



# Swiss Bond Congress

*I-CV: Independent Credit View AG*

Zürich

September 21, 2022

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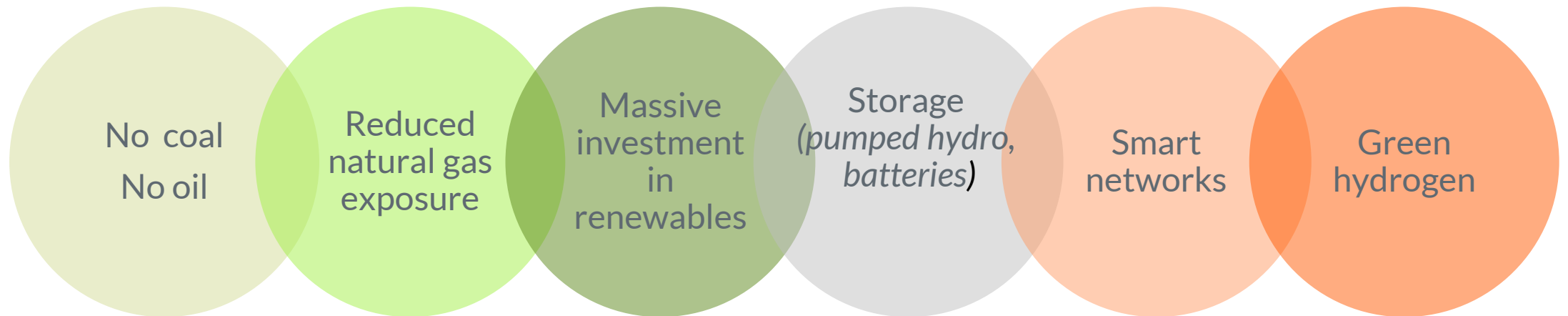
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# 01 Iberdrola Today

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# Iberdrola: business model and strategy

## Iberdrola: 20 years anticipating the energy transition



Emissions around 60g/KWh...  
... average of our peers in Europe: 400g/KWh

# Iberdrola Today

Market capitalization of 75,000 M\$

*One of the 5 largest utilities in the world*

## Financial Data (M\$)

Assets	~ 160,000
Revenues	~ 41,300
EBITDA	~ 12,700
Net Profit	~4,100

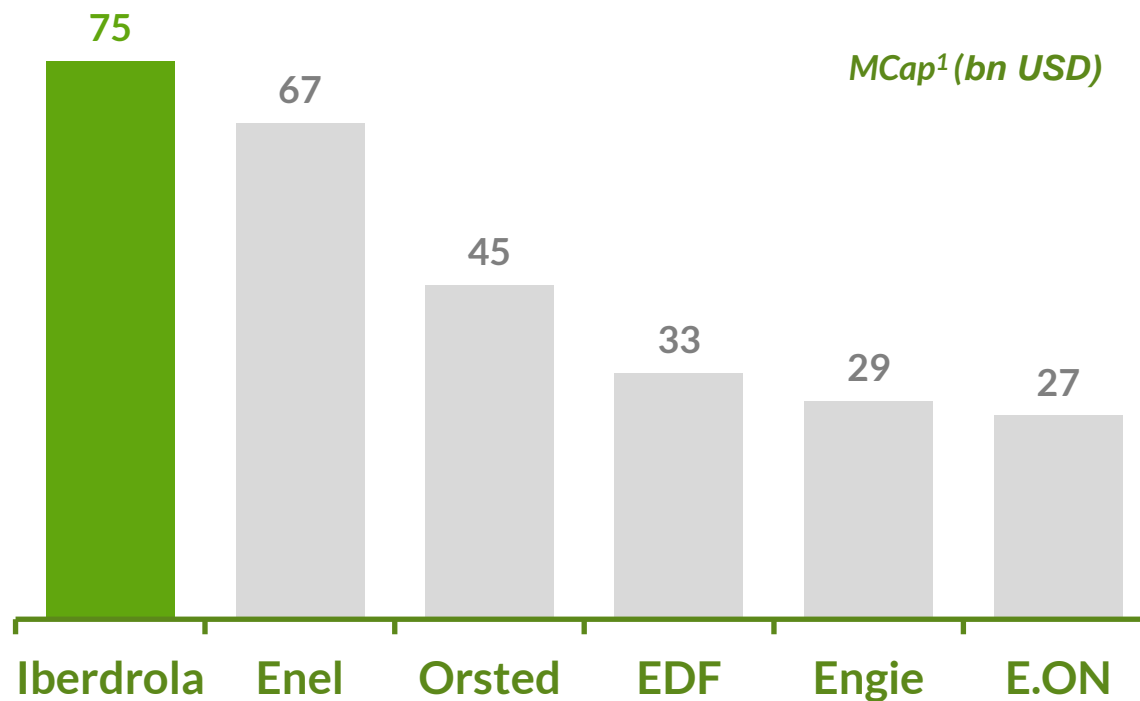
Global leader in renewables with close to **40.000 MW** installed out of a total capacity of **60,000 MW**

Serving a population over 100 million people around the world

More than \$ 60 bn investment plan by 2025  
in renewable energy, smart networks and storage

# Iberdrola: 20 years anticipating the energy transition

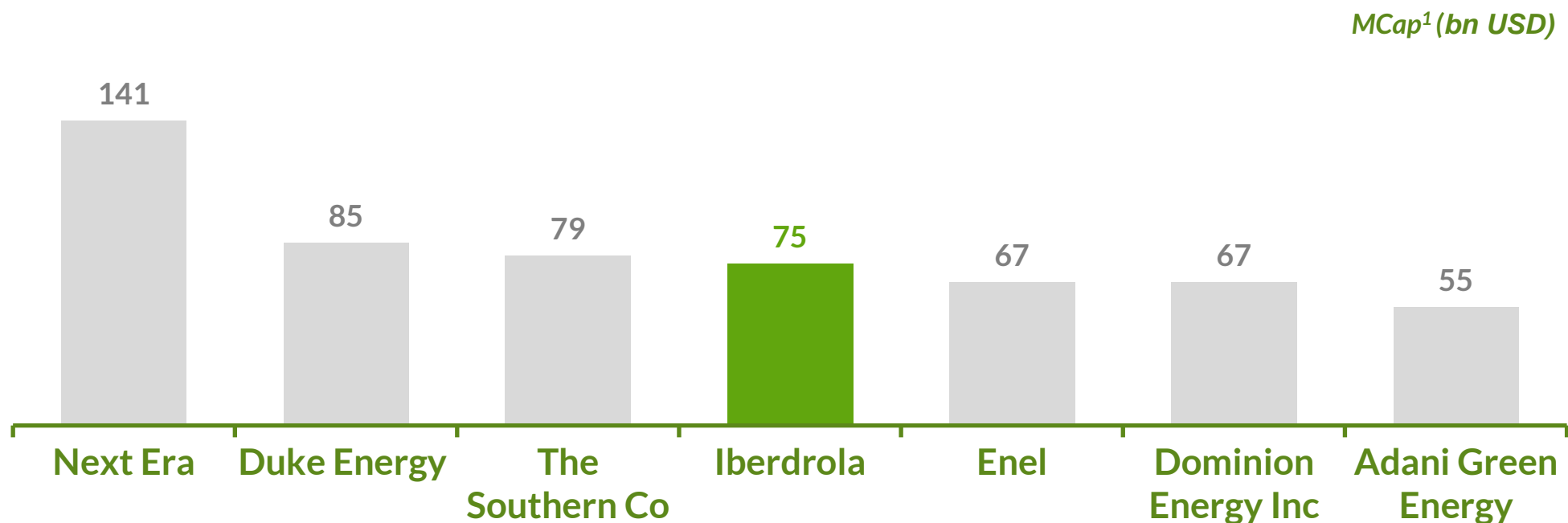
First utility in Europe by market cap...



