



First Quarter 2023

Earnings Teleconference
May 5, 2023



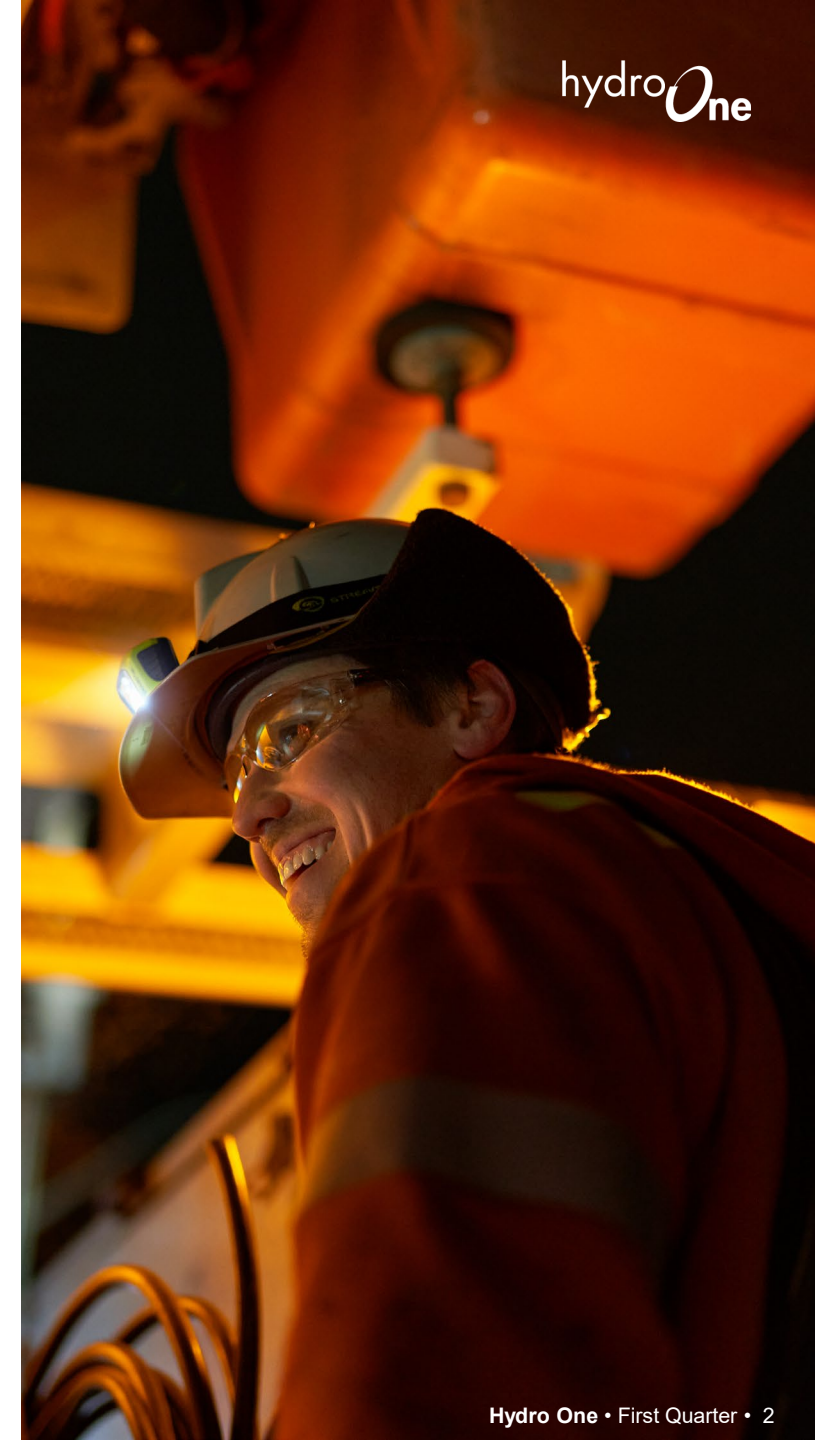
1Q23 Financial summary

(millions of dollars, except earnings per share (EPS))	First Quarter			Year End		
	2023	2022	% Change	2022	2021	% Change
Revenues						
Transmission	555	519	6.9%	2,077	1,824	13.9%
Distribution	1,509	1,517	(0.5%)	5,660	5,359	5.6%
Distribution Revenues (Net of Purchased Power) ²	499	503	(0.8%)	1,936	1,780	8.8%
Other	10	11	(9.1%)	43	42	2.4%
Consolidated	2,074	2,047	1.3%	7,780	7,225	7.7%
Consolidated (Net of Purchased Power)	1,064	1,033	3.0%	4,056	3,646	11.2%
OM&A Costs	328	288	13.9%	1,258	1,112	13.1%
Earnings before financing charges and income taxes (EBIT)						
Transmission	304	295	3.1%	1,123	942	19.2%
Distribution	192	222	(13.5%)	749	694	7.9%
Other	(12)	(9)	(33.3%)	(40)	(24)	(66.7%)
Consolidated	484	508	(4.7%)	1,832	1,612	13.6%
Net income ¹	282	310	(9.0%)	1,050	965	8.8%
Basic EPS	\$0.47	\$0.52	(9.6%)	\$1.75	\$1.61	8.7%
Capital investments	499	449	11.1%	2,132	2,125	0.3%
Assets placed in-service						
Transmission	115	120	(4.2%)	1,405	1,008	39.4%
Distribution	122	105	16.2%	853	738	15.6%
Other	0	4	(100.0%)	9	11	(18.2%)
Total assets placed in-service	237	229	3.5%	2,267	1,757	29.0%

Financial Statements reported under United States (US) generally accepted accounting principles (GAAP).

1. Net Income is attributable to common shareholders and is after non-controlling interest.

2. Revenues, Net of Purchased Power is a non-GAAP financial measure. Non-GAAP financial measures do not have a standardized meaning under US GAAP, which is used to prepare the financial statements of Hydro One Limited (HOL, Hydro One or the Company) and