



Iberdrola

# Results Presentation

Nine Months

26 October, 2023

Sustainable  
Event



Committed



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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](http://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/20125/3552388/alternative-performance-measures-239M.pdf>.



# Highlights of the period

**NET PROFIT UP +17% TO EUR 3,637 M (+22% excluding non-cash exceptional item)...**

## Strong operating performance

**EBITDA +13% to Eur 10,783 M**

- ✓ Higher **volumes**
- ✓ **Lower energy purchases**
- ✓ Increasing **load factor**
- ✓ **Operating efficiency**

## Investments progressing

**Eur 10,842 M in last 12m**

- ✓ **Networks RAB +9% to Eur 41.3 Bn**
- ✓ **Renewables: 3,100 MW installed** in last 12m, **reaching 41,300 MW**
- ✓ **Supply chains secured**

## Financial strength

**Increase in FFO<sup>1</sup> to Eur 11,103 M**

- ✓ **FFO/Adj Net Debt 23.2%**
- ✓ **85% of debt at fixed rates** excluding Brazil
- ✓ **Liquidity of Eur 20.2 Bn**

## Dividend

**2023 interim shareholder remuneration of Eur 0.20/share (+11%)**

**...DRIVEN BY ONGOING OPERATING IMPROVEMENT THROUGHOUT THE YEAR**

## STRENGTHENING GROWTH & PROFITABILITY AND DE-RISKING ASSET BASE...



RISING INFLATION



RISING INTEREST RATES



COMMODITY PRICE VOLATILITY



ECONOMIC GROWTH

### Key Pillars CMD '22



GROWTH IN NETWORKS



SELECTIVE INVESTMENT IN  
RENEWABLES



HIGH-RATING COUNTRIES



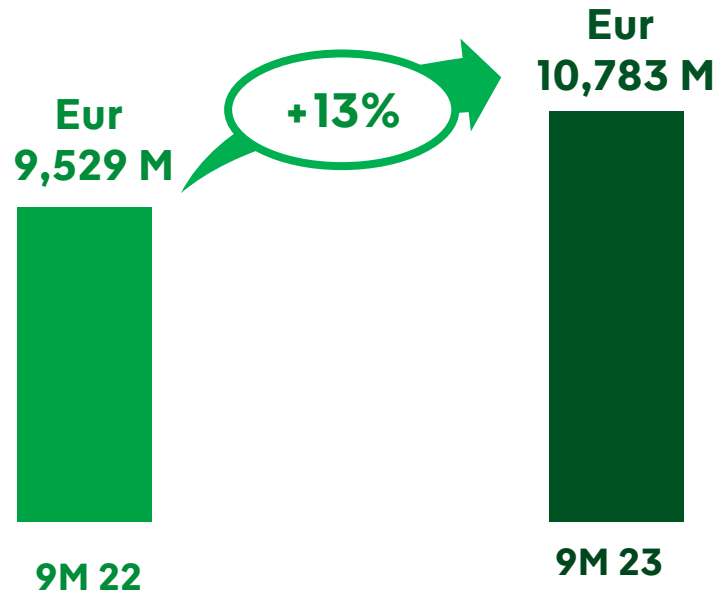
FINANCIAL STRENGTH



...FOLLOWING THE MODEL PRESENTED IN OUR CAPITAL MARKETS DAY OF NOV-22

## EBITDA INCREASES +13% TO EUR 10,783 M...

### EBITDA evolution



### NETWORKS

- Annual tariff adjustments
- Regulatory frameworks protecting from higher inflation in the UK, Brazil and the US
- Improving efficiency and grid resiliency

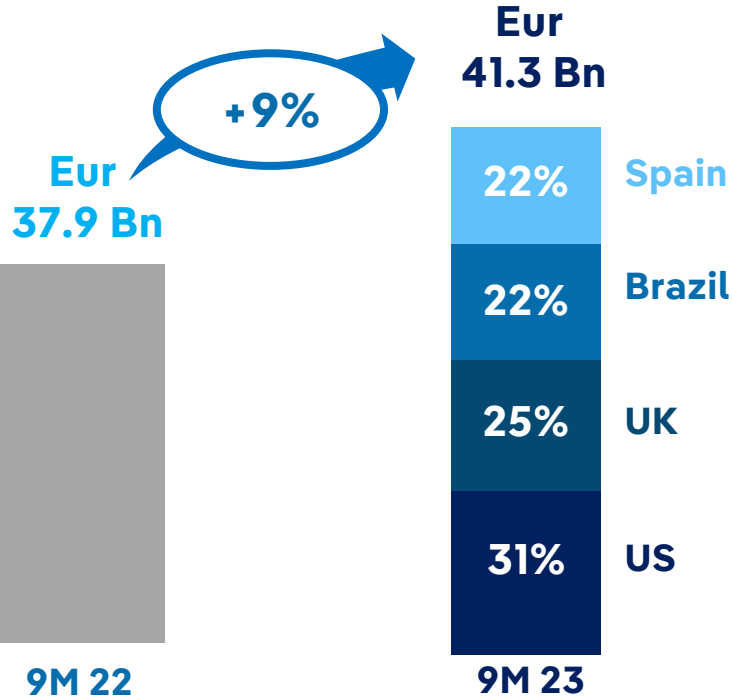
### ENERGY PRODUCTION & CUSTOMERS

- EU: Normalization of renewable output and margins
- UK: Cash recovery from previous year retail deficits and improving business conditions

...DRIVEN BY PRODUCTION RECOVERY AND OPERATING EFFICIENCY

GROWTH IN ALL GEOGRAPHIES DRIVEN BY STABLE AND PREDICTABLE FRAMEWORKS  
protecting from inflation and interest rates

RAB by Geography (y-o-y)



96% of 2025 Regulated asset base with frameworks closed

Distribution

- US: Rate Cases secured** for c.**90%** of AVANGRID’S asset base
  - **NY** (58% of US asset base): Rate case approved by PSC until apr-2026
  - **Maine** (14% of US asset base): Closed until jun-2025
  - **Connecticut** (15% of US asset base): Closed until jun-2024
- BRA: Positive proposal** from the Ministry of Energy and Mines for the **renewal** of distribution **concessions** for **30 years**

Transmission

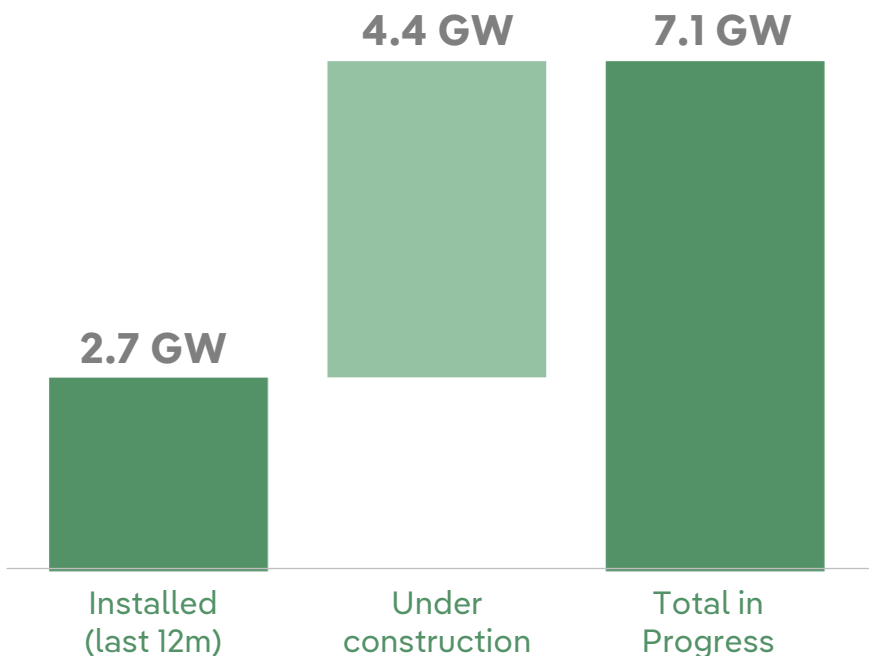
- Additional growth in transmission (Eur 5 Bn), with COD 2026-2030*
- US**
    - New York: Additional investments driven by Climate Leadership and Community Protection Act (**CLCPA**) until 2030
    - **NECEC** project construction resume
  - UK: Eastern Link 1**, allowing revenue recognition during build-up

INCREASING OUR DIVERSIFIED ASSET BASE IN HIGH-RATING COUNTRIES



## SELECTIVE GROWTH IN RENEWABLES TO BALANCE OUR GENERATION / SUPPLY POSITION

### ONSHORE RENEWABLE CAPACITY BY STAGE



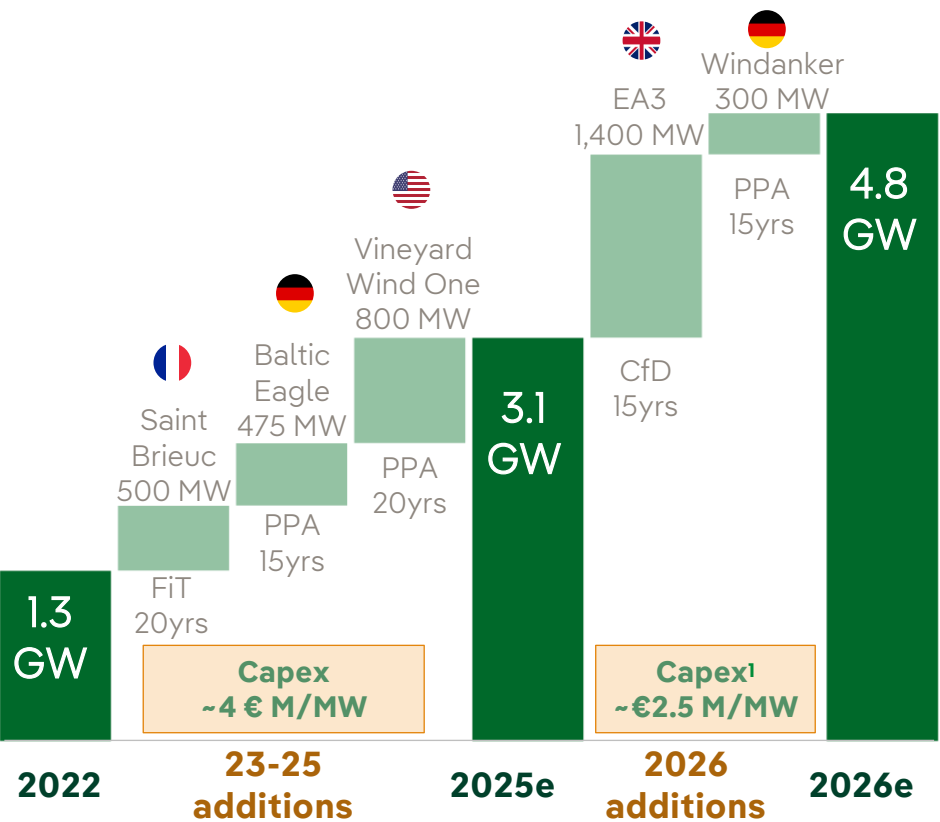
Already ~60%  
of onshore  
2023-25 Plan

- **High-rating** countries
- **Optimizing** current **onshore** asset base of **40 GW**
- **Selective Growth** focused on **core countries** to cover **energy sales** with **own production**
- **Maximizing value** through **partnerships**