... and the only fully investor-owned

# Iberdrola: 20 years anticipating the energy transition

...and the 4th in the world



# Leader in clean energies

## Leading investor in renewables

1<sup>st</sup> investor worldwide in renewable energies



### Wind energy Ranking

... # 1 World

... # 1 Europe

... # 1 United Kingdom

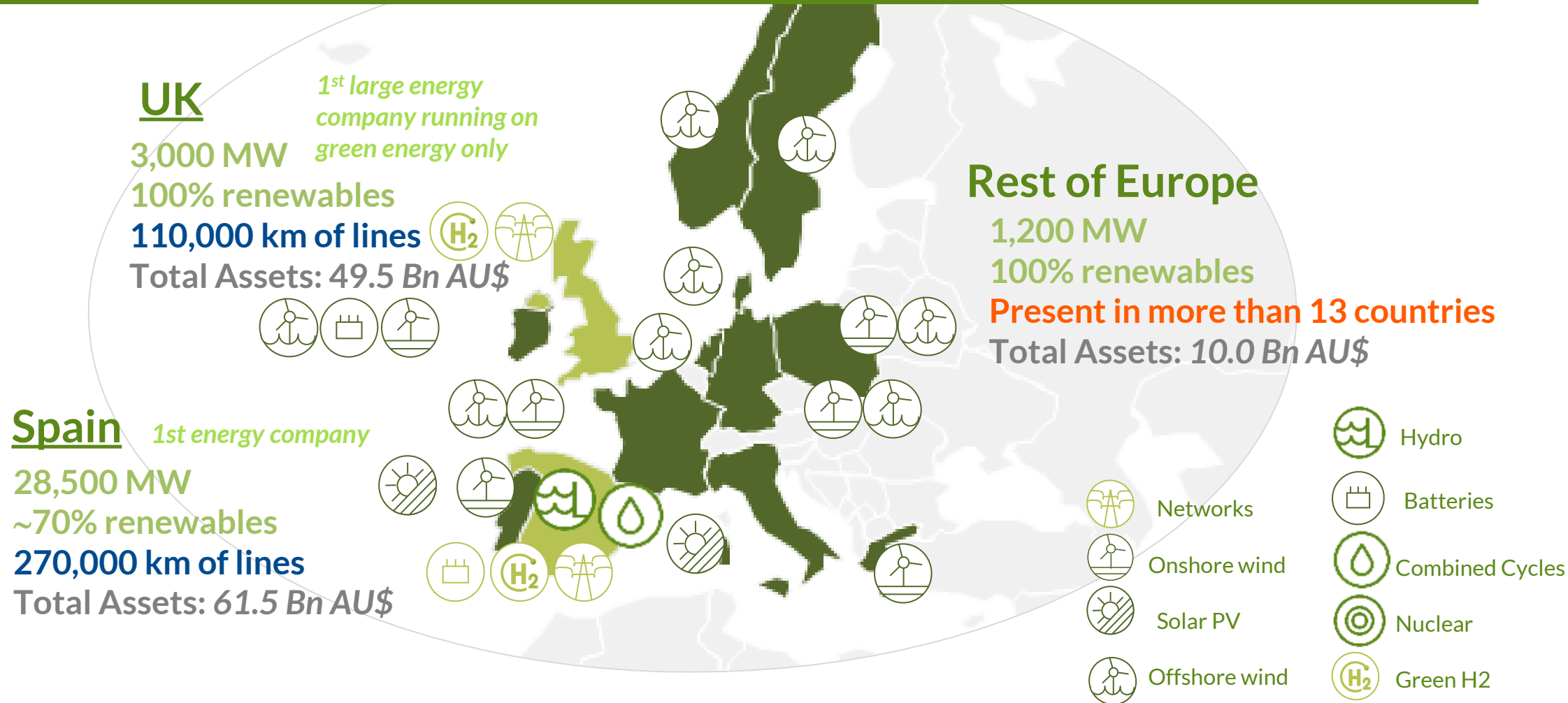
... # 1 Spain

... # 3 US



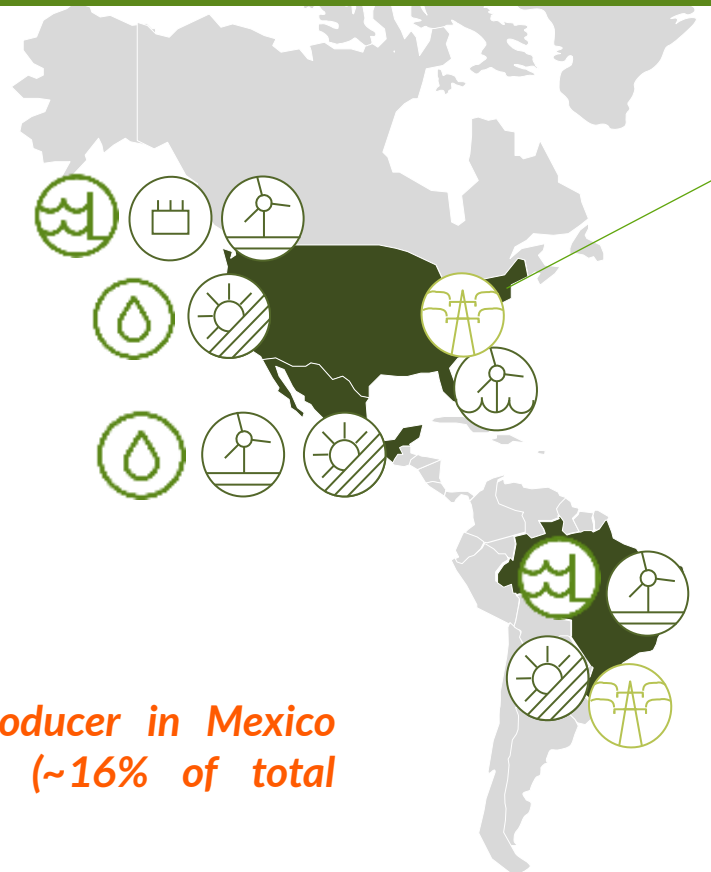
# Iberdrola in Europe

## First wind producer in Europe



# Iberdrola in America

One of the main clean energy leaders in America



## Mexico

11,000 MW  
1,300 MW renewables

*Present in 13 states*  
*2nd largest electricity producer in Mexico behind state-owned CFE (~16% of total Mexico's generation)*

Total Assets: 11.0 Bn AU\$

## USA

10,000 MW  
~100% renewables  
170,000 km of lines  
Total Assets: 63.5 Bn AU\$

*Present in 24 states*  
*3rd wind producer in the US and Power and gas distributor in New York, Maine, Connecticut and Massachusetts*

## Brazil

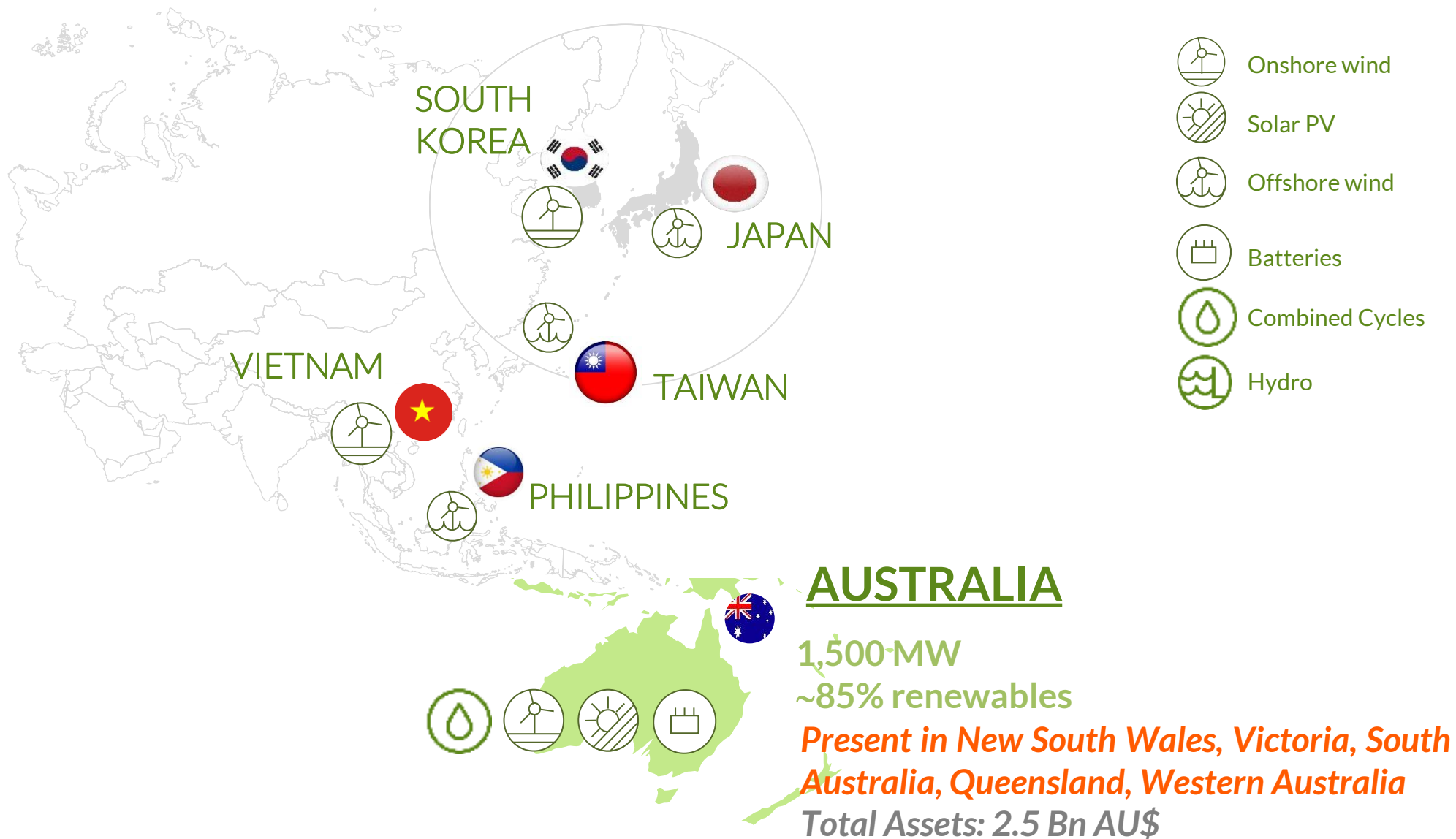
5,000 MW  
~85% renewables  
640,000 km of lines  
Total Assets: 24.2 Bn AU\$

