



Investor update

June 2024

ASTER
GROUP

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MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market of the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (b) all channels for the distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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Presenting team

Chris Benn
Chief Financial
Officer



Chris qualified as a chartered accountant in 1994 and joined Aster in 2014, bringing with him extensive experience from the commercial sector.

Before Aster, Chris held senior finance positions at Euromoney Institutional Investor PLC and Regus PLC. At Regus Chris was involved in the IPO and floatation of Regus' shares on both the FTSE and NASDAQ indices.

Chris is a member of the Executive Board and one of three senior executives who are also board members of Aster Group Ltd.

Gary Bellenger
Director of
Home Strategy
&
Sustainability



Gary joined Aster in March 2022 having spent 25 years working in asset management and investment in the social housing sector.

As Director of Home Strategy & Sustainability, Gary leads the property investment programme and sustainability across the Group. He focusses on Aster's Home strategy, overseeing the development of Aster Property, including commercial services, property performance, Aster Property financial planning, investment planning and asset data, ensuring that Aster operates sustainably.

Gary is a member of the Group Investment & Asset Panel (GIAP) and the Operational Scrutiny & Assurance Panel (OSAP).

Jane Gallifent
Development
& Sales
Director



Jane has over 30 years of experience delivering new homes across a wide range of tenures throughout the south of England. Jane leads a team responsible for a large development programme ranging from Section 106 opportunities, land acquisitions, joint ventures, partnerships and Community Land Trusts.

Jane has spent her career working in the housing sector. She has senior management and board experience and is currently a non-executive director for the RHP Group and Co-Op Homes.

Jane is a member of GIAP and OSAP.

Paul Jeffries
Director of
Treasury



Paul is a qualified corporate treasurer and accountant with 20 years' experience in the not for profit and housing sectors.

At Aster, Paul leads the treasury function, funding the business and ensuring our financial strength as well as overseeing the financial plan and credit rating. He successfully introduced our Framework for Sustainable Finance and inaugural ESG report.

Paul has recently become the Chair of GIAP.

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- Operational performance and sustainability
- Development
- Treasury
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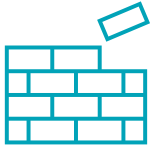
Introduction, overview and financial performance

Chris Benn
Chief Financial Officer

Aster overview



- **Trading update** for twelve months to **March 2024**, profit before tax of **£41.9m**.
- Improved FY24 social housing and overall operating margins, despite a challenging environment.
- **£250m sustainability bonds** (with a further £100m retained) issuance in June 2023 at **5.412%** coupon.



- **997** new homes delivered in FY24, **92%** affordable tenures.
- **7th** in Inside Housing's 'Top 50 Biggest Builders Survey' (**FY23**).
- Homes England Strategic Partner, **£127m** grant funding to deliver **1,500** homes – **100% identified**.



- Over **85%** of homes at EPC C or above – on target for EPC C by 2030.
- Continuous development through new sustainability roadmap.
- Independently reviewed allocation and impact report – **Series 2 report** due for release in June 2024.



- Independent governance review – **Deloitte**.
- Strategic review – strategic priorities.
- New appointments to Board – replacing members with expired board tenures.
- **G1 / V1** regulatory grading – confirmed July 2023 following IDA.
- **A (stable)** rating by S&P – December 2023.

Everyone
has a home

What we do enables better lives

We provide safety and security through a range of housing and services.

We will continue to grow so we can maximise our impact.

Our strengths are our people and our culture.

Strategic
themes

Enablers

Providing safe, well maintained homes and modern, reliable customer services.

Building as many homes as we can, offering a range of housing options.

Empowering our colleagues, customers and communities to thrive.

Data, Technology and Transformation

Financial Strength and Business Health

People and Culture

The Aster Way

Strategic priorities

1

Repairs and maintenance service

Transform the way we deliver our maintenance service.

2

Investment in homes

Set an Aster standard we are proud of, so our homes are safe, accessible and energy efficient.

3

Customer experience

Improve customer experience and reduce customer effort by being proactive.

4

New homes

Invest over £2 billion to deliver high quality new homes that are safe, accessible and efficient to run.

5

Enham

Create and deliver a vision for Enham.

Governance at Aster

Structured on the UK Corporate Governance Code

Independent governance review - Deloitte

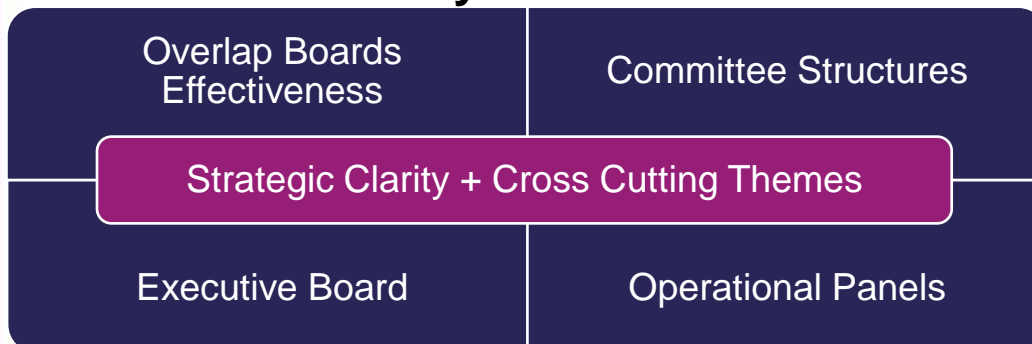
Review concluded that governance at Aster is:

- Strong, with well understood governance arrangements in place;
- Demonstrates a strong emphasis on social value and focus on customers.

Despite this, we are not standing still and have focused on modernisation of governance at Aster, continuing to develop our approach through:

- A simplified committee structure;
- Strengthening our approach to hearing Customer Voice by embedding Customer Voice at all levels of the business and within existing committees.

