

SHAREHOLDER'S
BULLETIN
2022



Record investments of 10,730 million euros enabled Iberdrola to achieve a net profit of 4,339 million euros.

Iberdrola will propose to the General Shareholders' Meeting a total gross remuneration of Eur 0.49 per share.



Chairman's key points



Ignacio Galán
Chairman of Iberdrola

In a year marked by the energy crisis and difficulties in global supply chains, we have increased investments by 13% to almost 11,000 million euros to continue growing solidly, generating more activity and employment and reducing dependence on fossil fuels.



Sustainable shareholder remuneration in 2022

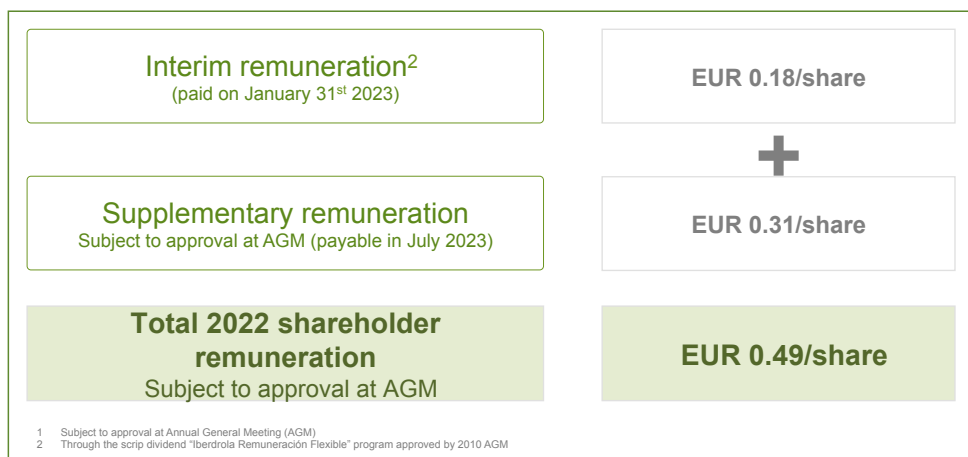
Proposal for complimentary dividend of 0.31 €/share

In the 2020-2025 Plan, Iberdrola established a floor on shareholder remuneration of 0.40 euros per share for 2020 to 2022, through its optional dividend system "Iberdrola Flexible Remuneration".

Accordingly, at the end of January 2023 Iberdrola paid a remuneration of for the 2022 financial year, amounting to **0.180 euros gross per share (+5.9% vs. 2021)**. Iberdrola's shareholders must be thanked for the support they continue to show for the Group's management, as almost 80% of them chose to receive the dividend in shares.

Thanks to the results obtained, Iberdrola will propose a complimentary remuneration of 0.31 euros gross **per share at the** next General Shareholders' Meeting.

Thus, provided it is approved by the General Shareholders' Meeting, it will result in a gross shareholder remuneration of **0.49 euros per share** to be charged against the 2022 results.



Retaining the number of shares

Furthermore, and to avoid diluting shareholders, Iberdrola will honour its commitment to keep the number of shares at 6.240 million.

Shareholder remuneration policy

Iberdrola established in its shareholder remuneration policy that, until such time as circumstances arise that justify the modification thereof, the Company's shareholder remuneration (pay-out), in all its forms, must be sustainable, compatible with the maintenance of its financial strength, and in line with that of companies with a similar business profile. Having applied these criteria, shareholder remuneration accounts for between 65% and 75% of the net profits attributed to the Company, as the parent, in its consolidated financial statements.



Highlights of the period

A record investment of 10,730 million euros in 2022

Gross investment amounted to 10,730 million euros (+13%), of which 90% went to Networks and Renewable Energy, almost in the same proportion.

By business, the 4,700 million euros invested in **Networks** has increased our network asset base to 39,200 million euros.

This increase in network assets will continue to accelerate in the coming years, as more investments will be needed to electrify all energy uses and further integrate new renewable energies.

Investments in **Renewable energies** have been decisive in reaching a record 40,000 MW of renewable capacity by 2022, of which half of our operating assets are for onshore wind, with more than 20 GW in 14 countries and 3 continents.

