SSE plc INTERIM RESULTS – TIME TO POWER CHANGE

and

STRATEGIC UPDATE – SSE'S NET ZERO ACCELERATION PROGRAMME

17 NOVEMBER 2021

INTRODUCTION – ALISTAIR PHILLIPS-DAVIES

1. TITLE SLIDE

2. DISCLAIMER

3. AGENDA

Good morning everyone. I'm joined today by Gregor in person and Martin digitally.

- Today we plan to cover two things:
  - Firstly, our interim results to 30 September 2021, and
  - Secondly, a Strategic Update containing the detail behind what we are calling our Net Zero Acceleration Programme.

- You will all have seen the outline of our capex plans in this morning's release, and I fully appreciate that you will be keen to hear more.

- However, our performance in the half-year to 30 September forms part of the foundation for that exciting plan, so we will reflect on that briefly before getting into the detail you have come for, and answering any questions you might have.

4. SAFETY

- First, a word on safety performance.

- Our day-to-day priority is always to ensure everyone goes home safe after every working day.

- We have enjoyed a run of improving safety performance over recent years, and for the six months to 30 September our Total Recordable Injury Rate fell to 0.16 from 0.19 over the comparable period in 2020/21.

- Nevertheless, every injury is an injury too many and we maintain an ongoing determination to keep everyone safe.

5. PROGRESS AND DELIVERY OVER THE PAST SIX MONTHS

- No review of recent months would be complete without mention of our involvement in COP26. Our Principal Partnership of the summit here in Glasgow has left us more committed than ever to a strategy that creates value whilst addressing climate change. Our strategy is fully aligned with the UK Government's Net Zero Strategy and that of many other countries around the world.

- Strategically we have made good progress over the last six months, reshaping the Group and driving forward our plans for growth.

- Our disposals programme has created £2.8bn of value and further simplified the Group's focus on electricity assets and infrastructure.
- You will also have seen earlier this month we completed a further capital recycling of a stake in Dogger Bank C.

- We have made steps forward internationally in Japan through a joint ownership company formed with Pacifico Energy, in Denmark with our bid for the Thor offshore wind tender and in the US with prequalification for the New York Bight auction.

- Closer to home, construction is progressing well on Seagreen, Dogger Bank A&B and at Viking, and we have amalgamated Berwick Bank and Marr Bank into a single wind farm with a potential capacity of up to 4.1GW.
- In Thermal, Keadby 2 CCGT achieved first power in October and we welcomed 'Track 1' accreditation for the East Coast Cluster which includes our interests in the Zero Carbon Humber project.

- Turning to networks, excellent progress has been made in Transmission on the Shetland HVDC link while Needs Cases under the Uncertainty Mechanism continue to progress; and in Distribution an ambitious RIIO-ED2 business plan goes to final submission to Ofgem in December.

- It's been a busy half-year that has seen us emerge strongly from the pandemic and lay the groundwork for an acceleration to net zero.

- I'll now hand you over to Gregor, who will run through the financial performance.

6. INTERIM RESULTS TO 30 SEPTEMBER 2021 – GREGOR ALEXANDER

- Thanks Alistair and good morning everyone.

7. INCOME STATEMENT – CONTINUING OPERATIONS

- Whilst renewables output was significantly lower than planned due to the weather conditions, our other businesses have delivered a solid performance during the first six months as recovery following coronavirus continues:
    - Adjusted operating profit increasing by 15% to £377m;
    - Adjusted profit before tax increasing by 30% to £174m;
    - And adjusted EPS increasing by 44% to 10.5p, above the expected range provided

- And the second half of the year has started well, as average wind speeds have returned towards planned levels and with thermal and hydro plant in particular achieving strong prices in the market.

- Subject to normal weather, plant availability and similar levels of commodity prices over the coming winter months, we would expect to report full year adjusted earnings per share at a level which is at least in line with the current Bloomberg consensus of 83p adjusted earnings per share. We will provide further guidance later in the financial year.

- Market volatility has, however, impacted the reported metrics which include £1.4bn of positive mark-to-market movements on operating derivatives held at the half-year end.

- As I have said before, the movements of these derivatives demonstrate the volatility that can arise on revaluation from period to period, which is unrelated to current operating performance and therefore excluded from SSE's adjusted profit measures.

8. IMPACT FROM RECENT MARKET VOLATILITY

- As you will be aware, the last few months have seen significant volatility in both power and gas prices in the market. An extended period of calm weather over the summer months coincided with a significant increase in gas prices across Europe and has led to some significant movements in the wholesale market prices.

- However, I'm pleased to say that the Group has managed any direct exposure to these short-term fluctuations well during the first six months of the year, due to a combination of factors…

- Firstly, our balanced portfolio means our regulated networks businesses are insulated from power price movements whilst Thermal and Gas Storage have improved results by providing balance against lower Renewables' output;
- Secondly, disciplined application of clearly defined hedging policies has limited any short-term exposure to power price movements;
- In addition, low trading limits, which are closely monitored, reduced any potential exposure from liquidity or shape positions.

9. INCOME STATEMENT – CORE BUSINESSES

- Performance across the regulated networks businesses has been strong:
    - In Transmission, adjusted operating profit was 58% higher than the comparative period, as the newly commenced T2 regulatory period resulted in earlier phasing of allowed revenues.
    - And in Distribution, a combination of higher allowed revenue and volume recovery following coronavirus lockdowns in the prior period meant that operating profit increased by 34%.

- However, in line with the wider market, Renewables has seen a significant decrease in adjusted operating profit to £25m in the current period. A prolonged period of high pressure across Northern Europe over the summer resulted in one of the least windy periods across most of the UK and Ireland and one of the driest in SSE's Hydro catchment area in the past 70 years. This shortfall – which was around 30% or 1.2TWh below plan – was compounded by the need to buy back hedges in the volatile markets.

- Despite the Renewables results, together these core businesses contributed over 95% of Group adjusted EBIT in the year.

10. INCOME STATEMENT – OTHER BUSINESSES

- Elsewhere, in our complementary businesses:

    - Thermal demonstrated its value with strong balancing market performance and achieving higher market prices, despite lower year on year availability due to phasing of planned maintenance to respond to system needs and unplanned outages.

    - Merchant operation of the Gas Storage facility enabled that business to capture the spread in the gas price markets

    - Business Energy showed continued recovery following coronavirus lockdowns, however Airtricity's recovery was impacted by a net adjustment to historic accruals in the period.

    - The Distributed Energy result is adversely impacted by the inclusion of operating losses from the Contracting & Rail business up to its disposal in June. Following disposal, it is expected that this business will return a small operating profit as it continues to develop battery, solar and heat network related opportunities.

