CREDIT OPINION
6 March 2026

Update

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RATINGS

National Grid plc

Domicile	London, United Kingdom
Long Term Rating	Baa2
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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National Grid plc

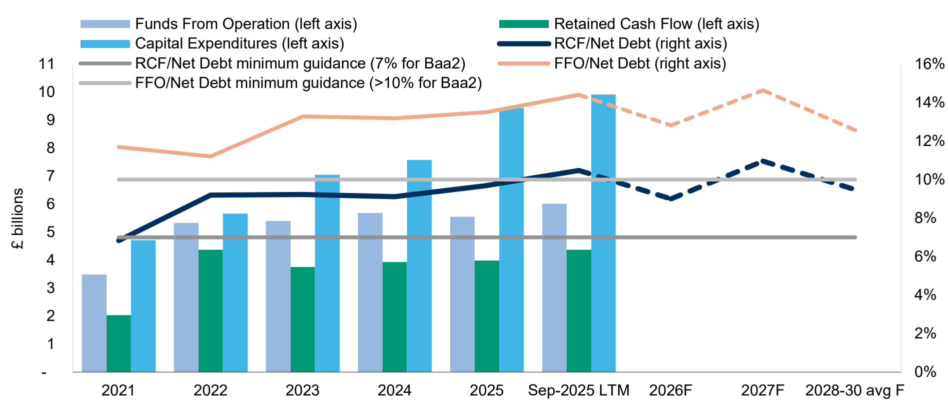
Update following ratings affirmation

Summary

The credit quality of National Grid plc (Baa2 stable) is supported by its low business risk as a holding company of regulated electric and gas utilities spanning transmission and distribution in both Great Britain (GB) and the northeast of the United States (US), all of which operate under well-established and transparent regulatory regimes. National Grid has good cash flow visibility through at least March 2028 for around 80% of the group's rate base following regulatory determinations over the last two years that also provide for more timely cost recovery. The group's financial profile has been strengthened by a £7 billion equity raise in 2024 and asset disposals, including over £3 billion of proceeds from the sale of two non-networks businesses in financial year 2026, that pre-fund its large capital programme.

National Grid's credit quality is constrained by significant holding company debt and a high dividend that leads to a relatively weak ratio of retained cash flow (RCF) to net debt. Plans to invest at least £70 billion over the five year period ending March 2031 will increase leverage and absorb some of the financial flexibility at the current rating level, see Exhibit 1. National Grid's gas businesses, comprising 25% of the group's rate base of March 2025, may also face long-term challenges from their concentration in two US states pursuing ambitious decarbonisation agendas.

Exhibit 1
We expect National Grid to retain financial flexibility at the current rating level as it executes its large investment programme
Evolution of National Grid's key credit metrics



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Non-Financial Corporations methodology. National Grid plc's financial year ends on 31 March, and '2025' refers to the period ended 31 March 2025. Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

» Low business risk associated with the group's regulated electric and gas utilities, which operate under well-established and transparent regulatory frameworks

» Good cash flow visibility through at least March 2028 for around 80% of the group's rate base following regulatory determinations over the last two years that also provide for more timely cost recovery

» Financial profile strengthened by £7 billion equity raise in 2024, and asset disposals, to prefund the group's large capital programme through at least FY2031

Credit challenges

» Credit metrics depressed by substantial debt at various holding companies

» Structural subordination of National Grid plc relative to its operating subsidiaries and intermediate holding companies

» Very large capital programme in electricity and uncertainty over the long-term future of gas networks, in both cases driven by decarbonisation objectives

Rating outlook

The stable outlook reflects our expectation that National Grid will maintain FFO/Net Debt and RCF/Net Debt that is comfortably above minimum guidance for the current rating, at least 10% and 7% respectively.

Our ratio guidance could be revised, in particular if there were material changes in (1) our overall assessment of the business risk profile of the group's regulated business; or (2) following regulatory changes that impact cost and investment recovery, including alterations to the speed of money.

Factors that could lead to an upgrade

» A ratings upgrade is not currently anticipated. Financial metrics are strong for the current rating but will decline with execution of the large investment.

» Upwards rating pressure could develop if FFO/Net Debt and RCF/Net Debt appeared likely to remain comfortably and sustainably above 13% and 9%, respectively, through FY2031.

Factors that could lead to a downgrade

» Downwards ratings pressure is not currently expected, given the balance sheet strengthening measures enacted in recent years. However, the ratings could be downgraded if RCF/Net Debt appeared likely to fall persistently below 7% or if FFO/Net Debt appeared likely to fall persistently below 10% towards the end of this decade and into the 2030s.

Key indicators

Exhibit 2
National Grid plc

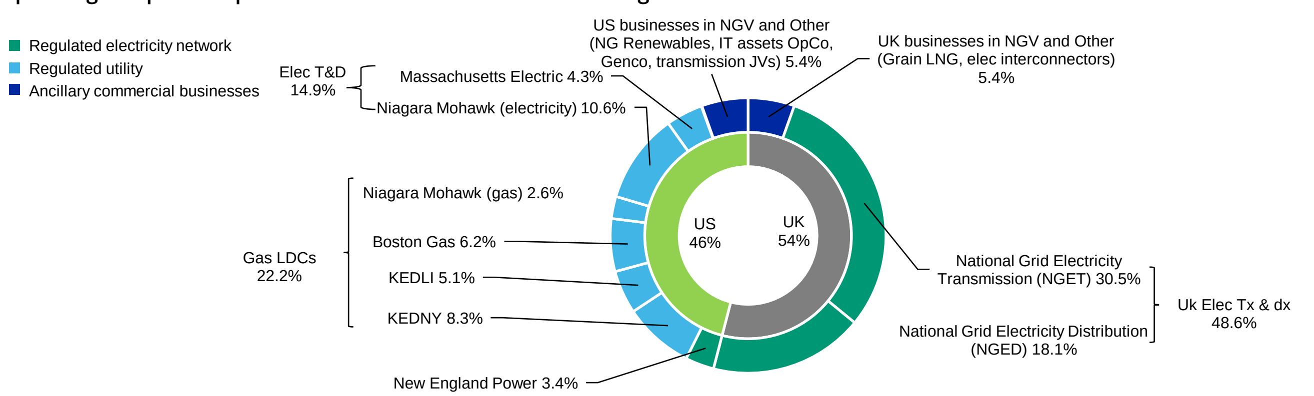
	2022	2023	2024	2025	LTM Sep-25	2026F	2027F	2028-30F Average
(CFO Pre-W/C + Interest) / Interest Expense	5.5x	4.0x	4.1x	3.8x	4.0x	3.8x	4.1x	3.2x - 3.6x
(CFO Pre-W/C) / Debt	10.6%	12.8%	12.3%	11.8%	13.1%	11.3%	13.1%	11% - 12%
(CFO Pre-W/C - Dividends) / Debt	8.7%	8.9%	8.5%	8.5%	9.5%	7.9%	9.8%	8% - 9%
Debt / Book Capitalization	61.4%	52.9%	54.8%	50.3%	50.2%	50.6%	51.8%	53% - 55%
FFO / Net Debt	11.2%	13.3%	13.2%	13.5%	14.4%	12.8%	14.6%	12% - 13%
RCF / Net Debt	9.2%	9.2%	9.1%	9.7%	10.5%	9.0%	11.0%	9% - 10%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporation methodology. National Grid plc's financial year ends on 31 March, and '2025' refers to the period ended 31 March 2025. Moody's forecasts are Moody's opinion and do not reflect the views of the issuer.
Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

National Grid owns a range of regulated electric and gas utilities, spanning transmission and distribution, in both Great Britain and the northeast of the US. The company reported total revenue of £17.5 billion for the twelve months ending September 2025 and had total regulated and other assets of over £67 billion as of March 2025. Electricity accounts for around 75% of the group's regulated assets.

