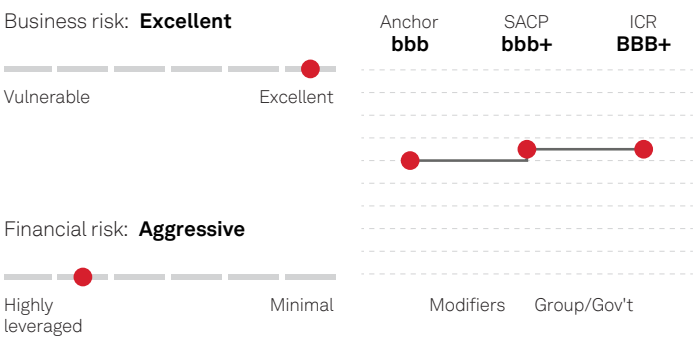
National Grid PLC

November 9, 2026

This full analysis was republished on Nov. 9, 2026, to correct an error in the stated number for the investment in Joulent in the six months to September 2026. A corrected version follows.

This report does not constitute a rating action.

Ratings Score Snapshot



Issuer credit rating
BBB+/Stable/A-2

ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Sources most of its earnings from fully regulated, low-risk activities in the U.K. and the U.S.	Significant uptick in capital expenditure (capex) to at least £70 billion over fiscal years 2027-2031 (ending March 31) poses major execution risk.
Large-scale earnings and regulatory system diversity translated into a regulated asset value and rate base of £66.4 billion as of March 31, 2026--the highest among regulated U.K. utilities. Sizable investments through 2031 expected to reinforce the group's footprint in high-growth, regulated electricity networks.	Persistently negative discretionary cash flow (DCF) due to high capex and significant dividend payouts limits meaningful prospects of deleveraging.
Strong operational performance in the U.K. and the U.S. reflects reliable network operations.	Regulatory reset risk in U.K. electricity distribution in 2028 with final determinations expected end-2027.

Primary Contact

Andres Dascoli
London
44-2071766753
andres.dascoli
@spglobal.com

Secondary Contact

Aarti Sakhuja
London
44-20-7176-3715
aarti.sakhuja
@spglobal.com

Contributor

Lily Hartley
London
lily.hartley
@spglobal.com

National Grid PLC (NG) delivered solid half-year financial results for the fiscal year 2027 ending March 31 (FY27), including robust earnings growth and a step-up in investments of more than 30%. The group successfully scaled capex to a record £6.7 billion for the first half of FY2027, a 32% increase from £5.1 billion in September 2025, reflecting a significant step-up in ASTI project spending in the U.K. and network reinforcement across the U.S. Underlying profit increased 13% at constant currency to £2.6 billion, fueled by strong results in U.K. transmission benefiting of the RIIO-T3 price control, and increased revenue in New York. Net debt increased to £48.6 billion as of Sept. 30, 2026, a £4.4 billion increase from March 2026, corresponding to the funding of intensive capital projects, interest costs, and the £0.9 billion investment in Joulent to develop U.S. power solutions. NG's half-year 2027 results demonstrate the group's ability to successfully deliver on its growth strategy, while managing record levels of capex, and maintaining earnings momentum through operational efficiency.

NG increased its investment program to at least £70 billion for 2027-2031, with a large focus on U.K. electricity transmission. Across the U.K. and U.S., we expect the program to lead to 10% annual asset growth over the five years to March 2031 for a total asset base of £115 billion. We expect earnings growth to fund these higher investments, with adjusted funds from operations (FFO) to debt forecast to remain above the 10% downside threshold for the rating through our forecast period to 2030. The group retains flexibility in its funding options, for instance, with unused hybrid debt capacity of about £12 billion. This optionality allows for containing leverage, or providing relief, if necessary, against pressure to the downside FFO to debt threshold.

Of the £70 billion program, about £40 billion will be invested in the U.K., with £31 billion (about 78% of the total) allocated to transmission to meet the heightened requirements of the RIIO-ET3 regulatory period (spanning April 2026 to March 2031). This represents a 150% increase in transmission spending compared to the previous five-year cycle, underscoring the scale of the ramp up required. On distribution, £9 billion in investments over the same period will enable new demand and facilitate electric vehicles, heat pumps, and directly connected generation. In the U.S., the £29 billion capex will be split between the New York and New England regulated networks. 60% of that spend will focus on electricity networks to support renewable connections, while the remainder will support gas distribution modernization and asset replacement across the Northeastern U.S.

Chart 1

£70 billion investment programme 2026-2031



Source: National Grid.

