

# Results Presentation

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**Second Quarter 2021**  
July 21, 2021

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# Legal Notice

## FORWARD LOOKING STATEMENTS

Certain statements in this presentation may relate to our future business and financial performance and future events or developments involving us and our subsidiaries that are not purely historical and may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terms such as “may,” “will,” “should,” “would,” “could,” “can,” “expect(s),” “believe(s),” “anticipate(s),” “intend(s),” “plan(s),” “estimate(s),” “project(s),” “assume(s),” “guide(s),” “target(s),” “forecast(s),” “are (is) confident that” and “seek(s)” or the negative of such terms or other variations on such terms or comparable terminology. Such forward-looking statements include, but are not limited to, statements about our plans, objectives and intentions, outlooks or expectations for earnings, revenues, expenses or other future financial or business performance, strategies or expectations, or the impact of legal or regulatory matters on business, results of operations or financial condition of the business and other statements that are not historical facts. Such statements are based upon the current reasonable beliefs, expectations, and assumptions of our management and are subject to significant risks and uncertainties that could cause actual outcomes and results to differ materially. Important factors are discussed and should be reviewed in our Form 10-K and other subsequent filings with the SEC. Specifically, forward-looking statements include, without limitation: the future financial performance, anticipated liquidity and capital expenditures; actions or inactions of local, state or federal regulatory agencies; success in retaining or recruiting our officers, key employees or directors; changes in amount, timing or ability to complete levels or timing of capital expenditures projects; adverse developments in general market, business, economic, labor, regulatory and political conditions; impacts of climate change, fluctuations in weather patterns and extreme weather events; technological developments; the impact of extraordinary external events, such as any cyber breaches or other incidents, grid disturbances, acts of war or terrorism, civil or social unrest, natural disasters, pandemic health events or other similar occurrences; the impact of any change to applicable laws and regulations affecting the ownership and operations of electric and gas utilities and renewable energy generation facilities, respectively, including those relating to the environment and climate change, taxes, price controls, regulatory approval and permitting; our ability to close the proposed merger with PNM Resources, the anticipated timing and terms of the proposed merger, our ability to realize the anticipated benefits of the proposed merger and our ability to manage the risks of the proposed merger; the COVID-19 pandemic, its impact on business and economic conditions and the pace of recovery from the pandemic; the implementation of changes in accounting standards; adverse publicity or other reputational harm, and other presently unknown unforeseen factors.

Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary in material respects from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this report, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Other risk factors are detailed from time to time in our reports filed with the SEC, and we encourage you to consult such disclosures.

**About AVANGRID:** AVANGRID, Inc. (NYSE: AGR) aspires to be the leading sustainable energy company in the United States. Headquartered in Orange, CT with approximately \$39 billion in assets and operations in 24 U.S. states, AVANGRID has two primary lines of business: Avangrid Networks and Avangrid Renewables. Avangrid Networks owns eight electric and natural gas utilities, serving more than 3.3 million customers in New York and New England. Avangrid Renewables owns and operates a portfolio of renewable energy generation facilities across the United States. AVANGRID employs approximately 7,000 people and has been recognized by Forbes and Just Capital as one of the 2021 JUST 100 companies - a list of America's best corporate citizens - and was ranked number one within the utility sector for its commitment to the environment and the communities it serves. The company supports the U.N.'s Sustainable Development Goals and was named among the World's Most Ethical Companies in 2021 for the third consecutive year by the Ethisphere Institute. For more information, visit [www.avangrid.com](http://www.avangrid.com).

# Legal Notice

## *Use of Non-U.S. GAAP Financial Measures*

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles in the United States (“GAAP”), we consider adjusted net income, adjusted earnings per share, adjusted EBITDA and adjusted EBITDA with Tax Credits as non-GAAP financial measures that are not prepared in accordance with GAAP. The non-GAAP financial measures we use are specific to AVANGRID and the non-GAAP financial measures of other companies may not be calculated in the same manner. We use these non-GAAP financial measures, in addition to GAAP measures, to establish operating budgets and operational goals to manage and monitor our business, evaluate our operating and financial performance and to compare such performance to prior periods and to the performance of our competitors. We believe that presenting such non-GAAP financial measures is useful because such measures can be used to analyze and compare profitability between companies and industries by eliminating the impact of certain non-cash charges. In addition, we present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance.

We define adjusted net income as net income adjusted to exclude restructuring charges, mark-to-market earnings from changes in the fair value of derivative instruments, accelerated depreciation derived from repowering of wind farms, a legal settlement, costs incurred related to the PNMR Merger and the impact of the global coronavirus (COVID-19) pandemic. We believe adjusted net income is more useful in understanding and evaluating actual and projected financial performance and contribution of AVANGRID core lines of business and to more fully compare and explain our results. The most directly comparable GAAP measure to adjusted net income is net income. We define adjusted earnings per share, or adjusted EPS, as adjusted net income converted to an earnings per share amount. We define adjusted EBITDA as adjusted net income adjusted to fully exclude the effects of net (loss) income attributable to noncontrolling interests, income tax expense (benefit), depreciation and amortization, interest expense, net of capitalization, other (income) expense and (earnings) losses from equity method investments. We further define adjusted EBITDA with tax credits as adjusted EBITDA adding back the effect of retained Production Tax Credits (PTCs) and Investment Tax Credits (ITCs) and PTCs allocated to tax equity investors. The most directly comparable U.S. GAAP measure to adjusted EBITDA and adjusted EBITDA with tax credits is net income.

