MOODY'S INVESTORS SERVICE

CREDIT OPINION
17 May 2021

Update

Rate this Research

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 following rating affirmation

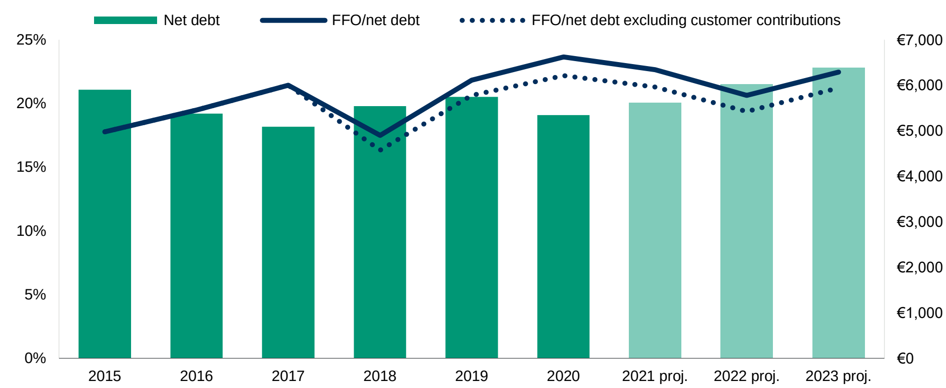
Summary

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, A2 stable) and Northern Ireland, (2) the low business risk profile of these networks and their stable returns under well-established and transparent regulatory frameworks, 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.

ESB received its final determination for Price Review 5 (PR5) on 18 December 2020, setting its allowed revenue as Transmission Asset Owner and Distribution System Operator for the 2021-25 regulatory period in RoI. The CRU's decision confirms the stability and predictability of the regulatory framework underpinning almost 60% of ESB's earnings. We affirmed ESB's ratings on 27 April.

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

» Substantial capital investment programme

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

Rating outlook

The stable outlook reflects our expectation that ESB will achieve FFO/net debt around 21% over the next 18-24 months. This includes around €75 million of customer contributions associated with new connections. Excluding this, ESB's FFO/debt would be around 20%. These metrics are consistent with a baa1 BCA.

The stable outlook also reflects the stable outlook on the rating of the Government of Ireland.

Factors that could lead to an upgrade

» FFO interest cover and FFO/net debt excluding customer contributions maintained above 4.5x and above the low 20s in percentage terms, respectively, on a sustained basis,

» 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 excluding customer contributions 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-16	Dec-17	Dec-18	Dec-19	Dec-20	2021-proj.	2022-proj.
FFO Interest Coverage	5.2x	5.6x	5.2x	7.4x	9.0x	9.0x	8.6x
Net Debt / Fixed Assets	51.0%	50.1%	51.1%	51.4%	48.4%	48.8%	51.2%
FFO / Net Debt	19.6%	21.4%	17.5%	21.8%	23.7%	22.6%	20.6%
FFO / Net Debt ex customer contributions			16.3%	20.6%	22.2%	21.3%	19.4%
RCF / Net Debt	18.0%	19.2%	16.9%	21.1%	22.7%	19.7%	18.8%

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.
IFRS 15 adopted in 2018
Sources: Moody's Financial Metrics, Moody's Investors Service estimates

Profile

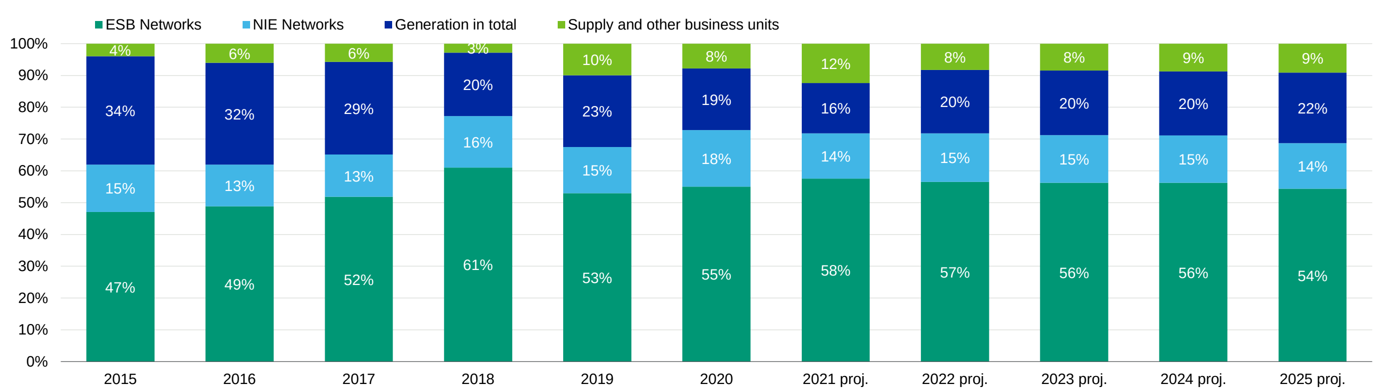
ESB is a vertically integrated electric utility in the Republic of Ireland (RoI), which holds leading market positions in power generation and electricity supply, as well as being the monopoly owner of electricity distribution and transmission networks across RoI and Northern Ireland (NI).

