Pennon

Full Year Results 2024/25

3 June 2025

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Pennon

Susan Davy
Pennon Chief Executive Officer

A resilient end to K7

Delivering on our four strategic priorities

Serving more customers and communities across our regions

Point of inflection – reset and rebased for K8

Strong platform secured for the future

Robust outlook for K8

Delivering on our four strategic priorities in K7

Building water resources, improving water quality	Tackling storm overflows and pollutions	Driving environmental gains	Supporting affordability, delivering for customers
			
Breaking the drought cycle / **Sector-leading** water quality	**100%** Bathing Water quality / **Sector-leading** internal sewer flooding	RNAGS **reduced 19% → 12%** / **144,000** hectares of catchment improvements	**100%** affordability / **c.70%** ODIs delivered
	2★ EPA		

With record investment

Serving more customers and communities across our regions – a growing footprint

Delivering efficiently

Bournemouth Water — Two new state-of-the-art treatment works

Isles of Scilly Water — First time sewerage and step change in water quality

Bristol Water — Cheddar 2 investment approved

SES Water — Securing financial resilience and Bough beach reservoir opportunities

Growing shareholder base of customers

WaterShare+

Robust outlook for K8

Point of inflection

Water efficiency initiatives driving lower revenue
– ahead of K8 revenue reset

Resetting the cost base

c.£76m annualised savings

On target c.£86m in K8

Record capital investment

Delivering our outcomes for our customers and the environment

Cumulative WaterShare **RORE**

10.4%[1] nominal

6.0%[1] real

Strong balance sheet

£1.3bn funding raised in 2024/25

Rebased dividend post Rights Issue

3.4% growth (CPIH)

Reset and rebased for K8

[1] Cumulative South West Water WaterShare RORE (excluding Bristol Water and SES)

Strong platform for the future

Solid business plans – already delivering

‘outstanding’ South West Water

‘standard’ ses WATER

Step change in investment – 34% growth in RCV

Driving efficiency and innovation amplify

Targeting c.7% RORE in K8 – continuing K7 outperformance run rate

Robust outlook for K8

Pennon

Laura Flowerdew
Group Chief Financial Officer

Financial highlights

Resilient underlying EBITDA

£336m

Underlying loss before tax

£(35.1m)

SWW Return on Regulated Equity

6.0%[1]

Record investment

CAPEX

£652m

Water Group gearing[2]

61.8%

Rebased dividend per share

31.57p

[1] Real cumulative RORE on underlying totex, financing and ODIs with notional gearing for South West Water, excluding Bristol Water and SES; [2] Net debt / shadow RCV at 31 March 2025

FY25 results shaped by customer demand measures and record K7 investment

- **Full year results from SES Group**
- **SWW revenue flat, resulting from lower customer consumption**
- **Operational efficiencies partly offsetting cost pressures**
- **Financing costs reflect record capital programme**
- **Non-underlying costs**
  - Water quality event – interventions and customer support
  - Reshaping and transformation costs

Underlying[1] (£m unless otherwise stated)	**2024/25**	**2023/24**[2]
Revenue	**1,047.8**	**907.8**
EBITDA	335.6	338.3
Operating profit	148.5	166.3
Net finance costs	(184.4)	(150.2)
JV PAT	0.8	0.7
(Loss)/profit before tax – underlying	**(35.1)**	**16.8**
Non-underlying items before tax[3]	(37.6)	(25.9)
Loss before tax	**(72.7)**	**(9.1)**
Tax[4]	15.9	0.6
Loss after tax	**(56.8)**	**(8.5)**
Basic loss per share (p)	(16.1)	(2.9)[7]
Adjusted (loss)/earnings per share (p)[5]	(10.3)	5.1[7]
Dividend per share (p)[6]	31.57	36.67[7]

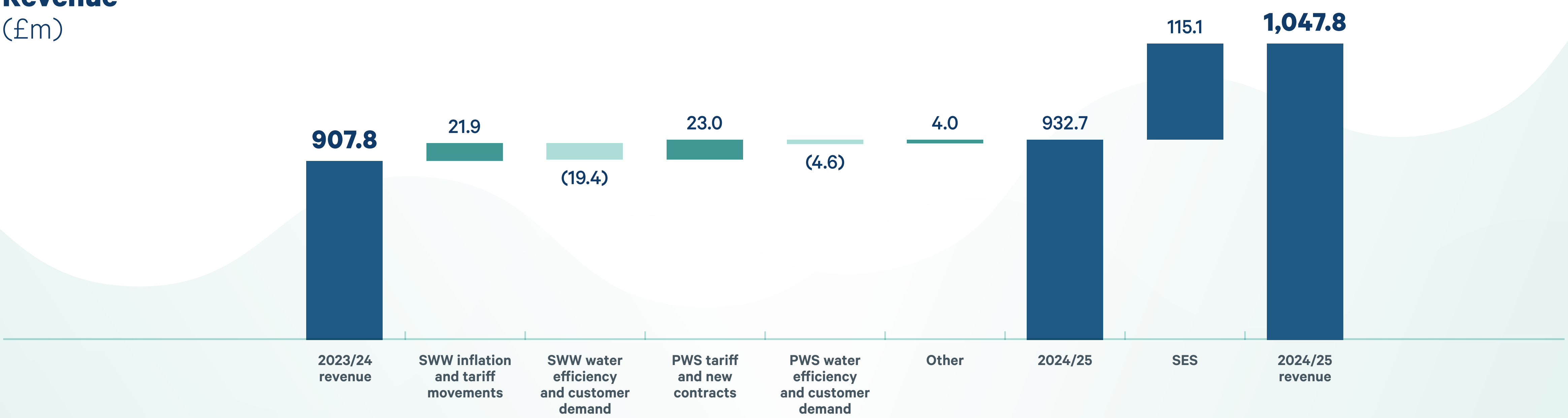
[1] Measures before non-underlying items; [2] Results for 2023/24 include post-acquisition contribution from SES which was acquired in January 2024. 2023/24 earnings per share restated to reflect the Rights Issue; [3] Non-underlying items are adjusted for by virtue of their size, nature or incidence to enable a full understanding of financial performance; [4] Tax includes tax on underlying and non-underlying items; [5] Adjusted EPS: before deferred tax and non-underlying items; [6] Dividend policy of CPIH using 3.4% at 31 March 2025; [7] 2023/24 adjusted to reflect the Rights Issue

Revenue

Pennon Group

- Full year benefit of SES Group – Water and non-regulated businesses
- SWW revenue reduced by customer demand measures, offset by inflation and tariff increases
- Strong PWS performance, benefiting from new contract wins and tariff inflation, offsetting lower customer usage

Revenue
(£m)



Underlying EBITDA

Pennon Group

- Full year of SES Group – revenues and costs
- Flat revenues year on year for SWW
- Operational efficiencies offsetting inflation impacts
- Investment in new technology – new customer platform and network monitoring programme
- Increased front line activity to drive wastewater improvements

Delivering efficient performance

c.£86m targeted K8 run rate annualised savings

		2024/25	TARGETED K8 RUN RATE	
Bristol Water integration (BRISTOL WATER)	• Integration synergies achieved in full	£20m	c.£20m	Fully delivered
Reshaping the business	• Improving how we work, being more efficient • Reshaping the business to right size and right source • Aligned to delivery of our strategic priorities	£47m[1]	c.£55m	Ahead of plan
SES Water integration (ses WATER)	• Deployment of integration experience from Bristol Water and Bournemouth Water • Programme well underway, with benefits in delivery	£9m	c.£11m	Ahead of plan
		£76m		