The use of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, AVANGRID’s GAAP financial information, and investors are cautioned that the non-GAAP financial measures are limited in their usefulness, may be unique to AVANGRID, and should be considered only as a supplement to AVANGRID’s GAAP financial measures. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools.

Non-GAAP financial measures are not primary measurements of our performance under GAAP and should not be considered as alternatives to operating income, net income or any other performance measures determined in accordance with GAAP.

**We use the following non-GAAP metrics in our presentation, which are reconciled to their closest GAAP financial measure in the Appendix: Adjusted net income, adjusted EPS, adjusted EBITDA and adjusted EBITDA with Tax Credits.**

Investors and others should note that AVANGRID routinely posts important information on its website and considers the Investor Relations section, [www.avangrid.com/wps/portal/avangrid/Investors](http://www.avangrid.com/wps/portal/avangrid/Investors), a channel of distribution.

# 2Q '21 Highlights

Dennis Arriola  
AVANGRID CEO

# Executive Summary

Exceptional growth in 1H '21 through continued execution; positioned for strong full year performance

<i>Strong results versus '20</i>	<b>Net Income</b>	<b>+11%</b>	<b>2Q '21</b>	<b>+32%</b>	<b>1H '21</b>
	<b>Adjusted Net Income<sup>(1)</sup></b>	<b>+25%</b>	<b>2Q '21</b>	<b>+43%</b>	<b>1H '21</b>

**Increasing:** Net Income Outlook, up ~5% from original Outlook in February '21  
Adjusted Net Income<sup>(1)</sup> Outlook, up ~10% from original Outlook in February '21  
**2<sup>nd</sup> Outlook Increase in '21**

- ✓ Final CT PUC approval of **UI settlement** of Interim Rate Decrease & Rate Adjustment Mechanism dockets
- ✓ **NY resiliency** legislation to create & implement a 10-year Storm Hardening & System Resiliency Plan for utilities (outside of rate case proceedings)
- ✓ **NECEC** injunction on Segment 1 lifted; construction ongoing on all segments
- ✓ Awaiting New Mexico Commission approval for **PNM merger**; target 2H '21 close
- ✓ BOEM Record of Decision for **Vineyard Wind 1** 800 MW offshore wind; financial close & construction start 2H '21
- ✓ BOEM Notice of Intent to start Environmental Impact Statement for **Park City Wind** 804 MW offshore wind
- ✓ **New** 210 MWdc solar PPA in PJM with a C&I customer; advancing reduction of uncontracted capacity
- ✓ Successfully issued **\$4B equity** in May '21
- ✓ Submitted multiple **Green Hydrogen** project concepts in Department of Energy *Request For Information*

(1) Please see Appendix for reconciliation of Adjusted Net Income to Net Income.

# Networks Updates

Focused on customer service & operational excellence

## Road to Authorized ROE On Track



UI Settlement Agreement approved for Interim Rate Decrease & Rate Adjustment Mechanism dockets - **no change to ROE or capital structure**



Implementing **NYSEG & RG&E** 3-year rate plans; focused on Road to Authorized ROE initiatives



Continued strong performance on customer service metrics; filing for removal of **CMP's** 100 bp ROE adjustment in 2H '21

CMP independent management audit highlights improvements made & further opportunities

## Resiliency Legislation



**NY legislation approved in Assembly & Senate focuses on utilities developing 10-year storm hardening & system resiliency plans**

- Awaiting Governor's signature
- Investment plans to be reviewed and approved by PSC (outside of traditional rate case filings)
- Approval of plans expected in '24

## COVID-19<sup>(1)</sup>

Working with state commissions & customers on **COVID-19** financial impacts & cost recovery

## NECEC

- Segment 1 construction injunction removed
- '23 COD

*(1) Excludes PNM Resources.*

# PNM Resources Merger Update: Key Approvals

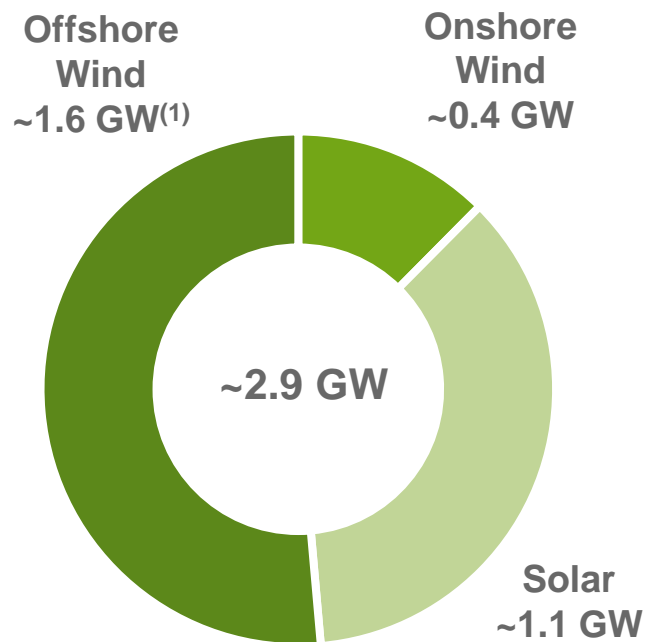
Regulatory filings on track; final approvals & closing expected in 2H '21

Major Approvals & Clearances	Status
New Mexico Public Regulatory Commission (NMPRC)	Filed multi-party stipulation agreement 5/7/2021; Hearings mid-August; Expected approval in 2H '21
Public Utility Commission of Texas (PUCT)	✓
Federal Energy Regulatory Commission (FERC)	✓
Hart-Scott-Rodino Clearance (HSR)	✓
Committee on Foreign Investment in the United States (CFIUS)	✓
Federal Communications Commission (FCC)	✓
Nuclear Regulatory Commission (NRC)	✓
PNM Resources Shareholder Approval	✓

# Executing on Renewables Growth

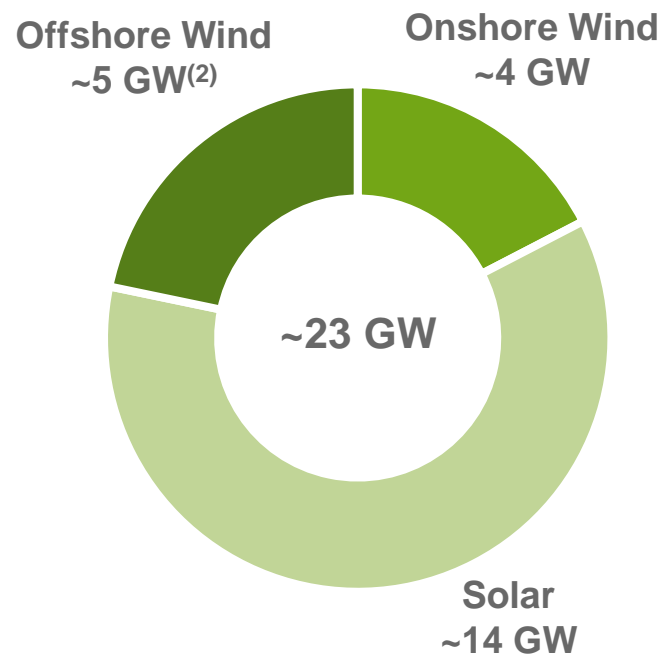
New contracts signed; onshore construction of 1.3 GW in '21 – '22

## Projects with PPAs



## AVANGRID Pipeline

as of 6/30/2021



## Executing New Contracts

- New solar PPA for 210 MWdc (COD 2023) in PJM with C&I customer
- 39 MW REC contract for Manzana Wind

## Reducing Uncontracted Capacity

Executed PPA contracts on existing portfolio (254 MW Blue Creek Wind (OH))  
**89% PPA+Hedges a/o 6/30/21**

## Maturing & Maximizing Pipeline Value

- ~2.5 GW near-term projects (*short-listed or in bi-lateral negotiations*)
- Sale of 780 MWdc development projects in non-strategic markets

(1) Includes 100% of Vineyard Wind I and Park City Wind, jointly owned with Copenhagen Infrastructure Partners (CIP).

(2) Includes AVANGRID's 50% of Vineyard Wind lease areas jointly owned with CIP, and 100% of Kitty Hawk.



# AVANGRID Offshore Wind Projects Advancing

Vineyard Wind 1<sup>(1)</sup> receives BOEM approval & leads the emerging U.S. offshore wind industry



## 800 MW<sup>(1)</sup>

- ✓ FID & financial close 2H '21
- ✓ Construction begins onshore Fall '21
- ✓ Start generation '23; COD in '24
- ✓ 90% of capex secured
- ✓ Executed Project Labor Agreements with Unions
- ✓ Lease agreement for Vineyard Haven O&M port (New Bedford staging port previously secured)



## 804 MW<sup>(1)</sup>

- ✓ Filed COP July '20; NOI for EIS issued June '21, enabling ROD in 3Q '23
- ✓ COD '26
- ✓ Established CT headquarters & construction & staging site in Bridgeport, CT
- ✓ Received MA Environmental Policy Act Draft Environmental Impact Report (EIR) certificate; Final EIR expected Fall '21



## First Phase 800/1,000 MW<sup>(2)</sup>

- ✓ Filed COP December '20
- ✓ Ongoing geotechnical surveys
- ✓ Stakeholder outreach initiatives underway
- ✓ Expected CODs post '25; advancing discussions on offtake opportunities
- ✓ NC Gov. signed executive order setting non-binding OSW targets of 2.8 GW by '30 & 8.0 GW by '40
- ✓ VA OSW target 5.2 GW

(1) AVANGRID's 50/50 partnership with Copenhagen Infrastructure Partners (CIP).

(2) 2.5 GW total capacity; 100% owned by AVANGRID.

# Offshore Wind Opportunities

5.9 GW remaining lease area available for future projects

## AVANGRID OSW Future Opportunities

### AVANGRID Lease Capacity

	TOTAL Leases <sup>(1)</sup>	AVANGRID Portion <sup>(2)</sup>
Available Lease Area	7.5 GW	5.0 GW
Current Projects with PPAs <sup>(3)</sup>	1.6 GW	0.8 GW
Remaining Lease Area	5.9 GW	4.2 GW

### State RFPs for OSW '21 – '23

*MA:* Released 3<sup>rd</sup> RFP for OSW for up to 1.6 GW (Bids due Sept. 16; Selection Dec. 17)

*RI, NY, CT:* >3 GW expected in near term

## Lease Areas

### AVANGRID

- BOEM split lease area 501 into 501 (VW1) & 534 (VW South – Park City Wind & Rest of Zone)
- BOEM granted extension of operations term from 25-33 years (from COP approval) for VW1 & VW South

### BOEM Auctions

- BOEM announced June 11 the proposed auction of up to 8 lease areas (7 GW) in NY Bight Area with 60-day comment period

