Centrica plc interim results

For the six months ended 30 June 2025

Investor presentation

Centrica will hold its 2025 Interim Results presentation for analysts and institutional investors at 9.30am (UK) on Thursday 24 July 2025. There will be a live webcast of the presentation and slides.

Please register to view the webcast at:
https://secure.emincote.com/client/centrica/results/2025-interim-results

Enquiries

Investors and Analysts

ir@centrica.com

Media

media@centrica.com

+44 (0)1784 843000

Unless otherwise stated, all references to the Company shall mean Centrica plc, and references to the Group shall mean Centrica plc and all of its subsidiary undertakings and equity-accounted associate/joint venture undertakings. This announcement does not offer investment advice, and does contain forward-looking statements. The Disclaimer relating to the Interim results is included on page 82.

Published 7am on 24 July 2025.

STRATEGIC DELIVERY WITH FOCUS ON VALUE CREATION

- Resilient performance in a challenging market.
- Organic customer growth across all energy supply businesses; Services losses remain a focus.
- £2.5bn of investment programme to 2028 now committed, including Sizewell C announcement.
- Interim dividend increased by 22% to 1.83p, consistent with intention to increase full year dividend per share to 5.5p; £2bn share buyback programme ongoing.
- £1.6bn EBITDA by end of 2028[(i)] underpinned; transformation programme supports further upside.

"I'm pleased with the progress we've made in some areas during the first half despite a challenging backdrop, growing our customer numbers in energy supply and completing our system migration in British Gas Residential energy. But there is still much more to do across the Group, including improving our commercial performance in Services & Solutions. That's why we're accelerating our efforts to make Centrica a leaner, more agile organisation, transforming the way we do business, allowing us to deliver on our full potential.

Our investment in Sizewell C is a significant step forward. It is good for the UK, bringing investment and highly skilled new jobs to the country, good for the energy transition, bringing enough clean energy to power millions of homes, and good for Centrica, giving us predictable, regulated returns on our investment. We will continue to exercise the same patience and discipline that delivered the Sizewell C transaction as we continue with our capital deployment programme."

Chris O'Shea | Group Chief Executive

RESILIENT FINANCIAL PERFORMANCE

SIX MONTHS ENDED 30 JUNE	2025	2024		2025	2024
Adjusted measures [(ii)]			**Statutory measures**		
EBITDA [(iii)]	**£900m**	£1,437m			
Operating profit	**£549m**	£1,035m	Operating (loss)/profit	**£(69)m**	£1,677m
Basic earnings per share (EPS)	**7.0p**	12.8p	Basic earnings per share (EPS)	**(5.1)p**	25.1p
Free cash flow	**£244m**	£816m	Net operating cash flow	**£294m**	£798m
Capital expenditure	**£(244)m**	£(221)m	Net cash from investing activities	**£13m**	£183m
Net cash	**£2,491m**	£3,214m	Interim dividend per share	**1.83p**	1.50p

(i) Midpoint of a £1.3bn to £1.9bn range. See page 7 for more details.
(ii) Adjusted performance measures are non-IFRS, corresponding IFRS measures are also shown to facilitate comparison. See notes 3, 4, 9 10 and 12 to the Financial Statements and pages 77 to 81 for an explanation of the use of adjusted performance measures.
(iii) This measure provides a clear view of the operating performance of the business before non-cash accounting adjustments such as depreciation, becoming increasingly relevant as we deploy capital through our investment programme.

- Adjusted EBITDA of £0.9bn (H1 2024: £1.4bn) with first half adjusted operating profit (AOP) of £0.5bn (H1 2024: £1.0bn) comprising of:
  - Retail AOP of £0.3bn (H1 2024: £0.2bn) driven by improved performance in British Gas Services & Solutions and energy supply, which has been impacted by a number of external factors.
  - Optimisation AOP of £0.1bn (H1 2024: £0.3bn) reflecting challenging market conditions for our Gas and Power Trading business.
  - Infrastructure AOP of £0.2bn (H1 2024: £0.5bn) impacted by lower commodity prices in Spirit Energy and Nuclear, and lower seasonal gas price spreads in Centrica Energy Storage+ ("CES+").
- Net finance income of £26m (H1 2024: £20m) due to lower interest costs as a result of lower interest rates and a benefit from repurchasing debt in 2024, partially offset by lower interest income on cash balances.

- Adjusted basic EPS for the first half of 7.0p (H1 2024: 12.8p).
- Statutory operating loss of £69m (H1 2024: £1.7bn profit) includes a net loss on re-measurements of derivative energy contracts and impairments of assets of £618m (2024: £642m gain). Statutory basic EPS for the first half was 5.1p loss (H1 2024: 25.1p profit).
- Statutory net operating cash flow of £0.3bn (H1 2024: £0.8bn) includes £22m of margin cash and collateral outflow (H1 2024: £0.1bn inflow), closing with total margin cash posted of £0.1bn.
- Modest increase in capital expenditure to £244m (H1 2024: £221m), as we retain our disciplined focus on returns.
- Free cash flow of £0.2bn (H1 2024: £0.8bn) reflects lower EBITDA and dividends from associates.
- Balance sheet remains strong, with closing adjusted net cash of £2.5bn (FY 2024: £2.9bn).
- The IAS 19 pension deficit increased to £315m in the period (FY 2024: £21m deficit), largely reflecting updated assumptions following the triennial pension review, which was agreed in February 2025. The technical provisions deficit and funding plan are unchanged.
- £0.5bn cash returned to shareholders in the first half of 2025; £374m share buyback and £150m dividends. In-line with progressive dividend policy, interim dividend per share increased to 1.83p.

STRATEGIC HIGHLIGHTS

Delivering our strategic priorities: operational excellence, commercial innovation, investing for value.

- Customer numbers for the period increased by 81k in British Gas Energy residential, including net organic growth of 12k, by 17k in Bord Gáis Energy and by 7k in small business customer sites.
- Increased profitability in British Gas Services & Solutions, with top-line revenue growth of 4% supported by stronger customer retention and continued focus on cost discipline. Commercial performance remains a key focus to reverse customer losses, which were 65k in the first half.
- Customer satisfaction improvements across Retail with higher net promoter score ("NPS"), an improved British Gas Trustpilot score of 4.3 stars and the Uswitch Energy Awards Best Overall Improvement winner for the second consecutive year.
- Delivering attractive returns from our investment programme:
  - £1.3bn capped investment in 3.2GW Sizewell C nuclear power station, with a real allowed return on equity of 10.8%, generating a 12%+ IRR.
  - 1m smart meters under management in our Meter Asset Provider (MAP) with low-risk 9%+ IRR.
  - Accelerating value with agreed sale of 46.25% interest in Cygnus gas field for total value of £215m.
  - Continuing to review the case for life extensions at our operating nuclear power stations.

OUTLOOK

Outlook unchanged from our trading statement in May. For 2025 we currently expect:

- All Retail energy supply and Optimisation businesses to be within their medium-term sustainable adjusted operating profit ranges ("AOP range").
- British Gas Services & Solutions to deliver a further improved financial result compared with 2024, continuing the recovery towards its AOP range by 2026.
- Despite the impact of weather, British Gas Energy residential supply to be within its AOP range.
- Centrica Energy to be towards the bottom of its AOP range, although this assumes further normalisation of market conditions.
- Centrica Energy Storage+ adjusted operating loss to be at the higher end of £50m-£100m range.
- Group profitability is expected to be weighted to the first half of the year.
- The usual uncertainties remain for the balance of the year, including weather and commodity prices.

Further details on our Spirit Energy and Nuclear hedge positions are provided on pages 16 and 17.

ADJUSTED OPERATING PROFIT (£M)	**H1 2025**	H1 2024	FY 2024	Medium-term sustainable ranges
British Gas Residential energy supply	133	156	269	150 - 250
British Gas Services & Solutions	42	35	67	100 - 200
Centrica Energy	65	232	307	250 - 350
Bord Gáis Energy and Business energy supply	124	119	199	100 - 200
British Gas small business energy supply	*46*	*3*	*28*	
Centrica Business Solutions energy supply	*46*	*73*	*108*	
Bord Gáis Energy	*32*	*43*	*63*	

GROUP OVERVIEW

GROUP PERFORMANCE METRICS

SIX MONTHS ENDED 30 JUNE	2025	2024	Change
Total recordable injury frequency rate (per 200,000 hours worked)	0.58	0.63	(8%)
Total customers ('000) (closing) (i)	10,271	10,183	1%
Group direct headcount (closing) (ii)	22,147	22,509	(2%)
Group colleague engagement	8.2	8.1	0.1pt

All 2024 comparators are as at 31 December 2024.

(i) Includes British Gas Energy, British Gas Services & Solutions and Bord Gáis Energy households and business customer sites in British Gas Energy and Centrica Business Solutions.

(ii) 2024 restated to include CBS colleagues based internationally, as well as ENSEK and Spirit Energy colleagues.

FOCUSING ON STRATEGIC VALUE LEVERS AGAINST A MORE CHALLENGING BACKDROP

The first half of 2025 has seen more challenging conditions for British Gas Energy residential and Centrica Energy, with lower commodity prices and spreads impacting our Infrastructure businesses.

In British Gas Energy, performance in the first half was impacted by several factors, including warm weather, a one-off benefit from the final reconciliation of Energy Price Guarantee scheme ("EPG") and other largely offsetting items.

Meanwhile, our physical Gas and Power Trading business had fewer opportunities to deploy capital given volatility in the first half has been driven by short cycle volatility from headlines on US tariffs, EU regulation, and geopolitics, to a greater extent than market fundamentals.

Despite these headwinds, our focus remains on positioning the Group to maximise long-term value, with underlying operating performance generally strong across the business during the period.

Our integrated portfolio is set up to maximise the benefit, today and into the future, of an energy system seeing increased electrification, rising intermittency from renewable generation and greater consumer engagement in energy use. To capitalise on these opportunities we have a simple approach focused on three key strategic value levers; operational excellence, commercial innovation and investing for value.

Operational excellence providing the foundation for commercial success

Building on a strong 2024, operational performance has largely continued to improve in the first half of 2025, delivering better outcomes for customers, backed by top-quartile colleague engagement.

In British Gas Energy embedded improvements have helped deliver organic customer growth of 12,000 in the first half of 2025, in addition to the 69,000 customers we welcomed as part of the Supplier of Last Resort (SoLR) process following the failure of Rebel Energy in April. The migration of residential customers to our Ignition platform has helped drive NPS to 32 and complaints to fall 1.4ppts compared to the first half of last year, reflecting the positive impact of enhanced customer experiences.

In business energy supply, included within British Gas Energy and CBS, we continue to pivot the portfolio away from larger Industrial and Commercial customers towards smaller businesses, underpinning gross margin expansion and growth in sites. Coupled with stronger operational performance, this underpins confidence in the £100m - £200m sustainable operating profit range for Bord Gáis Energy and Business energy supply.

In Bord Gáis Energy, we remain focused on creating value from our integrated model, supporting customers and investing to help underpin energy security and decarbonisation in Ireland. We continue to perform well in a competitive Irish retail market, with customer numbers growing by 17,000 since the end of 2024 and a 7pt improvement in NPS.

British Gas Services and Solutions continues to see strong retention rates, at 87% during the first half of the year, and Engineer NPS of 75 (FY 2024: 73). However, our customer base fell 2% in the first six months of 2025. We are working to address this trend, introducing new entry-level products, such as on-demand and our new British Gas membership, which provides members-only benefits integrated across Services, Energy and Hive. On-demand jobs grew 37% in the first half and over 56,000 customers have joined our membership programme since it launched in May 2025. We are also targeting growth through partnerships with original equipment manufacturers ("OEMs"), improving our engineer utilisation rates while helping third parties meet their warranty servicing requirements.

In Optimisation, our Renewable Energy Trading & Optimisation ("RETO") virtual power plant ("VPP") business grew modestly, with 16.8GW (FY 2024: 16.7GW) of third party, mostly renewable, assets under management at the end of June. This includes rateable fee-based revenue structures, helping to underpin earnings.

We opened our first US office in New York during the period, initially focused on physical gas, leveraging our existing skills and capabilities from other markets. In-line with our incremental approach, we see the potential to build an integrated gas, power and certificates optimisation business in North America over time.

Investing for value

We continue to progress our green-focused investment programme, targeting assets that deliver (1) attractive returns, (2) regulated or contracted earnings, (3) support overall system decarbonisation and consumer engagement, (4) deliver Group-wide benefits and (5) create future options.

Our Meter Asset Provider (MAP) now has over 1m Centrica-owned smart meters under management, including 504,000 installed in the first half of 2025, in-line with our target to deploy up to £200m of capex a year. We expect to have 1.5m smart meters under management by year end. Investment in the MAP delivers a low-risk, nominal, post-tax, unlevered return of 9%+, with limited on-going capital requirements once a meter is installed.

In July 2025 we announced we were successful in the equity raise process for Sizewell C, the UK's newest 3.2GW nuclear power station. Once commissioned, the station will provide zero carbon baseload power for around 6 million UK homes for over 60 years, helping to support the country's decarbonisation goals. The project will also support 10,000 jobs at peak construction, and thousands more across the nationwide supply chain, as well as creating 1,500 apprenticeships.

Underpinned by a Regulated Asset Base ("RAB") framework, the project is further supplemented by a comprehensive government support package to mitigate low probability, high impact risks. Our capped investment commitment of £1.3bn, with a 10.8% real allowed return on equity during the construction and initial operations phase, underpins an IRR of 12%+.

The investment will be earnings accretive from 2026, and includes appropriate mitigations for cost and schedule overruns. Further details can be found at: www.centrica.com/sizewellc.

In Ireland, our two hydrogen-ready 100MW gas peaking plants in Athlone and Dublin are expected to commence commissioning in late 2025, with a total investment of around €380m (Centrica share ~80%). The value case for flexible generation assets continues to build, with our investment well underpinned by a capacity market contract at €28m per annum. Plans continue to be developed for a 334MW Open Cycle Gas Turbine in Galway, with a 10-year capacity market contract at €56m per annum. The project is subject to planning, with FID expected in 2026.

At Brigg Energy Park, our new ~50MW peaking plant and ~50MW 2-hour battery energy storage system (BESS) began commercial operations in June 2025, both with an expected return of around 8%.

In Spirit Energy we continue to focus on maximising the value of our portfolio. In May, we announced Spirit's sale of a 46.25% interest in the Cygnus gas field for headline consideration of £116m and the transfer of £99m of undiscounted decommissioning liabilities, delivering total value to Spirit of £215m (Centrica share 69%).

Longer-term, we continue to review the case for carbon storage at Morecambe, which remains contingent on suitable regulatory models being established, and we continue to engage in constructive dialogue with the UK Government to progress the project. In July the National Wealth

Fund announced its first investment into the Peak Cluster which is developing plans to decarbonise 40% of the country's cement production. Morecambe Net Zero is a strategic partner of the Peak Cluster, with a memorandum of understanding to explore carbon storage for major cement and lime plants located in the Peak District.

Making Centrica a leaner, more agile business

We aim to create further value by transforming how we operate. Firstly, by fully embracing advances in technology and AI, creating frictionless customer journeys to drive customer retention and support commercial growth. Secondly, by focusing on accelerating delivery of products that leverage our leading capabilities and brands across the energy value chain, including continuing to explore growth in adjacent markets. We are increasing cross-selling between our business units, driving greater value for the Group, such as our recently launched Ultimate Heating bundle, which includes a Hive+ subscription and an exclusive Hive Saver energy tariff when a customer buys a new boiler and Hive thermostat. Thirdly, we are focused on simplifying the Group by reducing our overheads. This will drive faster decision making, and ensure we remain efficient and competitive, further supporting our commercial ambitions.

The progress we have made on our strategic value drivers, including increasing our exposure to predictable returns from the MAP and Sizewell C, underpins our end-2028 £1.6bn EBITDA target, the midpoint of a £1.3bn-£1.9bn range. Our transformation programme supports further upside from the midpoint, as we remain focused on delivering value.

Compelling shareholder returns

We remain committed to our progressive dividend policy and expect dividend cover will move to around 2x by 2028. As announced in February 2025, we intend to raise the 2025 full year dividend per share to 5.5p, an increase of 22% compared to the full year 2024 dividend. Consistent with that intention, our 2025 interim dividend per share is 1.83p (2024 interim: 1.50p). In addition, we continue to progress our £2bn share buyback programme, which is expected to be completed by around the end of 2025, subject to market conditions, with £0.5bn outstanding as at the end of June.

REGULATORY UPDATE

Amid ongoing geopolitical uncertainty, stable and predictable regulatory frameworks are essential to attract the investment needed as the energy system continues to evolve.

In the UK, the Government's review of Ofgem and the regulatory framework presents a key opportunity to align regulation with growth ambitions. We advocate for long-term predictability to support investment.

We support the UK Government's recent decision to maintain national wholesale electricity pricing over the zonal model that had been under consideration. National pricing delivers greater certainty for investment in electricity generation and storage assets and preserves market liquidity to ensure efficient operations.

We also support the UK Government's recent announcement of a consultation on the UK's gas system resilience which is due in early autumn. This is a key milestone, which recognises the significant role of gas and energy storage in the UK's energy security, and will examine regulatory support mechanisms to unlock investment in critical infrastructure like Rough. Rough is a vital strategic asset for the UK's energy security, providing around half of the UK's gas storage capacity, and we will continue to make the case for securing the asset's future. Rough will make an adjusted operating loss towards the upper end of £50-£100m this year, a situation which is not sustainable as we move into next year. We stand ready to develop the asset, subject to securing a suitable regulatory support mechanism that unlocks £2 billion of investment to increase capacity, and ultimately convert Rough into a hydrogen-ready storage facility.

Many of the other future investment opportunities Centrica is considering will depend on tailored regulatory frameworks, and we continue to engage with Government and Ofgem on the design of these frameworks, emphasising the need for stable returns over project lifetimes if we are to have the confidence to invest.

In the retail market, we back customer-focused policies, including a social tariff, eliminating regional price differences, and removing standing charges for customers on the price cap. We also firmly support the UK Government's initiative to introduce effective data sharing to better target available support for vulnerable customers. While we welcome the new financial resilience rules for energy suppliers, including the introduction of new capital requirements which came into force from 1 April 2025, we will continue to advocate for the consistent application that is vital for fairness and competition.

In Ireland, we are working with policy makers and regulators to accelerate the energy transition. We welcome the recent Programme for Government commitments on increased infrastructure investment and to improving energy generation connectivity and planning processes. We support the roll out of the National Energy Demand strategy and advocate for early implementation of the Smart Data Access Code. This code is essential to ensuring fair access to smart meter data and maximising the benefits of smart meters, while at the same time ensuring customers' personal data is protected. We also welcome the Irish Government's pledge to prioritise customer affordability.

Across Europe, we continue to push for regulatory regimes that support liquid, efficient and competitive markets. We continue to advocate for improved cross-border trading arrangements across European forward markets, that will improve the stability and predictability of the regimes in which we operate. As an example, we are advocating for transmission rights to be available for extended periods and for the maximum capacity to be accessible on each national border from the European Commission's upcoming proposals for forward market rules in 2026.

European gas markets have demonstrated in many cases resilience and adaptability throughout the energy crisis and continue to do so today. Low storage levels observed in 2022 and inverted summer-winter spreads seen in 2025 have been influenced by policy decisions rather than inherent fundamentals. While the extension of European gas storage targets to 2027 aims to enhance supply security, it may also affect market dynamics and contribute to increased volatility and costs for consumers. We welcome the flexibility introduced recently allowing deviations of up to 20% from target levels, helping to mitigate some of these effects, though it may also introduce further uncertainty. Transparent and efficient price signals remain essential to addressing supply constraints and ensuring gas is directed where it is most needed.

RESILIENT FINANCIAL DELIVERY

Adjusted EBITDA, including our share of EBITDA from joint ventures and associates, was £900m (H1 2024: £1,437m). Adjusted operating profit was £549m (H1 2024: £1,035m), while the statutory operating loss was £69m (H1 2024: £1,677m profit). The breakdown of EBITDA and operating profit is shown below:

	Adjusted EBITDA		Adjusted operating profit	
SIX MONTHS ENDED 30 JUNE (£M)	**2025**	2024	**2025**	2024
Retail	**314**	**288**	**253**	237
British Gas Services & Solutions	67	57	42	35
British Gas Energy	207	180	179	159
Residential energy supply (i)	*161*	*177*	*133*	*156*
Small business energy supply	*46*	*3*	*46*	*3*
Bord Gáis Energy	40	51	32	43
Optimisation	**131**	**318**	**101**	287
Centrica Business Solutions	49	66	36	55
Energy supply	*52*	*79*	*46*	*73*
Energy services and assets	*(3)*	*(13)*	*(10)*	*(18)*
Centrica Energy	82	252	65	232
Infrastructure	**299**	**521**	**231**	522
Nuclear (ii)	15	66	107	224
Spirit Energy	310	401	150	245
Centrica Energy Storage+	(26)	54	(26)	53
Other (including colleague profit share and MAP consolidation adjustment) (iii)	(22)	7	(36)	(11)
Adjusted EBITDA / Adjusted Operating profit	**722**	**1,134**	**549**	1,035
Share of Nuclear associate's EBITDA	178	303		
Adjusted EBITDA including share of EBITDA from joint ventures and associates	900	1,437		
Exceptional items and certain re-measurements			(618)	642
Group operating (loss)/profit (Statutory)			**(69)**	1,677

(i) Includes the Meter Asset Provider (MAP) business.

(ii) Excludes Centrica's share of associate EBITDA of £178m (H1 2024: £303m).

(iii) Adjusted operating profit includes colleague profit share of £(16)m (H1 2024: £(11)m) and a consolidation adjustment of £(20)m (H1 2024: £nil), relating to the MAP.

Profitability in Retail improved year-on-year, driven by further recovery in British Gas Services & Solutions, and a net better performance in British Gas Energy, with an improved small business energy supply result more than offsetting lower profitability in British Gas residential energy supply. In Optimisation, Centrica Energy faced challenging market conditions, although we are now seeing signs of normalisation in key markets. Infrastructure profit was lower, largely reflecting the impact of inverted summer-winter gas price spreads for Centrica Energy Storage+ and lower achieved prices in Nuclear and Spirit.

Including the impact of a lower share count due to share buybacks, adjusted basic earnings per share (EPS) was 7.0p (H1 2024: 12.8p).

Statutory basic EPS was a loss of 5.1p (H1 2024: 25.1p profit) and includes the negative impact of a £618m loss on exceptional items and certain re-measurements (H1 2024: £642m profit) in operating profit relating to the unwind of unrealised positions and the impairments of certain power and upstream gas assets.

Free cash flow (FCF) was £244m (H1 2024: £816m). This includes adjusted EBITDA of £722m (H1 2024: £1,134m), and £95m dividends received from our Nuclear investment (H1 2024: £240m). There was a net adjusted working capital outflow of £97m (H1 2024: £16m inflow), with a £316m outflow in British Gas Energy due to lower commodity payables in the first half given usual seasonality offset by an inflow from CES+ of £268m as we continue to sell down gas in store.

Capital expenditure increased modestly to £244m (H1 2024: £221m) including deploying £98m of capital expenditure in the MAP business and £34m in our Athlone and Dublin peakers. Cash decommissioning payments were £28m (H1 2024: £31m).

Statutory net cash flow from operating activities was £294m (H1 2024: £798m), including a £22m outflow related to margin cash and collateral (H1 2024: £81m inflow).

Net interest was a cash inflow of £49m (H1 2024: £14m), primarily due to lower interest paid, partially offset by a reduction in interest received.

Reflecting those movements, adjusted net cash at the end of the period was £2,491m (31 December 2024: £2,858m). The reconciliation between statutory gross debt and adjusted net cash is shown on page 23.

Consistent with the intention to increase the full year dividend to 5.5p per share, we have declared an interim dividend of 1.83p per share (H1 2024: 1.50p). The £2bn share buyback programme is ongoing, and is due to be completed by around the end of 2025, depending on market conditions. As at the end of June 2025, there was £454m remaining on the programme.

For more detail on the Group's 2025 financial performance, please see the Group Financial Review pages 19-25.

RETAIL

In Retail, the trends from 2024 are continuing into H1 2025, with further improved operational and customer service metrics, increasing NPS scores and lower complaints. There has been organic growth across all energy supply businesses. Total Retail adjusted operating profit was £253m (H1 2024: £237m), as driven by improved performance in British Gas Services & Solutions and small business energy supply despite the impact of external factors.

British Gas Services & Solutions

SIX MONTHS ENDED 30 JUNE	2025	2024	Change
Operational			
Services & Solutions customers ('000) (closing) (i) (ii)	**2,834**	2,899	(2%)
On-demand jobs ('000) (iii)	**170**	124	37%
Boiler installs ('000)	**42**	42	nm
Services complaints per customer (%) (iv)	**2.5%**	2.6%	(0.1ppt)
Services Engineer NPS (i) (v)	**75**	73	2pt
Financial			
Adjusted EBITDA (£m)	**67**	57	18%
Adjusted operating profit (£m)	**42**	35	20%
Operating profit margin (%)	**5.3%**	4.6%	0.7ppt

All 2025 metrics and 2024 comparators are for the 6 months ended 30 June unless otherwise stated.

(i) 2024 comparator at 31 December 2024.

(ii) Services & Solutions customers are defined as single households having a contract or an on-demand job with British Gas Services & Solutions.

(iii) On-demand jobs are defined as Services & Repair one-off on-demand repairs, home improvements and maintenance.

(iv) Total complaints, where we identify material distress, inconvenience or financial loss is identified, as a percentage of average customers over the period.

(v) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following a gas engineer visit.

Operational Performance

The recovery in British Gas Services & Solutions remains on-track. Operational improvements embedded in 2024 continue to deliver better outcomes for customers, with customer satisfaction increasing. Annualised retention rates of 87%, up from 86% at the end of 2024, were supported by our unique same day service promise. Engineer NPS of 75 is up 2pt since the end of 2024.