[1] Reflects cumulative savings delivered and those in progress at FY 2025

Investing to deliver our four priorities

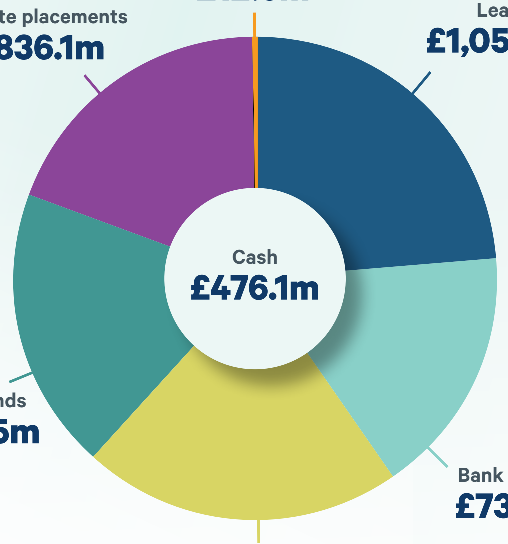
Group capital investment
(£m)

	2024/25	2023/24
South West Water	**588.7**	**582.9**
Clean water	325.2	369.3
Wastewater	263.5	213.6
Pennon Power	40.7	59.0
Other Group	0.4	0.5
Total Group (excl. SES)	**629.8**	**642.4**
SES	22.7	7.1
Total Group	**652.5**	**649.5**

- Record investment to deliver on our commitments and strategic priorities
- Early start expenditure to ensure delivery in K8 – c.£65m to March 2025

Financing our growth

Diversified debt portfolio



Net debt at 31 March 2025

£3,936.2m[1]

(FY 2023/24: £3,697.0m)

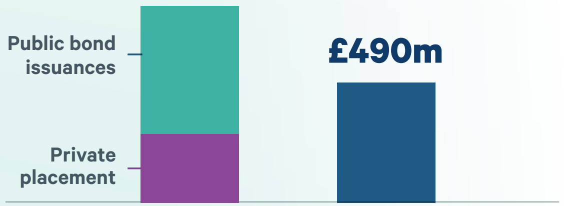
Strong liquidity and funding position

Water Group gearing

61.8%

£1.3bn

raised in 2024/25



Available liquidity

c.£1bn

Efficient financing

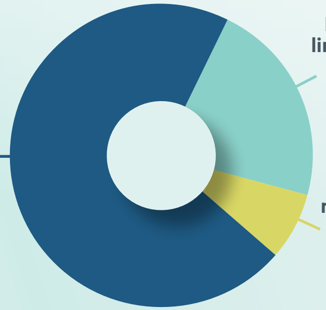
SWW effective interest rate[2]

5.4%

Average maturity

14 years

Mix of debt



100% **Sustainable Financing Framework**

[1] Net debt excluding acquisition related fair value adjustments and unamortised hedging adjustment; [2] South West Water Group including Bristol Water excl. SES

Funding secured for next phase of growth

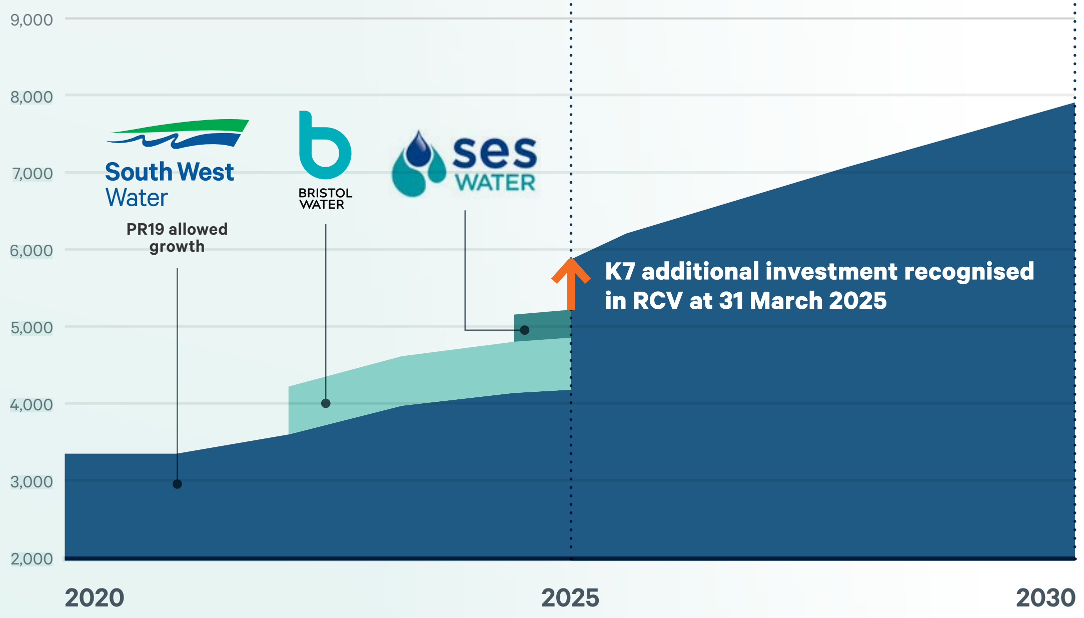
Unprecedented growth from UK water

£3.2bn
K8 base allowances

Nominal RCV growth (£m)

Growth[1]
75%
(25% base, 20% K7 additional investment, 30% acquisition)

34%
floor for growth



K7 outperformance

Cumulative SWW returns[2]

6.0% real	**10.4%** nominal

200 bps outperformance

Shareholder value

K7 shareholder value	**c.£910m**
Dividends paid	**c.£200m**
Retained value[3] (including dividends declared)	**c.£710m**

K8 RORE target

[1] Comprises acquisitions and organic growth (including Green Recovery, accelerated investment and transition spend); [2] Based on cumulative South West Water WaterShare RORE (excluding Bristol and SES) on a real/notional balance sheet nominal returns based on real 4.4% average inflation over K7; [3] Including dividends declared but not yet paid of £45m; [4] Outperformance reflects the average cumulative net outperformance for totex, financing and ODIs inclusive of tax benefits over the regulatory period after sharing mechanisms (where applicable) in real terms on a notional balance sheet

Financial framework over K8

RORE	**7%**[1] target returns — 160 bps outperformance, 30 bps reward
Capital investment	**£3.2bn** investment programme
RCV growth	**34%** to 2030
Dividend policy	Growing in line with CPIH
Resilient balance sheet	**55-65%** gearing policy for Water Group
Investment grade credit ratings	Moody's: **Baa1** — FitchRatings: **BBB+**

[1] Return on Regulated Equity on a real, notional basis

Outlook 2025/26 – Strong return to profitability

Revenue

- Regulated Water Group revenue increasing by £180-240m, aligned with Final Determination allowed revenues
- Non-household retailers increase revenue in line with sector wide tariff increases
- Pennon Power first revenues from Q2, following energisation

EBITDA

- Water Group EBITDA materially improving due to higher revenues
- Stable Water Group cost base, benefitting from efficiency programmes offsetting inflationary pressures
- Non-household wholesale costs increasing in line with revenue
- EBITDA increasing by two thirds year on year

Group capital expenditure

- £710-740m Group wide capital investment
- Front loaded Water Group investment over K8 to deliver early benefits
- Ongoing construction for Pennon Power projects, with Fife energisation in June

Group financing costs (net)

- Record capital investment programme and full year impact of 2024/25 debt issuances, increasing Group net financing costs by £25-35m

RORE

- 7% target over K8
- Driving financing efficiency – effective interest rate below Ofwat allowances[1]
- Driving totex efficiency
- Neutral ODIs over 2025/26[2]

Note: All guidance on an underlying basis

[1] Based on CPIH at 31 March of 3.4%, nominal allowance of 6.55%; [2] Subject to EPA consultation finalisation

