

# Results presentation 2023-2024

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# Focus on performance

£963 million of Capital Investment, partly through additional investment from our shareholders, driving RCV growth

Circa 9% increase in revenue to £1.6 billion

Operating Profit of £431 million (up 1.7%)

£350 million additional investment; £100m to accelerate pollutions work

All funding in place to complete AMP7

Event Duration Monitors rollout on 100% of storm overflows, ahead of government target

Supported 389,371 customers in 2023/24

12.7% of customers on PSR, ahead of target and the industry (average 5-6%)

Leading performance on spills and improved lead measures on pollutions

Water resilience: PCC, smart meters, and leakage

ODI penalty of £37.6 m  
72% attributable to extreme wet weather

Strong CMeX and DMeX scores and outperforming in Retailer Satisfaction

Submitted our plan for AMP8, worth over £9 billion



# 2023/24 key financial metrics

**Tony Donnelly**

Chief Financial Officer

**Fraser Campbell**

Group Treasurer

# Key financials summary



## Delivering robust financials despite the challenging environment

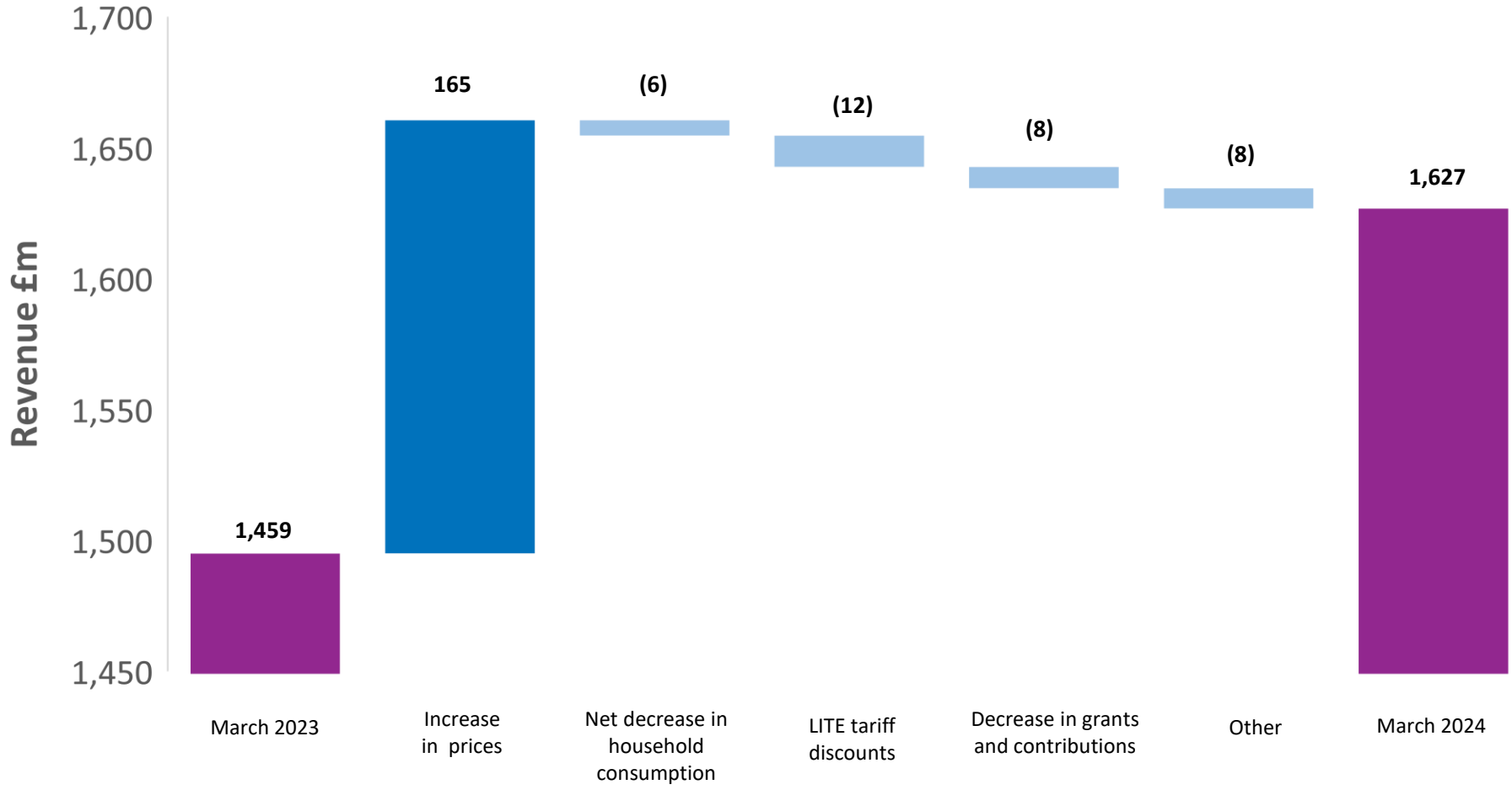
<b>Revenue</b> <b>2024:</b> £1,627m   <b>2023:</b> £1,495m Up £132m (9%)	<b>Operating profit</b> <b>2024:</b> £431m   <b>2023:</b> £424m Up £7m (2%)	<b>Adjusted loss before tax<sup>1</sup></b> <b>2024:</b> £72m   <b>2023:</b> £287m
<b>Operating cash flow</b> <b>2024:</b> £767m   <b>2023:</b> £711m Up £56m (8%)	<b>Net debt<sup>2</sup></b> <b>2024:</b> £6,977m   <b>2023:</b> £6,248m	<b>Dividends paid</b> <b>2024:</b> £80m   <b>2023:</b> £169m
<b>RCV</b> <b>2024:</b> £10,681m   <b>2023:</b> £10,020m	<b>Gearing</b> <b>2024:</b> 69% Senior AWS <b>2023:</b> 66% Senior AWS	<b>Strong credit ratings</b> A-/A3/A-

<sup>1</sup> Shown before profit on derivatives of £205m (2023: 645m)

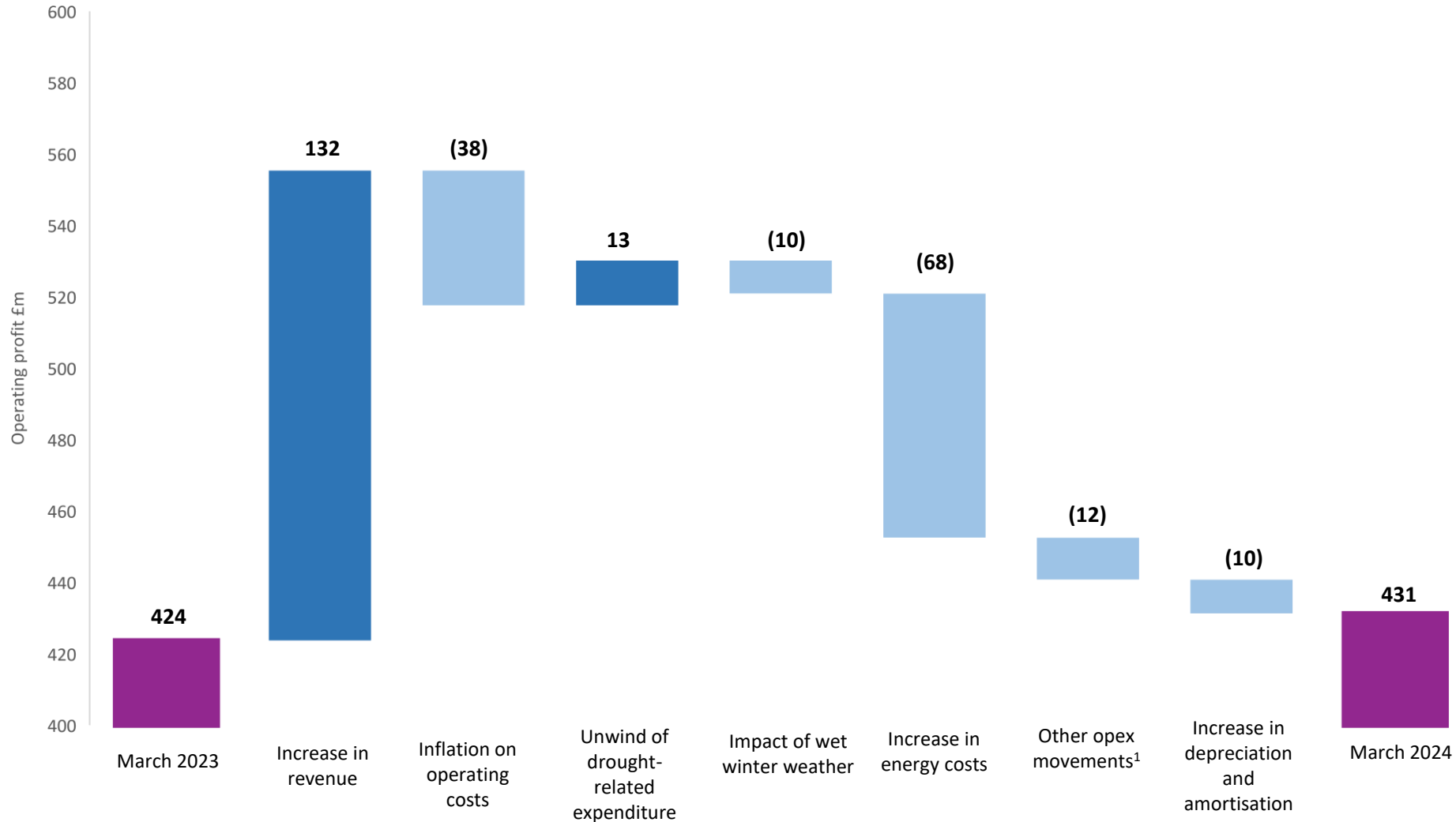
<sup>2</sup> Shown on a statutory basis, excluding derivatives. Net debt on a CTA basis is £7,344m (2023: £6,248m)



