Press release
March 21, 2024

The company reinforces its strategy: focus on networks (60% of net investment), financial strength and growth in earnings and dividends. In this plan no investment is allocated to new carbon-intensive assets.

Iberdrola will invest €41 billion and hire 10,000 people by 2026 to accelerate electrification

Strategic Vision: Trends identified in November 2022 CMD accelerating

Electrification is unstoppable in all sectors

- Driven by the decarbonisation of industrial processes, transport and buildings, as well as increased demand driven by data, cloud and AI infrastructure.
- A global focus to ensure electricity network infrastructure can be located where it is needed in advance to support decarbonisation and the growth of new sectors.
- Continued growth of renewables to replace fossil fuels and support new demand. In this plan no investment is allocated to new carbon-intensive assets.
- Essential role of storage and dispatchable renewables: Supply and demand matching, price modulation and lower emissions by replacing fossil technologies for peak demand.

Gross investments of €41 billion, including the purchase of 18.4% of Avangrid, previously announced.

- The company's partners in renewables will contribute €5 billion, bringing net investment to **€36 billion**.
  - **70% of investment to support growth**.
  - **85% in A-rated markets:** the US remains Iberdrola's leading investment destination (35%), followed by the UK (24%), Iberia (15%), Latin America (15%) and Germany, France, Australia and others (11%).

Network-based growth (60% of investments): €21.5 billion to expand and strengthen networks in the US, UK, Brazil and Spain.

- Transmission, a growth driver, with more than €6.5 billion investment in the period.
- Networks assets to increase by 38% to €54 billion (€15 billion in Transmission).
- Investment based on stable and predictable frameworks: 85% of the asset base with closed framework agreements in place.
- 80% of Networks EBITDA protected against inflation and interest rates.

Selective investment in renewables: €15.5 billion gross investment, including €5 billion contributed by partners in projects already identified.

- More than 50% will go to offshore wind, in the US, UK, France and Germany.
- 100% of the investment will go to projects already under construction.

Reinforcing a leadership position in storage: €1.5 billion investment, reaching 120 million kWh of pumped storage capacity (+20%), giving greater stability to the system and volatility in margins.

- Additional pipeline of 150,000 million kWh.

Focus on customers: €2.5 billion investment.

- 70% - 80% to of energy sold to industrial customers (PPAs) and regulated generation with long-term contracts.
- 85% of sales with guaranteed margins closed to 2026, total sales will reach 140,000 to 150,000 GWh.

High-mid-single-digit growth in earnings and dividends,

- EBITDA of between €16.5 billion and €17 billion in 2026.
  - Split 50/50 between Networks and Renewables.
- Net profit of $5.6-5.8 billion in 2026.
  - Improving estimate to 2025: net profit at the top of the previously announced range: €5.3–€5.4 billion.
- €11 billion in dividends between 2024 and 2026: growth in line with net profit, forecast at between €0.61-0.66 per share in 2026, and a floor of €0.55 (the same as the 2023 dividend).

Reinforcing financial strength: the cash flow/debt ratio continues to improve (>24% to 2026).

Commitment to sustainability

- **Environment**: zero emissions in generation as early as 2030.
- **Social**:
  - Job creation:
    - 10,000 new hires in the period.
    - Increasing sustained employment in suppliers above the current figure of 500,000 worldwide.
  - Focus on diversity and equality (women already hold 34.5% of positions of responsibility).
- Governance: leading governance, ethics, and compliance rankings.

Vision 2030: reaffirming the strategy of growth, strength and dividends

- Acceleration of electrification: more growth in networks, reaching €65-€70 billion asset base.
  - Transmission a strengthening area of growth, reaching 30% of total networks asset base.
- Greater need for renewables due to replace thermal power plants and new uses:
  - Offshore wind, driving growth, with an additional 3,000 MW in operation from 2027, reaching close to 5,000 MW.
  - An additional 6,000 MW of onshore wind and solar commissioned from 2027.
  - Total pipeline of 100,000 MW for future development.
- Growing role of storage: 120 M kWh of operational capacity by 2026 and 150 M kWh pipeline.
- Alliances with top-tier financial partners provide additional growth capacity while maintaining financial strength.

Ignacio Galan, Iberdrola's Executive Chairman, said:

"The electrification of energy is unstoppable and will expand exponentially in the years ahead, supporting decarbonisation, boosting energy security, and reducing the volatility caused by fossil fuels. Customers are already driving this change. People are not returning to fossil fuels after they move to electric. Those who flip from petrol to EVs do not move back, likewise for customers replacing gas boilers with heat pumps.

“Our strategy will focus on delivering enhanced grid to support security of supply, now 60% of our total investment, as well as a strong expansion of renewables capacity, driven by the substitution of fossil technologies and additional demand. We also recognise an increasing role of storage technologies to preserve the balance between supply and demand 24 hours a day.

“Our strategic pillars focus on networks, geographical diversification, and a balanced energy and customers mix. This plan will allow us to grow our asset base, grow our profitability and strengthen our finances, as well as increasing dividends and driving jobs and skills and economic growth.”