EDISON

Civitas Social Housing

Q222 NAV update

Continuing positive returns in Q222

Real estate

Civitas Social Housing REIT's Q122 accounting total return of 1.4% builds on its record of consistently positive quarterly returns while generating strong, externally assessed social value. The shares have begun to recover from the effects of short selling since the board's detailed response and confirmation of its confidence in the investment manager and company performance. We make no changes to forecasts and expect Civitas to meet its FY22 DPS target (a yield of 6.0%).

Year end	Net rental income (£m)	EPRA earnings* (£m)	EPRA EPS* (p)	EPRA NTA/ share* (p)	DPS (p)	P/NAV (x)	Yield (%)
03/20	45.9	28.8	4.6	107.9	5.30	0.85	5.8
03/21	47.8	30.6	4.9	108.4	5.40	0.85	5.9
03/22e	54.0	34.3	5.5	110.4	5.55	0.83	6.0
03/23e	56.6	36.7	6.0	112.7	5.68	0.82	6.2

Note: *EPRA earnings and NAV are fully diluted.

Focus on sustained performance

Civitas recently provided a detailed 37-page response to the open letter issued by short seller ShadowFall, the cause of recent share price weakness, and has made clear that it does not intend to respond further. The board has reiterated its confidence in the company and in its investment adviser, noting that the company's assets and revenues continue to perform in line with expectations, and has reaffirmed the FY22 DPS target of 5.55p per share. In this report we focus on Civitas's financial and operational performance in relation to the broader sector concerns raised in the ShadowFall open letter, particularly the revived debate about the sustainability of the lease-based specialised supported housing (SSH) provider model.

Positive outcomes driving demand

In our July Outlook note we provided a detailed overview of Civitas's strategy and the SSH market. The shortage of SSH is forecast to increase yet compared with the alternatives of residential care or hospitals, it improves lives in a cost-effective manner. This is why it is government policy to offer supported housing to more people and private capital is crucial in meeting this need. For those individuals receiving SSH, rents are funded by central government and paid, via the commissioning local authorities, directly to the approved providers (APs), which lease the properties from Civitas and manage them. In some cases, APs have struggled to keep pace with the rapid growth of the sector, attracting regulatory scrutiny. We believe this is aimed at delivering sector sustainability (by improving their governance, operational performance and financial strength). This should benefit the security of contracted rents and long-term growth of the sector.

Valuation: Highly attractive yield

Dividends are backed by stable income, uncorrelated with the wider economy, with good inflation-linked growth prospects. Civitas continues to target an aggregate FY22 DPS of 5.55p, which represents an attractive 6.0% yield. Meanwhile the shares trade at a c 15% discount to net asset value (NAV).

15 November 2021

Price	**92p**
Market cap	**£573m**

Net debt (£m) as at 31 March 2021	357.1
Gross LTV at 31 March 2021 (gross debt as % of gross assets)	34.5%
Shares in issue	622.5m
Free float	99%
Code	CSH
Primary exchange	LSE
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	2.6	(21.4)	(15.6)
Rel (local)	(0.8)	(22.6)	(28.2)
52-week high/low		121p	87p

Business description

Civitas Social Housing invests across the UK in care-based community housing and healthcare facilities, particularly specialised supported housing, for the benefit of working age adults with long-term care needs. Its investment objective is to provide an attractive level of income, with the potential for capital growth.

Next events

Q222 DPS paid	13 December 2021

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Edison profile page

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Further details

Following an article published in *The Sunday Times* on 12 September, short-seller ShadowFall published an open letter to the board of Civitas, which among other matters claimed that Civitas had failed to disclose a conflict of interest in certain property transactions, to the detriment of shareholders. The letter also raised concerns about the financial viability of the specialised social housing business model in general and certain Civitas registered provider lessees in particular.

From the start, the board of Civitas has strongly disputed many of the claims made in the open letter and on 11 October, in the form of a market update, issued a detailed 37-page response to the open letter and other questions raised by its shareholders. The Civitas report can be found at www.civitassocialhousing.com/media/1955/csh-market-update-11-october-2021.pdf.

It is not our aim in this report to explore the detailed contents of both the open letter and Civitas response. In a further release from the company on 15 October 2021 the board made clear that it does not intend to respond further. However, it took the opportunity to reiterate its confidence in the company and in its investment adviser and to note that the company's assets and revenues continue to perform in line with expectations. The dividend target for FY22 of 5.55p per share was also confirmed.

