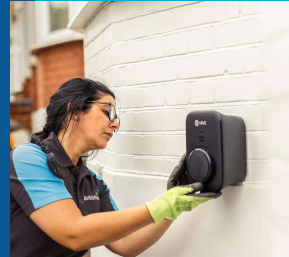


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Interim results

for the period ended 30 June 2023

27th July 2023



Disclaimer

This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Centrica shares or other securities.

This presentation contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Centrica plc. All forward-looking statements in this Presentation are based upon information known to the Company on the date of this Presentation. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements when making their investment decisions.

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 presentation, please note that profit and inventory from Rough operations are reported under Centrica Storage Limited for presentational purposes only. Centrica 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 Storage Limited by other Centrica group companies.



**Strong Performance
From Our Balanced
Portfolio**



First Half Financials

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SECTION 01

Strong Performance From Our Balanced Portfolio



Chris O'Shea
Group Chief Executive





Strong performance from our balanced portfolio

- Good operational performance across the Group
 - Investing in operations and customer service in **Retail**
 - Strong **Optimisation** performance
 - Good volumes and asset availability in **Infrastructure**
- Strong financial result
 - Higher adjusted earnings and free cash flow vs H1 2022
- Delivering returns for shareholders
 - 33% increase in 2023 interim dividend
 - Share buyback programme extended to £1bn
- Focus expanding to include investment as well as sustainable profitability
 - Investing in new greener assets to replace existing asset base



Codford Solar Farm



Strong Performance
From Our Balanced
Portfolio



First Half Financials

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First Half Financials



Russell O'Brien

Group Chief Financial Officer





Strong Performance
From Our Balanced
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First Half Financials

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Strong financial performance in the first half of 2023



£2.1bn ↑

H1 2022: £1.3bn

**Group adjusted
operating profit**



25.8p ↑

H1 2022: 11.0p

Adjusted basic EPS



£1.4bn ↑

H1 2022: £0.6m

Group free cash flow



£3.1bn ↑

Dec 2022: £1.2bn

Group adjusted net cash



1.33p ↑

H1 2022: 1.0p

Interim dividend

The above 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 in the Interim Results announcement.



Operating profit growth across every pillar

Six months ended 30 June (£m)		2022	2023
	Retail	138	962
	British Gas Services & Solutions	7	20
	British Gas Energy	98	969
	Bord Gáis Energy	33	(27)
	Optimisation	298	471
	Energy Marketing & Trading	278	384
	Centrica Business Solutions	20	87
	Infrastructure	421	654
	Spirit Energy (retained)	59	108
	Centrica Storage	76	251
	Nuclear	286	295
	Colleague Profit Share	-	(4)
	Adjusted operating profit excl. disposed Spirit Energy assets	857	2,083
	Spirit Energy (disposed)	485	-
	Adjusted operating profit	1,342	2,083

The above 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 in the Interim Results announcement.



Robust free cash flow generation...

Six months ended 30 June (£m)	2022	2023
EBITDA	1,660	2,304
Tax	(367)	(402)
Dividends received	-	60
Working capital / other	(438)	(360)
Decommissioning spend	(43)	(86)
Capex (excl. Spirit Norway)	(109)	(190)
Capex (Spirit Norway)	(119)	-
Disposals	82	55
Exceptional cash flows	(23)	(4)
Free cash flow	643	1,377



...including material working capital movements

Six months ended 30 June (£m)	2022	2023
EBITDA	1,660	2,304
Tax	(367)	(402)
Dividends received	-	60
Working capital / other	(438)	(360)
Decommissioning spend	(43)	(86)
Capex (excl. Spirit Norway)	(109)	(190)
Capex (Spirit Norway)	(119)	-
Disposals	82	55
Exceptional cash flows	(23)	(4)
Free cash flow	643	1,377

	2023
British Gas Energy	(1,555)
EM&T	765
Centrica Storage	160
Other	270
Working capital / other	(360)

- British Gas Energy working capital outflow reflects:
 - ~(£0.6bn) from timing of Government support scheme payments
 - ~(£1.0bn) from seasonality and the changing price environment
- EM&T working capital inflow relates to the continued cash realisation of 2022 profits



