

# 2025 Annual Results

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# Executive Summary

**Solid financial performance**

**Derisking continues**

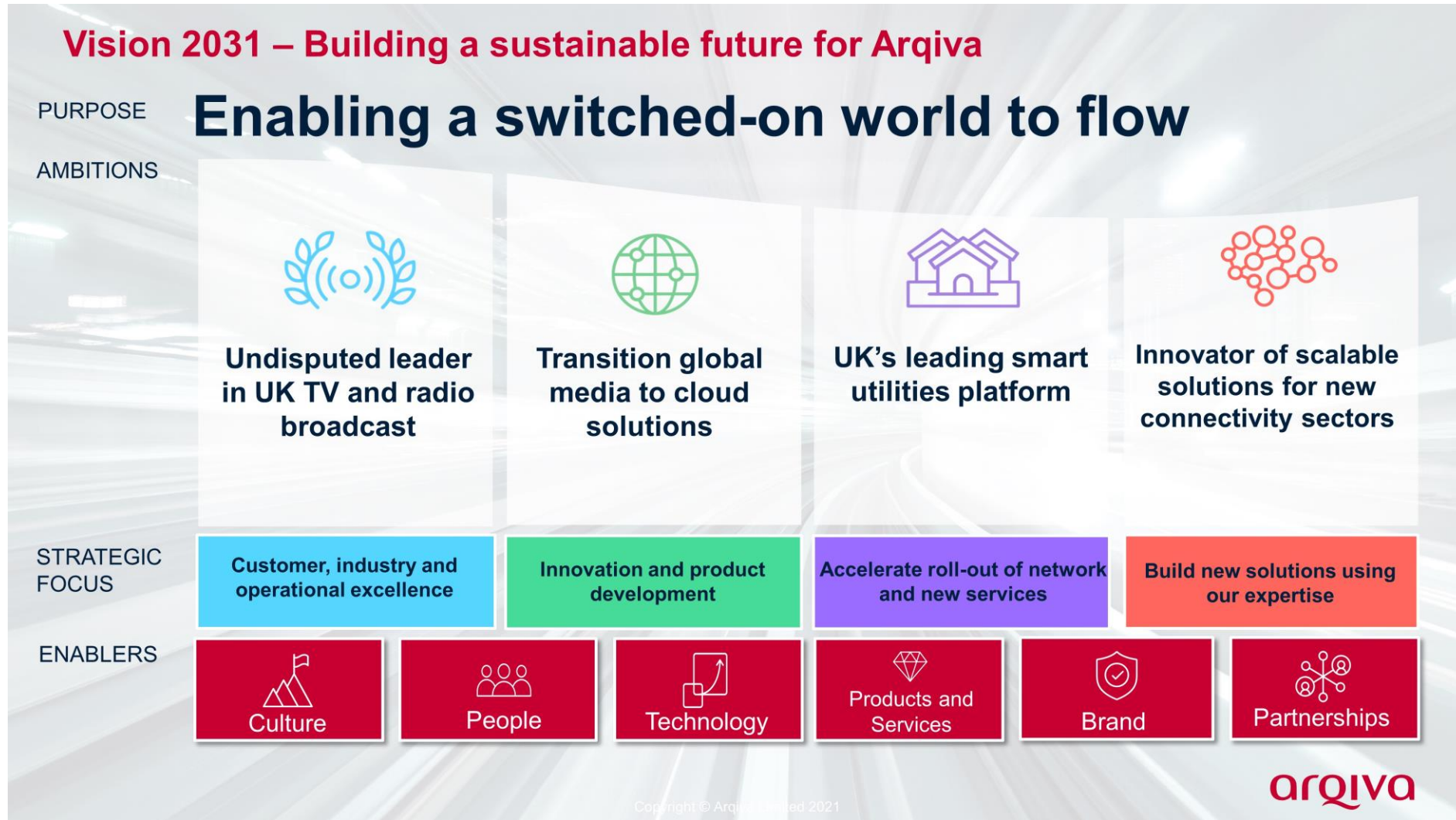
**Significant contract wins & extensions**

**Widened product offering**

**Future of DTT progressed**

**Strengthened leadership, culture & ESG**

# Strategic Overview



# Highlights – Media & Broadcast

*Stable platforms with significant demand and contract extensions*



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## Sector developments

- DCMS-led Future of TV Distribution Forum ongoing
- BBC Royal Charter renewal process expected to commence later this year

