

Investor Presentation



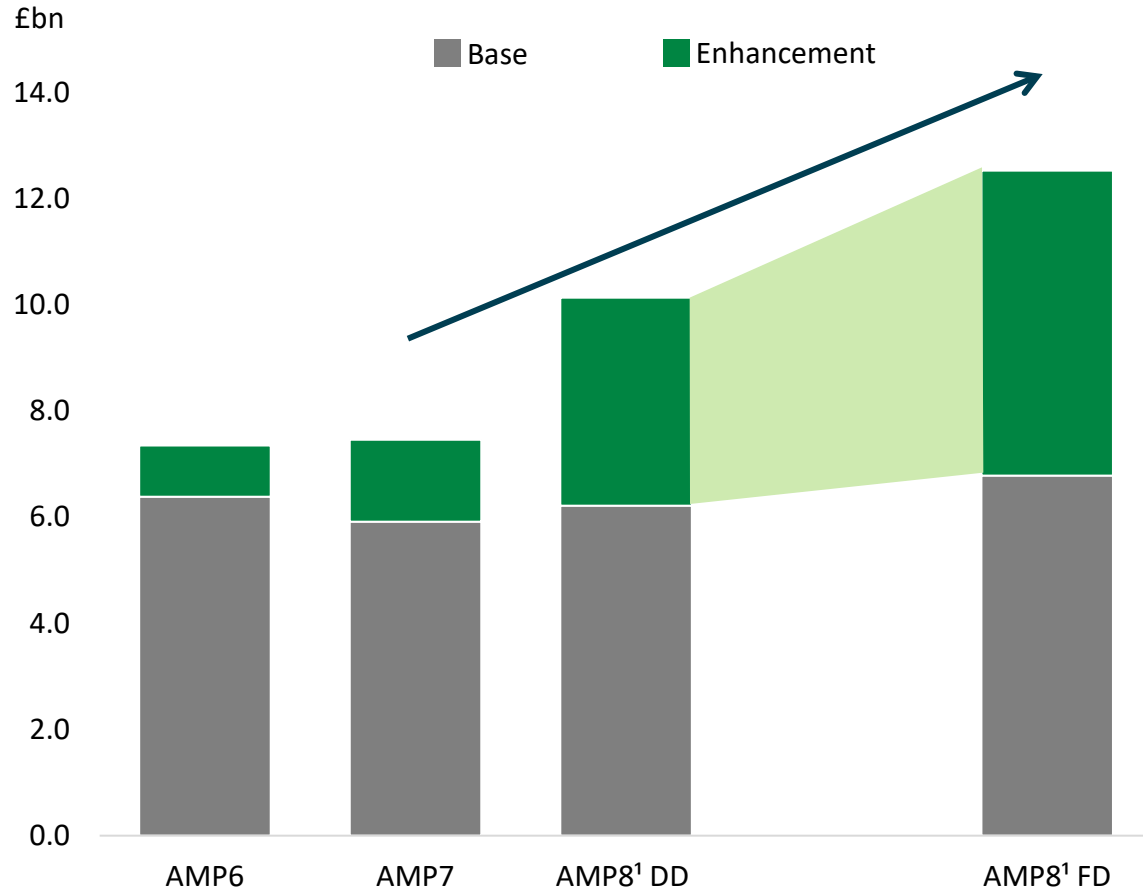
May 2025

PR24 Final Determination



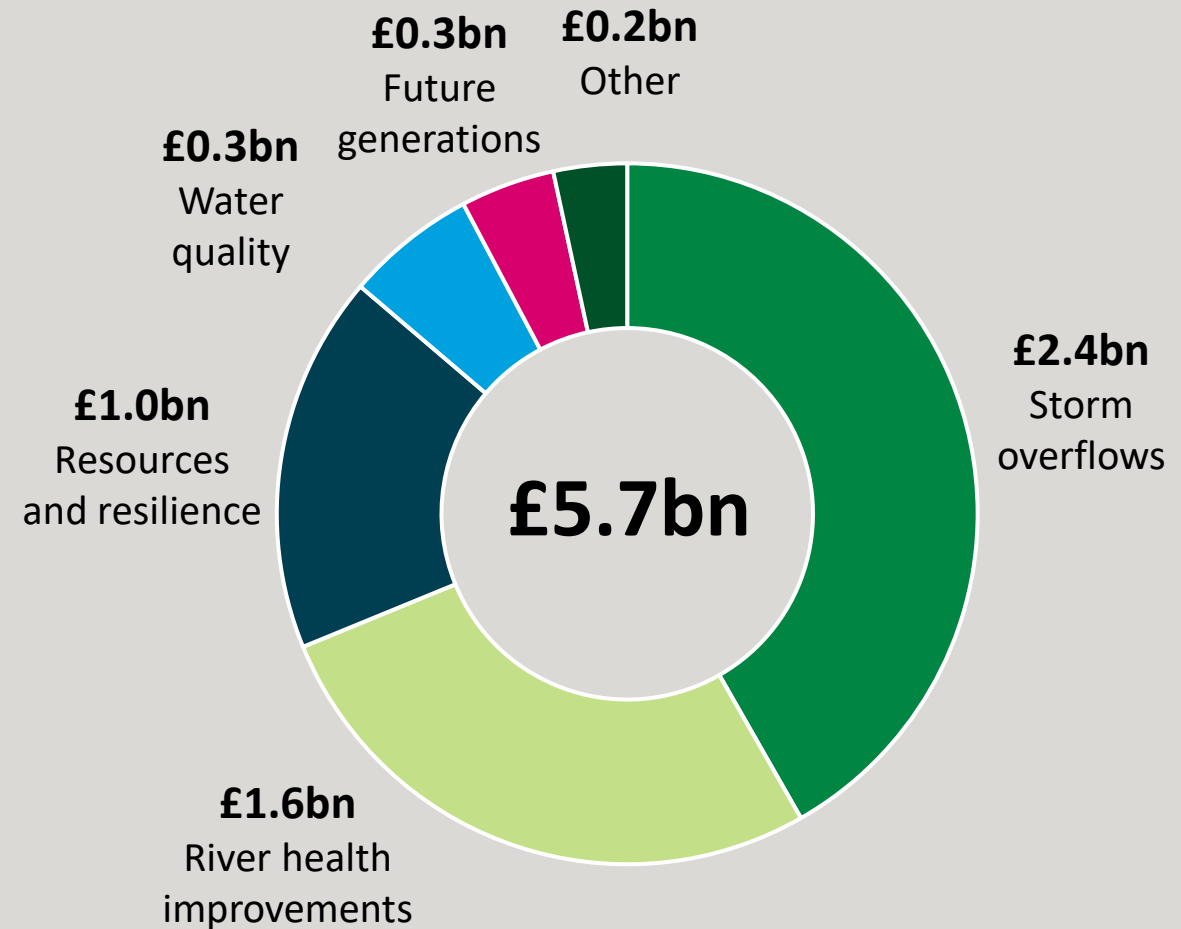
£2.4bn uplift in totex...

Totex (real, 2022/23 FYA prices)



1. AMP8 totex is shown net of grants and contributions, excluding gated schemes

Enhancement expenditure (real)



