OVERVIEW
Strategic progress, strong performance and significant opportunities

Part One
• Delivering SSE’s clear and focussed strategy

Part Two
• Strong financial and operational performance

Part Three
• Significant opportunities to create sustainable value

Questions
Part One

RESULTS TO 30 SEPTEMBER 2020

STRATEGIC PROGRESS SUMMARY
Safety performance

• Total recordable injuries reported fell to 27, versus 35 in the same period last year

Delivering strategic plans

• Significant progress on our £7.5bn investment plan
• Delivered £1.4bn of £2bn+ disposals programme announced in June
• Debt refinancing and disposals programme means no funding requirement over the next two years
• Announced interim dividend of 24.4p and reiterated intention to deliver dividend plan to March 2023

Maintaining a sustainable approach

• Strengthened science-based carbon targets
• Principal partner with the UK Government for COP26 in November 2021
• Published Just Transition Strategy today
STRATEGIC PROGRESS SUMMARY
A focused and highly complementary business mix

Mix of related businesses focused on low-carbon electricity...

Renewables
Offshore Wind | Onshore Wind
Hydro

Key roles decarbonising electricity
Skills in large capital projects and asset management
Understanding and managing market and regulatory risks

Transmission
North of Scotland

Key roles facilitating electrification and Net Zero
Regulated assets provide portfolio stability
Common skills (e.g. asset management, stakeholder engagement, regulation)

Distribution
North of Scotland
South of England

Flexible thermal complements wind variability
Delivering clean and distributed energy (e.g. EV, heat pumps) to customers

Complementary businesses

Thermal
Gas generation | Gas storage
Gas CCS* | Hydrogen*

Enterprise
Distributed Energy

Energy Customer Solutions
Artricity
Business Energy

EPM

Route to market
Access to market

*S future options
A wealth of opportunities in renewables

- Projects in development will double renewable output by 2025
- Pipeline of longer-term projects, that could treble renewable output by 2030
- Leading the development of more offshore wind than any other developer
- Potential to export unique end-to-end expertise across the renewables value chain to new markets

Supporting sustainable long term growth, and shareholder value creation, underpinning ongoing commitment to remunerate shareholders with dividends
Part Two

RESULTS TO 30 SEPTEMBER 2020

SUMMARY OF PERFORMANCE
PERFORMANCE
Managing coronavirus impacts

Financial impact of coronavirus

• Renewables, Transmission and Thermal not been adversely impacted
• Impact on operating profit over the first six months of around £115m
• Full-year impact expected to be towards the middle of £150m-£250m range
## PERFORMANCE
Results to 30 September 2020 – Overview

### Key movements
- Adjusted results include adverse effect of coronavirus, primarily impacting Distribution, Business Energy and Enterprise segments
- Adjusted EPS within expected range provided in closed period notice
- Reported results include £260.8m exceptional gains from disposal of interests in Walney and MapleCo
- Exceptional gain from disposal of interests in Multifuel Energy, expected to be in excess of £650m, will be recorded in H2

### Continuing operations

<table>
<thead>
<tr>
<th></th>
<th>HY21</th>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Operating Profit - £m</td>
<td>418.3</td>
<td>491.9</td>
</tr>
<tr>
<td>Adjusted Profit Before Tax - £m</td>
<td>193.9</td>
<td>263.4</td>
</tr>
<tr>
<td>Adjusted EPS - pence</td>
<td>11.9</td>
<td>18.0</td>
</tr>
</tbody>
</table>

1HY21 discontinued operations: Gas Production Assets adjusted operating loss £(3.0)m (HY20 - £(15.3)m loss)
### PERFORMANCE