The group's regulated businesses contribute most the group's earnings (70% of EBITDA in 2020). 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 €10.2 billion as at the end of December 2020. In addition, the group had a generation market share of 29% across the all-island Irish Single Electricity Market (I-SEM) in 2020 and served 1.4 million electricity and gas customer accounts across Ireland, which equated to a 34% market share.

ESB is 96.1% 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

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

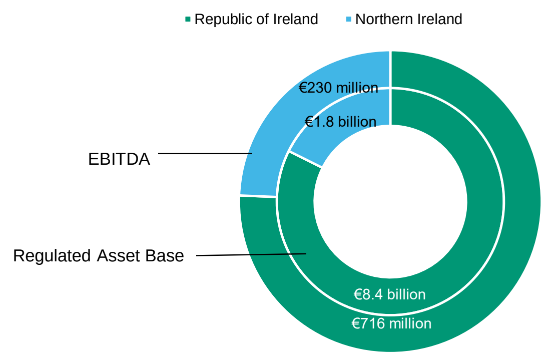
70% of ESB's EBITDA in 2020 came from the group's price-regulated transmission and distribution businesses. Regulated revenue, cost allowances and operational incentives are subject to multiyear price controls imposed by regulators in RoI (Commission for the Regulation of Utilities, CRU) and in Northern Ireland (Utility Regulator, UR).

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	€8.4 billion (2020)
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	£1.6 billion / €1.9 billion (2020)

Source: ESB, CRU, UR

Exhibit 5
Relative size of networks, 2020



Source: ESB

On 18 December, the CRU published its final determinations for PR5, setting the allowed revenue for ESB Networks for the five-year period starting in January 2021 (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.”

The CRU has taken a supportive approach to estimating ESB’s cost of capital. The regulator implicitly “aimed up” by setting a WACC at the 67th percentile of the range in both PR4 and PR5. 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 has also taken a long-term perspective on investment requirements, explicitly considering Ireland’s Climate Action Plan 2019 and the programme of the newly-formed government. The CRU not only identifies the challenges for ESB, but acknowledges 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.

Exhibit 6
The CRU has allowed ESB Networks to spend 45% more than in the prior period, only 6% below the company's request
€ millions

	PR4			PR5		
	Ex ante allowance	Ex post allowance	Outturn	ESB request	Draft determination	Final determination
Distribution opex	1,384	1,408	1,406	1,696	1,547	1,632
Distribution capex	1,765	1,566	1,564	3,122	2,527	2,844
Transmission opex	308	303	303	330	320	327
Transmission capex	888	685	685	978	919	978
TSO network capex	110	88	88	70	68	70
Total	**4,455**	**4,050**	**4,046**	**6,195**	**5,381**	**5,850**
PR4 outturn vs ex post allowance			*-0.1%*			
PR5 vs PR4 outturn				*53%*	*33%*	*45%*
PR5 determination vs ESB request					*-13%*	*-6%*

Source: CRU, Moody's Investors Service

The CRU has acknowledged the changing role of the electricity network as Ireland transitions towards a lower-carbon economy and the difficulties in forecasting the timings and level of investment required. To increase the flexibility under the fixed five year price control, the regulator has added the following mechanisms which enable allowances to be adjusted in period:

» In distribution, volume drivers for the level of domestic connections and pay-as-you-go (PAYG) meter installations,

» In distribution, additional funding if the level of large customer and data centre connections or the take up of low carbon technologies differs from ex-ante forecasts,

» In distribution, the ability to reallocate allowances between opex and capex

» In transmission, a capex allowance reopener if cumulative expenditure is forecast to exceed allowances by 10% or ESB projects to underspend by 20%.

