HALF YEAR RESULTS 2026-27

18 NOVEMBER 2026



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James Jesic

Chief Executive



A strong start to FY27 creating value for all stakeholders

Customers	Environment	Shareholders
99.4% of customers experienced uninterrupted supply[1] through highest ever water demand levels	**44% reduction in total pollutions**[2] and on track for **no more than 18 average spills** per storm overflow	**17.6%** year-on-year adjusted **earnings per share growth**
£25m financial support for around 250,000 additional households	On track to achieve our **leakage** target for the **ninth consecutive year** with our highest level of water into supply	Secured at least **£402m of additional investment**[3] through Ofwat's "reopener" process

£1 billion of capital investment and **delivering on time** to earn maximum regulatory reward

1. *In line with the Water Supply Interruptions measure; affected properties are those that experienced an interruption to supply lasting more than three hours.*
2. *Our internal assessment on a like-for-like basis with the Environment Agency's categorisation of pollutions introduced from 1st January 2026, including previously category 4 "no impact" pollutions.*
3. *In nominal prices at submission date, April 2026.*

Consistently delivering on our investment case

Sustained investment delivering resilient long-term asset base growth

10.3%[1] five-year RCV CAGR to 2030 with further opportunity from reopeners

Inflation-linked regulatory framework with highly visible and predictable revenues

Over half of our total expenditure to 2030 protected from above-CPIH increases

Performance-led culture driving operational excellence and meaningful customer outcomes

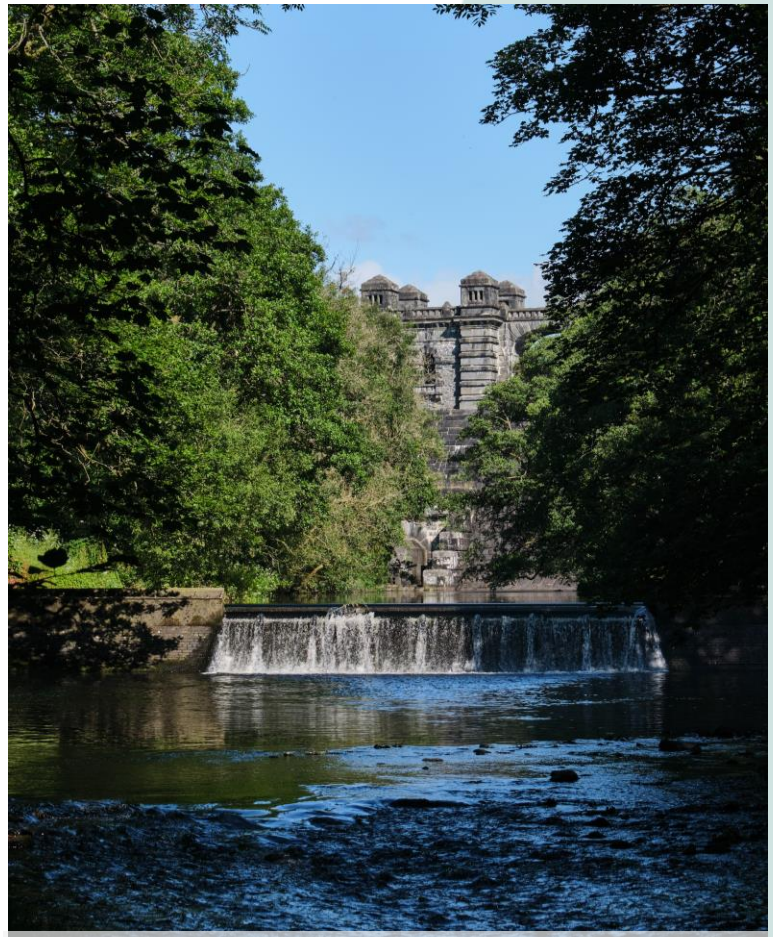
Total performance incentives of at least £50m in FY27 and £300m for AMP8[2]

Strong track record of outperformance on regulatory incentives and double-digit returns

Consistently outperforming the sector with 14.4% regulatory return in FY26

Long-term earnings growth and inflation-linked dividend

Dividends growing by CPIH and adjusted EPS outlook of at least 250p in FY28



Lake Vyrnwy Visitor Site – Hafren Dyfrdwy

1. *In nominal terms, using Oxford Economics latest inflation forecast. Includes Regulatory Capital Value from our year one "reopener" Draft Determination.*
2. *Outcome Delivery Incentives ('ODIs') and Price Control Deliverables ('PCDs') combined. £50m for FY27 is inflated to March 2026 CPIH. £300m for AMP8 is based on all outperformance being recognised in revenue in 2027/28, which is the earliest point we can recognise AMP8 ODIs, using November 2026 and 2021 CPIH, equivalent to £250m in 22/23 prices.*

Helen Miles

Chief Financial Officer



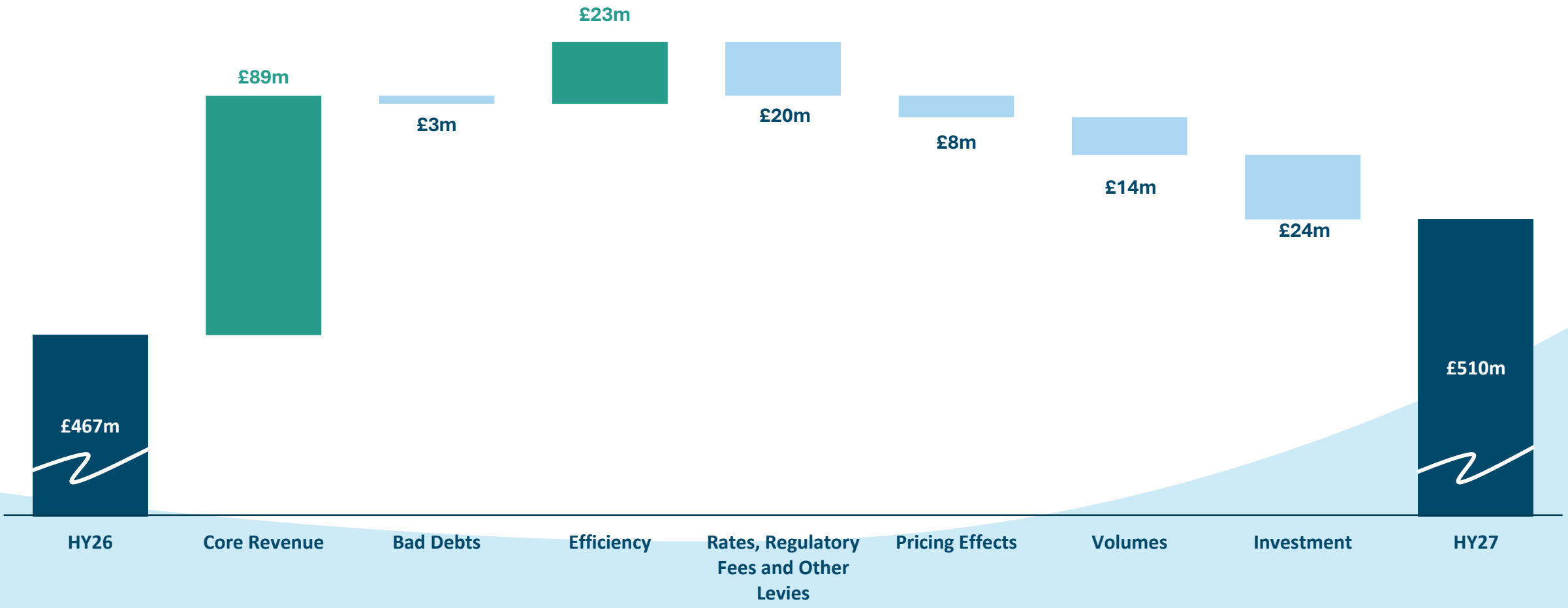
Strong financial performance underpinning high-quality earnings growth

