MOODY'S INVESTORS SERVICE

CREDIT OPINION
30 June 2022

Update

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RATINGS

Electricity Supply Board (ESB)

Domicile	Dublin, Ireland
Long Term Rating	A3
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Electricity Supply Board (ESB)

Update to credit analysis

Summary

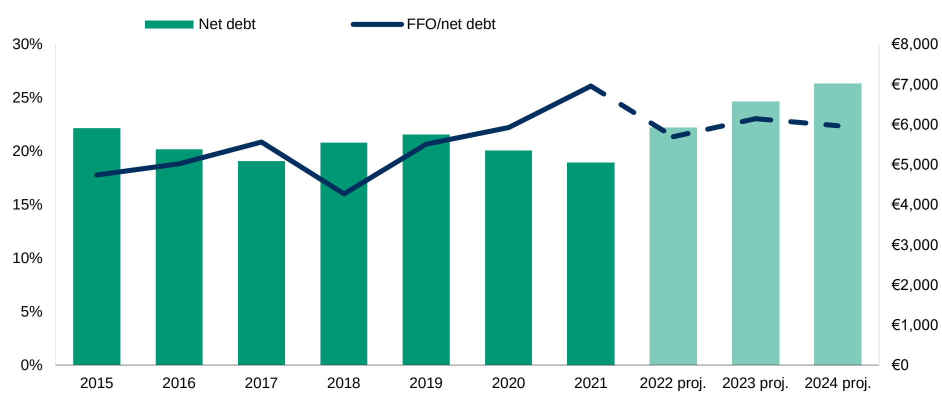
Electricity Supply Board (ESB)'s credit quality is supported by: (1) the significant share of earnings derived from regulated transmission and distribution in the Republic of Ireland (RoI, A1 positive) and Northern Ireland, (2) the low business risk profile of these networks and their stable returns under well-established and transparent regulatory frameworks, with revenue set until December 2025 in RoI, and (3) capacity revenue and renewable supports that give good visibility on a significant portion of the group's generation earnings.

ESB's credit quality is, however, constrained by (1) the high proportion of earnings, relative to most European energy network operators, from unregulated generation and supply businesses, (2) the group's substantial capital investment programme, which for ESB Networks is 63% larger in PR5 compared to PR4, and (3) increasingly material additional debt in the group's joint ventures.

Given ESB's 97% ownership by the Republic of Ireland, the company is rated according to our methodology for Government Related Issuers. The A3 rating reflects one notch of uplift from the company's Baseline Credit Assessment (BCA) of baa1, reflecting the high likelihood of ESB receiving extraordinary support from the sovereign in the event of financial distress.

Exhibit 1

We expect ESB's credit metrics to remain comfortably positioned, even as debt increases



Moody's projections (proj.) are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics, Moody's Investors Service forecasts

Credit strengths

» Around 70% of earnings from monopoly networks businesses operating under consistent and transparent regulatory frameworks in RoI and NI

» Consistently strong financial metrics underpinned by prudent financial policy

» Capacity revenues and renewable supports that give good visibility on a significant portion of the group's generation earnings

» Diversified funding sources and sound liquidity

Credit challenges

» High proportion of earnings, relative to most European energy network operators, from unregulated generation and supply businesses

» Large and growing capital investment programme

» Increasingly material additional debt in the group's joint ventures

» Significant losses from retail energy supply in Great Britain

Rating outlook

We expect ESB to achieve FFO/net debt around 21% (excluding customer contributions associated with new connections) over the next 18-24 months, strongly positioned for the rating, but the stable outlook reflects significant near-term uncertainty over commodity prices, and the company's large investments in unregulated generation activities.

Factors that could lead to an upgrade

» FFO interest cover and FFO/net debt maintained above 4.5x and above the low 20s in percentage terms, respectively, on a sustained basis, with no material increase in business risk

» Any upgrade would take into account the rating of the Republic of Ireland

Factors that could lead to a downgrade

» FFO interest cover persistently below 3.5x,

» FFO/net debt below the mid-to-high teens in, percentage terms,

» A material debt-funded acquisition or capital investment that erodes ESB's financial flexibility or increases the proportion of non-regulated activities within ESB's business mix,

» Any downgrade would take into account the rating of the Republic of Ireland

Key indicators

Exhibit 2

Electricity Supply Board (ESB)

	Dec-18	Dec-19	Dec-20	Dec-21	2022-proj.	2023-proj.
FFO Interest Coverage	5.2x	6.7x	8.2x	9.6x	9.7x	10.9x
Net Debt / Fixed Assets	51.1%	51.4%	48.4%	44.1%	50.3%	52.6%
FFO / Net Debt	17.5%	19.7%	22.2%	26.1%	20.4%	21.1%
RCF / Net Debt	16.9%	18.9%	21.3%	24.5%	18.3%	20.1%

All ratios are based on Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Moody's Projections (proj.) are Moody's opinion and do not represent the views of the issuer. For definitions of Moody's most common ratio terms please see the accompanying User's Guide.
FFO and RCF exclude customer contributions in respect of new connections.
Sources: Moody's Financial Metrics, Moody's Investors Service estimates