The determination also allows ESB to earn rewards or penalties based on its operational performance during the period.

Following the determination, we increased the score for the "Stability and Predictability of the Regulatory Regime" to Aaa from Aa under our methodology for regulated electric and gas networks, reflecting the transparency of decision-making, the CRU's long track record of stable, predictable and independent regulation, and the consistent application of well-established principles that clearly define risk allocation between companies and customers.

Consistently strong financial metrics underpinned by prudent financial policy

ESB's FFO/net debt increased to 23.7% in 2020 from 21.8% in 2019. Following the refinancing of older expensive debt with new issuances in 2020, interest expense fell to €158 million from €200 million, while FFO has remained stable.

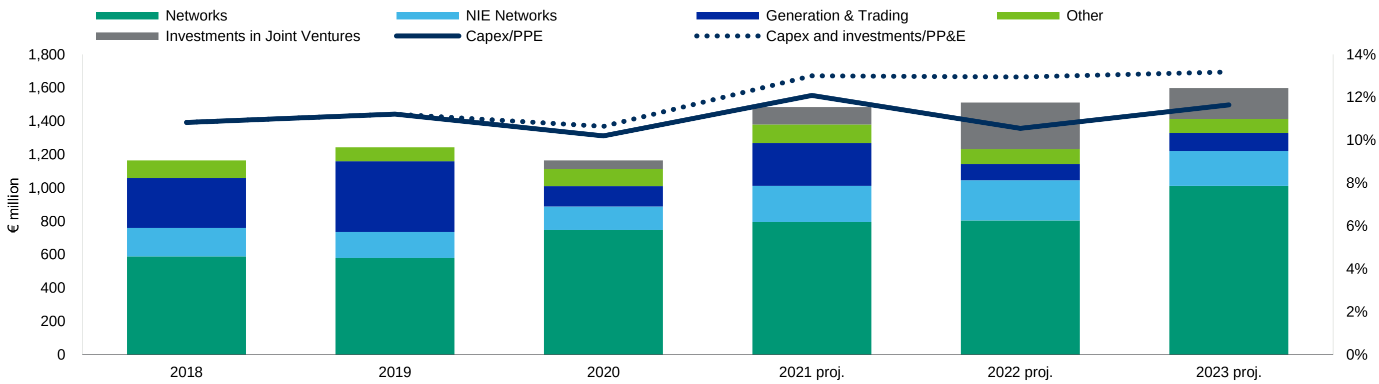
Following adoption of the IFRS 15 accounting standard in 2018, customer contributions toward capital expenditure are included in cash from operations and Moody's FFO. This change increased ESB's FFO/Net Debt by 1.5 percentage points in 2020 and 1.2 percentage points in 2019. We evaluate ESB's financial metrics excluding this revenue.

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.

Large capital investment programme and growing debt at joint ventures

In 2020, ESB's gross capex was €1.1 billion, of which €889 million was invested into the regulated business. 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. Largely reflecting this investment, we expect ESB's ratio of capex to PP&E to increase to around 12% over the next three years from 10% in 2020, despite limited investment in its wholly-owned generation segment. In addition, we expect ESB to fund its share of investments by wind joint ventures through equity and shareholder loans. As a result, we expect ESB's leverage, as measured by Net Debt / Fixed Assets, to increase to around 52% in 2023 from 48% in 2020.

Exhibit 7
Capital expenditures 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 €900 million as of December 2019, in addition to €91 million guaranteed by ESB as of December 2020. Because these joint ventures are equity-accounted, the debt is not reflected in ESB's balance sheet or Moody's-adjusted credit metrics.

Exhibit 8
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	2020	€182	€91
Debt guaranteed by ESB									**€91**
Neart Na Gaoithe	Scotland	Offshore wind	450	Construction	50%	EDF Renewables UK	2019	€1,234	€617
Galloper	England	Offshore wind	353	Operational	13%	Sumitomo (12.5%) E.ON SE (25%) Siemens (25%) Macquire (25%)	2019	€1,444	€180
Oweninny Power	ROI	Onshore wind	89	Operational	50%	Bord na Móna	2019	€155	€78
Raheenleagh	ROI	Onshore wind	35	Operational	50%	Grrencoat Renewables	2019	€47	€23
Tilbury	England	Waste	40	Operational	47%	Green Invesment Group	2019	€107	€50
Kingspan ESB	NI	Solar panels	n.a.	Operational	50%	Kingpsan	2019	€0	€0
Emerald Bridge	ROI	Telecommunication	n.a.	Operational	50%	Zayo Group UK Ltd	2019	€0	€0
Oweninny Power 2	ROI	Onshore wind	83	Pre-construction	50%	Móna Powergen Ltd.	2019	€0	€0
Inch Cape	Scotland	Offshore wind	1,000	Pre-construction	50%	Red Rock Power Ltd	2019	€0	€0
Oriel	ROI	Offshore wind	370	Pre-construction	50%	Parkwind NV	2019	€0	€0
Total share of JV debt									**€1,040**