**2.7 GW INSTALLED IN LAST 12 MONTHS  
WITH 4.4 GW UNDER CONSTRUCTION ON TRACK**

## OFFSHORE WIND GROWTH SECURED: DOUBLING EBITDA CONTRIBUTION BY '25/26...

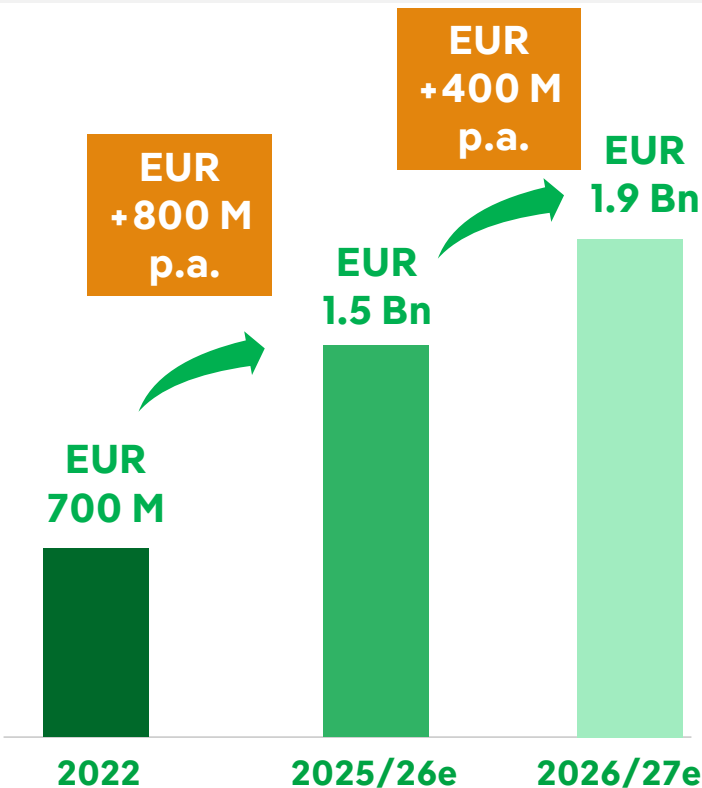
### OFFSHORE WIND CAPACITY



### 5 PROJECTS UNDER CONSTRUCTION

- ✓ PROGRESSING ON TIME AND BUDGET
- ✓ SECURED SUPPLY CHAIN
- ✓ ENERGY SOLD
- ✓ HIGH RATING COUNTRIES



### EBITDA<sup>2</sup> CONTRIBUTION



...REACHING AN EBITDA OF EUR 1.9 BN BY '26/27...

## ...WITH A MATURE PIPELINE AT COMPETITIVE COSTS THAT PROVIDES OPTIONALITY FOR FURTHER GROWTH

### PROJECTS WITH CONSENT

	Park City Wind	800 MW
	Commonwealth Wind	1,240 MW
	EAIN & EA2	1,600 MW

3.6 GW

### PROJECTS WITH SEABED RIGHTS

	ScotWind <sup>1</sup>	4,500 MW
	Kitty Hawk	3,500 MW

8.0 GW

### OTHER OPPORTUNITIES

	Japan		Sweden		Norway
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Mature projects with  
average development costs of €~60/kW  
vs €~600/kW in recent auctions  
in US and Europe



HIGH RATING COUNTRIES



ADVANCED PLANNING PROJECTS



VALUE CREATION DISCIPLINE



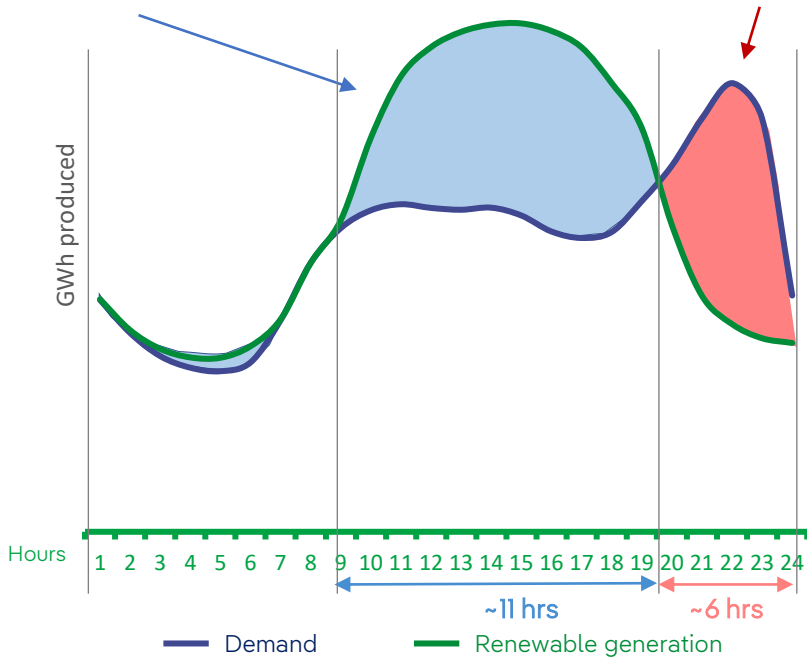
CREATION OF OFFSHORE HUBS

## INCREASING ROLE OF STORAGE TO MODULATE SUPPLY AND DEMAND IN SHORT AND LONG CYCLES...

### BUSINESS CASE FOR PUMP HYDRO: ABILITY TO BENEFIT FROM LONG DURATION CYCLES (DAILY/WEEKLY) vs 2/4 HOURS FROM BATTERIES

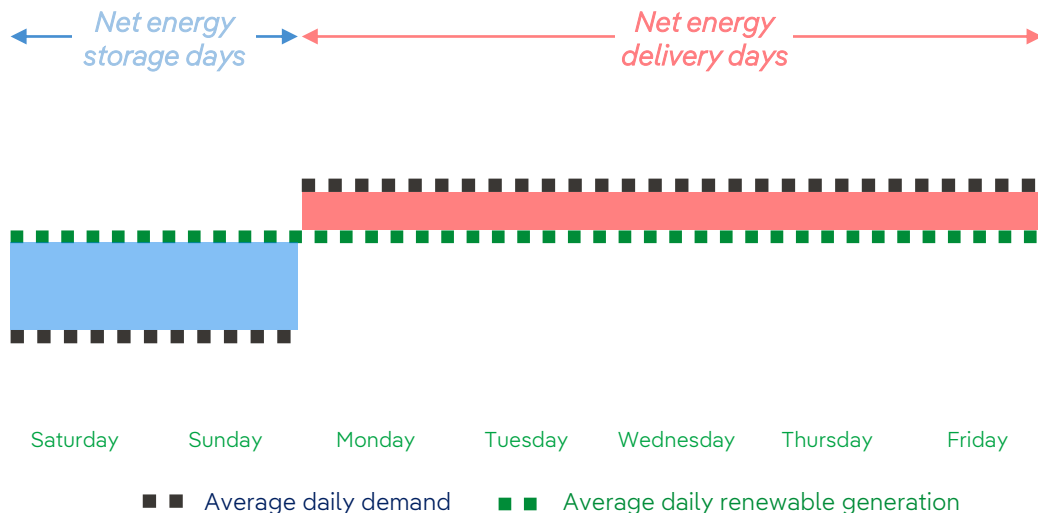
#### FUTURE DAILY CYCLE

- Pumping during midday (~11 hours of high solar PV)
- Producing during evenings (~6 hours of high demand)



#### FUTURE WEEKLY CYCLE

- Concentrating pumping during weekends (low demand)
- Net production Monday-Friday

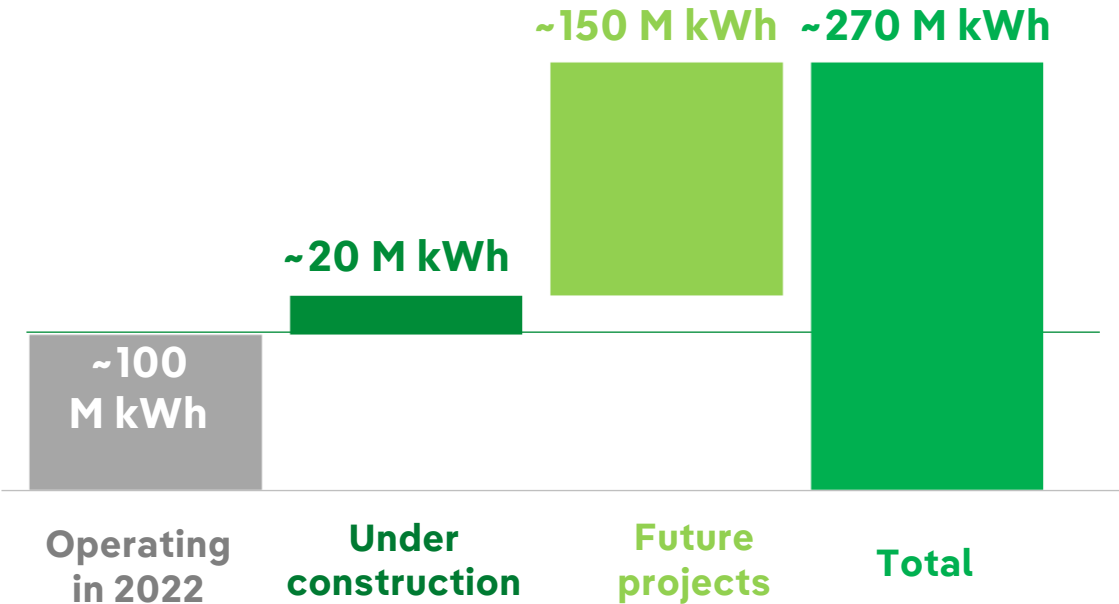


## ...PROVIDING ALSO SEASONAL STORAGE AND ANCILLARY SERVICES

## IBERDROLA HAS MORE THAN 100 M kWh OF PUMP STORAGE CAPACITY AND A PIPELINE FOR SIGNIFICANT EXPANSION IN COMING YEARS...



