

CAPITAL MARKETS & ESG DAY

9 November 2022



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Strategic Vision
Ignacio S. Galán
Executive Chairman

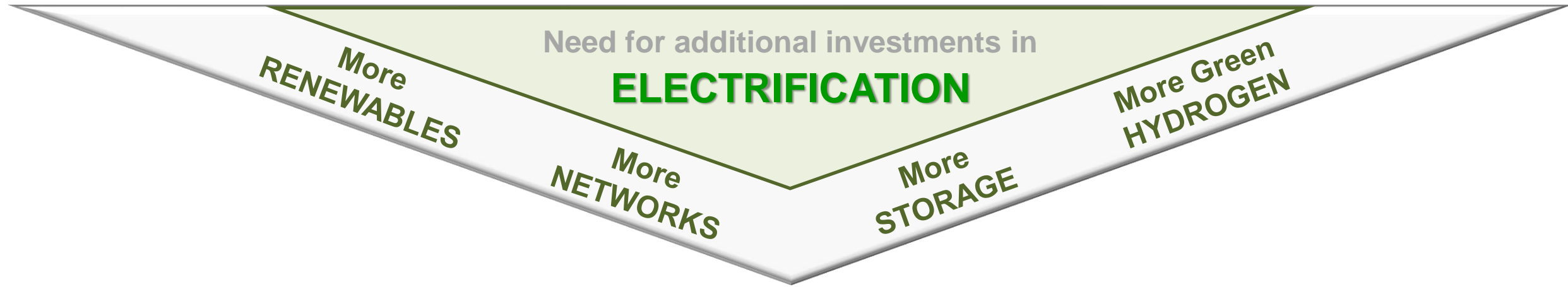


Strategic Pillars



THE CURRENT CRISIS REAFFIRMS OUR LONG-TERM PROPOSITION...

- 75% of final demand still from fossil fuels
- Power demand could double by 2040
- Electrification of all sectors (transport, green H2)
- Renewable energy needs could multiply by 5-6x by 2040
- Annual network investments to multiply by 2-3.5x by 2040



SELF-SUFFICIENCY







NET ZERO

INDUSTRIAL DEVELOPMENT

AFFORDABILITY & COMPETITIVENESS

...AND WILL DRIVE AN ACCELERATION OF INVESTMENTS IN THE ENERGY TRANSITION

INCREASING OUR RESULTS AND FINANCIAL STRENGTH TO 2025...

-  Inflation
-  Interest rates
-  Economic growth
-  Commodity prices
-  Exchange rates
-  Regulation

Growth based on Networks...

- *Predictable frameworks with incentives to investment*
- *Protection vs macro uncertainties*

... and selective investment in Renewables

- *Secured projects with the best risk/reward profile*
- *Pipeline providing future growth and optionality*

Focus on high-rating attractive markets

- *Ambitious electrification targets*
- *Regulatory stability*

Full commitment to financial strength

ESG as the foundation of our model

- *Key strategic priority*

By 2025...

- **INCREASING PREVIOUS OUTLOOK FOR EBITDA AND NET PROFIT**
- **IMPROVING FINANCIAL SOLIDITY**

By 2030...

- **MAINTAINING LONG-TERM GROWTH PROSPECTS**

...AND MAINTAINING OUR OUTLOOK FOR 2030...

...BASED ON OUR MODEL AND OUR PERFORMANCE OVER THE LAST YEARS



Track record of delivery

Skills and technology

Geographical footprint

Pipeline of projects

Full access to financial markets

Social dividend

DRIVING A SECURE, CLEAN AND COMPETITIVE ENERGY SYSTEM FOR ALL...

Coherent energy policy and regulation...

...incentivizing investments

Maintaining predictable frameworks for regulated activities...

...creating incentives for the investments required

A clear market design ...

...to provide long-term investment signals

More agile administrative procedures...

*...avoiding bottlenecks
in Renewables and Networks investments*

A rational design of taxation & subsidies...

