

Anglian Water's 2025/26 results presentation

10 June 2026

Disclaimer



Cautionary statement regarding forward-looking statements

- This document contains statements that are, or may be deemed to be, 'forward-looking statements' with respect to Anglian Water's financial condition, results of operations and business and certain of Anglian Water's plans and objectives with respect to these items.
- Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'will', 'would', 'should', 'expects', 'believes', 'intends', 'plans', 'projects', 'potential', 'reasonably possible', 'targets', 'goal', 'estimates' or words with a similar meaning, and, in each case, their negative or other variations or comparable terminology. Any forward-looking statements in this document are based on Anglian Water's current expectations and, by their very nature, forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.
- Forward-looking statements are not guarantees of future performance and no assurances can be given that the forward-looking statements in this document will be realised. There are a number of factors, many of which are beyond Anglian Water's control that could cause actual results, performance and developments to differ materially from those expressed or implied by these forward-looking statements.
- These factors include, but are not limited to the Principal Risks disclosed in our latest Annual Report and Accounts, changes in the economies and markets in which Anglian Water operates, changes in the regulatory and competition frameworks in which Anglian Water operates, the impact of legal or other proceedings against or which affect Anglian Water; and changes in interest and exchange rates.
- All written or verbal forward-looking statements, made in this document or made subsequently, which are attributable to Anglian Water Services or any other member of the Anglian Water group, or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. This document speaks as at the date of publication. Save as required by applicable laws and regulations, Anglian Water does not intend to update any forward-looking statements and does not undertake any obligation to do so.
- Nothing in this document should be regarded as a profits forecast.

What we will cover today



Welcome

Fraser Campbell,
Group Treasurer

Introduction

Mark Thurston,
Chief Executive
Officer

Financial performance and CMA summary

Michael Bradley,
Chief Financial
Officer

2026 cost change reopener proposals

Darren Rice,
Director of
Regulation

Funding update

Fraser Campbell,
Group Treasurer

Closing comments

Mark Thurston,
Chief Executive
Officer

Q&As

Introduction

Mark Thurston
Chief Executive Officer



Strong start to AMP8



Safer Every Day



Performance



SAP



Capability and organisation



Government reform



Enterprise strategy

Financial performance and CMA summary

Michael Bradley
Chief Financial Officer



Positive start to AMP8

Operational performance improved, with ODI penalties significantly reduced

RCV and revenues growing in line with plan

Robust financial performance supporting record investment

£1.1bn invested in Year 1 of AMP8, with capex plans accelerated in Year 2

Positive outcome secured following CMA process

Key financials summary



Revenue

2026: £2,103m | **2025:** £1,749m
Up £354m (20%)

Operating profit

2026: £636m | **2025:** £497m
Up £139m (28%)

Adjusted profit before tax

2026: £221m | **2025:** £126m
Up £95m (75%)

Operating cash flow

2026: £1,014m | **2025:** £811m
Up £203m (25%)