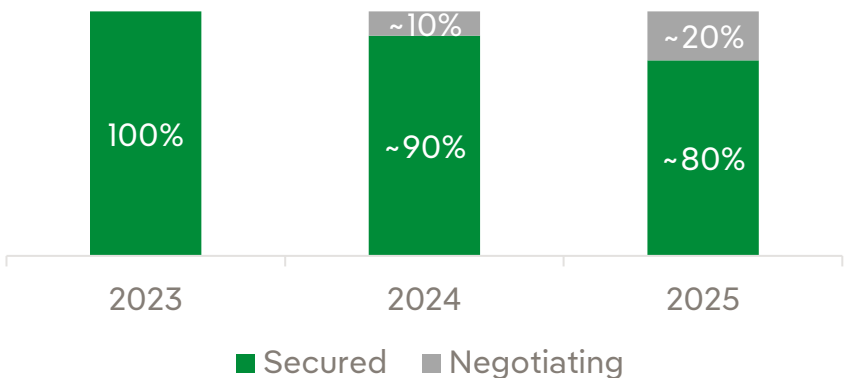
### IBERDROLA CURRENT PUMPED HYDRO ASSET BASE AND PIPELINE IN IBERIA



## ...AS WELL AS BATTERIES IN OPERATION IN SPAIN, UK AND AUSTRALIA

## AROUND 90% OF 2023-25 PLANNED ENERGY ALREADY SOLD

### Volumes sold 2023-25



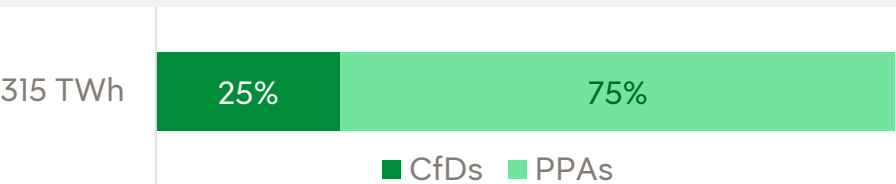
### DIVERSIFIED APPROACH TO SECURE ENERGY BALANCE

#### LT Contracts & PPAs

- Long-term revenues secured through PPAs and CFDs
- Providing visibility for the long-term
- Increasing offshore projects Routes-to-Markets



### Additional contracted Revenues 2026-30



#### Flexible access to additional sources

- Opportunistic PPAs with parties
- Retaining **100 % of energy management in co-invested projects**



## FOCUS ON FLEXIBLE GROWTH TO PRESERVE ENERGY BALANCE and reinforce our integrated profile

**~100% RENEWABLES AND ~85% NETWORKS SUPPLY CHAIN SECURED FOR 2023-25**



## Offshore Wind

- ▶ 100% of supply chain to 2025 secured
- ▶ Projects 2023-25 : St. Brieuc, Baltic Eagle and Vineyard Wind
- ▶ Secured Projects >2025 : East Anglia 3 and Windanker



## Onshore Wind



## Solar PV

- ▶ c.100% of supply chain secured for projects with FID
- ▶ Framework contracts signed covering additional needs 2023-25



## Networks

- ▶ 85% of supply chain secured
- ▶ 100% of supply chain secured for transmission projects – Contracts signed for Leiloes 2022

**SIGNIFICANT PROGRESS IN SUPPLIES FOR PROJECTS WITH COD >2025**

## ASSET ROTATION PLAN 2023-2025 ALREADY COMPLETED (EUR 7,500 M)

### ✓ INCREASING FLEXIBILITY

- Access to **more projects and investments**







### ✓ REINFORCING BALANCE SHEET

- **Reducing risks** along long-cycle investments
- Anticipating **cash inflows** and **reducing financial needs**

### ✓ CRYSTALISING VALUE

- Improving **profitability** and **delivering competitive returns** and **execution capabilities** to **our partners**
- Additional revenues from **high-added value activities** (O&M, Services...)
- **Energy Management** to improve balancing

#### Transaction overview

		Asset Rotation	Partnership
	<b>Mexico Transaction</b>	✓	
	<b>Strategic Alliance in Spain and Portugal</b>	✓	✓
	<b>Transmission Brazil</b>	✓	✓
	<b>JV Offshore Germany</b>	✓	
	<b>JV Onshore Spain</b>	✓	✓
	<b>Hydro stakes in Brazil</b>	✓	
	<b>JV Mobility</b>		✓

#### Other partnerships with Top-tier partners

				
QATAR INVESTMENT AUTHORITY		Copenhagen Infrastructure Partners		

## TIER 1 PARTNERSHIPS: ADDITIONAL CO-INVESTMENT OPPORTUNITIES



## TRANSACTIONS PROGRESSING AS SCHEDULED AND ANALYZING POTENTIAL ADDITIONAL OPPORTUNITIES

### Latest developments

#### **Mexico: in progress to close before year-end**

- ✓ Federal Economic Competition Commission permit progressing as scheduled
- ✓ Spin-off almost completed

#### **Asset Swap with Eletrobras closed**

- ✓ 100% consolidation of Dardanelos hydro plant with positive impact of BRL 1,500 M

#### **Alliance with GIC to co-invest in transmission closed**

- ✓ Agreement on BRL 1,100 M
- ✓ 1,865 km of transmission lines in operation
- ✓ Partnership to jointly bid in upcoming auctions

#### **Strategic Alliance with Norges in Spain and Portugal**

- ✓ First transaction closed and cash collected
- ✓ Perimeter delimitation for a potential extension in Spain and Portugal

#### **JV Offshore Germany with MASDAR**

- ✓ Co-investment agreement signed in July
- ✓ Competition approvals in Germany and Foreign investment authorization obtained

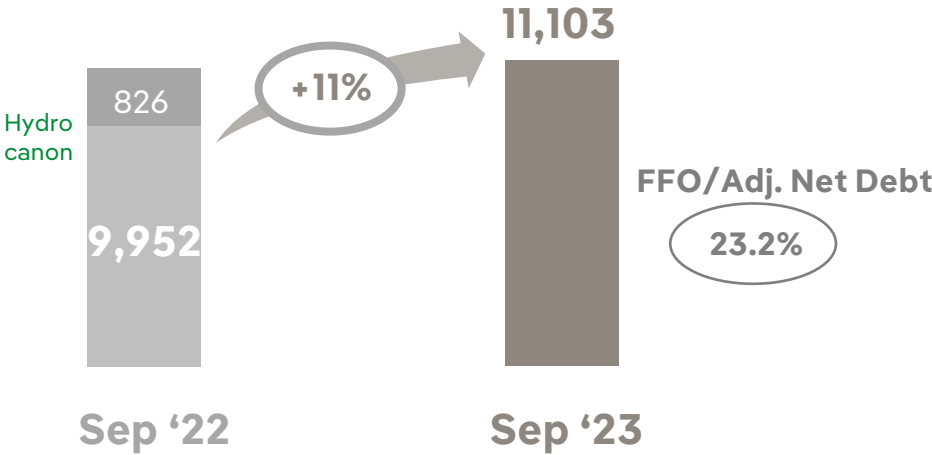
#### **JV Mobility with bp**

- ✓ Foreign investment authorization obtained in July
- ✓ EU competition authorization in process

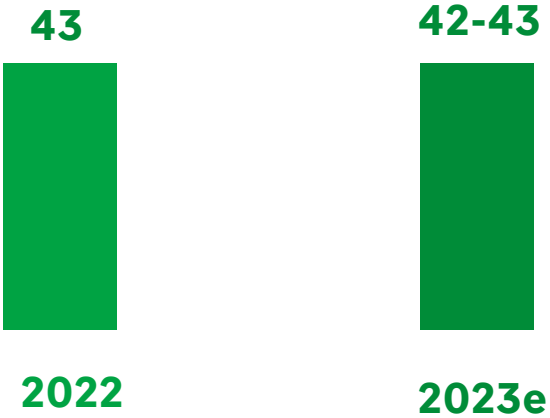
**EUR 6,000 M EXPECTED TO BE COLLECTED IN Q4...**

... WHICH ALONG WITH STRONG OPERATING CASH FLOW OF EUR 11 BN IN 12 MONTHS...

## OPERATING CASH FLOW – FFO<sup>1</sup> (EUR M)



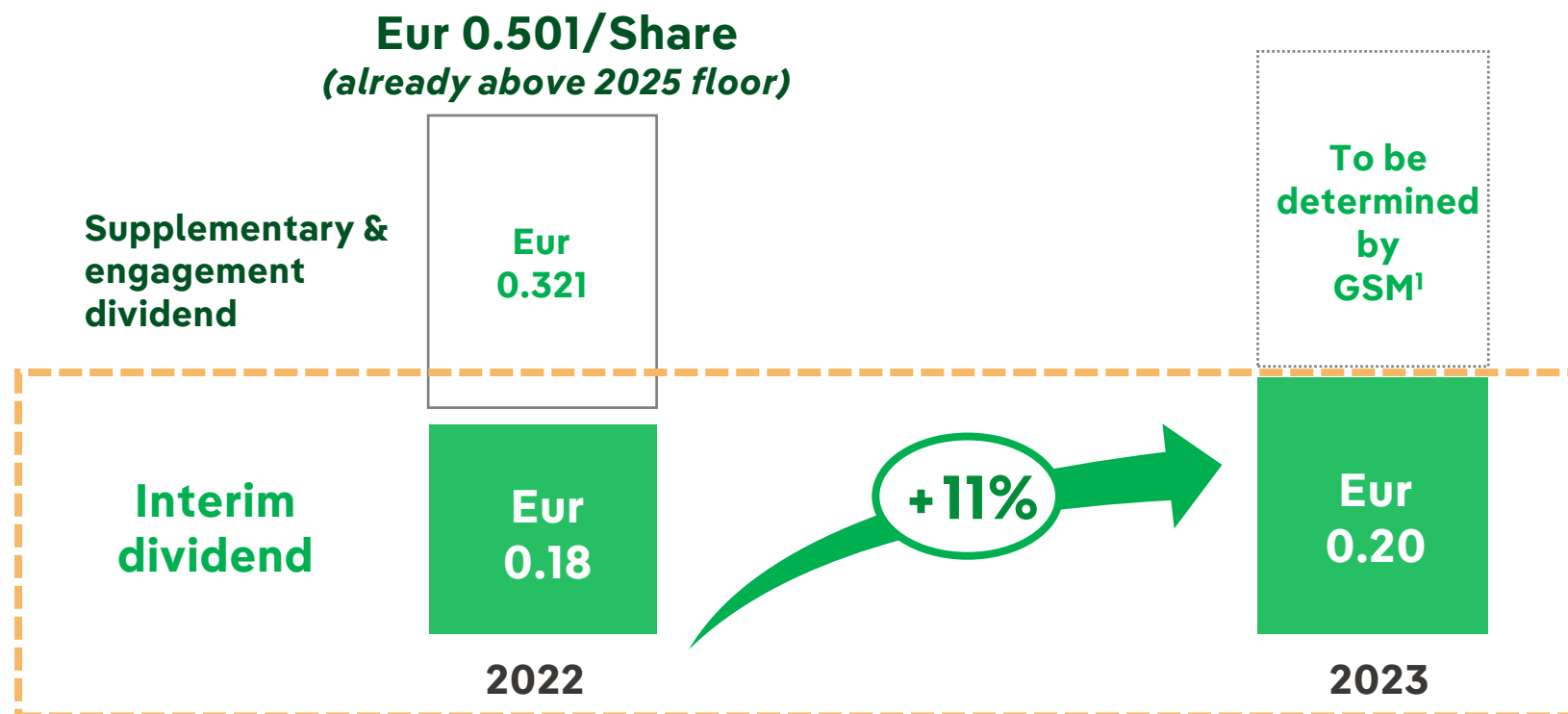
## NET DEBT (EUR BN)



... WILL ALLOW US TO REACH A NET DEBT OF EUR 42 – 43 BN BY YEAR END

1. FFO considers last 12m

## 2023 INTERIM SHAREHOLDER REMUNERATION OF EUR 0.20/SHARE (+11%)



**2025 FLOOR DIVIDEND ALREADY REACHED IN 2022**

1. General Shareholders "Meeting

## ELECTRICITY MARKET REFORM: EU COUNCIL AGREEMENT CLOSED, IN LINE WITH THE POSITIVE OUTCOME OF COMMISSION AND PARLIAMENT PROPOSALS

