DELIVERY, DRIVE AND **DISCIPLINE** SSE.LN March 2024

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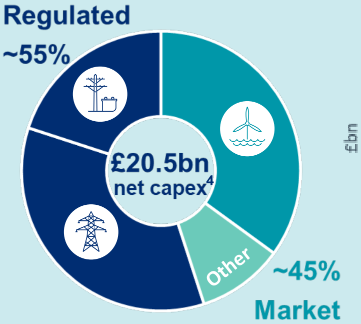
UK-listed integrated energy group focused on regulated electricity networks combined with renewable and flexible energy generation technologies

- **13 – 16% annual Adj. EPS growth expected across the plan,** targeting 175 – 200p by FY27[1]
- **Strong balance sheet** with 91% of debt book at fixed rates, and <£1.5bn long-term debt refinancing over next 24 months[2]
- **4.4GW Renewables operational capacity, with 2.6GW in construction** plus a secured development pipeline of 12GW
- **£9.1bn GB Transmission and Distribution networks RAV**, with double digit annual RAV growth expected to enable net zero
- Commitment to **1.5-degree science-based carbon targets and leading Just Transition strategy**
- Growth enabling dividend plan **targeting between 5 – 10% growth p.a. out to FY27[3]**

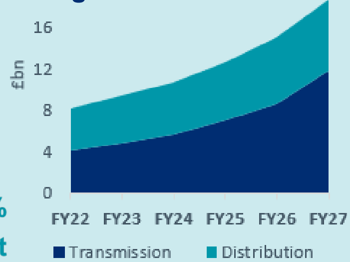
NET ZERO ACCELERATION PROGRAMME PLUS: 5 YEAR INVESTMENT PLAN TO 2027

INVESTMENT



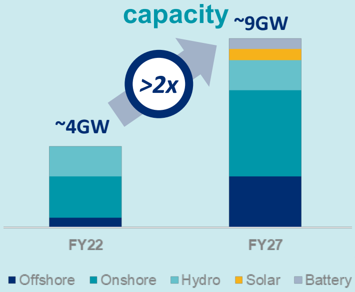
NETWORKS

>15% networks gross RAV CAGR



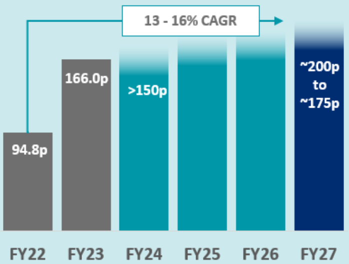
RENEWABLES

>5GW net renewable capacity



EARNINGS

Target Adjusted EPS



MAINTAINING ATTRACTIVE TARGET RETURNS[5]

Common capabilities across the Group drive favourable returns

Offshore wind

At least 11%

Equity returns on Joint Venture projects, excluding developer profits

Electricity networks

7-9%

Return on equity (RoE)[6]

Onshore wind

100-400 bps

Spread to WACC on unlevered projects[7]

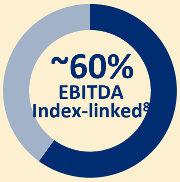
Future CCS/Hydrogen

300-500 bps

Spread to WACC on unlevered projects[7]

HIGH VISIBILITY OF EARNINGS

High % indexed revenues



Significant index-linked revenue streams in Renewables, Networks, and Thermal

Low % Indexed debt book

Limited index-linked debt, with average maturity of debt book 6 years

STRONG BALANCE SHEET AND INVESTMENT GRADE CREDIT RATING

Adj. net debt/EBITDA
Expect: 3.5–4.0x[10]
FY23: 2.7x

Ratings agency	Rating	Core metric	Threshold	Outlook
S&P	BBB+	FFO/Net debt	Around 18%	Positive
Moody's	Baa1	RCF/Net debt	Trending towards low teens	Stable

1 Subject to market conditions, normal weather and plant availability
2 Excludes short term Commercial Paper but includes revolving credit facility in SSEN Transmission
3 From 60p dividend in FY24
4 All capex presented on SSE Adjusted investment, capital and acquisitions expenditure basis, which is net of 25% SSEN Transmission from 30 Nov 2022 following minority interest disposal
5 All return targets are on a post-tax nominal basis
6 Assumes CPIH inflation of 2% p.a. and actual gearing ratio of 55%
7 Spreads to WACC reflect balance of merchant, technology and construction risk specific to each project, and are on unlevered projects
8 Average over five-year plan to 26/27, excludes corporate unallocated and 25% Transmission from 30 Nov 2022 following minority interest disposal
9 As at 30 September 2023
10 Net Debt to EBITDA expected to generally fall within this range over the five years to 26/27, with headroom to go to 4.5x whilst retaining a strong, investment grade rating