In this report we focus on Civitas's financial and operational performance in relation to the broader sector concerns raised in the ShadowFall open latter. These sector issues are covered in detail in our July Outlook note. They primarily relate to shortcomings identified by the Regulator of Social Housing (RSH)[1] in relation to the governance structures, operational efficiency and financial strength of some specialist registered providers. We believe it is the aim of the RSH to work with providers and other stakeholders, including landlords such as Civitas, to improve standards and safeguard the sustainability of the sector.

Consistent, income-driven returns

Civitas has consistently delivered positive total returns[2] on both an annual and quarterly basis since its initial public offering (IPO) in November 2016. Dividends have been the main component of returns and have increased each year. Despite the pandemic, operational and financial resilience has been maintained. Rents have continued to be received in line with expectations, quarterly dividend payments have been uninterrupted, and there has been no discernible impact on portfolio valuations. This strong performance reflects the vital role of portfolio properties in the provision of an essential service; secured by long-term lease and care arrangements; providing good visibility of income with little direct correlation to the wider property market or economy; and capable of delivering stable inflation-indexed dividend growth. The impact of COVID-19 infection has been low within homes, reflecting the relatively low average age of residents (an average of 32 years), less likely to suffer from the types of underlying health conditions categorised as 'high risk' by the NHS, and the configuration of much of the modern housing stock, around self-contained apartments and small housing clusters, which supports infection control and management. Further insulating the approved provider lessees from the pandemic impact, the care provider generally takes responsibility for voids (unoccupied units) and pays for all of the personal healthcare equipment required by residents, for which it is reimbursed by local authorities.

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1 Civitas is not regulated by the RSH but its registered provider lessees are.

2 Change in IFRS NAV per share during the period with dividends paid added back (but not assuming reinvestment of dividends).

From IPO in November 2016 to 30 September 2021 (end-Q222) Civitas has generated an aggregate NAV total return of 32.6% or an annual average 6.0%. Dividends paid represent two-thirds of the total return in the period.

Exhibit 1: Total return record

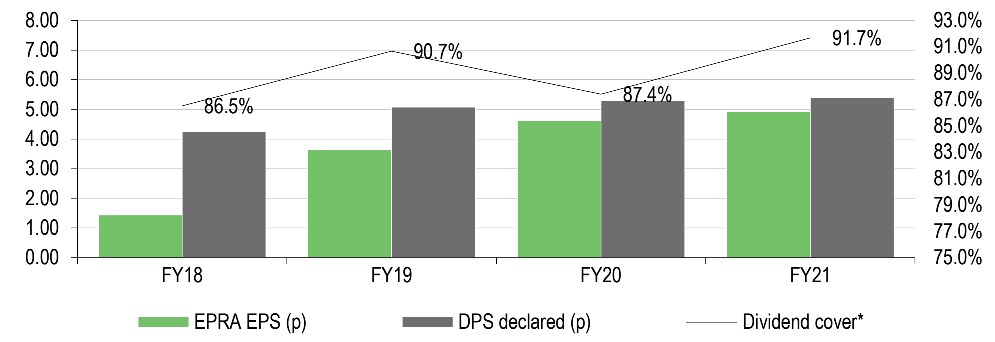
	Annual returns				Quarterly returns		From IPO to end-Q222
	FY18	FY19	FY20	FY21	Q122	Q222	
Opening NAV per share (p)	98.0	105.5	107.1	107.9	108.3	108.4	98.0
Closing NAV per share (p)	105.5	107.1	107.9	108.3	108.4	108.5	108.5
Dividends paid (p)	3.0	5.0	5.3	5.4	1.4	1.4	21.4
NAV total return	**7.9%**	**6.2%**	**5.7%**	**5.4%**	**1.4%**	**1.3%**	**32.6%**
Annualised total return							**6.0%**

Source: Civitas Social Housing data, Edison Investment Research

As Civitas has grown its portfolio since IPO, dividends have run ahead of earnings and cash flow, but as scale has grown are now fully covered by earnings on a run rate basis. We forecast full cover on a reported basis in FY22, although this may be delayed until FY23 if capital is further deployed in share repurchases rather than acquisitions.