    - And the Corporate Unallocated costs increased as transitional service agreements from past disposals unwind.

11. FAIR VALUE REMEASUREMENTS

- The Group, through the EPM and Gas Storage businesses, is exposed to price movements on the net unsettled commodity contracts and physical gas inventory held.

- At 30 September, the total net remeasurement under IFRS 9 of these unsettled contracts and inventory totalled over £1.4bn.

- However, these do not include the remeasurement of around £1.3bn of 'own use' derivatives which are excluded from recognition under IFRS 9.

- Taking these derivatives into account, the Group does not expect to realise significant gains upon settlement of those contracts.

- The volatility in these revaluations – and the exclusion of certain contracts under IFRS 9 – demonstrate why these remeasurements are unrelated to current operating performance and therefore continue to be excluded from SSE's adjusted profit measures.

12. RECONCILING ADJUSTED AND REPORTED

- In addition to these remeasurements, the higher power prices have led to a £182m reversal of historic impairment charges being recognised on the SSE Thermal operating assets. This reversal – which does not impact cash – evidences the strategic importance and value of flexible generation in a period of volatility.

- Finally, a number of other adjustments including disposals and true-up adjustments on prior year exceptional transactions have been recorded as exceptional in the period.

13. CAPITAL AND INVESTMENT EXPENDITURE

- Like Alistair, I will save discussion of the capital investment required for our Net Zero Acceleration Programme until later.

- However, our existing capital investment plan for this financial year continues at pace.

- Alistair has referenced the progress we have made on delivery of our projects this year, which has seen over £1bn investment to date. In many ways we are already accelerating our investment in net zero.

- Even excluding project development expenditure refunds, this represents a more than 50% increase on prior year spend and demonstrates our continued delivery.

- We now expect capital and investment expenditure to be in excess of £2bn for the full year.

14. DISPOSAL OF NON-CORE ASSETS

- We have also progressed at pace to simplify the Group to predominantly focus on our renewables and networks core.

- Since the start of 21/22, we have completed the disposal of our Contracting & Rail business, as well as completing the disposal of our Gas Production assets in October.

- And we have also agreed the disposal of our equity stake in SGN for over £1.2bn. Disposal is conditional on receipt of certain regulatory approvals and is expected to complete by 31 March 2022.

- Following completion of SGN, we will have achieved headline consideration of over £2.8bn, significantly in excess of the £2bn target.

- And including the expected SGN gain on disposal, which we expect will be in excess of £570m, we will have achieved over £1.4bn in exceptional gains on sale.

- The cash generated and gains recognised on disposal demonstrate the value SSE can create.

15. SSE's PENSION SCHEMES

- Following the completion of the Triennial valuation during the period, it was agreed that the contribution holiday received in respect of SHEPS will continue.

- And changes in financial assumptions and experience adjustments have meant that the combined net surplus for both schemes has increased by £81m during the period.

16. MAINTAINING A STRONG BALANCE SHEET

- SSE's strong balance sheet continues to be underpinned by high-quality assets and, following continued capital investment in long term generation and infrastructure assets, adjusted net debt and hybrid capital has increased by over £700m to £9.6bn.

- And in line with the accelerated net zero investment programme, we are targeting a 4.5 times ratio at the end of this financial year.

- Our S&P credit rating remains at BBB+ 'stable outlook' and our Moody's rating remains at Baa1 but has been updated to 'stable outlook' earlier this morning following the Strategic Update announcement. These compare favourably to peers and reflects the Group's business mix, funding plans and future dividends.

17. REMUNERATING SHAREHOLDERS

- SSE remains fully committed to our 2023 dividend plan and continues to target dividend increases in line with RPI for both this year and next.

- As such, we are declaring an interim 21/22 dividend of 25.5p.

- This will take the total dividends declared to over £15 per share since SSE's formation in 1998.

- Our post 2023 plans will be covered in more detail shortly, but looking ahead, we are clearly in a strong position to create lasting value for shareholders and to remunerate their investment with dividends going forward.

- In closing, our first half has demonstrated yet again the resilience of an optimal business model that drives both economically regulated and market-based earnings from assets and operations that are critical to decarbonisation.

- I'll now hand back to Alistair for his introduction to the Strategic Update that you have all been waiting for.

18. AGENDA SLIDE – STRATEGIC UPDATE – ALISTAIR PHILLIPS-DAVIES

- We have been spending the past two years moving our strategy forward, reshaping the Group through strategic disposals and focussing it on the electricity infrastructure needed for net zero
- As a result we have been creating a wealth of opportunities right across our businesses, both domestically and internationally
- As we said in May this led to us taking a comprehensive evaluation of our capex plans and the sources of funding that will underpin them with the aim of maximising our potential over the decade ahead.
- With that evaluation now complete, SSE is today setting out its resulting Net Zero Acceleration Programme, which represents the optimal pathway for the group
- And as you will see, the plan is:
    - Transformative for the SSE Group
    - Ambitious for accelerated growth
    - Focused on unlocking value from the transition to net zero
    - Paced to deliver long-term shareholder return, and
    - Aligned with a 1.5C pathway

19. SSE'S NET ZERO ACCELERATION PROGRAMME

- Our 'Net Zero Acceleration Programme' will accelerate clean growth, lead the energy transition and maximise value for all stakeholders
- It includes enhanced, fully funded £12.5bn strategic capital investment plans to 2026 alongside ambitious 2031 targets, aligned with net zero
- The plan represents the optimal pathway for SSE to build on its position as the UKs clean energy champion, enabling delivery of over 25% of the UK's 40GW offshore wind target and over 20% of UK electricity networks investment, whilst deploying flexibility solutions and exporting renewables capabilities overseas
- It is an ambitious but deliverable roadmap for how we will allocate capital and seize the fantastic opportunities we have created over the next decade.
- Importantly, it contains the investment needed to meet a 1.5 degrees pathway.
- And it will maximise both earnings and asset value growth, while remunerating shareholders with a new growth-enabling dividend plan.

- In this Strategic Update, we will:

    - Set out how the reshaped SSE Group provides the right blend of businesses to create sustained value on the journey to net zero.
    - Provide details on the £12.5bn capex plan – which is a 65% step up – with £1bn a year additional investment – and our plans for funding it.

  - Outline what this bold investment plan will deliver by 2026 in terms of capacity, RAV and, critically, shareholder returns.
  - And set a clear ambition for where this trajectory will take us into the 2030s.

- The energy transition is gathering pace and the opportunities in front of us are crystallising rapidly.
- Today we are giving shareholders a comprehensive strategy for creating long-term value.

