

TelecomPlus

23 June 2026

Telecom Plus PLC Strategy Update Five-year plan to double multiservice customers and grow high-quality earnings

Telecom Plus PLC (trading as Utility Warehouse) is the UK's only integrated platform for subscription-style essential household services. Today it announces the results of its review of initiatives to maximise long-term shareholder value, building on its leading position in multiservice customers.

- New five-year plan launched today to double our number of high-quality, multiservice customers from c.500k to more than 1 million by FY31.
- The plan builds on our differentiated business model and will require c.£55m per annum of P&L investment across the following four pillars:
 - Optimising our multiservice proposition, through targeted multiservice price investment, a market-leading cross-sell capability, building-out insurance into our fourth core service, and the relaunch of our small business offering
 - Scaling the Partner sales channel to increase multiservice customer acquisition
 - Building a nationally recognised and trusted consumer brand
 - Developing a best-in-class digital experience, underpinned by rapid AI adoption, with market-leading cost to serve.
- Increasing both the number and proportion of multiservice customers - who have market-leading lifetimes and generate higher annual contributions - will result in higher quality, compounding earnings.
- In FY31, the plan is expected to deliver:
 - Adjusted profit before tax of c.£175m, with earnings per share growing faster than total customer growth and return on capital employed above 30%
 - Shareholder distributions of c.£100m, representing around 80% of adjusted profit after tax, with at least 50% of the distribution by way of dividends
 - Net debt / adjusted EBITDA of around 1.0x.
- Adjusted FY27 profit before tax is expected to be in the range of £80m - £90m, reflecting the plan's first year of investment.
- We have seen very positive results from various early-stage trials over recent months, including stronger multiservice growth and increased Partner activity, giving us high levels of confidence in delivery of the plan. We will report progress against the key operating and financial metrics underpinning the plan at each half-year and full-year results announcement.

Stuart Burnett, CEO, said:

"Telecom Plus has built a unique business, helping households by putting all their household bills - energy, mobile, broadband, insurance, on one platform in a multiservice package, saving them time and money. Over the last 30 years we have built a network of 80,000 Partners who introduce this multiservice offering to new customers, typically their friends, family and members of their local community. These multiservice customers are the strongest driver of long-term value, staying with us for longer and generating higher returns, and this model has now delivered five consecutive years of record results and more than 1.4 million customers."

"Today we are detailing how we will be building on our leading position in multiservice customers by investing behind the proven strengths of our model, as well as outlining some of the encouraging results from our trial initiatives already underway."

"Successful delivery of the plan will more than double our multiservice customer base to over 1 million customers by FY31, enhance the quality and resilience of our earnings and result in attractive long-term returns for shareholders."

There will be a presentation for analysts and investors today to discuss this strategy update at 9.00am, accessible via https://bmmmedia.news/TEP_FY_2026

The presentation of our FY26 results has been recorded and is available online at <https://www.telecomplus.co.uk/investor-information/results-reports-presentations>.

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This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) and is being released on behalf of Telecom Plus PLC by David Baxter, Company Secretary.

About Telecom Plus PLC ('Telecom Plus' or the 'Company'):

Telecom Plus, which owns and operates Utility Warehouse, is the UK's only integrated provider 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 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 Utility Warehouse Partners, who recommend Utility Warehouse's services to friends, family and people they know.

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

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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.

Results of investment review

As we indicated in our year end trading update issued on 28 April 2026, we have undertaken a detailed review into the best way to progressively increase services per customer, reduce churn, grow contribution per customer, and enhance customer lifetime values, in order to maximise long-term shareholder value. We have now completed that review and are today announcing a new five-year plan to double our number of high-quality, multiservice customers from c.500k to more than 1 million by FY31.

Utility Warehouse has a unique business model based on acquiring high-value multiservice customers, with market leading lifetimes and annual contributions. Our unique Partner route to market enables us to sign-up these multiservice customers at scale, successfully overcoming the inertia that prevents customers from switching multiple services at once.

The success of our model is evidenced by our 30-year track record of profitable growth, with a particularly strong organic customer and profit growth performance over the last five years of 13.8% and 18.7% CAGR respectively.

Recently, market shifts have resulted in us signing up a growing proportion of lower quality single service customers, with shorter lifetimes compared with multiservice customers, thus diluting the overall quality of our customer base and resultant earnings.

The new five-year plan we have launched today is focused on generating higher quality earnings by accelerating the growth rate of our multiservice customers. The plan will require P&L investment of approximately £55m per annum, targeted at enhancing our multiservice proposition, increasing cross-sell activity, scaling the Partner channel, building brand awareness and improving digital capabilities and efficiency.

Successful delivery of the plan will result in higher quality, compounding earnings, driven by significant growth in high-quality multiservice customers, with adjusted profit before tax of c.£175m in FY31, and EPS growing in excess of customer growth.

We have seen positive results from various early-stage trials over recent months, including stronger multiservice growth and increased Partner activity, giving us high-levels of confidence in delivery of the plan.

Our unique business model: multiservice customers, unique Partner route to market and a capital light platform

The unique benefits of multiservice

The strength of our unique, differentiated model lies in its ability to combine multiple essential household services, including energy, broadband, mobile and insurance services into one convenient, monthly bill.

