

Iberdrola, the first company in the world to issue a green bond under European Union and ICMA standards

- *The company issued 750 M with a 10-year maturity*
- *The utility strengthens its commitment to financial soundness and sustainability by meeting ICMA requirements and the EU's new European green bond standards*
- *Demand was five times the amount placed, allowing the coupon to be set at 3.5%*

Iberdrola was the first Spanish company to issue a bond under the new EU green bond standard (EU GBS). It did so in an operation that allows it to raise €750 M over 10 years. The company is also the first in the world to issue a bond that simultaneously complies with the EU GBS and the Green Bond Principles of the International Capital Market Association (ICMA).

Demand was five times the amount placed, reaching the largest book of a senior Iberdrola transaction since 2021, demonstrating investor confidence in the utility and investor appetite for this type of green instrument, which brings together the best market standards for the first time.

The 750 M raised from the issue closed today will be used for the company's various renewable projects, some already in operation and others under construction.

The issue attracted the attention of investors and demand was strong at more than €3.7 B, to obtain a final credit spread of 110 basis points over the corresponding reference (midswap at that ten-year term), a level which allowed setting a coupon of 3.5%. The total cost represents a negative issue premium over the theoretical value of the bond according to the secondary market, the lowest of all issues since the announcement of the Trump Administration's tariffs.

In the end, more than 170 investors participated in the operation, with the placement being distributed in the United Kingdom (32%), France (28%), Germany (11%), Benelux (10%), Spain (9%) and other European countries (10%), with 93% of the investors sustainable.

This is Iberdrola's second public operation, after the green bond indexed to its share price [launched last March](#) with which it raised €400 M over five years with a coupon of 1.5%.

Bank of China, BBVA, CIC, Crédit Agricole, Deutsche Bank, HSBC, MUFG and UniCredit participated in the placement.

The transaction strengthens the company's already comfortable liquidity position of €20.9 B at the end of March, at excellent conditions and at a good market moment, while offering investors the possibility of participating in a senior Iberdrola transaction in the first part of the year.

Iberdrola is characterised by its ability to combine international growth with solid financial strength. At the end of the first quarter Iberdrola increased its funds from operations (FFO) by 11% to over €3.5 B, enabling it to maintain its financial strength and rating after consolidating ENW.

The cash flow to net debt ratio was 22.3% in the first three months of the year.

Improved forecasts

Thanks to its diversified business, with selective investment in renewables, significant growth in grids, with relevant financial strength, the company forecasts a double-digit increase in adjusted net profit in 2024, taking into account the positive impact from regulated assets and US accounting rules.

This growth is underpinned by a more than 10% increase in regulated assets with better tariffs. In addition, the group plans to bring nearly 4,000 MW of renewables into operation this year, with 100% of energy sold for 2025.