accordingly, these measures might not be comparable to similar financial measures presented by other entities. Additional disclosure for this non-GAAP financial measure is incorporated by reference herein and can be found under the section titled "Non-GAAP Financial Measures" in the annual management's discussion and analysis of HOL for the year ended December 31, 2022 (Annual MD&A) and in the most recent interim management's discussion and analysis of HOL (Interim MD&A) available on SEDAR under the Company's profile at www.sedar.com.



1Q23 Financial summary

The Company strengthens its leadership team to enable economic growth and a clean energy future

Selected Quarterly Financial Highlights:

The year-over-year increase of \$36 million or 6.9% in transmission revenues was primarily due to the following:

- Higher revenues resulting from OEB-approved 2023 rates; and higher revenues related to the OEB-approved recovery of historical cost deferrals recognized as regulatory assets in prior periods, which are offset in OM&A and income tax expense and are therefore net income neutral; partially offset by lower average monthly peak demand.

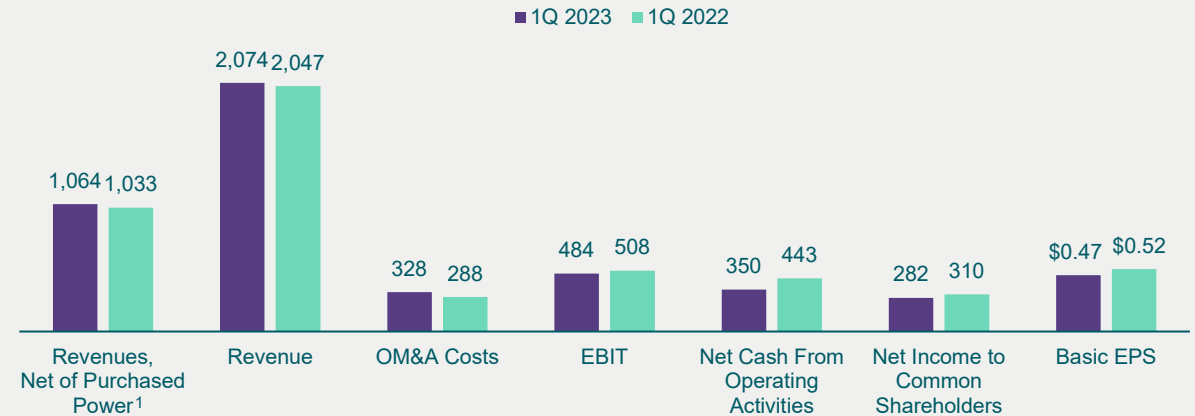
The year-over-year decrease of \$8 million or 0.5% in distribution revenues, was primarily due to the following:

- Lower energy consumption; and lower purchased power costs, which are fully recovered from ratepayers and thus net income neutral; partially offset by higher revenues related to the OEB-approved recovery of historical cost deferrals recognized as regulatory assets in prior periods, which are offset in OM&A and income tax expense and are therefore net income neutral.