		EU Commission Proposal	EU Parliament Approval	EU Council Agreement
MARKET FUNCTIONING	▶ <b>Recognition of adequate market functioning:</b> new measures to increase liquidity and avoid volatility	✓	✓	✓
	▶ <b>Rules to declare “State of emergency”</b> if spot prices >180 Eur/MWh during >6 months	✓	✓	✓
	▶ <b>No caps to inframarginal technologies considered</b>	✓	✓	✓
	▶ <b>Promotion of capacity mechanisms</b>		✓	✓
LONG-TERM CONTRACTING	▶ <b>Need to promote PPAs in a Single European Market</b>	✓	✓	✓
	▶ <b>Voluntary contracts at fixed prices with no retroactivity</b> for existing plants (CfD)	✓	✓	✓
ENERGY TRANSITION	▶ <b>Schemes to increase flexibility in the system:</b> open to new investments and existing facilities	✓	✓	✓
	▶ <b>Support for Networks deployment:</b> need of anticipate investments to satisfy demand and connection for renewables	✓	✓	✓

## SECURING A DESIGN BASED ON MARKET PRINCIPLES AND LONG-TERM CONTRACTING



# Analysis of results

# Income Statement / Group

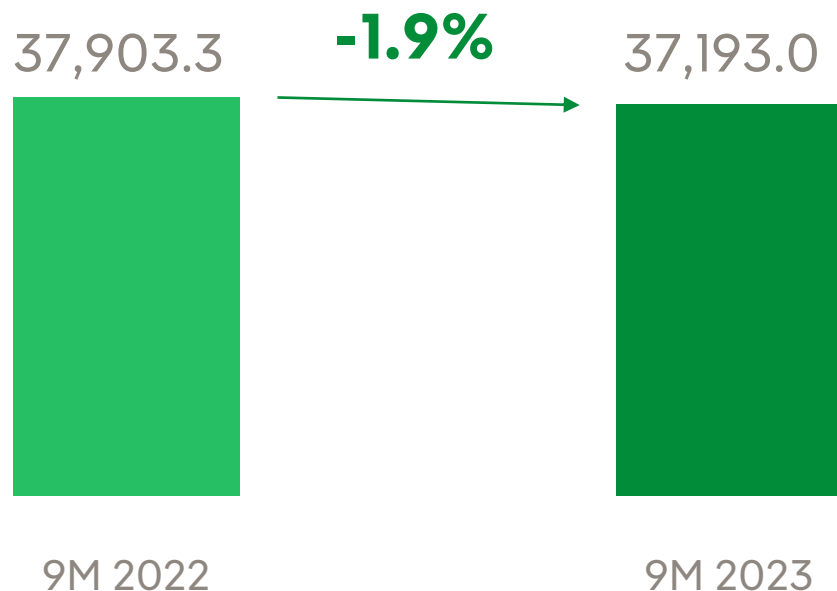
**EBITDA up 13% to EUR 10,783 M, and Net Profit would have increased 22% to EUR 3,799 M, excluding one-off non-cash impact in Mexico (EUR -162 M)**

EUR M	9M 2023	9M 2022	%
Revenues	37,193	37,903	-1.9
<b>Gross Margin</b>	<b>17,200</b>	<b>14,656</b>	<b>+17.4</b>
Net Operating Expenses	-4,341	-3,791	+14.5
Levies	-2,076	-1,335	+55.5
<b>EBITDA</b>	<b>10,783</b>	<b>9,529</b>	<b>+13.2</b>
EBIT	6,813	5,663	+20.3
Net Financial Expenses	-1,666	-1,379	+20.8
Equity Results	213	171	+24.0
Taxes	-1,312	-787	+66.6
Minorities	-411	-565	-27.3
<b>Net Profit</b>	<b>3,637</b>	<b>3,104</b>	<b>+17.2</b>

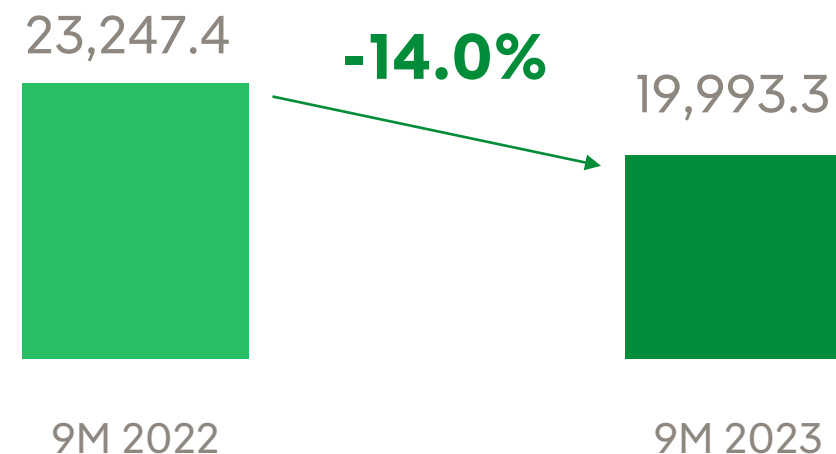
# Gross Margin / Group

Gross Margin up 17% to EUR 17,200 M...

Revenues (EUR M)



Procurements (EUR M)



... driven by higher production and lower procurement costs

# Net Operating Expenses / Group

**Excluding extraordinary<sup>1</sup> and reconciliation impacts in the US, Net Personnel Expenses increases 5.2% and External services 9.4%...**

## Net Operating Expenses (EUR M)

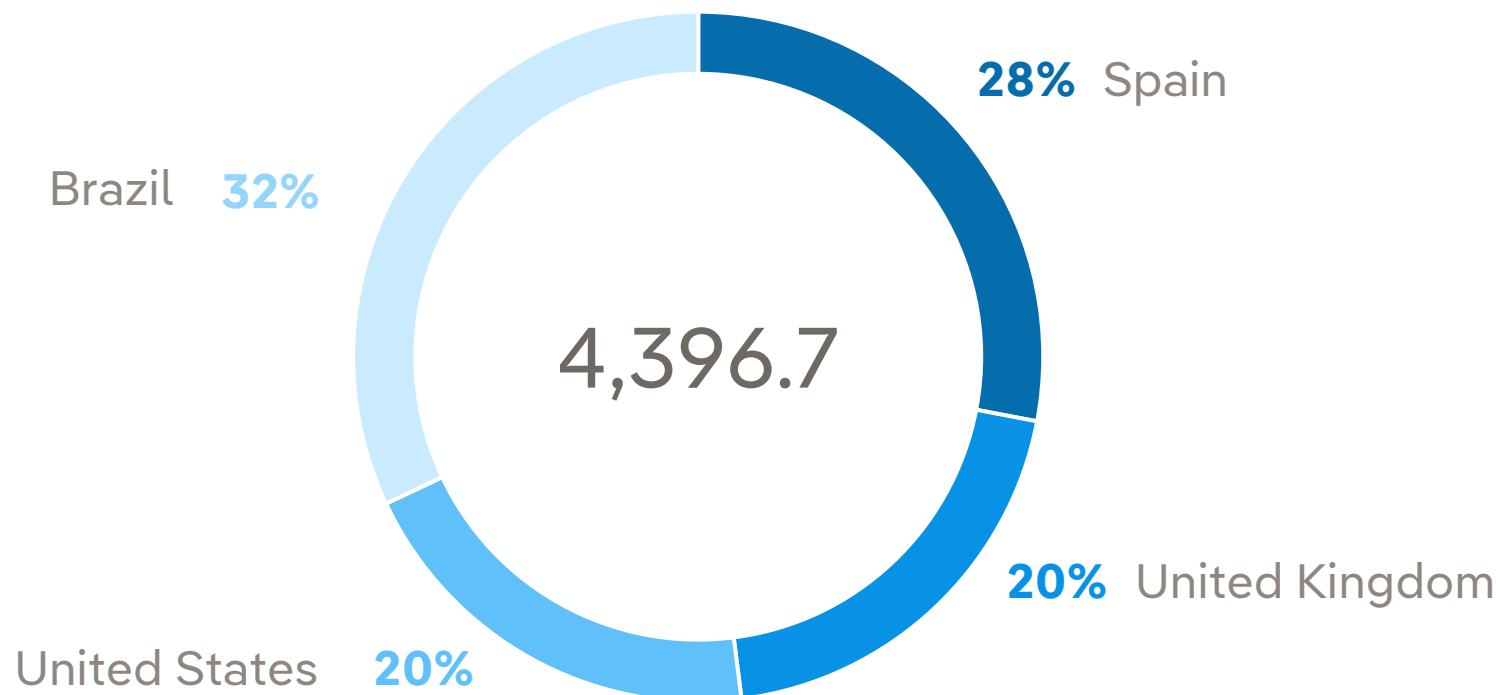
	9M 2023	9M 2022	vs'22 (%)	Recurrent vs'22 (%)
Net Personnel Expenses	-2,105.2	-1,881.0	+11.9%	+5.2%
External Services	-2,809.3	-2,522.6	+11.4%	+9.4%
Other Operating Income	573.9	612.1	-6.2%	-6.2%
<b>Total Net Operating Expenses</b>	<b>-4,340.6</b>	<b>-3,791.4</b>	<b>+14.5%</b>	<b>+6.5%</b>

**...driving Net Operating Expenses up by 6.5% vs the 14.5% reported**



## Results by Business / Networks

Networks Reported EBITDA reaches EUR 4,397 M



**9M'22 positively affected by one-offs in US totaling EUR 598 M  
partially compensated by legal case in Spain (EUR 203 M)**

# Results by Business / Networks

## SPAIN

### EBITDA EUR 1,247.5 M (+20.1%):

- Driven by a negative one-off in 9M '22 related to a legal case that reversed at the end of the year (EUR -203 M)

## UNITED KINGDOM

### EBITDA GBP 767.5 M (+13.3%):

- Higher contribution both in Transmission and Distribution, due to the new regulatory framework ED2 and higher asset base

## BRAZIL

### EBITDA BRL 7,553.2 M (-3.7%):

- Lower contribution from Transmission business, due to asset deconsolidation (GIC deal) and a one-off, partially compensated by tariff reviews in Distribution.

