



# **Results presentation** First quarter 30 April 2025

Sustainable Events
Event



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#### **ALTERNATIVE PERFORMANCE MEASURES**

In addition to the financial information prepared under IFRS, this presentation includes certain alternative performance measures ("APMs") for the purposes of Commission Delegated Regulation (EU) 2019/979, of March 14, 2019 and as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es). The APMs are performance measures that have been calculated using the financial information from Iberdrola, S.A. and the companies within its group, but that are not defined or detailed in the applicable financial information framework. These APMs are being used to allow for a better understanding of the financial performance of Iberdrola, S.A., but should be considered only as additional information and in no case as a substitute of the financial information prepared under IFRS. Moreover, the way Iberdrola, S.A. defines and calculates these APMs may differ from the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. Finally, please consider that certain of the APMs used in this presentation have not been audited. Please refer to this presentation and to the corporate website (www.iberdrola.com) for further details of these matters, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS. In particular, please refer to https://www.iberdrola.com/documents/20125/5119580/alternative-performance-measures-25Q1.pdf.







# Highlights of the period



### Highlights of the period



Reported Net Profit of Eur 2,004 M and Reported EBITDA of Eur 4,643 M Excluding thermal generation divestment in Q1 '24, Net Profit grows +26% and EBITDA up +12%



#### EBITDA up +12%1 to Eur 4,643 M

- Increasing regulated profile: Networks contributes 52% to EBITDA in Q1 '25
- Higher production in the US, IEI & Iberia, partially offsetting margin normalization in UK & Iberia



Securing growth

Growth based on Networks and selective in Renewables, focused on US & UK (2/3 of investments)

- Organic investments up +14% to Eur 2,720 M
  - ▶ Networks up +18%, already representing 53% of total Investments
  - ▶ Renewables up+7%, with 1/2 allocated to Offshore wind mostly in projects with COD in 2025/26
- Closing of Electricity North West transaction: Increasing UK regulatory asset base to Eur 15.5 Bn



**Financial** strenath

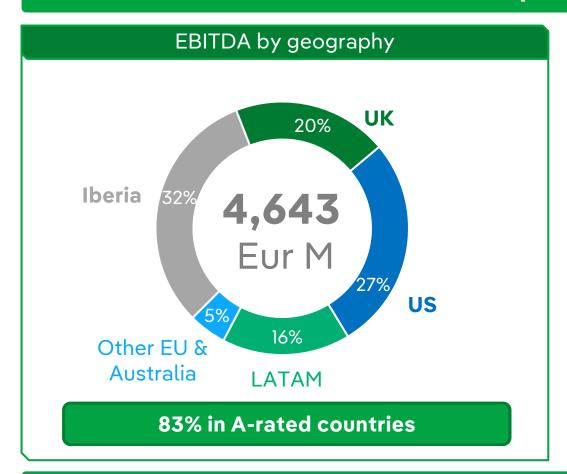
Cash flow up +11% to Eur 3,502 M

- Financial ratios in line with BBB+ rating after consolidation of ENW
- Asset rotation in line with our plan





### EBITDA up +12%<sup>1</sup> to Eur 4,643 M...



#### Business highlights



**Networks, largest contributor to EBITDA (52%)** 

Higher regulated asset base

Past costs recognition in the US



#### New installed capacity:

2,600 MW installed in the last 12 months (660 MW offshore wind)



Higher production in the US, IEI & Iberia



Margin normalization in UK and Iberia

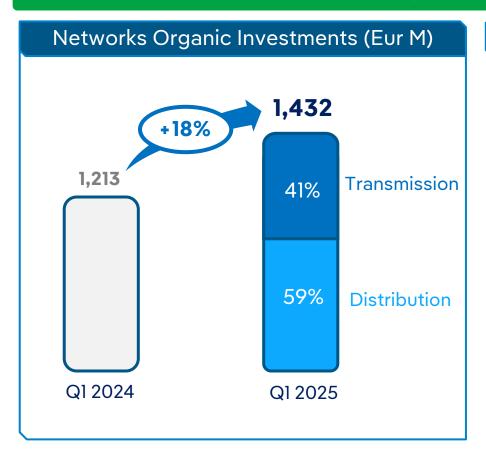
4 TWh per annum of new PPAs signed in the last 12 months

### ...driven by strong operating performance in Networks





### Networks organic investments up +18% to Eur 1,432 M...



#### Key milestones & updates

### **H**UK

- ▶ RIIO-ED2 Reopener: More than Eur 200 M of additional investments to reinforce security and increasing RAB (including ENW)
- ▶ RIIO-T3: On track to receive Ofgem Draft Determination by mid-year (June/July '25)

### US

- ▶ Eur 241 M invested in Transmission, mainly in NECEC with COD expected by year-end
- **▶ Eur 296 M** in **Distribution**, **78%** in **NY**