At the end of the year, Iberdrola had 6,000 million euros of investments in progress in assets that will come into service between 2023 and 2025. 60% of this amount corresponds to offshore wind projects (Vineyard Wind One, in the US, St. Brieuc in France, or Baltic Eagle and Windanker in Germany).

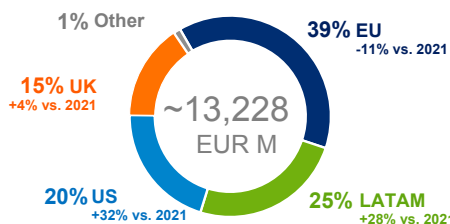
Thus, more than 80% of our renewable capacity installation target for 2023-2025 is already in construction.

FY 2022 GROSS INVESTMENTS BY GEOGRAPHY

	EUR M	Weight
EU	4,124	38%
Spain	2,908	27%
Other EU	1,216	11%
US	2,658	25%
LATAM	2,115	20%
UK	1,448	13%
ROW	385	4%
Gross Organic Investments	10,730	100%

EBITDA increased by 10% driven by the US and Brazil

BREAKDOWN BY COUNTRY



EBITDA grew 10% to reach 13,228 million euros thanks to the positive evolution in the US and Brazil, offsetting the decline in Spain's results and the slowdown in Mexico.

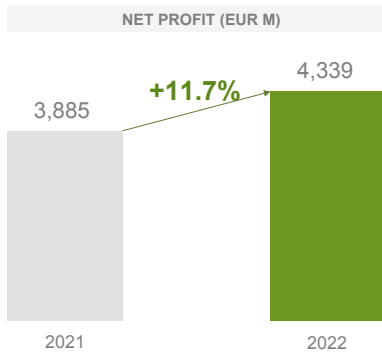
By business, operating profit from Networks increased by 21% to Euro 6,525.8 million, driven by the increase in the regulated asset base, both in transmission and distribution, as well as higher tariffs due to stable regulatory frameworks, mainly in Brazil and the US.

Meanwhile, EBITDA in the Electricity Production and Customers business

increased by 4% to Euro 6,699.2 million, driven by the contribution of new renewable capacity in different geographies, which offset lower hydroelectric production in Spain as well as the negative effects of higher energy costs in our commercial businesses, affecting both Spain and the UK.



Net profit amounted to 4,339 million euros



Iberdrola's 2022 net profit increased almost 12% to €4,339 million compared to the previous year driven by growth in all geographies, except Spain where net profit fell 19% as a result of high costs due to the crisis in gas markets, which has not been passed on to customers, as well as low water resources and regulatory interventions.

The year also benefited from other non-recurring impacts (tax hikes in the UK the previous year, as well as the incorporation of Neenergia Brasilia in 2022, among others).

Financial Health

Iberdrola maintains solid credit ratios thanks to a cash flow that increased by 25% in the year to 11,100 million euros, more than offsetting the increase in net debt (43,749 million euros). Thus, the ratio of cash flow to adjusted net debt improved 2.4 bp to 25.4%.

At present, the group's liquidity amounts to 23,500 million euros, covering 26 months of financing needs thanks to access to green or sustainable products, which shows the financial markets' recognition of Iberdrola's leadership in climate and environmental action.



Involving all stakeholders

The company has continued to anticipate its sourcing needs, making purchases worth 17,800 million euros from its more than 20,000 suppliers by 2022, giving visibility and certainty to a supply chain that supports 400,000 jobs worldwide.

It has also taken on 4,700 new hires in 2022 worldwide, increasing the number of nationalities it welcomes in its workforce to 90 (10 more than in 2021). Furthermore, Iberdrola has continued increasing its training efforts, reaching a record of 68 training hours per person and year.

In terms of tax contributions, in 2022 the group contributed 7,500 million euros to the public coffers of the various countries in which it operates, of which 2,600 million euros were paid in Spain. Iberdrola is one of the three companies that pay the most taxes to the Public Tax Office.



During the year, the group continued to reduce its emissions to just 59 grams CO₂/kWh in Europe, four times lower than the industry average, and has improved its decarbonisation targets, with the ambition to have net zero emissions in its generation plants and own consumption as early as 2030 and in all its activities by 2040.

