Business review

Segmentation Update

As part of our focus to drive faster and more impactful decision making, enhanced delivery for customers and cost efficiencies, we have streamlined management structures to simplify the Group. Reflecting the reorganisation, our Retail, Optimisation and Infrastructure portfolio will become our three reportable segments:

- Within Retail we have created two separate divisions, Home and Business.
  - Home includes all residential retail activities across the UK and Ireland, covering home energy supply and services.
  - Business brings together all business energy supply and services activities across the UK and Ireland. These were previously split across British Gas Energy, Bord Gáis Energy and Centrica Business Solutions.
- Optimisation comprises the activities previously reported as Centrica Energy, and the equivalent activities formerly reported as part of Bord Gáis Energy.
- Infrastructure includes Power, Gas and Customer Assets.
  - Power includes all power generation assets - our 20% stake in the UK's operating nuclear fleet, our investment in Sizewell C, and other power assets, principally our Irish assets and flexible and renewable assets previously reported within Centrica Business Solutions.
  - Gas includes our investment in Grain LNG, Spirit Energy and Centrica Energy Storage+ (Rough).
  - Customer Assets includes the MAP, previously reported within British Gas Energy.

Business Performance Summary

Adjusted EBITDA was £1.4bn (2024: £2.3bn). Adjusted operating profit was £0.8bn (2024: £1.6bn), while statutory operating profit was £0.1bn (2024: £1.7bn). For more information on Group financial performance please see pages 18 to 22 in the Group CFO report.

The breakdown of EBITDA and operating profit is shown below:

	Adjusted EBITDA		Adjusted operating profit	
Year ended 31 December (£m)	**2025**	2024	**2025**	2024
Retail	**574**	611	**424**	458
Optimisation	**196**	381	**155**	339
Infrastructure	**728**	1,357	**314**	799
Colleague profit share (i)	**(34)**	(25)	**(34)**	(25)
MAP adjustment (i)	**(47)**	(19)	**(45)**	(19)
Adjusted EBITDA / Adjusted Operating profit	**1,417**	2,305	**814**	1,552
Less: Share of joint venture and associate's EBITDA	**(322)**	(513)		
Adjusted EBITDA excluding share of EBITDA from joint ventures and associates	**1,095**	1,792		
Exceptional items and certain re-measurements			**(708)**	151
Group operating profit (Statutory)			**106**	1,703

(i) Reconciling items to Group Income statement.

Retail

Retail consists of our leading brands serving customers across the UK and Ireland in Home and Business, including British Gas, Bord Gáis Energy and Hive.

Year ended 31 December	2025	2024	Change
Operational			
Home Energy Supply customers ('000) (closing) (i)	**7,956**	7,907	1%
Home Services customers ('000) (closing) (i)	**2,939**	2,929	0%
Business customer sites ('000) (closing) (i)	**742**	735	1%
Home Energy Supply UK Touchpoint NPS (ii)	**33**	29	4pt
Home services UK Engineer NPS (ii)	**76**	73	3pt
Business UK Touchpoint NPS (ii)	**37**	28	9pt
Home energy supply complaints per UK customer (%) (iii)	**8.1%**	10.1%	(2.0)ppt
Home Services complaints per UK customer (%) (iii)	**4.8%**	5.3%	(0.5)ppt
Business complaints per UK site (%) (iii)	**5.2%**	5.8%	(0.6)ppt
Financial			
Adjusted EBITDA (£m)	**574**	611	(6)%
Adjusted operating profit (£m)	**424**	458	(7)%
Adjusted operating profit margin (%)	**2.6%**	2.7%	(0.1)ppt

All 2025 metrics and 2024 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Customers defined as:
Home Energy Supply - single households buying energy from British Gas and Bord Gáis Energy.
Home Services - single households having a contract or an on-demand job with British Gas Services, or Bord Gáis Energy, including warranty partnerships.
Business - British Gas Business and Bord Gáis Energy business customer sites.

(ii) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following contact or a Home Services gas engineer visit.

(iii) Measured as a percentage of average customers over the year, UK only.

