

The logo for Hydro One, featuring the word "hydro" in a lowercase sans-serif font and "One" in a larger, stylized font with a white outline, set against a blue background.

hydroOne

Third Quarter 2021

Earnings Teleconference
November 9, 2021

A close-up, low-angle shot of an electrician wearing a green hard hat and a red safety jacket with reflective yellow-green stripes. The electrician is looking towards a large metal transmission tower against a clear blue sky. The sun is visible behind the electrician, creating a bright lens flare effect.

One of North America's largest electric utilities TSX:H

3Q21 Financial summary

Third Quarter

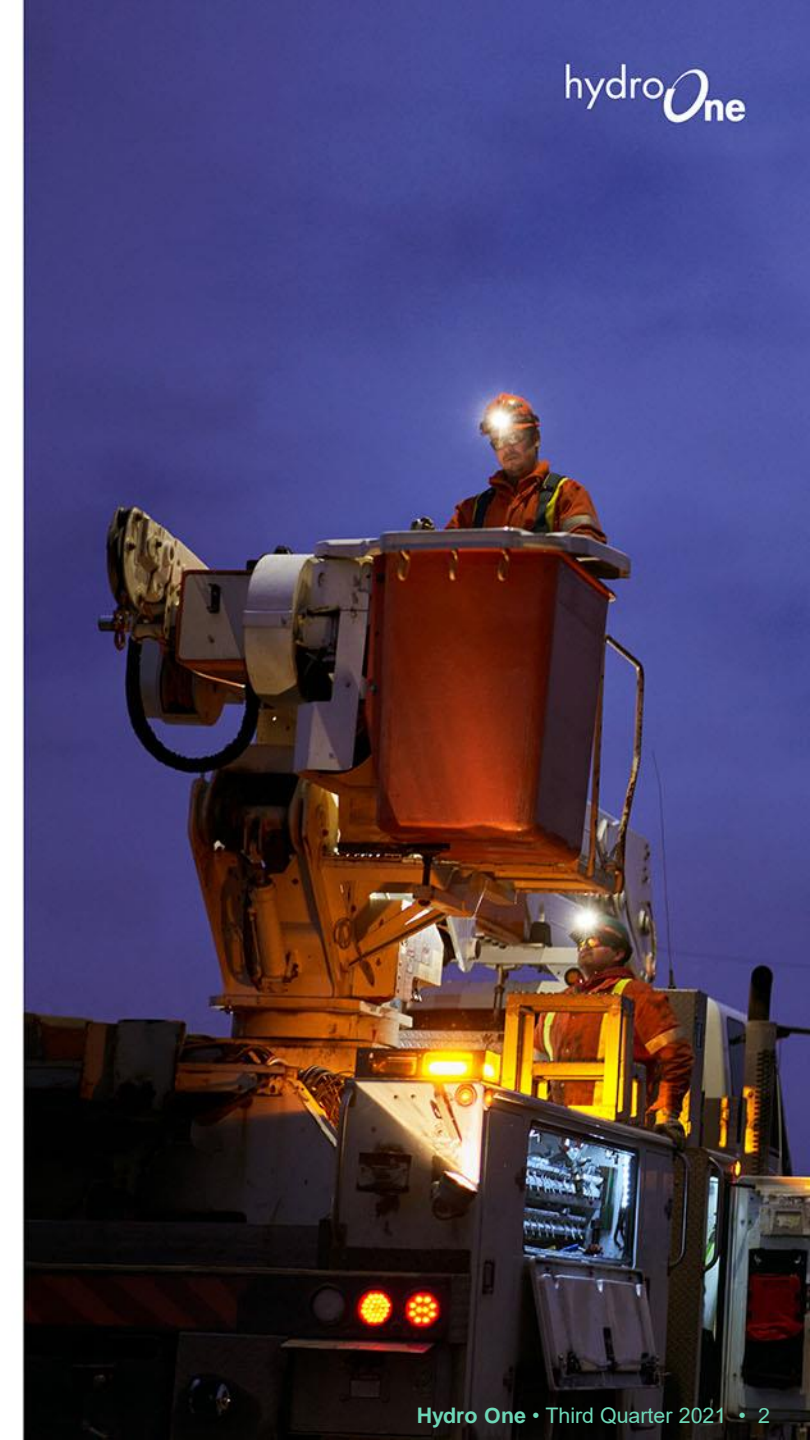
Year-to-Date

(millions of dollars, except EPS)	2021	2020	% Change	2021	2020	% Change
Revenue						
Transmission	507	483	5.0%	1,403	1,342	4.5%
Distribution	1,395	1,410	(1.1)%	4,012	4,050	(0.9)%
Distribution (Net of Purchased Power)	462	417	10.8%	1,347	1,242	8.5%
Other	11	10	10.0%	31	31	-
Consolidated	1,913	1,903	0.5%	5,446	5,423	0.4%
Consolidated (Net of Purchased Power)	980	910	7.7%	2,781	2,615	6.3%
OM&A Costs	262	262	-	833	797	4.5%
Earnings before financing charges and income taxes (EBIT)						
Transmission	296	268	10.4%	754	690	9.3%
Distribution	200	167	19.8%	536	503	6.6%
Other	(5)	(7)	28.6%	(17)	(20)	15.0%
Consolidated	491	428	14.7%	1,273	1,173	8.5%
Net income ¹	300	281	6.8%	806	1609	(49.9)%
Adjusted net income ^{1,2}	300	281	6.8%	806	742	8.6%
Basic EPS	\$0.50	\$0.47	6.4%	\$1.35	\$2.69	(49.8)%
Basic adjusted EPS ^{1,2}	\$0.50	\$0.47	6.4%	\$1.35	\$1.24	8.9%
Capital investments	513	500	2.6%	1,593	1,301	22.4%
Assets placed in-service						
Transmission	287	196	46.4%	482	383	25.8%
Distribution	225	174	29.3%	481	376	27.9%