Pennon

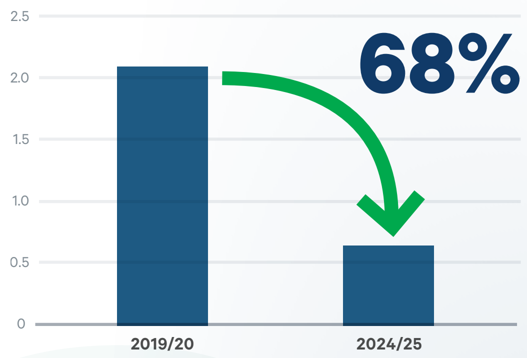
Susan Davy

Pennon Chief Executive Officer

Tackling pollutions and storm overflows

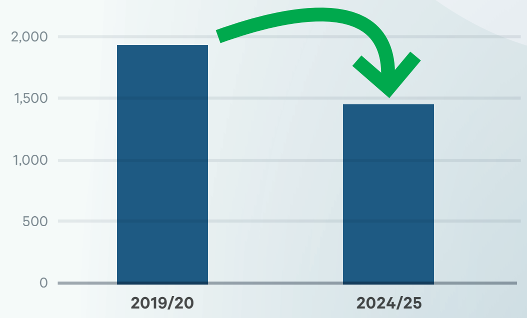
Prioritising the impact on homes and businesses

Internal sewer flooding (per 10,000 properties)



Industry-leading performance

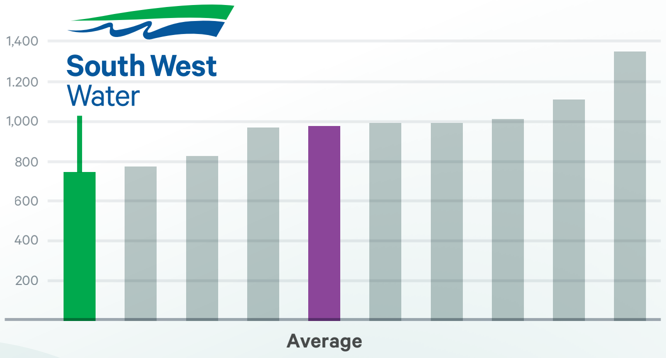
External sewer flooding (number)



Top quartile performer

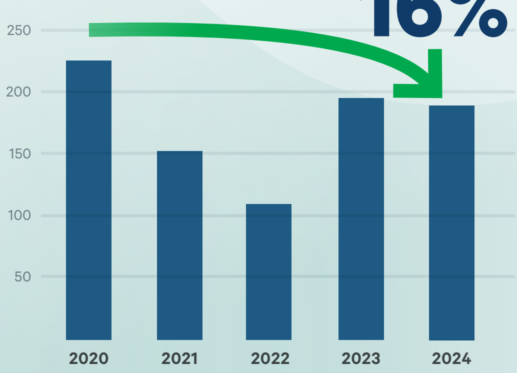
Pollution incident reduction a key focus

Total emissions[1] (per 10,000km)



Lowest number of pollutions to homes, businesses, water courses and land

EPA Pollutions



40% reduction in network pollution incidents over K7

30% reduction in sewer collapses over K7

Anticipating 2★ EPA – plans to deliver 4★ for 2028 assessment

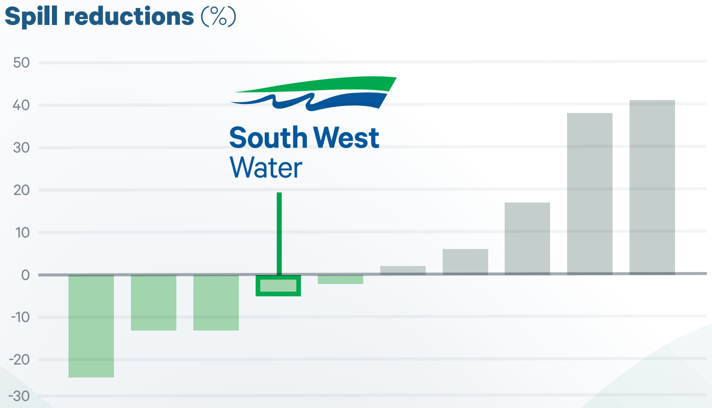
[1] Cat 1-3 pollutions, internal and external sewer flooding per 10,000km using 2023/24 industry data from Annual Performance Reports

Tackling storm overflows and pollutions

Progress made despite 2024 being the wettest hydrological year on record

Driving spills down through interventions

One of only 5 companies to **reduce spills**



2/3 of 2023 top spillers resolved

c.15,000 spills prevented through K7 WaterFit interventions

Focus on bathing waters

Bathing water spills **down 20% over K7**

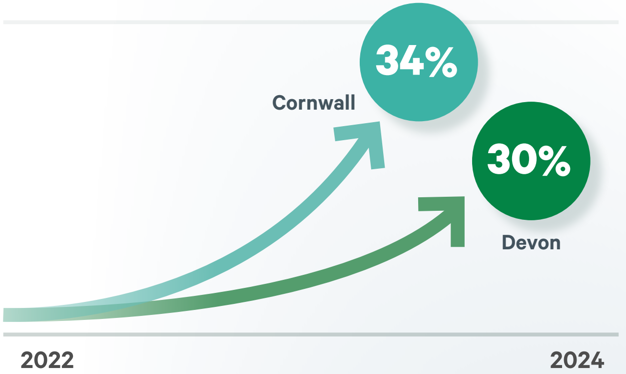
100% bathing water quality – fourth year in a row[1]

[1] For those beaches impacted by our own assets on a like for like basis

Building water resources, improving water quality

Securing supply resilience into the future

Supplemented resources (%)



100%
Supply Demand Balance index

Exceeded target reservoir levels at March 2025

No restrictions anticipated this summer

Reducing demand and driving water efficiency

Sector-leading demand reduction scheme

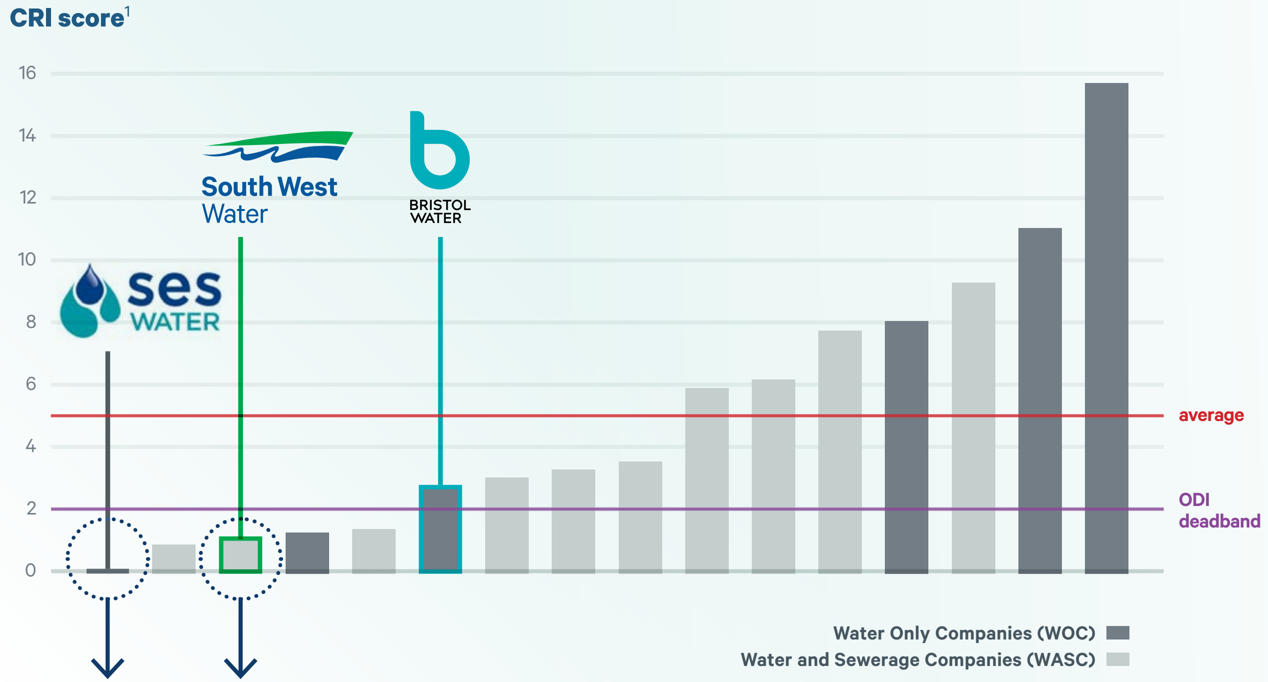
Innovative tariffs – driving 2-9% demand reduction

Leakage reduction

South West Water	Bristol Water	SES Water
9%	4%	3%
Marginally missing target		Meeting target

Building water resources, improving water quality

Clean, safe, drinking water – our customers' number 1 priority



Top industry performers

Quality First
approach delivering results

Industry-leading CRI

>67% improvement
in SWW over K7

[1] 2024 CRI score for Pennon, 2025 CRI score for industry comparison. The exceptional events at Brixham and Cheam are recorded as water quality events by the DWI and therefore not included within the CRI score.

