

Osprey Acquisitions Limited; Anglian Water (Osprey) Financing Plc; Anglian Water Services Financing Plc

Osprey Acquisitions Limited's (OAL) ratings reflect the company's announced equity plan, which Fitch Ratings believes is sufficient to reduce net debt/regulated capital value (RCV) to below its negative sensitivity of 75% within the current five-year price control ending in FY30 (AMP8, year-end March). The equity received to date underlines ongoing shareholder support.

We expect the remaining equity amount to reflect operating performance and higher investment requirements under Ofwat's cost-change reopeners. Failure by shareholders to inject, or publicly commit to inject, sufficient equity would result in a downgrade.

Anglian Water Services Financing Plc's (AWSF) rating reflects its strong net debt/RCV headroom and cash and nominal post-maintenance interest coverage ratios (PMICRs) exceeding their positive sensitivities.

Key Rating Drivers

Announced Equity Drives Revised Outlook: The Outlook revision follows the announcement of the required equity profile at the OAL consolidated group, alongside a commitment to reducing net debt/RCV at OAL to below 75%. We forecast that about GBP400 million additional fresh equity over FY27-FY30 will be needed to reduce net debt/RCV below 75%, net of dividends from OAL to Holdco, which compares favourably to the announced equity profile.

Sector Risk Remains: Business risk remains moderately higher in AMP8 than for previous price controls, due to heightened environmental risk, increasing public scrutiny, and higher clawback risk, which is linked to the price control deliverables mechanism. The water sector is at a critical turning point. The Cunliffe Review recommendations, Water White Paper, and a forthcoming transition plan - expected in 2026 - introduce considerable additional uncertainty. The regulatory environment remains the most important building block in our analysis in defining sector debt capacity at a given rating.

We expect multiple iterations of the transition plan, which is designed to facilitate a handover from Ofwat to a new regulator towards end-AMP8. Major questions remain around execution, most critically, how responsibility can be transferred to a single regulator smoothly to sustain investment into AMP9.

Positive Outcome from CMA Appeal: Opco AWS received an improvement to Ofwat's final determination from its CMA appeal, including a 2.4% net totex increase which, alongside an improved weighted average cost of capital and reduced frontier shift efficiency, drives a GBP152 million allowed revenue rise across the AMP. The CMA also included an additional GBP184 million gated allowances to support the relocation of the Cambridge wastewater treatment plant. AWS benefited from changes to the outcome delivery incentives (ODI) framework, with forecast AMP8 cash ODI penalties reducing to GBP170 million from GBP267 million.

Fines Treated as Unfunded Capex: In FY26, AWS was ordered by Ofwat to undertake GBP63 million self-funded network improvements mostly to remove, attenuate or optimise wastewater flows. Fitch views such capex as not available for debt service, therefore weakening AWS's PMICRs. However, we view the mandatory investment in the network as more beneficial to the business over the long term than a pure cash fine. The sector continues to face a heightened risk of fines for operational and environmental underperformance, and our forecast includes an additional GBP22 million fines.

Regulatory Reopeners Assumed: AWS is seeking additional GBP345 million capex funding through Ofwat's cost change process, which allows companies to apply for an increase their totex allowances, provided the additional spend is a critical cost. If approved, most of this spend will be added to the asset base rather than recovered on a pay-as-you-go basis, therefore increasing AWS's funding requirement and negatively affecting PMICRs in the near term while being fairly neutral to net debt/RCV. Fitch assumes that this request will be approved by Ofwat and includes the additional capex in its rating case.

Strong Gearing Headroom for AWS: Fitch forecasts adequate net debt/RCV rating headroom for AWS against its 70% negative sensitivity. We forecast net debt/RCV to decline to 65% by end-AMP8, from 70% at FYE26. This is driven by intercompany funding from OAL and fresh equity during AMP8. We expect OAL's gearing to gradually decrease across AMP8 as equity is injected into the group.

Strong PMICR Headroom: We forecast average cash PMICR of 2.0x and nominal PMICR of 1.9x for AWS in AMP8, above our negative sensitivities of 1.5x and 1.8x, respectively. The cash PMICR's greater headroom reflects Fitch's assumption of a growing share of AWS's inflation-linked (IL) debt to 70% from about 60% over the AMP affecting nominal interest costs, which are captured in nominal PMICR. Our ratios assume an average cost of new debt at AWS of 6.2% across AMP8, slightly better than the sector average.

Weak Dividend Coverage Capacity: We forecast AWS dividends to cover OAL's interest costs - including that of holdco Aigrette Financing Limited - by 0.8x on average during AMP8, with the rest of debt service above opco being serviced with equity and new debt issuance. However, AWS retains net debt/RCV headroom to upstream additional dividends, supporting dividend coverage capacity and providing management with levers to maintain coverage above 1.8x.