An increase in closing net cash

Six months ended 30 June (£m)	2022	2023
EBITDA	1,660	2,304
Tax	(367)	(402)
Dividends received	-	60
Working capital / other	(438)	(360)
Decommissioning spend	(43)	(86)
Capex (excl. Spirit Norway)	(109)	(190)
Capex (Spirit Norway)	(119)	-
Disposals	82	55
Exceptional cash flows	(23)	(4)
Free cash flow	643	1,377

Six months ended 30 June (£m)	2022	2023
Free cash flow	643	1,377
Interest	(117)	(3)
Pension deficit payments	(105)	(80)
Movements in margin cash ¹	(519)	1,113
Share buyback programme ²	-	(340)
Dividends - Centrica shareholders ²	-	-
Dividends - Spirit Energy minority shareholder	(233)	(17)
Payments for own shares	(1)	-
Adjusted cash flow affecting net cash	(332)	2,050

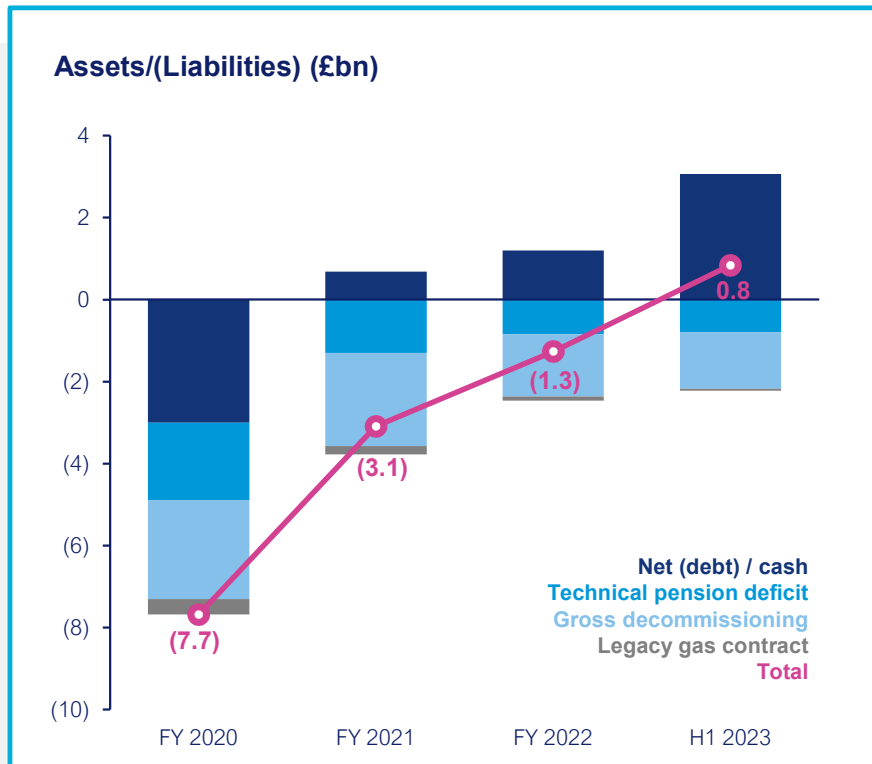
Opening net cash (as at 1 January)	680	1,199
Adjusted cash flow movements	(332)	2,050
Non cash movements	(32)	(188)
Closing net cash (as at 30 June)	316	3,061

1. As at 30 June 2023, margin cash held was £287m

2. As at 25 July 2023, £403m of shares had been bought back in 2023. The 2022 final dividend was paid on 20 July 2023 to shareholders on the register on 9 June 2023, resulting in a £113m cash outflow



A strong investment grade balance sheet



Balance sheet strength and strong investment grade credit ratings ...

...allowing us to **buy energy** for our customers in advance as a **responsible supplier**...

