental Management ISO 14001 accreditation that will help us improve environmental performance through more efficient use of resources and reduction of waste
- Implement more sustainable procurement practices to identify and reduce the environmental impacts of our supply chains
- Transition to cloud-based storage – removing energy intensive located data centres from our estate

Travel

- Transition to lower emission maintenance fleet vehicles
- Reduce emissions associated with business travel and company car scheme

By 2026

- 70% of current homes at minimum EPC C rating (100% by 2030)
- 380 EPC A rated modular new build units completed in Kent

By 2026

- Coherent programme of sustainability and environmental initiatives being delivered as key part of Runcorn regeneration scheme
- Well-networked, established customer support and advice services operating on a larger scale

By 2026

- Reduction in emissions
- 360 fleet vehicles replaced with lower-emission alternatives



Two additional workstreams will play a crucial role in the delivery of our climate objectives:

Customer engagement

- We will work with our customers to develop retrofit plans, providing a wealth of dedicated support and advice services

Colleague engagement

- We will work with colleagues to deliver this strategy, raising awareness and embedding climate responsibility as a fundamental priority that underpins all activity over the long-term

What we've achieved to date

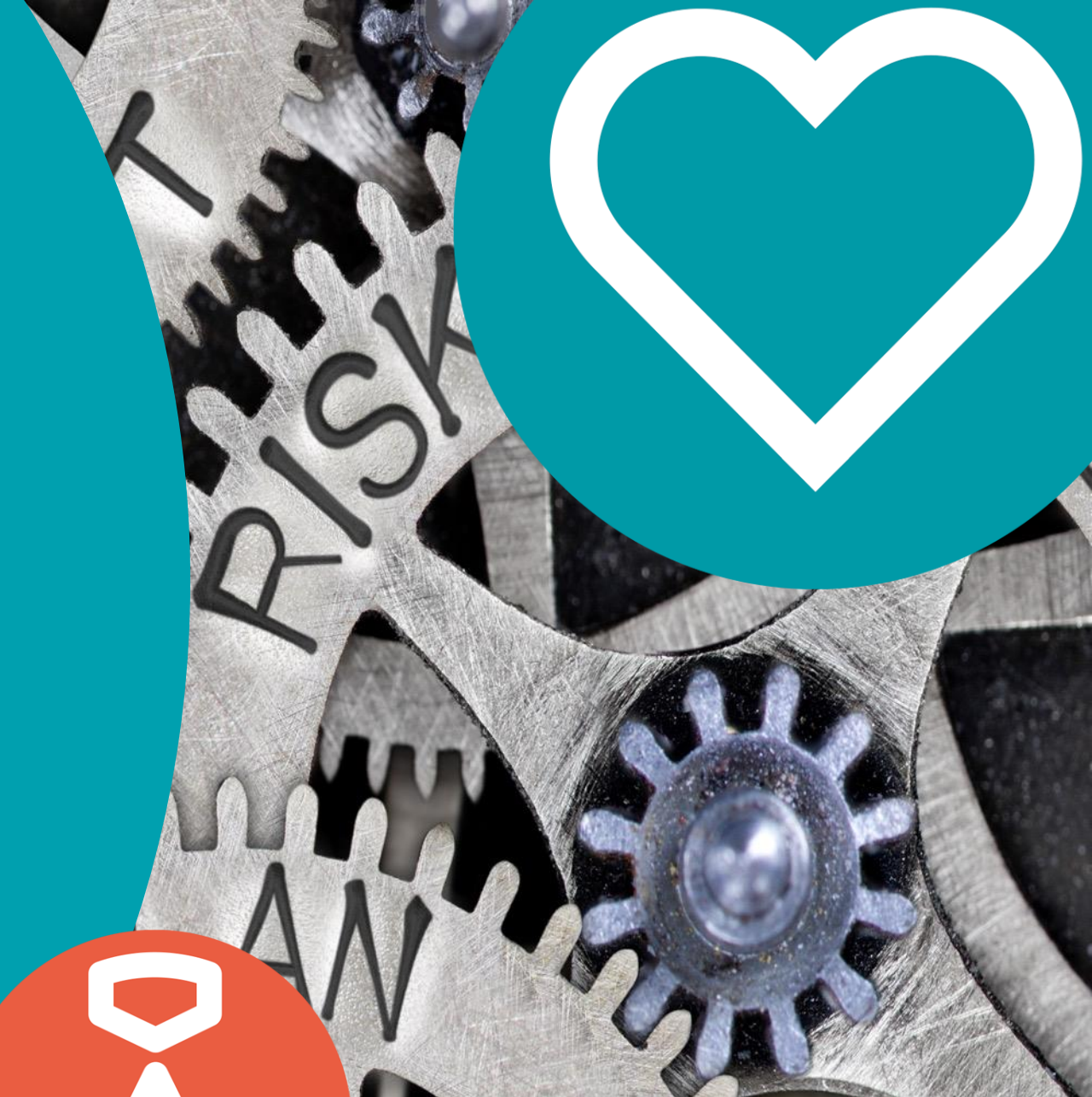
Sustainability

