



## HOMESERVE PLC TRADING UPDATE

LONDON - 5 April 2022 - HomeServe plc (“HomeServe”, “the Group”), the international home repairs and improvements business, today publishes the following trading update for its financial year ended 31 March 2022.

HomeServe made very good progress in FY22, strategically and financially, delivering an acceleration in performance compared to FY21, in line with expectations. The Membership business continued to demonstrate its characteristic resilience and value to homeowners in times of economic uncertainty, with customer satisfaction remaining high and global policy retention at 84% (FY21: 83%). There was good strategic progress in each of HomeServe’s three business divisions, with innovative new products gaining traction in North America; good progress in building three complementary businesses in EMEA - Membership, HVAC and Claims Assistance; and progress in Home Experts on creating world class businesses to match homeowners with quality trades.

North American Membership & HVAC delivered a strong financial performance. Despite the effects of the Omicron COVID-19 variant which are still being felt by HomeServe and its affinity partners, policy retention was 85% (FY21: 85%) and affinity partner households grew by a net 7m (FY21: 2m) to 73m (FY21: 66m). The business continues to expand its customer propositions to drive further growth, to help homeowners participate in the green homes revolution and to align with partners’ decarbonisation ambitions. HVAC As A Service, which provides worry-free heating and air conditioning replacements with an annual tune-up and breakdown cover for a monthly payment, is now launched after a successful trial with a large utility in New York State. HomeServe’s installation and maintenance proposition for domestic electric vehicle charging is now available to 9m households through a new 4.6m household utility partnership, as well as expansion with an existing partner. In addition, there was excellent growth in HomeServe’s water loss cover product, offered on bill via municipal water utilities to insure their customers against unexpectedly high costs from domestic water leakage.

Across EMEA Membership & HVAC, the division continued to deliver on its transformation and growth agendas. In the UK, there was good early progress on the business’s transformation plan, with customer numbers ending the year in line with expectations and policy retention up on last year (FY21: 78%). France and Spain performed well, with a notable increase in job volumes in the Spanish claims handling business. HomeServe’s Japanese joint venture signed a further two marketing agreements in the second half.

As expected, the Home Experts division was profitable for the first time on a full year basis, predominantly thanks to progress at Checkatrade, which continued to strengthen its position as the UK’s leading online platform for matching homeowners with quality trades. Checkatrade ended the year with 47k paying trades (FY21: 44k) and average revenue per trade is expected to exceed the Milestone 1 target of £1,200 (FY21: £939). The number of trades on the platform returned to growth in the second half as trades supply and consumer demand started to re-balance.

Net debt at 31 March 2022 was c. 2x EBITDA, with strong cash generation in HomeServe’s busier second half partially offset by the CET acquisition in the UK and further attractive HVAC M&A across all of HomeServe’s Membership & HVAC businesses.

Further detail on all the Group’s businesses will be provided in HomeServe’s full year results on 24 May 2022.

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### **About HomeServe**

HomeServe is an international home repairs and improvements business that makes home repairs and improvements easy by matching customers to trades to generate repeat and recurring income. HomeServe is listed on the London Stock Exchange, with a market capitalisation of £2.9 billion.

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