

Pennon Group plc

PR24 Final Determinations for South West Water and Sutton and East Surrey Water

Ofwat has this morning published its PR24 Final Determination in respect of the K8 period (2025 - 2030) for the water businesses within the Pennon Group; South West Water (SWW) and Sutton and East Surrey (SES).

Ofwat continues to recognise the 'outstanding' nature of South West Water's original business plan through a 30 bps uplift to the cost of capital (subject to meeting certain targets over the forthcoming period), whilst SES benefits from a 5bps uplift for a 'good' plan.

The headlines of the Final Determination are:

- A sector wide cost of capital for the sector of 4.03% on a post-tax real basis;
- Totex^[1] allowances of £4.5bn and £0.4bn for SWW and SES respectively; and
- Revenues¹ of £4.4bn and £0.4bn for SWW and SES respectively over the five year period.

We are reviewing the detailed documentation which forms the Final Determinations, including the framework for risk and return, and have until mid February 2025 to respond. We will be hosting a Capital Markets Event on 25th February 2025.

For further information, please contact:

Institutional equity investors and analysts

Louise Rowe - Compliance, ESG and IR Director 01392 443 260

James Murgatroyd - FGS Global 020 7251 3801

Debt investors

Chris Tregenna - Group Treasurer 01392 443 260

Retail investors

Link Asset Services 0371 664 9234

^[1] 2022/23 real price base

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCVKLBFZLLFBX