

ESB Annual General Meeting
Wednesday 1 May 2024

***Statement by ESB ESOP Trustee Limited on behalf of the 7,800 participants in the ESB
Employee Share Ownership Plan (ESOP)***

Chairman, thank you for inviting me to address the meeting on behalf of the ESOP, representing 7,800 participants who comprise both current and former ESB staff.

To begin, I would like to congratulate Aisling Curtis and Annette Flynn on their appointment to the Board in April 2023 and to recognise the contribution of Noreen O’Kelly over her ten years on the Board.

Before moving on, I would also like to wish former Worker Director and ESOP Trustee Board Member Tony Merriman well on his recent retirement from ESB.

While the volatility experienced in global energy markets in 2022 eased in 2023, it proved to be yet another year of extraordinary uncertainty. As has come to be expected, the ESB, its Board, management and staff responded to and adapted to the many and varied challenges faced.

Energy prices, whilst falling, continue to pose problems for the general public and efforts in communicating ESB’s inability to use profits from one business unit to reduce prices in another are welcome.

Investment in people, demonstrated by the growth in numbers employed and in particular the successful revitalisation of apprenticeship and training programmes, is especially welcome.

Turning to the financial performance of the ESB Group in 2023, an operating profit before exceptional items of €1.12bn was delivered, with record capital expenditure of €1.7bn in energy infrastructure - both are extraordinary numbers. The ESOP congratulates the Board, management and staff on this strong performance.

The ESOP supports consistency of dividend policy and sees this year’s reduced percentage as a move to return the rolling average over several years to the stated projected level. Whilst our participants benefitted from the enhanced dividend paid in 2023, the ESOP, as a long-term investor in ESB, recognises that ESB must maintain a strong, stable financial position and demonstrate consistency if it is to be enabled to deliver continued investment in energy infrastructure and achieve the stated net zero carbon emissions target by 2040.

The Group has continued to borrow very significant sums in order to deliver its large capital projects plan. Doing so prudently requires stability of credit ratings and these in turn require regulatory regime consistency across the whole panoply of the energy markets but especially in the regulated asset space.

Stability in the regulatory environment and joined up thinking in the overall energy policy area are therefore required if ESB is to deliver its ambitious targets – a characteristic that has at times seemed to be in short supply. In reiterating our comments from last year, long term strategic planning, not only by the ESB Group but also by regulators and policy makers, and a clear view of the route and interim steps to the delivery of longer-term objectives is essential in an industry where short-term thinking is invariably punished.

We thank you, the Board, Chief Executive, the management and staff for the continued commitment to maintaining ESB's strength in these continually challenging times.

Turning briefly to the ESOP's own business, the eleventh internal market in ESB stock was successfully held in September 2023 – and we are currently preparing for this year's market.

On behalf of the ESOP, I would like again to recognise and thank those involved from the Company and the Group of Unions for their support and engagement with us.

Finally, I would remind the meeting that as the ESOP Trustee votes certain of the stock at its own discretion and also represents at the meeting those participants who have the right to decide how to vote their ESB stock, I will be voting in accordance with those directions as well as at the direction of the ESOP Trustee Board. This, as has happened before, will result in a mix of abstentions and votes both for and against the motions and resolutions put to the meeting.

Thank you.

David Beattie
ESOP Chairman
1 May 2024