



Capital Markets & ESG Day

21 March 2024

Sustainable
Event



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- Iberdrola, S.A. commits to carrying out its best efforts to achieve its ambition of carbon neutrality for its Scope 1 and 2 in 2030. For these purposes, it will align its strategy, investments, operations and public positioning with this ambition. Additionally, Iberdrola, S.A. is also committed to undertake the energy transition in a way that creates value for its shareholders, employees, clients, suppliers and the communities where it operates. Accordingly, Iberdrola, S.A. reserves the capacity to adapt its planning to successfully face its performance in key material aspects such as the value of Iberdrola, S.A., the quality of supply or the social, labor, and fair transition conditions. The abovementioned commitments are of aspirational nature.



Strategic Vision

Ignacio S. Galán

Executive Chairman



Energy outlook

Electrification is unstoppable...

Self-sufficiency

...increasing energy security

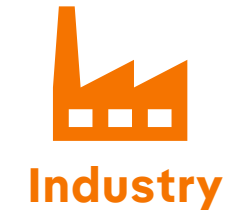
Efficiency

Competitiveness

Decarbonisation

...the only viable route

Consumer Preferences + Energy Policy



Electricity
Green H2

Transport



Elec: Road
Gr H2: Marine, Air



Heating & Cooling

Digitalization & Data



Data, Cloud & AI

Customer value & experience

New Industries

More Affordability

...driving new sources of demand

Networks investments need to double by 2030

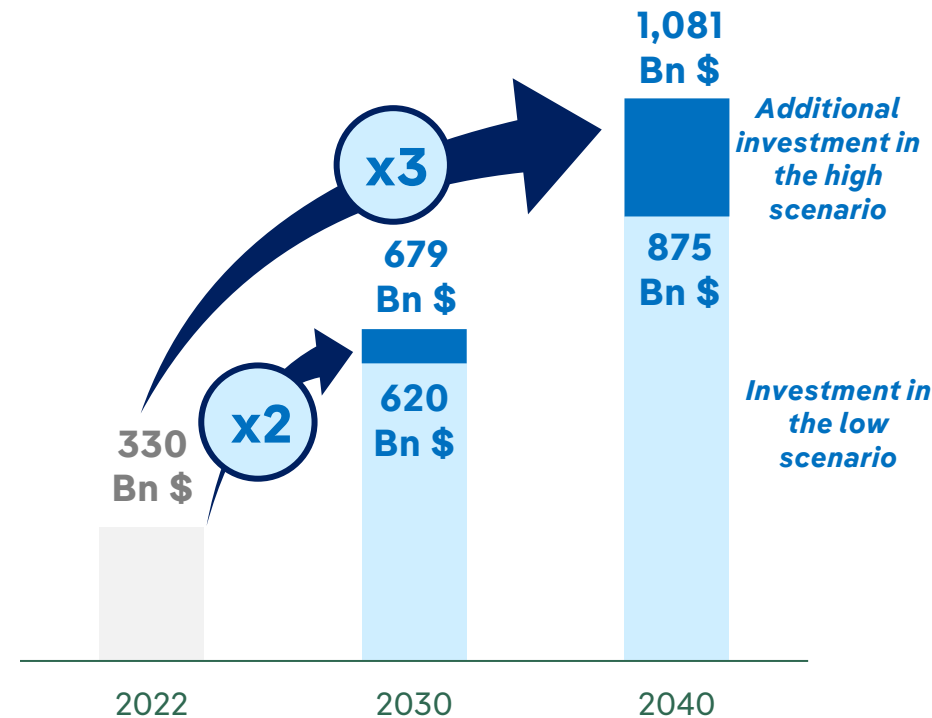
SMARTER AND MORE RESILIENT NETWORKS...

- | | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| More security of supply | <ul style="list-style-type: none"> • Safe • Reliable • Flexible • Digitalized |
| Renewable penetration | <ul style="list-style-type: none"> • Integration of new onshore renewables • Connection of new offshore wind projects • Self-consumption • Reduction of congestion costs |

...WITH ADDITIONAL INVESTMENTS AS NEW USES TAKE PLACE

- | | | |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
|  Electric vehicle |  Heat pumps |  Data Centres |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|

Annual networks investments¹



1 Eur of Networks for 1 Eur invested in renewables (1.25 Eur in advanced economies)

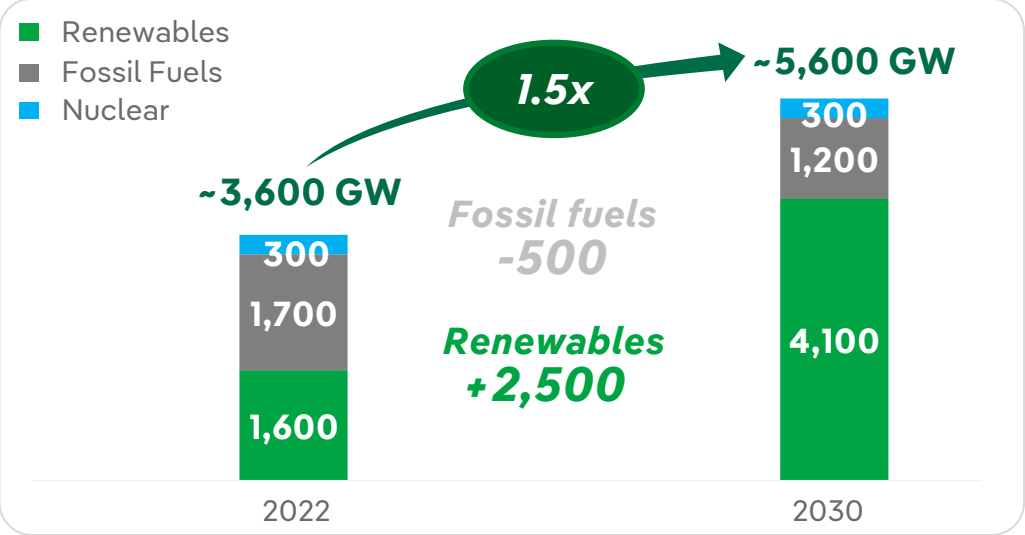
Acceleration of renewable deployment to replace fossil fuels and cover new demand...

...in Advanced Economies...

Power Demand (TWh)

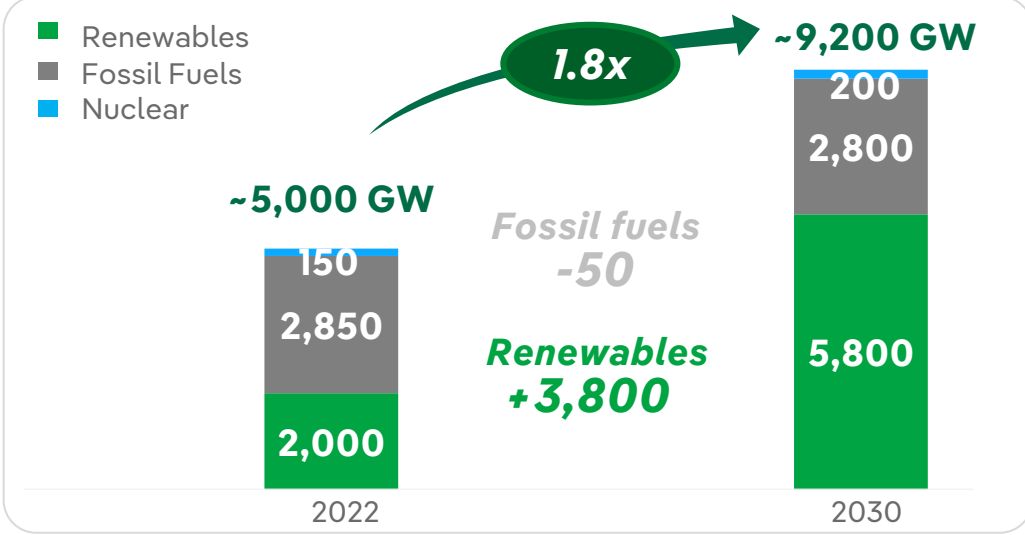


Installed Capacity (GW)



