Building homes, independence and aspirations

Trading update including final results for the year ended 31 March 2026

Home Group Limited (Home Group) issues its final results for the year ended 31 March 2026.

These figures are provided for information purposes only.

Annual Highlights

- Own and manage over **57,000** homes, over 90% of which are affordable housing, across 184 local authority areas; with 50% of stock within twelve local authorities.
- House over **125,000** people in our homes across England and Scotland, including accommodation-based support for over 11,000 customers with mental health and physical needs.
- Delivery of **1,066** new homes, 818 of which are affordable tenures.
- Surplus before tax of **£38.4 million**.
- Allocated £28 million grant from the Warm Homes fund to retrofit over 3,600 homes. Investment in the year totalled £16.7 million, with works completed to 1,100 homes.
- Undrawn, committed, available borrowing facilities and cash at 31 March 2026 of **£417 million.**
- S&P rating maintained at **A- (stable) in August 2026**.
- Continued **improvement** in our **operational performance indicators** and **tenant satisfaction measures.**
- We continue on our **long-term sustainability roadmap** and will shortly publish our latest achievements within our annual Environmental, Social and Governance (ESG) report under the Sustainability Reporting Standard for Social Housing.

Commenting on the results, **Helen Meehan, Chief Financial Officer** said:

"We are pleased to report continued strong and improving performance across many areas of our business for the year ended 31 March 2026 despite the challenging environment and the need to strike a careful balance between investing in our existing homes and communities and investing in much needed new affordable homes.

We ended the year with a surplus before tax of £38.4 million – a £3.6 million improvement on the previous year and ahead of target. We delivered 1,066 new homes in the year, including 818 affordable homes, and have invested £173 million to improve and maintain our existing customers' homes. This included finalising our Social Housing Decarbonisation Wave 2 project and commencing our Warm Homes Fund project. We will continue to focus on improving the quality and energy efficiency of our homes, and ensure customers live in safe, healthy homes.

Our overall customer satisfaction (TSM) is 72.9%, up from 68.2% in the previous year. During the year we have worked towards strengthening our customer engagement through a national customer committee and are committed to continuing to make improvements based on what our customers tell us they want.

The key contributors to our success are our clear strategy, a resilient and agile business plan and passionate and committed colleagues."

Key Financials

Key Financial Indicators	12 months ended 31 March 2026	12 months ended 31 March 2025
Turnover (£000)	498,505	505,436
Operating surplus (£000)	91,406	87,597
Operating margin[1]	15.3%	15.5%
Operating margin (social housing lettings)[1]	20.4%	20.4%
Surplus before tax (£000)	38,374	34,742
Gearing[1]	42.5%	42.8%
Interest cover (EBITDA MRI)[1]	109.0%	106.0%
Net debt per unit (£)	25,449	24,485

Despite a continued challenging operating environment, we managed our costs effectively to increase both our operating surplus and surplus before tax compared to prior year.

Overall, group turnover has decreased by 1.4% (£6.9 million) to £498.5 million. Turnover from social housing lettings increased by 4.3% (£15.9 million) reflecting a 2.7% rent increase from 1 April 2025 on our existing portfolio and an additional £4.0 million rental income arising from our development of new homes for rent. Offsetting the higher rental income is a £21.5 million (56.8%) decline in turnover on properties developed for outright sale and a £3.4 million (11.6%) reduction in shared ownership first tranche sales. This follows the strategic decision in recent years to reduce exposure to direct private sale and pivoting the focus to joint ventures and developing affordable housing for our portfolio. The reduction in turnover from outright and shared ownership property sales is matched by a corresponding reduction in related costs of sales of £23.7m.

Our operating costs have increased by £19.0 million (5.1%). Operating costs associated with social housing activities have increased by £12.9m (4.4%) and reflect costs associated with our growing rental portfolio. Operating costs associated with our care and support services have also increased by £6.9m (14.7%) largely as result of increased staff costs. Increases in the Real Living Wage and a challenging labour market, particularly for clinical care staff which resulted in the increased use of agency workers, both added to the cost base.

