

Group Chief Executive's statement



Chris O'Shea
Group Chief Executive



I am confident that the future's looking good for Centrica. The world's changing fast, with technology and AI driving up electricity demand like never before. That means more complexity, more need for reliable, sustainable energy.

A year of strategic progress and investment

I never forget who I work for, I work for you, our shareholders, the owners of our Company. And my job is to create value for shareholders, which includes every single Centrica colleague. We do this by doing three things: delivering great customer service for our 10m plus customers; investing your money wisely; and helping our nearly 22,000 colleagues to be at their best as they energise a greener, fairer future.

2025 has been a big year for us – lots of progress and lots of bold moves. I'm really proud of how far your Company has come, not just making the energy supply more secure where we operate but also putting ourselves right at the heart of the energy transition whilst growing our businesses.

Delivering great customer service

For years we've been improving our customer service, although the results can take quite a while to feed through. So, I'm delighted that for the first time in a number of years we have grown customer numbers in all of our businesses. And our customer satisfaction measure (Net Promoter Score) is the highest it's ever been in the UK energy business. The investment we've made in improving our service is really starting to show. The Institute for Customer Service's latest UK Customer Satisfaction Index ranked British Gas among the top 20 most improved organisations over the past year and

Uswitch has awarded British Gas most improved energy company for the second consecutive year. I'm delighted for our colleagues who've worked so hard to make this happen.

Now this doesn't mean the journey is over – we are continuously looking at ways to better serve our customers. And we must always remain vigilant in how we treat our vulnerable customers. More than three years ago we discovered that we had fallen short of our own high standards in how we installed prepayment meters for certain customers. This issue is subject to an ongoing Ofgem investigation, and I said at the time how gutted I was, and I know it was a difficult moment for many colleagues who work so hard to do the right thing. It's strengthened our resolve to learn and keep improving. Whilst subsequent events have shown this to be a wider energy sector issue, we can never forget how we let some of our customers down and we've taken substantial steps to improve our processes and to help prevent these issues from happening again. We know how challenging it is for customers who are struggling to pay their bills and we're acting where it matters most and partnering with The British Gas Energy Trust and leading advice organisations such as StepChange, to deliver rapid, targeted support for customers in serious financial difficulty. Through frontline training, trusted community partners and high-impact national outreach initiatives, we're making it easier for vulnerable customers to access grants, guidance and practical help that genuinely cuts the pressure. We have made huge improvements, and your company is now very different from the one it was just three years ago.

This year, we've continued to raise our game – using technology and AI to make things simpler and smoother for our customers. We've cut out unnecessary steps, sped up decision-making and freed up more time to deliver for our customers. These small changes add up: reduced call volumes, problems sorted faster, happier customers, and better retention. That means tighter cost control and stronger revenue and profit growth.

And we want to make sure that our customers have the energy they need, when they need it. A report at the end of last year from NESO, the UK's national energy system operator, which has warned of the risk of gas shortages as Britain gets into the 2030s, underscores how gas will remain important over the course of the transition. This is why we bought Grain LNG, why we want to redevelop Rough, and why we signed a £20bn deal with Equinor, securing 5bn cubic metres of gas a year until 2035. That's a ten-year partnership with Norway that helps keep the UK's energy secure and prices steady.

Investing your money wisely

Putting £1.3bn into Sizewell C isn't just a great investment; it's about making sure the UK has reliable, low carbon power for years to come. Building nuclear plants is tough work, and credit where it's due – this Government (and the last one) saw the need and backed it. That's what doing the right thing for the country looks like. By creating a proper regulatory framework, they've made it possible for us to invest, and that's good news for everyone: colleagues, customers and shareholders.

Energy transitions aren't just about tech or ambition – they're about balancing what's possible with what's needed. You've got to juggle global markets, budgets, and what customers want. It's about finding the sweet spot between ambition and security, innovation and reliability, renewables and, yes, natural gas. Our investment in Europe's largest LNG terminal – Grain LNG – with Energy Capital Partners is a further proof point of our strategy to pivot towards stable, predictable infrastructure returns.

