FY23 Interim Results

November 2022

Utility Warehouse | TelecomPlus

H1 FY23 Highlights

Sustainable organic growth of 24%

Record results

- Growth - continuation of 15 month trend
- Financial - in line with customer growth

Growing demand for what UW offers

Driven by rising cost of living

- Savings on essential household bills
- Additional income opportunity

Long term multiservice cost advantage

Enabling us to sustainably undercut the competition

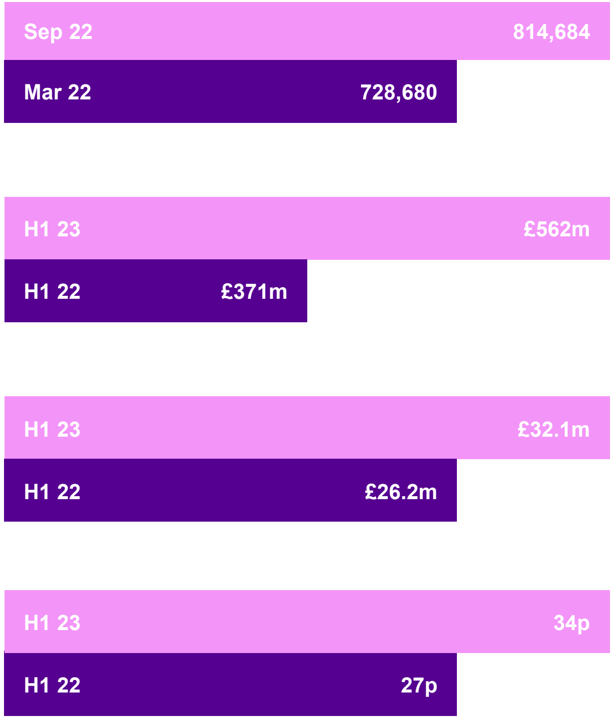
- Lowest priced energy supplier in UK
- <£125 savings for multiservice customers

Customers
+24%
annualised

Revenue
+52%

Adj PBT
+23%

Dividend
+26%



Nick Schoenfeld

CFO

Utility Warehouse | TelecomPlus

Profit & loss (£m)

	H1 FY23	H1 FY22	Variance
Revenue	**562.4**	**371.3**	51%
Gross Profit *Gross margin*	**111.7** *19.9%*	**85.0** *22.9%*	31%
Distribution expenses *% of revenue*	**(17.2)** *3.1%*	**(12.7)** *3.4%*	35%
Administrative expenses *% of revenue*	**(53.2)** *9.5%*	**(40.6)** *10.9%*	31%
Bad debt *% of revenue*	**(8.5)** *1.5%*	**(5.1)** *1.4%*	67%
Net interest & other income	**(0.7)**	**(0.6)**	-
Profit before tax (pre amortisation & share incentive costs)	**32.1**	**26.2**	23%
EPS (pre amortisation & share incentive costs)	**33.9p**	**26.1p**	30%

Administrative expenses, PBT and EPS are adjusted to exclude share incentive scheme charges (£0.7 in H1 FY23, £0.6m in H1 FY22) and the amortisation of the energy supply contract intangible asset (£5.6m in H1 FY23 and H1 FY22). PBT and EPS for H1 FY23 exclude the profit on disposal of Glow Green of £3.6m.

Balance sheet (£m)

	30 Sep 22	30 Mar 22	30 Sep 21	Var vs 30 Mar 22
Fixed assets	**34.4**	34.5	41.5	(0.1)
Non-current assets	**187.3**	189.0	192.5	(1.7)
Net current assets	**55.6**	52.4	47.7	3.2
(Net debt)	**(67.2)**	(70.3)	(77.8)	3.1
Total	**210.1**	205.6	203.9	4.5
Share capital	**4.0**	4.0	4.0	-
Share premium	**149.6**	147.1	145.3	2.5
Other reserves	**(6.5)**	(7.5)	(7.1)	0.9
Retained earnings	**63.1**	61.9	61.7	1.1
Total	**210.1**	205.6	203.9	4.5

Net current assets and Net debt at 30 Sep 2022 have been adjusted to exclude the receipt of £47.6m of funds from Government relating to the Energy Bills Support Scheme.

Cashflow (£m)

	H1 FY23	H1 FY22
EBITDA	38.1	31.8
Working capital movement	0.5	(3.2)
Taxation	(7.7)	(5.8)
Capex	(4.9)	(4.8)
Interest & fees	(1.6)	(1.4)
Dividends	(23.7)	(23.6)
Other	2.4	0.5
(Increase) / decrease in net debt	**3.1**	**(6.4)**

The movements in working capital and net debt in H1 FY23 have been adjusted to exclude the receipt of £47.6m of funds from Government relating to the Energy Bills Support Scheme.

