Citizen Housing Group

13 November 2026

Citizen Housing Group trading update for the period ending 30 September 2026

- Citizen Housing Group ("Citizen") is today issuing its consolidated trading update for the six months ended 30 September 2026 (H1 2026/27).
- These figures are unaudited and for information purposes only.

Highlights

- Citizen owns and manages **32,627 homes** across the West Midlands in Coventry, Birmingham, Solihull and across the counties of Herefordshire and Worcestershire
- Citizen is currently graded **G1 / C1 / V2**[1]
- Citizen maintains an **A3 (stable) Moody's credit rating**[2]**.**
- Turnover for the period was **£113.9m**
- Social housing lettings turnover contributed to **93.6%** of total turnover
- Operating surplus (including asset sales) for the period was **£29.4m**
- Operating surplus (excluding asset sales) for the period was **£27.7m**
- Overall operating margin (excluding asset sales) was **24.3%**
- The surplus after tax for the period was **£5.7m**
- Gearing as at 30 September 2026 (financial covenant) was **44.02%**
- Interest cover (EBITDA only) as at 30 September 2026 (financial covenant) was **187.90%**

Commenting on the results, Gary Booth, Chief Financial Officer, said:

"We are proud to present our financial results for the six months to September 2026. In the face of numerous sector wide challenges, our results do continue to demonstrate Citizen's operational and financial resilience. We continue to see strong rent arrears performance and continue to invest significantly in supporting customers including money/energy advisors, employment advice and digital inclusion. Our operating margin was better than budget at H1, and we forecasting a year-end position slightly ahead of budget at around 21%.

With around 9 out of every 10 of our homes at EPC C or higher, we are delighted to be continuing our strategic investment programme, leveraging available grant support to accelerate energy efficiency investment across our asset base to ensure we deliver our purpose to provide homes that are a foundation for life".

1 As at 11 November 2026 Citizen Housing Regulatory Judgement – How we're regulated | Citizen Housing
2 As at 6 November 2026 Citizen Housing Credit Opinion – 6 November 2026

Section 1. Financial Performance

1. Income and Expenditure

	H1 2026/27 £m	H1 2025/26 £m
Turnover (Social Housing Lettings)	106.6	100.1
Expenditure (Social Housing Lettings)	(80.2)	(73.3)
Surplus (Social Housing Lettings)	26.4	26.8
Turnover (Overall)	113.9	109.7
Expenditure (Overall)	(81.2)	(81.3)
Operating Surplus (Overall) – excluding fixed asset sales	27.7	28.4
Operating Surplus (Overall) – including fixed asset sales	29.4	30.0
Total Surplus after Tax	5.7	9.6

Commentary

- For the period ended 30 September 2026, the Group has achieved an operating surplus excluding fixed asset sales of £27.7m, which is £0.9m better than budget, and a Total Surplus of £5.7m, which is £2.6m better than budged.
- Service charge costs are £0.1m lower than budget.
- Routine Maintenance is £0.4m less than budget however Planned Maintenance is £0.6m higher than budget.
- Major works revenue spend is £1.2m less than budget and Bad Debts is £0.5m less than budget.
- Other Social Housing is £0.3m better than budget due to underspends on regeneration and lower than budgeted shared ownership net first tranche sales.
- Fixed asset sales are better than budget by £1.4m due to RTB/RTA sales and net interest costs are £0.4m better than budget driven mainly by lower interest payable.
- For the year ended 31 March 2027, the Group is forecast to achieve an operating surplus excluding fixed asset sales of £49.4m and the forecast operating margin for the year is 21.4%

2. Key Performance Indicators

	H1 2026/27	H1 2025/26
Operating Surplus – excluding fixed asset sales	24.3%	25.9%
Social housing lettings as % of turnover	93.6%	91.2%
Interest cover EBITDA	187.9%	212.3%
Gearing - HPAC	44.02%	42.5%

Commentary

- Citizen retains strong Interest cover and Gearing (funder definition).
- H1 2026/27 Operating Margin performance remains robust at 24.3% with the forecast at year end to be 21.5%
- The forecast loan covenant outturn evidences compliance with both 2026/27 targets as well as loan covenants.

