

NG.Debt

Investor Relations | June 2020



Net debt
at 31 March 2020
£28.6bn

Interest cover for 19/20 was 4.1x, comfortably above our minimum target of 3x, which we believe is consistent with single A range credit ratings for our main UK/US operating companies.

S&P FFO / Adjusted Debt 12.3%	Moody's RCF / Adjusted Debt¹ 9.2%	Committed Facilities³ at 31 March 2020	Average debt maturity
Moody's FFO Interest Cover¹ 4.1x	Gearing (RAV / rate base)² 63%	£5.5bn	~12 years
Group credit rating metrics within current ratings of the Group <ul style="list-style-type: none"> • FFO interest > 3x • RCF/adjusted debt > 9% 		FY18/19 metrics were: <ul style="list-style-type: none"> • S&P FFO/Adjusted Debt 13.0% • Moody's FFO Interest Cover 4.4x • Moody's RCF/Adjusted Debt 9.4% • Gearing (RAV / rate base) 66% 	

1. Post exceptionals

2. Includes 100% of hybrid debt

3. Available for liquidity purposes

4. Includes 100% of hybrid debt

Debt issuance

External debt is raised by our operating companies, intermediate holding companies and by the Group parent company, National Grid plc. On average, National Grid issues £2-3bn of long-term debt each year, to fund capital expenditure and to refinance maturing debt.

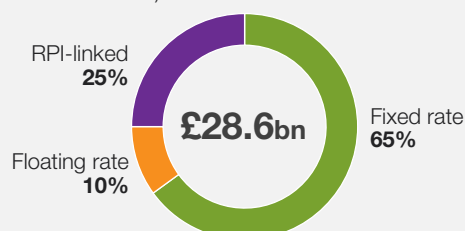
The vast majority of our debt is raised in the capital markets but we also maintain some long-term bank borrowings. We can access multiple debt markets at any one time and as a result, we benefit from flexibility, with access to the best value funding available. Debt is issued in multiple currencies with derivatives used to manage the ultimate liability into sterling or US dollars.

Interest rates

We seek to minimise the total interest rate charges to the Group, whilst maintaining a balanced and diversified portfolio of interest rate exposures. We manage our interest rate exposures by utilising fixed, floating and RPI-linked debt, interest rate swaps and forward rate agreements.

Interest rate profile – Net Debt*

(at 31 March 2020)



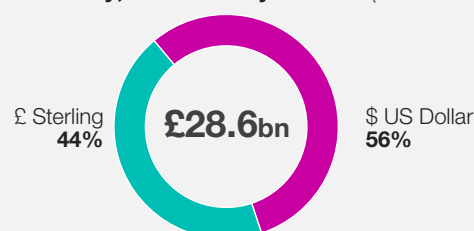
FY19: 65% fixed rate, 26% RPI, 9% floating rate

Exchange rates

As a partial currency hedge of our investment in US businesses, US Dollar borrowings and derivatives are employed to maintain net US dollar debt liabilities, approximately \$20bn at 31 March 2020. As a result, net debt varies with GBP/USD exchange rates.

Currency profile – Net Debt*

Ultimate liability, not currency of issue (at 31 March 2020)



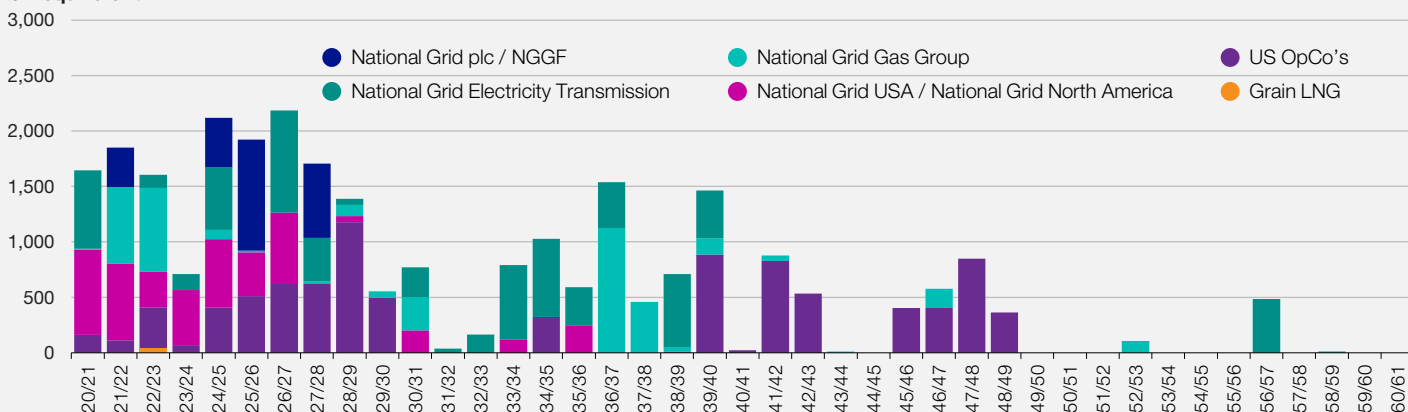
FY19: 61% US Dollar, 39% Sterling

*Net debt includes borrowings, associated derivatives and cash and current financial investments

