Half Yearly Financial Report
18 November 2026
Interim results for the six months to 30 September 2026

17.6% adjusted EPS growth, £1 billion invested and more help for customers

James Jesic, Chief Executive, said:

"Our consistently strong operational and financial performance have enabled us to deliver for nine million customers during one of the hottest and driest summers on record. We are accelerating the efficient delivery of the largest investment programme in our history, with over £1 billion invested so far this year to strengthen water resilience and provide the infrastructure our communities need. We are focused on supporting local businesses and communities to help drive economic growth, employment and investment, alongside delivering further environmental improvements in our region."

"The opportunity ahead remains substantial, with long-term demand for investment driven by the impacts of climate change, population growth and ever-tightening environmental standards. We recognise that increased investment places pressure on customer bills, so through efficiencies, we are supporting around 250,000 additional households with a one-off credit of up to £100, increasing our AMP8 financial support package by £25 million to £600 million."

Group Financial Performance – H1 FY27	30 Sept 2026	30 Sept 2025	Increase
Revenue	£1,537m	£1,437m	7.0%
PBIT	£528m	£466m	13.3%
Net finance costs	£170m	£161m	5.6%
Adjusted EPS[1]	118.8p	101.0p	17.6%
Basic EPS	76.0p	75.7p	0.4%
Interim dividend per ordinary share	52.2p	50.4p	3.6%
Capital investment	£1,053m	£769m	36.9%

Financial highlights

- Higher revenue and £23 million of operating cost efficiencies driving PBIT and adjusted EPS growth.
- On track to deliver at least £50 million[2] of total performance incentives[3] in FY27.
- Secured at least £402 million[4] of "reopeners" including £51 million of in-AMP funding.
- Refinanced £1.75 billion of bank facilities including increasing our revolving credit facilities by £550 million in the last 12 months.
- Raised over £400 million new debt so far this year at an average of c.100bps below the regulatory allowance.
- Regulated gearing[5] at 63.8% as at 30 September 2026.

Delivery highlights

- Progress in the first 18 months of our largest-ever investment programme includes:
  - Renewing 376km of water mains, equivalent to 27% of our 2030 target;
  - Delivering 45% of our 1 million smart meter commitment;
  - Delivering £250 million of capital efficiencies, half of our AMP8 target; and
  - 50% of our AMP8 enhancement projects in construction.
- 65% of our AMP8 programme in contract and on track for 80% by March 2027.
- Delivering maximum reward for price control deliverables and accelerating delivery of our year 3 phosphorus removal target.

Customer and environmental highlights

- 99.4% of customers experienced uninterrupted water supply[6] during highest-ever water demand levels.
- Improvement in billing performance, with average complaints down 15% during the first half of the year.
- 53% fewer repeat waste contacts compared with the same period last year.
- Total pollutions[7] 44% lower year-on-year.
- On track to meet our regulatory target of no more than 18 average spills per storm overflow this year.
- Expecting to achieve our regulatory target for leakage of 334.6 Ml/d for the ninth consecutive year following two years of record water demand.

Updated guidance

We now expect capital investment of £2.3 billion to £2.5 billion in FY27, up from £2.2 billion to £2.5 billion. All other guidance and outlook are unchanged.[8]

Footnotes to page 1 of this RNS

1. Adjusted basic earnings per share (see note 9 for further details).
2. In March 2026 prices.
3. Outcome Delivery Incentives ('ODIs') and Price Control Deliverables ('PCDs') combined.
4. In nominal prices at submission date, April 2026.
5. Adjusted net debt, divided by shadow RCV. Shadow RCV includes Ofwat approved RCV relating to the cost change process as published in its Draft Determination.
6. In line with the Water Supply Interruptions measure, affected properties are those that experienced an interruption to supply lasting more than three hours.
7. Our internal assessment on a like-for-like basis with the Environment Agency's categorisation of pollutions introduced from 1st January 2026, including previously category 4 "no impact" pollutions.
8. FY27: Regulated Water and Wastewater revenue of around £2.9 billion; regulated operating costs and IRE 7- 9% higher year-on-year; at least £50 million of performance incentives (inflated using March 2026 CPIH, equivalent to at least £40 million in 22/23 prices); Infrastructure Services EBITDA 10-20% increase year-on-year; group net finance costs 20-30% higher year-on-year; an adjusted effective current tax rate of nil; and a 2026/27 dividend of 130.5 pence.

   FY28: Adjusted basic EPS of at least 250 pence.

   FY30 outlook: At least £300 million of performance incentives across the regulatory period; Infrastructure Services EBITDA of around £100 million; and regulated gearing of 60-65% at the end of the regulatory period.

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Interim Results Presentation and Webcast

A presentation of these results hosted by James Jesic, CEO, and Helen Miles, CFO, will be available on our website (severntrent.com) from 7:00am GMT today, 18 November 2026.

We will be hosting a live Q&A session with James, Helen and our wider executive team at 8:30am GMT today via video call which you can register for through our website.

Chief Executive's Review

We have made a positive start to the year, combining resilient operational and financial performance with on track delivery of the largest investment programme in our history. In the first six months of the year, we invested over £1 billion in our networks and infrastructure, almost 40% more than the same period last year. This investment is already delivering tangible benefits for our customers and the environment, while creating additional capacity to support growth.

By 2050, our region's population is expected to grow by 12%, requiring more water and greater waste treatment capacity. Summers are projected to be 16% drier and winters 13% wetter, increasing the need for secure water resources and infrastructure resilient to drought and flooding. Ever tightening environmental standards also require sustained investment to reduce phosphorus and storm overflow spills and treat emerging pollutants. These are long-term structural drivers that underpin the need for substantial investment to support regional growth, protect the environment and maintain resilient services for all our customers.

Our performance culture and established delivery platform position us well to undertake further required investment. In August, Ofwat provisionally awarded Severn Trent Water £402 million through its first AMP8 reopener process, including £51 million of in-AMP funding. The investment is focused on improving water supply resilience, expanding sewage treatment capacity to accommodate growth and extending the life of critical assets. We engaged with more than 2,200 customers on our proposals and resulting impact on bills, with the majority supporting our plans.

We are preparing to submit our second reopener application in May 2027 to address these long-term investment needs. Consistent with our first-year submission, we are carefully considering bill impact, funding, returns and the timing of potential future regulatory requirements.

Our region is diverse and we are taking a regional approach to improving customer service, shaped by the needs and priorities of local communities. By combining local engagement with digital insights, we are listening more closely to customers and bringing together our operational teams, investment and community partnerships to address persistent issues and tailor support.

We are starting to see tangible progress in customer service. Average billing complaints are down 15% during the first half of the year and repeat waste contacts are 53% lower than in the same period last year. We have also held around 40 customer listening sessions, bringing customer feedback directly into our decisions and, increasingly, the way we deliver investment locally. We acknowledge that more remains to be done and improving customer service remains a priority.

Alongside these service improvements, our focus on increasingly efficient delivery is helping us manage future customer bill increases and creating flexibility to invest further in growth whilst maintaining our strong balance sheet. Over the past 18 months, we have delivered around £60 million of operational efficiencies and £250 million of capital efficiencies, progressing well against our targets of at least £150 million of operational efficiencies and £500 million of capital efficiencies in the five years to 2030. Innovation, technology, artificial intelligence and a right-first-time approach underpin this progress.

We recognise the pressure that increased investment places on customer bills, making efficient delivery increasingly important. Through efficiencies, we are supporting around 250,000 additional households with a one-off credit of up to £100, increasing our AMP8 financial support package by £25 million to £600 million.

In July, the incoming UK government opened up a wider debate about greater public control over utilities. Recent developments on this include proposals for how regional bodies including mayors will have greater input in the running of essential public services. We welcome greater regional focus as we have a well-established regional operating model and strong relationships with key stakeholders in our communities including the mayors of the East and West Midlands. Recent government proposals remain supportive of the principles outlined by the Independent Water Commission report in July 2025, and as we await further detail on regulatory reform we continue to focus on delivering for all stakeholders.

Investing at pace with an efficient delivery model

Cost inflation, supply chain constraints, pressures on materials availability and skills shortages continue to challenge construction project costs and delivery schedules, making capacity and cost discipline essential to efficient, on-time delivery.

At Severn Trent, we are well-placed to execute our largest ever investment programme at pace through our established capital-delivery model. Over time we have evolved this to include greater internal capability, a diversified supply chain and direct manufacturer relationships providing increased control, flexibility and certainty. More than 70 AI initiatives are now supporting capital delivery, helping our teams assess options, select routes, estimate costs, schedule work and plan construction more efficiently. Standardised “plug and play” solutions, digital twins and direct procurement are reducing disruption, improving service and enabling more efficient operations.

Strong supply relationships are a real focus and over time have diversified our delivery partners to over 150 suppliers with our directed delivery model providing further control and flexibility. Around 65% of the programme for this regulatory period is in contract, and we remain on track to reach 80% in contract by March 2027. Looking ahead, we are already engaging with our supply chain to deliver the long-term investment required with the launch of a £25 billion capital design and delivery framework up to the next 15 years. We held a successful supplier event in September which brought together over 300 existing and prospective delivery partners to align and help secure the capability and capacity needed for AMP9 and beyond.

We remain on track to deliver our year two price control deliverables and remain confident of achieving maximum reward of £50 million this regulatory period for on-time delivery. We are accelerating delivery of our year 3 phosphorus target and as part of our commitments for this year we are completing around 350 environmental surveys, installing 150 river-quality monitors and delivering 100 monitoring schemes on sewage pumping stations, alongside 40,000m³ additional storm overflow storage. As delivery requirements increase over the regulatory period, we are accelerating activity to stay ahead of future targets.

We are investing to meet the needs of a growing population and strengthen resilience across our region. This financial year, we expect to increase wastewater treatment capacity for over 100,000 households to meet regional housing growth to 2030. We are also on track to deliver over 500 individual capital projects by March 2027 and 50% of our AMP8 projects are already in construction. By deploying innovative technology to meet emerging water quality requirements, these projects will increase capacity, improve environmental outcomes and support reliable services for customers for generations to come.