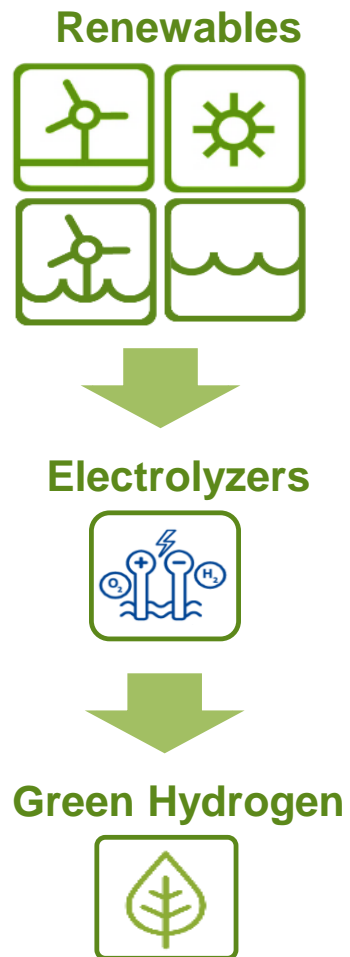
(1) Total lease area available for AVANGRID projects, including leases jointly owned with CIP (Lease areas 501 & 534 ~2.5 GW & 522 ~2.5 GW); Kitty Hawk lease area owned 100% by AVANGRID.

(2) AVANGRID portion is 50% of 5 GW owned jointly with CIP & 100% ownership of 2.5 GW Kitty Hawk.

(3) 800 MW Vineyard Wind 1 & 804 MW Park City Wind, jointly owned 50/50 with CIP.

# Green Hydrogen Roadmap

Innovative opportunities to reduce GHG emissions, leveraging assets & global expertise



## AVANGRID

### Green Hydrogen Project Concepts Under Evaluation *U.S. DOE Request for Information (Part of Energy Earthshot Initiative)*

- ✓ Connecticut – developing *Green Hydrogen Valley*; electrolyzer & hydrogen storage
- ✓ Maine – exploring multiple applications in manufacturing & transportation
- ✓ New York – focused on local area heavy-duty transportation
- ✓ Gulf Coast & Oregon – leveraging Renewables wind & Klamath

**Iberdrola delivering commercial scale green hydrogen projects in Spain & United Kingdom**

# ESG+F = Sustainable value

Focused on implementing key ESG+F goals

## KEY ESG+F Goals

- ↑ Renewables' installed capacity **>100%** by '25 vs. '15
- ↓ Scope 1<sup>(1)</sup> GHG emissions intensity **35%** by '25 vs. '15
- = **Scope 1 carbon neutral** by '35
- ↑ **60%** of fleet converted to cleaner energy vehicles by '30<sup>(2)</sup>
- ↑ Enhance supplier sustainability
- ↑ Increase annual supplier diversity spend to **\$300M** by '25
- 👥 **>35,000/yr** employee volunteer hrs. by '25
- ↑ Strengthen diversity on leadership team & provide unconscious bias training enterprise-wide
- 💰 Deliver sustainable shareholder value

(1) Scope 1: GHG emissions from electricity generation, CH4 leaks, SF6 fugitive emissions, fuel consumption in buildings & Company vehicles.

(2) Subject to regulatory approval & availability of vehicles & charging equipment.

## Recognized Leader in Sustainability & Corporate Governance



Recognized by Forbes and Just Capital as one of the **2021 JUST 100 companies** & **ranked #1** among utilities for its **commitment to the environment** & the **communities** it serves



For the 3<sup>rd</sup> consecutive year, AVANGRID earned the **World's Most Ethical Companies** award (Ethisphere Institute)



**2021 Compliance Leader Verification** recertification by the Ethisphere Institute, continuing 2019-2020 verification

Click below for access to AVANGRID Sustainability, GRI, SASB, EEI & ESG reports & ESG+F Presentation

[AVANGRID Sustainability Reports](#)

[AVANGRID ESG+F Presentation](#)

# 2Q '21 Financial Results

Doug Stuver  
AVANGRID CFO

# 2Q '21 Financial Results

Strong financial results driven by execution & planned investments

## Net Income

(\$M)	2Q '21	vs. 2Q '20	1H '21	vs. 1H '20
<b>Networks</b>	\$101	+\$29 (+40%)	\$326	+\$56 (+21%)
<b>Renewables</b>	\$25	-\$6 (-19%)	\$133	+\$51 (+62%)
<b>AVANGRID Consolidated<sup>(2)</sup></b>	\$98	+\$9 (+11%)	\$432	+\$103 (+32%)

## Adjusted Net Income<sup>(1)</sup>

(\$M)	2Q '21	vs. 2Q '20	1H '21	vs. 1H '20
<b>Networks</b>	\$108	+\$26 (+32%)	\$337	+\$57 (+20%)
<b>Renewables</b>	\$41	+\$11 (+36%)	\$164	+\$88 (+115%)
<b>AVANGRID Consolidated<sup>(2)</sup></b>	\$122	+\$25 (+25%)	\$476	+\$142 (+43%)

## Investments<sup>(3)</sup>

(\$M)	1H '21	vs. 1H '20
<b>Networks</b>	\$1,018	+\$255 (+33%)
<b>Renewables</b>	\$377	-\$86 (-19%)
<b>AVANGRID Consolidated</b>	\$1,395	+\$169 (+14%)

## Adjusted EBITDA with Tax Credits<sup>(1)</sup>

(\$M)	1H '21	vs. 1H '20
<b>Renewables</b>	\$453	+\$133 (+42%)

### Key drivers for 2Q '21 include:

- Implementation of the NY rate cases, growth in investments
- Renewables pricing, PTCs, thermal & asset management

(1) See Appendix for reconciliation of Adjusted Net Income to Net Income and Adjusted EBITDA with Tax Credits to Net Income.

