



Full Year Results 2024/25

21 May 2025

WONDERFUL ON TAP

SEVERN

TRENT

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LIV GARFIELD

Chief Executive



2024/25 HIGHLIGHTS

Earned
**£150m ODI
reward**

Met or exceeded
target on
83%
of performance
measures

4* EPA status
for five consecutive
years, and
confident of a sixth

**Lowest
average**
storm overflow
spills in the sector

Outstanding
Business Plan,
securing **£15bn**
totex

HELEN MILES

Chief Financial Officer



2024/25 FINANCIAL HIGHLIGHTS

Delivered a record
£1.7bn
of capital
investment this
year

AMP7 closing RCV
of
£13.7bn

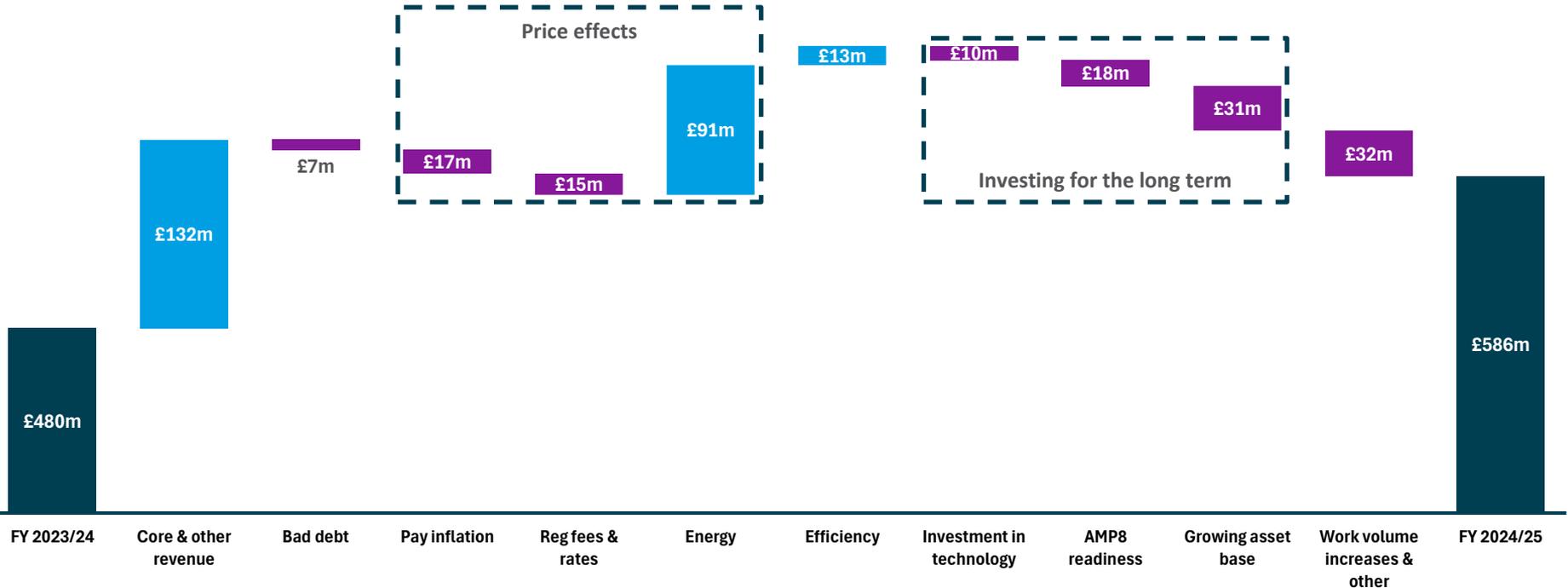
Adjusted EPS
growth of
41%

9.7%
real Return on
Regulated Equity
for the year

121.71p
proposed full year
dividend, in line
with policy

REGULATED WATER AND WASTEWATER PBIT

Investing for future benefits while delivering 22% increase in regulated PBIT



FINANCING

£678m financing outperformance delivered across AMP7

