

29 April 2025

Telecom Plus PLC

Year End Trading Update and Notice of Results

Record customers, profits and dividend; Full Year guidance reiterated

Telecom Plus PLC (trading as Utility Warehouse or UW), a leading platform for subscription-style essential household services in the UK, today issues a trading update for its financial year ending 31 March 2025 (FY25).

Highlights

- Net customer growth of 15% (including around 25,000 fixed-line/broadband customers acquired from a subsidiary of the Talk Talk Group ("TalkTalk") as part of a cross-sell trial partnership); continued strong organic customer growth of over 12.5%
- Awarded "Which? recommended" status for both Energy and Broadband; the first company to hold both awards simultaneously
- FY25 guidance for adjusted PBT within a range of £124m-£128m reiterated
- Total FY25 dividend is expected to increase by just over 13% to 94p for the full year (FY24: 83p)

Financial

Full year adjusted pre-tax profits for FY25 are expected to be between £124m-£128m, in line with previous guidance⁽¹⁾.

We anticipate the FY25 year-end leverage ratio will be around 1.0x net debt/adjusted EBITDA, demonstrating our robust balance sheet and continuing strong underlying cash generation, notwithstanding continued double digit percentage organic customer growth.

Consistent with our restated capital allocation policy, the full year dividend is expected to rise by just over 13% to 94p.

Trading

Customer numbers continued their double-digit growth trajectory, increasing during the year by 15% to 1,163,608 (FY24: 1,011,489), including around 25,000 fixed-line/broadband customers acquired from TalkTalk as part of a cross-sell trial partnership. Excluding the impact of the 25,000 customers transferred from TalkTalk, customer numbers increased by over 12.5% to 1,138,621. The number of services we provided increased by c.8.5% to 3,392,593⁽²⁾ (FY24: 3,127,097); we expect service number growth to accelerate in future following the relaunch of our insurance products, and as we start to upsell additional services to the newly acquired customers from TalkTalk.

We were pleased to be awarded Which? Recommended Provider status for both Energy and Broadband, the first company to ever hold both awards simultaneously. This endorsement reflects both the importance we attach to delivering a differentiated and superior level of customer service, and our unique position as the UK's only truly multiservice platform.

Alongside our multiservice customer offering, our unique word-of-mouth route to market remains a key competitive advantage, enabling us to acquire high quality customers with attractive, highly profitable and market-leading lifetime values. Both macro-economic pressures and long-term structural trends (such as the work transition and the pensions crisis) provide a favourable backdrop for new Partner recruitment and engagement, with Partner numbers increasing to over 70,000 for the first time.

TalkTalk Partnership

We were pleased to agree terms with TalkTalk for a cross-sell trial partnership, under which a total of c.95,000 TalkTalk fixed-line/broadband customers will be transferred to UW for an undisclosed sum, with a view to us upselling additional utility services to them through our Partner network. The first 25,000 of these customers were transferred during Q4 of FY25.

If this trial is successful, it can be expected to open up additional exciting growth opportunities (both inorganic and partnership) in future.

Outlook

We have now delivered compound double-digit percentage customer growth in all types of market conditions over a period of more than 3.5 years, and remain firmly on track to increase our customer base to two million households and beyond over the medium term. The structural advantages we enjoy through our multiservice platform enable us to maintain market-leading pricing alongside award-winning service, whilst our word-of-mouth route to market continues to deliver high quality multiservice customers in significant volumes, generating a long-term source of consistently growing recurring subscription-style revenues.

As we continue on our double-digit growth trajectory, the business remains well positioned to generate considerable further shareholder value over the years ahead.

We look forward to providing a more detailed update with our full year results for the financial year ended 31 March 2025, which we expect to announce on 24 June 2025.

Stuart Burnett, CEO said:

"Our innovative multiservice platform, together with our unique word of mouth route to market, has put us firmly on track to deliver another set of record results. Now into our fourth consecutive year of delivering double digit percentage customer growth, we are making rapid progress towards our medium term target of supplying subscription-style essential household services to 2 million customers and beyond.

During what seems likely to be a challenging period for the global economy, we are fortunate that our business model makes us largely immune to any changes in trade tariffs, interest rates, economic growth, or business confidence. Indeed, such environments have historically been positive for us, with increasing numbers of people seeking additional income sources and ways to reduce their household bills.

By helping households to stop wasting time and money on their essential bills, whilst supporting tens of thousands of Partners to earn an additional income, we expect to continue delivering record customer numbers, profits and returns to shareholders over the years ahead."

1. Consensus adjusted Profit Before Tax for the year ending 31 March 2025 is £126.1 million, with a range of £125.0 million to £128.0 million.

2. Including broadband services supplied to the customers transferred from Origin

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About Telecom Plus PLC ("Telecom Plus"):

Telecom Plus, which owns and operates Utility Warehouse (UW), is the UK's leading multiservice utility platform, offering a wide range of subscription-style essential household services - energy, broadband, mobile and insurance; all these services share similar characteristics where the revenues and profitability are highly predictable, and where customers can be expected to remain with us for an extended period once all their chosen services have been successfully migrated.

Customers benefit from the convenience of a single monthly bill, consistently good value across all their utilities and exceptional service levels.

Customers sign up through a national network of local UW Partners, who recommend UW's services to friends, family and people they know.

Telecom Plus is listed on the London Stock Exchange (Ticker: TEP LN). For further information please visit telecomplus.co.uk

Cautionary statement regarding forward-looking statements

This Announcement may contain "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they are based on numerous assumptions regarding the Company's present and future business strategies, relate to future events and depend on circumstances which are or may be beyond the control of the Company which could cause actual results or trends to differ materially from those made in or suggested by the forward-looking statements in this Announcement, including, but not limited to, domestic and global economic business conditions; market-related risks such as fluctuations in interest rates; the policies and actions of governmental and regulatory authorities; the effect of competition, inflation and deflation; the effect of legislative, fiscal, tax and regulatory developments in the jurisdictions in which the Company and its respective affiliates operate; the effect of volatility in the equity, capital and credit markets on profitability and ability to access capital and credit; a decline in credit ratings of the Company; the effect of operational risks; an unexpected decline in sales for the Company; any limitations of internal financial reporting controls; and the loss of key personnel. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Save as required by the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules, the Listing Rules or by law, the Company undertakes no obligation to update these forward looking statements and will not publicly release any revisions it may make to these forward-looking statements that may occur due to any change in its expectations or to reflect events or circumstances after the date of this Announcement.

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