12 November 2026: United Utilities today announces interim results for the six-month period to 30 September 2026.

Louise Beardmore, Chief Executive Officer, said:

"We are making strong progress on our BIG North West Upgrade, with more than 1,000 projects underway across the region, supporting 30,000 jobs. Our capital investment will grow significantly, with more than £2 billion being delivered this year as part of our largest ever five-year programme. This is on-track and fully funded, supported by our robust financial performance and the £800 million of new equity we raised in April from UK and international investors.

"We are delivering better outcomes for the environment, with zero serious pollution incidents this year and improved treatment works performance. Building on the strong progress already made, we are increasing the scale and pace of activity to drive down leakage. We continue to engage constructively with Ofwat to enable additional investment to unlock new homes and industrial development, supporting the Government's growth priorities across the region.

"We are working closely with our communities to deliver on local priorities and providing meaningful support for families facing cost-of-living pressures. Our £525 million affordability package is the most comprehensive in the sector, helping around one in six households between 2025 and 2030.

"Together, these investments in infrastructure, performance and affordability are delivering real progress and lasting benefits for customers, communities and the environment, helping to build a stronger, more resilient North West for the long term."

Key financials – six months ended 30 September

	Reported			Underlying[1]			
£m	**2026**	**2025**	**% change**	**2026**	**2025**	**2025 (pro forma)[2]**	**% change (pro forma)[2]**
Revenue	**1,462.0**	1,309.2	+11.7%	**1,406.9**	1,309.2	1,289.3	+9.1%
EBITDA	**904.3**	803.7	+12.5%	**849.2**	803.7	783.8	+8.3%
Operating profit	**633.8**	561.5	+12.9%	**578.7**	561.5	541.6	+6.9%
Profit before tax	**539.2**	325.3	+65.8%	**411.9**	361.0	391.2	+5.3%
Profit after tax	**400.3**	240.0	+66.8%	**411.9**	359.9	390.1	+5.6%
EPS (pence)[3]	**54.7**	35.2	+55.4%	**56.3**	52.8	57.2	-1.6%

	2026	**2025**	**% change**
Interim DPS (pence)	**18.51**	17.88	+3.5%
Net regulatory capex (£m)	**993.2**	568.5	+74.7%
RCV[4] (£m)	**17,492**	15,980	+9.5%
Net debt (£m)	**9,805**	9,610	+2.0%
RCV gearing[5] (%)	**56%**	60%	-4%

Operational highlights

- **Operational performance in line with expectations,** as we continue to deliver our BIG North West upgrade
- **ODI guidance unchanged,** expecting an improvement on prior year penalty
- **Improved environmental performance in 2026,** with zero serious pollutions year to date
- **Continued progress on delivering our storm overflow reduction programme,** with a 47% reduction vs 2020 baseline
- **Further 14Ml/day reduction in leakage year to date,** following the largest reduction in the sector last year

Capital delivery

- **Accelerating capital investment,** upgrading FY27 guidance to above £2 billion capital investment, with £993m capex delivered in 1H
- **Work completed on >500 commitments to date,** including major works in relation to phosphorus removal, drinking water quality, and spill reduction for bathing waters
- **Currently on track to deliver around £2.5 billion of additional investment**[6] through AMP8 re-openers

Financial highlights

- **Underlying operating profit of £579m**, +7% on the pro forma prior half year, principally driven by higher allowed revenues, supporting our expanded capital investment programme
- **Robust balance sheet with gearing at 56%,** supporting solid credit ratings with Moody's, Fitch and S&P
- **Liquidity extending into FY29,** supported by £0.8bn equity raise in April
- **RCV growth** of 9.5% year-on-year
- **Interim dividend of 18.51p**, in line with policy

Financial framework

- Targeting regulatory returns of 10-11%[7] in AMP8
- Capital investment of c.£11.5 billion in AMP8
- Asset base compound annual growth rate of around 10%[8] in AMP8
- Maintain dividend growth in line with CPIH
- Maintain gearing within target range of 55-65%

Enquiries

Investors and Analysts

Chris Laybutt – Corporate Development and Capital Markets Director +44 7769 556 858

Jenny Platt – Investor Relations Manager +44 7733 064 907

Media

Andrew Ward – Corporate Affairs Director +44 7341 683 924

Graeme Wilson / Louise Male – Teneo Communications +44 207 260 2700

Half year results presentation webcast – 12 November 2026

There will be a presentation available on our website from 7am at the following link: Financial results | United Utilities

This will be followed by a Q&A with management at 9am, which can be accessed as follows: https://teams.microsoft.com/meet/3708875370503023?p=bFenGFSd7wr4OXyaHB
Meeting ID: 370 887 537 050 302 3, Passcode: Z5jT95A7

Notes

[1] Underlying measures are defined in the tables on pages 17 to 18

[2] To facilitate comparison on a like-for-like basis, pro forma prior half year underlying measures are used as the basis for comparison in the financial review and are presented to reflect:

- an unaudited pro forma adjustment to exclude revenue related to the now-aborted northern leg of HS2, which is estimated to have had a negative impact of £20 million if applied in 1H 2025/26; and
- an unaudited pro forma adjustment in respect of the estimated impact of a change in estimation technique for the measurement of inflation-linked debt had it been applied in 1H 2025/26, which is estimated to have a positive impact on net finance expense for that period of £50 million as discussed further in note 1 to the interim financial statements

[3] As a result of the equity placing in April 2026, the weighted average number of shares for the six months ended 30 September 2026, including shares issued in the period, is 731.5 million. The weighted average number of shares for the six months ended 30 September 2025 was 681.9 million.

[4] United Utilities Water Limited's adjusted RCV (adjusted for actual spend, timing differences and including expected value of AMP8 ex-post adjustment mechanisms).

[5] 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).

[6] Expectation of incremental capital investment, to be determined through Ofwat re-openers, comprising Ofwat's 2026 Cost Change Process, Ofwat's 2027 Cost Change process, Ofwat's 2028 Cost Change Process and Transitional Investment

[7] Regulatory return is the return on regulatory equity comprising the base return, outperformance and inflation as per Table 1F of the Ofwat Annual Performance Report.

[8] From the 2024/25 baseline of £15,367 million assuming CPIH inflation of c.3.0% on average in AMP8

OPERATIONAL REVIEW

Maintaining high levels of service

Operational performance has improved during the period. As weather patterns continue to swing between prolonged dry spells during the summer months and periods of extreme rainfall, our improving operational and environmental performance demonstrates the effectiveness of our investment programme to continue to improve network resilience against climate extremes.

Quick action to find and fix leaks continues to be an area of importance for our customers, particularly in response to the increased demand and pressure on water resources during the hottest second quarter on record. Building on strong progress, with the largest reduction in the industry last year, we remain focused on improving our leakage performance further. We continue to increase the scale and pace of our activity, with find-and-fix capacity increased from around 400 jobs per week to over 1,100. This has reduced leakage by a further 14 mega-litres per day in the six months to 30 September, equivalent to more than five Olympic swimming pools of water saved every day. This has been supported by proactive network management, advanced analytics and smart technology. It is delivering lasting benefits for customers and the environment, but we recognise that there is still more to do. Progress on our smart metering programme also continues at pace with around 350,000 smart meters installed to date, giving customers greater visibility of their water usage, accelerating leak identification, and supporting long-term water efficiency objectives.

Our operational performance improvements are driving enhanced customer service, reflected in better outcomes across all customer experience measures (MeXs) and a reduction in the number of customer complaints.

We are accelerating capital investment, with more than £2 billion being delivered this year. This is driving strong progress on our AMP8 capital programme, with all our Water Industry National Environment Programme (WINEP) deliverables on track and our work in relation to more than 500 commitments has been completed to date. These include major works in relation to phosphorus removal, drinking water quality, and spill reduction for bathing waters. Good progress is also continuing on the Haweswater Aqueduct Resilience Programme (HARP), where construction of the new aqueduct has started, which will secure a resilient supply of drinking water for future generations in the North West.

Protecting the environment

We are making strong progress in delivering our storm overflow reduction programme, having delivered a 47% reduction in spills per overflow against the 2020 baseline. As at 30 September 2026, spills per overflow were broadly flat and spill duration around 30% lower than the same period last year, despite average rainfall being around 15% higher. We also continue to see fewer sewer flooding incidents, building on the substantial 42% reduction we achieved last year, with our continued focus on network resilience and proactive management supporting significant further improvements.

Due to a high proportion of overhead power lines in key areas in our region, power resilience remains a key focus for us. Our investment in power resilience is delivering tangible benefits, with more than 200 potential power-related pollution incidents avoided year-to-date. We reduced pollution incidents by around 22% compared with the first half of 2025, and there have been zero serious pollution incidents year-to-date, reflecting the benefits of targeted investment, operational improvements and a continued focus on prevention. We are delivering improvements in the operability of our treatment works, with compliance at more than 99% year-to-date. As a result, we are on track to improve our

environmental performance in 2026 and support our broader ambition to deliver lasting enhancements in river water quality across the region.

We continue to make strong progress in improving water quality across the Windermere catchment through sustained operational interventions and AMP8 capital investment projects. The recent publication of the 'Only Rainwater into Windermere' feasibility study marks an important milestone highlighting that, while significant gains have already been made, a bold new approach is required to provide the level of environmental protection and climate resilience needed over the next century.

The study, developed jointly with regulators, local authorities and environmental stakeholders, concludes that it is feasible to eliminate wastewater discharges to Windermere, including private discharges and highways runoff, through a transformational catchment-wide solution. Following the assessment of more than 70 options, two preferred schemes have been identified that could deliver substantial environmental improvements alongside wider social and economic benefits. This represents a compelling long-term vision for Windermere and illustrates how innovative, collaborative thinking can complement ongoing investment to deliver enduring outcomes for customers, communities and the environment. We're now working with multiple stakeholders to explore the next stage of development, with detailed design expected to start in April 2027 and running for the next two years.

Investing in people and communities

We continue to support the North West economy and create jobs across the region, with our AMP8 investment programme supporting 30,000 jobs directly and across the supply chain. A strong employer brand is critical to attracting and retaining the talent we need to deliver. Employee engagement remains strong at over 90%, and we have a 4.5/5 rating on Glass Door. During the period, we welcomed 87 apprentices and 52 graduates to the business, further strengthening our future workforce and supporting the delivery of our long-term investment plans. We are pleased to see strong diversity represented across these intakes, helping us to build a workforce that reflects the communities we serve. The health, safety and wellbeing of our people, partners and communities remains our highest priority. We continue to maintain a strong focus on safety performance across our operations and capital delivery activities as we accelerate investment across the region.

Our commitment to creating social value continues to extend beyond our direct workforce. We are taking an active role in developing construction-based opportunities across the North West, working with our supply chain and others. This includes collaborating to host BuildPath, a social recruitment initiative designed to help local unemployed people access skilled, stable and well-paid careers in the construction sector. The event demonstrated the power of collaboration across our supply chain and our shared commitment to ensuring opportunities are accessible to people from all backgrounds.

We remain committed to ensuring affordability for customers as we deliver record levels of investment across the North West. Through our industry-leading package of support, we are helping around one in six households with their bills through targeted discounts, tailored payment support, and proactive outreach to those most in need. We also continue to engage with stakeholders across our region and sector. We continue to play an active part across our region in bringing together stakeholder and support groups to focus on affordability and the opportunities for wider support and collaboration across our region. In October, we hosted our Affordability and Vulnerability Summit, bringing together more than 90 attendees including customers, partners, and wider stakeholders, to discuss shared challenges and opportunities and help shape future priorities.

During the summer's severe moorland wildfires, we worked alongside emergency services and regional partners to help protect communities, critical infrastructure and the natural environment across the North West, providing aerial firefighting support, operational expertise and access to key water resources. As conditions improved, we continued to support recovery efforts through the deployment of thermal imaging drones and specialist catchment teams to identify and extinguish residual hotspots, demonstrating our ongoing commitment to building regional resilience and safeguarding environmentally important landscapes in the face of increasing climate-related challenges.

Driving innovation and resilience

Our approach to advanced technology and artificial intelligence is focused on enhancing the effectiveness of our workforce, enabling colleagues to focus on higher-value activities, apply their expertise where it can have the greatest impact, and increase overall output.

Technology and innovation continue to drive improvements in service, efficiency and resilience across the business. Through the increased use of artificial intelligence and advanced analytics, we are building capabilities that enable us to accelerate decision-making, optimise asset performance and improve productivity, helping us deliver greater value from our investment programmes and make more informed operational decisions.

Our commitment to innovation was recognised through a £9.5 million award from Ofwat's Water Breakthrough Challenge, enabling us to lead pioneering projects focused on unlocking greater value from wastewater and supporting the transition to a lower-carbon future. The projects will explore how wastewater-derived biogas can be converted into clean hydrogen and graphene, creating new opportunities for resource recovery and decarbonisation both within and beyond the water sector, while also assessing advanced treatment technologies that could significantly reduce sludge volumes and improve operational efficiency. Delivered in collaboration with partners from across the water, technology and academic sectors, these initiatives demonstrate our ambition to scale innovative solutions that deliver environmental benefits, improve resilience, and create long-term value for customers.