Reschedule rates remain low at 4.1%, with complaints per customer falling by 0.1ppt to 2.5%, which builds on an already strong foundation for growth.

Despite these positive trends, customer numbers continued to decline in H1 to 2.83m, a 2% decrease compared to the end of 2024. That is disappointing and we are taking active steps to address the trend, focusing on new partnerships with OEMs and cross-sell opportunities. The new British Gas membership product, which provides member-only benefits such as personalised offers across Services, Energy and Hive, launched in May 2025 and is building stronger customer engagement.

On-demand continues to grow, with job volumes increasing 37% compared to the same period in 2024, supported by enhanced data and AI insights allowing more dynamic pricing and intelligent targeting in the on-demand market.

Financial Performance

Adjusted operating profit was £42m (H1 2024: £35m), with top-line revenue growth of 4% supported by strong customer retention and continued focus on cost discipline despite increases in labour costs driven by the rise in employer National Insurance contributions. Commercial performance remains a key focus to reverse customer losses. We continued to invest in future field capacity and technology, which puts us in a strong position to deliver AOP within the £100m-£200m sustainable range in 2026.

British Gas Energy

SIX MONTHS ENDED 30 JUNE	2025	2024	Change
Operational			
Residential energy customers ('000) (closing) (i) (ii)	**7,541**	7,460	1%
Small business customer sites ('000) (closing) (i)	**564**	557	1%
Residential energy complaints per customer (%) (iii)	**4.1%**	5.5%	(1.4ppt)
Residential energy Touchpoint NPS (i) (iv)	**32**	29	3pt
Centrica smart meters under management ('000) (i)	**949**	445	113%
Financial			
Cost per residential energy customer (excl. bad debt) (£) (i)	**97**	95	2%
Adjusted EBITDA (£m)	**207**	180	15%
Adjusted operating profit (£m)	**179**	159	13%
Adjusted operating profit margin (%)	**2.9%**	2.4%	0.5ppt

All 2025 metrics and 2024 comparators are for the 6 months ended 30 June unless otherwise stated.

(i) 2024 comparator at 31 December 2024.

(ii) Residential energy customers are defined as single households buying energy from British Gas.

(iii) Total complaints, measured as an expression of dissatisfaction in line with submissions made to Ofgem, as a percentage of average customers over the period.

(iv) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas Energy following contact.

Operational Performance

In British Gas Energy the migration of residential customers onto our more flexible Ignition platform is now complete, enabling further improvements in service levels, with around 40% of SME customers also on the platform. Residential NPS is at 32, with complaints per customer down 1.4ppt to 4.1%, reflecting the positive impact of enhanced customer experience. We are actively addressing the root causes of customer contact and simplifying journeys, such as home moves, to make doing business with British Gas as simple as possible for our customers.

These improvements have helped deliver customer growth of 1% to 7.54m. This includes organic growth of 12,000 in the first half of 2025, alongside the 69,000 customers we welcomed as part of the Supplier of Last Resort (SoLR) process following the failure of Rebel Energy earlier in the year.

Nearly 30% of our customer base is now on a fixed price product, compared to 25% at year end. This trend is expected to continue, and we will remain focused on pricing efficiently and sustainably, with long-term customer value a top priority.

British Gas's Trustpilot score has increased to 4.3 stars and we were the Uswitch Energy Awards Best Overall Improvement winner for the second consecutive year. We have also strengthened our market presence, with the launch of "The Things" customer experience.

In our Meter Asset Provider (MAP) business, we installed 504,000 Centrica-owned smart meters in H1 2025, at a cost of £98m, in line with our target to deploy up to £200m of capex a year. We now have over 1m meters under management, and are on track for around 1.5m Centrica smart meters under management by the end of the year.

Financial Performance

Adjusted operating profit was £179m (H1 2024: £159m), with lower profit in residential energy offset by a strong performance in small business.

Residential energy performance in the first half was £133m (H1 2024: £156m), impacted by several factors. Warmer than normal weather was a £(50)m headwind for the period, while the shape of the commodity curve also negatively impacted profitability. These headwinds were broadly offset by one-off movements in the period, including £40m from the final reconciliation of revenues under the Energy Price Guarantee scheme.

Reflecting our investment in customer service and our brand, annualised cost per residential energy customer (excluding bad debt) increased to £97 from £95 at the end of the year. Within this, dual running costs from system migration were £9 (FY 2024: £9).

Small business energy supply profit increased in the period to £46m (H1 2024 £3m), driven by a £19m lower bad debt charge and increased gross margin, from data-led improvements to debt and other customer journeys.

Bord Gáis Energy

SIX MONTHS ENDED 30 JUNE	**2025**	2024	Change
Operational			
Customers ('000) (closing) (i)	**531**	514	3%
Complaints per customer (%) (ii)	**0.5%**	0.5%	nm
Journey NPS (i) (iii)	**43**	36	7pt
Financial			
Adjusted EBITDA (£m)	**40**	51	(22%)
Adjusted operating profit (£m)	**32**	43	(26%)
Adjusted operating profit margin (%)	**5.0%**	6.3%	(1.3ppt)

All 2025 metrics and 2024 comparators are for the 6 months ended 30 June unless otherwise stated.
(i) 2024 comparator at 31 December 2024.
(ii) Total complaints, measured as any oral or written expression of dissatisfaction, as a percentage of average customers over the period.
(iii) Weighted NPS for the main customer interaction channels.

Operational Performance
Bord Gáis Energy is focused on creating value from its integrated model, supporting customers while investing to help underpin energy security and decarbonisation in Ireland.

Bord Gáis Energy is performing well in a competitive market, growing customer numbers by 3%. Continued investment in customer service has helped deliver greater value for our customers and we have seen significant improvement in NPS levels, up 7pt to 43 in the period.

Construction continues on our two hydrogen-ready 100MW flexible natural gas peaking plants in Athlone and Dublin. Both are expected to commence commissioning in late 2025, with total investment of around €380m (Centrica share ~80%). These plants will help deliver security of supply while facilitating Ireland's transition to renewable energy. The value case for the assets continues to grow.

In January we completed the acquisition of Swyft Energy, a solar PV provider in Ireland, following approval from the Competition and Consumer Protection Commission. Bord Gáis Energy already operated in the solar PV market, directly to residential customers, and through its partnership with Irish Farmers' Association delivering solar PV to farms across Ireland, helping farmers transition to green energy. The acquisition of Swyft Energy brings deeper solar PV capability to residential as well as business and farming customers of Bord Gáis Energy.

In July it was announced that Bord Gáis Energy had agreed multiple power purchase agreements with prominent renewable energy developers, totalling over 629MW of capacity, to become Ireland's largest offtaker of solar power.

Financial Performance
Adjusted operating profit was £32m in 2025 (H1 2024: £43m). Retail margins improved in a highly competitive market, helped by some easing in commodity costs, and there was encouraging growth in Net Zero installations following the acquisition of Swyft Energy. These were more than offset by lower gas shaping benefits and, to a lesser extent, an unplanned 12-day outage at our Whitegate CCGT plant in Q2.

OPTIMISATION

In Optimisation, we continue to develop our world class capabilities. Adjusted operating profit reduced to £101m (H1 2024: £287m) against a challenging market backdrop.

Centrica Business Solutions (CBS)

SIX MONTHS ENDED 30 JUNE	2025	2024	Change
Operational			
Energy supply total gas and electricity volume (TWh)	**7.9**	8.8	(10%)
Energy supply complaints per site (%) (ii)	**1.1%**	1.3%	(0.2ppt)
Energy supply Touchpoint NPS (i) (iii)	**38**	37	1pt
Services order intake (£m) (iv)	**130**	78	67%
Net investment (£m) (v)	**38**	80	(53%)
Financial			
Adjusted EBITDA (£m)	**49**	66	(26%)
Adjusted operating profit (£m)	**36**	55	(35%)
Adjusted operating profit margin (%)	**3.0%**	4.0%	(1.0ppt)

All 2025 metrics and 2024 comparators are for the 6 months ended 30 June unless otherwise stated.
(i) 2024 comparator at 31 December 2024.
(ii) Total complaints, measured as any oral or written expression of dissatisfaction, as a percentage of total sites over the period. 2024 restated to reflect the change in methodology to using year-to-date data.
(iii) Measured independently, through individual questionnaires and the customer's willingness to recommend.
(iv) Total lifetime revenue forecasted from customer contracts signed in year.
(v) Net investment is capital expenditure (including small acquisitions), less inflows from disposals.

Operational Performance

Centrica Business Solutions continues to focus on strengthening customer service and commercial propositions in business energy supply, while building a portfolio of flexible, green-focused assets.

Total gas and electricity volumes continued to fall with the exit of lower margin, large-scale Commercial and Industrial customers now largely complete. Total volumes fell 10% as a result. However, volumes supplied to medium sized enterprises grew 5% to 6.7TWh (H1 2024: 6.4TWh).

Complaints per customer continued to improve, reducing from 1.3% in H1 2024 to 1.1%, against the backdrop of lower commodity prices and continued focus on delivering improved customer service. Touchpoint NPS was broadly flat compared to the end of 2024 at 38.

Services order intake grew by 67%, with year-on-year growth largely driven by the £50m multi-site Solar and EV portfolio deal with Los Angeles Unified School District.

Net investment in CBS was £38m (H1 2024: £80m) as we continued with a range of solar, battery and gas-peaking investments. We now have around 360MW of assets in detailed planning or delivery in the UK and Continental Europe, with total operational capacity of 292MW (FY 2024: 194MW). Operational capacity grew as we brought online two new assets in the UK at the Brigg Energy Park. Brigg Energy Park now consists of two ~50MW peakers co-located alongside a ~50MW 2-hour battery.

Financial Performance

Adjusted operating profit decreased to £36m (H1 2024: £55m). Within this, business energy supply operating profit was £46m (H1 2024: £73m), reflecting warmer weather and lower commodity prices while Services and Assets posted a reduced operating loss of £10m (H1 2024: £18m loss).

Centrica Energy

SIX MONTHS ENDED 30 JUNE	2025	2024	Change
Operational			
Renewable and flexible capacity under management (GW) (i) (ii)	**16.8**	16.7	1%
Financial			
Adjusted EBITDA (£m)	**82**	252	(67%)
Adjusted operating profit (£m)	**65**	232	(72%)
Adjusted operating profit margin (%)	**2.3%**	7.6%	(5.3ppt)

All 2025 metrics and 2024 comparators are for the 6 months ended 30 June unless otherwise stated.
(i) 2024 comparator at 31 December 2024.
(ii) Including assets that have signed contracts but are not yet operational.

Operational Performance

Centrica Energy continues to build its diverse portfolio of contracted physical positions, while leveraging its differentiated risk management and optimisation capabilities to add further value across the Group.

Renewable and flexible capacity under management grew 0.1GW from the end of 2024 to 16.8GW, driven by the addition of assets in Europe and the Baltics.

During the period we opened our first North American office in New York, having begun trading in North American markets in Q4 2024. Leveraging the knowledge built up from our Sabine Pass LNG offtake, we are initially focused on building a physical gas business targeting specific markets within North America. Once established, in line with our incremental approach, we see the potential to build an integrated gas, power and certificates optimisation business in North America over time.

Financial Performance

Adjusted operating profit was £65m (H1 2024: £232m), reflecting challenging market conditions.

Our physical Gas and Power Trading business, which typically profits from price dislocations, has faced short cycle volatility driven by wider geopolitics, tariff newsflows and soundbites, with speculative capital disrupting fundamentals.

In addition, European gas storage economics have been impacted by mandatory volume targets imposed by the EU to ensure sufficient gas in store ahead of winter, regardless of profitability. That was a key driver of the inverted summer-winter price spreads which significantly reduced the opportunities we saw to secure capacity this year. We currently have around 30% less storage contracted than we normally would as our traders reduced their overall positions in the market through H1.

Our LNG and RETO businesses continue to perform strongly. The LNG business continues to hedge exposures well in advance of delivery through a combination of physical and financial hedges. The RETO business expanded its renewable asset services through Europe and the Baltics.

Included within adjusted operating profit is a £7m loss from the Sole Pit legacy gas contract (H1 2024: £12m loss), with further losses from the contract at current forward prices expected to be around £3m in total until September 2025, when the contract ends.

Looking forward, we are seeing more positive signs on European gas spreads. We are encouraged to see storage targets being eased recently, which has led to markets partially normalising, and more opportunities emerging. This increases confidence as we head into the second half of the year, alongside the continued performance of our LNG and route-to-market businesses. We continue to see a path to the low end of our £250m-£350m guidance range, although this assumes further normalisation of market conditions in our core markets.

INFRASTRUCTURE

Our Infrastructure businesses consist of our 20% investment in the UK's existing nuclear fleet, our 69% ownership of Spirit Energy, and Centrica Energy Storage+, the operator of the UK's largest gas storage facility, Rough. Adjusted operating profit was £231m (H1 2024: £522m), reflecting lower commodity prices and, for CES+, lower seasonal gas price spreads.

Nuclear

SIX MONTHS ENDED 30 JUNE	**2025**	2024	Change
Operational			
Nuclear power generated (TWh)	**3.6**	3.6	nm
Financial			
Nuclear achieved power price (£/MWh)	**95**	157	(39%)
Adjusted EBITDA (£m) (i)	**193**	369	(48%)
Adjusted operating profit (£m)	**107**	224	(52%)
Nuclear dividend received	**95**	240	(60%)

All 2025 metrics and 2024 comparators are for the 6 months ended 30 June unless otherwise stated.

(i) Includes Centrica's share of associate EBITDA of £178m (H1 2024: £303m).

Operational Performance

Centrica's share of nuclear generation volumes was unchanged at 3.6TWh in H1 2025. Increases in planned and minor unplanned outages during 2025 largely offset the significant forced outages at Hartlepool and Heysham 1 in Q1 2024.

Financial Performance

Nuclear adjusted operating profit was £107m (H1 2024: £224m), largely driven by lower achieved prices net of associated impacts from the Electricity Generator Levy and tax.

Total Electricity Generator Levy for the first half was £18m (H1 2024: £124m), of which £12m (H1 2024: £57m) is included in the Group's cost of sales, with a further £6m (H1 2024: £67m) recorded in the Group's share of associate profit after tax.

Included within exceptional items is a £123m impairment (H1 2024: write-back of £116m) of our Nuclear investment which has been recorded predominantly as a result of the reduction in both forecast and actual power prices, together with an update to capital expenditure and operating expenditure assumptions.

Details of our forward hedging positions for 2025 to 2026 are outlined below:

	H2 2025	2026
Volume hedged (TWh)	3.1	3.6
Average hedged price (£/MWh)	82	77
Production volume (i) (TWh)	~7.0 to 7.5	

(i) FY 2025 forecast production volumes.

Spirit Energy

SIX MONTHS ENDED 30 JUNE	2025	2024	Change
Operational			
Gas production volumes (mmth)	**386**	384	1%
Liquids production volumes (mmboe)	**0.4**	0.5	(20%)
Total production volumes (mmboe)	**6.8**	6.9	(1%)
Financial			
Average achieved gas sales prices (p/therm)	**111**	136	(18%)
Average achieved liquid sales prices (£/boe)	**48**	58	(18%)
Lifting and other cash production costs (£/boe) (i)	**22.0**	22.5	(2%)
Gas and liquids realisations (£m) (ii)	**455**	562	(19%)
Unit DDA rate (£/boe)	**23.6**	22.6	4%
Adjusted EBITDA (£m)	**310**	401	(23%)
Adjusted operating profit (£m)	**150**	245	(39%)

All 2025 metrics and 2024 comparators are for the 6 months ended 30 June 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.

(ii) Realisations are total revenues from sales of gas and liquids including hedging and are net of Spirit national transmission system (NTS) costs.

Operational Performance

Total volumes from Spirit Energy were broadly flat relative to H1 2024.

In May 2025 we announced the reduction of Spirit Energy's interest in the Cygnus gas field from 61.25% to 15% through the sale to a subsidiary of Ithaca Energy plc, for headline consideration of £116m and the transfer of £99m of undiscounted decommissioning liabilities associated with the interest. Our 69% share of the headline consideration is expected to be £80m. The transaction is due to complete in H2 2025 and the related assets and liabilities have been treated as a disposal group held for sale in the H1 2025 accounts.

We continue to examine options for carbon storage at the Morecambe Net Zero project. In 2023, we were granted a carbon storage licence and signed a memorandum of understanding with the Peak Cluster to explore carbon storage for major cement and lime plants located in the Peak District. In July this year, the National Wealth Fund (NWF) announced a £28.6m equity investment in Peak Cluster Ltd (PCL) to support the development of a planned carbon dioxide pipeline. PCL aim to transport CO_2 to Morecambe.

Financial Performance

Adjusted operating profit was £150m (H1 2024: £245m), primarily due to lower achieved prices. Lifting and other cash production costs were 2% lower than in the same period of 2024, with the unit DDA rate 4% higher over the same period.

Included within exceptional items is a £78m (H1 2024: £nil) impairment of upstream assets predominantly as a result of an update to cessation of production date at the Morecambe field due to lower gas price assumptions.

Details of our forward hedging positions for 2025 to 2026 are outlined below:

	H2 2025	2026
Volume hedged (mmths)	168	295
Average hedged price (p/th)	111	92
Production volume (i) (mmths)	~695 to 720	

(i) FY 2025 forecast production volumes. Includes full year production from disposed Cygnus interest, due to complete in H2 2025.

Centrica Energy Storage+

SIX MONTHS ENDED 30 JUNE	2025	2024	Change
Operational			
Availability (i)	**95%**	92%	3%
Total volume in reservoir (bcf) (ii)	**16**	41	(61%)
Financial			
Adjusted EBITDA (£m)	**(26)**	54	(148%)
Adjusted operating profit (£m)	**(26)**	53	(149%)

All 2025 metrics and 2024 comparators are for the 6 months ended 30 June unless otherwise stated.

(i) Measured as a percentage of demand.

(ii) Includes 13bcf (2024: 14bcf) of indigenous gas.

Operational Performance

Centrica Energy Storage+ delivered good operational reliability from Rough and the Easington gas processing plant. Rough continues to operate at 54bcf capacity with a third-party exemption until at least 2030. Constructive discussions are ongoing with the UK Government to secure a regulatory support mechanism that unlocks £2 billion of investment to increase Rough's capacity and ultimately convert it into a hydrogen-ready storage facility.

While we wait for Government's consultation to conclude we will look to reduce losses so these will not be carried beyond 2025 by producing the remaining gas from Rough over this winter.

Financial Performance

Centrica Energy Storage+ delivered an adjusted operating loss of £26m (H1 2024: profit of £53m), reflecting the inverted seasonal gas price spreads and reduced volatility alongside the production of 1bcf of indigenous gas.

Despite H1 performance, we continue to expect the adjusted operating loss for the full year to be at the higher end of the £50m - £100m indicated range.

GROUP FINANCIAL REVIEW

REVENUE

Total Group revenue included in business performance, which includes revenue arising on contracts in the scope of IFRS 9 (see note 4(b) for further details), decreased by 10% to £11,925m (H1 2024: £13,284m). This was largely driven by the impact of lower commodity prices, and lower seasonal gas price spreads.

Gross segment revenue, which includes revenue generated from the sale of products and services between segments, decreased by 9% to £12,738m (H1 2024: £14,046m). Group statutory revenue decreased by 4% to £10,124m (H1 2024: £10,541m).

A table reconciling the different revenue measures is included in note 4(b) of the accounts.

OPERATING PROFIT, EARNINGS AND DIVIDEND

				2025			2024
SIX MONTHS ENDED 30 JUNE (£M)	Notes	**Business performance**	**Exceptional items and certain re-measurements**	**Results for the period**	Business performance	Exceptional items and certain re-measurements	Results for the period
Group operating profit/(loss)	4	**549**	**(618)**	**(69)**	1,035	642	1,677
Net finance income/(cost)	7	26	-	26	20	(68)	(48)
Taxation on profit/(loss)	8	(213)	(3)	(216)	(342)	65	(277)
Profit/(loss) for the period		**362**	**(621)**	**(259)**	713	639	1,352
Less: (Profit)/loss attributable to non-controlling interests		(15)	23	8	(36)	9	(27)
Earnings attributable to shareholders		**347**	**(598)**	**(251)**	677	648	1,325
Basic earnings per share	9	**7.0p**	**(12.1)p**	**(5.1)p**	12.8p	12.3p	25.1p
Interim dividend per share	10			**1.83p**			1.50p

Adjusted operating profit decreased to £549m (H1 2024:£1,035m). More detail on specific business unit adjusted operating profit performance is provided in the Group Overview on pages 10 to 18.

The statutory operating loss was £69m (H1 2024: profit of £1,677m), with the difference between the two measures of profit relating to a net loss on exceptional items and certain re-measurements of £618m (H1 2024: gain of £642m).

Certain re-measurements and exceptional items included within operating profit

SIX MONTHS ENDED 30 JUNE (£M)	**2025**	2024
Certain re-measurements	(432)	526
Exceptional items	(186)	116
Exceptional items and certain re-measurements	**(618)**	642

The Group operating loss in the statutory results includes a net pre-tax loss of £432m (H1 2024: profit of £526m) relating to re-measurements, comprising of:

- A net loss of £457m on the re-measurement of derivative energy contracts predominantly due to the unwind of prior year derivative financial assets as contracts mature, resulting in a net loss of £296m, together with net unrealised mark-to-market derivative losses of £161m from market price movements on existing and new contracts.
- A net gain of £25m relating to a credit from the movement in the onerous LNG contracts position, partially offset by a debit relating to the movement in the onerous energy supply contract provision associated with the acquisition of AvantiGas ON Limited in 2022.

Further details can be found in note 6(a) to the accounts.

An exceptional pre-tax cost of £186m was recognised within the statutory Group operating loss in the first half of 2025 (H1 2024: £116m credit), comprising of:

- A £125m impairment (H1 2024: write-back of £116m) to our power assets, predominantly driven by a £123m impairment of our Nuclear investment, as a result of reduced actual and forecast power prices, along with an update to operating expenditure assumptions.
- A £78m (H1 2024: £nil) impairment of upstream assets predominantly as a result of an update to the cessation of production date associated with the Morecambe field as a result of lower forecasted gas prices.
- A £17m credit (H1 2024: £nil) relating to lower legacy contract cost provisions for business activity that ceased a number of years ago, predominantly related to construction services.

Further details on exceptional items, including the impairment accounting policy, process and sensitivities can be found in notes 6(b) and 6(c) to the accounts.

Net finance income

Net finance income on business performance was £26m (H1 2024: £20m), reflecting lower financing costs, more than offsetting lower investment income from lower interest rates.

Taxation and adjusted effective tax rate

Business performance taxation on profit was £213m (H1 2024: £342m). After taking account of our share of tax on joint ventures and associates, the adjusted tax charge was £246m (H1 2024: £415m).

The resultant adjusted effective tax rate for the Group was 40% (H1 2024: 37%), reflecting the profit mix and increased tax rates, with the Energy Profits Levy increasing by 3ppt to 78% from November 2024.

The adjusted effective tax rate calculation is shown below:

SIX MONTHS ENDED 30 JUNE (£M)	2025	2024
Adjusted operating profit	**549**	1,035
Add: JV/associate taxation included in adjusted operating profit	**33**	73
Net finance income	**26**	20
Adjusted profit before taxation	**608**	1,128
Taxation on profit	**(213)**	(342)
Share of JV/associate taxation	**(33)**	(73)
Adjusted tax charge	**(246)**	(415)
Adjusted effective tax rate (including JV/associate)	**40%**	37%

Total Electricity Generator Levy included for the first half was £18m (H1 2024: £124m), of which £12m (H1 2024: £57m) is included in the Group's cost of sales, with a further £6m (H1 2024: £67m) recorded in the Group's share of profit after tax from its Nuclear associate. The Levy is not an income tax and is not deductible for corporation tax purposes. If this had been treated as a tax, the Group's adjusted effective tax rate would have been 42%.

Total certain re-measurements and exceptional items generated a tax charge of £3m (H1 2024: £65m credit), which when included with taxation on business performance generated a total taxation charge for the period of £216m (H1 2024: £277m).

See notes 3(d), 6 and 8 for more details.

Group earnings

Profit for the period from business performance after taxation was £362m (H1 2024: £713m). After adjusting for non-controlling interests relating to Spirit Energy, adjusted earnings were £347m (H1 2024: £677m).

Adjusted basic EPS for the period was 7.0p (H1 2024: 12.8p), which included the impact of a lower weighted average number of shares than in the first half of 2024, reflecting the ongoing share buyback programme.

After including exceptional items and certain re-measurements, the statutory loss attributable to shareholders for the period was £251m (H1 2024: £1,325m profit).

The Group reported a statutory basic EPS loss of 5.1p (H1 2024: profit of 25.1p).

Dividend

The declared interim dividend is 1.83p per share (H1 2024: 1.50p per share). In the period, cash paid to Centrica shareholders in dividends was £150m (H1 2024: £nil), consisting of the 3.0p per share final 2024 dividend, which was paid on 5 June 2025. In 2024, the final 2023 dividend payment was not paid until 11 July 2024.

GROUP CASH FLOW, NET CASH AND BALANCE SHEET

Group cash flow

Free cash flow ("FCF") is the Group's primary measure of cash flow as management believes it provides relevant information to show the cash generation of the business, after taking account of the need to maintain the Group's capital asset base. FCF was £244m in the period (H1 2024: £816m). See explanatory note 4(f) for further details and a reconciliation between statutory cash flow from operating and investing activities and free cash flow.

