Amplius

Homes that make a difference

Trading update

2024-25

Q3

Key Metrics
Q3 2024/25

Moody's rating	Regulatory judgement
A3 stable	G1/V2*

Properties EPC C+	Interest cover EBIDTA
84%[1]	254%[2]

Handovers	New home sales
688	311

*The regulatory judgement of G1/V2 was confirmed in November 2024. An updated governance, viability and consumer rating is expected in the next 12-18 months.

Mona Shah,
Chief Financial Officer

We present our Q3 unaudited trading update following the completion of our merger on 16 December 2024, via a transfer of engagements of Longhurst Group into Grand Union Housing Group. On the same date, the trading name of Grand Union Housing Group was changed to Amplius Living ('Amplius').

The financial performance is presented for Q3 2024/25 and Q3 2023/24 on a pro forma basis, having been combined through the application of merger accounting. Management has concluded, in accordance with FRS 102, that this is the most appropriate accounting treatment for the business combination. An unaudited net surplus of £32m and operating margin of 27% are reported for Amplius for the period to 31 December 2024. The increased net surplus on comparison of the Q3 2024/25 pro forma financial performance to that of Q3 2023/24 is due to:

- Inflationary increases to rental income
- Rental income on new homes brought into management
- Planned maintenance underspend, including electrical testing and repairs savings
- Strong property sales performance.

Development handovers increased over the third quarter, with 688 to Q3 2024/25 and an outturn of 968 for the year. We're committed to investing in both new and existing homes and, further to the delivery of new homes, have significantly increased our expenditure in the energy efficiency of our homes. In the 9 months to 31 December 2024, we invested almost £10m in decarbonisation works. Whilst we're pleased to present the strong Q3 2024/25 performance, responsive repairs spend exceeded budget by £3.3m. This was due to continued high demand, resulting in additional expenditure with contractors and our internal repairs team. Although repairs demand has remained elevated, the overall level of work in progress (WIP) reduced between the start of the year and the end of Q3. However, WIP levels and the proportion of overdue repairs remain above target in some areas. We expect to bring WIP levels back to target by the end of September 2025.

The Q3 2024/25 performance also includes £1.4m of merger-related expenditure which includes due diligence, project management, legal fees, lender consent fees, and redundancy costs, including pension strain provisions. The Board and Executive Team have been in place since autumn 2024, and all directors are now appointed and in place. Work is well underway to deliver the Integration Plan, with all day 100 priorities met. We expect to provide further details on the Integration work in our next trading update.

Financial performance

An unaudited net surplus of £32m and operating margin of 27% are reported on a pro forma basis for Amplius for the period to 31 December 2024.

Income and expenditure

	Q3 2024/25 (unaudited pro forma) £m	Q3 2023/24 (unaudited pro forma) £m
Turnover	229	193
Cost of sales	(27)	(14)
Operating costs	(140)	(137)
Operating surplus	**62**	**42**
Surplus on sale of properties not developed for outright sale	7	4
Interest receivable	1	2
Interest payable and financing costs	(38)	(37)
Corporation tax I&E	–	–
Net surplus	**32**	**11**

The increase in turnover is a result of inflationary increases applied to rental income, income on new homes brought into management, and increased sales income.

311 shared ownership first tranche sales have been achieved, generating £31m of sales income. The £7m surplus on properties not developed for outright sale relates to shared ownership staircasing and asset sales.

Operational expenditure is favourable to the budgeted position for Q3. Whilst demand for responsive repairs remains high, this is offset by reduced staff costs linked to care scheme exits and vacancies not recruited to during and post-merger. Our continuing strong arrears performance is also contributing to the favourable budget position, with bad debt levels remaining low.
Interest payable and financing costs remain reasonably consistent year-on-year, the net of increased interest payable and reduced funding costs. Interest payable has increased with new drawdowns of variable debt over the year. Interest receivable has reduced in line with lower cash balances being held.

Key performance indicators

Our increased operating margin and interest cover metrics are a result of the aforementioned turnover increases and budget underspend during the 9 months to 31 December 2024. Development sales income as percentage of turnover is also higher due to the increased number of property sales achieved.

	Q3 2024/25 (unaudited pro forma)	Q3 2023/24 (unaudited pro forma)
Operating margin (overall)[3]	27%	22%
Operating margin (social housing lettings)[4]	25%	17%
Development sales income as % of turnover[5]	15%	10%
EBITDA interest cover	254%	195%
EBITDA MRI interest cover[6]	158%	115%

Funding

The increase in the level of drawn debt is a result of net drawings from Amplius' loan facilities, predominantly for the development of new homes and investment in existing stock.

Cash balances were higher in the prior year due to cash being held on deposit following the April 2023 Longhurst Group retained bond sale. The reduced mark-to-market liability is a result of the movement in swap rates.

