



# Capital Markets Day

24 September 2025

Sustainable  
Event



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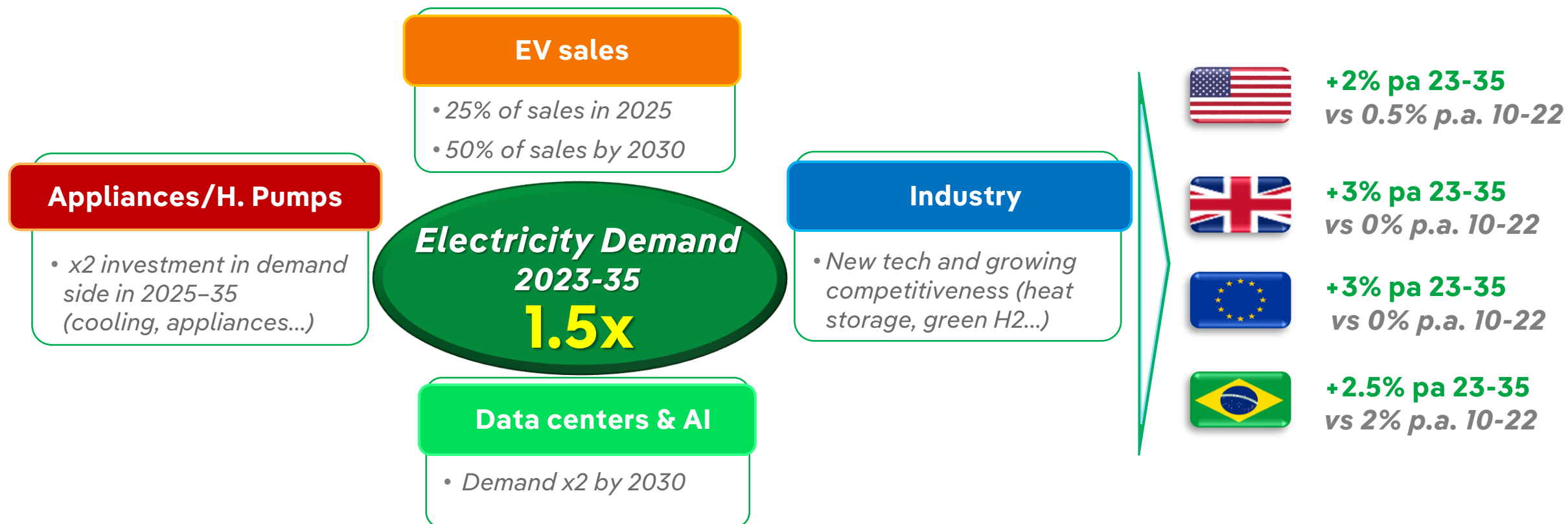
Strategic Plan Update

**Ignacio S. Galán**  
Executive Chairman



# Energy outlook

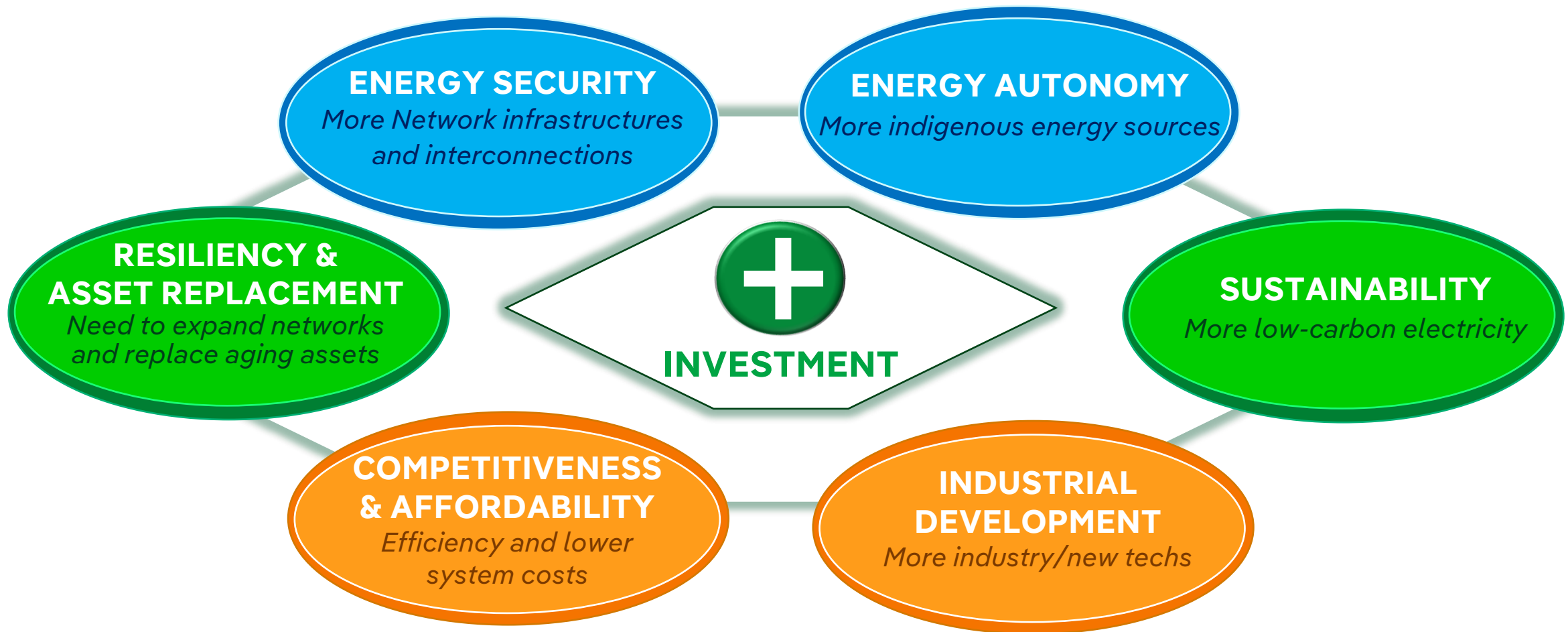
## Demand growth outlook already materializing: At least +50% by 2035...



Outlook based on IEA APS Scenario

## ...driving a significant improvement compared to last years

**Strong Investment needs due to several factors on top of demand...**



**...almost doubling by 2035 in developed countries mainly driven by Networks...**



## Networks Investments

- ✓ *2x by 2030*
- ✓ *3x by 2035*

❖ **Expansion, Asset replacement & Digitalization**



## Renewable Investments

- ✓ *+50% increase by 2030*



## Storage investments

- ✓ *More use of pumped storage*
- ✓ *Battery inv. 5x by 2035*



....as reflected in Energy Policy and Regulation across all our key markets



## United Kingdom

- ▶ **'Plan for Change':**
  - Electricity mix 95% 'clean' by 2030
- ▶ **RIIO-T3 & ED3:** 3x investments in T&D



## United States

- ▶ **Inflation Reduction Act + One Big Beautiful Bill**
- ▶ **Bipartisan Infrastructure Framework**
- ▶ **Resiliency plans for T&D at Federal and State level**



## Brazil

- ▶ **National Energy Transition Policy (PNTE)**
- ▶ **Green H2 plans**
- ▶ **Net Zero by 2050, -67% by 2035**



## European Union

- ▶ **Clean Industrial Deal**
- ▶ **REPowerEU**
- ▶ **Carbon Border Adjustment Mechanism**



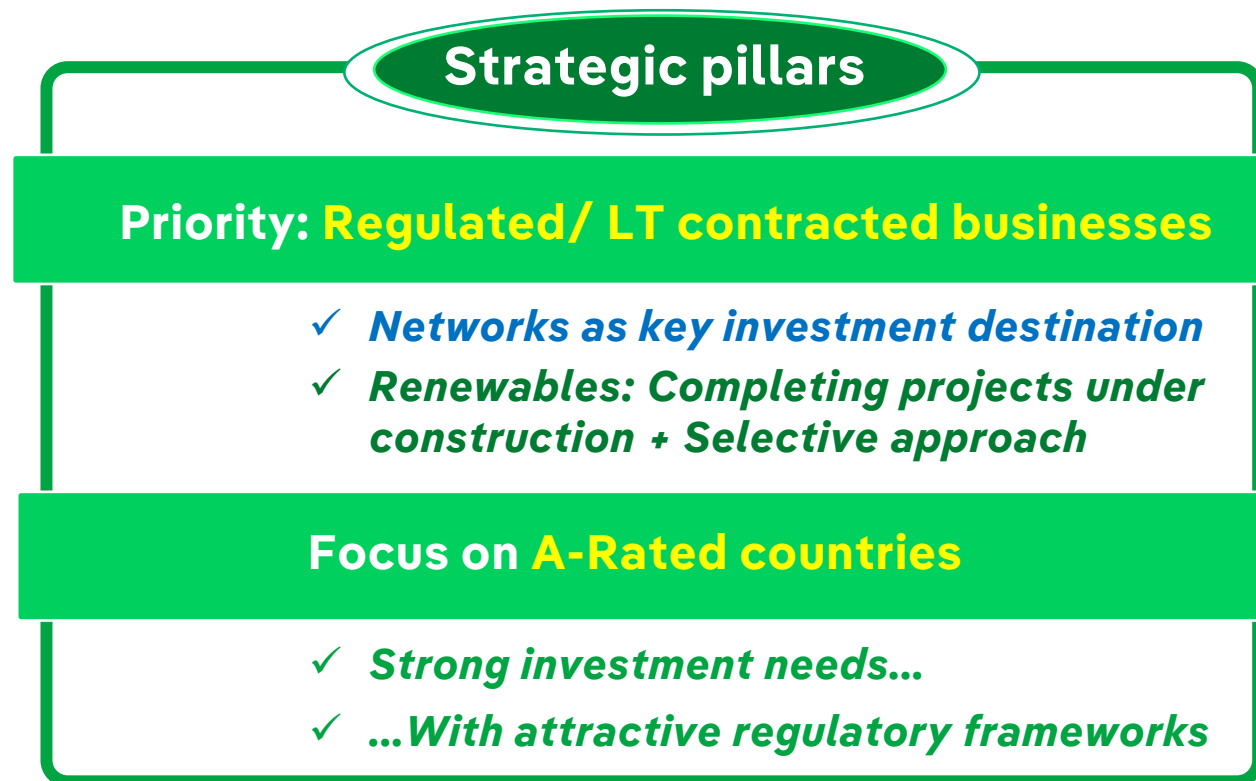
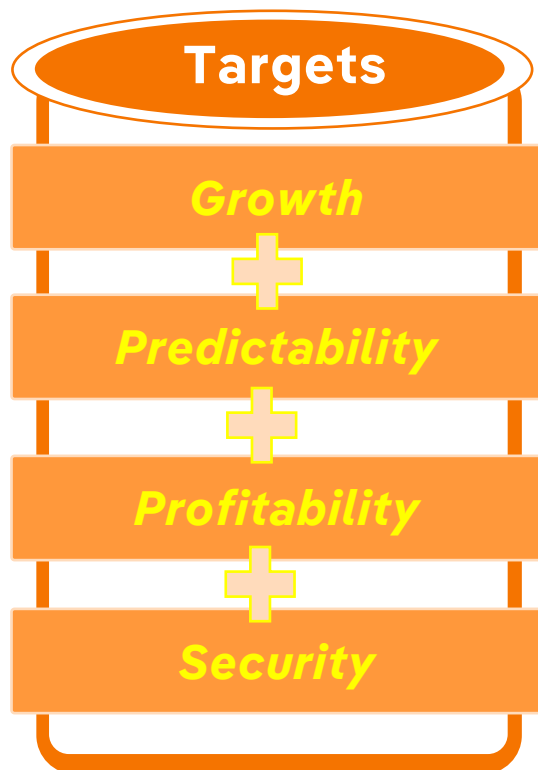
## Australia

- ▶ **Net Zero Plan:**
  - ▶ -62-70% emissions by 2035 vs 2005
  - ▶ 82% renewable electricity by 2030
- ▶ **"Powering Australia" plan**
- ▶ **Support for H2 deployment**



# Iberdrola Strategic Pillars and Investments 2025-2028

A transformational plan to deliver predictable and profitable growth in the long-term...



...preserving our financial strength and growing dividend

## Focus on Networks regulated business to optimize growth and predictability...



**Networks:**  
*A once-in-a-century opportunity*

**Growth**



**Predictability**



**Profitability**



**Security**

- ✓ **Clear growth perspectives** : Up to **3x** in **Distribution** and **5x** in **Transmission** (RIIO-T3 UK)
- ✓ **Strong multi-year frameworks up to 2031**
- ✓ **Attractive returns: 9.5% average nominal ROE**
- ✓ **Supply chains secured**
- ✓ **>70%** of expected **investments in US & UK**

## ...and selective investments in Renewable power focused on finalizing projects under construction



### Renewable Power: Selective investment

**Growth**



**Predictability**



**Profitability**



**Security**

- ✓ Increasing capacity (75% already under construction) with selective approach to new investments
- ✓ CfDs/PPAs/Retail position:
  - ✓ Covering c.85% of our expected production
  - ✓ Securing long term margins
- ✓ Additional opportunities from storage
- ✓ Supply chains secured
- ✓ Reduced exposure to fossil fuel volatility
- ✓ >90% of investment in A-rated countries

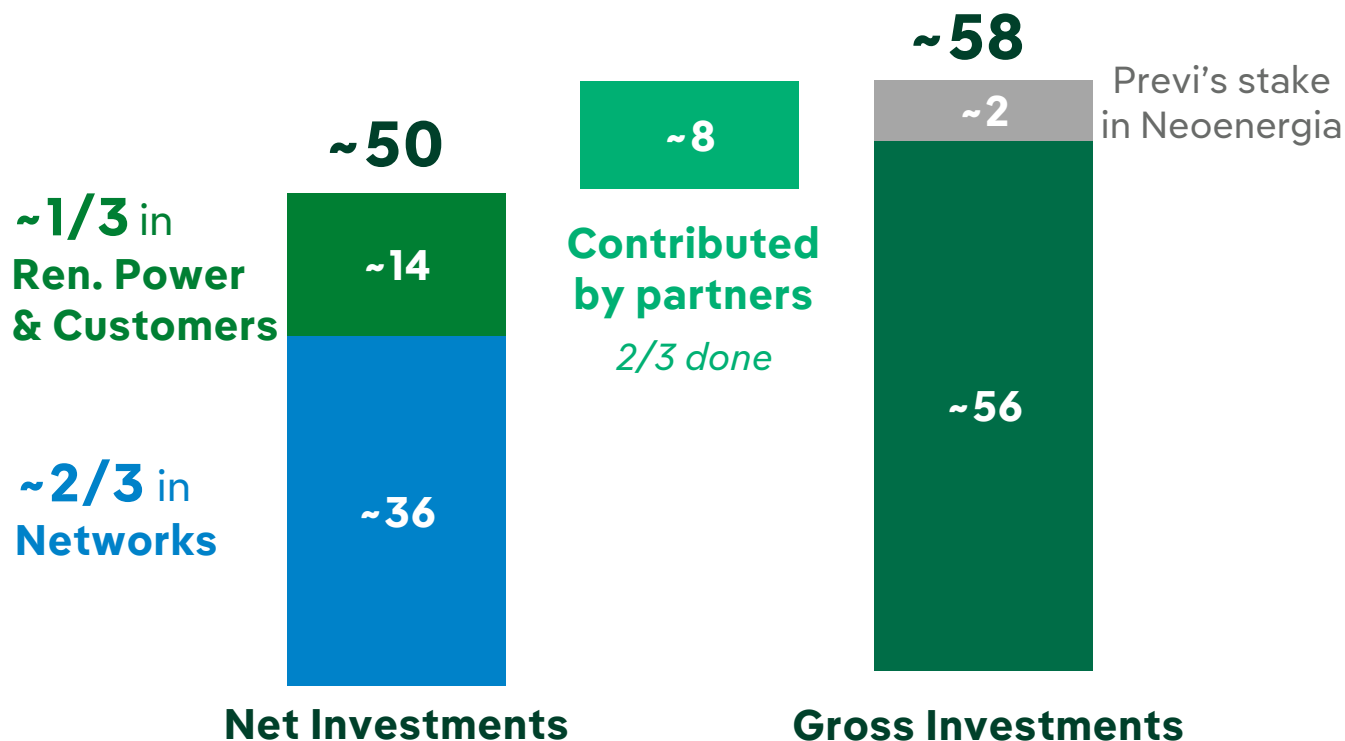
## Reinforcing financial strength and commitment with “BBB+ /Baa1” rating...



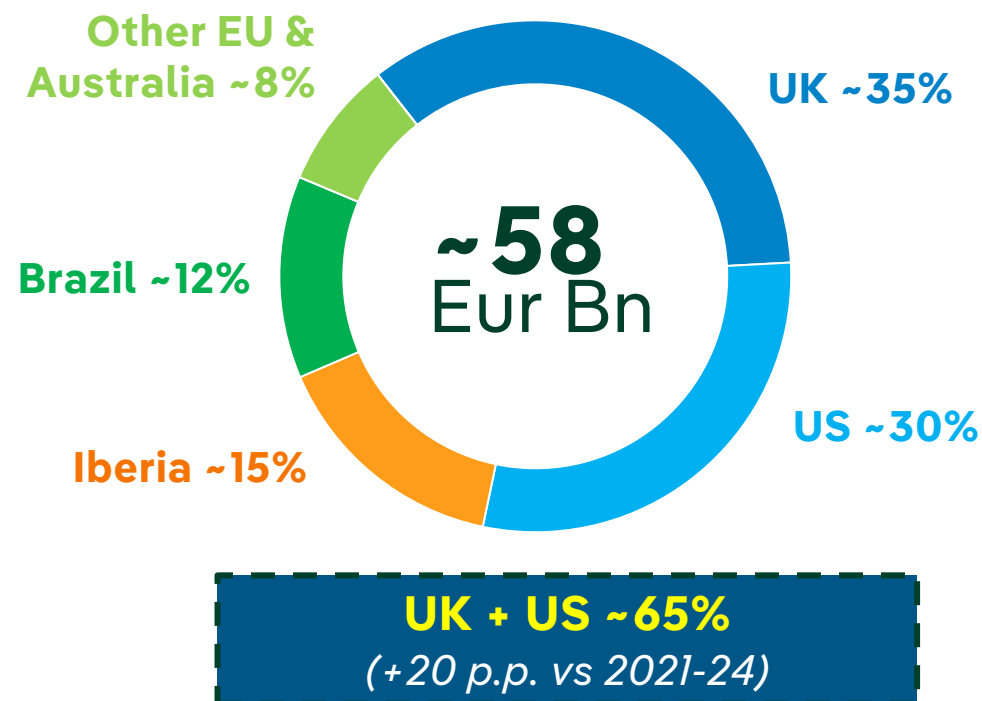
...thanks to cash flow generation and a diversified portfolio of financing sources

**Gross investments reach Eur ~58 Bn, with ~8 Bn contributed by partners...**

## Investments by Business (Eur Bn)



## Gross Investments by geography



**...with 2/3 in the UK & the US and more than 70% in Growth**

# Neoenergia: Previ transaction

## Increasing presence in distribution networks in Brazil...

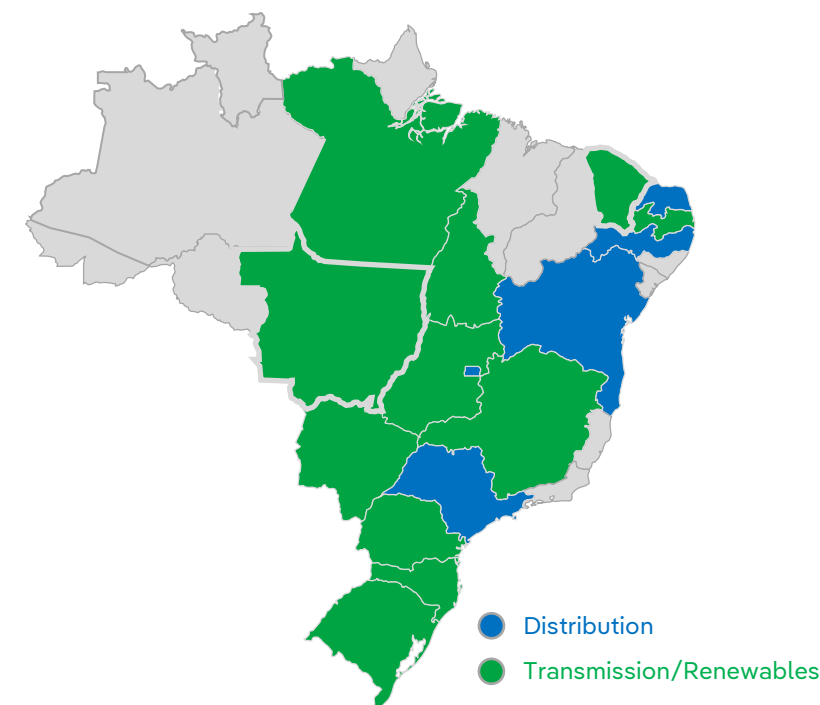
### Transaction details

- ▶ Sale of **30.29%** stake of **Neoenergia** by **Previ**
- ▶ **Iberdrola** to reach **84%** of **Neoenergia** share capital post-acquisition
  - ✓ Transaction cost of **Eur 1.88 Bn**

### NEOENERGIA

- ▶ **90%** of **Net Profit** coming from **Networks**
  - ✓ **+725,000 km** of **distribution lines**
  - ✓ **+8,000 km** of **transmission lines**
  - ✓ **Providing service** to a **population of ~40 million**
- ▶ **Stable** and **attractive regulatory frameworks**

### NEOENERGIA: Presence in 18 States

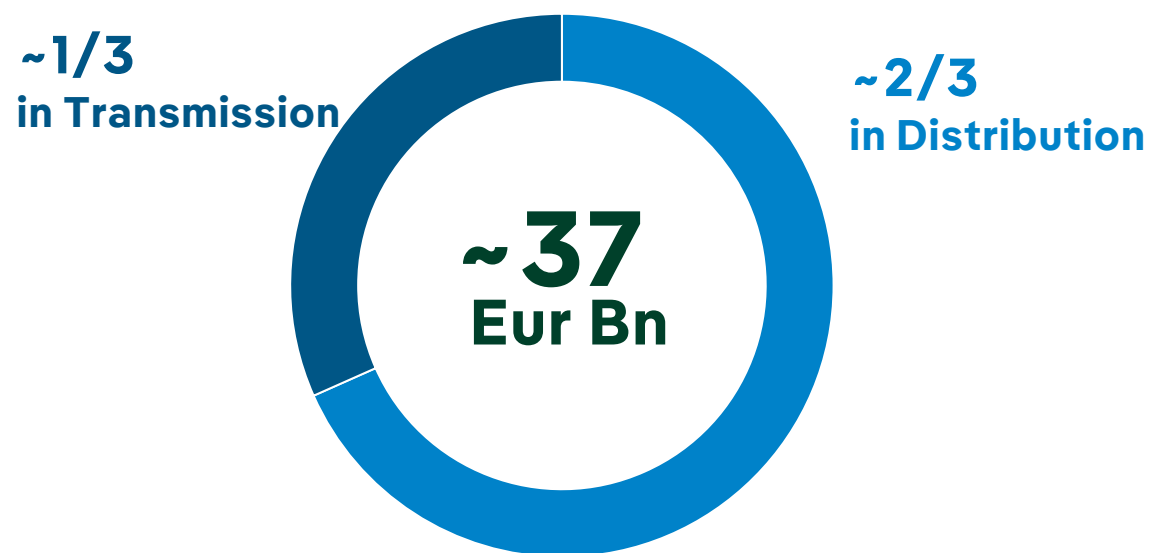


...through a transaction **accretive from first year**



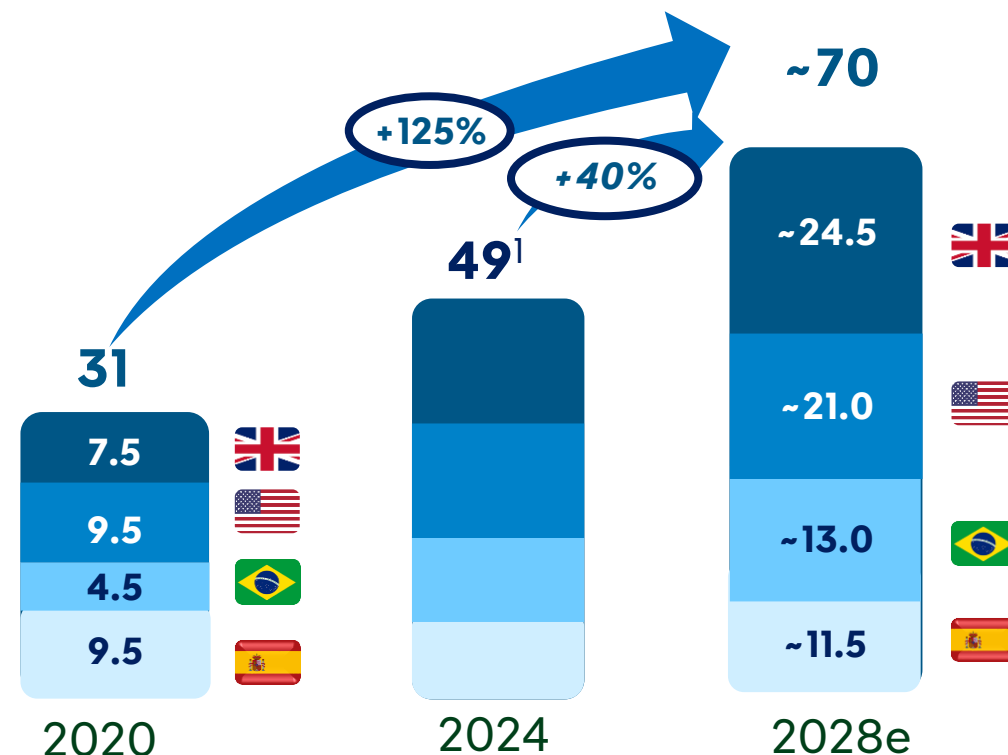
Investing Eur 37 Bn in Networks, with more than 70% in the UK and the US...

