This presentation 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 (the Company) 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. These forward-looking statements are not guarantees of National Grid’s future performance and are subject to assumptions, risks and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements or targets. Many of these assumptions, risks and uncertainties relate to factors that are beyond National Grid’s ability to control, predict or estimate precisely, such as changes in laws or regulations, including presentations from and decisions by governmental bodies or regulators, including those relating to the RIIO-T2 and RIIO-ED2 price controls and proposals for the future of the electricity system operator in the United Kingdom; the timing of construction and delivery by third parties of new generation projects requiring connection; breaches of, or changes in, environmental, climate change and health and safety laws or regulations, including breaches or other incidents arising from the potentially harmful nature of its activities; network failure or interruption (including any that result in safety and/or environmental events), the inability to carry out critical non network operations and damage to infrastructure, due to adverse weather conditions including the impact of major storms as well as the results of climate change, due to counterparties being unable to deliver physical commodities, or due to the failure of or unauthorised access to or deliberate breaches of National Grid’s IT systems and supporting technology; failure to adequately forecast and respond to disruptions in energy supply; performance against regulatory targets and standards and against National Grid’s peers with the aim of delivering stakeholder expectations regarding costs and efficiency savings, as well as against targets and standards designed to deliver net zero; and customers and counterparties (including financial institutions) failing to perform their obligations to the Company. Other factors that could cause actual results to differ materially from those described in this presentation include fluctuations in exchange rates, interest rates and commodity price indices; restrictions and conditions (including filing requirements) in National Grid’s borrowing and debt arrangements, funding costs and access to financing; regulatory requirements for the Company to maintain financial resources in certain parts of its business and restrictions on some subsidiaries’ transactions such as paying dividends, lending or levying charges; the delayed timing of recoveries and payments in National Grid’s regulated businesses, and whether aspects of its activities are contestable; the funding requirements and performance of National Grid’s pension schemes and other post-retirement benefit schemes; the failure to attract, develop and retain employees with the necessary competencies, including leadership and business capabilities, and any significant disputes arising with National Grid’s employees or the breach of laws or regulations by its employees; the failure to respond to market developments, including competition for onshore transmission; the threats and opportunities presented by emerging technology; the failure by the Company to respond to, or meet its own commitments as a leader in relation to, climate change development activities relating to energy transition, including the integration of distributed energy resources; and the need to grow the Company’s business to deliver its strategy, as well as incorrect or unforeseen assumptions or conclusions (including unanticipated costs and liabilities) relating to business development activity, including the integration of its UK Electricity Distribution business, the sale of its UK Gas Transmission business, and the separation and transfer of the ESO to the public sector. For further details regarding these and other assumptions, risks and uncertainties that may impact National Grid, please read the Strategic Report section and the ‘Risk factors’ on pages 225 to 228 of National Grid’s most recent Annual Report and Accounts, as updated by the principal risks and uncertainties statement on page 60 of this presentation. In addition, new factors emerge from time to time and National Grid cannot assess the potential impact of any such factor on its activities or the extent to which any factor, or combination of factors, may cause actual future results to differ materially from those contained in any forward-looking statement. Except as may be required by law or regulation, the Company undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this presentation.
Highlights
Delivering net zero

UK

• Accelerated Strategic Transmission Investment (ASTI)
  – 17 major projects in our Electricity Transmission licence

• Government endorsement of key policies we’re advocating for
  – Strategic Spatial Energy Plan - what needs to be built, where, and when
  – Fast-track planning processes for nationally significant projects
  – “Connect or move” connections reform
Delivering net zero

US

- Electric Sector Modernization Plan submitted in Massachusetts
- Propel NY Energy transmission project approved
- Federal funding for Twin States Clean Energy Link
- New York Community Offshore Wind JV bid success
### Updated 5-year financial framework

#### FY2022 - 2026

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital investment</td>
<td>c.£42bn – c.£32bn green¹</td>
</tr>
<tr>
<td></td>
<td>- c.£11bn UK Electricity Transmission</td>
</tr>
<tr>
<td></td>
<td>- c.£6bn UK Electricity Distribution</td>
</tr>
<tr>
<td></td>
<td>- c.£3-4bn NG Ventures</td>
</tr>
<tr>
<td></td>
<td>- c.£12bn New York Regulated</td>
</tr>
<tr>
<td></td>
<td>- c.£9bn New England Regulated</td>
</tr>
<tr>
<td>Group asset growth</td>
<td>8-10% CAGR²</td>
</tr>
<tr>
<td>Credit metrics</td>
<td>Credit metrics maintained within current rating thresholds</td>
</tr>
<tr>
<td></td>
<td>Net debt to RAV in the low 70% range</td>
</tr>
<tr>
<td>Underlying EPS</td>
<td>6-8% CAGR²</td>
</tr>
<tr>
<td>Dividend</td>
<td>Aim to grow dividend per share in line with CPIH</td>
</tr>
</tbody>
</table>

1. Aligned to EU Taxonomy, directly invested into the decarbonisation of energy networks.
2. Compound annual growth rate FY2022-26 from a FY21 baseline. Forward years based on assumed USD FX rate of 1.2, long run CPIH and RPI inflation assumptions, and scrip uptake of 25%. Reflects sale of Rhode Island (NECO) business and sale of 60% stake in UK Gas Transmission & Metering (UK GT&M). Assumes remaining 40% equity interest of UK GT&M treated as held for sale.

- Modestly enhanced asset growth and underlying EPS, within the existing ranges
## Financial performance highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>HY23</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying operating profit</td>
<td>£1,796m</td>
<td>↓14%</td>
</tr>
<tr>
<td>Underlying EPS</td>
<td>23.8p</td>
<td>↓27%</td>
</tr>
<tr>
<td>Regulated capital investment</td>
<td>£3,529m</td>
<td>↑10%</td>
</tr>
<tr>
<td>Capital investment</td>
<td>£3,868m</td>
<td>↑2%</td>
</tr>
<tr>
<td>DPS in line with policy</td>
<td>19.40p</td>
<td>↑8.7%</td>
</tr>
</tbody>
</table>

**Solid underlying performance across the business**

Prior year helped by a number of one-offs as we completed transactions.

Underlying results from continuing operations excluding exceptional items, remeasurements, timing and the contribution from UK Gas Transmission and Metering, which is classified as a discontinued operation for accounting purposes.

Capital investment includes investment in JVs and NG Partners investments.

Operating profit and capital investment calculated at constant currency.

1. Represents 35% of the total dividend per share of 55.44p in respect of the last financial year to 31 March 2023, in line with the Group’s dividend policy.
Reliability and safety

**Reliability**

- Strong performance across UK and US networks

**Winter Outlook**

- ESO forecasts electricity capacity margin of 7.4%, slightly higher than last year
- Toolkit for periods of tightness
  - System notices
  - Demand Flexibility Service

**Safety**

- Lost Time Injury Frequency rate 0.09 vs 0.11 in FY23
Progress on operational priorities

Good start to RIIO-ED2

- £608m capital investment, up 4%
- Higher spend on **new customer connections**, including Hinkley Point nuclear station
- >40,000 domestic connections of low carbon technologies
- Connections reform with plans to release **10GW** grid capacity
  - Accelerating renewable generation connections

RIIO-ED2 Price Control

30%\(^1\) step up in annual investment from ED1

Targeting **100-125bps** of outperformance\(^2\)

£100m Group synergies\(^3\) over 3 years

---

1. 30% nominal increase vs ED1 annual spend.
2. Targeted Return on Equity operational outperformance through totex efficiency, synergy benefits and incentive performance.
3. 1/3 from UK Electricity Distribution, 2/3 from across the Group.
Progress on operational priorities

Record capital investment
- £800m capital investment, up 27%
- 3GW of new customer connections including
  - Dogger Bank – world’s largest offshore wind farm
  - Lark Green – first transmission connected solar farm

Project milestones
- Tunnel boring completed at London Power Tunnels
- All 116 T-Pylons installed at Hinkley-Seabank Connection Project
Progress on operational priorities

- Standing up Strategic Infrastructure – 320 colleagues
- 17 major ASTI projects within our Ofgem licence
  - 12 onshore
  - 5 offshore
- Eastern Green Link 1 & 2 progress
  - Preferred suppliers for HVDC cable & converter stations
  - English planning consents received
- Enterprise Partnership model tender launched
- Yorkshire Green and Bramford to Twinstead consenting progress
- ASTI investment of c.£3bn included in 5-year outlook
Progress on operational priorities

Underlying operational delivery

- £1.3bn capital investment, up 5% on the prior year
  - Smart Path Connect FERC transmission project
  - 148 miles of gas pipeline replaced
- Progressing CLCPA Phase 1 & 2 transmission projects
  - c.$2.9bn investment enabling renewable generation capacity

Regulatory progress

- KEDNY-KEDLI rate filing progressing well
  - Anticipate Joint Proposal early next year
  - New rates from April 2024

1. At constant currency.
Progress on operational priorities

Regulatory progress

- Electric Sector Modernization Plan
  - $2bn proposal for investment over 5 years

- Annual Performance Based Rate adjustments approved

Underlying operational delivery

- £789m capital investment, up 9%\(^1\)
  - Higher customer connections
  - Grid Modernization

- FERC 1000 Tewksbury Substation upgrades completed

1. At constant currency and excluding the Rhode Island (NECO) business.
Progress on operational priorities

**Underlying operational delivery**
- £326m capital investment
  - Isle of Grain LNG Phase 4 progress
  - Viking Link interconnector cable laying complete
- £205m lower versus the prior period\(^1\)
  - Sellindge converter station rebuild complete

**Interconnectors**
- Viking Link to Denmark expected to be online by end of December

**National Grid Renewables**
- Start-up of 274MW Yellowbud solar project

---

1. At constant currency.
## Interest, tax and earnings

<table>
<thead>
<tr>
<th>Finance costs(^1)</th>
<th>Underlying effective tax rate(^2)</th>
<th>Underlying earnings(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£711m</strong></td>
<td>24.7%</td>
<td><strong>£875m</strong></td>
</tr>
<tr>
<td>£10m lower than HY23</td>
<td>Underlying tax charge: £268m</td>
<td>HY23: £1,182m</td>
</tr>
</tbody>
</table>

- Lower inflation on index-linked debt and lower bridge financing
- Partly offset by impact of higher interest rates
- 500bps higher than prior year
- FY24 expected underlying effective tax rate\(^2\) of 26%
- Underlying EPS of 23.8p

1. Net finance costs at constant currency excluding discontinued operations.
2. Underlying effective tax rate excluding joint ventures and associates.
3. Underlying results attributable to equity shareholders at actual currency.

Underlying results, excluding timing, exceptional items and remeasurements.
Cash flow and net debt

Cash generated from operations¹
£3.1bn
HY23: £2.4bn

Net cash outflow²
£2.6bn
HY23: £3.1bn

Net debt³
£43.9bn
FY23: £41.0bn

Net debt (£bn)

Net debt (FY23 at constant currency)

Closing net debt (HY24)

1. From continuing operations.
2. Net cashflow from continuing operations, excluding NECO proceeds and other investing and financing transactions.
3. Net debt excludes debt classified as ‘Held for Sale’.
Debt structure

Net debt profile at 30 September 2023 (£bn)

- Net Debt £43.9bn
- Floating Rate 10%
- Fixed Rate 79%
- Index linked 11%

Currency profile
- 47% £ Sterling
- 53% US dollar

Note: Net debt includes 100% of hybrid debt, borrowings, associated derivatives and cash and current financial investments. Interest rate profile and currency profile are post derivatives. Currency profile reflects ultimate liability, not currency of issue. Excludes net debt classified as ‘Held for Sale’.

- Around 70% of our debt sits in the regulated operating companies
  - High degree of regulatory protection
  - Debt book average maturity of around 11 years
- Strong access to debt capital markets
  - c.£3bn bond issuances to date in FY24
Financing National Grid’s Operations

Debt issuance

- External debt is raised by our operating companies, intermediate holding companies and by the group parent company, National Grid plc.

- With the vast majority of our debt being raised in the capital markets, NG, NGNA, NGET and NGED have access to various funding programmes.

- Derivatives are used to manage any mismatch between currency of issuance and funding requirement.

- As at half year end, the Group had access to £8.0bn of revolving credit facilities (RCFs). We also maintain some long-term bank borrowings.

- The UK Electricity System Operator also maintains a £550m RCF.

<table>
<thead>
<tr>
<th>Issuance programmes</th>
<th>National Grid plc (NG)</th>
<th>National Grid North America (NGNA)</th>
<th>National Grid Electricity Transmission (NGET)</th>
<th>National Grid Electricity Distribution (NGED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMTN</td>
<td>EUR 20bn(^1)</td>
<td>EUR 8bn</td>
<td>EUR 20bn(^1)</td>
<td>GBP 6bn</td>
</tr>
<tr>
<td>SEC Shelf</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECP</td>
<td>USD 4bn</td>
<td>EUR 4bn</td>
<td>USD 2.5bn</td>
<td></td>
</tr>
<tr>
<td>US CP</td>
<td>USD 4bn</td>
<td>USD 4bn</td>
<td>USD 2.5bn</td>
<td></td>
</tr>
</tbody>
</table>

Currency profile of issuance\(^2\)
(as at 30 September 2023)

- Sterling 34%
- US Dollar 38%
- Euro 24%
- Other 4%

1: This is a joint EMTN programme for NG and NGET
2: Gross borrowings excluding associated derivatives and cash and investments
Priorities & Outlook
UK priorities
Policy focus

**Energy Act 2023**
- Independent System Operator & Planner
- Introduce onshore competition
- Net zero duty for Ofgem

**Key policy reforms**
- National Policy Statements
- Community benefits
- Nationally Significant Infrastructure Projects process
- Electricity Networks Commissioner report
- Strategic Spatial Energy Plan

**Connections process reform**
- Move from “first come, first served” to “connect or move”
- UK Electricity Transmission to deliver 40GW of capacity for ready to connect projects
- Grid Guide to Connections investor event in early 2024
UK priorities
Operational focus

**UK Electricity Transmission**
- Ofgem engagement ahead of Sector Specific Methodology consultation for RIIO-T3
- Select enterprise partners for ASTI projects to ensure supply chain is in place

**UK Electricity Distribution**
- Deliver strong first year under RIIO-ED2
US priorities
Regulatory & policy focus

Regulatory focus
• Progress NY KEDNY-KEDLI settlement
  – New rates from April 2024
• NY Niagara Mohawk rate case – filing next summer
• Massachusetts Electric Sector Modernization Plan
  – Outlines investments to help meet 2050 Clean Energy and Climate Plan targets
  – Filing expected January 2024
• Massachusetts Electric rate filing to be submitted November 2023

Our Clean Energy Vision
• Progress clean heat standard in NY & Massachusetts
  – Enabling more renewable natural gas blending into distribution networks
US priorities
Operational focus

Progressing our large scale transmission projects
- $550m Smart Path Connect
- $2.9bn CLCPA Phase 1 & 2 funding
- Further develop 1.2GW Twin States Clean Energy Link

Developing Community Offshore Wind JV
- Progress negotiations with NYSERDA on provisional 1.3GW offtake award
- New Jersey offtake solicitation outcomes expected second half FY24
A Responsible Business

The heart of a clean, fair and affordable energy future

Our refreshed Responsible Business Charter

- Group near-term emissions aligned to a 1.5°C pathway, verified by SBTi\(^1\)
  - Reduce scope 1 and 2 emissions by 60% by 2030\(^2\)
  - Reducing scope 3 emissions by 37.5% by 2034\(^2\)

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1. SBTi: Science Based Targets Initiative
2. From a 2018/19 baseline
Green Financing Approach

Green Bonds issued to date:

£2.9bn
across NG plc, NGET and NIMO

- **Green Financing Framework** – updated July 2021. The framework is aligned with the ICMA Green Bond Principles (2021) and Green Loan Principles (2021). Projects are also expected to be aligned as closely as possible with the EU Taxonomy Regulation and the EU Taxonomy Delegated Acts on Climate Change Mitigation and Adaptation.

- **ISS-ESG** provided a second party opinion on our updated framework.

- Our latest **Green Financing Report** (GFR) was published in June 2023.

Source: [https://www.nationalgrid.com/investors/debt-investors-green-financing](https://www.nationalgrid.com/investors/debt-investors/green-financing)

1: Niagara Mohawk Power Corporation (NIMO)
Summary

Exciting new phase of capital delivery
• 6 months of significant progress
• Gaining clarity on opportunities ahead
• Policy reform momentum

Delivering for the energy transition today
Ready to meet the opportunities of tomorrow