

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Severn Trent Plc Trading Update and Final Determination

Severn Trent Plc today announces the following trading update for the period to 23 January 2025, together with its acceptance of Severn Trent Water's PR24 Final Determination and AMP8¹ Dividend Policy.

On track to deliver a strong AMP7

Financial performance for the year remains on track and we expect to perform in line with guidance, which includes delivering a net ODI² reward in year of over £100 million pre-customer-sharing in FY17/18 prices. This would bring our total net ODI reward in AMP7 to around £420 million in nominal prices (post-customer sharing), reflecting consistent sector-leading performance.

PR24 Final Determination

Following a detailed review and consideration of a broad range of stakeholders, including customers, colleagues and investors, the Board of Severn Trent Water Limited is pleased to accept the Final Determination for the period 2025-2030, as published on 19 December 2024.

Our totex allowance of £14.9 billion will generate real RCV growth³ of 45% and allow us to deliver significant progress on the environment and customer service, including:

- Delivering the industry's fastest and most ambitious spills reduction programme, as we aim to halve spills by 2030 and strive towards global best practice;
- Reducing pollutions by a further 30%;
- Delivering a further 16% reduction in leakage and replacing around 1,400km of water mains;
- Supporting growth in the region through investment in 70 waste treatment works; and
- Achieving operational Net Zero by 2030.

We will deliver this step change in investment while maintaining the second lowest bill in England and supporting around 1 in 6 customers with their bills through a £575 million affordability package. We will be able to make this investment with extensive regulatory mechanisms in place which offer protection to both customers and investors.

AMP8 Dividend Policy

The Severn Trent Plc Board has reviewed the Final Determination alongside current performance. Having considered the impacts on all stakeholders, including the many retail shareholders who rely on dividend income in return for their investment, the Board is pleased to announce that the Dividend Policy for AMP8 will be annual growth of CPIH. Based on the FY24/25 dividend of 121.71p, as guided, the dividend for FY25/26 is therefore anticipated to be 126.02p, using November 2024 CPIH.

Further Information

A recording of our Final Determination presentation and Q&A is available on our website (www.severntrent.com), and we look forward to sharing more detail on our future plans at our Capital Markets Day in Coventry on 5 March 2025.

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 determination may be subject to further clarification or verification by Severn Trent or Ofwat. 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 profit forecast.

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