- Full coal/oil closure by 2030 (500 GW in US & Europe)
- Replacement of coal/ageing gas with renewables and new gas (mainly in the US)
- Start of replacement of first renewable projects (repowering opportunity)

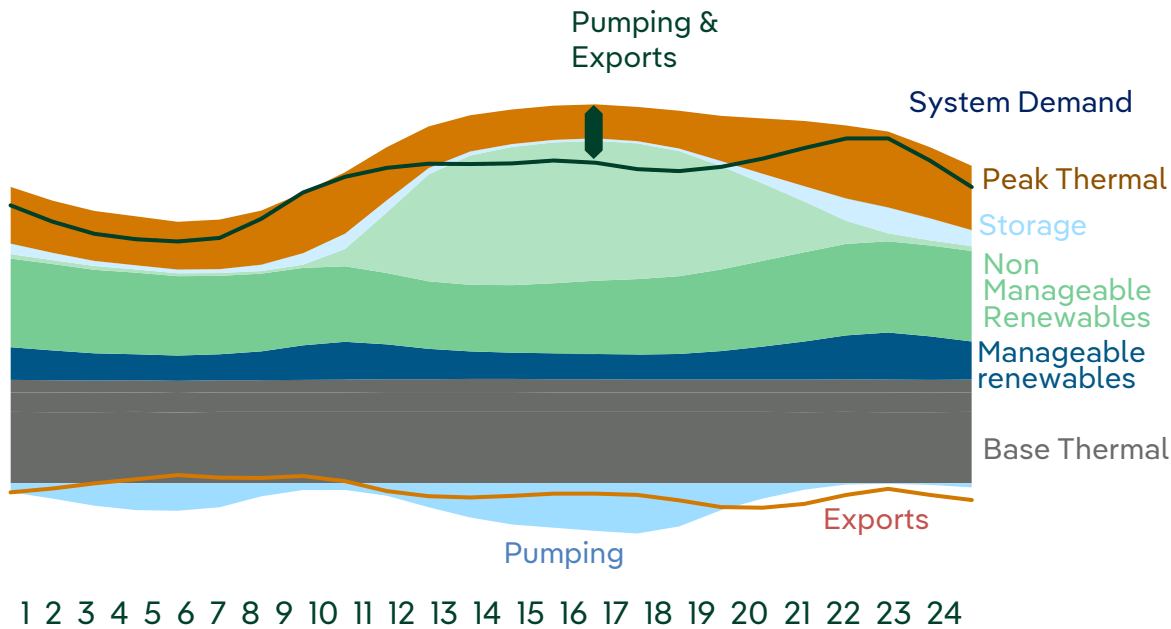
...and in Developing Countries



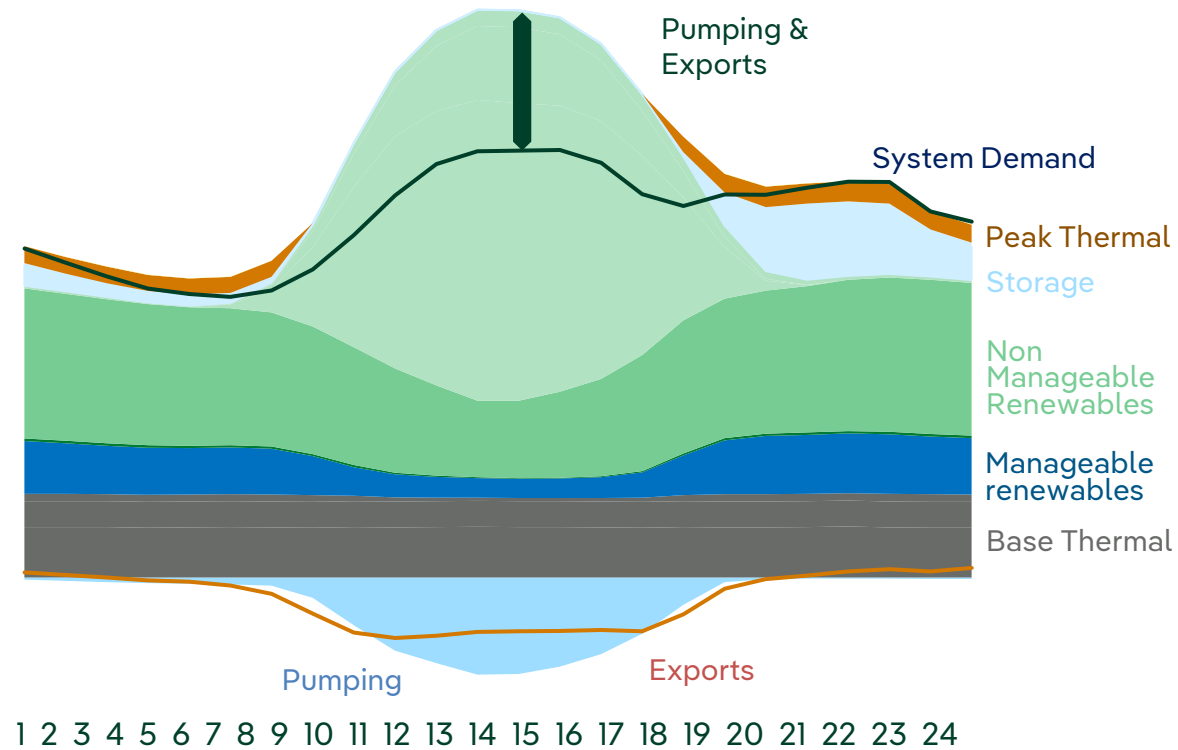
- Gradual substitution of coal/oil with new gas (average age of existing coal 10-15 years)
- Significant expansion of renewables

...driving a deep change in wholesale markets: Non-manageable renewables will require other technologies to balance supply and demand at all times...

