# Full year results

Year ended 31 March 2024

*Thursday 16 May 2024*

United Utilities

Water for the North West

# Louise Beardmore

Chief Executive

United Utilities

Water for the North West

# Overview

Performing well operationally and financially

Submitted ambitious plan for AMP8

Continue to support customers through affordability packages

Financial strength and flexibility

Strong track record of delivering for stakeholders

Already delivering for AMP8

# Timeline

**2 October 2023**
Business plan submission

**12 June 2024**
Draft determinations

**Ongoing dialogue**
with regulators

**August 2024**
UU response to DD

**December 2024**
Final determinations

**Early 2025**
UUG dividend policy announcement

**April 2025**
Start of AMP8

# Highlights from our October business plan

**Environmental investment -**
seven-fold increase

**60%**
**reduction**
**in storm overflow activations**
in the decade to 2030

**32%**
**reduction in internal sewer flooding**

**Strong balance sheet**
A3/A- credit rating

**c.£22**
average real increase in household bills, each year (2022/23 prices)

**£525m**
affordability support – >1 in 6 customers

Improving water quality for
**1.4m customers**

**Job creation -**
plan supports 30,000 jobs

**74%**
customer acceptability

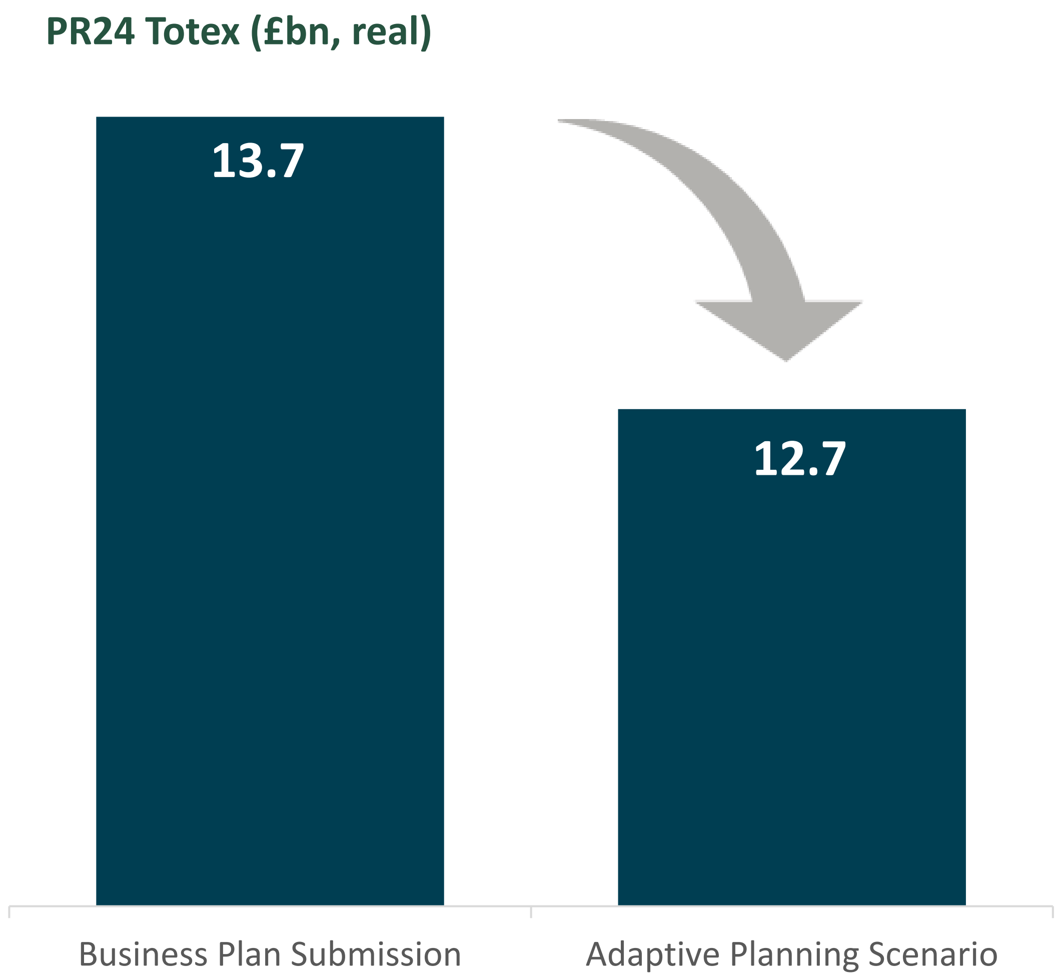
# Totex phasing and engineering solutions

## Plan scope discussions ongoing with EA, Ofwat and Defra

**£13.7bn**
**totex plan**
**(2022/23 prices)**

**37%**
**real RCV growth**
6.5% real CAGR
8.7% nominal CAGR

**Adaptive Planning scenario**
**£12.7bn (real)**



# Long-term investment drivers

## AMP8 is the start of a 25yr growth programme

**Environment Act 2021**
Legislative changes

**Tightening environmental standards**
PFAS[1], microplastics

**Replacement**
Renewing our infrastructure

25 Year Plan

**Resource adequacy**
Investing in long-term resource management

**Climate change adaptation**
Building resilience

**Net Zero**
Addressing process emissions

[1] Per- and polyfluoroalkyl substances

# Setting up for success

## Where are we now?

**AMP7 capital delivery on track**

**Delivered 100% of our Year 4 environmental deliverables**

## Where are we going?

**AMP8 capital supply chain partners (c.70), first contracts awarded**

**Accelerating c.£400m[1] from AMP8 into AMP7**

[1] c.£200m on our CSO programme as part of June 2023 Accelerated Infrastructure Delivery Project and c.£200m of transitional investment

# Accelerated CSO investment

**All Windermere solutions in construction this year**

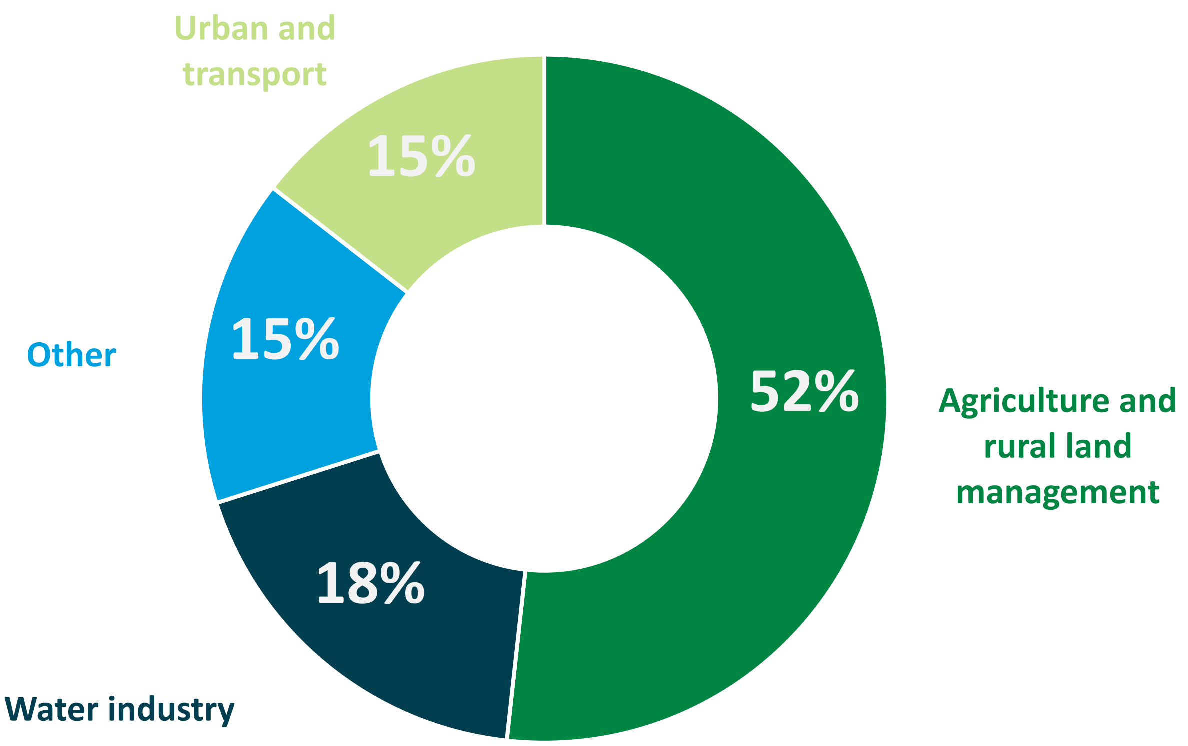
**Cargo WwTW**
Top spilling site in 2022: 343 spills