Operational Performance

We have continued to build on the strong 2024 operational performance across Retail. Complaints fell across all businesses, while NPS increased, including a record high in UK Home Energy Supply of 33, supported by the completion of customer migration onto our more flexible Ignition platform. We are progressing the migration of our SME business customers onto Ignition, with 44% now migrated, while we continue to review plans for our Irish customers. Once completed we expect this will help unlock further operational and financial efficiencies across the Retail portfolio.

We continue to address the root causes of customer contact by investing in, and simplifying, customer journeys, while further operational improvements supported continued low reschedule rates in Home Services of 4% (2024: 4%). The Trustpilot score for British Gas reflects these improvements, increasing to 4.4 stars, while we were awarded the Uswitch Energy Awards Best Overall Improvement winner for the second consecutive year.

Home Energy Supply customer numbers grew 1% to 7.96m, in the year, with 7.50m UK energy customers (2024: 7.46m) and 0.46m customers in Ireland (2024: 0.45m). We welcomed 91,000 UK customers through the Supplier of Last Resort ("SoLR") process following the failures of Rebel Energy in April and Tomato Energy in November, with 64,000 remaining on supply at the end of the year. These gains offset a small decrease in underlying customers. We saw increased levels of customer switching during the year, with more customers opting to move onto fixed priced tariffs. 32% of our UK customer base is now on a fixed price product, compared with 25% at the end of 2024. This trend is expected to continue, and we will remain focused on pricing efficiently and sustainably, with long-term value our key priority.

In Home Services, we are starting to see the benefit of better commercial innovation. Total customer numbers grew by 10,000 over 2025, as we began taking steps to transform our commercial offerings and diversify our customer portfolio, including offering our unique field force as a service in new partnerships with original equipment manufacturers, which added 71,000 customers.

Our traditional protection portfolio declined by 3%, although retention rates improved to 87% (2024: 86%). We continue to build new channels to support contract growth, with on-demand volumes increasing 28% compared to 2024, while we also increased boiler installs by 5% in the year, supported by new sales channels and optimising the end-to-end sales journey.

Our British Gas membership scheme is also growing quickly, with almost 600,000 members, helping to build stronger customer engagement to support further commercial growth, with conversion of around 7% to a paid protection contract.

In Business, customer sites increased by 1%, as we continue to focus on growing our SME portfolio.

Financial Performance

Retail delivered adjusted EBITDA of £574m and adjusted operating profit of £424m (2024: £611m and £458m respectively).

UK Home Energy Supply adjusted EBITDA was £224m and adjusted operating profit was £163m (2024: £331m and £269m respectively), with performance impacted by several factors. Warmer than normal weather was an £80m headwind, while the shape of the commodity curve also negatively impacted profitability. These headwinds were broadly offset by several regulatory reconciliations and other cost phasing items, including £42m from the final reconciliation of revenues under the Energy Price Guarantee scheme and a £41m benefit from lower Feed-in-Tariff costs than previously recognised.

Additionally, customers moving to fixed price products, typically at a discount to the standard variable tariff, reduced profitability compared to 2024.

In UK Home Services, strong efficient operations supported an improved result, with adjusted EBITDA of £169m and adjusted operating profit of £114m (2024: £114m and £67m respectively). Building on the momentum from the first half of 2025, top-line revenue grew 7% for the year, supported by our improved customer offerings and improving sales journeys, alongside increased smart installation volumes.

Operating margin improved 2.5ppts to 6.8%, with a sharp focus on efficiency, including improved engineer productivity and management of material and contractor spend. This more than offset the impact of increases in labour costs driven by the rise in employer National Insurance contributions.

Business Energy Supply in the UK delivered another strong performance in 2025, with adjusted EBITDA of £150m and adjusted operating profit of £138m (2024: £163m and £136m respectively). This was supported by growing customer sites and strong commercial performance in the optimisation of commodity costs and risk management of pricing in the year. Additionally, we made strong progress in embedding cost efficiencies through the streamlining of our organisational structure and reducing the use of third-party data and sales teams.

Reflecting good progress on cost efficiency driven by the transformation programme, Retail operating costs excluding bad debt and depreciation were 5% lower at £1,474m (2024: £1,559m).