As they take more services, customers receive a bigger discount off their energy bill, partially funded from the additional margin we earn on the extra service(s) being taken, and partially funded from the operational efficiencies we gain by spreading one set of operating costs across multiple revenue streams. It means that, in addition to making more margin from each extra service the customer takes, we also extend their lifetime, making our multiservice proposition affordable, sustainable and highly profitable.

As shown in the table below, both contribution and expected average customer lifetime are higher for multiservice customers than for those taking a single service.

Number of service types taken	Customer lifetime (years)			Indicative variable contribution/customer in FY27 after price investment ¹ (£)
	Home owner	Tenant	Average	
Single service	8.9	6.1	7.5	103
Multiservice				
2 service	12.5	7.3	10.7	
3 service	15.2	10.5	14.1	
4+ service	24.7	18.7	24.1	
Multiservice (2+ services)	14.9	8.7	13.1	185

Note

1. Gas and electricity services taken by 1 customer count as 1 service type. Similarly multiple mobile SIM services taken by 1 customer count as 1 service type.
2. Variable contribution per customer is annual and includes costs considered to vary with the number of customers. These include cost of sales, discounted tariffs, distribution costs / CAC, bad debt costs, and Customer Operations costs within admin costs. These also include the anticipated customer proposition investments, but do not include the operational benefits expected from digitalisation.
3. Customer lifetime represents the average length of time that a group of customers stays with us, measured from the time that they join us, whereas the annualised churn % measures the 12-month loss across the customer base, irrespective of the time when they originally joined.

Multiservice customers have market-leading lifetimes, with almost 25 years lifetime for the highest quality 4 service homeowners, while multiservice customers as a whole average around 13 years of lifetime, significantly more than single service customers; although even our single service customers have a lifetime which is higher than those of many of our competitors. On average, multiservice customers have 1.7x the lifetime and provide 1.8x the annual variable contribution of a typical single service customer.

This is a powerful endorsement of our multiservice customer proposition and the Partner model which signs up those multiservice customers. Our unique model enables us to build a long lifetime, high-value multiservice customer base that our competitors cannot match, and it is that high-value multiservice customer segment which our new five-year plan is focused on maximising.

As well as market-leading lifetimes and financial contributions, we also hold a wide range of valuable data on multiservice customers. We know their energy consumption habits (both volume and time of day), their mobile data usage, including where and when they travel overseas, the number of devices connected to their wifi, the size, value and key details of their home, their spending habits, their payment history, credit quality, contact propensity rate, and the list goes on. This provides significant and, in a world of AI, rapidly growing opportunities for us to identify and create value in ways and places that others cannot. In many ways, our multiservice customer base is the perfect use case for AI, giving us access to unique value creation opportunities, including:

- Identifying when and how to cross-sell additional products or services to the customer
- Tailoring our proposition to meet specific customer needs
- Identifying churn propensity triggers
- Helping our Partners to identify which of their contacts are the best prospects
- Identifying efficiencies and service enhancements across the whole end-to-end customer experience
- Pricing our services, and in particular our Insurance services, with the benefit of a holistic view of the customer

Partner route to market

Our Partners have been at the core of our success for the last 30 years because of their unique ability to sign up high-quality multiservice customers.

They overcome the inertia and perceived complexity of switching multiple services all at once - the sort of inertia and

complexity that traditional advertising or digital marketing simply cannot overcome. A conversation with a trusted friend or family member, offering bespoke support together with a personal endorsement, is proven to work.

Our expertise in building and managing this local, part time network (now amounting to over 81k Partners - 'Team Purple') provides a deep and secure moat around our business. Through these Partners we are just one degree removed from many of the UK's best customers, many of whom have never switched before but who like the idea of our long-term fair pricing, the simplicity of our multiservice approach, and the award winning customer service we provide. As these customers have a low propensity to switch, once they have successfully migrated their services to Utility Warehouse, they are less likely to switch again.

We have seen growing demand for our Partner opportunity, with Partner numbers doubling over the last five years. More recently we've seen an increase from c77k at the end of FY26 to over 81k today. This distribution channel benefits from several, multi-year structural tailwinds:

- Cost of living squeeze: an increasing number of people are in need of savings or an income that can help them weather the storm of rising costs, mortgage payments, and a challenging job market.
- Work transition: a growing number of people are looking for a more flexible, part time way to earn.
- Pensions crisis: there are growing reports that millions of people are not saving enough for a comfortable retirement. As well as a flexible working option for pensioners, the passive, revenue-share income that our Partner opportunity provides is an ideal supplement to a pension income.

Finally, AI is increasingly enhancing our Partners' ability to perform their roles, giving them better tools and better information. It does not disrupt their role, just as the internet or price comparison websites have not disrupted it. It is the personal connection and recommendation that overcomes the inertia of switching; a role that will be even more powerful when enhanced by the latest technology.