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The RIIO-ET3 regulatory framework will provide robust support for earnings and regulated asset value growth, offsetting the impact of higher capex on key financial metrics. The start of a new regulatory period in the U.K. marks a pivot from network reinforcement toward large-scale capacity expansion. Key drivers of this expansion are the step change in system demand for the integration of renewable generation, decarbonization, and the need to build the infrastructure required for electrification, as well as the construction of data centers. The increased underlying cost of capital supports earnings, reflected in a semi-nominal weighted-average cost of capital for National Grid Electricity Transmission PLC (NGET) of 5.53%. The baseline-allowed return on equity (ROE) of 5.7% in real terms compares favorably with 5.09% for FY25/FY26 under RIIO-ET2, the previous regulatory period. Cash flows are further strengthened by the application of the 85% capitalization rate for expenditure related to re-openers, carried over from RIIO-ET2. This accelerated cost recovery is supportive of financing operations and reduces the overall cost of investment.

We also view as credit supportive the proposed sharing factors to protect transmission operators from significant cost overruns. We view positively the minimal lag in the cash flow recovery of work-in-progress expenditure under U.K. regulation, considering the magnitude of spend and long lead times for transmission projects.

Regulatory reset risk is moving from electricity transmission to distribution networks. New investments will face increased scrutiny, as regulators are expected to approve infrastructure only where a clear and sustained economic need is demonstrated. In May 2026, U.K. energy regulator Ofgem published its sector specific methodology decision (SSMD) for the next five-year regulatory period for electricity distribution (RIIO-ED3) starting April 1, 2028 and ending March 31, 2033, which tightens investment rules for network operators. It requires companies to prove spending is "highly likely" to be needed and to maximize the use of flexible technologies before building new infrastructure. The SSMD tightened investment criteria for electricity distribution networks in that network companies must show projects will meet expected demand growth and prevent grid bottlenecks, in a shift designed to protect consumers from premature costs. The SSMD introduces a "build and flex" requirement as the default approach, requiring electricity

distributors to deploy smart electric-vehicle charging, demand-side response, battery storage, and controlled exports to manage load before investing in new capacity.

The regulator also strengthened connection rules to accelerate approvals for low-carbon technologies and major projects, with financial consequences for electricity distributors that fail to meet commitments. These cover connections ranging from electric-vehicle charging points and rooftop solar to large-scale grid links for housing and industry. Ofgem has not yet disclosed the expected impact on consumer bills, which it said would be determined when business plans are assessed, once submitted by the U.K. electricity distributors in December 2026. We note that affordability is likely to be a major topic to be addressed by Ofgem in business plan revisions. Under the SSMD, the real cost of equity is 6.08% (under a 60% gearing assumption) at the midpoint, with a range of between 5.10% and 7.05%. That compares with a 5.5% average real cost of equity under RIIO-ED2, the current regulatory period covering April 1, 2023, to March 31, 2028, and 5.70% (under a 55% gearing assumption) for RIIO-ET3.

Ofgem's investigation into the North Hyde Substation fire on March 20, 2025--which led to the temporary closure of Heathrow Airport--is still underway. The fire at one of three NG and SSE PLC-operated substations supplying power to the airport led to an outage and severe disruption at Heathrow, one of the busiest airports in the world. The National Energy System Operator (NESO) completed and published a review of the root cause in July 2025, concluding that a preventable, technical fault caused the blaze. Ofgem subsequently opened a formal enforcement investigation into NG's critical assets and their status and whether the issues identified in NESO's report were one-off in nature or more systemic across the group. This investigation is ongoing.

National Grid North America's (NGNA) regulatory environment supports stable credit metrics. NGNA is well-positioned to manage regulatory volatility through its utility subsidiaries, supported by recent rate increases that bolster capital investment capacity. In New York, Niagara Mohawk Power Corporation's (NIMO's) three-year rate plan, approved in August 2025 with a 9.5% allowed ROE, provides about $785 million in combined electric and gas base-rate increases to support average annual investment of $2 billion, through to March 2028. An additional $600m in annual CLCPA-related investment, supported by NYSPC and FERC approvals complements this program, with FFO-to-debt expected to remain credit-supportive at 13%-16%. Similarly, Massachusetts operations benefit from steady regulatory frameworks, including a recent $13.6 million increase for Massachusetts Electric Company (MECO), this relates to the approved performance based ratemaking revenue increase (covering operations and maintenance costs). MECO was also approved a $74.5m revenue increase for ISRE (Infrastructure, Safety, Reliability and Electrification), covering capital recovery. Both increases are effective as of October 1, 2026. Additionally, there is a pending request from Boston Gas Co. for a $338 million rate hike and an extended performance-based ratemaking plan through September 2031. An order on the base rate case is expected at the end of November 2026.