The transformation at one of our largest wastewater treatment sites, Wanlip in Leicestershire, reaches a major regulatory milestone in December 2026, with the first phase of new treatment capacity scheduled to enter service. This will add 500 litres per second of treatment capability to support growth in Leicester, alongside almost 12,000m³ of additional storm storage and tighter ammonia permits. This milestone forms part of the wider £300 million transformation of one of our largest wastewater treatment works, with further capacity and major river-quality improvements following as the programme progresses.

Our Infrastructure Services businesses strengthen the resilience of our regulated operations. Acquisitions in Network Services are giving us greater control over critical capabilities, increasing supply chain resilience and reducing delivery risk across our capital programme. We are also enhancing energy resilience, with planned investment in four new solar farms, increasing our self-generation to 75% by the end of the regulatory period.

Resilient operational performance through record demand for water

We are already experiencing the impacts of climate change in the Severn Trent region. Rainfall in January and February was more than 50% above the five-year average, while the summer brought 37 days above 25°C, compared with a five-year average of 21 days. The extended summer drought placed unprecedented demand on our water network, with water into supply records broken three times between May and August. Peak demand was around 20% above the typical seasonal average, equivalent to supplying more than two million additional customers per day.

Strong operational management and proactive investment over a number of years enabled us to maintain supplies throughout the drought without imposing usage restrictions, continuing a record sustained for more than 30 years. This investment has also given 98% of customers access to a second source of supply, while our balanced mix of reservoirs, rivers and aquifers provides additional flexibility.

We remain on track against our key water commitments, with leakage reaching record low levels at points during the year and performance remaining strong throughout the drought. We expect to achieve our regulatory leakage target for the ninth consecutive year, reflecting sustained investment in our pressure-controlled network and proactive intervention through our 'find-and-fix' strategy.

In addition, supply interruptions performance has improved by 29% year-on-year, with average interruption times falling from around three and a half minutes to two and a half minutes. Despite the extreme weather we managed to keep 99.4% of our customers on supply throughout the summer and are on track to hit our supply interruptions target.

Per capita consumption has continued to be a challenge this year driven by increased demand through the summer. We remain focused on helping customers reduce their usage and have installed over 600,000 smart meters to date including 45% of our 1 million smart meter commitment for AMP8. These integrate into our Kraken billing system, alongside other water initiatives such as customer education sessions and flow regulators to promote water efficiency.

We are continuing to invest for the future by expanding water supply and treatment capacity. At Witches Oak in Derbyshire, new treatment capability combining nature-based pre-treatment with advanced technology to remove emerging pollutants, including PFAS, is expected to enter into service from the start of 2027. Treating on average 65 megalitres per day of water from the River Trent, the scheme will provide a new source of high-quality drinking water and strengthen resilience to drought and climate change.

Delivering improved environmental outcomes

Environmental performance is improving, with fewer pollution incidents and lower leakage despite record demand. In July, Ofwat concluded their wastewater investigation with no financial penalty for Severn Trent Water and in October, our four-star Environmental Performance Assessment (EPA) rating for calendar year 2025 was confirmed for a seventh consecutive year. Although the EPA framework is changing, we remain committed to investing in our wastewater assets to meet tightening standards, further reduce environmental harm and improve river health.

Reducing spills from storm overflows remains a priority and we have delivered more than 3,200 improvements, reducing infiltration, increasing treatment capacity, separating roof water run-off and building additional storage. Despite experiencing 170% of average rainfall in February, these investments are delivering tangible results, and we remain on course to meet this calendar year's regulatory target of no more than 18 average spills per storm overflow. There is more to do to reach our ambition of below 14 per year by 2030 and improving resilience to climate extremes will be key to achieving this.

Our investments in monitoring, asset resilience and proactive intervention are supporting improved pollutions performance in line with the Environment Agency's new categorisation which was introduced from 1 January 2026. Under the new measure, total pollution incidents now include category 4 or "no impact" pollutions and those caused by a third party, significantly increasing the total reported number but not indicating a deterioration in underlying environmental performance.

As part of this change, Ofwat has adopted a median-based methodology, meaning our ability to earn reward is relative to the performance of the rest of the industry. In FY26, we recorded the lowest level of total pollution incidents in the sector, performing 60% better than the industry median. We recognise the need to do more to reduce serious pollutions and are investing in targeted interventions at priority assets, including pumping stations and rising mains.

Our wastewater operations are also delivering better customer outcomes with complaints down 12% year-on-year and 22% over two years, supported by stronger operational processes, more proactive communication and a right-first-time approach. We are focusing on proactive interventions across our waste network, and have deployed around 15,000 monitors, using artificial intelligence to help us understand our network and enable earlier intervention. Our dedicated flooding performance team is targeting a reduction in repeat floodings from 10% to 5% in the second half of the year.

Improving service and supporting our customers

Improving customer service remains a core commitment across all our operations. We are developing a more coordinated and localised approach to customer service and investment, using local insight to target delivery, manage disruption and demonstrate clearly how customers' bills fund tangible improvements.

We are simplifying the customer experience, using a right-first-time approach to reduce hand-offs, repeat contacts and avoidable complaints. Kraken, our customer relationship and billing system, enables this transformation through smarter use of data and simpler digital journeys, helping us streamline interactions and resolve queries faster and more accurately. Our priority is to improve the service customers experience from us and, over time, our C-MeX performance from being a measure in financial penalty.

More than 335,000 households are receiving financial support today and we are increasing our total AMP8 financial support package to £600 million. Our new Bill Help Hub, enhanced data and partnerships are helping customers identify and access the right support earlier, while our Priority Services Register provides additional assistance for those with specific needs.

As a major regional employer, with more than 11,000 colleagues and an extensive supply chain, we are investing in the skills needed to deliver for customers now and in the future. Our Ofsted-accredited Academy strengthens the internal capabilities needed for our record investment programme, providing specialist and technical training designed around the requirements of our workforce, while creating accessible career pathways across our region. Our syllabus offers over 650 courses across a range of learning requirements. In September, we welcomed 164 graduates and apprentices across a broad range of disciplines including engineering, specialist design and operational roles.

We continue to see high morale across our teams and our recent colleague engagement score of 8.7 was once again within the top 5% of utilities globally. We're committed to investing in skills beyond our workforce and this year we have provided over 500 work-experience opportunities. Furthermore, we have pledged to create 400 opportunities through the UK government's Youth Guarantee programme over the next three years, helping to address the challenge of young people not in education, employment or training, generating over 150 job offers since September 2024.

Delivering for all stakeholders

Sustained investment to meet population growth, water security, climate resilience and ever tightening environmental standards supports nominal compound annual growth in our regulated asset base of at least 10.3% between 2025 and 2030. This long-term growth opportunity is supported by our delivery track record and an inflation-linked regulatory framework that provides highly visible and predictable revenues, with over half of total expenditure to 2030 protected from cost increases above CPIH.

Our performance-led culture supports operational excellence and meaningful customer outcomes, alongside confidence in delivering at least £300 million of performance incentives to 2030. Infrastructure Services strengthens delivery capability and energy cost resilience, with EBITDA expected to reach around £100 million by 2030. Together with our internal capabilities and record of regulatory outperformance, double-digit returns and sector-leading returns performance, these strengths support long-term earnings growth, adjusted EPS of at least 250 pence in FY28 and a dividend policy of annual growth in line with CPIH.

Our focus remains on delivering lasting improvements for customers, communities and the environment alongside sustainable long-term value for shareholders.

Chief Financial Officer's Review

We have maintained the momentum of our strong start to the AMP with PBIT of £528 million, more than 13% higher than the same period last year, in part through growth in revenue but also through delivering £23 million of operating efficiencies and by reducing volatility in our cost base with 90% of our energy price exposure hedged to FY30, and fully hedged in FY27.

While we expect to continue to deliver strong performance in the second half of the year this year, excluding the profit from sale of land in Warwick and the £25 million additional customer support we have announced today, we expect that our Group PBIT will be slightly more weighted to the first half.

Our capital programme continues to move at pace, delivering £1,053 million in the first half of the year and we are uplifting our full-year outlook to £2.3 – £2.5 billion (previously £2.2 - £2.5 billion).

We have delivered total efficiencies of £310 million to date through disciplined cost management and our extensive efficiency programme, enabling us to confidently secure at least £402 million of additional investment through Ofwat's "reopener" process with £51 million of in-AMP funding.

We successfully refinanced our bank facilities, increasing our revolving credit facilities by £550 million, and have raised over £400 million new debt so far this year at an average of c.100 basis points below the regulatory allowance.

Our Property business completed the sale of its land in Warwick in the period, realising a profit of £14 million. Our guidance for Infrastructure Services EBITDA growth remains at 10-20%.

A summary of our Group financial performance in the period is set out below:

	2026	2025	Better/(worse)	
	£m	£m	£m	%
Turnover	**1,537**	1,437	100	7.0
PBIT	**528**	466	62	13.3
Net finance costs	**(170)**	(161)	(9)	(5.6)
(Losses)/gains on financial instruments and share of results of joint venture	**(46)**	2	(48)	
Profit before tax	**312**	307	5	1.6
Tax	**(83)**	(80)	(3)	(3.8)
Profit for the period	**229**	227	2	0.9
Adjusted earnings for the period*	**358**	303	55	18.2

**Adjusted earnings exclude gains/losses on financial instruments and deferred tax*

Group turnover was £1,537 million (2025/26: £1,437 million), up £100 million (7.0%), driven by higher revenues in our Regulated Water and Wastewater business (up £93 million) due to tariff increases.

Group PBIT was £528 million (2025/26: £466 million). In our Regulated Water and Wastewater business PBIT increased by 9.2%. Along with the higher revenue, higher operating costs were partly mitigated by increased capitalisation of labour due to the larger capital programme and efficiencies in hired and contracted costs. In Infrastructure Services, EBITDA was £17 million higher. Property Development completed the sale of land in Warwick, delivering £14 million EBITDA and Green Power EBITDA grew by £4 million benefitting from actions focused on margin improvement.

