

# Half year results

Six months ended 30 September 2025

*Thursday 13 November 2025*



# Business update

Louise Beardmore

Chief Executive Officer



# Key messages

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## **Strong operational and financial performance in H1**

- Positive H1 results
- Performing in line with expectations

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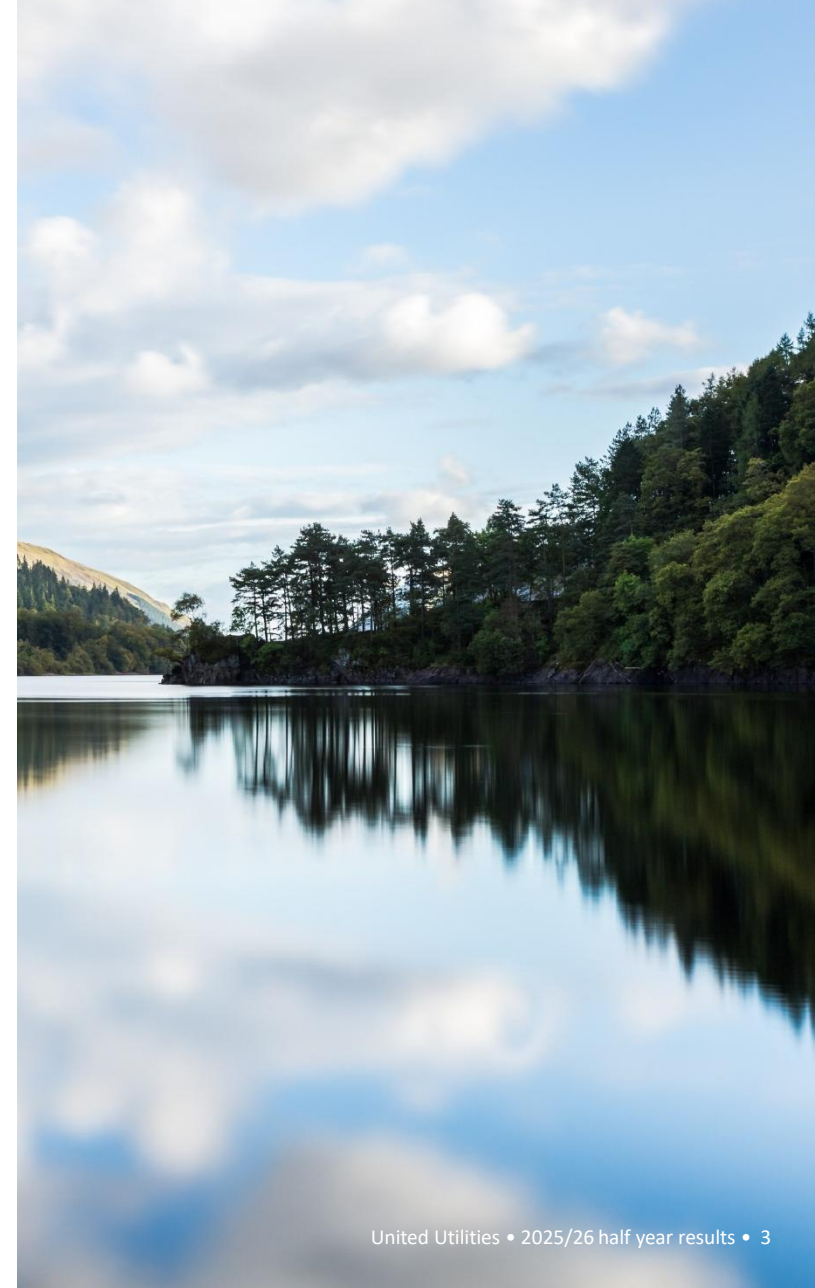
## **Transformative period for the industry has begun**

- Strong start to AMP8 delivery
- Emerging drivers of future investment

3

## **Well positioned for water sector transition**

- Fundamental reset underway
- Facilitating economic growth



# Strong operational and financial performance in H1



## Operational performance

- Performance in line with expectations across Water, Wastewater and Bio
- Resilience shown against backdrop of storm events and drought
- CSO spills down c.40% and duration down c.50% YTD



## Customer service

- Top listed company for customer service, currently in reward for all three regulatory service measures
- Resilience in cash collection, bad debt tracking in line with management expectations
- Doubled affordability support proactively supporting over 400,000 customers with affordability



## Financial performance <sup>1</sup>

- Revenue +21% to £1,309m
- EBITDA +40% to £804m
- Operating Profit +67% to £562m
- EPS +97% to 52.8p
- Capex +22% to £569m

1. All items stated are Underlying metrics. Underlying profit measures are reconciled to reported profit measures in the appendices to this presentation.

# Transformative period for the industry has begun

## Strong start to AMP8 delivery

- 85% of Enterprise projects progressed to design or delivery phase
- Over 100 supply chain partners mobilised and delivering
- Capex tracking inline with management expectations