Civitas's investment objective is to provide an attractive level of income, with the potential for capital growth, and dividends have been set in this context. It is worth noting that had lower dividends been declared, there would be no impact on the accounting total returns shown above, with an offsetting movement in NAV (and cash flow).

Exhibit 2: Dividend cover



Source: Civitas Social Housing data, Edison Investment Research. Note: *Total EPRA earnings as a percent of total dividends paid in the period.

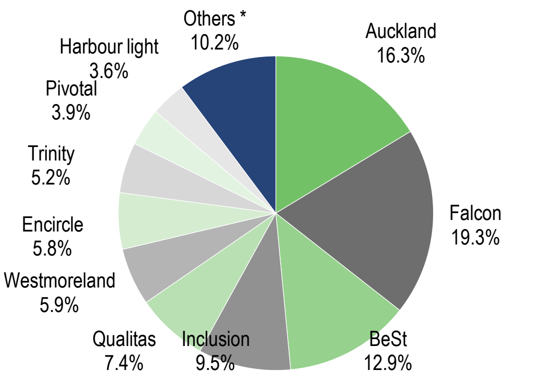
Lease incentives have reduced cash flow in recent years, but Civitas indicates that the lower underlying level in FY21 is more representative of the likely ongoing cost. In FY21, for accounting purposes, a £10m follow-on payment for an acquisition was treated as a lease incentive. In all other respects it was in fact a property acquisition with rental income attached. Excluding this, FY21 lease incentive payments were £1.2m and over the past three years have amounted to £11.2m. The reduction in lease incentive payments will better align cash cover and earnings cover of dividends. The payments reflect:

- Lease transfers of £4.8m. This reflects rebalancing of the portfolio where leases are transferred from one lessee to another, better placed to manage the asset. Payments have been by way of exit fees to the initial lessee and to the receiving lessee to cover onboarding and other costs.
- Lease extensions of £4.4m. Lease extensions enhance the visibility and duration of income and have produced a £7.75m uplift in property valuations.
- Future proofing/repurposing of £2.0m. Where, in a small number of cases, Civitas works with the lessee and care provider to change the designated use of a property to better meet the needs that now exist within a local authority area.

Diversified portfolio enhances income security

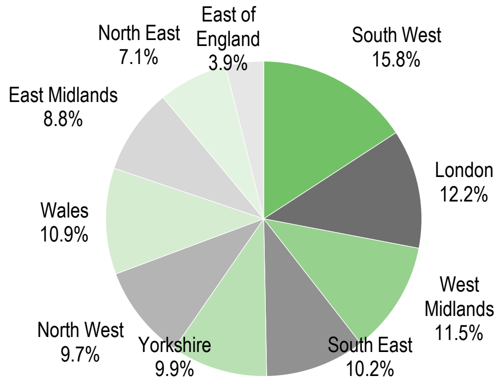
The Civitas portfolio provides homes to almost 4,400 vulnerable, mostly young, adults. It is well diversified, comprising 648 properties, let to 17 approved provider lessees (Windrush Housing Association became the 17th tenant earlier in FY22), working with 178 local authorities and 119 care providers (as at 30 September 2021), and is also widely spread by geography. Exhibit 3 shows the breakdown of rent roll by lessee as at 30 June 2021. Since 31 March 2021 Civitas has reassigned a number of leases, most significantly from Auckland. Reassignments are a recurring feature and generally reflect Civitas's continuing policy of driving efficiencies within the portfolio and where appropriate, seeking diversification. In so doing it enables Civitas to extend further its stated aim to work with a wider range of counterparties including established charities and community benefit societies. The most recent disclosure puts the Auckland share of rent roll at 16.9% (13 August 2021) and Falcon at 19.9% (12 November 2021).

Exhibit 3: Diversified by lessee (share of annualised rent roll as at 30 June 2021)



Source: Civitas Social Housing REIT. Note: *Others includes: Chysalis 3.5%; New Walk 2.8%; My Space 1.1%; IKE 1.1%; Hilldale 0.9%; Windrush 0.9%; Blue Square 0.1%.