Our operating surplus includes surpluses from the sale of existing housing properties which increased by £6.1 million this year to £15.2 million. Approximately half of the increase is driven by increased Right to Buy and Right to Acquire sales to our customers and half due to voluntary disposals as we actively manage our assets in line with our strategy.

Surplus before tax is £38.4 million – a £3.6 million improvement on the previous year (2025: £34.7 million). The improved operating surplus is the main driver, with a £0.3 million increase in our profit share on joint ventures offset by a £0.4 million increase in net finance costs.

Gearing remains broadly in line with the prior year and is low compared to our peers. The marginal reduction of 0.3% reflects a 5.3% increase in the net book value of our housing properties to £3.17 billion (2025: £3.00 billion), offset by a 4.4% increase in drawn borrowings to £1.41 billion (2025: £1.35 billion). Borrowings, together with capital grant and net cash from our operating activities enable us to continue to invest in our existing homes and in new affordable homes.

Interest cover (EBITDA MRI)[1] has increased slightly from 106.0% to 109.0% and remains above 100%. We continue to have significant headroom against all our lender covenants with our tightest group interest cover covenant at over 200% with minimum permitted cover of 100%.

[1] Value for Money metric as defined by the Regulator of Social Housing

Treasury and financing

As at 31 March 2026 net debt was £1,344 million (2025: £1,287 million). Available liquidity in the form of committed, undrawn facilities and cash was £417 million (2025: £310 million). The proportion of drawn debt that was fixed at 31 March 2026 was 75.5% (2025: 72.9%). We continue to have a substantial pool of unencumbered properties available to charge as security against future borrowings.

As part of refreshing our business plan, consideration was given to future funding requirements, and we expect to secure additional funding in 2026/27 to maintain our strong liquidity position.

Asset management

Maintenance	12 months ended 31 March 2026 £'000	12 months ended 31 March 2025 £'000
Routine maintenance	57,320	64,592
Planned maintenance	35,793	32,553
Major repairs expenditure	12,914	10,165
Capitalised works	66,993	67,386
Amount spent on improving and maintaining customers' homes	173,020	174,696

Total maintenance spend was broadly in line with prior year (£1.7 million lower).

Routine maintenance expenditure decreased to £57.3 million (2025: £64.6 million). This reduction is primarily driven by improved control of responsive repair demand. While demand for responsive repairs remains high, operational focus on managing work in progress and improving right first-time repairs has helped stabilise costs compared to the previous year, which saw increased demand and cost pressures.

Planned maintenance and major repairs expenditure increased to £48.7 million (2025: £42.7 million), reflecting a continued shift towards more proactive and programme-based investment in our customers' homes. This includes increased delivery of cyclical and planned works alongside a higher volume of more complex major repair activity, driven by building safety requirements, compliance obligations and the need to address priority issues identified through stock condition surveys.

Capitalised works remained broadly consistent at £67.0 million (2025: £67.4 million). This stability reflects continued delivery of investment programmes aligned to long-term asset management priorities, including energy efficiency improvements and the ongoing enhancement of existing homes.

Development and sales

Development completions	12 months ended 31 March 2026 No. of homes	12 months ended 31 March 2025 No. of homes
Social/affordable rent	591	402
Affordable home ownership	227	364
Outright sale	27	155
Joint ventures	221	258
Build to rent	-	258
Total homes handed over	1,066	1,437

In the year ended 31 March 2026, we delivered 1,066 new homes, of which 818 were affordable. Total completions were in line with our planned delivery of 1,059 homes and included the successful delivery of the final homes under our Homes England Strategic Partnership funding commitment. The reduction in completions compared with last year was largely driven by the availability of grant funding ahead of the SAHP 2026–36 programme and because the prior year benefited from a one-off increase in delivery following the completion and sale of 258 Build to Rent homes at Milliners Yard.

Joint venture delivery was lower than expected in the year due to a slower private sales market. In line with our strategy, our direct outright sale programme is now limited to a single project and was therefore significantly lower than the prior year (27 homes sold compared with 155). We expect future outright sale delivery to be undertaken primarily through our joint venture partners.

