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Quarterly Financial Report

For the 3 and 9 months ended 30 September 2020

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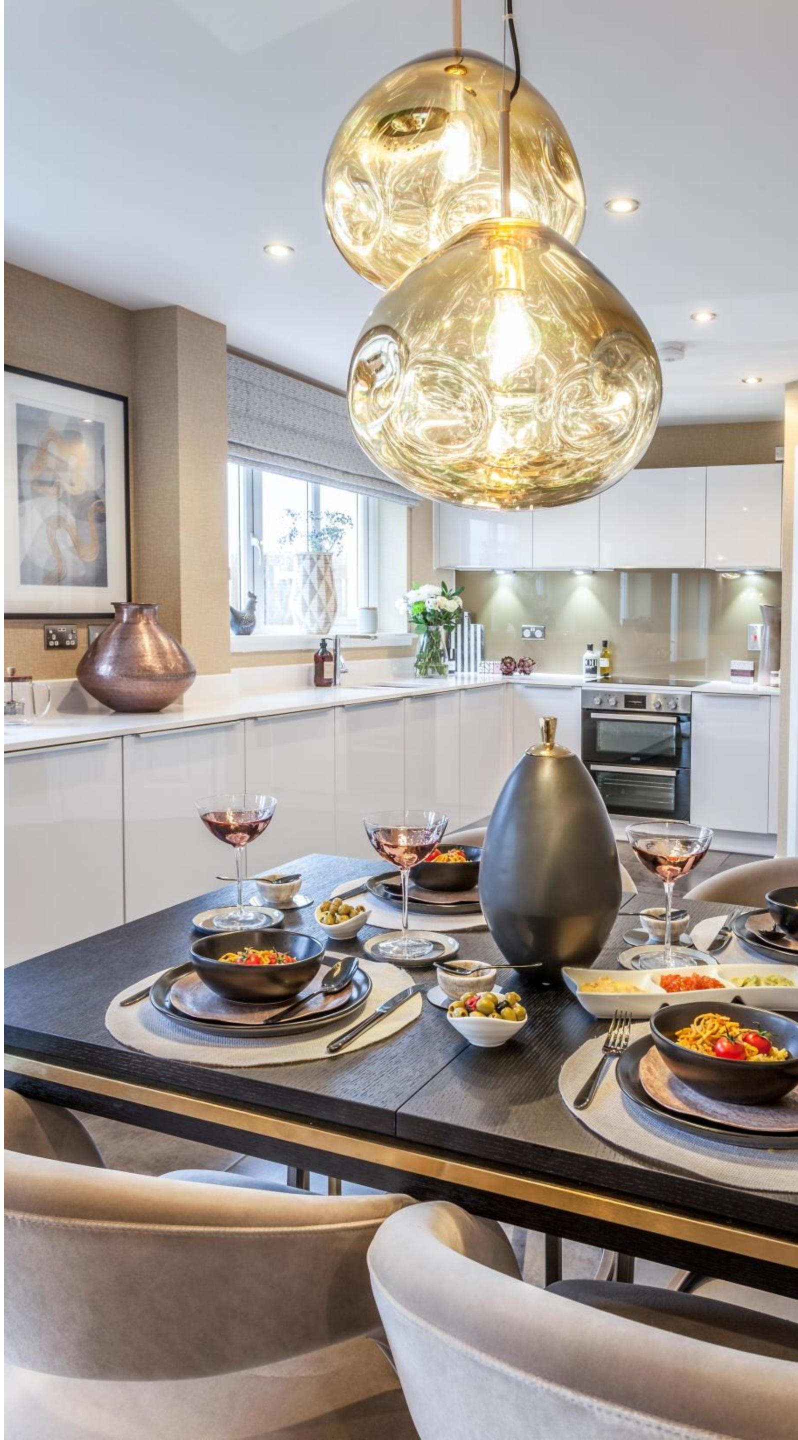

1 Introduction

Introduction

In accordance with the reporting requirements of its offering of £425m Senior Secured Notes (since increased to £455m), Miller Homes Group Holdings plc (“the Group”) is pleased to present its Quarterly Financial Report for the 3 and 9 months ended 30 September 2020.

The figures for the 3 and 9 month periods to 30 September 2020 and 2019 are unaudited.