	HY27	HY26	Increase
Revenue	£1,537m	£1,437m	7.0%
Operating costs and IRE[1]	£760m	£721m	5.4%
Profit before interest and tax	£528m	£466m	13.3%
Net finance costs	£170m	£161m	5.6%
Profit after tax	£229m	£227m	0.9%
Adjusted earnings per share	118.8p	101.0p	17.6%
Capital investment	£1,053m	£769m	36.9%

- Adjusted earnings per share growth of **17.6%**
- **Over £1 billion** of capital investment
- FY27 regulated asset base growth of 14% to **£17.6bn[2]**
- Interim dividend per share of **52.2p**

1. *Infrastructure Renewals Expenditure - costs of like-for-like replacement of infrastructure components.*
2. *Inflated to March 2027 prices using Oxford Economics latest CPIH forecast. Includes regulatory capital value from our year one "reopener" Draft Determination.*

9% increase in Regulated Water and Wastewater PBIT



Focus on our operating cost base is critical

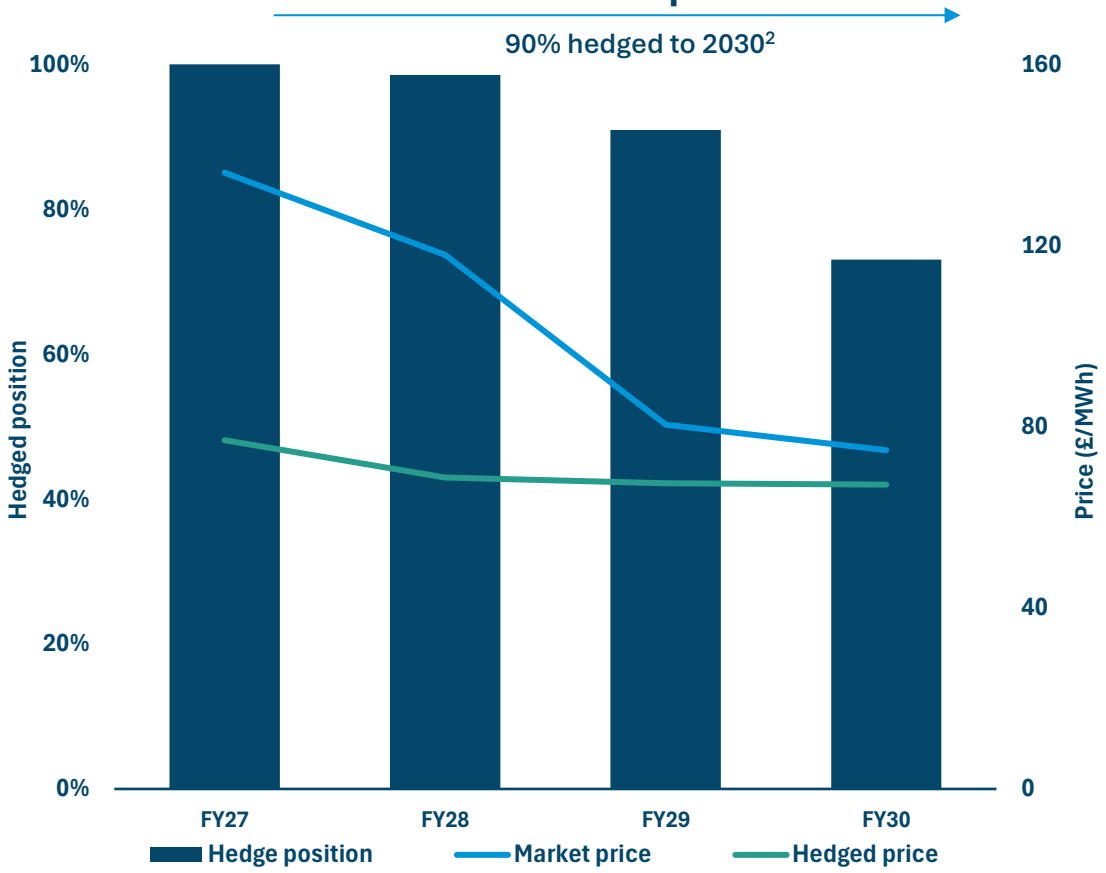
Delivered c.£60 million of operational efficiencies to date

- **£37m** **Removing non-value add activity** through improved processes
- **£14m** **Reduced unit cost of repairs** by 17% in water and 7% in waste
- **£7m** **Proactive investment** reducing cost of failure

Investing for further efficiency

- **Solar:** over 200 GWh more energy generation a year, with self-generation reaching **75%** by 2030
- **Treatment processes:** targeted investment in water and waste treatment processes to reduce energy use
- **Data and AI:** supporting proactive investment to reduce operational response costs

FY27 energy costs fully hedged, 46%[1] lower than the wholesale market price



1. *Compares Severn Trent's FY27 hedged wholesale energy price with the average annual market price as at 9 November 2026, based on external energy consultant forecasts.*
2. *Based on current consumption.*

An efficient capital structure supporting continued financing outperformance

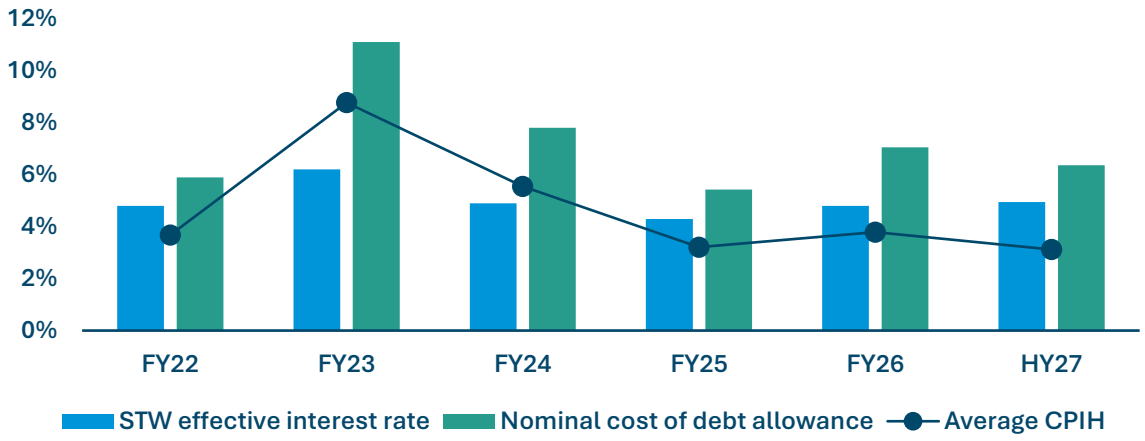
£2bn
in cash and undrawn credit facilities

Over £400m[1]
new debt raised, c.100bps below the regulatory allowance[2]