#### Core Businesses

<table>
<thead>
<tr>
<th></th>
<th>HY21</th>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSEN Transmission</td>
<td>115.2</td>
<td>110.1</td>
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<tr>
<td>SSEN Distribution</td>
<td>109.6</td>
<td>150.8</td>
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<tr>
<td>Investment in SGN</td>
<td>89.4</td>
<td>102.1</td>
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<tr>
<td><strong>Total Regulated Networks</strong></td>
<td><strong>314.2</strong></td>
<td><strong>363.0</strong></td>
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<tr>
<td>Hydro (inc. pumped storage)</td>
<td>62.5</td>
<td>70.3</td>
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<tr>
<td>Onshore wind</td>
<td>27.7</td>
<td>34.8</td>
</tr>
<tr>
<td>Offshore wind</td>
<td>51.4</td>
<td>44.8</td>
</tr>
<tr>
<td><strong>Total SSE Renewables</strong></td>
<td><strong>141.6</strong></td>
<td><strong>149.9</strong></td>
</tr>
<tr>
<td><strong>Total Core Businesses</strong></td>
<td><strong>455.8</strong></td>
<td><strong>512.9</strong></td>
</tr>
</tbody>
</table>

- Phasing of allowed revenue
- Reduced volumes due to coronavirus pandemic
- Adverse weather conditions offset by higher achieved power prices
- Lower ROC prices, however higher balancing market activity
- HY20 benefited from Capacity Market reinstatement
- Includes gain on sale of 51% stake in Seagreen
### PERFORMANCE

#### Other Businesses – Continuing Operations

<table>
<thead>
<tr>
<th>Adjusted EBIT (£m)</th>
<th>HY21</th>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Renewables and Networks</td>
<td>455.8</td>
<td>512.9</td>
</tr>
<tr>
<td>Thermal Generation</td>
<td>49.6</td>
<td>57.8</td>
</tr>
<tr>
<td>Gas Storage</td>
<td>(17.9)</td>
<td>(20.7)</td>
</tr>
<tr>
<td>EPM</td>
<td>(1.5)</td>
<td>(81.2)</td>
</tr>
<tr>
<td>Business Energy</td>
<td>(27.4)</td>
<td>2.9</td>
</tr>
<tr>
<td>Airtricity</td>
<td>16.6</td>
<td>16.4</td>
</tr>
<tr>
<td>Enterprise</td>
<td>(33.5)</td>
<td>8.2</td>
</tr>
<tr>
<td><strong>Total Other Businesses</strong></td>
<td>(14.1)</td>
<td>(16.6)</td>
</tr>
<tr>
<td>Corporate unallocated</td>
<td>(23.4)</td>
<td>(4.4)</td>
</tr>
<tr>
<td><strong>SSE Group</strong></td>
<td>418.3</td>
<td>491.9</td>
</tr>
</tbody>
</table>

1 HY21 discontinued operations: Gas Production Assets adjusted operating loss £(3.0)m (HY20 - £(15.3)m loss)

- Strong operational performance
- HY20 benefited from Capacity Market reinstatement
- HY21 includes gain on sale of 50% stake in Slough Multifuel
- HY20 included unwind of historic trading positions
- Coronavirus reducing customer demand including £24m loss on settlement of excess hedges
- Contracting business impacted significantly by coronavirus
- HY21 includes impairment on held for sale Contracting assets
**PERFORMANCE**

Disposals of non-core assets

- Over £1.4bn proceeds to date from disposal plan outlined in June 2020
- Now expected to deliver well over £2bn
- Over £900m gains on disposal expected in FY21

<table>
<thead>
<tr>
<th>Disposals</th>
<th>Proceeds - £m</th>
<th>Gain on sale - £m</th>
<th>Reported FY21 EPS gain – pence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walney Offshore Wind Farm¹</td>
<td>350</td>
<td>189</td>
<td>18</td>
</tr>
<tr>
<td>MapleCo Meter Asset Provider²</td>
<td>95</td>
<td>72</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total recognised in HY21</strong></td>
<td><strong>445</strong></td>
<td><strong>261</strong></td>
<td><strong>25</strong></td>
</tr>
<tr>
<td>Multifuel Energy³</td>
<td>995</td>
<td>c.650</td>
<td>c.65</td>
</tr>
<tr>
<td><strong>Total to date for FY21</strong></td>
<td><strong>1,440</strong></td>
<td><strong>c.911</strong></td>
<td><strong>c.90</strong></td>
</tr>
</tbody>
</table>

