

## **Orbit Group Limited's Interim Performance Update covering the six-month period to 30<sup>th</sup> September 2020**

Throughout the first half of the financial year, we have focused efforts on our Covid-19 pandemic response, prioritising the protection of our customers, our people and our finances.

Our robust incident management plan and IT systems ensured continued operation of our services and the remobilisation of our construction teams, ensuring our operations were largely unaffected. Our teams conducted over 15,000 wellbeing calls to our most vulnerable customers, our employees were not furloughed, spend was controlled and we increased available facilities.

Throughout, our commitment to customer and employee safety, our business agility and efficient planning, has enabled us to meet these changing circumstances.

In addition, we successfully issued a £300m 18-year bond issuance. This funding meets our corporate finance objectives and supports our vision at a time when affordable, quality homes and services are needed more than ever.

### **Highlights**

- Turnover for the year to date was £151.2m (2019/20 Q2: £153.5m)
- Operating surplus for the year to date was £51.0m (2019/20 Q2: £58.8m)
- The surplus for the year to date was £24.1m (2019/20 Q2: £26.8m)
- Purchase of 128 homes located in Oxford from Bromford Housing Group (October 2020)
- Up to 20<sup>th</sup> September 2020, Orbit completed 240 new homes of which 192 were affordable (2019/20 Q2: 622),

### **Performance Update**

Despite the challenges of the pandemic, the performance of the core social housing business has remained consistent. Due to the lockdown, there has been reduced market sales activity resulting in turnover and operating surplus being lower than for the same period last year. There were 240 new homes completed in the first six months of the year.

In the first six months, there were market sales of 61 homes and sales of the initial tranche of shared ownership properties of 148 homes. Both of these figures are in excess of the 2020/21 budget (following the pandemic). Forward sales are also looking strong with 238 reservations at 30<sup>th</sup> September 2020 (109 market sale homes and 129 first tranche shared ownership homes).

Housing fixed assets total £2.7bn. Net debt at the period end was £1.4bn with £0.4bn of available liquidity. The issue of a £300m bond in November has meant that the liquidity position has strengthened. This level of liquidity supports both short- and medium-term vision.

## **Purchase of Oxford Properties**

In October, Orbit completed the purchase of 128 homes in Oxford from Bromford Housing Group. The newly acquired homes consist of 104 rented homes, 10 supported housing properties, eight shared ownership homes and six leasehold homes, for a total of 128 properties. There is also one freeholder who receives services for communal areas.

## **Credit Rating**

As part of a sector-wide review, Moody's confirmed Orbit's A3 rating and stable outlook on 23<sup>rd</sup> October 2020. Moody's quoted Orbit's credit strengths as including ample liquidity, a strong market position, adept governance and risk management.

Comment from Jonathan Wallbank, Group Finance Director: "These are positive results during unprecedented times, reflecting Orbit's resilience and strength as a business. Protecting our customers, our people and our finances remains our priority for the second half of the year whilst also delivering against our strategic objectives."

**ENDS**

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Note: Figures quoted in the update are based on unaudited management accounts which are subject to review and further adjustments, for example in the areas of pensions, investment property valuation and taxation.