



PR24 Final Determination



Louise Beardmore

Chief Executive



Water for the North West

Agenda

1

Final Determination update

2

Financial framework

3

Setting ourselves up for success

Improvements on all 5 key areas of representation



Totex

c.£13bn¹ totex programme
increased by £2.4bn from draft



Gated schemes

Successfully represented for schemes to be
moved out of gated mechanism



ODIs

Over 40% of **targets improved³**, increased **risk**
protections and **OAM² representations accepted**



Cashflows

Improved cash flows, including additional
c.£120m¹ for business rates



Financing

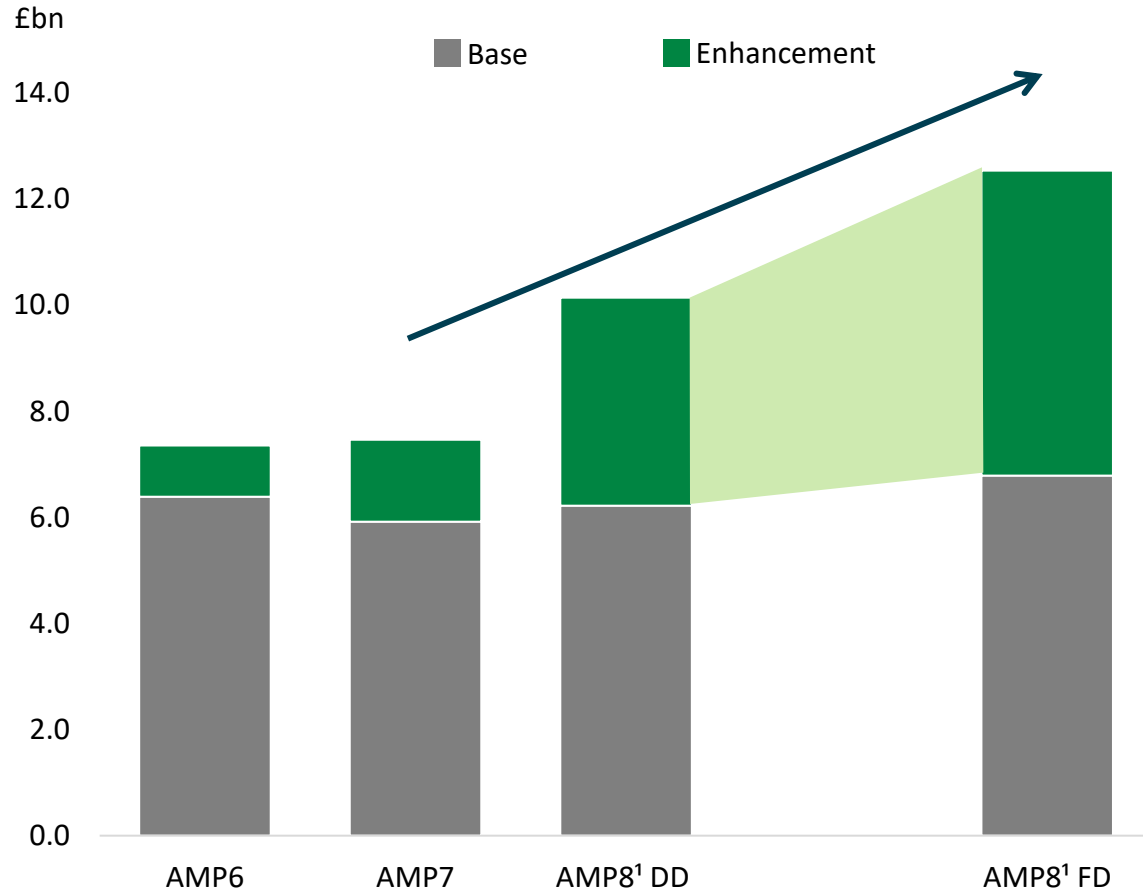
WACC increase of 31bps from draft

1. Real, 2022/23 FYA prices
2. Outturn Adjustment Mechanism
3. Excluding Measures of Experience



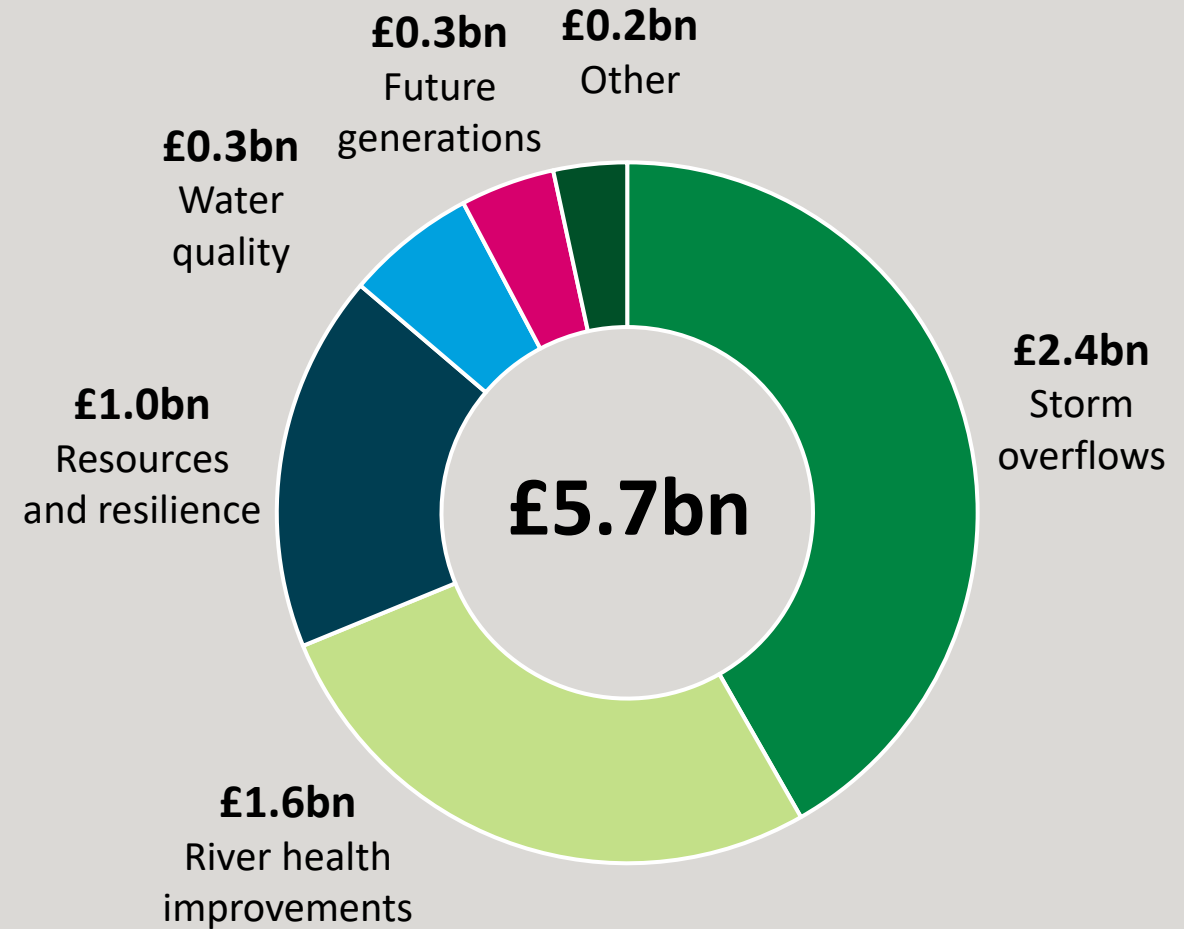
£2.4bn uplift in totex...