The Federal Energy Regulatory Commission's (FERC's) April 2026 decision to reduce New England transmission ROEs and mandate $250 million in refunds will meaningfully suppress New England Power Company's (NEP) 2027 FFO-to-debt. NEP, alongside other transmission operators in the state, filed to increase transmission ROE to 11.39%. FERC suspended the effectiveness of the proposed adjustment until November 30, 2026. Despite these challenges, NGNA's diversified footprint and strong underlying metrics should keep the company comfortably within its established financial risk profile

Outlook

The stable outlook on NG reflects our expectation that, over the RIIO-ET3 period from April 2026 to March 2031, the group will maintain average adjusted FFO to debt above the 10% downside trigger for the rating and that NGET will continue to benefit from a supportive regulatory framework over this period. It also reflects our view that the group's operations will remain sizable and diversified after the completion of the portfolio repositioning.

Downside scenario

We could downgrade NG in case of a sustained and extended decline in consolidated average adjusted FFO to debt to below 10%. This could occur if operating costs are sustainably higher than expected and not mitigated by revenue growth, or if NG cannot achieve expected returns in its various regulatory jurisdictions, for instance underperforming against the delivery of its investment program and allowances, or via a significant gap in allowances compared to submitted business plans ahead of the upcoming RIIO-ED3 regulatory update.

Upside scenario

We would consider raising the ratings if NG maintains adjusted FFO to debt consistently above 13%, demonstrating an above-average operating performance.

Our Base-Case Scenario

Assumptions

- Inflation at 3.7% in FY2026, 2.8% in FY2027, and 2.4% in FY2028, as measured by the U.K. retail price index. We forecast inflation at 3.2% in FY2026, 2.5% in FY2027, and 2.0% in FY2028, as measured by the U.K. consumer price index.
- 25% corporation tax in the U.K.
- S&P Global Ratings-adjusted net debt to total group asset base to trend toward the high 60% to low 70% range by the end of RIIO-T3, from 63% in March 2026, reflecting the gradual increase in capex.
- Consolidated capex will rise to about £12.4 billion per year on average in the five years until 2031, from about £10.6 billion in FY2026.
- No significant financial impact related to Ofgem's current investigation into NGET's role in the North Hyde Substation fire.
- No further asset divestments.
- Dividend per share growth in line with Consumer Prices Index including owner occupiers' housing costs (CPIH).
- Current levels of hybrid debt maintained.

Key metrics

National Grid PLC--Forecast summary

Period ending	Mar-31-2023	Mar-31-2024	Mar-31-2025	Mar-31-2026	Mar-31-2027	Mar-31-2028	Mar-31-2029
(Mil. GBP)	2022a	2023a	2024a	2025a	2026e	2027f	2028f
EBITDA	6,558	7,723	7,032	7,496	9,300-9,800	9,800-10,300	11,200-11,700

National Grid PLC--Forecast summary

Funds from operations (FFO)	4,595	5,584	5,132	5,602	7,550-8,050	7,650-8,150	8,550-9,050
Capital expenditure (capex)	6,892	7,453	9,306	10,575	11,600-12,100	11,950-12,450	12,900-13,400
Dividends	1,646	1,756	1,543	1,630	1,750-1,950	1,800-2,000	1,850-2,050
Debt	40,838	43,719	42,269	45,592	50,000-52,000	56,500-58,500	62,500-64,500
Adjusted ratios							
Debt/EBITDA (x)	6.2	5.7	6.0	6.1	5.2-5.7	5.5-6.0	5.3-5.8
FFO/debt (%)	11.3	12.8	12.1	12.3	14.0-16.0	12.5-14.5	12.5-14.5

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. GBP--pound sterling.

Company Description

NG is a regulated utility that owns and operates electricity and gas networks in the U.K., and transmission and distribution utilities in the U.S.

In the U.K., NG owns the high-voltage electricity transmission system in England and Wales through NGET. The company owns and operates electricity distribution networks in Great Britain through NGED, which was consolidated in June 2021. Its electricity distribution services are available in the Midlands, southwest England, and south Wales.

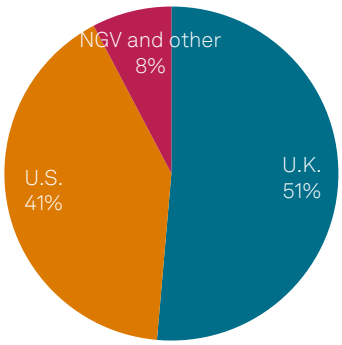
In the U.S., several regulators supervise operations. State regulators in New York and Massachusetts govern energy distribution, while the Federal Energy Regulatory Commission regulates a variety of transmission and interconnection businesses.

Additionally, through National Grid Ventures, NG owns some modest related businesses that operate outside of traditional regulatory price controls. These include electricity interconnectors between England and continental Europe, property, and 3.8 gigawatts of power supply under a long-term contract in Long Island, New York.