## Gross investments in Networks



**>70% of Network investments in UK and US**  
**~80% in A-rated countries**

## RAB Growth (Eur Bn)

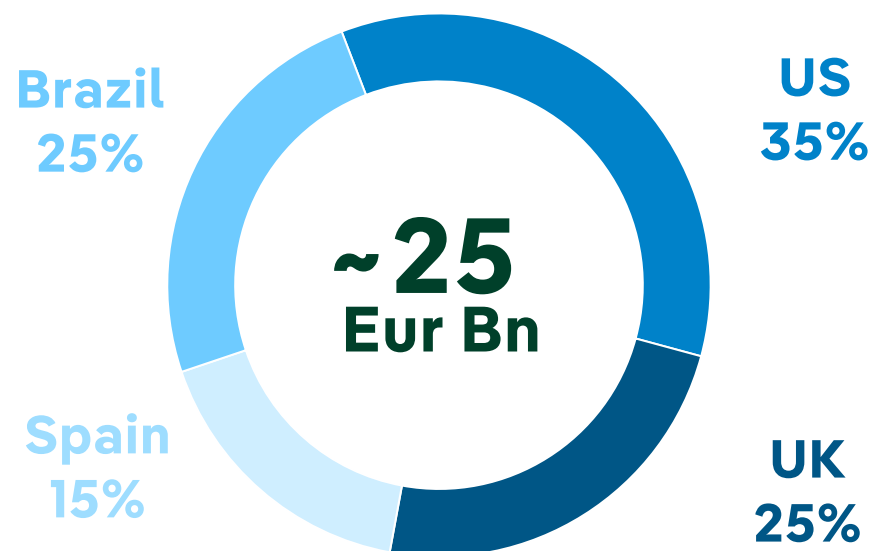


...to increase our RAB by 40% in just 4 years...

# Investments 2025-2028: Distribution

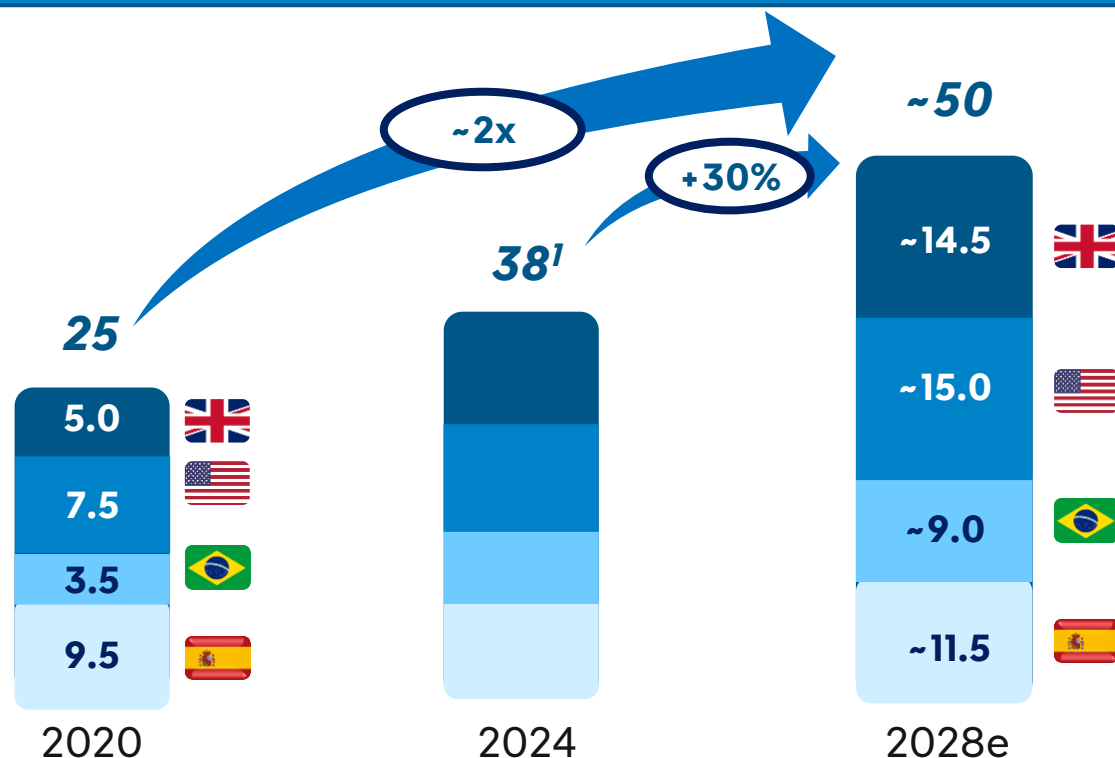
...with Eur 25 Bn in Distribution...

## Gross investments in Distribution



~60% of Networks investments in Distribution in US and UK

## Distribution RAB Growth (Eur Bn)



...to double asset base in less than a decade with a clear shift to UK & US...

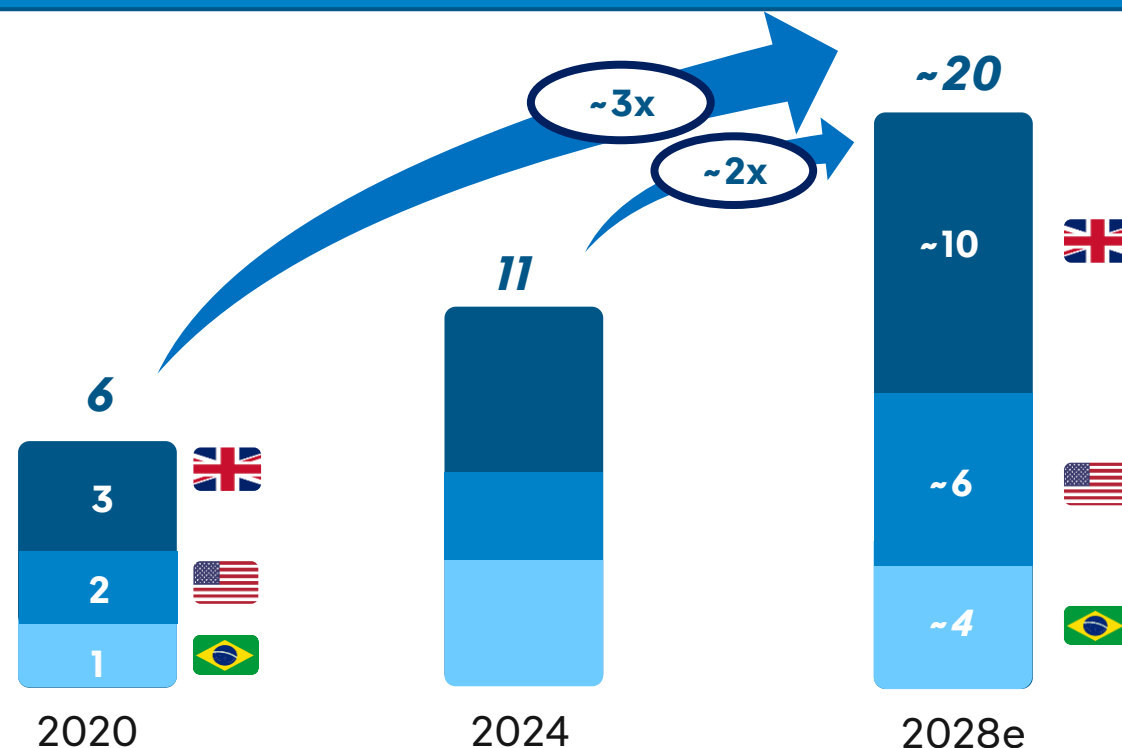
...and Eur 12 Bn in Transmission...

## Gross investments in Transmission



1/3 of Networks investments to reach a RAB of close to Eur 20 Bn

## Transmission RAB Growth (Eur Bn)

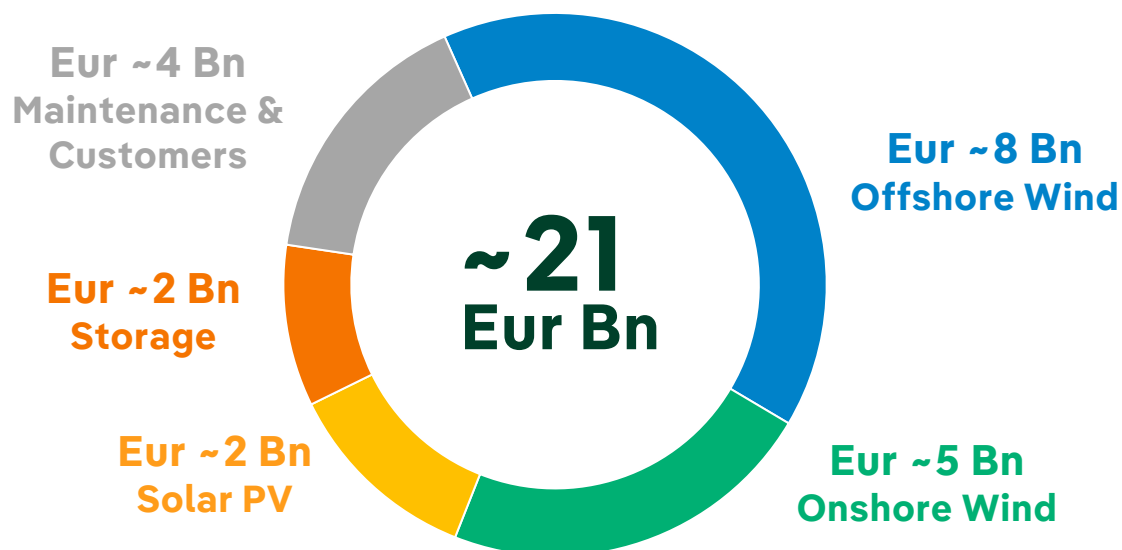


...multiplying our asset base >3x from 2020 with 80% in the UK and the US

# Investments 2025-2028: Renewable Power & Customers

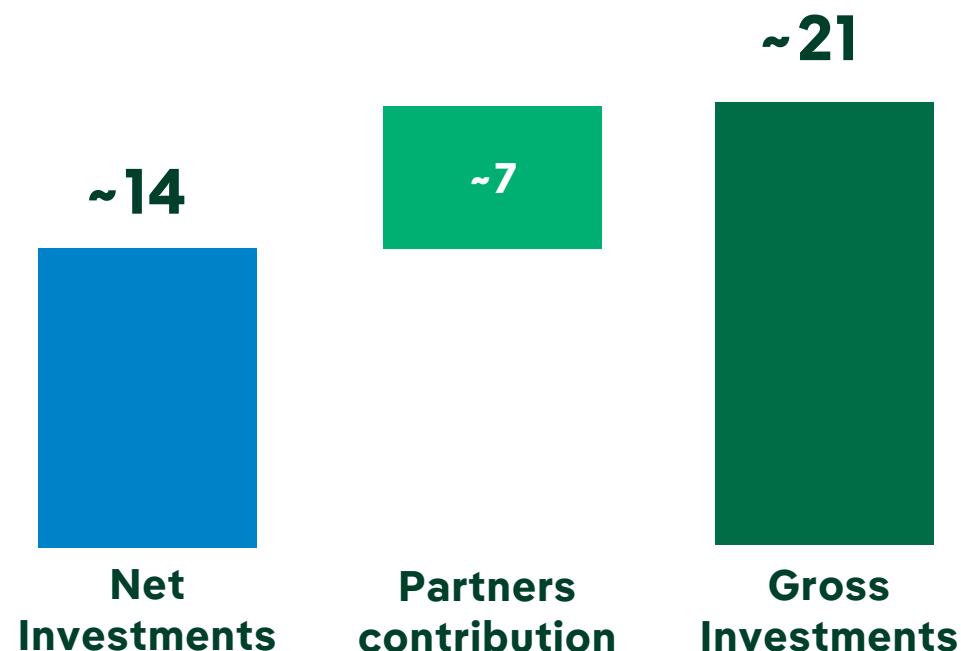
**Investing Eur 21 Bn in Renewable Power & Customers**  
**75% in projects already under construction...**

**Gross Investments (Eur Bn) <sup>(1)</sup>**



**More than 90% in A-rated countries**

**Gross vs Net Investments (Eur Bn)**



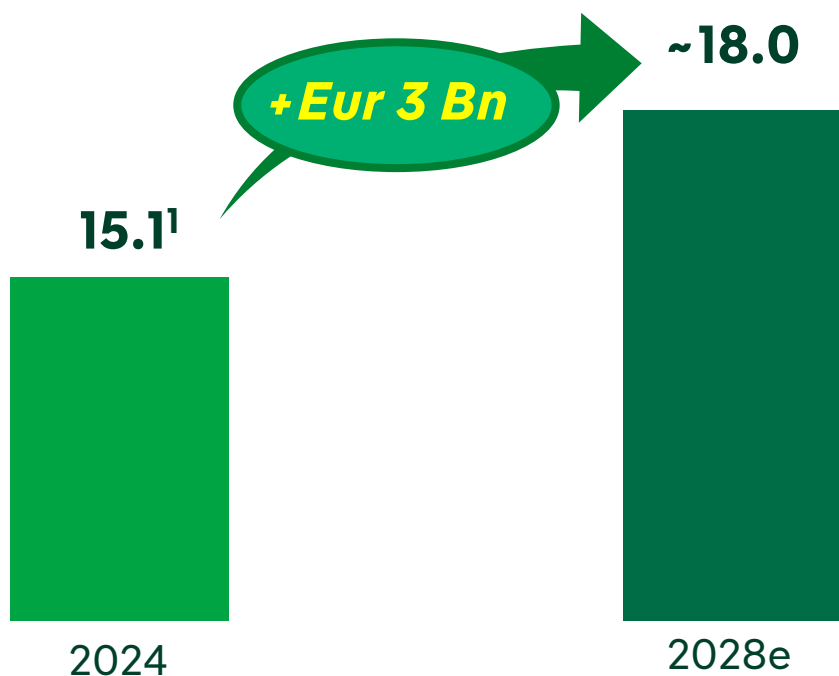
**...with Eur 7 billion contributed by partners, 75% already done**



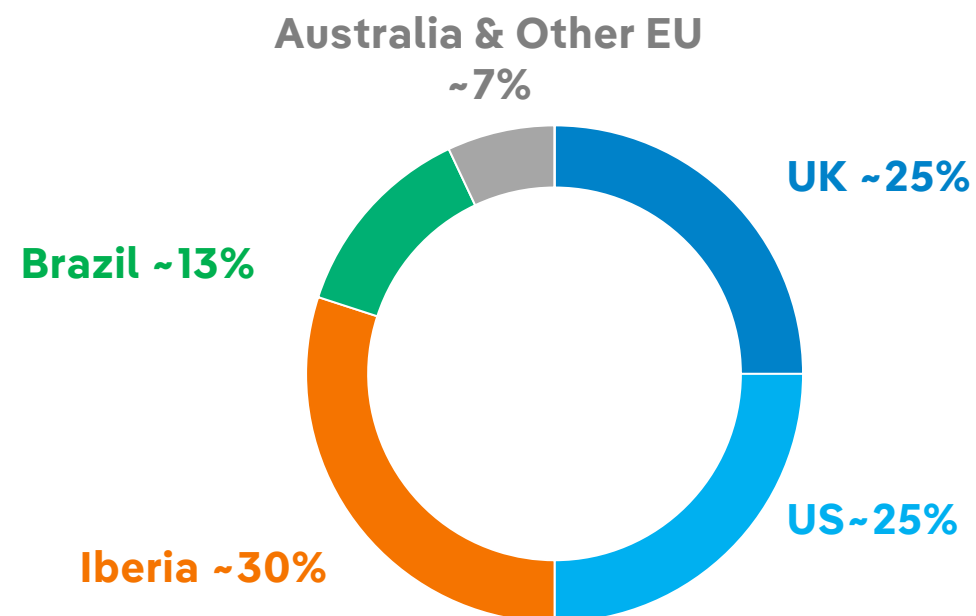
# Outlook 2028

**EBITDA to reach Eur 18 Bn by 2028, with a Eur 3 Bn increase**

**EBITDA (Eur Bn)**



**EBITDA by geography**



## Transforming Group's profile towards Networks...

### EBITDA by business



#### Networks

EBITDA up +3 Bn  
to **Eur 9.5-10 Bn**

EBITDA CAGR +10% (2024-2028)

- ▶ ~60% of EBITDA from US & UK (+15 p.p. vs 2021)
- ▶ Full contribution of ENW from 2025
- ▶ New Rate Cases



#### Ren. Pow. & Cust



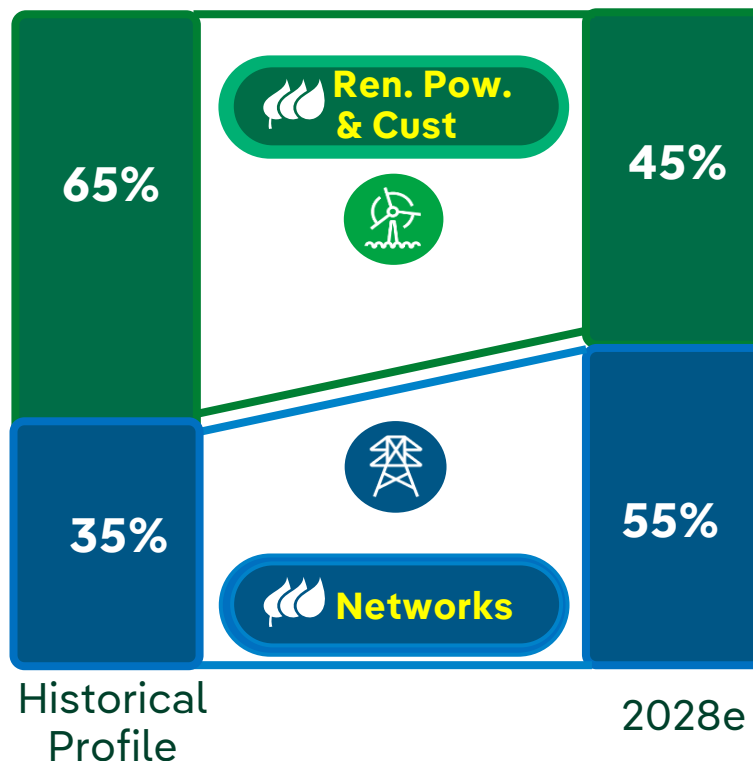
#### Networks



#### Ren. Pow. & Cust

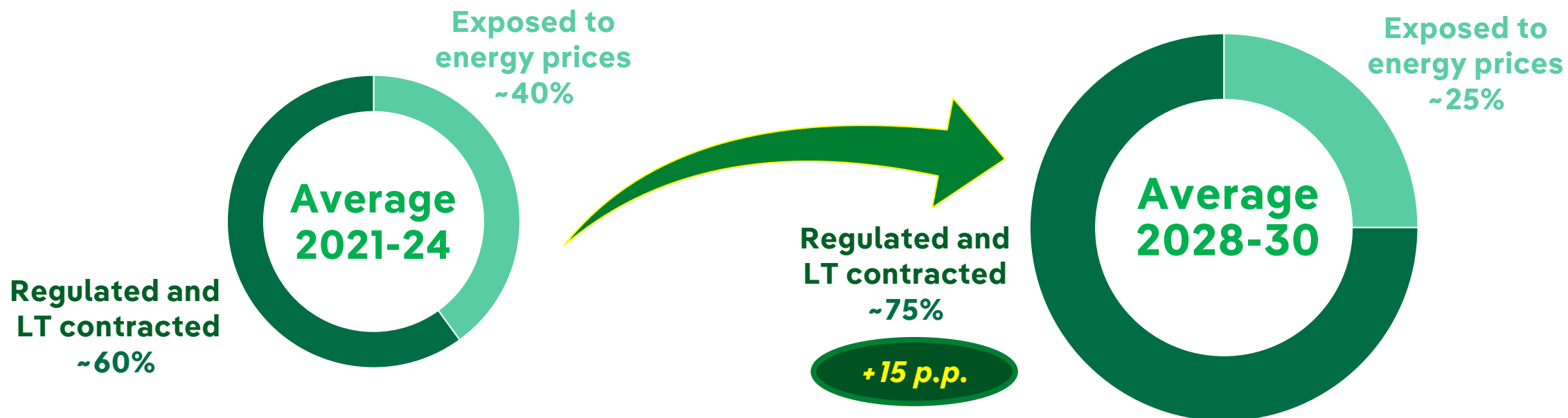
EBITDA stable at **Eur ~8.5 Bn**

- ▶ Replacing asset sales with new renewables & storage
- ▶ ~35% of EBITDA from US & UK (+15 p.p. vs 2021)
- ▶ Growing share of offshore wind, storage & pumped hydro