...driving uplift in asset base growth

Growth supported by regulatory and environmental drivers

Environment Act 2021

Legislative changes

Tightening environmental standards

PFAS, microplastics

Replacement

Renewing our ageing
infrastructure

Resource adequacy

Investing in long-term
resource management

Climate change adaptation

Building resilience

Net Zero

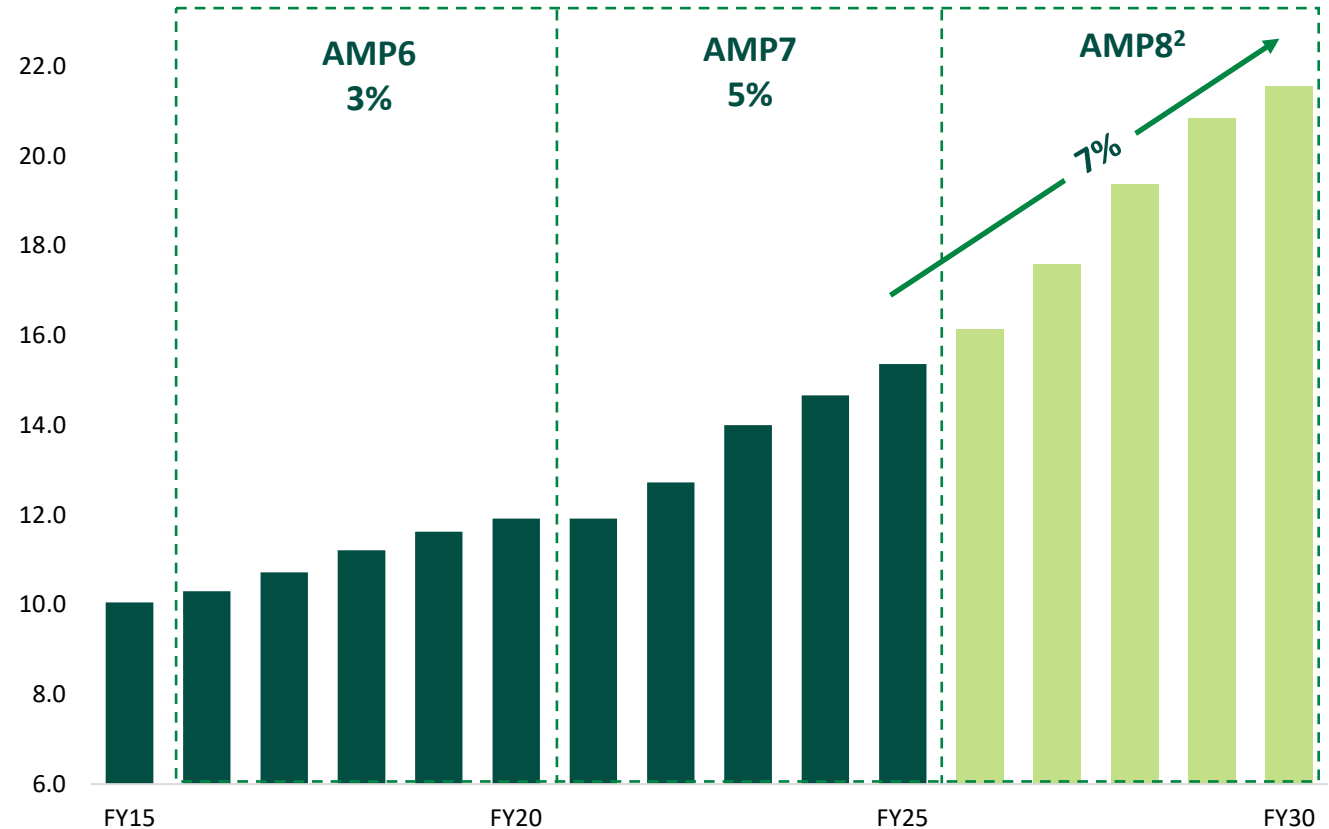
Addressing
process emissions

Annual growth of c.7% underpinned¹

Nominal RCV (£bn)

■ Historic data

■ Forecast data



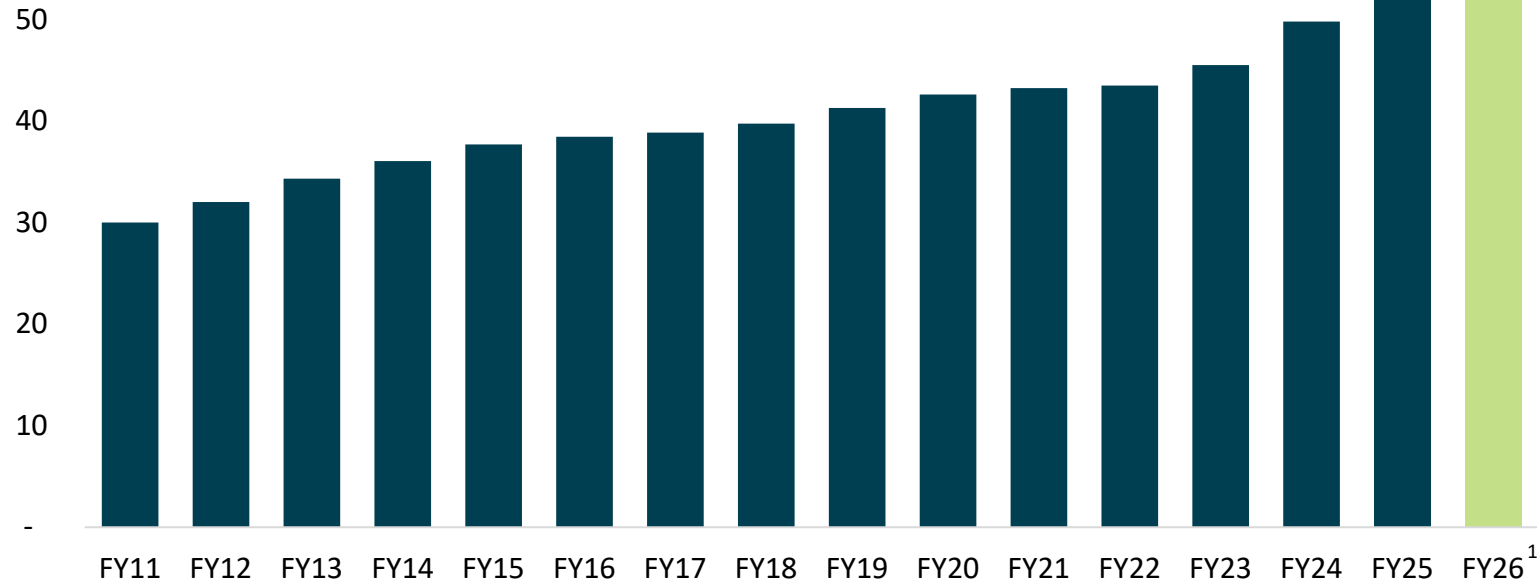
1. Nominal, based on OBR long-run CPIH forecasts

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

Dividend growing in line with CPIH inflation

Progressive inflation-linked dividend

DPS (pence)



1. FY26 DPS as announced in May 2026 calculated using November 2024 CPIH at 3.5%



Improved returns

Base returns allowance uplift in AMP8

	AMP7 WACC (CPIH) (Dec-19)	AMP8 Final Determination (Sep-24)
Gearing	60%	55%
Risk-free Rate	-1.39%	1.52%
Equity Beta	0.71	0.59 – 0.65
Cost of Equity	4.19%	5.10%
Cost of embedded debt	2.42%	2.77%
Cost of new debt	0.53%	3.74%
Benchmark index adjustment	(0.15)%	0.30%
Proportion of new debt	20%	24%
Issuance and liquidity costs	0.10%	0.15%
Cost of Debt	2.14%	3.15%
WACC	2.96%	4.03%