...providing **flexibility** to balance market, **credit** and **cash liquidity risk**...

...and allowing us to **invest** for the **future**



Outlook

- 2023 EPS and FCF expected to be heavily H1 weighted
- External uncertainties remain
 - Weather, commodity prices, economy, regulation, competitive environment
- Range of outcomes for the full year
- Updated financial framework to support strategic delivery

Spirit and Nuclear hedging positions

	H2 2023		2024		2025	
	Volume hedged	Average hedged price	Volume hedged	Average hedged price	Volume hedged	Average hedged price
Spirit	292mmth	139p/th	401mmth	179p/th	111mmth	157p/th
Nuclear	3.1TWh	£181/MWh	3.6TWh	£174/MWh	0.5TWh	£137/MWh

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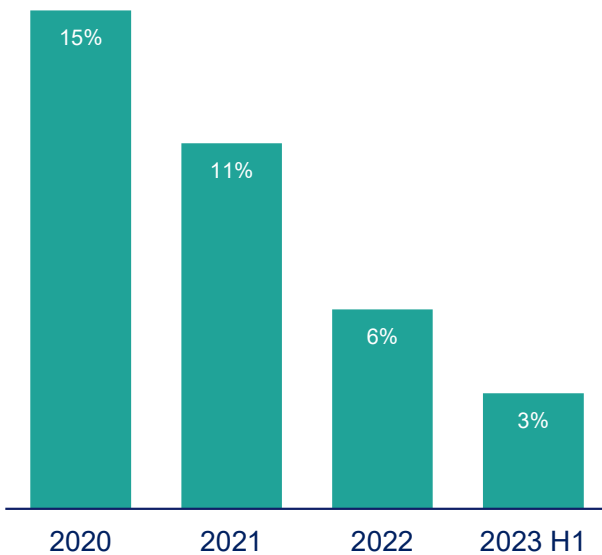
H1 2023 Appendix