*...based on “polluter pays” and promoting investment,
especially in key technologies*

...THROUGH CLEAR AND STABLE FRAMEWORKS

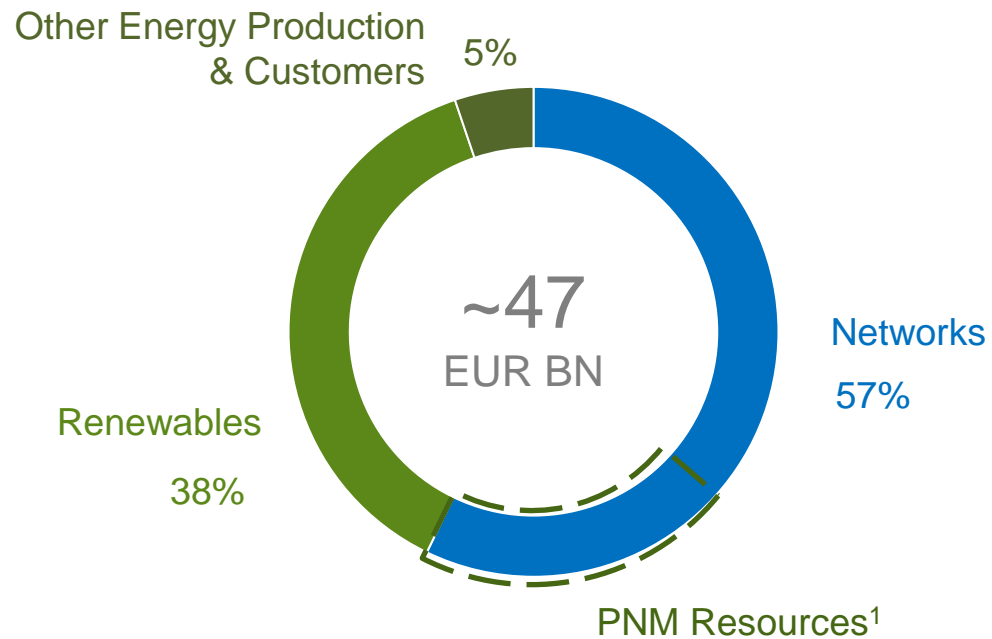
Outlook 2023-2025¹



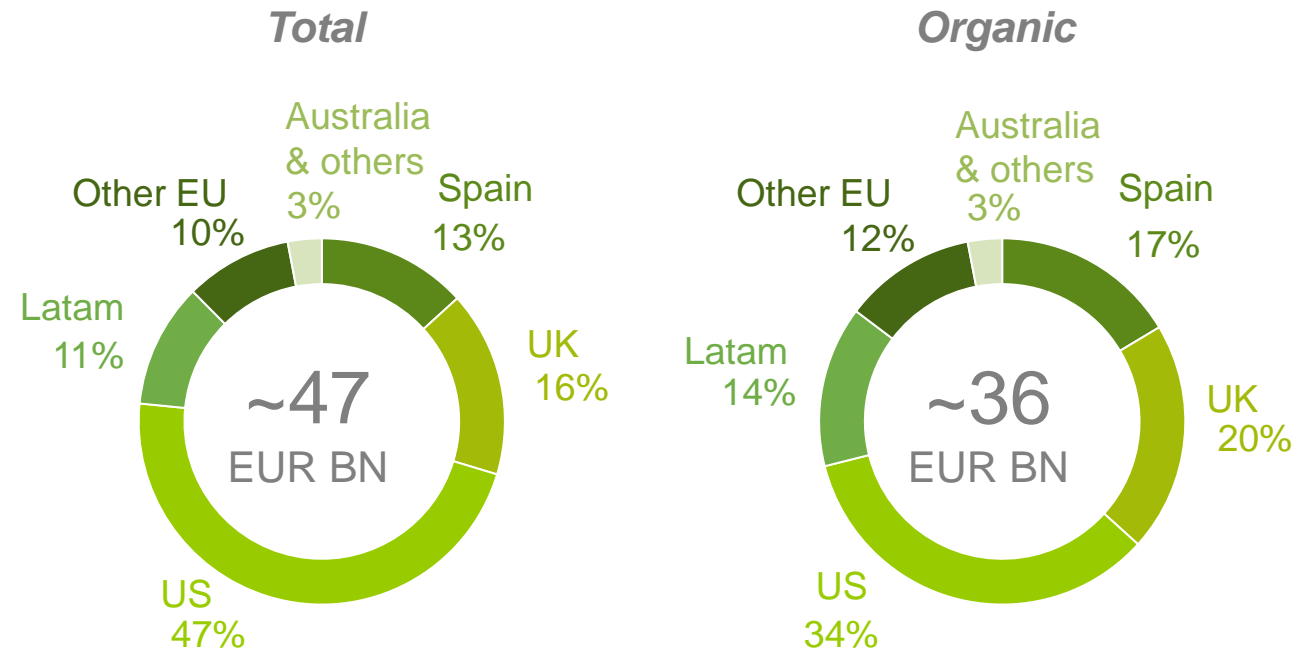
¹ Includes Iberdrola estimates of PNM Resources