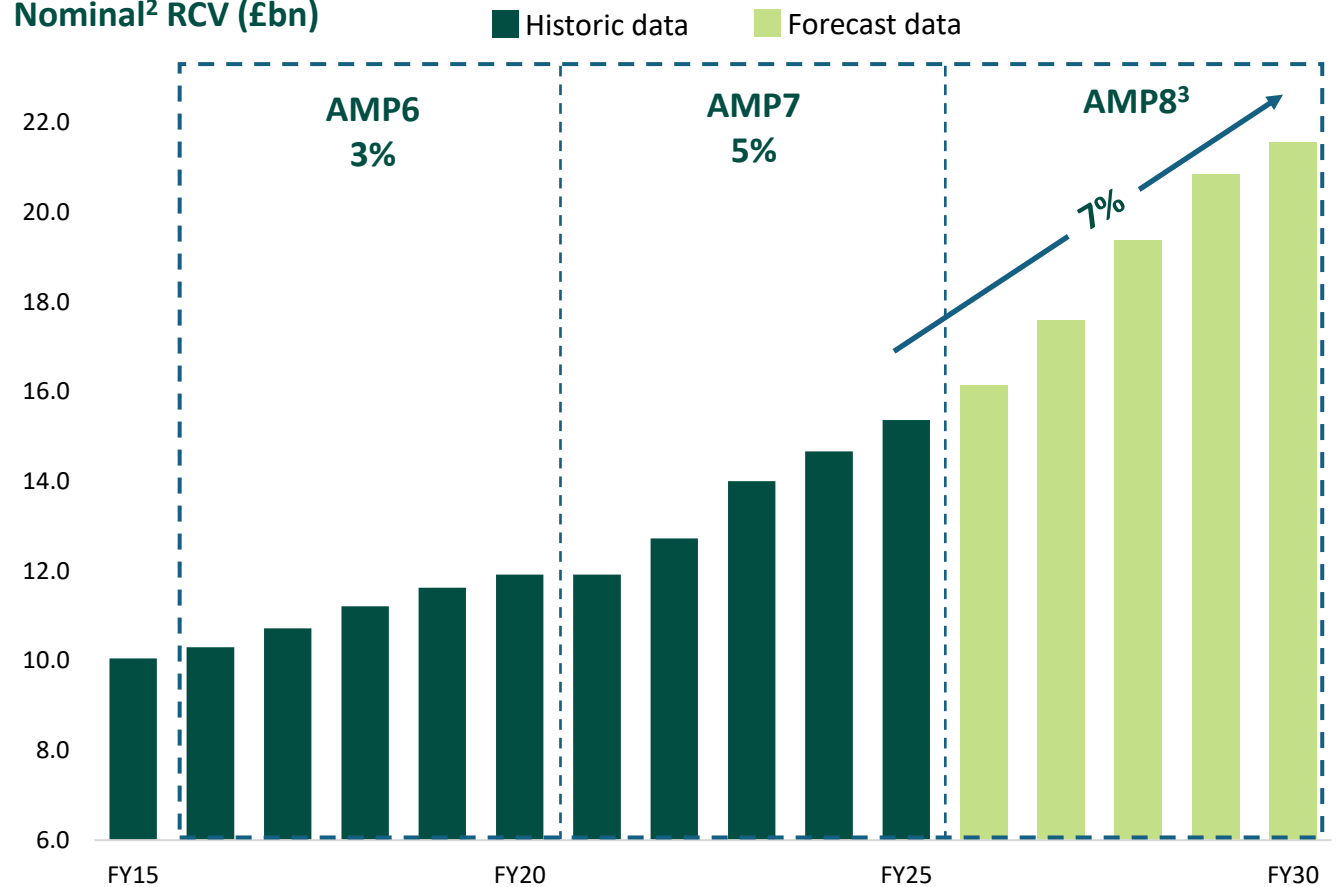
## Environmental super cycle

- Environment Act 2021 has provided sight over investments to 2050
- Emerging requirements including PFAS<sup>1</sup> and microplastics
- Playing a supporting role for housing and industrial growth

## Focus on resilience and asset health

- Focus on asset health and replacement
- Managing increasing extreme weather events

## Nominal<sup>2</sup> RCV (£bn)



1. Per- and polyfluoroalkyl substances

2. Nominal, based on OBR long-run CPIH forecasts

3. AMP8 RCV as per the Final Determination, excluding gated schemes

# Well positioned for water sector transition

## Fundamental reset of UK water regulation

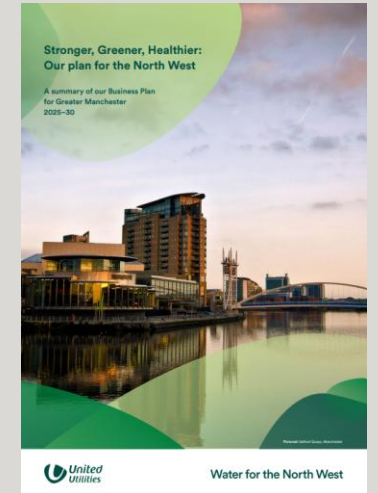
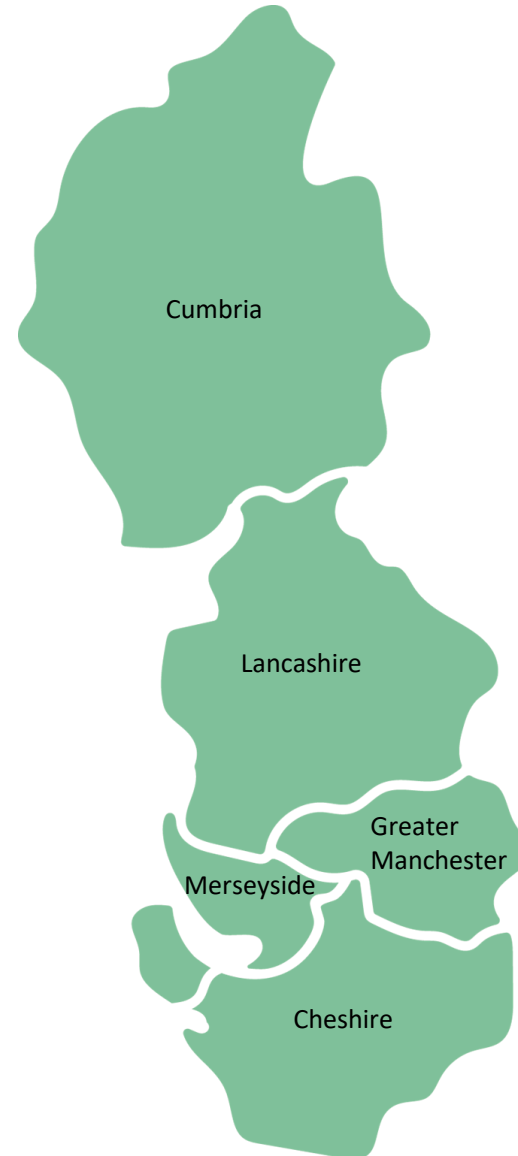
Independent Water Commission proposed reform of the regulatory framework, supporting focus on regional priorities

## Returns and investability

Investor confidence addressed through a more stable regulatory regime addressing risk-reward imbalance

## Asset health and resilience

Asset assessment and mapping and new forward-looking resilience standards to mark step-change in asset management



## Established County Model

Our regional business planning and operations structure lends well to future regional stakeholder regulatory model and supporting regional economic growth

# Financial performance

Phil Aspin

Chief Financial Officer



# Financial highlights

## Key metrics

(£m)