Our development activity is governed by a robust risk management framework. Development schemes are subject to scrutiny by both the Development Committee and Board, and schemes will only proceed where target development KPIs are achieved.

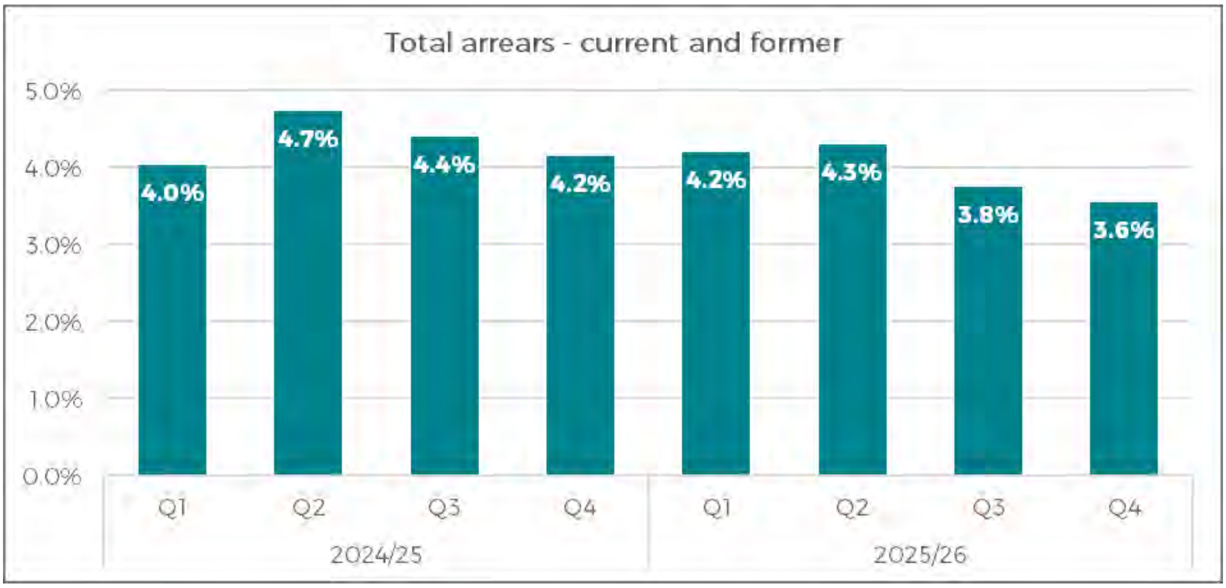
New build sales	12 months ended 31 March 2026 No. of homes	12 months ended 31 March 2025 No. of homes
Affordable home ownership	282	323
Outright sale	56	136
Joint ventures	208	231
Total sales completed	546	690
Homes held for sale as at 31 March (stock)	105	143

New build sales activity and performance in the year ended 31 March 2026 was consistent and promising despite ongoing cost of living squeeze and wider market challenges. We have seen good demand in the affordable home ownership (shared ownership) market despite a slight reduction in sales compared to the previous 12 months. That reduction was due to the lower number of affordable homes delivered over the same period and contributed to our greatly reduced number of homes unsold at year end (105). Shared ownership remains a very important, increasingly understood and accepted tenure across our four sales regions. Our enquiry levels and general demand for shared ownership homes increasingly outweighs that for outright sale and reservation levels over the final three months of the year were more productive following the release of new schemes to the market with homes to deliver and sell in 2026/27.

