

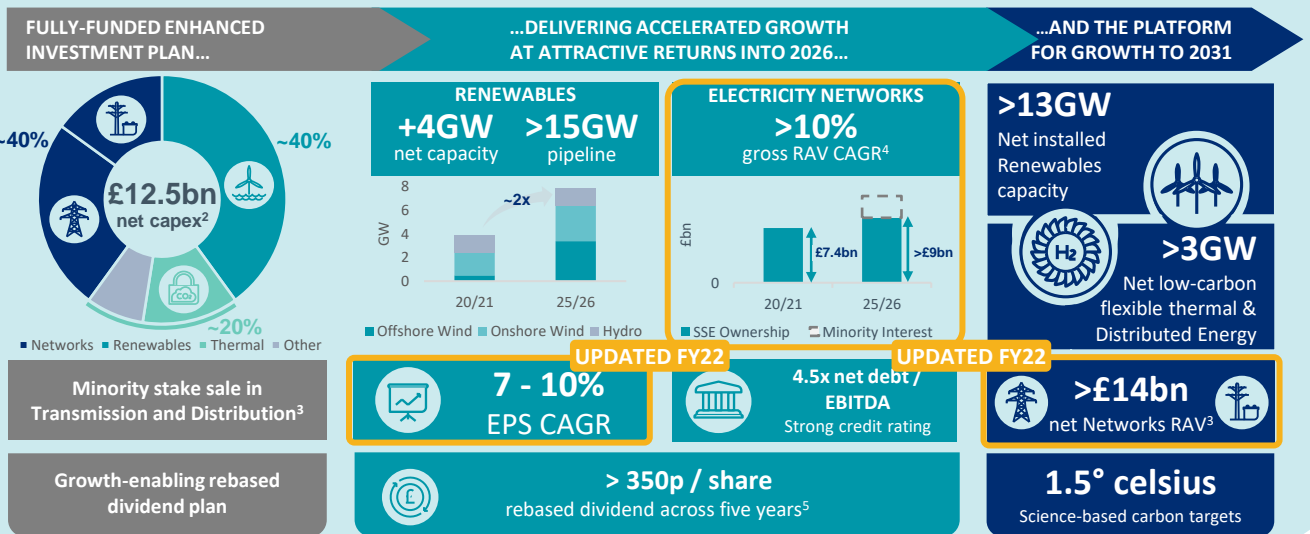
## SSE'S INVESTMENT CASE

- **UK-listed integrated energy group focused on regulated electricity networks and renewable energy with flexible generation**
- **Balanced business model** offering strong performance in volatile market conditions, with **significant inflation protection through index-linked revenues and limited index-linked debt**
- **Existing Renewables portfolio of c.4GW, secured pipeline of >13GW**, currently leading the construction of more offshore wind than anyone else in the world and developing options to enter new international markets
- **Transmission and Distribution networks RAV in GB of £8.2bn**, with double digit RAV growth required to enable net zero
- Commitment to sustainability through **1.5 degree science based carbon targets and leading Just Transition strategy**

## OUTLOOK TO FY26 AND BEYOND

- **Fully-funded £12.5bn capital investment plan** across the five years to FY26 representing a £1bn pa increase on previous plan
- **7-10% adjusted EPS CAGR<sup>1</sup>**, upgraded from 5 – 7% at FY22
- Targeting **5x increase in renewable output to 50TWh by FY31**
- **Networks RAV growth of >10% (gross) across FY21 – FY26**, and proposed 25% divestment of the Networks businesses
- Attractive growth options and returns across the energy value chain, **including CCS, Solar, Hydrogen and Storage**
- **Growth-enabling dividend plan, rebased to 60p in FY24; 5%+ growth in FY25 & 26**; aiming for mid-single digit growth thereafter