...which consolidates as main contributor to EBITDA driven by double digit growth

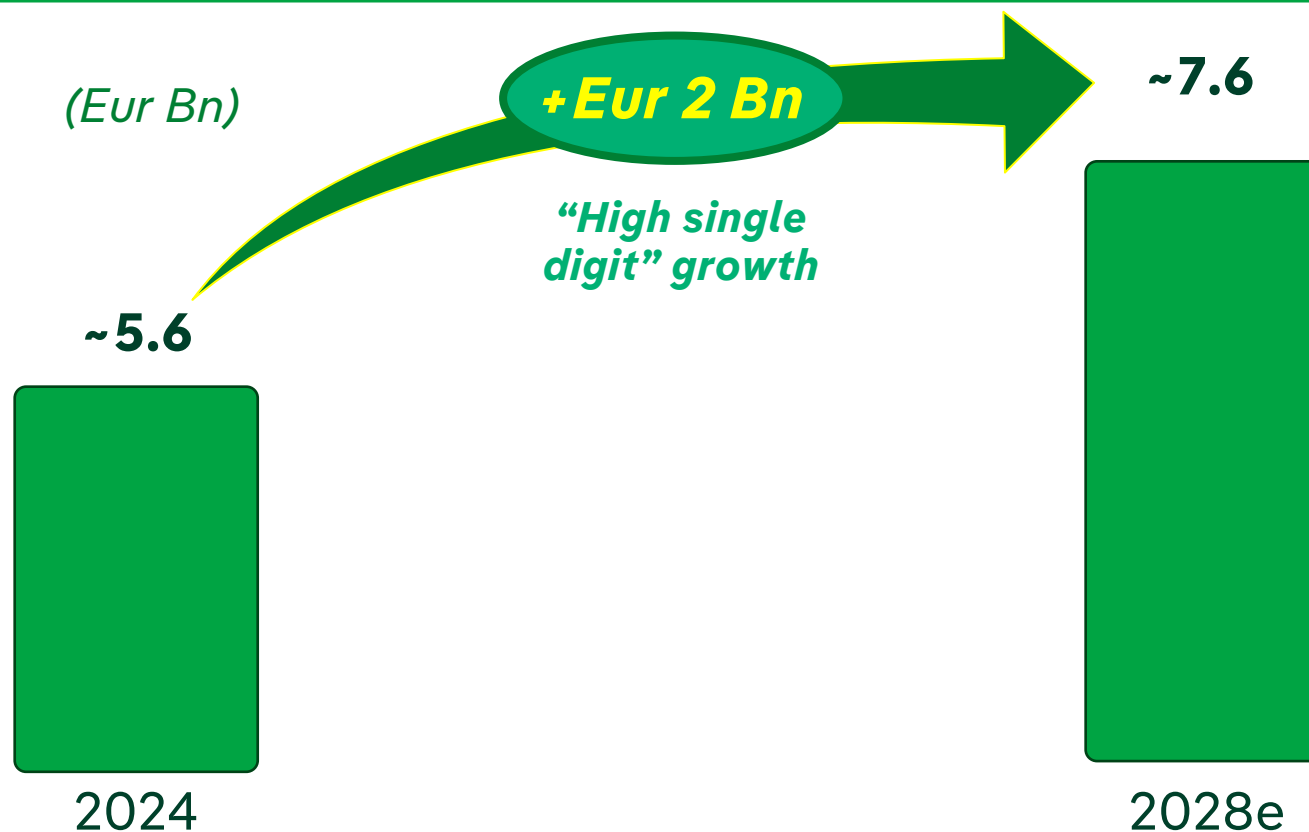
## Increasing regulated and long-term contracted profile to reach 75% of EBITDA...



...with conservative assumptions in Renewable Power and Customers

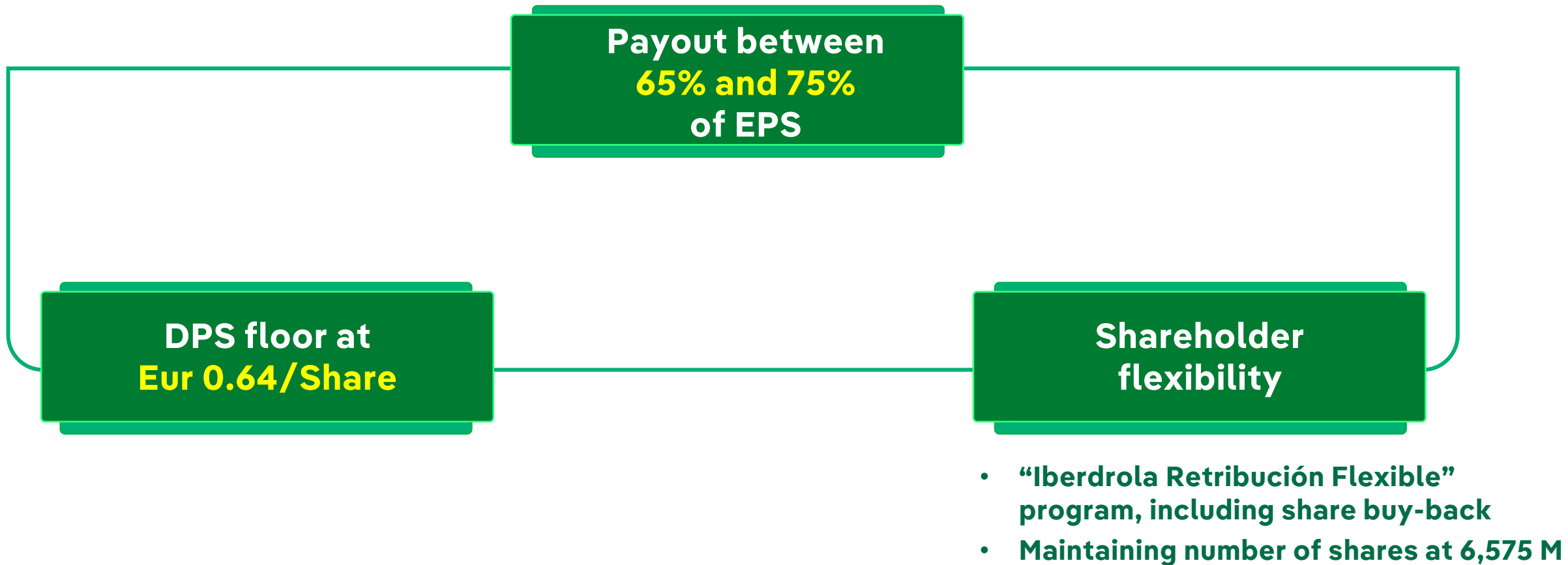


Adjusted Net Profit to grow at **“High single digit”** (CAGR ‘24-’28)  
reaching Eur ~7.6 Bn by 2028





Well ahead of previous plan: 2025 results already over 2026 outlook  
with additional growth expected in FY ‘26

## Reaffirming shareholder remuneration policy in line with results...

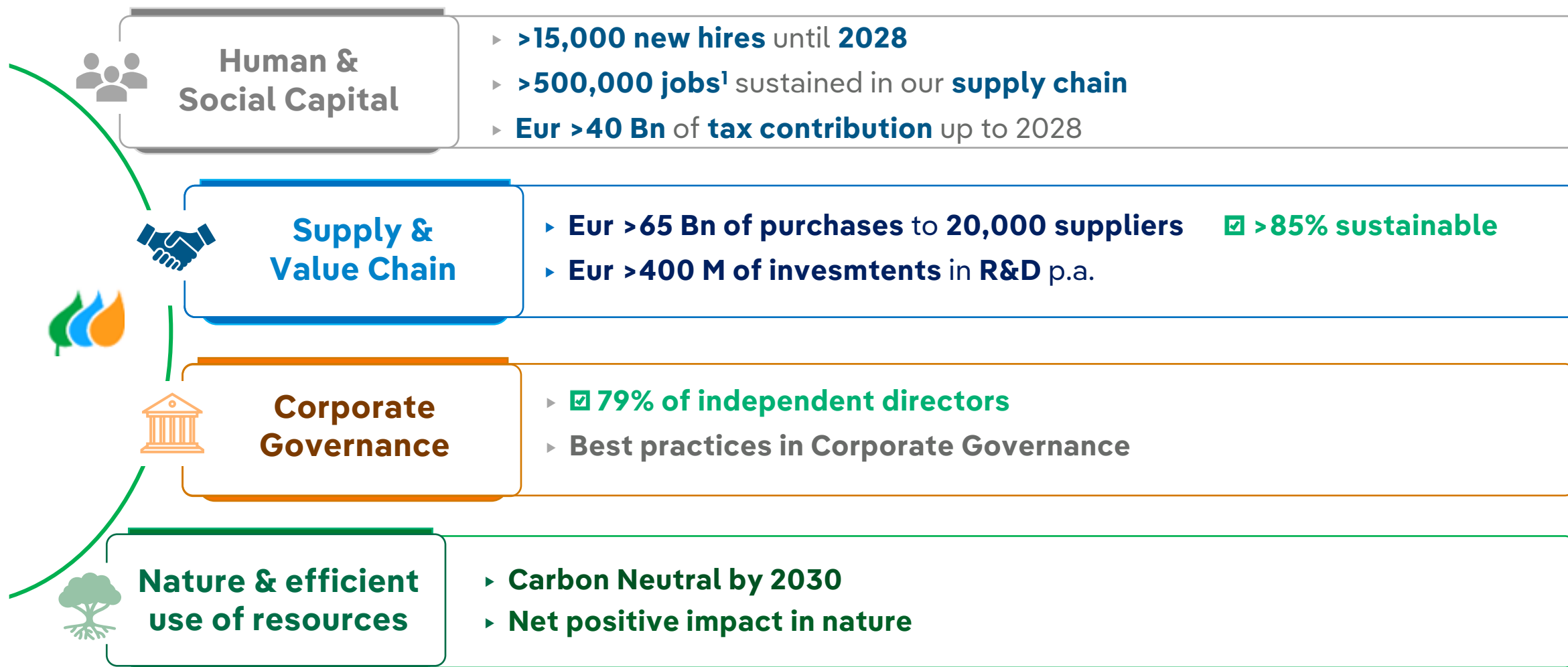


**...preserving financial position at comfortable levels within our BBB+ /Baa1 Rating thanks to cash flow generation, asset rotation and equity raise executed**

Sources	
Operating cash flow	<ul style="list-style-type: none"><li>✓ <i>Rate Cases agreed or in advanced negotiations</i></li><li>✓ <i>All renewable projects under construction with PPAs or CfDs</i></li></ul>
Capital increase	<ul style="list-style-type: none"><li>✓ <i>Already executed</i></li></ul> 
Asset Rotation and partnerships	<ul style="list-style-type: none"><li>✓ <i>75% done and 90% advanced</i></li></ul> 

**No need of additional equity at least until the end of the decade**

## Increasing our social dividend



1. Proprietary forecast based on PwC study "Economic, social and environmental impact of Iberdrola in the world" for 2024



# Outlook 2031

**Maintaining at least our mid to high single-digit growth profile...**

**Investments  
above Eur 15 Bn p.a.**

**Eur 10 Bn in Networks**

- ✓ *2/3 in Distribution*
- ✓ *1/3 in Transmission*

**Increasing  
Regulated profile**

**Focus on Networks &  
Power** with PPAs/CfDs

**New opportunities**

**Acceleration of  
Electrification**

**Networks:  
RAB >90 Eur Bn**

**Financial strength:  
BBB+ rating**



**Dividend  
Growth**

**Focus on A-rated  
countries: UK/US**

**...preserving our commitment with financial strength and dividend**



Business Environment

**Pedro Azagra**

CEO

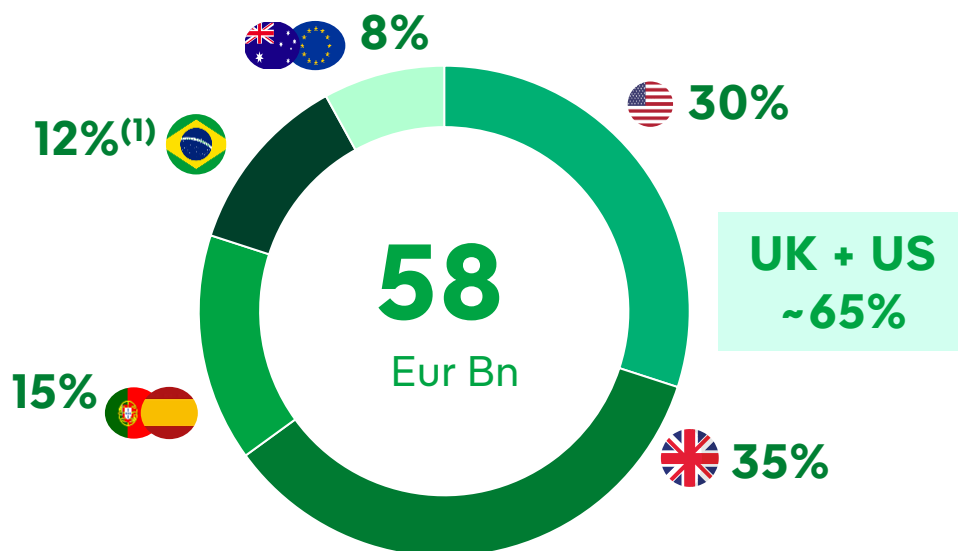


# Investment plan highlights

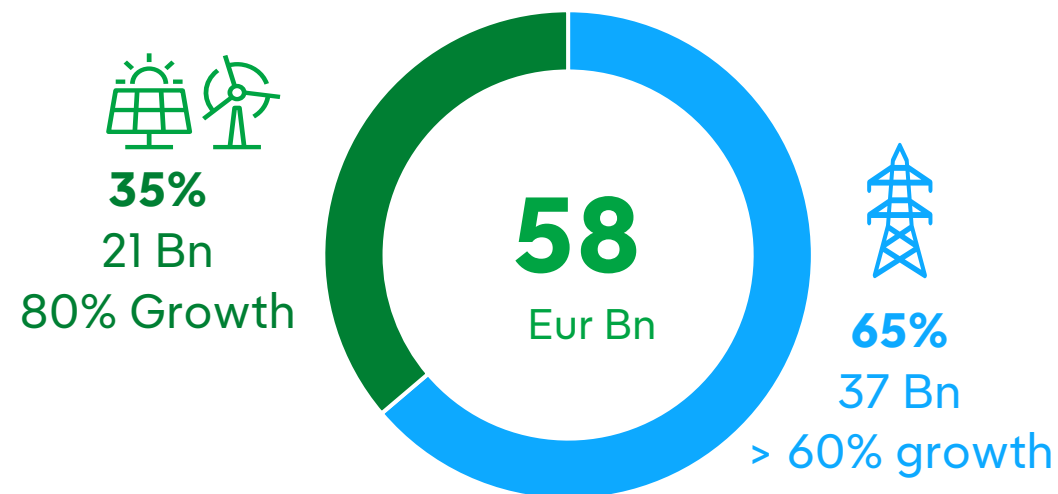


**Eur 58 Bn investments in 2025-2028, 85% the investment profile in A-rated countries**

## Gross Investments by Country 2025-28



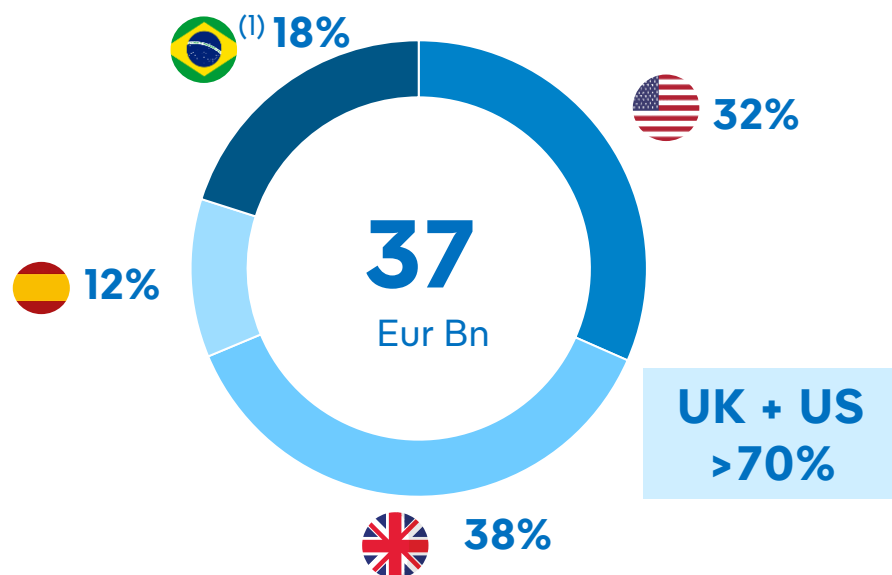
## Gross Investments by Business 2025-28



**Strong focus on Networks (2/3 of total investments) and selective in Renewable Power & Customers**

Investing Eur 37 Bn in Networks in our current markets, +50% increase vs previous 4 years...

## Gross Investments by Country 2025-28



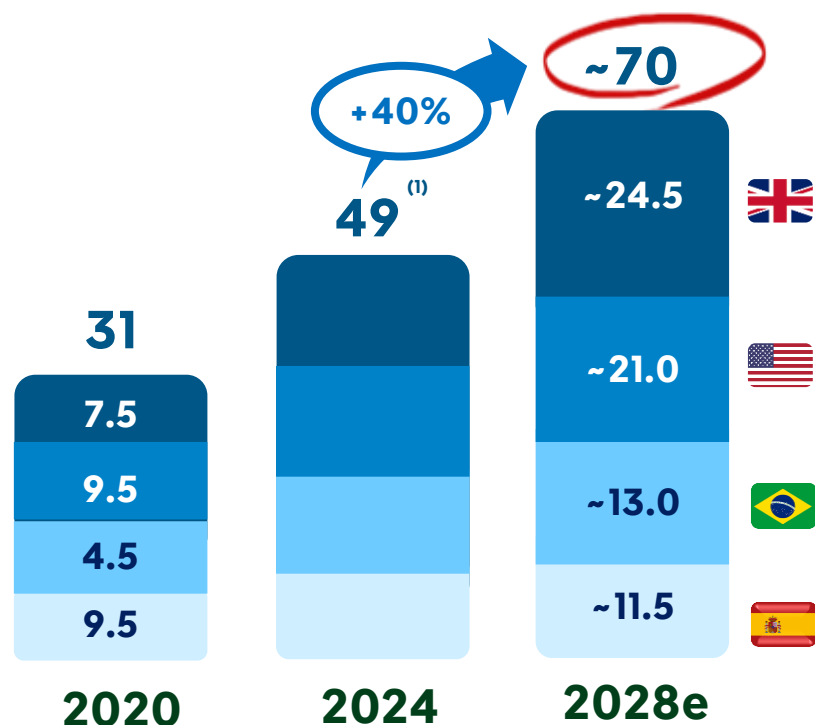
**9.5%**

Weighted Average Nominal  
Return of Equity on Regulated  
Networks Investments

... with predictable frameworks driving an attractive 9.5% weighted average nominal ROE

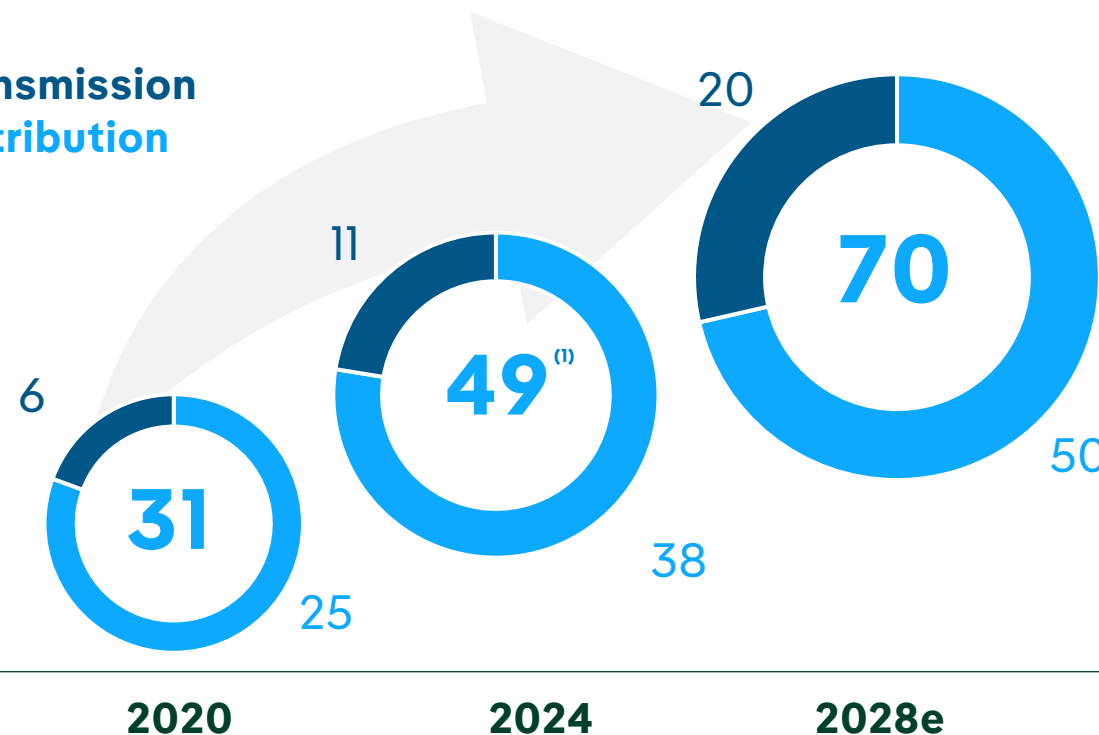
>40% RAB growth in just 4 years to reach Eur 70 Bn RAB by 2028...