Full Year dividend

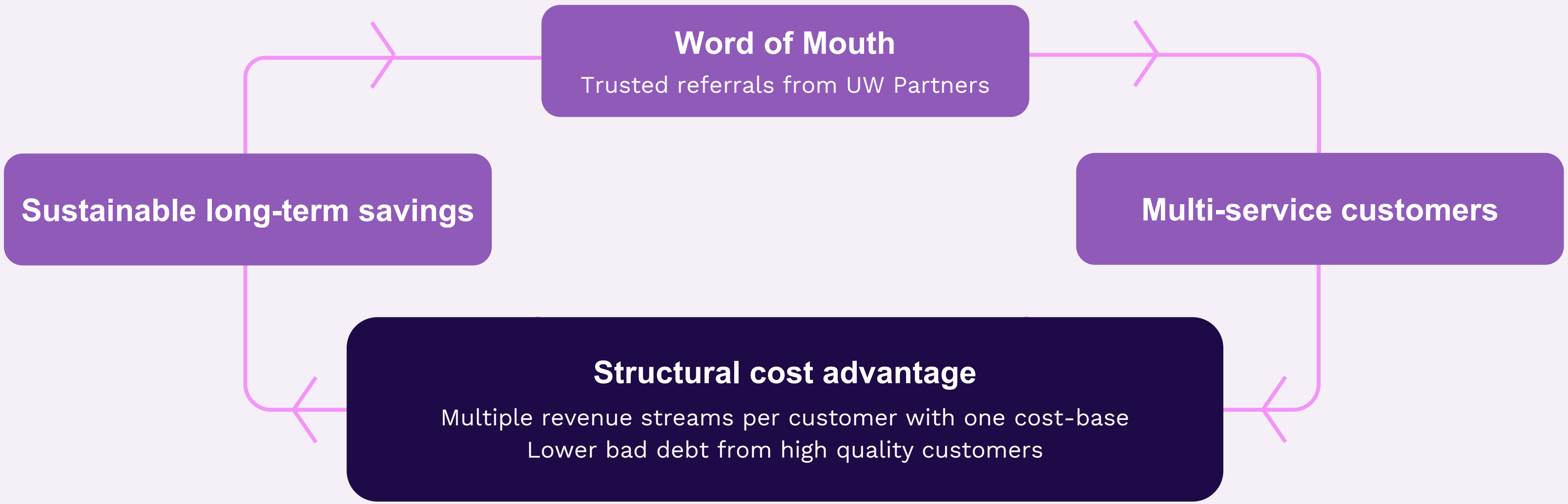
Stated intention to pay a full year dividend of at least 80p in the absence of unforeseen circumstances.

Stuart Burnett

Co-CEO

Utility Warehouse | TelecomPlus

Structurally self-reinforcing business model



Cost of living crisis continuing

Growing demand for UW

1. Recession on the horizon

With inflation at highest level in 40 years and unemployment expected to double

2. Unique and sustainable solution

Our multi-service business model delivers the cheapest energy in the UK (up to £125 savings)

3. Delivering meaningful savings

We've committed to freezing our broadband pricing for the whole of FY23 (whilst others are imposing CPI-linked increases)

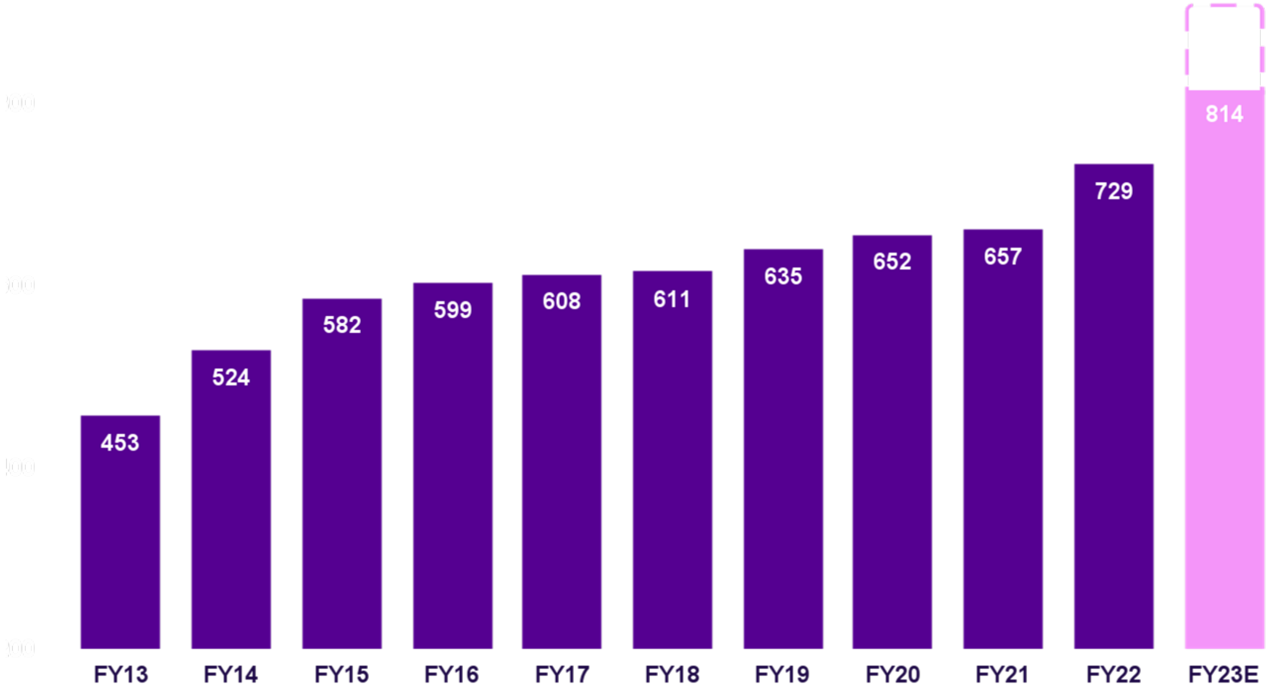
4. Growing demand for income opportunity

More people joining UW as Partners to earn a meaningful additional income

5. Relaunching customer referrals

To enable our 800k+ customer base to earn by recommending UW

24% annualised customer growth in H1



FY23E shows actual number of customers at 30 September 2022, with... representing full year expectations assuming H1 growth rate continues during H2.

