

13 November 2025: United Utilities today announces half-year results for the six-month period to 30 September 2025.

Louise Beardmore, Chief Executive Officer, said:

"We have achieved strong operational and financial performance in the first half of 2026, delivering for customers, communities, and the environment. Our transformative plan to invest over £13 billion in the North West over the next five years is on track with our supply chain fully mobilised, boosting economic growth and supporting 30,000 jobs across United Utilities and the supply chain.

"Our investment is delivering better environmental performance and improved infrastructure right across the region. Work is underway to deliver a new aqueduct safeguarding water supplies for over two million customers in Manchester, and we're making good progress tackling spills from storm overflows. Despite a drier spring and early summer, the resilience of our team and our assets, together with the support of customers using water wisely, has helped us keep taps flowing and the environment protected. Our integrated network has allowed us to move water to where it is needed most, avoiding restrictions on water usage. On top of this, we remain focused on driving down leakage, with levels of find and fix 30% higher than this time last year.

"On storm overflows, we have a clear strategy of targeted interventions at hundreds of sites. Overall, spills are down c.40% year-to-date, around 10,000 of which are directly due to our actions. We're making significant progress towards our long-term target of cutting them by 60% in the decade to 2030.

"We have been driving improvements for customers too: we are one of the few companies to have hit all targets on customer service; and have earned rewards across our regulator's three key 'customer experience' measures. Recognising many households in the North West are facing financial challenges, we've doubled affordability support for customers, helping more than 400,000 customers with their bills this year."

Key financials - six months ended 30 September

£m	Reported			Underlying ¹		
	2025	2024	% change	2025	2024	% change
Revenue	1,309.2	1,082.0	+21.0%	1,309.2	1,082.0	+21.0%
EBITDA	803.7	573.9	+40.0%	803.7	576.2	+39.5%
Operating profit	561.5	333.4	+68.4%	561.5	335.7	+67.3%
Profit before tax	325.3	140.6	+131.4%	361.0	182.9	+97.4%
Profit after tax	240.0	103.1	+132.8%	359.9	182.9	+96.8%
EPS (pence)	35.2	15.1	+133.1%	52.8	26.8	+97.0%

	2025	2024	% change
Interim DPS (pence)	17.88	17.28	+3.5%
Net regulatory capex (£m)	568.5	466.9	+21.8%
RCV ² (£m)	15,980	14,946	+6.9%
Net debt (£m)	9,610	9,051	+6.2%
RCV gearing ³ (%)	60%	60%	0%

Operational highlights

- **Supply chain fully mobilised**, over 100 suppliers onboarded and 85% of AMP8 Enterprise projects in design or delivery
- **Making great progress on spill reductions**, with a c.40% reduction so far this year we are on track to meet our performance commitment for 2025
- **Managing water resources**, 30% increase in leakage repairs and a strong start to our smart metering programme, network fully optimised to manage water resources during dry spring
- **Building in resilience**, signing the contract with Cascade Infrastructure for the delivery of the £3bn Haweswater Aqueduct Resilience Programme
- **Strong customer service performance**, with a net reward for all Measures of Experience (MeX's) and affordability support doubling across the AMP

Financial highlights

- **Trading in line** with expectations and prior guidance
- **Underlying operating profit of £562m**, +67% on the prior half year, driven by higher allowed revenues and higher allocation of Infrastructure Renewals Expenditure (IRE) to capex offset by inflationary pressure on operating costs

- **Underlying EPS of 52.8p**, up from 26.8p, reflecting a £226m increase to underlying operating profit partially offset by higher net finance expense driven by higher inflation, reported EPS of 35.2p
- **Low level of gearing at 60% and solid credit ratings**, with Moody's, Fitch and S&P
- **Over 24 months of liquidity**, with funding in place through to the second half of FY28
- **Interim dividend of 17.88p**, in line with policy

AMP8 financial framework

- Targeting **to outperform the regulatory contract by at least 100bps**
- Capital investment of around **£9 billion**
- **RCV growth guidance of c.7%** nominal compound annual growth rate
- Targeting **dividend growth in line with CPIH**
- Maintain **gearing within target range** of 55-65%

Enquiries

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Half year results presentation webcast - Thursday 13 November 2025

There will be a presentation available on our website from 7am at the following link:

www.unitedutilities.com/corporate/investors/results-and-presentations/full-and-half-year-results/

This will be followed by a Q&A with management at 9am, which can be accessed as follows:

<https://us06web.zoom.us/j/84262046467?pwd=laxbtf2lwtHJgPIQH0IRkEIAWupsT.1>

Meeting ID: 842 6204 6467, Passcode: 828045

Notes

¹ Underlying measures are defined in the underlying profit section below

² United Utilities Water Limited's adjusted RCV (adjusted for actual spend, timing differences and including expected value of AMP8 ex-post adjustment mechanisms).

³ RCV gearing calculated as group net debt including loan receivable from joint venture/United Utilities Water Limited's adjusted RCV (adjusted for actual spend, timing differences and including expected value of AMP8 ex-post adjustment mechanisms).

OPERATIONAL REVIEW

AMP8 delivery on track

A key area of focus for us so far this year has been the commencement of our AMP8 investment programme. This investment is driving significant environmental and service improvements, improving river water quality and supporting economic growth in our region, working with local suppliers where possible.

Our work to deliver these improvements started over a year ago with transitional investment in AMP7, and the mobilisation and onboarding of our supply chain partners. We now have over 100 suppliers onboarded and our enterprise delivery model is up and running, with over 85% of AMP8 projects in design or delivery. In parallel, we are committed to do things differently, exemplified by our award-winning Project Blueprint, which focuses on standardising our assets to reduce cost, reduce carbon and deliver at pace.

The talent and capability of our people and our supply chain partners is fundamental to delivery of our AMP8 capital programme. We're proud to have been awarded the Water Industry Employer of the Year by Utility Week and our apprenticeship scheme was included in the Times' Top 100 Apprenticeship Employers 2025. We placed third in British Water's supply chain survey of water sector supply chain companies, the most improved of all water companies, testament to our colleagues' hard work in mobilising AMP8 delivery.

A continued focus on the environment

Improving performance on combined sewer overflows remains a top priority. Building on last year's reduction, the number of spills from storm overflows is down by c.40% year-to-date and we are on track to meet our 26 spills per overflow performance commitment for 2025. Our targeted

track to meet our 20 spills per overflow performance commitment for 2025. Our targeted interventions have delivered around 10,000 fewer spills so far this year, with the remainder of the reduction driven by dry weather. Overall this represents great progress towards our long-term target to reduce spills by over 60% in the decade to 2030.

Our interventions include installation of modular, fast acting side stream treatment units, construction of additional storm storage, the use of tidal control valves to prevent ingress from river/sea water in coastal areas, introduction of automated storm storage control, and delivery of increased power resilience to reduce spills that result from power outages. This is all alongside transitional investment ahead of the start of AMP8. We have been moving from planning to delivery across the bulk of our AMP8 storm overflow investments, with live construction works underway across all our five counties. We're working at pace with around 27 projects moving into delivery per month, peaking at over 200 sites concurrently at the programme peak.

We have retained our position as the second highest ranked company in the sector in the Environment Agency's Environmental Performance Assessment (EPA), with 13 stars out of a possible 16 in the first four years of this EPA cycle. 2024 was a particularly wet and stormy year, and this alongside the EA's updated approach to measurement of pollution incidents that occur during major storms, adversely impacted industry ratings for the year. As a result, our rating was lowered from 4 stars to 2 stars in the 2024 assessment.

Demonstrating our resilience to drought

The start of the year was the driest in over a century, with drought across the country hitting the national news. We have worked hard to ensure that there has been sufficient resource for customers and the environment, and in doing so, avoided the need for restrictions. This is thanks to the agility of our colleagues, responding quickly to strengthen our capability to move water around the region, making the most of the rain where it fell.

Maintaining adequate supplies throughout the dry summer also required the support of our customers. We have supported customers across the North West to use water wisely through a range of activities, including offering free water savings visits. We've been playing our part, fixing a record number of leaks across the system and making a strong start to our metering programme.

We're also improving the resilience of our water supplies, safeguarding water supply for over two million customers in Manchester through the Haweswater Aqueduct Resilience Programme (HARP). We're delighted to have signed a contract with Cascade Infrastructure to deliver this flagship project for our region.

Providing a great service for customers

We remain committed to delivering great service for our customers. We are currently tracking to achieve reward for all three regulatory customer service incentives, C-MeX, D-MeX and Br-MeX, based on performance in H1. We are also pleased to see resilience in our cash collection, leading to bad debt tracking in line with management expectations.

Our plan for AMP8 sees us doubling affordability support, with a package of £525m supporting one in six households in the region. So far this year, we have supported over 400,000 customers with affordability, and over 580,000 customers registered to receive tailored support through Priority Services.

Regulatory update

The Independent Water Commission was tasked to develop a set of recommendations to reform the water sector regulatory system. The final report was published on 21st July and set out 88 recommendations to drive fundamental change in the industry. We have been actively involved in the consultation process, and are encouraged by emphasis on long term policy and regulation, place-based planning and delivery, regulatory clarity and confidence, and protecting and communicating with customers.

Government has already responded to five of the 88 recommendations:

- Establish a single regulator, bringing together Ofwat and the Drinking Water Inspectorate,

with the water functions of the Environment Agency and Natural England. Ofwat will remain in place during the transition to the new regulator

- Introduce a new statutory water ombudsman to handle customer complaints
- Review of operator self-monitoring and transition to open monitoring
- Establish a regional element within the new regulator
- Commitment for the regulatory framework to recognise investor risk and provide a fair, stable return on investment

It will require further policy work, multiple consultations, and primary legislation to implement the full findings. The Secretary of State, Department for Environment, Food and Rural Affairs, noted that the Government will publish its response to the Commission's report in December via a transition plan, as well as a white paper on future water reforms, an interim strategic policy statement and a ministerial direction to the Environment Agency.

FINANCIAL FRAMEWORK

Our financial framework below is unchanged from 2024/25 full year results.

Investment and regulated asset growth

Our capital programme for the five years to March 2030 (AMP8) is significantly larger than previous regulatory periods, due to a number of long-term investment drivers, meaning we expect to see our regulated assets grow at a compound annual growth rate of around 7 per cent.

Return on regulated equity

The return on regulatory equity (RoRE) metric measures returns (after tax and interest) earned by reference to notional regulated equity. Overall returns comprise a base return on equity plus a contribution from outcome delivery incentives, price control deliverables, operating efficiency, financing and tax efficiency and customer service. We currently aim to outperform the regulatory contract by at least 100 bps.

Capital investment

Capital investment is forecast to be approximately £9 billion across the five years to March 2030, representing an uplift of around £5 billion compared to AMP7.

Balance sheet

The board has maintained a target gearing range of 55 to 65 per cent net debt to regulated capital value. As at 30 September 2025, our gearing is comfortably in the middle of this range at 60 per cent.

Dividend policy

The group maintains a dividend policy to target a growth rate of CPIH inflation each year, having increased the dividend at least in line with inflation for the last 15 years. The annual increase in the dividend is based on the CPIH element included within allowed regulated revenue for the current financial year. This is calculated using the CPIH annual rate from the November prior (i.e. the 2025/26 dividend is equal to the 2024/25 dividend indexed for the movement in CPIH between November 2023 and November 2024).

FY26 OUTLOOK AND GUIDANCE

ODIs

We are forecasting to incur a net customer ODI penalty for 2025/26, recognising the introduction of new measures in AMP8, with performance improvements expected to be progressive.

Revenue

Revenue is expected to increase to between £2.5 billion and £2.6 billion in 2025/26 in line with the final determination, adjusted for inflation.

Underlying operating costs

Underlying operating costs are expected to decrease, with higher costs associated with inflation and growth in the asset base, more than offset by lower IRE due to a more granular asset recognition, resulting in the greater component of network expenditure being capitalised.

Depreciation

With continued growth in our asset base and the impact of a more granular asset recognition, depreciation is expected to increase by around £50 million year on year.

Underlying net finance expense

Underlying net finance expense is expected to increase by around £50 million year on year, due to increased debt requirements to fund the step up in investment in AMP8. As at 31 March 2025, we had £4.7 billion of index-linked debt exposure, giving rise to a £47 million swing in our annual interest charge for every 1 per cent change in inflation.

Underlying tax

Our current tax charge is expected to be negligible in 2025/26, reflecting expected benefits in relation to 'full expensing' and the 50 per cent first year allowances on longer life assets.

EPS

Based on the guidance above, we expect earnings per share in 2025/26 to be around 100 pence.