20. RESHAPED AND READY TO SEIZE OPPORTUNITIES

- It's no accident that we are ready to seize the wealth of opportunities that are emerging in the transition to net zero.
- Following a highly successful disposals programme, the reshaped SSE Group is now firmly focused on renewables and regulated electricity networks.
- We have talked about their net zero-aligned growth potential already.
- But they share common capabilities in the development, construction, financing, and operation of world-class, highly technical electricity assets.
- The other businesses SSE retains are highly complementary, providing customers with additional green power solutions and routes to market.
- With significant synergies running through the Group, together the SSE businesses provide:
  - an ESG-aligned growth investment opportunity;
  - an attractive mix of regulated and market-based income streams, and:
  - valuable linkages with each other which support efficient financing.
- SSE has been transforming into the optimal combination of electricity infrastructure businesses. Our business mix allows specialisation in electricity assets, such as in renewables, networks and low carbon power stations, alongside the ability to create value right across the electricity value chain as new opportunities emerge in hydrogen, batteries and distributed energy.
- This reshaping into electricity infrastructure has already demonstrated its value in terms of Total Shareholder Return since the retail transaction.
- In summary, SSE's business mix is very deliberate, highly effective, fully focused, and set up to deliver long-term shareholder returns on the journey to net zero in both domestic and international markets.

21. LEADING IN THE NET ZERO TRANSITION

- At COP26 I was encouraged by the collaborative efforts taken by countries across the world to tackle the climate crisis.
- The challenge of limiting global warming to 1.5°C will require significant actions from individual countries to cut emissions over the next decade
- This presents exciting options for SSE in its traditional home markets as well as overseas, where we are actively pursuing opportunities to export our renewables capability.
- Here in the UK, the Government's Net Zero Strategy sets a globally leading ambition for net zero electricity in the UK by 2035.
- This strategy demands a quadrupling of wind generation which in turn requires network capacity to more than double over the same period.

- To achieve this, it is estimated that over £250bn of investment will be needed in the UK alone.

- And as the UK's national clean energy champion SSE is central to delivery of this with opportunities right across the low-carbon energy value chain:
    - As I mentioned earlier we are delivering a substantial proportion of the networks and renewables investment needed by the UK government
    - We also have consent for the UK's largest pumped storage project;
    - We are developing options for GW-scale distributed energy solutions; and
    - We are developing critical flexible "first of a kind" carbon capture and hydrogen projects

- We are accelerating investment in the low-carbon electricity infrastructure that will support the UK targets.
- And this provides the platform for sustainable future growth abroad, in activities where SSE has globally-competitive, proven capabilities.

22. SSE PLC – ACCELERATING TO NET ZERO

- So now for the highlights – this is the plan on a page.
- We will be investing £12.5bn over five years in high-growth, low-carbon assets split approximately 40-40-20 across networks, renewables and our flexible generation and other complementary businesses respectively.
- The plan is fully funded and well-balanced, providing an attractive mix of regulated and market-based earnings.
- It is a huge acceleration of investment that will see an additional £1bn spent annually on high quality options and projects.

23. SSE PLC – ACCELERATING TO NET ZERO

- To help us deliver this accelerated growth, this morning we're outlining our baseline plan to sell down minority stakes of around 25% in both Transmission and Distribution.
- They'll still be core SSE businesses, but the proceeds will help realise value and unlock further growth both in electricity networks and elsewhere in the Group.
- This type of partnering has already proven successful for us in Renewables – where we'll continue to deploy that approach to realise developer premiums and fund further pipeline and capacity growth both at home and abroad.
- And our new, growth-enabling dividend plan will enable us to offer an attractive growth profile, while providing shareholders with strong income.
- The plan rebases the dividend to 60 pence in 23/24, before targeting at least 5% dividend increases in 24/25 and 25/26.
- And we expect the dividend to total more than £3.50 per share over this five-year period.
- We believe this represents a highly attractive combination of dividend and capital appreciation.

24. SSE PLC – ACCELERATING TO NET ZERO

- This investment will drive serious growth.

- By 2026, we expect to:
    - add over **4GW** of net renewables to double our capacity;
    - increase underlying networks RAV by around **10%** per annum;
    - And achieve a Compound Annual Growth Rate of **between 5 and 7**% in adjusted EPS over the course of the five-year plan.
- We plan to maintain a strong investment grade credit rating too – targeting a net debt to EBITDA ratio of 4.5 times.
- This will enable the SSE Group to continue delivering projects at record-breaking scale such as at Dogger Bank and Berwick Bank.

25. SSE PLC – ACCELERATING TO NET ZERO

- Finally, there's the longer-term vision.
- Fast-forward to 2026 and delivering this plan will have given us a fantastic platform from which to grow further.
- But this is just the foundation – we're looking further ahead and we're thinking bigger.
- By 2031, we are targeting:
    - over **13GW** of net installed renewables capacity, building on our existing ambition to add 1GW a year of net new renewables capacity by the second half of the decade;
    - a renewables pipeline of at least **15GW**, maintaining the 2026 level;
    - another **3GW** net of low-carbon flexible technologies, including CCS, hydrogen and batteries; and
    - a networks RAV of between **£11-13bn**, net of Minority Interests.
- These targets will, in turn, mean we can set and meet **1.5 degree** aligned science based carbon targets.

26. ACCELERATED GROWTH TO NET ZERO

- In a world in which decarbonisation ambition continues to expand exponentially, we are positioning ourselves to take more opportunities as they emerge.
- These are exciting times for the SSE Group as it delivers for shareholders and society.
- It will consolidate the work we have done over the past few years to transform the business while building a foundation to achieve a significant international footprint into the 2030s.

27. THE OPTIMAL VALUE-CREATING PLAN

- The strategic review carried out by the Board was robust. Our resulting plan reflects the immediacy of the net zero opportunities ahead, the views of all stakeholders – including some quite vocal but constructive public opinions – and the consideration we have given to all possible routes to value creation.

- Ultimately, the review sought to identify the best way to:
    - Drive sustainable long-term value for all stakeholders;
    - Deliver on the scale of our capex investment and growth opportunities; and
    - Optimise the sources of funding for those commitments
- We ran a number of detailed scenarios and considered all possible asset combinations – which were fully tested with independent advisors.

- Following that rigorous process, we concluded unequivocally that the existing strategic combination of renewables and networks together with integrated complementary businesses was the optimal route to:
    - Deliver on our growth potential, by providing the funding power to drive large scale capex projects forward;
    - Maintain a strong investment grade credit rating, and an efficient financing capability;
    - Retain existing shared skills, intra-group investment opportunities and synergies; and
    - Optimise risk-adjusted returns for long term shareholder value.

