

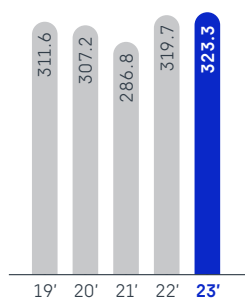
Performance

highlights continued

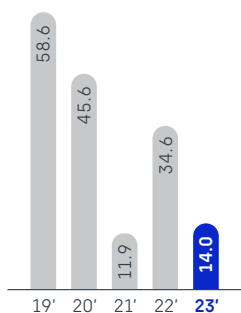
In 2022/23 a number of external factors, such as high inflation, the rising cost of energy, the hot weather over the summer of 2022 and the freeze/thaw event in December 2022, have had an impact on the business.

Financial

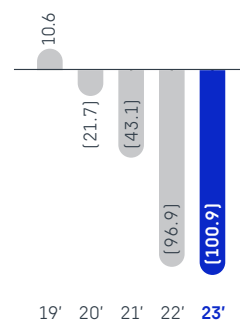
Revenue £m



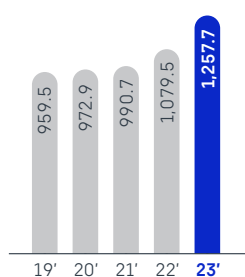
Operating profit £m



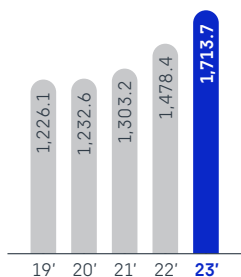
Profit/[loss] for the year £m



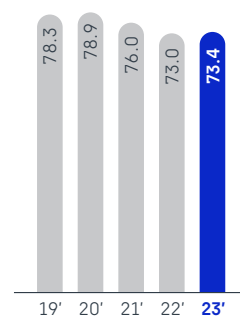
Net Debt £m



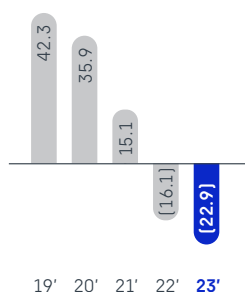
Regulatory Capital Value ('RCV') £m



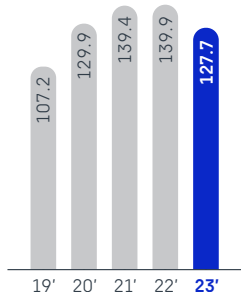
Gearing %



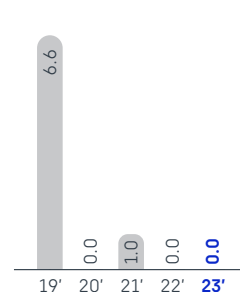
Cash flow £m



Capital investment £m



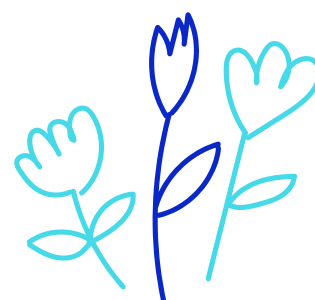
Dividends paid £m



Credit ratings

	Class A	Class B	Corporate Family
Moody's	A3	Baa3	Baa1
Standard & Poor's	BBB+	BBB-	N/A
Fitch	BBB+	BBB-	N/A

Our credit ratings have not changed since March 2022, although our ratings from Standard & Poor's have moved to a negative outlook driven by inflationary pressures impacting industry ratings.



The £100.9m loss for 2022/23 is primarily made up of:

£14.0m

Operating profit

£(150.2)m

Net finance costs

Finance costs have been impacted by the high levels of inflation, as a number of our bonds are index-linked.

£23.5m

Fair value gain on derivatives

£11.8m

Taxation credit



Case study

The Fair Tax mark accreditation awarded to Affinity Water

We have again received independent recognition for paying the correct amount of corporation tax. The Fair Tax Foundation congratulated Affinity Water for its high standards and, for a fifth year in a row, awarded us the Fair Tax Mark accreditation. The Fair Tax Foundation is an independent body, and launched the certification scheme in 2014 to encourage organisations to pay the right amount of tax.

Affinity Water has shown that it is willing to be totally transparent about how we are governed and how our tax affairs are arranged. All our activities are fully taxable in the UK.

“

With newspaper headlines focusing on the cost-of-living crisis that many of our customers are facing, it is a very important time to be awarded the Fair Tax Mark certification. Affinity Water has shown that it is willing to be totally transparent in how we are governed and how our tax affairs are arranged. All our activities are fully taxable in the UK.”

Michael Blake

Affinity Water Treasurer