Other	2	1	100.0%	8	2	300%
Total assets placed in-service	514	371	38.5%	971	761	27.6%

Financial Statements reported under U.S. GAAP

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

2. Adjusted Net Income excludes items related to the impacts related to the Ontario Divisional Court decision

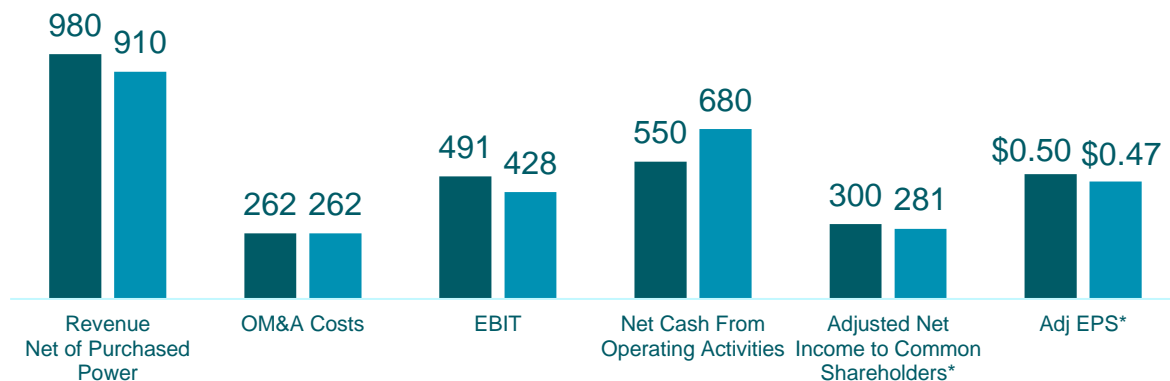


3Q21 Financial summary

The customer focused 2023-2027 investment plan supports economic growth and builds a smarter, more sustainable and resilient grid for the future

Financial Highlights (\$M) –3Q21 Year over Year Comparison

■ Q3 2021 ■ Q3 2020



Selected Financial Highlights:

Transmission revenues increased by 5.0% during the quarter ended September 30, 2021, primarily due to:

- higher revenues resulting from the DTA Recovery Amounts following the DTA Implementation Decision; and
- higher revenues resulting from OEB-approved 2021 rates; partially offset by
- lower average monthly Ontario 60-minute peak demand.

Distribution revenues, net of purchased power, increased by 10.8% during the quarter ended September 30, 2021, primarily due to:

- higher revenues resulting from OEB-approved 2021 rates;
- higher revenues resulting from the DTA Recovery Amounts pursuant to DTA Implementation Decision; and
- higher revenues driven by the resumption of late payment charges in 2021.

The 6.9% decrease in transmission OM&A costs for the quarter ended September 30, 2021, was primarily due to:

- lower other post-employment benefit (OPEB) costs; and
- timing of work on vegetation management.

The 5.5% increase in distribution OM&A costs for the quarter ended September 30, 2021, was primarily due to higher spend on emergency power restoration efforts.