Capital light platform

Our business model also benefits from a capital light approach. We are experts at acquiring and looking after high-quality customers in the capital-light retail ('downstream') part of each of our markets, partnering with experts in the capital-intensive upstream parts. As part of this, we have put in place long-term wholesale supply agreements across each of our service verticals. As a large, strong, independent challenger in our markets, selling our own clearly differentiated brand proposition, which is wholly complementary to our suppliers' other routes to market, and generating scale efficiencies for their infrastructure, we have the negotiating leverage needed to secure long-term access to the services, features, capacity and wholesale pricing we need to compete effectively.

Our long-term energy wholesale supply agreement with E.ON runs to 2033 and provides us with insulation from price/volume volatility, whether due to extreme weather or macro/political events around the globe. In addition, we are not exposed to the collateral or mark-to-market requirements normally associated with forward hedging.

In Broadband and Mobile we are a virtual operator and are not exposed to the capital costs of the networks and upstream infrastructure. It also means we are not exposed to the technology, obsolescence or volume risks that exist upstream.

In Insurance, we primarily operate as a broker, but supported by a wholly-owned captive insurer, to provide security of supply with extensive reinsurance in place.

This capital light model has enabled us to maintain a long-run net debt to adjusted EBITDA ratio of around 1x, while at the same time growing the business and returning 80% of adjusted PAT to shareholders.

Track record

Our business model has a 30-year track record of customer growth and strong financial performance. That performance has been particularly strong in terms of customer and profit growth over the last five years, with a CAGR in organic customers of 13.8% and in adjusted profit before tax of 18.7%. However more recently, changes in market conditions have made it more difficult to sign-up as many of the high-quality multiservice customers.

Key changes in market conditions

Energy market competition

Back in 2022 our core Energy market was impacted by the Ukraine war and ensuing Energy Crisis. This cleared out the uncapitalised and unsustainable suppliers who had brought destructive price competition to the energy market. It also meant that regulatory changes were made to ensure that unsustainable suppliers could not operate in the market again, including new financial resilience and capital adequacy rules.

We viewed these as very positive changes as they removed the unsustainable price competition that had curtailed our growth between 2014 and 2021 and were designed to ensure that all suppliers operated rationally and on a level playing field. While most other suppliers stopped taking on new customers during the energy crisis and instead used the hiatus to modernise, digitalise and replatform their technology stack, we seized the opportunity to return our business to significant growth.

Our view, based on the market dynamics at the time, was that (i) single service customers would be more profitable than had been the case historically, with longer lifetimes due to a reduction in future incentives to switch, and (ii) we would need to invest less in both acquiring and retaining customers in a more rational market paradigm. We accordingly set our business growth targets based on these assumptions.

Since then, market dynamics have shifted. Octopus has emerged as a new type of challenger: it is now the UK's largest energy supplier with over 25% market share, up from just 6% five years ago. It has achieved this through building up hundreds of millions in cumulative losses, while building a very strong brand and an advanced digital platform and customer experience, which has coincided with customer expectations shifting rapidly. These trends are set to continue as the energy market as a whole undergoes a similar transition and customers start to engage with and demand self-serve capabilities as well as new developments, such as time of use and other innovative tariff types.

At the same time, we are the only other large supplier alongside Octopus that is gaining organic market share. All of the other large suppliers are losing market share and as a result they are all competing hard on price to stem the losses. We have seen increasingly competitive introductory pricing over the last year, making it more challenging to acquire multiservice customers (as our multiservice energy discounts are not always attractive enough to outcompete single service acquisition tariffs from competitors), whilst single service customers have greater incentives to switch (often with headline savings of £150-250).

This has resulted in us signing up more lower quality single service customers, both Energy only and Mobile only, and seeing our overall churn rate increase.

Broadband market competition

At the same time, in the Broadband market, we have seen the nationwide full fibre roll-out, and the emergence of 'Alt-Nets' (such as Cityfibre, Community Fibre, Netomnia etc) competing hard to bring volume onto their networks. This has resulted in an acute period of competition, with resulting downward pressure on broadband pricing.

Some consolidation has begun to take place, and we know from experience that as new technologies are rolled out there is a period of margin compression, followed by margin expansion back to normal levels, but these dynamics have recently impacted our Broadband gross adds and churn levels.

Impact on our multiservice growth

Over the last three years, we have seen our churn rise and organic services per customer (which exclude the inorganically acquired TalkTalk customer base) fall. This has led to a reduction in the proportion of higher contribution, multiservice customers in our organic customer base (from c.46% to c.40%), with a corresponding rise in the proportion of single service customers.

Over time, a growing proportion of shorter lifetime, lower contribution customers, with a higher propensity to churn, will have an adverse impact on average customer lifetimes and the quality of future earnings. The logical corollary of this trend, and the expectation it will continue, is the market derating we have experienced.

At the same time, the number of multiservice customers has increased from around 400,000 at the end of FY23 to just under 500,000 at the end of FY26, albeit the annual growth rate of multiservice customers has slowed from 11.9% to 3.9% over the same period. This ongoing growth in multi-service customers clearly demonstrates the strength of our business model, and the ability of our distribution channel to continue growing this high value segment against a more challenging market backdrop.

In addition, despite the churn rate of single service customers increasing during this more competitive period, the churn rate of our multiservice customers has actually fallen, emphasising the unique loyalty and value of this customer segment.

