

EARNZ

Contract wins drive buy-and-build momentum

EARNZ's announcement of two significant new contracts, with a combined initial value of c £4.7m, reinforces management's confidence in building a scalable energy services platform aligned to the UK's multi-billion-pound decarbonisation agenda. We believe these contract wins represent a meaningful inflection point, demonstrating that the group's buy-and-build strategy is now generating tangible organic growth alongside its acquisition-led expansion. With the UK government committing £13.2bn to its Warm Homes Plan through to 2030, and c £3.2bn of investment earmarked for 2025/26 alone, EARNZ appears well positioned as a structural beneficiary of sustained, policy-driven demand for retrofit and energy efficiency services.

Tier 1 partnerships validating the platform

The larger of the two contracts sees A&D Carbon Solutions, acquired in July 2025, appointed by Fortem to work on behalf of Sanctuary Housing on an initial two-year engagement across Stoke-on-Trent and Chester, providing retrofit insulation, ventilation upgrades and renewable energy solutions. Anticipated annual revenues of £2.6m, with potential extension for a further 12–18 months, represent a material addition to group revenues. Separately, Warm Low Living has been commissioned by a consortium of social housing providers in Yorkshire to deliver energy efficiency improvements to over 175 properties through to March 2028, generating c £2.1m of revenue. We see these wins as evidence that EARNZ is successfully building the long-term Tier 1 client relationships in both the public and private sectors that are central to its strategic vision. The contracts follow on from the A&D Carbon Solutions contract with Bradford Metropolitan Borough Council in September 2025, delivered by Warm Low Living on behalf of Equans.

Management team executing a familiar playbook

We believe the calibre of EARNZ's leadership team is a key differentiator for investors. Chairman Bob Holt OBE built Mears Group from a £12m business to a £1bn revenue company and subsequently led the turnaround of Sureserve Group, which was sold to private equity (PE) for £214m at a 39% premium. CEO Peter Smith, formerly CFO and then CEO of Sureserve, brings complementary operational expertise, having overseen significant revenue growth and the successful PE exit. Management appears to be applying the same disciplined buy-and-build approach that proved effective at Sureserve, targeting high-quality businesses in the fragmented energy services market and integrating them into a platform that can scale with government-backed demand. Since launching the EARNZ strategy in mid-2024, the group has completed three acquisitions: Cosgrove & Drew, South West Heating Services and A&D Carbon Solutions.

Historical financials

Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)
12/22	0.4	(1.6)	(1.8)	(0.50)
12/23	0.0	(0.5)	(1.3)	(0.49)
12/24	2.6	(2.8)	(3.0)	(0.05)

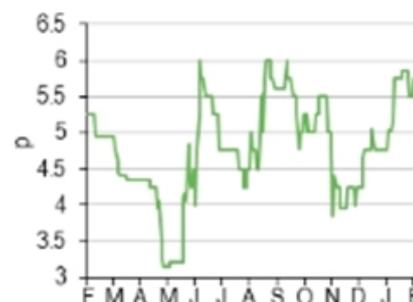
Source: EARNZ

Industrials

26 February 2026

Price **5.75p**
Market cap **£8m**

Share price performance



Share details

Code	EARN
Listing	AIM
Shares in issue	133.9m
Net cash/(debt) at 31 Dec 2024	£1.5m

Business description

EARNZ is an AIM-listed UK energy services group focused on decarbonising homes and public buildings through heating maintenance, energy efficiency assessments and boiler retrofits, growing via a buy-and-build acquisition strategy.

Bull points

- Management team with a proven track record at Mears and Sureserve in social housing energy services.
- UK government's £13.2bn Warm Homes Plan provides multi-year policy-driven demand tailwind.
- Accelerating contract wins demonstrating organic growth alongside acquisition strategy.

Bear points

- Early-stage platform with limited revenue history and current net losses.
- Dependence on government funding programmes with potential for policy delays.
- Thin liquidity and micro-cap status may deter institutional investors.

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