SSE PLC INTERIM RESULTS - NOV 2019 PRESENTATION 'CREATING VALUE THROUGH THE TRANSITION TO NET ZERO'

1. ALISTAIR PHILLIPS-DAVIES

2. CREATING VALUE THROUGH THE TRANSITION TO NET ZERO – TITLE SLIDE

3. CREATING VALUE THROUGH THE TRANSITION TO NET ZERO

Good morning everyone. Today Gregor, Martin and I will set out how the financial year so far represents encouraging progress for SSE. We are:

- on track to achieve our key financial goals for the year, with positive updates on the outlook for adjusted EPS;
- close to completing the sale of Energy Services;
- focusing on core businesses that are geared to realising the opportunities presented by the UK's legislation on net zero emissions;
- working to build on Renewables' success in the recent CfD auctions for offshore wind; and
- set to submit next month a strong RIIO-T2 business plan for Transmission.

In summary, we're working through a complex operating environment to create value from developing, operating and owning world class assets in order to deliver our five-year dividend plan to 2023.

4. ENCOURAGING PROGRESS ON SAFETY

The encouraging progress across SSE includes safety. Over the past year, our Total Recordable Injury Rate has improved from 0.20 to 0.13. Good performance such as this, however, is no excuse for complacency; and our ultimate goal remains injury-free working.

I'll now hand over to Gregor to cover financial performance.

5. GREGOR ALEXANDER

6. OUTLOOK FOR THE YEAR TO 31 MARCH 2020

Thanks Alistair. I'll start with three positive updates since we issued our pre-close statement in September.

First, in our Notification of Closed Period we forecast full year adjusted EPS to be around 80p-85p after the impact of holding for sale our interests in Gas Production, about which there are a number of things to say. These interests comprise assets and hedging contracts. The structure of the planned transaction means hedging contracts will be retained. We estimate these will contribute around 3p to our adjusted EPS for FY 2019/20. And this takes forecast adjusted EPS to around 83p to 88p.

Second, the European Commission's green light for the Capacity Market means our forecast adjusted EPS is no longer subject to receiving around £100m of suspended payments for the period from the scheme's suspension to 30 September.

Third, our forecast adjusted EPS is always subject to our hydro and wind assets benefiting from normal weather conditions. The key months lie ahead, and they could be dry and still; but there has been enough wind and rain since September to put renewable energy output, as at early November, slightly ahead of plan.

These developments are all encouraging as we look to the full year and beyond. I'll now take you through the half-year results.

7. RESULTS TO 30 SEPTEMBER 2019 – OVERVIEW

We expect a full-year EPM loss of around £125m to £130m, which is within the range we provided in September. Today's results are impacted by £113m of that loss being incurred in the first half. Looking ahead, EPM remains on track to earn a small adjusted operating profit from its service provision activities from 2020.

Excluding the businesses held for sale:

- adjusted operating profit is up 14% to £491.9m;
- adjusted PBT is up 15% to £263.4m; and
- adjusted EPS is up 10% to 18p - this reflects a forecast adjusted current tax rate for 2019/20 of 12% compared to 6.9% in the same period.

In terms of businesses held for sale:

- Gas Production assets had an adjusted operating loss of £15.3m; and
- Energy Services had an adjusted operating loss of £7.4m.

8. RESULTS TO 30 SEPTEMBER 2019 – EXCEPTIONAL ITEMS

Exceptional items comprise: a £186m charge related to continuing operations; and a £489.1m impairment related to the planned sale of Energy Services. Of the total, less than 10% is cash.

The £186m covers three main areas:

- Impairment of coal stocks; redundancy costs; and operating losses at Fiddler's Ferry, which closes next March;

- Charges relating to the sale of Energy Services such as impairments to group IT assets; and
- Impairment charges and redundancy costs from transforming IT systems and moving to cloud-based arrangements that offer greater efficiencies.

The impairment of £489.1m to the carrying value of Energy Services is based on the headline consideration anticipated on completion of the sale to OVO. We explored all available ownership options and believe the sale, at an enterprise value of £500m, will best serve customers, employees and shareholders.

9. RESULTS TO 30 SEPTEMBER 2019 – REMEASUREMENTS

There was a favourable IFRS 9 operating derivative remeasurement of £154.6m in the period arising from an improvement in the out of the money fair value of forward gas contracts.

The adverse IFRS 9 financing derivative movement of £69.9m reflects the net impact of rate movements on cross currency and interest rate swaps.