Today we are announcing the steps that will reverse the recent trends of lower average contribution per customer, and slower multiservice growth. This will increase both the quality and quantity of our earnings over time, enabling us to consistently grow our earnings faster than we add customers.

Growing our multiservice customer base at a significantly faster rate will therefore be our primary focus going forwards. We currently have around half a million of these valuable, multiservice customers, with market-leading lifetimes, low bad debts, low cost to serve and high variable contributions, and by the end of our five-year plan we expect to have over 1 million of them. As we grow to more than 1 million multiservice customers, we will be well on track to our medium term target of 2m total customers.

Single service customers

Whilst single service customers are less valuable, they still deliver important benefits to the business. They serve as warm leads for cross-selling; they make a positive contribution in their own right; they contribute towards supporting our fixed overheads (making our multi-service customers even more profitable) and they provide additional leverage during commercial negotiations with our wholesale partners by increasing our volumes. For these reasons they remain an important part of our overall acquisition strategy, alongside multiservice customers who will be the primary financial driver of our future profit growth.

Inorganic opportunities

Our focus now is on organically growing our multiservice customer base. Where we identify compelling value from inorganic opportunities we will consider them, but only as a complement to our organic multiservice strategy.

Five-Year Plan

To deliver on our five-year plan of doubling the number of multiservice customers from c.500,000 to 1 million, resulting in an increase in adjusted profit before tax to c.£175m by FY31, as well as improving the quality of our earnings, we are implementing a strategic P&L investment programme of approximately £55 million per annum across four pillars:

1. Optimising our multiservice proposition, through targeted multiservice price investment, a market-leading cross-sell capability, building-out insurance into our fourth core service, and the relaunch of our small business offering
2. Scaling the Partner sales channel to increase multiservice customer acquisition
3. Building a nationally recognised and trusted consumer brand
4. Developing a best-in-class digital experience, underpinned by rapid AI adoption, with market-leading cost to serve

These are expected to result in adjusted profits before tax increasing to c.£175m in FY31 as set out below:

FY27 Adjusted PBT midpoint of guidance		£85m
Add:	Additional variable contribution (assuming c50-75k new multiservice customers in FY27)	c.£79m (high quality, compounding earnings)
	Digitalisation savings (net of c£10m inflation)	c.£20m
Less:	Other (including uncertainty of looking 5 years into future)	c.£9m
FY31 Adjusted PBT target		c.£175m

As noted earlier, multiservice customers provide an average variable annual contribution of £185 compared with an average single service customer contribution of £103. Applying this to our multiservice growth plans should generate an incremental variable contribution of c.£79m per annum by FY31 compared to FY27.

In addition, there are c.£20m of expected operating cost benefits, net of inflation, from our digitalisation and AI adoption plans.

Taken together these would deliver our adjusted PBT target for FY31 of c.£175m, after providing appropriate headroom/contingency to reflect that this guidance is looking almost five years out.

As this plan is driven by an increase in the proportion of multiservice customers, these profits represent much higher quality earnings than currently as multiservice customers stay with us on average 1.7x longer than single service customers.

There is also considerable upside from the anticipated improvement in mix within the multiservice category itself, where we expect faster growth in three and four service customers compared with those taking only two services. This additional mix effect is expected to increase the average multiservice customer lifetime to over 15 years by FY31.

In addition, this would result in the average lifetime of our overall customer base in FY31 being c.35% higher than it would otherwise be had the historic trends of the last few years continued.

We would expect this improved mix of customers to have lower associated churn, bad debt, provide greater economies of scale and enjoy better customer service.

As a result, we have high levels of confidence that this plan is the right approach to maximise total shareholder return over the medium term, supported by the positive results we have seen from early trials, as described further below.

The £55m P&L investment is expected to be applied broadly as follows:

Activity	Investment £m
Multiservice price investment	30
Cross-sell to existing customers	5
Make Insurance our fastest growing service	6
Scale the Partner opportunity	4
Build a nationally recognised and trusted brand	5
Deliver a best-in-class digital experience with market-leading cost to serve	5
	<u>55</u>

Starting with our multi-service price investment, we have a total envelope of c.£30m per annum, carefully targeted in a way to maximise multiservice adoption.

The c.£5m that we intend to invest in cross-selling to our existing customer base annually is equivalent to providing a £100 incentive to 50,000 of our customers each year to take additional services. This generates an attractive return, as successfully cross-selling one additional service to a three service customer would increase their lifetime on average by over 70% from 14 years to 24 years, as well as increasing their annual variable contribution.

On Insurance, we are planning an investment of c.£6m, to both launch new products and promote our insurance offering. This will be split: £3m of incremental opex investment in building capability across the Insurance ecosystem, and £3m of investment directly into insurance pricing. Extending the scope of this fourth core service, by progressively adding new product lines over time, will create more opportunities to attract high quality multiservice customers.

We plan to spend c.£4m each year scaling our Partner opportunity, which will be split between Partner commission and incentives, and the capabilities required to broaden the Partner opportunity.

Our £5m proposed brand investment is built around local impact, to make every Partner conversation easier and enable them to convert more multiservice customers. As recognition increases, the burden of proof drops, unlocking an important compounding effect.