Scaling the business for 1m+ additional customers

Managing growth

Investing in our teams

Opening specialist hubs across the UK as we expand distributed workforce

Supporting our customers

~400 Customer Services advisers recruited and new customer calls now answered in <1min

Maximising growth

Investing in brand awareness

Increased PR and media activity to support word of mouth model

Enhancing our proposition

Expanding income opportunity by relaunching referral programme to our 800k+ customers

Leveraging unique Cashback card

On track for ~£500m of spend and >£7m of cashback

Growing our insurance business

~75,000 insurance policies, a 67% increase in H1

Andrew Lindsay

Co-CEO

Outlook

Upgrading financial guidance for FY23 and beyond

Economic outlook continuing to deteriorate for UK households

- Further energy price rises expected in April

Growing demand for UW savings and income opportunity

- Uniquely positioned to offer UK consumers multiple ways to save
- Expect momentum to build in our word of mouth model through H2

Considerable confidence in achieving our growth target

- 1m additional customers in 4-5 years

Further upgrade to guidance

- Increasing clarity over Full Year financial performance
- Further visibility milestones as H2 progresses

FY23 Full Year guidance

Customer growth: ~24%
Continuation of current trends

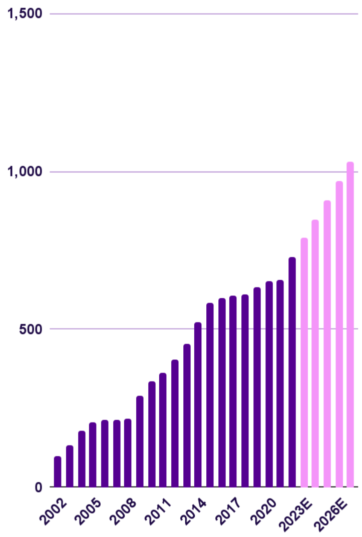
PBT: >£95m
Further visibility throughout Q4

Dividend: >80p
Long term 85% payout ratio

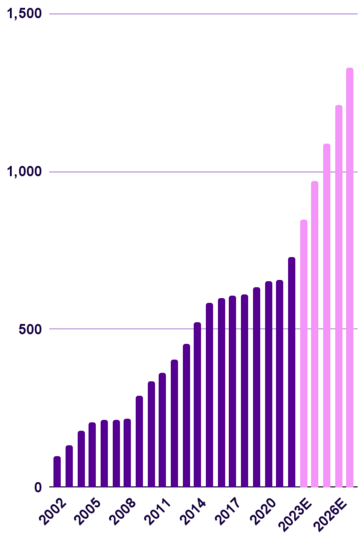
Illustrative 5 year customer growth scenarios

On target to acquire 1m additional customers over the next 4-5 years

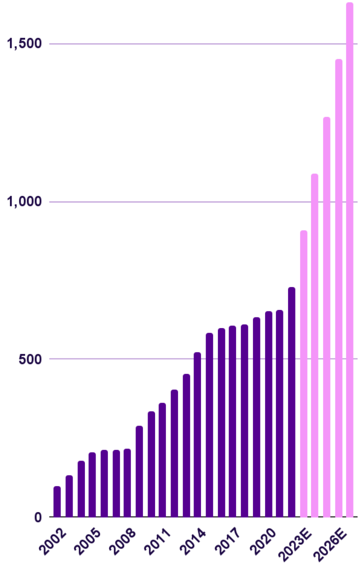
+60k pa



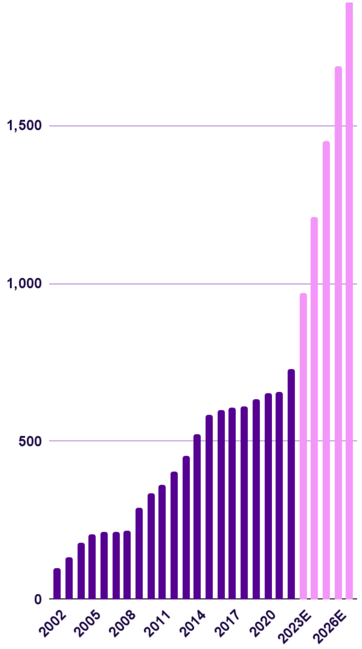
+120k pa



+180k pa



+240k pa



UW customer numbers as at year end (31 March). Purple bars actual, pink bars illustrative possible scenarios which should not be relied upon.

Supporting materials

Utility Warehouse | TelecomPlus

All your home services in one

Over 800,000 households taking 2.5m services

Energy

Broadband

Mobile

Insurance

UW at a glance

15 months of consistent double-digit organic growth

Growth

- 24% annualised customer growth in H1 FY23
- Rising cost of living is a near term stimulus for growth

Sustainable cost advantage

- Reset of retail energy markets has enabled our disruptive multiservice business model to thrive again
- Inherent cost advantage of having a single set of overheads but multiple revenue streams per customer

Customers

Households supplied	814,000
Services supplied	2.57m

Financial highlights

	FY22A	FY23E
EBITDA	£74m	>£109m
Adj PBT	£62m	>£95m
Dividend	57p	>80p

Historic P&L dynamics

- Revenue split 80/20, energy/telco
- Gross profit split 50/50, energy/telco

UK Markets

- ~3% market share in both energy and telecoms
- Addressable market: £50bn+ revenues
- Significant opportunity to grow insurance business

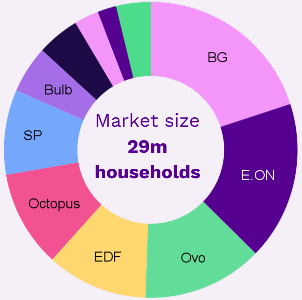
FY23E financial estimates as per latest management guidance provided in this presentation dated 22.11.22.

The UK's only multi-service provider

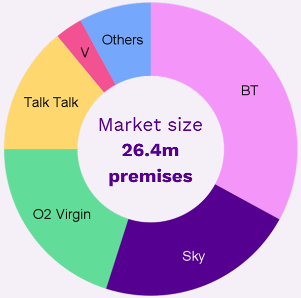
Vast organic growth opportunity

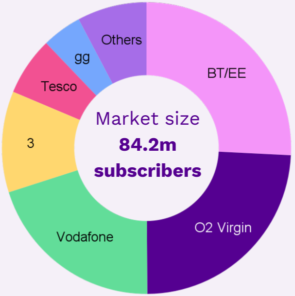
3% market share

Energy

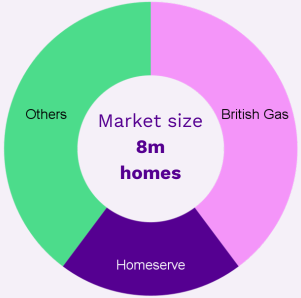


Broadband





Mobile



Boiler / Home Assistance Cover

Souce: Cornwall Analysis (Energy), Enders Analysis (Broadband) (V is Vodafone), Enders Analysis (Mobile) (gg is giffgaff), and Homeserve (Boiler & Home Assistance cover).