10. RESULTS TO 30 SEPTEMBER 2019 – FOCUSING SSE ON CORE OF NETWORKS AND RENEWABLES

Our core businesses are electricity networks and renewables; and together they contributed £410.8m of adjusted operating profit in the first six months, up from £372.7m in the same period last year.

These businesses have important common features:

- Networks deliver regulated returns and renewables offer significant levels of contracted income;
- They require common skills across project development, construction and operations, where we have strong capabilities; and
- They'll both play an increasingly important role in the transition to net zero emissions.

These core businesses are at the heart of our focus on creating value and delivering on our dividend commitment to shareholders.

11. SSE'S REGULATED NETWORKS BUSINESSES

Our electricity network businesses and our investment in SGN had a combined adjusted operating profit of £363m in the first half, down 4%. The total RAV of our networks businesses is now £9bn. I'll now take you through each of the businesses.

12. RESULTS TO 30 SEPTEMBER 2019 – SSEN TRANSMISSION

In Transmission, adjusted operating profit fell by 14%, mainly due to the phasing of allowed revenue, along with increased depreciation relating to ongoing capital expenditure.

But the key development in the first half of the year was the publication of, and positive stakeholder reaction to, our draft business plan for RIIO-T2. The central case for totex is now set to be closer to £2.4bn, which could take our Transmission RAV to over £5bn by 2026. Alistair will say more about this later.

13. RESULTS TO 30 SEPTEMBER 2019 – SSEN DISTRIBUTION

In Distribution, higher costs associated with supplying Shetland; increased network fault costs; and slightly lower than expected Distribution Use of System electricity volumes resulted in adjusted operating profit falling 10% to £150.8m.

Importantly, Ofgem's RIIO-ED2 process got under way in August, and we're responding constructively to its early thinking. Alistair will also say more about that later.

14. RESULTS TO 30 SEPTEMBER 2019 – INVESTMENT IN SGN plc

SSE's one-third ownership stake in SGN continues to deliver value, with increases in allowed revenue and other income leading to a 20% rise in operating profit to £102.1m.

15. RESULTS TO 30 SEPTEMBER 2019 – SSE RENEWABLES

For SSE Renewables, there was a 91% rise in adjusted operating profit to £149.9m, mainly due to a net increase in wind energy capacity in operation over the period, along with more favourable weather conditions for electricity output compared with the same period a year ago.

The inherent flexibility of our hydro assets means they continue to deliver; and in the first half it contributed one third of SSE Renewables' EBIT.

September's CfD auction results were very encouraging for SSE Renewables. There's a huge amount of work to do with contractors and potential equity and project finance partners; but at this relatively early stage, we expect a potential equity investment by SSE in these projects of between £1.0bn and £1.5bn, net of sell-downs and project finance.

16. RESULTS TO 30 SEPTEMBER 2019 – THERMAL GENERATION

SSE Renewables is complemented by our thermal generation business, as Martin will explain later. The key positive development was the re-instatement of the Capacity Market. The business made an adjusted operating profit of £57.8m, compared to a loss of £3.5m in the same period a year ago.

17. RESULTS TO 30 SEPTEMBER 2019 – OTHER BUSINESSES

Martin will describe later the important role of other businesses in the SSE group. For the businesses other than EPM, which I mentioned earlier, the half-year results were:

- In **Business Energy** adjusted operating profit was disappointing at £2.9m, as a result of reduced volumes of energy sold, industry mutualisation and increased bad debt. This reflects challenging market conditions but profitability is expected to improve in the rest of the financial year.
- **Airtricity** saw improved margins, meaning adjusted operating profit was £16.4m, up from £12m.
- In **Enterprise** the reduction in adjusted operating profit reflected the sale last March of a 50% stake in SSE Telecoms.
- **Gas Storage** adjusted operating loss was £20.7m, compared to £3.7m, reflecting that this year's auction of storage capacity resulted in no contracted sales. The plant will be operated on a merchant basis this winter and we expect Gas Storage to earn a small profit for the full year.

18. AN IMPROVING POSITION ON SSE'S PENSION SCHEMES

On pensions, the Scottish Hydro Electric and Southern Electric Schemes had a total net accounting surplus of £403.9m at 30 September, an improvement of £116.8m on 31 March 2019.

Due to the Scottish Hydro Electric pension scheme being in surplus, we have agreed with the Trustees to take a contributions holiday.