¹ Cash proceeds received 2 September 2020
² Cash proceeds received 12 November 2020
³ Expected to complete by late 2020
### Income Statement - £m

<table>
<thead>
<tr>
<th></th>
<th>HY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>418.3</td>
</tr>
<tr>
<td>Disposals of non-core assets</td>
<td>260.8</td>
</tr>
<tr>
<td>Other non-cash exceptional items</td>
<td>66.2</td>
</tr>
<tr>
<td>IFRS 9 remeasurements</td>
<td>344.0</td>
</tr>
<tr>
<td>Depreciation on fair value uplifts</td>
<td>(10.3)</td>
</tr>
<tr>
<td>Share of Joint Venture interest and tax</td>
<td>(93.9)</td>
</tr>
<tr>
<td><strong>Reported EBIT</strong></td>
<td>985.1</td>
</tr>
</tbody>
</table>

- Gains on disposal of Walney and MapleCo
- Fair value uplift on sale of 51% stake in Seagreen
- Fair value uplift on sale of 50% stake in Slough Multifuel
- Reversal of Customer Solutions coronavirus provisions
- Operating derivative revaluation gains on previously out-of-the-money commodity trades
- IFRS presentation requirement
## PERFORMANCE

### Progress on capex programme

<table>
<thead>
<tr>
<th>Adjusted Capex (£m)</th>
<th>HY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSEN Transmission</td>
<td>224.4</td>
</tr>
<tr>
<td>SSEN Distribution</td>
<td>167.9</td>
</tr>
<tr>
<td>SSE Renewables</td>
<td>176.4</td>
</tr>
<tr>
<td>Thermal Energy</td>
<td>41.9</td>
</tr>
<tr>
<td>Other</td>
<td>69.9</td>
</tr>
<tr>
<td><strong>Total Group gross capex</strong></td>
<td>680.5</td>
</tr>
<tr>
<td><strong>Capex refunds on financial close</strong></td>
<td>(246.1)</td>
</tr>
<tr>
<td><strong>Total Group net capex</strong></td>
<td>434.4</td>
</tr>
</tbody>
</table>

- £59m Shetland Link
- £80m share of Dogger Bank
- £28m share of Seagreen
- £28m Viking
- Refund of early-stage capex in the Seagreen Joint Venture
- £25m Keadby 2
- £13m Multifuel projects
- Almost 90% of £7.5bn capex plan to be invested in renewables and networks
- Equity investment in Seagreen and Dogger Bank will total around £1.5bn to March 2025
- Investments support net zero and green economic recovery
PERFORMANCE
Maintaining a strong balance sheet

<table>
<thead>
<tr>
<th></th>
<th>HY21</th>
<th>FY20</th>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted net debt and hybrid capital - £m</td>
<td>10,622</td>
<td>10,466</td>
<td>10,339</td>
</tr>
<tr>
<td>Average cost of debt at period end, incl. hybrid capital</td>
<td>3.58%</td>
<td>3.51%</td>
<td>3.60%</td>
</tr>
<tr>
<td>Adjusted net finance costs - £m</td>
<td>224.4</td>
<td>465.0</td>
<td>228.5</td>
</tr>
</tbody>
</table>

- Over £2bn Eurobonds and hybrid securities issued since March
- No significant refinancing requirement for two years
- £1.5bn of undrawn committed facilities available
- Adjusted net debt expected to be around £9.5bn at March 2021
Approach to renewables farm-downs

- Allows developer premiums to be secured
- Divestment typically to 30-40% spreads risk and financial exposure on large-scale projects
- Avoids a large increase in non-earning net debt
- Appeals to the different risk appetites of different partners at different stages of the project cycle

Open in the medium term to bringing in minority equity partners in networks
PERFORMANCE
Clear plan for longer term funding

- Disposals programme to secure well in excess of £2bn
- Five year £7.5bn investment plan consistent with net debt/EBITDA target within existing capital structure
- S&P rating remains BBB+ stable outlook; Moody’s rating Baa1 negative outlook