#### **Brazil**

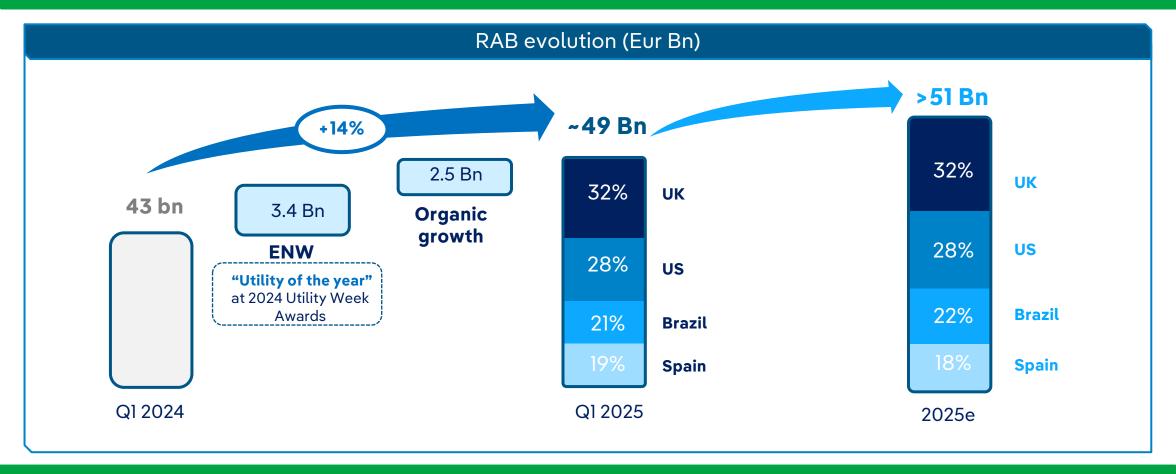
▶ New Rate Case in Pernambuco and Rates adjustments in Bahía & Rio Grande do Norte with a combined annual EBITDA increase of more than 100 M Eur

### ...with more than 2/3 in the UK & US





### RAB increases +14% driven by higher investments and closing of ENW...



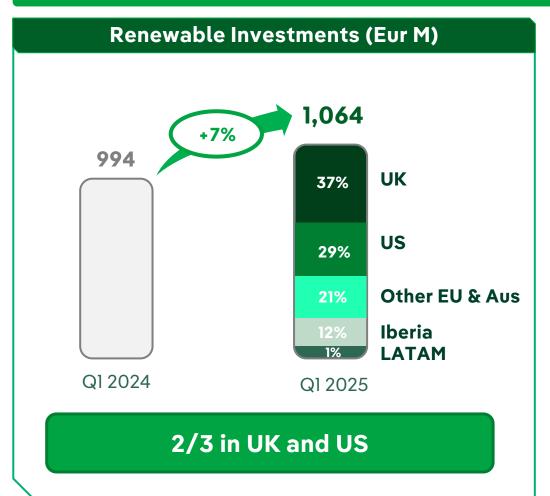
### ...reaching 60% in the US & UK (Eur 30 Bn)

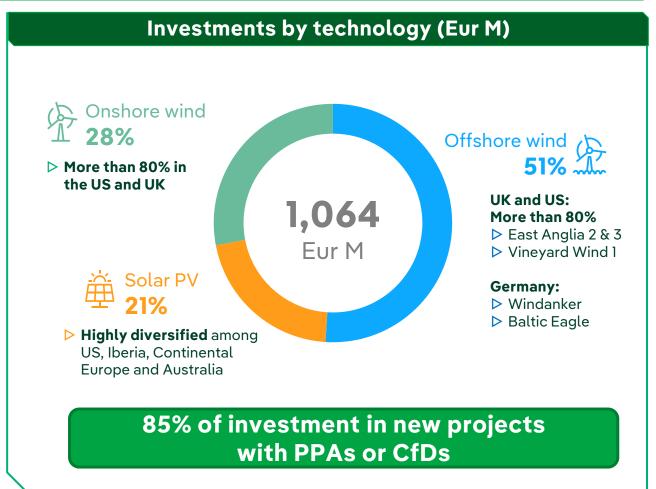


### Growth in Renewables: Selective investment



### Renewable Investments up +7% to Eur 1,064 M, with 2/3 in UK & US







# Securing future growth: Supply chain management



Minimum impact from new tariffs thanks to Iberdrola's supply chain management: No impact in results...

Iberdrola's Supply Chain Management

>80%

100%

of purchases awarded to local suppliers

of strategic contracts for projects under construction secured

Impact of new tariffs in the US



**Networks:** 

& Solar PV



**NO IMPACT** 

**Maximum impact of** 

130 M USD in Capex



~99% of local suppliers Regulated business:

cost = passthrough



<10% of total CAPEX for projects under construction



Offshore wind

**Onshore wind** 



**NO IMPACT** 



Vineyard Wind 1 unaffected, 100% supply chain secured

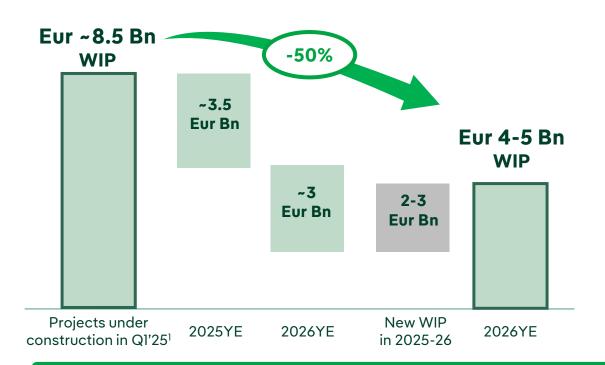
...and <1% of 2025 planned investment, fully covered by standard contingencies and agreements with suppliers





### Increasing cash generation as large renewable projects enter in operation...

Renewable WIP reduced by 50% in 2026



### **Projects starting full operation in 2025-2026**

	New projects total capacity	Annualized FY EBITDA <sup>2</sup>
2025	~4,000 MW <sup>3</sup>	~850 M Eur p.a.
2026	>3,000 MW	~750
		M Eur p.a.