TOTAL INVESTMENTS OF EUR ~47 BN IN 2023-2025E INCLUDING EUR 11 BN FOR PNM¹, WITH 57% ALLOCATED TO NETWORKS

2023-2025E INVESTMENTS BY BUSINESS



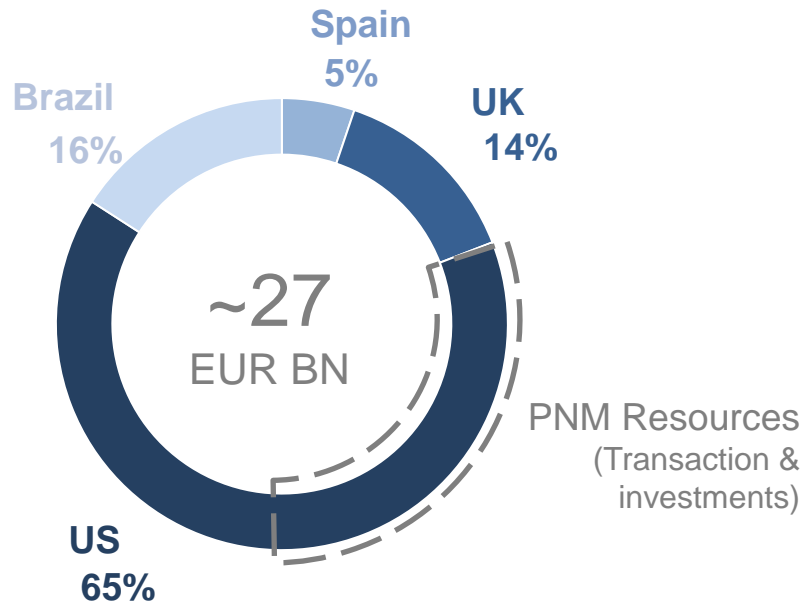
2023-2025E INVESTMENTS BY GEOGRAPHY



...84% OF INVESTMENT ALLOCATED TO GROWTH WITH MORE THAN 80% ALLOCATED TO A-RATED COUNTRIES

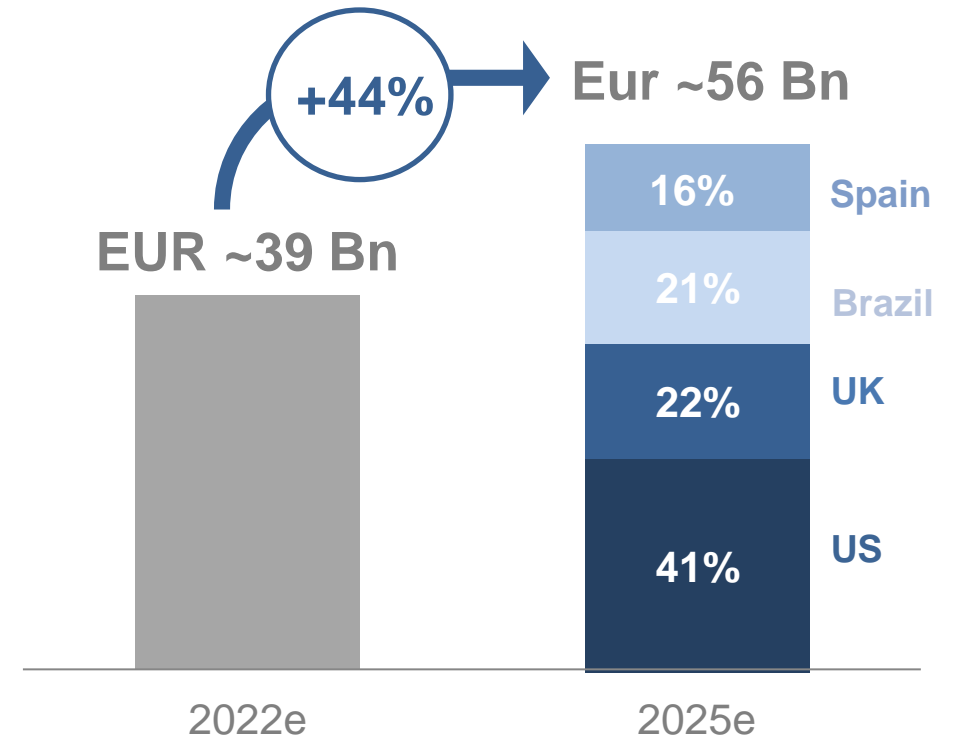
EUR ~27 BN OF NETWORK INVESTMENTS (57% OF TOTAL)...