- Removed all company cars as an early step in our strategy to reduce our carbon emissions. This is being coupled with staff being encouraged to use video conferencing wherever possible to reduce travel.
- Improved our ESG reporting on the back of constructive feedback from Investors, with further improvements still to come.
- Piloted the use of Switcher in some of our stock, providing real time data to help our customers reduce their energy consumption (and therefore bills); being rolled out to further homes and customers.
- Continued use of Teams as a way to meet colleagues and external partners to reduce travel, saving cost as well as helping with carbon emission reductions. This is coupled with more use of paperless technology, including Adobe Sign and DocuSign solutions, reducing printing.
- Created our 'Green Army' – staff members with a passion for the environment, delivering change and sustainability based projects in their local areas.





Customers



Customer satisfaction

Repairs and Maintenance Service

- Increase proportion of jobs completed first time
- Improve quality of work
- Increase speed of resolution

Ease of getting queries resolved

- Reduce time taken to respond to queries
- Increase first contact resolution
- Increase proportion of queries that can be dealt with online

Listens to views and acts on them

- Increase opportunities for meaningful engagement with customers
- Improve communication with customers
- Improve complaints handling

Value for Money of Service Charges

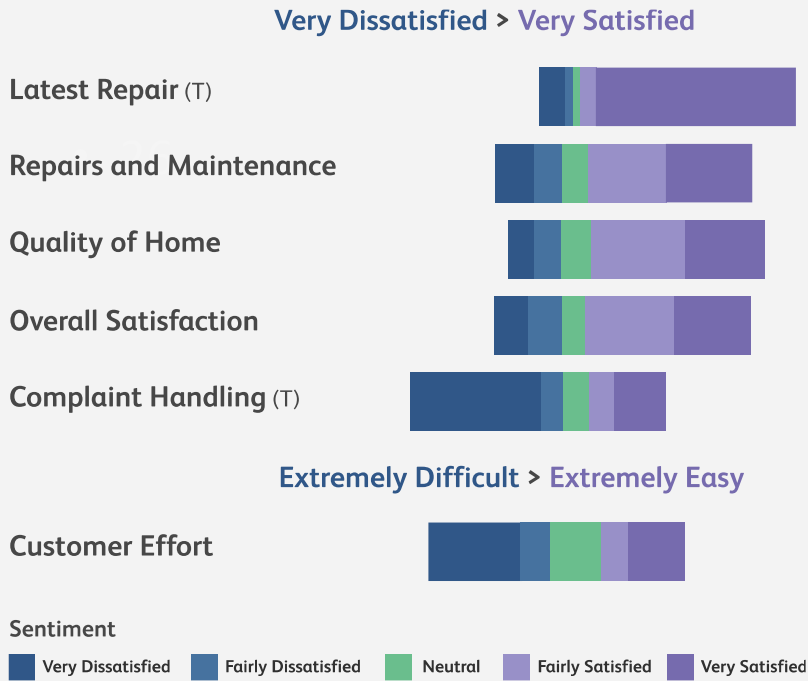
- Improve information for customers in year end accounts
- Improve consultation about high cost works
- Improve budget management



