



2024 Annual General Meeting

The Jersey New Waterworks
Company Limited (the 'Company')



Heather MacCallum Chair





Helier Smith

Chief Executive Officer



Agenda

- Our strategy and stakeholder outcomes
- Financial performance
- Operational highlights
- Questions
- Formal AGM
- Close

Our strategy and outcomes

Sustaining our performance

Investing in our resilience

Securing high quality water for future generations, to connect our community and protect our Island



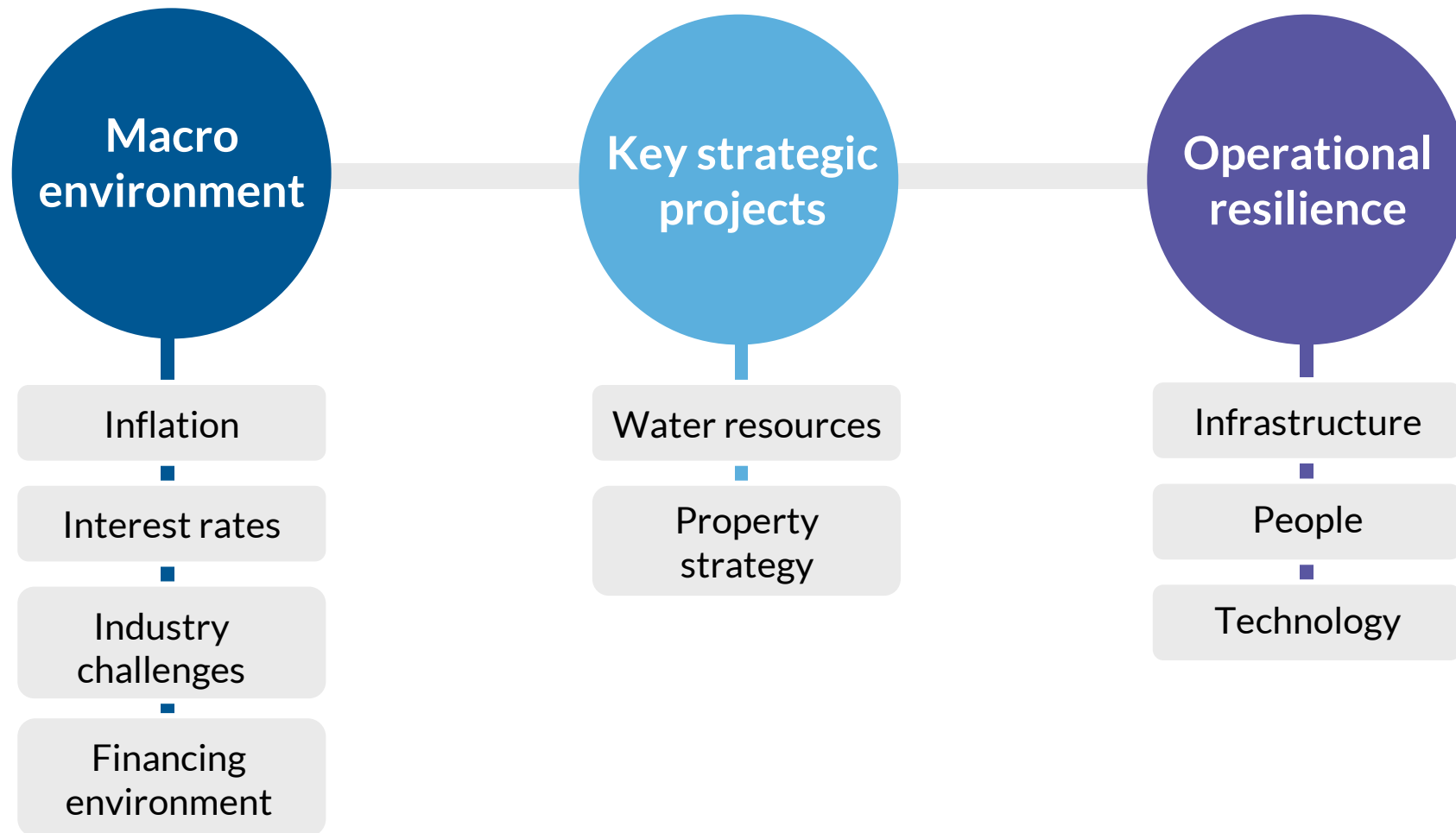


Natalie Passmore

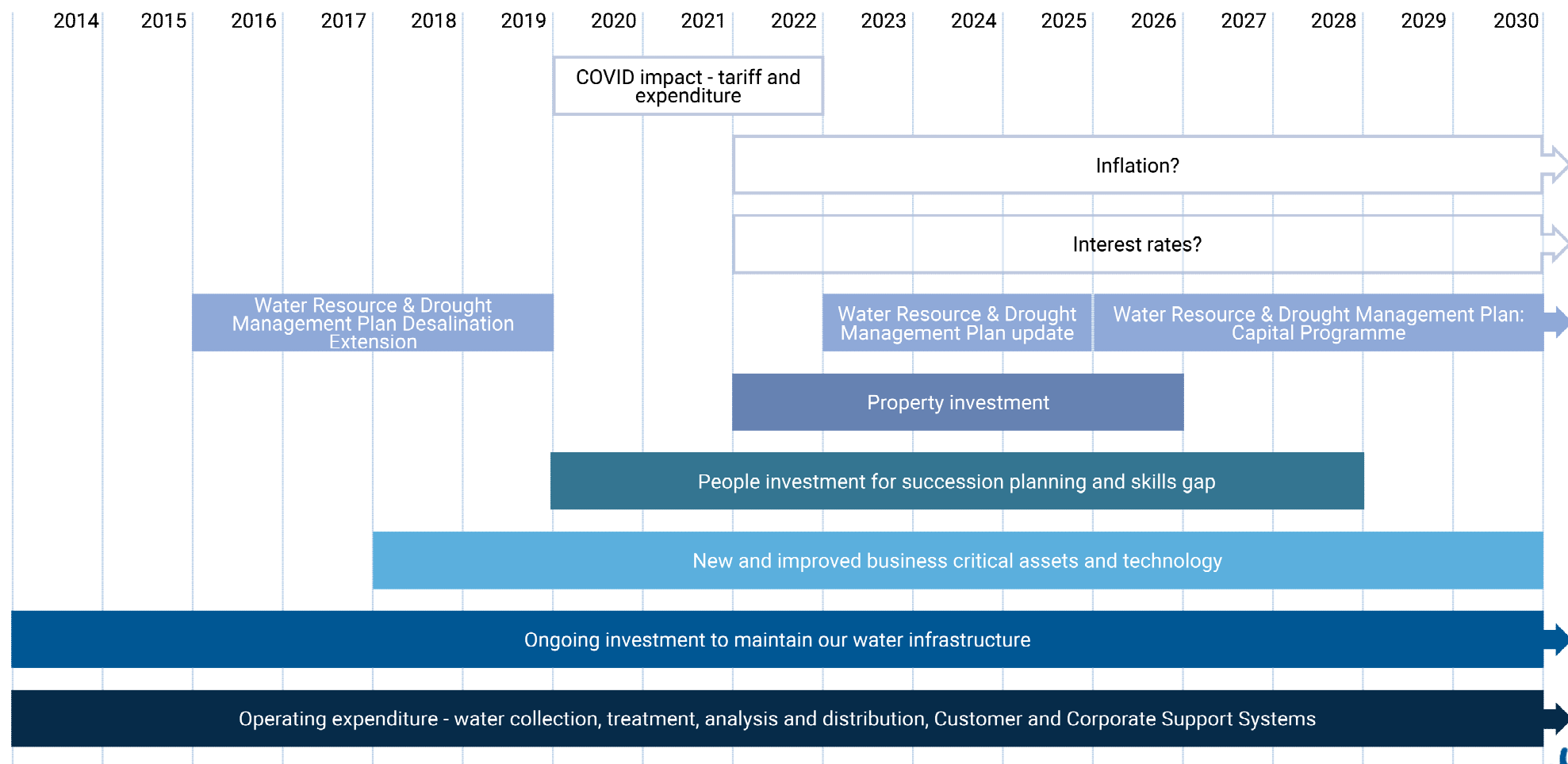
Finance and Corporate
Services Director



Financial performance