Exhibit 3
UK operating companies represent around half of National Grid's regulated assets as of March 2025



(1) Based on the latest figures for regulated asset value of UK networks, rate base of US networks and utilities and fixed assets of unregulated assets (converted to GBP using a GBPUSD of 1.29). (2) US businesses in NGV and Other include National Grid USA's Service Company assets.
Source: National Grid, Moody's Ratings

Over half of the group's regulated assets are in Great Britain, with the group's core businesses being National Grid Electricity Transmission plc (NGET, Baa1 stable), which operates the high-voltage electricity transmission network in England and Wales, and the four electricity distribution networks sitting under National Grid Electricity Distribution plc (NGED plc, Baa2 stable). These activities are regulated by Ofgem, the energy regulator in Great Britain.

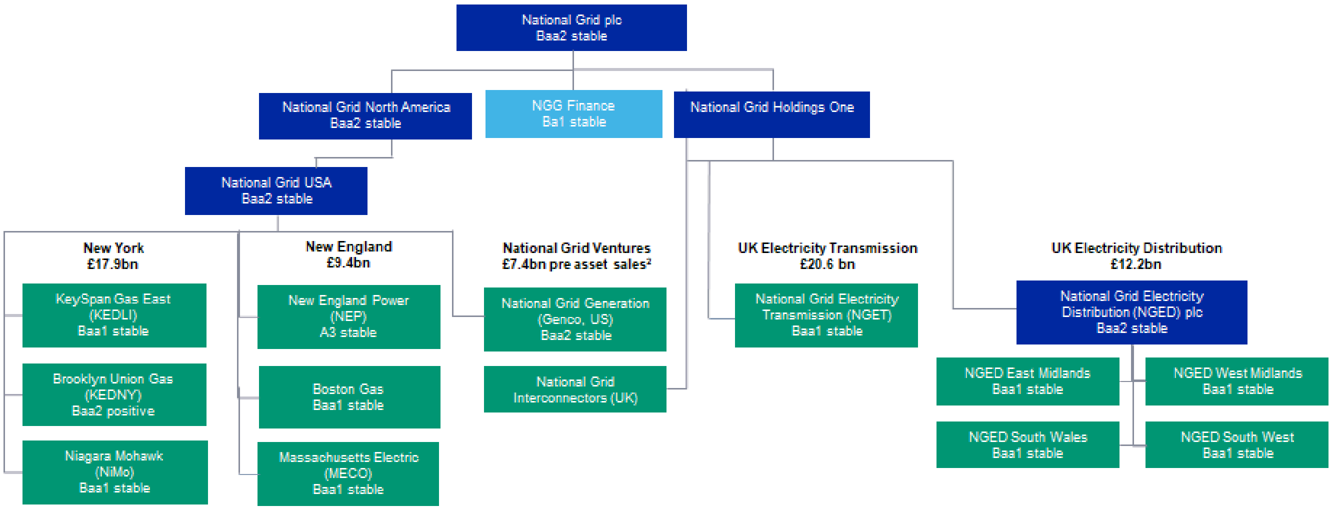
Through its subsidiary, National Grid North America Inc. (NGNA, Baa2 stable), National Grid's six primary regulated utilities in the US account for over 99% of the company's reported rate base for its US operations. Their activities cover electricity transmission and generation, and the sale and distribution of both natural gas and electricity in New York, Massachusetts and Long Island. The combined rate base of these businesses was over $35 billion as of 31 March 2025. The New York and Massachusetts businesses collectively serve around four million gas customers and around three million electricity customers. Most of NGNA's rate base pertains to its New York operations which are regulated by the New York Public Service Commission (NYPSC).

National Grid also has a number of non-network businesses, some of which operate outside of traditional regulatory price controls, such as electricity generation and electricity interconnectors. These are modest in the context of the National Grid group as a whole, typically accounting for 5-10% of consolidated annual operating profit, and we expect this share to fall further with the disposals of National Grid Renewables and Grain LNG in FY2026 and the continued growth of the group's regulated utilities and networks.

Exhibit 4

National Grid's simplified organisation structure as of February 2026

Company reported rate base / RAV / regulated assets as of March 2025 (bold labels = company reporting segment)



(1) Ratings refer to the long-term issuer/senior unsecured ratings except NGG Finance plc where the Ba1 stable rating pertains to the senior subordinated rating on the group's hybrid debt.
(2) National Grid Ventures' regulated assets includes the contribution from National Grid Renewables and National Grid Grain LNG, which were both sold in FY2026.
Source: National Grid, Moody's Ratings

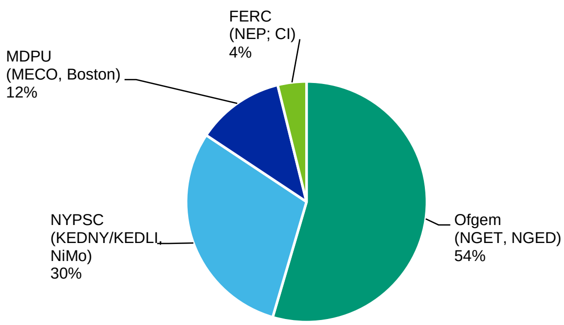
Detailed credit considerations

Large scale and geographical diversification

National Grid had regulated assets of around £60 billion as of March 2025 in its core regulated business, making it the largest rated network owner headquartered in EMEA. Over half of its regulated assets consist of electricity transmission and distribution networks in Great Britain, which are regulated by Ofgem under frameworks that we view as among the most well-established and transparent in the world. The remainder is governed by three supportive regulators in the US (state regulators in New York and Massachusetts and the Federal Energy Regulatory Commission [FERC]), providing good geographical and regulatory diversification. Regulatory risk is further reduced by the group having multiple assets subject to non-concurrent regulatory decisions within each jurisdiction.