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2 Operational and Financial Highlights

Operational and Financial Highlights

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Impact of Covid on Construction and Sales Activities

- Since returning in May (England) and June (Scotland):
  - Appointment only system continuing in our sales centres;
  - Construction levels returned to 100% by the end of Quarter 3;
  - Deep clean programme in place for any affected workplaces (mainly construction sites).
- Lockdown measures vary by region, however there is no discernible difference from an operational perspective. Construction sites and sales centres remain open under the national lockdown in England and Level 4 restrictions in Scotland.
- IT investment continues to pay dividends with online reservations accounting for 40% of 2020 reservations, optional extras now available to purchase online and all subcontractors now inducted via an app.
- Continue to trend above 90% customer satisfaction, the benchmark for the HBF 5 Star rating.

Sales

- Strong sales market in Quarter 3, a continuation of our re-opening experience in the latter half of Quarter 2:
  - Sales rates in Quarter 3 were 0.88 net reservations per site per week, 42% ahead of the prior year period;
  - YTD sales rate stands at 0.66, only 4% down on last year and compares to a 24% shortfall at Quarter 2;
  - Pricing has been firm as we benefit from forward selling;
  - The order book for the next 12 months stands at a record £585m which is 25% higher than June 2020 and 53% higher than September 2019.

Land

- Strong pipeline of land opportunities:
  - 10 sites exchanged and 19 sites at terms agreed stage, further supported by the pull through from the strategic landbank;
  - Likely to acquire 16 sites in 2020 (2019: 30 sites), of which 9 are planned for the final quarter of the year.
- 2% increase in the consented landbank to 13,965 plots (Dec 2019: 13,633 plots), representing 5.4 years' supply (Dec 2019: 4.1 years), based on last 12 months' completions. This reflects a decrease in the owned landbank to 10,254 plots (Dec 2019: 10,718 plots) offset by an increase in the controlled landbank to 3,711 plots (Dec 2019: 2,915 plots).
- 1% decrease in the strategic landbank to 19,809 plots (Dec 2019: 20,035 plots).

Operational and Financial Highlights *(continued)*

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Trading

- Quarter 3 saw a return to pre-Covid levels of trading, with 759 core and joint venture completions in the 3 months ending 30 September 2020 (Q3 2019: 806 units).

- ASP for Quarter 3 increased by 7% to £267,000 (Q3 2019: £249,000). This largely reflects a 6% increase in the private ASP to £304,000 (Q3 2019: £287,000) which is mainly due to the geographical weighting of completions.

- Gross margin in Quarter 3 was 23.9% and year to date stands at 23.7%, slightly down on the prior year.

- EBITDA for 9 months ended 30 September 2020 is £72m, down £43m on last year (2019: £115m), of which £41m is due to the Quarter 2 shutdown.   LTM EBITDA is £128m.

Cash and leverage

- Free cash flow in Quarter 3 of £65m. This reverses the outflows in Quarter 2 and results in year to date free cash flow of £38m.

- Overall cash inflow in Quarter 3 of £112m, of which £50m relates to the increase in Senior Secured Notes announced in August.

- Cash at the end of Quarter 3 is £204m and the £151m RCF remains undrawn.

- Net LTV* of 35% based on net inventory of £716m and net debt of £251m**. Net LTV has decreased from 44% in the previous quarter and compares to 47% at 30 September 2019.

- Net leverage of 2.0x, based on LTM EBITDA of £128m and net debt of £251m. This compares to net leverage of 2.5x in the previous quarter and 2.1x at 30 September 2019.

* LTV: Loan to value is net debt divided by net inventory (inventory less land payables).

** Excludes the capitalisation of bond financing costs (£12.2m).

Financial Highlights

Revenue for the 3 months to 30 September 2020 increased by 2.5% to £197.4m (Q3 2019: £192.5m), reflecting a 3.9% decrease in core completions, a 7.2% increase in ASP and a £1.1m decrease in land sales and other revenue.

Gross profit for the 3 months to 30 September 2020 decreased by 1.1% to £47.1m (Q3 2019: £47.6m). Gross margin in the 3 month period was 23.9% (Q3 2019: 24.7%), reflecting slightly lower margins as a result of cost inflation.