## UNITED STATES

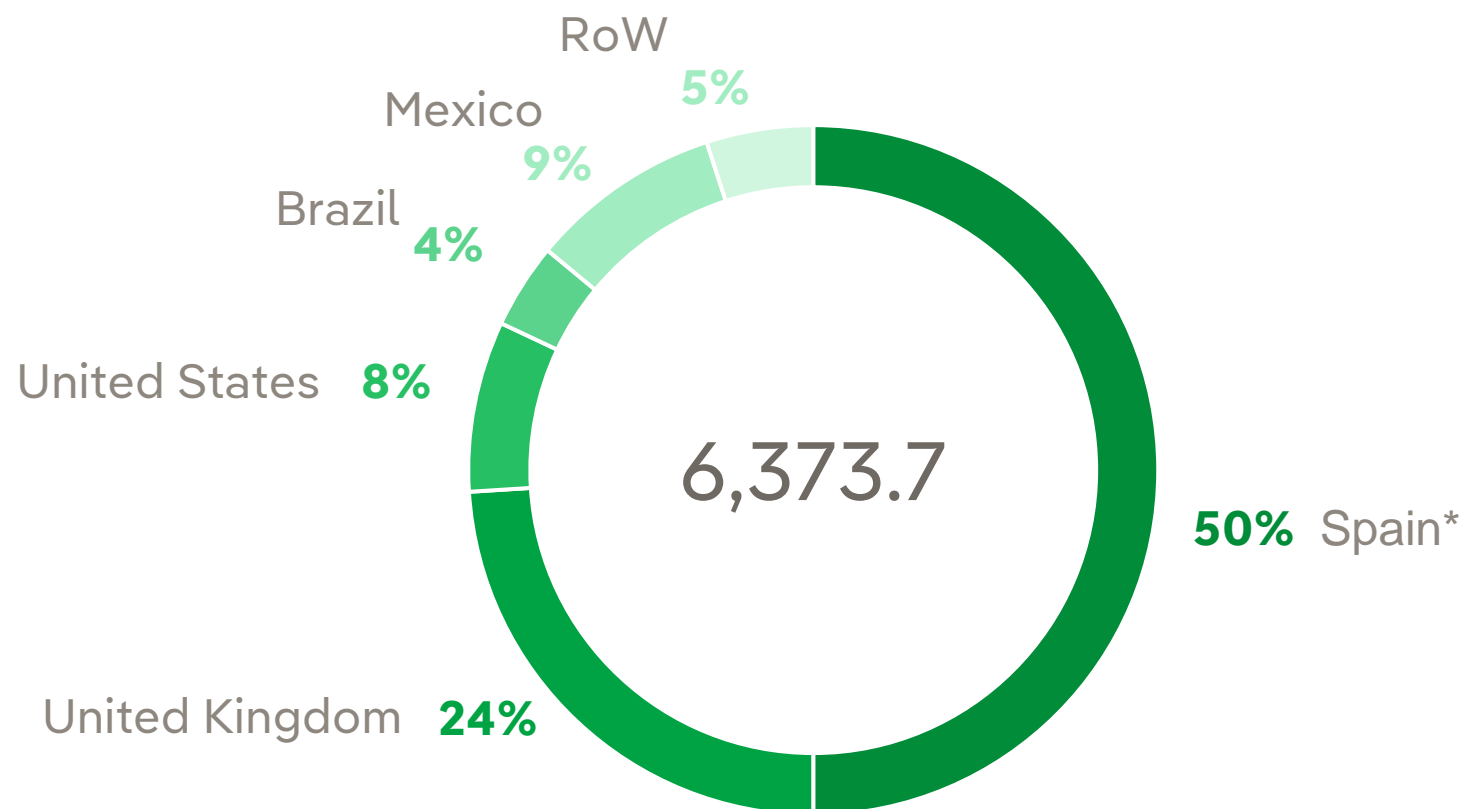
### EBITDA IFRS USD 952.7 M (-40.5%):

- USD 550 M positive one-off in 9M '22 linked to NY Order that permitted the accrual of certain regulatory assets and additional USD 87 M in pensions one-off.
- NY rate case approval. USD 150 M of recovery expected to be accounted in Q4' 23.

**EBITDA US GAAP USD 1,258.3 M (-2.7%),** expecting recovery of USD 195 M in Q4' 23 due to new NY rate case

# Results by Business / Energy Production and Customers

Energy Production and Customers EBITDA increases 34% to EUR 6,374 M



\* 1.2% revenue tax in Spain included in corporation while for presentation purposes appears in Energy Production and Customers in Spain (EUR -213 M) because it only affects to the Energy Production and Customers business.

# Results by Business / Energy Production and Customers

## SPAIN

### EBITDA EUR 3,155.5 M (+37.4%):

- Compared to a weak 2022 as a result of:
  - Production reaching normal levels, especially hydro and nuclear (+4.4 TWh) and higher sales due to a gain in market share (27.6% in 9M' 23 vs. 25.2% in 9M' 22)
  - Lower energy purchases at much lower prices than last year

## UNITED KINGDOM

### EBITDA GBP 1,354.0 M (+137.2%):

- Full collection of past tariff deficit (GBP +321 M) which had a negative impact in Q4 '22
- Margin normalization in 9M '23 results
- Higher offshore wind output partially compensates lower onshore wind contribution

## UNITED STATES

### EBITDA USD 562.7 M (+5.1%):

- Higher output (+4.1%), offsetting break-up costs at CWW and PCW accounted in 2023 (USD -40 M)

# Results by Business / Energy Production and Customers

## MEXICO

### EBITDA USD 645.6 M (-8.9%):

- Lower contribution from renewable assets and contracted plants (PIEs) partially compensated by the new capacity in operation (Tamazunchale II)

## BRAZIL

### EBITDA BRL 1,345.3 M (-16.2%):

- Lower contribution from thermal business, after an exceptional year 2022, partially offset by new renewable capacity in operation

## RoW

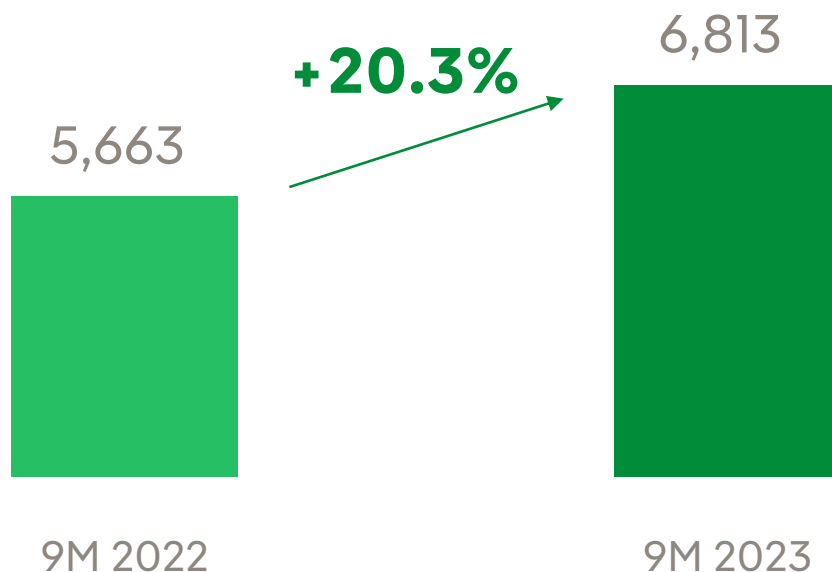
### EBITDA EUR 302.2 M (-5.0%):

- Higher production (+16.5%) partially compensates lower prices

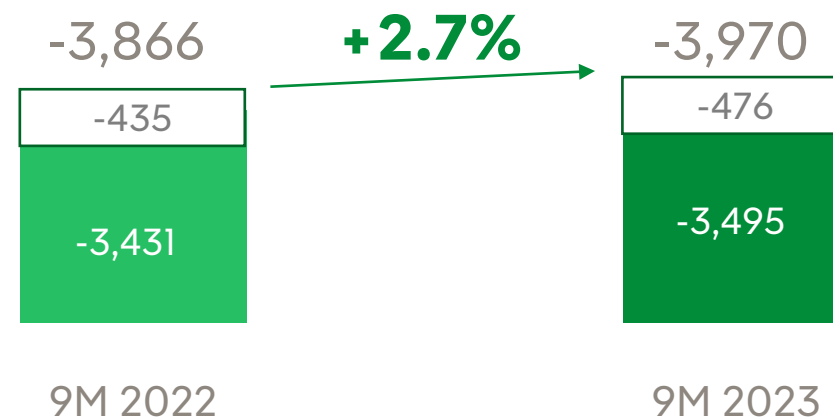
# EBIT / Group

**EBIT grows 20% to EUR 6,813 M**

EBIT (EUR M)



D&A and Provisions (EUR M)

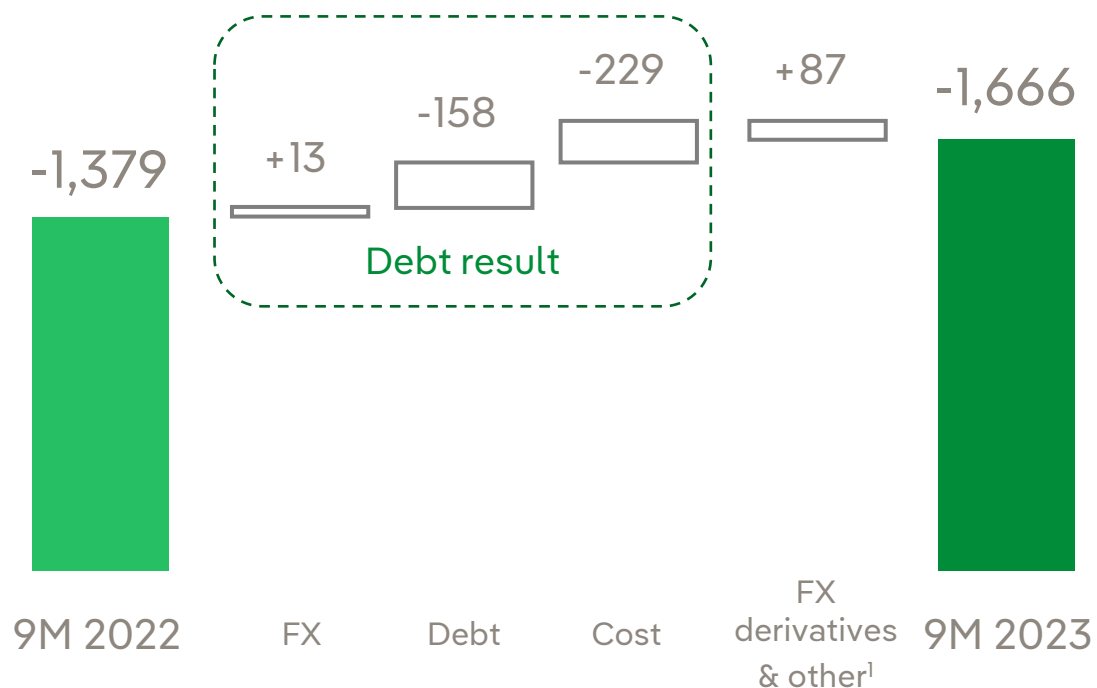


**D&A and provisions up 2.7% to EUR 3,970 M, driven by higher asset base and bad debt evolution due to increased customer billing**

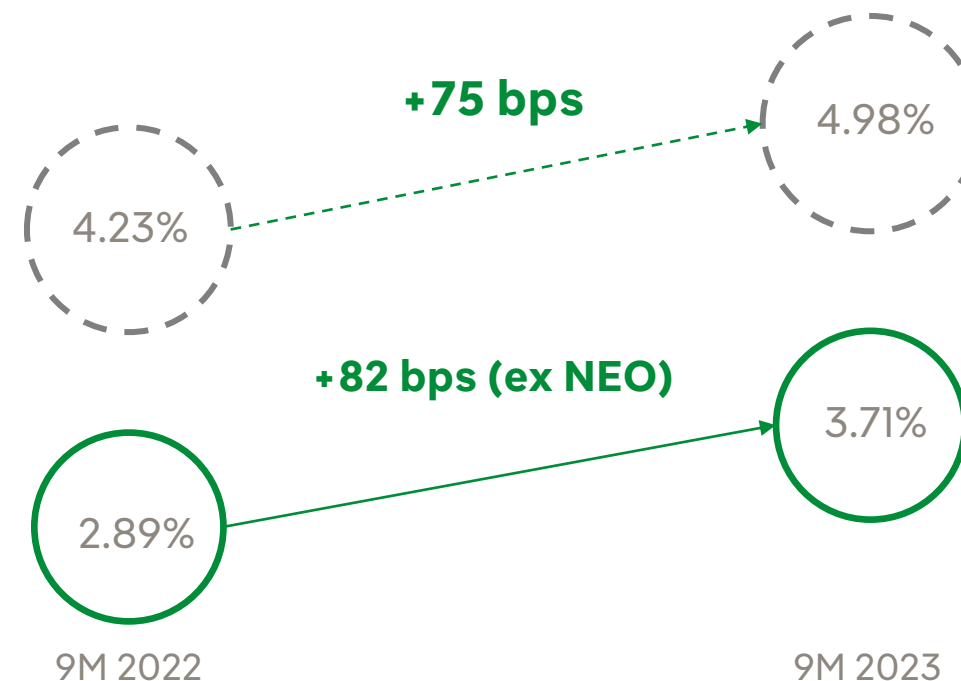
# Net Financial Results / Group

**Net Financial Results up EUR 287 M to EUR 1,666 M, due to higher average debt and interest rates, partially offset by FX derivatives results**

