

nationalgrid

Half Year Results Debt Investor Update 2025/26

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Building on strong foundations

Clear investment drivers



Compelling investor proposition

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

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. Assumed 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%. Assumed sale of Grain LNG, and National Grid Renewables.

Supply chain progress

Finalising procurement for 17 ASTI¹ projects

- All six Wave 1 projects under construction
- £9bn Great Grid Partnership delivering eight Wave 2 onshore projects
- Progressing contracts for three Wave 2 offshore projects
 - Completed contracting for Sea Link
 - Announced Eastern Green Links 3 & 4 preferred suppliers

Over 75% of our £60bn investment plan underpinned by delivery mechanisms

1. Accelerated Strategic Transmission Investment.



Regulatory and policy developments

US

Regulatory progress

- c.75% of five-year investment plan approved within rate cases

Policy development

- New York “all of the above” energy policy
- NY PSC order supporting our Long-Term Gas Plan
 - Including capacity from Williams’ NESE¹ pipeline

UK

Policy

- Progressing planning reform legislation
- Consultations on
 - Allowing simple Electric Distribution reinforcement work without full planning
 - A fast-track consenting process for Electricity Transmission

1. Williams’ Northeast Supply Enhancement pipeline.

Supporting load growth in the UK

Enabling AI infrastructure

- Working with UK Government and industry, including US Big Tech
- Supporting creation of UK's first AI growth zone

Demand growth in our RIIO-T3 plan

- Readiness to connect up to 19GW of additional demand
 - Around half of which is data centres



Strong financial performance

Underlying operating profit

£2,292m ↑ 13%

HY25: £2,026m

Underlying EPS

29.8p ↑ 6%

HY25: 28.0p

Capital investment

£5,052m ↑ 12%

HY25: £4,494m

Dividend in line with policy

16.35p ↑ 3.2%

HY25: 15.84p

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

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

Reliability and safety



Reliability

- Strong reliability across our UK and US networks

Resilience

- Winter readiness plans in place
- NESO report on North Hyde substation fire

Safety

- Lost Time Injury Frequency rate of 0.09

Operational progress

Underlying operating profit **£551m** (HY25: £573m)

Capital investment of £756m, up 17%

- Increased asset replacement and load related reinforcement activity
- Exceeded our **£100m** 3-year synergies target

Regulatory

- Ofgem's Sector Specific Methodology Consultation for RIIO-ED3

Policy

- Connections reform
- Expanding DSO¹ capabilities



1. Distribution System Operator.

Operational progress

Underlying operating profit **£846m** (HY25: £724m)

Capital investment of £1.7bn, up 31%

- New substations to support load growth
- Energised 2.5km circuit of London Power Tunnels

Innovation

- Uxbridge Moor substation
 - 70% smaller footprint and SF6 free
 - 1.8GW of new capacity

Supply chain

- £8bn Electricity Transmission Partnership for substations with 7 regional partners

Policy

- Supporting connections reform

Regulatory – RIIO-T3

- Draft Determination in July
- Final Determination in December
- Decision expected in late February or early March



Operational progress

Wave 1

- EGL1 & EGL2 cable manufacturing and site works underway
- Yorkshire Green transformers delivered
- North London Reinforcement - 3 circuits reconducted
- Engaging Ofgem on EGL1 delay event

Wave 2

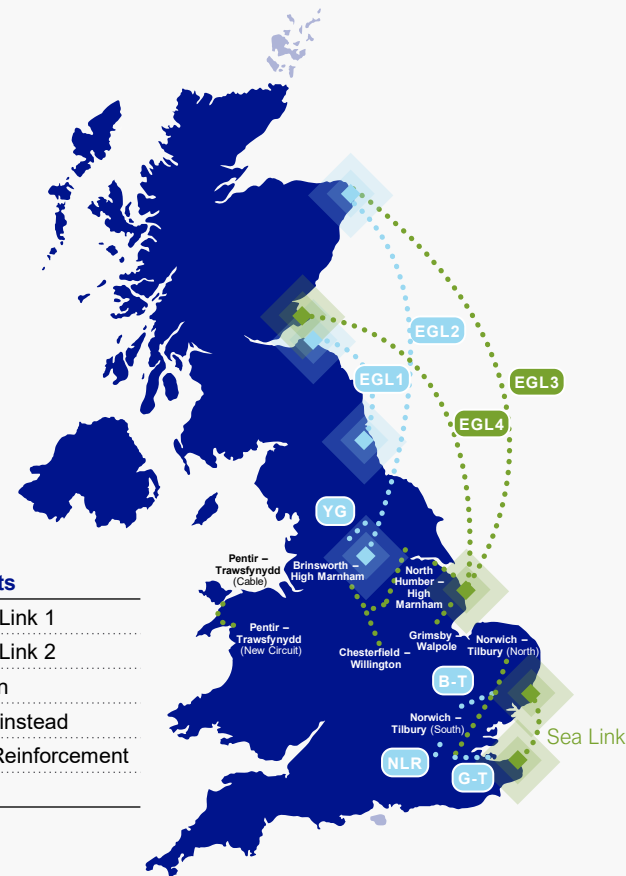
- Completed 4 public consultations, including
 - DCO¹ applications for Sea Link and Norwich to Tilbury

1. Development Consent Order.

- 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 **£443m** (HY25: £276m¹)

£1.6bn capital investment, up 5%¹

- Increase in mains replacement expenditure

\$4bn Upstate Upgrade

- Smart Path Connect on track
- CLCPA² Phase 1 & 2 expecting first permit approvals

Regulatory

- Order from PSC on NESE³ pipeline
- Niagara Mohawk rate case approved

Policy

- New York State Energy Plan



1. At constant currency.

2. Climate Leadership & Community Protection Act.

3. Williams' Northeast Supply Enhancement pipeline.

Operational progress

Underlying operating profit **£292m** (HY25: £227m¹)

£1.0bn capital investment, up 23%¹

- Asset condition and system capacity investment
- 220,000 smart meter installations
- Fault Location, Isolation, and Service Restoration roll out
- Strategic procurement framework
 - >\$3bn of contracts over 5 years

Regulatory

- Agreed c.\$600m of ESMP² allowances

Policy

- Energy Affordability Bill



1. At constant currency.

2. Electric Sector Modernization Plan.

Operational progress

Underlying contribution **£227m** (HY25: £208m¹)

Underlying operational delivery

- £69m capital investment
 - Interconnector and US Generation asset health

Performance

- Interconnectors: 90% availability
- Generation fleet: 96% reliability
- Progress on Propel NY Energy

Streamlined Portfolio

- Completed National Grid Renewables sale
- Grain LNG completion expected in the coming weeks



1. At constant currency.

Interest, tax and earnings

Finance costs

£678m

HY25: **£652m**

- Higher average net debt
- Higher inflation on index linked debt

Underlying effective tax rate¹

11.3%

Underlying tax charge: **£182m**

- 60bps lower than prior year
- Higher capital allowances and a change in the profit mix

Underlying earnings²

£1,470m

HY25: **£1,269m**

- Underlying earnings up 16%
- EPS 29.8p per share

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, after deductibles and allowances), timing and the impact of deferred tax in the UK regulated businesses (UK Electricity Transmission and UK Electricity Distribution).

Cash flow and net debt

Cash generated
from operations

£3.6bn

HY25: £2.7bn

Net cash outflow¹

£2.8bn

HY25: £3.5bn inflow

Net debt

£41.8bn

FY25: £41.4bn
(actual currency)

Net debt at constant currency (£bn)



1. Net cashflow from continuing operations, excluding other investing and financing transactions with nil impact on net debt.

Financing National Grid's operations

Funding & committed facilities

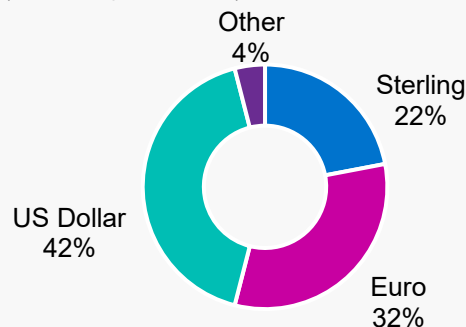
- External debt is issued by our UK (five) and US (six) operating companies, our US holding company National Grid North America and by the group parent company, National Grid plc
- We have access to various funding programmes, with derivatives used to manage any mismatch between currency of issuance and funding requirement
- As at 30 September 2025 the Group had access to £8.7bn of undrawn committed facilities available for liquidity purposes
- There were no changes to NG group credit ratings in 2025, other than Brooklyn Union Gas ("KEDNY"), where Moody's revised their outlook on the Baa2 rating to positive from stable in March 2025

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 outstanding issuance³

(as at 30 September 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.

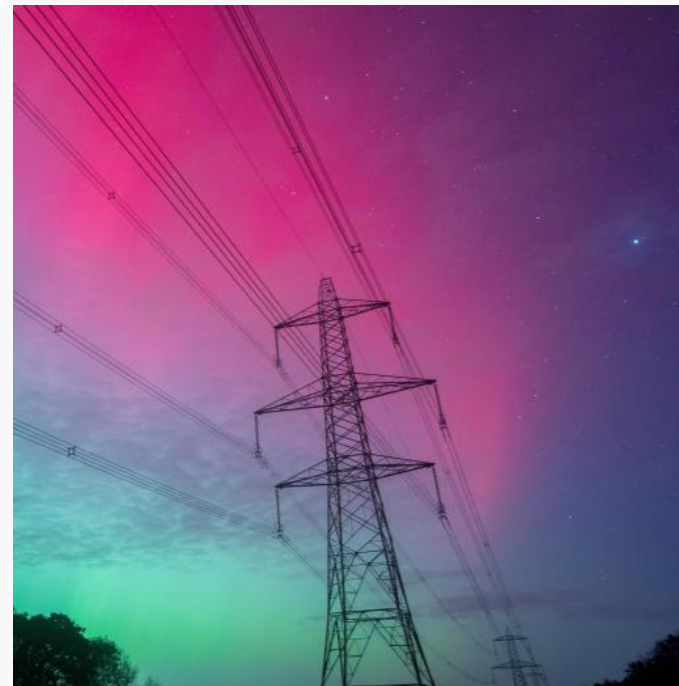
Funding activity

Long-term funding activity so far in FY26

- £2.2bn of new bond issuance to fund our US entities
 - €1.2bn issued from **NGNA** in May, including a €500m 5-year and a €700m 10-year green bond under our Green Financing Framework updated in May 2025
 - \$1.6bn across two 144A/RegS bond issues for our US OpCos:
 - **Niagara Mohawk** \$500m 5-year and \$750m 30-year in June
 - **New England Power** \$350m 30-year in September
- Signed two new ECA (Export Credit Agency) guaranteed loan facilities, under our updated Green Financing Framework, totalling ~£1.7bn and undrawn as at 30 September

Funding expectations for the rest of FY26

- Additional debt issuance of around £2bn
 - Majority via US Dollar transactions from our US OpCos
 - Remainder of funding at UK OpCos, across bonds and loans



Guidance and outlook

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FY26 EPS upgrade

Relative to our guidance in May, expect modestly higher EPS reflecting

- Improved operating performance in the regulated businesses

- Lower financing costs

More than offsetting

- Weaker US dollar
- Higher share count from scrip uptake

Priorities

US

New York

- Work with New York on State Energy Plan
- Support Williams on NESE pipeline approvals
- Prepare downstate New York Gas filing

New England

- File Massachusetts Gas rate case
- Work with Massachusetts on Affordability Bill
- Produce our Climate Compliance Plan

UK

Electricity Transmission

- Engage with Ofgem on RIIO-T3
- Work with AI Energy Council
- Continue ASTI Wave 1 construction
- Engage with stakeholders and communities on DCOs

Electricity Distribution

- Respond to the RIIO-ED3 Sector Specific Methodology Consultation

NGV

National Grid Ventures

- Develop new competitive transmission opportunities in the US
- Complete the sale of Grain LNG

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Q&A

