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Agenda

Highlights of the Period
Highlights of the period

Net Profit grows 20.4% to EUR 2,517 M

Net Investment increases by 30%, up to EUR 4,727 M

EBITDA totals EUR 7,499 M, up 11.6%

2018-22 asset rotation already executed: improving credit metrics

Interim Shareholder Remuneration rises by 10.6% to EUR 0.167/share
Net Investments

Net Investments acceleration: +30%, driven by networks and renewables...

Net Investments growth trend

3M: +0.4%
6M: +23.2%
9M: +29.7%

9M Net Investments by business

- Networks: 47%
- Renewables: 40%
- Corporate & other: 2%
- Generation & Supply: 11%

Total: 4,727 M EUR
Net Investments: Generation capacity

...to add 5.2 GW of new capacity in FY 2019...

<table>
<thead>
<tr>
<th>Offshore</th>
<th>Q1-Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
<th>TOTAL 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28</td>
<td>168</td>
<td>196</td>
<td>392</td>
</tr>
<tr>
<td>Onshore</td>
<td>628</td>
<td>151</td>
<td>210</td>
<td>990</td>
</tr>
<tr>
<td></td>
<td>129</td>
<td>39</td>
<td>80</td>
<td>248</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td></td>
<td>3</td>
<td>26</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Solar PV</td>
<td>36</td>
<td>177</td>
<td>177</td>
<td>391</td>
</tr>
<tr>
<td>Hydro</td>
<td>367</td>
<td>122</td>
<td>122</td>
<td>612</td>
</tr>
<tr>
<td>Total Renewables</td>
<td>1,188</td>
<td>680</td>
<td>792</td>
<td>2,662</td>
</tr>
<tr>
<td>Combined cycle &amp; cogeneration</td>
<td>866</td>
<td>1,690</td>
<td>2,556</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,188</td>
<td>1,546</td>
<td>2,483</td>
<td>5,218</td>
</tr>
</tbody>
</table>

...ahead of plans to reach 13 GW new capacity by 2022
EBITDA reaches EUR 7,499 (+11.6%)…

EBITDA by business

- **Generation & Supply**: +37.1%
- **Renewables**: -4.5%

Operating Highlights

**Networks**
- Brazil: increased revenues driven by multiannual regulatory frameworks
- US: higher tariffs and lower costs (in IFRS)

**Renewables**
- Higher prices and higher offshore production
- Installed capacity grows ~2.0 GW y-o-y
- Lower hydro production

**Generation and Supply**
- Generation: increase in capacity in Mexico and higher production in Spain
- Retail: higher revenues

**Fx**
- Positive evolution of USD, more than compensates BRL negative performance
Operational excellence

Accelerating business activity and containing operating expenses…

9M 2019 vs. 9M 2018 evolution

Gross Margin: +6.6%
-4.5pp

Net Operating Expenses: +2.1%

…reaching a NOE/GM ratio of 26.1%, in line with 2022 target
Asset Rotation Plan

EUR 3.5 Bn assets rotation plan completed:

Reaching 2018-22 goal two years in advance

Asset Rotation Plan Detail

- Other non-core Spain: 0.7 EUR Bn
- US gas business & Gas contracts: 0.3 EUR Bn
- US wind farms: 0.1 EUR Bn
- UK conventional generation: 0.7 EUR Bn
- East Anglia One (Minority Stake): 1.7 EUR Bn

3.5 EUR Bn
Credit metrics

Cash flow generation and asset rotation...

Net Debt / EBITDA
-40 b.p.

3.9x
9M 2018

3.5x
9M 2019

FFO² / Net Debt
+120 b.p.

21.0%
9M 2018

22.2%
9M 2019

… drive a strong improvement in credit metrics

¹ September 2018: Pro forma credit metrics exclude provisions for efficiency plans

² FFO = Net Profit + Minority Results + Amortiz.&Prov. – Equity Income – Net Non-Recurring Results + Fin. Prov. + Goodwill deduction + Dividends from companies accounted via equity -/+ reversion of extraordinary tax provision.
Regulatory Update

More predictable and stable regulatory frameworks…

Spain
- WACC-based remuneration: 5.58% pre-tax
- Defined methodology, but still pending final details

Brazil
- Distribution tariff review in Sao Paulo (2019-23)
  - Multiannual regulatory frameworks in place for all distribution companies
- New WACC proposal under consultation
  - 76% of our distribution asset base not affected until 2023. The remaining 24% until 2021

US
- New York and Maine rate cases under discussion. To be in place in 2020.