Adding Eur 1.6 Bn of EBITDA per annum from 2027

...reducing WIP and increasing EBITDA...



<sup>&</sup>lt;sup>1</sup> Including equity investment in Vineyard Wind One

<sup>&</sup>lt;sup>2</sup> Normalized 12 months EBITDA expected for the whole projects in full ramp-up.

<sup>&</sup>lt;sup>3</sup>As of 31 march 2025, some projects are partially producing, with an estimated EBITDA of Eur 43 M in the first three months of the year.

### Cash flow generation



### ... and investments are focused on Networks (Eur > 13 Bn in 2025-26) immediately incorporated to RAB and mostly contributing from first year

### 2025-26 Network investments



- **▶** New concession regime include investments in RAB from day 1
- ▶ Finalizing awarded **Transmission lots**



> Investments immediately included in RAB, with ongoing cash generation<sup>1</sup>





Investments immediately included in RAB and generating cash flows



- **▶** Rate Case investments immediately included in RAB and generating cash flows
- **▶ NECEC project: fully contributing** from 2026

~90% of '25-26 investments producing cash from first year...

...increasing in the future: > share of US/UK investments and new concessions in Brazil

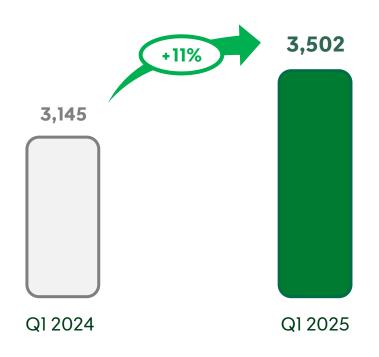




### Cash flow up +11% to Eur 3.5 Bn ...

#### Cash Flow (Eur M)

Financial Ratios & Liquidity



FFO/Adj. Net Debt1

22.3%

Liquidity<sup>2</sup>

**Eur 20.9 Bn** 

covering 19 months of financing needs

### ...with financial ratios in line with BBB+ after consolidation of ENW



<sup>1.</sup> Adjusted for treasury stock derivatives with physical settlement which at the current date are not expected to be executed (Eur 1,388 M as of 2025 and Eur 995 M as of 2024)





# **Analysis of results**



### Income Statement / Group



### Net income up 26%, excluding thermal generation asset divestment in Q1 2024...

Eur M	Q1 2025	Q1 2024	%	Q1 2024 adjusted <sup>1</sup>	% adjusted
Revenues	12,864	12,678	+1.5	12,678	+1.5
Gross Margin	7,202	6,832	+5.4	6,832	+5.4
Net Operating Expenses	-1,470	78	n/a	-1,640	-10.4
Levies	-1,089	-1,053	+3.4	-1,051	+3.5
EBITDA	4,643	5,857	-20.7	4,140	+12.2
EBIT	3,256	4,501	-27.7	2,783	+17.0
Net Financial Expenses	-508	-524	-3.1	-524	-3.1
Equity Results	36	5	n/a	5	n/a
Taxes	-652	-1,069	-39.0	-517	+26.1
Minorities	-127	-153	-16.5	-153	-16.5
Net Profit	2,004	2,760	-27.4	1,595	+25.7

### ...underpins the underlying growth of the business



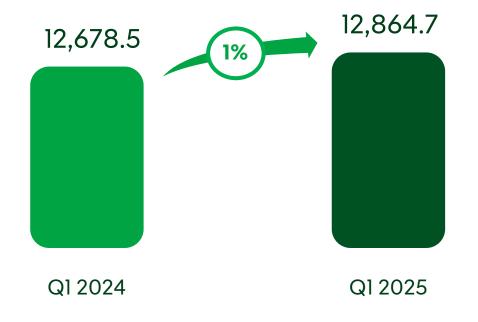
## Gross Margin / Group

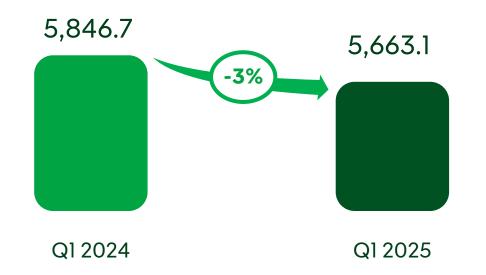


### A 1% increase in Revenues and a 3% reduction in Procurements...

### Revenues (Eur M)

#### **Procurements (Eur M)**





... leads to a Gross Margin growth of 5% to Eur 7,202 M



### Net Operating Expenses / Group



Excluding asset rotation Net Operating Expenses improves 10%, due to lower storm costs that also reduces **Gross Margin** 

### **Net Operating Expenses (Eur M)**

	Q1 2025	Q1 2024 adjusted	vs Q1 2024 adjusted (%)	Q1 2024 Reported
Net Personnel Expenses	-773.6	-776.5	-0.4%	-776.5
External Services	-965.3	-1,070.1	-9.8%	-1,087.4
Other Operating Income <sup>1</sup>	268.8	206.2	+30.4%	1,942.3
Total Net Operating Expenses	-1,470.1	-1,640.4	-10.4%	78.5

Excluding these reconciliation effects, Net Operating Expenses improves 0.9%

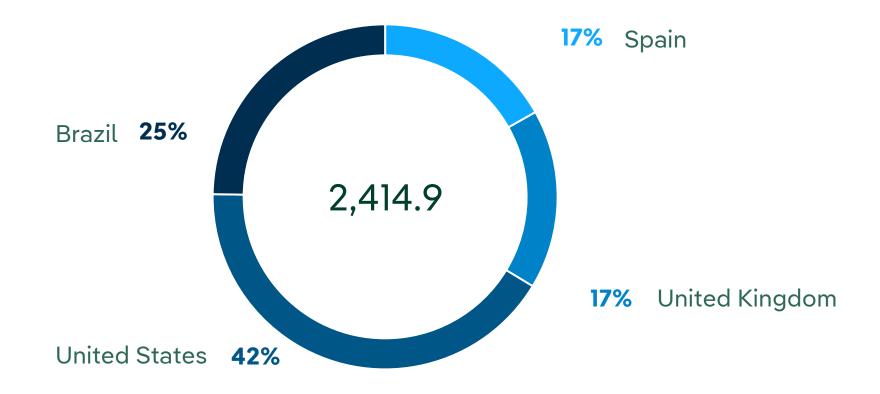


## Results by Business / Networks



### Networks EBITDA reaches EUR 2,415 M, +43% vs. Q1 2024...





...driven by better performance in UK and US due to higher asset base and past cost recognition



### Results by Business / Networks



UNITED KINGDOM

#### EBITDA GBP 338.7 M (+10.8%):

- Positive contribution due to ENW consolidation, effective since March (GBP +35 M).
- Higher contribution in Distribution thanks to higher RAV that more than compensates negative contribution from Transmission (GBP -20 M) affected by Capital Allowance application

UNITED STATES

#### EBITDA IFRS USD 1,054.5 M (n/a):

- Higher tariffs and better contribution in transmission.
- New decision from NY regulator that allows to register a regulatory asset regarding past costs (USD+550 M), already accrued and registered under US GAAP

BRAZIL

#### EBITDA BRL 3,683.8 M (+12.6%):

- Higher inflation in Distribution
- Positive contribution from Transmission as construction of transmission lines progresses.

**SPAIN** 

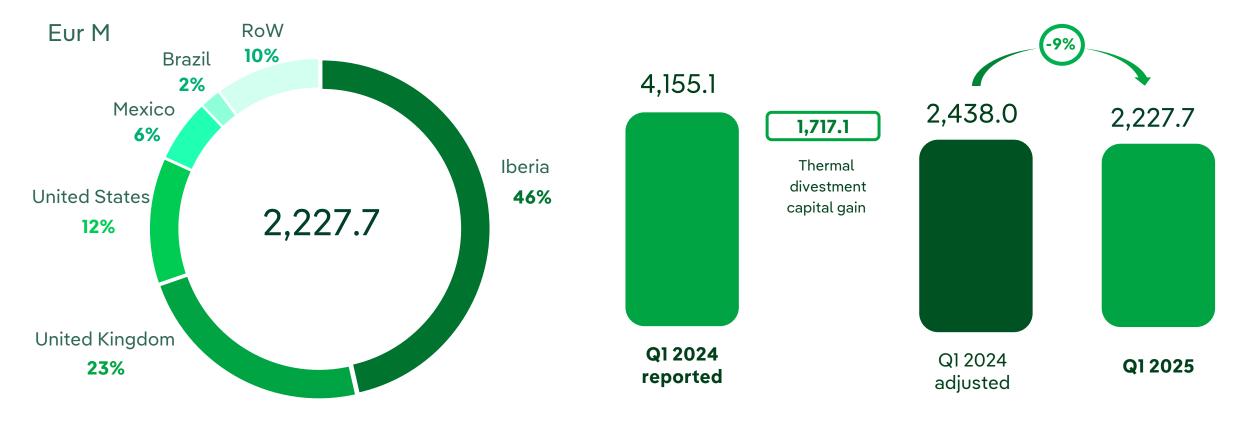
#### **EBITDA EUR 400.7 M (-1.0%):**

Operating performance in line with last year.

# Results by Business / Energy Production and Customers



Energy Production and Customers EBITDA reaches Eur 2,228 M in Q1 2025 vs. Eur 2,438 M in Q1 2024 excluding divestment of thermal generation assets...



