

# TelecomPlus

Embargoed until 07.00

24 June 2025

## Telecom Plus PLC Final Results for the year ended 31 March 2025

### "Continuing strong customer growth with record profits and dividend"

Telecom Plus PLC (trading as Utility Warehouse), an integrated and unique platform for subscription-style essential household services in the UK, today issues its final results for the year ended 31 March 2025.

#### Financial Highlights

- Revenues of £1,838.2m (2024: £2,039.1m)
- Gross profit up 0.8% to £358.1m (2024: £355.2m)
- Adjusted pre-tax profit up 8.1% to £126.3m, in-line with market expectations (2024: £116.9m)
- Adjusted EPS up 9.4% to 119.2p (2024: 109.0p)
- Statutory pre-tax profit up 5.4% to £105.9m (2024: £100.5m)
- Statutory EPS up 7.1% to 96.3p (2024: 89.9p)
- Net debt to adjusted EBITDA ratio at 0.8x
- Full year dividend up 13.3% to 94p (2024: 83p) per share

#### Operational Highlights

- 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
- 12.6% organic customer growth (excluding the 25,000 customers transferred from TalkTalk) in line with guidance
- Service numbers increased by 265,496 to 3,392,593 (2024: 3,127,097)
- Awarded Which? Recommended Provider status for Energy and Broadband, the first company to hold both awards simultaneously, and rated "Excellent" on Trustpilot
- Partner numbers increased to 71,710 (2024: 68,251) reflecting ongoing strong demand for our income opportunity amidst continuing cost of living pressures and the ongoing pensions crisis

#### Outlook

- We anticipate delivering total customer growth in FY26 of around 15% (including the balance of the customers to be transferred from TalkTalk as part of a cross-selling transaction), with continuing low double digit organic customer growth
- Adjusted pre-tax profit for FY26 is expected to be within a range of £132m-£138m
- Ongoing favourable environment for recruitment of new Partners
- Continued confidence in growing the business to two million customers and beyond over the medium term

#### Stuart Burnett, CEO, said:

*"Our innovative multiservice platform, together with our unique word of mouth route to market, has enabled us 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 two 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 save time and money on their essential bills, whilst supporting tens of thousands of Partners to earn an additional income, we expect to deliver continuing strong growth in customer numbers, profits and returns to shareholders over the years ahead."*

***There will be a virtual meeting for analysts today at 9.00am, accessible via [https://brrmedia.news/TEP\\_FY\\_25](https://brrmedia.news/TEP_FY_25)***

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**About Telecom Plus PLC ("Telecom Plus"):**

Telecom Plus, which owns and operates Utility Warehouse (UW), is the UK's only integrated 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 by word-of-mouth.

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

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**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.

## Chairman's Statement

I am pleased to report another strong performance during FY25 with double-digit percentage customer growth, record profits and a record dividend.

Adjusted pre-tax profits increased by 8.1% to £126.3m (2024: £116.9m), in-line with market expectations, reflecting the continuing double-digit growth in our customer numbers, and lower average energy prices compared to the prior year.

The Ofgem energy price cap during FY25 averaged £1,700 (2024: £2,140); a fall of over 20%. This significant reduction led to a fall in overall revenues to £1,838.2m (2024: £2,039.1m) despite an increase in service numbers and higher revenues from non-energy services. These factors were also responsible for our higher gross profit margin of 19.5% (2024: 17.4%) and the modest 0.8% increase in our gross profit to £358.1m (2024: £355.2m). Adjusted earnings per share for the year rose by 9.4% to 119.2p (2024: 109.0p). Statutory pre-tax profits rose by 5.4% to £105.9m (2024: £100.5m), and statutory EPS rose by 7.1% to 96.3p (2024: 89.9p).

Our strong growth continued during the year, with customer numbers increasing by 15.0% to 1,163,608 (2024: 1,011,489) including around 25,000 fixed-line/broadband customers acquired from TalkTalk as part of a cross-sell transaction (and an organic growth rate of 12.6% excluding the impact of these). Churn increased to 13.7% due to the recent sharp fall in forward energy wholesale prices, a market dynamic which tends to support introductory tariffs at a significant discount to the prevailing Price Cap in the short term; the Price Cap level is expected to decrease from July and remain relatively stable during the remainder of FY26, which should support a reduction in churn back towards historically lower levels.

Service numbers increased by 265,496 to 3,392,593 (2024: 3,127,097); this rate of growth should accelerate going forwards following the recent relaunch of our insurance products.

We were pleased to agree terms with TalkTalk for a cross-sell transaction, under which a total of c.95,000 TalkTalk fixed-line/broadband customers are being transferred to UW for an undisclosed sum, with a view to us upselling additional utility services to them through our Partner network; this will support the anticipated acceleration in our service growth this year, as mentioned above. The first 25,000 of these customers were transferred during Q4 of FY25. If this is successful, it can be expected to open up additional exciting growth opportunities (both inorganic and partnership) in the future.

Across the UK, families have continued to face cost-of-living pressures, and we are proud of the role we play in helping both customers and Partners address these challenges. Our unique business model shares the benefits we derive from our integrated platform with our customers (by giving them sustainable long-term savings on their essential household subscription-style services). Meanwhile our Partner opportunity offers hard-working people, from all walks of life, the ability to earn an additional long-term income (which helps offset their rising cost of living whilst building financial freedom). With a pension crisis looming over the medium term, the need for this income is becoming ever more urgent; as a result, we are seeing strong ongoing interest in our Partner opportunity, with our total Partner numbers increasing to over 71,000.

I am very proud of the commitment and hard work of our employees who were critical in achieving another record company performance. Amongst other achievements, we became a Which? Recommended Provider for both Energy and Broadband, the first company to hold both awards simultaneously. We were awarded "Best Value for Money" and "Best Customer Service" by Uswitch in their 2024 Energy Awards, were rated the top energy supplier for customer service by Citizens Advice; and maintained an "Excellent" rating on Trustpilot. These accolades reflect the outstanding customer service delivered by our colleagues and the dedication of our Partners, as well as the great value for money of our customer offering.

## **Sustainability**

Our people and communities are central to our strategy. We focus on sustainability through building long-term relationships with customers and Partners, supporting our employees, and conducting business responsibly. This includes considering our wider impact on society and the environment around us, and supporting the UK's transition to net zero.

Based on our FY24 Diversity & Inclusion audit, we've developed a Diversity, Inclusion and Belonging (DI&B) vision and strategy to ensure our employees feel they belong and can achieve their full potential. We also launched a new employee-led Belonging Group with the aim of celebrating and supporting neurodiversity at UW, bringing the total number of Belonging Groups to seven. Our DI&B initiatives have enabled us to exceed our targets for management roles held by women and ethnically diverse employees, helping us achieve our commitment to career progression for all.

As UK families face ongoing cost-of-living challenges, we are proud to help customers save on household services, while offering Partners an opportunity to earn additional income. Last year, we commissioned research to assess the socio-economic impact of our Partner opportunity and were thrilled to discover that 86% of the Partners who participated felt that being able to earn flexibly through UW had improved their quality of life; 79% said that this income had provided them with a greater sense of financial empowerment and 53% stated the boost in skills and confidence enabled them to increase their income outside UW, change jobs, progress their career or start their own business.

We continue supporting vulnerable customers nationwide through our company-funded Hardship Fund, while our new Electric Vehicle (EV) tariff and enhanced Smart Export Guarantee (SEG) tariff help us to better serve our customers as the UK's energy retail market continues to evolve alongside the UK's transition toward net zero.

Our FY26 ESG objectives demonstrate our ongoing commitment to sustainability, with further details available in our ESG and Sustainability Reports.

## **Corporate governance**

The UK Corporate Governance Code (the "Code") encourages the Chairman to report personally on how the principles in the Code relating to the role and effectiveness of the Board have been applied.

As a Board we are responsible to the Company's shareholders for delivering sustainable shareholder value over the long term through effective management and good governance. A key role of mine, as Non-Executive Chairman, is to provide strong leadership to enable the Board to operate effectively.

We believe that open and rigorous debate around the key strategic issues, risks and opportunities faced by the Company is important to achieving our objectives and the Company is fortunate to have non-executive directors with diverse and extensive business experience who actively contribute to these discussions.

Further detail on the Company's governance processes and compliance with the Code is set out in the Corporate Governance Statement in the Annual Report.

## **Dividend and capital allocation**

The Company continues to deliver strong underlying cash generation, notwithstanding our ongoing double-digit organic customer growth.

We are proposing a final dividend of 57p (2024: 47p), bringing the total for the year to 94p (2024: 83p); an increase of over 13%. Subject to approval by shareholders at the Company's AGM which will be held on 6 August 2025, this will be paid on 15 August 2025 to shareholders on the register at the close of business on 25 July 2025. This takes the total return to shareholders for FY25 to 80% of adjusted post-tax profit.

The Board adopts a disciplined approach to the allocation of capital, with the overriding objective being to enhance long-term shareholder value, whilst maintaining an appropriate level of gearing; this means retaining sufficient resources within the business to ensure that our organic growth is not constrained by lack of capital. We intend to continue following a progressive distribution policy, returning 80-90% of adjusted post-tax profit to shareholders over the medium term via dividends.

## Board changes

Stuart Burnett assumed overall responsibility for the business as sole CEO at the AGM in August 2024, following the departure of former Co-CEO Andrew Lindsay. Andrew is continuing to support our Partner network on a part-time basis as President of Team Purple.

We also welcomed Bindi Karia as a new independent non-executive director to the Board following the AGM. We expect her extensive experience, particularly in technology and innovation (where she has held senior board, investment, and advisory roles across the technology sector in Europe), to be of considerable value over the coming years.

As announced on 24 June, we look forward to welcoming Gemma Godfrey and Phil Bunker who will be joining the Board following the forthcoming AGM in August, and I would like to take this opportunity to thank Bea Hollond and Andrew Blowers, who are stepping down from the Board at the AGM in August and in December respectively, for the significant contributions both of them have made over the last c. nine years as non-executive directors. Suzi Williams will be assuming the role of Senior Non-executive Director following Bea Hollond's departure.