■ HY25

■ HY26



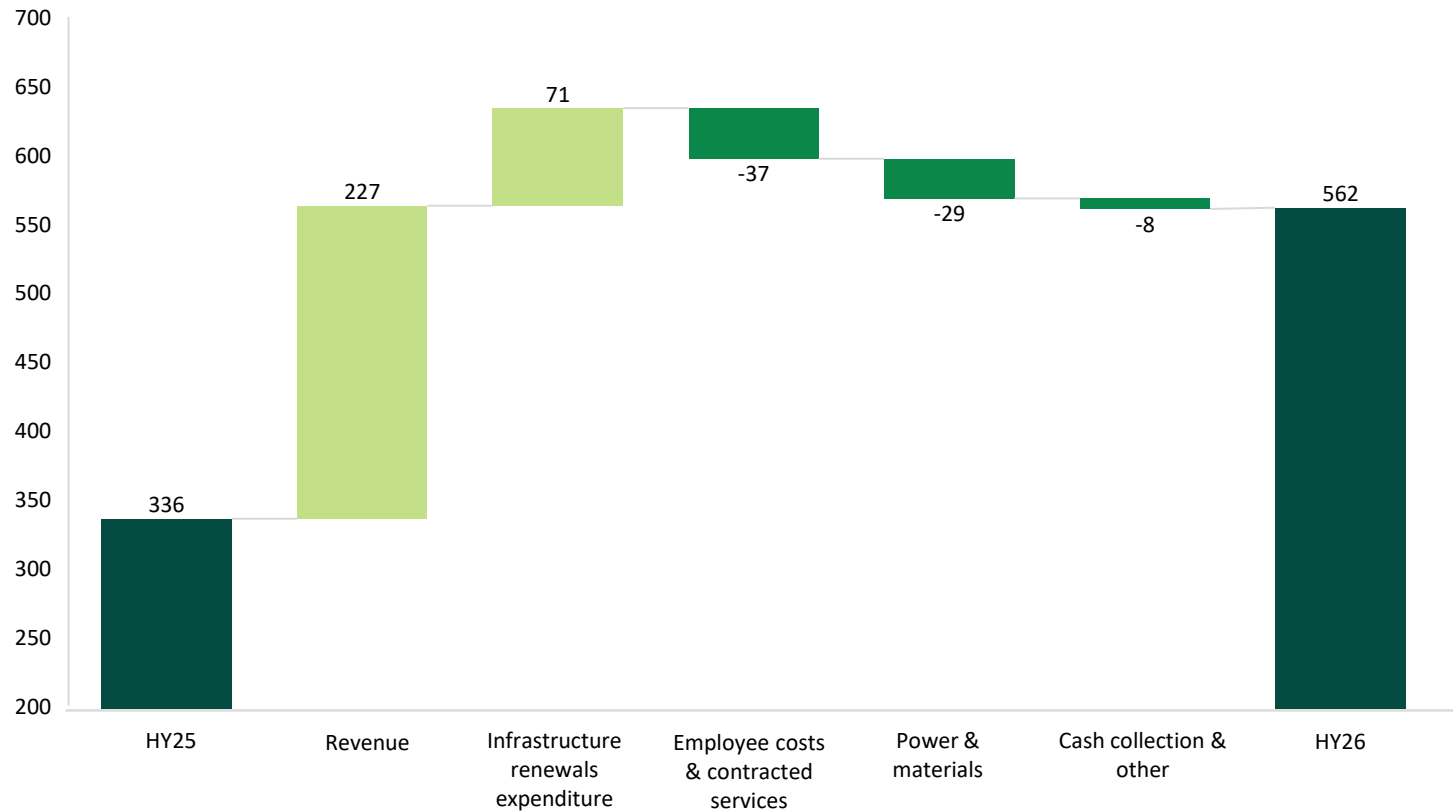
## Strong financial performance in H1

- Underlying operating profit<sup>1</sup> +67% to £562m, in line with expectations
- 97% increase in underlying EPS<sup>1</sup> vs HY 2024/25
- Capital programme on track
- Strong balance sheet, with gearing<sup>2</sup> at 60%
- Interim dividend of 17.88 pence per share

1. Underlying profit measures are reconciled to reported profit measures in the appendices to this presentation.  
2. RCV gearing calculated as group net debt including loan receivable from joint venture/United Utilities Water Limited's adjusted RCV (adjusted for actual spend, timing differences and including expected value of AMP8 ex-post adjustment mechanisms).

# Underlying operating profit

67% increase in underlying operating profit



## Strong H1 earnings driven by:

### Revenue

+21% to £1,309m due to higher regulatory revenues allowed as part of our PR24 Final Determination

### Infrastructure Renewals Expenditure

Impact of a higher allocation to capex

### Employee costs & contracted services

Increase largely due to pay inflation (£16m), alongside increased headcount and costs associated with the expansionary impact of the AMP8 totex programme

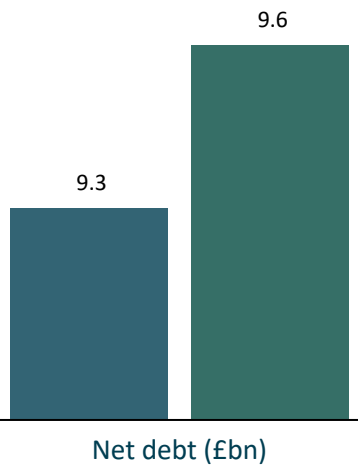
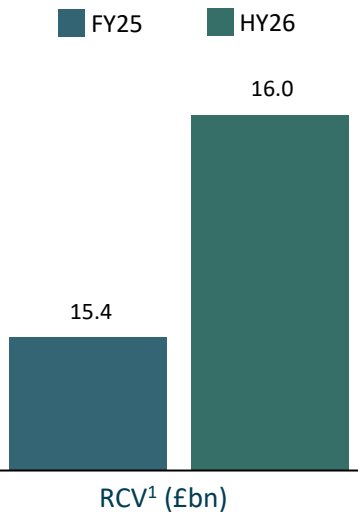
### Power & materials

Inflationary pressures as well as additional usage over the Spring/Summer

### Cash collection & other

Higher bad debt charge associated with an increase in customer bills, tracking in line with management expectations.