2023-2025E INVESTMENTS BY GEOGRAPHY



- >85% of organic investments driven by rate cases closed or under advanced negotiation and key conditions known
- ~20% of investment in Transmission in UK, US and Brazil

REGULATED ASSETS BY GEOGRAPHY (EUR BN)

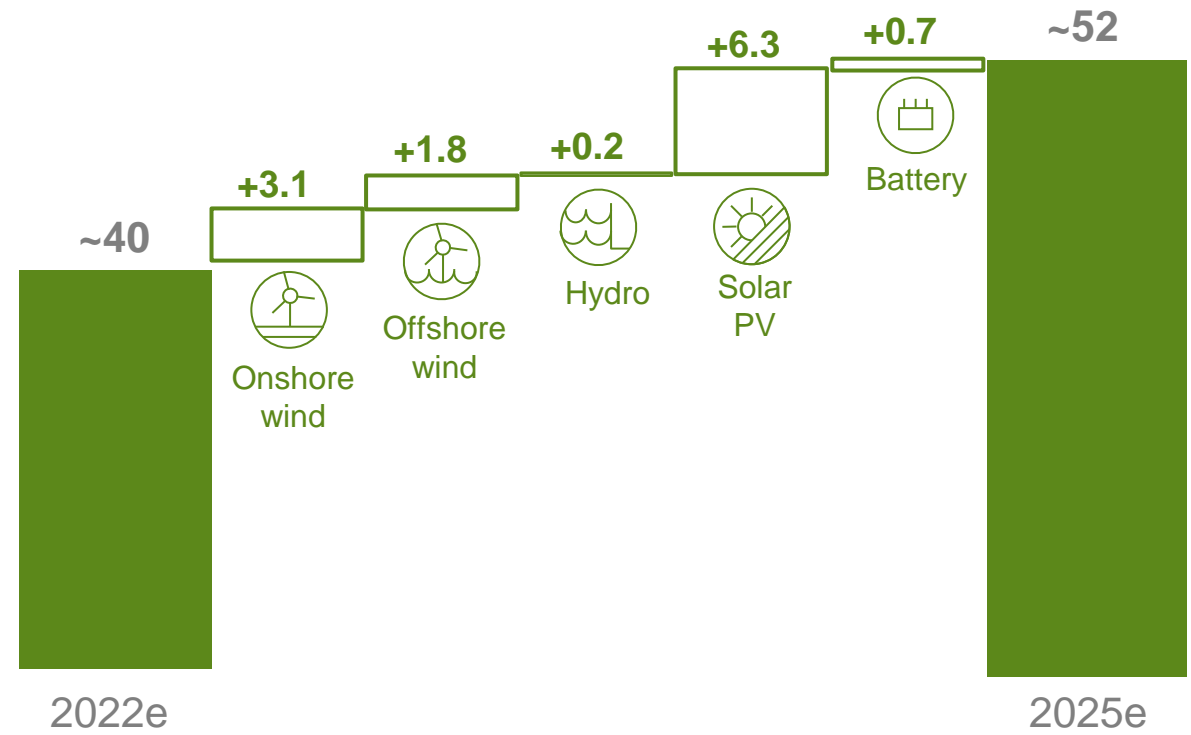
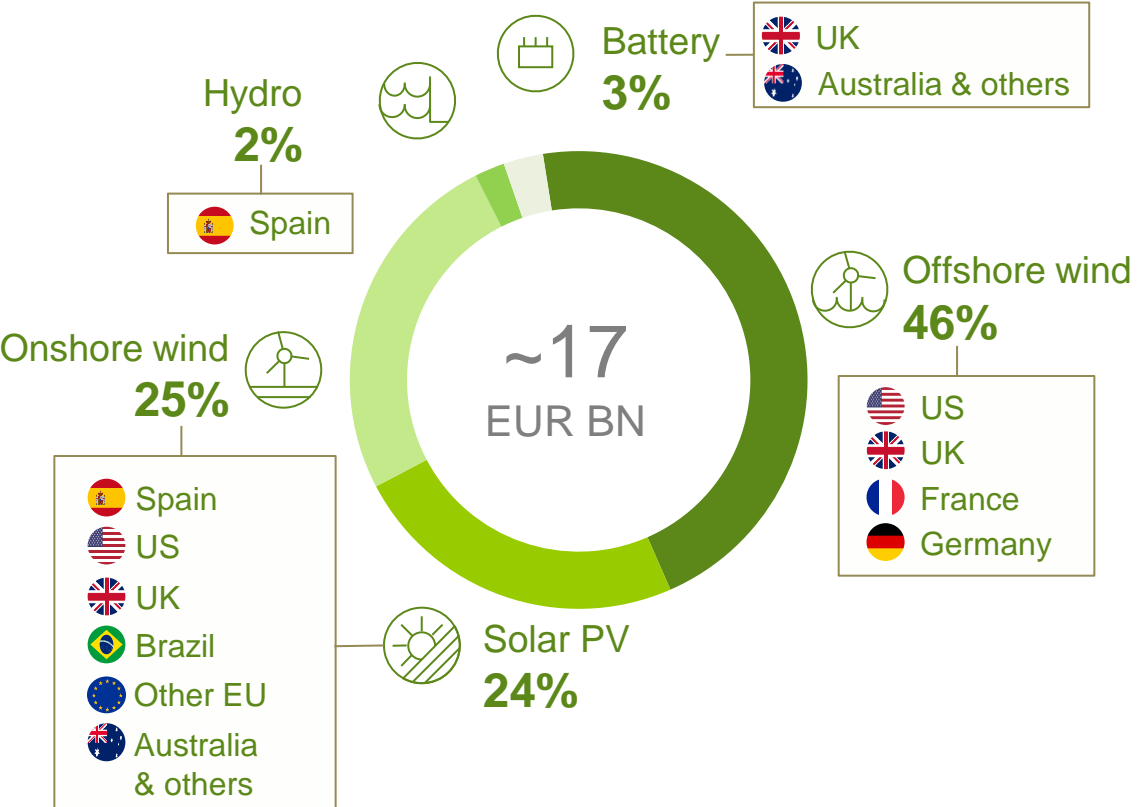