Chart 2

NG's assets by geography

As of March 31, 2026



NGV--National Grid Ventures.
Source: National Grid.

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Peer Comparison

NG's closest peers are large European and North American utilities. The group compares favourably with peers in terms of size, mix of power and gas exposure, and diversification of regulatory jurisdiction. Compared with U.S. peers, the company benefits from a very supportive regulatory framework in the U.K. We view the near to 50% contribution from regulated activities in the U.K. as positive. While the U.S. offers higher nominal allowed returns, in our view, the U.K. offers better visibility of returns, particularly when comparing to some state jurisdictions other than FERC. Moreover, RIIO-T3 will offer NG a strong asset-growth profile due to the scale of the U.K. transmission investments.

National Grid PLC--Peer Comparisons

	National Grid PLC	PPL Corp.	Duke Energy Corp.	Enel SpA	Terna SpA
Foreign currency issuer credit rating	BBB+/Stable/A-2	A-/Stable/A-2	BBB+/Stable/A-2	BBB/Positive/A-2	A-/Stable/A-2
Local currency issuer credit rating	BBB+/Stable/A-2	A-/Stable/A-2	BBB+/Stable/A-2	BBB/Positive/A-2	A-/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2026-03-31	2025-12-31	2025-12-31	2025-12-31	2025-12-31
Mil.	GBP	GBP	GBP	GBP	GBP
Revenue	17,649	6,718	23,771	69,961	3,514
EBITDA	7,496	2,609	12,549	18,258	2,403
Funds from operations (FFO)	5,602	1,944	10,306	13,287	1,716
Interest	1,827	621	3,115	2,823	375
Cash interest paid	1,925	596	2,707	2,482	310
Operating cash flow (OCF)	6,240	1,911	9,151	12,266	2,371
Capital expenditure	10,575	2,971	10,285	7,980	2,919
Free operating cash flow (FOCF)	(4,335)	(1,060)	(1,133)	4,286	(548)
Discretionary cash flow (DCF)	(5,966)	(1,661)	(3,626)	(3,358)	(1,239)
Cash and short-term investments	2,289	796	182	4,462	2,237
Gross available cash	1,745	796	182	4,462	2,237
Debt	45,592	13,752	66,881	63,998	12,130
Equity	39,658	11,235	39,774	37,246	6,015
EBITDA margin (%)	42.5	38.8	52.8	26.1	68.4
Return on capital (%)	6.5	6.9	6.7	12.7	9.6
EBITDA interest coverage (x)	4.1	4.2	4.0	6.5	6.4
FFO cash interest coverage (x)	3.9	4.3	4.8	6.4	6.5
Debt/EBITDA (x)	6.1	5.3	5.3	3.5	5.0
FFO/debt (%)	12.3	14.1	15.4	20.8	14.1
OCF/debt (%)	13.7	13.9	13.7	19.2	19.5
FOCF/debt (%)	(9.5)	(7.7)	(1.7)	6.7	(4.5)
DCF/debt (%)	(13.1)	(12.1)	(5.4)	(5.2)	(10.2)

Business Risk

Our assessment of NG's business risk profile as excellent is supported by the group's monopoly status in network activities and the broadly supportive regulatory frameworks in the U.K. and U.S.

under which it operates. Regulated operations fall under regimes that are constructive and support stable financial performance. Notably, Ofgem's RIIO framework is forward-looking and incentive-based, incorporating a return on the RAV and inflation indexation. These features underpin our assessment of the U.K. regulatory space as strong and are a source of stability for NG.

More than 90% of NG's underlying operating profit comes from low-risk regulated activities in the U.K. and the U.S. The company has above-average earnings and regulatory system diversity because of its dual market focus on the U.K. and the U.S.-- the latter has multiple regulatory regimes. We view this positively because it spreads the regulatory reset risks and reduces dependence on a single regulator while all frameworks are either strong or strong/adequate. NG's focus on low-risk, highly rated countries also supports its credit quality.