... reaching c. 89% emissions-free generation



### Results by Business / Energy Production and Customers



#### **IBERIA**

#### EBITDA EUR 1,034.9 M (-15.3%):

- Higher production partially offsetting margin normalization
- 3% of higher Levies despite 1.2% revenue tax termination
- Record hydro reserves (~9 TWh<sup>(1)</sup>)

#### UNITED **KINGDOM**

#### EBITDA GBP 425.7 M (-17.2%):

• Lower wind resource both in onshore and offshore, partially compensated by lower Windfall tax<sup>(2)</sup>

#### UNITED **STATES**

#### **EBITDA USD 286.0 M (+35.5%):**

Better wind and solar performance and timing effects drive strong EBITDA growth despite the positive effect of Q1 2024 one off related to Artic Blast storm.



### Results by Business / Energy Production and Customers



RoW

#### **EBITDA EUR 229.2 M (+25.3%):**

Higher offshore production (+76%) due to the higher contribution of offshore windfarms St. Brieuc (France) and Baltic Eagle (Germany)

BRAZIL

#### EBITDA BRL 253.8 M (-40.3%):

Lower thermal contribution of our only CCGT (Termope), compared to a strong Q1'24

**MEXICO** 

#### EBITDA USD 144.3 M (-92.9%); (-16.9% ex capital gain):

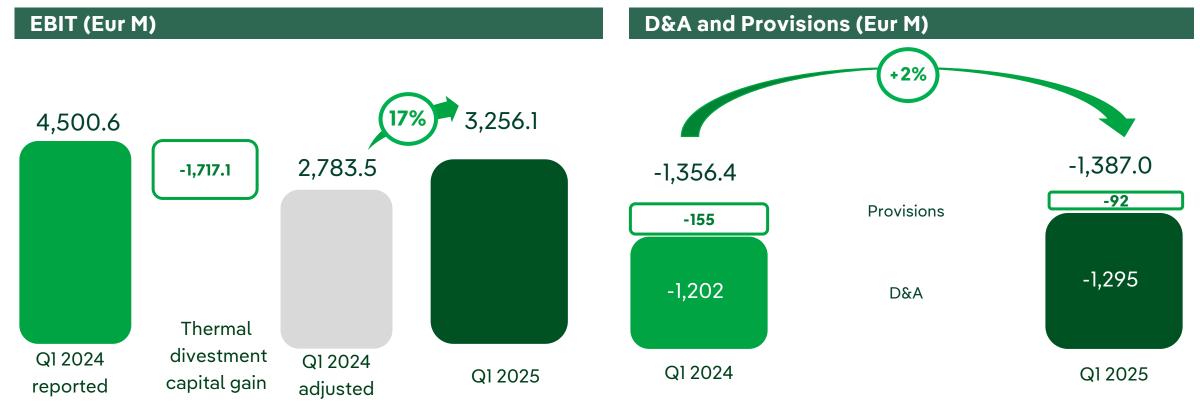
Lower contribution due to the deconsolidation of the assets sold on February 26th, 2024



### EBIT/ Group



D&A and provisions up 2% to Eur 1,387 M, driven by higher asset base partially compensated by lower depreciation thanks to FY 2024 adjustments (Eur 30 M) and lower bad debt provisions in Spain and UK



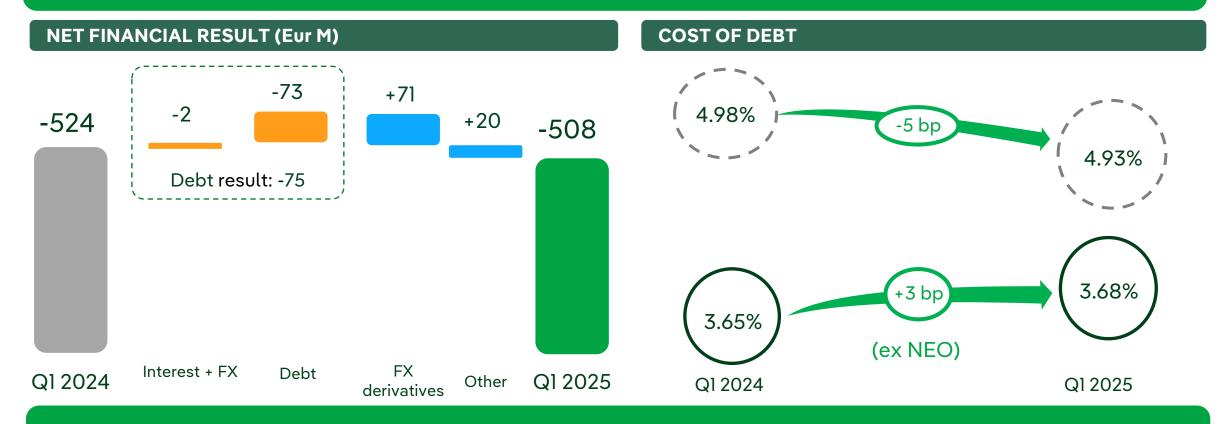
EBIT grows 17% to Eur 3,256 M in Q1 2025 vs. Eur 2,783 M in Q1 2024, adjusting thermal divestment capital gain