Standalone Assessment under PSL: Fitch rates AWS and OAL on a standalone basis by applying the stronger subsidiary/weaker parent approach under its Parent and Subsidiary Linkage (PSL) Criteria. This reflects 'insulated' legal ring-fencing, highlighted by a well-defined contractual framework, and tight financial controls imposed by Ofwat and designed to support AWS's financial profile. We view access and control as overall 'porous' as AWS operates with separate cash management and uses a mixture of external and intercompany funding.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

AWS

- Adjusted total net debt/RCV above 70%, cash PMICR below 1.5x or nominal PMICR below 1.8x
- Deterioration in operational and environmental performance, resulting in financial penalties and fines that exceed Fitch's rating case
- Lower-than-expected equity support or a more aggressive financial policy

OAL

- Failure to provide sufficient equity throughout AMP8 to achieve adjusted total net debt/RCV below 75% by the end of AMP8, or a change in the publicly announced financial policy to reduce gearing to that level
- Adjusted dividend capacity cover (including midco and holdco interest) below 1.8x

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

AWS

- Adjusted total net debt/RCV below 65%, combined with cash PMICR above 1.7x and nominal PMICR above 1.9x

OAL

- Adjusted total net debt/RCV falling below 71%, alongside adjusted dividend capacity cover (including midco and holdco interest) exceeding 2.5x

Issuer Profile

AWS is an Ofwat-regulated regional monopoly providing water and wastewater services in the east of England and Hartlepool with an RCV of GBP11.2 billion at FYE25. We forecast this to increase to about GBP17.7 billion by the end of AMP8.

Financial Summary

Anglian Water Services Ltd

(GBPm)	2026	2027F	2028F	2029F	2030F
EBITDA	982	1,128	1,280	1,446	1,638
Cash PMICR (x)	1,5	1,7	2,1	2,2	2,4
Nominal PMICR (x)	1,6	1,7	2,0	2,0	2,2
Net Debt/RCV (%)	70%	70%	65%	66%	65%

Source: Fitch Ratings, Fitch Solutions

Osprey Acquisitions Limited

(GBPm)	2026	2027F	2028F	2029F	2030F
Net Debt/RCV (%)	77%	78%	76%	75%	74%

^a Includes debt service for both OAL and Aigrette Financing Limited
Source: Fitch Ratings, Fitch Solutions

Corporate Rating Tool Inputs and Scores

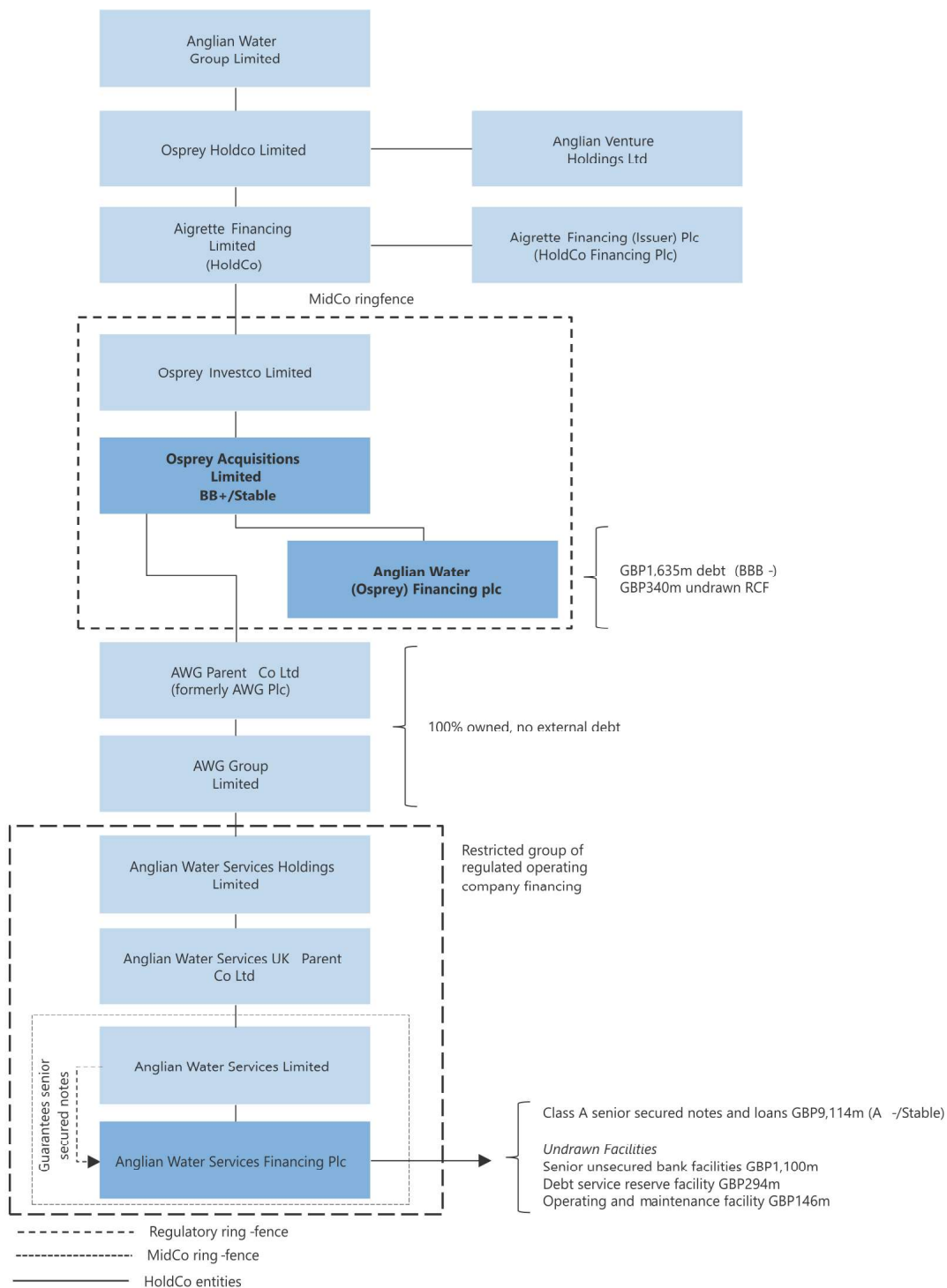
Fitch scored OAL as follows, using its Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