National Grid--Regulatory period and ROE

Region	Networks	Reg. Framework assessment	Regulatory Period	Regulatory Debt/Equity assumption (%)	Latest achieved Return on Equity (%)	Base or Allowed Return on Equity (%)
U.K.	NGET (Electricity Transmission)	Strong	April 1, 2026, to March 31, 2031	55/45	8.2*	7.2*
U.K.	NGED (Electricity Distribution)	Strong	April 1, 2023, to March 31, 2028	60/40	8.1	7.6
New England	MECO (Electricity Distribution) NEP (Electricity Transmission) Boston Gas (Gas Distribution)	Strong (FERC) Strong/Adequate	MECO: October 1, 2024 to September 30, 2029; Boston Gas: October 1, 2021 to September 30, 2026**	Avg. 45/55	9.2	9.6
New York	NIMO (Electricity Transmission and Distribution, Gas Distribution), KEDNY (Gas Distribution), KEDLI (Gas Distribution)	Strong (FERC) Strong/Adequate	NIMO: May 1, 2025 - March 31, 2028 KEDNY, KEDLI: April 1, 2024 - March 31, 2027	Avg. 52/48	9.0	9.4

ROE--Return on equity. *Return on regulated equity for last year of RIIO-T2 and the allowed return on equity for ET3 is 5.7% uplifted for inflation. ** Boston Gas has submitted for a new 5-year performance-based rate plan on January 2026, with an expected decision on 30 November 2026.

Source: National Grid PLC & National Grid North America Inc. NGET: National Grid Electricity Transmission, NGED: National Grid Electricity Distribution, MECO: Massachusetts Electric Company, NEC: Nantucket Electric Company, NEP: New England Power Company, NIMO: Niagara Mohawk Electric and Gas, KEDNY: The Brooklyn Union Gas Company/National Grid NY, KEDLI: KeySpan Gas East Corporation.

NG has streamlined its portfolio in recent years, including the sale of its remaining 20% stake in National Gas Transmission in 2024, as well as the sales of National Grid renewables and Grain LNG in 2025. The group’s investment plan is to significantly grow its regulated asset base over the next five years: the U.K. asset base is projected to increase by over 60% to £60 billion, while the U.S. is expected to grow by about 50% to £47 billion. This scale and geographical diversification, as well as the focus on electricity networks, supports the business risk profile. Furthermore, the group is well-positioned to capture growth opportunities arising from the long-term electrification required to meet national carbon neutrality goals.

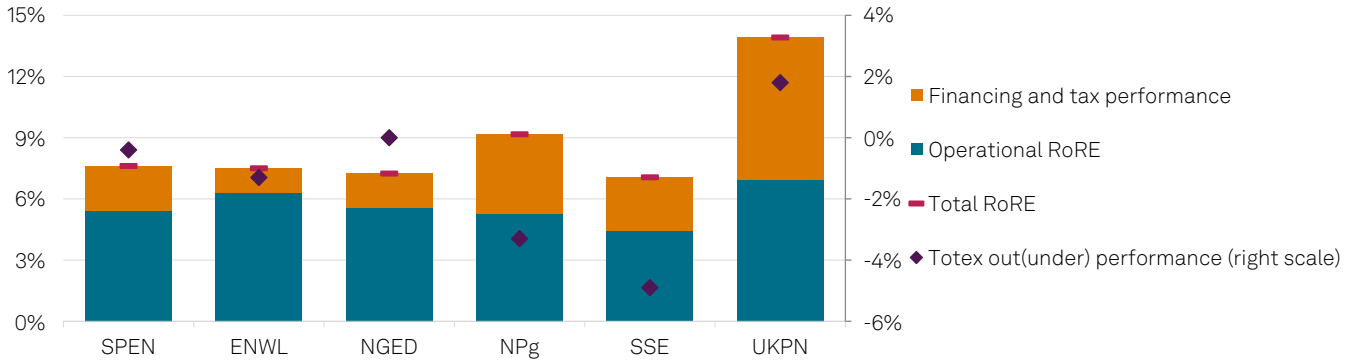
In the U.K., regulatory frameworks for NG's electricity transmission networks (RIIO-ET3 until 2031) and electricity distribution networks (RIIO-ED2 until 2028) are currently assessed as strong. Like all regulated U.K. utilities, NG is exposed to periodic regulatory reset risks, though we note the favorable renumeration profile of the RIIO-ET3 and the RIIO-ED3 SMMD packages in the context of significant growth and investment requirements, compared to RIIO-2. NG expects outperformance to improve toward 100 basis points (bps) over the remainder of RIIO-ED2for NGED, having achieved return on regulated equity (RoRE) of 8.1% over FY2026, and NGET expects

a similar level of outperformance in RIIO-ET3 as delivered in RIIO-ET2 (about 100 bps outperformance), having recorded RoRE of 8.2% in FY2026.

Chart 3

RIIO-ED2 RoRE cumulative performance

As of March 31, 2025



RoRE--Return on regulated equity. Source: Ofgem, S&P Global Ratings.

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We see stable regulatory risk for NGNA's operations. Its rate base is regulated by:

- The New York Public Service Commission;
- The Massachusetts Department of Public Utilities; and
- The Federal Energy Regulatory Commission.