- This plan represents the path that will create the greatest long-term overall value for shareholders and society.

28. SSE'S COMMITMENT TO NET ZERO

Section divider

29. A POWERFUL PURPOSE, VISION AND STRATEGY

- SSE's purpose to provide the energy needed today while building a better world of energy for tomorrow proved powerful in steering us through the worst of the coronavirus pandemic.
- But its ultimate aim is to tackle the climate emergency.
- Our purpose was central to the Board's considerations when conducting the strategic review that has culminated in the plan being presented today.
- And this purpose – coupled with a strategy of creating value for shareholders and society in a sustainable way – is the driving force behind our leadership position in the energy sector.
- Our purpose aligns with what governments and society are demanding on net zero; it was behind our participation in COP26 this month, and it guides everything we do.

30. ELECTRICITY AT THE CORE OF THE ENERGY SYSTEM

- I use the plural 'governments' very deliberately - The climate emergency is a global phenomenon stimulating decarbonisation the world over.
- And as decarbonisation of energy accelerates, electricity becomes the core of the global energy system.

- Global electricity generation is projected to at least double by 2050 with generation from renewable technologies needing to at least treble as a result.
- And SSE is among the best in the world at deploying renewables
- We are the lead player in the world's largest offshore wind market and the world's 5th largest national economy.
- And by developing platforms in international markets like East Asia, Europe and North America, we are creating options in carefully selected international markets where we see future growth.

- We bring our capabilities in development and delivery, with local knowledge and other important skills provided by carefully chosen partners.

- However, hitting net zero also requires decarbonising heat and transport.
- According to recent projections by the UK Government, the increasing decarbonisation of society will more than double electricity demand by 2050
- And this will require electricity networks to increase both their capacity and reach to meet this demand and keep the system in balance locally.
- This means networks are no longer just steady yield businesses – they are exposed to the same growth opportunities as renewables and our plan reflects this.

31. LOWER CARBON, HIGHER FLEXIBILITY

- The UK Prime Minister seeks a clean electricity system by 2035 and the energy crisis has turned attention towards gas price dependency.
- We have seen a dramatic reduction in our own carbon emissions during the last decade as SSE's legacy coal output was phased out in an orderly and managed way.
- But our generation mix through the next decade will be defined by the rapid deployment of renewable and low carbon technologies.
- Our enviable pipeline of onshore and offshore development opportunities will enable us to reach 50TWh of clean renewable generation by 2031.
- However recent market volatility – worsened by calm weather conditions– has renewed focus on the optimum way to provide security of supply and price.
- Whilst the current system needs have been provided by unabated generation plant – albeit at high prices – this cannot continue in a clean electricity system by 2035.

- SSE has flexible generation already, and we have more optionality in low-carbon flexible plants than any competitor in the GB market.
- We boast mature options in pumped storage, carbon capture and storage, hydrogen and batteries.

- By 2031 we expect over 90% of SSE's electricity generation output to be from decarbonised sources.
- This represents a key interim milestone in the transition to net zero – not just for SSE – but for the UK as a whole
- Aligning to a 1.5 degree pathway is urgent, and it has cross-party political and international support.
- SSE is at the centre of this and has the capabilities and options that will be absolutely vital to achieving net zero, whatever pathway you choose.

32. 1.5 ° CELSIUS SCIENCE-BASED CARBON TARGETS

- We continue to engage stakeholders on climate-related issues every step of the way.
- We continue to champion our Just Transition strategy – the first of its kind by a corporate – and we firmly believe that fair tax, a real living wage and green job creation underpin a Just Transition.
- We received overwhelming support at our 2021 AGM for an annual shareholder vote on our net zero plan.
- And we took that as a clear signal of ongoing support for our decarbonisation efforts.

- With the window of opportunity closing to prevent the most dangerous climate change, plans to decarbonise the global economy must accelerate.
- That is why we can announce today an acceleration of our science-based carbon targets, to align with the Science Based Target Initiative's 1.5 degree pathway for the power sector.
- These revised targets for scope 1 and 2 absolute emissions cut in half the previously planned emissions for 2030 and are a crucial step towards achieving net zero across all business activities by 2050 at the latest.
- This acceleration towards net zero is integrated with the acceleration of investment we are outlining today.
- And we have the confidence to deliver on these challenging targets because of the wealth of clean growth opportunities we are creating.

33. MARKET LEADING CAPABILITIES AND PIPELINE

- There's a lot of detail on this slide that Gregor and Martin will come on to shortly, but the point I'd make is that the range of opportunities available to us is second to none.
- Today we're building more offshore wind than anyone in the world, including the world's largest offshore wind farm at Dogger Bank and we are developing at Coire Glas the first new pumped storage project in the UK for 30 years, providing critical flexibility.
- Only by being part of a larger group can this world-class renewables business take on projects of this scale, backed by a stable asset base and credit rating.

- Our networks investment, capabilities and pipeline are also immense.
- We are pursuing major projects above and beyond the RIIO-T2 settlement through Ofgem's Uncertainty Mechanisms and our RIIO-ED2 plan is a step up from ED1 and will yield still more investment in bringing net zero to the front door.
- In our people, we have world-class asset developers, the best builders and the best operators.
- Again, like the business mix and asset base, this is no accident. We are focused on long-term growth and we invest in the assets and people to make it happen.

34. SSE PLC – ACCELERATING TO NET ZERO

- To recap before I hand over to Gregor …
- What we have for you today is a fully-funded plan that enables SSE to cement its leadership position in the UK whilst expanding overseas.
- It's a plan that will accelerate the Group's growth over the next five years with:
    - More installed renewables capacity;
    - More much-needed low-carbon flexibility;
    - More networks RAV;
    - Attractive and visible EPS growth, and;
    - Manageable levels of debt.
- It rebalances our capex allocation across the Group, proposes to extend our highly successful partnering model to electricity networks and sets out a growth enabling dividend plan.

- This is a platform for longer-term growth and ambitious targets over the coming decade as we develop, build, operate and invest in the infrastructure that will help deliver net zero.
- I'll now ask Gregor to talk through the five-year capex plan in more detail.

35. A BOLD FIVE-YEAR INVESTMENT PLAN – GREGOR ALEXANDER

- Thanks Alistair.

36. A BOLD FIVE-YEAR INVESTMENT PLAN

- I've always said that I'd much rather face questions about how we are going to fund the extraordinary investment opportunities available to us than questions about where growth is going to come from.
- And today, we are not only setting out an ambitious growth plan to 2026 – we're also clear that this plan is fully fundable and deliverable.
- Our track record of creating value for shareholders is clearly strong.
- But the next five years will see a significant acceleration, investing 65% more than existing plans.
- Our renewables capacity will double, and we will grow and sustain our secured pipeline to more than 15GW.