Profile

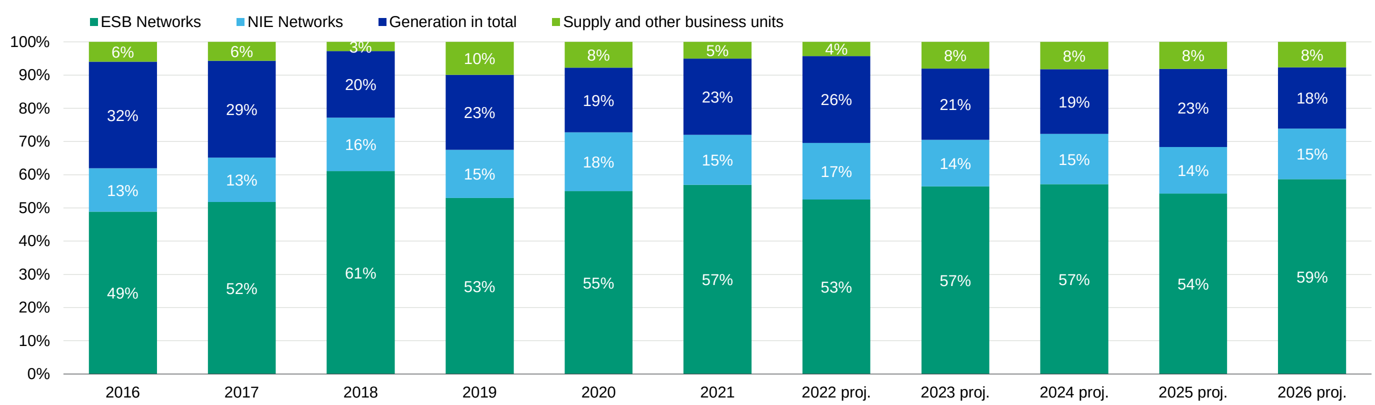
ESB is a vertically integrated electric utility in the Republic of Ireland (RoI). It holds leading market positions in power generation and electricity supply and is the monopoly owner of electricity distribution and transmission networks across RoI and Northern Ireland (NI).

Regulated businesses contribute most the group's earnings (73% of EBITDA in 2021). Across RoI and NI, ESB's network assets (which include over 180,000 km of power lines in RoI and over 49,000 km in NI) had a combined regulatory asset base (RAB) of approximately €10.9 billion as at the end of December 2021. In addition, the group had a generation market share of 33% across the all-island Irish Single Electricity Market (I-SEM) in 2021 and served 1.4 million electricity and gas customer accounts across Ireland, some 40% of the total.

ESB is 96.5% owned by the Irish Government, through the Minister for Public Expenditure and Reform and the Minister for Communications, Climate Action and Environment. The remaining stake is held by an employee share ownership trust.

Exhibit 3

Regulated networks will continue to account around 70% of ESB's EBITDA



EBITDA breakdown before exceptional items and impairments.
Source: Company reports, Moody's

Detailed credit considerations

Consistently strong financial metrics underpinned by prudent financial policy

ESB's FFO/net debt increased to 26.1% in 2021 from 22.2% in 2020. Following the refinancing of older expensive debt with new issuances in 2020, interest expense fell to €153 million in 2021 from €164 million in 2020 and €200 million in 2019, while FFO increased in line with improved EBITDA, which grew to €1.4 billion in 2021 from €1.3 billion in 2020.

ESB's dividend policy, agreed with the Irish Government in 2013, is to target a payout ratio of 40% of normalised profit after tax. We expect government to act in a flexible manner and to support ESB in its explicit aim to sustain a standalone minimum Baa1 rating (before uplift for government ownership). Accordingly, we expect ESB to remain moderately levered (with net debt/fixed assets below 60%) for the foreseeable future.

Around 70% of earnings from monopoly networks businesses operating under consistent and transparent regulatory frameworks in RoI and NIE, further supported by PR5 decision

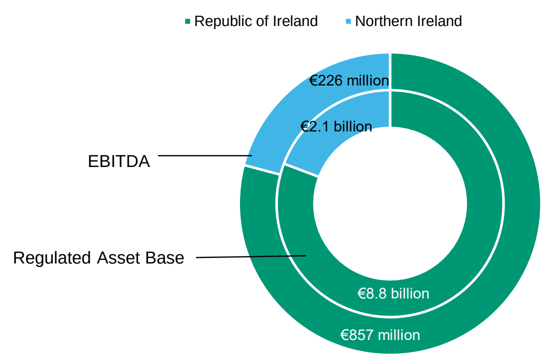
73% of ESB's EBITDA in 2022 came from the group's price-regulated transmission and distribution businesses. Regulated revenue, cost allowances and operational incentives are subject to multiyear price controls imposed by regulators in RoI (Commission for the Regulation of Utilities, CRU) and in Northern Ireland (Utility Regulator, UREGNI).