Exhibit 5

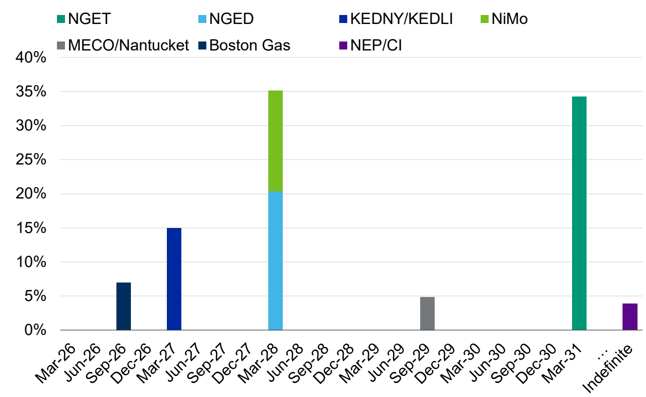
Breakdown of National Grid's regulated asset value/rate base
By regulator and regulated subsidiary as of March 2025



MDPU = Massachusetts Department of Public Utilities; NYPSC = New York Public Service Commission; FERC = Federal Energy Regulatory Commission
Source: National Grid

Exhibit 6

Multi-year rate plans expire in either two or five years for most of the group's regulated assets
End of current rate plan by regulatory subsidiary, shown as a % of regulated assets



(1) Share of regulated assets as of March 2025. (2) Boston Gas filed for new rates in January 2026. (3) Some US businesses will have cash flow visibility for a different period to the rate plan under other Orders by state regulators.
Source: National Grid

In addition, the group has a portfolio of non-network businesses, some not subject to rate regulation, which had invested capital of £7.4 billion as of March 2025[1]. The largest of these are (1) electricity interconnectors between England and Europe; and (2) assets, primarily IT and property, of National Grid USA's (Baa2 stable) service company which supports its regulated businesses.

In Great Britain, well-established and transparent regulatory framework underpins stable and predictable cash flow

We view the regulatory framework in Great Britain as one of the most transparent and predictable regulatory regimes both in Europe and globally. Ofgem is a well-established regulator with a long track record of transparent and consistent decision-making. Ofgem's recent determinations for transmission and gas distribution networks for their RIIO-3 controls, which commence in April 2026, are consistent with our historic view of the regulatory framework.

National Grid has good visibility of future cash flows (1) under the current (RIIO-2) price control for the four electricity distribution subsidiaries of NGED, which runs through March 2028; and (2) under its RIIO-3 determination for its electricity transmission business (NGET, the group's largest operating company), which covers the five-year period to March 2031 and which National Grid accepted on 2 March 2026.

Key features of the UK operating companies are summarised below, with greater detail available in the latest credit opinions for each operating company (see organisation list).

Exhibit 7
GB price controls overview

	Electricity tranmsission		Electricity distribution	
	Current (to Mar-26)	Next (from Apr-26)	Current (to Mar-28)	Next (Ofgem early view)
Regulator / Price control	Ofgem		Ofgem	
Price control	RIIO-ET2	RIIO-ET3	RIIO-ED2	RIIO-ED3
Regulated business	NGET; Transmission owner		NGED; 4 Distribution networks	
Term of price control	April 2021 - March 2026	April 2026 - March 2031	April 2023 - March 2028	April 2028 - March 2033
Inflation base	CPIH		CPIH	
Allowed return[1]	2025-26: 3.54% Price control avg: 3.26%	2026-27: 5.29% 2027-31 (F): 5.57%[2]	2026-27: 4.18%[3] Price control avg: 4.09%[3] F	Tbc
	Real	Semi-real (90% nominal debt)	Real	Semi-real (majority nominal debt)
Regulatory asset life (years): new assets	45		45	Tbc
	Increased from 20- to 45-years over RIIO-1 controls			
Regulatory capitalisation rates (% totex > RAB)	Base: 78%	Base: 70%	Base 77-79%	Base: tbc
	Uncertainty (UM): 85% (natural rate lower)		UM: 85%	UM: tbc
Real average RAV growth during control[1]	4.9%	10.9%[2]	3.0%	Tbc (Ofgem has indicated 7% may be required to meet net zero targets)
RAV at Mar 25[1]	£20.5bn		£12.3bn	

(1) Per Ofgem's latest regulatory model. (2) Moody's estimate using 100% of base totex and 80% of uncertainty mechanism totex in Ofgem's RIIO-ET3 16 February 2026 model. (2) RAV-weighted average of NGED distribution's networks. (3) Our estimate based on National Grid's capex guidance
Source: Ofgem, National Grid, Moody's Ratings

Allowed returns are updated annually according to predefined methodologies that adjust the regulatory cost of debt allowance and allowed equity returns. Allowed equity returns are aligned between the subsectors in RIIO-2, after adjusting for differences in regulatory gearing assumptions (lower in electricity transmission).

Cash returns in RIIO-ET3 will be materially higher than in RIIO-2 because of (1) the move from real to semi-real returns, which boosts allowed returns (on a cash basis) by over 100 basis point; and (2) using RAV weighting (rather than a simple average) when calculating a trailing average of the reference bond indices used to set the allowance, which places greater weight on more recent years. Ofgem has indicated they will replicate both changes in the next electricity distribution price control (RIIO-ED3, commencing in April 2028). We estimate that the move to semi-real returns for NGET and NGED will boost the group's FFO/Net Debt by around 0.8% points per annum over FY2029-31.

Both NGET and NGED have a track record of solid operational performance, which has boosted achieved returns, and we expect this to continue over the remainder of RIIO-ED2 and in RIIO-ET3, where National Grid is guiding to an achieved equity return of above 9% (nominal, as compared to an expected average allowance of 5.7% real). NGET has delivered operational outperformance primarily through underspending regulatory controllable cost allowances (totex), with the company's latest forecast indicating 3% of totex outperformance over RIIO-2. The NGED group expects to deliver modest operational outperformance in RIIO-ED2, which will add 0.15% to overall returns, with earned incentive income (ODI-F) being the larger contributor.

Drag on operating cash flow from increasingly slowing cost recovery for electricity investments offset by regulatory measures in RIIO-ET3
During the RIIO-2 controls, operating cash flow has been depressed by slowing cost recovery arising from Ofgem depreciating new electricity investments over 45 years (as compared to over 20 years prior to the start of the RIIO controls over a decade ago), one of the longest periods in Europe. With the growing electricity transmission capex - nearly 45% (£31 billion) of the National Grid group's planned investments (£70 billion) over the five-year period ending March 2031 - and likely increases in electricity distribution spending in RIIO-ED3, albeit from a lower base, we expect the majority of the group's UK RAV in FY2031 will be depreciated over 45 years.

However, the move to semi-real returns in RIIO-3 and the reimbursement of a material portion of capex for large transmission projects in-year, which we estimate could support operating cash flow by £600-800 million per annum over FY2028-30, accelerate cost of recovery. The magnitude of the accelerated cost recovery for large transmission projects reflects both the proportion of capex reimbursed in-year (13-15% we estimate) and that these projects account for the majority of NGET's expenditure in RIIO-ET3. The latter primarily pertains to the 17 projects approved under a new regulatory framework in 2022 [ASTI], with six currently under construction and most expected to be completed before the end of RIIO-ET3.