3. Funding and Treasury

	H1 2026/27	H1 2025/26
Total agreed Debt	1,279	1,129
Drawn Debt	1,061	956
Cash	37.8	36.8
% debt fixed	91.2%	75.1%

Commentary

- As at 30 September 2025, Citizen had £1,061m of total drawn debt with £1,279m of total facilities.
- No significant short term refinancing risk
- Substantial liquidity and flexibility with £218m undrawn facilities as at 30 September 2026. Note Citizen also holds £70m of retained bonds following the Tap in October 2024.
- Substantial un-charged stock, totalling over 5,500 homes
- Agile Treasury Strategy: EBITDA only covenants across all banking facilities
- Strength and resilience: Evidenced through Moody's A3 (stable) rating and G1/C1/V2 regulatory grading

Section 2. Operating Performance

	H1 2026/27	H1 2025/26
Void rental loss	0.82%	0.69%
Rental arrears	2.56%	2.64%

Commentary

- Our arrears position remains positive, despite significant challenges posed by cost-of-living increases for many of our customers. This is testament to the tight controls in process and significant investment in support for our customers including money and energy advisors, employment advice and digital inclusion support.
- The average time to re-let an empty home in the first half of 2026/27 is 46.94 days compared to a target of 35.48 days. Of the 788 properties re-let during the year-to-date period, 16% required 'major' remedial works to meet our re-let standard, with these cases taking an average of 78 days from tenancy termination to re-let. The remaining 663 properties required standard repairs, with an average total turnaround time of 41 days. Performance has been impacted by delays with both repairs and property allocations.
- As a result of below-target turnaround performance, rent loss from vacant homes reached £791k (0.82%) at the end of Quarter 2, exceeding the target of £670k (0.68%) This performance still places us in the sector top quartile based on latest global accounts benchmarking.

	Actual H1 2026/27	Actual Performance 2026	Target Performance 2026	Actual Performance 2025	Actual Performance 2024
Income Collection					
% of current tenant rent due not paid	2.56%	2.38%	2.65%	2.82%	2.26%
Stock Management					
% of rent lost through being vacant	0.82%	0.78%	0.58%	0.82%	0.69%
Repairs & Maintenance					
Repairs Live File – Maintenance Operations	4,914	5,577	4,000-5,000	4,300	8,658
Repairs Live File – HHSRS/Damp & Mould / Disrepair	97	238	-	0	1,718
% of emergency repairs completed in 24 hours	99.59%	99.06%	99.50%	99.50%	99.60%
% of non-emergency repairs completed on time	87.62%	80.80%	85.00%	82.80%	54.64%
Safety in the Home					
% of homes with a current gas safety certificate	99.87%	99.89%	100%	100%	99.95%
% of homes with a current/valid EICR	99.92%	99.78%	100%	100%	99.51%
% of Fire Risk Assessments due	99.41%	99.84%	100%	100%	100%

Tenant Satisfaction Measures (TSM) – summary

Overall satisfaction (2026/27 first half year)[3]

- Renters: overall satisfaction has increased to 71.7%, exceeding both the half-year position reported at this stage last year (68.8%) and the full-year 2025/26 result (69.1%).
- Homeowners: overall satisfaction stands at 44.6% up from 41.6% at H1 2025/26.

	Actual Performance H1 2026/27	Actual Performance 2026	Actual Performance H1 2025/26	Actual Performance 2025
LCRA - Overall	71.70%	69.10%	67.80%	65.60%
LCHO - Overall	44.60%	44.30%	41.60%	34.70%

Trends:

- Renters: All but one of the individual measures have improved compared with previous reporting periods, with satisfaction with complaints handling remaining the only measure showing a very slight decline. The three areas where are renters score us the highest are:
    - Citizen treats me fairly and with respect (76.5%, up from 75.6% at March 2026)
    - The overall repairs service from Citizen over the last 12 months (76.4%, up from 74.2% at March 2026)
    - Citizen provides a home that is safe (75.6%, up from 74.1% at March 2026)
- Homeowners: The H1 position is broadly unchanged compared with the previous full-year position, with satisfaction in relation to Citizen providing a home that is safe at 66.5%, up from 66.1% at March 2026.

