Iberdrola

Capital Markets Day

24 September 2025

Sustainable Event

AENOR EVENTS SUSTAINABILITY ISO 20121

LEGAL NOTICE

Capital Markets Day

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Financial Management

José Sainz Armada

Chief Financial Officer

Value creation

Iberdrola's Business & Financial Model

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

Business model

Networks – key investment destination

✓ Strengthening **regulated profile with attractive, low-risk returns**

Growth in Renewables

✓ **Selective approach** securing long-term cash flows

Focus on A-rated countries

Stable management team

Financial model

Capacity to fund growth (Networks)

✓ Through **capital increase, asset rotation and partnerships**

No additional equity

FFO growth and diversified funding sources

✓ **Limited incremental debt and full access to capital markets** while strengthening **centralized financing**

IBE 10-yr TSR[1] >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

1. Total Shareholder Return, including dividend reinvestment

Iberdrola's Total Return and Valuation vs Global Sectors

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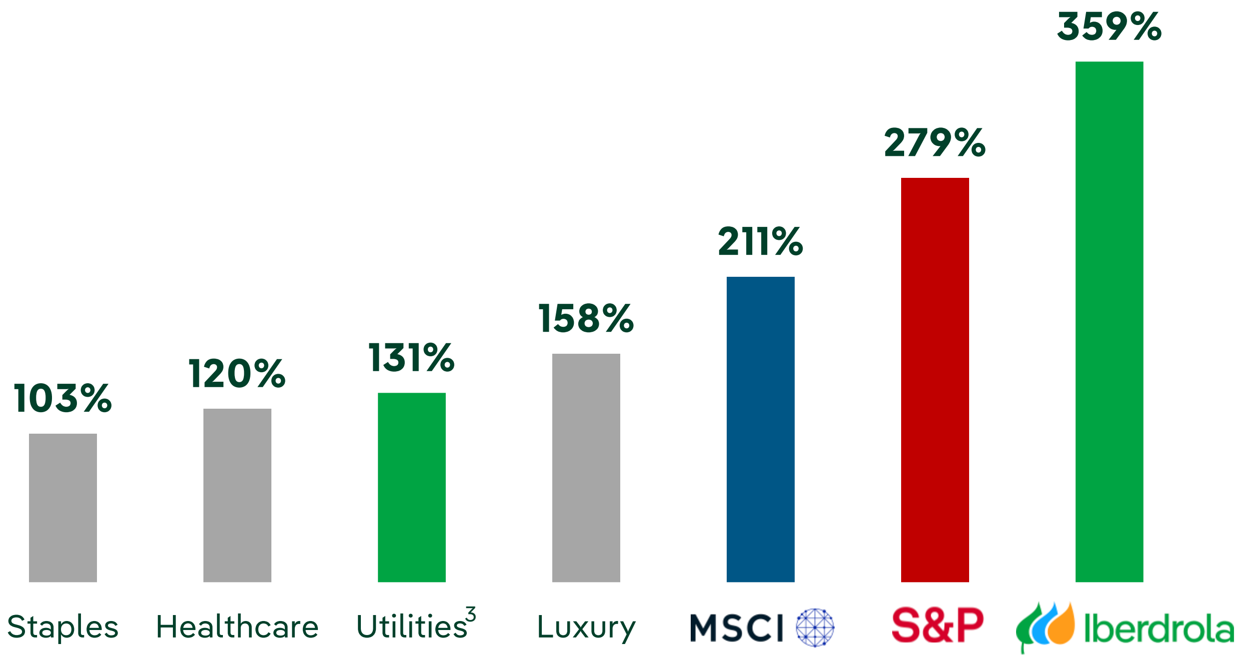
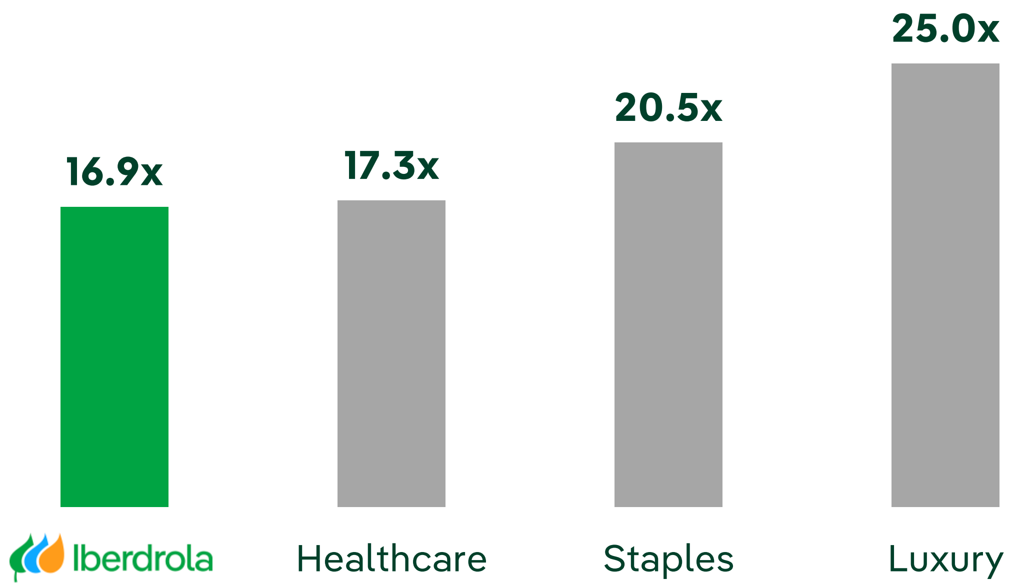
Iberdrola trades at a lower P/E ratio than global sector peers and indexes, while delivering the highest Total Shareholder Return over the past 10 years

10-yr Total Shareholder Return[1] vs. Iberdrola



P/E[2] ratio by Sector vs Iberdrola

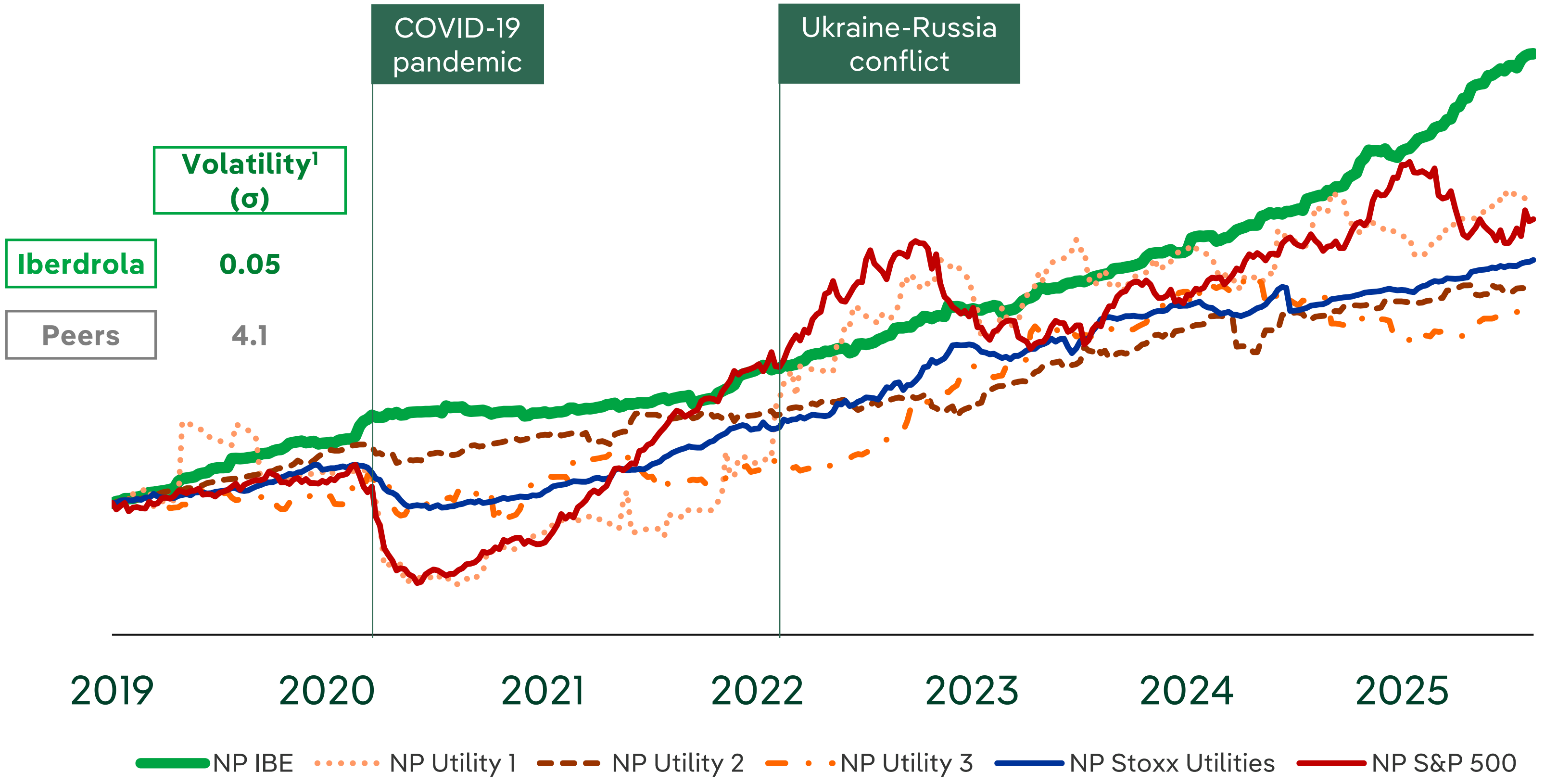


Demand for energy and grid infrastructure are rising, offering an attractive runway for future growth

Source: Bloomberg. MSCI World Index, S&P Global Index, S&P 500 Index. Sector classification according to GICS
1. Total Shareholder Return including dividend reinvestment for the period December 2014–August 2025
2. P/E 25
3. Utilities according to GICS include Electric Utilities, Multi-Energies, IPPs & Energy Traders, Gas Utilities, Water Utilities and Renewable Electricity

Iberdrola's Net Profit & DPS evolution & volatility

IBE Net Profit growth beating the market with lower volatility[1] even during uncertain times ...



