



Shareholder's Bulletin 2023

Sustainable
Event



Committed



SDG

**Iberdrola increased
its investments to
EUR 11,382 million (+6%)
and increased its
net profit by 11% to
EUR 4,803 million**

Chairman's key points



Ignacio Galán

Chairman of Iberdrola

*“In a year of macroeconomic uncertainties,
we have achieved record investments,
strengthened our financial strength
and will continue to invest significantly
in the energy transition in 2024”*

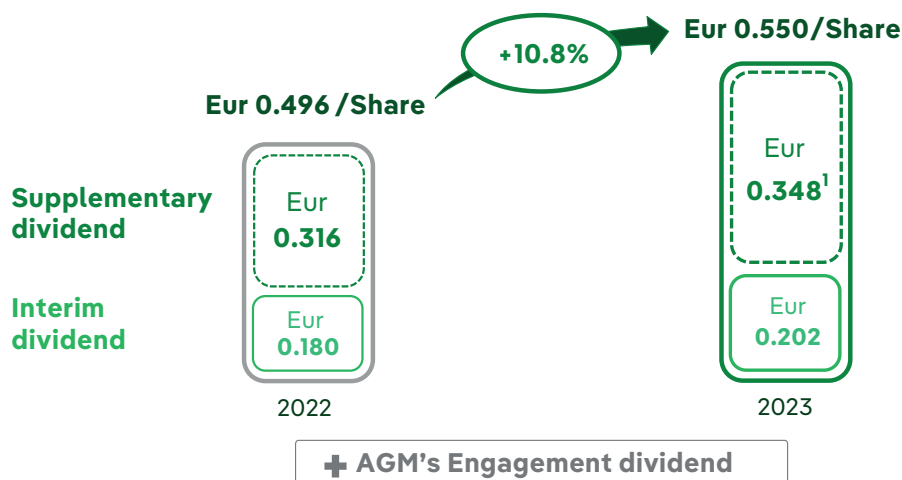
Shareholder remuneration in 2023

Iberdrola will propose an increase in dividend of 10.8%

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

In this regard, Iberdrola paid at the end of January 2024 an interim remuneration for the 2023 financial year, which amounted to 0.202 euros gross per share. Iberdrola's shareholders must be thanked for the support they continue to show for the Group's management, as almost 70% of them chose to receive the dividend in shares.

In line with the 2023 results, Iberdrola's Board of Directors will propose at the next General Shareholders' Meeting an increase in the dividend charged to the 2023 results of +10.8%, to 0.55 euros gross per share. To this end, it will propose a supplementary remuneration of 0.348 euros gross per share (+10.13% vs. 2022), which must be approved by the General Shareholders' Meeting.



1. To be confirmed by Annual General Meeting

Retaining the number of shares

Furthermore, and to avoid diluting shareholders, Iberdrola will honour its commitment to maintain 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 11,382 million euros in 2023

Gross investments in the period grew by 6% to reach a record 11,382 million euros, of which 1,100 million euros were contributed by our strategic partners.

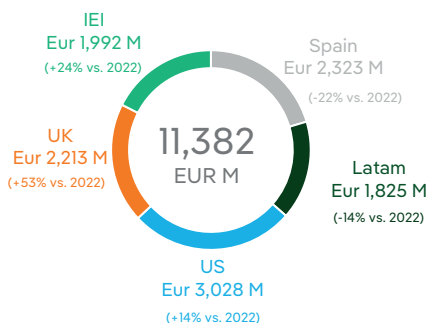
By geographies, investments are balanced, although they increased mainly in the US (+14%) and the UK (+53%).

The main focus of investments remained in the networks and renewables businesses, which accounted for 93% of the gross investments made in 2023, in line with the group's strategy.

The **Renewables** business reached 5,403.1 million euros, equivalent to 47.5% of the total, installing more than 3,250 MW of renewable energy in 2023, with a total installed capacity of 42,187 MW worldwide.

As for the **Networks** business, most of the investments were made in the United States and Brazil, amounting to 1,979,6 million euros and 1,527,3 million euros, respectively. In addition, the asset base grew by 8% to 42,210 million euros.

Investments by geography

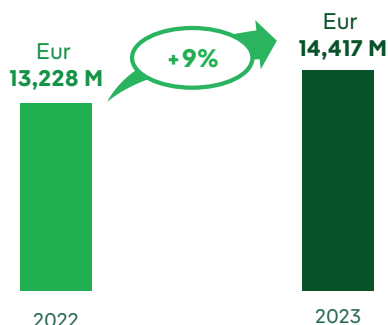


Operating profit increased 9%

Driven by the normalization of production and operating efficiency, **EBITDA** for 2023 reached

14,417.4 million euros (+9%), including 117 million euros corresponding to efficiency plans in Spain in the fourth quarter of the year.

