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Sovereign Housing Capital Plc  
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## Sovereign Network Group's Quarterly Performance Update covering unaudited Q3 results for the financial year 2024/25

### Sovereign Housing Association trading as Sovereign Network Group (SNG)

Sovereign Network Group is the sixth largest housing association in the UK in terms of unit size with over 84,000 homes, with a core geographical focus in the South of England and London. SNG rose up to be the second largest housing association builder in 2023/24, with an ambition to develop 25,000 homes over the next 10 years.

### Quarter 3 Performance Update - period to 31 December 2024

Sovereign Network Group's unaudited underlying financial performance in Q3 FY25 shows growth in turnover against the previous quarter. Core lettings turnover also increased year on year owing to additional income from new homes and the rent uplift. Q3 FY25 retained surplus increased slightly compared to Q3 FY24 owing to higher turnover.

The development programme produced 328 handovers in the quarter. Q3 FY25 sales are slightly ahead of the overall run rate for the year with 171 sales, which is an increase from the 168 sales in Q2 FY25 but is marginally down on forecast for surplus on sales.

#### SNG I&E

£'m	Q3 24/25	Q2 24/25	Variance		Q3 23/24	Variance	
	Qtr Actuals	Qtr Actuals	£m	%	Qtr Actuals	£m	%
Turnover	196.9	183.3	13.6	7.4%	177.1	19.8	11.2%
CoS, Op Cost, & Depn	(158.3)	(147.1)	(11.2)	7.6%	(149.4)	(8.9)	6.0%
Operating Surplus	38.6	36.2	2.4	6.5%	27.8	10.8	39.1%
Disposals, Financing & JV	(22.7)	(22.3)	(0.5)	2.0%	(13.5)	(9.3)	68.7%
Retained Surplus	15.9	14.0	1.9	13.7%	14.3	1.6	11.1%

### Treasury

As at Q3 FY25, SNG had total long-term facilities of £4,720 million. £3,963 million of facilities were drawn, with £757m of available liquidity facilities and cash and cash equivalents of £44m.

In Q3, SNG held a non-deal roadshow to engage with our investors to discuss strategy, performance and share updates on the sector.

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.

SNH has an A- (Outlook: Stable) with Fitch.

### Customer Services

Through the continued roll out of the annual customer tenancy anniversary survey 'close the loop' initiative we have prevented 294 potential complaints from being raised and resolved 487 customer queries / issues through proactive contact. Q3 also saw the launch of 'You said, We did' on our websites, with 128 views; expected to increase following promotion of this new feature in January's customer service update.

Roll out of the new contractor portal has significantly improved our reported emergency repairs performance, with 93% of all repairs completed to target.

### Communities and Sustainability

Through Q1 - Q3 FY24/25, SNG generated £99.8m of social value through activity across Community Investment and the wider organisation against a full year target of £100m. Since the beginning of April, we've partnered with 317 community organisations, enabled 457 young people to engage in youth social action through our #iWill Fund, supported customers

to achieve 249 jobs, access 1,640 training courses and provided 2,771 fuel poverty interventions.

SNG continues to make good progress on improving the thermal efficiency of existing core stock with an overall average RdSAP score of 73.08%.

SNG also published its [Impact and Sustainability Report for FY24](#).

In November 2024 SNG published its first [Environmental Sustainability Strategy](#), 'Towards a greener future'. The strategy has an overarching aim to embed consideration of the planet and nature into everything SNG does.

### Corporate Affairs

The Government has kept housing at the forefront of its growth plans in one of the most active policy environments for the sector in many years. SNG continues to engage with government, wider policymakers and MPs - both directly and through our sector bodies to influence the Government's approach. The Group CEO and wider senior leadership continue to meet regularly with MPs, including ministers. We welcomed the announced changes to the National Planning Policy Framework which were broadly aligned to our policy asks. We submitted our own responses to the range of consultations that have been released by government, alongside actively shaping wider sector responses. This includes the consultation on social housing rents that closed shortly before Christmas.

For more information, please contact:

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