## NET ZERO ACCELERATION PROGRAMME



### ATTRACTIVE TARGET RETURNS<sup>6</sup>

Common capabilities across the Group drive favourable returns

#### Offshore wind



**At least 10%**

Equity returns on Joint Venture projects, excluding developer profits

#### Electricity networks



**7-9%**

Return on equity (RoE)<sup>7</sup>

#### Onshore wind



**100-400 bps**

Spread to WACC on unlevered projects<sup>8</sup>

#### Future CCS/Hydrogen

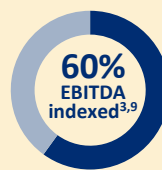


**300-500 bps**

Spread to WACC on unlevered projects<sup>8</sup>

### RESILIENCE IN VOLATILE MARKETS

High % indexed revenues



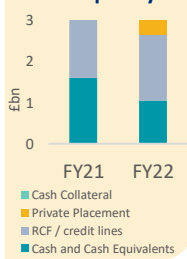
Significant index-linked revenue streams in Renewables, Networks, and Thermal

Low % Indexed debt book



Limited index-linked debt, with average maturity of debt book 6.8 years

High level of liquidity



### UPDATED 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<sub>2</sub>e/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 Sep21	SUSTAINALYTICS Mar22	WORLDWIDE LEADERSHIP INDEX Jan22
Top 8% global utilities	Top 11% sub-industry	Top 10% participants
VE Oct21	S&P Global Now a Part of Nov21	CDP A LIST 2021 Feb22
Top 11% in group	Top 21% in group	A-list, climate

<sup>1</sup> Relative to FY21 adjusted EPS of 87.5p

<sup>2</sup> All capex includes investments in development pipeline, acquisitions and is net of project finance devex refunds

<sup>3</sup> After modelling assumption of 25% minority interest disposal of Transmission and Distribution during FY24

<sup>4</sup> Underlying business, based on Ofgem inflation forecast Nov2021; Distribution based on RIIO-ED2 Draft Business plan submission, subject to final submission and Ofgem determination

<sup>5</sup> Dividend rebased at 60p in 23/24, targeting at least 5% annual growth thereafter to March 2026

<sup>6</sup> All return targets are on a post-tax nominal basis

<sup>7</sup> Assumes CPI inflation of 2% p.a. and actual gearing ratio of 55%

<sup>8</sup> Spreads to WACC reflect balance of merchant risk and construction risk specific to each project

<sup>9</sup> Estimated average from FY21 – FY26

# SSE IS LEADING THE NET ZERO TRANSITION

Currently leading the construction of more offshore wind than anyone else in the world and expanding overseas, delivering electricity networks needed for net zero and pioneering carbon capture, hydrogen and battery technologies to deliver system flexibility

**Government policy increasingly focused on energy trilemma**

Security  
Affordability  
Decarbonisation

**>£5bn/year** sector investment in GB<sup>1</sup>

**Electricity Networks**  
Over 20% of planned GB investment

**50 GW offshore wind target by 2030**

**Offshore wind**  
Enabling delivery of over 25% of UK's offshore wind target

**Onshore wind**  
Targeting up to 20% of Scotland's onshore wind additions

**16 – 20 GW onshore wind target by 2030<sup>2</sup>**

**+20 GW low-carbon flexibility** needed by 2030 to ensure security of supply<sup>3</sup>

**Pumped storage**  
Coire Glas would more than double UK's long term duration storage capacity


**Distributed energy**  
Developing options for GW-scale battery pipeline

**CCS/Hydrogen**  
Developing options for '1<sup>st</sup> of a kind' CCUS and hydrogen projects

**UK AMBITION**

FULLY DECARBONISED UK POWER SYSTEM BY **2035**

**SSE's balanced business model means we have options to provide the long term solutions for society**



## RENEWABLES PIPELINE<sup>4</sup>

High-quality pipeline options with significant opportunities for growth  
(Includes **European Platform Acquisition**, completed 1 September 2022)