Cash dividends paid

2026: £75m | **2025:** £nil

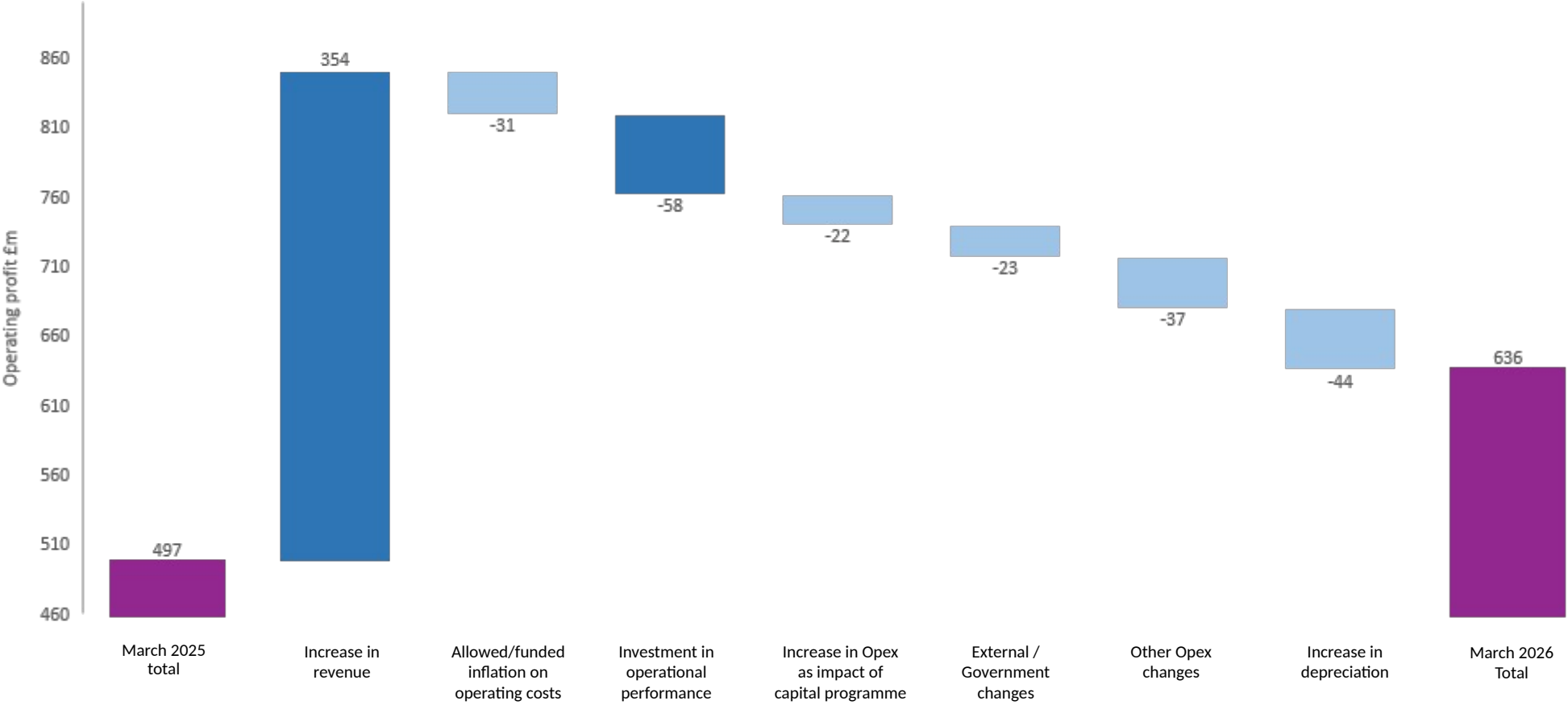
Gearing

2026: 69.7% Senior AWS
2025: 71.2% Senior AWS

¹Excludes fair value losses on derivatives of £96.2m (2025: gains of 62.9m)