EBITDA evolution



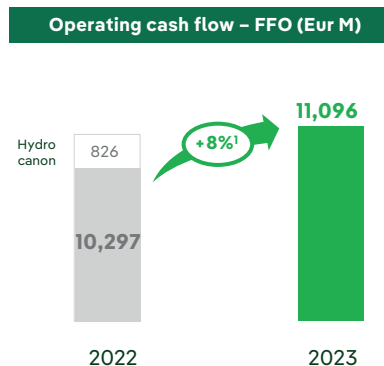
Regarding the **Networks business**, operating profit amounted to 6,011 million euros. During the period, the improvement in the efficiency and strength of the networks, the positive impact of new regulatory frameworks in the US and the UK, and the protection against inflation in the US, the UK and Brazil should be highlighted.

Meanwhile, operating profit (EBITDA) of the **Electricity Production and Customers business** increased by 28.4% to 8,601.2 million euros, driven in Spain by the normalization of renewable and nuclear production capacity with respect to the anomalous results of 2022 (where there was low production and high prices) and in the UK by improved trading conditions.

Improving financial strength and cash generation

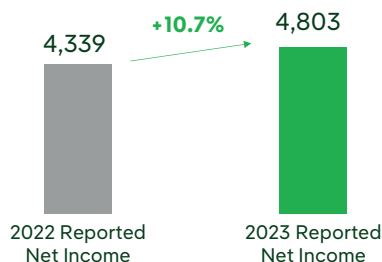
Noteworthy was the improvement in cash generation, with Funds from Operations (FFO) having increased by 8% to euro 11,096 million over the last twelve months.

In addition, the financial strength that is a hallmark of the company was maintained, with an improvement in the financial ratios, where the ratio of operating cash flow to net debt reached 25.7%, considering the recovery of the Mexican business.



I. Based on FFO 2023 vs adjusted 2022 figures excluding the hydro canon collection

Net profit reached 4,803 million euros



Net profit increased 10.7% to 4,803 million euros, reaching the double-digit net profit target in 2023.

Excluding the effects of asset rotation, which amounted to -98 million euros from the transaction in Mexico and +91 million euros from the agreement with GIC and the exchange of assets with Eletrobras, net profit was 4,809 million euros (+10.8%).

Asset rotation plan fulfilled

Following the co-investment agreement reached for the sale to Masdar (Abu Dhabi) of a 49% stake in the Baltic Eagle offshore wind project (Germany), both companies will work together to invest in future offshore wind and green hydrogen projects in Europe and other markets.

As for the alliance with Norges Bank Investment Management (Norway) to co-invest more than 2,000 million euros in renewables in the Iberian Peninsula over three years, the total project portfolio amounts to 673.6 MW of projects under development (40% wind and 60% solar photovoltaic), with the possibility of incorporating additional projects.

Finally, it is worth highlighting the agreement signed by Iberdrola Mexico with Mexico Infrastructure Partners (MIP) to sell 55% of its business in Mexico,

mainly gas generation for the CFE, for USD 6,000 million.

The transaction is expected to be closed by the end of February 2024. The renewable energy business (~1,232 MW) and the solid portfolio of industrial customers will be maintained, in addition to preserving the business opportunities (~6,000 MW

of renewable portfolio) to maintain growth in one of our main geographies.



2024 Outlook

An integrated business model that combines growth and predictability...

**Growth and predictable margins from
Networks:**
45-50% of EBITDA (+10 pp vs EU average)

Balanced generation-supply position
with optimal mix of routes to market

...minimizing regulatory risks thanks to a diversified geographical footprint
(US, UK, Cont. Europe, Brazil, Mexico, Australia...)

Net profit growth of 5-7%

The investment plan, which reached a record of more than 11,300 million euros in 2023, the continued increase in efficiency and the good operational outlook, allow us to move towards a positive evolution during 2024, both in terms of results and shareholder remuneration.

Growth in the network business and investment in renewables

Iberdrola has a business model that combines growth and predictability, which fits with and drives the transformation of the business model.

In this model, the **networks business** is positioned as the largest contributor to EBITDA, thereby increasing the need for investment in transmission and distribution in the different geographical areas. With new network tariffs closed until 2025.

Also increasing investment in the **Renewable Business**, with the aim of integrating its different technologies, especially offshore and onshore wind, in order to improve margins and minimize exposure to the volatility of renewable technologies.