Issue identified and **accelerated solution implemented** in just **14 weeks**

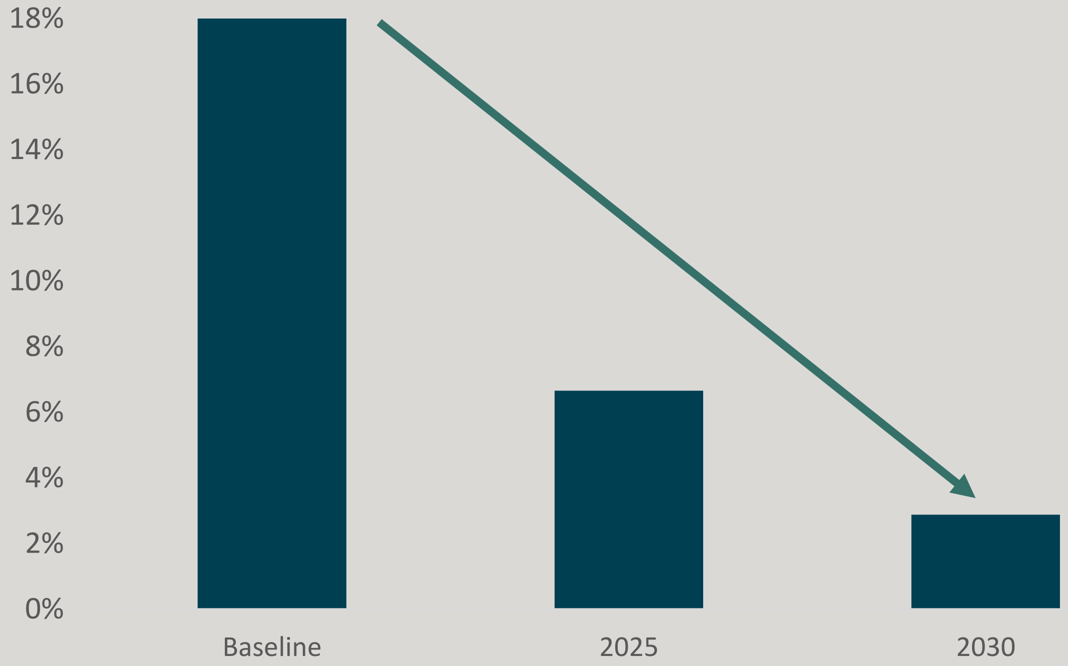
**>90% reduction in spills since implementation of accelerated solution**

# Improving our rivers

## Impact on river health by attributable industry (%)



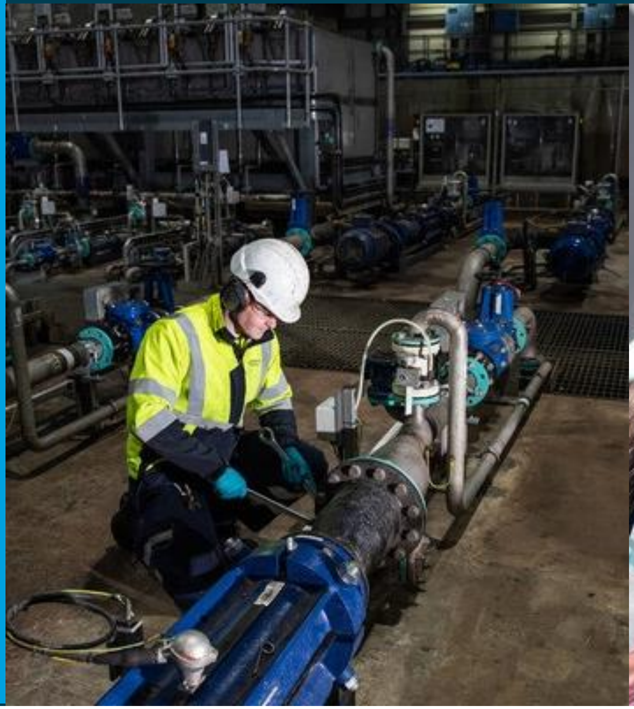

## Plan to significantly reduce our impact




Notes:

1. Based on Environmental Agency data updated with United Utilities forecasts
2. Reasons for not achieving good ecological status (RNAGs) in the North West
3. Percentages reflect RNAGs that can be attributed specifically to sectors

# Operational performance



# Operational performance

## Strong performance, despite challenges of extreme weather

**c.80%**
of our performance commitments delivered

**£34m**
our highest ever Customer ODI reward

**3 or 4 star EPA**
since records began

**12**
consecutive years 'Green' on serious pollutions

**27%**
reduction in drinking water complaints

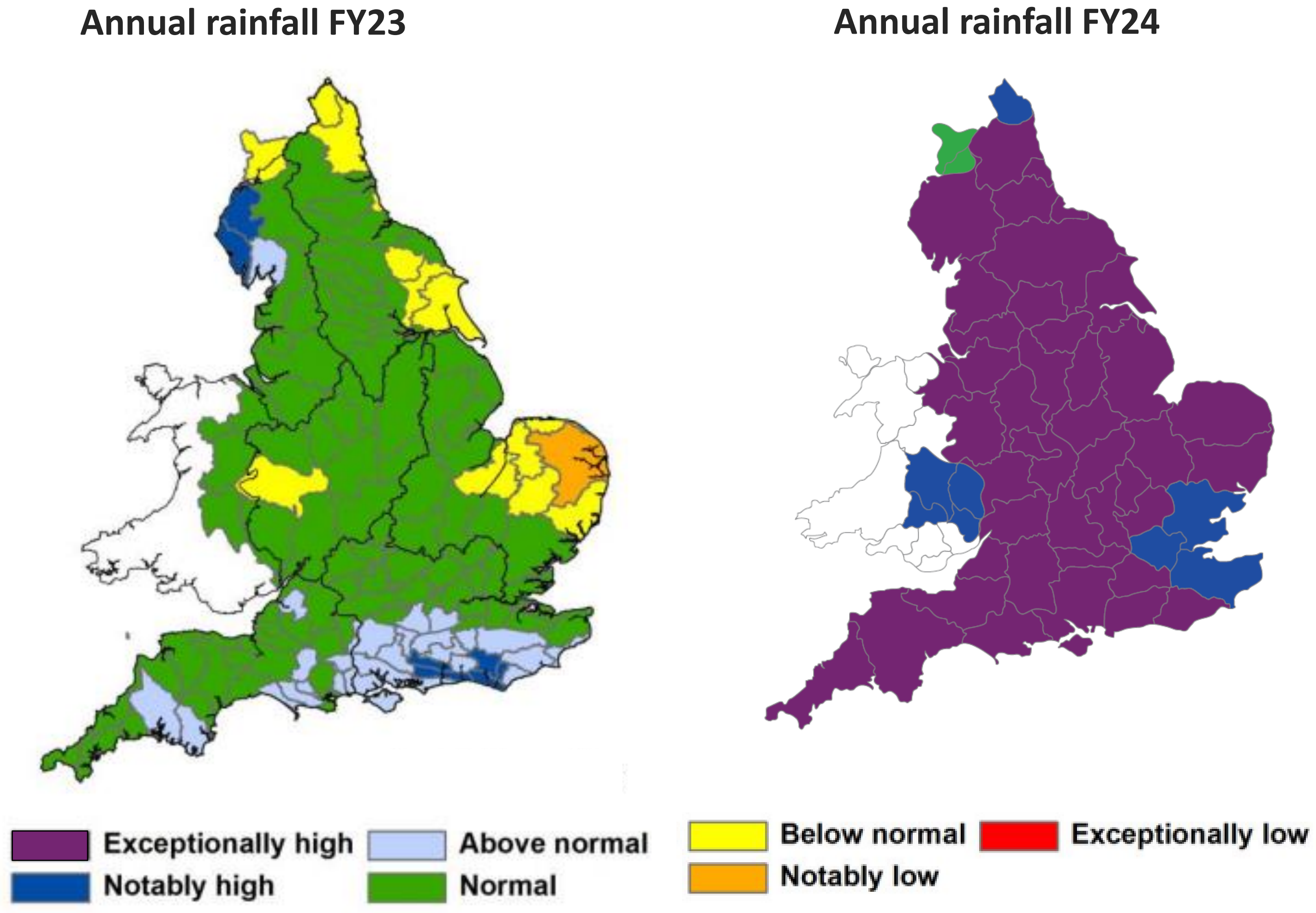
**1st**
WaSC in UK Customer Service Index