Profit and loss drivers

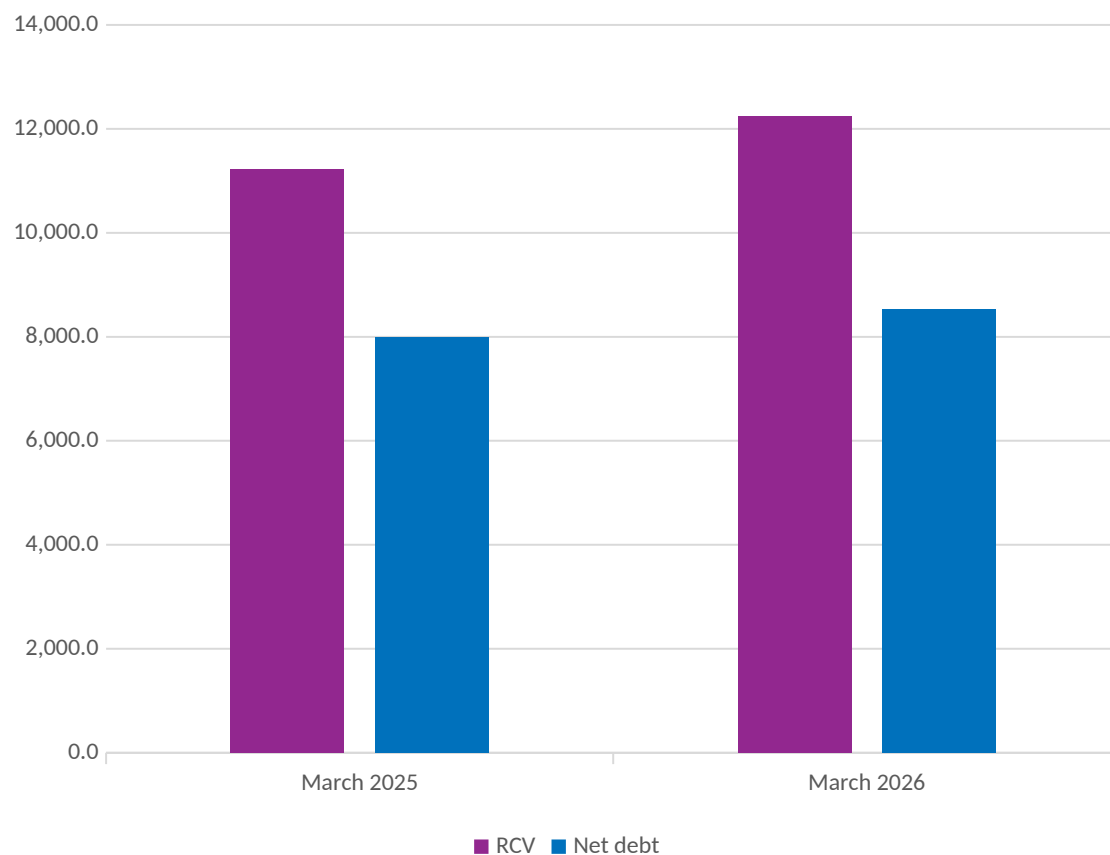
- operating profit improvement



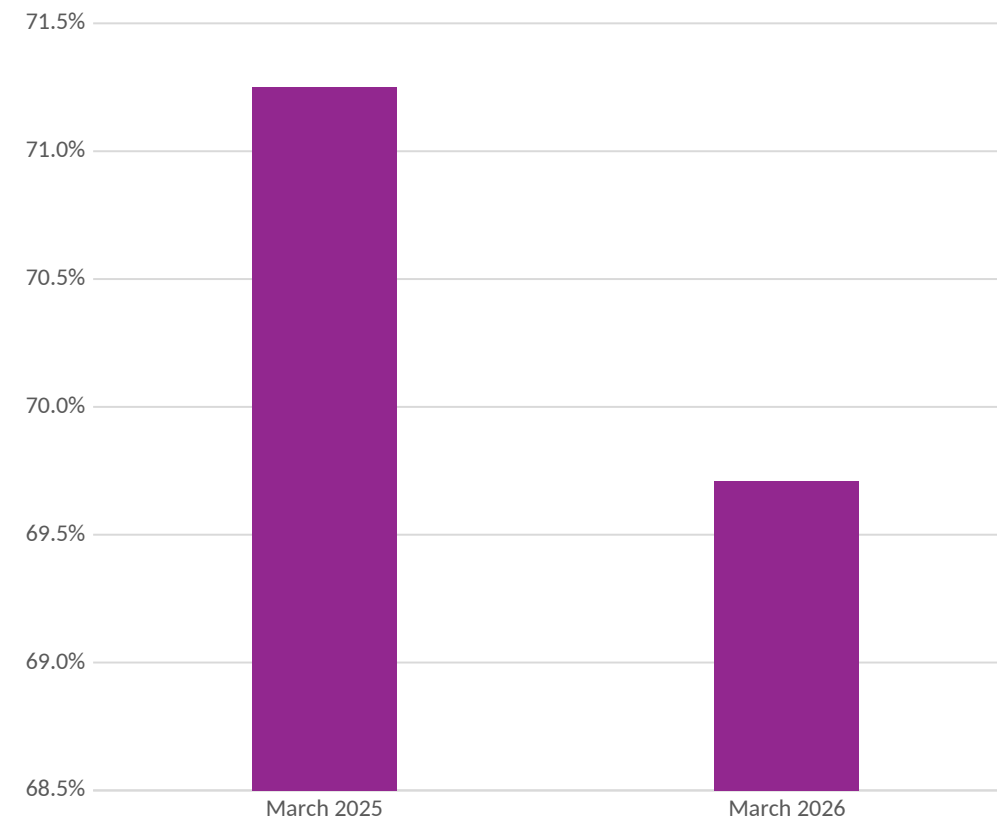
Balance sheet and gearing



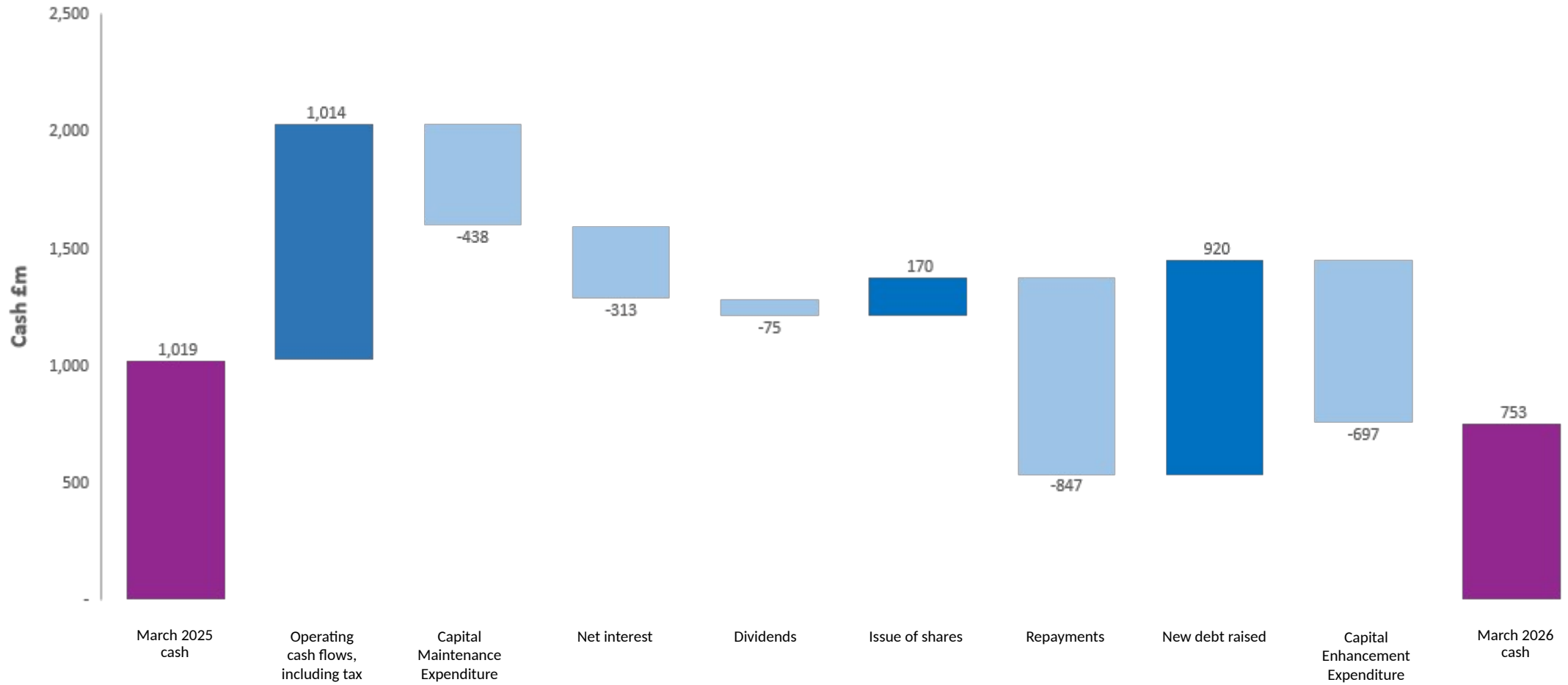
RCV and Net Debt (£ million)