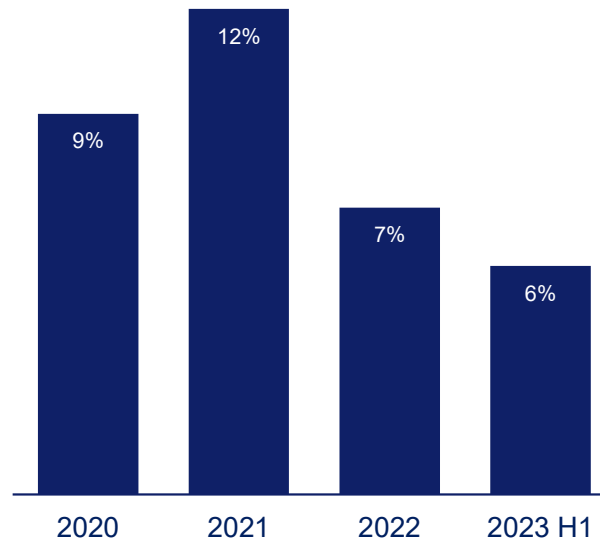


Fixing the foundations in British Gas Services & Solutions

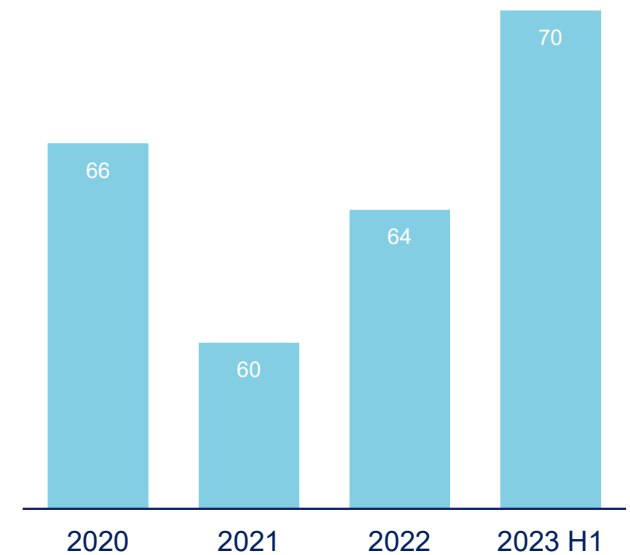
Reducing reschedule rate



Reducing absence rate



Higher Engineer NPS

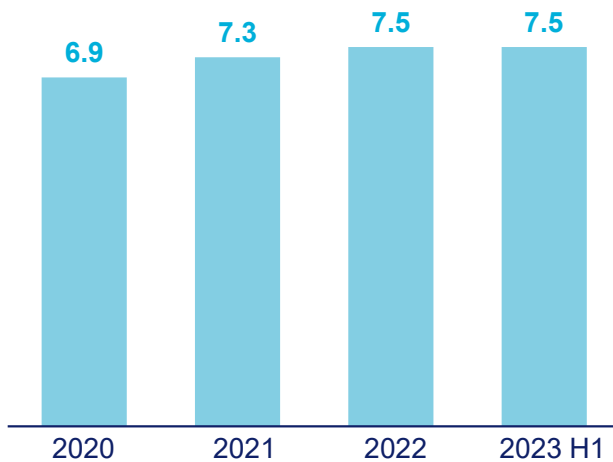




Transforming customer experience in British Gas Energy

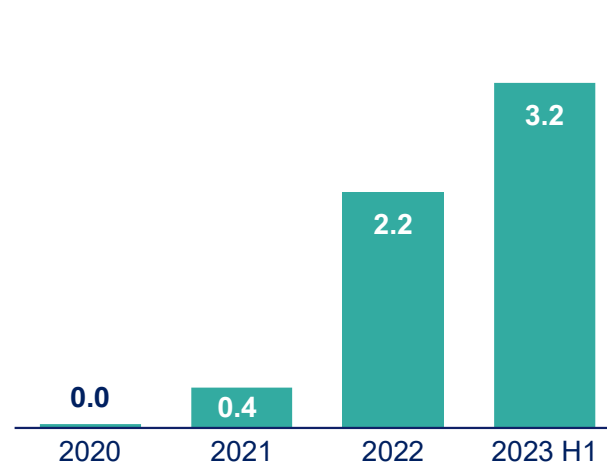
Maintaining and growing our leading market share

British Gas Energy Residential Customers (m)



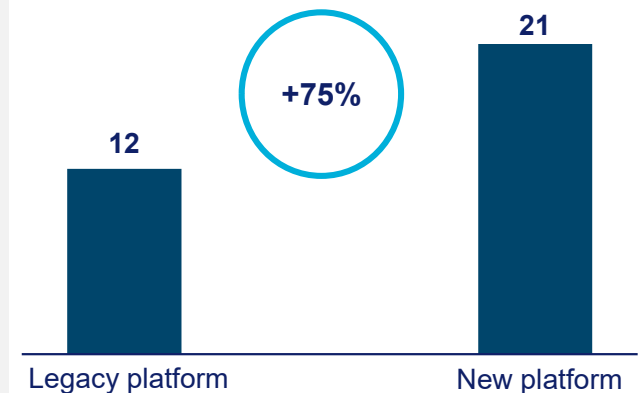
Continued good progress on customer migration

Customers on new platform¹ (m)



Transformed customer experience with our new platform

Touchpoint NPS by platform (Q2 2023)



1. Includes Residential and SME customers



Strong Performance
From Our Balanced
Portfolio



First Half Financials

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Group Financials

Six months ended 30 June (£m)	2022	2023
Adjusted revenue	14,302	20,486
Adjusted gross margin	2,263	3,307
Adjusted operating costs	(970)	(1,292)
Adjusted operating profit ¹	1,342	2,083
Net finance cost	(78)	(36)
Group tax charge (incl. JV tax)	(581)	(586)
Group effective tax rate	46%	28%
Adjusted earnings	643	1,466
Adjusted EPS	11.0p	25.8p
<i>Adjusted EPS excluding disposed Spirit Energy assets</i>	<i>10.2p</i>	<i>25.8p</i>

1. Includes share of profits / (losses) from JVs and associates, net of interest and taxation, of £49m in 2022 and £68m in 2023.