All jurisdictions demonstrate stable regulatory environments and frameworks that are generally constructive, resulting in rate-case outcomes that have supported financial performance and credit quality over time. With respect to financial stability, almost all states offer various credit-supportive mechanisms, such as use of forward test years for rate setting, decoupling, commodity pass-through, weather normalization mechanisms, and capital cost-recovery riders. Despite improvements over the past few years, we view NG's performance in the U.S. generating less consistent regulatory outperformance than in the U.K. While the U.S. business generally benefits from higher nominal allowed returns compared to the U.K., it can face greater regulatory lag, more political scrutiny, and therefore less certainty of earning those returns.

The energy transition and affordability constraints present a divergent risk profile for NGNA, with its gas operations facing structural headwinds while electricity networks are positioned to support the transition. For the gas utilities, specifically Brooklyn Union Gas Co. (KEDNY) and KeySpan Gas East Corp. (KEDLI), long-term growth prospects remain constrained by policies like New York's All-Electric Buildings Act. Although the act's Jan. 1, 2026 mandate to ban natural gas hookups was delayed in November 2025 due to federal litigation, the underlying policy remains a persistent structural risk. Regulatory scrutiny also extends to Massachusetts, where the Department of Public Utilities' December 2025 review of gas and electric delivery charges highlights growing customer affordability concerns. This investigation into reconciling mechanisms could heighten regulatory risk if not managed effectively, though we expect MECO and other state utilities to work closely with regulators to mitigate potential impacts, and we will continue to closely monitor future related developments in Massachusetts.

Financial Risk

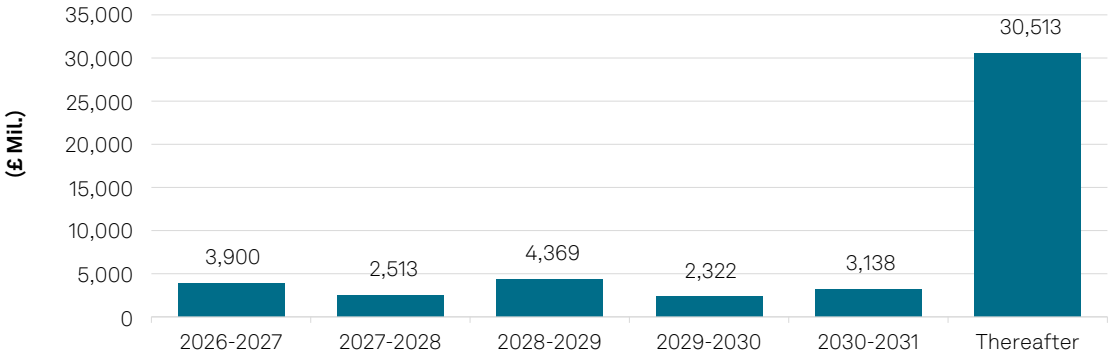
Our assessment of NG's financial risk profile reflects the strong cash-flow-to-debt measures as well as its large capital intensity, resulting in recurring negative free cash flows, limiting the prospects for debt reduction, and a relatively inflexible distribution policy. Despite this, we see the group's dividend-to-capex ratio as favorable compared to peers, indicating the company reinvests a majority of its profits into the business, rather than distributing them. We expect leverage will remain within the group's thresholds at the 'BBB+' rating level, with FFO to debt well above our 10% threshold and debt to EBITDA reducing slightly to 5.6x by 2030, from about 6.1x in FY2026.

NG has increased its five-year investment package with a planned capex of at least £70 billion across FY2026-FY2031, and compound annual growth in its asset base of about 10%. This would result in regulated/rate base assets of about £105 billion by FY2031, up from £66 billion reported in FY2026. We project that this capex plan, together with a dividend policy rising in line with annual inflation (as measured by CPIH), will lead to a negative DCF averaging about £5.8 billion over FY2027-FY2029.

Debt maturities

Chart 4

National Grid's debt maturity profile
As of March 31, 2026



Source: National Grid Plc

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National Grid PLC--Financial Summary

Period ending	Mar-31-2021	Mar-31-2022	Mar-31-2023	Mar-31-2024	Mar-31-2025	Mar-31-2026
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	GBP	GBP	GBP	GBP	GBP	GBP
Revenues	14,754	18,562	21,623	19,809	18,341	17,649
EBITDA	4,623	5,929	6,558	7,723	7,032	7,496
Funds from operations (FFO)	3,585	4,375	4,595	5,584	5,132	5,602
Interest expense	1,072	1,198	1,714	1,653	1,793	1,827

