ASTER GROUP

Trading Update – 30 September 2026

Aster Group issues its unaudited Group trading update for the six months ended 30 September 2026, with comparatives to the audited financial statements for the 12 months ended 31 March 2026.

Financial highlights

- Despite another challenging period we've made a strong start to the year. We achieved an underlying profit before tax, adjusted for exceptional items, for the six months ended 30 September 2026 of £25.8m, compared to £21.7m for the same period last year. Unaudited statutory profit before tax was £24.3m.
- Underlying operating profit was £47.0m, £4.8m ahead of the same period last year.
- Excluding surplus on sale of housing property, plant and equipment, the underlying operating margin was 16.4%, and on a statutory basis 15.6%.
- Revenue for the six months to 30 September 2026 was £181.2m, up 10.7% on the prior year. This includes an increase in rents of 4.8% in line with the rent standard and the addition of new properties developed, and an increase on shared ownership sales to £23.5m.
- We remain committed to increasing investment in our housing stock and invested £64.9m during the six-month period, £10.2m ahead of the same period last year, including an increase in damp, mould and condensation (DMC) spend to £3.0m when compared to the prior six months spend of £1.8m.
- We remain wholly committed to addressing the housing shortage by delivering a broad range of housing options across the south of England and London. During the six month period, we completed 359 homes, comprising of 351 affordable homes and a further 8 homes developed with our joint venture partners with a total development spend of £79.4m. Our quality-focused development programme is central to our core vision that Everyone has a home, and we continue to prioritise quality by only accepting handovers that meet our standards.
- Asset sales, including the sale of properties from our disposal programmes, staircasing and other property sales generated proceeds of £35.7m and a surplus of £17.3m, an increase on the £15.5m profit for the same six-month period last year. The additional income will support planned investment to increase the quality of many of our existing homes, as well as building new homes.
- Interest remains tightly controlled with a weighted average interest rate of 3.83% vs 3.74% last year.

Operational highlights

- Our development programme has got off to a strong start, with 359 homes completed and we remain on track to deliver 925 homes in 2026/27. Our pipeline has 2,263 homes to be contracted over the next two years through a mix of land-led, developer-led and community land trust opportunities.
- We have been selected by Homes England as a Strategic Partner under the new Social and Affordable Homes Programme for 2026-2036, supporting the delivery of 1,320

affordable homes across our operating area, alongside Greater London Authority funding for 60 homes at our Bermondsey scheme.

- Our community land trust (CLT) programme continues to expand, with nine schemes currently on site and a further five selected for progression by our CLT partners. Our flagship Bargates development in Christchurch is progressing well and in London, we completed our 62-home Silvertown development and remain on track to deliver a further 152 homes across Westminster, Ealing and Richmond this financial year.
- We achieved the highest possible C1 consumer grade following our first inspection under the Regulator of Social Housing's Consumer Standards, recognising our strong performance in areas including customer experience, health and safety, and delivering an effective repairs service. We also retained G1 and V2 ratings, showing continued assurance in our governance and financial resilience from the Regulator.
- We continue to adopt the UK Code of Governance and have transitioned to the new 2024 UK Code of Governance from 1 April this year, further strengthening our oversight, accountability and decision-making across the Group.
- Procurement activity delivered £3.9m of cashable benefits supporting our efficiency programme (and £0.5m of added value supporting our Value for Money Strategy), helping to bring our total annual recurring efficiency savings achieved to £9.5m, c.84% of our £12m target.
- We successfully transferred Synergy Housing's homes to Aster Communities, and as a result were able to close Synergy Housing as a registered provider. This simplifies our Group structure to the benefit of customers, colleagues and other stakeholders. It helps drive efficiencies including improved governance and simplified financial reconciliations.
- We made our first Social Tenants Access to Information Requirements (STAIRs) publication scheme accessible, helping customers access information about our services and performance more easily, while continuing to increase customer influence over decision-making through our Customer Voice Strategy. This is aimed at improving the link between customer feedback and service improvements, while ensuring engagement reflects the diverse communities we serve.
- Preparing for Awaab's Law Phase 2 has remained a major priority. Significant progress has been made through a dedicated programme to strengthen processes, systems and case management arrangements to ensure compliance with forthcoming requirements and deliver timely resolutions. We have also implemented new mobile technology, resulting in improved visibility of inspection findings and supporting a more responsive approach to managing neighbourhood issues.
- We have continued to develop our forthcoming Sustainability Strategy, while we have also made significant progress in complying with the new Heat Network regulatory regime through customer engagement, enhanced documentation and reporting, and preparations for future regulatory requirements.
- We're now in the second of our three-year retrofit programme, supported by the Warm Homes: Social Housing Funding (WH:SHF). To date, we have upgraded the energy performance of 355 homes, while works in many more homes are currently in progress.
- Building on the success of the Wild about Enham programme, we have continued to work with residents and partners on a longer-term nature pathway for Enham supported by biodiversity surveys, community engagement and partnership working. Enham Trust continues to deliver against its mission of supporting disabled people to

live, work and enjoy life. New and repeat funders have provided significant financial support, while volunteers contributed 1,883 hours during the period.