RAB by Country (Eur Bn)



RAB by activity (Eur Bn)

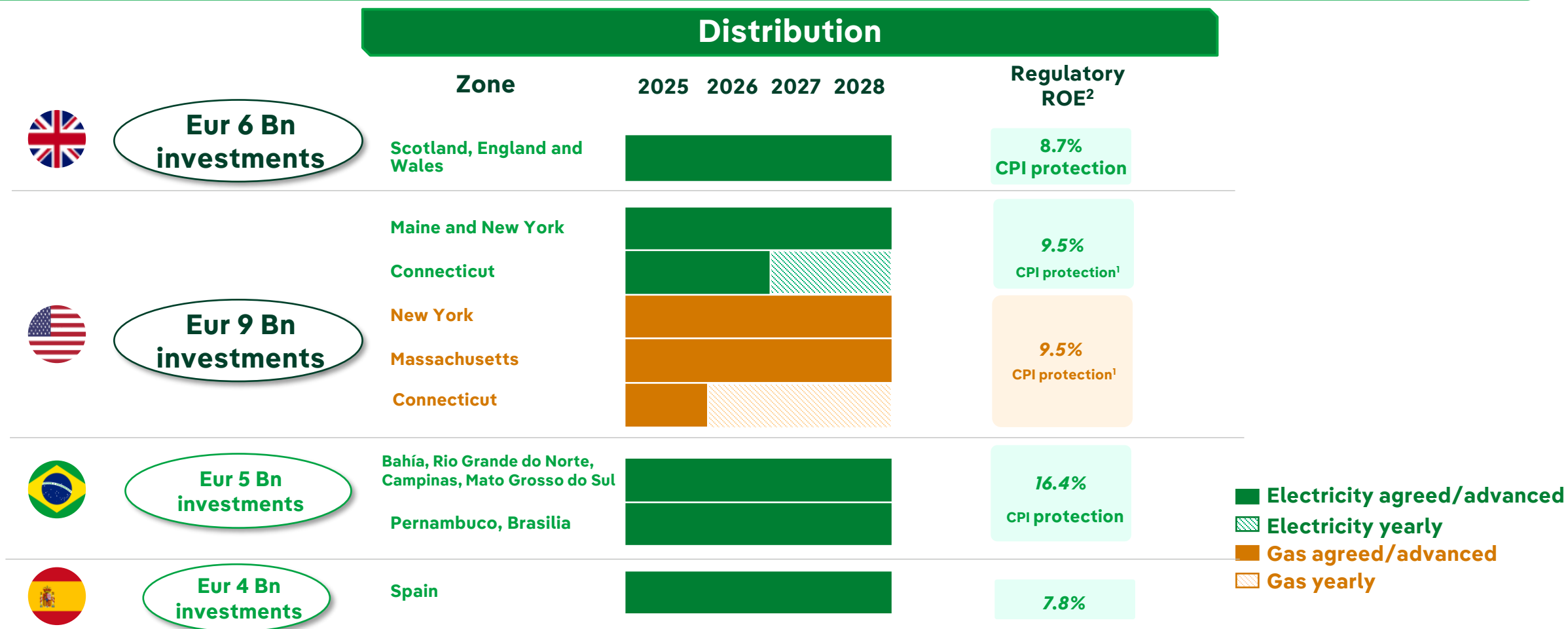
Transmission Distribution



...with more than 65% in the US and the UK



# Stable Regulatory Frameworks: Distribution

**90% of the investments in distribution up to 2027, and 80% by 2028, with agreed or close to be agreed frameworks**



# Stable Regulatory Frameworks: Transmission

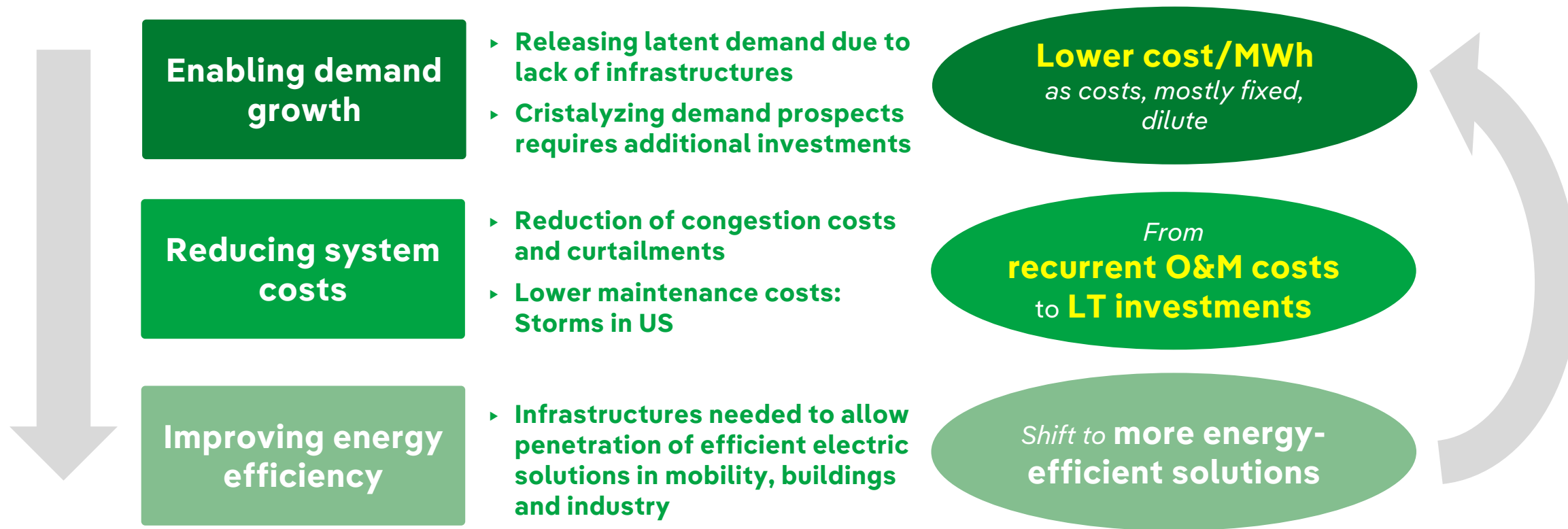
Almost 100% of rate-regulated transmission with agreed or close to be agreed frameworks up to 2028...

Transmission							
		Zone	2025	2026	2027	2028	Regulatory ROE <sup>1</sup>
	Eur 8 Bn investments	Scotland					7.8%
	Eur 3 Bn investments	Maine, Connecticut and New York					10.6%

■ Electricity agreed/advanced

...with additional Eur 1 Bn in ongoing investments in contracted transmission during the period 2025-28 in Brasil and USA (Eur 1.5 Bn total in NECEC)

## Network investments, driving affordability and competitiveness: Enabling demand growth, reducing system costs and improving energy efficiency...









...creating a virtuous circle

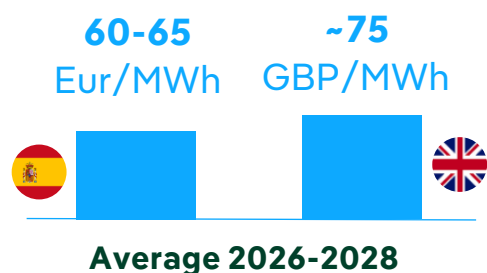
# Renewable Power & Customers: Assumptions

## Demand growth assumptions

2024-2028

Country	 Distribution	 Retail
	+2.1%	+2%
	+2.4%	flat
	+3.4%	+2.3%
	+2.1%	+3.0%
		flat

## Power price assumptions



## Drivers and key assumptions



**Completion of 2,725 MW of projects under construction**, of which 1,000 MW with COD in 2028

**Execution** of offshore projects under construction with **pipeline providing optionality**



**Considers only commissioning of projects under construction** (2,300 MW)



**No additional projects considered in the short-term**



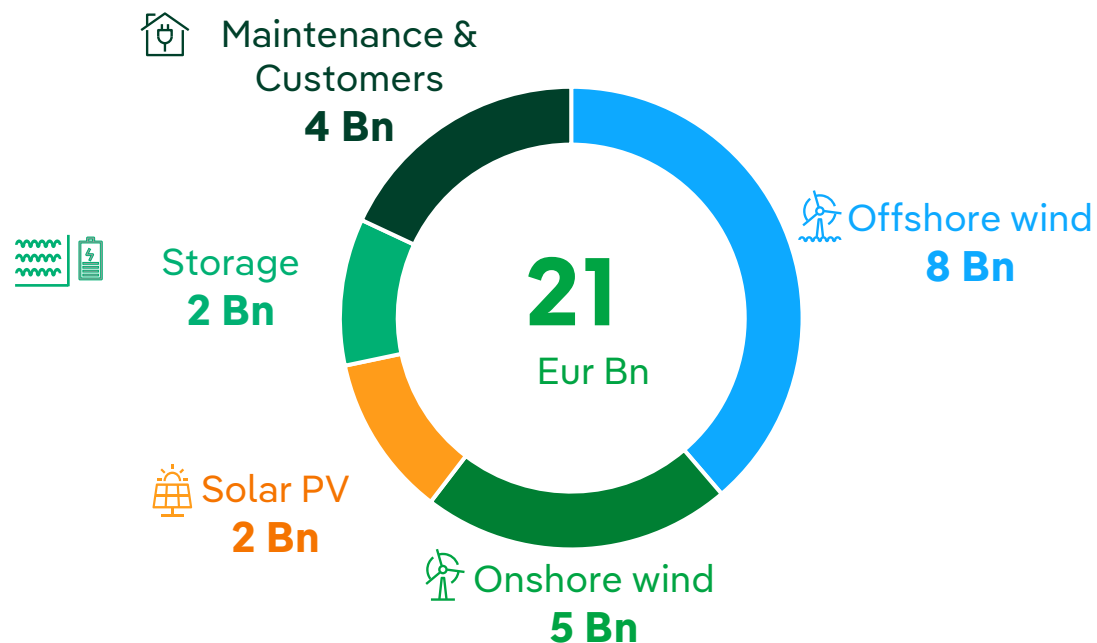
**Nuclear phase-out** according to **signed protocol** (impact in 550 MW on 2028)<sup>1</sup>



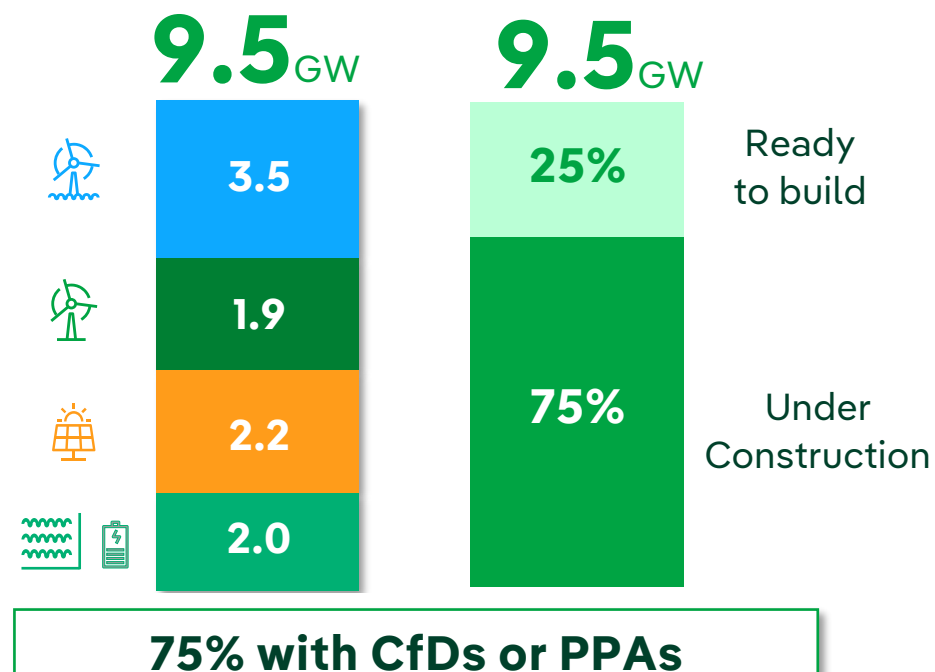
**Focus on core markets:** 100% investments in **Australia** and **EU Countries**

Investments of Eur 21 Bn in 2025-28 (Eur 15 Bn in 2026-28),  
focusing on high-rated countries...

## Gross Investments 2025-28 (Eur Bn) <sup>(1)</sup>



## New Installed Capacity 2025-28 (GW) <sup>(1)</sup>







... reaching over 60 GW of installed capacity in 2028, 90% emissions free



# Renewable Power: Wind Offshore and Onshore

## Offshore Wind: 3.5 GW





Country	Project	MW	COD	Status	RtM
	Vineyard Wind	806	2025	✓	ITC, Utility PPA, Escalator
	EA3	1,397	2026	✓	CfD (CPI indexed) + Corporate PPA
	Windanker	315	2026	✓	Corporate PPA
	EA2	960	2028	✓	CfD (CPI indexed)

**100% under construction**

**Future offshore auction participation** will continue to be limited to regulated frameworks offering **adequate returns**, with risk minimized through **secured supply chains and route-to-market**

## Onshore Wind <sup>(1)</sup>: 1.9 GW

**90% under construction**

Country	Project	MW	COD	Status
	Finca San Juan		2025	✓
	Rep. Isabela		2025	✓
	Repo. Molar del Molinar		2025	✓
	Labraza	600	2026	✓
	Iglesias		2026	✓
	El Escudo		2026	✓
	Tamega		2026	✓
	Kilgallioch Ext		2025	✓
	Hagshaw Hill	320	2025	✓
	Arecleoch Ext		2026	✓
	Cumberhead West		2026	✓
	Pontotoc Wind		2025	✓
	Osagrove		2026	✓
	LJ2A Repower	760	2025	✓
	Juniper Canyon Rep		2026	✓
	Baffin Repower		2026	✓
	LJ2b Repower		2027	✓
	Gatza	23	2026	✓

**Total under construction 1.7 GW**






**Ready to Build**

# projects	Average Capacity	COD
4	40 MW	2027-28

# Renewable Power: PV and Storage

## Solar PV: 2.2 GW

72% under construction

Country	Project	MW	COD	Status
	FV Ciudad Rodrigo	570	2025	✓
	FV Ayora Cofrentes		2026	✓
	Tower	220	2026	✓
	Oregon Trail		2027	✓
	Limes		2025	✓
	Pr Fenix 1	350	2025	✓
	FV Montenero		2026	✓
	Tuscania		2026	✓
	Montelungo	65	2026	✓
	Schadewohl		2025	✓
	Broadsound	376	2026	✓

Total under construction 1.6 GW

Ready to Build

# projects 17  
Average Capacity 40 MW  
COD 2027-28

## Storage: 2.0 GW

25% under construction

Country	Project	MW	COD	Status
	Revilla-Vallejera BESS	150	2025	✓
	Campo Arañuelo I BESS		2025	✓
	Campo Arañuelo II BESS		2025	✓
	Andévalo BESS		2025	✓
	Olmedilla BESS		2025	✓
	Romeral BESS		2025	✓
	Harestanes BESS	50	2025	✓
	Smithfield BESS	250	2026	✓
	Broadsound BESS		2026	✓

Total under construction 0.5 GW

Ready to Build

# projects 9  
Average Capacity 170 MW  
COD 2027-28

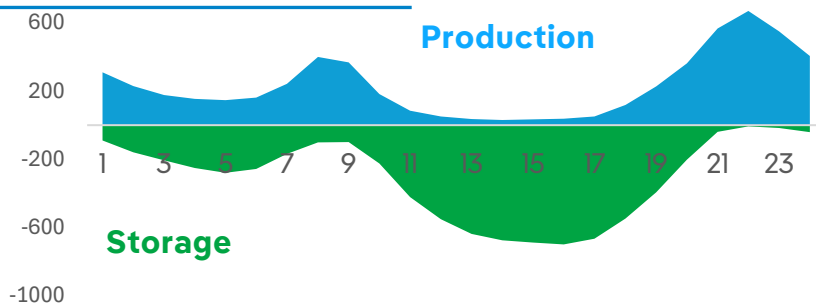
+3 GW hydro pumped storage in the pipeline

## Storage is key to balance high renewable penetration

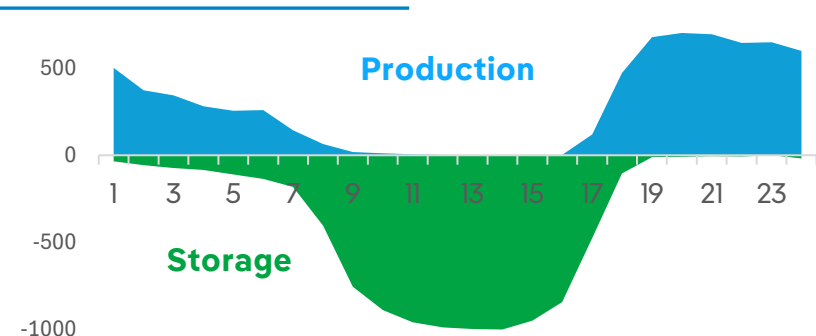
### Large renewable penetration increases opportunities for storage

#### Operational daily cycle of La Muela, Spain (Illustrative)

**2024 :**



**2030 :**



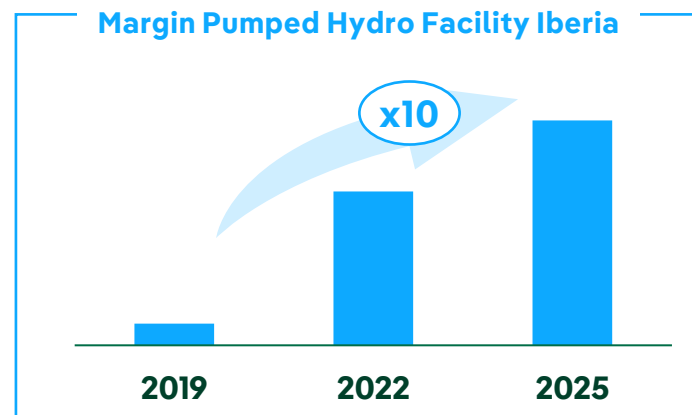
*...and seasonal opportunities expected*

### Investment opportunities



**Pumped Hydro:** Long duration storage, security of supply, no degradation, long asset life

⇒ **Develop additional projects in current dams in Iberia**

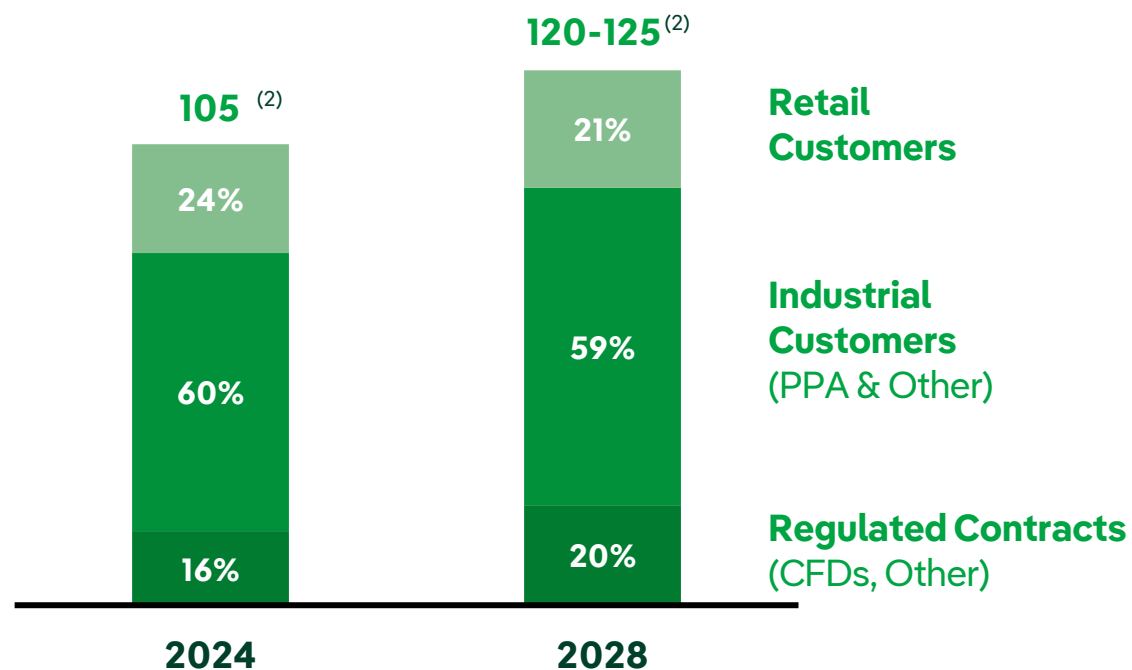


**Batteries:** Fast development, modularity, cost reduction, performance improvements

⇒ **Development in Australia** plus selective opportunities in other geographies

## Mid and long term secured contracted income in all regions through diversified route-to-market

### Route to market<sup>(1)</sup> (TWh)



**90% secured revenues in 2026 and 75% in 2028**

## Eur 2.5 Bn investments in Customers' capture and management to preserve our market share and secure route-to-market

### Electricity Retail

- ▶ **Above 11 M customers (~3 contracts per customer on average). Iberia (80%) and UK (20%)**
- ▶ Flat growth in 2025-2028
- ▶ Cost to Serve focus, Service Excellence and Digitalization

### Alliances with our strategic customers

- ▶ **More than 250 TWh** contracted to industrial customers worldwide up to 2030

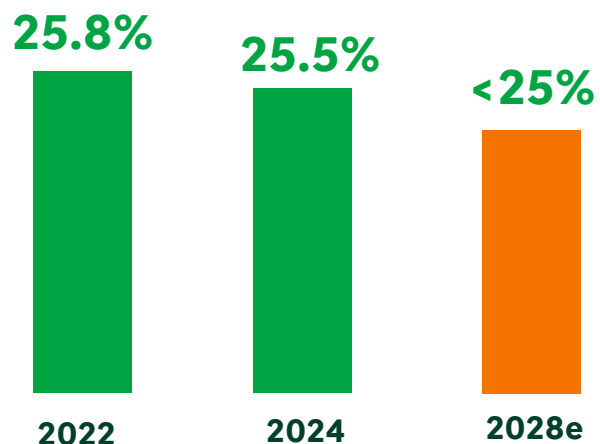


### Data Centers: leading the industry

- ▶ **> 11 TWh/year** already contracted in USA, UK, Spain, Germany with Tier 1 companies
- ▶ **>10 TWh Data Centers demand** in Iberia by 2030
  - ▶ **Strategic JV with Echelon**. Flagship project, South Madrid
  - ▶ **7 additional projects** in Spain with connections and land plots secured

## Eur 400 M Operating Efficiencies in 2025-28

### Net Operating Expenses to Gross Margin



#### Networks

**More Networks automation & resiliency** (*ADMS real time load balancing and outage response*)

**AI- powered customer service applications & communication** (*cutting call center loads*)

#### Generation

**Focus on repower and hybrid solutions** *to maximize value from existing assets*

**Streamlined procurement agreements with suppliers**

#### Customers

**Retail cost-to-serve improvement** (*new AI based technology platform*)

**Deeper insights into consumption patterns** (*bespoke customer solutions*)

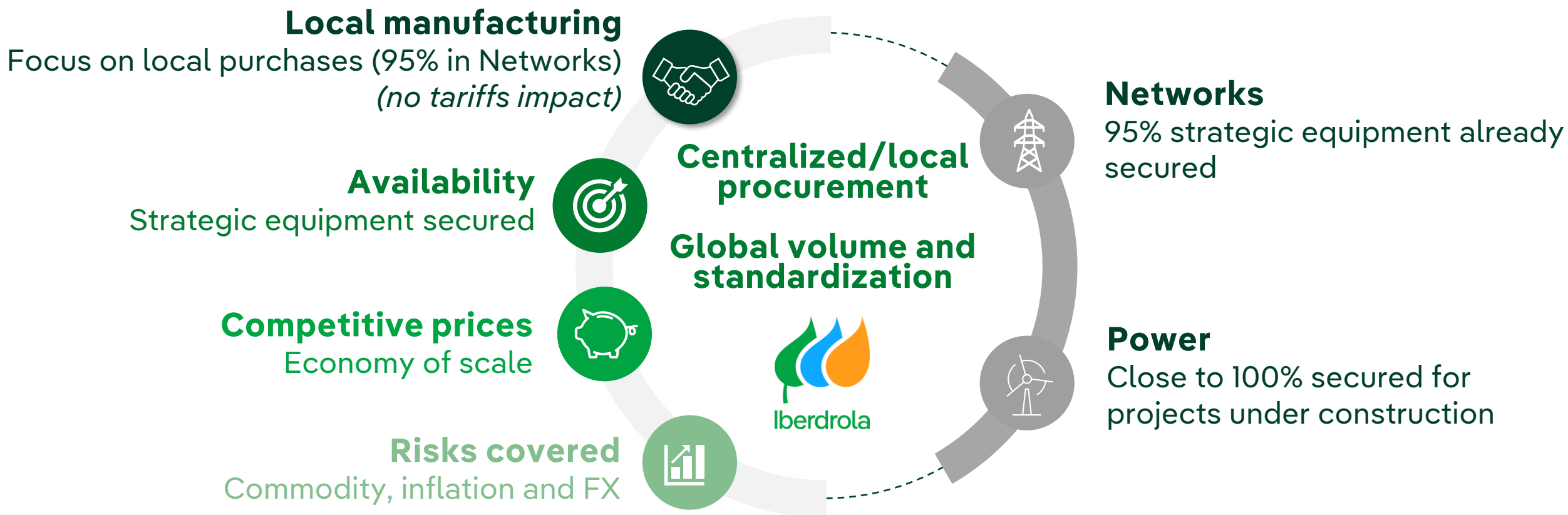
#### O&M

**Predictive maintenance based on Data Analytics and AI** (*optimizing availabilities*)

**Standardization of equipments and processes** (*lowering unit cost*)

**... drive Net Operating Expenses to Gross Margin ratio below 25%**

80% of strategic equipment secured in 2025-2028...