### Net Financial Result / Group



Net Financial Result improves Eur +16 M to Eur -508 M thanks to FX derivatives (Eur +71 M) and other (Eur +20 M) partially offset by higher average debt (Eur -73 M)



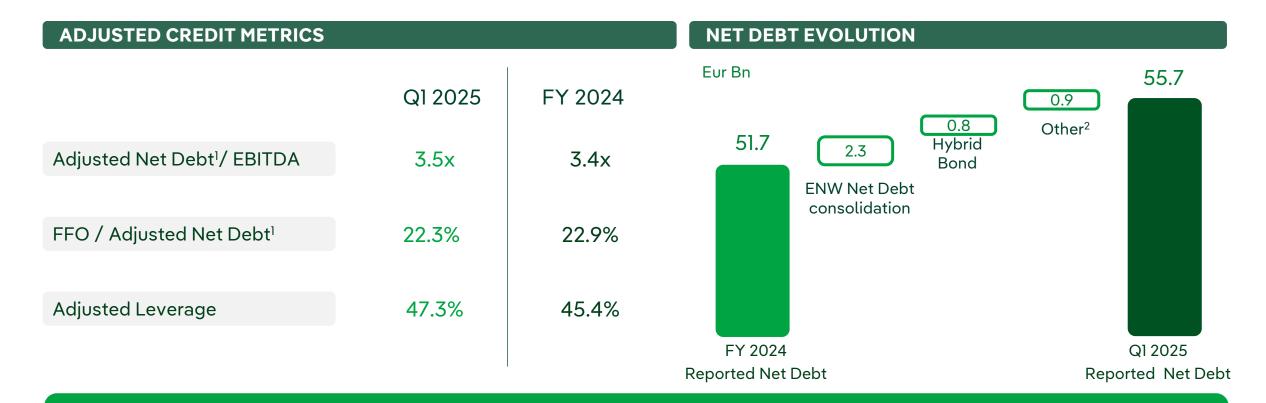
Cost ex-NEO increases due to higher proportion of debt denominated in GBP



## Financial ratios and Adjusted Net Debt / Group



### Higher FFO (+11%) compensating higher Net Debt due to ENW consolidation and called hybrid bond



### Comfortable within rating agencies ratios for BBB+/Baal



<sup>1.</sup> Adjusted for treasury stock derivatives with physical settlement which at the current date are not expected to be executed (Eur 1,388 M as of 2025 and Eur 995 M as of 2024)



### Q1 2025 Net Profit grows 26% to Eur 2,004 M adjusting thermal divestment capital gain

ur M	Q1 2025	Q1 2024 adjusted	vs Q1 2024 adjusted (%)	Q1 2024 reported
EBIT	3,256.1	2,783.5	+17.0%	4,500.6
Equity Method	35.8	5.2	N/A	5.2
Net Financial Expenses	-507.9	-524.4	-3.1%	-524.4
Corporate Tax	-652.2	-517.2	+26.1%	-1,069.1
Minorities	-127.4	-152.5	-16.5%	-152.5
Net Profit	2,004.4	1,594.5	+25.7%	2,759.7

Equity method includes Eur 25 M of two-month contribution from ENW







# Conclusions





# Strong performance expected over the rest of the year

#### **INCREASING RESULTS...**

**Networks** 

- Double-digit growth in RAB
- Growing demand
- Positive new rate cases

**Energy Production** Customers

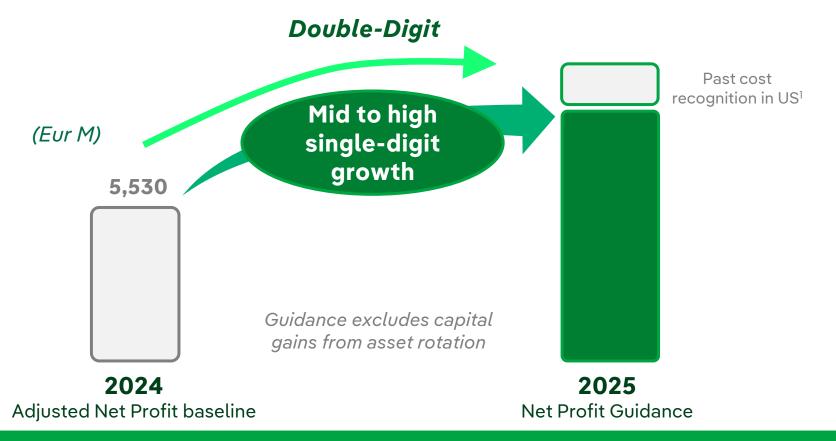
- New ~4,000 MWs coming into full operation in 2025
- 100% of 2025 energy sold
- **Hydro** reserves at record levels: 9 TWh

### ...IMPROVING FFO & FINANCIAL STRUCTURE

- ✓ Accelerating Cash Flow Generation:
  - Renewables: Lower WIP + more EBITDA as projects reach COD
  - More Network investments contributing from first year
- ✓ Ongoing optimization of financial structure:
  - Asset rotation
  - Strong ratios and Liquidity at Eur 20.9 Bn



# Reaffirming 2025 Net Profit Guidance at "mid to high single-digit growth" even excluding positive impact of past cost recognition in US...



