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London & Quadrant Housing Trust
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London & Quadrant Housing Trust ('L&Q') - Publication of Financial Statements and announcement of update to Group Board membership

Financial Statements 2025/26
L&Q today announces the publication of its consolidated audited financial statements for the financial year ended 31 March 2026, reporting continued financial strength and ongoing record investment in homes and services to ensure better outcomes for residents. All comparatives are to L&Q's consolidated audited financial statements for the financial year ended 31 March 2025 ('2025').

Our Major Works Investment Programme continues to move forward at pace, and during the year we invested a record £415m (2025: £371m) to significantly improve residents' homes through new bathrooms, kitchens, windows and roofs. We're also proud to have hit a major milestone, as we surpassed £100m in social value generated through our maintenance supply chain, through which we're delivering additional benefits in local communities.

Investing in existing homes is our strategic priority, but we have continued to balance that with bringing forward the supply of new affordable homes so desperately needed in Greater London and Greater Manchester. We continue to be one of the leading builders in the sector, and last year completed 2,055 (2025: 2,316) new homes, of which 72% were for social housing tenures – including our first shared ownership homes in Manchester.

We also started on 1,250 homes (2025: 519) last year. With investment in our committed pipeline at £1.4bn (2025: £1.4bn) coupled with the additionality certainty coming from government investment in the sector, we will continue to play a significant role in delivering high-quality, affordable homes in areas where need is most acute.

Alongside investing in homes and services, a key priority for Group has been our continued drive to simplify and strengthen L&Q, and consolidate operations in our core geographies of Greater London and Greater Manchester. In January 2026 we transferred 3,500 homes in South Buckinghamshire – the largest transfer of its kind in the sector – and in July we completed the sale of our Private Rented Sector business to an investment fund for £1,045m.

These milestone transactions support the twin aims of further enhancing our financial resilience and capacity to enable long-term investment in homes, and ensuring we deliver more responsive and best-value services for residents.

The last 12 months have seen high interest rates, ongoing cost inflation, increased consumer and building safety regulation, and a challenging housing market, which have combined to continue stretching the capacity of the sector. However, our excellent progress towards our strategic goals has strengthened our financial resilience, whilst delivering good financial performance across our business. In the year-ended 31 March 2026, EBITDA MRI was £306m (2025 restated: £370m) with an operating margin of 24% (2025 restated: 33%). Our turnover was £1,027m (2025: £1,111m) and we retained a well-capitalised balance sheet with lower net debt at £5.1bn (2025: £5.4bn) and available liquidity at c.£1.4bn (2025: £1.1bn).

The financial statements can be accessed via the following link: http://www.rns-pdf.londonstockexchange.com/rns/0108W_1-2026-9-23.pdf

A copy of this document will shortly be filed with the National Storage Mechanism.

Commenting on the results Ed Farnsworth, Executive Group Director, Finance said: "As L&Q embarks on a new five-year corporate strategy period, we do so from a position of ongoing financial strength and resilience that will enable us to continue delivering the improvements and investment that will ensure better outcomes for residents.

These financial results highlight record levels of investment in existing homes and services, as well as ongoing improvements in our operational performance. I'm really pleased that we are starting to see the impact of that work reflected in improved satisfaction among social housing residents. We've also seen significant increases in social value generated, both through supporting residents' with financial resilience and employability, and making wider investments in communities to ensure they remain places people are proud to live.

Our priority has continued to be investment in existing homes and services, but as we face into a deepening housing crisis, our ongoing ability to balance that with maintaining a substantial development programme has been crucial.

L&Q remains one of the leading developers in the sector, having completed over 2,000 much-needed new homes during 2025/26, and over 15,500 during the course of our 2021-26 corporate strategy period.

Despite ongoing pressures in our operating environment, these strong financial results, coupled with our simplified organisation, provide the foundations for L&Q to deliver our new corporate strategy with continued optimism, resolute in our social purpose and confident in our ability to meet to the needs and challenges facing residents and the wider sector."

Updates to Group Board membership

Dominique Kent will be stepping down from L&Q's Group Board, effective from 30 September, 2026, after completing her nine-year tenure. Dominique joined the Group Board in May 2017, and has also served as Chair of our supported living subsidiary L&Q Living for the last five years. This news follows our announcement in August 2026 about two senior governance appointments that have further strengthened the voice of residents at the highest level of the organisation. Cassie Clifford and Selena Hall both joined L&Q's Group Board on 1 August 2026, doubling resident representation on L&Q's Group Board.

Financial Statements highlights

- For the year ended 31st March 2026, L&Q achieved turnover of £1,027m (2025: £1,111m), EBITDA MRI of £306m (2025 restated: £370m) and an underlying surplus after tax of £44m (2025 restated: £23m).

- Turnover decreased by 8% to £1,027m (2025: £1,111m) reflecting a reduced reliance on sales. Of turnover, 76% (2025: 70%) was generated from core social housing lettings activities. A further 13% (2025: 18%) was from market sales activity (including shared ownership first tranche sales), 7% (2025: 6%) from market rents and 4% from other activities (2025: 6%).