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First Half Financials

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Revenue

Six months ended 30 June (£m)	2022	2023
British Gas Services & Solutions	744	780
British Gas Energy	5,090	11,889
Bord Gáis Energy	784	1,037
Centrica Business Solutions	1,295	1,977
Energy Marketing & Trading	6,355	4,402
Upstream	1,695	1,606
Group revenue included in business performance	15,963	21,691
Inter-group revenue	(1,661)	(1,205)
Total Centrica	14,302	20,486



Strong Performance
From Our Balanced
Portfolio



First Half Financials

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Adjusted gross margin

Six months ended 30 June (£m)	2022	2023
British Gas Services & Solutions	255	287
British Gas Energy	551	1,677
Bord Gáis Energy	97	46
Centrica Business Solutions	113	178
Energy Marketing & Trading	337	474
Upstream	910	647
Profit share	—	(2)
Group adjusted gross margin	2,263	3,307



Strong Performance
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Portfolio



First Half Financials

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EBITDA

Six months ended 30 June (£m)	2022	2023
British Gas Services & Solutions	29	43
British Gas Energy	139	999
Bord Gáis Energy	44	(17)
Centrica Business Solutions	39	103
Energy Marketing & Trading	298	410
Upstream	1,084	746
Other	27	20
Total Group EBITDA	1,660	2,304



Adjusted operating profit

Six months ended 30 June (£m)	2022	2023
British Gas Services & Solutions	7	20
British Gas Energy	98	969
<i>Residential energy supply</i>	55	913
<i>Business energy supply</i>	43	56
Bord Gáis Energy	33	(27)
Centrica Business Solutions	20	87
Energy Marketing & Trading	278	384
<i>Core EM&T activities</i>	253	423
<i>Legacy gas contract</i>	25	(39)
Upstream	421	654
<i>Spirit Energy (retained)</i>	59	108
<i>Centrica Storage</i>	76	251
<i>Nuclear</i>	286	295
Profit share	-	(4)
Adjusted operating profit (excl. disposed Spirit Energy assets)	857	2,083
<i>Spirit Energy disposed assets</i>	485	-
Adjusted operating profit	1,342	2,083

The above 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 in the Interim Results announcement.



Remeasurements and exceptional items

Exceptional items and statutory profit

Six months ended 30 June (£m)	2023
Adjusted operating profit	2,083
Re-measurements - Energy supply	1,512
Re-measurements – Upstream and EM&T (incl. share of associates)	2,299
Onerous energy supply contract provision	891
Impairment of power assets	(323)
Statutory operating profit	6,462

Net investment

Six months ended 30 June (£m)	2022	2023
British Gas Services & Solutions	(16)	(28)
British Gas Energy	(6)	-
Bord Gáis Energy	(17)	(43)
Centrica Business Solutions	(25)	(51)
Energy Marketing & Trading	(3)	(4)
Upstream	(36)	(55)
Other ¹	(6)	(9)
Net capex (excl. Spirit Norway)	(109)	(190)
<i>Spirit Norway net capex</i>	(119)	-
Total net capex	(228)	(190)
Net Disposals	82	55
Total Group net investment	(146)	(135)

1. Other includes Corporate Functions.



Free cash flow

Six months ended 30 June (£m)	2022	2023
British Gas Services & Solutions	(54)	(16)
British Gas Energy	(507)	(556)
Bord Gáis Energy	66	(135)
Centrica Business Solutions	124	232
Energy Marketing & Trading	218	1,170
Upstream	1,151	1,090
Other	12	(6)
Segmental free cash flow	1,010	1,779
Taxes paid	(367)	(402)
Total Group free cash flow	643	1,377