*Present in 18 states*  
*Largest utility in Brazil by number of customers*

- Networks
- Batteries
- Onshore wind
- Combined Cycles
- Solar PV
- Hydro
- Offshore wind

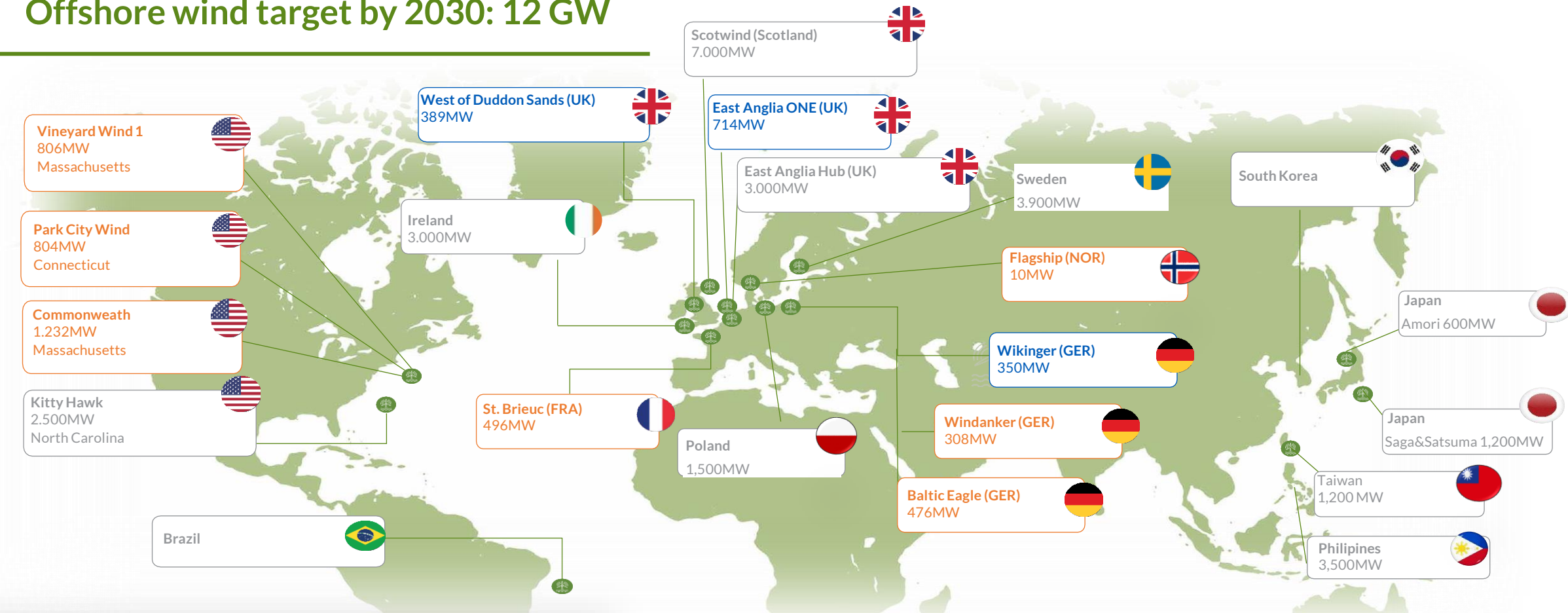
Note: Total Assets figures as at Mar'22.

# Iberdrola in the rest of the world



# Leader in clean energies: pioneers in offshore wind

## Offshore wind target by 2030: 12 GW



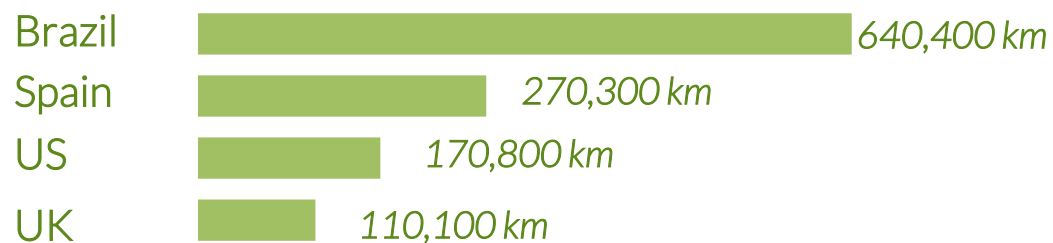
In service	Under construction or ready to start construction	Development
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A global offshore pipeline of more than 30 GW

# Leader in Networks

Almost 1,200,000 km of transmission and distribution lines

## kms of lines per country



with new technologies to improve the service, reduce energy losses and transfer the increasing renewable energy production



Leaders in Smart grids

# Leader in energy storage

Close to 100 GWh of efficient pump storage in Spain



## Tâmega hydro complex project (Portugal)

- Biggest energy project in the history of Portugal, with more than \$1.5 billion of investment
- Total installed capacity of 1,158 MW
- 30 GWh storage capacity
- Three big Dams: Gouvães (pumping, 880 MW), Alto Tâmega (160 MW) y Daivões (118 MW)

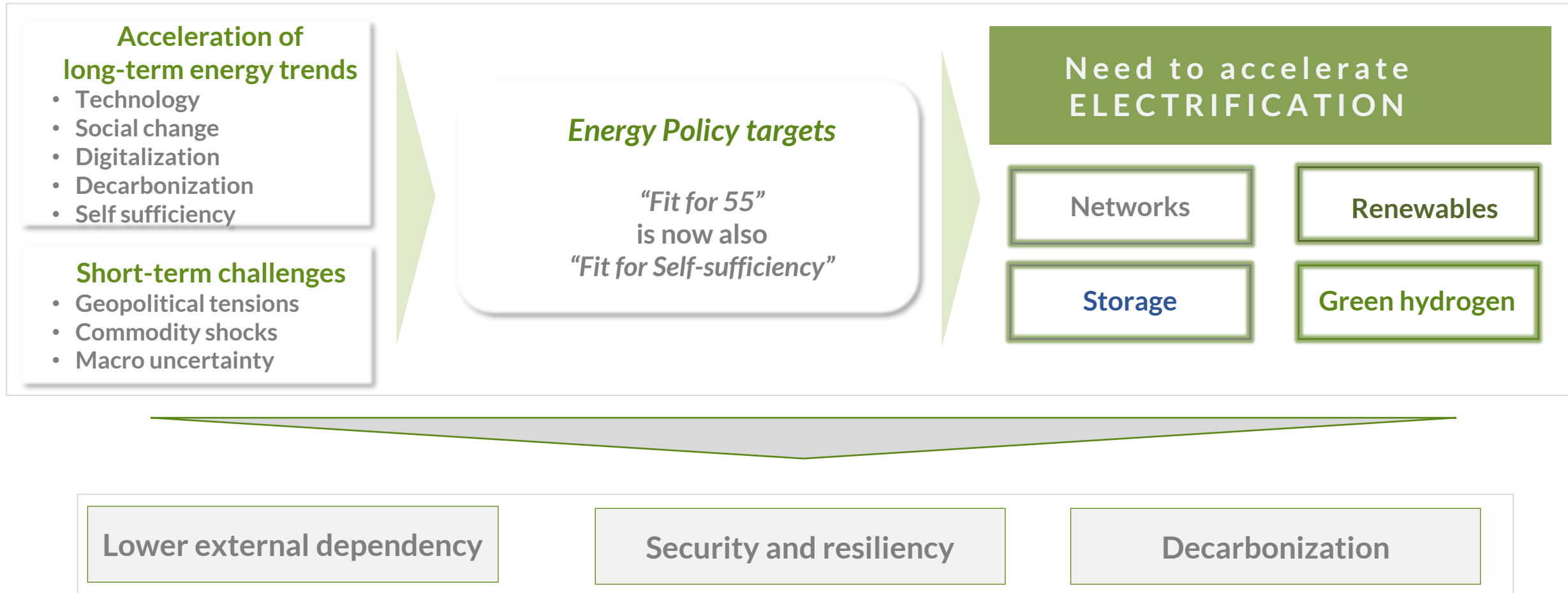
# Leading the development of green hydrogen



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More than 60 projects in 8 countries (Portugal, Sweden,...)  
First Iberdrola 20-MW electrolysis Green H<sub>2</sub> project commissioning in 2022 in Spain, extendable to 830 MW by 2027 to produce green ammonia

## ELECTRIFICATION, THE ANSWER TO CURRENT ENERGY CHALLENGES...



... STABILITY, PREDICTABILITY AND RULE OF LAW NEEDED MORE THAN EVER



## IBERDROLA, FIT TO DELIVER GROWTH



### Growth in Networks

- Networks infrastructures will represent ~ 50% of our forecasted investment from 2022 to 2025
- New Rate Cases in Networks
- Regulatory returns adjusted with inflation