SIX MONTHS ENDED 30 JUNE (£M)	2025	2024
Adjusted EBITDA (i)	**722**	1,134
Dividends received	**95**	240
Adjusted EBITDA and dividends received	**817**	1,374
Tax	**(201)**	(323)
Working capital	**(97)**	16
Decommissioning spend	**(28)**	(31)
Capital expenditure (ii)	**(244)**	(221)
Disposals	**-**	4
Exceptional cash flows	**(3)**	(3)
Free cash flow	**244**	816
Net interest	**49**	14
Pension deficit payments	**(77)**	(76)
Movements in margin cash (iii)	**(22)**	81
Share buyback programme	**(374)**	(274)
Dividends - Centrica shareholders	**(150)**	-
Other cash flows affecting net debt (iv)	**(3)**	(76)
Adjusted cash flow affecting net cash	**(333)**	485
Opening adjusted net cash (as at 1 January)	**2,858**	2,744
Adjusted cash flow movements	**(333)**	485
Non-cash movements (v)	**(34)**	(15)
Closing adjusted net cash	**2,491**	3,214

(i) Excludes Centrica's share of associate EBITDA of £178m (H1 2024: £303m).
(ii) Capital expenditure (including £14m of small acquisitions). See page 22 for more detail.
(iii) As at 30 June 2025, net margin cash posted was £132m (31 December 2024: £105m).
(iv) 2024 other cash flows affecting net cash includes £(68)m relating to exceptional financing costs in relation to debt repurchase and refinancing activities.
(v) 2025 non-cash movements includes £(12)m relating to new leases and the re-measurements of existing leases (H1 2024: £(19)m).

Working capital was a net outflow of £97m (H1 2024: £16m inflow), with a £316m outflow in British Gas Energy due to a lower commodity payable at half year compared to the end of December driven by usual seasonality and impact of commodity prices, partially offset by inflows from CES+ of £268m from the sale of gas in store.

Collateral and margin cash was a £22m outflow (H1 2024: £81m inflow).

Net investment

The net investment outflow for the period was £244m (H1 2024: £217m). Within this, capital expenditure (including small acquisitions) of £244m (H1 2024: £221m) was predominantly driven by investment in the MAP (£98m), and flexible and renewable power generation assets across Bord Gáis Energy and Centrica Business Solutions. The table below provides a summary of Group net investment, which management uses to provide a measure of the Group's capital expenditure from a cash perspective, and a reconciliation of this measure to capital expenditure disclosed in note 4(e).

SIX MONTHS ENDED 30 JUNE (£M)	**2025**	2024
British Gas Services & Solutions	**(7)**	(10)
British Gas Energy	**(125)**	(13)
Bord Gáis Energy	**(43)**	(49)
Centrica Business Solutions	**(38)**	(80)
Centrica Energy	**(3)**	(30)
Nuclear	**-**	-
Spirit Energy	**(31)**	(16)
Centrica Energy Storage+	**-**	(6)
Other (i)	**3**	(17)
Capital expenditure (including small acquisitions)	**(244)**	(221)
Net disposals	**-**	4
Total Group net investment	**(244)**	(217)
Add back:		
Capitalised borrowing costs	**(8)**	(2)
Inception of new leases and movements in payables and prepayments related to capital expenditure	**(44)**	(30)
Purchases of emissions allowances and renewable obligation certificates	**(328)**	(338)
Deduct:		
Net disposals	**-**	(4)
Purchase of businesses and assets, net of cash acquired	**6**	6
Investment in joint ventures and associates	**3**	-
Purchase of other investments (ii)	**5**	50
Capital expenditure (per note 4(e))	**(610)**	(535)

(i) This includes a consolidation adjustment of £20m (H1 2024: £nil) relating to MAP.

(ii) 2024 includes £25m Centrica Energy investments and £25m Centrica Business Solutions convertible loan note investment in Highview Enterprises Ltd Group.

Group adjusted net cash

The Group's adjusted net cash position as at 30 June 2025 was £2,491m, compared to £2,858m on 31 December 2024. The breakdown of net cash is shown below:

(£M)	As at 30 June 2025	As at 31 December 2024
Current and non-current borrowings, leases and interest accruals	**(2,843)**	(2,867)
Derivatives	**(71)**	(107)
Gross debt	**(2,914)**	(2,974)
Cash and cash equivalents, net of bank overdrafts	**5,293**	5,693
Current and non-current securities	**112**	139
Adjusted net cash	**2,491**	2,858

Further details on the Group's sources of finance and net cash are included in note 12(b).

Statutory cash flow

SIX MONTHS ENDED 30 JUNE (£M)	2025	2024
Statutory cash flow from operating activities	**294**	798
Statutory cash flow from investing activities	**13**	183
Statutory cash flow from financing activities	**(648)**	(997)
Net decrease in cash and cash equivalents	**(341)**	(16)

Net cash inflow from operating activities decreased to £294m (H1 2024: £798m), reflecting the impact of lower adjusted EBITDA as outlined in the Group Overview on pages 10 to 18.

Net cash inflow from investing activities decreased to £13m (H1 2024: £183m). Within this, interest received decreased to £129m (H1 2024: £167m) reflecting the lower interest environment and lower average cash balances, while dividends received from our nuclear associate decreased to £95m (H1 2024: £240m). Capital expenditure (including small acquisitions) increased to £244m (H1 2024: £221m) aligned with our investment programme.

Net cash outflow from financing activities was lower at £648m (H1 2024: £997m). Included within this was the 2024 final dividend payment of £150m (H1 2024: £nil) and a higher outflow relating to the Group's share buyback programme of £374m (H1 2024: £274m). This was more than offset by lower financing interest paid of £80m (H1 2024: £153m), while net outflow on borrowings decreased to £41m (H1 2024: £562m) with 2024 including the impact of the repurchase of debt instruments and refinancing of our hybrid bond.

Pension deficit

The Group's IAS19 net pension deficit increased to £315m as at 30 June 2025 from a £21m deficit at 31 December 2024. This was driven by lower than projected returns on the schemes' growth assets, and updates to member experiences and liability profile calculations following completion of the triennial review, which is usual practice. Partially offsetting these impacts was a reduction in the liability value from changes in market rates and deficit payments,

The technical provisions deficit is based on more conservative assumptions and is used to determine the agreed level of cash contributions into the schemes. In February 2025, we reached agreement with the pension trustees on a March 2024 technical provisions deficit of £504m, with annual deficit contributions of around £140m a year to 2027. On a roll-forward basis using the same methodology, consequent assumptions and contributions paid, the technical provision deficit would be around £450m at 30 June 2025 (31 December 2024: £450m), with the deficit payment in the period offset by the return on growth assets being lower than projected.

Further details on post-retirement benefits are included in note 13.

Decommissioning liabilities

The decommissioning provision of £1,358m (31 December 2024: £1,459m) is predominantly the estimated pre-tax net present cost of decommissioning gas production facilities at the end of their useful lives, based on 2P reserves, price levels, and technology at the balance sheet date. As at 30 June 2025 the provision balance is £1,033m for Spirit Energy (includes £99m undiscounted liabilities in relation to the Cygnus interest that will be disposed), £305m in relation to the Rough field and £20m in the remainder of the business. The provisions are held gross of tax, with a corresponding deferred tax asset of £567m (31 December 2024: £605m).

Further details on the decommissioning provision are included in notes 3 and 16.

Balance sheet

Net assets decreased to £3,685m (31 December 2024: £4,812m), predominantly driven by items reported directly in equity including a £453m reduction from the share buyback programme and £150m from the 2024 final dividend, as well as the statutory loss the Group generated in the period of £259m and an other comprehensive loss of £294m, largely driven by an actuarial loss on pensions.

Acquisitions, disposals and disposal groups classified as held for sale

On 20 May 2025 the Group announced that Spirit Energy had agreed to sell a 46.25% interest in the Cygnus gas field to a subsidiary of Ithaca Energy plc for a headline consideration of £116 million, and the transfer of £99m undiscounted decommissioning liabilities. The sale has a commercial effective date of 1 January 2025 and the consideration payable by Ithaca Energy plc at closing will be reduced for the net cash flows generated by the disposal group since 1 January 2025. Completion is expected in the second half of 2025.

Further details on assets purchased, acquisitions and disposals are included in note 11.

EVENTS AFTER BALANCE SHEET DATE

On 22 July 2025, the Group announced it had signed an agreement to acquire a 15% equity stake in Sizewell C, the UK's newest 3.2GW nuclear power station. The Group's total funding obligation is capped at £1.3 billion and the investment will generate a real allowed return on equity of 10.8% through the construction and initial operations phase. Revenue commencement is expected to take place in the fourth quarter of 2025.

Details of events after the balance sheet date are described in note 18.

RISKS AND CAPITAL MANAGEMENT

The Group maintains a stable overall risk profile, underpinned by a robust risk management framework, with the nature of the Group’s principal risks and uncertainties broadly unchanged from those set out in the 2024 Annual Report. The external environment remains complex and volatile, with geopolitical tensions and cyber threats elevating supply chain risks. In response, the Group is intensifying supplier oversight and pursuing diversification strategies to mitigate vulnerabilities.

Energy market volatility, particularly in Europe, is prompting regulatory reforms aimed at enhancing competitiveness and infrastructure investment. These developments may create new opportunities for the Group’s infrastructure businesses. However, potential regulatory shifts, such as the removal of ancillary activity exemptions and the extension of gas storage mandates, could impact trading dynamics. The Group is actively monitoring these changes while pursuing geographic diversification through Centrica Energy’s expansion into North America.

Economic headwinds may dampen consumer demand, especially in net zero and services segments, while also challenging business customers. The Group is enhancing mitigation strategies to support vulnerable customers and ensure regulatory compliance. Meanwhile, the Group continues to invest in technology and AI to improve customer experience, maintain stable asset and health and safety risk profiles, and strengthen cyber resilience in the face of increasingly sophisticated threats.

Details of how the Group has managed financial risks such as liquidity and credit risk are set out in note 20. Details of the Group's capital management processes are provided under sources of finance in note 12.

ACCOUNTING POLICIES

The Group's accounting policies and specific accounting measures, including changes of accounting presentation and selected key sources of estimation uncertainty, are explained in notes 1, 2 and 3.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Interim Results for the six month period ended 30 June 2025 in accordance with applicable law, regulations and accounting standards. In preparing the condensed interim Financial Statements, the Directors are responsible for ensuring that they give a true and fair view of the state of affairs of the Group at the end of the period and the profit or loss of the Group for that period.

The Directors confirm that the condensed interim Financial Statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting", and that the Interim Results includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of the important events that have occurred during the first six months and their impact on the condensed interim Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the year and any material changes in the related party transactions described in the last annual report.

A list of current Directors is maintained on the Centrica plc website which can be found at www.centrica.com.

On behalf of the Board on 23 July 2025

Chris O'Shea	**Russell O'Brien**
Group Chief Executive	**Group Chief Financial Officer**

Independent Review Report to Centrica plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the Group Income Statement, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Statement of Changes in Equity, the Group Cash Flow Statement and related notes 1 to 22.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Statutory Auditor

London, United Kingdom

23 July 2025

Group Income Statement

Six months ended 30 June	Notes	2025 Business performance £m	2025 Exceptional items and certain re-measurements £m	2025 Results for the period £m	2024 Business performance £m	2024 Exceptional items and certain re-measurements £m	2024 Results for the period £m
Group revenue	4,6	**11,530**	**(1,801)**	**9,729**	12,890	(2,743)	10,147
Insurance revenue	4	**395**	**—**	**395**	394	—	394
Total Group revenue		**11,925**	**(1,801)**	**10,124**	13,284	(2,743)	10,541
Cost of sales before insurance service expenses [(i)]	6	**(9,959)**	**4,560**	**(5,399)**	(10,911)	5,448	(5,463)
Insurance service expenses recognised in cost of sales		**(235)**	**—**	**(235)**	(223)	—	(223)
Re-measurement and settlement of derivative energy contracts	6	**—**	**(3,191)**	**(3,191)**	—	(2,179)	(2,179)
Gross profit/(loss)	4,6	**1,731**	**(432)**	**1,299**	2,150	526	2,676
Operating costs before insurance service expenses, credit losses on financial assets and exceptional items		**(902)**	**—**	**(902)**	(869)	—	(869)
Insurance service expenses recognised in operating costs		**(141)**	**—**	**(141)**	(152)	—	(152)
Credit losses on financial assets	14	**(231)**	**—**	**(231)**	(252)	—	(252)
Exceptional items	6	**—**	**(186)**	**(186)**	—	116	116
Operating costs		**(1,274)**	**(186)**	**(1,460)**	(1,273)	116	(1,157)
Share of profits of joint ventures and associates, net of interest and taxation	5	**92**	**—**	**92**	158	—	158
Group operating profit/(loss)	4	**549**	**(618)**	**(69)**	1,035	642	1,677
Financing costs	7	**(120)**	**—**	**(120)**	(147)	(68)	(215)
Investment income	7	**146**	**—**	**146**	167	—	167
Net finance income/(cost)	7	**26**	**—**	**26**	20	(68)	(48)
Profit/(loss) before taxation		**575**	**(618)**	**(43)**	1,055	574	1,629
Taxation on profit/(loss)	6,8	**(213)**	**(3)**	**(216)**	(342)	65	(277)
Profit/(loss) for the period		**362**	**(621)**	**(259)**	713	639	1,352
Attributable to:							
Owners of the parent		**347**	**(598)**	**(251)**	677	648	1,325
Non-controlling interests		**15**	**(23)**	**(8)**	36	(9)	27

Earnings per ordinary share		**2025 Pence**	**2024 Pence**
Basic	9	**(5.1)**	25.1
Diluted	9	**(5.1)**	24.6
Prior year final dividend per ordinary share	10	**3.00**	2.67
Dividend proposed per ordinary share	10	**1.83**	1.50

(i) Cost of sales includes a £25 million credit (2024: £46 million debit) relating to movements in onerous contracts provisions within the certain re-measurements column. See note 6.

The notes on pages 33 to 76 form part of these condensed interim Financial Statements.

Group Statement of Comprehensive Income

Six months ended 30 June	2025 £m	2024 £m
(Loss)/profit for the period	**(259)**	1,352
Other comprehensive income		
Items that will be or have been reclassified to the Group Income Statement:		
Impact of cash flow hedging, net of taxation	**(5)**	(4)
Exchange differences on translation of foreign operations [(i)]	**(7)**	(22)
Items that will not be reclassified to the Group Income Statement:		
Net actuarial (losses)/gains on defined benefit pension schemes, net of taxation	**(284)**	55
Gains on revaluation of equity instruments measured at fair value through other comprehensive income, net of taxation	**4**	14
Share of other comprehensive (loss)/income of associates, net of taxation	**(2)**	32
Other comprehensive (loss)/income, net of taxation	**(294)**	75
Total comprehensive (loss)/income for the period	**(553)**	1,427
Attributable to:		
Owners of the parent	**(545)**	1,400
Non-controlling interests	**(8)**	27

(i) Exchange differences on translation of foreign operations includes £7 million (2024: £22 million) of losses attributable to the equity holders of the parent, and £nil (2024: £nil) of losses attributable to non-controlling interests.

The notes on pages 33 to 76 form part of these condensed interim Financial Statements.

Group Statement of Changes in Equity

	Share capital £m	Share premium £m	Retained earnings £m	Other equity £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
1 January 2025	344	2,394	3,979	(2,295)	**4,422**	390	**4,812**
Loss for the period	—	—	(251)	—	**(251)**	(8)	**(259)**
Other comprehensive loss	—	—	—	(294)	**(294)**	—	**(294)**
Total comprehensive loss	—	—	(251)	(294)	**(545)**	(8)	**(553)**
Employee share schemes and other share transactions	—	—	(9)	38	**29**	—	**29**
Share buyback programme (note 22)	—	—	—	(453)	**(453)**	—	**(453)**
Shares cancelled in the period (note 22)	(14)	—	(326)	340	**—**	—	**—**
Dividends paid to equity holders (note 10)	—	—	(150)	—	**(150)**	—	**(150)**
30 June 2025	**330**	**2,394**	**3,243**	**(2,664)**	**3,303**	**382**	**3,685**

	Share capital £m	Share premium £m	Retained earnings £m	Other equity £m	Total £m	Non-controlling interests £m	Total equity £m
1 January 2024	365	2,394	3,274	(2,156)	3,877	356	4,233
Profit for the period	—	—	1,325	—	1,325	27	1,352
Other comprehensive income	—	—	—	75	75	—	75
Total comprehensive income	—	—	1,325	75	1,400	27	1,427
Employee share schemes and other share transactions	—	—	—	12	12	—	12
Share buyback programme	—	—	—	(250)	(250)	—	(250)
Shares cancelled in the period	(8)	—	(129)	137	—	—	—
Dividends payable to equity holders (note 10)	—	—	(141)	—	(141)	—	(141)
30 June 2024	357	2,394	4,329	(2,182)	4,898	383	5,281

The notes on pages 33 to 76 form part of these condensed interim Financial Statements.

Group Balance Sheet

	Notes	30 June 2025 £m	31 December 2024 £m
Non-current assets			
Property, plant and equipment		**1,620**	1,859
Interests in joint ventures and associates		**678**	794
Other intangible assets		**344**	318
Goodwill		**491**	478
Deferred tax assets		**403**	339
Trade and other receivables, and contract-related assets	14	**175**	179
Derivative financial instruments	15	**212**	267
Retirement benefit assets	13	**9**	129
Other investments	15	**95**	87
Securities	12	**112**	139
		4,139	4,589
Current assets			
Trade and other receivables, and contract-related assets	14	**4,611**	5,204
Other intangible assets		**582**	319
Inventories		**451**	904
Derivative financial instruments	15	**725**	1,309
Current tax assets		**98**	70
Cash and cash equivalents	12	**5,378**	6,338
		11,845	14,144
Assets of disposal groups classified as held for sale	11	**225**	—
		12,070	14,144
Total assets		**16,209**	18,733
Current liabilities			
Derivative financial instruments	15	**(789)**	(932)
Trade and other payables, and contract-related liabilities		**(5,492)**	(6,392)
Insurance contract liabilities		**(150)**	(175)
Current tax liabilities		**(167)**	(181)
Provisions for other liabilities and charges	16	**(333)**	(368)
Bank overdrafts, loans and other borrowings	12	**(300)**	(854)
		(7,231)	(8,902)
Liabilities of disposal groups classified as held for sale	11	**(211)**	—
		(7,442)	(8,902)
Non-current liabilities			
Deferred tax liabilities		**(7)**	(88)
Derivative financial instruments	15	**(416)**	(455)
Trade and other payables, and contract-related liabilities		**(363)**	(175)
Provisions for other liabilities and charges	16	**(1,344)**	(1,493)
Retirement benefit obligations	13	**(324)**	(150)
Bank loans and other borrowings	12	**(2,628)**	(2,658)
		(5,082)	(5,019)
Total liabilities		**(12,524)**	(13,921)
Net assets		**3,685**	4,812
Share capital		**330**	344
Share premium		**2,394**	2,394
Retained earnings		**3,243**	3,979
Other equity		**(2,664)**	(2,295)
Total shareholders' equity		**3,303**	4,422
Non-controlling interests		**382**	390
Total shareholders' equity and non-controlling interests		**3,685**	4,812

The notes on pages 33 to 76 form part of these condensed interim Financial Statements.

Group Cash Flow Statement

Six months ended 30 June	Notes	2025 £m	2024 £m
Group operating (loss)/profit including share of results of joint ventures and associates		**(69)**	1,677
Deduct share of profits of joint ventures and associates, net of interest and taxation	5	**(92)**	(158)
Group operating (loss)/profit before share of results of joint ventures and associates		**(161)**	1,519
Add back/(deduct):			
Depreciation and amortisation	4	**254**	256
Impairments/(write-backs)	4,6	**214**	(115)
Gain on disposals		**—**	(4)
Decrease in provisions		**(106)**	(18)
Cash contributions to defined benefit schemes in excess of service cost income statement charge		**(83)**	(92)
Employee share scheme costs		**28**	23
Unrealised losses/(gains) arising from re-measurement of energy contracts		**468**	(288)
Operating cash flows before movements in working capital relating to business performance and payments relating to taxes, exceptional charges and operating interest		**614**	1,281
Decrease in inventories		**441**	272
Decrease in trade and other receivables and contract-related assets relating to business performance		**622**	1,323
Decrease in trade and other payables and contract-related liabilities relating to business performance		**(1,169)**	(1,744)
Operating cash flows before payments relating to taxes, exceptional charges and operating interest		**508**	1,132
Taxes paid		**(201)**	(323)
Operating interest paid	7	**(10)**	(8)
Payments relating to exceptional charges in operating costs	6	**(3)**	(3)
Net cash flow from operating activities		**294**	798
Purchase of businesses and assets, net of cash acquired		**(6)**	(6)
Sale of businesses, including receipt of deferred consideration		**—**	4
Purchase of property, plant and equipment and intangible assets	4	**(230)**	(165)
Investments in joint ventures and associates		**(3)**	—
Dividends received from joint ventures and associates	5	**95**	240
Interest received		**129**	167
Net purchase of other investments		**(5)**	(50)
Settlement of securities	12	**40**	—
Purchase of securities	12	**(7)**	(7)
Net cash flow from investing activities		**13**	183
Payments for own shares		**(3)**	(8)
Share buyback programme	22	**(374)**	(274)
Cash inflow from borrowings	12	**7**	410
Financing interest paid	12	**(80)**	(153)
Cash outflow from repayment of borrowings and capital element of leases	12	**(48)**	(972)
Equity dividends paid	10	**(150)**	—
Net cash flow from financing activities		**(648)**	(997)
Net decrease in cash and cash equivalents		**(341)**	(16)
Cash and cash equivalents including overdrafts as at 1 January		**5,693**	5,629
Effect of foreign exchange rate changes	12	**(59)**	(10)
Cash and cash equivalents including overdrafts at 30 June	12	**5,293**	5,603
Included in the following line of the Group Balance Sheet:			
Cash and cash equivalents	12	**5,378**	6,051
Overdrafts included within current bank overdrafts, loans and other borrowings	12	**(85)**	(448)

The notes on pages 33 to 76 form part of these condensed interim Financial Statements.

Notes to the condensed interim Financial Statements

Notes to the condensed interim Financial Statements provide additional information required by statute, accounting standards or Listing Rules to explain a particular feature of the condensed interim Financial Statements. These condensed interim Financial Statements should be read in conjunction with the information that was released in the Group's consolidated Financial Statements for the year ended 31 December 2024.

1. General information

Centrica plc (the 'Company') is a public company limited by shares, domiciled and incorporated in the UK, and registered in England and Wales. The address of the registered office is Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD. The Company has its listing on the London Stock Exchange. The Company, together with its subsidiaries, comprise the 'Group'.

The condensed interim Financial Statements for the six months ended 30 June 2025 included in this announcement were authorised for issue in accordance with a resolution of the Board of Directors on 23 July 2025.

These condensed interim Financial Statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 were approved by the Board of Directors on 19 February 2025 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006. The financial information contained in these condensed interim Financial Statements is unaudited. The Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity, Group Cash Flow Statement for the interim period to 30 June 2025, the Group Balance Sheet as at 30 June 2025, and the related notes have been reviewed by the auditors and their report to the Company is set out on page 27.

2. Basis of preparation

These condensed interim Financial Statements for the six months ended 30 June 2025 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34: 'Interim financial reporting', as adopted by the United Kingdom.

These condensed interim Financial Statements should be read in conjunction with the Group's consolidated Financial Statements for the year ended 31 December 2024, which were prepared in accordance with UK-adopted International Accounting Standards and, if relevant, with International Financial Reporting Standards as issued by the IASB and in conformity with the requirements of the Companies Act 2006. The Group's consolidated Financial Statements for the year ending 31 December 2025 will be prepared in accordance with the United Kingdom adopted International Financial Reporting Standards.

Preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates. In preparing these condensed interim Financial Statements, the significant judgements, estimates and assumptions made by management in applying the Group's accounting policies were consistent with those applied in the Group's consolidated Financial Statements for the year ended 31 December 2024, unless amended by the application of new accounting policies, standards or interpretations, or as a result of changes in estimation uncertainty or judgements as described in note 3.

Taxes on income in the interim period are accrued using tax rates that would be applicable to expected total annual earnings for each relevant source of income.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future, which reflects a period of twelve months from the date of approval of the accounts, with modelled analysis extending to 31 December 2026.

The going concern assessment has considered the financial impact on the Group's credit and liquidity headroom of different stress scenarios relating to the Group's Principal Risks. Severe but plausible combinations of risks have been assessed including the impact of a low commodity price environment, significant adverse weather events, increased bad debt charges, production losses in the Group's upstream business, trading and hedging underperformance and regulatory and industrial risk.

The Group's strong liquidity position, coupled with its ability to deploy effective mitigating actions, ensures resilience against a volatile external risk environment. The assessment proves that the Group is able to maintain sufficient headroom under all stress-scenarios tested, underpinned by the level of undrawn committed bank facilities and available cash resources. As such, the Directors continue to believe it is appropriate to adopt the going concern basis of accounting in preparing the condensed interim Financial Statements.

Further information on the Group's strong liquidity position, including its indebtedness and available committed facilities, is provided in notes 12 and 20.

3. Accounting policies

This section details new accounting policies, standards, amendments and interpretations, whether these are effective in 2025 or later years, and if and how these are expected to impact the financial position and performance of the Group. In addition, this section sets out the Group's specific accounting measures applied in the preparation of the condensed interim Financial Statements.

The accounting policies applied in these condensed interim Financial Statements are consistent with those used in the preparation of the Group's consolidated Financial Statements for the year ended 31 December 2024, as described in those annual Financial Statements, with the exception of policies, standards, amendments and interpretations effective as of 1 January 2025 and other changes detailed below.

(a) New accounting policies, standards, amendments and interpretations effective or adopted in 2025

From 1 January 2025, the following amendments became effective in the Group's consolidated Financial Statements:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' Lack of Exchangeability, effective from 1 January 2025;

These amendments did not materially impact the Group's consolidated Financial Statements.

(b) Standards and amendments that are issued but not yet applied by the Group

The following standards and amendments have been issued and will be applied to the Group in future periods, subject to UK endorsement:

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Amendments to the Classification and Measurement of Financial Instruments, effective from 1 January 2026;
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Contracts Referencing Nature-dependent Electricity, effective from 1 January 2026;
- Annual improvements to IFRS: Amendments to IFRS 1 'First-time Adoption of IFRS', IFRS 7, IFRS 9, IFRS 10 'Consolidated Financial Statements' and IAS 7 'Statement of Cash Flows', effective from 1 January 2026;
- IFRS 18 'Presentation and Disclosure in Financial Statements', effective from 1 January 2027; and
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures', effective from 1 January 2027.

