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Sovereign Housing Capital plc
10 August 2026

Sovereign Network Group's Quarterly Performance Update covering unaudited Q1 results for the financial year 2026/27

Sovereign Network Group (SNG)
SNG is one of the largest housing associations in the UK with 86,000 homes, a core geographical focus in the South of England, including London, and an ambition to develop 22,500 homes over the next 10 years in support of its customer experience and asset management strategies.

Highlights

- Turnover of £195.1m [Q1 FY26: £194.7m]
- Retained surplus of £20.6m [Q1 FY26: £19.9m]
- Credit ratings: Moody's A3 (Outlook: Stable), S&P A- (Outlook: Stable)
- Delivery of 310 new homes [Q1 FY26: 312], with a forward pipeline of 11,622 homes
- Customer Satisfaction at 67.4% [Q1 FY26: 64.7%]
- Average routine repair times reduced by seven days [Q1 FY26 against Q1 FY27]

Unaudited performance update – period to 30 June 2026

SNG's unaudited underlying financial performance in Q1 FY27 shows an increase in operating surplus and retained surplus against the previous quarter, as well as year on year increases against Q1 FY26. There is also no impairment charge in Q1 FY27, unlike in Q4 which impacted a small number of schemes. These impairments are not expected to be recurring.

SNG I&E							
£'m	Q1 26/27	Q4 25/26	Variance	Variance	Q1 25/26	Variance	Variance
	Qtr Actuals	Qtr Actuals	£m	%	Qtr Actuals	£m	%
Turnover	195.1	209.4	(14.2)	**(6.8%)**	194.7	0.5	**0.2%**
CoS, Op Cost, & Depn	(155.2)	(191.2)	36.0	**18.8%**	(147.7)	(7.5)	**(5.1%)**
Impairment and Revaluation		(17.3)	17.3	**100.0%**		-	**0.0%**
Operating Surplus	**39.9**	**0.9**	**39.0**	**4386.9%**	**47.0**	**(7.0)**	**(14.9%)**
Disposals, Financing & JV	(19.3)	(22.0)	2.7	**12.4%**	(27.0)	7.7	**28.5%**
Retained Surplus	**20.6**	**(21.1)**	**41.8**	**197.6%**	**19.9**	**0.7**	**3.5%**

Treasury
As at Q1 FY27, SNG had total long-term facilities of £5,422m. £4,397m of which were drawn, with £1,025m of available liquidity facilities.

There continues to be significant headroom against Interest Cover and Gearing covenants across all SNG facilities.

Credit ratings

SNG has an A3 (Outlook: Stable) rating with Moody's.

SNG has an A- (Outlook: Stable) with S&P.

Operational performance – Homes and Place

SNG's development programme produced 310 handovers in Q1 FY27 [Q1 FY26: 312]. It holds one of the largest development pipelines in the housing association sector with 11,622 units as at the end of Q1, of which, 8,861 are committed, inclusive of JV units. All homes are built to meet SNG's Homes and Place Standard in line with its long-term asset management strategy that ensures high standards of sustainability and liveability to improve the customer experience and reduce ongoing costs to customers and the organisation.

Significant bids have been submitted to Homes England and the GLA under the Social and Affordable Housing Programme.

Operational performance – customer service

Good progress is being made towards achieving a C1 rating against the Consumer Standards from the Regulator of Social Housing. SNG currently holds a compliant C2 rating. Customer Satisfaction rose to 67.4% [Q1 FY26: 64.7%] maintaining a positive trend. Average routine repairs timescales have reduced by seven days [Q1 FY26 against Q1 FY27], and evidence is now available that the tenant engagement approach put in place at merger is successful. Complaints performance for Stage 1 was at 93% [Q1 FY26: 87%] and AI-enabled approaches are being implemented to further improve our service.

In Q1, SNG measured £17.35m of social value from the work of its Community Foundation, against a quarterly target of £15m. This included:

- 92 customers supported into new jobs, and 815 training outcomes.
- £618,632 of direct savings to customers through 542 fuel insecurity interventions, 394 digital inclusion interventions and 78 debt advice cases.

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