- Be in no doubt that as part of the SSE Group, the Renewables business will grow and thrive – with our credit rating, diversified earnings and financial strength giving us the ability to build some of the world's biggest projects.
- Networks RAV will increase by almost £1.5bn, even accounting for our sell-down plans, indicating the huge levels of investment being created in Transmission and Distribution.
- These are now growth businesses requiring substantial capex investment and offering index-linked growth – and our plan will enable us to harness more of this.

- Over the five years, we are targeting 5 to 7% per annum adjusted EPS CAGR, maintaining a 4.5 times net debt to EBITDA ratio and, of course, aligning ourselves to the 1.5C science-based targets as outlined by Alistair earlier.
- We think these targets are impressive given competitive markets and demanding regulation, and they allow us to provide shareholders with an attractive, growth-aligned returns from a dividend targeting at least 5% annual increases to 2026 after rebasing at 60 pence in 23/24.

37. ACCELERATING INVESTMENT IN NET ZERO

- We have exceptionally attractive growth options right across the Group.
- This plan will see us significantly increase the rate at which we are investing, adding £1bn a year of additional capex onto existing plans.
- But it also re-allocates capex across regulated and non-regulated businesses, providing the right balance of risk and returns.

- In short, the plans will deliver enhanced investment in a balanced mix of low-carbon infrastructure across our core networks and renewables businesses, and our complementary businesses, while retaining a strong investment-grade credit rating.

- Within that, we are dialling up SSE Renewables' share of capex by over 2.5 times the previous plan.
- That increase equates to around £3bn additional investment over the five years and reflects the scale of the opportunity and the strength of our renewables pipeline.
- Networks will account for a smaller proportion of capex as we rebalance, but this is net of our anticipated stake sales
- And we still expect to invest more in absolute terms into networks during the period as we capitalise on the high growth opportunities on offer.

- SSE's 40-40-20 capex allocation strikes an optimal balance of risk and return across an attractive blend of investments.
- Whilst we'll talk a lot about the renewables and networks investments, much of that last 20% will be in investments in flexibility which will likely yield higher returns given the less mature nature of the technologies involved.
- Overall this is a plan that offers balanced risk and returns, based on the optimum mix of regulated and unregulated assets.

38. HIGH PROPORTION OF PLAN IS COMMITTED

- Not only is this a comprehensive and fully funded plan – but it's also a plan that offers a great deal of clarity since around 60%, or £7.5bn, is already committed.
- The bulk of uncommitted spend is in renewables, transmission and thermal, where we see the significant additional growth opportunities Alistair outlined earlier.
- Here we have good visibility and confidence in our potential investments, but these remain subject to government and regulatory processes in which we have a great deal of experience.

39. INVESTMENT CRITERIA AND PARTNERSHIPS

- Well-chosen partnering has been a key part of SSE's financial strategy for many years.
- SSE is well-placed to manage development risk and can create value from selling down stakes to retain typically 40% of a project and working with equity partners for construction or operation.
- This established approach brings benefits including securing developer premiums, reducing single project exposures, containing non-earning debt and bringing in partners with different risk appetites at their preferred stage of the project cycle.
- We have also previously been clear that we would consider extending a partnering approach through sales of minority interest stakes in our electricity Transmission and Distribution businesses.
- Partnering would release capital to facilitate growth opportunities in the networks businesses and elsewhere in the Group.

40. ASSET DISPOSALS – MINORITY NETWORKS SALE

- The exact timing and scale of any sale are yet to be decided.
- But, in order to realise all of this growth potential while maintaining the most attractive balance of risk and returns across the Group, today's plans assume a 25% stake disposal in both Transmission and Distribution modelled in early FY24.
- This would mean our net share of RAV would grow from around £7.5bn currently, to almost £9bn in 2026 and between £11-13bn in 2031, representing RAV growth in excess of 50% over the decade even after the 25% divestment.

- We've recycled capital in SSE Renewables to grow and we have always seen this potential as a key enabler in networks, too.
- Transmission and Distribution have a huge capex requirement and bringing in financial partners will crystallise value and enable further growth in both networks and SSE's other businesses.
- It will allow SSE to optimise growth plans and will maintain the substantial synergies the Group offers, enabling SSE to have enviable positions across the low-carbon energy value chain.

41. DIVIDEND CERTAINTY TO 2026

- In 2018, we made a clear commitment to shareholders in the form of our five-year dividend plan to 2023.
- We'll deliver on this and continue to target dividend increases in line with RPI in the remaining two financial years to 31 March 2023.
- However, with 18 months of that dividend plan remaining, the Board has considered what the right dividend policy should be thereafter:
- We assessed and balanced a range of factors, including:
    - Financial and sector market trends;
    - Credit metrics and cashflow profiles;
    - Total shareholder returns;
    - Growth opportunities, and;
    - Different funding options, including network stake sales.

- Based on the favourable conditions for growth Alistair outlined earlier and SSE's unique opportunity to create value in the transition to net zero, the Board concluded that – in order to maximise value creation – the future dividend policy should be aligned to the Company's growth ambitions.
- And so, after fulfilment of our existing commitments to 2023, we will rebase our dividend to 60 pence in 23/24, before targeting at least 5% dividend increases in 24/25 and 25/26.
- We also intend to retain a scrip dividend option for shareholders but to restrict earnings dilution by capping take-up at 25% from this year onwards.
- This will amount to a total dividend of at least £3.50 a share over the five years to March 2026.
- Following this dividend certainty over the five-year plan, the aim is to set SSE's businesses up to support a similar level of annual dividend growth in the longer term.
- This rebased dividend with attractive growth balances income to shareholders with an accelerated growth plan based on high-quality assets.

- It represents a unique opportunity to invest in a balanced business with a clear dividend outlook to 2026 and beyond with a strong growth story facing into the transition to net zero.

42. MAINTAINING A STRONG CREDIT RATING

- We've always been clear about our commitment to maintaining a strong investment grade credit rating.
- This investment plan is designed to maintain credit ratios comfortably above those required for an investment grade
- This will be supported by our rebased dividend and is aligned with a net debt to EBITDA target ratio of 4.5 times.
- Ultimately this will help underpin our ability to invest in the large-scale projects that are needed to deliver net zero.
- And in line with this, today Moody's have published an update confirming SSE's rating and removing it from negative outlook which is indicative of the robust nature of this plan.