10-yr CAGR		S&P	SX6P Util
Net Profit	**9%**	**7%**	**5%**
EPS	**9%**	**7%**	**5%**
DPS	**9%**	**7%**	**3%**

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

Source: Bloomberg
1. Calculated as standard deviation of Net Profit growth during the last 10 years

Delivery 2024-2026 Plan

Financial & Sustainability achievements 2024-2025

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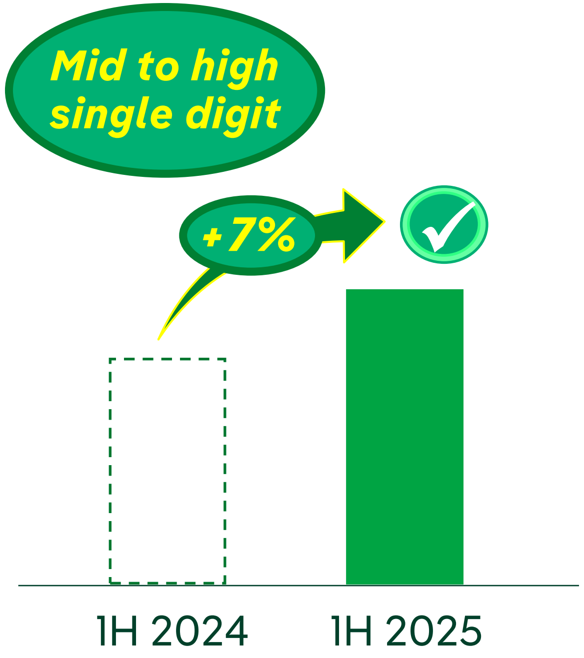
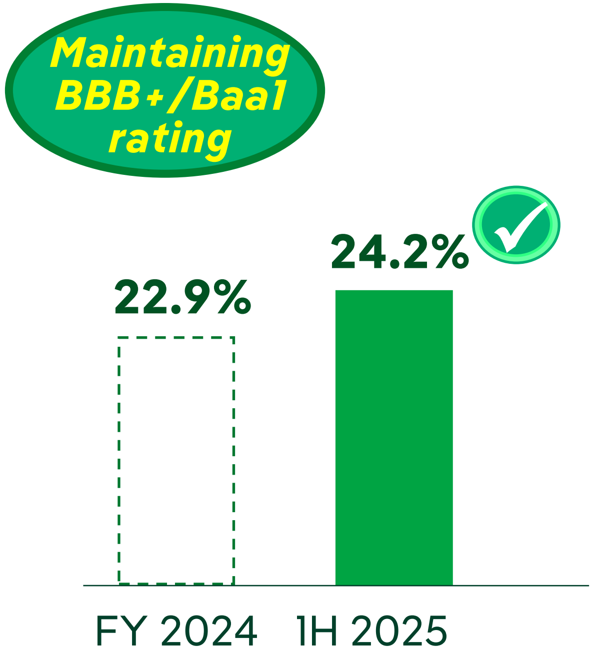
Overdelivery of financial and sustainability targets reaffirming Iberdrola's execution track record

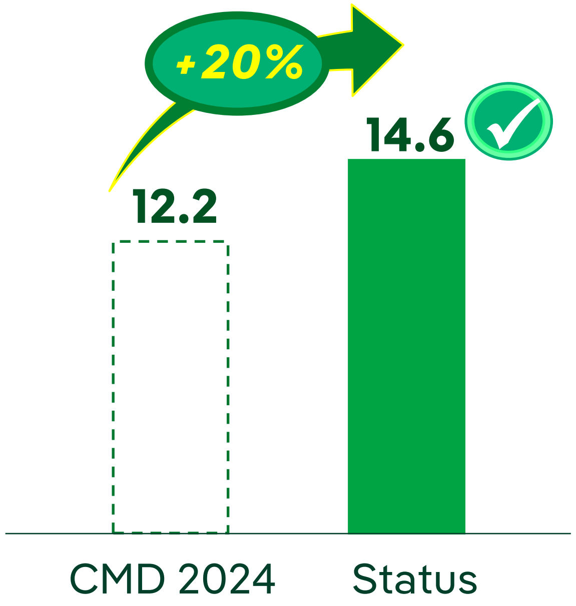
Adjusted Net Profit 2025 growth (%)[1]



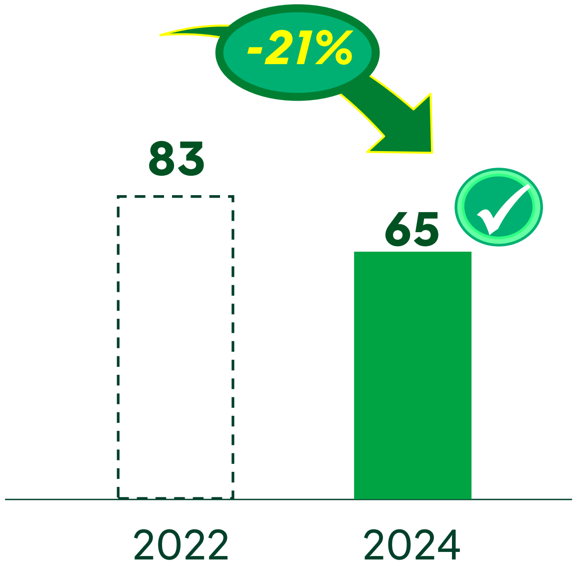
FFO/ND 2025 (%)



Asset Rotation & Partnerships (Eur Bn)



Emissions intensity (g CO_2 /kWh)[2]



Reported

1. Adjusted excluding one offs
2. Before the Mexico divestment, which will reduce specific emissions by 50%

Plan 2025-2028

Plan 2025-2028 funding

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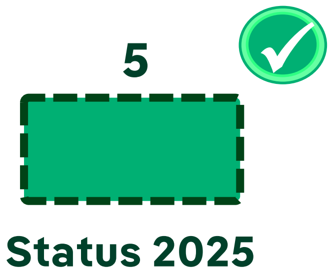
2025-2028 plan is almost fully funded

Capital increase + ***Asset rotation & partnerships*** + ***Stable & predictable cash flow generation***

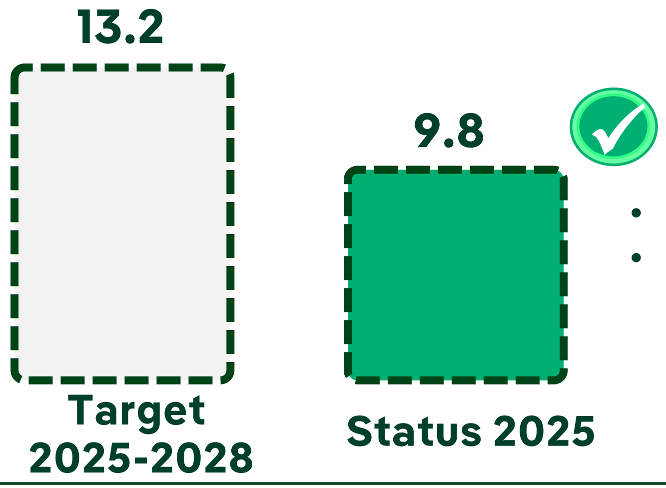
Capital increase (Eur Bn)



100% done

- No additional needs

Asset rotation & partnerships (Eur Bn)