Spain 2023 – Average generation mix



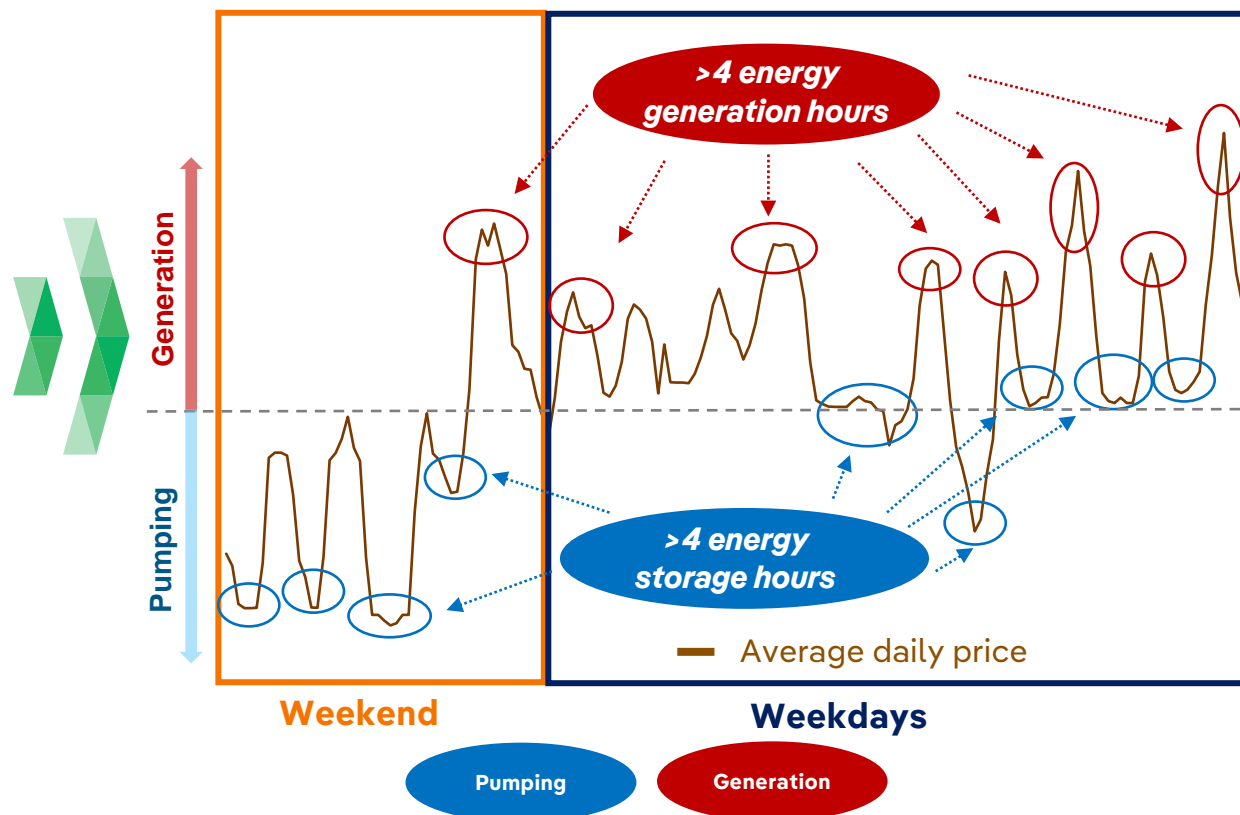
Spain 2030 – Average generation mix



...increasing the value of storage in daily, weekly and seasonal cycles...

Storage Weekly Cycle¹

- Energy mix leading to more intraday price volatility
- The number of prolonged periods (>4 hours) of lower prices is increasing



Pumped Storage

- Ability to store energy for more than 18 consecutive hours
- Capacity to modulate daily, weekly and seasonal cycles
- Provide ancillary services

Battery Storage

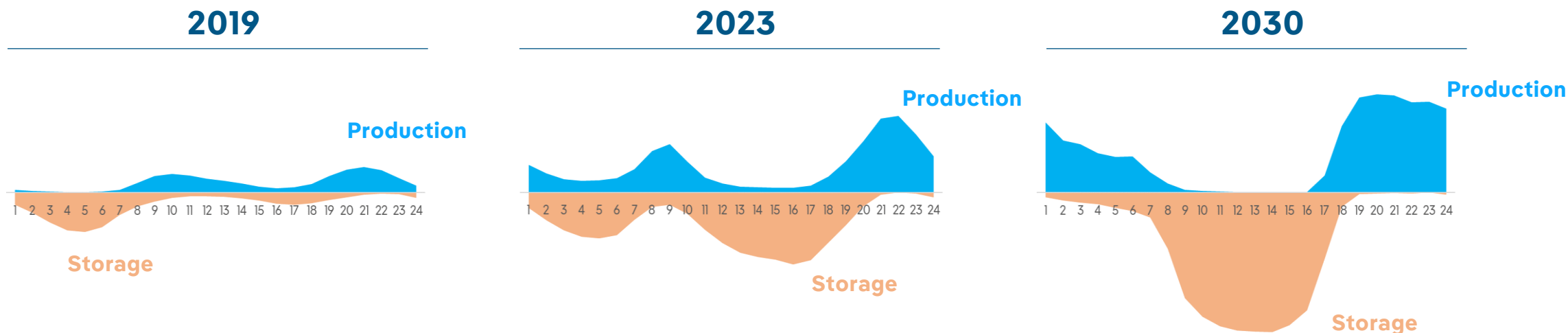
- Short-term arbitrage: 2 to 4h
- Provide ancillary services

...and maximizing competitive advantages of manageable renewables and pump storage

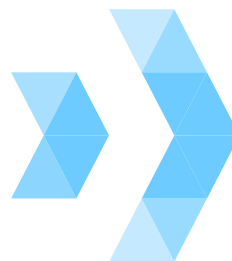
This will drive additional usage of existing storage and the need of new assets

Pumped Storage usage in Spain:

Example for illustrative purposes – Operational profile of La Muela power plant



**2019
Production**



**x3-4
by 2030**

**In this scenario, hourly prices will become more volatile
increasing arbitrage opportunities...**

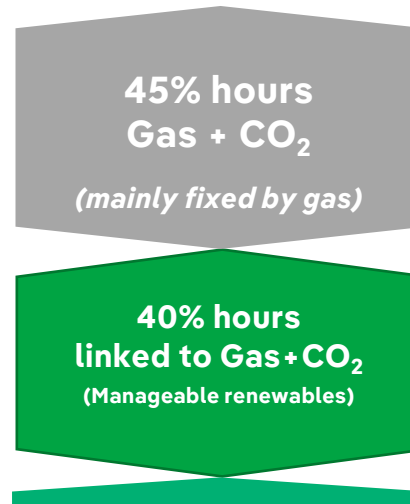
Price setting 2019



5% hours
linked to Gas+CO₂
(manageable renewables)

48 Eur/MWh

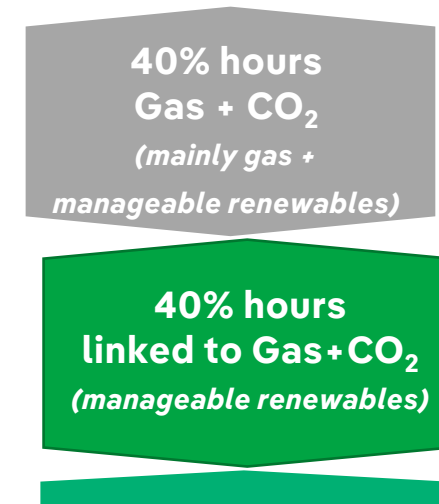
Price setting 2023



15% hours
Low prices
(non manageable renewables)

87 Eur/MWh

Price setting 2026



20% hours
Low prices
(non manageable renewables)

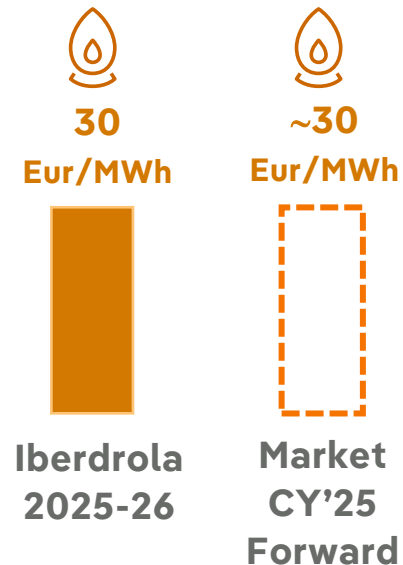
~60 Eur/MWh

Average
price

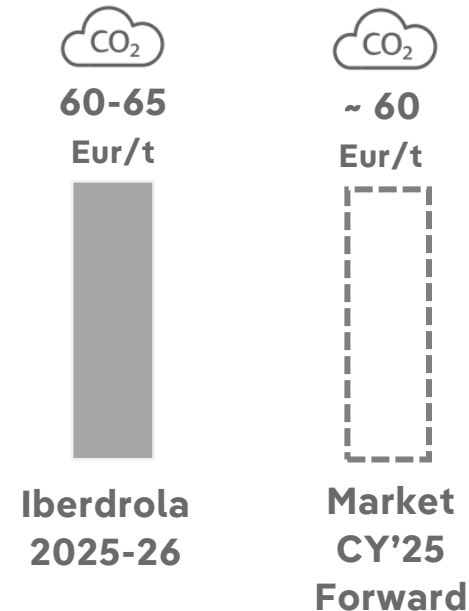
...converging in average prices around 60 Eur/MWh...