National Grid PLC--Financial Summary

Cash interest paid	797	1,015	1,391	1,589	1,906	1,925
Operating cash flow (OCF)	3,760	4,681	5,207	5,674	5,360	6,240
Capital expenditure	4,763	5,544	6,892	7,453	9,306	10,575
Free operating cash flow (FOCF)	(1,003)	(863)	(1,685)	(1,779)	(3,946)	(4,335)
Discretionary cash flow (DCF)	(2,456)	(1,826)	(3,331)	(3,539)	(5,496)	(5,966)
Cash and short-term investments	1,589	2,151	1,890	3,632	5,903	2,289
Gross available cash	1,589	2,151	1,586	3,269	5,903	1,745
Debt	31,354	43,746	40,838	43,719	42,269	45,592
Common equity	20,892	24,883	30,611	30,926	38,140	39,658
Adjusted ratios						
EBITDA margin (%)	31.3	31.9	30.3	39.0	38.3	42.5
Return on capital (%)	5.7	6.7	6.6	7.6	6.6	6.5
EBITDA interest coverage (x)	4.3	4.9	3.8	4.7	3.9	4.1
FFO cash interest coverage (x)	5.5	5.3	4.3	4.5	3.7	3.9
Debt/EBITDA (x)	6.8	7.4	6.2	5.7	6.0	6.1
FFO/debt (%)	11.4	10.0	11.3	12.8	12.1	12.3
OCF/debt (%)	12.0	10.7	12.8	13.0	12.7	13.7
FOCF/debt (%)	(3.2)	(2.0)	(4.1)	(4.1)	(9.3)	(9.5)
DCF/debt (%)	(7.8)	(4.2)	(8.2)	(8.1)	(13.0)	(13.1)

Reconciliation Of National Grid PLC Reported Amounts With S&P Global Adjusted Amounts (Mil. GBP)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Mar-31-2026									
Company reported amounts	45,862	39,299	17,687	7,759	5,431	1,297	7,496	7,829	1,623	10,575
Cash taxes paid	-	-	-	-	-	-	(32)	-	-	-
Cash interest paid	-	-	-	-	-	-	(1,932)	-	-	-
Lease liabilities	893	-	-	-	-	-	-	-	-	-
Intermediate hybrids (debt)	(328)	328	-	-	-	(7)	7	7	7	-
Postretirement benefit obligations/ deferred compensation	-	-	-	29	29	-	-	-	-	-
Accessible cash and liquid investments	(1,745)	-	-	-	-	-	-	-	-	-
Capitalized interest	-	-	-	-	-	424	-	-	-	-
Share-based compensation expense	-	-	-	45	-	-	-	-	-	-
Dividends from equity investments	-	-	-	105	-	-	-	-	-	-

Reconciliation Of National Grid PLC Reported Amounts With S&P Global Adjusted Amounts (Mil. GBP)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Asset-retirement obligations	1,801	-	-	-	-	113	-	-	-	-
Nonoperating income (expense)	-	-	-	-	340	-	-	-	-	-
Reclassification of interest and dividend cash flows	-	-	-	-	-	-	-	(1,596)	-	-
Noncontrolling/ minority interest	-	31	-	-	-	-	-	-	-	-
Debt: Fair value adjustments	(891)	-	-	-	-	-	-	-	-	-
Revenue: other	-	-	(38)	(38)	(38)	-	-	-	-	-
EBITDA - Gain/(loss) on disposals of PP&E	-	-	-	96	96	-	-	-	-	-
EBITDA: Business divestments	-	-	-	(489)	(489)	-	-	-	-	-
EBITDA: other income/ (expense)	-	-	-	(11)	(11)	-	-	-	-	-
Total adjustments	(270)	359	(38)	(263)	(73)	530	(1,894)	(1,589)	7	-
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	45,592	39,658	17,649	7,496	5,358	1,827	5,602	6,240	1,630	10,575

Liquidity

We assess NG's liquidity as adequate. We forecast that the group's liquidity sources--including cash, operating cash flow, and available bank lines--will exceed projected uses (mainly necessary capex, debt maturities, and dividends) by about 1.2x in the 12 months started Sept. 30, 2026. Our assessment of NG's liquidity profile incorporates its excellent access to capital markets. We understand there are no restrictive covenants in the documentation for the group's debt.

Principal liquidity sources	Principal liquidity uses
• Access to unrestricted short-term cash and marketable securities of about £2.2 billion as of Sept. 30, 2026; • Undrawn committed liquidity lines of £12.3 billion across multiple facilities maturing in more than 12 months, which are available for general corporate purposes;	• Capex of about £12 billion over the next 12 months; • About £4.8 billion of debt maturities; and • Dividend payments of £1.7 billion-£1.8 billion.

- Cash FFO of about £7.9 billion; and
- Estimated working capital inflows of about £67 million.