Key themes



Steve Trusler
Group Chair
Appointed Oct-23

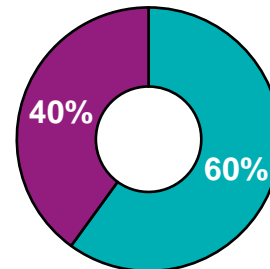


Mehul Desai
Non-executive director
Appointed Oct-23

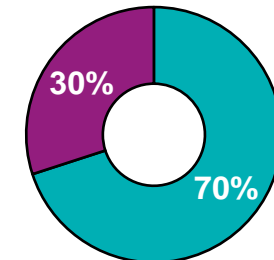
New appointments to Aster Board

Board composition

3.5 years
Average Board tenure



■ Male ■ Female



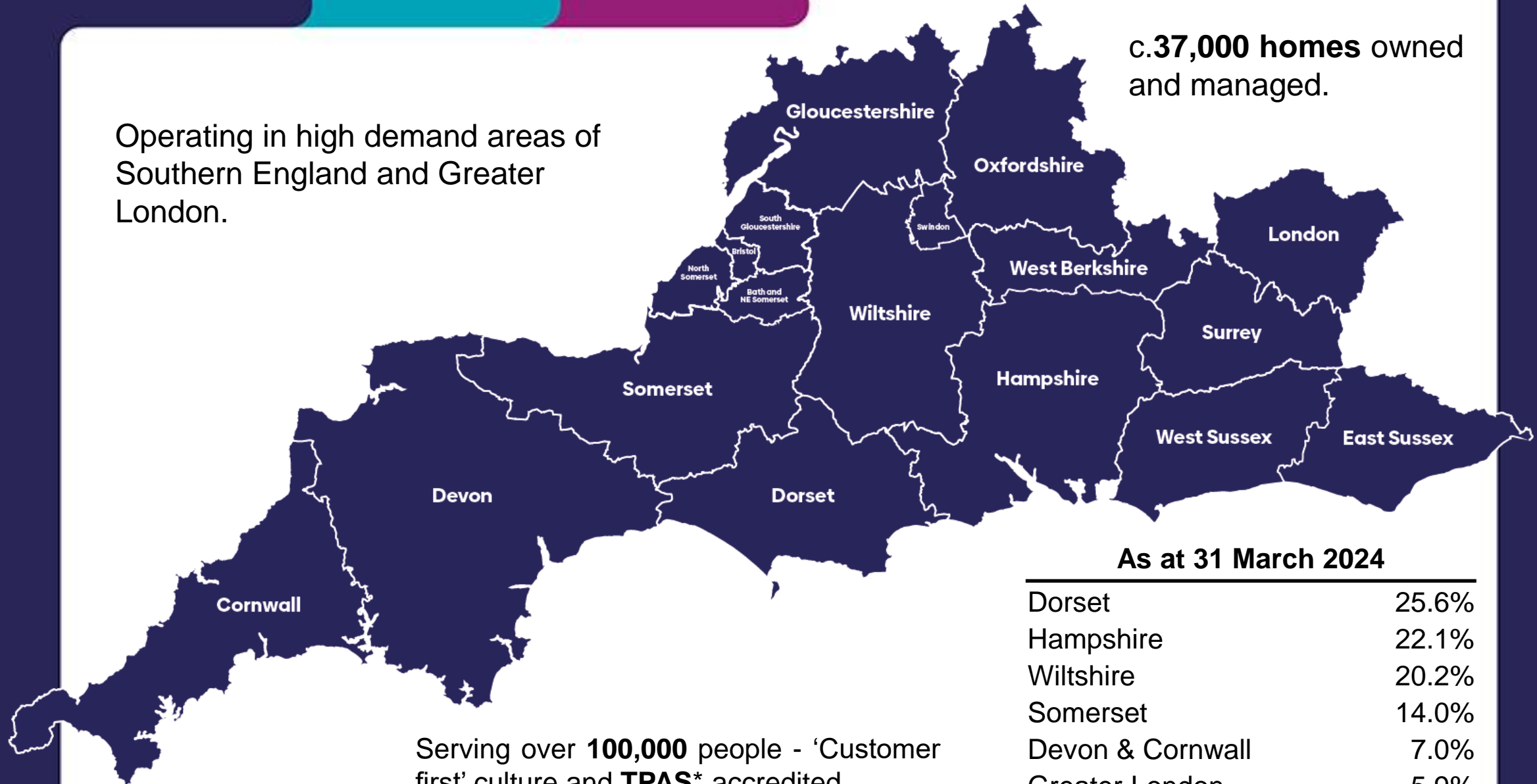
■ Non-Executive ■ Executive

G1/V1 rating maintained – confirmed July 2023

Areas of operation

c.37,000 homes owned and managed.

Operating in high demand areas of Southern England and Greater London.



Serving over **100,000** people - 'Customer first' culture and **TPAS*** accredited.

As at 31 March 2024

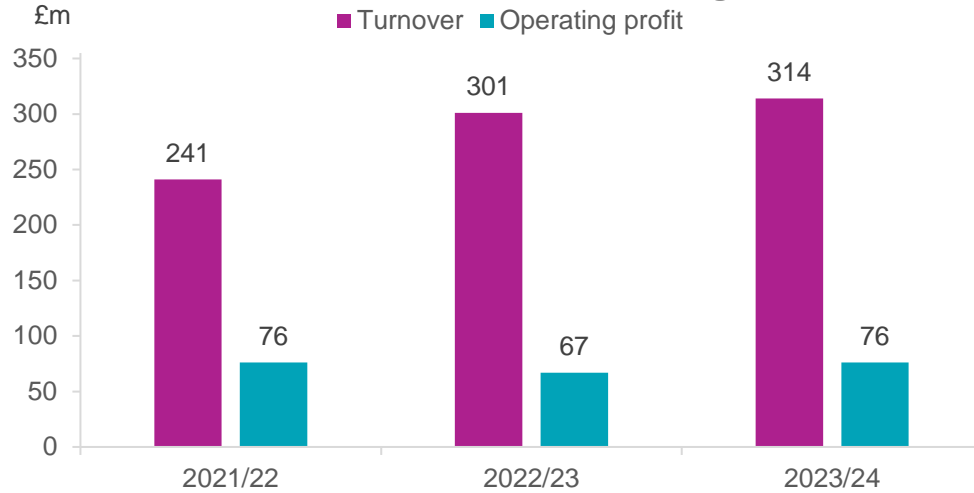
Dorset	25.6%
Hampshire	22.1%
Wiltshire	20.2%
Somerset	14.0%
Devon & Cornwall	7.0%
Greater London	5.9%
Other	5.2%

Trading update: 31 March 2024

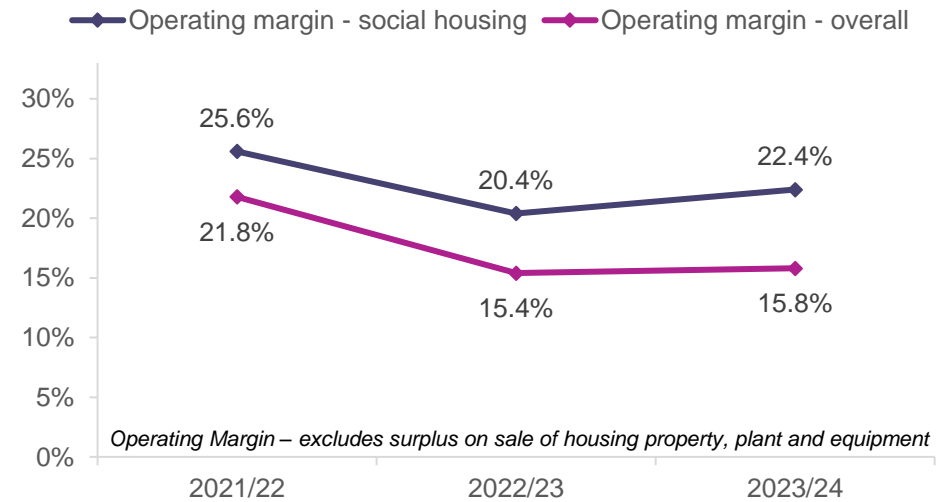
£000s	12 months - March 2024	12 months – March 2023
Turnover	313,814	301,199
Operating costs	(261,107)	(254,583)
Surplus on sale of housing PPE	23,707	20,303
Operating profit	76,414	66,919
Profit on disposal of other PPE and intangible assets	1,336	6
Reversal / (impairment) of housing assets	(3,419)	(291)
Donations received	214	386
Share of (loss) / profit in joint ventures	(1,088)	1,776
Increase in fair value of investment properties	596	159
Net interest	(32,170)	(26,415)
Profit before tax for the period and gain on acquisition	41,883	42,540
Gain on acquisition	-	12,769
Profit before tax for the year	41,883	55,309