# AMP8 growth fully equity funded



## RCV gearing<sup>2</sup>

60%

FY25: 60%

## Funding raised

c.£700m

Funding flexibility in AMP8

## Capex

Capital programme on track

Efficient delivery plan

## Liquidity

£3bn

> 24 months of liquidity

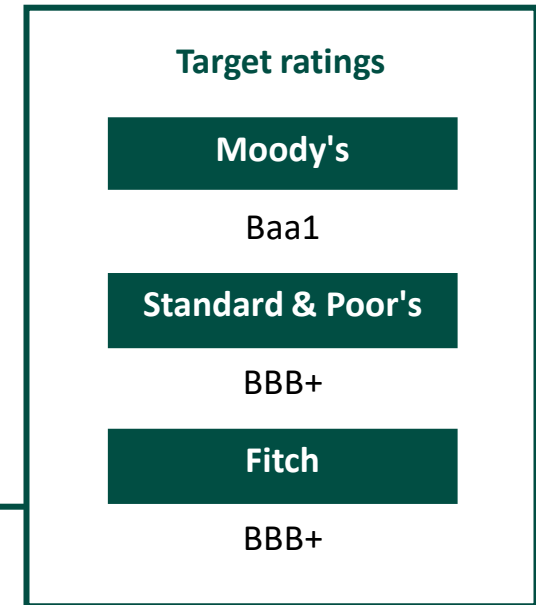
1. Includes the full expected value of AMP8 ex-post adjustment mechanisms as an adjustment to RCV.

2. RCV gearing calculated as group net debt including loan receivable from joint venture/United Utilities Water Limited’s adjusted RCV (adjusted for actual spend, timing differences and including expected value of AMP8 ex-post adjustment mechanisms).

United Utilities • 2025/26 half year results • 10

# Financial framework

|                             |                                              |
|-----------------------------|----------------------------------------------|
| <b>RoRE</b>                 | <b>Aim to outperform by at least 100 bps</b> |
| <b>Capital Investment</b>   | <b>c.£9 billion across FY26-30</b>           |
| <b>Asset Base Growth</b>    | <b>7% CAGR</b>                               |
| <b>Dividend Policy</b>      | <b>Growing in line with CPIH</b>             |
| <b>Strong Balance Sheet</b> | <b>Target 55 – 65% gearing</b>               |



# Technical guidance 2025/26

|                                               | 2024/25 | y-o-y | 2025/26                                                                                                                                                                                                                                                                             |
|-----------------------------------------------|---------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue</b>                                | £2,145m | ▲     | Revenue is expected to increase to between £2.5 billion and £2.6 billion in 2025/26 in line with the final determination, adjusted for inflation.                                                                                                                                   |
| <b>Underlying<sup>1</sup> operating costs</b> | £1,047m | ▼     | Underlying operating costs are expected to decrease, with higher costs associated with inflation and growth in the asset base, more than offset by lower IRE due to a more granular asset recognition, resulting in the greater component of network expenditure being capitalised. |
| <b>Depreciation</b>                           | £465m   | ▲     | With continued growth in our asset base and the impact of a more granular asset recognition, depreciation is expected to increase by around £50 million year on year.                                                                                                               |
| <b>Underlying<sup>1</sup> finance expense</b> | £284m   | ▲     | Expected to increase by around £50 million, due to increased debt requirements to fund the step up in investment in AMP8                                                                                                                                                            |
| <b>Underlying<sup>1</sup> tax</b>             | £nil    | ↔     | 'Full expensing' expected to continue to provide tax benefits, resulting in a negligible current tax charge                                                                                                                                                                         |
| <b>Underlying<sup>1</sup> EPS</b>             | 49.6p   | ▲     | FY26 EPS expected to be around 100 pence                                                                                                                                                                                                                                            |
| <b>Capex</b>                                  | £1,083m | ▲     | Expected to be c.£1.5 billion                                                                                                                                                                                                                                                       |
| <b>ODIs</b>                                   | £24m    | ▼     | Forecasting to incur a net penalty in FY26, reflecting the introduction of new performance commitments in AMP8, with performance improvements expected to be progressive                                                                                                            |
| <b>Dividend<sup>2</sup></b>                   | 51.85p  | ▲     | FY26 dividend of 53.66p, in line with policy of growth in line with CPIH                                                                                                                                                                                                            |

1. Underlying profit measures are reconciled to reported profit measures in the appendices to this presentation
2. Calculated using the November 2024 CPIH annual rate 3.5%

# Financial summary

## Strong financial result

- Underlying operating profit: £562m (+67%)
- Underlying EPS: 52.8p (+97%)

## Financial strength

- RCV gearing of 60%<sup>1</sup>
- Fully funded pension scheme

## Funding and liquidity position

- 24 months of liquidity, with funding in place through to the second half of FY28
- AMP8 funding flexibility

## Dividend

- HY25/26 interim dividend: 17.88p
- Progressive, inflation-linked dividend

1. RCV gearing calculated as group net debt including loan receivable from joint venture/United Utilities Water Limited's shadow (adjusted for actual spend and timing difference) RCV, Including expected value of AMP8 ex-post adjustment mechanisms.



# Cautionary statement

This presentation contains certain forward-looking statements with respect to the operations, performance and financial condition of the group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. These forward-looking statements include without limitation any projections or guidance relating to the results of operations and financial conditions of the group as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditure and any strategic initiatives relating to the group, as well as discussions of our business plan and our assumptions, expectations, objectives and resilience with respect to climate scenarios. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and the company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

Certain regulatory performance data contained in this presentation is subject to regulatory audit.

This announcement contains inside information, disclosed in accordance with the Market Abuse Regulation which came into effect on 3 July 2016 and for UK Regulatory purposes the person responsible for making the announcement is Simon Gardiner, Company Secretary.

