



# Capital Markets Day

24 September 2025

Sustainable  
Event



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Financial Management

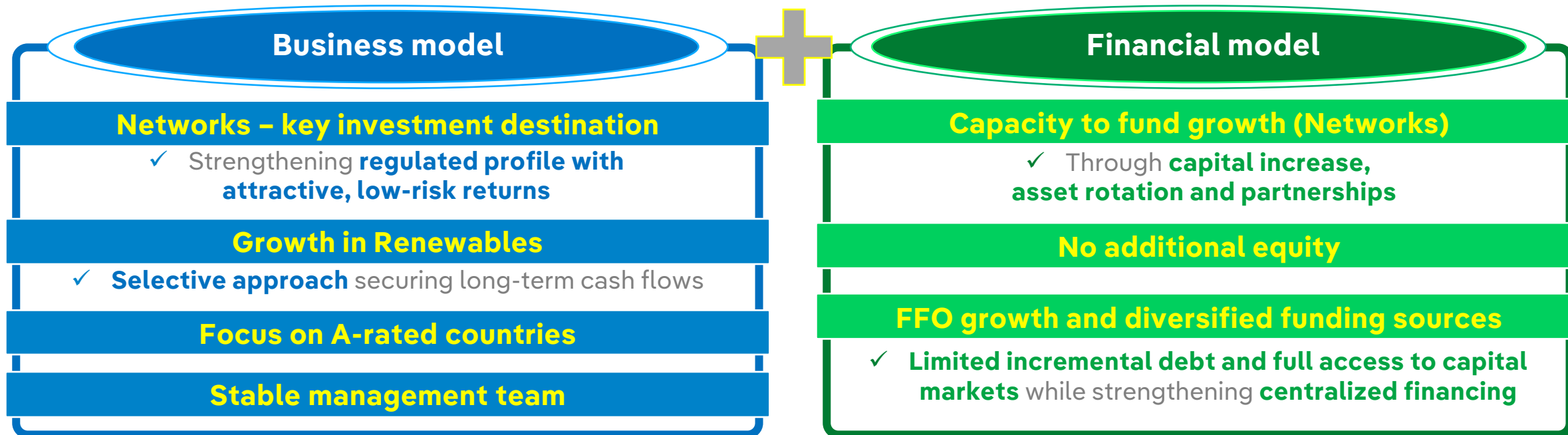
**José Sainz Armada**

Chief Financial Officer



# Value creation

**Delivering predictable & profitable growth  
while preserving financial strength & supporting dividend growth**



**IBE 10-yr TSR<sup>1</sup> >350%  
exceeding market  
performance**

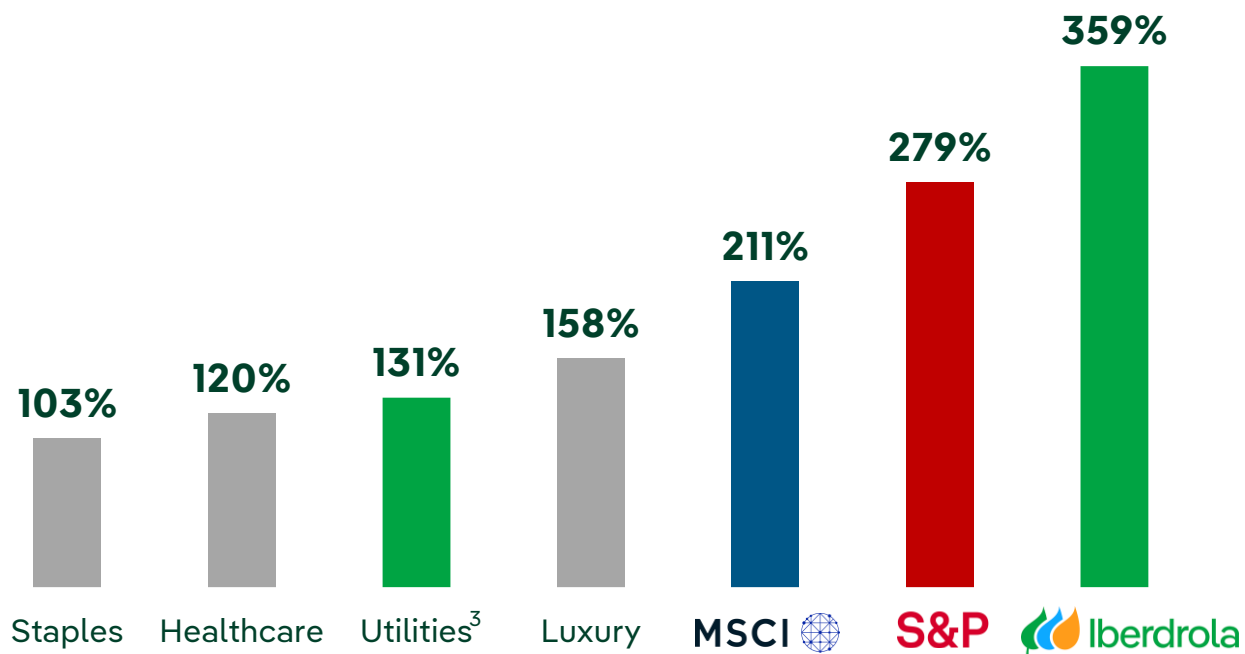
**Iberdrola trades at a lower  
P/E ratio than global sector  
peers and indexes**

**IBE 10-yr Net Profit growth  
beating the market  
with lower volatility**

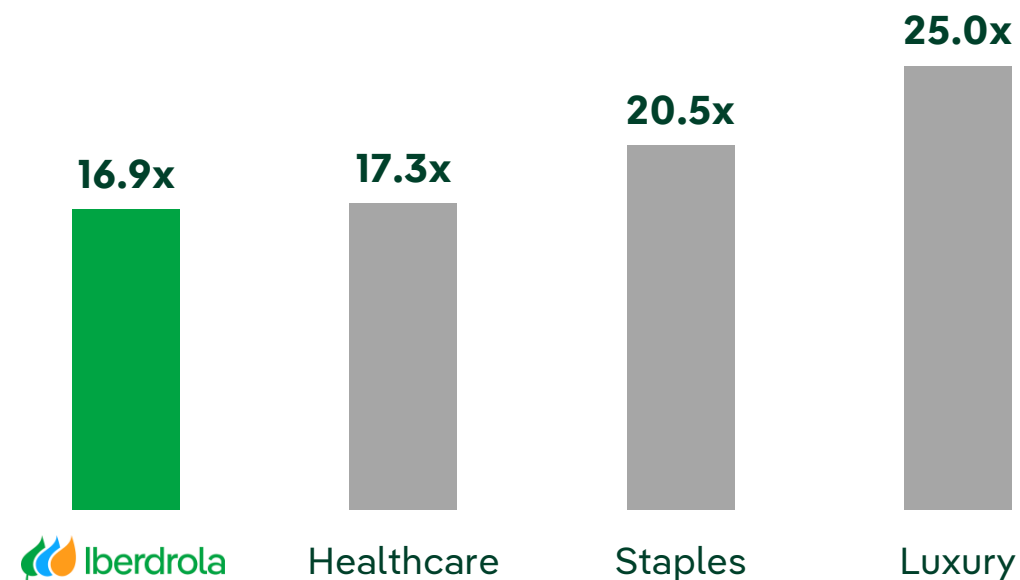
# Iberdrola's Total Return and Valuation vs Global Sectors

**Iberdrola trades at a lower P/E ratio than global sector peers and indexes, while delivering the highest Total Shareholder Return over the past 10 years**

## 10-yr Total Shareholder Return<sup>1</sup> vs. Iberdrola



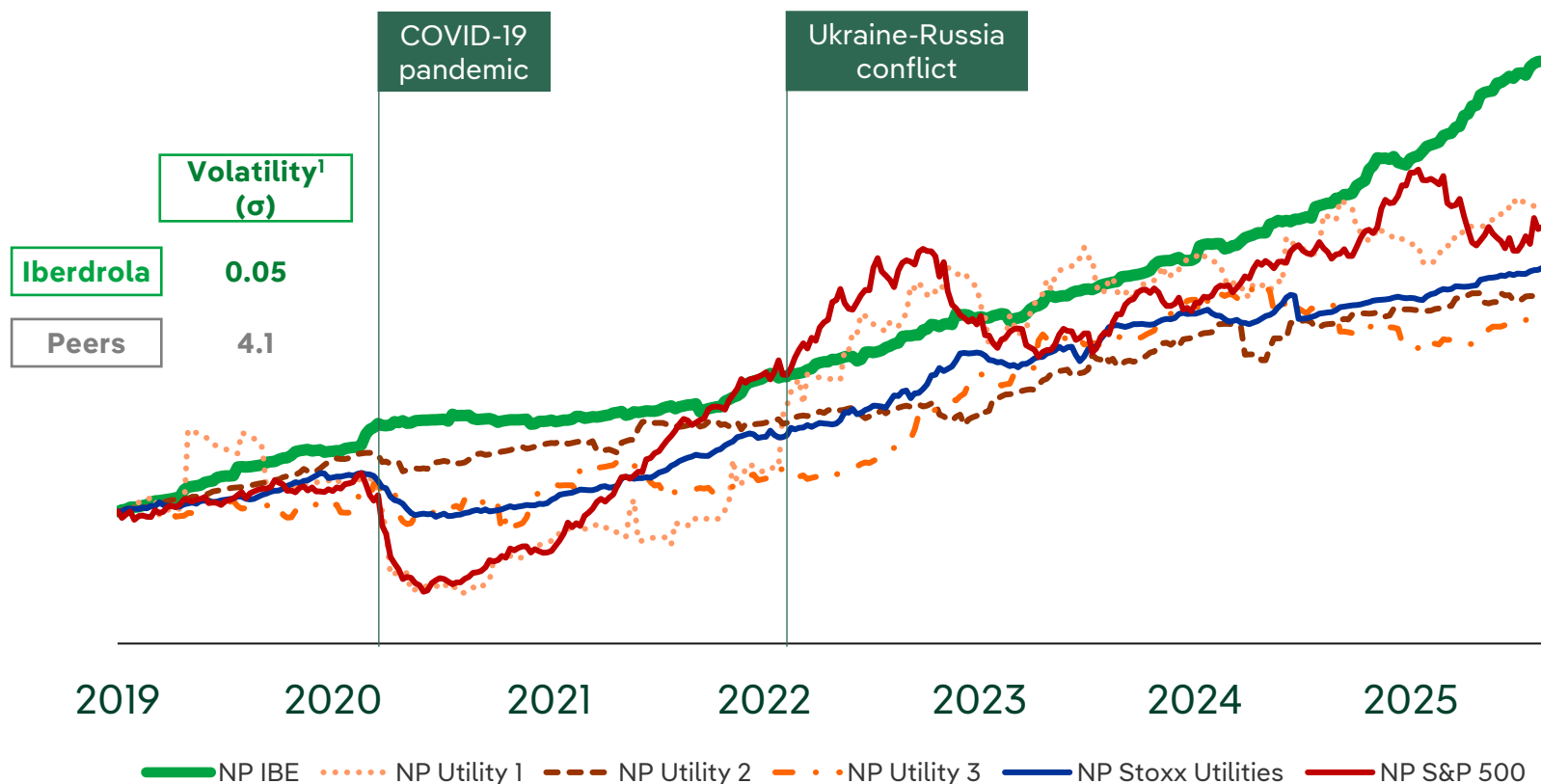
## P/E<sup>2</sup> ratio by Sector vs Iberdrola






