

NG.Debt

Investor Relations | May 2019



Net debt
at 31 March 2019
£26.5bn

Interest cover for 18/19 was 4.4x, 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.

FFO / Adjusted Debt ¹ 12.6%	RCF / Adjusted Debt ¹ 9.4%	Committed Facilities ³ at 31 March 2019 £5.5bn	Average debt maturity ~12 years
FFO / Adjusted Debt ² 14.7%	RCF / Adjusted Debt ² 10.8%		
FFO Interest Cover 4.4x	Gearing (RAV / rate base) 66%	FY17/18 reported metrics were:	
Group credit rating metrics within current ratings of the Group <ul style="list-style-type: none"> • FFO interest > 3x • RCF/adjusted debt > 9% 		• FFO/Adjusted Debt ¹ 15.9%	• FFO Interest Cover 4.4x
		• RCF/Adjusted Debt ¹ 9.7%	• Gearing (RAV / rate base) 64%

1. Post exceptionals, FFO/net debt based on the S&P methodology. RCF/net debt based on the Moody's methodology

2. Pre exceptionals

3. Available for liquidity purposes

Debt issuance

On average, National Grid expects to issue £2-3bn of long-term debt each year, to fund capital expenditure and to refinance maturing debt.

External debt is raised by our operating companies, intermediate holding companies and by the Group parent company, National Grid plc. The vast majority of our debt is raised in the capital markets. We also maintain some long-term bank borrowings.

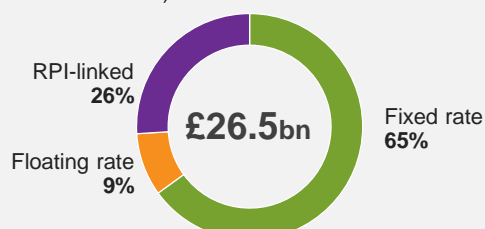
We can access multiple debt markets at any one time. As a result we benefit from flexibility, with access to the best value funding available. Debt can also be issued in any one of multiple currencies. Derivatives are used to manage the ultimate liability into sterling or US dollars.

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 2019)

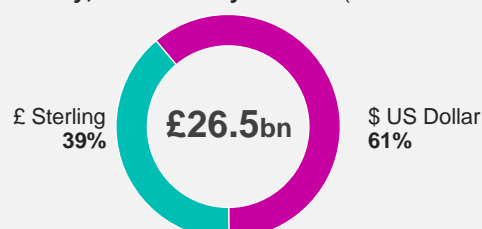


Exchange rates

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 \$21bn at 31 March 2019. As a result, net debt varies with GBP/USD exchange rates.

Currency profile – Net Debt*

Ultimate liability, not currency of issue (at 31 March 2019)



FY18: 63% fixed rate, 31% RPI, 6% floating rate

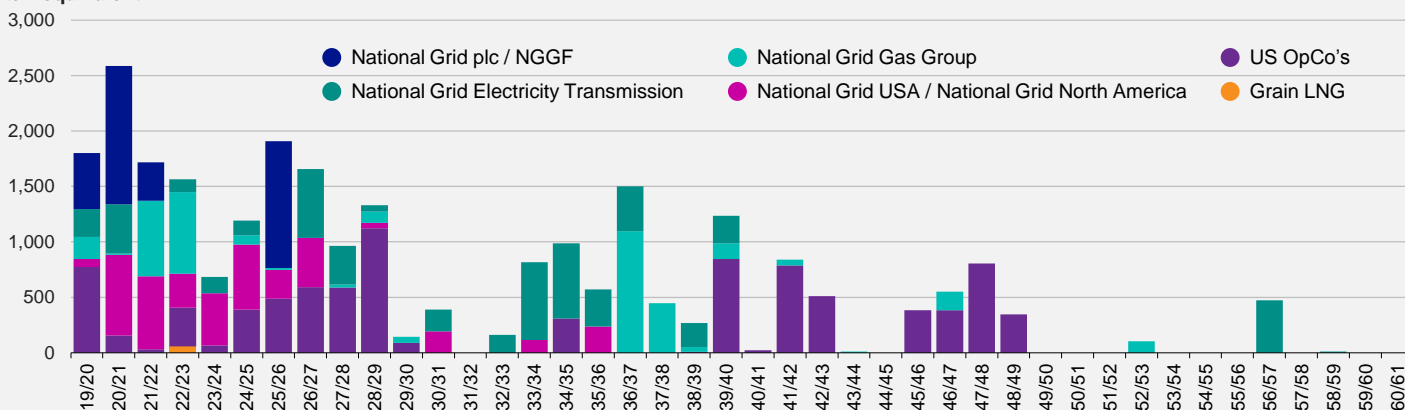
*Net debt includes borrowings, associated derivatives and cash and current financial investments