Stable outlook

Credit ratings reaffirmed by all three ratings agencies

62.7%

Regulated Gearing

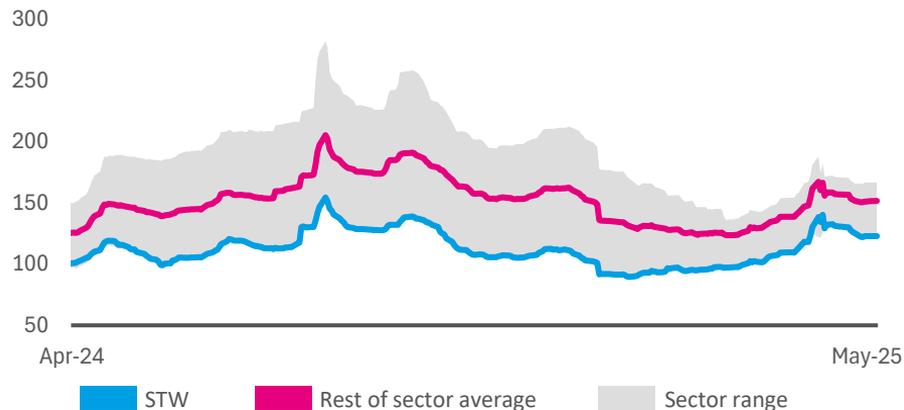
£120m

Pension deficit, supported by active derisking strategy

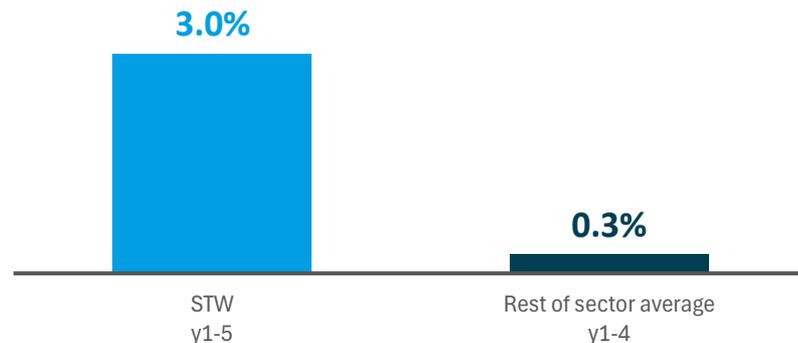
£1.5bn

New debt issued, in line with AMP8 requirement

Sector Spreads¹



AMP7 RoRE Financing Outperformance



¹ Excludes Thames Water and Southern Water

RETURN ON REGULATED EQUITY

9.7% actual real RoRE in FY25

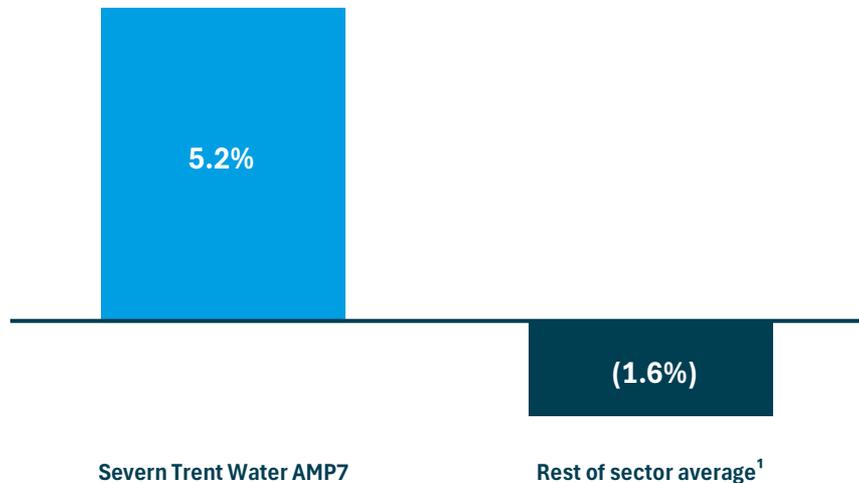
9.1%
AMP7 cumulative RoRE

£434m
ODI reward across AMP7

9 consecutive years
of financing outperformance

Totex managed to around
1% of RoRE

Real out/(under) performance on RoRE



Electricity price index vs CPIH allowance



¹ WaSCs excluding Severn Trent and Hafren Dyfrdwy, across the first four years of AMP7.

EARNINGS OUTLOOK

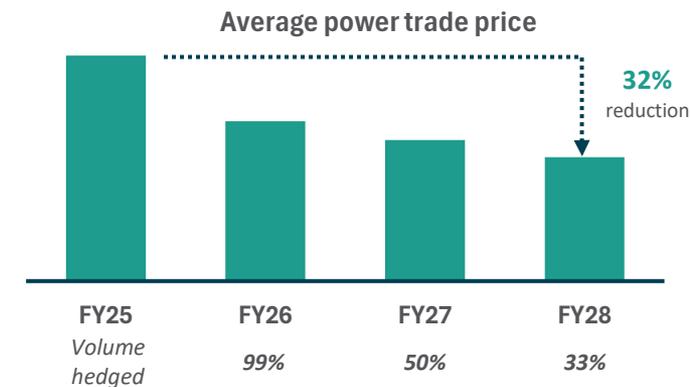
Outlook of doubling adjusted EPS by 2028