~75% done

- 90% advanced
- Attractive P/E multiples

Sources and uses of funds

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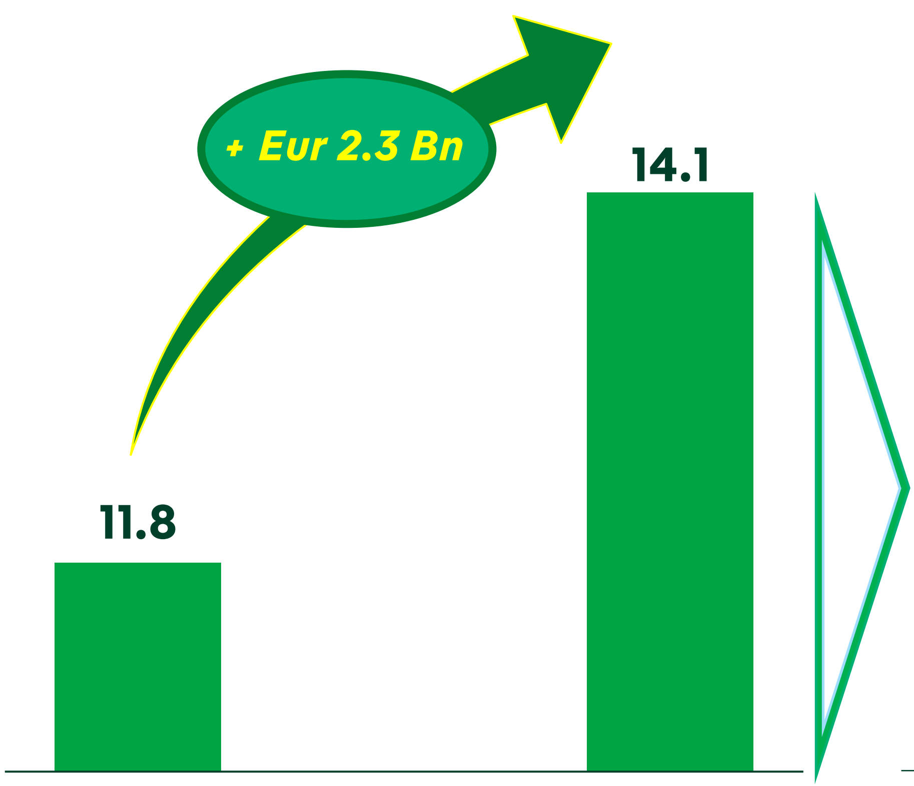
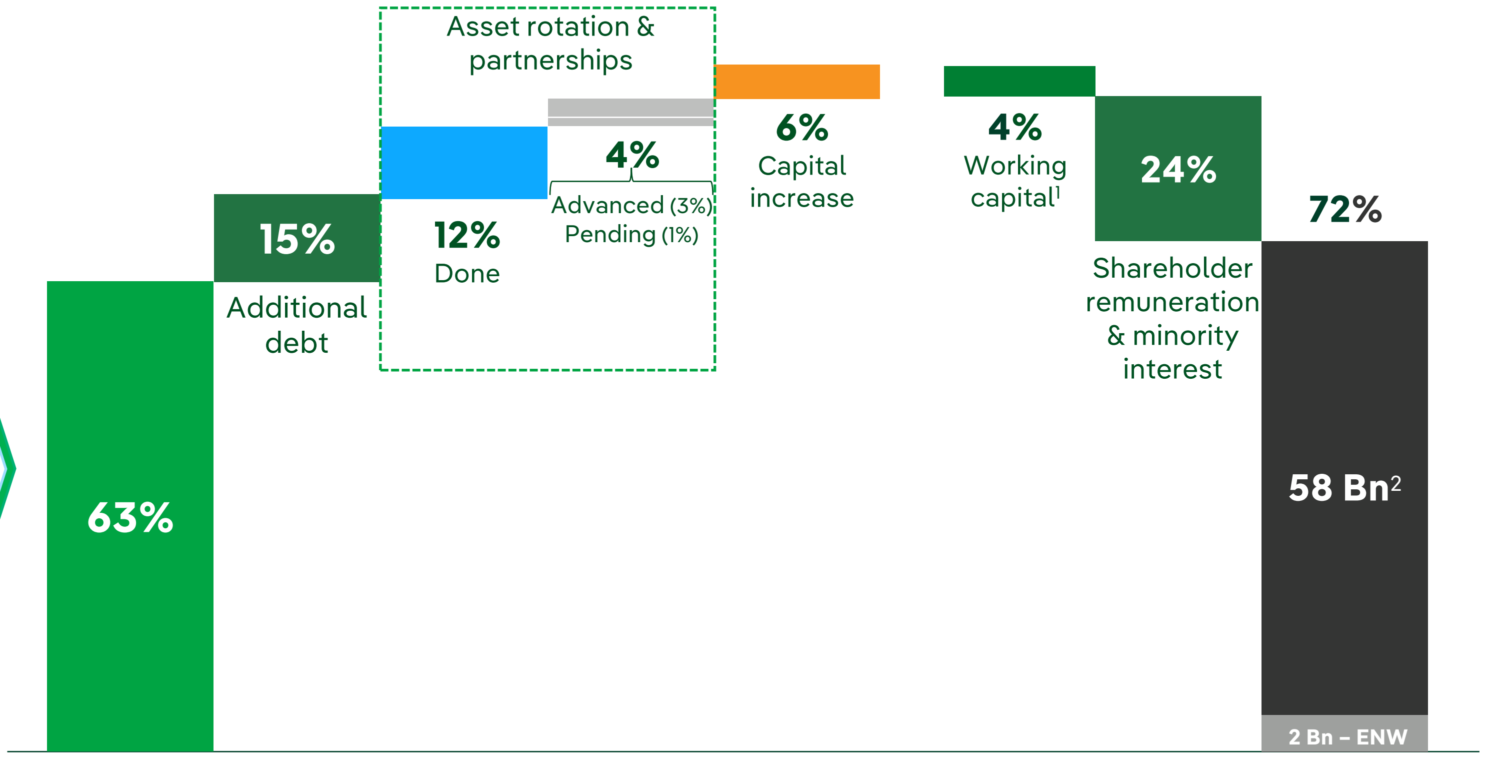
Additional debt limited to 15% of total funds





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

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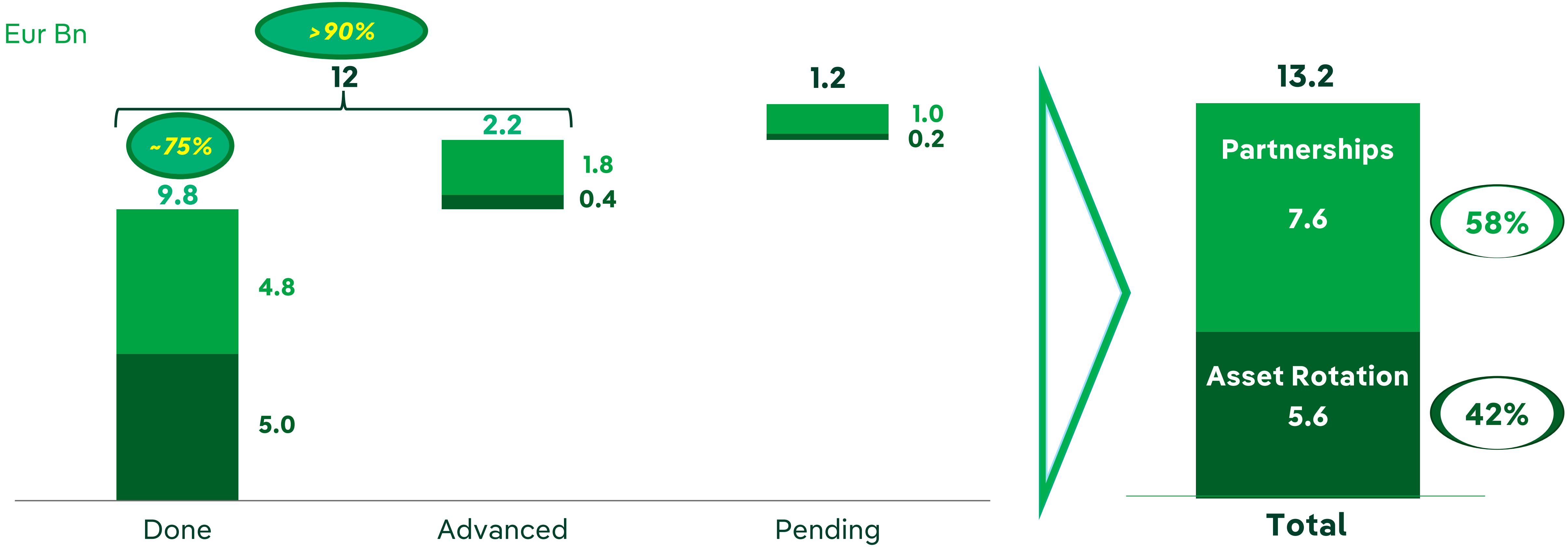
Partnership model that attracts Tier 1 investors, allowing us to raise equity at attractive P/E multiples



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%)

Note: Assuming Mexico's latest transaction closing

Macro hypothesis 2024/25-2028 vs. CMD 24

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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

Value creation

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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%

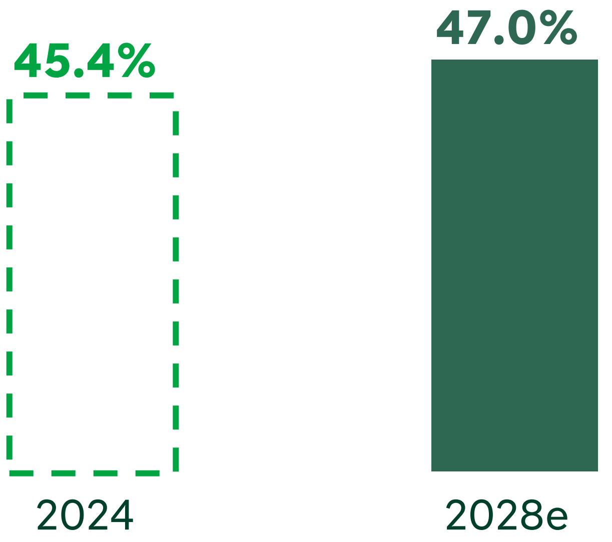
Spread to WACC >200 bps

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

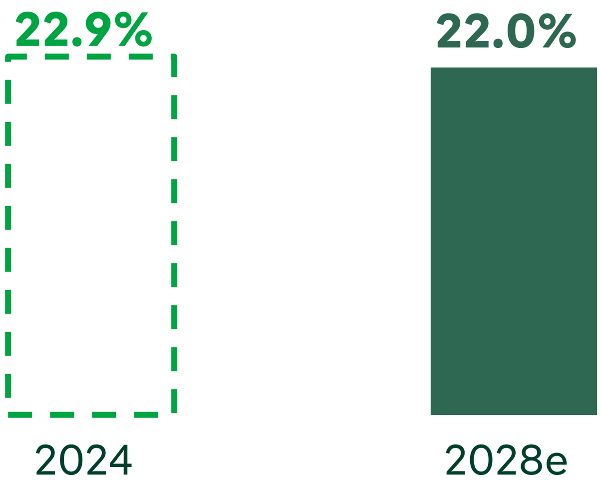
Solvency ratios

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

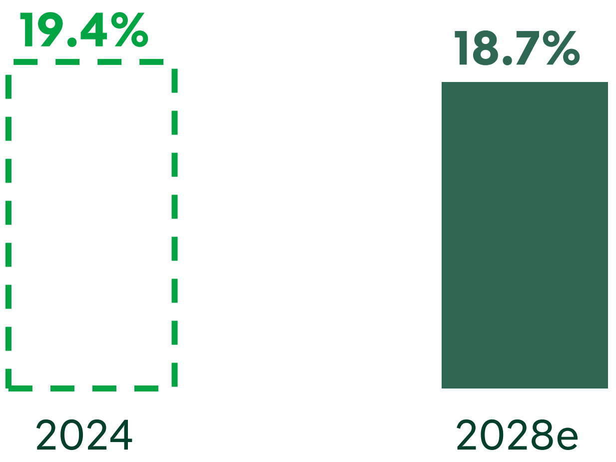
Leverage (%)