AWS Gearing



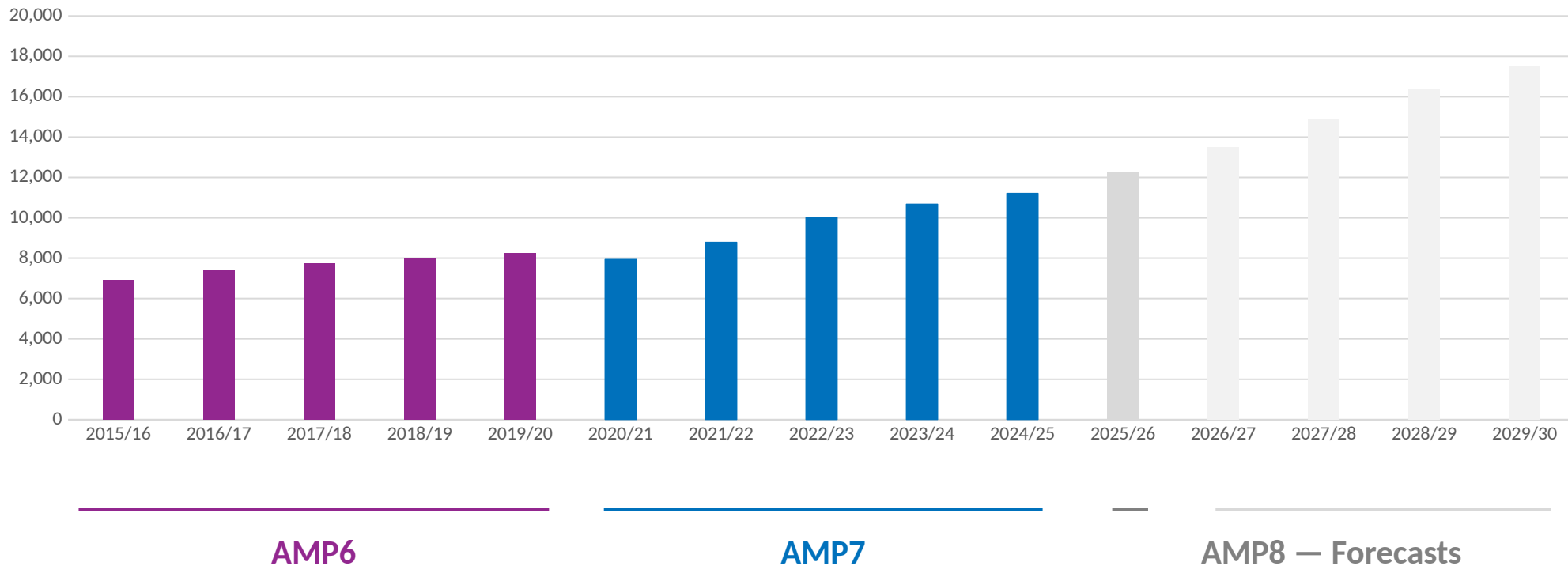
Cash sources and uses



Strong growth story continues through the AMP



Nominal Regulated Capital Value (£bn)



Recap: CMA central themes of redetermination

Financeability /
Investability - across
multiple AMPs

Asset Health and
expectations from base

Calibration of
specific ODIs

Overall balance of risk and reward

CMA's WACC estimates compared to Ofwat's PR24 FD



Upside of 23bps secured relative to Ofwat FD, driven by Anglian/Oxera arguments

| | Ofwat FD | CMA FD |
|---------------------------------|---------------|--------------|
| Risk Free Rate | 1.52% | 2.40% |
| Total Market Return | 6.83% | 6.95% |
| Beta | 0.622 | 0.66 |
| Aiming up | 0.28% | 0.30% |
| Return on Equity | 5.10% | 5.70% |
| Cost of Embedded Debt | 2.77% | 2.38% |
| Cost of New Debt | 3.74% | 3.78% |
| Share of new debt | 24% | 28% |
| Other debt costs | 0.15% | 0.20% |
| Cost of Debt | 3.15% | 2.97% |
| Retail Margin Adjustment | -0.06% | 0.00% |
| Wholesale WACC | 3.97% | 4.20% |

