

# Full year results

## Year ended 31 March 2020

United Utilities Group PLC

2019/20 full year results

# Sir David Higgins

Chairman

2019/20 full year results

# Steve Mogford

Chief Executive

# COVID-19

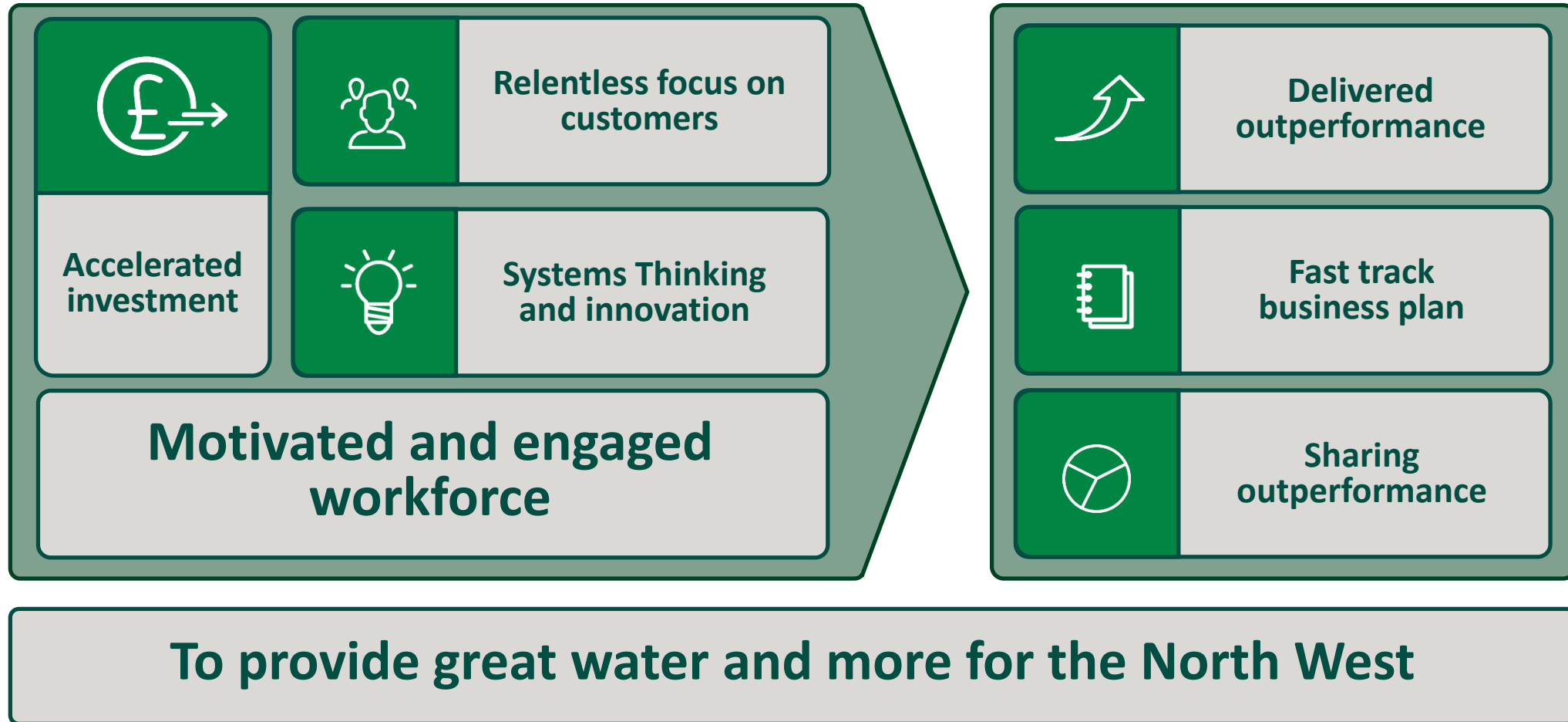
Great service in challenging times



- **Around 60%** of workforce working from home
- **Increasing** the number of customers eligible for social tariff support
- **£3.5m** available immediately for those most in need
- **Accelerating payments** to suppliers
- **Limited exposure** to business retail failure

# Exceeded our targets in AMP6

Executed and delivered our strategy



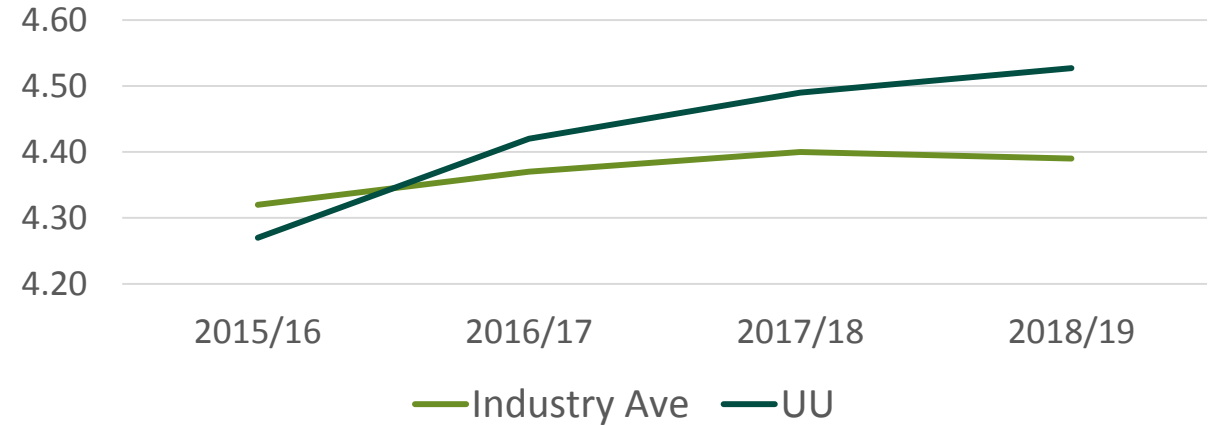
# Behaving responsibly

Delivering for **customers and the community**

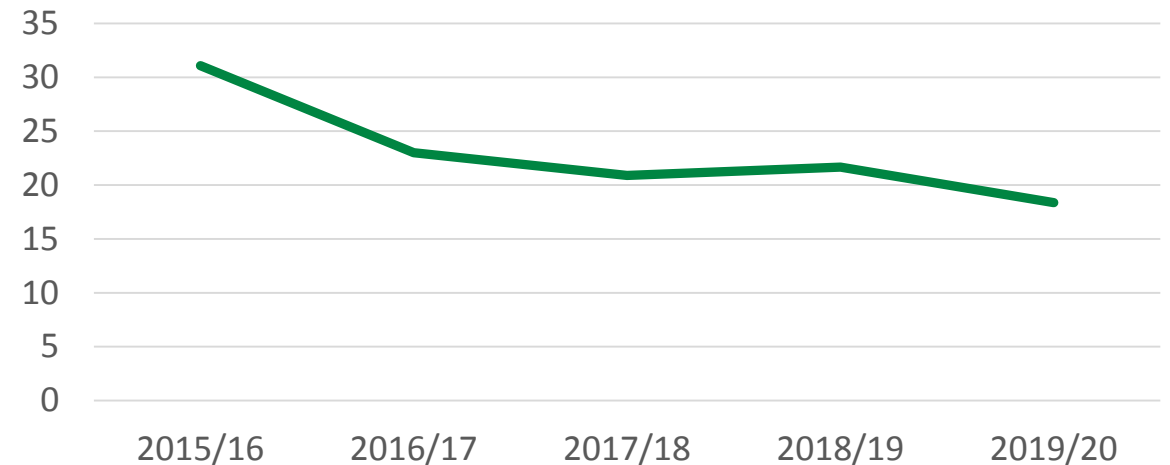


- **Upper quartile** for AMP6, achieving SIM **outperformance**
- **25 awards** across customer service, collections and debt management
- **3 accreditations**
- **Strong C-MeX** performance
  - **3<sup>rd</sup> WASC** overall
  - **1<sup>st</sup>** on Q3 and Q4 contactor survey
- **AMP7 incentive range of +/-£66m**

4 year qualitative SIM scores 2015-2019



Complaints per 10,000 connected properties



# Behaving responsibly

Delivering for **customers and the community**

- **£71m**  
£71m voluntary funding in AMP7 to provide financial assistance to customers that need it
- **120,000**  
Receiving help from the sector's most comprehensive range of affordability schemes
- **100,000**  
Registered for Priority Services
- **Industry firsts**  
Payment breaks  
Hardship Hubs  
Data share with other industries



A contribution of over £35m to our local communities during AMP6<sup>1</sup>



**Motivated and engaged workforce**



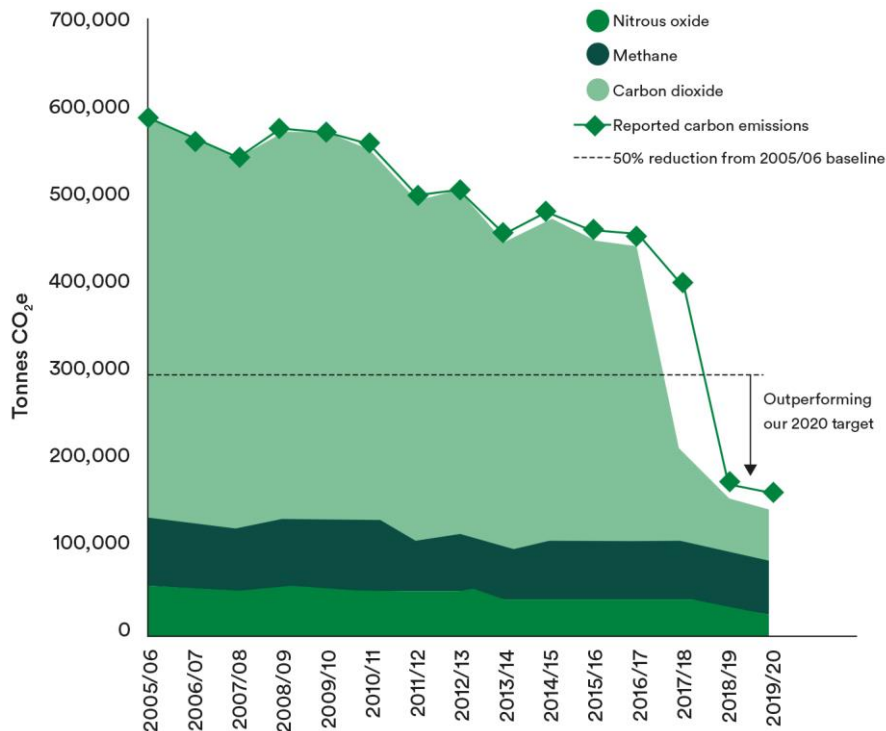
<sup>1</sup> Including contributions to the UU Trust Fund

# Behaving responsibly

Delivering for the environment

73%

- Carbon footprint reduced by 73% since 2005/06
- Over 95% electricity usage from renewable sources



1<sup>st</sup>

## Sector leading catchment management

- Led sector's approach to catchment management through SCaMP
- Catchment Systems Thinking delivers an optimised integrated approach

1<sup>st</sup>

## Top performer on EPA

- Top performer over last 5 years on the EA's annual environmental performance assessment
- Leading performance in minimising pollution with zero serious incidents in AMP6



# Behaving responsibly

Delivering on **governance**



**Award winning annual report  
and strong performance on  
investor indices**



FTSE4Good



## Strong track record

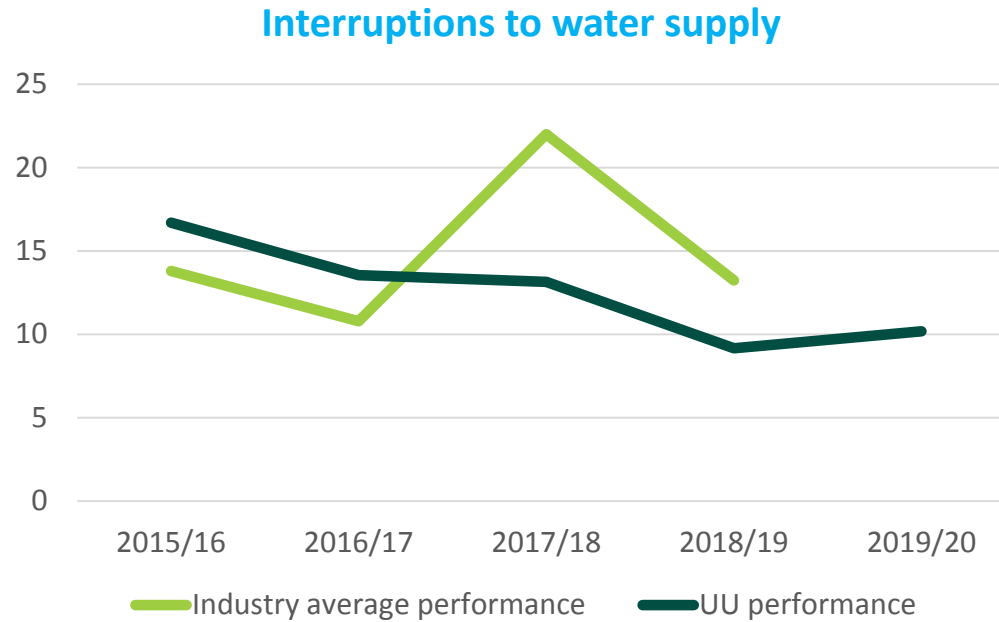
- Quality and transparency of reporting

## Financial resilience

- Prudent financial risk management
- A3 credit rating with Moody's
- Pension fund already achieved low dependency
- Fair Tax Mark

# Operational transformation: Water

Leading performance on Water



- 39% reduction in supply interruptions since start of AMP6
- Focus on 3Rs: Response, Restoration, Repair
- ICC support
- Growing fleet of ASVs



69% reduction in significant water quality events (Cat 3) or greater



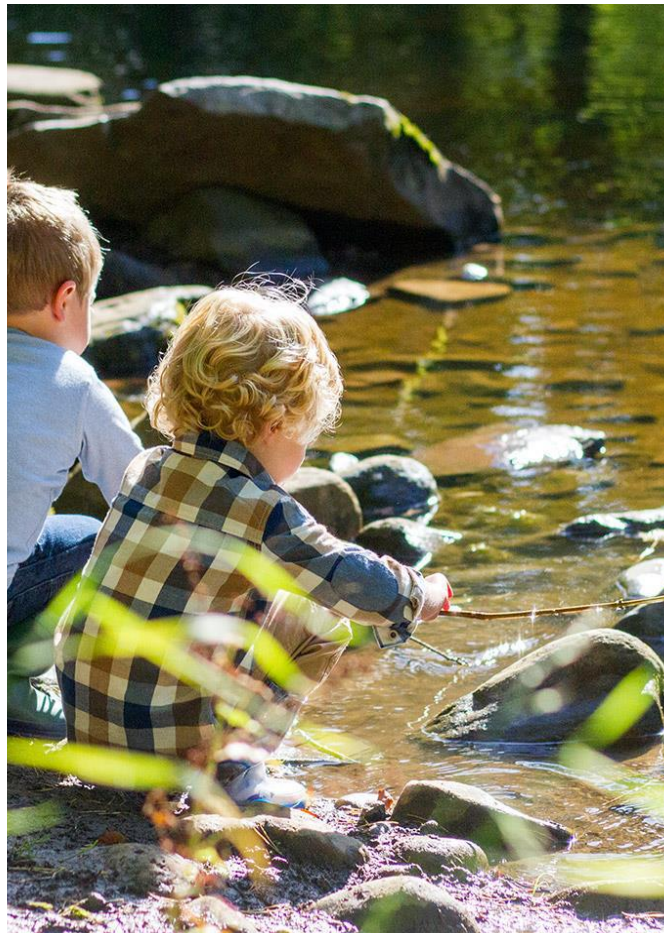
£180m resilience investment in AMP6



West Cumbria project delivered early providing environmental benefit

# Operational transformation: Wastewater

Leading performance on Wastewater



	Environmental Performance Assessment Performance Rating				
	2014	2015	2016	2017	2018
Anglian	3	3	3	3	3
Northumbrian Water	3	3	2	2	4
Severn Trent Water	3	4	3	4	3
Southern Water	2	3	3	3	2
South West Water	2	1	2	2	2
Thames Water	3	3	2	3	3
<b>United Utilities</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>
Wessex Water	3	4	4	4	3
Yorkshire Water	4	3	3	3	2



**Top performer on EPA over the last 5 years**

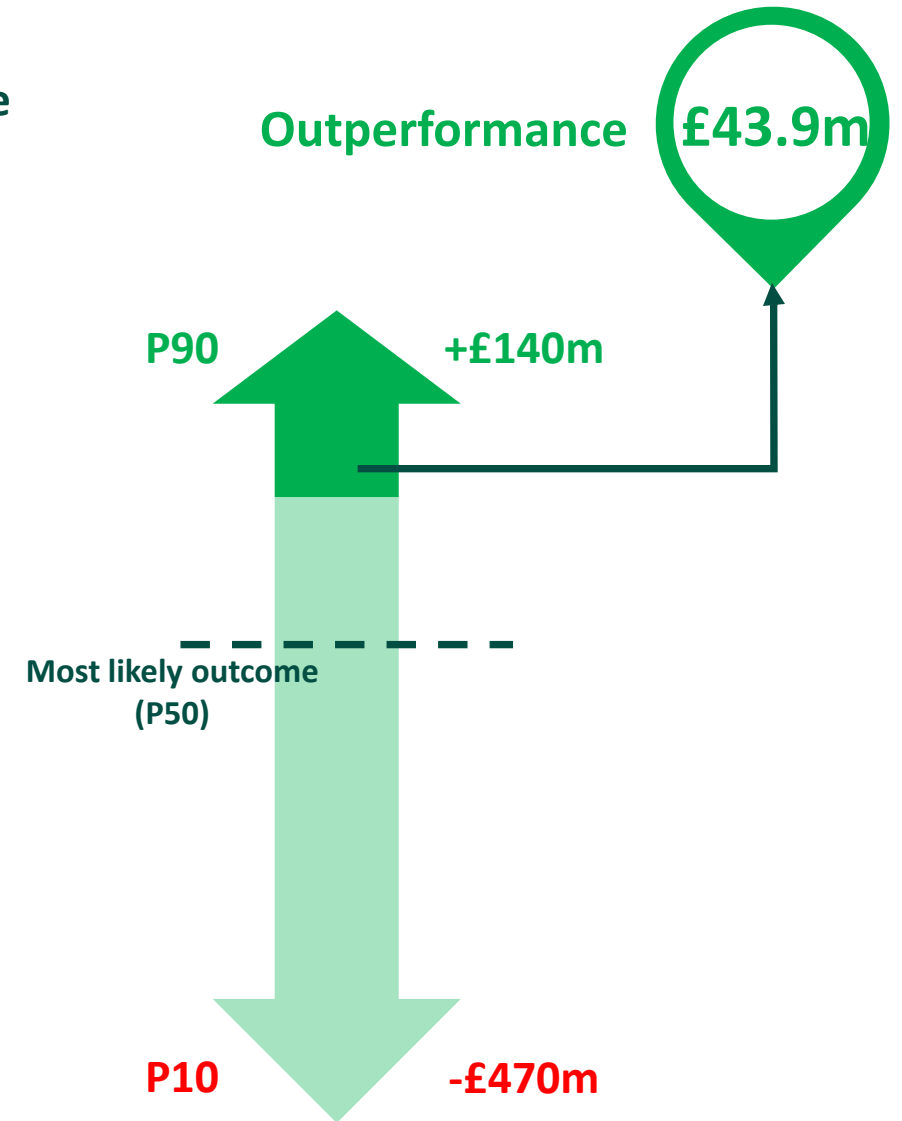


**95% reduction in internal sewer flooding (hydraulic)**

# Outcome Delivery Incentives (ODIs)

AMP6 performance well in excess of our original most likely outcome

	Reward / (Penalty) (£m)	
	1 year 2019-20	5 years 2015-20
Private sewers service index	7.4	36.9
Wastewater category 3 pollution incidents	3.3	16.4
Sewer flooding index	(8.4)	(9.3)
Thirlmere transfer to West Cumbria	21.6	21.6
Total leakage at or below target	4.0	13.1
Reliable water service index	(8.0)	(31.9)
Average minutes supply lost per property	7.2	12.5
Water quality service index	(3.6)	(14.2)
Other 11 wholesale ODIs	(1.1)	(1.2)
<b>Total wholesale ODIs</b>	<b>22.4</b>	<b>43.9</b>



# Systems Thinking is a competitive advantage

Approach to Systems Thinking, innovation and digital delivers best performance



## Systems Thinking

Benchmarking suggests **sector shifting improvements** can be delivered through Systems Thinking

- 12%-30% cost savings
- 3%-20% service improvements
- 8%-50% productivity increases



## Innovation

An established innovation model delivering **£445m savings** from AMP5 to AMP7

- Accessing the innovation ecosystem
- Academia & leveraged funding
- Breakthrough innovation
- Innovation culture



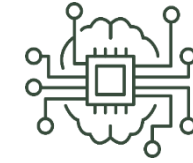
## Digital

Leveraging value through **AMP6 investment** to deliver **benefits in AMP7**

- Sensors
- Data & analytics
- Machine intelligence

# Breakthrough innovation to tackle leakage

Mobile sensors supplementing other innovations



**Maturity level 4**

Machine-led system analytics and system management



- Three mobile sensors
- Reading taken every millisecond
- Artificial intelligence pinpoints leaks
- Confirms leak likelihood and severity
- Low cost, real time results

## Supplements existing activities



Customer leak finder app



Sniffer dogs



Satellites



Acoustic leak sensors

Leakage AMP7 incentive range -£14m to + £15m

2019/20 full year results

# Russ Houlden

Chief Financial Officer

# Underlying income statement

Year ended 31 March	2020	2019	Movement
£m			
<b>Revenue</b>	<b>1,859.3</b>	<b>1,818.5</b>	<b>40.8</b>
Operating expenses	(571.9)	(575.9)	
Infrastructure renewals expenditure	(143.0)	(164.6)	
<b>EBITDA</b>	<b>1,144.4</b>	<b>1,078.0</b>	
Depreciation and amortisation	(400.5)	(393.2)	
<b>Operating profit</b>	<b>743.9</b>	<b>684.8</b>	<b>59.1</b>
Net finance expense	(245.8)	(231.2)	
Share of (losses)/profits of joint ventures	(6.1)	6.7	
<b>Profit before tax</b>	<b>492.0</b>	<b>460.3</b>	<b>31.7</b>
Tax <sup>1</sup>	(62.4)	(52.4)	
<b>Profit after tax<sup>1</sup></b>	<b>429.6</b>	<b>407.9</b>	<b>21.7</b>
<b>Earnings per share (pence)<sup>1</sup></b>	<b>63.0</b>	<b>59.8</b>	
<b>Total dividend per ordinary share (pence)</b>	<b>42.60</b>	<b>41.28</b>	

<sup>1</sup> Underlying tax excludes the impact of deferred tax with prior year numbers restated for comparative purposes



# COVID-19 impacts

Revenue reduced and costs increased in 2019/20

Description	Income statement line	Impact on profit	Adjusted item
Revenue	Revenue	↓ £5m	✗
Incremental operating costs	Operating costs	↓ £1m	✓
Incremental C-19 HH bad debt (ECL)	Bad debts	↓ £17m	✓
Incremental C-19 NHH bad debt (ECL)	Bad debts	↓ £1m	✓
Share of Water Plus losses	Share of profits/(losses) of JVs	↓ £32m	✓
Loss on loans to Water Plus (ECL)	Financing expense	↓ £5m	✓

# Adjusted items

Year ended 31 March	2020	2019
£m		
<b>Reported profit after tax</b>	<b>106.8</b>	<b>363.4</b>
<u>Adjustments not expected to recur:</u>		
Dry weather event	-	36.1
GMP equalisation	-	6.6
Bioresources asset write down	82.6	-
COVID-19	56.2	-
<u>Consistently applied presentational adjustments:</u>		
Restructuring costs	11.8	7.2
Net fair value (gains) / losses on debt and derivative instruments	76.3	(9.5)
Interest on derivatives and debt under fair value option	16.5	30.6
Net pension interest income	(14.0)	(9.5)
Capitalised borrowing costs	(40.6)	(37.4)
Deferred tax adjustment	157.5	34.0
Agreement of prior years' tax matters	(12.2)	(2.8)
Tax in respect of adjustments to underlying profit before tax	(11.3)	(10.8)
<b>Underlying profit after tax<sup>1</sup></b>	<b>429.6</b>	<b>407.9</b>

<sup>1</sup> Underlying tax excludes the impact of deferred tax with prior year numbers restated for comparative purposes

# Underlying operating costs

Year ended 31 March £m	2020	2019	Movement
<b>Revenue</b>	<b>1,859.3</b>	<b>1,818.5</b>	<b>40.8</b>
Employee costs	(149.6)	(154.4)	4.8
Hired and contracted services	(96.5)	(96.2)	(0.3)
Power	(78.9)	(70.0)	<b>(8.9)</b>
Property rates	(75.9)	(94.7)	<b>18.8</b>
Materials	(73.9)	(72.9)	(1.0)
Regulatory fees	(28.3)	(32.5)	4.2
Bad debts	(23.7)	(26.5)	2.8
Cost of properties disposed	(0.4)	(4.7)	4.3
Settlement of commercial claims	-	9.9	<b>(9.9)</b>
Other expenses	(44.7)	(33.9)	(10.8)
	<b>(571.9)</b>	<b>(575.9)</b>	<b>4.0</b>
Infrastructure renewals expenditure (IRE)	(143.0)	(164.6)	<b>21.6</b>
Depreciation and amortisation	(400.5)	(393.2)	(7.3)
<b>Total underlying operating expenses</b>	<b>(1,115.4)</b>	<b>(1,133.7)</b>	<b>18.3</b>
<b>Underlying operating profit</b>	<b>743.9</b>	<b>684.8</b>	

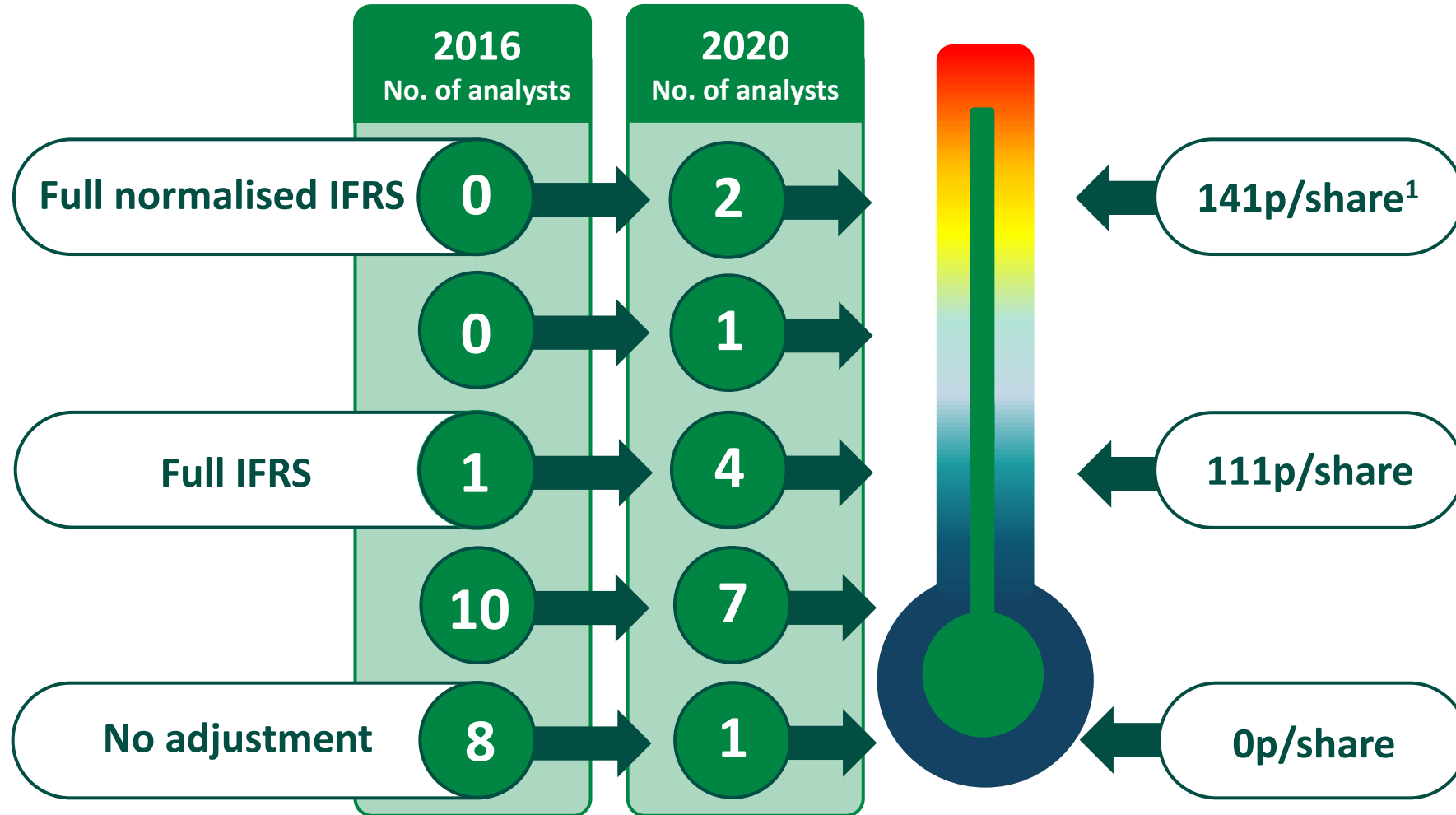
# Statement of financial position

At 31 March £m	2020	2019	Movement
Property, plant and equipment	11,510.9	11,153.4	357.5
Retirement benefit surplus	754.1	483.9	270.2
Other non-current assets	332.9	441.3	(108.4)
Cash	528.1	339.3	188.8
Other current assets	300.2	280.8	19.4
Total derivative assets	617.9	489.1	128.8
<b>Total assets</b>	<b>14,044.1</b>	<b>13,187.8</b>	<b>856.3</b>
Gross borrowings	(8,363.1)	(7,815.8)	(547.3)
Other non-current liabilities	(2,223.8)	(1,843.3)	(380.5)
Other current liabilities	(350.8)	(338.0)	(12.8)
Total derivative liabilities	(144.3)	(79.9)	(64.4)
<b>Total liabilities</b>	<b>(11,082.0)</b>	<b>(10,077.0)</b>	<b>(1,005.0)</b>
<b>TOTAL NET ASSETS</b>	<b>2,962.1</b>	<b>3,110.8</b>	<b>(148.7)</b>
Share capital	499.8	499.8	-
Share premium	2.9	2.9	-
Retained earnings	2,122.7	2,269.8	(147.1)
Other reserves	336.7	338.3	(1.6)
<b>SHAREHOLDERS' EQUITY</b>	<b>2,962.1</b>	<b>3,110.8</b>	<b>(148.7)</b>
<b>NET DEBT<sup>1</sup></b>	<b>(7,361.4)</b>	<b>(7,067.3)</b>	<b>(294.1)</b>

<sup>1</sup> Net debt includes cash, borrowings and derivatives

# The pensions valuation gap

Company pension position is a significant component of economic value



<sup>1</sup> Based on normalisation as at 31 March 2019 being the most recent publicly available information

# Defined Benefit Funding Consultation – 3 March 2020

## Fast Track compared with Bespoke valuations

### Long term objective (LTO)

Low dependency by time scheme is significantly mature  
Fast Track G+25/50, duration 12-14yrs

### Covenant

Stronger covenants can take more risk but trustees required reduce reliance over time  
Fast track limited to 3 to 5 years

### Investment strategy

Consideration of investment risk including liquidity and hedging

### Journey plan

Linkage from LTO to TPs  
Stepping stones

### Recovery plans & dividends

As short as affordability allows  
Equitability of deficit recovery contributions opposite dividends & management bonuses

### Stressed schemes

Very long recovery periods or unsupported investment risk will not qualify for Fast Track

### Technical provision (TP)

Basis of funding  
Maturity and covenant linked matrix of acceptability for Fast Track

### Contingent assets

Not allowed for Fast Track

### Open schemes

Benefits accruing should be secure

<https://www.thepensionsregulator.gov.uk/en/document-library/consultations/defined-benefit-funding-code-of-practice-consultation>

# Defined Benefit Funding Consultation – 3 March 2020

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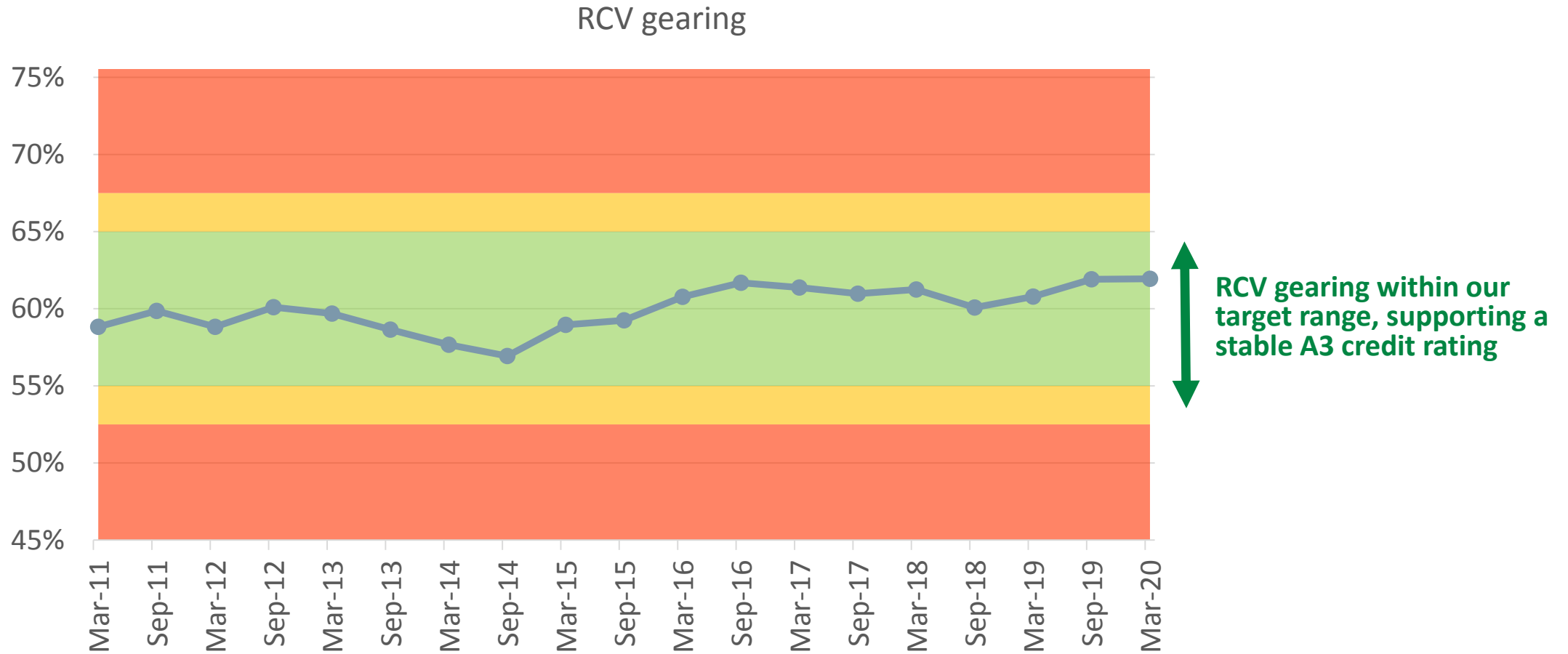
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# RCV gearing

RCV gearing supports robust capital structure





# Cash flow statement

Year ended 31 March

£m

2020

2019

Net cash generated from operating activities

810.3

832.3

Net cash used in investing activities

(593.9)

(627.7)

Net cash used in financing activities

(27.8)

(377.4)

**Net movement in cash**

**188.6**

**(172.8)**

# Financing

Prefunding our AMP7 requirement

## Index-linked

**CPI-linkage** increased to **£515m** through **£50m tap** of 2033 public bond and **swapped to CPI**

## Nominal

**£250m** public bond issue with **18-year** maturity

## Committed bank facilities

**£50m** committed bank facilities renewed for **5-year** term

**£100m** committed bank facility extended to **2026**

# Cost of debt and hedging

Prudent financial risk management

	Inflation	Interest rate
Hedging policy	c50% of net debt to be maintained in index-linked form	Maintain a fixed rate, 10 year reducing balance on nominal debt
Debt portfolio	<p>c£3.5bn of RPI-linked debt at an average rate of 1.4% real</p> <p>c£0.5bn of CPI-linked debt at an average rate of 0.2% real</p>	c£3.1bn of fixed rate nominal debt at an average rate of 2.9% nominal <sup>1</sup>

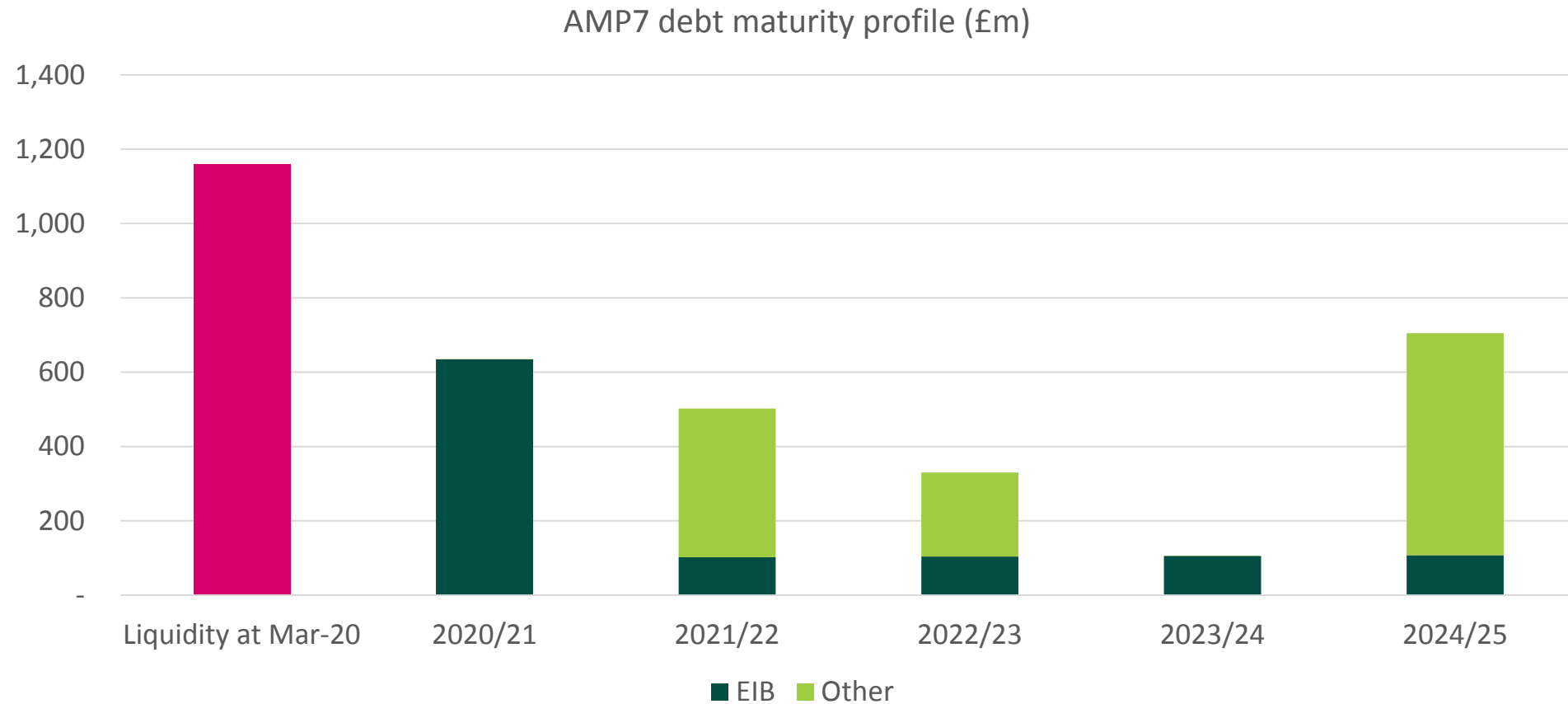
<sup>1</sup> Excluding the impact of cost of carry

Net debt as at 31 March 2020 is £7,361m and includes fair value that is not included in the above figures. A reconciliation of net debt can be found on slide 49.

AMP7 real cost of debt allowance = 1.15% (RPI-stripped), and 2.14% (CPIH-stripped)

# Debt maturity profile

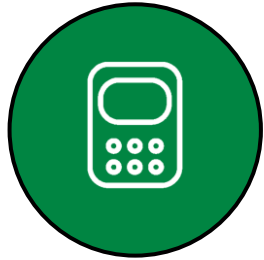
Funding target of between £500m and £800m in 2020/21



Future repayments of RPI linked debt include inflation based on an average annual RPI rate of 3%.

# Financial summary

Strong track record, well positioned for the future



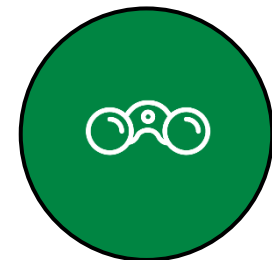
**Good** set of **results**, maintaining tight cost control



**Pensions** a significant driver of relative value



Treasury policies underpin **financial resilience** for the long term



Delivered significant **financing outperformance** and well positioned for the future



2019/20 full year results

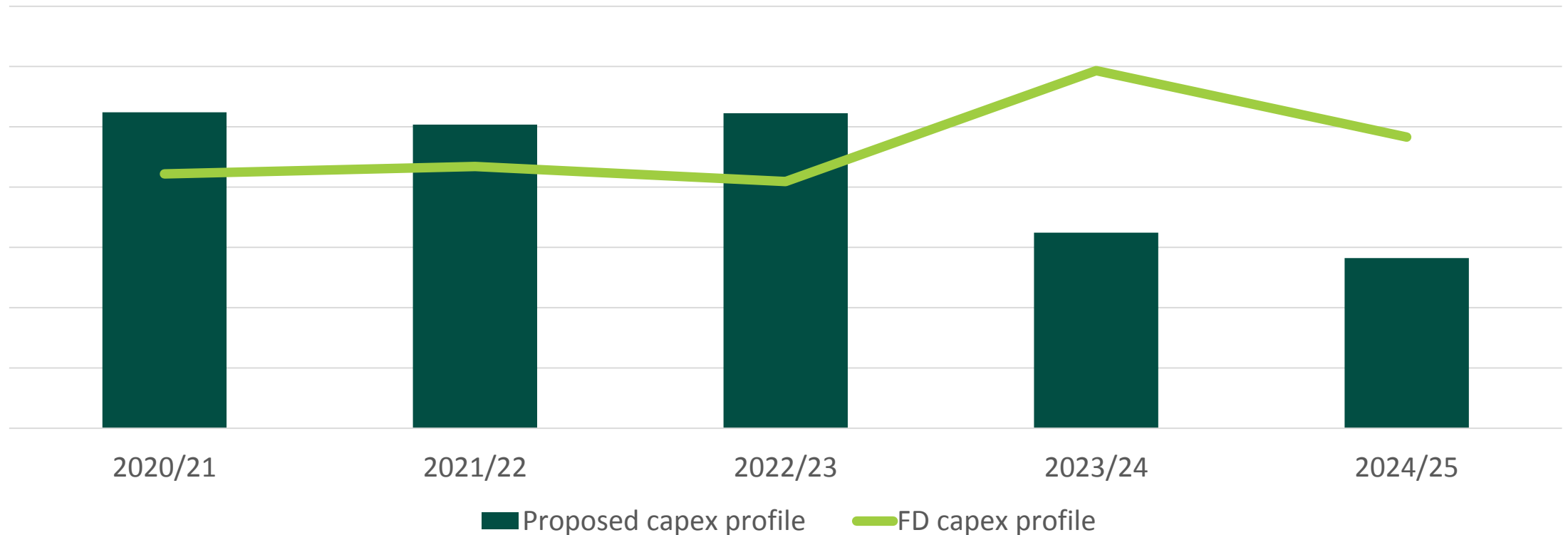
# Steve Mogford

Chief Executive

# Planned acceleration of AMP7 capex

Adopting AMP6 approach to deliver improvements early again

Net regulatory capex

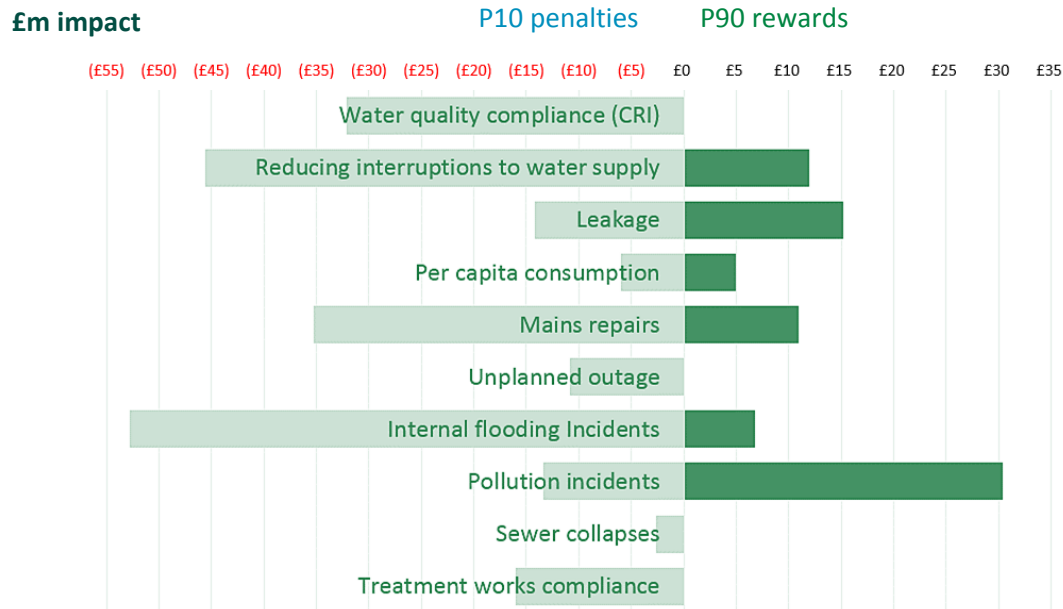


AMP7 net regulatory capex excludes IRE

The AMP7 net regulatory capex profile shown on the chart does not constitute a forecast and is subject to change

# Robust plans across common AMP7 ODIs

£100m flying start investment targeting improved performance in key areas



Projected P10 underperformance payments and P90 outperformance payments for United Utilities' common and comparative performance commitments over 2020-25 excluding C-MeX and D-MeX.  
Source: Ofwat Final Determination, December 2019

**Accelerated investment with a flying start**

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**Systems Thinking & Innovation**

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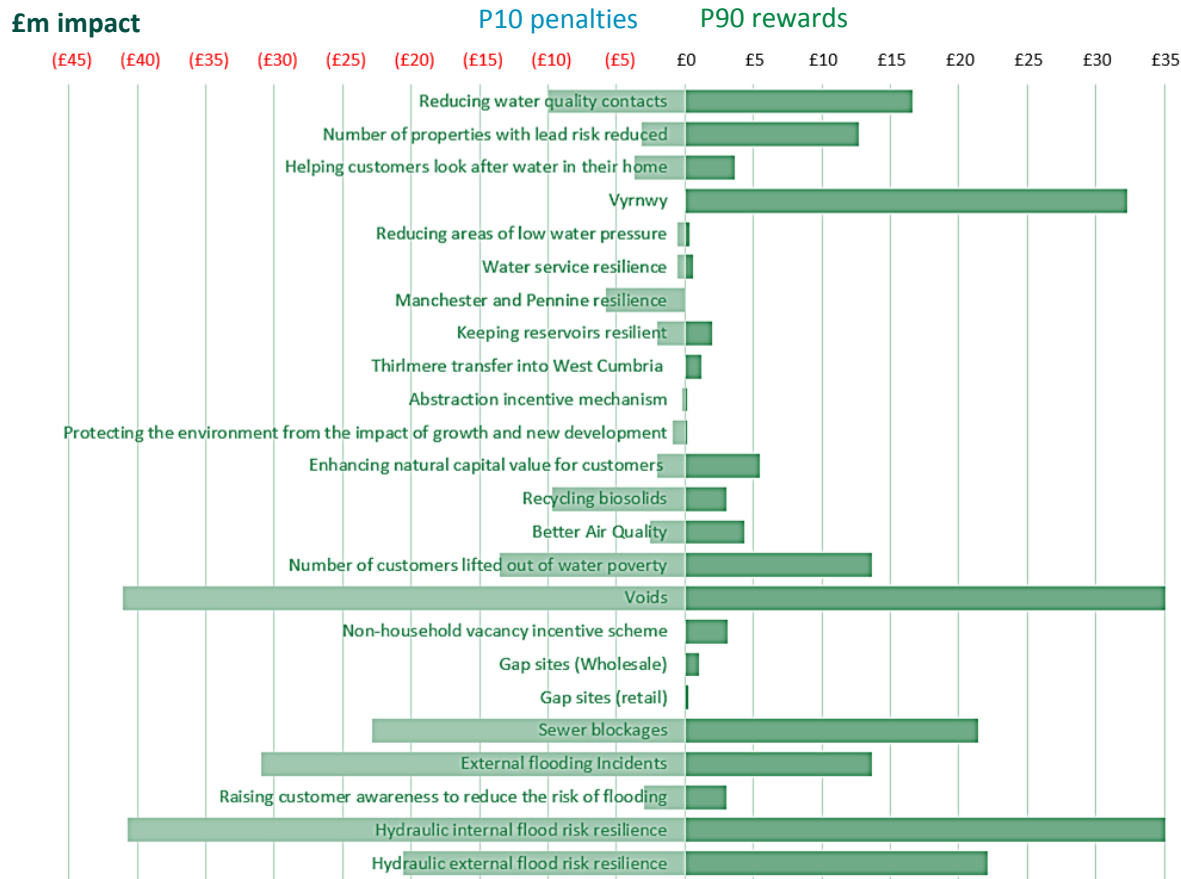
**Leading Capability in our people and ways of working**




- Smarter networks, increased visualisation and predictability**
- Central planning and decision making capability**
- Embedded innovative technologies with AMP7 trials already underway**
- Integration, optimisation and collaboration across all our asset plans.**



# Opportunities across bespoke AMP7 ODIs

## Opportunities to unlock outperformance across bespoke ODI measures



- 
**Optimised investment plan for multiple benefit**
- 
**Industry leading technologies backed by industry leading innovation culture**
- 
**Systems Thinking enabling a data driven proactive approach**

Projected P10 underperformance payments and P90 outperformance payments for United Utilities' bespoke performance commitments over 2020-25  
 Source: Ofwat Final Determination, December 2019

# Summary

AMP6 strategy has delivered, confident heading into AMP7



## AMP6

### AMP6 strategy has delivered

- Delivered for customers, shareholders and the environment
- Delivered outperformance
- Shared outperformance



## AMP7

### Confidence for AMP7

- Responded well to COVID
- Resilient operational performance and strong balance sheet
- Well prepared for AMP7
- Flying start investment targeting key areas

**Systems Thinking is a competitive differentiator**

2019/20 full year results

# Any questions?

## Cautionary statement

This presentation 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. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and the company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

Certain regulatory performance data contained in this presentation 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.

# Supporting information

1. Revenue analysis
2. Profit before tax reconciliation
3. Profit after tax reconciliation
4. U UW underlying operating profit reconciliation
5. Finance expense
6. Finance expense: index-linked debt
7. Derivative analysis
8. IFRS pension surplus (normalised)
9. Net regulatory capital spend profile
10. Impact of IFRS16
11. RCV
12. Movement in net debt
13. Financing and liquidity
14. Term debt maturity profile
15. Debt structure
16. EIB funding maturity profile

# Revenue analysis

Year ended 31 March

£m

2020

2019

Wholesale water charges

784.8

767.4

Wholesale wastewater charges

939.5

905.8

Household retail charges

83.8

86.7

Other

51.2

58.6

**Revenue**

**1,859.3**

**1,818.5**

# Profit before tax reconciliation

Year ended 31 March £m	2020	2019
Operating profit	630.3	634.9
Investment income and finance expense	(289.0)	(205.4)
Share of (losses)/profits of joint ventures	(38.1)	6.7
<b>Reported profit before tax</b>	<b>303.2</b>	<b>436.2</b>
<u>Adjustments:</u>		
Dry weather event	-	36.1
GMP equalisation	-	6.6
Bioresources asset write down	82.6	-
COVID-19	56.2	-
Restructuring costs	11.8	7.2
Net fair value losses / (gains) on debt and derivative instruments	76.3	(9.5)
Interest on derivatives and debt under fair value option	16.5	30.6
Net pension interest income	(14.0)	(9.5)
Capitalised borrowing costs	(40.6)	(37.4)
<b>Underlying profit before tax</b>	<b>492.0</b>	<b>460.3</b>

# Profit after tax reconciliation

Year ended 31 March

£m

	2020	2019
<b>Reported profit after tax</b>	<b>106.8</b>	<b>363.4</b>
<u>Adjustments:</u>		
Dry weather event	-	36.1
GMP equalisation	-	6.6
Bioresources asset write down	82.6	-
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Deferred tax adjustment	157.5	34.0
Agreement of prior years' tax matters	(12.2)	(2.8)
Tax in respect of adjustments to underlying profit before tax	(11.3)	(10.8)
<b>Underlying profit after tax<sup>1</sup></b>	<b>429.6</b>	<b>407.9</b>
<b>Basic earnings per share (pence)</b>	<b>15.7</b>	<b>53.3</b>
<b>Underlying earnings per share<sup>1</sup> (pence)</b>	<b>63.0</b>	<b>59.8</b>

<sup>1</sup> Underlying tax excludes the impact of deferred tax with prior year numbers restated for comparative purposes



# UUW underlying operating profit reconciliation

Year ended 31 March	2020	2019
£m		
<b>Group underlying operating profit</b>	<b>743.9</b>	<b>684.8</b>
Underlying operating profit not relating to UUW	(3.5)	(11.3)
<b>UUW statutory underlying operating profit (unaudited)</b>	<b>740.4</b>	<b>673.5</b>
Revenue recognition	(5.0)	0.7
Capitalised borrowing costs	5.6	5.3
Reclassification of regulatory other income (not included in UUW operating profit)	(20.2)	(18.5)
Other differences (including non-appointed business)	(2.2)	(1.8)
<b>UUW regulatory underlying operating profit (unaudited)</b>	<b>718.6</b>	<b>659.2</b>

# Finance expense

Year ended 31 March

£m

	2020	2019
Investment income	24.0	17.1
Finance expense	(313.0)	(222.5)
	<b>(289.0)</b>	<b>(205.4)</b>
Less net fair value gains on debt and derivative instruments	76.3	(9.5)
Adjustments for interest on derivatives and debt under fair value option	16.5	30.6
Adjustment for expected credit losses on loans to JVs	5.0	-
Adjustment for net pension interest income	(14.0)	(9.5)
Adjustment for capitalised borrowing costs	(40.6)	(37.4)
<b>Underlying net finance expense</b>	<b>(245.8)</b>	<b>(231.2)</b>
<b>Average notional net debt</b>	<b>7,136</b>	<b>6,907</b>
<b>Average underlying interest rate</b>	<b>3.4%</b>	<b>3.3%</b>
Effective interest rate on index-linked debt	3.8%	3.9%
Effective interest rate on other debt	3.0%	2.7%

# Finance expense: index-linked debt

Year ended 31 March

£m

	2020	2019
Interest on index-linked debt	(50.4)	(48.8)
RPI adjustment to index-linked debt principal – 3 month lag <sup>1</sup>	(72.7)	(71.1)
CPI adjustment to index-linked debt principal – 3 month lag <sup>2</sup>	(6.1)	(3.1)
RPI adjustment to index-linked debt principal – 8 month lag <sup>3</sup>	(21.4)	(24.1)
<b>Finance expense on index-linked debt<sup>4</sup></b>	<b>(150.6)</b>	<b>(147.1)</b>
Interest on other debt (including fair value option debt and derivatives)	(95.2)	(84.1)
<b>Underlying net finance expense</b>	<b>(245.8)</b>	<b>(231.2)</b>

- Cash interest payment of £49m on c£4.0bn of index-linked debt
- Increase in indexation charge mainly due to higher RPI, particularly on 3 month lagged debt
- RPI impact on RCV exceeds RPI impact on debt principal

<sup>1</sup> Affected by movement in RPI between January 2019 and January 2020

<sup>2</sup> Affected by movement in CPI between January 2019 and January 2020

<sup>3</sup> Affected by movement in RPI between July 2018 and July 2019

<sup>4</sup> Adjusted to overlay the impact of inflation swaps

# Derivative analysis

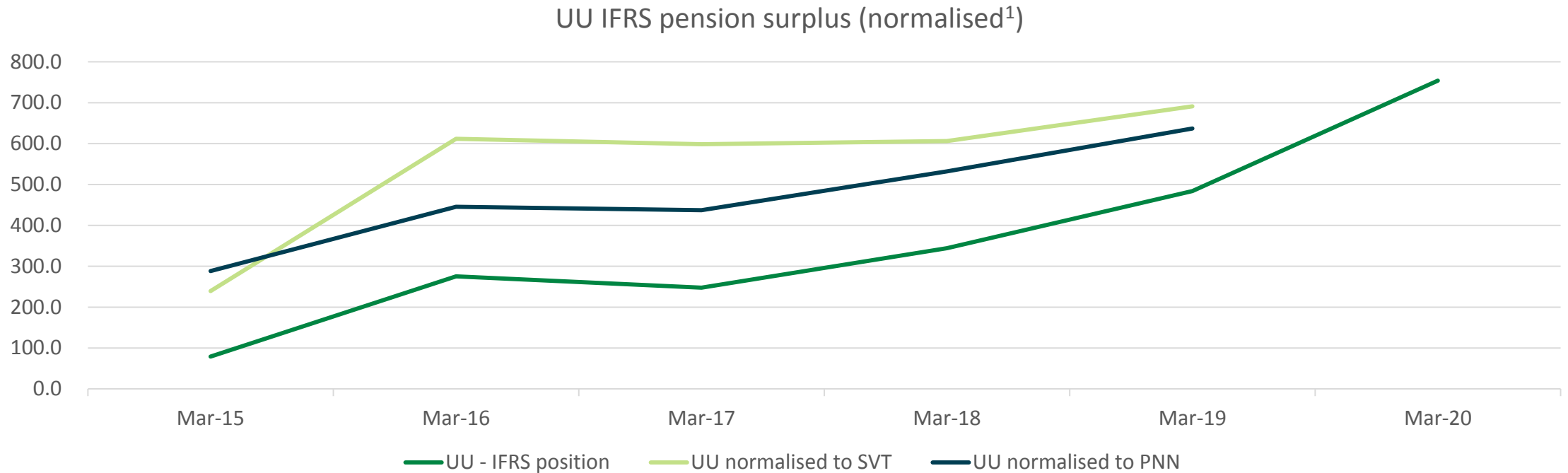
At 31 March

£m

	2020	2019
Derivatives hedging debt	596.4	479.6
Derivatives hedging interest rates	(120.6)	(69.9)
Derivatives hedging commodity prices	(2.2)	(0.5)
<b>Total derivative assets and liabilities (slide 20)</b>	<b>473.6</b>	<b>409.2</b>

- Derivatives hedging debt; hedge our non index-linked debt into sterling, floating interest rate debt and hedge a small portion of RPI-linked debt and non index-linked debt to CPI-linked debt. Typically these are designated in fair value hedge accounting relationships.
- Derivatives hedging interest rates; fix our sterling interest rate exposure on a 10 year rolling average basis. This is supplemented by fixing substantially all remaining floating exposure across the future regulatory period around the time of the price control determination.
- Derivatives hedging commodity prices; fix a proportion of our future electricity prices in line with our policy.
- Derivatives are included within net debt to eliminate, to a certain extent, the fair value recognised in borrowings and thereby present a more representative net debt figure.
- Further details of our group hedging strategy can be found in the Group financial statements.

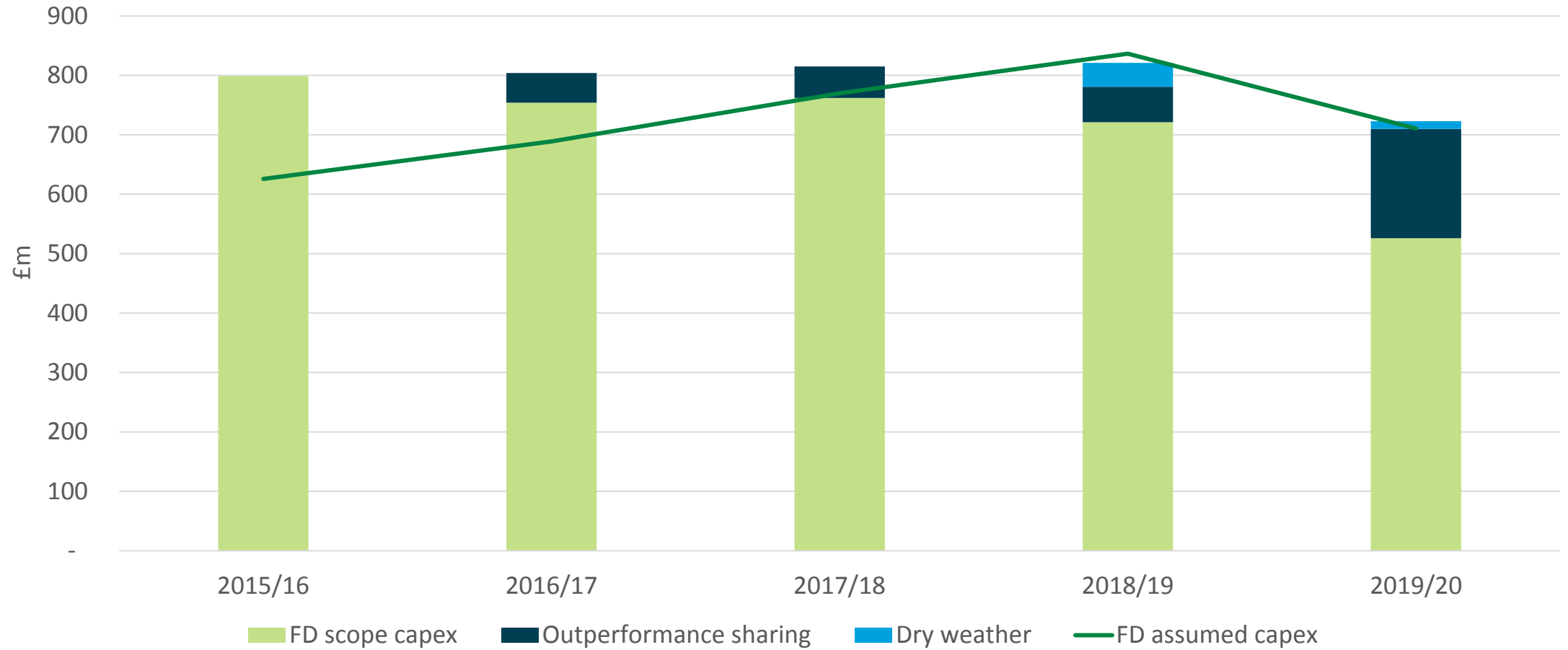
# IFRS pension surplus (normalised)



Source: Companies' annual reports and accounts

<sup>1</sup> Normalised for inflation, discount rate and mortality assumptions

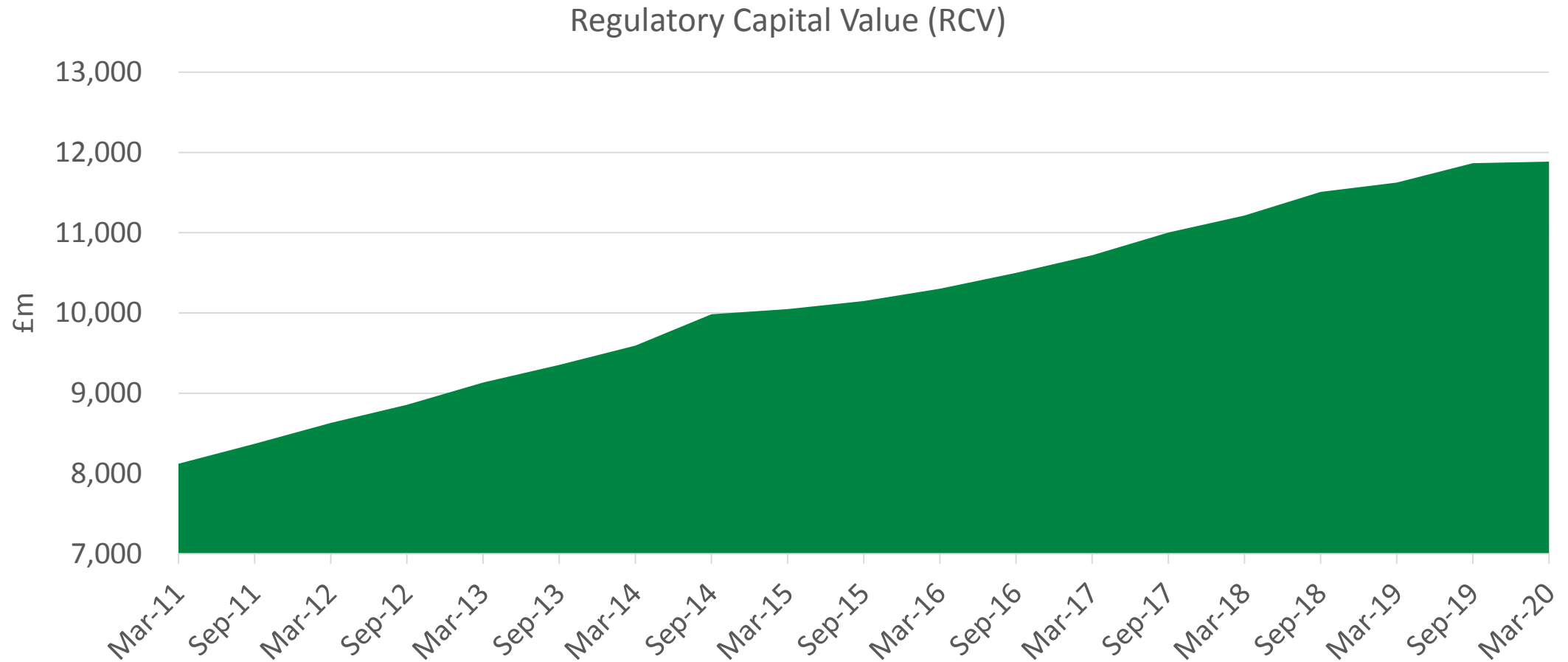
# Net regulatory capital spend profile



# Impact of IFRS16

- **IFRS 16** effective from 1 April 2019
- **£54m lease liability** brought onto the statement of financial position as at 1 April 2019
- Corresponding **£54m lease asset** also brought onto the statement of financial position as at 1 April 2019
- In 2019/20, the lease asset has been **depreciated by £1.9m** and a **finance cost of £1.6m**
- Prior to adoption of IFRS 16 would have expected an operating lease cost of £3.3m for these leases
- Impact of adoption of IFRS 16 is an **additional net cost of £0.2m** in 2019/20
  - Absent further changes, **additional cost in early years would reverse over the life of the leases**

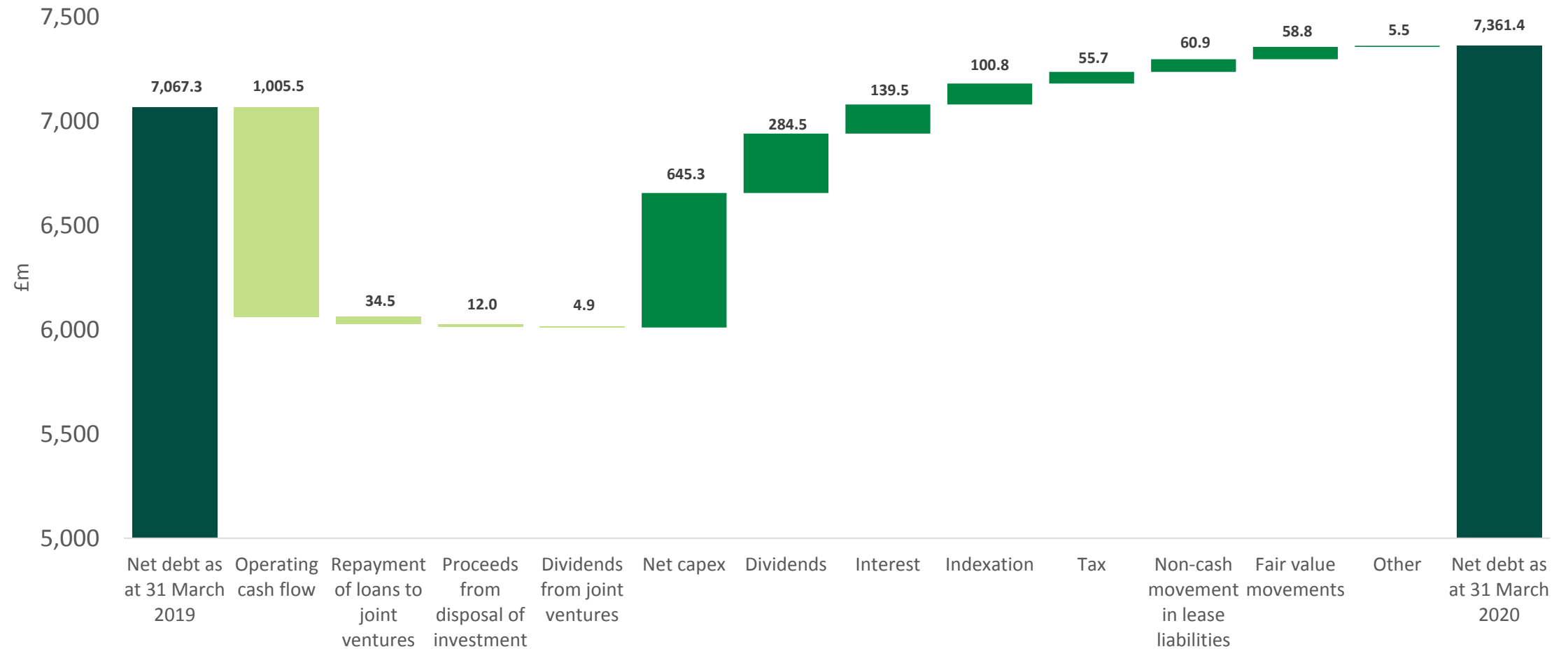
# Regulatory Capital Value (RCV)



United Utilities Water's regulatory capital value (based on shadow RCV for AMP6, updated for actual spend) and presented in outturn prices. Shadow RCV at 31 March 2020 = £11,886m

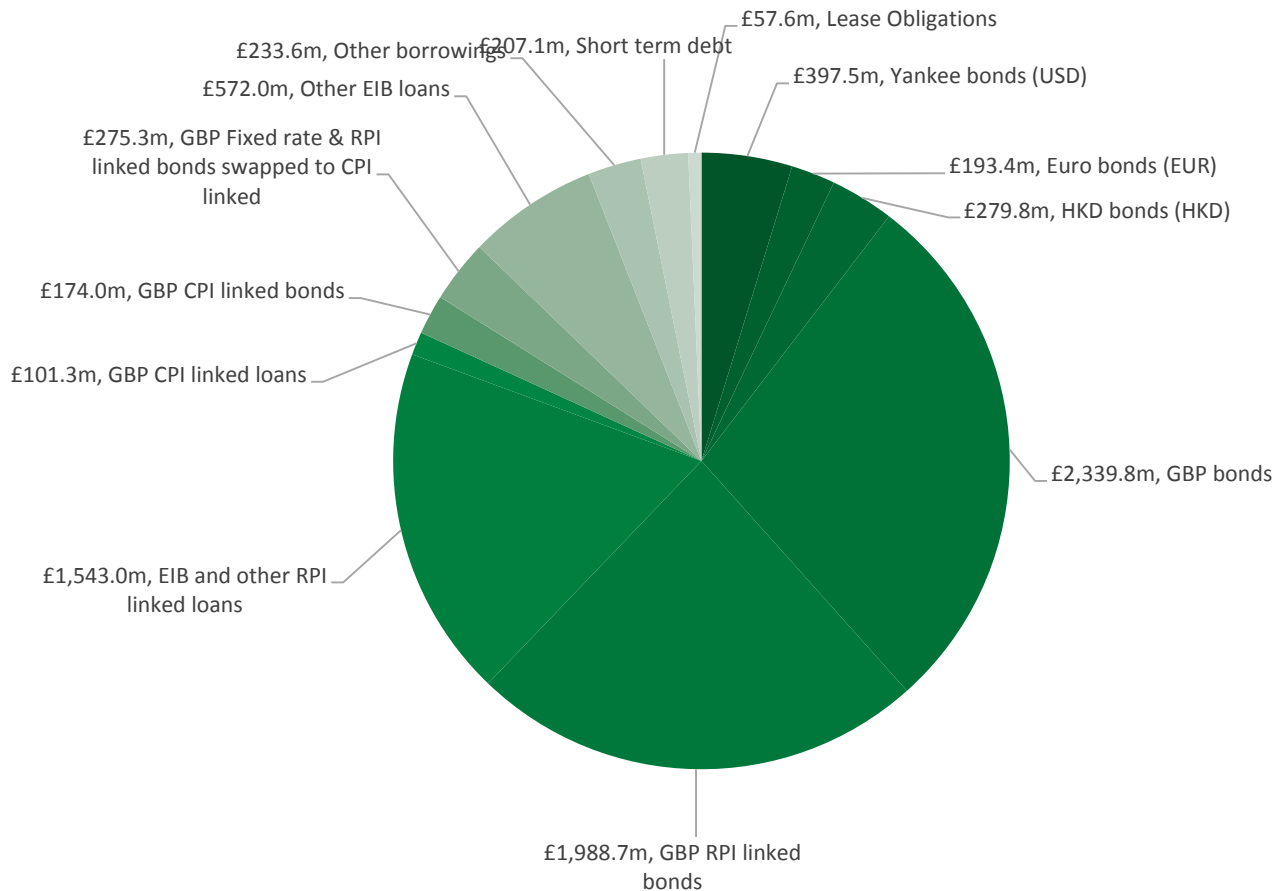


# Movement in net debt



# Financing and liquidity at 31 March 2020

Gross debt = £8,363.1m

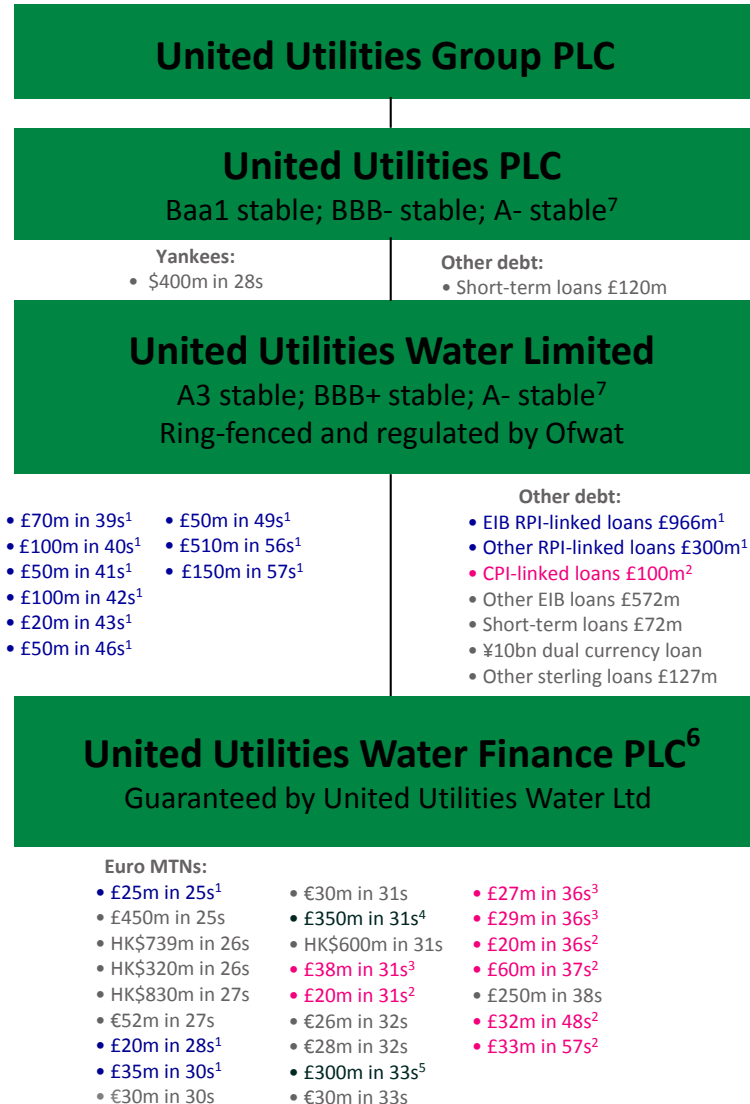


Headroom / prefunding = £436m

	£m
Cash and short-term deposits	528.1
Medium-term committed bank facilities <sup>1</sup>	750.0
Short-term debt	(207.1)
Term debt maturing within one year	(635.0)
<b>Total headroom / prefunding</b>	<b>436.0</b>

<sup>1</sup> Excludes £50m of facilities maturing within one year. These facilities were renewed for a 5-year term on 24 April 2020

# Debt structure at 31 March 2020



<sup>1</sup> RPI linked finance

<sup>2</sup> CPI linked finance

<sup>3</sup> RPI linked finance subsequently swapped to CPI linked

<sup>4</sup> A £100m fixed rate tranche of this bond has been swapped to CPI linked

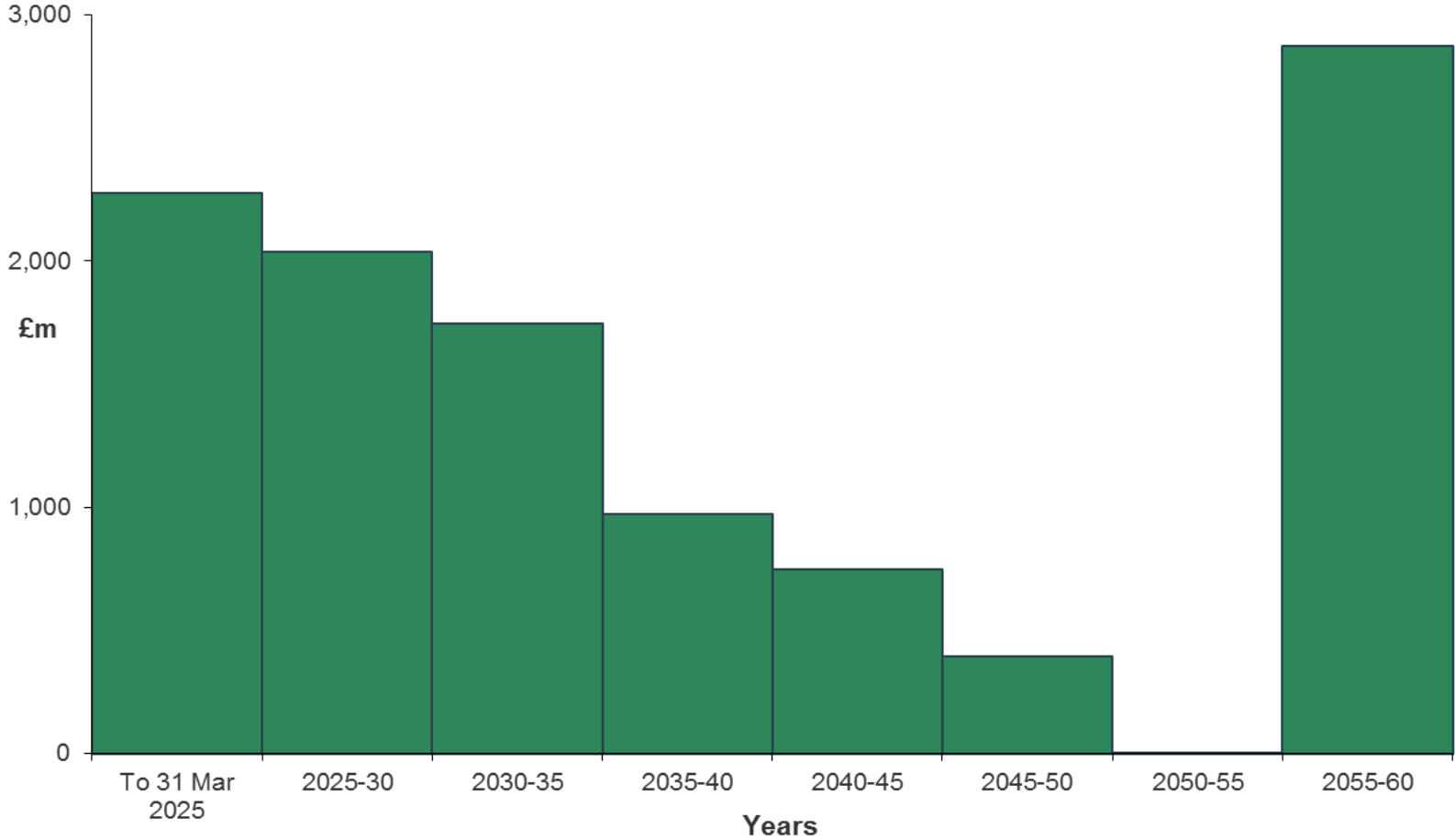
<sup>5</sup> A £50m fixed rate tranche of this bond has been swapped to CPI linked

<sup>6</sup> United Utilities Water Finance PLC (UUWF) is a financing subsidiary of United Utilities Water Limited (UW) established to issue new listed debt on behalf of UW. Notes issued by UUWF are unconditionally and irrevocably guaranteed by UW and are rated in line with UW's credit ratings

<sup>7</sup> Senior unsecured debt ratings published by Moody's; Standard & Poor's; Fitch respectively

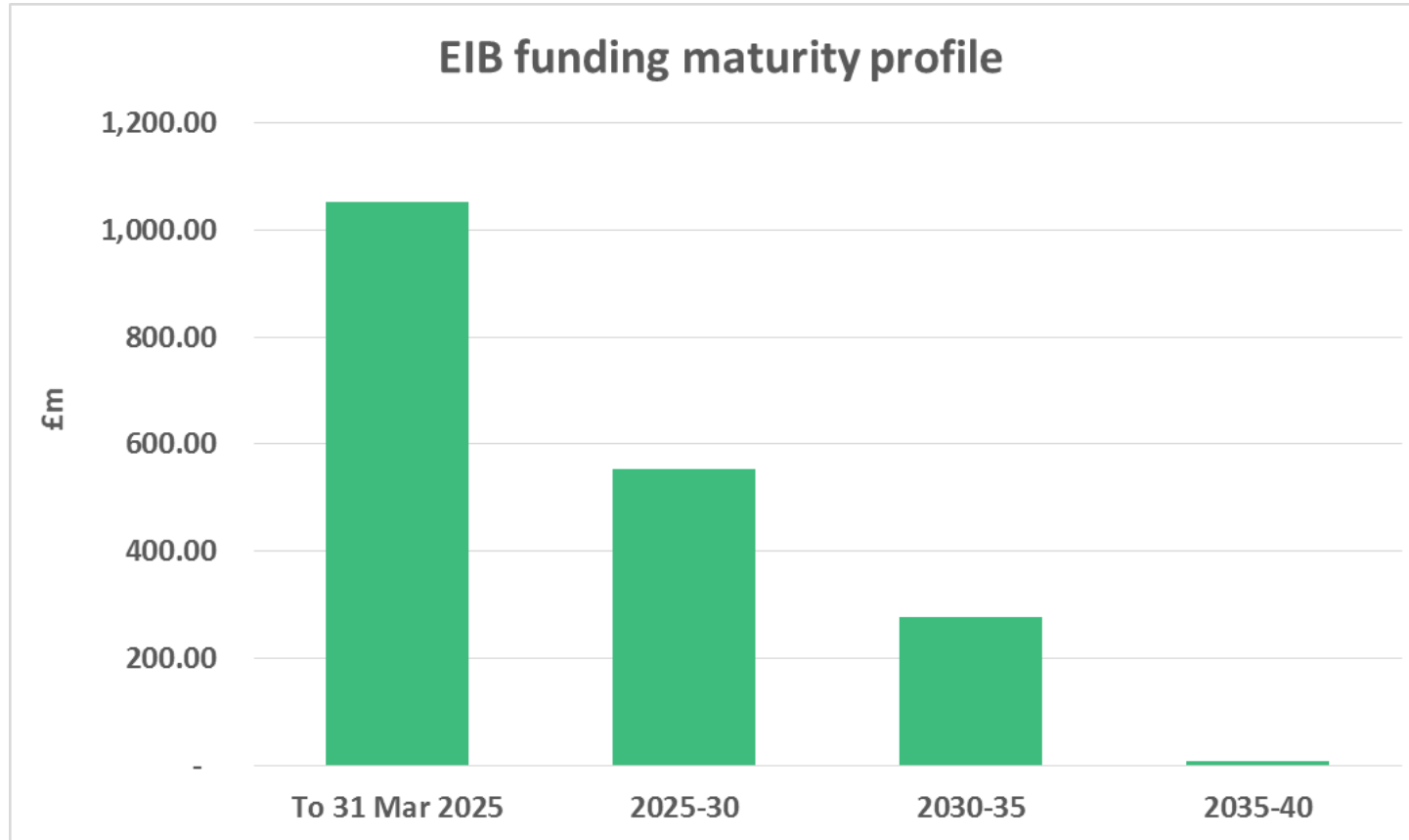
# Term debt maturity profile as at 31 March 2020<sup>1</sup>

Average term to maturity of approximately 18 years



<sup>1</sup> Future repayments of index-linked debt include inflation based on an average annual RPI rate of 3% and an average annual CPI rate of 2%

# EIB funding maturity profile



## Notes

Future repayments of EIB RPI linked debt include inflation based on an average annual RPI rate of 3%.