- Business and financial profile factors (assessment, relative importance): management ('bbb', Lower), sector characteristics ('bbb', Higher), market and competitive positioning ('bbb+', Moderate), diversification and asset quality ('bbb+', Lower), company operational characteristics ('bb+', Moderate), profitability ('bb', Moderate), financial structure ('bbb-', Higher), and financial flexibility ('bb-', Moderate).
- The quantitative financial subfactors are based on custom CRT financial period parameters:
- The governance assessment of 'good' has no impact.
- The operating environment assessment of 'aa-' has no impact.
- The calibration adjustment applies and results in an adjustment of -1 notch.
- The SCP is 'bb+'.

To derive the Long-Term IDR:

- Application of Fitch's Parent Subsidiary Linkage Rating Criteria results in a standalone approach.

Simplified Group Structure Diagram



Source: Fitch Ratings, Company - Anglian Water Services Financing Plc and Anglian Water (Osprey) Financing Plc as at 31 March 2026

Ratings Navigator

EMEA Regulated Network Utilities - OAL

	Business Profile					Financial Profile			Standalone Credit Profile	Foreign Currency LT Issuer Default Rating
	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility		
aaa									aaa	AAA
aa+									aa+	AA+
aa									aa	AA
aa-									aa-	AA-
a+									a+	A+
a									a	A
a-									a-	A
bbb+									bbb+	BBB+
bbb									bbb	BBB
bbb-									bbb-	BBB-
bb+									bb+	BB+ Sta
bb									bb	BB
bb-									bb-	BB-
b+									b+	B+
b									b	B
b-									b-	B-
ccc+									ccc+	CCC+
ccc									ccc	CCC
ccc-									ccc-	CCC-
cc									cc	CC
c									c	C
d or rd									d or rd	D or RD

Factor Outlook

■ Stable
 ◆ Evolving
 ▲ Positive
 ▼ Negative
 ■ Lower
 ■ Moderate
 ■ Higher

Relative Importance

Additional Adjustments to the Standalone Credit Profile

	Assessment	Impact
Weakest link considerations	Not applied	0
Additional sector considerations	Not applied	0
B+ to CC considerations	Not applied	0
Governance	Good	0
Operating environment	aa-	0
Other risk elements	Not applied	0
Calibration	Applied	-1
Standalone Credit Profile		bb+
Parent subsidiary linkage	Standalone	BB+
Government related entities	Not applied	—
Other criteria considerations	Not applied	0
Country Ceiling considerations	Not applied	0

Factor/Subfactor	Score/Outlook/Importance	Description
Management	bbb/stable/lower	
Risk tolerance	bbb/moderate	Management committed to conservative risk profile. Only modest/short-term deviations from strategy allowed.
Management strategy	bbb/moderate	Good track record of implementing coherent and stable strategy.
Management quality	bbb/moderate	Experienced management or proven track record. Management composition is broadly stable. No evidence of material risk management weaknesses.