(2) Difference between AVANGRID Consolidated and business segment results is Corporate costs, which are primarily comprised of taxes and interest.

(3) Accrual basis.

Amounts may not add due to rounding.

# Successful 1H '21 Share Issuance

Early equity issuance removed market risk & added strong long-term investor

## May 18, 2021 Equity Issuance

<b>Purchasers</b>	<b>Qatar Investment Authority</b> \$740M (~14M shares (18.5%))	<b>Shares Issued</b>	<b>~78M</b>
	<b>Iberdrola</b> \$3,260M (~63M shares (81.5%))	<b>Shares Outstanding</b>	<b>~387M</b>
<b>Proceeds/Price</b>	<b>\$4B / \$51.40</b>	<b>Weighted Average Shares For EPS Calculations</b>	<b>~310M</b> 1Q '21 <b>~347M</b> 2Q '21 <b>~328M</b> 1H '21 <b>~387M</b> 3Q, 4Q & 2H '21 <b>~358M</b> Full Year '21
<b>Uses</b>	<b>\$3.6B + \$400M</b> PNM Merger Funds AGR Growth <i>(Repaid Iberdrola \$3B intercompany loan directly, removing modest amount of interest cost)</i>		

Actual	EPS		Adjusted EPS <sup>(1)(2)</sup>	
	2Q '21	1H '21	2Q '21	1H '21
<b>AVANGRID Consolidated</b>	<b>\$0.28</b>	<b>\$1.31</b>	<b>\$0.35</b>	<b>\$1.45</b>
<i>Approximate Weighted Avg. Shares</i>	<i>~347M</i>	<i>~328M</i>	<i>~347M</i>	<i>~328M</i>

(1) For illustration, Adjusted EPS for 2Q '21 would have been \$0.40 using the 309.5M shares outstanding prior to the May 18, 2021 issuance.

(2) See Appendix for reconciliation of Adjusted EPS to EPS.

# Outlook for '21

Strong execution drives earnings growth; Full year EPS adjusted by early share issuance

## '21 Outlook

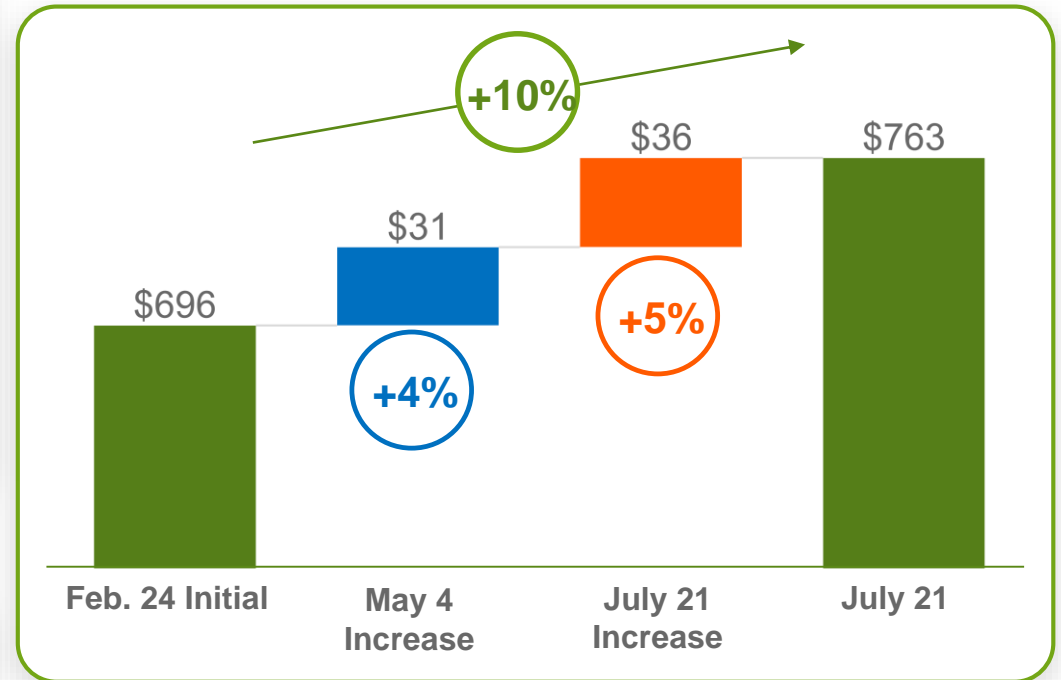
### Increasing '21 Net Income & Adjusted Net Income<sup>(1)</sup> Outlook

- **'21 Net Income**  
**Increased** from \$696M-\$758M to \$700M-\$765M  
*(includes MtM adjustments, COVID-19 impacts & merger costs)*
- **'21 Adjusted Net Income<sup>(1)</sup>**  
**Increased** from \$696M-\$758M to \$730M-\$795M
- **'21 EPS/ Adjusted EPS<sup>(1)</sup>** \$1.95 - \$2.14 / \$2.04- \$2.22  
*(reflects increase in weighted average shares to 358M<sup>(2)</sup>)*

### Key Drivers

- Strong 1H '21 performance
- Executing on investment plan
- Improved operating performance; trending to authorized ROEs
- Effective asset management in Renewables

## '21 Adjusted Net Income<sup>(1)</sup> Outlook Changes - Mid-points (\$M)



**Second increase in Outlook in '21**

(1) See Appendix for reconciliation of Adjusted Net Income to Net Income and Adjusted EPS to EPS.

(2) For illustration only, EPS and Adjusted EPS Outlook would have been \$2.26 - \$2.47 & \$2.36 - \$2.57, respectively, based on prior share count of 309.5M shares. Amounts may not add due to rounding.