Financial performance

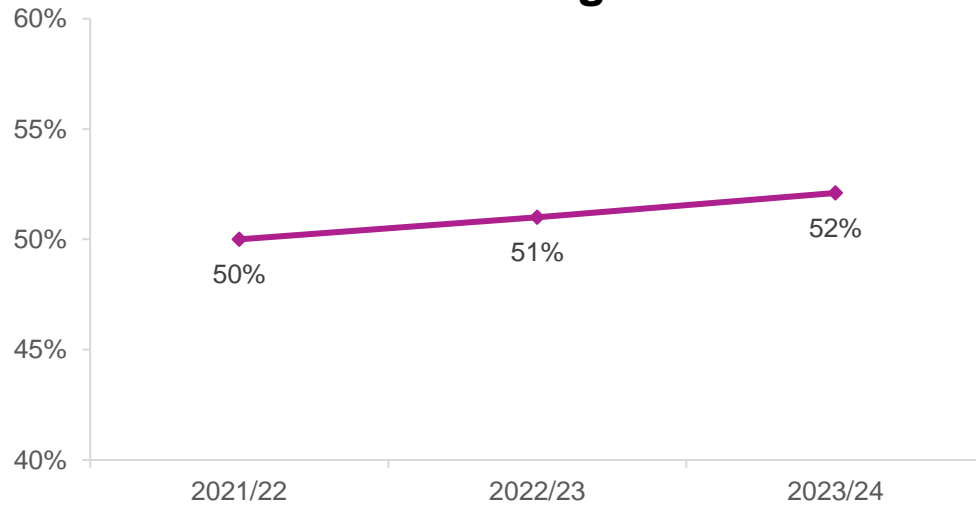
Turnover and operating profit



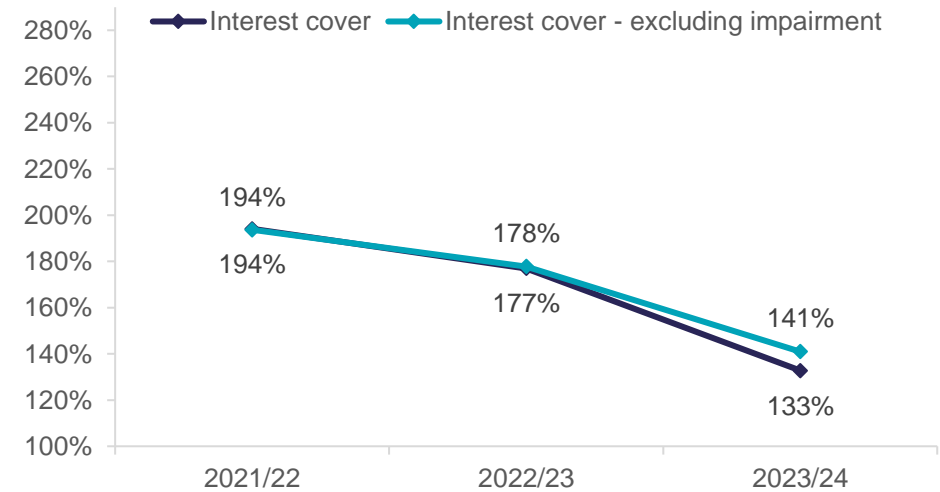
Operating Margin



Gearing



Interest Cover





Operational performance and sustainability

Gary Bellenger
Director of Home Strategy and Sustainability

Strategic Priority:

1,2,3

A 'customer first' culture

Maintaining high levels of satisfaction at a time of increasing customer expectations

Operational performance

Strong and stable performance, comparing excellently with peers

Positive customer satisfaction

Successful integrations



77% (74%)
Overall customer satisfaction (GN & HOPS)



81% (81%)
Satisfaction with repairs service



1.75% (1.84%)
Rent arrears



0.7% (0.7%)
Void loss

Customer Voice

TPAS accreditation with score over 90%

A culture of continuous improvement

Embedding Customer Voice within all levels of the business



Modernisation programme

My Aster development programme

CRM / case management Dynamics

Tenant Satisfaction Methodology - TSM

(prior year comparison based on Survey of Tenant and Residents Methodology - STAR)

March 2024 Trading update

(prior year comparison based on 2022/23 Statutory Accounts)

Strategic Priority:

1,3

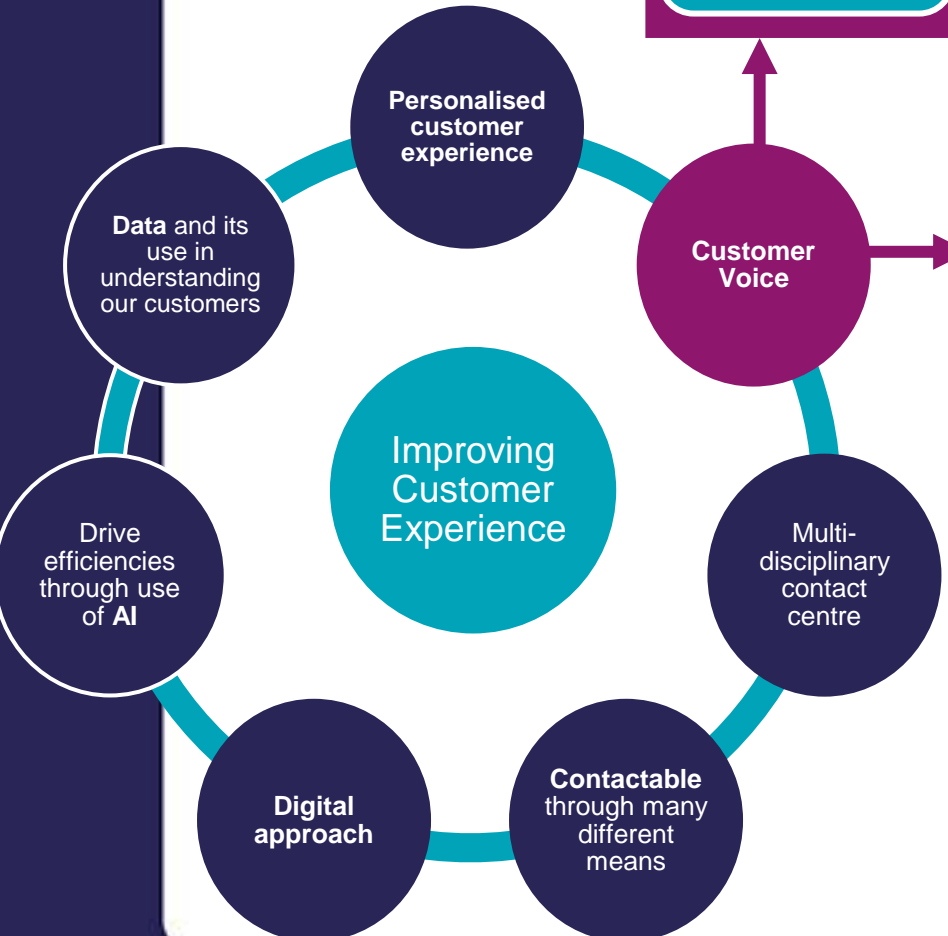
Customer modernisation programme

Customer Voice – roadmap



Customer Voice – our principles

- 1 A golden thread of customer voice within our governance, to inform discussion and decision making
- 2 Empowered customer groups, providing transparency, influence, impact and scrutiny of customer voice
- 3 Rebalanced membership and customer chairs of customer groups with a remuneration offer for involvement
- 4 Repurposing Customer Communities Network as a committee and reshaping the framework below the line, removing Customer Overview Group and reviewing the Designated Complaint Panel
- 5 Culture of discussion and challenge, with respect and safety for customer voice, capturing the right voices, not just those who shout the loudest
- 6 Engaging when meaningful, with easy access to customer voice through data, insight and digital offer to tell the full story
- 7 Supporting a personalised Aster through local panels and insight shaped by the customer voice committee



