



# Our 2024/25 Annual Results

July 2025



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# Operational update

Chris Weston

Chief Executive Officer



# FY25 headlines

## Transforming for a resilient future

- Sustained progress overall against our six critical operational priorities
  - Best in AMP performance for four priorities - lost-time injuries, leakage, complaints and supply interruptions
  - Investing in significant increases in activities to drive improvement in pollutions and CRI
- Improved performance for customers
  - 17% reduction in complaints
  - £114 million in support for our most financially vulnerable customers
- Investing in our people
  - 2 percentage point increase in engagement to 71%
  - New operational model aligning teams with the life cycle of the assets
- Record £2.2 billion investment in assets
  - Including replacing water mains, upgrading sewage works and connecting the Thames Tideway Tunnel
  - Key milestone as Thames Tideway Tunnel connected to network, supporting a 95% reduction in sewage discharges
- Major step up in investment in AMP8
- Progress on recapitalisation

# Operational performance – six priorities

Sustained progress overall against our six critical operational priorities<sup>4</sup>

	FY25	FY24
Lost time injuries	35	41

	FY25	FY24
Pollutions <sup>1</sup>	470	350

	FY25	FY24
Household complaints	69,311	83,146

	FY25	FY24
Leakage reduction <sup>2</sup>	13.2%	12.0%

	FY25	FY24
CRI <sup>3</sup>	2.04	1.43

	FY25	FY24
Supply interruptions	9m 35s	16m 56s

1. Total pollutions (category 1-3) - calendar year metric
2. 3-year rolling average reduction on 2019/20 baseline
3. Compliance Risk Index - calendar year metric
4. Despite progress, we missed our leakage, pollutions, CRI and supply interruptions performance commitments

# Reducing leakage

Lowest ever level

- New PALM model to tackle leakage – Prevent, Aware, Locate and Mend
- Reduced number of outstanding leaks by a factor of 10  
(Dec 2022 7,269 v May 2025 626)
- Fixing 650 leaks a week as we target leaks by greatest impact
- 21k acoustic loggers already in place and capturing data to detect leaks – expecting to have 100k in place by 2030
- Weather-related impact on leakage





# Tackling pollutions

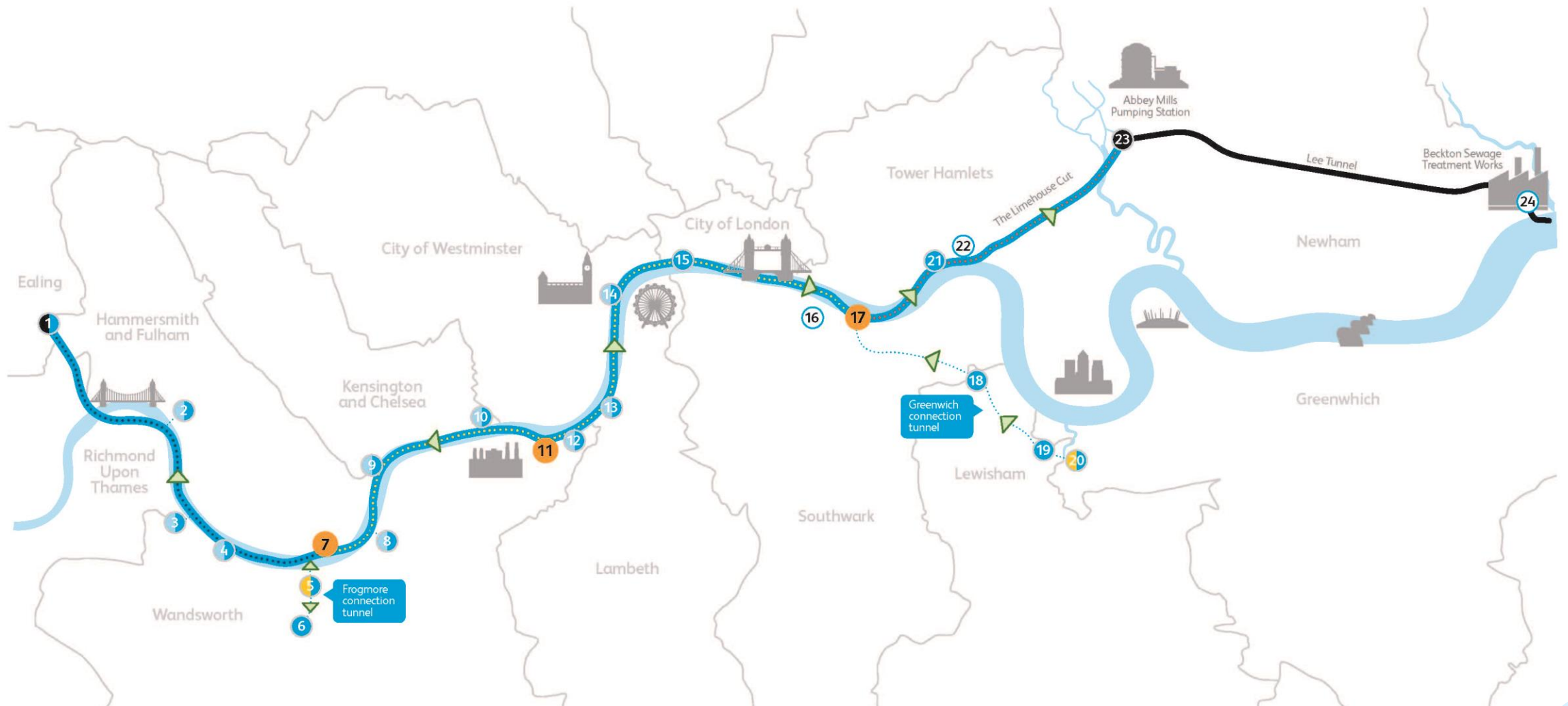
Disappointing performance, with missed targets

