

**SECOND SUPPLEMENTARY PROSPECTUS DATED 22 May 2020 TO THE PROSPECTUS  
DATED 20 JUNE 2019**



**SEVERN TRENT UTILITIES FINANCE PLC**

*(incorporated with limited liability in England and Wales with registered number 2914860)*

**as an Issuer**

**SEVERN TRENT PLC**

*(incorporated with limited liability in England and Wales with registered number 2366619)*

**as an Issuer**

**SEVERN TRENT WATER LIMITED**

*(incorporated with limited liability in England and Wales with registered number 2366686)*

**as the Guarantor of Notes issued by Severn Trent Utilities Finance Plc**

**€6,000,000,000**

**Euro Medium Term Note Programme**

This second Supplementary Prospectus (the "**Supplementary Prospectus**" which definition shall also include all information incorporated by reference herein) constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000, as amended (the "**Act**") and Article 16 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") and has been prepared by Severn Trent Plc and Severn Trent Utilities Finance Plc (each an "**Issuer**" and together the "**Issuers**") and Severn Trent Water Limited (the "**Guarantor**") for use in connection with Notes issued from time to time under the above-mentioned €6,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by the Issuers. A prospectus dated 20 June 2019 (the "**Prospectus**") has been prepared by the Issuers and Severn Trent Water Limited and approved as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive by the United Kingdom Financial Conduct Authority in its capacity as competent authority under the Act, for use in connection with the Programme. This Supplementary Prospectus supplements, updates and forms part of the Prospectus and should be read in conjunction therewith, together with the supplement dated 19 February 2020 and any other supplements to the Prospectus. Except as otherwise provided in this Supplementary Prospectus, terms and expressions defined in the Prospectus have the same meaning when used in this Supplementary Prospectus.

The purpose of this Supplementary Prospectus is to:

- (a) incorporate by reference into the Prospectus the Preliminary Results (as defined below);
- (b) update the section entitled "Risk Factors"; and
- (c) update the disclosure relating to sustainable financing in the Prospectus.

## Preliminary Financial Results

On 20 May 2020, Severn Trent Plc published its preliminary announcement of annual results for the year to 31 March 2020 (the “**Preliminary Results**”).

A copy of the Preliminary Results has been filed with the Financial Conduct Authority and by virtue of this Supplement, the following sections of the Preliminary Results are incorporated in, and form part of, this Supplementary Prospectus and the Prospectus:

- the heading “Consolidated income statement” and the table thereunder;
- the heading “Consolidated statement of comprehensive income” and the table thereunder;
- the heading “Consolidated statement of changes in equity” and the table thereunder;
- the heading “Consolidated balance sheet” and the table thereunder;
- the heading “Consolidated cash flow statement” and the table thereunder; and
- the section entitled “Notes to the financial statements.”

The Preliminary Results have been properly prepared on the basis set out in Note 1 on page 23 of the Preliminary Results and, as stated therein, the basis of accounting used is consistent with the accounting policies of the Group.

Any information contained in the Preliminary Results which is not expressly incorporated by reference in this Supplementary Prospectus does not form part of this Supplementary Prospectus and is either not relevant to investors or is covered elsewhere in the Supplementary Prospectus or the Prospectus. Any information or documents which are incorporated by reference, either expressly or implicitly, in the Preliminary Results incorporated by reference in this Supplementary Prospectus shall not form part of this Supplementary Prospectus for the purposes of the Prospectus Directive.

## Risk Factors

The following new risk factor shall be included on page 30 of the Prospectus under the category “*Factors that may affect the Issuers' and the Guarantor's ability to fulfil their obligations under Notes issued under the Programme and under the Guarantee*”:

### **COVID-19**

On 11 March 2020, the World Health Organization declared the outbreak of a strain of novel coronavirus disease, COVID-19, a global pandemic. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including but not limited to business closures, restrictions on non-essential business activity, travel restrictions, quarantines and cancellations of gatherings and events (the “**COVID Measures**”).

Given the nature of the Group's business, the longevity of the incident (initial lockdown and recovery) and the expected macroeconomic impacts of the incident, the Group may be adversely impacted. For instance, there may be an adverse impact on household bad debt rates, incremental operating costs both during the incident and in the recovery phase to ensure service levels are maintained, and, based on the expected revenue true-up mechanisms in the regulatory model, revenues in 2020/21 and subsequent years. In addition, there may be an adverse impact on the results of Severn Trent Plc's Water Plus joint venture, a retailer in the non-household market, as lower economic activity leads to increases in business customer failures. These events may adversely affect the Issuers' and Guarantor's financial position and their obligation to fulfil their respective obligations under the Notes.

Whilst the precise impact of the ongoing COVID-19 crisis is impossible to predict with a high degree of certainty, the Group continues to assess the impact on its operations and finances, including the impacts for all its stakeholders, and continues to monitor the rapidly changing situation.

### **Green Bonds and Sustainable Notes**

All references in the Prospectus to "green bonds" and "Green Bonds" are deemed to be references to "sustainable notes" and "Sustainable Notes".

### **Significant Change**

Save as disclosed in the Preliminary Results, there has been no significant change in the financial or trading position of Severn Trent Plc and its subsidiaries taken as a whole since 30 September 2019, and no significant change in the financial or trading position of STWL and its subsidiaries taken as a whole and no significant change in the financial or trading position of STUF, in each case, since 31 March 2019.

### **General Information**

The Issuers and the Guarantor accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of this Supplementary Prospectus, the Prospectus and all documents or information incorporated by reference in this Supplementary Prospectus are available for inspection during normal office hours from the registered office of each Issuer and from the specified offices of the Paying Agents.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference into the Prospectus by this Supplementary Prospectus and (b) any other statement in or incorporated in the Prospectus prior to the date of this Supplementary Prospectus, the statements in (a) above will prevail. Save as disclosed in this Supplementary Prospectus there has been no other significant new

factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.