

# Full Year FY26 Results

June 2026

# FY26 highlights

## Double digit customer growth with increasing profits and cash returns to shareholders

<b>Total customers</b> <b>+23.2%</b>	<table><tr><td>March 26</td><td>1,434k</td></tr><tr><td>March 25</td><td>1,164k</td></tr></table>	March 26	1,434k	March 25	1,164k	Total customer growth includes <b>193k</b> former TalkTalk customers
March 26	1,434k					
March 25	1,164k					
<b>Organic customers</b> <b>+10.3%</b>	<table><tr><td>March 26</td><td>1,256k</td></tr><tr><td>March 25</td><td>1,139k</td></tr></table>	March 26	1,256k	March 25	1,139k	> <b>10%</b> annualised organic customer growth, including <b>14.5K</b> TalkTalk customers upgraded and cross-sold
March 26	1,256k					
March 25	1,139k					
<b>Organic services</b> <b>+7.6%</b>	<table><tr><td>March 26</td><td>3,622k</td></tr><tr><td>March 25</td><td>3,368k</td></tr></table>	March 26	3,622k	March 25	3,368k	Organic service growth lagged organic customer growth, largely driven by more competitive environment, resulting in services per customer falling
March 26	3,622k					
March 25	3,368k					
<b>Multiservice customers</b> <b>+3.9%</b>	<table><tr><td>March 26</td><td>498k</td></tr><tr><td>March 25</td><td>479k</td></tr></table>	March 26	498k	March 25	479k	Multiservice customer numbers increased, but not as fast as overall customer growth
March 26	498k					
March 25	479k					
<b>Adj. PBT</b> <b>+4.7%</b>	<table><tr><td>FY26</td><td>132.2m</td></tr><tr><td>FY25</td><td>126.3m</td></tr></table>	FY26	132.2m	FY25	126.3m	Adjusted PBT (at the bottom of the guided range) given an unseasonably warm winter
FY26	132.2m					
FY25	126.3m					
<b>Total distribution to shareholders (£m)</b> <b>+6.8%</b>	<table><tr><td>FY26</td><td>80m</td></tr><tr><td>FY25</td><td>75m</td></tr></table>	FY26	80m	FY25	75m	<b>£80m</b> distribution to shareholders in respect of FY26 via a total dividend of <b>50p</b> per share and a <b>£40m</b> share buyback, launching today (equivalent to a further <b>50p</b> per share)
FY26	80m					
FY25	75m					

# Our unique multiservice platform for subscription-style essential services

Supported by award-winning customer service  
which leads to high-value, loyal customers