## Linear TV resilient

- Broadcast TV remains the dominant platform for TV viewing
- 89% of ITV and 82% of BBC viewing is via traditional linear broadcast
- Viewing decline slowed (down 4% year on year)

## Platforms fully utilised

- Strong platform resilience with national commercial muxes operating at close to full capacity despite financial challenges faced by some customers

## Strong Radio demand

- National DAB multiplexes remain at full capacity, strong demand into the future
- 80% of Digital One radio multiplex capacity already secured to 2035

## Managed Media renewals

- Key customer renewals have been secured to 2029; 3 new HD channels
- New product development continues including Cloud Playout

# Highlights – Smart Utility Networks

*Significant AMP8 Water 15 - 20-year contracts secured*



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## Sector developments

- Ofwat determinations released: 10 million smart meters & £2.5bn investment
- Independent Water Commission Review recommendations

## Smart Energy network

- 99.5% coverage; >4 million communications hubs supporting 10 million devices
- Platform enhancement activity continues at pace for delivery to June 2026

## Water AMP7 concludes

- Device roll out completed: c.1.2 million for Thames Water & c.1.1 million for Anglian Water

## Water AMP8 wins

- Uncertainty reduced with AMP8 contracts for c.3 million meters secured
- New wins: Anglian Water, United Utilities, Affinity Water and Portsmouth Water

## Hybrid Connectivity

- SGN command-and-control systems and building secondary communications contract expanded to 404 sites over 5 years, from contracted 230

# Highlights – Strengthened Leadership & Culture

*Board and Executive Committee strengthened with deep sector expertise*

**Patrick  
Tillieux  
Chair**



- Independent non-executive director, appointed April 2025
- >25 years of C-level management experience in the UK & Europe
- Deep media broadcasting, technology and telecoms experience

**Al Cochran  
CFO**



- Appointed September 2025
- >30 years experience in finance
- Previously CFO & Interim Co-CEO at Thames Water; CFO at Petrofac

**Wellbeing &  
Engagement**

- Winner of Best Wellbeing Strategy at 2024 HR Excellence Awards
- Engagement score of 72, up from 69 in June 2024

**ESG  
Leadership**

- MSCI ESG Rating up to AA from A
- GRESB 4 Star rating
- EcoVadis Silver medal (top 15% of participants)



# Financial Performance

# Financial Highlights

*Solid financial performance benefitting from strong cost and cash discipline*



Revenue

**£638m**

*1% decrease*

EBITDA

**£309m**

*1% increase*

Orderbook<sup>1</sup>

**£2.8bn**

*M&B £2.2bn / SUN £0.6bn*

Capital Expenditure

**£64m**

*10% decrease*

Operating cash flow  
(after capex)

**£223m**

*5% decrease*

Cash Conversion

**72%**

*5 pts decrease*

1. Total estimated Arqiva Group Parent Limited Orderbook as at Jun-25 expressed on real basis representing 4.4x multiple of FY25 Arqiva Group Parent Limited revenue

# Detailed Financials

Growth in EBITDA despite DTT pricing pressure

Year ended 30 June <sup>1</sup>	2025	2024	Change
<b>Revenue</b>	<b>£638m</b>	<b>£645m</b>	(1)%
<b>EBITDA<sup>2</sup></b>	<b>£309m</b>	<b>£307m</b>	+1%
<b>Working capital</b>	<b>£(21)m</b>	<b>£(17)m</b>	+24%
<b>Capital expenditure</b>	<b>£(64)m</b>	<b>£(71)m</b>	+10%
<b>Operating cash flow</b> (after capital and financial investment activities) <sup>3</sup>	<b>£223m</b>	<b>£235m</b>	(5)%
<b>Senior leverage<sup>4</sup></b>	<b>2.97x</b>	<b>3.06x</b>	(0.09x)
<b>Senior Cash flow ICR<sup>5</sup></b>	<b>4.13x</b>	<b>4.17x</b>	(0.04x)

- **Revenue:** RPI indexation & water site growth offset by lower device volumes & DTT pricing
- **EBITDA:** increased margin reflecting cost discipline
- **Working capital:** one-off timing differences
- **Capital expenditure:** lower Bilsdale spend
- **Operating cash flow:** non-recurrence of prior year exceptional insurance receipts
- **Senior leverage:** new senior bond raised at start of FY25
- **ICR:** no material variance

