

# Half Year Results

2021/22

Investor Relations | November 2021



“In the first half of this year we delivered strong operational performance, and now expect to deliver full year underlying EPS significantly above the top end of our 5-7% growth range. Our new organizational structure, alongside a new >£400m p.a. cost efficiency program by the end of 3 years, will ensure we are in a strong position to capitalize on the significant growth opportunities ahead. Our focus will be on delivering critical green investment to enable the decarbonization of power, transport and heat, and lead a clean, fair and affordable energy transition across the jurisdictions we serve”

## Group financial summary half year ended 30 September 2021

Unaudited underlying results

Operating profit

**£1,407m** **↑52%**

HY21: **£924m**

Earnings per share

**22.8p** **↑66%**

HY21: **13.7p**

Dividend growth

**17.21p**

HY21: **17.0p**

Capital investment

**£2,840m** **↑22%**

HY21: **£2,320m**

(£m at constant exchange rates)

Underlying results from continuing operations, excluding exceptional items, remeasurements and timing. Capital investment includes investment in JVs (excluding equity contributions to St William property JV).

## Operational Highlights

### US

highlights

- Rhode Island sale on track
- New rate agreements for KEDNY-KEDLI and Massachusetts Gas. Joint Proposal for Niagara Mohawk submitted.

### UK

highlights

- A higher contribution from UK Electricity Transmission as we move into RIIO-T2
- Completed acquisition of Western Power Distribution
- UK Gas Transmission majority stake sale on track

### NGV

highlights

- IFA2 interconnector successfully commissioned early
- Investment in additional capacity at our LNG terminal on the Isle of Grain, and renewable generation in the US

## 5 year outlook






Capital investment	<b>£30-35bn</b>	
	c.£8bn UK Electricity Transmission	c.£4-5bn Western Power Distribution
	c.£17bn US Regulated Businesses	c.£2-3bn NG Ventures
Group asset growth	<b>6-8% CAGR</b>	
Gearing	Increase, remain comfortably within current band	
EPS	<b>5-7% CAGR</b> , at top end in early years	

## Financial performance segmental summary

<p><b>New York</b></p> <p>Operating profit</p> <p><b>£141m</b> ↓17%</p> <p>HY21: £170m</p> <p>RoE outlook vs FY21 ▲</p>	<p><b>New England</b></p> <p>Operating profit</p> <p><b>£247m</b> ↑37%</p> <p>HY21: £180m</p> <p>RoE outlook vs FY21 ▲</p>
<p><b>UK Electricity Transmission</b></p> <p>Operating profit</p> <p><b>£552m</b> ↑13%</p> <p>HY21: £487m</p> <p>Targeting 100bps operations outperformance on average over RIIO-T2</p>	<p><b>UK Electricity Distribution</b></p> <p>Operating profit</p> <p><b>£257m</b></p>
<p><b>NG Ventures</b></p> <p>Operating profit</p> <p><b>£161m</b></p> <p>HY21: £50m</p>	<p><b>JVs post tax share</b></p> <p><b>£58m</b></p> <p>HY21: £38m</p>
<p><b>UK Gas Transmission</b></p> <p>Operating profit</p> <p><b>£332m</b> ↑77%</p> <p>HY21: £188m</p> <p>Sales process for majority stake launched. Now reported as discontinued operation.</p>	

**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	Communities	People	Economy	Governance
<p>01</p>  <ul style="list-style-type: none"> <li>• Net Zero for scope 1 and 2 by 2050</li> <li>• 37.5% reduction in scope 3 by 2030 vs 2019 baseline</li> </ul>	<p>02</p>  <ul style="list-style-type: none"> <li>• Skills development for 45,000 people by 2030</li> <li>• 500,000 volunteering hours by 2030</li> </ul>	<p>03</p>  <ul style="list-style-type: none"> <li>• Safety and wellbeing is our top priority</li> <li>• Meeting diversity challenge head-on, from new talent to leadership</li> </ul>	<p>04</p>  <ul style="list-style-type: none"> <li>• Commit \$250m in smarter energy technology</li> <li>• Cascade our values through our supply chain</li> </ul>	<p>05</p>  <ul style="list-style-type: none"> <li>• Achieve 50% diversity in our Group Exec</li> <li>• Ensure voices of our people and all stakeholders are heard</li> </ul>

### 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 'Internal control and risk factors' section on pages 236 to 239 of National Grid's most recent Annual Report and Accounts for the year ended 31 March 2021, as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2021, published on 18 November 2021. Copies of the most recent Annual Report and Accounts are available online at [www.nationalgrid.com](http://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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