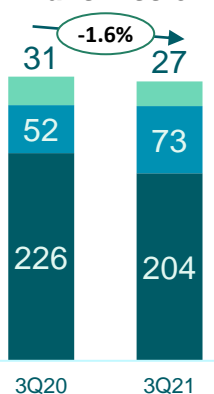
Income tax expense was \$71 million and \$123 million for the three and nine months ended September 30, 2021, respectively, compared to income tax expense of \$22 million and income tax recovery of \$812 million in the comparable periods last year. The \$935 million increase in income tax expense for the nine months ended September 30, 2021 was primarily attributable to the \$867 million income tax recovery recognized in the second quarter of 2020 following the ODC Decision. When adjusted for this non-recurring recovery, the adjusted income tax expense for the nine months ended September 30, 2020 was \$55 million.

Hydro One makes 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.

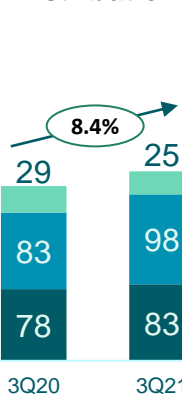
- Transmission capital investments decreased by \$5 million or 1.6% in the third quarter of 2021 compared to the third quarter of 2020.
- Distribution capital investments increased by \$16 million or 8.4% in the third quarter of 2021 compared to the third quarter of 2020.

Regulated Capital Investments (\$M)

Transmission

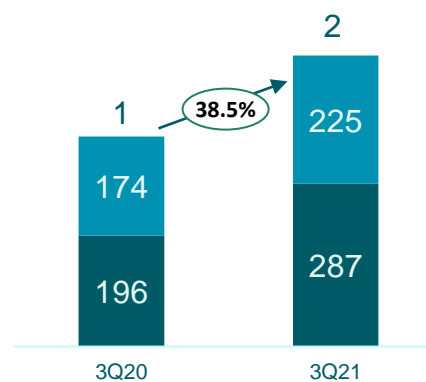


Distribution



■ Sustaining ■ Development ■ Other

Assets Placed in Service (\$M)



■ Transmission ■ Distribution ■ Other

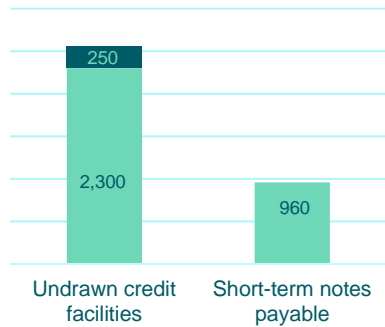
* Adjusted Net Income excludes items related to the ODC's July 2020 Decision and the Ontario Energy Board's ("OEB") Deferred Tax Asset Decision on Hydro One Networks' distribution and transmission businesses

Strong balance sheet and liquidity

(as at September 30, 2021)

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

Significant available liquidity (\$M)



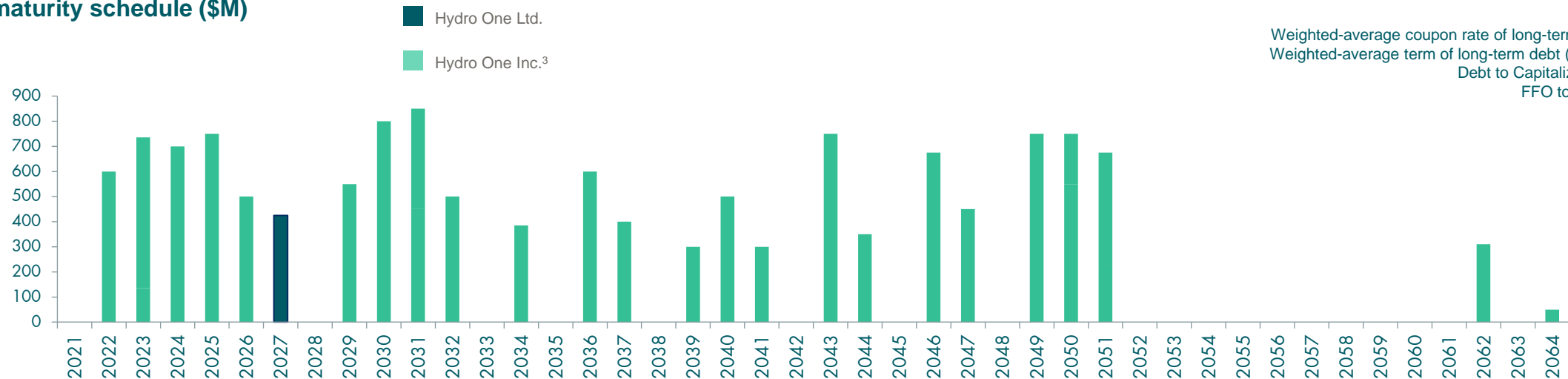
Strong investment grade debt ratings (long-term/short-term/outlook)