## Outlook

### *Significant growth opportunity*

UW remains in a unique position as the UK's only fully integrated provider of a broad range of subscription-style essential household services, spanning energy, broadband, mobile and insurance. Our multiservice proposition delivers long-term savings funded by the inherent efficiency of our integrated platform, with significant and growing appeal. This sustainable cost advantage sets us apart from our competitors, each of whom are focused on individual market segments. With 97 out of every 100 UK households taking their essential household services from one of these other suppliers, our growth opportunity has barely been tapped.

Since FY21, we have grown our customer numbers at an annualised compound rate of around 15.3%, spanning a period during which energy commodity prices increased steeply and then fell sharply, before stabilising at or around current levels. During the period of steeply rising energy prices, our annualised customer growth rate was in excess of 20% (albeit on a smaller opening customer base), whilst during the periods of both falling and now broadly stable prices our annualised organic growth rate has been consistently between 12-14%, giving us confidence in our ability to continue growing our customer base at a compound annual double digit growth rate to two million households (and beyond) over the medium term.

### *Regulatory environment*

We now operate in a more sustainable and responsible regulatory environment for retail energy suppliers. The combination of new capital adequacy requirements being imposed upon suppliers and the low regulatory EBIT margin allowed by Ofgem, make it extremely challenging for any standalone energy supplier to sell below the level of the price cap and earn an acceptable return on capital. As a result, we are uniquely positioned to out-compete over the longer term, increasing our market share both sustainably and profitably.

Notwithstanding these constraints, the retail energy market remains competitive, with the major energy suppliers actively seeking to acquire new customers through offering a range of attractive fixed price introductory tariffs, supported by the recent significant fall in the wholesale energy forward price curve; but importantly, pricing remains rational.

### *Energy prices & operating costs*

The average energy price in FY26 is currently expected to remain relatively stable compared with FY25, settling between around £1,650 and £1,750. Ofgem has also undertaken a review of the operating cost allowances within the energy price cap, to reflect the progress made across the industry in delivering efficiencies over recent years. Together with the recent increases in National Insurance and National Living Wage announced in the budget last year, this will present a modest headwind in FY26, which we will look to mitigate through further economies of scale and other operating cost savings.

Looking forward, we retain a number of levers for expanding our EBITDA per customer over time,

including optimising our multiservice pricing, growing service penetration and improving our operating leverage.

#### *Guidance*

We remain focused on growing the size of the business to two million customers (and beyond), with the following medium-term internal base case planning assumptions:

- Annual percentage customer growth is expected to remain within the 10-15% range.
- Adjusted pre-tax profits are expected to increase broadly in line with customer growth.
- Excess capital will be returned to shareholders through a progressive dividend with a payout of between 80-90% of adjusted post-tax profit.

For FY26 specifically, we anticipate that:

- adjusted pre-tax profits will be within a range of £132m-£138m which is slightly below the level of customer growth due to the one-off headwinds referred to above;
- total customer growth will be around 15% (including the balance of the customers to be transferred from TalkTalk), with continuing low double digit organic customer growth; and
- dividend growth will be in line with our increased adjusted post-tax profit.

We will continue to invest in our people and technology at all levels as we continue to scale - both of which are vital to delivering an exceptional UW experience - whilst evolving and improving our systems and digital capabilities. 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. At the same time, many households in the UK are also struggling with the question of how to provide for a comfortable retirement; we remain convinced that our Partner opportunity is a compelling answer to that challenge for people from all backgrounds and walks of life.

I would like to thank my boardroom colleagues for their support and all our staff and Partners for their energy, determination and commitment through another excellent year of growth, and for the significant contribution they are making to the ongoing strong performance of the business.

We have once again grown our customer base by a double-digit percentage in FY25 and remain firmly on track to achieve our next milestone of more than two million customers over the medium term. We expect to make significant further progress towards this over the current year.

**Charles Wgoder**

Non-Executive Chairman

24 June 2025

## **Chief Executive's Review**

### **The year in summary: record customers, profits and dividend**

Over our 25+ year history, we have consistently helped households save time and money on their essential services, which include energy, broadband, mobile and insurance. Our unique multiservice proposition continues to deliver exactly what financially stretched and time poor households are looking for; namely savings, simplicity and service. At the same time, our word of mouth Partner model is increasingly suited to the needs of modern society, enabling people from all walks of life to generate an additional income in their spare time which fulfils their immediate needs as well as contributing to longer-term financial security.

With rational competition now firmly embedded in the retail energy market, the company has continued to perform strongly, clearly demonstrating the enduring ability of our subscription-style business model to deliver double-digit organic growth under every wholesale energy price environment. The profitable growth trajectory we have delivered over the last three and a half years gives us confidence in the

growth trajectory we have delivered over the last three and a half years gives us confidence in the strength of our business model and the achievability of our medium-term ambition to increase our customer base to more than two million customers, alongside continuing strong and sustainable growth in our earnings and dividends.

We welcomed 152,119 additional customers to UW during the year, representing a growth rate of 15.0%, of which 12.6% was organic. This takes the total number of customers we supply to a record high of 1,163,608 (2024: 1,011,489). Ongoing multiservice take-up amongst new customers seeking to maximise the savings that they can make on their household bills resulted in the number of services we supply to our customers increasing by a further 265,496, to a total of 3,392,593 (2024: 3,127,097).

Over many years we have built up a large UK-wide community of Partners; people from all walks of life who are genuine advocates for our unique proposition. They overcome the natural inertia that exists to simultaneously switching multiple essential household services by personally explaining to family, friends, work colleagues and acquaintances the convenience of a single UW account for all their household services, the long-term value we offer, and the award-winning service we provide. This unique approach enables us to successfully grow our multiservice customer base in a way that other customer acquisition strategies cannot replicate.

Whilst the dynamics in each of our markets constantly vary, we continue to focus our efforts on strengthening our core multiservice proposition and supporting our Partner community. During the year, we continued to innovate and evolve our multiservice customer offering, launching our first EV charging tariffs, which offer market-leading overnight charging rates for our multiservice customers, alongside a more competitive and market leading 'multi-SIM' mobile offer, and we extended our Full Fibre offering by launching a 900Mbps ultra-high-speed service.

We continue to see strong interest in our Partner opportunity, as confidence in the strength of our customer proposition continues to build, enhanced by these new initiatives. The total number of UW Partners increased during the year to 71,710 (2024: 68,251). This underpins the sustainability of our growth, with our Partners being a unique route to market for referring high-quality customers in significant volumes. There are over 20 million people in the UK with a second or third part-time income - a trend which is driven by changing societal attitudes towards work, as well as the ongoing pensions crisis which emphasises the need to build a sustainable retirement income, for which our Partner opportunity is a compelling solution.

We remain proud of the consistent and disciplined approach we have adopted to building a long-term, sustainable and consistently profitable business, rather than simply looking to grow at any cost. In a year which saw increased marketing and customer acquisition activity across both the energy and telecoms industries, and rising premia in the insurance sector, we have concentrated our efforts on delivering on our three key business priorities:

- Supporting strong customer growth
- Improving customer service
- Transforming operational efficiency

We are pleased to have made significant progress against these priorities, laying the foundations for further progress in the years ahead.

#### *Strong customer growth*

- Our market leading proposition combined with our unique word of mouth Partner network allows us to focus on acquiring high-quality multiservice homeowner customers. Our proposition was strengthened during the year with the launch of our first EV tariffs, 900Mbps ultra-high-speed Full Fibre broadband and a new multi-SIM offering, contributing to organic customer growth of 12.6%.

#### *Improving customer service*

- We provide award-winning customer service which is fundamental to giving our Partners the confidence to refer us to their friends and family. During the year we invested in our WhatsApp channel for faster query resolution across multiple verticals. We made an AI chatbot available for customers on a 24/7 basis as well as a chatbot for Partners. The strength of our customer service was recognised by Uswitch which awarded UW "Best Customer Service" and "Best Value for Money" in their 2024 Energy Awards. We also became a Which? Recommended Provider for both Energy and Broadband and twice won Top Energy Supplier for Customer Service from Citizens Advice.

### *Transforming operational efficiency*

- We focused this year on embedding a culture of managing performance and goal setting, especially for People Leaders. This also applied to operations where we're implementing scalable structures to maximise efficiency and enhance the customer experience. This includes eliminating duplication and improving team, department, and role design across all areas of our operations function. Through the increased use of technology and AI tools we were able to limit hiring for new customer service roles.

The current market environment offers significant opportunities for our business to continue increasing our market share. Our unique business model and structural cost advantages allow us to sustainably outcompete by giving our customers what they want - long-term savings on their essential household services, and an additional income from referring these savings to their friends, family and social network.

Having continued our strong double-digit momentum in customer growth, we are firmly on track to achieve our next milestone of more than two million customers over the medium term, and we look forward to making significant further progress towards this over the coming year.

### **Our business model**

We have a unique, self-reinforcing and long-term business model - we are the UK's only integrated platform for subscription-style essential household services, spanning energy, broadband, mobile and insurance, as well as a Cashback Card which provides extra savings at a wide range of retailers. The discounts available to our customers increase with each service taken and our subscription-style model leads to recurring and predictable profits and cashflow.

We bundle essential home services together to give UW customers peace of mind, sustainable long-term savings, a simple single monthly bill and award-winning customer service; these ensure our customers stay with UW for far longer than our competitors. The combination of higher revenues per customer (from taking multiple services) and lower churn generate a significantly higher average customer lifetime value.

By having a single set of central overheads for our multiple revenue streams, we are able to make substantial cost savings due to operating efficiencies. This gives us a sustainable, structural cost advantage which enables us to offer the best value across our range of services, and offer significant savings to our customers year after year.

Our Partner network gives us a unique way of acquiring hard-to-reach multiservice homeowner customers. The perceived effort of switching multiple services can be high amongst consumers, resulting in more conventional advertising and marketing approaches typically failing to successfully convert customers to a relatively complex multiservice proposition. In contrast, a conversation with a trusted Partner can provide first-hand reassurance and explanation of the switching process - often based on the Partner's personal experience - thus helping to overcome any such concerns, as well as the natural inertia associated with switching multiple essential household services simultaneously.

By further strengthening our market-leading proposition, and keeping Partners incentivised to sign up new customers in increasing volumes and with greater consistency, we are confident we can continue successfully growing our multiservice customer base in a way that other customer acquisition strategies cannot replicate.