**01** Unique  
multiservice  
platform

Which helps customers  
navigate signing up for  
multiple services at once



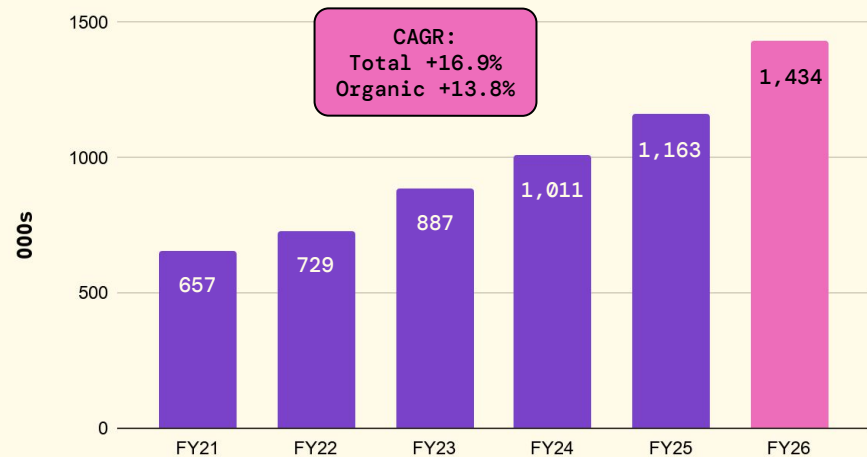
**02** Structural  
cost advantage

Which we reinvest to unlock  
the ultimate recommendable  
proposition

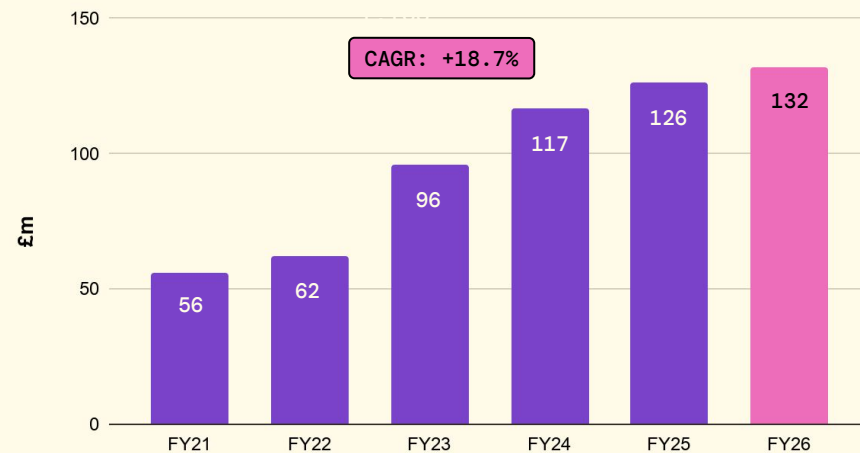
**03** Word-of-mouth  
route to market

# Strong track record of growth






## Total Customers



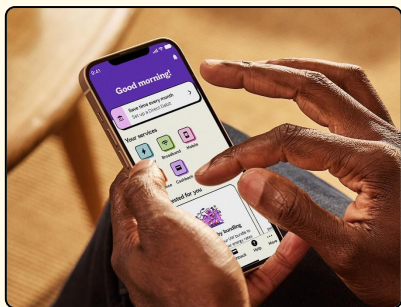
## Adj. PBT



# FY26 organic customer and service growth

	FY26 No. of services (‘000)	FY25 No. of services (‘000)	Movement (%)	Comment
 <b>Energy</b>	1,776	1,745	1.8%	We have seen increased price competition with competitors offering fixed tariffs at a large discount to the price cap and some spending heavily on marketing and branding
 <b>Broadband</b>	403	389	3.8%	Increased price competition in the broadband market, driven by altnets seeking customers in the face of financing pressures
 <b>Mobile</b>	787	611	28.9%	Our competitive offer created strong demand
 <b>Insurance</b>	113	123	-8.3%	Insurance has been slow to recover from the pause due to the FCA investigation. Work is underway to replatform broker system, launch new products and restore strong growth
 <b>Non-core services*</b>	543	500	8.4%	Strong growth in Cashback Card
<b>Total</b>	<b>3,622</b>	<b>3,368</b>	<b>7.6%</b>	Organic growth in services lagged the <b>10.3%</b> organic customer growth
<b>Customers</b>	1,256	1,139	10.3%	Double digit % organic customer growth, albeit with a service mix skewed towards mobile

# Operational highlights



## Awards show the strength of our proposition

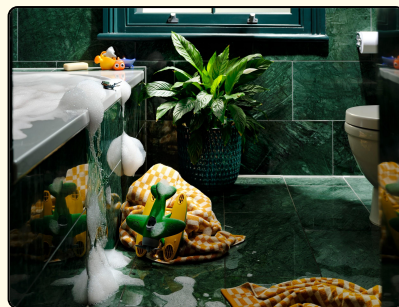
Awarded Which? Recommended Provider for both Energy and Broadband in 2025 (covering our proposition and service) and Best Value for Money by Uswitch (2025 Energy Awards).



## Continued growth in Partner opportunity

Partner numbers grew to 77.2k reflecting ongoing strong demand for our additional income opportunity.

Launch of Connectors trial where Partners sign up local businesses and gain warm customer leads.



## Relaunch of Insurance

Following positive dialogue with the FCA all products cleared to restart sales. Insurance reintegrated into the customer journey and sign-up process from April 2025.



## Strengthened customer proposition

This included Free Energy Days, a new entry-level and multi-SIM mobile deal, plus enhancements to the cashback card and a new welcome bonus.