**Demand for energy and grid infrastructure are rising, offering an attractive runway for future growth**

# Iberdrola's Net Profit & DPS evolution & volatility

**IBE Net Profit growth beating the market with lower volatility<sup>1</sup> even during uncertain times ...**



10-yr CAGR			
			SX6P Util
<b>Net Profit</b>	<b>9%</b>	<b>7%</b>	<b>5%</b>
<b>EPS</b>	<b>9%</b>	<b>7%</b>	<b>5%</b>
<b>DPS</b>	<b>9%</b>	<b>7%</b>	<b>3%</b>

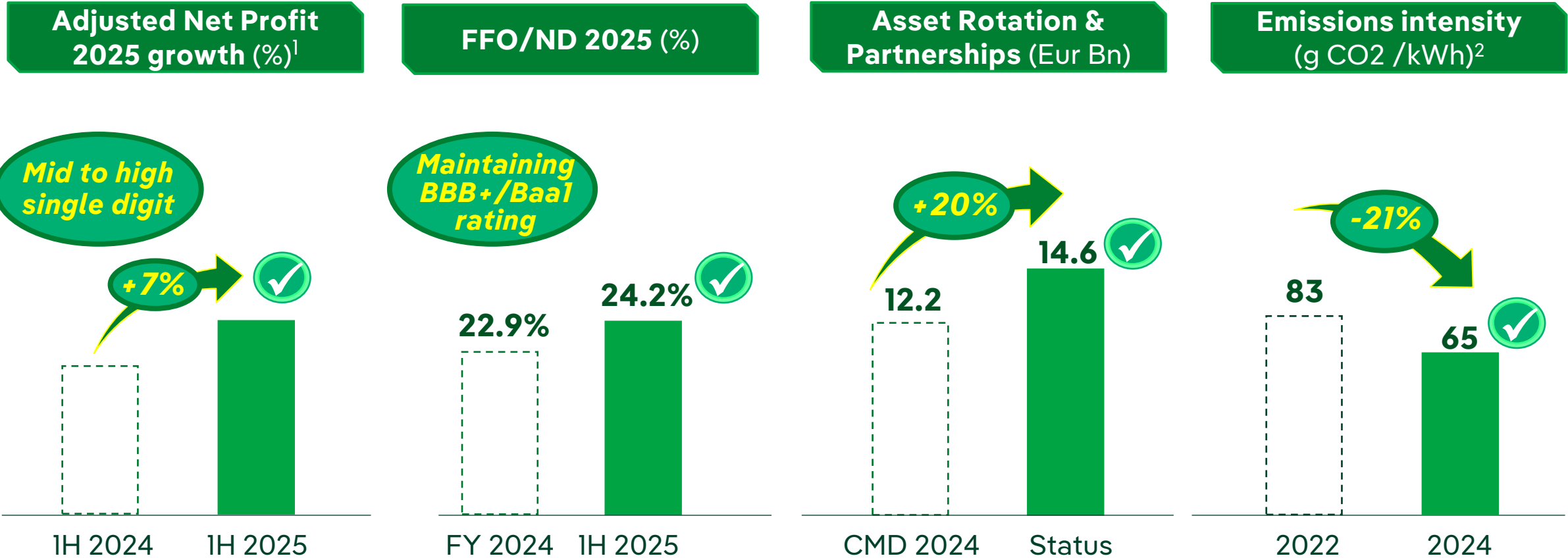
**... with a 9% Net Profit CAGR in the last 10 years outperforming global indexes**





# Delivery 2024-2026 Plan

## Overdelivery of financial and sustainability targets reaffirming Iberdrola's execution track record





# Plan 2025-2028

2025-2028 plan is almost fully funded

*Capital increase*

*Asset rotation & partnerships*

*Stable & predictable cash flow generation*

## Capital increase (Eur Bn)

5



**100% done**

- No additional needs

Status 2025

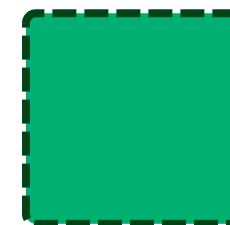
## Asset rotation & partnerships (Eur Bn)

13.2



Target  
2025-2028

9.8



Status 2025

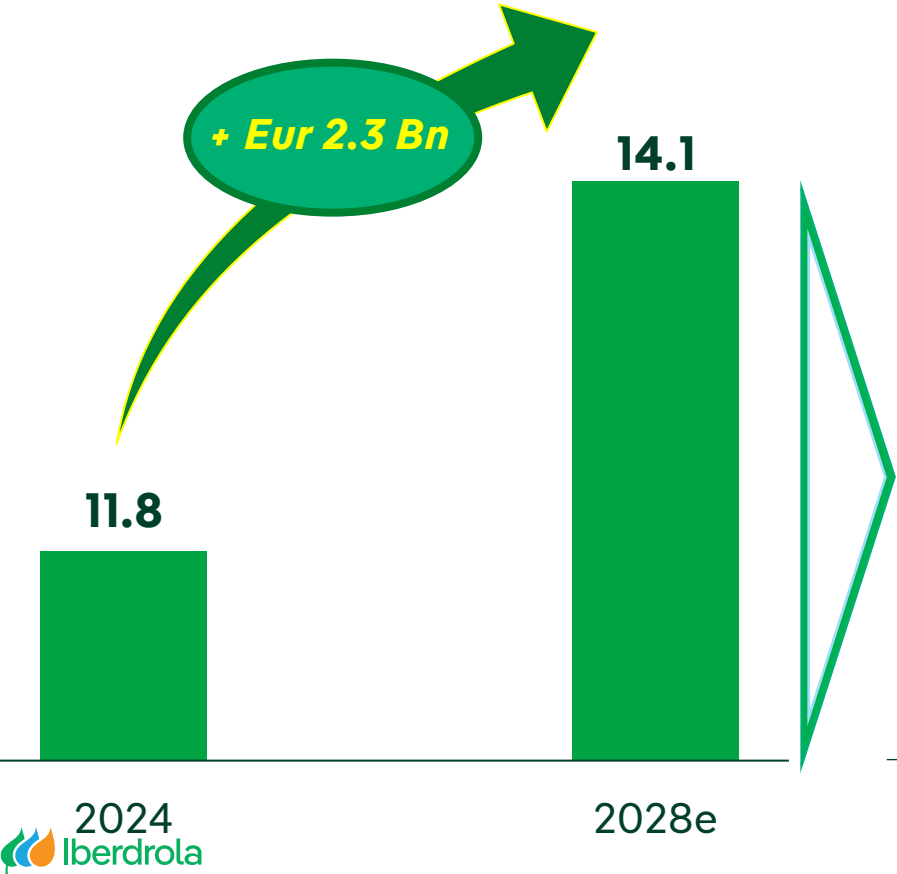


**~75% done**

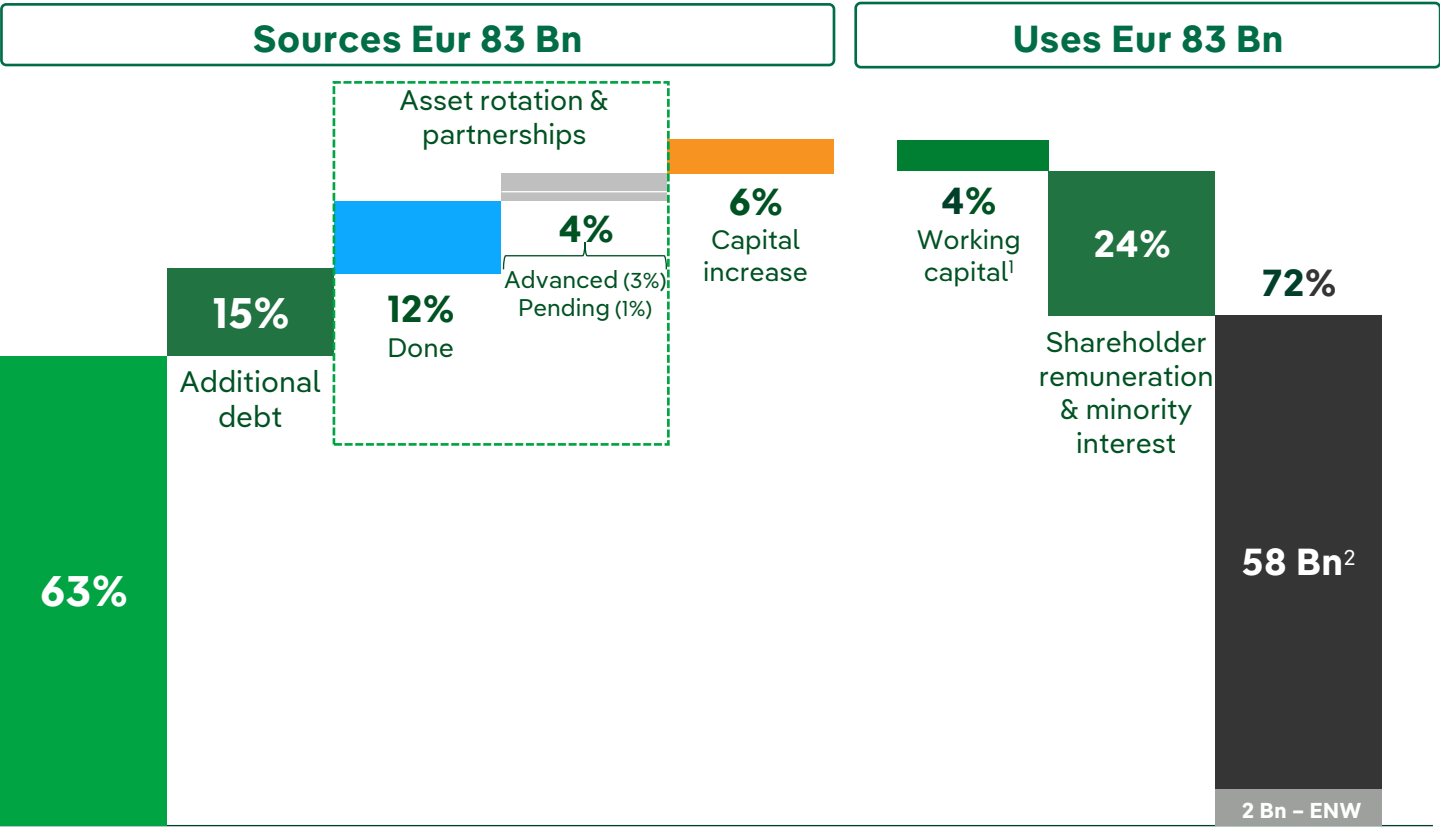
- 90% advanced
- Attractive P/E multiples