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

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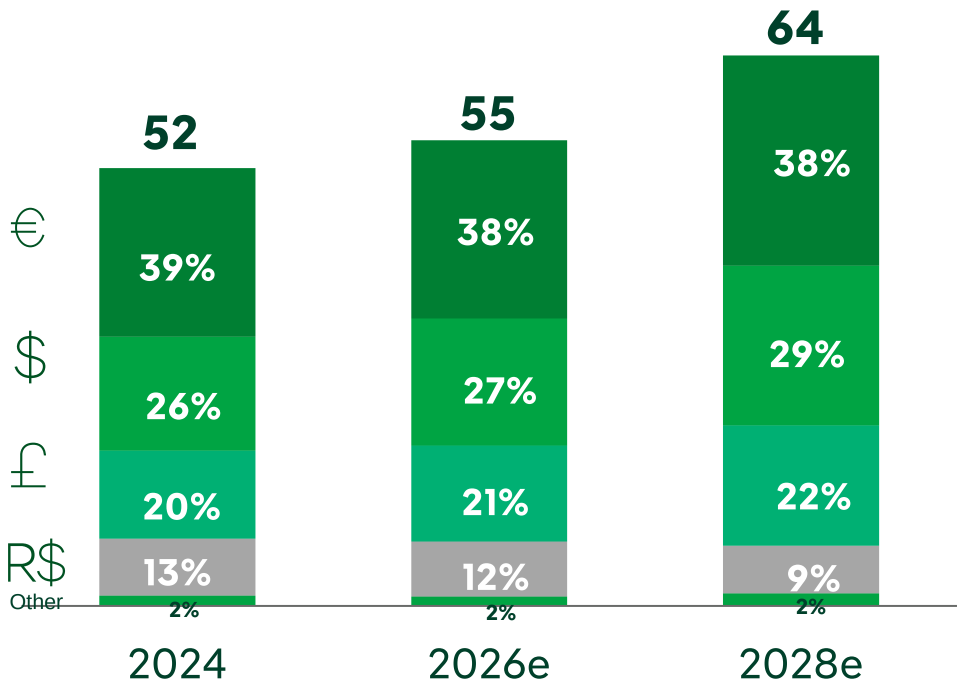
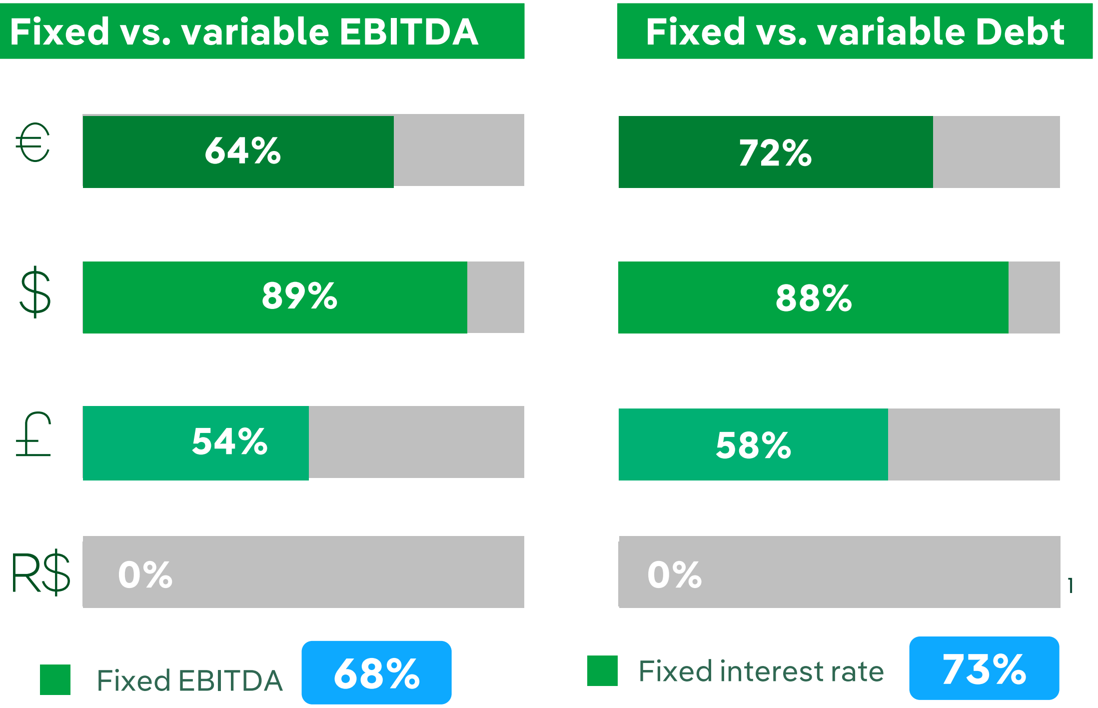
Maintaining a prudent financial structure: 73% of debt at fixed rate, above 68% of fixed EBITDA ...

Net Debt evolution 2024-2028 (Eur Bn)



Debt vs. EBITDA structure 2024-2028 (%)



... that will continue to increase to 75% EBITDA regulated & long term contracted[2]

1. Business EBITDA and debt highly indexed to inflation
2. 2028-2030 average

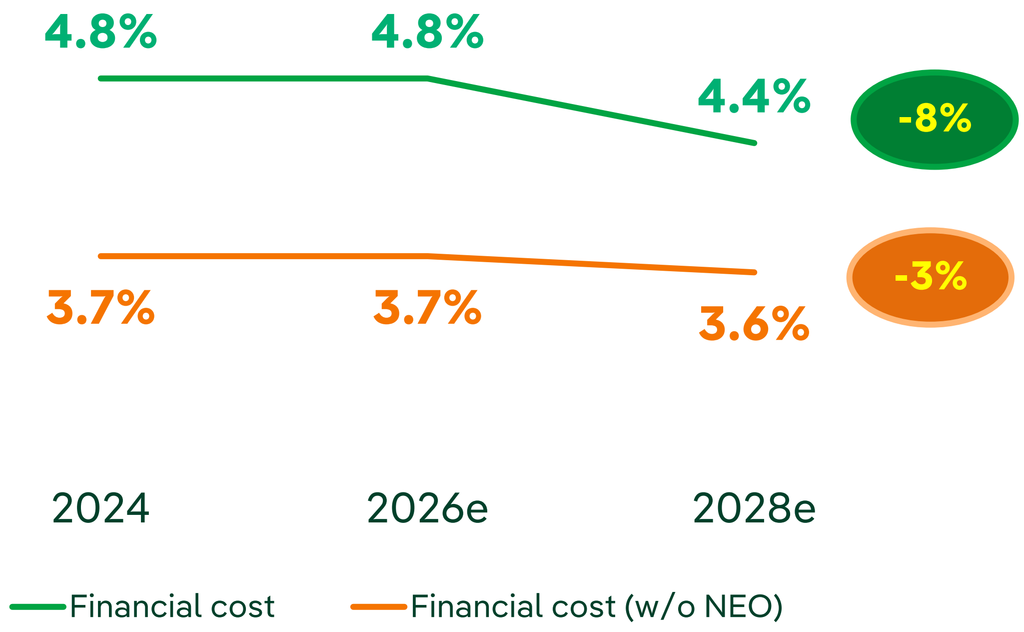
Cost of Net Debt

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
€	**2.7%**	**2.6%**
£	**3.9%**	**4.0%**
$	**4.6%**	**4.9%**
R$	**10.8%**	**10.7%**

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

Hybrids

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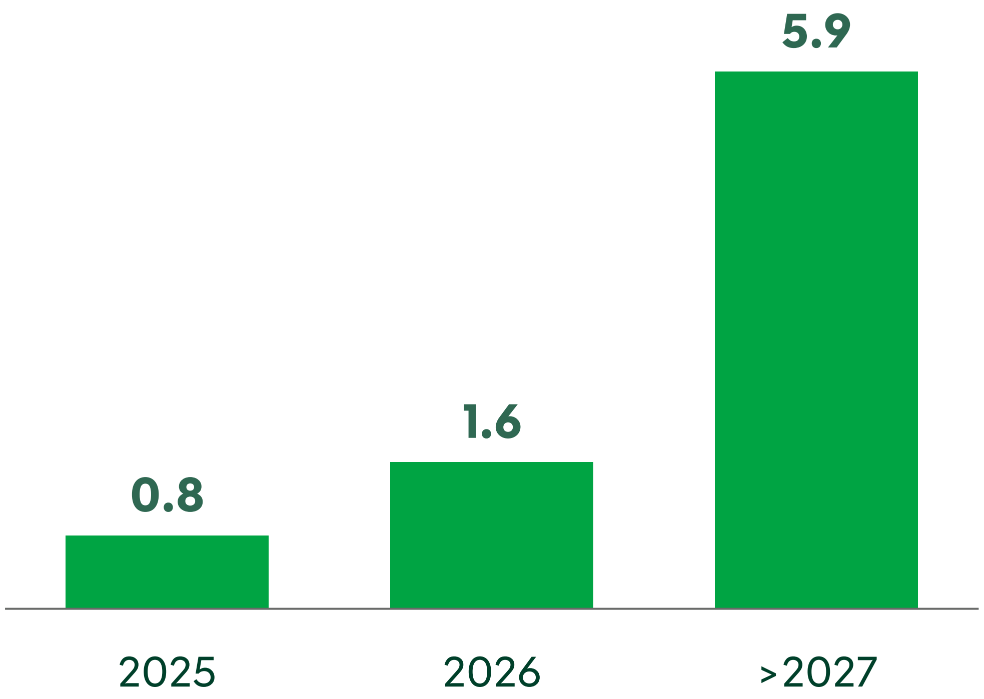
Comfortable situation of hybrid debt, maintaining current balance of Eur 8.25 Bn throughout the plan

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

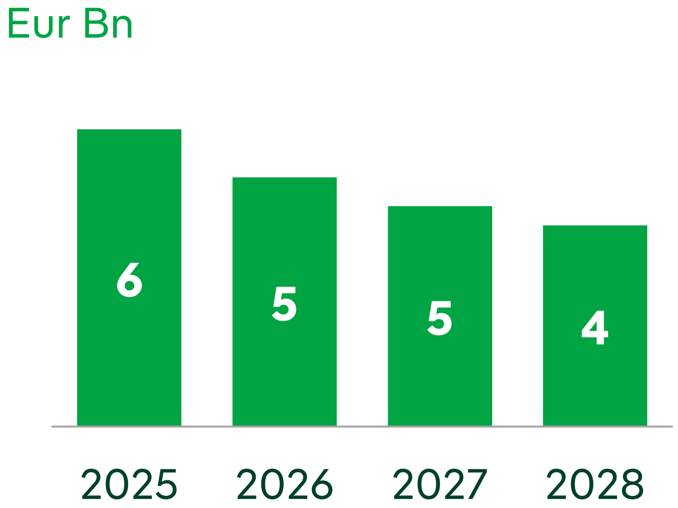
Prudent financial policy implies strong appetite from investors for hybrids driving to lowest ever sub-senior spreads