Administrative expenses for the 3 months to 30 September 2020 totalled £11.1m (Q3 2019: £12.0m). The decrease of £0.9m has primarily been driven by the inclusion of a bonus charge in the prior year period.

Net finance costs in the 3 month period ended 30 September 2020 were £12.3m (Q3 2019: £11.5m). The increase primarily reflects the £50m net increase in Senior Secured Notes in August 2020, and an increase in interest on shareholder loan notes, which totalled £3.2m in the period (Q3 2019: £3.0m).

	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	% change	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m	% change
Revenue	197.4	192.5	2.5	414.5	581.7	(28.7)
Cost of sales	(150.3)	(144.9)	(3.7)	(316.1)	(436.1)	27.5
Gross profit	47.1	47.6	(1.1)	98.4	145.6	(32.4)
Other operating income	0.4	0.4	-	1.1	1.2	(8.3)
Administrative expenses	(11.1)	(12.0)	7.5	(31.6)	(34.7)	8.9
Group operating profit	36.4	36.0	1.1	67.9	112.1	(39.4)
Share of result in joint ventures	0.8	0.8	-	1.7	2.5	(32.0)
Operating profit	37.2	36.8	1.1	69.6	114.6	(39.3)
Net finance costs	(12.3)	(11.5)	(7.0)	(37.5)	(34.0)	(10.3)
Profit before taxation	24.9	25.3	(1.6)	32.1	80.6	(60.2)
Taxation	(5.3)	(5.0)	(6.0)	(6.7)	(15.4)	56.5
Profit for the period	**19.6**	**20.3**	**(3.4)**	**25.4**	**65.2**	**(61.0)**
Gross margin %	*23.9%*	*24.7%*	*-80bps*	*23.7%*	*25.0%*	*-130bps*
Operating margin %	*18.8%*	*19.1%*	*-30bps*	*16.8%*	*19.7%*	*-290bps*
Profit for the period	19.6	20.3	(3.4)	25.4	65.2	(61.0)
Taxation	5.3	5.0	(6.0)	6.7	15.4	56.5
Net finance costs	12.3	11.5	(7.0)	37.5	34.0	(10.3)
Depreciation	0.6	0.1	n/a	2.0	0.2	n/a
EBITDA	**37.8**	**36.9**	**2.4**	**71.6**	**114.8**	**(37.6)**

Financial Highlights

Analysis of revenues, completions and ASP

Private revenue in the 3 months ended 30 September 2020 increased by 5.8% (Q3 2019: £171.2m). This was offset by a 19.8% decrease in affordable revenues to £16.2m (Q3 2019: £20.2m) and a £1.1m reduction in land sales to £nil.

Core completions in the 3 months to 30 September 2020 decreased by 3.9% to 739 units (Q3 2019: 769 units). Private completions increased marginally to 597 units (Q3 2019: 596 units). Affordable completions decreased by 17.9% to 142 units (Q3 2019: 173 units).

ASP for the 3 months to 30 September 2020 increased by 7.2% to £267,000 (Q3 2019: £249,000). This reflects a 5.9% increase in the private ASP to £304,000 (Q3 2019: £287,000) due to a 2% increase in the average size of our private completions as well as a lower proportion of completions coming from the North of England where ASPs are lower. The affordable ASP decreased slightly to £114,000 (Q3 2019: £116,000).

	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m
Private revenue	181.2	171.2	365.9	521.7
Affordable revenue	16.2	20.2	47.3	58.3
Land sales	-	1.1	1.3	1.5
Other	-	-	-	0.2
Total revenue	**197.4**	**192.5**	**414.5**	**581.7**

	Units	Units	Units	Units
Private completions	597	596	1,237	1,843
Affordable completions	142	173	391	526
Core completions	**739**	**769**	**1,628**	**2,369**
Joint venture completions	20	37	56	121
Total completions	**759**	**806**	**1,684**	**2,490**

	£000	£000	£000	£000
Private ASP	304	287	296	283
Affordable ASP	114	116	121	111
Total ASP	**267**	**249**	**254**	**245**

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3 Net Debt, Liquidity and Cashflow

Net Debt, Liquidity and Cashflow

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Net cash inflow from operating activities for the 3 months ended 30 September 2020 was £60.1m compared to an outflow of £1.5m for the 3 months ended 30 September 2019. This principally reflects an increase in trade creditors as they are re-built to pre Covid levels following the resumption of construction post lockdown.