Totex (real, 2022/23 FYA prices)



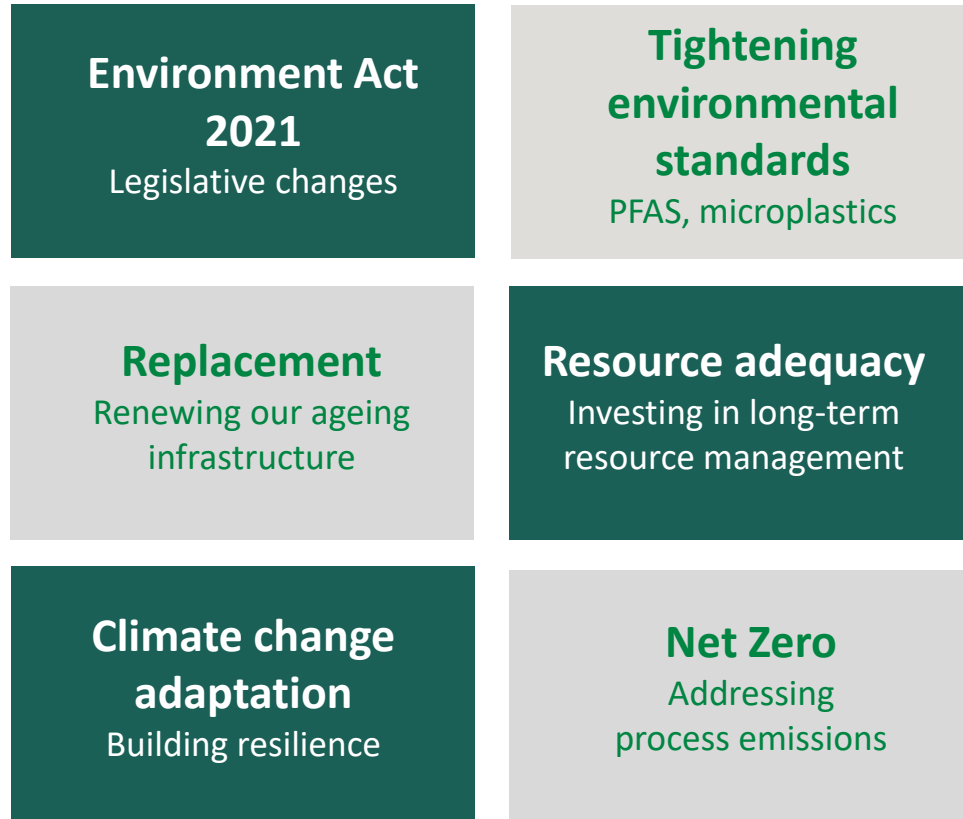
1. AMP8 totex is shown net of grants and contributions, excluding gated schemes

Enhancement expenditure (real)