### Growth in Renewables

- Pipeline allows for selective growth:
  - Leadership in offshore wind
  - Countries with stable frameworks and diverse routes-to-market.
- Increasing installed capacity to optimize balance of production vs customers



### Geographical diversification

- Current and new A-rated countries
- Areas with ambitious climate targets and stable policy frameworks
  - >50% of operating results in Americas
  - Less than a third in Spain
  - Growing contribution of Europe and others



### A solid Financial Profile

- Maintaining strong Rating
- No need of capital increases
- Partnerships and asset rotation providing additional optionality

ALLIGNMENT WITH ENERGY POLICY TARGETS: SELF-SUFFICIENCY & DECARBONIZATION

REAFFIRMING LEADERSHIP ON ESG

MAINTAINING OUR 2025 OUTLOOK

# 02

1H22  
Results

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### NET PROFIT UP 36% TO EUR 2,075 M DESPITE 26% DECREASE IN SPAIN

**EBITDA increases 18% to EUR 6,444 M** growing in **all the geographies** except in **Spain**

**Operating cash flow** reaches **EUR 5,560 M**, up **31%**

**Gross investments of EUR 4,741 M (+5%)** for a total of **EUR ~10,200 M** in the last 12 months

- **Renewables:** ~3,400 MW installed Y-o-Y with ~10,800 MW under construction or secured with PPAs

#### **Securing future growth**

- **Renewables UK:** Award of 1,372MW of offshore wind (EA3), 396MW of onshore wind and 326MW of solar PV
- **Networks UK:** RIIO ED2 draft determination, with TOTEX of GBP 3,400 M for SPW in 2023 – 2028
- **Networks Brazil:** Awarded ~2,000 km of HV lines in the last transmission auction

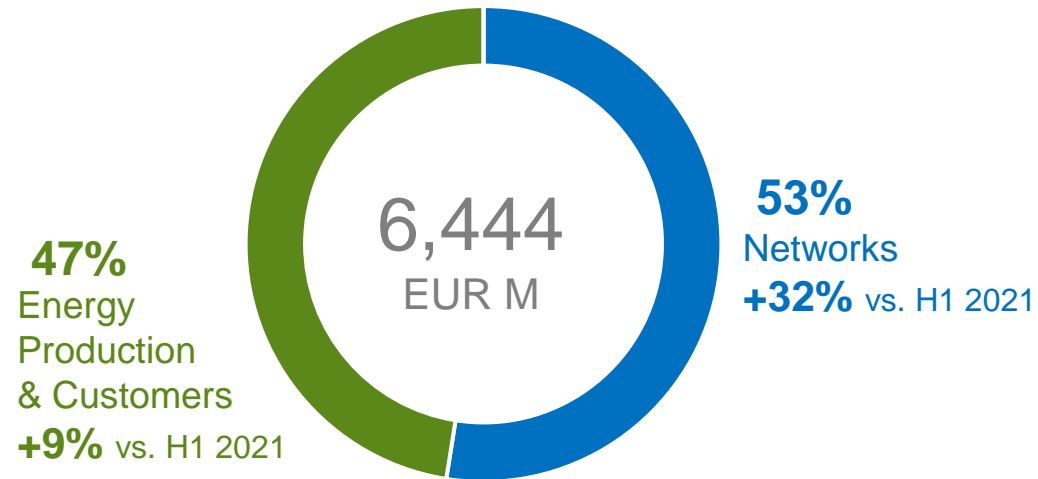
**Balanced business and financial profile with strong liquidity position (EUR 25 Bn)**

**Annual General Meeting: 72.1% quorum with 98.0% average favorable vote**

**6.4% INCREASE IN ANNUAL SHAREHOLDER REMUNERATION  
TO EUR 0.449 PER SHARE**

## EBITDA INCREASES +18% TO EUR 6,444 M...

### BREAKDOWN BY BUSINESS



### NETWORKS

- Higher asset base in all geographies
- Tariff increases in USA and Brazil
- Regulatory frameworks protecting from higher inflation
- New York order allowing to accrue certain regulatory assets in consolidated accounts: Driving more stability in future revenues

### ENERGY PRODUCTION AND CUSTOMERS

- Additional renewable capacity installed: ~3,400 MW Y-o-Y
- Lower wind and hydro production in Spain
- Positive impacts of court rulings in Spain
- Retail: negative effect of higher prices in UK and Spain

## ...WITH POSITIVE EVOLUTION IN ALL GEOGRAPHIES EXCEPT SPAIN...

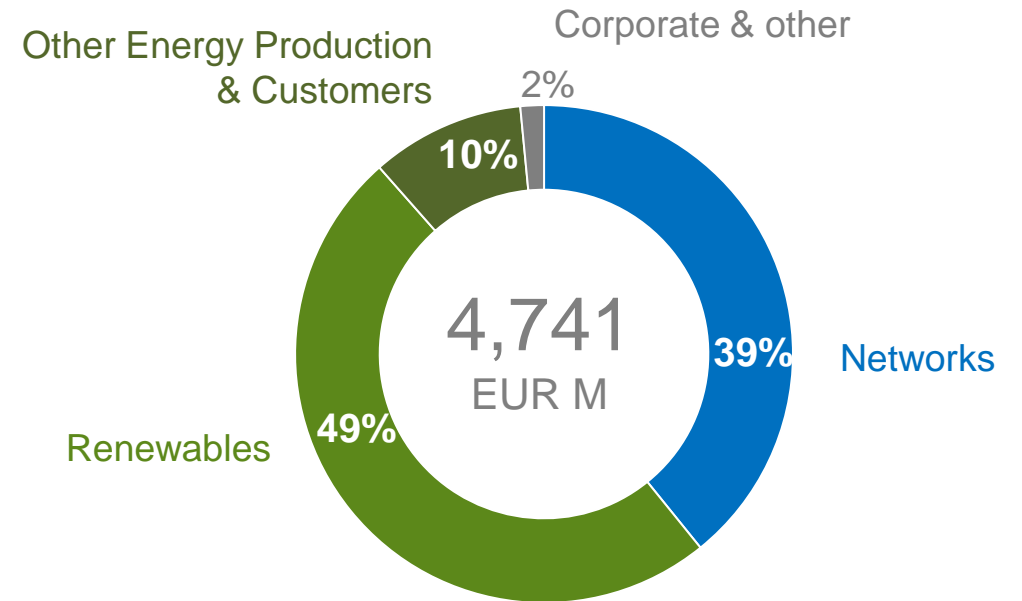
**GROSS INVESTMENTS OF EUR 4,741 M (+5%)  
FOR A TOTAL OF EUR ~10,200 M IN THE LAST 12 MONTHS...**

## H1 2022 GROSS INVESTMENTS BY COUNTRY

	EUR M	Weight
USA	1,246	26%
Spain	1,085	23%
Brazil	837	18%
UK	801	17%
ROW	619	13%
Mexico	153	3%
<b>Gross Organic Investments</b>	<b>4,741</b>	<b>100%</b>

- France 5%
- Australia 3%
- Germany 3%
- ...

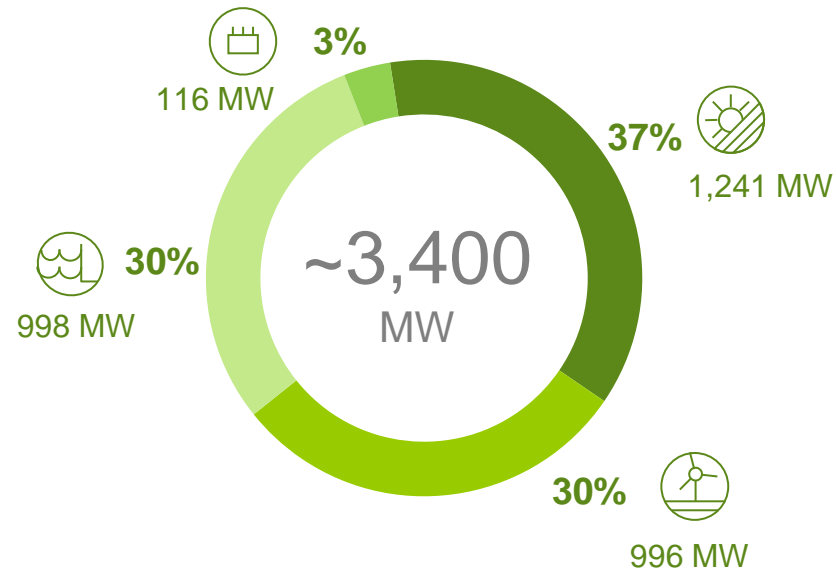
## H1 2022 GROSS INVESTMENTS BY BUSINESS



**...INVESTMENT ACCELERATION EXPECTED IN H2 2022**

**~3,400 NEW MW IN OPERATION IN THE LAST 12 MONTHS...**

## NEW INSTALLED CAPACITY BY TECHNOLOGY (Y-o-Y)



Capacity includes MWs in partnerships

## CAPACITY UNDER CONSTRUCTION OR SECURED BY GEOGRAPHY

						Peso	
USA	50	2,825	625	--	--	3,500	32%
Iberia	350	--	2,150	150	--	2,650	24%
UK	400	1,400	475	--	50	2,325	21%
ROW	300	1,275	250	--	--	1,825	17%
Brasil	400	--	125	--	--	525	5%
<b>Total</b>	<b>1,500</b>	<b>5,500</b>	<b>3,625</b>	<b>150</b>	<b>50</b>	<b>10,825</b>	
	14%	51%	33%	1%	0%		

