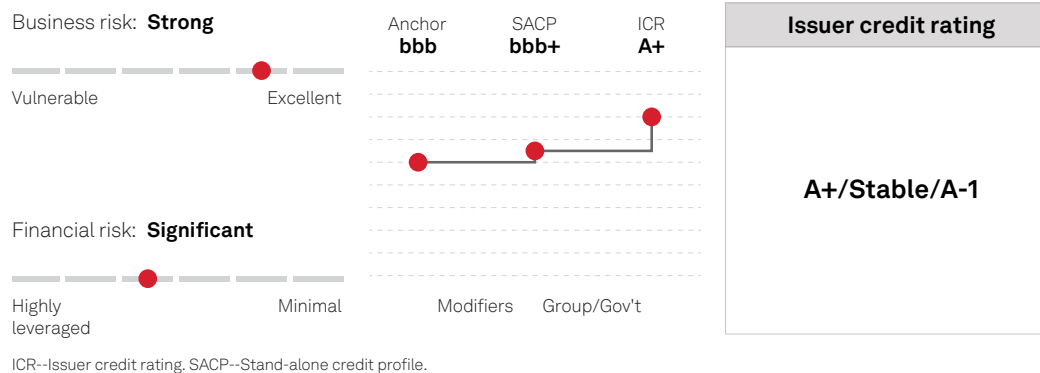


Electricity Supply Board

June 10, 2026

This report does not constitute a rating action.

Ratings Score Snapshot



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Credit Highlights

Overview

Key strengths

Leading position in the Irish energy market, where it is the largest vertically integrated utility.

Predictable earnings from regulated activities, projected to generate about 75% of EBITDA by 2028.

Flexible financial policy with a relatively low dividend payout ratio of 30%.

Strong support from the Irish government (97.7% shareholder), translating into three notches uplift to the stand-alone credit profile (SACP).

Key risks

Increasing capital expenditure (capex), averaging about €4 billion per year over 2026-2030.

Continued investments in joint-ventures (JVs).

Exposure to volatile energy markets through the customer solutions business (about 8% of EBITDA in 2025).

S&P Global Ratings expects increasing capex to pressure Electricity Supply Board (ESB)'s credit metrics, although funds from operations (FFO) to debt should remain above 16%. Over the 2026-2030 regulatory period, ESB plans €20 billion of capex, primarily for regulated networks (80%). We forecast S&P Global Ratings-adjusted FFO to debt of about 16%-16.5% in 2026 and 17%-17.5% in 2027. Debt includes ESB's share of JV debt related to an offshore wind project

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under construction, Inch Cape, of about €1.2 billion in 2026. The company has reduced its dividend policy to 30% of adjusted profit after tax from 40%, providing additional flexibility as investment requirements increase. We expect that elevated capex, combined with dividends and other cash requirements, will result in negative discretionary cash flows of about €1.6 billion-€1.8 billion over 2026-2027. ESB's funding plan includes a mix of internally generated cash, increased borrowings, hybrid capital, and dividend flexibility. We also forecast adjusted debt rising toward €9 billion-€9.5 billion in 2026 and €9.5 billion-€10 billion in 2027.

ESB benefits from its high share of regulated activities and strong support from the Irish government.

Supportive regulation--RP7 in Northern Ireland and PR6 in Ireland--provide clear visibility on returns and enable significant growth in the regulated asset base (RAB). ESB's RAB, including ESB Networks and NIE Networks, grew to about €15 billion in 2025 from about €13.8 billion in 2024. In our view, PR6 remains a strong and supportive framework; the Commission for Regulation of Utilities' proposed €12.3 billion baseline (potentially reaching €16.8 billion) allowance for capex and opex underpins a material increase in network investment compared to PR5. The framework ensures predictability and financeability, with a 4% pre-tax nominal weighted average cost of capital (WACC) for ESB Networks, flexible funding mechanisms through the agile investment and monitoring framework, and output-linked allowances and incentives that support timely delivery without weakening regulatory oversight. We expect ESB Group's EBITDA to grow to about €2.1 billion-€2.2 billion in 2027 and €2.5 billion-€2.6 billion in 2028. Regulated activities should generate about 70% of group EBITDA in 2026, rising toward 75% by 2028. We view ESB as having a high likelihood of extraordinary government support, reflecting its strategic importance to Ireland's energy transition. The €1.5 billion equity injection received in December 2025 further demonstrates this support and provides additional balance sheet flexibility. We therefore expect that, despite sustained negative discretionary cash flow, ESB will maintain credit metrics in line with our assessment of the SACP at 'bbb+', underpinned by state support and its strategic role for Ireland.

