One of the world’s largest publicly listed utilities focused on transmission and distribution of electricity and gas. We play a vital role in connecting millions of people to the energy they use safely, reliably and efficiently.

**Investment proposition**
We aim to be a low risk business, focused on generating shareholder value through both dividends and asset growth by investing in essential assets under primarily regulated market conditions, to service long-term sustainable consumer-led demands.

**Financial performance in 19/20**
- Underlying operating profit up 1% to £3.5bn
- COVID-19 impact on earnings, primarily driven by a £117m increased provision for US bad debts
- Underlying EPS down 1% to 58.2p reflecting improved regulated performance, offset by non-recurrence of prior year one-off benefits
- Group RoE of 11.7% (2019: 11.8%)
- Achieved 99% of allowed RoE in the US (9.3%)
- Recommended final dividend to bring full year dividend to 48.57p, up 2.6%, in line with policy
- FY21 outlook: assumed COVID-19 underlying operating profit impact of approximately £400m

**Business highlights in 19/20**
- Business continuity plans successfully implemented in response to COVID-19
- Continued progress on 2050 net zero emissions target; achieved 70% reduction on 1990 baseline; new interim target to achieve 80% by 2030
- Record capital investment of £5.4bn leading to strong asset growth of 9%
- Published long-term gas options for New York
- Business plans submitted for RIIO-2
- Cost efficiency programmes delivered around £100m savings
- First renewable project commissioned through Geronimo since acquisition in July

**Growing portfolio of high quality assets**

**Assets by segment as at 31 March 2020**

- **£45.2bn**
  - **UK Electricity Transmission** 31%
  - **UK Gas Transmission** 14%
  - **US Regulated** 46%
  - **NG Ventures & Other** 9%

  - Power and heat networks at the heart of the energy system
  - Targeting annual asset growth of 5-7%*

*Assuming long run UK RPI inflation of 3%

**FY21 forecast capital investment by segment**

- **US Regulated**
  - US regulated driven by mandated gas pipe replacement programmes; electric network resiliency, storm hardening and grid modernization; and decarbonisation of energy
  - UK regulated driven by asset health and network resilience
  - NG Ventures driven by interconnector programme
**Good regulatory progress in 2019/20**

**US returns**

- **Return on equity**
  - 8.7% New York
  - 9.0% Massachusetts
  - 10.3% Rhode Island
  - 11.4% FERC

- **Capital investment**
  - $4.2bn
  - FY19: $3.5bn

- **Rate base**
  - $25.6bn
  - FY19: $22.9bn

- **Assets outside rate base**
  - $2.7bn
  - FY19: $2.5bn

- **Achieved return**
  - 9.3%
  - FY19: 8.8%

- **Underlying operating profit**
  - £1.6bn
  - FY19: £1.6bn

* At actual currency

**FY20 US Regulated capital investment**

- Rhode Island
- FERC
- New York
- Massachusetts

**Regulation**

- All distribution rates have been refreshed within the last 3 years
- ~50/50 debt:equity regulatory capital structure
- Nominal returns provide a faster cash return

**2019/20 RoE/Rate base ($m)**

- Rhode Island Electric: 11.9%
- Rhode Island Gas: 8.8%
- NiMo Electric: 8.9%
- NiMo Gas: 7.8%
- Mass Gas: 7.7%

**Strong performance in the US in FY20**

- Rate base growth of 12%
- Consistent achieved return on equity; 99% of allowed
- Delivered over $30m of savings this year and remain on course to deliver $50m in 20/21

**Rate case outlook**

- MECO filing
- KEDNY filing
- NiMo rate filing

* Currently in settlement discussions with the regulator with new rates expected to be backdated to 1 April 2020

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**National Grid Ventures & Other**

- **Capital investment**
  - £885m
  - FY19: £623m

- **Total contribution**
  - £330m
  - FY19: £440m

- **Operating profit**
  - £242m
  - FY19: £400m

- **Post-tax share**
  - £88m
  - FY19: £40m

**NG Ventures & Other**

- **Operating profit**
  - £158m
  - Metering
  - £78m
  - Grain LNG
  - £61m
  - Interconnectors
  - £63m
  - Property

**Joint Ventures**

- **Post-tax share**
  - £29m
  - Interconnectors
  - £22m
  - Millennium
  - £18m
  - St. William
  - £13m
  - Sunrun

**Operational**

- NSL 1.4GW
- NSL 1.4GW
- Viking 1.4GW
- BritNed 1GW
- IFA 2GW
- IFA 2GW
- IFA 2GW

* NGV includes long term assets with a low risk profile and stable cash flows
* Own and operate 4GW of electricity interconnection between UK and Europe, with a further 3.8GW under construction
* Geronimo acquisition to provide US renewable generation opportunities
* St. William joint venture with Berkley Group to unlock land value
Continued solid performance in the UK in 2019/20

UK RoE Combined
12.4%
FY19: 12.4%

Electricity Transmission

Return on equity
10.2%
Base return
250bps
Totent incentive
10bps
Other incentives
70bps
Additional allowances