...providing availability, securing schedule, and minimizing price volatility



# Key geographies





2024



Eur **15** Bn RAB

- 10 Bn **Distribution**
- 5 Bn **Transmission**



**3,000** MW  
installed capacity



**2.6** M retail  
customers<sup>(1)</sup>

Capex 2025-28

Eur 20 Bn

**14 Bn Networks**

- 6 Bn **Distribution**
- 8 Bn **Transmission**

**6 Bn Power & Custs.**

- 80% **Offshore**
- 10% **Onshore**
- 10% **Customers**

2028 Outlook



Eur **24.5** Bn RAB

- 14.5 Bn **Distribution**
- 10 Bn **Transmission**



**5,000** MW  
installed capacity<sup>2</sup>



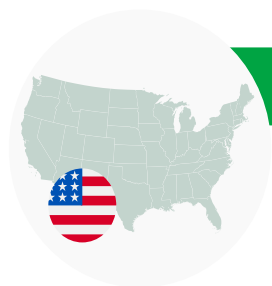
**2.7** M retail  
customers

vs.  
2024

+9.5  
Bn

+2  
GW

-



2024



Eur **14** Bn RAB

- 11.5 Bn **Distribution**
- 2.5 Bn **Transmission**



**10,500** MW  
installed capacity

Capex 2025-28

Eur **16** Bn

**12 Bn Networks**

- 9 Bn **Distribution**
- 3 Bn **Transmission**

**4 Bn Power & Custs.**

- 45% **Offshore**
- 45% **Onshore**
- 10% **Solar PV**

2028 Outlook



Eur **21** Bn RAB

- 15 Bn **Distribution**
- 6 Bn **Transmission**



**12,000** MW  
installed capacity

VS.  
2024

**+7 Bn**

**+1.5  
GW**

**Achieving the regulatory ROEs across all companies since 2024<sup>1</sup>**



2024



**Eur 11 Bn RAB**

- 7 Bn **Distribution**
- 4 Bn **Transmission**



**4,400 MW**  
installed capacity

Capex 2025-28

**Eur 5 Bn**

**5 Bn Networks**

- 4.5 Bn **Distribution**
- 0.5 Bn **Transmission**

**Additional**

**Eur 2 Bn**

Neoenergia  
minorities purchase

2028 Outlook



**Eur 13 Bn RAB**

- 9 Bn **Distribution**
- 4 Bn **Transmission**



**4,400 MW**  
installed capacity

VS.  
2024

**+2 Bn**

**- GW**



2024



Eur **9** Bn RAB



**31,800** MW  
installed capacity



**+7.8M** retail  
customers

Capex 2025-28

Eur 9 Bn

4 Bn Networks

5 Bn Power & Custs.

- 60% **Renew. Power**
- 40% **Customers**

2028 Outlook



Eur **11.5** Bn RAB

VS.  
2024

**+2.5**  
Bn



**32,300** MW  
installed capacity<sup>1</sup>

**+0.5**  
GW



**+7.8M** retail  
customers

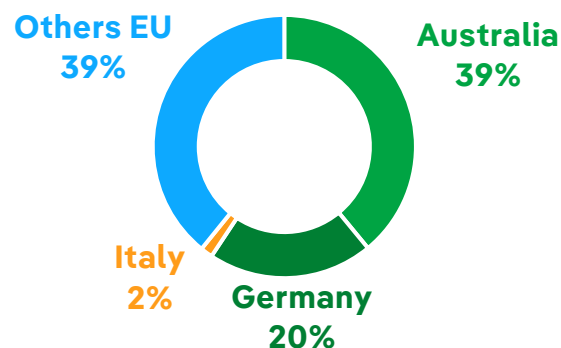
-



2024



**4,300** MW  
installed capacity



Capex 2025-28

**Eur 5 Bn**

**5 Bn Power**

- 30% **Offshore**
- 25% **Storage**
- 25% **Solar PV**
- 20% **Onshore**

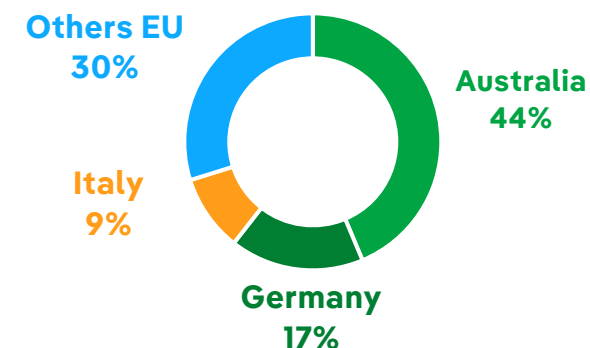
2028 Outlook



**7,100** MW  
installed capacity

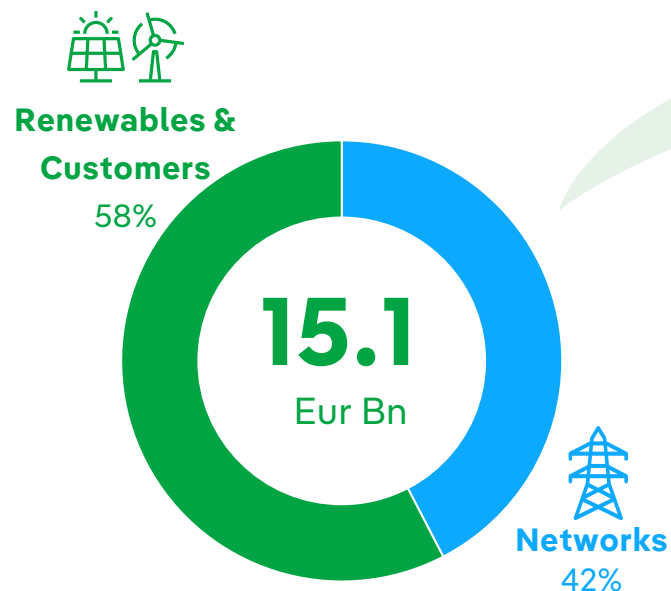
vs.  
2024

**+2.8  
GW**

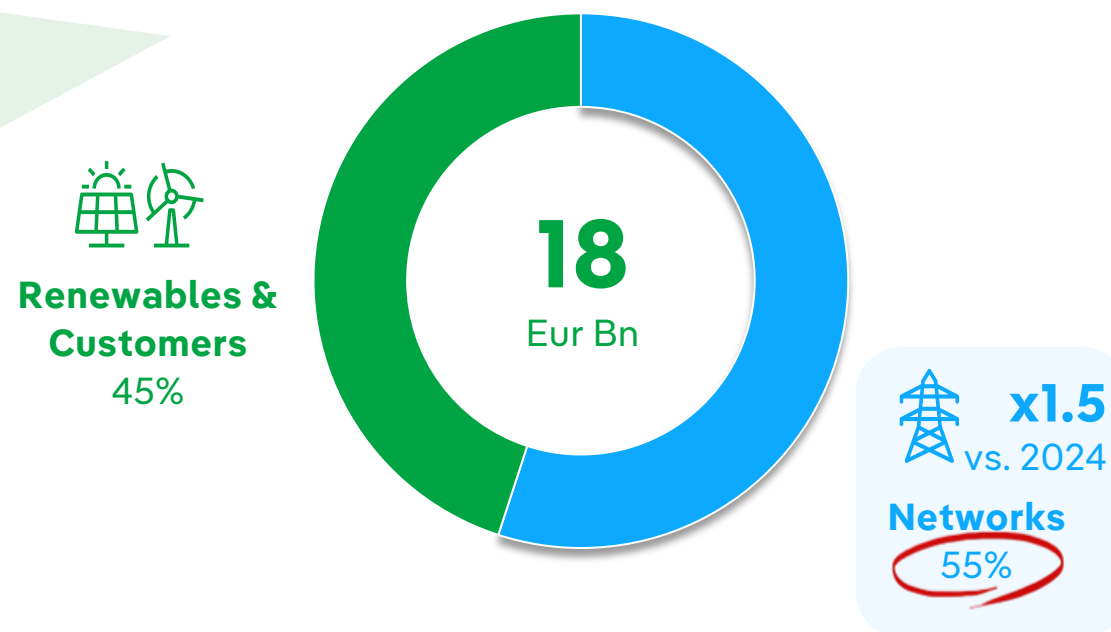


## EBITDA expected to grow to Eur 18 Bn...

EBITDA 2024<sup>1</sup> (Eur Bn)



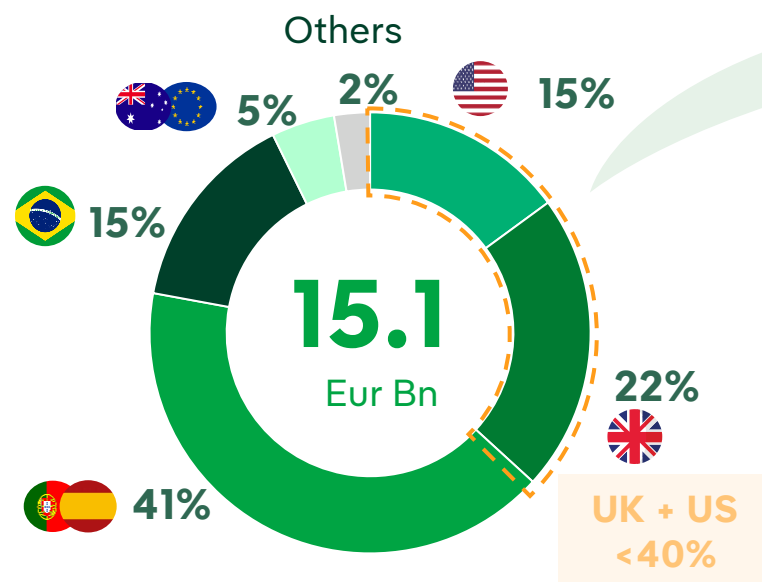
EBITDA 2028 (Eur Bn)



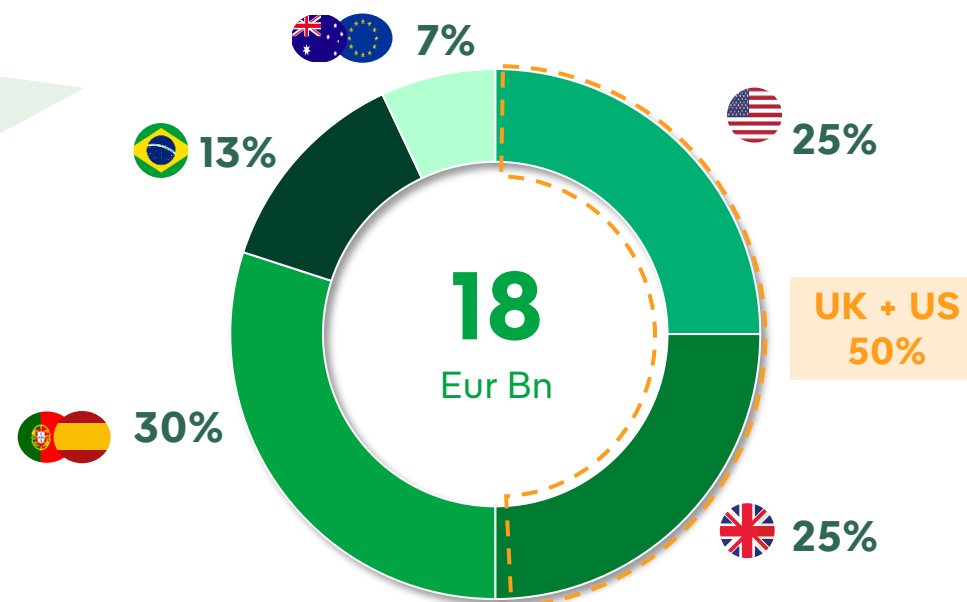
... driven by Networks

EBITDA expected to grow to Eur 18 Bn...

EBITDA 2024<sup>1</sup> (Eur Bn)



EBITDA 2028 (Eur Bn)



... driven by growth in the US and UK



Financial Management

**José Sainz Armada**

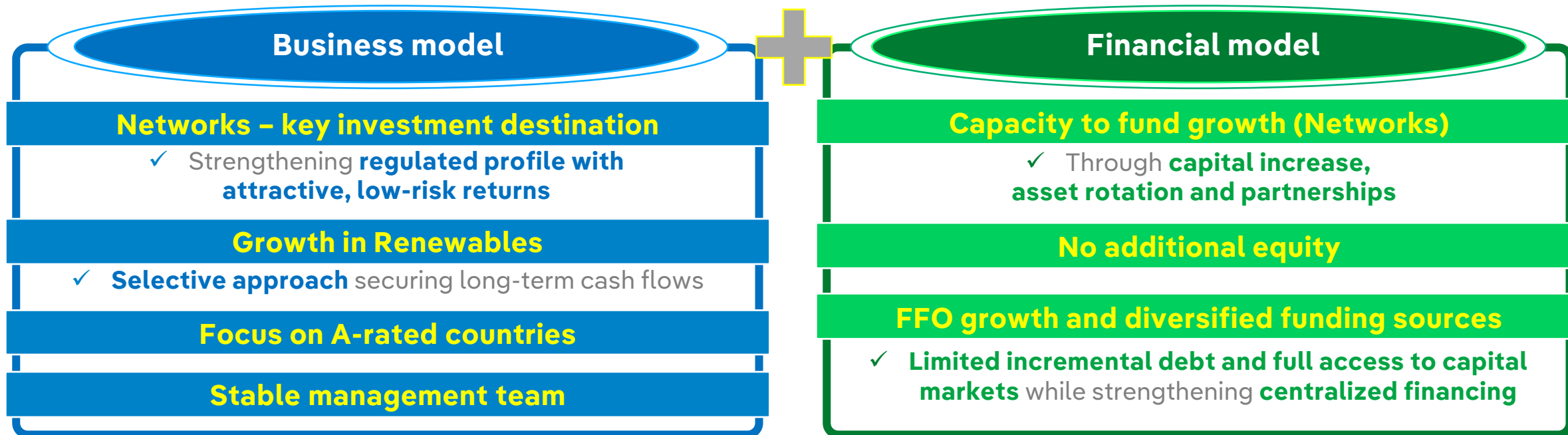
Chief Financial Officer





# Value creation

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



**IBE 10-yr TSR<sup>1</sup> >350%  
exceeding market  
performance**

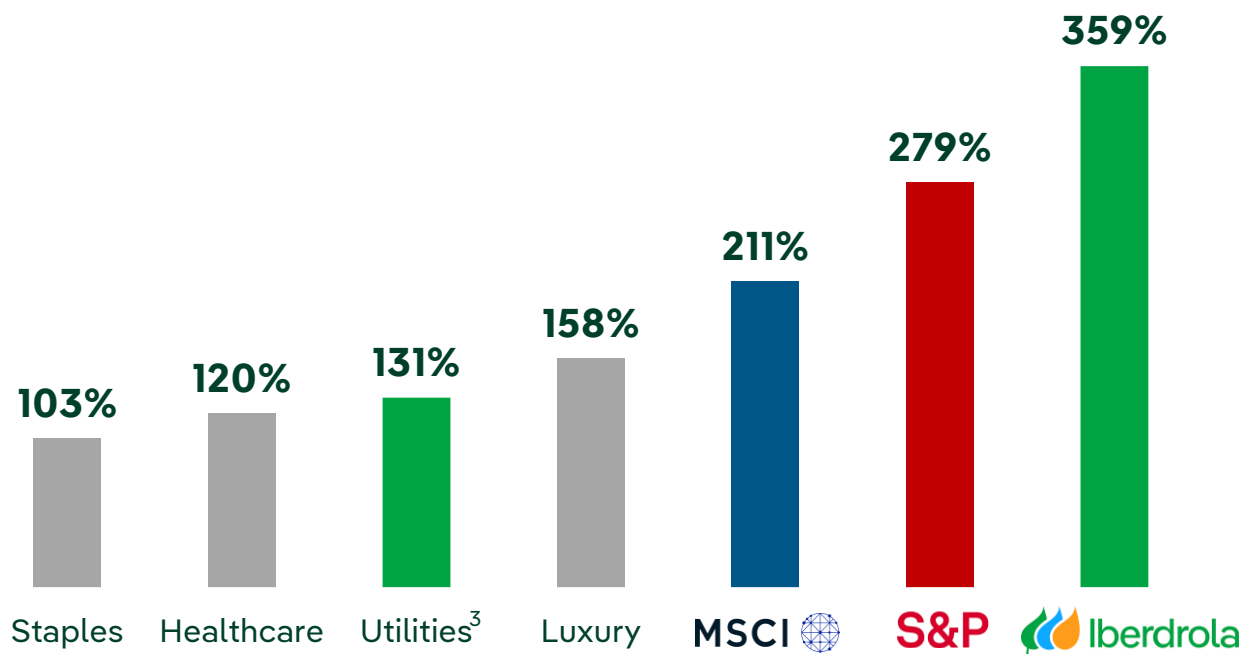
**Iberdrola trades at a lower  
P/E ratio than global sector  
peers and indexes**

**IBE 10-yr Net Profit growth  
beating the market  
with lower volatility**

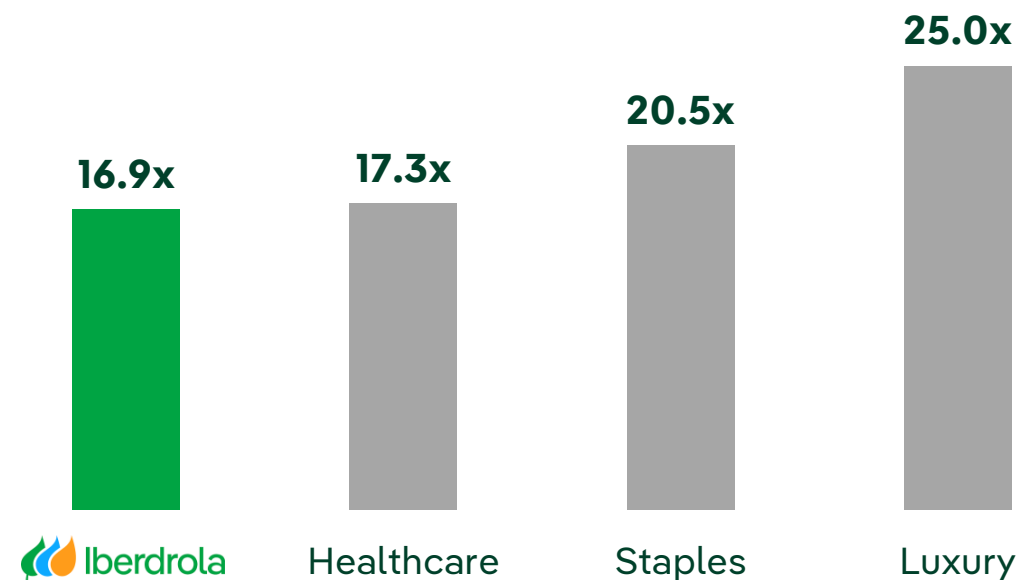
# Iberdrola's Total Return and Valuation vs Global Sectors