Our innovative five-county delivery model has embedded decision-making closer to the communities we serve, strengthening engagement with local stakeholders and enhancing programme delivery and compliance. As regional devolution continues to gather pace, our unique locally empowered model provides us with a strong foundation for aligning investment with local priorities, responding more quickly to community needs, and delivering lasting benefits for customers, communities and the environment.

These capabilities, combined with sustained investment in our assets, people and technology, position us well to deliver for customers today while building a more resilient and sustainable water and wastewater system for the future.

FINANCIAL FRAMEWORK

Our financial framework below is unchanged from 2025/26 full year results.

Regulatory return

We are targeting regulatory returns of 10-11% in AMP8. The regulatory return is the return generated on regulatory equity, calculated using average gearing applied to the regulatory capital value (RCV), as per Table 1F – Financial Flows of the Ofwat Annual Performance Report. It encompasses the base return, outperformance, and the uplift to our regulatory asset base from inflation.

Capital investment and regulated asset growth

Our capital programme for the five years to March 2030 (AMP8) is significantly larger than previous regulatory periods, due to long-term investment drivers. We expect capital investment to be c.£11.5 billion, supporting a c.10% compound growth in the asset base between 2025 and 2030.

Dividend policy

The group maintains a dividend policy to target a growth rate of CPIH inflation each year, having increased the dividend at least in line with inflation for the past 15 years. The annual increase in the dividend is based on the CPIH element included within allowed regulated revenue for the current financial year. This is calculated using the CPIH annual rate from the November prior (i.e. the 2026/27 dividend is equal to the 2025/26 dividend indexed for the movement in CPIH between November 2024 and November 2025).

Balance sheet

The board has maintained a target gearing range of 55-65% net debt to regulated capital value. As at 30 September 2026, our gearing is at the lower end of the range at 56%.

FY27 OUTLOOK AND GUIDANCE

Underlying revenue

Revenue is expected to increase to between £2.7 billion and £2.8 billion in 2026/27. This figure excludes pass-through items of c.£110m relating to the Haweswater Aqueduct Resilience Programme (HARP) (£70m, FY26: nil) and HS2 diversions income (£40m, FY26: £40m).

Underlying operating costs

Underlying operating costs are expected to increase by around £100 million relating to growth in the asset base and price increases, including business rates.

Depreciation

Increasing by £50 million - £60 million due to continued growth in our asset base.

Underlying finance expense

Underlying net finance expense is expected to be higher year-on-year, due to inflation running higher for longer. As at 31 March 2026, we had £4.5 billion of index-linked debt and derivatives exposure, giving rise to a £45 million swing in our annual interest charge for every 1 per cent change in inflation.

Underlying tax

Full expensing expected to continue, resulting in a negligible current tax charge.

Capital expenditure

Capex in 2026/27 is expected to be more than £2 billion.

Asset base growth

Our asset base in 2026/27 is expected to increase by around 10%, assuming CPIH inflation of 3.6%.

ODIs[1]

We are forecasting a customer ODI penalty for 2026/27, with year-on-year improvement versus a c.£35m penalty in 2025/26.

Dividend

Our dividend continues to grow in line with CPIH, resulting in a dividend per share of 55.54 pence.

[1] The final position for 2025/26 will be confirmed once Ofwat's Outturn Adjustment Mechanism (OAM) is finalised later in the year. As per the Draft Determination published in Oct 26 United Utilities ODI position for 2025/26 is a £13m penalty, an improvement of £22m on the position reported in April.

FINANCIAL REVIEW

Key financials (£m) – six months ended 30 September

	Reported			Underlying[1,2]			
	2026	**2025**	**% change**	**2026**	**2025**	**2025 (pro forma)[2]**	**% change (pro forma)[2]**
Revenue	**1,462.0**	1,309.2	+11.7%	**1,406.9**	1,309.2	1,289.3	+9.1%
Operating expenses	**(543.2)**	(486.8)	+11.6%	**(543.2)**	(486.8)	(486.8)	+11.6%
Infrastructure renewals expenditure	**(14.5)**	(18.7)	-22.5%	**(14.5)**	(18.7)	(18.7)	-22.5%
EBITDA	**904.3**	803.7	+12.5%	**849.2**	803.7	783.8	+8.3%
Depreciation and amortisation	**(270.5)**	(242.2)	+11.7%	**(270.5)**	(242.2)	(242.2)	+11.7%
Operating profit	**633.8**	561.5	+12.9%	**578.7**	561.5	541.6	+6.9%
Net finance expense	**(94.6)**	(232.7)	-59.3%	**(166.8)**	(197.0)	(146.9)	+13.5%
Share of (losses)/profits of JVs	**-**	(3.5)	+nm%	**-**	(3.5)	(3.5)	+nm%
Profit before tax	**539.2**	325.3	+65.8%	**411.9**	361.0	391.2	+5.3%
Tax charge	**(138.9)**	(85.3)	+62.8%	**-**	(1.1)	(1.1)	+nm%
Profit after tax	**400.3**	240.0	+66.8%	**411.9**	359.9	390.1	+5.6%
EPS (pence)[3]	**54.7**	35.2	+55.4%	**56.3**	52.8	57.2	-1.6%

	2026	**2025**	**% change**
Interim DPS (pence)	**18.51**	17.88	+3.5%
Net regulatory capex (£m)	**993.2**	568.5	+74.7%
RCV[4] (£m)	**17,492**	15,980	+9.5%
Net debt (£m)	**9,805**	9,610	+2.0%
RCV gearing[5] (%)	**56%**	60%	-4%

[1] Underlying measures are defined in the tables on pages 17 to 18

[2] To facilitate comparison on a like-for-like basis, pro forma prior half year underlying measures are used as the basis for comparison in the financial review and are presented to reflect:

- an unaudited pro forma adjustment to exclude revenue related to the now-aborted northern leg of HS2, which is estimated to have had a negative impact of £20 million if applied in 1H 2025/26; and
- an unaudited pro forma adjustment in respect of the estimated impact of a change in estimation technique for the measurement of inflation-linked debt had it been applied in 1H 2025/26, which is estimated to have a positive impact on net finance expense for that period of £50 million as discussed further in note 1 to the interim financial statements

[3] As a result of the equity placing in April 2026, the weighted average number of shares for the six months ended 30 September 2026, including shares issued in the period, is 731.5 million. The weighted average number of shares for the six months ended 30 September 2025 was 681.9 million.

[4] United Utilities Water Limited's adjusted RCV (adjusted for actual spend, timing differences and including expected value of AMP8 ex-post adjustment mechanisms).

[5] 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).

We have delivered strong financial performance in the first half of the year. Underlying revenue increased 9 per cent[2] in line with allowances set out in our PR24 Final Determination. This revenue increase, partially offset by an increase in operating costs resulted in an underlying operating profit of £579 million, a 7 per cent increase[2] compared to the prior half year.

Non-cash interest expense on our index-linked debt increased, resulting in an underlying profit after tax of £412 million and underlying earnings per share of 56.3 pence. Reported profit after tax was lower at £400 million, with reported earnings per share of 54.7 pence. Adjusted items between underlying and reported are set out on pages 17 to 18.

Our balance sheet remains one of the strongest in the sector, with RCV gearing at 56%, alongside robust credit ratings.

Revenue

	£m
Underlying - Six months to 30 September 2025*	1,309.2
Pro forma adjustment*	(19.9)
Underlying - Six months to 30 September 2025 (pro forma)	**1,289.3**
Regulatory revenue impact	89.9
Other impacts	27.7
Underlying - Six months to 30 September 2026	**1,406.9**
Adjusted items*	55.1
Reported - Six months to 30 September 2026	**1,462.0**

* Pro forma adjustments and adjusted items are set out on pages 17 to 18.

Revenue was up £173 million at £1,462 million, with £90 million attributable to regulatory adjustments. Adjustments include a c.7% real increase in allowed wholesale revenues as set out in our PR24 Final Determination as well as a 3.5 per cent CPIH-linked increase to the revenue cap. Other revenue impacts largely reflect variances in consumption and occupancy.

Reported revenue included £55 million of revenue allowed by Ofwat for recovery in AMP8 comprising £35m related to revenue collected from customers for the Haweswater Aqueduct Resilience Programme (HARP), where the phasing of revenue and costs results in a timing difference, and £20m related to diversions activity to accommodate the now-aborted northern leg of HS2, which will be returned to customers over the course of AMP9. The £55 million of revenue recognised in relation to these activities has been adjusted for in arriving at underlying revenue.

Operating profit

	£m
Underlying - Six months to 30 September 2025*	561.5
Pro forma adjustment*	(19.9)
Underlying - Six months to 30 September 2025 (pro forma)	**541.6**
Underlying revenue increase	117.6
Growth in the asset base	(47.0)
Price increases	(22.6)
Bad debt charge	(2.1)
Other	(8.8)
Underlying operating profit – Six months to 30 September 2026	**578.7**
Adjusted items*	55.1
Reported – Six months to 30 September 2026	**633.8**

* Pro forma adjustments and adjusted items are set out on pages 17 to 18.

Underlying operating profit at £579 million was £37 million higher than the first half of last year[2], reflecting the increase in revenue partially offset by higher operating costs than the prior year. Operating costs have increased in line with expectations, primarily due to expenditure associated with growth in our underlying asset base, as well as price increases including pay inflation, regulatory fees and power.

Reported operating profit was higher than underlying operating profit, reflecting the adjustment to revenue detailed above.

Our industry-leading affordability schemes, combined with effective credit collection practices and utilisation of technology, have supported current year cash collection. Our bad debt position at 1.8 per cent of statutory revenue is tracking in line with management expectations.

Profit before tax

	£m
Underlying – Six months to 30 September 2025*	361.0
Pro forma adjustments*	30.2
Underlying – Six months to 30 September 2025 (pro forma)	**391.2**
Underlying operating profit increase	37.1
Underlying net finance expense increase	(19.9)
Share of JVs losses decrease	3.5
Underlying profit before tax – Six months to 30 September 2026	**411.9**
Adjusted items *	127.3
Reported – Six months to 30 September 2026	**539.2**

* Pro forma adjustments and adjusted items are set out on pages 17 to 18.

Underlying profit before tax is £412 million compared to £391 million underlying profit before tax in the first half of last year[2]. The £21 million increase reflects the £37 million increase in underlying operating profit, a £4 million decrease in the share of losses of joint ventures, partially offset by a £20 million increase in underlying net finance expense.

Reported profit before tax is £214 million higher than the first half of last year, largely reflecting the £21 million increase in underlying profit before tax, £35 million higher revenue due to the phasing of revenue received in relation to the Haweswater Aqueduct Resilience Programme (HARP), £50 million lower interest payable reflecting the revised estimate technique for the measurement of inflation-linked debt, £108 million swing in net fair value gains driven by an increase in interest swap rates during the period impacting the group's floating-to-fixed interest swap portfolio.

Net finance expense

	£m
Underlying – Six months to 30 September 2025*	197.0
Pro forma adjustments*	(50.1)
Underlying – Six months to 30 September 2025 (pro forma)	**146.9**
Increase in non-cash interest expense on index-linked debt and derivatives	10.8
Increase in net interest payable on debt, derivatives and cash	13.5
Increase in capitalised interest	(3.9)
Increase in pension interest income	(0.5)
Underlying net finance expense – Six months to 30 September 2026	**166.8**
Adjusted items *	(72.2)
Reported – Six months to 30 September 2026	**94.6**

* Pro forma adjustments and adjusted items are set out on pages 17 to 18.

The underlying net finance expense of £167 million was £20 million higher than in the same period last year[2] mainly due to the increase in debt to fund the AMP8 capital programme, and an £11 million

increase in non-cash interest expense on our index-linked debt and derivative portfolio, taking into account higher inflation incurred in the year and a rise in future indications of inflation. This is partially offset by an increase in capitalised interest and pension interest income.

Cash interest expense has increased by £17 million, primarily reflecting the increase in debt to fund the AMP8 capital programme.

Reported net finance expense is £72 million lower than underlying net finance expense, reflecting adjustments outlined on pages 17 and 18.

Profit after tax and earnings per share

	PAT £m	Earnings per share Pence/share
Underlying – Six months to 30 September 2025*	359.9	*52.8*
Pro forma adjustments*	30.2	
Underlying – Six months to 30 September 2025 (pro forma)	**390.1**	***57.2***
Underlying profit before tax increase	20.7	
Tax charge reduction	1.1	
Underlying profit after tax – Six months to 30 September 2026	**411.9**	***56.3***
Adjusted items *	(11.6)	
Reported – Six months to 30 September 2026	**400.3**	*54.7*

* Pro forma adjustments and adjusted items are set out on pages 17 to 18.

The underlying profit after tax of £412 million was £22 million higher than the first half of last year[2], largely reflecting the increase to underlying profit before tax. Reported profit after tax was lower at £400 million with reported earnings per share at 54.7 pence. Adjusted items between underlying and reported set out on pages 17 to 18.

Reported profit after tax was £160 million higher than the first half of last year, largely reflecting the £214 million increase in reported profit before tax, partly offset by a £54 million higher tax charge on the higher reported profit before tax.

Tax

For the six months ended 30 September	2026 £m	2025 £m
Current tax	-	1.1
Deferred tax	138.9	84.2
Effective tax rate	26%	26%
Tax adjustments taken to equity	2.9	(2.4)

We continue to be fully committed to paying our fair share of tax and acting in an open and transparent manner in relation to our tax affairs and are delighted to have been accredited with the Fair Tax Mark again in 2026 for the eighth year running.