...TO INCREASE OUR ASSET BASE BY 44% IN 3 YEARS

EUR ~17 BN OF INVESTMENT IN RENEWABLES (46% IN OFFSHORE WIND)...

2023-2025E RENEWABLE INVESTMENTS BY TECHNOLOGY (EUR BN)

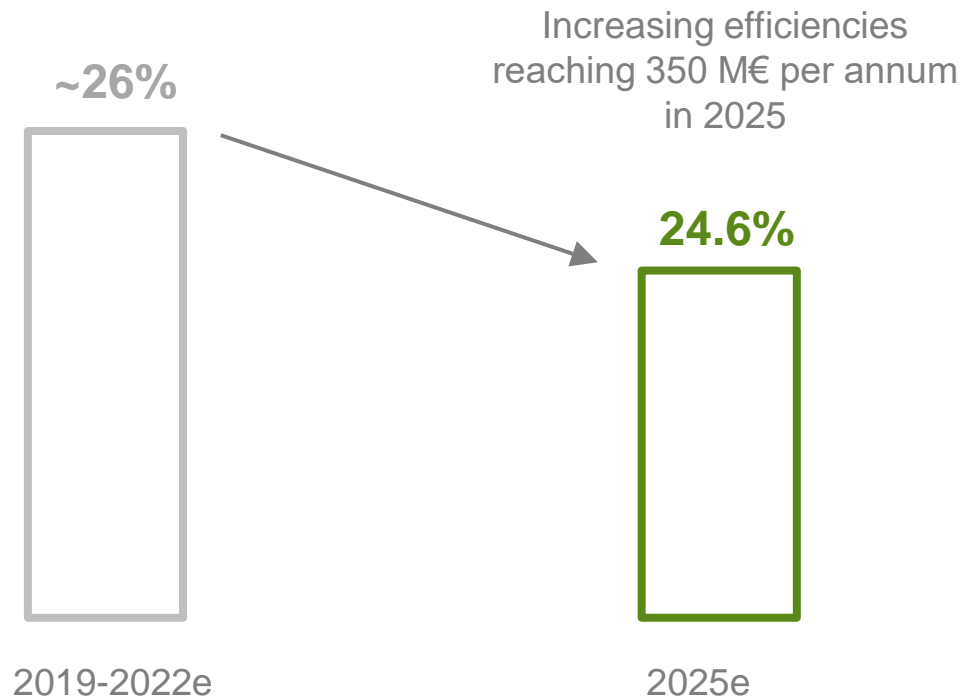
INCREASE IN INSTALLED CAPACITY 2022-2025 (GW)



... WITH ~50% OF NEW CAPACITY SECURED AND ~95% OF 2025 PRODUCTION CONTRACTED

ONGOING IMPROVEMENT IN NOE / GROSS MARGIN RATIO...