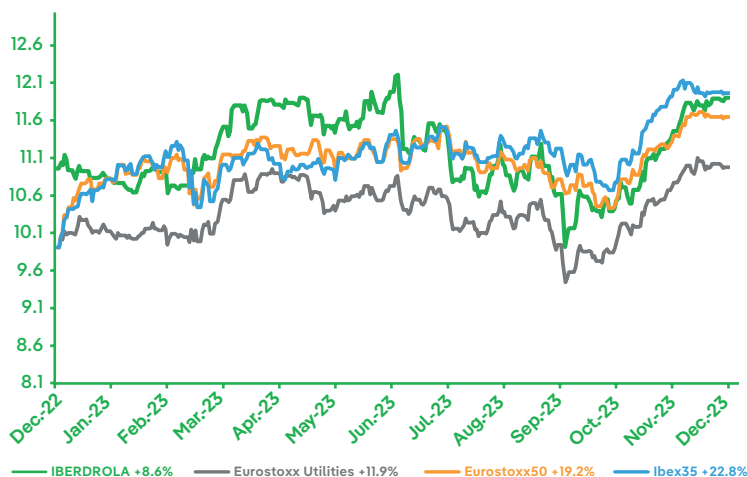
We plan to increase the installed renewable capacity, both in offshore wind (600MW installed in 2023 + new projects in operation) and onshore (~2,000 MW of new capacity).

The strong leadership position in storage allows us to modulate supply and demand in short and long cycles, as well as to provide seasonal storage and ancillary services. This is a competitive advantage that will provide additional margins.

As for the **Customer Business**, we have 100% of the energy sold through long-term contracts with closed prices.

On the financial side, the partnership strategy for new investments is expected to reduce financial expenses, while the sale of assets in Mexico will have a positive impact on the Group's debt level.

IBERDROLA and the stock market



Iberdrola's share

	2023	2022
Number of outstanding shares	6.350.278.000	6.362.094.000
Price at the end of the period	11.8700	10.9300
Average price of the period	11.1609	10.2090
Average daily volume	11.714.666	14.507.367
Maximum volume (20-10-2023 / 21-10-2022)	48.932.871	82.592.287
Minimum (04-09-2023 / 17-05-2022)	3.926.418	5.239.815
Dividends paid (€)	0.501	0.449
Gross interim (31-01-2023 / 02-02-2022) ⁽¹⁾	0.180	0.170
Complementary dividend (28-07-2023/29-07-2022) ⁽¹⁾	0.316	0.274
Engagement (03-05-2023 / 20-06-2022)	0.005	0.005
Dividend yield ⁽²⁾	4.22%	4.10%

(1) Purchase price of rights guaranteed by Iberdrola.

(2) Dividends paid in the last 12 months + engagement dividend/ period-end share price

Stock Market Data

		2023	2022
Market capitalisation	€ (million)	75,378	69,538
Earnings per share (6.350.278.000 shares a 30/09/2023 y 6.362.094.000 shares a 30/09/2022)	€	0.719	0.652
Net operating cash flow per share	€	1.73	1.74
P.E.R.	Times	16.51	16.77

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This communication contains forward-looking information and statements about Iberdrola, S.A., including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words "expects," "anticipates," "believes," "intends," "estimates" and similar expressions.

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Iberdrola, S.A. commits to carrying out its best efforts to achieve its ambition of carbon neutrality for its Scope 1 and 2 in 2030. For these purposes, it will align its strategy, investments, operations and public positioning with this ambition. Additionally, Iberdrola, S.A. is also committed to undertake the energy transition in a way that creates value for its shareholders, employees, clients, suppliers and the communities where it operates. Accordingly, Iberdrola, S.A. reserves the capacity to adapt its planning to successfully face its performance in key material aspects such as the value of Iberdrola, S.A., the quality of supply or the social, labor, and fair transition conditions. The abovementioned commitments are of aspirational nature.

ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information prepared under IFRS, this presentation includes certain alternative performance measures ("APMs") for the purposes of Commission Delegated Regulation (EU) 2019/979, of March 14, 2019 and as defined in the Guidelines on *Alternative Performance Measures* issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es). The APMs are performance measures that have been calculated using the financial information from Iberdrola, S.A. and the companies within its group, but that are not defined or detailed in the applicable financial information framework. These APMs are being used to allow for a better understanding of the financial performance of Iberdrola, S.A., but should be considered only as additional information and in no case as a substitute of the financial information prepared under IFRS. Moreover, the way Iberdrola, S.A. defines and calculates these APMs may differ from the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. Finally, please consider that certain of the APMs used in this presentation have not been audited. Please refer to this presentation and to the corporate website (www.iberdrola.com) for further details of these matters, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS. In particular, please refer to <https://www.iberdrola.com/documents/20125/3894078/alternative-performance-measures-23FY.pdf>



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