STONEWATER H1 2026/27 RESULTS UPDATE

Chief Executive's statement

I'm delighted to present our mid-year results to 30 September 2026. Our income and operating surplus increased on the same period in 2025-26. These results demonstrate our enduring financial strength and ongoing resilience in the face of continued wider economic and geopolitical uncertainty.

In the first six months of the financial year, we've made great progress in strengthening our leadership team and Board and are now well positioned to deliver our Vision - to be the most trusted, inspiring and sustainable provider of affordable homes.

This is a truly transformative time for Stonewater. Our new Board Chair, Angus Michie, started his tenure in October shortly after we were awarded £350 million through the Social and Affordable Homes Programme 2026-36. We will benefit hugely from his experience and expertise as we use this funding to deliver 2,348 new, sustainable homes. We also received £3.1m through the Social Housing Decarbonisation Fund in the first half of the financial year.

Investment in Stonewater's existing homes has also increased significantly, reaching £22.2 million during the six-month period, compared with £8.4 million at the same point last year. A further £99.1 million was invested in new homes, up from £78.7 million

We've also been able to donate £0.25m in August to support the great work done by our charity partner, the Longleigh Foundation.

We continue to hold high governance and financial viability ratings of G1 and V2 from the Regulator of Social Housing, along with a C2 consumer grading. We've made a lot of progress, but we never forget there is more to do.

With this recognition from the regulators and our key strategic partnership with Homes England reinforced, I'm grateful that everyone at Stonewater is working with one ambition, to deliver the consistent, quality services and communities our customers deserve.

Jonathan Layzell
Chief Executive Officer

Financial performance

Stonewater is pleased to report its consolidated financial results for the six months ended 30 September 2026 (2026-27 HY).

These half year figures are unaudited and for information purposes only.

Statement of comprehensive income	2026-27 HY Actuals £'000	2025-26 HY Actuals £'000	2025-26 FY Audited £'000
Turnover from social housing	153,661	144,395	281,425
Total turnover	160,654	158,602	305,452
Operating surplus	44,160	39,279	75,041
Surplus after interest	12,664	9,881	15,282

Operating margins	2026-27 HY Actuals £'000	2025-26 HY Actuals £'000	2025-26 FY Audited £'000
Overall operating margin	27.5.%	24.8%	24.6%
Operating margin on first tranche sales	12.6%	13.5%	12.7%
Operating margin on asset disposals	42.6%	46.1%	51.0%

Key financial ratios	2026-27 HY Actuals £'000	2025-26 HY Actuals £'000	2025-26 FY Audited £'000
EBITDA MRI interest cover[1]	110.9%	107.6%	96.7%
EBITDA interest cover (funder covenant)[2]	180.8%	173.3%	166.0%
Social housing interest cover[3]	112.9%	108.3%	89.5%
Gearing[4]	45.6%	51.6%	50.3%

[1] (Operating surplus overall - Gain/(loss) on disposal of fixed assets (housing properties) - Gain/(loss) on disposal of other fixed assets - Amortised government grant + Interest receivable - Capitalised major repairs expenditure + Capitalised major repairs grant received + Depreciation) / Net interest paid.

[2] (Operating surplus overall - Amortised government grant + Depreciation) / Net interest paid.

[3] Operating surplus on Social housing lettings / Net interest paid.

[4] (Short-term loans + Long-term loans - Cash and cash equivalents + Amounts owed to group undertakings + Finance lease obligation) / (Housing properties at cost - work in progress).

Liquidity	2026-27 HY	2025-26 HY	2025-26 FY
Cash and undrawn facilities	£309m	£333m	£359m
18 month liquidity requirement	£304m	£195m	£240m

Ratings	2026-27 HY	2025-26 HY
S&P Global Ratings credit rating	A - stable outlook	A - stable outlook

Moody's Ratings credit rating (unsolicited)	A3 stable outlook	A3 stable outlook
Regulator of Social Housing grading	G1/V2/C2	G1/V2/C2

Stonewater has been rated by S&P Global Ratings (S&P) since 2018 and by Moody's Ratings (Moody's) since 2012 (on an unsolicited basis since 2018). After eight years with S&P and a thorough strategic review of Stonewater's public credit ratings, Stonewater has appointed Moody's to be Stonewater's sole external credit rating agency. The public rating is expected to be published soon.

Operational performance

Metric	2026-27 HY Actuals	2025-26 HY Actuals	2025-26 FY Audited
Overall customer satisfaction[1]	62.1%	76.1%%	75.6%
Gross arrears	3.6%	3.9%	3.6%
Empty Homes Loss	1.4%	0.8%	0.8%
New homes	248 units	257 units	741 units
First tranche sales	61 units	131 units	163 units
Capital investment in new homes	£99.1m	£78.7m	£89.4m
Capital investment in existing homes	£22.2m	£8.4m	£8.7m

[1] The fall in overall customer satisfaction is due to a change in methodology

Donations, grants, mergers and acquisitions

Stonewater has made a £0.25m donation in August 2026 (2025: £1m) to its charity partner, the Longleigh Foundation

In August 2026, we were delighted to have retained our Strategic Partnership status with Homes England, receiving £350m as part of the Social and Affordable Homes Programme (SAHP) 2026-2036, which will be used to deliver 2,348. homes. Stonewater has received £3.1m of grant under the Social Housing Decarbonisation Fund in the first half of the financial year and is expecting £3.6m in the second half.

On 27 April 2026, Porthove Housing Association Limited, with 44 properties in the Brighton and Hove area and The Rotary Club of Hove Community Housing Society Limited, with 53 properties in Hove, transferred their engagements to Stonewater (5) Limited.

On 30 September 2026, Mount Green Housing Association Limited (registration number 16264R) transferred its engagements to Stonewater Limited as part of a corporate reorganisation.

Environmental performance

248 new build homes have been handed over so far, with all homes meeting at least EPC B and 42% being an EPC A.

1,722 trees have been planted so far this year as a result of our new build homes, taking our total to 38,196 since 2019.

We have developed a community garden at Westcott, with local partners and wellbeing groups using the space, and residents developing food-growing skills. Work continues to increase Stonewater customer involvement, supported by housing officers.

73.5% of homes are at EPC C or above, with an average SAP of 73.4 using the new SAP 10 methodology.

Changes in Stonewater Board and management

Sheila Collins stepped down as Chair of Stonewater on 30 September 2026, after serving seven years in the role. Angus Michie, a serving Board member, succeeded her as Chair.

Stonewater created the position of Chief Investment Officer and appointed James Bradbury to the role with effect from June 2026. James oversees Development, Strategic Asset Management, and Health and Safety

Syka Sheikh was appointed Company Secretary and Group Director of Governance & Assurance with effect from June 2026.

Kirsty Spark has been appointed Chief Financial Officer and will lead Finance, Governance and Assurance. Kirsty will take up her new position with Stonewater in November 2026.

John Bruton has been appointed Interim Chief Financial Officer and will remain in the role until Kirsty Spark joins Stonewater as permanent Chief Financial Officer. A former Stonewater Executive Director of Finance who retired in 2022, John brings extensive financial, sector and organisational experience.