# Financing Resources

Solid credit ratings & growth plan supported by multiple sources of liquidity & capital

## Strong Liquidity

**\$2B**

CP Program  
(Backed by \$2.5B  
**Sustainability-Linked** Credit  
Facility)

**\$0.5B**

Iberdrola Credit  
Facility

**\$1.7B**

Cash balance as of  
6/30/2021

## Solid Credit Ratings

*Avangrid Consolidated*

**BBB+**

S&P

**Baa2**

Moody's

**BBB+**

Fitch

## Financing



- Commitment to sustainable financing (Currently #11 U.S. issuer of Green, Social & Sustainability bonds)<sup>(1)</sup>
- Additional financing planned to fund PNM merger & additional corporate needs
- Expect Vineyard Wind financial close 2H '21

(1) Source: Bloomberg.

## Dividends

**\$0.44/sh**

AVANGRID Board declared quarterly dividend on 7/12/2021 of \$0.44/share payable 10/1/2021

# Q&A with Management

# Closing Remarks

Dennis Arriola  
AVANGRID CEO

# Why AVANGRID?

Uniquely positioned to be the leading sustainable energy company in the U.S.

## Industry ESG+F Leadership



*Clean generation portfolio with 90% renewables & Scope 1 Carbon Neutrality Goal by '35*

- ✓ **6-8%** CAGR '21-'25<sup>(1)</sup>, including merger with PNM Resources
- ✓ **\$20B** of regulated<sup>(2)</sup> & contracted investments through '25
- ✓ Attractive business mix > **85%** regulated Networks<sup>(2)</sup>
- ✓ Unique **offshore wind**, onshore **renewables** & **transmission** opportunities, aligned with state & federal clean energy policies
- ✓ Reliable **dividend** & commitment to solid **investment grade** credit ratings

**Focused on Customer Service, Execution & Delivering our Commitments**

(1) Long Term Outlook as of November 5, 2020.

(2) Includes PNM Resources.

# Appendix

# Reconciliation Adjusted Net Income 2Q '21 & 1H '21

	Three Months Ended June 30, 2021				Six Months Ended June 30, 2021			
	AVANGRID CONS	Networks	Renewables	Corporate*	AVANGRID CONS	Networks	Renewables	Corporate*
	<i>(in millions)</i>							
<b>Net Income Attributable to Avangrid, Inc.</b>	<b>\$ 98</b>	<b>\$ 101</b>	<b>\$ 25</b>	<b>\$ (29)</b>	<b>\$ 432</b>	<b>\$ 326</b>	<b>\$ 133</b>	<b>\$ (28)</b>
<b>Adjustments:</b>								
Mark-to-market earnings - Renewables	21	—	21	—	41	—	41	—
Restructuring charges (1)	0	0	—	0	0	0	—	0
Impact of COVID-19 (2)	9	9	—	0	15	15	—	0
Merger costs (3)	3	—	—	3	4	—	—	4
Income tax impact of adjustments (4)	(9)	(2)	(6)	(1)	(16)	(4)	(11)	(1)
<b>Adjusted Net Income</b>	<b>\$ 122</b>	<b>\$ 108</b>	<b>\$ 41</b>	<b>\$ (26)</b>	<b>\$ 476</b>	<b>\$ 337</b>	<b>\$ 164</b>	<b>\$ (25)</b>
Net (loss) income attributable to noncontrolling interests	(14)	—	(14)	—	(27)	1	(28)	—
Income tax expense (benefit)	19	26	(14)	7	40	70	(18)	(12)
Depreciation and amortization	250	149	100	1	497	305	191	1
Interest expense, net of capitalization	75	53	(1)	23	148	106	(1)	43
Other (income) expense	(34)	(26)	(7)	(1)	(35)	(32)	(1)	(2)
(Earnings) losses from equity method investments	(4)	(5)	1	0	(5)	(7)	2	—
<b>Adjusted EBITDA</b>	<b>\$ 414</b>	<b>\$ 305</b>	<b>\$ 105</b>	<b>\$ 4</b>	<b>\$ 1,094</b>	<b>\$ 780</b>	<b>\$ 309</b>	<b>\$ 5</b>
Retained PTCs/ITCs	53	—	53	—	103	—	103	—
PTCs allocated to tax equity investors	19	—	19	—	41	—	41	—
<b>Adjusted EBITDA with Tax Credits</b>	<b>\$ 486</b>	<b>\$ 305</b>	<b>\$ 177</b>	<b>\$ 4</b>	<b>\$ 1,238</b>	<b>\$ 780</b>	<b>\$ 453</b>	<b>\$ 5</b>

(1) Restructuring charges relate to costs resulted from restructuring actions involving targeted voluntary workforce reductions within the Networks segment and costs to implement an initiative to mitigate costs and achieve sustainable growth.

(2) Represents costs incurred as result of COVID 19 impact.

(3) Pre-merger costs incurred.

(4) Income tax impact of adjustments: (\$5.6) million and (\$10.9) million from mark-to-market (MtM) earnings, (\$2.4) million and (\$4.0) million from impact of COVID-19 and (\$0.9) million and (\$0.9) million from merger costs for the three and six months ended June 30, 2021, respectively.

