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*The group has invested more than €5.3 billion in the past twelve months*

### Iberdrola's first quarter net profit increased by 15% to €964 million

*Ignacio Galán explained: "These results, together with the progress of our various growth initiatives, reaffirm our positive outlook for the full year 2019"*

- **Operational performance:** gross operating profit (EBITDA) reached €2.599 billion, 12% up on the same period of last year, with improvements in all businesses
- **Financial solidity:** cash flow increased by 8.5% to €2.037 billion
- **New installed capacity:** the group is moving forward with 4,100 new megawatts of capacity scheduled for 2019, which will increase annual production by 13%, and another 8,800 megawatts between 2020 and 2022
- **Renewable portfolio:** the company's future growth is assured with more than 39,500 megawatts of hydroelectric, onshore and offshore wind and solar power in the pipeline, mainly in the United States, Spain, Portugal, Mexico, Brazil and Germany
- **Brazil:** Neoenergia, Iberdrola's Brazilian subsidiary, plans to obtain a listing on the stock exchange in the first half of the year
- **General Shareholders' Meeting:** with 74.12% of shares present or represented, all the proposed resolutions on the agenda were approved with more than 98% of votes cast in favour
- **Shareholders' remuneration:** the payment of €0.2 per share will bring total shareholder remuneration for 2018 to a minimum of €0.351 gross per share (+7.7%), in cash or in shares
- **Outlook for 2019:** the group improves the estimation of its result and its dividend at the end of the year until it reaches 'high single digit' growth



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**Madrid.** Iberdrola obtained a net profit of €963.9 million in the first quarter of 2019, 15% more than in the same period of the previous year, as a result of the more than €5.3 billion invested by the group in the last twelve months. Growth in all businesses and the improvement in cost/income ratio achieved in all countries, especially in Brazil, also allowed the company to increase its gross operating profit (EBITDA) by 11.9% to €2.599 billion.

Iberdrola chairman Ignacio Galán said: “these results, together with the progress on our various growth initiatives, reaffirm our positive outlook for the full year 2019.”

The company’s revenues increased by 8.5% to March, reaching €10.138 billion, and the gross margin improved by 7.8% to reach €4.323 billion for the quarter.

By businesses, Networks posted EBITDA of €1.318 billion, up by 9.9%, with growth in all countries, especially Brazil and the United States. The Renewables business posted operating profit of €683.6 million, up by 13.3%. This business was driven by the increased contribution from renewables in the UK and Latin America, as well as from offshore wind power thanks to the contribution from the Wikinger windfarm, in the German section of the Baltic Sea. Generation & Retail posted EBITDA of €600.5 million between January and March, up by 19.2%, thanks to the positive trends in Spain and Mexico.

The group’s cash generation increased by 8.5% in the first quarter, reaching €2.036 billion.

In divestments, an agreement was reached with Lyntia Networks on 6 March 2019 on the assignment of the long-term rights of use for the excess capacity of the Spanish optical fibre network. The total consideration amounts to €260 million and the impact on results for the year has not been included in this first quarter.

### **Increase in installed capacity: 4,100 new MW in 2019**

Iberdrola’s capital expenditure in the first quarter of the year amounted to €1.2 billion, 87% of which was on Networks and Renewables. Over the past twelve months the company has invested a total of €5.3 billion.

The group continues to increase its capacity. During the first quarter of the year, Iberdrola installed 331 new megawatts (MW), which together with the more than 3,803 new MW scheduled for the remainder of 2019 will bring the total to 4,134 new MW installed over the course of the year. This new capacity will enable the company to increase its annual production by more than 13%.

The group also expects to increase its capacity in 8,800 MW over the period 2019-2022.



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Iberdrola currently has the biggest portfolio of renewable energy projects in the sector, in excess of 39,500 MW. The majority of this planned capacity is in the United States (more than 17,900 MW) and the Iberian Peninsula (more than 10.600 MW). The remainder is in the UK (4,300 MW), Mexico (2,600 MW), Brazil (1,900 MW) and the rest of the world (2,300 MW).

This project portfolio is appropriately diversified between wind and solar, and high-quality offshore wind assets.