- 470 total (category 1-3) pollution incidents
- Impacted by asset condition and inability to mitigate overloaded sewers, exacerbated by wetter than average weather.
- Progress made in addressing many of the underlying causes of our poor performance, including being more proactive in sewer cleaning.
- Sewer Level Alarm Manager (SLAM) system prevented more than 4,715 blockages.
- Continue to target the root causes of pollutions, including investment plans for our 13 worst performing sites.
- Cleaned over 1,789km of sewers to prevent pollutions.



# London Tideway Tunnel Network

Thames Tideway Tunnel now connected to our network







# Financial Performance

Steve Buck

Chief Financial Officer



# Financial highlights

Solid underlying performance, with challenging balance sheet

Underlying  
Revenue<sup>1</sup>

**£2.6bn**  
+8.4%

Underlying  
EBITDA<sup>1</sup>

**£1.3bn**  
+10.5%

Underlying Op.  
profit<sup>1</sup>

**£556m**  
+25%

Total loss before  
Tax<sup>1</sup>

**£1.6bn**  
(FY24: £157m  
profit)

Investment in  
assets<sup>2</sup>

**£2.2bn**  
+6.8%

RCV

**£21.0bn**  
+5.3%

Gearing<sup>3</sup>

**84.4%**  
+3.8ppts

Liquidity<sup>4</sup>

**£1.7bn**

1. Excluding exceptional items and Bazalgette Tunnel Limited
2. The investment in assets includes £0.1 billion (2024: £0.1 billion) assets which have been constructed under self-lay by third parties at nil cost.
3. Senior gearing: covenant net debt to Regulatory Capital Value ("RCV")
4. As at 31 March 2025; (£0.2bn cash, £1.5bn committed super senior loan facility, subject to conditions precedent for drawdown)



# Underlying (loss)/profit before tax

Reported underlying loss before tax of £6 million, but with significant exceptional items recognised in period

FY ended 31 March, £m	2025	2024	Variance
Total (loss) / profit after tax	(1,514)	75	(1,589)
Total tax (credit)/charge	(133)	82	(215)
Total (loss) / profit before tax	(1,647)	157	(1,804)
BTL profit before tax	(135)	(117)	(19)
Exceptional items, of which FY25:	1,776	163	1,613
<i>Expected credit loss on inter-company loan receivable from TWUHL<sup>1</sup></i>	1,271		
<i>Turnaround and transformation costs</i>	33		
<i>Provision for Ofwat fines</i>	122		
<i>Restructuring costs</i>	151		
<i>Consent fees</i>	198		
Underlying (loss)/profit before tax	(6)	204	(210)

