

Investor

Presentation 2026.

TENANTS AT
HECORT

midland
heart



Today's presenters



Joe Reeves

Deputy Chief Executive



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Director of
Corporate Finance



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Senior Treasury and
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Agenda.

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Our homes	9
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Executive summary.

We're a housing association that manages over 34,000 homes across the Midlands, for over 70,000 tenants. **But we're much more than that, we're an anchor institution in our region, and for our communities.**

For the last century it has been our purpose **to provide quality homes and services for local people.** We remain dedicated to this purpose, delivered through three strategic priorities:



Core landlord service

We are focused on delivering a high-quality landlord function, with limited market sales development plans.



Building affordable homes

We will grow, modernise and concentrate our asset base through an ambitious new build programme alongside strategic stock acquisition and disposal.



Embed the #MH Mindset

Everything we do, everything decision that we make, will be through the lens of the MHMindset, the tenant-centric culture that makes us who we are.



Key highlights.

Resilient. Tenant-focused. Future-ready.

TENANTS AT
HEORT

34,436

Social homes owned or managed

A1 (stable) Nov 25

Sector-leading Moody's rating

G1 / V1 / C1 Dec-25

Top regulatory ratings



c80%

Upper quartile TSM performance; overall satisfaction



£361m

Strong liquidity supporting sector-leading financial performance



100%

Building safety TSM compliance maintained



356

New homes built



97%

TPAS accredited – highest sector score



£55m

Largest-ever capital investment program

**DEVELOPMENT
TARGET**



2,750

homes by 2030

from 2,250

25%

SHL operating margin

30%

Gearing (VFM)

1.06x

EBITDA-MRI interest cover

Met

Liquidity

c.84%

Homes at EPC C or higher

4%

Rent Arrears (record low)

100%

Safety compliance

84%

Colleague satisfaction

Our corporate
strategy.

TENANTS AT
HECORT

midland
heart 



Tenants at Heart – Key outcomes to 2030.



Homes that enable modern living:

- **Record £300m investment** in our homes
- **Upgrade 6000 homes** through a mix of retrofit/ aesthetic upgrades (approx. 4500 are pre-war)
- **14 day repairs service** – halving tenants wait
- Maintain **100% building safety compliance**



Quality services and local impact:

- **Increase local engagement and visibility** – measured by an increase to neighbourhood TSM
- Keep **Housing Ombudsman maladministration rate below the national average**
- **Visit all homes identified through HomeChecker** within 18 months



Financial resilience and sustainable growth:

- **Deliver 2,750 new affordable homes** by 2030
- **Deliver Project 100**, a net zero neighbourhood of scale in the Midlands
- Operate sustainably and **continue our journey to net zero**
- **Adhere to our financial golden rules**



One team working together for our tenants:

- **Develop a Regional Housing Skills Academy** to address the skills shortage in the sector
- **Gain external accreditation as a great place to work** (ie. Sunday Times)
- **Score 90% for colleague TSMs**
- **Close our EDI gaps**

Responding to the changing legal and regulatory environment.

We are proactively adapting to regulatory change through continuous investment and service improvement. Rising expectations across the sector mean sustaining a C1 consumer rating requires ongoing focus and commitment.

Regulatory Challenges

- Awaab’s Law – tighter timelines for addressing damp, mould and housing hazards.
- Competence & Conduct Standard – increased focus on colleague training and professional standards.
- Employment Rights Act 2025 – significant changes to employment practices
- Housing Ombudsman & STAIRs – greater transparency and enhanced tenant information rights.



**RESILIENT. TENANT-
FOCUSED.
FUTURE-READY.**

CORPORATE PLAN 2026-2030

£300m

**INVESTMENT IN
EXISTING HOMES**

TENANT	Priorities shaped by tenants
HOMES	More affordable homes
RESILIENCE	Strong, sustainable finances

Our homes.