...fully coherent with current gas and CO₂ price expectations

Gas Price Assumptions



CO₂ Price Assumptions





Iberdrola Strategic Pillars and Investments 2024-2026



Growth based on Networks



Renewables: Selective investment in **manageable** technologies and **storage...**



Focus in high-rating countries



Full commitment to financial strength & dividend



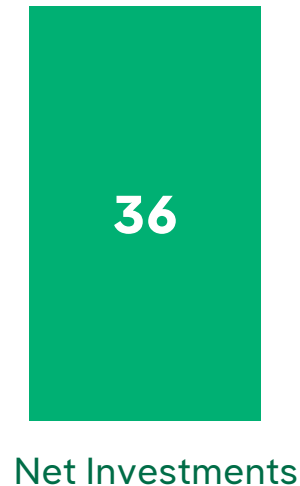
Sustainability: Creating value for all



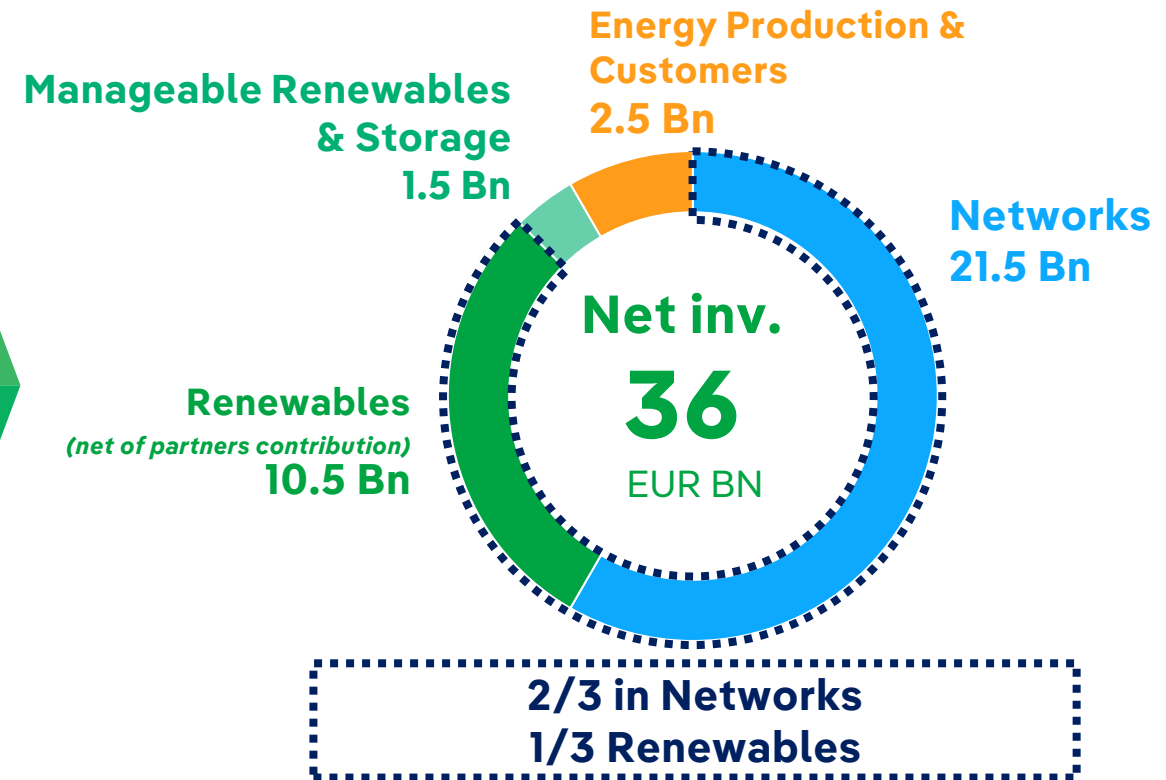
Maintaining our proven business model

Investments of Eur 41 Bn, with Eur ~5 Bn contributed by partners...

INVESTMENTS 2024-2026E¹



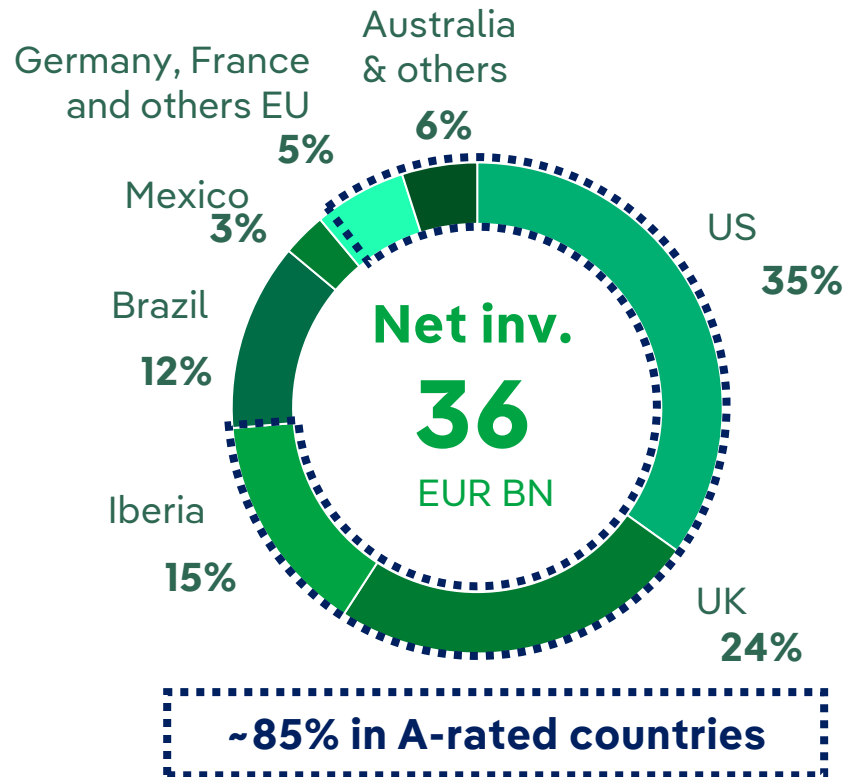
NET INVESTMENTS 2024-2026E by business²



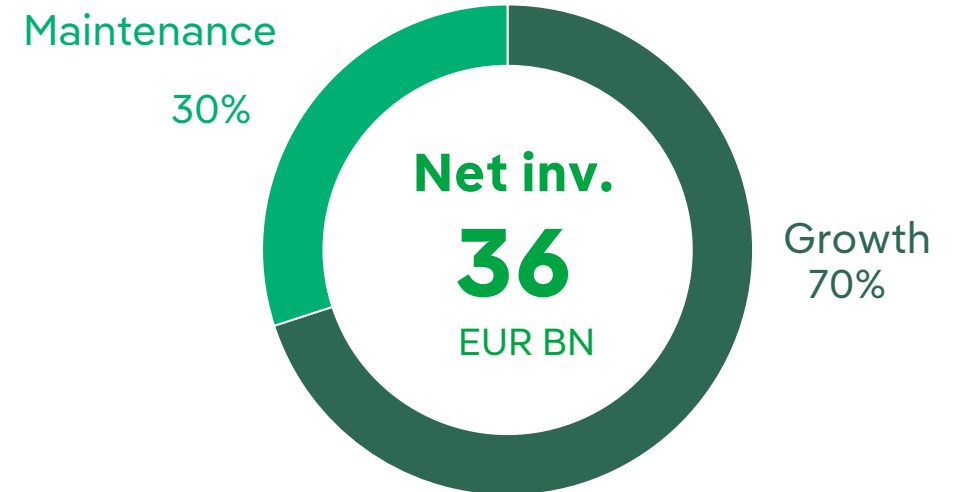
...with 60% of investments in Networks

~70% investments allocated to growth...