19. INVESTING TO EARN RETURNS – A WEALTH OF OPPORTUNITIES

SSE is in year two of the £6bn/five-year investment and capital expenditure plan set out in May 2018. The phasing of projects means we're on course to invest around £1.4bn in this financial year.

We are creating significant future investment opportunities. The CfD projects will be funded optimally and we'll be in a position to give more detail as they reach final investment decision: in the first half of 2020 for Seagreen; and by late 2020 for Dogger Bank.

As I said earlier, SSE's equity investment net of sell downs and project finance is expected to be around £1bn-£1.5bn.

We plan to set out updated capex plans by May 2020. As ever, they will be guided by strong financial discipline.

20. CREATING VALUE AND RECYCLING CAPITAL

Since April 2014 we've successfully created value by securing proceeds of over £3bn from sales of assets and businesses. This has resulted in gains on sale, fair value uplift and finance to be recycled through investment in new opportunities for growth in our core businesses.

This recycling of capital from mature investments into new opportunities is a common feature of the utility landscape in Europe, and our approach here leads to value creation from developing and operating, as well as owning, assets.

21. FINANCING SSE FOR THE FUTURE – SUPPORTING NET ZERO WITH GREEN BONDS

Raising funds at competitive rates is fundamental to creating value through investment and we've confirmed our position as the largest issuer of Green Bonds in the UK corporate sector. In September, our Transmission business issued SSE's third Green Bond, a 16-year, £350m euro bond maturing in September 2035 with a coupon of 2.25% and an all-in funding cost of 2.39%.

22. FINANCING SSE FOR THE FUTURE – MANAGING NET DEBT

At 30 September, our adjusted net debt and hybrid capital stood at £10.3bn. Excluding hybrids, our average debt maturity is 7 years, unchanged since March.

Adjusted net debt is expected to be around £10.4bn at March 2020. This forecast is based on cash inflow from the sale of Energy Services, and proceeds from sale of a stake in Seagreen – but excludes proceeds from Gas Production assets, which are expected after the year-end.

We've always said the forecast level of net debt may vary to support value creation; and we'll also continue to be agile in looking at potential disposals, investments and acquisitions, while carefully managing overall debt levels.

Our average cost of debt is now 3.6%. As we forecast in May adjusted net finance costs for the full year, excluding the impact of IFRS 16, are expected to be just over £450m, reflecting additional JV interest costs from Beatrice and lower capitalised interest.

23. FOCUSING ON FINANCIAL STRENGTH – CREDIT RATINGS

Our current credit ratings remain amongst the strongest held by private sector utilities across Europe; and as a long-term business, we believe SSE should maintain a strong balance sheet. With high quality assets; an increasing focus on regulated electricity networks and renewables; and a wide variety of options for the future, I'm confident we'll maintain credit rating metrics that are sustainable and consistent with an ability to secure funding from debt investors at competitive rates.

24. DELIVERING THE FIVE-YEAR DIVIDEND PLAN

SSE's first financial goal is to remunerate shareholders for their investment. The interim dividend of 24 pence is in line with the full-year dividend of 80 pence that we expect to recommend in May; and is another step in delivering on our five-year plan to March 2023. The encouraging progress we've seen so far in this financial year further underlines our confidence in the long-term value of our assets and earnings that will ultimately support the dividend in the years ahead.

I'll now pass you over to Alistair.

25. ALISTAIR PHILLIPS-DAVIES, CHIEF EXECUTIVE

26. CREATING VALUE THROUGH THE TRANSITION TO NET ZERO – OPPORTUNITIES IN A COMPLEX WORLD

Thanks Gregor.

Amidst obvious political uncertainty, there's one issue on which society is broadly aligned: the urgent need to tackle climate change. Looking back over the half year perhaps the most positive long-term policy developments for SSE's businesses were the net zero legislation passed in the UK and the Climate Action Plan published in Ireland.

With the UN Climate Change Conference in Glasgow this time next year, we'll be encouraging the UK and Irish governments and other stakeholders to enable faster and further decarbonisation across electricity, transport and heat, fulfilling the huge potential of renewable sources of electricity.

Taking carbon out of electricity is at the heart of our strategy to develop, operate and own assets supporting the transition to net zero emissions. We're in the right place, doing the right things at the right time to create sustainable value for shareholders and society.

27. CREATING SOCIETAL VALUE THROUGH THE TRANSITION TO NET ZERO – LEADING ESG PERFORMANCE

That's why SSE doesn't have a strategy for sustainability; it has a sustainable business strategy.

