

Sanctuary Capital PLC

Sanctuary Group Consolidated Unaudited Trading Update Year Ended 31 March 2025

Sanctuary Group ("Sanctuary", "Group", "we") presents its consolidated unaudited trading update for the year ended 31 March 2025 ("2025").

Unaudited financials are subject to (and exclude any adjustments that may be made as part of) the audit process. The potential adjustments that may impact audited results include, but are not limited to those relating to pensions, student and other investment properties, provisioning, and impairments. Comparatives are against the Group's audited prior financial year, ending 31 March 2024 ("2024").

Group Highlights ^[1]

- Homes in management: 126,000 (2024: 125,094)
- Group revenue: £1,179 million (2024: £1,085 million)
- Regulatory rating: G1 / V2 / C2 (2024: G1 / V2)
- Care Quality Commission rating: 95% (2024: 95%)
- Overall customer experience score (housing): 76.85% (2024: 75.6%)
- Group underlying operating surplus: £226.0 million (2024: £206.7 million)
- Group underlying operating margin: 19.2% (2024: 19.0%)
- Operating surplus margin: 18.3% (2024: 19.8%)
- RSH operating surplus margin social: 29.3% (2024: 31.1%)
- Total divisional EBITDA : £326.0 million (2024: £301.7 million)
- EBITDA MRI Interest cover: 110.0% (2024: 105.0%)
- Gearing: 53.8% (2024: 49.2%)
- Months of cash and facilities available: 23 months (2024: 23 months)
- Credit rating (S&P / Moody's): A / A2 (2024: A / A2)
- Void loss - total stock: 2.4% (2024: 2.9%)
- Homes on site and in development: 3,307 homes (2024: 3,218 homes)
- Average EPC rating for our homes: 71.5 (2024: 71.5)

2025 delivered another solid year of operational and financial performance against a backdrop of continuing cost pressures within the sectors that the Group operates. The year saw improved operating performance with the financial benefits from integrating the Swan Housing Association Limited (and its subsidiaries) and "Johnnie" Johnson Housing Trust ("Johnnie Johnson") acquisitions, delivering overhead efficiencies whilst enlarging the reinvestment envelope that both organisations had on a stand-alone basis.

As a result, the Group achieved another year of record reinvestment (£122 million) in our properties, ensuring our customers continue to have safe and secure homes to live in.

In addition to raising funding from our banking partners, on the 4 April 2025, the Group published the Programme Admission Particulars of its £2.5 billion Euro Medium-Term Note ("EMTN") Programme. The EMTN Programme will allow Sanctuary to access the capital markets quickly and at its own choosing.

In January 2025, following inspection by the Regulator of Social Housing, both our G1 governance and V2 viability ratings were reaffirmed and we were awarded C2 compliant rating under the new consumer ratings.

The last 12 months have seen us complete the rollout of our OneProperty programme - a transformational investment in our repairs and maintenance systems to improve our service to customers through better use of data and easier recording and diagnosis of maintenance issues.

We been offered a grant allocation of £44.3 million under the Government's Warm Homes Fund to improve over 7,200 homes, making us the largest single recipient under this round of funding allocations.

As part of our long-term strategy, we continue to actively explore the potential sale of our student accommodation assets.

Commenting on the results Ed Lunt Chief Financial Officer said

"We are in robust financial health. We have successfully navigated through continued cost pressures in the sectors in which we operate, delivered operating efficiencies, particularly from our recent acquisitions, and delivered record levels of reinvestment in our customers' homes and in technology. Cost pressures and income restrictions will remain but our strong governance and our investment grade credit ratings, coupled with our £2.5 billion EMTN programme, place us in a strong, financially-sustainable position to pursue our strategic objectives, deliver to our customers and fulfil our wider social purpose."