In addition to corporation tax, the group makes further contributions to the public finances, which this year is expected to be around £354 million (£290 million in the prior year), in the form of business rates, employer's national insurance contributions, environmental taxes, other regulatory

service fees such as water abstraction charges as well as employment taxes on behalf of our almost 8,000 strong workforce.

The key reconciling item to the headline rate of corporation tax continues to be allowable tax deductions on capital investment, these being deductions put in place by successive governments to encourage such investment and thus reflecting responsible corporate behaviour in relation to taxation.

The current tax charge was nil in the six months to 30 September 2026 compared to a current tax charge of £1.1 million in the previous half year.

For the six months to 30 September 2026, we recognised a deferred tax charge of £138.9 million, compared with £84.2 million for the same period last year which is due to the higher level of capital spend in the period.

The total effective tax rate for the six months to 30 September 2026 was 26 per cent, compared to 26 per cent at this point in the prior year.

The current tax charge of nil for the six months to 30 September 2026 mainly reflects the impact of the capital allowances "first year allowances" affecting our eligible plant and machinery additions.

The current tax asset recognised in the statement of financial position reflects the amount of tax expected to be recoverable based on judgements made regarding the application of tax law, and the current status of negotiations with, and enquiries from, tax authorities.

The tax adjustments taken to equity primarily relate to remeasurement movements on the group's defined benefit pension schemes and on hedging effectiveness.

Dividend per share

The Board has announced an interim dividend of 18.51 pence per ordinary share in respect of the six months ended 30 September 2026. This is an increase of 3.5 per cent compared with the interim dividend last year, in line with the group's dividend policy of targeting a growth rate of CPIH inflation each year. The 3.5 per cent increase is based on the CPIH element included within allowed regulated revenue for the 2026/27 financial year (i.e. the movement in CPIH between November 2024 and November 2025).

The interim dividend is expected to be paid on 1 February 2027 to shareholders on the register at the close of business on 18 December 2026. The ex-dividend date for the interim dividend is 17 December 2026.

A Dividend Reinvestment Plan ("DRIP") is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at www.shareview.info/products/drip. The closing date for DRIP elections is 11 January 2027.

The ISIN for UUG is GB00B39J2M42 and the TIDM is UU.

Cash flow

Net cash generated from operating activities for the six months to 30 September 2026 was £696 million, £9 million higher than in the same period last year, principally due to increased revenue. This is partially offset by higher net interest paid on debt and derivatives as a result of higher debt associated with the AMP8 capital programme. The net cash generated from continuing operating activities supports the dividends paid of £266 million and partially funds some of the group's net capital expenditure of £992 million, with the balance being funded by net borrowings and cash and cash equivalents.

Pensions

As at 30 September 2026, the group had an IAS 19 net pension surplus of £324 million, compared with a surplus of £311 million at 31 March 2026. This £13 million increase has been predominantly driven by net pension income credited to the income statement before tax of £6 million and a £5 million remeasurement gain, due to changes in the financial assumptions including an increase in the discount rate and decrease in the long-term average RPI assumption which are partially offset by a reduction in the expected return on the scheme assets.

Further detail on pensions is provided in note 11 ('Retirement benefit surplus') of these condensed consolidated financial statements.

Financing

Net debt	**£m**
At 31 March 2026	9,943.2
Cash generated from operations	(833.8)
Net capital expenditure	992.2
Dividends	265.7
Indexation	89.5
Interest	137.8
Fair value movements	(10.4)
Loans repaid by joint ventures	(0.5)
Net proceeds from issue of ordinary shares	(787.0)
Other	8.4
At 30 September 2026	**9,805.1**

Net debt at 30 September 2026 was £9,805 million, compared with £9,943 million at 31 March 2026. This comprises gross borrowings with a carrying value of £11,589 million, net derivative liabilities hedging specific debt instruments of £278 million and cumulative indexation on inflation swaps of £168 million and is net of cash and bank deposits of £2,230 million, in part reflecting the successful £0.8 billion equity raise in April 2026.

Gearing, measured as group net debt including a £54 million loan receivable from joint venture divided by UUW's adjusted RCV (adjusted for actual spend, timing differences and including full expected value of AMP8 ex-post adjustment mechanisms) of £17.5 billion, was 56 per cent at 30 September 2026.

Issue of new ordinary shares

On 30 April 2026, we announced the issue of 60,975,610 new ordinary shares of five pence each following a capital raising exercise to raise proceeds of circa £800 million, in order to fully fund the equity element of our circa £2.5 billion incremental investment programme as part of the '2026 Re-opener' process. The share issue took the form of a non pre-emptive placing to institutional

shareholders with a retail offer made available via RetailBook, providing an opportunity for retail investors in the UK to acquire new ordinary shares as part of the capital raising exercise.

Cost of debt

As at 30 September 2026, the group had approximately £3.3 billion of RPI-linked instruments and £0.5 billion of CPI or CPIH-linked instruments held as debt. Including swaps, the group has RPI-linked debt exposure of 3.2 billion at an average real rate of 1.6 per cent, and £1.4 billion of CPI or CPIH-linked debt exposure at an average real rate of -0.6 per cent.

Debt issuances during the prior and current financial year, together with a rise in indications of future inflation contributed to the group's average effective interest rate of 4.6 per cent being higher than the rate of 4.2 per cent last half year. More information on this can be found on page 20.

The group has fixed the interest rates on its non index-linked debt in line with its 10-year reducing balance basis at an average effective nominal interest rate of 4.5% for the current financial year.

Credit ratings

UUW's senior unsecured debt obligations are rated Baa1 with Moody's Investors Service Ltd (Moody's), A- with Fitch Ratings Ltd (Fitch) and BBB+ with S&P Global Ratings UK Limited (S&P). United Utilities PLC's senior unsecured debt obligations are rated Baa2 with Moody's, BBB+ with Fitch and BBB- with S&P. All ratings are on a stable outlook.

Debt financing

The group has access to the international debt capital markets through its £12 billion medium-term note (MTN) programme.

In the six months to September 2026, we raised c.£280 million of term funding in the public bond markets. This consisted of a EUR150m tap of our existing EUR 3.5% bond due 2033, a EUR75m tap of our existing EUR 3.75% bond due 2034 and a EUR100m tap of our existing EUR 3.75% bond due 2035. In addition, we entered into £305 million of renewed and/or increased committed facilities with relationship banks.

Interest rate management

Long-term sterling inflation index-linked debt provides a natural hedge to assets and earnings under the regulatory model. At 30 September 2026, approximately 33 per cent of the group's net debt was in RPI-linked form, representing around 18 per cent of UUW's regulatory capital value (RCV), with an average real interest rate of 1.5 per cent. A further 14 per cent of the group's net debt was in CPI or CPIH-linked form, representing around 8 per cent of UUW's RCV, with an average real rate of -0.6 per cent. The long-term nature of this funding also provides a good match to the company's long-life infrastructure assets and is a key contributor to the group's average term debt maturity profile, which is around 14 years.

Across AMP8 we expect to move from having around half of our net debt in index-linked form to around a third. This reflects a balanced assessment across a range of factors, and will happen progressively over the period.

Where nominal debt is raised in a currency other than sterling and/or with a fixed interest rate, the debt is generally swapped to create a floating rate sterling liability for the term of the debt. To manage

exposure to medium-term interest rates, the group fixes underlying interest costs on nominal debt out to ten years on a reducing balance basis.

Liquidity

Short-term liquidity requirements are met from the group's normal operating cash flow and its short-term bank deposits and supported by committed but undrawn credit facilities. Our MTN programme provides further support.

At 30 September 2026, we had liquidity through to FY29, comprising cash and bank deposits, plus committed undrawn revolving credit facilities. This gives us flexibility in terms of when and how further debt finance is raised to help refinance maturing debt and support the delivery of our ongoing capital investment programme.

Underlying profit

The underlying profit measures in the following table represent alternative performance measures (APMs) as defined by the European Securities and Markets Authority (ESMA). These measures are linked to the group's financial performance as reported in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006 in the group's consolidated income statement, which can be found on page 30. As such, they represent non-GAAP measures.

These APMs can assist in providing a representative view of business performance, and may not be directly comparable with similarly titled measures presented by other companies. The group determines adjusted items in the calculation of its underlying measures against a framework which considers significance by reference to profit before tax, in addition to other qualitative factors such as whether the item is deemed to be within the normal course of business, its assessed frequency of reoccurrence and its volatility, which is either outside the control of management and/or not representative of current year performance.

In addition, a reconciliation of the group's average effective interest rate has been presented, together with a prior period comparison. In arriving at net finance expense used in calculating the group's effective interest rate, underlying net finance expense is adjusted to add back net pension interest income and capitalised borrowing costs in order to provide a view of the group's cost of debt that is better aligned to the return on capital it earns through revenue.

Adjusted item	Rationale
Pro forma adjustments applied to prior half year – provided to facilitate comparison on a like-for-like basis	
High Speed Two (HS2) income	In the financial reporting for the year ended 31 March 2026 management included an adjustment to exclude revenue associated with the cancelled northern leg of HS2, as explained further below. This adjustment had not been included in the interim reporting for the six months to 30 September 2025 and so a pro forma adjustment has been included to reflect the impact had this adjustment been made.
Change in estimation technique for measuring index-linked debt	As explained more fully in note 1 to the interim financial statements, during the prior year the group revised the measurement technique used to account for floating-rate financial liabilities using the effective interest rate. This change in accounting estimate was applied prospectively from 1 April 2025, however as the information needed to support this change in estimate had not been fully developed as at 30 September 2025, its effects were not included in interim reporting for the six months then ended. A pro forma adjustment is therefore included to reflect the estimated impact had it been incorporated within the prior half year finance expense.
Consistently applied adjustments	
Haweswater Aqueduct Resilience Programme (HARP)	Management adjusts to exclude the revenue allowed by Ofwat for recovery in AMP8 related to HARP, where phasing of revenue and costs results in a timing difference which is not reflective of underlying performance. Adjustments in arriving at underlying operating profit will also be required during AMP9.
High Speed Two (HS2) income	Management adjusts to exclude the revenue allowed by Ofwat for recovery in AMP8 related to diversions activity that will no longer take place following the cancellation of the northern leg of HS2. This adjustment will recur in each of the remaining years of AMP8. The revenue allowance to be recovered in AMP8 will be offset by negative adjustments to the revenue allowed by Ofwat for recovery in AMP9, resulting in a neutral position over time. Adjustments in arriving at underlying operating profit will therefore also be required during AMP9.
Fair value losses/(gains) on debt and derivative instruments, excluding interest on derivatives and	Fair value movements on debt and derivative instruments can be both very significant and volatile from one period to the next, and are therefore excluded in arriving at underlying net finance expense as they are determined by macro-economic factors that are outside of the control of management and relate to instruments that are purely held for funding and hedging purposes (not for trading purposes). Included within fair value movement on debt and derivatives is interest on derivatives and debt under fair value option. In making this adjustment it is appropriate to add back interest on derivatives and debt under fair value option to provide

debt under fair value option	a view of the group's cost of debt which is better aligned to the return on capital it earns through revenue. Taking these factors into account, management believes it is useful to adjust for these fair value movements to provide a more representative view of performance.
Deferred tax adjustment	Management adjusts to exclude the impact of deferred tax in order to provide a more representative view of the group's profit after tax and tax charge for the year given that the regulatory model allows for cash tax to be recovered through revenues, with future revenues allowing for cash tax including the unwinding of any deferred tax balance as it becomes current. By making this adjustment, the group's underlying tax charge does not include tax that will be recovered through revenues in future periods, thus reducing the impact of timing differences.
Tax in respect of adjustments to underlying profit before tax	Management adjusts for the tax impacts of the above adjusted items to provide a more representative view of current year performance.

Underlying profit	Six months ended 30 September 2026	Six months ended 30 September 2025	Six months ended 30 September 2025 (pro forma)
	£m	£m	£m
Operating profit per published results	**633.8**	**561.5**	**561.5**
Adjustments:			
Pro forma adjustment for HS2 revenue	-	-	(19.9)
HS2 revenue	(20.5)	-	-
HARP revenue	(34.6)	-	-
Underlying operating profit	**578.7**	**561.5**	**541.6**

Net finance expense			
	£m	£m	£m
Finance expense	(152.0)	(280.2)	(280.2)
Finance income	57.4	47.5	47.5
Net finance expense per published results	**(94.6)**	**(232.7)**	**(232.7)**
Adjustments:			
Pro forma adjustment for change in estimation technique for measuring index-linked debt	-	-	50.1
Net finance expense	**(94.6)**	**(232.7)**	**(182.6)**
Adjustments:			
Fair value (gains)/losses on debt and derivative instruments, excluding interest on derivatives and debt under fair value option	(72.2)	35.7	35.7
Underlying net finance expense	**(166.8)**	**(197.0)**	**(146.9)**

	£m	£m	£m
Share of losses of joint ventures	**-**	**(3.5)**	**(3.5)**

Profit before tax per published results	539.2	325.3	325.3
Adjustments:			
Pro forma adjustment for change in estimation technique for measuring index-linked debt	-	-	50.1
Profit before tax	**539.2**	**325.3**	**375.4**
Adjustments:			
In respect of operating profit	(55.1)	-	(19.9)
In respect of net finance expense	(72.2)	35.7	35.7
Underlying profit before tax	**411.9**	**361.0**	**391.2**
Profit after tax per published results	400.3	240.0	240.0
Adjustments:			
Pro forma adjustment for change in estimation technique for measuring index-linked debt	-	-	50.1
Profit after tax	**400.3**	**240.0**	**290.1**
Adjustments:			
In respect of profit before tax	(127.3)	35.7	15.8
Deferred tax adjustment	138.9	84.2	84.2
Underlying profit after tax	**411.9**	**359.9**	**390.1**

Earnings per share

	£m	£m	£m
Profit after tax (a)	400.3	240.0	290.1
Underlying profit after tax (b)	411.9	359.9	390.1
Weighted average number of shares in issue, in millions (c)	731.5	681.9	681.9
Earnings per share in pence (a/c)	54.7	35.2	42.5
Underlying earnings per share, in pence (b/c)	**56.3**	**52.8**	**57.2**
Dividend per share, in pence	**18.51**	**17.88**	**17.88**

In arriving at net finance expense used in calculating the group's effective interest rate, management adjusts underlying net finance expense to add back pension income and capitalised borrowing costs in order to provide a view of the group's cost of debt that is better aligned to the return on capital it earns through revenue.