Environmental, Social, And Governance

Environmental, social, and governance factors have no material influence on our credit rating analysis of NG. The utility's networks will continue to play an important part in energy transition in the markets where it operates. The group also has several of its own targets to improve environmental metrics, such as reducing scope 1 and 2 greenhouse gas emissions by 60% by 2030/2031 (from a 2018-2019 baseline), a 37.5% reduction in all scope 3 greenhouse gas emissions (excluding sold electricity) by 2033/34 (from a 2018-2019 baseline) and reducing sulphur hexafluoride emissions from operations by 50% by 2030/31 (from the 2018-2019 baseline). In addition, the company operates gas and electricity networks with a clear focus on shifting away from gas and toward electricity.

Group Influence

We base our rating on NG on our assessment of all U.K. and U.S. entities as a complex group under our group rating methodology criteria.

We assess NG's group credit profile (GCP) 'bbb+' based on the consolidated cash flows and debt at the level of NG PLC. We view all of NG's U.K. and U.S. subsidiaries--except for National Grid Generation LLC (BBB/Stable/--), which is assessed as strategically important--as core entities because their activities are aligned with the group's strategic focus on regulated networks. Group management and commitment to financial resources are strong. Moreover, both the U.K. and U.S. operations constitute a significant portion of the consolidated group and are fully integrated into the group's activities. Therefore, the 'BBB+' issuer credit rating (ICR) for each entity is determined by NG's GCP.

Issue Ratings--Subordination Risk Analysis

Capital structure

NG's group capital structure consists of £46.8 billion of debt, mostly unsecured as of March 31, 2026.

Analytical conclusions

We rate about £7.5 billion of NG's unsecured debt 'BBB', one notch below the ICR, which reflects the structural subordination of holding company debt to subsidiary debt. This is because about 85% of NG's debt is issued at the intermediate holding company or operating company level.

We treat the hybrid debt as intermediate equity content and rate it two notches below the ICR ('BBB-'). The two notches reflect the subordination and deferability risks.

Rating Component Scores	
Foreign currency issuer credit rating	**BBB+/Stable/A-2**
Local currency issuer credit rating	**BBB+/Stable/A-2**
Business risk	**Excellent**
Country risk	Low
Industry risk	Very Low
Competitive position	Strong
Financial risk	**Aggressive**
Cash flow/leverage	Aggressive (medial volatility table)
Anchor	**bbb**
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Positive (+1 notch)
Stand-alone credit profile	**bbb+**

Related Criteria

- ARCHIVE | General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- ARCHIVE | Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Industry Credit Outlook 2026: EMEA Utilities, Jan. 14, 2026
- National Grid PLC, Oct. 3, 2025
- Greening Up Without Blackouts: Boosting European Power Grids' Resilience May Dent Credit Quality, July 2, 2025

Ratings Detail (as of November 06, 2026)*	
National Grid PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Foreign Currency	A-2
Senior Unsecured	BBB
Issuer Credit Ratings History	
02-Mar-2021	BBB+/Stable/A-2
25-Aug-2020	A-/Negative/A-2
24-Aug-2007	A-/Stable/A-2
Related Entities	
Boston Gas Co.	
Issuer Credit Rating	BBB+/Stable/NR
Senior Secured	A
Senior Unsecured	BBB+
Brooklyn Union Gas Co. (The)	
Issuer Credit Rating	BBB+/Stable/NR
Senior Unsecured	BBB+
KeySpan Gas East Corp.	
Issuer Credit Rating	BBB+/Stable/--
Senior Unsecured	BBB+
Lattice Group Ltd.	
Issuer Credit Rating	BBB+/Stable/--
Massachusetts Electric Co.	
Issuer Credit Rating	BBB+/Stable/A-2
Preferred Stock	BBB-
Senior Unsecured	BBB+
National Grid Electricity Distribution (East Midlands) PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
National Grid Electricity Distribution PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB
National Grid Electricity Distribution (South Wales) PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
National Grid Electricity Distribution (South West) PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+

Ratings Detail (as of November 06, 2026)*

National Grid Electricity Distribution (West Midlands) PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
National Grid Electricity Transmission PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Foreign Currency	A-2
Senior Unsecured	BBB+
National Grid Generation LLC	
Issuer Credit Rating	BBB/Stable/--
National Grid Holdings One PLC	
Issuer Credit Rating	BBB+/Stable/A-2
National Grid North America Inc.	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	A-2
Senior Unsecured	BBB
National Grid USA	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB
New England Power Co.	
Issuer Credit Rating	BBB+/Stable/A-2
Preferred Stock	BBB-
Senior Unsecured	BBB+
Niagara Mohawk Power Corp.	
Issuer Credit Rating	BBB+/Stable/A-2
Preferred Stock	BBB-
Senior Unsecured	BBB+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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