Why customers choose us

Utility Warehouse | TelecomPlus

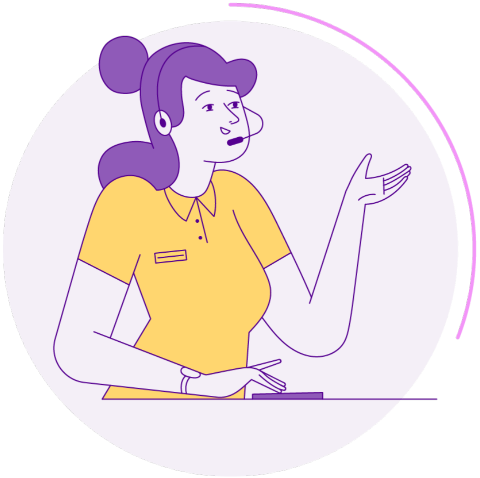
We make your essential home services simpler, easier and better value

Savings

The more services you take, the more you save

Simplicity

Keep track of your household spend with one monthly bill



Service

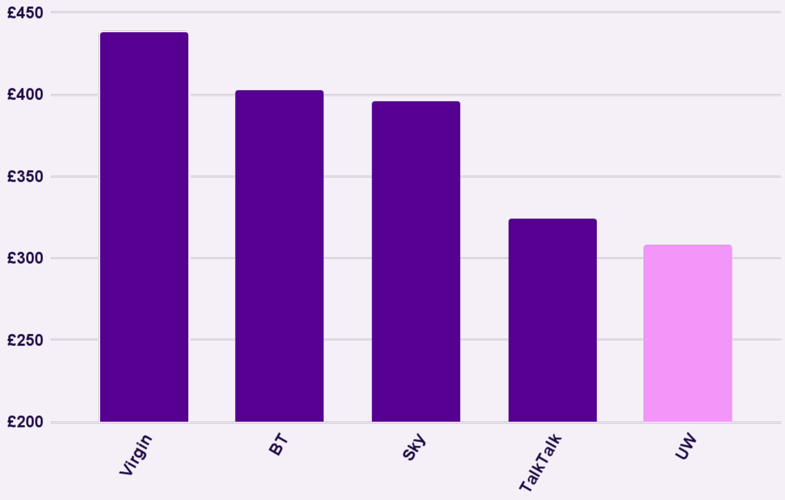
Award winning UK-based customer service

Savings

Long-term, fair pricing

Annual discount to £2,500 Energy Price Guarantee

Annual fixed cost for 40MB Broadband

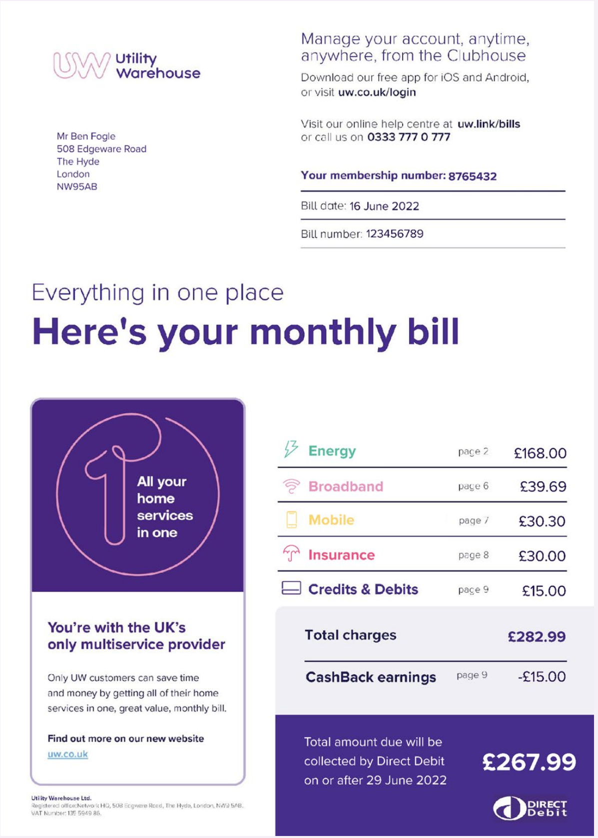


Pricing as at w/c 14.11.22. Energy: dual fuel supply at the Ofgem standard domestic consumption profile.
Broadband fixed annual cost of our 40/10 Fibre against comparable tariffs from alternative providers, calculated as an average per year across 3 years, including introductory offers, activation charges, rental, and one calling feature.

Simplicity

One supplier. One bill.

One bill
One number
One account


Utility Warehouse

Manage your account, anytime, anywhere, from the Clubhouse

Download our free app for iOS and Android, or visit **uw.co.uk/login**

Visit our online help centre at **uw.link/bills** or call us on **0333 777 0 777**

Mr Ben Fogle
508 Edgeware Road
The Hyde
London
NW95AB

Your membership number: 8765432

Bill date: 16 June 2022

Bill number: 123456789

Everything in one place

Here's your monthly bill

All your home services in one

You're with the UK's only multiservice provider

Only UW customers can save time and money by getting all of their home services in one, great value, monthly bill.

Find out more on our new website
uw.co.uk

Energy	page 2	£168.00
Broadband	page 6	£39.69
Mobile	page 7	£30.30
Insurance	page 8	£30.00
Credits & Debits	page 9	£15.00
Total charges		**£282.99**
CashBack earnings	page 9	-£15.00

Total amount due will be collected by Direct Debit on or after 29 June 2022 **£267.99**

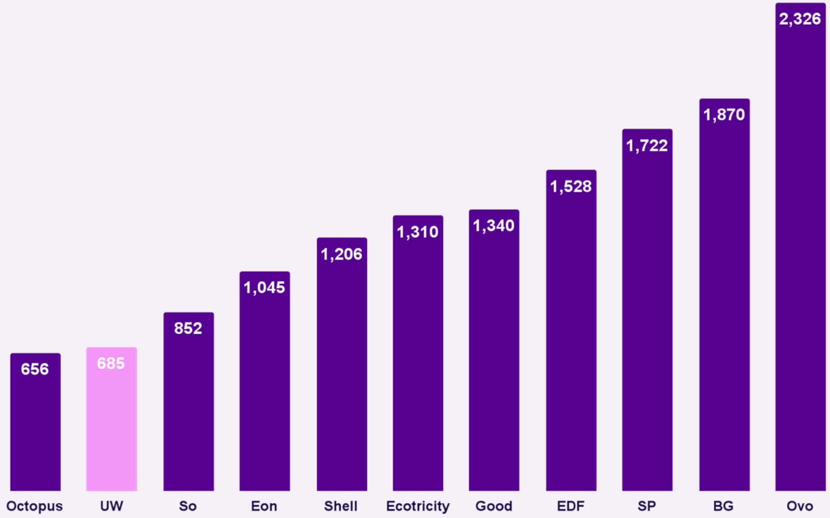
DIRECT Debit

Utility Warehouse Ltd.
Registered office:Network HQ, 508 Edgware Road, The Hyde, London, NW9 5AB.
VAT Number: 135 5949 86.

Service

Award-winning customer support

Low referrals to Energy Ombudsman



Consistent third party endorsements

Uswitch Best Customer Service, Most Likely to Recommend and Best Rewards

Energy Services Average Ombudsman referrals (per 100k supply points) by supplier for the first two quarters of 2022. Source: Ofgem.

Unique route to market

Word of mouth referrals

Trusted, personal recommendations of our business

Our community of 50,000+ Partners

- Self-employed, part-time brand advocates
- Role is simply to refer UW to potential customers
- Provides informal access to less-engaged consumers

Targeted acquisition of most desirable customers

- High multi-service penetration
- Owner-occupiers
- Stronger credit
- Above average customer demographic

Highly cost efficient and scalable customer acquisition model

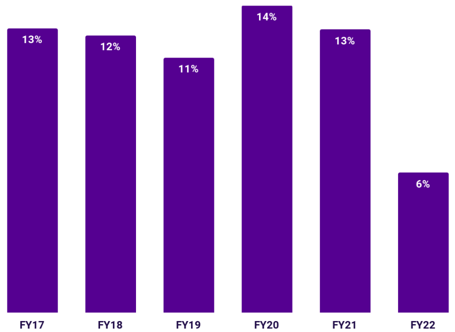
- Success-only fees paid
- No ‘above the line’ advertising spend

Our word of mouth route to market…

…is the key to maximising customer lifetime value

High multi-service penetration increases customer lifetime

UW customer churn - single digit % per annum

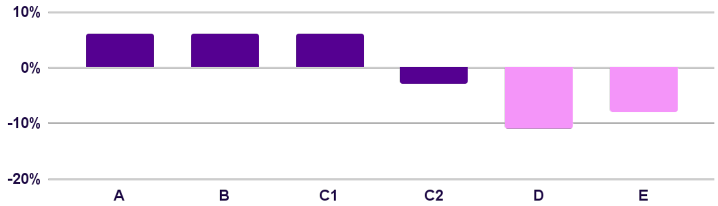


Clear alignment of interests resulting from multi-service focus

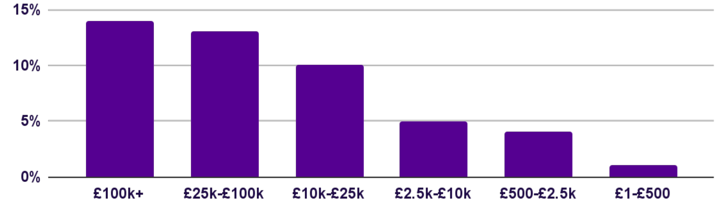
Customers	Ongoing, long-term value
Partners	Ongoing, long-term incomes
Shareholders	Sustainable earnings & dividends

Higher-end customer demographic reduces bad debt exposure

UW customer demographic above UK average



UW customer Savings Value above UK average



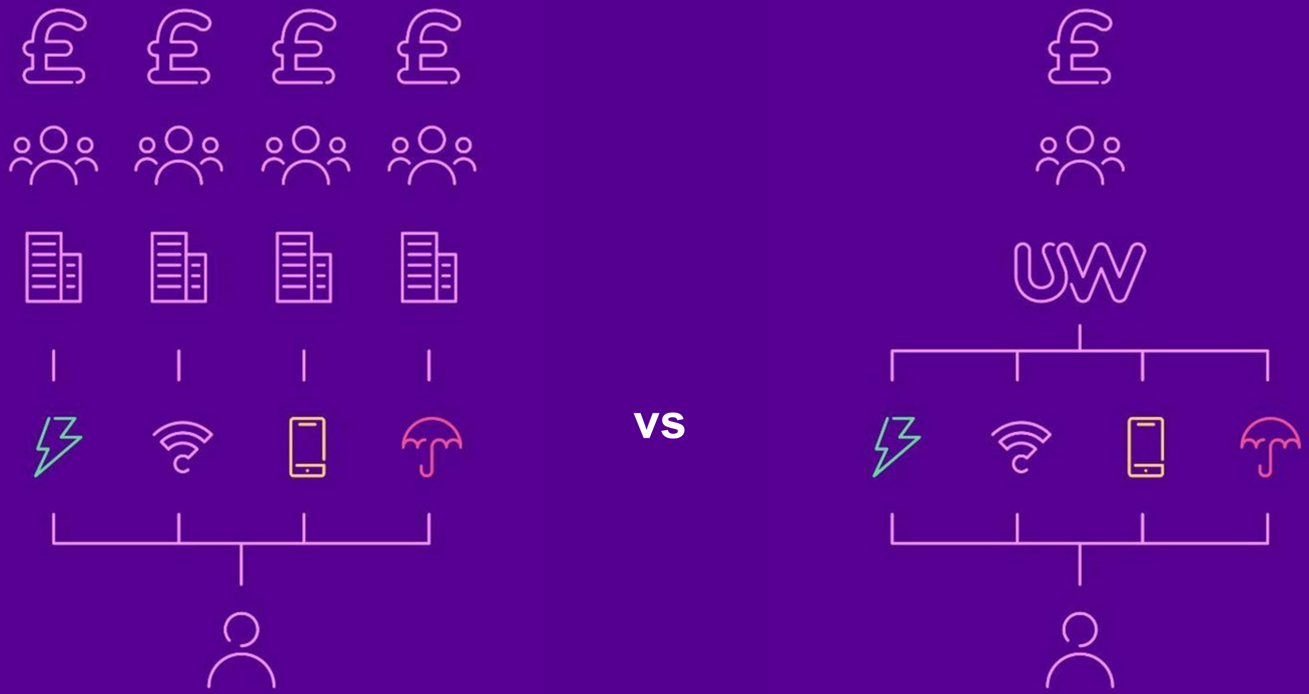
Churn calculated using Electricity supply points leaving us during each period.
Weighting relative to UK population: (% share of category within UW customers - % share of category within UK population as a whole) / % share of category within UK population as a whole. Source: CACI Ocean, 2022