Average effective interest rate	**Six months ended 30 September 2026 £m**	**Six months ended 30 September 2025[1] £m**
Underlying net finance expense	**(166.8)**	**(146.9)**
Adjustments:		
Net pension interest income	(9.2)	(8.7)
Adjustment for capitalised borrowing costs	(49.6)	(45.7)
Net finance expense for effective interest rate	**(225.6)**	**(201.3)**
Average notional net debt[2]	**(9,733)**	**(9,522)**
Average effective interest rate	**4.6%**	**4.2%**
Effective interest rate on index-linked debt	4.8%	4.3%
Effective interest rate on other debt	4.5%	4.2%

[1] Prior year comparatives have been re-presented with an unaudited pro forma adjustment to reflect the estimated impact of the change in estimation technique for the measurement of inflation-linked debt. The change in approach is estimated to have had a positive impact on net finance expense of £50.1 million if applied in 1H 2025/26.
[2]Notional net debt is calculated as the principal amount of debt to be repaid, net of cash and bank deposits, taking: the face value issued of any nominal sterling debt, the inflation accreted principal on the group's index linked debt, and the sterling principal amount of the cross-currency swaps relating to the group's foreign currency debt.

PRINCIPAL RISKS AND UNCERTAINTIES

Our approach to risk management

Our approach to risk management, including how we identify and assess risk, the oversight and governance process and focus on continual improvement remains largely unchanged from last year as described in our Annual Report.

Our principal risks

Our principal risks represent those risks, which, in a remote but plausible scenario, could initiate corporate failure (material impact risks) and those risks that are likely to have a significant long-term impact on company value if they were to crystallise. As our definition of material impact risks highlights those risks that have the most significant impact in the worst case, it naturally identifies risks which place significant reliance on mitigating controls. Therefore, our future material controls declaration will be in respect of the key controls which mitigate our material impact risks.

A. Strategic aqueduct failure — Material impact & Long-term risk

Risk exposure: We own and operate nine aqueducts, which transfer water from major treatment works and large service reservoirs to the wider network. Asset deterioration and damage (caused by third-party or natural events) are key risk factors to water supply and/or quality relative to large proportions of our customer base. The Haweswater Aqueduct is the most significant asset of this type and currently has the lowest level of resilience.

Control/mitigation: We are committed to delivering a resilient supply of water. Material controls are:

- Rehabilitation/restoration: The Large Diameter Trunk Mains (LDTM) inspections regime, along with existing asset maintenance programmes, are structured and reviewed periodically to identify where major rehabilitation or restoration programmes are required. The programmes are centrally governed and delivered to ensure the successful rehabilitation and restoration of strategic aqueducts, reducing the likelihood and impact of structural failure. Current initiatives include the Haweswater Aqueduct Resilience Programme and Vyrnwy Aqueduct Modernisation Programme, both of which have been mobilised and are progressing as planned.
- Aqueduct loss contingency plans: Plans to outline response of total loss of supply (in the event of breach) or restrictions on use (in the event of a water quality event) are developed, maintained and periodically exercised to enable the rapid deployment of resources and engagement with external agencies to maintain community function.

Other controls include protective easements, inspections, and monitoring of flow, pressure and turbidity via sensors and alarms.

Governance: Water quality first board; Water price control; Ofwat Liaison Committee (HARP); HARP Delivery Board; and Group board.

Assurance: Engineering team technical reviews; Assurance team reviews; and cyclical internal audits.

B. Treatment and transportation of wastewater — Material impact & Long-term risk

Risk exposure: We own and operate network and treatment assets to collect and treat wastewater before it is safely returned to the environment. Risk factors to the hydraulic and operational capacity include: population growth; extreme weather (amplified by climate change); increased surface runoff due to residential and commercial developments; improper or harmful use of the sewer systems; and inherent asset health issues. Consequential failure, now subject to tightening legislation, can result in unpermitted storm or emergency overflow activations, sewer flooding and environmental damage.

Control/mitigation: We focus on providing reliable and resilient wastewater services. Material controls are:

- Maintenance: Operational and maintenance teams carry out scheduled preventative and corrective maintenance, including inspection, servicing, repair and replacement of treatment and network assets, ensuring defects are identified and resolved to maintain asset health and performance, operational reliability and reduce the likelihood of environmental impacts.
- Licence to operate: Mandatory training, certification and competence requirements for wastewater operations are defined, delivered and routinely refreshed to ensure staff maintain the necessary skills and qualifications to safely and effectively operate the wastewater processes and assets.
- Power resilience: Power resilience plans and assets are maintained for critical wastewater sites to ensure continuity of treatment and transportation during power interruptions and outages.

Other controls include customer awareness, trade effluent management, monitoring of sensors and alarms and emergency response. In addition, our Better Rivers programme focuses on improving river water quality and reducing spills from storm and emergency overflow operation.

Governance: Wastewater Price control; Flood committee; and Pollution board.

Assurance: Assurance team reviews; and cyclical internal audits.

C. Cyber

Material impact & Long-term risk

Risk exposure: As we continue to develop our digital capability, we become more reliant on connected technology, not only in the way we operate, but also the way in which we communicate with our customers and the wider community. Cyber incidents continue to grow in all industries with an increasingly complex threat landscape driven by hostile state actors, organised criminal groups and the rapid evolution of Artificial Intelligence. The potential for data and technology assets to be compromised is a key risk to business processes and operations.

Control/mitigation: We employ a multi-layer control environment. Material controls are:

- Infrastructure access controls: Perimeter and internal firewalls, supported by intrusion detection systems, are centrally configured, monitored and routinely updated to restrict unauthorised access and detect malicious activity across the corporate and operational technology networks.
- System access controls: System, data and internet access is restricted through centrally managed authentication, authorisation and usage controls, ensuring users are granted only the permissions required for their role and preventing unauthorised or inappropriate access across the organisation's Information and operational technology environments.
- Point protection: Anti-malware suite and mail gateway service which includes malware detection, transmission protocols, and endpoint actions.
- Monitoring and response: The Security Operations Centre continuously monitors security events, analyses threat activity and coordinates timely incident response actions to detect, contain and mitigate cyber threats across the organisation's Information and operational technology environments. UU also operates a comprehensive Cyber Security Incident Response plan with associated training and exercising.

Other controls include security awareness training and business continuity plans.

Governance: Security steering group; NIS governance board; Group audit and risk board (GARB); and Group board.

Assurance: Security team reviews; annual internal audit; and external reviews.

D. Water availability

Material impact & Long-term risk

Risk exposure: Water availability is a long-term risk for the UK, driven by a combination of changing climatic conditions and increasing demand from population growth and industrial use. Lower-than-average rainfall, shifting seasonal patterns and extended periods of hot weather are reducing water resources through higher evaporation and demand. These pressures may affect both the natural

environment and supply capacity, increasing the likelihood of water-use restrictions. Changes to environmental legislation on abstraction and compensation may further constrain available supplies.
Control/mitigation: We are committed to the sustainability and resilience of water resources. Material controls are:

- Water resources strategy: A central water resources planning team develops, maintains and periodically reviews the Water Resources Management Plan (WRMP) to ensure long-term supply and demand strategy reflects climate and demographic change and provides a resilient approach to water availability.
- Production planning: Production planning teams proactively balance water availability and treatment / production capacity against forecast demand by reviewing supply forecasts, operational constraints and risk indicators to ensure sustainable and resilient system operation.
- Contingency plan: The statutory Drought Plan is maintained, periodically reviewed and enacted when required to set out the operational and customer-facing actions the organisation will take to manage water shortages and protect system resilience during drought conditions.

Other controls include abstraction and leakage management, and water efficiency programmes.
Governance: Water quality first board; Water price control; and Group board.
Assurance: Assurance team reviews; and internal audits.

E. Financial risk

Material impact risk

Risk exposure: We are inherently exposed to liquidity, market, credit and capital risk due to our debt financing, cash and derivative holdings, defined benefit pension scheme and a significant annual commodity spend, notably energy. Risk factors include market fluctuations, cost or revenue shocks, process or system errors or failures (internal or counterparty), and poor company or sector performance. Impacts can be conflated and range significantly relating to revenue, the group's Regulatory Capital Value, the cost of debt, the cost of goods and services, with the most material impact being insolvency associated with remote risks such as counterparty failures or a breach of covenants.
Control/mitigation: We have a robust and prudent approach to financial risk management. Material controls are:

- Approved parameters set out in Treasury Policies: Approved parameters for funding, liquidity, interest rate, inflation and electricity price commodity exposures, along with credit rating and financial ratio tolerance levels, are centrally defined in Treasury policies, monitored and reported to ensure treasury and financing activities remain within the organisation's financial risk appetite.
- Control of work: Financial transactions are governed by an established control framework incorporating authorisation limits, defined transaction parameters, segregation of duties and supervisory review to ensure activities are executed in line with approved financial and operational standards.
- Licence to operate: Mandatory training, certification and competency requirements for financial and treasury activities are defined, delivered and routinely refreshed to ensure staff maintain the skills and authorisations necessary to operate within regulatory, market and internal control expectations.

We maintain a robust balance sheet. Following the successful equity placing in April 2026, we are well placed to fund our c.£11.5 billion capital investment programme within our target gearing range of 55-65%.
Other controls include company business planning and monitoring of both internal and counterparty performance. The banking resolution regime also provides protection in the event of bank failures.
Governance: Operational compliance review; Executive performance meeting; Quarterly Treasury MI Pack; and Treasury committee.

Assurance: External audit; and cyclical internal audit.

F. Dam failure

Material impact risk

Risk exposure: We own and operate a fleet of over 100 dams and service reservoirs, many of which fall under statutory regulations due to their significant capacity. The integrity of all dams is fundamental to water availability, and the safety of society and property downstream. Flood damage, overtopping, earthquake or erosion could, in remote circumstances, result in an uncontrolled release of a significant volume of water with catastrophic implications.

Control/mitigation: We focus on maintaining extremely low probabilities of individual dam failure. Material controls are:

- Portfolio Risk Assessment (PRA): A Portfolio Risk Assessment is periodically undertaken to evaluate individual dams against societal risk criteria, enabling consistent prioritisation of safety interventions across the dam portfolio.
- Inspections: Catchment teams and Supervising Engineers conduct regular inspections and monitoring of dam structures and associated assets to identify emerging defects and compliance issues, ensuring timely escalation and intervention to maintain dam safety.
- Remedial work: Remedial works identified through Portfolio Risk Assessments or statutory 'In the Interest of Safety' requirements are prioritised, designed and delivered to address identified dam safety risks and ensure continued compliance with regulatory obligations.

Other controls include ground maintenance to manage vegetation and erosion, and contingency plans.

Governance: Dam safety group; and Group board.

Assurance: Assurance team reviews; cyclical internal audits; and Panel engineer inspections.

G. Physical security

Material impact risk

Risk exposure: The water industry is classed as one of 13 'Critical National Infrastructure' (CNI) sectors which are defined as facilities, systems, sites, information, people, networks and processes, necessary for a country to function and upon which daily life depends. Within this definition, a number of specific UU assets are assigned a CNI or 'National Infrastructure' (NI) designation which could be compromised in a remote but significant security incident (such as terrorism, sabotage or other hostile acts), leading to severe economic and social consequences.

Control/mitigation: We employ a multi-layered approach in accordance with the Security and Emergency Measures Direction (SEMD) of the Water Industry Act. Material controls are:

- Physical access controls: Physical access to sites is controlled through gates, fencing, security guards, CCTV and electronic access control systems to prevent unauthorised entry and protect critical assets.
- Monitoring and response: Security alarms and site alerts are continuously monitored by the Integrated Control Centre, which initiates timely investigation and response to any unauthorised access or security events.

Other controls include the physical hardening of assets based on priority and operational site inspections.

Governance: Security steering group.

Assurance: Security team reviews; Assurance team reviews; cyclical internal audits; and external reviews.

H. Failure to treat water

Material impact risk

Risk exposure: Threats to water treatment include asset health, process failure and the contamination (natural, chemical or biological) of raw water. Climate change is a key factor in raw water contamination due to intensifying catchment erosion and runoff, more frequent wildfires and increasing algal bloom, which can produce taste and odour problems. Failure to treat water can lead

to non-compliance with regulatory standards, rejection of water by consumers for aesthetics or, in extreme cases, public health issues.