Exhibit 4
Price control summary

Republic of Ireland	
Regulated Business	ESB Networks
Regulator/Price Control	CRU / PR5
Price control term	Jan 2021 - Dec 2025
Allowed return	3.80% pre-tax real
Regulated Asset Base	€8.8 billion (2021)
Northern Ireland	
Regulated Business	NIE Networks
Regulator/Price Control	Utility Regulator / RP6
Price control term	Oct 2017- Mar 2024
Allowed return	3.18% vanilla real
Regulated Asset Base	£1.8 billion / €2.1 billion (2021)

Source: ESB, CRU, UR

Exhibit 5
Relative size of networks, 2021



Source: ESB

Republic of Ireland

In RoI, ESB benefits from good cash flow visibility until December 2025 under the CRU's final determinations for the PR5 period (see [ESB: Supportive PR5 determination confirms Irish regulation among world's most stable and predictable], 17 May 2021). PR5 is the fifth consecutive price control under the CRU's current regulatory principles, covering a period of 25 years. The regulator's decision followed an extensive consultation, draft determination in July 2020[1], and engagement with ESB that the CRU described as “constructive and co-operative.”

For PR5, the CRU pursued a supportive approach to estimating ESB's cost of capital. As was the case in the prior PR4 period, the regulator implicitly “aimed up” by setting a WACC at the 67th percentile of the range. In addition, the CRU increased the allowed return by between 0% and 0.4% to reflect persistently lower inflation than in the rest of the EU.

The regulator's decision for PR5 also took a long-term perspective on investment requirements, explicitly considering Ireland's Climate Action Plan 2019 and the programme of the then newly-formed government. The CRU not only identified the challenges for ESB, but acknowledged that “the DSO must have access to the resources to deliver this change”. Reflecting this, the determination includes cost allowances that are around 45% higher than in the previous period and only 6% below the company's proposals.

Northern Ireland

On 2 March 2022, UREGNI published its approach document for RP7 price controls for NIE Networks, which will run from April 2024 to March 2030[2]. UREGNI expects to publish the draft determination in March 2023 following a business plan submission in October 2022.

NIE Networks' revenue allowances will continue to be set using a vanilla weighted average cost of capital on a real price basis. However, the measure of inflation will change to CPIH from RPI, which should increase the cash allowed return as CPIH is generally lower than RPI. We expect UREGNI to set an allowed return in line with regulatory precedents in Great Britain as was observed in the recent publication of its final determination for gas transmission networks (see Gas Networks Ireland, Update to credit analysis ahead of PC5 determination). In that determination, GNI received an allowed return 2.66% (real, CPI-stripped).

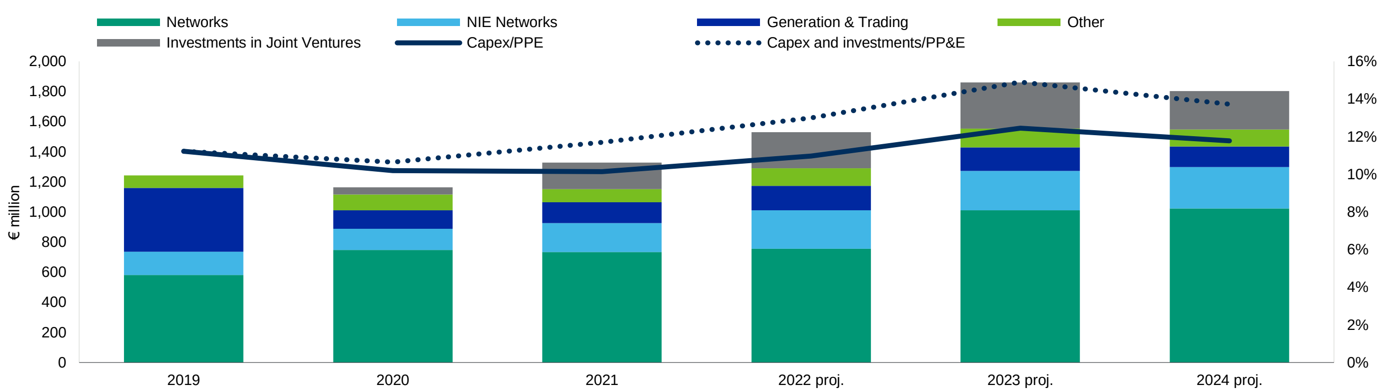
Following the publication of NI's new energy strategy[3], UREGNI has acknowledged increasing uncertainty over long-term investment requirements. As a result, RP7 will include a reopener mechanism for smart meters if they were adopted.

Large capital investment programme and growing debt at joint ventures

In 2021, ESB's gross capex was €1.3 billion, of which €927 million was invested into the regulated business. In ROI, the PR5 final determination increased gross capex allowances to €4.4 billion for 2021-25, 63% higher than the €2.7 billion allowed in the previous regulatory period. In NI, we expect NIE Networks' capex to increase with RP7, in line with investments required to achieve "the Path to Net Zero". Largely reflecting these investments, we expect ESB's ratio of capex to PP&E to continue increasing to around 14% over the next three years from 12% in 2021 and 10% in 2020, despite limited investment in its wholly-owned generation segment. In addition, ESB will continue funding its share of renewable investments by joint ventures through both equity and shareholder loans. As a result, we expect ESB's leverage, as measured by Net Debt / Fixed Assets, to increase to around 53% in 2024 from 48% in 2021.