**375,000**
customers provided with affordability support so far this AMP

**1.6%**
bad debt charge – lowest ever

# Operational performance

## Strong performance, despite challenges of extreme weather




**14 named storms since beginning of 2023**

**Wettest 18 months on record for England**
**(from October 2022 to March 2024)**

Source: Environment Agency's Monthly water situation report for England
(1) [Water situation report for England March 2023 (publishing.service.gov.uk)](), (2) [Water situation report England March 2024 (publishing.service.gov.uk)]()

# Wastewater performance

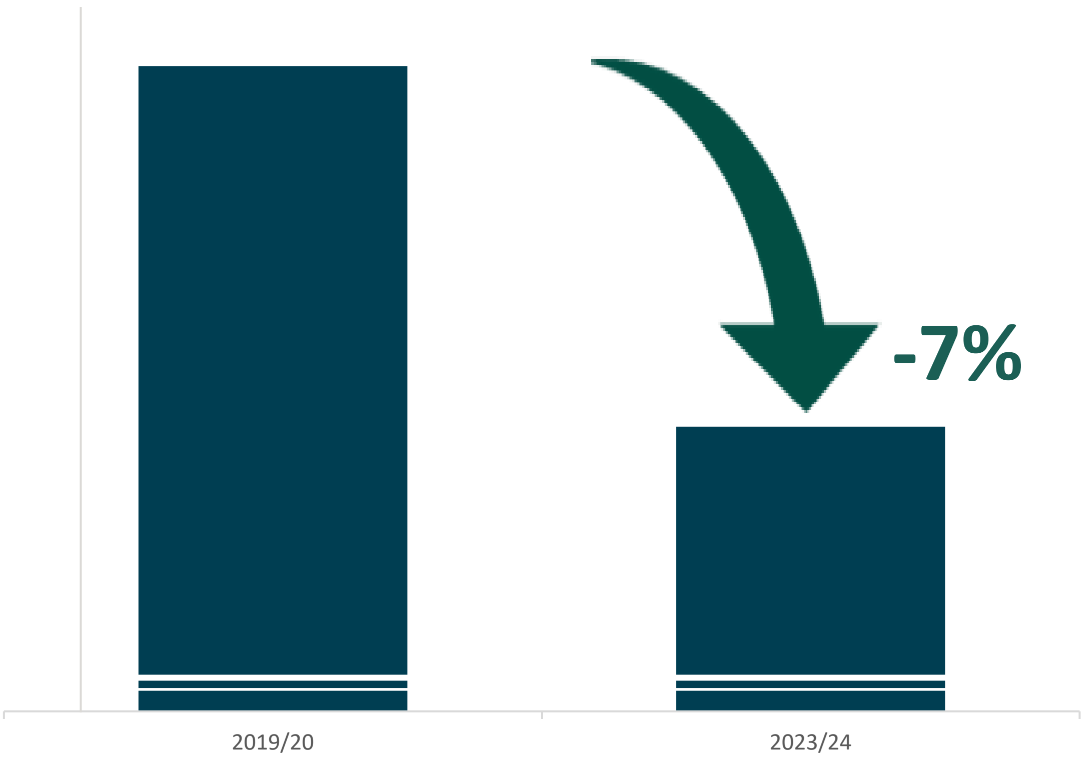
**3 or 4 star**
**EA EPA rating since records began**

**12**
**consecutive years 'Green' for serious pollutions**

**Higher levels of rainfall and storms –**
**sewer flooding and storm overflow performance impacted**

# Water performance

## Leakage




2023/24 based on 3-year rolling average as per Ofwat's AMP7 methodology

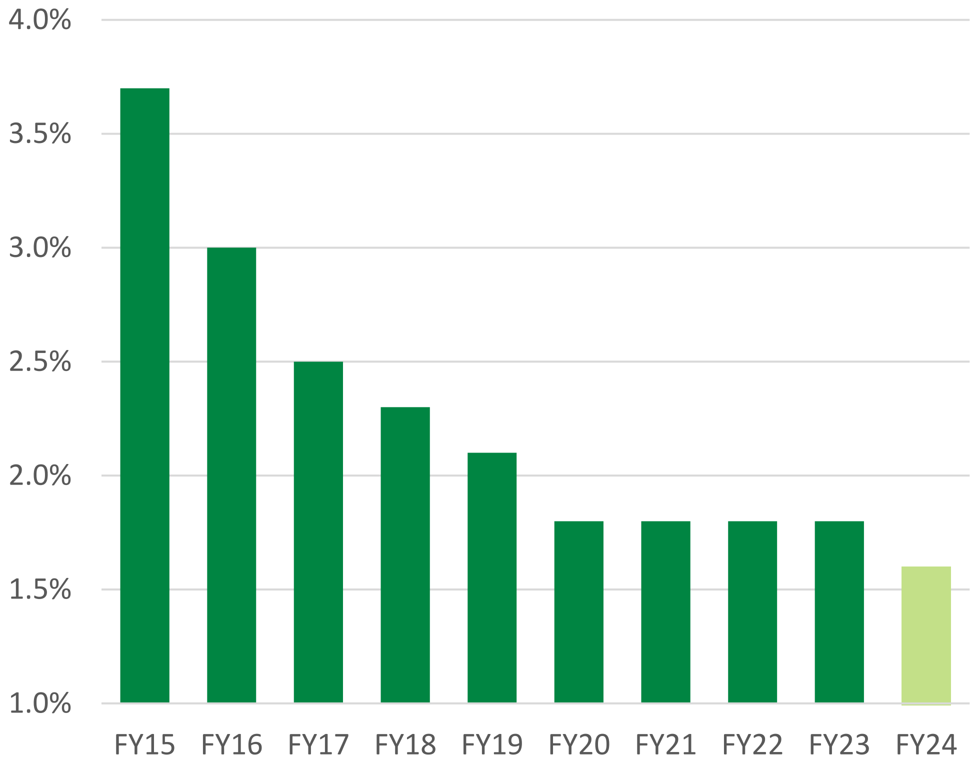
Met leakage target **18 years** in a row, delivering **7.1% reduction** in AMP7

Water Quality First programme supported **27% reduction in drinking water complaints**

**Over 15,000km water mains cleaned** to reduce the risk of discolouration

# Customer performance

## Household Statutory Bad Debt




Ranked **1st WaSC** in the UK Customer Satisfaction Index (UKCSI)

Supported **over 375,000 customers** through AMP7 with affordability schemes

Cash collection remains strong and **bad debt charge reduced to 1.6%**

# People


UK high performance norm levels of engagement at

**81%**

United Utilities named

**Water Industry Skills Employer of the Year 2023**

**Continuing to build tomorrow's talent –**

Award winning apprentices and young engineers

# ESG performance

E

## Environment

- EA EPA – 3 or 4 star every year since records began in 2011
- Peatland restoration – already achieved our 2030 target to restore 1,000 Ha
- 100% delivery of our environmental improvement programme in FY24

S

## Social

- High level of colleague engagement – in line with UK high performance norm
- Leader in vulnerability assistance – supporting over 400,000 on the Priority Services Register
- Safe place to work – achieving a score of 89% in ShareAction’s Workforce Disclosure Initiative exceeding the UK and Utilities averages

G

## Governance

- Upper quartile performance across a range of ESG ratings – including A- CDP Climate Disclosure
- Efficient delivery of our capital programme – 98% against our Capital Programme Delivery incentive (CPDi) mechanism
- Fair Tax Mark – accredited 5 years in a row

# Phil Aspin

Chief Financial Officer

United Utilities

Water for the North West

# Financial highlights

**FY21-24 RoRE**
**7.9% real**

**Revenue**
**£1,950m**
FY23: £1,804m[1]

**Underlying Operating Profit[2]**
**£518m**
FY23: £441m

**Underlying EPS[2]**
**33.3p**
FY23: (1.3)p

**DPS**
**49.78p**
FY23: 45.51p

**RCV gearing[3]**
**59%**
FY23: 58%

1. FY23 revenue re-presented to reflect a £20.2m re-classification of income in relation to renewable energy from revenue to other income
2. Underlying profit measures are reconciled to reported profit measures in the appendices to this presentation
3. RCV gearing calculated as group net debt including loan receivable from joint venture/United Utilities Water Limited's adjusted RCV (adjusted for actual spend, timing differences and including full expected value of AMP7 ex-post adjustment mechanisms)

