

Severn Trent Plc Trading Update

Severn Trent Plc today announces the following trading update for the period to 13 February 2024.

Continuing to deliver industry-leading operational and environmental performance

We are confident we will retain four star status in the Environment Agency's annual Environmental Performance Assessment¹ for a sector-leading fifth consecutive year. Four star status is the highest rating achievable, and includes zero serious pollution incidents in the year.

We continue to guide to at least £50 million in ODI² rewards this year, despite having experienced ten named storms since September³, contributing to the last six months of 2023 being the third wettest for England on record⁴. This would take our total cumulative rewards across the first four years of AMP7⁵ to over £250 million, and reflects the c. £3 billion of capital investment we have made during that period to improve service for our customers and add further resilience to our network.

Our focus remains on both enhancing our service for customers and also providing support for those who are struggling to pay. To that end, we are now supporting around 250,000 of our most vulnerable customers through a range of measures, including bill reductions. We remain on track to support 315,000 by the end of the AMP in 2025, and are planning to double the number of customers we offer financial support to in AMP8.

Robust financial performance in line with expectations

There have been no material changes to the current year business performance or outlook since the interim results announcement on 22 November 2023.

Reporting and investor timetable

Stakeholders can find a range of materials relating to our operations and future plans on our website (www.severntrent.com), including:

- PR24 Business Plan
- EU Taxonomy Disclosure
- Capital Markets Day 2023

We welcome stakeholder feedback on our reporting.

Full-year results – Severn Trent's annual results presentation will be on 22 May 2024.

AGM – Severn Trent's Annual General Meeting will be on 11 July 2024.

Footnotes

1. Environmental Performance Assessment (EPA)

This is the industry standard measure of the environmental performance of water and sewerage companies (WaSCs), and four star represents the highest rating achievable. It uses measurable environmental indicators to provide a meaningful comparison of performance across the nine WaSCs in England. The 2022 assessment can be found at the following link: <https://www.gov.uk/government/publications/water-and-sewerage-companies-in-england-environmental-performance-report-2022>.

2. Outcome Delivery Incentives (ODIs)

A framework made up of outcomes, measures, targets and incentives which provides companies with rewards for achieving stretching performance targets and compensates customers if performance is below performance targets. Outcome Delivery Incentives are quoted pre-tax in 2017/18 prices. We assume a 25% rate of corporation tax to be in place when ODIs are taken into revenue.

3. Met Office UK Storm Centre

The named storms list runs from September to August every year. The Met Office keep track of all the named storms on their website, which can be found at the following link: [UK Storm Centre - Met Office](#)

4. Environment Agency monthly water situation report

Monthly water situation reports published by the Environment Agency. The latest report for December 2023 can be found at the following link: [Water situation report England December 2023 \(publishing.service.gov.uk\)](#)

5. Asset Management Plan (AMP)

The regulatory cycle is broken up into five year periods known as AMP (Asset Management Plan) periods. The current period is known as AMP7 (2020-2025), and AMP8 refers to the next period of 1 April 2025 to 31 March 2030. The PR24 business plan can be found at the following link: [Our plans 2025 - 2030 | About Us | Severn Trent Water \(stwater.co.uk\)](#)

Enquiries

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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. The final PR24 Business Plan is subject to approval by Ofwat and there can be no assurance that the PR24 Business Plan will be approved, in whole or in part, and, as a result, 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.

Certain information contained herein is based on management estimates and Severn Trent's own internal research. Management estimates have been made in good faith and represent the current beliefs of applicable members of Severn Trent's management.

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