Net cash inflow from investing activities for the 3 months ended 30 September 2020 was £2.3m compared to £2.9m for the 3 months ended 30 September 2019. This inflow predominantly relates to the repayment of loans made to joint ventures.

Net cash flow from financing activities for the 3 months ended 30 September 2020 was £49.6m, which compared to £nil for the 3 months ended 30 September 2019. The inflow of £49.6m reflects the issue of a net £50m Senior Secured Notes in August 2020, offset by transaction fees.

	As at 30 Sep 2020 £m	As at 31 Dec 2019 £m	As at 30 Sep 2019 £m
Senior Secured Notes	(455.0)	(405.0)	(405.0)
Deferred financing costs	12.2	13.7	14.4
Cash and cash equivalents	204.2	139.8	67.1
Total external net debt	**(238.6)**	**(251.5)**	**(323.5)**

	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m
Net cash flow from operating activities	60.1	(1.5)	10.5	(26.3)
Net cash flow from investing activities	2.3	2.9	4.8	5.1
Net cash flow from financing activities	49.6	-	49.1	(10.3)
Movements in cash and cash equivalents	112.0	1.4	64.4	(31.5)
Cash and cash equivalents at beginning of period	92.2	65.7	139.8	98.6
Cash and cash equivalents at end of period	**204.2**	**67.1**	**204.2**	**67.1**

Net Debt, Liquidity and Cashflow

Free cash flow in the 3 months ended 30 September 2020 was £65.1m compared to £6.7m for the 3 months ended 30 September 2019.

The increase of £58.4m primarily reflects lower land and development spend, offset by an adverse working capital movement in the period.

The £59.3m movement in development spend is reflective of the increase in trade creditors following their unwind in Quarter 2 2020 and subsequent resumption of construction post lockdown. The adverse working capital movement is primarily due to the timing of trade debtor receipts.

Other cashflows of £9.9m (Q3 2019: £2.8m) primarily reflects cash received from the sale of part exchange properties.

As the Group has continued to generate significant levels of cash, there are a number of available options. These include additional land purchases, bond redemptions or shareholder distributions.

	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m
EBITDA	**37.8**	**36.9**	**71.6**	**114.8**
Net land investment in excess of cost of sales	(4.3)	(18.6)	(24.7)	(78.1)
Development spend less than / (in excess of) cost of sales	36.2	(23.1)	(15.9)	(37.9)
Change in working capital	(16.6)	4.5	(10.2)	(6.1)
Cash flows from JVs (not included in EBITDA)	1.3	2.1	3.1	2.8
Shared equity loan receivables	0.8	2.1	2.2	5.6
Other	9.9	2.8	11.9	(2.0)
Free cash flow*	**65.1**	**6.7**	**38.0**	**(0.9)**
Net land spend (included in cost of sales)	33.9	33.7	72.2	100.2
Net land investment in excess of cost of sales	4.3	18.6	24.7	78.1
Total net land spend	**38.2**	**52.3**	**96.9**	**178.3**
Free cash flow pre net land spend	**103.3**	**59.0**	**134.9**	**177.4**

*Free cashflow represents the cash movement per the consolidated cashflow statement but excluding cashflows from financing activities, investing activities (other than movement in loans to joint ventures), corporation tax paid, interest paid and transaction costs.

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4 Capital Employed, Inventory and Landbank

Capital Employed, Inventory and Landbank

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Capital employed increased to £731.7m as of 30 September 2020 (Dec 2019: £715.0m), of which £146.2m relates to intangible assets established following the acquisition.

The increase in underlying capital employed to £582.8m (Dec 2019: £555.1m) reflects an increase in net inventory which has risen by £33.4m to £715.7m (Dec 2019: £682.3m).