- Following a business rationalisation review, Enham's Somerset and Spot Purchase Direct Payments and Personal Health Budget support service was sold to WECIL, a specialist provider with significant experience in this area. This move focuses Enham's charity's resources on other areas of our work, in line with its mission and charitable objectives.
- The refurbished Enham Hub has officially reopened creating a modern, accessible and inclusive space for customers, colleagues and community partners. The redevelopment incorporates a new solar PV installation, supporting both environmental ambitions and future energy savings. Enham's 3PL service has delivered significant volumes for customers including Fortnum & Mason, demonstrating operational capability and supporting employment opportunities for disabled people.
- There has been ongoing investment in colleague wellbeing through The Aster Offer, alongside targeted initiatives designed to support physical and mental wellbeing, as well as the launch of a new talent management system aimed at developing future leaders, supporting succession planning and retaining key skills across the organisation. We also refreshed our Diversity and Inclusion Strategic Plan, reaffirming our commitment to an inclusive workplace and better outcomes for customers.
- As we prepared for the Competence and Conduct Standard (which came into force on 1 October 2026), we enhanced our focus on professional development and capability to meet future regulatory requirements. Colleague engagement remains strong, supported by a refreshed Colleague Voice framework and new Colleague Voice Forum, increasing the level of feedback and involvement in decision-making.

Financial and operating performance

Unaudited underlying profit before tax for the six months ended 30 September 2026 was £25.8m, after adjusting for recognition of a £1.5m exceptional provision in relation to insurance costs following a fire at one of the group's properties, compared to £21.7m for the same period last year. Unaudited statutory profit before tax was £24.3m.

Housing properties (net of depreciation) have increased to £2,758m from £2,718m at 31 March 2026.

Consolidated Statement of Comprehensive Income (£000)	**Six months to 30 September 2026 (unaudited)**	**Six months to 30 September 2025 (unaudited)**	**12 months to 31 March 2026 (audited)**
Turnover	181,175	163,685	337,589
Operating costs	(151,534)	(136,992)	(289,051)
Surplus on sale of housing property, plant and equipment	17,310	15,503	37,935
Increase in fair value of investment properties	-	-	1,238
Operating profit before impairment and insurance costs	**46,951**	**42,196**	**87,711**
Impairment reversal/(charge) of housing assets and financial assets	(107)	15	(5,374)
Insurance costs	(1,500)	-	-
Operating profit	**45,344**	**42,211**	**82,337**
Profit on disposal of other property, plant, equipment	-	-	34
Donations received	259	-	1,197
Share of (loss)/profit in joint ventures	(1,259)	(962)	406
Net finance expense	(20,087)	(19,589)	(38,537)
Profit before tax for the period	**24,257**	**21,660**	**45,437**
Tax charge	-	-	(98)
Profit after tax for the period	**24,257**	**21,660**	**45,339**
Other comprehensive income (OCI) for the period:			
Actuarial gains	-	-	628
Deferred taxation	-	-	(564)
Effective cash flow hedge gain/(loss)	2,745	(367)	3,828
Total comprehensive income for the period	**27,002**	**21,293**	**49,231**
Financial indicators	**Statutory/ Underlying**	**Statutory**	**Statutory**
Operating margin (excluding surplus on sale of housing property, plant and equipment)[1]	15.6%/16.4%	16.3%	14.4%
Social housing operating margin[2]	19.9%/20.9%	21.3%	19.0%
EBITDA MRI interest cover[3]	127.1%/131.6%	139.1%	122.4%
Gearing[4]	49.0%	49.3%	50.8%

Note: No tax charge has been recognised in the unaudited six-month periods ended 30 September 2026 and 30 September 2025. In addition, the only OCI item included for those periods is the effective cash flow hedge movement. The audited 31 March 2026 figures include all tax and OCI items recognised in the statutory financial statements.

The Group's revenue continues to focus on low-risk affordable housing, with the majority of rent increases from 1 April 2026 at 4.8% in line with the rent standard. Rent arrears continue to be tightly managed and remained strong at 1.7% (March 2026: 1.5%) against a target of 2.5% of associated revenue. Void losses for the Group were at 1.4% for the period, compared to the target of 1.5%.

During the period we have seen an overall spend on investment in stock of £64.9m, and although significantly ahead of the £54.7m spent in the same period last year, is £6.2m underspent when compared to budget, reflecting the Group's commitment to providing additional investment in our housing stock. The shortfall to budget for the first six months of the year is due to a combination of demand for response repairs, including Damp, Mould and Condensation being higher than expected, offset by the delivery of the planned works programme being behind, and which is expected to underspend during the remainder of the financial year as spend is being deferred in future financial periods.

