

Publication of Financial Statements

Orbit Capital PLC

23 September 2021

Orbit Group's robust balance sheet alongside its focus throughout the pandemic to protect its customers, its people and its finances, has delivered a strong financial performance in the year ending 31 March 2021.

Highlights

- Despite an incredibly challenging year, the financial operating performance of the business has been very strong, ending the year broadly flat with the prior year.
 - **Operating profit excluding fixed asset sales are in line with the prior year at £90 million (2020: £90 million)** despite the impact of the pandemic on construction activities during the initial lockdown period.
 - **Turnover increased to £355 million (FY2020: £323 million).**
 - **EBITDA MRI increased to 144% (FY2020: 113.7%)** reflecting ongoing focus on increased cost efficiencies.
- **Securing second Homes England Strategic Partnership bid**, bringing total number of homes to be delivered under the partnership to over 4,000.
- **Strong liquidity of £655 million through a successful £300 million bond issuance in November 2020**, with the level of interest received a clear reflection of our standing in the sector and the low coupon rate for the bond a powerful endorsement of Orbit's long-term financial strength.
- **High Customer satisfaction levels retained with 4.2 out of 5**, despite restrictions imposed by the pandemic.
- **Launch of new Customer website**, providing increased accessibility and functionality, and an enhanced customer experience.
- **4.6 rating on Glassdoor reflecting our sector leading employment experience and strong values led culture**
- **First builder of affordable homes to adopt RoSPA 'Safer by Design' framework** for all new homes, demonstrating our commitment to be at the forefront of building safety.
- **Awarded RoSPA gold awards for customer safety and overall Health and Safety** for three consecutive years.
- **Investment in digital of £8.5 million (FY2020: £8.4 million)**, which will deliver long-term operational and cost efficiencies, and ensure value for money for customers.
- **Investment in the community of £6.4 million (FY2020: £5.7 million)**, including additional COVID-19 emergency funds for customers and communities.
- **Launch of ESG strategy and first ESG report.**

- **Strong progress towards our Orbit 2025 strategy**, which sees continued focus on safety, service, quality of existing and new homes, and the environment, whilst increasing engagement with our customers, colleagues and partners to improve communities.
- **Progression of our Densification Strategy** with the purchase of 120 homes in Oxford and stock transfer of 171 shared ownership homes in March 2021, securing £14.6m million to support the delivery of more affordable new homes in key geographical areas.
- **The Group portfolio has grown to 45,702** properties (FY2020: 44,753), resulting from our Densification Strategy and new build programme, which delivered 848 new home completions despite site closures and the necessary changes to construction site working practices caused by COVID-19.
- **Successful Tenancy Sustainment programme** delivering six-year low in rent arrears.
- **Award winning employee wellbeing programme, ThisIsMe**, developed to support colleagues through the pandemic and beyond.

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

"Despite an incredibly challenging year, the group has performed very well, delivering an increased turnover and achieving overall operating margins, excluding fixed asset sales, of 25.4%.

"Throughout we have maintained our services for customers and continued to drive strong home sales, whilst managing our operations efficiently, controlling costs and reducing expenditure where prudent. We have also continued to deliver against our corporate strategy: Orbit 2025, continuing to invest in our digital infrastructure, our homes and communities, and in our customer experience.

"Over the medium-term, the sector faces numerous challenges which require careful navigation. But, with our strong revenue reserves and liquidity position alongside our growing Homes England partnership, we remain financially resilient and well placed to traverse the challenges ahead, as demonstrated by the reaffirmed A3 credit rating by Moody's earlier this year."

A copy of the all Group company accounts are available in our Investor Hub:

<https://orbitgroup.org.uk/media/2601/annual-report-2021.pdf>

For further information please contact:

Lisa Astle, Head of Corporate Communications and Brand
 Lisa.astle@orbit.org.uk 07775 633957