These investments aren't just one-offs – they're part of our plan to keep building real, long-term value for you. This year has also seen us working in partnership with the impressive US company, X-energy, to bring up to 6GW of advanced modular power stations to the UK. Whilst it's early days in the development of the next generation of small nuclear assets, it feels like there is now genuine momentum around this technology here and elsewhere in the world.

Our valued colleagues

I know I say this a lot, but having a great team is why we have happy customers. Every day, 22,000 people roll up their sleeves and make a difference for our customers, our business and our communities. I'm proud of the way our teams have stepped up this year – embracing new technology, driving operational improvements and always putting customers first.

I know organisational change to simplify our business and deliver better outcomes for customers hasn't been easy for colleagues, but I am pleased to say that we have supported colleagues through change and managed to maintain a strong engagement score of 7.9 out of 10. This gives us a good foundation to build on in 2026 and really focus on continuing to create the culture we want. We're breaking down silos, encouraging collaboration and making sure every voice is heard. Whether people are on the phones, in British Gas, Bord Gáis, Hive or PH Jones vans, at our energy assets, or working behind the scenes, colleagues' ideas and energy are what will drive Centrica forward.

We never stop investing in our people – they're the heartbeat of this Company and the reason we keep delivering. Opening our new facility at Lutterworth in 2026 will be a big moment for us. This £35m green campus brings together a national distribution centre, advanced technology labs and a new green skills academy. It strengthens our operational capability and the infrastructure we need for the energy transition. By investing in large-scale apprenticeship programmes and new research and training facilities, we're thinking about the long term, helping to build the skilled workforce needed for the UK's energy transition. It's another example of how we're preparing our colleagues – and our business – for a cleaner, more secure energy system in the years ahead.

Transformation isn't just something we're talking about – it's something we're delivering. And our People team has played a vital role in making that happen. Over the past year, they've supported significant restructuring and helped embed new operating models that are essential for our long-term growth. None of this work is easy, but we've approached every step with care, integrity and a focus on doing the right thing.

Our Senior Leadership Team (SLT) is made up of my direct reports and their direct reports, around 100 people. We get together regularly to ensure cohesion and alignment. We continue to commit to three core principles that shape our culture and the way we work, individually and as a team:



One team

First and foremost, we work for Centrica. So, when faced with making a decision, the question every leader must ask themselves is 'is this good for the Company?'.



Ownership

We must own the outcome of our actions, not assuming that someone else will fix something we see which needs fixing, and asking ourselves whether what we are doing will improve things for our customers.



Growth mindset

We must innovate and try new things; asking ourselves 'why not?' rather than 'why?' when someone suggests a new idea; asking ourselves 'what needs to be true?' to make something work rather than state why something won't work.

If we can continually live by these three themes and demonstrate our five core values, we will continue the evolution of our culture, delivering a step change in our performance and creating material value for you, our shareholders.

A big part of this has been equipping our managers to lead through change in the right way. We've invested in targeted training, effective communication skills and one-to-one support so leaders can handle difficult situations with clarity and compassion. And where change has directly affected colleagues, we've prioritised wellbeing and career continuity – offering career development tools, wellbeing initiatives and redeployment support to protect as many roles as possible. That matters, because while transformation is strategic, it must also be deeply human.

At the same time, we're rewiring how we work through a technology-led transformation that strengthens accountability, builds new skills and helps us serve customers better. Our People team has been at the centre of this shift, helping us move faster and operate with greater agility, while making sure colleagues stay supported and informed.

Throughout all of this, our colleagues have stayed focused on what really matters. Their resilience and commitment have enabled us to make real progress at pace.

Because ultimately, transformation isn't about systems or structures – it's about people and our colleagues continue to be the driving force behind Centrica's success.

I want to thank every colleague for their hard work, commitment and passion. Together, we're not just delivering for today – we're building a greener, fairer future for everyone.

Business performance

We made good progress in key areas, but tough trading conditions elsewhere held us back. Global market uncertainty hit Centrica Energy harder than expected, and unseasonably warm weather plus higher bad debt put pressure on our supply business. None of this changes the direction of travel – it just shows the importance of staying focused, adapting quickly and dealing with issues head-on.