Hybrid strategy will remain supportive of current ratings

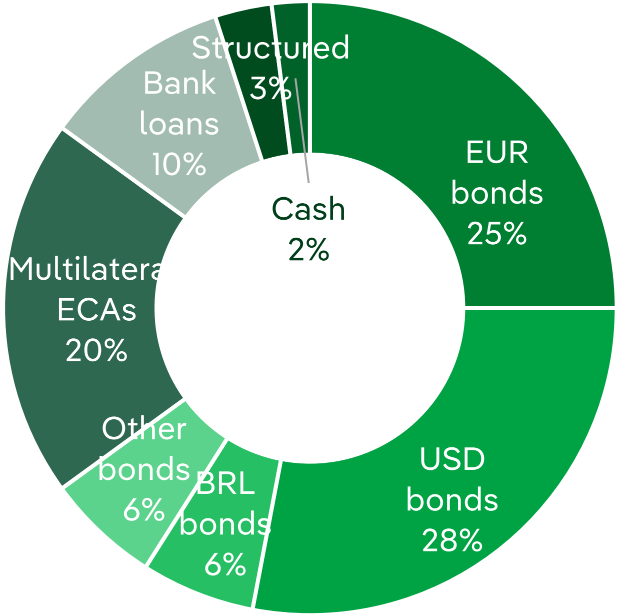
Financing plan

Eur 32 Bn[1] of 2025-2028 needs covered according to our financial model, diversifying sources of financing

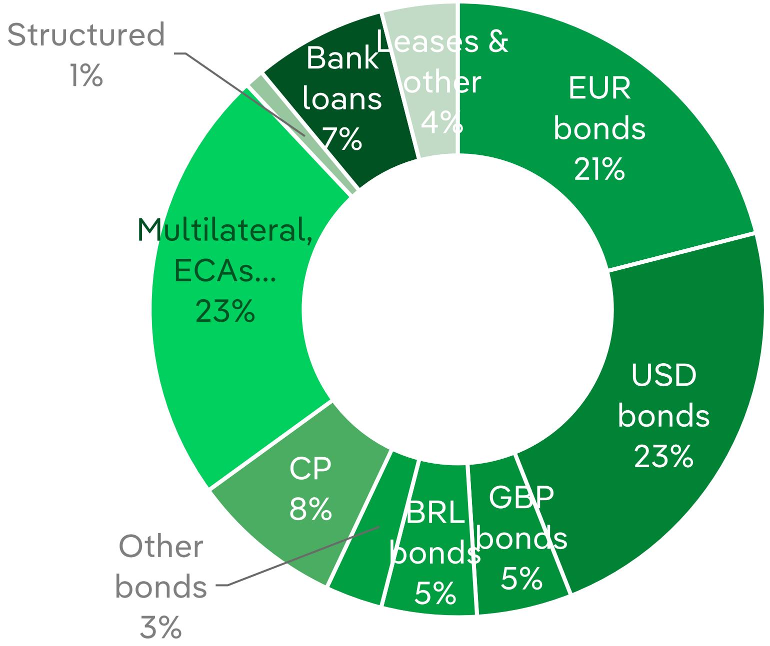
Debt maturities: Eur 20 Bn



Coverage 2025-2028: Eur 32 Bn[1]



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%)

1. Eur 6 Bn signed

Liquidity

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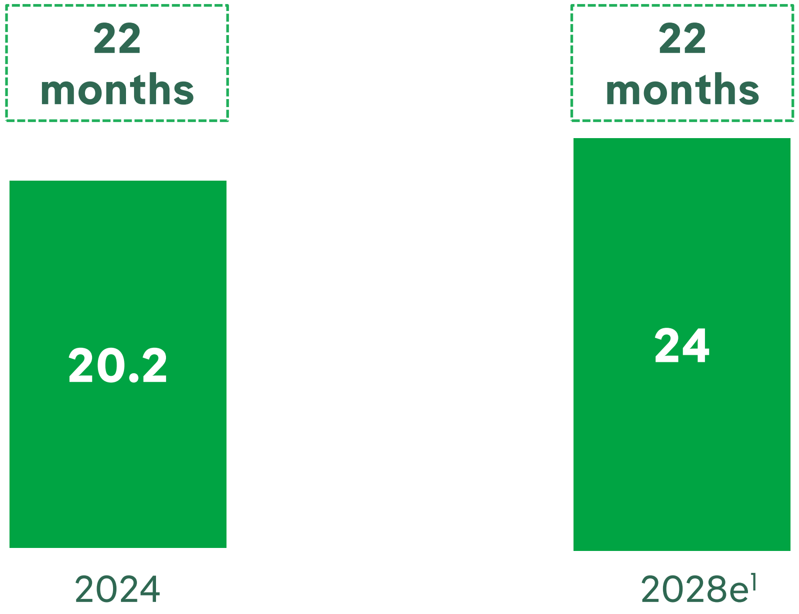
Strong liquidity complying with rating agencies' requirements

Liquidity 2024-2028 (Eur Bn)