Control/mitigation: We are committed to providing wholesome drinking water. Material controls are:

- Sampling and testing: Water Quality teams perform scheduled sampling and accredited laboratory testing across the network, with results recorded and reviewed in the Water Quality Management System to ensure compliance and detect any treatment issues.
- Sensors and alarms: Automated sensors continuously monitor water quality and treatment parameters, triggering system-generated alarms for operational teams to investigate and address any deviations from acceptable limits.
- Maintenance: Operational and maintenance teams carry out scheduled preventative and corrective maintenance, including inspection, servicing, repair and replacement of treatment and network assets, ensuring defects are identified and resolved to maintain asset health and performance and ensure regulatory compliance.
- Licence to operate: Mandatory training, certification and competence requirements for water operations are defined, delivered and routinely refreshed to ensure staff maintain the necessary skills and qualifications to safely and effectively operate the water processes and assets.
- Power resilience: Power resilience plans and assets are maintained for critical water sites to ensure continuity of water treatment during power interruptions and outages.
- Chemical resilience: Chemical resilience plans (including stock levels, alternative supply routes, and contingency actions) are maintained and periodically reviewed to ensure critical treatment sites can continue operating during chemical supply interruptions.

Other controls include an end-to-end risk assessment process, contingency plans, and the monitoring of the regulatory position on emerging contaminants.

Governance: Water quality first board; and Water price control.

Assurance: Scientific service team reviews; Assurance team reviews; cyclical internal audits; and external evaluations.

I. Health and safety

Material impact risk

Risk exposure: Our activities inherently include exposure to chemical, biological and physical hazards, with the most material impact being a major incident at one of our process plants (two of which fall under the Control of Major Accident Hazard (COMAH) regulations). An unintentional release of chemicals, energy, or other potentially dangerous materials (including steam) could result in fire, explosion, and toxic releases, which, in the worst case, results in multiple casualties and serious damage to our assets, adjacent infrastructure/buildings and the environment.

Control/mitigation: We continue to build a strong health and safety culture and are committed to improving health and safety performance, with process safety being a primary area of focus. Material controls are:

- Control of work: A management system to ensure activities are safely undertaken, with key components including the management of change through risk assessment, implementation of protections such as isolation, and authorisation and permit to work.
- Maintenance: Operational and maintenance teams carry out scheduled preventative and corrective maintenance, including inspection, servicing, repair and replacement of treatment and network assets, ensuring defects are identified and resolved to maintain asset health and performance and ensure health and safety compliance.
- Licence to operate: Staff and contractors complete and maintain all required training, licences and competency assessments, with compliance tracked and evidenced through the corporate learning and authorisation systems to ensure safe and legally compliant operation.

Other controls include monitoring through sensors and alarms and emergency/contingency plans.

Governance: Process safety board; Executive health & safety committee; and Group board.
Assurance: H&S team reviews; Assurance team reviews; and cyclical internal audit.

J. Misstatement of reported information

Material impact risk

Risk exposure: We are bound by legislation and regulation to provide statutory financial accounts and regulatory reports to demonstrate financial health, performance, compliance with legal and regulatory requirements, and provide information to stakeholders for their ongoing interest and/or investment in the company. Failure to provide accurate and/or complete information is reputationally damaging and, depending on the nature of any misstatement or misreport, could accrue significant penalties.
Control/mitigation: We are committed to reporting in an open, compliant and transparent way. Material controls are:

- Financial controls: Financial control procedures (including journal processing controls, control accounts and analytical review) to ensure the accuracy, completeness and validity of reported financial information in accordance with accounting and reporting standards.
- Regulatory reporting framework: Application of a defined regulatory reporting framework that sets out reporting criteria, accountabilities, data capture requirements, governance, and assurance processes to ensure reported information is accurate, complete and compliant with reporting requirements.

Other controls include accounting policies, schedules, risk assessment and management of queries.
Governance: Executive performance meetings; Audit committee; and Compliance committee.
Assurance: Financial control team review; Regulation and compliance team review; internal audits; and external audit.

K. Fraud

Material impact risk

Risk exposure: The scale of our operations presents multiple opportunities for fraud to be perpetrated from inside and outside of the company, potentially impacting us, our stakeholders and third parties. Fraud can be committed by individuals or groups with examples including false representation, unauthorised disclosure of personal information, the supply of inferior products / false invoices and misuse or theft of company property. The Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced a new corporate offence for failure to prevent fraud, which can carry an unlimited fine. The most material fraud risks relate to treasury operations, cyber-crime and reporting.
Control/mitigation: We are committed to preventing fraud. Material controls are:

- Control of work: Financial transactions are governed by an established control framework incorporating authorisation limits, defined transaction parameters, segregation of duties and supervisory review to ensure activities are executed in line with approved financial and operational standards.
    - System access controls: System, data and internet access is restricted through centrally managed authentication, authorisation and usage controls, ensuring users are granted only the permissions required for their role and preventing unauthorised or inappropriate access across the organisation's Information and operational technology environments.
- Financial controls: Financial control procedures (including journal processing controls, control accounts and analytical review) to ensure the accuracy, completeness and validity of reported financial information in accordance with accounting and reporting standards.

Other controls include fraud awareness training, whistleblowing process for the confidential reporting and investigation of fraud, and fraud risk assessment.
Governance: Security steering group; Whistleblowing committee; Audit committee; and Group board.
Assurance: Departmental review; cyclical internal audit; and external review.

L. Recycling of biosolids

Long-term risk

Risk exposure: Wastewater treatment generates significant quantities of sludge, which is subsequently treated to produce biosolids, the majority of which are recycled to agriculture as the most practical environmental option. A reduction in the landbank could have significant implications for strategy, operations, and cost, with a total loss of the land bank being the worst-case scenario. Threats include: the quality of biosolids; changes in public or political perception; changes in regulations associated with emerging contaminants and climate change; and/or the willingness of farmers or landowners to receive biosolids.
Control/mitigation: Treatment, sampling and testing ensures that quality standards are met, and we work closely with farmers, landowners and contractors to ensure compliance with regulations (notably the Biosolids Assurance Scheme (BAS)). We are also investing in our sludge treatment assets to ensure capacity, reliability and environmental compliance is upheld. In addition, we continue to work closely with regulators to influence policy. We are also developing contingency plans should regulation change in the near term, with a notified item included in the final determination enabling an interim determination (IDOK) if significant investment is required to develop alternative disposal outlets before 2030.
Governance: Bioresource team review of BAS compliance; and Executive performance meetings.
Assurance: Assurance team reviews; cyclical internal audit; and external BAS audits.

M. Programme delivery

Long-term risk

Risk exposure: The capital programme involves significant investment in the development and improvement of point and linear assets through a series of projects to improve water supply and wastewater services. Delivery to time, cost and quality is under constant challenge due to ongoing exposure to natural hazards and the capacity and capability of third parties, partners and internal resource. This risk is amplified by the significant scale of the capital programme across this and future asset management periods (AMPs) coupled with challenging cost allowances and performance commitments.
Control/mitigation: Our capital programme operating model involves multiple construction and design partners, and a large supplier base, providing both efficiency and resilience. With strong emphasis placed on safety and the environment, we adopt a supplier relationship management framework to manage contracts and performance, a runway approach for project allocation, and category management for the supply of products and materials. Performance is measured through our capital programme delivery incentive and monitoring delivery of performance commitments. For operations a transformation programme is in development with five clear areas of focus within an agreed prioritisation framework.
Governance: Project management office; Capital investment committee; and Executive performance meetings.
Assurance: Assurance team reviews; and cyclical internal audit.

Material litigation

The group robustly defends litigation where appropriate and seeks to minimise its exposure by establishing provisions and seeking recovery wherever possible. Litigation of a material nature is regularly reported to the group board. While our directors remain of the opinion that the likelihood of a material adverse impact on the group's financial position is remote, based on the facts currently known to us and the provisions in our financial statements, the following two cases are worthy of note:

- As reported in previous years, in February 2009, United Utilities International Limited (UUIL) was served with notice of a multiparty 'class action' in Argentina related to the issuance and payment default of a US$230 million bond by Inversora Eléctrica de Buenos Aires S.A. (IEBA), an Argentine project company set up to purchase one of the Argentine electricity distribution networks that was privatised in 1997. UUIL had a 45% shareholding in IEBA, which it sold in 2005. The claim is for a non-quantified amount of unspecified damages and purports to be pursued on behalf of unidentified consumer bondholders in IEBA. The claim has not advanced procedurally in the last year and the proceedings remain in the evidentiary stage. UUIL will vigorously resist the proceedings given the robust defences that UUIL has been advised that it has on procedural and substantive grounds.

- Collective proceedings in the Competition Appeal Tribunal ("CAT") were issued on 8 December 2023 against UUW and UUG on behalf of approximately 5.6 million domestic customers following an application by the Proposed Class Representative ("PCR"), Professor Carolyn Roberts. The PCR alleges that UUW's customers have collectively paid an overcharge for sewerage services during the claim period (which runs from 1 April 2020 and may continue into the early years of the PR24 period) as a result of UUW allegedly abusing a dominant position by providing misleading information to regulatory bodies. The estimated total aggregate amount the PCR is claiming against UUW (including interest) is at least £141 million. On 7 March 2025, the CAT unanimously concluded that claims could not proceed on the basis that the claims brought forward are excluded by section 18(8) of the Water Industry Act 1991. This conclusion was upheld by a majority decision of the Court of Appeal on 5 March 2026. The PCR was subsequently refused permission to appeal by the Court of Appeal but obtained permission directly from the Supreme Court on 1 July 2026. The appeal is listed for hearing on 8 to 9 February 2027. UUW believes the claim is without merit and will robustly defend it, should the certification decision be overturned on appeal. Separate letters before action were issued on 20 December 2024 in relation to similar claims in respect of non-household customers suggesting a further claim for £168m, however it is not clear how these will proceed following the CAT and Court of Appeal's decision not to certify the claims brought in respect of domestic customers and pending the outcome of the Supreme Court appeal next year.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This financial report 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 financial report and the company undertakes no obligation to update these forward-looking statements. Nothing in this financial report should be construed as a profit forecast.

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

LEI 2138002IEYQAOC88ZJ59
Classification – Half Year Result

Consolidated income statement

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Revenue (note 3)	**1,462.0**	1,309.2
Other income	**9.6**	13.2
Staff costs	**(152.8)**	(125.4)
Other operating costs (note 4)	**(381.2)**	(357.9)
Allowance for expected credit losses – trade and other receivables	**(18.8)**	(16.7)
Depreciation of property, plant and equipment	**(256.9)**	(227.5)
Amortisation of intangible assets	**(13.6)**	(14.7)
Infrastructure renewals expenditure	**(14.5)**	(18.7)
Total operating expenses	**(828.2)**	(747.7)
Operating profit	**633.8**	561.5
Finance income (note 5)	**57.4**	47.5
Finance expense (note 6)	**(152.0)**	(280.2)
Net finance expense	**(94.6)**	(232.7)
Share of losses of joint ventures (note 10)	**-**	(3.5)
Profit before tax	**539.2**	325.3
Current tax charge	**-**	(1.1)
Deferred tax charge	**(138.9)**	(84.2)
Tax (note 7)	**(138.9)**	(85.3)
Profit after tax	**400.3**	240.0
Earnings per share (note 8)		
Basic	**54.7p**	**35.2p**
Diluted	**54.6p**	**35.1p**
Dividend per ordinary share (note 9)	**18.51p**	**17.88p**

All of the results shown above relate to continuing operations.