Financial Performance

The unaudited Group revenue for 2025 was £1,179.3 million (2024: £1,085.4 million), generating an underlying operating surplus of £226.0 million (2024: £206.7million), and operating surplus of £215.7 million (2024: £215.2

million). The underlying operating margin is 19.2% compared to 19.0% in 2024 - a product of improved operational metrics, cost efficiencies and integration benefits of recent acquisitions. The operating margin is 18.3% compared to 19.8% in the prior year.

We continue to maintain a strong housing margin with a Social operating surplus margin of 29.3% (2024: 31.1%) with the business benefitting from scale, geographic diversity and a national operating model - which have mitigated in part the increase in repair costs during the year.

Underlying surplus before tax increased to £48.6 million, £7.4 million higher than the prior year (2024: £41.2 million).

The Group will report a deficit before tax in the region of £30 million (2024: surplus of £207 million). This is due, in the main, to downward revaluation movements on the Group's student and commercial properties, and a write-down in the carrying value of a development site. The surplus in the prior year benefited from a £162 million gain from the Johnnie Johnson acquisition.

Cash generated from operating activities was £386.3 million (2024: £286.6 million). EBITDA MRI interest cover was 110% (2024 restated: 105%), maintaining solid cash interest cover performance while delivering record levels of reinvestment. The continued strength of our liquidity is highlighted by our closing cash balance for the year of £159.6 million (2024: £144.3 million) and undrawn facilities of £356.5 million (2024: £467.0 million), which provides the Group with 23 months of financing versus committed expenditure.

Summary Statement of	2025	2024
Comprehensive income	Unaudited £ million	Audited £ million
Revenue	1,179.3	1,085.4
Underlying operating surplus	226.0	206.7
Operating surplus	215.7	215.2
Underlying surplus before tax	48.6	41.2

Non-current assets have increased as a result of completed properties and reinvestment additions, however, there has been reclassification of certain properties to held for sale within current assets. Consequently 2025 total assets remain similar to 2024.

Summary Statement of	2025	2024
Financial Position	Unaudited £ million	Audited £ million
Non-current assets	5,243.0	5,791.7
Current assets	1,106.3	514.7
Total assets	6,349.3	6,306.4
Current liabilities	684.2	549.2
Non-current liabilities	3,910.0	3,949.9
Reserves	1,755.4	1,807.3
Total reserves and liabilities	6,349.6	6,306.4

Operating Performance

Strong operational metrics continue to underpin our financial performance, with robust customer metrics across all areas of the business - 2025 overall customer experience score (housing) was 76.85% (2024: 75.6%). Through increased investment and focus, the income lost from void properties has reduced to 2.39% (2024: 2.90%). Rent arrears improved to 3.04% (2024: 3.24%). Care occupancy improved to 90% (2024: 88%) and student occupancy increased to 95% (2024: 93%). Within the care business CQC scores remained at 'Good' or 'Outstanding' with a rating of 95% (2024: 95%) and Sanctuary Supported Living CQC scores achieved 95% (2024: 98%).

	2025 ^[2]	2024
Void loss - social rent available (%)	1.7	1.7
Void loss - total stock (%)	2.4	2.9
Rent arrears (%)	3.04	3.24

	2025 ^[2]	2024
Re-let days (England)	44	53
Student occupancy (%)	95	93
Care occupancy (%)	90	88
Care Quality Commission rating (England) (%)	95	95

Development and Sales

During the financial year Sanctuary completed 838 (2024: 910) new homes^[3] across social housing, shared ownership and market sale tenures; 3,307 (2024: 3,218) homes were on-site and in development at the year end^[4].

Development Activity	2025	2024
Social housing tenures	570	519
Shared ownership homes	83	215
Open market sale homes	179	168
Commercial	6	8
Total	838	910

Sales of 96 (2024: 213) shared ownership homes and 163 (2024: 123) open market sale homes produced revenue of £89.9m (2024: £90.3m). Revenue sales risk remains limited with sales representing 7.6% of the Group's total turnover (2024: 8.3%).