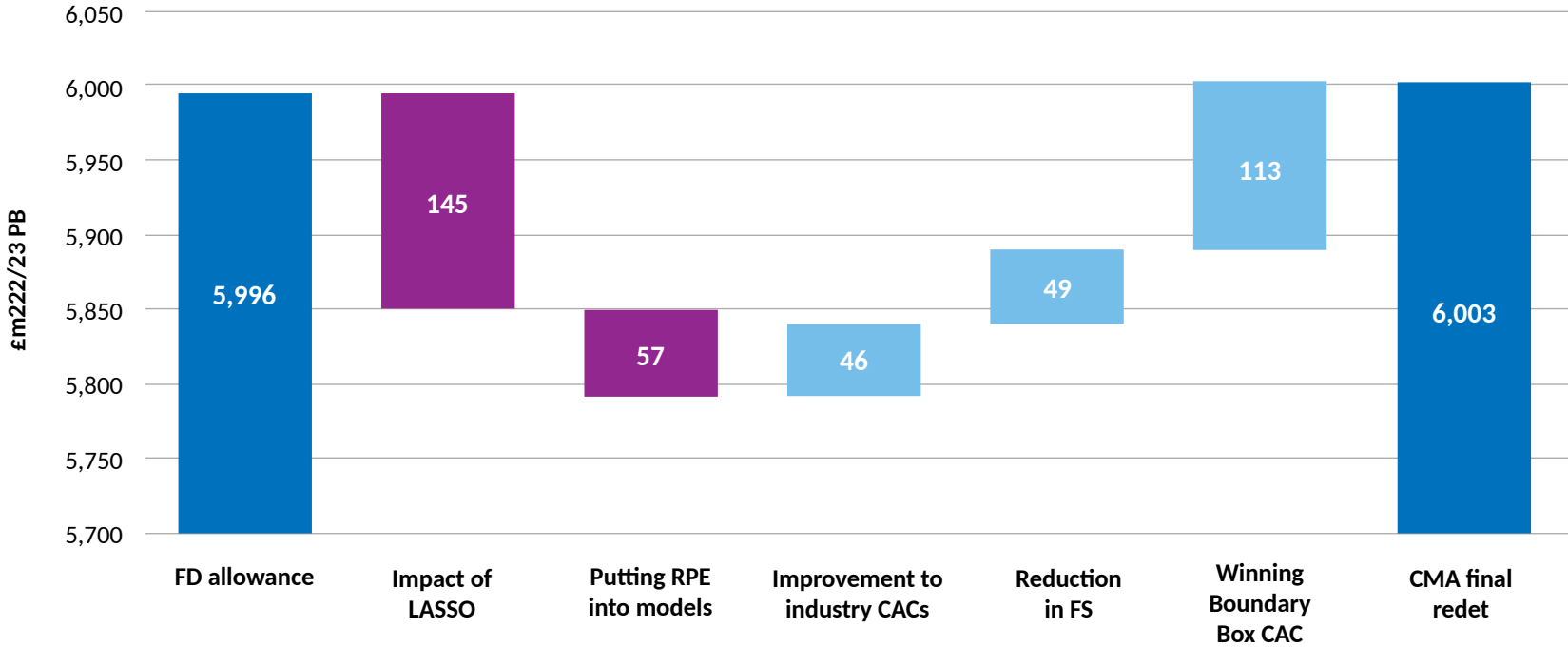
WaCC: Compared to Ofwat FD all equity components improved with significant wins on TMR, inclusion of PNN beta (key AW/Oxera arguments), combined with increases in RfR from market data

Debt was impacted by adoption of 40bps CPIH – CPI spread

Retail margin deduction was successfully removed (only AW argued for this)

Base costs: CMA FD versus Ofwat FD

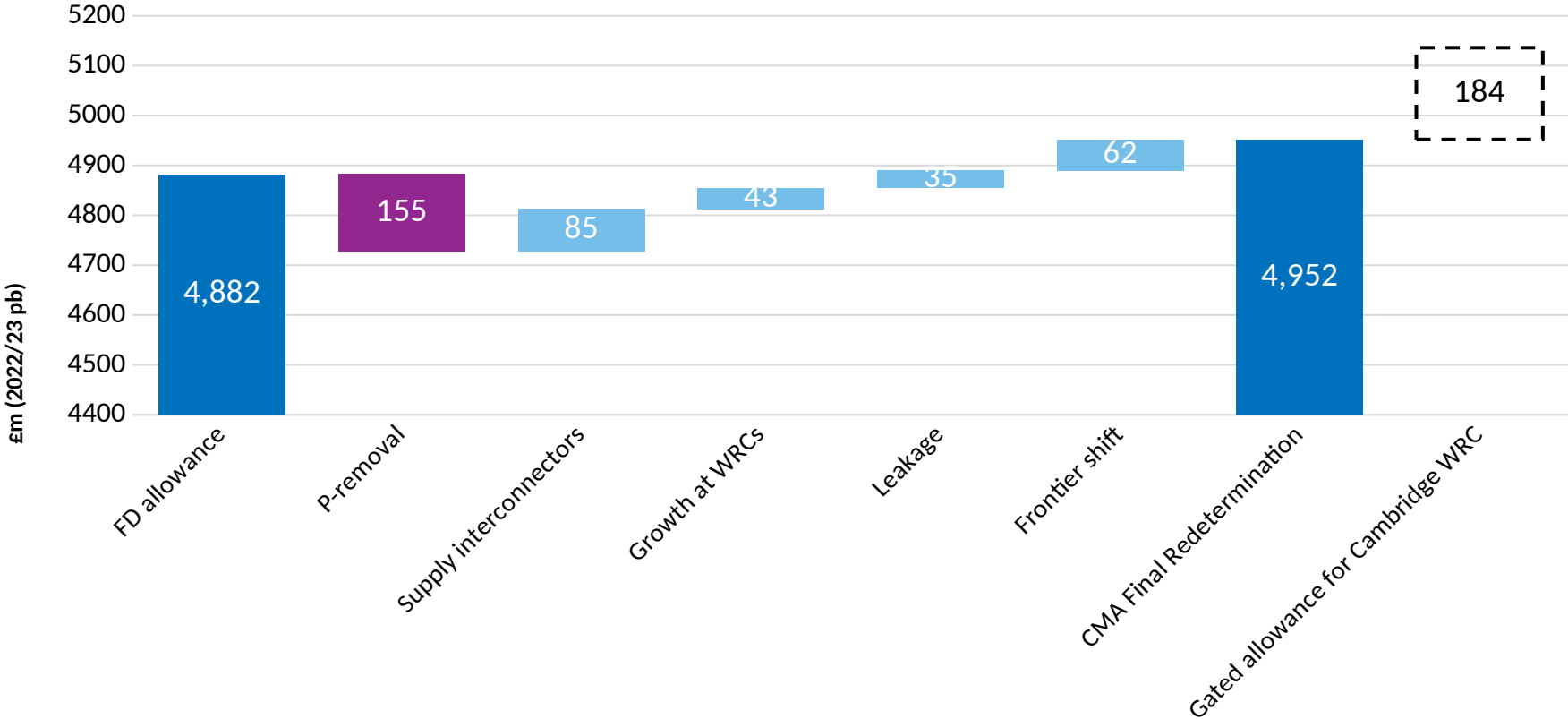
Net upside: The negative impact of CMA’s LASSO models offset by lower productivity assumption and adjustment claim for boundary boxes