Our effective interest cost decreased to 4.9% (2025/26: 5.2%) due to lower indexation on our index-linked debt. Average adjusted net debt increased by 17.9% compared to the same period in the previous year and net finance costs increased to £170 million (2025/26: £161 million), up 5.6%. Excluding the impact of inflation on our index-

linked debt, our effective cash cost of interest was 4.2% (2025/26: 3.8%), as we saw the impact of higher interest rates on new debt issues compared to maturing debt.

Our adjusted effective tax rate was nil% (2025/26: nil%) as the benefit of full expensing for tax purposes of our significant expenditure on qualifying plant and machinery reduced our profit chargeable to tax. Our effective tax rate was 26.5% (2025/26: 26.1%).

Group profit after tax was £229 million (2025/26: £227 million). Our adjusted basic earnings per share were 118.8 pence (2025/26: 101.0 pence). Basic earnings per share were 76.0 pence (2025/26: 75.7 pence).

At 30 September 2026 our adjusted net debt was £10,812 million (31 March 2026: £10,054 million) and our regulated gearing was 63.8% (31 March 2026: 63.6%). We have £1.68 billion of undrawn committed facilities, and at 30 September 2026 our cash flow requirements were funded to March 2028.

Our net pension position under IAS 19 at 30 September 2026 was a £35 million surplus (31 March 2026: £21 million deficit). The overall funding level across all of our defined benefit schemes was 102% (31 March 2026: 99%).

Capital investment was £1,053 million (2025/26: £769 million), continuing the momentum from the second half of the previous year.

The Board continues to recognise the important role dividends play in providing income for pensioners and other investors. Taking into account the Group's prospects and financial position and the interests of all other stakeholders including (but not limited to) customers, our pension scheme members, colleagues and communities; the Board has declared an interim dividend for the year ending 31 March 2027 of 52.20 pence, up 3.6% in line with our policy for the five years of AMP8 to increase the dividend by CPIH.

Regulated Water and Wastewater

Six months ended 30 September

	2026	2025	Better/(worse)	
	£m	£m	£m	%
Turnover	**1,439**	1,346	93	6.9
Net labour costs	**(144)**	(131)	(13)	(9.9)
Net hired and contracted costs	**(149)**	(157)	8	5.1
Power	**(91)**	(82)	(9)	(11.0)
Bad debts	**(25)**	(22)	(3)	(13.6)
Other costs	**(201)**	(178)	(23)	(12.9)
	(610)	(570)	(40)	(7.0)
Infrastructure renewals expenditure	**(68)**	(72)	4	5.6
Depreciation	**(251)**	(237)	(14)	(5.9)
PBIT	**510**	467	43	9.2

Turnover for our Regulated Water and Wastewater business was £1,439 million (2025/26: £1,346 million) and PBIT was £510 million (2025/26: £467 million).

Turnover increased by £93 million including an £89 million increase in core revenue, primarily driven by the annual CPIH + K price adjustment and £6 million ODI rewards billed in the first half of the year. Bulk supply income increased by £3 million year on year, also reflecting higher tariffs whilst infrastructure diversions turnover remained flat, as lower HS2 activity was offset by increased developer renewals.

Net labour costs of £144 million were 9.9% higher period-on-period. Investment in additional headcount to support the expanded capital programme and improve wastewater network performance increased gross labour costs by £38 million. Annual pay awards, effective from 1 July, added £9 million, while additional overtime required during

the drought period added £2 million. These increases were partly offset by a £35 million increase in capitalised salaries.

Net hired and contracted costs decreased by £8 million (5.1%), reflecting £8 million of operational efficiencies from lower unit costs. These were driven principally by improvements in strategic tanker management, including a stronger right-first-time approach and better deployment of tankers. The savings were partly offset by higher repair costs for water mains work, together with increased software licence fees and sludge-recycling costs.

Power costs were £9 million or 11% higher period-on-period, due to higher standing charges and increased consumption.

Bad debt charges increased by £3 million but remained at 2.1% of household revenue (2025/26: 2.1%).

Other costs were up by £23 million, including £16 million from higher business rates and Ofwat fees. Materials, chemicals and plant hire required to maintain service during the extended period of drought, where the daily Water into Supply record was exceeded on three separate instances, added £9 million year-on-year, while higher fuel prices added a further £3 million. These increases were partly offset by operational efficiencies, including lower unit costs following continued network investment.

Infrastructure renewals expenditure was £4 million lower in the period, reflecting reduced HS2 activity.

Depreciation of £251 million was £14 million higher period-on-period due to the growth in our asset base.

Infrastructure Services

Six months ended 30 September

	2026	2025	Increase/(decrease)	
	£m	£m	£m	%
Turnover				
Operating Services and other	**59**	56	3	5.4
Network Services	**16**	5	11	
Green Power	**43**	39	4	10.3
	118	100	18	18.0
EBITDA				
Operating Services and other	**9**	12	(3)	(25.0)
Network Services	**1**	(1)	2	
Green Power	**13**	9	4	44.4
Property Development	**15**	1	14	
	38	21	17	81.0

Infrastructure Services delivered turnover of £118 million (up 18.0%) and EBITDA of £38 million (up 81.0%). This includes the performance of the two acquisitions in Network Services, Industrial Water Jetting Systems (IWJS) and Watertight Management Limited (Watertight), that were completed on 31 July 2025.

Operating Services and Other turnover increased by £3 million, supported by growth in Aqualytix, our water-hygiene business. EBITDA was £3 million lower year-on-year primarily due to the expiry of the contract with the Mining Remediation Authority, formerly the Coal Authority, but higher bid costs and tighter margins on the Ministry of Defence contract also reduced EBITDA.

Network Services turnover increased by £11 million to £16 million, while EBITDA increased by £2 million to £1 million. The prior period also included £2 million of acquisition costs that did not recur in 2026/27. Excluding these costs, gross margin improved by 2%.

Green Power turnover and EBITDA both increased by £4 million. Performance benefited from cost control and a revised gate-fee strategy focused on eliminating rebates, maximising feedstock margins and renegotiating commercial terms.

Property Development generated profit of £15 million, up £14 million, following the sale of land in Warwick in June 2026. The long-term plan to deliver £150 million of profit from land sales by 2032 remains on track.

Corporate and other

Corporate overheads were £7 million (2025/26: £7 million).

Net finance costs

The Group's net finance costs for the six-month period were £170 million, (2025/26: £161 million). Average adjusted net debt of £10,424 million was higher than the previous year (2025/26: £8,840 million) but our effective interest cost for the period decreased to 4.9% (2025/26: 5.2%) because lower inflation in the period reduced the cost of our index-linked debt. Our effective cash cost of interest (which excludes the inflation uplift on index-linked debt) was 4.2% (2025/26: 3.8%) higher due to increased interest rates on new debt. Interest capitalised of £88 million (2025/26: £72 million) increased due to the higher capital work in progress during the period.

The Group's EBITDA interest cover was 4.7 times (2025/26 4.5 times) and PBIT interest cover was 3.1 times (2025/26 3.0 times). See note 18 for further details.

Net gains/losses on financial instruments

The Group uses financial derivatives solely to hedge risks associated with its normal business activities including:

- Cross currency swaps, which economically act to hedge exchange rate risk on borrowings denominated in foreign currencies;
- Interest rate swaps to balance our interest rate mix in line with our strategy and to manage interest rate exposures on floating rate borrowings;
- Exposures to increases in electricity prices; and
- Inflation swaps, which swap RPI linked cash flows for CPI linked cash flows to mitigate risks arising from changes in the regulatory model from RPI to CPIH.

An analysis of the amounts charged to the income statement in the period is presented in note 6 to the financial statements including:

- A net credit of £2 million (2025/26: charge of £1 million) from revaluing debt and swaps accounted for as fair value hedges.
- A net charge of £49 million (2025/26: credit of £9 million) from interest rate swaps not subject to hedge accounting and exchange movements on borrowings denominated in foreign currencies along with the revaluation of the related cross currency swap where hedge accounting is not applied.
- In 2025/26 there was a charge of £4 million that arose from losses on terminated cash flow hedges recycled from reserves.

The Group has fixed around 90% of the estimated wholesale energy price exposure for the remainder of AMP8 through a combination of forward price contracts and financial derivatives.

Taxation

We are committed to paying the right amount of tax at the right time, and were pleased to have our Fair Tax Mark accreditation renewed for the eighth consecutive year.

As well as corporation tax on profits, which is included in the tax charge in our accounts, we pay a range of other taxes, charges and levies imposed by government agencies including business rates; employer's National Insurance; the Climate Change Levy; and Insurance Premium Tax. Our 2025/26 Annual Report and Accounts sets

out an analysis of the taxes incurred in that year and we will set out this year's amounts in our Annual Report to be published in June 2027.

The tax charge reported in the income statement is calculated at a rate of 26.5% (2025/26: 26.1%), representing the best estimate of the annual average tax rate expected for the full year, applied to the profit for the six-month period.

The current tax charge for the period was nil (2025/26: nil). The deferred tax charge was £83 million (2025/26: £80 million).

The tax allowances generated by our significant capital programme reduced our adjusted effective current tax rate (in line with guidance) to nil% (2025/26: nil%).

Profit for the period and earnings per share

Reported profit for the period was £229 million (2025/26: £227 million).

Basic earnings per share were 76.0 pence (2025/26: 75.7 pence). Adjusted basic earnings per share were 118.8 pence (2025/26: 101.0 pence).

