UK Power Networks: acquiring the best-in-class regulated power distribution network in the UK

26 February 2026

ENGIE

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FY 2025 Results

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UK Power Networks

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PERFECT STRATEGIC FIT

CATHERINE MACGREGOR

CEO

ENERGY AT TOP OF COUNTRIES' AGENDAS

Energy Transition continuing momentum

Electrification is **underway**, molecules are here to stay

Flexibility to bolster **system resilience**

Maximized by **power grid** strengthening

Geopolitical uncertainty on the rise

More **frequent political** and **geopolitical turbulence**

Europe: Energy Transition, security and affordability

Balanced geographical mix is **crucial**

ENGIEs "Best Energy transition Utility" profile more pertinent than ever

DECISIVE MOVE TOWARDS OUR BEST ENERGY TRANSITION UTILITY AMBITION

Unique opportunity to rebalance ENGIE portfolio towards power networks

Growing, regulated predictable cashflows to enhance our Utility profile

Bolstering our presence in the UK, now our 2nd largest country

Earnings accretive from first full-year, with dividend policy and rating unchanged

Delivering on our mid-2024 pledge to expand in power networks in Europe

UK POWER NETWORKS, BEST-IN CLASS REGULATED POWER DISTRIBUTION NETWORK IN THE UK

Leading DNO in UK, across 3 licenses (East of England, London and South-East of England)

192,000km
Network length

76%
Underground lines

71TWh
Annual power distributed

8.5m
Customers

Track record of outstanding safety & operational performance

- **#1** Over the first two years ED2, UKPN achieved best-in-class **11.5% RoRe**
- **#1** Best DNO in Ofgem's broad measure of **customer satisfaction (94.2%)**
- **#1** Leading innovation with **#1 in the UK for smart grid capabilities**[1]

Mar-2024/25 key indicators

+14%

£9.2bn RAV[2] end-March 2025	**£10.5bn** RAV[2] estimated end-March 2028
£1.3bn Capex	**£1.4bn** CFFO[3]

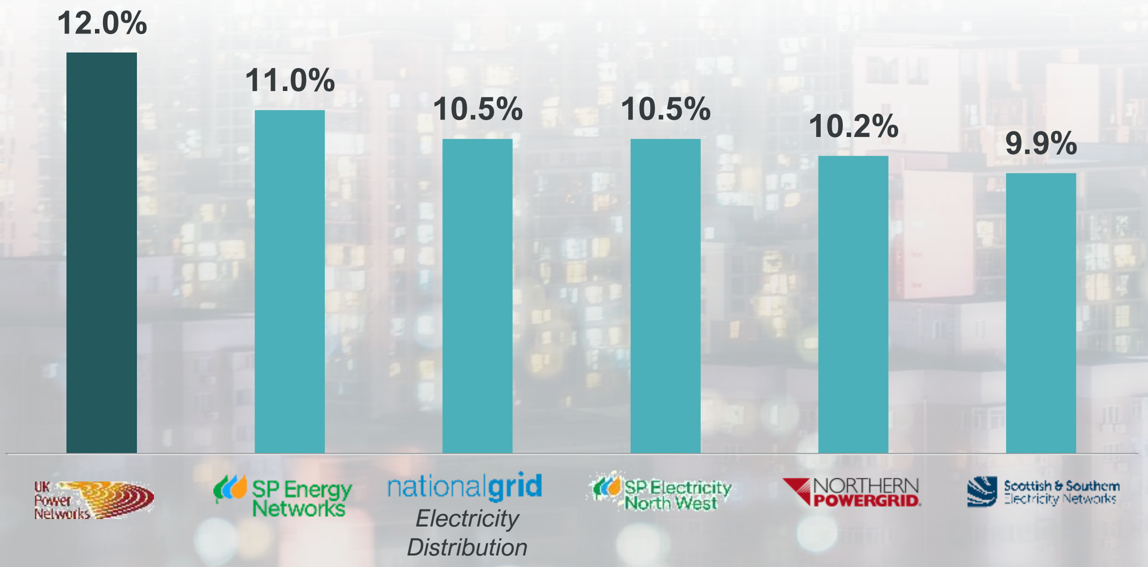
6,500 professionals, recognised for their expertise, excellence & commitment.