Driving environmental gains

Improving water quality

80% phosphorus reduction at **37 sites**[1]

RNAGs[2] reduced to 12% from 19% over K7

Enhancing biodiversity

c.144,000 hectares improved – c.£25m K7 ODI benefit

Leveraging third party contributions for peatland restoration

Commitment to Net Zero

Pennon POWER

3 sites under construction

1 site cold commissioned

[1] 33 sites complete with 4 under construction; [2] RNAGS: Reasons for not achieving good status

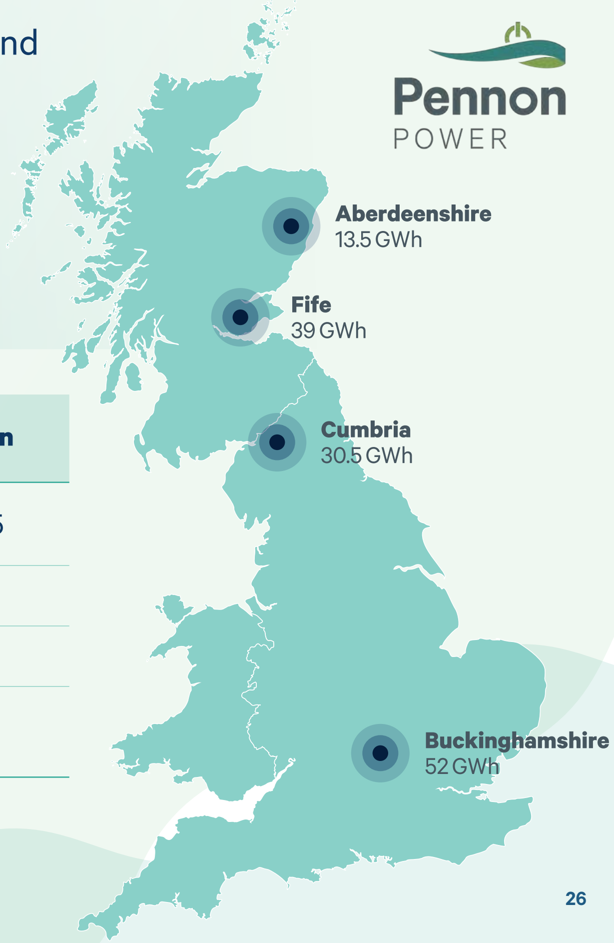
Pennon Power

Strategic rationale

- Equity returns in the range of 11-15%[1]
- Consistent with our 2030 net zero strategy
- Provides natural hedge against significant[1] energy costs
- Targeting c.40%[2] of Group energy requirements

Standalone, debt-funded plan to complete

- Remaining funding until completion will be via debt
- We will review and optimise ownership and financing closer to or at completion

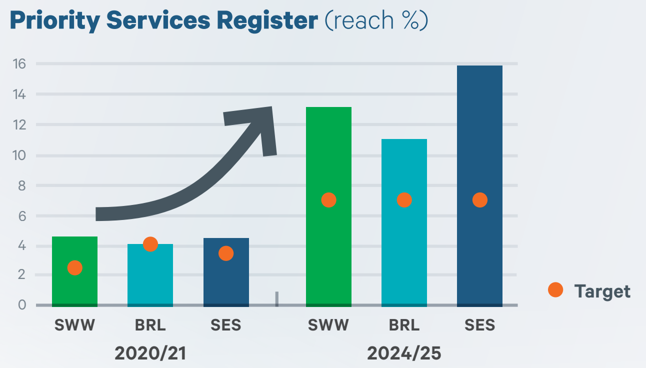


Site name	Total capital expenditure	Peak output	Annual generation	Battery storage	Status	PV infrastructure complete[3]	Energisation
Fife	£62m	45 MWp	39 GWh	60 MWh (2 hrs)	Cold commissioning complete	March 2025	June 2025
Aberdeenshire	£12m	15 MWp	13.5 GWh		In construction	2025/26	2025/26
Cumbria	£27m	34 MWp	30.5 GWh		In construction	2025/26	2025/26
Buckinghamshire	£44m	50 MWp	52 GWh		Preferred partner appointed	2026/27	2026/27
Total	**£145m**		**135 GWh**	**60 MWh**			

[1] Based on 55% assumed leverage, pre-tax, 7-9% unleveraged pre-tax returns; [2] Group energy requirements excluding SES, including battery storage; [3] Excludes grid connection and enabling works

Supporting affordability, delivering for customers and communities

Supporting vulnerable customers



Exceeding our target every year

Consumer debt

0.9%

of revenue – upper quartile

Significant support packages

Unlocking over £124m

of financial support

100% affordability for K7

– meeting our zero water poverty pledge

Working with our local communities

24 customer roadshows

engaging with over 1,000 customers

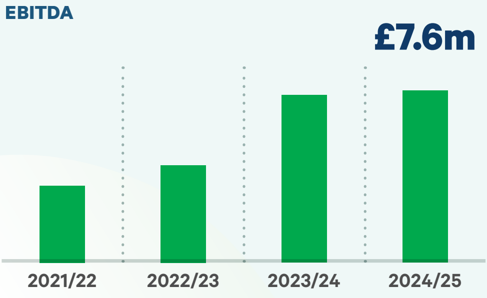
55 charities

benefiting from our Neighbourhood Fund

£200m support fund in place for K8

Sector-leading retailers

Pennon Water Services

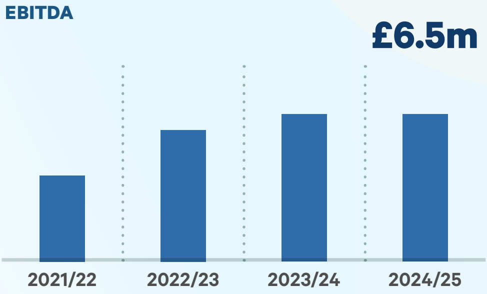


80% ownership

4.8 Trustpilot

"So easy and friendly to deal with. I couldn't be happier with their service."

water2business

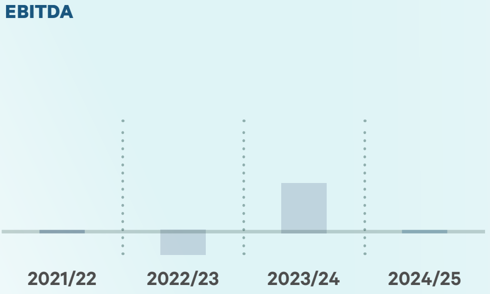


30% ownership[1]

5.0 Trustpilot

"It is a pleasure to deal with a company that obviously invests in its team so they can help and aid customers."