# Financials – revenue breakdown



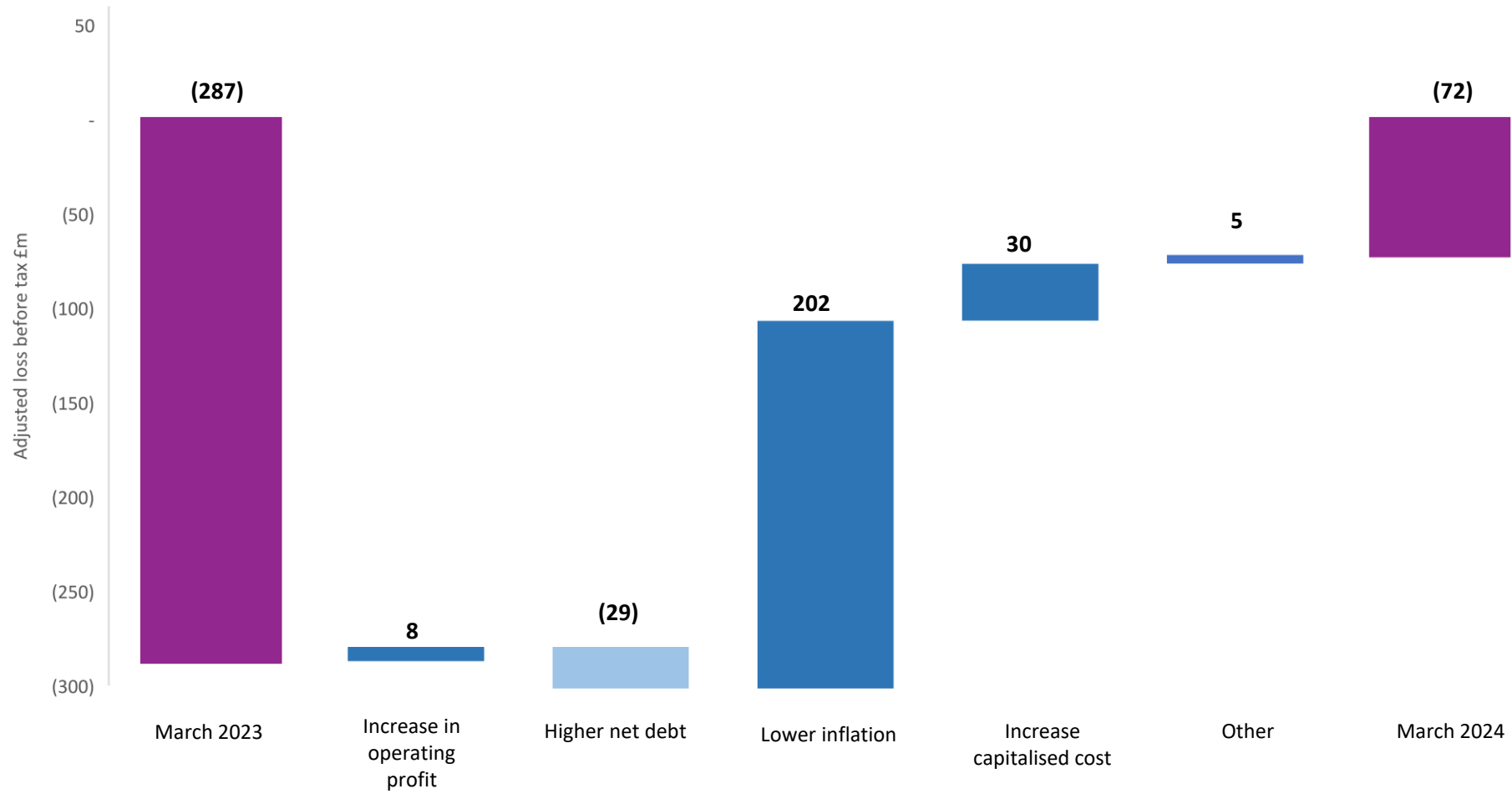
# Financials – operating profit breakdown



<sup>1</sup> Other opex movements includes increases in bad debt our business rates