The potential impact of IFRS 18 'Presentation and Disclosure in Financial Statements', and the amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' in respect of Nature-dependent Electricity are given below.

IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 will replace IAS 1 'Presentation of Financial Statements' and become effective on 1 January 2027. IFRS 18 will introduce five new requirements on presentation and disclosure in the financial statements, with a focus on the income statement and reporting of financial performance. Income and expenses in the income statement will be classified into five categories – operating, investing, financing, income taxes and discontinued operations. Two new subtotals will be presented: 'Operating profit or loss' and 'Profit or loss before financing and income tax'.

IFRS 18 will also require disclosures about management-defined performance measures in the financial statements and disclosure of information based on enhanced general requirements on aggregation and disaggregation.

The Group is currently assessing the impact of IFRS 18 and tentatively notes that the presentation of the Group's share of profits and losses of joint ventures and associates is expected to be shown within investing activities, rather than Group operating profit or loss. The Group's assessment remains ongoing and further changes upon the implementation of IFRS 18 may be required.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) has introduced targeted amendments to IFRS 9 and IFRS 7 aimed at resolving the challenges in accounting for electricity contracts, such as power purchase agreements, dependent on uncontrollable natural factors, such as weather conditions. The amendments clarify how entities should assess whether these contracts qualify for the 'own-use' exemption available under IFRS 9. Key considerations include whether the entity is a net purchaser over a reasonable time frame, taking into account variability in electricity generation. Amendments to hedge accounting have also been made to allow entities to designate a variable nominal volume of forecasted purchases or sales as the hedged item, provided certain conditions are met.

The Group is currently assessing the impact of these amendments which become effective on 1 January 2026.

Management does not currently expect the other issued but not effective amendments or standards, or standards not discussed above to have a material impact on the consolidated Financial Statements.

3. Accounting policies

(c) Centrica specific accounting measures

This section sets out the Group's specific accounting measures applied in the preparation of the condensed interim Financial Statements. These measures enable the users of the accounts to understand the Group's underlying and statutory business performance separately.

Use of adjusted performance measures

The Directors believe that reporting adjusted measures (revenue, margin, profit, earnings per share and cash flow) provides additional useful information on business performance and underlying trends. These measures are used for internal performance purposes, are not defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies.

Management uses adjusted revenue, adjusted gross margin and adjusted operating profit to evaluate segment performance. They are defined as revenue/gross margin/operating profit before:

- Exceptional items; and
- Certain re-measurements.

Exceptional items and certain re-measurements are excluded to enable the Directors to convey to the users an enhanced understanding of the Group's business performance. Segmental adjusted gross margin and adjusted operating profit exclude the impact of the colleague profit share because management considers it unrelated to segmental business performance. Similarly, because Segmental adjusted gross margin and adjusted operating profit are presented as managed by the Board (Chief Operating Decision Maker), the elimination on consolidation of the internal margin and indirect costs on smart meter installation recognised in British Gas Services & Solutions and subsequently capitalised in the meter asset provider business within British Gas Energy is also excluded.

Adjusted earnings is defined as earnings before:

- Exceptional items net of taxation; and
- Certain re-measurements net of taxation.

A reconciliation of adjusted earnings and adjusted earnings per share is provided in note 9.

Free cash flow is used by management to assess the cash generating performance of each segment. Segmental free cash flow is defined as net cash flow from operating and investing activities before:

- Deficit reduction payments made to the UK defined benefit pension schemes;
- Movements in variation margin and collateral;
- Interest received;
- Sale, settlement and purchase of securities; and
- Taxes paid and refunded.

Segmental free cash flow as assessed by management excludes cash flows relating to tax. This is because the effect of Group relief and similar reliefs could distort the measure of segment performance. As a Group-wide measure, free cash flow includes taxes paid and refunded.

Free cash flow gives a measure of the cash generation performance of the business after taking account of the need to maintain its capital asset base. By excluding deficit reduction payments and movements in variation margin and collateral, which are predominantly triggered by wider market factors and, in the case of collateral and margin movements, represent timing differences, free cash flow gives a measure of the underlying performance of the Group.

Interest received and cash flows from the sale, settlement and purchase of securities are excluded from free cash flow as these items are included in the Group's adjusted net cash/(debt) measure and are therefore viewed by the Directors as related to the manner in which the Group finances its operations.

Adjusted net cash/(debt) is used by management to assess the underlying indebtedness of the business. Adjusted net cash/(debt) is defined as cash and cash equivalents, net of bank overdrafts, borrowings, leases, interest accruals and related derivatives. This is adjusted for:

- Securities; and
- Sub-lease assets.

3. Accounting policies

Exceptional items and certain re-measurements

The Group reflects its underlying financial results in the business performance column of the Group Income Statement. To be able to provide users with this clear and consistent presentation, the effects of 'certain re-measurements' of financial instruments, and 'exceptional items', are reported in a different column in the Group Income Statement.

The Group is an integrated energy business. This means that it utilises its knowledge and experience across the gas and power (and related commodity) value chains to make profits across the core markets in which it operates. As part of this strategy, the Group enters into a number of forward energy trades to protect and optimise the value of its underlying production, generation, storage and transportation assets and contracts (and similar capacity or offtake arrangements including Liquefied Natural Gas (LNG)), as well as to meet the future needs of its customers (downstream demand). These trades are designed to reduce the risk of holding such assets, contracts or downstream demand and are subject to strict risk limits and controls.

Primarily because some of these trades include terms that permit net settlement, they are prohibited from being designated as 'own use' and so IFRS 9 'Financial Instruments' requires them to be individually fair valued.

Fair value movements on these commodity derivative trades do not reflect the underlying performance of the business because they are economically related to our upstream assets, capacity/offtake contracts or downstream demand, which are typically not fair valued. Similarly, where our downstream customer supply contracts or our LNG procurement contracts have become onerous as a result of significant market price movements (and the fact any associated commodity hedges have separately been recognised at fair value under IFRS 9 and therefore the onerous supply/LNG contract assessment must reflect the reversal of those gains in subsequent periods), movements in the required provision are also reflected as a certain re-measurement in the 'Cost of sales' line item and separately disclosed in note 6.

Movements in this provision do not reflect the underlying performance of the business because they are economically related to both the hedges and forecast future profitability of the portfolio as a whole, in the case of the supply/LNG procurement contracts. Therefore, these certain re-measurements are reported separately and are subsequently reflected in business performance when the underlying transaction or asset impacts profit or loss. This enables the Group to convey the performance of the business both with and without the impact of such items.

The effects of these certain re-measurements and onerous contracts are presented within either revenue or cost of sales when recognised in business performance depending on the nature of the contract. They are managed separately from proprietary energy trading activities where trades are entered into speculatively for the purpose of making profits in their own right. These proprietary trades are included in revenue in the business performance column of the Group Income Statement.

The Group's result for the period presents both realised and unrealised fair value movements on all derivative energy contracts within the 'Re-measurement and settlement of derivative energy contracts' line item.

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. Again, to ensure the business performance column reflects the underlying results of the Group, these exceptional items are also reported in the separate column in the Group Income Statement. Items that may be considered exceptional in nature include disposals of businesses or significant assets, business restructuring, debt repurchase/refinancing costs, legacy contract costs associated with business activities that have ceased, certain pension past service credits/costs, asset impairments/write-backs, and the tax effects of these items.

The Group distinguishes between business performance asset impairments/write-backs and exceptional impairments/write-backs on the basis of the underlying driver of the impairment, as well as the magnitude of the impairment. Drivers that are deemed to be outside of the control of the Group (e.g. commodity price changes) give rise to exceptional impairments. Additionally, impairment charges that are of a one-off nature (e.g. reserve downgrades or one-time change in intended use of an asset) and significant enough value to distort the underlying results of the business are considered to be exceptional. Other impairments that would be expected in the normal course of business are reflected in business performance.

3. Accounting policies

(d) Critical accounting judgements and key sources of estimation uncertainty

With the exception of the items noted below which have been updated during the reporting period, key areas of critical accounting judgement and estimation uncertainty that have the most significant effect on the consolidated Group Financial Statements remain as disclosed in note 3(a) and 3(b) of the Annual Report and Accounts for the year ended 31 December 2024.

Critical accounting judgements

Assets held for sale

On 20 May 2025 the Group announced that it had agreed to sell part of Spirit Energy's interest in the Cygnus gas field, which will reduce its interest from 61.25% to 15%, to a subsidiary of Ithaca Energy plc for headline consideration of £116 million. The sale has a commercial effective date of 1 January 2025. The Group judged that the assets and liabilities of the business should be classified as a disposal group held for sale from the announcement date and as at 30 June 2025. This is on the basis that at that point, the disposal group was available for immediate sale, subject only to terms that are customary for sales of such assets, and the sale was highly probable. The disposal group does not represent a separate major line of business or geographical operation, because the Upstream segment retains other producing fields in the United Kingdom, and hence the Group has concluded the disposal group does not constitute a discontinued operation. See note 11 for further details.

Liquefied Natural Gas (LNG) contracts

The Group is active in the LNG market, both procuring long-term LNG supply arrangements and transacting in shorter-term LNG cargoes. As part of its operations in the market, the Group optimises its contractual positions in order to meet customer demand for physical commodity. In response to the continuing development of the global LNG market which, consistent with prior years, is not considered to be active, the Group has reviewed its portfolio of LNG transactions and contracts. It has judged that its activities are carried out for the purpose of receipt or delivery of physical commodity in accordance with its expected purchase and sale requirements. As a result, the Group's contracts to buy and sell LNG are outside the scope of IFRS 9 and are accounted for on an accruals basis. As a consequence of this judgement, the LNG contracts are also assessed as to whether they may be onerous.

The Group considers it a critical judgement as to whether any onerous contract costs arising should be presented as a certain re-measurement until such time that the physical cargoes are delivered, or within business performance. The same judgement applies to the recognition, and timing, of unrealised hedging gains or losses relating to those contracts.

The onerous contract assessment ignores the portfolio of hedges associated with the LNG contracts because the hedges are separately marked to market. See notes 3(c) and 6(a) for further details on the accounting treatment of LNG onerous contracts and hedging derivatives within certain re-measurements. At 31 December 2024, the Group recognised an onerous LNG contract provision of £82 million, which has decreased to £50 million at 30 June 2025. This reflects the recognition of a new onerous LNG contract, and the utilisation and re-measurement of the liability recognised at 31 December 2024.

Regulatory scheme accounting

As a UK energy supplier, the Group is required to comply with all regulatory schemes mandated by Ofgem's gas and electricity supplier licence conditions. The Group incurs material costs under a number of active schemes, for example: Energy Company Obligation (ECO), Great British Insulation Scheme (GBIS), Energy Intensive Industries Support Levy (EII), Warm Home Discount (WHD), Feed-in Tariff (FIT), Fuel Mix Disclosure (FMD), Renewables Obligation (ROCS), Capacity Market Levy, Smart Metering Transition, Supplier of Last Resort (SOLR) and Contracts for Difference (CFD). Certain of the schemes above also include provisions for mutualisation charges which require separate accounting analysis.

Under the requirements of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' the Group recognises a liability when there is a present obligation resulting from a past event and where economic outflow is probable. The Group determines the existence of a present obligation on a scheme-by-scheme basis and the accounting treatment differs accordingly.

The Group determines that the accounting for regulatory schemes is an area of critical accounting judgement because determining whether there is a present obligation may be judgemental.

The Group assesses a range of information when determining the point at which a present obligation exists. This includes statutory legislation, communication from Ofgem and the Department of Energy Security and Net Zero and the treatment of similar schemes, both past and present. The Group estimates costs under the schemes using both external and internal data sources.

Typically, costs incurred under industry regulatory schemes are calculated with reference to the Group's market share at a point in time and recovered in the future through the Ofgem price cap. Recovery is generally based on revenue earned through future energy supply, meaning a timing difference may arise between the recognition of costs incurred, and the future recovery through charges applied to end consumers. The Group does not have an entitlement to recover costs incurred at the point of recognition and consequently does not recognise an asset in relation to future recoveries.

Key sources of estimation uncertainty

Electricity Generator Levy

At the end of 2022, the Government announced the implementation of the Electricity Generator Levy (EGL), a new, temporary levy applicable to receipts that the Group realises from electricity generation in the UK from nuclear and renewable sources in the period from 1 January 2023 to 31 March 2028. It was legislated in the Finance (No 2) Act 2023. The levy applies a 45% charge on receipts generated from the production of wholesale electricity sold at an average price in excess of £75/MWh (adjusted for inflation prospectively), exceeding an annual threshold of £10 million. It applies to generators whose generation exceeds 50GWh annually, as well as off-take arrangements with significant minority shareholders in such generators (e.g. generation within our Nuclear associate and potentially our off-take from that associate).

3. Accounting policies

During the period, the Group's share of its Nuclear associate's EGL liabilities amounted to £6 million (31 December 2024: £86 million; 31 December 2023: £41 million). This is recorded within the share of profit after tax from associates. The Group has also made payments on account to HMRC of £3 million in the period (2024 full year: £80 million; 2023 full year: £285 million) in relation to its estimated EGL liabilities for its minority shareholder Nuclear offtake arrangements during the period ended 30 June 2025 and recognised an expense of £12 million (2024 full year: £80 million; 2023 full year: £285 million) within the Group Income Statement, as part of Cost of sales.

The Group continues to determine that the accounting for the levy falls within the scope of IAS 37 'Provisions, contingent liabilities, and contingent assets' and IFRIC 21 'Levies' on the basis that the levy represents a legislative liability imposed by the Government, calculated with reference to revenue generated. The Group recognises the levy progressively over time, as the related electricity is sold. The Group also considered the applicability of IAS 12 'Income Taxes', however the EGL is based on revenue generated, and not taxable profit and is therefore outside the scope of IAS 12.

The Group continues to review the EGL legislation and its application. The interpretation and application of the EGL legislation is unclear in respect of the Group's minority shareholder Nuclear offtake arrangements. As such, the extent of the levy that will ultimately be due in this regard is not yet certain, and a lower amount may eventually be determined. If this were the case, a tax deposit asset would be recorded on the Group Balance Sheet, and as a credit within Cost of sales in the Group Income Statement, when it became probable that the asset would be recoverable, in accordance with the 2019 IFRIC Agenda decision on Deposits relating to taxes other than income taxes. Given the early stage of discussions with HMRC there is not yet sufficient evidence to support the probability of recovery and therefore no asset has been recorded at the balance sheet date.

There is a key source of estimation uncertainty in relation to the amount of levy the Group owes for 2023, 2024 and 2025 of up to £151 million, related to the assessment of the proportion of generation that can be ascribed to a wholesale purchase and therefore whether a related tax deposit asset should be recorded for the recovery of payments on account made to HMRC of up to £151 million. Whilst a material change in the accounting could occur in the next financial period, ultimate resolution of this uncertainty may take a number of years.

Credit provisions for trade and other receivables

The commodity price environment during the first quarter of 2025 trended upwards before falling back in the second quarter due to warmer weather conditions which lowered demand. Macroeconomic conditions remain challenging, with low growth forecasts and persistently higher rates of inflation reducing the prospect of interest rate reductions during the second half of 2025.

These factors result in the assessment and adequacy of credit provisions for trade and other receivables to continue to be a key source of estimation uncertainty given the resultant increase in default probability and overall loss allowance.

The Group utilises a range of factors, including both internal and external, historic and forward-looking, to assess the adequacy of the Group's credit provisions. Whilst the Group utilises a matrix output model to record provision coverage, management recognises that the model does not always adequately capture scenarios where there is a delayed impact on customer payments, such as forward-looking macroeconomic challenges. In the current period, the Group has continued to assess the model and has recorded a macroeconomic credit provision of £35 million (31 December 2024: £49 million) primarily reflecting that the ability of customers to pay may not be fully reflected in the model. The assumptions included in the macroeconomic provision include the continued cost-of-living challenges and the fact that certain enforcement activity remains suspended. This results in a total credit provision for trade and other receivables at 30 June 2025 of £1,693 million (31 December 2024: £1,532 million). See note 14.

Impairment of long-lived assets

The Group makes judgements in considering whether the carrying amounts of its long-lived assets (principally Upstream gas production assets, Nuclear investment (20% economic interest accounted for as an investment in associate), Batteries, Solar assets, Gas peakers and Goodwill) or cash-generating units (CGUs) are recoverable and estimates their recoverable amounts. See note 6(b) for details.

A key assumption in these judgements is forecast future commodity prices. For the first four years, observable market prices are used and thereafter an estimation of longer-term prices is required. In the prior year, the Group refined the estimation methodology applied to forecasting these longer-term commodity prices moving to using specific, reputable, third party curve providers rather than an average of third-party comparator median curves. An internal review was conducted to map Centrica's beliefs around the evolution of each commodity market and this review evolved during the prior year. At 31 December 2024, forecast prices were based on a balance of curve providers more aligned to our long-term view and they broadly aligned with those that would have been calculated under the previous 2023 methodology (with accounting outcomes materially the same). The methodology applied at 31 December 2024 has continued to be used for the period ended 30 June 2025. The overall effect on future periods from this methodology change cannot be estimated because it will depend on the relative changes to future price forecasts from the third-party providers.

At 30 June 2024, a higher forecast of long-term commodity prices was adopted (i.e. before being revised downwards at 31 December 2024). A sensitivity for the impairment position at 30 June 2024 is provided in the Nuclear section below.

The assets where the recoverable amount is determined by forecast future commodity prices and hence whose recoverable amounts are a key source of estimation uncertainty are:

Nuclear investment

The recoverable amount of the Nuclear investment is based on the value of the existing UK nuclear fleet operated by EDF. The existing fleet value is calculated by discounting pre-tax cash flows derived from the stations based on forecast power generation and power prices, whilst taking account of outages and the likely operational lives of the stations. During the period, the recoverable amount has decreased, predominantly due to a fall in power prices both on a forecast and actuals basis together with an update to capital and operating expenditure assumptions. This has resulted in an impairment of £123 million. Note that baseload power prices are currently backwardated and so the annual roll-forward reduction in the net present value (recoverable amount) exceeds the related annual book-value reduction (prior to impairment).

3. Accounting policies

The key sources of estimation uncertainty are power price forecasts, station lives, outage assumptions and the discount rate. Other input assumptions include production levels, application of the Electricity Generator Levy and capital and operating expenditure assumptions. Further details of these uncertainties, together with the methodology, assumptions and impairment booked during the period are provided in note 6, together with related sensitivities.

At 30 June 2024, an impairment write-back of £116 million was booked, based on the higher longer-term commodity price forecasts noted above. Were the methodology applied at 31 December 2024 used instead, an impairment of c.£72 million would have been booked.

Upstream gas assets

Forward prices for gas are a key input in the determination of the recoverable amount of the Group's gas production assets. An impairment of upstream gas fields of £78 million (post-tax £17 million) has been recorded, predominantly as a result of an update to cessation of production date associated with the Morecambe field, as gas prices fell and the economic cut-off date changed. As at 30 June 2025, this remains a key source of estimation uncertainty due to potential future price changes.

At 30 June 2024, no impairment or write-back was booked for upstream gas assets. There would have been no change to this position had the methodology applied at 31 December 2024 been used instead.

Further details of the assumptions used in determining the recoverable amounts and sensitivities to the assumptions are provided in note 6.

Decommissioning provisions

The estimated cost of decommissioning at the end of the producing lives of gas fields is reviewed periodically and is based on reserves, price levels and technology at the balance sheet date. Provision is made for the estimated cost of decommissioning at the balance sheet date. The payment dates of total expected future decommissioning costs are uncertain and dependent on the lives of the facilities, but are currently anticipated to be predominantly incurred by 2035.

The level of provision held is sensitive to both the estimated decommissioning costs (in particular for the non-operated assets and non-contracted expenditure) and the discount rate, hence each input is considered to be a key source of estimation uncertainty. During the period, there has been no significant movement in government gilt yields appropriate to the forecast profile of the decommissioning expenditure, and therefore the real discount rate used to discount the decommissioning liabilities at 30 June 2025 has remained at 2% (31 December 2024: 2%). A 1% increase in the discount rate reduces the decommissioning liability by approximately £69 million whilst a 1% decrease in the discount rate would increase the provision by approximately £64 million. A 10% increase in forecast decommissioning costs would increase the provision by approximately £130 million.

Pensions and other post-employment benefits

The cost of providing benefits under defined benefit pension schemes is determined separately for each of the Group's schemes under the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the period in which they occur. The key assumptions used for the actuarial valuation are based on the Group's best estimate of the variables that will determine the ultimate cost of providing post-employment benefits. Where a net pension scheme asset arises, recognition of the asset is permitted because the Group has an unconditional right to a refund on any winding up of the schemes or if gradual settlement of liabilities over time is assumed.

The Group's defined benefit schemes hold part of their plan asset portfolio as unquoted assets. These include private equity and property interests that are typically subject to valuation uncertainty. The valuation of these assets is based on the latest asset manager views and other relevant benchmarks.

The key source of estimation uncertainty is the assessment of the value of the pension liabilities (under IAS 19) within the scheme valuations. Key assumptions are the discount rate, inflation and life expectancy.

Further details, including sensitivities to these assumptions, are provided in note 13.

4. Segmental analysis

The Group's reporting segments are those used internally by management to run the business and make decisions. The Group's segments are based on products and services as well as the major factors that influence the performance of these products and services across the geographical locations in which the Group operates.

(a) Segmental structure

The types of products and services from which each reportable segment derived its income during the period are detailed below. Income sources are reflected in total Group revenue unless otherwise stated:

Segment	Description
British Gas Services & Solutions	• The installation, repair and maintenance of domestic central heating and related appliances (including smart meters), and the provision of fixed-fee maintenance/breakdown service and insurance contracts in the UK; and • the supply of new technologies and energy efficiency solutions in the UK.
British Gas Energy	• The supply of gas and electricity to residential and small business customers in the UK; and • the smart meter asset provider business.
Bord Gáis Energy	• The supply of gas and electricity to residential, commercial and industrial customers in the Republic of Ireland; • the installation, repair and maintenance of domestic central heating and related appliances in the Republic of Ireland; • the procurement, trading and optimisation of energy in the Republic of Ireland (i); and • power generation in the Republic of Ireland.
Centrica Business Solutions	• The supply of gas and electricity to business customers in the UK (i); • the supply of energy services and solutions to large organisations in the UK, Europe and North America; and • the development and operation of large-scale power assets in the UK and Europe.
Centrica Energy	• The procurement, trading and optimisation of energy in the UK and Europe (i); and • the global procurement and sale of LNG.
Upstream	• The production and processing of gas and liquids principally within Spirit Energy (i); • the sale of power generated from nuclear assets in the UK; and • gas storage in the UK.

(i) Where income is generated from contracts in the scope of IFRS 9, this is included in re-measurement and settlement of derivative energy contracts.

4. Segmental analysis

(b) Revenue

Gross segment revenue includes revenue generated from the sale of products and services to other reportable segments of the Group. Total Group revenue reflects only the sale of products and services to third parties. Sales between reportable segments are conducted on an arm's length basis.

Six months ended 30 June	2025 Gross segment revenue £m	2025 Less inter-segment revenue £m	2025 Total Group revenue £m	2024 Gross segment revenue £m	2024 Less inter-segment revenue £m	2024 Total Group revenue £m
British Gas Services & Solutions	**800**	**(112)**	**688**	767	(39)	728
British Gas Energy	**6,144**	**—**	**6,144**	6,634	—	6,634
Bord Gáis Energy	**638**	**—**	**638**	687	—	687
Centrica Business Solutions	**1,210**	**(9)**	**1,201**	1,366	(4)	1,362
Centrica Energy	**2,864**	**(124)**	**2,740**	3,071	(222)	2,849
Upstream	**1,082**	**(568)**	**514**	1,521	(497)	1,024
Total Group revenue included in business performance	**12,738**	**(813)**	**11,925**	14,046	(762)	13,284
Less: revenue arising on contracts in scope of IFRS 9 included in business performance			**(1,801)**			(2,743)
Total Group revenue			**10,124**			10,541

4. Segmental analysis

The tables below show the total Group revenue arising from contracts with customers, and therefore in the scope of IFRS 15, and revenue arising from contracts in the scope of other standards. The key economic factors impacting the nature, timing and uncertainty of revenue and cash flows are considered to be driven by the type and broad geographical location of the customer. The analysis of IFRS 15 revenue below reflects these factors.

	2025				
Six months ended 30 June	Revenue from contracts with customers in scope of IFRS 15 (i) £m	Revenue from fixed-fee service and insurance contracts in scope of IFRS 17, and leasing contracts in scope of IFRS 16 £m	Total Group revenue £m	Revenue in business performance arising from contracts in scope of IFRS 9 £m	Total Group revenue included in business performance £m
Energy services and solutions	293				
British Gas Services & Solutions	293	395	688	—	688
Energy supply - UK	6,144				
British Gas Energy	6,144	—	6,144	—	6,144
Energy supply- Republic of Ireland	512				
Bord Gáis Energy	512	—	512	126	638
Energy supply - UK	975				
Energy services	97				
Centrica Business Solutions	1,072	—	1,072	129	1,201
Energy sales to trading and energy procurement counterparties	1,623				
Centrica Energy	1,623	1	1,624	1,116	2,740
Gas and liquid production	84				
Upstream	84	—	84	430	514
	9,728	396	10,124	1,801	11,925

(i) As part of the finalisation process of the government support schemes, a further £42 million of revenue has been recognised during the period (2024: £51 million reversal of revenue) in relation to the Energy Price Guarantee scheme for domestic customers in the British Gas Energy segment. No further revenue has been recognised in respect of non-domestic schemes (2024: £17 million, of which £10 million related to Centrica Business Solutions customers, and £7 million related to non-domestic customers in the British Gas Energy segment).