Most US businesses operating under new rate plans with higher rates and improved cost recovery

We view the New York and Massachusetts regulatory regimes as transparent, predictable and supportive, although to a lesser extent than Great Britain's. We regard FERC as a highly supportive regulator, but it is responsible for under 4% of the group's assets.

Key features of the US operating companies are summarised below, with greater detail available in the latest credit opinions of each operating company (see organisation list).

All the rate plans for National Grid's US operating subsidiaries include full revenue decoupling mechanisms for electric and gas services and weather normalisation for gas, which protects margins from variations in sales volume. The suite of cost recovery mechanisms is more extensive for the group's New York businesses, accounting for around two thirds of US rate base, than the group's New England distribution businesses.

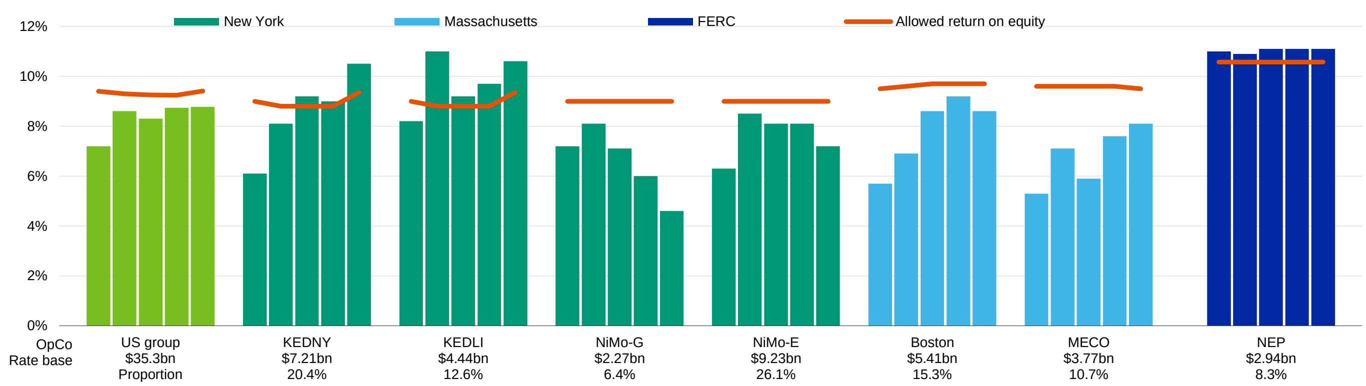
Major rate case orders in 2024 and 2025, covering all of the group's state's regulated businesses except Boston Gas (which filed for new rates in January 2026 and where we expect an order in November 2026), have expanded the suite of cost recovery mechanisms. We expect sizeable annual rate increases - particularly in downstate New York, averaging around 10% per annum - and improved cash collections from key regulatory accounts (including storms for MECO and NiMo) to support key credit metrics, including CFO pre-WC/debt. Allowed return on equity (ROE) are in the mid 9s (%) under these orders - a 50 or 55 basis point increase from the prior plan for the New York businesses - and we expect these favourable determinations to allow National Grid to meet its group target of US achieved ROE exceeding 95% of authorized levels in both FY2026 and FY2027.

However, customer affordability concerns remain a key focus in both Massachusetts and New York, with bad debt and customer arrears at elevated levels in New York. Although reconciliation mechanisms ensure the group's business primarily experiences a lag in cost recovery, rather than a permanent loss, we expect that affordability will be a key driver of the size of the approved increases in capital and operating costs for the group's gas LDC businesses in their upcoming rate case orders. In addition to Boston Gas' pending order, we expect KEDLI and KEDNY to file for new rates in April or May 2026, with new rates likely to take effect in April 2027).

Exhibit 8

Achieved ROE for National Grid's US businesses has been between 90% and 95% of authorized ROE over the last four years

Allowed and achieved ROEs for National Grid's US businesses over financial years 2021-25 (2021 far left; 2025 far right)



(1) Consolidated performance calculated as a rate base weighted average. (2) Rate base numbers as of March 2025. (3) MECO numbers are the reported numbers for Massachusetts Electric which includes MECO's much smaller sister company Nantucket Electric Company. (4) US group numbers for financial years 2021-2022 include the group's former Rhode Island business, Narragansett Electric Company (A3 stable) which was sold to PPL Corporation (Baa1 stable) in 2022.

Source: National Grid, Moody's Ratings

Financial profile strengthened by equity raise and disposals

National Grid's financial profile has been strengthened over the last two years by (1) the aformentioned boost to operational cash flow from regulatory determinations over the last two years that also provide for more timely cost recovery; (2) the £7 billion equity raise in 2024 to pre-fund the group's large investment programme - at least £70 billion over the five-year period to March 2031 - through at least FY2031; and (3) asset disposals, including (a) over £3 billion of proceeds from the sale of two non-regulated assets; and (b) its remaining stake in UK gas transmission (National Gas Transmission, Baa1 stable).

The majority of National Grid's five-year capex framework is now embedded in regulatory determinations following Ofgem's decision for RIIO-ET3. We expect this proportion to rise to around 95% with scheduled rulings in the next two years (for the group's standalone gas businesses over late 2026 and early 2027; NGED in late 2027; and NiMo in early 2028). We believe changes to National Grid's delivery model in both Great Britain and upstate New York for large transmission projects, coupled with greater regulatory protections, reduces the execution risk in its investment programme. National Grid has reported good progress in securing the supply chain and obtaining key permits in a timely manner.

Regulatory measures in UK electricity transmission - where around 45% (£31 billion) of the group's planned investments will be directed - include (1) reduced exposure to over- or underspend against regulatory cost allowance in RIIO-ET3; (2) cost allowances for large transmission projects, which account for the majority of NGET's expenditure, being finalised only when projects are at an advanced stage; and (3) early funding mechanisms, facilitating transmission owners to secure supply chains in a tight and stretched market. There continues to be no regulatory lag in investment cost recovery for the group's UK investments, while recent orders - either for major rate case or supplemental filings - for the group's US state-regulated businesses have also improved cost recovery.

The scale of NGET's investment programme means we expect the company will require net equity injections from National Grid plc totalling £1-1.5 billion over the RIIO-ET3 period to maintain gearing at or around regulatory assumptions (as measured by net debt to regulatory asset value, 55%) – consistent with National Grid's financial policy for its regulated businesses. We expect the NGED business to be regeared towards the regulatory assumption of 60% by the end of RIIO-ED2. As of March 2025, NGET and the consolidated NGED operating company group are geared around 50%.