Customer satisfaction

As at 30 September 2022

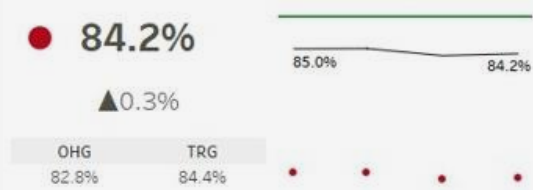
Survey Sentiments



Overall Satisfaction



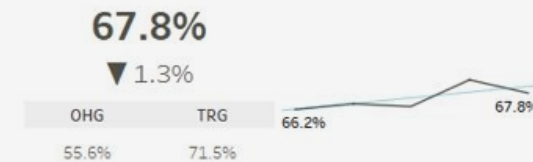
Latest Repair (T) All Repair Types



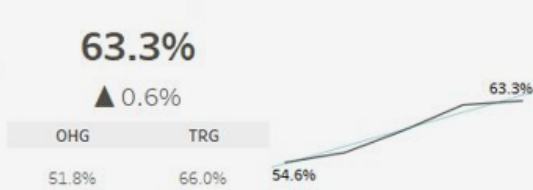
Complaint Handling (T)



Quality of Home



Repairs and Maintenance



Cash leakage

Voids and arrears performance as at 30 September 2022

Income Collected

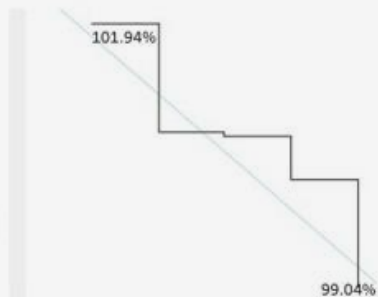
99.0%

Rolling 12 Month

▼1.2%

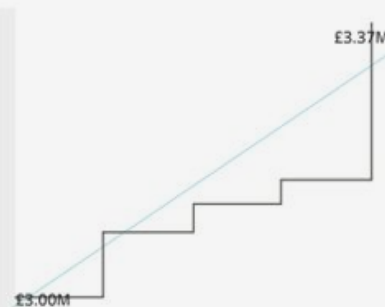
OHG

99.0%



Current Arrears

▲0.6%



Total Empty Houses

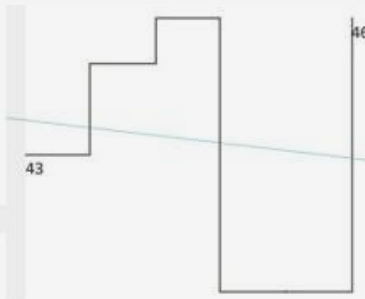
2,061 ▼22

Empty Homes

2.8% ►0%

% of Homes

TRG	OHG
1,666	395
2.9%	2.4%



Empty Home Rent Loss

3.6%

YTD

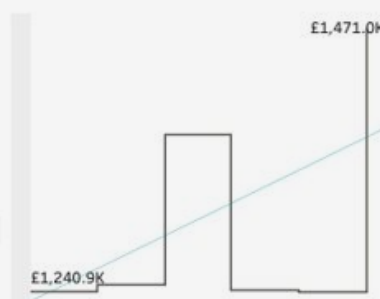
►0%

TRG

OHG

3.20%

4.58%



Using property data

We're using a range of asset-related data to prioritise Riverside's efforts in dealing with damp and mould

- We've built a rich dataset containing both internal and external data, including sensor data from Switchee.
- We're developing advanced analytics to predict which properties in our estate are most likely to have problems with damp and mould so that we can prioritise our remedial works.
- We're also using the Switchee data to identify potential welfare concerns in near real-time (e.g. if a property has very high temperatures for an extended period of time).
- We have also set aside £3m to spend across the current and next financial years to specifically tackle damp and mould issues within our customers homes.



Using customer data

We're using a range of customer-related data to drive proactive actions

- We're consolidating contact data from across the business to identify customers with whom we've had little recent contact. This is then being used to prioritise welfare calls and visits.
- We've built a model that predicts customer complaints before they're made, enabling our housing officers to take preventative action.
- We're building a model that creates prioritised leads for our affordable warmth team by identifying customers who are at risk of fuel poverty.
- We are also using this data to help our Tenancy Sustainment team reach our customers who most need their help. Funding has been made available to help keep our customers in their homes during this difficult time.