...and reaching "Double-digit growth" including this impact



## **ELECTRIFICATION, A STRUCTURAL SOLUTION** TO THE CURRENT MACRO AND ENERGY CHALLENGES



#### **GLOBAL SCENARIO**



- Global instability /uncertainty
- **Need to promote economic growth**
- **Prioritizing investments in infrastructure**
- New global trade dynamics

- Key for economic growth and social development
- Focus on national energy autonomy





#### **ELECTRIFICATION**

- Less exposure to fossil fuel volatility & geopolitical risks
- - More energy security/self-sufficiency
  - More competitiveness
  - Promoting local industry
  - Affordability and price stability through market mechanisms (PPAs, CFDs)

**Energy Security = National Security** 





### **IBERDROLA, OPTIMALLY POSITIONED**





### **GEOGRAPHICAL DIVERSIFICATION**



### FINANCIAL **STRENGTH**

- Focus on regulated networks and selective investments in renewables
- Supply chain secured

- ◆ US and UK as key growth drivers with presence in Continental Europe, LATAM, Australia...
- Strategic scale and relevance: major player in regions where we operate
- Active financial management: Committed to BBB+/Baal
- **Asset Rotation** providing additional funds to invest

**SUSTAINED GROWTH** IN RESULTS AND DIVIDENDS





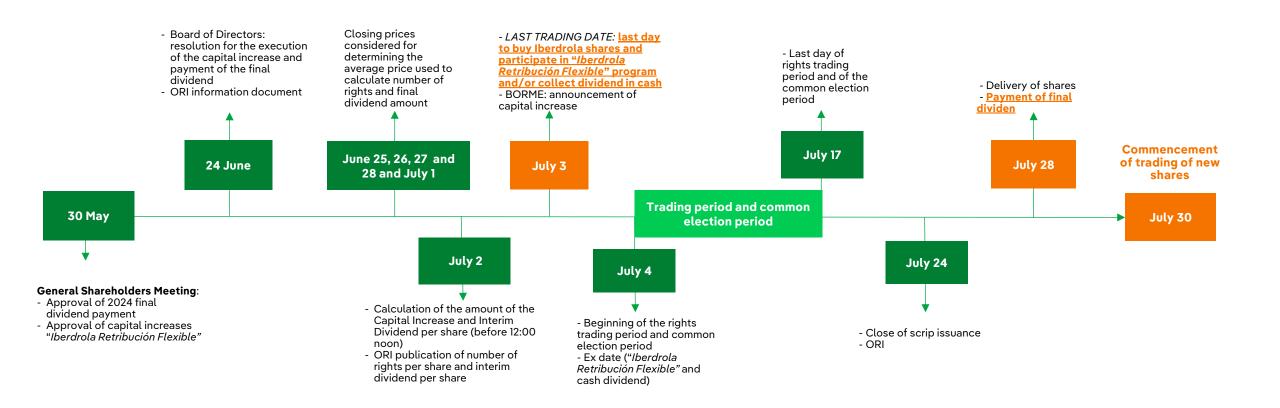


# **Annex I** "Iberdrola Retribución Flexible" program July 2025



# "Iberdrola Retribución Flexible" program July 2025









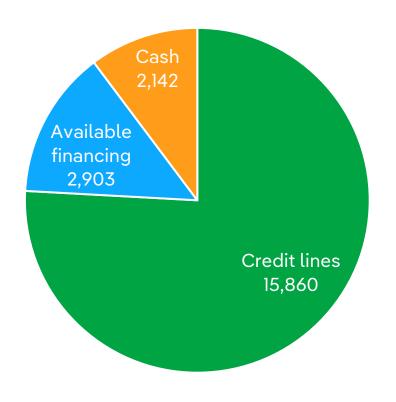


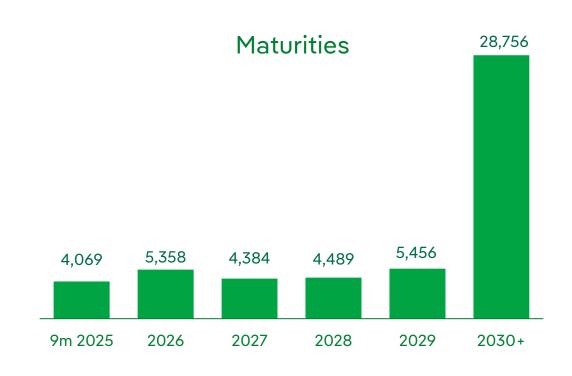


### Liquidity and maturities



### As of today, liquidity remains strong above 20.9 Bn<sup>1</sup> covering 19 months of financing needs ...





... with a stable maturity profile that results in average life of debt above 6 years