Cash flow

Six months ended 30 September

	2026	2025
	£m	£m
Operational cashflow	**656**	626
Cash capex	**(957)**	(782)
Net interest paid	**(217)**	(143)
Purchase of subsidiaries net of cash acquired	**(1)**	(32)
Net tax paid	**(5)**	(1)
Free cash flow	**(524)**	(332)
Dividends	**(228)**	(220)
Issue of shares	**17**	14
Proceeds from swap issue	**–**	2
Purchase of own shares	**–**	(1)
Change in net debt from cash flows	**(735)**	(537)
Non-cash movements	**(23)**	(68)
Change in adjusted net debt	**(758)**	(605)
Opening adjusted net debt	**(10,054)**	(8,545)
Closing adjusted net debt	**(10,812)**	(9,150)

Adjusted net debt comprises:

	30 September 2026 £m	31 March 2026 £m	30 September 2025 £m
Bank loans	**(819)**	(785)	(787)
Other loans	**(10,300)**	(10,087)	(9,845)
Lease liabilities	**(103)**	(104)	(114)
Net cash and cash equivalents	**352**	788	1,449
Fair value accounting adjustments	**(1)**	4	19
Exchange on currency debt not hedge accounted	**9**	79	74
Loans due from joint ventures	**50**	51	54
Adjusted net debt	**(10,812)**	(10,054)	(9,150)

At 30 September 2026 we held £352 million (31 March 2026: £788 million) in net cash and cash equivalents. Our average debt maturity is 12 years. Including undrawn committed facilities, the Group's cash flow requirements are funded until March 2028.

We invest cash in deposits with highly rated banks and liquidity funds. The Treasury Committee regularly reviews the list of counterparties and their limits.

Adjusted net debt at 30 September 2026 was £10,812 million (31 March 2026: £10,054 million). Regulatory gearing (Adjusted net debt of our regulated businesses, expressed as a percentage of estimated shadow Regulatory Capital Value) was 63.8% (31 March 2026: 63.6%).

The estimated fair value of debt at 30 September 2026 was £1,143 million lower than book value (31 March 2026: £1,226 million lower). The difference arises because market expectations for interest rates and inflation are higher than the average embedded amounts in our debt instruments (see note 10 for further details).

Pensions

The Group operates three defined benefit schemes in the UK, two from Severn Trent and one from Dee Valley Water. The schemes are closed to future accrual.

The future funding plan agreed under the 2025 actuarial valuation for the main Severn Trent Pension Scheme (STPS) includes:

- Annual deficit reduction payments of £40 million to be made until the year ending 31 March 2027, increasing in line with CPI (based on increases in the measure covering the 12-month period to the previous November). The contributions are made to a limited liability partnership that the Group and the Trustee have established, and which is recognised as an asset of the scheme;
- Payments under an asset-backed funding arrangement of £8 million per annum to 31 March 2032, which will only continue if the Scheme’s assets are less than the Scheme’s Technical Provisions; and
- Inflation-linked payments of £15 million per annum under an asset-backed funding arrangement, with payments having started in the year ended 31 March 2018, potentially continuing to 31 March 2031, although these contributions will cease earlier should a subsequent valuation of the STPS show that these contributions are no longer needed.

On an IAS 19 basis, the estimated combined net position (before deferred tax) of all of the Group's defined benefit pension schemes at 30 September 2026 was a surplus of £35 million. Calculation of the pension deficit for accounting purposes uses corporate bond yields as the basis for the discount rate of our long-term liabilities, irrespective of the nature of the scheme’s assets or their expected returns.

The net finance cost was £1 million and administration costs were £2 million.

The movements in the net deficit during the period were as follows:

	Fair value of scheme assets	Defined benefit obligations	Net surplus/ (deficit)
	£m	£m	£m
At start of the period	1,733	(1,754)	(21)
Amounts credited/(charged) to income statement	49	(52)	(3)
Actuarial (losses)/gains taken to reserves	(37)	95	58
Net contributions received and benefits paid	(61)	62	1
At end of the period	**1,684**	**(1,649)**	**35**

On an IAS 19 basis, the funding level is 102.0% (31 March 2026: 98.8%).

Dividends

The Board has declared an interim ordinary dividend of 52.20p per share (2025/26: 50.40p per share), which will be paid on 12 January 2027 to shareholders on the register at 27 November 2026.

Principal risks and uncertainties

The Board considers the principal risks and uncertainties affecting the business activities of the Group for the remainder of the financial year to be those detailed below. Details of how the Group mitigates and manages these risks are set out in the Annual Report.

Health and Safety:
- Due to the nature of our operations, we could endanger the health and safety of our people, contractors and members of the public.

Infrastructure Failure and Asset Resilience (Water):
- We do not provide a safe and secure supply of drinking water to our customers.

Infrastructure Failure and Asset Resilience (Waste):
- We do not transport and treat wastewater effectively, impacting our ability to return clean water to the environment.

Customer Service & experience
- We do not meet the needs of our customers or anticipate changing expectations through the level of customer experience we provide.

Supply Chain and Capital Project Delivery
- Insufficient resilience in the supply chain impacts the deliverability of the capital programme (time, cost, quality).

Security and Resilience
- Our core operational capabilities are compromised through physical, people or technological threats.

Political, Legal and Regulatory:
- Uncertainty of regulatory, legislative and government reforms which could fundamentally impact our operating environment and strategic ambitions.

Financial Liabilities:
- Failure to responsibly manage our financial position to maintain financial resilience and a strong funding platform, and effectively manage market volatility.

Climate Change, Environment and Biodiversity:
- We fail to ensure our operations remain resilient to the effects of climate change and effectively mitigate our environmental impact as a steward of natural capital.

People and Culture
- Failure to maintain a workforce with the right capability, skill set and values to drive the Group’s strategy.

Outlook Statement

Long-term earnings

We project Group adjusted EPS for 2027/28 to be at least 250.0 pence.

We reaffirm our outlook to deliver net operational outperformance in AMP8 of over £300m in nominal prices[1], including up to £50m in Price Control Deliverables (PCDs), with the rest derived from ODI rewards.

We also reaffirm our outlook of increasing EBITDA from Infrastructure Services to around £100 million in the period 2029/30, driven by growth in Network Services as well as our Green Power, Operating Services, and Property businesses. This includes our long-term plan to achieve £150 million of profit from our Property business by 2032.

Financial resilience

Our financial resilience outlook remains unchanged, with regulated gearing expected to be between 60%-65% at the end of the AMP. We expect to maintain current credit ratings for both Severn Trent Plc and Severn Trent Water Limited throughout AMP8.

Technical Guidance 2026/27

Year-end guidance		**FY26**	**Year-on-Year**
Regulated Water and Wastewater			
Turnover	Around £2.9 billion including HS2 related income.	£2.6bn	▲
Operating costs & IRE	7%-9% higher year-on-year.	£1.3bn	▲
Total performance incentives[2]	At least £50 million of ODI and PCD reward in current prices using March 2026 CPIH of 140.8, equivalent to at least £40 million in 22/23 prices.	£73m	▼
Infrastructure Services			
EBITDA	10%-20% increase year-on-year.	£55m	▲
Group			
Net finance costs[3]	20%-30% higher year-on-year driven by higher inflation and additional debt to fund the AMP8 investment programme.	£302m	▲
Adjusted effective current tax rate	Adjusted effective current tax rate of nil due to “full expensing" and other accelerated capital allowances on our substantial capital investment programme.	0%	↔
Capital investment	Set to invest between £2.3 billion-£2.5 billion.	£1.9bn	▲
Dividend[4]	2026/27 dividend of 130.5 pence, in line with our AMP8 policy of annual growth by CPIH.	126.0p	▲

Footnotes to Technical Guidance

1. *Based on all outperformance being recognised in revenue in 2027/28, which is the earliest point we can recognise AMP8 ODIs, using November 2026 and 2021 CPIH. Equivalent to £250m in 2022/23 prices. All figures are presented net of tax.*
2. *Performance Incentives include Outcome Delivery Incentives and Price Control Deliverables and are quoted post tax.*
3. *Based on Oxford Economics September inflation forecast. Index-linked debt comprises 22% of our total debt.*
4. *2026/27 dividend growth rate based on November 2025 CPIH of 3.57%.*

Investor Timetable

18 November 2026	**Interim Results Announcement 2026/27**
26 November 2026	**Ex-dividend date (interim)**
27 November 2026	**Dividend record date (interim)**
17 December 2026	**DRIP election date (interim)**
12 January 2027	**Interim dividend payment date**
31 March 2027	**Financial Year End**
For more information please visit: https://www.severntrent.com/investors/financial-calendar-and-regulatory-news/financial-calendar/	

A Dividend Reinvestment Plan ('DRIP') is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at www.shareview.co.uk/info/drip.

Further Information
For further information, including the Group's half-year results presentation, see the Severn Trent website (www.severntrent.com).