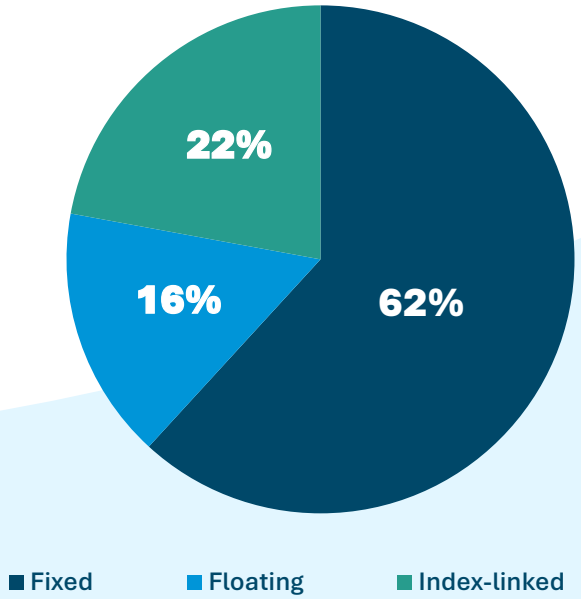
4.9%
effective interest cost

63.8%
Regulated gearing[3], outlook of 60-65% at FY30

Consistently outperforming the nominal cost of debt allowance

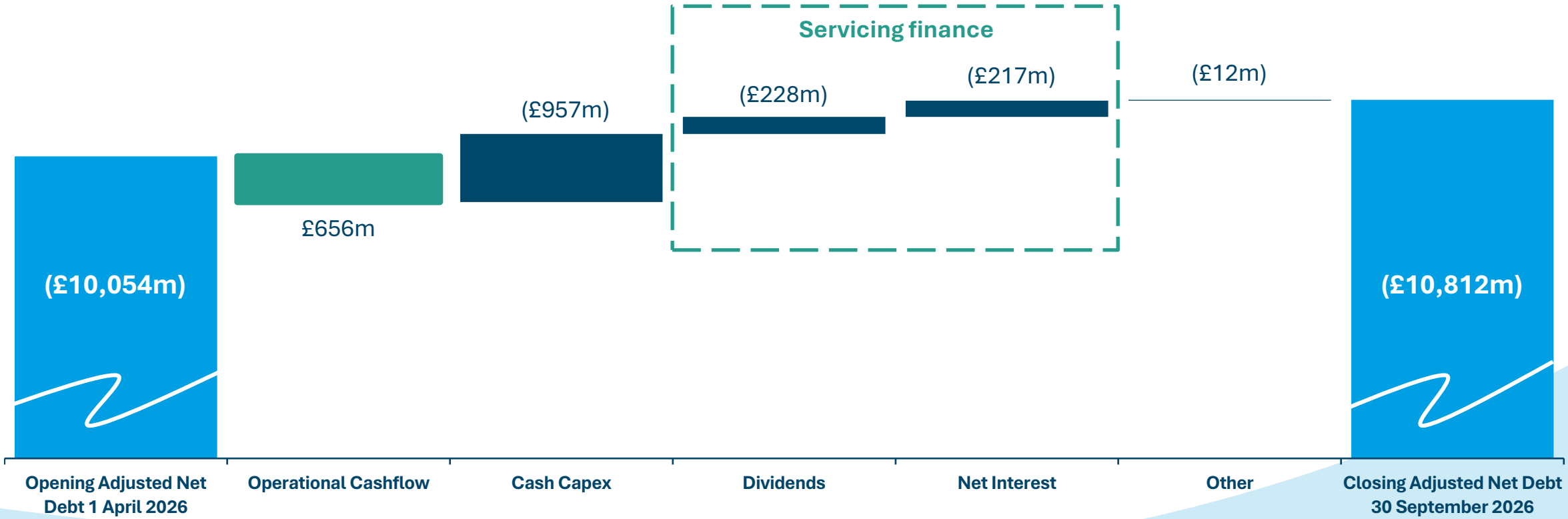


Debt mix at 30 September 2026



1. *Comprises £255m issued before 30 September 2026 and a further £155m issued after period end.*
2. *New debt performance measured against the average of the iBoxx GBP Non-Financials A and BBB 10+ year indices, adjusted by 30bps.*
3. *Adjusted net debt, divided by shadow RCV. Shadow RCV includes Ofwat approved RCV relating to the cost change or "reopener" process as published in its Draft Determination.*

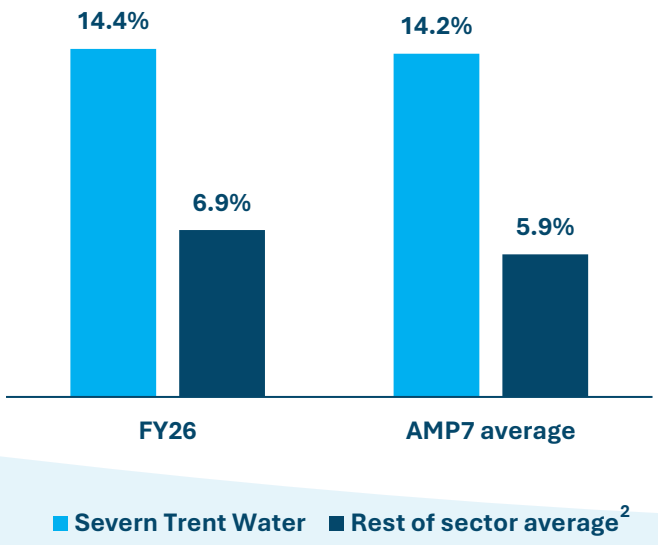
Reinvesting to deliver our growing investment programme



Operational delivery underpinning consistent and high-quality returns

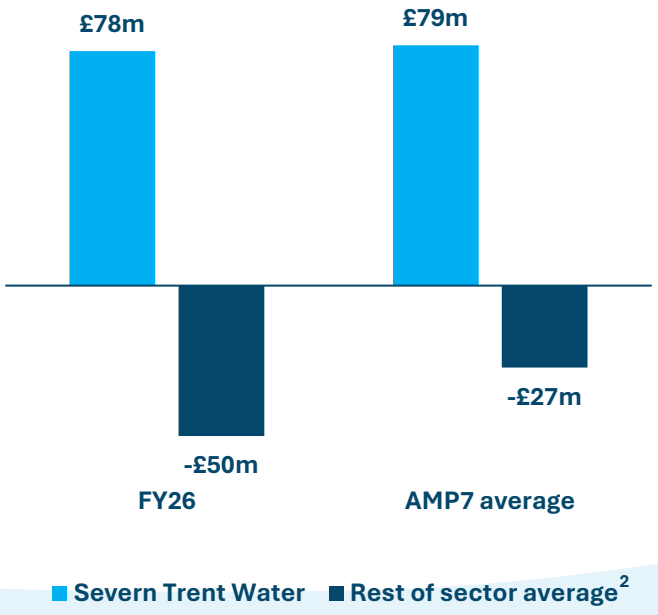
Highest returns in the sector...

Actual regulatory return[1]



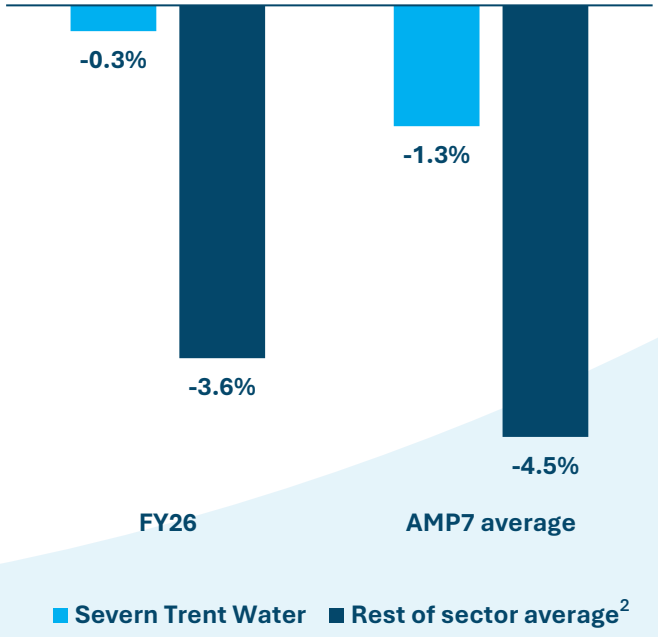
...by continuing to lead on performance incentives...