Stable long-term funding policies

Strong balance sheet

60% RCV gearing¹

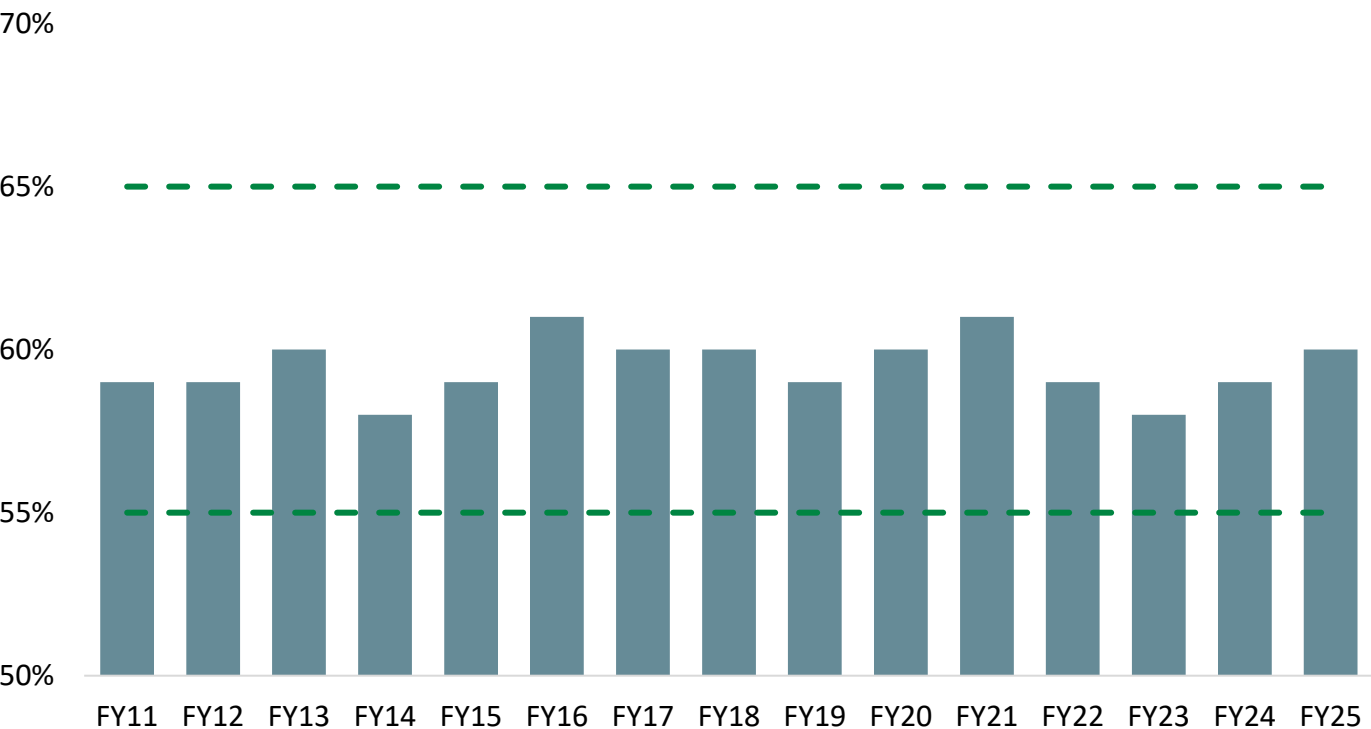
AMP8 well progressed

Over £3bn raised in FY24 & FY25

Strong liquidity

Extending into 2027

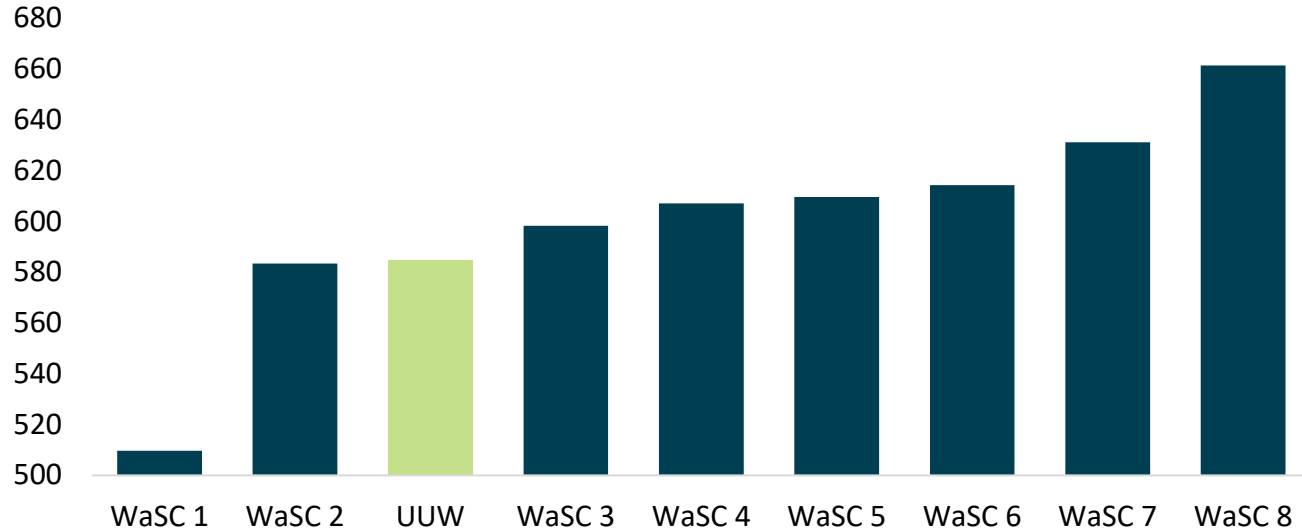
Established RCV gearing target range of 55-65%²



1. Group gearing as announced in May 2025
2. RCV gearing calculated as group net debt including loan receivable from joint venture / United Utilities Water adjusted RCV, where RCV is adjusted for actual spend, timing differences and full expected value of ex-post adjustments. Prior year figures have been re-presented for comparative purposes

Maintaining affordable bills

Real 2029/30 bill (£)



Third lowest bill in England at the end of AMP8

£525m sector leading affordability package

1 in 6 households supported with their bill by 2030



FY25 Result



Result highlights

Solid financial results

EPS Growth of c.50%



Strong balance sheet

60% gearing



Dividend

policy reaffirmed



Top quartile

80% performance commitments



Incentive performance

Net ODI reward



13 consecutive years

'Green' on serious pollutions



CSO activations

24% reduction in spills per overflow in 2024



87% colleague engagement

+7% on the UK High Performance Norm



Financial highlights

Underlying operating profit¹

£634m

+22%

**FY24:
£518m**

Underlying EPS¹

49.6p

+49%

**FY24:
33.3p**

Returns

RoRE²: 6.7%

RoRE³: 6.1%

Capital investment

£1,083m

+47%

**FY24:
£737m**

DPS

51.85p

+4%

**FY24:
49.78p**

Gearing

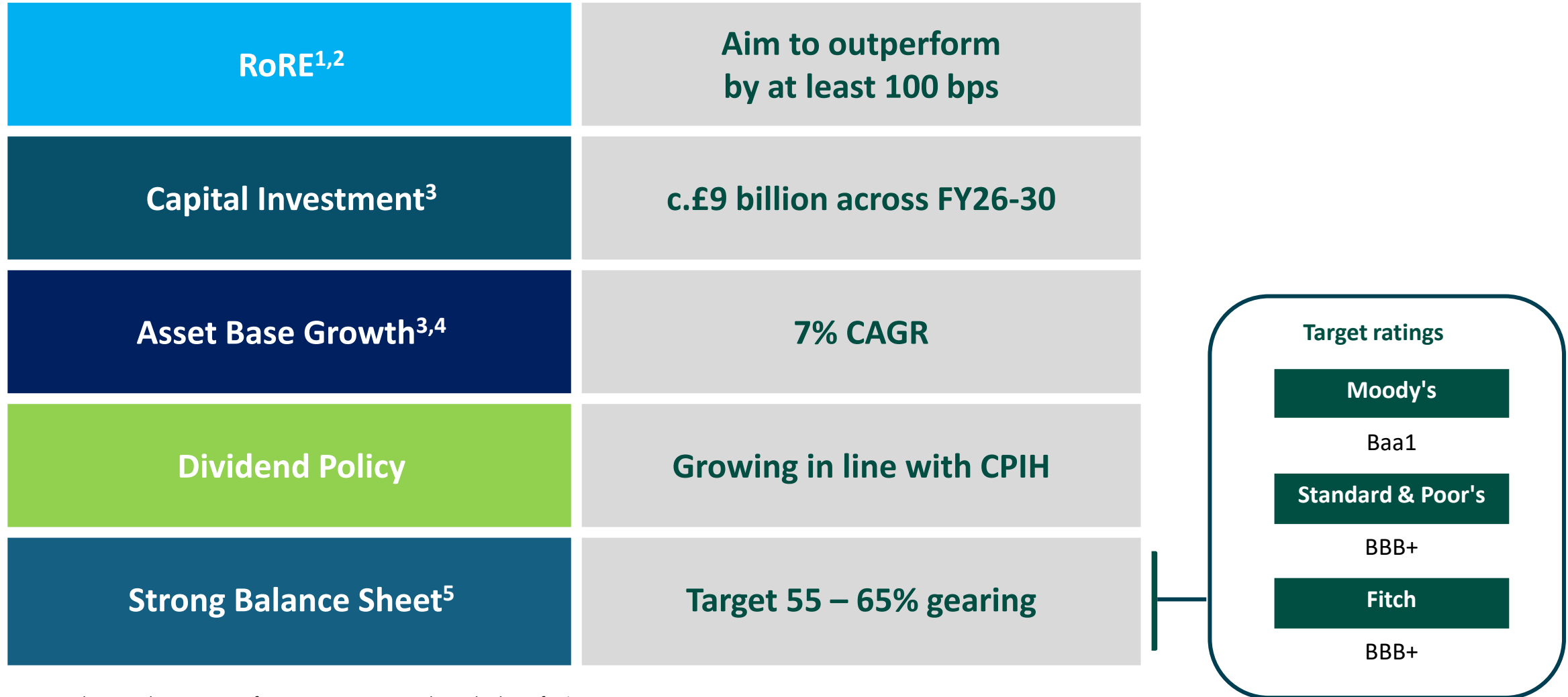
60%

+1%

**FY24:
59%**

1. Underlying profit measures are reconciled to reported profit measures in the appendices to this presentation
2. Return on Regulated Equity presented on a real basis prior to the impact of post intervention PCC performance due to the impact of COVID-19 and recalculated tax allowances, in line with Ofwat's information notice published on 31st March 2025
3. Return on Regulated Equity presented on a real basis reflecting adjustments for PCC performance due to the impact of COVID-19 and recalculated tax allowances, in line with Ofwat's information notice published on 31st March 2025

Financial framework



1. Based on OBR long-run CPIH forecasts, consistent with BoE budget of 2% CPI

2. Average performance in AMP8 on a notional capital structure, real CPIH basis

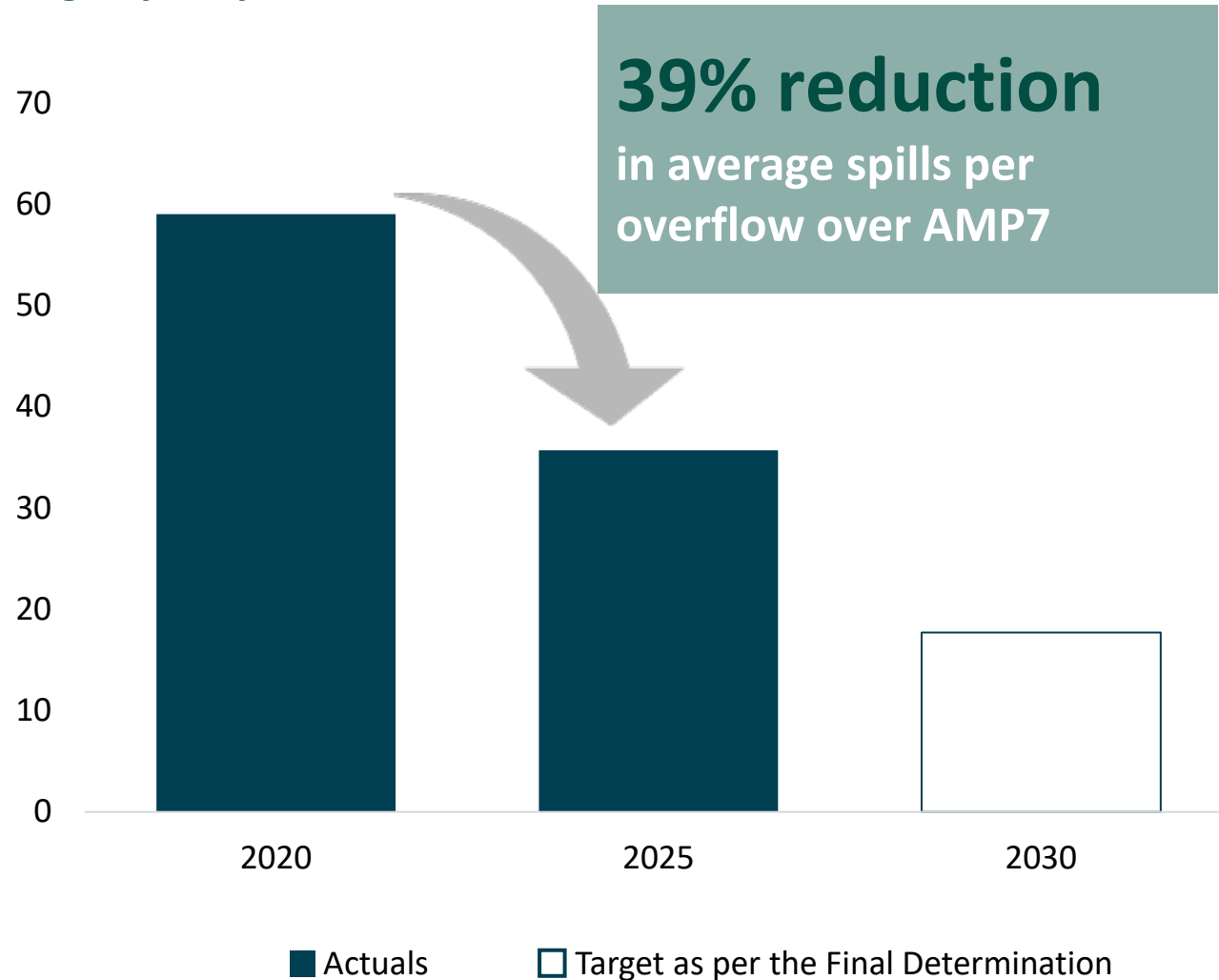
3. Nominal, based on OBR long-run CPIH forecasts