The year-over-year increase of \$24 million or 24.2% in transmission OM&A costs was primarily due to:

- Higher corporate support costs mainly attributable to lower capitalized overheads associated with the timing and volume of capital activity; higher volume of station maintenance work; and higher OM&A associated with the recovery of historical cost deferrals approved for disposition in the Company's recent Joint Rate Application (JRAP), which are offset in revenue and net income neutral.

Financial Highlights (\$M) – 1Q23 Year over Year Comparison



1Q23 Financial summary

Selected Quarterly Financial Highlights:

The year-over-year increase of \$14 million or 8.2% in distribution OM&A costs was primarily due to:

- Higher corporate support costs mainly attributable to lower capitalized overheads associated with the timing and volume of capital activity; higher volume of work on emergency restoration; higher OM&A associated with the recovery of historical cost deferrals approved for disposition in JRAP.

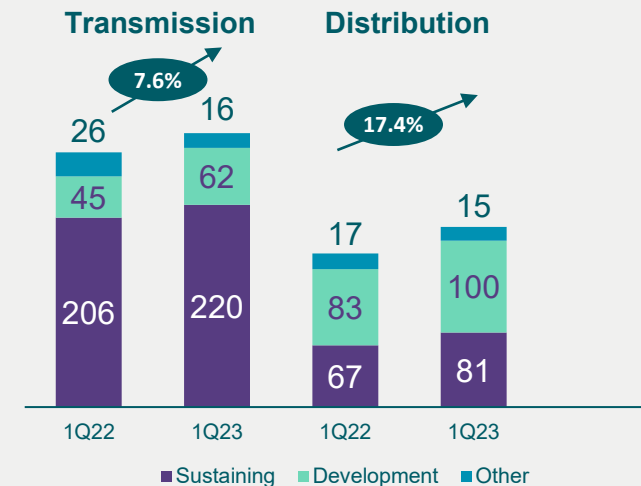
Income tax expense for the first quarter of 2023 decreased by \$15 million compared to the same period in 2022. This resulted in a realized effective tax rate of approximately 18.4% in the first quarter of 2023, compared to approximately 20.2% in the first quarter of the prior year. The decrease was primarily due to:

- Lower earnings compared to the prior year; and higher deductible timing differences compared to the prior year; partially offset by higher tax expense related to the recovery of regulatory accounts approved for disposal as part of the JRAP decision, which is offset in revenue and therefore net income neutral.

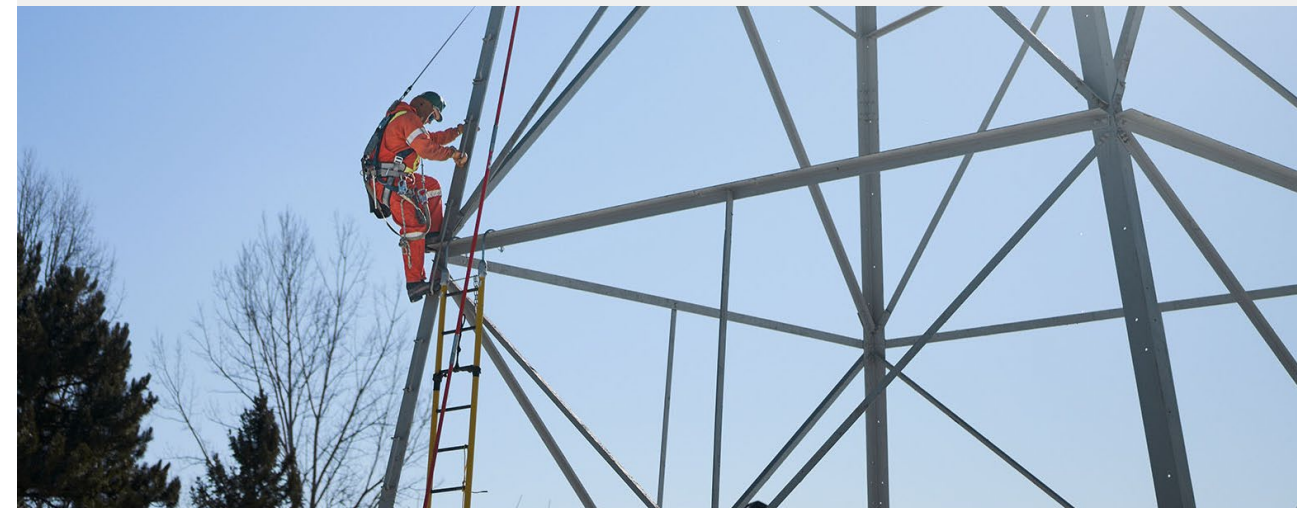
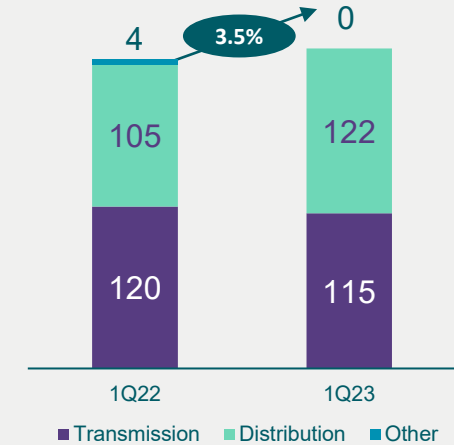
Hydro One made capital investments to maintain the safety, reliability and integrity of its transmission and distribution system assets and to provide for the ongoing growth and modernization required to meet the expanding and evolving needs of its customers and the electricity market.