Health & Safety

Compliance at the centre
of Corporate Strategy

Transparent, visible and
scrutinised H&S
performance

New H&S business
partners

£26m

Spent on H&S in FY24

Including:

£10.6m

Fire Risk Assessment
works

Fire Safety – all blocks surveyed

Only 4 blocks over 18
metres – FRA's of external
walls completed – **no
remediation required**

Structural assessments
underway

4 blocks registered with
the regulator – safety case
reports created

Excellent compliance

100%

Fire Risk Assessment compliant

99.9%

Decent Homes compliant

99.8%

Gas Servicing compliant

99.3%

Electrical Testing compliant

Damp and mould

Increased external support
through specialist
preservation and surveying
contractors

Damp & mould workstream
– proactive actions

Phase 2

Annual Home Health Pilot
(delivered by our specially
trained D&M team)

93% In-Scope Homes
Stock Condition
Surveyed

Investment & Home
Decarbonisation
Plans Updated

New Asset
Management
Strategy 2024-2028

Safer, Improved and
More Sustainable Homes

Great Customer
Experience

Digitally Driven
Transformation

Commercially Informed
Decisions

NHMF Most Innovative Property Service

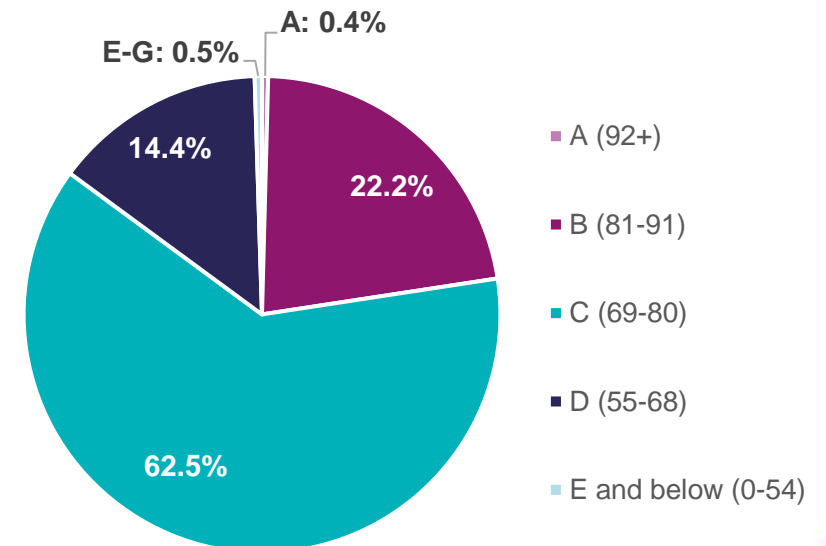
Delegates choice award (in partnership with Crystal Clear)



Benefits include:

- Reduced CO² footprint.
- Freeing up of resources for higher priority repairs.
- Cost savings of over £300k.
- 197 tonnes of waste glass saved from waste streams and landfill.
- First time fix of 72%.

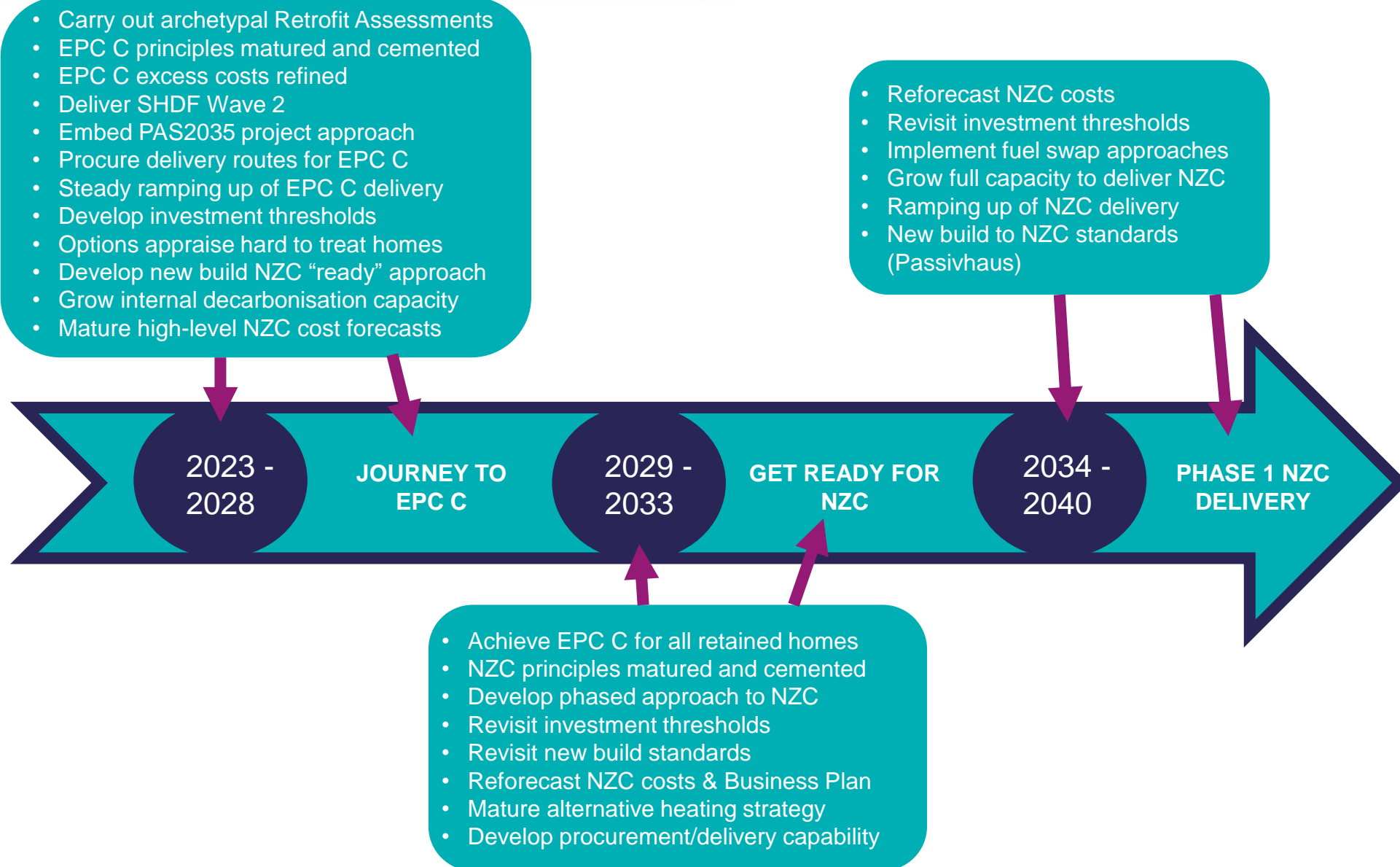
Energy efficiency in our homes



Strategic Priority:

1,3

Roadmap to net-zero carbon





Development

Jane Gallifent

Development and Sales Director

Strategic Priority:

4,5

Development – strategy & pipeline

Strategy

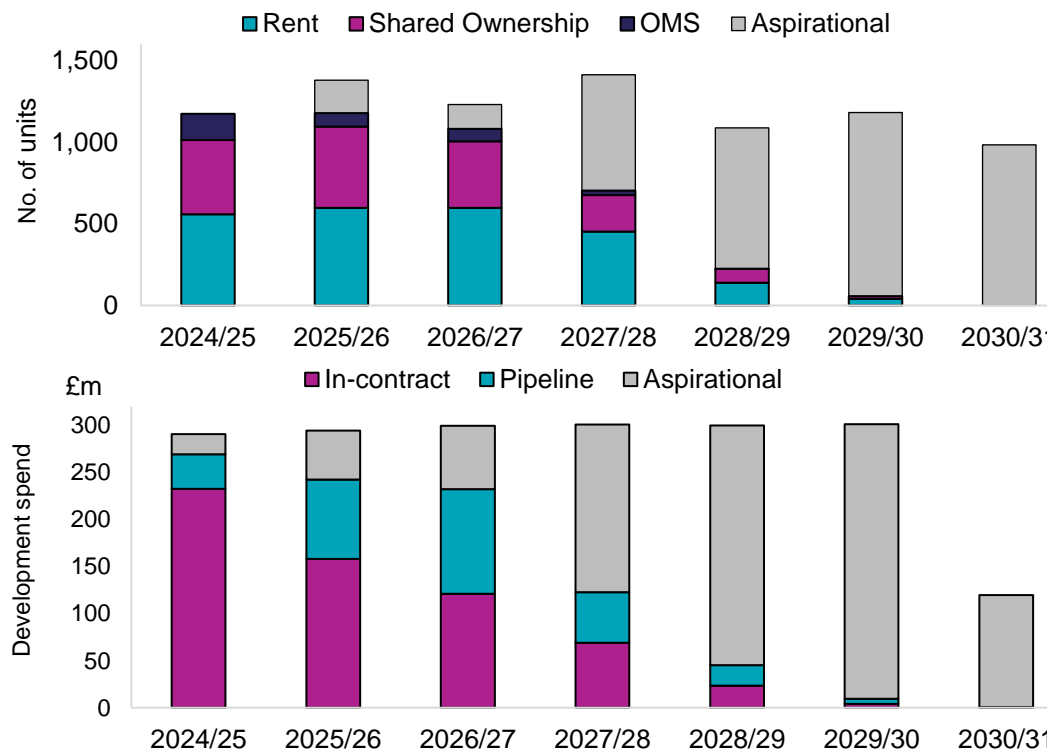
Continue to invest in high quality homes across a range of different tenures

Incremental expansion into London – S106 and regeneration of existing stock

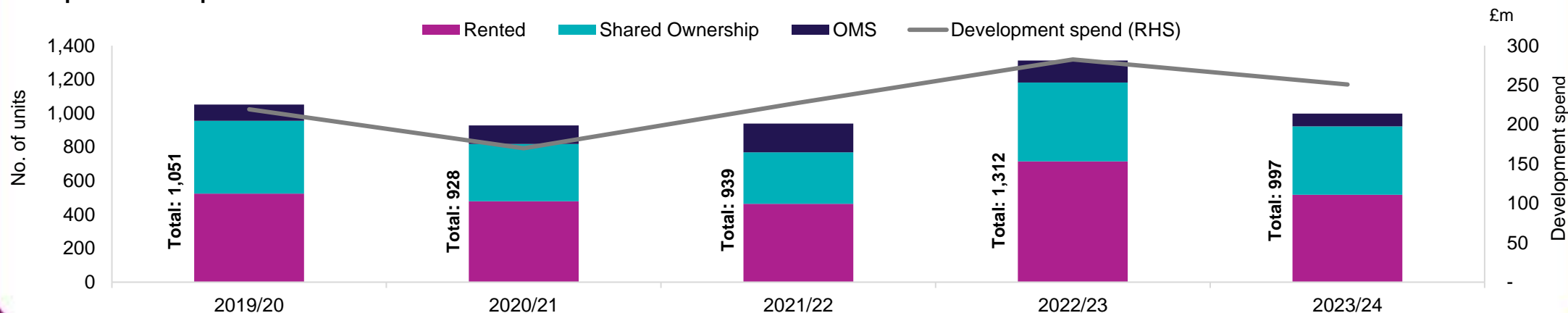
Homes England Strategic Partner – Increase in grant levels and levels of rented accommodation

JV opportunities – Thakeham Homes (net-zero)

Rural housing – Enham and Community Land Trust's (CLT)