2022-23 prices

Enhancement costs: CMA FD versus Ofwat FD

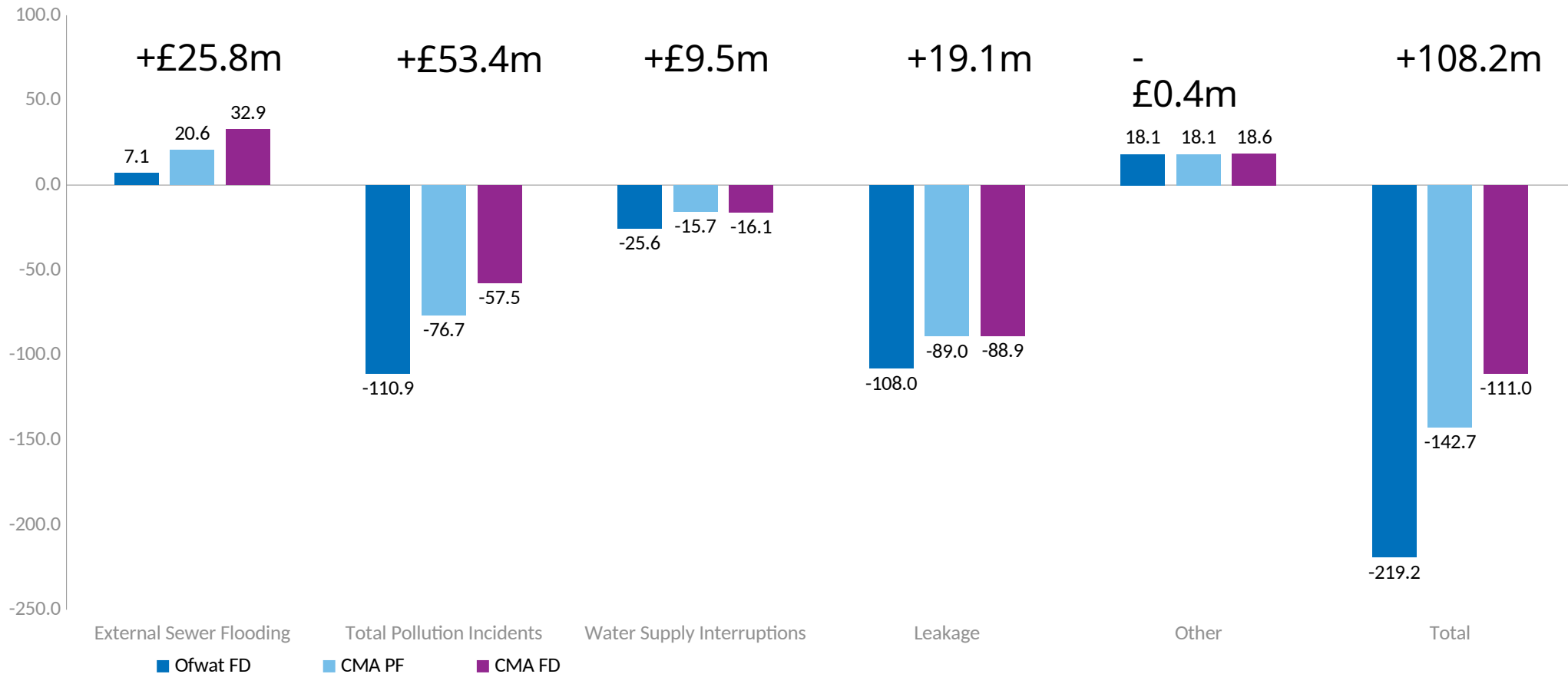
Net upside with potential to increase allowances further for Cambridge growth:
Despite CMA executing flagged risk on P-Removal allowances, net position is positive



Outcomes and ODIs: CMA FD versus Ofwat FD



A material shift in the performance risk profile in AMP8 based on Anglian SoC arguments



Regulatory reopeners



Darren Rice
Regulation Director



2026 cost change reopener proposals

£176m

Storage points



£124m

Growth schemes



£31m

Gravity sewers



£15m

High voltage assets



A total proposal of **£346m** improving asset health and enabling growth in the region

Funding update

Fraser Campbell

Group Director of Treasury,
Corporate Finance and
Investor Relations



Key highlights over the last 12 months

Our funding is in great shape - based on strong shareholder support, positive outcomes from the Ofwat and CMA Final Determinations, and improving business performance:



Full **£500m** of shareholder funding has been received.

£1.2bn of Opco RCF 3 year refinancing across 12 banks.

Shareholder **£462m** Eurobond extension.

£900m of Midco funding, no further funding required until March 2028.