Exhibit 4: Diversified by region (share of market value as at 30 September 2021)



Source: Civitas Social Housing REIT. Note:

Annualised rent roll was £50.4m at end-FY21 and will have increased since with CPI-linked rent indexation and acquisition activity. Since end-FY21, 29 properties have been acquired for an aggregate £22.0m (before costs) as Civitas begins to deploy the proceeds from the fully drawn £85m M&G seven-year fixed rate debt facility agreed in February 2021. Subsequently, in March 2021, Fitch Ratings assigned an investment grade rating to the company.[3] On an IFRS basis and on a portfolio basis, the net initial yields (NIY) reflected in the end-Q222 portfolio valuation of 5.27% and 5.10% respectively have changed little over the past year.

We believe that regulatory engagement will enhance sector sustainability

The RSH regulates registered providers of social housing (RPs) to promote a viable, efficient, and well-governed social housing sector able to deliver homes that meet a range of needs. Civitas's housing association lessees are regulated by the RSH but Civitas is not, although it interacts with the RSH on a regular basis. Regulation has played an important role in providing long-term stability to the social housing sector, and while individual registered providers have from time to time faced financial difficulties, there have been no material losses suffered by funders due to RP default.

Over the last few years private capital has played an increasingly important role in supporting the much-needed growth and sustainable development of the SSH sector, filling the gap created by the limited availability for all forms of social housing. The capital has been provided by a range of funds

[3] Fitch assigned an Investment Grade High Credit Quality rating of "A" (senior secured) and a Long-Term Issuer Default rating of A- with a Stable Outlook.

and other investors in SSH assets, which are then made available to housing associations on long leases, typically indexed to CPI inflation. Given its greater complexity and granularity, and the continuing strong demand for general needs social housing, SSH has not generally been the focus of the longer established RPs and sector growth has been led by newer specialist RPs that have been established in the past 10 years or so. RSH involvement with the smaller specialist RPs stepped up after the financial failure of First Priority Housing Association in 2018. Its leases, including those with Civitas, were reassigned on similar terms to other providers within a few weeks, with no material loss incurred by capital providers.[4] The RSH subsequently reviewed the SSH sector and identified shortcomings at a number of other RPs, primarily in relation to governance structures, operational efficiency and financial strength. We believe these shortcomings are mainly a result of the rapid growth of the sector as it has strived to meet the growing need for SSH homes. The RSH has expressed a particular concern that providers reliant on lease-based models (ie entering into long-term commitments to pay rents at an increasing level indexed to inflation to support growth) should be able to present robust and prudent long-term business plans. These should include identifying the actions required to enable them to meet their lease obligations and maintain financial viability should there be a significant change in the operation of government housing benefits.

Across the sector, several RPs have been issued with regulatory notices and judgements.[5] The shortcomings that the RSH has identified in some providers in part reflect the strong growth exhibited by the sector in recent years and the challenge this has presented for the development of management and governance structures, as well as capital resources, to keep pace. Solutions to many of the concerns raised by the RSH are clearly identifiable and the shortcomings are in no way existential. Civitas notes that with its support, the organisations affected by regulatory judgements and notices have shown tangible signs of improvement. Given the long-term nature of the sector, with long leases, reflecting the long time over which care is likely to be needed, satisfying the RSH's need for long-term planning is perhaps more challenging. The first point to make clear is that we see no prospect of a significant change in government policy on housing benefits, based on the chronic and increasing excess demand for SSH and the wide acceptance that it provides improved outcomes at a lower cost than alternative provision. That said, the providers may be able to mitigate this risk by strengthening their balance sheets, including increasing accumulated capital surpluses and building up self-owned property assets. Additionally, Civitas has taken steps to address regulatory concerns about the long-term risk planning of providers by introducing caps and collars on rent indexation (typically of between 1% and 4%) and 'force majeure' clauses, setting out appropriate steps in the unlikely event of a formal change in government policy and funding.

More generally, Civitas welcomes this ongoing regulatory review, bringing as it does higher levels of accountability and transparency. As one of the leading private sector investors in the supported housing sector, working with some of the fastest-growing providers, 10 Civitas lessees (of a total of 17) are subject to regulatory judgements and notices, accounting for a significant percentage of rent roll[6]. It is important to stress that there has been no impact on rent collection nor any negative impact on the external valuations of the properties owned by Civitas as a result of these judgements and notices. We expect this to remain the case. In our view, regulatory interventions in

4 First Priority leases, including those with Civitas, were reassigned to other RPs within a few weeks with minimal impact on capital providers. Civitas was owed c £0.5m by First Priority, of which £421k was written off. When reassigning the leases to Falcon, Civitas was also granted an option to extend the lease term to 40 years, which, when exercised in the first half of the year, triggered lease incentive payments of c £4.0m. The lease extension had a positive impact on the property valuation.