Additional debt limited to 15% of total funds

FFO 2024-2028 evolution (Eur Bn)



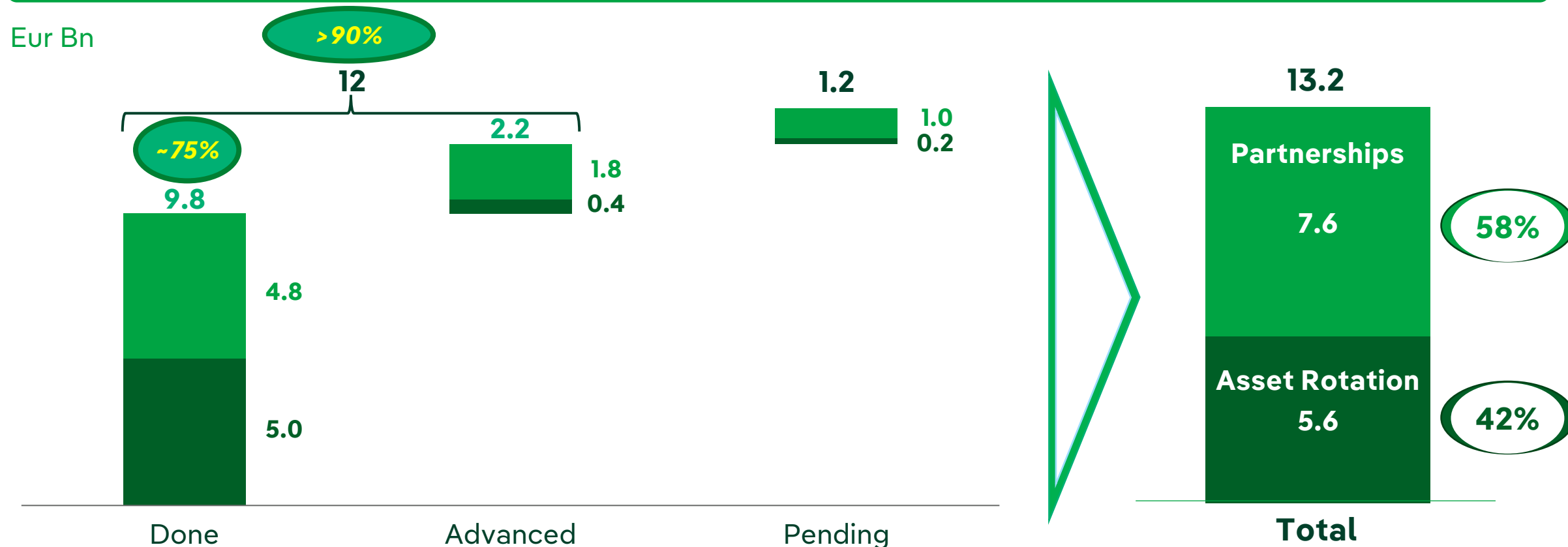
Sources & Uses 2025-2028 (%)



1. Eur 1.4 Bn corresponding to EA2 OFTO, will be recovered in 2029  
2. Eur 5 Bn work in progress

# Asset rotation and partnerships targets: new target 2025-2028

**Partnership model that attracts Tier 1 investors, allowing us to raise equity at attractive P/E multiples**



**New asset rotation & partnerships 25-28 target: Eur 13.2 Bn, 75% done, up to 90% advanced  
Eur 7.6 Bn corresponds to partnerships (58%) and Eur 5.6 Bn to asset rotation (42%)**

## Trade uncertainty persists despite recent agreements Rising fiscal deficits may cause sticky inflation, lower growth, and higher interest rates

### Inflation

- ✓ **Slightly higher inflation** due to tariffs
- ✓ Mitigated in the Eurozone by EUR appreciation and lower energy prices

### Interest Rates

- ✓ **Higher interest rates scenario reduces 2028e Net Profit by ~EUR 186 M**
  - ✓ **Short-term rates higher**, except in the Eurozone
  - ✓ **Long-term rates higher** due to debt sustainability concerns and European defense and infrastructure plans

### Growth

- ✓ **Slightly lower** due to trade tensions, geopolitics and macro uncertainty

### FX

- ✓ **Worse FX scenario reduces 2028e Net Profit by ~EUR 160M**
  - ✓ **USD depreciated** due to US economic policy
  - ✓ **GBP appreciated** due to persistent inflation and favorable rate differential
  - ✓ **BRL depreciated** on concerns about higher fiscal deficit

**Networks capex in more favourable regulatory environments secures ~9.5% ROE (>8% IRR)**  
**Selective Renewables investments IRR 7-12%**

## Networks

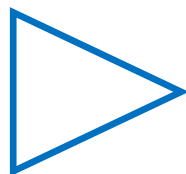


**EBITDA/Growth Capex >10%**  
**IRR >8%**

**Spread to WACC ~200 bps**

**Regulated Networks Return 2026-31e**

Average ROE  
nominal post-tax



**~9.5%**

## Power Renewables & Customers



**IRR 7-12%**

**Spread to WACC >200 bps**

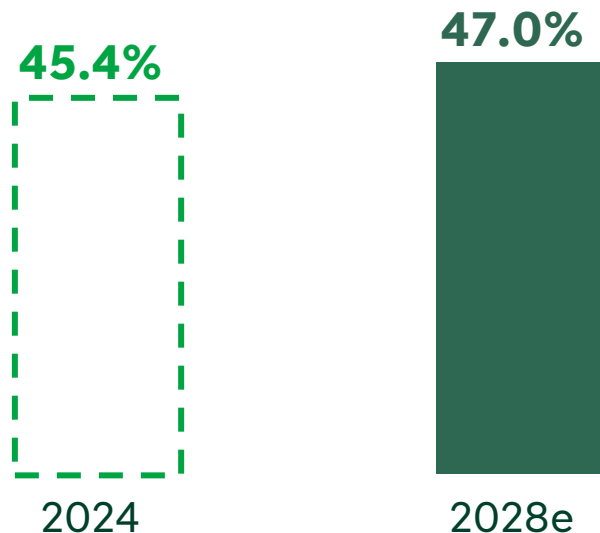


**Group investments spread to WACC >200 bps with a lower risk profile and lower WACC**

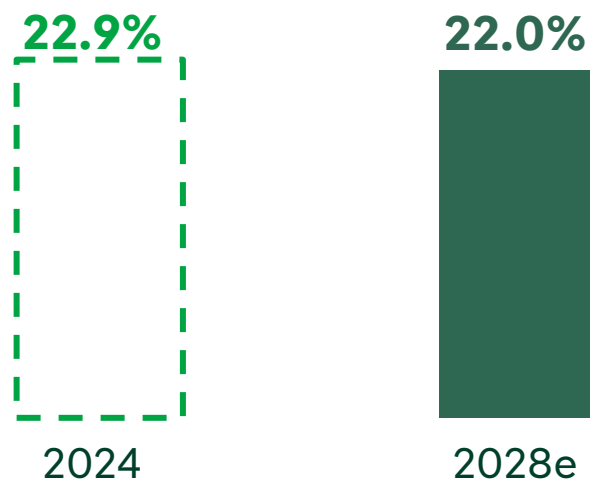


**Ratios throughout the plan reinforce our commitment to current rating (BBB+ / Baa1)**

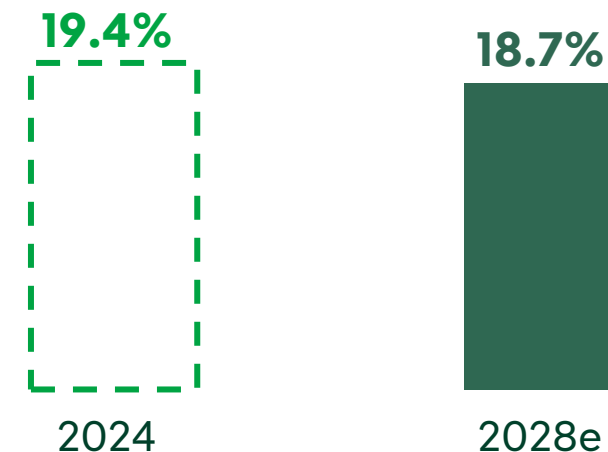
**Leverage (%)**



**FFO / Net Debt (%)**



**RCF / Net Debt (%)**

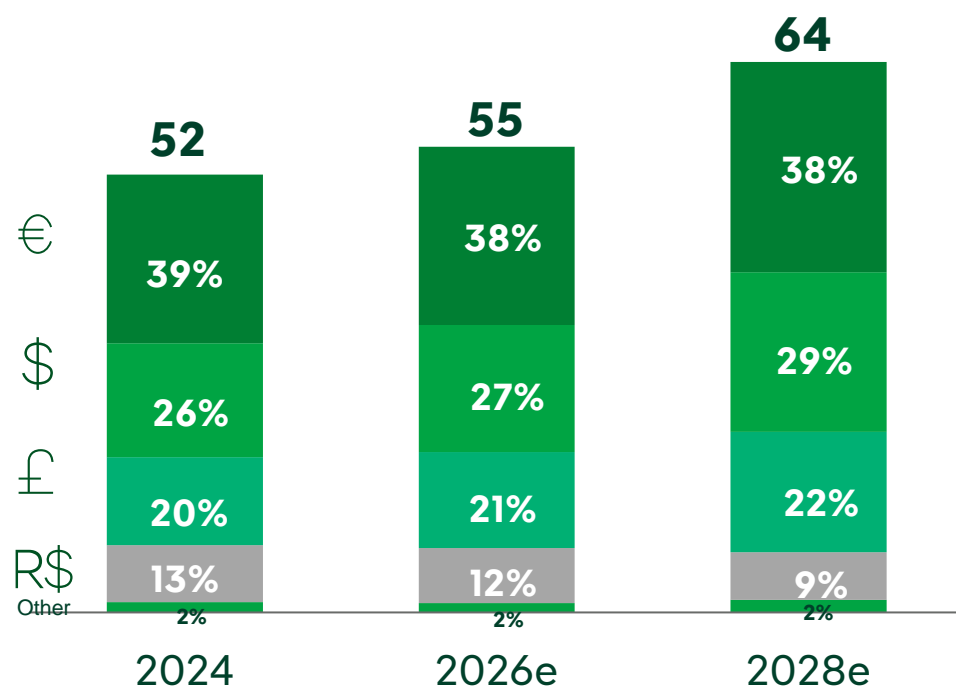


**Exposure to A-rated countries and a 'regulated + long-term contracted' business profile, after Networks capex acceleration**