Annual performance incentives[3]



...and controlling our costs

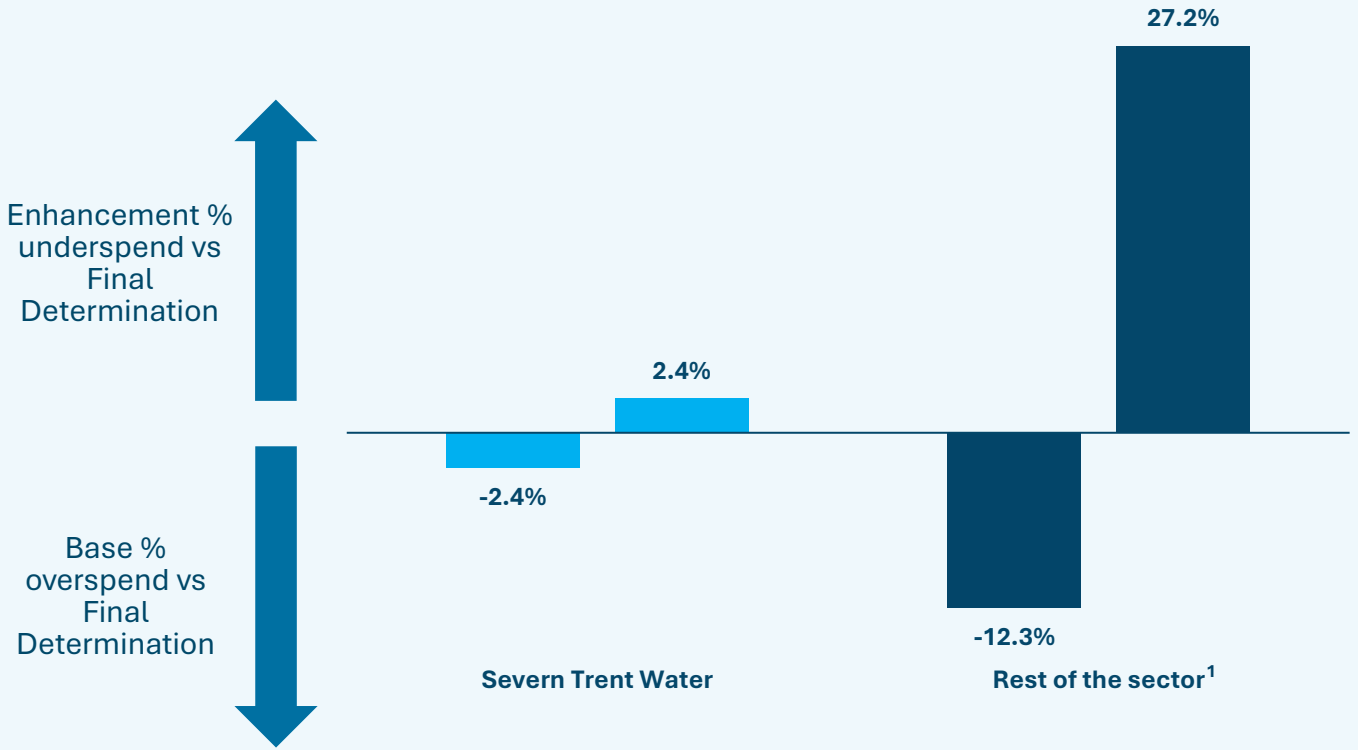
Wholesale totex RoRE[4]



1. *Nominal return based on actual company structure.*
2. *Rest of sector average includes Water and Sewerage Companies ('WaSCs') only and excludes Severn Trent Water and Hafren Dyfrdwy.*
3. *Outcome Delivery Incentives ('ODIs') and Price Control Deliverables ('PCDs') are stated in year-end prices, in the year in which they were earned. In line with APR submissions for consistency across the sector.*
4. *Wholesale totex overspend as a percentage of return on regulated equity based on actual company structure.*

Maintaining assets, improving services and delivering capital investment efficiently

FY26 base and enhancement spend vs Final Determination allowance



Source: Company Annual Performance Reports 2025-26.

£250 million total capital efficiencies delivered AMP to date...



Plug and play
Standardisation and modular solutions

Value engineering
Using innovative technology

Smart solutions
Optimising our processes

Direct procurement
Greater control of project delivery

...underpinned by artificial intelligence

1. Rest of the sector includes Water and Sewerage Companies ('WaSCs') only and excludes Severn Trent Water and Hafren Dyfrdwy.

Updated guidance

		FY26	FY27 Guidance
Regulated Water and Wastewater	Turnover	**£2.6bn**	Around £2.9bn
	Operating costs & IRE	**£1.3bn**	7% - 9% higher
	Total performance incentives[1]	**£73m**	At least £50m
Infrastructure Services	EBITDA	**£55m**	10% - 20% higher
Group	Net finance costs[2]	**£302m**	20% - 30% higher
	Capital investment	**£1.9bn**	£2.3bn - £2.5bn (previously £2.2bn – £2.5bn)

Updated

AMP8 Outlook			
At least £300m total performance incentives across the regulatory period[3]	Adjusted EPS to at least 250p in FY28	60-65% regulated gearing at FY30	Infrastructure Services EBITDA around £100m in FY30

1. *Outcome Delivery Incentives ('ODIs') and Price Control Deliverables ('PCDs'), in March 2026 prices as reported at our full-year results.*
2. *Based on Oxford Economics September 2026 inflation forecast.*
3. *Based on all outperformance being recognised in 2027/28, which is the earliest point we can recognise AMP8 ODIs, using November 2026 and 2021 CPIH. Equivalent to £250m in 2022/23 prices.*

James Jesic

Chief Executive



Delivering on our business priorities

Maintaining operational momentum

On track for at least £50 million of total performance incentives[1] in FY27

Delivering long-term asset base growth

£3 billion of capital investment in 18 months
65% of our AMP8 programme in contract