	As at and for the 12 months ended 30 Sep 2020 £m	As at and for the 12 months ended 31 Dec 2019 £m	As at and for the 12 months ended 30 Sep 2019 £m
Net assets	357.5	332.1	304.8
Net external debt	238.6	251.5	323.5
Intercompany loan	141.0	131.4	128.2
Capital employed	737.1	715.0	756.5
Less:			
Intangible assets	(146.2)	(146.2)	(146.2)
Shared equity loan receivables	(6.7)	(8.9)	(8.1)
Deferred tax	(1.4)	(4.8)	(7.8)
Underlying capital employed	**582.8**	**555.1**	**594.4**
Operating profit	122.9	167.9	163.8
Credit to operating profit in respect of shared equity loan receivables	(3.6)	(4.6)	(0.5)
Underlying operating profit	**119.3**	**163.3**	**163.3**
Underlying ROCE (%)	**20.3**	**31.5**	**30.2**

Capital Employed, Inventory and Landbank

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The Group acquired or unconditionally contracted on 4 sites during the 3 months ended 30 September 2020 adding 672 plots to the owned landbank. In the 9 months to 30 September 2020, the Group has added 7 sites and 1,117 plots which compares to 18 sites and 2,598 plots in the 9 months to 30 September 2019.

The owned landbank at 30 September 2020 has decreased to 10,254 plots (Gross development value: £2.7bn). All owned land which has a detailed planning permission is being developed.

The consented landbank has increased by 2% to 13,965 plots (Dec 2019: 13,633 plots). Based on the last 12 months' completions of 2,587 units, this represents 5.4 years' supply (Dec 2019: 4.1 years).

The strategic landbank has decreased by 1% to 19,809 plots (Dec 2019: 20,035 plots).

The decrease in land payables reflects the unwind of deferred payments which have not yet been replaced with obligations on new site purchases.

	As at 30 Sep 2020 £m	As at 31 Dec 2019 £m	As at 30 Sep 2019 £m
Land	494.0	517.3	471.3
Work in progress	319.3	296.4	320.0
Part exchange properties	10.4	20.6	18.8
Inventory	**823.7**	**834.3**	**810.1**
Land payables	(108.0)	(152.0)	(95.9)
Net inventory	**715.7**	**682.3**	**714.2**

Landbank	Plots	Plots	Plots
Owned / unconditional	10,254	10,718	9,340
Controlled	3,711	2,915	3,683
Consented	13,965	13,633	13,023
Strategic	19,809	20,035	18,509
Total	**33,774**	**33,668**	**31,532**

5 Group Condensed Consolidated Financial Statements

Consolidated Income Statement
for the 3 and 9 month periods ended 30 September 2020

	Note	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m
Revenue		197.4	192.5	414.5	581.7
Cost of sales		(150.3)	(144.9)	(316.1)	(436.1)
Gross profit		47.1	47.6	98.4	145.6
Other operating income		0.4	0.4	1.1	1.2
Administrative expenses		(11.1)	(12.0)	(31.6)	(34.7)
Group operating profit		36.4	36.0	67.9	112.1
Share of result in joint ventures		0.8	0.8	1.7	2.5
Operating profit		37.2	36.8	69.6	114.6
Finance costs	*4*	(12.4)	(11.7)	(38.1)	(34.8)
Finance income	*5*	0.1	0.2	0.6	0.8
Net finance costs		(12.3)	(11.5)	(37.5)	(34.0)
Profit before taxation		**24.9**	**25.3**	**32.1**	**80.6**
Income taxes		(5.3)	(5.0)	(6.7)	(15.4)
Profit for the period		**19.6**	**20.3**	**25.4**	**65.2**

The results for the 3 and 9 month periods ended 30 September 2020 and 2019 are unaudited.

Consolidated Statement of Financial Position

	Note	As at 30 Sep 2020 £m	As at 31 Dec 2019 £m	As at 30 Sep 2019 £m
Assets				
Non-current assets				
Intangible assets (incl goodwill)	*6*	146.2	146.2	146.2
Property, plant and equipment		1.2	1.4	1.3
Right of use asset		6.4	8.2	-
Investments		12.5	15.6	18.8
Shared equity loan receivables		6.7	8.9	8.1
Deferred tax		1.4	4.8	7.8
		174.4	**185.1**	**182.2**
Current assets				
Inventories	*7*	823.7	834.3	810.1
Trade and other receivables		26.3	20.6	25.0
Cash and cash equivalents		204.2	139.8	67.1
		1,054.2	**994.7**	**902.2**
Total assets		**1,228.6**	**1,179.8**	**1,084.4**