Finally, we expect to invest c.£5m of opex each year to catapult our digital experience to best in class and further develop our AI initiatives. This will enable us to achieve significant operating cost savings per customer and per service, whilst at the same time improving the quality of the customer service journey. As we will see later, by FY31 we expect to deliver £20m of annual benefits from this, net of inflation.

Optimising our multiservice proposition

The first pillar of the plan is to optimise our multiservice proposition, enabling us to gather more multiservice customers, through targeted multiservice price investment, a market-leading cross-sell capability, building-out insurance into our fourth core service, and the relaunch of our small business offering.

Multiservice price investment

Ensuring our multiservice proposition is compelling to customers on the way in, and remains good value over time, is key to growing the number and proportion of multiservice customers. Given the competitive dynamics we are experiencing, and the high value of multiservice customers, we anticipate making targeted price investments, for both new and existing customers, across the following areas:

- More attractive fixed energy tariffs and a new tracker tariff
- Maintaining a competitive broadband offer
- Continued investment in our market-leading mobile offering
- Compelling incentives and/or 'welcome bonuses' for new multiservice customers
- New features and rewards into the cashback card
- Recontracting and retention activity for existing, loyal customers

These price investments are expected to drive a significant increase in our rate of multiservice growth, targeting a multiservice growth rate of at least 10% in FY27, and a doubling of our multiservice customer base from c.500k at the end of FY26 to more than 1 million in FY31.

Market-leading cross-sell capability

Our Partners have a unique and proven ability to drive multiservice uptake for new customers, but motivating

customers to add additional services to their bundle in-life is an exciting and largely untapped opportunity, given that around 60% of our organic customer base is only taking one core service, and around 3% is taking at least four core services. The value from cross-sell from single service to multiservice is significant, with the step-up from single service to multiservice resulting in an average increase of 1.8x the annual variable contribution and 1.7x the lifetime. Within this, there are particular opportunities, for example the uplift from three services to four services by adding an Insurance product adds around 10 years to their expected lifetime.

Following the acquisition and migration of customers acquired from TalkTalk last year, we have begun trialling various early-stage cross-sell initiatives, successfully upgrading and cross-selling to c.14.5k customers over the course of FY26. This encouraging performance was achieved without the additional investment, focus and resources now being planned, highlighting the significant opportunities from deploying these cross-selling activities across our whole customer base.

We will begin by increasing the intensity of cross-selling to the existing base, utilising the learnings we have gained from our TalkTalk trial. This will include more regular, direct and/or digital campaigns across our product range, as well as harnessing our Partners as appropriate, and will include supporting new product launches, such as motor insurance, in due course.

With momentum established, we plan to incorporate data-driven sophistication, with specialised AI-agents offering personalised digital cross-sell journeys, using tenure and service behaviour as triggers, amplified by prompts to convert through our app, contact centre and Partners. As explained above, the wide range of multiservice data points we have on our customers give us deep insights, creating opportunities for AI-driven cross-sell to outperform industry norms.

By FY31, our target is to have at least 1 million multiservice customers, with cross-selling activities being a continuous, AI-driven, personalised programme running across digital, Partner, and service channels simultaneously, with a target of at least 50,000 core service cross-sells each year.

Building Insurance into our fourth core service

UK personal lines insurance is a £40bn marketplace, typically characterised by poor retention, commoditised pricing and low trust; exactly the conditions where a differentiated, relationship-led model like ours has a clear advantage.

Over the last five years we have developed our insurance ecosystem, building both a broker and an underwriter to give us control over our product design and our pricing. Our broker is fully FCA regulated in the UK, while our underwriter is established in Gibraltar, capitalised for growth and regulated by the GFSC. We have fully launched home insurance and boiler cover as the core services within our portfolio, with around 113,000 policies in force.

Over FY23 and FY24 we saw rapid growth of almost 140% in the number of policies taken out, but this came to a halt while we engaged in an extended dialogue with the FCA around one of our non-core legacy products. After a positive conclusion to that dialogue, we restarted insurance sales early in FY26, but growth here has not yet resumed.

Having built out our insurance team and with meaningful investment underway in our systems and relationships, we now have a clear strategy to resume growth in this area and drive scale, leveraging the datasets that we already hold on our customers and our pricing advantage. Currently only 8% of our customers have one of our core insurance products, and there are three key steps we will take to significantly increase that penetration rate as we grow and maximise the considerable opportunity ahead in Insurance.

First, we are replatforming onto OpenGI, which will give us faster quoting, access to a broader panel of underwriters and provide a platform with which to offer a range of new products.

Secondly, in partnership with a large motor insurer, we are currently on track to launch our first motor insurance product, in the second half of this financial year, taking us into an additional £22bn market which is an essential purchase for nearly every household in the UK. This will be our first new major product launch in around five years and has the potential to drive significant penetration into our existing customer base. Assuming 1.5 cars per household and our current insurance penetration rate of just 8%, would amount to over 200,000 policies over the next five years.

Looking further ahead in FY28, we are planning to expand into Pet, with Travel and Life as potential subsequent additions, aiming to launch at least one of these new products per year.

