

4 February 2021

Severn Trent Plc

Trading Update for the period 1 October 2020 to 4 February 2021

Severn Trent Plc today announces a trading update for the period to 4 February 2021.

Positive momentum carried through the winter

Severn Trent continues to deliver strong operational performance and resilient financial results.

- **Customer performance** – We are committed to delivering the best possible service to our customers and despite being set challenging targets for this year we have invested wisely and worked tirelessly to outperform. In Water we remain on track for our best ever performance on a number of measures including the Compliance Risk Index and water quality complaints. In Waste we have started the AMP¹ strongly with 25% fewer blockages and a 15% reduction in pollutions in the calendar year. Our biodiversity programme is on track to deliver over 2,200ha of enhanced natural environment, delivering our five-year target in the first year of the AMP¹.

We remain on or ahead of target for almost 80% of our customer performance measures and so we are pleased to increase our guidance for outperformance on Customer ODIs² this year from ‘at least £25 million’ to ‘at least £50 million’.

- **Stable outlook for the full year** – We remain confident of delivering our full-year results in line with expectations and prior guidance. The Severn Trent Plc Board confirms this year’s final dividend in line with our AMP7¹ policy.

Green Recovery investment opportunity

We are in constructive dialogue with Ofwat and DEFRA on potential investment opportunities for Severn Trent as part of the Government’s Green Recovery initiative. We submitted a number of proposals³ on 31 January and look forward to continuing our discussions during the review process, which we expect to conclude by September 2021. As well as providing meaningful RCV⁴ growth on top of our c.4% growth rate for AMP7¹, we believe our proposals would support our environmental ambitions, create much needed jobs in our region and support national sustainability objectives on climate change, flood resilience, river water quality and water consumption.

Supporting Net Zero and nature

We are proud to be supporting the UN Race to Net Zero campaign through our Triple Carbon Pledge. We continue to make good progress and will give more detail on our journey to net zero at our Capital Markets Day later this year. Our approach to long-term sustainability has always placed nature and our communities at its core and so we are pleased to add our support to the recently launched *Terra Carta* charter putting nature, people and planet at the heart of creating value.

Ongoing support for our community

The challenges currently facing our customers and communities as a result of the pandemic are never far from our thoughts. To date we have helped more than 120,000 customers who are struggling to pay their bills and we are providing a range of flexible schemes to support them as their circumstances change. More broadly, we continue to support local projects, with £2.4 million now awarded to 384 community organisations to help where it is needed most. At our half-year results we announced our ambitious plans to support the Government Kickstart Scheme with 500 opportunities, and we are pleased to announce that we welcomed our first cohort of Kickstarts into the business in January 2021.

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.

This document is not an offer to sell, exchange or transfer any securities of Severn Trent Plc or any of its subsidiaries and is not soliciting an offer to purchase, exchange or transfer such securities in any jurisdiction. Securities may not be offered, sold or transferred in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act of 1933 (as amended).