Tenant Satisfaction Measures

TSMs collected from tenant perception surveys

Code	Title
TP01	Overall satisfaction
TP02	Satisfaction with repairs
TP03	Satisfaction with time taken to complete most recent repair
TP04	Satisfaction that the home is well maintained
TP05 (was TP04)	Satisfaction that the home is safe
TP06 (was TP05)	Satisfaction that the landlord listens to tenant views and acts upon them
TP07 (was TP06)	Satisfaction that the landlord keeps tenants informed about things that matter to them
TP08 (was TP07)	Agreement that the landlord treats tenants fairly and with respect
TP09 (was TP08)	Satisfaction with the landlord's approach to handling complaints
TP10 (was TP09)	Satisfaction that the landlord keeps communal areas clean and well-maintained
TP11 (was TP10)	Satisfaction that the landlord makes a positive contribution to neighbourhoods
TP12 (was TP11)	Satisfaction with the landlord's approach to handling anti-social behaviour

TSMs generated from management information

Code	Title
CH01	Complaints relative to the size of the landlord
CHP02	Complaints responded to within Complaint Handling Code timescales
NM01	Anti-social behaviours (ASB) cases relative to the size of the landlord
RP01	Homes that do not meet the Decent Homes Standard
RP02	Repairs completed within target timescale
BS01	Gas Safety Checks
BS02	Fire Safety Checks
BS03	Asbestos Safety Checks
BS04	Water Safety Checks
BS05	Lift Safety Checks



Regulator of
Social Housing

- Of the 22 measures being introduced, we can already report on 16 of them.
- For the other six (TP03, TP04, TP05, TP07, TP08 and TP11), these will be included in an updated Customer Perception Survey from 1 December 2022 onwards.



Development



Development to 31 March 2022



Supply Volume Summary

	1 April 2021					31 March 2022	
	Opening Unsold Units	Affordable Homes	Shared Ownership Homes	Care and Support	Market Sale Homes	Closing Unsold Units	Total Delivered
Riverside	–	618	225	45	–	–	888
OHG (1 April 2021 – 30 November 2021) excluded from VFM reporting		35					35
OHG (1 December 2021 – 31 March 2022) included in VFM reporting		53	16				69
Prospect	–	–	–		58	–	58
Compendium	(10)	–	–		55	1	46
Stanton Cross	(7)	–	–		120	18	131
Total	(17)	706	241	45	233	19	1,227
New supply delivered – social housing units (VFM mandatory metric 2a)					957		
New supply delivered – non-social housing units (VFM mandatory metric 2b)					235		
OHG (1 April 2021 – 30 November 2021)					35		
Total					1,227		

 **Riverside**
Home Ownership

prospect.
HOMES

STANTON CROSS
WELLINGBOROUGH

 **CompendiumLiving™**
CREATING A REAL SENSE OF PLACE

Business plan 2022-23

Development revisited – committed spend only



Development units	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Y1-10	Y1-30
Affordable	584	496	231	207	120	137	206	72	110	25	2,118	2,255
Care & Support	4	98	-	-	-	-	-	-	-	-	102	102
Shared Ownership	249	385	268	155	96	60	31	51	25	33	1,353	1,386
Intermediate	3	-	-	-	-	-	-	-	-	-	3	4
Rented total	840	979	499	362	216	197	237	123	135	58	3,646	3,747
Outright Sale	52	186	54	73	82	82	29	18	25	34	635	669
Total Group Committed	892	1,165	553	435	298	279	266	141	160	92	4,281	4,416
Joint Venture	139	635	286	353	298	873	572	466	271	245	4,138	4,575
Grand Total (Committed)	1,031	1,800	839	788	596	1,152	838	607	431	337	8,419	8,991
Difference to Business Plan	(235)	(588)	(866)	(980)	(657)	(611)	(337)	(322)	(928)	(933)	(6,457)	(29,558)

A key element of closing the gap in our business plan in light of a potential rent cap is not pursuing uncommitted development for the time being



2022 Financial performance



Financial Performance

31 March 2022 Results



For the year ended 31 March	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual*
Turnover (£'m)	346.2	364.3	355.7	374.3	448.1*
Operating Costs	266.2	296.7	300.9	300.2	390.1*
Gain / (loss) on Fixed Asset sales	15.4	11.9	4.8	4.1	47.3*
Operating Surplus	95.4	79.5	59.6	78.2	105.4*
Operating Margin	27.6%	21.8%	16.8%	20.9%	23.5%*
Surplus for the Year	60.0	26.4	28.9	49.0	759.7*