Note: underlying results exclude exceptional items and Bazalgette Tunnel Limited; table includes rounding differences

1. Thames Water Utilities Holding Limited (Thames Water Utilities Limited's parent company)

2. Includes exceptional expected credit losses and finance fees and operating costs relating to restructuring recognised in the period



# Underlying EBITDA

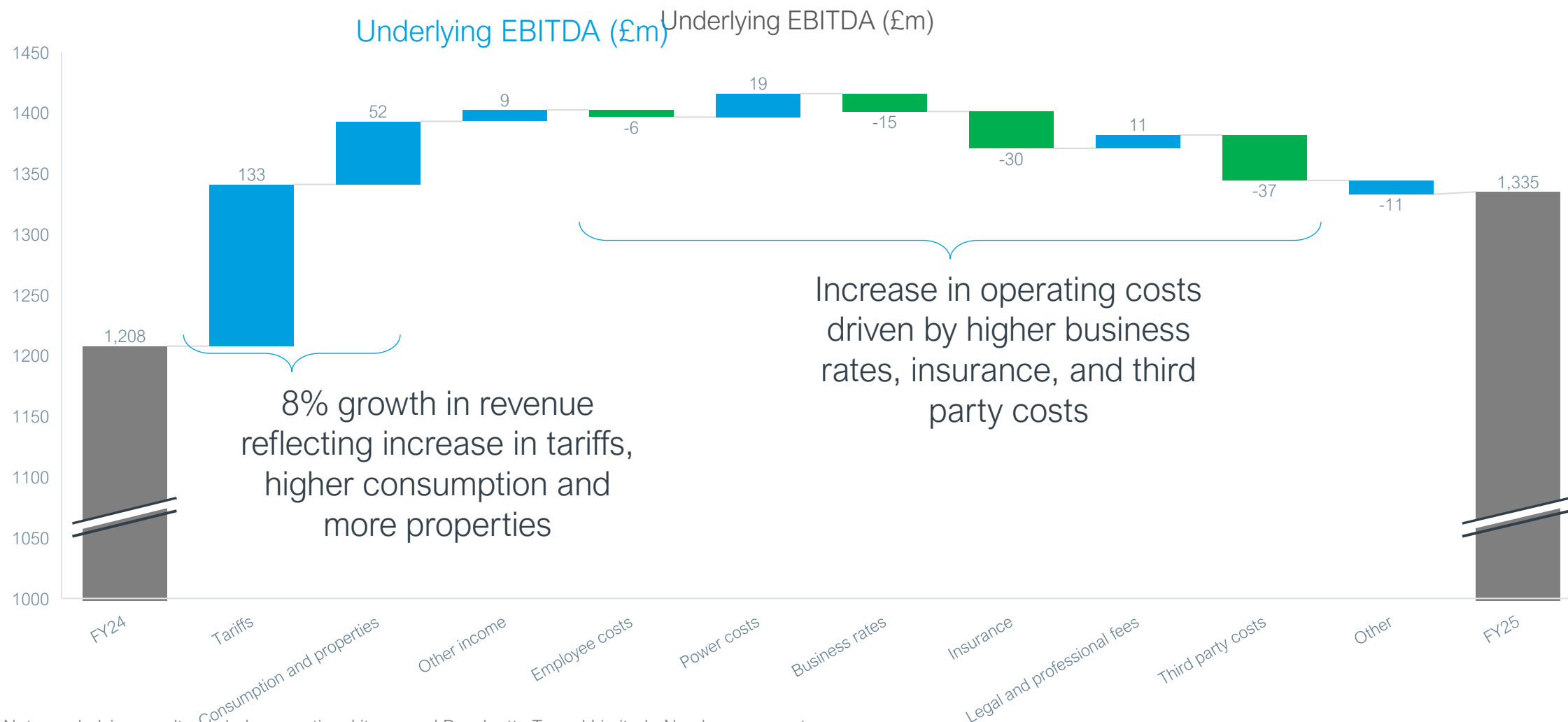
11% increase in EBITDA

Year ending 31 March 2025, £m	FY25	FY24	Variance
Underlying (loss)/profit before tax	(6)	204	(103%)
Net losses/(gains) on financial instruments	148	(152)	(197%)
Net finance expense	414	393	5%
Operating profit	556	445	25%
Depreciation, amortisation and impairments	779	764	2%
Underlying EBITDA	1,335	1,208	11%