# AMP7 financial framework

## Framework unchanged from full year

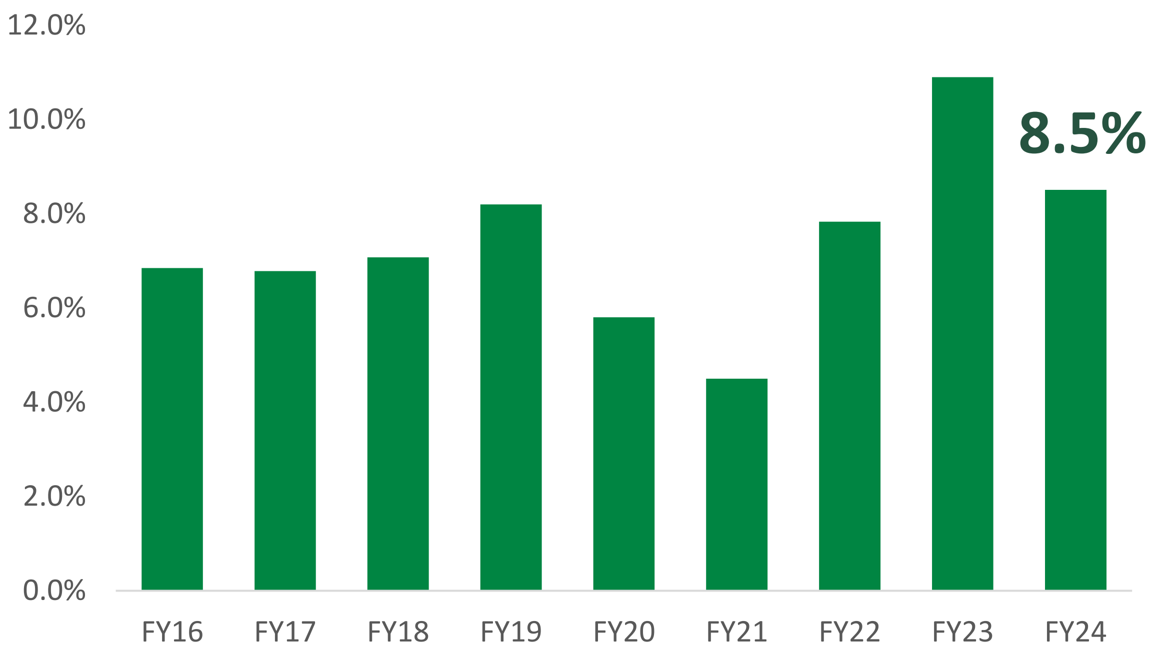
| | |
|---|---|
| RoRE[1,2] | 6 – 8% real |
| RCV Growth[1,3] | 4 – 5% CAGR |
| Dividend Growth | Growing in line with CPIH |
| Strong Balance Sheet | Policy target 55 – 65% gearing |

| Moody's |
|---|
| A3 / stable |
| **Fitch** |
| A- / stable |
| **Standard & Poor's** |
| BBB+ / stable |

1. Based on CPIH of 2.1% at Mar-25
2. Average RoRE performance over AMP7, real RPI/CPIH blended basis
3. Average AMP7 CAGR. Includes the full expected value of AMP7 ex-post adjustment mechanisms as an adjustment to RCV

# Return on regulated equity (RoRE)

## RoRE progression[1]



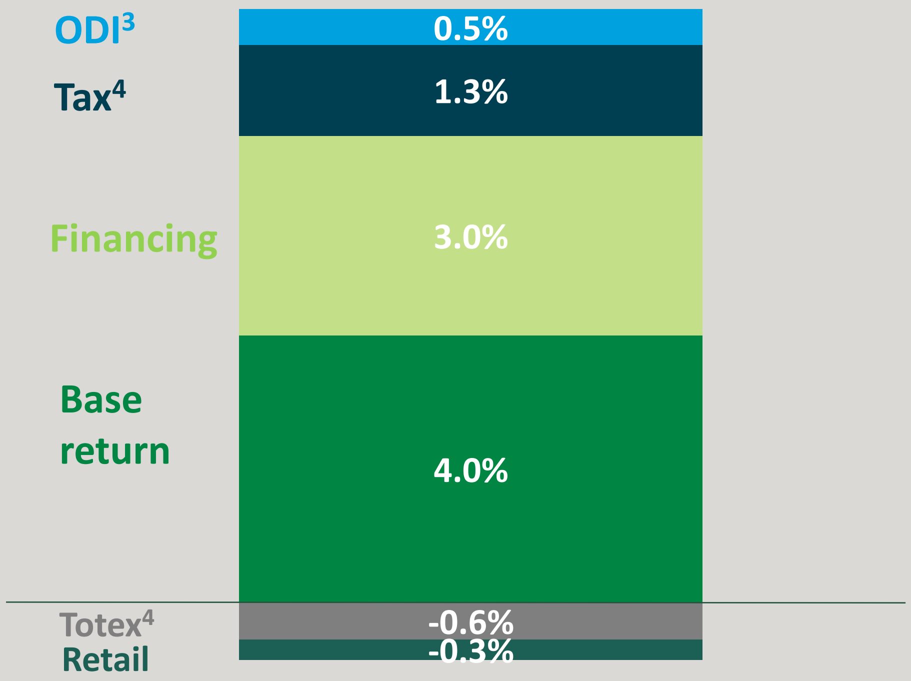

## AMP7 guidance[2]

6-8% real

1. AMP6 (FY16-20) base return presented on an RPI basis, AMP7 (FY21-24) on an RPI/CPIH blended basis
2. Based on CPIH of 2.1% at Mar-25

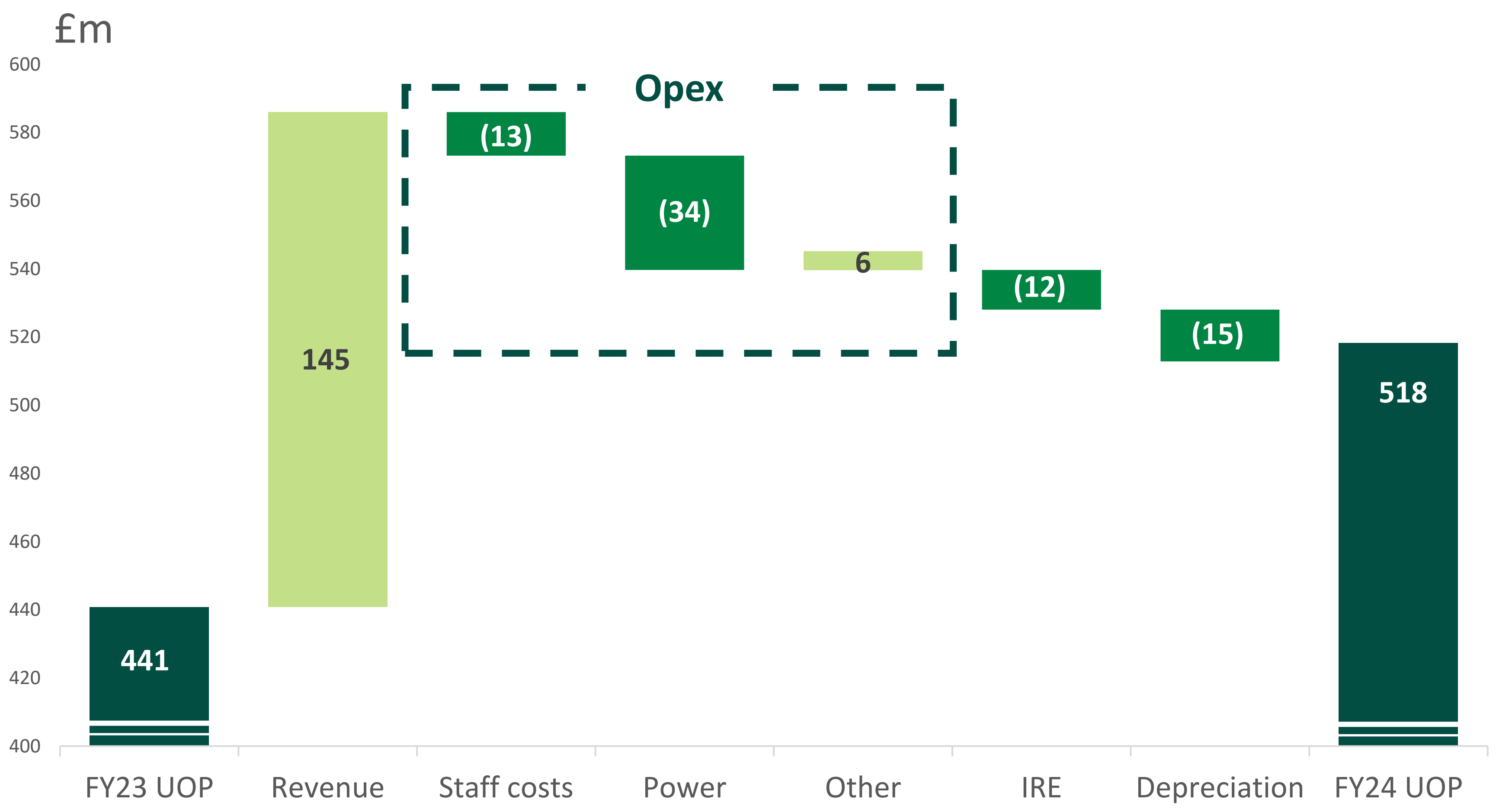
AMP7 RoRE FY21-24

**7.9%**




3. Excluding per capita consumption, which Ofwat is considering as part of its final determination process in the context of a full understanding of the enduring impact of COVID-19 effects
4. Tax benefits resulting from additional investments included within totex