Treasury

	2025	2024
Capacity (£ million) ^[5]	2,173.0	2,033.0
Cash and undrawn facilities (£ million)	516.1	611.3
Group net debt (£ million)	3,741.9	3,773.1
Gearing Group (%)	53.9	49.2
Proportion of debt fixed (%)	81.3	83.7
Credit ratings (S&P / Moody's)	A / A2	A / A2

By the end of 2025, Group total borrowings were £3,901.5 million (2024: £3,917.4 million), with cash and undrawn facilities of £516.1 million (2024: £611.3 million), and net debt of £3,741.9 million (2024: 3,773.1 million).

During the year, the Group raised £337 million (comprising the renewal of £75 million of existing loan facilities, issuing £137 million of notes under a private placement shelf facility, and additional bank finance of £125 million). Sanctuary maintained its investment grade credit ratings of A with a stable outlook revised from negative (Standard & Poor's), and A2 with a stable outlook (Moody's).

On the 4th April 2025, the Group, via Sanctuary Capital PLC, published the Programme Admission Particulars in relation to its inaugural £2.5 billion EMTN Programme. The EMTN Programme provides the Group with the ability to issue multi-currency in both secured and unsecured format.

Alongside the EMTN Programme, in May the Group also published its Sustainable Finance Framework which will facilitate the issuance of Notes under the Programme aligned with ICMA's Sustainability, Social and Green Bond Principles, and raise bank debt in accordance with Green Loan and Social Loan Principles.

For further information, please contact:

Treasury: treasury.reporting@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.
- **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

Disclaimer

The information contained in this trading update (including the document and any related speeches made or to be made by the management of Sanctuary Housing Association, Sanctuary Affordable Housing Limited, Sanctuary Scotland Housing Association Limited, Swan Housing Association Limited, Sanctuary Treasury Limited and Sanctuary Capital PLC (together, "Sanctuary")) is for the use of only those persons to whom it is distributed and is not to be reproduced, distributed or used for any other purpose. By accepting delivery of this document, each recipient agrees to treat this document as strictly confidential and not to reproduce, distribute or otherwise use this document or any of its contents without the prior written consent of Sanctuary.

This document is for information and discussion purposes only. The information and opinions contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information or opinions contained in this document or their accuracy or completeness.

The contents of this document are not a financial promotion. None of the contents of this document constitute, (i) an invitation or inducement to engage in investment activity; (ii) any recommendation or advice in respect of the bonds issued by Sanctuary Capital PLC (the "Bonds") or (iii) any offer for the sale, purchase or subscription of existing or future Bonds.

All information contained herein is subject to updating, revision and/or amendment (although there shall be no obligation to do so). No representation is made, assurance is given, or reliance may be placed, in any respect, that such information is correct and no responsibility is accepted by Sanctuary, or any of its respective officers, agents or advisers as to the accuracy, sufficiency or completeness of any of the information or opinions, or for any errors, omissions or misstatements, negligent or otherwise, contained in or excluded from this document or for any direct, indirect or consequential loss or damage suffered or incurred by any person in connection with the information contained herein (except to the extent that such liability arises out of fraud or fraudulent misrepresentation).

This document may contain certain forward-looking statements. In some cases forward looking statements can be identified by the use of terms such as "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "seeks" or "should" or variations thereof, or by discussions of strategy, plans, objectives, goals, future events or intentions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-thinking statements.

No advice has been sought on any legal or taxation matters relating to the information set out in this document and recipients should seek their own legal, tax and financial advice in connection with the information contained herein.

This document has been prepared by Sanctuary for information purposes only and does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for any current Bonds or Bonds that maybe issued by Sanctuary in the future.

[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] Operational metrics are unaudited

[3] Completed homes exclude joint ventures and consortia

[4] Pipeline and on-site homes include joint ventures

[5] Please refer to: Select Alternative Performance Measures

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTDZGZKDRMGKZM