

Full Year Results

2020/21

Investor Relations | May 2021



Building a platform to lead the energy transition

“In the past year we have successfully navigated the challenges of COVID-19, delivered over £5bn of capital investment and achieved a solid underlying financial performance. This is testament to the strength and resilience of our business model and the unwavering commitment of our employees... Our confidence in the Group's prospects is reflected in the ambitious five-year outlook for capital investment, asset growth and earnings, which we are announcing today.”

Group Highlights

- Transactions progressing, WPD acquisition approved by shareholders - we expect WPD completion by July.
- Regulatory milestones reached with the RII0-2 Final Determination and Joint Proposal for KEDNY-KEDLI.
- COP26 principal partner and new Scope 3 targets set for the Group.

Group financial summary full year ended 31 March 2021

Underlying operating profit

£3,283m ↓3%

FY20: £3,389bn

Underlying EPS

54.2p ↓7%

FY20: 58.2p

Return on equity

10.6% ↓140bps

FY20: 12.0%

Capital investment

£5,047m ↓4%

FY20: £5,257m

Asset growth

5.6% ↓340bps

FY20: 9.0%

Dividend per share

49.16p ↑1.2%

FY20: 48.57p

Underlying results from continuing operations excluding exceptional items, remeasurements, major storm costs (when greater than \$100m) and timing
Capital investment includes investment in JVs (excluding equity contributions to St William property JV in FY20)
Operating profit and capital investment calculated at constant currency

5 year outlook

Capital investment	£30-35bn
	c.£8bn UK Electricity Transmission
	c.£4-5bn Western Power Distribution
	c.£17bn US Regulated Businesses
	c.£2-3bn NG Ventures
Group asset growth	6-8% CAGR¹
Gearing	Peak in FY22, settles above 70% Credit metrics comfortably within current rating band
EPS	5-7% CAGR¹ , at or above top end in early years
Dividend	Growth in line with CPIH

¹ Compound annual growth rate FY21-26
Outlook assumes purchase of Western Power Distribution; sale of Rhode Island business and majority stake in UK Gas Transmission; 2% p.a. inflation rate; GBP/USD FX rate of 1.3; and scrip uptake of 25%

US

highlights

- Excellent response to increased storm activity
- Reached agreement on a Joint Proposal for KEDNY/KEDLI
- Filed for new rates for Niagara Mohawk and Massachusetts Gas
- Selected as partner in the NY Priority Transmission Project
- Consulting with regulators on the future of heat

UK

highlights

- A strong end to RIIO-T1
- RIIO-T2 broad acceptance of final determination
- Investment in major projects e.g. London Power Tunnels 2, Hinkley Point and Smart Wires
- Announced our intention to sell a majority stake in Gas Transmission
- Exceeded our £100m cost efficiency target

NGV

highlights

- Commissioned IFA2, our second interconnector to France in January 2021
- Construction of North Sea Link and Viking Link interconnectors remain on target for 2021 and 2024 respectively
- 25-year agreement signed with Qatar Petroleum at Isle of Grain LNG facility
- Growing portfolio of renewable generation in the US

Financial performance segmental summary

US Regulated

Operating profit

£1,486m ↓5%

FY20: **£1,570m**

Capital investment

\$4.3bn ↑4%

FY20: **\$4.2bn**

Rate base

\$27.6bn ↑8%

FY20: **\$25.6bn**

RoE

7.2% ↓210bps

FY20: **9.3%**

UK Electricity Transmission

Operating profit

£1,122m ↓4%

FY20: **£1,174m**

Capital investment

£1.1bn ↑3%

FY20: **£1.0bn**

Regulated Asset Base

£14.6bn ↑3%

FY20: **£14.1bn**

RoE

13.9% ↑40bps

FY20: **13.5%**

UK Gas Transmission

Operating profit

£438m ↑9%

FY20: **£402m**

Capital investment

£176m ↓29%

FY20: **£249m**

Regulated Asset Base

£6.3bn -

FY20: **£6.3bn**

RoE

9.6% ↓20bps

FY20: **9.8%**

NG Ventures

Operating profit

£298m

FY20: **£269m**

NG Ventures

JVs post tax share

£56m

FY20: **£67m**

Other activities

Operating loss

£(61)m

FY20: **£(27)m**

Other activities

JVs post tax share

£10m

HY20: **£21m**

Underlying results from continuing operations excluding exceptional items, remeasurements, major storm costs (when greater than \$100m) and timing. Operating profit and capital investment calculated at constant currency

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 227 to 230 of National Grid's most recent Annual Report and Accounts for the year ended 31 March 2020 as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2020, published on 12 November 2020. 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.

Contact information

nationalgrid.com/investors
1-3 Strand, London, WC2N 5EH
+44 (0) 20 7004 3172
investor.relations@nationalgrid.com

nationalgrid