Spirit Energy – P&L and KPIs

Six months ended 30 June	2022			Retained	
	Retained	Disposed	Total	2022	2023
Production Gas (mmboe)	8.6	2.8	11.4	8.6	7.8
Production Oil (mmboe)	0.7	3.5	4.2	0.7	0.5
Achieved gas price (p/th)	75	191	104	75	84
Achieved liquids price (£/boe)	44	64	60	44	47
Gas and liquids realisations (£m)	427	549	976	427	427
L&OPC (£/boe)	20.1	16.7	18.7	20.1	21.4
DDA (£/boe)	20.0	-	12.0	20.0	18.4
Operating profit (£m)	59	485	544	59	108
Net operating profit after tax (£m)	37	72	109	37	40
NOPAT after minority interest (£m)	19	45	64	19	28



Continuing to deliver for customers, colleagues and communities



Supporting customers

- Helping customers manage their energy bills by supporting them **on over one million occasions and committing to £100m in additional customer support** since the start of the energy crisis.
- Additionally, over winter we **provided £100m of support to vulnerable customers** through the **Warm Homes Discount**.
- Launched **'Summer Sundays', a 'PeakSave' initiative**, offering smart meter customers **half price electricity between 11am and 4pm on Sundays until the end of summer**.



Colleagues

- Colleague engagement of **76%** (+13ppts vs June 2022).
- Progressing our ambition to **recruit 500 veterans, reservists, spouses and partners** by the end of 2023.
- **Centrica Colleague Support Foundation** launched, providing financial support when colleagues need it most.



Energy Security

- Investing in **strengthening the UK's energy security**.
- **Nuclear life extensions** to Heysham 1 & Hartlepool.
- **Increasing** the gas storage **capacity** at Rough to **54bcf**.
- Opened **Codford solar farm** and exploring hydrogen partnerships.



Community

- Colleagues **donated 1,661 volunteering days** in H1-2023.
- Committed **£2m to local causes**.
- New partnerships with Scottish Football Association and Scottish Rugby, **supporting grassroots** activities, and helping **deliver their decarbonisation plans**.



Taking action on climate change



- The CDP is a global non-profit organisation that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. It was voted the number one climate research provider by investors.
- CDP's annual environmental disclosure and scoring process is widely recognised as the gold standard of corporate environmental transparency, working with over 680 institutional investors with assets of US\$130 trillion.
- Centrica is in the prestigious 'A list' leadership category with an A rating for Climate Change.
- This rating puts us in the top 2% of the over 18,700 companies (more than half of the global market cap) who disclosed in 2022.



- The 'Taskforce on Climate-related Financial Disclosures' (TCFD) is an organisation with the goal of developing a set of climate-related financial risk disclosures which can inform investors and other stakeholders about the risks and opportunities companies face related to climate change.
- We were early voluntary adopters of the TCFD having become signatories in 2020. We've now achieved full compliance for the second year running with our disclosure in the 2022 Annual Report & Accounts.
- In line with best practice, we remain committed to continuously improve our analysis and disclosure.



Strong Performance
From Our Balanced
Portfolio



First Half Financials

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A responsible employer



- We secured a top score of 94% for our response to the Workforce Disclosure Initiative, which is led by ShareAction. Based on transparency, this compares to an 83% utility sector average and a 68% average for all responding companies. A special mention for our high-quality disclosure in the categories of 'Workforce action' and being the 'Most transparent' were also received.
- Spanning a range of workforce matters from pay and diversity to safety and human rights, it provides the most in-depth update on social matters and is backed by a coalition of 60 organisations with US\$10.5trn in assets under management.



- The CCLA again named Centrica as a leader in its Mental Health Benchmark for our approach on mental health management and disclosure. Our score of 94% places us in the top four companies who made it into Tier 1 (the top tier out of 5).
- Introduced in 2022, the Benchmark focuses on the UK's 100 largest companies and assesses their approach and disclosure on workplace mental health, spanning 27 criteria across the four themes of management commitment and policy, governance and management, leadership and innovation; performance reporting and impact.