### **Unique platform for subscription-style essential household services**

We enable customers to choose the essential services they want and combine them together to create a unique multiservice proposition, all within one integrated platform. These services include energy, broadband, mobile and insurance as well as a pre-paid Cashback Card.

This approach provides:

- Simplicity: a single simple bill for all their home services.
- Savings: compared with the prices they were previously paying.
- Service: an easy-to-use customer app backed up by award-winning customer support.

By offering customers the ability to receive all their essential home services on a single monthly bill, and manage them on a single app, we deliver a straightforward and cost-effective experience. The more services a customer takes from us, the more they save.

A key component of our business model is the long-term relationships we have built to secure high-quality and reliable wholesale services from market-leading established industry providers, which we then bundle together for our customers' benefit. We source our energy from E.ON, use Openreach and CityFibre broadband via PXC for Broadband, and utilise the EE network (which has the widest national coverage) for our mobile services. We have also established insurance relationships with a number of major insurers, alongside our own insurance company, UWI.

### **Unique structural cost advantage**

Our unique multiservice customer proposition allows customers to bundle many of their essential household services together with us. As a result, we receive up to four revenue streams from each of our customers but have just one back office supporting all the services we provide to them. This gives us an inbuilt and enduring cost advantage that our competitors have been unable to replicate and which we share with our customers year-on-year through competitive prices.

This long-term, fair pricing approach, enhanced by award-winning customer service and the convenience of having one bill, one account and one app to manage all their household services, builds loyalty towards our brand; as a result, our typical homeownership customers display below-market rates of churn and lower bad debt, compounding our cost advantage.

### **A unique word-of-mouth model that creates earning opportunities**

The key to acquiring new multiservice customers is our unique and hard-to-replicate word-of-mouth acquisition model. Our network of over 71,000 Partners is motivated by the opportunity to earn additional income in the context of continuing cost of living pressures; the satisfaction of helping people to save money on their essential household services; the need to save for retirement; and a long-term structural trend towards multiple incomes which now comprises over 20 million individuals in the UK.

Our Partners receive a monthly commission based on the services being used by the customers they have referred, with the opportunity in some cases to receive a prepayment of some of this future commission as a lump sum. As Partners refer more people to UW, who then choose to sign up as customers, and grow their Partner teams, their income stream can continue to grow, creating a truly life-changing potential earning opportunity. Our proposition provides genuine alignment of interests between our Partners, customers and UW. Our customers benefit from exceptional value, great service and a more convenient way of buying their essential household services while our Partners can build a valuable residual income stream.

## Energy

During FY25 the Price Cap level varied between £1,568-£1,738, substantially lower than the previous year. After the significant fall in customer switching during the energy crisis, we have seen competition returning strongly to the retail market this year, with fixed tariff offerings becoming a key acquisition tool.

As a multiservice supplier, we are able to offer extremely competitive energy tariffs as part of our multiservice bundle funded by a combination of re-investing some of the margin we earn from supplying the broadband, mobile and/or insurance services that our customers also take from us, and the operational cost advantage we enjoy as an integrated multi-utility supplier. In this competitive marketplace, most energy suppliers have experienced a reduction in the size of their customer base, with UW being one of only two suppliers who grew during Q1:25, successfully growing our energy portfolio from 1,678,404 to 1,745,004 over the year. We are pleased to be a Which? Recommended Energy Provider, having also won the Uswitch Energy Awards categories for "Best Customer Service" and "Best Value for Money".

In September, we launched our first suite of EV tariffs, with pricing dependent upon the number of other services taken. These are variable time-of-use tariffs, enabling five hours of cheap overnight electricity for charging the vehicle. This tariff type has proved popular with both existing and new customers.

Our position at the forefront of the smart meter rollout programme led to a significant decrease in our Ofgem installation target for this year. UW worked with Calisen to deliver well beyond our Ofgem target; we are now at 75% (2024: 70%) penetration against a market average of 66% and we remain fully committed to delivering further progress on this vital element of the UK's transition to net zero.

Ofgem remains focused on its programme of retail market reform. Capital Adequacy regulations have been in force since April 2025 to support market sustainability. Ofgem is currently consulting on several topics relating to Price Cap allowances for operating costs and debt. It has extended the ban on acquisition tariffs, seeking to strike a balance between ensuring market sustainability and encouraging rational competition between suppliers, and is consulting on options to remove or reduce standing charges within the price-capped variable tariff range.

## Broadband

The broadband market remains highly competitive and is increasingly dominated by introductory offers, with alternative full fibre networks attempting to attract customers across from the main networks.

Our broadband numbers grew by 34,566 during the year to 409,358; an increase of 9.2%.

Our growing relationship with CityFibre allowed us to launch a market-leading six months free "Try Before You Buy" broadband offer, allowing customers to install a new connection before cancelling their previous service. With this promotion we ran a number of targeted campaigns in CityFibre areas, raising awareness through flyers and a partnership with local radio.

We were delighted to be voted Which? Recommended Broadband Provider in March 2025 for the first time. This award, coupled with our router being awarded a Which? Best Buy, highlights the excellent service we provide to our customers at a time when everyone is becoming increasingly reliant on their broadband connection. We also believe that our stance of not increasing prices mid-contract is a key product differentiator, providing our customers with the significant benefit of certainty over their broadband charges.

Our longstanding relationship with TalkTalk has seen us agree terms on a cross-sell transaction, under which they will transfer c.95,000 fixed-line/broadband connections to UW with a view to our cross-selling additional services. The first c.25,000 customers were transferred during March, with the remainder being transferred over the coming months.

## Mobile

Our mobile base has grown by 31% during the year and now stands at 610,689.

Throughout the year, we have continued to lead the market with the most competitive Unlimited 'Multi-Sim' offering, with more than 50% of new customers taking advantage of our market-leading offer. With the UK population using more data than ever before, we believe our service provides the value and peace of mind that customers need. We have also maintained the hugely popular option for customers to receive free roaming whilst in the EU.

As the market continues to shift away from plastic SIM cards, we look forward to offering eSIMs later this year, enabling customers to get quicker and more convenient access to our services.

## Insurance

This year was a transitional year for our insurance business. Following the strong 28% growth in FY24

This year was a transitional year for our insurance business. Following the strong 36% growth in FY24, which saw us break the 100,000 policies milestone, we paused sales of our insurance products for most of the year while we reviewed our product offering with the FCA. Following this review, our insurance products have been available to new UW customers since late April this year. As a result, we have seen our insurance business return to growth, and look forward to building on the exciting opportunities in this large and diverse sector.

### **Cashback Card**

Our unique Cashback card (CBC) has continued its growth, driving the outcomes that differentiate our model, including: reduced churn, stronger brand affinity and higher customer lifetime values. This year was once again a record year, with our first "million pound months", namely months in which we paid out more than £1 million in cashback to our customers (this happened four times in the last six months).

Our rollout of open banking payments (branded as "Instant Bank Transfer") for card top-ups has been highly successful, and now represents the vast majority of CBC top-ups; helping to drive both higher customer satisfaction and improved operational efficiency.

We have recently launched a trial of "3 months free" for new and existing customers taking a CBC for the first time, and have seen a material increase in the uptake of this product.

### **Investing for growth**

#### **Supporting our customers**

To gain our customers' trust and ensure their long-term loyalty, we give them an excellent standard of service, fair treatment, and swiftly resolve any issues they might have. This is also important in delivering a proposition which our Partners can confidently refer to their friends and family. This is one of the key objectives for our operations and customer service teams.

Our investment in high-quality customer service across all sectors continues to be highlighted externally as we achieved Which? Recommended Provider status for both Energy and Broadband; the first company to hold both awards simultaneously. To ensure that customers joining UW have a great experience we have a dedicated welcome team who can assist customers in their first few weeks across our energy, mobile, broadband and insurance services, whilst our advanced routing technology allows us to route new customer calls automatically to our specialist welcome advisors.

We continue to invest in our customer experience across all of our contact points. Our fastest growing customer channel is our WhatsApp channel, first introduced in FY24 and enhanced in FY25, which receives excellent feedback from our customers. Customers can submit questions on a 24/7 basis and it is able to auto-resolve queries rather than solely routing the question to a customer services representative. It is currently resolving c.15% of customer queries, which creates significant efficiencies both in terms of time and cost. We also introduced a 24/7 chatbot for Partners, which is seeing very high usage growth and helps our Partners find information and onboard customers more quickly.

Our use of AI tools has expanded to assist our advisers in providing the very best levels of service through the development of agent assist to place accurate and concise knowledge in front of our teams when they are talking to our customers. As a result, we are resolving our customers' queries quicker than before and creating greater efficiency in our operations. We are leveraging our more mature AI tools for greater impact, including using the data gathered from our call transcripts to become more precise in understanding our customers' most frequent requests. We are also using AI to identify cross-sell opportunities with increased accuracy. This includes capturing customer renewal dates for various services and deepening the customer relationship. We are building a new predictive model for churn using the latest AI technology, and while this is still in development, we expect it to become operational in FY26.

Supporting vulnerable customers continues to be a focus across UW and, following a successful partnership between the UW Hardship Fund and Citizens Advice, we have extended the programme for another year and increased investment. This is alongside our dedicated energy prepayment customer service hub in Selkirk, Scotland, which was set up to provide support to those in greatest need.

#### **Supporting our Partners**

We continue to invest in and improve our customer proposition which is enhanced by our best in class customer service and attractive savings on our bundled packages. Improvements to our proposition during the year included our first market-leading EV charging tariff, our fastest ever Full Fibre broadband

at 900Mbps and the expanded range of unlimited mobile SIMs which qualify for further discounts as an additional service. These innovations were warmly welcomed by our Partners, increasing their ability and confidence to refer the UW offer to friends, family and their wider social networks.

There are several long-term structural drivers which we believe will accelerate demand for our Partner opportunity. This includes the increasing prevalence of individuals earning an additional part-time income; there are now over 20 million in the UK and we expect this figure to continue to grow. This is driven somewhat by the more recent but irreversible trend of working flexibly from home and the increasing need to enhance residual income for use in retirement, otherwise known as the "pensions crisis", a topic which is set to garner more public and government interest and urgency as time goes on. This is supplemented by a more immediate need for a flexible and satisfying way of earning additional income due to the ongoing cost-of-living crisis, combined with the satisfaction of helping people to get a better deal on their essential household services.