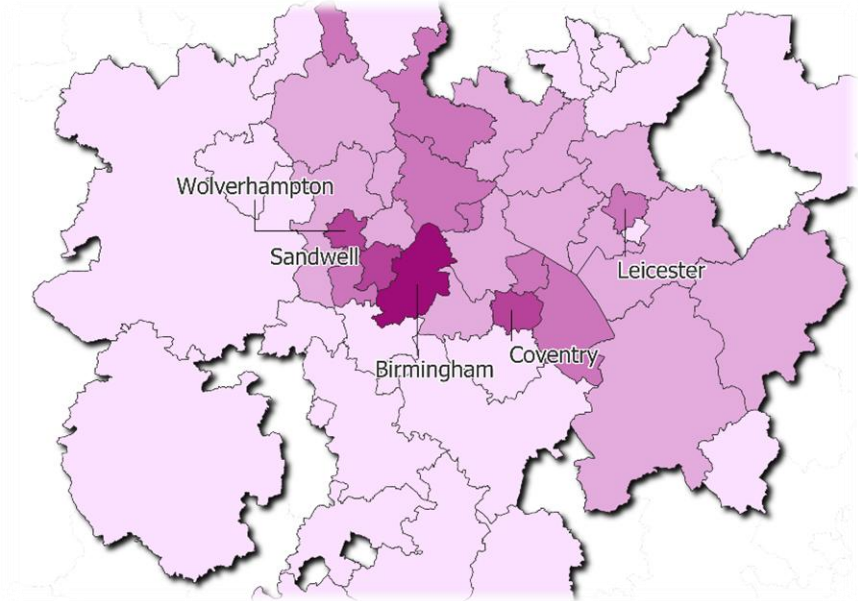
TENANTS AT
HECORT



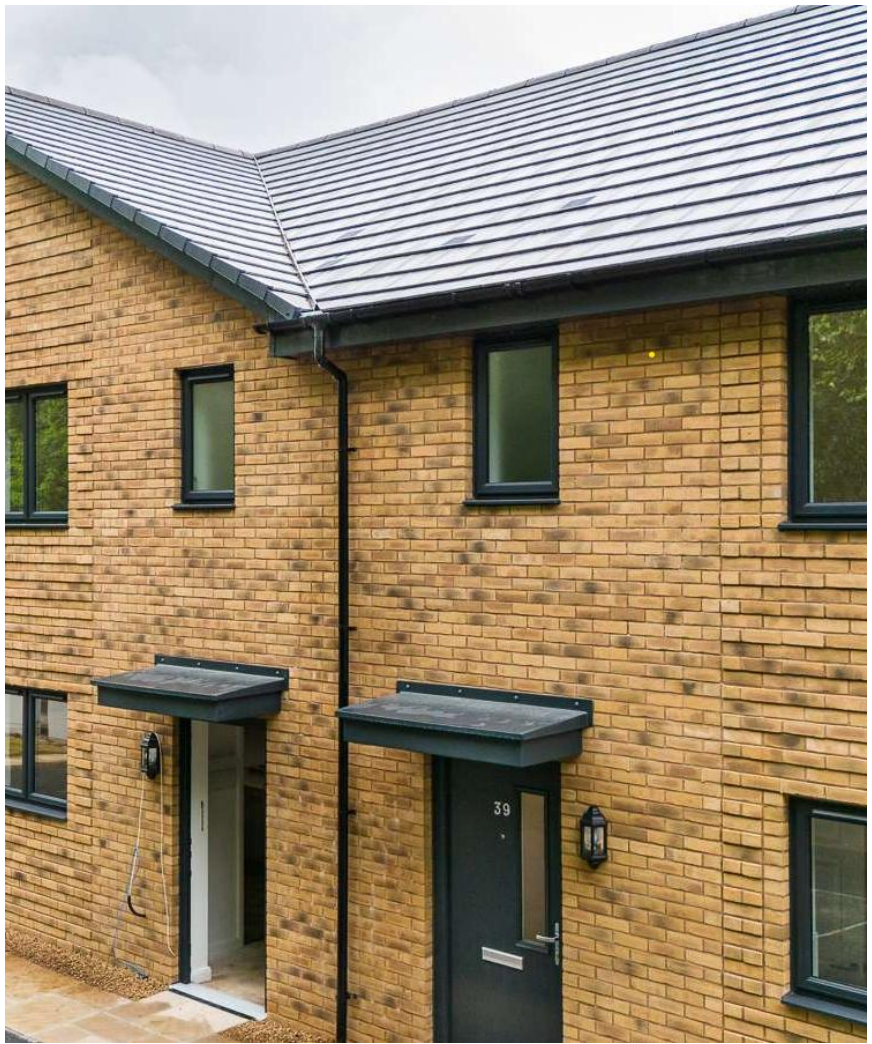
Our existing homes.

We continue to operate in a focused and concentrated geography in the Midlands.