In building our Insurance business, we will leverage our data advantages to power growth across every product line. Typically, insurers price risk from the outside in - postcode, credit score, declared behaviour. However, we have a unique opportunity to price holistically. As mentioned earlier, we know our customers' behaviours across energy, broadband, mobile, and even their cashback card spending patterns. We understand home stability, payment reliability, and tenure across multiple services. The cross-bundle data we hold is, in effect, a proprietary risk signal and our existing customer base represents a largely untapped pool of pre-qualified, long tenure insurance prospects, giving us a structural advantage that pure play insurers cannot replicate. By way of example, we have already identified a correlation between energy consumption and home insurance claims. In addition, we will be able to see when our existing customers are shopping for insurance online on price comparison websites, and can then give them a quote with the benefit of both what we already uniquely know about them, and the fact they will be deepening their multiservice relationship with us, with all of the associated benefits which both parties can achieve from that.

By FY31 we expect to see insurance as a true fourth core service, targeting a 20% penetration of a much larger customer base, generating significant gross profit, and materially extending customer lifetimes.

Small business relaunch

We are planning to relaunch our small business offering during our next financial year. This is a large adjacent marketplace in which we have considerable historic experience, and where our proposition is highly relevant.

According to the ONS, there are over 5 million microbusinesses in the UK; including local shops, hairdressers, estate agents etc, many of which are run from dedicated business premises which need energy, broadband, mobiles and insurance. These local businesses are an obvious 'add on' to the core residential offering that we have. In many cases our Partners are the owners of these businesses themselves, or they are owned by a friend or family member, making us the rational supplier of our current range of services.

We have historically serviced these small businesses without a fully developed proposition, building a customer base of over 25,000 small business customers, before we stopped actively acquiring new business customers during the 2021/22 energy crisis to focus on building our residential base. As a result, our number of business customers has since fallen to around 10,000.

Over the intervening period, we have put in place access to wholesale "business pricing" under our energy supply agreement with E.ON and are looking forward to bringing our unique multiservice proposition back into this large and highly adjacent marketplace.

Scaling the Partner sales channel

Our second investment pillar is scaling our Partner sales channel. Our Partners remain a key competitive advantage, providing unique access to high quality, multiservice customers in significant volumes. We have a three-step plan to scale the Partner opportunity in order to double our multiservice customer numbers to 1 million by FY31, based on:

- Opening up the opportunity for more people to be a Partner, so we can double Partner numbers over the next five years.
- Providing a best-in-class digital experience to make it easier for Partners to be more active, more often.
- Putting in place strategic partnerships to broaden our access to high-quality customers across the country.

Opening up the Partner opportunity

To date we have had one pathway for being a Partner; you join, train, generate your own leads, sign up customers, sign up other Partners, and help them get going. It is a model that has been the core of our growth for 30 years and, whilst we remain absolutely committed to it, it is not how everyone wants to earn. So we will be launching two more ways to earn.

The first is 'Customer Focused Partners', which is for those who like talking to customers but are not so keen on building and managing teams of other Partners. These Partners just want to get on with recommending our multiservice proposition to people they know. We want to develop a track for them that encourages them to succeed at what they are passionate about - sharing the customer opportunity.

The second is 'Connectors', who are like affiliates. This is a very digital, social media friendly market, with community at its core, and plays into the influencer sphere, both small and large. Plenty of people want to refer us but do not want to complete the sale and there are many Partners who are very good at explaining what Utility Warehouse does, but can run short of contacts to speak to. This opportunity marries them up, and we launched this as a pilot last year. The quality of customers that we gained from this pilot was excellent: over 2,500 customers, 88% of whom were multiservice. We know there is demand for being a Connector, with a plethora of businesses, charities, PTAs, and individuals who could sign up. Over the next year we will boost the communications, incentives and marketing to encourage them to do so.

With three different tracks, we will increase the overall numbers of Partners and also increase the range of people we can reach. Having doubled Partner numbers over the last four years, we are now looking to almost double this again over the next five years to around 150,000.

Increasing Partner activity

As well as increasing Partner numbers, we will also be focused on increasing Partner activity and productivity.

Firstly, we are going to increase our use of gamification, providing a digital first journey with intelligent nudges to keep Partners active, then leveraging this to build out the journeys, incentives, and recognition that will significantly increase the level of engagement and therefore activity from Partners.

Secondly we will be reducing the friction Partners face in signing up customers to Utility Warehouse. Multiservice bundles, by their very nature, include multiple options in each service and within each bundle. This can be complicated for new Partners, which is why we currently use a 'buddying' system with experienced Partners supporting newer Partners; a successful but slow to scale approach which hinders rapid growth. We will deploy emerging Copilot technology to support Partners, answering customer questions and objections, enabling Partners to recommend without having to be utility experts. We are already using an early version of this, called askmii.co.uk, which is managing over 1,400 queries a day from our Partners.

In addition, we are building out significant digital expertise based on the data we hold. We will use that to allocate inbound leads to the highest converting Partners, based on skill set, demographic, and geographic area. As already mentioned, this architecture can also be used for Partners to cross-sell to existing customers, further increasing our services per customer at a low cost and high attachment rate.