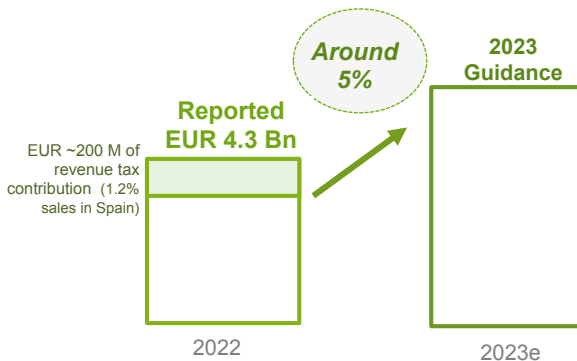


Outlook

The improvement of water resources (with a significant recovery of reserves) and the normalisation of renewable energy production (after the low wind factor in 2022), together with 11,000 million euros of additional investment, the installation of 3,000 MW of renewable capacity and the increase of the network asset base in all geographies (mainly in the U.S.), Brazil and the United Kingdom), allow us to anticipate a good year for Iberdrola.

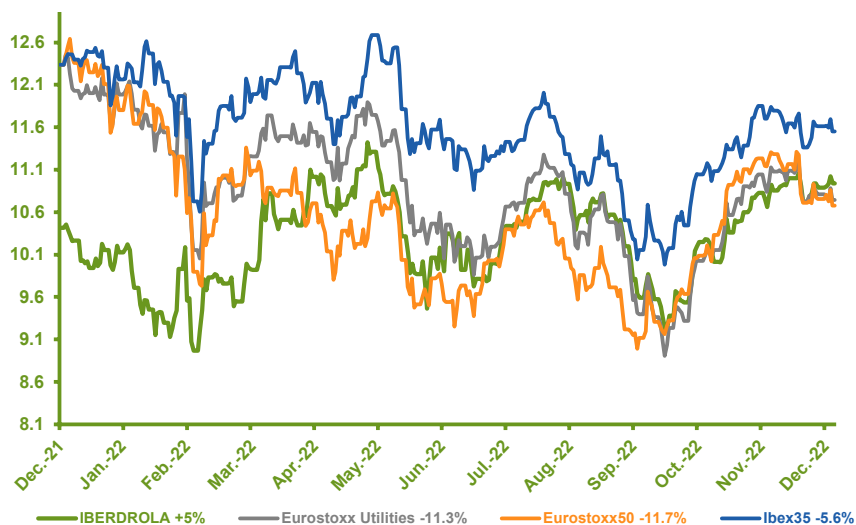
On the other hand, progress in asset rotation and alliances, together with cash generation and continued access to financial markets will allow the Group to maintain net debt at between 44,000 and 45,000 million euros.

All in all, the Net Profit outlook for 2023 is expected to grow between 8% and 10%, discounting the 1.2% sales tax contribution in Spain. Without this effect, it will increase by around 5%.





IBERDROLA and the stock market



IBERDROLA share price

	2022	2021
Number of shares outstanding	6,362,094,000	6,366,088,000
Share price at close of period	10.930	10.410
Average share price for the period	10.209	10.507
Average daily trading volume	14,507,367	13,241,383
Maximum trading volume (21-10-2022 / 30-11-2021)	82,592,287	56,338,346
Minimum trading volume (17-05-2022 - 03-05-2021)	5,239,815	3,983,299
Dividends paid ⁽¹⁾	0.449	0.422
Gross interim dividend (02-02-2022/ 08-02-2021) ⁽²⁾	0.170	0.168
Gross supplementary dividend (29-07-2022 / 29-07-2021) ⁽²⁾	0.2740	0.254
Dividend per share (20-06-2022 / -)	0.005	0.000
Dividend yield ⁽³⁾	4.10%	4.05%

(1) Dividends paid in the last 12 months.

(2) Iberdrola-guaranteed rights purchase price.

(3) Dividends paid in the last 12 months (including the Engagement Dividend) / period-end share price.

Stock Market Data

		2022	2021
Market capitalisation	EUR (million)	69,538	66,271
Earnings per share (6,362,094,000 shares to 31/12/2022 and 6,366,088,000 shares to 31/12/2021)	€	0.652	0.584
Net operating cash flow per share	€	1.74	1.41
P/E	Times	16.77	17.81
Price/book value (capitalisation to NBV at end of period)	Times	1.69	1.64



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