1 High revenue visibility **5 year visibility** on revenue, and leading bad debt performance at c. 2%

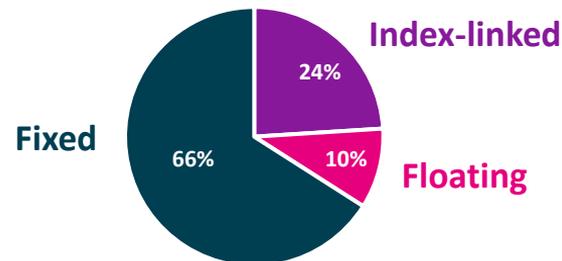
2 Energy hedging **>60%** of wholesale electricity costs locked-in for the next three years, at improving prices

3 Control of service delivery costs **Insourced c. 1,000 people** over AMP7, and continued drive for efficiency

4 Predictable financing **66% of debt at fixed rates**, and nine consecutive years of outperformance



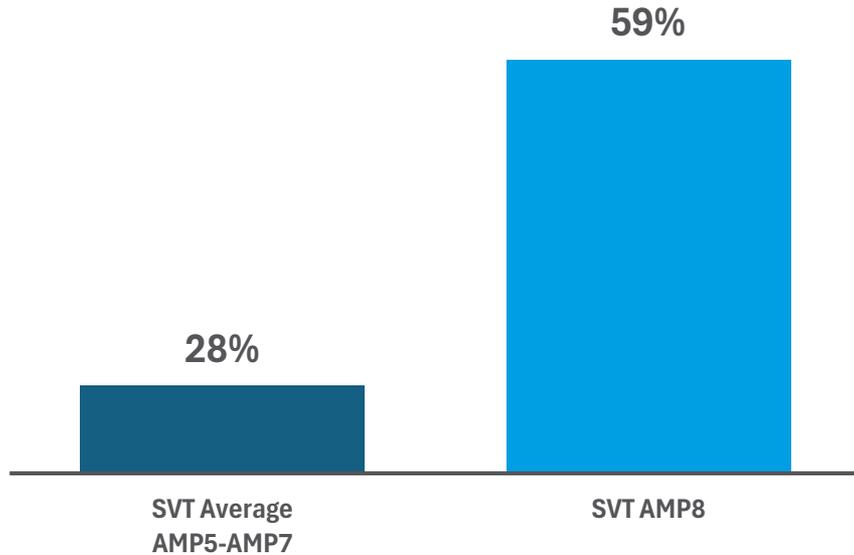
Debt mix



UNPRECEDENTED RCV GROWTH

Long-term scale growth driving additional value

Nominal RCV growth per AMP



Nominal RCV of **£21.7bn** in 2030

Return on RCV driving revenue growth



- RCV increases over time by **compounding inflation**
- **More than trebling** absolute return on RCV over ten years
- **Over 50%** of AMP8 revenue linked to the RCV

TECHNICAL GUIDANCE

		FY25	FY26
Regulated Water and Wastewater	Turnover	£2.25bn	Around £2.6bn ↑
	Operating costs & IRE	£1.2bn	Up to 12% higher ↑
	ODI outperformance	£68m	At least £25m ↓
Group	Net finance costs	£244m	20 - 25% higher ↑
	Capital investment	£1.7bn	£1.7bn - £1.9bn ↑

Outlook

Adjusted EPS doubling between FY25 and FY28

See appendix (slide 22) for details

LIV GARFIELD

Chief Executive



A RECORD YEAR

Leading operational performance

Sector-leading operational performance delivering £150m of ODI rewards this year

Driving efficient growth

£1.7bn capital investment delivered this year, in line with average AMP8 requirement

Environmental leadership

Frontier spills performance, and confident of an unprecedented sixth consecutive year of EPA 4* status