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

As ESB expands its renewable capacity, unconsolidated project finance debt is likely to grow. In particular, we expect third-party debt at these projects to increase as three large projects (Oweninny 2, Inch Cape and Oriel) enter the construction phase.

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. Because this project debt is important to supporting ESB's future cash flow, we take it into account in our assessment of ESB's credit quality. In addition, although most of the project debt is non-recourse to ESB, 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.

Power generation and supply are higher risk

ESB's power generation business accounted for 19% of EBITDA in 2020, with retail energy supply and other businesses contributing a further 8%. Cash flow from these segments is affected by volatility in electricity prices and demand. Power prices in Ireland fell to an average of €38/MWh in 2020, from €50/MWh in 2019, and spreads achieved for both gas and coal generation declined. Since the beginning of 2021, prices have strongly recovered to an average €70/MWh as of end of March, reflecting higher gas and carbon prices.

ESB's exposure to wholesale electricity prices is falling as capacity revenue (usually contracted four years ahead of payment) and renewable subsidies (contracted for terms of up to 15 years) account for a growing share of segment cash flow. Capacity revenue and renewable supports constituted most generation gross profit in 2020, and were equivalent to more than 100% of the segment's EBITDA.

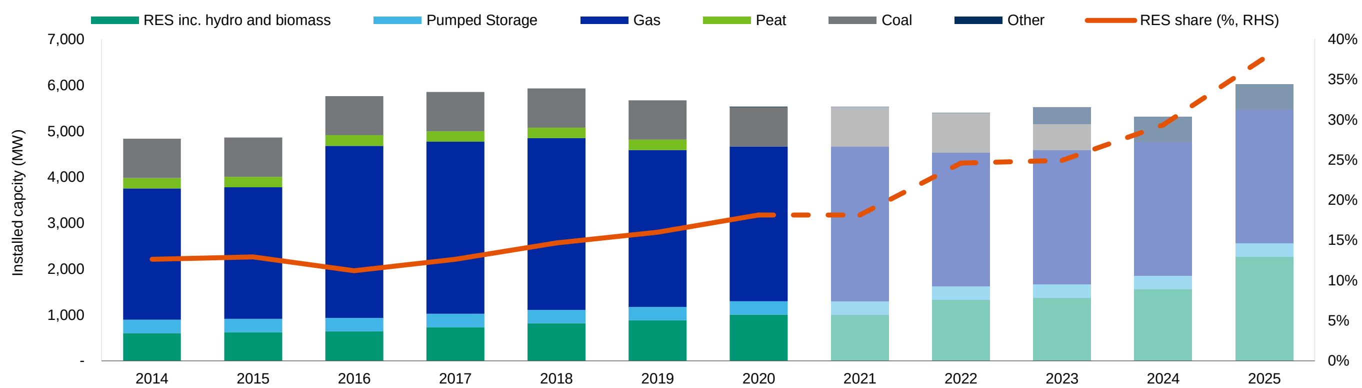
As part of the I-SEM market reforms in October 2018, the previous availability-based capacity payment mechanism was replaced with a series of competitive capacity auctions, initially reducing the revenue available to electricity generators by around €180 million (around 35%) per annum. The shift to competitive capacity auctions has resulted in older "out-of-merit" generators becoming uneconomic and plant closures. Since the I-SEM went live, ESB has closed a number of its older plants including the steam turbine unit at Aghada (221 MW), the Marina OCGT plant (78 MW), and the gas plant at North Wall (104 MW).

In the 2020 I-SEM T-4 capacity auction, Moneypoint Generation Unit 2 (285 MW coal-fired power station) did not secure a contract. Aghada peaking unit (81 MW) did not take part in this auction as it is due to close before the end of 2023, nor did Lough Ree (91 MW) and West Offaly (137 MW) peat stations as generation at these sites ceased in December 2020. Moneypoint (855 MW) did not participate in the 2021 T-4 auction, and we expect the plant to close by 2025.