NET OPERATING EXPENSES / GROSS MARGIN



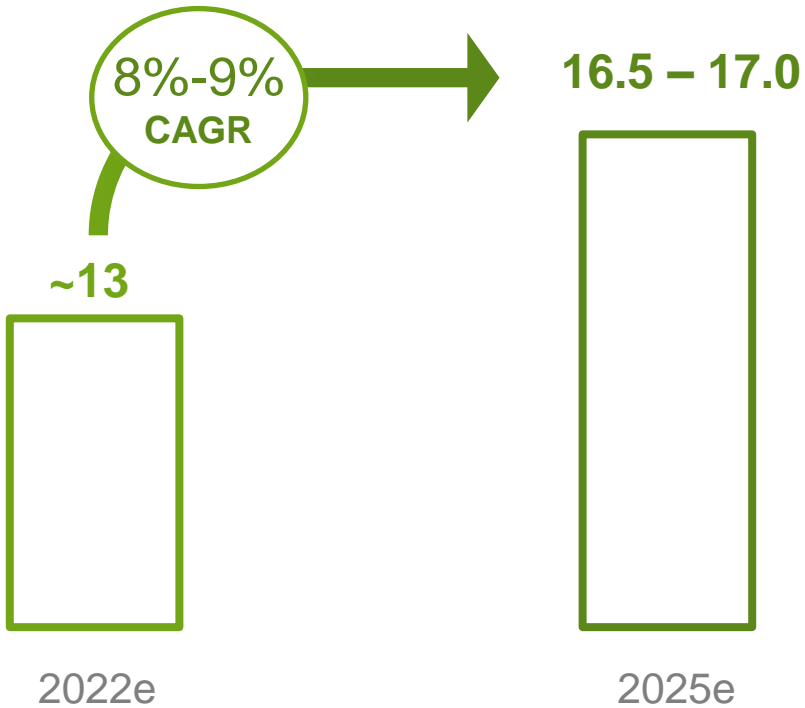
FOCUS ON OPERATIONAL EFFICIENCY

- Optimization of renewable **project design** to **reduce costs** along useful lives
- Improvement of O&M through the creation of **operational hubs** with **multi-technology capacity**
- Concentration** of **offshore wind** projects by regions
- Standardization** and digitization of processes
- Promotion of training and qualification of employees

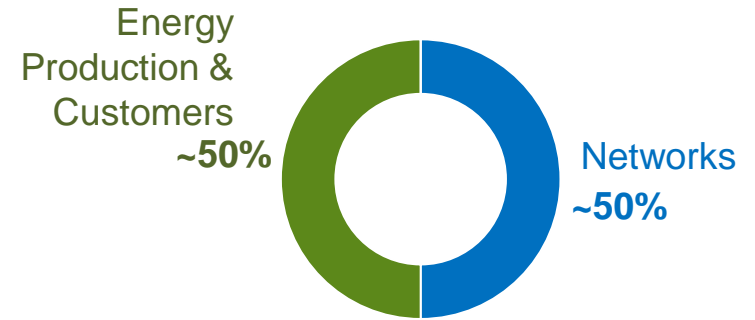
...DRIVING EFFICIENCIES OF EUR 350 M PER ANNUM BY 2025

EBITDA REACHES EUR 16.5 – 17.0 BN BY 2025, WITH 8%-9% CAGR

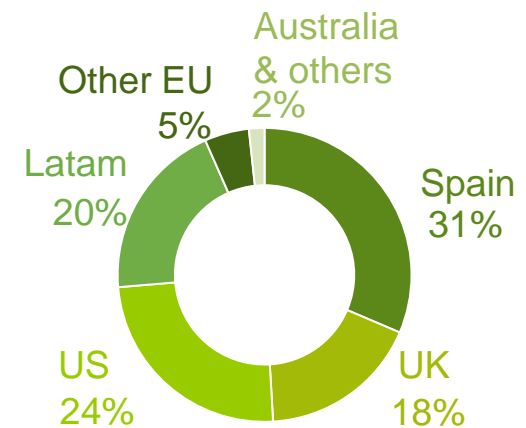
EBITDA EXPECTED GROWTH (EUR BN)