Consolidated statement of comprehensive income

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Profit after tax	**400.3**	**240.0**
Other comprehensive income		
Items that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges – effective portion of fair value movements	**12.7**	(4.9)
Tax on items that may be reclassified to profit or loss	**(3.2)**	1.2
Reclassification of items recorded in other comprehensive income to profit or loss	**2.1**	10.5
Tax reclassified to income statement	**(0.5)**	(2.6)
	11.1	**4.2**
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement gains/(losses) on defined benefit pension schemes (note 11)	**4.6**	(17.9)
Change in credit assumptions for debt reported at fair value through profit or loss	**(1.5)**	(4.1)
Cost of hedging – cross-currency basis spread adjustment	**1.3**	4.5
Tax on items recorded in other comprehensive income	**0.8**	3.8
	5.2	**(13.7)**
Total comprehensive income	**416.6**	**230.5**

Consolidated statement of financial position

	30 September 2026 £m	31 March 2026 £m
ASSETS		
Non-current assets		
Property, plant and equipment	**15,927.1**	15,084.0
Intangible assets	**120.7**	119.9
Trade and other receivables	**91.1**	54.6
Retirement benefit surplus (note 11)	**324.2**	310.9
Derivative financial instruments	**367.8**	334.0
	16,830.9	15,903.4
Current assets		
Inventories	**23.2**	9.1
Trade and other receivables	**390.0**	333.3
Current tax asset	**72.8**	73.2
Cash and cash equivalents (note 12)	**2,179.7**	1,794.3
Bank deposits (note 12)	**50.0**	-
Derivative financial instruments	**20.4**	13.7
	2,736.1	2,223.6
Total assets	**19,567.0**	18,127.0
LIABILITIES		
Non-current liabilities		
Trade and other payables	**(1,228.5)**	(1,168.5)
Borrowings (note 13)	**(11,381.8)**	(11,325.7)
Deferred tax liabilities	**(2,358.8)**	(2,216.9)
Derivative financial instruments	**(466.7)**	(302.4)
	(15,435.8)	(15,013.5)
Current liabilities		
Trade and other payables	**(728.0)**	(682.7)
Borrowings (note 13)	**(206.7)**	(164.9)
Provisions	**(15.7)**	(17.5)
Derivative financial instruments	**(0.9)**	(7.0)
	(951.3)	(872.1)
Total liabilities	**(16,387.1)**	(15,885.6)
Total net assets	**3,179.9**	2,241.4
EQUITY		
Share capital (note 17)	**502.9**	499.8
Share premium (note 17)	**786.8**	2.9
Other reserves (note 18)	**352.6**	340.5
Retained earnings	**1,537.6**	1,398.2
Shareholders' equity	**3,179.9**	2,241.4

Consolidated statement of changes in equity

Six months ended 30 September 2026

	Share capital £m	Share premium £m	[1]Other reserves £m	Retained earnings £m	Total £m
At 1 April 2026	499.8	2.9	340.5	1,398.2	2,241.4
Profit after tax	-	-	-	400.3	400.3
Other comprehensive income/(expense)					
Remeasurement gains on defined benefit pension schemes (note 11)	-	-	-	4.6	4.6
Change in credit assumption for debt reported at fair value through profit or loss	-	-	-	(1.5)	(1.5)
Cash flow hedges – effective portion of fair value movements	-	-	12.7	-	12.7
Cost of hedging – cross-currency basis spread adjustment	-	-	1.3	-	1.3
Tax on items recorded in other comprehensive income	-	-	(3.5)	1.1	(2.4)
Reclassification of items recorded in other comprehensive income to profit or loss	-	-	2.1	-	2.1
Tax reclassified to income statement	-	-	(0.5)	-	(0.5)
Total comprehensive income	-	-	12.1	404.5	416.6
Issuance of ordinary shares (note 17)	3.1	783.9	-	-	787.0
Dividends (note 9)	-	-	-	(265.7)	(265.7)
Equity-settled share-based payments	-	-	-	3.1	3.1
Purchase of shares to satisfy exercise of share options	-	-	-	(2.7)	(2.7)
Proceeds from share forfeitures	-	-	-	0.2	0.2
At 30 September 2026	**502.9**	**786.8**	**352.6**	**1,537.6**	**3,179.9**

Six months ended 30 September 2025

	Share capital £m	Share premium £m	[1]Other reserves £m	Retained earnings £m	Total £m
At 1 April 2025	499.8	2.9	319.2	1,178.0	1,999.9
Profit after tax	-	-	-	240.0	240.0
Other comprehensive income/(expense)					
Remeasurement losses on defined benefit pension schemes (note 11)	-	-	-	(17.9)	(17.9)
Change in credit assumption for debt reported at fair value profit or loss	-	-	-	(4.1)	(4.1)
Cash flow hedges – effective portion of fair value movements	-	-	(4.9)	-	(4.9)
Cost of hedging – cross-currency basis spread adjustment	-	-	4.5	-	4.5
Tax on items recorded in other comprehensive income	-	-	0.1	4.9	5.0
Reclassification of items recorded in other comprehensive income to profit or loss	-	-	10.5	-	10.5
Tax reclassified to income statement	-	-	(2.6)	-	(2.6)
Total comprehensive income	-	-	7.6	222.9	230.5
Dividends (note 9)	-	-	-	(235.7)	(235.7)
Equity-settled share-based payments	-	-	-	1.1	1.1
Purchase of shares to satisfy exercise of share options	-	-	-	(4.1)	(4.1)
Proceeds from share forfeitures	-	-	-	0.4	0.4
At 30 September 2025	**499.8**	**2.9**	**326.8**	**1,162.6**	**1,992.1**

(1) Other reserves comprise the group's capital redemption reserve, merger reserve, cost of hedging reserve, and cash flow hedging reserve. Further detail of movements in these reserves is included in note 18.

Consolidated statement of cash flows

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Operating activities		
Cash generated from operations (note 15)	**833.8**	807.0
Interest paid	**(181.9)**	(155.8)
Interest received and similar income	**44.1**	35.1
Tax received	**0.4**	0.2
Net cash generated from operating activities	**696.4**	686.5
Investing activities		
Purchase of property, plant and equipment	**(990.2)**	(637.5)
Proceeds from disposal of property, plant and equipment	**0.1**	0.7
Purchase of intangible assets	**(19.7)**	(6.2)
Grants and contributions received	**17.6**	23.8
Loans repaid by joint ventures	**0.5**	17.5
Placement of deposits with maturity greater than three months (note 12)	**(130.0)**	(455.0)
Receipt of deposits with maturity greater than three months (note 12)	**80.0**	-
Net cash used in investing activities	**(1,041.7)**	(1,056.7)
Financing activities		
Proceeds from share issuance net of issuance costs (note 17)	**787.0**	-
Proceeds from borrowings net of issuance costs	**280.0**	520.8
Repayment of borrowings	**(68.1)**	(99.5)
Dividends paid to equity holders of the company (note 9)	**(265.7)**	(235.7)
Purchase of shares to satisfy exercise of share options	**(2.7)**	(4.1)
Proceeds from share forfeitures	**0.2**	0.4
Net cash generated from financing activities	**730.7**	181.9
Net increase/(decrease) in cash and cash equivalents	**385.4**	(188.3)
Cash and cash equivalents at beginning of the period	**1,794.3**	1,669.0
Cash and cash equivalents at end of the period	**2,179.7**	1,480.7

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Basis of preparation and accounting policies

The condensed consolidated financial statements for the six months ended 30 September 2026 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and International Accounting Standard 34 *'Interim Financial Reporting'* (IAS 34) as published by the International Accounting Standards Board ('IASB') and adopted by the UK.

The condensed consolidated financial statements do not include all of the information and disclosures required for full annual financial statements, do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006, and should be read in conjunction with the group's annual report and financial statements for the year ended 31 March 2026.

The comparative figures for the year ended 31 March 2026 do not comprise the group's statutory accounts for that financial year. Those accounts have been reported upon by the group's auditor and delivered to the registrar of companies. The report of the auditor was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The annual financial statements for the year ended 31 March 2026 were prepared in accordance with the requirements of the Companies Act 2006, and with UK-adopted international accounting standards. They were prepared on the going concern basis under the historical cost convention, except for the revaluation of financial instruments, accounting for the transfer of assets from customers and the revaluation of infrastructure assets to fair value on transition to IFRS.

The accounting policies, presentation and methods of computation used in these condensed consolidated interim financial statements are the same as those used in the audited financial statement of United Utilities Group PLC for the year ended 31 March 2026.

Application of the effective interest rate ('EIR') in accounting for floating-rate debt

During the prior year, the group revised the measurement technique used to account for floating-rate financial liabilities using the effective interest rate method in accordance with IFRS 9 *'Financial instruments'*. This constituted a change in the accounting estimate and was therefore applied prospectively from 1 April 2025 within the group's annual report and financial statements for the year ended 31 March 2026.

This revised measurement technique was not applied within the interim condensed consolidated financial statements for the six months ended 30 September 2025, as the information needed to support this change in estimate at the date those interim financial statements were issued had not been fully developed. Specifically, the assessment to consider the basis for the change in accordance with the requirements of IFRS 9 and the implications of the proposed change, including an assessment of which forward-looking information would be most appropriate to use for the estimate, had not been completed at the date those financial statements were issued. In accordance with IAS 34, the amounts reported in these financial statements for this comparative period have not been retrospectively adjusted for the change in the accounting estimate. Based on information available following the completion of the assessment, being after the issuance of the interim financial statements for the six months ended 30 September 2025, had the change in accounting estimate been incorporated the finance expense for that period would have been £50.1m lower than reported.

Going concern

The interim condensed consolidated financial statements for the six months ended 30 September 2026 have been prepared on the going concern basis as the directors have a reasonable expectation that the group has adequate resources for a period of at least 12 months from the date of their approval, and that there are no material uncertainties to disclose.

In assessing the appropriateness of the going concern basis of accounting, the directors have reviewed the resources available to the group in the form of cash and committed bank facilities, as well as considering the group's capital adequacy, along with a baseline plan reflecting current best estimates of forecasted future business performance. The directors have considered the magnitude of potential impacts resulting from events and changes in conditions since the authorisation of the prior period financial statements and uncertain future events or changes in conditions in forming this assessment.

Consequently, the directors are satisfied that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the interim condensed consolidated financial statements, and that liquidity forecasts indicate that the group will be able to operate within the amounts and terms (including relevant covenants) of existing facilities. The interim condensed consolidated financial statements have therefore been prepared on a going concern basis.

Adoption of new and revised standards

There were no new standards, interpretations and amendments, effective for the six months ended 30 September 2026, that had a material impact on the group's financial statements, or that were not early adopted in previous years.

Future accounting developments

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for these condensed consolidated financial statements. These standards, amendments or interpretations are not expected to have a material impact on the financial statements in the following reporting period and on foreseeable future transactions. The group monitors developments across financial reporting standards and the status of adoption in the UK in assessing the extent to which these developments are likely to impact the financial statements in future periods. Relevant future developments are detailed below.

IFRS 18 'Presentation and Disclosure in Financial Statements'

In April 2024, the IASB issued IFRS 18 *'Presentation and Disclosure in Financial Statements'*, effective for annual reporting periods beginning on or after 1 January 2027. The standard will replace IAS 1 *'Presentation of Financial Statements'* and does not change the measurement bases of the financial statements. There are three sets of new requirements relating to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information. Management has undertaken an impact assessment and progressed a project plan in readiness for implementation for the reporting period commencing 1 April 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities'

In May 2026, the IASB issued IFRS 20 *'Regulatory Assets and Regulatory Liabilities'* which is effective for annual reporting periods beginning on or after 1 January 2029, subject to endorsement for use in the UK, and under which United Utilities Water Limited will be in scope. IFRS 20 introduces a new accounting model under which a company subject to rate regulation recognises regulatory assets and regulatory liabilities. This model is intended to align the total income recognised under IFRS Accounting Standards in a period with the total allowed compensation the company is entitled to earn for regulatory goods or services supplied in that period in accordance with its regulatory agreement. Management has commenced an assessment to consider the impact on the group's financial statements and will remain mindful of developments during the endorsement process.

Update on critical accounting judgements and key sources of estimation uncertainty

During the period ended 30 September 2026, the group continued to operate in a challenging macroeconomic environment. UK economic conditions during this period have been characterised by persistent inflationary pressures, elevated interest rates relative to historical norms, and continued volatility in energy markets.

Critical accounting judgements and key sources of estimation uncertainty have been kept under review during the period to 30 September 2026. There were no material changes to critical accounting judgements and estimates in the current period since the disclosures included in the financial statement of United Utilities Group PLC for the year ended 31 March 2026.

2. Segmental reporting

The board of directors of United Utilities Group PLC is provided with information on a single operating segment basis for the purposes of assessing performance and allocating resources. The group's performance is measured against financial and operational key performance indicators, underlying operating profit, operating profit, assets and liabilities, regulatory capital expenditure, and regulatory capital value gearing at a consolidated level. In light of this, the group has a single segment for financial reporting purposes and therefore no further detailed segmental information is provided in this note.

3. Revenue

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Wholesale water charges	**633.2**	536.0
Wholesale wastewater charges	**732.1**	681.7
Household retail charges	**63.5**	69.0
Other	**33.2**	22.5
	1,462.0	1,309.2

The £152.8 million increase in revenue for the half year ended 30 September 2026 compared with the prior year is largely attributable to increases in tariff prices, which have been impacted by the allowed inflationary increase and the impact of regulatory mechanisms under which prices are set for the current year to recover revenue in line with the revenue cap, taking into account the latest consumption trends and customer numbers.

Other revenues comprise a number of smaller non-core income streams including property sales and income from activities, typically performed opposite property developers, which impact the group's capital network assets. This includes diversions works to relocate water and wastewater assets, and activities that facilitate the creation of an authorised connection through which properties can obtain water and wastewater services.

4. Other operating costs

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Materials	**90.6**	84.8
Power	**86.1**	86.1
Hired and contracted services	**81.4**	77.1
Property rates	**58.9**	47.9
Regulatory fees	**28.3**	26.0
Insurance	**6.9**	6.0
Accrued Ofwat innovation and water efficiency scheme costs	**4.9**	7.2
Other expenses	**24.1**	22.8
	381.2	357.9

4. Other operating costs (continued)

Other operating costs for the six months to 30 September 2026 have increased by approximately £23.3 million compared with the same period in the prior year. This largely reflects price impacts resulting from inflationary pressures, higher property rates, and costs associated with growth in the group's underlying asset base, as well as higher software and SaaS costs associated with ongoing investment in the group's digital capabilities and operational resilience.