We have four strategic goals directly linked to the UN Sustainable Development Goals. We have pledged to:

- cut carbon emissions;
- deliver more renewable electricity;
- enable more electric vehicles; and
- lead in fair wages and tax.

Our sustainable business strategy is reflected in good performance in key environmental, social and governance indices. These are increasingly important benchmarks for investors and we're positioning ourselves to be attractive to ESG-minded funds.

28. FOCUSING SSE ON CORE AND COMPLEMENTARY BUSINESSES

Following the CMA's launch of its merger enquiry into the Energy Services/OVO sale, I'm optimistic of a successful completion of the transaction early in the New Year. This will be a major milestone in reshaping SSE to focus on electricity networks and renewables.

Earlier, Gregor set out some of the common features of those core businesses. But after the sale of Energy Services and then Gas Production assets, we'll retain other businesses that complement this core. Martin will now look at what these businesses bring to the re-shaped SSE group.

29. MARTIN PIBWORTH, ENERGY DIRECTOR

30. TAKING FORWARD OUR CUSTOMER BUSINESSES

Thank you, Alistair.

Even after Energy Services is sold, SSE will retain customer facing businesses for a simple strategic reason: they complement our core market-based business of renewables.

- **Business Energy** provides a route to market for the electricity output from our generation and this could become even more valuable to SSE Renewables in the years ahead as markets seek corporate PPAs and emissions reductions;
- Across Ireland, the benefits to customers and other stakeholders of the vertically-integrated model, exemplified by **SSE Airtricity** and its Generation Green campaign, are substantial; and
- **Enterprise** is our division for new businesses to create platforms for growth as the energy system evolves, such as Distributed Energy and electric vehicle infrastructure.

These businesses therefore complement our core and they create opportunities and options in changing markets.

31. DEVELOPING A SUSTAINABLE ROLE FOR THERMAL GENERATION

The reality of the net zero transition is that variable renewable output requires back up generation. Older high-carbon stations have come to the end of their life; nuclear is too expensive; and we don't yet have enough cost-reflective, zero-carbon flexible power.

With some of the most flexible and efficient gas-fired power stations, SSE is filling this gap; and we are today publishing a paper that shows gas-fired generation will continue to provide a unique and important role in the UK and Ireland energy systems in the short, medium and long term.

Providing flexibility in National Grid's Balancing Mechanism will remain an important income stream. They vary from year to year, but earnings can exceed £50m per annum.

We also have a leadership position in new flexible plant, through the £350m Keadby 2 project in Lincolnshire. We believe it will be one of the cleanest and most efficient CCGTs in the world, and it's on target for commissioning by 2022.

Our Thermal business has a new leadership team under Stephen Wheeler with a mandate to explore emerging technologies like hydrogen and Carbon Capture, Usage and Storage. We'll be guided by financial discipline and won't develop further CCGTs without a pathway to decarbonisation, which these technologies could provide.

32. CREATING VALUE THROUGH MULTI-FUEL

Our growing portfolio of multi-fuel plant also has an important transitionary role in waste management, as we move towards a circular economy.

Building on the success of the first plant at the site, Ferrybridge Multi-fuel 2 is now taking deliveries of fuel as we test the plant before full commissioning shortly.

We'll also make a final decision soon on whether to go ahead with investment in a new 50MW multi-fuel plant at Slough, which we would expect to be completed in 2023.

Including Slough, in a typical year SSE's share of its multi-fuel assets is expected to:

- prevent more than 1m tonnes of waste going to landfill; and
- generate over 600GWh of electricity.

These are high quality assets providing significant economic and societal value.

33. COMMITTED TO DECARBONISATION

Over the past five years, we've secured a significant reduction in carbon emissions. We expect to show a temporary increase for the full year as the remaining coals stocks at Fiddlers Ferry are used before the station closes in March 2020, but we remain committed to a target to achieve a further 50% reduction in carbon intensity by 2030. In fact we aim to beat this and our future plans for thermal generation will always be consistent with our 2030 targets and wider ambitions for net zero emissions in the UK, Ireland and elsewhere.

I'll now hand you back to Alistair.

34. ALISTAIR PHILLIPS-DAVIES, CHIEF EXECUTIVE

35. SSE RENEWABLES – LEADING THE WAY TO NET ZERO

Thank you, Martin. A year ago we announced our plan to create SSE Renewables and since then I've grown even more optimistic about this business, for four reasons:

First, the completion of Beatrice has confirmed our capability in partnering to develop and operate world-class offshore wind farms.