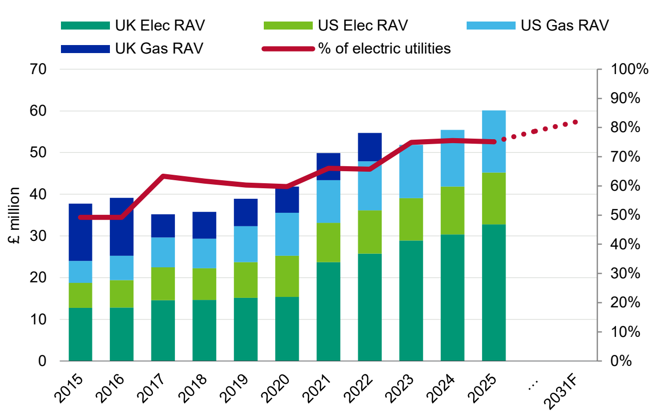
Continued focus on electricity reduces carbon transition risk

By March 2031, at the end of the group's updated five-year financial framework, we expect electricity assets to account for over 80% of the group's overall regulated asset base, as compared to around 75% as of March 2025. This increase reflects (1) the composition of the investment plan, around 85% in electricity we estimate; (2) our assumption that gas investments will be lower in the next rate plans than the current plans; (3) the NY PSC applying higher depreciation rates to gas investments in recent regulatory settlements; and (4) our assumption of a GBP/USD exchange rate of 1.35. The share of electricity is materially higher than a decade ago (c. 50%) reflecting the group exiting UK gas networks (both transmission and distribution) and acquiring NGED plc, the largest electricity distribution group in Great Britain.

Exhibit 9

We expect electricity assets will represent over 80% of regulated assets by March 2031

Evolution of regulated assets by fuel and geography

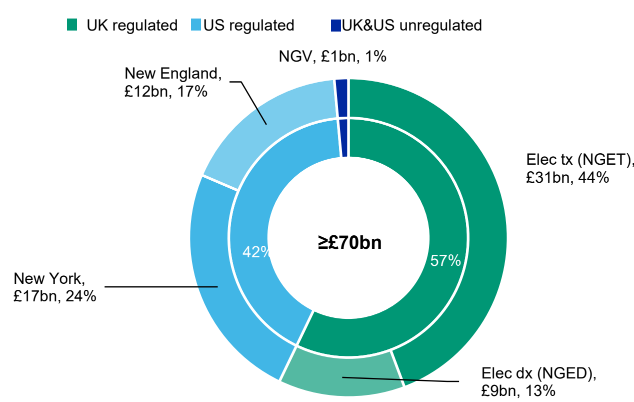


Excludes minority interests. Assumes a GBPUSD exchange rate of 1.35. National Grid plc's financial year ends on 31 March, and '2025' refers to the period ended 31 March 2025
Source: National Grid, Ofgem, Moody's Ratings

Exhibit 10

We expect around 85% of planned regulated investments are in electricity

Breakdown of planned investments over financial years 2027-31 by fuel



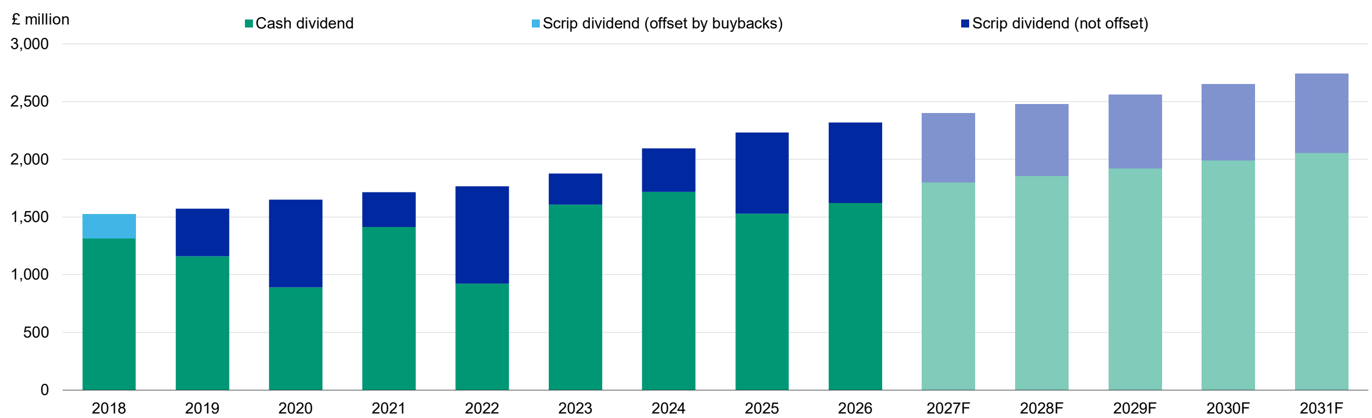
Source: Company filings, National Grid, Moody's Ratings

The shift to electricity from gas reduces National Grid's carbon transition risk, and is a credit positive development. Ambitious decarbonisation targets in the UK, New York and Massachusetts imply falling gas consumption, creating challenges for cost recovery and uncertainty over the long-term role of the network. We expect the vast majority of investment in the group's remaining gas networks to be in leak prone pipe replacement work, although potentially at a lower level in future rate plans given affordability considerations and based on Boston Gas' latest gas safety enhancement plan. These are mandated investments and contribute to US states' goals of reducing greenhouse gas emission through the reduction in methane emissions.

Following the sale of Grain LNG in FY2026, National Grid's non-regulated business have no exposure to fossil fuels with the exception of National Grid Generation LLC (Baa2 stable), a thermal generation business in Long Island, New York.

Material shareholder distributions absorb financial flexibility, though dividends will continue to grow at a slower rate than regulated assets
Under its updated financial framework, National Grid will continue its long-standing policy of growing its dividend in line with Ofgem's prevailing measure of inflation (CPIH) through FY2031. We expect distributions to grow at 3-4% per annum because the scrip offering increases the number of shares in issue and, in turn, dividend payments and is not offset through a buyback (since 2019). We assume a 25% uptake, broadly in line with the average over the last five years (28%), with cash dividends growing from £1.6 billion in FY2026 to around £2.1 billion in FY2031 under our inflation assumptions. The continued slower rate of growth in shareholder distributions versus the growth in regulated assets (10% CAGR though FY2031) will lead to a further narrowing of the differential between FFO/Net Debt and RCF/Net Debt, as shown in Exhibit 1, over the remainder of the decade.

Exhibit 11
The scrip dividend leads to year-to-year variations in cash dividends but we expect these to average £1.9 billion over FY2027-31

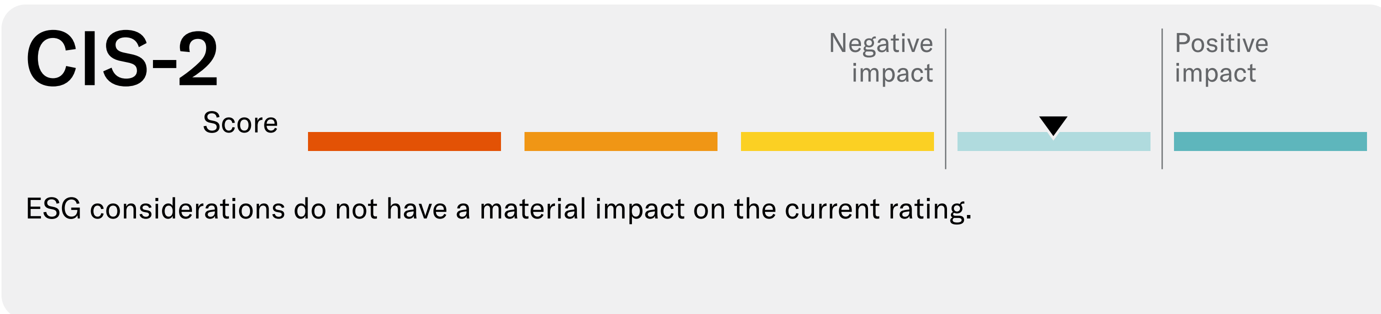


Projections show impact of a 25% average scrip takeup. In FY2025, National Grid rebased the dividend to offset the effect of shares issued in the 2024 rights issue.
Source: National Grid, Moody's Ratings