Performance culture

Record engagement scores, and one of the top places to work in the UK

Ambitious AMP8 programme

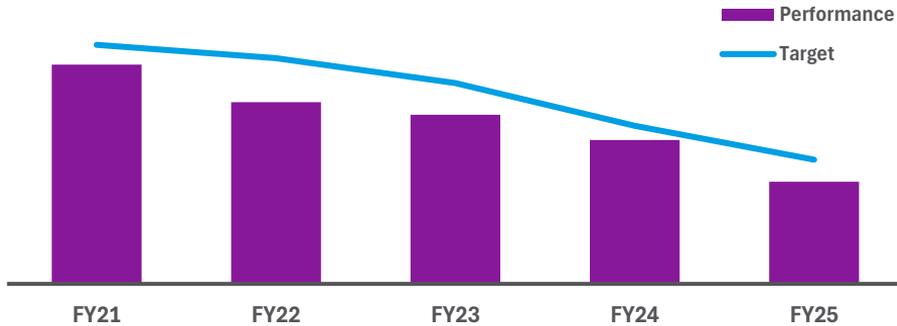
Growing by a further 59% whilst delivering benefits for all stakeholders

PERFORMING IN WATER

Record year in Water positions us well for AMP8

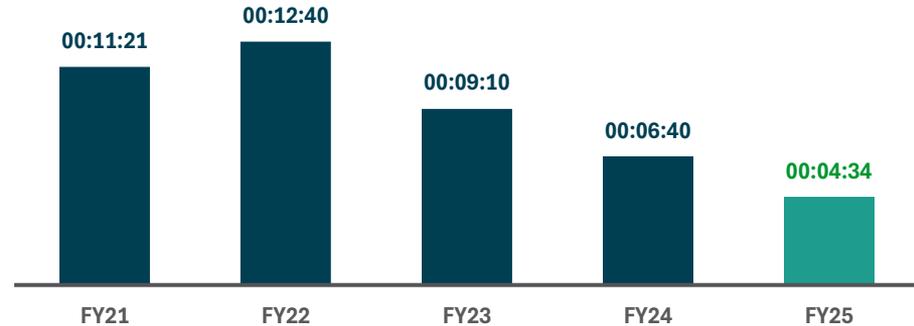
Best ever Leakage performance

16.8% reduction over the AMP,
outperforming our AMP7 leakage target



Best ever Supply Interruptions performance

32% reduction year-on-year,
our lowest ever levels



Farming for Water

Delivered improvements to 57 catchments against a target of 16

Low Pressure

Outperformed target by 98%

Water Quality Complaints

Hit target every year of AMP7

CONTINUED STRENGTH IN WASTEWATER

Strong performance on key measures and investing for further improvement



Best ever performance on key measures

Blockages
40% reduction over
AMP7

Internal Sewer Flooding
20% year-on-year
improvement

Best ever Internal Sewer Flooding performance



Insourced c. 400 into our waste networks team



Fast responses help prevent external floods becoming internal



'Right first time' approach and innovation in blockages



Beating our end of AMP targets

Collaborative Flood Resilience
20% outperformance

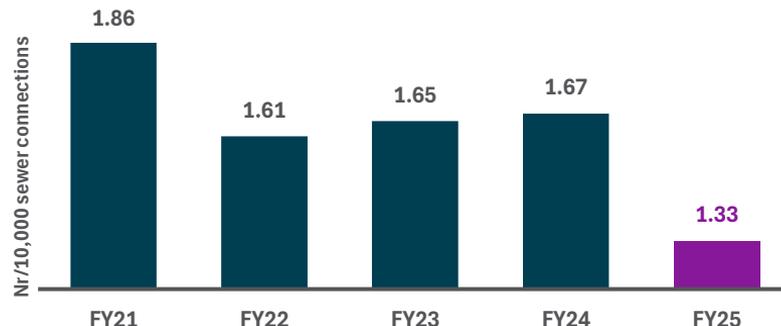
Water Framework Directive
32% outperformance



Investing to improve pollutions

Investing **£400m** in next two
years

Improving **400** sewage
pumping stations



DRIVING EFFICIENT GROWTH

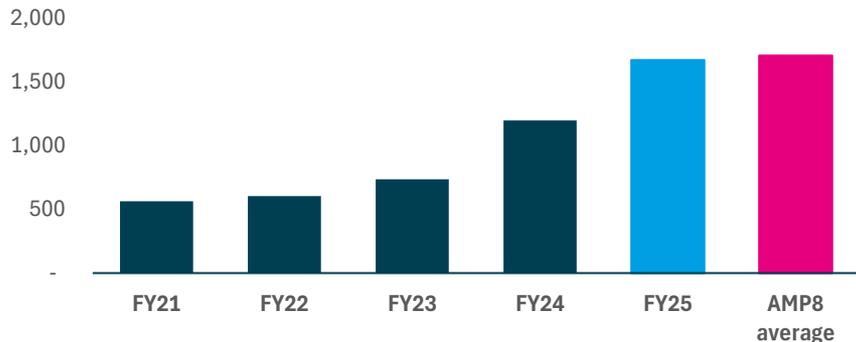
Record capital investment of £1.7bn positioning us well for £6.4bn AMP8 enhancement spend

Getting ahead on our AMP8 programme...