43. TARGETED RETURNS IN HIGH QUALITY ASSETS

- With so many opportunities available to us, every investment we make has to create value and we'll only allocate capital where we see returns comfortably above our WACC.
- In offshore wind, we target equity returns in excess of 10%. In competitive markets that target remains possible from the best sites and with strong project delivery.
- In onshore wind, we aim for a spread to WACC on unlevered projects of 100-400bps, with the higher end of the range reflecting assets with higher levels of merchant risk.

- When evaluating carbon capture and hydrogen investments – we'd expect higher returns of 300-500bps spread to WACC given that these are earlier stage, 'first of a kind' technologies, dependent on the nature of support mechanisms available.
- In Networks, we expect to achieve a return on equity of between 7-9%, with some outperformance assumed, as we build a highly valued regulated asset base that provides financial stability.
- In short, we take a disciplined approach to our investment decisions on a technology and project basis.
- And while the options in front of us are immense, we will only take them forward where we are clear that they are accretive.

44. VISIBILITY OF GROWTH IN OPERATIONAL EARNINGS

- The five-year investment plan announced today optimises capex allocation.
- It balances risk and financial exposure between large-scale projects, different technologies and index-linked earnings.
- Indeed, around 60% of our EBITDA is underpinned by index-linked revenue streams.
- With an expected CAGR to 2026 for EPS of between 5 and 7% after dilution from minority stake sales, it provides a stable platform for long-term earnings and

progressive shareholder remuneration.

45. FULLY-FUNDED PLAN FOR ACCELERATED GROWTH

- As you can see, this is a fully funded plan that that optimises SSE's options.
- 90% of the spending is earmarked for net zero-focused assets and businesses.
- And with our baseline dividend commitment of at last £3.50 per share, and interest and tax, we forecast the Group will require around £18bn to deliver this plan.
- Operational cashflows, including developer profits which are treated as operational activities, will fund around 65% of the investment plan.
- Asset disposals, which will comprise the £1.2bn disposal of SGN expected to complete this financial year, alongside the minority Transmission and Distribution stake sales and other residual non-core asset disposals, will provide another 25% of funding.
- The remaining 10% we expect to be funded through incremental debt issuance, ensuring the credit ratios I outlined earlier are maintained and balance sheet strength is not sacrificed.

- But setting out our sources and uses of cash in this way highlights two things.
    - First, the importance of continued capital discipline. We've shown time and again that with effective capex allocation, raising debt and capital recycling, we can unlock accretive opportunities in a decarbonising energy sector.
    - Second, the value of partnering to maximise growth. In Renewables, we are able to realise significant developer premiums through our joint venture partnering approach, selling down stakes at the right point in the development cycle to realise value and fund further pipeline growth. As we've highlighted already today, we believe extending a partnering approach to our networks businesses can have a similar effect.
- As Alistair said earlier, this is not a restrictive plan and we will be well positioned to capitalise on any further favourable opportunities that might arise.
- And our track record shows we are highly effective at generating such opportunities.
- I'll now hand over to Martin, who will take us through his business units.

46. DELIVERING ACCELERATED GROWTH – MARTIN PIBWORTH

47. SSE RENEWABLES – ACCELERATING INVESTMENT

- Thanks Gregor.
- At the risk of over repeating ourselves: SSE is building more offshore wind than any company in the world right now.
- It's a stunning statement and testament to our capabilities in delivering projects that will provide strong growth in terms of both long-term earnings and asset values.
- And our updated capex plan will see us invest £5bn in Renewables over the five years.

- Around 50% of this Renewables capex is on assets currently under construction; 30% is forecast spend on projects currently under development; and 15% on future pipeline.
- By 2026 we'll have constructed Seagreen, Dogger Bank A and B, and Viking, adding 2.6GW of new renewable capacity to the portfolio.
- These will likely be complemented by Dogger Bank C and Seagreen 1A, as well as Arklow in Ireland, assuming progress is as SSE would expect.
- That all leads to an overall doubling of our renewables capacity and we are on track to enable delivery of over a quarter of the UK Government's offshore wind target to 2030.
- We have the track record and capabilities to deliver these world-class projects.
- And they will create value.
- We expect to see a CAGR of 11-12% in adjusted EBITDA over the period.

48. SSE RENEWABLES – ACCELERATING GROWTH

- Looking further ahead, the range and scale of opportunities targeted will amount to significant growth potential for SSE Renewables during the course of the decade.
- We have clear line of sight to a trebling of our renewables capacity by 2031 to more than 13GW, reflecting our targeted run rate to add over 1GW of new renewables capacity per year.
- This would see us increase renewables output fivefold over the next 10 years to hit 50TWh.
- And driving this growth is our superior existing secured pipeline.

49. SSE RENEWABLES – GROWING THE PIPELINE

- SSE Renewables already boasts an enviable secured pipeline of around 10GW.
- And 2.6GW of this pipeline is already under construction, which includes the world's largest offshore wind farm at Dogger Bank.
- The remaining 1.4GW required to reach our 2026 target will be supplied by our existing options.
- But pipeline is the lifeblood of a development business.
- And that is why, under plans set out today, by 2026 we would expect to reach and sustain a secured pipeline of over 15GW for at least the second half of the decade.

50. SSE RENEWABLES – SECURED PIPELINE & PROSPECTS

- Within our existing secured pipeline, the breadth and quality of named options is evident by the table shown.
- As well as SSE's flagship construction projects, offshore options include Berwick Bank, which would have a potential capacity of 4.1GW.
- And we have Coire Glas, which could be the UK's largest pumped storage project, but I will come onto that later.
- However, our future secured pipeline depends on us establishing and maturing our early stage development areas today.

- And, to that end, we have over 10GW of future prospects that we are working on building into the secured pipeline.
- These future prospects will drive the continued growth of the Group in the second half of the decade and beyond.
- And these exclude near term opportunities for further growth, including the ScotWind auction, where we have submitted compelling bids with our partners CIP and Marubeni, as well as other options we are opening up internationally.

51. SSE RENEWABLES – OFFSHORE DEVELOPMENT

- In Seagreen 1A, Berwick Bank, North Falls and Arklow Bank, we have a range of extremely high-quality projects with seabed already secured.
- And if recent developments tell us anything, it's that seabed is an increasingly valuable commodity.
- These projects are at different stages but are highly deliverable within the decade and will all be needed if government targets in the UK and Ireland are to be met.
- And, as you can see, our early steps towards carefully selected international expansion are already adding options to our future pipeline.