FY20 Net debt/EBITDA

\[
\frac{\text{£10,466m}}{\text{£1,840m}^*} = 5.7x
\]

FY21

- Net debt expected to be around £9.5bn at March 2021

FY22-FY25

- Targeting net debt/EBITDA towards the lower end of 4.5 – 5.0x range

SSE Financial Results for the six months to 30 September 2020
Presenter: Gregor Alexander
PERFORMANCE
Ongoing disposals programme

COMPLETED
• Walney Offshore Wind Farm
• MapleCo smart meters
• Multifuel Energy

IN PROGRESS
• Contracting and Rail
• Gas Production Assets

POTENTIAL
• Scotia Gas Networks

Exploring divestment of interest in SGN
• Appointed banks to consider sale of all or part of holding
PERFORMANCE
Renewable projects contribution to EPS growth

- Total equity and capex contribution out to 2024/25 expected to be around £2bn
- Expect these key renewables projects alone to add around 10 pence per share by 2026/27

Key wind projects (assumed SSE ownership) – EPS contribution\(^1\)

- EPS dilution from £2bn+ non core disposal plan forecast to be averaging around 7 pence out to 2024/25

\(^1\) excluding farm-down gains on sale

OFTO gain on sale
PERFORMANCE
Remunerating shareholders

- Strong operational performance and strategic progress
- Financial performance in year to date broadly in line with Board’s expectations
- Expect FY21 adjusted EPS to be in the range 75 - 85 pence
- Expect FY21 reported EPS to be in excess of 150 pence

Intend to recommend 80p+RPI Dividend for FY21

Continuing to target RPI increases in FY22 and FY23

Taking total dividends paid to shareholders since 1998 to over £14 per share

1Assuming normal weather conditions, coronavirus impact as expected and including gain on sale from Dogger Bank stake sale
Part Three

RESULTS TO 30 SEPTEMBER 2020

OPPORTUNITIES
OPPORTUNITIES
Creating value in the net zero transition

Opportunities presented by transition to net zero

• UK Government Targets
  • Trebling of renewable capacity expected by 2050
  • Potential to treble electricity demand by 2050
• Increasingly important role for new technologies:
  • Carbon capture and storage
  • Hydrogen
  • Floating offshore wind

Immense opportunities for SSE, with its clear strategic focus on electricity and net zero

NB. Assumes Net Zero is met - there are different pathways with more/less electrification
DACCS = Direct Air Capture with Carbon Storage
OCCROPUNTIES
A platform for renewables growth

HYDRO
78 power stations with 128 turbine units
300km of tunnel systems and 500km of roads

PUMPED STORAGE
Foyers can supply electricity in less than 30 seconds
Foyers can discharge over 400 tonnes of water per second

WIND
224 offshore wind turbines and 1,191 onshore wind turbines
56% of onshore fleet maintained in house

Hydro fleet performing reliably and efficiently with limited investment required
## OPPORTUNITIES
A growing list of wind projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Capacity</th>
<th>Current SSE ownership</th>
<th>Assumed SSE ownership*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seagreen</td>
<td>1,075MW</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td>Dogger Bank A &amp; B</td>
<td>2,400MW</td>
<td>50%</td>
<td>40%</td>
</tr>
<tr>
<td>Viking</td>
<td>443MW</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Dogger Bank C</td>
<td>1,200MW</td>
<td>50%</td>
<td>40%</td>
</tr>
<tr>
<td>Seagreen 1A</td>
<td>360MW</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td>Berwick Bank</td>
<td>Up to 2,300MW</td>
<td>100%</td>
<td>40%</td>
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<tr>
<td>Marr Bank</td>
<td>Up to 1,850MW</td>
<td>100%</td>
<td>40%</td>
</tr>
<tr>
<td>North Falls</td>
<td>Up to 504MW</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Arklow Bank 2</td>
<td>520MW</td>
<td>100%</td>
<td>50%</td>
</tr>
</tbody>
</table>

*assumed ownership % used as basis for slides 25-27
OPPORTUNITIES
Doubling wind capacity by 2025

