

# Half Year Results

2022/23

Investor Relations | November 2022



“Our results reflect the strength and resilience of our business during challenging economic conditions. Investment has continued at pace, with a record £3.9 billion in the half year. Given changes to the macro-economic outlook, we have updated our five year financial framework. Between FY22-26, we now expect to invest up to £40 billion, of which £29 billion will be in the decarbonisation of energy networks. We have announced funding to help our most vulnerable customers and communities through this winter and next. We remain focused on delivering a clean, fair and affordable future for all.” **John Pettigrew, Chief Executive**

## Group financial summary half year ended 30 September 2022

Unaudited underlying results

Operating profit<sup>1</sup>

**£2,117m ↑44%**

HY22: **£1,470m**

Earnings per share<sup>1</sup>

**32.4p ↑42%**

HY22: **22.8p**

Dividend growth

**17.84p ↑3.7%**

HY22: **17.21p**

Capital investment

**£3,883m ↑26%**

HY22: **£3,092m**

1. Underlying results from continuing operations excluding exceptional items, remeasurements, timing and the contribution from UK Gas Transmission and Metering, which is classified as a discontinued operation for accounting purposes. Capital investment includes investment in JVs and NG Partners Investments (excluding equity contributions to St William property JV).

Operating profit and capital investment calculated at constant currency.

## Operational highlights

### US highlights

- Completed sale of Rhode Island business
- CLCPA Phase 1 approval for \$600m transmission projects in NY.
- \$301m Grid Modernization Plan in MA
- Clean Energy Vision launched – a fossil-free future for our networks by 2050

### UK highlights

- Performing well in the last year of RIIO- ED1, and a successful 2<sup>nd</sup> year in RIIO-T2
- Draft determination received for ED2 price control, with final determinations due in December
- UK Gas Transmission majority stake sale expected to complete by end of calendar year

### NGV highlights

- Progress on Sellindge convertor station rebuild, with IFA1 full return to service expected in December
- First full contribution of operation for our North Sea Link Interconnector
- Investment in additional capacity at our Isle of Grain LNG facility, and US onshore renewables.
- Announced the sale of our stake in the Millennium gas pipeline for \$552 million

## Upgraded 5-year outlook FY22-26

up to **£40bn**

FY22-26  
Capex  
investment

c. **£29bn green**<sup>1</sup>  
aligned to EU taxonomy

### Capital investment

**c.£9bn**

UK Electricity Transmission

**c.£6bn**

UK Electricity Distribution

**c.£12bn**

New York Regulated

**c.£9bn**

New England Regulated

**c.£3-4bn**

NG Ventures

### Group asset growth

**8-10% CAGR**<sup>2</sup>

### Underlying EPS

**6-8% CAGR**<sup>2</sup>

a strong second year

### Credit metrics

Credit metrics within current rating thresholds

Net debt to RAV c.70% once transactions complete

### Dividend

Aim to grow dividend per share in line with CPIH

1. Aligned to EU Taxonomy, directly invested into the decarbonisation of energy networks

2. Compound annual growth rate FY2022-26. Forward years based on assumed USD FX rate of 1.2; long run CPIH and RPI inflation assumptions based on October forward curves, and scrip uptake of 25%. Reflects sale of Rhode Island and assumes the completion of sale of 60% stake in UK Gas Transmission & Metering (UK GT&M) at end of 2022. Assumes 40% equity interest of UK GT&M included in continuing operations from start of 2023.

## Financial performance segmental summary

### New York

Operating profit

**£202m** ↑25%

HY22: £162m

### New England

Operating profit

**£316m** ↑11%

HY22: £284m

### UK Electricity Transmission

Operating profit

**£564m** ↑2%

HY22: £552m

### UK Electricity Distribution

Operating profit

**£579m** ↑125%

HY22: £257m

Increase is due to acquisition timing.

Includes a full six months contribution.

### NGV and Other

Operating profit

**£404m**

HY21: £166m

### JVs post tax share

**£70m**

HY21: £61m

### UK Gas Transmission

Operating profit

**£381m** ↑15%

HY22: £332m

Now reported as discontinued operation

**Note:** Underlying results from continuing operations excluding exceptional items, remeasurements and timing. Operating profit presented at constant currency

## Responsible business charter

### Environment



- Net Zero for scope 1 and 2 by 2050
- 37.5% reduction in scope 3 by 2030 vs 2019 baseline

### Communities



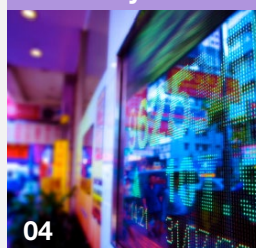
- Skills development for 45,000 people by 2030
- 500,000 volunteering hours by 2030

### People



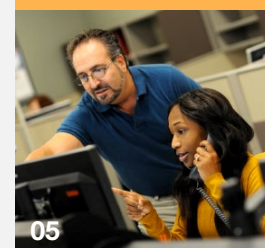
- Safety and wellbeing is our top priority
- Meeting diversity challenge head-on, from new talent to leadership

### Economy



- Commit \$250m in smarter energy technology
- Cascade our values through our supply chain

### Governance



- Achieve 50% diversity in our Group Exec
- Ensure voices of our people and all stakeholders are heard

### 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. This document also references climate-related targets and climate-related risks which differ from conventional financial risks in that they are complex, novel and tend to involve projection over long term scenarios which are subject to significant uncertainty and change. 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 'Internal control and risk factors' section on pages 253 to 256 of National Grid's most recent Annual Report and Accounts for the year ended 31 March 2022, as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2022, published on 10 November 2022. Copies of the most recent Annual Report and Accounts are available online at [www.nationalgrid.com](http://www.nationalgrid.com) or from Equinix 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

#### Nicholas Ashworth

Director of Investor Relations  
M +44 (0) 7814 355590  
[nicholas.ashworth@nationalgrid.com](mailto:nicholas.ashworth@nationalgrid.com)

#### Angela Broad

Senior Investor Relations Manager  
M +44 (0) 7825 351918  
[angela.broad@nationalgrid.com](mailto:angela.broad@nationalgrid.com)

#### Jon Clay

Head of UK Investor Relations  
M +44 (0) 7899 928 247  
[jonathan.clay@nationalgrid.com](mailto:jonathan.clay@nationalgrid.com)

@Grid\_Media



[investors.nationalgrid.com](http://investors.nationalgrid.com)

#### James Flanagan

Investor Relations Manager (US)  
M +44 (0) 7970 778952  
[james.flanagan2@nationalgrid.com](mailto:james.flanagan2@nationalgrid.com)

#### Caroline Dawson

Investor Relations Manager  
M +44 (0) 7789 273241  
[caroline.dawson@nationalgrid.com](mailto:caroline.dawson@nationalgrid.com)

#### Daniel Evans

Investor Relations Analyst  
M +44 (0) 7593598877  
[Daniel.evans1@nationalgrid.com](mailto:Daniel.evans1@nationalgrid.com)

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

Alexandra Bateman  
Investor Relations Manager  
M +44 (0) 7970479571  
[Alexandra.bateman@nationalgrid.com](mailto:Alexandra.bateman@nationalgrid.com)

**nationalgrid**