Note: underlying results exclude exceptional items and Bazalgette Tunnel Limited; table includes rounding differences

# Underlying EBITDA

10.5% growth in underlying EBITDA

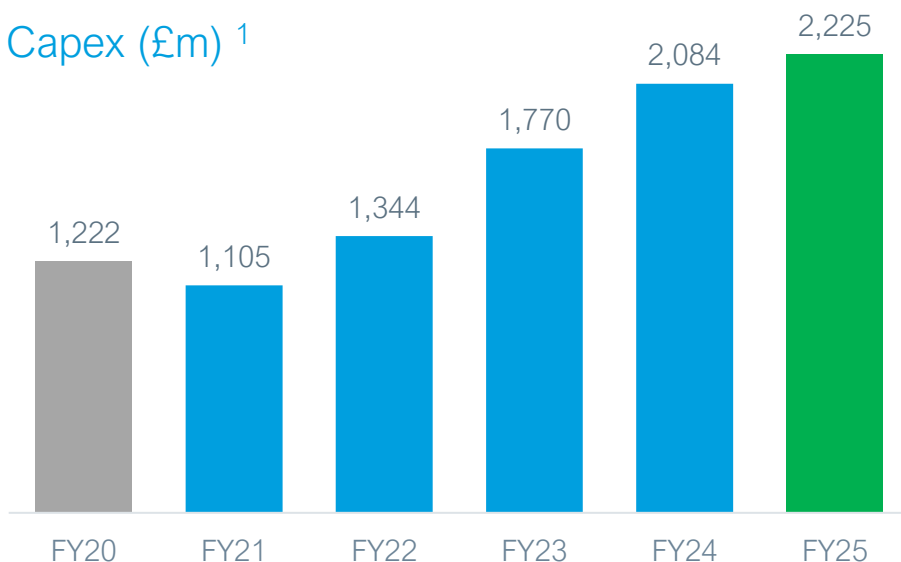


Note: underlying results exclude exceptional items and Bazalgette Tunnel Limited. Numbers may not sum due to rounding

# Investing to improve performance

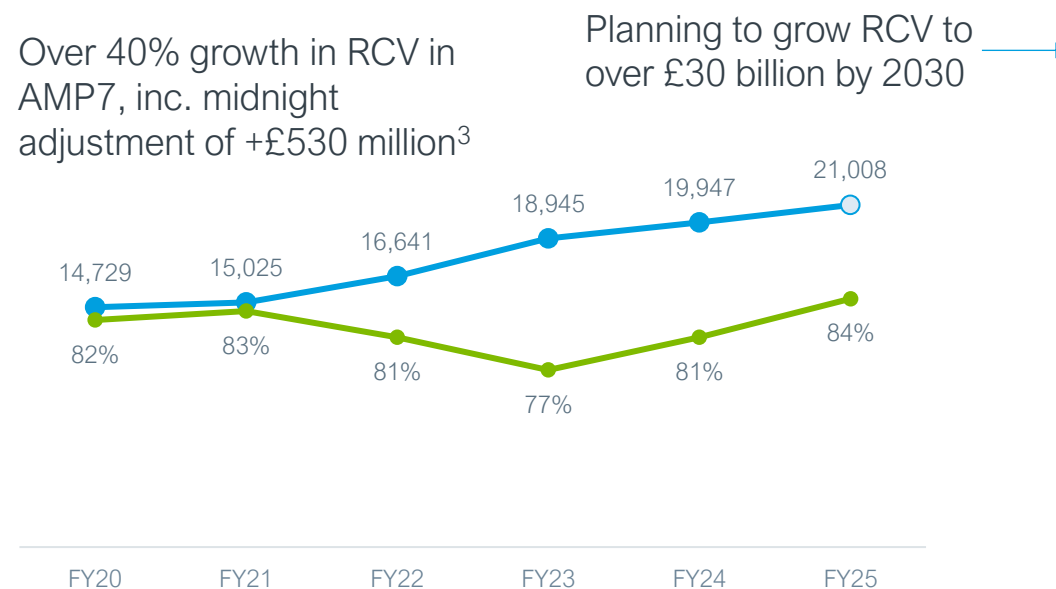
Maintaining high levels of investment in our infrastructure

