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SSE plc
Strategic update

Transformation for Growth - SSE's 2030 investment plan

12 November 2025

SSE plc today announces a transformational, fully-funded, £33bn five-year investment plan, significantly increasing the Group's exposure to UK electricity Networks, and driving long-term value creation with attractive regulated asset value and earnings growth.

· **Transformational £33bn fully-funded investment plan to 2029/30** represents a trebling of investment over the five-year period, with around 80% or £27bn to be invested in regulated UK electricity Networks and around 20% or £6bn selectively in Renewables and system Flexibility, all delivering attractive growth and returns.

· **Accelerated investment will see gross regulated asset value ('RAV') increase at a ~25% CAGR over the period**, positioning SSE as one of the fastest growing electricity networks in the world and more than trebling the size of the regulated asset base.

· **Attractive 7 - 9% adjusted Earnings Per Share CAGR to between 225 - 250 pence in 2029/30**[1], with index-linked EBITDA[2] expected to be ~80% of Group earnings in 2029/30, primarily driven by the significant regulatory asset growth.

· **Continued commitment to SSE's sustainable and progressive dividend policy to 2029/30**, targeting annual dividend per share growth of between 5 - 10% from an unaltered 64.2 pence 2024/25 baseline.

· **Fully-funded plan** maintains SSE's strong balance sheet alongside a continued commitment to strong investment grade credit ratings:
  - o ~£33bn adjusted investment and capital expenditure, of which ~£3bn is currently uncommitted across the SSE Renewables and SSE Thermal businesses and subject to strict investment criteria that ensure delivery of high returns on capital;
  - o ~£6bn of dividends, taxation and other cash requirements.

· **The plan is funded by:**
  - o ~55% or ~£21bn operational cashflow generation;
  - o ~35% or ~£14bn increase in adjusted net debt and hybrid capital, relatively smaller than the increase in regulatory assets, with net debt / EBITDA remaining below 4.5x throughout the course of the plan, comfortably within the thresholds required to maintain existing strong investment grade credit ratings;
  - o ~5% or £2bn equity placing, launched concurrently to this announcement;
  - o ~5% or ~£2bn targeted asset rotation across the portfolio, aligned with investment needs.

Martin Pibworth, Chief Executive, said:

"This Transformation for Growth investment plan is built on a once-in-a-generation opportunity to upgrade the UK electricity network and build a cleaner, more secure and more affordable energy system. The accelerated investment is underpinned by secure UK Government regulatory frameworks and will unlock much-needed growth across the wider economy and support thousands of jobs over the course of the plan.

"Our world is rapidly electrifying, and we need to build, connect and transport ever greater volumes of homegrown power to homes and businesses to power the digital age. SSE's multi-decade-long track record of delivering major electricity assets means it is strongly positioned to respond to this critical infrastructure investment opportunity and, in doing so, underpin the Group's position as one of Europe's largest electricity infrastructure companies.

"Our focused, disciplined and fully-funded investment plan will transform the domestic energy system and improve lives, whilst creating sustainable value for our shareholders and society for decades to come."

Strategic direction and delivery

SSE has a clear focus on delivering the major electricity infrastructure required for the energy transition. As an integrated electricity business, it is primarily focused on the three key pillars required for an electrified transition: Networks, Renewables and Flexibility.

With the UK Government's Clean Power Plan and associated strategic plans from the National Energy System Operator, there is an extensive roadmap for investment in SSE's core domestic markets under all electricity demand scenarios. The UK and wider European roll-out of cleaner technologies to upgrade energy systems, adopt electrification and accelerate AI, places electricity networks together with clean and flexible generation at the heart of the transition. Underpinned by secure regulatory frameworks, investment is needed well into the 2030s and, with rising demand from an increasingly electrified economy, potentially significantly beyond.

SSE has the highly skilled workforce, strong supply chain relationships and access to strategic partnerships required to support significant growth. The foundations for this plan have been laid over several years. A fivefold increase in headcount in the Transmission business, accelerating innovation through digitalisation and a keen focus on efficiency and competitiveness mean that the Group has the platform, the capabilities and the resource to deliver this once-in-a-generation investment opportunity.

The strategic investment plan announced today will enable SSE to maximise its potential over the next five years. As SSE helps transform the UK and Irish energy system, building out one of the fastest growing networks in the world and some of its largest offshore wind farms, SSE will underline its position as a strategically important top-tier European utility with prospects for further expansion in the 2030s and beyond.