# Supporting information

1. Underlying income statement
2. Underlying operating costs
3. Profit before tax reconciliation
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6. Finance expense: index-linked debt
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8. Statement of financial position
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10. Financing performance
11. Financing and liquidity
12. Debt structure
13. Term debt maturity profile

# Underlying income statement

|                                             | HY26           | HY25           | Change        |
|---------------------------------------------|----------------|----------------|---------------|
|                                             | £m             | £m             | %             |
| <b>Revenue</b>                              | <b>1,309.2</b> | <b>1,082.0</b> | <b>+21.0%</b> |
| Operating expenses                          | (486.8)        | (413.8)        | +17.7%        |
| Infrastructure renewals expenditure         | (18.7)         | (92.0)         | -79.7%        |
| <b>EBITDA</b>                               | <b>803.7</b>   | <b>576.2</b>   | <b>+39.5%</b> |
| Depreciation and amortisation               | (242.2)        | (240.5)        | +0.7%         |
| <b>Operating profit</b>                     | <b>561.5</b>   | <b>335.7</b>   | <b>+67.2%</b> |
| Net finance expense                         | (197.0)        | (153.4)        | +28.4%        |
| Share of profits/(losses) of joint ventures | (3.5)          | 0.6            | -683.3%       |
| <b>Profit before tax</b>                    | <b>361.0</b>   | <b>182.9</b>   | <b>+97.4%</b> |
| Tax                                         | (1.1)          | -              | n/a           |
| <b>Profit after tax</b>                     | <b>359.9</b>   | <b>182.9</b>   | <b>+96.8%</b> |
| <b>Earnings per share (pence)</b>           | <b>52.8</b>    | <b>26.8</b>    | <b>+97.4%</b> |
| <b>Dividend per ordinary share (pence)</b>  | <b>17.88</b>   | <b>17.28</b>   | <b>+3.5%</b>  |

# Underlying operating costs

|                                            | HY26           | HY25           | Change        |
|--------------------------------------------|----------------|----------------|---------------|
|                                            | £m             | £m             | %             |
| <b>Revenue</b>                             | <b>1,309.2</b> | <b>1,082.0</b> | <b>+21.0%</b> |
| Employee costs                             | (125.4)        | (107.7)        | +21.2%        |
| Power                                      | (86.1)         | (73.0)         | +17.9%        |
| Hired and contracted services              | (77.1)         | (58.2)         | +44.0%        |
| Materials                                  | (84.8)         | (69.0)         | +22.9%        |
| Property rates                             | (47.9)         | (47.6)         | +0.6%         |
| Regulatory fees                            | (26.0)         | (21.0)         | +23.8%        |
| Bad debts                                  | (16.7)         | (12.3)         | +35.8%        |
| Other expenses                             | (22.8)         | (25.0)         | -55.6%        |
| <b>Operating expenses</b>                  | <b>(486.8)</b> | <b>(413.8)</b> | <b>17.7%</b>  |
| Infrastructure renewals expenditure (IRE)  | (18.7)         | (92.0)         | -79.7%        |
| Depreciation and amortisation              | (242.2)        | (240.5)        | +0.7%         |
| <b>Total underlying operating expenses</b> | <b>(747.7)</b> | <b>(746.3)</b> | <b>+0.2%</b>  |
| <b>Underlying operating profit</b>         | <b>561.5</b>   | <b>335.7</b>   | <b>+67.2%</b> |

# Profit before tax reconciliation

|                                                                                                                                  | HY26         | HY25         |
|----------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                  | £m           | £m           |
| Reported operating profit                                                                                                        | 561.5        | 333.4        |
| Net finance expense                                                                                                              | (232.7)      | (193.4)      |
| Share of profits/(losses) of joint ventures                                                                                      | (3.5)        | 0.6          |
| <b>Reported profit before tax</b>                                                                                                | <b>325.3</b> | <b>140.6</b> |
| <u>Adjustments:</u>                                                                                                              |              |              |
| Fleetwood outfall pipe fracture                                                                                                  | -            | 2.3          |
| Fair value losses/(gains) on debt and derivative instruments, excluding interest on derivatives and debt under fair value option | 35.7         | 40.0         |
| <b>Underlying profit before tax</b>                                                                                              | <b>361.0</b> | <b>182.9</b> |

# Profit after tax reconciliation

|                                                                                                                                  | HY26            | HY25            |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                                                                  | £m              | £m              |
| <b>Reported profit after tax</b>                                                                                                 | <b>240.0</b>    | <b>103.1</b>    |
| <u>Adjustments:</u>                                                                                                              |                 |                 |
| Fleetwood outfall pipe fracture                                                                                                  | -               | 2.3             |
| Fair value losses/(gains) on debt and derivative instruments, excluding interest on derivatives and debt under fair value option | 35.7            | 40.0            |
| Deferred tax adjustment                                                                                                          | 84.2            | 37.5            |
| <b>Underlying profit after tax</b>                                                                                               | <b>359.9</b>    | <b>182.9</b>    |
| <br><b>Basic earnings per share (pence)</b>                                                                                      | <br><b>35.2</b> | <br><b>15.1</b> |
| <b>Underlying earnings per share (pence)</b>                                                                                     | <b>52.8</b>     | <b>26.8</b>     |

# Finance expense

|                                                                                                                                  | HY26             | HY25             |
|----------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                  | £m               | £m               |
| Investment income                                                                                                                | 47.5             | 51.7             |
| Finance expense                                                                                                                  | (280.2)          | (245.1)          |
|                                                                                                                                  | <b>(232.7)</b>   | <b>(193.4)</b>   |
| Fair value losses/(gains) on debt and derivative instruments, excluding interest on derivatives and debt under fair value option | 35.7             | 40.0             |
| <b>Underlying net finance expense</b>                                                                                            | <b>(197.0)</b>   | <b>(153.4)</b>   |
| Adjustment for net pension interest income                                                                                       | (8.7)            | (6.4)            |
| Adjustment for capitalised borrowing costs                                                                                       | (45.7)           | (31.0)           |
| <b>Effective net finance expense</b>                                                                                             | <b>(251.4)</b>   | <b>(190.8)</b>   |
| <br><b>Average notional net debt</b>                                                                                             | <br><b>9,543</b> | <br><b>8,886</b> |
| <br><b>Average effective interest rate</b>                                                                                       | <br><b>5.3%</b>  | <br><b>4.3%</b>  |
| Effective interest rate on index-linked debt                                                                                     | 6.4%             | 4.6%             |
| Effective interest rate on other debt                                                                                            | 4.2%             | 3.9%             |