Over £450m
accelerated expenditure

£4.1bn
of AMP8 investment programme underway

Already stepped-up capital run rate to deliver AMP8



...and confident we can deliver it efficiently

Diversified our supply chain to
over 150 suppliers

De-risking programme with
expanded **advanced
procurement** strategy

Majority of AMP8 schemes involve smaller and repeatable solutions,
allowing **full leverage of plug and play programme**



Storm tanks in Braunston, Northamptonshire

ENVIRONMENTAL LEADERSHIP

Progress made on environmental priorities

Sustaining EPA 4*



Confident of a **sixth consecutive year** of the highest environmental rating

Improving River Health



Confident of reaching **below 18** average spills this year

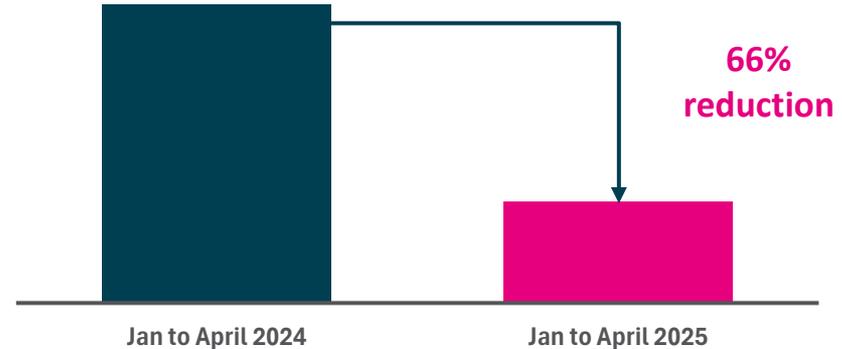
Aiming to be **under 2%** of Reasons for Not Achieving Good Status (RNAGS) by 2030

Transforming performance on spills



Delivered **1,800 interventions**

YTD spills comparison



Achieving Net Zero



On track for **operational net zero** by 2030

Enhancing Biodiversity



Improved **more than three times** our original Biodiversity commitment

COMMUNITIES, CUSTOMERS AND COLLEAGUES

Supporting our region and maintaining a culture that delivers operational success

Our communities

Supported over **7,000** people with employment-related experience and training

Donated **£11.6m** to around 900 local organisations in AMP7

10-year Social Impact Strategy generating **£7m of social value** to date

Our customers

Supported around **300,000** customers with their bills this year

Trustpilot score of **4.8/5**, 92% of reviews are 5 star

£3m outperformance on the MeX's, **£18m** across AMP7

Our colleagues

Engagement scores in **top 2% of utilities**

20% of workforce promoted or moved to broader roles in the past 2 years

29th in Glassdoor's **best places to work in UK**



AMP8 2025 – 2030

Outstanding plan that delivers for all our stakeholders

- 1 Investment** **£15bn** totex allowance, our largest ever programme ✓
- 2 Growth** **59%** nominal RCV growth, one of the highest in the sector ✓
- 3 Performance** Guiding to **£300m** in operational outperformance, including up to £50m in PCDs ✓
- 4 Environment** Proven track record on environmental performance, **delivering Net Zero and halving spills by 2030** ✓
- 5 Returns** **Doubling adjusted earnings per share** between 2025 and 2028 ✓



