

nationalgrid

Full Year Results Debt Investor Update 2024/25

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A year of significant progress

FY2025 - 2029	
Capital investment	c.£60bn – c.£51bn green ¹
Group asset growth	c.10% CAGR ²
Credit metrics	Committed to strong investment grade credit rating Credit metrics above current rating thresholds ³
Underlying EPS	6-8% CAGR (from FY25 baseline of 73.3p) ⁴
Dividend	Aim to grow dividend per share in line with UK CPIH ⁵

1. Aligned to EU Taxonomy, directly invested into the decarbonisation of energy networks

2. Group asset compound annual growth rate from a FY24 baseline. Forward years based on assumed USD FX rate of 1.25; and long run UK CPIH and US CPI. Assumes sale of ESO, Grain LNG, and National Grid Renewables. Remaining 20% stake in UK Gas Transmission was treated as a discontinued operation and therefore did not contribute to group asset growth

3. Until at least the end of the RIIO-T3 period

4. EPS compound annual growth rate from a FY25 baseline. Forward years based on assumed USD FX rate of 1.25; long run UK CPIH, US CPI and interest rate assumptions and scrip uptake of 25%. Assumes sale of Grain LNG, and National Grid Renewables

5. Aim to increase the FY25 DPS by UK CPIH following the rebase of the FY24 DPS of 58.52 pence, after taking account of the new shares issued following the Rights Issue

Record investment of £9.8bn

- Significant progress on ASTI portfolio
- Step up in asset health and network reinforcement in UK Electricity Distribution
- >350 miles of gas mains replacement across Massachusetts and New York
- Smart Path Connect on track to energise by year end

Secured the supply chain and delivery mechanisms for

>2/3^{rds} of our
£60 billion capital plan



A year of significant progress

Enhanced visibility of our investment plan

US

- 4 of 5 rate cases refreshed
 - >70% of our US investment agreed
- Progressing our Electric Sector Modernization Plan filing in Massachusetts

UK

- Clean Power Action Plan
- Connections reform
- Planning reform

Well positioned to deliver our
£60bn capital plan



Financial Highlights

Strong financial performance in 2025

Underlying operating profit

£5,357m ↑ **12%**

FY24: £4,768m

Underlying EPS

73.3p ↑ **2%**

FY24: 72.1p

Capital investment

£9,847m ↑ **20%**

FY24: £8,220m

Return on Equity

9.0% ↓ **150bps**

FY24: 10.5%

Dividend growth in line with policy

46.72p ↑ **3.2%**

FY24: 45.26p

Regulated asset growth

10.5% ↑ **140bps**

FY24: 9.1%

Underlying results from continuing operations excluding exceptional items, remeasurements, deferrable major storm costs (when greater than \$100m), timing, the contribution from the minority interest in National Gas Transmission, which was classified as a discontinued operation for accounting purposes, and the impact of deferred tax in the UK regulated businesses (NGET and NGED)

Comparative underlying EPS restated to reflect the impact of the bonus element of the rights issue, and dividend per share rebased for total number of shares in issue following rights issue

Underlying operating profit, underlying EPS and capital investment calculated at constant currency

Safety and Reliability



Reliability

- Strong network reliability despite severe weather events
 - Storm Darragh in the UK
 - Restored power to 95% of customers within 48 hours
- NESO published interim report on North Hyde

Safety

- Lost Time Injury Frequency rate of 0.10

Operational progress

Underlying operating profit **£1,428m** (FY24: £1,314m)

£3.0bn capital investment, up 57%

- Ramp up of six Wave 1 ASTI projects
- Major substation upgrades
- 4GW of new generation connected to the network

RoE of 8.3%

- 100bps of outperformance

Regulatory progress

- Submitted £35 billion RIIO-T3 business plan
 - Connect 35GW of generation and 18GW of demand
 - Create optionality for a further 26GW
- Ofgem decision on Advanced Procurement Mechanism

Policy

- Planning & Infrastructure bill



Operational progress

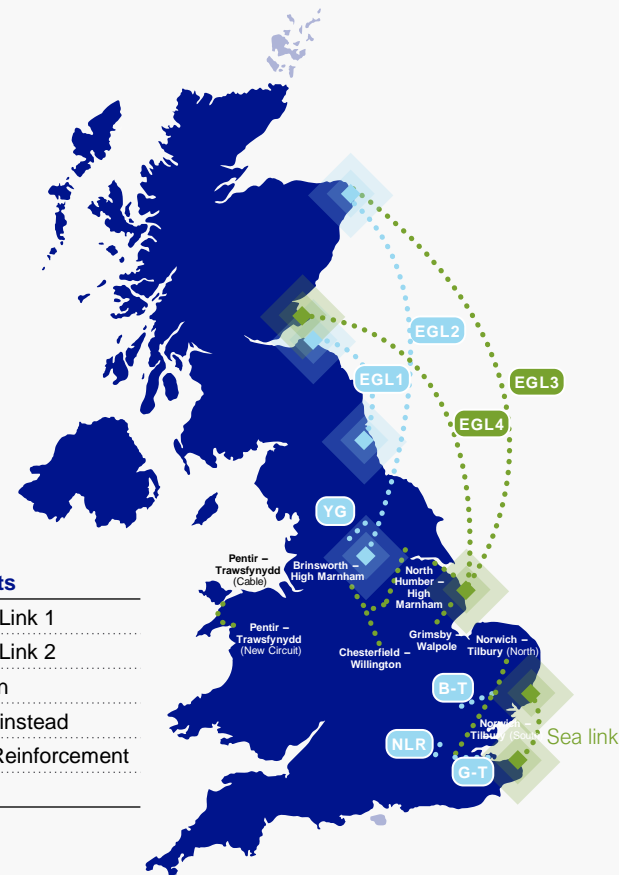
Key Highlights

- Great Grid Partnership established
- HVDC framework agreement in place
- Supply chain secured for all 12 onshore projects
- Six Wave 1 projects under construction
- Workforce now stands at >1,000

- Wave 1 projects
--- Wave 2 projects

Key Wave 1 projects

EGL1	Eastern Green Link 1
EGL2	Eastern Green Link 2
YG	Yorkshire Green
B-T	Bramford to Twinstead
NLR	North London Reinforcement
G-T	Grain to Tilbury



Operational progress

Underlying operating profit **£1,203m** (FY24: £1,152m)

£1.4bn capital investment, up 14%

- Asset health
- Network reinforcement
- c.600MW of renewable generation connections

RoE of 7.9%

- Reflecting synergy savings
- Partially impacted by Storm Darragh and Real Price Effects mechanism
- 20bps of outperformance

Regulatory progress

- Ofgem decision on Connections Reform
- ED3 framework decision published

Policy

- Leading role developing Distribution System Operator



Operational progress

Underlying operating profit **£1,450m** (FY24: £1,013m)

£3.3bn capital investment up 24%

- 218 miles of gas mains replacement
- Ramp up of \$4 billion Upstate Upgrade
 - Reinforcement and upgrade works as part of CLCPA Phase 1
 - Strong progress on Smart Path Connect

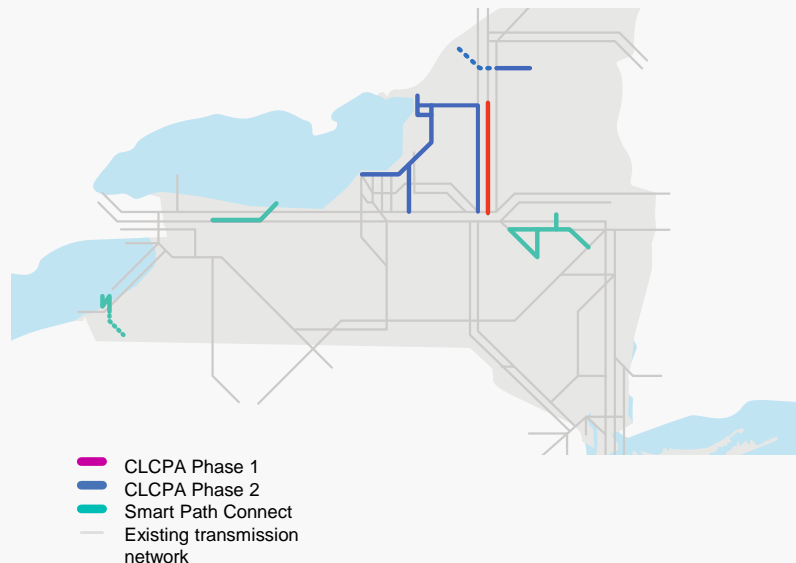
RoE of 8.7%

- 94% of allowed return, 20bps higher

Regulatory progress

- Joint Proposal for our Niagara Mohawk business

\$4bn Upstate Upgrade Electricity Transmission Projects



Underlying results from continuing operations excluding exceptional items, remeasurements, deferrable major storm costs (when greater than \$100m) and timing.
Operating profit and capital investment presented at constant currency.

Operational progress

Underlying operating profit **£924m** (FY24: £800m)

£1.8bn capital investment up 5%

- 134 miles Gas mains replacement
- Increased asset condition and grid modernisation work

RoE of 9.1%

- 92% of allowed return
- Reflects new rate agreement in Massachusetts Electric (MECO)

Regulatory progress

- DPU approved MECO five-year plan with allowed return of 9.35%
- Climate Compliance Plan

Policy progress

- Permitting reform for utility infrastructure



Underlying results from continuing operations excluding exceptional items, remeasurements, deferrable major storm costs (when greater than \$100m) and timing.
Operating profit and capital investment presented at constant currency.

Operational progress

Underlying contribution **£455m** (FY24: £571m)

£378m Capital investment down 43%

- Reflects completion of Viking Link interconnector last year

Performance

- Good interconnector availability
- High availability and utilisation of Long Island generation
- Good progress on Grain LNG fourth tank

Regulatory progress

- Offshore Hybrid Assets regulatory framework
- Continued development of LionLink



Interest, tax and earnings

Finance costs

£1.36bn

£116m lower than FY24

- Lower net debt following the rights issue
- Lower inflation on index linked debt
- Partly offset by higher refinancing costs

Underlying effective tax rate¹

15.4%

Underlying tax charge: **£616m**

- 20bps lower than FY24
- Higher levels of capital expenditure qualifying for full expensing

Underlying earnings²

£3,452m

FY24: **£2,877m**

- 73.3p/share – up 2%

1. Excluding joint ventures and associates.

2. Underlying results attributable to equity shareholders.

Finance costs, underlying earnings, and underlying EPS presented at constant currency.

Underlying results from continuing operations excluding exceptional items, remeasurements, deferrable major storm costs (when greater than \$100m), timing and the impact of deferred tax in the UK regulated businesses

Cash flow and net debt

Cash generated
from operations¹

£7.0bn

FY24: £7.3bn

Net cash inflow²

£1.0bn

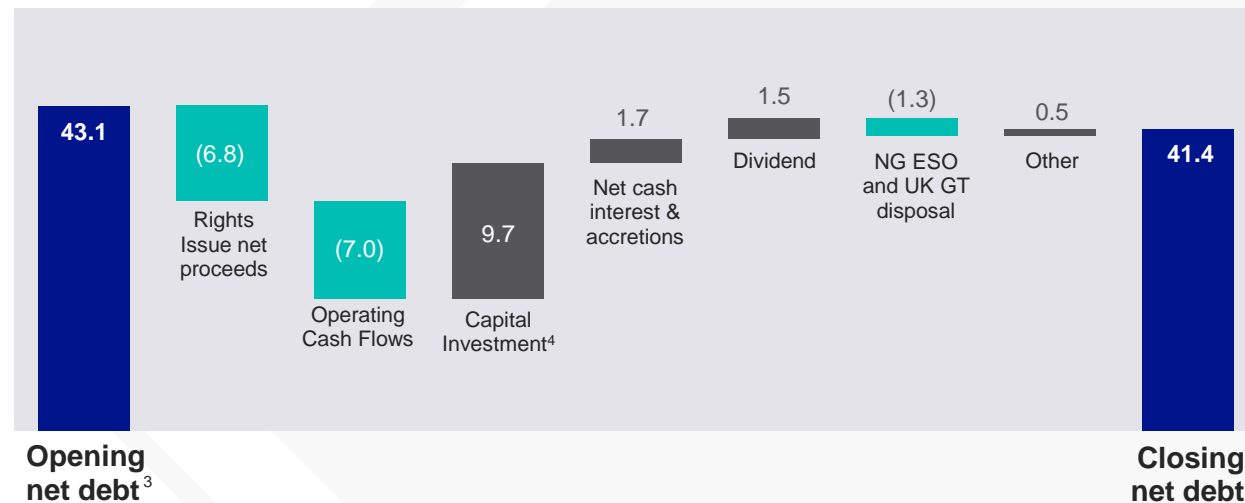
FY24: (£3.7bn)

Net debt³

£41.4bn

FY24: £43.1bn

Net debt (£bn)



1. From continuing operations

2. Net cashflow from continuing operations, excluding ESO and GT disposal proceeds and other investing and financing transactions with nil impact on net debt

3. FY24 net debt presented at constant currency

4. Capital investment includes purchase of intangibles, PP&E and investments in JVs

Financing National Grid's operations

Funding & committed facilities

- External debt is issued by our UK (five) and US (six) operating companies, our US holding company National Grid North America and by the group parent company, National Grid plc
- We have access to various funding programmes, with derivatives used to manage any mismatch between currency of issuance and funding requirement
- As at 31 March 2025 the Group had access to £7.8bn of undrawn revolving credit facilities (RCFs)

Updated Green Financing Framework

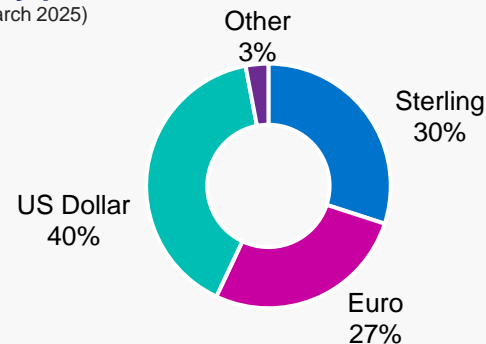
- New **Green Financing Framework** published on 9 May, providing a closer alignment with the technical screening criteria of the EU Taxonomy
 - Framework focuses on capital expenditure across four categories, i) Electricity Networks, ii) Renewable Energy, iii) Energy Efficiency and iv) Clean Transportation
- We expect increased green bond capacity from our UK businesses, and to continue to issue a mix of green and non-green bonds across the group
- Moody's provided a second party opinion, assigning the framework a Sustainability Quality Score of 'Excellent' (SQS1), the best grade possible

Debt issuance programmes

	National Grid plc (NG)	National Grid North America (NGNA)	National Grid Electricity Transmission (NGET)	National Grid Electricity Distribution (NGED)
EMTN	€20bn ¹	€8bn	€20bn ¹	€6bn ²
SEC Shelf	Yes			
ECP	\$4bn	€4bn	\$2.5bn	
USCP	\$4bn	\$4bn	\$2.5bn	

Currency profile of issuance³

(as at 31 March 2025)



1: Joint EMTN programme for NG and NGET

2: Includes the four NGED Operating Company entities

3: Gross borrowings excluding associated derivatives and cash and investments

Debt issuance and hybrid bonds

£3.2bn of long-term debt issuance in FY25

- Lower than average issuance following the rights issue, primarily from our US entities, including:
 - Two EUR bond issues for NGNA, including our largest ever green bond issuance (€1.5bn) in November 2024
 - Two 144A/RegS bond issues for KEDNY (\$600m) and Boston Gas (\$500m)
 - NOK/JPY EMTN private placements (>£100m equivalent) from NGED West Midlands

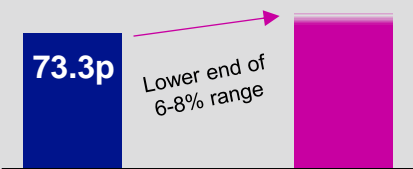
Expectations for long-term funding in FY26

- Long term funding programme of ~£6bn across group entities, the majority raised in the bond market
 - Expect majority of funding at OpCo level, with overall skew towards US entities

Hybrid bonds

- €500m 1.625% hybrid redeemed at first reset date in December 2024; exercised option to redeem £1bn 5.625% hybrid on the first reset date, 18 June 2025
 - Equity content of both hybrids was replaced by a portion of the proceeds from last year's right issue
- Remaining €750m 2.125% hybrid bond callable in 2027
- Expect to increase our hybrid debt stack later in 5-year framework to FY29

Guidance and outlook

FY26 Guidance ¹	
Capital investment	>£11bn
Group asset growth	c.11%
Net Debt & credit metrics	Net debt increase of just over £6bn
Underlying EPS	 <p>73.3p</p> <p>Lower end of 6-8% range</p>
Dividend	Aim to grow dividend per share in line with UK CPIH

1. Presented at USD FX rate of 1.3

FY25-29 financial framework reconfirmed
c.£60bn – c.£51bn green ¹
c.10% CAGR ²
Committed to strong investment grade credit rating Credit metrics above current rating thresholds ³
6-8% CAGR (from FY25 baseline of 73.3p) ⁴
Aim to grow dividend per share in line with UK CPIH ⁵

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US Priorities

US

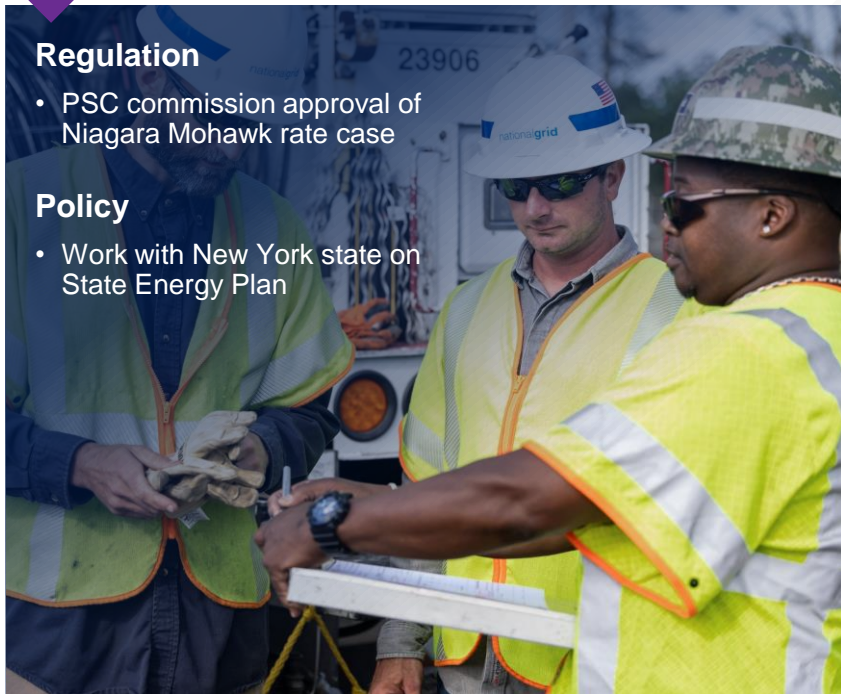
New York

Regulation

- PSC commission approval of Niagara Mohawk rate case

Policy

- Work with New York state on State Energy Plan



US

New England

Regulation

- Agree Electric Sector Modernization Plan recovery mechanisms with DPU
- Submit Massachusetts Gas rate filing

Policy

- Progress Climate Compliance Plan
- Expect Energy Affordability Bill



UK Priorities

UK

Electricity Transmission

Operational

- Commission 2 circuits on London Power Tunnels project
- Agree investable RIIO-T3 price control
- Support re-contracting of connections queue
- Support 'AI Energy Council'

Policy

- Planning legislation progress through parliament
- Input to NESO's strategic spatial energy plan
- Advocating for development of a skills strategy

UK

Strategic Infrastructure

ASTI Programme

- Ramp up construction on Wave 1 projects
- Finalise contracts for remaining offshore projects

Consenting process

- 8 consultations planned this year



UK

Electricity Distribution

Operational

- On track to deliver £100m synergy savings by FY2026
- Engage in Ofgem's RIIO-ED3 Sector Specific Methodology Consultation



NGV Priorities

Portfolio

- Complete sale of National Grid Renewables
- Agree the sale of Grain LNG

Projects

- Progress the development
 - NY Propel JV
 - LionLink in UK



Building our energy future

Largest ever overhaul of our networks

High quality, low risk asset growth

Strong earnings growth

Inflation-protected dividend

Delivering long-term value and
shareholder returns



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Q&A