Our Partners come from all walks of life and play a key role in unlocking the acquisition of high-value multiservice customers, and the ongoing growth of our Partner community puts us in a strong position for continued high-quality customer acquisition. We are hugely proud of the positive societal impact our Partner business model is having by generating additional income and flexible work opportunities, while at the same time lowering customer bills and providing outstanding customer service.

We continue to invest in our Partners through modern digital tools and training, as well as the ability to work flexibly. In FY25 we enhanced our offer to Partners through the first of its kind "Free Energy Club" which incentivises greater consistency of homeowner customer acquisition by rewarding Partners with an increasing number of free months of energy the more customers they refer. This uses the proven psychology of building "streaks" to create more beneficial behaviour and outcomes for both the Partner and UW. As customers benefit from exceptional value, great service and a more convenient way of buying their essential household services, and Partners build a valuable residual income stream, there is a genuine alignment of interests between our Partners, customers and UW.

### **Operational performance and non-financial KPIs**

We had another record year with customer numbers rising by 15.0% (2024: 14.1%) to 1,163,608. Excluding the 25,000 broadband customers acquired from TalkTalk, organic growth was 12.6%.

As in FY24, our customer acquisition efforts were focused on residential customers, with our business offering remaining closed to new customers. During the course of FY26, we expect to relaunch our offering to new business customers, which will benefit from our new "Connectors" proposition which enables local businesses and community organisations to generate income from referring their customers and/or members to our Partners.

<b>Customers</b>	<b>2025</b>	<b>2024</b>
Residential	1,151,071	995,892
Business	12,537	15,597
<b>Total</b>	<b>1,163,608</b>	<b>1,011,489</b>

Going forwards we will report on both total customer numbers, and also total customer numbers excluding inorganically acquired customers (for example, those acquired from TalkTalk) except to the extent that they have elected to upgrade or take additional services from us.

The total number of services we supply to our customers grew by 8.5% (2024: 11.8%) to 3,392,593.

<b>Services</b>	<b>2025</b>	<b>2024</b>
Core services		
Energy	1,745,004	1,678,404
Broadband	409,358	374,792

Mobile	610,689	466,216
Insurance	122,856	139,109
<i>Other services</i>		
Cashback Card	484,196	448,529
Legacy telephony	20,490	20,047
<b>Total</b>	<b>3,392,593</b>	<b>3,127,097</b>

*Note: the table above sets out the individual services supplied to customers. Legacy telephony comprises non-geographic numbers (08xx) and landline only (no broadband) services provided.*

Customers can take any combination of services - energy, broadband, mobile or insurance - they want from us. The more services a customer takes, the greater the savings they make. There is also a clear correlation between the number of services taken and the customers' expected lifetime value to the business.

We are pleased to have delivered healthy growth across our energy, mobile and broadband services during the period. In particular, we saw 31% growth in mobile services following the introduction of a more competitive and market-leading multi-SIM mobile offer.

However, overall service growth was somewhat behind customer growth, mainly reflecting the temporary pause on new sales for some insurance products (which continued until April 2025). Other factors included strong demand for our mobile only service, greater take up of our two-service tariff compared with the three-service tariff and greater energy churn relating to increased competitive intensity and our lack of an EV tariff until the end of the first half of the year.

<b>Average number of Core services taken by new residential customers signed up by Partners</b>	
Q1 FY24	<b>2.31</b>
Q2 FY24	<b>2.34</b>
Q3 FY24	<b>2.37</b>
Q4 FY24	<b>2.31</b>
Q1 FY25	<b>2.25</b>
Q2 FY25	<b>2.33</b>
Q3 FY25	<b>2.24</b>
Q4 FY25	<b>2.28</b>

The average number of Core services taken by new customers is a key metric that underpins long-term business sustainability: customers taking two or more Core services from us are benefitting from a genuinely differentiated proposition, as well as greater ongoing savings, meaning that they are less likely to leave us.

Our focus on having a strong customer proposition and award-winning service pays off in our market-leading levels of customer loyalty, and with rational competition now firmly entrenched within the energy market, our annualised energy churn increased to 13.7% (2024: 8.7%), resulting primarily from the large gap that opened up at various stages during the year between the level of the price cap (which determines variable energy pricing levels) and forward energy wholesale prices (which determine fixed energy tariff levels); the energy price cap is expected to decrease from July and remain relatively stable during the remainder of FY26, and as a result we expect our churn rates to decline as we move through the year.

### **The year ahead: our three FY26 business priorities**

We have set our business priorities in order to sustain a level of growth which will allow us to reach our target of more than two million customers over the medium term. Our priorities reflect the importance of making our customer proposition truly outstanding, improving and digitising the customer experience

making our customer proposition truly outstanding, improving and digitising the customer experience, and scaling the UK's number one additional income opportunity. This will be powered by our 'DNA' and our brand, improving our people leadership, ways of working together, and further embedding a performance culture.

### 1. Make our proposition epic

We aim to deliver continuing double-digit customer growth by making our customer proposition truly epic. This means doubling down on one of our key competitive advantages: our multiservice offering. We will strengthen the offering by adding additional features in mobile such as Voice over Internet Protocol (VoIP) and eSIM, evolve our energy proposition with the rollout of 'Free Energy Days' for customers, and by developing the cross-sell of additional services into both the customers acquired from TalkTalk and our existing customer base.

We will also enhance our offering by adding additional exciting features and benefits to our cashback card to make it more central in the minds of our customers as well as increasing the number and scale of our commercial partnerships. Finally, we will enhance customer loyalty by deploying sophisticated AI tools which generate insights into the triggers for customer churn.

### 2. Transforming and digitising the customer service experience

We will further improve our award-winning customer service to enhance the customer and adviser experience, while at the same time driving greater digitisation and automation to create maximum ease for the customer as well as efficiencies for the company. This includes focusing on processes which deliver an improvement in our rate of "first time resolution" and "no touch resolution" including increased uptake of our WhatsApp channels.

We will support our advisers in moving from a reactive to a proactive approach to customer service, including features such as AI co-pilot support, streamlined onboarding, and proactive cross-sell.

### 3. Scale the UK's leading additional income opportunity

We will drive greater engagement for both new and existing Partners and increase the attractiveness of the UK's number one additional income opportunity; alongside a meaningful upfront income, the Partner opportunity uniquely offers a long-term recurring income which we expect to be increasingly attractive in the face of the ever-increasing pensions crisis. We will achieve this by increasing the targeting and personalisation of our Partner recruitment and engagement communications through the use of technology and providing them with the right tools and training to keep them motivated, confident and active.

We have recently launched a new type of Partner proposition called Connectors in which Partners can sign up local businesses or community organisations to refer their customers to UW. This also opens up an opportunity for major brand partnerships which could accelerate our growth. We will also amplify the social impact of being a Partner by rewarding and recognising those who are Community Champions which will in turn inspire others to contribute and give back.

**Stuart Burnett**

Chief Executive Officer

24 June 2025

## Financial Review

### Overview of results

	2025	Adjusted 2024	Change	2025	Statutory 2024	Change
Revenue	£1,838.2m	£2,039.1m	(9.9)%	£1,838.2m	£2,039.1m	(9.9)%
Gross profit	£358.1m	£355.2m	0.8%	£358.1m	£355.2m	0.8%

Gross profit	2025.1m	2024.2m	5.5%	2025.1m	2024.2m	5.5%
Profit before tax	£126.3m	£116.9m	8.1%	£105.9m	£100.5m	5.4%
Basic EPS	119.2p	109.0p	9.4%	96.3p	89.9p	7.1%
Dividend per share	94.0p	83.0p	13.3%	94.0p	83.0p	13.3%

Throughout this report the Group presents various alternative performance measures ('APMs') in addition to those reported under IFRS. The measures presented are those adopted by the Chief Operating Decision Maker ('CODM', deemed to be the Chief Executive Officer), together with the main Board, and analysts who follow us in assessing the performance of the business. In order to provide a presentation of the underlying performance of the group, adjusted pre-tax profit and adjusted basic EPS exclude share incentive scheme charges of £3.4m (2024: £5.2m), the amortisation of the intangible asset of £11.2m (2024: £11.2m) arising from entering into the energy supply arrangements with E.ON (formerly npower) in December 2013; this decision reflects both the relative size and non-cash nature of these charges. In FY25 adjusted pre-tax profit and adjusted EPS also exclude one-off restructuring costs of £5.7m (2024: £Nil); this decision reflects the one-off non-recurring nature of the charges. The reconciliations for adjusted pre-tax profit and adjusted EPS are set out in notes 2 and 3 respectively of the financial statements.

## Summary

The current financial year represented a strong performance by the Group with double-digit percentage customer growth, record profits and a record dividend. The Group finished the year in a strong financial position with gearing at 0.8x adjusted EBITDA.

Adjusted pre-tax profit increased by 8.1% to £126.3m (2024: £116.9m) on revenues of £1,838.2m (2024: £2,039.1m). Statutory profit before tax increased by 5.4% to £105.9m (2024: £100.5m). The fall in revenues primarily reflects lower energy prices during the year. The increase in adjusted pre-tax profit reflects the continued impact of strong organic growth in both customer and service numbers, and increased operational efficiencies, partly offset by lower energy prices.

Distribution expenses fell to £45.7m (2024: £51.3m), mainly reflecting the fall in revenues from lower energy prices, partly offset by organic growth in customer and service numbers.

Administrative expenses (excluding share incentive scheme charges, amortisation of the energy supply agreement intangible and restructuring costs) fell during the year to £144.4m (2024: £151.9m), largely due to lower staff costs arising from improved operating efficiencies.

The bad debt charge for the year (which is separately identified on the income statement as impairment loss on trade receivables) increased to £33.4m (2024: £30.7m), representing 1.8% of revenues for the year (2024: 1.6% of underlying revenues), largely due to the continued impact from the temporary moratorium on the involuntary installation of prepayment meters imposed by Ofgem.