Our core geography



- **34,436** homes in **49** local authorities
- **Two thirds** of properties in **five** local authorities
- **35%** of GN rented stock pre first world war
- **7** of the most deprived wards in England



Our top 5 local authorities	Total
Birmingham	37%
Coventry	12%
Wolverhampton	7%
Sandwell	5%
Leicester	4%



Rent 58% of market equivalent

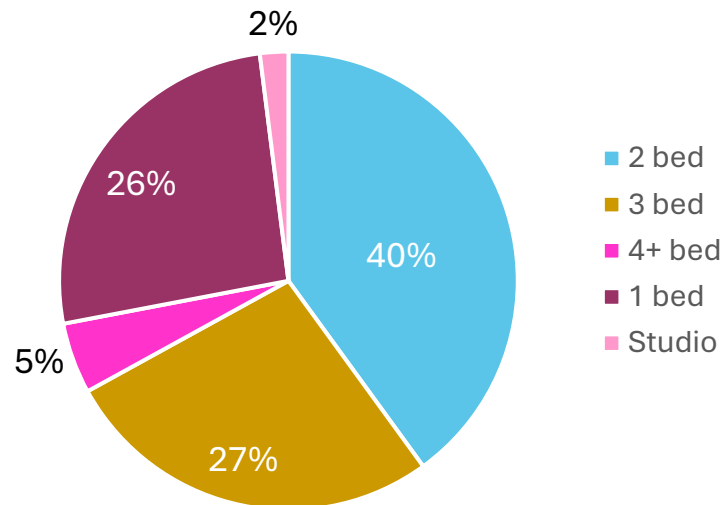
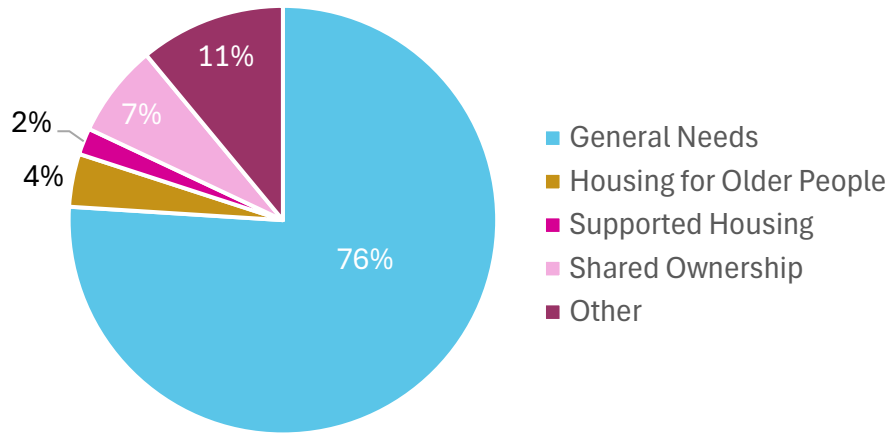


53,000 plus actively searching for affordable housing

Data from SDR Submission for 2025/26

Our existing homes.

General needs housing remains at the heart of our portfolio.



76%
GENERAL NEEDS



> 65%
2-BED AND 3-BED



c.84%
EPC C OR ABOVE



£55m
CAPITAL INVESTED 2025/26



£300m
INVESTMENT TO 2030

Property investment 2025/26.

Homes that enable modern living.




Record
£55m
investment
in planned
capital works



100%
compliance
with building
safety TSM



1,697
bathrooms

INVESTMENT IMPACT

84% EPC C+ 100% BY 2030	99% STOCK SURVEYS IN FIVE YEARS	83.7% REPAIRS SATISFACTION UPPER QUARTILE
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DELIVERY

1,697 bathrooms · 1,228 kitchens
289 roofs · 674 window replacements
71% of new roofs fitted with solar panels
Core rented accommodation focus