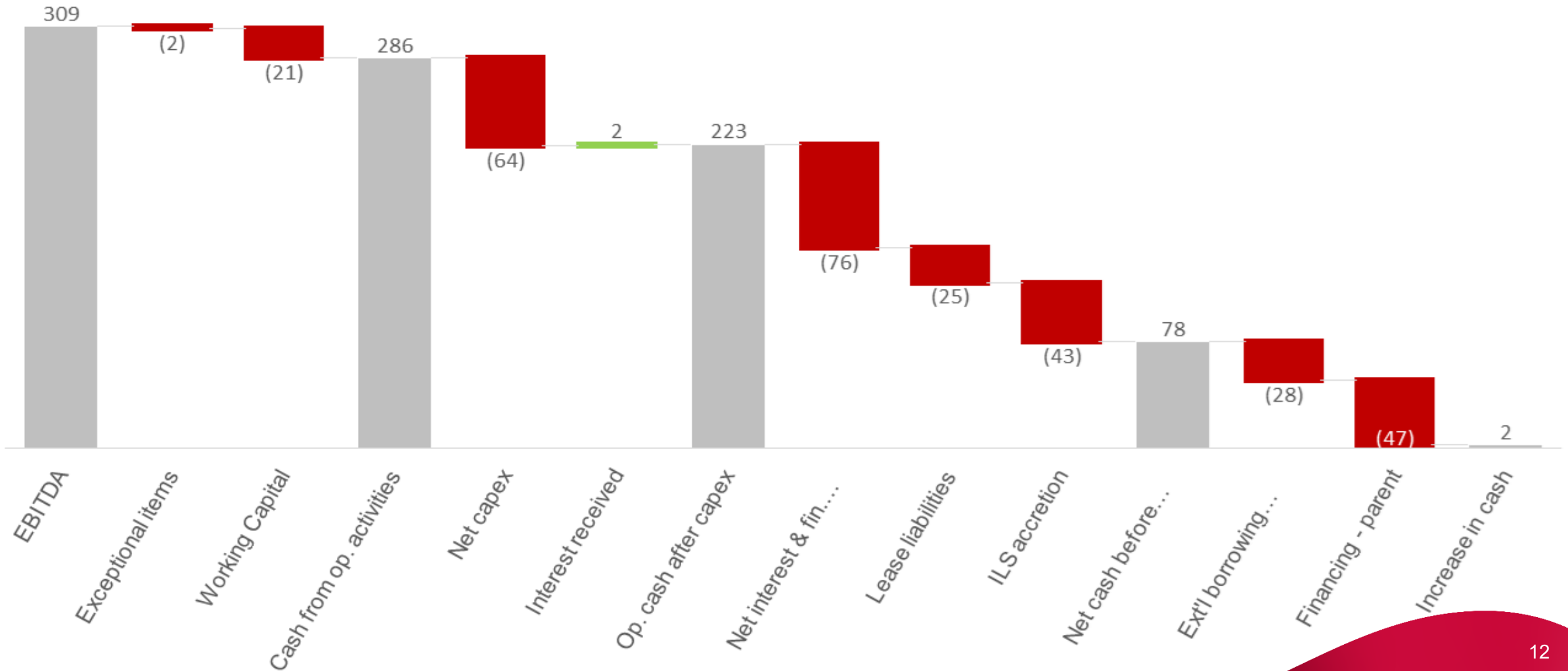
Notes

1. ABPL (Junior) & AGPL (Senior)
2. "EBITDA" refers to earnings before interest, tax, depreciation and amortisation and excludes exceptional costs
3. "Operating cash flow after exceptional items, capital and financial investment activities" reflect cashflows before interest and financing
4. For covenant reporting purposes senior leverage is calculated based on EBITDA of £309m (FY24: £310m on a covenant adjusted basis)
5. For the purposes of senior cash flow ICR, cash flow is defined as EBITDA less maintenance capex, net corporation tax paid and issuer profit amount payable