FY18: 77% US Dollar, 23% Sterling

National Grid long term debt maturity profile

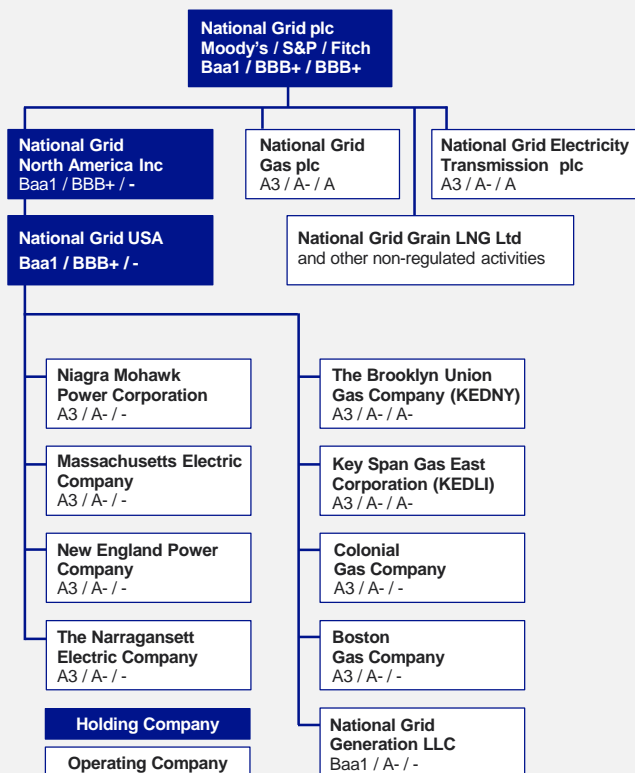
Data as at 31 March 2019, GBP/USD exchange rate 1.30155, Hybrid bond maturities to first call date

£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.



Weighted average long term debt maturity

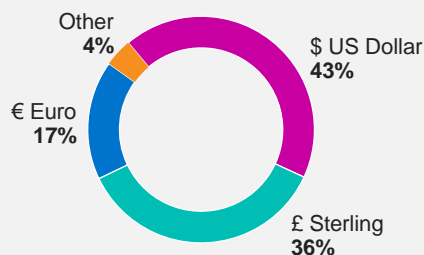
	Years
National Grid plc and NGG Finance	4
National Grid Gas Group	12
National Grid Electricity Transmission	14
US Group	13

2018/19 Debt Issuance

We issued £2.9bn of long term debt during 2018/19

- US Operating Companies: £1.4bn
- National Grid North America: £1.0bn
- National Grid Electricity Transmission: £0.5bn

Currency profile of issuance



Note: Gross borrowings at 31 March 2019 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 193 to 196 of National Grid's most recent Annual Report and Accounts for the year ended 31 March 2018 as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2018, published on 8 November 2018. Copies of the most recent Annual Report and Accounts are available online at www.nationalgrid.com or from Equinity. 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

Aarti Singhal
Director of Investor Relations
T +44 (0) 20 7004 3170
M +44 (0) 7989 492447
aarti.singhal@nationalgrid.com

Will Jackson
Senior Investor Relations Officer
T +44 (0) 20 7004 3166
M +44 (0) 7584 206578
will.jackson@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 778 952
james.flanagan2@nationalgrid.com

Peter Kennedy
Investor Relations Assistant 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