ESB's performance in 2025 exceeded our projections, with FFO to debt reaching 21% and S&P Global Ratings-adjusted EBITDA of approximately €1.9 billion.

Underlying performance was driven by resilient network earnings and supportive renewables and storage margins, despite negative one-off impacts from Storm Eowyn and timing effects in NIE Networks. Capex net of customer contributions rose to €2.0 billion in 2025 from €1.5 billion in 2024 and debt also increased, but FFO to debt remained well above our 16% threshold, at 21% in 2025. We continue to include ESB's share of debt related to the Inch Cape project, reflecting execution risks associated with offshore wind developments, which we consider higher than for onshore projects. Until commissioning, expected in 2027, we consider that ESB remains exposed to potential cost overruns.

Outlook

The stable outlook mirrors that on our ratings on Ireland, since we expect the Irish government to continue supporting ESB throughout the extensive investment phase. It also indicates that we expect ESB will continue to post predictable earnings in the low-risk regulated networks business while benefitting from its strong market position in the Irish electricity generation and supply markets. We factor in no major cost overruns during the construction of Inch Cape wind farm. As a result, we expect ESB's FFO to debt will remain above 16% over the next two to three years.

Downside scenario

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A downgrade of ESB could stem from a similar action on the sovereign or a downward revision of the SACP to 'bbb'. This could occur if there was a less supportive financial policy, resulting in FFO to debt, including off-balance-sheet debt of projects under construction, falling below 16%. We could also lower our rating if we assessed the likelihood of extraordinary sovereign support as having diminished.

Upside scenario

We could raise our rating on ESB only if we raised the sovereign rating to 'AAA' from 'AA+' and at the same time revised upward our view of ESB's SACP by one notch to 'a-', which we view as unlikely over the coming years.

Our Base-Case Scenario

Electricity Supply Board--Forecast summary

| Period ending | Dec-31-2021 | Dec-31-2022 | Dec-31-2023 | Dec-31-2024 | Dec-31-2025 | Dec-31-2026 | Dec-31-2027 | Dec-31-2028 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|---------------|
| (Mil. EUR) | 2021a | 2022a | 2023a | 2024a | 2025a | 2026f | 2027f | 2028f |
| EBITDA | 1,493 | 1,686 | 1,982 | 1,905 | 1,910 | 1,800-1,900 | 2,100-2,200 | 2,500-2,600 |
| Funds from operations (FFO) | 1,214 | 1,312 | 1,627 | 1,464 | 1,609 | 1,500-1,600 | 1,700-1,800 | 1,900-2,000 |
| Net capital expenditure (capex) | 935 | 1,142 | 1,511 | 1,487 | 2,013 | 3,100-3,200 | 3,200-3,300 | 3,700-3,800 |
| Dividends | 81 | 126 | 327 | 220 | 190 | 100-150 | 100-150 | 200-250 |
| Debt* | 5,770 | 7,264 | 7,111 | 7,451 | 7,659 | 9,200-9,300 | 9,900-10,000 | 11,000-11,100 |
| Adjusted ratios | | | | | | | | |
| Debt/EBITDA (x) | 3.9 | 4.3 | 3.6 | 3.9 | 4.0 | 4.5-5.0 | 4.5-5.0 | 4.0-4.5 |
| FFO/debt (%) | 21.0 | 18.1 | 22.9 | 19.7 | 21.0 | 16.0-16.5 | 17.0-17.5 | 17.0-17.5 |
| DCF/debt (%) | 6.7 | (10.4) | 9.0 | (2.0) | (11.6) | (20)-(15) | (20)-(15) | (20)-(15) |

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. EUR--euro. * Forecasts include ESB's share of debt at joint ventures for projects under construction.