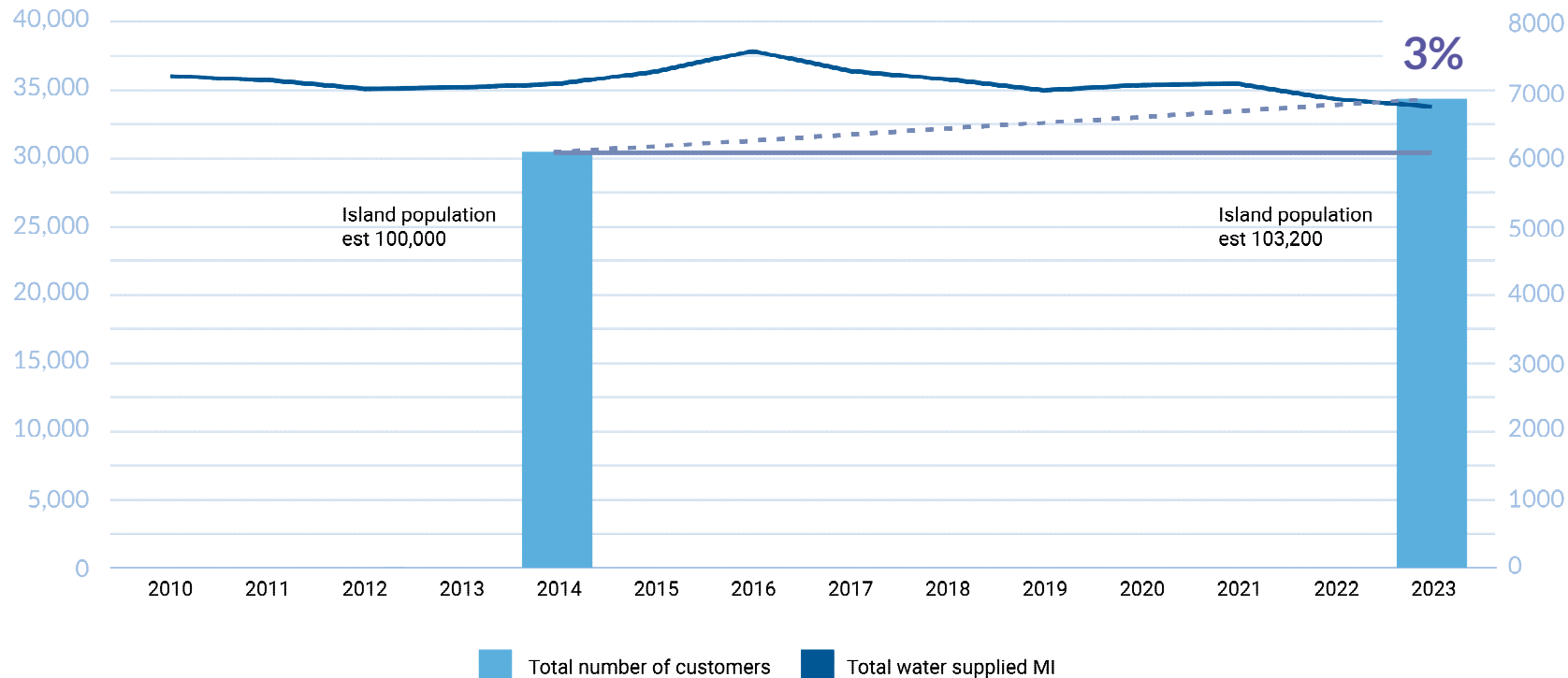


Financial drivers



Financial drivers

Water consumption (MI) versus number of customers



- Stable demand – despite increase in customers
- Reliant on tariff increase for material income growth
- Mindful of:
 - Affordability
 - Acceptability
 - Financial hardship