4. Average AMP8 annual RCV growth rate on a nominal basis. Includes the full expected value of ex-post adjustment mechanisms as an adjustment to RCV

5. RCV gearing calculated as group net debt including loan receivable from joint venture/ United Utilities Water adjusted RCV, where RCV is adjusted for actual spend, timing differences and full expected value of ex-post adjustments

Best in sector spills improvement

Average spills per overflow



Rainfall significantly
higher than average

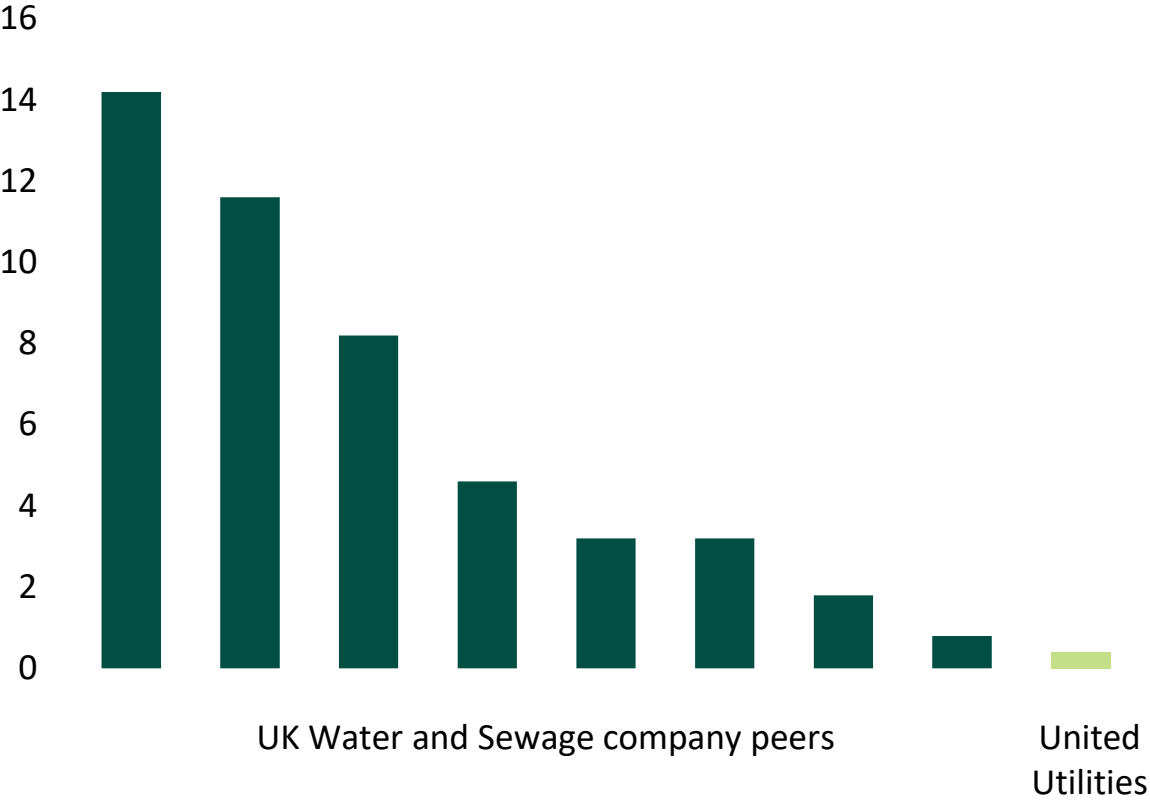
24% reduction
in spills per overflow in 2024

20,000 fewer spills
compared to 2023

31% reduction
in spill duration compared to 2023

Serious pollutions

Industry-leading performance on serious pollutions¹



1. 5-year average. Environment Agency EPA [Water and sewerage companies in England: environmental performance report 2023 - GOV.UK](#)

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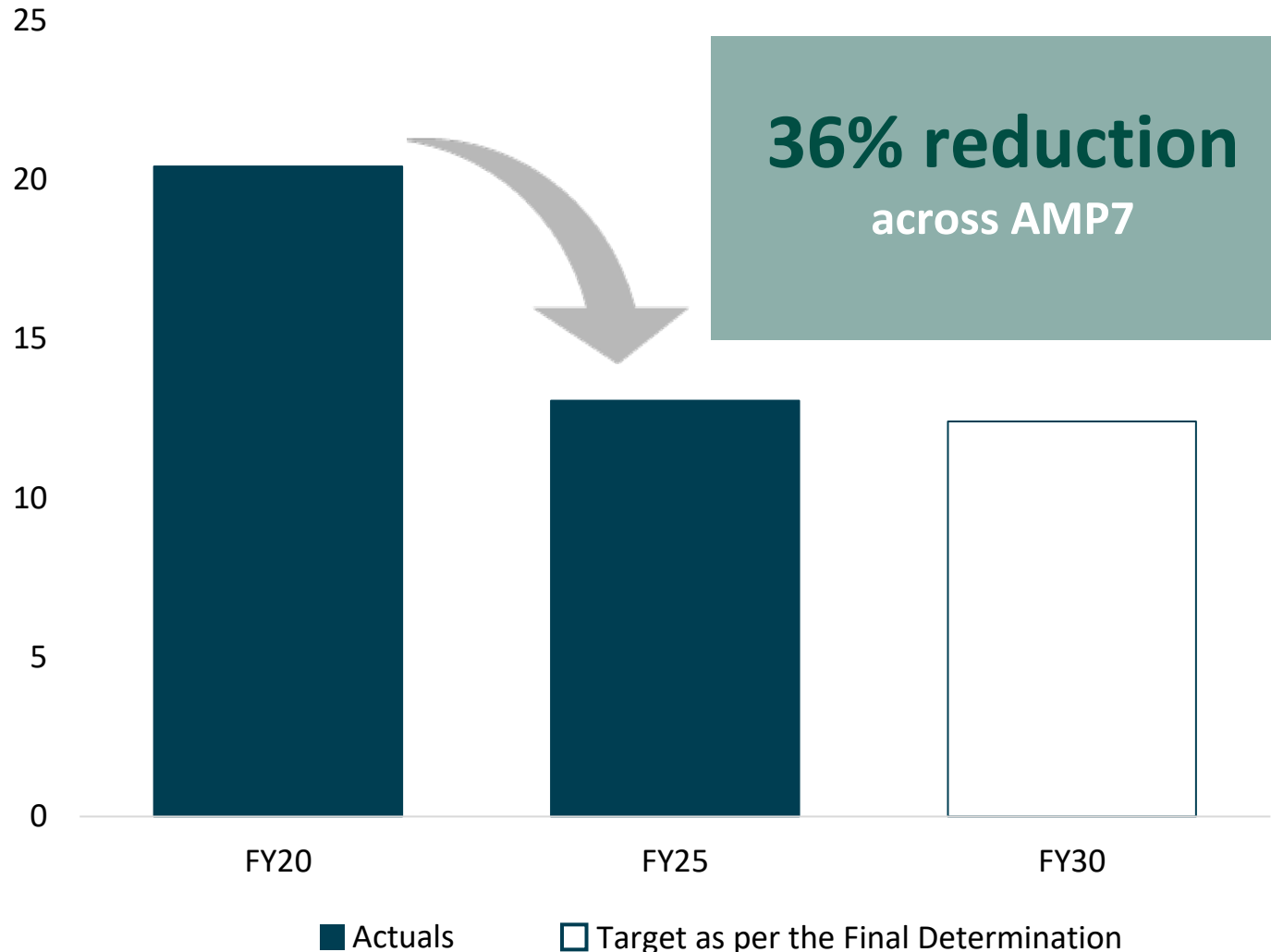
consecutive years ‘Green’ for serious pollutions