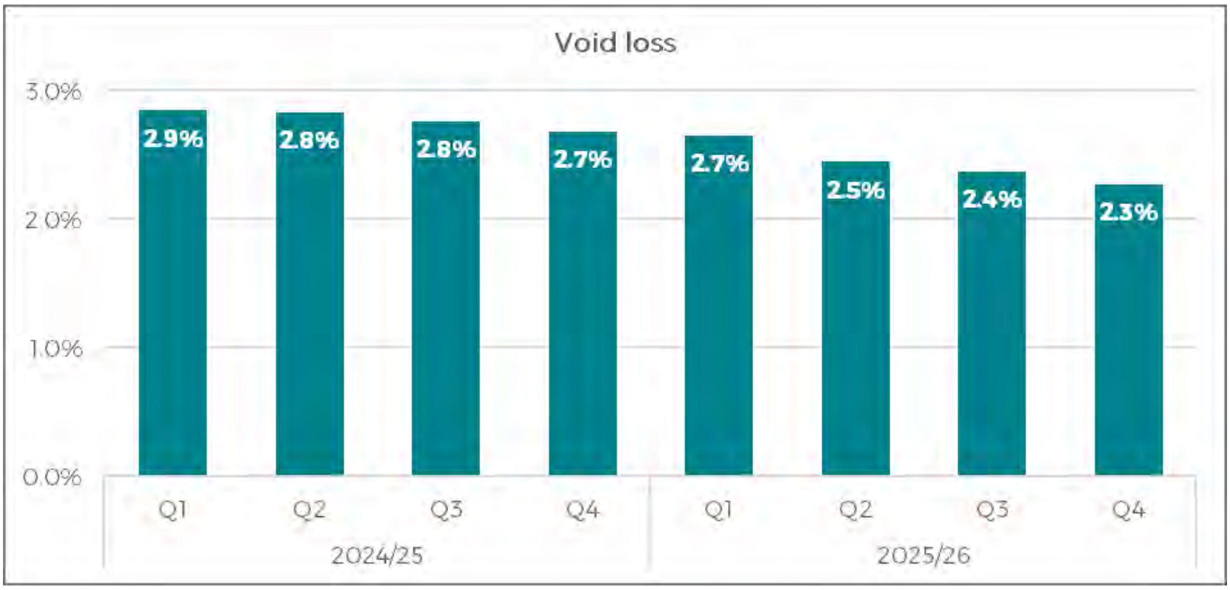
The first three months of 2026/27 have continued in a similar vein. Of the 105 homes held for sale (stock) at the end of March, 43 have completed over the first three months of the year and 26 sit within our current sales pipeline.

Our joint ventures continue to deliver a reliable number of sales in line with our forecasts.

Operational performance



Total arrears (current and former) have decreased across the year and compared to the previous year. Our in-house collections tool has been in place for over a year now, and this helps us target support and attention to the right cases to mitigate arrears. Our focus is on sustaining tenancies through offering wraparound interventions such as referrals to our financial inclusion team who support budgeting and income maximisation. We also have a specialist collections team focussing on former tenant arrears, resulting in collection of £0.7 million in the financial year.



We have seen a steady reduction in void loss across the last two years. Embedding our regional structure has allowed tailored improvement plans to be put in place to tackle the main drivers of void loss, which vary between regions. We continue to take action to improve void turnaround times, including working with commissioners to achieve faster referrals into supported housing and better management of contractors to reduce time taken for void repairs.

Summary financial statements

Income & expenditure	12 months ended 31 March 2026 £'000	12 months ended 31 March 2025 £'000
Turnover	498,505	505,436
Cost of sales	(32,520)	(56,183)
Operating expenditure	(389,765)	(370,722)
Surplus on disposal of housing properties	15,186	9,066
Operating surplus	**91,406**	**87,597**
Share of profit in joint ventures and associates	2,618	2,329
Interest receivable	6,770	6,792
Interest payable	(62,420)	(61,976)
Surplus before taxation	**38,374**	**34,742**

Summary balance sheet	At 31 March 2026 £'000	At 31 March 2025 £'000
Housing properties	3,165,298	3,004,876
Properties held for sale	27,044	53,812
Investments	85,361	76,419
Cash and cash equivalents	63,816	61,571
Loans and borrowings	(1,407,795)	(1,348,503)
Deferred capital grant	(979,138)	(966,987)
Other assets and liabilities	(65,805)	(40,641)
Net assets	**888,781**	**840,547**

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