

ESB Bond Roadshow Presentation

www.esb.ie/investors

26th October 2022



Energy for
generations



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Paul Stapleton

CFO



Anne Marie Kean

GROUP TREASURER



Liz O'Regan

MANAGER, INVESTOR
RELATIONS & CREDIT RATING



OVERVIEW

**DRIVEN TO MAKE
A DIFFERENCE**

Net Zero BY 2040

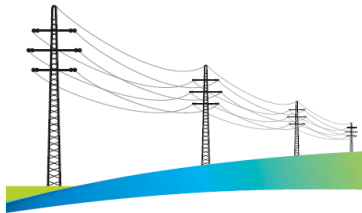
A young girl with blonde pigtails is shown in profile, focused on drawing on a large, stylized 'Zero' that is part of the 'Net Zero' text. She is holding a black marker. The background is a blurred image of solar panels, suggesting a focus on clean energy. The overall color scheme is a gradient from dark blue on the left to bright yellow on the right.

Overview of ESB



- Established 1927 - leading Irish diversified and vertically integrated utility
- C. 96.5% Government-owned (3.5% held by the trustees of an Employee Share Ownership Plan)
- Operating in Ireland and Great Britain
- Strategy is to deliver a Brighter future, net zero by 2040

REGULATED NETWORKS



ESB NETWORKS

NIE NETWORKS

- Owner of the Regulated ROI & NI transmission & distribution networks contributing c.60% of Group EBITDA and c.65% of Group Assets
- Strategic focus is to enable the connection of increased renewable and distribute generation
- ESB Networks PR5 aligns with Climate Action Plan

GENERATION



GENERATION & TRADING

- 50% of EBITDA and 26% of Group Assets
- Strategic focus is to transition the generation portfolio to low carbon technologies

CUSTOMER SOLUTIONS



ELECTRIC IRELAND

ESB ENERGY

- Strategic focus is to meet customer energy needs through value driven solutions at appropriate margins

H1 2022 Highlights

- During a period of continued volatility in energy markets ESB delivered strong financial results as it continues its transition to a low carbon energy future.
- EBITDA (before exceptional items) €763 million; Operating Profit (before exceptional items) €357 million: Capex €532 million; Gearing 46%.
 - Capital expenditure €532 million, including 85% (€453 million) in regulated networks capital infrastructure.
- **Networks:** Regulated Networks Businesses in Ireland contributed c.60% of Group EBITDA supported by established and transparent regulatory frameworks.
- **Generation & Trading:** Continuing investment in low carbon renewable generation with a market share of 33% at year end 2021.
- **Customer Solutions (including Electric Ireland):** Competing effectively in ROI, NI and UK with an Irish market share of 40% at year end 2021.
- **Strong Liquidity** position of €2.6 billion at 30 June 2022; **Credit ratings** reaffirmed A- / A3 with stable outlooks.
- **ESB's Driven to make a Difference: Net Zero by 2040 Strategy**, increases the scale of ambition in respect of decarbonisation targets and commits to Net Zero by 2040.



Making a Difference, ESB Strategy for a Brighter Future - Net Zero by 2040

OUR PURPOSE

OUR PURPOSE IS TO CREATE A BRIGHTER FUTURE,
FOR THE CUSTOMERS AND COMMUNITIES WE SERVE



OUR STRATEGY

WE'RE DRIVEN TO MAKE A DIFFERENCE:
ACHIEVING NET ZERO BY 2040

DECARBONISED
ELECTRICITY

RESILIENT
INFRASTRUCTURE

EMPOWERED
CUSTOMERS

EMPOWERED PEOPLE • DIGITAL & DATA DRIVEN • FINANCIALLY STRONG • SUSTAINABLE

OUR CULTURE

OUR VALUES

WE'RE
COURAGEOUS

WE'RE
CARING

WE'RE
DRIVEN








WE'RE
TRUSTED

ESB Strategy – Driven to make a difference – Net Zero by 2040

ESB Strategy

- ESB strategy launch Feb '22:
 - Net Zero target in place (by 2040)
 - Increased ambition in decarbonisation targets:
 - Networks to enable electrification
 - Increased Renewable GW ambition
 - Steeper reduction in carbon intensity
- Strategic Objectives align with UN SDGs
- Investment Focus - Smart reliable networks & Low carbon generation
- Strategy:
 - aligns with the Irish Government's climate action plan
 - consistent with Northern Ireland's "the Path to Net Zero" and GB's Net Zero Strategy: "Build Back Greener"