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

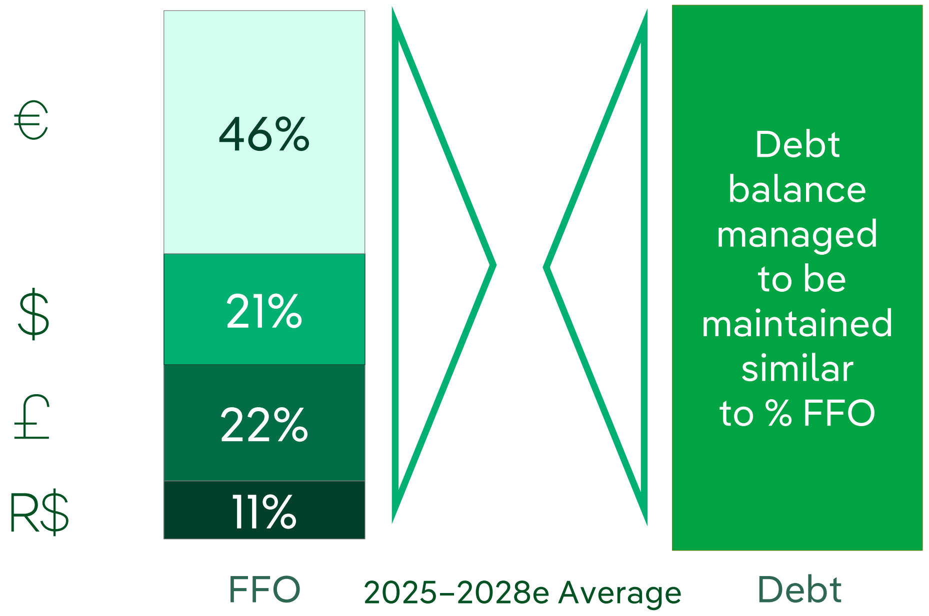
Average debt maturity above 6 years

1. Aligned to Rating Agencies requirements level for strong / adequate classification

FX risk management: structural and annual

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

Structural



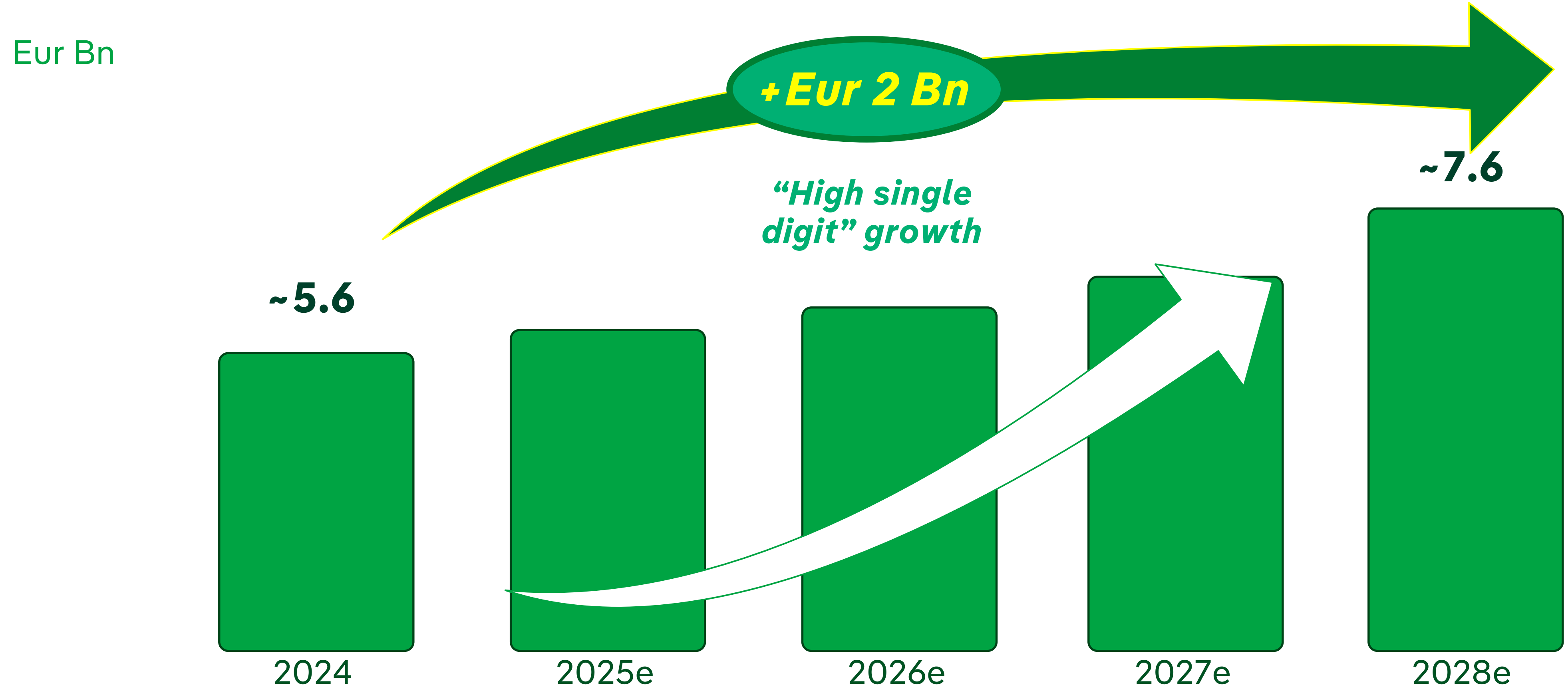
Annual

- **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

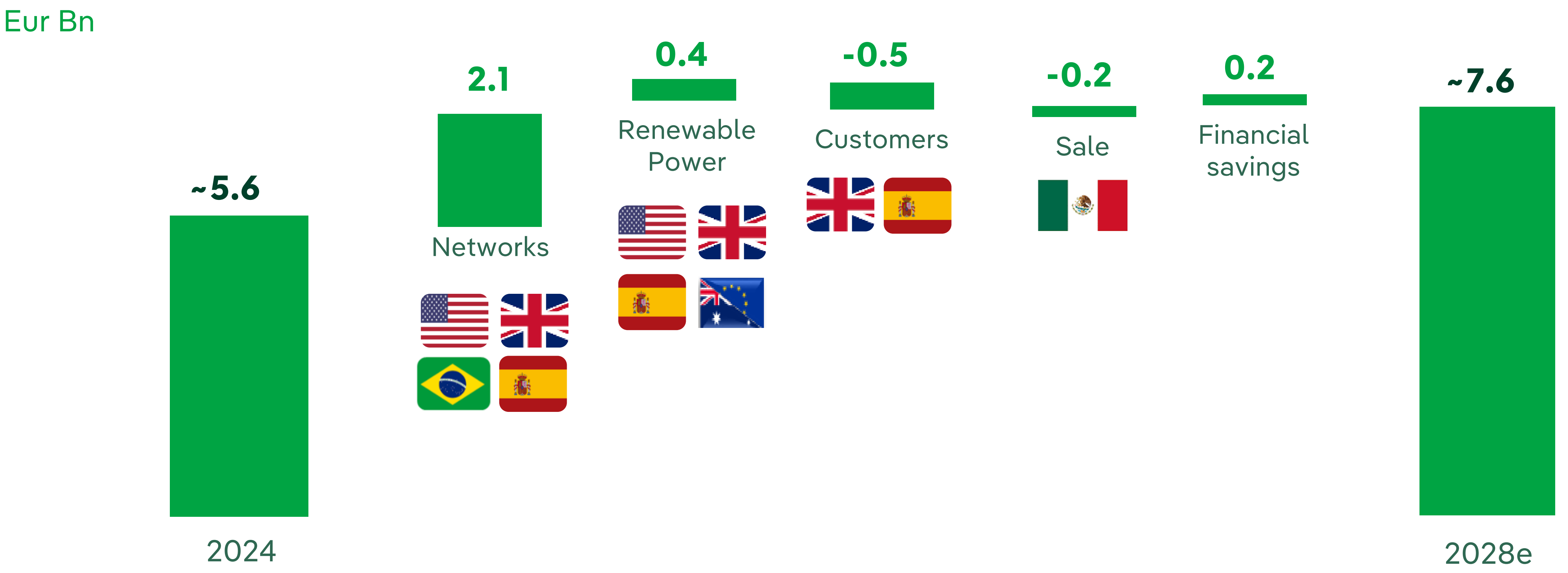
Adjusted Net Profit grows every year of the plan reaching Eur 2 Bn growth by 2028



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



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

Note: 2024 and 2028e Net Profit figures adjusted by UK Networks Capital Allowances

Sensitivity analysis: Net Profit

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Limited Net Profit volatility

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

Note: Hypothesis detailed in the annex

1. Excluding potential impacts from price variations due to changes in demand.

2024-2030 Sustainability Strategy: Main priorities

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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

EU Taxonomy

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

% Taxonomy aligned Capex[1] Plan 2025-2028e

Capex

Green/Sustainable Financing at Iberdrola

- **> Eur 30 Bn of new financial instruments during the plan will be Green labelled** …
- …driving >**80% accumulated Green/Sustainable[2] Financial instruments at the end of the plan**
- Green Financing — **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

1. Organic capex; according to European Taxonomy Regulation
2. Link to KPIs: revolving credit facilities, commercial paper …

Annex
Financial Management

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

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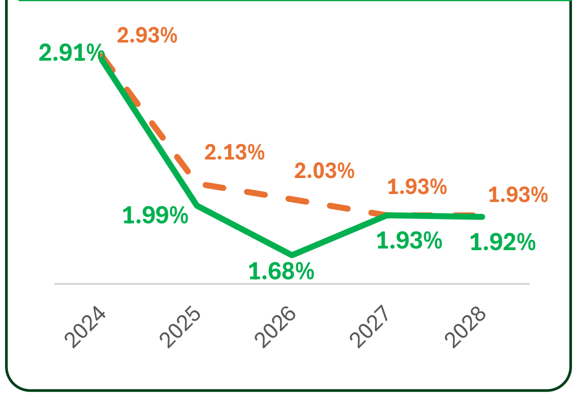
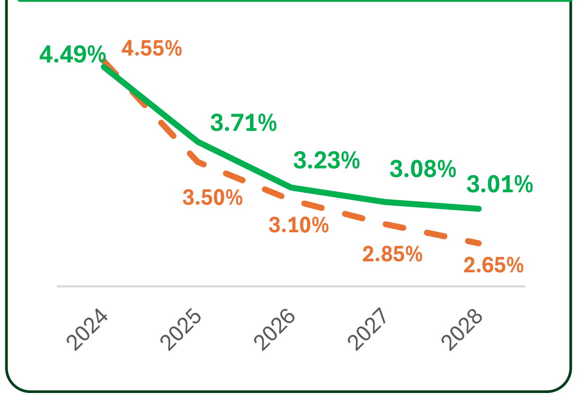
Higher short-term rates, except EUR, due to persistent inflation, while long-term rates rise due to uncertainty regarding the sustainability of public debt