Adjusted earnings per share increased by 9.4% to 119.2p (2024: 109.0p), with statutory EPS increasing by 7.1% to 96.3p (2024: 89.9p). In accordance with previous guidance, the Board is proposing to pay a final dividend of 57p per share (2024: 47p), making a total dividend of 94p per share (2024: 83p) for the year.

## Revenues

The growth in the number of services we are supplying increased by 265,496 over the course of the year (2024: 328,949), taking the total number of services provided to our customers to 3,392,593 (2024: 3,127,097).

The overall decrease in revenues mainly reflects lower prevailing energy prices during the year, partially offset by the increase in the number of services being supplied:

Revenues £m	2025	2024	Change
Electricity	903.1	1,066.7	(15.3)%
Gas	629.3	708.0	(11.1)%
Broadband	153.2	141.9	8.0%
Mobile	84.2	70.9	18.8%
Other	68.4	51.6	32.5%
<b>Total Revenue</b>	<b>1,838.2</b>	<b>2,039.1</b>	<b>(9.9)%</b>

## Gross profit

Gross profit for the year increased to £358.1m (2024: £355.2m), primarily driven by the growth in the number of services we supply, partly offset by lower energy prices. Our overall gross margin for the year

number of services we supply, partly offset by lower energy prices. Our overall gross margin for the year rose to 19.5% (2024: 17.4%) due primarily to lower energy prices and the resulting reduced proportion of lower margin energy revenue.

### Distribution and administrative expenses

Distribution expenses include the costs of commission and incentives paid to Partners, together with other direct costs associated with gathering new customers. These fell to £45.7m (2024: £51.3m), mainly due to lower energy prices, partly offset by growth in customer and service numbers.

Administrative expenses (excluding share incentive scheme charges, the amortisation of the energy supply agreement intangible and restructuring costs) decreased during the year to £144.4m (2024: £151.9m), mainly as a result of lower staff costs. The restructuring costs (£5.7m) mainly represent staff redundancy costs and were a result of a Company-wide efficiency programme carried out during the year.

The bad debt charge for the year increased to £33.4m or 1.8% of sales (2024: £30.7m; 1.6% of underlying revenues), mainly due to a continuing elevated number of customers having difficulty paying their bills. The proportion of customers with at least two energy bills outstanding increased to 3.4% (2024: 3.3%) across the year. The level has mainly been driven by the continued impact from the temporary moratorium imposed by Ofgem in February 2023 on the involuntary installation of prepayment meters for customers who refuse to pay for their energy. Although this moratorium has now been lifted, it will take time to ramp up debt recovery processes back to previous levels. Bad debt across the industry is recovered through the relevant Ofgem price cap allowance, all of which accrues to the Group.

### Cash, capital expenditure, working capital and borrowings

	2025	2024	2023	2022	2021
Adjusted EBITDA (£'000)	148,095	133,251	110,118	73,760	66,446
Net debt (£'000)	(115,865)	(122,501)	103,424	(70,334)	(71,416)
Net debt/adjusted EBITDA ratio	0.8x	0.9x	-0.9x	1.0x	1.1x

The Group ended the period with a reported net debt position including lease liabilities of £115.9m (2024: £122.5m), comprising cash of £79.0m (2024: £57.8m) less bank loans of £191.7m (2024: £176.5m) and lease liabilities of £3.2m (2024: £3.8m). The Group's net debt/adjusted EBITDA ratio of 0.8x is calculated using adjusted EBITDA of £148.1m (representing operating profit of £115.9m, plus depreciation and amortisation of £23.1m, share incentive scheme charges of £3.4m and restructuring costs of £5.7m, see note 1).

The Group's net working capital position showed a year-on-year cash outflow of £3.2m (excluding the prepayment of the purchase of customer contracts) following the unwind of the government's energy support scheme in the prior year (2024: cash outflow of £239.8m, mainly reflecting the expected unwinding of funds associated with the previously mentioned government's energy support scheme that were received in advance of the year end in FY23).

Capital expenditure of £17.2m (2024: £12.5m) related primarily to our ongoing investment in our technology platform and software, to support our ability to continue delivering an efficient market leading customer experience.

### Dividend

The final dividend of 57p per share (2024: 47p) will be paid on 15 August 2025 to shareholders on the register at the close of business on 25 July 2025 and is subject to approval by shareholders at the Company's Annual General Meeting which will be held on 6 August 2025. This makes a total dividend payable for the year of 94p (2024: 83p).

### Share incentive scheme charges

Operating profit is stated after share incentive scheme charges of £3.4m (2024: £5.2m). These relate to an accounting charge under IFRS 2 Share Based Payments ('IFRS 2'). As a result of the relative size of share incentive scheme charges as a proportion of our pre-tax profits historically, and the fluctuations in



the amount of this charge from one year to another, we are continuing to separately disclose this amount within the Consolidated Statement of Comprehensive Income for the period (and excluding these charges from our calculation of adjusted profits and earnings) so that the underlying performance of the business can be clearly identified in a consistent manner to that adopted during previous periods. Our current adjusted earnings per share have also therefore been adjusted to eliminate these share incentive scheme charges.

## **Taxation**

The tax charge for the year is £29.9m (2024: £29.4m). The effective tax rate for the year was 28.2% (2024: 29.3%), primarily reflecting the ongoing amortisation charge on our energy supply contract intangible asset (which is not an allowable deduction for tax purposes).

## **Nick Schoenfeld**

Chief Financial Officer

24 June 2025

## **Principal Risks and Uncertainties**

### **Background**

The Group faces various risk factors, both internal and external, which could have a material impact on long-term performance. However, the Group's underlying business model is considered relatively low risk, with no need for management to take any disproportionate risks in order to preserve or generate shareholder value.

The Group continues to enhance a consistent and systematic risk identification and management process, which involves horizon scanning for emerging risks (e.g. maintaining good relationships with industry bodies, consultants and regulators to monitor key developments which might impact the Group, monitoring relevant press commentary, and keeping abreast of the latest threats in relation to cyber security through industry experts and publications), risk ranking, prioritisation and subsequent evaluation, all with a view to ensuring significant risks have been identified, prioritised and (where possible) eliminated, and that systems of control are in place to manage any remaining risks.

The directors have carried out a robust assessment of the Company's emerging and principal risks. A formal document is prepared by the executive directors and senior management team on a regular basis detailing the key risks faced by the Group and the operational controls in place to mitigate those risks; this document is then reviewed by the Audit and Risk Committee. Save as set out below, the magnitude of any risks previously identified has not significantly changed during the period.

### **Business model**

The principal risks outlined below should be viewed in the context of the Group's business model as a reseller of utility services (gas, electricity, fixed line telephony, mobile telephony, broadband and insurance services) under the Utility Warehouse and TML brands. As a reseller, the Group does not own any of the network infrastructure required to deliver these services to its customer base. This means that while the Group is heavily reliant on third party providers, it is insulated from all the direct risks associated with owning and/or operating such capital-intensive infrastructure itself.

The Group is able to secure the wholesale supply of all the services it offers at competitive rates, enabling it to generate a consistently fair level of profitability from delivering a great value bundled proposition to its customers. There is an alignment of interests between the Group and its wholesale suppliers which means that it is in the interests of the suppliers to ensure that the Group remains competitive, driving growth and maximising their benefit from our complementary route to market. Furthermore, the Group benefits from a structural cost advantage, due to the multiple revenue streams it receives from customers who take more than one service type, and only having one set of overheads. The Group has alternative sources of wholesale supply should an existing supplier become uncompetitive or no longer available.

In relation to energy specifically (representing over 80% of revenues), the Group's wholesale costs are calculated by reference to the Ofgem price cap, which gives the Group considerable visibility over profit margins.

margins.

The Group mainly acquires new customers via word-of-mouth referrals from a large network of independent Partners, who are paid predominantly on a commission basis. This means that the Group has limited fixed costs associated with acquiring new customers.

The principal specific risks arising from the Group's business model, and the measures taken to mitigate those risks, are set out below.

### **Reputational risk**

The Group's reputation amongst its customers, suppliers and Partners is believed to be fundamental to the future success of the Group. Failure to meet expectations in terms of the services provided by the Group, the way the Group does business or in the Group's financial performance could have a material negative impact on the Group's performance.

In developing new services, and in enhancing current ones, careful consideration is given to the likely impact of such changes on existing customers.

In relation to the service provided to its customer base, reputational risk is principally mitigated through the Group's recruitment processes, a focus on closely monitoring staff performance, including the use of direct feedback surveys from customers (Net Promoter Score), and through the provision of rigorous staff training.

Responsibility for maintaining effective relationships with suppliers and Partners rests primarily with the appropriate member of the Group's senior management team with responsibility for the relevant area. Any material changes to supplier agreements and Partner commission arrangements which could impact the Group's relationships are generally negotiated by the executive directors and ultimately approved by the full Board.

### **Information technology risk**

The Group is reliant on in-house developed and supported systems, and third-party specialist platforms for the successful operation of its business model. Any failure in the operation of these systems could negatively impact service to customers, undermine Partner confidence, and potentially be damaging to the Group's brand. Application software is developed and maintained by the Group's Technology Team to support the changing needs of the business using the best 'fit for purpose' tools and infrastructure. Third-party systems have been selected based on industry performance and track record, as well as the ability to support the Group's strategy and ongoing compliance requirements, and are managed by specialists within the Technology team.

The Technology team is made up of highly skilled, motivated and experienced individuals. The Group has a dedicated information security team which provides governance and oversight ensuring the confidentiality, availability and integrity of the Group's systems and operations whilst ensuring that any risks and vulnerabilities that arise are managed and mitigated.

Changes made to the systems are prioritised by the business, and product managers work with their stakeholders to refine application and system requirements. They work with the Technology teams undertaking the change to ensure a proper understanding and successful outcome. Changes are tested as extensively as reasonably practicable before deployment. Review and testing are carried out at various stages of the development by both the Technology team and the operational department who ultimately take ownership of the system.

The Group has strategic control over the core customer and Partner platforms including the software development frameworks and source code behind these key applications. The Group also uses strategic third-party vendors to deliver solutions outside of its core competency. This largely restricts our counterparty risks to services that can be replaced with alternative vendors if required, albeit this could lead to temporary disruption to the day-to-day operations of the business.

