NG.Debt

Investor Relations | May 2022

**Net debt** at 31 March 2022

£42.8bn

**Baa1/BBB+**

Strong overall investment grade rating for the Group is supported by expected cash flow metrics consistent with rating agency targets.

<table>
<thead>
<tr>
<th>Moody's RCF / Adjusted Debt</th>
<th>8.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFO Interest Cover</td>
<td>4.7x</td>
</tr>
<tr>
<td>Gearing* (RAV / rate base)</td>
<td>81%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Committed Facilities* at 31 March 2022</th>
<th>Average debt maturity</th>
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<tr>
<td>£6.8bn</td>
<td>~11 years</td>
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</table>

**Debt issuance**

External debt is raised by our operating companies, intermediate holding companies and by the Group parent company, National Grid plc. In FY23, National Grid expects to issue c. £5bn of long-term debt to fund capital expenditure and to refinance maturing debt, excluding any debt issued to refinance the bridge facility.

The vast majority of our debt is raised in the capital markets but we also maintain some long-term bank borrowings. We can access multiple debt markets at any one time and as a result, we benefit from flexibility, with access to the best value funding available. Debt is issued in multiple currencies with derivatives used to manage the ultimate liability into sterling or US dollars.

**Interest rates**

We seek to minimise the total interest rate charges to the Group, whilst maintaining a balanced and diversified portfolio of interest rate exposures. We manage our interest rate exposures by utilising fixed, floating and RPI-linked debt, interest rate swaps and forward rate agreements.

**Exchange rates**

US Dollar borrowings and derivatives are employed to maintain net US dollar debt liabilities as a partial currency hedge of our investment in US businesses. As a result, net debt varies with GBP/USD exchange rates.

**Interest rate profile – Net Debt**

(31 March 2022)

- £42.8bn
- Floating rate 25%
- RPI-linked 11%
- Fixed rate 64%

FY21: 70% fixed rate, 23% RPI, 7% floating rate

*Net debt includes borrowings, associated derivatives and cash and current financial investments, but excludes NGG and NECO net debt. FY21 net debt excluded NECO but included NGG.

**Currency profile – Net Debt**

Ultimate liability, not currency of issue (31 March 2022)

- £42.8bn
- $ US Dollar 47%
- £ Sterling 53%

FY21: 59% US Dollar, 41% Sterling
National Grid long term debt maturity profile

Data as at 31 March 2022, GBP-USD closing exchange rate 1.31435, Hybrid bond maturities to first call date.
Excludes WPD acquisition bridge facility, NECO and NGG.

Em equivalent

- National Grid plc / NGGF
- National Grid Electricity Transmission
- National Grid North America Inc
- National Grid USA
- WPD

Credit ratings – companies with bond debt

We have credit ratings from at least two agencies for all of our companies with external debt outstanding. All entities are on a stable outlook unless specified.

National Grid plc Moody’s / S&P / Fitch
Baa2 / BBB+ / BB+

National Grid Electricity Transmission pla1 / BBB+/ A-

National Grid North America Inc
Baa2 / BBB+ / -

National Grid USA
Baa2 / BBB+ / -

New England Power
A3 / BBB+/ -

Operating Company
National Grid Generation LLC
Baa2 / BBB+ / -

The Narragansett Electric Company
Baa1 / BBB+ / A-

The Brooklyn Union Gas Company (KEDI)
Baa2 / BBB+ / A-

KeySpan Gas East Corporation (KEDLI)
Baa1 / BBB+ / A-

Boston Gas Company
Baa1 / BBB+ / -

National Grid Gas plc
Baa1 / BBB+ / A-

National Grid Gas
Baa1 / BBB+ / A-

Western Power Distribution plc
Baa1 / BBB+ / -

WPD East Midlands
Baa1 / BBB+ / -

WPD West Midlands
Baa1 / BBB+ / -

WPD South Wales
Baa1 / BBB+ / -

WPD South West
Baa1 / BBB+ / -

Weighted average long term debt maturity

<table>
<thead>
<tr>
<th>Years</th>
<th>National Grid plc and NGGF</th>
<th>National Grid Electricity Transmission</th>
<th>National Grid North America Inc</th>
<th>National Grid USA</th>
<th>WPD Group</th>
<th>US Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>2021/22 Debt Issuance</td>
<td></td>
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<td></td>
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<tr>
<td>12</td>
<td>2021/22 Debt Issuance</td>
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2021/22 Debt Issuance

We issued £4.2bn of long-term senior debt during 2021/22

- US Operating Companies: £1.2bn
- National Grid North America: £0.9bn
- National Grid Electricity Transmission: £0.7bn
- National Grid plc: £1.4bn

Currency profile of outstanding debt

- US Dollar: 37%
- Euro: 19%
- Sterling: 40%

Note:
Gross borrowings at 31 March 2022 excluding associated derivatives and cash and investments, the WPD acquisition bridge facility and NECO/NGG.

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Important notice

The 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. This document also references climate-related targets and climate-related risks which differ from conventional financial risks in that they are complex, novel and tend to involve projection over long term scenarios which are subject to significant uncertainty and change. Furthermore, this document, which is ‘project’ and similar expressions, as well as statements in the future tense, identify forward-looking statements. This document also references climate-related targets and climate-related risks which differ from conventional financial risks in that they are complex, novel and tend to involve projection over long term scenarios which are subject to significant uncertainty and change. Furthermore, this document, which is