- EBITDA MRI decreased by 17% to £306m (2025 restated: £370m) and EBITDA MRI interest cover was 143% (2025 restated: 155%). The year-on-year decrease in EBITDA MRI reflects our focus on simplifying our business for the future, and our long term investment in new and existing social homes.

- Net debt decreased to £5.1bn (2025: £5.4bn) and available liquidity increased to c.£1.4bn (2025: £1.1bn) demonstrating continued success to conserve cash flows.

- L&Q continues to maintain a strong financial position with total assets less current liabilities at £12,341m (2025 restated: £13,542m) and net assets at £5,752m (2025 restated: £5,705m). The housing properties portfolio fell by 1% to £11,623m (2025 restated: £11,758m).

- Housing completions were 2,055 (2025: 2,316) of which 72% (2025: 81%) were for social housing tenures. This further demonstrates L&Q's commitment to maximising its social purpose, while maintaining a low risk profile for commercial activity.

- L&Q invested £229m (2025: £439m) in new social housing, demonstrating continued progress against our ambition to tackle the housing crisis whilst investing in existing social homes and £0m (2025: £0m) in new market rent properties. A further £49m (2025: £42m) was invested in private housing for sale we develop ourselves and £24m (2025: £26m) in joint venture partnerships. Profits generated from non-social housing activities are re-invested in the delivery of social housing.

- L&Q invested £415m (2025: £371m) in residents' homes, including critical fire safety works. Building safety remains a priority, with L&Q delivering one of the UK's largest inspection and remediation programmes, covering over 2,000 buildings containing over 32,000 homes.

- L&Q's Major Works Investment Programme will improve the safety, comfort, and environmental performance of resident's homes. This will see all L&Q homes maintained to the Decent Homes Standard – a technical standard set by the government for social housing. So far we have carried out more than 21,500 home improvements and secured £100m in social value through our maintenance supply chain.

- The charitable L&Q Foundation has played a vital role in continuing to support those who need it with L&Q investing £8m (2025: £7m) into the L&Q Foundation. Using the HACT Wellbeing Valuation Approach methodology the work of the Foundation created £21m of social value in the year (2025: £22m). This impact was generated through programmes directed at helping residents into work, supporting their financial

confidence and easing the burden of debt, through delivery of physical wellbeing activities, volunteering opportunities, and social clubs for residents to strengthen their connectedness with their community. This is in addition to the social value created through the Major Works Partnership.

- L&Q remains fully compliant, with regulatory ratings at G2 for governance, V2 for financial viability, and C2 for the new consumer standard.

Reconciliation of audited financial statements against trading update

On 8 May 2026, L&Q published its unaudited trading update for the year ending 31 March 2026 that excluded any further adjustments that are subject to audit review such as impairment and provisions. Following the completion of the audit, the following adjustments have been made compared to the trading statement:

- A £51m impairment charge on fixed assets and £7m impairment release on current assets under development. This increases cost of sales and operating costs and reduces operating surplus and surplus after tax by £44m. There is no impact on EBITDA MRI.

- A £6m decrease in turnover, decreasing operating surplus and surplus after tax and EBITDA MRI.

- A £70m reduction in the change in value of investment properties, decreasing operating surplus and surplus after tax by £70m. There is no impact on EBITDA MRI.

- A £4m increase in share of losses from joint ventures, that decreases operating surplus, surplus after tax and EBITDA MRI by £4m.

- A £2m increase in operating costs and costs of sales, that decreases operating surplus, surplus after tax and EBITDA MRI.

- A £1m increase in surplus on disposal of fixed assets and investments, increasing operating surplus, surplus after tax and EBITDA MRI.

- A £1m increase in capitalised major repairs, that decreased EBITDA MRI by £1m. There is no impact on operating surplus and surplus after tax.

- A £12m increase in the tax credit on surplus on ordinary activities that increases surplus after tax. There is no impact on EBITDA MRI.

- A £3m decrease in the net interest payable that increases surplus after tax. There is no impact on EBITDA MRI.

The following table discloses the impact that these adjustments have had on applicable financial measures disclosed in the trading statement:

Financial Measure	Unaudited Trading Update for the period ending 31 March 2026	Audited Financials for the period ending 31 March 2026	Change
Operating Surplus	£370m	£245m	(£125m)
Surplus after Tax	£154m	£44m	(£110m)
EBITDA MRI[1]	£323m	£306m	(£17m)
EBITDA MRI interest cover[2]	152%	143%	(9%)
Gross debt to EBITDA MRI[3]	15.9x	16.8x	0.9

Notes:

[1] Operating surplus – change in value of investment properties – amortised government grant + depreciation + impairment – capitalised major repairs +/-actuarial losses/gains in pension schemes
[2] EBITDA MRI / net cash interest paid
[3] Gross debt / EBITDA MRI

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This update may contain certain forward-looking statements reflecting, among other things, our current views on markets, activities and prospects. Actual outcomes may differ materially. Such statements are a correct reflection of our views only on the publication date and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared.

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