Monitoring, backing up and restoring of the software and underlying data are made on a regular basis. Backups are securely stored or replicated to different locations. Disaster recovery facilities are provided

through cloud-based infrastructure as a service and, in critical cases, maintained in a warm standby or active-active state to mitigate risk in the event of a failure of the production systems.

### **Data privacy, information security and cyber security**

The Group processes sensitive personal and commercial data, and in doing so is required by law to protect customer and corporate information and data, as well as to keep its infrastructure secure. A breach of security could result in the Group facing prosecution and fines as well as loss of business from damage to the Group's reputation. Recovery could be hampered due to any extended period necessary to identify and recover a loss of sensitive information and financial losses could arise from fraud and theft. Unplanned costs could be incurred to restore the Group's security.

The Group has deployed a robust and industry-appropriate Group-wide layered data privacy and information/cyber security strategy, providing effective control to mitigate the relevant threats and risks. The Group is Payment Card Industry (PCI) compliant and external consultants conduct regular penetration testing of the Group's internal and external systems and network infrastructure.

The Information Commissioner's Office (ICO) upholds information rights in the public interest and, where required, companies within the Group are registered as data controllers with the ICO. If any of the companies within the Group fail to comply with privacy or data protection legislation or regulations, then such Group company could be subject to ICO enforcement action (which could include significant fines).

Information, data and cyber security risks are overseen by the Group's Information Security and Legal & Compliance teams.

### **Fraud risk**

Fraud has the potential to impact the Group from a financial, regulatory and reputational perspective. To mitigate and control the risk of fraud effective controls are in place to identify and reduce incidents of fraud, actively investigate potential fraud, and report on fraud activity and trends both internally and to our industry partners. Fraud risks are overseen by the Group's Fraud Team which sits within Legal & Compliance.

### **Legislative and regulatory risk**

The Group is subject to various laws and regulations. The energy, telecommunications and financial services markets in the UK are subject to comprehensive operating requirements as defined by the relevant sector regulators and/or government departments.

Amendments to the regulatory regime could have an impact on the Group's ability to achieve its financial goals and any material failure to comply may result in the Group being fined and lead to reputational damage which could impact the Group's brand and ability to attract and retain customers. Furthermore, the Group is obliged to comply with retail supply procedures, amendments to which could have an impact on operating costs.

The Group is a licensed gas and electricity supplier, and therefore has a direct regulatory relationship with Ofgem. If the Group fails to comply with its licence obligations, it could be subject to fines, operating restrictions, or ultimately the removal of its respective licences.

The regulatory framework for the UK's energy retail market, as overseen by Ofgem, is subject to continuous development. Any regulatory change could potentially lead to a significant impact on the sector, and the net profit margins available to energy suppliers. The extent of regulatory change continues to be substantial, with Ofgem leading the industry through a range of consumer, market and policy objectives.

In parallel, there are substantial industry-wide change programmes, such as the continuing rollout of smart meters and a process towards routine half-hourly electricity metering. Ofgem has also completed the implementation of its Financial Resilience reforms, significantly increasing its oversight of suppliers' financial health and operational sustainability, including a new Capital Adequacy regime under which energy suppliers are required to maintain a minimum level of net assets per dual fuel customer of £115. The Group is currently compliant with this requirement.

The Group is currently compliant with this requirement.

The Group is also a supplier of telecommunications services and therefore has a direct regulatory relationship with Ofcom. If the Group fails to comply with its obligations, it could be subject to fines or lose its ability to operate. The Group is closely engaged in the relevant forums and industry groups to both influence and prepare for the changes.

Within the Group, Utility Warehouse Limited is authorised and regulated by the Financial Conduct Authority (FCA) as an insurance broker for the purposes of providing insurance products to customers. Utility Warehouse Limited also offers a prepaid card product to customers, known as the "Cashback Card", enabling them to benefit from cashback on purchases from various retailers. In addition, Utilities Plus Limited holds consumer credit permissions related to the provision of Partner loans and hire purchase agreements. Further, in 2023 UWI became authorised for insurance underwriting in Gibraltar by the Gibraltar Financial Services Commission (GFSC). If the Group fails to comply with FCA/GFSC regulations, it could be exposed to fines, customer redress and risk losing its authorised status, severely restricting its ability to offer financial services products to customers and consumer credit products to Partners.

Regulatory changes relating to insurance pricing practices and the FCA's Consumer Duty have had a significant impact on the financial services sector as a whole. The business has worked to deliver the Board-approved implementation plan and will continue to be informed by any clarifications and additional guidance issued.

In general, as the majority of the Group's services are supplied to consumers in highly regulated markets, this could restrict the operational flexibility of the Group's business. In order to mitigate this risk, the Group seeks to maintain appropriate relations with both Ofgem, the Department for Energy Security and Net Zero, Ofcom, the FCA and the GFSC. The Group engages with officials from all these organisations on a periodic basis to ensure they are aware of the Group's views when they are consulting on proposed regulatory changes.

Political and consumer concern over costs, vulnerable customers and fuel poverty may lead to further reviews and result in additional consumer protection legislation being introduced. Political and regulatory developments affecting the energy, telecommunications and financial services markets within which the Group operates may have a material adverse effect on the Group's business, results of operations and overall financial condition. The Group is also aware of and managing the impact of a developing regulatory landscape in relation to climate change and the net zero transition.

To mitigate the risks from failure to comply with legislative requirements, in an increasingly active regulatory landscape, the Group's Legal & Compliance team has developed and rolled out robust policies and procedures, undertakes regular training across the business, and continually monitors legal and regulatory developments. The team also conducts compliance and assurance tests on the policies and procedures.

### **Financing risk**

The Group has debt service obligations which may place operating and financial restrictions on the Group. This debt could have adverse consequences insofar as it: (a) requires the Group to dedicate a proportion of its cash flows from operations to fund payments in respect of the debt, thereby reducing the flexibility of the Group to utilise its cash to invest in and/or grow the business; (b) increases the Group's vulnerability to adverse general economic and/or industry conditions; (c) may limit the Group's flexibility in planning for, or reacting to, changes in its business or the industry in which it operates; (d) may limit the Group's ability to raise additional debt in the long-term; and (e) could restrict the Group from making larger strategic acquisitions or exploiting business opportunities.

Each of these prospective adverse consequences (or a combination of some or all of them) could result in the potential growth of the Group being at a slower rate than may otherwise be achieved.

### **Bad debt risk**

Whilst the Group's focus on multiservice homeowners acts as a mitigating factor against bad debt, the Group has a universal supply obligation in relation to the provision of energy to domestic customers. This means that although the Group is entitled to request a reasonable deposit from potential new customers

who are not considered creditworthy, the Group is obliged to supply domestic energy to everyone who submits a properly completed application form. Where customers subsequently fail to pay for the energy they have used, there is likely to be a considerable delay before the Group is able to control its exposure to future bad debt from them by either switching their smart meters to pre-payment mode, installing a pre-payment meter or disconnecting their supply, and the costs associated with preventing such customers from increasing their indebtedness are not always fully recovered.

Bad debt within the telephony industry may arise from customers using the services, or being provided with a mobile handset, without intending to pay their supplier. The amounts involved are generally relatively small as the Group has sophisticated call traffic monitoring systems to identify material occurrences of usage fraud. The Group is able to immediately eliminate any further usage bad debt exposure by disconnecting any telephony service that demonstrates a suspicious usage profile, or falls into arrears on payments.

### **Wholesale price risk**

Whilst the Group acts as principal in most of the services it supplies to customers, the Group does not own or operate any utility network infrastructure itself, choosing instead to purchase the capacity needed from third parties. The advantage of this approach is that the Group is largely protected from technological risk, capacity risk or the risk of obsolescence, as it can purchase the precise amount of each service required to meet its customers' needs.

Whilst there is a theoretical risk that in some of the areas in which the Group operates it may be unable to secure access to the necessary infrastructure on commercially attractive terms, in practice the pricing of access to such infrastructure is typically either regulated (as in the energy market) or subject to significant competitive pressures (as in the telephony and broadband markets). The profile of the Group's customers, the significant quantities of each service they consume in aggregate, and the Group's clearly differentiated route to market has historically proven attractive to infrastructure owners, who compete aggressively to secure a share of the Group's growing business.

The supply of energy has different risks associated with it. The wholesale price can be extremely volatile, and customer demand can be subject to considerable short-term fluctuations depending on the weather. The Group has a long-standing supply relationship with E.ON (formerly npower) under which the latter is responsible for undertaking the buying and hedging of the energy supplied to the Group, and where the price paid by the Group to cover commodity, balancing and certain other associated supply costs is set by reference to the Ofgem published energy price cap, which is set at the start of each quarter; this may not be competitive against the equivalent supply costs incurred by new and/or other independent suppliers. However, if the Group did not have the benefit of this long-term supply agreement it would need to find alternative means of protecting itself from the pricing risk of securing access to the necessary energy on the open market and the costs of balancing.

### **Competitive risk**

The Group operates in highly competitive markets and significant service innovations by others or increased price competition could impact future profit margins, growth rates and Partner productivity. In order to maintain its competitive position, there is a consistent focus on improving operational efficiency. New service innovations are monitored closely by senior management and the Group is generally able to respond within an acceptable timeframe where it is considered desirable to do so, by sourcing comparable features and benefits using the infrastructure of its existing suppliers. The increasing proportion of customers who are benefiting from the genuinely unique multi-utility solution that is offered by the Group, and which is unavailable from any other known supplier, further reduces any competitive threat.

The Directors anticipate that the Group will face continued competition in the future as new companies enter the market and alternative technologies and services become available. The Group's services and expertise may be rendered obsolete or uneconomic by technological advances or novel approaches developed by one or more of the Group's competitors. The existing approaches of the Group's competitors or new approaches or technologies developed by such competitors may be more effective or affordable than those available to the Group. There can be no assurance that the Group will be able to compete successfully with existing or potential competitors or that competitive factors will not have a material adverse effect on the Group's business, financial condition or results of operations. However, as

the Group's customer base continues to rise, competition amongst suppliers of services to the Group is expected to increase. This has already been evidenced by various volume-related growth incentives which have been agreed with some of the Group's largest wholesale suppliers. This should also ensure that the Group has direct access to new technologies and services available to the market.

