



Shareholder's  
bulletin  
Twelve  
months  
/february 2020

New historical record:  
net profit rises by 13%,  
reaching 3,406 million  
euros thanks to Iberdrola's  
business model



**IBERDROLA**

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# Chairman's key points

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**Ignacio Galán**

Chairman & CEO of Iberdrola



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“Net profit increased by 13% in 2019, to 3,406 million euros, reaching an EBITDA of more than 10 billion euros (10.104 billion euros) for the first time in Iberdrola’s history.

In view of these good results, the Board of Directors will propose a complementary dividend of 0.232 euros per share, raising the total remuneration in the year to 0.40 euros per share, 14% up on the previous year, allowing the 2022 dividend floor to be reached three years ahead of time.”

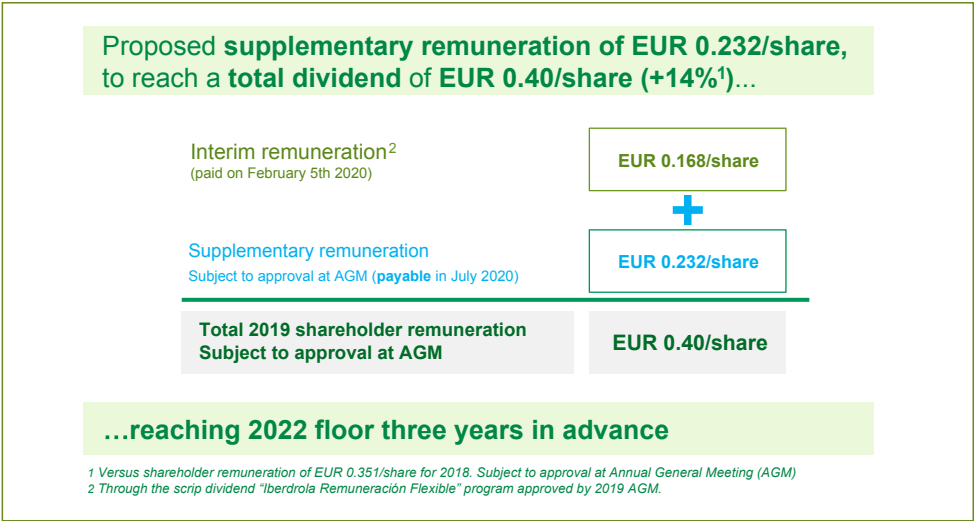
# Shareholder returns

## Sustainable Remuneration

### Iberdrola increases the dividend by 14% and achieves the floor planned for 2022

The good performance for the year allowed Iberdrola's Board of Directors to propose to its General Shareholders' Meeting, called for 2 April, the approval of a complementary dividend of 0.232 euros gross per share, payable in July.

This amount, when added to the interim dividend of 0.168 euros gross per share, already paid on 5 February, gives a total shareholder return (TSR) in respect of 2019 of **0.40 euros gross per share**, 14% more than in the previous year. This means the dividend floor initially set for 2022 has been reached three years in advance.



The more than 600,000 shareholders of the group benefited from a **37% revaluation of the share and dividends paid** by the company in the year, in addition to an increase in the dividend in five years of more than 47%.

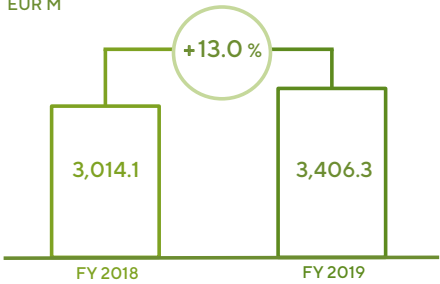
### Retaining the number of shares

Furthermore, and to avoid diluting shareholders, Iberdrola honours its commitment to keep the number of shares at 6,240 million.

# Highlights of the period

## Net Profit

EUR M



## Net profit up 13.0%

Iberdrola's net profit grew by 13.0% by the end of 2019, amounting to 3,406 million euros and again exceeding its own historical record.

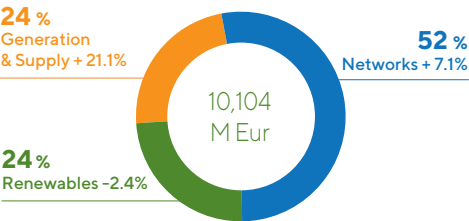
This was possible thanks to the Group's business model based on geographic and business diversification in high-rated countries, growth in new technologies (making us leaders in renewables and an example with the closure of coal thermal plants) and predictability through experience and demonstrated performance capacity.

## Operating Profit (EBITDA) surpasses 10 billion euros for the first time

The 2019 operating profit (EBITDA) reaches 10,104 million euros (+8.1%) thanks to new investments.