Bad debt remains a focus, with the charge increasing in the year to £418m (2024: £369m), despite good progress on control initiatives. Within this UK Home Energy Supply bad debt increased to £277m (2024: £237m) and UK Business Energy Supply bad debt increased to £132m (2024: £120m) reflecting continued industry-wide challenges in both sectors, with the value of domestic debt owed to energy suppliers increasing to £4.5bn (page 10 of Ofgem's January 2026 State of the Market Report).

Optimisation

Centrica Energy

Year ended 31 December	2025	2024	Change
Operational			
Renewable and flexible capacity under management (GW) (i)	**19.5**	16.7	17%
Financial			
Adjusted EBITDA (£m)	**196**	381	(49)%
Adjusted operating profit (£m)	**155**	339	(54)%
Adjusted operating profit margin (%)	**2.6%**	5.2%	(2.6)ppt

All 2025 metrics and 2024 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Including assets that have signed contracts but are not yet operational.

Operational Performance

Centrica Energy, which now includes the optimisation activities previously reported within Bord Gáis Energy, continues to build its diverse portfolio of contracted physical positions, while leveraging its risk management and optimisation capabilities to add further value across the Group.

In our Renewable Energy Trading and Optimisation ("RETO") business, managed renewable and flexible capacity increased 17% to 19.5GW across the Nordics, Central and Southern Europe, the Baltics, and the UK. This growth reflects Centrica Energy's ongoing investment in skills and technology, which enables partners to access otherwise unavailable ancillary service markets. In-line with typical tendering and renewals activity, we expect assets under management to decline in the first half of 2026, before growing again in the second half of the year.

Our LNG business continued to perform well in 2025, proactively hedging our Sabine Pass offtake while continuing to expand the global portfolio. As such, we are well-positioned for an expected period of gas oversupply, with the portfolio now fully hedged to 2028 and over 80% hedged to the end of the decade through a range of physical LNG, pipeline gas and financial deals. Centrica Energy retains physical optionality in the event of market volatility.

Leveraging the knowledge built up from our North American LNG and pipeline gas deals, we opened our first North American office in New York during the year. Initially focusing on building a physical gas business, we see the potential to build an integrated optimisation business in North America over time, in-line with our incremental approach to expansion. Centrica Energy also continues to explore other geographical markets where the business model can be implemented.

Our Gas and Power Trading business, which typically benefits from price dislocations based on market fundamentals, faced gas markets driven by short-term geopolitical news flow and speculative capital disrupting fundamentals. European gas storage economics were also impacted by mandatory volume targets imposed by the EU to ensure sufficient gas in store ahead of winter. This reduced the storage capacity we chose to contract at the start of the year and our opportunity to optimise energy flows based on fundamentally driven price dislocations.

Financial Performance

Adjusted EBITDA was £196m and adjusted operating profit was £155m (2024: £381m and £339m respectively). Geopolitical uncertainty and EU storage targets heavily impacted the Gas and Power Trading result for the year, as we proactively reduced our activity levels, focusing on capital preservation and remaining disciplined rather than pursuing high-risk strategies. Performance improved in the second half of the year, with European summer/winter gas price spreads widening, however, they remain below longer-term averages, and structural changes in European gas storage regulation, despite now being more flexible, will continue into 2026.

The LNG and RETO businesses performed well, with LNG benefitting from hedged exposure in advance of delivery through a combination of physical and financial deals protecting the business from the emergent lower European-North American price spread.

Infrastructure

Infrastructure consists of our Power, Gas and Customer Asset businesses. This includes our investments in the UK's current operational nuclear fleet and Sizewell C, our Irish power assets and other flexible and renewable assets, alongside our 69% ownership in Spirit Energy, Centrica Energy Storage+ ("CES+") which is the operator of Rough, our 50% ownership of Grain LNG and our Meter Asset Provider ("MAP").