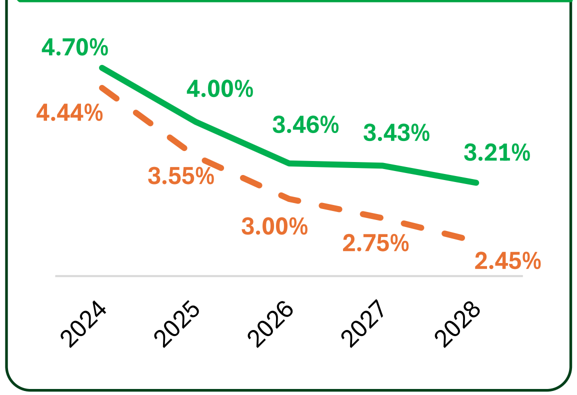
EUR ESTR



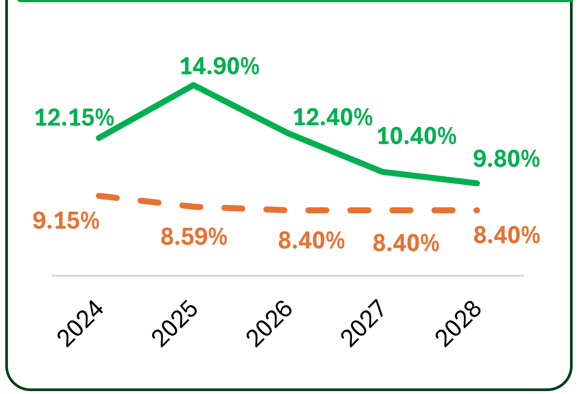
US SOFR



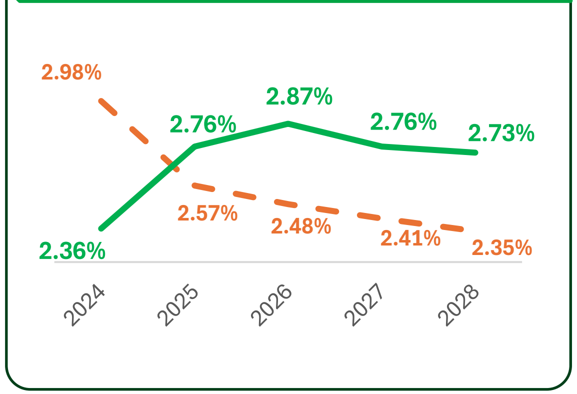
UK SONIA



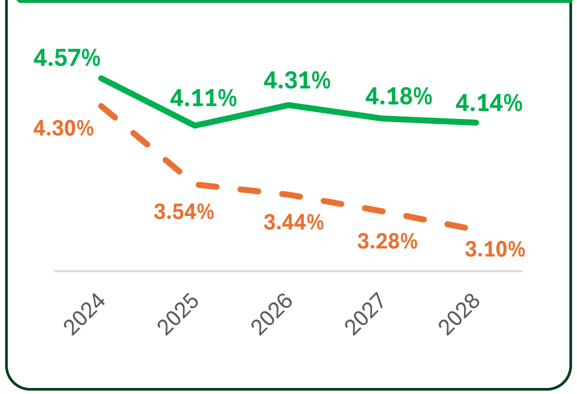
BRL CDI



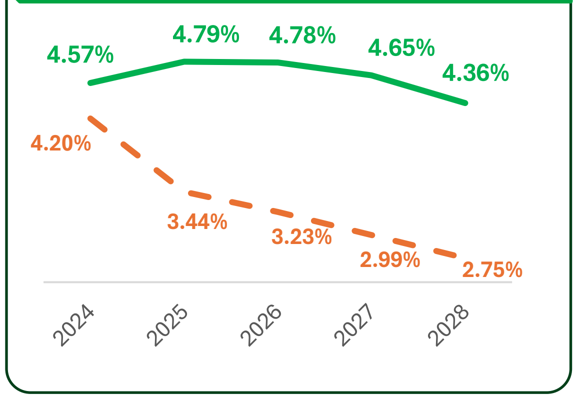
EUR 10Y SWAP



US 10Y TREASURY



UK 10Y TREASURY



CMD 25

CMD 24

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

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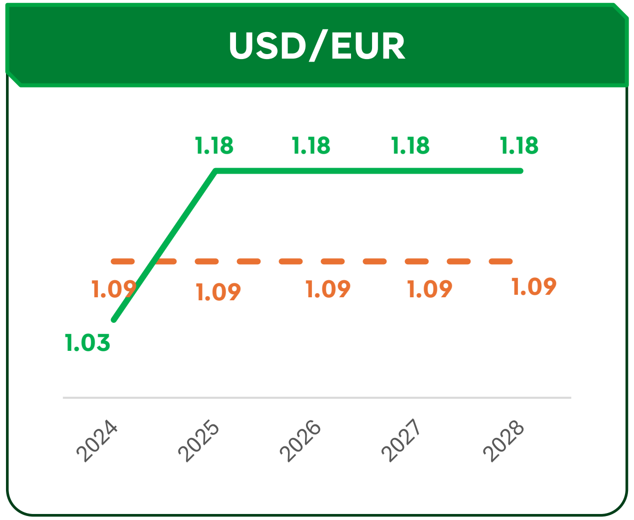
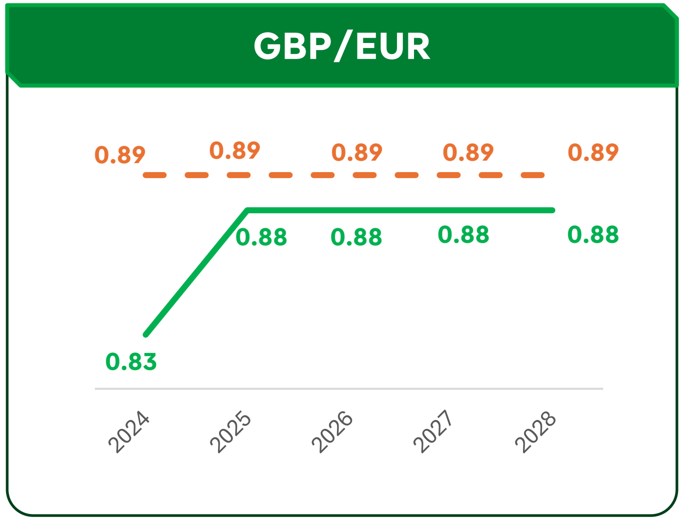
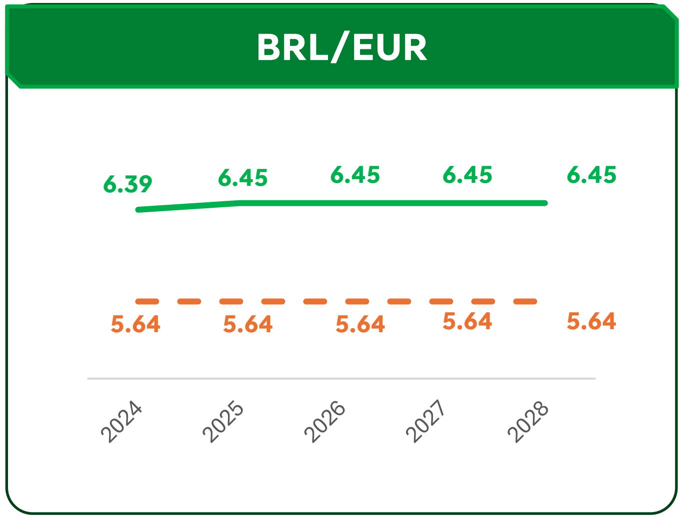
USD and BRL depreciated due to increasing concerns regarding debt sustainability, while GBP appreciates due to the better economic outlook and trade negotiations with US







CMD 25

CMD 24

Macro hypothesis: FX & Interest Rates

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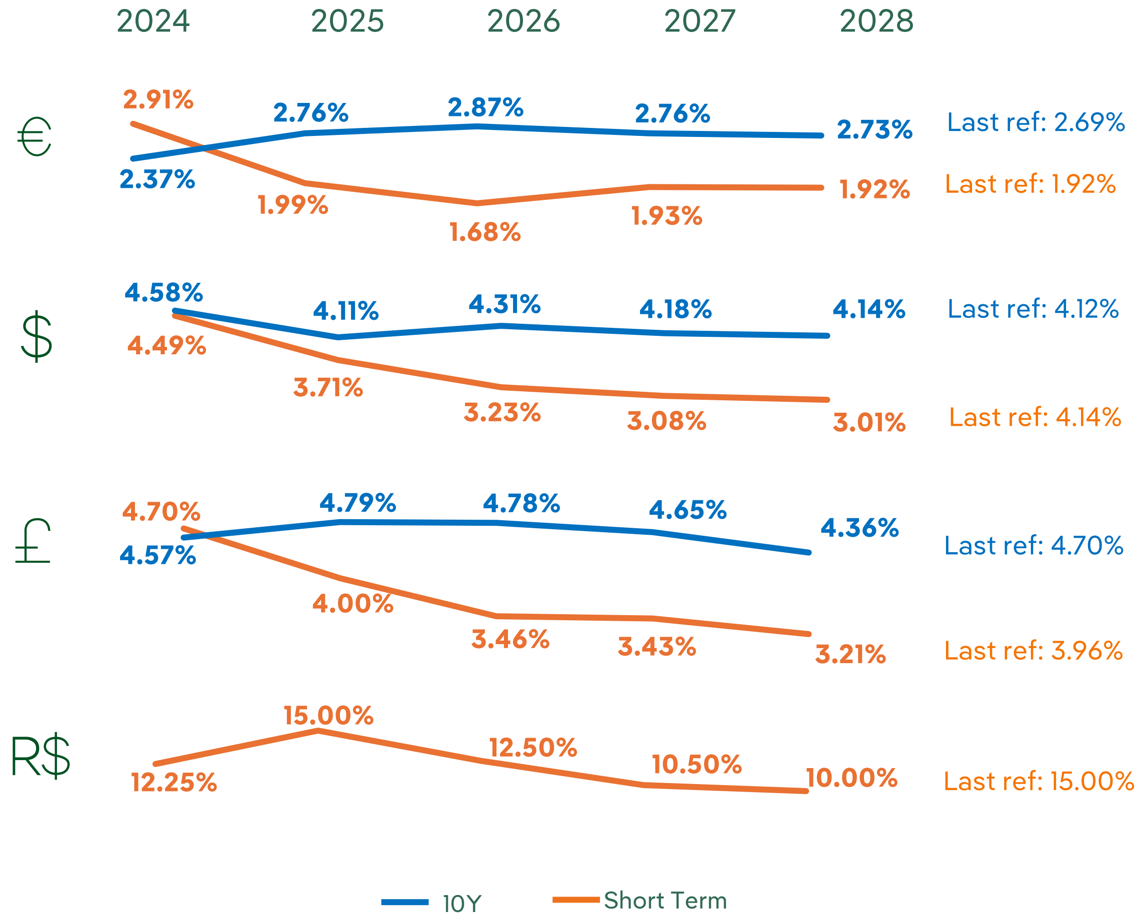
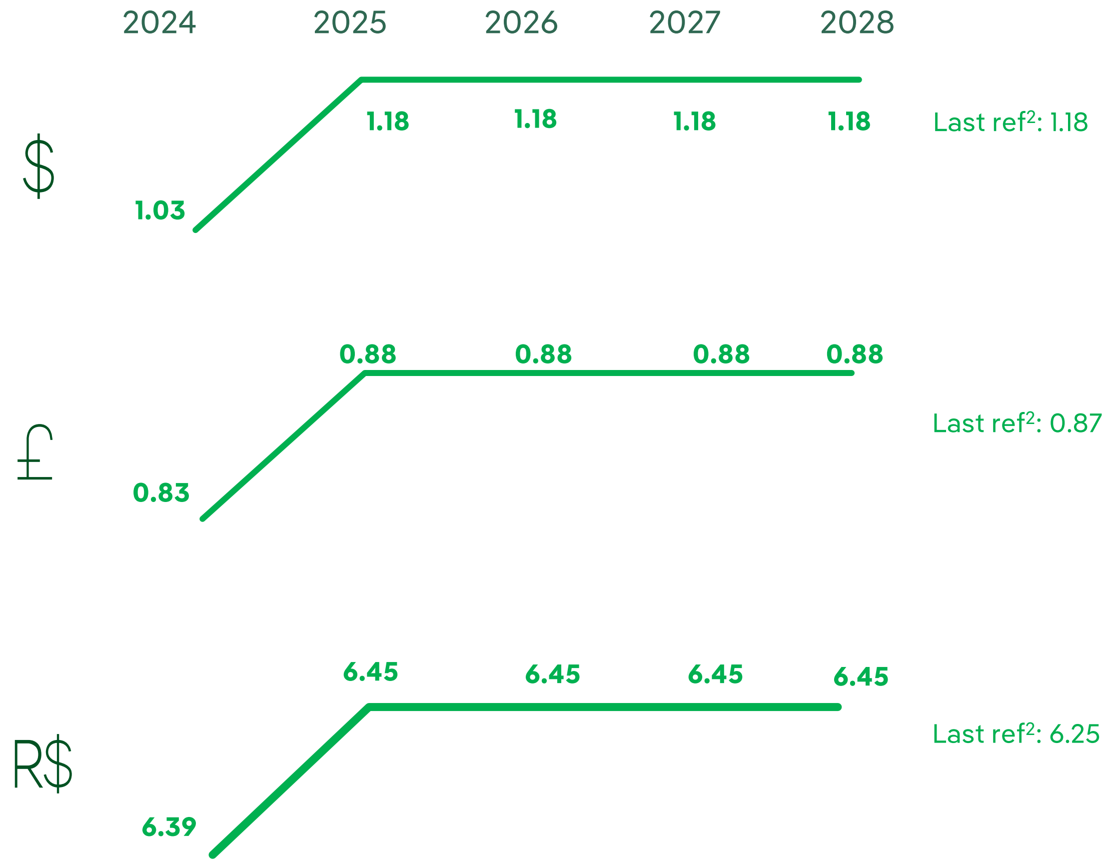
YEAR END INTEREST RATES[1]



YEAR END FX RATES



Note: Source: Actual market (22 Sep)