5. Finance income

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Interest receivable	**48.2**	38.8
Net pension interest income (note 11)	**9.2**	8.7
	57.4	47.5

6. Finance expense

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Interest payable	**202.7**	227.6
Net fair value (gains)/losses on debt and derivatives	**(50.7)**	52.6
	152.0	280.2

Interest payable is stated net of £49.6 million (30 September 2025: £45.7 million) of borrowing costs capitalised in the cost of qualifying assets within property, plant and equipment and intangible assets during the period. Interest payable includes £73.0 million (30 September 2025: £111.6 million) non-cash inflation expense in relation to the group's index-linked debt.

During the prior year, the group revised the measurement technique used to account for floating-rate financial liabilities using the effective interest rate method. This revised technique was not applied within the interim financial statements for the six months ended 30 September 2025. Had this change been incorporated the finance expense for that period would have been £50.1 million lower than reported, as described in note 1.

Net fair value gains of £50.7 million have been recognised for the six months to 30 September 2026, compared with net fair value losses of £52.6 million for the same period in the prior year. This swing predominantly arises on the group's floating-to-fixed interest swap portfolio and is driven by an increase in interest swap rates during the current period compared with a decrease in interest swap rates during the prior period.

Net fair value (gains)/losses on debt and derivative instruments includes £5.0 million expense (30 September 2025: £0.3 million income) due to net interest on derivatives and debt under fair value option, and £16.5 million expense (30 September 2025: £17.2 million expense) due to non-cash inflation uplift on the group's index-linked derivatives.

7. Tax

The total effective tax rate for the six months to 30 September 2026 was 26 per cent, which is consistent with the comparative six months in the prior year.

The current tax charge of nil for the six months to 30 September 2026 mainly reflects the impact of the capital allowances “first year allowances” affecting our eligible plant and machinery additions. It is predominantly the impact of these first year allowances that has driven a significant increase in the deferred tax charge for the period, reflecting the step-up in the scale and scope of the group’s capital programme during the period.

The current tax asset recognised in the statement of financial position reflects the amount of tax expected to be recoverable based on judgements made regarding the application of tax law, and the current status of negotiations with, and enquiries from, tax authorities.

The tax adjustments taken to equity primarily relate to remeasurement movements on the group’s defined benefit pension schemes and on hedging effectiveness.

8. Earnings per share

Basic and diluted earnings per share are calculated by dividing profit after tax by the weighted average number of shares in issue during the period.

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Profit after tax attributable to equity holders of the company	400.3	240.0
Weighted average number of shares in issue in millions		
Basic	731.5	681.9
Diluted	733.8	683.6
Earnings per share in pence		
Basic	54.7	35.2
Diluted	54.6	35.1

The weighted average number of shares, for the six months ended 30 September 2026, includes the equity shares issued during the period. Further details are provided in note 17.

9. Dividends

During the six months ended 30 September 2026, £265.7 million was deducted from shareholder's equity as a consequence of the payment of a final dividend of 35.77 pence per share in respect of the year ended 31 March 2026.

An interim dividend of 18.51 pence per share, amounting to £137.5 million, is expected to be paid on 1 February 2027 to shareholders on the register at close of business on 18 December 2026. The ex-dividend date for the interim dividend is 17 December 2026. This interim dividend has not been included as a liability in the condensed consolidated statement of financial position at 30 September 2026 because it was approved after the reporting date.

10. Interests in joint ventures

The group's interests in joint ventures mainly comprise its 50 per cent interest in Water Plus Group Limited ('Water Plus'), which is jointly owned and controlled by the group and Severn Trent PLC under a joint venture agreement. Details of transactions between the group and its joint ventures are disclosed in note 21.

The group's total share of Water Plus losses for the six months to 30 September 2026 was £1.2 million (year to 31 March 2026: £5.2 million), all of which is unrecognised due to the carrying amount of the group's investment in the joint venture being reduced to nil at 31 March 2026. The cumulative share of unrecognised losses was £1.8 million at 30 September 2026 (£0.6 million at 31 March 2026).

11. Retirement benefit surplus

The main financial assumptions used by the group's actuary to calculate the defined benefit surplus of the United Utilities Pension Scheme ('UUPS') and the United Utilities PLC Group of the Electricity Supply Pension Scheme ('ESPS') were as follows:

	30 September 2026 % p.a.	31 March 2026 % p.a.
Discount rate	6.60	6.05
Pension increases	3.25	3.35
Pensionable salary growth (pre-1 April 2018 service):		
ESPS	3.25	3.35
UUPS	3.25	3.35
Pensionable salary growth (post-1 April 2018 service):		
ESPS	3.25	3.35
UUPS	2.85	2.90
Price inflation - RPI	3.25	3.35
Price inflation - CPI[(1)]	2.85	2.90

(1) The CPI price inflation assumption represents a single weighted average rate derived from an assumption of 2.35 per cent pre-2030 and 3.25 per cent post-2030.

The discount rate is consistent with a high quality corporate bond rate, with 6.60 per cent being equivalent to gilt yields of 5.80 per cent + 80bps in respect of credit spread (31 March 2026: 6.05 per cent being equivalent to gilt yields of 5.40 per cent + 65bps in respect of credit spread).

The IAS 19 remeasurement gain of £4.6 million (31 March 2026: loss of £7.9 million) reported in the statement of changes in equity has largely resulted from changes in financial assumptions, predominantly due to an increase in the discount rate and the widening of credit spreads since the prior year-end.

In line with previous reporting periods, mortality assumptions continue to be based on the latest available Continuous Mortality Investigation's ('CMI') mortality tables. As at 30 September 2026, mortality assumptions are based on adjusted SAPS 4 CMI2025 base tables inclusive of a 1.25% p.a. rate of improvement, initial adjustment (A) parameter of 0.25%, a "half-life" (H) parameter of 1, and an adjustment to the "advanced parameters" to model lower improvements in life expectancy at older ages than the core model.

11. Retirement benefit surplus (continued)

The net pension income before tax recorded in the income statement in respect of the defined benefit schemes is summarised as follows:

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Current service cost	1.1	1.3
Past service cost	-	0.1
Administrative expenses	2.0	1.7
Pension expense charged to operating profit	3.1	3.1
Net pension interest income credited to finance income (note 5)	(9.2)	(8.7)
Net pension income credited to the income statement before tax	(6.1)	(5.6)

The reconciliation of the opening and closing net pension surplus included in the statement of financial position is as follows:

	Six months ended 30 September 2026 £m	Year ended 31 March 2026 £m
At the start of the period	310.9	302.3
Net income recognised in the income statement	6.1	11.0
Employer contributions	2.6	5.5
Remeasurement gains/(losses) gross of tax	4.6	(7.9)
At the end of the period	324.2	310.9

The closing surplus at each reporting date is analysed as follows:

	30 September 2026 £m	31 March 2026 £m
Fair value of schemes' assets	2,177.6	2,288.5
Present value of defined benefit obligations	(1,853.4)	(1,977.6)
Net retirement benefit surplus	324.2	310.9

The £13.3 million increase in the estimated IAS 19 surplus from 31 March 2026 is driven by a net P&L credit of £6.1 million, company contributions of £2.6 million and an actuarial gain of £4.6 million. The actuarial gain arises due to the effect of the increase in the discount rate and credit spreads widening over the half-year and is partially offset by an increase in gilt yields reducing the invested assets by a greater extent than the uninsured liabilities.

The latest finalised funding valuation was carried out as at 31 March 2024, and determined that the schemes were fully funded on a low-dependency basis without any funding deficit that requires additional contributions from the company over and above those related to current service and expenses.

11. Retirement benefit surplus (continued)

The results of the latest funding valuation at 31 March 2024 have been used to inform the group's best estimate assumptions to use in calculating the defined benefit pension position reported on an IAS 19 basis at 30 September 2026. The results of the funding valuation have been adjusted to take account of experience over the period, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the defined benefit obligation, and the related current service costs, were measured using the projected unit credit method.

Member data used in arriving at the liability figure included within the overall IAS 19 surplus has been based on the finalised actuarial valuations as at 31 March 2024 for both UUPS and ESPS. As part of each actuarial valuation, and as required by the trustees from time to time, member data is reassessed for completeness and accuracy and to ensure it reflects any relevant changes to benefits entitled by each member.

Defined contribution schemes
During the period the group made £22.3 million (30 September 2025: £18.5 million) of contributions to defined contribution schemes, which are included in staff costs.

12. Cash and bank deposits

	30 September 2026 £m	31 March 2026 £m
Cash at bank and in hand	**10.2**	2.6
Bank deposits with maturity less than three months	**2,169.5**	1,791.7
Cash and cash equivalents	**2,179.7**	1,794.3

	30 September 2026 £m	31 March 2026 £m
Bank deposits with maturity greater than three months	**50.0**	-

Cash and cash equivalents, whose carrying amounts approximate their fair value, includes cash at bank and in hand and demand deposits, as well as short-term highly liquid investments that are readily convertible into known amounts of cash and have a maturity of three months or less.

During the period the group entered into a number of bank deposits that have scheduled maturities before 31 March 2027 but more than 3 months from the placement date. As these deposits are not held for the purpose of meeting short-term cash commitments (i.e. arising within 3 months), they do not meet the definition of cash equivalents and so have been excluded from the cash and cash equivalents figure included in the statement of cash flows. They do, however, represent liquid assets expected to be realised within the current financial year and so are included in the calculation of the group's net debt (see note 16).

13. Borrowings

New borrowings raised during the 6 months ended 30 September 2026, all of which were issued under the Euro Medium-Term Note Programme, were as follows:

- On 10 April 2026, the group issued EUR150 million fixed rate notes as a fungible increase to the EUR650 million notes due February 2033. On issue, the EUR bond was immediately swapped to £130.7 million of principal outstanding.
- On 27 August 2026, the group issued EUR75 million fixed rate notes as a fungible increase to the EUR 925 million notes due May 2034. On issue, the EUR bond was immediately swapped to £64.4 million of principal outstanding.
- On 8 September 2026, the group issued EUR100 million fixed rate notes as a fungible increase to the EUR600 million notes due August 2035. On issue, the EUR bond was immediately swapped to £85.6 million of principal outstanding.

During the six months ended 30 September 2026, extensions and renewals to ten existing undrawn committed borrowing facilities were approved, with amounts available under these facilities totalling £500 million. There was a further increase to three facilities, with one also being extended, totalling £130 million and two new facilities totalling £75 million were approved.

Borrowings at 30 September 2026 included £92.3 million in relation to lease liabilities (31 March 2026: £88.5 million), of which £85.3 million (31 March 2026: £82.0 million) was classified as non-current and £7.0 million (31 March 2026: £6.5 million) was classified as current.

As at 30 September 2026, there were £710.1 million of borrowings with a single counterparty that are subject to compliance with financial covenants in respect of the level of gearing and interest cover of United Utilities Water Limited, a subsidiary of the group. Compliance with these covenants is monitored by the group on a quarterly basis and reported to the counterparty annually. The group was compliant with these financial covenants at the reporting date.

14. Fair values of financial instruments

The fair values of financial instruments are shown in the table below.

	30 September 2026		**31 March 2026**	
	Fair value £m	**Carrying value £m**	**Fair value £m**	**Carrying value £m**
Financial assets at fair value through profit or loss ('FVTPL')				
Derivative financial assets – FV hedge	**38.9**	**38.9**	59.9	59.9
Derivative financial assets – held for trading	**335.6**	**335.6**	282.6	282.6
Derivative financial assets – cash flow hedge	**13.7**	**13.7**	5.2	5.2
Financial liabilities at fair value through profit or loss ('FVTPL')				
Derivative financial liabilities – FV hedge	**(396.9)**	**(396.9)**	(245.4)	(245.4)
Derivative financial liabilities – held for trading	**(69.9)**	**(69.9)**	(57.0)	(57.0)
Derivative financial liabilities – cash flow hedge	**(0.8)**	**(0.8)**	(7.0)	(7.0)
Financial liabilities designated at FVTPL	**(311.1)**	**(311.1)**	(320.6)	(320.6)
Financial instruments for which fair value does not approximate carrying value				
Financial liabilities in FV hedge relationships	**(4,511.8)**	**(4,385.8)**	(4,376.8)	(4,288.1)
Other financial liabilities at amortised cost	**(5,904.0)**	**(6,891.6)**	(6,108.8)	(6,881.9)
	(10,806.3)	**(11,667.9)**	(10,767.9)	(11,452.3)

14. Fair values of financial instruments (continued)

The group has calculated fair values using quoted prices where an active market exists, which has resulted in 'level 1' fair value liability measurements under the IFRS 13 *'Fair Value Measurement'* hierarchy of £4,277.8 million (31 March 2026: £4,010.9 million) for financial liabilities in fair value hedge relationships, and £3,738.4 million (31 March 2026: £2,881.8 million) for other financial liabilities at amortised cost.

The £1,073.5 million increase in 'level 1' fair value liability measurements compared with the position at 31 March 2025 (31 March 2026: £1,273.6 million increase compared with 31 March 2025) is largely due to increased secondary market liquidity in the period.

In the absence of an appropriate quoted price, the group has applied discounted cash flow valuation models utilising market-observable data, which are classified as 'level 2' valuations. More information in relation to the valuation techniques used by the group and the IFRS 13 hierarchy can be found in the audited financial statements of United Utilities Group PLC for the year ended 31 March 2026.

The principal reason for the increase in the difference between the fair value and carrying value of the group's borrowings at 30 September 2026 compared with the position at 31 March 2026 is due to differing inflation forecasts used in the valuation methodology versus the amortised cost measurement.