52. SSE RENEWABLES – INTERNATIONAL EXPANSION

- As the UK national clean energy champion, we will always have a strong foundation in these domestic markets.
- But a more internationally diverse pipeline can unlock far greater renewables growth.
- We are primarily interested in offshore and onshore wind, where we are well placed to export our capabilities, working with local partners to enter fast-growing markets.
- To that end, we recently announced our entry into the Japanese offshore wind market by acquiring a majority stake in a joint ownership company formed with Pacifico Energy.
- The deal saw us acquire 10GW gross of early stage development opportunities, with potential to enter bid rounds around the mid-2020s.
- Meanwhile, earlier this year we announced our partnership with Acciona, a leading Spanish renewable energy company to form a 50/50 joint venture to enter the emerging Iberian offshore wind markets.
- And we subsequently expanded the JV's scope to include Poland, as well.
- These markets will not reach the size of the North Sea, but over the longer term will create opportunities.
- Elsewhere in Europe, we are also partnering with CIP once again and Danish energy company Andel Holding on the tender process in Denmark to develop the 800-1,000MW Thor wind farm off the country's west coast.
- We continue to look at the East Coast of the US, both organically and via partnerships, and have looked at onshore platforms there as well.
- And having recently incorporated SSE Renewables North America, we've submitted a prequalification application to the Bureau of Ocean Energy Management to participate in the New York Bight Auction.

53. SSE RENEWABLES – INVESTMENT INTO JAPAN

- Our imminent move into Japan’s growing offshore wind market represents an exciting step for SSE.
- It will help support the further expansion and diversification of SSE Renewables’ longer-term growth pipeline in a country in which offshore wind growth is a key policy aim.
- Japan already has clear offshore wind targets of 10GW by 2030 and up to 45GW by 2040 as the country seeks to decarbonise.
- The new company contains a talented local development team with 10GW of existing early-stage offshore wind development projects spread across Japanese waters.
- The existing early-stage projects are expected to use a mixture of fixed and floating technology and the two most advanced projects have secured grid access and advanced local stakeholder engagement has been undertaken.
- In Pacifico we have been fortunate to find a partner with not only local knowledge but developer capabilities that match our own.
- These are initial steps, but there will be more to come.
- And, while we see plenty of opportunity, as ever a measured approach with capital discipline will guide our decisions.
- We will only execute on the most accretive options.

54. SSE RENEWABLES – HYDRO OPTIONS

- Back in more familiar climes, our hydro fleet continues to provide critical flexibility services to the system
- It is a well-established technology, but its role in a renewables-led energy system in the future will only grow in value and recent market volatility has highlighted its importance in balancing the system and enabling wind.
- And our secured pipeline also includes Coire Glas.
- This would be the UK’s largest pumped hydro storage project and the first to be developed in over 30 years.
- Construction would take around five years at an estimated £1.2-1.5bn, and its life would far exceed 40 years.
- Located in the Highlands, the consented 1.5GW project would have 30GWh of storage, more than doubling existing UK capacity.
- It could power 3 million homes for 24 hours.
- The system benefits are significant and they include reducing wind curtailment and helping accommodate more wind on the system, maintaining grid stability and displacing fossil fuels.
- Engagement with government and Ofgem on the need for a revenue stabilisation mechanism has been positive.
- Over the summer BEIS highlighted the importance of long duration storage in its Smart Systems and Flexibility Plan, with a separate consultation launched.
- Recent events have clearly served to underline the case for the project as the value of flexibility and storage has come to the fore.
- We anticipate there will be clarity on policy direction for pumped storage next year and stand ready to build in the second half of the decade.

55. SSE THERMAL – CRITICAL FLEXIBILITY AND H2 OPTIONS

- As renewables capacity on the system increases, so too does the value not only of storage and flexibility but also of lower-carbon thermal generation.
- All credible net zero pathways show that lower-carbon thermal generation has an important, transitional balancing role to play in ensuring security of supply whilst the UK and Ireland decarbonise.
- However, we are in no doubt about the need to decarbonise and repurpose our fleet for the net zero world.
- And we are making progress.
- Our new highly efficient Keadby 2 CCGT will displace less efficient generating plant on the system and has potential for hydrogen blending in the future.
- And, in terms of SSE's older plant, we continue to envisage the closure of more than 50% of the existing fleet by 2030.
- Despite year-to-year variability, we expect to meet our updated absolute emissions and carbon intensity targets by 2030 at the latest.
- Meanwhile, our partnership with Equinor to develop plans for a number of first-of-a-kind, low-carbon power stations in the UK's Humber region – as well as at Peterhead – opens the way to the UK's first power station with CCS, and the world's first 100% hydrogen-fuelled power station.
- With government support, well-located existing assets, a strong carbon pricing backdrop and the value of flexibility becoming clearer by the day, there are real tailwinds for our future low-carbon thermal portfolio.
- Our plans to 2026 include £600m of capex in this area, but we expect this to ramp up in the latter half of the decade in line with delivery timetables for the UK's CCS programme.
- And, as Gregor mentioned earlier, the higher returns available from these first-of-a-kind technologies will help optimise the balance of risk and returns across the Group.

56. SSE'S CUSTOMER BUSINESSES – PROVIDING GREEN POWER

- Flexible and renewable energy are at the heart of SSE, which creates a strong platform for our Distributed Energy and our customer businesses.
- The Distributed Energy business is primarily interested in batteries, solar, electric vehicles infrastructure and heat networks from a growth perspective
- And it's developing a combined battery and solar pipeline of over 1GW, of which 350MW is currently secured.
- On batteries, we acquired a 50MW project in Salisbury and have surfaced a number of interesting projects with partners externally as well as internally on the SSE estate.
- Options exist at Ferrybridge and Fiddlers Ferry for 150MW batteries, for example.
- Solar is at an earlier stage but offers potential given SSE's capabilities and, together, SSE sees these technologies as offering a multi-GW opportunity.
- The business also has ambitions to develop hundreds of superfast charge-points around the country and the heat business continues to expand.
- These businesses align with the Group's net zero-focused strategy and offer interesting platforms for growth.
- SSE Business Energy offers a route to market for renewable power and with the advance of corporate PPAs and corporate decarbonisation, the potential for growth is clear and the synergies are evident.
- In Ireland this is particularly the case with datacentre growth.

- And, whilst the Group does not see itself as a domestic retailer in the price-capped GB market, SSE Airtricity is a great business that works alongside generation in the more integrated Irish market structure.
- Customer businesses are our green shopfront and part of the SSE story.
- SSE has the market and electricity asset skills to enable these businesses to prosper, and they are highly complementary to the other businesses within the Group.
- I'll now hand back to Alistair, who'll cover our networks businesses and conclude.