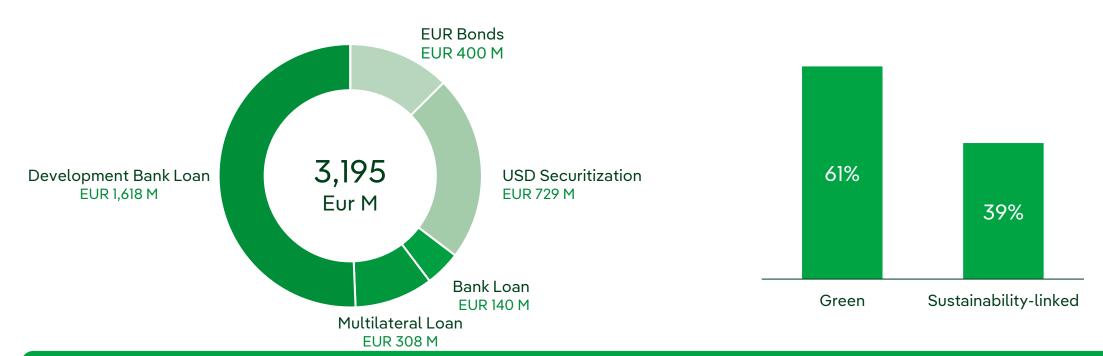
### Financial diversification



Over Eur 3 Bn<sup>1</sup> of new signed financing in different instruments and markets allows to deepen the diversification

NEW DEALS SIGNED Q1 2025: Eur 3,195 M<sup>1</sup>

SUSTAINABILITY PORTFOLIO: 70% of total



100%<sup>2</sup> of financing signed are sustainability transactions, retaining the rank of the world leading private group in green bonds issued



<sup>1.</sup> Including EUR 1.6 Bn subsequent events signed to date

## Sustainable financing

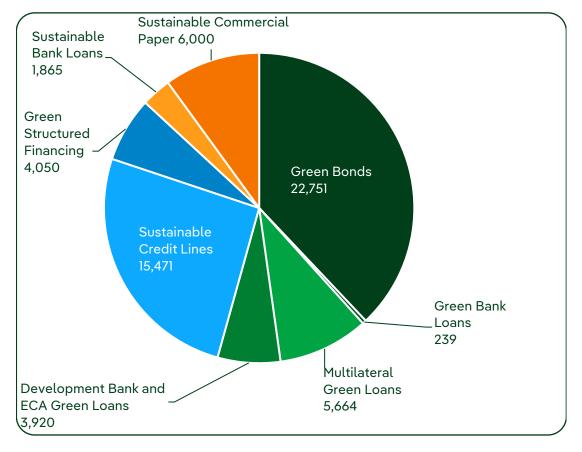


### Eur 2.5 Bn raised in Q1 2025 correspond to new sustainability financing for a total portfolio of Eur 60 Bn in sustainability transactions

#### **NEW SUSTAINABILITY DEALS Q1 2025: Eur 2.5 Bn**

Product	Q1 202
Green	2,326
Senior bonds	400
Multilateral loans	308
Development bank loans	1.618
Sustainability-linked	140
Bank loans	140
Total	2,466
Including 1.7 Bn sustainability subsequent events signe	ed to date

#### **TOTAL SUSTAINABILITY PORTFOLIO: Eur 59,961M**



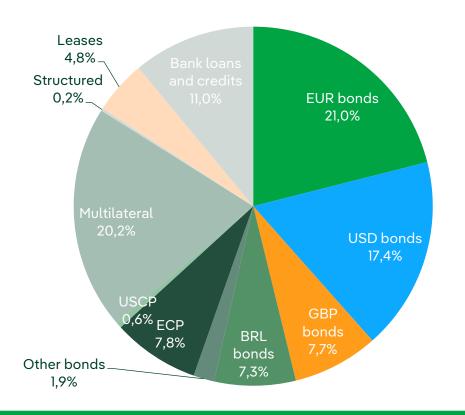


### Diversified debt portfolio



### Our strategy of diversifying funding sources provides flexibility to tap the market ...

#### % DEBT BY INSTRUMENT



#### **FINANCIAL SOURCES**

#### **Bond market**

- Main source of long-term financing
- Strong capacity to access to largest markets in the world
- Successful issuance in the equity-linked market, achieving significant savings after offsetting equity risk
- Monitoring all markets to diversify in good conditions

#### Multilateral and development banks

- Long-term financing not subject to capital market volatility.
- Solid links with traditional players (EIB, BNDES).
- Expanding relationship with new entities (IFC, ECAs, NWF).

#### **Bank market**

- Diversified, strong pool including main players, adding new with banks from all our main in new geographies (Australia, Singapore).
- Continue optimizing bank risk, with low exposure in outstanding debt, allowing to increase exposure in other instruments (credit, derivatives, letters of credit).

... with capacity for additional bank financing and new markets



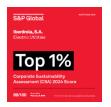
### Leadership in Sustainability



#### LEADING THE MAJOR SUSTAINABILITY RATINGS



AAA rating in the MSCI ESG Ratings assessment



Top 1% S&P Global CSA Score



Included on CDP A list



Iberdrola classified as Prime

#### **BOOSTING ELECTRICITY**

1Q 2025

47 gCO<sub>2</sub>/kWh emission intensity

89% emission-free production

>100 million customers served

90% of Capex Aligned with EU Taxonomy