Factor/Subfactor	Score/Outlook/Importance	Description
Sector characteristics	bbb/stable/higher	
Regulatory risk	bbb/higher	Less transparent frameworks, with emerging track record and multi-year tariffs; exposed to political risk. Medium-term predictability.
Licensing, ring-fencing, concessioning	bbb/higher	Less demanding licensing and ring-fencing provisions; moderate concession renewal risk.
Cost and investment recovery	a/moderate	Tariff setting with challenge mechanisms that may marginally limit cost and investment recovery, with little regulatory lag.
Volume and price risk	a/moderate	High insulation from price and volume risk, little revenue under-recovery.

Factor/Subfactor	Score/Outlook/Importance	Description
Market and competitive positioning	bbb+/stable/moderate	
Market positioning	bbb/moderate	Local or regional monopoly asset owners, regional monopoly asset operators.
Non-regulated earnings (%)	a/moderate	up to 10%

Factor/Subfactor	Score/Outlook/Importance	Description
Diversification and asset quality	bbb+/stable/lower	
Asset diversification	bbb/moderate	Limited diversification by geography without regulatory diversification; regional utility.
Critical mass	a/moderate	Critical mass in one regulated asset; does not affect efficiency of operations (cost base, customer base, key personnel).
Asset quality	bbb/moderate	Mid-range asset quality not affecting opex and capex requirements compared with peers.
Residual life	bbb/moderate	The residual life of regulatory assets is in line with sector average.

Factor/Subfactor	Score/Outlook/Importance	Description
Company operational characteristics	bb+/stable/moderate	
Performance measures	bb/moderate	Underperformance on key measures with financial and/or legal implications.
Counterparty risk	bbb/moderate	Medium counterparty risk; medium collection rates for water suppliers. Some exposure to cyclical industries and/or customers.

Factor/Subfactor	Score/Outlook/Importance	Description
Profitability	bb/stable/moderate	
Return on capital	bbb/moderate	Return on capital comparable with the regulatory benchmark.
Volatility of profitability	b/moderate	Stability and predictability of profit negative outliers relative to utility peers.
Investment cycle	bbb/moderate	Investment cycle position and dividend policy contributing to negative free cash flow. Moderate flexibility in smoothing capex plans.

Factor/Subfactor	Score/Outlook/Importance	Description
Financial structure	bbb-/stable/higher	
FFO leverage (x)	n.a./n.a.	Subfactor not relevant to the issuer.
FFO net leverage (x)	n.a./n.a.	Subfactor not relevant to the issuer.
Adjusted net debt/asset base (or regulated asset base) (%)	bbb-/moderate	70.0
Cash PMICR (x)	n.a./n.a.	Subfactor not relevant to the issuer.
Nominal PMICR (x)	n.a./n.a.	Subfactor not relevant to the issuer.

Factor/Subfactor	Score/Outlook/Importance	Description
Financial flexibility	bb-/stable/moderate	
Financial access	bb/moderate	Unequivocal access through the cycle to: Local financial markets with FMD of 'bb', or International financial markets with (primarily) FMD of 'bb'. If the issuer is an infrequent / untested issuer, the issuer must be very likely to be able to freely access these markets through the cycle. Alternatively, limited access to international financial markets of 'bbb' and above.
Liquidity	bb-/higher	Liquidity ratio around 1.0x. Less smooth debt maturity or concentrated funding.
FFO interest coverage (x)	n.a./n.a.	Subfactor not relevant to the issuer.
FX exposure	aa/lower	No material FX mismatch.
Dividend cover (x)	b-/moderate	1.8

Factor/Subfactor	Score/Outlook/Importance	Description
Governance	Good/—/—	
Ownership and decision-making concentration	Good/moderate	No concentration in ownership and/or decision-making. Presence of effective checks and balances. Key person risk is immaterial. Decision-making is defensible from a governance perspective.
Group structure transparency and contagion risk	Some deficiencies/moderate	Some complexity in the rated group structure. Material related party transactions present but with some concerns about transparency or economic rationale. Extent of contagion risk unclear.
Information quality/transparency	Good/moderate	Timely and good provision of financial and operational information, facilitating the analysis of the credit profile.