# Underlying operating profit




## Revenue: **£1,950m**

- Revenue cap increase: **£103m**

## Underlying opex: **£787m**

- Inflation increases to staff and power costs

## Depreciation: **£439m**

- Increase reflecting growth in underlying asset base

# Interest, tax and earnings

## Underlying net finance expense

**FY24: £293m**

FY23: £475m

**Inflation charge** on index-linked debt of £252m (FY23: 520m)

**Cash interest of £125m** (FY23: £102m) - £23m increase due to rising interest rates

FY25 guidance: stable

## Underlying tax

**FY24: £7m credit**

FY23: £26m credit

**‘Full expensing’** to continue to provide a **tax benefit** such that we expect **FY25 current tax charge of nil**

## Underlying profit

**FY24: £227m**

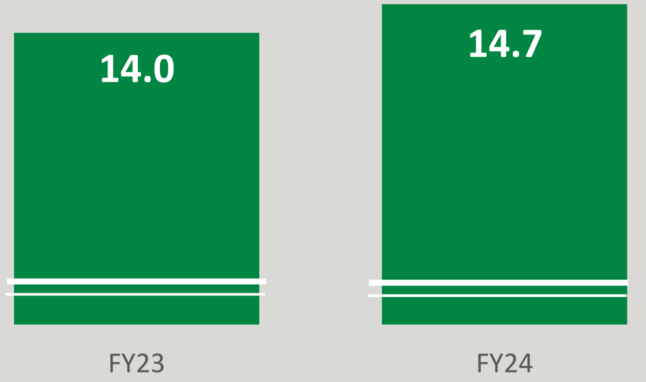
FY23: -£8.7m

**Underlying EPS of 33.3p**

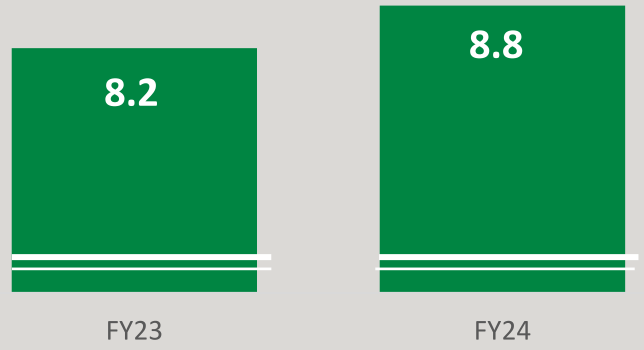
FY23: -1.3p

# Financial strength

## RCV[1] (£bn)




## Net debt (£bn)




## RCV gearing[2]

**ND/RCV 59%**

FY23: 58%

## Pension position

**Buy-in transaction**
covering 2/3 liabilities

No further pension deficit repair

## Funding raised

**c. £1.6bn**

AMP8 funding underway

## Liquidity

**>£2bn**

Sufficient liquidity to 2026

1. Includes the full expected value of AMP7 ex-post adjustment mechanisms as an adjustment to RCV.
2. RCV gearing calculated as group net debt including loan receivable from joint venture/United Utilities Water Limited’s adjusted RCV (adjusted for actual spend, timing differences and including full expected value of AMP7 ex-post adjustment mechanisms).

# Sustainable finance update

**Over £1.7 billion raised under Sustainable Finance Framework to date**

**Leveraging our green credentials**

**EU/UK taxonomy eligibility and alignment to be reported in FY25**

## Recent green bond issuance

| | |
|---|---|
| **Re-entered the Euro bond market in February** | **Successfully priced a €650m 10.25yr green bond<br>3.75% coupon** |
| **Upsized from €500m on the back of a c.€2.5bn order book – 3.8x oversubscribed** | **Healthy investor diversification with 47% allocated to non-UK investors** |

# Technical guidance 2024/25

| | FY24 | y-o-y | |
|---|---|---|---|
| ***Revenue*** | £1,950m | ▲ | Revenue expected to increase by c.10%, driven by the inflationary mechanism and the impact of prior period adjustments |
| ***Underlying operating costs (inc. IRE)*** | £993m | ▲ | Underlying operating costs expected to increase more than inflation due to business rates, regulatory charges and IRE |
| ***Depreciation*** | £439m | ▲ | With continued growth in our asset base and accelerated investments ahead of AMP8, depreciation is expected to increase by c.£30-40m |
| ***Underlying finance expense*** | £293m | ↔ | Expected to be broadly unchanged year-on-year. Every 1% change in inflation gives rise to a c.£47m swing in interest charge |
| ***Underlying tax*** | £7m credit | ▲ | 'Full expensing' expected to continue to provide tax benefits, resulting in no expected current tax charge |
| ***Capex*** | £737m | ▲ | Expected to be in the range of £850m - £1,100m reflecting additional investment and AMP8 accelerated capital programmes |
| ***ODI rewards*** | £34m | ▲ | Forecasting to achieve a reward at least in line with FY24 |
| ***Dividend[1]*** | 49.78p | ▲ | FY25 dividend of 51.87p, in line with policy of growth in line with CPIH |

1. Calculated using the November 2023 CPIH annual rate 4.2%

# Financial summary

## Strong investor returns

- FY21-24 RoRE: 7.9%
- RCV growth CAGR: 4-5%

## Financial strength

- RCV Gearing of 59%[1]
- Fully funded pension scheme

## Funding and Liquidity Position

- Liquidity extended into 2026
- Commenced AMP8 funding

## Dividend

- FY24 Dividend: 49.78p
- Inflation-linked dividend

1. RCV gearing calculated as group net debt including loan receivable from joint venture/United Utilities Water Limited's shadow (adjusted for actual spend and timing difference) RCV, Including full expected value of AMP7 ex-post adjustment mechanisms.

# Louise Beardmore

Chief Executive

United Utilities

Water for the North West

# Summary

Performing well operationally and financially

Submitted ambitious plan for AMP8

Continue to support customers through affordability packages

Financial strength and flexibility

Determined to drive a step change

Already delivering for AMP8

# 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.

# Supporting information

1. Underlying income statement
2. Underlying operating costs
3. Profit before tax reconciliation
4. Profit after tax reconciliation
5. Finance expense
6. Finance expense: index-linked debt
7. Derivative analysis
8. Statement of financial position
9. Reconciliation of net debt
10. Financing Performance
11. Financing and liquidity
12. Debt structure
13. Term debt maturity profile

# Underlying income statement

| Year ended 31 March<br>£m | 2024 | 2023 | Change (%) |
|---|---|---|---|
| **Revenue*** | **1,949.5** | **1,804.2** | **+8.1%** |
| Operating expenses* | (787.1) | (746.3) | +5.5% |
| Infrastructure renewals expenditure | (205.8) | (193.5) | +6.4% |
| **EBITDA** | **956.6** | **864.4** | **+10.7%** |
| Depreciation and amortisation | (438.8) | (423.6) | +3.6% |
| **Operating profit** | **517.8** | **440.8** | **+17.5%** |
| Net finance expense | (293.2) | (475.1) | -38.3% |
| Share of (losses)/profits of joint ventures | (4.1) | - | N/A |
| **Profit/(loss) before tax** | **220.5** | **(34.3)** | **N/A** |
| Tax | 6.8 | 25.6 | -73.4% |
| **Profit/(loss) after tax** | **227.3** | **(8.7)** | **N/A** |
| | | | |
| **Earnings per share (pence)** | **33.3** | **(1.3)** | **N/A** |
| **Dividend per ordinary share (pence)** | **49.78** | **45.51** | **+9.4%** |

* Revenue and operating expenses for the year to 31 March 2023 have been re-presented so as to include £20.2 million of income not derived from the output of the group's ordinary activities in Other income rather than in revenue. This income relates to amounts receivable under government renewable energy schemes and the sale of energy generated to the grid.