Exhibit 6

Capital expenditure will increase, driven by investments in ROI networks and power generation



Source: ESB, Moody's Investors Service

In addition to shareholder loans from ESB and other partners, the company's joint ventures have raised significant project-level debt to finance the construction of new assets, particularly wind farms in the UK and Ireland. Moody's estimates that ESB's proportional share of third-party debt at its joint ventures was over €1.1 billion, based on the JVs' most recent published accounts. In November 2021, following its most recent balance sheet, ESB's fibre optic joint venture with Vodafone, SIRO, announced that a syndicate of lenders had agreed to provide a further €620 million of additional debt to support the next phase of its broadband rollout.

Because these joint ventures are equity-accounted, the debt is not reflected in ESB's balance sheet or Moody's-adjusted credit metrics.

Exhibit 7

Major joint ventures and project-level debt

€ millions

Project name	Country	Technology	Capacity (MW)	Phase	ESB share	Other parites	Balance sheet date	Total debt	ESB share of debt
SIRO	ROI	Internet provider	n.a.	Operational	50%	Vodafone	2021	€327	€164
Neart Na Gaoithe	Scotland	Offshore wind	450	Construction	50.0%	EDF Renewables UK	2020	€1,526	€763
Galloper	England	Offshore wind	353	Operational	13%	Sumitomo (12.5%) RWE (25%) Siemens (25%) Macquarie (25%)	2020	€1,078	€135
Oweninny Power	ROI	Onshore wind	89	Operational	50.0%	Bord na Móna	2020	€147	€74
Raheenleagh	ROI	Onshore wind	35	Operational	50%	Greencoat Renewables	2021	€40	€20
Kingspan ESB	NI	Solar panels	n.a.	Operational	50.0%	Kingpsan	2020	€0	€0
Emerald Bridge	ROI	Telecommunication	n.a.	Operational	50%	Zayo Group UK Ltd	2020	€0	€0
Oweninny Power 2	ROI	Onshore wind	83	Pre-construction	50.0%	Móna Powergen Ltd.	2021	€0	€0
Inch Cape	Scotland	Offshore wind	1,080	Pre-construction	50%	Red Rock Power Ltd	2020	€0	€0
Five Estuaries	England	Offshore wind	353	Pre-construction	12.5%	Sumitomo (12.5%) RWE (25%) Siemens (25%) Macquarie (25%)	2021	€0	€0
FuturEnergy	ROI	Onshore wind	1,000	Pre-construction	50%	Coillte Ltd	n.a.	n.a.	n.a.
Superhomes Ireland	ROI	Home energy retrofit	n.a.	Operational	50.0%	Tipperary Energy Agency	n.a.	n.a.	n.a.
Total share of JV debt									**€1,155**

Note: The project list is not comprehensive.
Source: ESB, project company accounts

As ESB expands its renewable capacity, unconsolidated project finance debt is likely to grow as new and larger projects come online. In particular, we expect third-party debt at these projects to increase as large projects such as Inch Cape enter the construction phase. The project debt is non-recourse to ESB. However, because the projects are important contributors to ESB's future cash flow, we take it this debt into account in our assessment of ESB's credit quality. The company may choose to provide financial support to the wind joint ventures, should this become necessary, given the importance of renewables to the company's strategy.

The renewable joint ventures are backed by support mechanisms that give price certainty, although cash flow will be subject to output volatility. Over time, we expect ESB to receive material cash flow from the joint ventures, initially through repayment of shareholder loans and later by dividends. However, ESB has a subordinate claim on the project cash flow and assets behind project-level lenders, who also benefit from provisions that could limit ESB's ability to extract cash if performance is below expectations.

Higher risk in generation and supply businesses

ESB's power generation business' contribution to EBITDA significantly increased from 19% in 2020 to 23% in 2021, while retail energy supply and other businesses contributed a further 8%, as a result of higher electricity prices and growing demand. Day-ahead power prices in Ireland increased to an average of €136/MWh in 2021 from €38/MWh in 2020, and demand rose by around 5% compared to the prior year. Since the beginning of 2022, prices have remained high and volatile, reflecting exceptional market conditions.

