

Orbit Group Limited's Interim Performance Update covering the six-month period to 30th September 2022

19 December 2022

Orbit Group Limited ('Orbit Group', 'Orbit' or the 'Company'), one of the UK's largest contributors of affordable housing, announces a robust half-year performance* in line with expectations.

Highlights

- **Group turnover for the year to date of £206.7m** (2021/22 H1: £189.3m)
- **Operating profit for the year to date including sale of fixed assets of £71.6m** (2021/22 H1: £59.8m)
- **Surplus for the year to date of £46.2m** (2021/22 H1: £33.4m)
- **647 new homes completed** (2021/22 H1: 393), of which 461 were affordable
- Strong transactional customer satisfaction of 4.34 out of 5
- **Continued G1 (Governance) and V2 (Viability) rating** from the Regulator of Social Housing

Supporting our customers

Against a challenging backdrop of high inflation, rising interest rates, materials and labour shortages and increasing likelihood of a recession, our focus continues to be on providing good quality, affordable and safe homes.

We have introduced extra measures to support customers through the cost-of-living crisis, including additional investment in our Better Days programme, which provides customers with a range of support from direct financial help and grants to mental health and employment and skills support.

As part of this we have launched a new Welfare Benefits Advice Service to help customers manage their finances and partnered with National Energy Action to support with energy grants, tariffs, and fuel debt.

Investment in our homes and communities

We continue to invest in our homes and communities, investing £35.5million in our properties during this period (2021/22 H1: £35.3m).

There were 647 new homes completed in the first six months of the year including the conclusion of affordable rental apartments at our regeneration scheme, Park East, in Erith.

Work on our Social Housing Demonstrator Project at Stratford-upon-Avon is now complete, and work as part of the Social Housing Demonstrator Wave One programme is due to start in the new year.

We have also made significant improvements in how we respond to reports of damp, mould or condensation, with the last 18-months seeing the introduction of a new policy and

systems, colleague training and new equipment to improve our data reporting and diagnostic capability.

Housing fixed assets total £2.96bn (2021/22 H1: £2.84bn). Net debt at the period end was £1.52bn (2021/22 H1: £1.42bn) with £0.5bn (2021/22 H1: £0.6bn) of available liquidity.

Sustainability progress

Progress on our net zero carbon targets and sustainability commitments continues at pace.

In October we published our second Environmental, Social Governance (ESG) report under the Sustainable Reporting Standard for Social Housing, and in June we launched our Biodiversity Approach, which aligns with the 30by30 global initiative.

In a first for the sector, we also qualified as a provider of the Institute of Environmental Management and Assessment (IEMA) environmental sustainability accreditation, and achieved ISO14001:2015 certification for our environmental management system by the British Standards Institute (BSI).

Comment from Jonathan Wallbank, Group Finance Director:

“We remain a financially robust association. Our trading performance continues to be in line with expectations, demonstrating our strong liquidity position, business resilience and capability to navigate the current challenging economic climate.

“We have increased support for our customers to help them mitigate the cost-of-living crisis and arrears continue to be at the lowest for many years. We are seeing cost increases both across property maintenance and new build projects and, whilst our new build programme has performed well and risk metrics are continuing to be met, as a precautionary measure we have taken the decision to reduce new build homes output from 6,500 to 6,000 homes during the period 2020 - 25. New build will continue with the focus on affordable tenures, ensuring we minimise risk whilst still supporting the Government’s Affordable Homes Programme.”

- Ends -

* All financial figures for H1 2021/22 and H1 2022/23 are based on unaudited management accounts.

For further information please contact:

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