Drone squad
to monitor and detect
pollutions

Investment into
power resilience

Wastewater Network performance

Number of sewer collapses per 1,000km of sewers



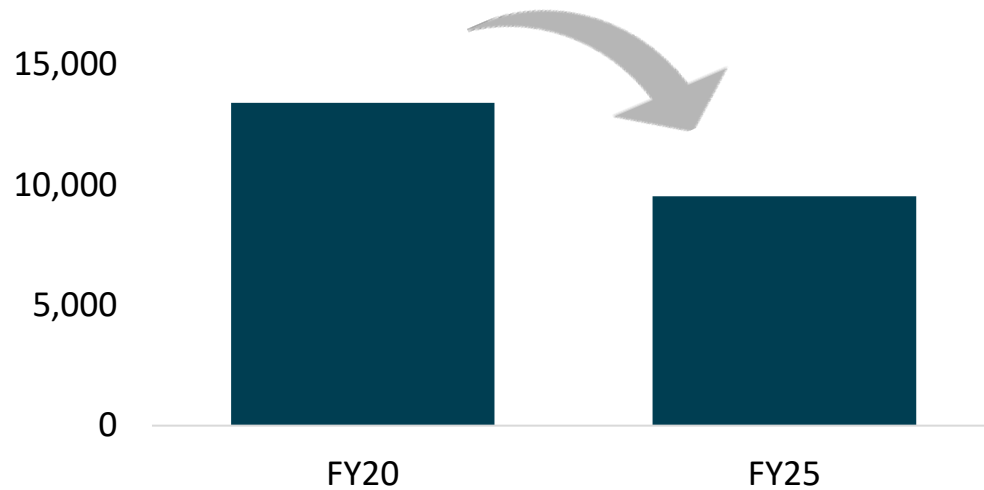
Industry leading
sewer sensor capability

18% reduction
in sewer blockages across AMP7

19% reduction
in internal sewer flooding across AMP7

Water performance

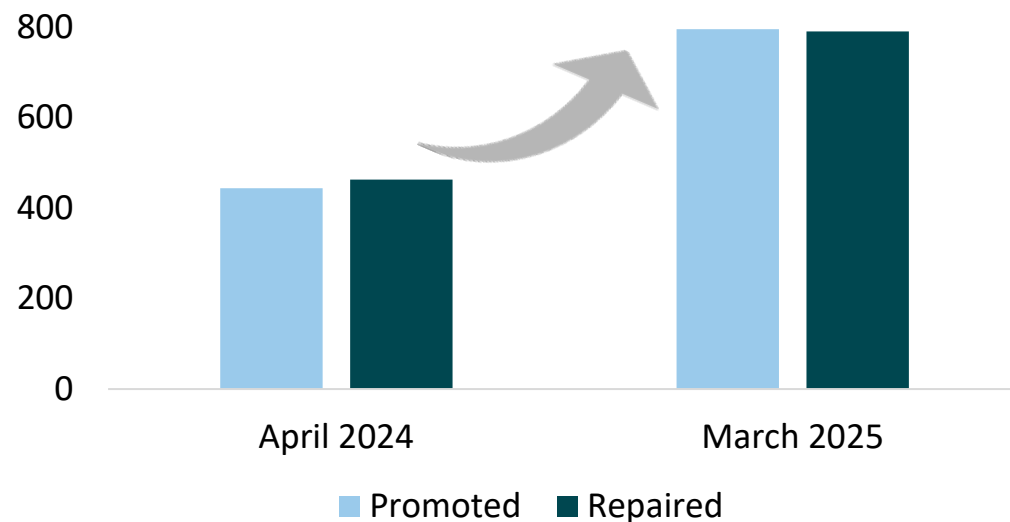
Reduction in water quality contacts



29% reduction

in water quality contacts over AMP7
– lowest level of water quality complaints ever

Increase in find and fix rates for leakage



Lowest level of leakage

70% increase in find and fix rates in 2024/25

Lowest levels of PCC

7% reduction in per capita consumption
– upper quartile performance

Service performance



3rd highest C-MeX reward

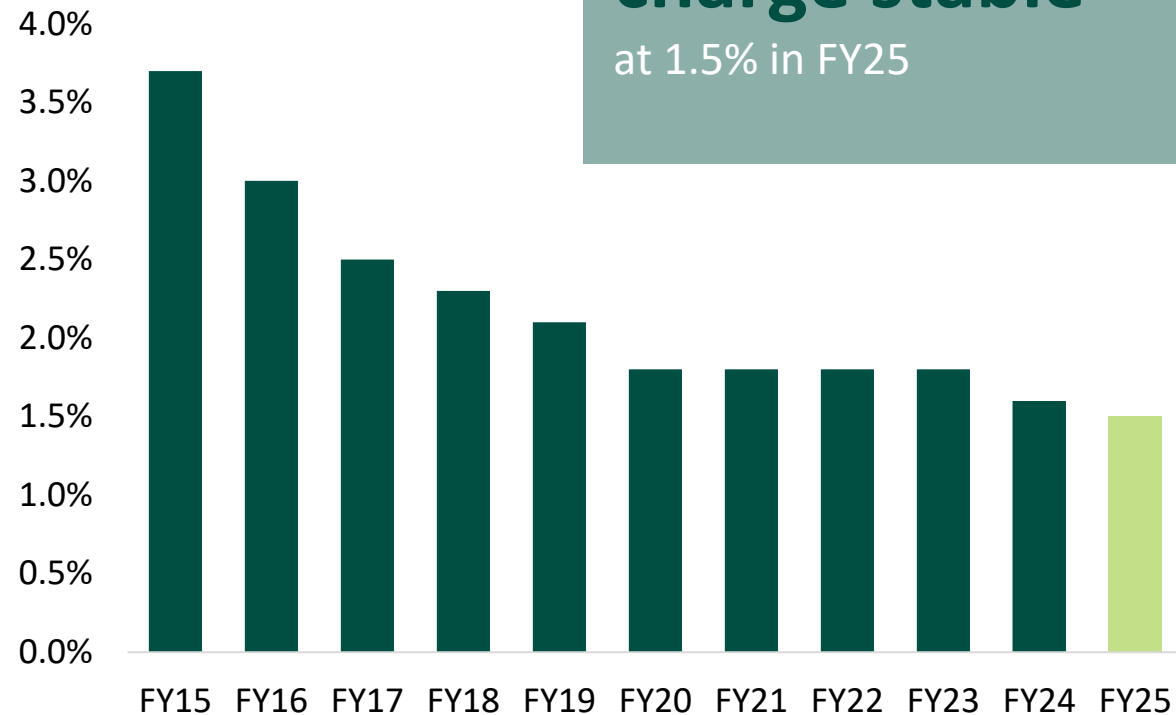
across AMP7

**4th highest
D-MeX and
Br-MeX
in 2024/25**

**Awarded the
ServiceMark
with Distinction
by the Institute of
Customer Service**

Affordability

Bad debt charge



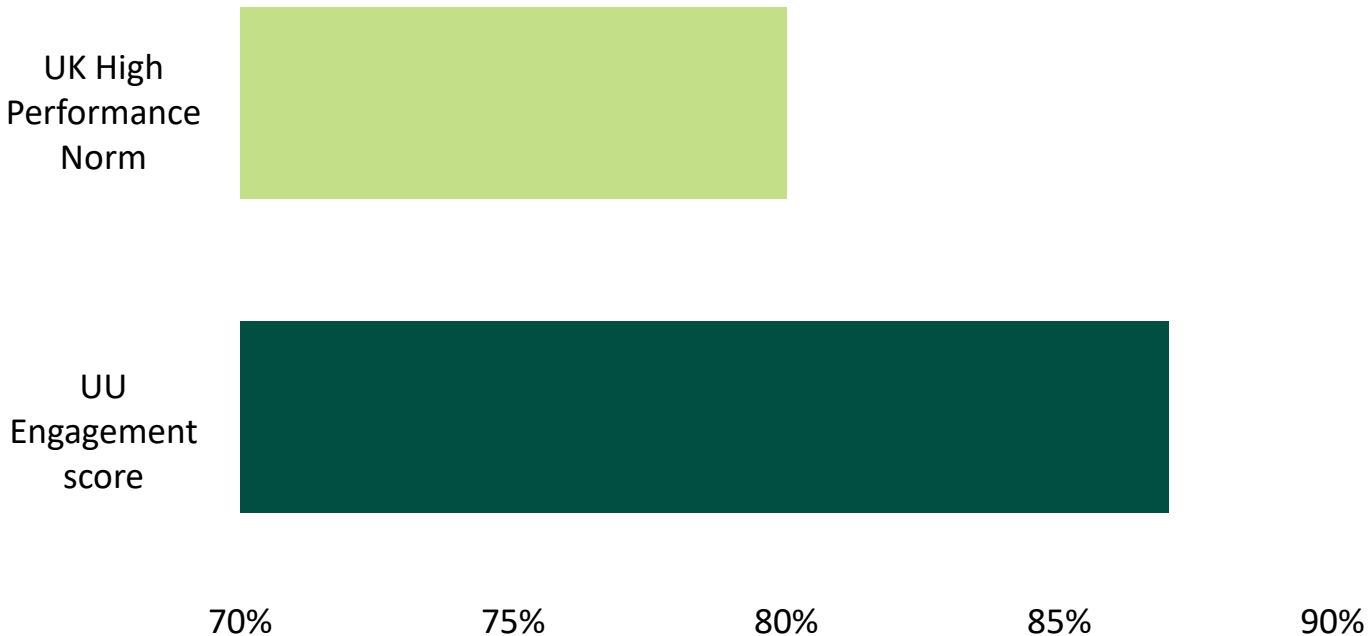
£525 million
affordability support package in AMP8

**Supported
414,000
customers**
through AMP7
affordability schemes

**c.540,000
households**
on our Priority
Services Register

People

Outperforming external benchmarks



Exceeding all external benchmarks with
employee engagement of 87%

91%
of colleagues are
**proud to work
for United
Utilities**

30,000 jobs
supported through our
AMP8 programme

ESG performance

E

Environment

- **39% reduction in spills since 2020** - with almost 20,000 fewer spills in 2024 than 2023
- **Environmental Performance Assessment Serious Pollutions** – ‘Green’ every year since records began in 2011
- **Peatland restoration** – completed more than 3,000 hectares, surpassing our 2030 target

