

Severn Trent Plc Trading Update

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Severn Trent Plc today announces a trading update for the period to 8 February 2023.

Continuing to support customers and take care of the environment

For the second year running we are proud to have been recognised by Ofwat in its most recent assessment as the only Water and Sewerage Company in the leading category for both performance¹ and financial resilience².

We have continued to deliver a strong service for our customers despite the driest summer on record and a challenging winter. In addition, we are on track to financially support 315,000 of our most vulnerable customers by the end of the AMP.

Based on our initial view, we are confident we will achieve 4-star status in the Environment Agency's 2022 Environmental Performance Assessment ("EPA"). This would be the fourth consecutive year we achieve the highest rating.

Robust financial performance and enhanced energy resilience

There have been no material changes to current year business performance or outlook since the interim results announcement on 22 November 2022 and our guidance for FY22/23 remains unchanged.

We self-generate the equivalent of over 50% of our energy consumption, resulting in a natural economic hedge which significantly reduces the impact of higher power prices on our shareholder returns. Over the last six months we have locked in prices for our remaining exposure for FY23/24.

Further enhancing our energy generation capacity and resilience, today we are pleased to announce Severn Trent Green Power's acquisition of Andigestion Ltd, which operates two food waste anaerobic digestion plants in Devon and Gloucestershire. This will bring an additional 45 GWh per annum of energy generation, increasing Green Power's output by 16%³. The acquisition is subject to regulatory clearance⁴.

Financial calendar

Full-year results - Severn Trent's annual results presentation will be on 24 May 2023.

Following the submission of our PR24 Business Plan, we will host a Capital Markets Day to bring our AMP8 plans to life on 12 October 2023.

Footnotes

¹ Water company performance report 2021-22 https://www.ofwat.gov.uk/wp-content/uploads/2022/12/WCPR_2021-22.pdf

² Monitoring financial resilience report 2021-22 https://www.ofwat.gov.uk/wp-content/uploads/2022/12/MFR_2021-22.pdf

³ Based on FY22 actual generation of 274 GWh

⁴ The intended acquisition is subject to clearance by the Competition and Markets Authority

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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

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

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