…providing certainty over the 18-22 period
Agenda

Analysis of Results
## Income Statement / Group

**Reported Net Profit** up 20.4%, to EUR 2,516.7. Fx as follows USD +6.2%, GBP flat and BRL -1.8%

<table>
<thead>
<tr>
<th></th>
<th>9M 2018</th>
<th>9M 2019</th>
<th>Var.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>26,282.6</td>
<td>26,457.5</td>
<td>+174.9</td>
<td>+0.7</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>11,336.1</td>
<td>12,086.7</td>
<td>+750.6</td>
<td>+6.6</td>
</tr>
<tr>
<td><strong>Net Operating Expenses</strong></td>
<td>-3,092.1</td>
<td>-3,158.2</td>
<td>-66.1</td>
<td>+2.1</td>
</tr>
<tr>
<td><strong>Levies</strong></td>
<td>-1,524.4</td>
<td>-1,429.6</td>
<td>+94.8</td>
<td>-6.2</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>6,719.7</td>
<td>7,498.9</td>
<td>+779.3</td>
<td>+11.6</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>3,836.4</td>
<td>4,488.9</td>
<td>+652.5</td>
<td>+17.0</td>
</tr>
<tr>
<td><strong>Net Financial Expenses</strong></td>
<td>-863.6</td>
<td>-890.4</td>
<td>-26.7</td>
<td>+3.1</td>
</tr>
<tr>
<td><strong>Non Recurring Results</strong></td>
<td>22.6</td>
<td>122.4</td>
<td>+99.8</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Taxes and Minorities</strong></td>
<td>-904.8</td>
<td>-1,183.0</td>
<td>-278.4</td>
<td>+30.8</td>
</tr>
<tr>
<td><strong>Reported Net Profit</strong></td>
<td>2,090.9</td>
<td>2,516.7</td>
<td>+425.8</td>
<td>+20.4</td>
</tr>
<tr>
<td><strong>Operating Cash Flow</strong></td>
<td>5,255.6</td>
<td>5,824.7</td>
<td>+569.1</td>
<td>+10.8</td>
</tr>
</tbody>
</table>

**IFRS 16** new accounting treatment for operating leases: higher debt (EUR 399 M in 9M 2019), higher depreciation (EUR -47 M) and Financial Expenses (EUR -9 M), and lower Net Operating Expenses (EUR +49 M). Net Profit impact of EUR -5 M.
Gross Margin / Group

Gross Margin up 6.6%, to EUR 12,086.7 M, and +5.0% excluding fx impact …

… *Revenues* grew 0.7% (EUR 26,457.5 M) and *Procurements* fell 3.9% (EUR 14,370.8 M)
Net Operating Expenses / Group

Net Operating Expenses up 2.1%, to EUR 3,158.2 M …

<table>
<thead>
<tr>
<th>EUR M</th>
<th>9M 2018</th>
<th>9M 2019</th>
<th>vs 9M 2018 (%)</th>
<th>vs 9M 2018 (%) (excluding fx)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Personnel Expenses</td>
<td>-1,534.3</td>
<td>-1,598.1</td>
<td>+4.2%</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Net External Services</td>
<td>-1,557.8</td>
<td>-1,560.1</td>
<td>+0.1%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Total Net Op. Expenses</td>
<td>-3,092.1</td>
<td>-3,158.2</td>
<td>+2.1%</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

… and +0.4% excluding fx impact
Levies / Group

Levies fall 6.2%, to EUR 1,429.6 M, as a consequence of …

… lower taxes in Spain, due to lower hydro production and the suspension of 7% generation tax in Q1, in effect again from April 2019
Results by Business / Networks

Networks EBITDA up 8.2%, to EUR 3,941.9 M, …

EBITDA by Geography (%)

- Brazil: 23%
- United States: 27%
- Spain: 32%
- United Kingdom: 18%

… driven by Brazil, US and UK

Key Figures (EUR M)