INVESTMENTS¹ by Country



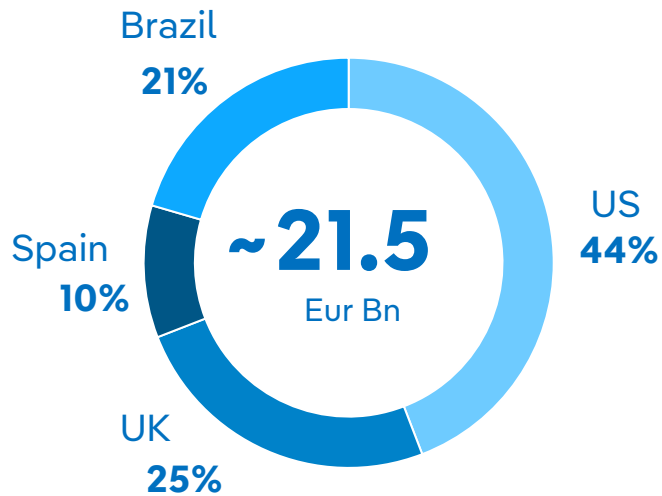
INVESTMENTS¹ 2024-2026E by nature



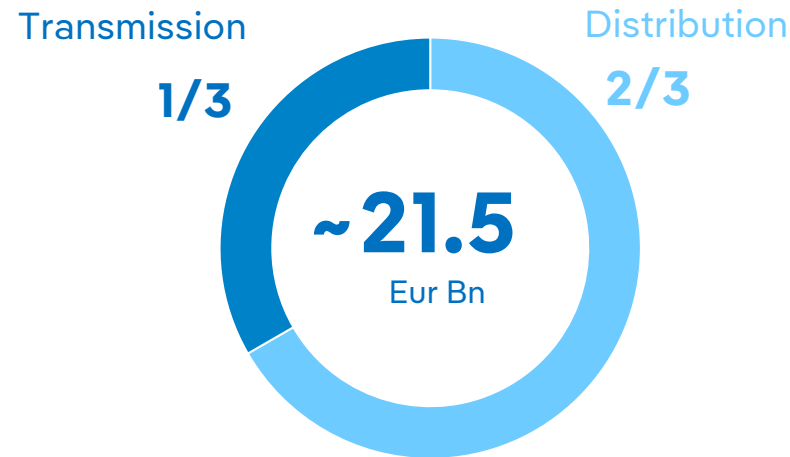
...with 85% allocated to A-rated countries

Investing Eur 21.5 Bn to increase asset base by 38% and improve geographical diversification

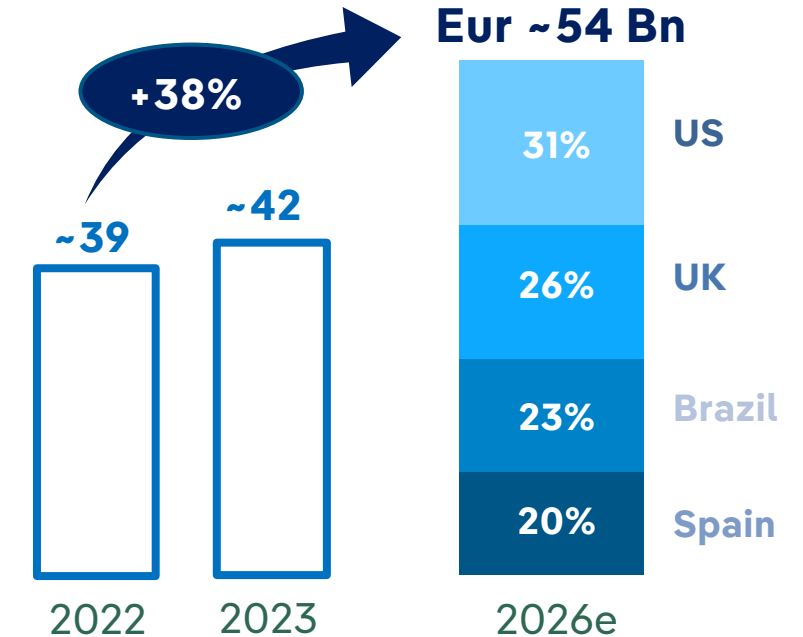
2024-2026E Network investments by geography



2024-2026E investments by business



Regulated assets by geography



Almost 80% of investments driven by rate cases closed or under advanced negotiation with key conditions known

Eur ~6.5 Bn invested in Transmission increasing asset base to Eur 15 Bn

...reinforcing our competitive advantages...



Focus on high-rated countries



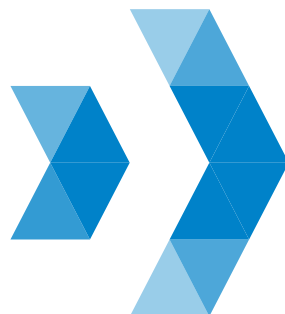
Long-term visibility



Protection vs macro instability
(inflation and interest rates)



Attractive Frameworks



○ Frameworks closed for 85% of 2025 RAB...

○ ...with additional progress for 2026 and beyond
(34% of RAB closed + RIIO-T3 started)



BRA

• Rate cases closed until 2027/28 for 20% of Group RAB



UK

• Distribution closed to 2028 (14% of Group RAB)...
• ...with RIIO-T3 process started in Transmission

○ 90% strategic equipment are covered until 2026

○ 50% of EBITDA fully protected and+ 30% with significant protection

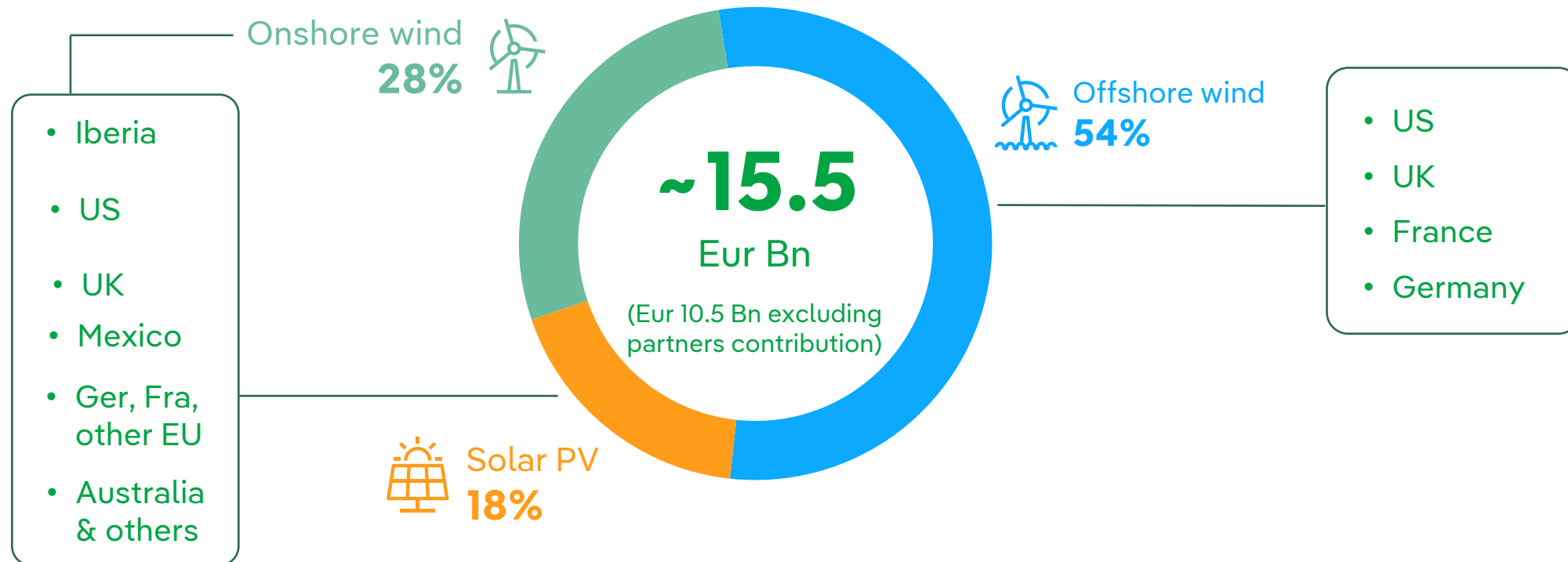
○ Average regulatory remuneration¹ coherent with a spread of 350-450 over bond

• >7% in Europe&US , 16% in Brazil

...and increasing the weight of Networks in our business mix

Investments of Eur 15.5 Bn (or 10.5 Bn excluding partners contribution) ...