	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

HOL Universal shelf ¹ \$2.0B
HOI Medium term note shelf ² \$4.0B

Debt maturity schedule (\$M)



Weighted-average coupon rate of long-term debt: 3.8%
 Weighted-average term of long-term debt (years): 15.0
 Debt to Capitalization⁴: 56.5%
 FFO to Debt⁵: 14.0%

- In August 2020, HOL filed the 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 2022. At September 30, 2021, \$1.575 billion remained available for issuance under the Universal Base Shelf Prospectus.
- In April 2020, HOI filed a Medium Term Note (MTN) Program prospectus, which has a maximum authorized principal amount of notes issuable of \$4.0 billion, expiring in May 2022. At September 30, 2021, \$1.9 billion remained available for issuance under the MTN Program prospectus.
- Includes long-term debt of Hydro One Sault Ste. Marie LP, a subsidiary of Hydro One Inc., in the principal amount of \$136 million due in 2023.
- Debt to capitalization ratio is a non-GAAP measure and 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.
- FFO for the last twelve months ending September 30, 2021 divided by total debt (including total long-term debt, and short-term borrowings, net of cash and cash equivalents)

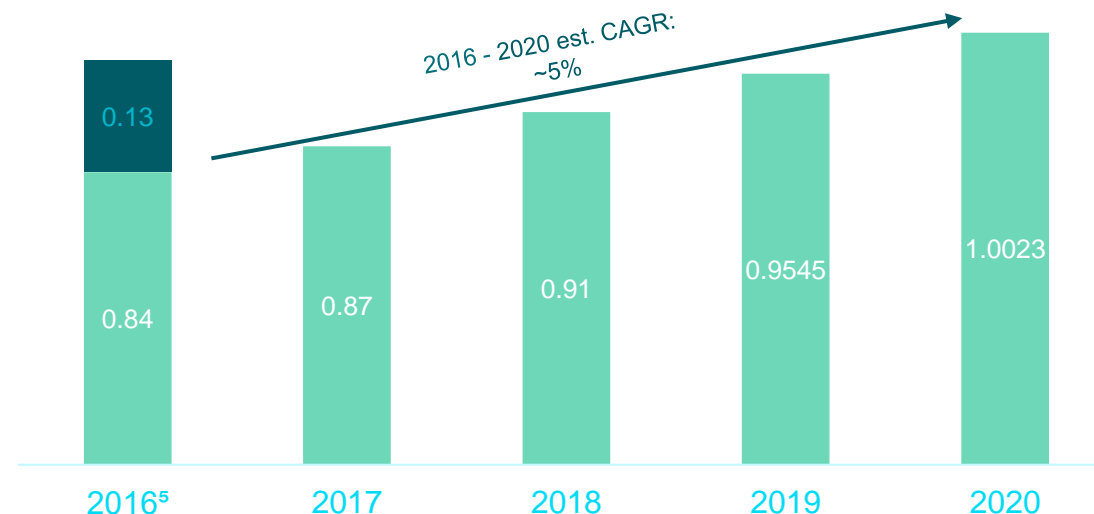
Common share dividends

Key Points

- Quarterly dividend declared at \$0.2663 per common share (\$1.0652 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 IPO (shares purchased on open market, not issued from treasury)

Dividend Statistics	
Yield ¹	3.6%
Annualized Dividend ^{2 3}	\$1.0652 / share

A Growing and Sustainable Dividend⁴



Expected Quarterly Dividend Dates³

Declaration date	Record date	Payment date
November 8, 2021	December 8, 2021	December 31, 2021

1. Based on closing share price on September 30th, 2021
 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 Ltd. 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.

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 payout ratio of 70-80%; and statements related to credit ratings.

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 Ontario Energy Board 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 U.S. 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, the sections entitled “Risk Management and Risk Factors” and “Forward-Looking Statements and Information” in Hydro One Limited’s most recent annual management’s discussion and analysis of the financial condition and results of operations and the section entitled “Forward-Looking Statements and Information” in Hydro One Limited’s most recent interim management’s discussion and analysis of financial condition and results of operation. Hydro One does not intend, and it disclaims any obligation to update any forward-looking information, except as required by law.