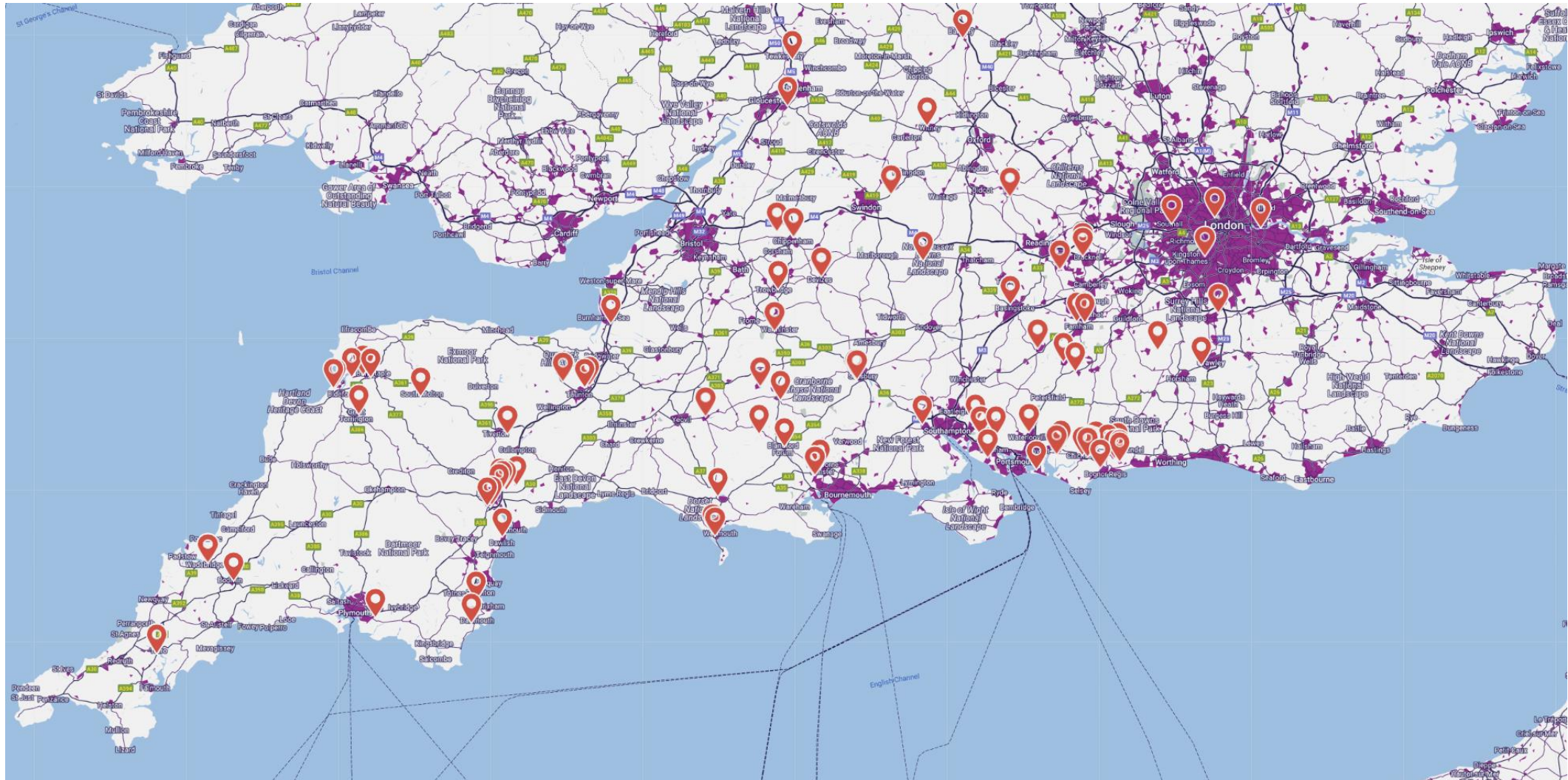


Completed developments 2019/20 – 2023/24



Active developments

Helping to tackle the chronic housing shortage through our geographically diversified development programme spread out across the South of England and Greater London.



Shared Ownership

£48.0m

Based on 387 Shared ownership unit sales
FY 2024

40.6%

Average share sale
FY 2024

18 units

Unsold/unreserved over
26 weeks, **50** in total (as
at **31 March 2024**)