\* Includes Corporate and other non-regulated entities as well as intersegment eliminations

Amounts may not add due to rounding

# Reconciliation Adjusted Net Income 1Q '20 & 1H '20

	Three Months Ended June 30, 2020				Six Months Ended June 30, 2020			
	AVANGRID CONS	Networks	Renewables	Corporate*	AVANGRID CONS	Networks	Renewables	Corporate*
	<i>(in millions)</i>							
<b>Net Income (Loss) Attributable to Avangrid, Inc.</b>	<b>\$ 88</b>	<b>\$ 73</b>	<b>\$ 31</b>	<b>\$ (15)</b>	<b>\$ 328</b>	<b>\$ 270</b>	<b>\$ 82</b>	<b>\$ (24)</b>
<b>Adjustments:</b>								
Mark-to-market earnings - Renewables	2	—	2	—	(16)	—	(16)	—
Restructuring charges (1)	1	1	0	0	4	2	1	0
Accelerated depreciation from repowering (2)	(4)	—	(4)	—	6	—	6	—
Impact of COVID-19 (3)	13	11	—	2	13	11	—	2
Income tax impact of adjustments (4)	(3)	(3)	0	(0)	(2)	(4)	2	(0)
<b>Adjusted Net Income</b>	<b>\$ 98</b>	<b>\$ 82</b>	<b>\$ 30</b>	<b>\$ (14)</b>	<b>\$ 334</b>	<b>\$ 280</b>	<b>\$ 76</b>	<b>\$ (22)</b>
Net (loss) income attributable to noncontrolling interests	(12)	—	(12)	—	(22)	1	(23)	—
Income tax expense (benefit)	(3)	15	(16)	(2)	8	59	(48)	(3)
Depreciation and amortization	246	147	98	1	487	295	191	1
Interest expense, net of capitalization	89	68	(1)	22	165	136	0	29
Other (income) expense	2	2	(1)	1	1	0	(5)	6
(Earnings) losses from equity method investments	2	3	(1)	—	4	(5)	9	—
<b>Adjusted EBITDA</b>	<b>\$ 422</b>	<b>\$ 317</b>	<b>\$ 96</b>	<b>\$ 8</b>	<b>\$ 977</b>	<b>\$ 765</b>	<b>\$ 200</b>	<b>\$ 11</b>
Retained PTCs/ITCs	45	—	45	—	89	—	89	—
PTCs allocated to tax equity investors	15	—	15	—	32	—	32	—
<b>Adjusted EBITDA with Tax Credits</b>	<b>\$ 482</b>	<b>\$ 317</b>	<b>\$ 156</b>	<b>\$ 8</b>	<b>\$ 1,097</b>	<b>\$ 765</b>	<b>\$ 320</b>	<b>\$ 11</b>

(1) Restructuring charges relate to costs resulted from restructuring actions involving targeted voluntary workforce reductions within the Networks segment and costs to implement an initiative to mitigate costs and achieve sustainable growth.

(2) The amount of accelerated depreciation derived from repowering of windfarms in Renewables.

(3) Represents costs incurred as result of COVID 19 impact.

(4) Income tax impact of adjustments: (\$0.6) million and \$4.1 million from mark-to-market (MtM) earnings, (\$0.5) million and (\$1.1) million from restructuring charges, \$0.9 million and (\$1.6) million from accelerated depreciation, (\$3.5) million and (\$3.5) million from impact of COVID-19 for the three and six months ended June 30, 2020, respectively.

\* Includes Corporate and other non-regulated entities as well as intersegment eliminations

Amounts may not add due to rounding

# Reconciliation Adjusted EPS

## Avangrid, Inc. Reconciliation of Non-U.S. GAAP Adjusted Earnings (Loss) Per Share (EPS) (Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	'21 vs '20	2021	2020	'21 vs '20
Networks	\$ 0.29	\$ 0.24	\$ 0.06	\$ 0.99	\$ 0.87	\$ 0.12
Renewables	0.07	0.10	(0.03)	0.41	0.27	0.14
Corporate*	(0.08)	(0.05)	(0.03)	(0.08)	(0.08)	(0.01)
<b>GAAP Earnings Per Share</b>	<b>\$ 0.28</b>	<b>\$ 0.28</b>	<b>\$ 0.03</b>	<b>\$ 1.31</b>	<b>\$ 1.06</b>	<b>\$ 0.33</b>
Adjustments:						
Restructuring charges	0.00	0.00	(0.00)	0.00	0.01	(0.01)
Mark-to-market earnings - Renewables	0.06	0.01	0.05	0.13	(0.05)	0.19
Accelerated depreciation from repowering	-	(0.01)	0.01	-	0.02	(0.02)
Impact of COVID-19	0.03	0.04	(0.02)	0.05	0.04	0.01
Merger costs	0.01	-	0.01	0.01	-	0.01
Income tax impact of adjustments**	(0.03)	(0.01)	(0.01)	(0.05)	(0.01)	(0.05)
<b>Adjusted Earnings Per Share</b>	<b>\$ 0.35</b>	<b>\$ 0.32</b>	<b>\$ 0.08</b>	<b>\$ 1.45</b>	<b>\$ 1.08</b>	<b>\$ 0.46</b>
Weighted-avg # of Shares (M):	347.1	309.5		328.4	309.5	

Amounts may not add due to rounding

\* Includes Corporate and other non-regulated entities as well as intersegment eliminations

\*\* 2021: EPS Income tax impact of adjustments: (\$0.03) from mark-to-market (MtM) earnings - Renewables and (\$0.02)M from impact of COVID-19 - Networks.

\*\* 2020: EPS Income tax impact of adjustments: \$0.01 from mark-to-market (MtM) earnings, (\$0.01) from accelerated depreciation - Renewables, and (\$0.01) from impact of COVID-19.