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



Sources: ESB, Moody's Investors Service estimates

ESB targets 3.5 GW of renewable assets by 2030, representing 50% of capacity and 40% of electricity production. 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 February 2021, a joint venture between ESB and State-owned Coillte, a major land owner, received regulatory clearance and could eventually develop up to 1GW of renewable assets.

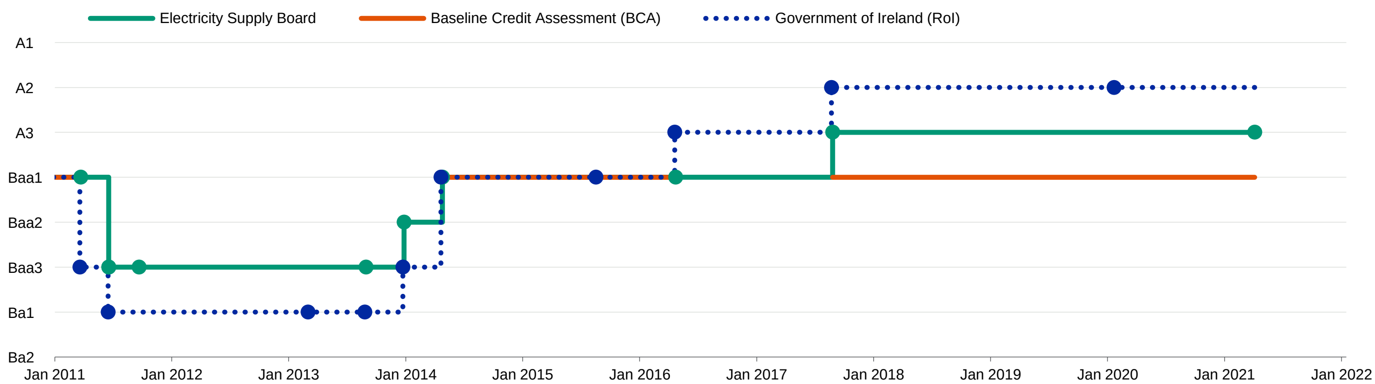
Although renewable investments are focused in wind, ESB has also acquired a solar development pipeline from Terrasolar and Harmony Solar. These acquisitions have secured a development portfolio of circa 930 MW by 2030.

In addition to capacity revenue and renewables, we also expect ESB to generate increasing revenue through the provision of ancillary services, which are needed to manage increasing intermittent renewable generation.

Government-Related Issuer methodology considerations

ESB is 96% 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. The stable outlook on ESB's A3 ratings mirrors the stable outlook on the government's bond rating.

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

ESG considerations

The Government of Ireland's Climate Action Plan, published in June 2019, sets out measures to meet the EU's 2030 targets and to achieve net zero emissions by 2050. The plan includes a target of 70% of electricity generation from renewable sources (compared to 36.5% in 2019), 1 million electric vehicles and 600,000 heat pumps installed by 2030. The Irish government regards offshore wind generation as a key factor in reaching Ireland's carbon and energy targets. The newly published Programme for Government increases the ambition to build 5 GW offshore generation, significantly higher than the 3.5 GW target set by 2019 Climate Action Plan.

ESBs carbon transition strategy is aligned with the Climate Action Plan. 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 2020, up from 13% in 2013. 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, with the initial auction occurring in summer 2020. ESB is targeting 50% of its electricity production from renewables by 2030.

ESB's carbon intensity has fallen sharply as peat-fired plants have closed and coal output has declined. In 2020, ESB's carbon intensity was 378g/kWh, down from 406g/kWh in 2019 and a 44% reduction since 2005. ESB targets a carbon intensity of 200g/kWh or lower in 2030.

Liquidity analysis

ESB has a sound liquidity position. As of 31 December 2020, the company posted €249 million of cash and cash equivalents, more than €125 million at the end of 2019. ESB also has access to a €1.4 billion revolving credit facility, which was recently extended to 2026. Current liquidity sufficiently covers the debt repayments that are due in the next 3 years.

In July 2020, ESB issued €200 million under its Green Bond Program. This follows the £325 million issuance under the EMTN bond program in January 2020, used to repay the existing March 2020 maturity.