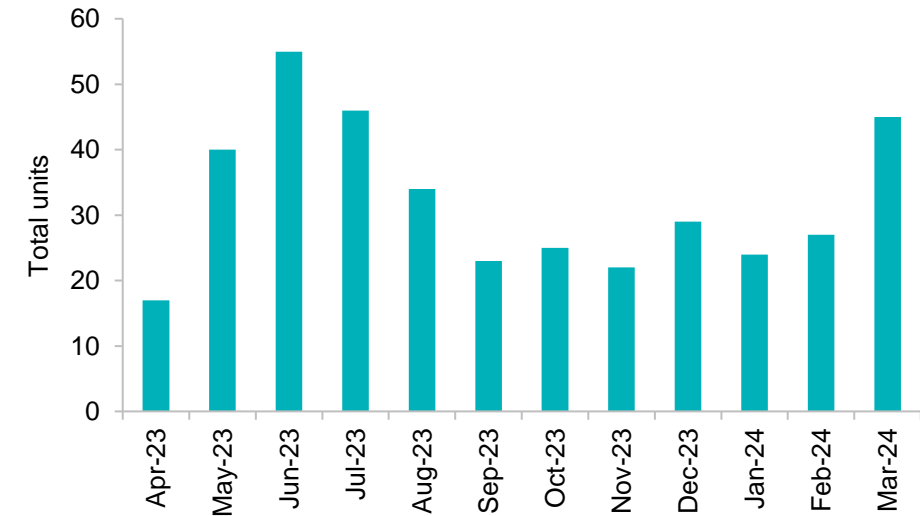
33

Average sales
reservations per month
FY 2024

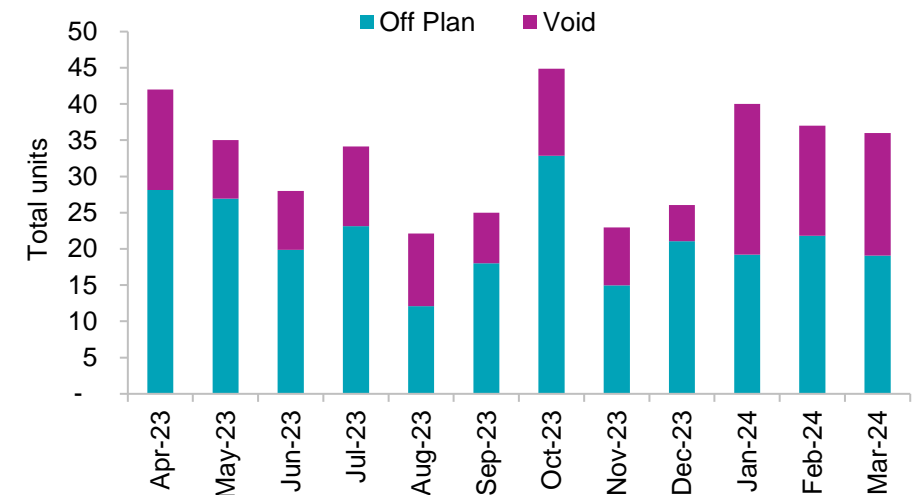
15 weeks

Average sales time from
property handover to
completion
FY 2024

No. of sales by month



No. of reservations by month



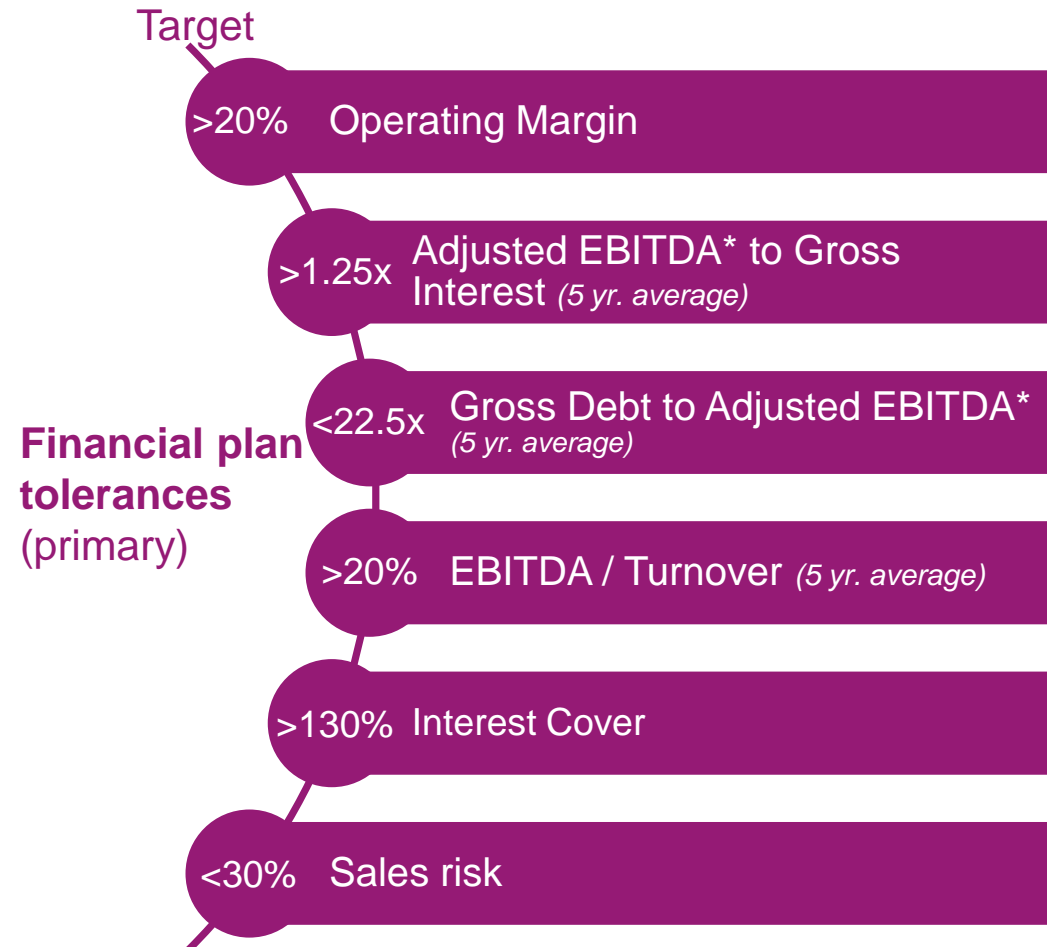
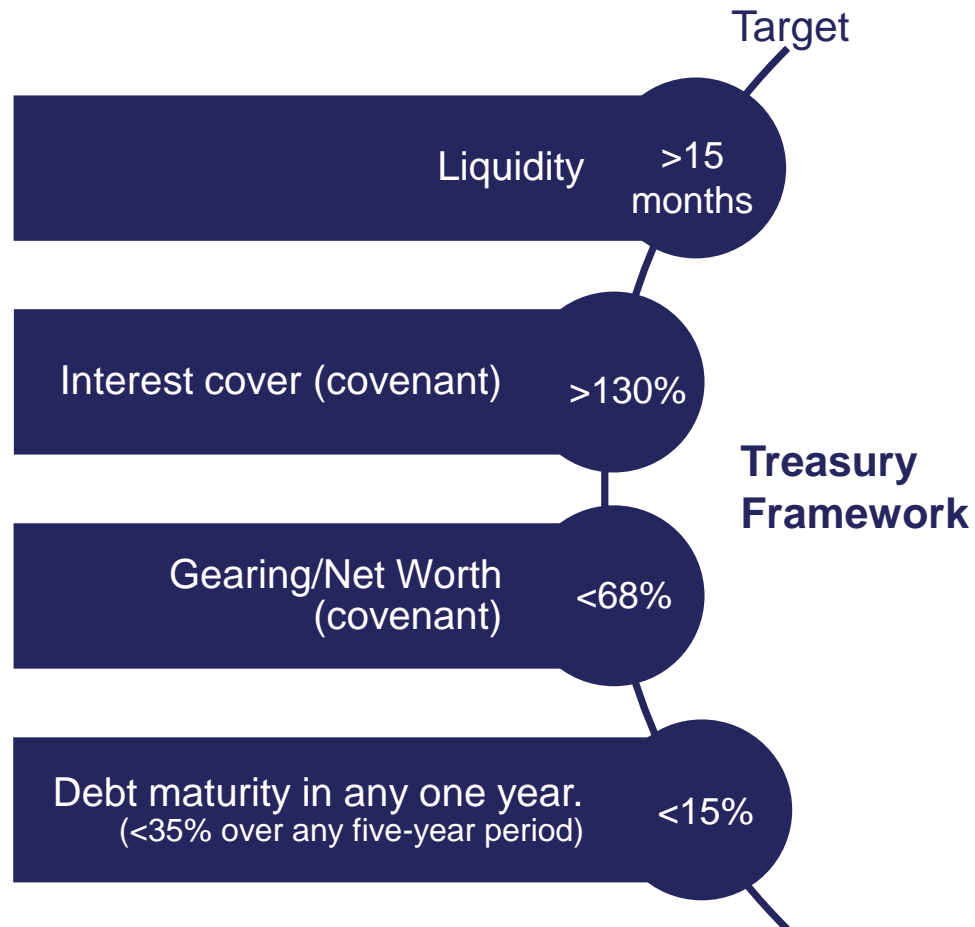


Treasury

Paul Jeffries
Director of Treasury

Treasury and financial plan

- Key treasury risks and credit metrics reflected in our approach.
- Performance monitored continuously and scrutinised quarterly by the Group Treasury & Finance Committee.
- Stress testing on a wide range of topics/assumptions – Two board approved financial plan updates.



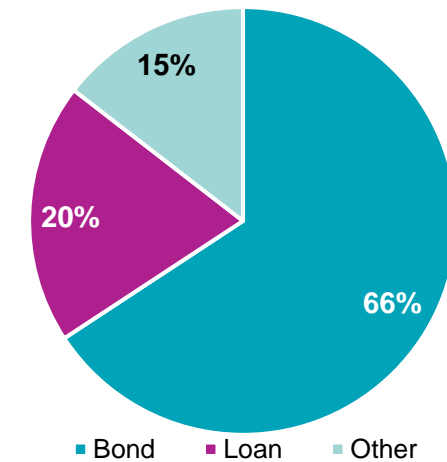
*Adjusted EBITDA refers to EBITDA adjusted to remove profit from sales.