The Group continues to enact a programme of savings and efficiencies which is expected to deliver savings of at least £4m in the year, on top of the £5.5m annualised savings achieved over the last two years. The overall target of annually recurring savings from the efficiency program exceeds £12m.

The Group's operating margin for the six-month period to 30 September 2026 was 15.6%, and social housing operating margin was 19.9%, both ahead of full year results last year.

Sales of shared ownership homes and open market sales homes (predominantly delivered through joint ventures) totalled 218 units for the six months ended 30 September 2026 (6 months to September 2025: 193 units). We continue to see strong demand for shared ownership properties, however sales for the six-month period continue to be slower than budget, with timing of development handovers hampering the number of units available to sell although achieving initial first tranche sales at a consistent average share. For the six-month period we achieved first tranche sales of £23.5m (211 properties) at an average sales percentage of 31.0%. The average reservation rate for the six-month period is 22 properties per month and average sales time for such properties was 12 weeks from property handover to completion, against a target of 26 weeks. As of 30 September 2026 the Group had 90 completed shared ownership homes available for sale (March 2026: 164), of which 47 were reserved (March 2026: 81) and 28 were older than 26 weeks (March 2026: 30).

Our work on managing and divesting our inefficient, difficult to manage stock continued at pace, our void disposal and other asset sale programs with a strong performance in the six-month period with profits of £17.3m compared to £15.5m for the same period last year and £37.9m in the prior twelve-month period.

Debt and liquidity

Net debt during the period has increased to £1,397m from £1,380m at 31 March 2026, funding our development programme. Liquidity at 30 September 2026 was £355m (31 March 2026: £383m), consisting at September 2026 of committed and available undrawn facilities of £131m

and cash and cash equivalents of £34m, plus £190m of retained bonds and a shelf facility with bLEND.

Development
We made a strong start to the year completing 351 affordable homes. We have a healthy pipeline of schemes and have been successful in securing both land and developer led opportunities and community-led developments (CLTs), adding to our contracted pipeline of 2,208 homes.

We have achieved a solid performance as of September 2026, although lower than prior year as we continue to manage a challenging operating environment. Our forward pipeline remains robust, comprising a mix of land acquisitions, community-land trust developments (CLT), and developer-led schemes. The programme's overall growth currently remains relatively static due to external pressures - specifically inflation, high interest rates, and the need for significant investment into existing stock.

This quarter, we successfully met Homes England start on site milestone for 2021-26, and looking ahead we are focusing on the remaining 196 homes to start before March 2027.

We have secured a further £240m of funding for 1,320 homes through the Homes England Social and Affordable Homes Programme 2026-36 that will see delivery over the next five years, prioritising social rent, shared ownership and community led housing. We await further announcements on the proposed low interest loans from the National Housing Bank, which will bring extra capacity to the sector. However, planning system constraints, viability pressures and wider economic uncertainty, including potential impacts from ongoing geopolitical instability, continue to represent significant risks to delivery.

Despite ongoing market challenges, we enter the next phase of the programme from a position of strength, with a secured funding allocation, a resilient contracted pipeline, strong community-led housing programme and a clear focus on delivering much-needed affordable homes across our operating area.

Board and executive team changes
Aster Group Ltd: The members of the Executive Board are unchanged and are Bjorn Howard, Chris Benn, Rachel Credidio, Dawn Fowler-Stevens, Emma O'Shea and Amanda Williams.

The Board filled a vacancy arising from the expiry of Board members' tenures last year by making the following Non-Executive Director appointment:

- **1 October 2026** – Ric Blakeway

Aster Treasury plc: There were no changes to the membership of the Board.

Aster Group credit rating and governance
Aster Group Limited is rated A (negative outlook) by Standard and Poor's (December 2025) and C1/G1/V2 by the Regulator of Social Housing (July 2026). This was Aster Group Limited's first C rating.

Notes:

[1] Demonstrates the profitability of operating assets before exceptional expenses. Defined as operating profit, excluding surplus on sale of property, plant and equipment, as a percentage of total turnover.

[2] Demonstrates the profitability of social housing operating assets before exceptional expenses. Defined as operating profit derived from social housing activities, excluding surplus on sale of property, plant and equipment, as a percentage of total turnover.

[3] Seeks to measure the level of surplus generated compared to interest payable. It is a key indicator for liquidity and investment capacity. EBITDA MRI is Earning before interest, tax, depreciation, amortisation, excluding profit on disposal of property, plant and equipment, but including the cost of capitalised major repairs (major repairs included). Interest includes the group's interest payable plus interest capitalised during the year.

[4] Calculated as net debt (loans less cash) as a proportion of social housing assets. Shows how much of the social housing assets are made up of debt, and the degree of dependence on debt finance. It also sets out the potential capacity for further borrowing which can be used to fund the future development of new housing.

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https://www.aster.co.uk/corporate/about-us/investor-relations

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