# Net debt evolution & structure

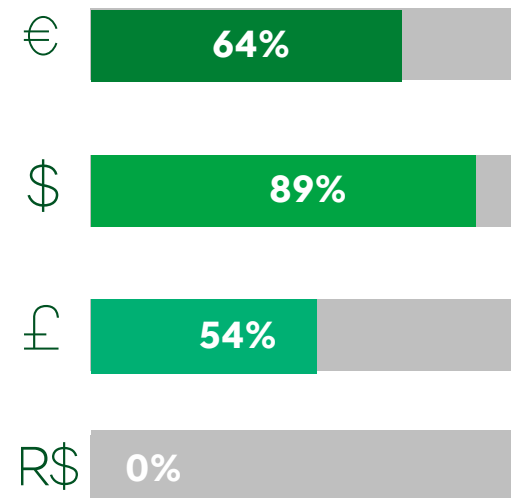
**Maintaining a prudent financial structure: 73% of debt at fixed rate, above 68% of fixed EBITDA ...**

## Net Debt evolution 2024-2028 (Eur Bn)

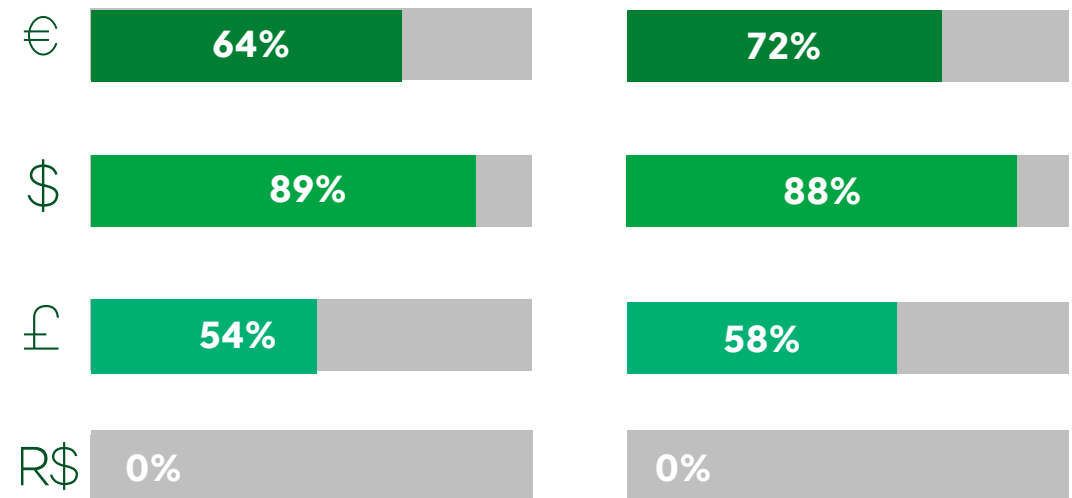


## Debt vs. EBITDA structure 2024-2028 (%)

### Fixed vs. variable EBITDA



### Fixed vs. variable Debt



Fixed EBITDA **68%**

Fixed interest rate **73%**

**... that will continue to increase to 75% EBITDA regulated & long term contracted<sup>2</sup>**

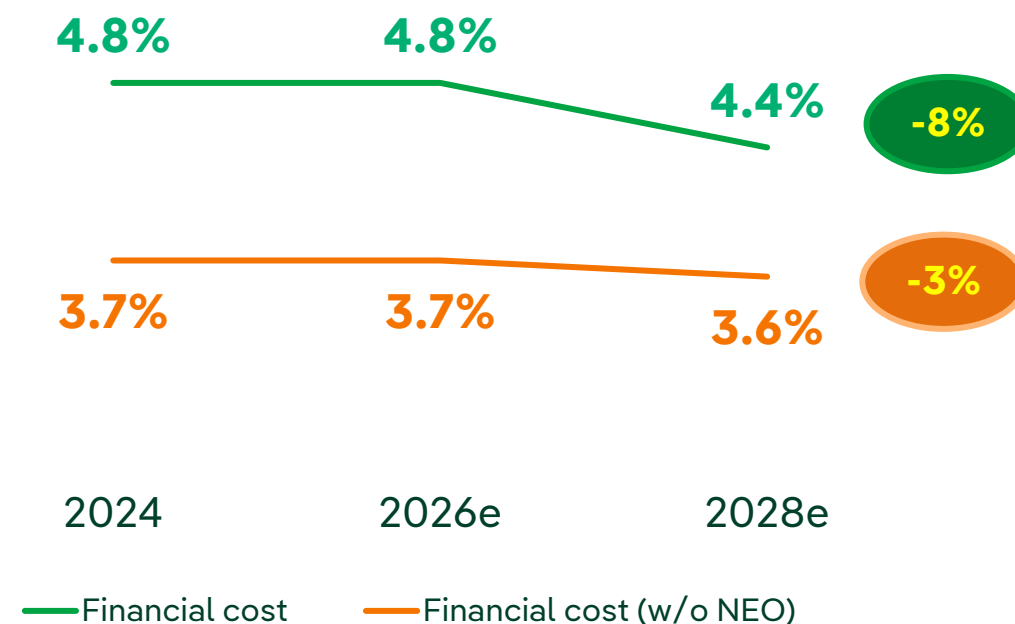
# Cost of Net Debt

**Cost of net debt decreasing: 2028 will be 4.4%, 8% lower (3.6% w/o Brazil)**

## Gross debt financial cost by currencies (%)

	2024	2028e
€	<b>2.7%</b>	<b>2.6%</b>
£	<b>3.9%</b>	<b>4.0%</b>
\$	<b>4.6%</b>	<b>4.9%</b>
R\$	<b>10.8%</b>	<b>10.7%</b>

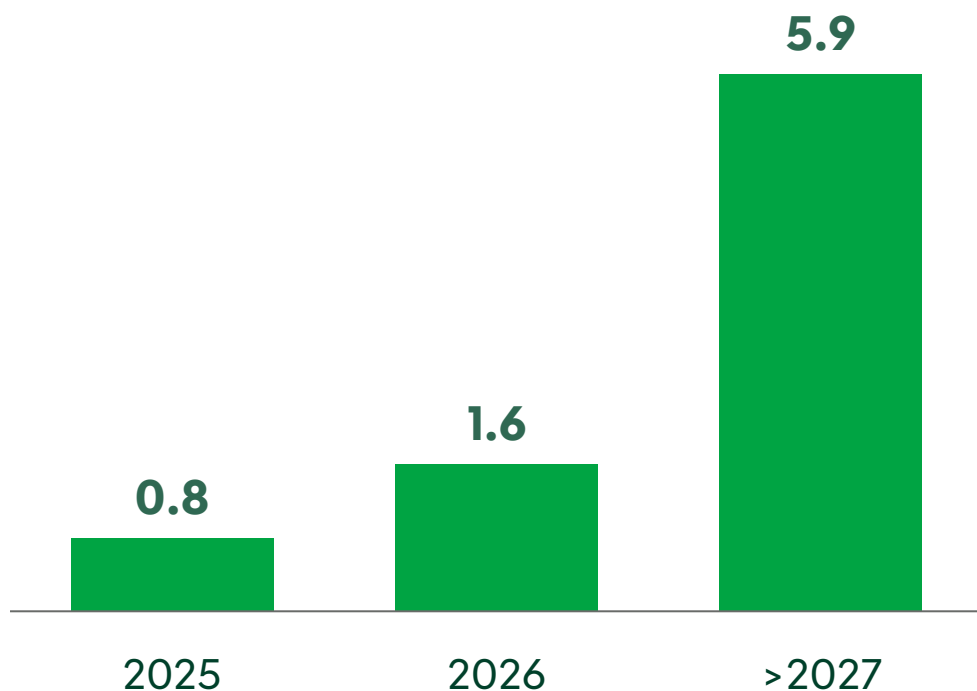
## Net financial cost (%)



**In CMD24, 2026 Net financial cost was 4.4%, below 4.8% in this plan for 2026.  
Higher interest rates scenario vs. CMD 24 reduces 2028e Net Profit by ~EUR 186 M**

**Comfortable situation of hybrid debt, maintaining current balance of Eur 8.25 Bn throughout the plan**

## Hybrids first reset date (Eur Bn)



## Highlights

Iberdrola remains comfortable and committed to its current hybrid portfolio

Focused on the refinancing of the outstanding stock

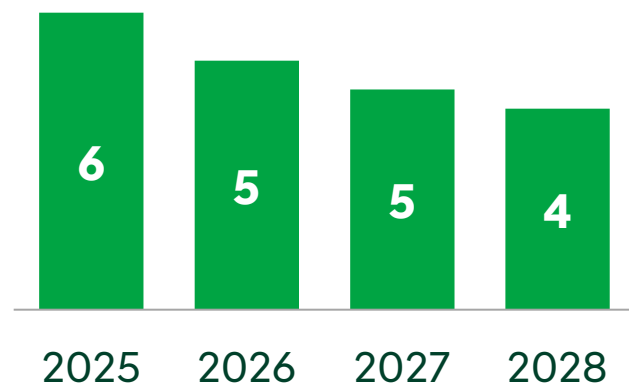
Prudent financial policy implies strong appetite from investors for hybrids driving to lowest ever sub-senior spreads

Hybrid strategy will remain supportive of current ratings

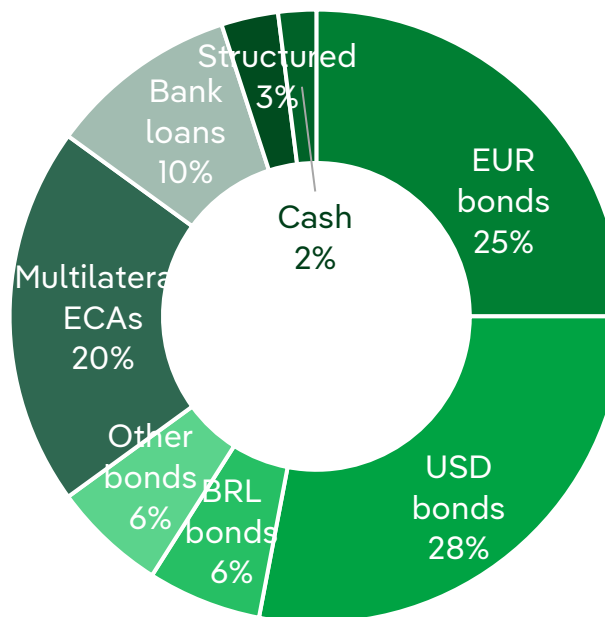
**Eur 32 Bn<sup>1</sup> of 2025-2028 needs covered according to our financial model, diversifying sources of financing**

