octopus energy

Octopus Energy
UK House,
164-182 Oxford Street,
London W1D 1NN
w: octopus.energy
e: hello@octopus.energy
p: 0808 164 1088

Octopus Energy[1] Consolidated Segmental Statement

For the financial year ended 30 April 2025

		Electricity		Gas		
	Unit	**Domestic**	**Non-domestic**	**Domestic**	**Non-domestic**	**Total Supply**
Total Revenue	£m	**7,120.2**	**262.6**	**4,540.0**	**20.7**	**11,943.5**
Revenue from sale of electricity and gas	£m	7,090.8	262.3	4,516.0	20.6	11,889.7
Other revenues	£m	29.4	0.3	24.0	0.1	53.8
Total operating costs	£m	**6,861.6**	**236.9**	**4,559.1**	**16.9**	**11,674.4**
Direct fuel costs	£m	2,576.7	94.9	2,524.5	9.6	5,205.7
Direct costs: Transportation costs	£m	1,610.3	59.4	980.2	3.7	2,653.6
Environmental and social obligation costs	£m	1,798.5	66.4	381.3	1.5	2,247.7
Other direct costs	£m	81.9	3.0	80.3	0.3	165.5
Market participation fees	£m	0.9	0.0	3.1	0.0	4.1
Indirect costs	£m	793.3	13.1	589.7	1.7	1,397.8
EBITDA	£m	**258.6**	**25.7**	**-19.1**	**3.8**	**269.1**
Depreciation and amortisation	£m	27.7	0.3	22.6	0.1	50.7
EBIT	£m	**231.0**	**25.4**	**-41.8**	**3.8**	**218.4**
Volume	TWh/ Mtherms	25.6	0.9	2,346.7	8.9	
WACOE/G	£/MWh,	100.7	100.8	107.6	107.6	

[1] These statements form the consolidated segmental statements of Octopus Energy Limited and Octopus Energy Operations Limited (formerly known as Bulb UK Operations Limited) for the financial year ended 30 April 2025.

	p/th					
Meter points	000s	7,273	82	5,844	14	13,213

Notes

- All revenues, costs, depreciation and amortisation are entered as positive values, rounded to one decimal place.
- For EBITDA and EBIT (see definitions below), a positive figure represents a profit and a negative figure represents a loss.
- ‘Domestic’ refers to the supply of electricity, gas and associated services to residential users in the UK. ‘Non-Domestic’ refers to the supply of electricity, gas and associated services to business users in the UK such as small to medium entities, and large commercial businesses.
- ‘Meter Points’ represent the average meter points supplied across the year ended 30 April 2025 to the nearest thousand. The average number has been calculated by summing the month end number of meter points and dividing by 12.

Definitions

EBITDA	EBITDA refers to earnings before interest, tax, depreciation and amortisation. It is calculated as total revenue less total operating costs.
EBIT	EBIT refers to earnings before interest and tax. It is calculated as EBITDA less depreciation and amortisation.
Volume	Volume is supplier volumes at the meter point, net of losses.
WACOE/G	WACOE/G refers to the weighted average cost of procuring electricity and gas, shown as £/MWh for electricity, and p/therm for gas. It is calculated as direct fuel costs divided by volume.

Basis of Preparation

The notes below set out the basis of preparation of the Consolidated Segmental Statement (CSS) for the year ended 30 April 2025. The CSS has been prepared in accordance with Standard Condition 19A of the Electricity and Gas Supply Licences (SLC 19A).

The CSS provides a segmental analysis of Octopus Energy Limited and Octopus Energy Operations Limited (together, Octopus Energy) supply licensed activities. The CSS has been prepared using information included within the Octopus Energy financial statements for the year ended 30 April 2025 which have been prepared in accordance with United Kingdom Generally Acceptable Accounting Practice (UK GAAP), including Financial Reporting Standard 101 (FRS 101), “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

The CSS provides information relating to the revenues, costs and profits/losses of the supply licensed activities in order to enhance the transparency within the energy market for both consumers and other stakeholders. Segments within the CSS have been determined in accordance with Ofgem Guidelines, which differ from the requirements of FRS 101 under which our Statutory Financial Statements are prepared, therefore the CSS may not be suitable for other purposes.

A reconciliation of the CSS Revenue and EBIT to the Octopus Energy Financial Statements for the year ended 30 April 2025 has been included in accordance with SLC19A and aligned to the guidance published by Ofgem.