Second, through our development capability and procurement and partnership skills we've shown we can compete successfully in renewable energy auctions.

Third, our wind energy pipeline is progressing: we're moving some onshore wind projects closer to being subsidy-free and we have offshore wind sites in advancing stages of development.

Fourth, the skills, scale and future pipeline of this business are being demonstrated to a wide range of stakeholders – which in itself should open up new opportunities in the future.

36. SSE RENEWABLES – CREATING VALUE OFFSHORE THROUGH CfD AR3

Clearly the successful bidders for CfD contracts face a potential delay from the judicial review process. This is disappointing; but we're in regular dialogue with the UK Government and the Low Carbon Contracts Company. We believe the Government will robustly defend its position and aims to secure a positive resolution to this issue.

So we're looking forward to progressing Dogger Bank and Seagreen. The projects as a whole should generate over 20TWh of renewable energy in a typical year, equal to around 7% of the UK's current electricity demand.

Our share of the projects is currently 2.2GW; and the success in securing 15-year CfD contracts was testament to SSE Renewables' capabilities. The strike price levels are consistent with securing sustainable returns on investment across the contract term; and we believe that well-designed assets should generate sustainable returns well beyond the 15 years.

With offshore wind now one of the cheapest forms of electricity generation in the UK – well below nuclear – we believe the next UK Government must raise its ambition well above the current 30GW of offshore wind operating by 2030.

37. SSE RENEWABLES – DOGGER BANK WIND FARMS

Dogger Bank is a 50:50 joint venture with Equinor and will be the world's biggest offshore wind farm. It will also feature the world's most powerful wind turbine, GE's 12MW Haliade-X.

Dogger comprises three projects that are each expected to generate more than 5,000GWh annually and combined will power 4.5 million homes.

We have a series of key steps in order to deliver Dogger, and these include a target of starting onshore works next spring, before financial close late in 2020.

38. SSE RENEWABLES – SEAGREEN WIND FARM

Seagreen Phase 1 is currently wholly-owned and will benefit from a CfD for 454MW. We plan to build out the full 1,075MW with the remainder operating on a mix of PPAs and merchant basis. This is expected to generate annual volumes of around 5,000GWh.

In line with our strategy to lead in development and operations and to optimise our ownership of assets, we intend to sell-down an equity stake in Seagreen expected prior to financial close. There is a development premium to be realised – and we believe SSE Renewables is a premium developer.

As with Dogger, there is work still to do as we approach a final investment decision on Seagreen, which we would expect in the course of 2020.

39. SSE RENEWABLES – OPTIONS FOR SUBSIDY FREE WIND

SSE Renewables has 2GW of installed onshore wind capacity in GB and on the island of Ireland. We also have a pipeline of over 1GW of project options, including the fully-consented 457MW Viking wind farm on Shetland.

Viking was unsuccessful in securing a CfD contract, but there is an opportunity to develop on a subsidy-free basis, as long as Ofgem's consultation results in an endorsement of Scottish Hydro Electric Power Distribution's proposed contribution towards the new transmission link for Shetland.

Beyond Viking, we believe we can deliver subsidy-free merchant onshore wind at high quality sites. We have several such sites with potential routes to market, including extensions to existing wind farms such as Gordonbush, which secured consent earlier this month.

40 SSE RENEWABLES – PROGRESSING THE PIPELINE

Whilst SSE Renewables currently has an 8GW pipeline of offshore/onshore developments in the UK and Ireland, we're looking beyond that and expect to be an active participant in the future Crown Estate and Crown Estate Scotland rounds.

In Ireland Arklow Bank also represents an important offshore wind option and we hope to see the project securing necessary policy support from the Irish Government as it works to deliver its Climate Action Plan.

As we've said before, extending to other geographies our core competencies in renewables presents significant potential for future growth. We continue to explore opportunities and assess whether the right risk/reward balance can be achieved. As ever, strict capital discipline will guide any decisions.

41.SSE RENEWABLES – HYDRO: CREATING VALUE FROM 'NATURE'S BATTERIES'

Hydro electricity was the first chapter in a SSE's long-running renewables story and "nature's batteries" in the Scottish glens continue to create value. Our hydro fleet is operationally best in class with high levels of availability and efficient opex supported by a pro-active, long-term capital investment programme. There are options, too, such as new pumped storage at Coire Glas.

