

PENNON GROUP PLC

31 March 2025

Trading Statement

Pennon Group announces the following trading update for the year ending 31 March 2025 ahead of announcing the full year results on 3 June 2025.

Key highlights

- Financial performance for the full year 2024/25 remains in line with management expectations
 - As anticipated,
 - EBITDA broadly flat H1 to H2 2024/25, with lower customer demand and inflationary cost pressures, offset by our reshaping and restructuring programme
 - Capital expenditure comparable with the H1 2024/25 run rate, reflects transitional expenditure and finalisation of K7.
- Non-underlying costs for our reshaping and transformation programmes and the finalisation of costs relating to the Brixham water supply incident of c.£36m.
- Continuing to deliver against our four priorities:
 - Over £1bn of investment programmes for K8 (2025-2030) underway
 - Strong water resources position at over 90% with industry leading water quality expected
 - One of only five companies in the industry to reduce storm overflow releases year on year, with bathing beach releases during the bathing season down by 21% since 2020
 - Targeted to retain EPA^[1] 2* status for 2024/25
 - New package of c.£200m customer affordability support unlocked from 2025/26.
- Following announced acceptance of Ofwat's Final Determination for South West Water and Sutton and East Surrey Water, well placed for funding record investment programme having raised c.£1.3bn in 2024/25 via rights issue, public bonds, private placements and other opportunities.

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Cautionary statement in respect of forward-looking statements

Certain statements in this announcement are forward-looking statements relating to the Group's operations, performance and financial position based on current expectations of, and assumptions and forecasts made by, management. They are subject to a number of risks, uncertainties and other factors that could cause actual results, performance, or achievements of the Group to differ materially from any outcomes or results expressed or implied by such forward-looking statements.

The Group's principal risks were described in the 2024 Pennon Group Annual Report which can be viewed online at <http://annualreport.pennon-group.co.uk>. Such forward looking statements should therefore be construed in light of such risks, uncertainties and other factors and undue reliance should not be placed on them. They are made only as of the date of this announcement and no representation, assurance, guarantee, or warranty is given in relation to them including as to their accuracy, completeness, or the basis on which they are made.

No obligation is accepted to publicly revise or update these forward-looking statements or adjust them as a result of new information or for future events or developments, except to the extent legally required. Nothing in this Statement should be construed as a profit forecast.

[1] Environmental Performance Assessment (EPA) as measured and reported on an annual basis by the Environment Agency

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