Our fundamental cost advantage

Utility Warehouse | TelecomPlus

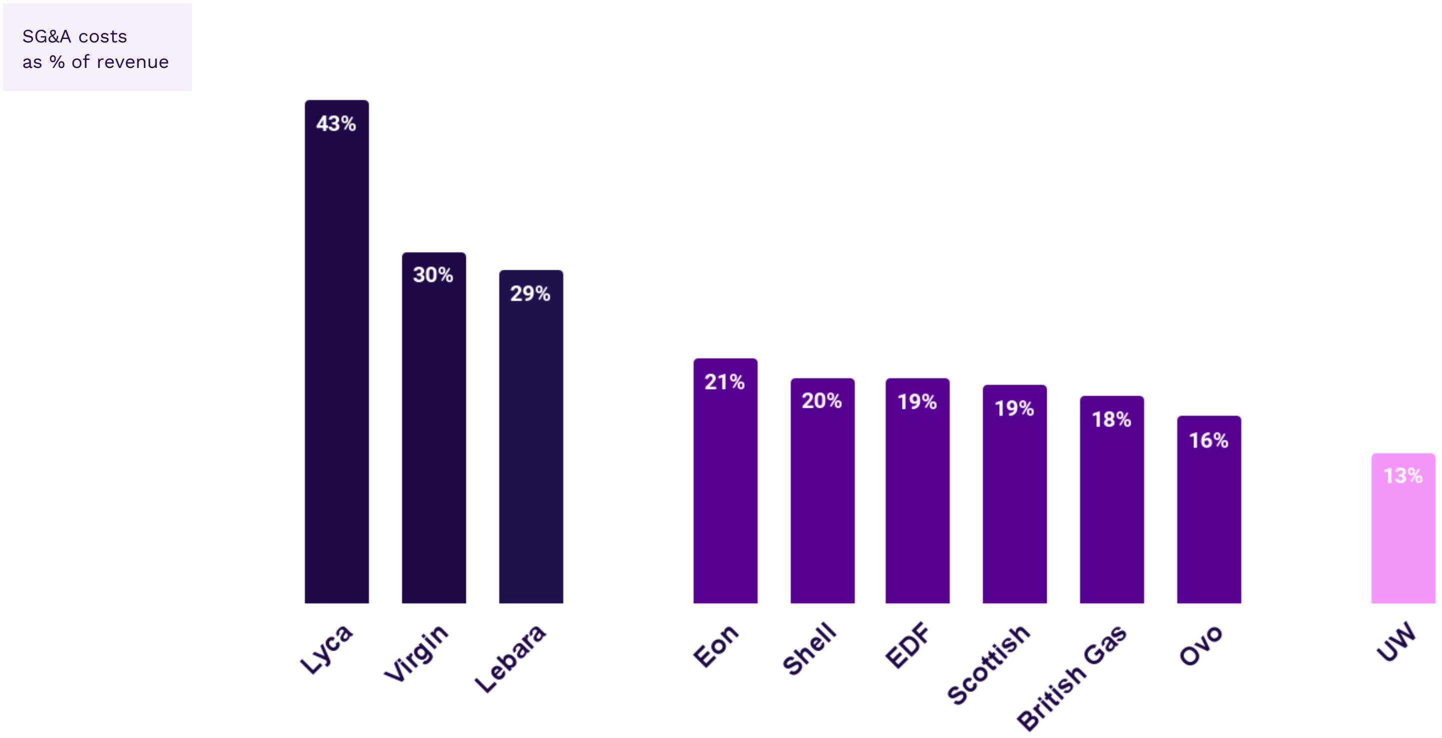
Our fundamental cost advantage

One set of overheads, multiple revenue streams



Our sustainable, multi-service cost advantage

One set of overheads, multiple revenue streams



Indirect costs defined as SG&A, as per Annual Reports (and Consolidated Segmental Statements) for retail supply businesses alone. Data for year to Dec 20 used to exclude distortions caused by energy price inflation and multiple supplier of last resort events in 2021. Virtual telecoms supplier data from latest published report & accounts. TEP amortisation of intangible excluded.