# Senior Cash Flow (AGPL)

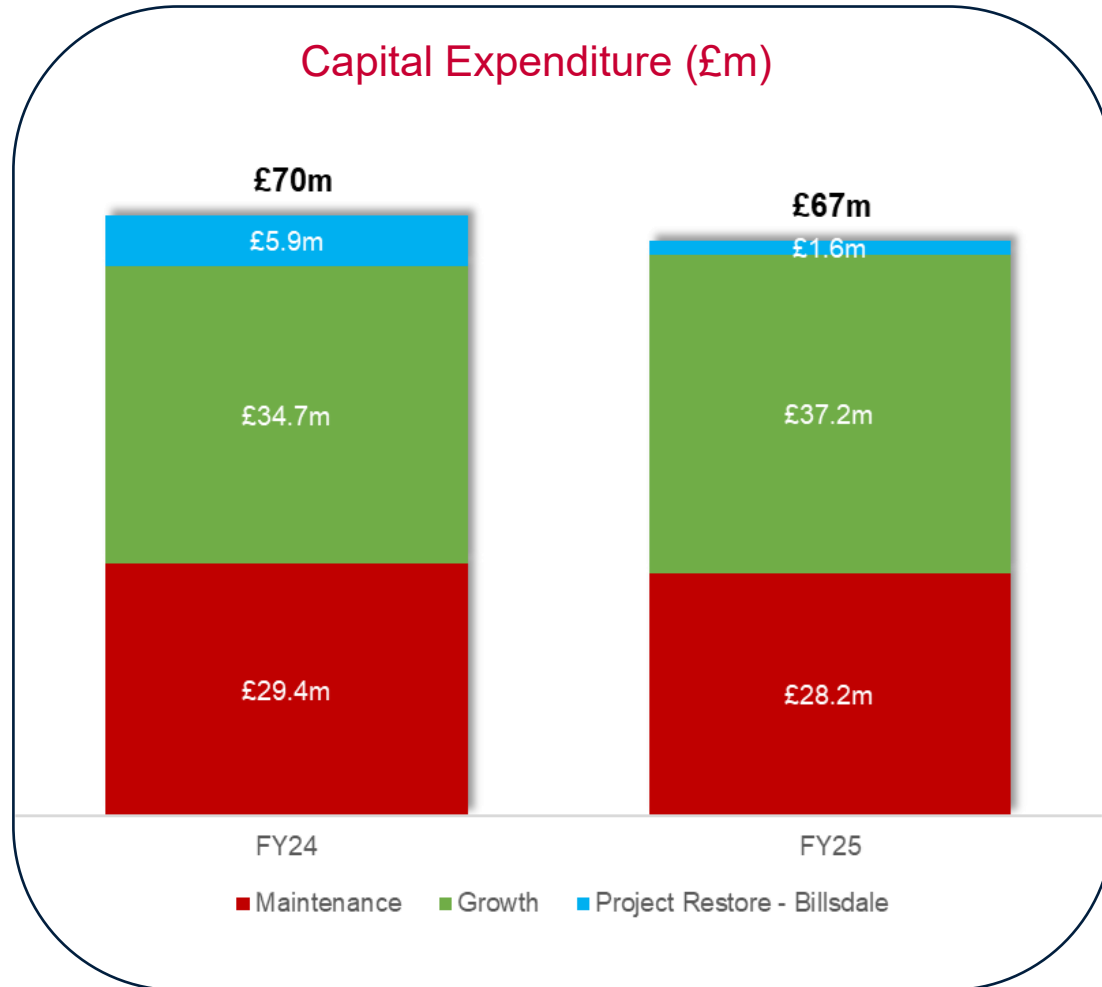
Positive net cash flow before and after financing

## Net Cash Flow (£m)



# Capital Expenditure

*Underlying capex growth offset by completion of Bilsdale restoration programme*



- **Growth capex** - increase driven by:
  - Continued rollout and enhancement of smart energy network
  - Expansion of smart water networks and associated product development
  - Continued investment in media and broadcast product development
- **Maintenance capex** - no material change
- **Bilsdale** - completion of programme and restoration of services in Jan-24

# Covenant Reporting And Guidance

Senior leverage & ICR marginally below guidance reflecting EBITDA performance



Year ended	30 June 2025		30 June 2026
Covenant certificate	2024 Projected	2025 Actual	2026 Projected
<b>EBITDA<sup>1</sup></b>	<b>£316m</b>	<b>£309m</b>	<b>£309m</b>
<b>Senior net debt</b>	<b>£924m</b>	<b>£919m</b>	<b>£846m</b>
<b>Senior leverage</b> (default threshold at 6.0x)	<b>2.93x</b>	<b>2.97x</b>	<b>2.74x</b>
<b>Senior ICR</b> (default threshold at 1.55x)	<b>4.29x</b>	<b>4.13x</b>	<b>4.31x</b>
<b>Senior DSCR</b> (default threshold at 1.05x)	<b>2.48x</b>	<b>2.42x</b>	<b>1.99x</b>