# Finance expense: index-linked debt

|                                                                                                                                        | <b>HY26</b>    | <b>HY25</b>    |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                        | <b>£m</b>      | <b>£m</b>      |
| Interest on index-linked debt                                                                                                          | (29.4)         | (28.8)         |
| RPI adjustment (£2.3bn debt at Mar-25/3.7% indexation charge; £2.4bn debt at Mar-24/2.5% indexation charge) – 3 month lag <sup>1</sup> | (82.2)         | (60.0)         |
| CPI adjustment (£1.3bn debt at Mar-25/2.7% indexation charge; £1.3bn debt at Mar-24/1.7% indexation charge) – 3 month lag <sup>2</sup> | (33.2)         | (23.0)         |
| RPI adjustment (£1.0bn debt at Mar-25/1.1% indexation charge; £0.9bn debt at Mar-24/1.0% indexation charge) – 8 month lag <sup>3</sup> | (11.5)         | (10.4)         |
| <b>Finance expense on index-linked debt<sup>4</sup></b>                                                                                | <b>(156.3)</b> | <b>(122.2)</b> |
| Interest on other debt (including fair value option debt and derivatives)                                                              | (95.1)         | (68.6)         |
| <b>Effective net finance expense</b>                                                                                                   | <b>(251.4)</b> | <b>(190.8)</b> |

<sup>1</sup> Affected by movement in RPI between January 2025 and July 2025

<sup>2</sup> Affected by movement in CPI between January 2025 and July 2025

<sup>3</sup> Affected by movement in RPI between July 2024 and January 2025

<sup>4</sup> Adjusted to overlay the impact of inflation swaps

# Derivative analysis

|                                                                                | <b>HY26</b> | <b>HY25</b> |
|--------------------------------------------------------------------------------|-------------|-------------|
|                                                                                | <b>£m</b>   | <b>£m</b>   |
| Derivatives hedging debt                                                       | (19.6)      | (43.6)      |
| Derivatives – total accretion on inflation-linked swaps                        | (148.0)     | (122.1)     |
| Derivatives – fixing future real interest rates through inflation-linked swaps | 119.4       | 124.1       |
| Derivatives – hedging future nominal interest rates                            | 143.0       | 136.4       |
| Derivatives – hedging commodity prices                                         | (21.9)      | (30.2)      |
| <b>Net derivative asset position</b>                                           | <b>72.9</b> | <b>64.6</b> |

- Derivatives hedging debt; hedge our non index-linked debt into sterling, floating interest rate debt. Typically these are designated in fair value hedge accounting relationships.
- Derivatives hedging interest rates; the majority fix our sterling interest rate exposure on a 10-year rolling average basis.
- A portion of derivatives fix future real interest rates through inflation-linked swaps.
- Derivatives hedging commodity prices; fix a proportion of our future electricity prices in line with our policy. These are in addition to prices fixed in the physical market with power purchase agreement which are not subject to fair value measurement.
- Derivatives hedging specific debt instruments are included within net debt to eliminate, to a certain extent, the fair value recognised in borrowings and thereby present a more representative net debt figure.
- Further details of our group hedging strategy can be found in the Group financial statements.

# Statement of financial position

|                                      | <b>HY26</b>       | <b>FY25</b>       | <b>Change</b> |
|--------------------------------------|-------------------|-------------------|---------------|
|                                      | <b>£m</b>         | <b>£m</b>         | <b>%</b>      |
| Property, plant and equipment        | 14,323.6          | 13,873.0          | +3.2%         |
| Retirement benefit surplus           | 292.8             | 302.3             | -3.1%         |
| Other non-current assets             | 151.7             | 181.0             | -16.2%        |
| Cash and bank deposits               | 1,935.7           | 1,672.6           | +15.7%        |
| Other current assets                 | 476.6             | 399.9             | +19.2%        |
| Total derivative assets              | 348.7             | 340.7             | +2.3%         |
| <b>Total assets</b>                  | <b>17,529.1</b>   | <b>16,769.5</b>   | <b>+4.5%</b>  |
| Gross borrowings                     | (11,377.8)        | (10,788.6)        | +5.5%         |
| Other non-current liabilities        | (3,236.0)         | (3,092.2)         | +4.7%         |
| Other current liabilities            | (647.4)           | (596.2)           | +8.6%         |
| Total derivative liabilities         | (275.8)           | (292.6)           | -5.7%         |
| <b>Total liabilities</b>             | <b>(15,537.0)</b> | <b>(14,769.6)</b> | <b>+5.2%</b>  |
| <b>TOTAL NET ASSETS</b>              | <b>1,992.1</b>    | <b>1,999.9</b>    | <b>-0.4%</b>  |
| Share capital                        | 499.8             | 499.8             | +0.0%         |
| Share premium                        | 2.9               | 2.9               | +0.0%         |
| Retained earnings                    | 1,162.6           | 1,178.0           | -1.3%         |
| Other reserves                       | 326.8             | 319.2             | +2.4%         |
| <b>SHAREHOLDERS' EQUITY</b>          | <b>1,992.1</b>    | <b>1,999.9</b>    | <b>-0.4%</b>  |
| <b>ADJUSTED NET DEBT<sup>1</sup></b> | <b>(9,553.6)</b>  | <b>(9,271.9)</b>  | <b>+3.0%</b>  |