<table>
<thead>
<tr>
<th></th>
<th>9M 2018</th>
<th>9M 2019</th>
<th>vs 9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>5,705.0</td>
<td>6,080.5</td>
<td>+375.6 (+6.6%)</td>
</tr>
<tr>
<td>Net Op. Exp.</td>
<td>-1,567.6</td>
<td>-1,606.9</td>
<td>-39.3 (+2.5%)</td>
</tr>
<tr>
<td>Levies</td>
<td>-495.1</td>
<td>-531.7</td>
<td>-36.6 (+7.4%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,642.3</td>
<td>3,941.9</td>
<td>+299.7 (+8.2%)</td>
</tr>
</tbody>
</table>
### Results by Business / Networks

<table>
<thead>
<tr>
<th>Region</th>
<th>EBITDA</th>
<th>Currency</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>EUR 1,295.9 M</td>
<td>-17.2 M; -1.3%</td>
<td>(EUR +53 M) is partially compensated by transferring the fibre optic contracts (EUR +49 M)</td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>IFRS USD 1,179.2 M</td>
<td>+22.4 M; +1.9%</td>
<td>driven by: + Higher contribution from rate plans + Recovery of storm costs from previous years and lower expenses due to fewer storms vs 2018 - Tariff adjustments corresponding to tax reform, in effect under IFRS from Q3’18. Neutral at Net Income level</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>BRL 3,895.1 M</td>
<td>+918.6 M; +30.9%</td>
<td>with positive tariff revisions from April 2018 (Coelba and Cosern) and August 2019 (Elektro), increasing contribution from transmission assets, positive impact from efficiencies and increase in demand (3.8%)</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>GBP 625.9 M</td>
<td>+34.8 M; +5.9%</td>
<td>with higher revenues both in transmission and distribution as a consequence of the growing asset base due to investments</td>
<td></td>
</tr>
</tbody>
</table>

* Instalaciones Cedidas de Abonados / Assets given by customers
Results by Business / Renewables

Renewables EBITDA falls 4.5%, to EUR 1,678.3 M, …

EBITDA by Geography (%)

- Spain: 31%
- United States: 25%
- Brazil: 6%
- Mexico: 3%
- IEI*: 15%

... as wind production partially compensates lower hydro output

Key Figures (EUR M)

<table>
<thead>
<tr>
<th></th>
<th>9M 2018</th>
<th>9M 2019</th>
<th>vs 9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>2,679.8</td>
<td>2,519.0</td>
<td>-160.8 (-6.0%)</td>
</tr>
<tr>
<td>Net Op. Exp.</td>
<td>-545.2</td>
<td>-569.8</td>
<td>-24.6 (+4.5%)</td>
</tr>
<tr>
<td>Levies</td>
<td>-377.9</td>
<td>-271.0</td>
<td>+106.9 (-28.3%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,756.7</td>
<td>1,678.3</td>
<td>-78.4 (-4.5%)</td>
</tr>
</tbody>
</table>

*Iberdrola Energía Internacional, formerly RoW
## Results by Business / Renewables

<table>
<thead>
<tr>
<th>Country</th>
<th>EBITDA EUR/USD/GBP/BRL</th>
<th>Change EUR/USD/GBP/BRL</th>
<th>Change %</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>515.6 M (-186.1 M; -26.5%)</td>
<td>-186.1 M; -26.5%</td>
<td>as a consequence of lower hydro (-46.2%), partially compensated by stable wind production and lower taxes.</td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>468.5 M (-60.5 M; -11.4%)</td>
<td>-60.5 M; -11.4%</td>
<td>due to lower output (-0.3%, but improving during the year, specially in Q3), lower prices and PPAs expiration.</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>301.5 M (+34.9 M; +13.1%)</td>
<td>+34.9 M; +13.1%</td>
<td>as higher prices and wind production (+1.8%), with EA1 offshore wind farm starting to contribute, more than compensate lower hydro output as a consequence of the sale of assets.</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>446.2 M (-35.5 M; -7.4%)</td>
<td>-35.5 M; -7.4%</td>
<td>with lower wind and hydro output partially compensated by new hydro capacity in operation (Baixo Iguaçu, 350 MW*).</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>63.3 M (+18.8 M; +42.3%)</td>
<td>+18.8 M; +42.3%</td>
<td>as a consequence of higher output (+53.5%), due to increasing average operating PV capacity (270 MW).</td>
<td></td>
</tr>
<tr>
<td>IEI**</td>
<td>247.2 M (+85.6 M; +53.0%)</td>
<td>+85.6 M; +53.0%</td>
<td>due to German offshore contribution.</td>
<td></td>
</tr>
</tbody>
</table>

* Total installed capacity
** Iberdrola Energía Internacional, formerly RoW
Results by Business / Generation and Supply