Parent Subsidiary Linkage Analysis

Key Risk Factors and Notching Approach

Parent	Osprey Acquisitions Limited
Parent LT IDR	BB+
Subsidiary	Anglian Water Services Ltd
Subsidiary LT IDR	N/A
Path	Stronger Subsidiary
Legal ring-fencing	Insulated
Access and control	Porous
Notching matrix outcome	Standalone
Override applied	No
Notching approach	—
LT IDR – Long-Term Issuer Default Rating Source: Fitch Ratings	

Stronger Subsidiary Notching Matrix

Access and control	Open	Porous	Insulated
With open ring-fencing	Consolidated	Consolidated+1	Consolidated+2 ^b
With porous ring-fencing	Consolidated+1	Consolidated+2 ^b	Consolidated+2 ^b
With insulated ring-fencing	^a	Standalone	Standalone

^aIt is unlikely that considerations for "insulated" legal ring-fencing would coexist with the conditions outlined under "open" for access and control. It is more likely that other factors relevant to legal ring-fencing or access and control, but not within this table, would move either one, or both, of the individual Linkage Factor Assessments (LFAs) to a "porous" level that would lead to a consolidated+1, consolidated+2 or standalone outcome. ^bNotching is capped at the subsidiary's Standalone Credit Profile.

Source: Fitch Ratings

Fitch's Key Rating-Case Assumptions

- CMA's FD financial model used as the principal source of information
- Neutral totex performance with GBP200 million regulatory reopeners for AWS and approved by Ofwat
- Net cash ODI penalties of GBP170 million in FY26-FY30
- Fines totalling GBP85 million from the Environmental Agency or Ofwat
- Nominal cost of new debt averaging 6.2% at AWS and 7.7% at OAL
- CPIH averaging 3% (starting at 3.7% in FY27 and decreasing to 2.4% by FY30). RPI averaging 3.3% (starting at 3.9% in FY27 and trending down to 2.4% by FY30)
- Fresh equity injection into OAL group of companies to meet the 75% net debt/RCV negative rating sensitivity. Based on our current estimates, this would be about GBP710 million during AMP8 (net of dividends from OAL to Holdco)
- Equity from OAL to AWS totalling GBP1.4 billion over AMP8
- Dividends from AWS to OAL averaging about GBP110 million a year over AMP8
- No cash tax payments

Liquidity and Debt Structure

As of FY26, AWS had about GBP709 million cash and cash equivalents (after restricted cash of GBP40 million) and an undrawn committed facilities of GBP1.1 billion to finance working capital and capex requirements. Fitch expects AWS to access debt markets within the next 12 months to address debt maturities and negative free cash flow (FCF) totalling about GBP1.3 billion.

In addition, AWS benefits from a committed undrawn debt service reserve liquidity facility of GBP294 million, sized to cover 12 months of interest payments (including hedge payments), and an operating expenses and maintenance capex facility of GBP146 million. The facilities are only available on trigger events.

As of FY26, OAL had about GBP795 million unrestricted cash and cash equivalents and a GBP340 million undrawn revolving credit bank facilities. OAL is fully reliant on dividends from AWS for its cash flow, including for debt service and head office operational costs. We expect OAL to have sufficient liquidity to service negative free cash flow in 2027.

Liquidity and Debt Maturities

Anglian Water Services Ltd.

Liquidity Analysis

(GBPm)	2027F	2028F	2029F
Available liquidity			
Beginning cash balance	709	-639	-2,156
Rating case FCF after acquisitions and divestitures	-965	-973	-983
Total available liquidity (A)	-256	-1,612	-3,139
Liquidity uses			
Debt maturities	-383	-544	-248
Total liquidity uses (B)	-383	-544	-248
Liquidity calculation			
Ending cash balance (A+B)	-639	-2,156	-3,388
Revolver availability	1,100	1,100	1,100
Ending liquidity	461	-1,056	-2,288
Liquidity score (x)	2.2	-0.9	-8.2

Source: Fitch Ratings, Fitch Solutions, Osprey Acquisitions Limited

Scheduled Debt Maturities

(GBPm)	31 Mar 2026
2027	383
2028	544
2029	248
2030	571
2031	300
Thereafter	6,999
Total	9,046

Source: Fitch Ratings, Fitch Solutions, Anglian Water Services Ltd.

