

Orbit Group Limited's Interim Performance Update covering the six-month period to 30th September 2021

22 December 2021

Throughout the first half of the financial year, we have focused efforts on our returning to more normal working practices from the Covid-19 pandemic, prioritising the protection of our customers, our people and our finances.

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

Our first Environmental, Social and Governance (ESG) report was published during the period. Set against the social housing sector's Sustainability Reporting Standard, of which Orbit is an early adopter, the report also details Orbit's ESG strategy, which provides the business with a formal and measurable structure to deliver its commitment to create a better society.

Highlights

- Turnover for the year to date was £189.3m (2020/21 H1: £151.2m)
- Operating surplus for the year to date was £59.8m (2020/21 H1: £51.0m)
- The surplus for the year to date was £33.4m (2020/21 H1: £24.1m)
- Up to 30th September 2021, Orbit completed 393 new homes of which 306 were affordable (2020/21 H1: 240)
- Securing second Homes England Strategic Partnership bid, bringing total number of homes to be delivered under the partnership to over 4,000.
- Winning Outstanding Tenant Engagement (over 10,000 homes) in the TPAS Awards 2021 for our Customer Engagement offer

Performance Update

The performance of the core social housing business has remained consistent throughout the pandemic. Market sales activity has rebounded since the lifting of the last lockdown with strong market conditions. This has resulted in turnover and operating surplus being higher than for the same period last year.

There were 393 new homes completed in the first six months of the year, with market sales of 139 homes and sales of the initial tranche of shared ownership properties of 157 homes. These figures are broadly in line with the 2021/22 budget. Forward sales are robust with 51 reservations at 30th September 2021 (22 market sale homes and 29 first tranche shared ownership homes).

The period also saw further progress in Orbit's Stock Densification Strategy with a stock swap with Midland Heart, where the business took ownership of approximately 500 homes from Midland Heart, predominantly in the Milton Keynes and South Warwickshire areas, and Midland Heart took ownership of around 600 homes from Orbit in East Staffordshire.

Housing fixed assets total £2.8bn. Net debt at the period end was £1.4bn with £0.6bn of available liquidity.

Credit Rating

Moody's confirmed Orbit's A3 rating and stable outlook on 14 December 2021, quoting Orbit's credit strengths as including ample liquidity, a strong market position, simple structure, adept governance and risk management.

Comment from Jonathan Wallbank, Group Finance Director: "I am very pleased with the financial performance for the first half of the year and thank the Orbit team for the work they have contributed to the results. These results reflect 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."

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