## Non-U.S. GAAP Adjusted Earnings (Loss) Per Share

	Three Months Ended June 30,			Six Months Ended June 30,		
	Adjusted 2021	Adjusted 2020	Adjusted '21 vs '20	Adjusted 2021	Adjusted 2020	Adjusted '21 vs '20
Networks	\$ 0.31	\$ 0.26	\$ 0.05	\$ 1.03	\$ 0.90	\$ 0.12
Renewables	0.12	0.10	0.02	0.50	0.25	0.25
Corporate*	(0.08)	(0.05)	(0.03)	(0.08)	(0.07)	(0.00)
<b>Adjusted Earnings Per Share</b>	<b>\$ 0.35</b>	<b>\$ 0.32</b>	<b>\$ 0.08</b>	<b>\$ 1.45</b>	<b>\$ 1.08</b>	<b>\$ 0.46</b>
Weighted-avg # of Shares (M):	347.1	309.5		328.4	309.5	

Amounts may not add due to rounding

\* Includes Corporate and other non-regulated entities as well as intersegment eliminations

## Reconciliation of Non-U.S. GAAP Financial Measures

### Avangrid, Inc. Reconciliation of Non-U.S. GAAP Adjusted EPS Example - \$M (Unaudited)

	Three Months ended June 30, 2021
<b>Net Income Attributable to Avangrid, Inc.</b>	<b>\$ 98</b>
Weighted average shares outstanding (M)	347.1
<b>GAAP Earnings Per Share</b>	<b>\$ 0.28</b>
<b>Adjusted Net Income</b>	<b>\$ 122</b>
Weighted average shares outstanding (M)	347.1
<b>Adjusted Earnings Per Share</b>	<b>\$ 0.35</b>
<b>Adjusted Net Income</b>	<b>\$ 122</b>
Example: shares outstanding prior to May 2021 equity issuance	309.5
<b>Example Adjusted Earnings Per Share*</b>	<b>\$ 0.40</b>

\* Illustrative example; not intended to replace GAAP Earnings Per Share or Adjusted Earnings Per Share



# Reconciliation Adjusted Net Income & Adjusted EPS Outlook for '21

## Avangrid, Inc.

### Reconciliation of Non-U.S. GAAP Adjusted 2021 Outlook - Estimated EPS

As of 7/21/21<sup>(1)</sup>

*\$M, except per share data*

<b>Net Income</b>	<b>\$700 - \$765</b>
Adjustments:	
Mark-to-market adjustments	\$7 - \$11
COVID-19	\$13 - \$17
Merger costs	\$6 - \$10
<b>Adjusted Net Income</b>	<b>\$730 - \$795</b>
<b>U.S. GAAP EPS</b>	<b>\$1.95 - \$2.14</b>
Adjustments:	
Mark-to-market adjustments	\$0.02 - \$0.03
COVID-19	\$0.04 - \$0.05
Merger costs	\$0.02 - \$0.03
<b>Adjusted EPS</b>	<b>\$2.04 - \$2.22</b>

*Assumes approx. 358 million shares outstanding.*

*Amounts may not add due to rounding.*

### Reconciliation of Non-U.S. GAAP Adjusted 2021 Outlook - EPS Example

As of 7/21/21

<b>Net Income Outlook</b>	<b>\$700 - \$765</b>
Example: shares outstanding prior to May 2021 equity issuance	309.5
<b>Example: Earnings Per Share*</b>	<b>\$2.26 - \$2.47</b>
<b>Adjusted Net Income Outlook</b>	<b>\$730 - \$795</b>
Example: shares outstanding prior to May 2021 equity issuance	309.5
<b>Example: Adjusted Earnings Per Share*</b>	<b>\$2.36 - \$2.57</b>

*Amounts may not add due to rounding.*

# COVID-19 Key Impacts

1H '21 pre-tax impacts include items adjusted from net income<sup>(1)</sup> & delay in collections

AGR Business Impacts (\$M)	1H '21			Est. 2021
	Pre-tax Net Income	Cash	Comments	Comments
<b>NETWORKS</b>				
Overdue Receivables	-	(\$17)	<ul style="list-style-type: none"> <li>Regulatory recovery consistent with '20 assumptions, along with recovery of late payment fees and bad debt relating to Rate Year 1 in NY expected</li> </ul>	<ul style="list-style-type: none"> <li>+/- ~\$3M per month cash impact</li> <li>NY Moratorium through ~December '21</li> <li>Winter rules through April '21</li> </ul>
Late Payment Fees	(\$6) <sup>(1)</sup>	(\$6)		<ul style="list-style-type: none"> <li>~\$1M per month impact</li> </ul>
Uncollectible Expenses	(\$4) <sup>(1)</sup>	-		<\$1M per month impact
Regulatory Impacts	-	-	<ul style="list-style-type: none"> <li>NY Bill Credits Reflected in '20</li> </ul>	<ul style="list-style-type: none"> <li>Subject to separate regulatory processes in '21</li> </ul>
<b>RENEWABLES</b>				
Power Prices	-	-	Uncontracted capacity; Based on '20 results	Variable
Production Impacts	(\$5)	(\$5)	Health & Safety & curtailments	<\$1M per month impact
<b>OTHER</b>				
Other – Increased Finance costs & CARES	-	-		No specific impacts anticipated
Other – Increased costs for PPE/cleaning	(\$5) <sup>(1)</sup>	(\$5)	Significant portion related to Networks – filed for deferral treatment.	Ongoing costs for PPE in '21 (<\$1M per month impact)
<b>Total</b>	<b>(\$20)<sup>(1)</sup></b>	<b>(\$33)</b>		

(1) See Adjusted Net Income Reconciliation for items reconciled from Net Income to Adjusted Net Income.