

An Octopus becomes the UK's newest unicorn

Challenger energy firm Octopus has achieved unicorn status with a valuation of over £1B after a new partnership with Australian energy firm Origin in a £300M investment.

Energy firm Octopus has reached a valuation of over £1B after receiving a £300M investment from Australian energy company Origin, in return for 20% of the company. By partnering with the Australian firm for three years, Octopus intends to hire people around the world to develop its software and license its UK firm's Kraken technology platform to transform the retail business.

Origin, which is majority-owned by the Octopus group, completed a deal with E.On last month to bring the Big Six supplier's 6M customers onto the platform. With other partners including Good Energy, Co-op Energy, London Power and Tesla, 17M accounts are now connected to the Kraken software.

Since its launch in 2016, Octopus, which supplies 100% renewable power to its customers, has acquired 1.5M customers in the UK.

"We're thrilled to be able to accelerate our global expansion to make the green energy transition cheaper and faster. It's a testament to our team and

our technology that in just four years we've created a business which has the world beating a path to our door and can face the future with such excitement. We've known Origin for a long time, and it has the most forward-thinking management of any market-leading energy company we've met. We're looking forward to working with Origin to use technology to reduce energy costs, increase renewables and improve customer service in the UK, Australia, Germany and now many more countries too." – Greg Jackson, founder and CEO of Octopus Energy

The new £1B valuation is another impressive milestone for the shifting UK energy sector. Octopus is still referred to as a challenger supplier, seen as nipping at the heels of the traditional Big Six. However, after Ovo Energy bought Big Six stalwart SSE last year, the old terms are coming increasingly to be questioned.

Between them Ovo, Bulb and Octopus have captured around 25% of the market, according to the latest data from Ofgem. As of 2012, all smaller suppliers did not even have 1% of the market between them. Octopus is now worth around half of British Gas owner Centrica's market capitalisation, despite only having around one-fifth of its customer numbers in the UK.

"We have been on a path to make energy easier and simpler for customers, to transform our retail business by putting customers at the heart, and to accelerate the rollout of cleaner and smarter energy

solutions.” – Frank Calabria, CEO of Origin Energy

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