### Neoenergia: good performance of the businesses, and stock exchange flotation

The Board of Directors of Neoenergia, Iberdrola's Brazilian subsidiary, has recommend to its Extraordinary General Shareholders' Meeting on 29 April to approve the company's listing on the stock exchange, by means of an IPO, after carrying out the relevant studies.

Neoenergia showed positive trends in the first quarter of the year: EBITDA for its Networks business grew by 41.3% to reach BRL 1,209.7 million, while that of Renewables grew by 13.8% to BRL 159.6 million as a result of increased production. In this regard we would highlight the commissioning of the Baixo Iguaçu hydroelectric power plant, with a capacity of 350 MW.

### Support of the General Shareholders' Meeting

Iberdrola's AGM, held on 29 March with 74.12% of shares present or represented, approved all the proposed resolutions on the agenda with more than 98% of votes cast in favour.

### Increase in dividend by 7.7%

Following the General Shareholders' Meeting, the Company's Board of Directors approved the implementation of a new edition of 'Iberdrola Flexible Remuneration'.

On this occasion, corresponding to the complementary dividend for 2018, shareholders will receive at least €0.20 gross per share, payable on 1 August 2019. This will bring total shareholder remuneration for the past financial year to Euros 0.351 gross per share, 7.7% more than for the previous year.

Under the 'Iberdrola Flexible Remuneration' scheme, holders of shares in the company will once again be able to choose between receiving their remuneration in cash or in free shares. Furthermore, to avoid the dilutive effect of the scheme, the group is moving ahead with its programme to buy back and subsequently amortise shares so as to hold the number of shares in the company at 6.24 billion.



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### Full-year forecast revised upwards

Iberdrola has revised its full-year forecast for results and dividend upwards. The company now foresees a year-on-year percentage increase in the high single-digit range, as opposed to the mid single-digit previously estimated.

This improved outlook for the year is underpinned by the greater weight of regulated assets, the increase in capacity (which will boost future annual production by 13%), the higher levels of efficiency foreseen, the continuing strength of the balance sheet and the programme of divestment from non-strategic assets and minority holdings.



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### **About Iberdrola**

Iberdrola is a global energy leader, the number one producer of wind power, and one of the world's biggest electricity utilities by market capitalisation. The group is present in numerous countries and supplies energy to over 100 million people mainly in Spain, the United Kingdom (Scottish Power), the USA (AVANGRID), Brazil (Neoenergia) and Mexico. With a workforce of 34,000 and assets in excess of Euros 113 billion, it achieved a turnover of Euros 35,075.9 million and a net profit of Euros 3,014 million in 2018.

Iberdrola is leading the transition towards a sustainable energy model through investments in renewable energy, smart grids, large-scale energy storage and digital transformation, offering the most advanced products and services to its customers. Thanks to its commitment to clean energy, Iberdrola is one of the companies with the lowest emissions and an international benchmark for its contribution to the fight against climate change and for sustainability.



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This communication includes certain Alternative Performance Measures (APMs) as defined in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en). APMs are measures of financial performance developed from the financial information of Iberdrola, S.A. and its group companies but not defined or detailed in the applicable financial reporting framework. These APMs help ensure a better understanding of Iberdrola S.A.'s financial performance, but should only be seen as additional information. They do not replace the financial information prepared in accordance with IFRS. The way in which Iberdrola, S.A. defines and calculates these APMs may also differ from that of other entities using similar measures and therefore not be comparable with them. Finally, it should be borne in mind that some of the APMs used in this communication have not been audited. For more information on these matters, including their definition or the reconciliation between the corresponding management indicators and the consolidated financial information prepared in accordance with IFRS, please refer to the information available on the corporate website ([www.iberdrola.com](http://www.iberdrola.com)).

### FORWARD-LOOKING STATEMENTS

This communication contains forward-looking information and statements about IBERDROLA S.A. and AVANGRID Inc, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and forecasts are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions.

Although IBERDROLA, S.A. believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of IBERDROLA S.A. and AVANGRID Inc. shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of IBERDROLA S.A. and AVANGRID Inc., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public documents sent by IBERDROLA S.A. to the **Comisión Nacional del Mercado de Valores** and by AVANGRID Inc. to the Securities and Exchange Commission, which are available to the public.



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