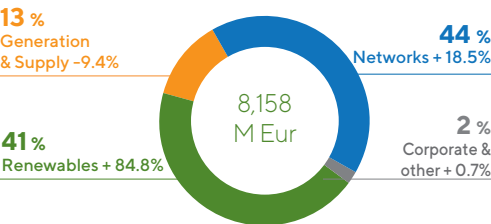
The EBITDA of the **Networks** business grew by 7.1% to 5,262.2 million euros, boosted by improvements to the business in Brazil thanks to increased revenue and demand, and in the United Kingdom due to a larger assets base. In **Renewables**, the EBITDA stands at 2,385.1 million euros as a result of increased production thanks to the new installed capacity (+2.8GW) and commissioning of part of the East Anglia One offshore wind farm. The EBITDA of **Generation and Clients** improves 21.1% to 2,468.7 million euros, mainly due to better performance in Spain (higher production) and Mexico (new installed capacity), as well as better commercial activity worldwide. ,

### EBITDA by business



## Acceleration in investments, rising to 8,158 million euros

### FY Gross Investments by business



Investments over the period rise by 30% year-on-year and reach 8,158 million euros. Of these, 50% were invested in the Networks Business, mainly in the USA, United Kingdom and Brazil, and 41% in the Renewables Business, mainly in onshore and solar wind energy in the USA and Spain, as well as in new offshore wind capacity in the United Kingdom.

Total installed capacity therefore reached 52,082 MW worldwide at the end of 2019.

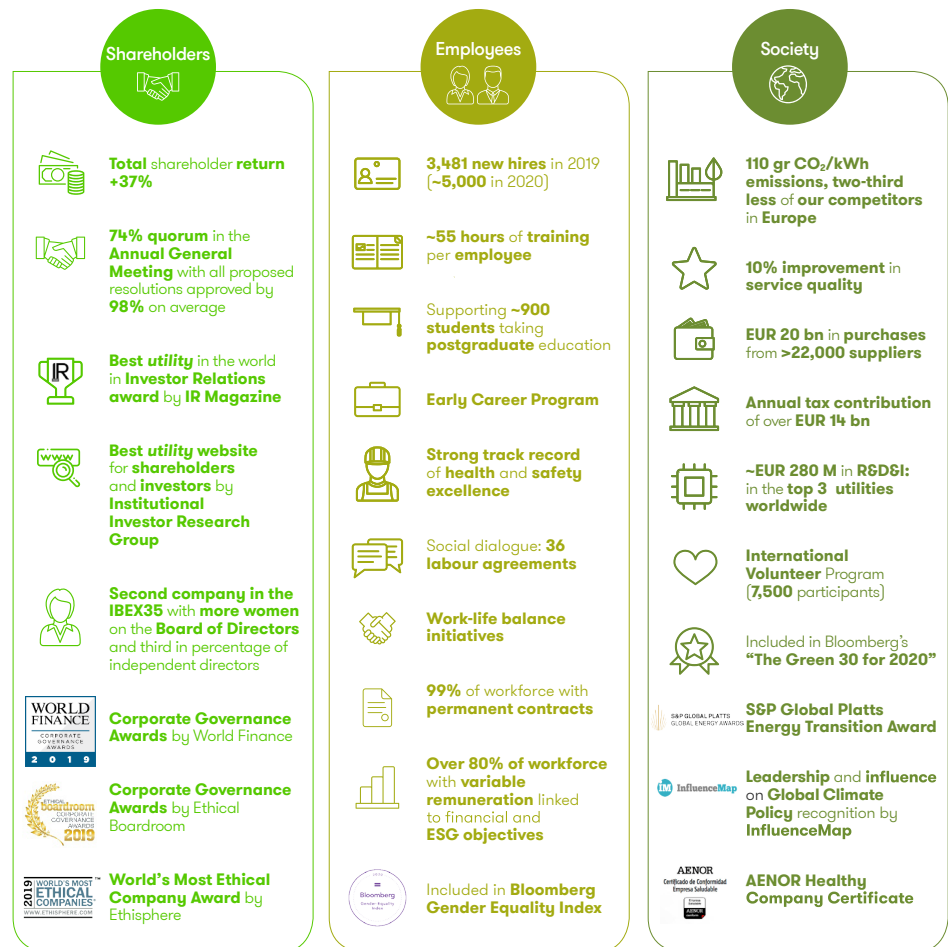
According to the investment plan, 4 GW of new generation capacity will be added in 2020, with a further 5 GW in 2021. We will thus reach our goal of 13 GW of new capacity planned for 2022 ahead of schedule.

# 20 years of management based on Environmental, Social and Governance (ESG) criteria

Twenty years ago, Iberdrola anticipated the importance of climate change and the great implications it would have on the energy sector, and encouraged the transition towards a sustainable model based on the electrification of the economy that would provide great opportunities for shareholders, employees and society.

This vision meant a change in Iberdrola's Corporate Governance System, where the concept of **social dividend** was included in the Articles of Association, making sustainability (economic and environmental), optimisation of shareholder remuneration and improvement of society and the employees part of the business model.