Capital expenditure

Capex in 2025/26 is expected to be c.£1.5 billion.

FINANCIAL REVIEW

Key financials (£m) - six months ended 30 September

	Reported			Underlying ¹		
	2025	2024	% change	2025	2024	% change
Revenue	1,309.2	1,082.0	+21.0%	1,309.2	1,082.0	+21.0%
Operating expenses	(486.8)	(414.5)	+17.4%	(486.8)	(413.8)	+17.6%
Infrastructure renewals expenditure	(18.7)	(93.6)	-80.0%	(18.7)	(92.0)	-79.7%
EBITDA	803.7	573.9	+40.0%	803.7	576.2	+39.5%
Depreciation and amortisation	(242.2)	(240.5)	+0.7%	(242.2)	(240.5)	+0.7%
Operating profit	561.5	333.4	+68.4%	561.5	335.7	+67.3%
Net finance expense	(232.7)	(193.4)	+20.3%	(197.0)	(153.4)	+28.4%
Share of (losses)/profits of JVs	(3.5)	0.6	n/a	(3.5)	0.6	n/a
Profit before tax	325.3	140.6	+131.4%	361.0	182.9	+97.4%
Tax charge	(85.3)	(37.5)	+127.5%	(1.1)	-	n/a
Profit after tax	240.0	103.1	+132.8%	359.9	182.9	+96.8%
EPS (pence)	35.2	15.1	+133.1%	52.8	26.8	+97.0%

	2025	2024	% change
Interim DPS (pence)	17.88	17.28	+3.5%
Net regulatory capex (£m)	568.5	466.9	+21.8%
RCV ² (£m)	15,980	14,946	+6.9%
Net debt (£m)	9,610	9,051	+6.2%
RCV gearing ³ (%)	60%	60%	0%

¹ Underlying measures are defined in the tables in the underlying profit section below

² United Utilities Water Limited's adjusted RCV (adjusted for actual spend, timing differences and including expected value of AMP8 ex-post adjustment mechanisms).

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We have delivered strong financial performance in the first half of the year. Revenue increased 21 per cent in line with allowances set out in our PR24 Final Determination. This revenue increase, along with broadly flat costs due to a higher capital allocation of IRE offsetting inflationary pressure on operating costs, resulted in an underlying operating profit of £562 million, a 67 per cent increase compared to the prior half year.

Non-cash interest expense on our index-linked debt increased, resulting in an underlying profit after

tax of £360 million and underlying earnings per share of 52.8 pence. Reported profit after tax was lower at £240 million, with reported earnings per share of 35.2 pence. Adjusted items between underlying and reported are set out in the underlying profit section below.

Our balance sheet remains one of the strongest in the sector. With RCV gearing at 60% alongside robust credit ratings, we have funding flexibility across the AMP.

Revenue

	£m
Six months to 30 September 2024	1,082.0
Regulatory revenue impact	242.8
Other impacts	(15.6)
Six months to 30 September 2025	1,309.2

Revenue was up £227 million at £1,309 million, with £243 million attributable to regulatory adjustments. Adjustments include a c.23% real increase in allowed wholesale revenues as set out in our PR24 Final Determination as well as a 3.5 per cent CPIH-linked increase to the revenue cap, partially offset by prior period adjustments in respect to consumption.

Other revenue impacts largely reflect a reduction in non-household revenue due to increased vacant properties.

Operating profit

	£m
Underlying - Six months to 30 September 2024	335.7
Revenue increase	227.2
Higher capital allocation of IRE	70.8
Employee costs and contracted services	(36.6)
Power and materials	(28.9)
Cash collection and other	(6.7)
Underlying operating profit - Six months to 30 September 2025	561.5
Adjusted items*	-
Reported - Six months to 30 September 2025	561.5

* Adjusted items are set out in the underlying profit section below.

Underlying operating profit at £562 million was £226 million higher than the first half of last year, reflecting the increase in revenue, and broadly flat operating costs. Excluding IRE, operating costs increased compared to the prior half year primarily due to inflationary impacts across employee costs, power and materials, alongside rising headcount and expenditure associated with the expansionary impact of AMP8 and dry weather. These increases were offset by a higher capital allocation of IRE.

Reported operating profit was equal to underlying operating profit, with no adjusting items in the first half of the year.

Our industry-leading affordability schemes, combined with effective credit collection practices and utilisation of technology, have meant that current year cash collection has been strong. Our bad debt position at 1.8 per cent of statutory revenue is tracking in line with management expectations.

Profit before tax

	£m
Underlying - Six months to 30 September 2024	182.9
Underlying operating profit increase	225.8
Underlying net finance expense increase	(43.6)
Share of JVs losses increase	(4.1)
Underlying profit before tax - Six months to 30 September 2025	361.0
Adjusted items *	(35.7)
Reported - Six months to 30 September 2025	325.3

* Adjusted items are set out in the underlying profit section below.

Underlying profit before tax is £361 million compared to £183 million underlying profit before tax in the first half of last year. The £178 million increase reflects the £226 million increase in underlying operating profit, partially offset by a £44 million increase in underlying net finance expense, and a £(4) million increase in the share of losses of joint ventures.

Reported profit before tax is £36 million lower at £325million, reflecting adjustments outlined in the underlying profit section below.

- Net finance expense

	£m
Underlying - Six months to 30 September 2024	153.4
Increase in non-cash indexation on debt and derivatives	35.8
Increase in net interest payable on debt, derivatives and cash	23.9
Increase in capitalised interest	(14.7)
Increase in pension interest income	(2.3)
Other	0.9
Underlying net finance expense - Six months to 30 September 2025	197.0
Adjusted items *	35.7
Reported - Six months to 30 September 2025	232.7

* Adjusted items are set out on in the underlying profit section below.

The underlying net finance expense of £197 million was £44 million higher than in the same period last year mainly due to significantly higher inflation resulting in a £36 million increase in non-cash indexation on our debt and derivative portfolio, partly offset by an increase in capitalised interest and pension interest income, as well as an increase in cash interest.

Cash interest expense has increased by £37 million, primarily reflecting the increase in debt to fund the AMP8 capital programme.

Reported net finance expense is £36 million higher than underlying net finance expense, reflecting adjustments outlined in the underlying profit section below.

- Joint ventures

The group incurred a share of the losses of Water Plus for the six months ended 30 September 2025 of £(3.5) million all of which has been recognised in the income statement, compared to a share of the profits of Water Plus of £0.6 million for the six months ended 30 September 2024. This difference is mainly due to higher expected credit losses following an in depth review of Water Plus's customer receivables position.

Profit after tax and earnings per share

	PAT £m	Earnings per share Pence/share
Underlying - Six months to 30 September 2024	182.9	26.8
Underlying profit before tax increase	178.1	
Tax charge	(1.1)	
Underlying profit after tax - Six months to 30 September 2025	359.9	52.8
Adjusted items *	(119.9)	
Reported - Six months to 30 September 2025	240.0	35.2

* Adjusted items are set out in the underlying profit section below.

The underlying profit after tax of £360 million was £177 million higher than the first half of last year, reflecting the increase to underlying profit before tax.

Reported profit after tax was lower at £240 million with reported earnings per share at 35.2 pence. Adjusted items between underlying and reported set out in the underlying profit section below.

- Tax

For the six months ended 30 September	2025	2024
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	£m	£m
Current tax	1.1	-
Deferred tax	84.2	37.5
Effective tax rate	26%	27%
Tax adjustments taken to equity	(2.4)	2.8

We continue to be fully committed to paying our fair share of tax and acting in an open and transparent manner in relation to our tax affairs, and are delighted to have been accredited with the Fair Tax Mark again in 2025 for the seventh year running.

In addition to corporation tax, the group makes further contributions to the public finances, typically of around £288 million per annum, in the form of business rates, employer's national insurance contributions, environmental taxes, other regulatory service fees such as water abstraction charges as well as employment taxes on behalf of our 6,940 strong workforce.

The key reconciling item to the headline rate of corporation tax continues to be allowable tax deductions on capital investment, these being deductions put in place by successive governments to encourage such investment and thus reflecting responsible corporate behaviour in relation to taxation.

In the period, there were £2 million of tax adjustments taken to equity, primarily relating to remeasurement movements on the group's defined benefit pension schemes and on hedge effectiveness.

Dividend per share

The Board has announced an interim dividend of 17.88 pence per ordinary share in respect of the six months ended 30 September 2025. This is an increase of 3.5 per cent compared with the interim dividend last year, in line with the group's dividend policy of targeting a growth rate of CPIH inflation each year. The 3.5 per cent increase is based on the CPIH element included within allowed regulated revenue for the 2025/26 financial year (i.e. the movement in CPIH between November 2023 and November 2024).

The interim dividend is expected to be paid on 2 February 2026 to shareholders on the register at the close of business on 19 December 2025. The ex-dividend date for the interim dividend is 18 December 2025.

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. The closing date for DRIP elections is 12 January 2026.

The ISIN for UUG is GB00B39J2M42 and the TIDM is UU.

Cash flow

Net cash generated from operating activities for the six months to 30 September 2025 was £687 million, £214 million higher than in the same period last year, principally due to increased revenue. This is partially offset by higher net interest paid on debt and derivatives as a result of higher debt associated with the AMP8 capital programme. The net cash generated from continuing operating activities supports the dividends paid of £236 million and partially funds some of the group's net capital expenditure of £619 million, with the balance being funded by net borrowings and cash and cash equivalents.

Pensions

As at 30 September 2025, the group had an IAS 19 net pension surplus of £293 million, compared with a surplus of £302 million at 31 March 2025. This £9 million decrease has been driven predominantly by an £18 million remeasurement loss, due to an increase in gilt yields which reduces the scheme asset values by more than the scheme liabilities, actual inflation in the period being higher than expected and overall life expectancies being slightly higher than assumed at the previous year-end. The remeasurement loss is partially offset by net pension income credited to the income statement before tax of £6m.

Further detail on pensions is provided in note 11 ('Retirement benefit surplus') of these condensed consolidated financial statements.

Financing

Net debt	£m
At 31 March 2025	9,345.5

At 31 March 2025	£ million
Cash generated from operations	(807.0)
Net capital expenditure	619.2
Dividends	235.7
Indexation	128.8
Interest	120.7
Fair value movements	(69.3)
Exchange rate movements on bonds and term borrowings	46.3
Repayment of loans by joint ventures	(17.5)
Other	7.4
At 30 September 2025	9,609.8

Net debt at 30 September 2025 was £9,610 million, compared with £9,346 million at 31 March 2025. This comprises gross borrowings with a carrying value of £11,378 million, net derivative liabilities hedging specific debt instruments of £20 million and cumulative indexation on inflation swaps of £148 million and is net of cash and bank deposits of £1,936 million.

Gearing, measured as group net debt including a £55 million loan receivable from joint venture divided by U UW's adjusted RCV (adjusted for actual spend, timing differences and including full expected value of AMP8 ex-post adjustment mechanisms) of £16 billion, was 60 per cent at 30 September 2025.

- Cost of debt

As at 30 September 2025, the group had approximately £3.5 billion of RPI-linked instruments and £0.5 billion of CPI or CPIH-linked instruments held as debt. Including swaps, the group has RPI-linked debt exposure of £3.4 billion at an average real rate of 1.4 per cent, and £1.4 billion of CPI or CPIH-linked debt exposure at an average real rate of -0.6 per cent.

A significantly higher RPI inflation charge compared with the same period last year contributed to the group's average effective interest rate of 5.3 per cent being higher than the rate of 4.3 per cent last half year. More information on this can be found in the average effective interest rate section below.

The group has fixed the interest rates on its non index-linked debt in line with its 10-year reducing balance basis at an average effective nominal interest rate of 4.0% for the current financial year. The rate for the current financial year will continue to be impacted by any additional fixing undertaken in line with the group's hedging policy over the course of the current financial year.

- Credit ratings

U UW's senior unsecured debt obligations are rated Baa1 with Moody's Investors Service Ltd (Moody's), A- with Fitch Ratings Ltd (Fitch) and BBB+ with S&P Global Ratings UK Limited (S&P). United Utilities PLC's senior unsecured debt obligations are rated Baa2 with Moody's, BBB+ with Fitch and BBB- with S&P. All ratings are on a stable outlook.

- Debt financing

The group has access to the international debt capital markets through its £10 billion medium-term note (MTN) programme.

In the six months to September 2025, we raised c£700 million of term funding. This consisted of £520 million in the public bond markets, including a EUR500m 10-year green public bond issued in August and a EUR100m tap of our existing EUR 3.75% bond due 2034, and £175m of renewed and/or increased committed facilities with relationship banks.