## NET FINANCIAL RESULT (EUR M)



## COST OF DEBT



**Cost of debt (ex-Neo) below expected in CMD'22 (3.8%). Total cost of debt (4.98%) below 1H'23 (5.05%)**  
**Cost of debt in Brazil improves -76 bp vs. June 23**

1. Includes EUR c. 70 M of positive one-offs in 9M 2022

# Financial ratios and Adjusted Net Debt / Group

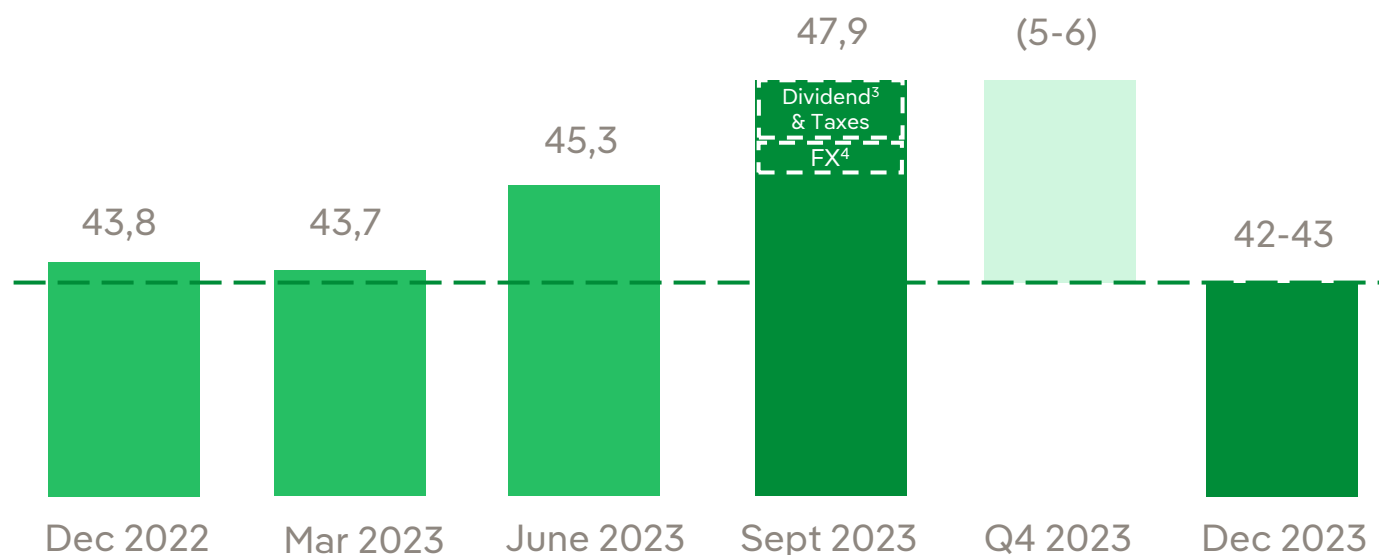
**FFO / Adjusted Net Debt at 23.2%**

**FFO grows 11% to EUR 11,103 M excluding hydro canon recovery in 2022<sup>1</sup>**

## ADJUSTED CREDIT METRICS

	Sep. 2023	Sep. 2022
Adjusted Net Debt / EBITDA	<b>3.31x</b>	3.29x
FFO / Adjusted Net Debt <sup>1</sup>	<b>23.2%</b>	24.3%
Adjusted Leverage	<b>44.4%</b>	41.4%

## ADJUSTED NET DEBT (EUR Bn)



**Ongoing deals<sup>2</sup> expected to be cashed in before year end.  
Expected FY 2023 Net Debt at EUR 42-43 Bn**

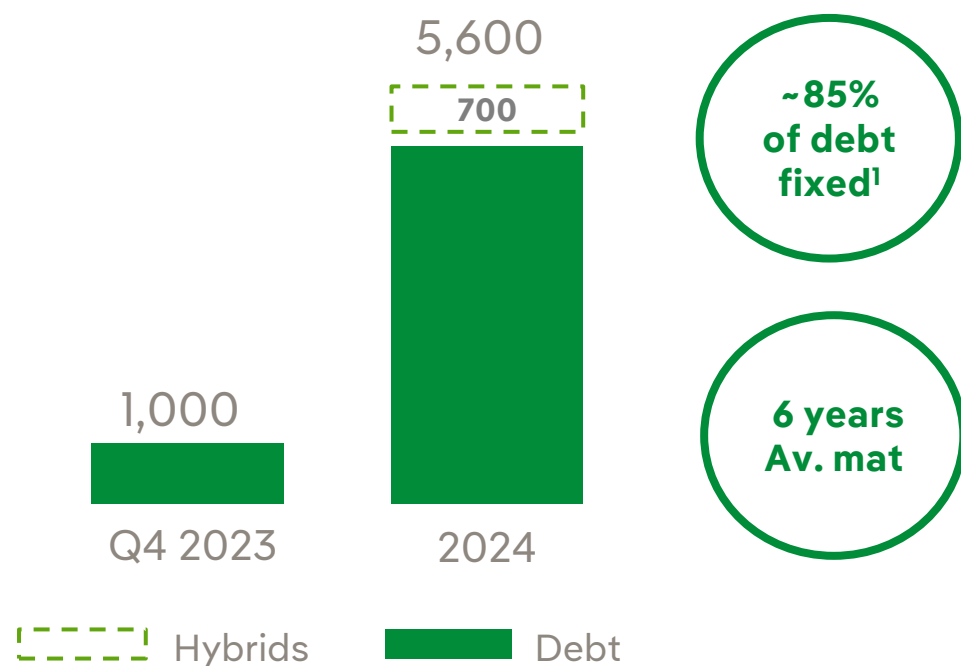
1. FFO would improve 11% and ratios would improve 0.9% in FFO/ND and 0.32x in ND/EBITDA, not considering sep22 one offs (EUR 775 M in FFO and EUR 1,089 M in EBITDA)
2. Asset Rotation & Partnerships
3. Dividend & taxes EUR 1,844 M (including Treasury shares)
4. FX EUR 487 M



# Financing Strategy

**2023 & 2024 maturities fully covered with already signed financing and expected proceeds**

## DEBT MATURITIES & HYBRID CALLS (EUR M)



Strong liquidity position of EUR 20,200 M reaches 21 months

2024 maturities fully covered with expected proceeds of over EUR 6 Bn in the next 12 months thanks to asset rotation and court rulings (~EUR 1 Bn)

Exposure to new fixed rate financing limited to EUR ~1 Bn in 2024, due to Forward Rate Swaps

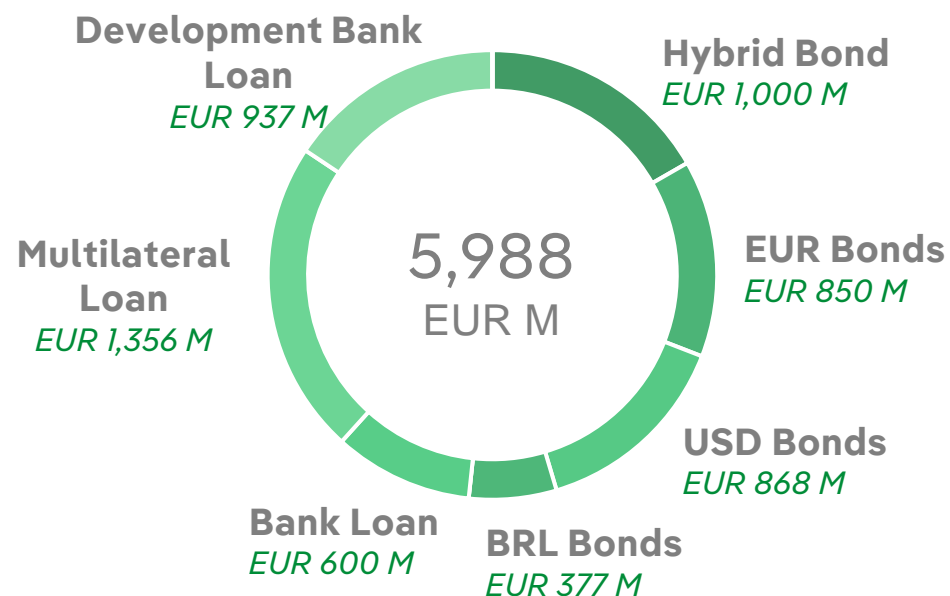
**Upcoming asset rotation & partnerships, and selective growth provides additional flexibility to fund investments**

1. Excluding Neoenergia

# Financial strength

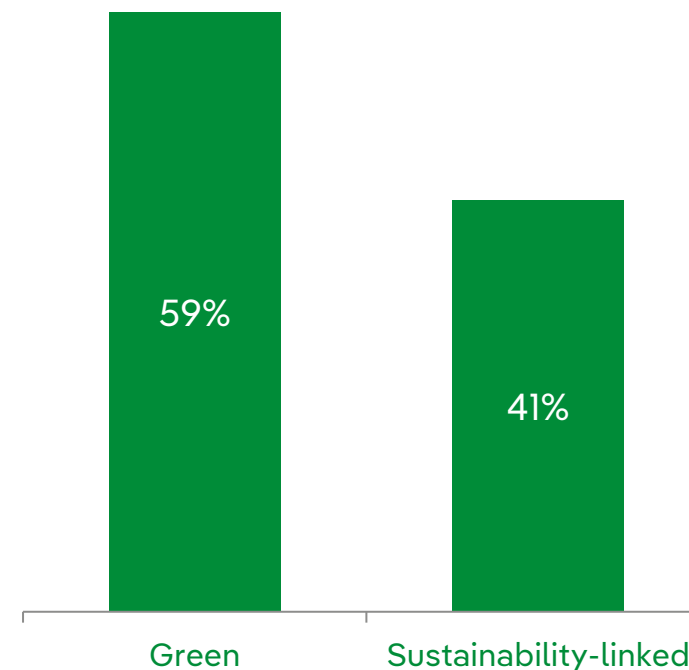
Diversified portfolio provides flexibility to target the markets at the right timing achieving very favorable conditions

**NEW FINANCING 2023: EUR 5,988 M**



**88% of newly signed financing (Eur 5.3 Bn) are ESG transactions, reaffirming Iberdrola's commitment while becoming its main source of financing**

**TOTAL ESG PORTFOLIO: 66% of the total portfolio**



**World leading Group in Green Bonds issued**

# Net Profit / Group

**Net Profit grows 17% to EUR 3,637 M, +22% excluding Mexico one-off**

EUR M	9M 2023	9M 2022	vs'22 (%)
<b>EBIT</b>	<b>6,812.9</b>	<b>5,663.4</b>	<b>+20.3%</b>
- Net Financial Expenses	-1,666.0	-1,379.1	+20.8%
- Equity Method	212.6	171.4	+24.0%
- Corporate Tax	-1,312.0	-787.5	+66.6%
- Minorities	-410.6	-564.7	-27.3%
<b>Net Profit</b>	<b>3,637.0</b>	<b>3,103.6</b>	<b>+17.2%</b>

**Equity Method increases thanks to asset swap, which offsets transmission one-off (at EBITDA level), both in Brazil  
Income Tax affected by negative one-offs: in Mexico (EUR -162 M) to be reversed, and Brazil (EUR +124 M) in 9M' 22**

# Ready for “Higher for Longer”



Structurally, IBE business is protected from inflation and interest rate rises...