2025E BY BUSINESS

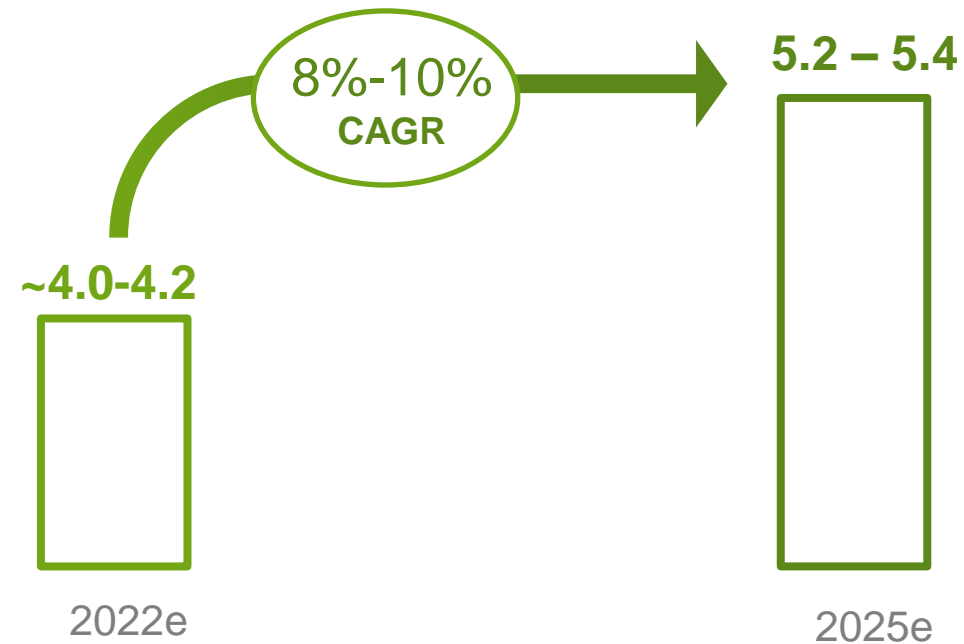


2025E BY GEOGRAPHY



NET PROFIT REACHES EUR 5.2–5.4 BN BY 2025 (8%-10% CAGR)...

NET PROFIT EXPECTED GROWTH (EUR BN)



...WITH A ROE OF ~10%

REINFORCING OUR FINANCIAL POSITION

A ROBUST
GREEN FINANCING MODEL

Fixed-rate financing

Diversification, maximizing the use
of green financing available

Long-term profile of maturities

No capital increases expected

Active liquidity management

Partnerships and asset rotation

STRONG RATIOS (2025 NET DEBT TO EBITDA OF 3.4x)
ALLOWING TO PRESERVE CREDIT RATINGS

SHAREHOLDER REMUNERATION GROWING IN LINE WITH RESULTS

Pay-out between 65% and 75% of EPS

(our earning estimates would lead to a DPS in the range of approx. 0.55 - 0.58 in 2025)

DPS floor of 0.46 Eur/share in 2023-2024 and 0.50 Eur/share in 2025

**Maintaining optionality for shareholders with the
“Iberdrola Retribución Flexible” program, including share buy-back**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS FULLY INTEGRATED IN OUR STRATEGY AND OPERATIONS

E

Protecting the planet

Decarbonization strategy:

- Aligned with Paris Agreement targets
- Carbon neutral by 2030 in Scope 1 and 2 and Net Zero in all three scopes before 2040 (SBTi approved)

Biodiversity strategy:

- Net positive in nature in 2030

S

Supporting communities

Jobs and economic activity:

- 12,000 new hires in 3 years
- Supporting >500.000 jobs by 2030

Diversity & Inclusion:

- Increasing women presence in relevant positions up to 35% in 2030.