# Performance of **TalkTalk** acquisition to date

Initial cross-sell results are encouraging

## 01 **Broadband & landline customer acquisition**

We acquired **193k** broadband and landline customers from TalkTalk in a cross-sell trial. **160k** were migrated onto our systems by year end with the remainder expected to migrate by the end of Q1 27.

## 02 **Significant conversion is achievable**

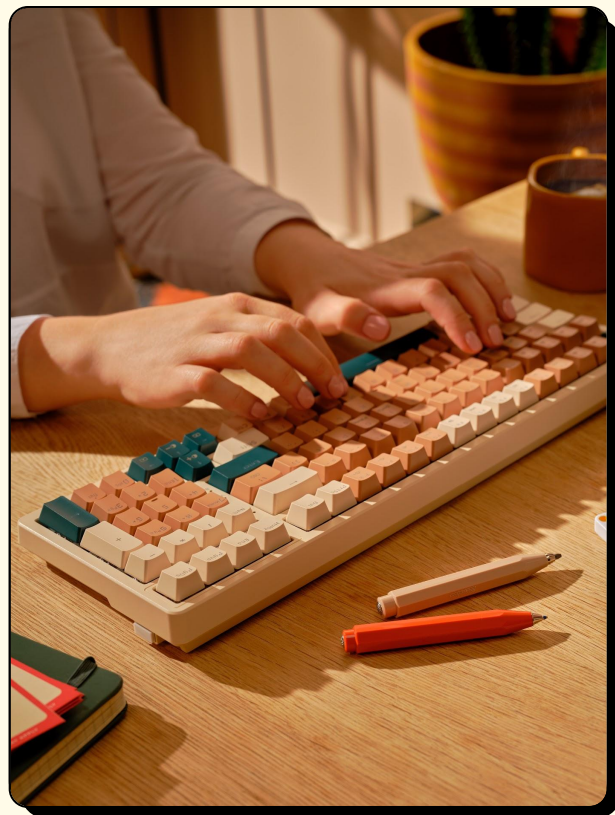
**14.5k** customers were upgraded and cross-sold in FY26 with two-thirds taking at least one additional service.

## 03 **What this represents**

~**17%** conversion of customers available for cross-sell across the year, despite using only manual processes and no incentives.

## 04 **Expected outcomes**

These customers are expected to generate a return above post-tax WACC even without cross-selling.



# Financial Performance

Nick Schoenfeld, CFO

# Profit & loss

	<b>FY26</b> (£m)	<b>FY25</b> (£m)	<b>Variance</b> (%)	<b>Comments</b>
<b>Revenue</b>	1,941	1,838	5.6%	
<b>Gross profit</b> <i>Gross margin</i>	389 20.0%	358 19.5%	8.7%	Growth in services offset by impact from warmer weather
<b>Distribution expenses</b> <i>% of revenue</i>	(48) 2.5%	(46) 2.5%	5.1%	
<b>Admin expenses</b> <i>% of revenue</i>	(159) 8.2%	(144) 7.9%	10.2%	Growth in services, higher depreciation charge (TalkTalk customer acquisition), software costs and NI
<b>Bad debt</b> <i>% of revenue</i>	(41) 2.1%	(33) 1.8%	23.4%	Continued cost of living pressure and slow evolution of involuntary PPM installs following temporary hiatus
<b>Net interest and other income</b>	(11)	(8)	32.3%	Higher net debt (albeit <b>0.9x</b> net debt / EBITDA) following TalkTalk customer acquisition
<b>Adjusted PBT</b> <b>% of revenue</b>	<b>132</b> <b>6.8%</b>	<b>126</b> <b>6.9%</b>	<b>4.7%</b>	Growth in services partly offset by impact from warmer weather and higher bad debt charge
<b>Adjusted EPS</b>	123p	119p	3.0%	