Record programme of investment

The £33bn investment plan announced today results in a significant upweighting in regulated Network assets, combined with disciplined investments in electricity generation technologies:

- **SSEN Transmission (~67% or ~£22bn)** delivering the RIIO-T3 investment programme which is critical to connecting renewables and removing existing constraints within the electricity transmission network. This investment, together with that from our 25% partner, is expected to increase gross RAV to around £30bn by the end of 2029/30 representing an ~30% CAGR.
- **SSEN Distribution (~15% or ~£5bn)** delivering the remaining RIIO-ED2 investment programme in addition to anticipated strategic investment in ED3. This investment is expected to increase gross RAV to between £9-10bn by the end of 2029/30 representing a ~10% CAGR.
- **SSE Renewables (~12% or ~£4bn)** delivering its existing construction programme together with highly disciplined investment into exciting growth options. This focus on financial discipline and selective growth is expected to result in a targeted ~9GW of installed capacity by the end of 2029/30.
- **SSE Thermal and other businesses (~6% or ~£2bn)** predominantly focused on flexible generation technologies and serving key customers.

The above investment plan includes ~£3bn of currently uncommitted capex across the SSE Renewables and SSE Thermal businesses. In allocating this capital, SSE will continue to apply its strict returns criteria for new energy projects to ensure attractive shareholder returns and strategic alignment with SSE's clean electricity focus.

Capital growth and total returns

The record programme of investment outlined above is expected to deliver industry-leading capital growth across the Group. In the Networks businesses, gross RAV is expected to more than treble to around £40bn and, with selective and disciplined investment, Renewables installed capacity is set to almost double to around 9GW by the end of the plan. This material capital growth will create significant long-term value for shareholders whilst unlocking wider economic benefits for society.

Investments made in Networks and selective Renewables and system Flexibility projects are expected to drive a step-up in earnings of around 50% over the plan, with an adjusted Earnings Per Share CAGR of between 7 - 9% delivering 225 - 250 pence in 2029/30. This growth is underpinned by ~80% of EBITDA being index linked in 2029/30, due to the upweighting in Networks investment, providing consistent, predictable and highly visible earnings as the business grows materially.

SSE is also continuing its existing sustainable and progressive dividend policy to 2029/30. This policy targets annual dividend per share growth of between 5 - 10% from an unaltered 64.2 pence 2024/25 baseline. SSE will retain the existing scrip dividend option for shareholders whilst also restricting earnings dilution from the scrip by capping take-up at 25% through a share buyback if necessary.

The SSE plc Board believes that the comprehensive funding strategy outlined today will provide the best outcome for shareholders, delivering an unprecedented growth opportunity with continued commitment to existing strong investment grade credit ratings and laying the foundations for attractive, sustainable earnings growth and value creation well into the next decade.

Interim results statement and 2025/26 outlook

Alongside today's proposed placing announcement, SSE plc is updating the market on its interim results for the six months ended 30 September 2025. The statement is available on the sse.com investor pages, linked here). This includes:

- Half-year adjusted Earnings Per Share of 36.1 pence, in line with expectations.
- Delivered £1.6bn adjusted capital investment in the period, of which around 70% was in regulated electricity Networks, with adjusted net debt and hybrid capital at £11.4bn.
- Reconfirming divisional adjusted operating profit expectations for full-year 2025/26 and 2026/27.
- Reconfirming 2026/27 adjusted Earnings Per Share guidance of between 175 - 200p, before adjusting number of shares in issue for today's proposed placing.

Management presentation

SSE will be webcasting a live strategic update together with its interim results **today at 8:00am UK time**. Investors and analysts are invited to join the webcast by visiting www.sse.com and following the links on either the homepage or investor pages; or directly using this link.

This webcast is also available as a teleconference, for which participants can register using the link here to receive a unique pin code and conference call number. Both facilities will be available to replay.

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The person responsible for making this Announcement on behalf of the Company is Liz Tanner, Group General Counsel and Company Secretary.

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[1] From an unaltered 2024/25 baseline of 160.9 pence. 2029/30 guidance presented after adjusting number of shares in issue for today's proposed placing

[2] Being Adjusted EBITDA which is underpinned by an index linked revenue stream - such as regulatory networks, renewables' contracts for difference or flexibility capacity market income - providing consistent, predictable and highly visible earnings.

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