- Transmission capital investments increased by \$21 million or 7.6% in the quarter ended March 31, 2023 compared to the quarter ended March 31, 2022.
- Distribution capital investments increased by \$29 million or 17.4% in the quarter ended March 31, 2023 compared to the quarter ended March 31, 2022.

Regulated Capital Investments (\$M)



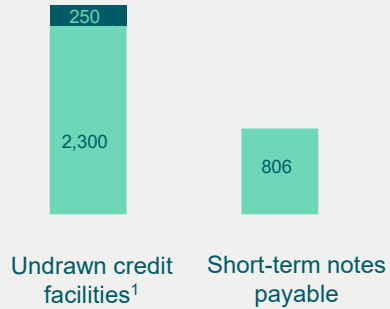
Assets Placed in Service (\$M)



Strong balance sheet and liquidity (as at March 31, 2023)

Investment grade balance sheet with one of lowest debt costs in utility sector

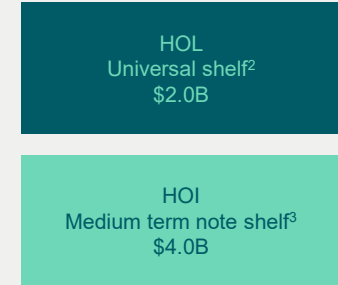
Significant available liquidity (\$M)



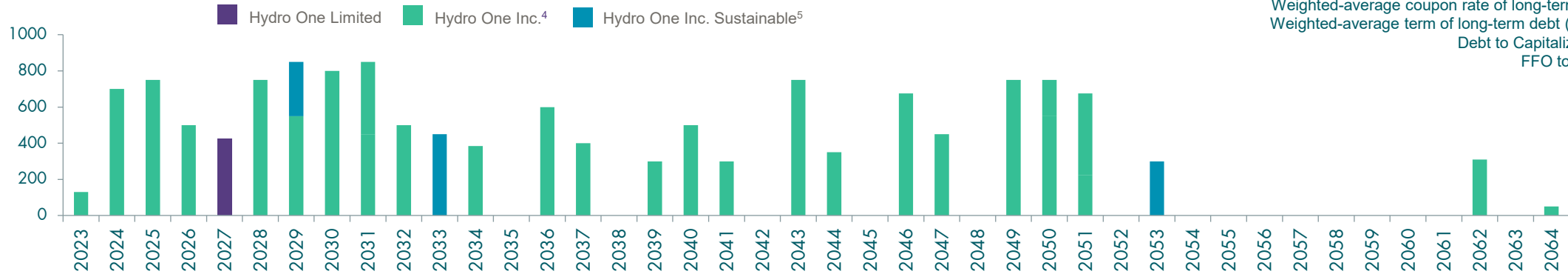
Strong investment grade debt ratings (long-term/short-term/outlook)

	Hydro One Ltd. (HOL)	Hydro One Inc. (HOI)
S&P	BBB+ / n/a / stable	A- / A-1 (low) / stable
DBRS	A / n/a / stable	A (high) / R-1 (low) / stable
Moody's	n/a	A3 / Prime-2 / stable

Shelf registrations



Debt maturity schedule (\$M)