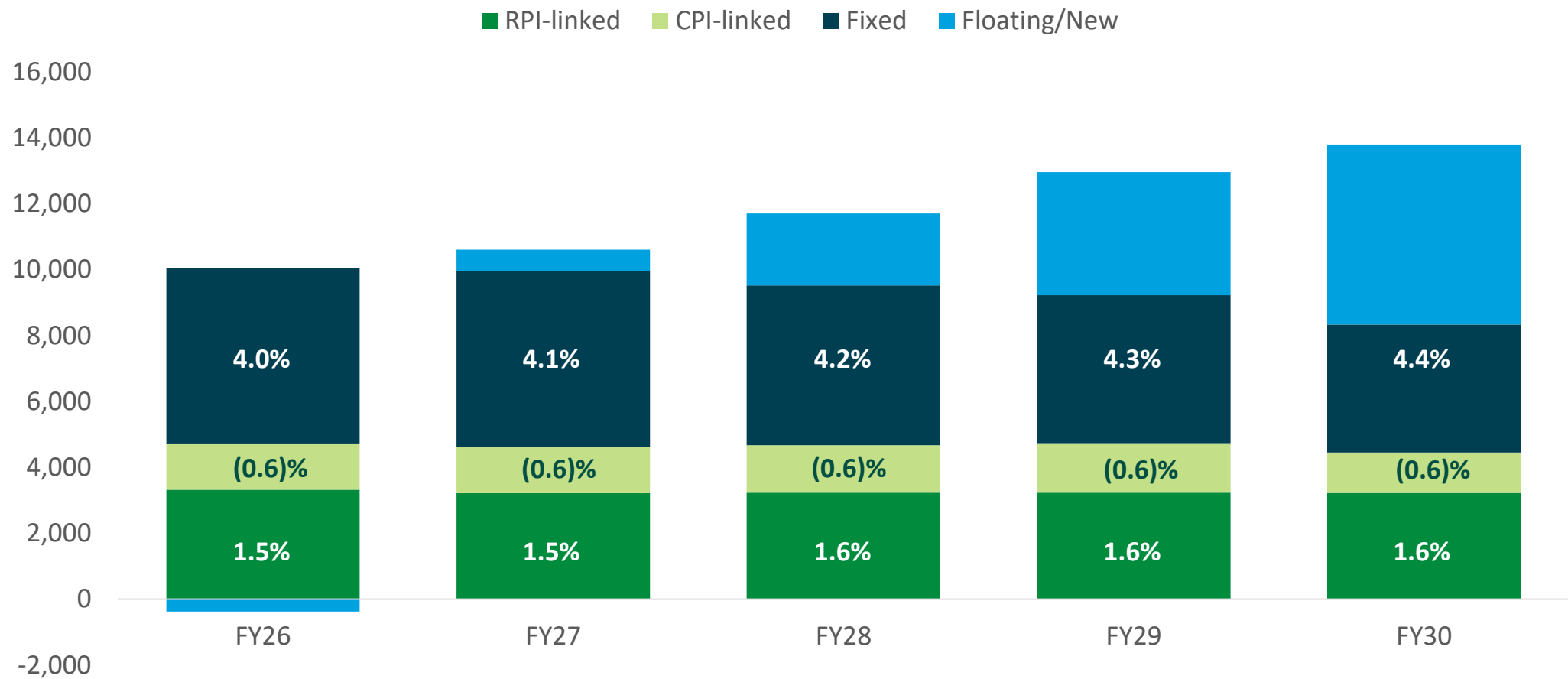
<sup>1</sup>Net debt reconciliation can be found on the next slide

# Reconciliation of net debt

|                                                                | HY26           | FY25           |
|----------------------------------------------------------------|----------------|----------------|
|                                                                | £m             | £m             |
| Cash and bank deposits                                         | (1,935.7)      | (1,672.6)      |
| Total derivative assets                                        | (348.7)        | (340.7)        |
| Gross borrowings                                               | 11,377.8       | 10,788.6       |
| Total derivative liabilities                                   | 275.8          | 292.6          |
| <b>Balance sheet net debt</b>                                  | <b>9,369.2</b> | <b>9,067.9</b> |
| <b>Exclude:</b>                                                |                |                |
| <i>The fair value impact of:</i>                               |                |                |
| Interest rate derivatives fixing future nominal interest rates | 143.2          | 178.0          |
| Inflation derivatives fixing future real interest rates        | 119.3          | 126.9          |
| Electricity derivatives fixing future electricity costs        | (21.9)         | (27.4)         |
| <b>Include:</b>                                                |                |                |
| Loan receivable from JV                                        | (54.5)         | (73.5)         |
| <b>Adjusted net debt</b>                                       | <b>9,555.3</b> | <b>9,271.9</b> |

Adjusted net debt includes the loan receivable from our JV, Water Plus, and excludes the impact of derivatives that are not hedging specific debt instruments to provide a fairer reflection of the net debt amount the group is contractually obliged to repay. This includes deducting the fair value of derivatives fixing future real interest rates through inflation-linked swaps but adding back the cumulative indexation accretion on these swaps that will be paid at the end date of the swaps. This approach is more consistent with that taken by credit rating agencies, and better reflects the regulatory economics relating to the group's treasury activities.

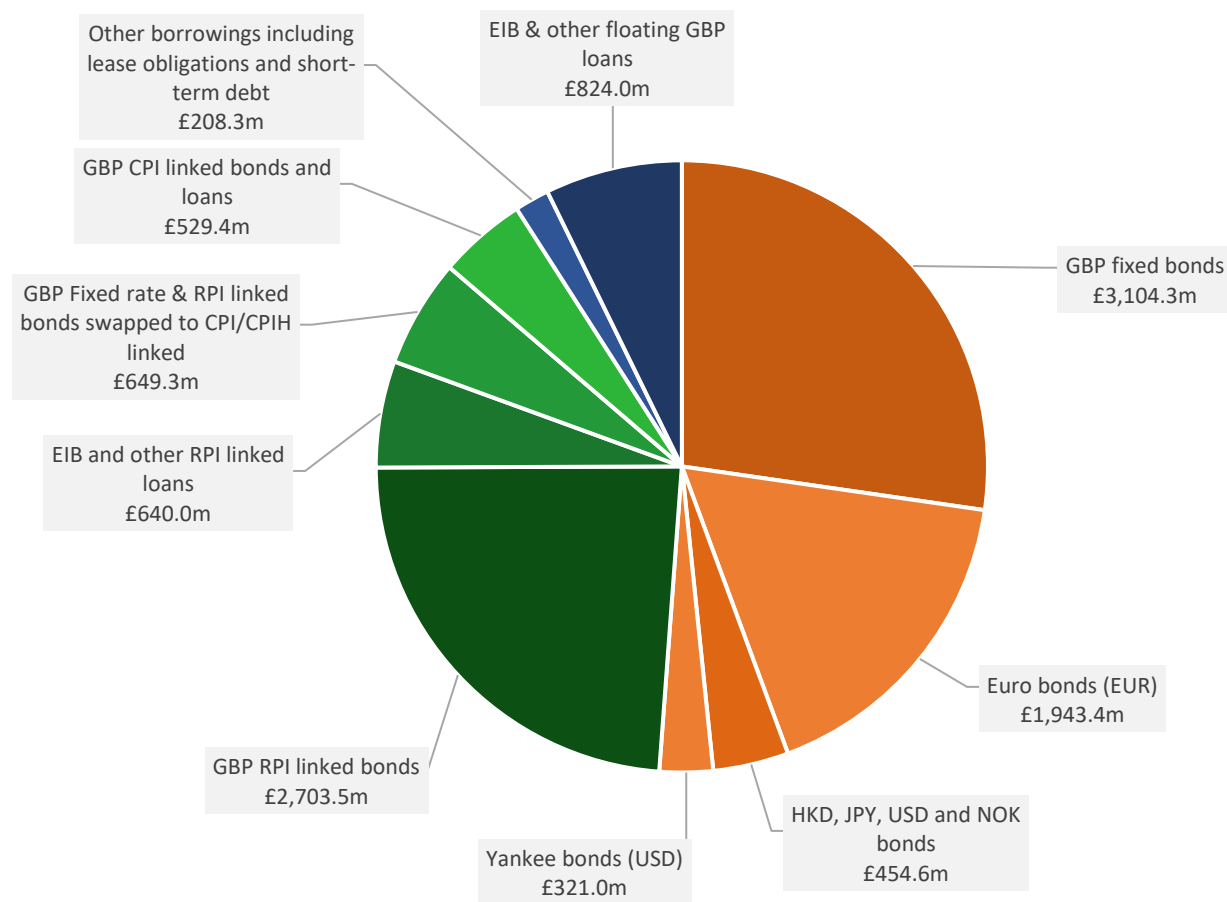
## Existing debt locked in at rates favourable to the AMP8 allowed cost of embedded debt