- France 5%
- Germany 7%
- Australia 4%

**...WITH MORE THAN ~10,800 MW UNDER CONSTRUCTION OR SECURED WITH PPAs (~5,500 MW OFFSHORE WIND)**

## SECURING ADDITIONAL INVESTMENT OPORTUNITIES IN RENEWABLES...



### CFD ALLOCATION ROUND 4 WINNERS AWARDED WITH 2,094 MW



Offshore  
wind  
East Anglia 3  
1,372 MW

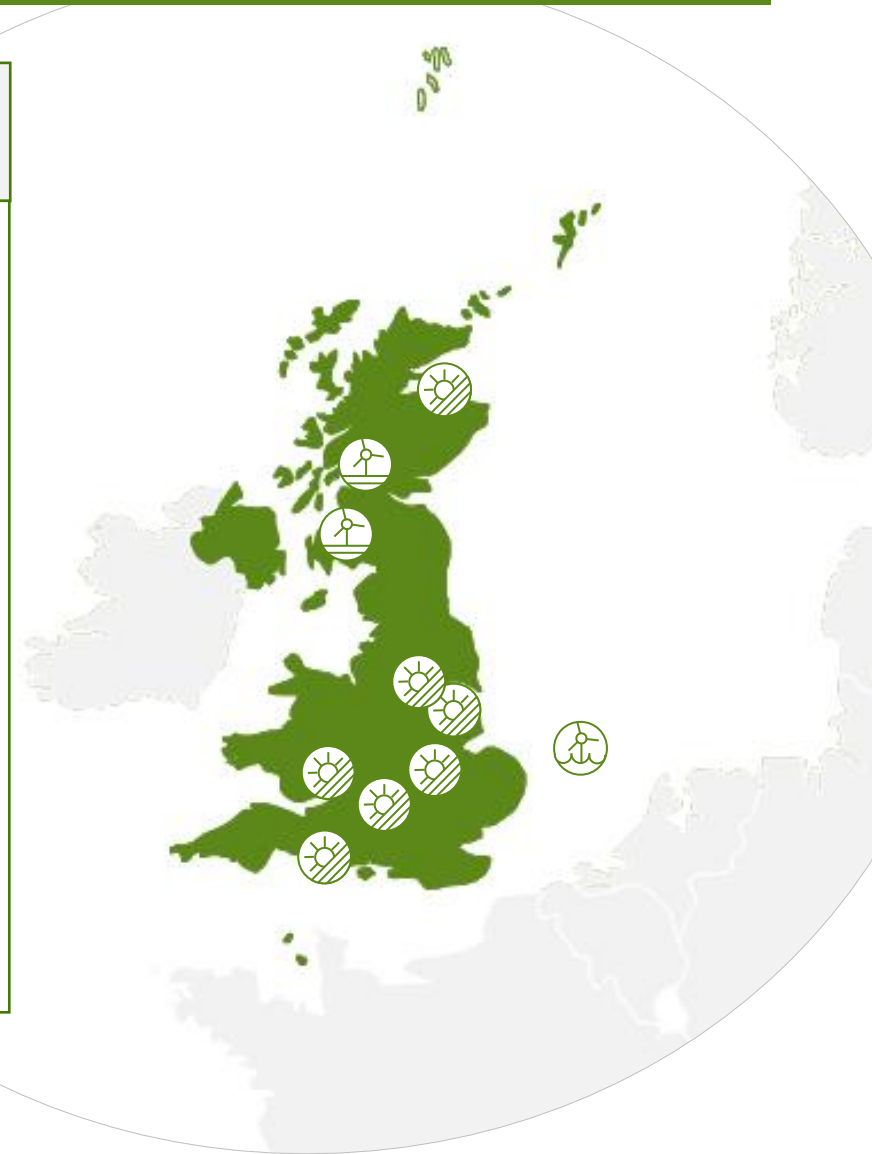


Onshore  
wind  
396 MW



Solar  
PV  
326 MW

- ▶ In operation: **2023 - 2027**
- ▶ Spread over WACC: **150-200 bps**
- ▶ Capex (excluding OFTO): **GBP ~3,700 M**
- ▶ Procurement **contracts** already **closed** and **hedged**



## ...AND IN POWER NETWORKS



RIIO – ED2  
Draft  
Determination

- ▶ Remuneration: **Cost of Equity 4,75%** (plus inflation, post-tax) + incentives
- ▶ Authorized **TOTEX GBP ~ 3,400 M**
- ▶ Allowed leverage: 60%
- ▶ Period: 2023-2028

**ADDITIONAL TO RIIO-T2 TOTEX OF GBP 1,800 M (2021-26)**

**TOTAL AUTHORIZED TRANSMISSION & DISTRIBUTION TOTEX 2021-2028 REACHES GBP ~6,000 M**



## INCREASING OPPORTUNITIES IN TRANSMISSION



Transmission Auction n° 01/2022

- ▶ NEOENERGIA awarded with **1,966 Km of HV lines**
- ▶ ~90% of **procurements contracts** already **closed** or **hedged**

Total Auctions held since 2017

- ▶ Total of **8,000 km of HV lines** and **18 substations** awarded
  - ▶ In operation: **2022 - 2027**
  - ▶ Spread over WACC: **150-200 bps**
  - ▶ Capex total: **BRL ~15,000 M**



Iberdrola monitors the most relevant sustainability indicators in its business strategy and establishes parameters related to ESG criteria in its incentive plans



	2020	2021	Δ Annual average 2017-2021
Own emission-free installed capacity (%)	79	81	+2.3%
Own specific CO <sub>2</sub> emissions in Europe (g/kWh)	64	60	-16.9%
Own specific CO <sub>2</sub> emissions (g/kWh)	98	96	-8.3%
Water use/overall production (m <sup>3</sup> /GWh)	434	307	-6.7%
Consumers (million)	34.5	36.1	+15.3%
Employees (#)	37,127	39,955	+3.9%
Gender diversity (% women in management positions)	33	34	-
Injury rate <sup>1</sup>	1.2	1.06	-11.8%
Training hours per employee	53.4	58.6	8.8%
Investments in R+D+i (million euros)	293	338	8.2%
Purchases from local suppliers (%)	89	88	-

<sup>1</sup>(Number of accidents with leave\*1,000,000)/hours worked

Iberdrola, a pioneer in its approach to corporate governance and leader in governance vision from an ESG perspective, according to PWC



## Leading the energy transition

for more than two decades

## Innovation and clean energy

at the core of our strategy

**Own specific CO2 emissions** already below 100 g/kWh in the last years

## Best practice in water management

## Biodiversity protection and circular economies

## Gender diversity

Top 2<sup>1</sup> in IBEX-35 number of women in the Board

## Bloomberg Gender Equality Index

Only Spanish utility included in all editions

## 8 social commitment policies

- Human rights
- Human resources
- Equality
- Diversity and inclusion
- Recruitment
- Knowledge management
- Innovation
- Quality
- Corporate security

## Governance and Sustainability System

Rationale aligned with the market

## Benchmark with 23 companies<sup>2</sup>

Performing at the top of its peers in 89% of indicators

## Business Ethics

Only Spanish company among the **most ethical in the world** for the ninth consecutive year

## Dow Jones Sustainability Index

Only electricity company included in all 22 editions

## MSCI Global Sustainability Index

Selected AAA

## CDP Climate Change

A in 2021

## Global 100

Iberdrola selected

## Energy Intelligence

Second utility worldwide in the Green Utilities Report 2021

## OpenODS Index

First in ODS 2021 ranking

## FTSE4Good

Included since 2009

<sup>1</sup> Data prepared by PWC based on Iberdrola's current data compared with latest available information in annual reports from IBEX-35 companies

<sup>2</sup> Telefonica, Enagas, Sabadell, IAG, Repsol, REE, Santander, Inditex, Amadeus, Caixabank, Ferrovial, BBVA, National Grid, Enel, Southern Company, Dominion Energy, Duke energy, AEP, Microsoft, BNP Paribas, Diageo, Teladoc, UPM . 61 indicators in the scope

