

NG.Focus

Investor Relations | May 2021

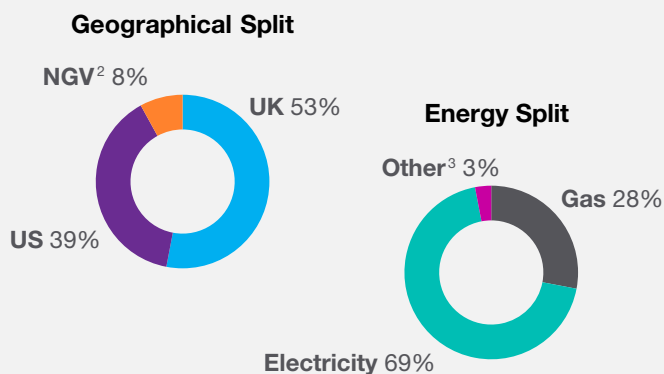
One of the world's largest publicly listed utilities focused on transmission and distribution of electricity and gas. We play a vital role in connecting millions of people to the energy they use safely, reliably and efficiently.

London Stock Exchange **NG.**

New York Stock Exchange **NNG**

Balanced and well-diversified portfolio

Asset base post-transactions¹



1. Calculated as proportion of FY20 asset base post completion of acquisition of Western Power Distribution, and sale of Rhode Island business and majority stake in UK Gas Transmission
 2. National Grid Ventures and Other
 3. Includes US Service Co, NG Partners, Property and UK Other Assets (Corporate).

Strong regulatory frameworks

US

- ~50/50 debt:equity regulatory capital structure
- Nominal returns provide a faster cash return
- All US distribution rates have been refreshed within the last 3 years

UK

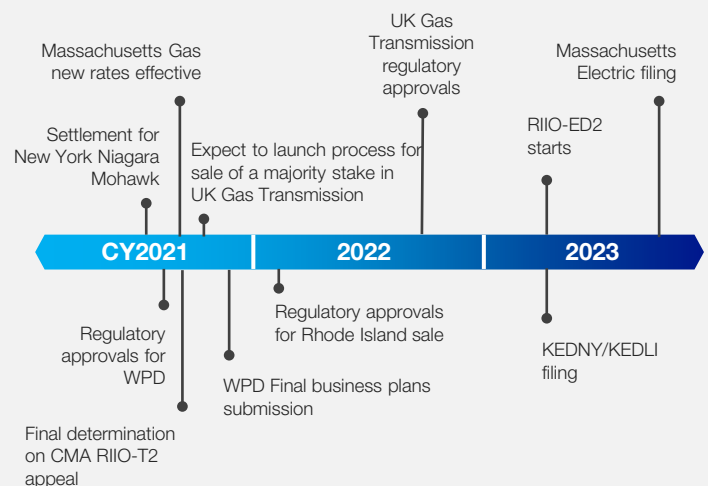
- Single regulatory body - Ofgem
- 5-year RII0-T2 price control through to 2026
- Cost allowances and revenues linked to CPIH
- Remunerated in part through CPIH asset indexation

History of strong financial performance

	18/19	19/20	20/21
Operating profit	£3,427m	£3,454m	£3,283m
Earnings per share	58.9p	58.2p	54.2p
Group asset growth	7.2%	9.0%	5.6%
Return on equity	12.1%	12.0%	10.6%
Capital investment	£4,506m	£5,405m	£5,047m
Dividend per share	47.34p	48.57p	49.13p

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

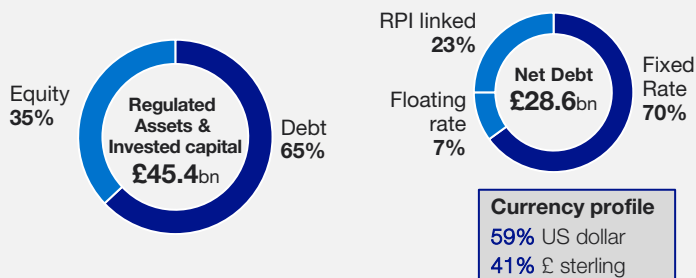
Expected regulatory timetable



A strong balance sheet

Gearing and debt profile

as at 31 March 2021



	20/21	Rating Thresholds
Moody's RCF / Adjusted Debt	6.6%	>7.0%
Moody's FFO Interest Cover	4.5x	>3.5x

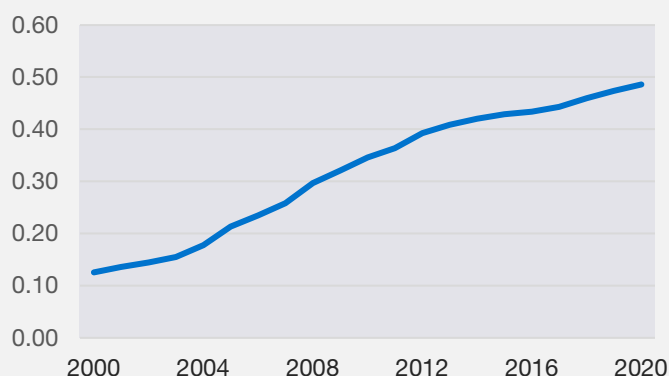
*Net debt includes 100% of hybrid debt, borrowings, associated derivatives and cash and current financial investments

A track record of satisfaction and excellent reliability across our networks

Customer Satisfaction	2020/21	2019/20	2018/19
UK Electricity Transmission (/10)	8.4	8.2	7.9
UK Electricity System Operator (/10)	7.5	7.6	-
UK Gas Transmission (/10)	8.2	8.0	7.8
US Residential (%)	66.2	59.8	58.7

System Reliability (%)	2020/21	2019/20	2018/19
UK Electricity Transmission	99.99997	99.99997	99.99998
UK Gas Transmission	100	99.99959	99.98963
US Electricity Transmission	99.954	99.955	99.952
US Electricity Distribution	99.920	99.942	99.950

>20 years dividend growth (DPS pence)



Note: 2000-2010 DPS adjusted for 2010 Rights Issue, excludes special dividends

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%

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.

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