## Networks | ~ 50%






- +

↓

-

  -  • Revenues fully updated on a yearly basis with actual inflation
  -  • Revenues fully updated on a yearly basis with actual inflation
  -  • Revenues partially updated on a yearly basis with forecasted inflation
  - Partial passthrough of costs
  - ...
  -  • Revenues not updated with inflation
  - Next regulatory cycle in 2026

## EP&C | ~50%

-  • Inflation indirectly embedded
-  • c.70% long term PPAs (~40% with escalators) / 30% merchant in 2023
-  • Offshore CFDs – inflation adjusted
- Onshore: Market + ROCs
- Supply: SVT adjusted, reflecting input costs
-  • Private customers:
  - Pass through gas cost / opex inflation adjusted
  - Based on CFE tariff, inflation linked
-  • Renewables Europe CFDs + long term PPAs

...showing the resilience of our business profile, together with close to 100% of fixed-rate net debt<sup>1</sup> at year end

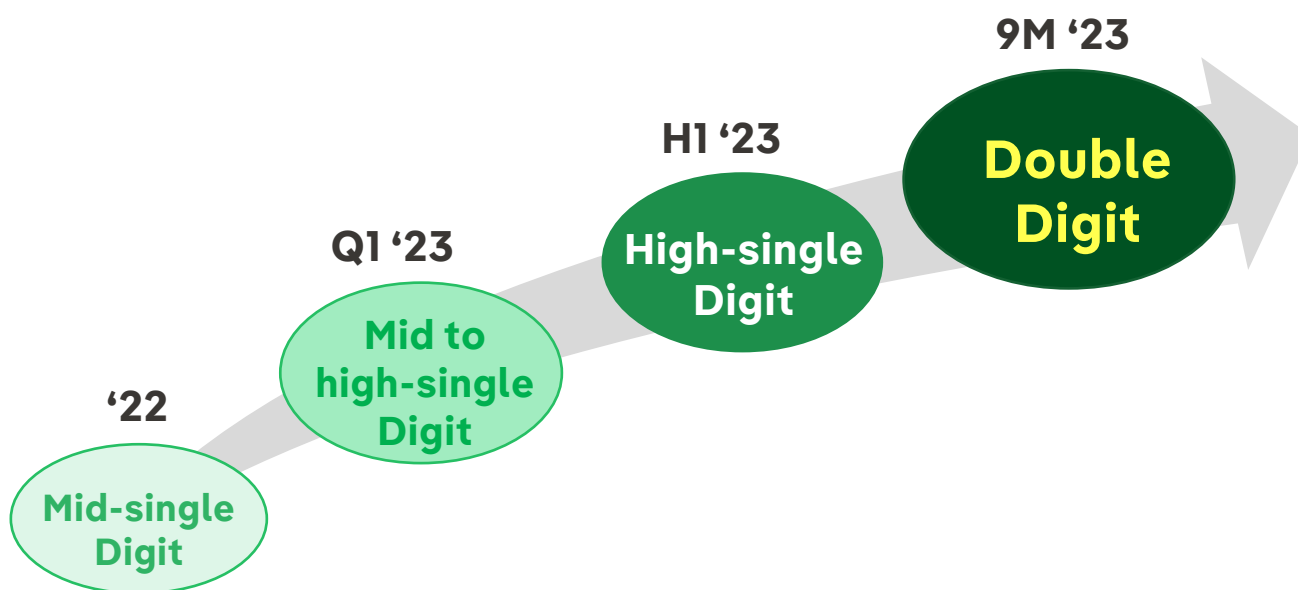
1. Dec 2023 Forecasted excluding Brazil



# Conclusions

## ONGOING IMPROVEMENTS IN RESULTS DRIVE A NEW INCREASE IN 2023 OUTLOOK TO **DOUBLE DIGIT GROWTH**...

### 2023 Net Profit Growth Outlook



### Driven by

#### Ongoing investment in Networks

- New **Rate Cases** and tariff increases in the **US** and **BR**

#### Increase in Production

- New capacity
- Higher renewable load factors
- Lower energy costs

#### Improvement in Retail

#### Ongoing Balance Sheet optimization

- Improving Operating Cash Flow
- Cash inflows from asset rotation

...excluding capital gains from asset rotation...

## ...THANKS TO A DIVERSIFIED GROWTH MODEL THAT ANTICIPATED MACRO TRENDS

### Key Pillars CMD '22



GROWTH IN NETWORKS



SELECTIVE INVESTMENT  
IN RENEWABLES



HIGH-RATING COUNTRIES



FINANCIAL STRENGTH

### Delivery

- ▶ RAB grows 9% to reach Eur 41.3 Bn
- ▶ 96% of 2025 Regulated asset base with frameworks closed
- ▶ Installed Capacity reaches 41,300 MWs
- ▶ 100% offshore and 60% onshore 2025 targets already in construction
- ▶ Optimizing demand/supply balance
- ▶ 80% of EBITDA from A-rated countries
- ▶ FFO/Adjusted Net Debt at 23.2%
- ▶ Expected cash inflows from asset rotation sufficient to cover 2024 maturities