Company Description

ESB was established in 1927 and is 97.7% owned by the government of Ireland. In 2025, ESB's S&P Global Ratings-adjusted EBITDA was €1.9 billion.

ESB is an integrated utility predominantly operating in Ireland and Northern Ireland, where it has strong market positions. ESB's activities span power generation, electricity transmission and distribution, and power supply. ESB is the monopoly owner of the onshore transmission and distribution grids in Ireland and Northern Ireland, with a regulated asset base of approximately €15 billion as of year-end 2025 (comprising €12 billion owned by ESB Networks and €3 billion owned by NIE Networks) and has a 24% share in the integrated single electricity generation market across Ireland and Northern Ireland.

Peer Comparison

Electricity Supply Board--Peer Comparisons

| Electricity Supply Board | EnBW Energie Baden-Wuerttemberg AG | Energie AG Oberoesterreich | SSE PLC |
|--------------------------|------------------------------------|----------------------------|---------|
|--------------------------|------------------------------------|----------------------------|---------|

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Electricity Supply Board--Peer Comparisons

| Foreign currency issuer credit rating | A+/Stable/A-1 | A-/Stable/A-2 | A/Stable/-- | BBB+/Stable/A-2 |
|---------------------------------------|---------------|---------------|-------------|-----------------|
| Local currency issuer credit rating | A+/Stable/A-1 | A-/Stable/A-2 | A/Stable/-- | BBB+/Stable/A-2 |
| Period | Annual | Annual | Annual | Annual |
| Period ending | 2025-12-31 | 2025-12-31 | 2025-09-30 | 2025-03-31 |
| Mil. | EUR | EUR | EUR | EUR |
| Revenue | 6,621 | 34,324 | 2,917 | 12,112 |
| EBITDA | 1,910 | 4,620 | 467 | 3,815 |
| Funds from operations (FFO) | 1,609 | 3,889 | 368 | 3,217 |
| Interest | 256 | 1,051 | 22 | 552 |
| Cash interest paid | 292 | 697 | 13 | 295 |
| Operating cash flow (OCF) | 1,328 | 4,253 | 386 | 2,790 |
| Capital expenditure | 2,013 | 6,387 | 373 | 3,599 |
| Free operating cash flow (FOCF) | (685) | (2,134) | 13 | (809) |
| Discretionary cash flow (DCF) | (885) | (2,953) | (54) | (1,437) |
| Cash and short-term investments | 1,807 | 8,761 | 172 | 1,304 |
| Gross available cash | 1,807 | 8,761 | 204 | 1,304 |
| Debt | 7,659 | 13,476 | 392 | 12,953 |
| Equity | 7,690 | 22,921 | 2,099 | 14,048 |
| EBITDA margin (%) | 28.8 | 13.5 | 16.0 | 31.5 |
| Return on capital (%) | 7.5 | 9.6 | 13.5 | 11.7 |
| EBITDA interest coverage (x) | 7.5 | 4.4 | 21.6 | 6.9 |
| FFO cash interest coverage (x) | 6.5 | 6.6 | 28.5 | 11.9 |
| Debt/EBITDA (x) | 4.0 | 2.9 | 0.8 | 3.4 |
| FFO/debt (%) | 21.0 | 28.9 | 93.9 | 24.8 |
| OCF/debt (%) | 17.3 | 31.6 | 98.5 | 21.5 |
| FOCF/debt (%) | (8.9) | (15.8) | 3.4 | (6.2) |
| DCF/debt (%) | (11.6) | (21.9) | (13.8) | (11.1) |

