

**Trading update
for the period
ending 30
September 2022**

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1 Introduction

1. Jigsaw Homes Group Limited (Jigsaw or the Group) today issues its unaudited Group trading update for the six months ended 30 September 2022.

2 Key Highlights

- Jigsaw owns and manages over **35,000** homes with a strong regional presence and expertise in the North West and East Midlands.
- Jigsaw continued to maintain its **G1 / V1** ratings and **A2** (Moody's) credit rating.
- Jigsaw's inaugural £360m Sustainability Bond was completed in May 2022 in alignment with the Group's Sustainable Finance Framework.
- Turnover for the period was **£102m** with **87%** of turnover derived from social housing lettings.
- Operating surplus for the period was £35m or **35%** of turnover generating an operating margin of **32%^a**. Surplus after tax for the period was **£17m**.
- Gearing as at 30 September 2022 was **45%^a**.
- EBITDA MRI interest cover as of 30 September 2022 remains strong at **179%^a**.
- Liquidity of **£410m** as of 30 September 2022.
- **309 new homes** delivered in the six months to 30 September 2022, across all social housing tenures - the Group remains on track to achieve its practical completion target of 760 new homes for 2022/23.
- Continued data driven approach with an established suite of operational performance measures. Notable highlights at 30 September 2022 include group-wide void loss at 0.9% and arrears at 2.7%^b.

^ameasured in line with the Regulator of Social Housing [guidelines](#) including adjustment for delayed benefit payments

2. Commenting on the results, Hilary Roberts, Group Chief Executive, said

“I am very pleased to introduce Jigsaw Homes Group's first half yearly performance update following our successful debut bond issue amounting to £360m which completed in May 2022.

I am pleased to report that even with the challenges witnessed in the first six months of 2022/23, Jigsaw Homes Group’s unaudited results as at 30 September 2022 remain ahead of our expectations and in line with performance in previous years.

However, we very much appreciate that the remainder of 2022/23 will likely to continue to remain challenging considering the current economic climate. Inflationary pressures caused by various geopolitical events remain not only a concern for the Group but also importantly for our customers.

Jigsaw’s commitment to its current and future customers has not diminished as we remain well-placed to respond to the current challenges including welfare reform, poverty and social exclusion. The recent Coroner’s findings in Rochdale following the tragic death of Awaab Ishak have led us to re-examine our approach to damp and mould. We are satisfied that our annual property checks combined with our approach when tenants report damp or mould, mean that all cases are dealt with promptly.

As a Group, we remain committed to our core mission to make a social impact through “Creating homes Building lives” by tackling the housing crisis and homelessness by building more affordable and sustainable homes for people to rent and buy.”

3 Operational Update

3. In the period to 30 September 2022, Jigsaw has continued its strong performance in operational metrics underpinned by its strong institutional focus on data and delivery.
4. The key operational key performance indicators achieved in the six month period to 30 September 2022 as compared to the Group’s target for the same period, are summarised in the following table:

Indicators	Period actual	Period target
	Unaudited	Unaudited
Total tonnes of scope one and scope CO ₂ equivalent emissions	1,258	1,599
Current tenant arrears	2.7% ²	3.1%
Income collected	96.1%	99.0%
Void loss	0.9%	1.0%
Money advice provided (number of tenants)	1,280	920
EBITDA MRI interest cover	178.6%	169.8%
Gearing	45.0%	46.6%
Headline social housing cost per unit	£1,677	£1,694
Operating margin	31.6%	31.4%

²Gross arrears excluding adjustment for delayed benefit payments: 3.9%

Indicators	Period actual	Period target
Reinvestment	4.1%	4.9%
Return on capital employed	2.2%	2.0%
Starts on site (units)	308	511
New supply delivered	0.9%	1.2%
Shared ownership sales (units)	62	68
Customers who agree that employee was polite	97.0%	97.0%
Enquiry resolved at first point of contact	71.6%	75.0%
Average time for non-emergency repairs (days)	11	11
Out-of-date fire risk assessments	0	0
Emergencies attended and made safe within 24 hours	98.8%	97.0%
Number of fire doors replaced	504	794
Number of properties below EPC level C (annual target)	7,328	6,446
Progress of planned programme	83.0%	88.0%
Properties compliant with gas safety requirements at quarter end	100%	100%
Properties with invalid gas certificates during reporting period	0	0
RIDDOR reportable incidents	7	2
Complaints responded to within policy timescales	100.0%	80.0%
Customer satisfaction with repairs	90.6%	88.0%
Satisfaction of new tenants with home	89.3%	80.0%
Customer satisfaction with handling of anti-social behaviour case	84.7%	80.0%
Employee Net Promoter Score	43	20

4 Key Financials and Treasury Update

- Jigsaw continues to demonstrate strong and robust financial performance with high margins, strong interest cover and low levels of gearing. Jigsaw's conservative financial profile is underpinned by strong metrics and its risk-averse treasury policy.
- A summary of the Group's key financial highlights are set out in the sections below.

