

nationalgrid

# Upgraded 5-year Financial Framework and Acceptance of RIIO-T3



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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 breaches 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 sale of certain of its businesses, its strategic infrastructure projects and joint ventures. 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# Introduction



**Zoë Yujnovich**

Chief Executive



**Andy Agg**

Chief Financial Officer



**ALIFT Zoë Yujnovich**

**Chief Executive**

# Agenda



## 01/ 5-year Framework for FY27-31

- Stronger alignment between  
EPS + asset growth

## 02/ RIIO-T3 Price Control agreed

# 5-year Financial Framework to FY31

- Capital investment of at least **£70bn**
  - c. **85%** Green investment<sup>1</sup>
  - c. **70%** increase vs prior 5-years

c.10%

asset  
growth  
CAGR<sup>2</sup>

8-10%

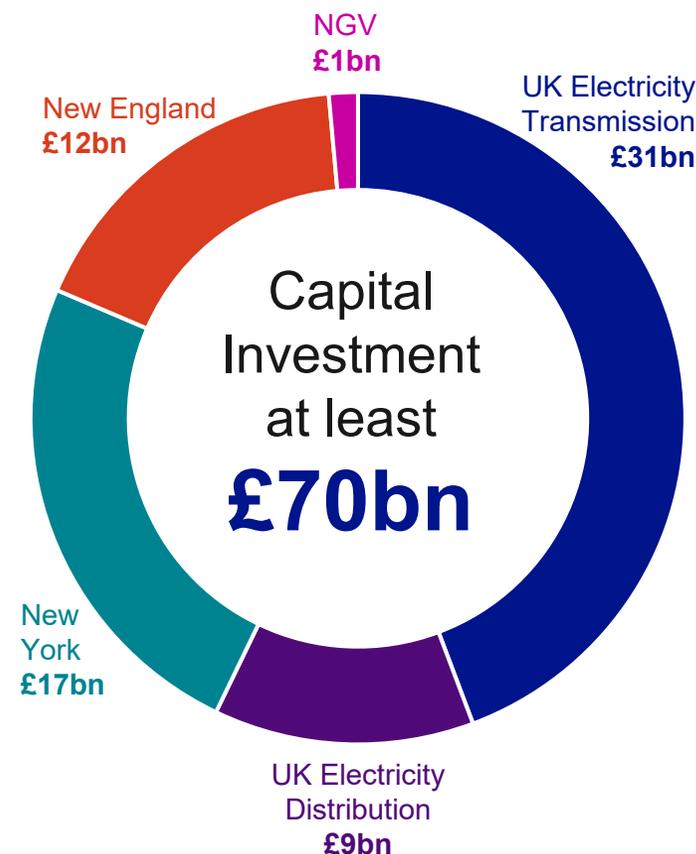
upgraded  
underlying  
EPS CAGR<sup>3</sup>

Dividend  
policy

aim to **grow**  
DPS in line  
with UK CPIH

Strong  
balance  
sheet

credit metrics  
above current  
rating thresholds



## Multiple investment drivers support strong growth



# RIIO-T3 Acceptance



## Investment at pace and scale

Responding to rising electricity demand and connecting significantly more new generation

Our plans nearly double the amount of power flowing across the country



**Andy Agg**

**Chief Financial Officer**

# RIIO-T3 Performance

## Incentive framework

- De-risked **Totex Incentive Mechanism** delivery
- Introduced powerful **Output Delivery Incentives (ODI)**

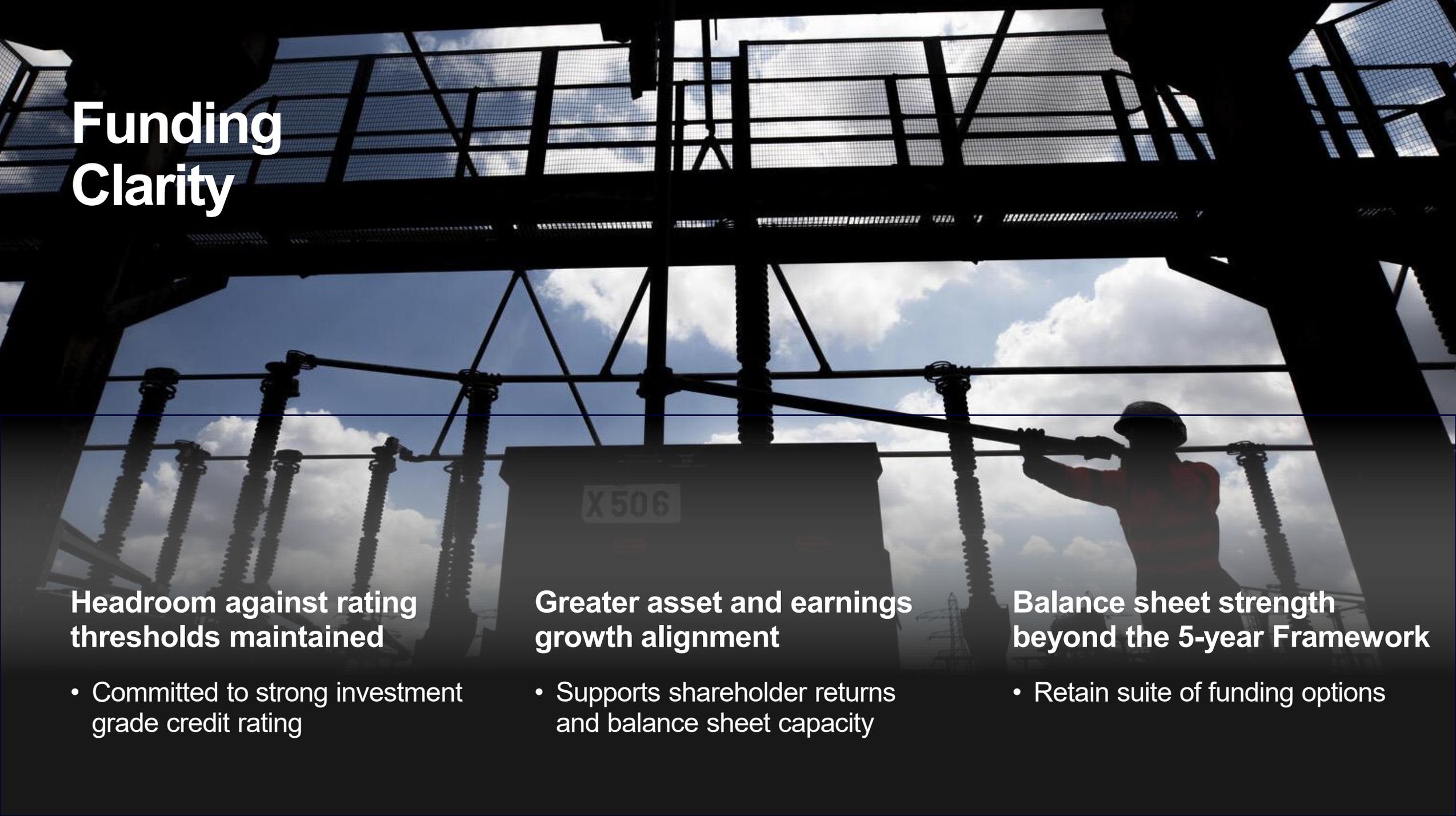
## ODI performance recognised as delivered across RIIO-T3

- **Innovation incentive** in years 2 & 4
- **On-time delivery incentive** ramps up across RIIO-T3 and beyond



Enables  
delivery of  
an overall  
**Return on  
Equity**

**>9%**



# Funding Clarity

## Headroom against rating thresholds maintained

- Committed to strong investment grade credit rating

## Greater asset and earnings growth alignment

- Supports shareholder returns and balance sheet capacity

## Balance sheet strength beyond the 5-year Framework

- Retain suite of funding options

# Value Creation

A compelling investor proposition, delivering value creation through high asset and earnings growth, and an attractive inflation-protected dividend

## Investment of at least £70bn FY27-31

- Group asset growth CAGR **c.10%**<sup>1</sup>
- Underlying EPS CAGR of **8-10%**<sup>2</sup>
  - Expect FY27 underlying EPS growth of **13-15%**
- FY31 Group assets of **c.£115bn**

## Strong Visibility

- **Policy** and **regulatory** support
- **Clarity** over our multi-year investment programme
- **Track record of delivery**, both operationally and financially
- **Strong balance sheet**

## Compelling Investor Proposition

- **Double-digit** total shareholder return proposition delivered through
  - **Strong asset growth**
  - **Higher EPS growth**
  - **Attractive dividend**

1: Group asset compound annual growth rate (CAGR) from a FY26 base line. Forward years based on assumed USD FX rate of 1.35; and long run UK CPIH and US CPI.

2: EPS compound annual growth rate (CAGR) from a FY26 baseline. Forward years based on assumed USD FX rate of 1.35; long run UK CPIH and US CPI and interest rate assumptions and scrip uptake of 25%.

# Q&A



## By phone

Call the conference line:

UK-Wide: +44 (0) 33 0551 0200

UK Toll Free: 0808 109 0700

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Quote “**National Grid Webcast**” when prompted by the operator



## By text

Use the “Ask a question” tab below



In the event we do not have time for all questions we will respond **by email** as soon as possible