S

Social

- **Highly engaged colleagues** – 87% engagement outperforming UK HPNorm benchmark by 7%
- **Leading in vulnerability assistance** – with c.540,000 households signed up to our Priority Services Register
- **Award-winning inclusive employer** – 4th place in the Top 50 UK Inclusive Employers list 2024 and Top 10 in the REDI¹ Index

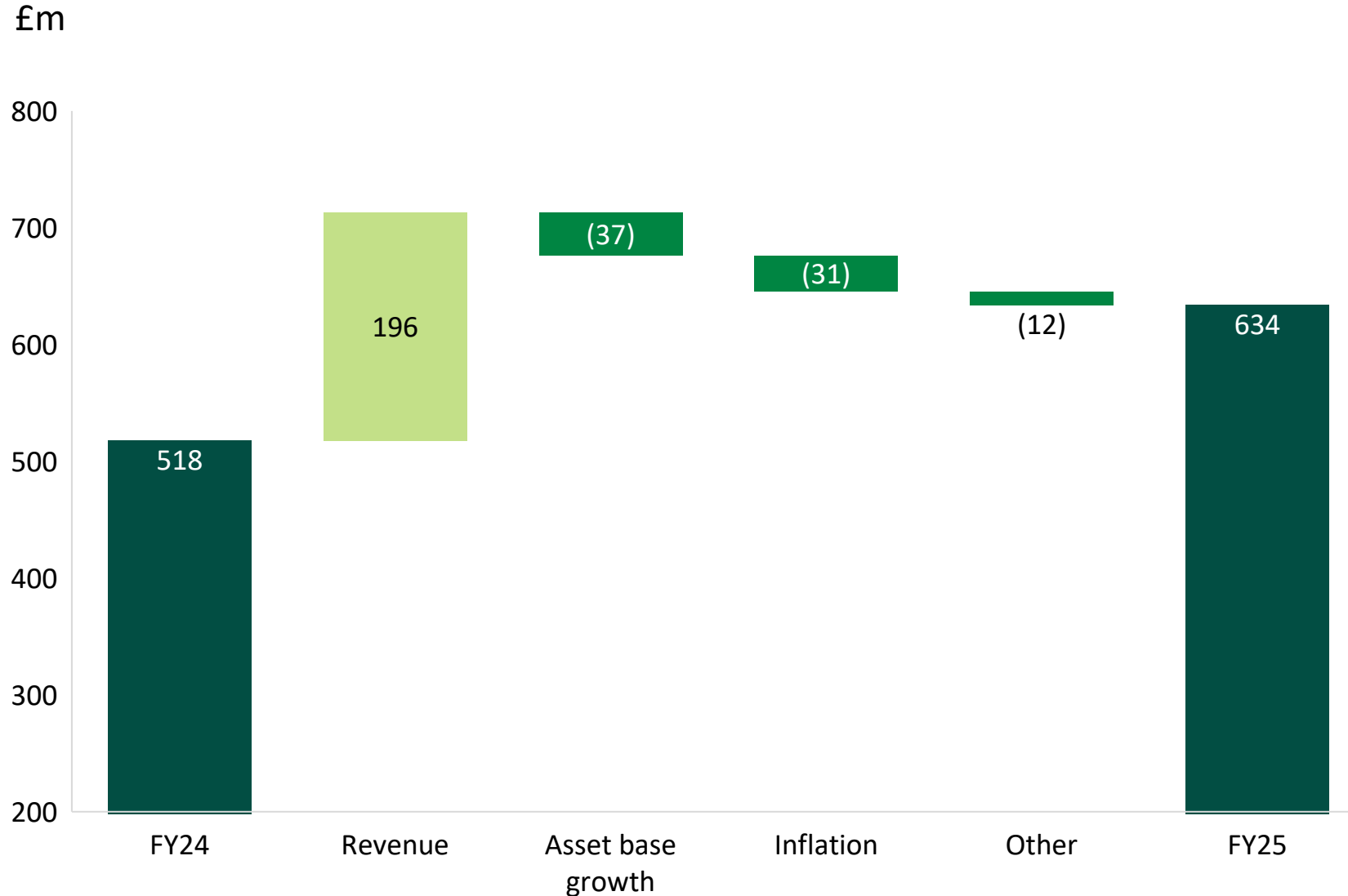
G

Governance

- **Component of the iconic Dow Jones Best-in-Class World Index** – one of only four companies in the Utilities sector to make the list
- **S&P Global** – recognised for 25 years of sustainability reporting
- **Fair Tax Mark** - accredited 6 years in a row

Underlying operating profit

22% increase in underlying operating profit



Revenue: **£2,145m**

+10%

- Regulatory adjustments: **£186m**

Underlying opex: **£1,511m**

+6%

- Asset base growth: **£37m**
- Inflationary increases: **£31m**
- Investing in performance: **£8m**

Interest, tax and earnings

Underlying net finance expense

FY25: £284m

FY24: £293m

Underlying tax

FY25: £nil

FY24: £7m credit

Underlying profit after tax

FY25: £338m

FY24: £227m

Inflation charge on index-linked instruments of £162m (FY24: £252m)

Cash interest of £171m
(FY24: £125m)

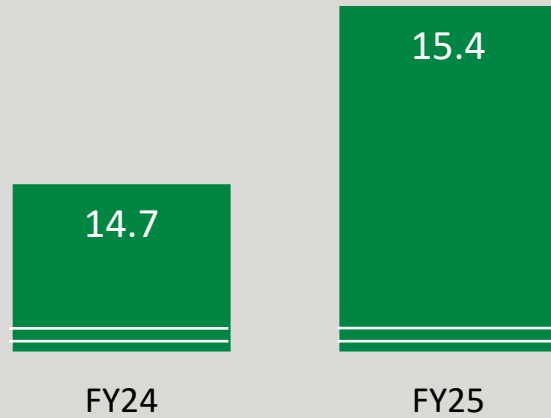
‘Full expensing’ to continue to provide a **tax benefit** such that we expect a **FY26 current tax charge of nil**

Underlying EPS of 49.6p

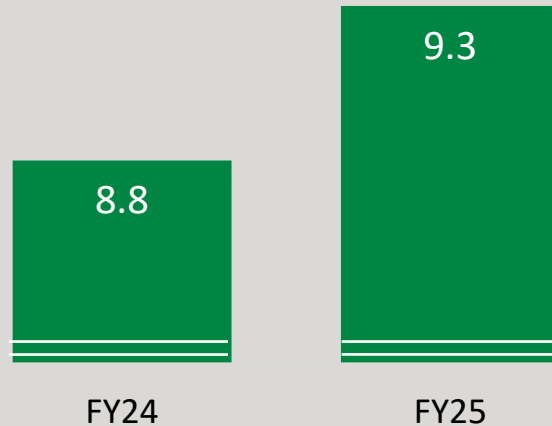
FY24: 33.3p

Financial strength

RCV¹ (£bn)



Net debt (£bn)



RCV gearing²

60%

FY24: 59%

Funding raised

c.£1.8bn

AMP8 funding well progressed

Responsible financing

Fully funded pension

Not subject to unfunded costs

Liquidity

£2.8bn

Sufficient liquidity into 2027

1. Includes the full expected value of AMP7 ex-post adjustment mechanisms as an adjustment to RCV
2. RCV gearing calculated as group net debt including loan receivable from joint venture/United Utilities Water Limited's adjusted RCV (adjusted for actual spend, timing differences and including full expected value of AMP7 ex-post adjustment mechanisms).

Technical guidance 2025/26

	FY25	y-o-y	
Revenue	£2,145m	▲	Revenue is expected to increase to between £2.5 billion and £2.6 billion in 2025/26 in line with the final determination, adjusted for inflation.
Underlying operating costs	£1,047m	▼	Underlying operating costs are expected to decrease, with higher costs associated with inflation and growth in the asset base, more than offset by lower IRE due to a more granular asset recognition, resulting in the greater component of network expenditure being capitalised.
Depreciation	£465m	▲	Growth in our asset base and the impact of a more granular asset recognition, means depreciation is expected to increase by around £50 million
Underlying finance expense	£284m	▲	Expected to increase by around £50 million, due to increased debt requirements to fund the step up in investment in AMP8
Underlying tax	£nil	↔	'Full expensing' expected to continue to provide tax benefits, resulting in no expected current tax charge
Capex	£1,083m	▲	Expected to be over £1.5 billion
Dividend¹	51.85p	▲	FY26 dividend of 53.66p, in line with policy of growth in line with CPIH