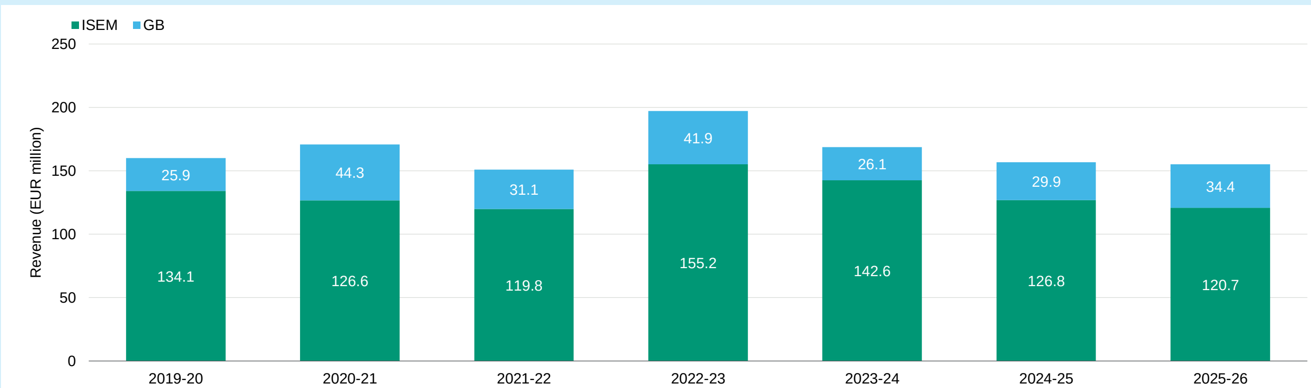
Capacity contracts and renewable subsidies give good margin visibility

ESB's exposure to wholesale electricity prices is falling as capacity revenue and renewable subsidies (contracted for terms of up to 15 years) account for a growing share of segment cash flow.

Competitive capacity auctions were introduced as part of the I-SEM market reforms in October 2018. Since then, ten auctions have been conducted, with prices clearing consistently in the range of €40-46/MW. The largest share of capacity revenue is usually contracted following auctions four years ahead of payment with additional adjustment auctions occurring on a one and two year ahead basis if necessary.

Most of ESB's generation capacity benefits from annual contracts extending to September 2026. The company also has 10-year capacity contracts associated with over 700 MW of new capacity in the Irish market, which will generate annual revenue of around €26 million. In addition, ESB's Carrington power station participates in Great Britain's capacity auctions.

Exhibit 8
Recent capacity auctions results give ESB good visibility of revenue from contracted capacity



Source: SEMO, BEIS, Moody's Investors Service

Material losses from energy supply acquisition in Great Britain
In 2021, ESB's retail energy supply business reported an operating loss of €19 million, compared to a profit of €58 million in the prior year, entirely due to its operations in Great Britain. ESB significantly increased its exposure to the British retail market through its acquisition of a 76% interest in So Energy Limited in August 2021, a retail energy supplier with around 560,000 gas and electricity accounts, for total consideration of €26 million. From the date of acquisition to December 2021, So Energy reported a loss of €83.6 million, in addition to an exceptional goodwill impairment of €45.3 million, reflecting the effects of high wholesale prices and its interaction with the regulated retail price cap that has operated since January 2019.

So Energy's losses in the last four months of 2021 (excluding exceptional charges) were equivalent to around 6% of ESB's consolidated FFO for the year, and we estimate that the acquisition reduced the company's ratio of FFO/net debt by more than 1.5 percentage points. Our projections assume further losses from this business in 2022 but stabilisation of financial performance in subsequent years. However, continued losses could put downward pressure on ESB's credit profile. ESB describes the market in Great Britain as “intensely competitive” and believes the price cap as “not fit for purpose”, but continues to believe that So Energy has an attractive competitive offering.

An ambitious renewables development target
ESB expects its share of renewable installed capacity to reach at least 40% of its total capacity by 2026, and targets more than 5 GW of renewable assets by 2030 (see exhibit below). In 2020, ESB formed a 50:50 joint venture with Red Rock Power to acquire the Inch Cape project, a 1 GW wind project in Scotland. This follows investments in Neart na Gaoithe (a 450 MW offshore wind farm in

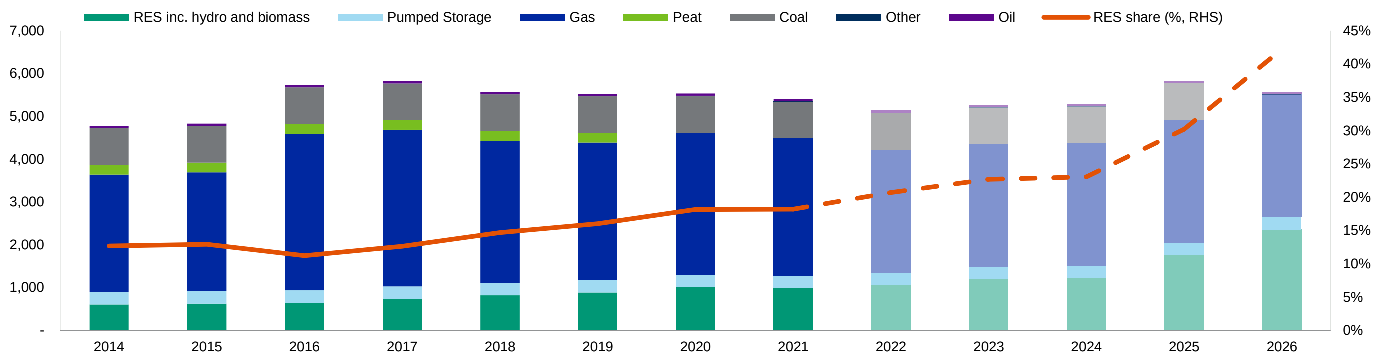
Scotland), Galloper (353 MW offshore wind farm in England) and Oriel (370 MW offshore windfarm in ROI). In 2021, a joint venture between ESB and State-owned Coillte, a major land owner, received regulatory clearance and could eventually develop up to 1 GW of renewable assets. ESB also made an investment in Five Estuaries, an extension of the Galloper project that could bring up to 353 MW of new capacity.