Condensed consolidated income statement
Six months ended 30 September 2026

	Note	**2026** **£m**	2025 £m
Turnover	3,4	**1,537**	1,437
Other income	5	**14**	–
Operating costs before charge for bad and doubtful debts		**(998)**	(949)
Charge for bad and doubtful debts		**(25)**	(22)
Total operating costs		**(1,023)**	(971)
Profit before interest and tax		**528**	466
Finance income		**65**	76
Finance costs		**(235)**	(237)
Net finance costs		**(170)**	(161)
Net (losses)/gains on financial instruments	6	**(46)**	4
Share of net loss of joint ventures accounted for using the equity method	11	**–**	(2)
Profit on ordinary activities before taxation		**312**	307
Current tax	7	**–**	–
Deferred tax	7	**(83)**	(80)
Taxation on profit on ordinary activities		**(83)**	(80)
Profit for the period		**229**	227

Earnings per share (pence)

	Note	**2026**	2025
Basic	9	**76.0**	75.7
Diluted	9	**75.7**	75.5

Condensed consolidated statement of comprehensive income
Six months ended 30 September 2026

	Note	**2026** **£m**	2025 £m
Profit for the period		**229**	227
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Net actuarial gains	12	**58**	13
Deferred tax on net actuarial gains		**(15)**	(3)
		43	10
Items that may be reclassified to the income statement:			
Gains/(losses) on cash flow hedges		**25**	(5)
Deferred tax on gains/losses on cash flow hedges		**(6)**	1
Amounts on cash flow hedges transferred to the income statement		**(8)**	4
Deferred tax on cash flow hedges transferred to the income statement		**2**	(1)
		13	(1)
Other comprehensive income for the period		**56**	9
Total comprehensive income for the period		**285**	236

Condensed consolidated statement of changes in equity
Six months ended 30 September 2026

		Equity attributable to owners of the company				
		Share capital	Share premium	Other reserves	Retained earnings	Total
	Note	£m	£m	£m	£m	£m
At 1 April 2025		296	1,378	175	(78)	1,771
Profit for the period		–	–	–	227	227
Net actuarial gains	12	–	–	–	13	13
Deferred tax on net actuarial gains		–	–	–	(3)	(3)
Losses on cash flow hedges		–	–	(5)	–	(5)
Deferred tax on losses on cash flow hedges		–	–	1	–	1
Amounts on cash flow hedges transferred to the income statement		–	–	4	–	4
Deferred tax on cash flow hedges transferred to the income statement		–	–	(1)	–	(1)
Total comprehensive income for the period		–	–	(1)	237	236
Share options and LTIPs						
- proceeds from shares issued		1	13	–	–	14
- value of employees' services		–	–	–	6	6
Dividends paid	8	–	–	–	(220)	(220)
Purchase of own shares		–	–	–	(1)	(1)
Transactions with owners, recognised directly in equity		1	13	–	(215)	(201)
At 30 September 2025		297	1,391	174	(56)	1,806
At 1 April 2026		297	1,392	186	(34)	1,841
Profit for the period		–	–	–	229	229
Net actuarial gains	12	–	–	–	58	58
Deferred tax on net actuarial gains		–	–	–	(15)	(15)
Gains on cash flow hedges		–	–	25	–	25
Deferred tax on gains on cash flow hedges		–	–	(6)	–	(6)
Amounts on cash flow hedges transferred to the income statement		–	–	(8)	–	(8)
Deferred tax on cash flow hedges transferred to the income statement		–	–	2	–	2
Total comprehensive income for the period		–	–	13	272	285
Share options and LTIPs						
- proceeds from shares issued		1	16	–	–	17
- value of employees' services		–	–	–	5	5
Deferred tax on share based payments		–	–	–	1	1
Dividends paid	8	–	–	–	(228)	(228)
Transactions with owners, recognised directly in equity		1	16	–	(222)	(205)
At 30 September 2026		**298**	**1,408**	**199**	**16**	**1,921**

Condensed consolidated balance sheet
At 30 September 2026

	Note	**30 September 2026**	31 March 2026
		£m	£m
Non-current assets			
Goodwill		**153**	152
Other intangible assets		**231**	224
Property, plant and equipment		**16,230**	15,079
Biological assets		**4**	4
Right-of-use assets		**139**	142
Derivative financial instruments	10	**68**	99
Trade and other receivables		**30**	67
Retirement benefit surplus	12	**42**	5
		16,897	15,772
Current assets			
Inventory		**54**	48
Trade and other receivables		**1,082**	933
Current tax receivable		**1**	–
Derivative financial instruments	10	**32**	22
Cash and cash equivalents		**356**	796
		1,525	1,799
Current liabilities			
Borrowings		**(261)**	(366)
Derivative financial instruments	10	**–**	(1)
Trade and other payables		**(1,018)**	(872)
Current tax payable		**–**	(4)
Provisions for liabilities		**(66)**	(52)
		(1,345)	(1,295)
Net current assets		**180**	504
Total assets less current liabilities		**17,077**	16,276
Non-current liabilities			
Borrowings		**(10,965)**	(10,618)
Derivative financial instruments	10	**(143)**	(50)
Trade and other payables		**(2,196)**	(2,064)
Deferred tax		**(1,734)**	(1,634)
Retirement benefit obligations	12	**(7)**	(26)
Provisions for liabilities		**(111)**	(43)
		(15,156)	(14,435)
Net assets		**1,921**	1,841
Equity			
Called up share capital	13	**298**	297
Share premium account		**1,408**	1,392
Other reserves		**199**	186
Retained earnings		**16**	(34)
Total equity		**1,921**	1,841

Condensed consolidated cash flow statement
Six months ended 30 September 2026

	Note	**2026** **£m**	2025 £m
Cash generated from operations	14	**681**	655
Tax paid	14	**(5)**	(1)
Net cash generated from operating activities		**676**	654
Cash flows from investing activities			
Purchase of subsidiaries net of cash acquired		**(1)**	(32)
Purchases of property, plant and equipment		**(960)**	(794)
Purchases of intangible assets		**(26)**	(23)
Proceeds on disposal of property, plant and equipment		**4**	6
Net loans repaid by joint ventures		**1**	18
Interest received		**15**	27
Net cash outflow from investing activities		**(967)**	(798)
Cash flow from financing activities			
Interest paid		**(232)**	(170)
Dividends paid to shareholders of the parent		**(228)**	(220)
Repayments of borrowings		**(139)**	(3)
Principal element of lease payments		**(4)**	(1)
New loans raised		**441**	927
Issues of shares net of costs		**17**	14
Purchase of own shares		**–**	(1)
Proceeds from swap issues		**–**	2
Net cash (outflow)/inflow from financing activities		**(145)**	548
Net movement in cash and cash equivalents		**(436)**	404
Net cash and cash equivalents at the beginning of the period		**788**	1,045
Net cash and cash equivalents at end of period		**352**	1,449
Net cash and cash equivalents			
Cash at bank and in hand		**44**	40
Bank overdrafts		**(4)**	(5)
Short term deposits		**312**	1,414
		352	1,449

1. General information

The interim report has been prepared in accordance with the recognition and measurement criteria of UK-adopted International Accounting Standards and the disclosure requirements of the Listing Rules.

The information for the year ended 31 March 2026 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. A copy of the statutory accounts for that year prepared under UK-adopted International Accounting Standards has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

a) Accounting policies

The interim financial information has been prepared on the going concern basis using accounting policies consistent with United Kingdom adopted International Accounting Standard 34 'Interim Financial Reporting'. The same accounting policies, presentation and methods of computation are followed in the interim financial information as applied in the Group's annual financial statements for the year ended 31 March 2026.

b) Going concern

Including undrawn committed credit facilities of £1,680 million, and based on its latest forecasts, the Group is fully funded for its investment and cash flow needs for at least 12 months from the date of approval of these results.

After making enquiries the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and hence the interim financial information has been prepared on a going concern basis.

c) Seasonality

Historically around half of the Group's PBIT has arisen in the first half of the year. Further detail on the expected seasonality of PBIT in the current year is set out in the Chief Financial Officer's Review.

2. Significant accounting judgments and key sources of estimation uncertainty

In the course of applying the Group's accounting policies, the Group is required to make certain judgments, estimates and assumptions that it believes are reasonable based on the information available. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. Details of the significant accounting judgments and key sources of estimation uncertainty were set out in the Group's financial statements for the year ended 31 March 2026. Changes to these judgments and uncertainties are set out below.

a) Significant accounting judgments

There have been no changes to the significant accounting judgments made at 31 March 2026.

b) Sources of estimation uncertainty

There have been no significant changes to the estimates relating to depreciation and carrying amounts of property, plant and equipment or retirement benefit obligations since 31 March 2026.

3. Segmental analysis

The Group is organised into two main business segments:

Regulated Water and Wastewater includes the activities of Severn Trent Water Limited, except affinity products, hydro-electric generation and property sales, and Hafren Dyfrdwy Cyfyngedig.

Infrastructure Services includes the Group's Operating Services businesses, the Green Power business including Severn Trent Water's hydro-electric generation, Network Services, the Property Development business and our other non-regulated businesses including affinity products and searches.

The Severn Trent Executive Committee ('STEC') is considered to be the Group's chief operating decision maker. The reports provided to STEC include segmental information prepared on the basis described above.

Results from interests in our joint venture are not included in the segmental reports reviewed by STEC.

Goodwill is allocated and monitored at the segment level.

Transactions between reportable segments are included within segmental results, assets and liabilities in accordance with Group accounting policies. These are eliminated on consolidation.

A segmental analysis of turnover and profit before interest and tax is presented below.

Six months ended 30 September

	2026		2025	
	Regulated Water and Wastewater	**Infrastructure Services**	Regulated Water and Wastewater	Infrastructure Services
	£m	**£m**	£m	£m
External turnover	**1,439**	**98**	1,346	91
Inter-segment turnover	**–**	**20**	–	9
Total turnover	**1,439**	**118**	1,346	100
Profit before interest and tax	**510**	**26**	467	9

The reportable segments' turnover is reconciled to Group turnover as follows:

Six months ended 30 September

	2026	2025
	£m	£m
Regulated Water and Wastewater	**1,439**	1,346
Infrastructure Services	**118**	100
Corporate and other	**1**	1
Consolidation adjustments	**(21)**	(10)
	1,537	1,437

3. Segmental analysis (continued)

Segmental PBIT is reconciled to the Group's profit before tax as follows:

Six months ended 30 September

	2026	2025
	£m	£m
Regulated Water and Wastewater	**510**	467
Infrastructure Services	**26**	9
Corporate and other	**(7)**	(7)
Consolidation adjustments	**(1)**	(3)
Profit before interest and tax	**528**	466
Net finance costs	**(170)**	(161)
Net (losses)/gains on financial instruments	**(46)**	4
Share of net loss of joint ventures accounted for using the equity method	**–**	(2)
Profit on ordinary activities before taxation	**312**	307

The following table shows segmental capital employed:

	30 September 2026		31 March 2026	
	Regulated Water and Wastewater	**Infrastructure Services**	Regulated Water and Wastewater	Infrastructure Services
	£m	**£m**	£m	£m
Operating assets	**17,362**	**451**	16,055	421
Goodwill	**63**	**90**	63	89
Segment assets	**17,425**	**541**	16,118	510
Segment operating liabilities	**(3,358)**	**(54)**	(3,014)	(41)
Capital employed	**14,067**	**487**	13,104	469

Operating assets comprise other intangible assets, property, plant and equipment, biological assets, right-of-use assets, retirement benefit surpluses, inventory and trade and other receivables.