Strategic Performance Indicators (SPIs)			
Strategic Objective	Indicator	2021	2030 Target (unless otherwise stated)
 Develop and connect renewables to decarbonise the electricity system by 2040	ESB Renewable Generation	983 MW	>5,000 MW
	Scale of Low-Carbon Energy Connected to Our Networks	4.7 GW in ROI 1.8 GW in NI	> 15 GW in ROI 2 GW in NI
 Provide resilient infrastructure for a reliable low-carbon electricity system	Networks Regulated Asset Base	ESB Networks: €8.8bn NIE: €2.1bn	ESB Networks: €13 - 14bn NIE: €3 - 3.5bn
	Carbon Intensity of the Electricity ESB produce	440g CO ₂ / kWh	140g CO ₂ / kWh
 Empower, enable and support customers and communities to achieve net zero	Share of ESB Generation Output from Zero Carbon Sources	14%	63%
	Number of smart meters installed	620,000	2.6m
	Electrification of Transport Network: Public EV Chargers	1,700 (Island of Ireland and GB)	3,000 Total
 Ensure we have people capability to deliver our strategic objectives with a strong values-based and inclusive culture	Employee Engagement (Our Voice Staff Survey)	7.0	7.3
 Leveraging data and technology, transform ESB to a data driven digital utility	% of Customer Engagements that are Digital	Digital customer engagement measure to be reported in 2022	Top quartile (by 2026)
 Maintain the financial performance and strength required to deliver our purpose	Strong Investment Grade Credit Rating	Credit ratings of A- or equivalent and BBB+ on a standalone basis	BBB+ on a standalone basis
	Return on Capital	5.6%	ROCE >WACC
 Step forward on social and environmental responsibility, cultivating a safe, sound and sustainable ethos in line with our values	ESB Greenhouse Gas Emissions	Will be included in ESB's Sustainability Report which will be published in 2022.	Net Zero by 2040 An externally accredited Science Based Target by 2030

Driven to Make a Difference – Net Zero by 2040

Generation & Trading:

- 1 GW of renewable generation in operation
- Offshore:
 - In Operation: 12.5% stake in 353MW Galloper (GB) Offshore wind farm
 - In Construction: ongoing on the 448MW Neart na Gaoithe (GB) offshore wind project
 - In Development: 370MW Oriel (ROI) and 1,080MW Inch Cape Offshore Wind (GB)
- Onshore: Joint ventures with Bord na Mona (83MW Oweninny 2) and Coillte (1 GW of projects)
- Green Atlantic @ Moneypoint

Network:

- ESB Networks Price Review 5 (2021-2025) aligned with Ireland's Climate Action Plan
- National Smart Metering Programme (NSMP) rollout continues with 620k installed at year end 2021 with the priority for 2022 to install a further 500k smart meters.
- 6.5 GW of renewable generation connected to the national grid (All-Island)

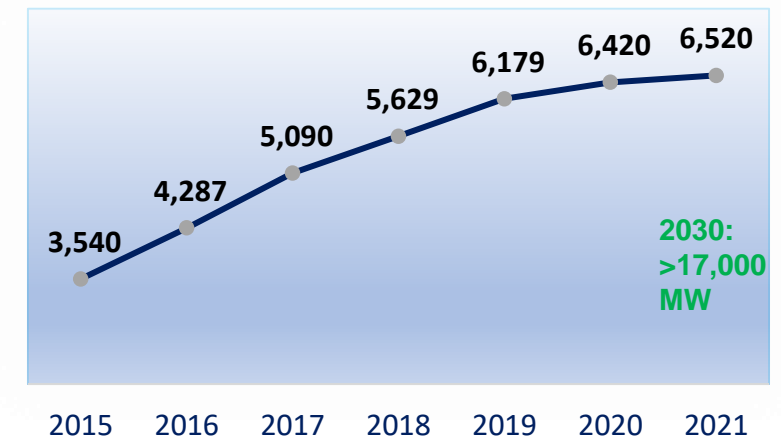
Customer Solutions:

- Joint Venture “Electric Ireland Super Homes” with TEA to deep retrofit 35k homes by 2030
- Home Electric+
- Deliver the roll out of high power charging hubs and replacement of standard chargers

Operational Renewables (MW)



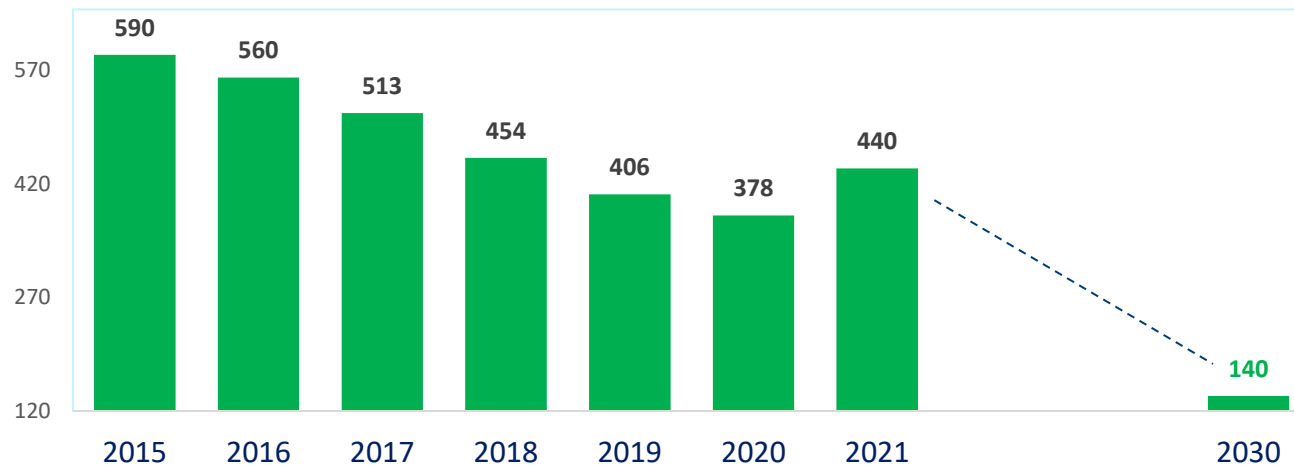
Renewables Connected to Grid (MW)



ESG Commitment, Progress & Reporting

- Our refreshed strategy is centred on Climate Action
- ESG is a pillar of our refreshed strategy
- EU Taxonomy disclosures included in 2021 – first time
- ESB has committed to set a Science Based Target in 2022
- Carbon intensity in 2021 of 440 g/kWh (34% improvement since 2005)
- Further disclosures on TCFD included in Annual Report and the sustainability report.

Carbon Intensity (g/kWh)



CDP SCORE REPORT - CLIMATE CHANGE 2021



ESB Group

Region	Europe
Country	Ireland
Questionnaire	Electric utilities
Activity Group	Thermal power generation

The CDP Score Report allows companies to understand their score and indicate which categories require attention to reach higher scoring levels. This enables companies to progress towards environmental stewardship through benchmarking and comparison with peers, in order to continuously improve their climate governance. Investors will additionally receive a copy of the CDP Score Report upon request. For further feedback please contact your account manager or your key CDP contact.