Since 30 September, we have executed and drawn a £100m bank term loan with an initial maturity of 5-years plus two 1-year extension options.

- Interest rate management

Long-term sterling inflation index-linked debt provides a natural hedge to assets and earnings under the regulatory model. At 30 September 2025, approximately 36 per cent of the group's net debt was in RPI-linked form, representing around 21 per cent of U UW's regulatory capital value (RCV), with an average real interest rate of 1.4 per cent. A further 14 per cent of the group's net debt was in CPI or CPIH-linked form, representing around 8 per cent of U UW's RCV, with an average real rate of -0.6 per cent. The long-term nature of this funding also provides a good match to the company's long life infrastructure assets and is a key contributor to the group's average term debt maturity profile.

company's long-life infrastructure assets and is a key contributor to the group's average term debt maturity profile, which is around 15 years.

At our full year results, we announced a change to our inflation-linked funding policy, whereby across AMP8 we expect to move from having around half of our net debt in index-linked form to around a third. This reflects a balanced assessment across a range of factors, and will happen progressively over the period.

Where nominal debt is raised in a currency other than sterling and/or with a fixed interest rate, the debt is generally swapped to create a floating rate sterling liability for the term of the debt. To manage exposure to medium-term interest rates, the group fixes underlying interest costs on nominal debt out to ten years on a reducing balance basis.

- **Liquidity**

Short-term liquidity requirements are met from the group's normal operating cash flow and its short-term bank deposits and supported by committed but undrawn credit facilities. Our MTN programme provides further support.

At 30 September 2025, we had liquidity through to the second half of FY28, comprising cash and bank deposits, plus committed undrawn revolving credit facilities. This gives us flexibility in terms of when and how further debt finance is raised to help refinance maturing debt and support the delivery of our ongoing capital investment programme.

Underlying profit

The underlying profit measures in the following table represent alternative performance measures (APMs) as defined by the European Securities and Markets Authority (ESMA). These measures are linked to the group's financial performance as reported in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006 in the group's consolidated income statement. As such, they represent non-GAAP measures.

These APMs can assist in providing a representative view of business performance, and may not be directly comparable with similarly titled measures presented by other companies. The group determines adjusted items in the calculation of its underlying measures against a framework which considers significance by reference to profit before tax, in addition to other qualitative factors such as whether the item is deemed to be within the normal course of business, its assessed frequency of reoccurrence and its volatility, which is either outside the control of management and/or not representative of current year performance.

In addition, a reconciliation of the group's average effective interest rate has been presented, together with a prior period comparison. In arriving at net finance expense used in calculating the group's effective interest rate, underlying net finance expense is adjusted to add back net pension interest income and capitalised borrowing costs in order to provide a view of the group's cost of debt that is better aligned to the return on capital it earns through revenue.

Adjusted item	Rationale
Consistently applied presentational adjustments	
Fair value losses/(gains) on debt and derivative instruments, excluding interest on derivatives and debt under fair value option	Fair value movements on debt and derivative instruments can be both very significant and volatile from one period to the next, and are therefore excluded in arriving at underlying net finance expense as they are determined by macro-economic factors that are outside of the control of management and relate to instruments that are purely held for funding and hedging purposes (not for trading purposes). Included within fair value movement on debt and derivatives is interest on derivatives and debt under fair value option. In making this adjustment it is appropriate to add back interest on derivatives and debt under fair value option to provide a view of the group's cost of debt which is better aligned to the return on capital it earns through revenue. Taking these factors into account, management believes it is useful to adjust for these fair value movements to provide a more representative view of performance.
Deferred tax adjustment	Management adjusts to exclude the impact of deferred tax in order to provide a more representative view of the group's profit after tax and tax charge for the year given that the regulatory model allows for cash tax to be recovered through revenues, with future revenues allowing for cash tax including the unwinding of any deferred tax balance as it becomes current. By making this adjustment, the group's underlying tax charge does not

	include tax that will be recovered through revenues in future periods, thus reducing the impact of timing differences.
Tax in respect of adjustments to underlying profit before tax	Management adjusts for the tax impacts of the above adjusted items to provide a more representative view of current year performance.

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Underlying profit			
Operating profit per published results	561.5	333.4	631.5
Fleetwood outfall pipe fracture	-	2.3	2.3
Underlying operating profit	561.5	335.7	633.8
Net finance expense			
	£m	£m	£m
Finance expense	(280.2)	(245.1)	(371.9)
Investment income	47.5	51.7	106.2
Net finance expense per published results	(232.7)	(193.4)	(265.7)
Adjustments:			
Fair value losses/(gains) on debt and derivative instruments, excluding interest on derivatives and debt under fair value option	35.7	40.0	(18.7)
Underlying net finance expense	(197.0)	(153.4)	(284.4)
	£m	£m	£m
Share of (losses)/profits of joint ventures	(3.5)	0.6	(10.8)
Profit before tax per published results	325.3	140.6	355.0
Adjustments:			
In respect of operating profit	-	2.3	2.3
In respect of net finance expense	35.7	40.0	(18.7)
Underlying profit before tax	361.0	182.9	338.6
Profit after tax per published results	240.0	103.1	264.7
Adjustments:			
In respect of profit before tax	35.7	42.3	(16.4)
Deferred tax adjustment	84.2	37.5	90.0
Underlying profit after tax	359.9	182.9	338.3
Earnings per share			
	£m	£m	£m
Profit after tax per published results (a)	240.0	103.1	264.7
Underlying profit after tax (b)	359.9	182.9	338.3
Weighted average number of shares in issue, in millions (c)	681.9	681.9	681.9
Earnings per share per published results, in pence (a/c)	35.2	15.1	38.8
Underlying earnings per share, in pence (b/c)	52.8	26.8	49.6
Dividend per share, in pence	17.88	17.28	51.85

In arriving at net finance expense used in calculating the group's effective interest rate, management adjusts underlying net finance expense to add back pension income and capitalised borrowing costs in order to provide a view of the group's cost of debt that is better aligned to the return on capital it earns through revenue.

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Average effective interest rate			
Underlying net finance expense	(197.0)	(153.4)	(284.4)
Adjustments:			
Net pension interest income	(8.7)	(6.4)	(12.9)
Adjustment for capitalised borrowing costs	(45.7)	(31.0)	(68.5)
Net finance expense for effective interest rate	(251.4)	(190.8)	(365.8)
Average notional net debt¹	(9,543)	(8,886)	(9,057)

Average effective interest rate	5.3%	4.3%	4.0%
Effective interest rate on index-linked debt	6.4%	4.6%	4.3%
Effective interest rate on other debt	4.2%	3.9%	3.8%

¹ Notional net debt is calculated as the principal amount of debt to be repaid, net of cash and bank deposits, taking: the face value issued of any nominal sterling debt, the inflation accreted principal on the group's index linked debt, and the sterling principal amount of the cross currency swaps relating to the group's foreign currency debt.

PRINCIPAL RISKS AND UNCERTAINTIES

Our approach to risk management

Our approach to risk management, including how we identify and assess risk, the oversight and governance process and focus on continual improvement remains largely unchanged from last year as described in our Annual Report.

Risk profile

A key feature of the business risk profile is inherent risk areas. These are categories of risk that are based on the value chain of the company, reflecting the interrelationship of the primary (water service and wastewater service including bioresources), and supportive activities or areas of responsibility such as finance, supply chain, environment and health and safety where value can be gained, preserved or lost. As a result, the inherent risk areas support the identification and/or gap analysis of all types of risks, facilitate analysis of correlation and interdependency, and provide the platform for determining risk appetite and tolerance, which in turn helps us to articulate our direction and priorities to support decision-making around risk and resilience. Underpinning the inherent risk areas are approximately 100 event-based risks, which are inherent to the company's objectives and obligations, and cover core elements of the production lines, systems, networks and activities across the business. Each event-based risk remains dynamic by reflecting new and emerging circumstance relative to the ever-changing external threats and internal vulnerabilities.

We have identified a number of common causal and consequence themes that relate to multiple risks. This allows us to understand correlating risk enabling us to take a holistic view of the strengths, weaknesses and gaps in our controls, and to consider the short, medium and long-term implications of risks materialising. Categorisation indicates seven causal themes and six consequence themes:

- Causal themes: asset health; climate change/extreme weather; culture; demographic change; economic conditions; legislative and regulatory change; and technology and data.
- Consequence themes: environmental impact; investors; non-compliance; people; service delivery; and suppliers.

Our principal risks

In January 2024, the FRC published a revised UK Corporate Governance Code (the code), with the most significant change being in respect of Provision 29 which relates to the board monitoring the risk management and internal control framework. In accordance with the revised code, the board will make a declaration of the effectiveness of material controls from financial year 2026/27, which will supplement the existing annual assessment of risk management and internal control systems. As we take steps in preparation for the material controls declaration we have, as reported in last year's Annual Report, renewed our definition of which event-based risks, individually or collectively, are to be considered as a principal risk:

- Material impact risks - risks, which in the maximum worst case, have severe one-off financial and non-financial impacts; and
- Significant long-term risks - risks with significant exposure (likelihood of occurrence of the event multiplied by the most likely financial impact over the long-term after consideration of the current control environment).

Our principal risks therefore represent those risks which, in a remote but plausible scenario, could initiate corporate failure (material impact risks) and those risks which are likely to have a significant long-term impact on company value if they were to crystallise. As our definition of material impact risks highlights those risks that have the most significant impact (if they crystallise in the worst case), it naturally identifies risks which place significant reliance on mitigating controls. Therefore, our future material controls declaration will be in respect of the key controls which mitigate our material impact risks.

A. Strategic aqueduct failure

Material impact & Long-term risk

Risk exposure: We own and operate nine aqueducts, which transfer water from major treatment works and large service reservoirs to the wider network. Asset deterioration and damage (caused by third party or natural event) are key risk factors to water supply and/or quality relative to large proportions of our customer base. The Haweswater Aqueduct is the most significant asset of this type and currently has the lowest level of resilience.

Control/mitigation: We are committed to delivering a resilient supply of water. Material controls are:

- Rehabilitation/restoration: Current initiatives include the Haweswater Aqueduct Resilience Programme and Vyrnwy Aqueduct Modernisation Programme.
- Contingency plans: Plans to minimise environmental damage and deploy alternative supply options.

Other controls include protective easements, inspections, and monitoring of flow, pressure and turbidity via sensors and alarms.

Governance: Water quality first board; and Water price control.

Assurance: Engineering team technical reviews; Assurance team reviews; and cyclical internal audits.

B. Treatment and transportation of wastewater

Material impact & Long-term risk

Risk exposure: We own and operate network and treatment assets to collect and treat wastewater before it is safely returned to the environment. Risk factors to the hydraulic and operational capacity include: population growth; extreme weather (amplified by climate change); increased surface runoff due to residential and commercial developments; improper or harmful use of the sewer systems; and inherent asset health issues. Consequential failure, now subject to tightening legislation, can result in unpermitted storm or emergency overflow activations, sewer flooding and environmental damage.

Control/mitigation: We focus on providing reliable and resilient wastewater services. Material controls are:

- Serviceability: Desilting, cleaning and maintenance of sewers and wet wells.
- Maintenance: Inspection, servicing, repair and replacement of assets due to proactive and reactive activity.
- Dynamic Network Management: Proactive decision making and action driven by machine learning system monitoring of strategically placed sensors.
- Licence to operate: Training and competence.

Other controls include customer awareness, trade effluent management and emergency response. In addition, our Better Rivers programme focuses on improving river water quality and reducing spills from storm and emergency overflow operation.

Governance: Wastewater Price control; Flood committee; and Pollution committee.

Assurance: Assurance team reviews; and cyclical internal audits.

C. Cyber

Material impact & Long-term risk

Risk exposure: As we continue to develop our digital capability, we become more reliant on connected technology, not only in the way we operate, but also the way in which we communicate with our customers and the wider community. Cyber incidents continue to grow in all industries with a constantly changing threat landscape. The potential for data and technology assets to be compromised is a key risk to business processes and operations.

Control/mitigation: We employ a multi-layer control environment. Material controls are:

- Infrastructure access controls: Perimeter and internal firewalls, and intrusion detection systems.
- System access controls: Restrictions to systems, data and internet usage.
- Point protection: Anti-malware suite and mail gateway service which includes malware detection, transmission protocols, and endpoint actions.

- detection, transmission protocols, and endpoint actions.
- Monitoring and response: Capability to identify and respond to threats via our Security Operation Centre.

Other controls include awareness training and business continuity plans.

Governance: Security steering group.

Assurance: Security team reviews; annual internal audit; and external reviews.