Achieved return
13.5%
FY19: 13.7%

Other key financial metrics
Capital investment
£1.0bn
FY19: £0.9bn
Regulated asset value
£14.1bn
FY19: £13.5bn
Underlying operating profit
£1.2bn
FY19: £1.1bn

Gas Transmission

Return on equity
10.0%
Base return
(70)bps
Totent incentive
110bps
Other incentives
(60)bps
Additional allowances

Achieved return
9.8%
FY19: 9.5%

Other key financial metrics
Capital investment
£0.2bn
FY19: £0.3bn
Regulated asset value
£6.3bn
FY19: £6.2bn
Adjusted operating profit
£0.4bn
FY19: £0.3bn

Regulation

• Single regulatory body - Ofgem
• 8-year RIIO price control through to 2021
• Incentives to promote innovative and efficient capital investments benefitting customers and shareholders
• Cost allowances and revenues linked to RPI
• Remunerated in part through RPI asset indexation

Good performance in the UK in FY20

• Achieved outperformance of 230bps through innovation and efficiency
• Focus on customer savings; over £700m generated to date under RIIO
• Continued investment in maintaining the network
• Delivered over £70m of savings this year and remain on course to deliver £100m in 20/21

Timeline on RIIO-T2

<table>
<thead>
<tr>
<th>CY2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector specific decision</td>
<td>Formal business plan submission</td>
<td>Draft determination</td>
</tr>
<tr>
<td>Draft business plans submitted</td>
<td>Stakeholder group report to Ofgem</td>
<td>Statutory licence consultation</td>
</tr>
<tr>
<td>Statutory licence consultation</td>
<td>Final determination</td>
<td>RIIO-T2 starts</td>
</tr>
</tbody>
</table>

ESG performance and priorities

Environment
Enabling a fair and affordable transition to a clean energy economy
Net Zero scope 1 and 2 GHG emissions by 2050 (1990 baseline)
70% reduction achieved in FY20

Community
Going the extra mile to deliver positive impact in the communities we serve

People
We are working to ensure all our people are treated fairly and given the opportunity to thrive at work.

Economy
How we contribute to the economies of the countries where we operate our businesses

Governance
We are committed to the highest standard of corporate governance and strive to apply best practice in this area

FTSE4Good
MSCI ESG RATINGS
AAA
Corporate Responsibility Prime
CDP A List 2019
Climate Change
Strong and efficient balance sheet

Gearing and debt profile
as at 31 March 2020

- Equity 37%
- Regulated Assets & Invested capital £45.2bn
- Debt 63%
- RPI linked 25%
- Fixed Rate 65%
- Net Debt £28.6bn
- Floating rate 10%

- Appropriate level of debt funding for strong credit ratings, with gearing at 63%
- Target retained cash flow (RCF) to net debt above 9%
- Single A credit rating for UK operating companies and majority of US operating companies; NG plc rated BBB+
- Scrip dividend option provides flexibility for growth

*Net debt includes 100% of hybrid debt, borrowings, associated derivatives and cash and current financial investments

Key measures to deliver shareholder value

Total Group 19/20 performance

- Group return on equity (RoE)

<table>
<thead>
<tr>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.3%</td>
<td>11.7%</td>
<td>12.3%</td>
<td>11.8%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

Group return on equity (RoE)

- 12.3%
- 11.7%
- 12.3%
- 11.8%
- 11.7%

1. Underlying results excluding exceptional items, revaluations, timing and major share price movements

Value added (at constant currency)
Captures total return per share created on an operational basis

<table>
<thead>
<tr>
<th>2019/20</th>
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</thead>
<tbody>
<tr>
<td>Net asset growth £3.7bn</td>
</tr>
<tr>
<td>Cash dividend + £0.9bn</td>
</tr>
<tr>
<td>Growth in adjusted net debt - £2.6bn</td>
</tr>
<tr>
<td>Value added = £2.0bn</td>
</tr>
<tr>
<td>58.9p/share</td>
</tr>
</tbody>
</table>

Note: value added excludes Cadent sales proceeds

Important notice
This document contains statements that are neither financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information in respect to National Grid’s financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as "aims", "anticipates", "expects", "should", "intends", "plans", "believes", "outlook", "seeks", "estimates", "targets", "may", "will", "continue", "project", and similar expressions, as well as statements in the future tense, identify forward-looking statements. Furthermore, this document, which is provided for information only, does not constitute summary financial statements and does not contain sufficient information to allow for a full understanding of the results and state of affairs of National Grid, including the principal risks and uncertainties facing National Grid, as would be provided by the Full Annual Report and Accounts, including in particular the Strategic Report section and the Risk factors section on pages 212 to 215 of National Grid’s most recent Annual Report and Accounts for the year ended 31 March 2019 as revised by National Grid on 30 September 2019 and in the Annual Report of National Grid plc for the year ended 31 March 2020 as published by National Grid on 14 November 2019. Copies of the most recent Annual Report and Accounts are available online at www.nationalgrid.com or from Equinit Limited. Except as may be required by law or regulation, National Grid undertakes no obligation to update any of the forward-looking statements, which speak only as of the date of this document. The content of any website referenced is neither endorsed nor part of this document.

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