Your CDP score



Average performance



- Gender pay gap report published (March '21) and human rights assessment published
- Modern Slavery statement published annually (includes supply chain focus)
- Established Social & Community Purpose supports

FINANCIAL OVERVIEW

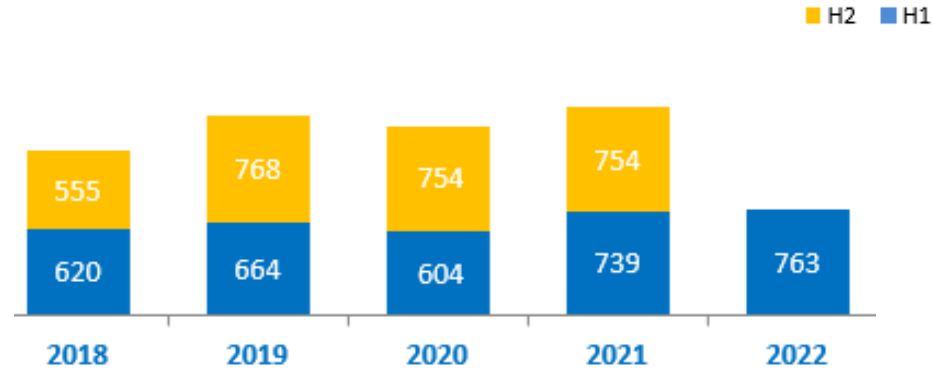


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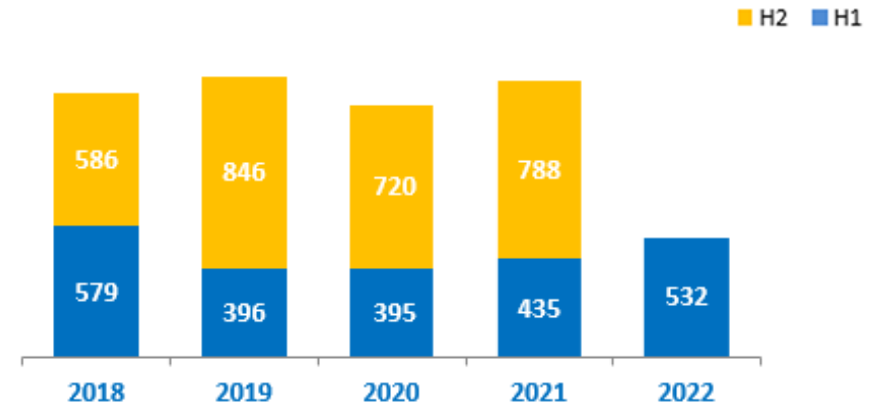


Consistent Financial Performance

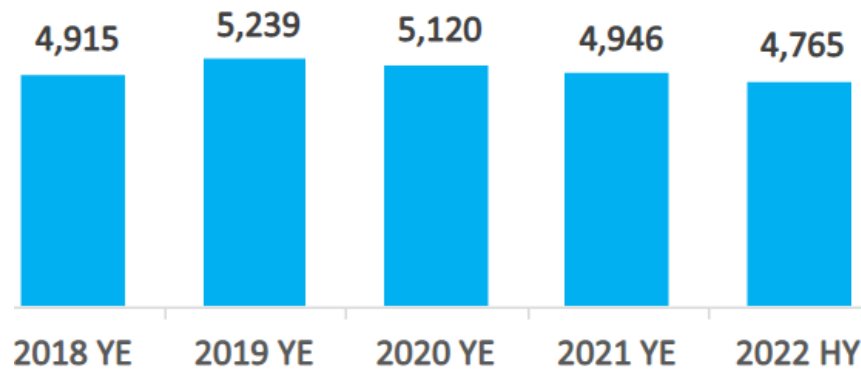
EBITDA (before exceptional items) (€m)