5 Regulatory judgements represent the regulator's view on a provider's compliance with governance and the viability requirements. For providers with less than 1,000 units the RSH may publish a regulatory notice if there is evidence that a provider is in breach of regulatory requirements.

6 Falcon (19.9%), Auckland (16.9%), BeST (12.1%), Encircle (6.0%), Hilldale (1.0%), Inclusion (8.8%), MySpace (1.2%), Pivotal (3.9%), Trinity (5.4%), and Westmoreland (6.2%).

the SSH segment of social housing are primarily aimed at identifying, assessing and making clear the risks, so that these may be adequately managed, to safeguard this financial resilience and maintain the operational standards of the sector. The social housing sector has traditionally had a low financial risk profile, in part due to the ongoing monitoring presence of the regulator and the fact that much of the rent is funded by central government through housing benefit and latterly universal credit, directed towards some of the most vulnerable in society. There may well be cases where some approved providers across the sector are unable to satisfy the RSH, which over time may lead to concentration among the providers (perhaps through mergers and other amalgamations), leading to a smaller number of stronger providers and enhancing covenant strength for landlords. As has been demonstrated, quality properties, in the right locations, adequately adapted and supporting an appropriate level of care, are attractive to alternative providers in their efforts to meet the strong and growing need for accommodation.

Actively managing the discount to NAV

Since IPO in November 2016 the average discount to net asset value has been around 3% (Exhibit 5) but this includes three periods of periods of weakness. The first of these occurred from late-2018 to mid-2019, reflecting initial investor caution in response to increased regulatory intervention in the sector. As the issues became better understood, the share price began to move higher. Widespread COVID-19 fears at the beginning of the lockdown again created weakness, which also proved temporary. An appreciation of the critical role that the sector performs, the factors that mitigate the operational risks of COVID-19 and the robustness of rent payments have contributed to a quick recovery in the share price. There are significant similarities between the current share price weakness and the position in late 2018. While the short seller raised specific questions in relation to Civitas, to which the company has responded in detail, it has also revived debate about the sustainability of the lease-based provider model and this has been reflected across the sector. The recent de-rating has been sharp but less deep than the earlier bouts of weakness and the shares have begun to respond positively to the company's active engagement with shareholders and supportive share repurchases, accretive to NAV.

Exhibit 5: Civitas price to net asset value

Source: Civitas NAV data, Refinitiv pries as at 9 November 2021

Share repurchases

In September 2021, the board recommenced share repurchases to manage the share price discount to NAV and underline its confidence in the company's prospects and its firm belief that the issues raised by the short sellers were incorrect and misleading. Similar action was taken in the third quarter of 2019 when 85,000 shares were repurchased at an average c 85p (a discount to the 107.2p NAV per share at the time) and subsequently re-issued at an average price of c 109p.

Since 21 September 2021 Civitas has repurchased c 5.4m shares at an average c 90p, which are held in treasury. The repurchases were c 0.06p accretive to Q222 NAV per share and although repurchases have recently trailed off as the shares have begun to recover, the Q322 accretion should be greater (we estimate c 0.1p per share).

Investor engagement

Civitas and its investment adviser Civitas Asset Management (CIM) have been active in engaging with existing and new shareholders since it published its detailed market update in October. As a result, it has gained a number of new and significant institutional shareholders, including several leading European institutions.

To provide further insight into the company's strategy and the social housing sector, Civitas plans to hold a capital markets day in the first quarter of 2022. A similar event held in May 2019 provided considerable detail on the workings of the specialised social housing market and marked the commencement of a strong re-rating in the shares. The presentation is available on the Civitas website, including an audio recording. (www.civitassocialhousing.com/media/1412/cmd-presentation-13-may-final-1.pdf).

Unchanged forecasts and valuation update

We have made no change to our forecasts other than to factor in the share repurchases and have not at this stage assumed any impact on the quantum and timing of capital deployment. Our forecasts assume an additional £50m of capital commitment as existing capital is deployed and we will review these with the interim results in a few weeks.