# Underlying operating costs

| Year ended 31 March<br>£m | 2024 | 2023 | Change (%) |
|---|---|---|---|
| **Revenue*** | **1,949.5** | **1,804.2** | **+8.1%** |
| | | | |
| Employee costs | (204.7) | (192.2) | +6.5% |
| Power | (164.3) | (130.8) | +25.6% |
| Hired and contracted services | (108.2) | (103.7) | +4.3% |
| Materials | (65.8) | (76.2) | -13.8% |
| Chemicals | (61.3) | (56.5) | +8.5% |
| Property rates | (82.0) | (87.1) | -5.9% |
| Regulatory fees | (39.3) | (36.7) | +7.1% |
| Bad debts | (22.0) | (22.7) | -3.1% |
| Other expenses* | (39.5) | (40.4) | -2.2% |
| | **(787.1)** | **(746.3)** | **+5.5%** |
| Infrastructure renewals expenditure (IRE) | (205.8) | (193.5) | +6.4% |
| Depreciation and amortisation | (438.8) | (423.6) | +3.6% |
| **Total underlying operating expenses** | **(1,431.7)** | **(1,363.4)** | **+5.0%** |
| | | | |
| **Underlying operating profit** | **517.8** | **440.8** | **+17.5%** |

* Revenue and other expenses for the year to 31 March 2023 have been re-presented so as to include £20.2 million of income not derived from the output of the group's ordinary activities in Other income rather than in revenue. This income relates to amounts receivable under government renewable energy schemes and the sale of energy generated to the grid.

# Profit before tax reconciliation

| Year ended 31 March<br>£m | 2024 | 2023 |
|---|---|---|
| Operating profit | 480.2 | 440.8 |
| Net finance expense | (306.1) | (215.7) |
| Share of (losses)/profits of joint ventures | (4.1) | - |
| Profit on disposal of United Utilities Renewable Energy | - | 31.2 |
| **Reported profit before tax** | **170.0** | **256.3** |
| Adjustments: | | |
| Fleetwood outfall pipe fracture | 37.6 | - |
| Fair value gains on debt and derivative instruments, excluding interest on derivatives and debt under fair value option | 12.9 | (259.4) |
| Profit on disposal of United Utilities Renewable Energy | - | (31.2) |
| **Underlying profit/(loss) before tax** | **220.5** | **(34.3)** |

# Profit after tax reconciliation

| Year ended 31 March<br>£m | 2024 | 2023 |
|---|---|---|
| **Reported profit after tax** | **126.9** | **204.9** |
| <u>Adjustments:</u> | | |
| Fleetwood outfall pipe fracture | 37.6 | - |
| Fair value gains on debt and derivative instruments, excluding interest on derivatives and debt under fair value option | 12.9 | (259.4) |
| Deferred tax adjustment | 48.9 | 76.6 |
| Tax in respect of adjustments to underlying profit before tax | 1.0 | 0.4 |
| Profit on disposal of United Utilities Renewable Energy Limited | - | (31.2) |
| **Underlying profit after tax** | **227.3** | **(8.7)** |
| | | |
| **Basic earnings per share (pence)** | **18.6** | **30.0** |
| **Underlying earnings per share (pence)** | **33.3** | **(1.3)** |

# Finance expense

| Year ended 31 March<br>£m | 2024 | 2023 |
|---|---|---|
| Investment income | 85.6 | 47.0 |
| Finance expense | (389.3) | (262.7) |
| Allowance for expected credit losses – loans to joint venture | (2.4) | (262.7) |
| | **(306.1)** | **(215.7)** |
| Fair value (gains)/losses on debt and derivative instruments, excluding interest on derivatives and debt under fair value option | 12.9 | (259.4) |
| **Underlying net finance expense** | **(293.2)** | **(475.1)** |
| Adjustment for net pension interest income | (28.6) | (28.7) |
| Adjustment for capitalised borrowing costs | (81.0) | (127.5) |
| **Effective net finance expense** | **(402.8)** | **(631.3)** |
| | | |
| **Average notional net debt** | **8,504** | **7,849** |
| | | |
| **Average effective interest rate** | **4.7%** | **8.0%** |
| Effective interest rate on index-linked debt | 6.2% | 12.4% |
| Effective interest rate on other debt | 2.9% | 2.2% |

# Finance expense: index-linked debt

| Year ended 31 March<br>£m | 2024 | 2023 |
|---|---|---|
| Interest on index-linked debt | (40.8) | (38.6) |
| RPI adjustment (£2.4bn debt at Mar-23/4.9% indexation charge; £2.3bn debt at Mar-22/13.4% indexation charge) – 3 month lag[1] | (115.8) | (302.6) |
| CPI adjustment (£1.3bn debt at Mar-23/4.0% indexation charge; £1.1bn debt at Mar-22/10.0% indexation charge) – 3 month lag[2] | (51.1) | (113.9) |
| RPI adjustment (£0.9bn debt at Mar-23/9.0% indexation charge; £0.9bn debt at Mar-22/12.3% indexation charge) – 8 month lag[3] | (84.9) | (103.2) |
| **Finance expense on index-linked debt[4]** | **(292.6)** | **(558.3)** |
| | | |
| Interest on other debt (including fair value option debt and derivatives) | (110.2) | (73.0) |
| **Effective net finance expense** | **(402.8)** | **(631.3)** |

[1] Affected by movement in RPI between January 2023 and January 2024
[2] Affected by movement in CPI between January 2023 and January 2024
[3] Affected by movement in RPI between July 2022 and July 2023
[4] Adjusted to overlay the impact of inflation swaps

# Derivative analysis

| At 31 March<br>£m | 2024 | 2023 |
|---|---|---|
| Derivatives - hedging debt | (49.4) | (20.3) |
| Derivatives - total accretion on inflation-linked swaps | (111.2) | (85.5) |
| Derivatives -  fixing future real interest rates through inflation-linked swaps | 123.8 | 103.3 |
| Derivatives - hedging future nominal interest rates | 173.8 | 201.2 |
| Derivatives - hedging commodity prices | (34.8) | 25.6 |
| **Total derivative assets and liabilities** | **102.2** | **224.3** |

- Derivatives hedging debt; hedge our non index-linked debt into sterling, floating interest rate debt. Typically these are designated in fair value hedge accounting relationships.
- Derivatives hedging interest rates; the majority fix our sterling interest rate exposure on a 10 year rolling average basis.
- A portion of derivatives fix future real interest rates through inflation-linked swaps.
- Derivatives hedging commodity prices; fix a proportion of our future electricity prices in line with our policy. These are in addition to prices fixed in the physical market with power purchase agreement which are not subject to fair value measurement.
- Derivatives hedging specific debt instruments are included within net debt to eliminate, to a certain extent, the fair value recognised in borrowings and thereby present a more representative net debt figure.
- Further details of our group hedging strategy can be found in the Group financial statements.