Weighted-average coupon rate of long-term debt: 4.0%
 Weighted-average term of long-term debt (years): 14.4
 Debt to Capitalization⁶: 56.7%
 FFO to Debt⁷: 13.7%

1. In January 2022, Hydro One successfully amended its Operating Credit Facilities to add Sustainability Linked Pricing to incorporate environmental, social and governance (ESG) targets.
 2. In August 2022, HOL filed a universal short form base shelf prospectus (Universal Base Shelf Prospectus) with securities regulatory authorities in Canada, which allows it to offer, from time to time in one or more public offerings, up to \$2.0 billion of debt, equity or other securities, or any combination thereof, and expires in September 2024. At March 31, 2023, \$2.0 billion remained available for issuance under the Universal Base Shelf Prospectus.
 3. In June 2022, HOI filed a short form base shelf prospectus in connection with its Medium Term Note (MTN) Program, which has a maximum authorized principal amount of notes issuable of \$4.0 billion and expires in July 2024. At March 31, 2023, \$2,200 million remained available for issuance under the MTN Program prospectus.
 4. Includes long-term debt of Hydro One Sault Ste. Marie LP, a subsidiary of Hydro One Inc., in the principal amount of \$131 million due in 2023.
 5. Sustainable bonds (medium term notes) pursuant to Hydro One's Sustainable Financing Framework.
 6. Debt to capitalization is a non-GAAP ratio. Non-GAAP ratios do not have a standardized meaning under US GAAP used to prepare the Company's financial statements and might not be comparable to similar financial measures presented by other entities. Debt to capitalization ratio has been calculated as total debt (including total long-term debt and short-term borrowings, net of cash and cash equivalents) divided by total debt plus total shareholders' equity, but excluding any amounts related to noncontrolling interest. Management believes that the debt to capitalization ratio is helpful as a measure of the proportion of debt in the Company's capital structure. See the section titled "Non-GAAP Financial Measures" in the Annual MD&A and in the Interim MD&A which is incorporated by reference, for a discussion of this non-GAAP ratio and its component elements.
 7. FFO to Debt is a non-GAAP ratio. Non-GAAP ratios do not have a standardized meaning under US GAAP used to prepare the Company's financial statements and might not be comparable to similar financial measures presented by other entities. FFO to Debt has been calculated as: FFO for the last twelve months ending March 31, 2023 divided by total debt (including total long-term debt, and short-term borrowings, net of cash and cash equivalents). Management believes that FFO is helpful as a supplemental measure of the Company's operating cash flows as it excludes timing-related fluctuations in non-cash operating working capital and cash flows not attributable to common shareholders. As such, management believes that FFO provides a consistent measure of the cash generating performance of the Company's assets. See the section titled "Non-GAAP Financial Measures" in the Annual MD&A and in the Interim MD&A for a discussion of these component elements.