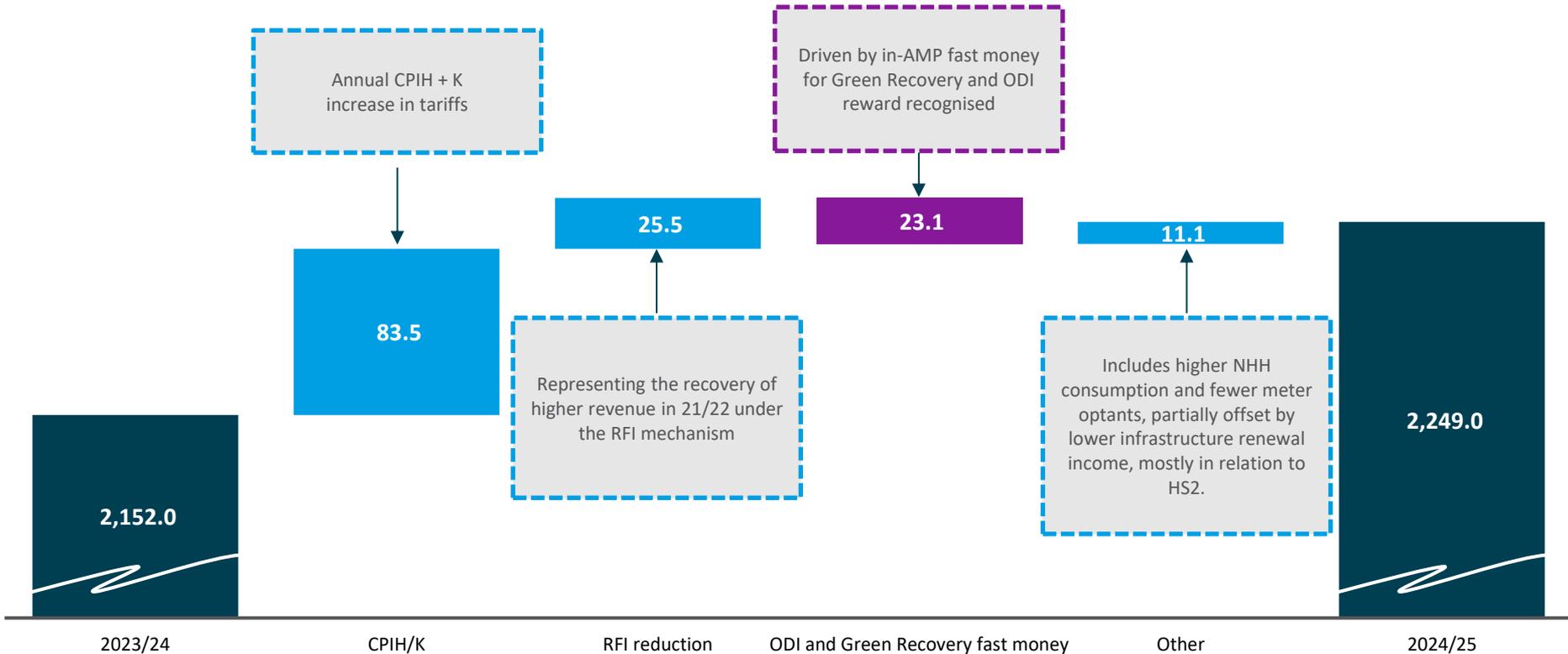
APPENDIX

TECHNICAL GUIDANCE 2025/26

Regulated Water and Wastewater		FY25	Year-on-year
Turnover	Around £2.6 billion including HS2 related income.	£2.2bn	▲
Operating costs & IRE	Up to 12% higher year-on-year including continued investment in operational performance and increases in national insurance and pay.	£1.2bn	▲
ODIs	At least £25 million of ODI reward with growth expected later in AMP8. ¹	£68m	▼
Business Services			
EBITDA	15% - 25% increase year-on-year driven by higher property profits and strong generation performance in Green Power.	£47m	▲
Group			
Net finance costs ²	20% - 25% higher year-on-year including additional debt to fund the AMP8 investment programme.	£244m	▲
Adjusted effective current tax rate	Adjusted effective current tax rate of nil due to "full expensing" and other accelerated capital allowances on our substantial capital investment programme.	0.1%	↔
Capital investment	Set to invest between £1.7 billion - £1.9 billion.	£1.7bn	▲
Dividend ³	2025/26 dividend of 126.02 pence, in line with our AMP8 policy of annual growth by CPIH.	121.71p	▲

1. *Customer Outcome Delivery Incentives are quoted post-tax in 2022/23 prices.*
2. *Based on Oxford Economics April inflation forecast. Index-linked debt comprises around a quarter of our total debt.*
3. *2025/26 dividend growth rate based on November 2024 CPIH of 3.53%.*

REGULATED WATER AND WASTEWATER REVENUE



RWWW PBIT RECONCILIATION

	2024/25	2023/24	Variance	Variance	Core & other revenue	Bad debts	Price effects	Work volume increases & Other	Investing in the long-term	Efficiency
	£m	£m	£m	%	£m	£m	£m	£m	£m	£m
Turnover	2,249.0	2,152.0	97.0	4.5	132.3			(35.3)		
Net Labour costs	(244.6)	(200.9)	(43.7)	(21.8)			(16.6)	(8.8)	(18.3)	
Net Hired and Contracted costs	(274.5)	(251.8)	(22.7)	(9.0)				(24.0)	(9.9)	11.2
Power	(192.0)	(283.0)	91.0	32.2			91.0			
Bad debt	(34.5)	(27.3)	(7.2)	(26.4)		(7.2)				
Other costs	(323.4)	(291.9)	(31.5)	(10.8)			(15.1)	0.5	(19.2)	2.3
Net Opex	(1,069.0)	(1,054.9)	(14.1)	(1.3)		(7.2)	59.3	(32.3)	(47.4)	13.5
Infrastructure renewals expenditure	(148.5)	(207.2)	58.7	28.3				35.3	23.4	
Depreciation	(445.7)	(410.3)	(35.4)	(8.6)					(35.4)	
PBIT	585.8	479.6	106.2	22.1	132.3	(7.2)	59.3	(32.3)	(59.4)	13.5