Generation & Supply EBITDA up 37.1% to EUR 1,817.7 M, …

EBITDA by Geography (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>3%</td>
</tr>
<tr>
<td>Mexico</td>
<td>31%</td>
</tr>
<tr>
<td>Spain</td>
<td>64%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2%</td>
</tr>
</tbody>
</table>

Key Figures (EUR M)

<table>
<thead>
<tr>
<th></th>
<th>9M 2018</th>
<th>9M 2019</th>
<th>vs 9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>2,936.3</td>
<td>3,482.3</td>
<td>+546.0 (+18.6%)</td>
</tr>
<tr>
<td>Net Op. Exp.</td>
<td>-970.4</td>
<td>-1,036.8</td>
<td>-66.5 (+6.8%)</td>
</tr>
<tr>
<td>Levies</td>
<td>-640.5</td>
<td>-627.8</td>
<td>+12.6 (-2.0%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,325.5</td>
<td>1,817.7</td>
<td>+492.2 (+37.1%)</td>
</tr>
</tbody>
</table>

… driven by Spain and Mexico
## Results by Business / Generation and Supply

<table>
<thead>
<tr>
<th>Country</th>
<th>EBITDA EUR/USD/GBP/BRL</th>
<th>Change EUR/USD/GBP/BRL</th>
<th>Change %</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>1,174.9 M (+491.4 M; +71.9%)</td>
<td></td>
<td></td>
<td>Higher Production: 28,595 GWh (+21.9%); CCGT (+153.1%) and nuclear (+8.8%); Revenues increase; LNG contracts sale (EUR +89 M one off)</td>
</tr>
<tr>
<td>Mexico</td>
<td>640.2 M (+150.0 M; +30.6%)</td>
<td></td>
<td></td>
<td>Higher Sales driven by production increase (+20.0%), due to new installed capacity in 2018 with full contribution in 2019</td>
</tr>
<tr>
<td>UK</td>
<td>37.4 M (-132.6 M; -78.0%)</td>
<td></td>
<td></td>
<td>caused by lower margins (-13% electricity, -17% gas) and lower sales (-10% electricity, -8% gas)</td>
</tr>
<tr>
<td>Brazil</td>
<td>199.9 M (-34.8 M; -14.8%)</td>
<td></td>
<td></td>
<td>supply business affected by one-off effect (BRL -80 M)</td>
</tr>
<tr>
<td>IEI*</td>
<td>-14.3 M (+0.7 M; +4.7%)</td>
<td></td>
<td></td>
<td>improving but still affected by initial development costs</td>
</tr>
</tbody>
</table>

* Iberdrola Energía Internacional, formerly RoW
Group EBIT up 17.0%, to EUR 4,488.9 M

**D&A and Provisions** up 4.4% due to higher asset base and activity (EUR -140 M) along with IFRS 16 impact, partially compensated by lower nuclear depreciation (EUR +84 M).
Net Financial Expenses / Group

Net Financial Expenses up EUR 27.0 M, to EUR 890.6 M, due to …

Net Financial Exp. evolution (EUR M)

Net of Debt

- Average debt

- Non-debt

- Cost

- Avg. debt

- Non-debt

- Cost

- Sept 2018

- Sept 2019

- 863.6

+ 4.0

- 37.0

+ 6.0

- 890.6

\[ \text{Cost of Debt} \]

\[ 3.43\% \]

\[ -2 \text{ bps} \]

\[ 3.41\% \]

… higher average debt balance, despite lower cost and better non financial debt results
## Net Debt / Group

### Credit metrics improvement

Pro forma adjusted credit metrics**

<table>
<thead>
<tr>
<th></th>
<th>Sept 2018*</th>
<th>Sept 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt / EBITDA</td>
<td>3.9x</td>
<td>3.5x</td>
</tr>
<tr>
<td>FFO / Net Debt</td>
<td>21.0%</td>
<td>22.2%</td>
</tr>
<tr>
<td>RCF / Net Debt</td>
<td>19.5%</td>
<td>21.0%</td>
</tr>
<tr>
<td>Leverage</td>
<td>44.5%</td>
<td>43.2%</td>
</tr>
</tbody>
</table>

**Adjusted by market value of treasury stock cumulative hedges (EUR 422.0 M at September 2018 and EUR 700.5 M at September 2019)

### Net Debt** (EUR M)

<table>
<thead>
<tr>
<th></th>
<th>Sept 2018</th>
<th>Sept 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt** (EUR M)</td>
<td>34,379</td>
<td>35,527</td>
</tr>
</tbody>
</table>

Net Debt grows due to IFRS 16 (EUR 399 M), fx (EUR 838 M) and investments

* September 2018: Pro forma credit metrics exclude provisions for efficiency plans
** September 2018: Pro forma credit metrics exclude provisions for efficiency plans

Results Presentation / Nine Months / 2019
Iberdrola Group remains as the world leading private group in green financing.