- Actual 2025 ratios marginally below guidance driven by DTT pricing pressure and lower new business, partially offset by continued amortisation of debt
- Projected 2026 covenants indicate stable earnings, continued deleveraging and significant covenant headroom

Note – All financials are reported as per covenant reporting definitions

1. "EBITDA" refers to earnings before interest, tax, depreciation and amortisation and is reported as per covenant reporting definitions

# Debt Portfolio

*Junior debt was refinanced in July 2025 and replaced with £500m high yield bond*

Year ended 30 June (£m)	2024	2025	Maturity	Leverage
<b>Public Bonds</b> (BBB+/BBB) <sup>1</sup>	<b>227</b>	<b>200</b>	<b>Dec-32</b>	
<b>Public Bonds</b> (BBB+/BBB) <sup>1</sup>	<b>164</b>	<b>164</b>	<b>Dec-37 (exp. Jun-30)</b>	
<b>Public Bonds</b> (BBB+/BBB) <sup>1</sup>	<b>250</b>	<b>250</b>	<b>Jun-45 (exp. Jun-28)</b>	
<b>USPP Series 3 – GBP tranche</b>	<b>152</b>	<b>133</b>	<b>Jun-29</b>	
<b>USPP Series 4 – GBP tranche</b>	<b>69</b>	<b>66</b>	<b>Dec-29</b>	
<b>USPP Series 5 – USD tranche</b> <sup>4</sup>	<b>93</b>	<b>93</b>	<b>Jun-31</b>	
<b>Working Capital Facility</b>	<b>-</b>	<b>20</b>	<b>Jul-26</b>	
<b>Total drawn senior debt</b> <sup>2</sup>	<b>955</b>	<b>926</b>		<b>3.0x</b> <sup>3</sup>
<b>Junior debt</b> <sup>5</sup>	<b>450</b>	<b>450</b>	<b>Mar-28</b>	
<b>Total drawn debt</b>	<b>1,405</b>	<b>1,376</b>		<b>4.4x</b> <sup>3</sup>

Note – all values are reported at their carrying value unless specified otherwise

1. S&P / Fitch

2. Total drawn senior debt on this page represents gross debt. On a covenant reporting basis, gross debt is adjusted for finance leases and the deduction of total cash balances, to give net debt

3. Gross debt leverage as at the end of Jun-25 based on EBITDA as per 30 June 2025 senior debt compliance certificate

4. Sterling equivalent of US \$118m, re-translated using closing exchange rate for USD to GBP as at 30 June 2025 and 30 June 2024

5. Junior debt was replaced with £500m high yield bond, completed 4 July 2025

# Derisking the Business – Financing

*Opportunistic refinancing of Junior Bond lowered coupon and extended maturity*

## Stable IG Ratings

- Senior debt continues to be rated BBB+/BBB by S&P/Fitch
- Junior bond issue rated B1/B by Moody's/S&P
- Last junior issue in 2022 was rated B2 by Moody's

## High Yield Bond

- July 2025 issuance of £500m of 5-year new high yield junior bond
- Coupon reduction from 10.2% to 8.625%

## Use of Proceeds

- £450m used to repay existing junior bank facility due March 2028
- Finance transaction fees covered
- £23m residual cash for Corporate Purposes

## Renewed Liquidity Facilities

- Senior: £100m RCF to cover working capital (3 yrs +1+1) plus £150m senior liquidity facility to cover c.12 months interest
- Junior: £45m RCF to cover c.12 months interest (December 2029 maturity)



# Derisking the Business – ESG

*Excellent progress made in the year, strengthening ESG credentials and reducing emissions*

## Path to Net Zero

- Committed to net zero: scope 1 & 2 by 2031 and scope 3 by 2040
- 2023 baseline and targets approved by SBTi
- 21% reduction in location-based scope 1 & 2 emissions in the year

## MCSI ESG

- Rating upgraded from A to AA

## EcoVadis

- Silver medal awarded, placing Arqiva in top 15% of companies

## GRESB

- GRESB score of 94 (up 10 from FY24), earning a 4-star rating

## Renewable Power

- 100% renewable energy from April 2024 supports our ESG goals
- Rolling hedging strategy has reduced pricing risk

