

Half Year Results

2020/21

Investor Relations | November 2020



“**...strong operational performance whilst managing the impact of COVID...**”

“In the first half of this year we delivered strong operational performance whilst managing the impact of COVID-19 costs on our financial results. We have continued to ensure safe, reliable networks and have delivered on our investment programme through the pandemic. With the launch of our Responsible Business Charter, we have underlined our commitment to our environmental goals, whilst supporting employees and communities across our jurisdictions.”

Group financial summary half year ended 30 September 2020

Unaudited underlying results¹

Operating profit

£1.1bn ↓12%

HY20: **£1.3bn**

Earnings per share

17.2p ↓14%

HY20: **20.0p**

Dividend per share

17.0p

HY20: **16.57p**

Capital investment

£2.6bn ↓6%

HY20: **£2.7bn**

(£m at actual exchange rates)

1. 'Underlying results' are given on an adjusted basis for our continuing operations, at actual exchange rates. This and a number of other terms and performance measures used in this document are not defined within accounting standards and may be applied differently by other organisations.

Operational Highlights

US

highlights

- Continued positive discussions with NY PSC on new rates for KEDNY-KEDLI
- Progressing a way forward on addressing downstate New York gas supply constraints
- Filed for new rates for Niagara Mohawk
- Filing for Massachusetts Gas on 13 November

UK

highlights

- Submitted comprehensive response to Ofgem's RIIO-2 draft determination consultation
- Good progress on major projects e.g. London Power Tunnels 2 and Hinkley Point
- On target to meet full year £100m cost efficiency target
- Near commissioning Feeder 9, our largest gas project in a decade

NGV

highlights

- Construction of three interconnectors on target
- Co-operation agreement with TenneT exploring the use of multi-purpose interconnectors
- 25-year agreement signed with Qatar Petroleum at Isle of Grain LNG facility
- Rebrand of our US renewable energy business

Outlook

- For 2020/21, we continue to assume **an impact on Group underlying operating profit of around £400 million** from COVID-19. However, given regulatory mechanisms and precedents, we expect to recover a large part of this.
- We will **continue to focus on customer affordability, safety and reliability** across our networks as we work with regulators on agreeing new frameworks in the US and UK.
- We will continue to place a sharp emphasis on efficiency across the business, and through our **Responsible Business Charter we have underlined our commitment to our environmental goals, whilst supporting employees and communities** across our jurisdictions.
- We expect **asset growth towards the top end of its target range of 5-7% in the near term**, assuming RPI at 3%, with **capital investment for FY21 around £5 billion**.

Financial performance segmental summary

US Regulated Operating profit £403m ↓23% HY20: £525m RoE outlook vs FY20 	
UK Electricity Transmission Operating profit £524m ↓10% HY20: £583m RoE outlook vs FY20 	UK Gas Transmission Operating profit £108m ↑64% HY20: £66m RoE outlook vs FY20 
NG Ventures Operating profit £142m HY20: £128m	JVs post tax share £33m HY20: £25m
Other activities Operating loss £(30)m HY20: £(1)m	JVs post tax share £5m HY20: £12m

Note: Underlying performance from continuing operations, excluding exceptional items and remeasurements. All numbers exclude impact of timing and are presented at actual exchange rates.

Responsible business charter

Environment  <p>01</p> <ul style="list-style-type: none"> • Net Zero for scope 1 and 2 by 2050 • 20% reduction in scope 3 by 2030 	Communities  <p>02</p> <ul style="list-style-type: none"> • Skills development for 45,000 people by 2030 • 500,000 volunteering hours by 2030 	People  <p>03</p> <ul style="list-style-type: none"> • Safety and wellbeing is our top priority • Meeting diversity challenge head-on, with new commitments 	Economy  <p>04</p> <ul style="list-style-type: none"> • Commit \$250m in smarter energy technology • Cascade our values through our supply chain 	Governance  <p>05</p> <ul style="list-style-type: none"> • Achieve 50% diversity in our Group Exec • Ensure voices of our people and all stakeholders are heard
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Important notice

This document contains certain statements that are neither reported 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 with 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 as full an 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 227 to 230 of National Grid's most recent Annual Report and Accounts for the year ended 31 March 2020 as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2020, published on 12 November 2020. Copies of the most recent Annual Report and Accounts are available online at www.nationalgrid.com or from Equiniti Limited. Except as may be required by law or regulation, National Grid undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this document. The content of any website references herein do not form part of this document.

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