D. Water availability

Material impact & Long-term risk

Risk exposure: Water availability is a long-term risk for the UK relative to climate change and increased demand from population growth and increasing industrial usage. It is one of the most sensitive risks to climate change with lower-than-average rainfall and changing seasons affecting water resources, while extended periods of hot weather increases evaporation and demand. Both the environment and the capacity to supply water can be affected with the potential for water use restrictions to be implemented. Changing environmental legislation on abstraction and compensation is also a factor.

Control/mitigation: We are committed to the sustainability and resilience of water resources.

Material controls are:

- Strategy: Our Water Resources Management Plan (WRMP) takes account of climate and demographic change over short, medium and long-term horizons.
- Production planning: Proactive activity to balance water availability and production capacity against forecast demand.
- Contingency plan: The Drought Plan sets out the actions we will take in a drought situation.

Other controls include abstraction and leakage management, and water efficiency programmes.

Governance: Water quality first board; and Water price control

Assurance: Assurance team reviews; and internal audits.

E. Financial risk

Material impact risk

Risk exposure: We are inherently exposed to liquidity, market, credit and capital risk due to our debt financing, cash and derivative holdings, defined benefit pension scheme and a significant annual commodity spend, notably energy. Risk factors include market fluctuations, cost or revenue shocks, process or system errors or failures (internal or counterparty), and company or sector poor performance. Impacts can be conflated and range significantly relating to wholesale revenue, the group's Regulatory Capital Value, the cost of debt, the cost of goods and services, with the most material impact being insolvency associated with remote risks such as counterparty failures or a breach of covenants.

Control/mitigation: We have a robust and prudent approach to financial risk management.

Material controls are:

- Approved limits: Interest, inflation, commodity exposure limits, and credit rating and financial ratio tolerance levels.
- Control of work: A management system that includes authorisation, transaction parameters, segregation of duties and supervision.
- Licence to operate: Training and competence.

Other controls include company business planning and monitoring of both internal and counterparty performance. The banking resolution regime also provides protection in the event of bank failures.

Governance: Operational compliance review; Executive performance meeting; and Treasury committee.

Assurance: Cyclical internal audit.

F. Dam failure

Material impact risk

Risk exposure: We own and operate a fleet of over 100 dams and service reservoirs, many of which fall under statutory regulations due to their significant capacity. The integrity of all dams is fundamental to water availability, and the safety of society and property downstream. Flood damage, overtopping, earthquake or erosion could, in remote circumstances, result in an

uncontrolled release of a significant volume of water with catastrophic implications.

Control/mitigation: Focusing on maintaining extremely low probabilities of individual dam failure.

Material controls are:

- Portfolio Risk Assessment (PRA): Assessment of individual dams in the context of societal risk.
- Inspections: Regular monitoring by catchment teams and Supervising Engineers.
- Remedial work: Fixes based on PRA or statutory requirements "in the interest of safety" (ITIOS).

Other controls include ground maintenance to manage vegetation and erosion, and contingency plans.

Governance: Dam safety group.

Assurance: Assurance team reviews; cyclical internal audits; Panel engineer inspections.

G. Physical security

Material impact risk

Risk exposure: The water industry is classed as one of 13 'Critical National Infrastructure' (CNI) sectors which are defined as facilities, systems, sites, information, people, networks and processes, necessary for a country to function and upon which daily life depends. Within this definition, a number of specific UU assets are assigned a CNI or 'National Infrastructure' (NI) designation which in a remote, but significant security incident (such as a terrorist attack) could be compromised, leading to severe economic and social consequences.

Control/mitigation: We employ a multi-layered approach in accordance with the Security and Emergency Measures Direction (SEMD) of the Water Industry Act. Material controls are:

- Physical access controls: These include gates, fences, security guards, CCTV and access control systems.
- Monitoring and response: Security alarm management via our Integrated Control Centre.

Other controls include the physical hardening of assets based on priority and operational site inspections.

Governance: Security steering group.

Assurance: Security team reviews; Assurance team reviews; cyclical internal audits and external reviews.

H. Treatment of water

Material impact risk

Risk exposure: Threats to water treatment include asset health, process failure and the contamination (natural, chemical or biological) of raw water. Climate change is a key factor of raw water contamination due to intensifying catchment erosion and runoff, more frequent wildfires and increasing algal bloom which can produce taste and odour problems. Failure to treat water can lead to non-compliance with regulatory standards, rejection of water by consumers for aesthetics or, in extreme cases, public health issues.

Control/mitigation: We are committed to providing wholesome drinking water. Material controls are:

- Sampling and testing: Occurs across the entire system to ensure water is safe and compliant.
- Sensors and alarms: Monitors deviations from acceptable levels with alarm triggered response.
- Maintenance: Inspection, servicing, repair and replacement of assets due to proactive and reactive activity.
- Licence to operate: Training and competence.

Other controls include an end-to-end risk assessment process, contingency plans, and the monitoring of the regulatory position on emerging contaminants.

Governance: Water quality first board; and Water price control.

Assurance: Scientific service team reviews; Assurance team reviews; and cyclical internal audits.

I. Health and safety

Material impact risk

Risk exposure: Our activities inherently include exposure to chemical, biological and physical hazards, with the most material impact being a major incident at one of our process plants (two of which fall under the Control of Major Accident Hazard (COMAH) regulations). An unintentional release of chemicals, energy, or other potentially dangerous materials (including steam) could result in fire, explosion, and toxic releases, which in the worst case, results in multiple casualties and serious damage to our assets, adjacent infrastructure/buildings and the environment.

Control/mitigation: We continue to build a strong health and safety culture and are committed to improving health and safety performance, with process safety being a primary area of focus.

Material controls are:

- Control of work: A management system that includes authorisation, isolation and permit to work.
- Management of change: Risk assessment and safe, effective implementation of changes.
- Maintenance: Inspection, servicing, repair and replacement of safety critical equipment and assets.
- Licence to operate: Training and competence of our staff and contractors.

Other controls include monitoring through sensors and alarms and emergency/contingency plans.

Governance: Process safety group; and Health & safety board.

Assurance: H&S team reviews; Assurance team reviews; and cyclical internal audit.

J. Misstatement of reported information

Material impact risk

Risk exposure: We are bound by legislation and regulation to provide statutory financial accounts and regulatory reports to demonstrate financial health, performance, compliance with legal and regulatory requirements, and provide information to stakeholders for their ongoing interest and/or investment in the company. Failure to provide accurate and/or complete information is reputationally damaging and, depending on the nature of any misstatement or misreport, could accrue significant penalties and additional scrutiny.

Control/mitigation: We are committed to reporting in an open, compliant and transparent way.

Material controls are:

- Financial controls: A management system including journal procedures, analytical reviews and control accounts.
- Regulatory reporting framework: A set of principles relating to reporting criteria, accountabilities, data capture, governance and assurance.
- Validation: The identification of potential errors and reconciliation of financial parameters.

Other controls include accounting policies, schedules, risk assessment and management of queries.

Governance: Executive performance meetings; Audit committee; Compliance committee.

Assurance: Financial control team review; Regulation and compliance team review; internal audits and external audit.

K. Fraud

Material impact risk

Risk exposure: The scale of UU's operations presents multiple opportunities for fraud to be perpetrated from inside and outside of the company, potentially impacting us, our stakeholders and third parties. Fraud can be committed by individuals or groups with examples including false representation, unauthorised disclosure of personal information, the supply of inferior products / false invoices and misuse or theft of company property. The Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced a new corporate offence for failure to prevent fraud, which can carry an unlimited fine.

Control/mitigation: We are committed to preventing fraud. Material controls are:

- Control of work: A management system that includes authorisation, delegated authority, segregation of duties, supervision and data protection procedures.
- System access controls: Restrictions to systems, data and internet usage.
- Procurement and purchasing standards: Strict procedures to procure services and purchase goods.
- Verification: Checks on invoices, bills and refunds.

Other controls include mandatory awareness training, confidential reporting and a fraud risk

Other controls include mandatory awareness training, confidential reporting and a fraud risk assessment.

Governance: Security steering group; Whistleblowing committee; Audit committee; and Group board.

Assurance: Departmental review; cyclical internal audit; and external review.

L. Recycling of biosolids

Long-term risk

Risk exposure: Wastewater treatment generates significant quantities of sludge which is subsequently treated to produce biosolids, the majority of which are recycled to agriculture as the most practical environmental option. A reduction in the landbank could have significant implications to strategy, operations, and cost, with a total loss of the land bank being the worst-case scenario. Threats include: the quality of biosolids; changes in public or political perception; changes in regulations associated with emerging contaminants and climate change; and/or the willingness of farmers or landowners to receive biosolids.

Control/mitigation: Treatment, sampling and testing ensures that quality standards are met, and we work closely with farmers, landowners and contractors to ensure compliance with regulations (notably the Biosolids Assurance Scheme). We are also investing in our sludge treatment assets to ensure capacity, reliability and environmental compliance is upheld. In addition, we continue to work closely with regulators to influence policy. We are also developing contingency plans should regulation change in the near term, with a notified item included in the final determination enabling an interim determination (IDOK) if significant investment is required to develop alternative disposal outlets before 2030.

Governance: Bioresource team review of BAS compliance; and Executive performance meetings.

Assurance: Assurance team reviews; cyclical internal audit; and external BAS audits.

M. Programme delivery

Long-term risk

Risk exposure: The capital programme involves significant investment in the development and improvement of point and linear assets through a series of projects to improve water supply and wastewater services. Delivery to time, cost and quality is under constant challenge due to ongoing exposure to natural hazards and the capacity and capability of third parties, partners and internal resource. This risk is amplified by the significant scale of the capital programme across this and future asset management periods (AMPs) coupled with challenging cost allowances and performance commitments.

Control/mitigation: Our capital programme operating model involves multiple construction and design partners, and a large supplier base, providing both efficiency and resilience. With strong emphasis placed on safety and the environment, we adopt a supplier relationship management framework to manage contracts and performance, a runway approach for project allocation, and category management for the supply of products and materials. Performance is measured through our capital programme delivery incentive and monitoring performance commitment deliverables. For operations a transformation programme is in development with five clear areas of focus within an agreed prioritisation framework.

Governance: Project management office; Capital investment committee; and Executive performance meetings.

Assurance: Assurance team reviews; and cyclical internal audit.

Material litigation

The group robustly defends litigation where appropriate and seeks to minimise its exposure by establishing provisions and seeking recovery wherever possible. Litigation of a material nature is regularly reported to the group board. While our directors remain of the opinion that the likelihood of a material adverse impact on the group's financial position is remote, based on the facts currently known to us and the provisions in our financial statements, the following two cases are worthy of note:

- As reported in previous years, in February 2009, United Utilities International Limited (UUIL) was served with notice of a multiparty 'class action' in Argentina related to the issuance and payment default of a US 230 million bond by Inversora Eléctrica de Buenos Aires S.A.

(IEBA), an Argentine project company set up to purchase one of the Argentine electricity distribution networks that was privatised in 1997. UUIL had a 45 per cent shareholding in IEBA, which it sold in 2005. The claim is for a non-quantified amount of unspecified damages and purports to be pursued on behalf of unidentified consumer bondholders in IEBA. The Argentine Court has scheduled various hearings to receive the testimony of fact witnesses and experts (starting in May 2023 and ongoing). UUIL will vigorously resist the proceedings given the robust defences that UUIL has been advised that it has on procedural and substantive grounds.

- Collective proceedings in the Competition Appeal Tribunal ('CAT') were issued on 8 December 2023 against U UW and United Utilities Group PLC on behalf of approximately 5.6 million domestic customers following an application by the Proposed Class Representative (PCR), Professor Carolyn Roberts. The PCR alleges that customers have collectively paid an overcharge for sewerage services during the claim period (which runs from 1 April 2020 and may continue into the early years of the PR24 period) as a result of U UW allegedly abusing a dominant position by providing misleading information to regulatory bodies. The estimated total aggregate amount the PCR is claiming against U UW (including interest) is at least £141 million. On 7 March 2025, the CAT unanimously concluded that claims could not proceed on the basis that the claims brought forward are excluded by section 18(8) of the Water Industry Act 1991. Subsequently, the PCR has been granted permission by the Court of Appeal to challenge the CAT's certification decision, with an appeal hearing currently scheduled for February 2026. U UW believes the claim is without merit and will robustly defend it, should the certification decision be overturned on appeal. Separate letters before action were issued on 20 December 2024 in relation to similar claims in respect of non-household customers, however it is not clear how these will proceed following the CAT's decision not to certify the claims brought in respect of domestic customers and any subsequent appeal decision.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This financial report contains certain forward-looking statements with respect to the operations, performance and financial condition of the group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. These forward-looking statements include without limitation any projections or guidance relating to the results of operations and financial conditions of the group as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditure and any strategic initiatives relating to the group, as well as discussions of our business plan and our assumptions, expectations, objectives and resilience with respect to climate scenarios. The forward-looking statements reflect knowledge and information available at the date of preparation of this financial report and the company undertakes no obligation to update these forward-looking statements. Nothing in this financial report should be construed as a profit forecast.