1,297
boilers



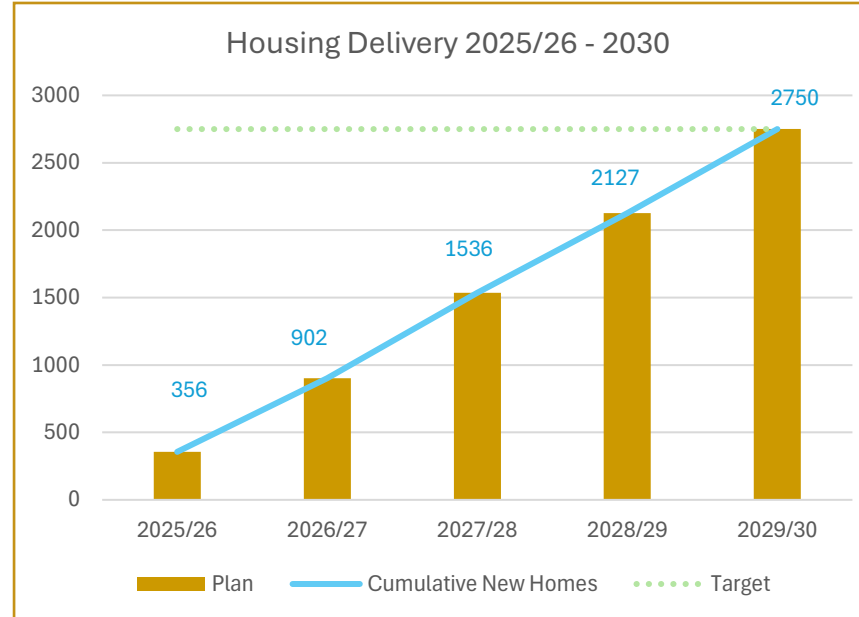
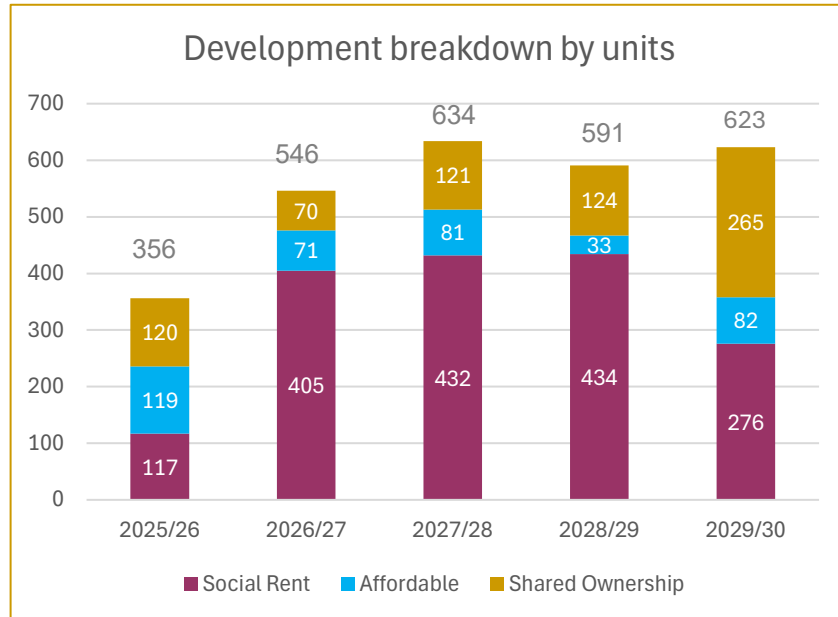
289
roofs



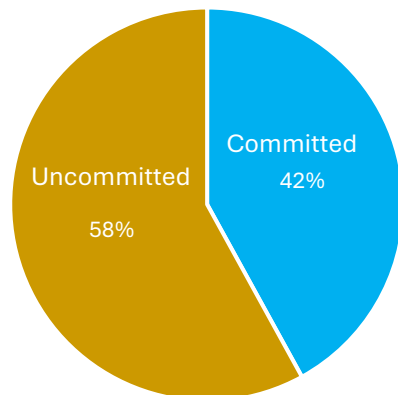
1,228
kitchens



Our new homes - housing delivery strategy.



- **SOCIAL RENT** **70%**
- **SHARED OWNERSHIP** **30%**
- **MINIMUM EPC** **EPC B**



- 356 social housing completions in 2025/26 (EPC A: 106 and EPC B: 250 units).
- On target to deliver 2,750 build and acquire new homes by 2030.
- Sold 212 first tranche shared ownerships in 2025/26 with a surplus of £1.7m.
- No Market Sales.

Social and Affordable Homes Programme - SAHP

- 1 of 33 Strategic Partners to receive grant.
- Secured all our requested £225m in grant funding. 40% of the funding pot is now allocated.
- Enables the development of more than 1,800 social and affordable homes across the Midlands.
- Reinforces Midland Heart's position as one of the region's largest affordable housing developers and supports our ambition to create high-quality, sustainable homes and lasting benefits for communities across the Midlands.



"This is a major vote of confidence in Midland Heart's ability to deliver the affordable homes our region urgently needs and makes us one of the largest builder of social housing in the West Midlands." Joe Reeves – Deputy Chief Executive of Midland Heart

Port Loop development.

