

Orbit Capital PLC maintains robust performance for the year ending 31 March 2024

Publication of Financial Statements

18 September 2024

Orbit Capital PLC ('Orbit Group', 'Orbit' or the 'Company'), one of the UK's largest providers of affordable housing, has maintained its robust financial performance for the year ending 31 March 2024, setting us up well to deliver our 2030 Strategy, which sets out our ambitions for the next six years, including significantly investing in our customer journey and building and regenerating over 5,700 homes.

Highlights

- **Group turnover in line with budget at £391.1 million** (FY2023: £418.3 million)
- **Operating surplus excluding fixed asset sales at £88.7 million** reflecting additional investment into repairs and maintenance as we continue to focus on the quality of our homes (FY2023: £105.1 million)
- **Group operating margin** excluding fixed asset sales at 22.7% (FY2023: 25.1%)
- **Revenue reserves increased to £961 million** (FY2023: £911 million) underpinning a strong balance sheet position
- **Overall surplus achieved for the year of £54.9 million** reflecting reduced fixed asset sales and higher interest (FY2023 £89.6 million)
- **Reaffirmed A3 stable credit rating by Moody's**
- **Reaffirmed G1/V2 rating by the Regulator of Social Housing**

Strategic Progress

Despite macro-economic instability with inflation above the Bank of England's target, we have retained our robust financial position. Group turnover was £391.1 million broadly in line with expectation, whilst our operating margin was 22.7% reflecting inflationary cost pressures as experienced by the wider sector, together with increased levels of investment our homes and slightly reduced property sales margins reflecting the rising cost to build.

We invested £119.4 million (FY2023 £88.8 million) in improving and maintaining our existing homes for our customers and, against a backdrop of continued high interest rates maintaining pressure on the property market, we have been able to continue our commitment to providing new homes to meet housing need, delivering 870 new homes.

In addition, we continued to support our Better Days programme, under which our commitment to social purpose goes beyond that of landlord and developer, and works to improve the long-term prospects of our customers through financial inclusion, mental health, employment, skills, and digital support.

Other Achievements:

- **New 2030 Strategy** developed with colleagues and customers, setting out the ambition to deliver amongst the best customer service of any housing association in the country
- **Customer Commitments** launched, reflecting what customers value from us and what we must deliver in return, which will shape all future improvements from service design and quality frameworks to policies and performance measures
- **Ongoing excellence in Risk and Compliance, and Health and Safety** with RoSPA Gold Award for the sixth consecutive year
- **£119.4 million invested in improving and maintaining our existing homes** with 85.55% of our properties now at EPC band C or above.
- **£232.2 million invested in developing new homes**, with 870 new homes built
- **£22.4 million social value delivered**
- **Awarded 5-Star Housebuilder by the Home Builders Federation**
- **Second Sustainability-linked loan** to fund our drive to deliver more affordable new homes and improvements to the energy efficiency of our existing properties
- **Carbon footprint reduction of 39.7% since baseline** established in 2018.
- **Energy efficiency upgrades** completed on 141 properties in the West Midlands under the Social Housing Decarbonisation Fund (SHDF) Wave 1, and SHDF Wave 2.1 work underway to upgrade a further 212 properties, 60 of which are already complete.
- **New Values and Colleague Commitments** developed for colleagues, by colleagues, which focus on delivering what our customers value

Commenting on the results Jonathan Wallbank, Group Finance Director, said:

“In this challenging economic environment our financial delivery has remained solid.

“We have delivered well against the Orbit 2025 Strategy, continuing our journey to improve our customer services and our drive to deliver more high-quality, affordable new homes.

“Our net assets have increased as a result of investment in our existing homes and through new social and shared ownership homes being built. Revenue reserves remain strong, and we continue to be financially well-placed with a strong financial liquidity position, with our financial strength setting us up well to deliver our 2030 Strategy.”

Phil Andrew, Orbit Group Chief Executive added:

“Our new Strategy sets out our ambition to provide amongst the best customer experience of any housing association in the country. This is an ambitious goal but one we strongly believe is right for our customers and colleagues, and one that is within our grasp.

“We will therefore be moving forward with a sharpened operational focus that is resolute in delivering our services and homes through the lens of our customers, and which supports us in further increasing the positive impact we can make now and in the future.

“This will see us significantly investing in our customer journey to improve our customer experience and ensure we deliver the services our customers value the most, and continuing to focus on improving the quality of our existing homes whilst maintaining our commitment to build more high-quality, affordable homes that meet the needs of our customers throughout their lives.

“As ever, our people are key to this and we will continue to invest in our people and culture, ensuring we have the right skills, tools, and commitment to meet the professionalism standards set out by the sector, and most importantly, deliver our purpose.

“We have a lot to do. But with the combination of committed colleagues who have a passionate belief in our purpose, a clear vision and Strategy, and a strong and resilient financial plan, we are well placed for success.”

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