# Statement of financial position

| At<br>£m | 31 Mar 2024 | 31 Mar 2023 | Change (%) |
|---|---|---|---|
| Property, plant and equipment | 13,044.3 | 12,570.7 | +3.8% |
| Retirement benefit surplus | 268.0 | 600.8 | -55.4% |
| Other non-current assets | 210.6 | 235.7 | -10.7% |
| Cash | 1,399.3 | 340.4 | +311.1% |
| Other current assets | 348.4 | 302.5 | +15.2% |
| Total derivative assets | 382.8 | 477.1 | -19.8% |
| **Total assets** | **15,653.4** | **14,527.2** | +7.8% |
| | | | |
| Gross borrowings | (10,001.4) | (8,435.4) | +18.6% |
| Other non-current liabilities | (2,888.5) | (2,940.5) | -1.8% |
| Other current liabilities | (426.8) | (389.8) | +9.5% |
| Total derivative liabilities | (280.6) | (252.8) | +11.0% |
| **Total liabilities** | **(13,597.3)** | **(12,018.5)** | +13.1% |
| | | | |
| **TOTAL NET ASSETS** | **2,056.1** | **2,508.7** | -18.0% |
| | | | |
| Share capital | 499.8 | 499.8 | 0.0% |
| Share premium | 2.9 | 2.9 | 0.0% |
| Retained earnings | 1,242.3 | 1,652.6 | -24.8% |
| Other reserves | 311.1 | 353.4 | +11.9% |
| | | | |
| **SHAREHOLDERS' EQUITY** | **2,056.1** | **2,508.7** | -18.0% |
| | | | |
| **ADJUSTED NET DEBT[1]** | **(8,689.0)** | **(8,125.0)** | **+6.9%** |

[1]Net debt reconciliation can be found on the next slide

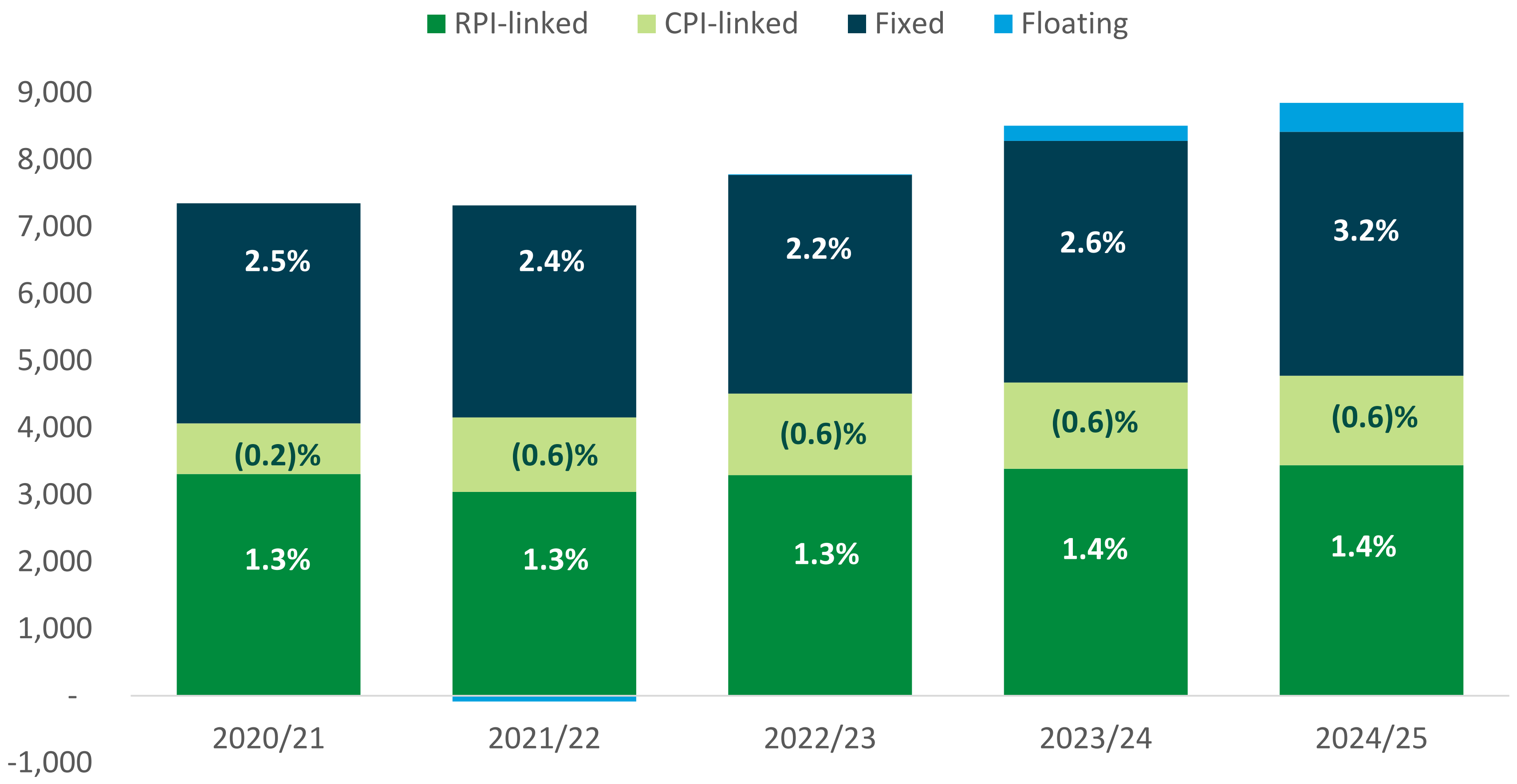
# Reconciliation of net debt

| At<br>£m | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| Cash | 1,399.3 | 340.4 |
| Total derivative assets | 382.8 | 477.1 |
| Gross borrowings | (10,001.4) | (8,435.4) |
| Total derivative liabilities | (280.6) | (252.8) |
| **Balance sheet net debt** | **(8,499.9)** | **(7,870.7)** |
| | | |
| **Exclude:** | | |
| *The fair value impact of:* | | |
| Inflation derivatives fixing future real interest rates through inflation linked-swaps | (123.8) | (103.3) |
| Interest rate derivatives fixing future nominal interest rates | (173.8) | (201.2) |
| Electricity derivatives fixing future electricity costs | 34.8 | (25.6) |
| | | |
| **Include:** | | |
| Loan receivable from JV | 73.7 | 75.8 |
| **Adjusted net debt** | **(8,689.0)** | **(8,125.0)** |

Adjusted net debt includes the loan receivable from our JV, Water Plus, and excludes the impact of derivatives that are not hedging specific debt instruments to provide a fairer reflection of the net debt amount the group is contractually obliged to repay. This includes deducting the fair value of derivatives fixing future real interest rates through inflation-linked swaps but adding back the cumulative indexation accretion on these swaps that will be paid at the end date of the swaps. This approach is more consistent with that taken by credit rating agencies, and better reflects the regulatory economics relating to the group's treasury activities.

# Financing performance

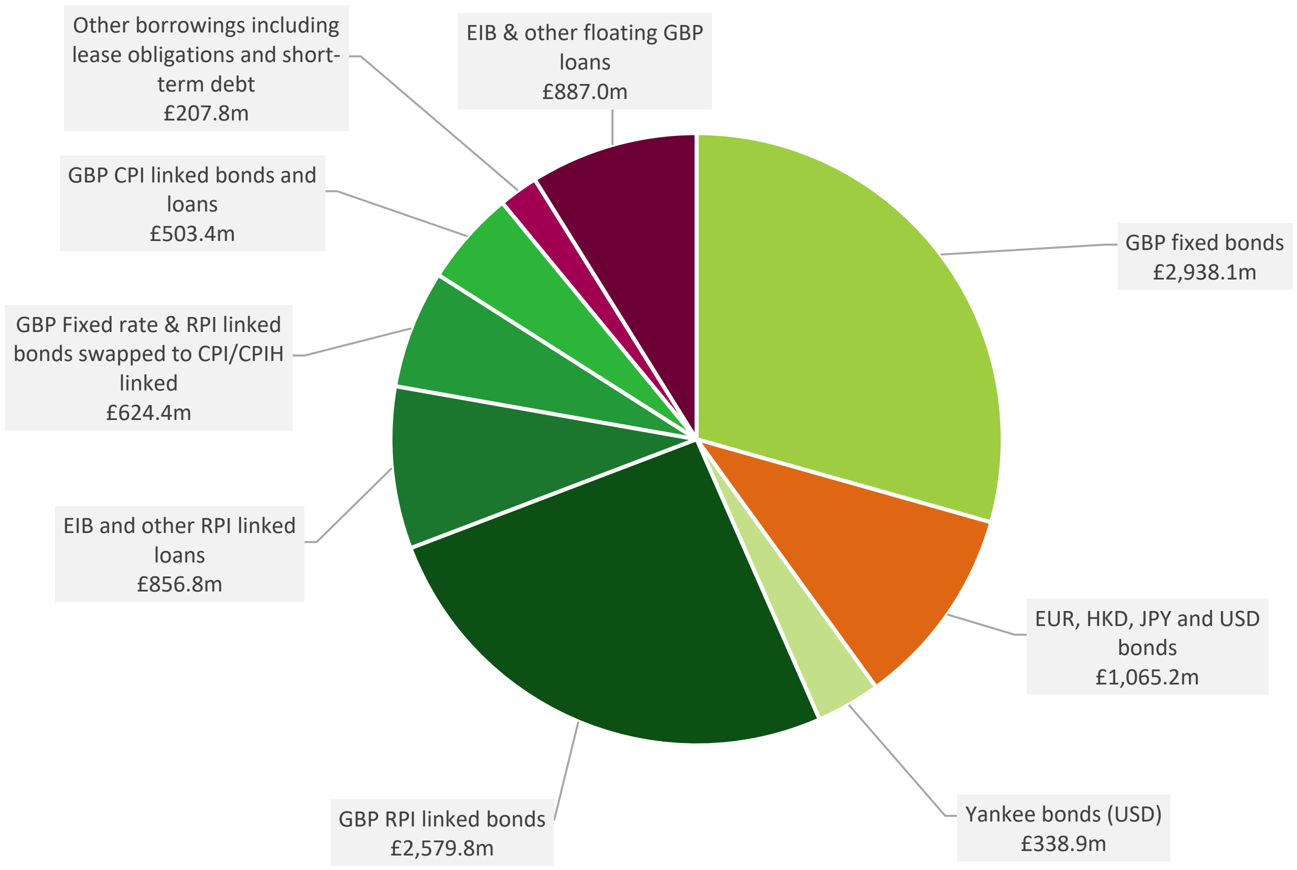
## Existing debt locked in at rates favourable to the AMP7 allowed cost of embedded debt




The rates shown are real rates for the index-linked debt and nominal rates for the fixed rate debt.
Floating rate debt will be progressively fixed in line with 10 year reducing balance hedging policy.