Year ended 31 December	**2025**	2024	Change
Operational			
Power			
Nuclear generation (TWh)	**6.6**	7.5	(12)%
Nuclear achieved power price (£/MWh)	**90**	132	(32)%
Whitegate power generation (TWh)	**2.1**	2.3	(9)%
UK Asset availability (%)	**93%**	93%	nm
Spirit Energy			
Total production volumes (mmboe)	**10.5**	13.3	(21)%
Of which: Retained production volumes (mmboe)	***3.3***	*3.7*	*(11)%*
Average achieved gas sales prices (p/therm)	**107**	132	(19)%
Lifting and other cash production costs (£/boe) (i)	**28.4**	25.3	12%
Centrica Energy Storage+ ("CES+")			
Volume in Rough reservoir (bcf) (ii)	**8**	41	(80)%
Customer Assets			
Centrica smart meters under management ('000)	**1,620**	446	263%
Financial			
Sizewell C equity investment (£m) (iii)	**(376)**	-	nm
Adjusted EBITDA (£m)	**728**	1,357	(46)%
Adjusted operating profit (£m)	**314**	799	(61)%
Capital expenditure (£m)	**(1,134)**	(388)	192%

All 2025 metrics and 2024 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Lifting and other cash production costs are total operating costs and cost of sales excluding depreciation and amortisation, dry hole costs, exploration costs and profit on disposal. Unit DDA rate is £18.5/boe (2024: £20.4/boe).

(ii) As at year end. 2025 closing volume consists of 8bcf of indigenous gas only (2024: 14bcf indigenous gas).

(iii) £376m equity investment into Sizewell C for 15% ownership. Regulatory asset base for Sizewell C funded with 35% equity and 65% debt. Group capital expenditure recognised in relation to Sizewell C of £387m includes transaction fees.

Operational Performance

Power

Nuclear output was 6.6TWh (2024: 7.5TWh), driven by unplanned outages, largely at Hartlepool, which was offline for the second half of 2025, with one reactor at the station returning to service at the start of February 2026, and the second reactor due to return to service by early March (as at 17th February 2026).

In Ireland, our 445MW combined cycle gas turbine (CCGT) Whitegate power station performed in line with expectations generating 2.1TWh in the year based on availability of 90%. Our two 100MW flexible natural gas peaking plants under construction in Athlone and Dublin experienced delays relating to gas and grid connections. With commissioning now expected to complete by around the middle of 2026, we have secured an extension to the start date of the 10-year capacity market contracts to mitigate potential associated losses on these projects against the ~€380m total investment (unchanged; Centrica share ~80%). We have also secured a 10-year capacity market contract of €56m p.a., to be fulfilled through a 334MW Open Cycle Gas Turbine (OCGT) at Cashla in Galway, Ireland. Planning is currently underway for the project with FID expected to be taken in early 2027. Once approved, this will take our power generation capacity in Ireland to ~1GW.

Gas

We disposed of Spirit Energy's remaining production assets in the Southern North Sea and the Netherlands through two transactions announced during 2025, generating expected cash proceeds of £180m, and transferring £129m of gross decommissioning liabilities. In October, we completed the sale of a 46.25% interest in the Cygnus gas field for a final consideration of £123m and the transfer of £85m of decommissioning liabilities. This was followed in December by the announced sale of the remaining 15% interest in Cygnus, and all other producing assets in the Greater Markham Area and Southern North Sea. Completion is expected in the second half of 2026, subject to regulatory approvals, for a headline consideration of £57m and the transfer of £44m of decommissioning liabilities. Following completion, the Morecambe Hub will become Spirit's principal producing asset, with retained reserves of 9mmboe. The decommissioning provision balance for Spirit Energy was £961m as at the 31 December 2025, reflecting the impact of disposals, and includes £159m of decommissioning retained relating to the disposal group at the year-end date. For more information on the disposals see note 12.

Going forward, Spirit Energy's focus will be on producing its remaining reserves safely and efficiently, and on decommissioning post-production facilities and wells while minimising the environmental impact. We have completed a series of activities at the Morecambe Hub to boost gas production and maximise economic recovery from the fields, which are expected to continue production through to around the end of the decade. Longer-term, the focus is on progressing the exciting opportunity to transform Morecambe into a carbon storage facility through the Morecambe Net Zero project, with the UK government identifying the project as a priority to reach FID during this parliament.