In April 2021, ESB announced its Green Atlantic project on the existing Moneypoint site, where it will develop a "green energy hub" fostering investments including a new floating offshore wind farm and green hydrogen facility.[4] Although renewable investments are focused in wind, ESB has also acquired a solar development pipeline from Terrasolar and Harmony Solar. These acquisitions have secured a development portfolio of around 930 MW by 2030.

Exhibit 9

We expect the share of renewables to increase as older polluting plants close and as ESB continues its capex programme and JV's development

Generation capacity by technology, including share of joint ventures



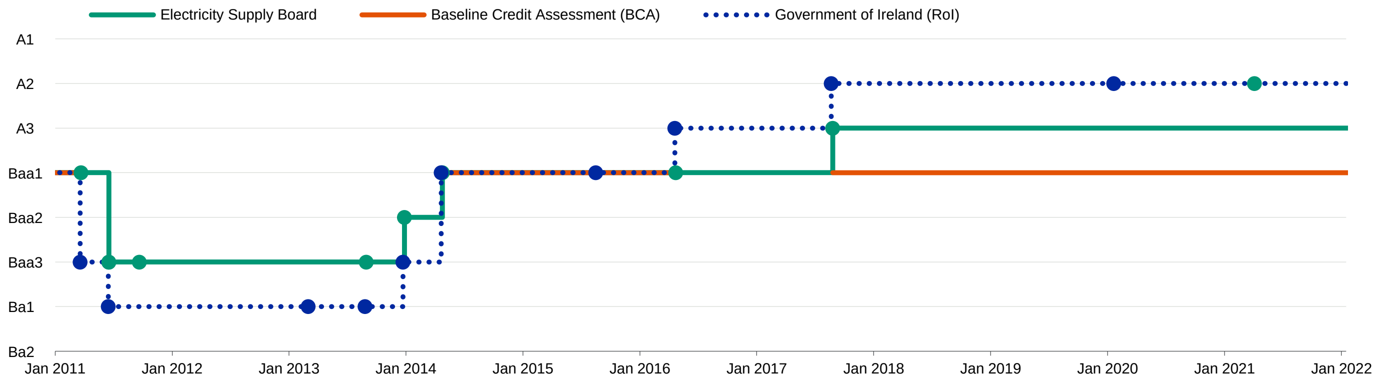
The decrease in the total renewable capacity from 1,003 MW in 2020 to 983 MW in 2021 relates to the disposal of Tilbury Green Power Holdings Limited.
Sources: ESB, Moody's Investors Service estimates

In addition to capacity revenue and renewables, we expect ESB to generate increasing earnings through the provision of ancillary services, including solutions to manage increasing intermittent renewable generation. In 2021, ESB launched a new joint venture dedicated to home energy retrofit with the Tipperary Energy Agency and committed to delivering 35,000 home retrofits by 2030.

Support from the owner provides an uplift to ESB's standalone credit profile

ESB is 97% owned by the Irish government, and as such we consider the company's rating according to our methodology for Government-Related Issuers (GRIs), published in February 2020. At A3, ESB's rating is based on our evaluation of the company's standalone credit strength, the Baseline Credit Assessment (BCA) of baa1, and incorporates a one-notch uplift for potential government support.

Exhibit 10
ESB's rating remains one notch above its BCA and one notch below the sovereign rating
Moody's rating history



Dots indicate rating action dates, including changes of outlook and affirmations.
Source: Moody's Investors Service

Liquidity analysis

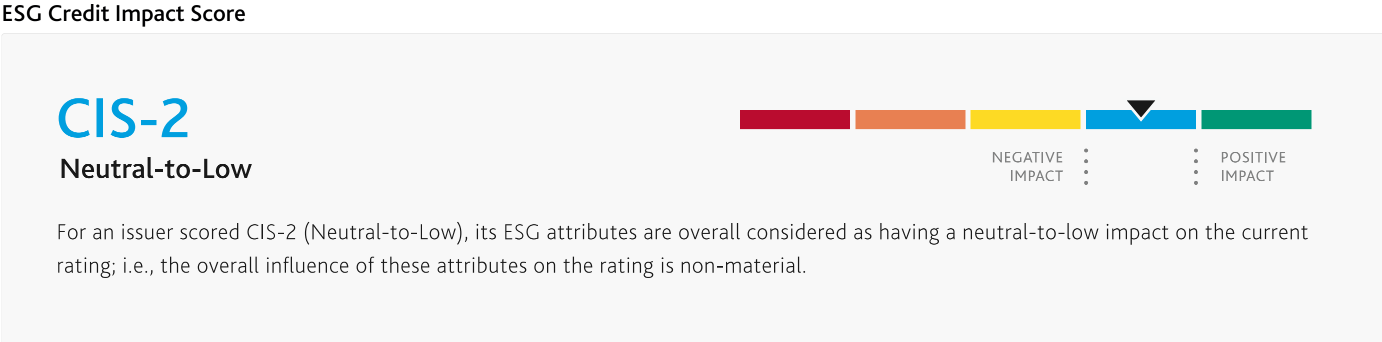
ESB has a sound liquidity position. As of 31 December 2021, the company had €537 million of cash and cash equivalents, increasing from €249 million at the end of 2020. ESB also has access to a €1.4 billion revolving credit facility, which was undrawn as of December 2021 and recently extended to 2027. Current liquidity sufficiently covers the debt repayments that are due in the next 3 years.

