

H1 2023 results

Iberdrola invests €10.54 billion in the last 12 months and increases its net profit by 21% to €2.52 billion

- *Excluding accounting impacts of last quarter, with no cash impact, Net Profit is up 28%*
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Highlights

- Global investments have increased by 8% in the last 12 months, to reach €10.54 billion. 93% of investments have been allocated to networks and renewables.
- Net profit increases by 21% to €2.52 billion (+28% excluding accounting impacts of last quarter with no cash impact).
- EBITDA reaches €7.56 billion, an increase of 17%, driven by strong performance in the EU - with the normalization of renewable generation and prices after the extraordinary situation of last year - and the UK - including the recovery of retail deficits of last year.

Second increase in FY 2023 Outlook

- The company is now forecasting high-single-digit net profit growth (excluding additional capital gains from asset rotation) due to strong business performance in the second half driven by further investments and new capacity in renewables, positive production forecasts and new rate cases in the US and Brazil.

Financial strength

- Operating cash flow (FFO) reaches €5.73 billion in H1 2023 (+21%, excluding the one-off hydro tax rebate in Spain in 2022).
- Positive progression of financial ratios, with and FFO/Adjusted Net Debt improving by 20 basis points to 24.9%
- Liquidity reaches €20.3 billion after securing €3.4 billion of new green financing in H1 2023.

Strategic Plan Execution

- €7.5 billion asset rotation plan for 2023 – 2025 period completed: Sale and purchase agreement (SPA) to sell nearly 60% of Iberdrola’s business in Mexico for \$6 billion concluded in June 2023 and new co-investment alliances with tier-1 partners.
- Renewables:
 - 2,565-megawatts (MW) of new capacity has been installed in the last 12 months, reaching a 41,250MW.
 - In addition, 7,100 MW of new renewables capacity is in construction globally, representing total investment of €12 billion. 3,000 MW relates to offshore wind secured with zero seabed costs, thanks to Iberdrola’s first mover status.
- Networks: Global asset base increased by 10% over the last year to €40 billion. H1 investments were up 24% to €3.1 billion, driving growth in all geographies.
- In 2023, Iberdrola has a total of 135 terawatt-hours (TWh) per-year of electricity sold:
 - 70% through regulated mechanisms and to industrial customers, with an average term of 12 years, and 30% to retail customers (2/3 years on average).
 - New PPAs delivered in H1 2023 include a multi-market European agreement with Vodafone for more than 410 GWh per-year.
 - Optimal positioning ahead of the European Electricity Market Reform, based on more market and more long-term contracting.

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

“We continue accelerating in the execution of our Strategic Plan, with investments of more than 10.5 billion euros in the last 12 months, to achieve a Networks Asset Base of 40 billion euros and 41,250 MW of installed renewables capacity.

“This set of results confirms our capacity to execute our plans ahead of estimates, even in the current challenging macroeconomic scenario. This means that by the end of the year we expect a high-single-digit growth in net profit, excluding additional capital gains from asset rotation.”

Ends

About Iberdrola

Iberdrola, Europe’s largest electricity utility by market capitalization, and top three in the world, is a leader in renewables, spearheading the energy transition to a low carbon economy. The group supplies energy to almost 100 million people in dozens of countries. With a focus on renewable energy, smart networks and smart solutions for customers, Iberdrola’s main markets include Europe (Spain, the United Kingdom, Portugal, France, Germany, Italy and Greece), the United States, Brazil, Mexico and Australia. The company is also present in growth markets such as Japan, Taiwan, Ireland, Sweden and Poland, among others.

The company has a workforce of over 40,600 and assets in excess of €154.6 billion. In 2022, Iberdrola posted revenues of nearly €54 billion, net profit of €4.34 billion, with €7.5 billion paid in tax contributions in the countries where it operates. The company helps to support more than 400,000 jobs in communities across its supply chain, and global supplier purchases topped €17.8 billion in 2022. A benchmark in the fight against climate change, Iberdrola has invested more than €150 billion over the past two decades to help build a sustainable energy model, based on sound environmental, social and governance (ESG) principles.