Operating liabilities comprise trade and other payables, retirement benefit obligations and provisions.

4. Revenue from contracts with customers

Revenue recognised from contracts with customers is analysed by business segment below:

Six months ended 30 September 2026

	Regulated Water and Wastewater	Infrastructure Services	Corporate and other	Consolidation adjustments	Group
	£m	£m	£m	£m	£m
Water and wastewater services	1,414	–	–	–	1,414
Operating services	–	53	–	(3)	50
Network services	–	16	–	(14)	2
Renewable energy	22	43	–	(3)	62
Other sales	3	6	1	(1)	9
	1,439	**118**	**1**	**(21)**	**1,537**

Six months ended 30 September 2025

	Regulated Water and Wastewater	Infrastructure Services	Corporate and other	Consolidation adjustments	Group
	£m	£m	£m	£m	£m
Water and wastewater services	1,321	–	–	–	1,321
Operating services	–	48	–	(2)	46
Network services	–	5	–	(4)	1
Renewable energy	22	39	–	(3)	58
Other sales	3	8	1	(1)	11
	1,346	100	1	(10)	1,437

5. Other Income

Other income in the year of £14 million (2025: nil) in the period consists of profit on the disposal of land in Warwick.

6. Net (losses)/gains on financial instruments

Six months ended 30 September

	2026	2025
	£m	£m
Loss on swaps used as hedging instruments in fair value hedges	**(2)**	(4)
Gain arising on debt in fair value hedges	**4**	3
Exchange gain/(loss) on other loans	**70**	(65)
Net loss on terminated hedges transferred from equity	**–**	(4)
(Loss)/gain arising on swaps where hedge accounting is not applied	**(119)**	73
Amortisation of fair value adjustment on debt	**1**	1
	(46)	4

7. Tax

Six months ended 30 September

	2026	2025
	£m	£m
Current tax		
Current year at 25% (2025: 25%)	**–**	–
Prior years	**–**	–
Total current tax	**–**	–
Deferred tax		
Origination and reversal of temporary differences:		
Current year	**83**	80
Total deferred tax	**83**	80
	83	80

The tax charge in the income statement is calculated at a rate of 26.5% (2025: 26.1%) representing the best estimate of the annual average effective income tax rate expected for the full year applied to the pre-tax income for the six-month period.

The adjusted effective current tax rate was nil% (2025: nil%). See note 18.

Current tax of nil (2025: nil) and a net deferred tax charge of £18 million (2025: £3 million) has been taken to reserves in the period.

Deferred tax is provided at 25%, the rate that is expected to apply when the asset or liability is expected to be settled.

8. Dividends

Amounts recognised as distributions to owners of the Company in the period:

Six months ended 30 September

		2026		2025
	Pence per share	**£m**	Pence per share	£m
Final dividend for the year ended 31 March 2026 (2025)	**75.62**	**228**	73.03	220

The proposed interim dividend of 52.20p per share (2025: 50.40p per share) was approved by the Board on 17 November 2026 and has not been included as a liability at 30 September 2026.

9. Earnings per share

a) Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding treasury shares and those held in the Severn Trent Employee Share Ownership Trust which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's shares during the period.

The calculation of basic and diluted earnings per share is based on the following data:

i) Earnings for the purpose of basic and diluted earnings per share

	2026	2025
	£m	£m
Profit for the period	**229**	227

ii) Number of shares

Six months ended 30 September

	2026	2025
	m	m
Weighted average number of ordinary shares for the purpose of basic earnings per share	**301.4**	300.3
Effect of dilutive potential ordinary shares:		
- share options and LTIPs	**1.2**	0.8
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**302.6**	301.1

b) Adjusted earnings per share

Six months ended 30 September

	2026	2025
	pence	pence
Adjusted basic earnings per share	**118.8**	101.0
Adjusted diluted earnings per share	**118.3**	100.7

Adjusted earnings per share figures are presented for continuing operations. These exclude the effects of net gains/losses on financial instruments and deferred tax. The Directors consider that the adjusted figures provide a useful additional indicator of performance. The denominators used in the calculations of adjusted basic and diluted earnings per share are the same as those used in the unadjusted figures set out above.

The adjustments to earnings are as follows:

Six months ended 30 September

	2026	2025
	£m	£m
Earnings for the purpose of basic and diluted earnings per share	**229**	227
Adjustments for:		
- net losses/(gains) on financial instruments	**46**	(4)
- deferred tax	**83**	80
Earnings for the purpose of adjusted basic and diluted earnings per share	**358**	303

10. Fair value of financial instruments

a) Fair value measurements

The valuation techniques that the Group applies in determining the fair values of its financial instruments on a recurring basis are described below. The techniques are classified under the hierarchy defined in IFRS 13 which categorises valuation techniques into Levels 1 – 3 based on the degree to which the fair value is observable. The Group's valuation techniques are Level 2:

	30 September 2026 £m	31 March 2026 £m	**Valuation techniques and key inputs**
Cross currency swaps			Discounted cash flow.
Assets	**36**	72	Future cash flows are estimated based on forward interest rates from observable yield curves at the period end and contract interest rates discounted at a rate that reflects the credit risk of counterparties. The currency cash flows are translated at spot rate.
Liabilities	**(142)**	(47)	
Interest rate swaps			Discounted cash flow.
Assets	**31**	30	Future cash flows are estimated based on forward interest rates from observable yield curves at the period end and contract interest rates discounted at a rate that reflects the credit risk of counterparties.
Liabilities	**(1)**	(3)	
Energy swaps			Discounted cash flow.
Assets	**29**	14	Future cash flows are estimated based on forward electricity prices from observable indices at the period end and contract prices discounted at a rate that reflects the credit risk of counterparties.
Liabilities	**–**	(1)	
Inflation swaps			Discounted cash flow.
Asset	**4**	5	Future cash flows on the RPI leg of the instrument are estimated based on observable forward inflation indices.
Liability	**–**	–	Future cash flows on the CPI leg of the instrument are estimated based on the future expected differential between RPI and CPI ('the wedge').
			Both legs are discounted using observable swap rates at the period end, at a rate that reflects the credit risk of counterparties.

10. Fair value of financial instruments (continued)

b) Comparison of fair value of financial instruments with their carrying amounts

The Directors consider that the carrying amounts of the group's financial assets, derivative financial liabilities, trade payables, other payables and accruals, approximate to their fair values. The carrying values and estimated fair values of the group's borrowings are set out below:

	30 September 2026		31 March 2026	
	Carrying value	**Fair value**	Carrying value	Fair value
	£m	**£m**	£m	£m
Floating rate debt				
Bank loans	**654**	**654**	624	624
Other loans	**248**	**257**	148	154
Overdraft	**4**	**4**	8	8
	906	**915**	780	786
Fixed rate debt				
Other loans	**7,756**	**7,055**	7,679	7,148
Lease liabilities	**103**	**103**	104	104
	7,859	**7,158**	7,783	7,252
Index-linked debt				
Bank loans	**165**	**159**	161	156
Other loans	**2,296**	**1,851**	2,260	1,564
	2,461	**2,010**	2,421	1,720
	11,226	**10,083**	10,984	9,758

The above classification does not take into account the impact of interest rate swaps or cross currency swaps.

Fixed rate loans are valued using market prices for similar instruments, which is a Level 2 valuation technique.

Index-linked loans are rarely traded and therefore quoted prices are not considered to be a reliable indicator of fair value. Therefore, these loans are valued using discounted cash flow models with discount rates derived from observed market prices for a sample of bonds, which is a Level 2 valuation technique.

Fair values of the other debt instruments are also calculated using discounted cash flow models with discount rates derived from observed market prices, which is a Level 2 valuation technique.

11. Interests in joint ventures

Our joint venture undertaking, Water Plus, is the largest business retailer in the non-household retail water market in England.

During the current period, the Group has not recognised any amounts in its share of Water Plus against the value of the investment. The value of the investment in the joint venture was nil as at 30 September 2026 (31 March 2026: nil).

As at 30 September 2026, the Group's unrecognised share of joint venture losses amounts to £3 million. These losses have not been recognised in the consolidated financial statements.

12. Retirement benefit schemes

The Group operates three defined benefit schemes in the UK, two from Severn Trent and one from Dee Valley Water. The schemes are closed to future accrual. The Group also has an unfunded obligation to provide benefits to certain former employees whose earnings were in excess of the pensions cap that operated when the benefits were accrued. The Group participates in the Dee Valley Water Limited Section of the Water Companies Pension Scheme, which is a defined benefit sectionalised scheme.

The defined benefit pension schemes and the dates of their last completed formal actuarial valuations as at the accounting date are as follows:

	Date of last formal actuarial valuation
Severn Trent Pension Scheme ('STPS')*	31 March 2025
Severn Trent Mirror Image Pension Scheme ('STMIPS')	31 March 2022
Water Companies Pension Scheme - Dee Valley Water Limited Section ('DVWS')	31 March 2023

* The STPS is by far the largest of the Group's UK defined benefit schemes, comprising over 90% of the Group's overall defined benefit obligations.

The major financial assumptions used in the accounting valuation of the obligations for the STPS which represents by far the largest defined benefit obligation for the Group were as follows:

		30 September 2026 %	31 March 2026 %
Price inflation - RPI		**3.2**	3.4
Price inflation - CPI	Pre 2030:	**2.2**	2.4
	Post 2030:	**3.1**	3.3
Discount rate		**6.6**	6.1
Pension increases		**3.2**	3.4
Remaining life expectancy for members currently aged 60 (years)			
- men		**26.0**	26.0
- women		**27.9**	27.9

The calculation of the scheme obligations is sensitive to the actuarial assumptions and in particular to the assumptions relating to discount rate, price inflation (capped, where relevant) and mortality. The following table summarises the estimated impact on the Group's obligations from changes to key actuarial assumptions whilst holding all other assumptions constant.