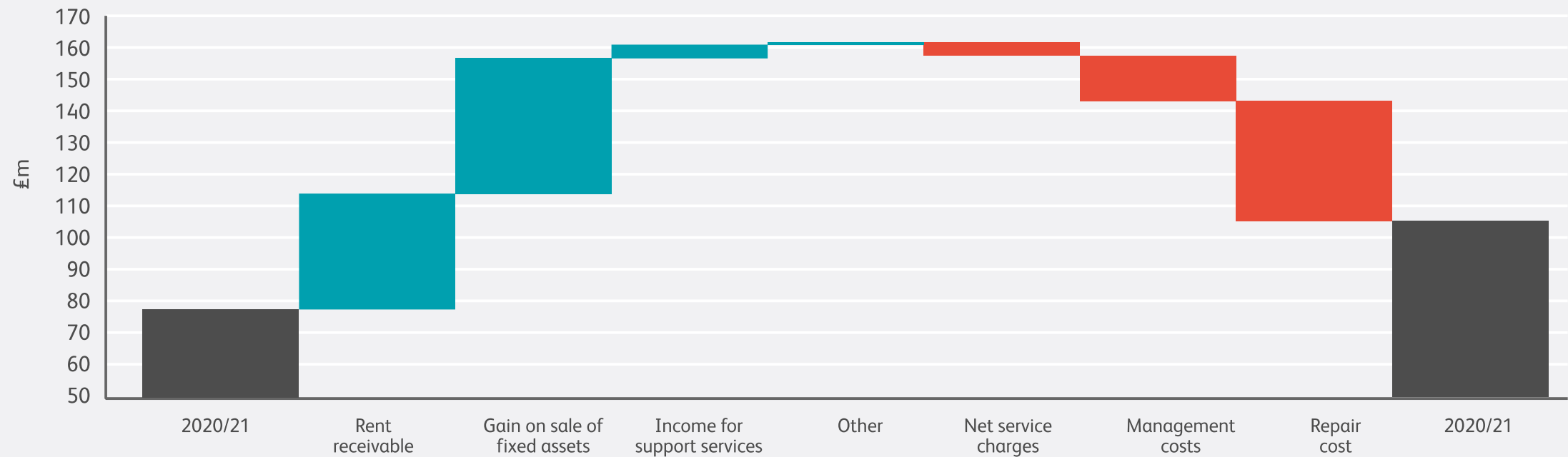
*2022 results include One Housing Group Limited results as part of the Group Consolidated totals, having joined the group in December 2021. Surplus for the year is particularly effected by a one off fair value acquisition adjustment of £674.8m recorded as a profit in the period.

Financial Performance

Key costs in year to 31 March 2022



Movement in Operating Surplus



OHG financial performance



- OHG Operating Surplus as at 31 March 2022 was £37.3m. This included a loss on the Baycroft Care Homes of £12.1m.
- Half year performance for the year ending 31 March 2023 is a set of mixed results, with Operating Surplus behind budget due to a combination of higher costs for waking watches, lower than expected sales income on the Bangor Wharf site and small adverse variances on rental income and void losses. There have been positive variances on repairs costs (including major repairs) and administrative costs, although some of these transferred to TRGL.
- Net surplus is significantly ahead of budget at half year as the recent interest rate increases have moved all swaps to being in the money and therefore fair value adjustments are currently positive.
- Baycroft performance year to date is largely in line with budget.

Treasury

Debt and Liquidity – 30 September 2022



- Immediately available liquidity totals £427.4m (TRGL £302.7m):
 - **£38m cash** (TRGL £10.2m)
 - **£389.4m committed and fully secured loan facilities** (TRGL £292.5m)
- TRGL also has £6m of agreed facilities with a high street lender that are awaiting a security top-up. Bridging facilities to a Capital Markets issue are currently being agreed and should be available by 31 December 2022 for £300m. This is 75% of the amount intended to be issued via a debut EMTN programme in 2023
- Existing RCFs that are due to expire in February 2023 are currently being extended. Both of these are expected to increase by a further £50m each, providing an additional £100m of liquidity.
- 17,751 unencumbered units available to charge in the Group, which represents 20.1% of total units; has the potential to secure in excess of £650m additional debt
- Riverside swap exposure continues to reduce. No positions now require cash collateralisation. One Housing only has three swaps, all with one counterparty. With recent changes to interest rates, all standalone swaps are now in the money and there are no MTM positions to cover



Questions?