2024-2026E Renewable investments by technology (Eur Bn)



...with more than 50% allocated to offshore wind

Maintaining selective investments in renewables...



First mover's status give us key advantages for the current and future scenario:



Supply chain management

- 76% of 2026 critical supplies and prices secured



Strategic partnerships and alliances

- Norges Investment Bank, Masdar, Mapfre, ...



Geographical diversification

- New capacity: 20% UK, 19% US, 18% Iberia, 17% Other EU, 13% Latam & 13% Australia



Technology mix fit for new market dynamics

- >50% of investment in offshore wind & storage



Diversified portfolio of routes to market



- Focus on most attractive instruments in each geography



○ Selective growth in core countries...

○ ...to maximize risk/reward

- covering energy sales with own production
- with a wide portfolio of Routes to Market

○ High added value renewable technologies **Offshore wind**

○ Mature big projects for **additional growth post 2026**

 New England Wind projects (~2,000 MW) to participate in multistate auction

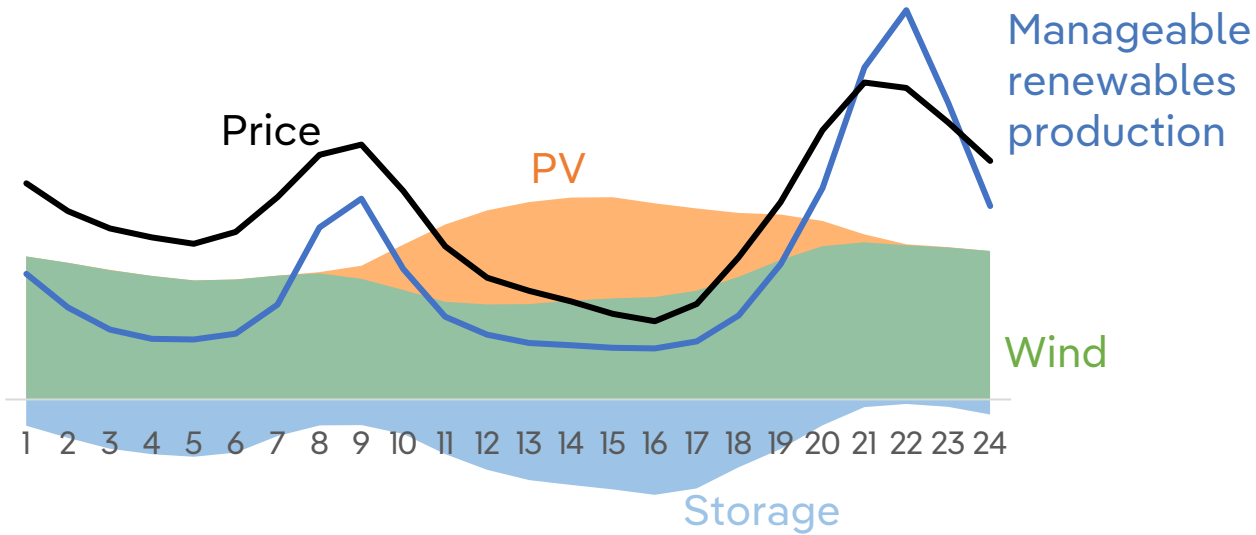
 EA Hub (1,600 MW) to take part in AR6 auction

...

...with all 2024-2026 capacity additions already under construction or ready to build

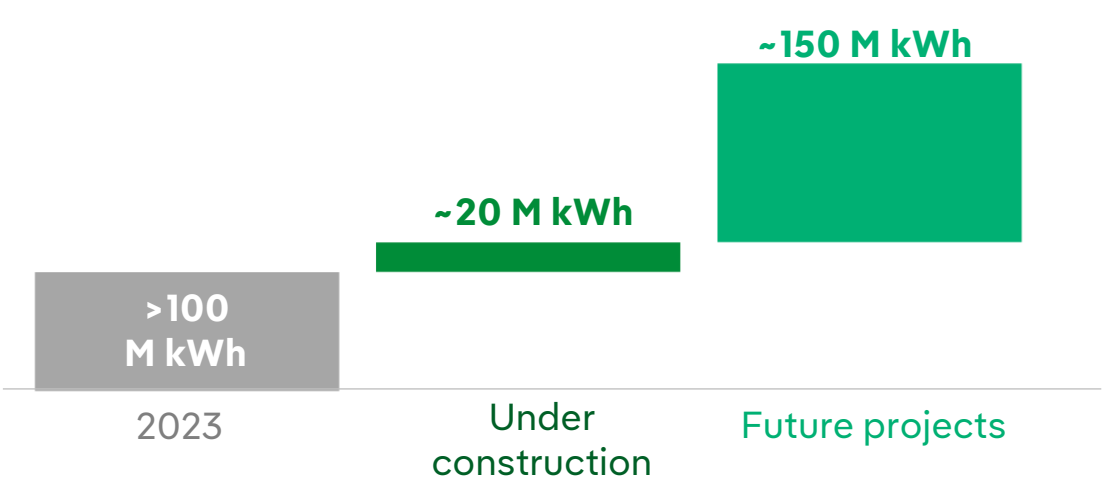
Investing Eur 1.5 Bn in storage to provide additional growth and stable margins...

2023 Iberdrola daily avg renewable production (Iberia)



- 11 GW of manageable capacity with 4,5 GW of storage
- Achieved price= ~130% average price

Storage Capacity (M kWh)



- **Operation: Long duration cycles and seasonal storage**
- **Revenues: Market arbitrage, ancillary services**
- **Reducing Economic Curtailments**
- **Additional growth with grid scale batteries**

...capturing more value from renewables in a scenario of higher price volatility

Investing Eur 2.5 Bn: 2 Bn in Customers and 0.5 Bn in Traditional Generation maintenance...

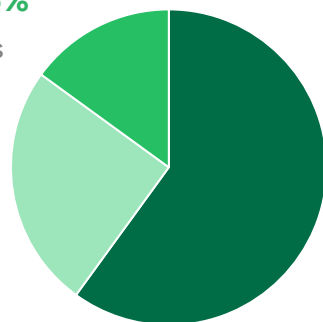
Contracted Revenues 2023

Regulated Contracts (CFDs, Other) ~15%

Avg. term ~16 years

Retail Customers ~25%

Avg. term ~5 years
(Churn of 18%)



Industrial Customers (PPA & Other) ~60%

Avg. term ~11 years

Revenue diversification

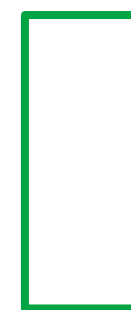
Contracted revenues vs Production (% already secured)

100%



2024e

>80%



2025e

75%



2026e

Available Production for sale in 2026:

140-150 TWh

vs.

114 TWh in 2023

(+14 TWh sold in ancillary services and others)

Securing margins and providing long-term visibility



Retail margins normalization towards average levels of last years after an exceptional high situation in 2023 and exceptional low situation in 2022

Maximizing opportunities through our high-quality customer portfolio



Industrial uses



Smart



Heat Pumps



EVs



Data Centres

...increasing energy balance with very limited exposure to wholesale market prices

A ROBUST GREEN FINANCING MODEL FOCUSED ON CASH GENERATION...

