# Half year results for the period ended 30 September 2019

14 Nov 2019

**London | 14 November 2019:** National Grid, a leading energy transmission and distribution company, today announces its Half Year results.

## Report for the period ended 30 September 2019

### Highlights

- Announcing today a new target to achieve net zero for own emissions by 2050
- Regulatory progress in US and UK:
  - Multi-year agreement for Massachusetts Electric
  - Draft RIIO-2 business plans submitted
  - Welcomed Ofgem's "minded-to" position on Hinkley-Seabank to move away from Competition Proxy Model
- Cost efficiency programme on track: £50m in the UK and $30m in the US in 2019/20
- Construction of three interconnectors on target
- Completed US Geronimo acquisition
- Received £2bn proceeds for sale of final Cadent stake

### Financial performance

- Underlying operating profit up 1% to £1.3bn due to increase in US Regulated profits (statutory operating profit down 1% to £1.0bn reflecting adverse timing)
- Underlying EPS up 2% to 20.0p, due to a US tax settlement relating to prior periods
- Statutory EPS of 11.3p, down 11% reflecting adverse mark to market remeasurements
- Capital investment £2.7bn up 28% driven by increase in US capital spend and £0.2bn Geronimo acquisition
- Interim dividend 16.57p/share, in line with policy

### Financial summary

Six months ended 30 September – continuing operations

| | Statutory results | | | Underlying[1] | | |
|---|---|---|---|---|---|---|
| *Unaudited* | **2019** | 2018 | % change | **2019** | 2018 | % change |
| **Operating profit (£m)** | **1,003** | 1,017 | (1) | **1,301** | 1,285 | 1 |
| **Profit before tax (£m)** | **404** | 522 | (23) | **785** | 816 | (4) |
| **Earnings per share (p)** | **11.3** | 12.7 | (11) | **20.0** | 19.7 | 2 |
| **Capital investment[2] (£m)** | **2,722** | 2,130 | 28 | **2,722** | 2,130 | 28 |

**John Pettigrew**
Chief Executive

"In the first half of this year we have delivered solid financial performance and continued to deliver strong organic growth at the top end of the 5 to 7% range. We also made good progress on our strategic priorities, including agreeing a multi -year, forward rate case in Massachusetts Electric, submitting our draft business plans for RIIO-2 in the UK and completed our acquisition of Geronimo. In the second half, we are progressing our priorities across the Group including addressing the gas supply constraint in downstate New York.

Today's announcement that we are increasing the Group's own emissions reduction target from 80% to net zero by 2050 underlines our commitment to lead the industry towards a cleaner energy future. This objective will be supported by work in other areas, such as offering further energy efficiency programmes for our US custome rs, proposals for renewable natural gas and hydrogen blending programmes."

*[1] 'Underlying' represents statutory results excluding exceptional items, remeasurements, timing and major storm costs. Further detail and definitions for all alternative performance measures are provided on page 48.*
*[2] Includes additions to PP&E, intangibles, contributions to JV and associates (excluding St William), investment in National Grid Partners and total consideration for the Geronimo acquisition.*

**The full statement is available here**

## Contacts

### Investor Relations

| | | |
|---|---|---|
| Aarti Singhal | +44 (0)20 7004 3170 | +44 (0) 7989 492 447 |
| Nick Ashworth | +44 (0)20 7004 3166 | +44 (0) 7814 355 590 |
| Jon Clay | +44 (0)20 7004 3460 | +44 (0) 7899 928 247 |
| James Flanagan | +44 (0)20 7004 3129 | +44 (0) 7970 778 952 |

### Media

| | | |
|---|---|---|
| Molly Neal | - | +44 (0) 7583 102 727 |
| Gemma Stokes | +44 (0)1926 655 272 | +44 (0) 7974 198 333 |

### Teneo

| | | |
|---|---|---|
| Charles Armitstead | +44 (0)7703 330 269 | - |

## Conference call details

An analyst presentation will be held at the London Stock Exchange, 10 Paternoster Square, London EC4M 7LS at 09:15 (GMT) today. There will be a live webcast of the results presentation available to view at investors.nationalgrid.com.

**Live telephone coverage of the analyst presentation at 09:15**

| | |
|---|---|
| **UK dial in numbers** | +44 (0) 203 003 2666<br>+44 (0) 808 109 0700 (UK toll free) |
| **US dial in numbers** | +1 866 966 5335 (US toll free)<br>+1 212 999 6659 (New York) |
| **Password** | National Grid |

You can view or download copies of the latest Annual Report and Accounts (ARA) and Performance Summary from National Grid's website at investors.nationalgrid.com or request a free printed copy by contacting investor.relations@nationalgrid.com.

Contact for media information only

Share this page

Notes for editors

**Notes to Editors:**

National Grid is pivotal to the energy systems in the UK and the north eastern United States. We aim to serve customers well and efficiently, supporting the communities in which we operate and making possible the energy systems of the future.

**National Grid in the UK:**

- We own and operate the electricity transmission network in England and Wales, with day-to-day responsibility for balancing supply and demand. We also operate, but do not own, the Scottish networks. Our networks comprise approximately 7,200 kilometres (4,474 miles) of overhead line, 1,500 kilometres (932 miles) of underground cable and 342 substations.
- We own and operate the gas National Transmission System in Great Britain, with day-to-day responsibility for balancing supply and demand. Our network comprises approximately 7,660 kilometres (4,760 miles) of high-pressure pipe and 618 above-ground installations.
- As Great Britain's System Operator (SO) we make sure gas and electricity is transported safely and efficiently from where it is produced to where it is consumed. From April 2019, Electricity System Operator (ESO) is a new standalone business within National Grid, legally separate from all other parts of the National Grid Group. This will provide the right environment to deliver a balanced and impartial ESO that can realise real benefits for consumers as we transition to a more decentralised, decarbonised electricity system.
- Other UK activities mainly relate to businesses operating in competitive markets outside of our core regulated businesses; including interconnectors, gas metering activities and a liquefied natural gas (LNG) importation terminal – all of which are now part of National Grid Ventures. National Grid Property is responsible for the management, clean-up and disposal of surplus sites in the UK. Most of these are former gas works.

Find out more about the energy challenge and how National Grid is helping find solutions to some of the challenges we face at https://www.nationalgrid.com/group/news
National Grid undertakes no obligation to update any of the information contained in this release, which speaks only as at the date of this release, unless required by law or regulation.