ses BUSINESS WATER



100% ownership

Opportunity for consolidation efficiencies and sharing best practice

[1] Profit after tax contribution from 30% share £0.8m in 2024/25

Delivering through our colleagues

c.4,000
brilliant colleagues
– delivering for customers and the environment

Supporting
2,000
jobs across our region

Confident in delivery
– working with innovative supply chain

amplify

MMB MOTT MACDONALD BENTLEY | bam | Clancy

Tilbury Douglas | MWH TREATMENT | Network Plusenvolve

Platinum
MEMBER OF The 5% Club
APPRENTICES AND GRADUATES
INVESTING IN A GENERATION
2024/25

c.4,000
courses
through our training centres

680
graduates & apprentices

A resilient end to K7

Delivering on our four strategic priorities

Serving more customers and communities across our regions

Point of inflection – reset and rebased for K8

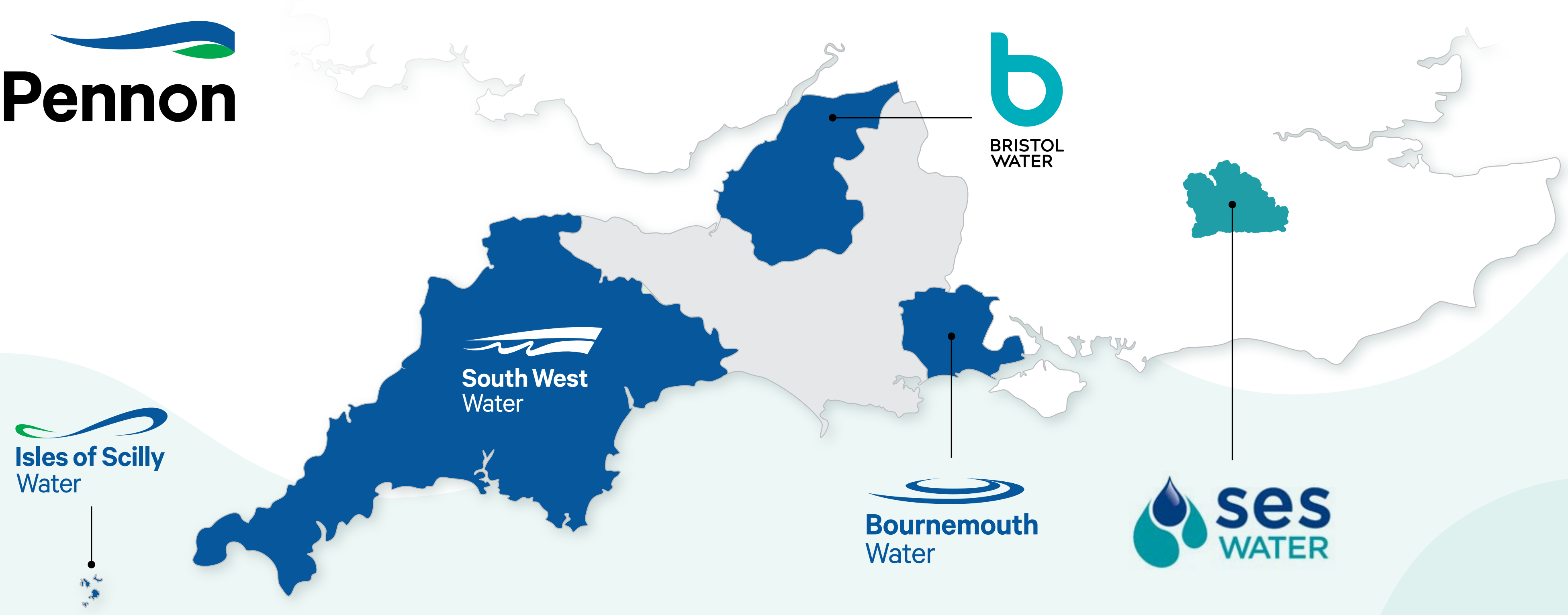
Strong platform secured for the future

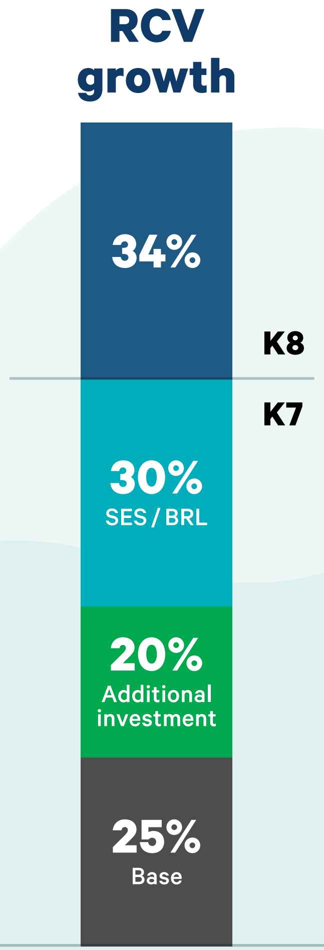
Robust outlook for K8

Appendix

A growing footprint – strong platform for delivery

Pennon





Water retail services

Pennon Water Services[1] + water2business[1] + ses BUSINESS WATER

Renewable energy generation

Pennon POWER

[1] Pennon Water Services – 80:20 joint venture with South Staffs, water2business – 30:70 joint venture with Wessex Water

Bristol Water and SES – acquisitions driving growth

BRISTOL WATER

Acquisition
June 2021

Merger completion
February 2023

c. 1.2m
population served

280m litres
of drinking water per day

Merging our water operations and investment

- Sharing control room capability and incident management practises
- Water resources teams with integrated action plans – WRMP24 submissions managed together
- Water Quality First approach rolled out to Bristol operations
- New capital delivery alliance mobilised across all regions
- Workshops across billing teams, to understand and adopt 'best of both' processes and customer experience

Integrating our systems and processes

- IT programme underway
- Procurement buying power and processes delivering benefits
- Assurance and governance consistently applied – ISO standards and assurance being rolled-out

Targeted c.£20m annualised benefits achieved in 2024/25

ses WATER

Acquisition
January 2024

Merger completion
June 2024

c. 750,000
population served

160m litres
of drinking water per day

Integration ongoing

- Builds on Pennon's existing water operations through the acquisition of another high-quality, water-only business
- Experienced and talented management team and proven integration framework
- SES Water's customers will be offered opportunity to participate in Pennon's unique WaterShare+ customer shareholding scheme
- Incident management support across regions
- Anticipated synergies of c.£11m annualised

SES integration programme ongoing, c.£9m annualised benefits delivered in 2024/25

Outcome Delivery Incentives

Measures	South West Water	Bristol Water	SES Water
Unplanned outage	Industry upper quartile in 2023/24	Met in at least one year in K7	Industry upper quartile in 2023/24
Internal sewer flooding	Industry upper quartile in 2023/24		
Bathing water quality	Industry upper quartile in 2023/24		
Biodiversity	Industry upper quartile in 2023/24	Met in at least one year in K7	Met in at least one year in K7
Water supply interruptions	Met in at least one year in K7	Met in at least one year in K7	Industry upper quartile in 2023/24
Compliance risk index	Met in at least one year in K7	Area of focus	Industry upper quartile in 2023/24
C-MeX	Area of focus	Industry upper quartile in 2023/24	Area of focus
Leakage	Met in at least one year in K7	Met in at least one year in K7	Met in at least one year in K7
Repairs to burst mains	Met in at least one year in K7	Met in at least one year in K7	Met in at least one year in K7
Customer contacts about water quality	Met in at least one year in K7	Met in at least one year in K7	
D-MeX	Met in at least one year in K7	Met in at least one year in K7	Area of focus
External sewer flooding	Met in at least one year in K7		
Sewer collapses	Met in at least one year in K7		
Discharge permit compliance	Met in at least one year in K7		
Serious pollution incidents	Area of focus	Met in at least one year in K7	Met in at least one year in K7
Per Capita Consumption	Met in at least one year in K7	Area of focus	Area of focus
Total pollution incidents	Area of focus		