We are continuing to deliver on our commitment to provide more homes for local people, which includes building **155 social and affordable homes** at the Port Loop development in Ladywood, Birmingham.

The high quality, energy efficient properties will comprise a mix of two, three, and four-bedroom homes. Once complete, we will manage the properties, which will be made up of **134 social rent** and **21 shared ownership homes**.



Our tenants.

TENANTS AT
HECORT



Tenant satisfaction 2025/26.

Both service measures improved – with sector-leading tenant engagement.

SERVICE EXPERIENCE

Overall satisfaction

79% → **81%**
2024/25 2025/26

Repairs satisfaction

80% → **84%**
2024/25 2025/26

TENANT ENGAGEMENT

97%

highest sector score

☆☆☆ **TPAS accredited**

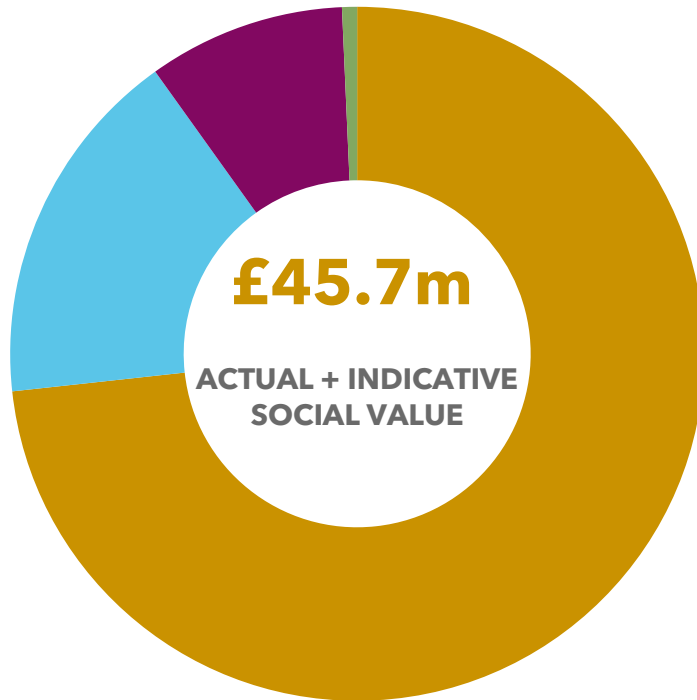
How we engage and involve tenants.
Recognition of a genuinely tenant-led approach.



Our tenant-focused social value.

£45.7m total impact – focused on tenants, homes and communities.

SOCIAL VALUE CHARTER APPROVED • TENANT IMPACT RECORDING UNDERWAY



£33.5m

NEW HOMES + LOCAL ECONOMY

Building affordable homes, jobs and responsible practice

£7.7m indicative **MONEY ADVICE SUPPORT**

Direct financial support for tenants

£4.2m indicative **OLDER HOMES INVESTMENT**

Tenant benefit from modernisation

£320k early view **SUPPLIER CONTRACTS**

First social-value commitments



IMPACT VERIFIED BY
HACT

TENANT FINANCIAL RESILIENCE

£4.4m **Income maximised**

Higher incomes • lower debt liability

2,729 **Tenants referred**

Hardship Fund open to all tenants
Delivered by the Money Advice Team

A stronger team, built for tenants.

RECOGNISED.

TOP 100 EMPLOYER

Disability inclusion commendation
• CIPD-shortlisted

SKILLED.

SECTOR-FIRST HNC

Graduates • Interns • Apprentices

READY.

STANDARDS IN PLACE

CIH qualifications • Cyber Essentials
accredited • New Reward and
Pensions strategy





#MHONPOINT

Simpler processes that make our day-to-day activities easier

- Revisit our core tenant facing policies
 - Reducing the hand offs between teams
 - Removing duplication

Result: colleagues finding day-to-day activities easier and the number of complaints generated by our core processes falling.

Focusing on the performance matters

- One single version of the truth

Result: teams clearer on how to measure the performance that matters and setting more meaningful objectives. Individuals able to better show the impact they are having at work.

Investing in the skills needed for the future

- Clear AI strategy and training
- Leadership qualities

Result: Greater clarity on how and what we can do to harness AI and more time created for value-add work.

- Kicked off in Jan 26
- 5 core review areas
- £1.2m efficiencies already identified over 3 years
- Delivered lowest ever void loss & void WIP
- On track to deliver highest ever tenant satisfaction on lettings and voids
- Strong tenant involvement



Our financial performance 2025/26.

