

We place €1.5 billion green bond with strong investor support

Demand has exceeded 5.3 billion euros with more than 230 international investors

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Iberdrola has tapped the fixed income market in Europe, as it did in March, successfully closing a double-tranche transaction for a combined amount of €1.5 billion: €750 million with a six-year maturity and €750 million with a ten-year maturity, in both cases in green format, increasing the amount expected due to the high demand received.

With massive support from fixed income investors, the company has completed its first transaction in the capital markets since presenting to investors the update of its strategic outlook.

With strong demand exceeding €5.3 billion, €2.5 billion in the six-year tranche and €2.8 billion in the 10-year tranche, credit spreads were set at very tight levels of 40 and 63 basis points over the corresponding midswap benchmarks for each maturity, allowing for coupons of 3.125% and 3.375%, respectively.

The favourable conditions obtained underscore the solidity and robustness of Iberdrola's solvency, as well as the confidence that investors continue to place in it, accentuated by the positive reception in the last two weeks of both its third quarter results presentation and, especially, the update of its strategic plan for the period 2023-2025, which was presented in London to leading stock market analysts.

The facility was placed among a total of 230 investors, of which 158 participated in the six-year tranche and 178 in the ten-year tranche (many participating in both tranches simultaneously). Investors were overwhelmingly from different European countries, as well as from the UK.

Green bonds tend to generate higher demand and lower cost, as the interest of socially responsible investors is added to that of regular investors. A majority of the transaction has been placed with ESG investors, so Iberdrola continues to diversify its investor base and broaden demand, which enhances the execution of these transactions in difficult market times.

The funds raised will be allocated to green eligible assets, as defined in Iberdrola's Green Financing Framework.

Ten leading international banks participated in the placement, JP Morgan (Coordinator), Caixabank, Citi, Commerzbank, Crédit Agricole, Deutsche Bank, Morgan Stanley, MUFG, Natwest and Royal Bank of Canada, in a less volatile market context following the publication of the latest inflation data in the United States, although still complex, in the context of monetary policies yet to be fully defined.

This operation strengthens Iberdrola's already comfortable liquidity position, at excellent conditions and at a good time in the market, following the turnaround in interest rates after last week's US inflation data.

Financial strength to deliver the energy transition

Last week, the company announced its Strategic Plan for 2023-2025, with which it intends to advance its global growth with investments of €47 billion to boost the energy transition, employment and net zero emissions.

By business areas, Iberdrola will allocate €27 billion euros to grids and €17 billion to renewables.

The new investments planned for the period 2023-2025 enable Iberdrola to forecast gross operating profit (EBITDA) of between €16.5 billion-€17 billion by 2025, representing average annual growth of between 8% and 9%. Spain will account for 31% of EBITDA. In addition, the company estimates that net profit will increase to between €5.2 and €5.4 billion by 2025, representing average annual growth of between 8% and 10%.

Nota de prensa