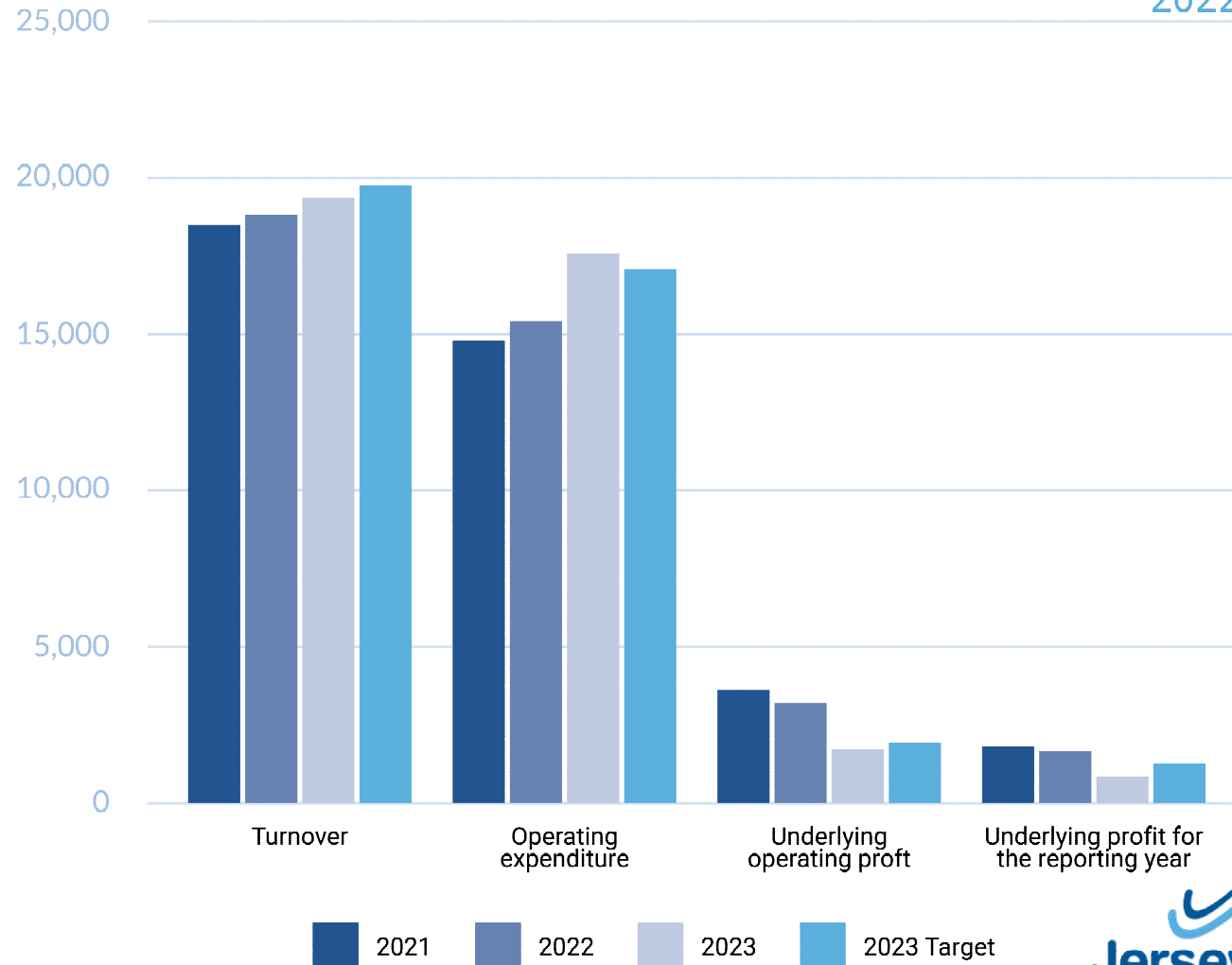
Financial performance

£1,165k

Profit before tax

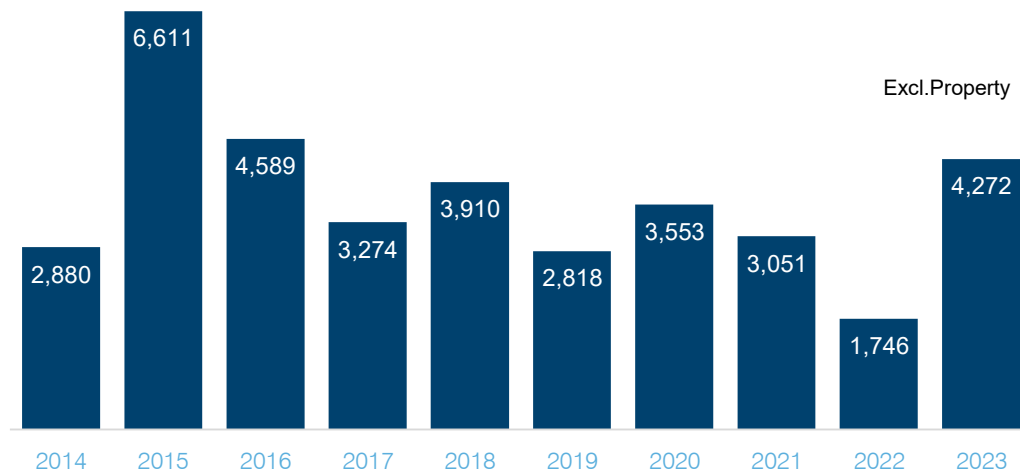
2022: £6,765k

- Challenging economic climate impacted financial performance
- Managing our income in best interests of our customers
- Building resilience with proactive strategic investment in people, processes and technology
- Responding to cost-of-living crisis and impact of significant interest and borrowing rates



Investment and financial position

Capital Expenditure (£'000)