Business Risk

ESB's strong business risk profile is underpinned by the stability and visibility of its cash flows, largely driven by its regulated electricity transmission and distribution activities across Ireland and Northern Ireland. These low-risk network operations are expected to account for about 70% of group EBITDA in 2026, rising toward 75% by 2028, reflecting the growing contribution of its regulated asset base. This is supported by favorable regulatory frameworks (PR6 and RP7), which provide clear returns and underpin sustained earnings growth. In addition, ESB maintains a solid position in electricity generation and supply, with a diversified portfolio that helps mitigate exposure to market volatility.

We will monitor ESB's continued expansion in offshore wind as a central pillar of its net zero by 2040 strategy, supported by a growing portfolio of large-scale JV projects. In 2025, the 448-megawatt (MW) Neart na Gaoithe offshore wind farm reached commercial operations, while the 1.1 GW Inch Cape project achieved financial close and entered construction, marking significant progress in ESB's offshore delivery track record. In addition, ESB secured rights to develop the 900 MW Tonn Nua offshore wind project in Ireland through the ORESS auction, in partnership

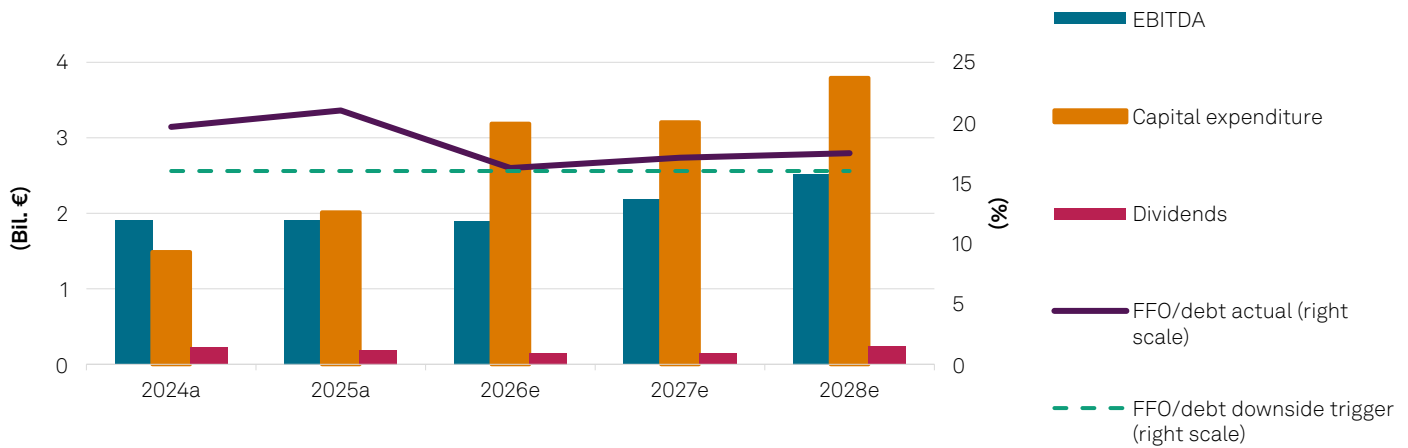
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with Orsted, and is progressing in early-stage developments such as Gwynt Glas. These projects are typically structured as 50/50 JVs, enabling ESB to leverage partner expertise and share capital requirements, while building internal capability in offshore wind development and construction. We expect offshore wind to become an increasingly material contributor to ESB's renewable portfolio over the coming decade, supporting Ireland's offshore capacity targets and reinforcing ESB's role in the energy transition.

Financial Risk

We forecast annual FFO to debt will average about 17% over 2026-2028. ESB's financial risk profile reflects our view that the group will continue to generate gradually increasing FFO until 2028, mainly driven by network reinforcement. We project ESB will issue additional debt to fund its increasing capex plan and renewable generation expansion. We expect FFO to debt to remain above 16%, the current threshold for a 'bbb+' SACP, although we anticipate the headroom will tighten in 2026.