## Debt maturities: Eur 20 Bn

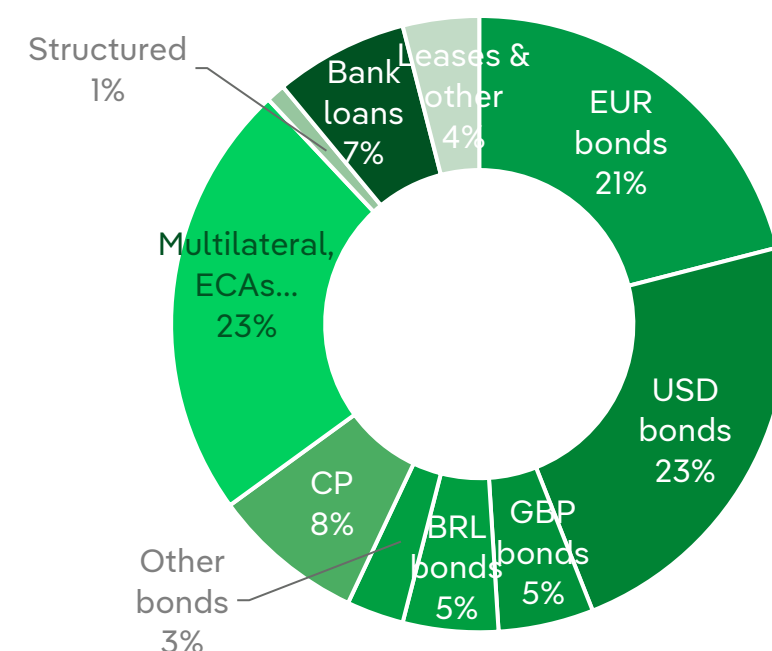
Eur Bn



## Coverage 2025-2028: Eur 32 Bn<sup>1</sup>



## Debt structure by market 2028e



**Funding is raised through Iberdrola (72%) to optimize cost and reduce structural subordination**  
**Remaining funding needs will be in regulated companies in the US (20%) and Brazil (8%)**

## Strong liquidity complying with rating agencies' requirements

### Liquidity 2024-2028 (Eur Bn)

22  
months

20.2

2024

22  
months

24

2028e<sup>1</sup>



### Sources of liquidity

Active liquidity management, **optimizing cost**

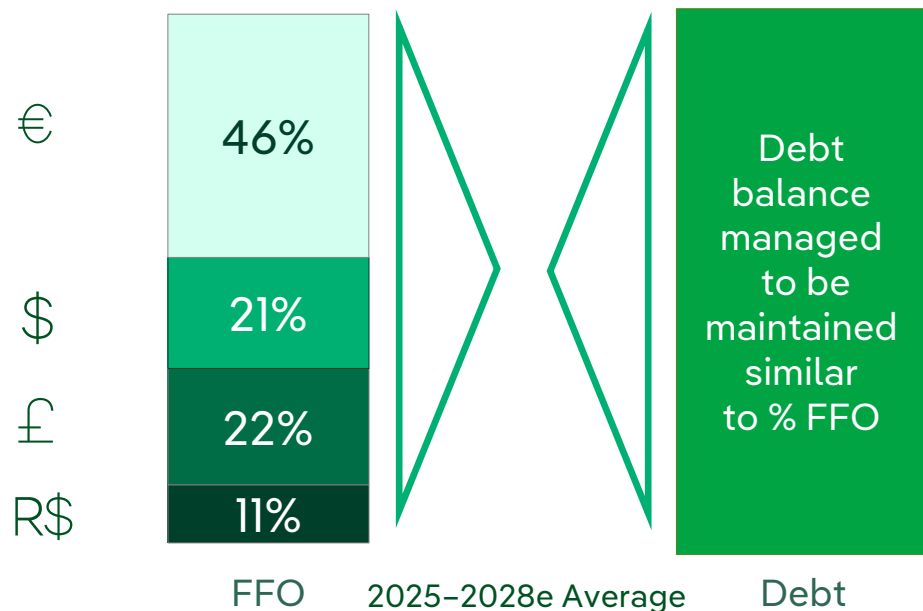
**Diversification of liquidity sources:** cash & equivalents, syndicated and bilateral credit lines and available financing (multilateral, development banks and export credit agencies)

**Sustainable Credit lines**  
**Green undrawn loans**

**Average debt maturity above 6 years**

## Structural FX hedge by managing the debt in the same currency and similar % as the FFO to protect credit ratings ...

### Structural



### Annual



**Hedging Net Profit FX exposure** in currencies against the Euro on a yearly basis



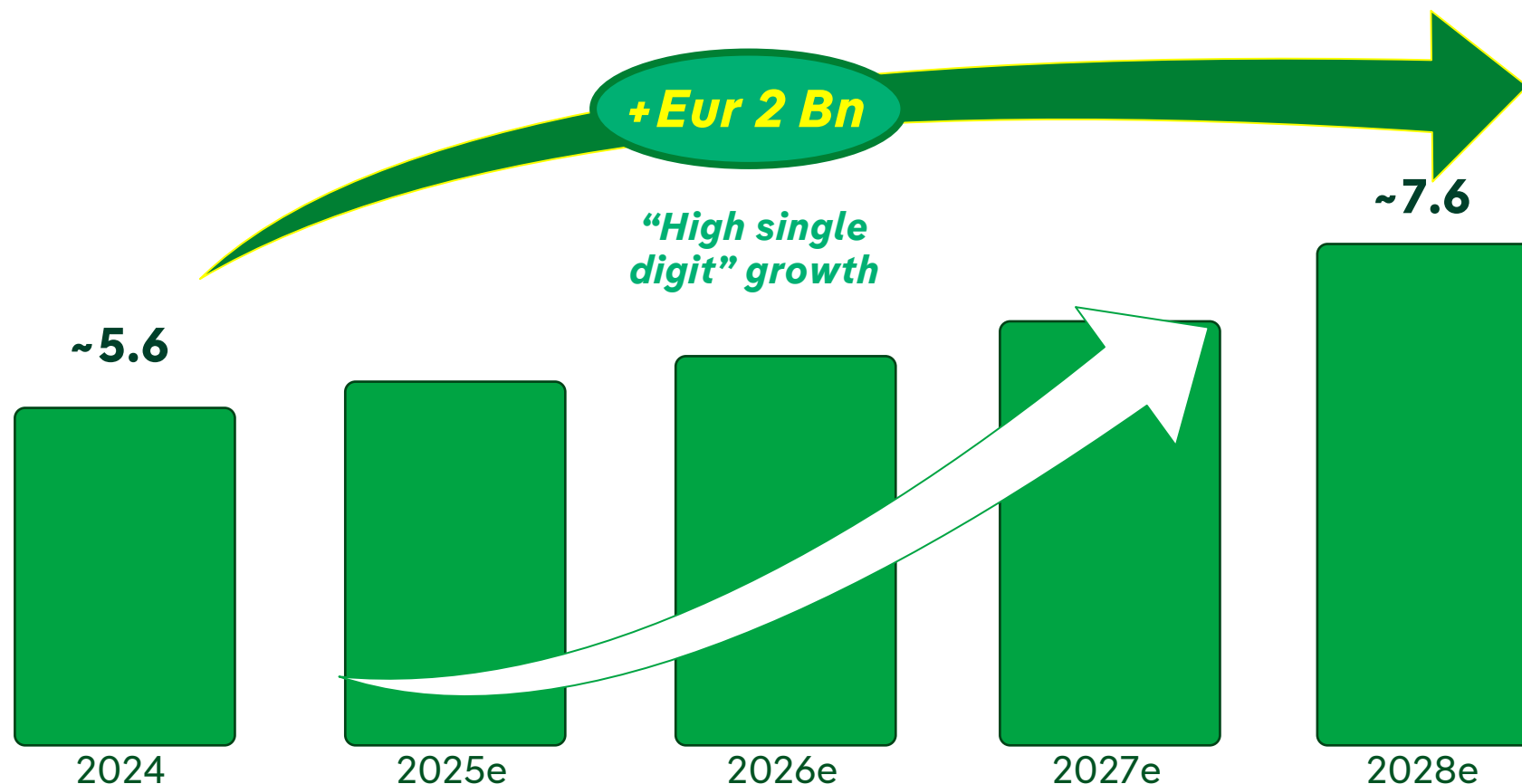
**Long-term FX management not possible** as it would generate P&L volatility

... while every year FX risk in the P&L account is hedged  
Worse FX scenario for this plan vs. CMD24 reduces Net Profit by ~EUR 160M

# Adjusted Net Profit 2024-2028

Adjusted Net Profit grows every year of the plan reaching Eur 2 Bn growth by 2028

Eur Bn



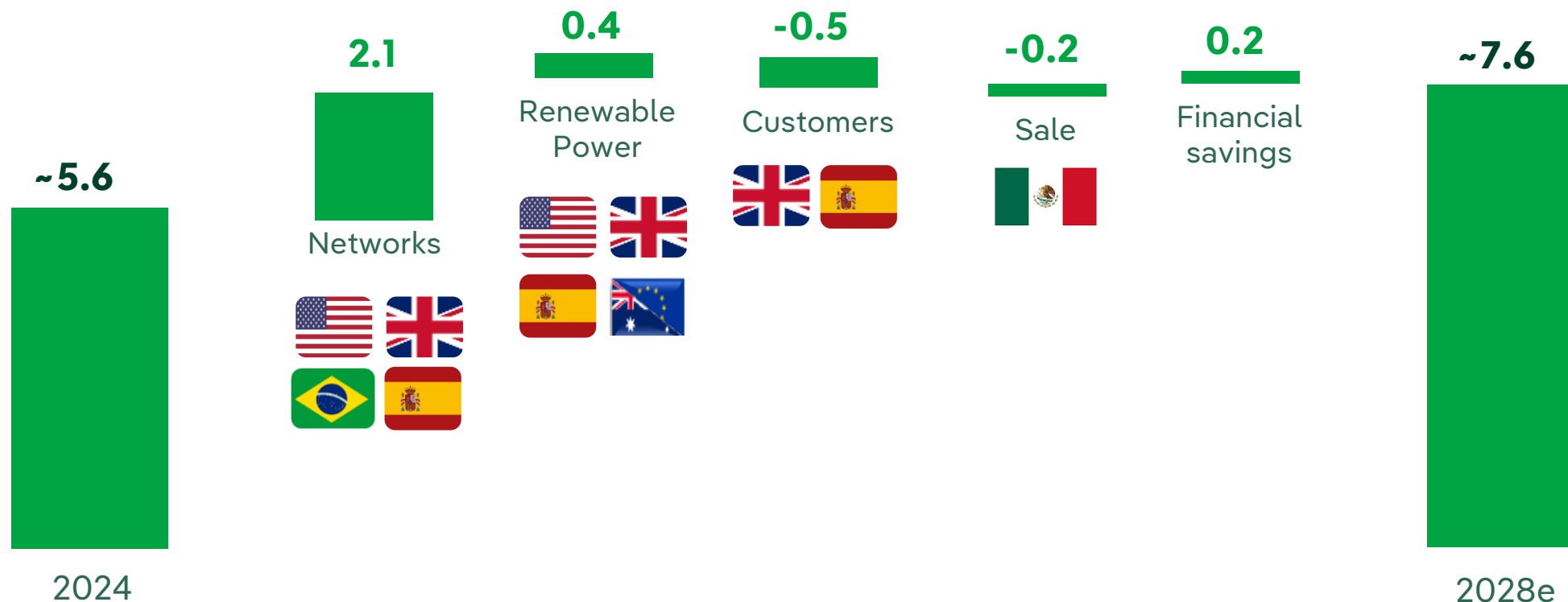
Net Profit figures adjusted by UK Networks Capital Allowances