Consolidated Statement of Financial Position *(continued)*

	Note	As at 30 Sep 2020 £m	As at 31 Dec 2019 £m	As at 30 Sep 2019 £m
Liabilities				
Non-current liabilities				
Loans and borrowings	*8*	(583.8)	(522.7)	(518.8)
Trade and other payables		(38.8)	(44.6)	(31.6)
Lease liabilities		(4.6)	(6.4)	-
Retirement benefit obligations		(13.1)	(16.5)	(9.7)
Provisions and deferred income		(2.6)	(2.6)	(2.4)
		(642.9)	**(592.8)**	**(562.5)**
Current liabilities				
Trade and other payables		(226.1)	(252.8)	(217.1)
Lease liabilities		(2.1)	(2.1)	-
		(228.2)	**(254.9)**	**(217.1)**
Total liabilities		**(871.1)**	**(847.7)**	**(779.6)**
Net assets		**357.5**	**332.1**	**304.8**
Equity				
Share capital		151.0	151.0	151.0
Retained earnings		206.5	181.1	153.8
Total equity attributable to owners of the parent		**357.5**	**332.1**	**304.8**

The December 2019 figures represent the audited financial statements of Miller Homes Group Holdings plc. The September 2020 and September 2019 figures are unaudited.

Consolidated Cashflow Statement
for the 3 and 9 month periods ended 30 September 2020

	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m
Cash flows from operating activities				
Profit for the period	19.6	20.3	25.4	65.2
Depreciation	0.6	0.1	2.0	0.2
Finance income	(0.1)	(0.2)	(0.6)	(0.8)
Finance cost	12.4	11.7	38.1	34.8
Share of post tax result from joint ventures	(0.8)	(0.8)	(1.7)	(2.5)
Taxation	5.3	5.0	6.7	15.4
Operating profit before changes in working capital	37.0	36.1	69.9	112.3
Working capital movements:				
Movement in trade and other receivables	(7.7)	(0.7)	(3.5)	0.6
Movement in inventories	24.0	(17.4)	6.6	(66.8)
Movement in trade and other payables	9.5	(14.2)	(39.8)	(52.3)
Cash generated from operations	62.8	3.8	33.2	(6.2)
Interest paid	(0.1)	(2.5)	(12.7)	(14.1)
Corporation tax paid	(2.6)	(2.8)	(10.0)	(6.0)
Net cash inflow/(outflow) from operating activities	**60.1**	**(1.5)**	**10.5**	**(26.3)**
Cash flows from investing activities				
Acquisition of property, plant and equipment	-	-	(0.1)	(0.2)
Movement in loans with joint ventures	2.3	2.9	4.9	5.3
Net cash inflow from investing activities	**2.3**	**2.9**	**4.8**	**5.1**
Cash flows from financing activities				
Issue of senior secured notes	49.6	-	49.1	-
Decrease in other long term borrowings	-	-	-	(10.3)
Net cash inflow/(outflow) from financing activities	**49.6**	**-**	**49.1**	**(10.3)**
Movements in cash and cash equivalents	112.0	1.4	64.4	(31.5)
Cash and cash equivalents at beginning of period	92.2	65.7	139.8	98.6
Cash and cash equivalents at end of period	**204.2**	**67.1**	**204.2**	**67.1**

1. Reconciliation of net cash flow to net debt

	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m
Movement in cash and cash equivalents	112.0	1.4	64.4	(31.5)
Increase in senior secured notes	(49.6)	-	(49.1)	-
Decrease in other long term borrowings	-	-	-	10.3
Non-cash movement*	(4.0)	(3.8)	(12.0)	(11.2)
Movement in net debt in period	58.4	(2.4)	3.3	(32.4)
Net debt at beginning of period	(438.0)	(449.3)	(382.9)	(419.3)
Net debt at end of period	**(379.6)**	**(451.7)**	**(379.6)**	**(451.7)**

Net debt comprises:	As at 30 Sep 2020 £m	As at 31 Dec 2020 £m	As at 30 Sep 2019 £m
External net debt	(238.6)	(251.5)	(323.5)
Intercompany loans	(141.0)	(131.4)	(128.2)
Net debt at end of period	**(379.6)**	**(382.9)**	**(451.7)**

*The non-cash movement for the 3 months ended 30 September 2020 represents £0.8m (Q3 2019: £0.8) of arrangement fee amortisation and £3.2m (Q3 2019: £3.0m) of rolled up interest on the unsecured shareholder loan notes.