TENANTS AT
HECORT



Financial overview.

A1

Moody's
Nov-25

Liquidity
Target Met
Target >18 months

Operating
margin
(overall)
23%

Interest Cover
278%
Target >150%
(Covenant)

Arrears
3.82%
Target <4%

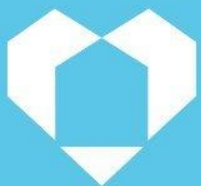
G1, V1, C1
Highest rating
from the Regulator
of social
Dec-25

Gearing
44%
Target <70%
(Covenant)

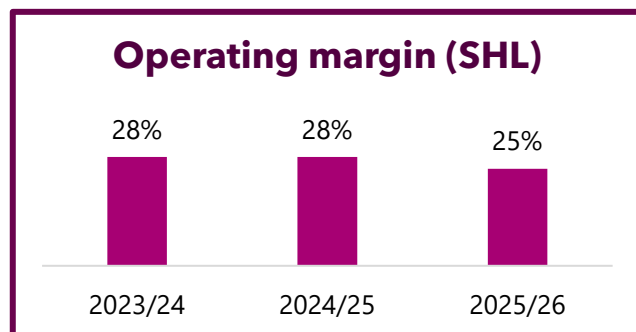
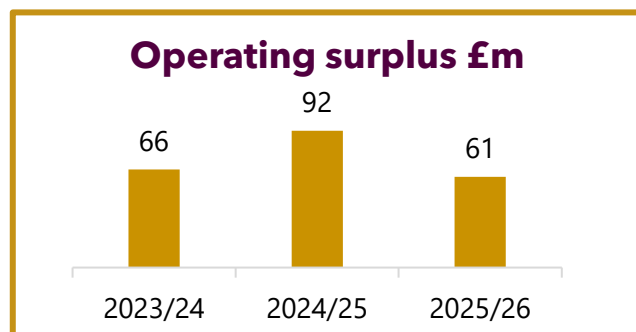
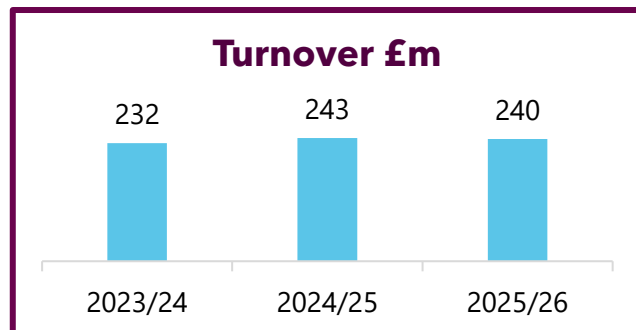
100%
compliance with
building safety
TSM

EBITDA-MRI IC
1.06x
(Regulator)

We continue to deliver
sector-leading
financial strength
underpinned by our
golden rules; Interest
Cover, Gearing and
Liquidity.



Financial performance.



	2025/26 £'000	2024/25 £'000
Turnover	239,727	243,059
Operating expenditure	(183,893)	(178,426)
Surplus on disposals of property, plant and equipment	7,745	27,384
Loss on revaluation of investment properties	(2,390)	(277)
Operating surplus	61,189	91,740
Interest receivable	3,785	3,676
Interest and financing costs	(28,146)	(27,962)
Surplus before tax	36,828	67,454
Taxation	14	(210)
Movement in fair value of cash flow hedged financial instruments	2,809	5,440
Actuarial gain on defined benefit scheme	715	1,960
Surplus for the year	40,366	74,644

Decrease due to sale of over 1,500 properties in 24-25.

24-25 included the sale of over 1,500 properties.

At the end of year one of our new tenant co-created corporate plan 'Tenants at Heart' we have delivered excellent operational and financial results.



Value for money.

Consistently Strong Performance against Housing Associations operating in the West Midlands.