# Adjusted Net profit from 2024 to 2028

**“High single digit” growth in Adjusted Net Profit (CAGR 2024-2028) to reach Eur ~7.6 Bn by 2028**














Eur Bn



**Boosted by new investments more than offset margin normalization in Spain and UK**

# Sensitivity analysis: Net Profit

## Limited Net Profit volatility

		Base case		2028e	% Net Profit
	Distribution returns	 Sensitivity applied for ED3 from 2028	↑↓ 50 bps	+/- 48 M €	+/-0.7%
		 Aligned with allowed ROE	↑↓ 50 bps	+/- 37 M €	+/-0.5%
		 Assumed regulatory returns	↑↓ 50 bps	+/- 46 M €	+/-0.6%
		 Aligned with WACC at latest tariff review	↑↓ 50 bps	+/- 23 M €	+/-0.3%
	Energy prices	 Sensitivity vs. base case	↑↓ 5 €	+/- 15 M €	+/-0.2%
		 Sensitivity vs. base case	↑↓ 5 €	+/- 36 M €	+/- 0.5%
		 Sensitivity vs. base case	↑↓ 5 €	+/- 104 M €	+/-1.4%
	Global demand <sup>1</sup>	Sensitivity vs. base case	↑↓ 1%	+/- 34 M €	+/-0.5%
	Interest rates	Plan hypothesis	↑↓ 50 bps	+/- 102 M €	+/-1.4%
%	FX	Plan hypothesis	↑↓ 5%	 +/- 74 M €  +/- 57 M €  +/- 37 M €	+/-1.0% +/-0.8% +/-0.5%

## Deploying our sustainable strategy through 26 long term, relevant targets



Strengthening  
human and social  
capital



Promoting  
good governance in  
accordance with the  
Group's ethical and basic  
principles and current  
regulations

Boosting electricity  
as a clean, autonomous,  
local, stable, safe  
and competitive  
source of energy



Protecting nature and  
fostering an efficient  
use of resources



Working to ensure a  
sustainable  
value chain

### Updated KPIs

- 1 Zero pollutant emissions in electricity generation by 2030
- 2 Reduction of water intensity in energy production
- 3 Wellbeing Program
- 4 Charging points
- 5 Energy Stored Capacity

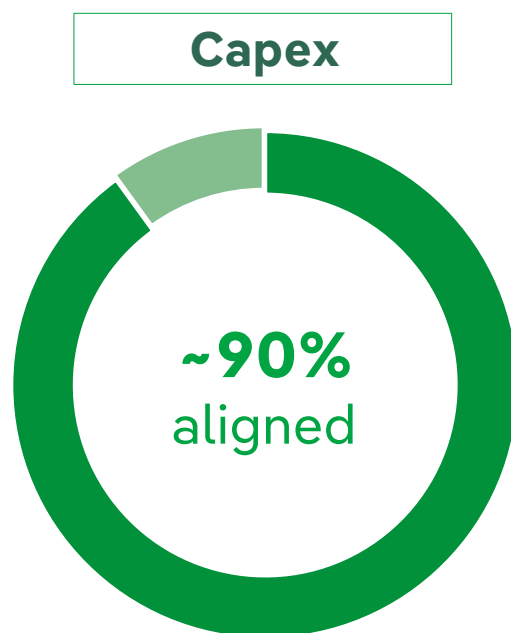
### Increased ambition

Vs. previous Sustainability Target  
(2024)

- |                                                |     |
|------------------------------------------------|-----|
| 1 Smart grids: 91% automation in 2030          | +1% |
| 2 Customer accessibility solutions: 66 in 2030 | +3  |

**Commitment with sustainable finance to foster decarbonization having  
~90% of total organic investment plan aligned with EU taxonomy...**

## % Taxonomy aligned Capex<sup>1</sup> Plan 2025-2028e



## Green/Sustainable Financing at Iberdrola

- ✓ **> Eur 30 Bn of new financial instruments during the plan will be Green labelled ...**
- ✓ ...driving **>80% accumulated Green/Sustainable<sup>2</sup> Financial instruments at the end of the plan**
- ✓  **Best in class** in green financing (GBP ICMA & EU GBS) maximizing access to green bond market
- ✓ **First company to issue an EU Green Bond** aligned with ICMA's Green Bond Principles

**... that will be financed mainly under green principles.  
Sustainability linked for credit lines and commercial paper**

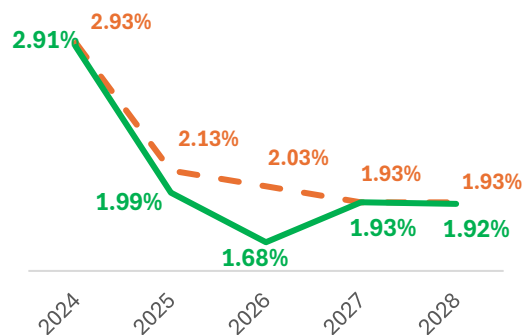


# Annex Financial Management

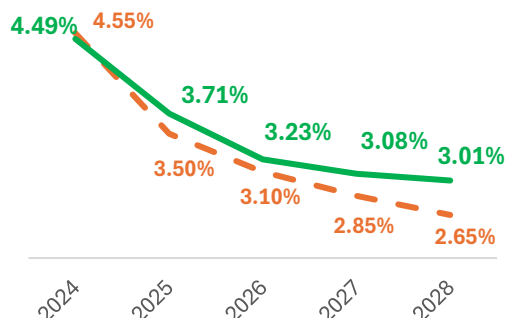
# Macro hypothesis: Interest Rates year end (CMD25 vs CMD24)

**Higher short-term rates, except EUR, due to persistent inflation, while long-term rates rise due to uncertainty regarding the sustainability of public debt**