...driving uplift in asset base growth

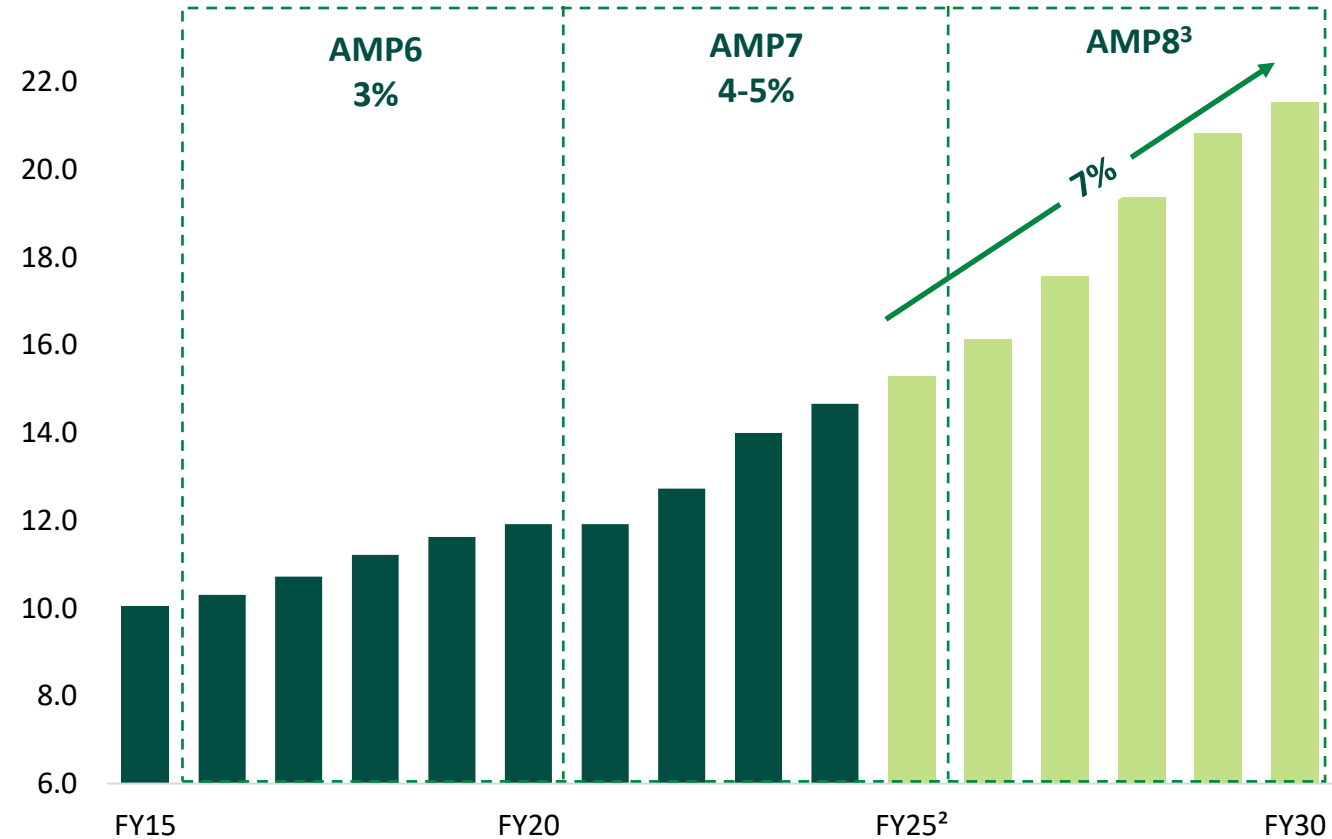
Growth supported by regulatory and environmental drivers



Annual growth of c.7% underpinned¹

Nominal RCV (£bn)

■ Historic data ■ Forecast data



1. Nominal, based on OBR long-run CPIH forecasts
2. 2024/25 closing RCV, where RCV is adjusted for actual spend, timing differences and full expected value of ex-post adjustment mechanisms
3. AMP8 RCV as per the Final Determination, excluding gated schemes