57. SSE NETWORKS – TRANSMISSION AND DISTRIBUTION

- Thanks, Martin.
- Like renewables, electricity networks are at the core of the SSE Group.
- They have historically been viewed as steady yield businesses.
- But today, thanks to net zero and the related increase in electricity demand described earlier, I would characterise them with a very different word: growth.
- Across the two networks businesses, we expect to deliver between 8-9% CAGR in combined gross RAV over the next 10 years, hitting nearly £12bn in 2026 and potentially up to £18bn in 2031, with almost £7bn of capex by 2026, or in excess of £5bn net of stake sales.
- And these businesses, with their regulatory asset base, provide two clear benefits within the Group:
    - First, they provide index linked returns which are a scarce commodity in today's environment.
    - And second, they provide the Group with the capital strength it needs to develop and deliver large scale capital projects such as the biggest offshore wind farm in the world.
- These businesses are fundamentally growth engines – growing themselves while enabling net zero delivery across the Group.

58. SSEN TRANSMISSION – A NETWORK FOR NET ZERO

- Transmission's RIIO-T2 business plan, 'A Network for Net Zero', reached a final settlement of nearly £2.2bn of approved investments to make the network fit for the future.
- Add to this the Shetland HVDC project and the Certain View of total expenditure across T2 becomes around £2.8bn.
- We said in May that this would take the Transmission RAV to above £5bn by FY26.
- However, we also said that growing a network to meet net zero would require use of Ofgem's Uncertainty Mechanisms.
- While the extent of the additional projects approved by Ofgem remains to be seen, we are:
    - Progressing the proposed East Coast HVDC link from Peterhead to the northeast of England to meet a 2029 energisation date;
    - Seeking to reinforce the network in Argyll to 275kV; and
    - Looking to replace the Fort-Augustus to Skye line.
- Initial Needs Cases for all these projects have either been or will shortly be submitted.
- And further investments to connect new renewable generation through the Volume Driver Uncertainty Mechanism are also likely.

- While these remain subject to a range of factors including generator commitment, planning and, of course, Ofgem – the direction is clear.
- Ambitious government renewables targets suggest these projects will be sorely needed.
- So, taken together, we could see an overall business gross RAV reaching £6bn by 2026 – which would be a gross CAGR of around 12%.
- Once a stake sale is factored in, net capex is expected to be in excess of £3bn – a >10% increase on the previous plan.

59. SSEN TRANSMISSION – RIIO-T3 AND BEYOND

- It is also likely that there will be further investment needed through T3, although this growth is less visible.
- ScotWind is expected to unlock up to 10GW of new offshore wind, meaning further system upgrades and a likely second HVDC link from Peterhead to England.
- We would expect gross RAV to reach between £8-10bn by 2031 – representing a CAGR of 9-11%.
- And if the timing of the reinforcement required to facilitate the ScotWind rollout were to be accelerated, we could see a path for gross Transmission RAV to grow to as much as £12bn by 2031.
- Based on the System Operator's own forecasts, connected generation in the North of Scotland could increase from around 8GW today, to nearly 25GW by 2030, and almost 50GW by 2050, depending on the scenario chosen.
- And these forecasts are only going in one direction.

60. SSEN DISTRIBUTION – CONTRIBUTING TO THE FIVE-YEAR PLAN

- SSEN Distribution has submitted an ambitious stakeholder-led draft ED2 business plan which proposes around £4bn in gross baseline investment – an increase of around a third on an equivalent ED1 period.
- Translating that into the five-year plan to 2026, we expect to see around £2bn of capex as we move into the ED2 price control period from 2023.
- This equates to an increase on annual investment of more than 15% and incorporates just part of the ambitious distribution investment plans out to 2028.
- The ED2 business plan is subject to final submission next month, but we expect it to achieve £5.5bn gross RAV by 2026, representing a CAGR of around 8% across the five years.
- I've already mentioned the value that electricity networks bring the Group in terms of portfolio diversity.
- Within this, our business has a unique geographic spread offering operational resilience and growth opportunities at both ends of the UK.

61. SSEN DISTRIBUTION – NET ZERO GROWTH

- The Climate Change Committee has forecast that a shift in low-carbon technologies could almost treble the demand on electricity networks by 2050.
- In our network areas alone, electric vehicle charging and heat pump capacity could see exponential growth by 2030.

- And it is the likely load expenditure required to keep pace with this expansion which has informed the thinking behind our draft ED2 business plan.
- Looking beyond ED2 out towards the end of the decade, depending on Ofgem determinations and levels of Uncertainty Mechanism spend required, we expect the gross RAV of the Distribution business to reach £7-8bn, representing a CAGR of 7-8%.

62. SUMMARY

63. COMMITMENT TO SUSTAINABLE LONG-TERM GROWTH

- We've provided a lot of detail this morning, so I'll pause to summarise …
- This investment plan will not only drive growth for the period to 2026 but also pave the way for SSE's businesses to grow substantially through the second half of the decade.
- The SSE of the early 2030s will be bigger, bolder and better.
- We will have cemented our leadership position in the sector and established a significant international footprint.
- To put some specifics around that, we have today set a number of targets for 2031.
    - Firstly, to maintain a pipeline in excess of 15GW, delivering more than 1GW of net additions per annum.
    - Secondly, targeting a fivefold increase in renewable output to 50TWh per annum, underpinned by more than 16GW of net renewables and low-carbon flexible generation.
    - Thirdly, reach a networks RAV of £11-13bn net, equivalent to a 8-9% gross CAGR.
    - Finally, and most importantly, meet our updated 1.5C science-based carbon targets.
- Taken together, all this will drive a significant acceleration in EBITDA and EPS
-
- growth as we deliver on these ambitions through the decade and maximise long term shareholder value.

64. SSE'S NET ZERO ACCELERATION PROGRAMME

- We have made great progress in reshaping and refocusing the SSE Group on delivering what's needed in the transition to net zero.
- We have a strong platform for growth, with a highly desirable pipeline and tremendous opportunities ahead of us.
- Today's update represents a substantial acceleration of our investment strategy, backed up by clear plans for delivery, funding and a rebased dividend with attractive growth that will create long-term value for all our stakeholders.
- We are maximising our potential and this investment accelerates our pathway to net zero through achievable 1.5 degree science-based carbon targets to 2030.
- We remain ambitious and will pursue further opportunities to promote the long-term success of the Company.

- Having given deep and careful consideration to all the many strategic options available to us, we are absolutely confident that this is the optimal plan.
- At SSE, we are powering change. And we are creating value.

- Thank you. And now we'd like to share a short video before we take your questions.

ENDS