ESG considerations

National Grid plc's ESG credit impact score is CIS-2

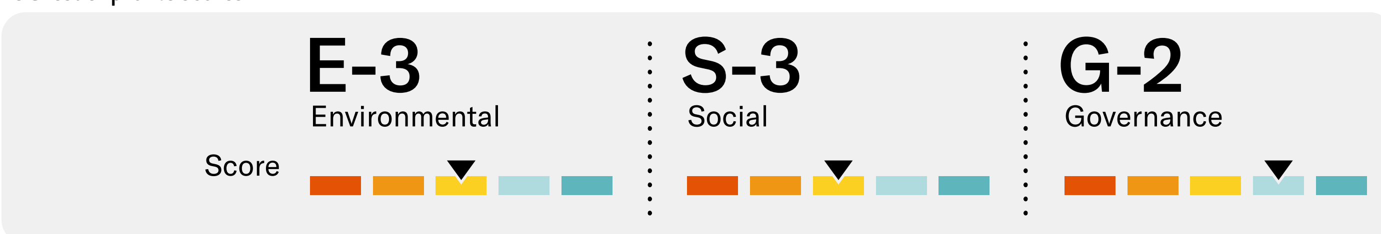
Exhibit 12
ESG credit impact score



Source: Moody's Ratings

National Grid's **CIS-2** indicates that ESG considerations are not material to the rating, with moderate social and environmental risks mitigated by geographic diversification and supportive regulatory frameworks.

Exhibit 13
ESG issuer profile scores



Source: Moody's Ratings

Environmental

National Grid's **E-3** reflects its exposure to physical climate risks, particularly in the US, and carbon transition risks for its remaining gas networks. The group's US businesses operate in the northeast of the country, which is more exposed to extreme weather than the UK, although they benefit from regulatory protections that allow the recovery of most storm-related costs, though there may be a lag in cost recovery. Around 75% of National Grid's regulated assets are electricity networks which will play a key role in facilitating the energy transition. National Grid’s gas assets are concentrated in two states with ambitious decarbonization objectives which may pose long-term challenges to the standalone local gas distribution companies that own and operate most of these assets.

Social

National Grid's **S-3** reflects the risk, common to all regulated utilities, that public concern over environmental, social or affordability issues could lead to adverse regulatory or political intervention.

Governance

G-2. The company's decision to raise £7 billion of equity in May 2024 and make over £3 billion of disposals (realised in 2025), pre-funding its large capital programme through at least FY2031, demonstrated a commitment to maintaining credit quality. Although the company pays a large dividend, which will continue to grow in line with UK CPIH inflation through FY2031 under the group's revised financial framework, the decision to reduce the dividend per share alongside the capital raise avoided a further increase in the cash burden. The group has diversified ownership and a solid governance structure.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

We view the liquidity position of the group as excellent over the next 18 months. This reflects National Grid's (1) stable and predictable cash flow generated by its regulated businesses (we estimate averaging £7 billion over financial years 2027 and 2028); (2) cash and cash equivalents of £3.5 billion as of 30 September 2025, supplemented by £1.66 billion of proceeds from the sale of Grain LNG and a further £1.7 billion from note issuance and executed bank loans across the group's regulated businesses in the second half of FY2026 to-date; (3) £7.7 billion of undrawn committed revolving credit facilities available for general corporate purposes, as of 30 September 2025, all of which have significant headroom against the financial covenants and none of which expire before April 2027; (4) a £1.0 billion undrawn Export Credit Agency (ECA) loan; and (5) low refinancing risk on long-term debt, with less than 10% of total long-term debt maturing in any one year.

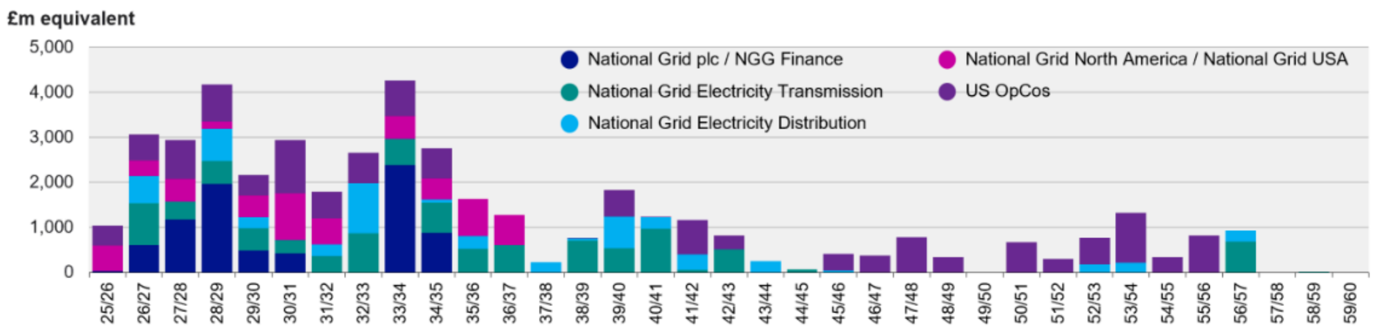
We expect that available sources of liquidity will comfortably cover National Grid's cash dividend payments (around £1.9 billion per annum over financial years 2027 and 2028 under a 25% scrip uptake scenario), capex requirements (£14 billion per annum on average over the 2027-2031 period), financing and refinancing requirements over the next 18 months. We expect the latter to average close to £10 billion per annum over FY2027-31.

National Grid's next parent level long-term debt maturity is €650 million of senior unsecured debt due in June 2026. Since the equity raise in 2024, National Grid has repaid outstanding hybrid bonds issued by NGG Finance plc (Ba1 stable) at their first call date.

Exhibit 14

National Grid long-term debt maturity profile

As of 30 September 2025



(1) The outstanding hybrid, issued by NGG Finance plc, is shown at its first call date. (2) Inflation-linked instruments are shown at accreted notional value as of 31 March 2025. (3) Indicative USDGBP exchange rate of 1.34455 used. (4) Some proceeds raised from holding companies are on-lent to operating companies resulting in lower underlying debt at holding companies and higher underlying debt at operating companies than shown in the Exhibit. (5) Excludes commercial paper issued by NGNA and amounts drawn under export credit financing agreements.