## IBERDROLA'S RESILIENT BUSINESS MODEL...

### BUSINESS

Sustainable model based on **renewables, networks and energy storage**

**~90% of European production** comes from **zero-emission sources**

**Gas contributing only 4% of EBITDA in Europe**  
**No dependence on Russian gas or oil**

### SUPPLY CHAIN

**Supplies for 2022 and 2023 already secured with prices closed or hedged**

### FINANCIAL STRUCTURE

**~ 75% of debt at fixed rate**

**Average debt maturity of 6 years**

**Liquidity of EUR 25 Bn**

**Improving financial ratios: FFO/Net Debt of 24.7%**

**... PREPARED TO FACE THE CURRENT MACRO SCENARIO**

# 03

## Financial profile

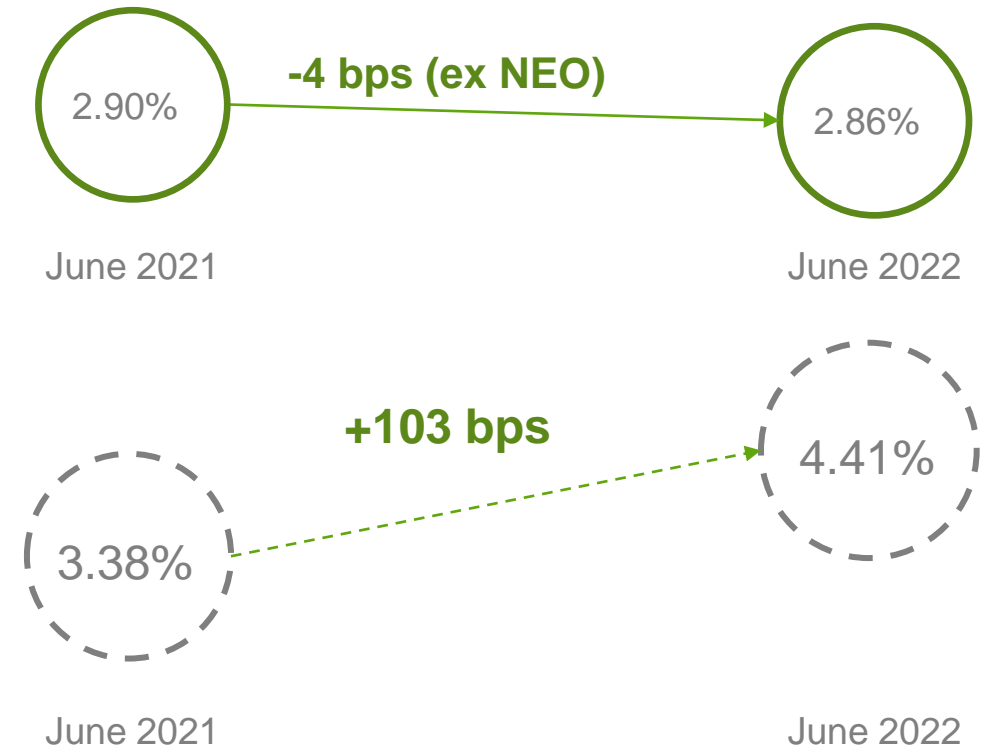
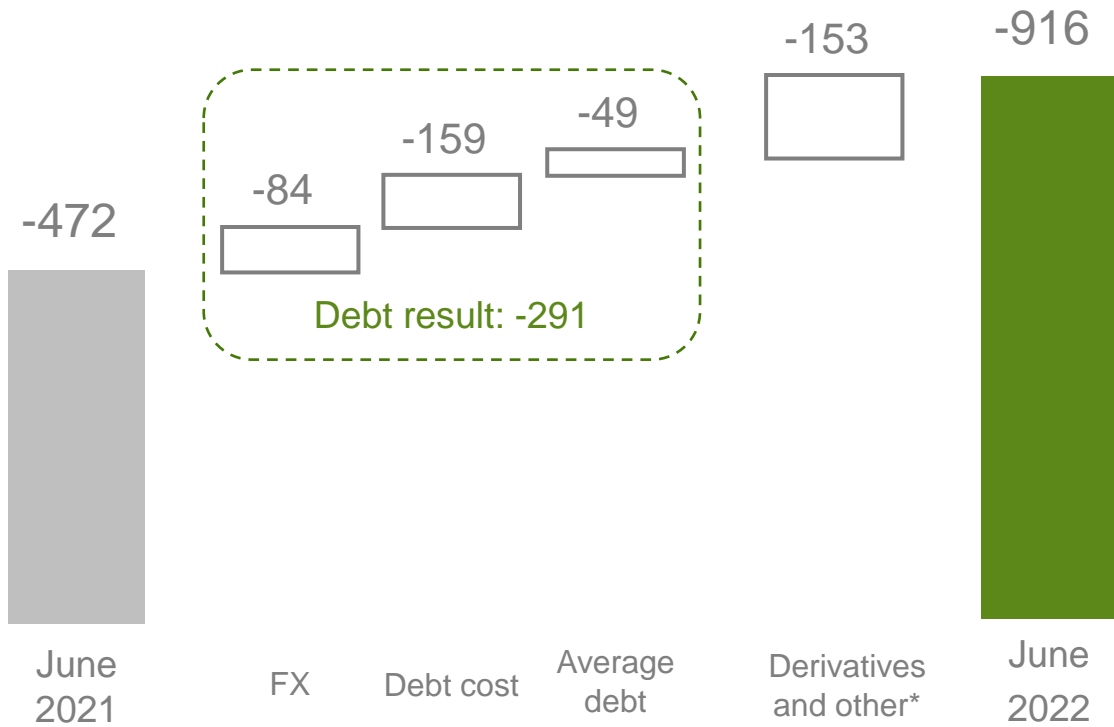
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# Net Financial Results

Net Financial Results up EUR 444 M, to EUR 916 M, due to euro depreciation affecting debt and derivatives, higher average debt and higher cost of debt, mainly in BRL...

NET FINANCIAL RESULT (EUR M)

COST OF DEBT

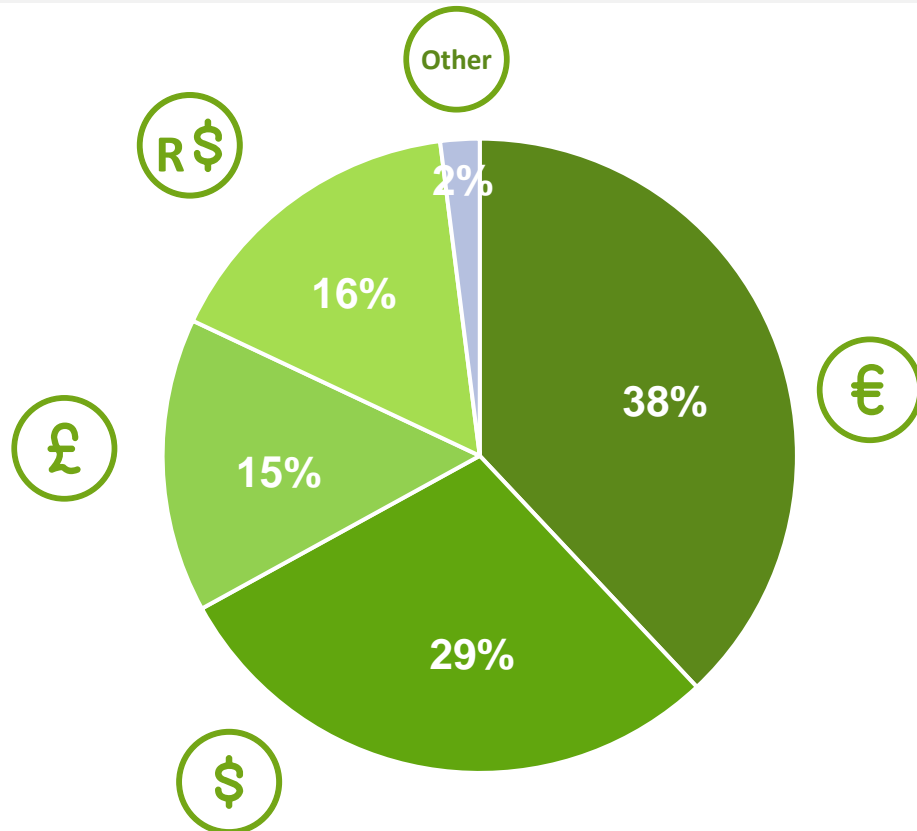


...compensated by revenues indexed to inflation. Debt cost excluding Neoenergia improves 4 bps.