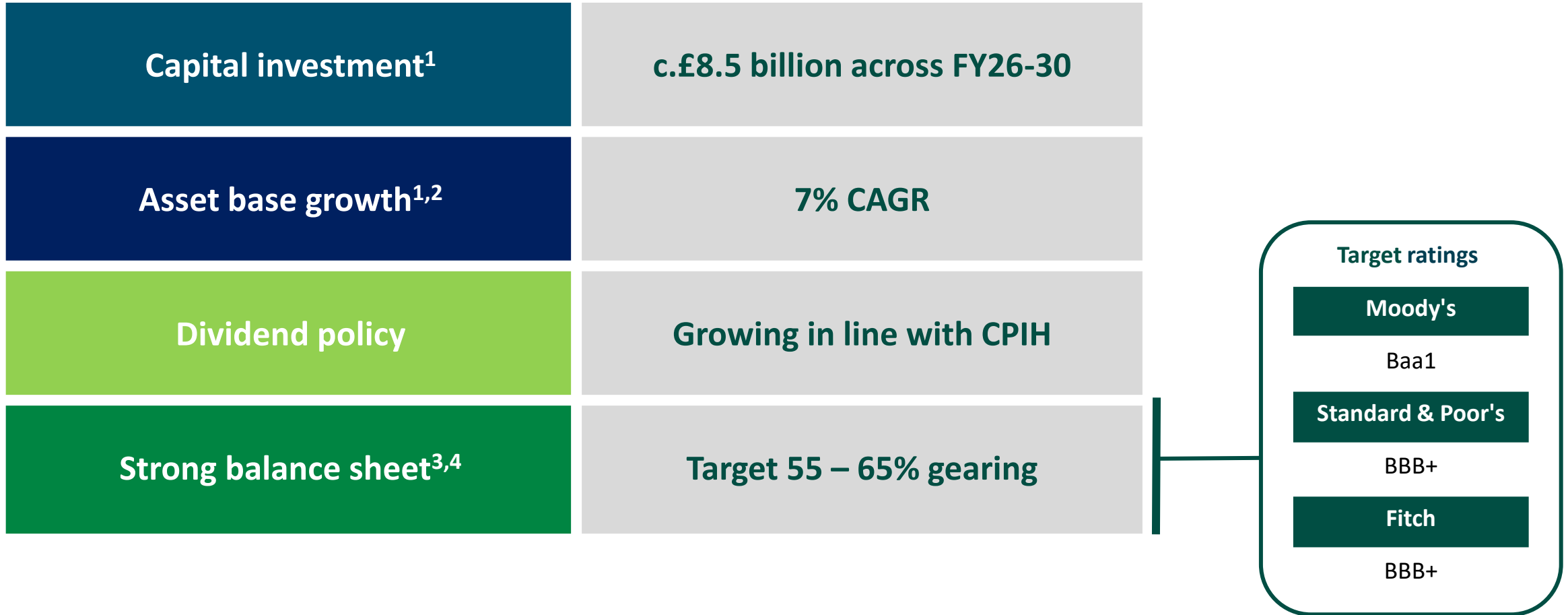
Phil Aspin

Chief Financial Officer



Water for the North West

AMP8 financial framework



1. Nominal, based on OBR long-run CPIH forecasts

2. Average AMP8 CAGR on a nominal basis. Includes the full expected value of ex-post adjustment mechanisms as an adjustment to RCV

3. RCV gearing calculated as group net debt including loan receivable from joint venture/ United Utilities Water adjusted RCV, where RCV is adjusted for actual spend, timing differences and full expected value of ex-post adjustments

4. Consistent with long-term issuer credit ratings for U UW of at least Baa1 with Moody's, BBB+ with Standard & Poor's and an issuer default rating for U UW of at least BBB+ with Fitch (senior unsecured debt rating A-)