4.1. Summary Consolidated Statement of Comprehensive Income

- Highlights of the Group's financial performance for the six months ended 30 September 2022 together with comparative figures, is as follows:

£'000	Six months ended 30 September 2022	Six months ended 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
	Unaudited	Unaudited	Audited	Audited	Audited
Turnover	102,205	96,816	191,395	191,373	180,934
Turnover from Social Housing Lettings	89,275	87,336	164,443	158,394	155,328
% SH lettings	87%	90%	86%	83%	86%
Operating surplus	35,477	42,674	59,801	73,366	62,578

£'000	Six months ended 30 September 2022	Six months ended 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Operating surplus (%)	35%	44%	31%	38%	35%
Net interest	18,215	16,365	34,011	36,030	37,432
Surplus/(deficit) for the period after tax	17,262	26,309	30,223	39,921	25,888
Retained surplus (%)	17%	27%	16%	11%	18%
EBITDA MRI interest cover (%)	179%	279%	245%	224%	189%

4.2. Summary Consolidated Statement of Financial Position

8. Highlights of the Group's statement of financial position as at 30 September 2022 together with comparative figures, is as follows:

£'000	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 31 March 2021	As at 31 March 31 March 2020
	Unaudited	Unaudited	Audited	Audited	Audited
Housing properties at cost	1,660,879	1,563,642	1,606,211	1,502,838	1,421,879
Cash and cash equivalents	150,876	64,484	61,872	96,985	96,192
Total assets less current liabilities	1,644,742	1,477,332	1,483,088	1,437,179	1,382,493
Capital and reserves	462,586	409,543	445,356	384,605	363,940
Total loans	822,560	694,222	688,195	697,128	702,690
Gearing (%)	45%	46%	48%	45%	48%

4.3. RSH Value for Money Metrics

9. A summary of the Group's key financial metrics for the six months ended 30 September 2022, as measured in line with the Regulator of Social Housing [guidelines](#) is as follows:

	Six months ended 30 September 2022	Six months ended 30 September 2021
	Unaudited	Unaudited
Reinvestment	4.1%	5.2%
Return on capital employed	2.2%	2.9%
New supply delivered (social housing)	0.9%	0.4%
New supply delivered (non-social housing)	0.0%	0.00%
Gearing	45.0%	45.6%
EBITDA MRI interest cover	178.6%	278.8%

	Six months ended 30 September 2022	Six months ended 30 September 2021
Headline social housing cost per unit	£1,677	£1,562
Operating margin (social housing lettings)	33.5%	41.5%
Operating margin (overall)	31.6%	41.5%

4.4. Treasury

10. As at 30 September 2022, total loans stood at £822m and available liquidity in the form of committed, undrawn facilities and cash was approximately £410m. In addition to this liquidity, Jigsaw has access to £100m of retained bonds up to 5 May 2027.
11. The proportion of drawn debt that was fixed at 30 September 2022 was 95.3%.
12. A summary of Jigsaw's treasury and liquidity considerations are outlined below.

	As at 30 September 2022
	Unaudited
Weighted average cost of funds of drawn facilities	4.9%
Weighted average life of funding of drawn facilities	19.7 years
Cash balances (£000s)	150,876
Total committed loan facilities (£000s)	1,081,561
Available liquidity (£000s)	409,876
Units of unencumbered stock (circa)	2,400

4.5. Development

13. In the six-month period to 30 September 2022, against an annual target of 760 new homes for 2022/23, the Group delivered 309 new homes, all for social housing, as follows:

	Six months ended 30 September 2022
	Unaudited
New homes delivered	
General needs - affordable rent	245
Shared ownership	64
Total	309

14. As at 30 September 2022, the Group had approximately 1,600 new homes on site across 50 individual schemes, including 308 new units which started on site in the six month period.
15. At the moment, shared ownership sales interest remains buoyant, with 62 first tranche sales in the six month period to 30 September 2022 against a target of 129 for the current financial year. The average first tranche sale achieved in the period was approximately 40.4%. As at 30 September 2022, the Group had 25 unsold units, of which 3 were older than 6 months.

16. The future projected cost of the development pipeline (including work in progress and developments not yet committed or on site) that extends until the financial year ending 31 March 2026 is estimated at £323m of which approximately £143m or 43% is currently committed.
17. Given the current volatile market backdrop, all development activity continues to be actively and carefully monitored.

4.6. Sustainability

18. The Jigsaw Homes Group's debut bond was issued in April 2022 in alignment with the Group's [Sustainable Finance Framework](#) which aligns the Group's social purpose and [Sustainability Strategy](#) with its funding and financial strategy.
19. Jigsaw will publish an Impact and Allocation Report in accordance with the Sustainable Finance Framework.
20. In addition Jigsaw commits to regular sustainability updates following the publication of its first [ESG report](#) on 14 April 2022.

4.7. Credit Rating

21. Similar to other Housing Associations, on 2 November 2022 Moody's Investors Service revised its credit rating for the Group to A2 negative from A2 stable.
22. A copy of the latest credit rating issued can be found [here](#).

5 Feedback

We welcome feedback on our trading update. Please contact Paul Chisnell, Executive Director of Finance, at treasury@jigsawhomes.org.uk.

For further information please also see provided on our [Investor web page](#).

6 Disclaimer

23. The financial information included in this update does not purport to be comprehensive and the financial information noted as "unaudited" represents information that has not been subject to audit review and therefore may exclude further adjustments that may arise out of a full audit review. These figures are provided for information purposes only.
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28. The trading update does not constitute legal, tax, accounting or investment advice.



Creating homes. Building lives.

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