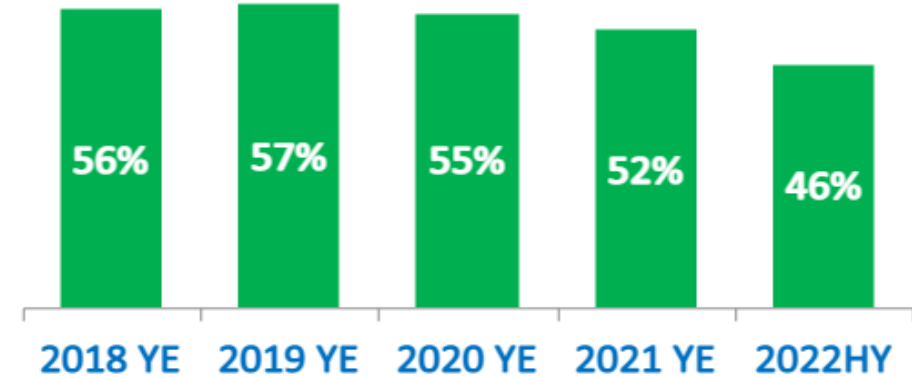
Capital Expenditure (€m)*



Net Debt (€m)



Gearing (%)



* 2018 - 2022 capex is gross of capital contributions

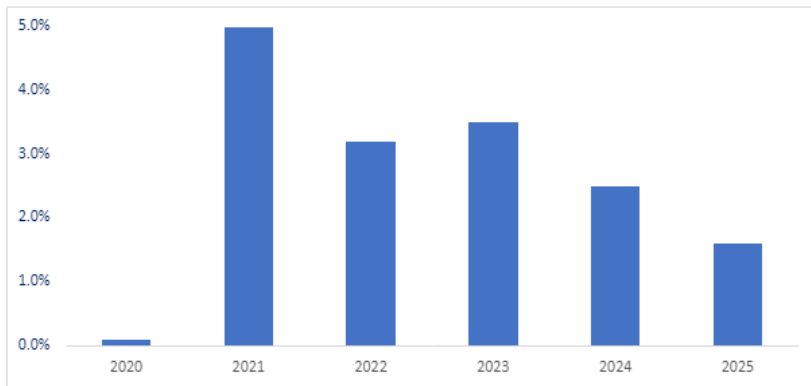
BUSINESS REVIEW



Ireland

- Irish GDP +13.5% 2021, +9.1% 2022F ¹
- Strong Irish sovereign rating : AA- (S&P) and A1 (Moody's)
- SEM² electricity demand growth forecast 3.2% - 2022
- 1.8% electricity demand increase year on year (June 2022 versus June 2021).
- Commodity prices very volatile in 2021 and 2022

SEM Demand Growth

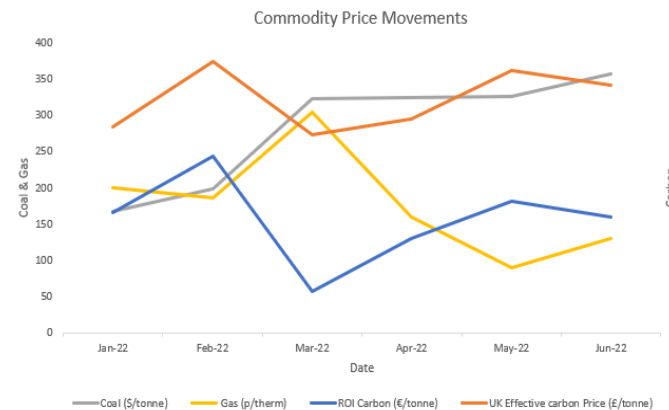


¹Forecast Irish GDP Source: Central Bank of Ireland Q3 2022 Bulletin

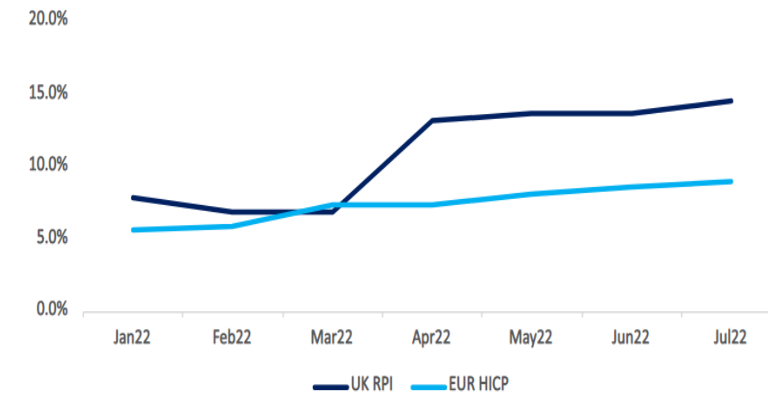
Great Britain

- UK GDP +7.5% 2021, +3.75%F 2022³
- Commodity price volatility and price cap
 - Contraction in retail supply companies
- No material impact from/of Brexit