Driving innovation

AI transforming capital delivery
Over £300 million efficiencies AMP to date

Improving customer centricity

Making progress with fewer complaints and reduced repeat wastewater contacts

1. Outcome Delivery Incentives ('ODIs') and Price Control Deliverables ('PCDs'), inflated to March 2026 CPIH.

Customers and the environment



Improving customer experience through stronger local relationships

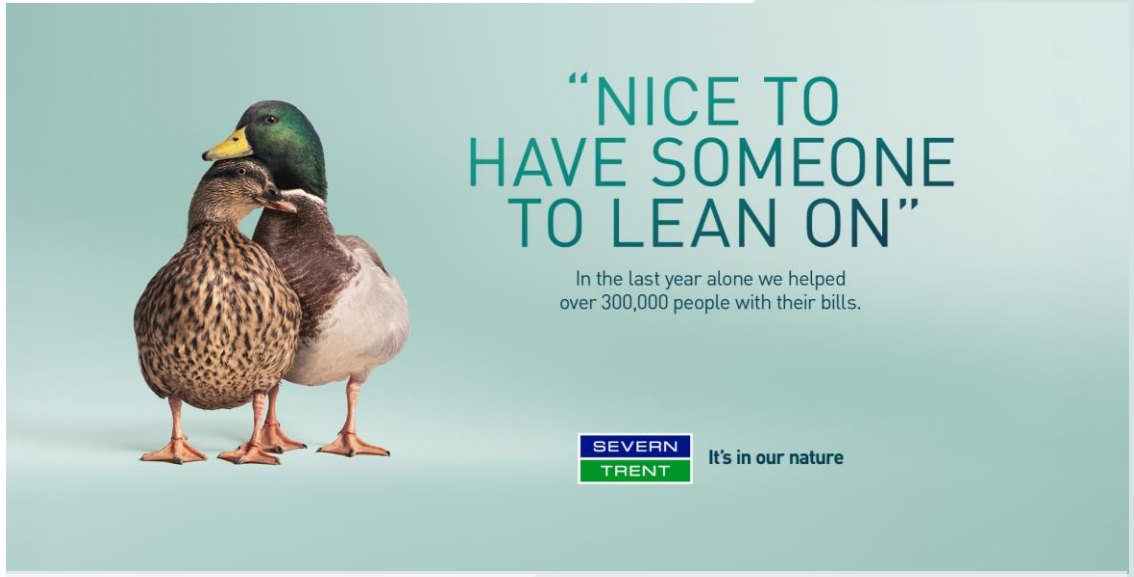
c.40 customer listening sessions held to provide insight and improve customer service

Average **billing complaints down 15%** in the first half of the year

Waste chase contacts 53% lower year-on-year

No restrictions for customers during the drought period

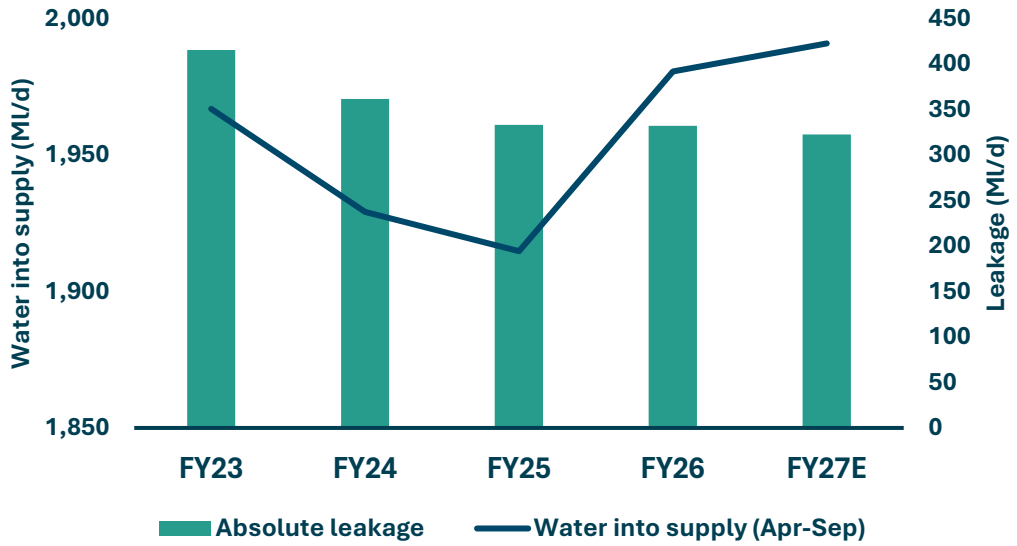
£25m additional financial support for around 250,000 customers



Regional brand campaign: It's in our nature

Water investment: resilient supply during record levels of demand

Reducing absolute leakage levels despite record levels of water into supply...



...with resilience and innovation...

29% year-on-year improvement in average duration of **supply interruptions**

Outperformed the sector on leakage reward in FY26 and on track to achieve our target for the **ninth consecutive year**

31 years without a hosepipe ban

Investing to improve **per capita consumption**

...and on track to deliver key water performance incentives

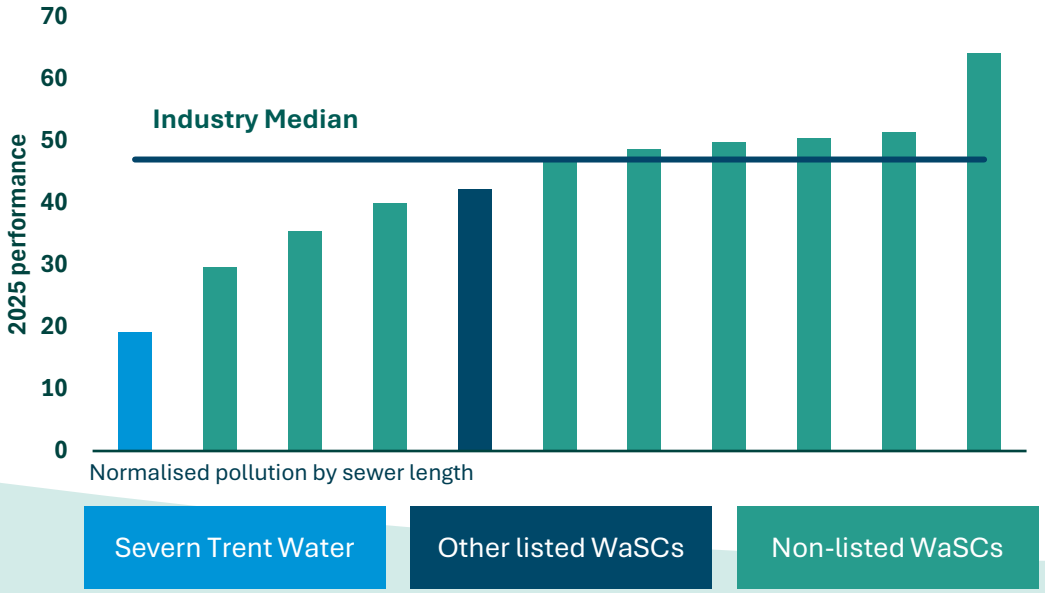
Business demand	Mains repairs	Supply interruptions	Water quality contacts	Unplanned outage

Waste investment: improving environmental outcomes

Leading the sector on reducing pollutions...