# Strategic Outlook

# Strategic Outlook – Future of DTT

*No credible alternative technology can deliver ubiquitous coverage*



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## Future of TV

- **The best way to deliver universality, resilience and affordability is by investing in a more efficient DTT and committing to its long-term future**

## Ofcom scenarios

- Invest in more efficient DTT services
- Reduce DTT services down to a core ‘nightlight’ service
- Move to switch off DTT over the 2030s

## DCMS forum

- Government decision and updated guidance expected in 2026
- Move to a legislative phase ahead of any implementation by Ofcom

## Royal Charter

- Government review announced in November 2024
- Future funding options to support the BBC’s long-term future, ensuring a sustainable public funding model that supports its vital work

# Strategic Outlook – Water sector

*Product development underway to expand water offering*



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## Future of Arqiva Water

- Focused on new contract roll out and ongoing water metering services
- Product development underway for sensing and data services

## AMP8 determinations

- Ofwat final determinations: 10 million smart meters & £105bn of infrastructure investment and operating costs
- Includes £2.5bn for smart meters

## Water Commission Review

- 88 recommendations including mandatory metering, continuous monitoring and automation, and tighter environmental controls requiring sensors

## Regulation

- Government accepted recommendation to replace Ofwat with a new integrated regulator
- Defra considering other IWC recommendations for AMP9 (2030)

# Summary

## Key credit highlights

1

Sole operator of critical national infrastructure for DTT; Radio transmission and market leader for DTT and radio capacity

2

Structurally stable dynamics in the Group's media and broadcast business, underpinned by a range of political, social and regulatory factors

3

Well placed to continue winning market share in large and growing managed media and smart meter markets, leveraging its unique and long-life asset base

4

Stable revenue underpinned by long-term inflation-linked contracts

5

High EBITDA margins and moderate capex requirements drive sustainable cashflows and strong cash conversion


































6

Experienced management team and workforce partnered with a supportive shareholder base comprised of key experienced infrastructure players

# Appendix

# Arqiva at a glance

## We enable mission-critical services in Media Distribution and Smart Utilities

	Media and Broadcast				Smart Utilities Networks		
Our End Markets	TV (DTT Transmission)	Radio (Trans & Capacity)	DTT Capacity	Managed Media Services	Metering Networks Water	Metering Networks Energy	Enterprise Networks
Market positioning	 <b>Sole Provider</b> of digital terrestrial television broadcast transmission services in the UK	 <b>Sole Provider</b> of national radio broadcasting services and <b>c. 90% Market Share</b> in local radio	 <b>Market Leader</b> in the commercial MUX market, supporting leading broadcasters	 <b>UK Market Leader</b> in global media distribution for broadcasters and media transformation services	  <b>Leading Position</b> in end-to-end managed water metering connectivity services in the UK	  <b>Exclusive Provider</b> of energy smart meter connectivity in the North of England and Scotland	 <b>Established Player</b> Hybrid connectivity & security via multiple technology solutions
Contract Length	TV: c. 20+ years Radio: 8-12 years DTT Capacity & Global Media: 3-5 years				3-20 years		
Orderbook <sup>(2)</sup>	£2.2bn				£0.6bn		
Impossible to Replicate Assets & Platforms	 <b>c.1,150</b> TV transmission sites providing <b>98.5%</b> national coverage	 <b>497 analogue and 508 digital</b> radio transmission sites <sup>(1)</sup>	 <b>0.9 GHz leased capacity</b> on 25+ global satellites	 Licence holder for <b>4 out of 5</b> UK national commercial TV & radio MUXes	 over <b>6.5 million</b> installed smart energy and water meters with <b>50 million</b> daily data points		
Customers	   	   	 	   	  	 	

Source: Company Information.