Commodity Price Movements (monthly averages) Jan – June 2022



Inflation (Jan – June rate of change)



² Single Electricity Market

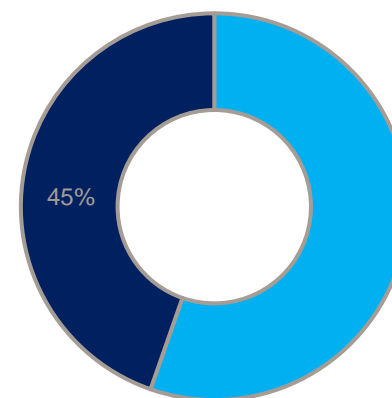
³Forecast UK GDP Source: BOE Aug Monetary Policy Report

Business Strategy - Provide resilient infrastructure for a reliable low carbon electricity system.

Business Highlights

- 45% of Group EBITDA and 49% of Group Assets
- Operating Profit decreased due to regulated network tariff changes
- Capex increased year on year reflecting continued smart meter roll out and the delivery of PR5
- Regulated Asset Base (RAB) - €8.8bn at year end 2021
- PR5 Revenue Determination (2021-2025)
 - €4.4 billion capex programme
 - WACC 3.8% pre-tax real¹
- **Focus:**
 - PR5 delivery

H1 2022 ESB Group EBITDA* - €763m / ESB Networks EBITDA - €341m



Operating Profit (€m)

Capital Expenditure (€m)



* excluding exceptional items

¹ WACC pre-tax real calculated real pre-tax cost of debt and real pre-tax cost of equity

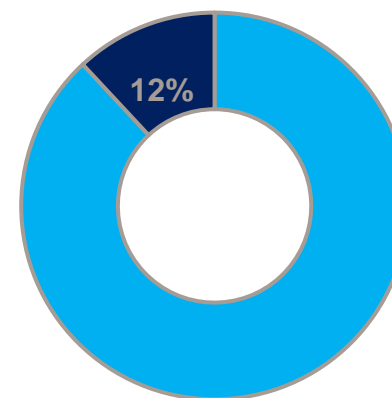
Northern Ireland Electricity (NIE) Networks

Business Strategy - Provide resilient infrastructure for a reliable low carbon electricity system.

Business Highlights

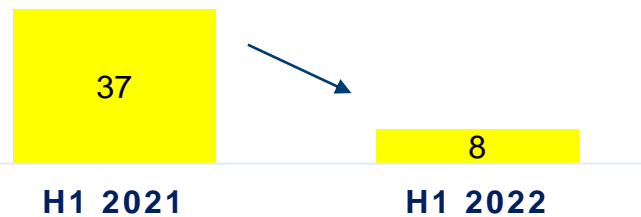
- 12% of Group EBITDA and 16% of Group Assets
- Operating Profit decrease is primarily due to the impact of regulated tariff changes
- Capex increase primarily reflects delivery of RP6 and increased spend on connections
- Regulated Asset Base - €2.1bn / £1.8bn at year end 2021
- RP6 revenue determination (Oct '17 – Mar '24)
 - RP6 WACC 3.14% vanilla real¹ (3.8% pre-tax real)
- **Focus:**
 - RP6 Implementation

H1 2022 ESB Group* EBITDA - €763m / NIE Networks EBITDA - €91m



Operating Profit (€m)

Capital Expenditure (€m)



* excluding exceptional items

¹Vanilla WACC calculated real pre-tax cost of debt and real post-tax cost of equity