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1% pa	Decrease/increase by £16 million
Price inflation	Increase/decrease by 0.1% pa	Increase/decrease by £13 million
Mortality	Increase in life expectancy by 1 year	Increase by £55 million

The defined benefit scheme assets have been updated to reflect their market value at 30 September 2026. Actuarial gains and losses on the scheme assets and defined benefit obligations have been reported in the statement of comprehensive income. Service cost, and the cost of administrating the scheme, are recognised in operating costs and interest cost is recognised in net finance costs.

12. Retirement benefit schemes (continued)

In reality, inter-relationships exist between the assumptions, particularly between the discount rate and price inflation. The above analysis does not take into account the effect of these inter-relationships. Also, in practice any movement in obligations arising from assumption changes are likely to be accompanied by movements in asset values – and so the impact on the accounting surplus/deficit may be lower than the impact on the obligations shown below.

The scheme assets at the balance sheet date were:

STPS, STMIPS, and DVWS	**30 September 2026 £m**	31 March 2026 £m
Fair value of scheme assets		
Equities	**38**	9
Annuity policies*	**95**	99
Corporate bonds	**625**	588
Liability-driven investment funds ('LDI's)	**742**	696
Property	**110**	129
Cash and other	**74**	212
	1,684	1,733

* On 29 July 2021, the STMIPS Trustees completed the purchase of a bulk annuity contract with JUST, an insurance company, to secure the benefits of all members of the MIPS. The Trustees continue to pay benefits to members as before the transaction, but these cashflows are now matched exactly by income from JUST. In March 2023, the DVWS also entered into a bulk annuity buy-in investment policy with JUST that covers the majority of the scheme obligations.

Some of the invested assets have quoted prices in active markets, but there are equities, corporate bonds and LDI investments which are unquoted, amounting to £932 million (31 March 2026: £881 million).

Movements in the net surplus/(deficit) recognised in the balance sheet were as follows:

	Fair value of plan assets £m	**Defined benefit obligations £m**	**Net surplus/ (deficit) £m**
At 1 April 2026	1,733	(1,754)	(21)
Scheme administration costs	(2)	–	(2)
Interest income/(cost)	51	(52)	(1)
Actuarial gains	(37)	95	58
Employer contributions	1	–	1
Benefits paid	(62)	62	–
At 30 September 2026	**1,684**	**(1,649)**	**35**

The net surplus/(deficit) is presented on the balance sheet as follows:

	30 September 2026 £m	31 March 2026 £m
Retirement benefit surplus	**42**	5
Retirement benefit obligations - funded schemes in deficit	**–**	(19)
Retirement benefit obligations - unfunded schemes in deficit	**(7)**	(7)
	35	(21)

13. Share capital

At 30 September 2026 the issued and fully paid share capital was 304.1 million shares of $97^{17}/_{19}$p amounting to £298 million (31 March 2026: 303.3 million shares of $97^{17}/_{19}$p amounting to £297 million).

During the period the Company issued 0.8 million shares as a result of the exercise of employee share options. At 30 September 2026 the Company held 2.0 million (31 March 2026: 2.2 million) treasury shares.

14. Cash flow

a) Reconciliation of operating profit to operating cash flows

Six months ended 30 September

	2026 £m	2025 £m
Profit before interest and tax	**528**	466
Depreciation of property, plant and equipment	**238**	217
Depreciation of right-of-use assets	**4**	3
Amortisation of intangible assets	**19**	23
Impairment of property, plant and equipment	**2**	7
Defined benefit pension scheme administration costs	**2**	3
Defined benefit pension scheme contributions	**(1)**	–
Share based payment charge	**5**	6
Profit on sale of property, plant and equipment and intangible assets	**(4)**	(4)
Release from deferred credits	**(12)**	(9)
Contributions and grants received	**25**	29
Provisions charged to the income statement	**1**	15
Utilisation of provisions for liabilities	**(1)**	(18)
Operating cash flows before movements in working capital	**806**	738
Increase in inventory	**(6)**	(1)
Increase in amounts receivable	**(101)**	(167)
(Decrease)/increase in amounts payable	**(18)**	85
Cash generated from operations	**681**	655
Tax paid	**(5)**	(1)
Net cash generated from operating activities	**676**	654

b) Reconciliation of movements in adjusted net debt

	Net cash and cash equivalents £m	Bank loans £m	Other loans £m	Lease liabilities £m	Fair value accounting adjustments £m	Exchange on currency debt not hedge accounted £m	Loans due from joint venture £m	Adjusted net debt £m
At 1 April 2026	788	(785)	(10,087)	(104)	4	79	51	(10,054)
Cash flow	(436)	(44)	(258)	4	–	–	(1)	(735)
Fair value adjustments	–	–	5	–	(5)	–	–	–
Inflation uplift on index-linked debt	–	(4)	(36)	–	–	–	–	(40)
Foreign exchange	–	–	70	–	–	(70)	–	–
Other non-cash movements	–	14	6	(3)	–	–	–	17
At 30 September 2026	**352**	**(819)**	**(10,300)**	**(103)**	**(1)**	**9**	**50**	**(10,812)**

15. Post balance sheet events

On 5 October 2026, Severn Trent Utilities Finance Plc issued a £70 million five-year private debt placement and issued a €100 million tap of its existing 2034 bond.

16. Contingent liabilities

Details of the Group's contingent liabilities were disclosed in the financial statements for the year ended 31 March 2026 which were approved on 19 May 2026. There have been no significant developments relating to the contingent liabilities disclosed in those financial statements other than what is set out below.

Combined sewer overflow investigations

Ofwat and the Environment Agency ('EA') have each been conducting their own investigations into the wastewater industry. The EA is investigating all English wastewater companies in respect of compliance with permit conditions (therefore excluding Hafren Dyfrdwy). The EA's investigation is ongoing. We have responded comprehensively to all questions and continue to engage positively on the issues under investigation. Whereas, Ofwat has been investigating all English and Welsh wastewater companies' compliance with its Licence Conditions, Section 94 of the Water Industry Act 1991 and the Urban Wastewater Treatment (England and Wales) Regulations.

In July 2026, Ofwat published its decision concluding its investigation into Severn Trent Water ('STW') and confirmed that no penalty shall be imposed upon STW. STW has given binding undertakings under Section 19 of the Water Industry Act to ensure compliance with the relevant obligations.

Similarly, Ofwat has reached its decision in respect of Hafren Dyfrdwy's investigation, with a headline penalty of 3.5% of relevant turnover from wastewater activities (equivalent to £255,000) for historical and current failures, whilst noting that it considered that the company has remedied historical breaches of Licence Condition P. Ofwat's decision is subject to a 21-day consultation to complete in early November, following which Hafren Dyfrdwy will sign similar undertakings, together with a redress package of an additional £25,000. The total enforcement package of £280,000 will be funded by the company and its shareholder and not by customers.

Collective Action Claim

In December 2023, Severn Trent Water Limited and Severn Trent Plc were served with the collective proceedings order application, alongside five other water and sewerage companies for separate (but equivalent) claims, in respect of potential collective proceedings to be brought before the Competition Appeal Tribunal ('CAT') (formerly referred to as the 'Leigh Day Claim'). The Group has received a claim for £239 million (excluding interest) on behalf of a class comprising certain customers of STW (on an opt-out basis) who are alleged to have been overcharged for sewerage services as a result of an alleged abuse of a dominant position.

The preliminary Certification Hearing to determine if the claim is capable of being heard by the CAT and should proceed to trial was held on 23 September 2024. On 7 March 2025, the CAT handed down judgment and held that the alleged failure of the potential defendants to supply accurate information for the statutory regime of price control (under the Water Industry Act 1991) was excluded by Section 18(8) of the Water Industry Act 1991 and dismissed. On 28 March 2025, the claimant sought permission to appeal the dismissal by the CAT with the Court of Appeal. On 5 March 2026, a majority decision of the Court of Appeal dismissed the appeal.

On 9 April 2026, the claimant applied for permission to appeal to the Supreme Court. On 29 June 2026, the Supreme Court granted the claimant permission to appeal, and a hearing will take place on 8 and 9 February 2027. A decision from the Supreme Court is expected within 2027. If the claimant is successful at appeal, the matter would have to return to the CAT for trial on any substantive issues. At this initial certification stage, the appeal does not concern any issues of culpability or responsibility for any alleged damages. Severn Trent maintains that the claim is without merit and will robustly defend it, should the certification decision be overturned on appeal.

17. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not included in this note. Trading transactions between the Group and its joint venture, Water Plus, are disclosed below.

Six months ended 30 September

	2026 £m	2025 £m
Sale of services	**156**	105
Net interest income	**2**	2
	158	107

Loans receivable from Water Plus of £50 million were outstanding at the balance sheet date (31 March 2026: £51 million), net repayments amounting to £1 million were made in the period.

The retirement benefit schemes operated by the Group are considered to be related parties. Details of transactions and balances with the retirement benefit schemes are disclosed in note 12.

18. Alternative performance measures

Financial measures or metrics used in this report that are not defined by IFRS are alternative performance measures ('APMs'). The Group uses such measures for performance analysis because they provide additional useful information on the performance and position of the Group. Since the Group defines its own alternative performance measures, these might not be directly comparable with other companies' alternative performance measures. These measures are not intended to be a substitute for, or superior to, IFRS measurements.

a) Adjusted earnings per share

Adjusted earnings per share figures exclude the effects of net gains/losses on financial instruments, current tax on net gains/losses on financial instruments and deferred tax. The Directors consider that the adjusted figures provide a useful additional indicator of performance and remove non-performance related distortions. See note 9.

b) Adjusted net debt

The components of adjusted net debt are set out in note 14 b). Foreign currency borrowings that are hedged by cross currency swaps are included at the notional principal of the sterling payable leg of the swap. Adjusted net debt is used to provide a measure of the Group's underlying indebtedness.

c) Effective interest cost

The effective interest cost is calculated as net finance costs, excluding net finance costs from pensions, plus capitalised finance costs divided by the monthly average net debt during the period.