Osprey Acquisitions Limited

Liquidity Analysis

(GBPm)	2027F	2028F	2029F
Available liquidity			
Beginning cash balance	795	606	-88
Rating case FCF after acquisitions and divestitures	-189	-564	54
Total available liquidity (A)	606	42	-35
Liquidity uses			
Debt maturities	—	-130	-405
Total liquidity uses (B)	—	-130	-405
Liquidity calculation			
Ending cash balance (A+B)	606	-88	-440
Revolver availability	340	340	340
Ending liquidity	946	252	-100
Liquidity score (x)	Not meaningful	2.9	0.8
Source: Fitch Ratings, Fitch Solutions, Osprey Acquisitions Limited			

Scheduled Debt Maturities

(GBPm)	31 Mar 2026
2027	—
2028	130
2029	405
2030	—
2031	—
Thereafter	1,100
Total	1,635
Source: Fitch Ratings, Fitch Solutions, Osprey Acquisitions Limited	

Financial Data

Anglian Water and Osprey AMP8 – Fitch Forecasts

(GBPm)	Notes and formulas	FY26F	FY27F	FY28F	FY29F	FY30F
Post-maintenance cash flow						
Regulated EBITDA		1,020	1,156	1,278	1,469	1,661
Cash ODI rewards/(penalties) (nominal)		(50)	(40)	(10)	(35)	(35)
Non-appointed EBITDA		12	12	12	12	12
Fitch EBITDA		982	1,128	1,280	1,446	1,638
Regulatory depreciation		(503)	(542)	(602)	(668)	(728)

Environment Agency and Ofwat fines		(17)	(17)	(17)	(17)	(17)
Cash interest received		32	4	4	4	3
Cash tax		-	-	-	-	-
Pension deficit repair		(2)	(30)	0	0	0
Post-maintenance cash flow	(a)	492	541	664	765	897
Cash interest paid	(b)	(313)	(313)	(317)	(350)	(366)
Accretion on swaps	(c)	(9)	(7)	(7)	(7)	(5)
Cash PMICR (x)	a/(b+c)	1.5	1.7	2.1	2.1	2.4
Indexation of debt	(d)	(231)	(203)	(192)	(225)	(239)
RCV yoy indexation	(e)	389	335	327	362	399
Nominal PMICR (x)	(a+e)/(b+d)	1.6	1.7	1.9	2.0	2.1

Net debt to RCV

Fitch net debt	(a)	8,575	9,594	9,862	10,982	11,642
Fitch RCV	(b)	12,243	13,614	15,085	16,639	17,896
Net debt to RCV (%)	a/b	70	70	65	66	65
OAL net Debt	(c)	860	1,049	1,613	1,559	1,670
OAL net debt to RCV (%)	(a+c)/b	77	78	76	75	74

Other financial data (AWS)

CPIH forecast (%)		2.7	2.4	2.4	2.4
FCF positive/(negative) funded by debt		(817)	(75)	(895)	(422)
Totex over/(under)performance		-	-	-	-
Refinancing needs		383	544	248	571
Average cost of new debt per year (%)		6.6	6.4	6.1	5.9
Dividends		(120)	(120)	(120)	(120)
Equity		150	900	90	130
Rating sensitivities (AWS)			Negative	Positive	AWS
Closing net debt to RCV (%)			70	65	65
Average cash PMICR (x)			1,5	1,7	2,0
Average nominal PMICR (x)			1,8	1,9	1,9
Rating sensitivities (OAL)			Negative	Positive	OAL
Closing net debt to RCV (%)			75	71	74

Source: Fitch Ratings, Fitch Solutions, Ofwat, companies

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Summary of Financial Adjustments

- Statutory cash interest reconciled with investor reports
- Statutory total debt reconciled with investor reports
- Capex and EBITDA net of grants and contributions
- Cash PMICRs adjusted to include 50% of the accretion charge on IL swaps with five-year paydowns, and 100% of the accretion charge on inflation-linked swaps with less than five-year paydowns

Fitch Adjusted Financials

Reconciliation of Key Financial Metrics for Anglian Water Limited and Osprey Acquisitions Limited

(GBPm)	Notes and formulas	31 Mar 2026
Post-maintenance cash flow		
Fitch EBITDA		982
Regulatory depreciation		-503
Interest received		32
Cash tax		0
Environment Agency and Ofwat fines		-17
Pension deficit repair		-2
Post-maintenance cash flow	(a)	492
Cash interest paid	(b)	313
Accretion on index-linked swaps	(c)	9
Cash PMICR (x)	a/(b+c)	1.5
Indexation of debt	(d)	231
RCV yoy indexation	(e)	389
Nominal PMICR (x)	(a+d)/(b+c)	1.6
Net debt to RCV		
Interest bearing loans and borrowing	(a)	9,283
Cash and equivalents (unrestricted)	(b)	-709
Pension adjustment	(c)	0
Net debt	a+c+d-b	8,575

RCV	(e)	12,243
Net debt to RCV (%)	(a+c+d-b)/e	70
OAL net debt		9,434
OAL net debt to RCV (%)	(a+c+d-b)/e	77

Source: Fitch Ratings, Fitch Solutions, Ofwat, companies data

Peer Analysis

AWSF's senior secured debt (A-/Stable) is higher than Yorkshire Water Services Finance Limited's (YWS) senior secured debt rating of 'BBB+'/Stable. This is due to YWS's debt rating not benefitting from a one-notch uplift for sector-specific recovery, as a result of its large super senior mark-to-market (MtM) liabilities above 10% of its RCV.