Our goal here is to double the number of Partners who are active each year from around 20,000 in FY26 to over 40,000 in FY31.

Hamessing strategic partnerships

Finally, our recently launched strategic partnerships build on the other elements in the plan.

We have recently become 'Utilities Partner' to the National League, with its 72 football clubs, which make up the fifth and six tiers of English football. Many of these clubs have fiercely loyal local fanbases, perfectly matched to our local Partners. For every supporter who signs up through one of our Partners, we make a contribution back to the League, supporting clubs and the communities around them. In addition, new multiservice customers will receive a voucher to spend in their team's club shop, putting more money directly back into their club.

Following on from this, we will be piloting a new partnership with the Post Office. Our Partners will be hosted in a number of Post Office locations, speaking to customers about how they can get a better deal on their home services. It is part of a new pilot programme to revitalise the high street and we are a key part of that with both the services we offer and the local presence that our Partners bring.

We will leverage what we learn from these partnerships with the Post Office and National League, and our wider learnings from Connectors. Over time we expect to build up a handful of similar partnerships, ideally with organisations that have both national reach and local presence, with whom we can work to build on our Partner led customer base.

Building a nationally recognised and trusted brand

Utility Warehouse has high customer satisfaction, but our brand awareness level of just 22% significantly under-indexes against our NPS. While trust in our brand and customer satisfaction among our customers is high, general levels of trust among the UK population is low (at 10%). Without trust, people are unlikely to buy an essential service.

Too often, Partners are introducing Utility Warehouse, speaking to people with no prior awareness of the brand, and therefore starting from a position of having to overcome this low brand trust. This creates a conversion headwind that the Partner must work hard to overcome.

Our 'people helping people' brand refresh gives us, for the first time, a brand idea that is emotionally distinctive, difficult to copy, and directly connected to how our Partners and service teams show up. In a market where customers actively distrust most utility providers, a brand built on genuine warmth and local presence can become a structural differentiator for us. Brand awareness directly drives Partner recruitment, Partner confidence, and the conversion of leads Partners generate into new customers. We ran a successful brand pilot, leveraging elements of

conversion of leads. Partners generate new customers. We ran a successful brand pilot, leveraging elements of our refreshed brand, which showed a 4% point increase in brand awareness and nearly 10% increase in customers gathered by Partners, in areas where we ran the pilot, compared to the control regions.

In April we delivered the brand refresh. Later in FY27 we will launch our first above-the-line campaign activity under the new brand platform, building on insights from our earlier pilot.

We will activate the brand by pairing a local 'town by town' media model, leveraging 'out of home' and hyper-local activations, with the use of carefully selected broadcast media that amplify the message. We are investing to make our Partners more productive, so that when a Partner starts a conversation, the homeowner already recognises Utility Warehouse, lowering the burden of proof and improving conversion. This in turn makes it more likely that the Partner will build their Utility Warehouse business further, starting a powerful compounding effect.

We expect this to drive unaided awareness among homeowners in target segments to 50% by FY31 and trust to 33%, and Utility Warehouse to become a brand that UK households know, have positive feelings about, and actively consider, rather than just stumbling across.

Developing a best-in-class digital experience with market-leading cost to serve

Customer expectations and digital capabilities have advanced dramatically in recent years. We prioritised growth following the 2021/2 energy crisis, while many market participants were focused on replatforming and re-engineering their digital capabilities.

However, the pace of digital capabilities has accelerated in the past two years, and now we have a significant opportunity not only to progress our digitalisation to match the best in the market, but at the same time to 'skip a generation' of digital investment.

We are pursuing a Digital First strategy, which has four core elements:

- Omnichannel assistance: enabling customers to solve issues and supply data (such as broadband troubleshooting) without the need to call or email.
- Modernised operating model: redesigning our customer service processes to optimise our resource allocation and enabling us to tailor our support to provide different 'layers' focused on providing the best experience to our most valuable multiservice customers.
- Intelligent 'next best action': using our whole range of multiservice data, as well as external insights, to determine the impactful next action for the customer, maximising customer loyalty and value creation for the business.
- AI native: our new dedicated Agentic team will design and build a collection of small, highly specialised AI agents, each of which does one thing exceptionally well, such as fetching a specific smart meter log, executing a mid-term insurance adjustment calculation, or checking compliance scripts. When connected, they will form sophisticated workflows, remember past interactions and remove customer wait times.

These will result in digital interactions (with no direct human intervention) increasing from below 10% today to 65% by FY31.

We expect these changes to deliver not only a step change in the customer experience we provide, but real efficiencies too, with our Admin cost per core service-type (a metric which is closely allied to our billing activity) targeted to reduce around 30% post inflation by FY31.

This programme will broadly offset the impact of customer and service growth, as well as inflation, on our variable cost base over the period to FY31. At the same time, we expect our broader fixed costs base to broadly remain stable over that time frame, with efficiencies offsetting inflation.