Key competitive advantages

The UK's only genuine multi-utility provider

1

Multi-service customer proposition

Technology enabled, fully integrated multi-service proposition

2

Word of mouth route to market

Our Partners: low cost, high quality, targeted customer acquisition

3

Long term supply agreements

Sustainable relationships
Complementary route to market

Supply agreements

Complementary route to market attractive to suppliers

Benefits to our suppliers

- Our incremental revenues maximise their infrastructure ROI
- No marketing or customer service costs
- Access to a ‘disengaged’ segment that they can’t reach
- Leveraging our lower operating cost model to gain market share

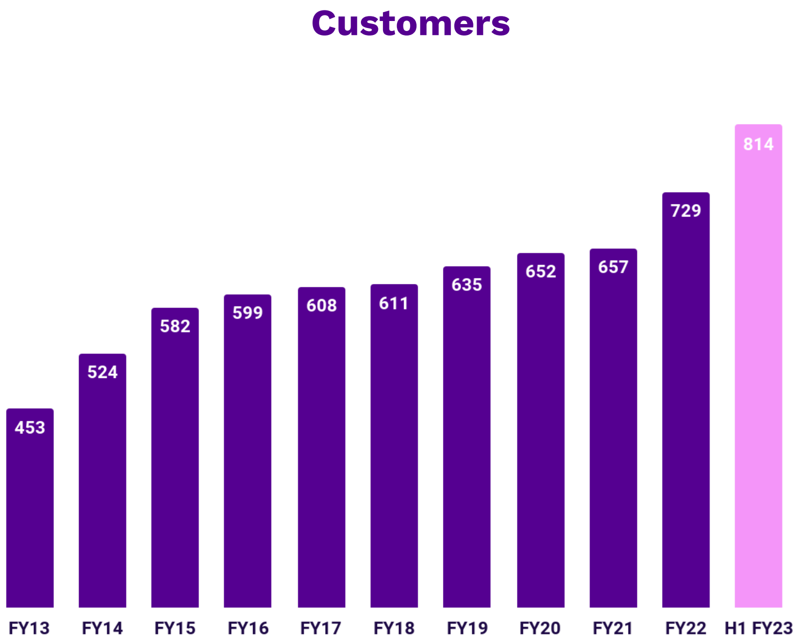
Upside of our growth outweighs cannibalisation risks, eg

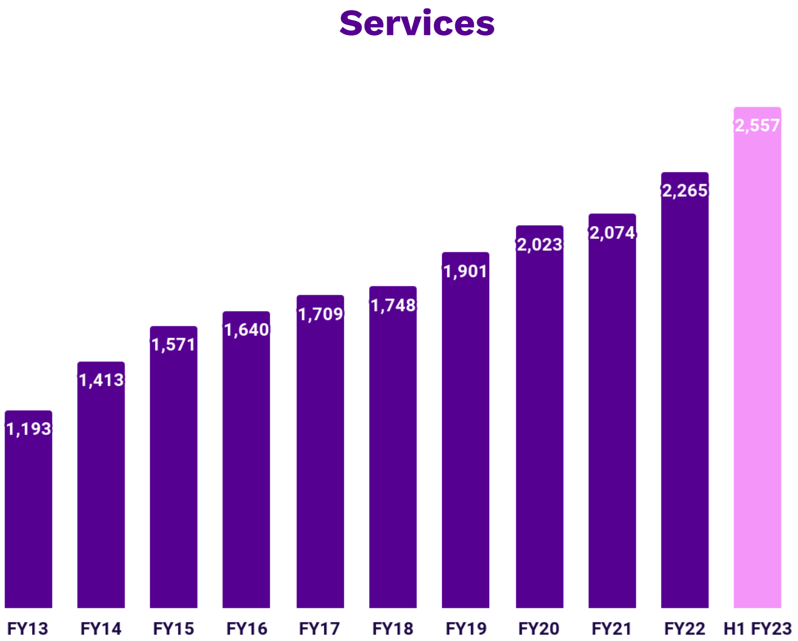
- <1 in 6 UW new customers comes from Talk Talk…
- … >5 in 6 UW new customers come from their competitors

Energy	e·on
Broadband	TalkTalk
Mobile	EE
Insurance	Pen underwriting, AVIVA, RSA

Sustained long-term organic growth

Recent acceleration

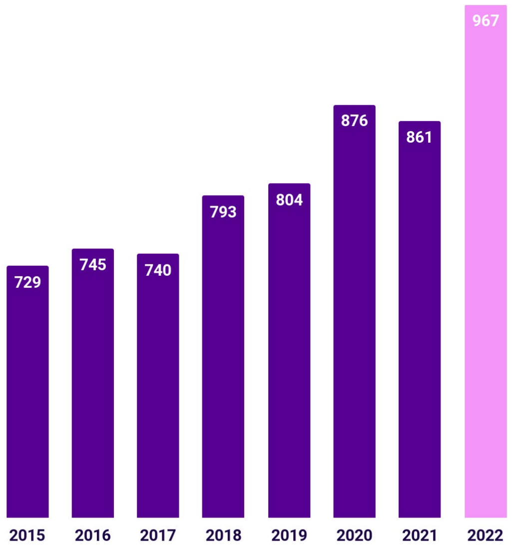




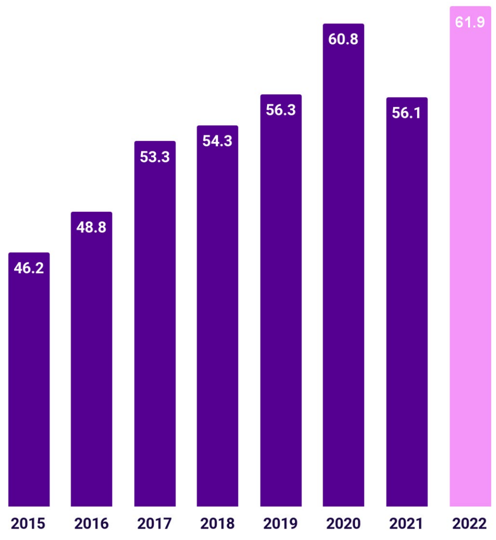
Figures in thousands, excluding TML.