# Financials – adjusted loss before tax<sup>1</sup>

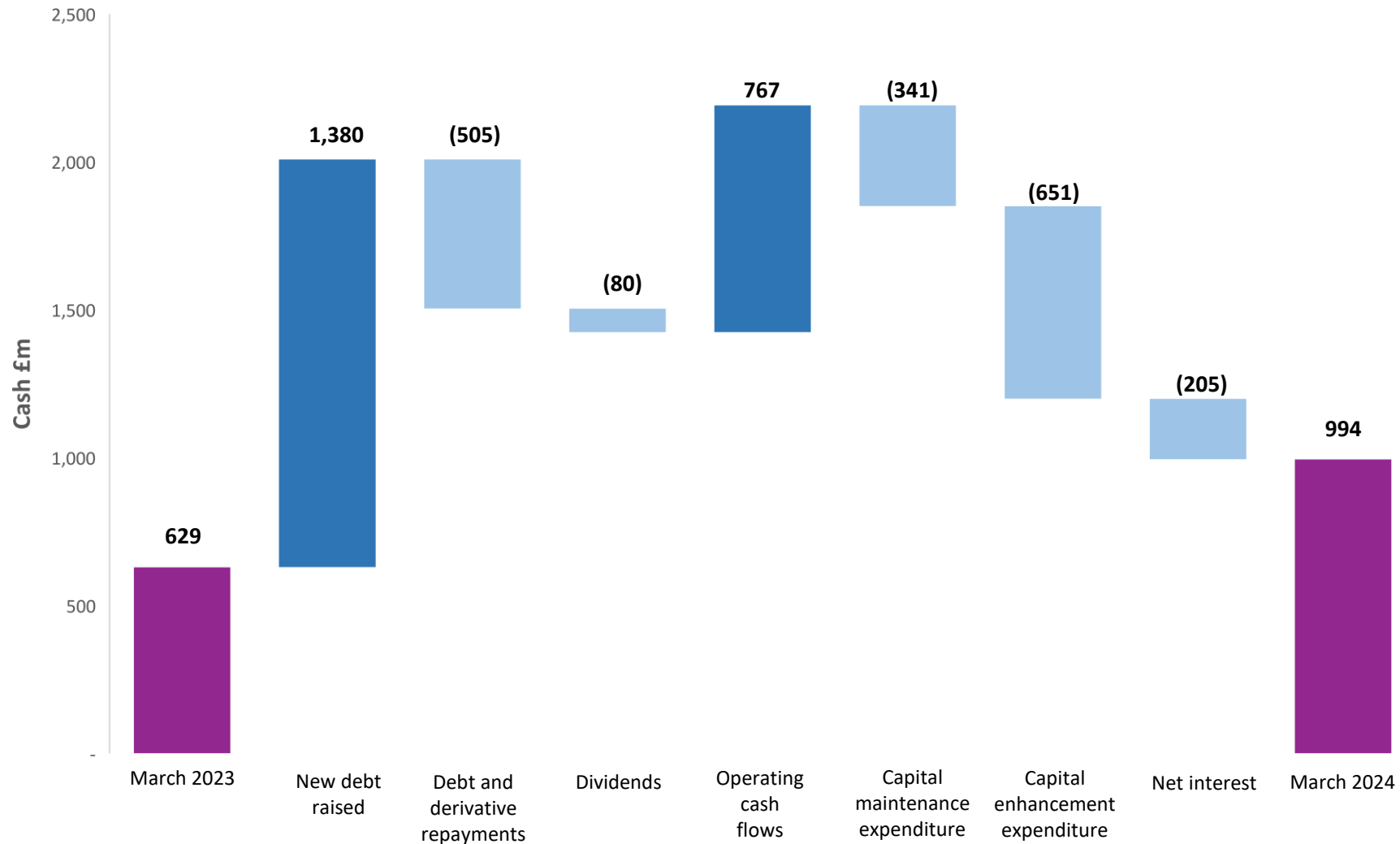


<sup>1</sup> Calculated as loss before tax excluding fair value gains/(losses) on derivative financial instruments





# Financials – sources and uses of cash



# Debt composition

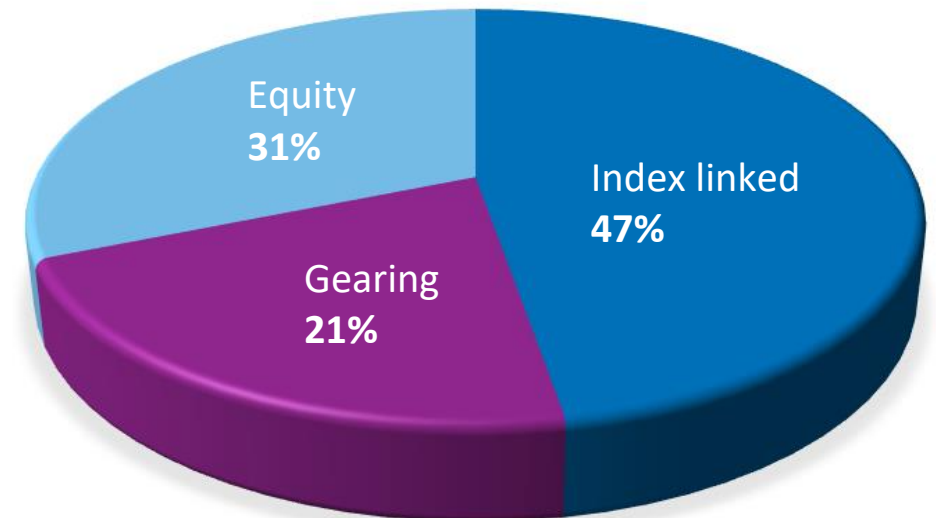
Balanced debt composition ensures natural hedge to RCV and revenues

<b>Net debt<sup>1</sup></b> <b>£7,344m</b>	£772m increase in net debt
<b>RCV</b> <b>£10,681m</b>	RCV reflects AMP7 capital investment and is adjusted in line with inflationary increase
<b>Gearing</b> <b>69%</b>	AWS Gearing – 69% Osprey Gearing – 78% Aigrette Gearing – 84%

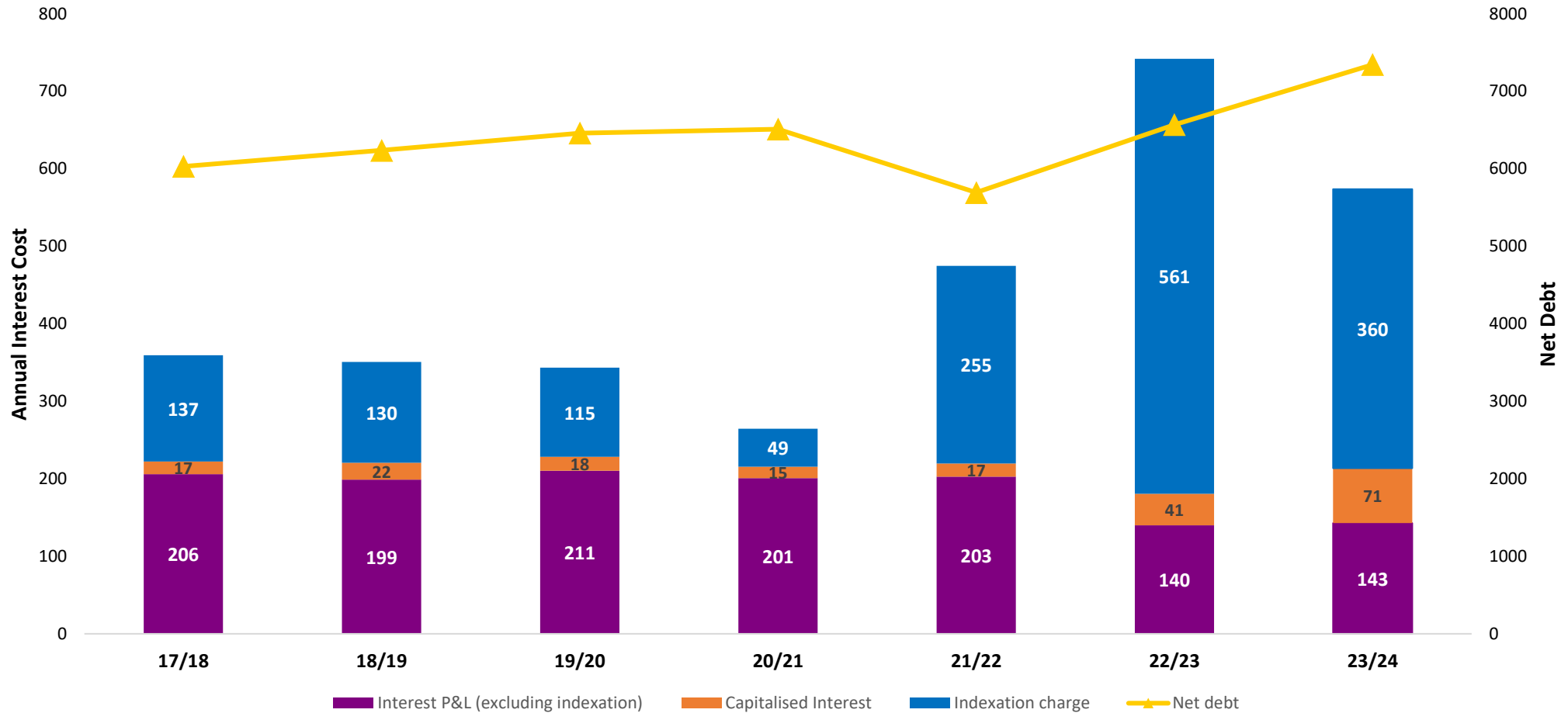
<sup>1</sup>Net debt as defined under the Anglian Water Common Terms Agreement (CTA)

Year ended 31 March 2024

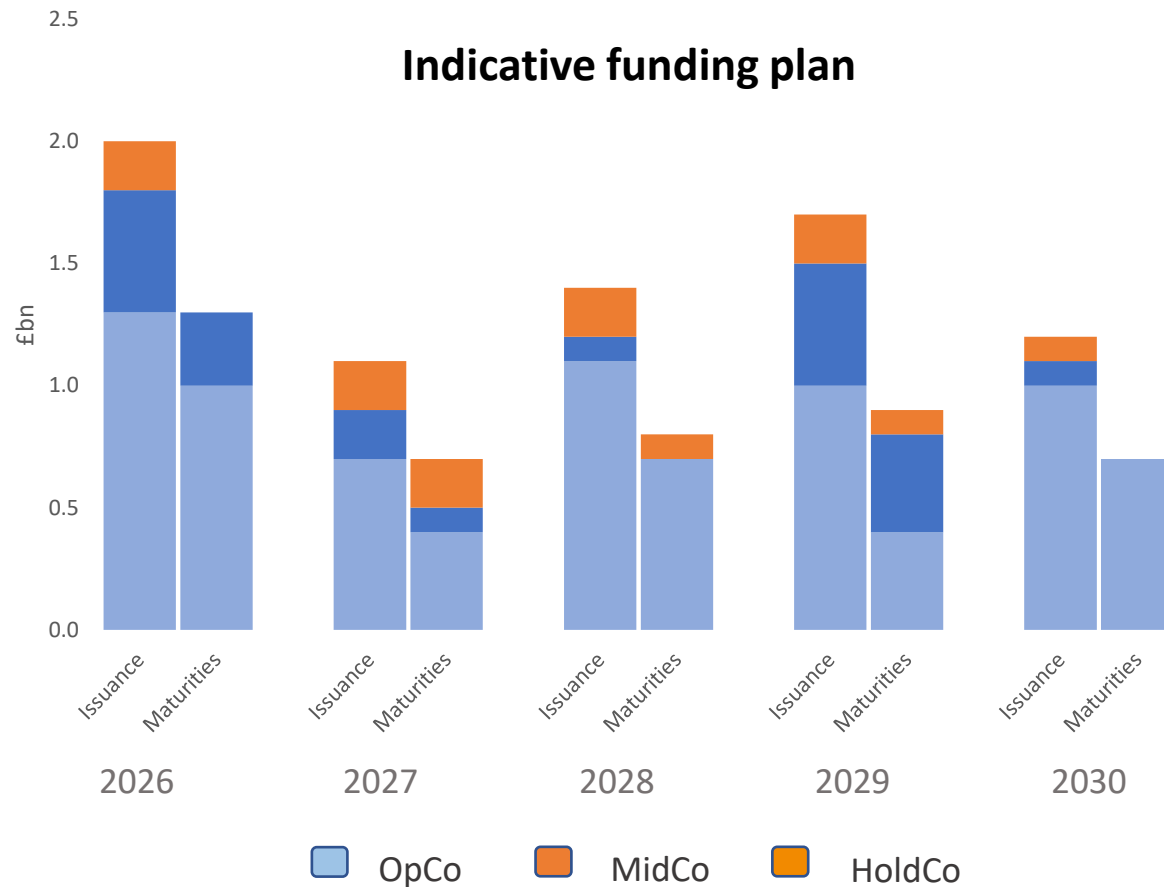
AWS funding mix (% of RCV)



# Financials – interest performance



# Significant **£7.5bn AMP8** issuance



- AMP8 funding requirements are significant throughout each year of the AMP
- Actual funding will likely vary depending on market conditions/potential acceleration in AMP7
- We plan to source funds from a variety of different markets including:
  - Sterling, Euro and Canadian bond markets
  - US private placement funds
  - Asian markets
  - Bank loan market
- Pre-funding already underway with **c£520m** bond raising in February 2024



# Strong position ahead of AMP8

## AMP to date

- **£1.2 billion** invested in AWS to significantly reduce gearing and preserve strong credit rating
- All funding in place to complete our AMP7 plan, including the delivery of £1 billion of capital investment in year five
- Pre-funding of AMP8 debt requirements commenced, with **£520m of bonds** raised in February, including our successful public offering into the Japanese market

## Draft Determination

- Ofwat assessing PR24 plans, ahead of Draft Determination on 12 July 2024
- We anticipate a significant ramping up of capital delivery in AMP8
- Focus will remain on delivering against our long-term ambitions.



# Delivery and operational highlights

**Peter Simpson**

Chief Executive Officer

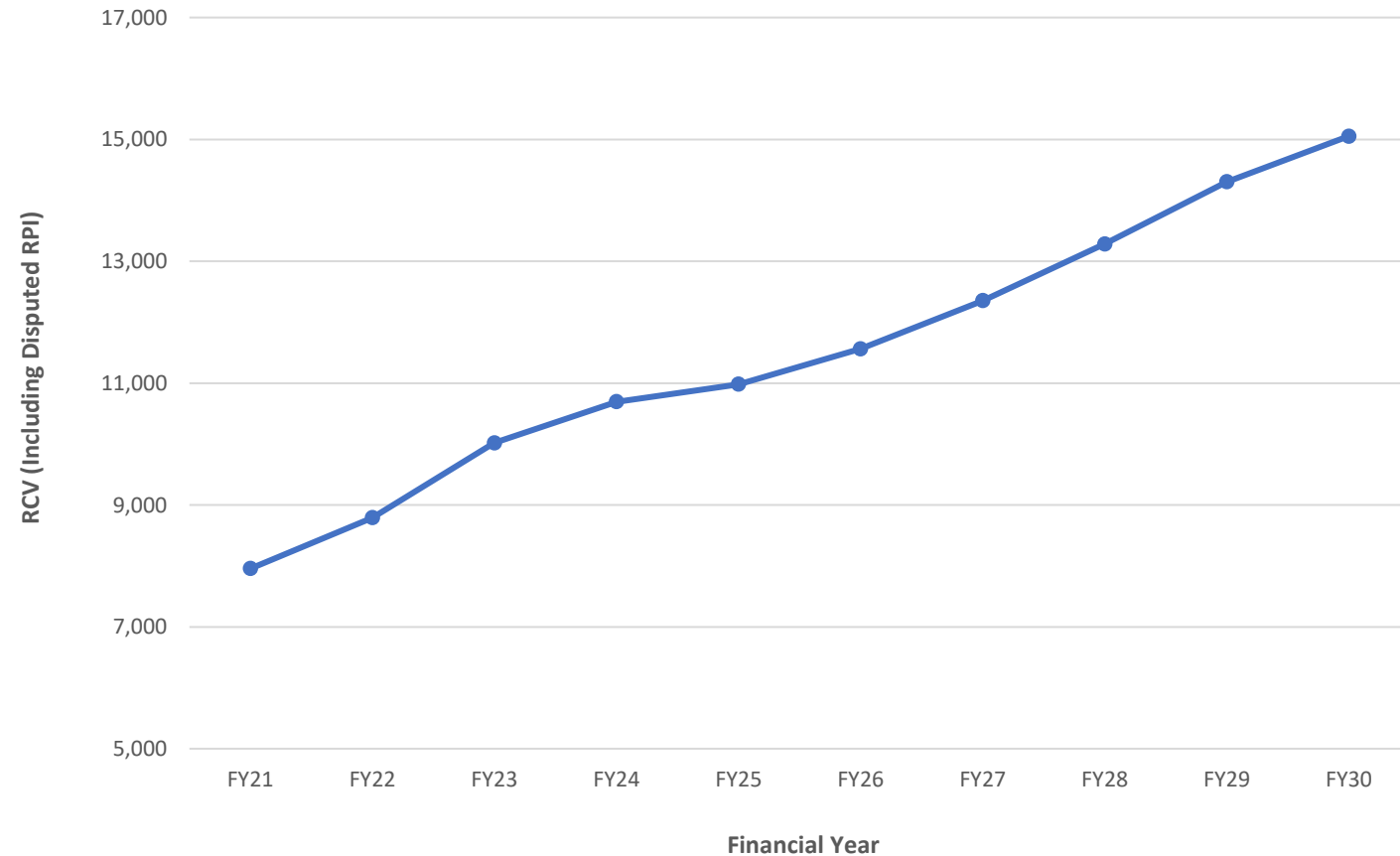
# Capital programme fuelling RCV growth

**£2.7 billion** AMP to date RCV

**£963m** spent in year four, taken us to the run rate we'll continue on in year 5 and beyond

RCV plan to grow from **£11 billion** to **£15 billion** by the end of AMP8

## RCV Growth Over Time



# Strategic pipeline

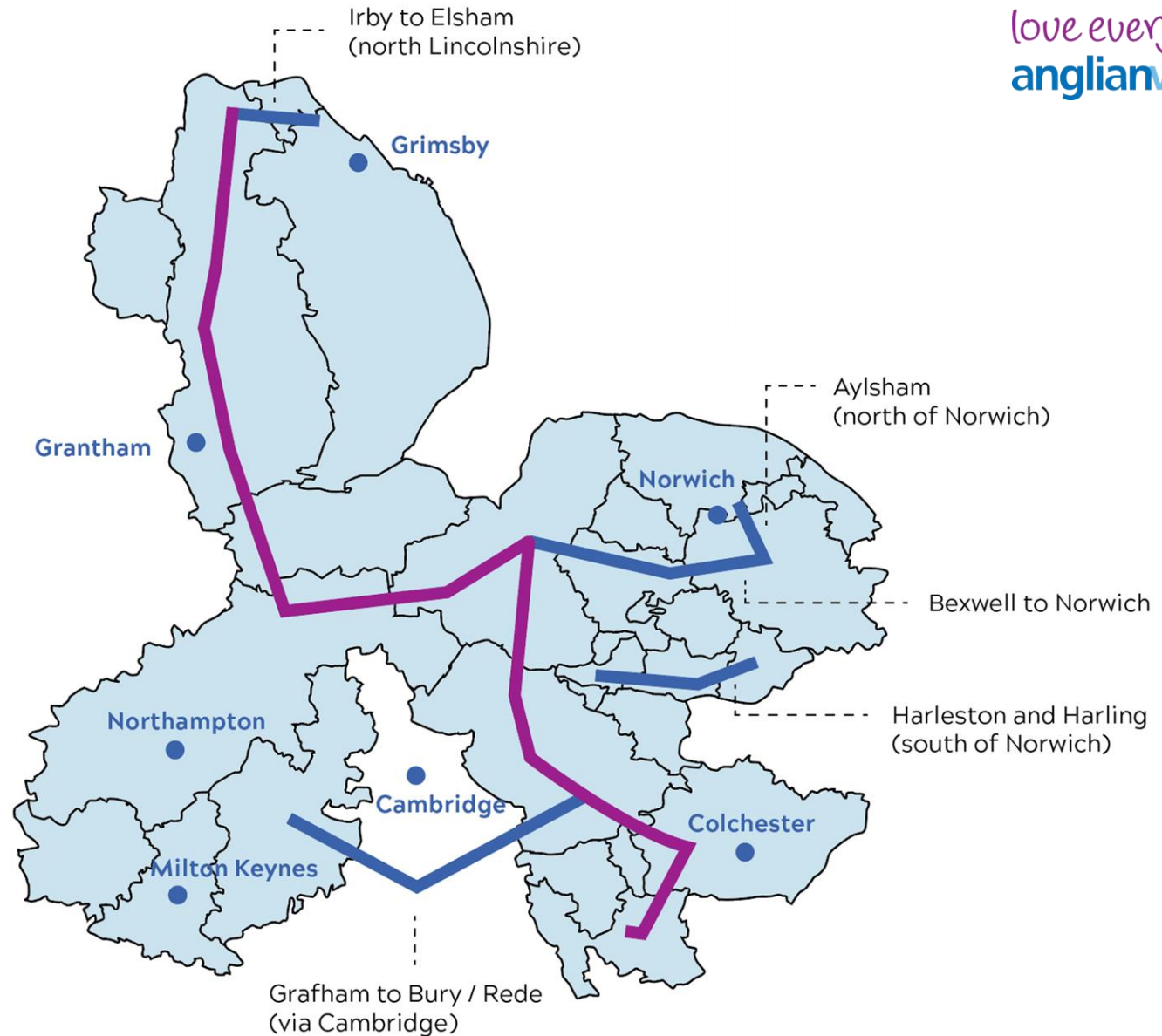


Some rephrasing following challenges this AMP from securing planning permission to the extreme weather

This experience has informed our plans for AMP8 and AMP interconnectors

## Key

- AMP7
- AMP8/9





# Deliverability – partner support and regulator confidence

SKANSKA

Balfour  
Beatty

COSTAIN

MMB  
MOTT MACDONALD  
BENTLEY

FARRANS

Jacobs

SWECO 

MWH  
TREATMENT

Barhale

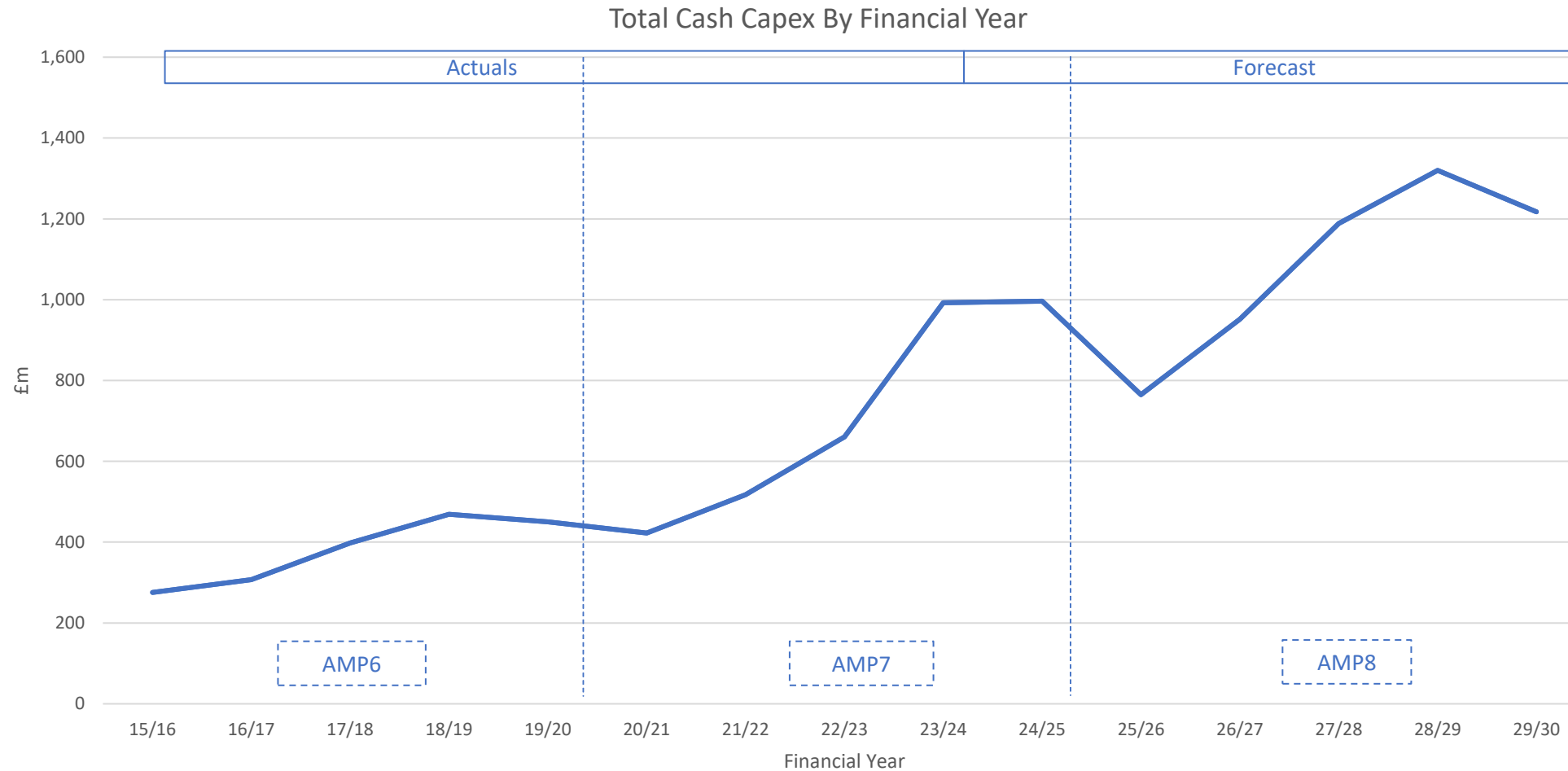
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Positive feedback  
from regulator on  
deliverability

82% capital  
works for  
AMP8 allocated



# Ramping up capex ahead of AMP8



# Safeguarding water supplies – and the environment

On track for the **biggest percentage reduction** in abstraction in the sector by 2025.

## Leakage

lowest ever three-year rolling average (-6.2% reduction from baseline)

## PCC

down by 6 litres per person per day



## Smart meters

37% of customers now have a smart meter



Plans for two new reservoirs

Strategic pipeline extended

Desal options being explored

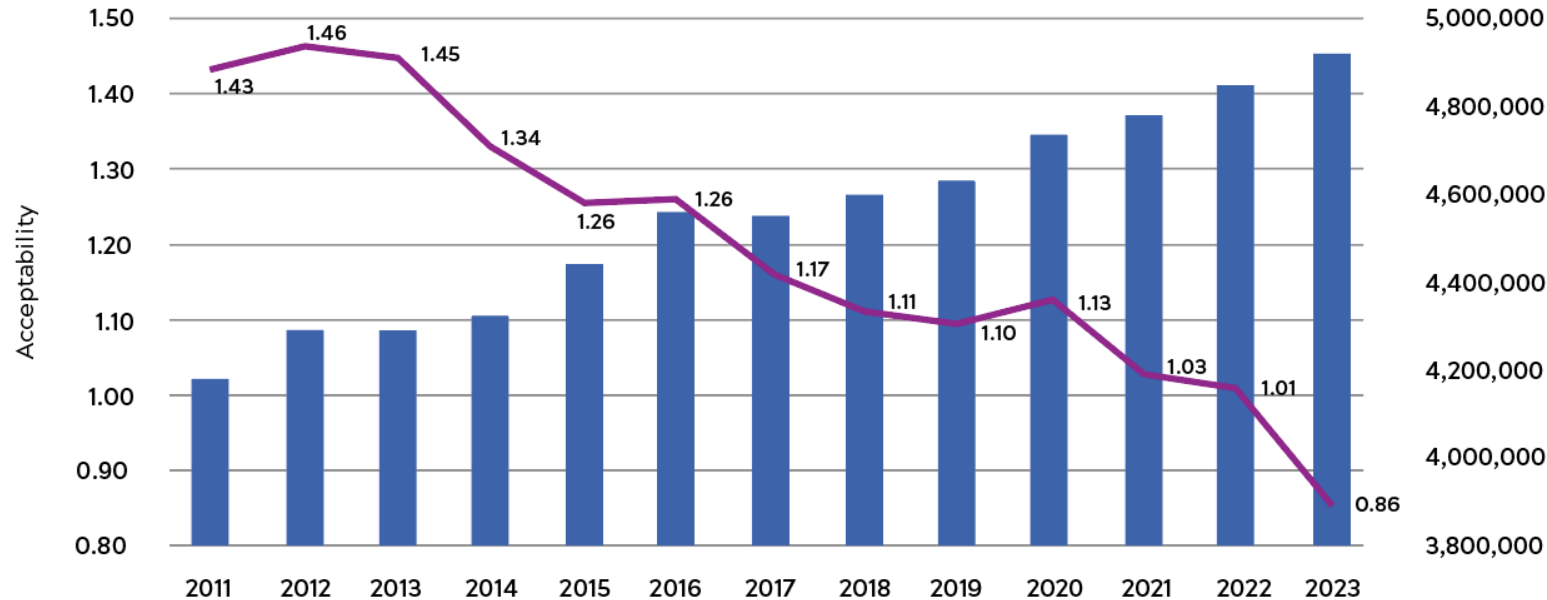
Greater insight = greater accuracy = greater water resilience = flourishing environment



# Safe, reliable drinking water – customers' #1 priority



Over the last 12 months we've achieved our best-ever acceptance score for safe reliable drinking water



## CCW survey

**94% of customers** satisfied with the colour and appearance of tap water, **90%** were satisfied with the taste and smell\*

\*against WaSC averages of 91% and 84%, respectively.



# Looking after our customers

## Record number of people helped in 2023/24

Improved experience measures, putting us in reward:

- **CMeX** – 5th place (Water and Sewage Company table)
- **DMeX** – 4th place
- Outperformed retailer satisfaction measure



The voice for water consumers  
Y corff sy'n rhoi llais i ddefnyddwyr dŵr

Called out as performing 'significantly above' average when it comes to customer satisfaction.

**64% agreed** that our charges were fair, compared to an WaSC industry average of 55%.

## Helping customers

**£136.9 million** support package 389,371 customers

## Priority Services Register (PSR)

**industry-leading 12.7%** of customers

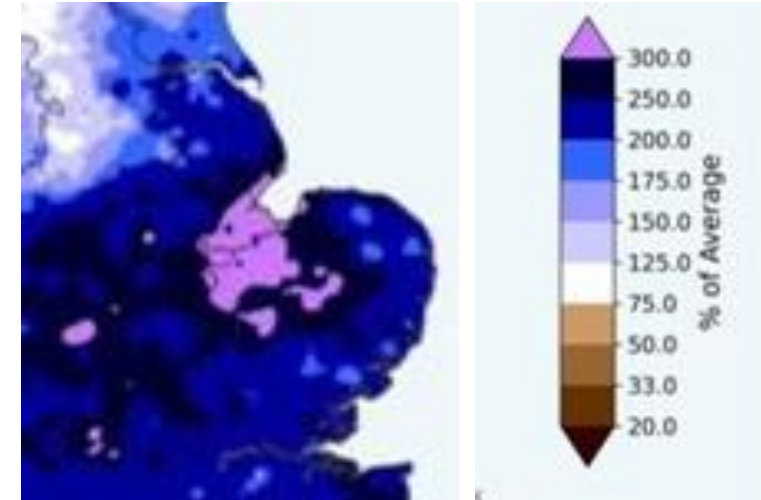
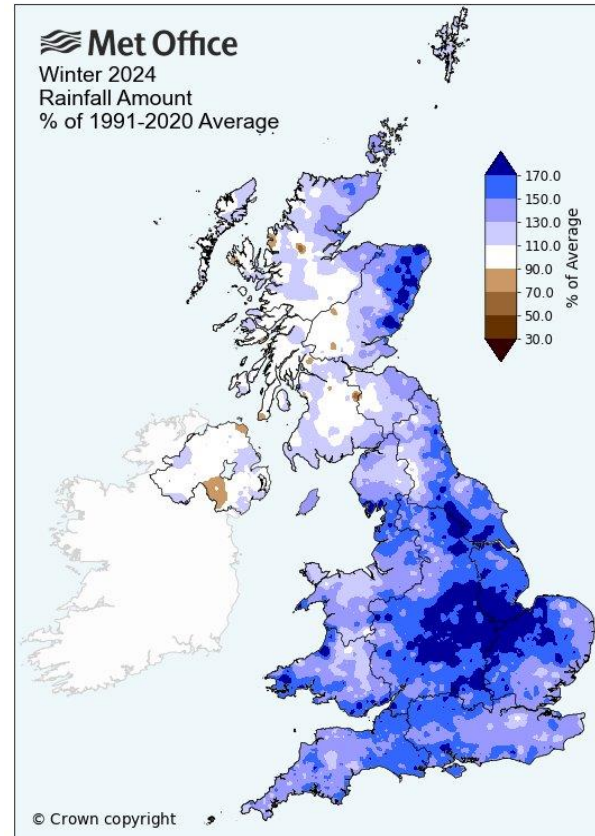


# Tackling pollutions and spills

## 2023-24: wettest winter on record

Between October 2023 and March 2024, England declared wettest winter on record.

11 named storms, with five directly impacting our region.



February 2024: **308%** of the long-term rainfall average



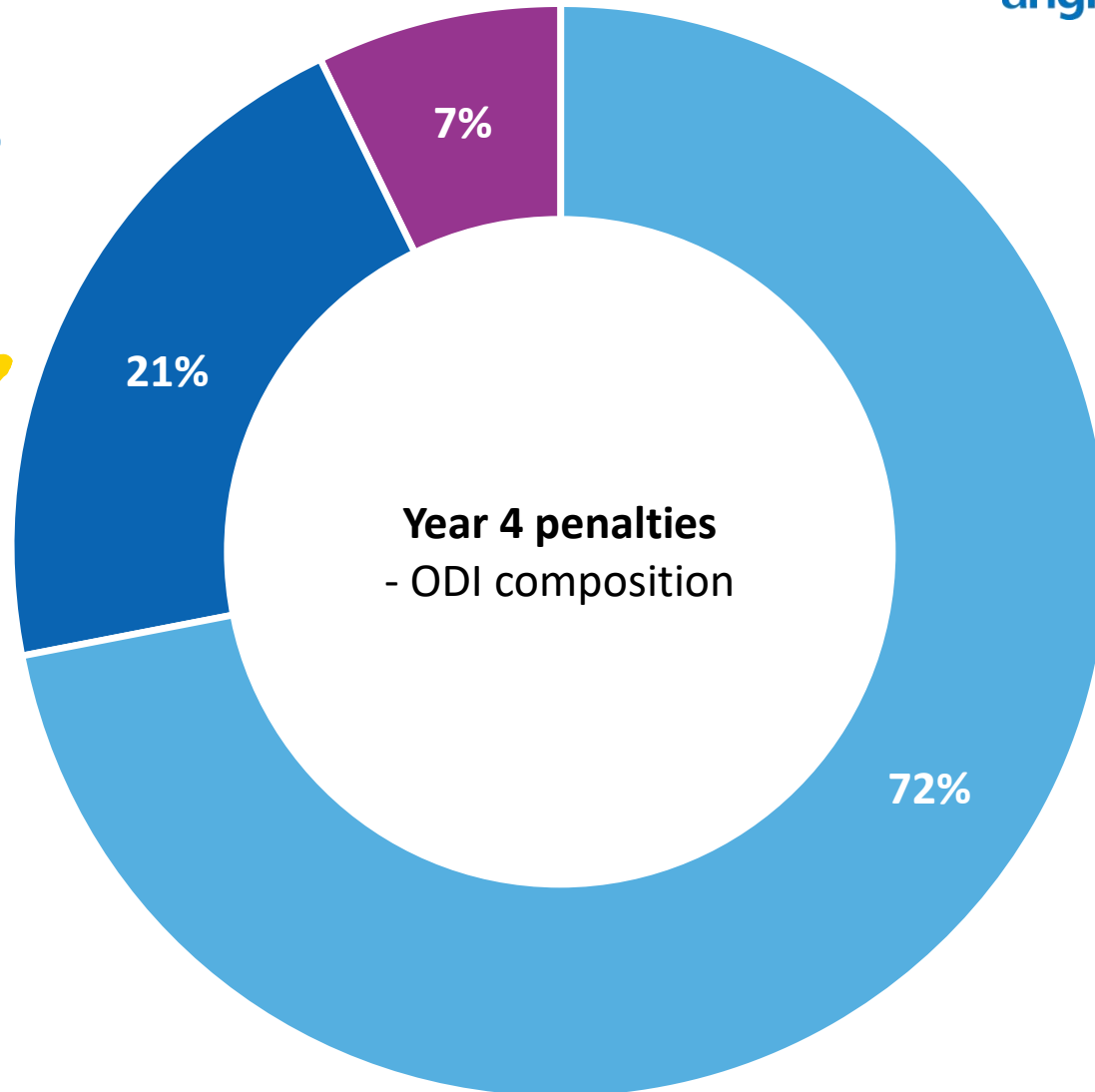
# Y4 ODI performance

**£37.6m** penalty

**72%** as a result ODIs impacted by extreme weather

- Penalties impacted by extreme weather
- Leakage
- Minor penalties (5 in total)

Only **7%** off target



# Serious pollutions – some context

**Definition:** pollution emanating from discharge or escape of a contaminant from a water company sewerage asset or water supply asset **affecting the water environment.**

**\*Now monitored**



**Underwater – Anwick Water Recycling Centre**

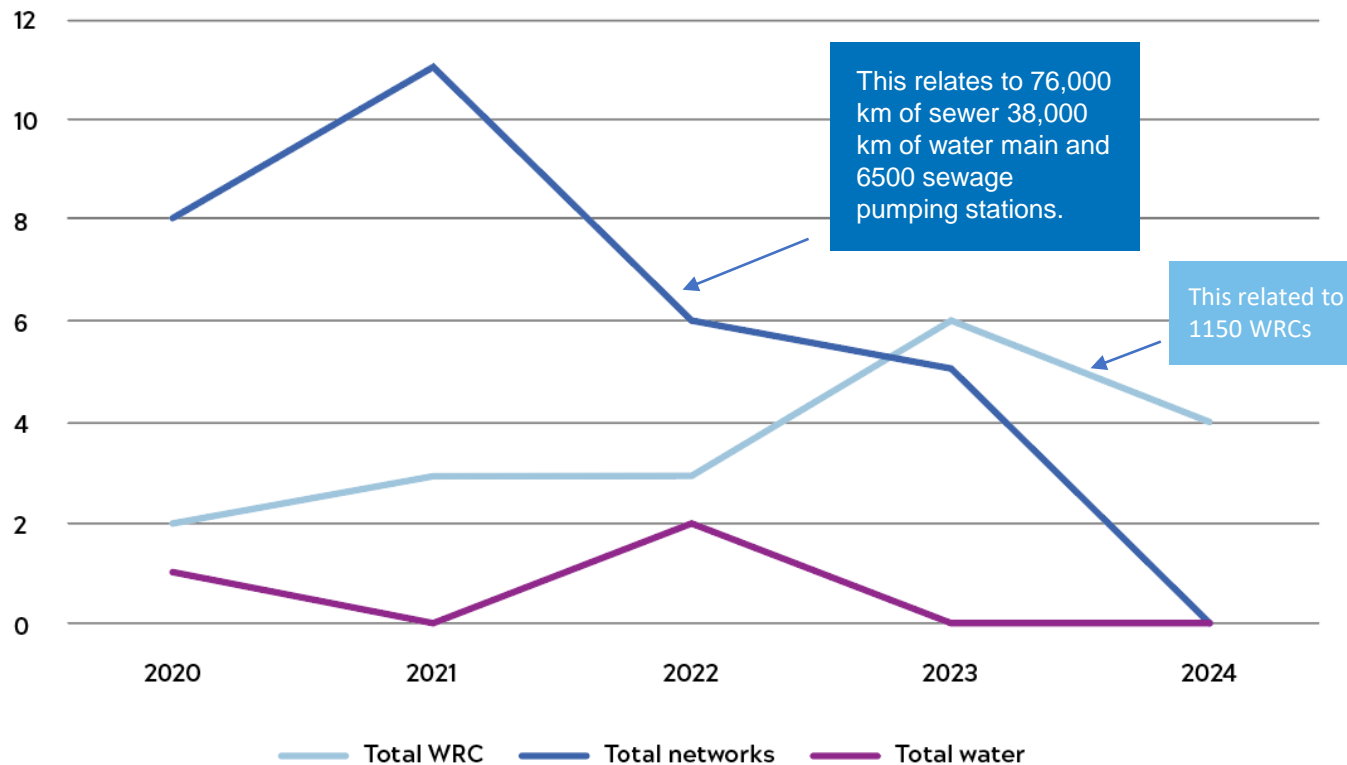




# Progress on serious pollutions

## Network and Works

### Serious pollutions by Asset Class



### Investment already having an impact

- ✓ Predictive analytic technology
- ✓ Improved sludge management
- ✓ Sewer monitors detection and clearing
- ✓ ECAS diverting 1,600+ tonnes of FOGs from sewers
- ✓ Enhanced maintenance programmes
- ✓ Rising mains detection and early response

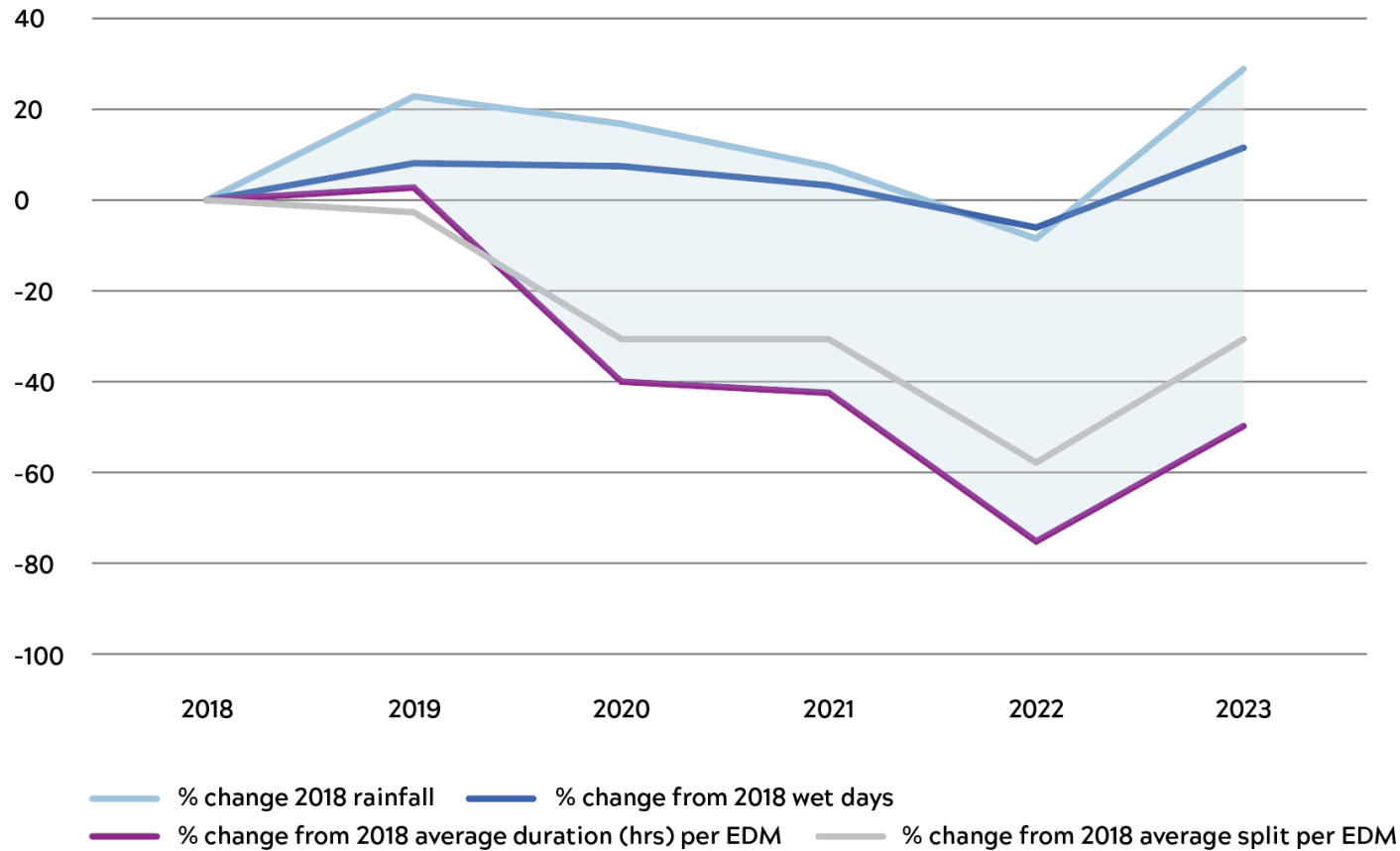
**= Only one serious pollution caused by networks since April 2023**



# Strong performance on spills as a result of investment



Percentage change of total annual rainfall and wet days compared to baseline 2018 data



**Spills performance remained industry leading**  
(22 vs an industry average of 33)



# River health: 2023 highlights

**£7 million**

of investment from our shareholders has enabled us to achieve over £9 million in match funding.



We're investing in 53 projects, with 44 primary beneficiaries.



**£100 million<sup>1</sup> invested in WINEP schemes in 2023. Our WINEP is one of the largest in our industry – worth £811 million.**



**118**

storm overflow permits were surrendered in 2023.

World's first ecological digital twin is live, with partners Microsoft and Avanade.



3 new bathing waters designated in our region in 2023 with a further three in consideration.



River health panel continued holding us to account.

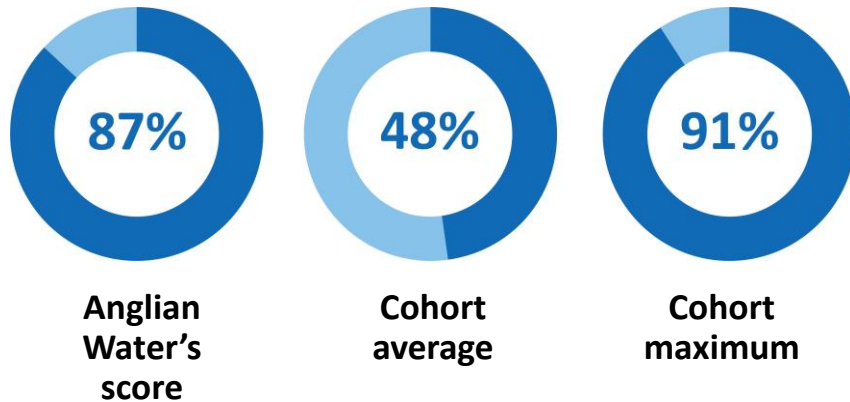


<sup>1</sup>Includes investment that is contributing towards the delivery of 2024/25 obligations, which haven't yet been signed-off with our regulators



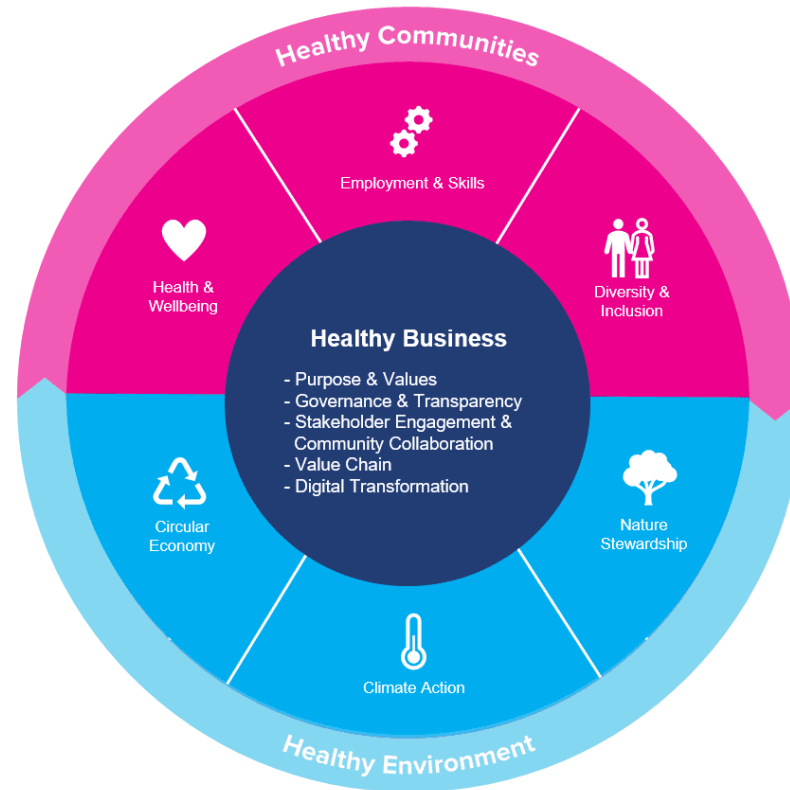
# Holding ourselves to account

We were pleased to receive a score of 100% for purpose and values



“Anglian Water continues to be one of the highest-scoring participants and demonstrates best practice across most of the issue areas.”

Kay Supra, Relationship Manager, BITC



Rating: 5\*



Rating: A-



Rating: AA



# Our plans for the future

Our 25-year Strategic Direction Statement



A balanced plan that's financeable, affordable and deliverable



**Any questions**