Cash recovery as a **key investment criteria**

Fixed-rate financing as preference

Long-term profile of maturities with **active liquidity management**

Diversification of financing sources maximizing use of green financing

Partnerships and **asset rotation** providing **optionality** for **further growth**

No capital increases

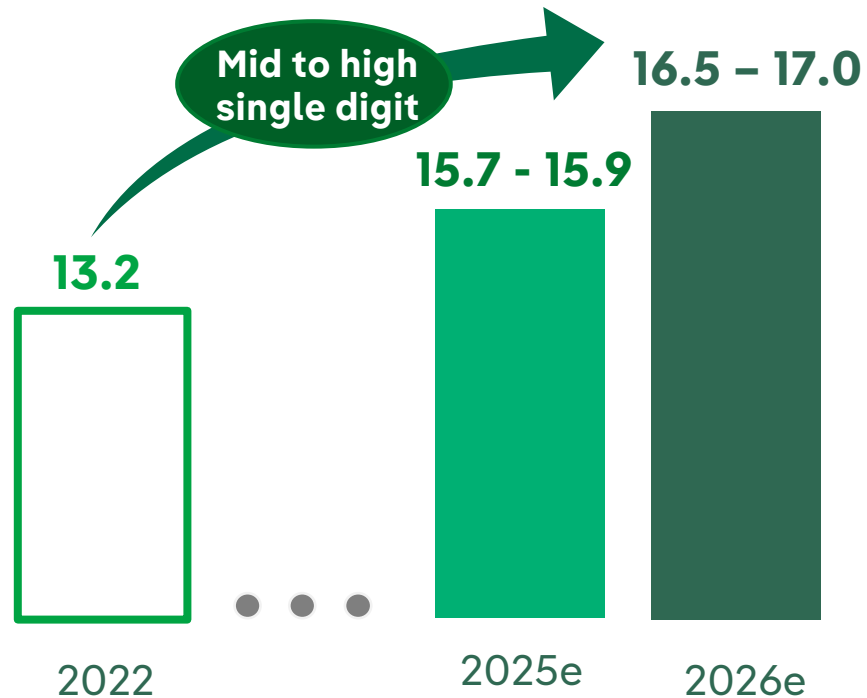
...maintaining dividend policy



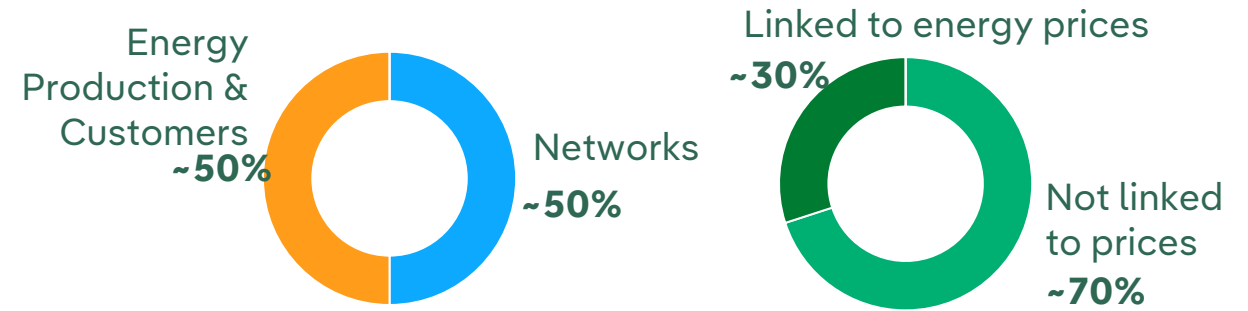
Outlook 2026

EBITDA between Eur 16.5-17 Bn by 2026, with “mid to high single digit” CAGR 2022-2026 driven by investments and efficiencies

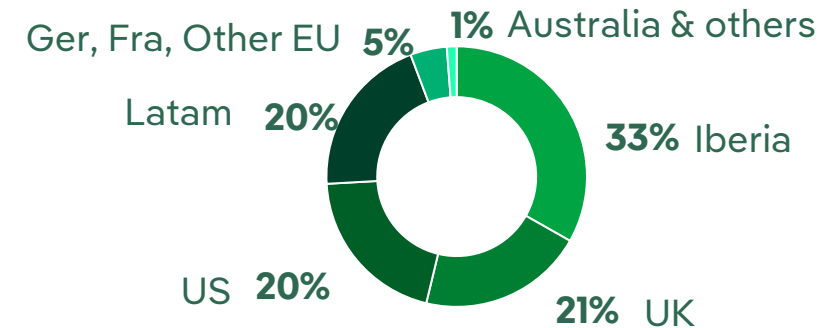
EBITDA expected growth (Eur Bn)



2026E by business



2026E by geography



~70% of EBITDA not linked to power market prices

2026 EBITDA equally split between Networks and Energy Production & Customers...

Networks EBITDA (Eur Bn)



Networks 2026 EBITDA reaching **Eur ~8-8.5 Bn**

- ✓ Annual increase in line with RAB
- ✓ Transmission as growth driver: EBITDA of **Eur ~1.3-1.5 Bn** in 2026 (+650 M vs 2022)

Energy Production & Customers EBITDA (Eur Bn)



Energy Production & customers 2026 EBITDA of **Eur ~8-8.5 Bn**

- ✓ New renewables to close generation/supply gap
- ✓ Offshore wind as growth driver: EBITDA reaching **EUR 1.8 Bn** (+1 Bn vs 2022/23)
- ✓ Additional **Storage**
- ✓ Normalization of **Retail margins** after exceptional situation of last 2 years (low in 2022 and high in 2023)

... with Transmission and Offshore wind as new growth drivers

Progressing on our plan ahead of schedule (CMD Nov 2022): Net Profit of Eur 5.3-5.4 Bn in 2025...

PNM transaction cancellation

Impact of Mexico transaction

Higher interest rates

Lower prices

...VS...