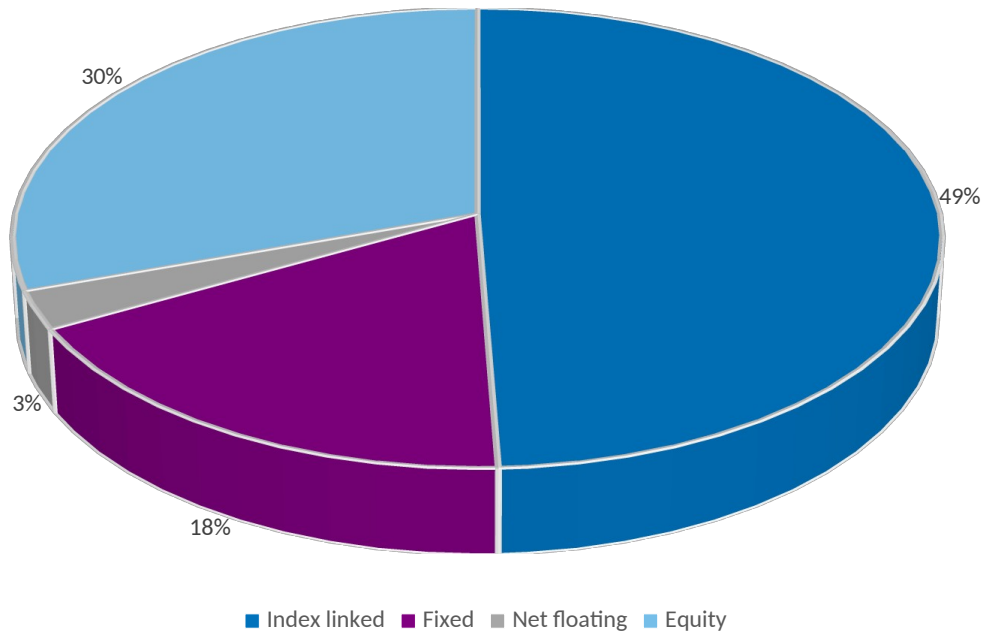
£920m of Opco funding since November, variety of markets.

C.£150m of Midco 2 year RCF extensions.

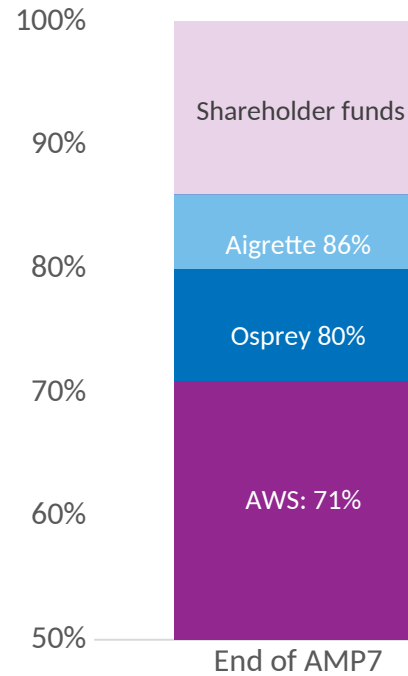
AWS/AWG debt composition/structure



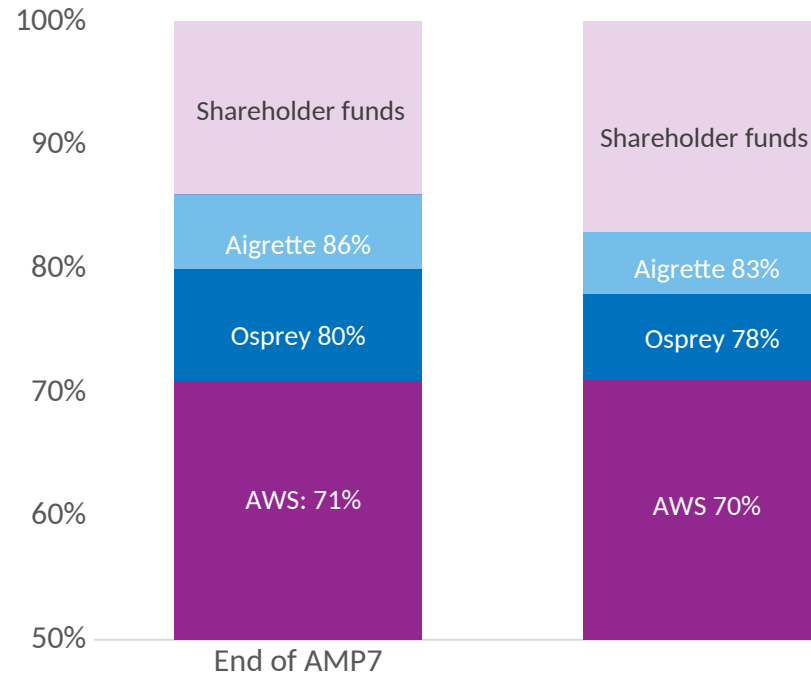
AWS debt composition (% RCV)
FYE 31 March 2026



