

Iberdrola announces Q1 2023 results

Financial Highlights

- Net Profit of €1.49 billion driven by strong operating performance and new investments, including the recovery of retail deficits in the UK and normalization of emissions-free generation in the EU.
- Increased output from wind, solar, hydro, and nuclear compared to Q1 2022, resulting in lower spot market energy purchases to fulfil customer demand.
- Results include over € 300 million pre-tax proceeds from recovery of retail deficits generated in the UK in the past.
- EBITDA increased by 38% to €4.1 billion, thanks to geographic diversification, increased asset base in networks in all countries and the normalisation of wholesale and retail markets.
- 80% of EBITDA comes from A-rated geographies (EU, UK, U.S., Australia).
- Strong operating cash flow (€3 billion in one quarter) drives flat Net Debt figure and ongoing positive progression of financial ratios, with FFO / Adjusted Net Debt improving 130 basis points to 25.3%.
- Planned organic investments increase to €12 billion during 2023.

Delivery of business plan, ahead of schedule

- 60% of planned renewable capacity under construction or secured and c.100% of networks investments under frameworks agreed or in advanced negotiation.
- Asset rotation and partnership targets 100% implemented, improving financial strength and accelerating investments:
- Agreement to sell 60% of Iberdrola's business in Mexico for \$6 billion, reaffirming Iberdrola Mexico's commitment to customers and decarbonisation.
- Scaling up co-investment partnerships: Alliance with GIC, Singapore's sovereign fund, to co-invest in transmission in Brazil, after the partnership recently reached with Norges Bank.

Operational highlights

- The company now has more than 40,000 MW of installed renewable capacity, with an increase of 5.3% on the same period last year.
- Solar PV capacity rose by 40%, to 4,576 MW, due to new installations in Australia, Spain, the United States and Brazil. Onshore wind increased by 4%, reaching 20,202 MW.
- Emission-free production ratio reaches 84% (90% in Spain).
- Progress in offshore wind, with 3.500 MW under construction (total investment of €11 billion):
- Saint-Brieuc offshore wind farm, in France: first power anticipated in May, commercial operation by year end.
- Vineyard Wind, in the US: first power before year end
- Baltic Eagle in Germany: Offshore substation successfully installed.
- Agreements of major PPA contracts with Amazon Web Services, Mercedes and Meta, securing routes to market for new onshore and offshore renewables in the EU and US. 116 TWh of sales (95% of production) secured through contracts with retail and SME customers, long-term PPAs and regulated mechanisms.

2023 outlook

- Strong operating performance expected over the course of 2023, based on an acceleration of investments in Q2-Q4, better business conditions, and improving solidity and financial strength.
- Improvement to net profit growth outlook of mid to high single digit, with a more normalised distribution of quarterly net profit during the rest of the year after a first quarter abnormally low in 2022.

Commenting on the results, Ignacio Galán, Executive Chairman of Iberdrola, said:

"This has been a good start to the year for Iberdrola, reinforcing the strength of our business model as a global leader in the energy transition.

"The first quarter has seen strong operating performance across the world, with normalisation of renewable production and continuing stabilisation in wholesale and retail markets after the challenges experienced in the same period last year".

"We have made rapid and significant progress in delivering our business plan to 2025 and have already achieved our targets for asset rotation and partnerships. We continue to see very strong interest from world leading funds and major companies to partner with us".

"We are now seeing faster progress on energy policy and regulation, driven by green energy security in most of the countries where we operate. We are well positioned to support the acceleration of electrification in our key markets, and we remain fully committed to growing our business with more renewables, more networks and more storage in countries with ambitious targets and stable regulations."

Nota de prensa

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