Certain regulatory performance data contained in this financial report is subject to regulatory audit.

This announcement contains inside information, disclosed in accordance with the Market Abuse Regulation which came into effect on 3 July 2016 and for UK Regulatory purposes the person responsible for making the announcement is Simon Gardiner, Company Secretary.

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Classification - Half Year Result

Consolidated income statement

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Revenue (note 3)	1,309.2	1,082.0	2,145.2
Other income	13.2	8.8	17.5
Staff costs	(125.4)	(107.7)	(224.1)
Other operating costs (note 4)	(357.9)	(303.3)	(630.6)
Allowance for expected credit losses - trade and other receivables	(16.7)	(12.3)	(20.5)
Depreciation of property, plant and equipment	(227.5)	(224.3)	(435.7)

Amortisation of intangible assets	(14.7)	(16.2)	(29.2)
Infrastructure renewals expenditure	(18.7)	(93.6)	(191.1)
Total operating expenses	(747.7)	(748.6)	(1,513.7)
Operating profit	561.5	333.4	631.5
Investment income (note 5)	47.5	51.7	106.2
Finance expense (note 6)	(280.2)	(245.1)	(371.9)
Investment income and finance expense	(232.7)	(193.4)	(265.7)
Share of (losses)/profits of joint ventures (note 10)	(3.5)	0.6	(10.8)
Profit before tax	325.3	140.6	355.0
Current tax charge	(1.1)	-	(0.4)
Deferred tax charge	(84.2)	(37.5)	(89.9)
Tax (note 7)	(85.3)	(37.5)	(90.3)
Profit after tax	240.0	103.1	264.7
Earnings per share (note 8)			
Basic	35.2p	15.1p	38.8p
Diluted	35.1p	15.1p	38.7p
Dividend per ordinary share (note 9)	17.88p	17.28p	51.85p

All of the results shown above relate to continuing operations.

Consolidated statement of comprehensive income

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Profit after tax	240.0	103.1	264.7
Other comprehensive income			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Cash flow hedges - effective portion of fair value movements	(4.9)	1.9	8.6
Tax on items that may be reclassified to profit or loss	1.2	(0.5)	(2.2)
Reclassification of items recorded in other comprehensive income to profit or loss	10.5	2.6	(1.3)
Tax reclassified to income statement	(2.6)	(0.6)	0.3
	4.2	3.4	5.4
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement (losses)/gains on defined benefit pension schemes (note 11)	(17.9)	8.6	18.6
Change in credit assumptions for debt reported at fair value through profit or loss	(4.1)	(0.6)	1.9
Cost of hedging - cross currency basis spread adjustment	4.5	(1.5)	3.6
Tax on items taken directly to equity	3.8	(1.7)	(6.0)
	(13.7)	4.8	18.1
Total comprehensive income	230.5	111.3	288.2

Consolidated statement of financial position

	30 September 2025 £m	31 March 2025 £m	30 September 2024 £m
ASSETS			

Non-current assets			
Property, plant and equipment	14,323.6	13,873.0	13,383.3
Intangible assets	97.4	105.8	115.8
Interests in joint ventures (note 10)	-	1.6	13.0
Trade and other receivables	54.3	73.6	72.4
Retirement benefit surplus (note 11)	292.8	302.3	284.2
Derivative financial instruments	343.1	329.3	319.8
	15,111.2	14,685.6	14,188.5
Current assets			
Inventories - properties held for resale	2.8	2.7	2.9
Inventories - other	7.2	21.9	19.2
Trade and other receivables	374.6	282.0	325.0
Current tax asset	92.0	93.3	93.8
Cash and cash equivalents (note 12)	1,480.7	1,672.6	1,084.9
Bank deposits (note 12)	455.0	-	728.2
Derivative financial instruments	5.6	11.4	14.3
	2,417.9	2,083.9	2,268.3
Total assets	17,529.1	16,769.5	16,456.8
LIABILITIES			
Non-current liabilities			
Trade and other payables	(1,125.9)	(1,063.8)	(1,026.1)
Borrowings (note 13)	(10,956.1)	(10,326.5)	(10,001.2)
Deferred tax liabilities	(2,110.2)	(2,028.4)	(1,970.9)
Derivative financial instruments	(255.3)	(275.0)	(251.1)
	(14,447.4)	(13,693.7)	(13,249.3)
Current liabilities			
Trade and other payables	(629.8)	(577.2)	(534.8)
Borrowings (note 13)	(421.7)	(462.1)	(696.7)
Provisions	(17.6)	(19.0)	(19.2)
Derivative financial instruments	(20.5)	(17.6)	(18.4)
	(1,089.6)	(1,075.9)	(1,269.1)
Total liabilities	(15,537.0)	(14,769.6)	(14,518.4)
Total net assets	1,992.1	1,999.9	1,938.4
EQUITY			
Share capital	499.8	499.8	499.8
Share premium account	2.9	2.9	2.9
Other reserves (note 17)	326.8	319.2	313.4
Retained earnings	1,162.6	1,178.0	1,122.3
Shareholders' equity	1,992.1	1,999.9	1,938.4

Consolidated statement of changes in equity

Six months ended 30 September 2025

	Share capital £m	Share Premium account £m	(1)Other reserves £m	Retained Earnings £m	Total £m
At 1 April 2025	499.8	2.9	319.2	1,178.0	1,999.9
Profit after tax	-	-	-	240.0	240.0
Other comprehensive income/(expense)					
Remeasurement losses on defined benefit pension schemes (note 11)	-	-	-	(17.9)	(17.9)
Change in credit assumption for debt reported at fair value through profit or loss	-	-	-	(4.1)	(4.1)
Cash flow hedges - effective portion of fair value movements	-	-	(4.9)	-	(4.9)
Cost of hedging - cross-currency basis spread adjustment	-	-	4.5	-	4.5
Tax on items recorded in other comprehensive income	-	-	0.1	4.9	5.0
Reclassification of items recorded in other comprehensive income to profit or loss	-	-	10.5	-	10.5
Tax reclassified to income statement	-	-	(2.6)	-	(2.6)
Total comprehensive income	-	-	7.6	222.9	230.5
Dividends (note 9)	-	-	-	(235.7)	(235.7)
Equity-settled share-based payments	-	-	-	1.1	1.1

Purchase of shares to satisfy exercise of share options	-	-	-	(4.1)	(4.1)
Proceeds from share forfeitures	-	-	-	0.4	0.4
At 30 September 2025	499.8	2.9	326.8	1,162.6	1,992.1

Six months ended 30 September 2024

	Share capital £m	Share premium account £m	(1)Other reserves £m	Retained earnings £m	Total £m
At 1 April 2024	499.8	2.9	311.1	1,242.3	2,056.1
Profit after tax	-	-	-	103.1	103.1
Other comprehensive income/(expense)					
Remeasurement gains on defined benefit pension schemes (note 11)	-	-	-	8.6	8.6
Change in credit assumption for debt reported at fair value through profit or loss	-	-	-	(0.6)	(0.6)
Cash flow hedges - effective portion of fair value movements	-	-	1.9	-	1.9
Cost of hedging - cross-currency basis spread adjustment	-	-	(1.5)	-	(1.5)
Tax on items recorded in other comprehensive income	-	-	(0.1)	(2.1)	(2.2)
Reclassification of items recorded in other comprehensive income to profit or loss	-	-	2.6	-	2.6
Tax reclassified to income statement	-	-	(0.6)	-	(0.6)
Total comprehensive income	-	-	2.3	109.0	111.3
Dividends (note 9)	-	-	-	(226.3)	(226.3)
Equity-settled share-based payments	-	-	-	2.3	2.3
Purchase of shares to satisfy exercise of share options	-	-	-	(5.0)	(5.0)
At 30 September 2024	499.8	2.9	313.4	1,122.3	1,938.4

Year ended 31 March 2025

	Share capital £m	Share premium account £m	(1)Other reserves £m	Retained earnings £m	Total £m
At 1 April 2024	499.8	2.9	311.1	1,242.3	2,056.1
Profit after tax	-	-	-	264.7	264.7
Other comprehensive income/(expense)					
Remeasurement gains on defined benefit pension schemes (note 11)	-	-	-	18.6	18.6
Change in credit assumption for debt reported at fair value through profit or loss	-	-	-	1.9	1.9
Cash flow hedges - effective portion of fair value movements	-	-	8.6	-	8.6
Cost of hedging - cross-currency basis spread adjustment	-	-	3.6	-	3.6
Tax on items recorded in other comprehensive income	-	-	(3.1)	(5.1)	(8.2)
Reclassification of items recorded in other comprehensive income to profit or loss	-	-	(1.3)	-	(1.3)
Tax reclassified to income statement	-	-	0.3	-	0.3
Total comprehensive income	-	-	8.1	280.1	288.2
Dividends (note 9)	-	-	-	(344.1)	(344.1)
Equity-settled share-based payments	-	-	-	4.7	4.7
Purchase of shares to satisfy exercise of share options	-	-	-	(5.0)	(5.0)
At 31 March 2025	499.8	2.9	319.2	1,178.0	1,999.9

(1) Other reserves comprise the group's capital redemption reserve, merger reserve, cost of hedging reserve, and cash flow hedging reserve. Further detail of movements in these reserves is included in note 17.

Consolidated statement of cash flows

Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
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Operating activities

Cash generated from operations (note 15)	807.0	550.8	1,082.7
Interest paid	(155.8)	(113.9)	(263.5)
Interest received and similar income	35.1	30.0	92.5
Tax paid	-	(0.1)	(0.1)
Tax received	0.2	6.5	6.5
Net cash generated from operating activities	686.5	473.3	918.1

Investing activities

Purchase of property, plant and equipment	(637.5)	(436.0)	(988.5)
Proceeds from disposal of property, plant and equipment	0.7	0.7	1.1
Purchase of intangible assets	(6.2)	(6.8)	(9.5)
Grants and contributions received	23.8	1.0	9.2
Loans repaid by joint ventures	17.5	1.5	0.5
Placement of deposits with maturity greater than three months (note 12)	(455.0)	(768.7)	(768.7)
Receipt of deposits with maturity greater than three months (note 12)	-	40.5	768.7
Net cash used in investing activities	(1,056.7)	(1,167.8)	(987.2)

Financing activities

Proceeds from borrowings net of issuance costs	520.8	685.1	1,339.3
Repayment of borrowings	(99.5)	(64.1)	(631.4)
Dividends paid to equity holders of the company (note 9)	(235.7)	(226.3)	(344.1)
Purchase of shares to satisfy exercise of share options	(4.1)	(5.0)	(5.0)
Proceeds from share forfeitures	0.4	-	-
Net cash generated from financing activities	181.9	389.7	358.8

Net (decrease)/increase in cash and cash equivalents

	(188.3)	(304.8)	289.7
Cash and cash equivalents at beginning of the period	1,669.0	1,379.3	1,379.3
Cash and cash equivalents at end of the period	1,480.7	1,074.5	1,669.0

NOTES TO THE INTERIM FINANCIAL INFORMATION**1. Basis of preparation and accounting policies**

The condensed consolidated financial statements for the six months ended 30 September 2025 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and International Accounting Standard 34 '*Interim Financial Reporting*' (IAS 34) as published by the International Accounting Standards Board ('IASB') and adopted by the UK.

The condensed consolidated financial statements do not include all of the information and disclosures required for full annual financial statements, do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006, and should be read in conjunction with the group's annual report and financial statements for the year ended 31 March 2025.

The comparative figures for the year ended 31 March 2025 do not comprise the group's statutory accounts for that financial year. Those accounts have been reported upon by the group's auditor and delivered to the registrar of companies. The report of the auditor was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The annual financial statements for the year ended 31 March 2025 were prepared in accordance with the requirements of the Companies Act 2006, and with UK-adopted international accounting standards. They were prepared on the going concern basis under the historical cost convention, except for the revaluation of financial instruments, accounting for the transfer of assets from customers and the revaluation of infrastructure assets to fair value on transition to IFRS.

Except as documented below with regards to the presentation of financial liabilities that had not settled at the reporting date, the accounting policies, presentation and methods of computation used in these condensed consolidated interim financial statements are the same as those used in the audited financial statement of United Utilities Group PLC for the year ended 31 March 2025.