44% year-on-year reduction in total pollutions[1]

£100m pollutions improvement investment AMP to date



...and delivering on our waste and environmental performance measures

Around 100 environmental schemes delivered early

More than **3,200** storm overflow interventions delivered

On track to achieve our regulatory target of **no more than 18 average spills** for 2026

15,000 monitors installed on our wastewater network

Internal Sewer Flooding	External Sewer Flooding	Sewer Collapses

1. *Our internal assessment on a like-for-like basis with the Environment Agency's categorisation of pollutions introduced from 1st January 2026, including previously category 4 "no impact" pollutions.*

Delivery



Increasingly visible long-term drivers of growth in our region

Climate change

Increasing weather extremes, with **16%** drier summers and **13%** wetter winters

Population growth

12% population growth in our region by 2050

Environmental standards

80% reduction in phosphorus levels by 2038 and statutory PFAS[1] limits

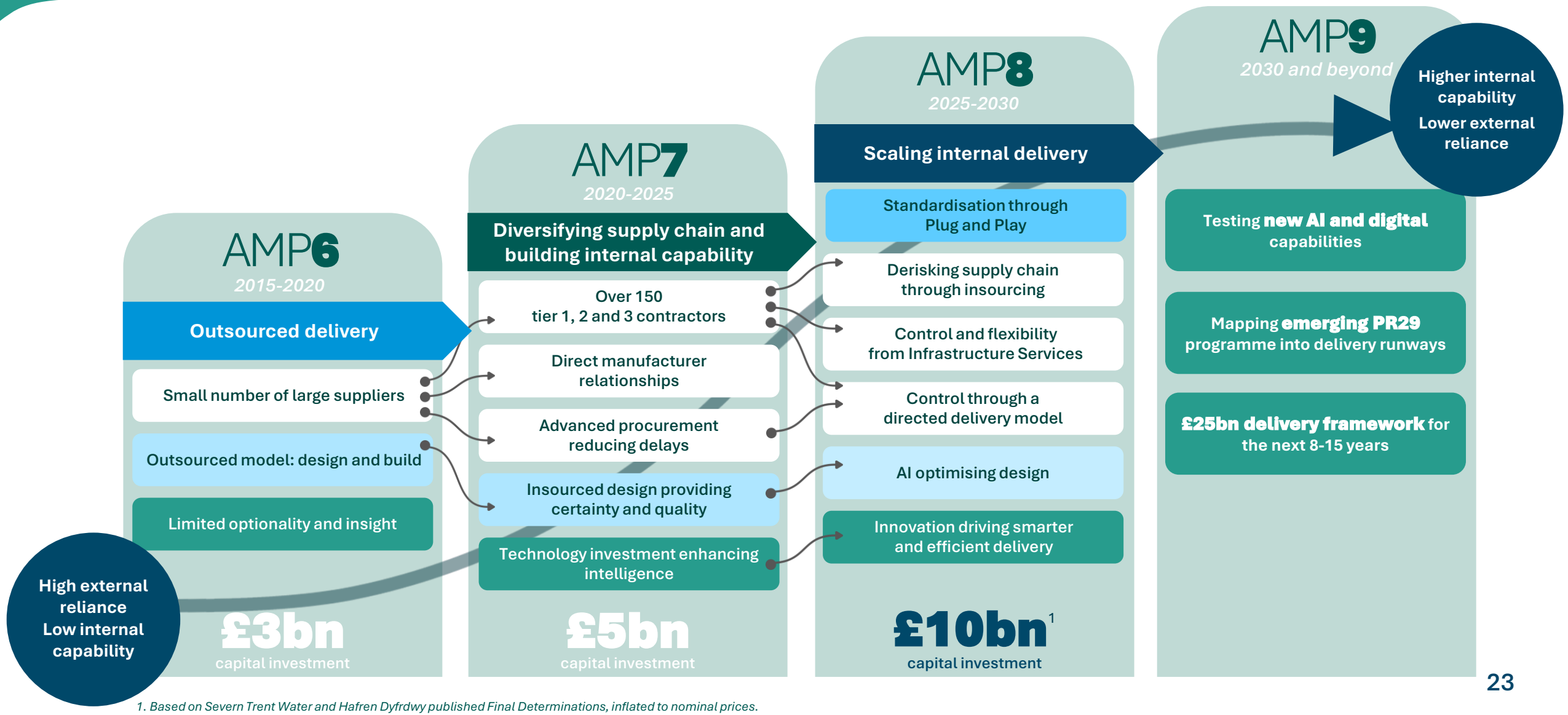




Clywedog Reservoir, operated by Severn Trent to augment river flow, in Summer 2025 (above) and Summer 2026 (below)

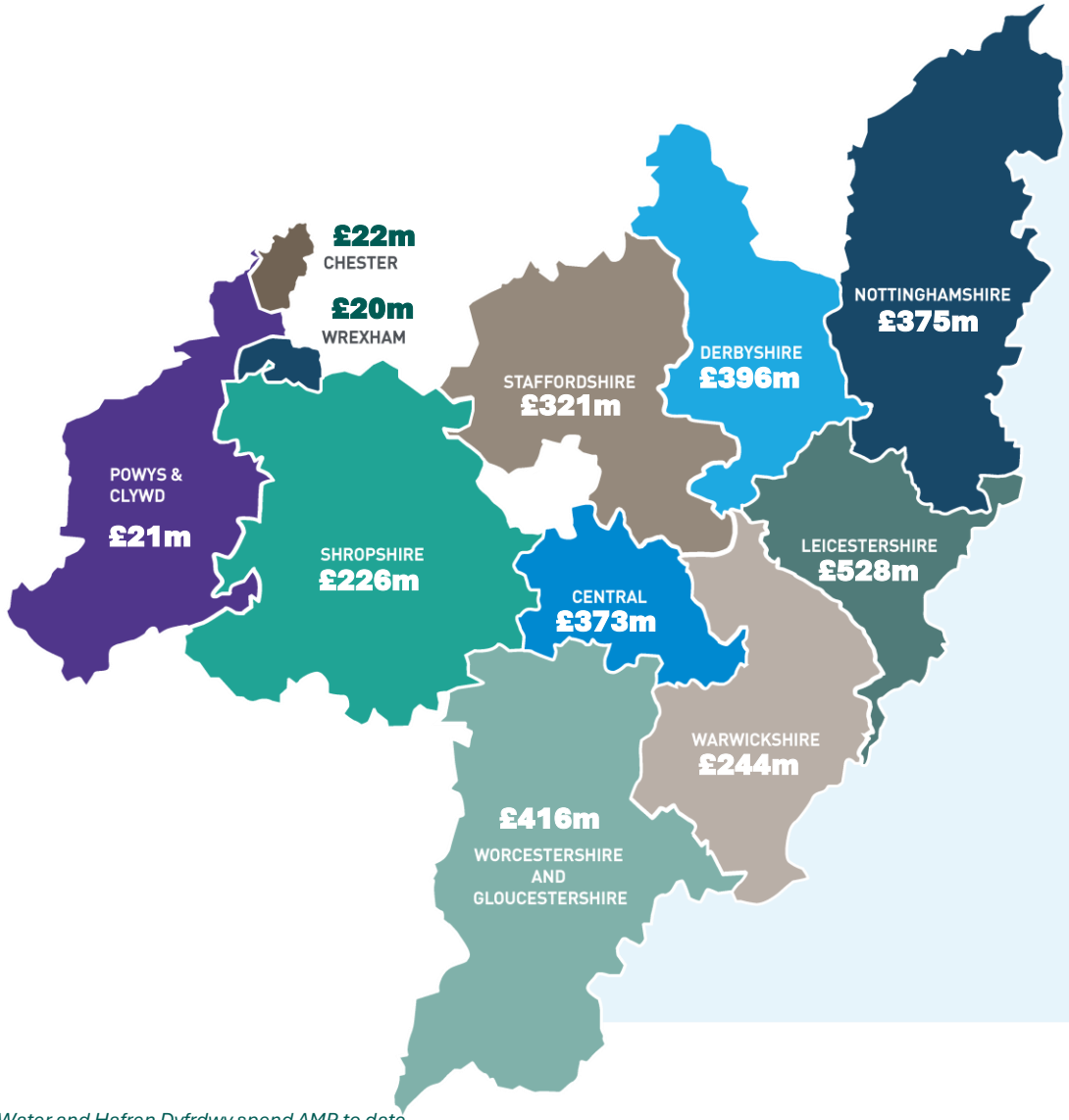
1. PFAS: Per- and polyfluoroalkyl substances also commonly called forever chemicals.