Net Capex (£m) <sup>1</sup>



- 13% average YoY increase in capital investment. Slow start, but built and maintained momentum in the AMP, investing beyond allowances.
- Investing to improve asset resilience, environmental performance & customer service. Planning to significantly increase capex in AMP8<sup>2</sup>

Nominal RCV (£m) and senior gearing (%)



Credit ratings, year ending 31 March

	FY25	FY24
Moody's - CFR	Caa3	Baa2
S&P – Class A	CCC	BBB

1. Includes investment in property, plant, equipment and assets in development (intangible). Includes £0.1 billion (2024: £0.1 billion, 2023: £0.08 billion, 2022: £0.06 billion, 2021: £0.06 billion, 2020: £0.06 billion) assets which have been constructed under self-lay by third parties at nil cost.

2. Based on Company's business plans; actual wholesale capex, including TTT land sales, excluding retail capex (outturn prices)

3. Upwards and downwards adjustments relating to WINEP, Land Sales, Cost Sharing, Strategic Regional Water Resources, and FY20 actuals

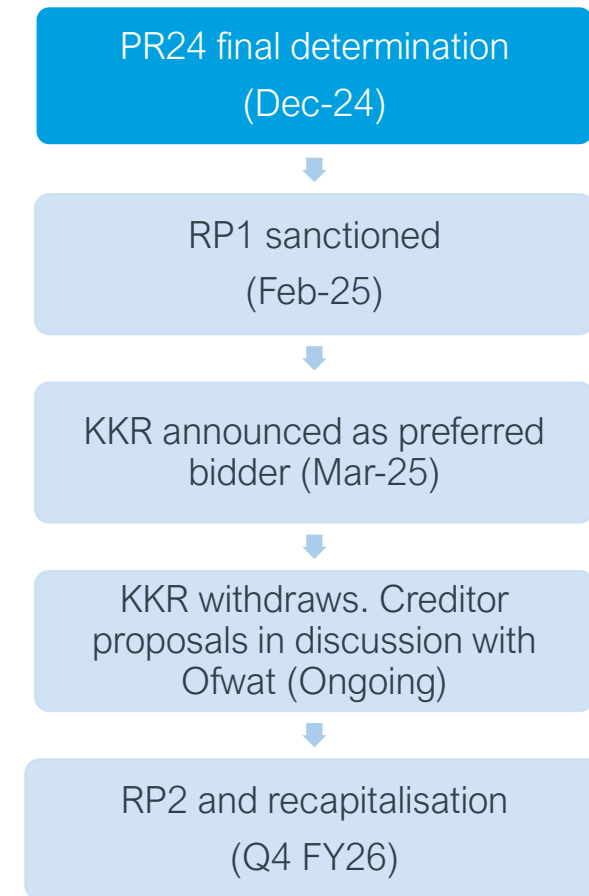


# Restoring financial resilience

## Recapitalisation in progress

- We've referred our FD to the CMA – the Board did not consider it to be investible or financeable.
- Through our first restructuring plan, we've secured £1.5bn of liquidity to see us through until December 2025
- However, RP1 is still being challenged by Charlie Maynard MP
- Creditors have indicated at least £1.5bn would be made available to finance the company through a CMA appeal which would see us through to September 2026
- The company announced it intended to progress discussions on the senior creditors' plan with Ofwat and other stakeholders, which remain ongoing.

### Indicative timeline:





# Closing comments

Chris Weston

Chief Executive Officer



# In summary

## Transforming for a resilient future

- Solid operational performance, despite financial performance.
- Thames Water is transforming. We're taking bold action to improve performance, invest in critical infrastructure and rebuild trust.
- Our focus is clear – delivering for our customers, protecting the environment and securing a resilient future for generations to come.
- We will continue to drive towards a more stable financial and operational path.







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