Capitalisation of Infrastructure Renewals Expenditure ('IRE')

All Infrastructure Renewal Expenditure ('IRE'), being expenditure incurred in maintaining the operating capability of the group's water and wastewater infrastructure network assets in accordance with defined standards of service, has historically been recognised as an expense in the income statement in the year in which the expenditure is incurred. This historic treatment was based on viewing such expenditure as comprising repairs or servicing of the network infrastructure as a whole. However, developments in the availability and granularity of asset data, along with advances in data analytic capabilities, means that IRE activities can now be identified at the individual component level. Therefore, to the extent that IRE includes expenditure on the replacement of assets and the recognition criteria of IAS 16 '*Property, Plant and Equipment*' are met at the component level, the cost of the replacement part is now capitalised as part of the cost of the infrastructure asset, with the carrying value of the component that has been replaced being simultaneously derecognised. IRE activities that do not result in an asset replacement continue to be expensed as incurred.

This change in approach reflects a change in the application of judgement as to the level at which assets can be recognised and derecognised within the scope of the group's existing accounting policies for property, plant and equipment. It is not considered to be a change in accounting policy as defined within IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*', and therefore this change in accounting has been applied prospectively from 1 April 2025 with no restatement of prior year information.

This has resulted in IRE additions of £96.7 million within Property, Plant and Equipment during the six months to 30 September 2025 that would previously have been expensed in the period.

Adoption of new and revised standards

There were no new standards, interpretations or amendments, effective for the six months ended 30 September 2025, that had a material impact on the group's financial statements, or that were not early adopted in previous years.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB published amendments relating to the classification and measurement of financial instruments. These amendments are effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The amendments most relevant to the group allow for an accounting policy choice to derecognise certain financial liabilities settled using an electronic payment system before the settlement date, where the electronic payment system meets specific criteria.

This accounting policy choice has not been adopted within the group financial statements. Financial liabilities continue to be derecognised upon settlement, rather than initiation, of electronic payments, which reflects operational management of the group's liquidity position. Management has, however, amended the presentation of these financial liabilities which had not settled at the reporting date. Previously these balances were presented as 'book overdrafts' within current borrowings, however these have been prospectively recognised within trade and other payables, reflecting that it is the financial liability to the creditor, rather than the clearing bank, that has not been extinguished at the reporting date. Prior year comparatives are not material and accordingly have not been re-presented.

Going concern

The interim condensed consolidated financial statements for the six months ended 30 September 2025 have been prepared on the going concern basis as the directors have a reasonable expectation that the group has adequate resources for a period of at least 12 months from the date of their approval, and that there are no material uncertainties to disclose.

In assessing the appropriateness of the going concern basis of accounting, the directors have reviewed the resources available to the group in the form of cash and committed bank facilities, as well as considering the group's capital adequacy, along with a baseline plan reflecting current best estimate of forecasted future business performance. The directors have considered the magnitude of potential impacts resulting from events and changes in conditions since the authorisation of the prior period financial statements and uncertain future events or changes in conditions in forming this assessment.

Consequently, the directors are satisfied that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the interim condensed consolidated financial statements, and that liquidity forecasts indicate that the group will be able to operate within the amounts and terms (including relevant covenants) of existing facilities. The interim condensed consolidated financial statements have therefore been prepared on a going concern basis.

Update on critical accounting judgements and key sources of estimation uncertainty

The duration and impact of ongoing uncertainty and challenges associated with the current economic environment remains unclear. Whilst the impact of inflationary pressures has fallen from previous peaks, inflation is higher than the recent average and remains above the Bank of England target. Interest rates also continue to be higher on average than observed over previous years, further contributing to cost of living pressures. The group remains mindful of the possible impact on affordability of the increase in allowed revenue which will see an increase customer bills.

Critical accounting judgements and key sources of estimation uncertainty have been kept under review during the period to 30 September 2025. The group considers the estimate most likely to be impacted by ongoing developments relates to the group's allowance for expected credit losses in respect of household receivables.

Accounting estimate - allowance for expected credit losses in respect of household trade receivables:

Overall cash collection in the year to date has been broadly in line with forecasts and prior year performance. A range of collection scenarios have been used to inform the allowance for expected credit losses charged to the income statement during the period.

In determining this allowance, the group continues to model a three-year average of cash collection to validate the provisioning rates used as this normalises collection performance for factors that occur over a longer period of time.

Provisioning rates are informed by recent cash collection performance as an indicator of future expected credit loss and are subject to ongoing monitoring to assess the sufficiency of these rates across a range of scenarios. These provisioning rates support a charge equivalent to around 1.8 per cent of household revenue recorded during the period, which is slightly higher than the position of 1.5 per cent at 31 March 2025, although generally consistent once the effect of a management overlay released in the prior year is stripped out. Following the release of this overlay, the expected credit loss is assessed based solely on the provisioning rates.

Additional collection data gathered over the second half of the year will be used to develop the assumptions made in determining the year end allowance for expected credit losses.

2. Segmental reporting

The board of directors of United Utilities Group PLC is provided with information on a single operating segment basis for the purposes of assessing performance and allocating resources.

operating segment basis for the purpose of assessing performance and allocating resources. The group's performance is measured against financial and operational key performance indicators, underlying operating profit, operating profit, assets and liabilities, regulatory capital expenditure, and regulatory capital value gearing at a consolidated level. In light of this, the group has a single segment for financial reporting purposes and therefore no further detailed segmental information is provided in this note.

3. Revenue

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Wholesale water charges	536.0	450.1	897.7
Wholesale wastewater charges	681.7	559.1	1,113.7
Household retail charges	69.0	49.3	90.5
Other	22.5	23.5	43.3
	1,309.2	1,082.0	2,145.2

The £227.2 million increase in revenue for the half year ended 30 September 2025 compared with the prior half year is largely attributable to increases in tariff prices, which have been impacted by the allowed inflationary increase and the impact of regulatory mechanisms under which prices are set for the current year to recover revenue in line with the revenue cap, taking into account the latest consumption trends and customer numbers.

Other revenues comprise a number of smaller non-core income streams including property sales and income from activities, typically performed opposite property developers, which impact the group's capital network assets. This includes diversions works to relocate water and wastewater assets, and activities that facilitate the creation of an authorised connection through which properties can obtain water and wastewater services.

4. Other operating costs

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Power	86.1	73.0	154.5
Materials	84.8	69.0	144.1
Hired and contracted services	77.1	57.8	133.5
Property rates	47.9	47.6	89.9
Regulatory fees	26.0	21.0	44.8
Accrued innovation costs	7.2	4.3	8.0
Insurance	6.0	11.8	14.5
Loss on disposal of property, plant and equipment	0.5	2.9	4.0
Other expenses	22.3	15.9	37.3
	357.9	303.3	630.6

Other operating costs for the six months to 30 September 2025 have increased by around £55 million compared with the same period in the prior year. This largely reflects price impacts resulting from inflationary pressures, higher regulatory fees, and costs associated with growth in the group's underlying asset base, as well as higher costs incurred in ensuring that the group's network has remained resilient and that supply has been safeguarded in what has been a particularly dry period.

5. Investment income

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Interest receivable	38.8	45.3	93.3

Net pension interest income (note 11)	8.7	6.4	12.9
	47.5	51.7	106.2

6. Finance expense

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Interest payable	227.6	193.5	372.3
Net fair value losses/(gains) on debt and derivatives	52.6	51.6	(0.4)
	280.2	245.1	371.9

Interest payable is stated net of £45.7 million (30 September 2024: £31.0 million; 31 March 2025: £68.5 million) of borrowing costs capitalised in the cost of qualifying assets within property, plant and equipment and intangible assets during the period. Interest payable includes £111.6 million (30 September 2024: £82.3 million; 31 March 2025: £142.2 million) non-cash inflation expense in relation to the group's index-linked debt.

Net fair value losses/(gains) on debt and derivative instruments includes £0.3 million income (30 September 2024: £0.8 million expense; 31 March 2025: £1.3 million income) due to net interest on derivatives and debt held under fair value option, and £17.2 million expense (30 September 2024: £10.8 million expense; 31 March 2025: £19.6 million expense) due to non-cash inflation uplift on the group's index-linked derivatives.

7. Tax

The total effective tax rate for the six months to 30 September 2025 was 26 per cent, compared to 27 per cent at the previous half year.

The split of the total tax charge between current and deferred tax was due to ongoing timing differences in relation to tax deductions on capital investment and unrealised gains and losses on treasury derivatives.

The current tax charge of £1.1 million for the six months to 30 September 2025 reflects an adjustment to management's estimate of the most likely amount that will be received in relation to Research and Development allowances available on certain capital projects that remain under enquiry and are yet to be agreed with tax authorities. Except for this, the current tax charge for the period would have been nil, mainly reflecting the impact of the capital allowances "first year allowances" affecting our eligible plant and machinery additions.

The current tax asset recognised in the statement of financial position reflects the amount of tax expected to be recoverable based on judgements made regarding the application of tax law, and the current status of negotiations with, and enquiries from, tax authorities.

The tax adjustments taken to equity primarily relate to remeasurement movements on the group's defined benefit pension schemes and on hedging effectiveness.

8. Earnings per share

Basic and diluted earnings per share are calculated by dividing profit after tax by the weighted average number of shares in issue during the period.

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Profit after tax attributable to equity holders of the company	240.0	103.1	264.7
Weighted average number of shares in issue in millions			
Basic	681.9	681.9	681.9
Diluted	683.6	683.4	683.6

	2025	2024	2023
Earnings per share in pence			
Basic	35.2	15.1	38.8
Diluted	35.1	15.1	38.7

In accordance with IAS 33 'Earnings per share', when potential ordinary shares increase earnings per share, or decrease loss per share upon their conversion to ordinary shares, they are considered antidilutive. Antidilutive potential ordinary shares are therefore excluded from the calculation of diluted earnings per share.

9. Dividends

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Dividends relating to the period comprise:			
Interim dividend	121.9	117.8	117.8
Final dividend	-	-	235.7
	121.9	117.8	353.5

Dividends deducted from shareholders' equity comprise:

Interim dividend	-	-	117.8
Final dividend	235.7	226.3	226.3
	235.7	226.3	344.1

The interim dividends for the six months ended 30 September 2025 and 30 September 2024, and the final dividend for the year ended 31 March 2025, have not been included as liabilities in the respective condensed consolidated financial statements at 30 September 2025 and 30 September 2024, and the consolidated financial statements at 31 March 2025, because they were approved after the reporting date.

The interim dividend of 17.88 pence per ordinary share (year ended 31 March 2025: interim dividend of 17.28 pence per ordinary share, final dividend of 34.57 pence per ordinary share) is expected to be paid on 12 January 2026 to shareholders on the register at the close of business on 19 December 2025. The ex-dividend date for the interim dividend is 18 December 2025.

10. Interests in joint ventures

	Six months ended 30 September 2025 £m	Year ended 31 March 2025 £m	Six months ended 30 September 2024 £m
Joint ventures at the start of the period	1.6	12.4	12.4
Share of (losses)/profits of joint ventures	(3.5)	(10.8)	0.6
Less: Share of losses allocated to other components of long-term interest in joint ventures	1.9	-	-
Joint ventures at the end of the period	-	1.6	13.0

The group's interests in joint ventures mainly comprises its 50 per cent interest in Water Plus Group Limited ('Water Plus'), which is jointly owned and controlled by the group and Severn Trent PLC under a joint venture agreement.

The group's total share of Water Plus losses for the half year was £3.5 million (six months to 30 September 2024: £0.6 million share of profits; year to 31 March 2025: £10.8 million share of losses), all of which is recognised in the income statement.

As at 30 September 2025 Water Plus had net liabilities of £22.8 million based on the best information available at the time the group's interim financial statements are approved, with the group's share of this being £11.4 million (50 per cent). Of the total historic share of Water Plus results giving rise to this position, losses of £11.4 million have been allocated against zero-coupon loan notes extended to Water Plus (see note 20), which are deemed to be a long-term interest that, in substance, forms part of the group's net investment in Water Plus.

in substance, forms part of the group's net investment in water plus.

Details of transactions between the group and its joint ventures are disclosed in note 20.

11. Retirement benefit surplus

The main financial assumptions used by the group's actuary to calculate the defined benefit surplus of the United Utilities Pension Scheme ('UUPS') and the United Utilities PLC Group of the Electricity Supply Pension Scheme ('ESPS') were as follows:

	30 September 2025 % p.a.	31 March 2025 % p.a.	30 September 2024 % p.a.
Discount rate	5.80	5.70	5.00
Pension increases	3.00	3.20	3.15
Pensionable salary growth (pre-1 April 2018 service):			
ESPS	3.00	3.20	3.15
UUPS	3.00	3.20	3.15
Pensionable salary growth (post-1 April 2018 service):			
ESPS	3.00	3.20	3.15
UUPS	2.60	2.75	2.70
Price inflation - RPI	3.00	3.20	3.15
Price inflation - CPI ⁽¹⁾	2.60	2.75	2.70

(1) The CPI price inflation assumption represents a single weighted average rate derived from an assumption of 2.10 per cent pre-2030 and 2.80 per cent post-2030.