1. Singapore Power Group's Smart Index
2. Regulatory Asset Value
3. Cash Flow From Operations = Free Cash Flow before Maintenance Capex

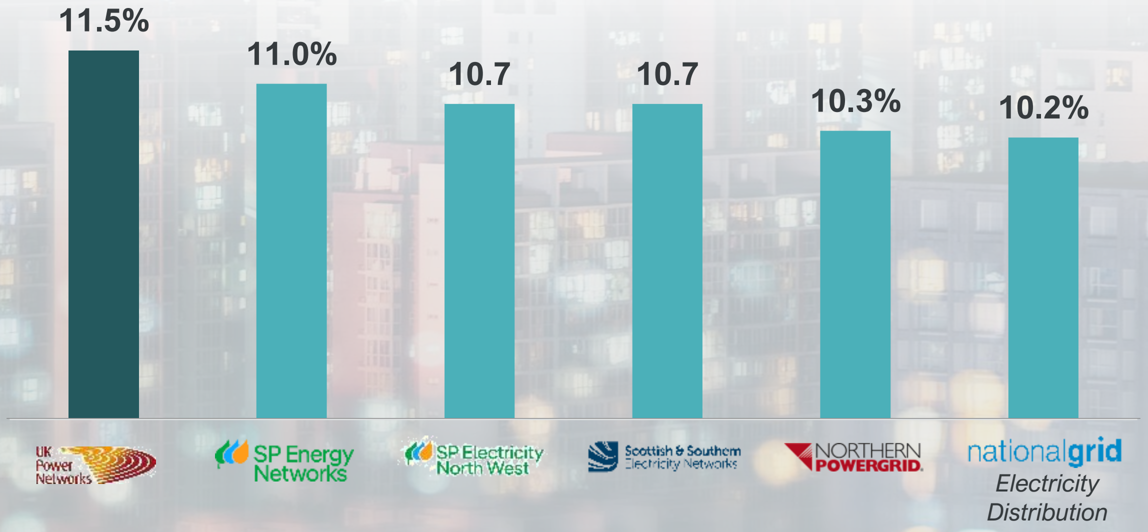
A DECADE OF TOP PERFORMANCE AMONGST UK POWER DNOs

Track record of Outstanding Performance over RIIO-ED1 & the first two years of RIIO-ED2

RoRE[1] over RIIO-ED1 (2015/16-2022/23)



RoRE[1] over the first two years of RIIO-ED2 (2023/24-2024/25)



Source: Ofgem (RIIO-ED1 & RIIO-ED2 Electricity Distribution Regulatory Performance)
1. Return on Regulated Equity

STRONG MOMENTUM FOR ENERGY TRANSITION

Energy Transition at the heart of government **Clean Power 2030** Action Plan:

- Aiming for **low-carbon share** of **generated power** to rise to **>95%** by **2030**
- With **Carbon emissions reduction** of **70%**
- Legally binding **Net Zero target by 2050**

Massive electrification of usage expected, boosting **networks investments**

x2 by 2050[1]
Electricity generation expected in the UK

x2 by 2050[2]
Electricity demand expected in the UK

Boosting both expansion of electricity networks and reinforcement of existing networks

£45-60bn by 2050[2]
Load related capex in distribution networks

1. Source: « Future Energy Scenarios », National Energy System Operator
2. National Infrastructure Commission, February 2025

UK REGULATION: STABILITY, PERFORMANCE, CUSTOMER-ORIENTED

A regulation that brings stable and predictable cash-flows with outperformance shared with customers

01 Stability & transparency

Promoting investment, **protecting consumers**' interests, with long-term planning to meet demand growth