TECH	IN CONSTRUCTION	LATE-STAGE DEVELOPMENT	EARLY-STAGE DEVELOPMENT	SECURED PIPELINE	FUTURE PROSPECTS
	MW	MW	MW	MW	MW
	562	626	2,286	3,474	3,600
		1,500		1,500	75
	1,967	245	6,192	8,404	>7,000
<b>TOTAL</b>	<b>2.5GW</b>	<b>2.4GW</b>	<b>8.5GW</b>	<b>13.4GW</b>	<b>&gt;10GW</b>

## SSE THERMAL – DELIVERING FLEXIBILITY<sup>5</sup>

Portfolio of 6.2GW CCGT capacity providing critical system balancing  
With around 40% of the UK's conventional underground gas storage capacity

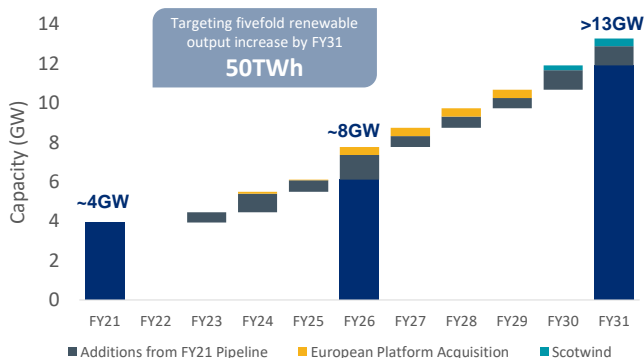
**Keadby 2 Power Station in commissioning**  
Expected to be cleanest and most efficient CCGT in Europe

Own and operate five of the most flexible and efficient gas fired power stations in UK and Ireland

**Gas storage providing much needed market liquidity**  
Helping to ensure security of gas supply

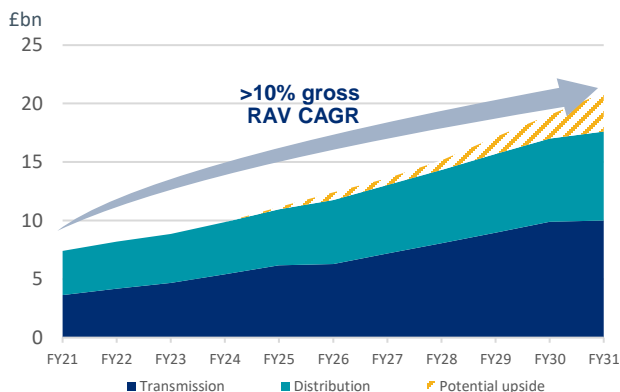
## RENEWABLES GROWTH FORECAST<sup>6</sup>

Leading capacity and output growth across the next decade



## NETWORKS RAV GROWTH FORECAST<sup>7</sup>

Exceptional RAV growth expected throughout the decade



## STRONG BALANCE SHEET AND INVESTMENT GRADE CREDIT RATING

Adj. net debt/EBITDA  
**Target: 4.5x**  
**FY22: 4.0x**

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

<sup>1</sup> Including SSEN draft RIIO-ED2 plan

<sup>2</sup> Scottish Government draft Onshore Wind Policy Statement targets 8-12 GW of installed onshore wind capacity additions by 2030

<sup>3</sup> Smart Systems and Flexibility Plan 2021, needed to achieve offshore target

<sup>4</sup> As at 31<sup>st</sup> March 2022

<sup>5</sup> See slide 34, SSE Preliminary Results Presentation 25 May 2022

<sup>6</sup> See slide 33, SSE Preliminary Results Presentation 25 May 2022

<sup>7</sup> Reflects gross forecast (25% minority interest disposal of Transmission and Distribution assumed to take place during FY24). Distribution based on RIIO-ED2 Draft Business plan, subject to Ofgem Final Determinations. Including ~£200m transfer from Transmission. Transmission assumes buildout of all Networks Options Assessment projects and Pumped Storage connections by FY31

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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