Seagreen 1,075MW
- 10MW Vestas turbines
- Average load factor of c54%
- Around 5TWh average annual production

Dogger Bank 3,600MW
- 13MW GE turbines
- Average load factor of c57%
- Around 18TWh average annual production

Viking 443MW
- 4.2MW Vestas turbines
- Average load factor of c48%
- Almost 2TWh average annual production

Renewable Capacity Additions from key projects (GW)

1 First two of three 1,200MW projects, assumed ownership per slide 24
2 projects including: Strathy South (208MW); Yellow River (105MW); Doraville (138MW)
## OPPORTUNITIES

A strong and growing pipeline

### Seabed Secure - Seeking Consent

<table>
<thead>
<tr>
<th>Project</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<tbody>
<tr>
<td>Seagreen 1A</td>
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<td>Berwick Bank</td>
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<td>Marr Bank</td>
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<td>Up to 1850MW</td>
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<td>North Falls</td>
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<td>Up to 504MW</td>
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<td>Arklow Bank 2</td>
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### Future Prospects

<table>
<thead>
<tr>
<th>Project</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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<th>2029</th>
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<tbody>
<tr>
<td>Braymore</td>
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<td>800MW</td>
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<tr>
<td>Celtic Seas</td>
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<td>800MW</td>
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<tr>
<td>Scotwind (CES)</td>
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<tr>
<td>Potential delay to bid</td>
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<tr>
<td>Round 4 (TCE)</td>
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</table>

**Key**

- Bid Phase
- Development Phase
- Target Consent Achieved
- Target FID
- Construction Phase
- Target First Energy (FE)
- Target Commercial Operations Date

---

SSE Financial Results for the six months to 30 September 2020
Presenter: Martin Pibworth
To quadruple wind output by 2030

Renewable Capacity & Output
Potential additions from key projects¹

Target annual renewable output (RHS)
Capacity additions (LHS)
Offshore
Onshore

>30TWh target

2030 Forecast

GW
Current
0
2
4
6
8
10
12

TWh
0
5
10
15
20
25
30
35
40

0
2
4
6
8
10
12

1 assumed ownership stakes per slide 24; 2 CfD awarded
3 projects including: Strathy South (208MW); Yellow River (105MW); Doraville (138MW)
4 projects including: Cloiche (155MW); Glenassley (64MW); Gortryrahilly (40MW)

SSE Financial Results for the six months to 30 September 2020
Presenter: Martin Pibworth

27
OPPORTUNITIES
A key role for low-carbon thermal

• Low carbon thermal provides UK and Ireland with flexible capacity at scale to balance variability of increasing renewable output
• Construction of Keadby 2 CCGT continued though pandemic

Looking to the future
• Keadby 2 most efficient CCGT in Europe but to be last unabated thermal power station built by SSE
• Existing thermal fleet well-placed to lead development of CCS and take advantage of emerging hydrogen economy
• Keadby 3 part of Zero Carbon Humber consortium that secured early government funding
• The North of Scotland’s massive potential for renewable energy production puts SSEN Transmission in a unique position
• Construction has now begun on the £630m Shetland HVDC that will link Shetland and eventually Viking wind farm to the mainland

**RIIO-T2**
• Extremely disappointed with Ofgem draft determinations
• Hopeful Ofgem will consider additional evidence and reach sensible final determination
• Expect Transmission RAV to reach over £5bn by 2026
OPPORTUNITIES
Distribution’s part in an electric future

Decarbonising streets and homes

- Electric vehicle ownership expected to rise to 5 million by 2050 in SSEN Distribution’s operating areas
- Heat pumps installations also expected to accelerate

Investment during RIIO-ED2 should provide platform for net-zero

- A stakeholder-led ED2 business plan will create lasting value for society
CONCLUSION
Strategic progress, strong performance and attractive opportunities

• Demonstrating resilience with robust financial and operational performance
• Good progress towards refocussing the group around networks and renewables
• Executing on an enviable development pipeline and looking to capitalise on optionality across the clean energy value chain
• Leading ESG stock, creating value for shareholders and other stakeholders through the net zero transition
THANK YOU

Questions