

Iberdrola issues €1 billion in its first EU Green hybrid bond

- Demand exceeded the amount placed by eight times, with more than 400 international investors
- The strong appetite allowed the coupon to be set at 3.75%, making the transaction the most competitive hybrid of the year on the Euromarket

Iberdrola has returned to the capital markets, this time to refinance a hybrid bond maturing early next year. The company has placed €1 billion in green hybrid bonds, as reported to the Spanish National Securities Market Commission (CNMV).

Like all the hybrids it issues, the bond is perpetual, but has a repurchase option that begins in August 2031. The coupon has been set at 3.75%, making it the lowest of all the hybrids issued this year, and also the lowest in this type of transaction since March 2022.

As it did with its *senior* bond in May this year, Iberdrola complies in this issue not only with the ICMA Green Bond Principles, but also with the new European Union Green Bond Standard. This makes it the first green transaction under this format in a hybrid bond.

The demand registered reflected the great interest of investors in Iberdrola, reaching more than €8 billion, which allowed the company to issue a larger amount than initially considered, and an oversubscription of 8 times the final offer, substantially reducing the expected cost. This was made possible by the participation of more than 400 qualified international investors, mainly from Europe and the United Kingdom. In addition, more than 87% of the participation corresponds to sustainable investors or those aligned with the United Nations Principles for Responsible Investment.

The company took advantage of the favourable market window that emerged after its results presentation, with costs at annual lows and in anticipation of central bank meetings in the United States and Europe, as well as an increase in competitive supply starting next week.

Nine leading international banks participated in the placement: Barclays, Deutsche Bank, Mizuho, CACIB, MUFG, ING, Intesa, Wells Fargo, and Caixabank, which facilitated access to investors.

The main geographical areas covered by the operation are the United Kingdom (31%), France (19%) and Germany (16%), Asia (5%), the United States-Canada 3.5%,

Nordic countries 2.5%. By type of investor, almost 86% correspond to investment funds.

The volume of demand and the conditions set once again demonstrate the high level of confidence that the market and investors have in the soundness and solvency of [the Group's business and growth plans](#). This transaction will serve to refinance a similar transaction that will be repurchased in the near future, thereby maintaining the company's hybrid volume stable at €8.25 billion, as committed by the issuer at its recent Capital Markets Day in London.

Hybrid bonds count as 50% capital, in accordance with the methodology of the main rating agencies, meaning that this transaction contributes to maintaining the group's credit ratings. Iberdrola's last issue of this type of debt was in November 2024 with a coupon of 4.247%.

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The issue closed today by Iberdrola is its fourth public transaction on the market so far in 2025, raising €7.15 billion, including the €5 billion capital increase executed in July.