	2024				
Six months ended 30 June	Revenue from contracts with customers in scope of IFRS 15 £m	Revenue from fixed-fee service and insurance contracts in scope of IFRS 17, and leasing contracts in scope of IFRS 16 £m	Total Group revenue £m	Revenue in business performance arising from contracts in scope of IFRS 9 £m	Total Group revenue included in business performance £m
Energy services and solutions	334				
British Gas Services & Solutions	334	394	728	—	728
Energy supply - UK	6,634				
British Gas Energy	6,634	—	6,634	—	6,634
Energy supply- Republic of Ireland	551				
Bord Gáis Energy	551	—	551	136	687
Energy supply - UK	1,035				
Energy services	87				
Centrica Business Solutions	1,122	1	1,123	239	1,362
Energy sales to trading and energy procurement counterparties	1,420				
Centrica Energy	1,420	6	1,426	1,423	2,849
Gas and liquid production	79				
Upstream	79	—	79	945	1,024
	10,140	401	10,541	2,743	13,284

4. Segmental analysis

(c) Adjusted gross margin and adjusted operating profit

The measure of profit used by the Group is adjusted operating profit. Adjusted operating profit is operating profit before exceptional items and certain re-measurements. This includes business performance results of equity-accounted interests.

This note also details adjusted gross margin. Both measures are reconciled to their statutory equivalents.

	Adjusted gross margin		Adjusted operating profit	
Six months ended 30 June	**2025 £m**	2024 £m	**2025 £m**	2024 £m
British Gas Services & Solutions	**315**	300	**42**	35
British Gas Energy	**813**	807	**179**	159
Bord Gáis Energy	**105**	114	**32**	43
Centrica Business Solutions	**130**	140	**36**	55
Centrica Energy	**194**	363	**65**	232
Upstream	**200**	431	**231**	522
Segmental adjusted gross margin/adjusted operating profit	**1,757**	2,155	**585**	1,046
Reconciling items to Group Income Statement:				
Colleague profit share [(i)]	**(6)**	(5)	**(16)**	(11)
Meter asset provider consolidation adjustment [(ii)]	**(20)**	—	**(20)**	—
Total Group adjusted gross margin/adjusted operating profit	**1,731**	2,150	**549**	1,035
Certain re-measurements (note 6):				
Onerous energy supply/LNG contract provision movement	**25**	(46)	**25**	(46)
Derivative contracts	**(457)**	572	**(457)**	572
Gross profit	**1,299**	2,676		
Exceptional items			**(186)**	116
Operating (loss)/profit after exceptional items and certain re-measurements			**(69)**	1,677

(i) The impact of the colleague profit share is excluded because management considers it unrelated to segmental business performance.

(ii) In accordance with IFRS 8, Segmental adjusted gross margin and adjusted operating profit are presented as managed by the Board (Chief Operating Decision Maker) and accordingly the internal margin and indirect costs on smart meter installation recognised by British Gas Services & Solutions and subsequently capitalised in the meter asset provider business within British Gas Energy, are eliminated on consolidation and reported as a reconciling item to the Group Income Statement.

4. Segmental analysis

(d) Included within adjusted operating profit

Presented below are certain items included within adjusted operating profit, including a summary of impairments of property, plant and equipment and intangibles.

	Depreciation and impairments of property, plant and equipment		Amortisation and impairments of intangibles	
Six months ended 30 June	**2025 £m**	2024 £m	**2025 £m**	2024 £m
British Gas Services & Solutions	**(16)**	(17)	**(9)**	(5)
British Gas Energy	**(7)**	(2)	**(21)**	(19)
Bord Gáis Energy	**(4)**	(4)	**(4)**	(4)
Centrica Business Solutions	**(7)**	(5)	**(6)**	(6)
Centrica Energy	**(13)**	(15)	**(4)**	(5)
Upstream	**(160)**	(157)	**—**	—
Other (i)	**(13)**	(12)	**(1)**	(6)
	(220)	(212)	**(45)**	(45)

(i) The Other segment includes corporate functions, subsequently recharged.

Impairments of property, plant and equipment
During 2025, £8 million of impairments of property, plant and equipment (2024: £nil) were recognised within business performance.

Impairments of intangible assets
During 2025, £3 million of impairments of other intangible assets (2024: £1 million) were recognised within business performance.

4. Segmental analysis

(e) Capital expenditure

Capital expenditure represents additions, other than assets acquired as part of business combinations or asset purchase agreements, to property, plant and equipment and intangible assets. Capital expenditure has been reconciled to the related cash outflow.

	Capital expenditure on property, plant and equipment		Capital expenditure on intangible assets other than goodwill	
Six months ended 30 June	**2025 £m**	2024 £m	**2025 £m**	2024 £m
British Gas Services & Solutions	**11**	11	**6**	3
British Gas Energy	**120**	19	**232**	233
Bord Gáis Energy	**55**	56	**1**	1
Centrica Business Solutions	**36**	62	**84**	84
Centrica Energy	**—**	5	**5**	4
Upstream	**44**	18	**18**	21
Other	**18**	18	**—**	—
Segmental capital expenditure	**284**	189	**346**	346
Meter asset provider consolidation adjustment (i)	**(20)**	—	**—**	—
Total Group capital expenditure	**264**	189	**346**	346
Capitalised borrowing costs (note 7)	**(8)**	(2)	**—**	—
Inception of new leases and movements in payables and prepayments related to capital expenditure	**(44)**	(30)	**—**	—
Purchases of emissions allowances and renewable obligation certificates (ii)	**—**	—	**(328)**	(338)
Net cash outflow	**212**	157	**18**	8

(i) In accordance with IFRS8. Segmental capital expenditure is presented as managed by the Board (Chief Operating Decision Maker) and accordingly the internal margin and indirect costs on smart meter installation recognised by British Gas Services & Solutions and subsequently capitalised in the meter asset provider business within British Gas Energy is eliminated on consolidation and reported as a reconciling item to Total Group capital expenditure.

(ii) Purchases of emissions allowances and renewable obligation certificates of £226 million (2024: £233 million) in British Gas Energy, £84 million (2024: £84 million) in Centrica Business Solutions, and £18 million (2024: £21 million) in Upstream.

4. Segmental analysis

(f) Free cash flow

Free cash flow is used by management to assess the cash generating performance of each segment, after taking account of the need to maintain its capital asset base. By excluding deficit reduction payments and movements in collateral and margin cash, which are predominantly triggered by wider market factors, and in the case of collateral and margin movements, represent timing movements, free cash flow is used by management as an adjusted measure of the cash generation of the business. Free cash flow excludes investing cash flows that are related to adjusted net cash/debt. This measure is reconciled to the net cash flow from operating and investing activities.

Six months ended 30 June	2025 £m	2024 £m
British Gas Services & Solutions	**(10)**	25
British Gas Energy (i)	**(235)**	(371)
Bord Gáis Energy	**23**	2
Centrica Business Solutions	**6**	76
Centrica Energy	**31**	470
Upstream (ii)	**630**	937
Segmental free cash flow excluding tax	**445**	1,139
Taxes paid	**(201)**	(323)
Total free cash flow	**244**	816
UK pension deficit payments	**(77)**	(76)
Movements in variation margin and collateral (note 20)	**(22)**	81
Interest received	**129**	167
Settlement of securities (note 12)	**40**	—
Purchase of securities (note 12)	**(7)**	(7)
	307	981
Net cash flow from operating activities	**294**	798
Net cash flow from investing activities	**13**	183
Total cash flow from operating and investing activities	**307**	981

(i) British Gas Energy free cash flow includes working capital outflows of £337 million (2024: £566 million) due to settlement of commodity costs relating to the previous December.

(ii) Upstream free cash flow includes working capital inflows of £295 million (2024: £244 million) largely driven by a net withdrawal of gas in store during the period. Upstream free cash flow also includes £95 million (2024: £240 million) relating to dividends received from joint ventures and associates.

5. Joint ventures and associates

Investments in joint ventures and associates represent businesses where we exercise joint control or significant influence and generally have an equity holding of up to 50%. These include the investment in Lake Acquisitions Limited, which owns the existing UK nuclear power station fleet. Share of results of joint ventures and associates represents the results of businesses where we exercise joint control or significant influence and generally have an equity holding of up to 50%.

Share of results of joint ventures and associates

The Group's share of results of joint ventures and associates principally arises from its interest in Nuclear – Lake Acquisitions Limited, an associate, reported in the Upstream segment.

	2025			2024		
Six months ended 30 June	**Share of business performance £m**	**Share of exceptional items and certain re-measurements £m**	**Share of results for the period £m**	Share of business performance £m	Share of exceptional items and certain re-measurements £m	Share of results for the period £m
Income	**315**	**—**	**315**	488	—	488
Expenses before depreciation, amortisation, exceptional items and certain re-measurements	**(137)**	**—**	**(137)**	(185)	—	(185)
Depreciation and amortisation	**(50)**	**—**	**(50)**	(73)	—	(73)
Operating profit	**128**	**—**	**128**	230	—	230
Interest (cost)/income	**(3)**	**—**	**(3)**	1	—	1
Taxation on profit	**(33)**	**—**	**(33)**	(73)	—	(73)
Share of post-taxation results of joint ventures and associates (i)	**92**	**—**	**92**	158	—	158

(i) The cash flows recorded as dividends received from joint ventures and associates during the period of £95 million (2024: £240 million) in the Group Cash Flow Statement relate to dividends received from Lake Acquisitions Limited.

6. Exceptional items and certain re-measurements

(a) Certain re-measurements

Certain re-measurements are the fair value movements on energy contracts entered into to meet the future needs of our customers or to sell the energy produced from our upstream assets. These contracts are economically related to our upstream assets, capacity/offtake contracts or downstream demand, which are typically not fair valued, and are therefore separately identified in the current period and reflected in business performance in future periods when the underlying transaction or asset impacts the Group Income Statement.

If the future costs to fulfil customer supply contracts, including the mark-to-market reversal of any energy hedging contracts entered into to meet this demand, exceed the charges recoverable from customers, an onerous contract provision will be recognised. Similarly, if the future revenues from LNG procurement contracts, including the mark-to-market reversals of hedging contracts entered into related to these purchases, do not exceed the purchase cost, an onerous contract provision will be recognised. Because the associated hedging gains or losses, whilst either unrealised or arising on delivery, will be recognised in certain re-measurements, the movements in the onerous contract provision will also be recognised in certain re-measurements.

Six months ended 30 June	**2025 £m**	2024 £m
Certain re-measurements recognised in relation to energy contracts:		
Net (losses)/gains arising on delivery of contracts	**(296)**	565
Net (losses)/gains arising on market price movements and new contracts	**(161)**	7
Net re-measurements included within gross profit before onerous supply contract provision	**(457)**	572
Onerous energy supply and LNG contracts provision movement (i)(ii)	**25**	(46)
Net re-measurements included within Group operating profit	**(432)**	526
Taxation on certain re-measurements (note 8) (iii)	**26**	17
Certain re-measurements after taxation	**(406)**	543

(i) The onerous supply contract provision is based on the future costs to fulfil customer contracts on a current market price basis. This provision had fully unwound by 31 December 2023 and remains at £nil on 30 June 2025. However, the acquisition of AvantiGas ON Limited in 2022, included an opening balance sheet onerous contract provision, which is unwound to the business performance column of the Group Income Statement on a pre-determined acquisition date basis, to ensure this column reflects the true profit/loss relative to the acquisition date values. At each reporting date, the closing balance sheet value of the onerous contract provision is then updated to reflect actual market prices, with the required remaining movement in the provision posted to the certain re-measurements column. Because commodity prices generally fell after the 2022 acquisition, this meant that balance sheet onerous contract provision fell more quickly than originally expected. This led to a £69 million onerous contract provision movement credit in certain re-measurements column in 2023. Accordingly, there is a £7 million debit in this column in 2025 (2024: £46 million debit) as this position has now mostly unwound. See note 3(c) for further details.

(ii) The onerous LNG contracts provision movement amounted to a £32 million credit (2024: £nil). Cumulatively over time the onerous energy supply and LNG contracts provision movement will net to £nil. See note 3 for further details.

(iii) Taxation on onerous energy supply and LNG contracts provision movement amounted to a £6 million debit (2024: £11 million credit) and taxation on other certain re-measurements amounted to a £32 million credit (2024: £6 million credit).

Six months ended 30 June	**2025 £m**	2024 £m
Total re-measurement and settlement of derivative energy contracts	**(3,191)**	(2,179)
Excluding:		
IFRS 9 business performance revenue	**(1,801)**	(2,743)
IFRS 9 business performance cost of sales	**4,535**	5,494
Unrealised certain re-measurements recognised in relation to energy contracts included in gross profit	**(457)**	572
Onerous contract provision movement (cost of sales)	**25**	(46)
Total certain re-measurements	**(432)**	526

The table below reflects the certain re-measurement derivative movements by business segment:

Six months ended 30 June	**2025 £m**	2024 £m
UK Energy Supply (British Gas Energy and Centrica Business Solutions)	**(631)**	1,354
Upstream/Centrica Energy/Bord Gáis Energy	**174**	(782)
Unrealised certain re-measurements recognised in relation to energy contracts included in gross profit	**(457)**	572

6. Exceptional items and certain re-measurements

(b) Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. Items which may be considered exceptional in nature include disposals of businesses or significant assets, business restructuring, pension change costs or credits, significant debt repurchase costs and asset impairments and write-backs.

Six months ended 30 June	2025 £m	2024 £m
(Impairment)/write-back of power assets (i)	(125)	116
Impairment of upstream gas assets (ii)	(78)	—
Legacy contract cost provision movement (iii)	17	—
Exceptional items included within Group operating profit (iv)	(186)	116
Debt repurchase costs included within financing costs	—	(68)
Exceptional items included within Group profit before taxation	(186)	48
Net exceptional item taxation (note 8) (v)	(29)	48
Total exceptional items recognised after taxation	(215)	96

(i) In the Upstream segment, an impairment of the Nuclear investment of £123 million (post-tax £123 million) (2024: write-back of £116 million (post-tax £116 million)) has been recorded predominantly as a result of the reduction in both forecast and actual power prices, together with an update to capital expenditure and operating expenditure assumptions. The power price movement relates in part to the fact baseload power prices are currently backwardated and so the annual roll-forward reduction in the net present value (recoverable amount) exceeds the related annual book-value reduction (prior to impairment). The 2024 half-year write-back of £116 million predominantly related to a higher forecast of longer-term future baseload power prices. In the Centrica Business Solutions segment, a net impairment of £2 million (post-tax £4 million) has been recorded, related to Batteries, UK Gas Peakers and Solar assets, following lower forecast power price capture offset by updates to specific asset output assumptions.

(ii) In the Upstream segment, an impairment of upstream gas fields of £78 million (post-tax £17 million) has been recorded as a result of an update to cessation of production date associated with the Morecambe field, as gas prices fell and the economic cut-off date changed.

(iii) Contracts associated with business activity that ceased a number of years ago, predominantly related to construction services, have led to a decrease in provisions of £17 million (post-tax: £14 million) during the period.

(iv) The cash flows recorded as payments relating to exceptional charges in operating costs of £3 million (2024: £3 million) in the Group Cash Flow Statement relate to previous periods exceptional restructuring costs.

(v) Exceptional item taxation includes a debit of £85 million (2024: £31 million credit) associated with deferred tax in upstream gas assets, in the Upstream segment. This predominantly relates to a decrease in the deferred tax asset position related to the recovery of abandonment tax losses, PRT and a re-measurement of the Energy Profits Levy deferred tax liability (including the extension of the sunset date from 31 March 2028 to 31 March 2030), as a result of changes in forecast production profiles and commodity prices. This item is unrelated to the other exceptional items.

6. Exceptional items and certain re-measurements

(c) Impairment accounting policy, process and sensitivities

The information provided below relates to the assets and CGUs (or groups of CGUs) that have been subject to impairment during the period.

Exceptional impairment assessments of assets measured on a value-in-use (VIU) basis

Segment	Asset/CGU (or group of CGUs)	Basis for impairment assessment	Recoverable amount £m	Impairment £m
Upstream	Nuclear	Decrease in both forecast and actual power prices, together with an update to capital and operating expenditure assumptions.	673	123

Nuclear

A VIU calculation has been used to determine the recoverable amount of the Group's investment in Nuclear. The cash flows incorporated in the valuation are based on detailed business forecasts in the short term, extrapolated to future years to account for the expected generation profile of the fleet for its remaining life. Assumptions include forward commodity prices (including capacity rates), station lives, outage assumptions, discount rate, production levels, the application of the Electricity Generator Levy and operating and capital expenditure requirements. Price assumptions are based on liquid market prices for mid-2025 to mid-2029 which are then blended over a one-year period to long-term price forecasts. The methodology for deriving long-term price assumptions remains consistent with the prior year-end, using a single third-party curve provider which most aligns to Centrica's beliefs around the evolution of commodity markets, as a basis for the longer-term commodity price forecasts.

The Electricity Generator Levy, applying a 45% tax rate to revenues generated over £75/MWh (adjusted for inflation prospectively) until 31 March 2028, based on the above price assumptions, has also been included in the assessment.

In December 2024, the Nuclear business announced that estimated operating lifetimes at the Heysham 1 and Hartlepool stations would be extended by one year to March 2027, and the Heysham 2 and Torness stations would be extended by two years to March 2030. A plus/minus one year range would impact value by an increase of £81 million or a decrease of £100 million.

The VIU calculation assumes that the Sizewell station operates until 2055, reflecting a 20-year extension beyond its original design life. In the absence of this extension, the carrying value of the Group's investment in Nuclear would be reduced by £166 million. All other stations' life assumptions are aligned to lifetime closure dates announced by the operator (being between March 2027 and March 2030).

The VIU calculation is also sensitive to changes in outage assumptions and the generation volumes assumed for the fleet are based on a review of planned and unplanned outages. A movement of 3% in the unplanned outage rate applied to volumes across the nuclear fleet, in line with upper/lower % range deemed reasonably possible in current and comparative accounting periods, would impact the valuation by +/- £68 million.

The future pre-tax cash flows generated by the investment in the associate are discounted using a pre-tax nominal discount rate of 14.6% (31 December 2024: 15.3%). This equated to a post-tax rate of 8.5% (31 December 2024: 8.5%). The post-tax discount rate is initially derived from the Group weighted average cost of capital as adjusted for the risks associated with the asset and with reference to comparator companies. The pre-tax rate is then back-calculated by removing tax cash flows and assessing the rate that would give the same result as the post-tax rate. A 2% increase in the post-tax discount rate would lead to an impairment of £67 million (when compared with the closing period-end carrying value). Similarly, a 2% reduction in the post-tax discount rate would lead to a write-back of £93 million.

The asset is particularly sensitive to changes in commodity price and the table below details average prices for the first 5- and 10-year periods and associated sensitivities. Note that the asset is valued for its entire economic life and not just this 15-year period.

	Five-year liquid and blended-period price (i)		Ten-year long-term average price (i)(ii)		Change in pre/post-tax write-back/(impairment) (iii)			
					+10%		-10%	
	2025-2029	2025-2029	2030-2039	2030-2039				
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	£/MWh	£/MWh	£/MWh	£/MWh	£m	£m	£m	£m
Baseload power	67	73	62	63	205	190	(204)	(193)

(i) Prices are shown in 2024 real terms.

(ii) The equivalent ten-year long-term average price used at the 2024 interims was £80/MWh.

(iii) A 10% change in baseload power prices is deemed to represent a reasonably possible variation across the entire period covered by the liquid market and comparator curves used in the nuclear impairment test. Sensitivities are impacted by the effect of the Electricity Generator Levy threshold of £75/MWh (adjusted for inflation).

6. Exceptional items and certain re-measurements

Exceptional impairment of assets measured on a FVLCD basis

Segment	Asset/CGU (or group of CGUs)	Basis for impairment assessment	Recoverable amount £m	FV hierarchy	Net impairment £m
Upstream gas fields [i]	UK fields	Gas price falls have led to an earlier forecast cessation of production date for the Morecambe field.	(231)	L3	78
Centrica Business Solutions	Batteries, UK Gas Peakers and Solar assets	Lower forecast power price capture offset by updates to specific asset output assumptions.	351	L3	2

(i) Recoverable amount is for the impaired assets only and includes the impact of decommissioning liabilities and tax.

Fair value less costs of disposal (FVLCD) is determined by discounting the post-tax cash flows expected to be generated by the assets or CGU, net of associated selling costs, taking into account those assumptions that market participants would use in estimating fair value. Post-tax cash flows used in the FVLCD calculation are based on the Group's Board-approved business plans and longer-term strategic plans together with, where relevant, long-term production, asset usage and cash flow forecasts. These calculations are then benchmarked back to market transactions, where available, to assess alignment with typical market participant views.

Upstream gas production assets

Upstream gas production assets post-tax cash flows are derived from projected production profiles of each field, taking into account forward prices for gas and liquids over the relevant period. Where forward market prices are not available (i.e. outside the active period for each commodity), prices are determined based on Centrica's view of long-term prices, derived from a third-party market curve. The date of cessation of production depends on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, production costs, the contractual duration of the licence area and the selling price of the gas and liquids produced. As each field has specific reservoir characteristics and economic circumstances, the post-tax cash flows for each field are computed using individual economic models. Price assumptions are critical and use liquid market prices for mid-2025 to mid-2029, blended over a one-year period to long-term price forecasts. Long-term price assumptions are Centrica's view of long-term prices as derived from a third-party market curve and are deemed best aligned with pricing that a reasonable market participant would use. Following the implementation of the Energy Profits Levy, the increased tax rates have been included in the FVLCD calculations until the sunset date of 31 March 2030.

The future post-tax cash flows are discounted using a post-tax nominal discount rate of 10.0% (2024: 11.0%).

As forward commodity prices are a key assumption in these valuations, average prices and associated impairment sensitivities for the Group's upstream gas assets are shown below. The fields are valued over their respective economic lives and the 5- and 10-year pricing information shown below is just to provide context. The asset portfolio reserves are predominantly gas (rather than liquids) and therefore only NBP gas prices have been shown below. Note that following the expected disposal of Spirit Energy's 46.25% interest in the Cygnus gas field (see note 11), the Group's interests in gas production assets will be much reduced.

	Five-year liquid and blended-period price [i]		Ten-year long-term average price [i]		Change in post-tax write-back/(impairment) [ii]			
					+10%		-10%	
	2025-2029	2025-2029	2030-2039	2030-2039				
	30 June 2025 p/th	31 December 2024 p/th	30 June 2025 p/th	31 December 2024 p/th	30 June 2025 £m	31 December 2024 £m	30 June 2025 £m	31 December 2024 £m
NBP	72	84	68	72	9	—	(11)	—

(i) Prices are shown in 2024 real terms.
(ii) Sensitivity relates to Upstream gas production assets. A 10% change is deemed to represent a reasonably possible variation across the entire period covered by both the liquid market and longer-term forecasts used in the impairment tests.

Centrica Business Solutions assets

An exceptional impairment has been recorded in 2025 for Centrica Business Solutions assets measured on a FVLCD basis.

For Batteries, post-tax cash flows are derived from projected revenue streams associated with wholesale power, balancing, reserve, response and capacity markets over the life of the asset. Where forward market prices are not available, prices are determined based on third-party price forecasts, together with an assessment of extrinsic value capture.

For Gas peakers, post-tax cash flows are derived from an assessment of the clean spark-spread, which is the difference between the power revenues from generation and the cost of generation (gas and carbon costs), together with other revenue streams associated with balancing mechanism and capacity and availability markets. Where forward market prices are not available, prices are determined based on third-party price forecasts, together with an assessment of extrinsic value capture.

The future post-tax cash flows for both Batteries and Gas peakers are discounted using a post-tax nominal discount rate of 8.0% (2024: 8.0%).

For Solar assets, post-tax cash flows are derived from an assessment of expected solar activity and the ability to capture future baseload power prices. Prices are determined based on a third-party capture price forecast.

The future post-tax cash flows for Solar assets, are discounted using a post-tax nominal discount rate of 6.0% (2024: 6.0%).

For all assets, post-tax cash flows also include an assessment of forecast capital and operating expenditure.

7. Net finance income/(cost)

Financing costs mainly comprise interest on bonds and bank debt, the results of hedging activities used to manage foreign exchange and interest rate movements on the Group's borrowings and notional interest arising from the discounting of decommissioning provisions and pensions. An element of financing cost is capitalised on qualifying projects.

Investment income predominantly includes interest received from short-term investments in money market funds and bank deposits.

	2025			2024		
Six months ended 30 June	Financing costs £m	Investment income £m	Total £m	Financing costs £m	Investment income £m	Total £m
Financing (cost)/income from net debt:						
Interest income	—	146	146	—	167	167
Interest cost on bonds, bank loans and overdrafts	(95)	—	(95)	(126)	—	(126)
Interest cost on lease liabilities	(6)	—	(6)	(7)	—	(7)
	(101)	146	45	(133)	167	34
Net gain on revaluation	3	—	3	—	—	—
Notional interest arising from discounting	(12)	—	(12)	(8)	—	(8)
	(110)	146	36	(141)	167	26
Other interest charges (i)	(18)	—	(18)	(8)	—	(8)
Capitalised borrowing costs (ii)	8	—	8	2	—	2
Financing (cost)/income before exceptional items	(120)	146	26	(147)	167	20
Exceptional items (iii)	—	—	—	(68)	—	(68)
Financing (cost)/income	(120)	146	26	(215)	167	(48)

(i) Other interest charges includes interest charged on cash collateral and fees for letters of credit. The associated cash outflow is £10 million (2024: £8 million).
(ii) Borrowing costs have been capitalised using an average rate of 7.52% (2024: 8.48%).
(iii) During 2024, the Group repurchased £370 million of debt instruments and refinanced a hybrid bond designated in a fair value hedge relationship, resulting in an exceptional financing cost of £68 million.

8. Taxation

The taxation note details the different tax charges arising in the Group. This tax charge excludes the Group's share of taxation on the results of joint ventures and associates.

The tax charge for the period has been calculated based on an estimate of the annual effective tax rate expected for the full financial year applied to the interim pre-tax accounting profits for each relevant source of income.