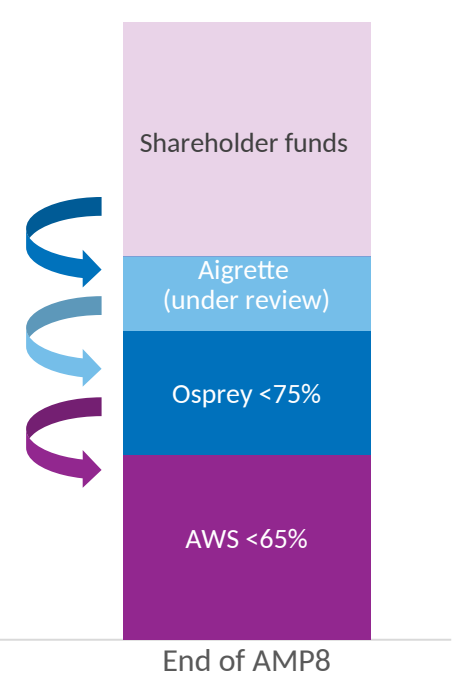
Debt structure
March 2025



Current debt structure
March 2026



Target debt structure
March 2030



Opco Midco Holdco Shareholder funds

Credit ratings stabilised with positive momentum



| Agency | Rating |
|---------------------------|------------|
| AWS ratings | |
| MOODY'S RATINGS | Baa1 (sta) |
| <hr/> | |
| FitchRatings | A- (sta) |
| Osprey ratings | |
| FitchRatings | BBB- (neg) |

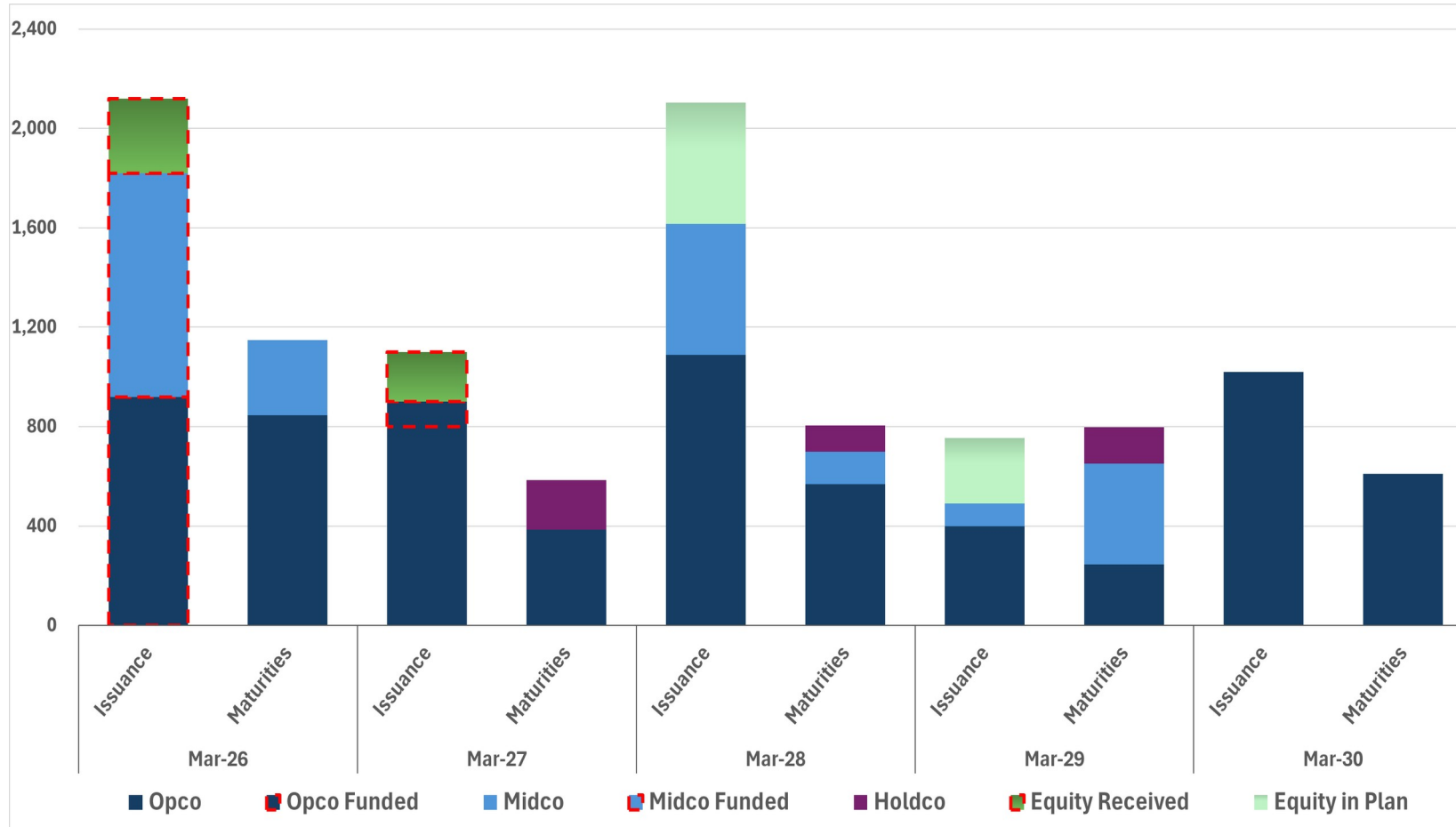
We continue to be amongst the strongest rated water companies.

Investment grade ratings continue to be maintained at both Opco and Midco.

Our deleveraging plans target ongoing rating stability.

Significant covenant headroom remains.

AMP8 funding plans proceeding at pace



AMP8 year 2 funding

June £200m shareholder equity funding has addressed short term Holdco needs.

No new Midco debt funding required until March 2028.

End May £100m USPP at Opco, with further £800m fund raising in plan

Closing comments

Mark Thurston

Chief Executive Officer



Solid start to AMP8 and building momentum



**Set foundations
for success**

**Strong Year 1 performance
and continued momentum
into Year 2**

**Positive outcome
from CMA and
funding secured**

**Strategic direction set
for AMP8 and beyond**



Any questions?