AWSF's class A debt rating is two notches above SW (Finance) I PLC's (Southern Water) class A debt rating of 'BBB'/Stable. Similar to YWS, Southern Water also has substantial super senior MtM liabilities and does not benefit from the sector-specific recovery uplift. Combined with higher leverage, this results in lower rating than AWSF.

Navigator Peer Comparison

Issuer				Business profile (Score/Relative Importance)						Financial profile (Score/Relative Importance)						
Name	IDR/Outlook	Management	Sector Characteristics		Market and Competitive Positioning		Diversification and Asset Quality		Company Operational Characteristics		Profitability		Financial Structure		Financial Flexibility	
Osprey Acquisitions Limited	BB+/Stable	bbb		bbb		bbb+		bbb+		bb+		bb		bbb-		bb-
Severn Trent PLC	BBB/Stable	bbb		bbb		bbb+		bbb+		a-		bbb		bbb		bbb+
United Utilities PLC	BBB/Stable	bbb		bbb		bbb+		bbb+		a-		bbb		a-		bbb+
Wessex Water Limited	BBB-/Stable	bbb		bbb		bbb+		bbb+		bbb		bbb-		bbb		bbb+

Issuer		Business profile (Score/Outlook)					Financial profile (Score/Outlook)		
Name	IDR/Outlook	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility
Osprey Acquisitions Limited	BB+/Stable	bbb	bbb	bbb+	bbb+	bb+	bb	bbb-	bb-
Severn Trent PLC	BBB/Stable	bbb	bbb	bbb+	bbb+	a-	bbb	bbb	bbb+
United Utilities PLC	BBB/Stable	bbb	bbb	bbb+	bbb+	a-	bbb	a-	bbb+
Wessex Water Limited	BBB-/Stable	bbb	bbb	bbb+	bbb+	bbb	bbb-	bbb	bb+

Peer Financial Summary

Company	Senior Class A Debt Rating	Financial statement date	EBITDA (GBP Millions)	Total Interest (GBP Millions)	Cash PMICR (x)	Nominal PMICR (x)	Net Debt / RCV (%)
Anglian Water Services Ltd.	A- ^a						
		2030F	1,638	602	2.4	2.2	65
		2029F	1,446	572	2.2	2.0	66
		2028F	1,280	507	2.1	2.0	65
		2027F	1,128	513	1.7	1.7	70
		2026	982	545	1.5	1.6	70
Dwr Cymru Cyfyngedig	A- ^b						
		2030F	880	378	1.4	1.8	63
		2029F	809	384	1.3	1.7	64
		2028F	753	344	1.5	1.8	64
		2027F	697	332	1.5	1.7	63
		2026F	638	297	1.9	1.9	63
Yorkshire Water Services Limited	BBB+ ^c						

		2030F	1,218	504	1.7	1.8	70
		2029F	1,167	490	1.7	1.8	71
		2028F	1,082	436	1.9	1.9	71
		2027F	976	380	2.0	1.9	71
		2026F	888	357	2.0	2.0	77
Affinity Water Limited	BBB+ ^d						
		2030F	239	93	2.0	2.0	72
		2029F	225	95	1.9	1.9	73
		2028F	212	85	2.1	2.1	73
		2027F	197	91	2.1	1.8	72
		2026F	176	84	2.3	1.9	71
Southern Water Services Limited	BBB ^e						
		2030F	1,220	553	1.5	1.7	67
		2029F	1,084	516	1.4	1.6	68
		2028F	923	517	1.3	1.5	71
		2027F	816	470	1.3	1.6	69
		2026	685	360	1.4	1.8	70