Stable long-term funding policies

Strong balance sheet

60% RCV gearing¹

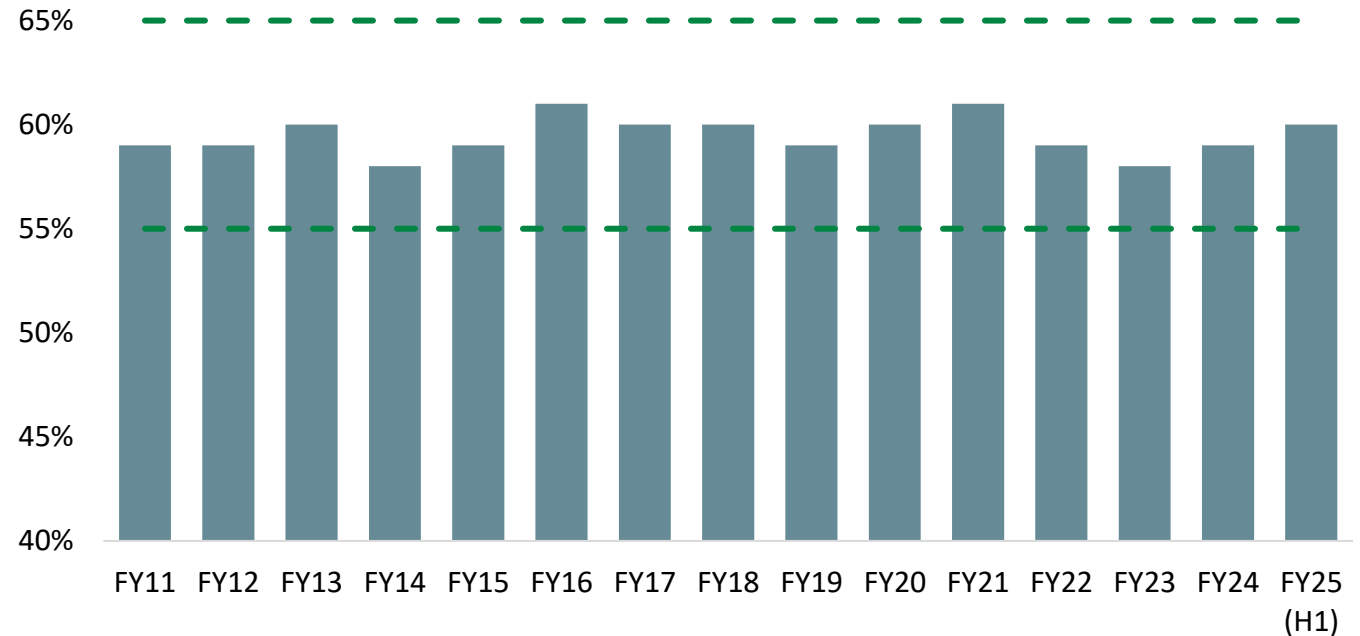
AMP8 funding underway

Over £2.6bn raised in FY24 & FY25

Strong liquidity

Extending into FY27

Established RCV gearing target range of 55-65%²



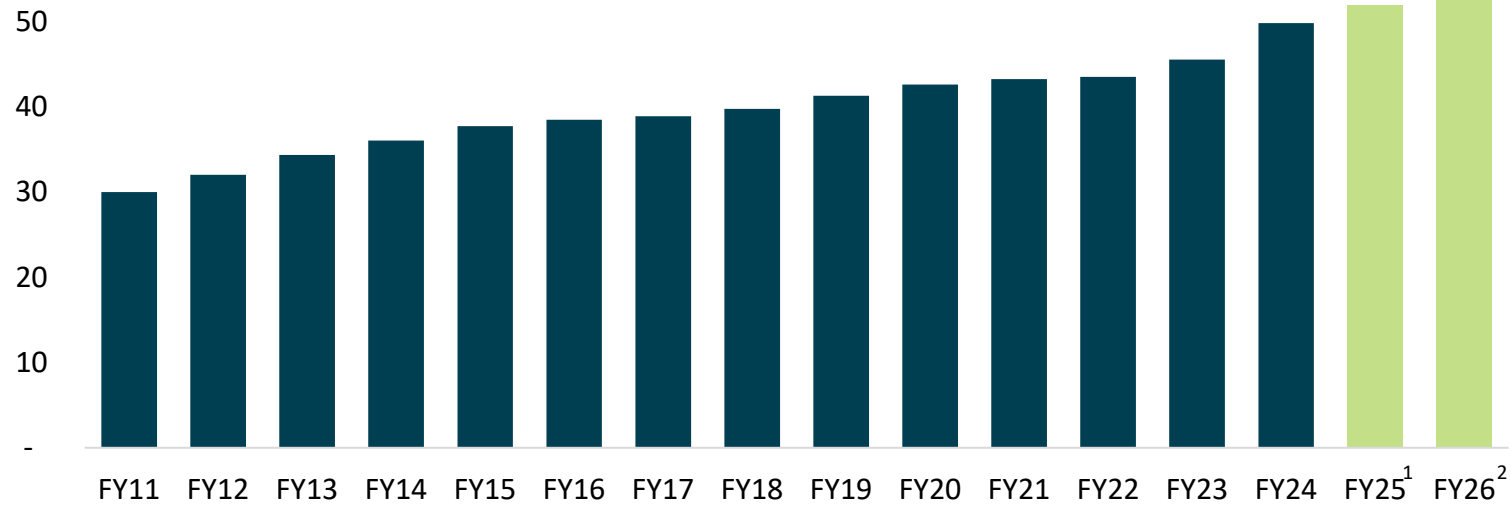
1. Group gearing as announced in November 2024