Despite a strong record of low volatility and consistently positive accounting returns, based on the targeted 5.55p aggregate FY22 DPS, the prospective yield is 6.0% while the shares are trading at a 15% discount to end-Q222 NAV per share.

In Exhibit 6 we show a share price performance and valuation comparison with a group of companies that we would consider to be the closest peers to Civitas, investing in housing and healthcare properties. The table shows the dividend yield based on trailing 12-month DPS declared and on the current financial DPS targeted by each company. We also show P/NAV based on the last reported EPRA NAV/NTA. The Civitas yield is well above the peer average and P/NAV well below. Performance during the pandemic has been robust, with rents collected in full as expected and with no impact on valuations. Following the recent weakness in the share price the Civitas valuation indicates significant potential while also delivering a material social benefit.

Exhibit 6: Peer valuation and performance comparison

	Price	Market cap.	P/NAV*	Yield**	Share price performance			
	(p)	(£m)	(x)	(%)	1 month	3 months	12 months	From 12M high
Assura	70	1,878	1.23	4.1	-4%	-10%	-8%	-13%
Home REIT	116	648	1.10	2.2	3%	1%	N/A	-1%
Impact Healthcare	119	380	1.07	5.4	1%	1%	14%	-2%
Primary Health Properties	151	2,134	1.31	4.1	-2%	-10%	1%	-11%
Residential secure Income	98	168	0.93	5.1	0%	-8%	8%	-13%
Triple Point Social Housing	96	387	0.90	5.4	-4%	-14%	-11%	-16%
Target Healthcare	118	606	1.06	5.7	2%	-4%	4%	-6%
Average			**1.09**	**4.6**	**-1%**	**-6%**	**1%**	**-9%**
Civitas Social Housing	**92**	**573**	**0.85**	**6.0**	**5%**	**-21%**	**-15%**	**-24%**
UK property sector index	1,925				3%	-1%	21%	-3%
UK equity market index	4,195				2%	1%	18%	-1%

Source: Company data, Refinitiv prices as at 15 November 2021. Note: *Based on last reported EPRA NAV. **Based on trailing 12-month DPS declared. ***Based on current fiscal year company targeted DPS.