# Debt structure

## Iberdrola Balance Sheet is well positioned against rising interest rates

DEBT SPLIT \*



FIXED % RANGE

	Debt **	EBITDA ***
EUR (€)	86%	~ 55%
USD (\$) (US)	93%	~ 90%
GBP (£)	91%	~ 55%
<b>TOTAL</b>	<b>88%</b>	<b>~ 62%</b>
R\$	0%	~ 0%
<b>TOTAL</b>	<b>75%</b>	<b>~ 50%</b>

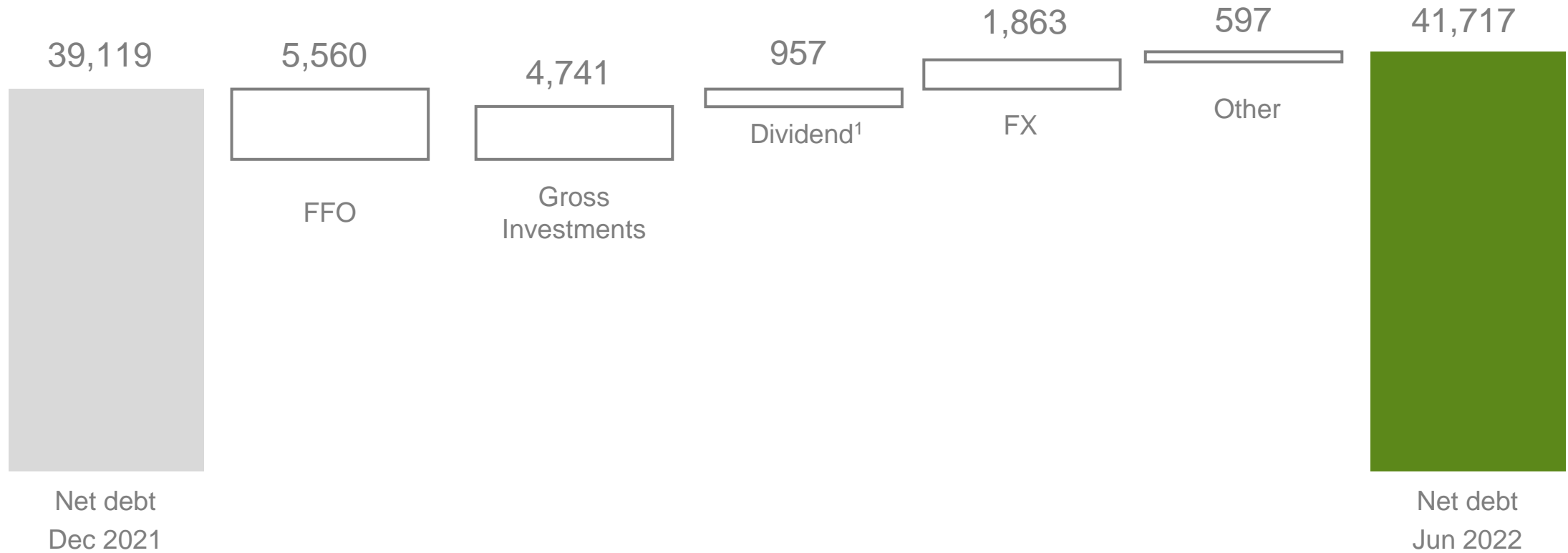
\* Calculated over net debt

\*\* Calculated over net debt with 4.0 bn EUR in forward-start swaps up-to-date

\*\*\* Estimated EBITDA. 50% linked to inflation or variable references

# Net Debt evolution

Cash flow generation, up 31%,...



...compensates gross investments and FX

1. Includes scrip dividend + cash



# Financial ratios and Adjusted Net Debt

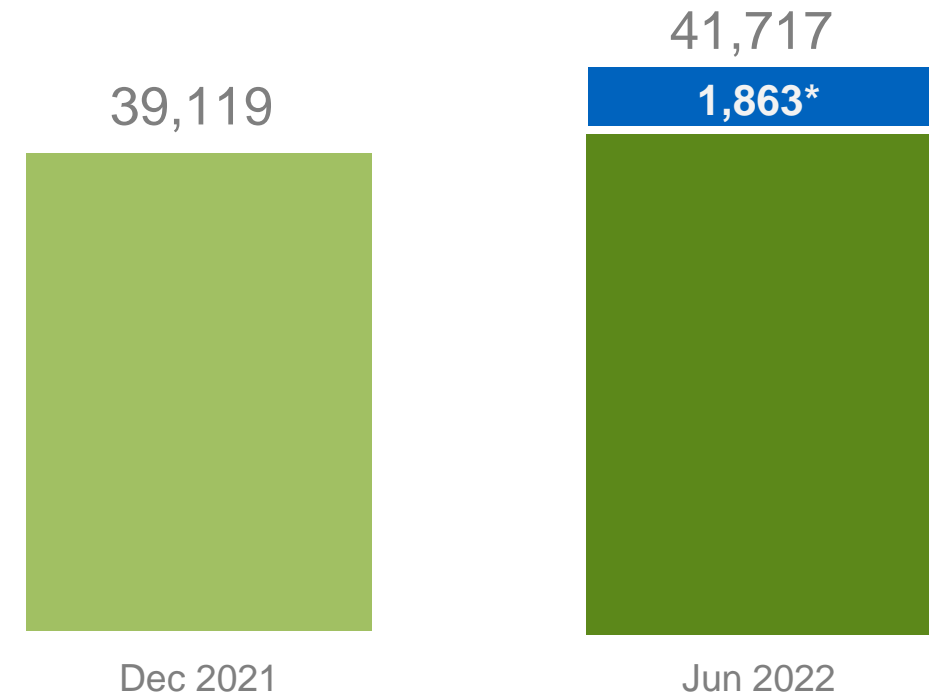


## Iberdrola maintains a solid financial position...

### ADJUSTED CREDIT METRICS

	Jun 2021 <sup>1</sup>	Jun 2022
Adjusted Net Debt / EBITDA	3.4x	3.2x
FFO <sup>2</sup> / Adjusted Net Debt	23.6%	24.7%
RCF / Adjusted Net Debt	21.2%	22.4%
Adjusted Leverage	41.6%	40.7%

### ADJUSTED NET DEBT<sup>1</sup> (EUR M)



\* FX impact

...even with an FX impact of EUR 1,863 M in debt

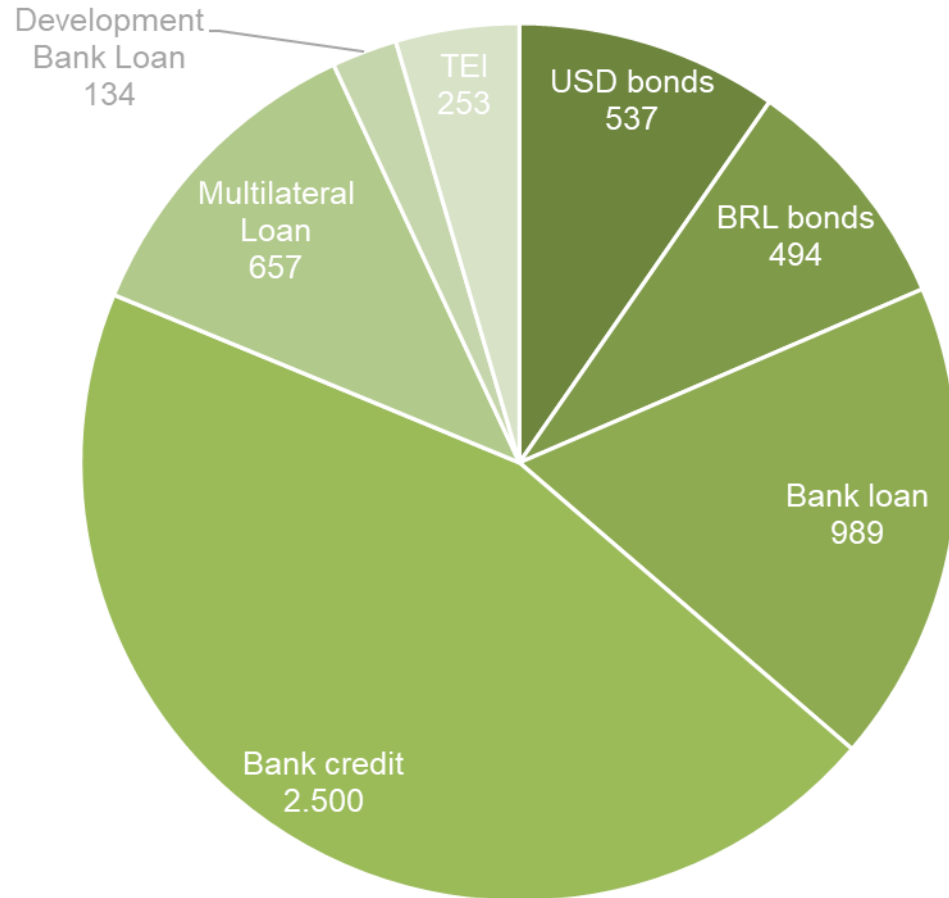
1) Proforma including Infigen, Neoenergia Brasilia and Poland onshore in June 2021

2) June 2022 FFO includes collection of EUR 826 M on positive court rulings in Spain and positive one-off linked to NY Order that allows to accrue certain regulatory assets (EUR 340 M)