15. Cash generated from operations

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Operating profit	**633.8**	**561.5**
Adjustments for:		
Depreciation of property, plant and equipment	**256.9**	**227.5**
Amortisation of intangible assets	**13.6**	**14.7**
Loss on disposal of property, plant and equipment	**0.2**	**0.5**
Amortisation of deferred grants and contributions	**(11.0)**	**(10.1)**
Equity-settled share-based payments charge	**3.1**	**1.1**
Pension expense charged to operating profit less Pension contributions paid	**0.5**	**0.3**
Changes in working capital:		
(Increase)/Decrease in inventories	**(14.1)**	**14.8**
Increase in trade and other receivables	**(89.4)**	**(89.4)**
Increase in trade and other payables	**42.0**	**87.5**
Decrease in provisions	**(1.8)**	**(1.4)**
Cash generated from operations	**833.8**	**807.0**

16. Net debt

Movements in net debt during the period were as follows:

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
At the start of the period	9,943.2	9,345.5
Net capital expenditure	992.2	619.2
Dividends (note 9)	265.7	235.7
Net interest paid	137.8	120.7
Indexation (note 6)	89.5	128.8
Net tax receipt	(0.4)	(0.2)
Loans repaid by joint ventures	(0.5)	(17.5)
Non-cash movements in lease liabilities	7.3	2.4
Fair value movements	(10.4)	(23.0)
Other	1.5	5.2
Net proceeds from issue of ordinary shares	(787.0)	-
Cash generated from operations (note 15)	(833.8)	(807.0)
At the end of the period	9,805.1	9,609.8

Net debt at the end of each period comprised:

	30 September 2026 £m	31 March 2026 £m
Borrowings	11,588.5	11,490.6
Derivative financial instruments (liabilities)	467.6	309.4
Derivative financial instruments (assets)	(388.2)	(347.7)
Cash and cash equivalents (note 12)	(2,179.7)	(1,794.3)
Bank deposits (note 12)	(50.0)	-
Net debt – as agreed to statement of financial position	9,438.2	9,658.0
Adjustments to exclude the fair value of:		
Interest rate derivatives fixing future nominal interest rates	245.8	183.5
Inflation derivatives fixing future real interest rates	108.6	103.6
Electricity derivatives fixing future electricity costs	12.5	(1.9)
Net debt – as adjusted to align to the group's definition	9,805.1	9,943.2

The group defines net debt as the sum of borrowings and derivative financial instruments, net of cash and bank deposits, and adjusted to exclude the value of derivatives that are not hedging specific debt instruments. In presenting net debt in this way, the group aims to give a fair reflection of the net debt amount the group is contractually obliged to repay – consistent with the approach taken by credit rating agencies – and the regulatory economics of the group's arrangements. As the value of derivatives that are not hedging specific debt instruments is excluded from the group's definition of net debt, fair value movements associated with these derivatives are not included in the above reconciliation from the opening to closing net debt position.

17. Share Capital

Group and company	30 September 2026 Number of shares	30 September 2026 £m	31 March 2026 Number of shares	31 March 2026 £m
Issued, called up and fully paid				
Ordinary shares of 5.0 pence each	**742,864,028**	**37.2**	681,888,418	34.1
Deferred shares of 170.0 pence each	**273,956,180**	**465.7**	273,956,180	465.7
	1,016,820,208	**502.9**	955,844,598	499.8

On 5 May 2026, the group issued 60,975,610 ordinary shares for a placement price of 1,312.0 pence per share resulting in gross proceeds of £800.0 million. After deducting transaction costs directly attributable to the issuance, there were net proceeds of £787.0 million, of which £3.1 million have been recognised within share capital and £783.9 million have been recognised within share premium.

18. Other reserves

Six months ended 30 September 2026	Capital redemption reserve £m	Merger reserve £m	Cost of hedging reserve £m	Cash flow hedge reserve £m	Total £m
At 1 April 2026	1,033.3	(703.6)	13.4	(2.6)	340.5
Changes in fair value recognised in other comprehensive income	-	-	1.3	12.7	14.0
Amounts reclassified from other comprehensive income to profit or loss	-	-	(0.3)	(3.2)	(3.5)
Tax on hedge effectiveness taken directly to equity	-	-	-	2.1	2.1
Tax on items recorded within other comprehensive income	-	-	-	(0.5)	(0.5)
At 30 September 2026	**1,033.3**	**(703.6)**	**14.4**	**8.5**	**352.6**

Six months ended 30 September 2025	Capital redemption reserve £m	Merger reserve £m	Cost of hedging reserve £m	Cash flow hedge reserve £m	Total £m
At 1 April 2025	1,033.3	(703.6)	11.4	(21.9)	319.2
Changes in fair value recognised in other comprehensive income	-	-	4.5	(4.9)	(0.4)
Amounts reclassified from other comprehensive income to profit or loss	-	-	-	10.5	10.5
Tax on hedge effectiveness taken directly to equity	-	-	(1.1)	1.2	0.1
Tax on items recorded within other comprehensive income	-	-	-	(2.6)	(2.6)
At 30 September 2025	**1,033.3**	**(703.6)**	**14.8**	**(17.7)**	**326.8**

18. Other reserves (continued)

The capital redemption reserve arose as a result of a return of capital to shareholders following the reverse acquisition of United Utilities PLC by United Utilities Group PLC in the year ended 31 March 2009. The merger reserve arose in the same year on consolidation and represents the capital adjustment to reserves required to effect the reverse acquisition.

The group recognises the cost of hedging reserve as a component of equity. This reserve reflects accumulated fair value movements on cross-currency swaps resulting from changes in the foreign currency basis spread, which represents a liquidity charge inherent in foreign exchange contracts for exchanging currencies and is excluded from the designation of cross-currency swaps as hedging instruments.

The group designates a number of swaps hedging non-financial risks in cash flow hedge relationships in order to give a more representative view of operating costs. Fair value movements relating to the effective part of these swaps are recognised in other comprehensive income and accumulated in the cash flow hedging reserve.

19. Contingent liabilities

Ofwat and Environment Agency investigations

As at the interim reporting date, UUW is the only remaining company subject to an open enforcement case arising from Ofwat's sector-wide investigation into sewage treatment works and sewerage networks, having been included within the last tranche of companies to have had enforcement cases opened. If a company is found to have breached its legal obligations, this could result in a financial penalty of up to 10 per cent of relevant wastewater turnover (which in UUW's case would be around £150 million based on finalised 2025/26 wastewater turnover), and/or a requirement to rectify any obligations deemed to be required as a consequence of those findings.

Ofwat has concluded its investigation into ten companies, with the financial value of agreed enforcement packages or penalties ranging from 2 per cent to 9 per cent of relevant wastewater turnover. Of these, one company received a financial penalty that gave rise to a present obligation in respect of past events, seven agreed to an undertaking for the prospective delivery of capital investment in lieu of a financial penalty, and one agreed to an undertaking for the delivery of capital investment that was deemed to have been discharged based on investment the company had already made in lieu of a financial penalty. In addition, as part of its current sector-wide investigation Ofwat confirmed in 2026 that one company that had been subject to both a penalty and enforcement commitments made as part of an earlier investigation had discharged these. Accordingly, the group considers that there was only a possible obligation as at the reporting date and so no provision has been recognised in the statement of financial position as at 30 September 2026 in respect of this matter. UUW has not been given a firm indication of the expected timeframe for the conclusion of Ofwat's ongoing investigation, or any subsequent action. However, as this remains the last open enforcement case, UUW expects that this matter could be concluded in the near future.

Similarly, the Environment Agency has made a number of data requests and undertaken site visits as part of its ongoing industry-wide investigation, with which the group continues to fully comply. This investigation is focused on environmental permit compliance at wastewater treatment works and wastewater networks, with the Environment Agency having a number of enforcement options open to it if it concludes that companies have breached their permit conditions and/or illegally polluted the environment. These include the potential for criminal prosecution and unlimited fines. The investigation remains ongoing and it is currently unclear when this matter will be resolved.

19. Contingent liabilities (continued)

Prof Carolyn Roberts collective action

Collective proceedings in the Competition Appeal Tribunal ("CAT") were issued on 8 December 2023 against UUW and UUG on behalf of approximately 5.6 million domestic customers following an application by the Proposed Class Representative ("PCR"), Professor Carolyn Roberts. The PCR alleges that UUW's customers have collectively paid an overcharge for sewerage services during the claim period (which runs from 1 April 2020, with the end date yet to be confirmed should the claim proceed) as a result of UUW allegedly abusing a dominant position by providing misleading information to regulatory bodies. The estimated total aggregate amount the PCR is claiming against UUW (including interest) is at least £141 million.

On 7 March 2025, the CAT unanimously concluded that claims could not proceed on the basis that the claims brought forward are excluded by section 18(8) of the Water Industry Act 1991. This conclusion was upheld by a majority decision of the Court of Appeal on 5 March 2026. The PCR was subsequently refused permission to appeal by the Court of Appeal but obtained permission directly from the Supreme Court on 1 July 2026. The appeal is listed for hearing on 8 to 9 February 2027. UUW believes the claim is without merit and will robustly defend it, should the certification decision be overturned on appeal.

Separate letters before action were issued on 20 December 2024 in relation to similar claims in respect of non-household customers suggesting a further claim for £168 million, however it is not clear how these will proceed following the CAT and Court of Appeal's decision not to certify the claims brought in respect of domestic customers and pending the outcome of the Supreme Court appeal next year.

20. Financial and other commitments

The group has credit support guarantees as well as general performance commitments and potential liabilities under contract that may give rise to financial outflow. The group has determined that the possibility of any outflow arising in respect of these potential liabilities is remote and, as such, there are no financial liabilities to be disclosed in this regard (31 March 2026: none).

At 30 September 2026, there were commitments for future capital expenditure and infrastructure renewals expenditure contracted, but not provided for, of £450.5 million (31 March 2026: £481.1 million).

	30 September 2026 £m	31 March 2026 £m
Property, plant and equipment	442.4	467.5
Intangible assets	6.5	9.9
Infrastructure renewals expenditure	1.6	3.7
Total commitments contracted but not provided for	450.5	481.1

21. Related party transactions

The related party transactions with the group's joint ventures and other interests during the period, and amounts outstanding at the period end date, were as follows:

	Six months ended 30 September 2026 £m	Six months ended 30 September 2025 £m
Sales of services	209.3	191.3
Charitable contributions advanced to related parties	0.1	0.1
Purchases of goods and services	-	0.4
Interest income and fees recognised on loans to related parties	1.5	2.2

	30 September 2026 £m	31 March 2026 £m
Amounts owed by related parties	84.8	86.0
Amounts owed to related parties	-	4.0

Sales of services to related parties mainly represent non-household wholesale charges to Water Plus Group Limited ('Water Plus'), a joint venture owned and controlled on a 50/50 basis by the group and Severn Trent PLC under a joint venture agreement, that were billed and accrued during the period. These non-household wholesale charge transactions were on market credit terms, which are governed by the wholesale charging rules issued by Ofwat.

Charitable contributions advanced to related parties during the year relate to amounts paid to Rivington Heritage Trust, a charitable company limited by guarantee for which United Utilities Water is one of three guarantors.

At 30 September 2026, amounts owed by related parties as recorded within trade and other receivables in the statement of financial position, were £84.8 million (31 March 2026: £86.0 million), all of which is attributable to Water Plus. This balance comprises £34.9 million (31 March 2026: £35.6 million) of trade balances, which are unsecured and will be settled in accordance with normal credit terms, and £49.9 million (31 March 2026: £50.4 million) relating to loans.

Loans receivable comprised £49.9 million outstanding from Water Plus (£53.5 million net of a £3.6 million allowance for expected credit losses) under a £95.0 million revolving credit facility provided by United Utilities PLC. At 31 March 2026, the outstanding balance was £50.4 million (£54.0 million net of a £3.6 million allowance for expected credit losses) under the same facility. The facility matures in December 2029, with an option to extend for a further two years, and bears interest at a floating rate based on the Bank of England base rate plus a credit margin.

During the period, United Utilities PLC provided guarantees in support of Water Plus in respect of certain amounts owed to wholesalers. The aggregate limit of these guarantees was £50.7 million, of which £27.0 million related to guarantees to United Utilities Water Limited.

22. Events after the reporting period

There have been no material events subsequent to 30 September 2026 that either require adjustment to the amounts disclosed in the interim financial statements or disclosure on the basis that they could materially affect users' understanding of the interim financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

Responsibilities statement of the directors in respect of the half-yearly financial report
We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *'Interim Financial Reporting'* as adopted for use in the UK;
- the interim management report includes a fair review of the information required by:

    - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
    - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The directors of United Utilities Group PLC at the date of this announcement are listed below:

Sir David Higgins
Louise Beardmore
Phil Aspin
Doug Webb
Liam Butterworth
Kath Cates
Ian El-Mokadem
Clare Hayward
Michael Lewis
Marina Wyatt

This responsibility statement was approved by the board and signed on its behalf by:

……..	…….
Louise Beardmore	Phil Aspin
Chief Executive Officer	Chief Financial Officer
11 November 2026	11 November 2026

INDEPENDENT REVIEW REPORT TO UNITED UTILITIES GROUP PLC

Conclusion

We have been engaged by United Utilities Group PLC ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2026 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2026 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the latest annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Andrew Bradshaw
for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
11 November 2026