Analysis of tax charge

	2025			2024		
Six months ended 30 June	Business performance £m	Exceptional items and certain re-measurements [(ii)] £m	Results for the period £m	Business performance £m	Exceptional items and certain re-measurements [(ii)] £m	Results for the period £m
The taxation (charge)/credit comprises:						
UK corporation tax	**(139)**	**102**	**(37)**	(249)	(6)	(255)
UK energy profits levy	**(59)**	**(82)**	**(141)**	(72)	96	24
UK petroleum revenue tax	**(2)**	**(23)**	**(25)**	—	(10)	(10)
Non-UK tax	**(13)**	**—**	**(13)**	(21)	(15)	(36)
Taxation on profit/(loss) [(i)]	**(213)**	**(3)**	**(216)**	(342)	65	(277)

(i) Total taxation on profit/(loss) excludes taxation on the Group's share of profits of joint ventures and associates.
(ii) Exceptional item and certain re-measurement movements predominantly relate to deferred tax.

The Group's adjusted effective tax rate for the six months ended 30 June 2025 was 40% (2024: 37%). This is reconciled to this note in the Group Financial Review on page 20.

There was an increase of £9 million in the Group's uncertain tax provision during the period (2024: £nil).

The UK corporation tax charge includes tax on the Group's profits from gas production at a rate of 40%, being the ring fence corporation tax rate of 30% and Supplementary Charge of 10%.

Energy Profits Levy ('EPL') is also charged at 38% (2024: 35%) on profits from the Group's gas production making a total tax rate of 78% (2024: 75%).

The EPL charge on exceptional items and certain re-measurements of £82 million within the table above includes a charge of £41 million relating to the re-measurement of the Group's EPL deferred tax liabilities due to changes in the production profile of the Group's gas production and deferred tax assets recognised on derivative contracts. In addition, a £22 million charge relates to the Finance Act 2025 extension of the sunset date for the Energy Profits Levy from 31 March 2028 to 31 March 2030. These two items are included within taxation on exceptional items of £85 million associated with deferred tax in the Upstream segment, as disclosed within note 6, in addition to £22 million primarily related to deferred PRT adjustments also arising as a result of changes in forecast production profiles.

Other activities in the UK are subject to the standard rate of UK corporation tax of 25% (2024: 25%).

The main non-UK rates of corporation tax are 12.5% (2024: 12.5%) plus a top-up tax of 2.5% (2024: 2.5%) in the Republic of Ireland, 22% (2024: 22%) in Denmark, and 17% (2024: 17%) in Singapore.

The Electricity Generator Levy ('EGL) is not accounted for as a tax and remains a key source of estimation uncertainty - see note 3. The cost of EGL included in the Group's cost of sales is £12 million (2024: £57 million) and is not deductible for UK corporation tax. A further £6 million (2024: £67 million) is recorded within the Group's share of profit after tax from its Nuclear associate. The cost of the EGL has increased the adjusted effective tax rate of the Group by 1% (2024: 4%). Were the EGL accounted for as a tax, the adjusted effective tax rate would have increased by 2% (2024: 6%). The EGL amount for the six months ended 30 June 2025 is provisional based on the revenues arising in the period to date, and the annual EGL impact will be updated once the full-year results are known.

We have applied the mandatory exception to recognising and disclosing information about the deferred tax assets and liabilities related to Pillar 2 income taxes in the UK in accordance with the amendments to IAS 12 adopted by the UK Endorsement Board.

The Pillar 2 current tax expense included in the tax charge is £nil (2024: £nil).

9. Earnings per ordinary share

Earnings per share (EPS) is the amount of profit or loss attributable to each share. Basic EPS is the amount of profit or loss for the period divided by the weighted average number of ordinary shares in issue during the period. Diluted EPS includes the impact of outstanding share options.

Basic earnings per ordinary share has been calculated by dividing the loss attributable to equity holders of the Company for the period of £251 million (2024: £1,325 million profit) by the weighted average number of ordinary shares in issue during the period of 4,927 million (2024: 5,277 million). The number of shares excludes 564 million ordinary shares (2024: 600 million), being the weighted average number of the Company's own shares held in the employee share trust and treasury shares repurchased during the period by the Group as part of the share buyback programme.

The Directors believe that the presentation of adjusted basic earnings per ordinary share, being the basic earnings per ordinary share adjusted for certain re-measurements and exceptional items, assists with understanding the underlying performance of the Group, as explained in note 3.

Information presented for diluted and adjusted diluted earnings per ordinary share uses the weighted average number of shares as adjusted for 130 million (2024: 112 million) potentially dilutive ordinary shares as the denominator, unless it has the effect of increasing the profit or decreasing the loss attributable to each share.

Basic to adjusted basic earnings per ordinary share reconciliation

	2025		2024	
Six months ended 30 June	£m	Pence per ordinary share	£m	Pence per ordinary share
Earnings – basic	(251)	(5.1)	1,325	25.1
Net exceptional items after taxation (notes 3 and 6) (i)	183	3.7	(86)	(1.6)
Certain re-measurement losses/(gains) after taxation (notes 3 and 6) (i)	415	8.4	(562)	(10.7)
Earnings – adjusted basic	347	7.0	677	12.8
Earnings – diluted (ii)	(251)	(5.1)	1,325	24.6
Earnings – adjusted diluted	347	6.9	677	12.6

(i) Net exceptional items after taxation and certain re-measurement losses/(gains) after taxation are adjusted to reflect the share attributable to non-controlling interests.

(ii) Potential ordinary shares are not treated as dilutive when they would decrease a loss per share.

10. Dividends

Dividends represent the return of profits to shareholders. Dividends are paid as an amount per ordinary share held. The Group retains part of the profits generated to meet future investment plans or to fund share buyback programmes.

	2025			2024		
	£m	Pence per ordinary share	Date of payment	£m	Pence per ordinary share	Date of payment
Prior year final dividend	150	3.00	5 Jun 2025	141	2.67	11 Jul 2024

The Directors propose an interim dividend of 1.83 pence (2024: 1.50 pence) per ordinary share for the six months ended 30 June 2025 (which would total £89 million (2024: £79 million) based on shareholding at that date). The dividend will be paid on Thursday 30 October 2025 to those shareholders registered on Friday 19 September 2025.

11. Acquisitions, disposals and disposal groups classified as held for sale

This section details business combinations, asset acquisitions and disposals made by the Group.

a) Business combinations and asset acquisitions

There have been no material acquisitions during the period and no material adjustments made to acquisitions completed in prior periods.

b) Assets and liabilities of disposal groups held for sale

On 20 May 2025 the Group announced that it had agreed to sell part of Spirit Energy's interest in the Cygnus gas field, which will reduce its interest from 61.25% to 15%, to a subsidiary of Ithaca Energy plc for a headline consideration of £116 million. The sale has a commercial effective date of 1 January 2025 and the consideration payable by Ithaca Energy plc at closing will be reduced for the net cash flows generated by the disposal group since 1 January 2025.

At 30 June 2025 net consideration receivable (including costs to dispose) has reduced to £109 million from Ithaca Energy plc. Distribution of the net consideration and net cash flows generated will be pro-rata to the ownership share, with 31% attributable to the non-controlling interests. Completion is expected in the second half of 2025.

In applying IFRS 5: 'Non-current assets held for sale and discontinued operations', the Group has judged that there is one disposal group relating to the sale. The assets and liabilities comprising the disposal group are to be classified as held for sale as at 20 May 2025. This is on the basis that at that point, the disposal group was available for immediate sale, subject only to terms that are customary for sales of such assets, and the sale was highly probable.

The disposal group, which is included in the Upstream segment, does not represent a separate major line of business or geographical operation and hence the Group has concluded that it does not constitute a discontinued operation.

Details of the assets and liabilities of the disposal group at 30 June 2025 are shown below.

	Cygnus £m
Non-current assets	
Property, plant and equipment	212
Current assets	
Inventories	13
Assets of disposal groups classified as held for sale	**225**
Current liabilities	
Trade and other payables, and contract-related liabilities	(27)
Non-current liabilities	
Deferred tax liabilities	(99)
Provisions for other liabilities and charges	(85)
	(184)
Liabilities of disposal groups classified as held for sale	**(211)**
Net assets of disposal groups classified as held for sale	**14**

12. Sources of finance

(a) Capital structure

The Group seeks to maintain an efficient capital structure with a balance of debt and equity as shown in the table below:

	30 June 2025 £m	31 December 2024 £m
Gross debt	**2,914**	2,974
Shareholders' equity	**3,303**	4,422
Capital	**6,217**	7,396

Debt levels are restricted to limit the risk of financial distress and, in particular, to maintain a strong credit profile. The Group's credit standing is important for several reasons: to maintain a low cost of debt, limit collateral requirements in energy trading, hedging and decommissioning security arrangements, and to ensure the Group is an attractive counterparty to energy producers and long-term customers.

The Group monitors its current and projected capital position on a regular basis, considering a medium-term view of at least three years, and different stress case scenarios, including the impact of changes in the Group's credit ratings and significant movements in commodity prices. A number of financial ratios are monitored, including those used by the credit rating agencies.

The level of debt that can be raised by the Group is restricted by the Company's Articles of Association. Borrowing is limited to the higher of £10 billion and a gearing ratio of three times shareholders' equity. The Group funds its long-term debt requirements through issuing bonds in the capital markets and taking bank debt. Short-term debt requirements are met primarily through commercial paper or short-term bank borrowings. The Group maintains substantial committed facilities and uses these to provide liquidity for general corporate purposes, including short-term business requirements and back-up for commercial paper.

British Gas Insurance Limited (BGIL) is required to hold a minimum capital amount under PRA regulations and has complied with this requirement since its inception. BGIL's capital risk appetite, which is approved by the board, exceeds the PRA capital requirements.

BGIL's capital management policy and plan are subject to review and approval by the BGIL board. Reporting processes provide relevant and timely capital information to management and the board. A medium-term capital management plan forms part of BGIL's planning and forecasting process, embedded into approved timelines, management reviews and board approvals.

12. Sources of finance

(b) Adjusted net cash/(debt) summary

Adjusted net cash/(debt) predominantly includes capital market borrowings offset by cash, securities and certain hedging financial instruments used to manage interest rate and foreign exchange movements on borrowings.

Presented in the derivatives and current and non-current borrowings, leases and interest accruals columns shown below are the assets and liabilities that give rise to financing cash flows.

				Other assets and liabilities			
	Current and non-current borrowings, leases and interest accruals £m	Derivatives £m	Gross debt £m	Cash and cash equivalents, net of bank overdrafts (i) £m	Non-current securities (ii) £m	Sub-lease assets £m	Adjusted net cash/ (debt) £m
Group adjusted net (debt)/cash at 1 January 2025	(2,867)	(107)	(2,974)	5,693	139	—	2,858
Cash inflow from settlement of securities	—	—	—	40	(40)	—	—
Cash outflow for purchase of securities	—	—	—	(7)	7	—	—
Cash outflow for payment of capital element of leases	48	—	48	(48)	—	—	—
Cash inflow from borrowings	(7)	—	(7)	7	—	—	—
Net cash flow from operating activities	—	—	—	294	—	—	294
Net cash flow from other investing activities (iii)	—	—	—	(20)	—	—	(20)
Cash outflow for share buyback programme (iv)	—	—	—	(374)	—	—	(374)
Net cash flow from other financing activities (iv)	—	—	—	(153)	—	—	(153)
Revaluation	(29)	31	2	—	4	—	6
Financing interest paid	54	24	78	(80)	—	—	(2)
Increase in interest payable and amortisation of borrowings, and impact of associated interest rate swaps	(76)	(19)	(95)	—	—	—	(95)
New lease agreements and re-measurement of existing lease liabilities	(12)	—	(12)	—	—	—	(12)
Exchange adjustments	46	—	46	(59)	2	—	(11)
Group adjusted net (debt)/cash at 30 June 2025	**(2,843)**	**(71)**	**(2,914)**	**5,293**	**112**	**—**	**2,491**

				Other assets and liabilities			
	Current and non-current borrowings, leases and interest accruals £m	Derivatives £m	Gross debt £m	Cash and cash equivalents, net of bank overdrafts (i) £m	Current and non-current securities (ii) £m	Sub-lease assets £m	Adjusted net cash/ (debt) £m
Group adjusted net (debt)/cash at 1 January 2024	(3,289)	(119)	(3,408)	5,629	521	2	2,744
Cash outflow for purchase of securities	—	—	—	(7)	7	—	—
Cash outflow for payment of capital element of leases	47	—	47	(47)	—	—	—
Cash outflow for repayment of borrowings	842	15	857	(925)	—	—	(68)
Cash inflow from borrowings	(410)	—	(410)	410	—	—	—
Net cash flow from operating activities	—	—	—	798	—	—	798
Net cash flow from other investing activities (iii)	—	—	—	178	—	—	178
Cash outflow for share buyback programme (iv)	—	—	—	(274)	—	—	(274)
Net cash flow from other financing activities (iv)	—	—	—	(8)	—	—	(8)
Revaluation	16	(31)	(15)	—	2	—	(13)
Interest receivable on securities	—	—	—	—	12	—	12
Interest received on securities	—	—	—	12	(12)	—	—
Financing interest paid	85	54	139	(153)	—	—	(14)
Increase in interest payable and amortisation of borrowings, and impact of associated interest rate swaps	(90)	(32)	(122)	—	—	—	(122)
New lease agreements and re-measurement of existing lease liabilities	(19)	—	(19)	—	—	—	(19)
Exchange adjustments	10	—	10	(10)	—	—	—
Group adjusted net (debt)/cash at 30 June 2024	**(2,808)**	**(113)**	**(2,921)**	**5,603**	**530**	**2**	**3,214**

(i) Cash and cash equivalents includes £108 million (2024: £105 million) of restricted cash. Restricted cash also includes £2 million (2024: £3 million) within the Spirit Energy business that is not restricted by regulation but is managed by Spirit Energy's own treasury department. Cash and cash equivalents are net of £85 million bank overdrafts (2024: £448 million).

(ii) Securities includes £nil (2024: £405 million) of loans to the pension schemes and £40 million (2024: £19 million) of other loans receivable, both measured at amortised cost. Securities also includes £53 million (2024: £72 million) of other debt instruments and £19 million (2024: £34 million) of other equity instruments, both measured at fair value. See note 15.

(iii) Cash flow from other investing activities excludes cash outflow relating to the purchase of securities of £7 million (2024: £7 million), cash inflow from the settlement of securities of £40 million (2024: £nil), and interest received on securities of £nil (2024: £12 million) during the period.

(iv) Cash outflow of £374 million (2024: £274 million) relates to the share buyback programme, for which there is a liability of £150 million (2024: £70 million) recognised at 30 June 2025. See note 22 for further details on the share buyback programme. Cash outflow from other financing activities comprises £3 million of payments for own shares (2024: £8 million) and £150 million of equity dividend payments (2024: £nil).

12. Sources of finance

(c) Borrowings, leases and interest accruals summary

	Coupon rate %	Principal m	30 June 2025 Current £m	30 June 2025 Non-current £m	30 June 2025 Total £m	31 December 2024 Current £m	31 December 2024 Non-current £m	31 December 2024 Total £m
Bank overdrafts			**(85)**	**—**	**(85)**	(645)	—	(645)
Bank loans (> 5 year maturity)			**—**	**(118)**	**(118)**	—	(124)	(124)
Other borrowings			**(60)**	**(48)**	**(108)**	(61)	(39)	(100)
Bonds (by maturity date):								
4 September 2026 (i)	6.400	£52	**—**	**(51)**	**(51)**	—	(50)	(50)
16 April 2027	5.900	US$70	**—**	**(51)**	**(51)**	—	(56)	(56)
13 March 2029 (i)	4.375	£552	**—**	**(508)**	**(508)**	—	(492)	(492)
5 January 2032 (ii)	Zero	€50	**—**	**(74)**	**(74)**	—	(70)	(70)
19 September 2033 (i)	7.000	£400	**—**	**(324)**	**(324)**	—	(319)	(319)
16 October 2043	5.375	US$367	**—**	**(264)**	**(264)**	—	(288)	(288)
12 September 2044	4.250	£550	**—**	**(539)**	**(539)**	—	(539)	(539)
25 September 2045	5.250	US$50	**—**	**(36)**	**(36)**	—	(39)	(39)
21 May 2055 (i) (iii)	6.500	£405	**—**	**(408)**	**(408)**	—	(401)	(401)
			—	**(2,255)**	**(2,255)**	—	(2,254)	(2,254)
Obligations under lease arrangements			**(97)**	**(207)**	**(304)**	(104)	(241)	(345)
Interest accruals			**(58)**	**—**	**(58)**	(44)	—	(44)
			(300)	**(2,628)**	**(2,928)**	(854)	(2,658)	(3,512)

(i) Bonds or portions of bonds maturing in 2026, 2029, 2033 and 2055 have been designated in a fair value hedge relationship.
(ii) €50 million of zero coupon notes have an accrual yield of 4.2%, which will result in a €114 million repayment on maturity.
(iii) The Group has the right to repay at par on 21 May 2030 and every interest payment date thereafter.

13. Post-retirement benefits

The Group manages a number of final salary and career average defined benefit pension schemes. It also has defined contribution schemes. The majority of these schemes are in the UK.

(a) Summary of main post-retirement benefit schemes

Name of scheme	Type of benefit	Status	Country
Centrica Engineers Pension Scheme	Defined benefit final salary pension	Closed to new members in 2006	UK
	Defined benefit career average pension	Closed to new members in 2022	UK
Centrica Pension Plan	Defined benefit final salary pension	Closed to new members in 2003	UK
Centrica Pension Scheme	Defined benefit final salary pension	Closed to new members in 2003	UK
	Defined benefit career average pension	Closed to new members in 2008	UK
Centrica Savings Plan	Defined contribution pension	Open to new members	UK
Centrica Leavers Savings Plan	Defined contribution pension	Deferred members only	UK
Bord Gáis Energy Company Defined Benefit Pension Scheme	Defined benefit final salary pension	Closed to new members in 2014	Republic of Ireland
Bord Gáis Energy Company Defined Contribution Pension Plan	Defined contribution pension	Open to new members	Republic of Ireland

The Centrica Engineers Pension Scheme (CEPS), Centrica Pension Plan (CPP) and Centrica Pension Scheme (CPS) form the significant majority of the Group's defined benefit obligation and are referred to below as the 'Registered Pension Schemes'. The other schemes are individually, and in aggregate, immaterial.

Independent valuations

The Registered Pension Schemes are subject to independent valuations at least every three years, on the basis of which the qualified actuary certifies the rate of employer contributions, which together with the specified contributions payable by the employees and proceeds from the schemes' assets, are expected to be sufficient to fund the benefits payable under the schemes.

The latest full actuarial valuations agreed and finalised with the Pension Trustees were carried out at the following dates: the Registered Pension Schemes at 31 March 2024 and the Bord Gáis Energy Company Defined Benefit Pension Scheme at 1 January 2023. These valuations have been updated to 30 June 2025 for the purpose of meeting the requirements of IAS 19 (see section (c) of this note). Investments held in all schemes have been valued for this purpose at market value.

The technical provisions deficit (funding basis) for the Registered Pension Schemes was £504 million at the date of the last agreed actuarial valuation as at 31 March 2024. The Group committed to annual cash contributions to fund this pension deficit. The overall deficit contributions committed to, including the previously disclosed asset-backed contribution arrangements, totalled £175 million in 2024 (of which £99 million was after 31 March 2024), £146 million in 2025, £139 million in 2026 and £140 million in 2027; with a balancing payment of £44 million in 2028. During the period, £76 million of the above amount was paid to the schemes. Separately, a pension strain payment of £1 million associated with employee redundancies was also contributed the period (2024: £nil). Outside of the above recovery plan, asset-backed contribution arrangements remain where additional cash contributions are contingent on whether individual schemes remain in deficit on a technical provision basis. The maximum possible contingent payment for 2026 is £32 million.

On a pure roll-forward basis, from March 2024, using the same methodology and consequent assumptions, the technical provisions deficit (funding basis) would be c.£450 million on 30 June 2025. Note that the valuation methodology and assumptions used for both the actuarial valuation as at 31 March 2024 and for future assessments may differ from those previously used.

The Registered Pension Schemes continue to hold £819 million of letters of credit/surety bonds as security at the period end.

Governance

The Registered Pension Schemes are managed by trustee companies whose boards consist of both company-nominated and member-nominated Directors. Each scheme holds units in the Centrica Combined Common Investment Fund (CCCIF), which holds the majority of the combined assets of the Registered Pension Schemes. The board of the CCCIF is currently comprised of seven directors: two independent directors (including the Chair), two directors appointed by Centrica plc and one director appointed by each of the three Registered Pension Schemes.

Under the terms of the Pensions Act 2004, Centrica plc and each trustee board must agree the funding rate for its defined benefit pension scheme and a recovery plan to fund any deficit against the scheme-specific statutory funding objective. This approach was first adopted for the triennial valuations completed at 31 March 2006, and has been reflected in subsequent valuations, including the 31 March 2024 valuation.

13. Post-retirement benefits

(b) Accounting assumptions

The accounting assumptions for the Registered Pension Schemes are given below:

Major assumptions used for the actuarial valuation	**30 June 2025 %**	31 December 2024 %
Rate of increase in employee earnings:		
Subject to 2% cap	**1.6**	1.6
Other not subject to cap	**2.6**	2.8
Rate of increase in pensions in payment	**3.0**	3.1
Rate of increase in deferred pensions:		
In line with CPI capped at 2.5%	**2.3**	2.5
In line with RPI	**2.9**	3.1
Discount rate	**5.6**	5.4

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date have been based on a combination of standard actuarial mortality tables, scheme experience and other relevant data, and include an allowance for future improvements in mortality.

For the Registered Pension Schemes, marginal adjustments to the assumptions used to calculate the pension liability, or significant swings in bond yields or stock markets, can have a large impact in absolute terms on the net assets of the Group. Reasonably possible changes as at 30 June to one of the actuarial assumptions would have affected the scheme liabilities as set out below:

Impact of changing material assumptions	**30 June 2025**		31 December 2024	
	Increase/ decrease in assumption	**Indicative effect on scheme liabilities (%)**	Increase/ decrease in assumption	Indicative effect on scheme liabilities (%)
Rate of increase in employee earnings subject to 2% cap	**1%**	**+/-0**	1%	+/-1
Rate of increase in pensions in payment and deferred pensions	**1%**	**+13/-11**	1%	+13/-11
Discount rate	**1%**	**-14/+17**	1%	-14/+18
Inflation assumption	**1%**	**+13/-11**	1%	+14/-12
Longevity assumption	**1 year**	**+/-3**	1 year	+/-2

The indicative effects on scheme liabilities have been calculated by changing each assumption in isolation and assessing the impact on the liabilities. For the reasonably possible change in the inflation assumption, it has been assumed that a change to the inflation assumption would lead to corresponding changes in the assumed rates of increase in uncapped pensionable pay, pensions in payment and deferred pensions.

(c) Amounts included in the Group Balance Sheet

	30 June 2025 £m	31 December 2024 £m
Fair value of plan assets	**5,466**	5,563
Present value of defined benefit obligation	**(5,781)**	(5,584)
Recognised in the Group Balance Sheet	**(315)**	(21)
Presented in the Group Balance Sheet as:		
Retirement benefit assets	**9**	129
Retirement benefit liabilities	**(324)**	(150)

The 2024 triennial actuarial valuation was completed during the period and the use of updated data from the valuation had the dual impact of capturing experience up to 31 March 2024 not already quantified within previous IAS 19 accounting figures and also allowing for any difference in the roll-forward and assumption changes of the liability after allowing for the updated underlying liability profile and cash flows. This led to an adverse experience adjustment. The adjustment is purely for accounting purposes and has no impact on the technical provisions (funding basis) valuations. This adverse movement has been partly offset by a reduction in the value placed on the liabilities as a result of changes in market rates during the current period and the £76 million deficit funding contribution paid by the Group in January 2025.

The Trust Deed and Rules for the Registered Pension Schemes provide the Group with a right to a refund of surplus assets assuming the full settlement of scheme liabilities. The Trustees do not have the unilateral right to wind-up the schemes and cannot unilaterally enhance member benefits. The Group has not recognised any liability in relation to future contributions under its minimum funding agreement with the Trustees. No asset ceiling restrictions have been applied in the consolidated Financial Statements.

Included in the Group Balance Sheet within non-current securities are £72 million (31 December 2024: £108 million) of investments, held in trust on behalf of the Group as security in respect of the Centrica Unapproved Pension Scheme. Of the pension scheme liabilities above, £44 million (31 December 2024: £48 million) relates to this scheme.

14. Trade and other receivables and contract-related assets

Trade and other receivables include accrued income, and are amounts owed by our customers for goods we have delivered or services we have provided. These balances are presented net of expected credit losses. Other receivables include payments made in advance to our suppliers. Contract-related assets are balances arising as a result of the Group's contracts with customers in the scope of IFRS 15.

	30 June 2025		31 December 2024	
	Current £m	Non-current £m	Current £m	Non-current £m
Financial assets:				
Trade receivables	3,877	—	3,270	—
Unbilled downstream energy income	624	—	968	—
Trading and energy procurement accrued income (i)	967	—	1,653	—
Other accrued income	67	—	71	—
Cash collateral posted	199	—	191	—
Other receivables (including contract assets) (ii)	213	38	264	52
	5,947	38	6,417	52
Less: provision for credit losses (iii)	(1,693)	—	(1,532)	—
	4,254	38	4,885	52
Non-financial assets: prepayments, other receivables and costs to obtain a contract with a customer (iv)	357	137	319	127
	4,611	175	5,204	179

(i) Trading and energy procurement counterparty receivables are typically with customers with external, published credit ratings. Such receivables have typically much lower credit risk than downstream counterparties, are settled in a short period of time and expected credit losses are not significant.

(ii) Other receivables includes amounts owed to Bord Gáis Energy under public service obligation schemes of £56 million (2024: £90 million).