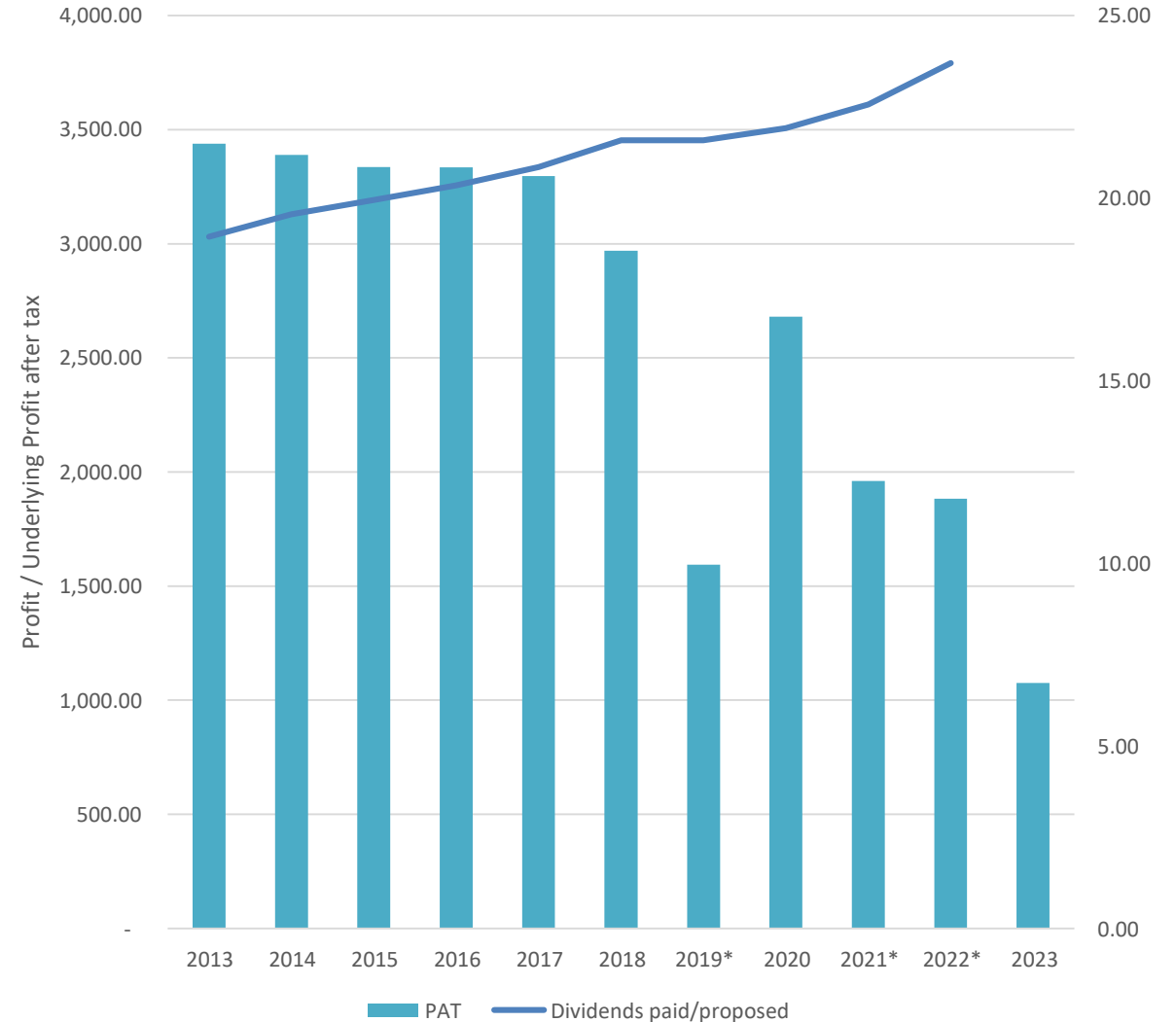
- 28%** Mains renewals and extensions
- 27%** Desalination plant maintenance and expansion
- 14%** Water Supply
- 12%** Property strategy
- 11%** Operating infrastructure and equipment
- 7%** Metering
- 1%** Environment and Community

Dividend policy

- Deliver steady dividends with real growth over time
- Make short-term adjustments to allow for variations in financial performance, investment requirements, liquidity and other factors.

Factors that may influence final dividend payment:

- Operational and financial performance
- Level of dividend cover
- Available financial resources and distributable reserves
- Future cash commitments and investment requirements to sustain delivery of our strategic outcomes
- Any relevant external issues that may impact overall resilience.



Proposed final dividend

A final dividend
payment per share of:

8.558

Pence

2022: 16.449

A total dividend for
the year per share:

15.874

Pence

2022: 23.693

Total dividend to
be paid:

£827k

Total dividend paid

2022: £1,589k

Proposed final dividend

- Reflective of financial position and profitability
- Prudent with cash resources given current commitments
- Need resources to build sustainable business:
 - Water resource and drought management plan
 - Operational and financial resilience
 - Property strategy
- Balance impact of capital investment programme with:
 - Customer (tariff increases)
 - Shareholder (returns)

Outlook

- Continuing uncertain economic environment
- Signs that inflation rates are easing and interest rates may reduce
- Funding review ongoing – strategy for medium term investment and to further reduce interest rate risk
- Prudence now will strengthen financial resilience and reinforce foundation for future dividends
- Stable demand for product: FY2024 – 10.9% (RPI) tariff increase
- 2026-2030 investment planning is well underway:
 - clarity on investment requirements and financing needs
 - tariff impact
- Continue to deliver essential improvements to our operations and infrastructure to generate value and build long-term resilience.