As at 30 September 2025 corporate bond yields have increased relative to 31 March 2025, leading to a higher IAS 19 discount rate. As the schemes are more than 100% hedged on an IAS 19 basis, the uninsured assets have fallen more than the Defined Benefit Obligation ('DBO'). Credit spreads have widened slightly since the year end, which, all else being equal, decreases the DBO by more than the value of the assets as the assets are less exposed to changes in corporate bond spreads than the DBO. Inflation has fallen since the assumption made at the previous year end. Finally, demographic assumptions are generally consistent with those at the previous year end.

The discount rate is consistent with a high quality corporate bond rate, with 5.80 per cent being equivalent to gilts + 50bps credit spread (30 September 2024: 5.00 per cent being equivalent to gilts + 60bps credit spread; 31 March 2025: 5.70 per cent being equivalent to gilts + 60bps).

Mortality assumptions are based on adjusted SAPS 4 CM2024 base tables inclusive of a 1.25% p.a. rate of improvement, initial adjustment (A) parameter of 0.25%, a "half-life" (H) parameter of 1, and an adjustment to the "advanced parameters" to model lower improvements in life expectancy at older ages than the core model. The impact of the update to the mortality assumptions resulted in an actuarial loss of around £8 million.

The net pension income before tax in the income statement in respect of the defined benefit schemes is summarised as follows:

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Current service cost	1.3	1.2	2.5
Past service cost	0.1	-	-
Administrative expenses	1.7	2.4	4.0
Pension expense charged to operating profit	3.1	3.6	6.5
Net pension interest income credited to investment income (note 5)	(8.7)	(6.4)	(12.9)
Net pension income credited to the income statement before tax	(5.6)	(2.8)	(6.4)

The reconciliation of the opening and closing net pension surplus included in the statement of

The reconciliation of the opening and closing net pension surplus included in the statement of financial position is as follows:

	Six months ended 30 September 2025 £m	Six months ended 30 September 2025 £m	Year ended 31 March 2025 £m
At the start of the period	302.3	268.0	268.0
Income recognised in the income statement	5.6	2.8	6.4
Employer contributions	2.8	4.8	9.3
Remeasurement (losses)/gains gross of tax	(17.9)	8.6	18.6
At the end of the period	292.8	284.2	302.3

The closing surplus at each reporting date is analysed as follows:

	30 September 2025 £m	31 March 2025 £m	30 September 2024 £m
Fair value of schemes' assets	2,278.1	2,308.6	2,479.4
Present value of defined benefit obligations	(1,985.3)	(2,006.3)	(2,195.2)
Net retirement benefit surplus	292.8	302.3	284.2

The c£10 million decrease in the estimated IAS 19 surplus from 31 March 2025 is driven by an actuarial loss over the period of £18 million, partially offset by a net P&L credit of £6 million and employer contributions of £3 million. The actuarial loss arises due to the increase in gilt yields which reduces the asset values by more than the DBO, actual inflation in the period being higher than expected and overall life expectancies being slightly higher than assumed at the previous year-end. This is partially offset by the increase in the discount rate and a decrease in the long-term average RPI assumption which both act to place a lower value on the defined benefit obligation.

The latest finalised funding valuation was carried out as at 31 March 2024 and determined that the schemes were fully funded on a low-dependency basis without any funding deficit that requires additional contributions from the company over and above those related to current service and expenses.

The results of the latest funding valuation at 31 March 2024 have been used to inform the group's best estimate assumptions to use in calculating the defined benefit pension position reported on an IAS 19 basis at 30 September 2025. The results of the funding valuation have been adjusted to take account of experience over the period, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the defined benefit obligation, and the related current service costs, were measured using the projected unit credit method.

Member data used in arriving at the liability figure included within the overall IAS 19 surplus has been based on the finalised actuarial valuations as at 31 March 2024 for both UUPS and ESPS. As part of each actuarial valuation and, more frequently, as required by the trustees, member data is reassessed for completeness and accuracy and to ensure it reflects any relevant changes to benefits entitled by each member.

Virgin Media High Court decision

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law.

Following the publication of draft legislation, the Directors do not expect the Virgin Media ruling to give rise to any additional liabilities. The present value of defined benefit obligations has not been

adjusted and continues to reflect the benefits currently being administered.

Defined contribution schemes

During the period the group made £18.5 million (30 September 2024: £15.9 million; 31 March 2025: £36.7 million) of contributions to defined contribution schemes, which are included in staff costs.

12. Cash and bank deposits

	30 September 2025 £m	31 March 2025 £m	30 September 2024 £m
Cash at bank and in hand	1.8	4.2	3.6
Bank deposits with maturity less than three months	1,478.9	1,668.4	1,081.3
Cash and short-term deposits	1,480.7	1,672.6	1,084.9
		(3.6)	
Book overdrafts	-		(10.4)
Cash and cash equivalents - statement of cash flows	1,480.7	1,669.0	1,074.5
	30 September 2025 £m	31 March 2025 £m	30 September 2024 £m
Bank deposits with maturity greater than three months	455.0	-	728.2

Cash and short-term deposits, whose carrying amounts approximate their fair value, includes cash at bank and in hand and demand deposits, as well as short-term highly liquid investments that are readily convertible into known amounts of cash and have a maturity of three months or less.

During the six month periods ended 30 September 2025 and 30 September 2024 the group entered into a number of bank deposits with scheduled maturities before the end of the relevant financial year but more than three months from the placement date. As these deposits are not held for the purpose of meeting short-term cash commitments (i.e. arising within three months), they do not meet the definition of cash equivalents and so have been excluded from the cash and cash equivalents figure included in the statement of cash flows. They do, however, represent deposits expected to be realised within the financial year in which they were placed and so are included in the calculation of the group's net debt (see note 16).

Book overdrafts in prior periods comprised the value of cheques issued and payments initiated before the reporting date but which had not yet settled through the bank statement as at the reporting date. In accordance with the change in the accounting presentation, as explained further in the Basis of Preparation, these balances are instead reclassified to trade and other payables and are therefore not a deduction from cash at bank and in hand at the reporting date. This change is made on a prospective basis and hence prior periods have not been re-presented.

13. Borrowings

New borrowings raised during the 6 months ended 30 September 2025, all of which were issued under the Euro Medium-Term Note Programme, were as follows:

- On 7 August 2025, the group issued EUR500 million fixed rate notes, due August 2035. On issue, the EUR bond was immediately swapped to £432.5 million of principal outstanding.
- On 25 September 2025, the group issued EUR100 million fixed rate notes as a fungible increase to the EUR650m notes, due May 2034. On issue, the EUR bond was immediately swapped to £86.8 million of principal outstanding.

On 28 October 2025, the group executed a term loan facility for £100 million, for a five-year term (with two extension options of one year each). This loan was drawn down on 10 November 2025, and as such it does not form part of the borrowings balance at 30 September 2025.

During the six months ended 30 September 2025, extensions to four existing undrawn committed borrowing facilities were approved, with amounts available under these facilities totalling £150

million. There was a further £25 million increase to one facility, and a £100 million decrease to one facility during the period.

Borrowings at 30 September 2025 include £84.2 million in relation to lease liabilities (30 September 2024: £68.0 million; 31 March 2025: £83.2 million), of which £78.9 million (30 September 2024: £64.9 million; 31 March 2025: £78.0 million) was classified as non-current and £5.3 million (30 September 2024: £3.1 million; 31 March 2025: £5.2 million) was classified as current.

As at 30 September 2025, there were £823 million of borrowings with a single counterparty that are subject to compliance with financial covenants in respect of the level of gearing and interest cover of United Utilities Water Limited, a subsidiary of the group. Compliance with these covenants is monitored by the group on a quarterly basis and reported to the counterparty annually. The group was compliant with these financial covenants at the reporting date.

14. Fair values of financial instruments

The fair values (FV) of financial instruments are shown in the table below.

	30 September 2025		31 March 2025		30 September 2024	
	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value
	£m	£m	£m	£m	£m	£m
Financial assets at fair value through profit or loss (FVTPL)						
Derivative financial assets - FV hedge	99.8	99.8	43.3	43.3	70.9	70.6
Derivative financial assets - held for trading	247.9	247.9	295.7	295.7	255.6	255.6
Derivative financial assets - cash flow hedge	1.0	1.0	1.7	1.7	7.9	7.9
Financial liabilities at fair value through profit or loss (FVTPL)						
Derivative financial liabilities - FV hedge	(212.5)	(212.5)	(245.9)	(245.9)	(213.0)	(213.0)
Derivative financial liabilities - held for trading	(40.1)	(40.1)	(17.6)	(17.6)	(18.5)	(18.5)
Derivative financial liabilities - cash flow hedge	(23.2)	(23.2)	(29.1)	(29.1)	(38.0)	(38.0)
Financial liabilities designated at FVTPL	(321.0)	(321.0)	(330.2)	(330.2)	(327.1)	(327.1)
Financial instruments for which fair value does not approximate carrying value						
Financial liabilities in FV hedge relationships	(4,472.6)	(4,380.5)	(3,816.8)	(3,797.2)	(3,564.9)	(3,563.8)
Other financial liabilities at amortised cost	(5,892.3)	(6,676.6)	(5,833.7)	(6,661.2)	(6,190.6)	(6,807.0)
	(10,613.0)	(11,305.2)	(9,932.6)	(10,740.5)	(10,018.0)	(10,633.3)

The group has calculated fair values using quoted prices where an active market exists, which has resulted in 'level 1' fair value liability measurements under the IFRS 13 'Fair Value Measurement' hierarchy of £4,043.7 million (30 September 2024: £3,353.8 million; 31 March 2025: £3,447.9 million) for financial liabilities in fair value hedge relationships, and £1,942.7 million (30 September 2024: £2,899.2 million; 31 March 2025: £2,171.1 million) for other financial liabilities at amortised cost.

The £367.4 million increase in 'level 1' fair value liability measurements compared with the position at 31 March 2025 (30 September 2024: £521.1 million increase compared with 31 March 2024; 31 March 2025: £112.9 million decrease compared with 31 March 2024) primarily reflects debt issuances in the year to date.

In the absence of an appropriate quoted price, the group has applied discounted cash flow valuation models utilising market available data, which are classified as 'level 2' valuations. More information in relation to the valuation techniques used by the group and the IFRS 13 hierarchy can be found in the audited financial statements of United Utilities Group PLC for the year ended 31 March 2025.

March 2025.

The principal reason for the decrease in the difference between the fair value and carrying value of the group's borrowings at 30 September 2025 compared with the position at 31 March 2025 is due to a tightening of credit spreads.

15. Cash generated from operations

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Operating profit	561.5	333.4	631.5
Adjustments for:			
Depreciation of property, plant and equipment	227.5	224.3	435.7
Amortisation of intangible assets	14.7	16.2	29.2
Loss on disposal of property, plant and equipment	0.5	2.9	4.0
Amortisation of deferred grants and contributions	(10.1)	(10.1)	(19.8)
Equity-settled share-based payments charge	1.1	2.3	4.7
Pension expense charged to operating profit less Pension contributions paid	0.3	(1.2)	(3.0)
Changes in working capital:			
Decrease/(Increase) in inventories	14.8	(0.6)	(3.1)
Increase in trade and other receivables	(89.4)	(84.9)	(54.7)
Increase in trade and other payables	87.5	62.8	52.7
(Decrease)/Increase in provisions	(1.4)	5.7	5.5
Cash generated from operations	807.0	550.8	1,082.7

16. Net debt

Movements in net debt during the period were as follows:

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
At the start of the period	9,345.5	8,762.7	8,762.7
Net capital expenditure	619.2	441.1	987.8
Dividends (note 9)	235.7	226.3	344.1
Interest	120.7	83.9	171.0
Indexation (note 6)	128.8	93.1	161.7
Exchange rate movement on bonds and term borrowings	46.3	(38.6)	(13.2)
Net tax receipt	(0.2)	(6.4)	(6.5)
Non-cash movements in lease liabilities	2.4	8.7	27.2
Repayment of loans by joint ventures	(17.5)	(1.5)	(0.5)
Other	5.2	5.5	14.7
Fair value movements	(69.3)	26.5	(20.8)
Cash generated from operations (note 15)	(807.0)	(550.8)	(1,082.7)
At the end of the period	9,609.8	9,050.5	9,345.5

Movements in net debt during the period are impacted by net cash generated from financing activities as disclosed in the consolidated statement of cash flows.