	Q3 2024/25 (unaudited pro forma)	Q3 2023/24 (unaudited pro forma)
	£m	£m
Drawn debt	1,231	1,134
Undrawn facilities	198	302
Cash	11	25
Derivative mark-to-market (liability)	1.1	3.5

Operational

Q3 results

	Q3 2024/25 (unaudited pro forma)	Q3 2023/24 (unaudited pro forma)
Void losses[7]	1.7%	2.2%
Bad debts[8]	0.3%	0.4%

Void losses

Void levels have reduced significantly, though remain above target and continue to be a key focus area for Amplius.

Rent arrears and bad debts

Our arrears performance remains strong and bad debts low, as we continue to support the economic resilience, health and wellbeing of our customers and our communities.

Customer satisfaction and complaints

Customer satisfaction[9] has remained stable in recent months, being 85% overall at Q3 2024/25. There were no overdue complaints and response times were over 90% within target[10]. Work in this area is focused on post-merger harmonisation.

Repairs and maintenance

Q3 results

	Q3 2024/25 (unaudited pro forma) £m	Q3 2023/24 (unaudited pro forma) £m
Responsive maintenance	20	19
Void maintenance	8	9
Planned maintenance	9	10
Total maintenance costs	**37**	**38**

Repairs and maintenance costs have remained reasonably consistent year on year, with increased responsive costs offset by reduced void and planned works. The increased responsive expenditure is a result of demand remaining high and the balance between works being completed by external contractors and the internal repairs team. We continue to invest in enhancing our understanding of our homes and the data we hold, working alongside external surveyors to undertake stock condition surveys, enabling us to plan our investment in homes effectively. Moving forward, we expect to complete stock condition surveys for 20% of our homes yearly with each home being surveyed every 5 years.

Investment in existing homes

Further to the expenditure above, we've invested £24.1m in our major works programme, demonstrating our commitment to providing the homes people want, where they're needed. Key areas of investment in 2024/25 have included roofs, kitchens and bathrooms, heating systems, and windows and doors.

Decarbonisation

Our decarbonisation works have continued, with the aim of tackling fuel poverty and improving our customers' health and wellbeing. In addition to the above £24.1m investment in homes, we've invested £9.6m into decarbonisation works, with £7.0m of this linked to the Social Housing Decarbonisation Fund (SHDF) programme. The SHDF has been replaced by the Warm Homes: Social Housing Fund, for which we've recently been awarded £20.3m of grant under wave 3 for co-funded decarbonisation works between 2025/26 and 2027/28. Work is also being undertaken to profile the future investment required to meet net zero.

Property development

Mays Place, our fully affordable 121-home development in Bourne.

Handovers

Our strong development performance has continued, taking handover of 688 homes in the nine months to 31 December 2024 and forecasting a further 280 by the end of the year.

Sales

High demand for our shared ownership properties continues, with £6m of gross profit generated on the sale of 311 new homes at Q3.

Further to the shared ownership first tranche sales, £2m gross profit has been achieved on shared ownership staircasing sales, £4m asset disposals, and £0.5m outright sales.

Latest developments

We're partnering with Urban & Civic to deliver our first batch of all EPC-A rated homes.

The homes – a mix of two, three and four-bedroom properties will be part of the wider Wintringham Park development in St Neots.

The inclusion of solar panels will help bring the homes up to EPC A rating and, once built, they'll be available for affordable rent and shared ownership.

First handovers are expected to take place this summer.

Notes

1. Including both new and existing homes, based on the calculated ratings held on the intelligent energy platforms for the legacy organisations.
2. EBITDA interest cover: operating surplus excluding asset sales + depreciation – amortisation) / (interest payable and financing costs excluding capitalised interest + pension deficit finance costs + interest receivable
3. Operating margin (overall): operating surplus / turnover
4. Operating margin (social housing lettings): social housing lettings surplus / social housing lettings income
5. Development sales as % of turnover: (first tranche shared ownership sales income + outright sales income) / turnover
6. EBITDA MRI interest cover: (operating surplus including major repairs and excluding asset sales + depreciation – amortisation) / (interest payable and financing costs excluding capitalised interest + pension deficit finance costs + interest receivable)
7. Void losses: void loss / (rental income + service charge income)
8. Bad debts: bad debts provided for and written off / (rental income + service charge income)
9. Overall customer satisfaction: the percentage of customers satisfied or very satisfied with our overall performance
10. Response times within target: response before due date, set in accordance with the Housing Ombudsman's Complaint Handling Code.

This publication contains certain forward-looking statements about the outlook for Amplius.

Actual outcomes may differ materially. Such statements are a correct reflection of our views only on the publication date and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Financial results quoted are unaudited. No reliance should be placed on the information contained within this update.

We do not undertake to update or revise such public statements as and when our expectations change in response to events. This publication is neither recommendation nor advice. This is not an offer or solicitation to buy or sell any securities.

Amplius

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