Helier Smith

Chief Executive Officer





Questions





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Voting procedures

- On a poll, each holder of Ordinary Shares in the Company who is present in person and/or by proxy is entitled to one vote for each share.
- Each holder of Preference Shares in the Company who is present in person and/or by proxy is entitled to one vote irrespective of the number and class of such preference shares.
- The States of Jersey, as holder of all 'A' Ordinary Shares is entitled to such additional votes that shall bring the total number of votes attached to the 'A' Ordinary Shares to twice the total number of votes cast in respect of all other shares.

Ordinary resolutions

The six resolutions to be passed as ordinary resolutions, as outlined in the notice of the meeting are shown below:-

Resolution 1: To receive the financial statements and reports of the directors and auditors thereon for the year ended 30 September 2023.

Resolution 2: To declare a final net dividend of 8.558 pence per share on the ordinary and 'A' ordinary shares of the Company.

Resolution 3: To re-elect Anthony Ferrar (non-executive director), who retires by rotation in accordance with the Articles of Association of the Company, as a director of the Company.

Resolution 4: To re-elect Michael Pocock (non-executive director), who retires by rotation in accordance with the Articles of Association of the Company, as a director of the Company.

Resolution 5: To re-elect Julie Taylor (executive director), who retires by rotation in accordance with the Articles of Association of the Company, as a director of the Company.

Resolution 6: To re-appoint PKF BBA Limited as auditors of the Company at a fee to be agreed by the directors.

Results of resolutions

Resolution 1: THAT the Company's audited financial statements and reports of the directors and auditors thereon for the year ended 30 September 2023 be adopted.

Of the votes received, 7,771,353 votes were for, 0 votes were against and 0 votes were withheld.

Resolution 2: THAT a final net dividend of 8.558 pence per share on the ordinary and 'A' ordinary shares of the Company be declared.

Of the votes received, 7,766,252 votes were for, 5,101 votes were against and 0 votes were withheld.

Resolution 3: THAT Anthony Ferrar (non-executive director) retires in accordance with the Articles of Association of the Company and is re-elected as a director of the Company.

Of the votes received, 7,754,358 votes were for, 16,995 votes were against, and 0 votes were withheld.

Results of resolutions

Resolution 4: THAT Michael Pocock (non-executive director) retires in accordance with the Articles of Association of the Company and is re-elected as a director of the Company.

Of the votes received, 7,754,358 votes were for, 16,995 votes were against, and 0 votes were withheld.

Resolution 5: THAT Julie Taylor (executive director) retires in accordance with the Articles of Association of the Company and is re-elected as a director of the Company.

Of the votes received, 7,754,358 votes were for, 16,995 votes were against, and 0 votes were withheld.

Resolution 6: To re-appoint PKF BBA Limited as auditors of the Company at a fee to be agreed by the directors.

Of the votes received, 7,771,352 votes were for, 1 votes were against, and 0 votes were withheld.

Special resolution

Resolution 7: In addition to the resolutions that we regularly bring to shareholders at our annual general meeting, this year, in order to (i) clearly set out the Company's objects as being to promote the success of the Company not only for the benefit of its members but to have a material positive impact on society and the environment as a whole and (ii) to ensure that the Company's constitution is up to date and continues to reflect current Jersey law and Jersey and UK market practice, we are proposing to adopt new articles of association. The principal changes to the articles of association are summarised in the appendix to this document.

That the Articles of Association produced to the annual general meeting and initialed by the chair of the annual general meeting (for the purpose of identification) be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

Results of resolutions

Special resolution 7: That the articles of association produced to the annual general meeting and initialed by the chair of the annual general meeting (for the purpose of identification) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

Of the votes received, 7,771,351 votes were for, 2 votes were against, and 0 votes were withheld.

Please note that the approved version of the Company's newly adopted articles of association will be available to review on the Company's website.



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Thank you