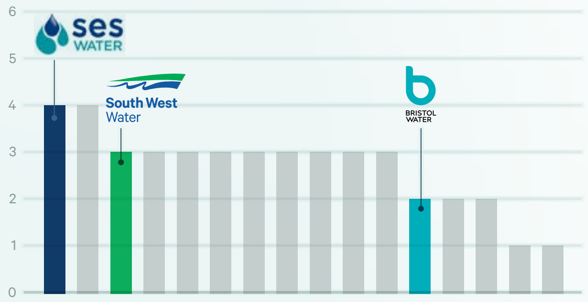
New measures	
Embodied greenhouse gas emissions – bespoke	On track for shadow 2024/25
Operational greenhouse gas emissions (water)	On track for shadow 2024/25
Operational greenhouse gas emissions (wastewater)	On track for shadow 2024/25
River water quality (phosphorus)	On track for shadow 2024/25
Storm overflows	Area of focus
Business demand	On track for shadow 2024/25
BR-MeX	Area of focus

- Met in at least one year in K7
- Industry upper quartile in 2023/24
- On track for shadow 2024/25
- Area of focus

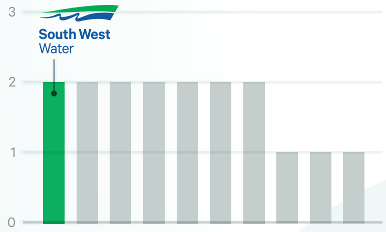
Strong comparative performance in K7

Ofwat 2023/24 Water Company Performance Report[1]

Water performance



Wastewater performance



Upper quartile performance in common ODIs

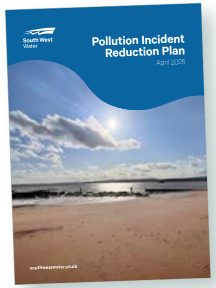
SES Water	Bristol Water	South West Water
• Water quality • Supply interruptions • Unplanned outage	• C-MeX	• Internal sewer flooding • Unplanned outages • Water quality • Bathing water quality • Biodiversity

[1] Number of Water and Wastewater common ODIs achieved by each company in 2023/24, as published by Ofwat in October 2024

South West Water

Pollution Incident Reduction Plan

Our plan revolves around five essential pillars



People & culture
- Increased training and enhanced induction programme
- Sharing best practice

Customer & community engagement
- Customer roadshows
- Public campaigns to tackle wet wipes, fats, oils and grease

Smarter operations
- Enhanced proactive inspections
- Enhanced Storm Preparedness Procedures

Focused capital investment
- Targeted asset upgrades
- Increase network and sewage treatment capacity

Asset information & intelligence
- Enhanced burst detection analytics
- Optimised sewer level monitoring

South West Water

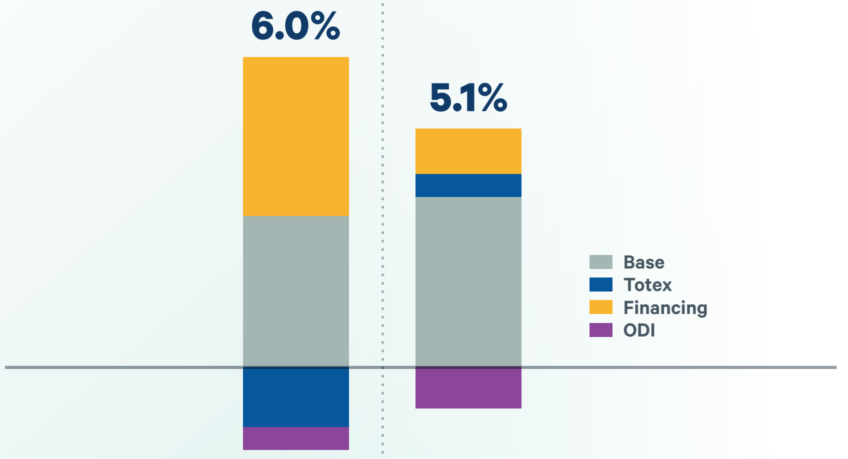
RORE outperformance

Cumulative RORE performance[1] (£m)

SWW & BRL	2020/21	2021/22	2022/23	2023/24	2024/25	Cumulative total
Financials						
Totex	60	33	-80	-73	-80	-140
Financing	14	53	133	55	89	344
ODIs	-12	1[2]	-10	-14	-23	-58
Total	**96**	**94**	**8**	**-38**	**-14**	**146**

- 50% for 2024/25 ODIs impacted by water network issues (including one-off events)

Cumulative WaterShare RORE[3]



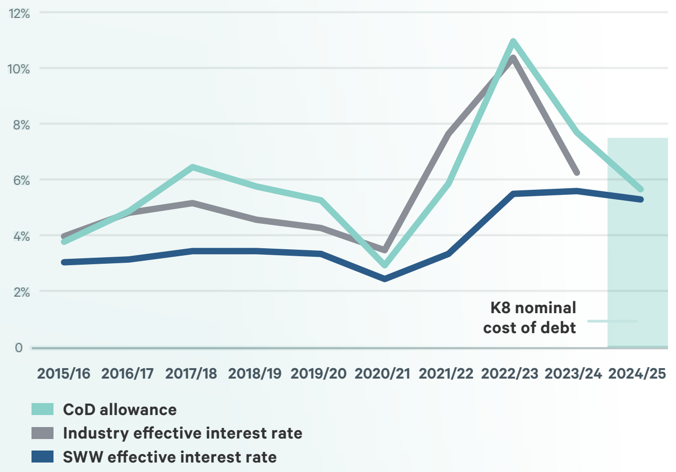
	SWW	BRL	SWW GROUP[4]
Real	**6.0%**	**5.1%**	**5.9%**
Nominal[5]	**10.4%**	**9.6%**	**10.3%**

- SES RORE for 2024/25 4.2%

[1] Including tax impacts and financing true-ups; [2] Excludes the ODI impact of the third-party Carland Cross event in 2021; [3] Real cumulative RORE on underlying totex excluding reinvestment expenditure, financing and ODIs on a notional gearing basis including tax impacts from K7 allowances; [4] Based on South West Water (including Bristol Water); [5] Real RORE plus average K7 inflation of 4.4%

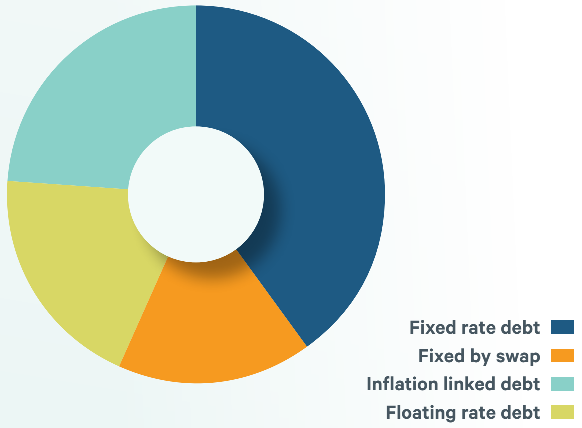
Driving financing outperformance

Efficient & effective financing



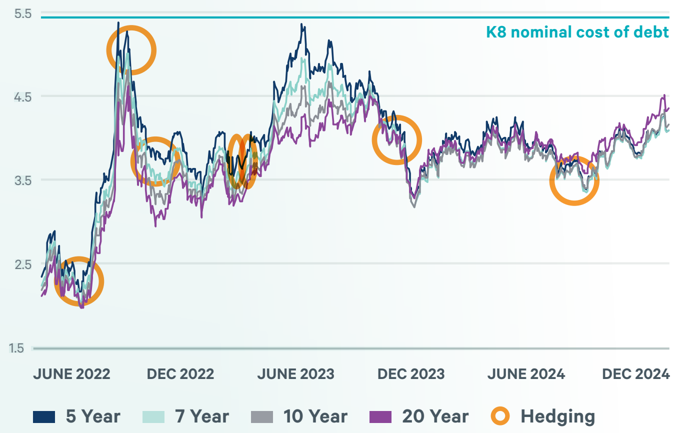
- Historically achieved the lowest effective interest rates in the sector
- c.4.2% RORE outperformance delivered in K7
- Protection mechanism for cost of new debt

Diversified debt portfolio



- Diversified debt portfolio for K8
  - EMTN programme
  - Bilateral agreements
  - Leasing
  - Private placements