Training:

- At least 55 hours per employee (annually)

Communities:

- Foundations: 10 M beneficiaries by 2030
- Volunteering program: 18.000 participants* in 2030

G

Purpose driven governance

Decentralized model

- Common strategy, policies, guidelines and supervision
- Strengthened autonomy for subholding companies

Board of Directors:

- Split of Executive Chairman/CEO roles
- 79% independent members
- 43% gender diversity

Compliance:

- Independent function
- Integrated in the Governance and Sustainability System

F

90% CAPEX ALIGNED WITH EU TAXONOMY, AND MOSTLY FINANCED BY SUSTAINABLE/GREEN INSTRUMENTS

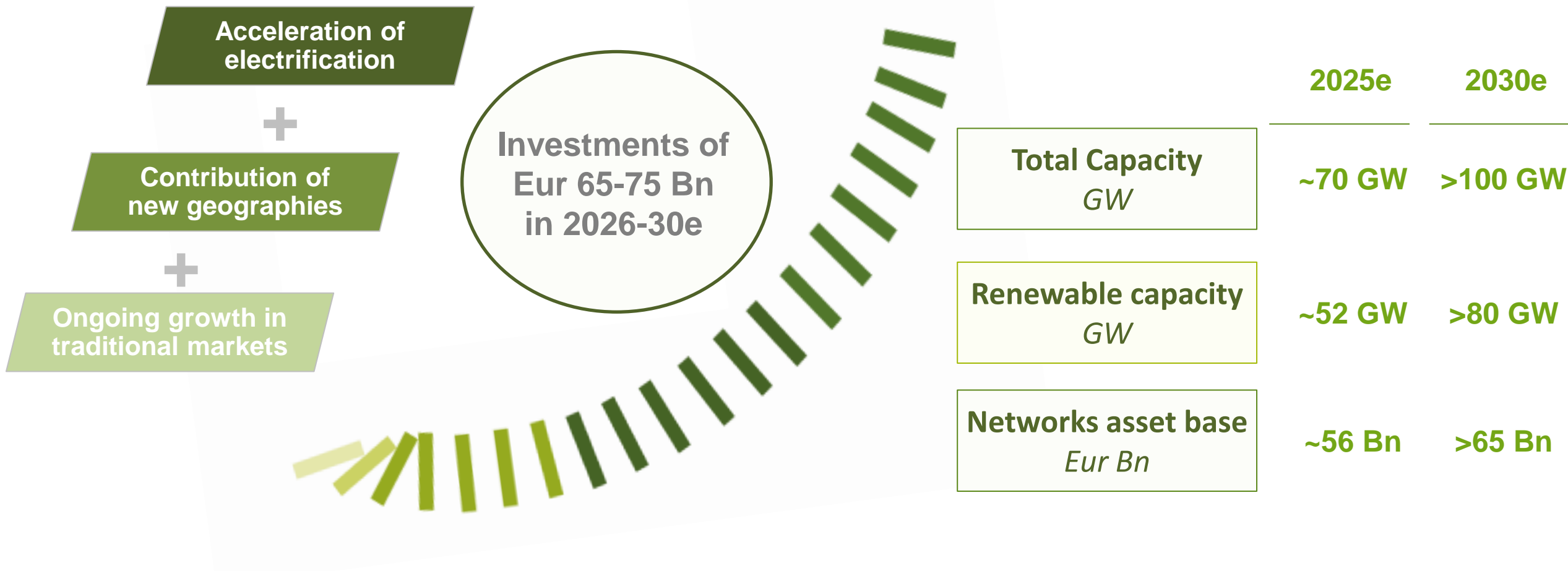


Outlook 2030¹



¹ Includes Iberdrola estimates of PNM Resources

PROFITABLE GROWTH DRIVEN BY ONGOING ACTIVITIES IN CURRENT AND NEW GEOGRAPHIES...



...AND ACCELERATION OF ELECTRIFICATION

Conclusion



A PROVEN MODEL READY TO CONTINUE DELIVERING IN THE CURRENT CONTEXT

Growth based on Networks and selective investment in Renewables

Focus on high-rating attractive markets

Full commitment to financial strength

ESG as foundation of our model

GROWTH AND FINANCIAL STRENGTH TO 2025 AND BEYOND

EBITDA₂₀₂₅ Eur 16.5 - 17.0 Bn
Net Profit₂₀₂₅ Eur 5.2 - 5.4 Bn



Networks asset base '25
Eur ~ 56 Bn

~70 GW by '25
~80% zero emissions

Dividend
in line with Net Profit
DPS of 0.55 - 0.58 in 2025*

Net Debt/EBITDA₂₀₂₅
3.4x