# Balance Sheet

	<b>FY26</b> (£m)	<b>FY25</b> (£m)	<b>Variance</b> (£m)	<b>Comments</b>
<b>Fixed assets</b>	29	31	(2)	
<b>Non-current assets</b>	265	205	60	
<b>Net current assets</b>	116	130	(14)	
<b>Net debt</b>	(143)	(116)	(27)	Net debt increased following the acquisition of TalkTalk customers Total debt facilities <b>£330m: £205m RCF facilities</b> to November 2028, private placements of <b>£75m</b> to 2030 and <b>£50m</b> to 2032 Net Debt <b>£143m, (0.9x EBITDA)</b>
<b>Total</b>	<b>267</b>	<b>252</b>	<b>15</b>	
<b>Share premium</b>	167	161	6	
<b>Share capital &amp; other</b>	(13)	(13)	-	
<b>Retained earnings</b>	112	103	9	
<b>Total</b>	<b>267</b>	<b>252</b>	<b>15</b>	

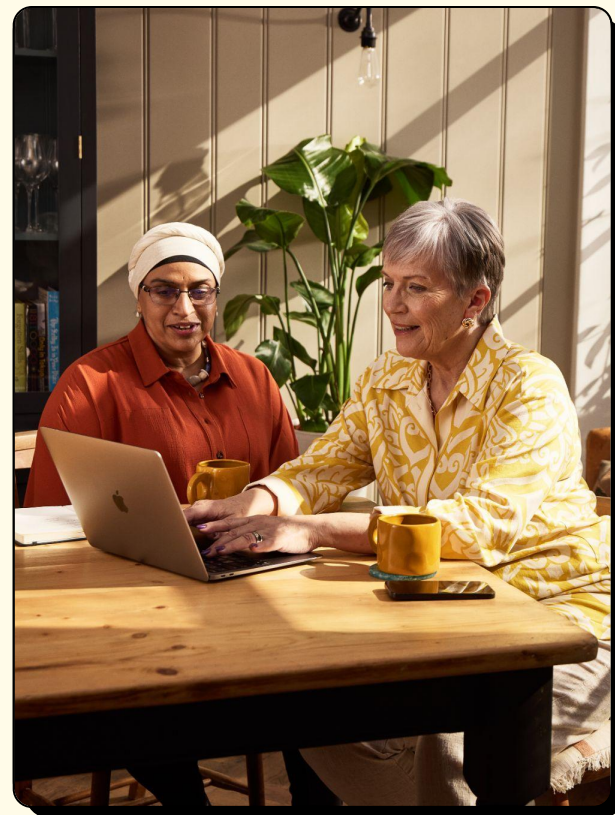
# Cash flow

	FY26 (£m)	FY25 (£m)	Comments
Adjusted EBITDA	162	148	
Working capital movement	(10)	(15)	Typical annual working capital consumption <b>£25-30m</b>
Taxation	(32)	(31)	
Capex	(64)	(17)	Capex includes <b>£46m</b> for the acquisition of customer contracts (related to TalkTalk) compared to <b>£5m</b> in the prior year
Interest & fees	(11)	(12)	
Dividends	(76)	(66)	
Other	3	0	
<b>(Increase) / decrease in net debt</b>	<b>(27)</b>	<b>7</b>	<b>FY26 net debt: £143m, Net debt/EBITDA: 0.9x</b>

# Shareholder distribution policy

Continue to distribute at least 80%  
of adjusted PAT to shareholders

Revised policy	FY26 final distribution
<p>At least 50% being by way of ordinary dividend</p>	<p>Final dividend declared of <b>12p</b> per share, bringing total dividend for the year to <b>50p</b> per share</p>
<p>Remainder distributed by:</p> <ul style="list-style-type: none"><li>• <b>Share buyback</b>, if it is financially beneficial to do so (namely if the Company's shares are trading below <b>20x</b> implied post-tax earnings*) and the Company is permitted to do so</li><li>• Otherwise by <b>special dividend</b></li></ul>	<p><b>£40m</b> allocated to share buyback, commencing today, equivalent to <b>50p</b> per share</p>



# Launch of new 5 year plan

A renewed focus on multiservice growth

We have today released a separate announcement regarding our new 5 year plan to double our multiservice customers to 1 million by 2031.

For details, including our FY27 outlook, please see the separate RNS issued this morning and the presentation, **which will be webcast at 9am via [brrmedia.news/TEP\\_FY\\_2026](https://brrmedia.news/TEP_FY_2026)**