Our Group adjusted operating profit was £814m compared to £1.6bn at year-end in 2024, with adjusted Basic EPS of 11.2p in 2025 compared to 19.0p in 2024, and free cash flow of £167m. Performance has been resilient, given the market, and gives us the confidence to invest further and ensure strong performance in the future.

Customer satisfaction levels continue to improve across all our customer-facing brands, with a British Gas Trustpilot score of 4.4 (Excellent) and we have grown customer numbers in all our customer facing businesses; this is the first time this has happened and shows we have momentum. I am particularly pleased to see good progress in our Services business supported by strong boiler installations in 2025, meaning we hit our profit target one year ahead of schedule. More detail on our business performance can be found in Russell's report on pages 18 to 22.

Future prospects: building a sustainable and resilient business

I am confident that the future's looking good for Centrica. The world's changing fast, with technology and AI driving up electricity demand like never before. That means more complexity and more need for reliable, sustainable energy – exactly what Sizewell C will deliver.

We're grabbing future opportunities with both hands. We're investing in new technology, sharpening up how we work and getting ready for the next stage of our transformation in 2026 and beyond. The goal? Make Centrica leaner, quicker on its feet and always focused on giving customers what they want while chasing new growth across the energy sector to deliver value for our shareholders.

We've set ourselves a big target to grow profits and value, and with expected extensions to our existing nuclear power stations, we expect to deliver £1.7bn EBITDA by 2028, rising to £2bn in 2030. Underpinning this will be a cost base which stays flat for the coming 5 years.

Our leaders are now more focused on what's best for Centrica as a whole, not just their own businesses. By breaking down silos and working together, we're rolling out the joined-up products and services that only we can offer. There is still much to be done in making these important changes but I can already see results where our focus on simplification is driving a quicker, leaner and more efficient business. By reducing bureaucracy and embracing technology, we are creating the right environment for

our colleagues to ensure we remain competitive in a rapidly evolving market. This transformation is not just about cost savings; it is about creating a culture of agility and innovation that will underpin our future success.

The regulatory environment

We've achieved a lot this year, but there are still concerns with how our market is regulated. If we want to attract investment and keep the energy transition moving, we need high-quality economic regulation and clear rules applied consistently that give investors' confidence to deploy capital. When we look at the retail market in particular, whilst we welcome the capital adequacy rules that have been introduced for the energy supply sector, implementation has been slow and inconsistent over the past few years. We've seen a couple of suppliers go bust this year and I am worried about a return to the period when half the energy market went out of business, costing consumers billions of pounds. And right now, there's billions of debt building up across the sector. We need our regulator to work with the sector to stop the burden of non-payment falling on the shoulders of those customers who do pay. The strain of growing bad debts, coupled with the large suppliers who do not hold the capital required under Ofgem's rules, presents a systemic risk to the energy retail market and we are at real risk of seeing more suppliers go under, which creates confusion and risk for customers, in turn damaging the investment case for the sector. Ofgem has said that the industry holds more capital today than it did three years ago, and that is great. But what counts is what each individual supplier holds in capital, and it remains worrying that a number of the UK's biggest energy suppliers still don't hold the capital Ofgem requires under its rules.

Conclusion: delivering for the future

The strategy we set out in 2023 is delivering for colleagues, customers and shareholders; this is reflected in a share price which has outperformed the FTSE 100 by 12.5% and we remain committed to investing around £4bn as part of our investment programme leading up to 2028, focusing only on projects with the right balance between risk and reward.

2025 has been a year of delivery. Our investments in Sizewell C, Isle of Grain, and other strategic assets have strengthened our operational foundation and demonstrated our leadership in a rapidly changing energy landscape. We are driving transformational operational improvements, building a quicker and leaner business, and preparing for a future defined by innovation and sustainability.

However, we remain clear-eyed about the challenges ahead, particularly in relation to the regulatory environment. We will continue to advocate for the changes needed to unlock further investment and deliver for our customers, colleagues and shareholders.

I am proud of what our amazing colleagues have achieved, and we are excited about the opportunities that lie ahead. Together, we will continue to build a business that is resilient, sustainable and fit for the future. One which delivers for our colleagues, for our customers and for the people we all work for, our shareholders.

Chris O'Shea, Group Chief Executive

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