Rating methodology and scorecard factors

Our rating assessment of ESB is based on our methodology for Regulated Electric & Gas Networks, published in March 2017, and our 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 11

Rating factors

Electricity Supply Board (ESB)

Regulated Electric and Gas Networks Industry Grid [1][2]	Current FY 31/12/2019		Moody's 12-18 Month Forward View As of May 2021 [3]	
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 (3 Year Avg)	6.9x	Aa	8.1x - 8.5x	Aaa
b) Net Debt / Fixed Assets (3 Year Avg)	50.3%	A	49% - 53%	A
c) FFO / Net Debt (3 Year Avg)	21.0%	A	18% - 21%	A
d) RCF / Net Debt (3 Year Avg)	20.2%	A	17% - 19%	A
Rating:				
Scorecard-indicated Outcome from Grid Factors 1-4		A2		A2
Rating Lift	**0**	**0**	**0**	**0**
a) Scorecard-indicated Outcome 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 31/12/2019; [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 12

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 13

Peer comparison

Electricity Supply Board (ESB

	Electricity Supply Board (ESB) 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-17	FYE Dec-18	FYE Dec-19	FYE Mar-18	FYE Mar-19	FYE Mar-20
Revenue	3,641	3,653	473	487	470	4,158	3,353	1,988
EBITDA	1,353	1,260	311	307	291	1,525	1,387	1,481
Total Debt	5,873	5,592	1,412	1,355	1,267	7,642	7,532	7,897
Net Debt	5,748	5,343	1,361	1,238	1,165	7,631	7,515	7,897
(FFO + Interest Expense) / Interest Expense	7.3x	7.4x	12.0x	12.1x	13.5x	10.9x	9.8x	9.1x
Net Debt / Fixed Assets	51.4%	48.4%	52.8%	48.1%	45.7%	59.8%	58.1%	59.1%
FFO / Net Debt	21.8%	23.7%	18.9%	20.3%	20.8%	16.2%	16.3%	15.5%
RCF / Net Debt	21.1%	22.7%	15.4%	16.3%	16.1%	7.0%	16.3%	4.5%

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

Exhibit 14

Moody's-adjusted debt breakdown

Electricity Supply Board (ESB)

(in EUR million)	FYE Dec-19	FYE Dec-20
As Reported Total Debt	5,364	5,368
Pensions	509	223
Leases	0	0
Moody's Adjusted Total Debt	5,873	5,592
Cash & Cash Equivalents	(125)	(249)
Moody's Adjusted Net Debt	5,748	5,343

Source: Moody's Financial Metrics™

Exhibit 15

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

(in EUR million)	FYE Dec-19	FYE Dec-20
As Reported Funds from Operations (FFO)	1,248	920
Pensions	23	22
Leases	0	0
Capitalized Interest	(28)	(24)
Alignment FFO	(9)	45
Non-Standard Public Adjustments	20	286
Moody's Adjusted Funds from Operations (FFO)	1,254	1,264

Source: Moody's Financial Metrics™

Exhibit 16

Selected historical Moody's-adjusted financial data
Electricity Supply Board (ESB)

(in EUR million)	FYE Dec-19	FYE Dec-20
INCOME STATEMENT		
Revenue	3,641	3,653
EBITDA	1,353	1,260
EBITDA margin %	37.2%	34.5%
EBIT	547	452
EBIT margin %	15.0%	12.4%
Interest Expense	200	200
Net income	290	225
BALANCE SHEET		
Total Debt	5,873	5,592
Cash & Cash Equivalents	125	249
Net Debt	5,748	5,343
Net Property Plant and Equipment	11,183	11,030
Total Assets	13,952	13,818
CASH FLOW		
Funds from Operations (FFO)	1,254	1,264
Cash Flow From Operations (CFO)	1,087	1,377
Dividends	43	50
Retained Cash Flow (RCF)	1,211	1,213
Capital Expenditures	(945)	(957)
Free Cash Flow (FCF)	100	370
INTEREST COVERAGE		
(FFO + Interest Expense) / Interest Expense	7.3x	7.4x
LEVERAGE		
FFO / Net Debt	21.8%	23.7%
RCF / Net Debt	21.1%	22.7%
FCF / Net Debt	1.7%	6.9%
Debt / EBITDA	4.3x	4.4x
Net Debt / EBITDA	4.2x	4.2x
Net Debt / Fixed Assets	51.4%	48.4%

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

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