The rates shown are real rates for the index-linked debt and nominal rates for the fixed rate debt. Floating rate debt will be progressively fixed in line with 10 year reducing balance hedging policy.

# Financing and liquidity at 30 September 2025

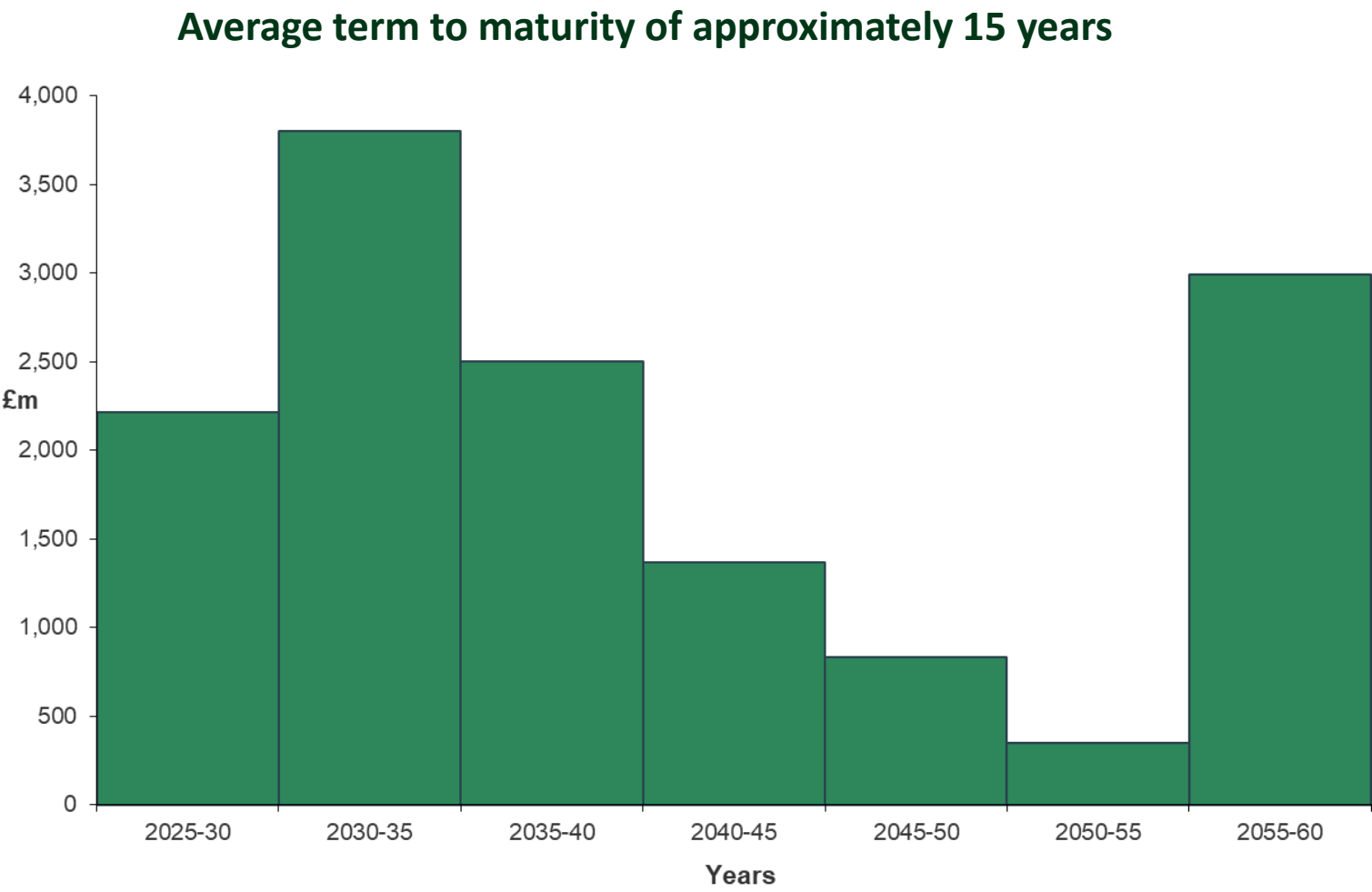
## Gross Debt = £11.4bn



## Liquidity= £3.1n

|                                               | £m             |
|-----------------------------------------------|----------------|
| Cash, cash investments and bank deposits      | 1,935.7        |
| Undrawn committed bank facilities             | 1,125.0        |
| <b>Spot liquidity as at 30 September 2025</b> | <b>3,060.7</b> |

# Term debt maturity profile as at 30 September 2025<sup>1</sup>



<sup>1</sup> Future repayments of index-linked debt include RPI/CPI/CPIH market derived forecasts out to 2029, subsequently transitioning to an average annual RPI rate of 2.4% and an average annual CPI rate of 2%