1. Short term rates; ESTR, SOFR, SONIA and Selic rate. Long term rates Euro swap 10Y, US and UK 10Y treasury

2. 22nd Sep 2025

Macro hypothesis: GDP & Inflation

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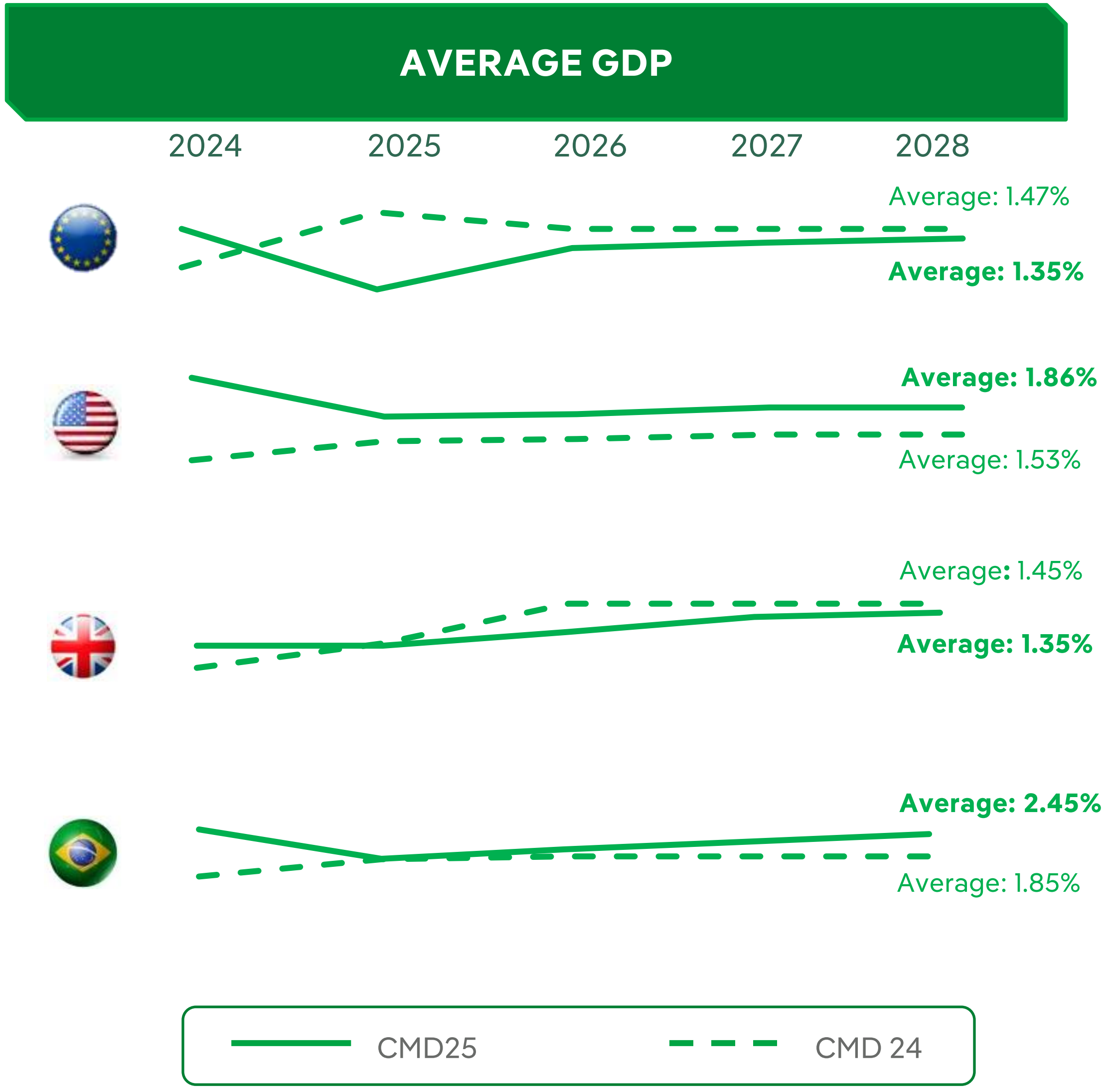

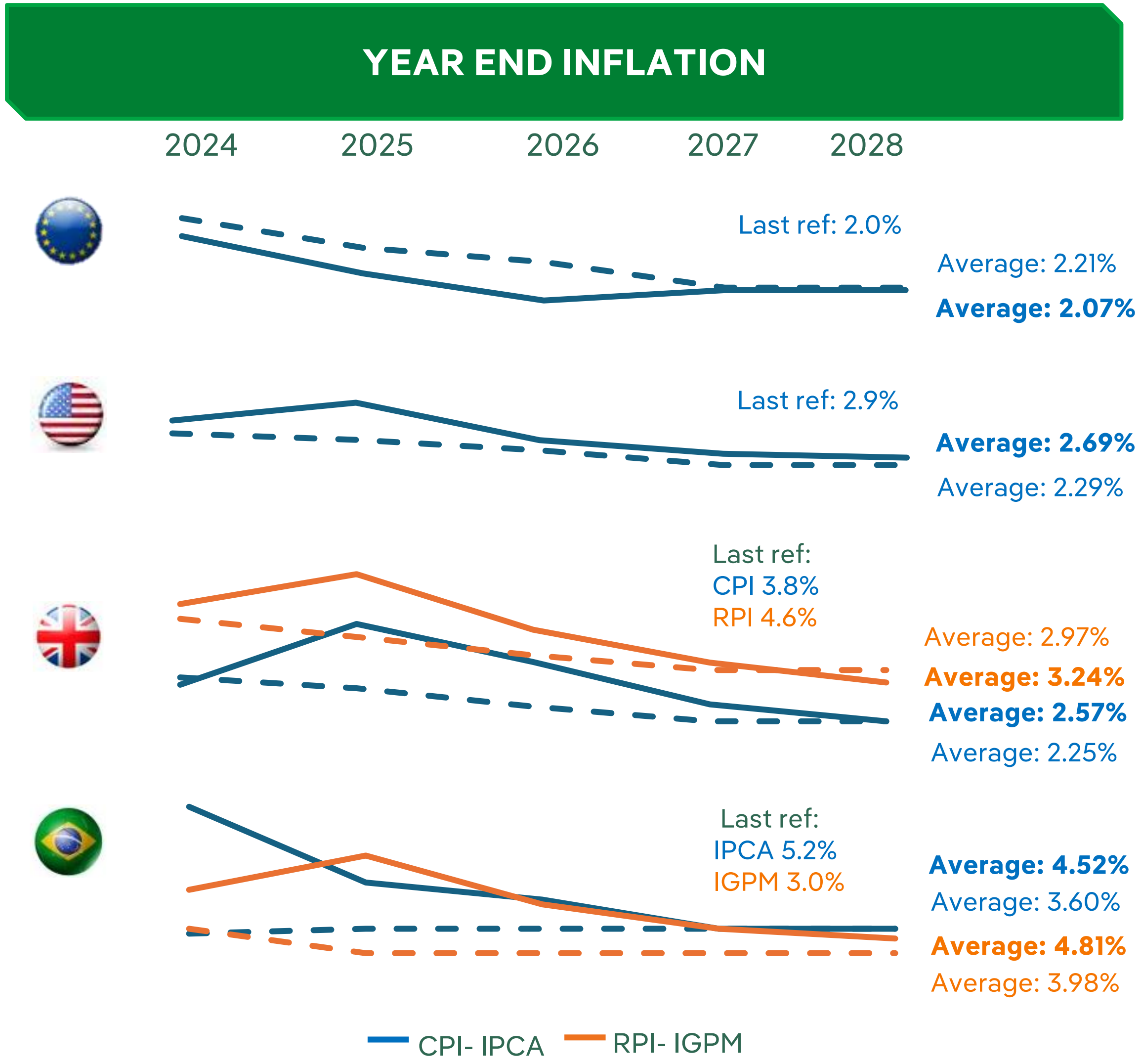

Sensitivity analysis: EBITDA

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Limited EBITDA volatility

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

Note: Hypothesis detailed in the annex
1. Excluding potential impacts from price variations due to changes in demand.

Risk factors and business model mitigation

Risk factors	Business model strengths
Foreign exchange	Structural and annual FX hedge
Interest rates	73% debt at fixed rate
Regulatory	**Frameworks secured or advanced to 2031** **Focused on A-rated countries** 2/3 of 2025-2028 investments in UK and US
Supply chain	**80% of strategic equipment secured 2025-2028** >65 Bn Purchases 2025-2028e
Energy prices, margin and competition	**~75% of EBITDA regulated & long term contracted** (avg. 2028-2030)
Power and gas Demand	**Networks up to 55% of total EBITDA 2028** **Power & Renewables: CfDs/PPAs/Retail position -** covering c.85% of our expected production
Cyber / Security	Cyber and Security Policies / Digitalization

Iberdrola business model counterbalances main risk factors

Note: Risk Guidelines and Limits approved by the Iberdrola Board

Main long term Sustainability Targets (2025-2030)

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DRIVERS	TARGET	METRIC	2024	2028e	2030e
Green Electrification (Net Zero 2040)	Emission Intensity in Electricity Generation	g CO2 /kWh	65	32	Carbon Neutral[1]
	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 [2]	89%	~90%	~90%
	Green Financing	Million Euros (cumulative)[3]	-	>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 [4]	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)[5]	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)[6]	-	>50,000	-
Customers	Quality of supply	Reduce average consolidated SAIDI[7]	-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%

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1 <10 gCO2/kWh
2 Organic CapEX; according to European Taxonomy Regulation.
3 New accumulated green financing for the period 2025–28. New accumulated sustainable financing for the period 2025–28, > €35 billion.
4 Social contributions verified by an independent external party.
5 Estimation of recycled blades in 2030 according to the current operational plan and subject to revision based on its evolution. 2030 Goal: recycling 90% of blades and panels.
6 Cumulative value for 2025-28 period: 85% of total purchases of >65 billion euros.
7 Calculated against the 2019-21 period average
8 Includes the number of charging points of the joint venture formed by Iberdrola and bp pulse.

Capital Allowances Adjustment – UK Networks

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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

Note: A reduction in the Current Tax Expense is offset by an increase in the same amount in the Deferred Tax Expense, leaving the Income Tax Expense flat