Net debt at the end of each period comprised:

	30 September 2025 £m	31 March 2025 £m	30 September 2024 £m
Borrowings	11,377.8	10,788.6	10,697.9
Derivative financial instruments (liabilities)	275.8	292.6	269.5

Derivative financial instruments (assets)	(348.7)	(340.7)	(334.1)
Cash and cash equivalents (see note 12)	(1,480.7)	(1,672.6)	(1,084.9)
Bank deposits (see note 12)	(455.0)	-	(728.2)
Net debt - as agreed to statement of financial position	9,369.2	9,067.9	8,820.2
<i>Adjustments to exclude the fair value of:</i>			
Interest rate derivatives fixing future nominal interest rates	143.2	178.0	136.4
Inflation derivatives fixing future real interest rates	119.3	126.9	124.1
Electricity derivatives fixing future electricity costs	(21.9)	(27.3)	(30.2)
Net debt - as adjusted to align to the group's definition	9,609.8	9,345.5	9,050.5

The group defines net debt as the sum of borrowings and derivative financial instruments, net of cash and bank deposits, and adjusted to exclude the value of derivatives that are not hedging specific debt instruments. In presenting net debt in this way, the group aims to give a fair reflection of the net debt amount the group is contractually obliged to repay - consistent with the approach taken by credit rating agencies - and the regulatory economics of the group's arrangements. As the value of derivatives that are not hedging specific debt instruments is excluded from the group's definition of net debt, fair value movements associated with these derivatives are not included in the above reconciliation from the opening to closing net debt position.

17. Other reserves

Six months ended 30 September 2025

	Capital redemption reserve £m	Merger reserve £m	Cost of hedging reserve £m	Cash flow hedge reserve £m	Total £m
At 1 April 2025	1,033.3	(703.6)	11.4	(21.9)	319.2
Changes in fair value recognised in other comprehensive income	-	-	4.5	(4.9)	(0.4)
Amounts reclassified from other comprehensive income to profit or loss	-	-	-	10.5	10.5
Tax on hedge effectiveness taken directly to equity	-	-	(1.1)	1.2	0.1
Tax on items recorded within other comprehensive income	-	-	-	(2.6)	(2.6)
At 30 September 2025	1,033.3	(703.6)	14.8	(17.7)	(326.8)

Six months ended 30 September 2024

	Capital redemption reserve £m	Merger reserve £m	Cost of hedging reserve £m	Cash flow hedge reserve £m	Total £m
At 1 April 2024	1,033.3	(703.6)	8.7	(27.3)	311.1
Changes in fair value recognised in other comprehensive income	-	-	(1.5)	1.9	0.4
Amounts reclassified from other comprehensive income to profit or loss	-	-	-	2.6	2.6
Tax on hedge effectiveness taken directly to equity	-	-	0.4	(0.5)	(0.1)
Tax on items recorded within other comprehensive income	-	-	-	(0.6)	(0.6)
At 30 September 2024	1,033.3	(703.6)	7.6	(23.9)	313.4

Year ended 31 March 2025

	Capital redemption reserve £m	Merger reserve £m	Cost of hedging reserve £m	Cash flow hedge reserve £m	Total £m
At 1 April 2024	1,033.3	(703.6)	8.7	(27.3)	311.1
Changes in fair value recognised in other comprehensive income	-	-	3.6	8.6	12.2
Amounts reclassified from other comprehensive income to profit or loss	-	-	-	(1.3)	(1.3)
Tax on hedge effectiveness taken directly to equity	-	-	(0.9)	(2.2)	(3.1)
Tax on items recorded within other comprehensive income	-	-	-	0.3	0.3

The capital redemption reserve arose as a result of a return of capital to shareholders following the reverse acquisition of United Utilities PLC by United Utilities Group PLC in the year ended 31 March 2009. The merger reserve arose in the same year on consolidation and represents the capital adjustment to reserves required to effect the reverse acquisition.

The group recognises the cost of hedging reserve as a component of equity. This reserve reflects accumulated fair value movements on cross-currency swaps resulting from changes in the foreign currency basis spread, which represents a liquidity charge inherent in foreign exchange contracts for exchanging currencies and is excluded from the designation of cross-currency swaps as hedging instruments.

The group designates a number of swaps hedging non-financial risks in cash flow hedge relationships in order to give a more representative view of operating costs. Fair value movements relating to the effective part of these swaps are recognised in other comprehensive income and accumulated in the cash flow hedging reserve.

18. Contingent liabilities

Ofwat and Environment Agency investigations

At the reporting date, UUW remains subject to the enforcement case opened by Ofwat in 2024, along with the other water and wastewater companies in England and Wales that have not yet had their investigations concluded. If a company is found to have breached its legal obligations this could result in a financial penalty of up to 10 per cent of relevant wastewater turnover (which in UUW's case would be around £100 million), and/or a requirement to rectify any obligations deemed to be required as a consequence of those findings. To date, Ofwat has issued penalties to, or agreed enforcement packages with, five companies, with values ranging from 5 per cent to 9 per cent of relevant wastewater turnover. Ofwat has also proposed an enforcement package worth around 2.8 per cent of relevant wastewater turnover with one other company, which is subject to public consultation before a final decision is made. UUW has received and responded to notices under s203 of the Water Industry Act 1991 and continues to fully co-operate with Ofwat through the investigation process. Ofwat has stated that while it has concerns with the sector that it must investigate, the opening of enforcement cases does not automatically imply that companies have breached their legal obligations or that a financial penalty will necessarily follow. UUW has not been given a firm indication of the expected timeframe for the conclusion of Ofwat's ongoing investigation, or any subsequent action.

Similarly, the Environment Agency has made a number of data requests and undertaken site visits as part of its ongoing industry-wide investigation, with which the group continues to fully comply. This investigation is focused on environmental permit compliance at wastewater treatment works and wastewater networks, with the Environment Agency having a number of enforcement options open to it if it concludes that companies have breached their permit conditions and/or illegally polluted the environment. These include the potential for criminal prosecution and unlimited fines. As with the Ofwat investigation, this remains ongoing. It is currently unclear when this matter will be resolved.

Prof Carolyn Roberts collective action

As disclosed in the group's financial results for the year-ended 31 March 2025, collective proceedings in the Competition Appeal Tribunal ('CAT') were issued on 8 December 2023 against United Utilities Water Limited ('UUW') and United Utilities Group PLC on behalf of approximately 5.6 million domestic customers following an application by the Proposed Class Representative ('PCR'), Professor Carolyn Roberts. The PCR alleges that customers have collectively paid an overcharge for sewerage services during the claim period as a result of UUW allegedly abusing a dominant position by providing misleading information to regulatory bodies. The estimated total aggregate amount the PCR is claiming against UUW (including interest) for household customers is at least £141 million. On 7 March 2025, the CAT unanimously concluded that claims could not proceed on the basis that the claims brought forward are excluded by section 18(8) of the Water Industry Act 1991. Subsequently, the PCR has been granted permission by the Court of Appeal to appeal this decision, with the appeal hearing expected to take place in 2026. UUW believes that

appeal this decision, with the appeal hearing expected to take place in 2026. UUVV believes the claim is without merit and will robustly defend it, should the certification decision be overturned on appeal. Separate letters before action were issued on 20 December 2024 in relation to similar claims in respect of non-household customers, however it is not clear how these will proceed following the CAT's decision not to certify the claims brought in respect of domestic customers.

19. Financial and other commitments

The group has credit support guarantees as well as general performance commitments and potential liabilities under contract that may give rise to financial outflow. The group has determined that the possibility of any outflow arising in respect of these potential liabilities is remote and, as such, there are no financial liabilities to be disclosed in this regard (31 March 2025: none, 30 September 2024: none).

At 30 September 2025, there were commitments for future capital expenditure and infrastructure renewals expenditure contracted, but not provided for, of £219.4 million (31 March 2025: £125.3 million, 30 September 2024: £234.8 million).

	30 September 2025 £m	31 March 2025 £m	30 September 2024 £m
Property, plant and equipment	211.2	112.0	217.3
Intangible assets	3.1	0.7	3.3
Infrastructure renewals expenditure	5.1	12.6	14.2
Total commitments contracted but not provided for	219.4	125.3	234.8

The company has not entered into performance guarantees as at 30 September 2025, 31 March 2025 and 30 September 2024.

20. Related party transactions

The related party transactions with the group's joint ventures and other interests during the period, and amounts outstanding at the period end date, were as follows:

	Six months ended 30 September 2025 £m	Six months ended 30 September 2024 £m	Year ended 31 March 2025 £m
Sales of services	191.3	175.3	338.8
Charitable contributions advanced to related parties	0.1	0.1	0.2
Purchases of goods and services	0.4	-	1.5
Interest income and fees recognised on loans to related parties	2.2	3.0	5.9
Amounts owed by related parties	85.7	100.0	101.0

Sales of services to related parties mainly represent non-household wholesale charges to Water Plus Group Limited ('Water Plus'), a joint venture owned and controlled on a 50/50 basis by the group and Severn Trent PLC under a joint venture agreement, that were billed and accrued during the period. These non-household wholesale charge transactions were on market credit terms, which are governed by the wholesale charging rules issued by Ofwat.

At 30 September 2025 amounts owed by joint ventures, as recorded within trade and other receivables in the statement of financial position, were £85.7 million (30 September 2024: £100.0 million; 31 March 2025: £101.0 million), comprising £31.2million (30 September 2024: £27.5 million; 31 March 2025: £27.4 million) of trade balances, which are unsecured and will be settled in accordance with normal credit terms, and £54.5 million (30 September 2024: £72.4 million; 31 March 2025: £73.6 million) relating to loans.

Included within these loans receivable were the following amounts owed by Water Plus:

- £53.9 million outstanding on a £95.0 million revolving credit facility provided by United Utilities PLC, with a maturity date of December 2026, bearing a floating interest rate of the Bank of England base rate plus a credit margin. This balance comprises £57.5 million outstanding, net of a £3.6 million allowance for expected credit losses; and
- £0.5 million receivable being the £11.9 million fair value of amounts owed in relation to a £12.5 million unsecured loan note held by United Utilities PLC, with a maturity date of 28 March 2027, net of a £nil allowance for expected credit losses and £11.4 million of the group's share of joint venture losses relating to historic periods as the loan note is deemed to be part of the group's long-term interest in Water Plus. This is a zero-coupon shareholder loan with a total amount outstanding at 30 September 2025 of £12.5 million, comprising £11.9 million receivable measured at fair value, and £0.6 million recorded as an equity contribution to Water Plus recognised within interests in joint ventures.

A further £0.1 million of non-current receivables was owed by other related parties at 30 September 2025.

During the period, United Utilities PLC provided guarantees in support of Water Plus in respect of certain amounts owed to wholesalers. The aggregate limit of these guarantees was £50.7 million, of which £26.0 million related to guarantees to United Utilities Water Limited.

21. Events after the reporting period

Other than in respect of the £100 million term loan facility that the group executed on 28 October 2025, which was drawn down on 10 November 2025 as described in note 13, there have been no material events subsequent to 30 September 2025 that either require adjustment to the amounts disclosed in the interim financial statements or disclosure on the basis that they could materially affect users' understanding of the interim financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The half-yearly financial report 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 DTR of the UK FCA.

Responsibilities statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge: the condensed set of financial statements has been prepared in accordance with IAS 34 *'Interim Financial Reporting'* as adopted for use in the UK; and the interim management report includes a fair review of the information required by:

- DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The directors of United Utilities Group PLC at the date of this announcement are listed below:

Sir David Higgins
Louise Beardmore
Phil Aspin
Doug Webb
Liam Butterworth
Kath Cates
Ian El-Mokadem
Alison Goliqher

Clare Hayward
Michael Lewis
Marina Wyatt

This responsibility statement was approved by the board and signed on its behalf by:

.....
Louise Beardmore
Chief Executive Officer

12 November 2025

.....
Phil Aspin
Chief Financial Officer

12 November 2025

INDEPENDENT REVIEW REPORT TO UNITED UTILITIES GROUP PLC

Conclusion

We have been engaged by United Utilities Group PLC ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2025 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2025 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

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* ("ISRE (UK) 2410") issued for use in the UK. 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. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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.

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 that causes us to believe 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 have not been 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, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report 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 DTR of the UK FCA.

As disclosed in note 1, the latest annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of 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.


Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached

Gill Hopwood-Bell
for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
12 November 2025

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