The **results of the Social Dividend** in 2019 were as follows:

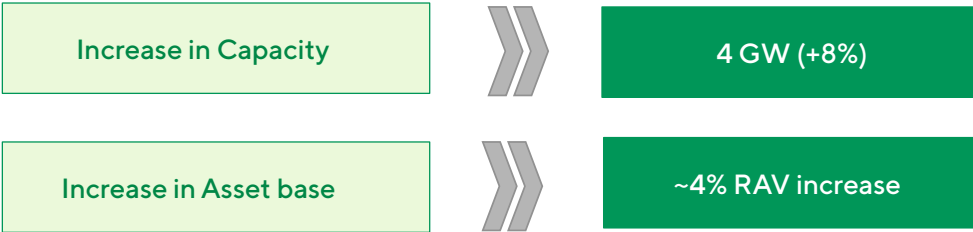


# Outlook for 2020

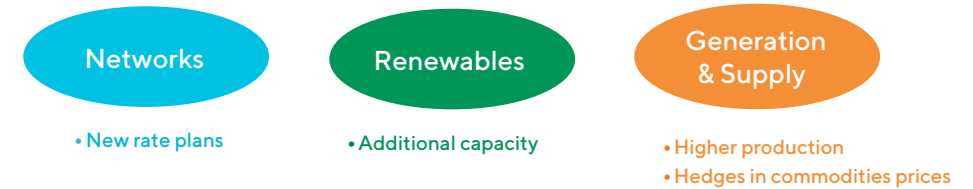
## A model for creating sustainable value

The investment plan of up to 10 billion euros in 2020 –40% more than the average of the last three years–, the continuously increasing efficiency and good operational prospects all allow us to anticipate a positive evolution for 2020, in terms both of results and shareholder remuneration.

This will translate into 4,000 new MW of installed capacity, 8% more than the previous year, and an increase of around 4% in the regulated assets base.



All this, together with the good prospects for the evolution of business, where the network business will be driven by new tariff agreements, that of renewables by a greater capacity in operation and that of generation and customers by greater production...



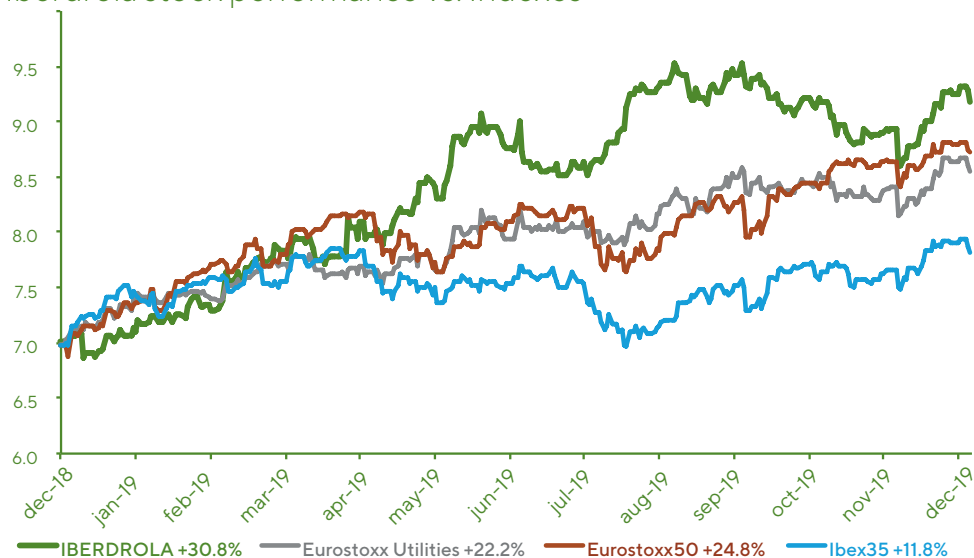
...and the demanding climate policies being implemented in its reference countries allow Iberdrola to **expect average growth in net profit for 2020 at high single-digit levels**, while maintaining its financial solidity and its dividend policy.



**Increasing our Net Profit outlook:  
high single-digit average growth2020-2022**

# IBERDROLA and the stock market

## Iberdrola stock performance vs. Indexes



## IBERDROLA's share

	2019	2018
Number of outstanding shares	6,362,072,000	6,397,629,000
Price at the end of the period	9.180	7.018
Average price of the period	8.405	6.431
Average daily volume	16,905,335	18,955,589
Maximum volume (09-20-2019 / 12-27-2018)	63,687,471	78,341,105
Minimum volume (12-24-2019 / 12-24-2018)	2,303,761	4,680,119
Dividends paid (€) <sup>(1)</sup>	0.356	0.331
Gross Final dividend (02-05-2019 / 01-29-2018) <sup>(2)</sup>	0.151	0.140
Gross interim (08-02-2018 / 07-25-2018) <sup>(2)</sup>	0.200	0.186
Shareholder's Meeting attendance bonus	0.005	0.005
Dividend yield <sup>(3)</sup>	3.87%	4.71%

(1) Dividends paid in the last 12 months.

(2) Purchase price of rights guaranteed by Iberdrola.

(3) Dividends paid in last 12 months and Shareholder' Meeting attendance bonus/price at the end of the period.

## Stock Market Data

		2019	2018
Market capitalisation	M€	58,404	44,899
Earnings per share (6,362,072,000 shares at 12/31/2019 and 6,397,629,000 shares, at 12/31/2018)	€	0.54	0.47
Net operating cash flow per share	€	1.275	1.145
P.E.R.	Times	17.20	14.85



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