Leaders by volume of green bonds issued and outstanding

Green bonds are the most preferred asset class for Debt Capital Markets due to the Use of Proceeds focus, strict reporting and external verification.

Asset base allows the Group to continue to take advantage of this market.

Very favourable conditions: green label improves cost and supports execution.

EUR 2.5 bn of green financing issued during 2019, totalling EUR 11bn outstanding.
Reported Net Profit up 20.4%, to EUR 2,516.7 M …

<table>
<thead>
<tr>
<th>EUR M</th>
<th>9M 2018</th>
<th>9M 2019</th>
<th>vs 9M 2018 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>3,836.4</td>
<td>4,488.9</td>
<td>+17.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net Financial Expenses</td>
<td>-863.6</td>
<td>-890.4</td>
<td>+3.1%</td>
</tr>
<tr>
<td>- Equity Method</td>
<td>+0.3</td>
<td>-21.1</td>
<td>n/a</td>
</tr>
<tr>
<td>- Non Recurring Results</td>
<td>+22.6</td>
<td>+122.4</td>
<td>n/a</td>
</tr>
<tr>
<td>- Corporate Tax and Minorities</td>
<td>-904.8</td>
<td>-1,183.0</td>
<td>+30.8%</td>
</tr>
<tr>
<td>Reported Net Profit</td>
<td>2,090.9</td>
<td>2,516.7</td>
<td>+20.4%</td>
</tr>
</tbody>
</table>

... and Net Profit up 12.0%, to EUR 2,317.6, excluding the impacts of gas contracts (EUR +89 M at GM* level) and fibre optic (EUR +49 M at GM level and EUR +114 M at Non Rec. Results level) transactions

* Gross margin
Agenda

Conclusions
Iberdrola Model

A sustainable value creation model

Acceleration of investments

Leading the Energy Transition

Financial Strength

Improvement in financial ratios

Increase in cash flows

Additional activity and efficiency improvement

Ahead in the fulfillment of the 18-22 plan targets
Outlook 2019

Strong 9M results reaffirm a **double-digit** Net Profit growth outlook for 2019

Increasing interim shareholder remuneration by **10.6%**...

<table>
<thead>
<tr>
<th>2019 Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interim shareholder remuneration</strong></td>
</tr>
<tr>
<td>Payable in January 2020</td>
</tr>
</tbody>
</table>

…and supplementary shareholder remuneration payable in July 2020
Agenda

Annex:
“Iberdrola Retribución Flexible” program
January 2020
“Iberdrola Retribución Flexible” program: January 2020

- Board Agreement for the execution of the capital increase and interim dividend payment
  - Relevant fact

- Chairman and CEO sets interim dividend
  - Relevant fact
  - Publication of the number of rights/share and interim DPS

- Last day to buy IBE shares and participate in scrip and/or receive the dividend in cash
  - Announcement of capital increase in BORME

- Chairmen and CEO sets interim dividend
- Relevant fact
- Publication of the number of rights/share and interim DPS

Last day of rights trading period and of the common election period
- Delivery of shares
  - Payment of interim dividend

Commencement of the trading of the newly issued shares

Closing prices considered for determining the average price used to calculate number of rights and interim dividend amount

27, 30 & 31 December and 2 & 3 January

8 January

23 January

5 February

30 January

29 October

7 January

9 January

7 February

Commencement of the trading of the newly issued shares

- Closing of scrip issue
  - Relevant fact

29 October

- Chairman and CEO sets interim dividend
  - Relevant fact
  - Publication of the number of rights/share and interim DPS

8 January

- Last day to buy IBE shares and participate in scrip and/or receive the dividend in cash
  - Announcement of capital increase in BORME

23 January

5 February

30 January

7 February

7 February

Commencement of the trading of the newly issued shares

- Closing of scrip issue
  - Relevant fact