Exhibit 7: Financial summary

Period ending 31 March (£m)	2018	2019	2020	2021	2022e	2023e
INCOME STATEMENT						
Net rental income	18.6	35.7	45.9	47.8	54.0	56.6
Directors' remuneration	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Investment advisory fees	(5.8)	(6.5)	(6.2)	(6.1)	(6.2)	(6.3)
General & administrative expenses	(2.9)	(3.0)	(3.5)	(3.2)	(3.2)	(3.3)
Total expenses	(8.9)	(9.6)	(9.9)	(9.5)	(9.6)	(9.8)
EPRA cost ratio	47.8%	27.0%	21.5%	20.3%	17.7%	17.3%
Operating profit/(loss) before revaluation of properties	9.7	26.1	36.0	38.3	44.4	46.8
Change in fair value of investment properties	30.6	3.7	9.4	5.5	8.6	14.8
Operating profit/(loss)	40.3	29.7	45.4	43.9	53.0	61.6
Net finance expense	(0.6)	(3.5)	(7.2)	(7.7)	(10.1)	(10.1)
Change in fair value of interest rate derivatives	0.000	0.000	(0.5)	(0.1)	0.0	0.0
C share amortisation	(2.8)	(6.4)	0.0	0.0	0.0	0.0
PBT/Net profit	36.9	19.9	37.7	36.1	42.9	51.5
Adjusted for:						
Change in fair value of investment properties	(30.6)	(3.7)	(9.4)	(5.5)	(8.6)	(14.8)
Fair value change in interest rate derivatives	0.0	0.0	0.5	0.1	0.0	0.0
C share amortisation	2.8	6.4	0.0	0.0	0.0	0.0
EPRA earnings	9.1	22.6	28.8	30.6	34.3	36.7
Average number of shares (m)	350.0	425.4	622.1	621.7	620.4	616.9
Average diluted shares (m)	633.1	622.5	622.1	621.7	620.4	616.9
Basic IFRS EPS (p)	10.6	4.7	6.1	5.8	6.9	8.4
Diluted EPRA EPS (p)	1.4	3.6	4.6	4.9	5.5	6.0
DPS declared (p)	4.25	5.08	5.30	5.40	5.55	5.68
DPS paid (p)	3.00	5.00	5.30	5.38	5.51	5.65
Dividend cover (x)	0.87	0.91	0.87	0.92	1.00	1.05
BALANCE SHEET						
Investment properties	516.2	820.1	868.0	893.7	980.4	999.7
Other non-current assets	0.0	6.8	10.8	21.9	21.9	21.8
Total non-current assets	516.2	826.9	878.7	915.6	1,002.3	1,021.5
Cash & equivalents	249.6	54.3	58.4	107.1	29.9	25.8
Other current assets	3.3	5.7	10.8	12.8	13.9	14.2
Total current assets	252.9	60.1	69.2	119.9	43.8	40.0
Bank loan & borrowings	0.0	0.0	(59.7)	(59.9)	0.0	0.0
Other current liabilities	(308.9)	(15.3)	(7.7)	(9.3)	(11.1)	(11.4)
Total current liabilities	(308.9)	(15.3)	(67.5)	(69.3)	(11.1)	(11.4)
Bank loan & borrowings	(90.8)	(205.2)	(209.4)	(292.2)	(353.6)	(355.1)
Other non-current liabilities	0.0	0.0	(0.5)	(0.5)	(0.5)	(0.5)
Total non-current liabilities	(90.8)	(205.2)	(209.9)	(292.7)	(354.2)	(355.7)
Net assets	369.4	666.5	670.6	673.5	680.8	694.5
Adjust for:						
C shares	298.8	0.0	0.0	0.0	0.0	0.0
Fair value of interest rate derivatives	0.0	0.0	0.5	0.5	0.5	0.5
Diluted EPRA NTA	668.1	666.5	671.0	674.0	681.3	695.1
Period-end basic number of shares (m)	350.0	622.5	621.6	621.9	616.9	616.9
Period end diluted number of shares (m)	633.1	622.5	621.6	621.9	616.9	616.9
Basic IFRS NAV per share (p)	105.5	107.1	107.9	108.3	110.4	112.6
Diluted EPRA NTA per share (p)	105.5	107.1	107.9	108.4	110.4	112.7
CASH FLOW						
Net cash flow from operating activity	8.1	23.3	32.9	26.1	45.2	46.8
Cash flow from investing activity	(483.9)	(302.6)	(61.9)	(6.2)	(78.2)	(4.5)
Net proceeds from equity issuance	343.0	(0.1)	0.0	0.0	0.0	0.0
Net proceeds from C share issuance	296.0	0.0	0.0	0.0	0.0	0.0
Loan interest paid	(0.4)	(3.0)	(5.8)	(6.0)	(8.6)	(8.6)
Bank borrowings drawn/(repaid)	92.5	116.0	64.1	84.6	0.0	0.0
Share repurchase/reissue	0.0	0.0	(0.7)	0.0	(1.4)	(3.0)
Dividends paid	(10.1)	(27.6)	(32.9)	(33.3)	(34.2)	(34.8)
Other cash flow from financing activity	(2.2)	(5.3)	(7.9)	(8.8)	(10.0)	(11.5)
Cash flow from financing activity	719.2	83.0	23.3	42.4	(44.2)	(46.4)
Change in cash	243.3	(196.2)	(5.7)	62.4	(77.2)	(4.1)
Opening cash	0.0	243.3	47.1	41.4	103.8	26.6
Closing cash (excluding restricted cash)	243.3	47.1	41.4	103.8	26.6	22.5
Restricted cash	6.3	7.2	16.9	3.3	3.3	3.3
Cash as per balance sheet	249.6	54.3	58.4	107.1	29.9	25.8
Debt as per balance sheet	(90.8)	(205.2)	(269.2)	(352.1)	(353.6)	(355.1)
Unamortised loan arrangement costs	(1.6)	(3.3)	(3.3)	(4.9)	(3.4)	(1.9)
Total debt	(92.5)	(208.4)	(272.5)	(357.1)	(357.1)	(357.1)
Net (debt)/cash excluding restricted cash	150.9	(161.3)	(231.1)	(253.2)	(330.4)	(334.5)
Gross LTV (gross debt/gross assets)	12.0%	23.5%	28.7%	34.5%	34.1%	33.6%

Source: Civitas Social Housing REIT historical data, Edison Investment Research forecasts

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