Hedging strategy to manage risk



- Hedging policy locks in financing outperformance against Ofwat's allowed cost of debt[1]

[1] Based on cost of debt allowance of 3.15% + 2.3% = 5.45% assumed average inflation over K8. 2024/25 equivalent inflation at 3.2%

Supported by our comprehensive financing package

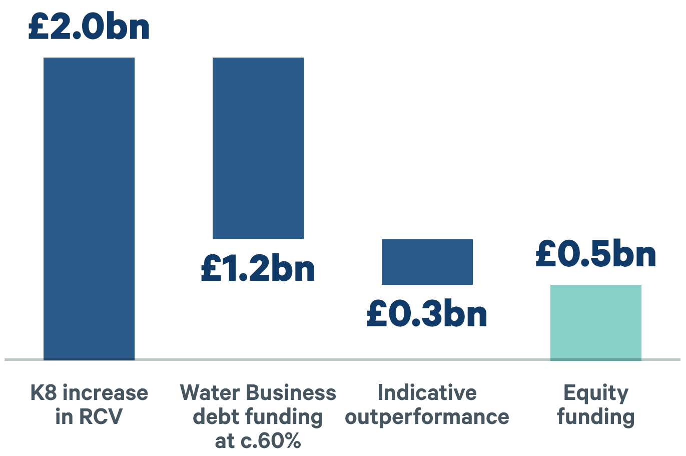
Key pillars of our approach

Portfolio
- Driving an efficient cost base, already targeting £86 million of annual benefits from reshaping the business, and realising acquisition cost synergies
- Pennon Power: remaining investment to be fully debt funded – continuing to review and optimise value

Debt & Gearing
- Anticipated water business gearing for K8 of 60-65%, consistent with our long-term gearing policy of 55-65% debt to RCV – strong investment grade credit rating profile
- Group leverage[1] expected to be a few percentage points higher than the water businesses – unlikely to exceed c.5%
- Flexible and diversified debt portfolio

Equity
- c.£490m Rights Issue
- Approach to funding in line with Ofwat Framework
- WaterShare+ customer shareholders to benefit from Rights Issue via forthcoming top-up issuance

Dividend
- Maintaining the total dividend in absolute terms, dividend per share rebased to reflect the Rights Issue
- Rebased DPS then targeted to grow in line with CPIH to 2030



Prudent and sustainable leverage over K8

[1] Group RCV metric includes estimated value of non-regulated businesses

Flexible funding strategy

Group debt
at 31 March 2025
(£m)

	Gross debt	Net debt
Pennon Group plc	**247.2**	**202.2**
Water Group	**4,107.1**	**3,698.3**
SWW[1]	3,815.9	3,481.7
SES Water	291.2	216.6
Other Group companies	**155.9**	**133.6**
Intercompany borrowing eliminations[2]	(97.9)	(97.9)
Total adjusted Group	**4,412.3**	**3,936.2**
FV & other non cash indebtedness[3]	142.0	142.0
Total Group (statutory basis)	**4,554.3**	**4,078.2**

Funding strategy

- Maintain two strong investment grade credit ratings
- Continued use of our diverse portfolio assessing the best options to support the business and our customers
- New fixed rate debt to align to iBoxx indices
- Updated Sustainable Financing Framework in July 2024

Financing considerations

- £800m raised in FY25
- £2.5bn EMTN programme established for SWW to further diversify portfolio – debut £400m public bond issuance in July 2024, £250m issuance in December 2024
- From March 2025 c.£600m of our K7 interest rate swaps mature reverting to floating rate
- In preparation for K8 over £500m of swaps have been executed to fix our floating rate portfolio
- In addition to our effective interest rate hedging, the short-term RPI-linked swaps issued in 2022 have matured in 2025

[1] Within South West Water Group, South West Water Limited is the guarantor entity for the EMTN programme, net debt for South West Water Limited at 31 March 2025 was £3,560.2m (including a capital injection on the 31 March 2025); [2] Includes Intercompany loans from Pennon Group plc to Pennon Power and Pennon Water Services; [3] Fair value accounting adjustments recognised for acquisitions and adjustment to net debt in relation to the de-designation of a hedging relationship with the 2040 bond which was terminated in 2016 and has been reclassified

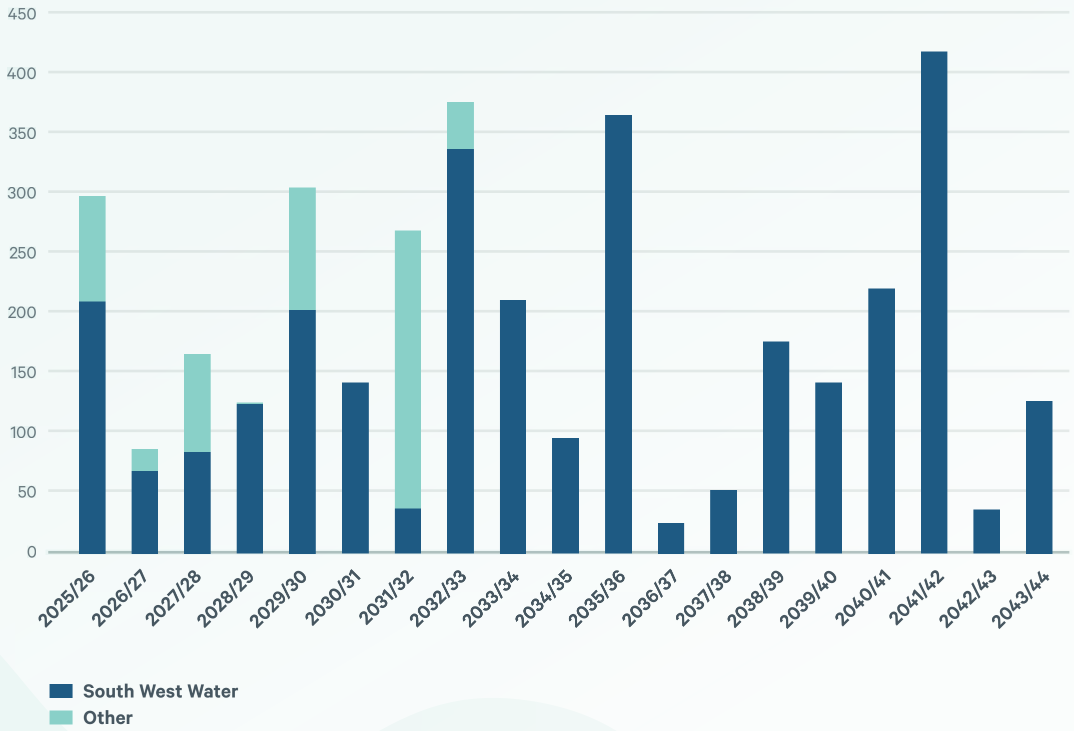
Pennon

Balance sheet – diversified funding portfolio

Balance at 31 March 2025 (£m)	**Pennon Group**	**Pennon** incl. non-regulated	**South West Water**	**SES Water**
Leasing	1,052.2	5.1	1,045.7	1.6
Bank bilaterals	728.3	155.5	547.3	26.5
Index-linked debt (RPI)	1,030.5	90.4	715.1	224.6
Fixed rate bonds	888.9	15.6	870.3	-
Private placements	841.9	145.2	660.2	38.8
Preference shares	12.5	-	12.5	-
Total borrowings	4,554.3	411.8	3,851.1	291.5
Less: cash/liquid investments	(476.1)	(67.3)	(334.2)	(74.6)
Net borrowings	**4,078.2**	**344.5**	**3,516.9**	**216.9**

Debt maturity profile

Group debt maturity profile
(£m)



Liquidity position

- At 31 March 2025, Pennon Group had access to undrawn committed funds and cash and cash deposits totalling c.£977.9m, including cash and other short-term deposits of £417.9m and c.£560m of undrawn facilities.
- In 2024/25 we have raised c.£800m for South West Water.
- South West Water's gross debt at 31 March 2025 was £3,815.9m. The debt has a maturity profile of up to 32 years.
- Weighted average maturity of 14 years.

