

Severn Trent Plc Trading Update

Severn Trent Plc today announces a trading update for the period to 2 February 2022.

Continued operational excellence

Our strong operational performance is evident across all areas of our business, with 90% of Severn Trent Water's Customer ODI measures remaining on or ahead of target, including 100% on all Environmental measures. Our guidance to deliver 'at least £75 million¹' in Customer ODI rewards this financial year remains unchanged.

In November, Ofwat issued both their Service Delivery Report² and Monitoring Financial Resilience Report³ for 2020-21, identifying Severn Trent Water among the top three in both reports. We are proud to be the only company in the sector to be recognised as a leader in both service delivery and financial resilience, and also to be named specifically for our performance on the avoidance of pollution incidents. This recognition reflects our continued focus on delivering the right outcomes for a broad range of stakeholders.

Financial outlook

There have been no material changes to current year business performance or outlook since the interim results announcement on 23 November 2021.

Focused on the environment

We recognise the importance of accelerating the transformation of rivers and welcome the recent report by the Environmental Audit Committee, with its emphasis on the importance of investment and tackling the root causes of pollution. The rivers in our region are now in better condition than at any time since the Industrial Revolution, but there is further to go. We remain committed to the improvement of river quality through key programmes such as the Water Framework Directive ('WFD'), and we are on track to invest over £500 million in our Water Industry National Environment Programme ('WINEP') schemes in the current AMP⁴.

We are proud to have been awarded the industry leading 4* EPA status from the Environment Agency for the last two years and are working tirelessly to achieve the same rating again this year, against increasingly stretching targets.

We are delighted to have been included on the Carbon Disclosure Project ('CDP') climate change "A list", making us one of just 200 global companies out of almost 12,000 assessed to achieve this rating. This reflects the actions we have taken during the last twelve months on tackling climate change and our transparent reporting, including the publication of our Climate Change Adaption report and full TCFD disclosure in September 2021.

This focus on delivering for all stakeholders and the environment is reflected in our ratings across a range of ESG indices including the CDP, MSCI, Sustainalytics, and Tortoise Responsibility100 Index.⁵

Financial calendar

Full-year results – Severn Trent's annual results presentation will take place on 25 May 2022.

Enquiries

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Footnotes

1. Customer ODI (Outcome Delivery Incentive) quoted in 2017/18 prices and pre-tax (applying corporation tax at 25%, the rate expected to be applicable when the ODIs are taken to revenue) unless otherwise stated.
2. Service Delivery report published by Ofwat - <https://www.ofwat.gov.uk/publication/service-and-delivery-2020-21/>.
3. Monitoring Financial Resilience report published by Ofwat - <https://www.ofwat.gov.uk/publication/monitoring-financial-resilience-report-2020-21/>
4. Price limit periods are sometimes known as AMP (Asset Management Plan) periods. The current period is known as AMP7 (2020-2025) because it is the seventh cycle since the water industry was privatised in 1989.
5. Carbon Disclosure Project – A list (<https://www.cdp.net/en/companies/companies-scores>)
MSCI – A rating (<https://www.msci.com/our-solutions/esg-investing/esg-ratings/esg-ratings-corporate-search-tool/issuer/severn-trent-plc/IIID000000002137326>)
Sustainalytics ESG risk rating – Low (<https://www.sustainalytics.com/esg-rating/severn-trent-plc/1008569776>)
Tortoise Responsibility100 Index – 1st (<https://www.tortoisemedia.com/intelligence/responsibility/>).

Cautionary statement regarding forward-looking statements

This document contains statements that are, or may be deemed to be, 'forward-looking statements' with respect to Severn Trent's financial condition, results of operations and business and certain of Severn Trent's plans and objectives with respect to these items.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'will', 'would', 'should', 'expects', 'believes', 'intends', 'plans', 'projects', 'potential', 'reasonably possible', 'targets', 'goal', 'estimates' or words with a similar meaning, and, in each case, their negative or other variations or comparable terminology. Any forward-looking statements in this document are based on Severn Trent's current expectations and, by their very nature, forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance and no assurances can be given that the forward-looking statements in this document will be realised. There are a number of factors, many of which are beyond Severn Trent's control that could cause actual results, performance and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: the Principal Risks disclosed in our latest Annual Report and Accounts (which have not been updated since the date of its publication); changes in the economies and markets in which the group operates; changes in the regulatory and competition frameworks in which the group operates; the impact of legal or other proceedings against or which affect the group; and changes in interest and exchange rates.

All written or verbal forward-looking statements, made in this document or made subsequently, which are attributable to Severn Trent or any other member of the group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. This document speaks as at the date of publication. Save as required by applicable laws and regulations, Severn Trent does not intend to update any forward-looking statements and does not undertake any obligation to do so. Past performance of securities of Severn Trent Plc cannot be relied upon as a guide to the future performance of securities of Severn Trent Plc.

Nothing in this document should be regarded as a profits forecast.

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