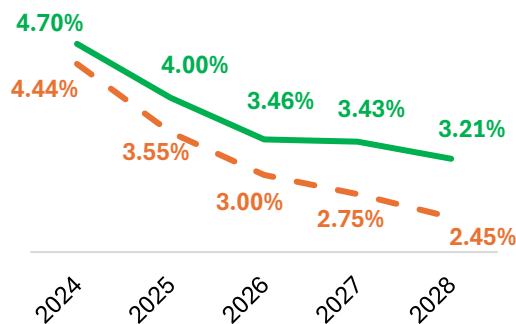
**EUR ESTR**



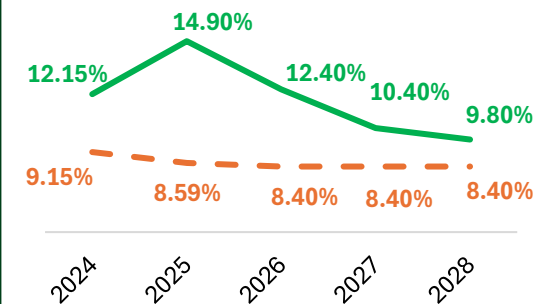
**US SOFR**



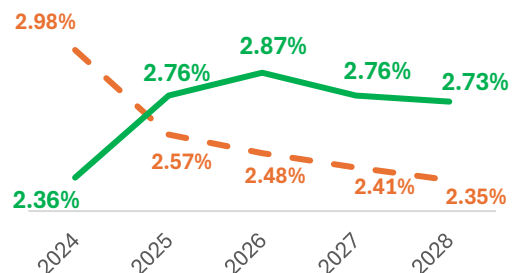
**UK SONIA**



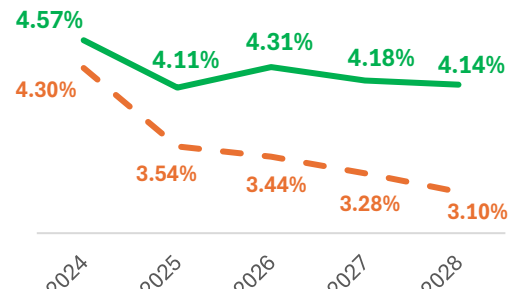
**BRL CDI**



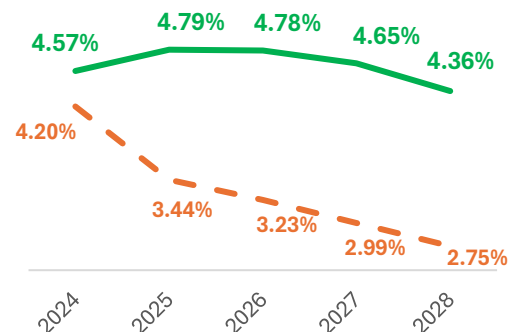
**EUR 10Y SWAP**



**US 10Y TREASURY**



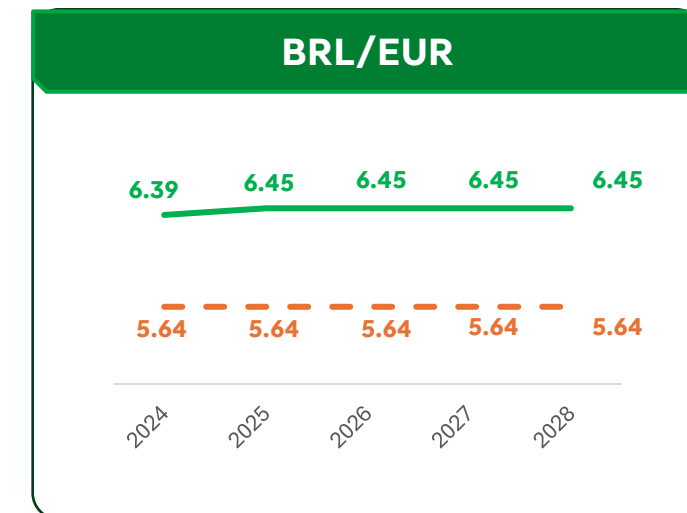
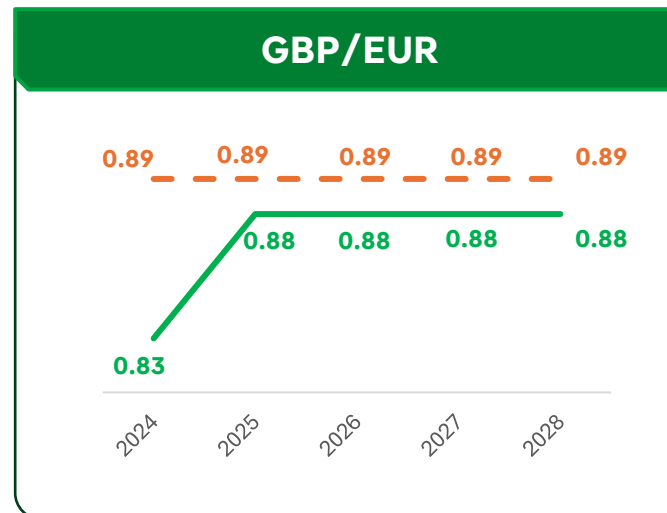
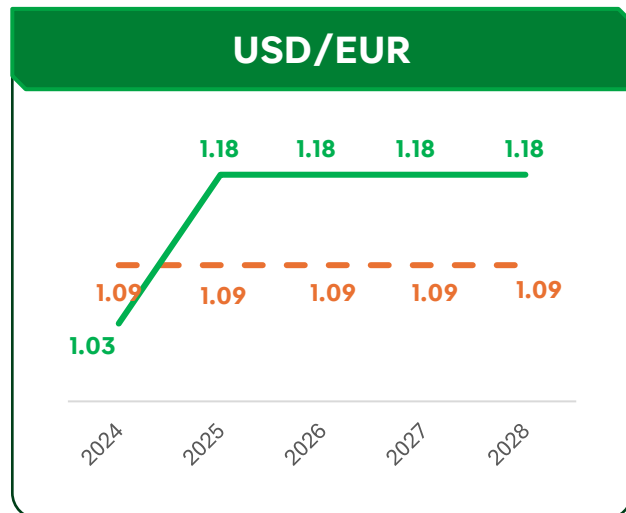
**UK 10Y TREASURY**



— CMD 25  
- - - CMD 24

# Macro hypothesis: FX Rates year end (CMD25 vs CMD24)

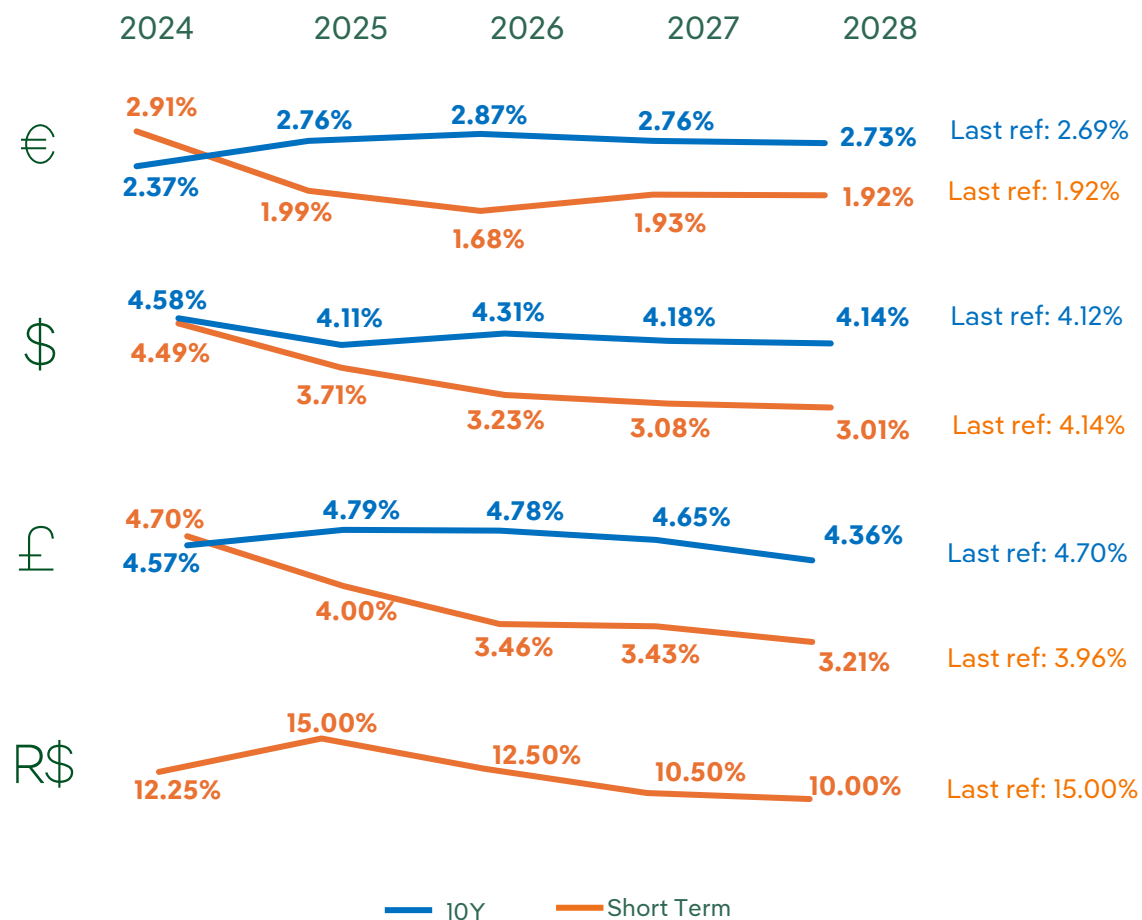
**USD and BRL depreciated due to increasing concerns regarding debt sustainability, while GBP appreciates due to the better economic outlook and trade negotiations with US**



