

Sanctuary Capital PLC

Sanctuary Group Consolidated Unaudited Trading Update Year Ended 31 March 2026

Sanctuary Group ("Sanctuary", "Group", "we") presents its unaudited consolidated trading update for the year ended 31 March 2026 ("2026").

All financials are unaudited and remain subject to (and exclude any adjustments that may be made as part of) the audit review process. The potential adjustments that may impact audited results could include, inter alia, those relating to pensions, student and other investment properties, provisioning, and impairments. Comparatives are against the Group's audited comparative prior financial year, year ended 31 March 2025 ("2025").

Group Highlights^[1]

- Homes in management: 125,386 (2025: 125,719)
- Group revenue: £1,217 million (2025: £1,179 million)
- Regulatory rating: G1 / V2 / C2 (2025: G1 / V2 / C2)
- Customer satisfaction with repairs (Housing): 74% (2025: 74%)
- Care Quality Commission (England) rating: 96% (2025: 95%)
- Care Inspectorate Scotland: 100% (2025: 95%)
- Underlying operating surplus: £231 million (2025: £226 million)
- Operating surplus: £239 million (2025: £216 million)
- Underlying operating surplus margin: 19.0% (2025: 19.2%)
- Underlying operating surplus margin excluding development sales: 20.3% (2025: 19.6%)
- RSH operating surplus margin social: 29.9% (2025: 29.3%)
- Total divisional EBITDA: £337 million (2025: £333 million)
- EBITDA MRI Interest cover: 110.2% (2025: 110.2%)
- Gearing: 53.0% (2025: 52.1%)
- Months of cash and facilities available: 23 months (2025: 23 months)
- Credit rating (S&P / Moody's): A / A2 (2025: A / A2)
- Vacant stock: 2.6% (2025: 2.5%)
- Homes on site and in development: 2,469 homes (2025: 3,307 homes)
- Average EPC rating for our homes: 71.8 (2025: 71.5)

Another year of robust operational and financial performance has seen the Group successfully respond to increases in employers' National Insurance contributions and the National Living Wage, whilst continuing significant investment in its properties. The Group continued to invest in its technology capabilities with a specific focus on improving customer outcomes, with the OneProperty programme continuing to support a more integrated approach to repairs, compliance and asset management. This investment has been complemented by our Customer Improvement Plan driving service improvements.

The Group remains financially robust, operating within its Golden Rules and maintaining strong liquidity and credit metrics.

Commenting on the results Ed Lunt Chief Financial Officer said

"2026 was another solid year for the Group, with resilient operational and financial performance underpinned by the strength of Sanctuary's diversified operating model, the benefits of scale and disciplined financial management. We have enhanced our repairs performance delivering service improvements for our customers

while continuing high levels of reinvestment in our homes. We enter the new financial year in robust financial health, capable of withstanding economic turbulence and committed to growing our positive social impact."

Financial Performance

The unaudited Group revenue for 2026 was £1,217 million (2025: £1,179 million), generating an underlying operating surplus of £231 million (2025: £226 million), and operating surplus of £239 million (2025: £216 million).

The underlying operating surplus margin is 19.0%, broadly consistent with the prior year (2025: 19.2%) and a continuation of the margin stabilisation seen over the last three years. Operating surplus margin of 19.7% (2025: 18.3%) and underlying operating surplus margin (excluding development sales) of 20.3% (2025: 19.6%) demonstrate strengthening performance across the Group's core, recurring activities without the distortive effects of sales activities.

We also continue to maintain a strong housing margin, with a social housing operating surplus margin of 29.9% (2025: 29.3%).

The improved Group operating performance was offset by higher net interest costs resulting in a modest reduction in underlying surplus of £2 million to £46 million (2025: £48 million).

The Group expects to report a surplus in the region of £62 million (2025: deficit of £30 million). The surplus reflects a combination of stable underlying performance and a number of non-core items including: a gain on the disposal of a portfolio of shared ownership properties, fair value movements on financial instruments, valuation adjustments in respect of student investment property, and losses on cessation of pension arrangements.

Summary Statement of Comprehensive income	2026 Unaudited £m	2025 Audited £m
Revenue	1,217	1,179
Underlying operating surplus	231	226
Underlying operating surplus margin (%)	19.0%	19.2%
Operating surplus	239	216
Operating surplus margin (%)	19.7%	18.3%
Underlying surplus	46	48

Summary Statement of Financial Position	2026 Unaudited £m	2025 Audited £m
Non-current assets	5,581	5,283
Current assets	805	1,067
Total assets	6,386	6,350
Current liabilities	503	706
Non-current liabilities	4,031	3,851
Reserves	1,852	1,793
Total reserves and liabilities	6,386	6,350

Non-current assets increased due to completed properties, continued reinvestment in our existing properties, and the reclassification of certain properties from held for sale (within current assets) to non-current assets. The disposal of a portfolio of existing shared ownership properties (within held for sale) also contributed to the decrease in current assets.

Total Divisional EBITDA increased to £337 million (2025: £333 million). The Group's closing cash balance for the year was £135 million (2025: £160 million) with undrawn facilities of £318 million (2025: £357 million) providing the Group with 23 months of financing versus committed expenditure. EBITDA MRI interest cover was 110.2% (2025: 110.2%).