Revenue

Energy supply revenue is recognised on the basis of electricity and gas supplied during the year, to domestic and non-domestic customers.

Revenue recognised includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the year end.

Other revenue

Other revenue predominately relates to revenue from the installation of meters. Any other amounts arising from non-licensed activities included within this balance are trivial. Other revenue has been allocated between segments based upon the number of meter points.

Direct fuel costs

Direct fuel costs represent aggregated electricity and gas costs, including: wholesale energy costs, power purchase agreements, losses and imbalance costs.

Direct costs

Definitions of direct costs are set out below. Where segmental information does not exist for direct costs, the costs have been allocated between segments on the basis of consumption volumes.

Transportation costs

Transportation costs include network transportation costs such as Transmission (TNUoS), Distribution (DUoS), Balancing Services Systems (BSUoS), and transportation costs for gas.

Environmental and social obligation costs

Environmental and social obligation costs include Renewable Obligation Certificates, Renewable Energy Guarantee of Origin Certificates, Warm Home Discount, Energy Company Obligation (ECO) costs, Contracts for Difference, Energy Intensive Industry Levy, Feed-in-Tariff (FiT), Capacity Market and Green Gas Levy.

Other direct costs

Other direct costs include market stabilisation charges, licensing fees and other levies.

To align with Ofgem's CSS Guidance and support industry consistency, we have reclassified certain costs—specifically managed services and IT licensing fees from 'Other Direct Costs' to 'Indirect Costs' for the purposes of this CSS. In our audited statutory accounts, these items are presented as direct costs. This reclassification accounts for an amalgamated total of approximately £95m in the current reporting period. This is a presentational adjustment only and has no impact on the overall reported EBIT.

Market participation fees

Market participation fees include industry participation fees from Elexon and Xoserve.

Indirect costs

Indirect costs include operating costs such as marketing, bad debt, central services, billing, costs to serve customers, property costs, and people costs, as well as costs associated with meter installations, (meter rental and operating costs).

Indirect costs, where they do not specifically relate to electricity or gas respectively, are allocated based upon number of meter points, except for bad debt costs which are allocated between based on the revenues of the respective supply segment.

Included within indirect costs is £433m of metering-related expenditure, presented as such to comply with Ofgem published guidance. These costs are recognized as direct costs within our statutory financial statements. This reallocation does not affect the reported overall profit (EBIT).

To align with Ofgem's CSS Guidance and support industry consistency, we have reclassified certain costs—specifically managed services and IT licensing fees from 'Other Direct Costs' to 'Indirect Costs' for the purposes of this CSS. In our audited statutory accounts, these items are presented as direct costs. This reclassification accounts for an amalgamated total of approximately £95m in the current reporting period. This is a presentational adjustment only and has no impact on the overall reported EBIT.

Depreciation and amortisation

Depreciation and amortisation is allocated between segments on the basis of the number of meter points

Hedging

Octopus Energy follows a strict and sophisticated hedging policy, and does not speculate on market movements, not assuming or relying on market movement in either direction.

For domestic and non-domestic customers on variable tariffs, Octopus Energy hedges these exposures in line with the reference observation window for the pricing period. Domestic customers on default tariffs are hedged on a rolling hedge that follows the price cap methodology.

For domestic and non-domestic customers on fixed price tariffs, Octopus Energy makes forward hedges for the duration of the term offered to the customer and allows for some expected attrition.

Octopus Energy assumes all volumetric risks associated with domestic supply, including the risks of holding shape positions until liquid (shape risk), discrepancies between forecasted and actual demand at delivery (forecast inaccuracy risk), and deviations between forecasted and settled grid demand (imbalance risk). Some non-domestic customers may choose to bear volume risk associated with final differences between hedged volumes and settled grid demand.

Reconciliation of CSS to Octopus Financial Statements[2]

£m	Revenue	EBIT
CSS	**11,943.5**	**218.4**
Financial Statements Octopus Energy Limited	9,722.0	223.3
Financial Statements Octopus Energy Operations Limited	2,221.5	-4.9
Financial Statements	**11,943.5**	**218.4**

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[2] The statutory published financial statements of Octopus Energy Limited and Octopus Energy Operations Limited for the year ended 30 April 2025 are standalone entity level financial statements. For the purposes of the CSS reconciliation, the financial statements of Octopus Energy Limited and Octopus Energy Operations Limited have been aggregated.