

# National Grid's Investment Proposition

"Our financial performance reflects another period of strong operational delivery in line with our five-year financial frame. We continue to deliver for our customers, investing a record £5 billion this half, and we are on track to invest over £11 billion this year. This investment in our networks is critical to ensure continued resilience, enable economic growth, deliver cleaner energy, and meet growing power demand. It's been a privilege to lead National Grid through a significant decade of growth and I'm confident that under Zoë Yujnovich's leadership, National Grid will continue to deliver for our customers and stakeholders."

CEO, John Pettigrew

## HY26 Investor Relations

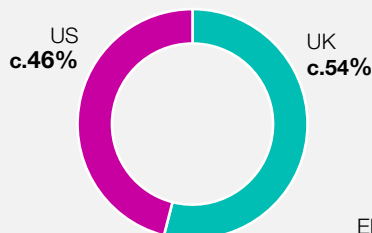
### Compelling investor proposition

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

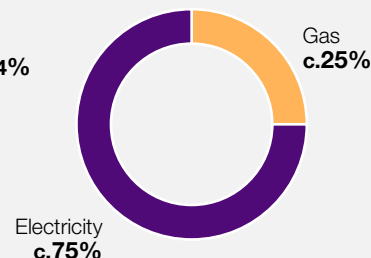
### Geographic and regulatory diversity

#### FY25 Asset base

#### Geographical split



#### Energy split



### HY26 Highlights

#### Group financial summary half year ended 30 September 2025

Underlying results

Operating profit

**£2,292m** ↑13%

HY25: £2,026m

Underlying EPS

**29.8p** ↑6%

HY25: 28.0p

DPS in line with policy

**16.35p** ↑3.2%

HY25: 15.84p

Capital investment

**£5,052m** ↑12%

HY25: £4,494m

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 presented at constant currency.

**Positive first half** as we've continued to build on our strong foundations to deliver excellent operational and financial performance

**Record £5.1bn capital investment**, on track to deliver over £11bn by full year

**Supply chain progress** with over 75% of our £60 billion investment plan, now underpinned by delivery mechanisms

**Finalising procurement for 17 ASTI<sup>5</sup> projects** with all six Wave 1 projects under construction

**£9bn Great Grid Partnership** delivering eight Wave 2 ASTI onshore projects

**Regulatory Progress** with c. 75% of US investment in our five-year frame approved within rate cases

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 RII0-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

5. Accelerated Strategic Transmission Investment.

# Operational highlights

## US highlights

- \$4bn Upstate Upgrade
  - Smart Path Connect on track
  - CLCPA<sup>1</sup> Phase 1 & 2 expecting first permit approvals
- Order from the New York PSC on NESE<sup>2</sup> pipeline
- Niagara Mohawk rate case approved in New York
- 220,000 smart meter installations in Massachusetts
- Strategic procurement framework
  - >\$3bn of contracts over 5 years in New England
- Agreed c.\$600m of ESMP<sup>3</sup> allowances in Massachusetts

## UK highlights

- Exceeded our £100m 3-year synergies target
- Energised 2.5km circuit of London Power Tunnels
- £8bn Electricity Transmission Partnership for substations with 7 regional partners
- ASTI progress

### Regulation & Policy

- RIIO-T3 Draft Determination & response
- RIIO-ED3 publication of SSMC<sup>4</sup>
- Connections reform

## Group highlights

**Record investment of £5.1bn**

**Strong operational delivery**

Finalising procurement for **17 ASTI projects**

**c. 75%** of US investment in our five-year frame approved within rate cases

## NGV & Joint Ventures highlights

- 90% Interconnector availability
- 96% Generation fleet reliability
- Streamlined portfolio

## 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 0.09



1. Climate Leadership & Community Protection Act.  
 2. Williams' NorthEast Supply Enhancement pipeline  
 3. Electric Sector Modernization Plan.  
 4. Sector Specific Methodology Consultation.

# Financial performance segmental summary

## New York

Operating profit

**£443m** ↑ 61%

HY25: £276m

Higher net revenues reflecting the growth of the business

Recovery of unremunerated costs

Partially offset by

Higher depreciation, higher property taxes and costs

## New England

Operating profit

**£292m** ↑ 29%

HY25: £227m

Higher revenues reflecting growing asset base

Improved incentive performance

Partially offset by

Higher depreciation and investment related costs

## UK Electricity Transmission

Operating profit

**£846m** ↑ 17%

HY25: £724m

Higher allowed revenues

Partially offset by

Higher depreciation

## UK Electricity Distribution

Operating profit

**£551m** ↓ 4%

HY25: £573m

Lower revenues reflecting headwinds from Ofgem's RPE<sup>1</sup> mechanism

and Higher depreciation

## JVs post tax share

Operating profit

**£40m** ↓ 32%

HY25: £59m

## NGV & Other activities

Operating profit

**£187m** ↑ 26%

HY25: £149m

Benefit of depreciation having ceased in Grain LNG following classification as held for sale

Underlying operating profit, excluding timing and exceptional items.

1. Real Price Effects.

# Priorities and outlook

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<sup>1</sup>

## Electricity Distribution

- Respond to the RIIO-ED3 Sector Specific Methodology Consultation



1. Development Consent Order.

US

## New York

- Work with New York on its 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 State on Affordability Bill
- Produce our Climate Compliance Plan



NGV

## National Grid Ventures

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



# Guidance

## FY26 Guidance<sup>1</sup>

<b>Capital investment</b>	>£11bn
<b>Group asset growth</b>	c.11%
<b>Net Debt &amp; credit metrics</b>	Net debt increase of <b>c.£1.5bn</b> from 31 March 2025
<b>Underlying EPS</b>	<p>73.3p      Within 6-8% growth range</p>
<b>Dividend</b>	Aim to <b>grow dividend per share</b> in line with UK CPIH

## 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

1. Presented at USD FX rate of 1.35.



# Supply chain progress

## Finalising procurement for 17 ASTI 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 supply chain delivery mechanisms**



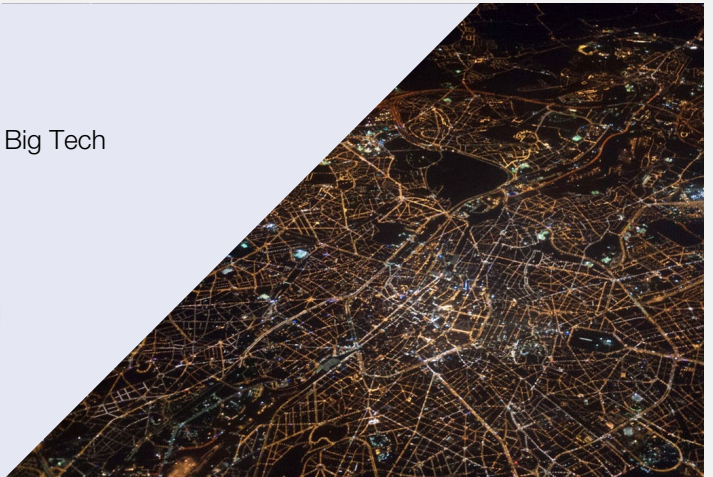
# Supporting load growth in the UK

## 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



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