Debt portfolio – 31 March 2024

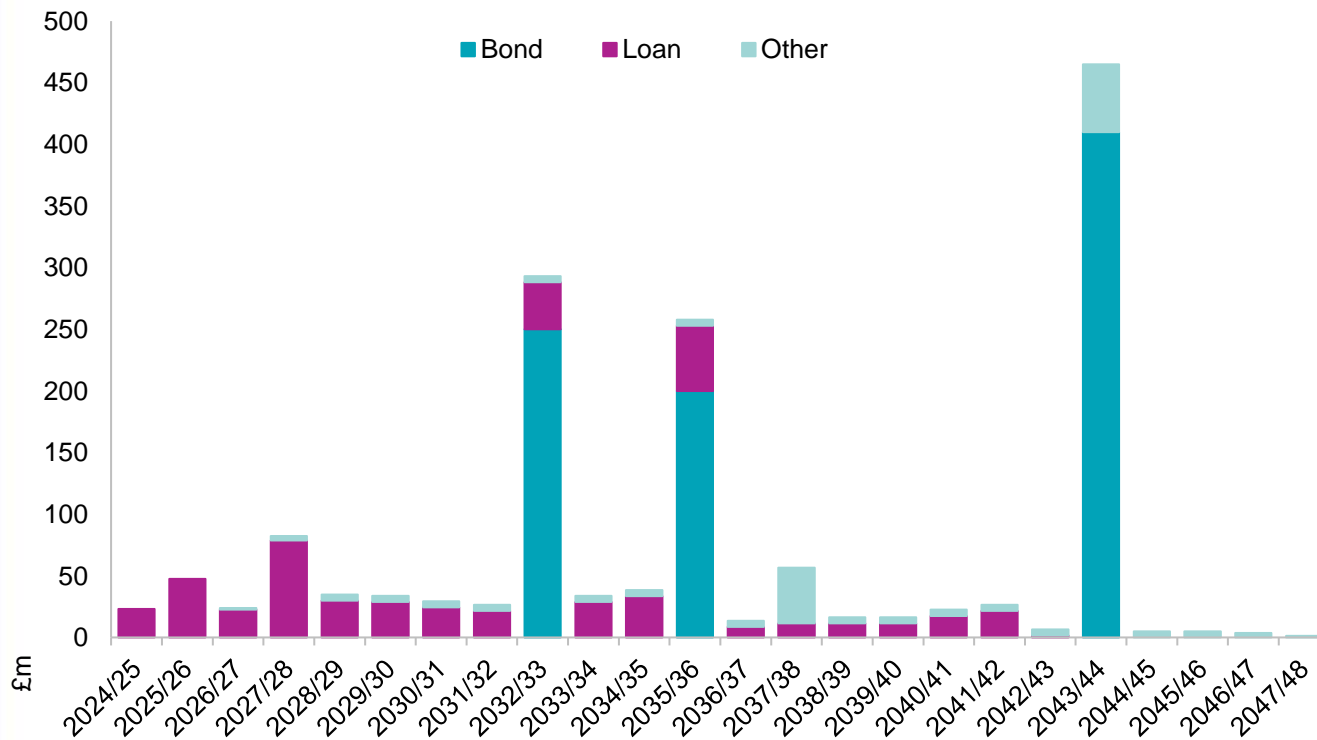
	2020/21	2021/22	2022/23	2023/24
Available facilities (£m)*	1,556	1,485	1,478	1,721
Total drawn debt (£m)*	1,108	1,065	1,169	1,277
Average cost of debt (%)	3.09	3.20	3.64	3.92

*Total group facilities excluding PFI

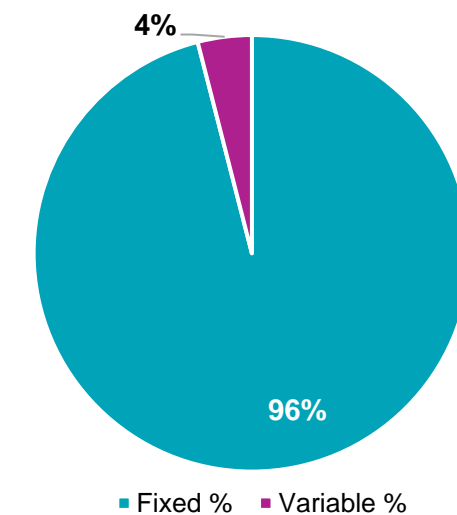
Drawn Debt



Facility Maturity Profile



Fixed / Variable Debt



Sustainable finance

Framework unchanged



Eligible categories

- Affordable Housing
- Green Buildings

Target Population

- Low incomes
- In receipt of state benefit
- Shared ownership eligibility

ESG Reporting

Early adopter of the **Sustainable Reporting Standard for Social Housing.**

ESG activities across the group align with the **United Nation's Sustainable Development Goals.**



Our transactions to date:

Transaction	Issue date	Notional amount	Retained	Coupon	Maturity
MTN Series 1	Jan-21	£200m	£50m	1.405%	Jan-36
MTN Series 2	Jun-23	£250m	£100m	5.412%	Dec-32

Allocation and Impact Reporting: £450m
(inc. £150m retained)

ICMA Eligible Social and Green Projects	Project eligibility				
	Series 1 allocation - 2018/19	Series 1 allocation - 2019/20	Series 2 allocation - 2020/21	Series 2 allocation - 2021/22	Series 2 allocation - 2022/23
Affordable Housing	100%	100%	Anticipate 100%*		
Green Buildings	99.7%	99.7%	95%-98% Expected*		

*Report complete – publication in June 2024.

Impact:



Annual emissions avoided (tCO2e).



Reduction in cars driven for one year.



Trees, yearly sequestration



5,500 Customers

Investor information

Investor calendar

Date	Report/Event
June 2024	Series 2 – Sustainability Bonds – Allocation and Impact Report
September 2024	Statutory Accounts – 31/03/2024 10 September 2024 - AGM – Aster Treasury Plc
October 2024	ESG Report – 31/03/2024
November 2024	13 November 2024 - Trading update for the period to 30/09/2024
December 2024	Standard & Poor's Credit Rating Assessment

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Appendix

Group structure



Changes to the Aster board



Stephen Trusler Co-optee and Group Chair

Stephen, who brings over 40 years of experience in housing, development and regeneration, is a leading figure in UK housing & construction sector, having held senior positions at Lovell, Alfred McAlpine, Wates and Laing O'Rourke, where he was Residential Sector Leader. He is currently Senior Director at planning and development consultancy Turley.

Stephen has over 12 years' experience as a Non-Executive Director, including roles with Sage Housing and the Chartered Institute of Housing. He is currently a Non-Executive Director at Cavanna Group, the South West's largest independent housebuilder.

A long-standing ambassador for the housing sector, Stephen has regularly participated in industry think tanks and conferences. He is a fellow of the Royal Institute of Chartered Surveyors and a chartered member of the Chartered Institute of Housing.

Stephen, who took over as Chair from November 2023, previously served on the Group's Board between 2014 and 2019, during which time he chaired its Remunerations and Nominations Committee.

Mehul Desai Non-executive director

Mehul specialises in driving transformations by leveraging digitisation and optimising operating models to enable improved customer experience while achieving sustainable cost savings. His career began as a management consultant, advising financial services executives, followed by his current role as Chief of Staff to the UK COO at HSBC UK.

During his ten-year tenure at HSBC, Mehul has assumed various roles, notably leading the transformation of HSBC US retail and wealth banking, resulting in digitising customer journeys and automating back office processes whilst also delivering over \$100m in cost savings. In his current position, Mehul acts as a strategic advisor to the UK COO where he is accountable for delivering on priorities such as developing and implementing the firm's technology strategy, improving operational resilience, prioritising investment areas, and engaging the Board on key technology and operational areas.

Mehul holds a bachelor's degree from the State University of New York at Albany and a master's degree in business administration from the University of Cambridge. He resides in London with his wife and new-born son.

Stress testing

Multi-variate scenarios

- Monitored and approved at Executive Board and Overlap Boards level.

Scenario 1a
Property Market
Sensitivity

Scenario 1b
Property Market
Sensitivity with
£20m cash loss

Scenario 1c
Property Market
Sensitivity
(increased
borrowing costs)

Scenario 2
Rent standard
change

Scenario 3
Adjusted Bank of
England stress
test

Ad hoc scenarios

- A selection of ad hoc scenarios designed to test real world issues.

Net-zero carbon

CPI only rent rise

Incremental
interest rate rise

Increased build
cost inflation

Aster awards and accreditations



INSIDEHOUSING
**DEVELOPMENT
AWARDS**