Customer-Centred Services

OneProperty, now rolled out across our regions, brought further efficiencies in responsive repairs and maintenance, increasing first-time fix rates, improving the use of materials and strengthening quality control. This has been complemented with our Customer Improvement Plan which together have delivered improved repairs service performance across the Group with non-emergency repairs on time in England of 81.5% and emergency repairs on time of 93.3%.

Customer satisfaction with our repairs service continues to be good at 74% (2025: 74%).

Operating Performance

Strong regulatory and operational metrics continue to underpin our financial performance.

Within the Care and Supported Living divisions, the Care Quality Commission (CQC) ratings remain 'Good' or 'Outstanding': 96% (2025: 95%) for the Care business, and 97% (2025: 95%) for the Supported Living business.

During 2026, the Group continued its focus on investment in existing properties with another year of substantial reinvestment in our homes with total investment spend (before grant) of £127 million (2025: £131 million).

Vacant stock levels were 2.6% (2025: 2.5%), broadly consistent with the prior year, while income lost from void properties increased modestly to 1.9% (2025: 1.7%); rent arrears remain low at 3.12% (2025: 3.04%).

Average care occupancy was stable at 90% (2025: 90%), while student occupancy increased modestly to 96% (2025: 95%).

Operating Metrics	2026	2025
Care Quality Commission rating (England) (%)	96	95
Supported Living Registered Services Care Quality Commission rating (England) (%)	97	95
Care Inspectorate Scotland rating (%)	100	95
Void loss (%)	1.9	1.7
Vacant stock (%)	2.6	2.5
Rent arrears (%)	3.12	3.04
Student occupancy (year-end) (%)	96	95
Care occupancy (average for year) (%)	90	90

Development and Sales

During the financial year Sanctuary completed 790 (2025: 838) new homes^[2] across social housing, shared ownership and market sale tenures; 2,469 (2025: 3,307) homes were on-site and in development at the year end^[3].

Development Activity	2026	2025
Social housing tenures	529	570
Shared ownership homes	149	83
Open market sale homes	112	179
Commercial	-	6
Total	790	838

Sales of 131 (2025: 96) shared ownership homes and 153 (2025: 163) open market sale homes produced revenue of £71 million (2025: £90 million). Revenue sales risk remains limited with sales representing 5.9% of the Group's total turnover (2025: 7.6%).

Treasury

Funding and Capacity	2026	2025
Capacity (£m)	2,181	2,173
Cash and undrawn facilities (£m)	453	516
Group net debt (£m)	3,854	3,742
Group Gearing (%)	53.0	52.1
Proportion of fixed rate debt (%)	77.4	81.2
Credit ratings (S&P / Moody's)	A / A2	A / A2

By the end of 2026 Group total borrowings^[4] were £3,989 million (2025: £3,902 million); during the year the Group raised £425 million of loan facilities (comprising the renewal of £175 million of, and £50 million increase in, existing loan facilities plus £200 million of new facilities).

On the 31 March 2026 the Group published updated Programme Admission Particulars for its £2.5 billion EMTN Programme. The Programme provides the Group with the ability to issue multi-currency in both secured and unsecured format.

Sanctuary maintained its investment grade credit ratings of A with a stable outlook (Standard & Poor's) and A2 with a stable outlook (Moody's).

For further information, please contact:

Treasury: treasury.reporting@sanctuary.co.uk

Communications: pr@sanctuary.co.uk

Select Alternative Performance Measures

- **Underlying operating surplus:** operating surplus, excluding restructuring costs, one-off impairments and other gains and losses.
- **Underlying operating surplus margin:** operating surplus, excluding restructuring costs, other gains and losses and other items outside of normal business operations as a percentage of revenue.
- **Underlying operating surplus margin excluding development sales:** operating surplus, excluding restructuring costs, other gains and losses and other items outside of normal business operations, and development sales as a percentage of revenue.
- **Operating surplus margin:** operating surplus as a percentage of revenue.
- **RSH operating surplus margin social:** operating surplus / (deficit) from social housing lettings as a percentage of revenue.
- **Divisional EBITDA:** total divisional revenue and deducting costs directly attributable to the divisions as well as an apportionment of central costs, but excluding interest, tax, depreciation, amortisation and impairment.
- **EBITDA-MRI Interest cover:** the total: of operating surplus after deducting capitalised major repairs expenditure (net of related grant), less government grant amortised or taken to income, plus interest receivable, plus total depreciation, divided by: the sum of interest payable and financing costs plus interest capitalised.
- **Gearing:** net debt divided by properties at depreciated cost.
- **Capacity:** cash plus undrawn facilities plus available unencumbered property that could be used to raise finance.
- **Sales as percentage of turnover:** The aggregate of the following sales divided by total revenue
 - turnover from shared ownership first tranche sales; and
 - turnover from non-social housing property sales.

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[1] Sanctuary uses certain alternative performance measures throughout this report which, in the opinion of the Directors, aid the understanding of business performance or provide comparison with our peer group. These measures are presented on a basis that enables comparison of performance and are defined at the end of this Trading Update.

[2] Completed homes exclude joint ventures and consortia.

[3] Pipeline and on-site homes include joint ventures.

[4] Total borrowings excluding leases held for sale but including accounting adjustments for fair value, set-up costs, and any premium or discount on bond issuances.

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