In January 2022, ESB raised a €500 million green bond, maturing in July 2034. This is the third green bond that ESB has issued, following a €500 million issuance in 2019 and €200 million issuance in 2020.

ESG considerations

ESB's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 11
ESG Credit Impact Score



Source: Moody's Investors Service

ESB's ESG Credit Impact Score is neutral/low (**CIS-2**), indicating that its ESG attributes are not material to its credit rating. Its score reflects moderate environmental and low social and governance risks. The effect of ESG risks to the rating is mitigated by the expectation that its government shareholder would support the company if this were to become necessary.

Exhibit 12
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-3	S-2	G-2
Moderately Negative	Neutral-to-Low	Neutral-to-Low

Source: Moody's Investors Service

Environmental

ESB's moderate environmental risk (**E-3** issuer profile score) primarily reflects the risk that extreme weather events may result in interruptions to supply and higher operating costs, although these will typically be recoverable from customers under the regulatory framework. ESB's carbon transition risk is low, because the company's strategy is aligned with Ireland's Climate Action Plan and around 70% of ESB's EBITDA comes from regulated networks, which will provide resilient earnings under a variety of decarbonisation scenarios. In its generation business, renewables accounted for 18% of generation capacity in 2021. We expect most ESB's non-networks capital expenditure to be focused on renewables, some of which should benefit from the Government's delayed Renewable Electricity Support Scheme. ESB is targeting 50% of its electricity production from renewables by 2030.

Social

ESB's social risk is neutral/low (**S-2**). Although all regulated utilities face the risk that public concern over environmental, social or affordability issues could lead to adverse regulatory or political interventions, ESB benefits from an exceptionally stable and predictable regulatory framework.

Governance

Governance risks are neutral/low (**G-2**). As a government-owned company, we assess that the independence of ESB's board is relatively weak. However, board appointments are made from a shortlist drawn up by Ireland's independent Public Appointments Service, and board members are require to act “at all times in good faith and in the best interests of ESB, while having regard to the interests of the shareholder(s), employees and other stakeholders”. Government ownership is also associated with positive governance features such as transparent reporting and oversight.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

Our rating assessment of ESB is based on our methodology for Regulated Electric and Gas Networks, published in April 2022, and also takes into account the Government-Related Issuers methodology, published in February 2020.

The scorecard-indicated outcome is A2 based on both historical and projected financial metrics. The baa1 BCA reflects the additional risk compared with peers rated under the methodology posed by the material contribution to group earnings from unregulated businesses, such as power generation and electricity supply.

Exhibit 13

Rating factors

Electricity Supply Board (ESB)

Regulated Electric and Gas Networks Industry Grid [1][2]	Current FY 31/12/2021		Moody's 12-18 Month Forward View As of June 2022	
Factor 1 : Regulatory Environment and Asset Ownership Model (40%)	**Measure**	**Score**	**Measure**	**Score**
a) Stability and Predictability of Regulatory Regime	Aaa	Aaa	Aaa	Aaa
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Ability and Timeliness)	A	A	A	A
d) Revenue Risk	Aa	Aa	Aa	Aa
Factor 2 : Scale and Complexity of Capital Program (10%)				
a) Scale and Complexity of Capital Program	Ba	Ba	Ba	Ba
Factor 3 : Financial Policy (10%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Factor 4 : Leverage and Coverage (40%)				
a) FFO Interest Coverage Ratio (3 Year Avg)	9.6x	Aaa	9.7x - 10.1x	Aaa
b) Net Debt / Fixed Assets (3 Year Avg)	44.1%	Aa	49% - 53%	A
c) FFO / Net Debt (3 Year Avg)	26.1%	Aa	19% - 22%	A
d) RCF / Net Debt (3 Year Avg)	24.5%	Aa	18% - 20%	A
Rating:				
Indicated Rating from Grid Factors 1-4		A2		A2
Rating Lift		**0**	**0**	**0**
a) Indicated Rating from Grid		A2		A2
b) Actual Rating Assigned				baa1
Government-Related Issuer	**Factor**			
a) Baseline Credit Assessment	baa1			
b) Government Local Currency Rating	A2 Stable			
c) Default Dependence	High			
d) Support	Moderate			
e) Final Rating Outcome	A3			

1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations; [2] As of 31/12/2021; [3] This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Ratings