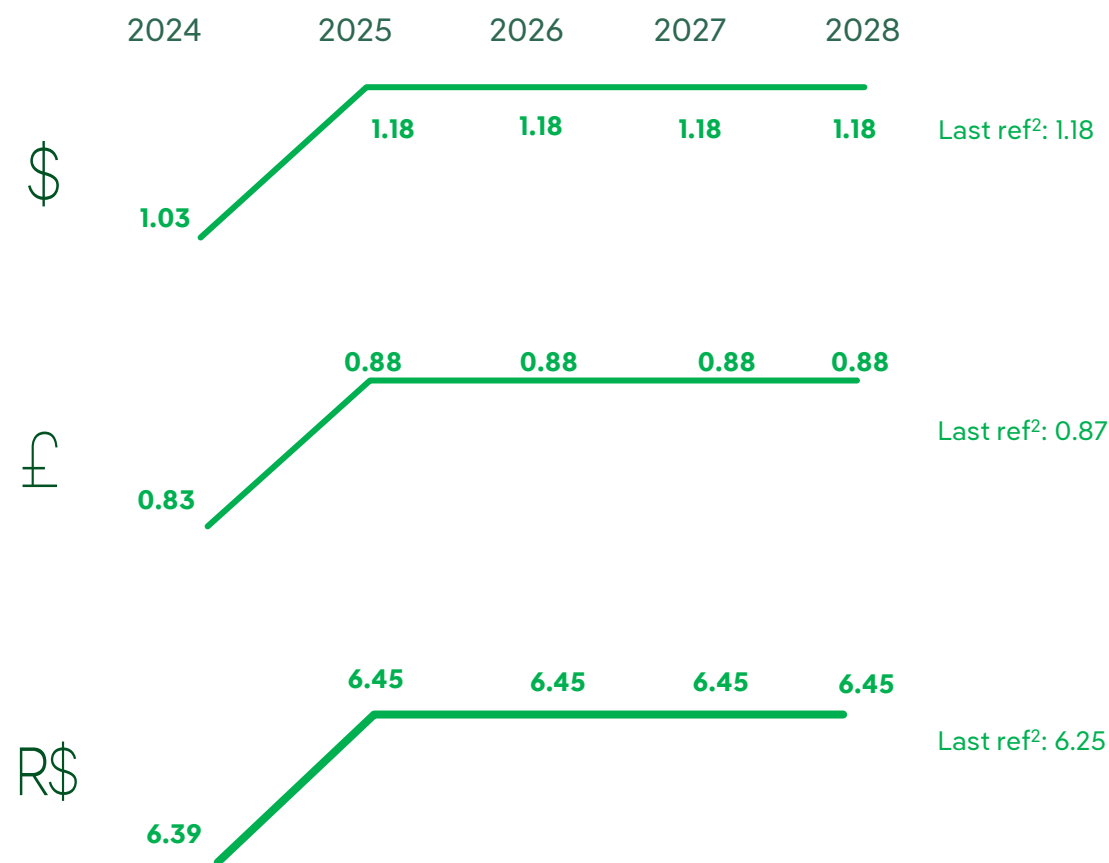
— CMD 25  
- - - CMD 24

# Macro hypothesis: FX & Interest Rates

## YEAR END INTEREST RATES<sup>(1)</sup>



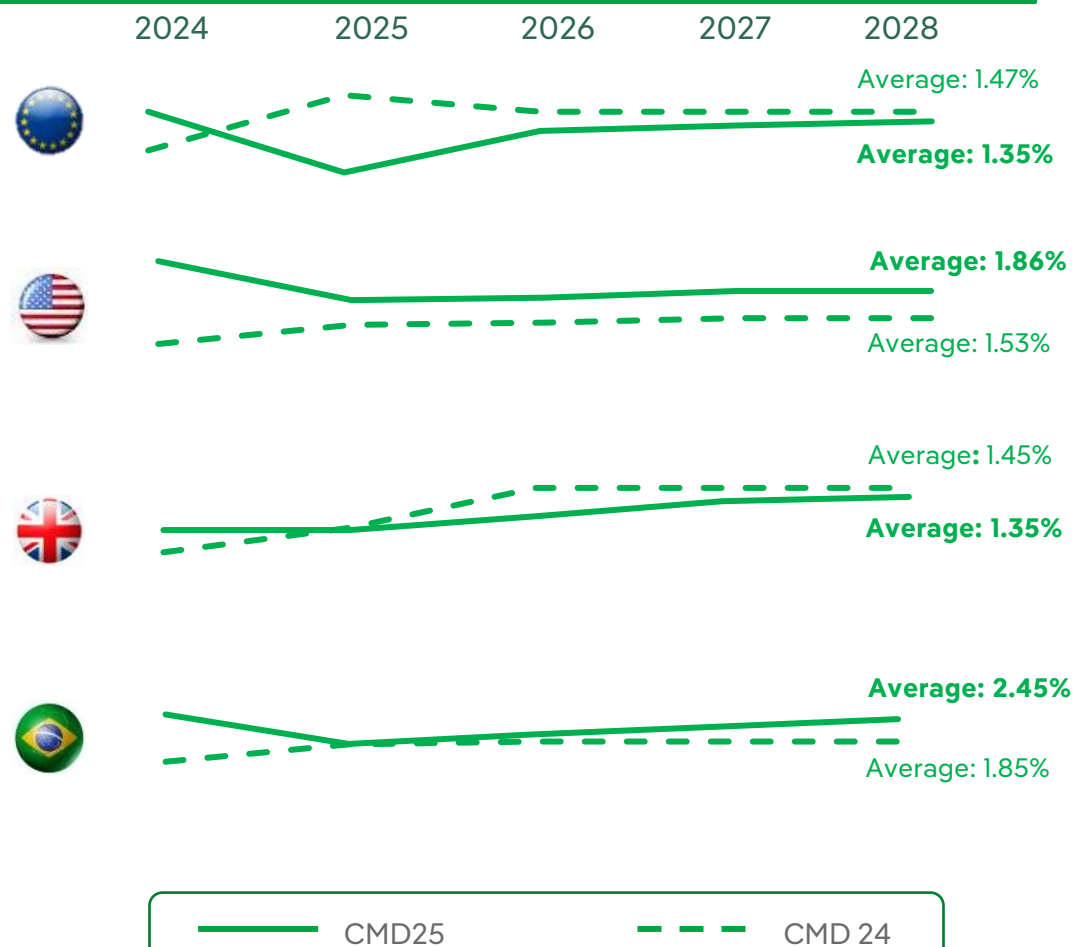
## YEAR END FX RATES



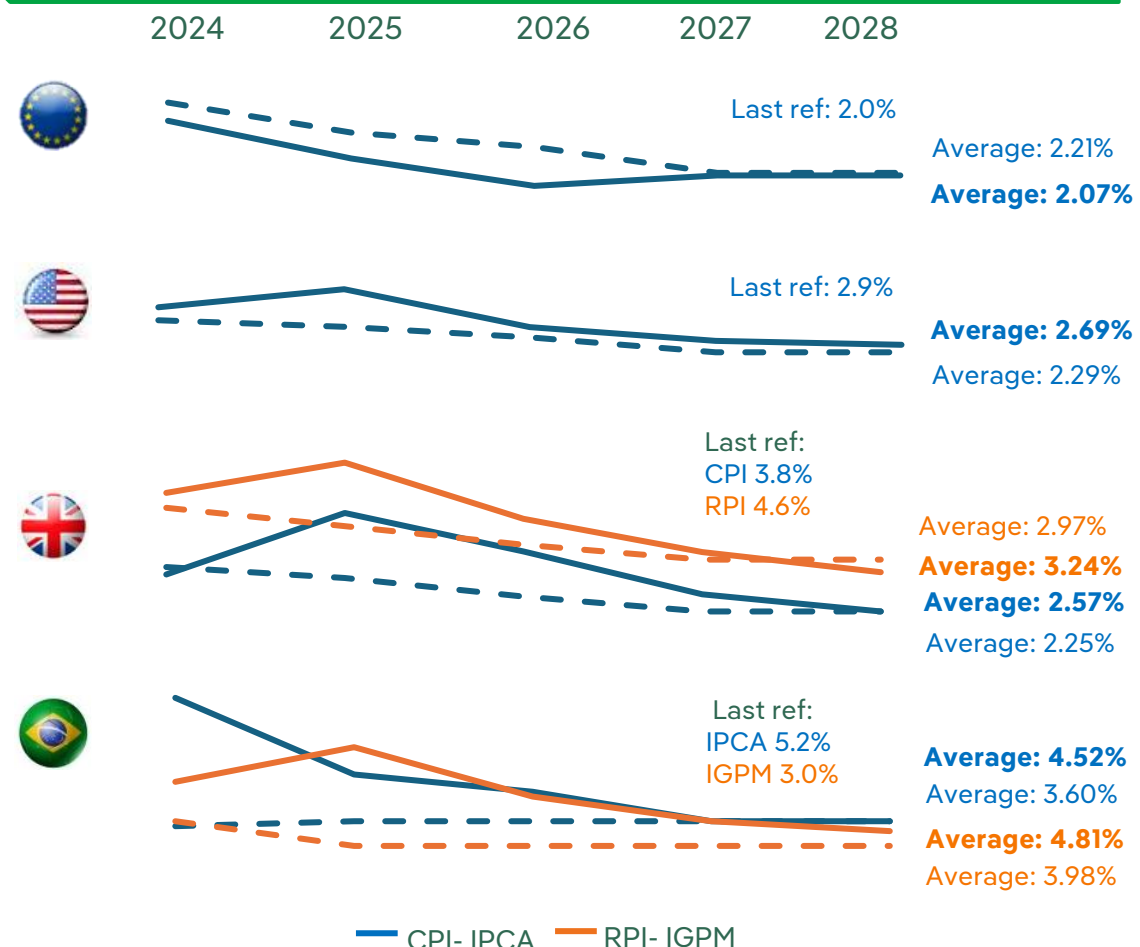


# Macro hypothesis: GDP & Inflation















## AVERAGE GDP



## YEAR END INFLATION



## Limited EBITDA volatility

		Base case		2028e
	<b>Distribution returns</b>	 Sensitivity applied for ED3 from 2028	↑↓ 50 bps	+/- 65 M €
		 Aligned with allowed ROE	↑↓ 50 bps	+/- 47 M €
		 Assumed regulatory returns	↑↓ 50 bps	+/- 56 M €
		 Aligned with WACC at latest tariff review	↑↓ 50 bps	+/- 28 M €
	<b>Energy prices</b>	 Sensitivity vs. base case	↑↓ 5 €	+/- 20 M €
		 Sensitivity vs. base case	↑↓ 5 €	+/- 49 M €
		 Sensitivity vs. base case	↑↓ 5 €	+/- 139 M €
	<b>Global demand<sup>1</sup></b>	Sensitivity vs. base case	↑↓ 1%	+/- 38 M €
	<b>FX</b>	Plan hypothesis	↑↓ 5%	 +/- 211 M €  +/- 194 M €  +/- 107 M €

# Risk factors and business model mitigation

## Risk factors

Foreign exchange

Interest rates

Regulatory

Supply chain

Energy prices, margin and competition

Power and gas Demand

Cyber / Security

## Business model strengths

Structural and annual FX hedge

73% debt at fixed rate

**Frameworks secured or advanced to 2031**

**Focused on A-rated countries**

2/3 of 2025-2028 investments in UK and US

**80% of strategic equipment secured 2025-2028**

>65 Bn Purchases 2025-2028e

**~75% of EBITDA regulated & long term contracted**

(avg. 2028-2030)

**Networks up to 55% of total EBITDA 2028**








**Power & Renewables: CfDs/PPAs/Retail position -**

covering c.85% of our expected production

**Cyber and Security Policies / Digitalization**

**Iberdrola business model counterbalances main risk factors**

# Main long term Sustainability Targets (2025-2030)

	DRIVERS	TARGET	METRIC	2024	2028e	2030e
	Green Electrification (Net Zero 2040)	Emission Intensity in Electricity Generation	g CO2 /kWh	65	32	Carbon Neutral <sup>1</sup>
		Net Zero in scopes 1,2 and 3 before 2040	Comply SBTi milestone in 2030 & 2040	In progress		√
		Zero pollutant emissions in electricity generation by 2030	(NOx + SOx + particulates in g/kWh)	0.163	0.018	<0.016
		Energy Stored Capacity	GWh/year	9,800	>10,500	>11,000
	Innovation and digitalisation	Smart grids	% asset automation	81%	~90%	~90%
	Sustainable finance	CAPEX aligned	% Taxonomy Aligned Capex <sup>2</sup>	89%	~90%	~90%
Green Financing		Million Euros (cumulative) <sup>3</sup>	-	>30,000	-	
	Equal opportunities	Equal opportunities	External EDGE plus certification	In process	√	√
	Safety and Health	Wellbeing Program	Certification ISO 45003	In process	√	√
		Occupational Safety	TRIR	Base	Improve	Improve
	Community development	Electrification Access Programs	Millions of users covered (cumulative)	14	>15.5	>16
		Contributions to society <sup>4</sup>	Number (>1,000)	√	√	√
		Governance, ethics & transparency	Corporate Governance	Maintain best practices	√	√
Percentage of independent directors			Over 50%	√	√	√
Varied composition of the Board od Directors			Maintain	√	√	√
Compliance system			Certification	√	√	√
Quantitative cybersecurity goals			Fulfilment	√	√	√
	Human Rights & Stakeholder engagement	Human Rights Due Diligence & Stakeholders' involvement	Review & annual update	√	√	√
	Biodiversity preservation	Net positive impact in 2030	Number of facilities aligned with a biodiversity plan	>70	>450	~700
Efficient use of resources		Blades and Solar Panels Recycling	Number (cumulative) <sup>5</sup>	90	>3,000	>5,000 (90%)
		Reduction of water intensity in energy production	% (reduction vs 2025) in m3/M€	-	-20%	-40%
	Sustainable supply chain	Sustainable suppliers	Million Euros (cumulative) <sup>6</sup>	-	>50,000	-
	Customers	Quality of supply	Reduce average consolidated SAIDI <sup>7</sup>	-12%	-13%	-15%
		Fast and Ultra-fast charging points	Number	2,200	>7,000	>10,000
		Customer Accessibility Solutions	Number	50	66	66
Digital customers		% of total	72%	74%	75%	

# Capital Allowances Adjustment – UK Networks

**Following UK sector peers and with the UK being the geography in which Iberdrola is going to invest & grow more...**

## **Change in tax policy**

- In 2023 the policy changed, allowing Networks & Renewables companies to accelerate the rate at which they could claim/use Capital Allowances (tax purposes)
- That same year, Government made this policy permanent

## **Implications for regulated companies**

- Under the RIIO schemes Network companies receive a cash “Tax Revenue” intended to compensate the entity for the estimated cash tax incurred in any given year
- When companies claim capital allowances to reduce their cash payments, the Regulator reduces the cash tax revenue by an equivalent amount, leaving the company neutral on cash terms

## **Accounting Impacts**

- Accrued Revenue is reduced due to lower tax revenue allowance
- Accrued income tax expense remains the same as the current tax portion is reduced and the deferred tax element is increased

## **Net Profit effect**

- Net Profit artificially depressed in Regulated companies.
- 2024 will be adjusted retrospectively for comparison purposes. The impact in 2024 is Eur ~0.1 Bn, and the impact in 2028 is Eur ~0.3 Bn

**...adjusted Net Profit needs to include this adjustment to show a true and consistent Net Profit**