

## Chair's review

# Resilient, high-performing, and well placed to deliver in AMP8 and beyond.



“At the end of April, we submitted our proposals to Ofwat requesting approval for additional investment in housing growth, the new economy and proactive asset replacement. This £1.4 billion investment plan underlines the critical importance of our infrastructure as an enabler of economic growth and development.

## Performance review

This year is the first year of our transformational plan, which will bring a huge upgrade to the water and wastewater infrastructure in the North West. Before the start of the year, we talked a lot about our plan, but now our colleagues and suppliers are delivering, making great progress, with a ramp up in capital expenditure, creating jobs and bringing economic growth to the region. We are focused on delivering this investment efficiently and on time.

We have also achieved improvements in performance, with 80% of our key performance metrics improving since last year. Despite this culture of continuous improvement, this year we are in a net penalty against the outcome delivery incentives (ODIs), set by Ofwat in this first year of the asset management plan (AMP) period. As more of our investment is finalised, and our investments in asset health and operational efficiency continue to pay off, we expect to see this turn into a reward as we progress through the AMP. We have also seen strong financial performance this year, with an increase to our regulatory capital value (RCV) of 7.5%, and earnings per share of 107.1p, up from 75.3p in the prior year.

## Regulatory environment

Month by month, we are getting more clarity on the future regulatory environment of the water sector following the Independent Water Commission's (IWC) 88 recommendations released in July 2025. In January 2026, Defra published its white paper 'A new vision for water', setting out

the Government's plans to take forward IWC recommendations for reform. We then expect Defra to release its transition plan and a ministerial statement sharing more detail on the move to a new regulatory environment in 2026. We have been working collaboratively with regulators and Defra during this process to ensure a smooth transition. We have confidence in the direction being taken and are pleased to see that many recommendations that United Utilities proposed are being pursued. In particular, we are happy to see the shift towards a regional systems planning approach gaining momentum, with the first pilot being held in the North West, taking learnings from our multi-sectoral integrated water planning activities across the Manchester and Liverpool city regions. We have been proponents of place-based approaches for many years and it is positive to see these gain greater traction across the sector.

## Supply chain capacity and capability

A key area of focus for the board and management throughout the year has been the capacity and capability of our supply chain partners. We have appointed over 100 partners, ranging from smaller build-only contractors, to the eight large infrastructure companies making up our Enterprise delivery model. We have been delighted with the progress so far, achieving 100% against our internal capital delivery key performance indicator, demonstrating that the scaling up of our programme has not negatively impacted its quality or efficiency.

## Haweswater Aqueduct Resilience Programme (HARP)

A significant milestone this year is the board's approval of the contract with the competitively appointed provider (CAP), Cascade Infrastructure, which was formed from a consortium that included STRABAG and Equitix. The CAP will finance, design, build and maintain a £3 billion replacement of six sections of the Haweswater Aqueduct, bringing enhanced resilience to 2.5 million people in the Greater Manchester region. This flagship direct procurement for customers (DPC) project is demonstrating how large-scale water infrastructure can be competitively tendered to deliver best value, innovation and long-term efficiency.

## Cyber security

As with all companies, the external operating environment remains challenging, with a rise in uncertainty around global security. The board has continued to provide challenge and oversight to the group's approach to cyber security. The chief security officer provides the board with focused reports twice a year, outlining the mitigation measures in place to address the continually evolving risk of cyber attacks. In addition, the board receives regular updates on relevant industry and national security developments to ensure it remains fully informed of the broader threat landscape.



# 53.66p

per share total dividend in respect of the 2025/26 year

# +3.5%<sup>(1)</sup>

CPIH inflation-linked increase in the dividend

# 17 July

annual general meeting (AGM) to be held at our head office in Warrington

<sup>(1)</sup> The dividend increase is based on the CPIH element included within allowed regulatory revenue for the 2025/26 financial year (i.e. the movement in CPIH inflation between November 2023 and November 2024).

## Dividends and annual general meeting

I look forward to welcoming shareholders to our main offices in Warrington for the annual general meeting (AGM) in July. Full details are provided in the notice of meeting, and this year's agenda includes a revised remuneration policy that reflects the scale and ambition of the current AMP and a non-binding advisory vote on the company's net zero transition plan.

The board has proposed a final dividend of 35.78 pence per share to be paid on 3 August 2026, taking the total dividend to 53.66 pence per share for FY26, increasing in line with CPIH.

## Board succession

Marina Wyatt joined the board on 1 October 2025, succeeding Doug Webb as chair of both the audit and treasury committees with effect from 14 November 2025. The board considers that Marina brings recent and relevant financial experience to these roles, drawing on her background as a chartered accountant and her recent retirement as Chief Financial Officer of Associated British Ports.

Alison Goligher will step down at the conclusion of the AGM on 17 July 2026, after serving on the board for more than nine years. Throughout her tenure as a non-executive director, she has made an outstanding contribution, particularly through her expertise in major capital programmes, her wise counsel and her

pragmatic approach. As the board's first designated non-executive director for workforce engagement, Alison established a relationship of trust and openness with members of the colleague voice panel. Liam Butterworth will now lead on workforce engagement on behalf of the board. We thank Alison sincerely for her service and wish her every success in her future roles.

## Enabling economic growth

At the end of April, we submitted our proposals to Ofwat requesting approval for additional investment to support housing growth, the new economy and proactive asset replacement. This £1.4 billion investment plan underlines the critical importance of our infrastructure as an enabler of economic growth and development. The proposed package of investment would see us supplying the region's growing population with critical water infrastructure, unlocking data centre growth and providing water for the hydrogen economy. We have also submitted plans to invest in asset health to bring further resilience to our networks and services. We await the draft decision on these plans in August, with the final decision expected in December.

This growth has been underpinned by a successful £800 million equity placement, providing a robust foundation for our expanded strategic ambitions. Consequently, we have upgraded our financial guidance for the AMP, increasing our capital expenditure forecast to £11.5 billion – a significant rise from the previous guidance of £9.0 billion.

## Outlook

Despite some residual regulatory uncertainty, a significant reason for optimism is the culture of continuous improvement that has been instilled across United Utilities by our CEO, Louise, and her executive team. This can be seen in an engagement score of 90% in our colleague survey, well above industry benchmarks, the ongoing reduction in our occupational health and safety risk, and how teams have grasped the opportunity of Ofwat's Re-openers to improve our resilience. My priority as Chair is to bring stability and continuity to our leadership team, ensuring that the same focused individuals who created our generational investment plan are the ones who drive its full delivery.

**Sir David Higgins**  
Chair

15 May 2026

The strategic report on pages 01 to 99 was approved at a meeting of the board on 15 May 2026 and signed on its behalf by Sir David Higgins, Chair.