

Stonewater Limited

Half-Year Results
2025-26



Our Vision

For everyone to have the opportunity to have a place that they can call home.

Presentation House,
a retirement living
scheme, Bedford.

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Mulberry Meadows, our 8,000th new affordable home since forming in 2015.



Chief Financial Officer's statement

I am pleased to report improved underlying performance for Stonewater in our interim, unaudited, half-year results to 30 September 2025. Our income and operating surplus have increased on the same period in 2024-25, despite the continued challenging economic backdrop.

Planned leadership changes mean that Stonewater remains ready to deliver for our customers. Our CEO, Jonathan Layzell, has been promoted following a competitive, open recruitment process.

A clear focus for Jonathan and our leadership team is delivering great services for our customers. We are very conscious that our income is from customer rents and that many customers continue to face competing priorities for their income. Therefore, any investment decisions we take must support delivery of our customer commitments including on repairs, maintenance and helping with the cost of living where we can.

With inflation remaining above the Bank of England's 2% target – and not expected to fall back to target until into 2027 – our colleagues will continue to support customers to maintain their tenancies and remain in their homes. This work has seen arrears levels fall in the half-year period to 3.9% (4.8% 2024-25).

Stonewater has continued to invest in our existing homes and was well-prepared for the introduction of Awaab's Law in October, which brought new requirements on landlords to address damp and mould and other disrepair issues within certain timescales.

On new homes, we have continued to invest in building social and affordable housing to help tackle the housing crisis. We were proud to recently celebrate the completion of our 8,000th new build home since forming in 2015. It is important to us that our homes are affordable to run as well as rent or buy, so that is why 99.6% of all new homes built are now at EPC B or A. This means they are highly energy-efficient and require less energy to live in.

Our development work will continue as the government has committed £39bn in England to build new homes through its Social and Affordable Homes Programme 2026-36. 60% of the homes must be for social rent and, as an organisation with a large footprint in market towns and villages, we welcome the emphasis on affordable rural housing provision. As a Homes England Strategic Partner, Stonewater is well-placed to participate in this important new programme. The long-term rent settlement also confirmed by the government in the summer has allowed us certainty to plan for the future and maximise our positive impact for customers.

Stonewater's financial foundations are strong – this is reflected in the ratings we received in the period from the Regulator of Social Housing G1, V2 and C2. We are building on this and have recently agreed a new £100m funding package to support our ongoing development and refurbishment investments.

Helping our customers tackle the challenges they face is what motivates us all at Stonewater. Our Vision of ensuring everyone has the opportunity to have a place that they can call home has never been more important, and we are determined to remain focused on providing the good-quality homes and services our customers expect.



Anne Costain
Chief Financial Officer



Financial performance

Stonewater is pleased to report its consolidated financial results for the six months ended 30 September 2025 (2025-26 HY).

These figures are **unaudited** and for information purposes only.

Statement of comprehensive income

	2025-26 HY Actuals £'000	2024-25 HY Actuals £'000	2024-25 FY Actuals £'000
Turnover from social housing	144,395	133,273	269,395
Total turnover	158,602	152,768	306,113
Operating surplus	39,279	33,212	70,058
Surplus after interest	9,881	2,581	7,886

Operating margins

	2025-26 HY Actuals £'000	2024-25 HY Actuals £'000	2024-25 Full Year Actuals £'000
Overall operating margin	23.0%	20.6%	18.9%
Operating margin on first tranche sales	13.5%	12.1%	13.3%
Operating margin on asset disposals	46.1%	43.5%	55.5%

Key financial ratios

	2025-26 HY Actuals £'000	2024-25 HY Actuals £'000	2024-25 FY Actuals £'000
EBITDA MRI interest cover ¹	84.9%	86.6%	69.0%
EBITDA interest cover (funder covenant) ²	1.5	1.6	1.5
Social housing interest cover ³	108.4%	108.4%	87.5%
Gearing ⁴	51.6%	51.0%	51.9%

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 + Interest receivable - Capitalised major repairs expenditure + Capitalised major repairs grant received + Depreciation) / Net interest paid.

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

⁴ Gearing is calculated as (Short-term loans + Long-term loans - Cash and cash equivalents) / (Housing properties at cost - work in progress).

Liquidity

	2025/26 HY	2024/25 HY
Cash and undrawn facilities	£333m	£344m
18 month liquidity requirement	£195m	£240m

Ratings

	2025/26 HY	2024/25 HY
S&P credit rating	A – stable outlook	A – stable outlook
RSH Regulatory rating	G1/V2/C2	G1/V1

Work starts on 75 affordable homes in Meriden, Solihull.



Operational performance

Metrics

Operational performance			
	2025/26 HY Actuals	2024/25 HY Actuals	2024/25 Full Year Actuals
Overall customer satisfaction	76.1%	87.3%	85.7%
Gross arrears	3.9%	4.8%	4.0%
Void losses	1.1%	1.0%	1.1%
New homes	257 units	437 units	1,029 units
First tranche sales	131 units	162 units	314 units
Capital investment in new homes	£78.7m	£89.4m	£181.6m
Capital investment in existing homes	£8.4m	£8.7m	£38.3m

Donations, grants, mergers and acquisitions

Stonewater has made **£1.0m** donation in May 2025 to its charity partner, the Llonglegh Foundation.

Stonewater has received **£16m** of grant delivered under the Strategic Partnership Programme (SPP) 2 programme in the first quarter and will be receiving an additional **£18m** for the second quarter.

Smart technology is supporting customers.



Environmental performance



EPC Band ratings for the first half year period: **257** new homes built to **EPC Band B** or above, which represents **99.6%** of all new homes built.



We celebrated the completion of our **8,000th** new build affordable home since forming in 2015. This achievement was part of the 125-home development at Mulberry Meadows in Castle Cary, a popular market town in Somerset. This scheme offers access to green spaces, high-performance insulation and EV charge points.



Through our partnership with the Community Forest Trust, we have planted **840** trees so far this year, taking our total to **35,628** trees since 2019.



After a successful inaugural year of our Sustainable Futures programme, we now have a second cohort of customers who are increasing their knowledge around sustainability and working towards closing the green skills gap.

Changes in Stonewater Board and management



Jonathan Layzell
became Chief Executive Officer on 24 June 2025.



David Ripley
was appointed Chief Operations Officer on 1 May 2025.



Nicola Webber
has taken over as Chair of Stonewater's Risk and Assurance Committee, following the departure of Andrew Lawrence.



Nicholas Harris
Stonewater Board and Chief Officer Group member until 23 June 2025.

Mount Green Board

Heather Bowman
became the new Chair of Mount Green's Board following the retirement of Martin Large, at the end of September 2025.

mountgreen



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