Comparators 2024/25

VALUE FOR MONEY METRICS 2025/26

REINVESTMENT

9.5%

up from 7.8% in 2024/25

OP. MARGIN

23%

vs 27%

GEARING

30%

vs 27%

COST / UNIT

£5,753

vs £5,019

SHL MARGIN

25%

vs 28%

EBITDA COVER

1.06x

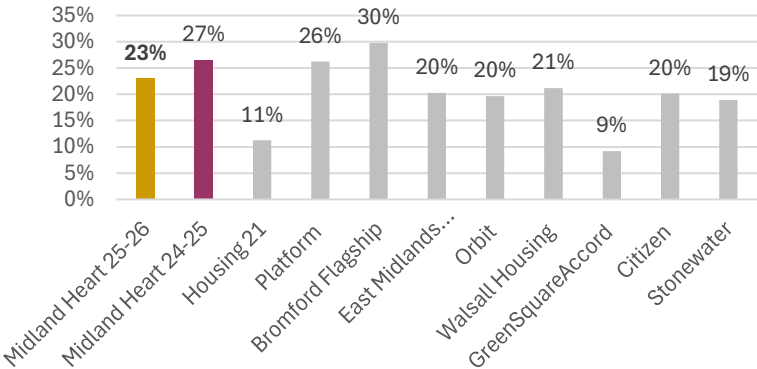
vs 1.93x

ROCE

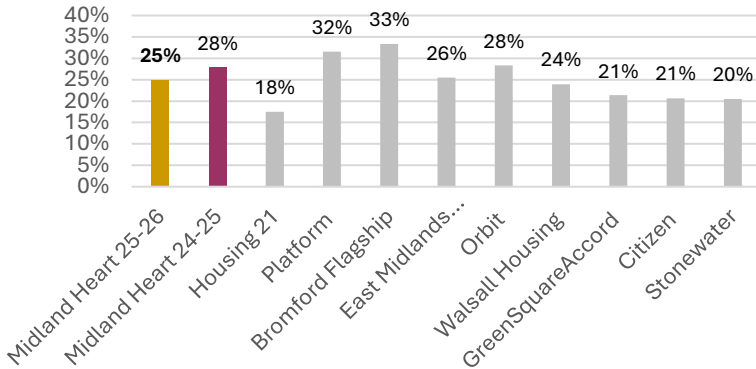
3.0%

vs 4.6%

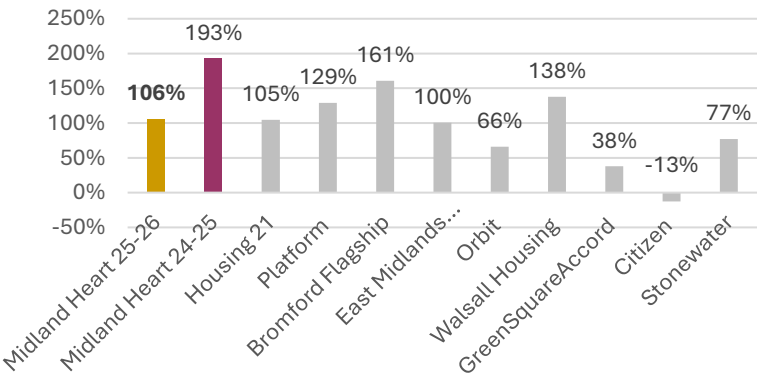
Operating Margin (Overall)



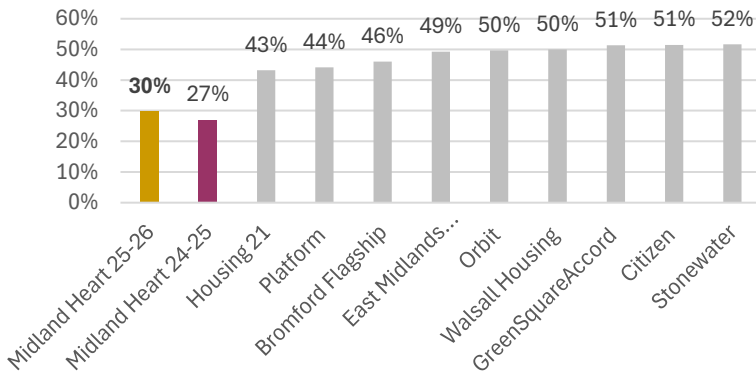
Operating Margin (SHL)



EBITDA



Gearing



Our treasury and sustainability overview.



Treasury update 2025/26.