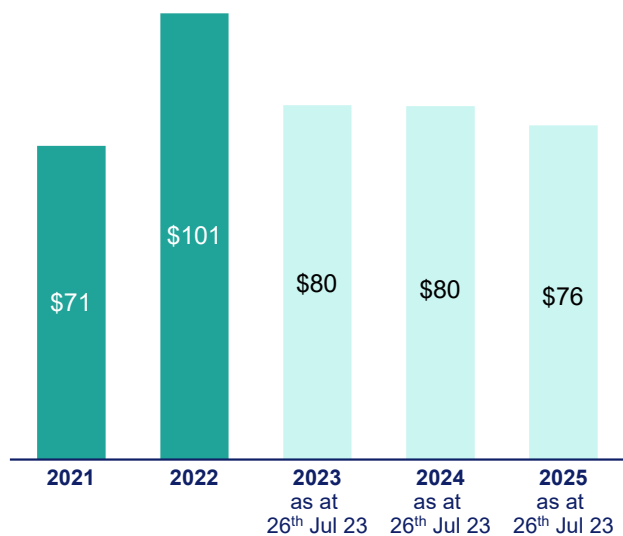


- We are proud to have been included in The Times Top 50 Employers for Gender Equality for the second year running.
- Published in partnership with Business in the Community (BiTC), the list formerly known as The Times Top 50 Employers for Women, celebrates employers who have prioritised driving progress towards equality for all genders and those who don't identify as a gender, through forward-thinking strategy, policies and culture.

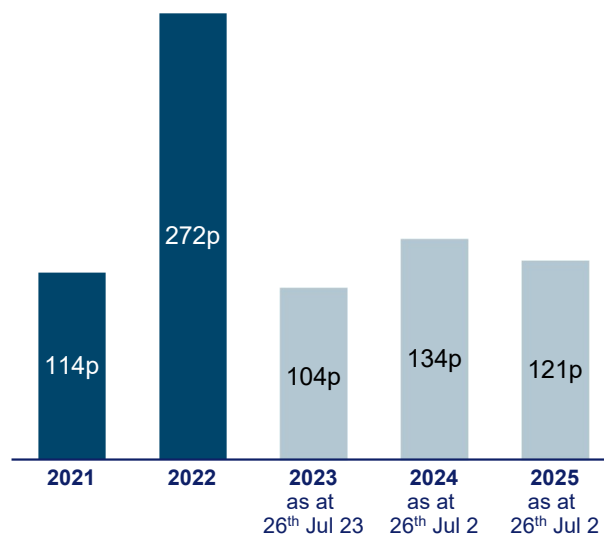


Market commodity prices

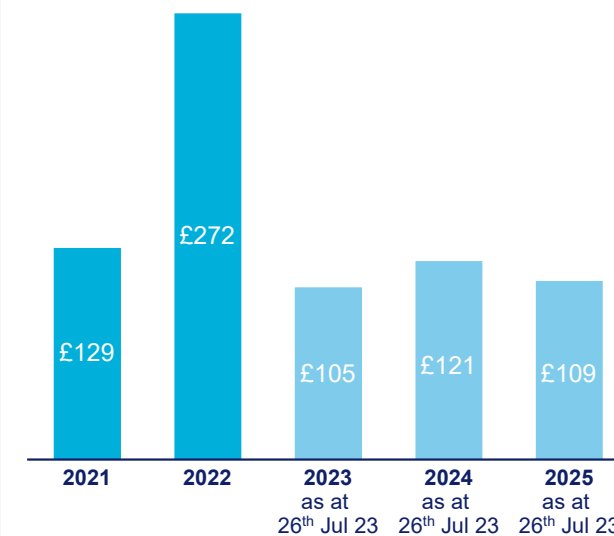
Average Brent oil prices
(\$/bbl)



Average UK NBP gas prices
(p/th)



Average UK baseload power prices
(£/MWh)



2021 and 2022 prices are month ahead outturn. 2023 prices are January to July month ahead outturn and forward prices on 26th July 2023 for the balance of year. 2024 and 2025 prices are the average of forward prices.