### **Infrastructure risk**

The provision of services to the Group's customers is reliant on the efficient operation of third-party physical infrastructure. There is a risk of disruption to the supply of services to customers through any failure in the infrastructure, e.g. gas shortages, power cuts or damage to communications networks. However, as the infrastructure is generally shared with other suppliers, any material disruption to the supply of services is likely to impact a large part of the market as a whole and it is unlikely that the Group would be disproportionately affected. In the event of any prolonged disruption isolated to the Group's principal supplier within a particular market, services required by customers could in due course be sourced from another provider.

The development of localised energy generation and distribution technology may lead to increased peer-to-peer energy trading, thereby reducing the volume of energy provided by nationwide suppliers. As a nationwide retail supplier, the Group's results from the sale of energy could therefore be adversely affected.

Similarly, the construction of 'local monopoly' fibre telephony networks to which the Group's access may be limited as a reseller could restrict the Group's ability to compete effectively for customers in certain areas.

### **Smart meter rollout risk**

The Group is reliant on third party suppliers to fully deliver its smart meter rollout programme effectively. In the event that the Group suffers delays to its smart meter rollout programme, the Group may be in breach of its regulatory obligations and therefore become subject to fines from Ofgem. In order to mitigate this risk, the Group dual-sources (where practicable) the third-party metering and related equipment they use.

The Group may also be indirectly exposed to reputational damage and litigation from the risk of technical complications arising from the installation of smart meters or other acts or omissions of meter operators, e.g. the escape of gas in a customer's property causing injury or death. The Group mitigates this risk through using established, reputable third-party suppliers.

### **Energy industry estimation risk**

A significant degree of estimation is required in order to determine the actual level of energy used by customers and hence what should be recognised by the Group as sales. There is an inherent risk that the estimation routines used by the Group to recognise sales do not in all instances fully reflect the actual usage of customers. However, this risk is mitigated by the relatively high proportion of customers who provide meter readings on a periodic basis, and the high level of penetration the Group has achieved in its installed base of smart meters.

### **Gas leakage within the national gas distribution network**

The operational management of the national gas distribution network is outside the control of the Group, including the management of gas leakage from the network, however in common with all other licensed domestic gas suppliers the Group is responsible for meeting its pro-rata share of the total leakage cost. There is a risk that the level of leakage in future could be higher than historically experienced, and above the level currently expected.

### **Underwriting risk**

Operating our own in-house insurer requires taking on some underwriting risk. We largely mitigate these risks through: (i) migrating highly predictable existing lines of business, for which we have several years of trading history, and have already achieved sufficient scale to maintain low volatility and predictable returns; (ii) targeting conservative returns on capital through a risk-averse investment strategy; (iii) where appropriate, using conservative levels of reinsurance, including protection for catastrophe risks such as storm, flood and freeze; (iv) using real-time and proprietary data, such that we are aware of all risks incepted in real time, and are able to price risks accurately, and manage overall portfolio exposure; and (v) maintaining and growing our existing home insurance panel, such that our in-house insurer can

selectively target risk profiles that are suitable for our balance sheet (e.g. houses with lower rebuild cost and not adversely exposed to catastrophe (CAT) perils).

### Acquisition risk

The Group may invest in other businesses, taking a minority, majority or 100% equity shareholding, or through a joint venture partnership. Such investments may not deliver the anticipated returns, and may require additional funding in future. This risk is mitigated through conducting appropriate pre-acquisition due diligence where relevant.

### Climate change risk

Climate change has the potential to significantly impact the future of our planet. Everyone has a role to play in reducing the effects of harmful greenhouse gas emissions in our atmosphere and ensuring that we meet a 1.5°C target in line with the Paris Agreement. No business is immune from the risks associated with climate change as it acts as a driver of other risks and impacts government decision-making, consumer demand and supply chains. Development of climate-related policy, regulatory changes and shifts in consumer sentiment could impact on the Group's ability to achieve its financial goals and result in increased compliance costs or reputational damage.

In recognition of this, climate change risk is integrated into the Group's risk management framework. Climate change is designated as a standalone principal risk for the business and the Legal & Compliance Director is assigned as the owner for managing this risk. It is designated as a controlled risk due to the Group's agile reseller business model which means the business is strategically resilient as it is able to respond quickly to climate change developments and is insulated from more severe direct physical risks. The risk is further mitigated through the Group's approach to understanding and monitoring the developments and the impacts from climate change. The Environmental Social and Governance (ESG) Strategy Committee, consisting of the ESG Board Champion, CEO, CFO, Company Secretary, Executive Leadership Team and senior management is updated by the ESG Working Group on climate issues. Climate issues are then assessed and used to inform the Group's strategy as needed. We have a dedicated Head of Sustainability and continue to use external specialists as needed.

The Group is committed to achieving net zero greenhouse gas emissions. In FY23 we evaluated our emissions and target against recognised standards. We modelled our emissions trajectory and used credible assumptions on external factors that, as a reseller, will strongly influence the Group's decarbonisation ability including our key suppliers' decarbonisation plans and the UK government's published projections about the decarbonisation trajectory of the UK energy grid.

Based on this analysis we committed to our target to be Net Zero on or before 2050, across scopes 1, 2 and 3 to allow us to implement a credible science-based plan by aligning with the UK government and our key suppliers. We set an interim target to reduce emissions by 63% across Scopes 1, 2, and 3 by 2035, from an FY22 emissions baseline, in line with a 1.5c world. The Group will have its targets validated by the Science-Based Targets Initiative (SBTi), following finalisation of its revised corporate reporting standard, and will track and disclose progress against them.

The Group remains committed to continuing to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as well as the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, and we continue to monitor the development of new climate reporting regulations.

## Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Revenue	1	1,838,156	2,039,131
Cost of sales		(1,480,088)	(1,683,921)
<b>Gross profit</b>		<b>358,068</b>	<b>355,210</b>

Distribution expenses	(45,657)	(51,294)	
Administrative expenses - other	(144,356)	(151,943)	
Restructuring costs	(5,717)	-	
Share incentive scheme charges	(3,409)	(5,160)	
Amortisation of energy supply contract intangible	(11,228)	(11,228)	
Total administrative expenses	(164,710)	(168,331)	
Impairment loss on trade receivables	(33,389)	(30,712)	
Other income	1,579	1,377	
<b>Operating profit</b>	115,891	106,250	
Financial income	3,161	3,482	
Financial expenses	(13,103)	(9,255)	
<b>Net financial expense</b>	(9,942)	(5,773)	
<b>Profit before taxation</b>	105,949	100,477	
Taxation	(29,852)	(29,440)	
<b>Profit and total comprehensive income for the period</b>	76,097	71,037	
Basic earnings per share	3	96.3p	89.9p
Diluted earnings per share	3	95.1p	88.8p

## Consolidated Balance Sheet

As at 31 March 2025

<b>Assets</b>	<b>2025</b>	<b>2024</b>
<b>Non-current assets</b>	£'000	£'000
Property, plant and equipment	23,523	26,773
Investment property	7,895	8,049
Intangible assets	133,415	135,785
Goodwill	3,742	3,742
Other non-current assets	68,335	55,892
<b>Total non-current assets</b>	<b>236,910</b>	<b>230,241</b>
<b>Current assets</b>		
Inventories	3,200	3,749
Trade and other receivables	118,377	104,066
Current tax receivable	3,049	101
Accrued income	236,798	222,036
Prepayments	32,466	9,958
Costs to obtain contracts	26,574	23,411
Cash and cash equivalents	79,020	57,829
<b>Total current assets</b>	<b>499,484</b>	<b>421,150</b>
<b>Total assets</b>	<b>736,394</b>	<b>651,391</b>
<b>Current liabilities</b>		
Trade and other payables	(48,731)	(56,016)
Accrued expenses and deferred income	(239,803)	(181,308)
<b>Total current liabilities</b>	<b>(288,534)</b>	<b>(237,324)</b>
<b>Non-current liabilities</b>		
Long term borrowings	(191,717)	(176,509)
Lease liabilities	(3,168)	(3,821)
Deferred tax	(1,465)	(1,106)
<b>Total non-current liabilities</b>	<b>(196,350)</b>	<b>(181,436)</b>
<b>Total assets less total liabilities</b>	<b>251,510</b>	<b>232,631</b>
<b>Equity attributable to equity holders of the parent</b>		
Share capital	4,042	4,007
Share premium	161,491	151,553
Capital redemption reserve	107	107
Treasury shares	(15,688)	(15,688)
JSOP reserve	(1,150)	(1,150)
Retained earnings	102,708	93,802
<b>Total equity</b>	<b>251,510</b>	<b>232,631</b>



**Consolidated Cash Flow Statement**  
For the year ended 31 March 2025

	2025	2024
	£'000	£'000
<b>Operating activities</b>		
Profit before taxation	105,949	100,477
Adjustments for:		
Net financial expense	9,942	5,773
Depreciation of property, plant and equipment	3,938	3,561
Profit on disposal of fixed assets	-	(129)
Amortisation of intangible assets and impairment	19,140	18,280
Amortisation of debt arrangement fees	792	389
Decrease in inventories	549	1,949
Increase in trade and other receivables (including Costs to obtain contracts)	(55,111)	(4,239)
Increase/(decrease) in trade and other payables	51,390	(237,460)
Share incentive scheme charges	3,409	5,160
Corporation tax paid	(31,250)	(26,248)
<b>Net cash flow from operating activities</b>	<b>108,748</b>	<b>(132,487)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(393)	(882)
Purchase of intangible assets	(16,770)	(11,614)
Prepayment of purchase of customer contracts	(11,971)	-
Disposal of property, plant and equipment	-	129
Disposal of associated companies	-	681
Interest received	3,056	3,535
<b>Cash flow from investing activities</b>	<b>(26,078)</b>	<b>(8,151)</b>
<b>Financing activities</b>		
Dividends paid	(66,437)	(64,982)
Interest paid	(14,400)	(7,195)
Interest paid on lease liabilities	(85)	(26)
Drawdown of long term borrowing facilities	55,000	183,550
Repayment of long term borrowing facilities	(40,000)	(95,000)
Fees associated with borrowing facilities	(584)	(2,151)
Repayment of lease liabilities	(794)	(252)
Issue of new ordinary shares	5,821	905
Purchase of own shares	-	(10,186)
<b>Cash flow from financing activities</b>	<b>(61,479)</b>	<b>4,663</b>
Increase/(decrease) in cash and cash equivalents	21,191	(135,975)
Net cash and cash equivalents at the beginning of the year	57,829	193,804
<b>Net cash and cash equivalents at the year end</b>	<b>79,020</b>	<b>57,829</b>