42.SSE'S REGULATED NETWORKS BUSINESSES

SSE's regulated electricity networks businesses are integral to the UK's decarbonisation ambitions and should be a source of value for shareholders and society for years to come.

With such a strong track record in maintaining power supplies, and investment and innovation all heading in the right direction, it's disappointing that they continue to feature in

Labour's proposals for nationalisation.

We're in no doubt that the interests of electricity customers, and the attainment of net zero emissions are best served by well-run, independently-regulated private companies. We'll continue to keep shareholder value at the forefront of our minds and make as powerfully as we can the case against state control.

43. SSEN DISTRIBUTION – OPPORTUNITIES IN ELECTRIFYING TRANSPORT AND HEAT

We have a progressive electricity distribution business that's central to decarbonisation. With electrification likely to be a key means for decarbonising heat and transport, there's a clear potential for future RAV growth.

Alongside this we expect to see new opportunities for growth through the procurement and management of flexibility services as we progress through to RIIO-ED2.

44. SSEN DISTRIBUTION – FOCUSING ON PERFORMANCE

We're heavily focused on improving performance in Distribution by delivering significant change and modernisation of operations, infrastructure and work practices, alongside a major investment programme. We're progressing internally, but we know we need to move faster, and we will.

We're focusing heavily on regulatory incentives, with a good start to the year on customer supply interruptions and customer minutes lost. Increased system automation is a key part of the success. We're focused on maintaining good performance through the winter.

I believe we're also leading the pack on innovation. We're replacing legacy systems with new technology and investing in the systems, platforms and scalable technologies needed to become Distribution System Operators in a more localised system.

45. SSEN DISTRIBUTION – PREPARING FOR RIIO-ED2

Ofgem's early engagement on the RIIO ED2 priorities, regulatory framework and approach is encouraging. We believe the price control needs to:

- Build on ED1 progress on network reliability, customer service, connections and innovation;
- Enable a proactive approach to the investment needed to accommodate new services, such as Electric Vehicles, while maintaining security of supply;
- Provide strong incentives to encourage more innovation and reflect the changing DSO role; and
- Deliver a regulatory settlement that's fair for both consumers and investors.

46. SSEN TRANSMISSION – PLANNING A NETWORK FOR NET ZERO

Investment in the transmission grid in the north of Scotland is critical to delivery of the UK's net zero goals and also creates significant growth opportunities for SSE. With a remaining investment pipeline of £500m in the current price control, we're on track to grow RAV to around £3.6bn by 2021.

We believe the network will require further investment that could take the RAV to over £5bn by 2026. The case for this investment will be set out in Transmission's RIIO-T2 business plan, 'A Network for Net Zero'. Based on analysis of the certain needs of users the plan proposes a minimum total expenditure of closer to £2.4bn over the 2021-2026 price control.

The final business plan will be submitted next month and we believe it will represent a package that's fair to both customers and investors.

47. SSEN TRANSMISSION – WORKING WITH STAKEHOLDERS ON ISLANDS LINKS

Transmission's forecast RAV growth doesn't include up to £1.5bn from the provision of islands links.

Whether the 600MW Shetland link is built first depends on confirmation by Ofgem that the proposed contribution from Scottish Hydro Electric Distribution represents the best means of meeting Shetland's future energy demand; and will require an approved needs case.

The 600MW Western Isles link hinges on the appetite for investment on the part of renewables developers, and SSEN continues to liaise with developers and Ofgem on the issue. We're doing the same in relation to the 220MW Orkney link.

48. SSEN – BUILDING A POWERFUL CASE FOR FUTURE RAV GROWTH

Taken together, our electricity networks are strong, stable businesses with a central part to play as decarbonisation of power, transport and heat gathers pace and a positive outlook for future value creation. Along with our stake in SGN, they should provide a total RAV of around £10bn by 2023.

49. CREATING VALUE THROUGH THE TRANSITON TO NET ZERO

To summarise before questions, this financial year so far represents encouraging progress for SSE. We are:

- set to meet our full year financial goals, with positive updates on the outlook for adjusted EPS;
- close to completing the sale of Energy Services;
- focusing on core businesses that are delivering on a low-carbon strategy;
- working to build on recent successes in CfD auctions for offshore wind; and
- ready to submit a strong business plan for the next Transmission price control period.

50. DELIVERING THE FIVE-YEAR DIVIDEND PLAN

In summary, we’re working through a complex operating environment to create value from developing and operating, as well as owning, world class assets in order to deliver our five-year dividend plan to 2023.

We will now take your questions.

ENDS