Liquidity, covenant headroom and funding position

LIQUIDITY

£361m

Cash £89m
Undrawn £272m
Retained bond £75m

DRAWN DEBT

£693m

Total drawn debt

SWAPS

£120m

MTM fully hedged &
collateralised

UNENCUMBERED

8,411

Homes · c£556m
lending value

COVENANT & CREDIT POSITION

INTEREST COVER

278%

Target >150%

GEARING

44%

Target <70%

LIQUIDITY

Met

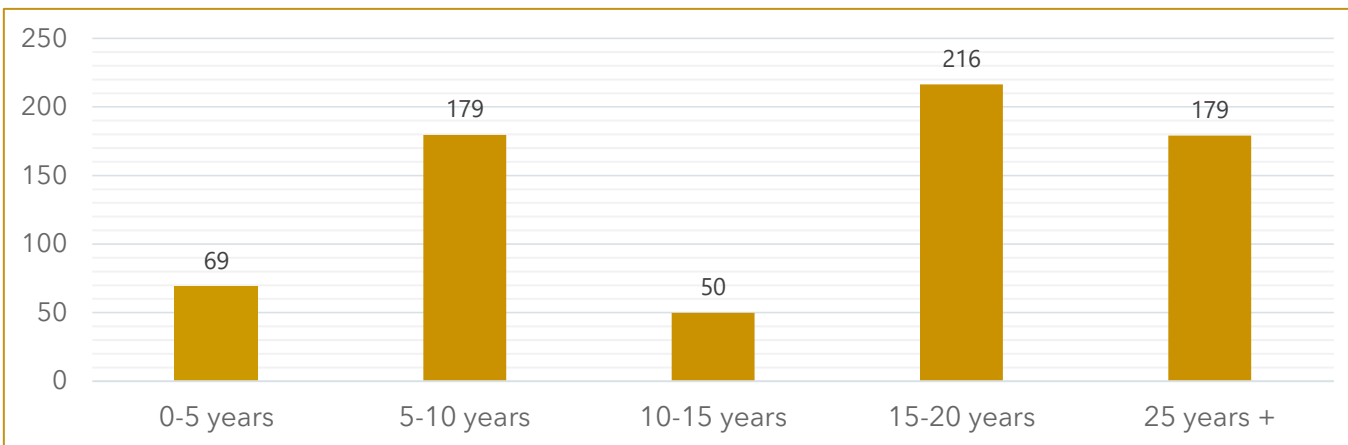
Target >18 months

MOODY'S

A1 Stable

DEBT MATURITY PROFILE (£m)

WACC 4.29%



NEW FUNDING SECURED

£100m

Sustainability-linked loan (SLL)

SSL FUNDING PARTNERS



LLOYDS

nationwide

NatWest

INTEREST-RATE MIX

Fixed 85% • **Variable 14%** • **Index-linked 1%**



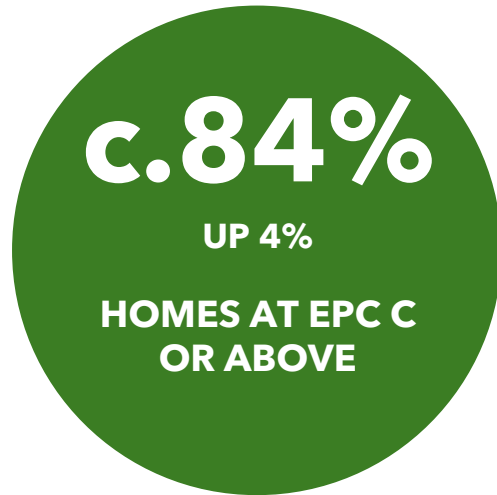
FUNDING MIX

Bonds 55% • **Bank debt 45%**



Our Sustainability Performance.

ENERGY PERFORMANCE



£9.5m

RETROFIT INVESTMENT

Over 1,200 homes improved with energy-efficiency measures

846

TONNES CO₂ REDUCED

Operational Scopes 1 & 2, aligned with the Paris pathway

356

NEW AFFORDABLE HOMES

Energy efficient · 30% EPC A

WIDER IMPACT

£45.7m

ACTUAL & INDICATIVE
SOCIAL VALUE IMPACT

99%

LANDFILL DIVERSION
FROM ALL WASTES

EXTERNAL VALIDATION



SHIFT 2026
GOLD



SRS
ADOPTER
44 CORE
CRITERIA



In summary.

A strong platform for the next phase.

TENANTS

Priorities shaped by tenants and communities



81%

Overall tenant satisfaction



84%

Repairs satisfaction

HOMES

Builds on strong strategic partnerships



£300m

Investment in homes to 2030



2,750

Affordable homes by 2030

RESILIENCE

Strong finances underpin confident delivery



100%

Building safety compliance



£361m

Liquidity supporting delivery



Strong foundations for more and better homes, services and sustainable growth.

Tenant-focused. Resilient. Future-ready.

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