As mentioned above, our multiservice ecosystem is well placed to benefit from AI, given the wide range of data points and interactions that we have across our multiservice customers. Initiatives we are currently working on and which will deliver value this year include:

- Quality and compliance: Rather than a team of people listening to a subset of customer calls, assessing for quality and compliance and then identifying and allocating training or improvement, our AI tools will monitor all contact, to consistently measure call quality, with feedback and training available the same day.
- Copilot: This is an AI-powered assistant embedded directly in Genesys Cloud which helps our supervisors and agents use natural language to complete tasks. Copilot will use a single conversational request to complete complex or infrequent workflows end-to-end, explore data from our different systems and help agents understand anomalies or issues, and investigate problems, without the need to search documentation for help.
- AI-led answer assistance: We are deploying a range of features that use AI to provide instant responses including, for example, auto-generating a reply to inbound emails. In certain cases, this will recognise a support request, create a help ticket and keep the customer informed of progress through to resolution.
- Software development: By the end of the current financial year, our technology engineering teams expect to be writing 20% of code through coding assistants including Claude Code and Copilot.

In aggregate, these initiatives are expected to lead to a business-wide efficiency gain of more than 5% in FY27, as well as improvements in quality and output.

Emphasising the progress we are making, we were recently publicly recognised by one of our key technology partners, Genesys, as their first global customer to go live with agentic agents, and their largest European user of Copilot.

Delivery of the plan

There are several metrics which we will use to assess whether we are on track to reach our FY31 targets. We will publish our performance against these metrics every half year over the period of the plan, and for convenience these are summarised below.

Metric	FY27 Target	FY31 Target
Multiservice customer growth	>10%	1 million multiservice customers
In-life cross-sell	50k services	>50k services pa
New insurance product	Motor	Pet. Travel. Life

launches	motor	pet, travel, etc
Active Partners	10% uplift in Monthly Active Partners vs H2 FY26	40,000 Yearly Active Partners
Admin cost / core service type	~£78	~£55 (30% decrease vs FY27 despite inflation)

Positive results from early trials

We have a high level of confidence that this plan will deliver. Over recent months we have run trials on various aspects of our five-year plan, including:

- additional sign-up incentives for customers taking multiple services
- sharpening our Broadband offering with respect to both speed and price
- extending our market-leading Mobile offering
- a trial of local digital and radio advertising utilising our new brand positioning
- becoming 'utilities partner' to the National League.

Initial results from these trials have been very encouraging. In the first two full months of FY27, we have already seen the following impacts:

- multiservice customer growth has more than doubled to 9.7%% annualised, compared to 3.9% in FY26
- insurance has recently begun to return to net service growth
- monthly active partners are trending 15% higher compared to the second half of FY26, with total partner numbers increasing by over 4,000
- a 4% point increase in brand awareness and nearly 10% increase in customers gathered by Partners, in areas where we were running the brand pilot, compared to the control regions.

Conclusions and outlook

This five-year plan is not just about growing the scale of the business and our medium-term profits. It is fundamentally transforming the quality of our earnings going forward, with a much higher proportion of multiservice customers in FY31 than is currently the case - customers with significantly higher expected lifetime values due to their lower churn, lower bad debts, lower cost to serve and a significantly higher variable contribution.

For FY27, the business is entirely focused on shifting priorities toward high-quality, compounding multiservice growth, and we are guiding to the following for the full year:

- **Multiservice customers:** Annual increase of over 10%.
- **Insurance:** Motor launched.
- **Adjusted profit before tax:** £80m - £90m.
- **H1/H2 split:** c. 15%/85% (the £55m investment is expected to be phased approximately 40%/60% H1/H2; when overlaid on our pre-investment H1/H2 profit split of c. 25%/75%, then the net effect is a c. 15%/85% H1/H2 phasing).
- **Shareholder distribution policy:** At least 80% of adjusted profit after tax will be returned to shareholders, at least 50% of which will be by way of ordinary dividends and the balance by share buybacks or special dividends, with share buybacks where Telecom Plus shares are trading on less than 20 times implied post tax earnings, based on the midpoint of the Group's adjusted PBT guidance, and assuming an effective tax rate of 25%.
- **Leverage:** Expected to be at a temporarily higher level of c. 1.5x net debt to adjusted EBITDA, reflecting the initial investment.

Successful delivery of the five-year plan will result in significant compounding shareholder value, with the following targets for FY31:

Operational

- 1 million+ multiservice customers with market-leading lifetimes and financial contributions
- >50,000 in-life cross-sells per year
- Insurance established as fourth core service, with motor, pet and travel launched
- Nationally recognised and trusted brand; widely acclaimed as UK's leading part-time income opportunity, with 150k+ total Partners
- Best-in-class digital and AI capabilities, maximising value from multiservice data

Financial

- **Adjusted profit before tax:** Target of c. £175m
- **Earnings per share:** Increasing at a faster rate than total customer growth
- **Return on capital employed:** Above 30%
- **Shareholder distribution policy:** As for FY26 and FY27, at least 80% of adjusted PAT returned to shareholders
- **Leverage:** Balance sheet strength maintained with Net Debt / Adjusted EBITDA targeted at around 1x
- **Higher quality earnings:** Resulting from growth in multiservice customers with average lifetimes increasing to 15 years.

-ENDS-

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