

Full Year Results

2022/23

Investor Relations | May 2023



“This has been another year of significant progress and strategic change for National Grid with good results demonstrating excellent execution against our key priorities. A record £7.7 billion has been invested in building clean, smart energy infrastructure and maintaining world class reliability across our networks. We’ve supported our communities, announcing the early return of £100 million of interconnector revenues today on top of £200 million we’ve already committed to return, whilst giving a further £65 million to our most vulnerable customers. A further £236 million of operating cost efficiencies during the year has helped to mitigate the impact of high energy prices. As we look to the future, there has never been a more exciting time to be at the heart of the energy industry.”

John Pettigrew, Chief Executive

Group financial summary full year ended 31 March 2023

Underlying results

Operating profit

£4,582m ↑10%

FY22: £4,171m

Earnings per share

69.7p ↑7%

FY22: 65.3p

Dividend growth

55.44p ↑8.77%

FY22: 50.97p

Capital investment

£7,740m ↑8%

FY22: £7,188m

Underlying results from continuing operations excluding exceptional items, remeasurements, major storm costs (when greater than \$100m), 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

- Rhode Island sale completed Q1 2022/23
- New rate filing for KEDNY-KEDLI in April 2023
- \$3.8bn approved in the US outside of rate cases

UK

highlights

- Sale of a majority stake in UK Gas Transmission and Metering completed January 2023
- 17 major transmission projects awarded by Ofgem
- RIIO-ED2 Final Determinations accepted in March 2023

NGV

highlights

- Record year of utilisation at Isle of Grain LNG
- Community Offshore Wind JV submitted offtake proposals
- Viking Link: 75% cable laid, commissioning December 2023

Upgraded 5-year outlook FY22-26

up to
£40bn

FY22-26
Capital
investment

c. **£29bn green**¹
aligning 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% CAGR²

EPS

6-8% CAGR²

Gearing

Credit metrics maintained within current rating thresholds
Net debt to RAV in low 70% range

Dividend

Aim to grow dividend per share in line with average annual CPIH

Our five-year financial framework

includes the UK Electricity Distribution business from the date of acquisition and takes account of the sale of NECO (Rhode Island) in May 2022 and majority stake in Gas Transmission and Metering in January 2023

1. Aligned to EU Taxonomy, directly invested into the decarbonisation of energy networks
2. Compound annual growth rate FY2022-26 from an FY21 baseline. Forward years based on assumed USD FX rate of 1.2; long run CPIH and RPI inflation assumptions and scrip uptake of 25%. Reflects sale of Rhode Island (NECO) and UK Gas Transmission & Metering (UK GT&M). Assumes 40% equity interest of UK GT&M treated as held for sale from early 2023.

Financial performance segmental summary

New York

Operating profit

£874m ↑12%

FY22: £783m

New England

Operating profit

£819m ↓17%

FY22: £982m

FY23 includes 2 months contribution from Rhode Island business

UK Electricity Transmission

Operating profit

£1,107m ↓4%

FY22: £1,152m

UK Electricity Distribution

Operating profit

£1,230m ↑39%

FY22: £887m

FY23 includes a full twelve months contribution

NGV and Other

Operating profit

£521m ↑66%

FY22: £313m

JVs post tax share

£190m ↑25%

FY22: £152m

UK Gas Transmission

Operating profit

£702m ↓4%

FY22: £734m

60% stake sale completed January 2023

40% stake now reported as Held for Sale

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

Responsible business charter¹

Environment



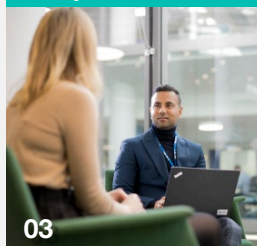
- Net Zero for scope 1, 2 & 3 by 2050
- 37.5% reduction in scope 3 by 2034 vs 2019 baseline

Communities



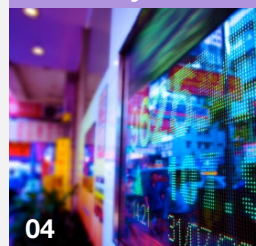
- Skills development for 45,000 people by 2030
- 500,000 volunteering hours by 2030

People



- Safety and wellbeing is our top priority
- Achieve 50% diversity in all our new talent programmes by 2025

Economy



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

Governance



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

1. Since the launch of our Responsible Business Charter in 2020, some targets have changed to keep in line with our growing ambition, such as GHG emissions and green investment. The latest targets have been included above.

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 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.

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