Press release
29 October 2025

Iberdrola issues €1B in the first EU Green hybrid bond

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

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

Like all the hybrids it issues, the bond is perpetual but has a repurchase option that begins in August 2031. The coupon was 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 high investor interest in Iberdrola, reaching more than €8B, which allowed the company to issue more 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 has taken advantage of the favourable market window that emerged after its results were presented, 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 areas covered by the operation are the United Kingdom (31%), France (19%), Germany (16%), Asia (5%), the United States and Canada (3.5%), and the 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 level of confidence of the market and investors 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, maintaining the company's hybrid volume stable at €8.25B, as committed by the issuer at its recent Capital Markets Day in London.

In accordance with the methodology of the main rating agencies, hybrid bonds count as 50% capital 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%.

Issuing capacity in capital markets worldwide

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