Total Spirit Energy production volumes were 21% lower in 2025 compared to 2024, with disposals accounting for half of the decline, alongside outages at Morecambe.

At Rough, having paused gas storage operations in 2025 owing to uneconomic seasonal gas price spreads, we await the conclusion of the UK Government's consultation on the future security of gas supply, which was published in November 2025 and closed on 18 February 2026. The consultation seeks to directly address the future role of gas storage, the resilience of supply infrastructure, and the commercial models needed to support assets such as Rough. A decision from the Government is expected in the first half of 2026.

In November, we completed the acquisition of the Isle of Grain LNG terminal for an enterprise value of £1.5bn, with our equity investment being approximately £200m for a 50% share. Since the acquisition completed we have been working closely with our partners ECP and the management team to set up Grain LNG as an efficient standalone business, while continuing to deliver best-in-class safety, reliability and efficiency for capacity holders. In collaboration with ECP, we have established strategic priorities and business goals for Grain LNG, focused on operational excellence, accelerating growth potential and creating long-term value for shareholders as we support the UK's energy transition. The terminal is 100% contracted until 2029, over 70% contracted until 2039 and over 50% contracted to 2045, resulting in highly visible, long-term earnings and cash flow. This supports an expected unlevered, post-tax nominal IRR of ~9% and an equity IRR of ~14%+.

Customer Assets

The MAP financed a further 1.2m smart meters in 2025, maximising our strong capital deployment and installation capabilities through British Gas. We now have over 1.6m smart meters under management, an increase of 263% from 2024, having only installed our first meter ~24 months ago. Using our experience of financing smart meters we have developed capabilities in small asset tracking and financing and we continue to explore adjacent market opportunities for further growth.

Financial Performance

Total Infrastructure adjusted EBITDA fell to £728m with adjusted operating profit of £314m (2024: £1,357m and £799m respectively), reflecting lower commodity prices and the pausing of storage operations, as well as outages in gas and power assets.

Within this, Nuclear adjusted EBITDA fell to £337m (2024: £610m), with adjusted operating profit of £180m (2024: £353m), predominantly driven by lower achieved prices and output, net of associated impacts from associate tax and the Electricity Generator Levy.

Spirit Energy adjusted EBITDA was £380m (2024: £707m) and adjusted operating profit of £166m (2024: £434m), with the decline year on year driven predominantly by lower achieved prices and production as outlined above.

Rough delivered a better than expected EBITDA loss of £45m and an adjusted operating loss of £45m (2024: £17m EBITDA profit and £2m adjusted operating profit) with strong operational reliability through the year supporting indigenous gas production, optimisation of commercial contracts and a range of cost efficiency measures which helped to offset the impact of uneconomic spreads and the pausing of gas storage operations.

Grain LNG adjusted EBITDA loss of £8m and adjusted operating loss of £15m for the period following transaction completion in

November reflected transaction and financing fees, with adjusted EBITDA moving forwards from 2026 expected to be around £100m per annum (Centrica share).

Our MAP saw adjusted EBITDA grow to £25m with adjusted operating profit of £8m (2024: £2m and £nil respectively) as the business continues to scale rapidly. We deployed £224m of capex in the year, performing strongly and exceeding our target of £200m investment for the year. This is after the MAP consolidation adjustment of £47m (2024: £19m) which reduces the capital expenditure recognised in Group reporting for the internal margin and indirect costs on smart meter installations across the Group.

Details of our forward hedging positions for 2026 and 2027 are outlined below:

Nuclear	**2026**	**2027**
Volume hedged (TWh)	**4.8**	**1.8**
Average hedged price (£/MWh)	**76**	**73**
Production volume (i) (TWh)	**6.5-7.5**	

(i) 2026 forecast generation volume.

Spirit Energy	**2026**	**2027**
Volume hedged (mmths)	**137**	**83**
Average hedged price (p/th)	**120**	**86**
Production volume (i) (mmths)	**405-430**	

(i) 2026 forecast production volume includes ~170-180mmths relating to assets held for sale