The non-cash movement for the 9 months ended 30 September 2020 represents £2.4m (Q3 2019: £2.4m) of arrangement fee amortisation and £9.6m (Q3 2019: £8.8m) of rolled up interest on the unsecured shareholder loan notes.

2. Reporting entity

Miller Homes Group Holdings plc is a Company domiciled in England and Wales. The condensed consolidated financial statements for the 3 and 9 month periods ended 30 September 2020 comprise the Company and its subsidiaries (together referred to as the "Group") and reflect the underlying trading results of Miller Homes Holdings Limited.

The financial statements did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 and were given an unqualified audit opinion.

3. Accounting policies

The preparation of these condensed consolidated financial statements is based on the accounting policies set out in the audited financial statements of both Miller Homes Group Holdings plc and Miller Homes Holdings Limited.

4. Finance costs

	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m
Interest payable on senior secured notes, bank loans and overdrafts	7.2	6.9	21.6	20.6
Interest payable on amounts owed to immediate parent company	3.2	3.0	9.6	8.8
Imputed interest on land payables on deferred terms	1.8	1.8	6.4	5.2
Finance costs related to employee benefit obligations	0.1	-	0.2	0.2
Imputed interest on lease liabilities	0.1	-	0.3	-
	12.4	**11.7**	**38.1**	**34.8**

Notes to the Condensed Consolidated Financial Statements

5. Finance income	3 months ended 30 Sep 2020 £m	3 months ended 30 Sep 2019 £m	9 months ended 30 Sep 2020 £m	9 months ended 30 Sep 2019 £m
Interest on loans to joint ventures	-	0.1	0.2	0.4
Other	0.1	0.1	0.4	0.4
	0.1	**0.2**	**0.6**	**0.8**

6. Intangible assets	As at 30 Sep 2020 £m	As at 31 Dec 2020 £m	As at 30 Sep 2019 £m
Goodwill	92.2	92.2	92.2
Brand value	54.0	54.0	54.0
	146.2	**146.2**	**146.2**

7. Inventories	As at 30 Sep 2020 £m	As at 31 Dec 2020 £m	As at 30 Sep 2019 £m
Land	494.0	517.3	471.3
Work in progress	319.3	296.4	320.0
Part exchange properties	10.4	20.6	18.8
	823.7	**834.3**	**810.1**

Notes to the Condensed Consolidated Financial Statements

8. Loans and borrowings – non-current	As at 30 Sep 2020 £m	As at 31 Dec 2019 £m	As at 30 Sep 2019 £m
Senior secured notes	(455.0)	(405.0)	(405.0)
Deferred financing costs	12.2	13.7	14.4
Intercompany loan (unsecured)	(141.0)	(131.4)	(128.2)
	(583.8)	**(522.7)**	**(518.8)**

Senior Secured Notes: Following the Group's acquisition of Miller Homes Holdings Limited on 5 October 2017 the Group issued £425m of Senior Secured Notes, and repaid existing bank loans. The Group bought back and cancelled £20m of its Senior Secured Notes in June 2018 (£14m FRN, £6m fixed).

On 27 July 2020, a £160m private placement was concluded, the purpose of which was to repay £110m of Senior Secured Floating Rate Notes and to take advantage of emerging land opportunities. This transaction also resulted in an extension in the maturity of our senior secured debt with the new Senior Secured Notes due in October 2024, one year later than the Senior Secured Floating Rate Notes. Our revised senior secured debt post this transaction is £404m Senior Secured Notes (due October 2024) and £51m Senior Secured Floating Rate Notes (due October 2023).

Intercompany loan: The intercompany loan is payable to Miller Midco 2 Limited, a company ultimately controlled by Bridgepoint funds. The loan is unsecured and repayable in October 2027. On 27 November 2018 £43.5m of this loan was repaid.