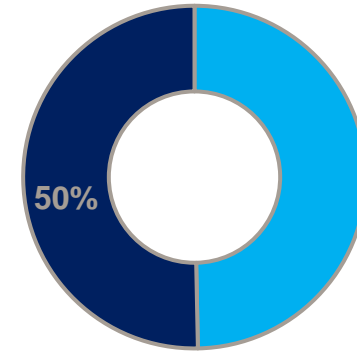
Generation & Trading (GT)

Business Strategy Develop and connect renewables
to decarbonise the electricity system by 2040

Business Highlights

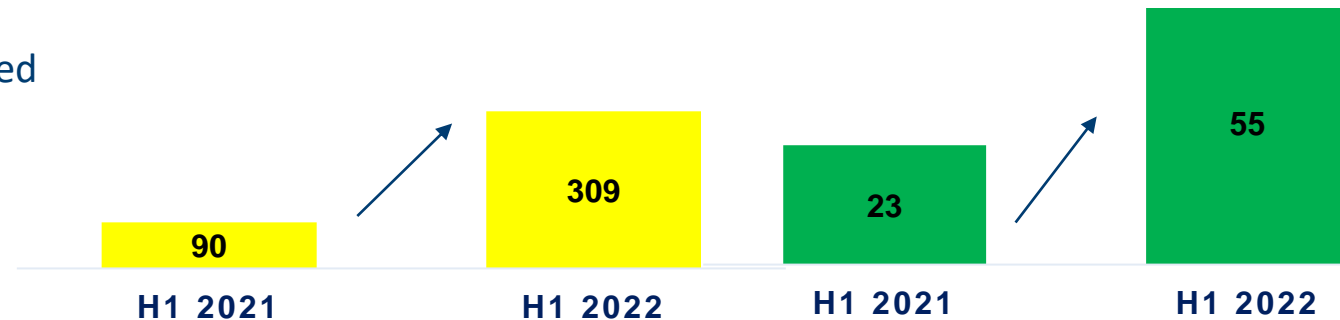
- 50% of Group EBITDA and 26% of Group Assets
- Increase in Operating Profit reflects higher energy margin due to higher wholesale market prices in both Ireland and Great Britain.
- Increase in capex reflects continued investment in renewable generation
- All-Island SEM market share 33% by volume at year end 2021
- Carbon intensity 440 g/kWh in 2021– increased from 378 g/kWh in 2020 (34% improvement since 2005) and targeted to reach 140 g/kWh by 2030
- **Focus:**
 - Build pipeline of renewable projects
 - Continue to prepare for future RESS auctions

H1 2022 ESB EBITDA* - €763m /GT EBITDA - €384m



Operating Profit (€m)*

Capital Expenditure (€m)



* excluding exceptional items

Customer Solutions (including Electric Ireland)

Business Strategy –Empower, enable and support customers and communities to achieve net zero

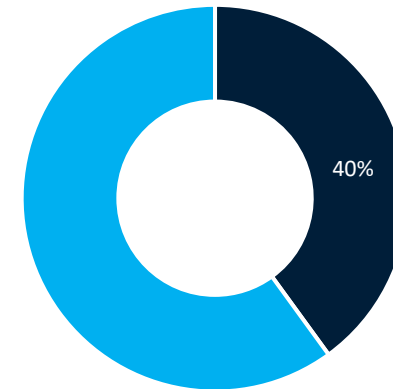
Business Highlights

- Customer-facing businesses - supply of electricity, gas, energy services, e-transport and wholesale telecoms
- Operating Loss primarily attributed to losses in the GB supply business. Financial performance in Ireland was largely in line with the first six months of 2021.
- Irish market share 40% with 1.2m customer accounts at year end 2021.
- **Focus:**
 - Meet customer energy needs through value driven solutions at appropriate margins

Operating Profit/(Loss) (€m)