Capital delivery model set up to deliver long-term growth



1. Based on Severn Trent Water and Hafren Dyfrdwy published Final Determinations, inflated to nominal prices.

£3 billion invested across over 2,000 projects since the start of AMP8



£138 million invested in renewing 376km of water mains to date, sector-leading on km laid in FY26

470,000 smart meters installed and upgraded across the region, c.45% of our AMP8 regulatory target

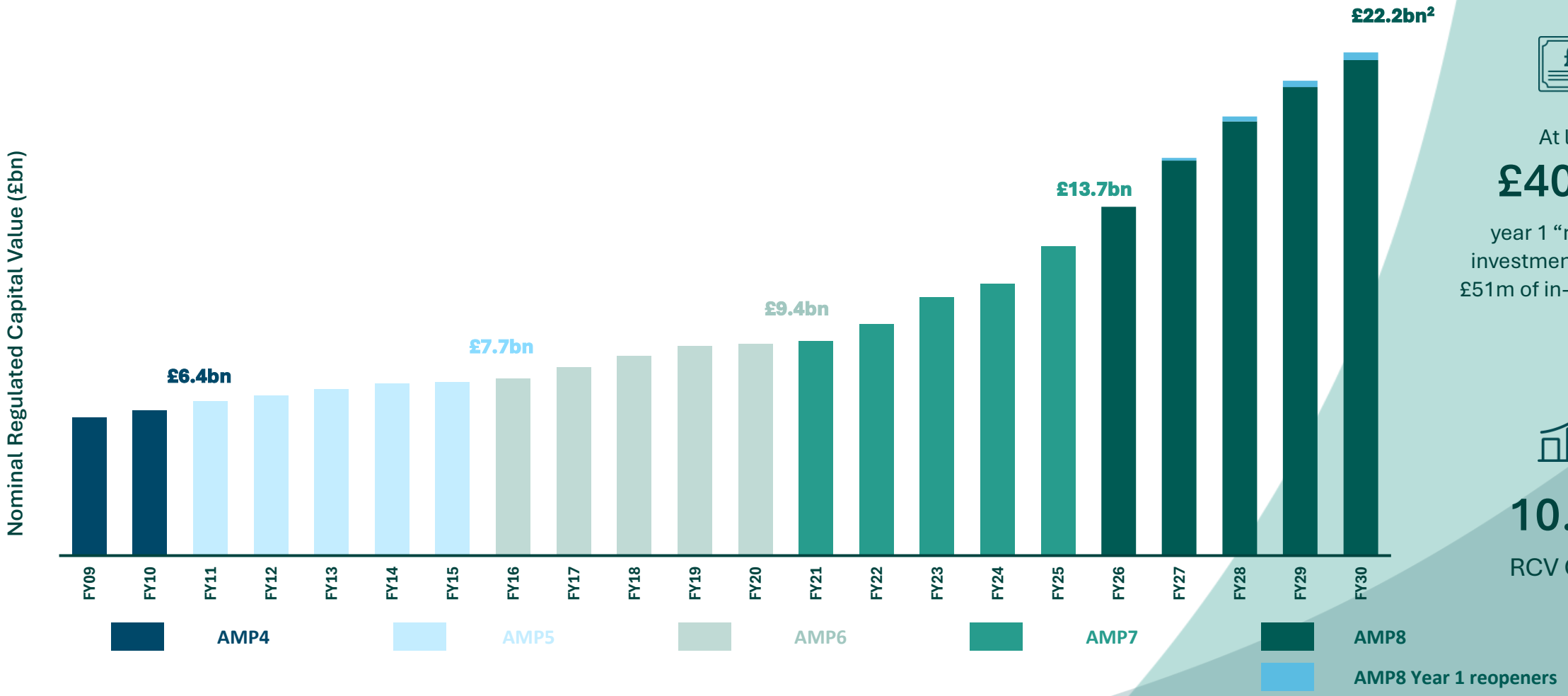
Expanding wastewater treatment capacity equivalent to over 100,000 homes this year

Innovating to unlock new water resources to meet growing demand, adding 12 Ml/d water supply

Invested £150 million in 80 phosphorus removal schemes, benefitting 270,000 customers this year

Severn Trent Water and Hafren Dyfrdwy spend AMP to date.

More than doubling our Regulatory Capital Value in the 10 years to 2030



At least

£402m[1]

year 1 "reopener" investment, including £51m of in-AMP funding

10.3%

RCV CAGR[2]

1. *In nominal prices at submission date, April 2026.*
2. *In nominal terms, using Oxford Economics latest inflation forecast. Includes regulatory capital value from our year one cost change or "reopener" Draft Determination.*

Appendix

EBITDA[1]

HY26 £m		HY27 £m	Variance £m	Variance %
704	Regulated Water and Wastewater	**761**	57	8.1
21	Infrastructure Services	**38**	17	81.0
12	*Operating Services and Other*	*9*	*(3)*	*(25.0)*
(1)	*Network Services*	*1*	*2*	*200.0*
9	*Green Power*	*13*	*4*	*44.0*
1	*Property Development*	*15*	*14*	*1,400.0*
(7)	Corporate and other	**(7)**	–	–
(2)	Consolidation adjustments	**(1)**	1	(50.0)
716	**Severn Trent Group**	**791**	75	10.5

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

NET FINANCE COSTS

HY26				HY27		
Income statement charge £m	Capitalised interest £m	Gross interest incurred £m		**Income statement charge £m**	**Capitalised interest £m**	**Gross interest incurred £m**
95	72	167	Cash interest (including accruals)	**129**	**88**	**217**
3	–	3	Net pension finance cost	**1**	**–**	**1**
63	–	63	Inflation uplift on index-linked debt	**40**	**–**	**40**
161	72	233		**170**	**88**	**258**

ADJUSTED EARNINGS PER SHARE

HY26 £m		**HY27 £m**	Variance £m	Variance %
466	Profit before interest and tax	**528**	62	13.3
(161)	Net finance costs	**(170)**	(9)	(5.6)
(2)	Share of net loss of joint venture	–	2	100.0
303	Adjusted profit before tax	**358**	55	18.2
–	Current tax	–	–	–
303	Earnings for the purpose of adjusted basic and diluted earnings per share	**358**	55	18.2
300.3	Weighted average number of ordinary shares for basic earnings per share	**301.4**	1.1	0.4
101.0	Adjusted basic EPS (pence)	**118.8**	17.8	17.6