[3] TSM link for H1 update on our website - TSMs 2026/27: Six-month update | Citizen Housing

Section 3. Development and Asset Management

1. Development Delivery

- **Established track record of delivery:** Citizen has a strong and demonstrable track record of delivering affordable housing at scale, having completed 3,470 affordable homes between 2019 and 30 September 2027.
- **Significant forward development programme:** The June 2026 Financial Plan provides for the delivery of 2,000 additional affordable homes over the next four years, with 72% of the Affordable Development Programme already committed, providing good visibility and a degree of certainty over future delivery.
- **Ongoing delivery performance:** At the end of H1 2026/27, Citizen had successfully handed over 113 newly built affordable homes, comprising 73 social rented homes and 40 affordable rented homes.
- **De-risked market sales delivery model:** Citizen's build-for-sale activities are supported by two established 50:50 joint ventures with Vistry. These arrangements ensure that development risks and rewards are shared equally between the partners, helping to manage capital exposure and mitigate direct development and sales risk.
- **Commitment to quality and sustainability:** All new homes are designed and delivered in accordance with Citizen's Future Home Standard, supporting improved living standards, high-quality homes and enhanced energy efficiency. Wherever practicable, the Group seeks to deliver homes that are Zero Carbon Ready.
- **Robust development risk management:** Citizen operates established processes to assess, monitor and manage contractor and supply-chain risks, including ongoing financial due diligence and monitoring of potential contractor and supplier insolvency. These arrangements support the resilience and continuity of the development programme.

Shared Ownership

- **Established and continuing demand**: Shared Ownership demand remains evident across Citizen's operating regions. Whilst challenging market conditions and extended reservation-to-completion timescales are impacting sales progression, the Group remains focused on converting demand into completed sales and maintaining momentum across the delivery programme.
- **Strategic importance**: Shared Ownership is a key component of Citizen's longer-term development strategy and is expected to account for more than 20% of the Affordable Development Plan.
- **Affordable route to home ownership:** The tenure provides an important alternative for customers who may be unable to access home ownership through the open market due to household income constraints and the deposit requirements associated with outright purchase.
- **Financial contribution:** Shared Ownership generates a positive contribution to the Group's development returns, with a budgeted average sales margin of 16% for 2026/27.
- **Sales pipeline management:** Citizen continues to actively manage its reservation and sales pipeline, with a focus on progressing reservations through to legal completion and responding to prevailing market conditions.

Outright Market Sales

- **Established market presence:** Outright Market Sales activity is undertaken through Citizen's specialist build-for-sale subsidiary, which benefits from a strong track record and an established development pipeline.
- **Experienced delivery capability:** The business is supported by a highly experienced sales and development team with the expertise to manage the full development and sales process, from initial launch through to completion.
- **Strategic development partnerships:** Delivery is supported by established joint venture arrangements with development partners, including two 50:50 joint ventures with Vistry. These partnerships provide access to development expertise and resources, whilst ensuring that risks and rewards are shared equally.

- **Managed market exposure:** The joint venture model provides a structured approach to market-facing development activity, helping to manage capital commitments and mitigate the Group's exposure to development and sales market volatility.
- **Contribution to Group financial performance:** Outright Market Sales remains an important element of Citizen's wider development strategy, generating financial returns that contribute towards the Group's overall financial performance and support its broader housing delivery ambitions.
- **Financial performance:** The business has a budgeted average sales margin of **13%** for 2026/27.

2. Asset Management

- We continue to invest significantly in our homes and communities through a wide-ranging scope of works, aligned to the Decent Homes Standard and building safety priorities. The safety of our homes and our residents who live there continues to be of paramount importance to us.