Networks: Higher investment,
better rate cases, growth in Transmission

Renewables: growth mainly in Offshore wind

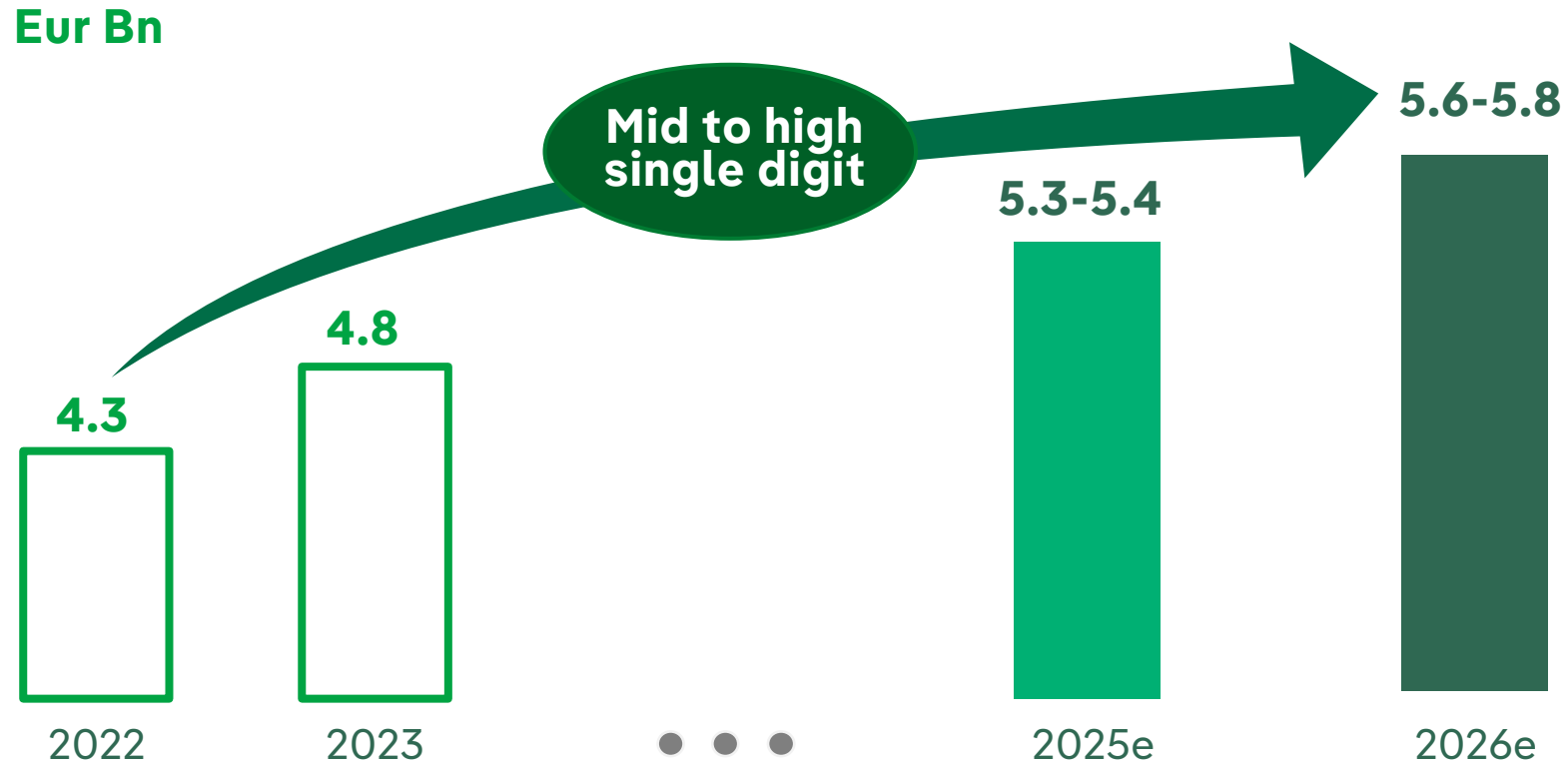
Optimization of Routes to Market

Lower debt expenses

Lower Depreciation & Amortization
(PNM & Mexico)

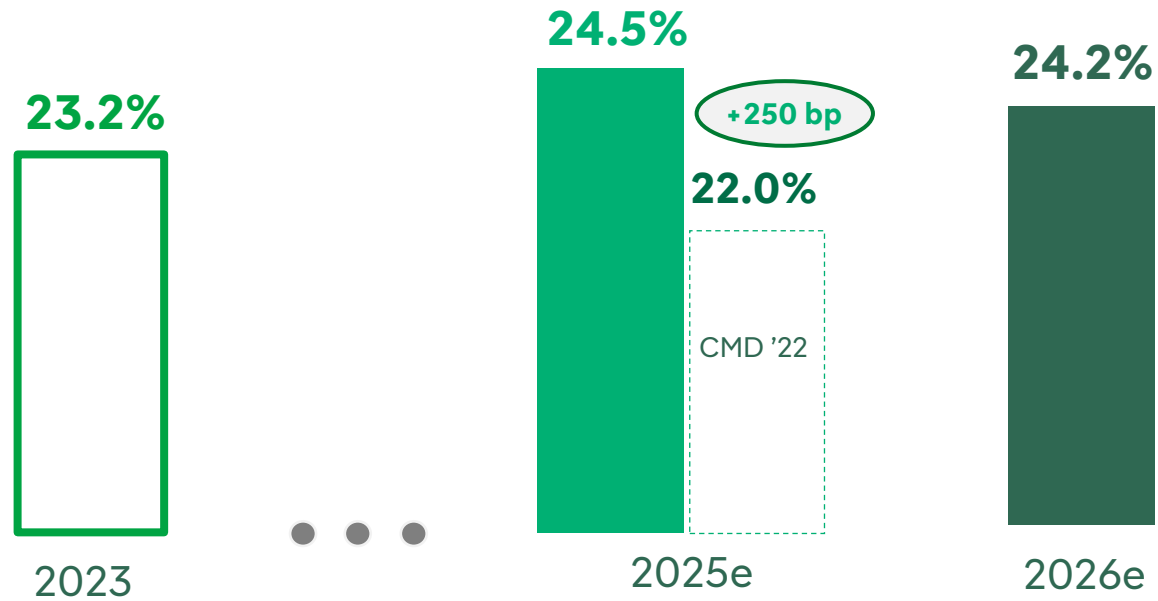
...with an expected shareholder remuneration of 0.55-0.58 Eur/share

Net Profit reaches Eur 5.6-5.8 Bn in 2026 (“mid to high single digit” CAGR 2022-2026)...



Increasing financial solidity and ratios...

FFO/Net Debt



...exceeding previous targets driven by Cashflow and Asset Rotation

Shareholder remuneration growing in line with results...

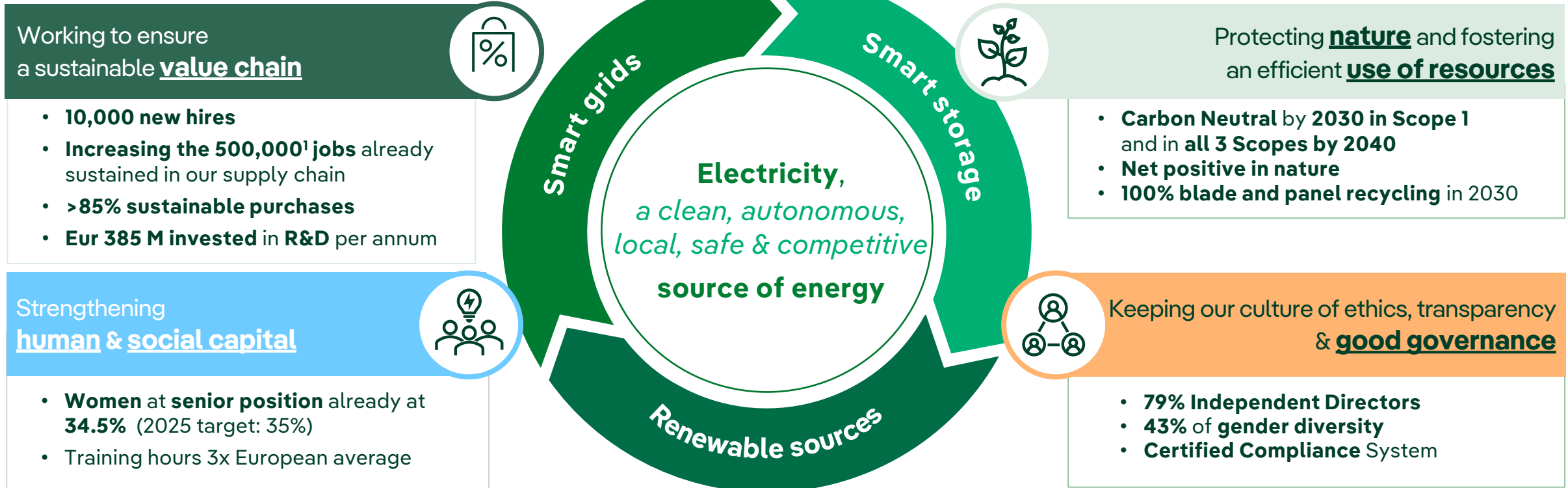
PAY-OUT BETWEEN 65% AND 75% OF EPS
(earning estimates lead to a DPS in the range of approx. 0.61 - 0.66 in 2026)

2024-26: DPS floor at Eur 0.55 /share
(equivalent to 2023 DPS)

Maintaining the flexibility for shareholders with the
“Iberdrola Retribución Flexible” program, including share buy-back

...for an estimated amount of Eur 11 Bn in 2024-2026 vs. Eur ~9.5 Bn 2021-2023

~90% CAPEX aligned with EU taxonomy, and mostly financed by sustainable/green instruments



“Green” rating obtained in the “Transition Assessment Outcome” by Sustainable Fitch



Outlook 2030

Reaffirming our vision and maintaining growth...

2030 Outlook



Boosting electrification:
More investments in Networks (T&D)



▶ RAB reaching **Eur 65-70 Bn** by 2030 in
Transmission and Distribution

Faster Growth in Renewables
due to fossil fuels and nuclear replacement



- ▶ New capacity contributing from 2027:
 - **3,000** new offshore MW
 - **c. 6,000** new onshore MW
- ▶ **>100,000 MW** of renewable pipeline
- ▶ Higher value of **Storage**:
120 M kWh operating + pipeline of 150 M kWh
- ▶ Access to additional investments with **Tier 1 partners**

New opportunities for **Manageable Renewables**

Optionality to capture **demand from new uses**

...preserving our commitment with financial strength and dividend