2. RCV gearing calculated as group net debt including loan receivable from joint venture / United Utilities Water adjusted RCV, where RCV is adjusted for actual spend, timing differences and full expected value of ex-post adjustments. Prior year figures have been re-presented for comparative purposes

Dividend growing in line with CPIH inflation

Progressive inflation-linked dividend

DPS (pence)



1. FY25 DPS as announced in November 2024

2. FY26 DPS calculated using November 2024 CPIH at 3.5%



James Bullock

Regulation and Compliance Director



Water for the North West

AMP8 outcomes package

Enhanced calibration of ODIs¹

Over 40% of targets improved²

91% of targets have downside risk protections³

16 changes to incentive rates

2 bespoke performance commitments agreed

22 common performance commitments

2 company specific targets

Improvements to ODIs¹

Storm overflows

Company specific target of 26.4 in year 1

Internal sewer flooding

Company specific target, accounting for regional factors and a new collar

Customer experience

Less downward skew after revisions

1. Outcome Delivery Incentives
2. Excluding Measures of Experience
3. Collars and/or underperformance deadbands, % excludes an ODI with no financial incentive (River Water Quality)

Consistent top quartile delivery

Strong track record of outperformance

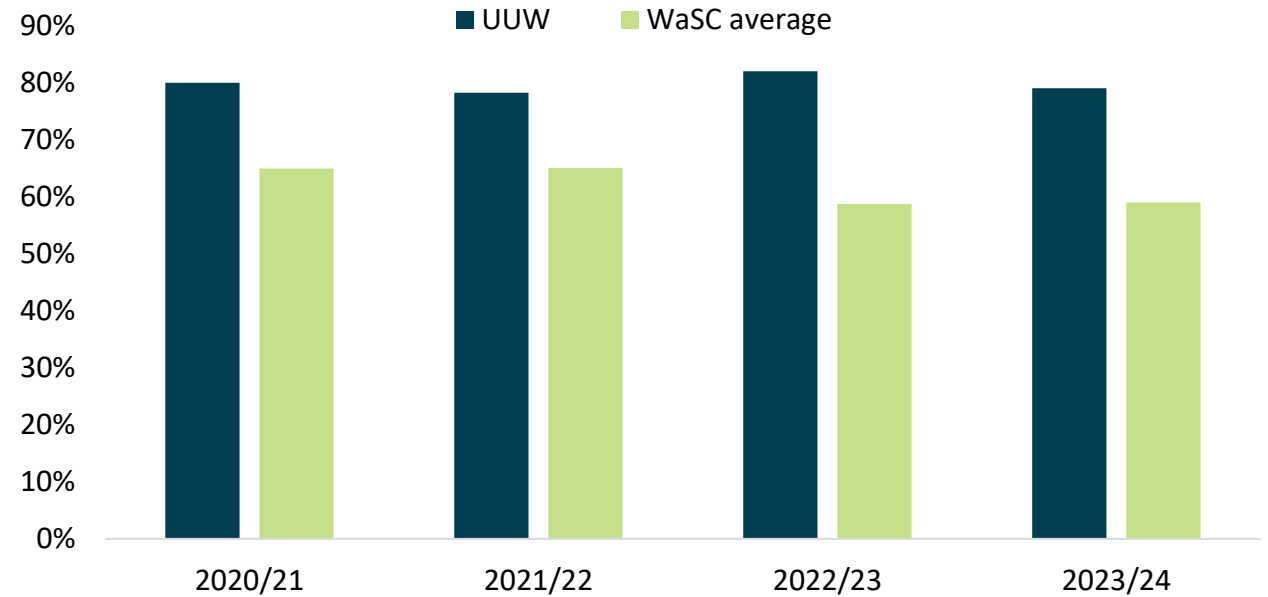
Performance commitments

Consistently achieved c.80%

Customer experience

Performed well across all measures

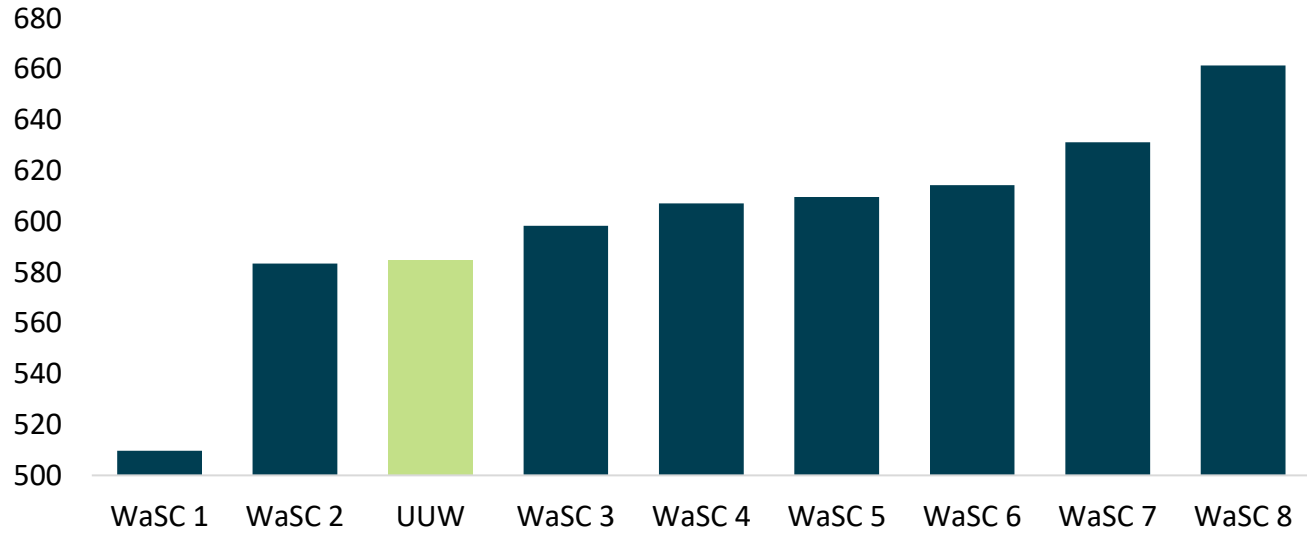
Performance commitments achieved (%)¹



1. Excluding Measures of Experience

Maintaining affordable bills

Real 2029/30 bill (£)



Third lowest bill in England at the end of AMP8

£525m sector leading affordability package

1 in 6 households supported with their bill by 2030



Summary



**Final Determination
Accepted**



No recourse to equity



7% growth underpinned



**Capex more than
doubled vs AMP7**



**Dividend growing in line
with inflation**



**Well positioned to
deliver**

19th June 2025



Louise Beardmore
Chief Executive



Phil Aspin
Chief Financial Officer



Matt Hemmings
Chief Operating Officer



Jane Simpson
Commercial, Engineering
and Capital Delivery Director



James Bullock
Regulation and Compliance
Director



Adrienne McFarland
People Director



Mike Gauterin
Customer and Technology
Director



Cautionary statement

This presentation contains certain forward-looking statements with respect to the operations, performance and financial condition of the group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. These forward-looking statements include without limitation any projections or guidance relating to the results of operations and financial conditions of the group as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditure and any strategic initiatives relating to the group, as well as discussions of our business plan and our assumptions, expectations, objectives and resilience with respect to climate scenarios. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and the company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

Certain regulatory performance data contained in this presentation is subject to regulatory audit.

This announcement contains inside information, disclosed in accordance with the Market Abuse Regulation which came into effect on 3 July 2016 and for UK Regulatory purposes the person responsible for making the announcement is Simon Gardiner, Company Secretary.