1. Calculated using the November 2024 CPIH annual rate 3.5%

Supporting materials

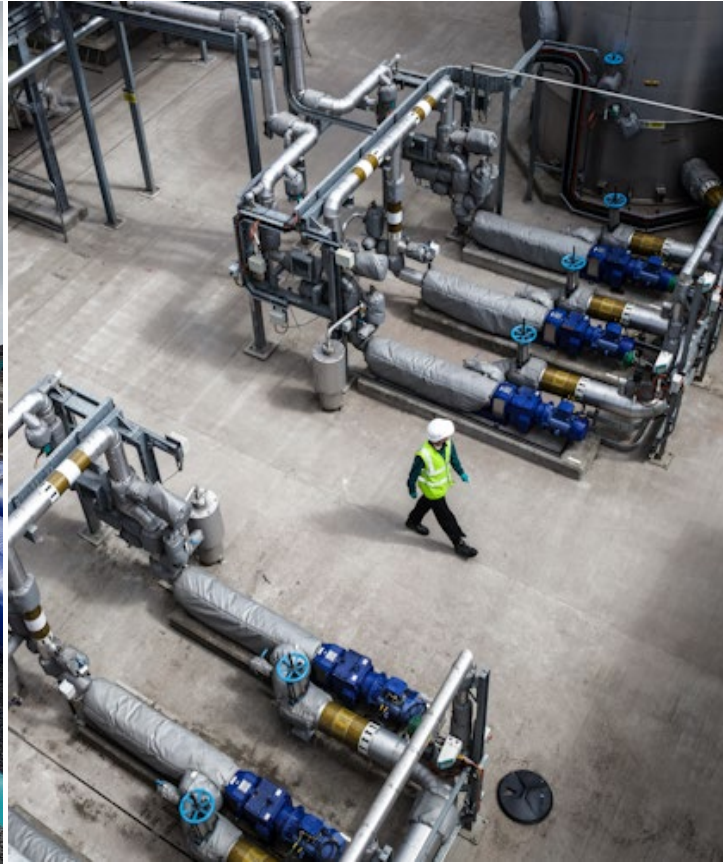


Cunliffe review

- ✓ More consistent long-term direction
- ✓ Simplify legislative framework
- ✓ Revisions to the model of regulation
- ✓ Attracting stable, long-term investment
- ✓ Prioritising resilience



Infrastructure delivery and economic growth



Driving growth in our region:

120 delivery partners
already in contract for AMP 8

Working with
locally-based suppliers

Supporting 30,000 jobs
across UU and the supply chain

Our plan will contribute
£35 billion of economic value



Tackling spills

Making improvements at over 1,100 sites:



Creating additional storage capacity for storm water collection



Enlarging wastewater treatment works with modular units to reduce spills



Removing groundwater and surface water from entering the sewerage pipes



Creating nature based solutions to improve filtration and treatment



Using AI and predictive analytics to optimise operations



Emerging trends

Treating 'forever chemicals' in tap water

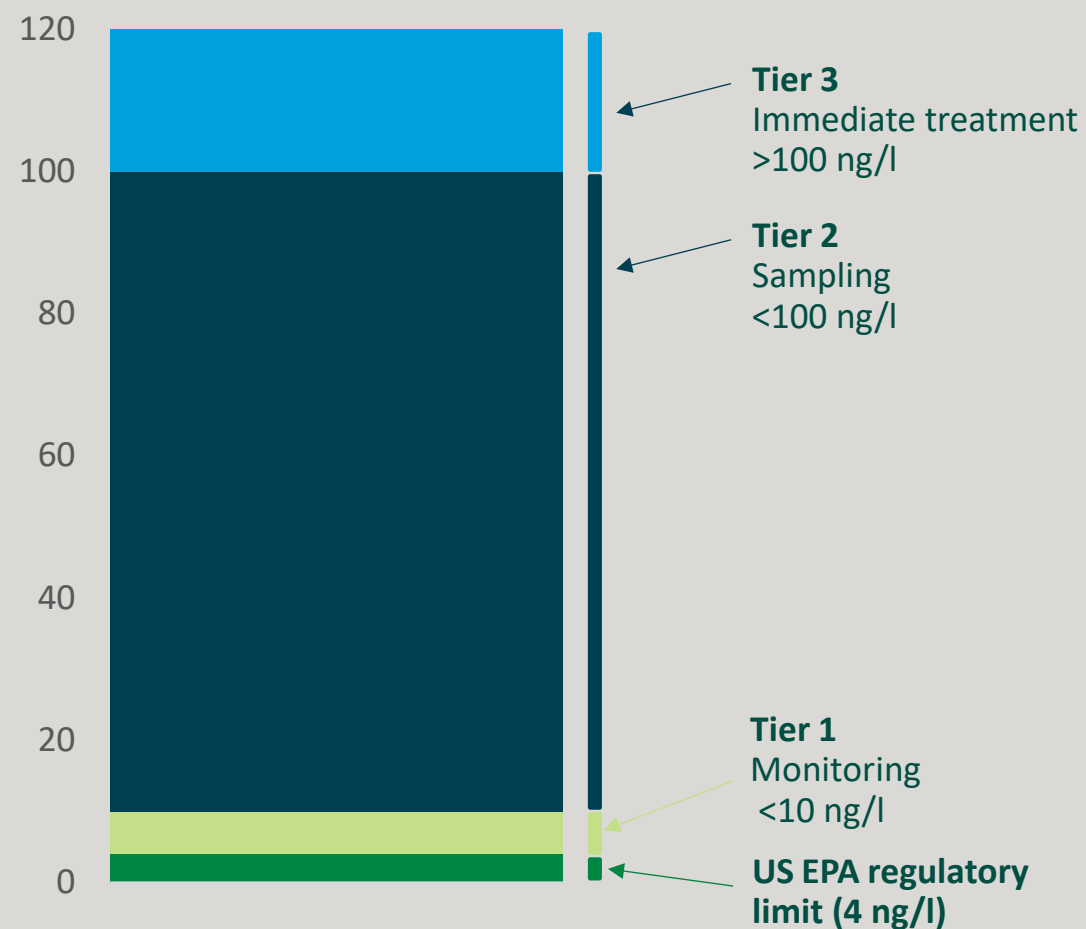


DWI now require companies to monitor for 47 named PFAS

Proposals to complete **two PFAS schemes** at a cost of c.£50m

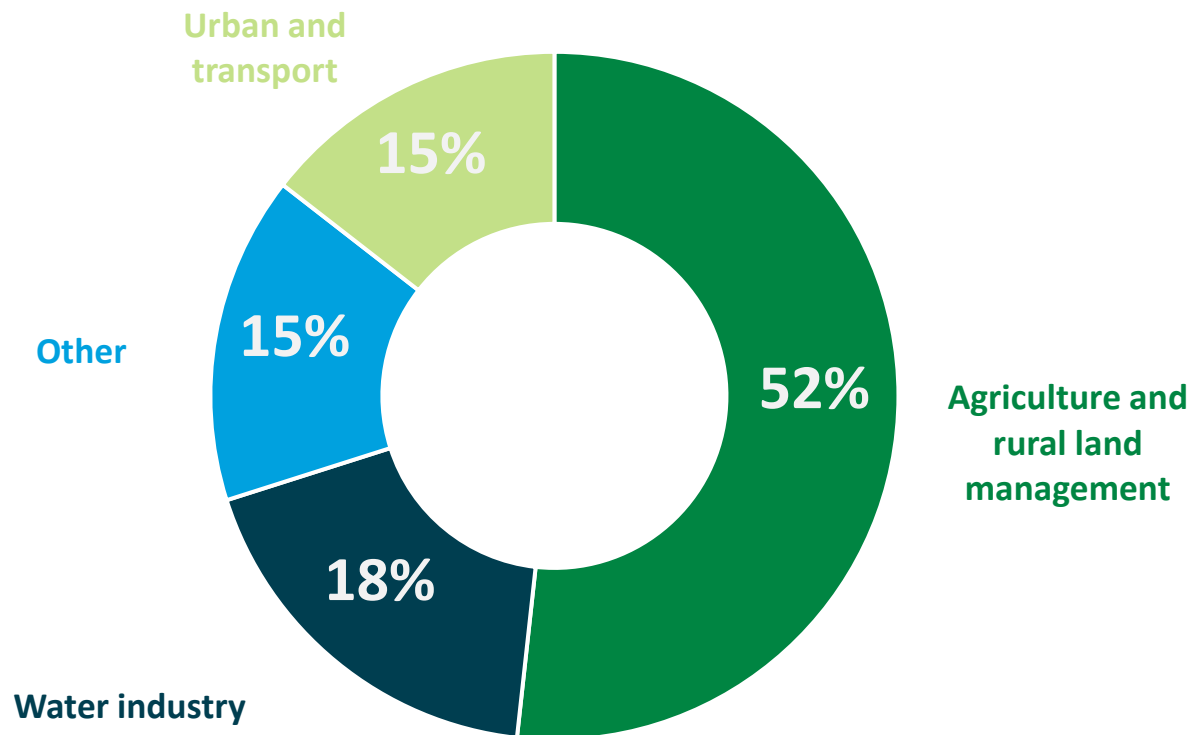


DWI PFAS Guidance (ng/l)