National Grid long term debt maturity profile

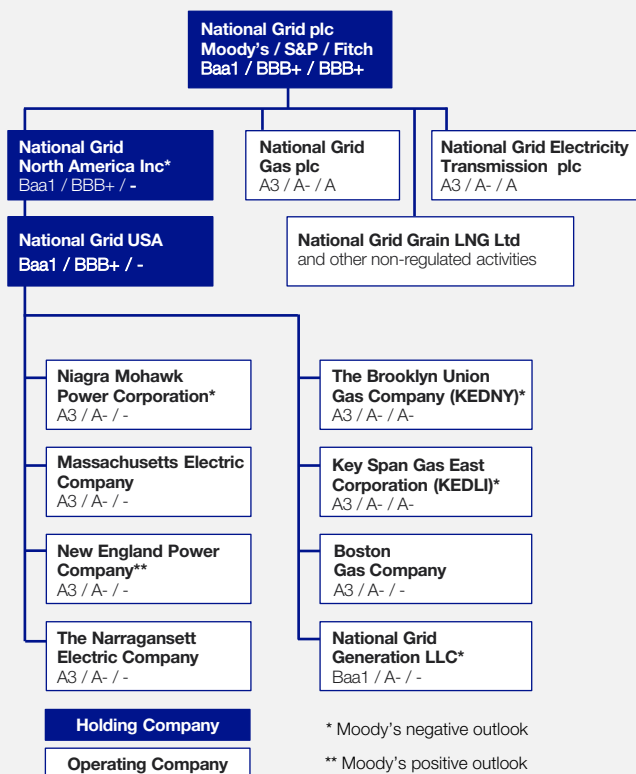
Data as at 31 March 2020, GBP/USD closing exchange rate 1.24, Hybrid bond maturities to first call date

£m equivalent



Group debt issuing companies credit ratings

We have credit ratings from at least two agencies for all of our current debt issuing companies. All entities are on a stable outlook with Moody's unless specified.



Weighted average long term debt maturity

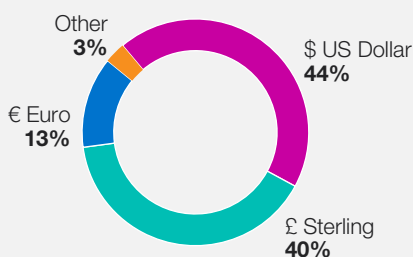
	Years
National Grid plc and NGG Finance	6
National Grid Gas Group	11
National Grid Electricity Transmission	13
US Group	12

2019/20 Debt Issuance

We issued £2.9bn of long term senior debt during 2019/20, as well as refinancing £1.1bn of hybrid debt.

- US Operating Companies: £0.5bn
- National Grid North America: £0.3bn
- National Grid Electricity Transmission: £1.8bn
- National Grid Gas: £0.3bn

Currency profile of issuance



Note: Gross borrowings at 31 March 2020 excluding associated derivatives and cash and investments

Important notice

This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to National Grid's financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as 'aims', 'anticipates', 'expects', 'should', 'intends', 'plans', 'believes', 'outlook', 'seeks', 'estimates', 'targets', 'may', 'will', 'continue', 'project' and similar expressions, as well as statements in the future tense, identify forward-looking statements. Furthermore, this document, which is provided for information only, does not constitute summary financial statements and does not contain sufficient information to allow for as full an understanding of the results and state of affairs of National Grid, including the principal risks and uncertainties facing National Grid, as would be provided by the full Annual Report and Accounts, including in particular the Strategic Report section and the 'Risk factors' section on pages 212 to 215 of National Grid's most recent Annual Report and Accounts for the year ended 31 March 2019 as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2019, published on 14 November 2019. Copies of the most recent Annual Report and Accounts are available online at www.nationalgrid.com or from Equiniti Limited. Except as may be required by law or regulation, National Grid undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this document. The content of any website references herein do not form part of this document.

Further information

Nick Ashworth
Director of Investor Relations (Interim)
T +44 (0) 20 7004 3166
M +44 (0) 7814 355590
nicholas.ashworth@nationalgrid.com

Jon Clay
Investor Relations Officer
T +44 (0) 20 7004 3460
M +44 (0) 7899 928247
jonathan.clay@nationalgrid.com

James Flanagan
Investor Relations Manager (US)
T +44 (0) 20 7004 3129
M +44 (0) 7970 778952
james.flanagan2@nationalgrid.com

Caroline Dawson
Investor Relations Manager
T +44 (0) 20 7004 3172
M +44 (0) 7789 273241
caroline.dawson@nationalgrid.com

Peter Kennedy
Investor Relations Manager
T +44 (0) 20 7004 3169
M +44 (0) 7966 200094
peter.kennedy@nationalgrid.com

@Grid_Media



investors.nationalgrid.com

National Grid plc
1-3 Strand
London WC2N 5EH
United Kingdom

nationalgrid