We forecast FFO to debt will remain above the 16% trigger



a--Actual. e--Estimate. FFO--Funds from operations. Source: S&P Global Ratings.

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Liquidity

We assess ESB's liquidity position as strong, supported by the cash received from the equity raise, reflecting our view that its liquidity resources will exceed its funding needs by more than 1.5x in the 12 months from March 31, 2026, and by above 1.0x for the following 12 months. The company's ongoing and proactive liquidity and debt management, solid relationships with banks, and ample, proven access to capital markets, further support our assessment.

| Principal liquidity sources | Principal liquidity uses |
|---|--|
| <ul style="list-style-type: none"> Available cash balance of about €3.0 billion, including €1.5 billion received from the state; | <ul style="list-style-type: none"> Debt maturities of about €510 million; Capex of about €3.2 billion (net of customer contributions); and |

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- An undrawn committed credit facility of €2.4 billion maturing in July 2030, with options to extend to July 2032; and
- Annual cash FFO of about €1.8 billion.
- Dividend payments of about €150 million.

Environmental, Social, And Governance

ESG factors have an overall neutral influence on our credit rating analysis of ESB. The company currently generates about 75% of its energy from fossil fuels--mostly gas--which makes its generation business highly carbon intensive. We note the group's growing portfolio of lower-carbon assets with about 2 GW of renewable and renewable enabling generation. The closure of coal-fired generation at the Moneypoint power plant in 2025 marks a material milestone in ESB's decarbonization trajectory. As a result, we expect ESB's carbon intensity to decline meaningfully over the coming years as the company continues to expand renewable capacity and transition its thermal portfolio toward lower-carbon and flexible generation.

Electricity Supply Board--Rating component scores

| | |
|--|----------------------|
| Foreign currency issuer credit rating | A+/Stable/A-1 |
| Local currency issuer credit rating | A+/Stable/A-1 |
| Business risk | Strong |
| Country risk | Low |
| Industry risk | Low |
| Competitive position | Strong |
| Financial risk | Significant |
| Cash flow/leverage | Significant |
| Anchor | bbb |
| Modifiers | |
| Diversification/portfolio effect | Neutral (no impact) |
| Capital structure | Neutral (no impact) |
| Financial policy | Neutral (no impact) |
| Liquidity | Strong (no impact) |
| Management and governance | Neutral (no impact) |
| Comparable rating analysis | Positive (+1 notch) |
| Stand-alone credit profile | bbb+ |

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021

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- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011
- [General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating](#), Oct. 1, 2010

Related Research

- [Research Update: Ireland Upgraded To 'AA+' On Stronger Economic And Fiscal Profiles; Outlook Stable](#), March 20, 2026
- [Industry Credit Outlook 2026: EMEA Utilities](#), Jan. 14, 2026
- [Research Update: Ireland-Based Integrated Utility Electricity Supply Board Upgraded To 'A' On Government Support; Outlook Positive](#), Sept. 30, 2025
- [Greening Up Without Blackouts: Boosting European Power Grids' Resilience May Dent Credit Quality](#), July 2, 2025

Ratings Detail (as of June 10, 2026)*

Electricity Supply Board

| | |
|----------------------|---------------|
| Issuer Credit Rating | A+/Stable/A-1 |
|----------------------|---------------|

Issuer Credit Ratings History

| | |
|-------------|---------------|
| 30-Mar-2026 | A+/Stable/A-1 |
|-------------|---------------|

| | |
|-------------|----------------|
| 30-Sep-2025 | A/Positive/A-1 |
|-------------|----------------|

| | |
|-------------|-----------------|
| 22-Nov-2024 | A-/Positive/A-2 |
|-------------|-----------------|

Related Entities

Northern Ireland Electricity Networks Ltd.

| | |
|----------------------|-----------------|
| Issuer Credit Rating | BBB+/Stable/A-2 |
|----------------------|-----------------|

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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