Historical financial performance

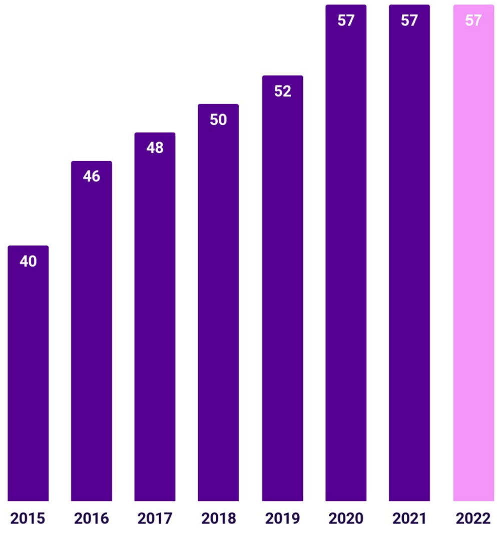
Turnover (£m)



Profit before tax (£m)



Dividends (p)



PBT & EPS figures exclude share incentive and amortisation charges. Opus contributions excluded (sold in Feb 2017).

Our core investment case

High-quality earnings, rapid organic growth and progressive dividends

UK's only multi-service supplier	• Unique customer proposition - Energy, Broadband, Mobile, Insurance • Savings, Simplicity, Service • >800,000 customers

Differentiated route to market	• Word of mouth - delivering a high-quality customer base
	  ○ Multi-service, loyal customers
	  ○ Creditworthy customers
	• Partner community a significant barrier to entry

Sustainable cost advantage	• Lower cost to serve multi-service customers • Fundamental competitive advantage

High growth opportunity	• Current customer growth rate of 24% pa • 3% share of a £50bn+ market
Straightforward 'virtual retail' business model	• No infrastructure investment required • No capacity or technology risks
Proven financial track record	• Predictable earnings from supplying essential services • Highly cash generative • Progressive dividend policy
Management interests aligned with shareholders	• Significant Board ownership

Appendix

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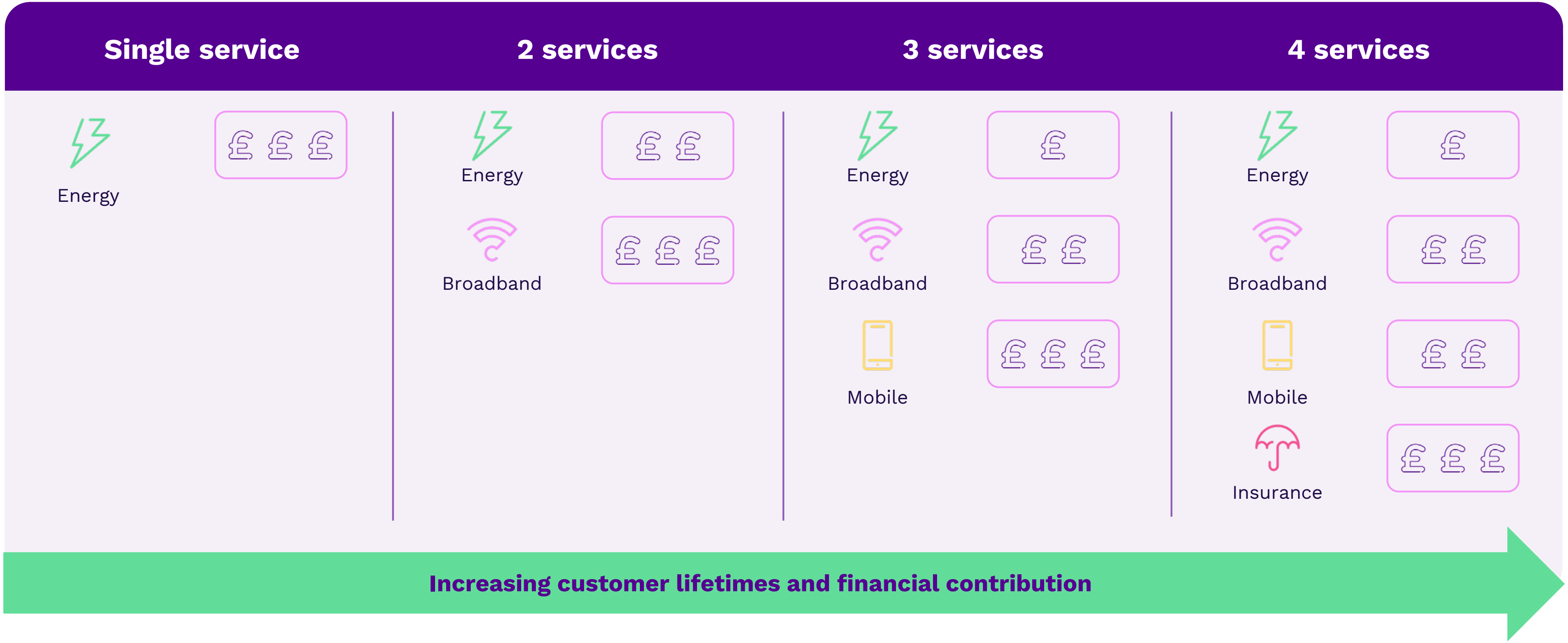
Benefits of a multi-service proposition

Multi-service customers on our lowest energy tariffs are most valuable



Typical lifetimes are indicative averages and based on a range of assumptions.

Energy supply market update

Return to sustainable marketplace

Key regulatory aim	• No more unsustainable business models or irrational pricing
Ofgem regulatory action	• Quarterly price cap • Financial resilience / stress tests • Market compliance reviews • Ring-fencing of customer credit balances • Ban on acquisition tariffs
Government price support	• Average energy bills capped at ~£2,100 this Winter, rising to ~£3,000 from April • Energy prices forecast to stay high (£2,000+ until 2030) • Cost of Bulb failure now £6.5bn, still to be recovered from consumers

UW is uniquely positioned to outcompete due to multi-service business model and structural cost advantage

Get in touch

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London, NW9 5AB

Telecomplus.co.uk

Utility Warehouse | TelecomPlus

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