**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<sup>1</sup> vs. Iberdrola



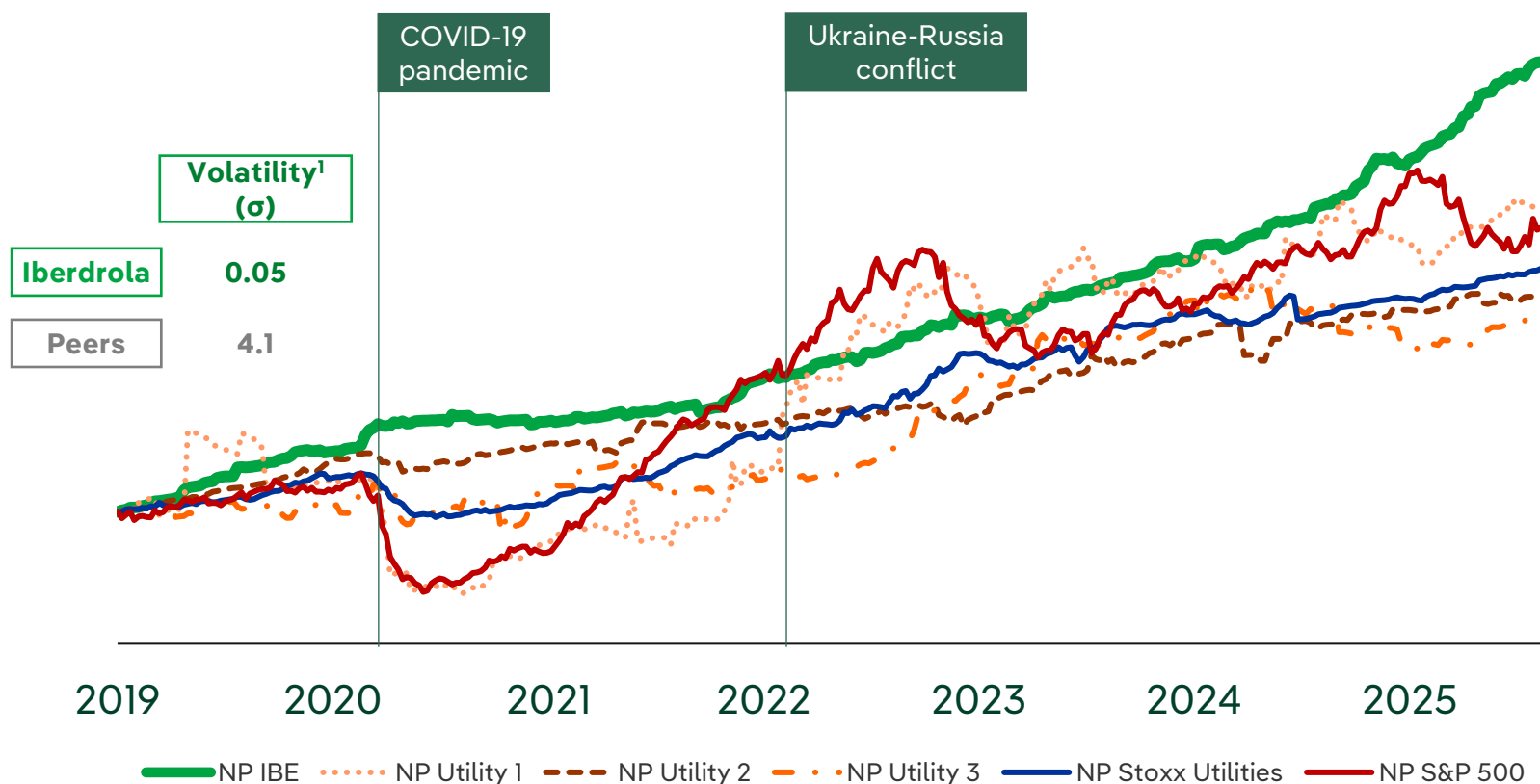
## P/E<sup>2</sup> ratio by Sector vs Iberdrola






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

# Iberdrola's Net Profit & DPS evolution & volatility

**IBE Net Profit growth beating the market with lower volatility<sup>1</sup> even during uncertain times ...**



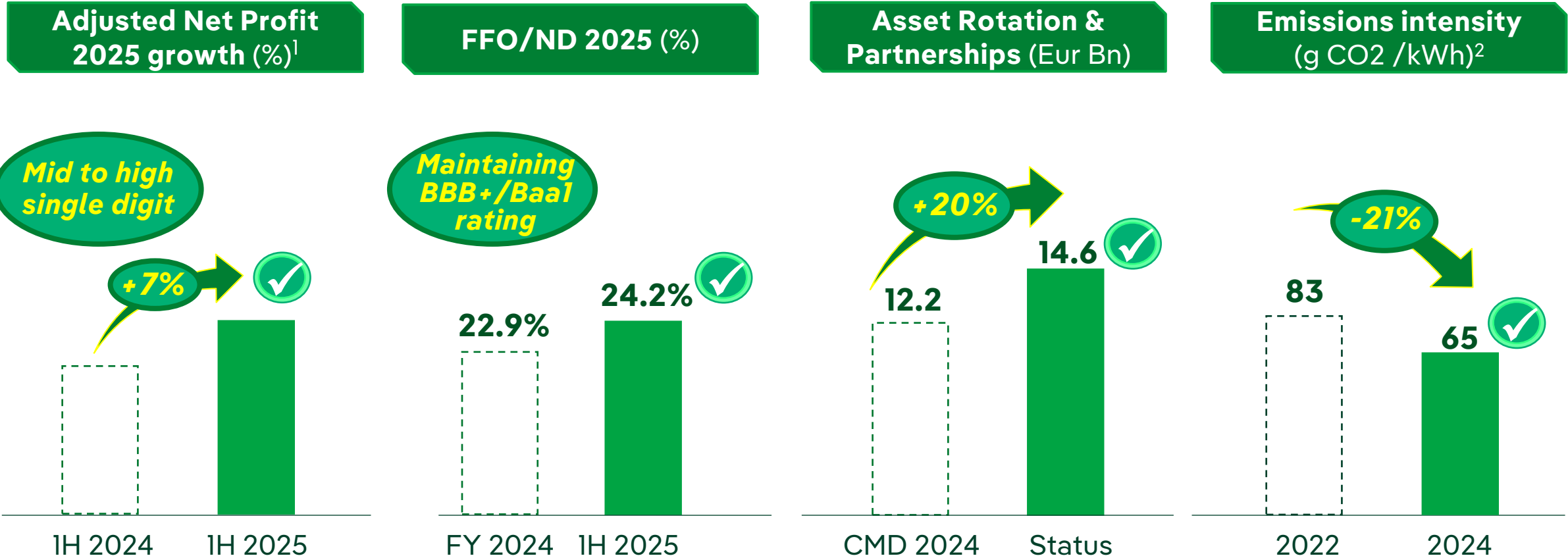
10-yr CAGR			
			SX6P Util
<b>Net Profit</b>	<b>9%</b>	<b>7%</b>	<b>5%</b>
<b>EPS</b>	<b>9%</b>	<b>7%</b>	<b>5%</b>
<b>DPS</b>	<b>9%</b>	<b>7%</b>	<b>3%</b>

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



# Delivery 2024-2026 Plan

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





# Plan 2025-2028

2025-2028 plan is almost fully funded

*Capital increase*

*Asset rotation & partnerships*

*Stable & predictable cash flow generation*

## Capital increase (Eur Bn)

5  
Status 2025

100% done

- No additional needs

## Asset rotation & partnerships (Eur Bn)

13.2  
Target  
2025-2028

9.8  
Status 2025

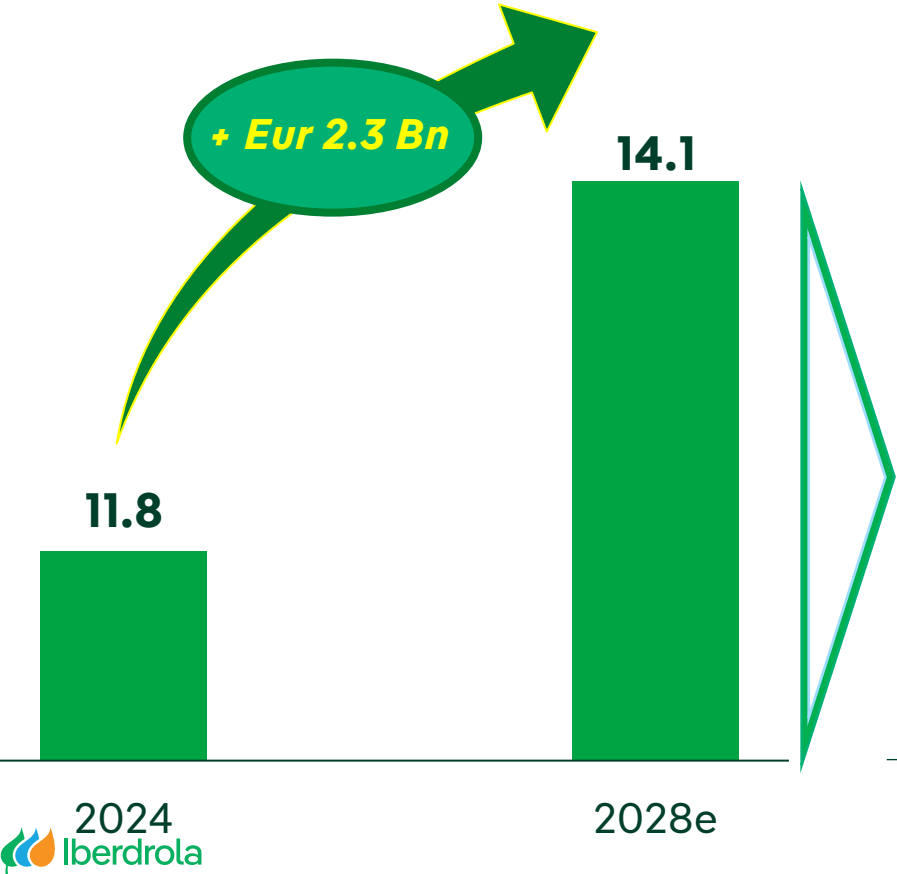
~75% done

- 90% advanced
- Attractive P/E multiples

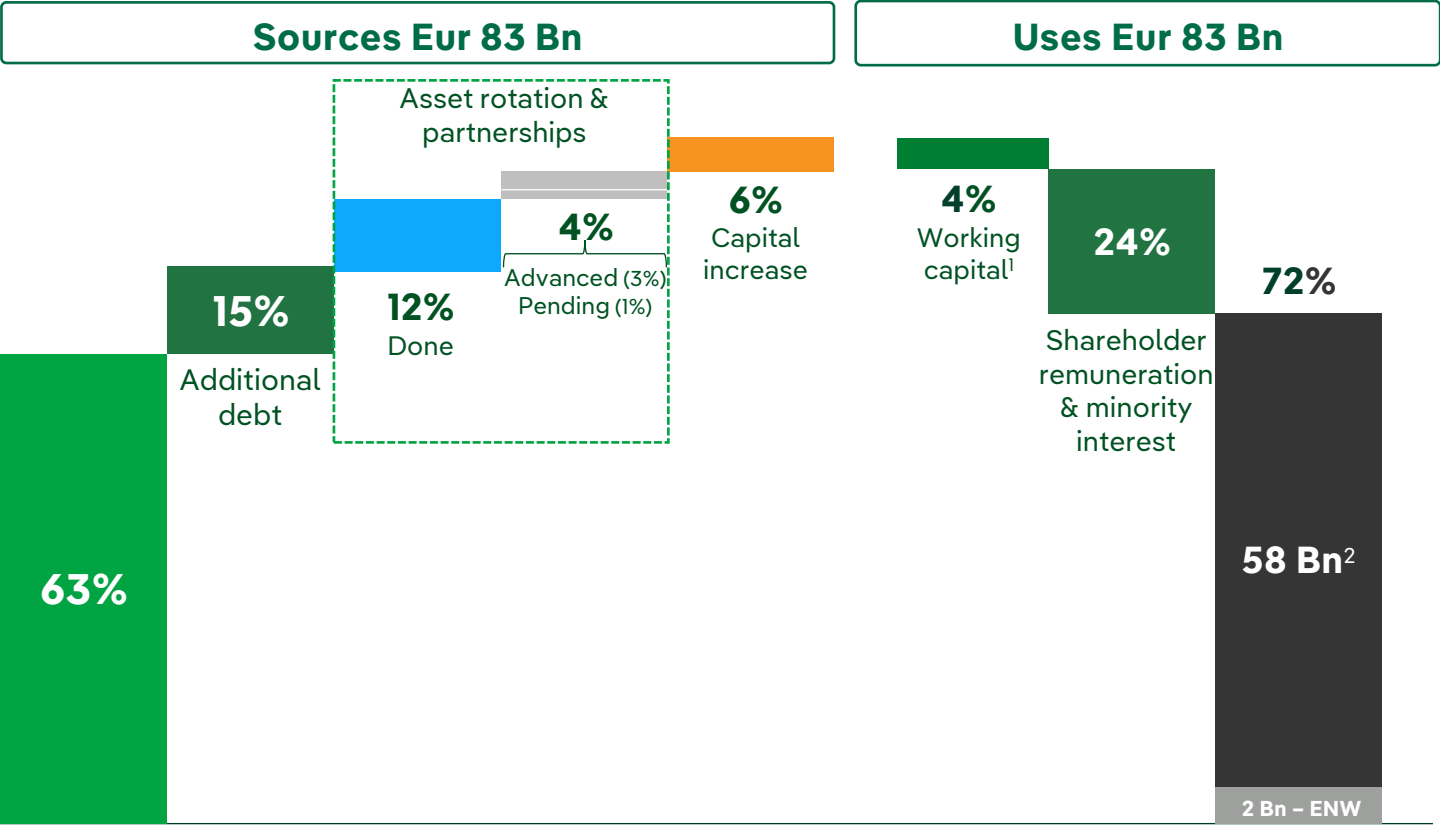


Additional debt limited to 15% of total funds

FFO 2024-2028 evolution (Eur Bn)



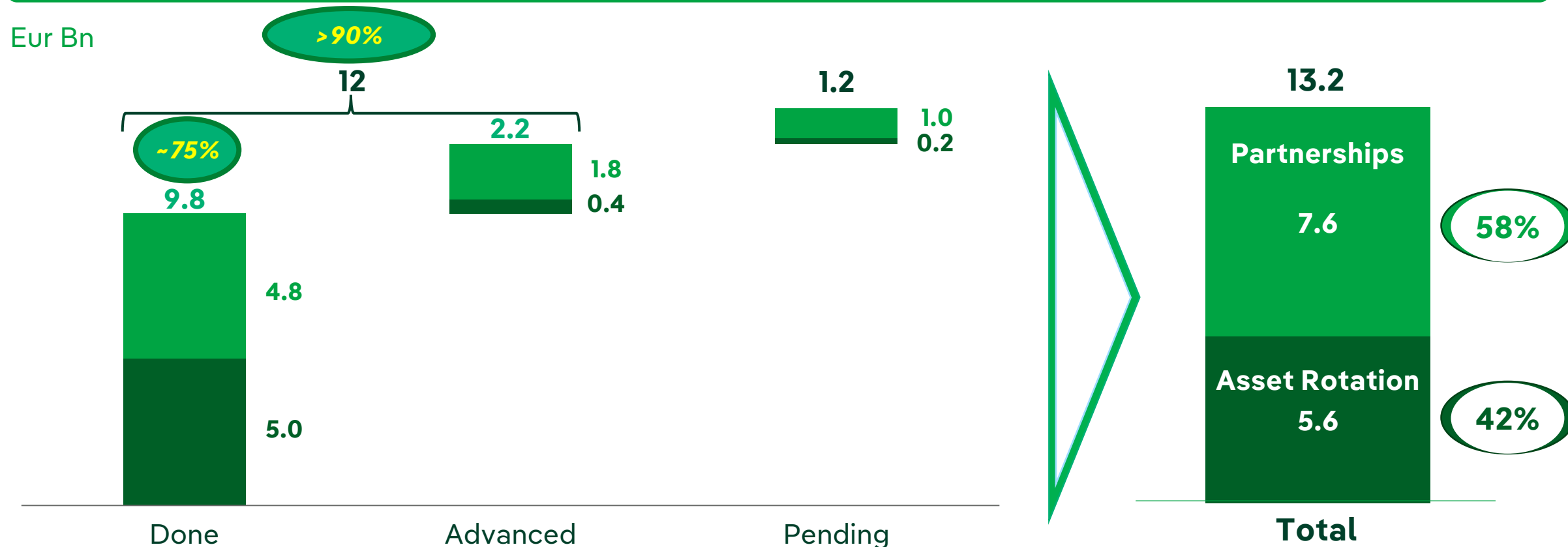
Sources & Uses 2025-2028 (%)



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

**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%)**

## 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

**Networks capex in more favourable regulatory environments secures ~9.5% ROE (>8% IRR)**  
**Selective Renewables investments IRR 7-12%**

## Networks

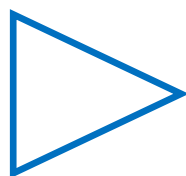


**EBITDA/Growth Capex >10%**  
**IRR >8%**

**Spread to WACC ~200 bps**

**Regulated Networks Return 2026-31e**

Average ROE  
nominal post-tax



**~9.5%**

## Power Renewables & Customers



**IRR 7-12%**

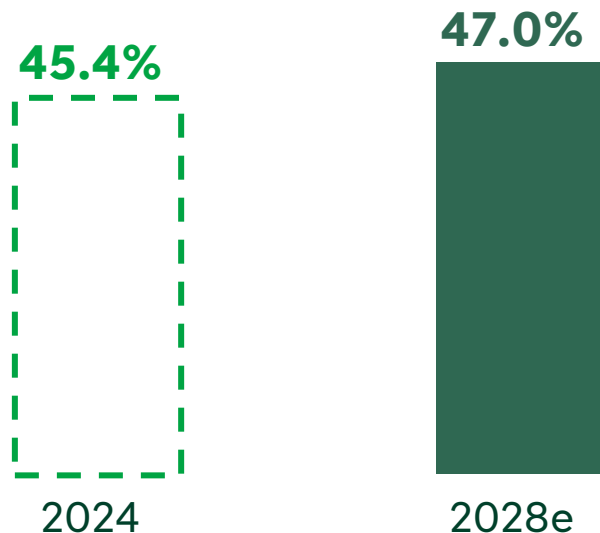
**Spread to WACC >200 bps**



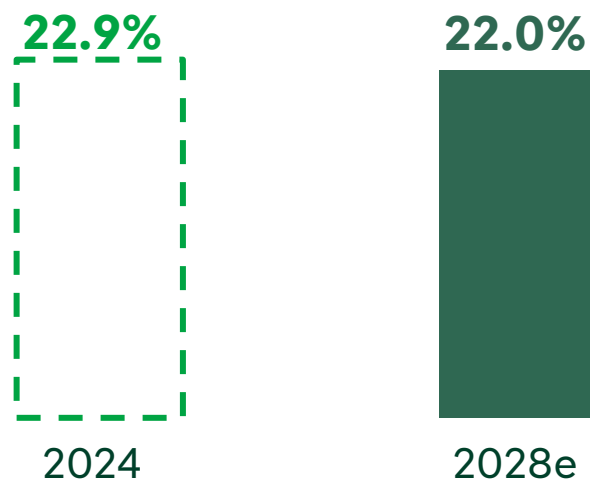
**Group investments spread to WACC >200 bps with a lower risk profile and lower WACC**

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

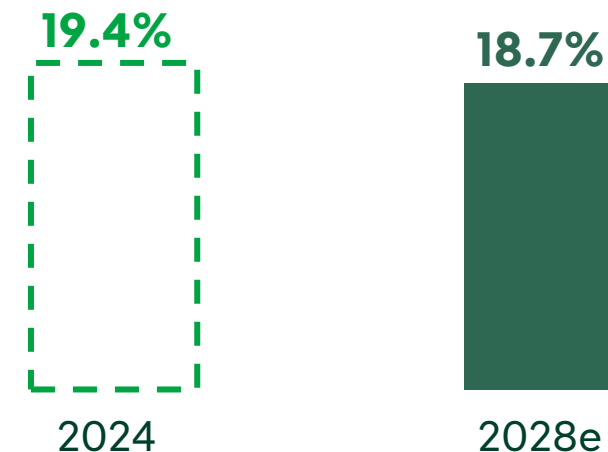
**Leverage (%)**



**FFO / Net Debt (%)**



**RCF / Net Debt (%)**

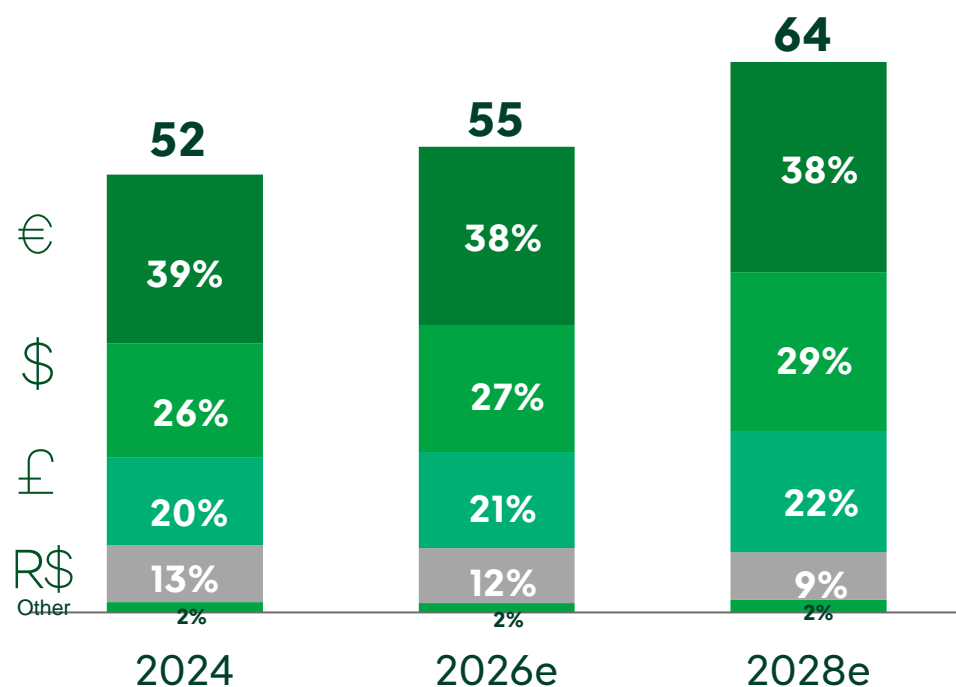


**Exposure to A-rated countries and a 'regulated + long-term contracted' business profile, after Networks capex acceleration**

# Net debt evolution & structure

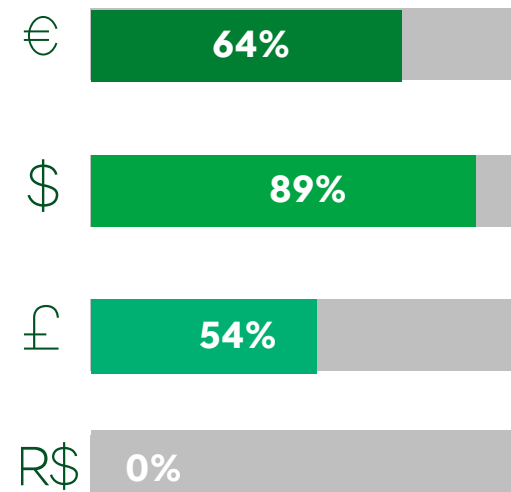
**Maintaining a prudent financial structure: 73% of debt at fixed rate, above 68% of fixed EBITDA ...**