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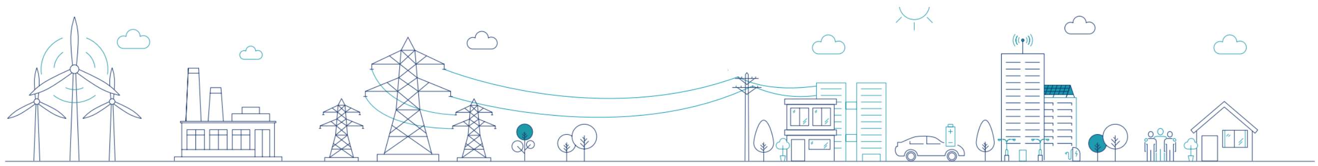
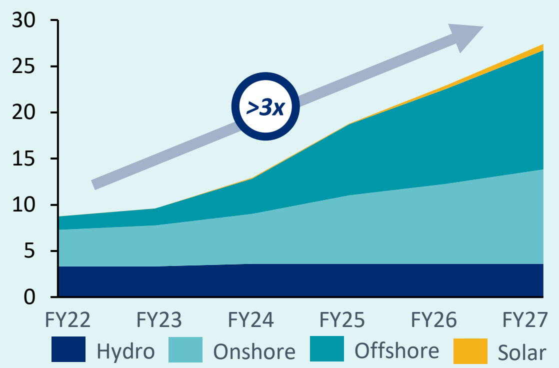
WEALTH OF OPPORTUNITIES RIGHT ACROSS THE NET ZERO ELECTRICITY VALUE CHAIN



Offshore wind	Onshore wind	Solar and Battery	Flexible Hydro	Flexible Thermal	Electricity Transmission	Electricity Distribution

SSE RENEWABLES – TARGET VOLUMES[11]



Of which…

- 35% Merchant
- 30% ROC + Merchant
- 35% CfD, REFIT & RESS

FY27

HIGH-QUALITY ASSETS AND OPTIONS[12]

- **4.4 GW Operational**
- **2.6 GW In Construction**
- **12.0 GW Under Development**
- **>13 GW Future Prospects**

SSE THERMAL – DELIVERING FLEXIBILITY

- **Portfolio of 6.2GW flexible thermal capacity** including cleanest and most efficient CCGT in Europe
- **Locked in >£1bn capacity market revenues** over the five years across GB and IRE with existing plant
- **SSE holds around 40% of the UK's conventional underground gas storage capacity**
- **Value of flexibility increases as market tightens and transitions to intermittent renewables**

NETWORKS KEY METRICS

RIIO-2 Price Control	Transmission	Distribution
Period	FY21 – FY26	FY23 – FY28
Base totex	£2.4bn	£3.6bn
Potential U/M spend	£3.0bn	£0.7bn
Allowed return (real)	4.3%	5.2%
Notional Gearing	55%	60%

With a further ~£17bn[13] approved through Accelerated Strategic Transmission Investment

BUSINESS GOALS TO 2030

Cut carbon intensity by 80%
Reduce Scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels, to 61gCO_2e/kWh

Increase renewable energy output fivefold
Build a renewable energy portfolio that generates at least 50TWh of electricity a year by 2030

Enable low-carbon generation and demand
Enable at least 20GW renewable generation and facilitate c. 2m EVs and 1m heat pumps

Champion a fair and just energy transition
Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value

EXCELLENCE IN ESG PERFORMANCE

MSCI ESG RATINGS AAA — Oct 23	SUSTAINALYTICS — Aug 23	S&P Global
Top 13% utilities	*90th percentile*	*89th percentile*
Moody's — Oct 23	Corporate ESG Performance Prime ISS ESG — Oct 23	CDP A LIST 2022 CLIMATE
Advanced	*Top 20% in group*	*A-list, climate*

[11] *For further detail, see slide 30, SSE Interim Results Presentation 15 November 2023*
[12] *For further detail, see slide 54, SSE Interim Results Presentation 15 November 2023*
[13] *For further detail, see slide 23, SSE Interim Results Presentation 15 November 2023*

This financial report contains forward-looking statements about financial and operational matters. Because they relate to future events and are subject to future circumstances, these forward-looking statements are subject to risks, uncertainties and other factors. As a result, actual financial results, operational performance and other future developments could differ materially from those envisaged by the forward-looking statements. SSE plc gives no express or implied warranty as to the impartiality, accuracy, completeness or correctness of the information, opinions or statements expressed herein. Neither SSE plc nor its affiliates assume liability of any kind for any damage or loss arising from any use of this document or its contents. This document does not constitute an offer or invitation to underwrite, subscribe for, or otherwise acquire or dispose of any SSE shares or other securities and the information contained herein cannot be relied upon as a guide to future performance.

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