ADJUSTED NET DEBT

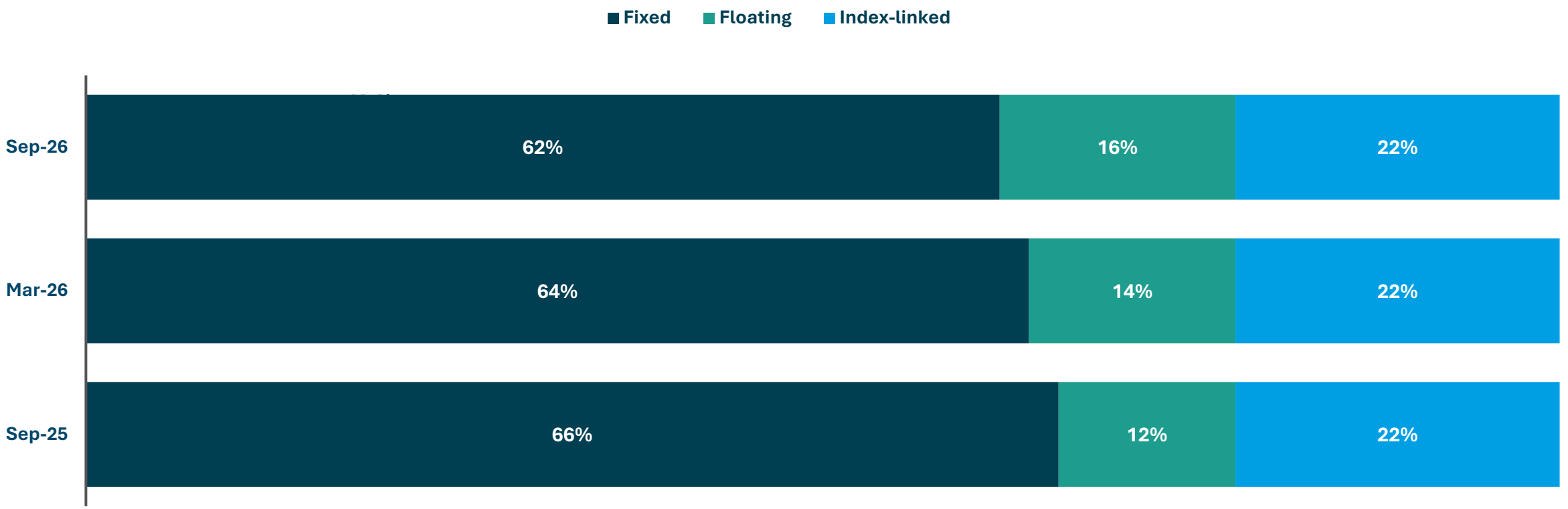
31 March 2026 £m		30 September 2026 £m	Variance £m	Variance %
(785)	Bank loans	**(819)**	(34)	(4.3)
(10,087)	Other loans	**(10,300)**	(213)	(2.1)
(104)	Lease liabilities	**(103)**	1	1.0
788	Net cash and cash equivalents	**352**	(436)	(55.3)
4	Fair value accounting adjustments	**(1)**	(5)	(125.0)
79	Exchange on currency debt not hedge accounted	**9**	(70)	(88.6)
51	Loans receivable from joint ventures	**50**	(1)	(2.0)
(10,054)	Adjusted net debt	**(10,812)**	(758)	(7.5)

FAIR VALUE OF DEBT [1]

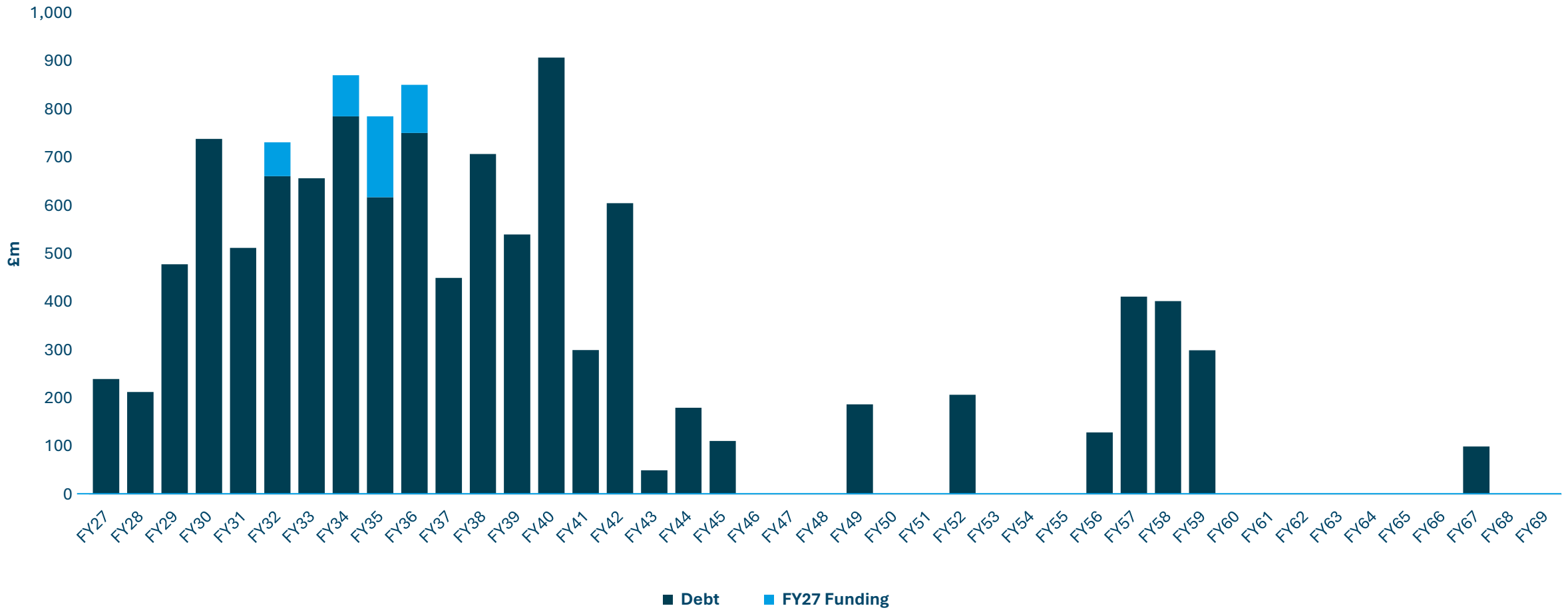
31 March 2026 £m		30 September 2026 £m	Variance £m	Variance %
(778)	Floating rate debt [2]	**(911)**	(133)	(17.1)
(7,252)	Fixed rate debt	**(7,158)**	94	1.3
(1,720)	Index-linked debt	**(2,010)**	(290)	(16.9)
(9,750)		**(10,079)**	(329)	(3.4)
788	Net cash and cash equivalents	**352**	(436)	(55.3)
51	Loans due from joint venture	**50**	(1)	(2.0)
4	Fair value accounting adjustments	**(1)**	(5)	(125.0)
79	Exchange on currency debt not hedge accounted	**9**	(70)	(88.6)
(8,828)	Fair value of net debt	**(9,669)**	(841)	(9.5)
(10,054)	Adjusted net debt (previous slide)	**(10,812)**	(758)	(7.5)
(1,226)	Difference	**(1,143)**		

1. *The floating, fixed and index-linked debt classification above is shown before the impact of interest rate swaps or cross currency swaps.*
2. *The floating rate debt excludes the overdraft amount as this is included within net cash and cash equivalents.*

GROSS DEBT MIX



DEBT MATURITY PROFILE



GEARING AND CREDIT RATINGS

31 March 2026	**Adjusted net debt/RCV[1]**	**30 September 2026**
63.6%	Regulated Gearing	63.8%

31 March 2026			**30 September 2026**		
Severn Trent Water	Severn Trent Plc		**Severn Trent Water**	**Severn Trent Plc**	**Outlook**
Baa1	Baa2	Moody's	Baa1	Baa2	Stable
BBB+	BBB	Fitch	BBB+	BBB	Stable

Moodys & Fitch reaffirmed our credit ratings on a stable outlook in November 2026

1. *Based on Severn Trent Water Group regulated adjusted net debt of £10,414m (31 March 2026: £9,681m) and Hafren Dyfrdwy regulated adjusted net debt of £105m (31 March 2026: £90m) expressed as a percentage of estimated RCV of £16,487m, calculated using opening and forecasted closing shadow RCV for the year, which includes "reopeners".*