## Net Debt evolution 2024-2028 (Eur Bn)

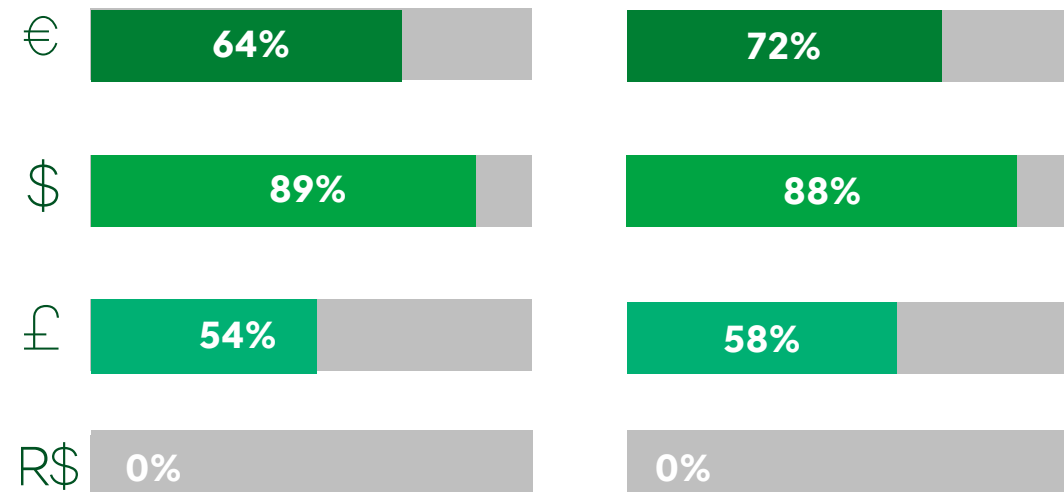


## Debt vs. EBITDA structure 2024-2028 (%)

### Fixed vs. variable EBITDA



### Fixed vs. variable Debt



Fixed EBITDA **68%**

Fixed interest rate **73%**

**... that will continue to increase to 75% EBITDA regulated & long term contracted<sup>2</sup>**

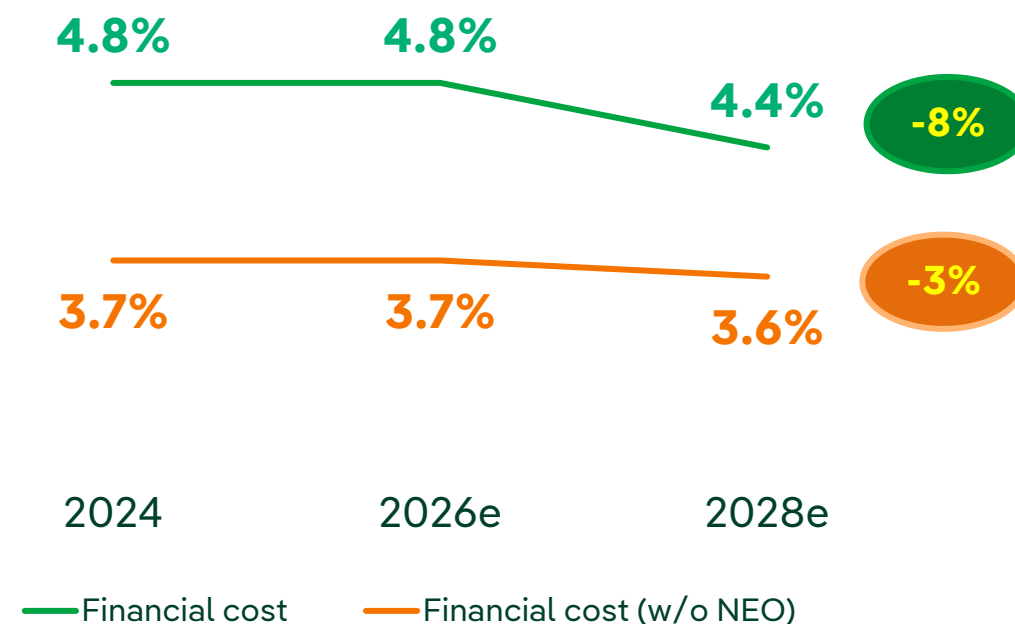
# Cost of Net Debt

**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
€	<b>2.7%</b>	<b>2.6%</b>
£	<b>3.9%</b>	<b>4.0%</b>
\$	<b>4.6%</b>	<b>4.9%</b>
R\$	<b>10.8%</b>	<b>10.7%</b>

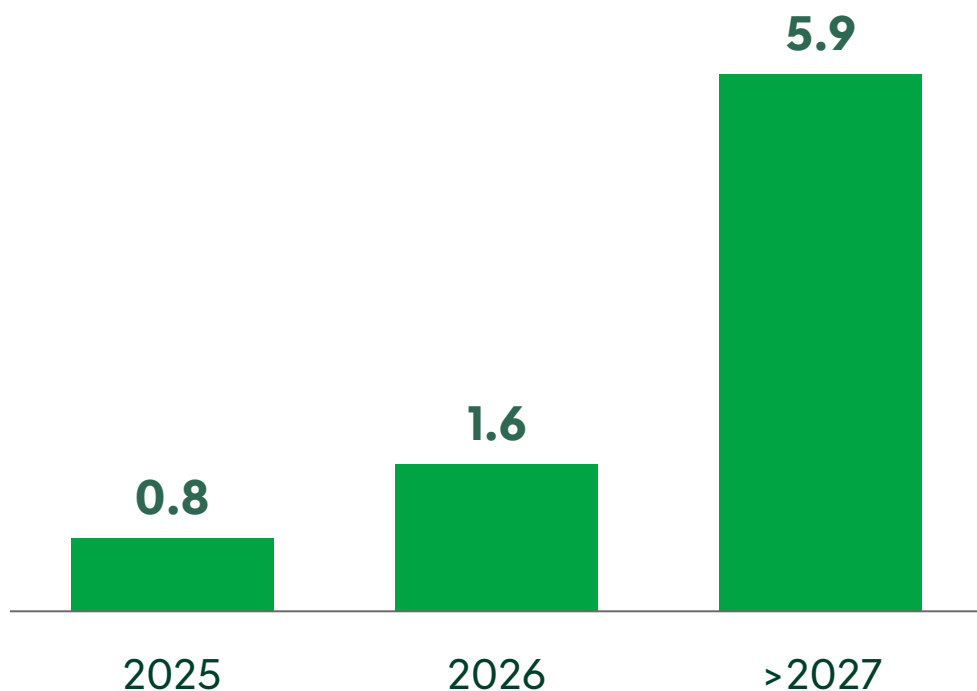
## Net financial cost (%)



**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**

**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

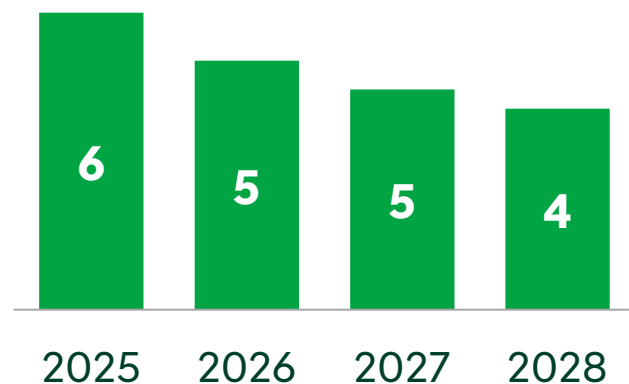
Hybrid strategy will remain supportive of current ratings



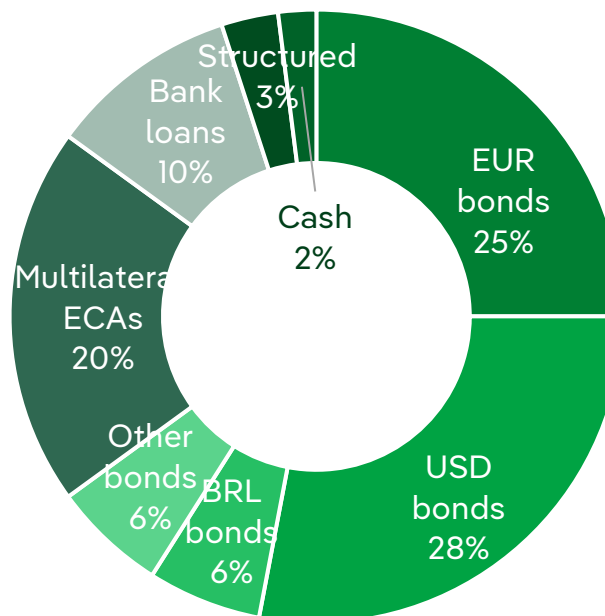
**Eur 32 Bn<sup>1</sup> of 2025-2028 needs covered according to our financial model,  
diversifying sources of financing**

## Debt maturities: Eur 20 Bn

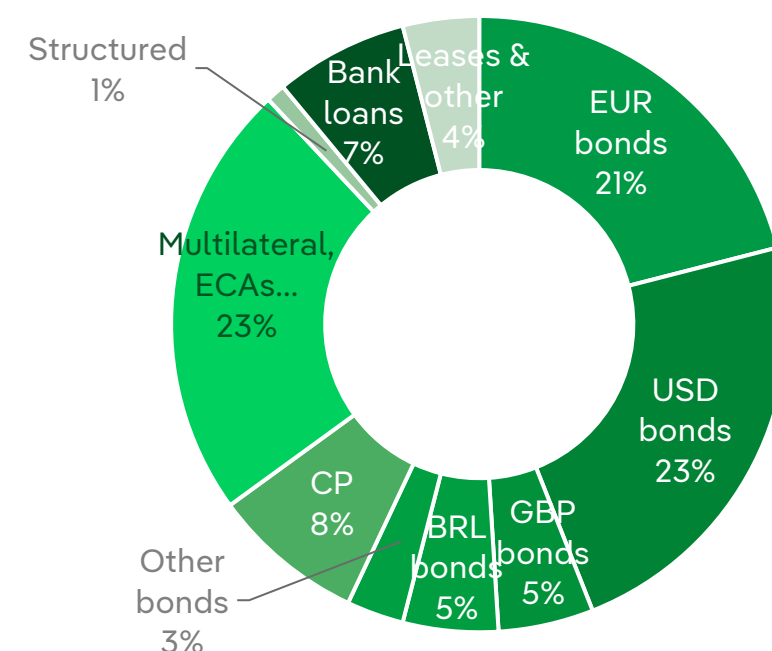
Eur Bn



## Coverage 2025-2028: Eur 32 Bn<sup>1</sup>



## 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%)**

## Strong liquidity complying with rating agencies' requirements

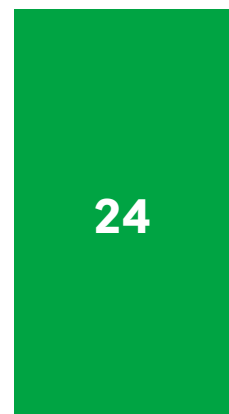
### Liquidity 2024-2028 (Eur Bn)

22  
months



2024

22  
months



2028e<sup>1</sup>



### Sources of liquidity

Active liquidity management, **optimizing cost**

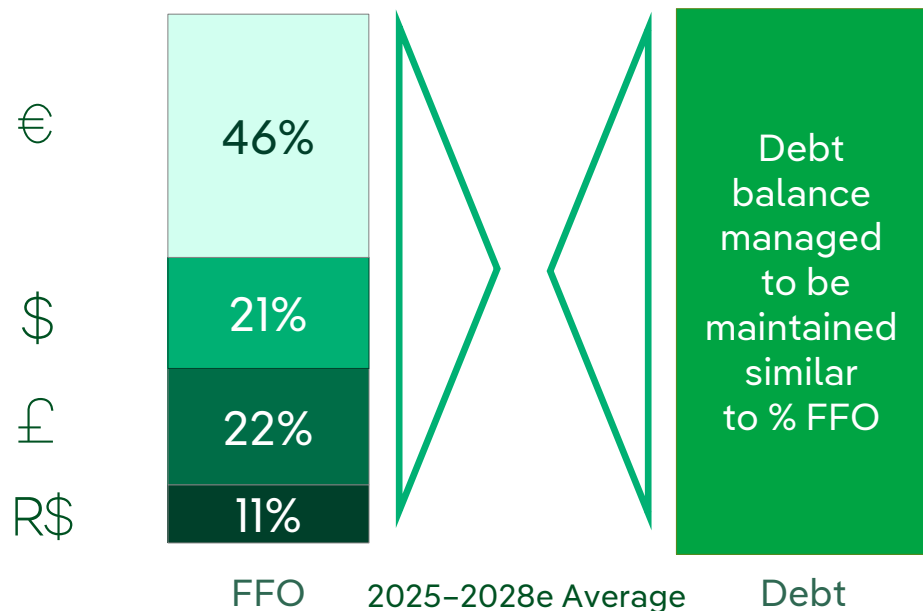
**Diversification of liquidity sources:** cash & equivalents, syndicated and bilateral credit lines and available financing (multilateral, development banks and export credit agencies)

**Sustainable Credit lines**  
**Green undrawn loans**

**Average debt maturity above 6 years**

## 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



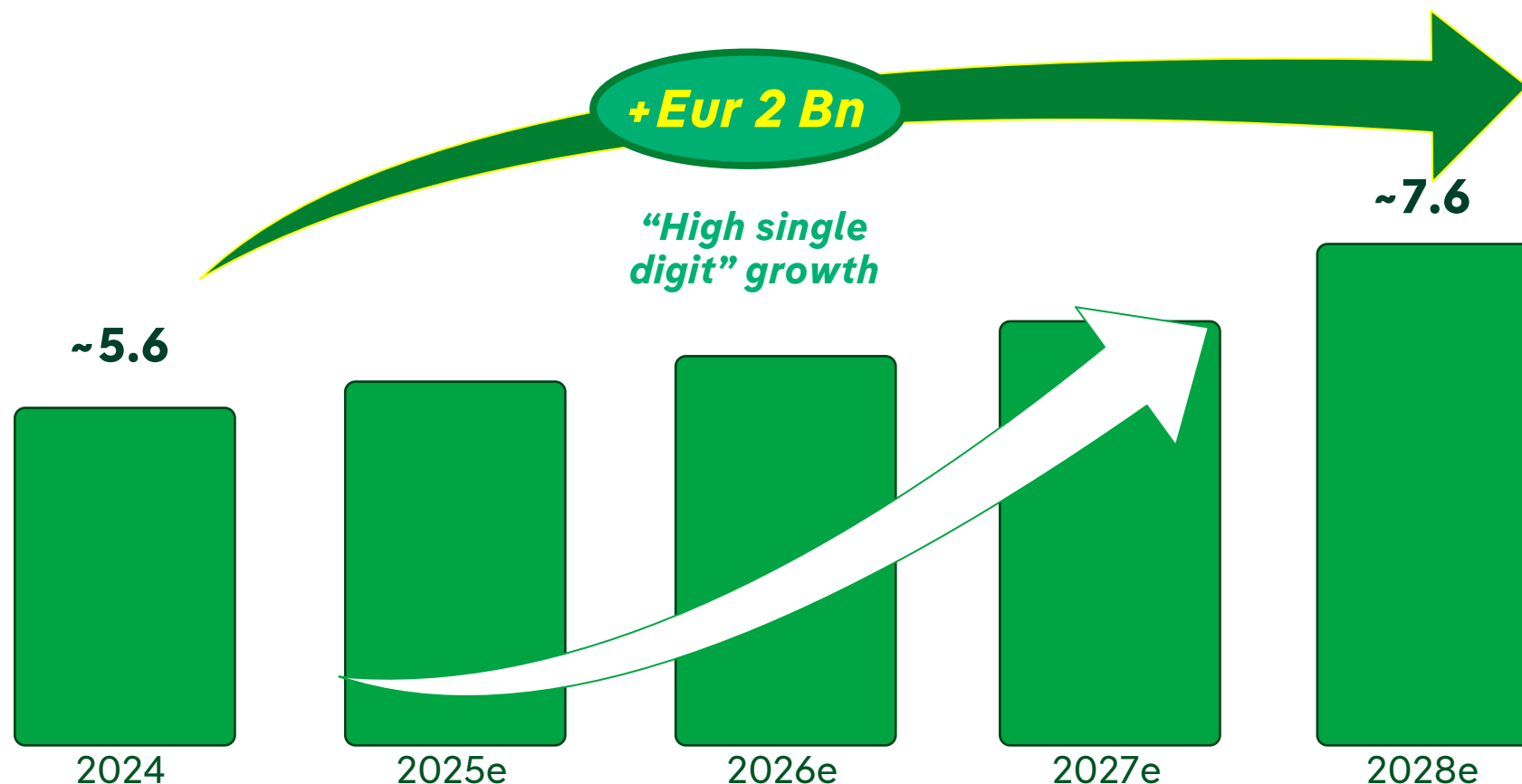
**Long-term FX management not possible** as it would generate P&L volatility

... 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

Eur Bn

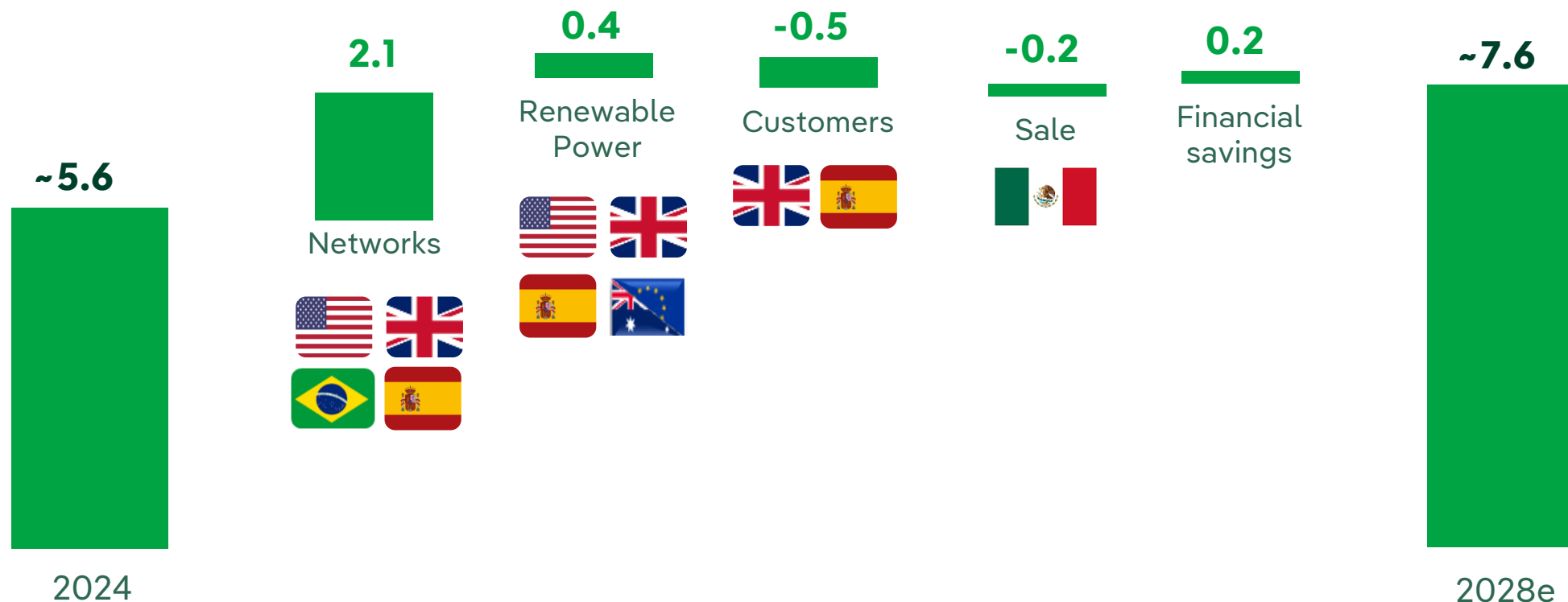


Net Profit figures adjusted by UK Networks Capital Allowances

# 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**














Eur Bn



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

# Sensitivity analysis: Net Profit

## Limited Net Profit volatility

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

## 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

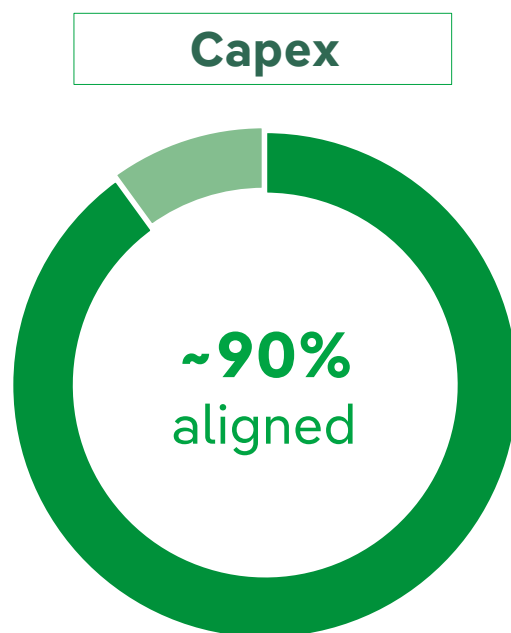
### Increased ambition

Vs. previous Sustainability Target  
(2024)

- |  |     |
|--|-----|
| 1 Smart grids: 91% automation in 2030          | +1% |
| 2 Customer accessibility solutions: 66 in 2030 | +3  |

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

## % Taxonomy aligned Capex<sup>1</sup> Plan 2025-2028e



## Green/Sustainable Financing at Iberdrola



**> Eur 30 Bn of new financial instruments during the plan will be Green labelled ...**



**...driving >80% accumulated Green/Sustainable<sup>2</sup> Financial instruments at the end of the plan**



**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**



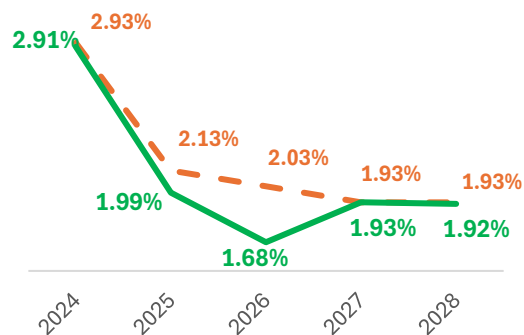


# Annex Financial Management

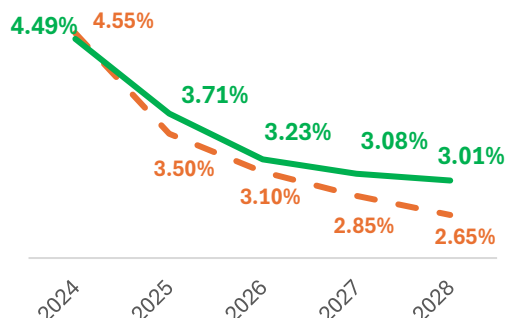
# Macro hypothesis: Interest Rates year end (CMD25 vs CMD24)