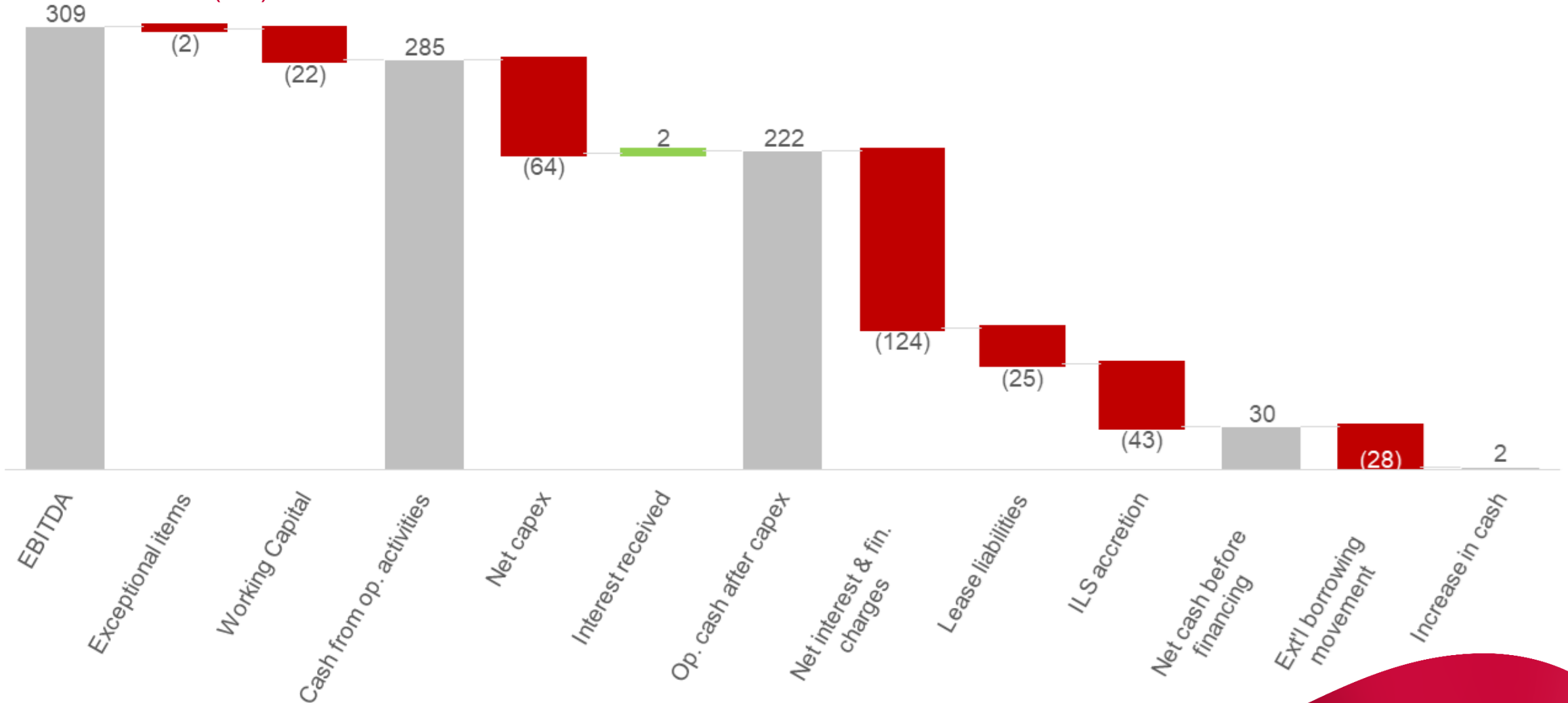
1 Sites may be used for more than one service

2 Total estimated Arqiva Group Parent Limited Orderbook as at Jun-25 expressed on real basis representing 4.4x multiple of FY25 Arqiva Group Parent Limited revenue

# Financial Highlights – Cashflow Summary (ABPL - Junior)

Net cash flow from operating activities cover capex and debt service outflows (£2m increase in cash)

## Net Cash Flow (£m)





# Swap portfolio

All mandatory breaks have been removed, swaps expire April 2027

Summary Terms	Inflation Linked Swaps	Interest Rate Swaps
Overview	ILSs convert fixed rate liabilities into inflation linked liabilities, to align with the underlying business characteristics	IRSs convert floating rate liabilities into fixed rate liabilities
Notional amount	£682m	£182m
Maturity	2027	2029 (amortisation matching the underlying floating rate USPP notes)
Mandatory breaks	None	None
Ranking	Super senior to senior debt (but carries no voting or enforcement rights)	Pari passu with senior debt
Structural Features	Coupon and principal amounts accrete with RPI. Accretion payments are collared and paid down annually	N/A
Fair value	£111m	(£13m) <sup>1</sup>

1. Represent in-the-money asset position