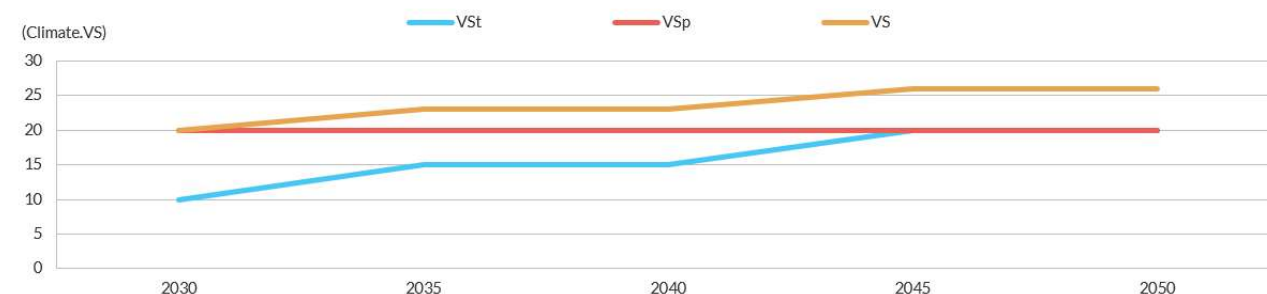
^a Rated under Anglian Water Services Financing Plc. ^b Rated under Dwr Cymru (Financing) UK Plc. ^c Rated under Yorkshire Water Services Finance Limited and Yorkshire Water Finance Plc. ^d Rated under Affinity Water Finance Plc and Affinity Water Finance (2004) Plc. ^e Rated under SW (Finance) I Plc.
Source: Fitch Ratings, Fitch Solutions, Ofwat, companies data

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify credits with higher exposure to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Fitch's latest [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#) report.

The Climate.VS for 2035 is 23 out of 100 for OAL and AWS. This reflects a VSp of 20 and a VSt of 15.

Climate Vulnerability Signals

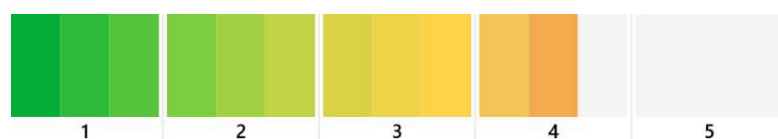


Source: Fitch Ratings

ESG Considerations

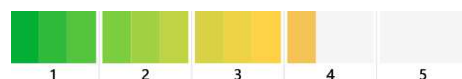
OAL has an ESG Relevance Score of '4' for GST Group Structure as it holds material debt that is structurally and contractually subordinated to AWS's debt, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit .



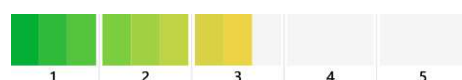
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Emissions from operations	Profitability
Energy Management	3	Energy and fuel use in operations; entities' financial targets for losses/shrinkage	Profitability
Water & Wastewater Management	4	Water usage in operations; water utilities' financial targets for water quality, leakage and usage	Company Operational Characteristics; Profitability; Financial Structure; Financial Flexibility
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste including pollution incidents; discharge compliance; sludge disposal	Company Operational Characteristics; Profitability; Financial Flexibility
Exposure to Environmental Impacts	4	Exposure to extreme weather events - negative (e.g. risk of drought and flooding) or positive (e.g. additional return on capex for network weather-resilience)	Company Operational Characteristics; Profitability; Financial Flexibility



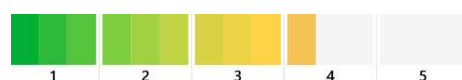
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Profitability; Sector Characteristics
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Profitability; Financial Structure; Financial Flexibility
Employee Wellbeing	2	Worker safety and accident prevention	Financial Structure; Financial Flexibility
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Company Operational Characteristics; Profitability



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Strategy development and implementation	Management; Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Governance
Group Structure	4	Complexity, transparency and related-party transactions	Governance
Financial Transparency	3	Quality and timing of financial disclosure	Governance



ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

Osprey Acquisitions Limited

Long-Term IDR	BB+
Senior Secured Debt - Long-Term Rating	BBB-

Outlooks

Long-Term Foreign-Currency IDR	Stable
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Anglian Water (Osprey) Financing Plc

Senior Secured Debt - Long-Term Rating	BBB-
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Anglian Water Services Financing Plc

Senior Secured Debt - Long-Term Rating	A-
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Outlooks

Senior Secured Debt - Long-Term Rating	Stable
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[Click here for the full list of ratings](#)

ESG and Climate

Highest ESG Relevance Scores

Environmental	4
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Social	3
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Governance	4
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2035 Climate Vulnerability Signal	23
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Transition (Climate.VSt)	15
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Physical (Climate.VSp)	20
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Applicable Criteria

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)
Parent and Subsidiary Linkage Rating Criteria (June 2025)
Corporate Rating Criteria (January 2026)
Sector Navigators – Addendum to the Corporate Rating Criteria (January 2026)
Country-Specific Treatment of Recovery Ratings Criteria (February 2026)

Related Research

Global Corporates Macro and Sector Forecasts

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