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

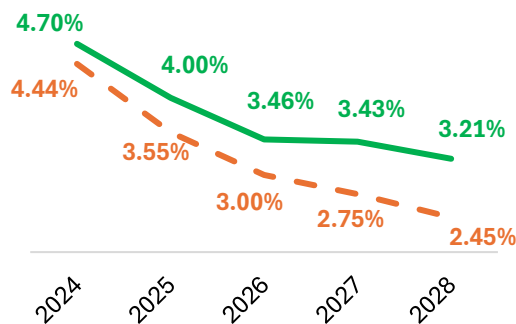
**EUR ESTR**



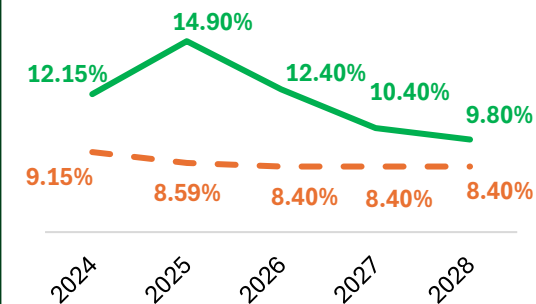
**US SOFR**



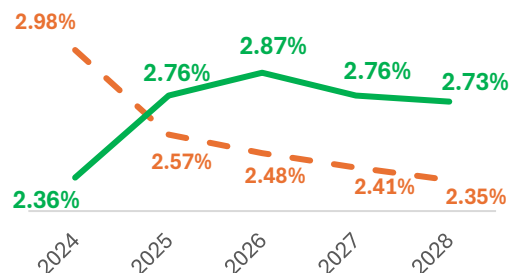
**UK SONIA**



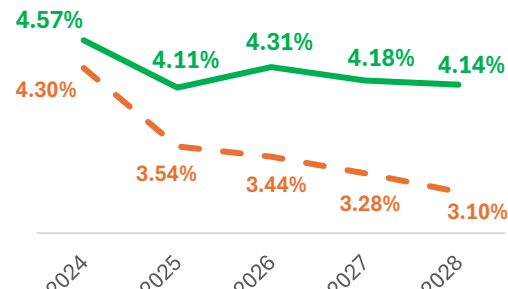
**BRL CDI**



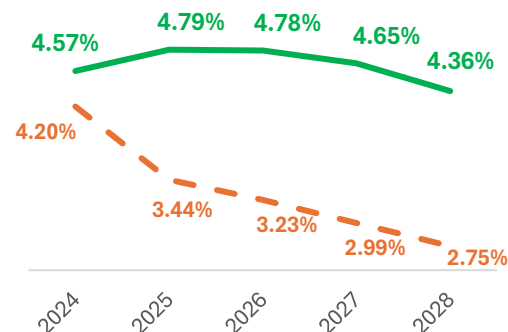
**EUR 10Y SWAP**



**US 10Y TREASURY**



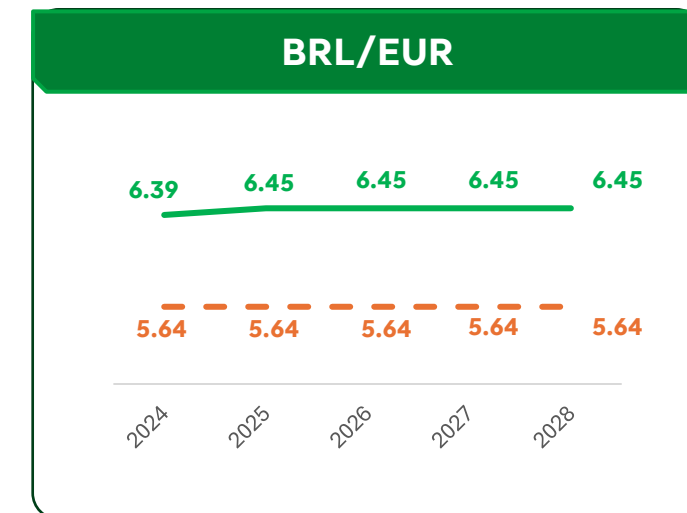
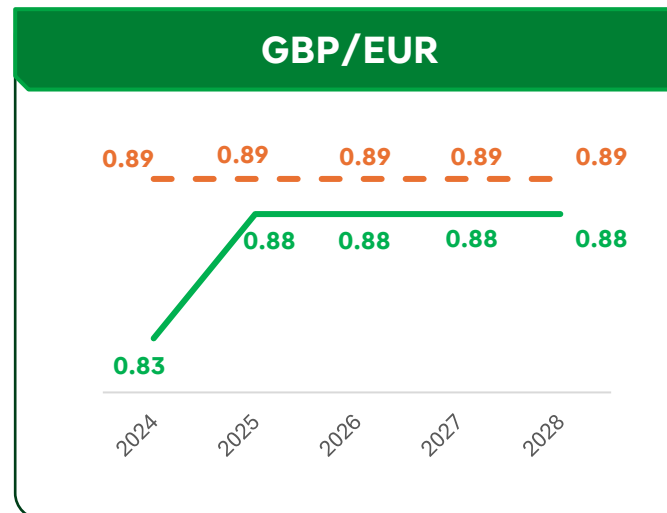
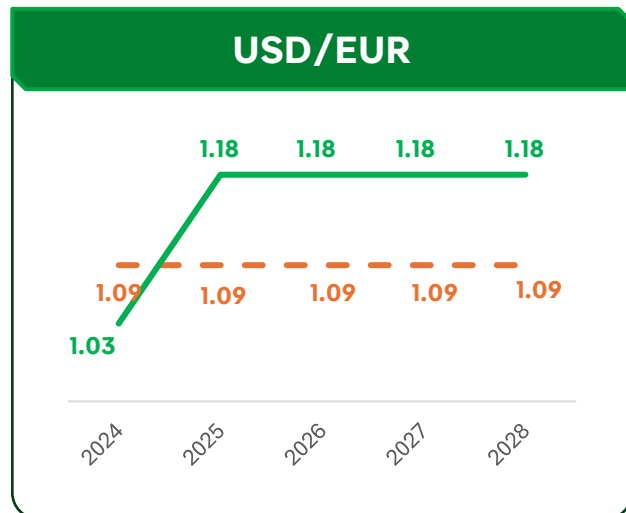
**UK 10Y TREASURY**



— CMD 25  
- - - CMD 24

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

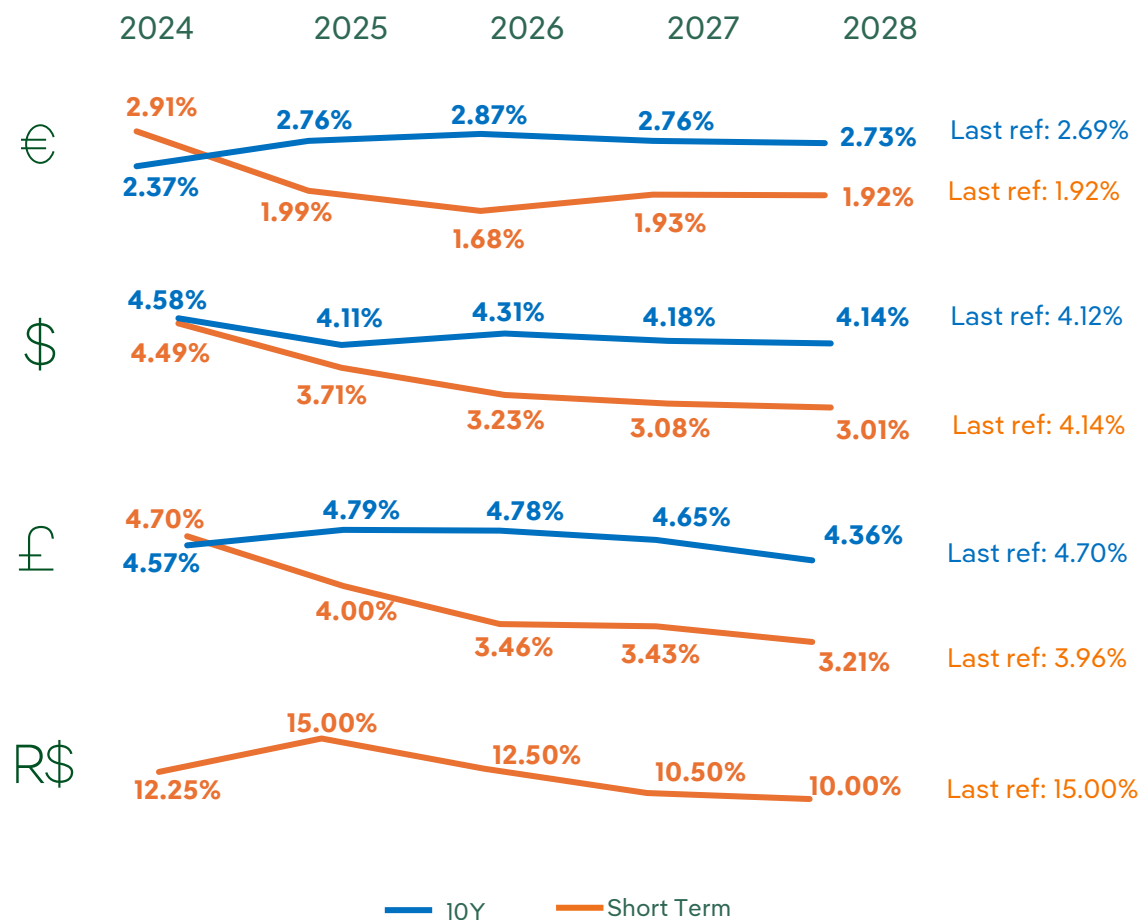
**USD and BRL depreciated due to increasing concerns regarding debt sustainability, while GBP appreciates due to the better economic outlook and trade negotiations with US**



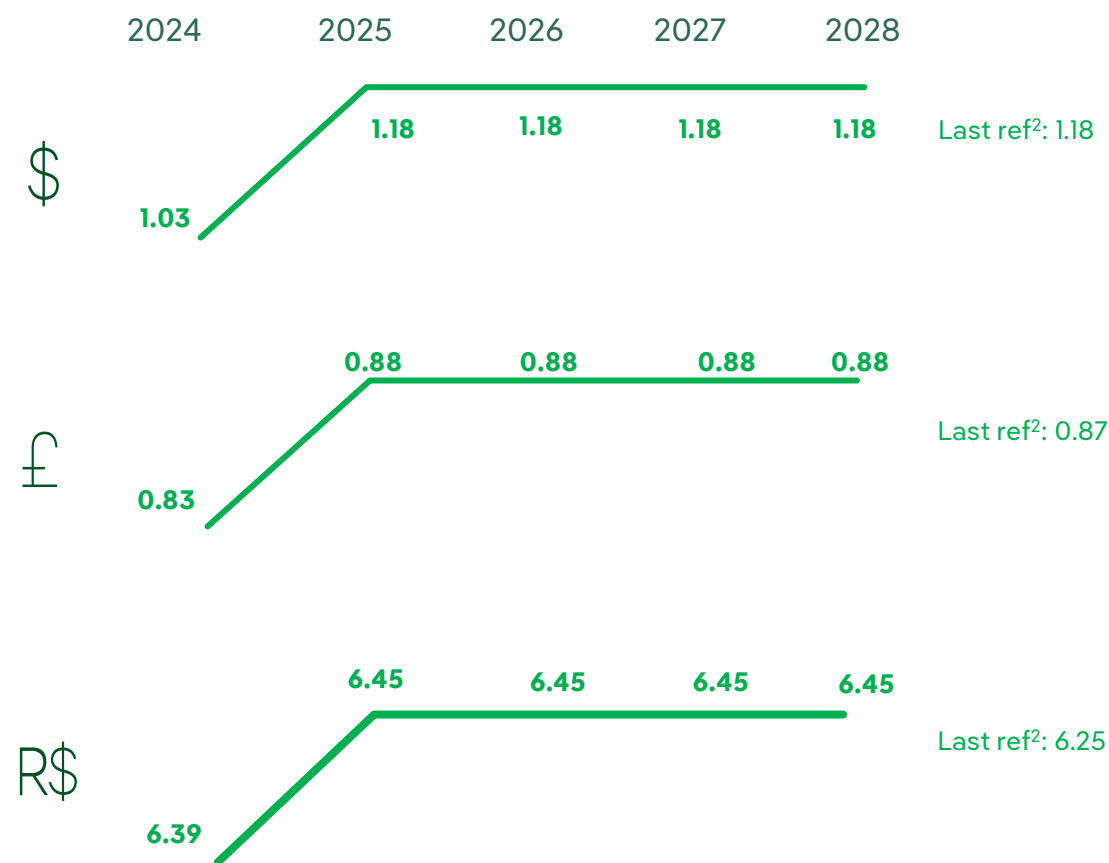
— CMD 25  
- - - CMD 24

# Macro hypothesis: FX & Interest Rates

## YEAR END INTEREST RATES<sup>(1)</sup>

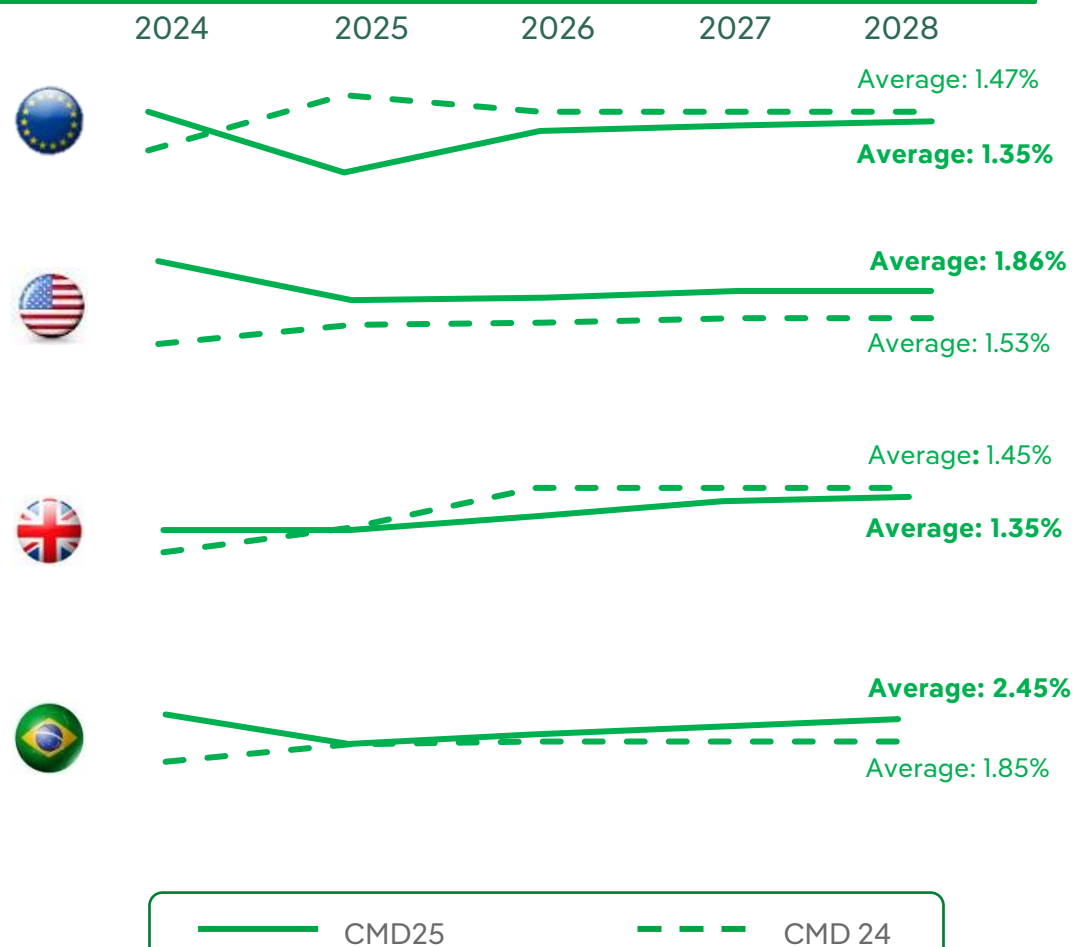


## YEAR END FX RATES

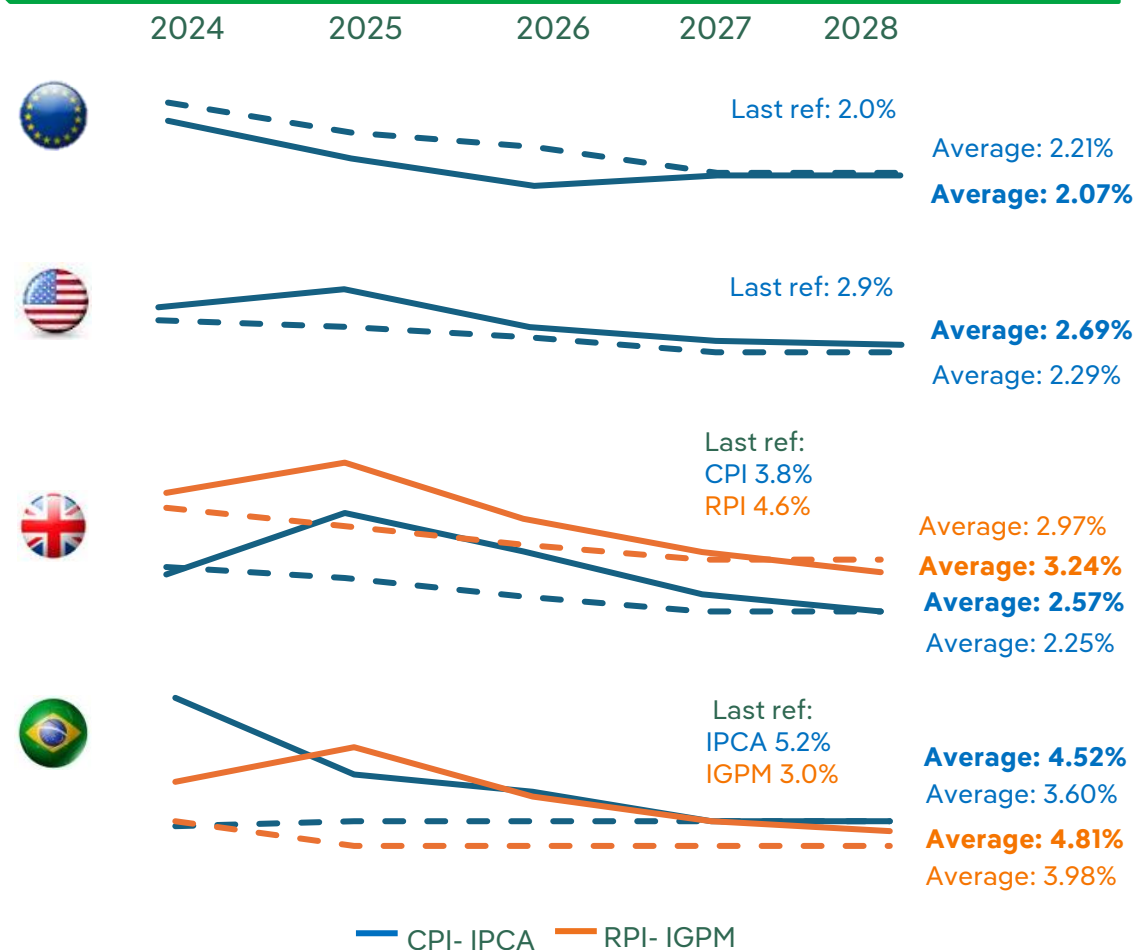


# Macro hypothesis: GDP & Inflation















## AVERAGE GDP



## YEAR END INFLATION



## Limited EBITDA volatility

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

# Risk factors and business model mitigation

## Risk factors

Foreign exchange

Interest rates

Regulatory

Supply chain

Energy prices, margin and competition

Power and gas Demand

Cyber / Security

## Business model strengths

Structural and annual FX hedge

73% debt at fixed rate

**Frameworks secured or advanced to 2031**

**Focused on A-rated countries**

2/3 of 2025-2028 investments in UK and US

**80% of strategic equipment secured 2025-2028**

>65 Bn Purchases 2025-2028e

**~75% of EBITDA regulated & long term contracted**

(avg. 2028-2030)

**Networks up to 55% of total EBITDA 2028**








**Power & Renewables: CfDs/PPAs/Retail position -**

covering c.85% of our expected production

**Cyber and Security Policies / Digitalization**

**Iberdrola business model counterbalances main risk factors**

# Main long term Sustainability Targets (2025-2030)

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



# Capital Allowances Adjustment – UK Networks

**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**



# Conclusions

**Ignacio S. Galán**  
Executive Chairman

## A transformational plan to deliver long-term predictable growth...

### GRIDS

*70% of investments directed to Networks*

### STABILITY

*75% of EBITDA independent from energy prices*

### PREDICTABILITY

*Frameworks secured or advanced to 2031*

### GROWTH

*“High-Single Digit” Growth in Net Profit to 2028 (+Eur 2 Bn)*

### A-RATED COUNTRIES

*2/3 of 2025-28 investments in UK and US*

### ORGANIC

*More than 90% of total investments 2025-28*

### PROFITABILITY

*Avg. ROE of 9.5% on new Network investments*

### FINANCIAL STRENGTH

*Securing BBB+ rating, no need of additional capital*

### SHAREHOLDER RETURN

*Reaffirming dividend policy: 65%-75% pay-out of EPS*

**...with conservative assumptions**

# Conclusion: from 2024 to 2028

GRIDS

STABILITY

PREDICTABILITY

GROWTH

A-RATED COUNTRIES

ORGANIC

PROFITABILITY

FINANCIAL STRENGTH

SHAREHOLDER RETURN

Investments

**Eur 58 Bn**

*2/3 in UK & US*

Net Profit of **Eur 7.6 Bn**  
by 2028, up **Eur +2 Bn**

Growing Dividend  
Floor: **Eur 0.64/Share**

Financial Strength  
**BBB+**

GR**I**DS  
STA**B**ILITY  
PR**E**DICTABILITY  
G**R**OWTH  
A-RATE**D** COUNTRIES  
O**R**GANIC  
PR**O**FITABILITY  
FINANCIA**L** STRENGTH  
SH**A**REHOLDER RETURN



 **Iberdrola**

**Capital  
Markets  
Day**

24 September 2025

Sustainable  
Event