EBITDA¹

31 March 2024		31 March 2025	Variance	Variance
£m		£m	£m	%
889.9	Regulated Water and Wastewater	1,031.5	141.6	15.9
59.2	Business Services	47.5	(11.7)	(19.8)
25.6	<i>Operating Services and Other</i>	21.2	(4.4)	(17.2)
29.5	<i>Green Power</i>	22.7	(6.8)	(23.1)
4.1	<i>Property Development</i>	3.6	(0.5)	(12.2)
(9.2)	Corporate and other	(19.5)	(10.3)	(112.0)
0.2	Consolidation adjustments	(1.0)	(1.2)	(600.0)
940.1	Severn Trent Group	1,058.5	118.4	12.6

1. Earnings before interest, tax, depreciation and amortisation.

NET FINANCE COSTS

Income statement charge £m	31 March 2024			31 March 2025		
	Capitalised interest £m	Gross interest incurred £m		Income statement charge £m	Capitalised interest £m	Gross interest incurred £m
160.1	69.6	229.7	Cash interest (including accruals)	163.7	103.1	266.8
13.4	–	13.4	Net pension finance cost	10.3	–	10.3
108.0	–	108.0	Inflation uplift on index-linked debt	69.9	–	69.9
281.5	69.6	351.1		243.9	103.1	347.0

ADJUSTED EARNINGS PER SHARE

31 March 2024 £m		31 March 2025 £m	Variance £m	Variance %
511.8	Profit before interest and tax	590.2	78.4	15.3
(281.5)	Net finance costs	(243.9)	37.6	13.4
(2.5)	Increase in expected credit loss on loan receivable	–	2.5	–
227.8	Adjusted profit before tax	346.3	118.5	52.0
(5.0)	Current tax in relation to prior years	0.6	5.6	112.0
(0.5)	Tax at the adjusted effective rate of 0.1% (2024: 0.2%)	(0.4)	0.1	20.0
(4.1)	Share of current year loss of joint venture	(10.8)	(6.7)	(163.4)
218.2	Earnings for the purpose of adjusted basic and diluted earnings per share	335.7	117.5	53.8
274.9	Weighted average number of ordinary shares for basic earnings per share	299.5	24.6	8.9
79.4	Adjusted basic EPS (pence)	112.1	32.7	41.2

ADJUSTED NET DEBT

31 March 2024 £m		31 March 2025 £m	Variance £m	Variance %
(783.5)	Bank loans	(784.7)	(1.2)	(0.2)
(7,357.9)	Other loans	(8,798.0)	(1,440.1)	(19.6)
(120.0)	Lease liabilities	(111.1)	8.9	7.4
951.4	Net cash and cash equivalents	1,044.8	93.4	9.8
29.8	Fair value accounting adjustments	23.1	(6.7)	(22.5)
19.7	Exchange on currency debt not hedge accounted	9.4	(10.3)	(52.3)
72.6	Loans receivable from joint ventures	71.2	(1.4)	(1.9)
(7,187.9)	Adjusted net debt	(8,545.3)	(1,357.4)	(18.9)