(iii) The movement in provision for credit losses includes £73 million (30 June 2024: £79 million) related to receivables written off during the period.

(iv) Includes costs of £12 million (2024: £28 million) incurred to obtain contracts with customers in the British Gas Energy and British Gas Services & Solutions segments. Costs are amortised over the expected tenure of the customer contract.

The amounts above include gross amounts receivable arising from the Group's IFRS 15 contracts with customers of £3,817 million (31 December 2024: £3,195 million). Additionally, accrued income of £807 million (31 December 2024: £1,032 million) arising under IFRS 15 contracts is included.

Trade and other receivables include financial assets representing the contractual right to receive cash or other financial assets from residential customers, business customers and treasury, trading and energy procurement counterparties as follows:

	30 June 2025		31 December 2024	
	Current £m	Non-current £m	Current £m	Non-current £m
Financial assets by business type:				
Residential customers	3,110	—	2,897	—
Business customers	1,446	38	1,517	50
Treasury, trading and energy procurement counterparties	1,391	—	2,003	2
	5,947	38	6,417	52
Less: provision for credit losses	(1,693)	—	(1,532)	—
	4,254	38	4,885	52

14. Trade and other receivables and contract related assets

Credit loss charge for trade and other receivables and contract assets

Receivables from residential and business customers are generally considered to be credit impaired when the payment is past the contractual due date. The Group applies different definitions of default for different groups of customers, ranging from sixty days past the due date to six to twelve months from the issuance of a final bill. Receivables are generally written off once twelve months has elapsed since the final bill. Contractual due dates range from falling due upon receipt to falling due in thirty days from receipt.

The table below shows credit impaired balances in gross receivables (those that are past due) and those that are not yet due and therefore not considered to be credit impaired.

Gross trade and other receivables	30 June 2025 £m	31 December 2024 £m
Balances that are not past due	**3,313**	4,091
Balances that are past due [(i)]	**2,634**	2,326
	5,947	6,417

(i) The majority of balances that are past due relate to residential and business customers, ageing of these receivables is included in the credit risk tables in the sections below.

The IFRS 9 impairment model is applicable to the Group's financial assets including trade receivables, contract assets and other financial assets. As the majority of the relevant balances are trade receivables and contract assets to which the simplified model applies, this disclosure focuses on these balances.

The provision for credit losses for trade receivables and contract assets is based on an expected credit loss model that calculates the expected loss applicable to the receivable balance over its lifetime. Expected credit losses on receivables due from treasury, trading and energy procurement counterparties are not significant. For residential and business customers default rates are calculated initially by considering historical loss experience and applied to trade receivables within a provision matrix. The matrix approach allows application of different default rates to different groups of customers with similar characteristics. These groups are determined by a number of factors including; the nature of the customer, the payment method selected and, where relevant, the sector in which they operate. The characteristics used to determine the groupings of receivables are the factors that have the greatest impact on the likelihood of default. The rate of default increases once the balance is thirty days past due.

Concentration of credit risk in trade and other receivables

Treasury, trading and energy procurement counterparty receivables are typically with customers with external, published credit ratings. Such receivables have typically much lower credit risk than downstream counterparties, and that risk is assessed primarily by reference to the credit ratings rather than to the ageing of the relevant balance.

The Group's cash collateral balance has increased to £199 million at 30 June 2025 (31 December 2024: £191 million). Collateral counterparties typically have strong credit ratings and accordingly have low credit risk; the Group does not expect credit losses to arise on these balances.

The majority of the Group's credit exposure arises in the British Gas Energy and Centrica Business Solutions segments and relates to residential and business energy customers. The credit risk associated with these customers is assessed as described above, using a combination of the age of the receivable in question, internal ratings based on a customer's payment history, and external data from credit rating agencies and wider macroeconomic information. The disclosures below reflect the information that is reported internally for credit risk management purposes in these segments.

14. Trade and other receivables and contract related assets

British Gas Energy credit risk

Of the Group total of £3,877 million (31 December 2024: £3,270 million) billed trade receivables, the British Gas Energy reporting segment contributes £3,213 million (31 December 2024: £2,768 million). British Gas Energy includes small business customers on the basis that their profile closely matches those of residential customers. As described above, credit risk is concentrated in receivables from energy customers who pay in arrears. Gross receivables from these British Gas Energy residential customers amount to £2,377 million (31 December 2024: £1,945 million) and are analysed below.

Trade receivables due from British Gas residential energy customers as at (i)	**30 June 2025**					31 December 2024				
Days beyond invoice date (ii)	< 30 days £m	30-90 days £m	>90 days £m	**Total £m**	Percentage of credit risk	< 30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk
Risk profile										
Direct debits (iii)										
Gross receivables	309	135	311	**755**		303	67	227	597	
Provision	—	—	(20)	**(20)**		—	—	(10)	(10)	
Net	309	135	291	**735**	**3%**	303	67	217	587	2%
Payment on receipt of bill (iii)										
Gross receivables	70	72	1,012	**1,154**		89	56	815	960	
Provision	(3)	(10)	(524)	**(537)**		(4)	(8)	(445)	(457)	
Net	67	62	488	**617**	**47%**	85	48	370	503	48%
Final bills (iv)										
Gross receivables	22	24	422	**468**		19	22	347	388	
Provision	(7)	(15)	(361)	**(383)**		(7)	(14)	(311)	(332)	
Net	15	9	61	**85**	**82%**	12	8	36	56	86%
Total net British Gas residential energy customers trade receivables	**391**	**206**	**840**	**1,437**	**40%**	400	123	623	1,146	41%

(i) The receivables information presented in this table relates to downstream customers who pay energy bills using the methods presented. It excludes low residual credit risk amounts, such as balances in the process of recovery through pay-as-you-go energy (PAYGE) arrangements and amounts receivable from PAYGE energy vendors. Gross amounts in the process of recovery through PAYGE arrangements at 30 June 2025 are £82 million (31 December 2024: £114 million), against which a provision of £70 million is held (31 December 2024: £92 million).

(ii) This ageing analysis is presented relative to invoicing date and presents receivables according to the oldest invoice outstanding with the customer. There are a range of payment terms extended to residential energy customers. Amounts paid on receipt of a bill (PORB), which are settled using bank transfers, cash or cheques are typically due within fourteen days of invoicing. Direct debit customers typically pay in equal instalments over a twelve-month period.

(iii) Receivables settled by direct debit are deemed to present a lower credit risk than PORB amounts. This is reflected in the relative level of provision held for these types of receivables.

(iv) Final bill customers are those who are no longer customers of the Group and have switched energy supplier. These balances are deemed to have the highest credit risk.

Gross receivables from British Gas Energy small business customers amount to £754 million (31 December 2024: £709 million) and are analysed below.

Trade receivables due from British Gas small business energy customers as at	**30 June 2025**					31 December 2024				
Days beyond invoice date (i)	< 30 days £m	30-90 days £m	>90 days £m	**Total £m**	Percentage of credit risk	< 30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk
Risk profile										
Small businesses										
Gross receivables	85	58	611	**754**		116	59	534	709	
Provision	(3)	(10)	(452)	**(465)**		(3)	(10)	(405)	(418)	
Total net British Gas small business energy customers trade receivables	**82**	**48**	**159**	**289**	62%	113	49	129	291	59%

(i) This ageing analysis is presented relative to invoicing date and presents receivables according to the oldest invoice outstanding with the customer. There are a range of payment terms extended to business energy customers. Average credit terms for small business customers are ten working days.

Unbilled downstream energy income at 30 June 2025 includes gross balances of £428 million in respect of British Gas energy customers (31 December 2024: £670 million), against which a provision of £41 million is held (31 December 2024: £56 million).

14. Trade and other receivables and contract related assets

Centrica Business Solutions energy credit risk

Of the Group total of £3,877 million (31 December 2024: £3,270 million) billed trade receivables, the Centrica Business Solutions reporting segment contributes £241 million (31 December 2024: £238 million). As described above, credit risk is concentrated in receivables from business energy customers who pay in arrears. When disaggregated, the remaining balances are immaterial. Gross receivables from these customers amount to £208 million (31 December 2024: £201 million) and are analysed below.

Trade receivables due from Centrica Business Solutions business energy customers as at	**30 June 2025**					31 December 2024				
Days beyond invoice date (i)	< 30 days £m	30-90 days £m	>90 days £m	**Total £m**	Percentage of credit risk	< 30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk
Risk profile										
Commercial and industrial (ii)										
Gross receivables	25	5	16	**46**		22	4	15	41	
Provision	—	—	(9)	**(9)**		—	—	(10)	(10)	
Net	25	5	7	**37**	**20%**	22	4	5	31	24%
Medium-sized entities										
Gross receivables	30	11	121	**162**		41	14	105	160	
Provision	—	—	(74)	**(74)**		—	—	(64)	(64)	
Net	30	11	47	**88**	**46%**	41	14	41	96	40%
Total net Centrica Business Solutions business energy customers trade receivables	**55**	**16**	**54**	**125**	**40%**	63	18	46	127	37%

(i) This ageing analysis is presented relative to invoicing date and presents receivables according to the oldest invoice outstanding with the customer. There are a range of payment terms extended to business energy customers. Average credit terms for medium-sized entity customers are ten working days. Credit terms for commercial and industrial customers are bespoke and are set based on the commercial agreement with each customer.

(ii) This category includes low credit risk receivables, including those from public sector and customers with high turnover (greater than £100 million).

Unbilled downstream energy income at 30 June 2025 includes gross balances of £113 million in respect of Centrica Business Solutions business energy customers (31 December 2024: £148 million), against which a provision of £4 million is held (31 December 2024: £6 million).

The remaining reporting segments which are not shown above are not considered to have material credit risk.

14. Trade and other receivables and contract related assets

Sensitivity to changes in assumptions

Typically, the most significant assumption included within the expected credit loss provisioning model that gives rise to estimation uncertainty is that future performance will be reflective of past performance and that there will be no significant change in the payment profile or recovery rates within each identified group of receivables. To address this risk, the Group reviews and updates default rates, by group, on a regular basis to ensure they incorporate the most up to date assumptions along with forward-looking information where available and relevant. The Group also considers regulatory changes and customer segment specific factors that may have an impact, now or in the future, on the recoverability of the balance.

The specific consideration of forward-looking information in the impairment model may give rise to significant changes in the levels of credit losses. Both interest rates and wholesale gas and electricity costs remain elevated and continue to cause uncertainty in economic outlook. The economic recovery remains vulnerable and there remains a level of estimation uncertainty inherent in determining credit loss provisions for the Group's trade receivables.

Where customers experience difficulties in settling balances, the increased ageing of these amounts results in an increase in provisions held in respect of them under the provision matrix approach employed. The Group has also considered changes in customer payment patterns, the specific circumstances of the customers and the economic impacts of the factors identified above, on the sectors in which they operate. Whilst economic recovery is expected, a level of unpredictability remains apparent.

Customers are continuing to face cost of living challenges, including energy bills and interest rates which, although easing, remain elevated compared to pre-crisis levels. The Group has considered macroeconomic forecasts and sensitivities, as well as disposable income analysis from a credit rating agency, to model and determine the level of provisions for credit losses.

During the period, the Group recognised credit losses of £231 million (2024: £252 million) in respect of financial assets, representing 2.3% of total Group revenue (2024: 2.5%) and 1.9% of total Group revenue from business performance (2024: 2.0%). As described above, the majority of the Group's credit exposure arises in respect of downstream energy receivables in British Gas Energy and Centrica Business Solutions. Credit losses in respect of these assets amounted to £227 million (2024: £243 million). This represents 3.1% (2024: 3.1%) of total UK downstream energy supply revenue from these segments of £7,248 million (2024: £7,908 million). Further details of segmental revenue are provided in note 4.

Due to the different level of risks presented by billed and unbilled receivables, these asset groups are considered separately in the analysis below.

Billed trade receivables

	30 June 2025 £m	31 December 2024 £m
Trade receivables	**3,877**	3,270
Provision	**(1,647)**	(1,471)
Net balance	**2,230**	1,799

	30 June 2025 %	31 December 2024 %
Provision coverage	**42**	45
Sensitivity	**£m**	£m
Impact on billed receivables/operating profit from 1 percentage point (increase)/decrease in provision coverage (i)	**(39)/39**	(33)/33

(i) Credit risk in the Group is impacted by a large number of interacting factors.

14. Trade and other receivables and contract related assets

Since 31 December 2024, overall debt and provision levels have continued to rise, driven primarily by the portfolio of customers who pay on receipt of their bill with aged energy debts accrued during the energy crisis who remain unable to pay off their debts. This impact has been partially mitigated by the upscaling of certain field activities, although warrant activity remains suspended, adversely affecting debt performance for affected cohorts of customers. The macroeconomic environment continues to have challenges with low growth forecasts and persistent inflation likely resulting in limited interest rate reductions during the second half of 2025. A second quarter fall in the commodity price environment gives some cause for optimism, however the Group remains cautious regarding the ability of the Group's customers to pay amounts due, particularly with regards to aged debt.

These factors result in the assessment and adequacy of credit provisions for trade and other receivables remaining uncertain. The Group utilises a range of factors, including both internal and external, historical and forward-looking, to assess the adequacy of the Group's credit provisions. The Group utilises a matrix output model to record provision coverage. Because the model does not capture scenarios where there is a delayed impact on customer payments, such as forward-looking macroeconomic challenges, the Group recognises an additional macroeconomic provision to reflect the impact of such scenarios on amounts due. At 31 December 2024, the additional macroeconomic credit provision recognised by the Group was £49 million. Due to the passage of time, some of this delayed impact is now more fully incorporated into the matrix output model, and as such, the additional macroeconomic credit provision recognised by the Group is reducing. The provision now totals £35 million across billed and unbilled debt and is included in the tables both above and below. Management considers the impact of specific cohorts of customers when making this assessment, recognising the different credit terms and different risk profiles that exist. This assessment also utilises a range of factors, both internal and external, historical and forward-looking, and considers the sensitivities of these to help management estimate the likely recovery of debt. The table above and the unbilled section below provide details of the sensitivity of moving the debt provision by a further 1%.

The Group's services, upstream and trading operations are less susceptible to credit risk. No significant deterioration of credit risk has been experienced or is expected in the relevant segments in respect of billed trade receivables recognised at 30 June 2025, taking into account cash collection cycles in those areas of the Group and credit rating information.

The table below shows the IFRS 15 unbilled downstream energy income for the Group as a whole.

	30 June 2025 £m	31 December 2024 £m
Gross unbilled receivables	**624**	968
Provision	**(46)**	(61)
Net balance	**578**	907

	30 June 2025 %	31 December 2024 %
Provision coverage	**7**	6
Sensitivity	**£m**	£m
Impact on unbilled receivables/operating profit from 1 percentage point (increase)/decrease in provision coverage [(i)]	**(6)/6**	(10)/10

(i) Credit risk in the Group is impacted by a large number of interacting factors.

Unbilled downstream energy income is typically provided at a significantly lower rate than billed debt. This is because a large proportion of this debt once billed will be subject to the very short cash collection cycles of the Group's downstream energy supply businesses.

15. Financial instruments

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group has documented internal policies for determining fair value including methodologies used to establish valuation adjustments required for credit risk.

(a) Fair value hierarchy

Financial assets and financial liabilities measured and held at fair value are classified into one of three categories, known as hierarchy levels, which are defined according to the inputs used to measure fair value as follows:

- Level 1: fair value is determined using observable inputs that reflect unadjusted quoted market prices for identical assets and liabilities;
- Level 2: fair value is determined using significant inputs that may be directly observable inputs or unobservable inputs that are corroborated by market data; and
- Level 3: fair value is determined using significant unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

	30 June 2025				31 December 2024			
	Level 1 £m	Level 2 £m	Level 3 £m	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets								
Derivative financial instruments:								
Energy derivatives	—	676	163	**839**	—	1,252	164	1,416
Foreign exchange derivatives	—	98	—	**98**	—	160	—	160
Debt instruments	53	—	27	**80**	73	—	28	101
Equity instruments	19	—	57	**76**	35	—	56	91
Cash and cash equivalents	—	4,510	—	**4,510**	—	5,009	—	5,009
Total financial assets at fair value	**72**	**5,284**	**247**	**5,603**	108	6,421	248	6,777
Financial liabilities								
Derivative financial instruments:								
Energy derivatives	—	(692)	(224)	**(916)**	—	(1,033)	(131)	(1,164)
Interest rate derivatives	—	(102)	—	**(102)**	—	(134)	—	(134)
Foreign exchange derivatives	—	(187)	—	**(187)**	—	(89)	—	(89)
Contingent consideration payable	—	—	(105)	**(105)**	—	—	(100)	(100)
Total financial liabilities at fair value	**—**	**(981)**	**(329)**	**(1,310)**	—	(1,256)	(231)	(1,487)

The reconciliation of the Level 3 fair value measurements during the period is as follows:

	2025		2024	
	Financial assets £m	**Financial liabilities £m**	Financial assets £m	Financial liabilities £m
Level 3 financial instruments				
1 January	**248**	**(231)**	217	(395)
Total realised and unrealised gains/(losses):				
Recognised in Group Income Statement	**38**	**(123)**	(32)	24
Recognised in Other Comprehensive Income	**2**	**—**	12	—
Net movement in contingent consideration liability	**—**	**(5)**	—	9
Settlements	**(33)**	**21**	27	48
Transfers between Level 3 and Level 2 (i)	**(8)**	**10**	(10)	(2)
Foreign exchange movements	**—**	**(1)**	—	1
30 June	**247**	**(329)**	214	(315)
Total gains/(losses) for the period for Level 3 financial instruments held at the end of the reporting period	**38**	**(123)**	—	18

(i) Transfers between levels are deemed to occur at the beginning of the reporting period.

15. Financial instruments

(b) Valuation techniques used to derive Level 2 and Level 3 fair values and Group valuation process

Level 2 interest rate derivatives and foreign exchange derivatives comprise interest rate swaps and forward foreign exchange contracts. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. Forward foreign exchange contracts are fair valued using forward exchange rates that are quoted in an active market, with the resulting market value discounted back to present value using observable yield curves.

Level 2 energy derivatives are fair valued by comparing and discounting the difference between the expected contractual cash flows for the relevant commodities and the quoted prices for those commodities in an active market. The average discount rate applied to value this type of contract during the period was 4% per annum (31 December 2024 average discount rate of 5% per annum).

For Level 3 energy derivatives, the main input used by the Group pertains to deriving expected future commodity prices in markets that are not active as far into the future as some of the Group's contractual terms. This applies to certain contracts within Europe and North America. Fair values are then calculated by comparing and discounting the difference between the expected contractual cash flows and these derived future prices using an average discount rate of 4% (31 December 2024: 5%) for both Europe and North America.

Active period of markets	Gas	Power	Coal	Emissions	Oil
UK (years)	4	4	3	3	4

Because the Level 3 energy derivative valuations involve the prediction of future commodity market prices, sometimes a long way into the future, reasonably possible alternative assumptions for gas, power, coal, emissions or oil prices may result in a higher or lower fair value for Level 3 financial instruments. Other than commodity prices, there are no other unobservable inputs which would have a material impact.

It should be noted that the fair values disclosed in the tables above only concern those contracts entered into that are within the scope of IFRS 9. The Group has numerous other commodity contracts that are outside of the scope of IFRS 9 and are not fair valued. The Group's actual exposure to market rates is constantly changing as the Group's portfolio of energy contracts changes.

The Group's valuation process includes specific teams of individuals that perform valuations of the Group's derivatives for financial reporting purposes, including Level 3 valuations. The Group has an independent team that derives future commodity price curves based on available external data and these prices feed into the energy derivative valuations, subject to adjustments, to ensure they are compliant with IFRS 13 'Fair Value Measurement'. The price curves are subject to review and approval by the Group's Executive Committee and valuations of all derivatives, together with other contracts that are not within the scope of IFRS 9, are also reviewed regularly as part of the overall risk management process. The Group adjusts the market value of derivative instruments to account for counterparty credit risk and corresponding possibility of a counterparty default preventing full realisation of the risk-free market value of the derivative. The Group estimates Credit Valuation Adjustments by computing an expected evolution of the market value of a counterpart's derivatives portfolio over the life of the contracts weighted by the probability of a default and an assumption of the market value recoverable in the event of a default. The default probability is calibrated to the price of Credit Default Swaps – a debt instrument reflecting the insurance premium payable to protect against a debtor's default. Debit Valuation Adjustments are the amount added back to the derivative value to account for the expected gain from the Group's own default and are calculated using a similar methodology with reference to the Group's own probability of default.

Where the fair value at initial recognition for contracts which have significant unobservable inputs and the fair value differs from the transaction price, a day-one gain or loss will arise. These deferred gains are presented net against respective derivative assets and derivative liabilities. Such gains and losses are deferred and amortised to the Group Income Statement based on volumes purchased or delivered over the contractual period until such time as observable market data becomes available. The amount that has yet to be recognised in the Group Income Statement relating to the differences between the transaction prices and the amounts that would have arisen had valuation techniques used for subsequent measurement been applied at initial recognition, less subsequent releases, is as follows:

Day-one gains deferred	2025 £m	2024 £m
1 January	**110**	142
Net (losses)/gains deferred on transactions in the period [(i)]	**(5)**	4
Net amounts recognised in Group Income Statement	**(19)**	(17)
Exchange differences	**1**	(4)
30 June	**87**	125

(i) The net gain deferred on transactions in 2024 has been restated by £272 million as this was subsequently deemed to be a model calibration adjustment and not a Day-one loss.

Level 3 debt and equity financial instruments are measured at fair value in accordance with IFRS 13. These fair value measurements reflect the assumptions that market participants would use when pricing the asset based on an exit price concept. The fair value of investments in debt securities is determined using discounted cash flow techniques. The discount rates are derived from market observable interest rates adjusted by a credit spread applicable to the particular instrument. Unlisted equity instruments are valued using an income approach. The estimated future cash flows, usually based on management forecasts of future economic benefits to be derived from the ownership of these investees, are discounted using rates appropriate to the specific investment, business sector or recent economic rates of return. Recent transactions involving the sale of similar businesses may sometimes be used as a frame of reference in deriving an appropriate multiple.

15. Financial instruments

(c) Fair value of financial assets and liabilities held at amortised cost

The carrying value of the Group's financial assets and liabilities measured at amortised cost are approximately equal to their fair value except as listed below:

			30 June 2025			31 December 2024		
		Notes	Carrying value	Fair value	Fair value hierarchy	Carrying value	Fair value	Fair value hierarchy
			£m	£m		£m	£m	
Bonds	Level 1	12	**(2,181)**	**(2,156)**	**Level 1**	(2,184)	(2,229)	Level 1
	Level 2	12	**(74)**	**(85)**	**Level 2**	(70)	(81)	Level 2

Bank borrowings
The fair values of bonds classified as Level 1 within the fair value hierarchy are calculated using quoted market prices. The fair values of Level 2 bonds have been determined by discounting cash flows with reference to relevant market rates of interest. The fair values of overdrafts and bank loans are assumed to materially equal their carrying values.

Other financial instruments
Due to their nature and/or short-term maturity, the fair values of trade and other receivables, cash and cash equivalents, trade and other payables, other borrowings and securities held at amortised cost are estimated to approximate their carrying values.

16. Provisions for liabilities and charges

Provisions are recognised when an obligation exists that can be reliably measured, but where there is uncertainty over the timing and/or amount of the payment. The main provisions relate to decommissioning costs for upstream assets we own, or have owned, which require restoration or remediation, along with onerous supply contracts. Further provisions relate to restructuring costs, and legal and regulatory matters.

	1 January 2025 £m	Charged in the period £m	Unused and reversed in the period £m	Utilised £m	Revisions and additions £m	Transfers (v) £m	Transfers to disposal groups held for sale (v) £m	Exchange adjustments £m	30 June 2025 £m
Current									
Restructuring costs	(8)	(4)	3	3	—	(3)	—	—	**(9)**
Decommissioning costs (i) (ii)	(103)	—	—	28	—	(32)	—	—	**(107)**
Onerous contracts provision (iii)	(104)	(33)	2	68	—	(2)	—	4	**(65)**
Other (iv)	(153)	(23)	18	17	—	(11)	—	—	**(152)**
Total	**(368)**	**(60)**	**23**	**116**	**—**	**(48)**	**—**	**4**	**(333)**

	1 January 2025 £m	Charged in the period £m	Notional interest £m	Unused and reversed in the period £m	Revisions and additions £m	Transfers (v) £m	Transfers to disposal groups held for sale (v) £m	Exchange adjustments £m	30 June 2025 £m
Non-current									
Restructuring costs	(7)	—	—	—	—	3	—	—	**(4)**
Decommissioning costs (i) (ii)	(1,356)	—	(13)	—	7	32	85	(6)	**(1,251)**
Onerous contracts provision	(15)	—	—	—	—	2	—	—	**(13)**
Other (iv)	(115)	(3)	—	34	(3)	11	—	—	**(76)**
Total	**(1,493)**	**(3)**	**(13)**	**34**	**4**	**48**	**85**	**(6)**	**(1,344)**

Included within the above liabilities are the following financial liabilities:

	30 June 2025		31 December 2024	
	Current £m	**Non-current £m**	Current £m	Non-current £m
Restructuring costs	**(9)**	**(4)**	(8)	(7)
Provisions other than restructuring costs	**(207)**	**(73)**	(249)	(113)
	(216)	**(77)**	(257)	(120)

Maturity profile of decommissioning provisions

30 June	2025 £m
2025-2029	**(606)**
2030-2034	**(658)**
2035-2039	**(79)**
2040-2044	**(9)**
2045-2049	**(1)**
2050-2054	**(3)**
2055-2059	**(1)**
2060 or later	**(1)**
	(1,358)

(i) Provision has been made for the estimated net present cost of decommissioning gas production facilities at the end of their useful lives. The estimate has been based on 2P reserves, price levels and technology at the balance sheet date. The payment dates of decommissioning costs are dependent on the lives of the facilities, but utilisation of the provision is expected to occur until the 2060s. The maturity profile of total decommissioning provisions is analysed above. The rate used to discount decommissioning provisions is 2% (31 December 2024: 2%). See note 3.