**Consolidated Statement of Changes in Equity**  
For the year ended 31 March 2025

	Share capital	Share premium	Capital redemption reserve	Treasury shares	JSOP reserve	Retained earnings	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	4,003	150,652	107	(5,502)	(1,150)	82,598	-	230,708
Profit and total comprehensive income	-	-	-	-	-	71,037	-	71,037
Dividends	-	-	-	-	-	(64,982)	-	(64,982)
Credit arising on share options	-	-	-	-	-	5,160	-	5,160
Deferred tax on share options	-	-	-	-	-	(11)	-	(11)
Issue of new ordinary shares	4	901	-	-	-	-	-	905
Purchase of treasury shares	-	-	-	(10,186)	-	-	-	(10,186)
Balance at 31 March 2024	4,007	151,553	107	(15,688)	(1,150)	93,802	-	232,631
Balance at 1 April 2024	4,007	151,553	107	(15,688)	(1,150)	93,802	-	232,631
Profit and total comprehensive income	-	-	-	-	-	76,097	-	76,097
Dividends	-	-	-	-	-	(66,437)	-	(66,437)
Credit arising on share options	-	-	-	-	-	3,409	-	3,409
Deferred tax on share options	-	-	-	-	-	(11)	-	(11)
Issue of new ordinary shares	35	9,938	-	-	-	(4,152)	-	5,821
Balance at 31 March 2025	4,042	161,491	107	(15,688)	(1,150)	102,708	-	251,510

## Notes

### 1. Revenue

#### Revenue by service

	2025 £'000	2024 £'000
Electricity	903,069	1,066,661
Gas	629,301	708,013
Landline and broadband	153,244	141,867
Mobile	84,230	70,874
Other	68,312	51,716
	<u>1,838,156</u>	<u>2,039,131</u>

The Group operates solely in the United Kingdom, other than through UWI Limited a subsidiary set up to write insurance business with passporting rights into the UK. During the financial year 2024, revenues included payments received from the Government energy support schemes of £91.1m (2025: £Nil) in respect of electricity and £18.7m (2025: £Nil) in respect of gas.

### 2. Alternative performance measures

Throughout this document the Group presents various alternative performance measures ('APMs') in addition to those reported under IFRS. The measures presented are those adopted by the Chief Operating Decision Maker ('CODM'), deemed to be the Chief Executive Officer, together with the main Board, and analysts who follow the Group in assessing the performance of the business.

#### *Adjusted pre-tax profit*

Adjusted pre-tax profit and adjusted basic EPS exclude share incentive scheme charges and the amortisation of the intangible asset arising from entering into the energy supply arrangements with npower in December 2013; this decision reflects the relative size, non-recurring, and non-cash nature of these charges as appropriate. In the current year adjusted pre-tax profit and adjusted basic EPS also exclude restructuring costs due to the relative size and non-recurring nature of these charges. Restructuring costs mainly comprise the costs of a Group-wide staff redundancy programme carried out during the period.

Group	2025 £'000	2024 £'000
Statutory profit before tax	105,949	100,477
Adjusted for:		
Amortisation of energy supply contract intangible assets	11,228	11,228
Share incentive scheme charges	3,409	5,160
Restructuring costs	5,717	-
Adjusted pre-tax profit	<u>126,303</u>	<u>116,865</u>

#### *Adjusted EBITDA*

Adjusted EBITDA excludes share incentive scheme charges. This decision reflects the non-cash nature of these charges. In the current year adjusted EBITDA also excludes restructuring costs due to the relative size and non-recurring nature of these charges.

Group	2025 £'000	2024 £'000
Operating profit	115,891	106,250
Adjusted for:		
Depreciation, amortisation and impairment	23,078	21,841
EBITDA	<u>138,969</u>	<u>128,091</u>
Restructuring costs	5,717	-
Share incentive scheme charges	3,409	5,160
Adjusted EBITDA	<u>148,095</u>	<u>133,251</u>

*Net debt/Adjusted EBITDA ratio*

Group	2025 £'000	2024 £'000
Long-term borrowings	(191,717)	(176,509)
Lease liabilities	(3,168)	(3,821)
Less		
Cash on balance sheet	79,020	57,829
Net debt	(115,865)	(122,501)
Adjusted EBITDA	148,095	133,251
Net debt/adjusted EBITDA	0.8x	0.9x

### 3. Earnings per share

The calculation of basic and diluted earnings per share ("EPS") is based on the following data:

	2025 £'000	2024 £'000
Earnings for the purpose of basic and diluted EPS	76,097	71,037
Share incentive scheme charges (net of tax)	2,566	3,901
Restructuring costs (net of tax)	4,288	-
Amortisation of energy supply contract intangible assets	11,228	11,228
Earnings excluding share incentive scheme charges and amortisation of intangibles for the purpose of adjusted basic and diluted EPS	94,179	86,166
	Number (('000s))	Number (('000s))
Weighted average number of ordinary shares for the purpose of basic EPS	79,002	79,058
Effect of dilutive potential ordinary shares (share incentive awards)	1,042	963
Weighted average number of ordinary shares for the purpose of diluted EPS	80,044	80,021
Adjusted basic EPS <sup>[1]</sup>	119.2p	109.0p
Basic EPS	96.3p	89.9p
Adjusted diluted EPS <sup>1</sup>	117.7p	107.7p
Diluted EPS	95.1p	88.8p

It has been deemed appropriate to present the analysis of adjusted EPS excluding share incentive scheme charges due to the relative size and historical volatility of the charges. In view of the size and nature of the charge as a non-cash item the amortisation of intangible assets arising from the energy supply agreement with E.ON has also been adjusted. In 2025 it has also been deemed appropriate to exclude restructuring costs given the one-off non-recurring nature of these charges. The amortisation of the energy supply contract intangible asset has not been adjusted for taxation as this item does not impact the amount of corporation tax paid by the Group.

impact the amount of corporation tax paid by the Group.

#### 4. Dividends

	2025 £'000	2024 £'000
Prior year final paid 47p (2024: 46p) per share	37,145	36,445
Interim paid 37p (2024: 36p) per share	29,292	28,537

The Directors have proposed a final dividend of 57p per ordinary share totalling approximately £45.4 million, payable on 15 August 2025, to shareholders on the register at the close of business on 25 July 2025. In accordance with the Group's accounting policies the dividend has not been included as a liability as at 31 March 2025. This dividend will be subject to income tax at each recipient's individual marginal income tax rate.

#### 5. Related parties

##### Identity of related parties

The Company has related party relationships with its subsidiaries and with its directors and executive officers.

##### Transactions with key management personnel

Directors of the Company and their immediate relatives control approximately 10.9% of the voting shares of the Company. No other employees are considered to meet the definition of key management personnel other than those disclosed in the Directors' Remuneration Report.

Details of the total remuneration paid to the directors of the Company as key management personnel for qualifying services are set out below:

	2025 £'000	2024 £'000
Short-term employee benefits	2,715	3,804
Social security costs	361	551
Post-employment benefits	118	12
	3,194	4,367
Share incentive scheme charges	797	416
	3,991	4,783

During the year directors purchased goods and services on behalf of the Group worth £16,000 (2024: £36,000). The directors were fully reimbursed for the purchases and no amounts were owing to the directors by the Group as at 31 March 2025. During the year the directors purchased goods and services from the Group worth approximately £83,000 (2024: £71,000) and persons closely connected with the directors earned commissions as Partners for the Group of approximately £11,000 (2024: £11,000).

During the year ended 31 March 2025, the Group made sales to Glow Green worth £809,000 (2024: £874,000). Glow Green is a former subsidiary and now owned by Charles Wigoder the Non-Executive Chairman of the Group. There is an outstanding loan receivable owed by Glow Green to the Group of £6,450,000 (2024: £6,450,000). The loan receivable is repayable in full on 1 April 2027 and attracts interest at SONIA +2.5%. This loan receivable has been personally guaranteed by Charles Wigoder.

##### Subsidiary companies

During the year ended 31 March 2025, the subsidiaries purchased goods and services from the Company in the amount of £51,000 (2024: £51,000 purchased by the subsidiaries from the Company).

During the year ended 31 March 2025 the Company also received distributions from subsidiaries of £70,000,000 (2024: £94,000,000). At 31 March 2025 the Company owed the subsidiaries £16,836,000 which is recognised within trade payables (2024: £24,259,000 owed by the Company to the subsidiaries).

#### 6. Basis of preparation

The financial information set out above does not constitute the Group's statutory information for the years ended 31 March 2025 or 2024, but is derived from those accounts. The Group's consolidated financial

information has been prepared in accordance with accounting policies consistent with those adopted for the year ended 31 March 2024. Statutory accounts for 2024 have been delivered to the Registrar of Companies and those for 2025 will be delivered following the Company's annual general meeting. The auditor has reported on these accounts, their reports were unqualified and did not contain statements under the Companies Act 2006, s498(2) or (3).

## 7. Directors' responsibility statement

The directors confirm, to the best of their knowledge:

(a) the financial statements, prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and

(b) the Chairman's Statement, Chief Executive's Review, Financial Review and Principal Risks and Uncertainties include a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors of Telecom Plus PLC and their functions are listed below:

Charles Wigoder - Non-Executive Chairman  
Stuart Burnett - Chief Executive Officer  
Nick Schoenfeld - Chief Financial Officer  
Beatrice Hollond - Senior Non-Executive Director  
Andrew Blowers - Non-Executive Director  
Bindi Karia - Non-Executive Director  
Carla Stent - Non-Executive Director  
Suzi Williams - Non-Executive Director

By order of the Board

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[1] Adjusted basic and diluted EPS exclude share incentive scheme charges, restructuring costs and the amortisation of the intangible asset recognised as a result of the new energy supply arrangements entered into with npower in December 2013.

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