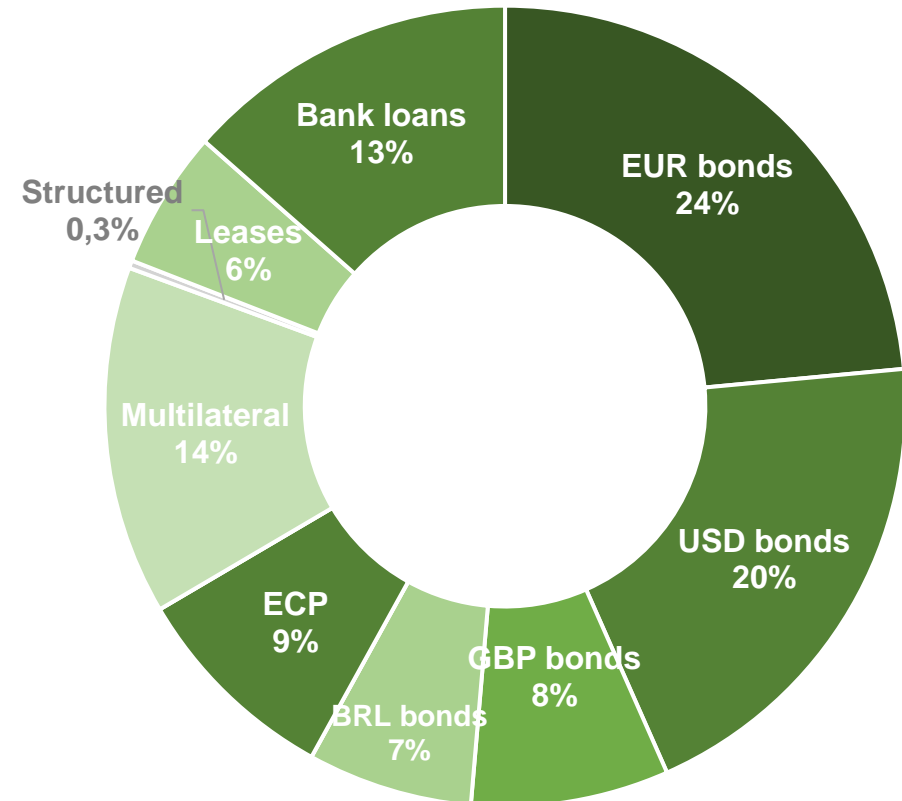
# Financing transactions in Q2

Iberdrola has been able to close transactions totaling over EUR 5 bn in all markets with favorable conditions in an adverse scenario, anticipating H2 financing

NEW FINANCING Q2: EUR 5,464 M\*



CURRENT DEBT STRUCTURE



\* Including subsequent events

# ESG financing

**In 2022 Iberdrola signed EUR 6.5\* bn of new ESG financing for a cumulative total of EUR 43.8\* bn up-to-date**

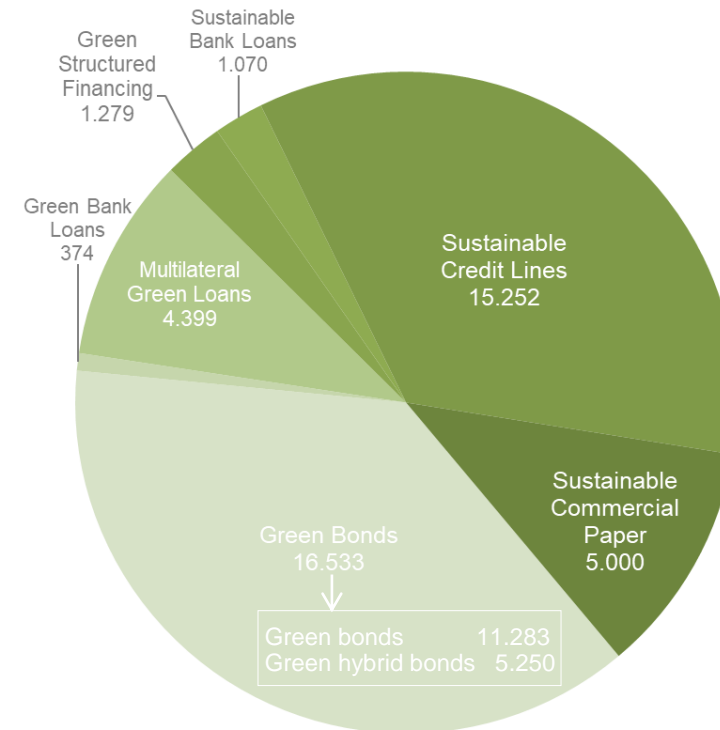
NEW ESG FINANCING 2022: EUR 6,518 M \*

TOTAL ESG FINANCING: EUR 43,807 M \*

77% of newly signed financing are ESG transactions, reaffirming Iberdrola's commitment while becoming its main source of financing

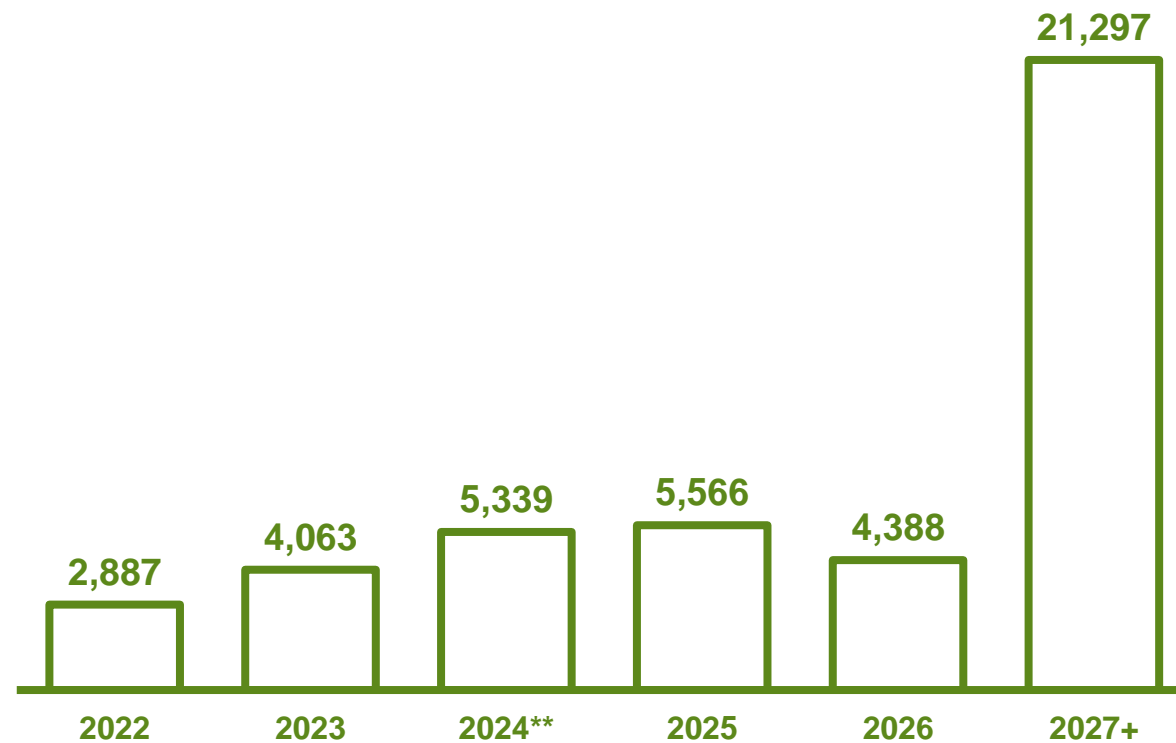
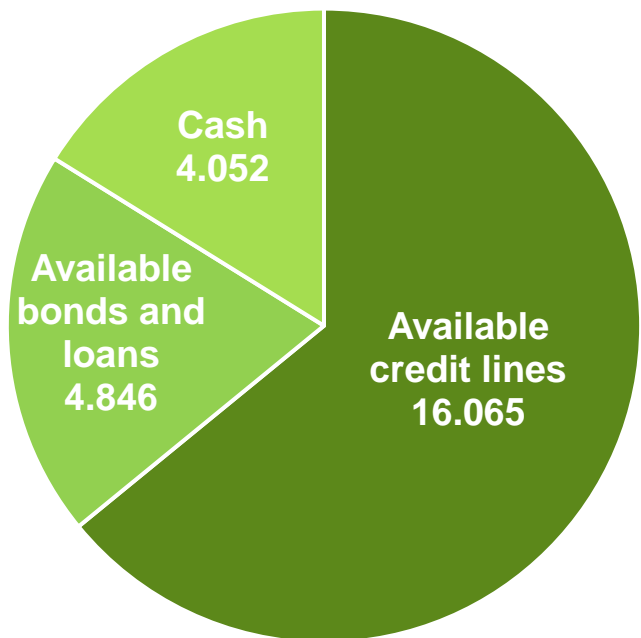
Product	Q1	Q2	Total
Green	2,088	1,210	3,298
Senior bonds	1,000	301	1,301
Multilateral loans	1,088	657	1,745
Structured financing		253	253
Sustainability-linked		3,220	3,220
Bank loans		720	720
Credit lines		2,500	2,500
<b>Total ESG</b>	<b>2,088</b>	<b>4,430</b>	<b>6,518</b>

Includes all signed financing regardless of its consolidation % and disbursement date



Iberdrola remains the world leading private group in green bonds issued

Up to date, our liquidity totals EUR 25\* bn covering 27 months\* of financing needs ...



... with an average life of debt of 6 years

Our current financial position provides robust balance sheet and cashflow visibility....

### Iberdrola's credit rating

Agency	Rating(*)	Outlook(*)
Moody's	<b>Baa1</b> (15/06/2012)	<b>Stable</b> (14/03/2018)
Fitch IBCA	<b>BBB+</b> (02/08/2012)	<b>Stable</b> (25/03/2014)
Standard & Poors	<b>BBB+</b> (22/04/2016)	<b>Stable</b> (22/04/2016)

\* Date of last modification

... targeting the maintenance of these rating levels.