(ii) Included in the provision balance as at 30 June 2025 is £1,033 million held in Spirit Energy, £305 million in relation to the Rough field, and £20 million in the remainder of the business.

(iii) The current onerous contracts provision includes a charge of £(31) million (2024: £nil) and utilisation of £63 million (2024: £nil) related to movements in onerous LNG contract provisions. See note 6.

(iv) Other provisions have been made for dilapidations, insurance, legal, warranty and various other claims.

(v) Transfers relate to amounts transferred between current and non-current provisions. Transfers to disposal groups held for sale relate to the disposal of part of Spirit Energy's interest in the Cygnus gas field (see note 11).

17. Commitments and contingencies

(a) Commitments

Commitments are not held on the Group's Balance Sheet as these are executory arrangements, and relate to amounts that we are contractually required to pay in the future as long as the other party meets its contractual obligations.

The Group's commitments primarily relate to the acquisition of property, plant and equipment and intangible assets, commodity purchase contracts, and contracts for LNG, transportation and other capacity.

Commodity purchase contract commitments have decreased by £1 billion since 31 December 2024 to £31 billion.

There have been no significant changes to other commitments during the period.

(b) Contingent liabilities

The Group has no material contingent liabilities (31 December 2024: £nil).

18. Events after the balance sheet date

The Group updates disclosures in light of new information being received, or a significant event occurring, in the period between 30 June 2025 and the date of this report.

On 23 July 2025 the Directors approved an interim dividend of 1.83 pence per share. See note 10.

On 22 July 2025, the Group announced it has signed an agreement to acquire a 15% equity stake in Sizewell C, the UK's newest 3.2GW nuclear power station. The Group's total funding obligation is capped at £1.3 billion and the investment will generate an allowed real return on equity of 10.8% through the construction and initial operations phase. Income recognition is expected to commence in the fourth quarter of 2025.

19. Related Party Transactions

The Group's principal related party is its investment in Lake Acquisitions Limited, which owns the existing UK nuclear power station fleet. The disclosures below, including comparatives, only refer to related parties that were related in the current reporting period.

During the period, the Group entered into the following arm's length transactions with related parties who are not members of the Group, and had the following associated balances:

	2025		2024	
	Purchase of goods and services (i) £m	**Amounts owed to (ii) £m**	Purchase of goods and services (i) £m	Amounts owed to (iii) £m
Associates:				
Nuclear	**(298)**	**(47)**	(428)	(52)
	(298)	**(47)**	(428)	(52)

(i) Six months ended 30 June.
(ii) As at 30 June.
(iii) As at 31 December.

During the period, there were no material changes to commitments in relation to joint ventures and associates.

At the balance sheet date, the Group had committed facilities to the Lake Acquisition Group totalling £40 million (31 December 2024: £40 million), although nothing has been drawn down at 30 June 2025 (31 December 2024: £nil).

20. Financial risk management

The Group's normal operating, investing and financing activities expose it to a variety of financial risks: market risk (including commodity price risk, currency risk, and interest rate risk), credit risk and liquidity risk. These condensed interim Financial Statements do not include all financial risk management information and disclosures included in note S3 of the Group's consolidated Financial Statements for the year ended 31 December 2024.

The Group's normal operating, investing and financing activities expose it to a variety of risks. Risk management is fundamental to the way the Group is governed and managed. The system of risk management and internal control is set out in the 2024 Annual Report and Accounts.

The complex and volatile external landscape, shaped by ongoing geopolitical conflict, has led to volatility in European wholesale energy prices over the first half of 2025. This could result in more state intervention with potential emerging EU regulations looking to remove the ancillary activities exemption, extend gas storage filling targets for another two years and introduce price caps. These regulatory trends are being closely monitored and together with price moves that have been increasingly linked to geopolitical factors, have contributed to challenging trading conditions and lower liquidity. Trading exposures have been adjusted accordingly, with market risk limit utilisation at lower levels. Centrica Energy's strategy of continued geographic expansion, including into the US, will provide diversification of earnings.

Weather risk management has also been a focus through the first half of the year due to unseasonably warm weather conditions across the UK and Europe, with April being the third warmest on record. This has impacted British Gas Energy as customers consume less energy, and necessitated the unwind of market hedges.

Debt and provision levels continued to rise during the first half of 2025, as many customers impacted by the energy-crisis remain unable to pay off their debts. Despite early signs of improvement in leading debt indicators driven by lower inflation and commodity prices, collection performance remains below pre-energy-crisis levels. We continue to implement measures to support and work with our customers to prevent or manage their debt.

The main areas of financial risk and their respective management include:

(i) market price risk which is the risk of financial loss, both in terms of short-term profitability and long-term asset valuations, due to trends and volatilities in commodity prices. Price risk management is in accordance with Business Unit hedging or trading policies as approved by the Group Hedging Policy Committee, attended by the Group CEO and Group CFO;

(ii) treasury risk management, including management of currency risk, interest rate risk and liquidity risk which arise from exposure to events which consume available Group liquidity resources or from variances in interest rates and exchange rates. Management of these risks is carried out by the Group Treasury function in accordance with the Group's Financing and Treasury policy, as approved by the Board; and

(iii) credit risk is our exposure to counterparty, customer or third-party default or to a credit event that limits the availability of financial facilities or unsecured credit lines and results in financial losses.

   a. Wholesale credit risks are associated with commodity trading and treasury positions and are managed in accordance with the Group's Credit Risk Policy, as approved by the Group CFO; and

   b. Exposure to downstream customer credit is managed in accordance with the Group Commercial and Industrial Credit Policy, also approved by the Group CFO.

Credit risk is the risk of loss associated with a counterparty's inability or failure to discharge its obligations under a contract. The Group continually reviews its rating thresholds for relevant counterparty credit limits and updates these as necessary, based on a consistent set of principles. Credit risk exposures have been managed within Group Credit Risk limits, and the aggregate credit exposure has declined through first half of 2025, on lower trading activity. As part of our proactive risk management framework, Centrica continues to maintain a dynamic watchlist to monitor counterparties facing financial or operational stress. This enables early intervention, informed provisioning, and strategic decision-making.

European positions are actively managed to maintain a balance between exchange-based trading and bilateral transactions; to balance counterparty credit risk and potential liquidity requirements. The Group additionally manages the trade-off between credit and liquidity risks by optimising the use of contracts with collateral obligations and physically settled contracts without collateral obligations.

The Group has a number of treasury and risk policies to monitor and manage liquidity risk. Cash forecasts identifying the Group's liquidity requirements are produced regularly and are stress tested for different scenarios, including, but not limited to, reasonably possible increases or decreases in commodity prices and the potential cash implications of a credit rating downgrade. The Group seeks to ensure that sufficient financial headroom exists for at least a twelve-month period to safeguard the Group's ability to continue as a going concern.

It is the Group's policy to maintain committed facilities and/or available surplus cash resources of at least £1,500 million, raise at least 75% of its gross debt (excluding non-recourse debt) in the capital market and to maintain an average term to maturity in the recourse long-term debt portfolio greater than five years.

20. Financial risk management

At 30 June 2025 the Group had undrawn committed credit facilities of £3,424 million (31 December 2024: £3,293 million) and £5,185 million (31 December 2024: £5,578 million) of unrestricted cash and cash equivalents, net of outstanding overdrafts. 79% (31 December 2024: 77%) of the Group's gross debt has been raised in the long-term debt market and the average term to maturity of the long-term debt portfolio was 9.2 years (31 December 2024: 9.6 years). The Group's liquidity is impacted by the cash posted or received under margin and collateral agreements. The terms and conditions of these agreements depend on the counterparty and the specific details of the transaction. Margin/collateral is generally posted or received to support energy trading and procurement activities. It is posted when contracts with marginable counterparties are out of the money and received when contracts are in the money. Cash is generally returned to the Group or by the Group within two days of trade settlement. At 30 June 2025 the collateral position was as follows:

	30 June 2025 £m	31 December 2024 £m
Collateral (received)/posted included within:		
Trade and other payables	**(58)**	(162)
Trade and other receivables	**199**	191
Collateral (received)/posted extinguishing:		
Net derivative (assets)/liabilities (i)	**(9)**	76
Net collateral posted (ii)	**132**	105

(i) Variation margin on daily settled derivatives results in the extinguishment of the net derivative asset/liability. These contracts remain outstanding until a future delivery date, and therefore the cumulative daily settlement is considered collateral until that fulfilment date.

(ii) Movements during the period of net collateral (received)/posted include an exchange adjustment credit of £5 million (2024: £2 million debit).

21. Seasonality of operations

Certain activities of the Group are affected by weather and temperature conditions. As a result of this, amounts reported for the six-month period ended 30 June 2025 may not be indicative of the amounts that would be reported for a full year due to seasonal fluctuations in customer demand for gas, electricity and services, the impact of weather on demand and commodity prices, and market changes in commodity prices and retail tariffs.

Customer demand for gas in the UK and the Republic of Ireland is driven primarily by heating load and is generally higher in the winter than in the summer, and higher from January to June than from July to December. Customer demand for electricity in the UK and the Republic of Ireland generally follows a similar pattern to gas, but is more stable.

Customer demand for home services in the UK is generally higher in the winter than it is in the summer, and higher in the earlier part of the winter as that is typically when heating systems tend to break down most, so that customer demand from July to December is higher than from January to June.

Gas production volumes are generally higher in the winter when gas prices are higher. Gas production volumes are generally higher from January to June than they are from July to December as outages are generally planned for the summer months when gas demand and prices are at their lowest.

The impact of seasonality on customer demand and wholesale prices has a direct effect on the Group's financial performance and cash flows.

22. Share buyback programme and share cancellations

This section includes information related to the share buyback programme being undertaken by the Group, as well as details of any cancellations of treasury shares that have occurred during the period.

Share buyback programme

The Group has continued with its share buyback programme during the first six months of 2025. The £230 million tranche which was underway at the 2024 year-end concluded in February 2025. Once this completed, a further tranche of £270 million, announced in December 2024, began in March 2025 and completed in June 2025.

In February 2025, a further £500 million extension was announced, split into two tranches of £250 million each, to be completed by the end of 2025. The first of these tranches was formally signed in May 2025, commenced in June 2025 and is expected to be completed in September 2025. The Group judges that the terms and conditions of the contract mean that, at 30 June 2025, the maximum non-cancellable amount under the ongoing £250 million tranche was £183 million. Accordingly, the Group has recorded a financial liability at 30 June 2025 of £150 million, representing the difference between the maximum non-cancellable amount and purchases paid to date under the current tranche.

The second of these tranches has not been recognised as a financial liability on the basis that the obligation arising remains cancellable at 30 June 2025. Once complete, this will take the total value of shares repurchased under the current share buyback programme to £2 billion.

During the period ended 30 June 2025, the Group purchased 252 million ordinary shares, representing approximately 4.7% of the issued ordinary share capital at an average price of 152.4 pence per share, and an aggregate cost of £384 million under the share buyback programme. The associated cash outflow is £374 million.

The monthly breakdown of all shares purchased and the average price paid per share (excluding expenses) in relation to the financial liability of £150 million recognised at 30 June 2025 were as follows. This includes £13 million relating to shares committed to being purchased at 30 June 2025 but not yet settled.

Period	Number of shares purchased under share buyback programme	Average price paid Pence	Total cost £m	Authorised purchases unutilised at month end £m
June 2025	27,827,440	165.3	46	137
Total	**27,827,440**	**165.3**	**46**	**137**

The monthly breakdown of all shares purchased and the average price paid per share (excluding expenses) in relation to the £270 million programme that ran from March 2025 to June 2025 were as follows:

Period	Number of shares purchased under share buyback programme	Average price paid Pence	Total cost £m	Authorised purchases unutilised at month end £m
March 2025	29,062,088	148.0	43	227
April 2025	24,639,633	150.2	37	190
May 2025	78,712,497	153.7	121	69
June 2025	43,054,114	160.3	69	–
Total	**175,468,332**	**153.9**	**270**	**–**

The monthly breakdown of all shares purchased and the average price paid per share (excluding expenses) in relation to the outstanding commitment of £68 million recognised at 31 December 2024 were as follows:

Period	Number of shares purchased under share buyback programme	Average price paid Pence	Total cost £m	Authorised purchases unutilised at month end £m
January 2025	26,826,326	137.9	37	31
February 2025	21,544,046	143.9	31	–
Total	**48,370,372**	**140.6**	**68**	**–**

Cancellation of treasury shares

During the period, the Group has cancelled 232 million ordinary shares that were being held as treasury shares. Share capital has been reduced by the nominal value of these shares of £14 million, and a corresponding amount has been credited to the capital redemption reserve. In addition, £326 million has been transferred from treasury shares to retained earnings to account for the price paid for the shares when they were originally credited to treasury shares. This value has been calculated on a first-in-first-out basis.

Explanatory Notes

Definitions and reconciliation of adjusted performance measures

Centrica's 2025 Interim Results include a number of non-GAAP measures. These measures are chosen as they provide additional useful information on business performance and underlying trends. They are also used to measure the Group's performance against its strategic financial framework. They are not however, defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies. Where possible they have been reconciled to the statutory equivalents from the primary statements (Group Income Statement ('I/S'), Group Balance Sheet ('B/S'), Group Cash Flow Statement ('C/F')) or the notes to the Financial Statements.

Adjusted revenue, adjusted gross margin, adjusted operating profit, adjusted earnings and free cash flow have been defined and reconciled separately in notes 3, 4 and 9 to the Financial Statements where further explanation of the measures is given. Additional performance measures are used within these Financial Statements to help explain the performance of the Group and these are defined and reconciled below. Further information has been provided to help readers when reconciling between different parts of the consolidated Group Financial Statements, and when reconciling cash flow measures to the Group Cash Flow Statement.

Adjusted EBITDA

Adjusted EBITDA is a business performance measure of operating profit, after adjusting for depreciation and amortisation. It provides a performance measure in its own right, and provides a bridge between the Group Income Statement and the Group's key cash metrics.

Six months ended 30 June	Notes	2025 £m	2024 £m	Change
Group operating (loss)/profit	I/S	**(69)**	1,677	
Exceptional items before taxation	6	**186**	(116)	
Certain re-measurements before taxation	6	**432**	(526)	
Share of interest, taxation, depreciation and amortisation of joint ventures and associates	5	**86**	145	
Depreciation and impairments of property, plant and equipment (i)	4	**220**	212	
Amortisation and impairments of intangibles	4	**45**	45	
Group total adjusted EBITDA including share of EBITDA from joint ventures and associates		**900**	1,437	(37)%
Less: share of EBITDA from joint ventures and associates	5	**(178)**	(303)	
Group total adjusted EBITDA		**722**	1,134	(36)%

(i) These line items relate to business performance only.

The below table shows how adjusted EBITDA reconciles to free cash flow:

Six months ended 30 June	Notes	2025 £m	2024 £m
Adjusted EBITDA		**722**	1,134
Group operating (loss)/profit, including share of profits of joint ventures and associates, from exceptional items and certain re-measurements	I/S	**(618)**	642
Impairments/(write-backs) from exceptional items and certain re-measurements	6	**203**	(116)
Gain on disposals	C/F	**—**	(4)
Decrease in provisions	C/F	**(106)**	(18)
Cash contributions to defined benefit schemes in excess of service cost income statement charge	C/F	**(83)**	(92)
Employee share scheme costs	C/F	**28**	23
Unrealised losses/(gains) arising from re-measurement of energy contracts	C/F	**468**	(288)
Net movement in working capital	C/F	**(106)**	(149)
Taxes paid	C/F	**(201)**	(323)
Operating interest paid	C/F	**(10)**	(8)
Payments relating to exceptional charges in operating profit	C/F	**(3)**	(3)
Net cash flow from operating activities		**294**	798
Purchase of businesses and assets, net of cash acquired	C/F	**(6)**	(6)
Sale of businesses, including receipt of deferred consideration	C/F	**—**	4
Purchase of property, plant and equipment and intangible assets	C/F	**(230)**	(165)
Dividends received from joint ventures and associates	C/F	**95**	240
Investments in joint ventures and associates	C/F	**(3)**	—
Net purchase of other investments	C/F	**(5)**	(50)
UK pension deficit payments	4	**77**	76
Movements in variation margin and collateral	4	**22**	(81)
Group total free cash flow	4	**244**	816

The below table shows the reconciliation from net movement in working capital to adjusted net movement in working capital:

Six months ended 30 June	Notes	2025 £m	2024 £m
Decrease in inventories	C/F	**441**	272
Decrease in trade and other receivables and contract-related assets relating to business performance	C/F	**622**	1,323
Decrease in trade and other payables and contract-related liabilities relating to business performance	C/F	**(1,169)**	(1,744)
Net movement in working capital		**(106)**	(149)
Add back/(deduct) movements in collateral included within working capital	20	**112**	(66)
Other reconciling items:			
Decrease in provisions related to business performance, excluding payments related to decommissioning provisions [(i)]		**(36)**	(33)
Unrealised (gains)/losses arising from re-measurement of energy contracts relating to business performance		**(74)**	267
Operating interest paid	C/F	**(10)**	(8)
Other		**17**	5
Adjusted net movement in working capital		**(97)**	16

(i) Decrease in provisions related to business performance excludes payments related to decommissioning provisions of £28 million (2024: £31 million).

Definitions and reconciliation of adjusted performance measures

Group net investment

With a focus on cash generation, capital discipline and managing net cash/debt, Group net investment provides a measure of the Group's capital expenditure from a cash perspective and allows the Group's capital discipline to be assessed.

Six months ended 30 June	Notes	2025 £m	2024 £m	Change
Capital expenditure (including small acquisitions) (i)		244	221	
Net disposals (ii)		—	(4)	
Group net investment		**244**	217	12%
Dividends received from joint ventures and associates	C/F	(95)	(240)	
Interest received	C/F	(129)	(167)	
Settlement of securities	C/F	(40)	—	
Purchase of securities	C/F	7	7	
Net cash flow from investing activities	C/F	**(13)**	(183)	(93%)

(i) Capital expenditure is the net cash flow on capital expenditure, purchases of businesses, assets and other investments, and investments in joint ventures and associates. See table (a).
(ii) Net disposals is the net cash flow from sales of businesses, property, plant and equipment and intangible assets. See table (b).

Group net investment is capital expenditure including acquisitions less net disposals. It excludes cash flows from investing activities not associated with capital expenditure as detailed in the table above.

(a) Capital expenditure (including small acquisitions)

Six months ended 30 June	Notes	2025 £m	2024 £m	Change
Purchase of property, plant and equipment and intangible assets	C/F	230	165	
Purchase of businesses and assets, net of cash acquired	C/F	6	6	
Investments in joint ventures and associates	C/F	3	—	
Net purchase of other investments	C/F	5	50	
Capital expenditure (including small acquisitions)		**244**	221	10%

(b) Net disposals

Six months ended 30 June	Notes	2025 £m	2024 £m	Change
Sale of businesses, including receipt of deferred consideration	C/F	—	(4)	
Net disposals		**—**	(4)	(100)%

Definitions and reconciliation of adjusted performance measures

The following tables provide additional information to help readers when reconciling between different parts of the consolidated Group Financial Statements, and the Group Cash Flow Statement.

Reconciliation from free cash flow to change in adjusted net cash

Six months ended 30 June	Notes	2025 £m	2024 £m
Group total free cash flow	4	**244**	816
Financing interest paid	C/F	**(80)**	(153)
Interest received	C/F	**129**	167
Premium paid on debt repurchase	6	**—**	(68)
UK pension deficit payments	4	**(77)**	(76)
Payments for own shares	C/F	**(3)**	(8)
Share buyback programme	C/F	**(374)**	(274)
Equity dividends paid	C/F	**(150)**	—
Movements in variation margin and collateral	4	**(22)**	81
Cash flows affecting adjusted net cash		**(333)**	485
Non-cash movements in adjusted net cash		**(34)**	(15)
Change in adjusted net cash		**(367)**	470
Opening adjusted net cash	12	**2,858**	2,744
Closing adjusted net cash	12	**2,491**	3,214

Reconciliation of adjusted net cash to net cash

Adjusted net cash is a business performance measure used by management to assess the underlying indebtedness of the business.

Six months ended 30 June	Notes	2025 £m	2024 £m
Adjusted net cash	12	**2,491**	3,214
Less: current and non-current securities	12	**(112)**	(530)
Less: sub-lease assets	12	**—**	(2)
Unadjusted net cash		**2,379**	2,682

Depreciation, amortisation, impairments and write-backs

Six months ended 30 June	Notes	2025 £m	2024 £m
Movement from depreciation, amortisation, impairments and write-backs, from exceptional items included in the Group Cash Flow Statement	6	**203**	(116)
Comprised of:			
Impairment/(write-back) of power assets	6	**125**	(116)
Impairment of upstream gas assets	6	**78**	—
Movement from depreciation, amortisation, impairments and write-backs, from business performance included in the Group Cash Flow Statement		**265**	257
Comprised of:			
Business performance property, plant and equipment depreciation	4	**212**	212
Business performance property, plant and equipment impairments	4	**8**	—
Business performance intangibles amortisation	4	**42**	44
Business performance intangibles impairments	4	**3**	1
Movement from depreciation, amortisation, impairments and write-backs included in the Group Cash Flow Statement		**468**	141

Definitions and reconciliation of adjusted performance measures

Reconciliation of receivables and payables to Group Cash Flow Statement

Six months ended 30 June	Notes	2025 £m	2024 £m
Receivables opening balance	B/S	**5,383**	5,619
Less: receivables closing balance	B/S	**(4,786)**	(4,298)
Payables (including insurance contract liabilities) opening balance	B/S	**(6,742)**	(7,372)
Less: payables (including insurance contract liabilities) closing balance	B/S	**6,005**	6,079
Net movement in receivables and payables		**(140)**	28
Non-cash changes, and other reconciling items:			
Movement in share buyback liability		**(75)**	24
Dividend creditor	10	**—**	(141)
Transfers to disposal groups held for sale	11	**27**	—
Movement in capital creditors		**(31)**	(15)
Movement in ROCs and emission certificate intangible assets		**(314)**	(320)
Other movements (including foreign exchange movements)		**(14)**	3
Non-cash changes, and other reconciling items		**(407)**	(449)
Movement in trade and other receivables, trade and other payables and contract-related assets/liabilities relating to business performance	C/F	**(547)**	(421)

Pensions

Six months ended 30 June	Notes	2025 £m	2024 £m
Cash contributions to defined benefit schemes in excess of service cost income statement charge	C/F	**(83)**	(92)
Ordinary employer contributions		**(18)**	(25)
UK pension deficit payments		**(77)**	(76)
Contributions by employer in respect of employee salary sacrifice arrangements		**(10)**	(12)
Total current service cost, including salary sacrifice		**18**	21
Past service cost		**3**	—
Termination cost		**1**	—

Disclosures

Disclaimers

This announcement does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Centrica shares or other securities. This announcement contains certain forward-looking statements. Forward-looking statements can be identified by the use of terms such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'forecasts', 'may', 'could', 'should', 'will', 'continue' and other similar expressions of future performance and results including any of their negatives words. Forward-looking statements appear in a number of places throughout this announcement and include statements, forecasts and projections that reflect the current intentions, beliefs or expectations of the Directors, of the Company and/or the Group concerning, among other things, the financial condition, goals and commitments, prospects, growth, strategies, results, operations and businesses of Centrica.

Although we make such statements based on assumptions that we believe to be reasonable, by their nature, these forward-looking statements are subject to risk and uncertainties because they relate to, and may be impacted by, events and circumstances that will occur in the future which are beyond Centrica's ability to control or estimate precisely. There can be no assurance that Centrica's actual future results, financial condition, performance, operations and businesses will not differ materially from those express or implied in the forward-looking statements due to a variety of factors, including, but not limited to, those set out in this announcement and the 'Our Principal Risks and Uncertainties' section of the Strategic Report in our Annual Report and Accounts. Other factors could also have an adverse effect on our business performance and results. Readers are cautioned that these forward-looking statements are not guarantees or predictions of Centrica's future performance and undue reliance should not be placed on them when making investment decisions.

At any time subsequent to the publication of this announcement, neither Centrica nor any other person assumes responsibility for the accuracy and completeness or undertakes any obligation, to update or revise any of these forward-looking statements to reflect any new information or any changes in events, conditions or circumstances on which any such forward-looking statement is based save in respect of any requirement under applicable law or regulation.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

When considering the information contained in, or referred to in this announcement, please note that profit and inventory from Rough operations are reported under Centrica Energy Storage Limited for presentational purposes only. Centrica Energy Storage Limited does not produce, supply or trade gas, except to the extent necessary for the efficient operation of the storage facility. In accordance with the Gas Act 1986, such production, supply and trading of gas is carried out wholly independently of Centrica Energy Storage Limited by other Centrica group companies.

Certain figures shown in this announcement were rounded in accordance with standard business rounding principles and therefore there may be discrepancies.

All adjusted figures are before exceptional items and certain re-measurements. Adjusted operating profit includes share of joint ventures and associates after interest and taxation. A reconciliation of different operating profit measures is provided in the Group Financial Review.

For further information

Centrica will hold its 2025 Interim Results presentation for analysts and institutional investors at 09.30am (UK) on Thursday 24 July 2025. There will be a live audio webcast of the presentation and slides. Please register to view the webcast at:

https://secure.emincote.com/client/centrica/results/2025-interim-results

An archived webcast and full transcript of the presentation and question and answer session will be available on the Centrica website on Monday 28 July 2025.

Enquiries

Investors and analysts:	Investor Relations	
	Email:	ir@centrica.com
Media:	Media Relations	
	Email:	media@centrica.com
	Telephone:	+44 (0)1784 843000

Financial calendar

Ex-dividend date for 2025 interim dividend	Thursday 18 September 2025
Record date for 2025 interim dividend	Friday 19 September 2025
Payment of 2025 interim dividend	Thursday 30 October 2025

For more information on Centrica's financial calendar please visit: https://www.centrica.com/investors/financial-calendar/

Registered office

Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.