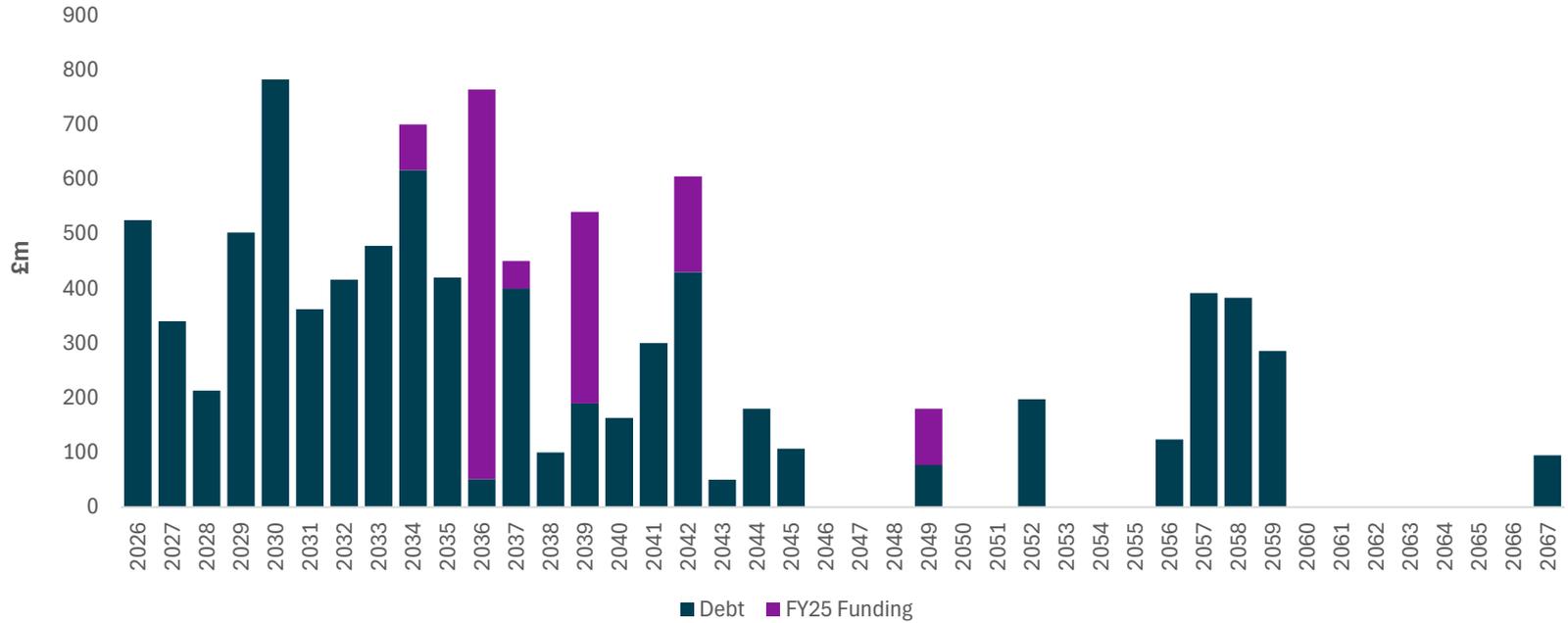
FAIR VALUE OF DEBT ¹

31 March 2024		31 March 2025	Variance	Variance
£m		£m	£m	%
(788.7)	Floating rate debt ²	(783.8)	4.9	0.6
(5,049.5)	Fixed rate debt	(6,096.8)	(1,047.3)	(20.7)
(1,957.9)	Index-linked debt	(1,703.4)	254.5	13.0
(7,796.1)		(8,584.0)	(787.9)	(10.1)
951.4	Net cash and cash equivalents	1,044.8	93.4	9.8
72.6	Loans due from joint venture	71.2	(1.4)	(1.9)
29.8	Fair value accounting adjustments	23.1	(6.7)	(22.5)
19.7	Exchange on currency debt not hedge accounted	9.4	(10.3)	(52.3)
(6,722.6)	Fair value of net debt	(7,435.5)	(712.9)	(10.6)
(7,187.9)	Adjusted net debt (previous slide)	(8,545.3)	(1,357.4)	(18.9)
(465.3)	Difference	(1,109.8)		

1. The floating, fixed and index-linked debt classification above is shown before the impact of interest rate swaps or cross currency swaps

2. The floating rate debt excludes the overdraft amount as this is included within net cash and cash equivalents

DEBT MATURITY



GEARING AND CREDIT RATINGS

31 March 2024	Adjusted net debt/RCV	31 March 2025 ¹
61.3%	Regulated Gearing	62.7%

31 March 2024		31 March 2025			
Severn Trent Water	Severn Trent Plc	Severn Trent Water	Severn Trent Plc	Outlook	
Baa1	Baa2	Moody's	Baa1	Baa2	Stable
BBB+	BBB	Standard and Poor's	BBB+	BBB	Stable
BBB+	BBB	Fitch	BBB+	BBB	Stable

1. Based on Severn Trent Water Group regulated adjusted net debt of £8,487m (31 March 2024: £7,292m) and Hafren Dyfrdwy regulated adjusted net debt of £81m (31 March 2024: £66m) divided by Economic RCV of £13,657m being RCV after midnight adjustments in accordance with Ofwat guidance in IN25/02.