	2026 £m	2025 £m
Net finance costs	**170**	161
Net finance costs from pensions	**(1)**	(3)
Capitalised finance costs	**88**	72
	257	230
Annualised*	**514**	460
Average adjusted net debt	**10,424**	8,840
Effective interest cost	**4.9%**	5.2%

** the rate is the annualised equivalent interest rate based on that calculated for the six-month period*

This APM is used to show the average interest rate that is attributable to the adjusted net debt of the business.

18. Alternative performance measures (continued)

d) Effective cash cost of interest

The effective cash cost of interest is calculated on the same basis as the effective interest cost except that it excludes finance costs that are not paid in cash but are accreted to the carrying value of the debt (principally inflation adjustments on index-linked debt).

	2026	2025
	£m	£m
Net finance costs	**170**	161
Net finance costs from pensions	**(1)**	(3)
Indexation adjustments	**(40)**	(63)
Capitalised finance costs	**88**	72
	217	167
Annualised*	**434**	335
Average adjusted net debt	**10,424**	8,840
Effective cash cost of interest	**4.2%**	3.8%

** the rate is the annualised equivalent interest rate based on that calculated for the six-month period*

This APM is used to show the average finance cost that is paid in cash.

e) PBIT interest cover

The ratio of PBIT to net finance costs excluding finance costs from pensions.

	2026	2025
	£m	£m
PBIT	**528**	466
Net finance costs	**170**	161
Net finance costs from pensions	**(1)**	(3)
Net finance costs excluding net finance costs from pensions	**169**	158

	Ratio	Ratio
PBIT interest cover ratio	**3.1**	3.0

This APM is used to show how the PBIT of the business covers the financing costs associated only with adjusted net debt on a consistent basis.

f) EBITDA and EBITDA interest cover

The ratio of profit before interest, tax, depreciation and amortisation to net finance costs excluding net finance costs from pensions.

	2026	2025
	£m	£m
PBIT	**528**	466
Depreciation (including right-of-use assets)	**242**	220
Amortisation	**19**	23
Impairment	**2**	7
EBITDA*	**791**	716

** Earnings before interest, tax, depreciation, amortisation and impairment.*

Net finance costs	**170**	161
Net finance costs from pensions	**(1)**	(3)
Net finance costs excluding finance costs from pensions	**169**	158

	Ratio	Ratio
EBITDA interest cover ratio	**4.7**	4.5

This APM is used to show how the EBITDA of the business covers the financing costs associated only with adjusted net debt on a consistent basis.

18. Alternative performance measures (continued)

g) Adjusted effective current tax rate

The current tax charge for the year, excluding prior year charges and current tax on financial instruments, divided by profit before tax, net gains/losses on financial instruments and share of net profit/loss of our joint venture accounted for using the equity method.

	2026	**2026 Current tax thereon**	2025	2025 Current tax thereon
	£m	**£m**	£m	£m
Profit before tax	**312**	**–**	307	–
Adjustments				
Share of net loss of joint venture	**–**	**–**	2	–
Net losses/(gains) on financial instruments	**46**	**–**	(4)	–
	358	**–**	305	–
Adjusted effective current tax rate		**0.0%**		0.0%

This APM is used to remove distortions in the tax charge and create a metric consistent with the calculation of adjusted earnings per share in note 9. Share of net profit/loss of joint venture is excluded from the calculation because the loss is included after tax and so the tax on joint venture profit/loss is not included in the current tax charge.

h) Operational cashflow

Cash generated from operations less contributions and grants received.

	2026	2025
	£m	£m
Cash generated from operations	**681**	655
Contributions and grants received	**(25)**	(29)
Operational cashflow	**656**	626

This APM is used to show operational cash excluding the effect of contributions and grants received as part of capital programmes.

i) Cash capex

Cash paid to acquire property, plant and equipment and intangible fixed assets less contributions and grants received and proceeds on disposal of property, plant and equipment and intangible fixed assets.

	2026	2025
	£m	£m
Purchase of property, plant and equipment	**960**	794
Purchase of intangible assets	**26**	23
Contributions and grants received	**(25)**	(29)
Proceeds on disposal of property, plant and equipment	**(4)**	(6)
Cash capex	**957**	782

This APM is used to show the cash impact of the Group's capital programmes.

j) Capital investment

Additions to property, plant and equipment and intangible fixed assets less contributions and grants received, assets contributed at no cost and capitalised finance costs.

	2026	2025
	£m	£m
Additions to property, plant and equipment	**1,391**	910
Additions to intangible assets	**26**	23
Contributions and grants received	**(25)**	(29)
Assets contributed at no cost	**(251)**	(63)
Capitalised finance costs	**(88)**	(72)
Capital Investment	**1,053**	769

Includes £116 million (2025: £2 million) of new or remeasured provisions for future capital expenditure arising from regulatory obligations. This APM is used to show the amount invested in capital.

Responsibility statement

We confirm to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting”; and

(b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R and 4.2.8R of the United Kingdom Financial Conduct Authority.

Signed on behalf of the Board who approved the half yearly financial report on 17 November 2026.

Christine Hodgson Chair	Helen Miles Chief Financial Officer

Independent review report to Severn Trent Plc
Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Severn Trent Plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Yearly Financial Report of Severn Trent Plc for the 6-month period ended 30 September 2026 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 September 2026;
- the Condensed consolidated income statement and Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated cash flow statement for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Yearly Financial Report of Severn Trent Plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Yearly Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The Half Yearly Financial Report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Yearly Financial Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Yearly Financial Report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Independent review report to Severn Trent Plc
Report on the condensed consolidated interim financial statements

Our responsibility is to express a conclusion on the interim financial statements in the Half Yearly Financial Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of this report
This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Birmingham
17 November 2026

Asset Management Plan (AMP)
Price limit periods are sometimes known as AMP (Asset Management Plan) periods. The period 2025-2030 is known as AMP8 because it is the eighth cycle since the water industry was privatised in 1989.

Customer Measure of Experience (C-MeX)
The incentive mechanism for companies to improve the experience of residential customers. C-MeX comprises two surveys – the customer service survey of residential customers who have recently contacted their water company and the customer experience random survey of members of the public in relation to their experience of their water company.

Developer Services Measure of Experience (D-MeX)
The incentive mechanism for companies to improve the experience of developer services customers. D-MeX comprises a qualitative element which is a survey of developer services customers who have recently completed a transaction with their water company and a quantitative element which measures performance against a set of Water UK developer services level of service metrics.

Infrastructure Renewals Expenditure (IRE)
The costs of like-for-like replacement of infrastructure components. These are recognised in the income statement as they arise.

Notional Net Debt
For each price review Ofwat sets a notional capital structure for companies in determining prices limits. This includes a notional (assumed) regulated gearing level. Notional net debt is the RCV multiplied by the notional regulated gearing level.

Ofwat
The water industry's economic regulator in England & Wales.

Outcome Delivery Incentives (ODIs)
A framework made up of outcomes, measures, targets and incentives which provides companies with rewards for achieving stretching performance targets and compensates customers if performance is below performance targets.

PR19 and PR24
The price review (PR) is a financial review process led by Ofwat where wholesale price controls for water and sewerage companies are set every five years. PR19 (Price Review 2019) set wholesale price controls for water and sewerage companies for 2020 to 2025. PR24 (Price Review 2024) will set wholesale price controls for water and sewerage companies for 2025 to 2030.

Price Control Deliverables (PCDs)
A framework which sets expectations for delivery of improvements funded through enhancement expenditure allowances. Where water companies fail to deliver these outcomes they will return funding to customers, and where they deliver their programme on time they will earn a reward.

Price limits
The price limits are set to enable water companies to deliver the services required of them over the AMP period. These include allowing for capital maintenance of assets, ensuring security of supply and meeting drinking water and environmental quality requirements.

Real Options
Real Options are commitments that were agreed with Ofwat at PR19 to be adjusted to the RCV (see below) at the end of the AMP contingent on the delivery of environmental benefits, which are either delivered or on track.

Reasons for Not Achieving Good Status (RNAGS)
The EA's analysis of Reasons for Not Achieving Good Status (RNAGS) records the source, activity and sector involved in causing waters to be at less than 'good' status.

Regulatory Capital Value (RCV) / Regulatory Asset Base
The regulatory capital base is used to measure the capital base of a company when setting price limits. The RCV increases each year by a proportion of totex that is set at each price review and an adjustment for inflation. The RCV is reduced each year through the run-off mechanism (which is similar to depreciation of fixed assets). The run-off amount is recovered through revenue in the year.

Regulatory Return
The return generated on actual regulatory equity, calculated using average actual gearing applied to the Final Determination RCV. It encompasses the base return, outperformance, and the uplift to our regulatory asset base from inflation, and is stated on the actual company structure.

Reopener
Additional expenditure to be approved by Ofwat as part of the cost change process over and above the Final Determination.

Shadow RCV
Shadow RCV includes Ofwat approved RCV relating to the cost change process as published in its Draft Determination.

Totex
Totex (shortened form of total expenditure) includes operating expenditure (opex), infrastructure renewals expenditure (IRE) and capital expenditure (capex).

Transition Expenditure
Spend during a regulatory period relating to programmes included in the future regulatory period plan.

Cautionary statement regarding forward-looking statements

This document contains statements that are, or may be deemed to be, ‘forward-looking statements’ with respect to Severn Trent’s financial condition, results of operations and business and certain of Severn Trent’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 Severn Trent'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 Severn Trent'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 (which have not been updated since the date of its publication); changes in the economies and markets in which the Group operates; changes in the regulatory and competition frameworks in which the Group operates; the impact of legal or other proceedings against or which affect the Group; 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 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. 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, 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 profits forecast.

This document is not an offer to sell, exchange or transfer any securities of Severn Trent Plc or any of its subsidiaries and is not soliciting an offer to purchase, exchange or transfer such securities in any jurisdiction. Securities may not be offered, sold or transferred in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act of 1933 (as amended).