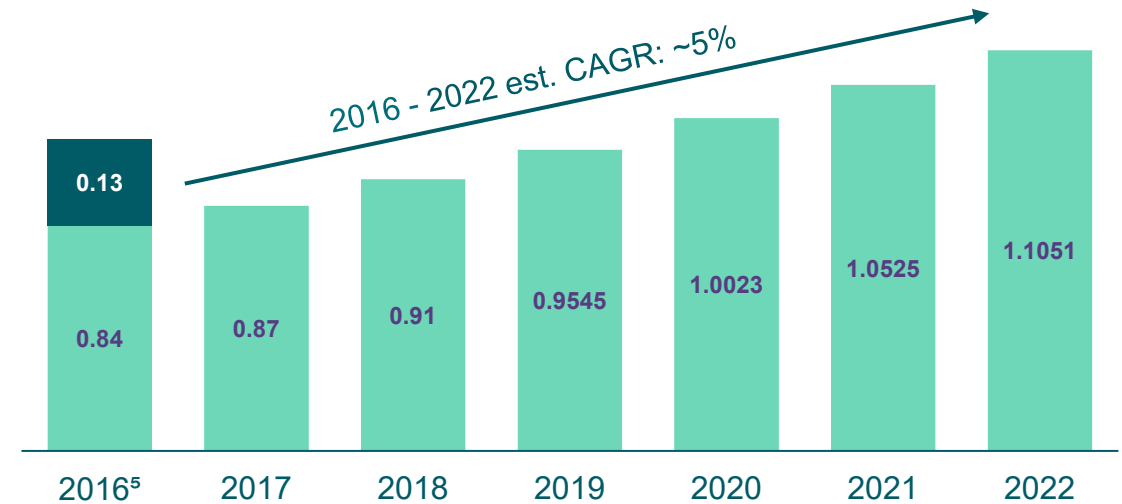
Common share dividends

Key Points

- Quarterly dividend declared at \$0.2964 per common share (\$1.1856 annualized)
- Targeted dividend payout ratio remains at 70% - 80% of net income
- Attractive and growing dividend supported by stable, regulated cash flows and planned rate base growth
- No equity issuance anticipated to fund planned capital investment program
- Non-dilutive dividend reinvestment plan (DRIP) was implemented post initial public offering (IPO) (shares purchased on open market, not issued from treasury)

Dividend Statistics	
Yield ¹	3.1%
Annualized Dividend ^{2,3}	\$1.1856 / share

A Growing and Sustainable Dividend⁴



Expected Quarterly Dividend Dates³

Declaration date	Record date	Payment date
May 4, 2023	June 7, 2023	June 30, 2023
August 8, 2023	September 13, 2023	September 29, 2023
November 7, 2023	December 13, 2023	December 29, 2023

1. Based on closing share price of the common shares of Hydro One Limited on March 31, 2023. Yield is based on annualized dividend.
 2. Unless indicated otherwise, all common share dividends are designated as "eligible" dividends for the purpose of the *Income Tax Act* (Canada).
 3. All dividend declarations and related dates are subject to Board approval.
 4. Denotes annual cash dividends paid.
 5. The first common share dividend declared by Hydro One Limited following the November 5, 2015 initial public offering of its common stock included 13 cents for the post IPO fourth quarter period of November 5 through December 31, 2015.

Disclaimers

Forward Looking Information

This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws that is based on current expectations, estimates, forecasts and projections about Hydro One’s business and the industry in which Hydro One operates and includes beliefs of and assumptions made by management of Hydro One. Such information includes, but is not limited to: statements regarding Hydro One’s projected rate base and cash flows; statements and expectations regarding Hydro One’s maturing debt and standby credit facilities; expectations regarding future equity issuances; statements related to dividends, including expected dividend growth and Hydro One Limited’s targeted dividend payout ratio of 70-80%.

Words such as “aim”, “could”, “would”, “expect”, “anticipate”, “intend”, “attempt”, “may”, “plan”, “will”, “believe”, “seek”, “estimate”, “goal”, “target” and variations of such words and similar expression are intended to identify such forward-looking information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. In particular, the forward-looking information contained in this presentation is based on a variety of factors and assumptions including, but not limited to: the scope of the COVID-19 pandemic and duration thereof as well as the effect and severity of corporate and other mitigation measures on Hydro One’s operations, supply chain or employees; no unforeseen changes in the legislative and operating framework for Ontario’s electricity market or for Hydro One specifically; favourable decisions from the OEB and other regulatory bodies concerning outstanding and future rate and other applications; no unexpected delays in obtaining required approvals; no unforeseen changes in rate orders or rate setting methodologies for Hydro One’s distribution and transmission businesses; the continued use and availability of US GAAP; no unfavourable changes in environmental regulation; a stable regulatory environment; no significant changes to Hydro One’s current credit ratings; no unforeseen impacts of new accounting pronouncements; no changes to expectations regarding electricity consumption; no unforeseen changes to economic and market conditions; recoverability of costs and expenses related to the COVID-19 pandemic, including the costs of customer defaults resulting from the pandemic; completion of operating and capital projects that have been deferred; and no significant event occurring outside the ordinary course of business. These assumptions are based on information currently available to Hydro One including information obtained by Hydro One from third-party sources. Actual results may differ materially from those predicted by such forward-looking information. While Hydro One does not know what impact any of these differences may have, Hydro One’s business, results of operations, financial condition and credit stability may be materially adversely affected if any such differences occur. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information are discussed in more detail in the sections entitled “Forward-Looking Information” and “Risk Factors” in Hydro One Limited’s most recent annual information form and the sections entitled “Risk Management and Risk Factors” and “Forward-Looking Statements and Information” in the Annual MD&A and Interim MD&A. Hydro One does not intend, and it disclaims any obligation to update any forward-looking information, except as required by law.

All dollar amounts in this presentation are in Canadian dollars, unless otherwise indicated. Unless otherwise expressly stated herein, all information in this presentation is presented as at May 5, 2023.

