

Iberdrola launches first green bond issue by a Spanish company in Australia

- *The electricity company issued green debt for AU\$ 750 M (around €460 M) with a demand 2.80 times the amount offered and at a cost very similar to what it would have obtained in the Euromarket*
- *The operation was structured in two tranches, at 6 and 10 years, with coupons of 5.38% and 5.87%, respectively*
- *The company chaired by Ignacio Galán continues with its strategy of diversifying its sources of financing by leveraging on the fair weather beginning to be seen in other markets*
- *The proceeds will be used to fund the company's renewable development in Australia*

Iberdrola continues to diversify its sources of financing. The company chaired by Ignacio Galán today issued green bonds for AU\$ 750 M –about €460 M–. It is the first non-financial Spanish company to issue in this market, known as a 'kangaroo'.

The issue was in two tranches – AU\$ 350 M (€215 M) for a six-year term and AU\$ 400 M (€245 M) for a 10-year term – with demand reaching AU\$ 2.1 B in aggregate, implying it was oversubscribed by 2.8.

Thanks to strong interest from investors, who once again support the strategy of Europe's largest electricity company by market capitalisation, the weighted average cost of the operation was set at less than 5.65%, for an average life of more than 7 years.

This issue attracted the interest of more than 80 investors with a long-term vision, including Asian investors in addition to Australians. Those committed to the ESG had a relevant presence, thanks to the green nature of the operation, which will finance future investments in the renewable business in the country.

The company's ability to access the financing markets is reaffirmed with this transaction, as well as its strategy of diversifying in the capital markets as market weather improves. In addition to the operations carried out in the Euromarket (in January, July and September), Iberdrola is now the only European utility to have operated in 2024 in the Swiss (June),

British (October) and Australian (November) markets, which, together with a private placement in Norwegian kroner in September, positions the Group before a wide range of financing possibilities in capital markets. The Australian transaction comes a month after results were presented for the first nine months of the year, where Iberdrola reported a net profit of €5,471 M and set its net profit growth at 14% – before extraordinary items – for the year as a whole.

The banks involved in the placement were Deutsche Bank, Mizuho, ANZ, Sumitomo and MUFG.

Today's issue is the seventh public transaction in the market so far in 2024. The first was the [€700 M](#) hybrid bond issued in January, the second, in the Swiss market for 335 M francs at the end of June, the third, the [€750 M](#) senior bond issued in July, the fourth took place in August, when Iberdrola placed [\\$525 M](#) (€490 M) through its US subsidiary, the fifth was on 23 September, when it placed [€2.15 B](#) in its largest-ever senior debt issue, and the sixth just a month ago when the company closed its first green bond in pounds sterling in the last 15 years for [500 M](#) (€595 M) with strong backing from investors.

International confidence

The market's confidence in Iberdrola is solid. In addition to debt issues, a few days ago the electricity company signed a [120 M loan with the European Investment Bank \(EIB\)](#) to develop energy innovation projects. It has also extended its alliance with the [World Bank](#) with a 300 M green loan for renewable projects in emerging countries.

In addition, it signed a [€500 M](#) green syndicated loan with Cesce coverage with ICO, Sabadell and HSBC, and in the first quarter of 2024 it signed [another €700 M green loan](#) with the European Investment Bank to build up electricity grids in Spain.

At the end of December 2023, the company signed its [largest credit line in history for €5.3 B](#) with 33 international banks. The cost of this operation was at the most competitive levels for Iberdrola, with prices similar to those of 2019, and the operation was oversubscribed by more than 40%, demonstrating the bank's strong commitment to Europe's leading utility by capitalisation.

This financial strategy complements the historic investment plan launched by the company in March 2024. This roadmap, the implementation of which is a year ahead of schedule, aims to drive the economy's electrification, with a strong focus on electricity grids and renewables.