Building Safety

- 30+ higher-risk buildings that are 18m or above in height - all of these blocks have been intrusively inspected by our consultant Fire Engineers through Type 4 FRAs.
- All building safety cases are built and maintained in line with requests from the BSR within TwinnedIT – our cloud-based digital modelling and data collection programme
- TwinnedIT gives Citizen a platform for recording all building safety related information and helps to identify areas where information may not be readily available. The platform is accessible by both internal and external stakeholders.
- The West Midlands Fire Service as enforcing authority maintain an inspection programme on a risk-based approach, which includes our blocks over 18m. Where actions are raised as part of these inspections they are addressed as a priority.
- Maintaining a compliant programme of Fire Risk Assessments through the year for our c.1,800 blocks.
- Completed structural surveys on all higher risk buildings to confirm construction type and condition and is delivering a programme of additional surveying including FRAEW's, further structural assessments and Fire Strategies.

Damp & Mould / Disrepair / Awaab's Law

- The build types of some of our older homes mean that they are more prone to suffer from damp and mould. Citizen have a dedicated damp and mould team established monitoring cases as part of weekly performance reports
- Citizen has continued to be proactive in identifying damp and mould through stock condition surveys and tenancy management checks – 23,000 surveys completed properties have been completed with c.4,000 where cloned data has been used where we've been unable to gain access.
- As part of our proactive approach to managing damp, mould and condensation we have installed nearly 3,000 environmental monitors in our homes, that are more prone to damp and mould, to provide predictive maintenance data through a web-based portal. We have also developed sophisticated reporting tools, to identify repeat repair rates across all categories. This in turn allows preventative actions to be taken and asset investment plans to be built to address hotspot areas.
- Following the successful implementation of Phase 1 of Awaab's Law in October 2025, compliance has remained consistently strong. During the first half of 2026/27, overall compliance achieved 97%, with more than 99% of emergency hazards addressed within target timescales
- We are now finalising preparation for Phase 2 of Awaab's Law at the end of November 2026. A full project team is in place to support this and our preparedness has been monitored through our internal audit programme.

3. Environmental Sustainability –

- We are committed to raising all our homes to at least an EPC rating of C by 2030
- At 31/03/2026, 91.32% of homes were rated at EPC C or above - our historic performance is shown as per the table below

EPC Band	Year end 2025/2026	Year end 2024/2025	Year end 2023/2024	Year end 2022/2023	Year end 2021/2022
A	0.46%	0.30%	0.20%	0.10%	0.00%
B	15.58%	15.14%	14.30%	13.00%	10.10%
C	75.28%	75.11%	72.30%	73.60%	73.80%
Sub total (EPC-C and above)	**91.32%**	**90.55%**	**86.80%**	**86.62%**	**83.88%**
D	8.32%	9.01%	12.30%	12.60%	16.00%
E and below	0.14%	0.14%	0.20%	0.20%	0.10%
Not yet assessed	0.22%	0.30%	0.70%	0.70%	-

- Stock analysis completed to detail our approach to achieving minimum EPC C and to successfully bid for Government funding to improve the energy efficiency of our homes
    - We have been successful in securing significant grant from the Social Housing Decarbonisation Fund (SHDF WAVE2 and WAVE3) to retrofit our least energy efficient properties. This funding, with additional investment from Citizen, will enable these homes to benefit from external wall insulation, energy efficient doors and windows, loft insulation, more energy efficient heating systems and improved ventilation
    - £30m of grant through Demonstrator, Wave 1 and Wave 2 SHDF programmes towards £75m capital investment to improve 2,463 homes
    - WH:SHF Wave 3 and WMCA funding of £38.2m towards £74.2m of capital investment to be delivered by March 2028

- Customers have access to our energy advice service has been set up to provide energy saving information, advice and guidance

This trading update contains certain forward-looking statements about the future outlook for Citizen. These have been prepared and reviewed by Citizen only and are unaudited. Forward-looking statements inherently involve a number of uncertainties and assumptions. Although the Directors believe that these statements are based upon reasonable assumptions on the publication date, any such statements should be treated with caution as outlook may be influenced by factors that could cause actual and audited outcomes and results to be materially different. Additionally, the information in this statement should not be construed as solicitation or recommendation to invest in Citizen's bonds.

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