Source: National Grid

Structural considerations

National Grid's credit quality takes into account structural subordination relative to its operating and intermediate holding companies. The ratings reflect bondholders' distance from the operating companies' cash flow, the size of current and anticipated future debt carried by the operating entities and the possible negative consequences of regulatory ring-fencing that is applicable to regulated entities. However, National Grid's credit quality benefits from the diversification of cash flow across a portfolio of operations in different jurisdictions.

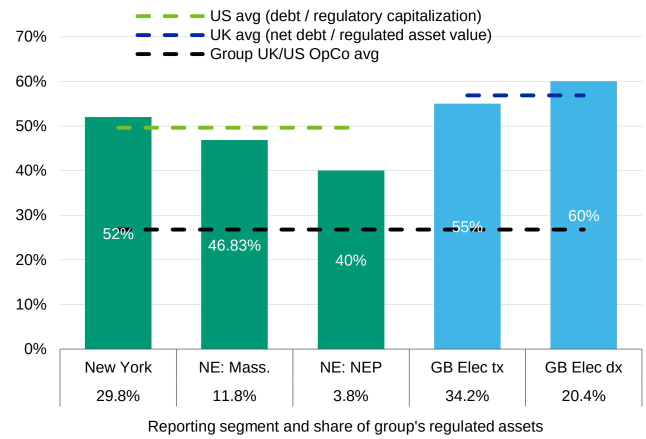
We estimate that around 35% of the consolidated group's debt at March 2025 sits at holding companies. This larger share than prior years, typically 20-25%, reflects that (1) the UK operating companies are currently geared below regulatory assumptions, around 50% we estimate; (2) the group's operating companies met a significant proportion of their financing and refinancing requirements in financial year 2025 through borrowing from holding companies (UK electricity distribution) or reducing their net lending position (US businesses); and (3) National Grid plc elected to use the proceeds of the equity raise to pay down holding company debt only as it fell due, as evidence by the redemption of outstanding hybrids at their first call date.

We expect that as the group executes its large investment programme, the UK operating companies will regear towards regulatory assumptions (55% transmission, 60% distribution) while the gearing of its US regulated business will remain closely aligned to regulatory assumptions (around 50% debt / regulatory capitalisation on average; the common equity layer in rate plans for the group's New York businesses is 48% while it is over 52% for each of its New England businesses). Reflecting the anticipated increase in operating company gearing, we expect National Grid's ratio of consolidated net debt to regulated assets (under the company definition) to increase from 61% at March 2025 to the high 60s (in percentage terms), where it was at March 2024 (pre equity raise), by FY2031 and the end of RIIO-ET3.

Exhibit 15

Regulatory gearing assumptions are higher for the group's UK businesses than its US ones

Regulatory gearing assumption for the group's regulated assets



(1) New England: Massachusetts (NE: Mass.) is a weighted average by rate base of the electricity (MECO/Nantucket Electric) and gas (Boston Gas) businesses. (2) In New York debt includes long-term debt, customer deposits and preferred stock.
Source: Regulatory data; National Grid; Moody's Ratings

Exhibit 16

External debt is spread across the group's holding companies

Moody's estimate of external debt outstanding at March 2025 by group holding company

Location	Debt instruments	Outstanding (£ billion)
US		~7.5
NGNA	Commercial paper (USCP and ECP)	2.23
	Export credit agreement	~0.7
	Notes issued under EMTN program	~4
NG USA	Legacy notes, issued by KeySpan Corporation, maturing 2030-35	0.55
UK		~9.4
NG plc	Notes issued under EMTN program	~6.9
	Bank loans	~0.2
NGED plc	Legacy bonds, maturing 2026-28, issued pre group acquiring NGED	~0.55
NGG Finance	Hybrids	1.63
Group		~16.9

(1) Some US HoldCo is attributable to the US OpCos, e.g. intercompany loans by NGNA to Genco ($66.3 million) and, if applicable, net lending to the money pools. (2) Some UK HoldCo is attributable to NGED OpCos, e.g. intercompany loans from National Grid plc to NGED plc OpCos under a two-way uncommitted loan agreement.
Source: Company accounts

We expect that the main funding vehicles for additional holding company debt at the group's US and UK businesses will be NGNA (the group's top US intermediate holding company) and National Grid plc respectively. However, the location of this holding company debt will be significantly influenced by the overall funding requirements of the National Grid group.

Rating methodology and scorecard factors

We use our global Regulated Electric and Gas Utilities rating methodology as the primary methodology for analysing National Grid. The scorecard-indicated outcome for National Grid is A3 under both historic metrics and our forward, which is two notches above the assigned rating of Baa2. The notching difference reflects that some of National Grid's financial flexibility at the current rating level, arising from balance sheet strengthening measures in recent years, will be absorbed as it executes its investment programme.

Exhibit 17

Rating factors

National Grid plc

Regulated Electric and Gas Utilities Industry	Current LTM Sep-25		Moody's 12-18 Month Forward View	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	Aa	Aa	Aa	Aa
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Aa	Aa	Aa	Aa
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	Aa	Aa	Aa	Aa
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	3.8x	Baa	3.8x - 4.1x	Baa
b) CFO pre-WC / Debt (3 Year Avg)	12.1%	Baa	11% - 13%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	8.6%	Baa	8% - 10%	Baa
d) Debt / Capitalization (3 Year Avg)	51.3%	Baa	50% - 52%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A2		A2
HoldCo Structural Subordination Notching	-1	-1	-1	-1
a) Scorecard-Indicated Outcome		A3		A3
b) Actual Rating Assigned				Baa2

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Non-Financial Corporations methodology. LTM = Last 12 months. Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 18

Category	Moody's Rating
NATIONAL GRID PLC	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured MTN	(P)Baa2
Commercial Paper	P-2
Other Short Term	(P)P-2
NGG FINANCE PLC	
Outlook	Stable
Bkd Senior Subordinate	Ba1
NATIONAL GRID ELECTRICITY TRANSMISSION PLC	
Outlook	Stable
Senior Unsecured	Baa1
Commercial Paper	P-2
Other Short Term	(P)P-2
Underlying Senior Unsecured -Dom Curr	Baa1
NATIONAL GRID ELECTRICITY DISTRIBUTION PLC	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2
NATIONAL GRID ELECTRICITY DISTRIBUTION (EAST MIDLANDS) PLC	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured	Baa1
NATIONAL GRID ELECTRICITY DISTRIBUTION (WEST MIDLANDS) PLC	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WALES) PLC	
Outlook	Stable
Issuer Rating -Dom Curr	Baa1
Senior Unsecured -Dom Curr	Baa1
NATIONAL GRID NORTH AMERICA INC.	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2
Commercial Paper	P-2
ST Issuer Rating	P-2
NATIONAL GRID USA	
Outlook	Stable
Issuer Rating	Baa2
BOSTON GAS COMPANY	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
BROOKLYN UNION GAS COMPANY, THE	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured -Dom Curr	Baa2
KEYSPAN GAS EAST CORPORATION	

Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
MASSACHUSETTS ELECTRIC COMPANY	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
Pref. Stock -Dom Curr	Baa3
NATIONAL GRID GENERATION LLC	
Outlook	Stable
Issuer Rating	Baa2
Underlying LT IRB/PC	Baa2
Bkd IRB/PC	Baa2
NEW ENGLAND POWER COMPANY	
Outlook	Stable
Issuer Rating	A3
Senior Unsecured -Dom Curr	A3
Pref. Stock -Dom Curr	Baa2
NIAGARA MOHAWK POWER CORPORATION	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
Pref. Stock -Dom Curr	Baa3
NANTUCKET ELECTRIC COMPANY	
Outlook	
Bkd LT IRB/PC	Baa1

Source: Moody's Ratings

Appendix

Exhibit 19
Peer comparison
National Grid plc

	National Grid plc Baa2 Stable			PPL Corporation Baa1 Stable			TenneT Holding B.V. Baa2 Stable			Iberdrola S.A. Baa1 Stable		
(in £ millions)	FY Mar-24	FY Mar-25	LTM Sep-25	FY Dec-23	FY Dec-24	LTM Sep-25	FY Dec-23	FY Dec-24	LTM Jun-25	FY Dec-23	FY Dec-24	LTM Jun-25
Revenue	19,850	18,378	17,482	6,685	6,620	6,872	8,086	8,464	9,442	42,907	37,869	37,714
EBITDA	6,632	7,439	7,609	2,282	2,431	2,637	2,421	3,965	5,068	12,303	12,759	13,611
Total Assets	98,074	106,448	103,571	30,781	32,779	32,639	36,157	43,682	49,663	129,688	130,510	134,896
Total Debt	46,304	46,972	45,833	12,343	13,483	14,168	21,457	28,502	32,112	48,272	51,576	52,423
Net Debt	43,088	41,069	41,774	12,083	13,239	13,349	21,197	25,582	29,506	45,656	48,202	50,398
Funds from Operations (FFO)	5,680	5,547	6,017	1,904	1,890	2,046	1,663	3,064	3,762	9,421	9,683	10,252
(CFO Pre-W/C + Interest) / Interest Expense	4.1x	3.8x	4.0x	3.9x	4.1x	4.4x	5.0x	6.5x	5.6x	4.6x	4.8x	4.5x
FFO / Net Debt	13.2%	13.5%	14.4%	15.4%	14.6%	14.9%	7.8%	11.7%	13.0%	20.6%	19.6%	20.7%
RCF / Net Debt	9.1%	9.7%	10.5%	10.7%	10.0%	10.4%	6.8%	11.0%	12.7%	11.7%	13.2%	13.4%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Non-Financial Corporations methodology.
Source: Moody's Financial Metrics™

Exhibit 20
Moody's-adjusted net debt calculation
National Grid plc

(in £ millions)	2022	2023	2024	2025	LTM Sep-25
As reported debt	**45,465**	**42,985**	**47,072**	**47,539**	**45,914**
Pensions	326	292	266	247	247
Hybrid Securities	(1,027)	(1,049)	(1,034)	(814)	(328)
Non-Standard Adjustments	5,342	-	-	-	-
Moody's-adjusted debt	**50,106**	**42,228**	**46,304**	**46,972**	**45,833**
Cash & Cash Equivalents	(2,497)	(1,575)	(3,216)	(5,903)	(4,059)
Moody's-adjusted net debt	**47,609**	**40,653**	**43,088**	**41,069**	**41,774**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Non-Financial Corporations methodology. National Grid plc's financial year ends on 31 March, and '2025' refers to the period ended 31 March 2025.
Source: Moody's Financial Metrics™

Exhibit 21
Moody's-adjusted FFO calculation
National Grid plc

(in £ millions)	2022	2023	2024	2025	LTM Sep-25
As reported funds from operations (FFO)	**5,911**	**6,612**	**6,988**	**6,694**	**7,225**
Pensions	99	116	27	26	26
Hybrid Securities	38	39	38	37	30
Alignment FFO	(108)	(677)	(278)	100	49
Cash Flow Presentation	(847)	(1,175)	(1,303)	(1,462)	(1,497)
Non-Standard Adjustments	241	483	208	152	184
Moody's-adjusted funds from operations (FFO)	**5,334**	**5,398**	**5,680**	**5,547**	**6,017**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Non-Financial Corporations methodology. National Grid plc's financial year ends on 31 March, and '2025' refers to the period ended 31 March 2025.
Source: Moody's Financial Metrics™

Exhibit 22

Overview on selected historical Moody's-adjusted financial data

National Grid plc

(in £ millions)	2022	2023	2024	2025	LTM Sep-25
INCOME STATEMENT					
Revenue	18,449	21,659	19,850	18,378	17,482
EBITDA	6,368	6,215	6,632	7,439	7,609
EBITDA Margin	34.5%	28.7%	33.4%	40.5%	43.5%
EBIT	4,538	4,231	4,571	5,264	5,390
EBIT Margin	24.6%	19.5%	23.0%	28.6%	30.8%
Interest Expense	1,198	1,819	1,850	1,950	1,996
Net income	2,278	6,850	2,054	2,659	2,581
Operating Expenses	12,525	15,978	13,526	11,465	10,351
BALANCE SHEET					
Net Property Plant and Equipment	57,380	64,184	68,656	73,797	76,156
Total Assets	94,708	92,448	98,074	106,448	103,571
Total Debt	50,106	42,228	46,304	46,972	45,833
Cash & Cash Equivalents	2,497	1,575	3,216	5,903	4,059
Net Debt	47,609	40,653	43,088	41,069	41,774
Total Liabilities	69,971	62,063	67,361	68,052	66,195
CASH FLOW					
Funds from Operations (FFO)	5,334	5,398	5,680	5,547	6,017
Cash Flow From Operations (CFO)	5,562	5,878	5,701	5,409	6,381
Dividends	960	1,646	1,756	1,566	1,642
Retained Cash Flow (RCF)	4,374	3,752	3,924	3,981	4,375
Capital Expenditures	(5,661)	(7,047)	(7,571)	(9,436)	(9,913)
Free Cash Flow (FCF)	(1,059)	(2,815)	(3,626)	(5,593)	(5,174)
INTEREST COVERAGE					
(FFO + Interest Expense) / Interest Expense	5.5x	4.0x	4.1x	3.8x	4.0x
LEVERAGE					
FFO / Debt	10.6%	12.8%	12.3%	11.8%	13.1%
RCF / Net Debt	9.2%	9.2%	9.1%	9.7%	10.5%
FFO / Net Debt	11.2%	13.3%	13.2%	13.5%	14.4%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Non-Financial Corporations methodology. National Grid plc's financial year ends on 31 March, and '2025' refers to the period ended 31 March 2025.
Source: Moody's Financial Metrics™

Endnotes

1 The £7.4 billion includes National Grid Renewables, which was sold to Brookfield Asset Management for an enterprise value of over $1.7 billion in May 2025, and National Grid Grain LNG, which was sold to a joint venture for an enterprise value of £1.66 billion in November 2025

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