Pennon Net debt movements

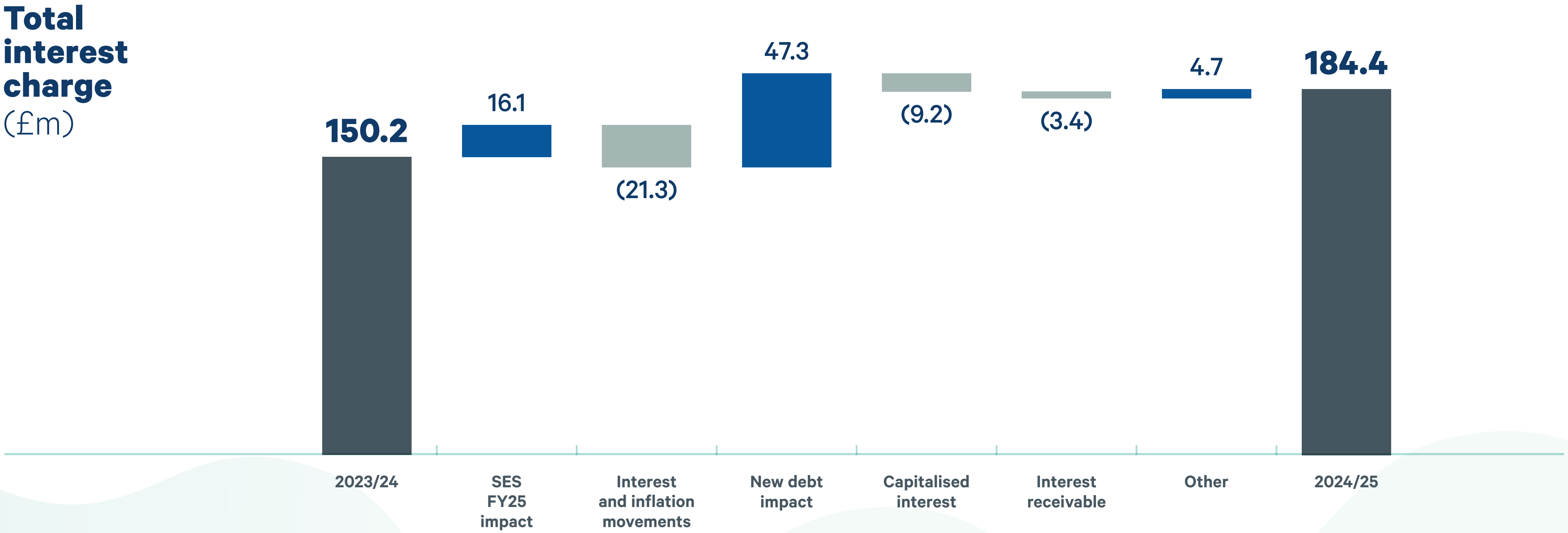
Pennon Group – summarised net debt flow (£m)	**2024/25 flows**	**2023/24 flows**
Net debt excluding fair value uplifts 1 April	*(3,684.8)*	*(2,841.4)*
Opening balance 1 April (restated)	**(3,844.8)**	**(2,965.4)**
Cash generated from operations	233.6	261.7
Corporation tax received	3.0	3.4
Net interest paid	(132.0)	(109.1)
Capital investment	(666.7)	(598.1)
Proceeds from Rights Issue[1]	491.0	(62.7)
Share Issue transaction costs	(15.4)	(361.4)
Ordinary dividends paid	(126.9)	175.7
Non-cash index-linked accretion	(33.4)	(111.7)
Other movements	13.4	(46.8)
Closing balance 31 March excluding other non-cash indebtedness	**(4,078.2)**	**(3,810.5)**
Net debt excluding fair value uplifts 31 March	*(3,936.2)*[2]	*(3,684.8)*

[1] £491m 2024/25 raised offset by £15.4m transaction and advisory fees; [2] Carrying value of fair value adjustments to debt as at 31 March 2025 – £29.3m Bournemouth Water, £71.0m Bristol Water and £9.5m SES

Pennon

Financing costs

- Full year impact of SES
- Reduction in inflation and rates offset by new debt to fund the ongoing investment programme
- SWW effective interest rate 5.4%



South West Water

Net interest analysis

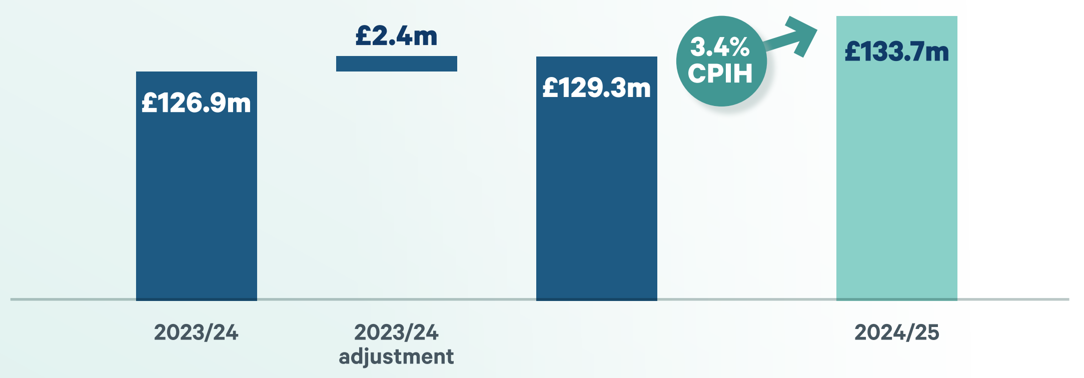
(£m unless otherwise stated)	2024/25	2023/24
Underlying net interest charge	**(170.6)**	**(155.5)**
Less: pensions net interest	(1.1)	(1.4)
Non-debt related interest	(23.1)	(14.1)
Add: capitalised interest	4.5	-
Net interest for average rate calculation	**(190.3)**	**(171.0)**
Split between:		
Interest payable	(175.0)	(161.8)
Capitalised interest payable	(23.1)	(14.1)
Other finance income	7.8	4.9
Net interest payable	**(190.3)**	**(171.0)**
Effective interest rate (%)[1]	5.4%	5.6%

[1] A measure of the mean average interest rate payable on net debt associated with South West Water Limited's group of companies, which excludes interest costs not directly associated with net debt

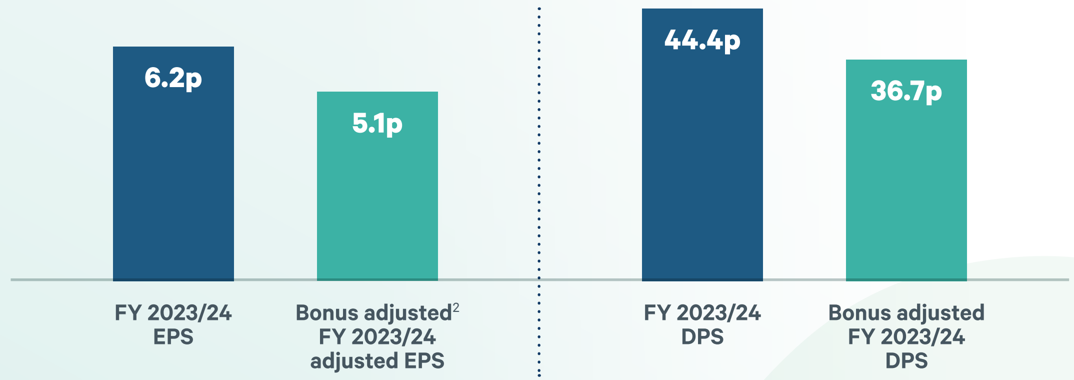
Pennon

Impact of the Rights Issue on EPS and DPS

Dividend (£m)



Impact on reported FY 2023/24 historical per share figures



Combined impact on Dividend Per Share