02 Inflation & volume protection

Inflation-linked returns and **volume-risk shields** with revenue adjustments

03 Incentives mechanism

Totex and operational **performance**

Customer satisfaction metrics

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01 Perfect strategic fit

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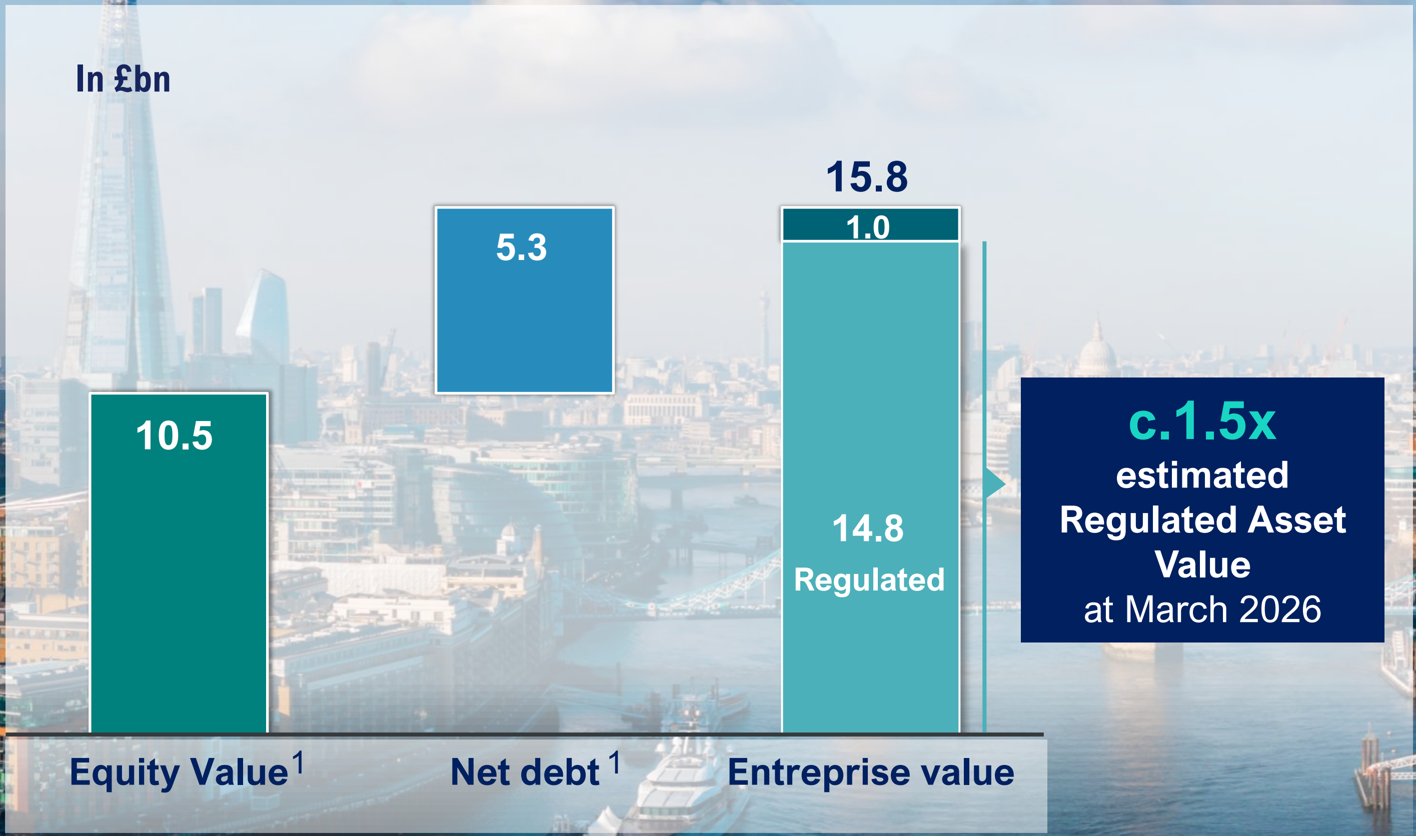
VALUATION AND FINANCING PLAN

PIERRE-FRANÇOIS RIOLACCI

EVP in charge of Finance,
ESG and Procurement

KEY VALUATION METRICS



The transaction

- UKPN for **GBP 15.8bn**
- Estimated **2027 EBITDA multiple of c.10x**, **including** the contribution of **unregulated assets**
- As part of this transaction, **ENGIE will own 100 %** and consolidate UKPN
- **Closing of the transaction** expected in mid-**2026**

1. at locked box date, i.e. at end March 2025

UK POWER NETWORKS: SOLID FINANCIAL RESULTS AND OUTLOOK

UKPN's full-year financials (April to March)

£bn	03/22	03/23	03/24	03/25
EBITDA	1.3	1.4	1.2	1.8
EBIT	0.9	1.0	0.7	1.4
Net Income	0.3	0.6	0.3	0.9
CFFO	1.2	1.1	1.0	1.4
Totex	0.9	1.0	1.1	1.3
Gross capex[1]	0.9	0.9	1.1	1.3
RAV	7.2	8.1	8.6	9.2

Strong outlook

£2.2bn gross capex over April 26 to March 28

£10.5bn RAV at end-March 2028

Strong EBIT growth over April 26 to March 28

Mid-single digit growth bottom line expected in the long-term

1. including Customer contributions received in the year

FINANCING PLAN SUPPORTED BY STRONG BALANCE SHEET

Financing plan

Accretive from year 1

And maintain **Strong investment grade**