Exhibit 14

Category	Moody's Rating
ELECTRICITY SUPPLY BOARD (ESB)	
Outlook	Stable
Issuer Rating	A3
Senior Unsecured MTN -Dom Curr	(P)A3
ST Issuer Rating -Dom Curr	P-2
ESB FINANCE DESIGNATED ACTIVITY COMPANY	
Outlook	Stable
Bkd Senior Unsecured	A3

Source: Moody's Investors Service

Appendix

Exhibit 15

Peer comparison

Electricity Supply Board (ESB

	Electricity Supply Board (ESB) (P)A3 Stable			Gas Networks Ireland A2 Stable			National Grid Electricity Transmission plc Baa1 Stable		
(in EUR million)	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Mar-19	FYE Mar-20	FYE Mar-21
Revenue	3,641	3,653	5,319	487	470	447	3,803	2,275	2,212
EBITDA	1,353	1,260	1,441	307	291	274	1,573	1,720	1,804
Total Debt	5,873	5,592	5,584	1,355	1,267	1,177	8,736	8,938	10,503
Net Debt	5,748	5,343	5,047	1,238	1,165	1,080	8,716	8,938	10,503
(FFO + Interest Expense) / Interest Expense	6.7x	8.2x	9.6x	12.1x	13.5x	13.0x	6.1x	6.4x	7.4x
Net Debt / Fixed Assets	51.4%	48.4%	44.1%	48.1%	45.7%	43.1%	58.1%	59.1%	64.4%
FFO / Net Debt	19.7%	22.2%	26.1%	20.3%	20.8%	21.5%	16.3%	15.5%	13.6%
RCF / Net Debt	18.9%	21.3%	24.5%	16.3%	16.1%	17.1%	16.3%	4.5%	8.7%

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Exhibit 16

Moody's-adjusted debt breakdown

Electricity Supply Board (ESB)

(in EUR million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
As Reported Total Debt	5,144	5,364	5,368	5,483
Pensions	506	509	223	101
Leases	123	0	0	0
Moody's Adjusted Total Debt	5,773	5,873	5,592	5,584
Cash & Cash Equivalents	(229)	(125)	(249)	(537)
Moody's Adjusted Net Debt	5,544	5,748	5,343	5,047

Source: Moody's Financial Metrics™

Exhibit 17
Moody's-adjusted funds from operations breakdown
Electricity Supply Board (ESB)

(in EUR million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
As Reported Funds from Operations (FFO)	905	1,277	932	1,435
Pensions	24	23	22	22
Leases	16	0	0	0
Capitalized Interest	(25)	(28)	(24)	(24)
Alignment FFO	48	(9)	45	29
Cash Flow Presentation	0	0	15	9
Non-Standard Public Adjustments	3	(131)	199	(156)
Moody's Adjusted Funds from Operations (FFO)	970	1,132	1,188	1,316

Source: Moody's Financial Metrics™

Exhibit 18

Selected historical Moody's-adjusted financial data

Electricity Supply Board (ESB)

(in EUR million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
INCOME STATEMENT				
Revenue	3,368	3,641	3,653	5,319
EBITDA	1,174	1,353	1,260	1,441
EBITDA margin %	34.9%	37.2%	34.5%	27.1%
EBIT	378	547	453	500
EBIT margin %	11.2%	15.0%	12.4%	9.4%
Interest Expense	231	200	164	153
Net income	56	290	220	200
BALANCE SHEET				
Total Debt	5,773	5,873	5,592	5,584
Cash & Cash Equivalents	229	125	249	537
Net Debt	5,544	5,748	5,343	5,047
Net Property Plant and Equipment	10,853	11,183	11,030	11,443
Total Assets	13,402	13,952	13,818	15,967
CASH FLOW				
Funds from Operations (FFO)	970	1,132	1,188	1,316
Cash Flow From Operations (CFO)	858	936	1,290	1,410
Dividends	35	43	50	81
Retained Cash Flow (RCF)	935	1,089	1,138	1,235
Capital Expenditures	(898)	(793)	(870)	(926)
Free Cash Flow (FCF)	(75)	100	370	403
INTEREST COVERAGE				
(FFO + Interest Expense) / Interest Expense	5.2x	6.7x	8.2x	9.6x
LEVERAGE				
FFO / Net Debt	17.5%	19.7%	22.2%	26.1%
RCF / Net Debt	16.9%	18.9%	21.3%	24.5%
FCF / Net Debt	-1.3%	1.7%	6.9%	8.0%
Debt / EBITDA	4.9x	4.3x	4.4x	3.9x
Net Debt / EBITDA	4.7x	4.2x	4.2x	3.5x
Net Debt / Fixed Assets	51.1%	51.4%	48.4%	44.1%

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Endnotes

1 CRU, Price Review 5 Electricity Networks, July 2020

2 UREGNI, NIE Networks RP7 Price Control: Our proposed approach, March 2022

3 Northern Ireland Executive, The Path to Net Zero Energy – creating jobs and more affordable energy, 20 January 2022

4 ESB, ESB Announces GREEN ATLANTIC at Moneypoint, 9 April 2021

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