# Financing and liquidity at 31 March 2024

## Gross Debt = £10.0bn




## Liquidity = £2.2bn

| | £m |
|---|---|
| Cash and short-term deposits | 1,399.3 |
| Medium-term committed bank facilities | 800.0 |
| **Spot liquidity at 31 March 2024** | **2,199.3** |

# Debt structure at 31 March 2024

**United Utilities Group PLC**

**United Utilities PLC**
Baa1 stable; BBB- stable; A- stable[7]

Yankees:
- $400m in 28s on-lent at issue to UU Water

**United Utilities Water Limited**
A3 stable; BBB+ stable; A- stable[7]
Ring-fenced and regulated by Ofwat

Euro MTNs:
- £300m in 27s
- £50m in 32s[1]
- £200m in 35s
- £100m in 35s[1]
- £35m in 37s[1]
- £70m in 39s[1]
- £100m in 40s[1]
- £50m in 41s[1]
- £100m in 42s[1]
- £20m in 43s[1]
- £50m in 46s[1]
- £50m in 49s[1]
- £510m in 56s[1]
- £150m in 57s[1]

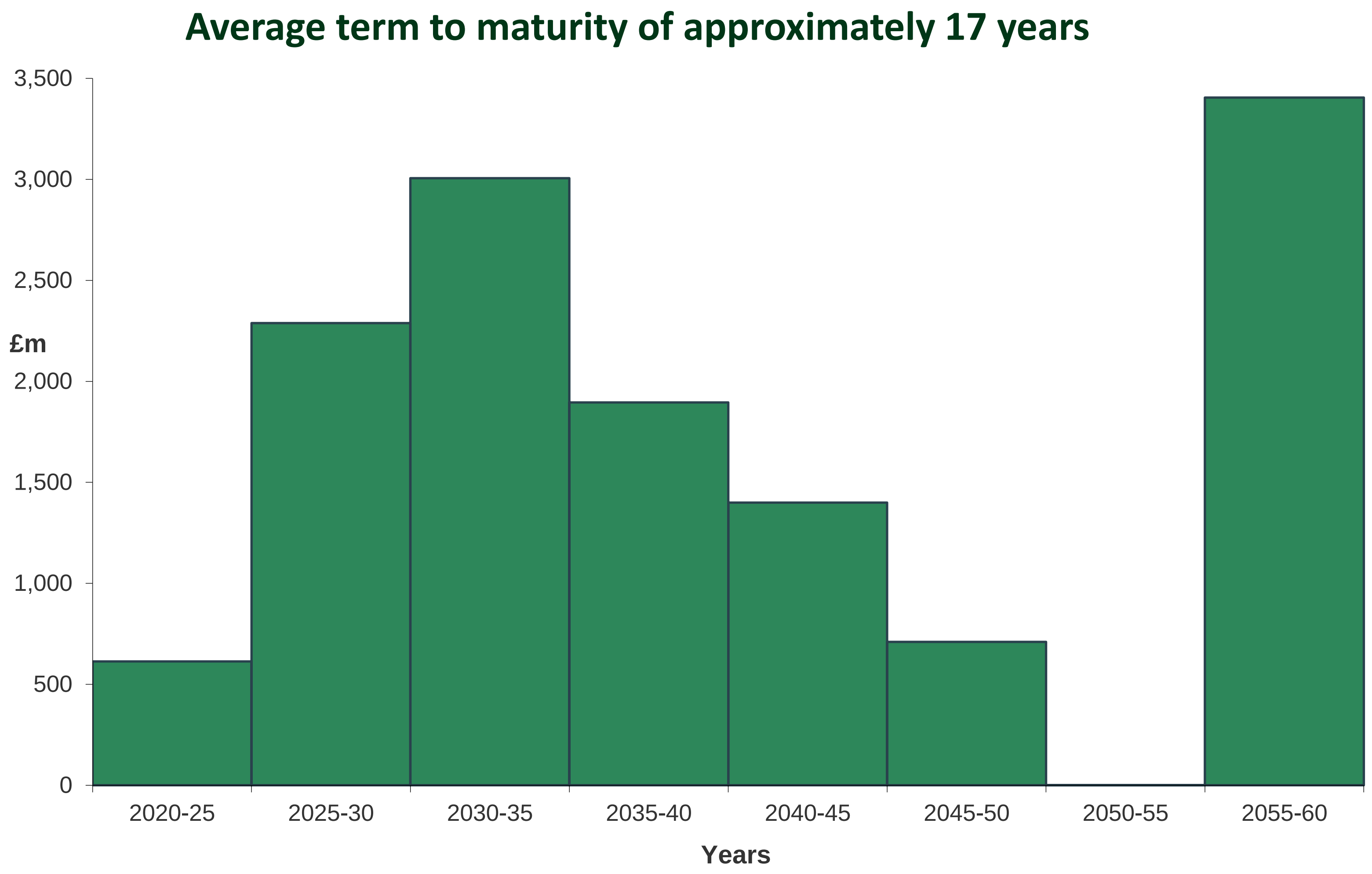
Other debt:
- EIB RPI-linked loans £370m[1]
- Other RPI-linked loans £200m[1]
- CPI-linked loans £100m[2]
- Other EIB loans £403m
- Short-term loans £38m
- ¥10bn dual currency loan
- Other sterling loans £509m

**United Utilities Water Finance PLC[6]**
Guaranteed by United Utilities Water Ltd

Euro MTNs:
- £340m in 25s
- £25m in 25s[1]
- HK$320m in 26s
- HK$739m in 26s
- €52m in 27s
- HK$830m in 27s
- £20m in 28s[1]
- £100m in 28s
- £300m in 29s[2]
- £35m in 30s[1]
- ¥11bn in 30s
- €30m in 30s
- £425m in 31s[4]
- €30m in 31s
- HK$600m in 31s
- US$35m in 31s
- £38m in 31s[3]
- £20m in 31s[2]
- €28m in 32s
- €26m in 32s
- €30m in 33s
- £350m in 33s[5]
- €650m in 34s
- £400m in 36s
- £27m in 36s[3]
- £29m in 36s[3]
- £20m in 36s[2]
- £60m in 37s[2]
- ¥8.5bn in 37s
- £325m in 38s
- £300m in 38s
- £125m in 40s[2]
- £300m in 42s
- £250m in 46s
- £32m in 48s[2]
- £33m in 57s[2]

[1] RPI linked finance
[2] CPI linked finance / fixed rate finance subsequently swapped to CPI linked
[3] RPI linked finance subsequently swapped to CPI linked
[4] £100m and £75m fixed rate tranches of this bond have been swapped to CPI linked
[5] Two £50m fixed rate tranches of this bond have been swapped to CPI/CPIH linked
[6] United Utilities Water Finance PLC (UUWF) is a financing subsidiary of United Utilities Water Limited (UUW) established to issue new listed debt on behalf of UUW. Notes issued by UUWF are unconditionally and irrevocably guaranteed by UUW and are rated in line with UUW's credit ratings
[7] Senior unsecured debt ratings published by Moody's; Standard & Poor's; Fitch respectively

# Term debt maturity profile as at 31 March 2024[1]




[1] Future repayments of index-linked debt include RPI/CPI/CPIH market derived forecasts out to 2027, subsequently transitioning to an average annual RPI rate of 3% and an average annual CPI/CPIH rate of 2%