REAFFIRMING 2023-25 FINANCIAL TARGETS AND INCREASING DIVIDEND

**OUR NEXT CAPITAL MARKETS DAY  
WILL BE HELD IN MARCH 2024...**

**...WITH MORE INFORMATION ABOUT GROUP OUTLOOK FOR THE NEXT YEARS**

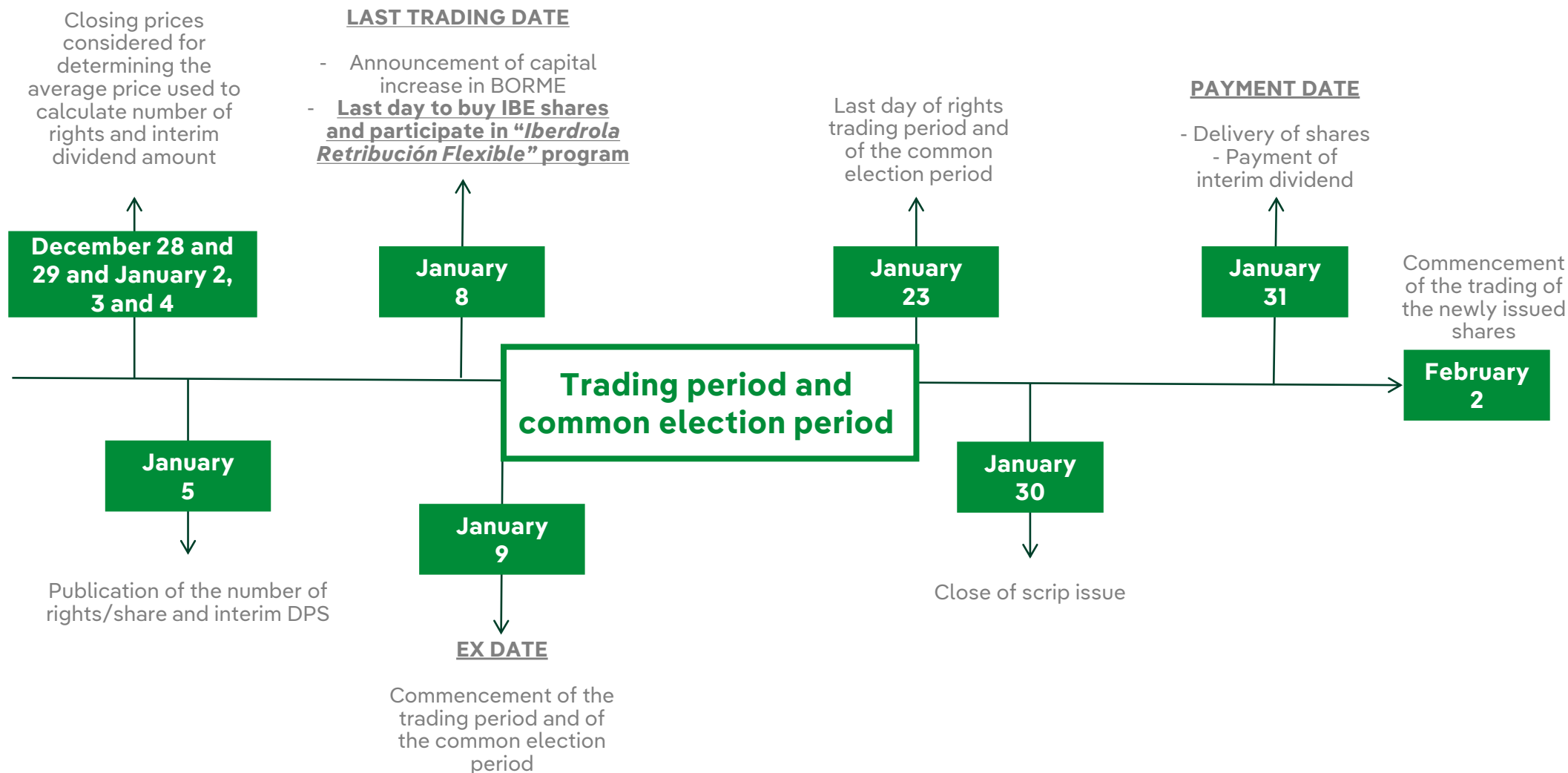




# Annex I

**“Iberdrola Retribución Flexible” program January 2024**

# “Iberdrola Retribución Flexible” program January 2024

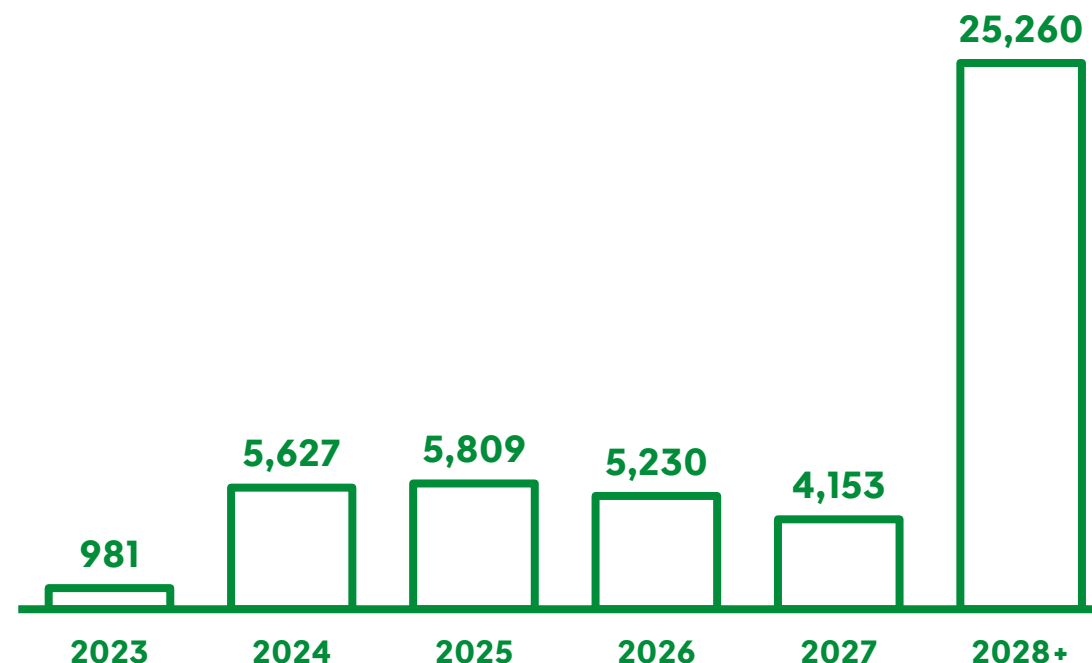
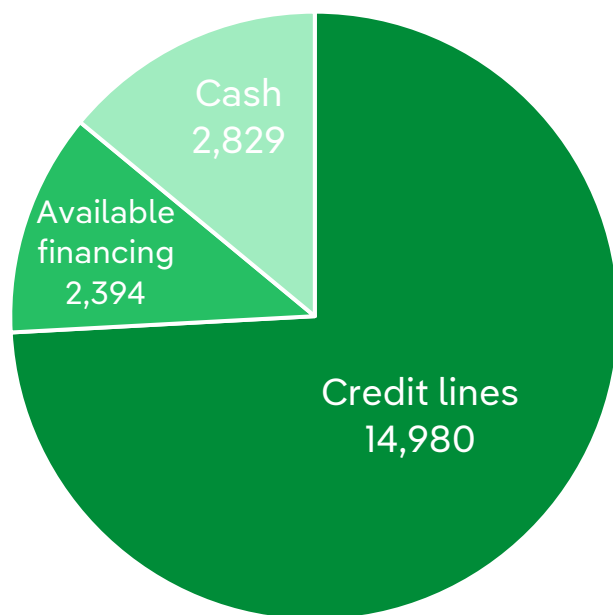




# Annex II

# Liquidity and maturities

As of today, liquidity totals EUR 20.2 bn<sup>1</sup> covering 21 months of financing needs with an average life of debt close to 6 years



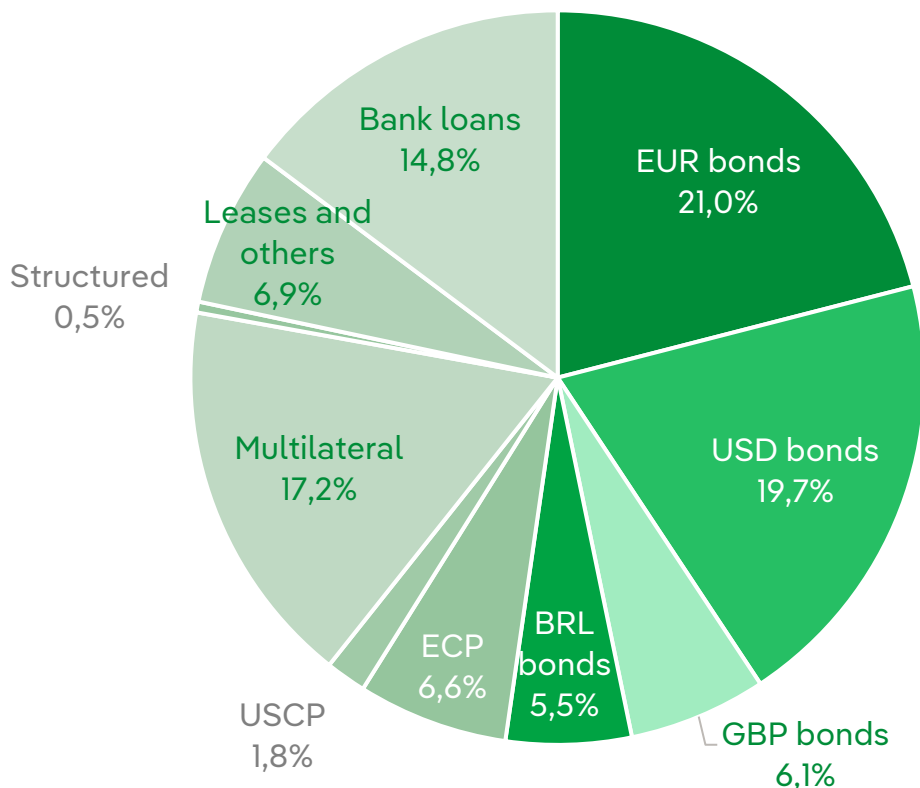
**Strong liquidity to face potential volatility in financial markets**

1. Including 1,200 M BRL in subsequent events and 116 M€ collected in October (hydroelectric asset swap agreement in Neoenergía)

# Diversified financing portfolio at competitive rates

Our strategy of diversification in funding sources provides flexibility to tap the market...

## % DEBT BY INSTRUMENT



## FINANCIAL SOURCES

### Bond market

- Main source of long-term financing
- Strong access to largest markets in the world
- Experience in smaller, tailored markets (JPY, CAD)

### Bank market

- Diversified, strong pool including main players, adding new banks in novel geographies (Australia)
- Banks favor ESG funding where Iberdrola is leader
- Low exposure in outstanding debt allows to increase bank risk in other instruments (credit, hedges)

### Multilateral and development banks

- Long-term financing not subject to capital markets volatility
- Solid links with traditional players (EIB, BNDES)
- Expanding relationship with new ones (IFC, ECAs)

... leaving room for additional bank financing and new markets

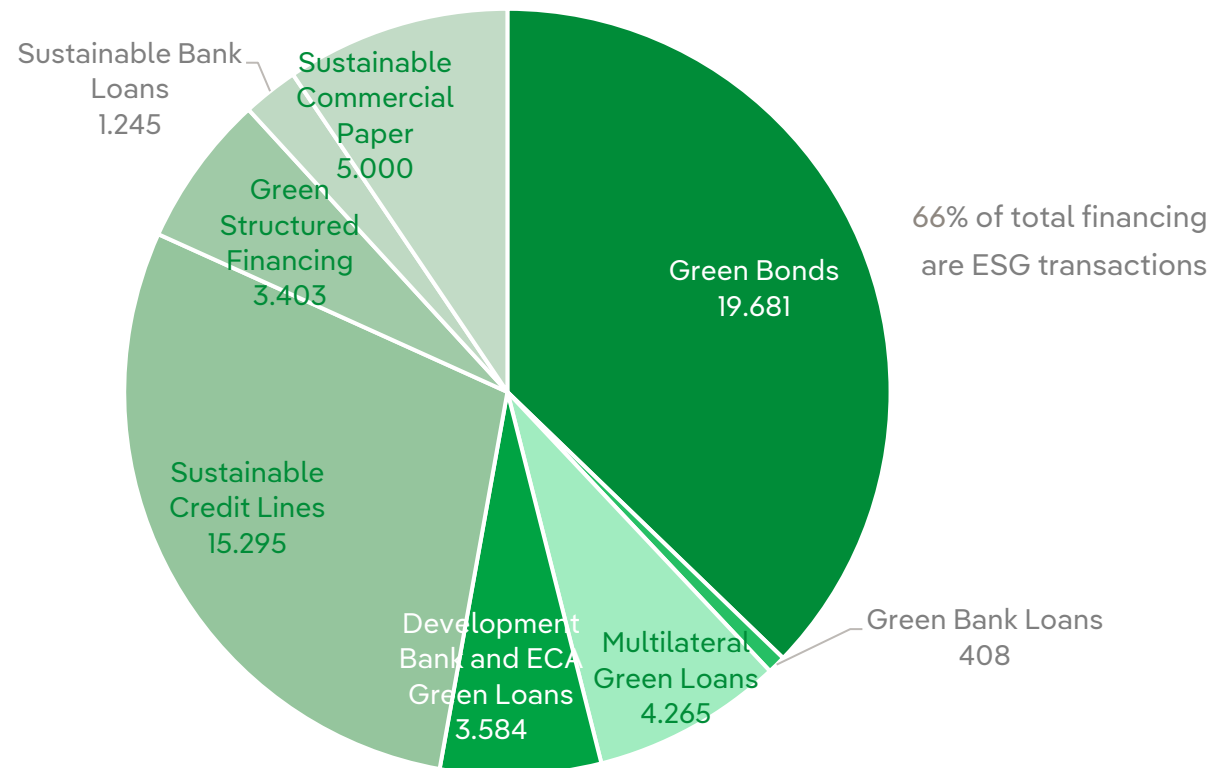
# ESG financing

Out of the EUR 6.0 Bn raised in 2023, EUR 5.3 Bn correspond to new green financing for a total portfolio of EUR 52.9 Bn in ESG transactions

## NEW ESG FINANCING 2023: EUR 5,260 M

Product	Q3 2023
Green	5,260
Hybrid bonds	1,000
Senior bonds	1,939
Bank loans	28
Multilateral loans	1,356
Development bank & ECA loans	937
<b>Total ESG</b>	<b>5,260</b>

## TOTAL ESG FINANCING: EUR 52,881 M



Iberdrola remains the world leading group in green bonds

			2022	2025e	2030e
E	<b>Carbon Neutral in electricity generation in 2030</b>	Specific emissions (global mix) g CO <sub>2</sub> /kWh	88	<70	Carbon neutral <sup>1</sup>
	<b>Biodiversity: Net positive impact in 2030</b>	% assets with biodiversity assessment and Neutrality Plan	0%	20%	100%/ Net Positive
	<b>Biodiversity: Conservation, restoration &amp; plantation</b>	Trees, in Million and No Net Deforestation in 2025	2.5	8	20
	<b>Blade recycling</b>	% recycled blades <sup>2</sup>	0%	50%	100%
	<b>Water consumption</b>	% reduction vs. 2021	+2%	-18%	-63%
	<b>Smart Solutions</b>	Number of solutions, in Million	13.0	18	21
S	<b>R&amp;D investment</b>	Million Euros (annual)	362.7	420	550
	<b>Training hours</b>	Hours per employee (annual)	67.9	≥ 55	≥ 55
	<b>Smart Grid implementation</b>	% of HV and MV grids	76	83	-
	<b>Women in relevant positions</b>	% of women	26%	30%	35%
	<b>Equal pay certification</b>	Equal pay certification	n/a	✓	-
	<b>Accidentality Rate (own employees)</b>	% of TRIR improvement vs 2021	-6.4%	-10%	-21%
	<b>Electricity for All program</b>	Cumulative beneficiaries, in Million	11	14	16
	<b>Foundation</b>	Beneficiaries per year, in Million	5.7	8	10
	<b>Sustainable Suppliers</b>	% of total purchases	91.5%	≥ 85%	≥ 85%
G	<b>Cybersecurity</b>	Number of annual assessments or external verifications	1,919	2,000	2,000
	<b>Best practices in Governance</b>	Maintain	✓	✓	✓
	<b>Independent Board Members</b>	Over 50%	✓	✓	✓
F	<b>Women in the Board</b>	At least 40%	✓	✓	✓
	<b>ESG financing</b>	% of ESG Financing	82	Minimum 80%	-

<sup>1</sup> <10 gr CO<sub>2</sub>/kWh, following market practice

<sup>2</sup> This target is subject to the existence of a commercially feasible solution