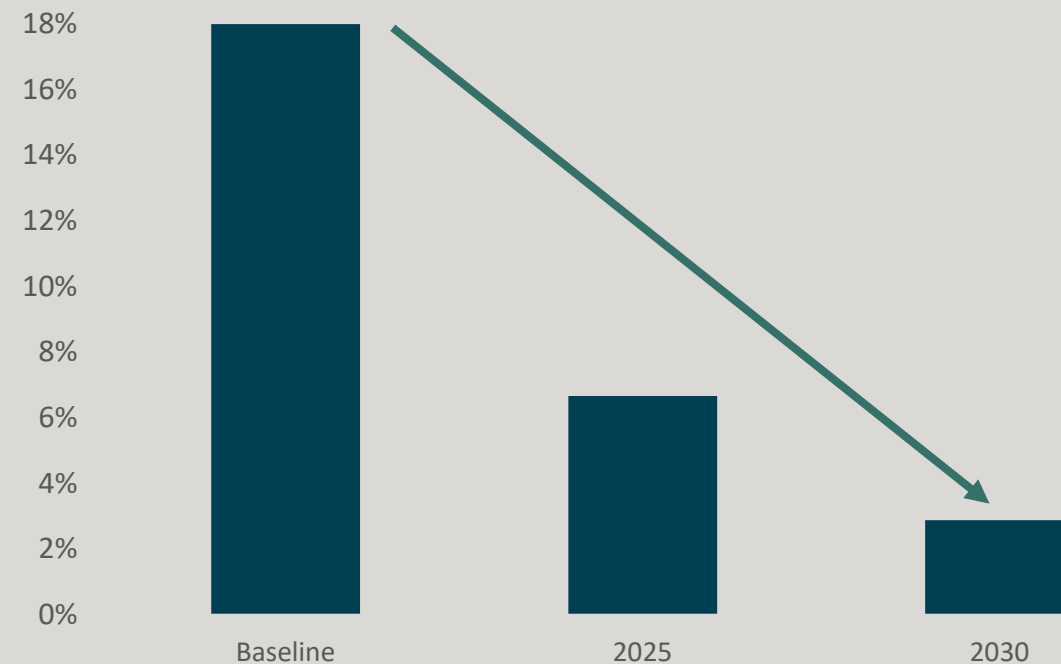


Improving our rivers

Impact on river health by attributable industry (%)



Plan to significantly reduce our impact

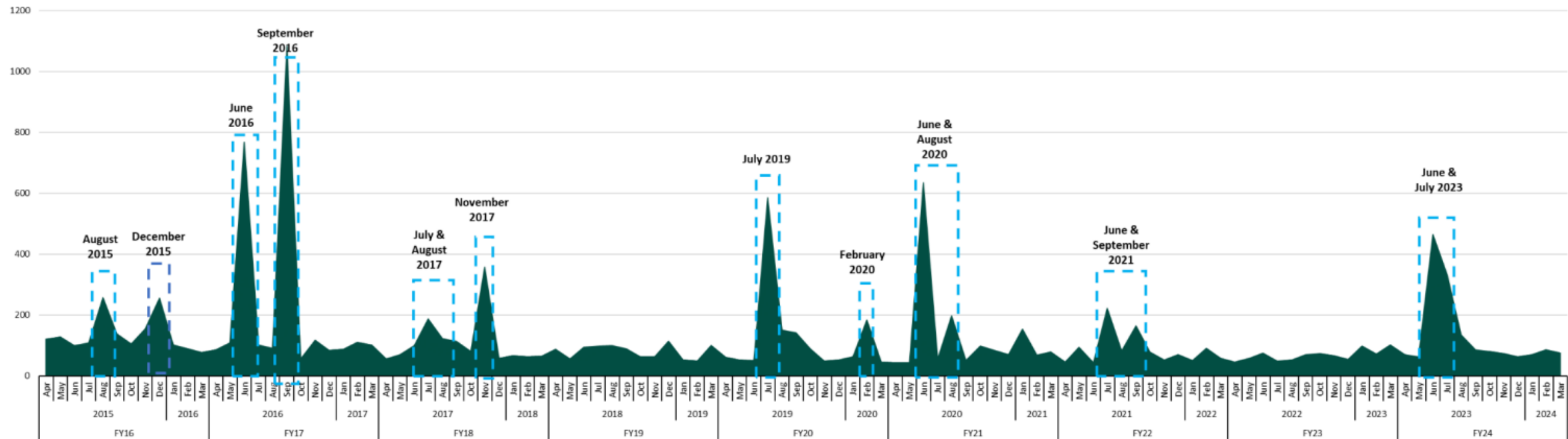


Notes:

1. Based on Environmental Agency data updated with United Utilities forecasts
2. Reasons for not achieving good ecological status (RNAGs) in the North West
3. Percentages reflect RNAGs that can be attributed specifically to sectors

Internal Sewer Flooding

The impact of exceptionally severe weather on the number of sewer flooding incidents can be clearly seen in U UW's historical record, with large spikes observed in a short time frame.



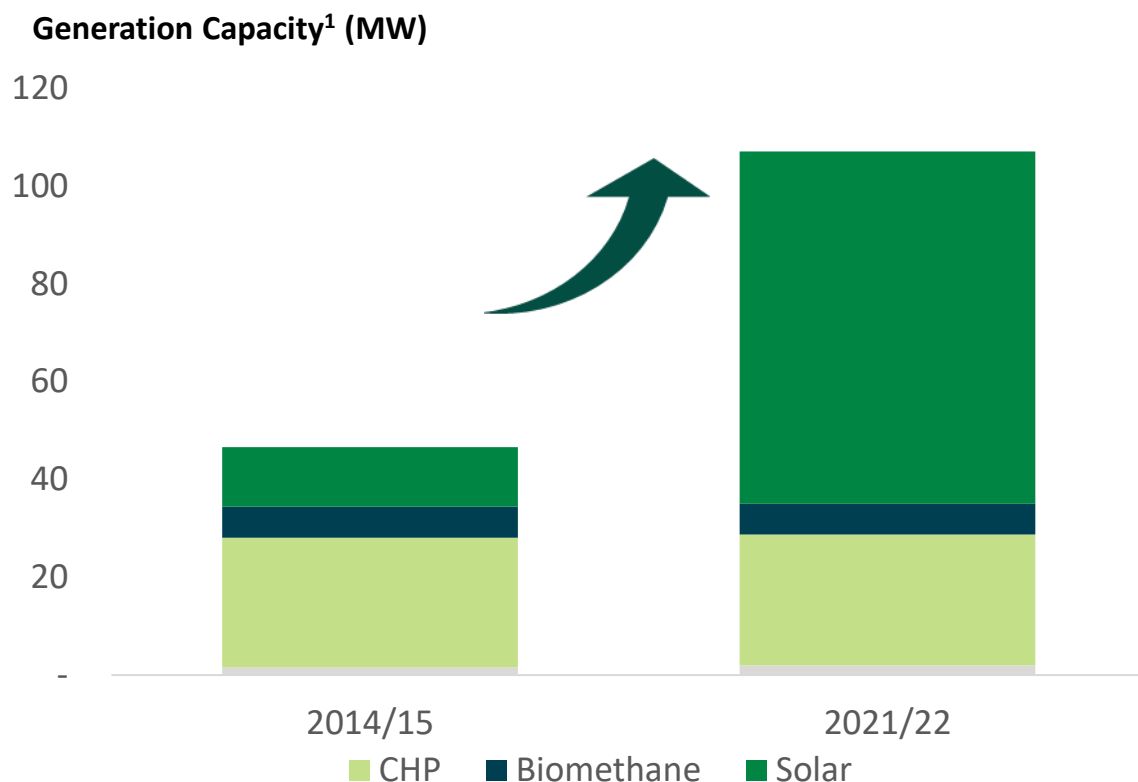
Green Energy



Greener future

Adjacent opportunity to core water business

Strong track record of delivery



1. Includes 72MW wind and solar sold to SDCL for c£100m with benefits retained through long term power purchase agreements

England's largest corporate land owner

**56,000 Ha
of land**

**140 sites
identified for
development**

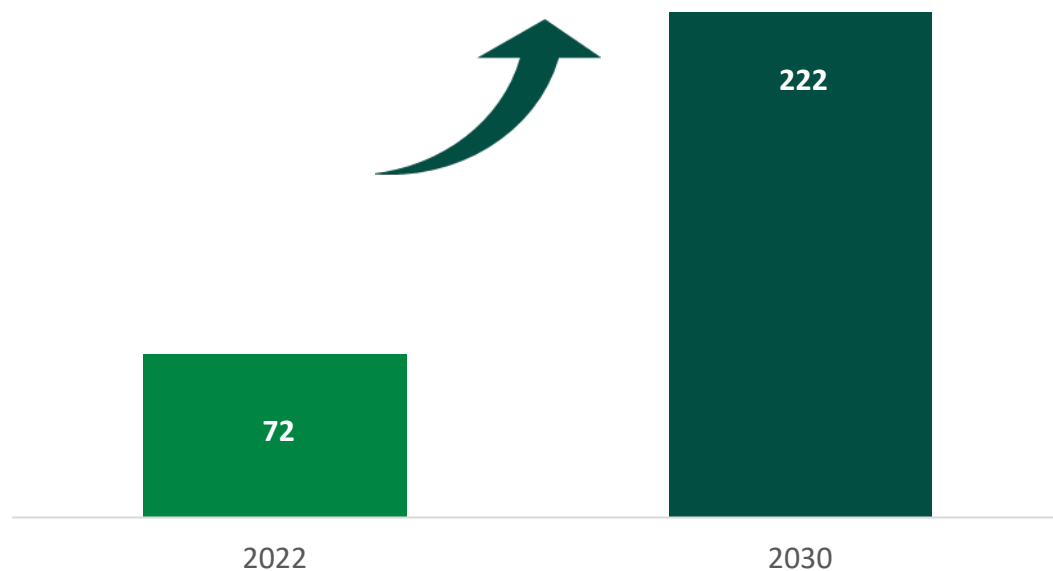
Strategic focus on
**resilience
and
net zero**

Our future business
plan will drive up our
**power
consumption**

Greener future

Clean energy strategy

Gross clean energy additions¹ ~150MW
By end of decade



1. Excludes CHP and Biomethane

Our clean energy strategy...

Targeting
50%
self-generation
by 2030

150MW
development plan
by 2030

Combination of
solar and
batteries

**Behind the
meter**
and
grid connected

...funds recycled from sale of UURE

Cautionary statement

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

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

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