SEM Market Share



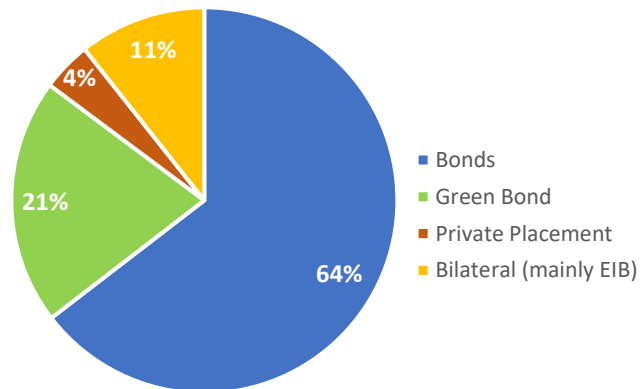
Funding & Liquidity



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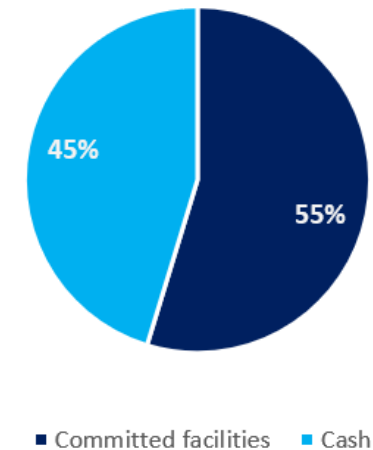
ESB Group Debt – Diversified Funding Liquidity

Group Debt 30 June 2022 - €5.8 billion



- In January 2022, ESB successfully placed a €500 million 1.0% fixed-rate green bond, maturing in July 2034

Available Liquidity 30 June 2022 - €2.6 billion



- €1.4 billion SSL RCF with 14 banks (Feb 2027)
- €0.5 billion relating to cash collateral

Debt Repayment Profile as at 30 June 2022



Note: Excludes Joint Venture Debt

Proposed Transaction Terms and Conditions

Issuer:	ESB Finance DAC
Guarantor:	Electricity Supply Board
Expected Issue Ratings:	Moody's: A3, S&P: A-
Format:	Senior, Unsecured, Reg S, Bearer, NGN
Currency:	EUR
Tenor:	Long 9yr (May 2032 maturity)
Size:	€500m (expected)
Documentation:	EMTN Programme dated 5 August 2022, and Supplemented x October 2022, CoC, 3m Par Call, MWC
Denominations:	€100k + €1k
Governing Law:	English Law
Listing:	Euronext Dublin (Regulated Market)
Use of Proceeds:	General Corporate Purposes
Joint Bookrunners:	Barclays, BBVA, BNP Paribas, Danske Bank, Société Générale

S&P Global
Ratings

A-

(Stable Outlook)
Long Term Rating

MOODY'S
INVESTORS SERVICE

A3

(Stable Outlook)
Long Term Rating

Outlook & Summary



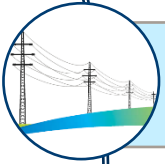
Outlook & Summary



ESB's 2040 strategy - Driven to Make a Difference: Net Zero by 2040 - builds on our 2017 Brighter Future strategy, which set a clear direction for ESB to take action and exercise leadership in tackling climate change



Positive financial performance at H1 2022 with operating profit before exceptional items of €357 million and EBITDA before exceptional items of €763 million



ESB Networks (ROI) PR5 Delivery; NIE Networks (NI) RP6 delivery



Generation portfolio transition through renewable investments



Meet customer energy needs through value driven solutions at appropriate margins



Ongoing focus on strategy delivery while maintaining financial strength

Key Credit Strengths

Leading Irish Energy Utility

- 96.5% Irish Government owned
- Markets — Ireland and Great Britain
- Owns all networks in ROI and NI
- Irish electricity market: 33% share of generation and 40% share of supply at YE 2021

Stable Business Profile

- Regulated electricity networks businesses in Ireland accounts for 65% of Group Assets and c. 60% of Group EBITDA at H1 2022
- Supported by established and transparent regulatory frameworks regarded as robust by credit rating agencies

Consistent Financial Performance

- Average EBITDA €1.3bn & Gearing 55% (2017–2021)
- Diversified funding and strong liquidity position
- Credit ratings of A- and A3



L i z O ' R e g a n

MANAGER, INVESTOR
RELATIONS & CREDIT RATING

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